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

Others present included Dan Johnson, Daisy Madison, Ronald Swafford, Steve Leach, Jerry Stewart, Jim Templeton, Lee Norris, Dennis Malone, Donna Kelley, Chief Parker, Richard Beeland and Sandra Gober.

Dan Johnson referred to tonight’s agenda and stated there will be a special presentation by Councilman Gilbert; that Ordinance (a) on final reading to amend the Charter for the office of Internal Audit and Audit Committee was discussed quite often. He stated the ordinance on first reading having to do with Personnel Appeal Hearings will be discussed in Legal and Legislative Committee. Chairman Ladd stated there is someone present who would like to make comments in regard to this ordinance.

Mr. Johnson stated Resolution (a) is a public works item that was discussed last week concerning their policy agreement with the state; that item (b) is a Memorandum of Understanding explained last week by Chief Parks. He stated item (c) amends the Debt Management Policy to incorporate an addendum referencing the Electric Power Board. It was noted representatives from EPB were present if anyone has questions; that it is pretty straight forward. Chairman Ladd stated she does not have any lights indicating a question and assumes everyone is alright and ready to vote on this tonight.

Councilman Benson asked if Mary Stewart was present from AT&T; it was noted she was not present. He stated it is a debt management policy which is like “motherhood and apple pie” and does not see any reason to take any time with it. Chairman Ladd stated there appear to be no questions and no need for further discussion.

Resolution (d) and (e) are both items entered by the Council referencing support for non-closure of the post offices and Taft Center, respectively.

Councilwoman Scott asked if any Council member received any data from the post office regarding how they reached this conclusion; that she knows there have been hearings and things like that.

Councilman Rico stated other than the hearing he went to, the Postmaster from Nashville said no decision has been made to close anything; that none will be closed until after May 15; that it is going to be a business decision basically. He stated he asked if people should talk to their Congressman instead of Councilman as we do not have anything to do with it and was told “no”; it does not matter because it is not a government agency, it is up to them to do what they think is best for the post office.
Councilman Benson stated he wanted to talk about the Taft Center; that it is our business directly on the Taft Center in the state of Tennessee. He stated what our children are receiving are rehabilitation services and we do need to keep that up; that a business decision to close it would be terrible.

Councilman Gilbert expressed understanding of Councilman Rico’s comments noting it is a federal decision, but it does make a difference when other governmental people give their opinion to make a final decision, even though it is a business decision. He expressed hope they will keep one inside a local area; that it is a good resolution.

Councilman Rico stated that is why he asked them not to close the ones in his district.

Mr. Johnson stated Resolution (f) involves intervening in the case of Littlefield vs. Election Commission.

Mike McMahan stated Councilman Murphy will take the lead on this and will decide to do this in Legal and Legislative or have a private attorney/client meeting; that he will leave it up to him as to how to handle it.

**AGENDA: JANUARY 31, 2012**

Mr. Johnson stated there are no first readings and indicated Resolution (a) authorizes the CFO to enter into a line of credit agreement with CARTA.

Councilwoman Scott stated she thinks she understands what the problem is, however she has two concerns: one, there does not appear to be any date certain when this letter of credit expires and it is her thought there should be a date certain. She stated in addition to that she would like to have a date whereby the debt is supposed to be paid back; that she is uncomfortable with having just an agreement to have an un-ended letter of credit on the city of Chattanooga. She stated she knows other institutions like Erlanger did somewhat of a letter of credit on Hutchison Medical Center and now they are in problems and we do not have complete control or knowledge of what our financial situations will be always and think it would be a safer thing to do than just not have a date involved.

Admin. Madison stated Councilwoman Scott is absolutely correct; that the agreement has not been written up and the City Attorney is working on it and a copy will be provided in the next package this week. She stated what is envisioned is this will be a one year line of credit to CARTA in anticipation of grant funds they will receive from the state and at the time they receive the funds we will be reimbursed in its entirety. She stated the entire amount outstanding will be reimbursed with state funds and this document will have renewal terms from year-to-year-to-year.

Councilwoman Scott questioned “year-to-year-to-year”. Admin Madison stated it can be renewed or not renewed each year.
Councilwoman Scott stated in that case she would like for it not to be an automatic renewal because sometimes things happen and they continue to roll over and Council may forget about it.

Admin. Madison stated she thoroughly intends to include in the contract that these funds will be essentially collateralized with any appropriation the city allocates to CARTA, which is in excess of $4 million annually. She stated to the extent we are not paid we will withhold our funds.

Councilwoman Scott asked if we have ever done a letter of credit for an outside organization before and wondered if we will be setting a precedent for every organization that gets into difficulty with their cash flow. She stated the city is not a bank; that she does have questions in her mind about do we need to start acting like a bank.

