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# U.S. Treasury releases final rule on Coronavirus State and Local Recovery Funds

Overview of the Final Rule

Earlier this month, the U.S. Department of Treasury released the long-awaited Final Rule governing the Coronavirus State and Local Fiscal Recovery Fund under ARPA. This rule establishes allowable uses, requirements and restrictions on state and local government use and reporting requirements relative to of the funds distributed to Tennessee's municipalities consistent with their designation as either a Metropolitan or a Non-Entitlement Unit of local government (NELI)

The Final Rule includes a number of changes, including but not limited to premium pay for essential workers, expanded water, sewer, stormwater and broadband project eligibility, and the addition of a "standard allowance" to offset revenue loss.

You may access the Over-

view as well as the Final Rule by clicking on the TML website by clicking here .https://www.tmll.org/american-rescue-plan-funds

TML is actively reviewing the 437-page final rule as well as the 43 page overview, released just before noon today, in an effort to gain an understanding of the scope and effect of the changes embodied in the Final Rule.

In addition, the Tennessee Comptroller has released guidance on the Final Rule for Local Fiscal Recovery Funds under ARPA.

Below are some key points included in the memo:

1) The final rule takes effect on April 1, 2022. Until that time, the interim final rule remains in effect and funds spent consistent with the interim final rule comply with pro-See ARPA on Page 7

## Lawmakers reconvene for second session of the 112th Tennessee General Assembly

TML meets with Legislators to promote city interests

State lawmakers returned to Nashville earlier this month to reconvene for the second session of the 112th Tennessee General Assembly.

Among the top issues expected to be addressed this session are adopting redistricting maps for state Senate and Congressional districts, recalculating the BEP education funding, and the state's surplus budget and spending plan.

Proposed redistricting maps were released the first week legislators were back in session. One of the most controversial portions of the maps is the splitting of Nashville into three congressional seats. Both chambers must approve the plan before it goes before the governor for final approval.

Gov. Lee is expected to release his spending plan and budget for the remainder of this year and for the next fiscal year in February, when he delivers his State of the State Address.

TML has been working with members of the Administration and legislators to build support for the League's 2022 legislative agenda. Prior to the start of the 2022 session, TML Executive Director Anthony Haynes and Deputy Director Chad Jenkins met with Senate Chairman Richard Briggs of the Senate State and Local Government Committee and House Chairman John Crawford of the House Local Government Committee to review key pieces of TML's 2022 legislative agenda. To learn more about TML's legislative agenda go to the https://www. tml1.org/2022-tml-legislative-priorities-and-advocacy-materials



TML met with Sen. Richard Briggs, Senate Chairman of the State and Local Government Committee.



TML met with Rep John Crawford, House Chairman of the Local Government Committee.

# Tennessee struck in deadly tornado outbreak



Samburg Mayor John Glessner estimated that 30% of his community was impacted by the storm with members of the city's fire department becoming trapped in their own building briefly.

### By KATE COIL

Tennessee is one of six states hit by a record-breaking severe tornadic event that left more than 70 dead, including five in Tennessee.

In addition to at least 30 other concurrent tornados and straight-line wind storms, a "long-track" tornado blew a 250-mile path through northeast Arkansas, southeast Missouri, northwest Tennessee, western Kentucky, and southern Illinois. The storm is believed to be the longest such tornado in U.S. history, breaking a record previously set in 1925. Kentucky was the hardest hit by the storm with at least 74 confirmed deaths.

Four fatalities were also reported in Tennessee. A father and his 12-year-old son visiting from Florida were killed while staying at the Cypress Point Resort in Tiptonville with several other family members. The pair had come to Tennessee on a duck hunting trip, according to family. A third storm-related fatality was also reported in Lake County with a fourth reported in Obion County and a fifth in the Memphis area, a former florist now employed by the TSA at the Memphis airport.

Samburg Mayor John Glessner estimated 30% of his community was severely impacted by the storm, including the loss of the police station, fire station, and some other government buildings.

"Right now, we're going to need a lot of prayers," Glessner told a local news station. "At some point we are going to need some labor and manpower. The cleanup is going to be a big undertaking. So that's where we stand. As far as the things that you can put in your hands right now, we're fine. Things are rolling in the right direction. I want the community to know that we're with you, the county is with you, we're going to be better than we were. Now that we know everyone else is safe, we got everyone where they need to be, we're going to ratchet up our plan and move forward and get the town back to where it needs to be."

Dresden Mayor Jeff Washburn said his community plans to build back better than before after six downtown structures were damaged, including the Dresden Fire Department building.

"We started hearing the loud freight train coming type sound and almost immediately when we heard that things started pelting our house and windows started breaking. We felt the building being hit really hard," Washburn said.

At least two EF-3 tornados struck west Tennessee with one tracking from Newbern to Dresden and the other the same storm that started in Arkansas and moved through five states, causing the *See* **TORNADO** *on Page 5* 

### State Funding Board approves conservative budget

By KATE COIL

TML Communications Specialist

In light of projected economic uncertainty and financial changes brought about by the pandemic, the Tennessee State Funding Board elected to approve more conservative than normal budget estimates for upcoming financial years.

State Budget Director David Thurman said the general staff recommendation for the year 2021-22 fiscal year was a revision of 6.8% to 7.54% for total taxes and 7.75% to 8.5% for general fund taxes. For the 2022-23 fiscal year, Thurman said staff recommended a growth rate of between 2% and 2.4% for total taxes and 1.5% to 2.25% for general fund taxes. These rates were unanimously approved by the State Funding Board.

Thurman said "caution" had been the advice of all those who presented to the budget committee, leading to more conservative staff

recommendations.

While economists predict growth in the state's revenues, state officials were urged to consider a conservative approach to setting the 2022-23 year budget due to economic uncertainty related to concerns about inflation, workforce participation, consumer sentiment, and supply chain instability.

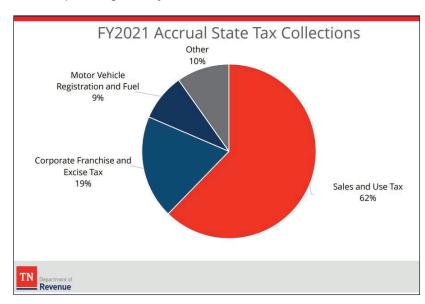
Those presenting to the State Funding Board included Laurel Graefe, regional executive with the Atlanta Fed; Dr. William Fox, professor of economics with the University of Tennessee; ETSU economics professors Dr. Jon Smith, Dr. Joseph Newhard, and Dr. Fred Mckara; Tennessee Department of Revenue Commissioner David Gerregano; Department of Revenue Director of Research Jeff Bjarke; Fiscal Review Committee Assistant Director Bojan Savic; and Fiscal Review Committee Chief Economist Joe Wegenka.

Coming out of the pandemic, officials noted that Tennessee and the nation are going through an unprecedented economic situation that makes future forecasting difficult

"Nothing about the pandemic played out the way we thought it would," Dr. Fox said. "Everything



The Tennessee State Funding Board meets to discuss the budget for the upcoming fiscal year.



The Tennessee Department of Revenue breaksdown statewide sales tax collections for the 2021 fiscal year. The types of goods Tennesseans are spending their money on has changed during the pandemic, which has been reflected in sales tax collections.

has been different from what I would have expected. I would be conservative because I think we are trying to forecast in a window none of us have ever seen."

All economic officials who presented to the board predict tax revenues to continue to rise and sales tax revenue growth to remain strong through 2023, but caution that this growth may not be as high as growth seen in previous years.

The pandemic has changed the way Tennesseans are spending their money and most officials said some of that change may be permanent. Before the pandemic, service demand was higher than demand for goods, but that trend reversed during the pandemic. While services are again becoming more in demand as the pandemic lessens, trends seem to indicate these amounts will not rebalance to pre-pandemic levels entirely. Goods spending is expected to remain higher than it was pre-pandemic and services spending lower.

"Certainly, the state of Tennessee and states across this country have benefited from the shift in consumer spending we have seen over the past year-and-a-half from the majority of their spending be-

See BUDGET on Page 6

### **NEWS ACROSS TENNESSEE**



#### **ATHENS**

The Athens Police Department is debuting a new e-citation system that will make operations more efficient. The e-citation system is part of a new records management system that will work. The new system will reduce the average time of a traffic stop from between 10 and 15 minutes to three to five minutes. The new system has the potential to also enhance safety for both officers and motorists. A recent study found that between 35% and 40% of officer fatalities occur during traffic stops. Officers will use a handheld device about the size of a smart phone to input and scan information as well as a small portable printer. Once back at the station, the device can then download all of its information to the main database. This will eliminate several data entry steps and make reports available more quickly. The new print outs look like a recipient and will include a QR code that can provide information such as court dates and payment locations.

