

**City Council Building
August 28, 2001
6:00 p.m.**

Chairman Hakeem called the meeting of the Chattanooga City Council to order with Councilmen Benson, Franklin, Littlefield, Lively, Page, Pierce, Robinson and Taylor present. City Attorney Randall Nelson, Management Analyst Randy Burns, and Shirley Crownover, Assistant Clerk to the Council, were also present.

**PLEDGE OF ALLEGIANCE/
INVOCATION**

Following the Pledge of Allegiance, Councilman Ron Littlefield gave the invocation.

MINUTE APPROVAL

On motion of Councilman Lively, seconded by Councilman Franklin, the minutes of the previous meeting were approved as published and signed in open meeting.

ANNEXATION

On motion of Councilman Lively, seconded by Councilman Franklin,
**AN ORDINANCE EXTENDING THE CORPORATE LIMITS OF
THE CITY OF CHATTANOOGA, TENNESSEE, BY ANNEXING
CERTAIN TERRITORY CONTIGUOUS TO THE PRESENT
CORPORATE LIMITS OF SAID CITY, BEING AN AREA ON THE
SIDE OF LOOKOUT MOUNTAIN IN HAMILTON COUNTY,
TENNESSEE, OWNED BY JOHN C. WILSON AND PATSY H.
WILSON, BEING MORE FULLY DESCRIBED HEREIN AND
ADOPTING THE PROPOSED PLAN OF SERVICES FOR SUCH
PROPERTY**
passed first reading.

CONTRACT CHANGE ORDER

Councilman Franklin stated that this was discussed in the Public Works Committee and comes with a recommendation.

On motion of Councilman Franklin, seconded by Councilwoman Robinson,

A RESOLUTION AUTHORIZING THE EXECUTION OF CHANGE ORDER NO. 1, RELATIVE TO MOCCASIN BEND WASTEWATER TREATMENT PLANT, CENTRIFUGE PROCUREMENT, CONTRACT NO. 28K (EP-1), WITH KRAUSS-MAFFEL CORPORATION/FLOTTWEG DIVISION, WHICH CHANGE ORDER INCREASES THE CONTRACT AMOUNT BY FIFTY-SIX THOUSAND FOUR HUNDRED SIXTY AND 00/100 DOLLARS (\$56,460.00), FOR A REVISED CONTRACT PRICE OF NINE HUNDRED FORTY-THREE THOUSAND NINE HUNDRED SIXTY AND 00/100 DOLLARS (\$943,960.00) AND INCREASES THE CONTRACT TIME BY NINETY (90) DAYS

was adopted.

OVERTIME

Overtime for the week ending August 24, 2001 totaled \$85,607.96.

PERSONNEL

The following personnel matters were reported for the Public Works Department:

ROBIN S. MATTHEWS—Compulsory Medical Leave of Crew Supervisor, effective 6/21/01—12/21/01.

DONALD K. SCHNEITMAN, JR.—Death of Senior Crew Worker, effective 8/17/01.

PERSONNEL

The following personnel matters were reported for the Chattanooga Police Department:

CHARLES A. CAREATHERS—Resignation of Police Cadet, effective 8/21/01.

ALLISON R. TAYLOR—Resignation of Police Cadet, effective 8/22/01.

ANNETTE JOHNSON—Return to Duty of Property Service Clerk, effective 8/28/01.

DALE OLSEN—Resignation of Animal Services Officer, effective 8/31/01.

JOHN W. GILREATH—Resignation of Police Service Technician, effective 8/31/01.

BOARD APPOINTMENT

On motion of Councilman Littlefield, seconded by Councilwoman Robinson, the following Board Appointment was approved:

SOUTHSIDE REDEVELOPMENT CORPORATION BOARD:

- Appointment of **ROBERT C. TAYLOR** for a term of three years ending August 28, 2004.

COMMITTEES

Councilman Taylor reminded Councilmembers of the **Budget and Finance Committee meeting scheduled for Tuesday, September 4th at 4:00 P.M.** to take up the issue brought up by Councilman Page in today's meeting.

Councilman Littlefield reminded Councilmembers that there would be a **Legal and Legislative Committee meeting on Tuesday September 4th at 3:30 P.M.** He stated that he had distributed additional material regarding the Noise Ordinance to Councilmembers in regards to how this is handled in Knoxville, Nashville, Atlanta and Huntsville. Also on the Agenda will be the issue of proposed revisions to the Brush/Trash Ordinance proposed by the Mayor.

Councilman Benson noted that last evening they had received the final Plan for the Hamilton Place Land Use Study. This was the culmination of six months' work and a lot of people were involved. This will be presented to the Planning Commission on

September 10th and will come back to the Council on October 9th for final approval and adoption.

