

## **BUDGET, FINANCE AND PERSONNEL COMMITTEE**

**March 24, 2009**

**1:30 P.M.**

Councilwoman Berz, Chairman, called the meeting of the Budget, Finance and Personnel Committee to order, with Councilpersons Robinson, Bennett, Benson, Gilbert, Page, Rico and Pierce present. City Attorney Michael McMahan and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Dan Johnson, Donna Kelley, and Daisy Madison.

After calling the meeting to order, Chairman Berz stated that she and Councilman Gilbert had something to give to the Council; that during the Strategic Planning Meeting that she and Councilman Gilbert were given an assignment and had met with Parks and Recreation about a program to look at curbing crime—that they had discussed a Youth Development Program that was fabulous and that they would partner with the Police Dept.; that the Police Dept. has access to Grant money. She stated that she would hand out a copy of the program (which is made a part of this minute material) and that no action was required but was just asking that Councilmembers review this; that it contained some of the things that they wanted. She reiterated that they would be meeting with the Police to see how they can partner; that the program was partially funded; that they had talked to Bea Lurie to see how they also could partner and would try to sell pieces of this program to the Unions, Private Industry, and also Daisy Madison. She went on to say that they asked that they attach a dollar figure to this, and the cost would be \$212,000 as a total and most of this was funded. She asked that the Councilmembers look at this and next week we would meet with the kids—gang members.

Councilwoman Robinson questioned if gang members would come out in the open? Councilman Gilbert responded that one would never know that they were gang members. Councilwoman Robinson asked if they did not wear t-shirts that indicated this? Councilman Gilbert assured her that they did not wear t-shirts of different colors, with Chairman Berz adding that colors were not “cool”. Councilman Gilbert added that Parks and Recreation were getting them to come.

Councilman Pierce asked if “Weed and Seed” had been involved?

Chairman Berz responded that they were working with them but that this was something that was brand new; that she and Councilman Gilbert had this assignment and this was what they had done; that there did not need to be anymore discussion about this right now.

Councilman Gilbert urged everyone to read the report that had been handed out; that a lot of hard work had gone into this, and it would help the kids—that the kids were saying that this is what we need. He urged everyone to keep an open mind.

Chairman Berz indicated that a Youth Council was needed to turn around the crime problem.

Councilman Benson asked if they were getting other organizations involved?

Chairman Berz stated “yes”—if they came with money.

Councilman Benson mentioned something like getting the “Knot-Hole” concept back.

Chairman Berz stated that she just wanted to give the Council a “heads up” on this.

Dan Johnson asked if she was talking about “Late Night Hoops”? Chairman Berz stated that the centers would be open to 3:00 a.m.

Councilman Rico questioned if this would not interfere with our curfew laws?

Chairman Berz stated that in regards to curfew, that the Police had no place to take the kids that violated curfew; that this program was geared towards making a difference in crime; that what we have in Chattanooga is “kid” crime, and we need to keep the kids off the street. She mentioned that one town has a bracelet to show that a kid has been at a Recreation Center. She stated that she knew this was “thinking out of the box” but “crime is out of the box”. She mentioned dances and music and even Recreation Center studios; that Eastdale Recreation Center already has a recording studio and kids can learn how to record. Councilman Gilbert added that kids could learn how to make money the straight way. Chairman Berz stated that she had talked to her daughter in Atlanta about how we could turn this into a positive thing; that it might be out of curfew but that could be handled.

Dan Johnson agreed that we could change the Ordinance in regards to curfew.

Councilwoman Robinson stated that this would be giving the kids an opportunity to “play”; that they were still kids and needed to “play”; that they could play ball and also music, and this could be a positive experience that would be fun.

Councilman Benson stated that we might could extend the Ordinance but questioned at what point we wanted to encourage children to stay up until 3:00 in the morning?

Chairman Berz responded that they already do! She stated that they would begin at the Brainerd and Carver Centers because of the Ochs Report; that the Ochs Center would do data on this; that they would be asking the kids what they want.

Councilman Benson still questioned encouraging kids to stay up to 3:00 a.m. in the morning, questioning if their parents would appreciate this.

Chairman Berz responded this this was just the first “blush”.

Councilman Gilbert indicated that it was just a beginning for African-American kids; that churches often have such events without being concerned about curfews; that we had to look at both sides to make this work.

Chairman Berz mentioned lock-ins in churches. She then added that she and Councilman Gilbert had completed their assignment and were excited about this; that their whole idea was to partner with different groups to try to get them to “buy a piece” of this; that the Council would be hearing more about this.

Councilwoman Robinson noted that we had chosen the footprint and needed to reach out to faith-based organizations; that she thought this “footprint” could lead us there.

