

**City Council Building
Chattanooga, Tennessee
June 19, 2012
6:00 p.m.**

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

PLEDGE OF ALLEGIANCE/INVOCATION

Following the Pledge of Allegiance, Councilman McGary gave the invocation for the evening.

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.

**SPECIAL PRESENTATION: PARKS AND RECREATION
DEPARTMENT**

Admin. Zehnder recognized the presence of Nathan Lewis, a senior at Southern Adventist University with a degree in Communications. He stated Mr. Lewis did a short video on Chattanooga's Parks and Recreation Department as part of a project noting that the video is helpful for all to see the excellent work by this young man and his tremendous future.

Following the video Nathan Lewis came forth and expressed appreciation to the Council for their time in viewing the video. He stated it was fun to do and (he) was very impressed with the many activities the Chattanooga Parks and Recreation Department offers. He stated it was really cool to see all the activities!

Chairman Ladd expressed thanks to Mr. Lewis for his time in making the video, noting that it is a fantastic video and interesting to watch!

**RECOGNITION OF SAM AND JOE STARK,
BOY SCOUT TROOP 147**

Chairman Ladd acknowledged the presence of Sam and Joe Stark of Boy Scout Troop 147 from Ooltewah United Methodist Church who were present to complete requirements for their "Citizenship in the Community" badge. It was noted that the Starks had not arrived at this point, however, Chairman Ladd recognized them again at the end of the meeting at which time they were present.

**RECONITION OF COMMISSIONER JOE
GRAHAM**

Chairman Ladd recognized the presence of County Commissioner Joe Graham and expressed the Council's appreciation for his presence.

REZONING

2012-056: Flagship Group, Inc.

On motion of Councilman McGary, seconded by Councilman Murphy,
**AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II,
CHAPTER 38, ZONING ORDINANCE, SO AS TO REZONE PROPERTY
LOCATED AT 2854 EAST 49TH STREET, MORE PARTICULARLY DESCRIBED
HEREIN, FROM M-2 LIGHT INDUSTRIAL ZONE TO C-2 CONVENIENCE
COMMERCIAL ZONE, SUBJECT TO CERTAIN CONDITIONS**
passed second and find reading and was signed in open meeting.

REZONING

2012-043: Thomas Austin

On motion of Councilman McGary, seconded by Councilman Rico,
**AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II,
CHAPTER 38, ZONING ORDINANCE, SO AS TO REZONE PROPERTY
LOCATED AT 122 WEST MAIN STREET AND 1512 AND 1514 WILLIAMS
STREET, MORE PARTICULARLY DESCRIBED HEREIN, FROM M-1
MANUFACTURING ZONE TO C-3 CENTRAL BUSINESS ZONE, SUBJECT TO
CERTAIN CONDITIONS**
passed second and find reading and was signed in open meeting.

REZONING

2012-051: Jay Caughman

On motion of Councilman McGary, seconded by Councilman Murphy,
**AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II,
CHAPTER 38, ZONING ORDINANCE, SO AS TO REZONE PROPERTY
LOCATED AT 36 EAST MAIN STREET, MORE PARTICULARLY DESCRIBED
HEREIN, FROM M-1 MANUFACTURING ZONE TO UGC URBAN GENERAL
COMMERCIAL ZONE**

passed second and find reading and was signed in open meeting.

FRANCHISE

City Attorney McMahan declared a public hearing in process for this matter, clarifying that the proposed is for an elevated walkway which will go from the building now called Liberty Towers at the corner of Sixth and Chestnut; that it goes back to Sixth and Pine Streets. He stated the elevated walkway will go from that building to the elevated parking garage near the YMCA, which used to be the IBM building. He asked if anyone was present to speak to the matter; no one came forth to speak; the hearing was duly closed.

On motion of Councilman McGary, seconded by Councilman Rico,
**AN ORDINANCE GRANTING UNTO LIBERTY TOWER, LLC A FRANCHISE
TO CONSTRUCT AND MAINTAIN A PEDESTRIAN WALKWAY LOCATED
ACROSS THE 200 BLOCK OF 6TH STREET (CASE NO. 2012-037), AS
SHOWN ON THE MAP ATTACHED HERETO AND MADE A PART HEREOF
BY REFERENCE, SUBJECT TO CERTAIN CONDITIONS**

passed second and find reading and was signed in open meeting.

APPROPRIATION AND WRITE-OFF

Councilwoman Scott stated she is aware of the history and knows of the need to solve the problem; that she neglected to ask for clarification on the appropriation of the \$300,000 from the State Street Aid Fund.

Admin. Madison stated there are two separate issues and asked if Councilwoman Scott is familiar with the weatherization program, to which she responded "yes".

APPROPRIATION AND WRITE-OFF (Continued)

Admin. Madison stated the \$300,000 is really State Street Aid dollars sent to the city specifically for road improvement-type purposes and the budget in the fund this year is being overspent but all the dollars are coming from the State and the expenditures have to go for that purpose; that these dollars are coming from reserves in that fund to cover expenditures over the initial estimated budget.

