

BUDGET AND FINANCE COMMITTEE MINUTES May 27, 2014

In Attendance

Councilman Jerry Mitchell, Chair of the Committee, called the meeting to order at 2:32 PM. A quorum was present, including Council Chairman Chip Henderson, Vice Chair Dr. Berz and Councilpersons Chris Anderson, Moses Freeman, Yusuf Hakeem, Russell Gilbert, Larry Grohn and Ken Smith.

Others in Attendance

Mayor's Office: Brent Goldberg, Deputy Chief Operating Officer; Council Office: Randy Burns, Management Analyst, and Nicole Gwyn, Deputy Clerk

Agenda/Purpose

Councilman Mitchell stated that the purpose of this meeting was to hear from Administration, which would present the FY2015 Operating Budget. This meeting was for informational purposes only. He also noted the following two dates for public hearings on the budget:

- June 3, 2014 - 10 AM to 2 PM - Council conference room
- June 10, 2014 - 10 AM to 2 PM - Council conference room

Presentation of Budget

Mr. Goldberg presented the Mayor Berke's Proposed FY2015 budget, as detailed in the *attached* summary. He highlighted allocations affecting safer streets, growing the local economy, smarter students/stronger families, stronger neighborhoods and a high performance government. He identified seven steps in the budget process:

1. Determine Available Funding
2. Establish Prioritized Results
3. Allocate Revenues to Results Areas
4. Offers to Achieve Results
5. Prioritizing the Offers
6. Identifying Performance Measures
7. Monitor performance and Track Results

Adjournment

There being no further business, Councilman Mitchell adjourned the meeting at 2:47 PM.

**(A full digital audio of this meeting has been
filed in the Clerk of the Council's office)**

Fiscal Year 2015 Proposed Operating Budget

Andy Berke, Mayor

Jeff Cannon, Chief Operating Officer

Brent Goldberg, Deputy Chief Operating Officer

Daisy Madison, City Finance Officer

Vickie Haley, Deputy City Finance Officer

Christy Creel, Budget Analyst

Misty O'Malley, Budget Analyst

Ulystean Oates, Budget Analyst

Teresa DiDonato, Budget Analyst

Fredia Kitchen, Budget Officer

Simone White, Budget Analyst



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Chattanooga
Tennessee**

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Chattanooga for its annual budget for the fiscal year beginning July 1, 2014.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan and communication device.

The award is valid for a period of one year only. We have received this award nineteen times since 1996. We believe our 2015 budget document will continue to measure up with program requirements, and we will submit it to GFOA to determine its eligibility for another award.

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I. Mayor Berke's Budget Message

Since I took office, I have made sure that city government's actions match community priorities. Safer streets, smarter students and stronger families, a growing economy, stronger neighborhoods, and high performing government -- Chattanoogaans tell me these are the areas they want to see addressed. Because of Budgeting for Outcomes, and the hard work of city employees, this budget funds critical needs to deliver the most efficient and effective services possible.

While we have made strides in public safety, this budget continues to treat making our streets safer as our top priority. The Chattanooga Violence Reduction Initiative, just underway, is funded both as a deterrent and as a prevention strategy. To move to a more proactive police department, this budget includes a growing investigative division. As we see numerous individuals seeking assistance, we also enhance our partnership with agencies who can help turn them away from a life of crime.

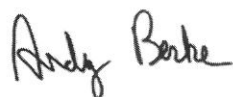
A great city supports its families by promoting a healthy lifestyle and giving access to a quality education. This budget establishes a baby college so parents can find the answers to difficult but essential questions that help young Chattanoogaans have a better start in life. While continuing the initiative that has resulted in more children reading at grade level, this budget also works on the transition from youth to adulthood, helping our teens fill out the financial aid application that will result in more Chattanoogaans in college.

While the Chattanooga metro area unemployment rate is at its lowest in six years, there is still more we can do to build a vibrant economy. Growing Small Businesses, included in this budget, will support our local small businesses by incenting them to expand here. The Enterprise Center will capitalize on Chattanooga's emerging reputation as a technology hub by promoting business development, and pulling together the essential entities for an innovation district.

Yet some people risk being left out of this new opportunity – even with our expansion into 21st century sectors like technology and advanced manufacturing. First and foremost, we have a duty to help those who have fought for our freedom. This budget helps us take the first step toward our goal to eliminate chronic homelessness for veterans by the end of 2016.

I am proud of the dedication City employees show each day to perform these tasks and many, many more. Whether it is delivering essential services or innovative policy solutions, city government is more attentive than ever to enhancing quality of life for our citizens. Over the next year, I look forward to seeing city government work with the private sector, non-profits, churches and families to build the best mid-size city in America.

Sincerely,



Mayor Andy Berke

II. Operating Budget Highlights

This budget reflects a government relentlessly focused on the priorities of its residents: safer streets, stronger neighborhoods, growing economy, smarter students & stronger families and a high performing government. These priorities have been elevated with an eye toward effectiveness. Through a new budgeting approach, implemented City-wide for the first time, each dollar must be justified based on how it delivers results to constituents.

To make Chattanooga's **streets safer**, this budget allocates needed funds to implement smart policing strategies, effective prevention programs for our youth, and high-quality response.

Total funded: \$101,096,324.00

Total requested: \$113,243,532.00

Total number of offers funded: 19

- The budget continues funding for 486 sworn personnel in the Police Department – an all-time high maintained from the previous budget which allows the Department to implement more community-based policing models and back fill investigative positions.
- The Administration will partner with area agencies to provide more comprehensive services for young men and women who want to turn their lives around through the Chattanooga Violence Reduction Initiative (VRI).
- The Administration has been in ongoing discussions with the leaders of the Police Department and the employee representatives to fix the broken Police pay plan. The current structure has left the City vulnerable to numerous lawsuits and is in desperate need of repair. This budget allocates \$950,000 to ensure consistency, fairness, and predictability in the allocation of raises to sworn officers.
- The budget also maintains several key public safety initiatives from the previous year, including funding for a family justice center as well as federal prosecutor focused solely on crimes occurring within City limits.

Growing our Local Economy means investing in small businesses, ensuring Chattanoogaans have the skills to compete, and strengthening our infrastructure to support business expansion.

Total funded: \$23,504,020.00

Total requested: \$34,730,130.00

Total number of offers funded: 26

- This budget allocates \$600,000 to a newly created office of Economic Development within City Hall, which will focus on recruiting and retaining jobs in Chattanooga.
- The new Economic Development Office will implement the Growing Small Businesses (GSB) initiative. For small businesses with less than 100 employees, who make a substantial increase to their workforce and sustain that growth for a year or more, the City will provide a \$500 cash grant per employee.

- To provide people who live in various neighborhoods with access to one of the largest job centers in our region, this budget provides funding for a bus route to Enterprise South – creating an important link between jobs and neighborhoods.
- To grow Chattanooga’s minority, veteran and women owned businesses, the City will partner with the Chamber, the Urban League, and LAUNCH to establish the Chattanooga Alliance for Diverse Business Enterprises. This is an unprecedented collaboration between multiple agencies to strengthen diverse businesses in Chattanooga.

To ensure Chattanooga has a successful future and a high quality of life, the City is investing in building **smarter students and stronger families** by supporting kids from cradle to career, providing character education, and creating effective programming for seniors and parents.

Total funded: \$24,295,904.00

Total requested: \$32,944,516.00

Total number of offers funded: 21

- Success for students starts long before they enter school. This budget funds a Chattanooga Baby College that will prepare expectant mothers and fathers to be great parents and a child’s first teacher. The initiative will identify at-risk pregnant women and provide them with the information and skills they need to ensure their children enter school ready to learn so kids in Chattanooga are not starting off behind.
- This budget funds a partnership with La Paz to create a Hispanic family resource center that will provide family violence prevention, prenatal care, and nutritional resources to Chattanooga’s growing Hispanic community.
- Due to the growing expense of a college education, it is more critical than ever before that high school seniors understand and apply for financial aid. Research shows a strong correlation between the number of students who apply for financial aid and those who go to college. This budget dedicates resources to partner with local agencies to help more kids fill out their FAFSA form to apply for financial aid.

Building **stronger neighborhoods** is critical to the long term health of any City. Every Chattanooga citizen should have the opportunity to live in a strong and thriving neighborhood with high quality affordable homes, recreation opportunities nearby, and access to a variety of transportation options.

Total funded: \$45,243,639.00

Total requested: \$46,782,640.00

Total number of offers funded: 15

- This budget dedicates resources to create a homeless to housed pipeline for homeless veterans in Chattanooga the first step in towards the goal of ending chronic veteran homelessness by the end of 2016. This initiative will focus on providing intensive case management and transitional housing to those who have served our country.
- To ensure our roads are well maintained, this budget allocates \$2.3 million for paving and street maintenance, maintaining last year’s record high.

- This budget reflects a new contract with Orange Grove Center that will increase our curbside recycling participation and increase the revenue generated to the City based on the sale of the recycled commodity. This will divert additional waste from our landfill, while maintaining the important job training function provided by the Orange Grove Center

The City of Chattanooga strives each day to operate a **high performing government** by ensuring the long term financial health of the City, using each dollar effectively, and providing excellent customer service.

Total funded: \$22,710,113.00

Total requested: \$26,432,043.00

Total number of offers funded: 26

- All the initiatives included in this year’s budget will be fully funded without a tax increase.
- This budget reflects a general fund that is entirely prepared through Budget for Outcomes – ensuring that every dollar achieves results for Chattanooga.
- This budget absorbs most of the increase in health costs (\$1.4 million) with a minimal increase in employee premiums (average increase of \$3 per month).
- To ensure the most effective use of existing street lighting infrastructure, and avoid duplication of costs while moving towards sustainable alternatives, the City has budgeted \$616,000 to replace our current street lights with LED lights as they go out.
- This budget continues our compliance with the EPA consent, including the previously scheduled 9.8% raise in stormwater fees.
- In addition to the performance metrics being tracked from the previous pilot of Budgeting for Outcomes, the Office of Performance Management will establish long term goals, data points, and tools for public engagement.

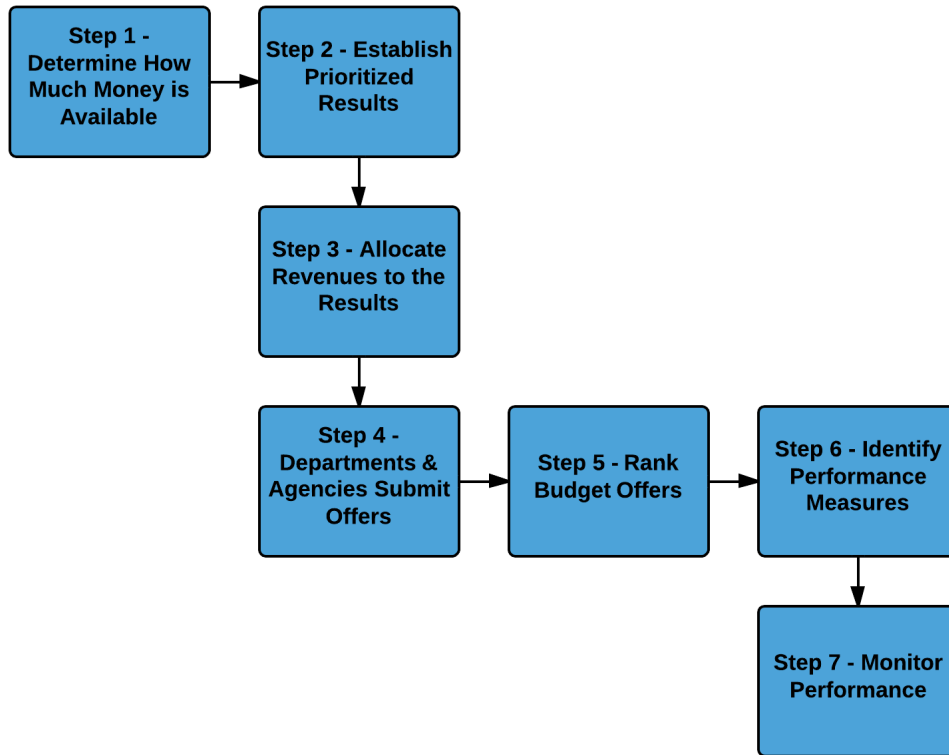
III. Budget Process Overview

Mayor Berke’s fiscal year 2015 budget was prepared using a process called Budgeting for Outcomes (BFO). Budgeting for Outcomes is an approach based on collaboration, transparency, and delivering the services that matter most to citizens. Traditional budgeting typically starts with using the prior year budget as a baseline and determining increases or decreases to develop a new budget. It is an incremental process that does little to foster innovation.

