



Agenda

JCDA BOARD OF COMMISSIONERS MEETING

Friday, September 18, 2020 – 8:00 a.m.

Brent Long, Chair

1. Call to Order/Welcome – This is an *electronic meeting in accordance with TN Governor Lee's Executive Order No. 51 extending safe, open, and transparent public meetings by electronic means while determinations for how to return to safe, in-person meetings remain ongoing.*
2. Roll Call –Hank Carr, Shannon Castillo, Tracy Johnson, Jodi Jones, Brent Long, Freddie Malone, Aaron Murphy, Lindsay Nickels, William Roller, Seth Thomas, Craig Torbett, Robert Williams, and Joe Wise.
3. Approval of August Minutes
4. Approval of June Financials
5. Committee Reports
 - a. Human Resources
 - i. Associates Guide / Internal Control Policy
 - b. Transition Team
 - c. John Sevier Operations
 - d. John Sevier Disposition
6. Chair Report
7. Staff Reports
8. Adjourn



Minutes

JCDA BOARD OF COMMISSIONERS MEETING

Friday, August 21, 2020 – 8:00 a.m.

Robert Williams, Chair

1. Call to Order/Welcome – This is an *electronic meeting in accordance with TN Governor Lee’s Executive Order No. 51 extending safe, open, and transparent public meetings by electronic means while determinations for how to return to safe, in-person meetings remain ongoing.*
2. Roll Call –Hank Carr, Shannon Castillo, Tracy Johnson, Jodi Jones, Brent Long, Freddie Malone, Aaron Murphy, Lindsay Nickels, William Roller, Seth Thomas, Craig Torbett, Robert Williams, and Joe Wise.
Staff Present: Dianna Cantler, Lindsey Jones, Jim Dorton
Also Present: Andrea Russell, Matt Manley.
3. July minutes were motioned to approve by Jodi Jones. The motion was seconded by Brent Long. Motion passed.
4. TIF Advisory Board Recommendations
 - a. Façade Improvement Grant Application:
 - Craig Torbett presented to the Board the revised application which includes verbiage to include the use of TIF funds for façade grants. Hank Carr motioned to approve the revised application. Seconded by Joe Wise. Motion passed.
 - b. 133 Commerce Street Application:
 - Application for a façade grant was submitted by Nancy Fischman for 133 Commerce Street and was approved for \$7,500 in TIF Funds. Joe Wise seconded the committee’s motion. Motion passed.
 - c. Main Street Breezeway Request:
 - Andrea Russell presented the proposed Breezeway Plan and requested TIF Funds of \$24,975. The committee’s motion was seconded to approve TIF funding by Freddie Malone. Motion passed.
5. Nominating Committee Recommendations:
 - The following nominations were presented in the form of a recommendation to serve for a two-year term. Brent Long was recommended as Chairman.

Tracy Johnson was nominated as Vice Chairman, and Shannon Castillo was recommended as Secretary/Treasurer. Hank Carr seconded the motion for the slate officers. Motion passed.

6. HomeTrust Bank Loan August Payment:

- A Loan Modification Agreement was presented by chair elect, Brent Long. The final payment of \$500,000 will be paid immediately. Brent Long discussed that all excess cash flow from John Sevier will be set aside into a reserve account and can only be used for operations, repairs and maintenance for John Sevier unless there is prior written consent. Brent Long motioned to approve this Loan Modification Agreement subject to review of the City Attorney. Hank Carr seconded the motion. Motion passed.

7. Committee Reports

- a. John Sevier Operations report was presented by Hank Carr. He shared bids from vendors to repair the roof. Hank Carr motioned to approve Laferney Roofing Group to make the repairs at John Sevier for \$60,000. Tracy Johnson seconded the motion. Motion passed.

Hank Carr disclosed the request from M&M for the consideration of salary increases. The requested amount of payroll increases totals \$8,668. Hank Carr is requesting permission from the Board to approve salary increases to M&M when appropriate. Motioned to approve by Hank Carr. Seconded by William Roller. Motion approved.

- b. John Sevier Disposition was shared by Robert Williams. An MOU is in progress and is set to be completed within 1 month. Three to six months is the expected timeframe for contract approval. The next phase would be 18-24 months for the buildout. The Staff Attorney will review the MOU once received. Robert Williams stated that next months meeting we should be able to approve MOU.

8. Chair Report was given by Robert Williams. As Robert's final Chair report, he expressed thanks for involvement and progress in downtown.

9. Staff Reports were shared by Dianna Cantler, Lindsey Jones, and Jim Dorton. Jim shared that financials will be ready for approval next month.

10. Meeting was adjourned by Chairman elect. Brent Long at 9:03am

ATTEST:

Chair

Treasurer

These minutes were approved in open meeting on this the _____ day of _____, 2020.

JOHNSON CITY DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

For the Twelve Months Ended June 30, 2020

Johnson City, TN
Kingsport, TN
Greeneville, TN

423.282.4511
423.246.1725
423.638.8516

BCS *Blackburn,
Childers &
Steagall, PLC*
Certified Public Accountants & Consultants

JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
June 30, 2020

ASSETS

CURRENT ASSETS

Cash in Bank - TIF Account	\$ 1,400,446.52
Cash in Bank - Operating Account	281,518.43
Cash in Bank - Downtown Centre TIF Fund	201,101.23
Cash in Bank - Savings Account	502,814.18
Cash in Bank - John Sevier Reserve	287,759.07
Cash in Bank - John Sevier Rental	139,222.88
Cash in Bank - John Sevier Security	32,376.74
Accounts Receivable	<u>250.00</u>

Total Current Assets	<u>2,845,489.05</u>
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TOTAL ASSETS	<u><u>\$ 2,845,489.05</u></u>
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JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
June 30, 2020

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES

Accounts Payable	\$ 674.15
Credit Cards Payable	<u>419.80</u>

Total Current Liabilities	<u>1,093.95</u>
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TOTAL LIABILITIES	<u>1,093.95</u>
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FUND BALANCES

Restricted Fund Balances	
Restricted for Buffalo Street Boardwalk	45,000.00
Restricted for John Sevier	421,945.72
Restricted for Other Tax Increment Financing Projects	<u>1,546,533.05</u>

Total Restricted Fund Balance	<u>2,013,478.77</u>
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Unrestricted Fund Balances	
Unassigned	<u>830,916.33</u>

Total Unrestricted Fund Balances	<u>830,916.33</u>
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TOTAL FUND BALANCES	<u>2,844,395.10</u>
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TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,845,489.05</u></u>
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JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Twelve Months Ended June 30, 2020

REVENUES

Lease Revenue	\$ 12,000.00
Operating Revenue - City of Johnson City	163,751.00
Sponsorships and Donations	250.00
Other Income	25,943.50
Interest Income	12,856.79
Miscellaneous Revenue	68.90
Administrative Fee	3,918.29
Founders Park Revenue	4,675.00
Reimbursement of Fees	<u>25,697.43</u>

Total Revenues	<u>249,160.91</u>
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John Sevier Operating Income	921,888.65
John Sevier Reserve Account	<u>210,849.39</u>

Total John Sevier Revenue	<u>1,132,738.04</u>
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City of Johnson City Funding	526,998.26
Washington County Funding	475,000.00
Dividend and Interest Income	<u>3,483.28</u>

Total TIF Revenues	<u>1,005,481.54</u>
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TOTAL REVENUES	<u>2,387,380.49</u>
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EXPENDITURES

Salaries	<u>13,317.98</u>
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Total Payroll	<u>13,317.98</u>
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SS and MC	1,018.84
Unemployment Taxes	<u>248.92</u>

Total Payroll Taxes	<u>1,267.76</u>
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Bank Fees	125.84
Meals and Entertainment	792.11

Blackburn, Childers & Steagall, PLC did not perform an audit, review or compilation engagement on these financial statements, and no assurance is provided on them.

JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Twelve Months Ended June 30, 2020

EXPENDITURES (CONTINUED)

Conference and Education	3,114.25
Marketing and Advertising	6,392.22
NeTREP Contract for Services	135,883.45
Office Supplies	2,083.67
Memberships, Dues and Subscriptions	1,576.83
Payroll Service Fee	392.60
Accounting Fees	350.00
Legal Fees	13,715.49
Audit Fees	12,250.00
Outside Contract Services	9,811.58
Other Expenses	500.00
Administrative and Operations - Other	215.95
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Total Administrative and Operations	187,203.99
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New Business Development and Recruitment	19,178.33
Façade Grants	11,436.00
Capital Projects	
Equipment & Furniture	657.47
John Sevier - Interest	192,380.43
Downtown Aesthetics and Décor	9,475.53
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Total Downtown Development	233,127.76
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John Sevier Operating Expense	518,411.89
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Total John Sevier	518,411.89
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Directors and Officers Insurance	1,470.00
General Liability Insurance	1,327.78
Flood Insurance	1,747.49
Property Insurance	3,157.47
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Total Insurance	7,702.74
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Event Support	14,361.57
Marketing and Advertising	297.87

Blackburn, Childers & Steagall, PLC did not perform an audit, review or compilation engagement on these financial statements, and no assurance is provided on them.

JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Twelve Months Ended June 30, 2020

EXPENDITURES (CONTINUED)

Supplies and Materials	87.51
Payment Processing Fees	16.86
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Total Downtown Events and Programs	14,763.81
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Contingencies and Reserves	5,000.00
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Furniture and Equipment	575.36
Computer and IT Support	695.75
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Total Facility and Office	1,271.11
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University Edge	199,921.00
Tipton Street	23,597.00
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Total Other TIF Projects	223,518.00
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Downtown Centre - Principal	140,397.02
Downtown Centre - Interest	59,110.80
Downtown Centre - Other Expenses	24,318.75
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Total Downtown Centre	223,826.57
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Downtown Pavilion - Principal	101,475.00
Downtown Pavilion - Interest	31,268.16
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Total Downtown Pavilion	132,743.16
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Cherry Street - Principal	11,821.58
Cherry Street - Interest	6,337.61
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Total Cherry Street	18,159.19
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Model Mill - Principal	60,000.00
Model Mill - Interest	49,250.42
Model Mill - Other	5.00
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Total Model Mill	109,255.42
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JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Twelve Months Ended June 30, 2020

EXPENDITURES (CONTINUED)	
John Sevier - Other	<u>8,526.00</u>
Total John Sevier	<u>8,526.00</u>
Triple G - Principal	27,272.73
Triple G - Interest	<u>16,087.49</u>
Total Triple G	<u>43,360.22</u>
MMM Enterprises - Interest	2,669.63
MMM Enterprises - Other	<u>20,000.00</u>
Total MMM Enterprises	<u>22,669.63</u>
Cherry Street Upgrades	27,694.65
Sesquicentennial Legacy Project	<u>220,000.00</u>
Total Capital Projects - Restricted	<u>247,694.65</u>
Total TIF Projects	<u>1,029,752.84</u>
TOTAL EXPENDITURES	<u>2,011,819.88</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u><u>\$ 375,560.61</u></u>

SUPPLEMENTARY INFORMATION

JOHNSON CITY DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET VS. ACTUAL
SUPPLEMENTARY INFORMATION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Twelve Months Ended June 30, 2020

