

**City Council Building
Chattanooga, Tennessee
July 6, 2010
6:00 p.m.**

Chairman Rico called the meeting of the Chattanooga Council to order with Councilmen Benson, Berz, Gilbert, Ladd, McGary, Murphy, Robinson and Scott. City Attorney Michael McMahan, Management Analyst Randy Burns and Council Clerk Carol O'Neal were also present.

PLEDGE OF ALLEGIANCE/INVOCATION

Following the Pledge of Allegiance, Chairman Rico gave invocation.

MINUTE APPROVAL

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

**APPOINTMENT OF BOBBY H. DODD AS POLICE
CHIEF**

Mayor Littlefield stated at today's meeting of Public Safety there was a lengthy discussion and questioning of the candidate for police chief and it appeared from the outcome of that meeting that the nominee presented last week passes muster with the Council. He asked that the Resolution involving this matter be taken out of order at this time.

Councilmen Murphy and McGary made the motion and second to move Resolution (a) forward on the agenda; the motion carried.

After the Resolution was adopted Mayor Littlefield introduced Chief Bobby H. Dodd and his wife, Karen, to the Council. He asked Judge Moon to come forward to administer the Oath noting that this is an "East Lake night" as Judge Moon and Chief Dodd are from the same neighborhood.

**APPOINTMENT OF BOBBY H. DODD AS POLICE
CHIEF (Continued)**

Judge Moon stated that the Mayor asked if this is an East Lake coup and he told him it was not! He stated he has said many times there are few privileges in life that are as meaningful as being asked to administer the oath of office to someone and it is particularly true tonight. He stated that he and Bobby grew up in East Lake as boys and expressed his thought he will make the city a very wonderful chief to be proud of; that Bobby has had those life experiences growing up in East Lake and understands the human dynamics which is very, very important when dealing with the law and especially dealing with a man and woman's liberties as a judge or police chief. At this point the oath was administered and signed in open meeting, followed by a standing ovation of those in attendance.

Judge Moon recognized the presence of Judge Russell Bean, noting that Judge Bean was not from East Lake!

Judge Bean expressed agreement that there may be a coup as Kenny Smith is from East Lake and now Judge Moon and Chief Dodd! He stated that he has known Chief Dodd for a long time when he (Bean) was a lawyer and used to be on the other side; that he had defense cases and Bobby Dodd as police officer was always well prepared and fair. He expressed he would be well prepared and fair as Police Chief; that recently he has been on a lot of committees with him and working now on some anti-gang problems. He stated Chief Dodd is very dedicated to this community and Chattanooga will be very proud of him; that a great selection was made. He expressed best wishes to Chief and Mrs. Dodd.

On motion of Councilman McGary, seconded by Councilwoman Robinson,

**A RESOLUTION APPROVING THE APPOINTMENT OF BOBBY H. DODD AS
THE CITY OF CHATTANOOGA POLICE CHIEF**

Was adopted.

2010-2011 BUDGET

Councilman Murphy made the motion to amend the matter. He stated that he handed an amendment to the Council that would cost the city no additional funds that would require that any agency funding for an appropriation in the budget less than \$100,000 be disbursed within 30 days of passage in the budget and any exceptions thereto be brought to the City Council for approval by resolution. **The motion failed for lack of a second.**

2010-2011 BUDGET (Continued)

Councilwoman Berz made the motion to approve with amendments. She stated there were some typographical errors in the document Council members received and the restoration of take-home cars, except not for free as there will be a user fee to be determined by the administration for use of those cars.
Councilwoman Ladd seconded the motion.

Councilman McGary stated that he has wrestled and wrestled and prayed and thought through this budget and as it stands he expressed appreciation for the work the Council has performed in regard to taking very seriously our charge to reduce this budget as much as humanly possible while maintaining a quality of services in this city; however, he stated he has to take exception with the fact citizens all through this city by their own budgets have made very difficult decisions either in regard to purchasing items they wish to purchase but do not have the funds to and even to whether or not to purchase medicine over food. He stated he personally finds it absolutely inconceivable that the Council would say with a straight face we have made all the absolute and necessary cuts we can make and we cannot even cut sandwiches from our budget! He stated he has wrestled with this budget and recognizes there has been much good that has been performed, however he would have to stand on principle on this and vote against this budget.

Councilman Murphy stated that it is his thought we are perfectly capable of having a cost neutral way of returning the take home cars to the officers who live outside this city; that it is the Council's role to work with administration to do that rather than a delegation. He stated he represents officers who live closest to the Amnicola police station in a part of town where they need to take those cars home and does not believe if we start imposing a surcharge for someone who has a two mile round trip to the police services center that they are going to keep their car; that the folks who live 60 miles round trip or 58 miles round trip of course will not pay any surcharge. He stated we discussed in committee that administration would look to impose a charge for patrol cars on extra jobs where the person hiring them wanted the patrol car there for the extra job. He stated that was a way to fund this differential in funding and have it be cost neutral to the tax payer; that he does not object to the motion or amendment as made in principle; that to leave it wide open is not our role as we have a bigger role than that.

2010-2011 BUDGET (Continued)

Councilwoman Scott stated we have all worked very hard to try and deal with this budget issue and looking back over the last three years in 2009 we passed a budget of \$168 million, in 2010 it was \$164 million and in 2011 what is proposed is \$185 million. She stated the budget is divided into eleven accounts and out of the eleven accounts eight departments increased in funding; that this budget is \$20 million too big for what we can afford. She stated there are three departments which are "key" to any city and the functioning of that city; that other departments are important but these are the three priorities: fire, police and public works which are the focus of government. She stated the others are important but not nearly so important; that our budget should be about funding need and not want and for that reason she cannot support this.