BFO starts with a set of results and requires City administrators to work collaboratively to achieve the outcomes while also providing essential services to citizens in a cost-effective and efficient manner. Rather than submitting department-wide proposals focused on total expenditures, departments and agencies must submit “offers” to explain how they can achieve the best results that matter to citizens for the lowest cost and explain what performance measures they will use to demonstrate success. Like performance budgeting, BFO focuses on what the public receives, how much it costs, and how outcomes will be measured. Budgeting for Outcomes, which has been named a “recommended practice” by the Government Finance Officers Association (GFOA), starts with the results citizens want from their City government and works to align those priorities with the budget decision-making process.

There are seven major steps in the BFO process. The following diagram provides a process map, and each step is summarized on the following pages.

Figure 1. Budgeting for Outcomes Process



Step One: Determine Available Funding

City Finance department staff analyzed historical information and evaluated current trends to estimate revenues from varying sources for fiscal year 2015. Estimated general fund revenue for fiscal year 2015 is \$216,850,000, a 2.03% increase over the budgeted revenues for fiscal year 2014.

Table 1. Revenue Types

	Fiscal 2014 Budget	Fiscal 2015 Proposed	Dollar Change	Percent Change
Property Taxes	\$123,398,200.00	\$125,479,160.00	\$2,080,960.00	1.69%
Other Local Taxes	\$16,226,600.00	17,379,400.00	1,152,800.00	7.10%
Licenses & Permits	\$3,595,300.00	\$3,684,840.00	\$89,540.00	2.49%
Intergovernmental	\$59,743,400.00	\$60,532,900.00	\$789,500.00	1.32%
Charges for Services	\$3,008,700.00	\$2,965,000.00	(\$43,700.00)	(1.45%)
Fines, Forfeitures, & Penalties	\$815,200.00	\$874,700.00	\$59,500.00	7.30%
Miscellaneous Revenues	\$5,752,600.00	\$5,934,000.00	\$181,400.00	3.15%
Total General Fund	\$212,540,000.00	\$216,850,000.00	\$4,310,000.00	2.03%

Step Two: Establish Prioritized Results

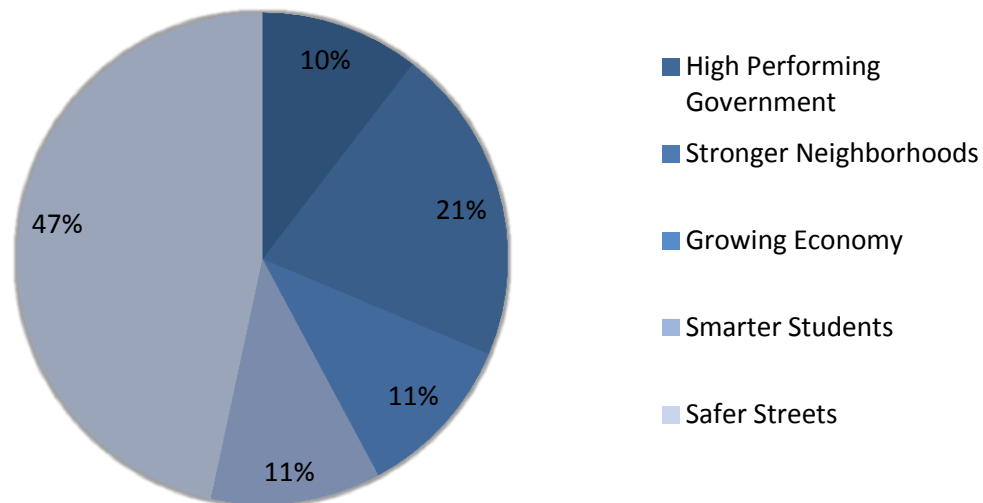
Based on input from citizens, Mayor Berke’s vision to move Chattanooga forward is built around five result areas:

- Safer Streets
- Smarter Students and Stronger Families
- A Growing Economy
- Stronger Neighborhoods
- High Performing Government

Step Three: Allocate Revenues to Results Areas

Once the result areas were identified, the Administration allocated available funding to each result area based on estimated cost of services and priority of result area. The largest result area by over 25% is safer streets. Not only do safer streets include the operation of the Police and Fire Departments, but it also includes all crime prevention initiatives. Stronger neighborhoods ranks second highest, making up 21% of the budget. Stronger neighborhoods includes all city-wide services to ensure the health, vitality, and cleanliness of City neighborhoods. Smarter students, growing economy, and high performing government are all roughly 10% of the total budget. Since this is the first full year of Budgeting for Outcomes, a year-to-year comparison is not available.

Figure 2. Fiscal Year 2015 Proposed General Fund Expenditures by Result Area



Step Four: Offers to Achieve Results

Departments and agencies submitted offers that detailed how each dollar in the general fund operating budget would achieve results for Chattanooga. As a resource for departments and agencies, city leadership developed requests for offers and results maps, laying out the goals for each result area.

Requests for offers (RFO) summarize each result area and provide useful information for developing offers, including a description of the result area, desired outcomes, and budget strategies.

Results maps (RM) summarize the components of each result area used to develop the overall desired outcomes for each result area. All offers were encouraged to include the following:

- **Clear and measurable goals:** The Administration will track these benchmarks to ensure long term success of the funded initiatives.
- **Multi-agency and/or multi-department collaboration:** to leverage City dollars effectively, the Administration will give preference to multi-agency or multi-departmental collaboration.
- **Mechanisms for citizen involvement and feedback:** to ensure effectiveness, citizen input should be encouraged during program development and implementation. Agencies and departments should have plans that use citizen input for constant iteration and improvement of service delivery.
- **Sustainable practices:** Agencies and Departments that harness environmental sustainability will be given extra consideration. These projects should detail the environmental and fiscal return on the investment to City taxpayers.
- **Research/Evidence based best practices:** All funded offers must employ documented best practices or thorough research.

Preparing the budget in this manner allowed the departments and agencies to review operations and organizational structure to identify opportunities to streamline processes, improve customer service, save money, adopt best practices, provide needed services, and focus limited resources on citizen priorities.

Step Five: Prioritizing the Offers

Result teams were formed for each of the five result areas. Result team responsibilities included reviewing and ranking the offers for funding and providing feedback on how to improve offers. Each result team included a member of the leadership team, a budget analyst, two City department administrators or deputy administrators, and a volunteer community member knowledgeable in the result area.

Table 2. Results Team Members

	Safer Streets	Smarter Students	Growing Economy	Stronger Neighborhoods	High Performing Government
Leadership Team	Travis McDonough	Brent Goldberg	Jeff Cannon	Daisy Madison	Stacy Richardson
Budget Analyst	Simone White	Teresa DiDonato	Christy Creel	Misty O'Malley	Ulystea Oates
Administrator	Lurone Jennings	Paul Smith	Blythe Bailey	Lee Norris	Donna Williams
Administrator	Todd Dockery	Lamar Flint	James McKissic	Richard Beeland	Bert Kuyrkendall
Community	Judge Christie Sell	Becky Coleman	Frank Williamson	Jeff Pfitzer	TJ Gentle

The result teams reviewed all offers and ranked them twice. After the first ranking, the result teams provided feedback to departments and agencies on how to improve their offers. The second ranking was submitted to the leadership team for review, followed by input from the Mayor. The ranking process is subject to change based on the recommendations of all the reviewers until the final budget has been compiled.

The rankings are listed in priority order, with offers likely to achieve the most results at the top of the list and the offers likely to achieve the fewest results at the bottom of the list. The amount of money available for each result area is allocated to the offers beginning at the top of the ranked list until the money runs out. A line is drawn and everything above the line is recommended for funding. Everything below the line is recommended not to be funded. If something below the line needs to be funded, an offer that is currently above the line needs to be adjusted or moved below the line. This process allows decision-makers at each level to see the impact of budget decisions.

Step Six: Identify Performance Measures

Each result area has overall desired outcomes for which performance measures must be identified and tracked. The leadership team has begun to develop key performance indicators (KPIs) for each result area. KPIs will measure outputs, efficiency, or customer service.

For each offer submitted, departments and agencies were required to provide performance measures that will demonstrate alignment of department or agency activities with resources to achieve the City's desired outcomes. This performance data will be monitored throughout the year and success rate will be considered if the same offer is made in the following fiscal year.

Step Seven: Monitor Performance and Track Results

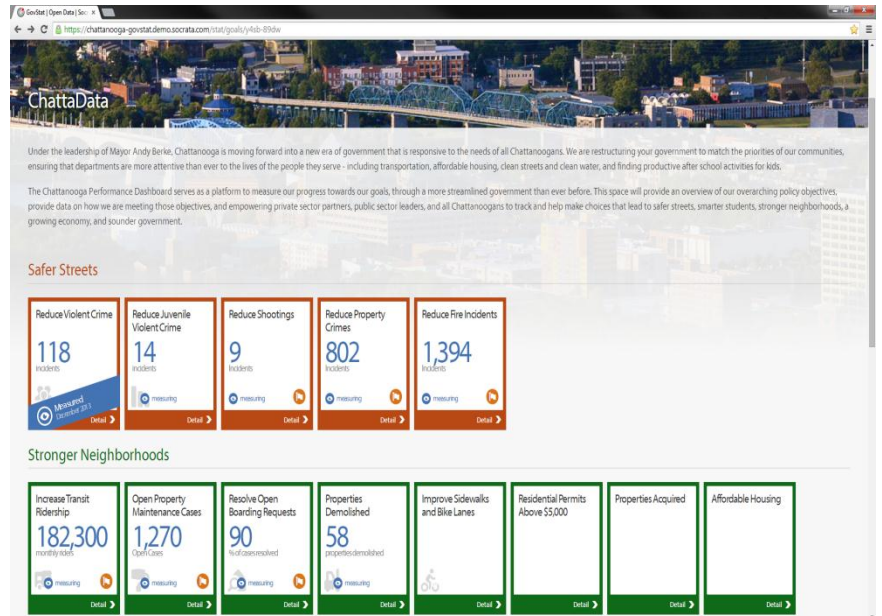
Currently, departments must acquire, verify, and track data manually to measure performance. The Office of Performance Management (OPM) will have responsibility for developing and implementing ChattaData, a program that complements current open government initiatives and provides a central clearing house for all performance data. This office, while small in staff and overhead cost, will greatly

improve the City's ability to maintain, track, and release City performance information, yielding long term savings and effectiveness.