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LIQUOR LICENSE

Adm. Boney presented to the Council the Re-application of Sandra D. Walker for a Liquor License at 3201 Wilcox Blvd. He explained that there had been a change in ownership, and she had to go through the process all over again.

Councilman Franklin stated that this was in his District and was the Food Lion Plaza in Eastdale. He noted that this application came before the Council approximately six weeks ago, and they had to go through the process again based on change of ownership. He stated that in between this time there had been quite a bit of deliberation by the neighborhood associations and some of the members of the North Brainerd Community Council were present tonight, and they wished this to be denied. He went on to say that they met last evening with the applicant to discuss this with no prejudice on their part; that they wanted to revitalize their neighborhood and that he could not support this at this particular time; that he represented 5,000 individuals who were against this and the North Brainerd Community Council had a petition, and it was incumbent on him to not support this, **and he made the motion to deny this request. This was seconded by Councilman Taylor.**

The applicant, Sandra Walker, was given an opportunity to speak. She called on her attorney, Richard Buhrman, to speak on her behalf. Attorney Buhrman stated that this was to have been approved in the summer but was suspended because she and her partner went separate ways and the process had to be started anew. He stated that the application was in full compliance with Federal and State rules for a retail liquor store and was legally permissible. He noted that the people in the neighborhood do not want it there; however Ms. Walker had taken on space empty for some time that would mean additional taxes for the City and she would be hiring people. He added that the Liquor Industry was one of the most regulated industries in the U.S.

Mr. Robert Schreane of the North Brainerd Community Council spoke in opposition. He stated that he was the President of this organization and had approximately 200 names on a list that were against this. He stated that they had worked diligently to clean up their neighborhood and had worked with Food Lion and Conoco to stop the “loafing around” in this area; that they had worked with Councilman Franklin to get a turn-signal here. He stated that they did not want to tear down the progress they had made and were opposed to the Liquor Store in the heart of this plaza.

Mr. Johnny Horn of the North Brainerd Community Council also spoke in opposition. He explained that this Council was the umbrella of 18 different neighborhood associations, and they were speaking for all of these associations. He listed all of the names of the associations involved. He stated that he could tell the City Council today three reasons that this should not be approved: (1) Schools, Churches, and other businesses in the neighborhood did not want this, (2) The residents in the area do not want this; that they had been polled and there had been door-to-door discussions and no one was for it, and (3) For the safety of the neighborhood; that indigent people would be coming to buy spirits, and this was a wooded area where they could camp. He stated that this was not needed and not wanted and would be dangerous to the community.

Attorney Buhrman was given an opportunity to rebut. He stated that they were unaware of this opposition and if it were voted on tonight, they would lose. He stated that he had talked with Ms. Walker, and they would like to put this off for 30 days and try to address the problems with the neighborhood.

Chairman Hakeem asked if there was a motion for a delay for 30 days.

Councilman Franklin stated that he had no major problem to withdrawing this but that there were 18 different neighborhood associations involved, and he did not see any reason to do this and that his motion to deny stands. Councilman Taylor also stood by his motion, and **on motion of Councilman Franklin, seconded by Councilman Taylor, the Liquor License was denied.**

**PUBLIC HEARING/
TAX RATE**

At this time Chairman Hakeem stated that the Public Hearing was in session regarding the proposed intent to raise the tax rate above the certified rate; that each person who wished to speak would be given three minutes to make their point; that if they had further information that went beyond the three minutes that they could submit this in writing to the Council. He stated that this was not a time for personal attacks on individuals whom those in the audience might feel had wronged them. He stated that the Council would be given an opportunity to ask questions of persons who spoke; that this was a hearing to hear questions and concerns; that the Council would not necessarily answer questions this evening but the comments of those in the audience would be part of the Council's deliberations in regards as to what they would do on this issue. He reiterated that any person who wanted to address the Council would be given three minutes.

The first speaker was **Daniel Lewis**, who read directly from a prepared statement that he had left in Council boxes. He stated that according to our new Mayor, city and county governments collected \$95,503,410 in taxes to finance Chattanooga's government during FY 2001. Taxpayers of Chattanooga provided nearly 78% of the \$122,809,860 received by Chattanooga in FY 2001. He went on to say that our new Mayor claims the taxpayers of Chattanooga have had a "historically low tax burden". He stated that for the sake of

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PUBLIC HEARING (CONT'D.)

our children, it is time to seriously look at the finances and funding of the City of Chattanooga and make some serious changes. He went on to discuss his proposal for a new recycling initiative, which he felt would generate \$2,210,783 in revenue each year. He maintained that revenues of \$144,890,140 could be generated without any property taxes at all. He went on to say that Government has no place subsidizing private enterprise and that a Plan must involve smaller government and lower taxes and that smaller and responsible government rested in the hands of our mayor and city council. (A full nine pages of Mr. Lewis' comments are filed with the minute material of this date.)