Councilman Benson stated two different issues are being confused. He stated in reference to the police car issue we were trying to cut this budget further down and we know it is important that the policemen have their cars to drive and important for the security of the city as their visibility and proximity control when driving these cars through the streets and neighborhoods. He stated what the amendment meant to say is there would be a user fee attached to these cars and those living outside the city limits would have to pay a higher user fee which makes sense because if we go up on taxes for city people they are not going to have to pay that as they are living in the county and some of them, because of the taxes, will get a double advantage. He stated he supports the amendment very much, however on the 37 cents he supports lowering it all the way down to nothing if we can, but some of the very people who have spoken here saying they are not satisfied with the budget have missed the budget meetings! He stated he has strained in there and many Council members have tried to see what we can cut and still be viable and keep this city safe. He stated he is not going to vote just no tax increase and destroy the very foundation of civilization in this community. He stated that he would like to know many present tonight live in the city limits and asked them to stand (a few in attendance stood). He stated there have been persons present from Georgia, Atlanta and other places and thanked them for coming. He encouraged each of them to tell the Council members where to cut as he does not mind deferring this if we can find other places to cut. He stated he wants to know where it is intended to cut this budget as he is for cutting out all the desirables but keeping the necessities; that it is his thought everything listed is a necessity but if he is wrong he would be willing to take it out and reduce it as far as we can go. He asked that each come to every meeting to help the Council determine where to make cuts.

2010-2011 BUDGET (Continued)

Councilman Murphy stated that he wanted to be clear that what we are talking about is an amendment to this budget and his point was the "devil is in the details". He stated for those present who are clearly not happy with the work that has been done thus far, what they need to understand about take home cars is the officers are responding to calls and backing up other officers on their way to and from work and they do not clock that in as overtime 95-98 percent of the time. He stated the only time they would is if they happen to be the first unit and had to use force to make an arrest, then they would have to file a use of force report and be tied up for more than hour, sometimes several hours, if they had to take somebody to jail it is then they clock overtime. He stated these officers essentially, by having these cars, routinely and constantly are donating their time to the city, so the discussion is really about how to make that benefit for them and it is a benefit for them cost neutral to the tax payer. He stated his only point is that the Council should have a more active role in that than he believes he construed the motion, which is the only point he wanted to make so people understand this is not a frivolous thing nor something we do not get benefit from as we all get benefit from off duty officers being able to respond in those cars which is a good thing and something that makes this city safer.

At this point the question was called on the motion by Councilmen Berz and Ladd to approve.

City Attorney McMahan clarified that the motion is subject to typographical errors and restoration of take home cars funded through user fees.

Councilman Benson asked if that implies a different user fee for the county people living outside the city; that he would like to put that as part of the motion that the people living in the city user's fee be smaller than those going outside.

Councilwoman Berz and Ladd accepted the amendment to their motion. Councilwoman Scott asked that the motion be repeated.

A roll call vote began on the motion to amend to include user fees for take home cars for policemen, however the vote was halted.

Councilman Murphy asked if the Council is just voting on the amendment; that he is for the cars but not the way the amendment is phrased.

2010-2011 BUDGET (Continued)

The Clerk of Council attempted to continue the roll call when Councilwoman Scott again asked that the amendment be repeated.

Councilwoman Berz stated that there are several amendments that are separate; that one has to do with there being a bunch of incorrect numbers in there.

Chairman Rico clarified that this is the amendment Councilman Benson just made. Councilman Benson stated the amendment is that administration work out something so that policemen can take home cars with those living outside the city limits and not paying city taxes having a larger user fee than the fee charged to those living inside the city.

Councilwoman Berz stated earlier the Council talked about; that the Council was asked to consider if we restore the cars then there has to be some sort of fee involved or money needs to be moved around; that it is not up to us to tell the administration what that looks like.

Councilman Benson stated that is not what the amendment says. Councilwoman Berz stated that she understands that and would have to vote no.

At this point Admin. Madison stated before the Council actually votes on this there are two pieces here – a budget that is in place that is amended to correct grammatical and other errors and the second piece has to do with an amendment that allows restoration of the take home privilege for police officers. She stated the second amendment does not necessarily have to be acted upon at this point; that the Council can amend the budget and then a separate amendment once the details have been worked out that is agreeable to all on the Council with respect to the take home fee or lack of fee; that whatever the Council decides they want to do can happen at that time as an amendment to the initial budget, which is not unusual. She stated ideally it would be cost neutral.

Councilwoman Berz stated another way of doing it is saying that the cars be restored on a cost neutral basis but she does not think the Council can tell someone how to do it.

2010-2011 BUDGET (Continued)

Councilman Benson withdrew his amendment so that the original motion to approve could go forward and bring the amendment back at another time.

On motion of Councilwoman Berz, seconded by Councilwoman Ladd,

AN ORDINANCE, HEREINAFTER ALSO KOWN AS "THE FISCAL YEAR 2010-2011 BUDGET ORDINANCE", TO PROVIDE REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2010, AND ENDING JUNE 30, 2011; APPROPRIATING SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT; FIXING THE RATE OF TAXATION ON ALL TAXABLE PROPERTY IN THE CITY, AND THE TIME TAXES AND PRIVILEGES ARE DUE, HOW THEY SHALL BE PAID, WHEN THEY SHALL BECOME DELINQUENT; PROVIDING FOR INTEREST AND PENALTY ON DELINQUENT TAXES AND PRIVILEGES; AND TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 2, SECTION 2-267, RELATIVE TO PAID LEAVE FOR ACTIVE-DUTY TRAINING AND TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 31, SECTIONS 31-36, 31-37, 31-41, 31-43, 31-39 AND 31-40

Passed second and final reading and was signed in open meeting; **on roll call vote:**

LADD	YES
BENSON	YES
GILBERT	NO
BERZ	YES
MCGARY	NO
MURPHY	NO
SCOTT	NO
ROBINSON	YES
RICO	YES

AMEND CITY CODE

On motion of Councilwoman Berz, seconded by Councilwoman Ladd,
**AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II,
CHAPTER 2, SECTION 2-150, HOSPITALIZATION AND OTHER BENEFITS
AFTER RETIREMENT, BY ADDING NEW SUBSECTIONS (F) THROUGH (H)**
Passed second and final reading and was signed in open meeting.

