

PUBLIC WORKS COMMITTEE
October 28, 2008
3:10 P.M.

Councilman Rico, Chairman, called the meeting of the Public Works Committee to order, with Councilmen Benson, Gaines, Pierce, Robinson, Shockley, and Page present. City Attorney Randall Nelson; Management Analyst Randy Burns; and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Dan Johnson, Steve Leach, Dennis Malone, Jim Templeton, Bill Payne, Jerry Stewart, Lee Norris, Richard Beeland, Chief Rowe, Larry Zehnder, and Daisy Madison. Randy Ray joined the meeting later.

Adm. Leach noted that they had two issues, other than agenda items, to discuss and that Ms. Madison would also be discussing the Bond Issue.

EMERGENCY PURCHASES

Adm. Leach first went over an Emergency Purchase for Professional Engineering Services from Volkert & Associates, Inc. in the amount of \$109,000. This is for part of Bonny Oaks Drive and Hickory Valley Rd. for Enterprise South to improve the traffic flow and for safety.

There was also an Emergency Purchase for Emergency Flow Monitoring Services from ADS Environmental Services in the amount of \$51,960. Adm. Leach noted that we previously had a contract for flow monitoring, and the contractor could not finish the contract, and we needed an interim contractor and sent out RFP's in order to monitor the flow force—this will account for three months' flow monitoring.

Councilman Pierce asked how long the \$51,960 would pay for and was told three months. He also wanted to know if they could make a judgement by November 4th? Mr. Stewart responded that there could be some evaluation.

AGENDA ITEMS—OCTOBER 28, 2008

Ordinance 5(a) Final Reading was a closure and abandonment for Corrie Eldred/Betts Engineering Co. It was noted that this is the Fed-Ex site and has already been reviewed and voted on.

Ordinance 6(a) First Reading is a closure and abandonment for James Schwall of a portion of an unopened alley between the former 1600 blocks of First St. and E. 29th St. This is for expansion off Hickory St.

Resolution (e) is for an Enhancement Grant from TDOT for the FY 2009 for Sidewalk Improvements on Highway 58 from Eller Road to Webb Road in an amount to be determined, with 80% being the TDOT share and 20% being required from the City as local matching funds. The match will amount to \$604,000, with the total being \$3.02 million dollars. Adm. Leach stated that it would be interesting to see how these monies are coming these days. This will also cover bike paths.

Councilman Page asked the distance this would cover and was told 5,150 ft. He also wanted to know if we had a chance of getting this or if it was unknown? Adm. Leach noted that it was set aside as enhancement money. At first Councilman Page thought that this was Councilman Shockley's district; he then realized that it was his district.

Resolution (f) is an Enhancement Grant from TDOT for Sidewalk Improvements on Rossville Blvd. from the Georgia State Line to E. 48th St. in an amount to be determined, with 80% being the TDOT share and 20% being required from the City. \$720,000 will be TDOT and \$140,000 from the City. Mr. Malone noted that this was 2200 ft. and on both sides of the road.

Councilman Pierce stated that he did not see enhancement for this project and questioned if paving would not be cheaper than sidewalks? Adm. Leach stated that this was a different pot of money.

Councilman Page wanted to know when we would hear from these Grants? Mr. Malone responded the first of the year, and the funds would then be available in July.

Resolution (g) authorizes Contract No. W-08-003-201, to Insituform Technologies, Inc. for Misc. Sanitary Sewer Lining Contract for unit prices not to exceed those on the attached list. Adm. Leach noted that we had spent \$500,000 a year with this type contract.

Resolution (h) authorizes a Change Order (Final) relative to Contract No. E-06-013-201, 2007 City Sidewalk Requirements Contract, with Kleenco Const. of Tennessee, Inc. to increase the contract amount by \$4,858.02, for a revised amount not to exceed \$354,848.02. This is the end of the project.

Resolution (i) authorizes C.O. (Final) relative to Contract No. T-06-005-201, Frazier Ave. at Tremont St. Intersection Improvement with Stein Construction Co. Inc., decreasing the contract amount by \$9,521.32, for a revised contract amount not to exceed \$82,747.67, and to release the contingency funds in the amount of \$9,231.01. This is also final.