Councilwoman Scott stated those funds are not going for the weatherization. Admin. Madison responded "no". Councilwoman Scott then stated there are two separate issues, which Admin. Madison confirmed.

On motion of Councilman McGary, seconded by Councilman Rico,
AN ORDINANCE AUTHORIZING THE APPROPRIATION AND WRITE-OFF OF ONE HUNDRED TWENTY-EIGHT THOUSAND DOLLARS (\$128,000.00) DUE TO DISALLOWED COSTS UNDER THE ARRA-WEATHERIZATION PROGRAM CONTRACT NO. Z-09-000422-011 MANAGED BY THE CITY'S HUMAN SERVICES DEPARTMENT AND APPROPRIATE THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) FROM STATE STREET AID FUND RESERVES FOR CURRENT YEAR EXPENDITURES

passed first reading.

AMEND CITY CODE: FIRE CODE

On motion of Councilwoman Scott, seconded by Councilman Rico,
AN ORDINANCE TO AMEND PART II, CHATTANOOGA CITY CODE, CHAPTER 17, ARTICLE I, SECTION 17-1, RELATIVE TO THE ADOPTION OF THE INTERNATIONAL FIRE CODE, 2012 EDITION, INCLUDING ALL REFERENCED STANDARDS AND PUBLICATIONS SPECIFIED THEREIN, AND KEEPING THE 2006 NATIONAL FIRE PROTECTION ASSOCIATION (NFPA) 101 LIFE SAFETY CODE IN ITS ENTIRETY FOR CERTAIN SPECIFIED OCCUPANCIES, INCLUDING EXISTING BUILDINGS, AS DEFINED BY THE 2006 NFPA 101 LIFE SAFETY CODE, AS THE OFFICIAL FIRE CODE OF THE CITY OF CHATTANOOGA; AND TO AMEND SECTION 17-2, AS TO APPENDICES, AND 17-3 AMENDMENTS TO THE CODE

passed first reading.

AMEND CITY CODE: TREE ORDINANCE

On motion of Councilman Rico, seconded by Councilman Murphy,
AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II, BY DELETING ARTICLE V, SECTION 26-101 THROUGH 26-419 AND RENUMBERING AND ADDING SAID SECTIONS TO CHAPTER 32, AS A NEW ARTICLE XIII, SECTION 32-300 THROUGH 32-319, RELATIVE TO THE TREE ORDINANCE
passed first reading.

AMEND CITY CODE: HOTELS AND ROOMING HOUSES

On motion of Councilman Rico, seconded by Councilman Murphy,
AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 11, SECTIONS 11-186 THROUGH 11-215, RELATIVE TO HOTELS AND ROOMING HOUSES
passed first reading.

AMEND CITY CODE EXCLUSION OF CERTAIN PROPERTIES FROM ROSSVILLE AVENUE FIRE DISTRICT BOUNDARY

On motion of Councilman Rico, seconded by Councilman McGary,
AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 10, SECTION 10-5, AS AMENDED, TO EXCLUDE CERTAIN PROPERTIES FROM THE ROSSVILLE AVENUE FIRE DISTRICT BOUNDARY
passed first reading.

2012-13 OPERATIONAL BUDGET

Councilwoman Berz stated for a point of clarification ordinances such as this have to be read twice and this first reading has nothing to do with the delineation of the pay plan; that the Council is approving the total amount of the budget which in no way obviates further discussion on the pay plan. She stated our morning and afternoon sessions are work sessions which do not allow for public input and she knows there are a number of people tonight who, at the end when allowed their three minutes to speak, want to give the Council their opinions.

2012-13 OPERATIONAL BUDGET (Continued)

Councilwoman Berz stated all during this week we will be having discussions individually and with constituents about what form exactly the pay plan will take. She stated approval tonight of the budget in no way means we have approved a pay plan one way or the other; that she wants input and looks forward to the input from the people who will be speaking later this evening.

On motion of Councilman Murphy, seconded by Councilman Rico,

AN ORDINANCE, HEREINAFTER ALSO KNOWN AS "THE FISCAL YEAR 2012-2013 BUDGET ORDINANCE", TO PROVIDE REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2012, AND ENDING JUNE 30, 2013; 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, 31-42, AND 31-43.

passed first reading; **on roll call vote:**

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

The motion carried: seven (7) "yes"; two (2) "no".

AGREEMENT

On motion of Councilman Rico, seconded by Councilwoman Berz,

A RESOLUTION AUTHORIZING THE ADMINISTRATOR OF THE DEPARTMENT OF PUBLIC WORKS TO ENTER INTO AN AGREEMENT WITH CONSOLIDATED TECHNOLOGIES, INC. FOR PROFESSIONAL SERVICES RELATIVE TO CONTRACT NO. W-12-004-101, SANITARY SEWER PROJECTS ASSOCIATED WITH ANNEXION AREA 4B, FOR AN AMOUNT NOT TO EXCEED TWO HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$285,000.00)

was adopted; Councilmen Gilbert and Scott voted "no".