AMEND CITY CODE

On motion of Councilman Murphy, seconded by Councilwoman Ladd,
**AN ORDINANCE TO AMEND PART II, CHATTANOOGA CITY CODE,
CHAPTER 35, SECTIONS 22, 26, 36, 45, 46, 47, 49, 52, 53, 54, 55 AND
ADDING SECTIONS 62 THROUGH 67 RELATIVE TO VEHICLES FOR HIRE**
Passed first reading.

AMEND PERSONNEL ORDINANCE

On motion of Councilwoman Berz, seconded by Councilman McGary,
**AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II,
CHAPTER 2, ARTICLE I, SECTION 2-3, IN GENERAL, AND ARTICLE II,
DIVISIONS 1 THROUGH 7, SECTIONS 2-136 THROUGH 2-176 OF THE
PERSONNEL ORDINANCE**
Passed first reading.

AMEND CITY CODE

On motion of Councilwoman Berz, seconded by Councilwoman Ladd,
**AN ORDINANCE AMENDING CHATTANOOGA CITY CODE, PART II,
CHAPTER 2, ARTICLE III, SECTIONS 2-151 THORUGH 2-153 BY DELETING
THESE SECTIONS IN THEIR ENTIRETY AND INSERTING A NEW DIVISION
19 ENTITLED "INJURY ON DUTY PROGRAM"**
Passed first reading.

AGREEMENT

On motion of Councilwoman Ladd, seconded by Councilman Murphy,

A RESOLUTION AUTHORIZING THE ADMINISTRATOR OF THE DEPARTMENT OF PUBLIC WORKS TO ENTER INTO AN AGREEMENT WITH ADVANCED ENERGY ENGINEERING AND DESIGN, INC. (AEED) FOR ENGINEERING SERVICES FOR MBWWTP ALTERNATIVE ELECTRICAL ENERGY AND EFFICIENCY PROJECT W-09-035 IN AN AMOUNT NOT TO EXCEED FORTY-NINE THOUSAND DOLLARS (\$49,000.00) AND A CONTINGENCY FEE NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000.00)

Was adopted.

CONTRACT

Councilmen Ladd and Berz made the motion and second to approve this Resolution.

Councilman Benson stated he would like to defer this matter as he wondered if public works could use their asphalt spreaders to do this job; that he did not get enough information on this and it looks as if the city has the capacity to do it ourselves. He stated he does not know why we are not doing it and could listen to an answer now if someone wants to tell him; that he knows we have the asphalt spreaders and Barber Green or whatever it takes.

Admin. Leach stated that his department can do the project; that his preference is to concentrate on the roads and let private enterprise do these kind of paving contracts; that he does not know the scope of this one as there may be some preparation that would require some additional preparation and if something is done like that it comes out of his budget!

Councilman Benson stated he was not talking about it coming out of Mr. Leach's budget that he was talking about his department charging \$9,000 or \$13,000.

Adm. Leach stated he would be happy to work with the police department if that is the Council's wish but would not want to take it away from a vendor that may have bid the contracts. He stated he is not familiar with how this was bid and what the situation is; that if the Council wants to delay this a week he would be happy to talk to the police department to see what we can come up with.

2010-2011 BUDGET (Continued)

Councilman Benson asked if he missed out on something if it were discussed in public works committee. Chairman Rico responded "yes"; Admin. Leach stated it was not in public works. Councilman Benson stated it is in his committee and it never came up.

Councilwoman Scott stated that is an interesting question and guessed it makes a person think globally about whether we look at doing something like that on other things; that perhaps it might be a little bit difficult if it has gone through a bid process to redo it now, but just because it is coming out of someone else's budget if we are able to cross work and save money, are we looking at things like that for small jobs.

Admin. Leach stated his department does a lot of work for small jobs for certain parts of the city; that they may do paving for parks and recreation on a parking lot; that it goes to the notion we do have a public sector that can do some work and a private sector that can do some work. He stated he has a crew now doing some work on King Street that will take three weeks because it is just so extensive; that whether it could have been done quicker by a private side he does not know, however it has tied up his crew for three weeks which is a city project. He stated this is also a city project and whether it could be done quicker by a private side he does not know as it depends on their equipment. He stated he will look into it and get back with the Council next week; that if it is a bid job he would hate to take it away from private folks.

Councilman Murphy stated this is in his district and does not suspect it is actual paving that it is mostly repair of that lot which is a very large lot and if there is much paving it would cost a great deal more than this. He suspected that this is pothole patching and has no objection, even though it is in his district, putting it off a week to get more detail; that the reason why that did not happen is that the police department is clearly in transition right now and that is understandable.

Councilmen Ladd and Berz withdrew their motion and second to approve. Councilman Benson and Berz then made the motion to defer.

On motion of Councilman Benson, seconded by Councilwoman Berz,
**A RESOLUTION AWARDDING A CONTRACT TO WEEKS PAVING INC. FOR
REAR PARKING LOT REPAIRS AT THE POLICE SERVICE CENTER FOR THE
AMOUNT OF \$13,891.00**

Was deferred.

EXTEND SPECIAL EXCEPTIONS PERMIT**2007-212: The Covenant**

Councilman Gilbert made the motion to approve this Resolution with conditions; Councilman Murphy seconded the motion.

Councilman Gilbert inquired as to the conditions which should be on record. He stated the community has communicated with Habitat about conditions and it is his thought they are in agreement.