ChattaData is a performance management platform expressly designed to help government leaders in applying data to every aspect of their decision-making, while involving citizens in the process. ChattaData provides a seamless system not only to set goals, but measure impact against data, perform broad analysis, and share results with the public automatically. Implementing ChattaData will give administrators a tool for data driven decision-making while also providing accountability and transparency to citizens.

Following are links to successful GovStat and Open Data programs:

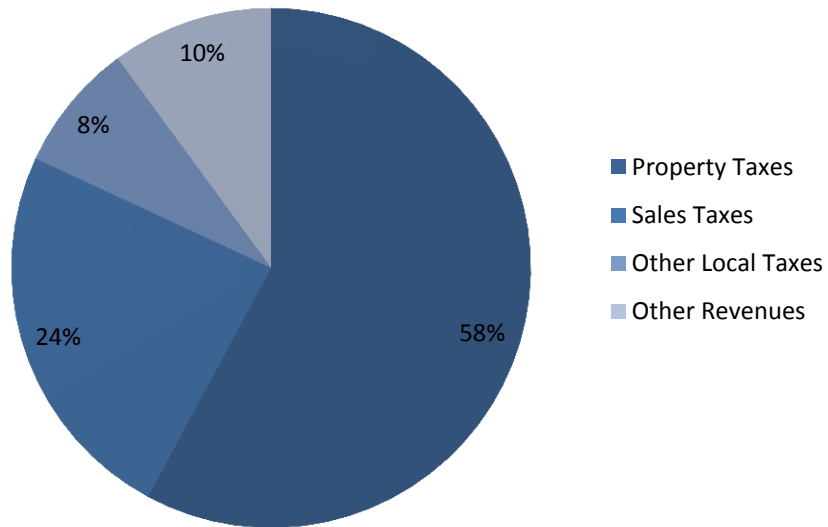
- State of Maryland <https://data.maryland.gov/goals>
- Louisville, KY <http://louiestat.louisvilleky.gov/>
- Austin, TX <https://data.austintexas.gov/>
- Raleigh, NC <https://data.raleighnc.gov/>



IV. Projected Revenue

Current real property taxes, including payments in lieu of taxes, remain the primary source of funds for the City of Chattanooga, with the FY 2015 estimate of \$125,479,160 representing approximately 58% of the total general fund budget. The current approved tax rate is \$2.309 per \$100 of assessed valuation. In FY 2014, the certified tax rate resulting from reappraisal was \$2.3139; however, the Administration and City Council elected not to increase the current City tax rate.

Figure 3. Revenue Sources
Total General Fund Budget \$216,850,000



Sales taxes serve as another principal source of revenue for the City. The State of Tennessee imposes a 7% tax on sales. Under state law, 5.5% to 5.75% is returned to all municipalities. The distribution is based on population data from the latest certified census. In addition to the City's allocation of State sales taxes, the local option sales tax provides revenue for the City. The City of Chattanooga, along with Hamilton County, has adopted by referendum a county-wide sales tax of 2.25%. The FY 2015 estimate for combined sales taxes is \$52,167,900 and represents approximately 24% of the total general fund.

V. Safer Streets

Since taking office, the Berke administration has been relentlessly focused on reducing violence in Chattanooga. Because of this and the support of multiple community partners, progress has been made. For example, shootings are down roughly 10% in 2014 over 2013. Despite early success, there is still significant work to be done.

Developing and maintaining a safe city requires the capacity for both effective response to emergencies and long term preventive measures. A safe city also requires neighborhoods that are well-maintained and not plagued by blight and over growth.

Some key budget strategies for safer streets are:

- Apply the principles of the National Network of Safe Communities to reduce shootings by targeting individuals engaging in group violence, notifying them of a more meaningful response to violent behavior, and then offering social services including job and life skills training, transitional housing, drug and alcohol rehabilitation, and others
- Provide coordinated services to respond to emergencies as quickly as possible

- Maintain safe and secure streets, facilities, and public spaces for all citizens
- Provide community outreach to at-risk constituencies, including but not limited to individuals with a criminal history, homeless Chattanoogaans, and juvenile offenders
- Demolish and secure abandoned properties to reduce blight in neighborhoods
- Enforce codes effectively to reduce risk of fires
- Provide effective re-entry services including job placement, financial counseling, drug treatment, license reinstatement, and housing assistance
- Provide co-located services to victims of domestic violence

Key Performance Indicators – Safer Streets

- Reduction in shootings
- Reduction in violent crimes
- Reduction in domestic violence crimes
- Reduction in juvenile crimes
- Reduction in fires
- Improve response time
- Increase in sense of safety (survey)
- Increase trust between law enforcement and citizens (survey)

Safer Streets Funded Offers

Office of Chief of Police/CPD Leadership

Total Funded: \$9,135,527.00

The Chattanooga Police Department’s Office of the Chief of Police includes 17 sworn personnel and 3 civilian personnel, managing the day-to-day operations of the entire police force. With new leadership in FY2015, the office of Chief of Police will be involved in the Chattanooga Violence Reduction Initiative as well as building a foundation of community policing. The office of Chief of Police included the following units: Internal Affairs, Police Information Office, Accreditation, Office of Community Outreach, and Grants and Inventory Control. In addition, the office of the Chief of Police is responsible for contracts to the following entities for the wellbeing of citizens: 911 Emergency Services, McKamey Animal Center, and a Federal Prosecutor responsible for increased prosecution of cases originating in the City limits.

Uniform Services Patrol (Chattanooga Police Department)

Total Funded: \$18,139,536.00

The Uniform Services Patrol division provides public safety services, 24 hours a day, and consists of Patrol Division, Chattanooga Violence Reduction Initiative, Traffic Division (includes DUI and Photo Enforcement), K-9 division, Special Events Unit, Equipment Training Special Operations, and specialized on-call teams such as Bomb Squad, SWAT, and Hostage Negotiations. Uniform Services Patrol serves directly in the community, in neighborhoods and with community groups. CPD leadership is committed to building relationships and increasing trust between law enforcement and citizens.

Family Justice Center

Total Funded: \$297,969.00

The creation of a Family Justice Center is crucial to breaking the cycle of domestic violence by providing victims with access to a wide range of services offered by a diverse group of partner organizations in one centralized location. These funds will go directly towards the hiring of key personnel, including an Executive Director, as well as additional expenses necessary to finalize the Family Justice Center by July 2015.

Uniform - Traffic & Special Operations (Chattanooga Police Department)

Total Funded: \$3,388,333.00

Uniform Services/Traffic Investigation Division provides expert investigation on traffic accidents, completes traffic crash analysis, enforces traffic laws, and provides education to reduce unsafe or aggressive driving. This funding will ensure equipment, personnel, K-9 support as well as School Patrol unit and a heightened focus on DUI/Traffic Offender reduction.

Investigative Services Command (Chattanooga Police Department)

Total Funded: \$9,180,511.00

Investigative Services Command consists of Major Crimes Division (Homicide/Cold Case Unit, Juvenile/Missing Persons, Crime Scene Unit, and Domestic Violence Unit) as well Property Crimes (Burglary Unit, Robbery Unit, Fraud Unit, and Pawn Unit) and Special Investigations (Chattanooga VRI, Crime Suppression Unit, Narcotics Unit, Vice Unit, Fugitive Unit, and Auto Theft Unit). Investigative Services Command also houses four task force officers assigned to the FBI, ATF, and DEA.

Response Operations (Chattanooga Fire Department)

Total Funded: \$31,983,458.00

This offer ensures the public's safety through efficient and effective emergency response by funding a variety of fire department necessities and functions, including but not limited to highly trained operations personnel, district review, stations, apparatus, equipment to increase response time and reduce fire risk, hydrant maintenance, and educational opportunities for the community.

Administration & Support Command (Chattanooga Police Department)

Total Funded: \$15,150,307.00

The Administrative Support Command provides support services for the entire Chattanooga Police Department, including but not limited to recruitment, training, vehicle fleet maintenance, information center, finance and budgeting, the TeleServe unit and the Technology unit. In addition, Support Command includes two Court Liaisons, a Property/Evidence Unit, the Regulatory Bureau, a Polygraph Unit, and Crime Analysis.

Fire Prevention Bureau

Total Funded: \$1,341,451.00

Responsible for the fire plan review process, fire code inspection and enforcement, public education and fire investigation activities, the Fire Prevention Bureau is the proactive arm of the fire service. Funding will go towards ensuring this important work continues through Fire Code Enforcement, Public Education, and Fire Investigation.

Forensic Interview Program (Children’s Advocacy Center of Hamilton County)

Total Funded: \$30,000.00

The Children’s Advocacy Center coordinates a state-mandated multidisciplinary team of professionals to investigate, intervene, and treat abused children and their non-offending family members. Integral members of the team are Forensic Interviewers, who provide developmentally appropriate, neutral, fact-finding interviews in which children feel safe.

Rape Crisis Center (Partnership for Families, Children, & Adults, Inc.)

Total Funded: \$65,000.00

This funding will ensure the Rape Crisis Center can provide its clients much needed services, including a Sexual Assault Response Team to ensure a coordinated response to sexual assault cases. It includes efficiency measures that will positively impact the service delivery system while increasing the number of arrest and/or prosecutions of sexual assault cases.

Clinical Therapy Program (Children’s Advocacy Center)

Total Funded: \$30,000.00

The Clinical Therapy Program meets the mental health needs of child abuse victims by providing direct assessment, counseling, and support services free of charge for as long as counseling is necessary. These funds will help to heal the child and assist in court preparation as well as reaching child victims sooner in an effort to break the cycle of child abuse.

Ex-offender Workforce Development Initiative (Hope for the Inner City)

Total Funded: \$75,000.00

The Ex-offender Workforce Development Initiative empowers young men (aged 18 to 25) who have been previously incarcerated to enter the workforce and return to their community through the development of life skills such as money management, financial accountability, educational and vocational skills, and character development. The initiative will also provide individualized assessments that include but are not limited to the following resources: job training, parole release services, counseling, addiction treatment, job referral, and high school/GED achievement.

Fire Administration Foundation

Total Funded: \$686,570.00

The funding provides essential leadership and support positions so all fire and emergency service objectives are successfully achieved. Funding will provide for personnel costs, including Fire Chief and Deputy Chief of Administration, and operating expenses as well as equipment renewal and replacement.

Tactical Services Division (Chattanooga Fire Department)

Total Funded: \$214,517.00

The Chattanooga Fire Department Tactical Services Division is responsible for overseeing and administering Federal grant funding through Metropolitan Medical Response System (MMRS) and the Department of Homeland Security. In addition, this division is responsible for the personnel, equipment and apparatus utilized in EMS response, water rescues, hazardous materials responses, vehicle extrication, and technical rescue disciplines.

Logistics & Technology (Chattanooga Fire Department)

Total Funded: \$1,377,170.00

This division provides and manages inventory of equipment and materials, ensures skilled employees for the maintenance of that equipment. Logistics & Technology division also supplies personal protective equipment (PPE), provides fuel, and manages technology including a comprehensive database.

Fire Training Division

Total Funded: \$707,498.00

The Fire Training Division provides comprehensive instruction and training for all sworn personnel. This includes basic training to emergency service instruction in the Fire Academy and daily Station School coordination. The division also maintains the regional fire training facility located on Amnicola Highway. Funding includes personnel, position support, and operating expenses pertinent to the function of the Fire Training Division.

Traffic Operations (Transportation)

Total Funded: \$2,184,278.00

This division provides the installation and maintenance of all the City's traffic control devices – traffic signs, signals, and pavement markings. Also included in Traffic Operations are the Signal Shops, responsible for school and warning flashers, signalized crosswalks, speed radar signs and overhead signing. The division will also maintain the City's Intelligent Transportation Signal System.