Chairman Berz stated that their first meeting was at Carver—that they had picked two centers—Carver and Brainerd—that Brainerd draws kids from Shepherd; that this is a pro-active program; that they had a great meeting and would be meeting with the Police; that they were really excited about this. She explained that this would be a model for one year; that Ochs did the research; that crime would go down.

Councilwoman Robinson stated that we needed to bring Ochs back to hear what they are doing and also let them know what we need from them. She questioned if she needed to re-schedule a meeting.

Councilman Page stated that the schedule read **Economic Development Committee** for a strategic planning summary with Ochs Center representative (David Eichenthal); that someone else needed to chair this meeting other than him; that this was Chairman Berz and Councilman Gilbert’s thing.

Councilman Rico stated that maybe Councilman Page needed to chair this meeting so that the others could discuss.

Councilman Page stated that he did not have an agenda and was not sure about the agenda regarding David Eichenthal.

Councilman Gilbert stated that they would be bringing the kids in to speak.

Councilman Page stated that this was **not** Economic Development and had already been advertised as Economic Development, stating that others needed to be prepared to discuss this.

Councilman Benson stated that they were talking about bringing in kids; that he thought parents needed to be represented, and we needed the parents here too.

Chairman Berz responded that next week it will be the kids, and we will be talking about their dreams.

Councilman Gilbert stated that it could also be for parents—however some of these parents were crack-heads.

Councilman Benson stated that this was about people being responsible parents—that this Council could not take on the parents' job.

Councilman Gilbert stated that we were just talking about activities. Chairman Berz stated that she thought everyone would be pleased.

Dan Johnson asked if this was just a summer program? Chairman Berz responded that it was year-round. Mr. Johnson wanted to know if Al Chapman had been involved, with Councilman Rico stating that this sounds good.

Councilwoman Bennett stated that she saw the summary denoting the key issues and questioned if we had fully gone through this summary and were ready to go with this?

Chairman Berz stated that she had sent the summary out and Councilwoman Robinson was supposed to set up an "Eichenthal" meeting and everyone would get together; that her assignment was to be through with this part by March 26<sup>th</sup>; that we could have another meeting and decide how to proceed.

Councilman Benson asked if she was just talking about a summer program, and Chairman Berz again stated that it would be year-round. Chairman Berz stated that the Council needed to get together without management and discuss this on their own—that the Council needed to "own" this program. She jokingly added that Daisy Madison had been yelling and screaming at her! She then asked Ms. Madison when she would be starting the Budget hearings.

Councilman Bennett stated that we seemed to be moving forward without making the first step.

Councilman Benson added that the Council had not implemented anything, with Councilwoman Bennett adding that we seemed to be moving forward with “action” steps. Councilman Benson stated that the Council should not be making any decision on what was being discussed today.

Chairman Berz agreed that the Council needed to get together; that this concerned the youth and infrastructure and she and Councilman Gilbert’s assignment had already been made.

Councilwoman Bennett stated that this could be coordinated through the Budget, Finance and Personnel Committee, with Chairman Berz stating that she would do that next week, asking Attorney McMahan if one week was enough notice for advertising. Attorney McMahan agreed that one week’s notice would be sufficient. Chairman Berz stated that she would schedule a meeting for 1:30 p.m. next week—that it would be a Budget, Finance and Personnel Committee.

Ms. Madison stated that they could start next week with the Budget hearings; that she needed to get an agenda prepared with the Department heads.

Councilman Pierce asked if all this was premature?

Ms. Madison stated that she could wait until after the election.

Chairman Berz stated that it was up to her, with Councilwoman Robinson requesting that she avoid setting any Budget Hearings on Wednesday. Chairman Berz asked if everyone wanted to wait until after the election? Ms. Madison indicated that this was okay with her. Councilwoman Bennett stated that Tuesdays and Wednesdays would be “out” as far as scheduling Budget hearings; that we could still have the special meeting next week at 1:30 p.m.; that it would be nice to wait until after the election for Budget hearings as far as she was concerned. Chairman Berz asked about Thursday, April 16<sup>th</sup> for the first Budget hearing? Ms. Madison stated that she understood she was to avoid Wednesdays. Ms. Madison asked if she should follow the same schedule as last year and block out certain times? Councilwoman Bennett noted that the Council’s training classes had gone until about 1:00 p.m. or 2:00 p.m.

Chairman Berz asked if anything else needed to be discussed concerning this? There being nothing said, she called the meeting to order concerning the Auditor Issue, explaining where we are now; that she had provided all of the material asked for and that the Council wanted no experts involved at this point and that she had done research from other cities and had completed all of the information; that the Council now needed to hash out a decision about the auditor.

Councilman Rico stated that he was for the fourth choice and wanted to vote it up or down.