#### **BAXTER**

Anatolia Granite and Marble Corp will expand its operations in Baxter, investing \$567,000 and creating 40 new jobs. Located at 445 Ward Mill Road, the company customizes natural stone slabs, such as granite, marble, onyx and quartz, into processed countertops primarily used by building contractors and subcontractors. Anatolia's production process comprises computer programmed CNC machines, which process the stone slabs into custom made shapes that can be used as kitchen countertops, bathroom vanities or fireplaces.

#### **CHATTANOOGA**

West Star Aviation announced the company will invest \$17 million to expand its existing operations at the Chattanooga Metropolitan Airport (KCHA). A full-service aircraft maintenance, repair and overhaul (MRO) company, West Star will create 100 new jobs through the expansion. West Star will retrofit one of its existing hangars to include a new design studio and will oversee the construction of a new 40,000-squarefoot hangar with an additional 17,000 square feet of flooring to accommodate West Star's shop and support base for its growing client pool. Founded in 1947, West Star offers avionics installation, certification and repair for all major manufacturers, used and surplus avionics sales and exchanges, parts and accessory overhaul repair, custom paint, interior design, major modification and refurbishment. Since acquiring its Chattanooga operations in 2015, West Star has expanded its employment at the Chattanooga Metropolitan Airport (KCHA) to more than 250 people.

### **CLARKSVILLE**

The city of Clarksville is launching a new app for downtown parking. ParkMobile will allow convenient, contactless parking providing information to users on their smartphones. The app allows motorists to pay for street or garage parking, find open spots in their location, track the amount of time left on their spot, and more without the need for parking meters. Monthly parking permits can also be acquired through the app. As part of this partnership, Park-Mobile will service 234 on and off-street spaces throughout the downtown area. 1st and 2nd Street will be mixed-use, allowing users to pay at the street meter or through ParkMobile. The Cumberland Garages in downtown Clarksville will also be mixed-use with brand new pay machines to be installed soon that are ParkMobile enabled. The app is already in use in numerous other cities across Tennessee as well as by Austin Peay State University in Clarksville.

### **CLEVELAND**

The city of Cleveland has been named one of the top five best places in the U.S. to work in manufacturing by financial planning site SmartAsset. Cleveland was named the fifth-best city for manufacturing with manufacturing jobs making up 20.99% of the city's workforce. The city also

ranked 11 in manufacturing job growth year-over-year and the city's 3.3% unemployment rate also boosted its ranking. The study analyzed 400 metro areas on manufacturing as a percentage of the workforce, job growth, housing costs as a percentage of income, and unemployment. Cleveland ranked behind only Wausau, Wis.; Kalamazoo-Portage, Mich.; Tuscaloosa, Ala.; and Sioux City in the survey.

#### **FARRAGUT**

For the 29th consecutive year, the town of Farragut has received the Certificate of Achievement for **Excellence** in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive financial report for the fiscal year that ended June 30, 2020. Farragut is one of 27 Tennessee cities, out of 345, to receive the award. The Town finance staff, led by Town Recorder Allison Myers, puts together the annual financial report, which is available at townoffarragut.org/financials. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The GFOA advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 20,000 members and the communities they serve.

#### **FRANKLIN**

Gutterglove, Inc., officials announced the company will relocate its headquarters to Franklin from Roseville, Calif. A manufacturer of professional grade stainless steel gutter guards, the company will invest \$720,800 and create 20 new jobs in Franklin as part of the relocation. The relocation follows the company's previous \$5.4 million manufacturing expansion to Rutherford County in December of 2020, which created 85 new jobs in La Vergne and positioned Gutterglove to be geographically closer to the majority of its cus-

### HENDERSONVILLE

The city of Hendersonville is partnering with a communication company to put out a series of educational videos aimed at drawing employers and residents to the city. CGI Digital will produce video tours of the city to be featured on the municipal website. The six has initially planned six segments on education and workforce, quality of place, parks and recreation, healthcare and safety, culture and music, and location. The videos will spotlight regionally unique features as well as slice of life segments. Local businesses are being offered sponsorship opportunities that will feature them in the videos.

### **KINGSPORT**

Kingsport Area Transit System riders and the general public can now track the buses on all six KATS routes. The application, called Ride Systems, has a number of great features from using global positioning system (GPS) technology, providing real-time information on bus locations and even approximate arrival times. This service provides customers with a route map featuring icons indicating the location, direction, and approximate bus capacity of each bus currently in operation. There is also an alarm feature that will alert riders when a bus is approaching their selected stop in addition to arrival times at bus stops. In addition to rider benefits, the data gathered through GPS technologies in the app provides service monitoring and management tools for KATS. The information gathered is used to better understand and evaluate performance, identify service problems, and assist in future route planning.

### **LEBANON**

National Indoor RV Centers has begun work on a new 189,350-square-foot building to provide luxury motor coach services in Lebanon, creating 70 jobs in the area. The facility will be

### West Tennessee mayors meet in Paris



West Tennessee officials recently met in Paris to discuss taxing shares for rural governments, particularly measures to assist municipalities and county governments in light of budget demands they are facing. Attending the meeting were, from left to right, Henry County 911 Director Mark Archer; Carroll County Mayor Joseph Butler; Henry County Mayor John Penn Ridgeway' Memphis Mayor Jim Strickland; State Rep. Bruce Griffey, R-Paris; Benton County Mayor Randy Shannon; Paris Mayor Carlton Gerrell; and Henry County Emergency Management Director Ronald Watkins.

used to store luxury motor coach vehicles for owners so they are ready to be used when needed. Service and sales will also be conducted on the site. The facility is one of a series of service centers alongside frequent routes taken by motorhome owners. The Lebanon facility is expected to open in late 2022 or early 2023 with officials stating the facility will bring in RV users from across the country.

#### **LEBANON**

Nashville Box, LLC, will invest \$3.3 million to establish new operations in Lebanon, creating 48 jobs. The startup company will be utilizing an integrated business and manufacturing approach to service businesses with high volume corrugated packaging needs at both a regional and national level. In recent years, the growth of e-commerce and the Tennessee economy have taken corrugated packaging demand to a generational high, in turn, creating a surplus in demand. By locating operations just outside of Nashville in Lebanon, Nashville Box will have a strategic advantage to service both Tennessee's business growth and many major markets within a day's drive of Nashville.

#### **MEMPHIS**

Memphis ranks as the second-lowest average utility bill for major metro areas with only Austin, Texas, reporting cheaper monthly rates. On average, Memphis Light, Gas, and Water customers pay \$197 a month - 60% lower thanthe national average, according to data released by Doxo, a financial-tech firm. The company said that Memphis is one of the top five most affordable major metro areas for utilities in the country. MLGW officials said the company knows that many of its customers are low-income and struggle to pay utility bills, which is why the company is always looking for ways to pass savings on to customers.

### **NOLENSVILLE**

The town of Nolensville has received the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award for its budget. The award represents a significant achievement by the town. It reflects the commitment of the town's finance department and staff to meeting the highest principles of governmental budgeting. In order to receive the award, Nolensville had to satisfy nationally recognized guidelines for effective budget presentation. With over 1,700 participants in the Budget Awards Program, the GFOA stated in their recognition letter of the Town of Nolensville's budget document as a strong first submission.

### **PIGEON FORGE**

The Mass Transit Center at Pigeon Forge's Patriot Park is expected to open in January. The city outgrew its previous transit location across the street and will expand from its former footprint of 3,000 square feet to 8,400 square feet at the new facility. In addition to a larger lobby, the facility has more room for transit staff, storage for data, and large screens showing the routes and locations of each trolley. An important service for both visitors and residents, the city has more than 200 trolley stops.

### **ROCKWOOD**

The city of Rockwood is one step closer to a marina project more

### Gallatin invests in 10M gallon water tank project



Gallatin Public Utilities is working to complete a project that will prevent strong rain events from overwhelming the sewer system and causing discharges of untreated water into Town Creek. The 10-million-gallon tank and pump "equalization basin" off Maple Drive will stagger the flow of water to the treatment plant and resolve the issue. The project was funded at \$12,200,000 and is expected to be complete in the summer of 2022.