AGREEMENT

On motion of Councilman Benson, seconded by Councilman Rico,

A RESOLUTION AUTHORIZING THE ADMINISTRATOR OF THE DEPARTMENT OF PUBLIC WORKS TO ENTER INTO AN AGREEMENT WITH BARGE WAGGONER SUMNER & CANNON, INC. FOR PROFESSIONAL SERVICES RELATIVE TO CONTRACT NO. W-12-005-101, SANITARY SEWER PROJECTS ASSOCIATED WITH ANNEXATION AREA 10B, IN AN AMOUNT NOT TO EXCEED TWO HUNDRED FIFTY-FIVE THOUSAND NINE HUNDRED DOLLARS (\$255,900.00)

was adopted.

WRITE-OFF, CLOSURE AND TRANSFER

On motion of Councilman McGary, seconded by Councilman Rico,

A RESOLUTION AUTHORIZING THE WRITE-OFF OF A TWENTY-FIVE THOUSAND DOLLAR (\$25,000.00) RECEIVABLE FROM THE CHATTANOOGA HOUSING AUTHORITY SET UP ON JUNE 29, 1984, IN WHICH MONEY WAS USED AS A CITY CONTRIBUTION TO WESTSIDE COMMUNITY CENTER TO ESTABLISH THE HEALTH AND FITNESS PROGRAM AT COLLEGE HILL COURTS, AND TO ALSO AUTHORIZE CLOSING THE URBAN RENEWAL SCBD FUND AND TRANSFER REMAINING BALANCE OF FOUR HUNDRED SEVENTY-TWO AND 60/100 DOLLARS (\$472.60) TO THE GENERAL FUND

was adopted.

ARBITRAGE REBATE COMPUTATION/OPINION SERVICES

On motion of Councilman Rico, seconded by Councilman Murphy,
A RESOLUTION AUTHORIZING ARBITRAGE COMPLIANCE SPECIALISTS, INC. TO PROVIDE ARBITRAGE REBATE COMPUTATION AND OPINION SERVICES FOR AN ESTIMATED COST OF TWENTY-SEVEN THOUSAND TWO HUNDRED FIFTY DOLLARS (\$27,250.00), BUT INDETERMINATE AMOUNTS MAY BE EXPENDED THEREAFTER AS REQUIRED ANNUALLY FOR COMPLIANCE

was adopted.

ECONOMIC IMPACT PLAN FOR BLACK CREEK MOUNTAIN AREA

Councilmen McGary and Murphy made the motion and second to defer this matter one week; on roll call vote:

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

The motion failed: Three (3) "yes"; five (5) "no"; one (1) recusal.

Councilman Benson made the motion to approve; Councilman Rico seconded the motion.

**ECONOMIC IMPACT PLAN FOR BLACK CREEK
MOUNTAIN AREA (Continued)**

Councilwoman Scott stated “step through this door” we will be “stepping through a door” to do TIFs for other developers; that there will be a wide open number of people who will be coming for the same thing. She stated when you divert general tax funds in a way like this what we are doing is actually affecting the remainder of the taxpayers in this city and in this case they will be paying for the services that will service this area for almost or up to 20 years. She stated it will be a new road for a private development and we have not done that for anyone else and if we do that we will be asked to do it for others and will have a hard time explaining how it is different. She stated just because the State allows this does not mean it is a good idea; that it is in her district and stated she has not had a groundswell of people saying please do that; that she has had a groundswell for people saying “no” they do not want to support that. She stated she is not just talking about the Lookout Valley part of her district where this is located clarifying she is not opposed to the development; that what she is opposed to is the diversion of taxes for other people that have been here for quite some time and if we are diverting their taxes to pay for services for a brand new community, then we are diverting those revenues from working on projects for the people that are already here. She stated many people have been in line waiting for a lot of things for a long time and this is not what we should be doing. She encouraged her colleagues to vote “no” .

Councilman McGary encouraged his colleagues who voted against the one week deferral to reconsider; that this is the first time this item has been on the agenda and as far as public input is concerned this is the first real opportunity individuals in the audience or elsewhere could have comment. He stated we have heard from the developer this afternoon and the question was asked “what would be in jeopardy, if anything, if this was deferred a week” and we heard his response. He stated above the developer’s time frame we have to consider the public’s consideration of this matter, as well, and does not see by having further discussion on TIFs in general, since this is a new concept for our community and a new opportunity to explore how we may be best utilize this economic tool, why we necessarily need to support this tonight. He stated as Councilwoman Scott indicated, he has no problem with the development, but does have a problem moving hastily on issues that are not quite clear to our community. He stated with one week on the agenda and the next week a vote on a matter that will affect this community for the next thirteen if not twenty years, wondered if it is in the best interest to move forward at this time and if we must vote on this matter, he will abstain.

