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To the Honorable Mayor, Members of the City Council, and the Citizens of Chattanooga

I am pleased to present the 2004 budget for the City of Chattanooga. The City's long term budget strategy focuses on three elements – growing jobs and the local economy to increase revenue; smaller and smarter government to curb growth in expenditures; and maintenance of a strong fiscal position for city government.

The Mayor proposed and the Council has enacted a balanced budget that continues to reduce the size of City government, while maintaining quality public service. For the third year in a row, departmental operation costs have declined – except for salary and medical costs. The 2004 budget reflects an actual decline in General Fund spending. In fact, projected spending in 2004 is actually less than both of the last two adopted budgets in actual dollars.

By focusing on productivity and efficiency, Chattanooga seeks to overcome the problems of structural deficits that have plagued other cities across the nation. Rather than slashing services or hiking taxes, Chattanooga will maintain or improve services while living within its means.

As the City continues to keep its costs in check, it also is pursuing a series of initiatives that will lead to economic growth, new jobs and a healthier local economy in the future. New jobs and competitive wages will mean new revenue and continued fiscal stability for years to come.

Growing Jobs and the Local Economy

Under the Mayor's leadership, implementation of a \$120 million public-private partnership to revitalize the City's riverfront is well underway. The 21st Century Waterfront Plan (www.waterfrontchattanooga.com) will transform the City's downtown through the creation of new park space, housing, commercial development and the expansion of three of the city's cultural gems – the Tennessee Aquarium, the Hunter Museum and the Creative Discovery Museum. Redirection of Riverfront Parkway and new pedestrian connections will increase public access to all of these improvements. Work is on schedule for completion in May 2005.

At the same time, the City and Hamilton County proceed on schedule with the development of Enterprise South as a world-class industrial park. Work is almost complete on the first phase of infrastructure at the 1,200 acre former site of the Volunteer Army Ammunition Plant. Now, City and County officials – working with the Chamber of Commerce – are proceeding with an aggressive marketing and recruitment plan to encourage firms to relocate to Enterprise South.

The City's new Enterprise Center will focus on efforts to bring high tech jobs to Chattanooga, building on the city's proximity to Oak Ridge, Huntsville and Tullahoma and the recent establishment of the SimCenter and Graduate School of Computational Engineering at the University of Tennessee at Chattanooga. An \$84 million HOPE VI project in the City's Alton Park neighborhood will produce hundreds of new units of housing and spur job creation as well. Also, a new federal court building and headquarters for the Electric Power Board will further bolster development on the Southside.

These efforts – and numerous others – will insure that the Chattanooga Chamber of Commerce will meet its goal of creating 20,000 new jobs in the area in the next four years.

Budget in Brief

In reaching this balanced budget, the Mayor and the City Council closed a gap of approximately \$10 million. Like other cities, Chattanooga faced increases in the cost of health insurance, pension contributions and liability. In balancing its own budget, the State of Tennessee enacted changes that reduced State shared revenue to Chattanooga by \$1.8 million in 2004.

The 2004 Budget met this challenge by taking a series of dramatic steps designed to reduce cost without sacrificing service to the public. By opening the contract for health insurance coverage for employees and retirees to competition, the City was able to restructure its plan to continue to provide quality care and save approximately \$3 million a year. At the same time, the City was able to invest in an employee wellness initiative designed to reduce long term health insurance costs.

By increasing competition on other City contracts and taking other steps to streamline procurement, the City plans to save \$1.1 million in 2004. In one case, increased competition on a major contract reduced cost by 25%.

A new vacancy control process – designed to slow hiring without imposing a full hiring freeze – will also save more than \$1 million.

The Public Works Department has contracted out operation of a recycling drop off center to a non-profit organization – creating jobs for the disabled and saving \$250,000 for the City.

Reduced staffing in City Court and the City Court Clerk's office – combined with increases in revenue generated by a transition to hand held ticketing devices and on-line payment of fines – will produce \$240,000 in savings and revenue.

Reductions in underutilized vehicles in the City's fleet will save another \$200,000. Better monitoring of cellular phone use and an ongoing audit of City telecommunication costs is already saving City funds, with monthly cell phone costs down by more than fifty percent. Similar reductions in travel and overtime cost will save close to another \$200,000.

Savings are also being achieved by reallocating certain costs. For example, in the past, the cost of on the job injuries was born centrally through the City's Personnel Department. Those costs are now being allocated, so that department administrators have a new incentive to reduce risk to their employees as a way of reducing cost.