Admin. Madison stated the logic is the city essentially funds 80 percent of CARTA’s funding and as such they are a city entity, so the extent they are now going to a banking institution and securing a line of credit at a financing cost that is much higher than necessary, the city essentially subsidizes that by way of this appropriation. She stated this is a means by which the city can reduce the cost of operating that entity which is essentially established by the city and largely funded by the City. She stated “no” this is not a precedent it has been done prior but was a long time ago.

Councilwoman Scott asked if we got our money back then. Admin. Madison responded “sure”.

City Attorney McMahan stated for the benefit of anyone else who may be looking for a line of credit from the city he assured them the city is very constrained in giving lines of credit; that it can only do so to quasi-governmental entities, otherwise the Constitution would prohibit us from granting our credit to any private agency. He stated quasi-governmental agencies are the only agencies the statutes of Tennessee authorize us to give money to; that we are authorized to give money to CARTA and if we were not we could not enter into a line of credit.

Admin. Madison stated this is definitely a unit of the city and in the annual financial reports they are considered part of our entity.

Councilwoman Scott asked why, if they are also federally funded and the state may fund them, also. Admin. Madison responded “yes” with reference to federal funding and acknowledged “some monies from the state” with reference to state funding.

Councilwoman Scott asked the reason why they are late if they know they have a mandate to fund and assumes they have about the same mandate we do -- why are they late.

Admin. Madison stated it is a matter of timing as to when they actually approve their grants; that part of it has to do with the difference of fiscal year ends at the federal level. She stated she would really need for Tom Dugan to speak to that; that it has to do with timing of the approval of money by the state.
Councilwoman Scott asked if someone actually changed their fiscal year. Admin. Madison responded ”no”; that it has been a problem for them for quite some time.

Councilwoman Scott asked if we have done this for them before. Admin Madison responded “not during the past couple administrations” but it has been done in the past.

Mr. Johnson continued with the agenda to resolutions (b) – (d) Neighborhood Services HOMEAgain program funds noting the Council would be briefed next week regarding these; that they are the normal annual grants with HOME funds.

Resolution (e) for a temporary use will be discussed next week in Public Works Committee.

Councilwoman Scott asked if a discussion will be held regarding the resolutions involving the parks department. City Attorney McMahan stated that was moved for a meeting with the Parks and Recreation Committee and it was decided this morning further changes to the draft were needed as originally prepared. He stated it will be coming back in two weeks before the Parks and Recreation Committee.

Councilwoman Scott stated if we have any comment, are we to hold them on the old copy until we get the new one.  City Attorney McMahan stated Council members should feel free to send any comments as it will help when it is drafted.

Mr. Johnson stated resolution (f) is an agreement with UTC and is a Public Works project that will be discussed at next week’s meeting.

Councilwoman Scott requested a copy of the agreement for this resolution as it was not included in her packet.

City Attorney McMahan stated that one was not quite finished; that the Public Works Department submitted an agreement to be used and both his office and the office of attorneys for UTC thought it needed some amendments and they are working on the amendments now and will get them out well in advance of the Council’s vote.

Resolution (g) requests the Legislature to adopt legislation for reciprocal enforcement of alcohol and beer laws and regulations.

Councilwoman Scott asked if Councilman Murphy has had an opportunity to look at this and interested in having it in his Committee or if he prefers she include it in hers. Councilman Murphy stated he looked at it, is fairly straight forward and would have it discussed in his Committee.
**PURCHASES**

- Fire Department, Single Source Purchase of HazMat ID Upgrade to Smiths Detection, $15,000
- Human Services, Blanket Contract for Floor Cleaning Services, Certified Maintenance Service, $13,500 annual approximation
- Public Works, Blanket Contract for Various Valves, Piping Supply Co., 450,000 annual approximation
- Public Works, Blanket Contract for Galvanized Steel Fittings’, Chattanooga Industrial Supply, $50,000 annual approximation
- Public Works, Blanket Contract for Cooling Tower and Hot Water Systems Chemical Services, Culligan Water Systems, $30,000 annual approximation

Councilwoman Scott asked for more information about what this involves, what we will be getting, how it differs from anything else we have ever done or if it is the same.

Jerry Stewart stated this is nothing different from what has been done before; that we have a number of cooling towers and will treat the water that is re-circulated to keep it from corroding in the tubes in the cooling towers and compressors.

Councilwoman Scott asked what is being added.

Mr. Stewart stated chemicals will be added to make sure we do not have any corrosion to keep scaling from occurring, adjust the PH and to make sure we do not have any algae or biological stuff growing in the cooling towers.

Councilwoman Scott asked if we have always contracted this in the past. Mr. Stewart responded “yes”.

- Public Works, Blanket Contract for Erosion Control Materials, Jen-Hill Construction Materials, $29,000 annual approximation

**MINUTE APPROVAL**

On motion of Councilman Robinson seconded by Councilman Rico the minutes of the previous meeting were approved as published.

The meeting was adjourned.