Criminal Justice Intensive Case Management (Joe Johnson Mental Health)

Total Funded: \$60,000.00

The Criminal Justice Intensive Case Management program will engage mentally ill persons who have been incarcerated and who are at-risk to returning to prison. Utilizing a treatment and housing approach and linking in-need individuals to community resources, this funding will ensure an increased quality of life for those affected by mental illness and the community at large.

Children & Youth Integrated Services Treatment (Fortwood Center)

Total Funded: \$10,000.00

The Children & Youth Integrated Service Team (ITS) provides wraparound mental health services through a multidisciplinary approach to serve and treat individuals with severe mental illness. These funds will ensure the following services: Comprehensive psychiatric evaluations, illness education, anger management, crisis intervention, psychosocial assessments, outpatient therapy, referrals, and access to professional staff ready to advocate on their behalf.

Mitchell Home (Fortwood Center)

Total Funded: \$32,000.00

Studies show approximately 25% of the homeless population suffer from severe mental illness. Mitchell Home provides supportive housing to homeless adults with a mental health diagnosis, ensuring 24/7 staff supervision, medication supervision, transportation assistance, assistance with daily living skills, and daily group sessions for 35 clients.

Safer Streets – Not Funded

- Transportation – safety program
- Agency –Entre Nosotras Program
- Agency – Correctional Release Center
- Agency – Crisis Resource Center

VI. Smarter Students & Stronger Families

Through the reorganization and transformation of City Hall, the Berke Administration has placed a new emphasis on ensuring Chattanooga's youth have an opportunity to succeed. The City must play a role in supporting students through both strong partnerships with the schools and the provision of direct services. However, investing in our Chattanooga's youth and families pays the largest dividend when embraced by everyone – government, churches, families, and schools.

Supporting the development of Chattanooga's youth starts long before they walk into a Youth & Family Development Center. Building a strong foundation through prenatal care and early learning is critical to the later success of children in school and beyond. Community efforts should be undertaken to provide pregnant mothers and young fathers with the critical knowledge they need to be successful parents.

The success of children in school largely depends on their families and communities. The City must help kids in a sustained way, starting as early in their lives as possible to create a critical mass of supportive adults who understand what it takes to help children succeed. Through community partnerships that leverage our strengths and assets, there must be a pipeline of services for kids and families – including academic support, recreation opportunities, and parental resources. As neighborhood anchors, the City's Youth and Family Development Centers should play a role in maintaining strong community partnerships that proactively disseminate information to residents.

Some key strategies for smarter students & stronger families are:

- Create a pipeline of services available to a geographically targeted group of high risk children and families that provides age specific, high quality interventions including but not limited to financial counseling, mentoring, parenting classes, and tutoring.
- Utilize Youth and Family Development Centers as neighborhood hubs for the proactive dissemination and provision of services
- Engage and organize volunteers to increase capacity in existing programs and foster civic participation
- Provide multi-generational programming to encourage a healthy, active lifestyle for families
- Provide access to technology and computer programming classes
- Provide public safety classes including safety planning for families and children

Key Performance Indicators – Smarter Students & Stronger Families

- Lexia – increase number of active students
- Lexia – increase % at grade level or above
- Lexia – increase average monthly units gained
- ESA/LIHEAP – increase number of families served
- Increase number of children and parents using YFD centers

Smarter Students & Stronger Families Funded Offers

FAFSA Completion Initiative

Total Funded: \$25,500.00

Higher education is important to ensuring a young person's future success and quality of life. The FAFSA Completion Initiative will increase college participation by helping senior high school students fill out their FAFSA application as well as provide college application fee stipends to make FAFSA completion affordable for more students.

Baby College

Total Funded: \$250,000.00

Research shows a strong foundation is critical to a child's success. Through the creation of a Baby College, the City will work with community partners to provide expectant mothers and fathers the tools and resources to keep their newborn babies healthy and happy. This includes, but is not limited to information and resources around prenatal care, early learning, and childhood development. To serve those young parents most in need, Baby College will be implemented in YFD centers and other facilities where community centers are not available.

Arts Education Initiatives (ArtsBuild)

Total Funded: \$50,000.00

Imagine! Initiative enables all Hamilton County elementary students (K-5) to experience a series of professional art events, such as theatrical performances, musical concerts, and exhibits. In addition, money will fund local Kennedy Center Workshops designed for teachers (K-12) to utilize arts with important classroom literacy instruction.

Preserving African American Culture (Bessie Smith Cultural Center)

Total Funded: \$60,000.00

Through the launch of "The Bessie Academy," the Bessie Smith Cultural Center will provide critical learning and enrichment opportunities through a series of targeted workshops that utilize the student's culture to improve participation and learning. Workshops are interactive and will focus on key areas such as science, math, and technology.

Education Initiatives/After-school and Summer (The Bethlehem Center)

Total Funded: \$25,000.00

Through this funding, The Bethlehem Center will deliver important afterschool and summer resources for students (grades 1-8) designed to increase reading proficiency and school performance. The roughly 120 students served will come from some of the City's most in-need schools.

Bookworm Club (Girls, INC)

Total Funded: \$30,000.00

The Bookworm Club is an after-school program that improves the literacy skills of girls identified as in need of academic support. The funding will ensure this program is expanded to include the Carver and Shepherd Hills Youth & Family Development Centers. The Bookworm Club will incorporate the YFD literacy software into their programming and increase the number of girls participating by 50%.

Early Childhood Education to At-Risk Children (Chambliss Center for Children)

Total Funded: \$350,000.00

Funds will provide quality early childhood education to at-risk children (aged 6 weeks to 12 years) in six different Chattanooga neighborhoods. Approximately 850 children who live at or below the poverty line will receive affordable, easily accessible, quality education services throughout the most formative years of their lives.

Together We Can Scholarship Program (Community Foundation of Greater Chatt)

Total Funded: \$101,300.00

“Together We Can” is a needs based renewable college scholarship which targets eligible graduating Chattanooga public high school seniors. Eighty-six percent of Together We Can scholarship recipients are minorities and first generation college students. These funds are leveraged with additional financial resources, including Pell grants and State grants, to act as last-dollar scholarships, ensuring students who would not otherwise have the financial resources to attend college are able to do so.

Project Basic (Fortwood Center)

Total Funded: \$15,000.00

Project Basic is an in-school, early intervention service providing mental and behavioral health screenings and treatment to children (K-3) at Calvin Donaldson Elementary School. These funds will be leveraged with funding from the Tennessee Department of Education to help meet the needs of children with mental and behavioral illness, including providing diagnosis, treatment, crisis intervention, and referrals to community resources.

Community Engagement Initiatives (Friends of the Zoo)

Total Funded: \$25,000.00

Community Engagement Initiatives at the Chattanooga Zoo will ensure a new focus to reach diverse audiences, including seniors, the latino population, and special needs children and their families, through a variety of specifically designed programming. These funds will also support the Chattanooga Zoo’s annual GoFest! festival for disability awareness.

Family Resource Center (La Paz Chattanooga)

Total Funded: \$50,000.00

These funds will help establish the area’s first Family Resource Center to meet the needs of our growing Latino population. With a focus on domestic violence prevention, prenatal care, parental engagement, and nutrition resources, the Family Resource Center will increase outreach and provide needed services to Latino families throughout the City of Chattanooga. The Family Resource Center will be located in the Highland Park Neighborhood - Chattanooga’s most densely populated Latino community.

Public Library

Total Funded: \$5,800,000.00

Chattanooga’s Public Library system delivers library service in four locations to 170,000 people - including 35,000 children. Services include public access to books and other reading materials, computers, children’s programming, events, emerging technologies, and opportunities such as codecamps and STEM learning initiatives. For FY2015, the Public Library is focused on parent education as well as a Mayor’s Office initiative to ensure no public school child in Hamilton County has to pay to use the public library.

Camp Signal! (Signal Centers)

Total Funded: \$50,000.00

Camp Signal! is a six week summer day camp for students with any disability, including physical and cognitive disabilities. Camp Signal! offers a longer summer camp than other local camp options and in a convenient location where parents are already engaged and visiting with regularity.

Social Services (Youth & Family Development)

Total Funded: \$1,165,000.00

Youth & Family Development receives and distributes federal and State grants to serve economically disadvantaged families throughout our City. Federal funding totals over \$11.9 million per year. Services include Head Start and Early Head Start, Community Services Block Grant (CSBG), Low-income Home Energy Assistance Program, Foster Grandparent Program, Child Care, and Emergency Food Assistance.

Audiology & Speech-Language Pathology Services (Speech & Hearing Center)

Total Funded: \$67,700.00

Early identification and intervention is key to addressing hearing problems in infants and children. Undetected communication disorders in children can result in delayed speech and language acquisition as well as academic challenges. These funds will help identify children with hearing loss and provide them with rehabilitatory services.

Chattanooga Zoo

Total Funded: \$675,000.00

These funds will help the Chattanooga Zoo continue to provide educational offerings that are affordable and effective. Offerings include onsite programs, off-site programs, and activities for seniors. The Chattanooga Zoo provides field trips and summer camps to Chattanooga's children, with nearly 50% of the children as active participants in Free and Reduced lunch programs.

Fire Explorer Initiative (Chattanooga Fire Department)

Total Funded: \$6,810.00

The Fire Explorer Initiative will provide young people in Chattanooga with the opportunity to learn about fire service. Students between the ages of 14 and 20 will interact in a safe environment to learn practical, real-world career experiences and build leadership qualities.

Community Education & Recreation at YFD Centers

Total Funded: \$5,236,294.00

Youth & Family Development Centers will provide community-based initiatives designed to provide students and families with support services, literacy and career development, exposure to job training, job referrals, recreation activities and community projects. YFD Centers act as the cornerstone for many neighborhoods, ensuring a place for individuals and families seeking important resources as well as activities that strengthen community relationships.

Senior Recreation & Education

Total Funded: \$74,245.00

Programs within the Senior Recreation & Education initiative provide life enrichment activities for all seniors 50 year of age and older. These funds go towards important senior education and services including home safety seminars to ensure safe, fall-proof living environments as well as mentorship opportunities, Senior Olympics, Oral History projects, Independence Education, and resources to help bridge the gap between young people and seniors.

YFD Programming

Total Funded: \$2,093,894.00

Youth & Family Development provides year-long programming that includes Educational Enrichment for all ages through literacy training in all 18 YFD centers, the Chattanooga Ambassadors Program (CAP) and other teen activities such as Stars of Chattanooga, Students Against Gangs, on-the-job training, culture arts programs and youth councils. Community events include Community Service Projects, Park Stewardship, and a variety of Youth Conferences. Programming also includes Career Development and Preparation, the Chattanooga Leadership Network, recreational sporting activities, therapeutic recreation services, the Chattanooga Fitness Center, inner-city youth baseball, competitive basketball, and four YFD aquatic complexes with programs in five facilities to teach water safety and education.

eVentures Development Camp

Total Funded: \$48,800.00

Entrepreneurs account for the majority of our nation's new job creation, and small businesses employ more than 50% of the private workforce. The eVentures Developmental Camp is a one week Entrepreneurial camp for 16 to 18 year olds in low to moderate-income households, followed by a year long coaching, mentoring, and small business education session.