Resolution (j) changes the street name of 5400 to 5900 Block of Dixie Ave., the 1700 to 1899 Block of West 54th St., and the 5400 to 5699 Block of Texas Ave. to 5400 through 5599 Glenn Falls. Adm. Leach noted that this Resolution, and the next three, are a series of street name changes and presented a location map to get the Council oriented. He noted that this one is in Councilman Rico's district and on the eastern slope of Lookout Mtn. Councilman Pierce asked the significance of "Glenn Falls", with Mr. Malone explaining that this was a suggestion by Hamilton County—one of two suggestions.

Resolution (k) changes the name of 4100 to 4299 Polk St. to 4100 to 4200 Quinn Adams Street. It was noted that Polk is a popular street name, with Councilman Pierce asking if this was the reason the change was being made? Mr. Malone explained that several streets in the City and County are being changed because of emergency service.

Councilman Benson asked if any were being left as Polk Street? Mr. Malone indicated that one was left Polk because of several businesses being located there—that two out of three had no addresses on them.

Councilman Shockley asked about the block numbers—being changed from 4100 to 4299 to 4100 to 4200?

Resolutions (l) and (m) were also changes from Polk Street to Balto and Top Streets, respectively.

AGENDA ITEMS FOR NOVEMBER 4, 2008

Resolutions (e), (f), and (g) all involved SLAP Projects and all were final close outs. Adm. Leach noted that this was a really good project.

Resolution (h) authorizes Change Order No. 2 relative to Contract No. W-05-007-102, Warner Park Combined Sewer Overflow (CSO) Control Facility with Consolidated Technologies, Inc., increasing the contract amount by \$10,000, for a revised contract amount not to exceed \$471,550.00. Adm. Leach explained that this is due to their extension and is more expensive.

Resolution (i) authorizes Amendment 2 to an agreement between GSL Energy Solutions (GSL) and the City, which provides biosolids and wood mulch for the express purpose of allowing GSL to perform a full scale test of their process to convert biosolids and/or wood mulch into bio-oil. This also extends the term of the Agreement by 180 days from the effective end date of October 25, 2008 of Amendment 1. All remaining conditions remain in force. Adm. Leach noted that the Council had already seen Project (2); that this is no cost to the City and that there was a representative here from GSL to answer any questions.

Councilman Page asked the representative to take about two minutes and tell the Council what his company was doing and whether they were going to market with the bio-oil.

The representative stated that he thought the project would be finished by now; that the biosolids and wood mulch go through a heating process, which is converted to gas; that they were making a fuel now that is comparable with ethanol and were working through problems of too much alcohol; that they were making a fuel, but it was not on the commercial market yet.

Councilman Page asked if they were a start-up company and was told “yes”—that they were privately funded.

Adm. Leach added that they were on a portion of the Summit Landfill that was not being utilized.

Councilman Page wished them good luck, with the representative stating that they were very, very close to finishing.

Councilman Benson wanted to know what GSL stood for and was told that it really did not stand for anything—it was Gas, Solids, and Liquids.

PHOTOGRAPHIC PROGRESS REPORT OF THE VW SITE

Before Mr. Norris began this presentation, Adm. Leach noted that they were working on the Reggie White project and should be ready in November.

Mr. Norris then began an update of the VW site, showing aerial photographs. He showed pictures of starting the clearing work; then logging and chipping. Mr. Norris showed photographs of where the wildlife is still there. He then showed a photo of four “mulch experts” and a mountain of mulch, where they were starting to excavate for relocation of the creek.

Councilwoman Robinson asked if they were leasing the equipment? Mr. Norris stated that it was part of our contract. She also asked if the stream provided for run-off? Mr. Norris responded “to a limited extent”.

Councilman Page asked about stormwater, wanting to know if this would help at Bonny Oaks and H/W 153? The answer was “no”.

Councilman Benson asked if would help on Robinson Drive and was also told “no”.