Ms. Edna Taylor spoke next. She stated that members of the Council should know her after 20 years and were already aware of her stand on the tax increase; that she had voiced her opinion in other meetings where they had been present. She stated that she would not quote statistics but she wanted to remind the Council of some things before they made their determination on the tax increase. She asked them to consider our Constitution and Declaration of Independence, which state that power belongs to the people and she reminded the Council that they were sworn to uphold the Constitution. She urged them to read an article in the Tennessee Constitution. She stated that at least 75% of the people in this city don't want a tax increase and can't afford it. She stated to vote on this increase would go against the peoples' wishes and would be a violation of the Constitution. She went on to say that this Budget was based on projected growth and not facts. She stated that she did not know of any projected growth in the national or local economy; that projected growth is spending for "pie in the sky". She stated that the city had assets that they ought to sell to stay alive; that they needed to consider the Constitution and get rid of unnecessary burdens on taxpayers. She ended by saying that "we cut our budget and you all do the same".

Ken Neblette was the next speaker. He asked that people standing in the halls come into the room and a large number of police officers filed into the assembly room. He stated that he was with the Police Benevolent Association and he had with him **Daniel Hill** of the Fraternal Order of Police. He stated that they were concerned about the Pay Plan. He stated that it had been clarified that the \$500.00 would be a permanent addition to the pay

scale. He asked to clarify some information that Councilman Littlefield had been given; that the deductible on insurance would go from \$200.00 to \$500.00 for an in-hospital stay. He stated that insurance matters had increased ten-fold, and he wanted to report to Councilman Littlefield that this was not all-inclusive. He went on to say that he had learned at tonight's committee meeting that the Pay Plan is a meritorious one; that it had always been reported to him that it was a longevity Pay Plan; that everybody in the Police Department had been working the last 12 months under this Agreement and now they get to 2001 and find that their performance has not merited this increase in step. He went on

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PUBLIC HEARING (CONT'D)

to say that the Police Dept. had bent over backwards, and they were cognizant of the taxpayer's burden; that a large majority of the police officers had taxes that would be going up. He maintained that if they were being graded on merit that they had earned their pay grade. He reiterated that it was reported in the committee meeting that the Plan was meritorious, and he felt that their pay should be adjusted to merit their performance for the last 12 months. He stated that this sent a strong signal to the police regarding their performance. He reiterated that they had bent over backwards for the last four years and that their performance merits the "merit raise". He mentioned that employees were only getting a 2% cost-of-living increase, and the cost-of-living had increased more than that and stated that the \$500.00 should be added on to the top of the step.

At this point Daniel Hill deferred his three minutes to Mr. Neblette. Mr. Neblette continued, stating that the Police Department had feelings for the taxpayer and that Councilman Page had pointed out an egregious problem that needed to be addressed, but he stated that he would be negligent if he did not point out that the Police Dept. was placed in the Pay Plan, which was meritorious. He gave as an example one officer who was given a Step 4 raise; that they had been given this meritorious Pay Plan and felt that it was an improvement and this officer did not demand that he go into Step 7 (where he should have been) because it was felt that this would be an unfair burden to the city and to the taxpayer. He went on to say that they were given the Plan, and they told officers that this Plan was laid out and if they performed with merit, they would be moved through this Plan. He stated that no one was placed in their proper step and collectively as a group they accepted this because it was an improvement and also a promise to them. He stated that their performance had been outstanding and now they were moving away from the Step; that there should be a raise for performance merit, cost-of-living and to cover insurance. He stated that they knew you could not offset all of the insurance cost. He reiterated that police officers went into the meritorious Pay Grade because it was an improvement and now the city was changing the deal.

Mr. Sneed, who identified himself as an attorney from Hixson, spoke next. He stated that he would speak to one simple fact—the rate of increase in spending in the city versus

the increase in cost-of-living, the ratio being 56.5% versus 13.6%, which is proposed in next year's budget. He noted that what was being spent per resident was four times the rate of inflation. He asked that the Council restrict the size of the budget and settle on something much more manageable.

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PUBLIC HEARING (CONT'D.)

Sister Bey was the next speaker. She stated that people on a fixed income could not afford this tax increase; that she had been fighting this since 1947 and had HUD looking into this; that they did not know where HUD money was going; that the City Charter had been messed up, and people did not know where the money was going. She stated that she would not sit back and let the city do this; that she came to the meetings and listened to hypocritical prayers and the way the city was doing things was disgusting. She stated that people in other lands were sitting back laughing at us. She reiterated that people cannot afford this tax increase.