	<u>Current</u>	<u>Annual Budget</u>	<u>Variance</u>	<u>% Budget</u>
REVENUES				
Lease Revenue	\$ 12,000.00	12,000.00	0.00	100.0
City of Johnson City	163,751.00	163,750.58	0.42	100.0
Sponsorships and Donations	250.00	250.00	0.00	100.0
Other Income	25,943.50	27,500.00	(1,556.50)	94.3
Interest Income	12,856.79	13,000.00	(143.21)	98.9
Miscellaneous Revenue	68.90	100.00	(31.10)	68.9
Administrative Fee	3,918.29	5,000.00	(1,081.71)	78.4
Founders Park Revenue	4,675.00	6,000.00	(1,325.00)	77.9
Reimbursement of Fees	25,697.43	25,697.00	0.43	100.0
	<u>249,160.91</u>	<u>253,297.58</u>	<u>(4,136.67)</u>	<u>98.4</u>
Total Revenues				
John Sevier Operating Income	921,888.65	964,650.61	(42,761.96)	95.6
John Sevier Reserve Account	210,849.39	210,849.00	0.39	100.0
	<u>1,132,738.04</u>	<u>1,175,499.61</u>	<u>(42,761.57)</u>	<u>96.4</u>
Total John Sevier Revenue				
TIF Revenues:				
City of Johnson City	526,998.26	526,997.91	0.35	100.0
Washington County	475,000.00	475,000.00	0.00	100.0
Dividend and Interest	3,483.28	3,483.00	0.28	100.0
	<u>1,005,481.54</u>	<u>1,005,480.91</u>	<u>0.63</u>	<u>100.0</u>
Total TIF Revenues				
TOTAL REVENUES	<u>2,387,380.49</u>	<u>2,434,278.10</u>	<u>(46,897.61)</u>	<u>98.1</u>

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JOHNSON CITY DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET VS. ACTUAL
SUPPLEMENTARY INFORMATION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Twelve Months Ended June 30, 2020

	Current	Annual Budget	Variance	% Budget
EXPENDITURES				
Payroll:				
Salaries	13,317.98	15,000.00	1,682.02	0.0
Payroll Taxes:				
SS and MC	1,018.84	1,250.00	231.16	0.0
Unemployment Taxes	248.92	350.00	101.08	0.0
Administrative and Operations:				
Bank Fees	125.84	150.00	24.16	83.9
Meals and Entertainment	792.11	800.00	7.89	99.0
Conference and Education	3,114.25	3,400.00	285.75	91.6
Marketing and Advertising	6,392.22	10,000.00	3,607.78	63.9
NeTREP Contract for Services	135,883.45	136,000.00	116.55	99.9
Office Supplies	2,083.67	3,000.00	916.33	69.5
Memberships, Dues and Subscriptions	1,576.83	1,600.00	23.17	98.6
Payroll Service Fee	392.60	500.00	107.40	0.0
Accounting Fees	350.00	350.00	0.00	100.0
Legal Fees	13,715.49	13,750.00	34.51	99.7
Audit Fees	12,250.00	12,250.00	0.00	100.0
Outside Contract Services	9,811.58	10,250.00	438.42	95.7
Other Expense	500.00	500.00	0.00	0.0
Administrative and Operations:	215.95	0.00	(215.95)	0.0
Downtown Development:				
New Business Development and Recruitment	19,178.33	20,000.00	821.67	95.9
Façade Grants	11,436.00	11,436.00	0.00	100.0
Capital Projects				
Equipment and Furniture	657.47	0.00	(657.47)	0.0
John Sevier - Interest	192,380.43	193,927.05	1,546.62	99.2
Downtown Aesthetics and Décor	9,475.53	10,000.00	524.47	94.8
John Sevier:				
Operating Expense	518,411.89	575,000.00	56,588.11	90.2
Insurance:				
Directors and Officers	1,470.00	1,493.50	23.50	98.4
General Liability	1,327.78	1,545.00	217.22	85.9
Flood	1,747.49	1,747.49	0.00	100.0
Property	3,157.47	3,250.00	92.53	97.2

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JOHNSON CITY DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET VS. ACTUAL
SUPPLEMENTARY INFORMATION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Twelve Months Ended June 30, 2020

	<u>Current</u>	<u>Annual Budget</u>	<u>Variance</u>	<u>% Budget</u>
EXPENDITURES (CONTINUED)				
Downtown Events and Programs:				
Event Support	14,361.57	16,000.00	1,638.43	89.8
Marketing and Advertising	297.87	300.00	2.13	99.3
Supplies and Materials	87.51	100.00	12.49	87.5
Payment Processing Fees	16.86	25.00	8.14	67.4
Contingencies and Reserves	5,000.00	5,000.00	0.00	100.0
Facility and Office:				
Furniture and Equipment	575.36	0.00	(575.36)	0.0
Computer and IT Support	695.75	0.00	(695.75)	0.0
Other TIF Projects:				
University Edge	199,921.00	229,264.00	29,343.00	87.2
Tipton Street	23,597.00	26,058.00	2,461.00	90.6
Downtown Centre:				
Principal	140,397.02	140,397.02	0.00	100.0
Interest	59,110.80	59,110.80	0.00	100.0
Other	24,318.75	25,000.18	681.43	97.3
Downtown Pavilion:				
Principal	101,475.00	101,475.00	0.00	100.0
Interest	31,268.16	31,268.16	0.00	100.0
Cherry Street:				
Principal	11,821.58	11,821.58	0.00	100.0
Interest	6,337.61	6,337.61	0.00	100.0
Model Mill:				
Principal	60,000.00	60,000.00	0.00	100.0
Interest	49,250.42	49,257.51	7.09	100.0
Other	5.00	5.00	0.00	100.0
John Sevier				
Other	8,526.00	12,500.00	3,974.00	68.2
Triple G				
Principal	27,272.73	27,272.73	0.00	100.0
Interest	16,087.49	16,087.51	0.02	100.0

Blackburn, Childers & Steagall, PLC did not perform an audit, review or compilation engagement on these financial statements, and no assurance is provided on them.

JOHNSON CITY DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET VS. ACTUAL
SUPPLEMENTARY INFORMATION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Twelve Months Ended June 30, 2020

	<u>Current</u>	<u>Annual Budget</u>	<u>Variance</u>	<u>% Budget</u>
EXPENDITURES (CONTINUED)				
MMM Enterprises				
Interest	2,669.63	0.00	(2,669.63)	0.0
Other	20,000.00	0.00	(20,000.00)	0.0
TIF Capital Projects - Restricted:				
Cherry Street Upgrades	27,694.65	27,694.65	0.00	100.0
Buffalo Street Boardwalk	0.00	0.00	0.00	0.0
Sesquicentennial Legacy Proje	220,000.00	220,000.00	0.00	100.0
TOTAL EXPENDITURES	<u>2,011,819.88</u>	<u>2,092,523.79</u>	<u>80,703.91</u>	<u>96.1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 375,560.61</u>	<u>341,754.31</u>	<u>33,806.30</u>	<u>109.9</u>

Blackburn, Childers & Steagall, PLC did not perform an audit, review or compilation engagement on these financial statements, and no assurance is provided on them.



Johnson City Development Authority Associate Guide



Welcome to the Johnson City Development Authority

It is with pleasure that we welcome you to The Johnson City Development Authority (JCDA). We are thrilled to have you as part of our team. We sincerely hope that you will enjoy and be proud of your new role with this organization.

This guide has been prepared to assist you in better understanding our culture along with providing a high level overview of our benefits, policies, procedures, and practices concerning employment matters. Please familiarize yourself with the contents of this guide. The Associate Guide is always available for your reference at any time. It may be necessary for us to add, update or change the policies within this guide. We will notify you via email when that happens and provide you with an update of the Associate Guide. If you have questions regarding any of the information herein, please ask your supervisor or a member of our Human Resources Committee for assistance.

As you begin your employment with JCDA, you will find a team of colleagues ready to assist you, and a culture that embraces relationships, collaboration, communication and innovation. The mission of Johnson City Development Authority is to promote and assist with the development and redevelopment of Johnson City, with specific emphasis on downtown, in collaboration with other entities throughout the community; identifying needs and implementing actions. We feel confident that you will be a key factor in our success. Again, welcome to our team of hard-working and talented associates, and please accept our wishes for your success.

About JCDA

Downtown Johnson City is a place with a uniqueness shaped by a sense of history, but not bound by the past. It is an active mixed-use community where people work, live and play; an attractive, clean and safe environment. It offers a mixture of arts, cultures and faiths; education, entertainment, and tastes; business, government and emerging technologies; and opportunities for innovation and entrepreneurship. Downtown is the heart of the City with arteries flowing throughout the Tri-Cities Tennessee/Virginia region, embraced by nature and surrounding mountains.

This organization, created by Chapter 52 of the Private Acts of 1985 of the State of Tennessee, as amended by House Bill No. 1528 of 1989, being House Bill No. 1073 (hereinafter referred to as "House Bill 1073"), shall be named the Johnson City Development Authority (hereinafter referred to as the "JCDA").

A Board of Commissioners (hereinafter referred to as "Board" or "Commissioners") shall manage the business and the affairs of the JCDA. The Commissioners shall in all cases act as a Board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the JCDA as they deem proper, not inconsistent with the By-Laws, the law of the State of Tennessee, the ordinances of the City of Johnson City, or House bill 1073, as amended.



The Johnson City Development Authority Values Every Day Thinking

Be optimistic and believe in what we can accomplish together.
Empower our team to collaborate to move our Organization forward.
Look at things in new ways to meet the opportunities of the future.
Support our community and give back.
Give frequent and candid feedback.
Respect each other and our relationships.
Be keenly aware of the impact of our attitudes on our performance and the performance of others.
Share information openly and transparently and always act with integrity.
Commit to wellness and balance in our lives.

Employment

We wish you all the best and look forward to working together with you to fulfill the goals we have set and achieve success for our community, investors and associates...including you! The information contained in this Associate Guide is presented for all associates of JCDA so that you will know as much as possible about our policies, benefits and rules of conduct. JCDA retains the right, at its sole discretion, to change any policy, procedure, term or working condition at any time and in any manner to the extent permitted by law. As used in the guide the term "Organization", "JCDA" or "Johnson City Development Authority" refers to Johnson City Development Authority.

This guide contains general statements of Organization policy and should not be read as including the fine details of each policy, nor as forming an express or implied contract or promise that the policies discussed in it will be applied in all cases. The Organization may add to the policies in the guide and revoke or modify them from time to time. The Organization will try to keep the guide current, but there may be times when policy will change before this guide can be revised. All associates are encouraged to recommend changes or new policies. The Human Resources Committee and the Board is responsible for disseminating new policy information. Issues needing clarification should be referred to your supervisor or The Human Resources Committee.

Employment "At Will"

Please keep in mind that the systems, policies or procedures in this Associate Guide do not represent any form of express or implied employment contract. All of the roles in the Organization are considered "at will", meaning that either the associate or Johnson City Development Authority may terminate the employment relationship at any time. Any associate of JCDA is considered an "at will" associate; any associate who does not agree with that status or understand its significance should immediately notify their supervisor or the Human Resources Committee, in writing, for clarification. "At will" associates are subject to termination

at any time, for any reason, with or without cause or notice. (Completion of an introductory period does not change an associate's "at will" status.) Any oral statements, promises or assurances to the contrary are not binding by the Organization and should not be relied upon by associates or job applicants. The Organization is not and will not be responsible for any statements with respect to employment status that are not reaffirmed in writing by the Board Chairman. In addition, statements in the employment application, the Associate Guide, training manuals, or other Organization documents and communications do not constitute or imply an employment contract, provide a property interest, and should not be relied upon by associates or job applicants under any circumstances as assuring continued employment superseding the Organization's "at will" employment policy as stated in this guide.

