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


Mr. Johnson asked that Steve Hiatt of the Chamber be allowed to cover Resolution (m), relative to purchasing a tract of land at Enterprise South Industrial Park and conveying to ADM for $623,700.

Mr. Hiatt explained that this is an offer to purchase 18 acres at the Industrial Park; that he had already briefed Councilwoman Scott about this. He stated that he, Paul Page and Paul Parker had been working with ADM, a commercial sweetener company, for two years; that they will be consolidating three facilities in this region—cane sugar, beet sugar, and liquid sugar; they will take commodities off of rail cars and ship to southeast Tennessee—McKee Bakery being a large user. He stated that this was a real good program for ADM and good for the community as well; that it is a long narrow tract at Enterprise South and sold at $37,000 an acre. There are two buildings on the property that will be torn down that are 40-50 years old. He stated that this is a win-win for the community and no incentive is involved. This allows the community to assure Volkswagen that there will be two rail carriers to serve the entire park. He noted that Kevin Horton, area manager for ADM, was present and Paul Parker of the County.

Councilwoman Robinson stated that she was looking at this for the first time, and this was an amazing fit, and it was very smart to grow Enterprise South. She stated that she was happy to see this.

Councilwoman Scott stated that this was an exciting way to expand business; that she was delighted to bring this to a really good place; that she was also happy with sweeteners because she enjoyed “goodies” made with them; that this looked favorably upon economic development for many reasons.

Councilman Benson stated that he would like to know more about the company. Mr. Horton stated that they were based in Decatur, Illinois and were nation-wide in making types of sweeteners; that most of the process is done in the Midwest. It was noted that this is on tonight’s agenda.
Councilwoman Scott questioned if this gave adequate notice. Attorney McMahan explained that the County had given notice, and the public had already been noticed. Councilwoman Scott indicated that she was fine with this as long as we are within the law.

At this point, Councilwoman Berz moved that a Resolution on next week’s agenda be moved to tonight. This was seconded by Councilman Benson. It pertains to an agreement relating to external audit services. Attorney McMahan added that this is an administrative matter and nothing that the public has the right to receive notice on. Councilwoman Berz stated that time was of the essence, and that was why she asked that this be moved up; that since Charles Millsaps was present, she asked that he be allowed to speak.

Mr. Millsaps stated that the Audit Committee met a week ago and considered the proposal that went out for a City Auditor—that there were only three proposals. One firm out of Nashville only wanted to deal with the IDB and HEB and also Harry Tate in Chattanooga, the fee being $37,000. The other two were in the $26,000 range—Hazlett, Lewis and Bieter and Henderson, Hutcheson and McCullough—both are proficient in governmental work. Henderson, Hutcheson and McCullough is a fixed fee and Hazlett, Lewis, and Bieter an estimated fee. He noted that last year Hazlett, Lewis and Bieter were 7% more than the estimated fee, but both firms were about the same in cost.

Mr. Millsaps went on to say that there were two considerations—that Hazlett, Lewis and Bieter had been doing this for the City for 20 years and have experience working with the City and are up to date on the Codes. The question was brought up concerning using Hazlett, Lewis, and Bieter for 20 years as to would this reflect an independence problem; that private industry changes every five years. After that, there was a motion on the table to enter into a two-year contract with Hazlett, Lewis, and Bieter and the vote was three to one.

Councilman Benson stated that he appreciated the work done by the Audit Committee—that we have our own Internal Auditor and this is the External Auditor; that the last time we extended this, Hazlett, Lewis and Bieter were not the lowest bidder, but we felt it was wise to extend their contract, but he really did not understand how we can justify not abiding by the guidelines of the State.

Mr. Millsaps explained to Councilman Benson that it was the Federal Government that required a new auditor every five years; that other municipalities automatically change, but it is not a State requirement.

Councilman Benson stated that he thought it was time “to rotate a few crops”; that it was a 3-1 vote; that he felt like this should have been rotated the last time

Councilwoman Berz stated that she had no vote in the Audit Committee.
Councilwoman Ladd stated that she was hearing a presentation that there was a question of staying with Hazlett, Lewis and Bieter because of a concern about independence. She asked if they were at a fixed rate and was told “no”, asking if this was another reason for staying with Hazlett, Lewis, and Bieter? Mr. Millsaps responded that it was their familiarity with the City’s accounting system. Councilwoman Ladd stated that she would support the Audit Committee’s decision.

