AGENDA SESSION  
DECEMBER 7, 2010  
3:15 P.M.

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


Mr. Johnson stated that Public Works would cover Ordinance—First Reading of an abandonment for CNE.

**Resolutions (a), (b), and (c)** will also be covered in Public Works.

**Resolution (d)** is for General Services and a contract with Tower Construction to construct a building to be used by the Chattanooga Mobile Communications Services for the management and maintenance of the Tennessee Valley Regional Communication System in an amount not to exceed $310,314.00. Mr. Johnson noted that Paul Page was here to answer any questions.

Councilwoman Scott asked if this required a separate building? Mr. Page explained that it was an addition to a building—that they had to expand. She asked if this needed to be located here? Mr. Page stated that we bought the land from the railroad. Councilwoman Scott noted that it was an amendment to the Capital Budget and asked if this was contingent upon Blount County’s participation? Mr. Page agreed that it was basically contingent but by tomorrow, he planned on having everything in hand.

**Resolution (e)** authorizes an amended agreement with Hamilton County and TDOT for a $1,080,148.00 2010 Transportation enhancement Grant for the next phase of the Downtown Riverwalk construction and approving the City’s half of the required match in the amount of $135,019.00.

**Resolution (f)** is the PILOT that we have just discussed.

**Resolutions (g) thru (i)** are Public Works’ items.

**Resolutions (j) thru (m)** are grants for the Department of Education, Arts and Culture from various organizations. Councilwoman Berz asked if there were any matching funds? Mr.
Johnson stated only one requires matching funds—Kresge Foundation; that the rest stand alone. Councilwoman Scott mentioned seeing $500,000 on each of these and asked if it were the same $500,000? Mr. Johnson responded that the total is $595,000. Councilwoman Scott stated that she would like to look at all of these and make sure the money is right. Mr. Johnson indicated that he had not seen what Councilwoman Scott was talking about. Ms. Madison explained that this was put on each form, and they used the same form for each project; that the Resolution, itself, limits it to the smaller amount. Councilwoman Scott surmised that the second page was not accurate—that it is just $500,000 and not $2 million dollars. Mr. Johnson stated that this was funding for the renovation project, and they were going after what these Foundations had to offer. Councilwoman Scott asked if this was in the Budget that we had just approved. Mr. Johnson explained that it was not in any budget—that these were just Grants we were hoping to attain.

Resolutions (n) thru (v) are Public Works’ items.

AGENDA ITEMS FOR DECEMBER 4, 2010

Ordinance (a)—First Reading amends the legal description by deleting the word “Drive” after the words “Ridgeveiw Circle”.

Ordinance (b) will be deferred from next week to the second week in January, per Councilman Murphy.

Ordinance © amends the City Code relative to vehicles for hire. Councilman Benson stated that this would be ready next week. Attorney McMahan stated that it could be discussed in the Legal and Legislative Committee, with Councilman Murphy agreeing to talk about this today.

Ordinance (d) is a Public Works’ matter.

Ordinance (e) is a Zoning matter.

Ordinance (f) is a Public Work’s matter.

Ordinances (g) thru (l) are zoning issues.

Resolution (a) is an agreement with Brightbridge in the amount of $34,980.00 for Brownfield Cleanup Programmatic Services and Project Management for the project on Tennessee Avenue and the Old 36th Street Landfill Site. Mr. Johnson noted they had managed the Brownfield for a number of years. Councilwoman Scott asked if this was Brightbridge and wanted to know if this was clear from a conflict of interest and asked if they managed allocations for money for the brownfields. Mr. Page responded that they do, with our permission. She asked if this money
being allocated is not money they have any say-so over? Mr. Page stated that he talked to them every day. Councilwoman Scott stated that was not what she was asking; that the City asked to keep track of this. Mr. Page responded that it was not in this sense at all—that Brightbridge bid on this to be our person, and we selected them. Councilwoman Scott stated that she was not sure we should have a person who manages money and also bids. Mr. Page maintained that it was not the same money. Mr. Johnson added that if a company wants to borrow money they go through them—that these are clean-up grants and has nothing to do with loans. Councilwoman Scott asked if the grants were not managed by them at all? Mr. Page stated that contractors do the work, prompting Councilwoman Scott to ask if Brightbridge are contractors now? Mr. Page responded “no”—that they expedite this. She asked again if they were a contractor for us? Mr. Page maintained that this was our best proposal. Attorney McMahan confirmed that they were not a qualified contractor. Mr. Page stated that we went all over, and they were the best. Councilwoman Scott stated that it was good to know that there was no conflict of interest.