Smarter Students & Stronger Families – Not Funded

Agency – Diversity Youth Employment Program

Agency – Creating Smarter Students through Music Education

Agency – Build IT

Youth & Family Development – Innovation & Technology

Agency – Chattanooga History Center Youth Development Programs

Agency – Venture 4th Project

Agency – Prevention Education through Puppetry

Agency – Community Development Assets Trainer

Agency – Invest in Girls, Programs that Work

Agency – Welcome Home Chattanooga

Agency – Frederick Davis Documentary & Outreach

Youth & Family Development – Chattanooga Hybrid Intervention Program

Agency – Young Artist Community Workshop

VII. A Growing Economy

A growing local economy ensures the health and well-being of any city. To provide a high quality of life for our residents, Chattanoogans need access to economic opportunity. This means ensuring residents have the job training they need and employers have the support from local government to expand and thrive in our city.

Chattanooga's small businesses are the backbone of our local economy. The City must work to provide opportunities for entrepreneurs who wish to design and manufacture products in Chattanooga. Tailored pathways should incent and foster business development in various sectors, including but not limited to manufacturing, technology, and retail. Efforts should grow the number of minority, veteran and women-owned businesses in Chattanooga.

Recruiting large and small businesses from a variety of sectors enhances economic growth in our region. The City and its partners should develop and expand targeted initiatives to pool resources from multiple sources and drive business recruitment efforts. These efforts must also capitalize on Chattanooga's unique sense of place to recruit businesses that highlight economic strengths – outdoor activity, sustainability, technology, and advanced manufacturing. Due to the increasing shortage of industrial land, initiatives should fill vacated brownfield sites and maximize vacant retail and office space.

Cities are the natural hub for economic growth, research, and business creation. The global resurgence of high tech manufacturing has the capability to create high-quality jobs and will drive the need for more software developers, analytics specialists, and engineers. Chattanooga must utilize its unique assets – an urban university, relatively low cost of living, and strong public private partnerships to provide a space where entrepreneurs and existing businesses can collaborate to design innovative products and build stronger companies.

Some key strategies for a growing economy are:

- Create an innovation district modeled after successful strategies from around the country. The district should be a collaborative space where young professionals can test innovative products, large businesses can partner with entrepreneurs to expand, and local companies can grow their markets
- Build targeted incentive packages that greater leverage existing resources toward recruiting or growing businesses
- Maximize resources to grow or recruit more minority, veteran, and women owned businesses
- Increase connectivity between low income communities and employment centers
- Ensure a user-friendly permitting process and increase efficiency for both government and business owners

Key Performance Indicators – Growing Economy

- Increase Employment
- Increase number of new businesses in the City
- More higher wage jobs
- Increase in participation of diverse business enterprises with City contracts

A Growing Economy – Funded Offers

Growing Small Businesses (Economic & Community Development)

Total Funded: \$100,000.00

Small businesses are the backbone of our local economy. Currently the City lacks any incentives targeted at recruiting, retaining, and growing small businesses. This offer funds the Growing Small Business (GSB) initiative. This will provide grants to small businesses (100 employees or less) who make a substantial workforce expansion and retain those workers for more than a year.

Air Quality Services

Total Funded: \$270,820.00

The Chattanooga-Hamilton County Air Pollution Control Bureau provides Chattanooga with services to ensure the application and enforcement of the provisions of the Chattanooga Air Pollution Control Ordinance (Section 4, Chattanooga City Code). This funding helps to provide air monitoring services, response to citizen concerns, permits to industrial and commercial sectors, inspection of permitted facilities, enforcement for violations. The Air Pollution Control Bureau is the entity designated to carry out these responsibilities under the local ordinance and is subject to oversight by both the Tennessee Air Pollution Control Board and the EPA.

Bridges to Success (Office of Multicultural Affairs)

Total Funded: \$42,672.00

A partnership between the Office of Multicultural Affairs and Chattanooga State Community College will address the needs of the immigrant population through increased access and support, including but not limited to: effective English language learning programs, paths to citizenship, civic engagement, and career development through training and education.

Advancing Great Places (Regional Planning Agency)

Total Funded: \$2,281,557.00

The Regional Planning Agency (RPA) is a jointly funded entity whose core services include community, land use, and transportation planning as well as zoning and subdivision review. With a focus on a Comprehensive Plan, as required by Tennessee Code, RPA will “Advance Great Places” through a variety of planning activities and recommendations designed to introduce the elements of great places, connect development pattern with mobility options and costs of service, and align policies with the recently adopted 2040 Regional Transportation Plan.

Form-Based Code (Regional Planning Agency)

Total Funded: \$200,000.00

The Regional Planning Agency (RPA) will establish a form-based code district to promote consistent high-quality urban development in the downtown area.

Chattanooga Alliance for Diverse Business Enterprise (Urban League)

Total Funded: \$100,000.00

The Chattanooga Alliance for Diverse Business Enterprise (DBE) is a multi-agency effort focused on supporting the development, growth, and success of minority, women, and veteran owned business in Chattanooga. This funding will ensure more Chattanoogaans have access to economic opportunity by fostering business development and expansion across multiple sectors, increasing employment opportunities, creating higher wage jobs, and helping DBE’s compete more effectively for contracts.

Renewing Chattanooga (Economic & Community Development)

Total Funded: \$223,904.00

This offer creates an economic development division within City government to focus on growing jobs in Chattanooga. The office will focus on workforce development, supporting small businesses, and recruiting new businesses to Chattanooga.

Technology Workforce Development (Economic & Community Development)

Total Funded: \$200,000.00

Ensuring Chattanooga's residents have the skills and training they need to work in our City's growing number of tech jobs is a cornerstone of the City's economic strategies. This offer will strengthen public-private partnerships and invest in workforce training for residents to ensure they can secure jobs in Chattanooga's growing tech sector. The Tech Initiative will be based on a highly successful program model, which includes building career pathways and training for in-demand skills in the rapidly changing technology industry.

Business Development (Economic & Community Development)

Total Funded: \$100,000.00

This offer establishes the Business Development Fund, which will provide targeted grants to companies looking to relocate to Chattanooga. This fund will allow the City to support middle and larger market companies looking to expand or relocate in the City of Chattanooga. Firms wishing to utilize the business development fund grants must add more than

Economic Growth (The Enterprise Center)

Total Funded: \$160,500.00

The Enterprise Center focuses on promoting and capitalizing on Chattanooga's unique digital infrastructure including the Smart Grid and our Gigabit per second internet. In addition, the organization works closely with community partners to ensure all Chattanoogaans have access to the internet, and the entrepreneurs have the tools needed to be successful. The organization is also leading community efforts to establish an innovation district where entrepreneurs start companies, new business want to expand, and talented young technologists live and work.

Land Development Office Operations

Total Funded: \$4,414,643.00

The Land Development Office (LDO), a division mandated by Chapter 2, Article VIII of the City Code, ensures that any construction in the City is performed in accordance with adopted codes. In addition, the LDO strives to protect the health, safety, and welfare of citizens by providing for a safe, sustainable, and high-quality built environment. Enforcing City and State codes is mandated, and ensures safe housing, supports property values, prevents blight and decline, and helps to eliminate blight related to housing, litter, overgrowth and inoperable vehicles.

Tennessee Riverpark Downtown (Public Works)

Total Funded: \$2,492,137.00

Our riverfront and adjoining park areas attract millions of local residents and tourists every year to downtown Chattanooga. This offer funds the maintenance and daily operations for more than 50 acres of land and riverfront property, including but not limited to: Coolidge Park, Renaissance Park, the Chattanooga Carousel, Aquarium Plaza, Ross's Landing, Walnut Street Bridge, and the 21st Century Waterfront. Riverfront maintenance/daily operations include security, grounds maintenance, litter collection, landscaping, and carousel operations.

Transit Service Expansion to Enterprise South (CARTA)

Total Funded: \$300,000.00

Since 2008, Enterprise South Industrial Park has served as an employment hub for Chattanooga. Transit service to this area will provide alternate transportation options to existing workers as well as create job opportunities for those who are currently unemployed and have limited access to transportation.

Outdoor Chattanooga (Economic & Community Development)

Total Funded: \$393,836.00

Outdoor Chattanooga is actively engaged in the implementation of such economic sporting engines as Head of the Hooch, U.S. Pro Cycling Championships, Chattanooga Waterfront Triathlon, 7 Bridges Marathon, World Canine Disc Dog Championships, and the upcoming IRONMAN Chattanooga competition. Serving as a vital connection for event planners, entrepreneurs, conservationists and community leaders, Outdoor Chattanooga is a liaison for events, both large and small, that generate approximately \$6 million in tourism revenues each year.

Preparing People with Mental Illness for Workforce (AIM Center)

Total Funded: \$60,000.00

Through their Clubhouse Psychosocial Programs, the AIM Center prepares individuals with mental illness for the workforce. The funding will ensure AIM Center clients the opportunity to return to paid employment through integrated work settings. This includes Transitional Employment placements for AIM clients with no work experience or out of the workforce for an extended amount of time.

Public Art Chattanooga (Economic & Community Development)

Total Funded: \$125,250.00

Public art played a critical role in the revitalization efforts of Chattanooga, including the recent successful efforts on the Southside/Main Street area and Glass Street. Through this offer, Public Art Chattanooga will continue to leverage other funds and partnerships to serve the Chattanooga community and respond to numerous requests for public art projects. Through a community planning process, Public Art Chattanooga will work to ensure the added market value and safety of our public spaces, attracting new businesses and talent to Chattanooga.

2014 IRONMAN Chattanooga (Chattanooga Sports Committee)

Total Funded: \$100,000.00

Chattanooga has been selected to host the eleventh race in the U.S. IRONMAN triathlon series. This prestigious event sells out in every host city, resulting in a significant economic and social impact. Approximately 12,000 people are expected to visit Chattanooga for 2014 IRONMAN Chattanooga, creating an estimated \$8 million economic impact.

Sports & Recreation Complexes (Youth & Family Development)

Total Funded: \$1,615,893.00

The Champions Club and Warner Park as well as Frost Stadium, Summit, & Community Ball Fields result in direct and indirect economic activity, including hotel/lodging, restaurants, parking, retail, fuel, sporting goods and cultural activities. In addition to bringing direct tourism dollars to our community, these sporting events serve as gateway experiences to promote Chattanooga and build long term tourism revenues.

Civic Facilities (General Services)

Total Funded: \$1,471,836.00

The City of Chattanooga's three Civic Facilities serve over 200,000 patrons annually, including providing affordable opportunities for over 30,000 students from Hamilton County public schools as well as surrounding counties. Listed on the National Register of Historic Places, the Civic Facilities provides over \$400,000 in work for local businesses such as security, stagehands, and other personnel necessary for production.

Employment for Citizens with Disabilities (Orange Grove)

Total Funded: \$98,472.00

Through their Adult Comprehensive Training (ACT) program, Orange Grove serves 124 of their most vulnerable clients in 12 classroom environments. The initiative provides a safe enrichment environment while supporting and challenging each individual to be as independent and successful in their community as possible. These funds will ensure individuals continue to receive the highest level of community involvement and employment opportunities for the most severely disabled.

Building a Stronger Community Through the Arts (ArtsBuild)

Total Funded: \$225,000

ArtsBuild provides 13 cultural partners, including Ballet Tennessee, Chattanooga History Center, Chattanooga Symphony & Opera, Hunter Museum of American Art, with strategic fundraising and sustainability training. Through this initiative, partner organizations work to use arts and culture as a tool in attracting new business, including creative professionals, retirees, tourists, and conventional business.

