

**Keep Carter County Beautiful Meeting Minutes
Special Meeting with Chamber of Commerce**

615 W. Elk Avenue, Elizabethton, TN

In person, but recorded by Zoom

February 7, 2022

Group Present: Joy McCray, Kathy Campbell, Don Hlavaty, Ross Garland, Ed Jordan, Ed Basconi, and Lisa Vezzosi.

Don gave a brief introduction of the KCCB history, our membership of volunteers, our affiliation with Keep Tennessee Beautiful, and the initial meeting to request for a partnership with the Elizabethton/Carter County Chamber of Commerce. Don stated the proposed document with the terms of contract from the Chamber was discussed at the last KCCB Board meeting. Don distributed the contract document with highlighted areas of concern to discuss today, before the KCCB board meets again on 2/17/2022 to vote on acceptance or rejection.

Don stated KCCB is a volunteer group and if it were a committee program of the Chamber, we would lose autonomy and control of the KCCB assets and identify. Don said he did not know the specifics of how the Foundation is structured.

Joy explained the Chamber Foundation is a 501C6 organization based on membership. They applied for a 501C3 to use for committee programs, such as the Adult Leadership program. They also use the 501C3 for grant application. She indicated that they would like to raise funding for multiple programs. Joy stated the Foundation discussed this process with other Chamber groups for advice and this is a widespread practice. The Foundation Board control multiple programs here and people work as liaisons on the Foundation.

Joy indicated under this agreement that KCCB would maintain our board and conduct activities. Our yearly budgets would be presented the Foundation for approval. The Foundation would not control the budget or spending, except to oversee the funds were appropriately used. It ensures that funds are not overspent and avoids embezzlement of funds by any individual party. Though the disbursement of funds to pay for activities is coordinated through Joy for payment, she most often emails the Foundation board members for approval of fund expenditures promptly. Her experience has been that there are no more than a few days lead-time to achieve payment requests. If the funding request is within the approved budget line items, it should be approved. If the request exceeds the budget line item or is not in the budget, Joy would request how it is expected to be paid. All requests for funds disbursements require a receipt for purchase. Any changes to budget line items would also be voted on by the Foundation board members. If new monies are received, such as a new grant approval, with the year, KCCB would notify the Foundation to add into the existing annual budget. The Foundation Board would be notified to accept the change in the budget and approve the addition.

Joy explained the control of funding and assets are because of the Foundation assumes liability. She stated the change made to the latest agreement with regards to the “control of assets” was written in by the lawyer, as a way to clarify the terms to avoid embezzlement. The assets of KCCB are kept under the Chamber as a protection clause for liability if misused, stolen, etc. Joy indicated KCCB perceives control differently and she does not see the value of return with our affiliation. Her role is the intermediary between KCCB and the Foundation board, but also has to complete administrative work.

Ed Jordan explained his request was asking for a partnership and not a merger. He cares about the community, awareness of problems, litter control, and pride in our environment. He felt bogged down to control KCCB with all accountabilities of this bureaucracy. He initially just wanted to use the 501C3 and get business contacts. He is concerned about the relationships of our other affiliates with KCCB, the community’s contracts for volunteer activities. He does not mind KCCB funding used for community activities but does not want it used for bureaucracy. Ed expressed he is grateful for the time spent by the Chamber to become 501C3, but thought the Chamber was already there, not just applying now. Ed stated he wants speed and action on activities. He was unaware of the bureaucracy in getting things accomplished. He feels KCCB may lose public support on other programs, like TDOT, KTB, etc. He stated he is accustomed to reacting to issues, not asking for approval.

Joy offered a solution in which KCCB could become a Chamber Member. As a member, Joy could assist us in becoming a 501C3 independently. They have experts (Sara) to help us with the paperwork. Once KCCB files for the 501C3, we can move forward and get the EIN. We could partner for one year until KCCB gets the 501C3 approval. On our own, we could apply for grants and Joy could add a cover letter indicating oversight under their 501C3 until KCCB is approved.

Joy indicated Chamber Membership is \$200 annually. They manage as a marketing partner. Joy said she could come to the KCCB board meetings to offer assistance on activities. The Chamber has resources like education resources to help KCCB staff with needed skill sets. She would act as a liaison to other businesses or county programs on behalf of KCCB.

Don stated some feedback from other businesses he has asked about in regard to the Chamber interactions. Their reaction was the Chamber was focused only on the Elk Avenue downtown businesses.

Joy indicated this information is not true. Initially, Elizabethton formed Carter County Tomorrow and was regularly active in the community. It then formed the Elizabethton/Carter County Chamber of Commerce Foundation. Now they do more with Parks & Recreation and other businesses. Now the requests are more powerful as Chamber members.

Ross injected that an example is the Tourism Board.

Joy went on to indicate they partner with City schools, Park & Recreation, etc. Joy meets with them on a regular basis and assist with yearly activities. Many requests from these meetings ask for help in the capacity of secretarial work, social media, and graphics.

Ed Basconi interjected the Chamber has staff to tap as a resource. But the assistance comes with costs.

Don indicated that administrative help was initially requested, but that KCCB does not need because Lisa become the KCCB secretary. He indicated that there may be some assistance needed from the Chamber but asked if that assistance could be volunteered.

Joy indicated that she cannot volunteer Rikki, Seth, or any other staff. They are paid employees of the Chamber and cannot utilize volunteer hours on their payroll timesheet. However, they could be utilized on a needed basis only for an hourly rate to KCCB. Any request for assistance would need to be requested through Joy or at least as an additional contact to her if requested directly to her employees.

Joy indicated the paragraph in the contract referencing the administrative hours and payment could be removed.

Don mentioned the last area of discussion which is the separation clause. His concern was the clause indicates a request for separation from the Foundation requires their board approval. If the approval were not granted, the Foundation would retain all assets and funds of KCCB. Essentially, KCCB would no longer exist.

Joy indicated this clause was requested by Mike Simerly. She indicated the vote by the Foundation was mandatory. She felt the request would be a formality and probably not denied. However, if the request were approved, she could release the funds back to an individual person but could release to a 501C3. Concern of monies is the major issue on dissolution of a program.

Ed Jordan asked if we should become a member only rather than a program?

Joy thought KCCB is strong enough with its reputation and group support. It has now evolved into a strong organization and could stand on its own. It would be a better fit as a member of the Foundation. She stated she appreciated the questions and respects the concerns on the transformation. She wants to protect the Chamber. As such, Joy stated the agreement could be thrown out and we could convert to a membership instead. Her staff would be available as needed to assist and no bridges were being burned by this action. She offered to waive the \$200 membership fee for the current session.

Don asked how the change would affect the city & county funding requests pending?

Joy indicated we would just notify the city & county once the 501C3 was complete and monies would be transferred to the new 501C3. Once KCCB had completed the steps for the 501C3 and got their EIN number, KCCB could get a banking institution account. The Chamber would

transfer any funds to the new bank account. If this is not completed before the fourth installment of the City funding, Joy would write us a check for the funds once we are all set to receive it. The PayPal account would transfer to the new 501C3 for KCCB. Joy also offered the use of Caleb (Foundation lawyer) to assist us with the filing of a KCCB 501C3 application. She stated he could review, advise, and file for \$100 fee.

Don agreed to leave the current agreement in limbo until the KCCB Board will vote to dismiss the agreement and join the Chamber as member only.

Joy stated the KCCB is welcome to come to the Chamber meetings and add things to their newsletter. By attending their functions, KCCB can network with other businesses.

The meeting was adjourned at 1:10pm.

Submitted by Lisa Vezzosi