Compliance, Reporting & Retaliation

If at any time you believe you are subjected to or you have witnessed another associate be subjected to, treatment contrary to this Associate Guide please contact the Board Chairman. An investigation will be conducted regarding all such claims and appropriate action will be taken.

Protection Against Retaliation

Organization policy and Federal law prohibit retaliation against any associate by another associate or by the Organization for using this compliance reporting, assisting or participating in any manner in any investigation, proceeding or hearing conducted by the Organization or any federal or state enforcement agency.

Any report of retaliation by the one accused of the inappropriate behavior or any other person will be promptly and reasonably investigated. If a complaint of retaliation is substantiated, appropriate disciplinary action, up to and including discharge, will be taken.

Equal Employment

Equal Employment Opportunity Statement

The Johnson City Development Authority is an equal opportunity employer and therefore does not unlawfully discriminate on the basis of the following legally protected categories: race, color, religious creed, national origin, ancestry, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, military and veteran status, marital status (including domestic partnership status) pregnancy, childbirth or related medical conditions, genetic information, characteristics and testing, the perception that an associate has one of the above characteristics, or is associated with a person who has, or is perceived to have, any of the above characteristics or other category protected by applicable local, state or federal law. It is our policy to provide and promote the Equal Employment Opportunity principles in all decisions involving hiring, promotion, transfer, training, job assignment, retirement, work schedule, and termination in full compliance with all applicable federal, state and local employment practice laws

Compliance with this policy is the personal responsibility of us all and we appreciate your commitment to diversity and fundamental fairness.

Reasonable Accommodation Requests

To comply with applicable laws ensuring equal employment opportunities to individuals with disabilities, JCDA will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability, who is an applicant or an associate, unless undue hardship and/or a direct threat to the health and/or safety of the individual or others would result. Any applicant or associate who requires an accommodation in order to perform the essential functions of the job should contact their supervisor and request such accommodation. The individual with the disability should specify in writing what barriers or limitations make it difficult for him/her to perform the job. If the associate requires assistance in preparing the written request, he/she should contact Human Resources Committee for assistance. Under certain circumstances, including where the need for an accommodation is not obvious, JCDA may require reasonable evidence of a disability. When the existence of a disability is obvious or has been established by reasonable evidence, JCDA will engage in the interactive process with the associate, including discussing any barriers or limitations as possible accommodations. Accommodations must be reasonable and must not impose any undue hardship on JCDA and/or pose a direct threat to the health and/or safety of the individual or others. JCDA may propose alternative accommodations.

JCDA will also consider requests for reasonable accommodations for disabling conditions related to pregnancy, childbirth or related medical conditions, if requested. The associate must provide a certification from her medical provider setting forth her medical restrictions which includes the dates the restrictions would be in place.

JCDA will also make reasonable accommodations for associates who are victims of domestic violence, sexual assault, or stalking, and for applicants and associates based on their religious beliefs and practices. All requests for reasonable accommodation should be submitted to the Human Resources Committee.

Protection Against Retaliation

JCDA policy and law prohibit retaliation against any associate by another associate or by the Organization for requesting a reasonable accommodation.

Any report of retaliation will be promptly and reasonably investigated. If a complaint of retaliation is substantiated, appropriate disciplinary action, up to and including discharge, will be taken, consistent with the associate's at-will status.

Following Policies and Procedures

Failure to follow the policies and procedures within this Associate Guide may result in disciplinary action, up to and including termination.

Confidentiality

As part of your employment you may learn of or be entrusted with sensitive information of a confidential nature. Any confidential, proprietary, or trade secret business information will be considered and kept as the private and confidential information of JCDA. This information may only be used in performing work for the Organization and must not be divulged to any firm, individual, or institution except on the direct written authorization of the Board Chairman.

Performance Expectations

At JCDA, we believe in frequent and candid feedback and we want you to discuss your performance with your manager on an ongoing basis. Your performance will be monitored throughout the year so anytime you have questions please check in with your manager. If you fail to meet the functions of your job you will be counseled using Counseling, a Performance Improvement Plan, through the Annual Performance Evaluation or any other means deemed appropriate.

Annual Performance Evaluation

Although the goal is to discuss performance throughout the year we feel it is important on an annual basis, to have a more thorough performance evaluation defining goals and objectives, and evaluating accomplishments from the previous year. Evaluations provide associates with meaningful information about their work and aid the Organization in making employment decisions related to such areas as training, development, compensation, promotion, job assignment, retention, and succession planning. While timing is subject to change, the annual review period is typically June of each year.

During the annual review process, managers will have the opportunity to make recommendations for compensation adjustments based on the achievement of goals and objectives and other factors as outlined in the annual evaluation form.

If you are not satisfied with the results of your review you should feel free to discuss your feelings with The Human Resources Committee per our Open Door Policy. Compensation increases are subject to the approval of the Board of Directors.

Appearance

To reinforce the high quality and professional image of our Organization we ask that each associate dress and appear appropriately each day they report to work. To the extent required by law, JCDA will reasonably accommodate an associate's religious dress and grooming practices unless the accommodation imposes a significant difficulty or expenses on the Organization.

You are expected to dress appropriately for you and your department's day. As long as it is appropriate for your day, casual dress is permitted Monday through Friday unless there are special circumstances.

Personnel Files

JCDA retains necessary personnel files for documentation purposes and as required by law. All associate files are kept as confidential as possible and the Organization has strict guidelines to safeguard your personal information.

We must rely on you to make sure personnel files are up to date. JCDA asks that you keep your personal information updated. You should update your phone, address, emergency contacts, dependents and taxes when change is necessary. Associates may inspect their own personnel files and make copies if required by law, but may not remove documents from the file.

Inspections must be requested in writing to the Board Chair and will be scheduled at a mutually convenient time. All inspections must be conducted in the presence of a representative of the Human Resources Committee or Board Chair and may not be done more often than once per year, unless required more frequently by law.

Resignations

We hope that you will be fulfilled in your role with the Organization, but if at some point you decide to leave, we appreciate as much notice as possible. A resigning associate is expected to provide their supervisor with a written letter of resignation, no less than two weeks in advance of the date the resignation is to become effective.

An associate who fails to provide sufficient notice, depending upon circumstances, may not be eligible for re-employment.

If the associate declines to provide a written letter of resignation the supervisor should write a memo, in lieu of the letter, outlining the circumstances and to whom the verbal notification was given, reason, and date of resignation and provide it to Human Resources Committee.

Exit Interviews

When appropriate, The Board Chairman or a member of the Human Resource Committee will attempt to schedule and conduct an exit interview with a resigning associate. We use feedback from exit interviews to assist in our ongoing effort to improve our work environment, enhance associate relations and cultivate Organization culture. It is also an opportunity to give additional information to the departing associate regarding 401(k), COBRA, benefit end dates, etc.

Return of Property

We have attempted to evaluate the needs of each role at The Johnson City Development Authority and give each associate the necessary materials to perform their role effectively. In doing so, we trust you with our property. Please remember that you are responsible for all property, materials or written information issued to you or entrusted to be in your possession or control, and treat them with the utmost care. Please realize that you must return all Organization property immediately upon request or upon termination of employment. This includes not only computers or telephones but also trade secrets and other intellectual property obtained at JCDA or developed and/or cultivated while you are employed by Johnson City Development Authority.

Associate Communications

Open Door Policy

The Johnson City Development Authority encourages every associate to engage in candid, open and constructive communication with coworkers including members of the Board of Directors. We think this contributes to the collaborative and synergistic work environment we strive to maintain. We are always focused on innovation and some of the best ideas for improvement come from associates. We assure you that your suggestions, ideas and/or recommendations will be given careful consideration.

If there is something about your employment with the Organization that concerns you, we encourage you to communicate openly and honestly with your supervisor. If, after discussion with your supervisor, or if you are not comfortable talking with your supervisor about the issue, any problem remains, we welcome you to approach the next higher level of management.

Inclement Weather

You are expected to report to work during inclement weather conditions unless the Organization declares an emergency closing. If an emergency closing or delay in the opening of the office is necessary, all time during the closing will be paid as regular time. However, this paid time will not count toward hours worked for purposes of calculating overtime. Unless a closing or delay is announced, associates will be expected to report for work at the usual time using extreme caution, unless otherwise instructed by local law enforcement agencies.

Social Media & Online Networking

Communication and relationships are important cornerstones of our culture. We want all of our associates to feel a sense of pride and ownership when it comes to the reputation and success of The Johnson City Development Authority. In that regard, please be careful when communicating online anything that might be related to the Organization. While we recognize that social media has become an essential medium to both personal and professional relationships, in certain contexts it can have implications for our Organization, our workplace and our stakeholders.

JCDA recognizes the importance of social media for its associates. However, use of social media by associates may become a problem if:

- It interferes with the associate's work;
- Is used to harass co-workers, tenants, vendors, or customers;
- Creates a hostile work environment;
- Violates any law or regulation; or
- Involves the disclosure of confidential or proprietary information of the Organization.

To the extent permitted by law, the Organization takes reasonable steps to monitor associates' use of social media to ensure that associates adhere to the provisions of this policy and all

relevant laws and regulations. JCDA encourages associates to use social media within the parameters of the following guidelines and in a way that does not produce the adverse consequences mentioned above.

The Organization participates in social media only through official, authorized channels. Only associates specifically authorized by JCDA may speak on its behalf through these channels.

The following requirements apply to all social media posts by associates:

- All postings on social media must comply with the Organization's Communications Equipment, Resources and Computers Policy. If you are unsure about the confidential nature of information you are considering posting you should, first, review the Organization's privacy policy and the confidential information section of the Associate Guide and, second, consult the Organization's Legal Department.
- Only members of the marketing team or associates trained may respond to customer questions and concerns received through social media.
- Comply with copyright laws, and cite or reference sources accurately.
- Do not post or otherwise disclose confidential or proprietary Organization material on a social media site.
- We encourage you to direct complaints or concerns about your job or working environment to your management team or to the Human Resources Committee, rather than through social media.
- To ensure that the Organization communicates with the media in a consistent, timely and professional manner about matters related to JCDA, all inquiries from a journalist or the news media that are directed to JCDA should be directed to the Executive Director.

Guidelines for Social Media Use:

- Watch what you say. Use good judgment at all times. Associates can be personally liable and will be disciplined by JCDA for commentary, content, or images that are maliciously false and defamatory, pornographic, proprietary, harassing, libelous or that may tend to create a hostile work environment.
- Get permission. If your job duties include being a JCDA spokesperson on social media you may post on behalf of the Organization. Remember, you must disclose your affiliation with JCDA. Otherwise you are not authorized to speak on behalf of JCDA, nor to represent that you do.
- Respect Confidentiality. You may not share information about JCDA that is confidential or proprietary.
- Ask questions. If you have any questions about whether information is confidential or whether your use of social media or blogging impacts JCDA please ask the Executive Director. Ask before posting.
- Think about consequences. If the information published may be offensive to your audience or harmful to JCDA, use your best judgment and only post if you are willing to accept the consequences. A good rule to apply: if it takes too long to consider the consequences, it may not be worth your while to post the information.