Leigh Taylor Noorbergen spoke next. She stated that she was a recruiter in the Police Dept. and that her job was difficult. She stated that the police were already way underpaid and trying to compete with similar size cities; that with this budget, this would be impossible. She stated that the comparison had been made between our police department and the police department of Nashville; that the Nashville Police Dept. starts their people out like we do but after six months they are raised to \$29,000+ and after 18 months they are making \$37,000, which is our top out pay. She stated that their policemen do pay more for insurance, but they have three plans to choose from with no deductible; they have two HMO's and pay a \$10.00 co-payment. She stated that as a recruiter she would soon be going to MTSU and that she would be embarrassed to take this with her; that we need to be able to provide a competitive package; that we have good officers now who would settle for a step even though they are underpaid and under-appreciated. She stated that the city could show their appreciation by compensation and allow them to be fairly competitive.

Chairman Hakeem noted that she had said that we had compared the police department to the police department in Nashville. He stated that the Council had not made this comparison; that it must be another branch of government but not the Council. Ms. Noorbergen stated that it was the Mayor who made the comparison.

PUBLIC HEARING (CONT'D.)

Shirley Deakins was the next speaker. She stated that this might be the last time that she addressed the Council; that she came back to Chattanooga 15 years ago and had sensed the trend. She stated that she had been attending government meetings and had even gone to Nashville for a meeting with Senator Crutchfield. She stated that the guillotine was being prepared; that she saw the trend and knew that her brothers and sisters who were enjoying this could not imagine what was taking place. She stated that it was now here—no guillotine but unhappy citizens; that when her brothers and sisters need help, they can call on the police department to help them. She stated that ethics and morality were missing in this and that this city had bargained off its soul. She stated that she would pray for the Council to let this city thrive and let its people thrive; that a city that is out of step with its citizens can't be saved. She stated that she did not have personal animosity towards the Council, but no one could afford this. She stated that this needed to be corrected and thanked the Council.

Sgt. Chance with the Pawn Unit of the Police Dept. spoke next. He stated that there were 26 people who were going to lose their jobs, and he had the ones present to stand. He stated that these were the hardest working kids you can see anywhere; that they helped us turn over cases to the detectives. He stated that we were going to lose these PST's (Police Service Technicians) on September 30th. He went on to say that this was a good system and an efficient system, and we don't need to lose them. He stated that it would result in our having to pull officers off the streets and will cost the taxpayers more. He reiterated that these were good, hardworking kids with a high level of enthusiasm for their work. He stated that this is something we need to look at because it is a very effective system; that when the economy goes down, crime goes up and record high pawn shops will continue. He ended by saying that we need to keep these people.

The next speaker was **Zella Tallent**. She stated that she lived on North Germantown Rd. in District 6; that she knew figures and you have to balance your book yourself; that she

had heard the Police Department talking about insurance going up; that her insurance went up, too; that her grocery bills were up and now the city was increasing her property taxes. She stated that there would put a “For Sale” sign on her property and that she would move; that she was speaking for several elderly people and people who were working for a low income and trying to pay bills. She asked the Council to please arrange with this budget to not take anything more out of her pocket.

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PUBLIC HEARING (CONT'D.)

Shannon Shindley spoke next. She stated that there were a lot of concerned citizens who wanted to know why we have to have a tax increase; that we need to cut spending on the unnecessary; that the Chattanooga is in the hole as opposed to making a profit. She asked that the Council look at the figures and see how reliable they are. She stated that she kept up with the Council by looking at the minutes on the web page; that the city was no longer putting the minutes and Ordinances on the web page. She stated that taxpayers would like to know where the money is going. She stated that she would like to have the minutes put back on the web page so that we could have a more informed community; that she knew notes were taken at these meetings, and she did not know what personnel it would take to begin doing this again.

Randy Burns, Management Analyst for the Council, explained that the web server had problems this week, and we were looking to get this remedied.

David Headrick was the next speaker. He stated that he resided in the East Lake area and also owned property in Brainerd; that he had been a city resident for 18 years. He stated that property taxes were going up, and he supported vital services but urged the Council to look at non-vital services more closely and not to spend money just to be spending money.

Stephen West of the Public Works Department spoke next. He stated that this was putting everyone in a big bind; that the City had raised insurance and now the property taxes and not giving employees a raise and the rise in insurance would take the \$500.00 and the 2%. He asked the Council to give the step plan back so that employees would have money to spend on their families. He stated that he had a baby on the way and the income of his wife would be gone; that this was putting a burden on him, and he was having to work two and three jobs to make it. He stated that he owned property down from Councilman Franklin and was barely getting his taxes paid and now the city was

raising them again, and he would also have to put a “For Sale” sign up. He ended by saying that this was hitting “us” as city employees hard.