Dennis Neal stated the first is **a recreation area for 60 plus children** that will reside in the subdivision; that as Mr. Palmer stated during the committee the PUD itself requires they have a green area for that. He stated whether they would be able to do it for 60 children or not they would work with the homeowner's association to do whatever they needed to do and other people in the area to do the best they could to provide that. He stated **home design would be shared with Woodmore Manor prior to construction** and they would be happy to do that. He stated another is there should be **brick front homes to make sure new dwellings mesh with already established homes in the community**, "yes", and as Mr. Palmer stated in committee there might be something a little different they might want to do as well; that they do not want to get stuck with just brick as they want the flexibility to mix up their houses the best they can.

Councilman Gilbert stated something better than brick versus brick; that Mr. Neal is stating stone. Mr. Neal responded "yes", quite possibly; that if they get to do this they would want to mix them up and not all of them would be brick; that they would like to mix up the façade like any community.

Councilman Gilbert clarified it would be brick or better; that going by what Mr. Palmer said it would be brick or something better. Mr. Neal stated it would be at least as good as brick.

Mr. Neal continued with the conditions by stating the **neighborhood association is established and active at the 40 percent completion mark** will be fine; that the city requires a certain percentage that he could not remember, but 40 percent would be fine. He stated **a traffic study is to be done to be sure a traffic light does not need to be installed at Eucalyptus and North Moore Road**; that it would be the city engineer's decision and does not know if there is anything Habitat could do about that.

EXTEND SPECIAL EXCEPTIONS PERMIT (Continued)

Mr. Neal stated anything they can do to help facilitate that they will be happy to do. He stated they are to **make available to the Woodmore Manor Association a copy of the flood plan study** which they have done and made available to them after they met with them a week or so ago. He state another is to **ensure 80 percent of funding is in place before projected home construction begins to avoid economic downturns that would cause work stoppage and result in homes in various degrees of completion**; that Mr. Palmer stated they would have to have 100 percent funding before they start.

Councilman Gilbert added that the porch railing will be metal instead of the traditional wood that he has seen on a lot of the homes.

Mr. Neal stated it very well could be; that if they have 35 homes they may want to have one with metal railing if it matched the façade of the house; that he does not think it is fair to say they would do metal railing on all as it would be an injustice to the community. He stated they would do the very best they could.

Councilman Gilbert stated that Habitat and the community will agree on the particular railing or whatever it may be according to the plans. Mr. Neal responded “yes” on any questions they may have.

Councilwoman Scott stated for clarification purposes she wants to make sure Mr. Neal is thinking that a traffic study would be done and that the city would put in a traffic light because she wanted to make sure he understood what he might be possibly agreeing to. She stated traffic lights can be in the hundred thousand dollar range and a traffic study on the city's part might not indicate that. She asked if he were saying Habitat is going to take on that responsibility. Mr. Neal responded “no”, not above what the city would require.

Councilwoman Scott clarified there is no expectation of that. Councilman Gilbert stated the neighborhood was mostly looking at the increase of traffic on that road, whether it would cause any danger to the community itself is their concern. He stated Mr. Van Winkle probably could answer that question with the amount of houses going in whether there would be a problem with traffic.

Councilwoman Scott stated she would hate for someone to agree they would do something that they could not possibly do. Councilman Gilbert stated he would not hold them to a red light. Mr. Neal stated if he implied that that was not what he intended.

EXTEND SPECIAL EXCEPTIONS PERMIT (Continued)

At this point the question was called.

On motion of Councilman Gilbert, seconded by Councilman Murphy,
A RESOLUTION TO EXTEND FOR ONE YEAR THE SPECIAL EXCEPTIONS PERMIT FOR A PLANNED UNIT DEVELOPMENT KNOWN AS THE COVENANT PLANNED UNIT DEVELOPMENT, ON TRACTS OF LAND LOCATED IN THE 1600 BLOCK OF EUCALYPTUS DRIVE, SUBJECT TO CERTAIN CONDITIONS

Was adopted.

AMEND PILOT AGREEMENT

On motion of Councilwoman Robinson, seconded by Councilwoman Ladd,
A RESOLUTION AUTHORIZING AN AMENDMENT TO THE PAYMENT IN LIEU OF TAX AGREEMENT WITH GESTAMP SO AS TO AMEND THE EFFECTIVE BEGINNING DATE TO JANUARY 1, 2011, AND ENDING DATE TO DECEMBER 31, 2024

Was adopted; **Councilwoman Berz voted "no"**.

PAYMENT IN LIEU OF TAXES AGREEMENT

Councilwoman Scott stated that this company has been in town since 2002 or sooner and this particular company has had four PILOTs since they began here. She stated when she thinks about PILOTs and the reasons why we use them one of the things is as an incentive to bring people to a community to provide jobs and investment which this company has done; however, when we do this we are taking a severe reduction in tax revenue on these properties. She stated there is a difference between seed money to get someone started and money to continue to finance whatever they have in terms of expansions over and over and over and during these times it is her thought it may be better that we do reward new companies that come in like Gestamp and think about reducing the amount of PILOT agreements to companies that have been here. She stated she knows there is the desire to continue to help companies continue to expand; that this is a very successful company and there is a good reason why they are here as they are going to do well in the future because of what they do and because of the things we have done in this city to bring VW and some other things. She stated they are benefitting from this and it is a great company but does not think they need a PILOT right now.