Councilman Benson stated that the Council had no choice but to follow the Code; that we were out of compliance; that the Council had to have their own Auditor independent of Administration; that anything short of this makes us look foolish and is in defiance of the Code; that we have to try to come into compliance.

Councilman Pierce stated that he wanted a “true” auditor position; that he wanted this to come into compliance and be a full-time position and that he wanted to appoint an Audit Committee that would be totally independent of any other body; that he did not want this Council to have the authority to “nitpick” but wanted the Audit Committee to give us somebody who can do the job with a fulltime position.

Councilman Benson pointed out that the Code does not say “fulltime”.

Councilman Pierce agreed that it did not say “fulltime” but that was what he would like to see.

Chairman Berz stated that she agreed; that the Audit Committee could select the Auditor. She questioned how this would work?

Attorney McMahan explained that an Audit Committee could be created by Ordinance; that they could make a recommendation about the Auditor but the Council would have to be the one to ultimately hire one.

Chairman Berz noted that we were talking about an independent auditor, and we needed to come up with a Plan to take politics out of this.

Councilman Benson stated that the Audit Committee would recommend and the Council would approve the recommendation.

Chairman Berz asked if this would be a city employee? Councilman Benson responded that it could be a contract auditor.

Councilman Page stated that we seemed to want an independent auditor and an auditor that would be a fulltime person; that we were saying that this Council would be happy with a committee that we select and that they would recommend a City Auditor. He questioned if this would be one position or if there would be an auditing staff?

Councilman Pierce stated that it would depend on the scope of work, with Councilman Page stating that we would just ease into this. Councilman Pierce stated that he did not see hiring a full staff; that we needed to get the Audit Committee to come in and make a recommendation concerning this.

Councilman Page asked if we would do this as needed; that he was trying to understand if the City Auditor would be selected by the Audit Committee and approved by the Council.

Councilman Rico asked if the Council was supposed to make the decision, why they could not just recommend someone?

Councilman Pierce responded that he did not think this Council had the expertise to do this. Councilman Gilbert stated that he agreed. Councilman Pierce stated that the Council needed to defer to professionals and know who we are putting on the Committee.

Councilwoman Bennett stated that she agreed that an Audit Committee needed to be in place and questioned if each district should appoint one member, noting that we needed a qualified Board to advise the Council. She went on to talk about the “missing piece”, which is what we want this person to do and the needs of the Council. She mentioned the work that Mr. Sewell had done and the good information that he had provided, but questioned what the Council’s policy would be and also the responsibility of the position. She stated that an Audit Committee was a good place to start so that we can move forward in the right way; that Personnel could be asked to help us craft a job description.

Councilman Pierce stated that he thought the Audit Committee would structure what type of audits were needed.

Councilman Bennett stated that one lesson she had learned concerned contracts that were coming to a “sunset”; that different things happened in the bidding process; that our Ordinance may be outdated, and we may need to look at Charter changes.

Councilman Rico wanted to know what Randy Burns’ role would be in this, stating that he is now our Auditor.

Chairman Berz responded that someone had pointed out that the Charter says Auditor; that Randy Burns was hired with the job description of Management Analyst, and his job description said that he would act in the auditing position.

Councilman Rico then said “well we’ve got our auditor”.

Chairman Berz stated that it seemed that Randy Burns might need to get one more credential and his job might need to be raised to a different standard; that the Audit Committee would call the shots in order to take politics out of this.

Councilwoman Robinson asked about appointing the Audit Committee?

Chairman Berz stated that the Audit Committee could tell us what Randy's position needs to be; that we needed to ease into the "Randy position" and see if this position needed to have a staff.

Councilman Page stated that the Audit Committee would be a credible thing; that we don't need to get into personalities; that they would recommend an Auditor to the Council, and it could be Randy or John Doe that we would be looking at.

Councilman Rico stated that Randy has the ability and credentials—that we needed to start at home.

Councilman Page stated that the Audit Committee needs to make this decision.

Councilman Pierce stated that this would give us more time; that we needed to start with the Audit Committee.

Councilman Rico stated that he could live with that.

Councilman Pierce stated that we needed to look to the Audit Committee for their expertise.

Councilwoman Robinson stated that she was not in favor of going to nine members; that she thought five would be the best number and would be a good balance; that if we had nine, we would be talking about politics; that she would say five members.

Councilman Benson stated either five or three.

Councilman Page stated that each Councilmember could put names in the "pot", and the Council could select either three or five.

Councilman Rico asked about the committee that studied the Fire and Police Pension—that they seemed to be experts.

Attorney McMahan disagreed with this suggestion, with Dan Johnson adding that they were **not** experts.

Chairman Berz stated that we seemed to agree on an Audit Committee with either three or five members.