**ECONOMIC IMPACT PLAN FOR BLACK CREEK
MOUNTAIN AREA (Continued)**

Councilwoman Berz stated she has been hearing the rhetoric about some people carrying the load for others and would like for us to consider this and will speak for herself as she pays property taxes and pays rather high property taxes and is grateful for where she lives and does not mind paying the property taxes. She stated she clearly knows she is subsidizing people in other areas and that does not bother her; that we have to look at the city as a whole and we cannot look at it piecemeal. She stated it is very important that we look at the total picture and the way our city is growing and changing; that it is her pleasure – and does not mean it in a corny sense as she is so grateful for what she and her family are able to do – that she does not mind being her brother or sister's keeper for awhile if it means for the betterment of the whole. She stated it is her thought we have to look a little more broadly than this as what she is seeing is a project that if it goes up the worst thing that can happen, and does not like scare tactics, is that we have a road. She stated she has heard some very convincing discussion from both sides and in all due respect it is her thought this is the right thing to do for our city and the argument that other people will be subsidizing folks is okay. She stated maybe someday people will be subsidizing her; that it is very important that we not take such a narrow view of the growth of our city. She stated she plans to vote for this with all due respect to the input she has gotten from people that she really has a great deal of respect for.

Councilman Benson stated this is a good idea and is sorry we did not explore this sooner as Knoxville has fifteen or twenty. Councilman McGary corrected Councilman Benson by stating "17".

Councilman Benson continued by stating he has no objection about waiting a week or three weeks or a month while we mull this over, but the developers say it very well could be lost. He stated if this opens the door for TIFs good, Chattanooga is moving and it is a progressive action; that it will save having to waive taxes in the future if we can get this land developed out there. He stated it is a stem road, and that is all we are going to do; if this developer decides to build a bunch of houses up there without this road the government will have to build a road with their money. He stated this money does not require any government money and we do not stand a thing to lose on it. He stated if it goes "under" it is the bond holders' where they sell the bonds; that it is his thought it is a great idea and opens the door for more TIFs if they are justified, if the TIF is good business sense for this community.

**ECONOMIC IMPACT PLAN FOR BLACK CREEK
MOUNTAIN AREA (Continued)**

Councilman Benson stated if we are going to progress we are going to have to come into today's world as this was offered by the State of Tennessee and Governor Haslam signed it. He stated we do need more time and the public needs more time as the public has misunderstood this because of misunderstandings we have given them at times. He asked what would happen if we keep delaying this.

Doug Stein expressed appreciation for the work the Council does serving the city and the consideration given this issue over a long period of time. He stated the TIF Statute passed at the State eight years ago and why it has not been brought before this Council before this case he does not know; that it is a tool used in other municipalities. He stated if they are delayed they already have to wait and get the paperwork done and does not know how long it will take, maybe 60-to-90 days before they can begin construction; that they are already 90 days behind their own schedule because they just did not anticipate the number of questions and a lot of issues that were brought. He stated they were told the road goes all the way to Marion County; that this will be serving part of Marion County; that this is building the development's road which it is not. He stated they have answered all those questions and asked that the Council look at the group of proven developers and approve this and not punish them simply because this is the first TIF proposed. He stated they have proven the compliance of this Statute at this meeting and their bond counsel, George Masterson of Bass Berry and Sims PLC, is present to answer questions about the compliance of the project with the Statute as it complies in every way. He respectfully asked that this issue be voted on tonight.

Councilman Rico stated he does not understand Councilman McGary's argument regarding the time on this as it was brought to him a long time ago and has been in the news and newspaper and thinks it is a "win win" for the city. He stated this Council was not here when we were trying to bring Volkswagen in as he does not know if we would have it as it as a bigger gamble and we took a lot of "heat" before Volkswagen for doing some things. He stated sometimes we have to "roll the dice" and hope it works out because you have to take a chance sometimes. He stated he does not see how we can lose on this as we are taking a chance that these guys will be successful and if they are not we do not lose anything, but if they are successful Chattanooga stands to gain a whole lot and does not see a down side on this.

**ECONOMIC IMPACT PLAN FOR BLACK CREEK
MOUNTAIN AREA (Continued)**

Councilman Murphy stated he had an opportunity to talk with Mr. Stein and talked today with Mr. Chazen and noted they have hired good people to help them; that as a fundamental matter he represents an urban district and it is not in his district's best interest to promote, expediate, subsidize or rush further suburban sprawl. He stated it is not what the folks he represents need and expressed the world of luck and if it slows them down a little he is sorry for them but so be it!

Councilman McGary stated that Councilman Rico misunderstood the nature of his comments; that the Council has just heard the developer say they are 90 days behind schedule and 97 days will not jeopardize this project; that if they are 90 days behind he doubts seven days could be further injurious to the project. He stated he has been approached independently and privately on this issue, but we are public stewards and in his private conversation with developers, other concerned persons and people in his district, it is his belief there should be a public forum in committee on TIFs and currently we have heard TIFs in connection with this project which is where his concern arises. He stated there are three different TIFs according to State Statue and doubts many in the audience know that and as to how this particular TIF works are still questions as the developer testified. He stated it is a courtesy to the individuals who have elected and trust Council members to speak on their behalf to allow further opportunity for input and education on this agreement that we will obligate ourselves for a minimum of 13 years and 20 years maximum. He stated he does not see how it is a disservice to them noting he is not suggesting this project is in any way not worthy of the Council's support but is suggesting that not many people in the audience understand it and for that reason it is worthy of deferral.