PAYMENT IN LIEU OF TAXES AGREEMENT

Councilman Murphy stated in reference to LTJ and Steel Warehouse of Tennessee, LJT is headquartered out of Indianapolis and they have more than a dozen facilities throughout the United States. He stated the PILOT is authorizing the addition of 75 square feet of warehouse/manufacturing space in a city that is glutted with that already and does not have terrifically high values; that he can show hundreds and hundreds of thousands of square footage of empty warehouse space here in Chattanooga. He stated they are adding equipment which will be taxed albeit at a lower rate, all of which is to say they could have located this expansion at any one of at least ten other facilities not in our community. He stated if they did that, added value would never have materialized to the tax rolls to begin with as they would still have the existing infrastructure they have there and the ball would not be moved forward at all in Chattanooga. He stated it is important for people to understand that the industrial park where this is located is government owned until it is sold, so when we would lure a new business here and sell them land at the industrial park it is not coming off the tax rolls when a PILOT agreement is entered into, it is actually going onto the tax rolls for the first time. He stated the same is the case at Enterprise South; they are properties that have never been on the tax rolls because they have always been government owned.

Councilman Murphy stated the important thing to understand is that LJT and Steel Warehouse could have done this expansion many, many other places, they did it here, and we will as a community get an increased tax revenue benefit from it. He stated it will be over time as pointed out appropriately; that it will not be at 100 percent the first year of expansion but it would not have happened without this work between our economic development team and this company. He stated it comes with 80 jobs that pay an average of more than \$42,000 a year that does not include the value of any benefits which is roughly 30 percent on top of that. He stated these are good paying, manufacturing jobs and we do not make much in American anymore and we have to get back to making things here. He stated Chattanooga needs to be at the tip of that spear and we are at the tip of the spear because of our economic development teams. He stated it is an easy sell when we talk about selling government owned non-tax roll property, gets put on the tax rolls, start to collect some taxes on it and we see tremendous economic group; that we are not giving up anything because if we did not give it it would not happen here, it would happen somewhere else.

PAYMENT IN LIEU OF TAXES AGREEMENT
(Continued)

Councilman Benson stated he really does not need to add much to what Councilman Murphy said; that of all the PILOTs we have given, the way he understood when it was presented in committee, this is one of the most justified; that this is an expansion program bringing in a lot of new jobs at good salaries. He stated he is willing to defer it if the Council wants to listen to it again, but it is his thought all should be prepared to hear strong justification for this PILOT.

Councilwoman Scott stated this company in 2005 paid \$14,000 in taxes, in 2006 paid \$13,000, in 2007 paid no taxes, in 2008 they paid \$4,600 in taxes, in 2009 they paid \$2,600 and they are going to go down because this will be the fourth PILOT. She stated what happens is in a lot of cases a company will come in, get a PILOT and then hold expansion or remodeling or additions until the end when the tax PILOT runs out and then that money will be set and an application for a PILOT occurs again. She stated when they are put end-to-end it winds up a long period of time when the taxes that are to be brought in do not come in; that it essentially finances the expansion and development; that seeds get started and PILOTs are great; that repetitive PILOTs for companies that are doing exceedingly well where they are is probably a lower priority in her mind.

On motion of Councilwoman Robinson, seconded by Councilwoman Ladd,
**A RESOLUTION AUTHORIZING THE EXECUTION OF A PAYMENT IN LIEU
OF TAX AGREEMENT WITH LJT TENNESSEE, LLC AND STEEL WAREHOUSE
OF TENNESSEE, LLC**

Was adopted; **Councilmen McGary, Scott and Berz voted "no"**.

OVERTIME

Overtime for the week ending July 1, 2010 totaled \$55,110.52.

PERSONNEL

The following personnel matters were reported for the various departments:

PERSONNEL (Continued)**CHATTANOOGA POLICE DEPARTMENT:**

- **DEAN C. HAGEN** – Resignation, Police Property Technician, effective July 1, 2010.
- **C. ALAN FRANKS** – Retirement, Police Sergeant, effective July 1, 2010.

PUBLIC WORKS DEPARTMENT:

- **WARREN MINES** – Family Medical Leave, Crew Worker 1, City Wide Services effective June 18 – September 3, 2010.
- **WILLIAM M. JONES** – Family Medical Leave, Equipment Operator 4, City Wide Services, effective June 23 – September 8, 2010.
- **CHARLES N. THOMPSON** – Suspension (10 days without pay), Crew Worker 2, City Wide Services, effective June 21-July 2, 2010.
- **ARTHUR T. SANDS** – Voluntary Demotion, Crew Worker 1, City Wide Services, Range 2, \$29,531.00 annually, effective June 15, 2010.
- **JACKIE L. DISHMAN** – Hire, Equipment Operator 5, City Wide Services, Range 12, \$31,021.00 annually, effective June 4, 2010.
- **CHARLES H. MCCANDLESS** – Hire, Equipment Operator 4, City Wide Services, Range 10, \$28,137.00 annually, effective June 18, 2010.

PARKS AND RECREATION DEPARTMENT:

- **DEXTER WATKINS** – Hire, Crew Worker 1, Range 2, \$22,050.00 annually, effective July 2, 2010.

REFUNDS

On motion of Councilman McGary, seconded by Councilwoman Ladd, the Administrator of Finance was authorized to issue the following refund for property taxes:

COLE PM CHATTANOOGA TN, LLC -- \$3,252.21

BRAINERD VILLAGE SHOPPING CENTER LLC -- \$19,623.90

BOARD RE-APPOINTMENTS

On motion of Councilwoman Scott, seconded by Councilwoman Robinson, the following Board re-appointments approved, **Councilwoman Ladd abstained:**

INDUSTRIAL DEVELOPMENT BOARD:

- Re-appointment of **RAY ADKINS** for a six year tem expiring June 9, 2016.
- Re-appointment of **RICHARD EBERSOLE** for a six year term expiring June 9, 2016.

PURCHASES

On motion of Councilwoman Ladd, seconded by Councilman McGary, the following purchases were approved for use for the various departments:

INFORMATION SERVICES:

EXCALIBUR (Best evaluated overall proposal)
R221295

Purchase of Public Safety Wireless Infrastructure

\$3,500,000.00 – Not to exceed

PURCHASES (Continued)

Councilwoman Scott asked Mr. Johnson to repeat the origin of the funding for the \$3.5 million.