- Be the first to respond to your own mistakes. If you make an error, be up front about your mistake and correct it quickly, as this can help to restore trust. If you choose to modify content that was previously posted, such as editing a blog post, make it clear that you have done so.

Don't forget your day job. You should make sure that your online activities do not interfere with performing your job responsibilities or commitments.

Communications Equipment, Resources, and Computers

We want each associate to have the tools needed to perform their role at the highest level.

Electronic Systems and Internet Usage

JCDA's electronic information systems include, but are not limited to, the internet, email, voice mail, and other electronic messaging systems. The systems are to be used primarily for business purposes, but may occasionally be used for reasonable personal purposes. Please be sure that any personal uses are consistent with JCDA policies found in this Associate Guide and do not constitute any inappropriate or illegal use or activity, or interfere with your job duties or work performance or those of any of your colleagues. These systems and all communications made by or received by associates, whether stored electronically or in print, are owned exclusively by the Organization

Email and Voice Mail

When using JCDA email and voice mail systems, make sure messages are concise, professional, edited appropriately and only sent to those parties necessary. Personal usage of our electronic systems is a privilege that may be removed if management feels it has been abused. Any associate using JCDA equipment for any purpose relating to communication, by using such equipment, understands and agrees that he/she is specifically waiving any expectation or right to privacy in communications, data, programs or other personal information stored, displayed, accessed, communicated, published or transmitted using such equipment.

The Internet

JCDA assumes no liability for any direct or indirect damages arising from associate use of its electronic information systems to access the internet. The JCDA is not responsible for the accuracy of information found on the internet and only facilitates the accessing and dissemination of information through its systems. You are solely responsible for any material that you access or disseminate through the internet.

Inappropriate Activity

JCDA defines the following as examples of inappropriate activity, but this list is not exhaustive:

- a. Misuse or excessive use of JCDA resources for personal, non-business purposes;
- b. Removal of JCDA equipment from the premises without prior authorization from the associate's supervisor.

- c. Inappropriate use of JCDA stationary, business cards, forms or other branded business resources. You may not create or send any communication of a personal nature which appears to be an Organization communication;
- d. Accessing, or attempting to access another person's email, voice mail, or other information systems;
- e. Disguising one's identity or falsely misrepresenting the true sender, creator or author of any communication;
- f. Using JCDA resources to view, create, send, retrieve, download, receive, distribute, copy, save, or print any materials considered by the Organization to be sexually suggestive or harassing, discriminatory, racially harassing, obscene, profane, offensive, demeaning, degrading, intimidating, threatening or menacing;
- g. Sending unsolicited bulk email (spam);
- h. Disseminating confidential Organization information;
- i. Any illegal activity;
- j. Downloading and/or installing software without prior approval from the Executive Director.
- k. Installing unlicensed software;
- l. Using any of our systems to operate a business or solicit money for personal gain or conduct commercial activity outside the scope of employment;
- m. Printing or distributing copyrighted, trademarked, patented or licensed material for which permission has not been granted by an authorized agent; and
- n. Knowingly causing interference or disruption of service to any network, information system, or any user thereof.

Compensation, Payroll & Benefits

We value each other and our relationships and want to be sure we meet expectations not only with respect to our culture and office environment, but also in how you are compensated. Our compensation programs and payroll policies are designed to pay associates in a manner that is non-discriminatory and competitive with market rates paid for similar jobs in the community and industry. All compensation policy decisions must take into consideration the Organization's overall economic condition and competitive position.

The Human Resources Committee is responsible for coordinating the continuing internal review of compensation and for making sure that each role is evaluated effectively. This review encompasses analyzing compensation to assure it accurately reflects and corresponds to the responsibilities of each role based on national averages from survey data and cost of labor adjustments. This analysis serves as a guideline and does not guarantee any specific wage for any particular position. Salary ranges are analyzed annually and when necessary adjusted accordingly.

Paydays, Timesheets & Final Paychecks

Paydays are on a bi-monthly basis, and paychecks will cover the current pay period. Employees will be paid on the 15th and on the 30th or as otherwise determined by the Human Resources Committee.

If adjustments to pay are required, they shall be applied to the paycheck for the following pay period.

If your employment terminates you will receive your last paycheck in accordance with the state law.

Timesheets

Part-Time Associates are expected to record your “clock in” at your specified work time, clock out for your meal period and clock back in at the end of your meal period. If your prompt departure from the premises is prevented, due to a work-related reason, you should clock back in then clock out when the obstacle for departure has concluded. You are expected to show all hours you work on your timesheet.

If another associate, other than an authorized supervisor, “clocks” you in or out because you are not in your work location, you may both be terminated. Falsifying your timesheet will result in termination.

Classifications & Benefit Eligibility

A number of different types of associates may be employed by The Johnson City Development Authority.

- Full-Time Associates: Associates who are generally regularly scheduled to work at least 30 hours per week. Regular full-time associates are eligible for all Organization benefits.
- Part-Time Associates: Associates who are generally regularly scheduled to work fewer than 30 hours per week. Part time associates are ineligible for JCDA’s benefit programs.
- Temporary Associates: Associates who are hired as interim replacements, intern or seasonal, to temporarily supplement the work force or to assist in the completion of a specific project. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary associates are ineligible for all of JCDA's benefit programs.
- Non-Exempt Associates: Associates who are eligible for overtime under the federal Fair Labor Standards Act and/or applicable state wage/hour laws. Non-exempt associates are entitled to an overtime premium for overtime work in accordance with state and federal law.
- Exempt Associates: Associates whose work duties exempt them from the overtime provisions of the federal Fair Labor Standards Act and any applicable state wage/hour laws.

Non Exempt Associates

Non-Exempt Associate Overtime Pay

The nature of our business may sometimes require you to work overtime. Your supervisor will notify you if you are required to work overtime. We expect and appreciate your cooperation. We will try to provide you with advance notice of any overtime that will be required of you.

If you are a non-exempt associate, you will be paid overtime in accordance with your state and federal overtime requirements.

You are not allowed to work overtime unless it has been authorized in advance by your supervisor. If you do so you may be subjected to disciplinary action.

Meal and Rest Periods

Rest Periods: All non-exempt associates may take periodic break periods during their work day. If you are a non-exempt associate, you will be paid for all such rest break periods as you will not clock out. Your supervisor will advise you of the time and duration of your breaks. Meal breaks will require clock out.

Attendance & Punctuality

You are an important part of our team. Your attendance and punctuality are vital to the success of JCDA. When you are absent from work, it places an additional burden on co-workers and interferes with our ability to perform services for our customers. Therefore, we have established absenteeism and punctuality standards that all associates are expected to follow.

We understand that sometimes life happens and there may be times when your absence or tardiness cannot be avoided. In those cases, you are expected to notify your supervisor, at least one (1) hour before you are scheduled to begin your work day or as soon as practical. Text messaging is not an appropriate notification and will not be accepted; you must call and speak to your supervisor or leave a voicemail message if your supervisor is not available.

If you are absent due to your illness or the illness of a family member for more than three (3) consecutive days, you must produce a certification from your healthcare provider or from your family member's healthcare provider, before your return to work.

You must call in every day you are absent unless excused by your supervisor or if you are on an otherwise approved leave of absence. If you fail to call in and do not report for work you may be considered to have voluntarily terminated your employment with JCDA

JCDA may require an associate to submit medical certification to verify a sickness or injury absence, after three consecutive days or when the circumstances otherwise warrant.

Associates are prohibited from falsifying the reason for an unscheduled absence.

Hours of Work

We are committed to wellness and balance, but also feel it is important to have established times and duration of working hours to manage required workload, and business needs efficiently. The workweek for computing overtime is Sunday at 12:00 a.m. through Saturday at 11:59 p.m. The normal workday will consist of eight hours of work and an unpaid one hour meal period.

Flexible Schedule Program

When the needs of the business can accommodate flexible work scheduling it may be approved to assist with balance of personal work goals and family needs. Flexible scheduling is available on a case-by-case basis taking into account the work history of the associate, needs of the department, the type of role, and other relevant factors.

The Organization asks that all flexible schedule plans designate the core working hours of 9:30 AM to 4:00 PM when all associates must be at work. This plan can only be successful if the supervisor and associate designate clear guidelines and maintain open communication lines. The Supervisor may discontinue a flexible schedule arrangement if in their opinion the plan is affecting business needs or is otherwise not in the best interest of the Organization.

Expenses

If you incur work related expenses, complete an expense report and submit the expenses to your supervisor for payment approval. Once your expense report is approved you will receive reimbursement for your expenses.

- An expense report should be completed within 30 days after travel/expense occurs.
- Local mileage should be calculated and submitted at least once a month.
- Receipts for expenses charged to company credit cards must be submitted immediately, with the purpose for the expense written on the receipt.
- Receipts must be furnished for all expenses that are to be reimbursed.
- Mileage incurred for the JCDA on a personal vehicle and submitted with proper documentation on the JCDA mileage form will be reimbursed at the current IRS rate.
- All expense reports must be approved by the Executive Director or Board chair.

Associate Benefits

The Johnson City Development Authority is committed to wellness and balance for our associates and offer a variety of benefit programs designed to assist eligible associates and their dependents in meeting both their physical and financial needs with respect to insurance, disability, and retirement planning.

The Organization reserves the right to amend or terminate any of its benefits programs or to change associate contributions toward any benefits with or without advance notice at its discretion.

Medical, Dental, Vision Insurance

As a JCDA full time associate you may be eligible to participate in the group medical plan. Specific plan details are provided at time of hire, during open enrollment periods and can be obtained from the Human Resources Committee on an ongoing basis. Dental and Vision will be provided as an employee paid benefit.

The medical premium cost of the full time employee is paid 100% by the Organization. Medical insurance coverage terminates at the end of the month in which your employment ends. Medical insurance coverage can also terminate for nonpayment during a leave of absence if you do not provide payment for your premium portion.

Qualifying Events

If after your initial enrollment period you experience a loss of insurance coverage from another plan (parents, spouse), or if you have a new child, adopt a child, get married, get divorced or other potential loss of coverage reasons, you may be eligible to obtain coverage outside of an open enrollment period.

The Executive Director or Human Resource Committee must be notified of the qualifying event, within 30 days of the qualifying event, to ensure documentation is received and to determine eligibility for coverage.

Continuing or Converting Group Health Insurance Coverage

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)
JCDA adheres to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) laws in effect.

401(K) Retirement Plan

All full time associates who have worked at least 120 hours within their first 30 days of employment are eligible to enroll in the Simple IRA plan the first of the month of each new quarter. JCDA offers a very generous matching contributions for participating associates. For every employee dollar contributed from 0% to 5% JCDA will match funds.

Time Away from Work

Paid Time Off

We respect the need for all of our associates to maintain a balance between work and family. We offer Paid Time Off (PTO) to all full time associates to assist in this balance.

New hires are subject to a 30 day waiting period before PTO benefits begin. Annual leave is earned as follows:

- 16 days a year for those employed with JCDA less than three years
- 21 days a year for those employed with JCDA more than three years
- 26 days a year for those employed with JCDA for more than ten years

PTO time taken is required to be documented in our payroll / timekeeping system to ensure accurate tracking and accounting of your PTO time. PTO must be approved within the system before it is allowed to be taken.

At Year End: Up to 40 hours of accrued and unused PTO will be rolled over to the next calendar year for use. Unused PTO cannot roll over for a second year.