Mr. Norris continued with the photos, showing where they were flattening out the site, noting that there were water trucks holding 5,000 gallons and that as they progressed, it got more and more level, showing that grass was starting to grow.

Councilman Page asked who the civil engineer was on this project? Mr. Norris responded that there were several—SSOE (VW people), Barge and Waggoner, and a team of engineers.

Mr. Norris next showed pictures of the creek, mentioning “chip seal”, showing that the lot was becoming flatter. He noted that they were ready to start putting gravel down.

Councilman Page asked where the concrete would be coming from and was told lots of places.

Adm. Leach noted that the rock first goes down.

Mr. Payne added that the concrete is determined by the contractors—that they may set up a batch plant.

Next Mr. Norris showed pictures of more drain work.

Councilwoman Robinson wanted to know how we would know that the land would match up with where VW wants to put their buildings? Mr. Norris explained that there was close cooperation, and this was closely coordinated.

Councilman Page asked if the electricians and plumbers would come from the local market? Mr. Payne responded that VW was very aware of the labor pool and that it needs to come locally.

Next, Mr. Norris showed an aerial photograph taken in August.

Councilman Pierce asked the projected completion date? Adm. Leach responded that a good part would be done by the weekend, but it would take two more weeks to finish everything. Mr. Payne added that it would be into December—that there were multiple phases.

Councilman Benson wanted to know if the work being done would accommodate anyone other than VW? Adm. Leach responded that it was the VW site and their suppliers—that it was basically VW.

Councilman Shockley asked if the Training Center would be on this site? Mr. Payne stated that they had not heard anything about this yet.

Chairman Rico commended Public Works on a great job.

SIGNALIZED INTERSECTION LOCATIONS FOR VW TRAFFIC IMPACT STUDY

Mr. Norris handed out information outlining the locations (which is made a part of this minute material). He stated that they sat down with our Traffic Engineer and looked at ingress and egress and had identified 32 places that could be problems; that they were trying to be pro-active and needed multiple accesses for employees and suppliers. He noted that they had asked VW for their employment number and shift times; that they needed to know what they needed to do to improve the intersections.

Adm. Leach noted that they mentioned railroad crossings as an impediment.

BOND RESOLUTION—DAISY MADISON

Ms. Madison went over **Resolution (b)** on tonight's agenda authorizing the issuance and sale of bonds in the aggregate amount of \$65,000,000.00 of the City of Chattanooga, Tennessee for the purpose of paying all or a portion of numerous projects outlined in the Resolution. She provided a hand-out, which is made a part of this minute material. She read the list of projects, including Road Improvement Northpoint Blvd. Ext.; Sidewalks, Enterprise South Parkway, Enterprise South Blvd., Enterprise South Wetlands, Detention Pond; Warner Park Improvements; Summit of Softball Sports Complex; North Shore Garage; Road Improvements Goodwin Drive; Road Improvements Boynton Drive/MLK Blvd.; Road Improvements Hamill Road (Highway 153 to Hixson Pike); Road Rehabilitation Hudson Road; Road Improvements Shallowford Road (Gunbarrel to Jenkins); HVAC Replacement; Fire Apparatus/Fire Pumper; certain projects in connection with the Volkswagen Manufacturing Facility including streets, helipad, welcome center, fire building and related equipment, electric transformer station, wastewater, water, and stormwater drainage, and financing certain other Public Works projects and fixing the maximum rate of interest such bonds shall bear. She noted that there was a limit to all of the projects that this bond issue will cover. She also noted that it relates to two Fiscal Years—2008 and 2009. \$18 million is in 2008, which are bonds that cover projects over a year ago and many of these projects are underway. In 2009 there will be \$10 million dollars in projects to be funded with these bonds, which totals \$29 million dollars of the bonds.

Ms. Madison went on to explain that we don't issue bonds every year because it is not efficient to do so—that it is more effective to do two years at once, with \$29 million in 2008 and 2009. She went on to explain that we would not exceed \$65 million in this bond issue—that there is so much uncertainty with VW, and they are on a fast track; that we know \$20 million dollars for sure for the firehall and welcome center—that we already know this.