Dan Johnson stated that the project is funded by \$1.5 million that the city added to it last year; that they joined forces with the Electric Power Board (EPB) on their \$111 million dollar grant and matched it so that is \$3 million of it. He stated it came under the Smart Grid Grant that EPB was able to receive and \$500,000 is in last year's capital budget.

Councilman Murphy stated that investment will be upgrading customer service to the public and over time it will actually either be cost neutral or save the tax payer money rather than paying cellular phone companies for air cards.

Mr. Johnson responded "yes it will"; that the charge for the air cards will cost half of what it currently is today; that it will increase as we add devices and applications to the system that will evolve over time. He stated \$3.5 million will cover he does not know how many square miles. Mark Keil stated that it is about ten square miles; that a new grant is coming as we speak.

Mr. Johnson stated we will be getting some funding from the traffic engineering area of the project of upgrading their traffic signals, that some of that will be in the wireless infrastructure territory.

Councilman Murphy stated it was not clear to him and wanted to make sure it was clear to everyone present that this is grant money for regional transportation system not city tax payer dollars, but money from either the State of "feds" or both. He stated it will improve customer service across law enforcement, public safety and all departments.

Mr. Johnson responded "yes"; that this is centered on public safety: police, fire and other public safety features.

CHATTANOOGA POLICE DEPARTMENT:**AGILENT TECHNOLOGIES (Only bid received)****R21469/501813**

PURCHASES (Continued)

Purchase of Network Optimization Solution Software (*Contract awarded February 9, 2010 to Equipment Management Technology who ended up not being able to supply the software; recommend cancellation of contract with Equipment Management Technology*)

\$24,635.00

FOOTBALL CAMP

Councilman Gilbert stated this weekend, July 9-10, an NFL football camp for kids will be held. He invited everyone to come to this free event for children aged 5-12 on the first day and 13-18 on the second day; that there will be a concert by Culture Shock. He stated people will be here from out-of-town, New York and different places, along with 22Visionz; that it will be fun and worship at the same time. He stated it will be a great event and expressed hope everyone would come!

COMMITTEES

Councilwoman Berz scheduled meetings of the **Budget, Finance and Personnel Committee for Tuesday, July 13 from 1 p.m. – 3 p.m.** for a presentation regarding the sewer issue; Admin. Leach and Jerry Stewart indicated they were prepared for make the presentation. She stated a meeting of the Committee would also immediately follow the Agenda Session for a report from the Audit Committee. She scheduled a meeting **for Tuesday, July 20 beginning at 10:30 for the presentation and discussion of the 2010 Capital Budget.** She stated the meeting originally scheduled for Friday, July 9 beginning at 9:30 a.m. is cancelled.

Admin. Madison stated that information regarding the capital budget would be circulated on the Friday or Monday prior to the July 20 meeting.

Councilman McGary stated the **Education, Arts and Culture Committee** met today to discuss alcohol sales at the Tivoli and Memorial Auditorium and a proposed contract would be presented in two weeks, **July 20**, for further deliberation on the subject.

Councilwoman Scott announced a meeting of the **Economic Development Committee for Tuesday, July 20 following Public Works.** She stated the topic will involve a presentation of the Tourist Development zone which includes the Chattanooga Hotel.

AGENDA: JULY 13, 2010

Chairman Rico stated items on the agenda for next week were discussed during today's Agenda Session.

CHARLIE WYSONG

Charlie Wysong informed the Council that he was very disappointed in the vote and the people are going from being angry in this city to being organized; that the trust between the people and government is being broken by the action of this Council and Mayor. He stated that he did sit in the budget meetings and said the lack of creativity on this Council and by this Mayor is appalling; that there was no creativity in reducing this budget. He stated the only person that presented anything that looked like something that was decent was Mrs. Scott and that was passed over as though it was nothing. He stated that this budget process began poorly when Mr. Johnson came up and announced that the recession was over in February and later Mr. Littlefield stood before the Council and did that same thing which was a deception if not an outright lie – that they knew that was not true. He stated we have the economic indicators from this past week to indicate the recession is not over and the Council is walking the people into an economic situation they do not know is going to happen; that they are putting the people of this city at risk financially and he is ashamed of the fact he has sat here and heard this. He expressed appreciation for the black man last week who said he did not like Mr. Rico's attitude and indicated a lot of people do not like his attitude and is sorry he (Rico) is that way. He stated we have just commemorated the signing of the Declaration of Independence that was produced over less of a tax violation on the people than this Council and this Mayor has done. He expressed sorrow to Councilman McGary about his "no" vote; that he appreciates the "no" vote but understands the week previous was a "yes" vote; that he (McGary) had a calculated "no" vote because he knew the "yes" had it!

MICHELLE YOUNG

Michelle Young of 6210 East Brainerd Road stated it is with great respect that she is addressing the leaders today; that as a constituent representing a cross-section of the city they expect the respect that they give in return. She stated her citizens group had to file an open records request to get a copy of the city budget and found that process to be a system of evasion and a game of withholding which told them the attitude of this government's toward transparency and accountability.

MICHELLE YOUNG (Continued)

Ms. Young stated they are aware that money is being spent in ways they do not approve as the people who voted the Council into office and expect them to represent their needs, desires and how they want their money spent in this city. She stated to everyone on the Council who voted "no", thank you, as one of the residents suffering in this ongoing recession; that she knows each on the Council know people who are suffering personally who cannot afford the necessities they need or protection needed for their households. She stated they do not need higher tax burdens at this point; and they do not appreciate the game of "grab it" when tax raises are enforced that they do not approve. He stated they want the Council to understand there is a measure being put into play now where citizens are trying to recall the Mayor and they want the Council to know if they want to represent them they need to vote the way they ask the Council to vote; that they need the Council to listen and need them to converse and communicate with him as the people who are paying the taxes!