The next speaker was **June Trotter**. He stated that he had been with the city nine years and could not afford this insurance; that he drove a garbage truck and had to work in rain, sleet, and snow picking up nasty garbage. He stated that he, too, had a baby on the way; that if the city raised property taxes, he would move to East Ridge.

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PUBLIC HEARING (CONT'D)

Margaret Chastain of the Police Department spoke next. She asked when the Budget is set if each Department Head was given (x) amount of money to spend or if the Council and Mayor make decisions where each department cuts.

Chairman Hakeem responded that the Mayor “proposes” and the Council “disposes”; that it is not by department, but overall; that the Council adopts the budget.

The next speaker was **Jamie Otis**, a Police Service Technician. She stated that it was a matter of efficiency; that they were trained to do what they do, and it is a competent system and very special to them. She stated that they were at a lower rate of pay, and she thought that the efficiency they provided was beneficial to the city.

RECESS MEETING

At this point Chairman Hakeem announced that this meeting would be recessed until this coming Friday, August 31st; that the Council would come back on Friday. Councilman Taylor added that we would be looking at the proposal made by Councilman Page at **4:00 p.m. on Friday, August 31st**.

A lady in the audience asked if the proposal could be identified.

Chairman Hakeem explained that the Council would study and review the proposal made by one of our colleagues; that the Budget Ordinance is scheduled for first reading on next Tuesday, September 4th; that it could be modified.

A man in the audience asked if the meeting could be at a later time, as he worked for the city and did not get off work until 4:30 p.m.

Councilman Taylor explained that the meeting on Friday was just to hear this proposal; that next Tuesday in the Budget Committee at 4:00 p.m. the budget would be reviewed in general. Chairman Hakeem reiterated that the overall proposal would be next Tuesday.

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PUBLIC HEARING (CONT'D.)

Chairman Hakeem asked if there were others who wished to address the Budget and Tax Rate.

Jacqueline Moore of Parks, Recreation, Arts and Culture Dept. spoke next. She stated that hers was one of the jobs being eliminated; that she was a single parent and homeowner; that she was being “hit” by the City. She stated that she had an ill child who sees six doctors. She questioned with no job how she could pay for medicine and taxes. She asked what she had done to cause “you all to hit me like this”. She asked that the Council consider job eliminations; that she was being “looked at and picked on”; that she was “picked out and picked on”. She stated that she expected the Council to fix this; that if they should vote for this her lifestyle would have to change, and she did not think the Council would want this.

At this point, the Public Hearing was closed.

JOHN FARMER, SR.

Mr. Farmer addressed the Council concerning an issue with traffic tickets. He stated that he had spoken to Chief Dotson about this; that when he was in court that his case was the last to be reviewed, and he had to wait. He stated that he wanted a jury trial; that his was

the last case, and he tried to explain that the ticket was not given because he was speeding. He asked that the Council give him an appeal and give him a jury trial.

Chairman Hakeem stated that he had spoken with the attorney, and it was not under the Council's jurisdiction and was under the purview of the court, and the Council does not have this authority. He explained to Mr. Farmer that he would have to take this up with the Court.

Attorney Nelson explained that if he was convicted that he had ten days to file an appeal.

Mr. Farmer went on to talk about a "guardian angel" that had saved his life; that Mrs. Rose Camp called an ambulance when he had "blacked out". He thanked the Fire Department for coming to his assistance and taking him to the hospital where he lay in a coma for several days.

This meeting will stand in recess until Friday, August 31st at 4:00 p.m.

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**August 31, 2001
4:00 P.M.**

Chairman Hakeem called the recessed meeting of the Chattanooga City Council to order with Councilmen Benson, Littlefield, Lively, Page, Pierce, Robinson and Taylor present. Councilman Franklin joined the meeting later. City Attorney Randall Nelson; Management Analyst Randy Burns; and Shirley Crownover, Assistant Clerk to the Council, were also present.

BUDGET PROPOSAL

Chairman Hakeem stated that this meeting was called primarily to address a concern of one of our colleagues. He stated that the Council knew that they were elected by the people to do the "peoples' business"; that they tried to do the right thing but sometimes "it was in the eye of the beholder" as to what the right thing was. He noted that the Council members come from different backgrounds and have had different experiences and do not agree on everything; that he felt they were doing their job when they questioned, discussed and deliberated. He reiterated that everyone did not always agree,

but he felt that the Council came to good decisions after deliberation. He turned the meeting over to Councilman Page.