### **Collegedale PD collects** bikes for tornado victims



The Collegedale Police Department's Bicycle and Pedestrian Safety program manager, Kat Volzer, donated bicycles of all sizes to The Forgotten Child Fund Toy Drive, as part of the cty of Collegedale's efforts to help the tornado victims in Mayfield, Ky. The Bicycle and Pedestrian Safety program was created by the National Highway Traffic Safety Administration (NHTSA), and adopted by THSO to promote safe pedestrian and bicycle practices in Tennessee. The program is also designed to educate drivers to share the road safely with other road users.

than 15 years in the making. The city recently received notice from the Tennessee Valley Authority that there is no environmental impediment to the city moving forward with developing a full-service commercial marina and campground on the Watts Bar Reservoir near the city's Tom Fuller Memorial Park. The city is working with Blue Ridge Development LLC to develop the 43-acre marina and campground. Plans for the property include 204 covered boat slips, a boat ramp, fuel platform, swim beach, fishing piers, parking spaces, water intakes, riprap, and campsites. City officials have been working on the project for approximately 17 years as a way to boost recreation amenities and provide economic benefits to both Rockwood and the surrounding area.

### **TIPTONVILLE**

Sinova Global officials have announced they will invest \$150 million to establish its first U.S. manufacturing operations in Tiptonville, creating 140 jobs. Based in Canada, the company will locate a new state-of-the-art silicon metal refining plant in the Lake County Industrial Park, a Select Tennessee Certified Site. The facility will be adjacent to Port of Cates Landing, which will help facilitate direct access to Sinova's wholly owned quartz deposit in Golden, British Columbia. The silicon metal produced at the Tennessee plant will be supplied to major industrial consumers and used to manufacture silicon anode batteries, solar cells, semiconductors and aluminum. Sinova Global owns a fully permitted quartz deposit in British Columbia that has more than 25 years of high purity quartz available. With multiple uses, the company's quartz is an ideal material for manufacturing the elements that make up silicon anode batteries, solar panels and semiconductor components, once transformed into silicon metal. Sinova's quartz is the foundation for the creation of silicon metal, which is an essential building block of the clean energy transformation.

#### Study finds threats to municipal officials on the rise

### NLC releases new report: On the Frontlines of Today's Cities

By KATE COIL

TML Communications Specialist

Threats to city officials and municipal employees are on the rise, negatively impacting the ability of officials to do their jobs, making some leave the government sector altogether, according to a new report conducted by the National League of Cities.

The NLC report "On the Frontlines of Today's Cities: Trauma, Challenges, and Solutions" found that 81% of local officials have reported personally experiencing cases of harassment, threats, and violence while 87% said that the levels of harassment, threats, and violence have increased in recent times, particularly since the start of the pandemic. In Tennessee, recent school board meetings in both Williamson and Rutherford counties became the subject of national media attention because of the aggressive behavior from members of the public toward school board members.

Four-fifths of mayors surveyed by the journal *State and Local Government Review* also reported some sort of psychological abuse, most often through social media. Furthermore, 93% of Americans believe that incivility is a growing problem in the country with 68% identify incivility as a major problem the nation is facing.

Clarence Anthony, CEO and NLC executive director, said he too has noticed concerning changes in how the public interacts with officials on the local level.

"Local officials work at the level of government closest to the people and with this comes great honor and great challenge," Anthony said. "Our local leaders are the ones we know - they are the ones we run into at the grocery store and the ones we see around our neighborhoods. And while partisanship and bickering may be an unwelcomed feature of state and federal politics, we are now seeing this trickle down to the local level unlike ever before. I have witnessed and heard about this change through my own personal interactions in meetings with local leaders across the country. It is clear that the environment has changed since my time as mayor of South Bay, Fla., a little more than a decade ago."

As a result, NLC looked into the causes contributing to this increase in hostility, what impacts these behaviors are having on municipalities and those who work for them, and how steps can be taken to mitigate these threats or protect municipal workers.

### CONTRIBUTING FACTORS There were six root course

There were six root causes identified by the NLC report that seem to have helped facilitate the increase in harassment being experienced by officials: polarization, political pushback, spreading misinformation and disinformation, where people receive their information, the growth of platforms for animosity, and a lack of regulation.

"While disagreement and debate are a healthy part of a functioning democracy, civil discourse in America has been increasingly in decline – we see it in the media and more frequently, we're seeing it more in our own communities" Anthony said. "And as politics becomes increasingly hostile, so too has the severity and quantity of threats and harassment towards our local officials. The COVID-19

pandemic pushed many things to the extreme and vitriol toward local leaders is no exception."

The increased polarization in American politics has led to what many survey respondents found to be a major influence in the increasing incivility. A recent *Politico* survey found that more Americans than ever are viewing violence as justifiable for political means.

Liliana Mason, an associate professor of government and politics at the University of Maryland, noted that increasing identification with one group or another can both increase the "us versus them" mentality.

Echoes of the civil rights movement of the 1960s and women's liberation movement of the 1970s can also be seen in the political pushback some communities are experiencing. As America becomes more diverse, there is more of a push to see this reflected in government. However, the consequences of this is that officials found that they were often targeted or harassed because of their gender or race.

The spread of misinformation and disinformation online as well as growing social media has contributed to an increase in polarization and pushback. Social media often contributes to confirmation bias, meaning users can chose to see only messages they agree with, further convincing them of their rightness. These echo chambers prevent users from being exposed to contradictory information.

Likewise, the decline of local newspapers and other community forums that traditionally provided residents with information about local government are making it easier to spread disinformation and misinformation. Increasingly, unreliable sources of information on social media are fueling what citizens know – or think they know – about what is happening in their community. More than half of Americans report they receive at least some of their news from social media.

In addition to this spread of false information, social media has weakened the human connection between citizens and government officials. The anonymity of the online forum often always individuals to express viewpoints they may not feel comfortable doing so face to face. Online engagement also fuels increasingly violent rhetoric.

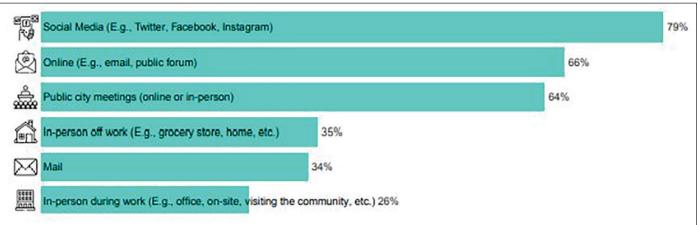
While local officials can monitor their own use of social media, there is still a need for large-scale regulatory action that builds a safer internet without violating free speech. There is a need to regulate the spread of false information that often fuels increased violence and polarization.

### NEGATIVE IMPACTS

This increase in negative interactions with the public has led to troublesome consequences in many communities, including threatening the safety of local officials, interrupting the ability of officials to do their jobs, hindering growth in government, leading to a loss of institutional government, and even impacting municipal budgets.



Many municipalities, school boards, boards of health, and other government entities have seen citizens using public forums, such as public comments section, not as places for civil discourse but as places to issue threats, harassment, and foster growing divisiveness. Of those polled, 81% of city officials said they have personally experienced harassment, threats, or violence.



Allowing anonymity and people to distance themselves from their comments, online forums have increasingly become places where citizens issue threats or harassment against officials. The fact that many citizens exclusively get their news online - sometimes from disreputable sources - has helped foster an environment that is more violent and discourse that is less civil.

Many officials reported that the recent increase in threats has grown well beyond the norm and that these threats are more likely to spill over from themselves to family members.

As a result, the survey found that many officials said challenges like mental fatigue, burnout, the fear of threatening phone calls or in-person harassment, and concerns social media engagement have made it difficult for them to do their jobs. Many expressed a fear of engaging with the public because of potential negative consequences. As they are often the most targeted groups, leaders from marginalized groups – like women and non-whites – feel these threats are compromising their ability to take part in government.

take part in government.

There is also a trend of long-time public officials quitting government work entirely because of increased hostility. Municipalities are losing institutional knowledge as mayors, elected officials, and even city employees decide to leave the government sphere due to increased polarization.

to increased polarization.

"Recent media reports from the New York Times and Kaiser Health Network, among others, highlight how many local public officials—mayors and those working in the areas of public health, elections and the school board—are choosing to resign or not run for re-election," Anthony said.

These growing threats can also have an impact on municipal budgets with many cities having to consider adding line items dealing with safety precautions. Bullet-proof glass, metal detectors,

developing plans for active shooter scenarios, hiring extra security, and other safety precautions have been added into numerous city budgets. Having local law enforcement investigate whether or not threats are credible as well as providing protection to officials who have been threatened can also increase expenditures.

### RECOMMENDATIONS

There are some measures that municipal officials can take to ensure the safety of government leaders and city employees.

One way to mitigate incidents of harassment and provide a level of safety includes having an action plan to respond in case of violent incidents. However, only 40% of government officials reported they work in an office with a strategy to handle incidences of harassment, threats, and violence. Developing emergency procedures and improving intervention training for city employees and securing officers can decrease the likelihood an incident occurs as well as provide assurance to employees.