Councilwoman Berz went back to Ordinance (j)—Fletcher Bright from O-1 to C-2 for property located at 550 South Terrace. She asked if this was where the K-Mart was and wanted to know about any plans since this was in District 6. Adm. Leach stated that most of it is in East Ridge. Councilwoman Berz stated that the parking lot and liquor store were in her district and wanted to know what they are trying to do. Adm. Leach responded that they were trying to get commercial zoning to redevelop the property. Councilwoman Berz stated that they needed her parking lot and liquor store.

Resolution (b) authorizes a quiet title action for 1029 Dartmouth Street and the former Alton Park Recreation Center located at the corner of West 45th and Central Ave. Mr. Page stated that we do not have a deed for Dartmouth Street. Councilwoman Scott asked if this were “interested parties” or “heirs” and was told “heirs”.

Resolution © authorizes acceptance of a sculpture entitled “Arise” by Andrew Light of Lexington, Kentucky and donated by the Friends of Hixson for the collection of City Public Art to be located in the Hixson Community at Access Road and Hixson Pike. Ms. Townsend noted that Adm. Zehnder was out of town; that this is for the Arts in the Neighborhood Program and Friends of Hixson raised the matching money.

Resolution (d) authorizes a Loan Agreement with the Tennessee Department of Environment and Conservation in the amount of $5,500,000 and to make pledges of certain revenue in connection with said loan for the ISS capital projects. Mr. Johnson stated that this was Daisy borrowing money. Ms. Madison stated we are funding one-half of capital projects for ISS in the FY’11 Capital Budget; that we will talk more about this in Public Works. Councilwoman Scott asked the interest rate? Ms. Madison responded that it was around 2%—very low. Councilwoman Scott stated that one of her questions was that we hear how the Sewer Budget
is separate and apart and is run by fees, but this Resolution has the City paying back in Ad Valorem taxes, which is a whole different “ball of wax”.

Ms. Madison explained that the lowest interest rate is backed by the General Tax base; that Enterprise Funds, for establishing rates, deduct these bonds from true Obligation Bonds because historically, they are self-sustaining—that we get a better bond rating this way; that technically it is backed by Ad Valorem but funded by ISS; otherwise it would be a higher rate, and the cost is borne by the same group of taxpayers.

Councilman Murphy asked if EPB was also revenue based? Ms. Madison responded that organizations can raise the tax rate. Councilman Murphy noted that in fact both the Water Company and Sewers should have declined—that this was an interesting perspective.

Councilwoman Scott asked how this would be reported on the Funding Form as direct debt? Ms. Madison mentioned a General Obligation Debt, Self-Supporting Debt; and Net Debt. She stated that we called this double-based debt.

Councilman Benson stated that then we are the umbrella as we can get a better rate, questioning if we had done this for the Power Board? Ms. Madison acknowledged that we do have the option to issue revenue debt for sewers, but it is not cost effective.

**Resolution (e)** authorizes payment of 2011 Membership Dues for the National League of Cities in an amount not to exceed $10,610.00.

**Resolution (f)** authorizes renewals of a five-year Lease Agreement and Management Agreement between the City, Chattanooga Downtown Redevelopment corp., and MarineMax East, Inc. Councilwoman Scott asked if this lease should be this long? She acknowledged that she was talking about the duration and not the verbiage—that the verbiage was fine. She suggested that the duration be decreased. Chairman Rico asked if there was not an out-clause? Mr. Johnson stated that previously it was for five years, and we had asked for five years to get more revenue and for them to get established—that he thought this was a good period of duration. Councilwoman Scott questioned why we did not buy this at the beginning? Mr. Johnson responded that that was not his decision; that they wanted expertise in managing this. Councilwoman Scott wanted to know what the “dredging” issue was? Mr. Johnson stated that we would have to do this anyway; that Ms. Scott would have to get an engineer to tell her more about this. Councilwoman Scott also questioned the restaurant the City will be building? Mr. Hilbert stated that we are not building a restaurant.

Councilwoman Ladd added that when construction begins, they will “demo” the “A” Frame Building, and the City will provide them trailers; that the terms of their Agreement is acceptable; that Councilwoman Scott made a good point on our managing it—that there was
not close management and better management was the issue; that she thought the duration was fair; that this was industry specific; that she was fine with the duration but would underscore that this needs to be closely managed.

Councilwoman Scott asked if CDRC was not building a restaurant and was told “no”.

Attorney McMahan noted that Mr. Schimpf was part of this agreement.