PTO payouts upon termination: If an associate leaves the Organization, any unused, accrued PTO will be paid out at the time of separation. The Organization does not typically grant payouts of PTO outside of separation

You can use PTO for vacation, sick pay, personal time or other uses you feel are appropriate. PTO used as vacation must be planned and approved ahead of time. You must provide reasonable advance notice of a pre-scheduled or foreseeable absence from work for which PTO will be used, such as a doctor's appointment or ongoing injury or illness.

For purposes of this policy, reasonable means notifying your supervisor at least one week in advance of a foreseeable absence. When you have an unforeseeable absence, you should provide notice as soon as practicable. For purposes of this policy, "as soon as practicable" means notifying your supervisor at least one hour prior to the start of your work shift, except in cases of accidents or sudden illnesses when an associate is not able to provide such notice under these circumstances, notice should be provided as soon as possible.

PTO may be used as sick leave for your own illness, injury or medical condition or you may take it for the purpose of providing care or assistance to your spouse, registered domestic partner, child, parent, legal guardian or ward, sibling, grandparent, or grandchild who has an illness, injury, medical condition, need for medical diagnosis or treatment or other medical condition. For purposes of this policy, time taken off to care for a child, parent, sibling, grandparent or grandchild apply not only to biological relationships, but also those resulting from adoption, step-relationships, domestic partnership relationship and foster care relationships. "Child" includes your biological child, child of your domestic partner and a child of a person standing in loco parentis.

If you are the victim of domestic violence, sexual assault or stalking, PTO may be used for time off from work to (a) obtain a restraining order or other injunctive relief, (b) help ensure the health, safety or welfare of you or your child, (c) seek medical attention or psychological counseling related to the domestic violence, sexual assault or stalking, (d) obtain services from a domestic violence shelter, program or rape crisis center, or (e) participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault or stalking.

If you are on PTO leave for more than three (3) consecutive work days, due to illness or injury, you must present a certificate from your medical practitioner stating the leave was necessitated by your illness or injury, releasing you to return to work, and setting forth any restrictions or limitations on your ability to perform your job. If you are on sick leave for more than three (3) consecutive work days to attend to the illness of your spouse, child, parent, registered domestic

partner, or child of your domestic partner, you must present a certificate from that person's medical practitioner stating leave was necessitated by your child, parent, or spouse's illness.

Holidays

We observe a number of holidays each year and provide time off with pay for each holiday observed. The following holidays are observed by the Organization:

New Year's Day
Martin Luther King's Birthday
Good Friday
Memorial Day
Independence Day
Labor Day
President or Columbus Day (choice of employee)
Veteran's Day
Thanksgiving Day and the Friday after
Christmas Day

Bereavement

We want to support associates dealing with the loss of an immediate family member as best we can. We will grant three days of Bereavement Leave up to twice a year for associates to be compensated at the associate's regular rate of pay. We expect the leave to be taken within five days of the loss or for attendance at a scheduled memorial service or funeral.

"Immediate family" includes spouse, registered domestic partner, child, parent, sister, brother, grandparents, mother-in-law, father-in-law, step-parents, step-child, child of a registered domestic partner and other persons who are part of the associate's household, aunt, uncle, brother or sister-in-law. Associates on a leave of absence are not entitled to bereavement leave. The Organization may require verification of death.

Jury Duty

We encourage our associates to fulfill their civic duty when called upon by their local government. Associates called for jury duty will be compensated at their regular rate of pay when serving as a juror, or in a juror pool, up to a limit of two weeks per calendar year or longer when required by state law. Jury duty time off will not be charged against an associate's available PTO time. Documentation, including the details of service, should be provided to your supervisor as soon as you receive it. Of course, you are expected to report for work during

hours or days your presence is not required on the jury panel. An Associate who does not report to work when available may not receive pay for the day.

Military Leave of Absence

Military service is an honorable duty and we will support all associates who are called to serve. The Uniformed Services Employment and Reemployment Rights Act (USERRA) governs all federal military leaves of absence, and we will approve all requests for military leave in accordance with those guidelines as well as any other corresponding state or federal laws.

Requests for a leave of absence or any extension of a leave should be submitted to the Executive Director 30 days prior to commencement of the leave-period when it is feasible to do so. All associates on approved leave are expected to report any change of status in their need for a leave or their intention to return to work to the Executive Director.

Associates returning from a military leave of absence will be reinstated to their job as required by law, as long as the associate complies with all of the reinstatement requirements specified by USERRA and any corresponding regulations under state or federal law. Military leave will not be counted as a break in employment for the purpose of determining years of service for calculating PTO and other benefits. Paid time off and holiday benefits will be suspended and not paid out during periods of unpaid military leave. If an associate fails to return to work at the conclusion of an approved leave of absence, including any extension of such leave, the associate will be considered to have voluntarily terminated employment. It is the associate's responsibility to see that his/her current address and phone number are on file with the Executive Director.

Conduct, Wellness & Safety

Conduct of Associates

In our effort to provide you with the most positive and inspiring work environment JCDA has developed certain rules with respect to associate behavior that we believe necessary for the benefit and safety of all associates and most effective and synergistic operations. Conduct that interferes with this goal whether it is harmful to the Organization, demeaning or otherwise offensive to fellow associates, clients, tenants, or disruptive to the public will not be tolerated. As a JCDA associate, please be sure you always conduct yourself in a positive respectful manner in order to promote the best interests of the Organization.

JCDA believes corrective counseling for associates who are struggling with performance is valuable time spent. Counseling and/or disciplinary action provides associates with notice of the area of concern and gives them an opportunity to improve. Unacceptable behavior or other circumstances may warrant bypassing certain steps of discipline and some conduct may be serious enough to warrant immediate termination of employment.

The following conduct is not only prohibited but considered so serious it may subject the associate involved to immediate termination, warranting a bypass of other discipline steps:

- a. The use of abusive language in the presence of other associates, businesses, vendors or customers;
- b. Insubordination or the refusal by an associate to follow management's instructions concerning job related matters;
- c. Assault, or threat of assault or other harm by you or a significant other to a fellow associate, client, tenant, supplier or the public;
- d. Theft, destruction, or misuse of Organization property or of another associate's property; unauthorized removal of items from the property or break room, including but not limited to items from the trash or refrigerator.
- e. Dishonesty or falsifying any Organization record, report, or information, including pay record/timesheets or altering pay records/timesheets without approval;
- f. Job abandonment – defined as walking off the job without approval, failing to call off when absent on more than one occurrence or failure to report for scheduled work when directed;
- g. Failure to abide by safety rules and policies;
- h. Engaging in any form of harassment or discriminatory behavior;
- i. Improper disclosure of confidential information about the Organization or another associate;
- j. Accepting gifts, loans, services, and other things of value unless otherwise specifically permitted by Organization policy;
- k. Possessing illegal or non-prescribed drugs, narcotics or alcoholic beverages at work, being under the influence or using such substances while working, or distributing, dispensing, illegally manufacturing, selling or buying them on Organization premises and work sites;
- l. Inattention to duty;
- m. Inability to perform essential functions of position.

These examples are illustrative of the type of behavior that will not be permitted, but are not intended to be an exhaustive list of every type of behavior that will result in disciplinary action, including immediate termination. JCDA reserves the right to determine the appropriate level of discipline for any behavior problem.

Disciplinary Action

If policies, procedures, or any rules set forth by JCDA or your supervisor are not followed, you may be subject to discipline, up to and including termination. Below are the types of discipline that may be administered in response to a conduct, attendance (non-protected) or performance issues in any order, in the sole discretion of the Organization: verbal warning, written warning, second written warning, final written warning, discharge.

Notification of Convictions

Any associate who is convicted of a criminal violation must notify the organization in writing within five calendar days of the conviction. Convictions for routine traffic- related infractions like

speeding or improper equipment are not required to be reported under this policy unless driving is a required part of the associate's regularly assigned job duties. In that circumstance any traffic-related conviction should be reported. Traffic convictions related to alcohol or drug impairment are not considered routine and should always be reported.

The organization will evaluate each conviction carefully and weigh how it relates to the role of the associate and safety of their co-workers and the general public before determining the appropriate action to take. Convictions will not necessarily impact continued employment, but failure to report convictions timely will result in corrective discipline up to and including termination. The Organization will respond to associates who report under this section regarding any action needed within 30 days of the related notification.

Smoke-Free Environment

The Johnson City Development Authority cares about your health and safety and the environment in which you perform your work.

Whether or not you choose smoking tobacco or tobacco replacement products as a practice away from work is up to you, but while at work and on JCDA property let's keep it a smoke-free workplace. Smoking is not allowed indoors, in any area enclosed by at least three walls and a roof, or in areas immediately adjacent to the ingress and egress of any building or enclosed area. Tobacco replacement products that emit smoke are considered "smoking" for this policy and are also prohibited.

The purpose for prohibiting smoking near exits and entrances is to ensure that smoke does not enter the property or building and to comply with Federal, State and Local smoking laws.

Harassment & Discrimination Free Workplace

It is the policy of Johnson City Development Authority to maintain a workplace free of discrimination and harassment. The JCDA will not tolerate harassment or discrimination of any associate by a co-worker, supervisor, manager, vendor, independent contractor, or visitor based on any of the following protected categories: race, color, religion, religious creed, national origin, ancestry, citizenship, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, legally protected medical condition, family care or medical leave status, military caregiver status, military status, veteran status, marital status (including domestic partnership status), pregnancy, childbirth or related medical conditions, genetic information, characteristics and testing, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, the perception that an associate has one of the above characteristics or any other category protected by applicable local, state or federal law. All of us must work together to maintain our workplace as an environment that is free from harassment. Accordingly, associates must not engage in any behavior that could be considered harassment and must also report any behavior they believe to be harassment as set forth in the "How do I Report Harassment" section below.

Harassment Defined

Harassment includes visual, verbal or physical conduct that creates an intimidating, offensive, or hostile working environment or that interferes with an associate's work performance. Such conduct constitutes harassment when: (1) submission to such conduct is made a term or condition of employment; or (2) submission to or rejection of such conduct is used as basis for employment decisions affecting the individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an associate's work performance or creating an intimidating, hostile or offensive working environment.

Harassing conduct can take many forms and may include, but is not limited to, the following, when based upon an associate's protected status as noted above: slurs, jokes, statements, gestures, assault, impeding or blocking another's movement or otherwise physically interfering with normal work, pictures, drawings, or cartoons, violating someone's "personal space," foul or obscene language, leering, stalking, staring, offensive email or voicemail messages.

Sexually harassing conduct in particular may include all of these prohibited actions, as well as unwanted sexual advances or visual, verbal or physical conduct of a sexual nature. This definition includes many forms of offensive behavior. The following is a partial list:

- Unwanted sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Visual conduct: leering, making sexual gestures, displaying sexually suggestive objects or pictures, cartoons, e-mails, websites or posters.
- Verbal and written conduct: making or using derogatory comments, e-mails, letters, epithets, slurs, and sexually explicit jokes, comments about an associate's body or dress.
- Verbal sexual advances or propositions.
- Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, suggestive or obscene letters, notes or invitations.
- Physical conduct: touching, assaulting, impeding or blocking movements.

It is unlawful for males to sexually harass females or other males, and for females to sexually harass males or other females. Sexually harassing conduct need not be motivated by sexual desire to violate this policy. Sexual harassment on the job is unlawful whether it involves coworker harassment, harassment by a supervisor or manager, or by persons, including customers or clients, doing business with or for the Organization.