On motion of Councilman Benson, seconded by Councilman Rico,

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHATTANOOGA, TENNESSEE APPROVING AN ECONOMIC IMPACT
PLAN FOR BLACK CREEK MOUNTAIN AREA**

was adopted; **on roll call vote:**

MCGARY	ABSTAINED
MURPHY	NO
SCOTT	NO

ECONOMIC IMPACT PLAN FOR BLACK CREEK
MOUNTAIN AREA (Continued)

ROBINSON	RECUSED
BENSON	YES
GILBERT	YES
BERZ	YES
RICO	YES
LADD	YES

The motion carried: five (5) "yes"; two (2) "no"; one (1) abstention; one (1) recusal.

MEMORANDUM OF UNDERSTANDING

On motion of Councilman Rico, seconded by Councilman Murphy,
A RESOLUTION AUTHORIZING THE DIRECTOR OF GENERAL SERVICES TO EXECUTE A MEMORANDUM OF UNDERSTANDING FOR PARTICIPATION IN COMMUNICATION SYSTEM BETWEEN THE U.S. MARSHALS SERVICE AND THE TENNESSEE VALLEY REGIONAL COMMUNICATION SYSTEM
was adopted.

CONTRACT

On motion of Councilman Rico, seconded by Councilwoman Robinson,
A RESOLUTION AUTHORIZING THE ADMINISTRATOR OF THE DEPARTMENT OF PUBLIC WORKS TO AWARD CONTRACT NO. W-10-007-201, ALTAMONT SEWER REHABILITATION, TO AMERICAN INFRASTRUCTURE, IN THE AMOUNT OF TWO MILLION TWO HUNDRED THIRTY-SEVEN THOUSAND ONE HUNDRED DOLLARS (\$2,237,100.00), WITH A CONTINGENCY AMOUNT OF TWO HUNDRED TWENTY-FOUR THOUSAND DOLLARS (\$224,000.00), FOR AN AMOUNT NOT TO EXCEED TWO MILLION FOUR HUNDRED SIXTY-ONE THOUSAND ONE HUNDRED DOLLARS (\$2,461,100.00), SUBJECT TO SRF LOAN APPROVAL.
was adopted.

OVERTIME

Overtime for the week ending June 14, 2012 totaled \$25,182.30.

PERSONNEL

The following personnel matters were reported for the various departments:

CHATTANOOGA POLICE DEPARTMENT:

- **RENE HERNANDEZ** – Suspension (7 days without pay), Police Officer 1, effective June 13-19, 2012.
- **JUSTIN HEADDEN** – Suspension (14 days without pay), Police Officer 1, effective June 13-26, 2012.
- **JOHN BARNETT** – Military leave (approximately 400 days), Police Officer 1, effective June 20, 2012.

PARKS AND RECREATION:

- **CAROLYN PERINI** – Hire, Carousel Assistant, \$7,78 per hour, effective June 15, 2012.

INFORMATION SERVICES:

- **DOUG ECKERT** – Hire, Deputy CIO, Range 29, \$99,000.00 annually, effective June 15, 2012.

PUBLIC WORKS:

- **MATTHEW BROOM** -- Family Medical Leave, Survey Instrument Technician, Engineering, effective May 29-July 9, 2012.

HIXSON RECREATION CENTER

Admin. Zehnder invited Council members of the official opening of the Hixson Recreation Center scheduled for Thursday of this week.

Chairman Ladd stated as the representative for that district the community is absolutely thrilled to have a community center and expressed appreciation for all the programming and staffing; that she looks forward to the opening on Thursday.

PURCHASES

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

PUBLIC WORKS:

CMI EQUIPMENT SALES, INC. (Lower and better bid)
R58088

Purchase of one (1) Multi-Purpose Excavator

\$392,610.00

SUN VALLEY LIGHTING (Lowest bid meeting specifications)
R58176

Blanket Contract for Pedestrian Sidewalk Light Poles

\$89,000.00 – Annual approximation

CHATTANOOGA FIRE DEPARTMENT:

CARE SAFETY (Lower and better bid)
R59225/301957

Purchase of Multi RAE & RAE Link 3

\$13,138.00

PURCHASES (Continued)

CHATTANOOGA POLICE DEPARTMENT:

SIRCHIE FINGERPRINT LABS (Best complete bid)
R59200/301969

Purchase of Fingerprint Kits and Supplies (*Medtech Forensic and GT Distributors submitted lower bids; however, they failed to bid all items.*)

\$14,431.55

DELL MARKETING (Single source)
R58747, R59324, R60561

Purchase of Microsoft Software License per TCA 6-56-304.6

\$10,467.93

COMMERCIAL CONCEPTS (Best bid meeting specifications)
R59009/302001

Purchase of Thirty-five (35) Raynor Office Chairs (*InnerSpace Systems submitted a lower bid; however, the chair bid was not an acceptable substitute and would prohibit our ability to standardize*).