Of course, incidents do not always occur at city hall with 35% of surveyed officials reporting experiencing harassment, threats, and violence off the clock. Cities and individuals should take legal action where appropriate and necessary and consult with legal authorities about what speech is protected and what is not.

The NLC report recommends training for police officers and security officials at city hall that focuses on de-escalation, adding security protection to council

meetings and public events, making infrastructure adjustments like metal detectors, and debriefing all stakeholders after events to discuss what went well and what did not in terms of civil engagement.

Promoting mental and health and well-being can also lessen the psychological trauma experienced by these incidents. Public officials who are being targeted in particularly should seek individual help from mental health professionals. In the event of a large-scale incident that involves multiple members of city staff, cities should also be ready to effectively manage trauma. This is important to support morale, prevent turnover, and keep employees healthy.

Instituting a trauma management strategy and ensuring staff have mental health resources can be effective measures to show city employees and officials that their concerns are being addressed and their mental health supported.

Improving civil discourse and fostering a more civil society is also an important task for government officials on all levels. Denouncing offensive and violent rhetoric, adopting codes of conduct for public meetings and creating codes of conduct for social media use by elected officials can also improve civility. Engaging with the community and building relationships that promote civil discourse are also import.

To read the full report and for additional resources, visit <a href="https://www.nlc.org/resource/on-the-frontlines-of-todays-cities-trauma-challenges-and-solutions/">https://www.nlc.org/resource/on-the-frontlines-of-todays-cities-trauma-challenges-and-solutions/</a>





### PEOPLE IN THE NEWS

Arlisa Armstrong has been a p pointed by President Joe Biden to serve as the new USDA rural development state of Ten-



Arlisa Armstrong

nessee. Prior to her appointment as state director, Armstrong spent three decades working in rural development in Western Tennessee. She successfully led several initiatives across a 12-county service area effectively implementing residential, business, commercial and profit/ nonprofit loan and grant making authorities for direct and guaranteed lending programs. She previously served as a member of the Federal Reserve Bank Community Development Advisory Board and is a member of the WestStar Tennessee Leadership Program. She is also a graduate of the Delta Regional Institute Leadership Class of 2011. Armstrong holds a bachelor's degree in business administration from Middle Tennessee State University.

Travis Bishop has been selected as the new finance and accounting consultant for the University of Tennessee's Municipal



Travis Bishop

Technical Advisory Service. Bishop will be serving out of MTAS' office in Johnson City. He most recently served as the city recorder for the town of Erwin. Prior to that, he was an audit manager for Rodefer Moss and Company, PLLLC, in Johnson City. He is a certified public accountant (CPA) who received his bachelor's degree in business administration from East Tennessee State University and a master's in accounting from Liberty University.

Harvey Buchanan, longtime councilman for the city of Jackson, died Thursday, Dec. 2, 2021 at the age of 64. Buchanan represented



Buchanan

Jackson's District 4 for 26 years, serving as vice mayor twice from 1997 to 1998 and again from 2010 to 2011. In addition to his public service with the city of Jackson, Buchanan worked as a program director with the Boys and Girls Club as well as ran a service station before selling the business to work for the state of Tennessee as a resource center manager for Workforce Investment Area 11. A Jackson native, Buchanan was a graduate of both Jackson State Community College and Lane College.

**Mark Carter** has been selected as the first Emergency Medical Services (EMS) chief of the Collierville Fire



Mark Carter

Department's new ambulance transport service, which is expected to launch in July 2022. Carter has already begun work with the department to ready for the launch. A Memphis native, Carter holds a paramedic certification from Shelby State Community College. He worked for the city of Germantown first as a firefighter/paramedic from 1987 to 1991 and then as the EMS chief of the Germantown Fire Department from 1991 to 2018. Before coming to Collierville, he worked as an ambulance sales manager for G&W/EVS as well as the Delta Fair organization as an EMS Operation Manager. Carter has also been an EMT instructor at Southwest Community College.

D. J. Corcoran, public information officer for the Knoxville Fire Department, retired in December after 28 years of service.



DJ Corcoran Corcoran comes from a family of

firefighters with his father, grandfa-

uncles all serving with the Knoxville Fire Department. In addition to serving as the PIO for the department for the last 12 years, Corcoran serves as a captain with the department, having worked his way up from a firefighter and master firefighter. A Knoxville native, Corcoran is a graduate of South Fulton High School.

Phillip Farmer has been selected as the new mayor of LaFollette. Farmer was selected as the city's acting mayor in



Phillip Farmer

November and officially sworn in on Dec. 7, 2021. Farmer previously serve as the city's vice mayor and was elected to the board in 2020. Stephanie Grimm Solomon was voted as vice mayor of the city while Bryan St. John, the co-owner of a local tire and service station, was selected to fill the vacant seat on the board left by Farmer's appointment as mayor.

Jason Huisman has been appointed as the new city administrator for Germantown following the retirement of City Admin-



Jason Huisman

istrator Patrick Lawson on Dec. 17. Huisman has served as the city's assistant administrator since 2017. Before coming to Germantown, Huisman was the village administrator of South Holland, Ill., for seven years. He was also the head baseball coach of Trinity Christian College in Illinois for two years following a four-year career as a professional baseball player with the Los Angeles Angels. Huisman holds a bachelor's degree in business administration and management from the University of Mississippi and a master's in public administration from the University of Illinois at Springfield.

Wanda Mc-Clain has been selected as the new human resources director for the city of Columbia. McClain has more than 20



Wanda McClain

years of experience in human resources and comes to Columbia from the city of Spring Hill where she served as a human resources assistant. McClain has a master's degree in organizational leadership from Trevecca Nazarene University and is a member of the International Public Management Association for Human Resources Tennessee Chapter (TPMA).

Jeff Mills will retire as the director of the Cookeville Gas Department on March 31, 2022 after a 40-year career. Mills



Jeff Mills

has served as the director of the department before the past eight years. During his tenure, Mills has overseen the city's automated gas reader program as well as numerous line extensions to accommodate the city's growth. Mills is a member and on the board of directors for the Tennessee Gas Association.

Donald Pannell has been selected as the new fire management consultant for the University of Tennessee's Munici-



**Donald Pannell** 

pal Technical Advisory Service. Pannell will be serving out of MTAS' Memphis office. He comes to MTAS after serving as the assistant fire marshal for the Memphis Fire Department since 2014. Prior to that, he served as a prevention fire manager from MFD from 2001 to 2014. Pannell has a bachelor's degree in journalism from the University of Mississippi and a master's degree in operations

ther, great-grandfather and several management from the University of Alabama.

> Jeremy Reeves has been selected as the new fire chief for the city of Munford. Reeves began working as a volunteer firefight-



Jeremy Reeves

er at the age of 19 and was hired as a full-time firefighter in 2008. He rose quickly through the ranks of the Munford Fire Department, becoming a lieutenant in 2010 and named acting chief in July 2020 when former Chief Alan Barkelew was facing health issues. Reeves, 35, said his plans for the Munford Fire Department include ensuring the department's growth matches the grow the city itself is seeing.

C. Thomas Robinson, executive Director of the Tullahoma Area Economic Development Corporation for the past nine



Thom Robinson

years, has announced he will retire in early February of 2022. His retirement will bring to a close a career of 40 years in Chamber of Commerce and Economic Development organization leadership. Robinson has served in chamber of commerce and economic development roles in Lake Charles, La., and Morristown before coming to Tullahoma in 2013. Prior to that, he worked for Blue Cross Blue Shield in Alabama and as a police officer for Auburn, Ala. He holds a bachelor's degree in television and radio production and a master's degree in speech and communication both from Auburn University.

**Brent Schul**tz has been selected as the new planning director for the town of Nolensville. Shultz has more than 30 years of ex-



**Brent Schultz** 

perience in municipal government, starting his career at the public counter issuing building permits and working his way up to management and executive level positions in the cities of Anaheim, Calif.; Ontario, Calif.; and Mendocino, Calif. Schultz has a degree in political science and public administration from California State University Fullerton and a master's of business administration from Chapman University.

Jonathan Stotler has been selected as the management information systems director for the city of Columbia. Sto-



Jonathan Stotler

tler has been with the city for 11 years, starting with the Columbia Police Department before joining the city's MIS Department. He holds a bachelor's degree in criminal justice and a master's degree in business administration in IT from Bethel University. Stotler has further been certified in CompTIA Network+, Microsoft Certified Professional, Microsoft MTA - Windows Server Administration, Microsoft Certified Solutions Associate Windows 8, Microsoft Certified Solutions Associate Windows 10, and Microsoft Specialist: Windows Devices and configuration.