Councilman Benson asked if we would be selling \$57 million at once? Ms. Madison stated that there are \$57 million dollars we know about at this time.

Councilwoman Robinson wanted to know about the Training Center? Ms. Madison responded that it is not in here right now—that she had no “feel” for this. Councilwoman Robinson wanted to know if we would have the capacity? Ms. Madison responded that it would depend on how much it would cost.

Councilman Benson stated that people were reading in the paper that \$60 million would go for a lot of things other than Enterprise South, mentioning roads.

Ms. Madison noted that Page 2 of the handout showed the Public Works projects and proceeded to read them—Road Improvements for Goodwin Drive, Boynton Drive/MLK Blvd., Northpoint Blvd. Extension, Hamill Road (HWY 153—Hixson), and Hudson Road (Terminal Road); also city-wide sidewalks and Shallowford Rd.—Gunbarrel to Jenkins.

Councilman Benson stated that he could see this—that the problem he had was reporting Goodwin Road—that we were supposed to set aside ¼ million dollars in 2008, and we did not do this. He wanted to know when we would finally get this road built?

Ms. Madison responded that dollars were funded with bonds; that there are other sources that are not on this list.

Councilman Benson noted that the road could be finished in 2114, and this was leaving the impression that construction would be starting out there; that it needed to be made clearer that this is a long-term plan.

Ms. Madison responded that it was a Five-Year Comprehensive Plan.

Councilman Benson stated that he felt like this was a misrepresentation to the public—that this is a “lay-by” plan for building roads.

Ms. Madison stated that she did not know how to educate the public anymore than this.

Councilman Benson still contended that it looked like \$60 million dollars would be used for these roads—that it should say when the roads will be completed.

Ms. Madison responded that this was pretty voluminous in terms of wordiness.

Councilman Page suggested that we could have district meetings and maybe Public Works could explain the whole projects.

Councilwoman Robinson noted that this report is bond money—that she saw Hamill Road in her district—that it is in the Five-Year Capital Plan—that Hamill Rd. is Priority 7.

Ms. Madison noted that this was what was requested and not what got funded.

Councilwoman Robinson wanted to know how she could find out for her investors—that they wanted infrastructure to come with it.

Councilman Page noted that the First Phase is being done on Hamill Rd., and we were talking about the Second and Third Phase—that they are to be designed and funded later.

Councilwoman Robinson stated that this was hard to understand, and she was getting phone calls about this.

Ms. Madison stated that we were getting involved—that a request is “just” that, and it changes; that it is hard to get a complete picture.

Councilman Benson indicated he needed a district meeting to talk about the \$60 million dollar bonds—when we would sell these bonds and what they would pay for.

Ms. Madison explained that it was not to exceed \$65 million; that this includes these various projects and this was not necessarily 100%--that this was not intended to address the total cost; that money is already being spent and some projects have started, with some being nearly finished.

Councilman Pierce asked if any money was allotted for 2010? Ms. Madison responded that the Five-Year Plan was flexible and a moving target.

Councilman Page stated that the question he had was the market we are going into with these bonds; that he would like Ms. Madison’s thoughts on this and asked if we would be paying more interest in this market?

Ms. Madison explained that all bonds are collectible within ten years, speaking of the current market and ability to issue bonds—that as we go from year to year, we retire a certain level of bond principle; however in a year like this, we won't retire much this year. She noted that our debt service is more aggressive; that we have limited amounts of debt, and we have not reached our maximum capacity. She went on to say that even though this is the case, it is a tough market, and when we go out, the market interest rate will be higher; that we have had good interest rates the last few years.

Councilman Page wanted to know what our interest rate is? Ms. Madison responded that she knew he was going to ask that, and she would have to let him know; that we monitor the bonds and when the market turns, we will re-finance; that we sacrifice in other ways to manage and accommodate.

Councilman Pierce stated that we had talked about the retirement of debt and wanted to know our ceiling? Ms. Madison responded 10% of assessment.

(Ms. Crowover had to leave for the last few minutes of discussion).

The meeting adjourned at 4:15 P.M.