DARREL SILVEY

Darrel Silvey of 703 Battery Place stated that his primary business is located at 901 East Eleventh Street right around where the Council meets. He stated that the five who voted "yes" voted against the working man, the "producers" in this city. He stated 50 percent of the citizens make the money and the Council is giving it to those that are not doing anything. He asked where the money is coming from and answered it by stating it is coming off the "sweat of his back". He challenged Council members to try to run a real business, noting Councilman Benson talks about running a business; that none on the Council could run his business because when he starts upping his prices people will go somewhere else; that he cannot up the prices, that he will lose the business and has to stay competitive. He stated the Council should think the same way; that they will not be sitting around in a semi-circle next time because they will be going like the Mayor is going!

KATRINKA PERRY

Katrinka Perry of 340 North Creek Circle thanked Councilwoman Deborah Scott for keeping her campaign promise not to increase property taxes but to work with the Council to cut expenses to meet requirements.

KATRINKA PERRY (Continued)

Ms. Perry stated that the Council members are duly elected officials and with their office comes respect as the citizens' representatives and their constituency deserves respect as well. She stated she has heard that a member of the Council has referred to persons protesting these increases as "you people" and enlightened the Council that those people referred to are "we the people" and quoted from the Constitution, Line 1. She stated that she works as an accountant and her ministry to her community is as a budget counselor and knows how to balance a budget and understands the difference between wants and needs. She stated it is the responsibility of the Mayor's office to prepare a budget that is balanced without tax increases before it reaches the Council for approval; that if it is not it should be immediately returned to the Mayor by the Council for adjustments. She stated she finds it amazing the Mayor was able to adjust his budget when the citizens revolted in protest, yet, when the budget was returned to the Council the Mayor blamed the constituency for cuts to the police and fire departments. She requested the Mayor not pit the citizens of this city against the fire and police. She stated any cuts to those departments are not the responsibility of the citizens but of the Mayor who is incapable of preparing a budget that makes the safety of this city and its citizens its highest priority. She stated she has the utmost respect for fire and police officers and as far as the tax protestors not honoring the military she finds it offensive to the highest degree; that her dad served his county as a Lieutenant in the US Navy during World War II and has been in this chamber for the last several weeks but was ill and could not attend this evening. She expressed respect for the military because they defend us and our loved and ones and they do not ask our names or what we can do for them; that they are volunteers and serve selflessly and it is a shame this Council has shirked its responsibility to be the "checks and balances" for the Mayor's office. She stated she will work with others to see that those that vote for this irresponsible budget are replaced by fiscally responsible individuals who consider themselves stewards of the citizens' money and not the owners.

REV. ANTHONY CHATMAN

Rev. Anthony Chatman stated that he is standing in the gap for those who are not present and unable to speak. He commended the Council members who voted against this large "robbery" of the citizens.

REV. ANTHONY CHATMAN (Continued)

Mr. Chatman stated for those on the Council who do not realize the majority of citizens are still in a recession he would bring it back to their memory that we are not out of it as yet; that we are still struggling every day. He stated that it was appalling and outrageous by his being in the military that the Council would even make the statement to say they are against the military which is ridiculous. He stated as far as the police and fire departments, he would not, nor the people he stand with, ask them to do anything that he would not ask a secretary to do – that he would ask them to do more because their job and responsibility is at a higher risk and they should get a higher pay. He stated if pushing papers, no offense to the secretary, he does not need two or three other secretaries for him to still get the amount of money he is getting. He stated as far as communications he asked for a point of clarity whether he is to understand that the city is approximately 125 square miles and was corrected at this time that it was 130 miles. He stated the radio system that was just voted on that had eight voting “for” and one abstention would only cover a radius of ten miles, asking if he heard things wrong. Chairman Rico asked that Mr. Chatman connect with administration about that. Mr. Chatman stated it is his understanding that the citizens are trying to get enough signatures and noted Mr. Rico's name will be on the next one.

JIM GANOE

Jim Ganoë of 7502 Bonny Drive stated some on the Council will recall he was before them back in April regarding the Noah Reid Road closure and spoke at that time and felt that it fell on “deaf ears”. He stated he has done a lot of research since that time and has a petition to petition the city to reopen that road; that for him to get his mail, he formerly used to travel less than one mile and now he has to travel five miles; that his gasoline bill has increased with the closure 30 percent. He stated he is 73 years and still has to work due to family needs, noting his wife had cancer surgery recently, he had surgery previously and has buried both of his children, is responsible to raise grand children and great grandchildren and cannot afford the taxes the Council has been so gracious to turn a “deaf ear” to about 80 percent of the city of Chattanooga's residents. He stated the property value according to three of his friends who are real estate appraisers has dropped nearly 30 percent due to the fact he now cannot get out of the subdivision even with the traffic light that was installed.

JIM GANOE (Continued)

Mr. Ganoë stated the city installed a traffic light at Noah Reid Road and instead of putting it at the top of the hill where everyone would stop, it was installed one block down the hill; that he pulled up the other day and sat three minutes waiting to get out on Bonny Oaks and when he started to pull out a "little voice" whispered for him to look to the right and when he did a dump truck would have caught him broad side. He asked the Council to look at what they are doing to the citizens of Chattanooga who elected them; that he plans to run for one of the Council member's seat in the next election and asked for the assistance of all the people of Chattanooga assuring he will vote according to their will.