\$17,062.85

GENERAL SERVICES:

BROOKER FORD (Overall lower and better bid meeting specifications)
R58986

Blanket Contract for Sedans and Light Trucks

\$1,250,000.00 – Annual approximation

PURCHASES (Continued)

INFORMATION SERVICES:

EIS TECHNOLOGIES (Best proposal meeting specifications)
R36842

Blanket Contract for Oracle Reporting Tool

\$165,000.00 – Annual first year estimation

BOARD APPOINTMENT

On motion of Councilman Rico, seconded by Councilwoman Robinson, the following Board appointment was approved:

NORTH SHORE DESIGN REVIEW COMMITTEE:

- Re-appointment of *SID HUNTLEY* for a three year term expiring May 4, 2014.

POSTINGS TO WEB PAGE

City Attorney McMahan stated last week the Council asked that he work toward putting the Council agenda on the web page and reported that he met with Information Services and it is their broader plan to make this as near as practical a paperless process from the originating agency through to the City Council. He stated they have a plan in progress and hope to “roll it out” in about 30 days with the public works department as the first guinea pig to see how it works. He stated 30 days from now he would be back with a trial product.

Councilman McGary expressed appreciation to the City Attorney for his and others efforts to provide greater transparency to our citizens.

COMMITTEES

Councilman Murphy scheduled a meeting of the **Legal, Legislative and Public Safety Committee for Tuesday, June 26, 2012** immediately following the Agenda Session.

COMMITTEES (Continued)

Councilwoman Berz scheduled a work session of the **Budget and Finance Committee for Tuesday, June 26 from 1:00 – 2:30 p.m.** for final discussion of the operational and capital budgets; that the topic for the operational budget will be the pay plan.

NEXT WEEK'S AGENDA: June 26, 2012

Chairman Ladd asked if there were any questions regarding next week's agenda; being none the meeting continued.

RULES OF PROCEDURE FOR ADDRESSING THE COUNCIL

City Attorney McMahan read from the Council's Rules of Procedure with reference to persons wishing to address the Council on non-agenda matters.

JIM FOLKNER

Jim Folkner of Mountain Creek Road stated the water company has come again asking for another rate increase; that they do this perennially and have come approximately seven times in the last ten years. He stated they have asked for rate increases with a cumulative total of over 50 percent the last two times up. He stated we have hired attorneys to fight them and spent \$400,000 of city taxpayer money in our efforts to control the water company. He stated the Mayor has made an effort in a thought process to buy the water company. He stated we have a water company that is out of control; that it is owned by a bunch of Wall Street people and people overseas who are here basically to sell us our own free water back to us. He stated they claim a rate of return necessary on their enterprise of approximately 11.5 percent; that with a rate of return like that it makes it a pretty valuable water company. He stated they also claim most of their information is rather proprietary; they are not transparent and we have a problem fighting them on these rate increases as it costs the city millions of dollars in terms of city taxpayer resources, what is spent by the Manufacturers Association and other state agencies.

JIM FOLKNER (Continued)

Mr. Folkner stated we have a chance to do something about this and proposed the only way to realistically rein in the water company and the rate increases is to not just continue to fight but have a law passed in the State Legislature which would make some changes. He stated they no longer wish to collect garbage service in some areas, will not collect the WWTA fees and sewer charges and have taken away the fire hydrants they said they would give us free after the settlement approximately four years ago. He stated they again come today for almost the highest rate increase they have ever asked for. He expressed hope we can get a law passed that will make them transparent and accountable and set it up so that they come only the average of what other utilities come to ask for rate increases; that their rate increases come more often than any other rate utility in the state. He stated if we do these things we could set their rate of return at something more reasonable like four or five percent or less; that the water company feels they deserve 11.5 percent and it makes their company very, very valuable. He stated we can change all this in the Legislature and presented a Bill that has been carried by Senator Bo Watson and Rep. Richard Floyd which will do all these things. He stated if we get behind this Bill we can bring the water company under control but as it is now with continued rate increases they continue to get they begin to become a more valuable entity and could cost our citizens of Chattanooga hundreds of millions of dollars.

Councilman Benson expressed appreciation to Mr. Folkner for bringing this to the attention of all citizens; that people do not realize the water company tells us they are going to raise the rates on our citizens and we have to hire lawyers with taxpayer money, then they have to hire lawyers to fight what we are fighting and then they increase their rates to pay their lawyers and we are paying lawyers to fight their rate increase! He stated it is a vicious cycle and has been going on nearly every year for the past ten years. He expressed hope the Bill is something that will work; that the Tennessee American Water Company is a monopoly as everyone has to have water to drink and we are at their mercy.

