AGENDA SESSION
AUGUST 7, 2012
3:00 P.M.

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

Others present included Danny Thornton, Johnny Feagans, Dan Johnson, Mark Keil, Jana Lowery, Mike Patrick, Tony Boyd, Jerry Stewart, Donna Kelley, Madeline Green, Ron Swafford, Gary Hilbert, Richard Beeland, John Bridger, Dennis Malone, Steve Leach, Lee Norris, Bill Payne, Chief Kennedy, Sgt. Smeltzer, Larry Zehnder, Daisy Madison, and Jim Templeton. John Van Winkle joined the meeting later.

Chairman Ladd noted that this was the only air-conditioned room in the building. She also noted that the latest agenda, which was not available to the Council, contained a Special Presentation by Jerry Stewart. Before he began, Mr. Johnson, noted that the lack of air conditioning in Council Building might be implementation of the new Executive Order!!

Mr. Johnson then began with Ordinance 5(a) which was discussed in Public Works meeting last week. The next was Ordinance 5(b) amending the Budget Ordinance to appropriate $250,000 to the Chattanooga History Center from the Economic Development Fund. Councilwoman Scott asked if this should be an outright donation or a loan? Mr. Johnson responded that it was an agency allocation, prompting Councilwoman Scott to surmise that is was just “free money”. She stated that she would suggest that this be a loan or a pay-back period without an interest rate. Mr. Johnson stated that it was in last year’s budget and should have been paid in two installments; that it was omitted from the Budget erroneously; that it is classified as an allocation or contribution and is not something new; that it is enhancing the waterfront, which is a tourist attraction.

Councilwoman Scott stated that she thought this was a good time to do something different; that we could use the Economic Development Fund money for other projects, which would be beneficial; that this money is coming from the City of Chattanooga and many more will be asking, as well; that there is no downside to “seed money”, and she thought this would be a great idea, and this should be taken off the agenda and look at doing something like this suggestion, and then bring it back.

Councilman Benson saw this as the final step of a commitment; that this was committed from the Economic Development fund for $500,000; that the History Center had also made a big commitment, and this is in the heart of development; that it is similar to what we did for Fortwood, which does not generate any money. He stated that he did not think we could break our commitment.
Councilman Murphy asked for an explanation of where the funds are coming from. Ms. Madison responded from the City sales tax, and these are earmarked and designated funds.

Councilwoman Scott asked about the City’s outstanding balance of debt and was told by Ms. Madison that it is one hundred and ten million dollars. Councilwoman Scott responded that it would be nice to have something coming back to us to fund other things and to be able to pay off the debt that we owe.

Councilman McGary stated that he could understand Councilwoman Scott’s point to a degree—to use the money to pay back debt—that we are already doing this; that he certainly thought that Economic Development is a form of debt repayment because it generates additional income—that he did not think this was “free money”.

**Ordinance 5(c)** amends the City Code relative to the Board of Directors of Libraries.

**Ordinance 6(a)** amends the Budget Ordinance so as to provide a one-time pay adjustment for certain employees. Councilman McGary asked Councilman Murphy if he would re-visit this in Legal and Legislative Committee today? Councilman Murphy responded that the Council had already discussed this and thought it would be up for the vote this week. Councilman McGary felt that what is actually being presented should be discussed. Councilman Rico stated that we could discuss it from the point of what the consequences would be.

**Resolution 7(a)** is an annual agreement between the Department of Human Services and various agencies for a total amount of $1,395,436, to be funded by grant funds for Human Services from the United States Government. Ron Swafford was present for questions.

**Resolution (b)** was discussed in Public Works last week and is a blanket contract relating to four companies. Councilwoman Scott asked if any of these companies had done a survey in the past, and we had had to re-do the work by someone else because of their mistakes? Mr. Payne responded that he was not aware of surveying mistakes; that we had to update the work. Councilwoman Scott asked about “sewer modeling”? Mr. Payne responded that he was not sure; that there was an as-found problem. Councilwoman Scott asked “why”? Mr. Payne explained that it was a joint venture, which was a bad fit, and we switched vendors, and the issues were resolved at a lower cost. Councilwoman Scott again asked if we had to do work over related to these companies? Mr. Payne responded that Aracdis was part of the joint venture he spoke of and also Earthworx were part of it, but he would not characterize it as what Councilwoman Scott was saying—that the process had changed. Councilwoman Scott asked if there were no errors in the work? Mr. Payne explained that it was a matter of additional work and making everything match; that there were some inconsistencies. Councilwoman Scott asked if we paid two companies for the same service? Mr. Payne explained that we started with a pilot and then expanded and made the decision that it was not working with the vendor, and we changed the process and had to repeat some of the work and
did not get our money back. She asked if he felt comfortable with the skills of these vendors? He responded “yes”—that they were interviewed by a selection group and some do different types of work, and the pricing is for what they do best.