Services for Adults with Disabilities (Signal Centers)

Total Funded: \$30,000.00

Signal Centers Adult Services assists individuals with disabilities in creating a supportive transition from high school into and throughout adulthood, including securing meaningful and sustainable employment. Funding will go to focus efforts on two distinct areas: disABILITY Employment Services and Adult Day Services. The key areas of learning and support include, but are not limited to, work skill development, self-exploration & recreation engagement, social skills enhancement, life skills enrichment, and caregiver work & respite.

Developing Moccasin Bend for Public Access, Education & Tourism

Total Funded: \$30,000.00

This is a long term investment in Chattanooga's tourism development and improved quality of life for residents. Chattanooga is unique nationally, with a large national park at its heart. The Friends of Moccasin Bend works closely with the City on all matters relating to the national park and works to provide programming to promote the utilization and tourist appeal of the park. In addition, the Friends of Moccasin Bend works to ensure the long term sustainability and upkeep of the park.

Carter Street Corporation Operating Support

Total Funded: \$200,000.00

The Chattanooga Convention Center brings new dollars into Chattanooga. This is accomplished by hosting out-of-town delegates to spend money in Chattanooga hotels, restaurants, attractions, and other visitor-related companies. The convention Center is a certified Tennessee Green Hospitality facility. The Center is jointly funded by the City and Hamilton County.

Design and Engineering (Transportation)

Total Funded: \$1,396,949.00

The Transportation Design and Engineering Division bridges the gap between long-range vision, financially sustainable planning and design of the City's infrastructure with day to day implementation. The division is responsible for policy, planning, design, engineering, and implementation of projects that provide efficient and multi-functional access to all of the cities destinations, spanning the range of our community priorities. The division oversees the implementation of contracted services, reviews plans, implements departmental policies, and maintains the primary responsibility for the Department's capital plan.

A Growing Economy – Not Funded Offers

Agency - Growing Chattanooga's Economy through Cultural & Artistic Productions

Public Library - Platform for Democratic Entrepreneurship

ECD - Economic Development: Promoting & Marketing Chattanooga

ECD - Economic Development: Paying for Successful & Sustainable Business

Agency - Creating a Comprehensive Strategy for Talent Recruitment

Agency - Healthier Chattanooga

VIII. Stronger Neighborhoods

Strong Neighborhoods form the foundation of a vibrant city. They have optimal levels of ownership, engaged neighbors, and strong community organizations that embrace a diverse group of people and lifestyles.

The most important component of a neighborhood is its residents. The City should provide opportunities for leadership training, resources and development to individuals in Chattanooga's neighborhoods. Strong neighborhoods have leaders who can develop and execute community action plans by building or bolstering their neighborhood associations. Vibrant neighborhoods have equally healthy neighborhood associations with members representing the unique diversity of their respective neighborhoods. The City should work to empower neighborhood leaders to advocate for their community and solve difficult problems.

Strong neighborhoods are connected to economic opportunity, retail centers, and other communities. These connections are best accessed through a multitude of transit options, including driving, walking, biking, and mass transit. Research shows neighborhood connectivity can have a large effect on the health of the residents living in the neighborhood. Whether it is providing easy access to fresh healthy food at a nearby grocery store or connecting a neighborhood to walking and cycling options, the City

should support neighborhoods by connecting them to financial and retail services, economic opportunity, and green spaces.

Every neighborhood needs a diverse and healthy real estate market that encourages investment. There is no single approach to addressing the unique challenges and opportunities faced by each individual neighborhood. For Chattanooga to be a welcoming community, neighborhoods should be diverse and appeal to people of different ages, races, and incomes. In addition, the City should develop targeted strategies to attack affordability issues.

Some key strategies for stronger neighborhoods are:

- Increase access to multiple forms of transportation by investing in sidewalks and bike paths
- Increase transit ridership through measurable outreach initiatives
- Promote homeownership
- Turn blighted properties into neighborhood assets
- Increase neighborhood leadership and civic engagement
- Streamline permitting processes
- Increase the number of affordable units in neighborhoods where the median home price greatly exceeds 30% of the median income

Key Performance Indicators – Stronger Neighborhoods

- Increase housing affordability
- Increase transit ridership
- Reduce number of blighted properties
- Improve the paving index

Stronger Neighborhoods – Funded Offers

Blighted Property Abatement and Maintenance (Public Works)

Total Funded: \$196,566.00

This offer allows for the effective management of blighted properties through cross-departmental collaboration. Blighted and abandoned properties lower property values when left unkept, and can increase the risk of fire and crime by becoming a refuge for criminals. Last year, the Department of Economic and Community Development department boarded 25 properties, and abated litter and overgrowth at 410 properties – a 24% increase from the previous year.

Community Development (Economic & Community Development)

Total Funded: \$0.00 General Fund (Federal dollars leveraged)

The Community Development Division develops plans, funds activities and implements programs and strategies to utilize federal and State grants, City general funds, and other public and private resources to execute a range of community development activities. The Division's core functions include reducing the number of run-down properties through rehabilitation and demolition, providing assistance to homeless individuals and families, increasing the supply of affordable housing units, and other community development activities to meet the needs of at-risk families in Chattanooga.

Park Development (Economic & Community Development)

Total Funded: \$100,000.00

Park Development funding will enable the Trust for Public Land (TPL) to continue its work related to the continued Tennessee RiverWalk expansion as well as operational necessities associated with Stringers Ridge, South Chickamauga Creek Greenway, and the CB Robinson Bridge.

Neighborhood Services (Economic & Community Development)

Total Funded: \$1,438,159.00

This offer funds the Department’s affordable housing programs, most of which leverage private investment from developers, federal or state funds, and private philanthropic support. The Department provides assistance to both families facing hardship and developers looking to create more affordable housing in the City. This includes gap financing for the Low-Income Tax Credit program, which leverages \$500,000 in federal HOME funds against \$23.4 million in total development cost to create 120 units of affordable housing with a compliance period of 20 years. ECD also facilitates the Affordable Housing Initiative, HOMEAgain Program, Transitional Housing Initiative, Rental Property Renovation Program, and the Home Repair Program – which work to repair, build, or maintain high quality housing within the City of Chattanooga. In addition, the Department provides opportunities for neighborhood leadership development, publishes a neighborhood newsletter, and works to proactively distribute information to neighborhood leaders across the City.

Operations (CARTA)

Total Funded: \$4,917,440.00

The Chattanooga Area Regional Transportation Authority (CARTA) operates all public transportation within the City of Chattanooga, tallying approximately 3.1 million passenger trips per year. The Authority runs fixed bus route service and Care-A-Van services as its core operations, servicing 13 fixed bus routes and 3 neighborhood bus routes. The Care-A-Van service is a complimentary paratransit service provided to individuals with disabilities. This service is provided to individuals who, due to their disability, are unable to use CARTA’s fixed route bus service. The majority of CARTA riders, approximately 83%, have no other way to make their trip. CARTA is currently undergoing a comprehensive evaluation of its service delivery.

Increase Recycling Participation (Public Works)

Total Funded: \$2,459,064.00

This offer will increase curbside recycling participation and the total tons of recyclable material collected by offering a free 96 gallon blue recycle cart upon request. The carts will be available to non-resident and residential customers. This offer reflects changes made to the collection contract that will now allow the City to accept glass as part of our single stream collection process. This offer assumes that curbside biweekly recycling will increase by 20,000 users over the next fiscal year and 15,000 user increases over the next two years. This capital investment will be offset by the revenue generated from the sale of the recycled commodity estimated to be a \$250,000.00 revenue increase.

City Wide Services (Public Works)

Total Funded: \$19,396,145.00

This offer funds the essential City-wide services provided through the Department of Public Works, including solid waste curbside collection (trash, brush, and recycling), right of way maintenance, street cleaning, emergency services, forestry, and bulky trash collection. By ordinance, garbage is collected weekly serving 60,000 residential and non-residential customers. The City currently has 16,000 customers enrolled in bi-weekly curbside recycling. Last year the City collected 2,528 tons of recycling, 26,715 tons of brush, and 54,449 tons of garbage. In 2013, residents requested bulky item pickup over 20,000 times and sway cars (large dumpsters) over 1,200 times. Over 34,286 customers visited one of three convenience centers to dump 4,585 tons of construction and demolition debris. In addition to solid waste disposal, Public Works is responsible for planting, pruning, maintaining or removes over 200,000 trees on City right of ways. The forestry division works closely with other departments and local non-profits to set policies, guidelines, and advise about tree-related problems. Public Works also bears significant responsibility for emergency response – dispensing salt on City roadways, picking up illegally dumped tires/litter, removing debris for roadways, and resolves safety issues reported to 311.

Veterans Homeless to Housed (Economic & Community Development)

Total Funded: \$124,775.00

Addressing chronic homelessness is a national, regional and local priority – especially for those who have bravely served our country. This offer will create a coordinated process for moving homeless people from the streets to permanent housing as quickly and effectively as possible. Veterans face unusually high odds of homelessness and often remain so for long periods of time. Frequently, veterans are unaware of services available to them, or unable to navigate the federal bureaucracy to receive their benefits. This initiative will employ best practices from other communities to end chronic veterans homeless by the end of 2016 in Chattanooga.

Street Paving (Transportation)

Total Funded: \$2,300,000.00

Ensuring the City has a well maintained street infrastructure is critical to providing a high quality of life for all Chattanooga residents. This funds the resurfacing of City streets – which connect people to opportunity, neighborhoods to each other, and businesses to markets.

Traffic Engineering (Transportation)

Total Funded: \$4,401,780.00

The traffic engineering division provides Chattanooga's GIS-based inventory of traffic assets and accident reports; maximizes efficiency by transitioning from paper to tablet-based work orders; reduces corridor travel times and intersection delays at traffic signals; facilitates tourism-generating special events; implements neighborhood traffic calming including speed bumps, stop signs, and other methods to slow traffic in neighborhoods; and supervises driver education and timely resolution of the City's 311 request.

Parks Maintenance (Public Works)

Total Funded: \$2,526,513.00

Parks Maintenance includes programming capital improvements for all parks, as well as routine maintenance including landscaping, mowing, and playground upkeep. In addition, it ensures compliance with playground safety requirements and allows for record keeping, material and equipment inventory, payroll, purchasing and employee training to ensure the effective up-keep of all public parks in the City of Chattanooga.

Administration & Engineering (Public Works)

Total Funded: \$2,459,064.00

To make necessary infrastructure investments and maintain effective services, this offer funds administrative, operations, engineering, and capital project management support to the Public Works Department. The engineering department within Public Works comprises 22 engineers and 40 water quality positions who provide general supervision, management and direction, and other general administrative support. The engineering division supports in-house construction and maintenance crews, analysis of systems, GIS services, and all water quality permitting, compliance and enforcement.

Building Stronger Neighborhoods (Agency)

Total Funded: 385,675.00

This offer funds the core functions of Chattanooga Neighborhood Enterprise Center (CNE). The organization promotes homeownership as a tool to achieve neighborhood stabilization and housing affordability. Studies have linked homeownership with improved health and school performance for children, increased civic engagement, and reduced crime. The program enables the most vulnerable in our community to remain in their homes by undertaking critical home repairs that create safe and healthy homes and reduces the number of blighted houses. CNE provides foreclosure prevention by helping at risk homeowners obtain loan modifications or refinancing, which results in increased affordability by removing disadvantageous terms and payments. On average, homeowners who receive this service reduce their payment by \$170.00 per month. CNE also owns 28 income-restricted rental units in Chattanooga. This offer provides funding for CNE to increase the City's affordable housing stock, promote strong neighborhoods, and reduce blight.