Joda Thongnopnua has beennamedas the new chief of staff for Chattanooga Mayor Tim Kelly, Thongnopnua has served as the city's chief policy officer



Joda Thongnopnua

since April and prior to that served as the director of strategic initiatives and communications for the Community Foundation of Greater Chattanooga. Additionally, Thongnopnua has previously served as executive director for the Metro Ideas

### **Barlett Mayor Keith McDonald** presented with Shelby County Lifetime Achievement award



Bartlett Mayor A. Keith McDonald, center, received the Lifetime Achievement Award from Shelby County Mayor Lee Harris at the Shelby County Shining Star Awards Dinner on Dec. 11, 2021. McDonald was awarded for his long service to his community both during and before his tenure as an elected official. McDonald has been mayor of Bartlett since 2003 and before that served as an alderman from 1997 until 2002. McDonald is also retired from the insurance industry after 32 years of service.

### MTAS announces retirement of consultant Sharon Rollins

Sharon Rollins has retired after 37 years of service to the University of Tennessee and the UT Municipal Technical Advisory Service (MTAS).

The supervisor for the technical and legal consultants at MTAS, Rollins also served as a public works consultant for cities in East Tennessee. She is the longest serving member on the MTAS leadership team having served in a leadership and managerial role for more than 20 years.

Her knowledge, wisdom, compassion, and sharp analytical skills will be greatly missed by her customers, employees, and leadership team members," as stated in MTAS' monthly newsletter.

Rollins joined MTAS in November 1984. She has authored numerous publications for MTAS and the Environmental Protection Agency (EPA) along with various technical journals and has had publications distributed nationally by the EPA five times. She also has been instrumental



Sharon Rollins

in developing and teaching courses on public works issues to municipal elected officials and staff.

Rollins earned a bachelor's degree in civil engineering from Virginia Tech and a master's degree in environmental engineering from the University of North Carolina at Chapel Hill.

project, a nonprofit organization gan her career dedicated to public policy research, with the city as well as director of communications for the venture capital firm the Lamp Post Group. He holds a bachelor's degree in public policy and economics from the University of Tennessee at Chattanooga.

Irene Wells, mayor of Bluff City, died Tuesday, Dec. 14, 2021, from complications with pneumonia at the age of 77. Wells was



Irene Wells

both the first black alderwoman and the first African-American woman to serve as mayor of Bluff City. Wells' husband Billy Wells also served as mayor of Bluff City in the 1990s. The couple owned a print shop in Bluff City. In addition to her work on the Bluff City Board of Mayor and Aldermen, Wells was a member of numerous local charities and organizations as well as represented her city on a number of state boards and commissions

Susan White, longtime purchasing director for the city of Jackson, retired Dec. 14, 2021 after 36 years of service to the city. White be-

in 1986 as senior secretary for the senior recorder, becoming an administrative specialist in 1988. She



Susan White

was promoted into a purchasing role in 1989 and eventually earned the title of purchasing manger in 1995. She was promoted to director of purchasing in 2019.

Benton Young has been selected as the new chief of the Cookeville Fire Department. Young has been serving as the de-



Benton Young

partment's interim chief since the retirement of previous Chief Daryl Blair in July. Young is a Cookeville native with 32 years of experience in the fire serving, showing the Cookeville Fire Department in 1994. Before coming to Cookeville, Young began working as a volunteer firefighter with the Putnam County Fire Department at the age of 18.

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### STATE BRIEFS

The number of Tennesseans working for foreign-based companies increased by more than a third in the past five years, making Tennessee the second fastest-growing state for foreign direct investment employment. The Global Business Alliance found Tennessee ranked only behind Minnesota in terms of foreign employers, largely driving by the state's automotive industry and role as a major global shipping center. Japan is the foreign country with the largest investment in the state followed by Germany, the U.K., Canada, and France. Approximately 7.5% of all Tennessee workers are employed by a foreign-based company.

Tennessee is in the top ten cheapest places to retire with a cost of living for retirees 10.3% less than the national average. New findings from financial planning website 24/7 Wall Street found Tennessee ranked as the ninth cheapest state to retire in with a savings of \$937,660 needed to fund retirement in the state, \$183,000 less than the average retirement savings needed nationally. The typical retirement-age homeowner in the state without a mortgage spends \$388 a month on housing, below the national median cost of \$499. Tennessee retirees typically live 18.1 additional years past the age of 65, which is more than a year below the national average life expectancy post retirement.

More than 14% of Tennessee households have no internet access while more than a third have no access to broadband, according to a new report into internet access. The survey found 34.4% of Tennessee households have no broadband access, which provides the highspeed internet often more reliable and secure than other services. Studies have shown that households with broadband access tend to earn higher incomes and higher educational outcomes for children. Overall, Tennessee has the 15th highest percentage of households without broadband. On the national level, only 29.2% of households have no broadband access and only 10.9% have no internet access.

The state of Tennessee has seen a 15.6% decline in travel since the start of 2020, ranking 21 out

of 50 states in travel rebounds since the pandemic. Compared to 2019, the state has seen a 52.8% decline in travel in 2021 - roughly 5.57 million less long-distance trips. Hawaii, Arizona, Florida, Oklahoma, Colorado, Alaska, Texas, Nevada, California, Illinois, and Utah were the only states who have seen positive travel growth over 2020 while only Hawaii, Florida, and Alaska have actually seen travel gains over 2019. Maine is the state that has seen the most negative effect from travel declines.

While the number of maternal deaths decreased in Tennessee, 79% of pregnancy-related deaths were found to be preventable. The Tennessee Commission on Children and Youth found that cardiovascular and coronary conditions are the leading causes of maternal mortality while more than one-in-three maternal deaths had substance abuse as a contributing factor. An estimated 10.5 births in every 1,000 births in Tennessee is a child diagnosed with neonatal abstinence syndrome (NAS). One in six deaths of pregnant women were classified as intentional and violent, three of five of those intentional deaths involving a firearm. An estimated of 61% of maternal deaths occurred within the first year after the birth of a child with the mortality rate of pregnant women on TennCare 2.5 times higher than those covered by private insurance. The state is launching a new pilot program that intends to extend TennCare benefits to prevent maternal deaths during birth or up to a year after birth as part of efforts to decrease maternal mortality rates in the state.

The state of Tennessee set a new record-rainfall amount on the day flooding killed 20 people and devastated the city of Waverly. The National Weather Service officially confirmed a record 20.73 inches of rain fell within 24 hours, triggering the extreme flooding event. This is also the highest amount of rainfall ever recorded for any state without an ocean border. The previous state high record for rainfall was 13.6 inches of rain that fell in Milan on Sept. 13, 1982. The NWS also reported that Middle Tennessee as a whole is 10 inches of rainfall above its typical average for this

## December state revenues \$1.9 B, \$437.2 M more than budgeted

Tennessee Department of Finance and Administration Commissioner Butch Eley announced that revenues for December were higher than expected and exceeded the monthly revenues from the previous year. State revenues for December were \$1.9 billion or \$437.2 million more than the budgeted estimate with growth of 24.2 percent from December 2020.

"December tax revenues exceeded budget estimates due to strong sales tax growth, corporate tax growth and realty tax collections included within privilege taxes," Eley said. "Sales tax receipts, reflecting November retail sales activity, continue to benefit from a surge in consumer demand and the established marketplace facilitator law. In addition, it is estimated that some portion of retail purchasing may have shifted from December to November due to reports of supply chain disruptions. Next month's January revenue report will fully capture consumer spending for the 2021 holiday season.

"While revenue collections continue to look promising, we will persist in closely monitoring our revenues and expenditures throughout the remainder of this fiscal year."

On an accrual basis, December is the fifth month in the 2021-2022 fiscal year.

General fund revenues were more than the budgeted estimates in the amount of \$411.3 million and the four other funds that share in state tax revenues were \$25.9 million more than the estimates.

Sales tax revenues were \$214 million more than the estimate for December. The December growth rate was 24.49 percent. For the first five months of this fiscal year, revenues are \$923.6 million higher than estimated, and the year-to-date growth rate is 20.83 percent.

Franchise and excise taxes combined were \$188 million more than the December budgeted estimate. Year-to-date revenues exceed estimates in the amount of \$589.4 million, or 42.09 percent more than the same period last year.

Gasoline and motor fuel revenues increased by 10.61 percent compared to last December and were \$7.6 million more than the budgeted estimate of \$97.8 million. For five months revenues are \$21.7 million more than estimates.

Motor vehicle registration revenues were \$2.7 million more than the December estimate and on a year-to-date basis they are \$7.6 million more than estimates.