Resolution (c) is an MOU with Erlanger Hospital and the Tennessee Valley Regional Communication System for Erlanger’s participation in the System.

Resolution (d) was discussed in the Public Works last week. Resolution (e) is a Parks and Recreation item and will be discussed by Adm. Zehnder in committee.

AGENDA ITEMS FOR AUGUST 14, 2012

Ordinances (a) and (b) will be discussed by Public Works next week. Ordinance (c) will be discussed later in Legal and Legislative Committee. Ordinances (d) and (e) are zoning matters. Councilwoman Scott asked to draw attention to Ordinance (d), which is an amendment from R-1 to C-2 on property located at 111 West Bell Ave. She stated that there was an error in the minutes—that the minutes stated that there was no opposition to this, and there actually was opposition; that the minutes have been corrected to note that the Hill City Neighborhood Association were in opposition, and she would like for everyone to take this into consideration.

Resolution 7(a) recommends adoption of the Gateway Plan for Moccasin Bend and Stringer’s Ridge and will be discussed later today.

Resolution 7(b) authorizes Michael A. Ballinger as a special police officer for the Public Works.

Resolution 7(c) is a recommendation that the Bureau of Alcohol, Tobacco, Firearms and Explosives expedite rulemaking regarding the use of bright colored firearm components. Mr. Johnson noted that the Council had “guns” on the podium.

Resolutions (d) thru (g) are Parks and Recreation items. Resolutions (h) thru (o) will be discussed in Public Works next week.

Mr. Johnson stated that the City Attorney could speak to Resolution (p) relative to administrative regulations for conduct of employee disciplinary hearings to reflect ten days rather than 15 days. Attorney McMahan explained that the Administrative Law Judge noticed the inconsistency in regulations; that this deals with the rights of employees to appeal after a decision has been made to ten days. Councilwoman Scott asked if this was business days or calendar days? Attorney McMahan explained that ten or more days is calendar days; that less is considered business days. Councilwoman Scott asked if this was clear to all who would be reading this? Attorney McMahan stated that the ALJ was good about explaining rights.
Resolution (q) approves CHA’s low income public housing project plan for Dogwood Manor Apartments. Chairman Ladd noted that there would be a 2:00 P.M. meeting at the DRC Bldg. on Thursday—that this is a Public Meeting for CHA to present information on Dogwood Manor.

Resolution (r) authorizes an additional estimated amount of $4 million dollars extension to the blanket contract with Excalibur Integrated Systems. Mr. Johnson explained that this was “mesh equipment” that would be added to the system and that Mark Keil was present for explanation.

Mr. Keil explained that this is a blanket contract as funds become available—that it is not to fund the money now but as funds become available; that the first Recreation Center now has a wireless network—that most of this will be coming through Federal and State grants. Chairman Ladd asked which Recreation Center and was told Washington Hills.

Mr. Johnson went over the one purchase on tonight’s agenda for Public Works, which is a Sewer Modeling License Agreement from Innovyze for $14,345.00. He saved the reading of Board Appointments for tonight’s meeting.

BLUE CROSS AND MEMORIAL NEGOTIATIONS

Chairman Ladd noted that Ms. Kelley had asked for an opportunity to go over the negotiations between Blue Cross and Memorial.

Ms. Kelley noted that this was the first week of Memorial Hospital being out of the network as far as city business—that this does not affect those who are under the Blue Network; that since this first week, we have been in communication with Memorial Hospital and our insurance carrier, and there is some good news and that Madeline Green would go over how this is supposed to work. She noted, however, that nothing had been resolved between Memorial and Blue Cross-Blue Shield; that we were getting weekly updates and did have some options; that it was important, as we contemplate options, that we hear from the Council; that these are important choices and options that will be considered over the next few months; that if negotiations completely fail, and they did not think this would happen, but it could, that they were ready with a couple of handouts so that everyone could understand what this is about.