Councilman Page thanked the Council for allowing him this opportunity to voice his concern. He stated that he knew this was the Labor Day weekend, but he would be out of town next week and needed this opportunity to express himself, and he appreciated this Special Meeting and thanked Mayor Corker for his willingness to participate in this discussion and his willingness to make hard decisions, stating that he knew he had taken the brunt and had done a good job. He stated that he supported the budget but felt the need to discuss a proposal based on the following issues: (1) Funding for our public schools should be of the highest priority; the funds for our public schools should not be reduced and should be sustainable without interruption. (2) Funding for our public schools should be on a countywide basis and include all municipalities and (3) The tax structure should be equitable to all concerned.

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BUDGET PROPOSAL(CONT'D.)

Councilman Page continued, stating that the \$8.5 million the City of Chattanooga now provides to Hamilton County each year needs to be revisited and evaluated based on the already stated issues. He stated that he believed this would continue to be a major issue to the city taxpayers in the future and will probably exacerbate in trying to understand why we are paying and also remembering that the City of Chattanooga taxpayers are also Hamilton County taxpayers. He stated that these were the issues upon which his proposal was based.

He stated that he would propose that we reduce the funding for the Hamilton County Schools in 2003 and by doing so, reduce the necessity for a tax increase for a four year horizon. He stated that he would open up the floor for discussion and wished to allow the Mayor to speak at the appropriate time. (His proposal is made a part of the minute material of this date).

Mayor Corker stated that he would like to hear the Council first and then he would make comments.

Councilman Littlefield thanked the Council and stated that he very much applauded what Councilman Page has outlined; that it needed to be done and has certainly helped to solidify this issue, and we can't ignore the fact. He stated that the idea put forward is a popular idea and until this dialog it was thought to be an easy thing to do to take \$8.5 million dollars and give it to Hamilton County Schools. He noted that after the cut we are short \$8 million, and we could just take this money and go on but noted that it is not quite that simple; that the other issue to be dealt with is that the County would find some way to punish us like raising the tax \$.17 if we reduce it \$.14, resulting in a higher property tax than otherwise. Councilman Littlefield stated that he thought we needed closer partnership with the schools, and he again applauded what is being done.

Councilman Littlefield went on to say that \$8.5 million at this time is really a small amount in the school's overall budget; that no one seems to place much value on it until we mention a move to end it. At this point he mentioned the Eastside Community Center, stating that he was distressed that we have not seen more willingness on the Board of Education's part to move this forward; that there had been neighborhood meetings and some indication of support and Girls' Inc. were willing to take it on and yet we were still hearing rumblings from the school system that they should tear this building down; that we had hoped we could occupy this building.

He ended his remarks by saying that this was a healthy discussion and again applauded Councilman Page for raising this issue. He noted that tax equity goes back to Mayor Kelley and Commissioner Eberle had also taken this up, and it won't go away and discussions are healthy.

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BUDGET PROPOSAL(CONT'D)

Councilman Lively spoke next. He, too, commended Councilman Page on trying to save the taxpayers' money. He stated, however, that he felt morally committed to keep his word with the taxpayers who approved this one-half cents sales tax with the stipulation that 50% would go to the schools and 50% would go to economic development. He stated that he had dug a little and come up with some actual facts; that there are inequities in other areas, but in this area he felt there was no way to tell exactly what comes from the residents of Chattanooga; that the taxes collected in the City of Chattanooga are paid, not only by residents of the City, but those of the County, surrounding counties, states and even people from around the world. He stated that he did some more calculation and that for it to be a true statement that people in the City are paying an unfair portion of the sales tax, every man, woman and child living in the City of Chattanooga would need to average retail purchases of \$21,857.00 per year each. The average wage in Chattanooga is \$24,600.00 per year. He stated that this pointed to the fact that a lot of other people are contributing.

Councilman Lively went on to say that one of the things that bothered him was that if the \$8.5 million were taken away from the schools in 2003 and the property tax set at \$2.37 that it would strip us of all capital improvements and would eliminate all funds for the next two years to be used for economic development and only lower the proposed tax rate by \$.14. Another negative is that the County would have to raise taxes by a minimum of \$.166 cents to raise the \$8.5 million. He ended by saying that it was likely that the County would pass the sales tax county wide and by State law the City would be required to once again give the funds to the schools and this would require a \$.26 cents City only property tax to make up for the last revenue. He stated that he knew there were inequities, but he could not say the people of Chattanooga were paying the “lion’s share” of the one-half cents sales tax. He again commended Councilman Page on his effort, stating that in the past he had brought things to the Council that he thought were savings and could not get a second. He stated that all of the Council were here to represent their constituents and to do the right thing.

Councilwoman Robinson spoke next. She echoed the applaud for Councilman Page in bringing this issue to the table; that it put it on peoples’ minds and opened dialog, allowing people to understand a little more what we are facing. She stated that she thought we would all agree that we want progress, and we have to have economic development and have to educate our work force; that we need a viable Economic Development engine at VAAP and an infrastructure in place where industry can grow, and we need to have workers at this site. She stated that what this left her with was that we really do have to fund Economic Development and Education and to fail will leave us behind competitively; that if we fail to support Economic Development and Education, we will preside over status quo, and we must do better than this.