Councilman Berz also expressed appreciation noting she has been very concerned about the water company and the rate increases and the fact that even in the face of the higher rates they have been renegeing on some of their obligations. She stated Mr. Folkner said something that is probably a question for the City Attorney to respond to which has to do with the fire hydrants. She stated one of the things that has been disconcerting to her is the fact at some point if the city were to try to take over the water company it would probably be by some sort of condemnation and the rate of the sale would be set by a court based on the value and as long as we keep allowing the rates to go up we have a higher value.

JIM FOLKNER (Continued)

Councilwoman Berz stated Mr. Folkner's point is extremely well taken and something we need to take seriously as she does not like being held hostage particularly by something as precious as water. She stated she very much supports this and would be anxious to see what this legislation is and would like to hear more about it.

City Attorney McMahan stated with respect to the fire hydrants, in 2004 or there about before then we paid so many dollars for each fire hydrant; that now we get the service on the fire hydrants free and get 25 fire hydrants per year free, however if we use more than that we pay for them. He stated to the point about the lawyer fees, the last rate case the rate increase was roughly \$5 million for the water company and approximately over one million of the \$5 million was for the water company to pay their lawyers noting it is a very expensive process. He asked Mr. Folkner to provide him with a copy of the Bill.

Mr. Folkner stated there may be some very prominent lawyers willing to help the city out in fighting this for relatively almost pro bono nature.

City Attorney McMahan stated he would like to talk to them!

Councilwoman Scott stated Tennessee-American Water has been negotiating with the city for several months and they did work out the donation of some water hydrants for the city.

Councilwoman Robinson stated many will remember there was an attempt by the city to make the water company a public utility and there was an ongoing campaign to fight the city. She stated there were literally thousands and thousands of people in Chattanooga that spoke out and wrote letters to the editor and very forcefully resisted the idea that the city could take over the water company. She stated she would like to have a little bit of discussion with someone who was on the other side of that opinion than Mr. Folkner is tonight when he says we need to do something to "rein them in"; "reining them in" may not be the solution, it may be to revisit some of the discussions we had when Mayor Kinsey was in office. She stated she does not know how to have this discussion, how can we follow up as there may be a change in opinion in this community about how to proceed from here.

Chairman Ladd stated there will be discussions next week and can formulate how we want to go forward from there.

JIM FOLKNER (Continued)

Councilman Murphy stated he was not on this body at that time when that campaign happened but all of us remember Phillip D. Glass, the figure that sits on the tank, held up a sign that said "not for sale" except for just a handful of months after the kerfuffle died they sold! He stated apparently they were for sale -- they just did not want to sell to the people who actually are forced to buy the product!

DOUG COLLIER

Doug Collier President of SEIU Local 205, 3922 Volunteer Drive stated a lot of work is left to be done on the pay plan and the monies that have been appropriated; that in many other cities there is not as good a document prepared along these lines and complimented Daisy Madison. He offered full support on behalf of the civilian employees listed under the pay plan for A, B and C; that those allotments allocated under those amounts for the revenues projected and for the civilian employees is \$1.3 that is to be spread across the board as a three percent increase. He stated he is present to say as President of the Local they support that spread, three percent for all workers; that if every meeting could get started like this one tonight by showing the good things in Chattanooga all these things are not happening across this state. He stated from Knoxville to Memphis, Chattanooga is the center of attention and people brag on Chattanooga across the state. He stated it is because of the vision the Council has and the hard work the workers in this city have put forward – they deserve some reward. He stated three percent is a small amount but a great start to be able to recognize the people that do the work. He stated the people in the parks help as was shown tonight; that they support and encourage the Council as they enter into additional discussion on this plan to please, please take those workers in consideration because step increases have long been done away with for civilian employees in this city; they have not existed for many years. He stated civilian employees have had a terrible time to be able to make ends meet as revenues are up across the state; that even in the private sectors there are raises everywhere in this state and the private sector. He stated here in Chattanooga there was a 24 percent increase in CEO pay last year; that if the workers are not getting the raise, look at the people at the top responsible for sharing that money with them. He urged the Council to vote for and support the pay increase plan under A, B and C.

DOUG COLLIER (Continued)

Councilman Gilbert stated he has struggled with this since the budget has been talked about; that for many years he has brought up that the employees deserve a raise and they really do need a raise. He expressed agreement with A,B,C, noting that the only thing he challenges is we discussed 100 sworn officers that will not receive anything and we can look into that and maybe see what three percent will do for them. He stated three percent is not that much money; that on the average it is about twenty-three cents per hour. He stated he cannot personally vote for it; that they definitely deserve it because when it snowed and the tornado hit who did we call and they answered! He expressed appreciation for what they do for our city.

Mr. Collier stated he is a strong proponent to let the workers and the citizens have input; that he used to serve in the same capacity as the Council members in a different place. He stated these are good challenges to have and if you have the money it is how it is distributed. He stated in most places and other cities the administration hands a proposal with available monies which is why workers and citizen input is needed. He suggested the three percent for his members is what he would like the Council to apply; that the other allotments on page 13 are to take it to those groups and make them aware this is the amount of money and ask how they want it applied. He stated most cities have those allotments; that in Nashville the Council approved a four percent increase for general service workers with a final vote tonight.