Loan Servicing (Chattanooga Neighborhood Enterprise Center)

Total Funded: \$319,325.00

Chattanooga Neighborhood Enterprise Center (CNE) serves as the loan servicing arm for the City of Chattanooga. CNE services a portfolio of 1,752 loans representing 1,295 customers, worth \$1.7 million which are classified as an asset of the City's balance sheet. Loans in the portfolio are originated to low income Chattanoogaans under the home improvement and down payment assistance programs that CNE operates using CDBG and HOME funds. In 2013, the loans generated \$154,700 in interest earnings and \$704,000 in principal income back to the City. CNE originates approximately \$500,000 in new loans annually for a net growth in the portfolio of \$204,000. Loan servicing operates in a highly regulated environment and requires specific expertise in order to maintain compliance.

Transitional Housing (Chattanooga Room in the Inn)

Total Funded: \$25,000.00

Chattanooga Room in the Inn (CRITI) offers stability as a residential transitional housing program designed to provide a safe, healthy environment for homeless women and their children for up to nine months. CRITI provides case management, daily meals and living supplies, tutoring, access to affordable healthcare, and assistance in finding permanent housing. The organization has consistently had 80% or more of its graduates remain in permanent housing following discharge, and many opt for aftercare services that allow them to further their education.

Cold Weather Shelter (Chattanooga Regional Homeless Coalition)

Total Funded: \$50,000.00

The Chattanooga Regional Homeless Coalition, in partnership with the Community Kitchen, provides a critical service to the community by offering a cold weather shelter each winter. Last year the shelter served 628 individuals, who might have otherwise suffered due to the extreme winter weather conditions.

Stronger Neighborhoods – Not Funded Offers

ECD - Public Art in the MLK District

OMA - VITA Program

Agency - Scenic City Beautiful

Public Works - Park Usage Data Collection

Agency - Collective Impact

Transportation - Active Living & Transportation Network

Agency - Hamilton County Homeless Healthcare Agency

Agency - Neighborhood Transformation Project

ECD - Land Development Office - Code & Development Review Reform

ECD – Economic Development – Capital for Innovation

IX. High Performing Government

The City must make decisions driven by data to provide the most effective services to taxpayers. Over the next year, the City should take steps to better collect, manage, and analyze existing data sets. This data should also be made freely available to the public in a user-friendly, electronic format (not .pdf or printed copies) to ensure maximum transparency and accountability.

High performing organizations are relentlessly focused on providing outstanding customer service. All City services should be designed with the user at the forefront – policies, schedules, and regulations should be changed if the result will increase customer service without compromising organizational values. Divisions within government should collaborate to provide services in a one-stop-shop, to avoid duplication and to remove barriers to citizens. A high performing government will provide multiple platforms for citizen feedback of each service delivered and respond to feedback quickly.

To operate at peak efficiency and effectiveness, the City must recruit and retain the best employees for each and every position. Every person hired into City Hall should have a clear understanding of job responsibilities, opportunities for growth, and organizational values. The City should encourage and provide incentives for employees to stay healthy to limit costs associated with medical care, and ensure a positive, motivated workforce.

For government to perform core services effectively, the organization must be fiscally sound and responsible. Effective management of City resources is critical to maintaining a high level of service. The City should manage all assets responsibly to maximize efficiency and ensure long term fiscal health. Any dollar wasted is a dollar not spent towards achieving community priorities.

Some key strategies for high performing government are:

- Provide access to services in more user-friendly formats
- Work with community organizations to develop and execute an open government plan
- Streamline existing software systems to minimize glitches and limit required maintenance
- Promote employee health
- Ensure long term fiscal health through multi-year planning
- Reduce energy consumption
- Effectively manage all inventory and assets
- Provide mechanisms for city employees to report waste, fraud and abuse. Thoroughly investigate all claims and provide appropriate steps to remedy the situation.

Key Performance Indicators – High Performing Government

- Improve efficiency for time between taking 311 call to closing work tickets
- Maintain high bond rating
- Decrease days of on-the-job injuries
- Reduce energy costs

High Performing Government – Funded Offers

Mayor's Office

Total Funded: \$1,293,969.00

The executive branch establishes and carries out policies for the City of Chattanooga. This offer funds the Mayor and his administrative staff to set the priorities of City government, oversee government operations, and conduct the administrative affairs of the executive branch.

City Council

Total Funded: \$687,940.00

The Chattanooga City Council is the legislative arm of City government responsible for proposing, debating, and passing laws to govern the City. The City Council and staff are needed advocates for their respective districts on all legislative matters, working closely with Administrative Departments to ensure effective constituent service.

Finance – Administration

Total Funded: \$891,857.00

This offer funds the overall financial management of the City including debt management, Budgeting for Outcomes, cash and investment management, professional development and financial technology administration.

Finance - Financial Plan Development & Management

Total Funded: \$552,970.00

This offer supports the development and management of the City's short and long term financial plans to ensure overall fiscal health and sustainability. It also provides a fiscal strategy that involves all levels of management including the Mayor's Office, Council and Departments to ensure community priorities are addressed most effectively.

Finance - Financial Operations Management & Reporting

Total Funded: \$1,328,398.00

Accounting, accounts payable, payroll, and grants management are all critical to support other functions of government. This offer is a core part of the financial management of the City as required by Tennessee Code 6-56-101 et. Seq. and City Code Chapter 2, Article IV.

Finance - Treasury Management Services

Total Funded: \$1,362,036.00

The Treasury is responsible for timely deposits and reporting of over \$300 million in City collections, including but not limited to property tax, business tax, hotel/motel tax, wholesale liquor and beer tax, sales taxes, State income taxes, fines, fees, and other charges for service. The Treasury also provides numerous fiduciary services including collection of delinquent sewer fees, issuance of business licenses, and others.

City Attorney

Total Funded: \$1,527,149.00

All legal issues are overseen by the Office of the City Attorney. The Office provides legal advice regarding civil litigation, contracts, real estate, public information requests, employment matters, compliance, regulations, and environmental matters. The mission of the Office of the City Attorney is to deliver high-quality legal services to the City of Chattanooga in a responsive, proactive, creative and timely manner so the Mayor and City Council can govern lawfully with the highest level of integrity and effectiveness.

Internal Audit

Total Funded: \$587,152.00

The Office of Internal Audit conducts audits, special products and runs a fraud and abuse hotline. The Office provides technical, reference or research information as well as digital data recovery services to personnel throughout the City on an informal basis.

City Court Judge - Division 1

Total Funded: \$459,177.00

Chattanooga City Court is the forum that Chattanoogaans utilize to obtain safe streets and clean, safe neighborhoods. City Court enforces traffic laws and ordinances relating to neighborhoods and animals.

City Court Judge - Division 2

Total Funded: \$429,226.00

Chattanooga City Court is the forum that Chattanoogaans utilize to obtain safe streets and clean, safe neighborhoods. City Court enforces traffic laws and ordinances relating to neighborhoods and animals.

City Court Clerk Judicial Support Services

Total Funded: \$1,193,639.00

The City Court Clerk's Office is established through TCA 16-18-310 and City Code Chapter 12. The office shall maintain accurate and detailed records and a summary report of all financial transactions and affairs of the court.

311 Call Center

Total Funded: \$532,983.00

This offer funds the City's 311 call center, which is the primary means of citizen communications regarding many city services. The call center is the front door for citizens who have a direct need, including brush to be picked up, a traffic light out, or questions about other City services.

Public Library - Open Data and RFID Conversion

Total Funded: \$92,700.00

The Chattanooga Library was recently called the Library of the Future by the National Journal due to the increased role of technology in library programming. This offer reflects a partnership between the City and Friends of the Library to establish an Open Data Portal to house the Library's community data collection. This collection will have a tremendous impact on the entrepreneurial community by providing needed public and private data to use in application development. This partnership between the Mayor's Office, the Library, and private philanthropic organizations has leveraged national funding for collecting, cataloging, and disseminating public data. In addition, this offer funds the beginning of RFID conversion for the library to enhance the way citizens interact with the library collection and allow for more customer friendly check-out process. This RFID conversion also leverages partnerships with the Benwood Foundation and the UTC Lupton Library.

IT – Operations

Total Funded: \$2,926,374.00

The Information Technology Division provides technical support for all technology owned by City Hall, including web and program support for the library, all City staff, and the Regional Planning Agency.

IT – Applications

Total Funded: \$1,176,101.00

This offer creates a division within IT for application development to house all current programmers. This division will be responsible for handling data collection and all business intelligence systems.

IT – Administration

Total Funded: \$549,902.00

This offer is centered on the strategy and desired results mentioned, contains all of the required operating funding for the administrative functions that are required to run and enhance the IT Department as well as technology throughout the City.

IT – Project Management

Total Funded: \$499,200.00

This offer funds project management for the Information Technology Division and supports the ongoing restructure of the division. It also supports a Technology Planning Committee that will evaluate and prioritize all capital technology investments.

IT – Security

Total Funded: \$213,791.00

A critical component of an effective Information Technology Division is ensuring the safety and security of government documents and records. The security function of IT is responsible for planning disaster recovery operations, firewall and systems security monitoring, penetration testing and hacking counter measures, security training, and establishing policies and procedures.

Office of Performance Management

Total Funded: \$150,00.00

The Office of Performance Management would lead a culture of continuous improvement within City government through performance management and making data driven decisions.

Strategic Capital Planning

Total Funded: \$91,194.00

Capital Planning is key to long term fiscal stability. This offer establishes an office for planning, coordinating, financing, and executing capital projects.

General Services

Total Funded: \$3,129,257.00

Each Department within City government utilizes the General Services division for the effective management of their City assets. General services oversee the leases on City owned property and facilities.

Human Resources

Total Funded: \$1,792,475.00

This offer funds the Human Resources operating budget for the City of Chattanooga. It reflects a reorganized department that is more focused on customer service for employees, applicants, and departments. Last year, the Department processed over 12,000 applications for employment.

Procurement Services

Total Funded: \$721,322.00

The procurement division supports every branch and department within government. Services include purchasing supplies, equipment, materials, and services for City operations in a timely, efficient, and sustainable way.

Office of Multicultural Affairs

Total Funded: \$283,202.00

This offer supports OMA, which works to increase the amount of City business done with diverse enterprises, grow our local economy, and ensure all Chattanooga residents have access to City services.

Recording City Council Meetings (WTCI)

Total Funded: \$85,000.00

This offer funds the recording and airing each of the weekly City Council meetings and a 30 minute weekly segment covering the Council meetings to be aired on Sundays, both over digital airwaves and through cable, satellite and digital providers.

Occupational Safety

Total Funded: \$87,122.00

The Human Resources Department maintains an effective and comprehensive Occupational Safety and Health Program for its employees as mandated by the Tennessee Occupational Safety and Health Administration (TOSHA). This offer funds the City's safety programs and ensures consistent safety standards for each department.

Agency - Heritage Hall

Total Funded: \$66,477.00

The City of Chattanooga and Hamilton County jointly own the Bessie Smith Cultural Center and lease the property to the Chattanooga African American Museum and Research Center, a Tennessee Non-profit corporation, for the operation of an education/entertainment facility celebrating the legacy of Bessie Smith.