BUDGET PROPOSAL(CONT’D.)

Councilwoman Robinson went on to say that we do a lot of good for Education other than the \$8.5 million, mentioning that we saved the School Resource Officers and there are other instances where we can make a material difference. She stated that she supported the schools and economic development.

Councilman Benson stated that he believed this motion was tabled, and he wanted to bring it off the table; that there was a motion to table, and he wanted to bring it off the table now. Attorney Nelson explained that the motion was made in a committee meeting and not in an open Council meeting, and there was no motion on the floor at this time.

Councilman Benson stated that this City wants to be a partner in quality education, and it is important for the progress of this city, and we need to be as fair as we can and

perception and timing is everything. He moved that Councilman Page's proposal go to committee somewhere down the road and that the Council move into other budget details at this time. He stated that Councilman Page had made his point, and we are concerned about equity but also about education; that it is important not to leave the schools anxious about funding at this point, and this needs to go into committee.

Councilman Pierce spoke next, stating that he had a feeling of what would happen; that rather than taking "a part of the pie, we needed to take the whole pie". He questioned freezing our interest on part of the \$8.5 million; that we can continue to come back and "pick" at it or let the schools have it all. He stated that he felt sympathy towards the taxpayers; that it is unfair that we have shared this burden that belongs to the County, and they won't pass on a one-half cents sales tax; that the City was graceful enough and allowed this one-half cents sales tax to go to the County over the last five years, and we had done our share towards education plus the School Resource Officers. He stated that we were doing our share, and he shared the concern of Councilman Page. He stated that he had talked about this over a period of years, and there was nothing new on the horizon; that he felt this was unfair to the city taxpayers; that we were still putting in as much money now as when we operated the system; that it is the same \$8 million dollars that we were contributing ten years ago. He stated that we have no say in the school system, yet we give the money, and they have the right to take it.

Councilman Page stated that he would like to know, firstly, how long we will continue to do this and secondly what input do we have on how it is being used. He stated that we could not "nitpick" the Education System; that we needed to find a proportion; that a lot of municipalities were not doing anything, and he had a hard time with this.

BUDGET PROPOSAL(CONT'D.)

Councilman Taylor joined his colleagues in applauding Councilman Page. He stated that this Budget opens up communication and is a "working plan", and he welcomed anything relative to the Budget. He stated that we had to be concerned about education and also we needed to have input into the Education System and need to have a greater voice; that if we give money, we have to have input such as the types of programs in the school system. He stated that he was in support of the Mayor's Budget; that he was concerned about economic development, and we needed to put funds away for a rainy day. He again applauded Councilman Page's efforts and welcomed the dialog before this Council.

Chairman Hakeem stated that he would take it a little further than applauding Councilman Page; that he had created more questions than we have answers to; that we need to form a Tax Equity Committee to do some research and to make recommendations to the Council so that we can articulate our concerns; that we need to say to the County that these are our concerns. He asked the Council if this was in line to move forward.

Councilman Taylor questioned if we had not already had a Tax Equity Committee. Chairman Hakeem responded that this was during the Urban Growth program; that we needed a committee to articulate our concerns and interests and to meet with others; that we need to get the basic concepts together and articulate our ideas to the appropriate bodies.

Councilman Pierce stated that he appreciated the Chairman's concern about a committee but questioned what good this committee would be; that we had a Tax Equity Committee that acted with no power and nothing was accomplished; that the County does not want to hear anything we have to say or do. He stated that basically we are a part of the County and to form this committee is a waste of time.

Chairman Hakeem continued to say that this committee was formed under Urban Growth and did not have the opportunity to formulate our concerns; that changes were made in the Sales Tax Agreement as a result of this.

Councilman Page stated that he wondered if the Mayor might want to comment.

BUDGET PROPOSAL(CONT'D.)

Mayor Corker thanked the Council for the opportunity to be here and thanked Councilman Page for his thoughts. He stated that Councilman Page had called him today and asked if he would be open to looking at the equity issue. He stated that he had said during the Budget deliberations that he felt we should look at what is happening with our school system and get an understanding; that it takes money to maintain the schools and also for new construction, and we need a real understanding of how the money is spent. He stated that Councilman Lively's comments were interesting; that we know all city residents would pay a county tax; that the sales tax comes from people from all over the

world; that we need to look at equity as it relates to the schools and the new members of the Council's position. He stated that he would like to dig into this and get some volunteers with various backgrounds to dig into this and look at other arrangements, and he would be glad to look at this personnel-wise if the Council wished him to do this. He reiterated that he would love to do this so that everyone could understand where we are. He stated that it was up to the Council; that he would discuss it and be glad to do it.