Councilman McGary stated tonight the Council took the first vote for the total allocation of the budget and the final budget should it pass will come before the Council and could be deferred or any other number of things. He pleaded with all workers of the city, as we have both sworn and civilian, that it is a very, very important in this interim time period to really have an honest conversation about who gets what. He stated he knows there has been some talk already that the police and fire department are taking "our" three percent raise and if there is that point of view it means a decision is already being made as to who gets what, even in light of the fact there may be other ideas worthy of consideration and exploration. He stated he is glad there is time between now and next week to talk about the issue and encouraged everyone to be educated on where the dollars are proposing to go and what that actually means and have a conversation with members of the Council. He expressed hope the Council would be able to make a decision for all workers and not just some.

SHIRLEY MOON

Shirley Moon stated she has written Council members on several occasions but tonight she is present because she has called 311 starting in January before the trees started blooming and has called every month; that she lives next door to a house that has four trees with blueberries that is falling all over the street and her yard. She stated the branches are over her house and she cannot see out of her front; that her house is in the dark view and on the backside the tree branches and bushes run along her fence line. She stated she lives in the city, not the woods, and cannot see out her front or back; that last year her house was burglarized twice because of this; that she has questioned and invited them to come out and see; that she has been passed from one to another and was finally told on Thursday to send a certified letter to the person who owns the Section 8 house who lives on the mountain knowing that person has a manicured yard! She stated she is a senior citizen living alone, is fearful and no one cares about what goes on in her neighborhood as it is a high risk neighborhood. She stated she has to pay people to cut bushes down and was terminated from her job at the city's Head Start unlawfully and does not have extra money to have somebody else have a nice yard, pay taxes for somebody to live next door to her and pay taxes for the man on the mountain to get a revenue and she does not have a decent revenue! She asked what she is gaining; that she is a citizen, a taxpayer and homeowner twice. She asked what benefits she can receive from this body.

Councilman Murphy asked if Ms. Moon has the 311 confirmation number to see if it can be figured out where the breakdown has been.

Ms. Moon says she does not have it with her; that she has seven numbers and has called just about every month!

Councilmen Murphy stated it sounds like an overgrowth problem and would meet with her following the meeting to get information and hunt down where the breakdown has been.

Councilman Rico stated if it is Section 8 housing the Chattanooga Housing Authority will send an inspector out as he had a similar situation in his district with overgrown trees on a yard and the Housing Authority sent an inspector out and cleaned it up.

SGT. CRAIG JOEL

Sgt. Craig Joel, Fraternal Order of Police, 1709 Holtzclaw Avenue stated he was present at the committee meeting this morning and expressed thanks to the Mayor's office for the options presented. He stated he could not be happier to see not just three-to-five options presented that were wonderful; that based on what was heard tonight he would likely be in the zero percent increase range. He stated he is not so concerned about the annual bonuses, the longevity pay or the one-to-three percent raise. He stated this process has brought forth several questions as to how we got to the point where we have to make the \$1.2, \$1.3 million dollar balloon payments to the officers that are participating in the career development program; that the program simply was not funded, they participated in the program at their own expense and were not paid for their work, and then when they are finally paid without any retroactive pay they hope to get that if it is funded and there is no back pay. He stated what is overlooked is they are a small part of the department that has that opportunity, no one else in the department has an opportunity to participate in career development; the officers with three or less years are not eligible. He stated anyone above the rank of Master Patrolman is not eligible; sergeants, lieutenants, captains. He stated he wanted to take the opportunity to step back and focus on the questions that led to these huge annual budget problems when we have these lump sum payments. He stated there is a problem with the existing pay plan and no matter what bar graphs the Council has been shown, pie charts, flow, or how it is articulated, when he was promoted in 2006 his pay was adjusted once by a new plan that was put in place and that pay stayed the same in 2007, 2008, 2009 and 2010. He stated it was adjusted once and (he) is very satisfied with the adjustment when it was brought to light the city's pay plan was in violation of some Title VII aspects; that the problem with the plan -- in which his pay stayed the same in 2011 and 2012 and will again into 2013 -- is there is no plan. He stated it is not a statutory responsibility or the ability of the Council to administer these plans but noted his request tonight is to ask the Council to encourage the office of the Mayor, current or future, to put an actual plan in place as we have none. He stated his stagnant pay is the proof of that despite the annual bonus checks received at substantial taxes that was brought up in the meeting. He stated we need a plan and please we need the Council to be the voice to encourage them to institute a plan to avoid the civil rights violation aspects that they are so concerned about that hurts their ability to recruit and retain these experienced officers.

ADJOURNMENT

Chairman Ladd adjourned the meeting of the Chattanooga Council until Tuesday, June 26, 2012 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)**