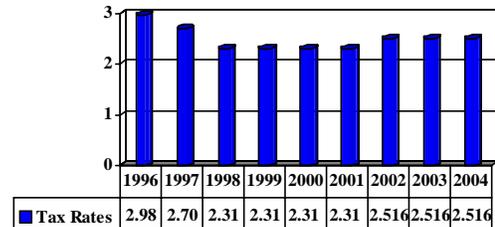
Along with sustained growth in property tax revenue and increased revenue from Court fees and parking ticket fines, these steps toward enhanced efficiency have allowed the City to fully close the projected gap and continue to provide vital services without an increase in tax rates.

Budget Highlights

The FY2004 General Fund Operating Budget is \$144,557,000. The total financial program is \$277,152,810, a 0.29% decrease from the prior year. The council approved a three year capital plan that includes \$25.0 million for projects during the FY04 year.

Revenues for all appropriated funds total \$240,167,342, a decrease of 0.41% from previous years. The increase in tax revenue is more than offset by a projected 39.3% decline in licenses and permits, a 48.6% reduction in interest earnings, a 20.2% decline in miscellaneous earnings and a 25.8% reduction in intergovernmental revenue. Although reductions in state and county-wide sales taxes are estimated at 12.4% and 4.17% respectively, the new Motel/Hotel tax will contribute to the increase in total tax revenues.

Property Tax Rates



Revenues	FY03/04	FY02/03	inc(dec)	% change
Taxes	115,344,072	93,304,133	22,039,939	23.62%
Licenses & Permits	6,213,139	10,238,668	(4,025,529)	-39.32%
Intergovernmental	59,127,707	79,629,777	(20,502,070)	-25.75%
Charges for services	50,325,750	45,749,105	4,576,645	10.00%
Fines, forfeitures and penalties	1,616,084	1,761,760	(145,676)	-8.27%
Interest earnings	1,469,908	2,861,082	(1,391,174)	-48.62%
Miscellaneous	6,070,682	7,602,159	(1,531,477)	-20.15%
Total Revenues	\$ 240,167,342	\$ 241,146,684	(979,342)	-0.41%
Other Financing Sources				
Transfers in	20,857,307	24,746,066	(3,888,759)	-15.71%
Bond Proceeds	16,128,161	12,070,087	4,058,074	33.62%
Total Other Financing Sources	\$ 36,985,468	\$ 36,816,153	169,315	0.46%
Total Revenues & Other Sources	\$ 277,152,810	\$ 277,962,837	(810,027)	-0.29%

Interest earnings are estimated to be down during FY04 due to the declining interest rates and market conditions, a projected decrease of 48.6% from FY2003.

Appropriations are \$255,446,554 a 0.96% increase over the FY03 Budget. This increase is primarily due to rising medical cost, increased pension contribution, additional salary cost, and additional debt service resulting from the issuance of new debt.

General Fund. The City's General Fund accounts for all applicable resources related to the general operations of city government that are not accounted for elsewhere. The total appropriation FY04 budget is \$144,557,000, a 1.10% reduction from prior year. Increases in medical, pension and employee pay are more than offset by reductions in operating costs and the elimination of a General Fund capital appropriation.

Appropriations	FY03/04	FY02/03	inc(dec)	% Change
General Fund	122,850,744	126,702,349	(3,851,605)	-3.04%
Enterprise Funds	45,748,489	38,372,766	7,375,723	19.22%
Special Revenue Funds	42,552,258	34,398,233	8,154,025	23.70%
Fiduciary Funds	-	5,318,000	(5,318,000)	-100.00%
Debt Service Fund	11,112,886	8,649,070	2,463,816	28.49%
Capital Project Funds	25,026,116	29,485,903	(4,459,787)	-15.13%
Internal Service Funds	8,156,061	10,100,000	(1,943,939)	-19.25%
Total Expenditures	\$255,446,554	\$253,026,321	2,420,233	0.96%
Other Financing Uses				
Transfers Out	21,706,256	24,936,516	(3,230,260)	-12.95%
Total Other Financing Uses	\$ 21,706,256	\$ 24,936,516	(3,230,260)	-12.95%
Total Expenditures & Other Uses	\$277,152,810	\$277,962,837	(810,027)	-0.29%

Special Revenue Funds. The City's Special Revenue Funds are set by City resolution to account for funds that are restricted as to use by federal and state governments and special purpose. Reported funds for FY04 include State Street Aid, Human Services, Economic Development, Community Development and Hotel/Motel Tax. The 2004 budget for the Special Revenue Funds total \$42,552,258. The Economic Development fund accounts for the city-only local option sales tax to be used to fund education and economic development on a 50/50 basis. The City of Chattanooga established the Community Development Fund to account for a major federal entitlement grants which funds a variety of programs and services within Chattanooga.