How do I report Harassment?

Associates who have experienced or witnessed any form of harassment at JCDA must promptly provide a written or verbal complaint to the Executive Director or the Board Chairman, unless any of these individuals are involved in the harassment. In that case, report the harassment to a member of the Human Resource Committee.

The complaint should include details of the incident(s), names of individuals involved, and the names of any witnesses. The important thing is that the individual bring the matter to the Organization's attention promptly so that any concern of harassment can be investigated and

addressed promptly. All reported complaints regarding incidents of harassment will be investigated. Complaints will be kept as confidential as possible. A designated representative will promptly undertake a reasonable and objective investigation of the harassment allegations that provides all parties with appropriate due process. The investigation will be documented and tracked for reasonable progress. The investigation will be completed in a timely manner and a reasonable determination regarding the harassment alleged will be made based on the evidence. If JCDA determines that harassment has occurred, appropriate disciplinary action, up to and including discharge, will be taken.

All associates and supervisors have a duty to cooperate in the investigation of alleged harassment. Failing to cooperate or deliberately providing false information during an investigation shall be grounds for disciplinary action, including termination of employment.

Protection Against Retaliation

JCDA policy and law prohibit retaliation against any associate by another associate or by the Organization for using this complaint procedure or for filing, testifying, assisting or participating in any manner in any investigation, proceeding or hearing conducted by any federal or state enforcement agency.

Any report of retaliation by the one accused of harassment or any other person will also be promptly and reasonably investigated. If a complaint of retaliation is substantiated, appropriate disciplinary action, up to and including discharge, will be taken, consistent with the associate's at-will status.

Responsibility

The Executive Director is responsible for maintaining a working environment in which associates are free from intimidation or harassment.

Associates are responsible for compliance with the Organization's Harassment Free Workplace Policy and for reporting violations or suspected violations of this policy or of instances of harassment as described above. Managers are responsible for immediately contacting the Executive Director or Human Resources Committee whenever suspected harassment is reported to them.

Violence-Free Workplace

Workplace Violence Prevention

We are strongly committed to providing a safe workplace. The purpose of this policy is to minimize the risk of personal injury to associates and damage to JCDA property. For your own safety and that of others nearby, you should not engage in any physical confrontation with a violent or potentially violent individual. We expect and encourage associates to exercise reasonable judgment in identifying potentially dangerous situations and informing management accordingly.

Threats, threatening language, or any other acts of aggression or violence made toward or by any JCDA associate will not be tolerated. For purposes of this policy, a threat includes any verbal or physical harassment or abuse, attempts to intimidate or to instill fear in others,

menacing gestures, bringing weapons to the workplace, stalking, or any other hostile, aggressive, injurious and/or destructive actions undertaken for the purpose of domination or intimidation. If you are the victim of any such threats or if you witness a potentially dangerous situation, including threats by co-workers, you should report immediately to the Executive Director or The Human Resource Committee. Reports of threats may be made anonymously. All threats will be promptly investigated. No associate will be subject to retaliation, intimidation, or discipline as a result of reporting a threat under this policy. If an investigation confirms that threat of a violent act or violence itself has occurred, JCDA will take appropriate corrective action. Anyone, regardless of position or title, whom the Organization determines has engaged in conduct that violates this policy, including retaliation, will be subject to discipline, up to and including termination.

If you are the recipient of a threat made by an outside party, please follow the steps detailed in this section. It is important for JCDA to be aware of any potential danger in our workplace. We want to take every precaution to protect everyone from the threat of a violent act by an associate or anyone else.

Firearms & Weapons

All associates who enter the JCDA property are prohibited from having in their possession a firearm, ammunition, or any device that may be used as a weapon on the property regardless of whether the individual is licensed to carry the weapon. Associates are also prohibited from having in their possession a weapon while in the course and scope of performing their job for the Organization and at Organization-sponsored social functions, whether they are or are not on Organization property and whether they are licensed to carry a weapon except where specifically allowed by law. All associates are prohibited from storing a firearm or other weapon anywhere on Organization leased or owned property, unless allowance is required by law.

Failure to abide by all terms and conditions of the policy described above may result in disciplinary action up to and including termination.

Drug-Free Workplace

Substance Abuse Policy

At The Johnson City Development Authority we are committed to providing a workplace free of drug and alcohol abuse. Associates who are under the influence of a drug or alcohol on the job can endanger their own health and safety, the health and safety of others and the Organization's ability to meet its customers' needs. The purchase, sale, manufacture, distribution, dispensation, possession or use of illegal drugs or alcohol on Organization property, during work time (including meal and rest periods) will not be tolerated. Illegal drugs include controlled substances, illegal narcotics, inhalants, and illegally obtained prescription drugs as well as prescription drugs not being used for prescription purposes.

JCDA realizes that associates may, from time to time, be prescribed legal drugs that, when taken as prescribed or according to the manufacturers' instructions, may result in impairment. Associates may not work while impaired by the use of legal drugs if the impairment might endanger the associate or someone else, pose a risk of damage to Organization property, or

interfere with the associates' job performance. If an associate is impaired by the appropriate use of legal drugs, he or she may not report to work. To accommodate the absence, the associate may use available PTO time. The associate may also contact the Executive Director to determine whether or not he or she qualifies for an unpaid leave of absence, such as family care or medical leave.

Reasonable Suspicion Testing

If an associate's manager has a reasonable suspicion that the associate is working in an impaired condition or otherwise engaging in conduct that violates this policy, the associate will be asked about any observed behavior and offered an opportunity to give a reasonable explanation. If the associate is unable to satisfactorily explain the behavior, he or she will be asked to take a drug or alcohol test in accordance with the procedures outlined below. If the associate refuses to cooperate with the administration of a drug test, the refusal will be handled in the same manner as a positive test result.

Procedures for Testing

The Organization will refer the applicant or associate to an independent clinical laboratory, which will administer the test. The Organization will pay the cost of the test and reasonable transportation costs to the testing facility. The associate will have the opportunity to alert the clinic or laboratory personnel to any prescription or non-prescription drugs that he or she has taken that may affect the outcome of the test. The clinic or laboratory will inform the Organization as to whether the applicant or associate passed or failed the drug/alcohol test. If an associate fails the test, he or she will be considered to be in violation of this policy and will be subject to discipline, up to and including termination.

Acknowledgement and Consent

Any associate subject to testing under this policy will be asked to sign a form acknowledging the procedures governing testing, and consenting to (1) the collection of a urine sample for the purpose of determining the presence of alcohol or drugs, and (2) the release to the Organization of medical information regarding the test results. Refusal to sign the agreement and consent form or to submit to the drug test, will result in the revocation of an applicant's job offer or will subject an associate to discipline, up to and including termination.

Injury and Illness Prevention

Safety is a vital concern at our Organization and is one of your most important responsibilities. Our Organization complies with state and federal safety standards and places high priority on providing a safe place in which to work.

You must immediately report any unsafe equipment or working conditions to your supervisor. Should you have any questions or concerns, contact your supervisor for more information.

Associate Relationships

Supervisor / Subordinate Relationships

We recognize that consenting romantic or sexual relationships may develop between two (2) associates in a supervisor and a subordinate role (whether such supervision is direct or

indirect). These relationships may at some point lead to conflicts of interest, unhappy complications and significant difficulties for the supervisor, the subordinate and the Organization. Accordingly, we strongly discourage such relationships. If a consenting romantic or sexual relationship between a supervisor and subordinate should develop, the Organization requires that the supervisor promptly disclose the existence of the relationship to the Board Chairman or Human Resources Committee.

If two (2) associates marry, become related, or enter into an intimate relationship, they may not remain in a reporting relationship or in positions where one individual may affect the compensation or other terms or conditions of employment of the other individual. The Organization will attempt to identify other available positions, and the associates will have 14 days to decide which individual will remain in his/her current position. If no alternate position is available, the associates will have 14 days to decide which associate will remain with the Organization. If this decision is not made in the time allowed, the individual in the supervisory position will be terminated.

Associate Relationships (Non Supervisor/Subordinate)

It is the policy of JCDA to separate associates who are related or in a romantic or sexual relationship. If you are related to another associate or are in a romantic or sexual relationship with someone you work with it is your responsibility and you are expected to inform the Executive Director. One of you will need to resign. The reasons for this policy are many, but the basic problem is the creating of an atmosphere that may lead to a conflict of interest, jealousy, bad feelings and ineffective supervision.

This policy shall apply without regard to the gender or sexual orientation of the participants.

Conclusion

Again, we welcome you to The Johnson City Development Authority and hope that this guide has provided you with valuable information. Please remember to refer to this Associate Guide when questions arise. Also please know that you can contact the Executive Director at any time to discuss any questions about the policies and procedures in this guide, for any benefit or leave questions and to report any issues that you may need assistance with.



Internal Control Policy

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Introduction

Mission Statement

The mission of the Johnson City Development Authority is to promote and assist the development and redevelopment of Johnson City, with specific emphasis on downtown, by seeking input from throughout the community; identifying actions to meet those needs, and participating where necessary to implement actions.

Purpose

The purpose of this policy is to effectively communicate the control objectives of the Johnson City Development Authority (JCDA).

The JCDA Board of Commissioners is the oversight body appointed by the City of Johnson City Commission and has the responsibility of establishing and maintaining an adequate system of internal control and furnishing reliable financial information to the Board of Commissioners and governmental agencies on a timely basis. An adequate system of internal control is necessary for the JCDA to discharge these responsibilities.

Controls help ensure that assets are not exposed to unauthorized access and use, transactions are properly recorded in the financial records, and the resultant financial information is reliable. External organizations and supporters of the JCDA rely on financial contractual relationships. JCDA resources are dependent upon the system of internal control. Auditors are required annually to report upon the adequacy of the JCDA's systems for control over financial reporting and compliance. The safeguarding of the JCDA's assets and the reliability which the JCDA and others can place upon its financial records is dependent upon the effectiveness of the internal control process.

The JCDA Board of Commissioners expects the JCDA professional staff to effect an internal control environment with policies and procedures necessary to provide reasonable assurance that practices cause effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

Definitions

Internal Controls is a process, effected by an entity's board of trustees, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories.

The **control environment** is the overall tone of an organization. This tone reflects the attitude, awareness, and actions of the board of directors, management, and owners who influence the control consciousness of its people.

Risk Assessment is a systematic process of evaluating the potential risks that may be involved in a projected activity or undertaking.

Control Activities are the policies and procedures that help ensure management directives are carried out. They help ensure that necessary actions are taken to address risk to achievement of the entity's objectives.

Monitoring is an ongoing evaluation of an organization's activities and transactions to determine whether the components of internal control within designated processes are working as intended. An internal control system can only be effective if the controls are functioning properly. Proper monitoring will help identify internal control deficiencies and determine whether the controls are effective in addressing any new risks.