Mayor Littlefield had just joined the meeting and did not know the questions that were floating around—that he thought the Council was talking about a contract for a new Auditor.

Councilwoman Scott stated that she thought we were fortunate to have two wonderful firms that were capable; however, she thought, from time to time it was good to get a new set of eyes; that we have a history of a good firm, but she felt we should rotate people with new ideas; that we know both are good firms; that businesses do rotate every five years, which means that it is a good business practice; that she thought we had a new, good firm to go with.

Mayor Littlefield stated that he was getting up to speed with this issue—that he had received a message from Richard Beeland that the Council was discussing this; that he really thought we needed to be fair and open to new ideas; that we had a number of fine firms locally that are available and thought we should look at other options; that we had had the same firm for a long time and the last time the one competing had a lower bid and now the roles were reversed. He noted that some people were asking why move things around? He noted that sometimes we need to look at other things; that new eyes and new people will find some new things; that we hire an auditor to find things that need to be corrected.

Mr. Johnson noted that according to the Code, this is a joint selection between the Mayor and City Council; that his recommendation would be that we do make a change with a different set of eyes and a different look; that he had nothing against the other guys, but we needed a new look.

Mayor Littlefield noted that some have a policy to change from time to time; that we had gone long enough and competition had fairly submitted bids and proposals; that he respected the Audit Committee’s view of three to one vote, but it was not unanimous, and they are a small sample of the community. He again stated that their views were important but were only a recommendation and not a mandate.

Councilman Gilbert asked that Daisy Madison be allowed to speak on this issue. Ms. Madison stated that she had never been in this position before—coming with an opinion after the Mayor and Chief of Staff; that from her perspective, we just need an auditor; that both firms being discussed are professional; that there is some ease with using the same firm but that is not the primary basis for selection—that you are always comfortable with what you are with, but she was not comfortable with delaying this decision; that they would work with either one.
Councilman Benson stated that he wanted to re-emphasize what the Mayor had said; that sometimes we get tunnel vision, and it was a reasonable recommendation to change, and we should have been doing this before; that from the present Auditor we had had nothing but glorious reports and then lots of problems. He mentioned an individual with a problem that they had not seen because they had been here so long; that the Mayor is right on target, and we need to “rotate crops”.

Chairman Rico added that we go through things like this and need a new set of eyes.

Mr. Johnson went back to **Ordinance V(a)** concerning a franchise for Memorial Health Care System, stating this was discussed in Public Works committee last week.

**Ordinance VI(a)** has to do with establishing event fees for Parks and Recreation and will be discussed in committee later.

**Resolution (a)** relates to the City Attorney’s office retaining the law firm of Gearhiser, Peters, Cavett, Elliott & Cannon, PLLC regarding the Hargreaves’ case. Attorney McMahan asked if there were any questions; there being none, Mr. Johnson moved on.

**Resolutions (b) and (c)** are also Parks and Recreation items.

Councilwoman Berz asked that **Resolution (b)** for use of the barn on the Brown Acres Golf Course be deferred for one week because discussion is needed with the neighborhood in District 6.

**Resolutions (d) and (j)** have to do with the Department of Neighborhood Services and were discussed by Beverly Johnson last week.

Ms. Johnson stated that she would like to say in regards to agencies and funding that she would like to make sure that the Council understands that the funding received goes directly to the client and not administrative costs.

**Resolutions (e) thru (i)** were discussed in Public Works’ Committee last week.

**Resolution (k)** is a Parks and Recreation issue, as well as **Resolution (l)**.

**RESOLUTION ITEMS FOR APRIL 12, 2011**

All the Ordinances for first reading are Zoning matters.

**Resolution 7(a)** amends Resolution No. 26141, and there is no increase in fees.
Resolutions (b) and (c) will be discussed in Parks and Recreation Committee.

Resolutions (d), (e) and (f) are temporary uses and will be discussed in Public Works committee next week. Resolution (h) is also a Public Works’ item that will be discussed next week.

Resolution (i) is a PUD and is a zoning issue. Mr. Bridger added that this has to do with natural trees along the street.

Mr. Johnson went over two purchases on tonight’s agenda. Councilwoman Ladd asked on the second one if we know they are unit prices and if they are consistent. Mr. Page confirmed that they were consistent. The third purchase was an Emergency Purchase that Mark Keil was supposed to address. He will not be present tonight because of trees down in his yard, and Mr. Johnson asked that this be passed off until next week.

The meeting adjourned at 3:35 P.M.