JOHN STEELE

John Steele of 605 Young Avenue stated he has been present for four meetings for the last month and felt it necessary to acknowledge the help he received this week. He expressed appreciation to his neighbors and fellow citizens who have voiced their logic and ideas against this price increase; that he is a painter, is 51 years old and has lived in Chattanooga all his life. He stated he cannot blame his problems entirely on the recession; that he let a lot of his customers slip away in the last few years because he has been taking care of his father with Alzheimer's who passed in February. He stated he has lived within his means and avoided death because he was taught to avoid death and it is important that we do not teach that by our actions anymore. He stated he wanted to thank his representative, Councilwoman Scott; that if others are appreciative of what the Council has done it is his hope they will be repaid and if there are those who do not appreciate them he does not know what to say. He stated it is his thought this is a "done deal"; that it seems everyone thinks we have to have this thing; that he was not raised up in this kind of world and is not a big overachiever as he lives simply, cares about his neighbors, his family and likes having the ability to work when he wants to and do other things. He stated he wants to be a free American, likes his liberties and resents the Council trying to take it away.

SHIRLEY DEAKINS

Shirley Deakins of 222 Baker Street stated she had an incident this last week, a couple police reports and has photos of unintended consequences of the gentrification on Baker Street by all those people; that there is a house across from her which is the vacation house of Steve Mahan, however it is also a lot of other things including having a tree in it and on its wires.

SHIRLEY DEAKINS (Continued)

Mr. Deakins stated a 3 a.m. this morning here were twelve men and two girls and one who has to go in and out of the windows when she is locked out; that there have been move-ins and move-outs and all kinds of activity and cannot tell what goes on inside that two bedroom one bath house. She stated she can tell of the activity that happens on Baker Street and the types of things that wake us up on the middle of the night. She stated there was a prowler who "egged" her car and when she had it washed the men who ran the car wash on Signal Mountain Boulevard knew all about the activity at this house and enlightened her quite a bit as to what has been driving her "buggy" was absolutely true and then some. She stated she would like to form a neighborhood watch with an organization that is really legitimate and honest; that she is not about to touch the other once since the Council decided to let them gentrifice. She stated she is considered as her next door neighbor's "pit bull", noting that there is a lot that is so overgrown that it is growing over the neighbor's house and that is where the intruder hid the other night begging her to come out. She stated there are a lot of unintended consequences, graffiti and all kinds of "stuff"; that Chattanooga is messed up from the top to the bottom and throughout the whole fabric is woven all this corruption and hubris; that maybe we can straighten it out if we could get back down to earth and look after each other in an honest way.

JIM FAULKNER

Jim Faulkner stated the Council knows we are in a time of economic trouble and has heard reports from people going out of business, people are suffering and guessed that he knows the Council does not really want to raise the taxes but is confronted with a situation the Mayor presented them with a planning document which the Mayor really does not go by that much. He stated they found many situations in the past year -- \$7,000 for a parking lot on the other side of town, \$825,000 for the Farmer's Market, hundreds of thousands and millions of dollars the Mayor has spent which really was not in the planning document. He stated they used the planning document as a chance and opportunity to eviscerate the income of the people of this city which is really intolerable. He stated that he knows many on the Council do not want to have this tax increase but do not really feel there is any situation because they are dominated by a Mayor who wishes to run this city for his own purposes and for that reason he and others have started a recall petition.

JIM FAULKNER (Continued)

Mr. Faulkner encouraged every member of the Council to sign the petition because they are the ones that are confronted with an unrealistic document and expectations. He asked if they understand when the taxes are raised Chattanooga is put in competition with seven surrounding counties -- three in Georgia, two in Alabama -- places people can move to and still work in Chattanooga. He stated they do not have to stay here and pay a hundred million increase in storm water fees which was passed last October; that Knoxville has no storm water fees. He stated our property tax bill with the storm water fees will be the highest of any major city in Tennessee, noting that he left out Memphis intentionally. He stated it does not have to be that way; that we can be different and better and expressed hope everyone will sign the petition. He stated he has a plan to not have these tax increases, to manage government responsibly, a plan to not just have responsible and efficient government, but honest and clean government. He stated there is corruption in this town and everyone knows it; that they are willing to talk about it and have a website, *RecallRon*; that they welcome the changes that need to be made in this government and again asked everyone to sign the petition to recall Mr. Littlefield and to give them a chance to lower the taxes and go back to better government.

STEPHEN WEST

Stephen West, a public works employee, expressed thanks to the four Council members who voted "no" noting that showed that they really care about the employees. He stated the employees came up with a plan about the longevity pay that if it were put back they could give everyone a dollar and it stays within the Mayor's budget. He asked that the Council really look at it because it can be amended; that the longevity pay just lasts for December noting that the Mayor has said it is used for Christmas. He stated employees do not need it for Christmas they need it now; that the Council should look at it and put the longevity pay as an incentive to get employees where they are supposed to be as employees are far behind. He stated he has called everyone he knows in every department and they indicated they would rather have the dollar than have the longevity again asking the Council to look at it before it is a "done deal". He stated employees have not had a raise or anything in three years and the Council says they care about employees; that if they care to show them.

STEPHEN WEST (Continued)

Mr. West stated with the tax increase and everything else how do they expect employees to make it because as of today if he has to go to the ER it is \$250 when it used to \$150; that it went up \$100 so it cannot be said insurance did not go up because it did. He stated everything is going up and the Council has a right to make it right and to get rid of the longevity and give employees a dollar on the hour which would still stay within the Mayor's budget. He stated city employees are not asking for the rules to be changed because they know taxes have to go up and all do not like it but it has to happen because the Council has to run the city. He stated as he mentioned last week if Council members cannot make it on \$24,000 how to do they expect employees to make it; that if they get rid of their jobs can they really honestly say they can make it on that.

ADJOURNMENT

Chairman Rico adjourned the meeting of the Chattanooga Council until Tuesday, July 13, 2010 beginning at 6:00 p.m.

CHAIRMAN

CLERK OF COUNCIL

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