Tobacco tax revenues were \$0.8 million more than the budgeted estimate of \$19.9 million. For five months revenues are \$2 million more than estimated.

Privilege tax revenues were \$17.4 million more than the budgeted estimate of \$28.5 million. Year- to-date revenues for five months are \$62 million more than the budgeted estimate.

Business tax revenues were \$1.9 million more than the December estimate and \$0.6 million more than estimates on a year-to-date basis.

Mixed drink, or liquor-by-thedrink, taxes were \$5 million more than the December estimate, and on a year-to-date basis, revenues are 95.05% higher than last year.

All other taxes for December recorded a net decrease of \$0.2 million compared to estimates.

Year-to-date revenues for five months were \$1.626 billion more than the budgeted estimate. The general fund recorded \$1.523 billion in revenues more than estimates, and the four other funds recorded \$102.9 million more than estimates. Year-to-date growth for the first five months is 21.8 percent.

### **Grand Opening of Lodge at Fall Creek Falls State Park**



Gov. Bill Lee led the recent grand opening of the Lodge at Fall Creek Falls, a \$40.4 million, 85-room hotel with conference space and a full-service restaurant and lounge at Fall Creek Falls State Park, located near Sparta in Van Burren County. The lodge is built to be an ideal destination for individuals, families, groups and conferences looking for escapes in a natural setting. The guest rooms overlook Fall Creek Falls Lake and have a variety of sizes. All rooms feature balconies with views of the lake. The restaurant has indoor and outdoor lakeside dining with a total dining capacity of 174 people. Conference and meeting spaces are available inside the lodge and at several locations throughout the park.

### TN struck in deadly multi-state tornado outbreak

**TORNADO** from Page 1

severe damage experienced in Kentucky. The cities of Dickson and Kingston Springs along with Stewart County were struck by EF-2 tornados while those that touched down in Burns, Nashville, Mt. Juliet, and Lynchburg were rated at EF-1. Tornadic activity was also reported in Arlington, Byrdstown, Dyer, Lawrenceburg, Livingston, Kenton, Newbern, Rutherford, and Somerville.

An 11-mile stretch of Highway 70 between White Bluff and Pegram was closed by TDOT for several days due to severe storm damage. Trees and utility lines downed during the storm caused extensive damage and made travel on the road unsafe.

The state of Tennessee also reported one of the highest rates of power outages following the storm with more than 150,000 residents without power overnight. Water systems were also impacted with boil water advisories issued for residents of Dresden, Kenton, and Samburg.

Gov. Bill Lee signed an executive order aimed at providing operational flexibilities to aid counties affected by the severe weather. The order covers counties in Northwest and Middle Tennessee allowing individuals to aid in storm cleanup, suspending restrictions on vehicles transporting emergency supplies, waives residency requirements for child nutrition and wellbeing programs, allows pharmacists to fill extra 30-day supplies of medication, provides for replacement driver's licenses and motor vehicle titles, and allows for flexibility for insurance adjusters, health care professionals, and others.

Lee also sought and received major disaster declaration for the state. The emergency declaration from President Joe Biden makes federal assistance available to Cheatham, Decatur, Dickson, Dyer, Gibson, Lake, Obion, Stewart, and Weakley counties for debris removal and emergency protective

"Our emergency officials, first responders, and law enforcement brought hope where there was none in the aftermath of these storms," Gov. Lee said. "Our effort now will be to bring as much relief as possible to these devastated communities."

Other communities across the state have been working to help those who experienced damage from the storms. Following devastating tornados hitting their own community in March 2020, Cookeville Mayor Ricky Shelton and Putnam County Mayor Randy Porter organized a relief fund to help Tennessee and Kentucky victims.

The Delta Regional Authority's Delta Leadership Network also



Vehicles veer out of the way of debris near downtown Dresden. Residents in Dresden, Kenton, and Samburg were all put under boil water advisories after local water systems were impacted by the storms.



Damage in Kingston Springs prompted overnight curfews to protect residents as cleanup continued. Tornadoes in the area left Highway 70 closed between White Bluff and Pegram while TDOT crews worked to repair the roadway.



Nothing remains of a home in Dickson but its foundation. Damage in Dickson and the surrounding area prompted the brief closure of Interstate 40 on the Dickson-Hickman county line.

partnered with Feeding America to help residents impacted in Arkansas, Illinois, Kentucky, Missouri, and Tennessee.

### TDEC launches online hub for water resources

The Tennessee Department of Environment and Conservation (TDEC) has unveiled an Open Data Hub, an online mapping platform to provide public access to detailed information about TDEC's ongoing work to protect and improve

water quality throughout the state.

The site is designed to inform interested parties about activity managed by TDEC's Division of Water Resources including data on items such as permits, water wells, water quality monitoring and watershed management. The GIS platform includes data sets, mapping applications and story maps. The platform will especially

inform stakeholders who interact with TDEC directly.

The hub may be found at <a href="https://tdec-division-of-water-tdec.hub.arcgis.com/">https://tdec-division-of-water-tdec.hub.arcgis.com/</a>.

The goal is to provide an authoritative source of data allowing Tennesseans to evaluate spatial patterns and geographical relationships in the environment.

The hub uses data layers and mapping applications to provide information to individuals and groups such as residential landowners, environmental consulting firms, non-government/nonprofit organizations and universities. Residential landowners are often

interested in the information, especially water well data, water quality data and water permit data, for the areas where they live. The data and mapping applications are updated by TDEC on a continuing basis.

Users may view maps, for example, regarding water resources permits, with more than 27,000 records, including details of a permitted site, precise location of the site, name of the permittee and the permit's expiration date. The site also allows the viewer to make more customized maps. The applications have been developed to fit inquiries TDEC generally receives from the public.

### TML, TMBF visit West Tennessee cities as part of statewide tour



TML Executive Director Anthony Haynes, Martin Mayor Randy Brundige, Union City Mayor Terry Hailey, and TMBF President and CEO Wade Morrell.



Ripley City Recorder Donna Buckner, Morrell, Ripley Mayor Craig Fitzhugh and Haynes.



Morrell, Covington Mayor Justin Hanson, and Haynes



Morrell, Mason Vice Mayor Virginia Rivers, Assistant to the Mayor Norma Davis, and Haynes



Morrell, Tiptonville City Recorder Fran Hearn, and Haynes.

### State Funding Board approves conservative budget

RUDGET from Page 1

BUDGET from Page 1 ing focused on services to a much larger mix on goods," Graefe said. "It looks like as services become more readily available and as folks are about to go out and about there is certainly greater desire for more services spending than we saw in the pandemic. However, some of the shifts we see in the pandemic seem to be entrenched in bigger ways."

The types of goods Tennesseans are spending on also has changed somewhat due to the pandemic. Fox said some of this spending is reflecting how many used government stimulus dollars to make big purchases during the pandemic, like a new car, putting a down payment on a house, or remodeling their home. These are one-time or once-in-a-decade purchases that the state will probably not see reflected again on such a large scale. However, the purchase of common goods may still higher than it was pre-pandemic.

With many turning to online shopping during the pandemic, officials said internet sales are expected to continue to grow, though the percentage points they post may not seem as high in previous years. This is because it has been nearly a year since the law changed on how those are collected.

"Sales tax grew 20% in the month of October and of that growth, about 17% was related to the marketplace facilitator [Internet sales] law," Gerregano said. "If you include all online sellers who have registered since the Wayfair decision, that is closer to 30% of the growth we saw year-over-year. Next month, we will be comparing apples-to-apples from when that marketplace facilitator passed. It took a little while to ramp up, so I think we will see a difference next month and an even bigger differ-

ence in a few months after that."

Gerregano noted that while the growth percentages received from internet sales taxes may not be rising as rapidly in the past, the amount of money coming in from them is still substantial.

Housing also grew massively during the pandemic, though there are some concerns on the horizon that supply chain bottlenecks and increased prices of material may price some out of the market. Housing starts and the collection of related taxes peaked during the pandemic, and remain at a high level despite tapering off.

Gerregano said sales tax on building materials have seen 14.42% growth in the last six months and real estate transfers are up nearly 55%. In total, the state has seen a 23.12% growth in housing related collections in the past six months.

Newhard noted that some of these costs are not being driven by more people buying homes but rather because financial investment in real estate is driving up prices. Home construction is higher than it was pre-pandemic because the ability to sell homes for more money attracts investment. However, this record-high housing starts are

out of reach of many Tennesseans. 'The median home listing price in Tennessee has risen from \$217,000 in July 2016 to \$349,000 today, which is an increase of \$132,000 in five years," Newhard said. "That is more than 50% increase. I recently calculated for my students that it takes twice as many labor hours for the average worker to buy a house today as it did in 1980s. This is destroying the American Dream for the younger generations and the working poor who want to be homeowners someday. Higher prices mean more years spent renting while trying to save up enough for a down payment. More labor hours spent on housing mean less money saved for retirement and putting off retirement."

