Chairman Rico called the meeting of the Agenda Session to order with Councilpersons Berz, Robinson, Benson, Ladd, Gilbert and Scott present. Councilmen Murphy and McGary joined the meeting later. City Attorney Michael McMahan; Management Analyst Randy Burns; and Shirley Crownover, Assistant Clerk to the Council, were also present.


Mr. Johnson noted that there would be a Special meeting regarding the terms of bonds to be issued by the Industrial Development Board at 5:45 p.m.

Ordinance Final Reading (a) is an amendment to the Zoning Ordinance and has been discussed by RPA two times. Ordinance (b) is a zoning issue.

Resolutions (a) through (d) all involved Closure/Post Closure Plans and were discussed last week in Public Works committee.

Resolution (e) is a temporary usage and was discussed last week.

Resolution (f) is a Public Works’ item that was covered last week. This was a City Sidewalk Contract, and Councilwoman Scott asked where this was and was told it was for sidewalks on Main Street.

Resolution (h) concerns Enterprise South Industrial Park and was discussed last week.

Resolution (i) declares property surplus that is owned by the City and County and authorizes sale to Eastside Utility District.

Resolution (j) amends an agreement with Global Impact Construction Services, Inc., increasing the contract amount by $15,000, and we do have the funds. The same is true for Chattanooga Neighborhood Enterprise in Resolution (k), increasing the amount by $110,000, and we also have the funds.

Resolution (l) is a temporary use item on behalf of BenchMark Physical Therapy located at 8823 Production Lane at its intersection with Mountain View Road for the placement of signage. Mr. Leach explained that this is out in Ooltewah on Mountain View road; that this property was
annexed in 2002, and they need to replace a sign 16" into the right-of-way, and the only way to do this is by temporary usage. He went on to say that it does not affect the sight triangle, and Utilities have signed off on this.

At this point, Councilwoman Scott stated that she needed to ask a question about the Special Meeting at 5:45. She wanted to know if this meeting was being called to order in the Council Assembly Room for general assembly or if it was just for information. Attorney McMahan explained that the meeting is just for this one Resolution. She noted that this was to approve the terms of bonds to be issued by the Industrial Development Board of the City of Chattanooga and asked if this had any relation to “swaption”, wanting to know the amount of the penalty fee and was told by Ms. Madison that it was $15.6 million. Councilwoman Scott wanted to know if we vote on this tonight, when it will occur? Ms. Madison responded that it would be October 1st. Councilwoman Scott wanted to know the total amount of the issue and was told the total refinancing is $74.8 million—that we are getting $74.8 million in proceeds.

**AGENDA ITEMS FOR SEPTEMBER 28, 2010**

**Resolutions (a) and (b)** are PILOTS and will be discussed in a later committee meeting.

**Resolutions © through (f)** are Public Works’ items and will be covered in committee next week.

**Resolution (g)** is relative to The Passage Repair Project for a change to the contract. Mr. Johnson stated that any questions could be answered next week.

**Resolution (h)** is a temporary usage that will be discussed next week.

**Resolution (i)** was moved to this agenda because Mr. Zehnder is out of town and wanted this deferred. It is a Lease Agreement with ERMC of America for the lease and management of the Skate Park and Pro Shop known as Chattown Skate Park.

**Resolution (j)** is surplus for exchange of property located at 880 Forest Ave. for property owned by Thomas A. Austin located at Francis Street and West End Ave. This is for the Fire Hall that is to be constructed.

**Resolution (k)** is for Brownfields cleanup for Ohls Ave. and 45th Street (Anchor Glass).
Resolution (l) relates to an Amendment Five of the Grant Contract with TDOT for the undertaking of transportation planning and coordination activities as assigned in the Chattanooga Unified Planning Work Program for Federal Fiscal Year 2011, with the Grant Contract not to exceed $2,717,517.00. Ms. Rennich explained that this is an annual amendment; that they process the money through the City, and they ask the City Attorney to sign off on it before it comes before City Council and concerns TPO. Councilman Benson asked if a number of municipalities are involved? Ms. Rennich responded that this is TDOT planning dollars. He asked if this was the County and City together? Ms. Rennich explained that it was a long-range update, and this is separate money behind the scenes; that traditionally it has not come before the City Council, but Attorney McMahan felt that it should this time. Councilwoman Scott asked how it is determined that it come through the City rather than the County? Attorney McMahan explained that the City is the Fiscal Agent for all the dollars—that funding is handled by the City. She asked if this was a major chore for Attorney McMahan, and he responded “no”.

Resolution (m) is an RPA item to enter into a contract with “GTC” for ZAIS software upgrade.