Councilman Pierce asked the Mayor if he was willing to withdraw his freeze for the \$8 million dollars. Mayor Corker responded "no", explaining that over the next 12 months there will be a "swing" in dollars; that starting in 2002 the SRO dollars will come out of money allocated to county government; that there will be more growth in the next year; that within 12 months there will be a "swing" and one million more dollars will be available to the City than this year, and we can move in the direction that Councilman Page has put forth and get more equity in the system.

Councilman Pierce expressed that he was trying to understand; that the feeling is that this Council is so sympathetic to Education and what Councilman Page had prepared is beneficial to the taxpayers and not sympathetic toward the freeze on some money; that 50% goes to the schools and 50% towards economic development; that we could accept the "freeze" but can't discuss taking the "whole pie or part of the pie"; that we need to do it wholeheartedly and put more emphasis on what we are doing beyond the \$8.5 million dollars such as School Resource Officers and Scholarship Funds, which we joint-venture. He stated either we don't support or we support wholeheartedly. He stated that we were paying an undue burden of the load that others don't have to share, and they laugh at us and take issue at whatever the City does, and the County Executive would fight it.

BUDGET PROPOSAL(CONT'D)

Mayor Corker stated that we are still giving 50% towards education; 50%, and the difference that is frozen on this amount at this level in growth, we will use for helping education and schools within the city; that the money is still going to education and one-half is going to education, and we are abiding by that; that we are freezing the money and growth on that tax base; that this has not changed one iota. He stated that we had a seat at the table right now and the ability, if we choose, to influence what is going on; that

there are nine low-performing schools in Hamilton County, and we have the ability to try to affect education in those schools. He reiterated that he would love to study this further.

Councilman Page made the motion to approve that the Mayor develop a Blue Ribbon Committee to look at tax equity between the City and County over the next two years. He stated that there was a lot of concern with regards to this issue, and it would not go away especially to him; that the taxpayers want to know what we are doing and what is equitable. He questioned how we would get other municipalities to participate. **This was seconded by Councilman Benson.**

Chairman Hakeem asked if the motion could be amended to read that the Mayor *and Council* develop the Committee. Councilman Benson asked if he meant one Council person should be on the committee. Chairman Hakeem explained that he meant a representative of the Council would help determine what the Blue Ribbon Committee should look like; that they would share the responsibility.

Councilman Pierce stated that he would like someone to explain the Tax Equity Committee that we had two or three years ago. Chairman Hakeem again noted that it was under the Urban Growth issue. Councilman Pierce maintained that along with tax equity under Urban Growth, we had a Tax Equity Committee also. Councilman Lively stated that he did not remember who comprised it; that the Mayor and County Executive were part of it and from what he gathered, it ended up like “spaghetti”; that both sides reached no conclusion. Councilman Pierce added that the meetings never did occur; that it is hard to negotiate with the County.

Councilman Page stated that he guessed we needed to formulate this for discussion and to think how it might work; that he was thinking it needed to be non-partisan and made up of citizens rather than the Council, Mayor, and County Executive; that it needed to be a “non-political animal”.

BUDGET PROPOSAL(CONT'D.)

Chairman Hakeem stated that Councilmen Page, Robinson, and Taylor would be our committee to meet with the Mayor and his staff to “thrash” out what the Committee would look like and what it would look for and then they would come back to the full Council to see if the Council agreed with the concept.

Councilman Taylor stated that he thought at the last Tax Equity Meeting a while back that we looked over these questions.

Chairman Hakeem stated that these people would look at this and come back to the Council. **He restated the motion, which was that the Mayor and Council would develop a Blue Ribbon Committee to look at tax equity between the County and the City.**

Councilman Pierce asked if the Mayor had his appointments ready since the Council Chairman has designated his.

Chairman Hakeem questioned if the Councilmembers named could come back next month and tell the Council what research had been started. It was agreed to give them 90 days to come back to us with something.

HOPE VI INNER CITY VISIT

Councilman Taylor invited all of the Council to attend the African-American Chamber of Commerce HOPE VI Inner City visit, October 4th through the 6th. He stated if anyone was interested they could contact the African-American Chamber; that it would be a visit to HOPE VI sites in Charlotte and Baltimore.

ADJOURNMENT

Chairman Hakeem adjourned the meeting of the Chattanooga City Council until Tuesday, September 4, 2001 at 6:00 p.m.

CHAIRMAN

CLERK OF COUNCIL

(A LIST OF NAMES OF PERSONS IN ATTENDANCE AT BOTH MEETINGS IS FILED WITH MINUTE MATERIAL OF THIS DATE)