The pandemic has proved to be a mixed bag for businesses in Tennessee. While some sectors saw record-high sales during the pandemic, others – like hospitality and education – were devastated. Only the professional and business services, transportation and utilities, and financial sectors have seen job growth above pre-pandemic levels and there are still about 60,000 fewer people working in Tennessee than prior to the pandemic

than prior to the pandemic.

The way people are participating in the workforce has changed because of the pandemic, and it is instability related to these changes that has led to some instability concerns about the economy. While unemployment remains low, worker demand remains high because there are many people choosing to stay out of the workforce for the time being, what is known as the "shadow labor force."

All presenters agreed there are a mix of reasons why Tennesseans are not returning to the workforce including people who decided to retire during the pandemic, dual-income families deciding they can make it on one income so as to not spend on childcare, foreign-born workers not being allowed into the country during the pandemic, a massive increase in entrepreneurship as evidenced by the increase in new business filings in the state, people getting better paying jobs, and those who managed to save enough during the pandemic that they are choosing not to return to work until they feel safe from the pandemic or until they find a position that meets with how they have changed their

lifestyle.

Newhard noted that companies will most likely have to raise wages and increase benefits packages to induce many of these people back into the workforce, especially as other costs increase.

"Wages rising slower than prices meaning real wages are falling," he said. "Anyone who has not received a raise of 6.2% in the past 12 months has actually seen a pay decrease."

Smith agreed based on what he has seen in Northeast Tennessee.

"It appears increases in wages will bid up supply as there are more incentives to return work," Smith said. "Manufacturers in our community all increased wages, benefits packages, and almost all started offering bonuses to recruit workers who stay more than 90 days. A lot of people show for a day or a week and do not come back."

Population growth may also help in this area. Tennessee is seeing growth of not only business but also population because of its lack of income tax, which Wegenka said means more workers coming into the state.

Another major concern looking ahead are continued supply chain backlogs. Along with labor and rising costs, supply chain issues are the top concern of employers and Graefe said more than 70% of firms in a recent survey reporting experiencing some sort of supply chain issue, resulting in lost sales.

Most firms are taking measures like diversifying their supply chains, increasing inventory, switching to U.S.-based or more local suppliers, and others to deal with these issues but are still concerned the problem may not be resolved until the second half of 2022 or early 2023.

"A lot is going to lie in the path of the pandemic globally," Graefe said. "We have discovered

how dependent our supply chains are across the globe. One chip can create backlogs that throttle our capacity to produce."

Along with these supply chain backlogs has come inflation, which is driven by consumer expectations and can also change consumer spending habits.

Graefe noted that in October the nation saw the largest 12-month inflation increase in 30 years at 6.2%. Price setters are expecting inflation to last longer than previously predicted before it eventually dissipates, and Graefe said that consumer sentiment will play a larger role in when that happens. At present, Graefe said consumers are doing well on a personal perspective but their confidence remains shaky when asked about national and global issues.

However, Graefe said she does not anticipate another wage-price-inflation spiral like what was seen in the 1970s.

"It is always a risk and something to take very seriously," she said. "Indicators both from worker and employer perspective are not pointing in that direction, although ultimately impetus for this spiral in an economic theory is something prompted not the real economy is driving inflation but expectations. Any sign expectations around cost and living and wage growth from employers are becoming unanchored would warrant serious consideration and action from the federal reserve."

Fox said that inflation may change some spending habits. Fears of inflation are leading many consumers to purchase items before prices get higher, such as those who bought Christmas gifts early for fear of inflation and supply issues. With energy prices going up, Fox said there may be some impact to gas sales tax.

#### Tennessee Municipal League 2021-2022 Officers and Directors

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### U.S. Treasury releases final rule on Coronavirus Recovery Funds

ARPA from Page 1

gram requirements. However, recipients can choose to take advantage of the final rule's flexibilities and simplifications now, ahead of the effective date. 2) One of the most impactful changes in the final rule is found in the revenue loss category. This guidance provides that any government can elect to take a "standard allowance" for revenue loss of up to \$10 million, allowing governments to select between the standard allowance or complete the full revenue loss calculation contained in the guidance. The significance of this change is that the revenue loss category can be used to fund any "government services." This is much less restrictive than some of the other allowable categories.

3) The guidance from the interim final rule mentions stormwater projects as an example of allowable uses under the category of sewer and water infrastructure. The final rule expands the guidance of allowed projects under this category and includes detailed examples such as culvert repair; dam and reservoir rehabilitation to provide safe drinking water; lead remediation projects; and improving access to safe drinking water for citizens served by residential wells. Please refer to the final rule for more details of these expanded allowable projects. Our Office continues to believe that the investmentallowed for sewer and water infrastructure is one of the most impactful uses of these funds for your citizens, particularly when paired with the Tennessee Department of Environment & Conservation's

NATIONAL BRIEFS

America's population grew by

the lowest rate on record in

2021 with the pandemic chang-

ing national demographics.

The U.S. Census Bureau report-

ed the country's population only

grew by 0.1% this year - roughly

393,000 people and only 148,000

more births than deaths. This was

the first year that growth from

births outweighed growth from

arrivals from abroad. Population

growth had been slowing before

the pandemic though typically

non-competitive grant program.

4) The final rule contains detailed discussions, explanations, and examples of expenses eligible under the category of "responding to the public health emergency" for low-income and underserved communities. Please refer to the final rule documents for details if you are considering these types of programs.

5) The final rule has greatly expanded the list of critical sectors and occupations eligible for premium pay. The list has been extended to include all "state, local, or tribal workforce." The same eligibility criteria are in effect. Please see the memo dated July 9, 2021, for details concerning premium pay eligibility. Previous memos can also be found at tncot.cc/covid.

6) The final rule provides further guidance related to capital expenditures incurred under any of the eligible categories (other than revenue loss). The related reporting in the federal portal will require detailed justification of the capital expenditures. Additionally, the final rule lists categories of capital projects that Treasury will "presume are ineligible." These include construction of a new correctional facility as a response to increased rates of crime; construction of new congregate facilities to decrease spread of COVID-19 in the facility; and construction of convention centers, stadiums, or other large capital projects intended for general economic development. Please refer to the final rule for further details regarding guidance for capital projects.

7) The final rule reiterates the following costs, originally contained in the interim final rule, that remain unallowable across all categories,

averaging at 2 million per year. Birth

rates have been declining since the

Great Recession with death rates

increasing both due to the opioid

epidemic and the pandemic. Im-

migration rates have also dropped

Americans are feeling pessimistic

about their finances in 2022. A

recent survey from Bankrate found

that 26% of Americans believe their

financial situation will get worse

and 42% expect it to stay the same.

under the Trump administration.

including the revenue loss cate-

a) Funds cannot be used to reimburse costs incurred by your government prior to March 3,

b) Funds cannot be used to replenish or make contributions to rainy day funds or other reserve

c) Funds cannot be used to pay interest, principal, or costs on debt. This includes long-term debt, short-term revenue or tax anticipation notes, or fees or issuance costs associated with new debt.

d) Funds cannot be deposited into a pension fund.

8) As a service to local governments, the Tennessee Department of Finance & Administration (F&A) has opened a technical assistance program portal for local governments to submit annual spending plans of American Rescue Plan funds. By submitting your plan through this portal, F&A will provide you feedback regarding the allowability of your proposed uses of funds.

Visit https://www.tn.gov/ finance/coronavirus-local-fiscal-recovery-fund---state-guidance-for-localgovernments/ tennessee-department-of-finance-and-administration-local-government-supportprogram. html for more information regarding this service.

The Comptroller urges city and county officials to be strategic and develop an overall plan for using the money to benefit the greatest number of citizens.

TML will continue to share any additional information and inform you of any new developments related to the Final Rule

Inflation is the biggest concern

with 70% of respondents blaming

inflation as the biggest barrier to

bettering their finances. Other top

reasons respondents expected their

financial situation to worsen or stay

the same including the pandemic,

stagnant or declining wages, per-

sonal debt, and fluctuating interest

rates. Of those who expected their

financial situation to improve, 46%

said it would be due to increased

wages while 36% said it would be

due to having less debt.