Councilman Rico suggested calling different companies and asking for volunteers.

Councilwoman Bennett stated that she thought it needed to be professional auditors.

Dan Johnson mentioned the Tennessee Society of CPAs and also Government Accountants; that both groups had been used at times.

Chairman Berz questioned what we would ask the Committee to do?

Councilman Page responded that their charge would be to see how we can meet the spirit and intent of our Charter.

Councilman Rico stated that they needed to look at Randy and see if he is qualified for the job.

Councilwoman Robinson added that Randy might need to take an additional course.

Chairman Berz stated that then we need to ask them to tell us what we need to do to meet the spirit and intent of the Ordinance.

Attorney McMahan added that they could establish qualifications for the position.

Councilwoman Bennett asked if they would establish the job description? Attorney McMahan stated that this would be one task, along with Donna Kelley's help.

Chairman Berz added job description to their charge, stating that they would recommend who should be hired; that they could not just recommend Randy—that we would need to interview different people.

Councilwoman Bennett stated that they needed to provide a job description and also procedural guidelines.

Chairman Berz summarized job description and auditing procedures; that they needed to come up with an Audit Plan.

Councilman Rico still questioned where Randy came into all of this?

Councilman Page responded that Randy's name should not be mentioned at this point.

Councilman Benson stated that we needed to move as rapidly as we can on this.

Councilman Page stated that he would like to hear what Daisy Madison had to say about this.

Ms. Madison responded that she was not hearing the broad scope of what the committee that would be established by Ordinance should do; that they would need to know the scope of their responsibility.

Councilman Page again stated that their scope would be to see that the Council meets the intent and spirit of the Charter.

Ms. Madison questioned if this would not be too general; that she thought the Council needed to be more specific about what the committee should accomplish.

Chairman Berz attempted to summarize—meet the spirit and intent of the Charter; establish a job description; establish qualifications; establish procedural guidelines and put an Audit Plan in place.

Councilman Page mentioned the scope of service.

Ms. Madison stated that the Committee would need to know why they are there.

Chairman Berz asked if anyone was ready to suggest a number to be on the committee?

Councilman Benson responded either three or five.

Councilman Rico suggested five.

Chairman Berz wanted to know how we would go about this?

Councilman Benson responded that all councilpersons would turn in names.

Councilman Page noted that the council would need to talk to the people and ask them about this before turning in their names.

Councilman Benson stated that we needed one lawyer in the group.

Chairman Berz asked when the names should be submitted?

Councilman Page stated that the Council needed to have it written down what would be needed of committee members.

Chairman Berz stated that she would write something up.

Councilman Benson added that they would not have to be CPA's, again stating that we needed an attorney.

Attorney McMahan added that the members needed to be financially astute.

Chairman Berz still wanted to know by what date they needed to be turned in?

Ms. Madison agreed that we would not want all members to be CPA's; that they should have an Internal Audit background and be familiar with government and also have a financial background.

Councilman Page asked if they would have to live in the City?

Councilman Rico responded "no".

Ms. Madison stated that they would at least need to live in Hamilton County.

Councilwoman Bennett stated that she thought their credentials would be more important than where they lived.

Chairman Berz summarized that they would need diverse credential and a knowledge of business and government accounting. She stated that she still needed a date as to when these names should be turned in.

Councilwoman Bennett asked if these would be hand-picked people or if we would advertise?

Chairman Berz stated that she thought they should be hand-picked the first time; that we needed diversity.

Councilman Pierce questioned what would happen if everyone turned in names of CPA's; that he knew a couple of CPA's and Councilman Page would know at least three. He asked if the Council would vote on these people?

Dan Johnson stated that it should be people in management, CPA's, and Government Accountants; also Law could be included—that it needed to be varied; that he agreed with Councilman Pierce that we did not want all CPA's.

Ms. Madison urged that people with financial experience should also be included.

Councilman Rico asked if it would be a conflict of interest for Daisy Madison and Dan Johnson to give us their recommendations for people on the committee.

Chairman Berz still wanted to know the date of when the names should be submitted.

Councilwoman Bennett suggested the 21<sup>st</sup> of April and that a decision be made by April 28<sup>th</sup>; that we have the Resumes in by April 21<sup>st</sup>.

Chairman Berz stated that she would write this up and get it to the Council by the end of this week; that the Resumes would be in by the 21<sup>st</sup>; that there would be five members selected from accounting, management, or law. She asked if there was anything else.

Councilwoman Bennett asked about the time commitment for the Board?

Councilman Rico stated that they just “need to get it done”.

Chairman Berz stated that this would be estimated at the front end and the meetings would vary—that they could be either monthly or quarterly; that they need to come up with the first drafts—that this would be front end loaded.

The meeting adjourned at 2:30 p.m.