

Burns Randy

From: Crownover Shirley
Sent: Wednesday, January 07, 1998 12:16 PM
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BUDGET AND FINANCE COMMITTEE

January 6, 1998

4:00 P.M.

The meeting of the Budget and Finance Committee was called to order by Chairman Hakeem, with Councilpersons Hurley, Taylor, and Pierce being present. Councilman Swafford joined the meeting later. City Attorneys Randall Nelson and Mike McMahan; Management Analyst Randy Burns; and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Mayor Kinsey, Chief Coppinger, Adm. Boney, Adm. Marcellis, George Morgan, Adm. Traughber, Chief Dotson, Ken Hays, Daisy Madison, Tracy Clarke, Donna Kelley, and Carl Levi.

FIRE AND POLICE MATTERS (MAYOR KINSEY)

Chairman Hakeem stated that first we would have a presentation by Mayor Kinsey.

Mayor Kinsey thanked the committee for being willing to let him go ahead of other agenda matters. He stated what he had to say was advisory information affecting the Fire and Police Dept. He explained that we were in the process of making effective today a change in an executive order that was put in place 3-4 years ago requiring that firemen and policemen be residents of the City of Chattanooga. He explained that this executive order went into effect as a result of the blizzard of 1993; that we were now getting ready to have a new Fire and Police Academy and in looking for applicants we needed to broaden the reach to all citizens of Tennessee--that the residency requirements would now be that an employee had to be a resident of the State of Tennessee and not just the City of Chattanooga. He asked if the committee wished to talk to Chief Dotson about this.

Chief Dotson stated that he would like to share some new positions with the Council. He stated that when he first came on board that he met with each Councilperson individually and shared with them what direction he wanted the Police Dept. to take; that he wished to balance it off with civilians in executive positions. He explained that three new positions were being created--Director of Public Information (Media Director), Community Outreach Director, and Legal Advisor. He stated that he thought this would be a good balance with the management team, and he was very excited about this direction; that it would level out their management and further bring everything under one umbrella. He noted they were headed in a different direction and entertained questions by the Council. He noted that he also had information regarding the names of the individuals who would hold these positions.

Chief Dotson stated that the Community Outreach Director would be Beverly Cosley; Director of Public Information would be Ed Buice; and the Legal Advisor would be Shelley Parker. He stated that all of these individuals were very exceptionally qualified; that in making his decision he had gone through a lot of consultation and prayer; that everyone who had applied had been well qualified, and the decision had been difficult. He reiterated that this would take us to another level in management and expose us to a broader sector of the overall city.

Councilman Pierce stated that he would like Chief Dotson to give him some input about the Citizens' Group that had been appointed.

Chief Dotson stated that this committee had been appointed to give him some idea as to where we are as a Police Dept.; that he wanted an internal assessment and also an external assessment--that the Committee was doing the external assessment to show us where we are with management, equipment, input from citizens, etc. He stated that they were determining where we would go in the year 2000. He stated that the same thing was being done internally; that he would take the data from both committees and use it as a road map to chart their course.

Councilwoman Hurley asked if the balance of people on the committee was good. Chief Dotson responded that it was very balanced and that the members were interested in the future of the Police Dept.; that they were doing an outstanding job.

Councilman Pierce asked Chief Dotson if he saw any on the committee with a selfish interest. Chief Dotson responded that he just worked with whom the Council sent him. Councilman Pierce noted that very often the Council members appoint people to committees without giving it any real thought; that he knew the Council was guilty of doing this.

FURTHER DISCUSSION OF CAPITAL BUDGET

Chairman Hakeem stated that some of the Council were absent because of illness tonight. He questioned whether those present wanted to discuss this this evening or wanted to look at it another date.

Councilwoman Hurley noted that the information had been published and was out there. Councilman Pierce suggested going ahead and talking about it.

Chairman Hakeem stated that Management Analyst Randy Burns had been asked by the Council to gather some information by district. He called on Mr. Burns to present this information.

Mr. Burns presented everyone with a handout to clear up something that was in last week's packet on paving. (This is made a part of the minute material). He stated that Adm. Marcellis had shown him where he had made his error, and the information he was presenting today was current. He explained that he had pulled the MPO number and there was \$1 million in capital for paving, and he showed how it was broken down.