#### **TENNESSEE FESTIVALS**

Feb. 4-6: Tiptonville

18th Annual Reelfoot Lake Eagle Festival

Reelfoot Lake State Park in Tiptonville invites visitors to come and observe more than 40 nesting resident eagles. The event features eagle tours, photography and art contests, and more. For more information, visit reelfoottourism.

Feb. 11-13: Jonesborough

7th Annual Jonesborough Chocolate Festival

See the sweet sights in downtown Jonesborough with chocolate stops dotted through small businesses in the community. Attendees will discover everything including barks, chocolate-covered strawberries, fudges, and more. For more information, visit jonesborough.com/ special event/chocolate-fest/

Feb. 12: Johnson City

Maple Syrup Festival and Pancake Breakfast

Come to the Tipton-Haynes State Historic Site to learn how sap from maple trees is turned into syrup as well as enjoy a pancake breakfast featuring syrup made on the premises. For more info, visit https://www.facebook.com/ events/605221807348470.

March 4-6: Pigeon Forge

Annual Chuck Wagon Cook-off Weekend

Pigeon Forge invites Western lifestyle enthusiasts, foodies and those in search of a hearty meal to the new Chuck Wagon Cookoff competition. Chuck wagons will gather at Clabough's Campground for this one-of-a-kind outdoor cooking event. For more info, visit https://www.mypigeonforge.com/ event/cookoff



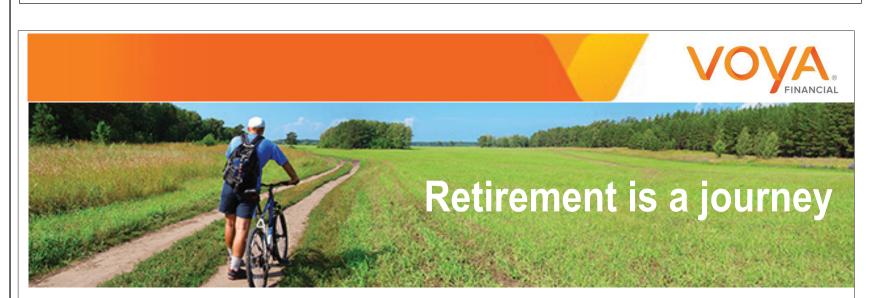
March 14-16, 2022

NLC Congressional Conference Washington, DC

March 14-15, 2022

TML Legislative Conference Nashville DoubleTree

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Ed Stewart, ChFC, CLU, CF **Financial Advisor** 

### Loretto leverages grant funds to build big projects

**By KATE COIL**TML Communications Specialist

Leveraging grant funds and local know-how, the city of Loretto is showing that smaller municipalities don't need to shy away from big

In less than a decade, the city has utilized more than \$3.46 million in grant money to finance \$5.37 million worth of projects improving recreation, accessibility, and infrastructure. As he reflects on his nearly eight-year tenure, outgoing Mayor Jesse Turner said he was once told the city wouldn't be able to accomplish as much as larger communities.

"For a small town, we have done a whole lot," Turner said. "We know what our place is. We aren't out there looking for all the big fish. We don't want to change who we are. The purpose of the city government is to provide the best services possible, and that's what we've tried to do. Loretto has always done a good job of that."

One project that has received an outpouring of positive feedback during Turner's term is the community was the opening of a new municipal pool at the Loretto City Burke Park, often known as either Burke Park or City Park. The city originally had a pool built in the late 1960s, but the facility was shut down in the 2010s after it became unsafe. After two or three years without a pool, Turner said opening a new pool facility was a major desire for local residents.

The city was initially awarded a \$250,000 grant from the Tennessee Department of Environment and Conservation to construct the new pool, but then officials received a phone call from the state asking if they would be interesting in upping the total grant award to \$500,000 in exchange for doing a project that could become a state showpiece for green energy.

"They had a green initiative deal from the TVA coal ash spill," Turner said. "They wanted to do a project with it that was bigger. We worked with their engineers on a way to make this new pool green or energy efficient. Altogether, we went from a \$250,000 project to about a \$1.1 million project because the state wanted us to install a model pool. It has features like open air restrooms. We also used fly ash in our concrete, which is a waste product."

Other features of the new pool include a recycled glass bead filter system, a retractable pool cover to maintain ideal temperatures, skylights, and LED lighting. The project was even highlighted by the National Recreation and Parks Association (NRPA). The project serves as a major draw for the city.

"We're only a town of about 1,700, but we still serve a pretty big region," Turner said. "We have people who come from North Alabama to use the pool. We attract a lot of people from outside the city limits."

Other improvements have also been implemented at Burke Park. The city added 33 acres to the park



The city of Loretto has leveraged numerous grant funds to build several new projects including a municipal swimming pool that serves as a showpiece for green energy as well as a waterslide for the pool.

after the family of a late adjoining property owner offered the property to the city for sale. A \$68,000 recreational services grant from TDEC helped the city purchase the \$102,000 property, doubling the size of Burke Park. The city is presently working on nature trails along the creek that goes through the park property.

Renovations are also underway to the city's community center at the park. Originally constructed in 1981, improvements will be the result of another \$412,981 TDEC grant, with an equal match for the city. The project will include ADA compliance upgrades as well as increasing space for kitchens and gatherings as well as adding new storage space.

Of course, officials haven't

neglected the city's two other major park properties: the Loretto Lions Club Sports Complex and Weathers Park downtown. After being struck by two tornados in a span of 18-months, the city also had to make renovations to the Loretto Lions Club Sports Complex. The softball and baseball fields at the complex are utilized by local schools as well as citizens. A recent addition to the complex is a new disc golf course that the city worked with an area disc golf club to create in 2018.

Working with Lawrence County officials and the local telecommunications company, the city was also able to complete \$80,000 worth of renovations at its downtown Weathers Park for \$40,000 as well as add free wifi to the area. The park

has become a popular destination for downtown events and festivals.

After utilizing several Self Routes to School Program grants to improve sidewalk accessibility to Loretto High School, the city received two Transportation Alternative Program grants that are being leveraged to both improve sidewalks downtown and connect the downtown area with the sidewalks installed near the high school. Turner said the next phase of this project is applying for a Multi-Modal Access Grant through TDOT to extend the sidewalks northward to Burke Park.

Within the past year, the city has also utilized a CDBG to replace aging fire trucks. The city's fire department had three trucks constructed in 1997, 1995, and 1975. The CDBG grant

allowed the department to replace the 1975 model with a newer one.

"We were really struggling as far as fire engines," Turner said. "Within the past year, we have purchased a 2009 ladder truck as well. The city has never had a ladder truck, but we have schools and industries. That was a good move for us. Our ISO score has gone down."

Infrastructure improvements the city has accomplished included extending a waterline through the USDA Emergency Water grant program. Loretto's municipal water system serves not only residents within the city limits but also residents outside of it through partnerships with Lawrence County.

"I'm proud of that one because it was actually for people right outside our city limits," Turner said. "They didn't have access to clean water. Their wells and springs were polluted. We couldn't get a bid on the work, so we did it ourselves. We extended that city water line out there."

The city also recently improved its wastewater through an ARC project that will improve inflow and infiltration

"Our sewer system was put in the early 1990s," Turner said. "We take in more water than we should sometimes, a lot of times from rain water. We want to improve our system so if industries want to locate here we can handle their wastewater as well. We want to decrease the amount we are treating so we can put more industries online. We also have a water tank project out for bid now. It's not always about what we do for Loretto itself, but for our whole area."

Turner said maintain relationships and thinking outside the box are key for small communities that want to realize their big ideas.

"Relationships are the key to everything," Turner said. "The mayor of Lawrenceburg, the Lawrence County mayor, and the mayors of St. Joseph and Ethridge and I have great relationships. Our state senator and state representative hear from me a lot. You just have to stay in contact with everyone you can. Be creative within the confines that you can be and look for partners. It's all about making things better for each resident we serve. Be ready and know what your needs and wants are so when funding comes you are ready to jump at the opportunity."



The \$1.1 million municipal swimming pool project in Loretto used fly ash, LED lighting, and a recycled glass bead filter system.

## No loan is too large or too small



The Town of Livingston has used TMBF programs 14 times since 1996. Most recently, the town closed a \$4,558,635 water and sewer refunding bond issue. By refunding the outstanding bonds, the town saved approximately \$538,000 over the term of the bond. Seated left to right: Linda Mooningham, TMBF Marketing Director and Legal Coordinator, Livingston Mayor Curtis Hayes, and Town Clerk Phyllis Looper.



The City of Medina closed on a \$500,000 note issued for street paving. It was the first time the city has used any of the TMBF programs. Seated left to right: City Recorder Kim Gilley and Medina Mayor Vance Coleman. Standing: Tommy Green, TMBF Marketing Representative.



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