Procedures

Responsibility

- The day-to-day operation of the JCDA billing, cash receipts, bank deposits, authorization of invoices for payment, processing payments, and reconciling the bank accounts shall be performed by the JCDA Manager of Finance and Operations under the direction of the JCDA Executive Director with oversight by JCDA Board of Commissioners. Preparation of the financial statements will be outsourced to the JCDA's external auditors, Blackburn, Childers & Steagall, PLC.
- The Board of Commissioners shall approve all bank and deposit accounts, bank account signers and signature levels.
- The Board of Commissioners retains all management responsibilities for the services it has outsourced by establishing, maintaining, and supporting a system of internal controls within their areas of responsibility and for creating the control environment that encourages compliance with JCDA policies and procedures.
- Adequate supervision is necessary to monitor that internal controls are operating as intended, and to help ensure the reliability of accounting and operational controls by pointing out errors, omissions, exceptions, and inconsistencies in procedures.

The JCDA staff are responsible for the application of this policy and the design, development, implementation, and maintenance of systems of internal controls focusing on the effectiveness of operations and the safeguarding of assets within their respective areas of responsibility.

- All levels of management and supervision are responsible for strengthening internal controls when weaknesses are detected. The JCDA staff shall periodically review

departmental procedures to ensure that the general principles of internal control are being followed.

- JCDA staff have the primary responsibility for internal control over financial reporting and compliance with applicable laws, rules, and regulations. The JCDA Finance and Operations Manager is the JCDA's source for information and assistance to staff leadership on this topic and will make resources available as needed to assist in administering this policy.
- The JCDA Executive Director is responsible for internal controls over employee recruitment, hiring, separation, promotion, job classification, employee rights, and salary administration and is the JCDA's source for information and assistance to staff leadership on this topic and will make resources available as needed to assist in administering this policy.
- The JCDA Finance and Operations Manager is responsible for reviewing the adequacy of departmental and institutional internal controls and for reporting any weaknesses to the appropriate JCDA management and the Board of Commissioners.
- All levels of internal control are subject to examination by external auditors who are required to report on the adequacy of internal controls over finance and compliance.
- The JCDA Executive Director and the Finance and Operations Manager are responsible for prompt corrective action on all internal control findings and recommendations made by internal and external auditors. The audit process is completed only after managers receive the audit results and take action to correct internal control weaknesses, improve systems, or demonstrate that management action is not warranted.
- Staff in leadership positions have the responsibility to ensure that those who report to them have adequate knowledge, skills, and abilities to function within, and contribute to, an effective internal control environment. This includes providing access to appropriate training on topics relevant to their job responsibilities.

The JCDA staff will establish and maintain a system of internal controls that satisfies the JCDA's objectives in the following categories:

- Risks are identified and effectively managed
- Safeguarding of JCDA assets
- Reliability and integrity of financial information
- Compliance with JCDA policies, plans, procedures, laws and regulations

- Economical and efficient use of JCDA resources
- Meeting established objectives and goals for JCDA operations and programs.

Risk Assessment

All activities of the JCDA involve risk. There is no uniform risk management framework but the management of risk usually involves: (1) identifying the risk, (2) assessing the impact of the risk and the probability of occurrence, and (3) determining the risk treatment and risk owner.

Identifying the risk: process of recognizing and describing the risk. For example, with regard to cash, an identifiable and recognized risk is the “inappropriate safeguarding of cash”.

Assessing the impact: process of assessing the potential severity of impact (generally a negative impact, such as damage or loss) and the probability of occurrence. For example, without the proper internal controls cash could be stolen, which would result in a loss to the JCDA and the probability of occurrence could be high.

Determining the risk treatment: process of deciding to avoid the risk, mitigate the risk, or doing nothing about the risk. In the example above, the process of avoiding the risk would result in not accepting cash, which is probably not an acceptable alternative as it could affect customer service. Doing nothing would not be acceptable either because of the high risk of loss. So probably the best treatment would be to implement the proper internal controls to ensure that cash is properly safeguarded.

Determining the risk owner: this is the person or entity that has the accountability or the authority to manage the risk. Normally, this is the person that has the overall responsibility of determining the risk treatment. In the example above, this could possibly be the Finance and Operations Manager.

Separation of Duties

- Duties are separated so that one person’s work routinely serves as a check on another’s work.
- No one person has complete control over more than one key function or activity (e.g. authorizing, approving, certifying, disbursing, receiving, or reconciling).
- There shall be two persons signing each check or approving non-check disbursements that exceed \$500.

Authorization and Approval

- Proposed transactions are authorized when proper and consistent with JCDA policy and the department’s plans.

- Transactions are approved by the person who has delegated approval authority, which is usually delegated on the basis of special competency or knowledge.

Custodial and Security Arrangements

- Responsibility for physical security/custody of JCDA's assets is separated from record keeping/accounting for those assets.
- Unauthorized access to JCDA assets and institutional data is prevented.

Review and Reconciliation

- Departmental accounting records and documents are examined by employees who have sufficient understanding of JCDA's accounting and financial systems to verify that recorded transactions actually took place and were made in accordance with JCDA policies and procedures.
- Departmental accounting records and documentation are compared with JCDA's accounting system reports and financial statements to verify their reasonableness, accuracy, and completeness.
- The general internal control principles should be applied to all departmental operations, especially accounting records and reports, payroll, purchasing/receiving/disbursement approval, equipment and supply inventories, cash receipts, petty cash and change funds, billing and accounts receivable.
- JCDA's financial statements are reviewed by the Board at their monthly meeting and a report is given by the Finance and Operations Manager. This report is filed with the approved minutes of each meeting and is available for review upon request.

Information and Communication

- Information must be timely and communicated in a manner that enables people to carry out their responsibilities.
- All personnel must receive a clear message from the JCDA Board of Commissioners that control responsibilities are to be taken seriously. Individuals who fail to comply with the established practices are subject to the terms of disciplinary action, which may include termination.
- Employees must have a means of communicating significant information to JCDA's administration.
- The JCDA must communicate effectively with external parties, such as patrons, funding providers, suppliers and other stakeholders.
- JCDA is committed to protecting current and former employees and applicants for employment from interference and retaliation when making protected disclosures, or "whistleblowing," which includes disclosing information related to a violation of law, rule, or regulation; gross mismanagement; gross waste of funds; abuse of authority; or a substantial and specific danger to public health or safety. This Whistleblower Protection Act of 1989, and the expanded protections provided by the Whistleblower Protection

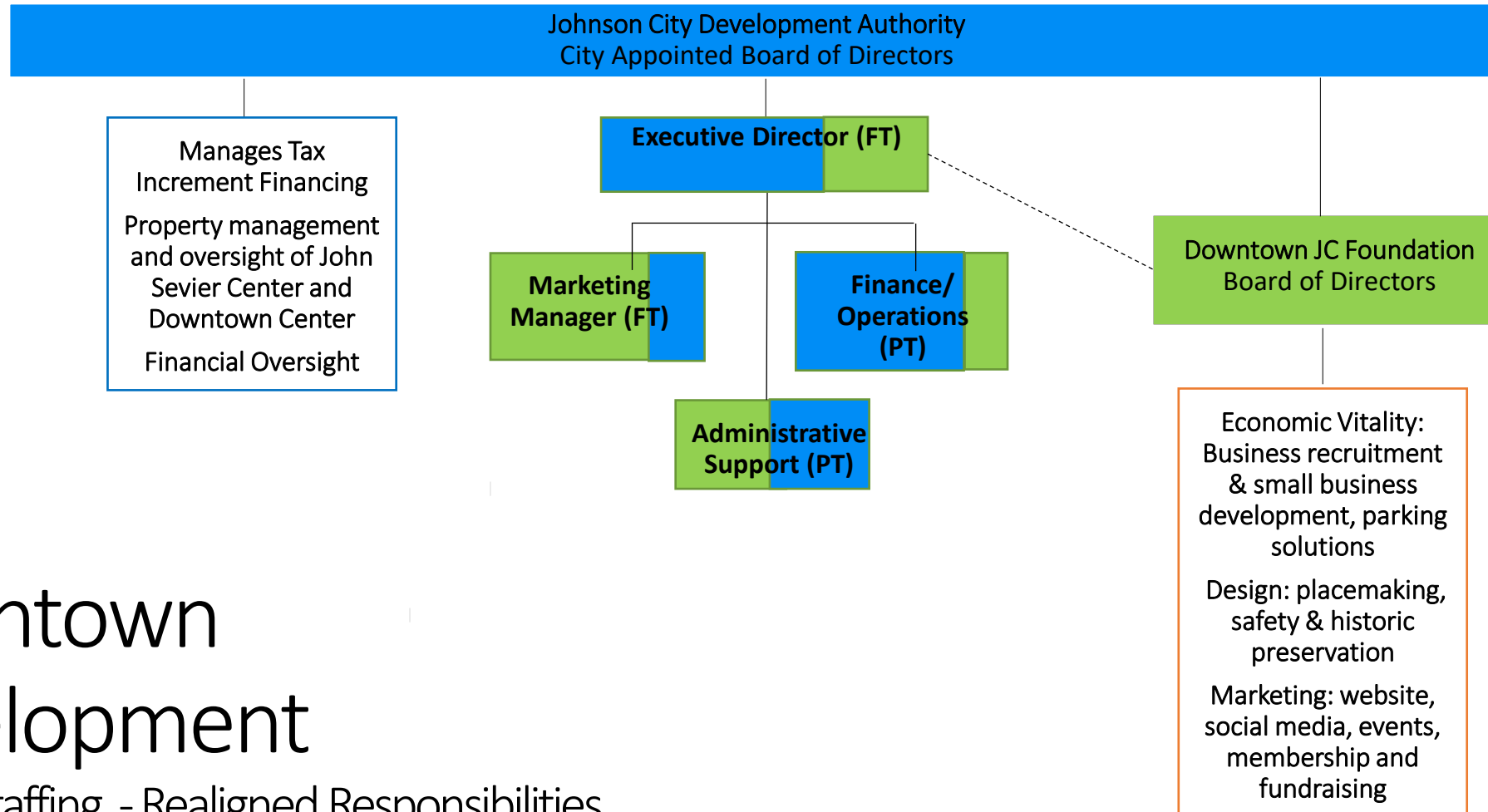
Enhancement Act of 2012 (WPEA), protect individuals, who report federal agency federal agency misconduct from retaliation.

Conclusion

The internal controls are meant to provide an environment to keep the JCDA focused on achieving its mission while avoiding surprises. There is a balance between effective controls and mission accomplishment. Costs associated with internal controls should not exceed their benefit, nor should controls be allowed to stifle mission effectiveness and timely action. All levels of management must assess the costs, benefits, and risks when designing controls to develop a positive control environment and compensate for the risks of non-compliance, loss of assets, or unreliable reporting while accomplishing the JCDA's mission.

From 2020 Strategic Planning Sessions:

- **JCDA** - Facilitation of TIF, property management and disposition of the John Sevier Center, property management of Downtown Center, parking solutions.
- **Downtown Johnson City Foundation** – Assume Main Street Designation:
 - Economic Vitality: New business recruitment, small business development, cultivate entrepreneurship.
 - Design: Placemaking, safety issues, historic preservation.
 - Marketing: Marketing, events, social media, websites.
 - Organization: Fundraising, membership.