Councilwoman Hurley stated that she thought the statements Mr. Burns had made were clear in the newspaper--that they represented her point-of-view; that there were not equal opportunities in all districts; that each Council person also represents the City of Chattanooga as a whole. She stated that she would live to move on and accept this information, thanking Mr. Burns for the information; Mr. J. B. Collins for his story concerning it in the paper; and Mr. Anderson for his editorial. She stated that there were no major highways in District 2. She stated that she thought Mr. Collins' story did reflect a balanced approach. She moved that the committee recommend passage of the Capital Budget to the full Council. This was seconded by Councilman Pierce.

DISABILITY INSURANCE PROGRAM

Chairman Hakeem called on Adm. Traugher for this portion of the agenda. Adm. Traugher stated that this was an adjustment in our Disability Plan that would be an enhancement and a cost-saving mechanism. He stated that George Morgan had been working on this and that Provident was the low bidder; that Tracy Clarke and Donna Kelley were also on the team.

Mr. Morgan presented those present with a handout comparing the current and proposed plan and the highlights of a Long Term Disability Insurance Plan. (This is made a part of the minute material). He then proceeded to go over the current Disability Plan and what we have in the way of a proposal that would change this. He noted that the comparison was on the first page. He explained that this would

pertain to employees in the General Pension Plan; that the Charters within each individual Plan determines whether or not there can be long term disability and our General Pension Plan does provide for long term disability. He explained that right now our only disability is retirement disability and placing a person off the job--that often a person with a disability may not be ready for retirement--that we were now using our pension as a form of disability insurance.

Mr. Morgan stated that we had received a proposal, and the lowest and best bid was from Provident. He then proceeded to go through the comparisons, noting that we had been given a two year rate. He explained that we recently installed the Cafeteria Plan for employees which allows us to take benefits and deduct at a pre-tax rate rather than a post-tax rate which allows employees to see more on their take-home pay and also to have a little more money for additional benefits, and it reduces the City's payroll taxes. He explained that if this proposal was approved that the premium would be shared by the City and the Pension Board--that the Pension Board would pay one-half of the cost of this premium, which might make it attractive to them. He explained that this would result in significant enhanced coverage for a greater number of employees at less cost and noted that Provident was a good carrier.

Chairman Hakeem asked for a point of clarification under Premium Comparison--our current plan shows \$126,741; the proposed plan showed a rate for two years of \$102,864; Chairman Hakeem wanted to know if this was \$102,864 per year or if this amount covered two years. It was clarified that this was per year.

Mr. Morgan explained the "Return to Work" highlight that covers situations where an employee is able to return to work to perform full duties but for only part of the day; the employee would receive partial earnings from the City and also disability benefits from the insurance company. He stated this would encourage the employee to return to work full time, if possible, rather than receiving disability benefits for an indefinite number of years. He stated that this was a very important feature.

Mr. Morgan also mentioned the "Twenty Four Hour Coverage", which covers employees on an off the job.

Adm. Boney noted that this looks like a good package and questioned how we could get this good a package for less money.

Mr. Morgan stated that heretofore our pool was only city employees themselves and now with Provident we would enter a company-wide pool which would allow us to keep premiums down. He mentioned various programs that would keep premiums down in the future.

Adm. Traugber stated that this was going before the Pension Board on Thursday, and they would ask the Council to take action on this next Tuesday.

Councilman Taylor verified that this would be a shared expense between the City and the Pension Board--one-half by each. He questioned if there was any projection on the premiums after two years, as the first two years were locked in.

Mr. Morgan responded that because of the way they managed this program that we were told that we could expect very favorable rates in the future.

Councilman Swafford had joined the meeting later and asked if this was bid out. Mr. Morgan explained to him that it was bid in the market place.

Mr. Levi stated that the General Pension Board has a contract with Provident through July. He asked if they had talked to the Board's attorney concerning this.

Mr. Morgan responded that he understood this contract was on a month-to-month extension; that this could be a subject of negotiation.

Ms. Kelley stated she thought we could give Provident a 30-day notice, and they would owe us a refund.

Mr. Levi questioned Provident giving us a better deal than we already have. He stated that the Pension Board would not want to do anything about this until their attorney advised them. He asked Mr. Morgan if this information that was presented today had been given to their attorney. Mr. Morgan responded that he had just gotten the information together today; that the Pension Board meeting was not until Thursday.

Chairman Hakeem thanked Mr. Morgan for this update, noting that he expected it to be passed.

Councilman Swafford asked if the Pension Board had to approve this before it could be put into effect--if it had to be authorized by the Pension Board.

Mr. Levi responded that the Pension Board could decide whether they wanted to participate; that they had been kept in the dark on this.

Adm. Traughber stated that this had been in the making for over a year.

The meeting adjourned at 5:00 P.M.