Ms. Green noted that everyone had been getting letters from Memorial and Blue Cross/Blue Shield; that first of all, all of these negotiations are fluid and on-going, and this is not a “done deal”; that negotiations have been stalled because they are at the corporate level, and there is a lot of distance between; that in Network P, all of the doctors are still in; Memorial’s Mission will still be in the network, and this does not affect the Heart Institute, either; this does affect Memorial Hospital and MRI’s and CT Scans and Day Surgery. She explained that if an employee is receiving service right now, they will not be affected, and the cancer treatment will be in the network. She stated that the problem was that Blue Cross says Memorial is asking for a huge
increase as a matter of fairness; however this is not dollar for dollar but concerns the ways fees are being paid—that all of these things come into play, and there are not a lot of moving pieces; that if Blue Cross gives in right now (10% more), it will increase our costs greatly and the community as a whole will be affected. She stated that they had also heard Memorial’s side, and she personally hoped they figured this out quickly. She noted that 46% of our money is paid to Memorial Hospital—3.46 million dollars versus 1 million dollars to Erlanger; that if we did pay the increase they are wanting right now it would be $370,000. She went on to say that Memorial is saying that if our employees go to Memorial for services, they would just have to pay in-network fees, and there would be no difference at all but that Blue Cross is demanding out of pocket deductibles; that Memorial is saying if costs are applied to out-of-network, they will make up the difference, but this would be hard to do; that the best thing for us is to pay like our contract is set up.

Ms. Green stated that one of our options is to stay put and continue using Memorial and let Memorial negotiate claims; a second option is to temporarily set up a plan for out of network, which will apply to in-network deductible; that if we change this temporarily, the amount of money to out of network will apply to in-network. A third option is to allow employees to “opt” out and go to Network S without having the benefit of going to Memorial Hospital; that it would give an opportunity for employees to choose Network S, which would knock out Memorial Hospital altogether. She noted that some employees are upset that the City allowed them to go to Network P, thinking that we knew what was going to happen, but we did not. She explained that this is the time of year negotiations are going on—that this is the appropriate time of the year—that we had no way to know that this would happen, and it was all new to them, too.

She stated that these were things for the Council to think about—that they were in daily contact with Blue Cross/Blue Shield and also Memorial Hospital.

Ms. Kelley added that it would be a life changing event to go to the Type S Network—that it would be a one-time option going forward until next July.

Ms. Green added that it would not be hard to do but not easy either; that it would take a lot of manpower hours; that they were checking with the IS Department but had not gotten an answer; that it would be a lot of hours and a cost to the City.

Chairman Ladd stated that she was glad this was ongoing.

Councilman Murphy thanked Ms. Kelley and Ms. Green for keeping tabs; that Memorial Hospital is in his district, and they had laid off 70 employees and questioned how they could sustain themselves during their massive construction project; that this had him concerned; that if we could get them to “hold hands and play nice” then do it.
Councilwoman Robinson asked them to make certain that our employees have the benefit of this explanation; that she could only imagine how difficult it would be for workers in Public Works, who don’t have staff meetings with a question and answer session; that someone needs to explain to them what it means; that her greatest fear is that they would not understand because this is complicated, and they would continue to go to Memorial, and it would cost them thousands of dollars more. She asked that there be discussions at the Paul Clark Building.

Ms. Green responded that they would explain the situation to them and what Memorial is saying—that they would get out the information to them and let them know if they go to Memorial that they need to call to try to work out claims.

Councilman Benson thanked both of the women for their consideration of employees; that we renewed the contract with Blue Cross a few months ago for two years, he thought (it was three years). He asked if ObamaCare passed if we would not go to exchange? He stated that he would hate to see us “locked” in. Ms. Kelley responded that we renew year by year. Councilman Benson stated that he thought the ones creating this problem were coming out of Denver and the Corporate Headquarters of Blue Cross.

On motion of Councilman McGary, seconded by Councilman Gilbert, the minutes of the previous meeting were approved.

This meeting adjourned at 3:45 P.M.