Councilwoman Scott wanted to know what Exhibits “D” and “F” refer to? Attorney McMahan explained that it was a diagram of Mr. Schimpf’s development; that “F” is the legal description, which has not been prepared yet; that this is all part of the agreement with Mr. Schimpf.

Councilwoman Scott still maintained that the Agreement says we are going to build the restaurant, asking if the City may raze the building. Attorney McMahan stated that it would be for his construction.

Resolution (g) authorizes the Police Department to apply for and accept a Buffer Zone Protection Plan Grant in the amount of $170,091.80. Councilman Murphy asked if we had not already done this? A Police Captain that was present explained that Homeland Security has approved a vessel for the SWAT Team—that there are no matching funds. Councilman Murphy stated that the last one dealt with the Police Service Center to insure that they would not get encroached upon. The Captain assured that this is approved specifically for this vessel.

Resolution (h) authorizes the Police Department to apply for and accept a Domestic Preparedness State Homeland Security Grant in the amount of $99,000.00. This is for radios.

Mr. Johnson proceeded to go over purchases, the first one being for Public Works and a blanket contract for Sewer Spill Cleanup and Repair from Servpro of North Chattanooga in the amount of $8,000 approximately. The second purchase was for Information Services and a purchase of a blanket contract for network equipment from Coleman Technologies, Inc. in an amount not to exceed $100,000.00. The last purchase was for the Fire Department and a blanket contract for Firefighter’s Protective Equipment from Tennessee Fire Equipment in the amount of $30,000 approximately.

Councilwoman Scott questioned the first purchase for Sewer Spill Cleanup and Repair. She stated that she assumed this was for sewer spills that had contaminated peoples’ homes. She asked if the Council could get a summary of what this has costs for the last two years for homes and such things as the river clean-up and problems such as that in Lookout Valley. Mr. Norris stated that the Lookout Valley cost $44,000. Adm. Leach asked her how far she wanted to go back? He noted that some years it might be $20,000 and another year $8,000; that he could give her the last two years. She stated that it seemed we were constantly cleaning up, and this
was very frustrating to people. Adm. Leach stated that it was frustrating to them also. She stated that there had been an expediential climb, and she was having a hard time wrapping her hands around this; that it just keeps happening.

Adm. Leach responded that they were as frustrated as anyone; that pipes break and things get stopped up, and they tried to react as quickly as possible; that this varies from year to year; that they were trying to manage this better, but all of this is happening; that we had invested a lot in this system; that the parts are very old; that we have 70 pump stations and are trying to do a better job managing, and they were as frustrated as anyone.

Mike Patrick added that they were actively searching for overflows, and this was one reason the cost is going up.

Councilwoman Ladd stated that she had asked Public Works what was causing the increase in overflows and one of their responses made sense—that they had changed what they classified as a spill and were reporting new incidents, which made this look higher. Mr. Patrick agreed that they report everything.

Councilwoman Scott stated that the quantity of the flow has increased; that we need to do everything we can to address these issues on a permanent basis and be “more Johnny on the spot”.

Councilman Murphy asked how they were coming along on the Standard Operating Procedures; that there really was not a manual and efforts were underway to draft one. Mr. Patrick responded that they were making pretty good progress; that he would send Councilman Murphy a draft. Councilman Murphy responded that he did not necessarily need to see this; that he just needed to know when it is completed; that this is an incredibly complex system and is managed by human beings; that he knew he was imperfect, but he thought there was probably room for improvement in this area.

Councilman Benson stated that he thought we needed to look at the big picture; that this smells like money to him and a sign of a good economy; that we will have more problems like this as we grow—that it is like traffic.

Adm. Leach stated that they were aggressive with the Sewer System.

Councilman Benson stated that we are having an explosion in population and the economy is improving, and this will create more problems.

Attorney McMahan reminded that we are under enforcement action and part of this requirement is that we don’t have these spills.
Adm. Leach stated that we needed to look at regional customers. Councilman Benson noted that we are treating North Georgia and asked how we look at them? Adm. Leach agreed that we can’t enforce anything against them for not maintaining their system, and we are dealing with the FED’s. Councilwoman Scott questioned us serving them and not being able to enforce. Mr. Norris stated that right now, we could not enforce, prompting Councilwoman Scott to say “this is a mess”. She asked if charges were based on I&I? Adm. Leach responded that they were based on flow. Councilwoman Scott stated that cleanup would be faster if the bill went ahead of this.

The meeting adjourned at 4:10 P.M.