

LEGAL AND LEGISLATIVE COMMITTEE
September 2, 2008
3:25 P.M.

Chairman Benson called the “Called” meeting of the Legal and Legislative Committee to order with Councilpersons Berz, Pierce, Shockley, Rico and Robinson present. City Attorneys Randall Nelson, Mike McMahan and Phil Noblett were also present. Shirley Crownover, Assistant Clerk to the Council, was present as well.

Others present included Lee Norris, Jim Templeton, Gary Hilbert, Denny Malone, Steve Leach, Missy Crutchfield, Joachim Volz, Dan Johnson, Jerry Stewart, Daisy Madison, Mayor Littlefield, Richard Beeland, and Stan Sewell.

OFFICE OF INTERNAL AUDIT—CHARTER CHANGE

Chairman Benson noted that we had **Ordinance 5(a) Final Reading** on tonight’s agenda that would amend the Charter of the City of Chattanooga by establishing an independent Office of Internal Audit, and Audit Committee and City Auditor, etc. He stated that Mayor Littlefield had asked to make a statement concerning this.

Mayor Littlefield noted that two councilmembers were not present tonight and since this Ordinance could not be passed or defeated, it was best to take it off the agenda; that it could not come up again for two years and in that time period Administration and the Council could work together to fashion an Ordinance and “test” what will work better—that this could be done in a two-year period together. He noted that the Council still has some right to have their own auditor; that he wrote the original language, and it was never intended for Administration to have their own internal controls—that if needs be, they could change their title on the Administration side; that his main point was that this Ordinance would not pass tonight, and we would have time to prepare an Ordinance where Administration and the Council could work together to fashion something that would be more compatible.

Councilman Pierce stated that this matter had been discussed for a number of weeks, and this is the point we are at today; that he was happy we did not have to vote on this tonight and even with the presence of Councilman Page and Councilwoman Bennett, we still might not have had the votes. He stated that this had been “drug” out to the point that the whole thing was tainted, and he was beginning to question what Administration was hiding; that they had asked for no audit and to raise so much “ruckus” that he felt there was something behind closed doors that the Council is not aware of.

Councilman Pierce went on to say that the Mayor continues to say our own personal auditor; that it was his feeling that Stan Sewell had involved himself too widely into this whole thing. He added that the Mayor was “dating” both of them—that the Mayor may have written this; however he (Councilman Pierce) was not a part of this, even though he was a part of the lawsuit. He questioned how the Council could move forward with Mayor Littlefield keeping this under his purview.

Mayor Littlefield explained that internal auditing was part of their financial controls—that they were allowed to have three auditors, and the Council could have one. He explained that Administration was not creating anything—that the Charter gives the Mayor the right to undertake this, and it was his responsibility.

Councilman Pierce stated that this was a “power” play about who dictates and who controls; that the Council could not have Stan Sewell as their auditor and him not be “beholden” to Mayor Littlefield and Dan Johnson. Mayor Littlefield responded that this comment on Councilman Pierce’s part was insulting. He asked Councilman Pierce if he was unhappy with any audit that had been done—that these had all been published.

Councilwoman Berz stated that this Ordinance would be removed from the agenda—that whether we agree or not, this will be removed from the agenda, and this puts us right back where we started from; that the Mayor has his Internal Auditor, and the Council is at “square one” at getting theirs. She asked if everyone was good with this?

Mayor Littlefield stated that the Council could have this position. Councilman Pierce stated that we would have to amend the Budget to get it.

Councilwoman Robinson stated that she wanted to make clear that the information is public and available to the Mayor and to the Council. Councilman Pierce stated that this Council would set the guidelines and everything would be public.

Chairman Benson stated that **Ordinance 5(a)** would be withdrawn tonight. Councilman Pierce agreed to go ahead and move on withdrawing the Ordinance and talk about this issue later.

Mayor Littlefield mentioned an Audit Committee and fulfilling the Council’s responsibility, prompting Councilman Pierce to say that Mayor Littlefield was suggesting what the Council needs to do—that the Council would contact Mayor Littlefield if we needed his help.

Councilwoman Berz stated for the record that this Ordinance would be taken off the agenda, and this needs to happen tonight.

The meeting adjourned at 3:35 p.m.