High Performing Government – Not Funded Offers

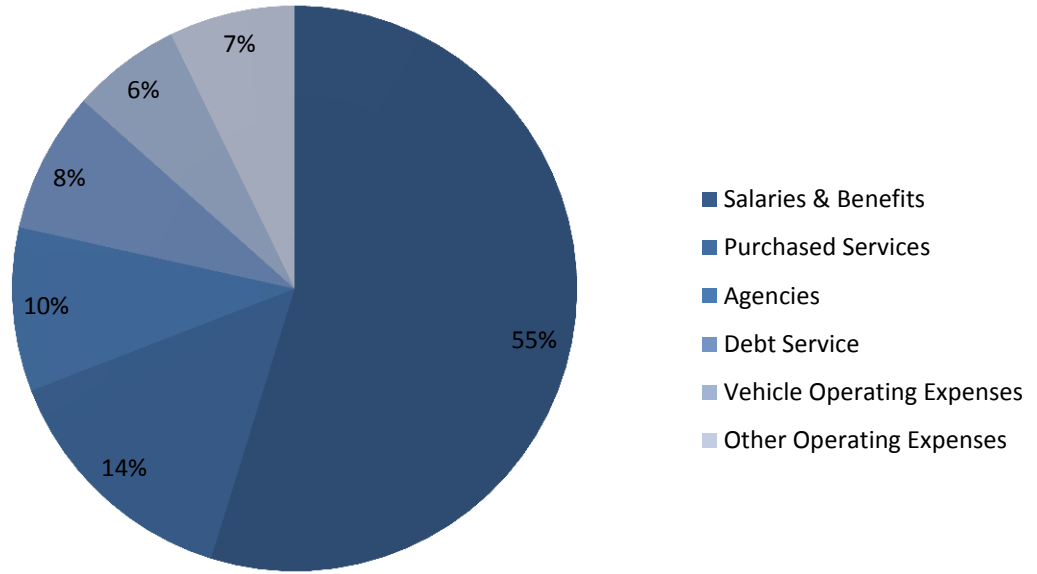
Agency - Recycling Education Program
Human Resources - Employee Training & Development
Public Works - Department Safety Coordinator
OMA - Disability Services
ECD - Land Development Office Fire Prevention Supplement
Internal Audit - Outcomes Data Validity Auditor
Internal Audit - Sewer, Water Quality & Solid Waste Auditor
Agency - Proximity 1
Finance - Treasury Customer Service Remodel

X. Operating Expenses

The most significant operating expense for the City of Chattanooga is salaries and benefits. The proposed FY 2015 budget includes \$118,807,783 for salaries and benefits for more than 1,700 general fund employees, representing approximately 55% of the total general fund budget. Total salaries and benefits have decreased approximately 3% from \$122,422,287 in FY 2014. This decrease is primarily due to the decrease in the City's contribution to the Chattanooga Fire and Police Pension Fund which is partially offset by an increase in employee healthcare costs.

Purchased services and funding for community agencies represents approximately 24% of the total general fund budget. Purchased services increased from \$29,131,407 in FY 2014 to \$31,078,339 in FY 2015. The increase of approximately \$1.9 million is primarily due to funding related to economic development, IT maintenance, and contracted services for building repair and demolition services. Funding for community agencies increased from \$19,129,240 in FY 2014 to \$20,321,902 in FY 2015. The increase of approximately \$1.2 million is primarily due to funding related to expansion of transit service to Enterprise South Industrial Park, YFD social services including Baby College, support for 2014 IRONMAN Chattanooga, and new funding for nonprofits providing community services.

Figure 4. Expenditure Types
Total General Fund Budget \$216,850,00

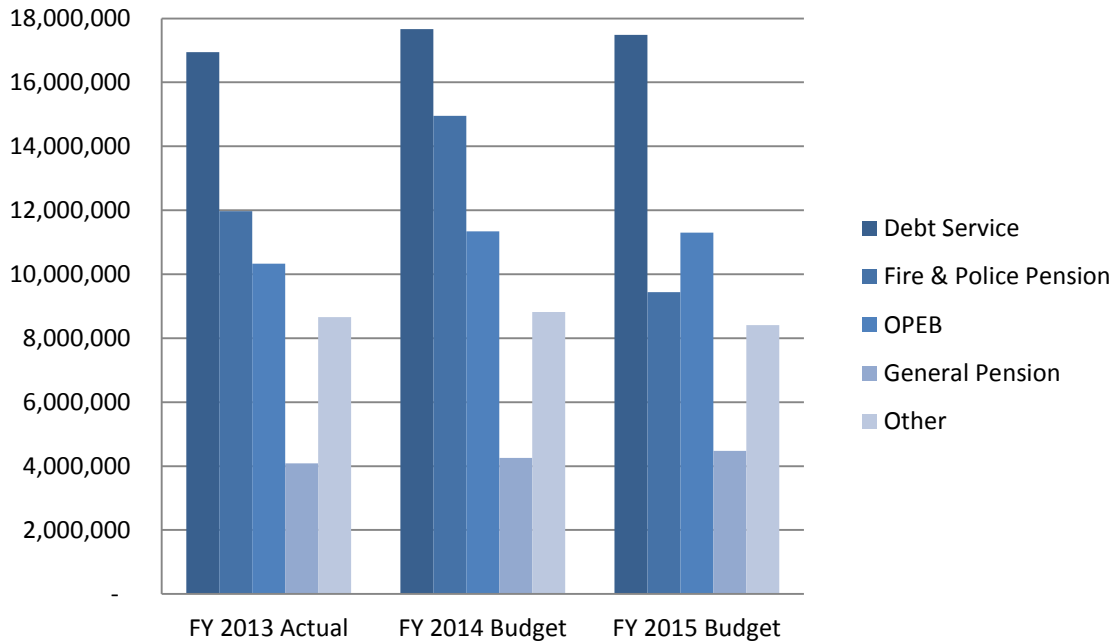


Vehicle operating expenses represents approximately 6% of the total general fund budget. Vehicle operating expenses increase from \$8,206,806 in FY 2014 to \$13,4877 in FY 2015. The increase of approximately \$5.3 million is primarily due to the restoration of the capital component of the fleet program from general fund, totaling approximately \$4 million. The capital replacement component paid into the fleet fund by departments based on number of fleet vehicles used was temporarily suspended in FY 2014 because the fleet fund balance was more than adequate. Other increases in vehicle operating expenses include market driven increases in the cost of fuel and vehicle parts and supplies.

XI. General Government Costs

Certain general government costs were not included in the BFO process because they are fixed. Following is a summary of those costs that the City is required to pay, by law or contract, and cannot easily be reduced or augmented in the short-term. As shown below, the City’s general government costs include contributions to employee pension systems, payment of debt service, and capital funding from operations.

Table 3. General Government Costs Trend FY 2013 – FY 2015



Debt Service

The City is authorized to finance capital improvements through various financing instruments, including but not limited to general obligation bonds, revenue bonds, loan agreements, and capital leases. Both principal and interest on general obligation bonds are payable from ad valorem taxes which may be levied by the City Council subject to a legal debt limit of 10% of assessed valuation of property.

The general fund budget includes proposed funding of \$17,485,009 to pay debt on General Obligation Bonds, State Revolving Loans, and other municipal debt.

Fire and Police Pension

In July 2013, Mayor Berke appointed a task force of police and fire union leaders, community members, city leadership, and fire and police retirees study changes to the Fire and Police Pension Fund. The group met numerous times, engaged the community through public meetings, and worked together to form consensus recommendations that are reflected in this budget. The recommendations of the task force were accepted by Mayor Berke in February of this year, approved by the City Council and unanimously adopted by the Fire and Police Pension Board.

The changes included a reconfiguration of the COLA structure so employees who receive the lowest benefits receive a higher COLA and an increased employee contribution phased in gradually over the next three years. Several additional changes included 100% benefits for employees killed in the line of duty (25% increase) and an increase in benefits paid to elderly widows of public safety employees. These changes guarantee the long term health of the City’s Police and Fire Pension fund while ensuring the City will be able to:

- Attract high quality employees who have long careers with the City;
- Meet the obligations to police officers and firefighters; and
- Use taxpayer dollars responsibly in order for Chattanooga to fund present day public safety initiatives.

The historic changes were made possible through unprecedented collaboration between active and retired police officers and firefighters, the pension board, and representatives from the community.

For FY 2015, the \$5.5 million pension contribution savings gained from the pension reforms will be reinvested to make our streets safer. This budget includes \$1.5 million to purchase new breathing apparatus, upgrades to replace old public safety vehicles, money to fix the broken police pay structure, and other need public safety initiatives made possible in part due to savings yielded by changes to the Police and Fire Pension Fund.

Other Post-Employment Benefits

The City maintains a single-employer defined benefit post-employment health and medical care plan for retirees and their dependents. Substantially all of the City's employees may become eligible for benefits should they reach normal retirement age and certain service requirements. Retirees and beneficiaries are required to contribute specified amounts depending upon certain criteria and retirement date.

Effective July 1, 2010, the City Council discontinued retiree medical coverage past Medicare eligibility for all new employees and employees not already eligible for retirement. This provision does not apply to sworn personnel for which the City does not contribute to the Federal Medicare Insurance Trust Fund. The general fund budget includes proposed funding of \$11,297,425 to contribute to the OPEB trust on behalf of employees.

General Pension

The City provides a pension plan for permanent general city employees. All permanent employees hired after February 1, 1979 must join the pension plan as a condition of employment. Employee contributions are 2% of total earnings. The general fund budget includes proposed funding of \$4,475,730 to make contributions to the general pension plan on behalf of employees.

Other

Other general government costs include capital funding from operations, election expense, unemployment insurance, contingency fund appropriation, audits, dues, intergovernmental relations, liability insurance, and education contributions to Hamilton County Schools.

XII. Major Designated Funds Summary

Water Quality Fund

The Water Quality Management Fund was established in 1993 to comply with a Federal mandate for the City to control stormwater runoff. The City is required to impose controls to reduce discharge of pollutants in stormwater to the maximum extent practicable using management practices, control techniques, and system design and engineering methods for the control of such pollutants. This fund accounts for the construction and operation of the stormwater system of the City.

The revenue for this fund is derived from estimated water quality fees totaling \$16,839,938 for FY 2015. Water quality fees are assessed on an annual basis along with property taxes and the rate is \$115.20 per equivalent residential unit (ERU). Expenses in the Water Quality Management Fund include personnel, operations, debt service, and capital projects.

Table 4. Water Quality Fund

	FY 13 Actual	FY 14 Budget	FY 15 Budget
Revenue	12,228,353	16,858,055	16,839,938
Personnel	7,001,466	8,205,129	8,025,757
Operating (Includes Debt Service)	5,194,968	6,202,926	6,410,640
Other Transfers to Capital Projects	31,919	2,450,000	2,403,541
Total Expenses	12,228,353	16,858,055	16,839,938

Interceptor Sewer System Fund

The Interceptor Sewer System Fund accounts for activities related to the City's wastewater/sanitary sewer system. Expenditures from this fund support the Moccasin Bend Wastewater Treatment Plant and regional wastewater collection system. The revenues to operate, maintain, and finance the system are derived primarily from sewer service charges collected from residential, commercial, and industrial customers using the system. The FY 2015 budget of \$60,446,000 includes a scheduled rate increase of 9.8%, which results in an estimated \$3.11 increase in a typical monthly bill for residential customers. This rate increase is necessary to comply with the Federal Consent Decree that became effective April 24, 2013. The consent decree requires \$250 million in sewer system improvements in two phases over sixteen years.

Table 5. Interceptor Sewer System Fund

	FY 13 Actual	FY 14 Budget	FY 15 Budget
Revenue	56,927,273	57,902,562	60,446,000
Personnel	8,242,790	8,980,494	9,292,185
Operating (Includes Debt Service)	37,913,882	44,662,349	49,894,945
Other Transfers to Capital Projects	10,770,601	4,259,719	1,258,870
Total Expenses	56,927,273	57,902,562	60,446,000