Mr. Johnson proceeded to go over tonight’s purchases. The first one was for Public Works for Plug Valves with Electric Operators from Eco-Tech, Inc. in the amount of $54,440.00. It was noted that 12 bids were sent out and only one returned. Councilwoman Scott questioned this, asking if no one wanted to underbid the supplier? Mr. Johnson responded that no one bid against them. She noted that this was in the tri-state area and asked if we are allowed to go outside, say to Georgia? Mr. Page stated that people would not bid out of state. (Councilman Murphy suggested that this was a monopoly, with Councilwoman Scott agreeing).

The second purchase was also for Public Works for Auto Pumps from QED Environmental Systems in the amount of $82,851.40. The third purchase was for the Fire Department and was a Mobile Resource Tracking Accountability System from Beeler Impression Products in the amount of $31,632.83. Councilwoman Berz wanted to know what we were tracking and was told equipment and people for Federal reimbursement. The last purchase was skilled maintenance labor for Human Services from Evatt Construction, Inc. for approximately $25,000 annually.

Mr. Johnson stated that Councilwoman Berz had asked for some time. She stated that she had two small items. The first item involved her bringing forward at the Council meeting the name of Henry Hoss for the Audit Committee to replace Tim Moore. She stated that she had asked Councilmembers to submit names of someone not in their district; that the Audit Committee also submitted names; that Mr. Hoss was the only name she received, and she had circulated this information to the Council and would bring this up as an appointment tonight.
Her second issue involved a request from Councilman Murphy as to what the Audit Committee was doing. She explained that they took issues that the Council brings before them and reported back their findings. She stated that she thought that Mr. Millsaps had verbally given a report as to the City Attorney matter—that the Audit Committee felt they could do nothing better than the City Auditor had done, and it had been sent on to other hands. She continued, stating that Councilman Gilbert had made a request concerning Mr. Marler, and a report had been received; that the Audit Committee had done what they were supposed to do; that she had heard nothing about the Audit Committee’s report from anyone; that she assumed the Council had received the report and filed it.

Councilman Benson stated that he thought there had been one recommendation concerning this about the scales. Councilwoman Berz stated that we don’t have to do anything—that the Council had received the report.

Councilman Gilbert stated that actually we were getting with Attorney McMahan to submit something to the Council concerning this. Attorney McMahan responded that we had amended the scales—that this had been deleted out of the contract. Councilman Murphy questioned if this should be taken up in Public Works Committee? Attorney McMahan stated that this could be addressed at the next meeting. Councilwoman Berz agreed that this was a Public Works’ matter and could be referred to this committee—that we either need to do something or nothing.

Councilwoman Scott stated that there were two issues—one was the relationship between the contracts and the contracts being expired and not re-written—that this was a Public Works’ issue. Secondly she questioned how we get into these type situations where we don’t know how LLC’s are interrelated. She stated that she would like to see LLC’s identified—otherwise how does the Council know whether there is a relationship between contracts when we don’t know who the owners are. She stated that she would suggest when a contract comes into play that in Purchasing they have some way of saying does the principal manager have other contracts under another LLC name; otherwise, the Council has no way of knowing about internal control issues.

Councilwoman Berz stated that the first question before the Audit Committee was Councilwoman Scott’s—“What are City policies for Purchasing and are we following them? She stated that the answer to both questions was “yes”—that we do have city policies and we are following them. Councilwoman Berz questioned if these policies need to be reviewed? She went on to say that when contracts are brought before the Council for action, that she would like to know the inter-relationship, as well.
Councilwoman Scott stated that “yes”, she thought we need to get at this and know if one contract is serving for conflicts; that here we had three LLC’s all working together by one owner, and the Council could not have known this; that she was not saying that we can’t do business with multiple LLC’s, but we need to know how they are related.

Councilwoman Berz stated that Chairman Rico needed to bring this to the attention of the Council.

Chairman Rico stated that he thought this was a matter for Purchasing to deal with.

Councilwoman Scott asked Mr. Page if the City had any other contracts under different LLC names? Mr. Page responded that they did not ask this question.

Councilman Murphy questioned how frequently this would occur; that the vast majority of contracts with LLC’s are reported to City Departments; that this Landfill contract was pretty unusual.

Councilwoman Scott stated that she was not suggesting that we look at how contracts operate, but the contract we were talking about involved millions of dollars; that she was not saying there had been any mis-appropriation of funds; that she just wanted to know if one person owned the dirt and also the truck that was hauling the dirt.

Councilman Murphy stated that he did not care who the ownership of the LLC was with.

Mr. Page stated that he would ask that they disclose if they have any other contracts with the city.

Councilwoman Scott wanted to know what the conclusion was; that she hoped there would be follow-up. Mr. Page agreed to add this condition, stating that he was working on the procedures right now.

The meeting adjourned at 3:30 P.M.