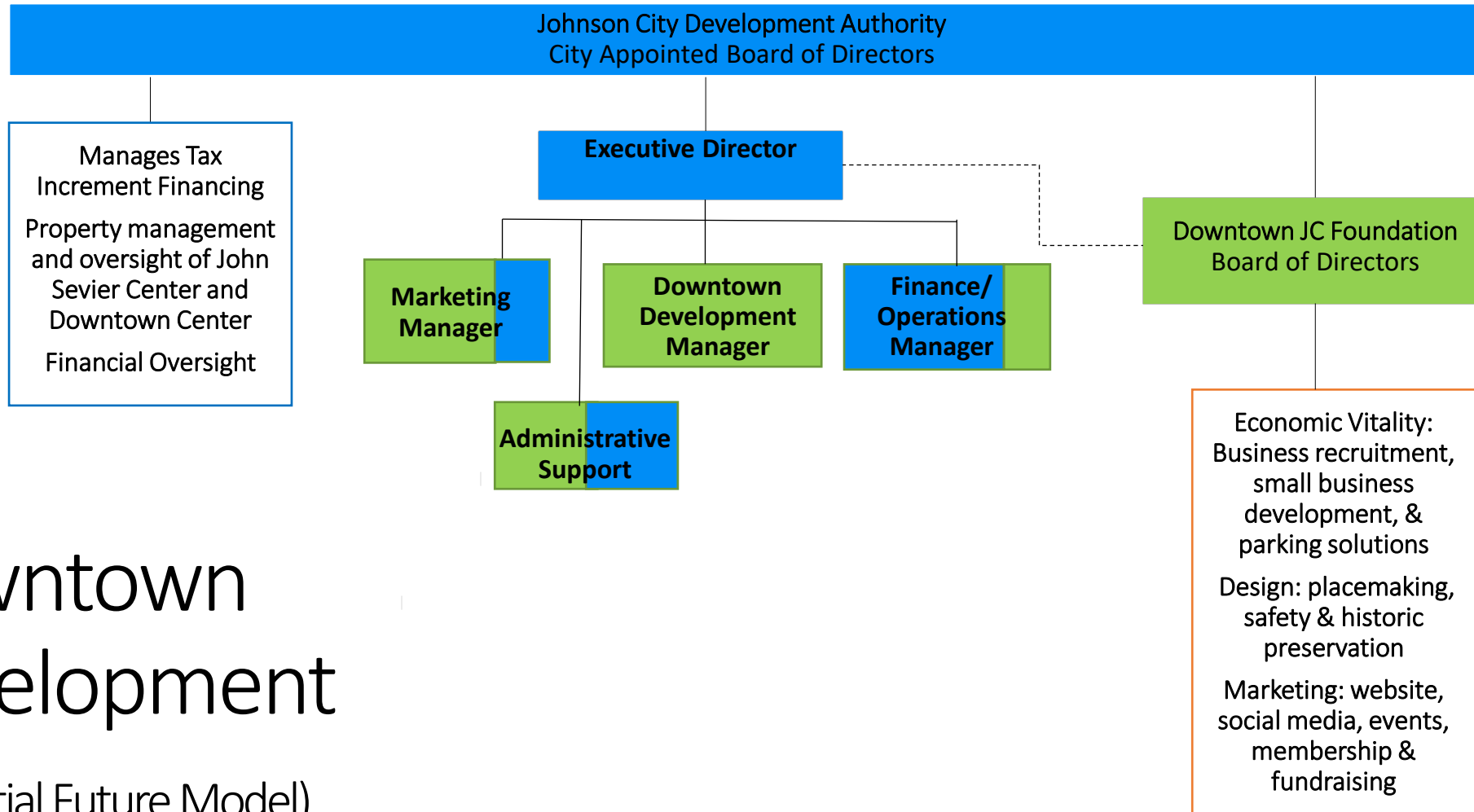
Downtown Development

Current Staffing - Realigned Responsibilities

**Color coding shows time allotted to different entities*

Job Responsibilities:

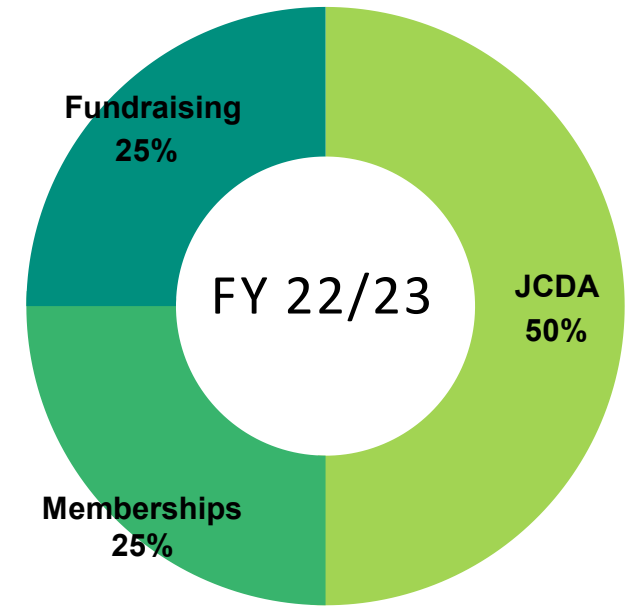
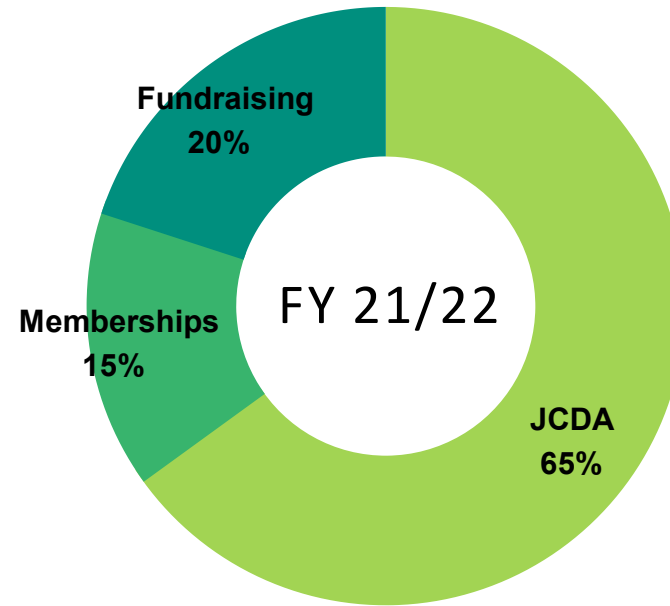
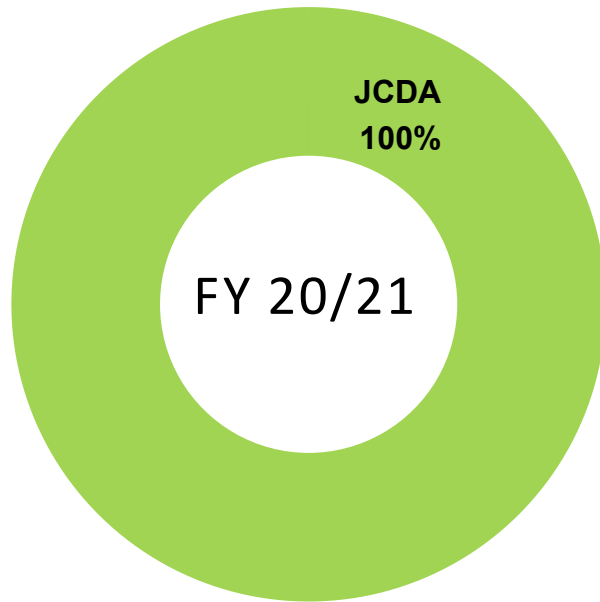
- **Executive Director (FT):** JCDA Board, Foundation Board, TIF Advisory Board, John Sevier Disposition, Business recruitment, Small business development, Parking solutions, Human resources
- **Finance/Operations Manager (PT):** All financial responsibilities for JCDA, TIF and Foundation, John Sevier Operations
- **Marketing Manager (FT):** Placemaking, Marketing, Events, Design
- **Administrative Support(PT):** Administrative for JCDA & Foundation, grant administration



Downtown Development

(Potential Future Model)

Potential Foundation Revenue Sources (Programming only)



*National average - Main Street programs receive 45-55% of funding from municipalities

John Sevier Operations Report

The Committee will meet with John Sevier staff and M&M next Monday, September 21. We sent a letter to Mr. Gibson to ask him to determine salary increases based on the approved budget.

We have received three quotes on property insurance from an agent, another agent was not able to get their insurance carriers to quote, hope to receive one more soon.

John Sevier Disposition Report

The MOU from LHP was received on August 28. It was sent to Rick Bearfield on September 1. We have not received it back as of Sept. 14.

LHP sent a list of items for their due diligence and M&M have been able to get them to us in a timely manner. As soon as the MOU is agreed upon, the final documents will be delivered to LHP.

August Staff Reports

Dianna Cantler, Interim Executive Director

This month I have worked on an organizational structure plan with the Transition Team to move the Main Street program over to the Downtown Johnson City Foundation. This move will provide support for the program, as well as focus the JCDA on its priorities.

Jim Dorton and I made two presentations to the Washington County Commissioners in August on TIF and project updates. I have been working with our attorney Mr. Mamantov, City Manager Peterson and Mayor Grandy on the TIF Amendment.

I have researched employee review processes and how other quasi-governmental agencies handle evaluations of their Executive Directors. Other HR work included finalizing the Associates Guide and working on an employee IRA program.

Considerable time has been spent collecting information in order to assist insurance agents to get quotes on property and liability insurance on the John Sevier Center. Jim Dorton is taking over the Operations portion of the John Sevier, so we have been meeting to give background information on operational procedures.

Allie Dispatch Solutions deadline for their workforce grant is coming in November. I have spent time with them to see how we can work to make sure they can be successful at their downtown headquarters.

Had two site visits with potential business owners. Spent one afternoon walking and checking in with downtown business owners, making sure they know about the grants from the state and asking them to fill out a survey to share the health of their business during COVID.

A professional film crew was in downtown last week filming for a national commercial. I worked with the City to handle logistics and informing property owners on street/parking closures.

Lindsey Jones, Marketing Manager

I have been working as project manager on the Breezeway project and Design Committee tasks heavily this month. The Breezeway project is progressing along on schedule for our proposed reveal date of October 14th. Painting in the Breezeway has been completed, and lights should be completed this week. Business Spotlights are being continued and we continue to see appreciation from downtown business owners when these are shared.

In an effort to maintain our downtown merchants and assist with their success, myself and our new intern Haley Mullins have been working on gathering feedback from business owners on what assistance they need, and what we can help with. Based on these results we will determine the next steps in marketing based recovery. I have put together a talented marketing committee that will also help in assisting with downtown marketing incentives and progress. This committee is scheduled to have their first meeting next week.

Jim Dorton, Finance and Operations

During August I was able to finalize the June year end reports in preparation for the annual audit as well as close the July financials. My learning curve is beginning to flatten out a bit, although the time spent on accounting and related issues is still taking longer than it should take once the audit process has been completed.

The formal transition to my role in operations at John Sevier is September 1. During August, I became more involved in John Sevier Operations and have continued to increase my participation since then.

I participated in several John Sevier disposition and task force meetings, as well as a meeting with LHP to assess progress and discuss next steps.

I participated in two presentations to the Washington County Commission related to TIF – one to the CIA Committee and the other to the full Washington County Commission. Both presentations went well.

During the month, we began the process to get competitive quotes on insurance coverage at John Sevier. We reviewed the coverages provided through M&M and requested quotes for placing the insurance directly by the JCDA. Quotes were received in September.

On August 26, we executed an amendment to the John Sevier loan which reduced the required August paydown from \$1,000,000 to \$500,000. The \$500,000 loan payment was made.

August interest payments were processed on the TIF loans as scheduled.