Debt Service Fund. The City is authorized to finance capital improvements through various financing instruments including but not limited to general obligation bonds, revenue bonds, loan agreements and capital leases. The City Council may authorize the issuance of tax-supported bonds by a simple majority vote, with notification of the action published in local newspapers. Unless 10 percent of the qualified voters protest the issuance by petition within 10 days of notification, the bonds may be issued as proposed. Both principal and interest on general obligation bonds are payable from ad valorem taxes which may be levied by the City Council subject to a legal debt limit of 10 percent of assessed valuation of property. Revenue bonds are issued for various enterprise operations.

The City entered into a Loan Agreement with the Tennessee Municipal Bond Fund on February 10, 1997 and established a line of credit for up to \$7,908,000 for various general government capital projects. At June 30, 2003, the City had a balance outstanding of \$5,339,098. The City also entered into a lease purchase of sewer system improvements from the City of Collegedale, another local municipal government. At June 30, 2003 the outstanding balance was \$271,195. General Obligation Bonds were issued in March 2001 in the amount of \$48,310,000. This funded various capital improvements of the general government in the amount of \$39,576,000; solid waste system improvements in the amount of \$6,734,000; and stormwater system improvements in the amount of \$2,000,000. In order to take advantage of declining interest rates in March 2002, the City issued \$58,130,000 General Obligation Refunding Bonds. This refunded \$43,910,000 Public Improvements bonds and \$13,985,000 Sewer & Sewage Facilities Bonds.

During fiscal year 2003, the City issued bonds to fund various capital projects and reduce financing costs. In August 2002, the city issued \$38,290,000 General Obligation Refunding. This issue refunded \$31,632,952 and \$5,922,048, Sewer and Public Improvement bonds respectively. Additionally, \$12,190,000 General Obligation, \$13,175,000 Sewer Refunding, and \$54,990,000 G.O. Hotel/Motel Tax Revenue Pledge bonds were issued. The Hotel/Motel Tax bonds fund the City's share of the 21st Century Waterfront Plan.

At year-end, the primary government and its component units had a number of debt issues outstanding. These issues included \$427,890,087 in general obligation debt, of which revenues from the City's Enterprise Funds support \$289,509,352. The primary government also has \$36,800,000 in revenue bonds outstanding at year-end for the Electric Power Board, an Enterprise Fund. Two component units have revenue bonds outstanding. These include \$16,175,000 for the Metropolitan Airport Authority and \$129,200,000 in lease rental revenue bonds issued by the Chattanooga Downtown Redevelopment Corporation.

Capital Project Funds. The City accounts for its capital related expenditures in the Capital Projects Fund. The Capital Budget for the 2004 fiscal year is \$25,026,116, this is a \$4,459,787 or 15.1% decrease from last year's approved amount of \$29,485,903.

Enterprise Funds. The City maintains four enterprise operations as part of the primary government. Combined Enterprise Funds assets at June 30, 2003 were \$531.1 Million. Operating revenues for the fiscal year were \$408.7 million. A brief discussion of the major operations follows:

The Electric Power Board, not presented in our presentation because it is a separate administrative agency of the government, exercises exclusive control and management of the Electric Distribution System. It is the sole distributor of the electric power within the boundaries of the City and County (587 square miles). It accounts for 88.97% of total Enterprise Fund operating revenues and reported a net operating income of \$1.5 million for the year ended June 30, 2003.

The Interceptor Sewer System of the City provides water and sewer services to customers on a self-supporting basis utilizing a rate structure designed to produce revenues sufficient to provide for debt service, operating expenses and adequate working capital. The strong commercial, industrial and residential growth in the City, along with increased federal mandates, has necessitated ongoing expansion of the Interceptor Sewer System. To illustrate, property, plant and equipment of the system in 1976 totaled \$68.8 million compared to \$309.9 million in 2003. The department accounts for more than 45.0 percent of total Enterprise Fund assets. The 2004 approved budget including Debt Service and Capital is \$34,718,215. Approved operations is \$18,453,687.

The Solid Waste/Sanitation Fund was established in accordance with state mandate. This fund accounts for the operations of the City's landfill. Landfill fees are charged commercial customers for use of the landfill, while the cost of City landfill needs are financed through a General Fund subsidy. An aggressive capital program has been launched to meet landfill requirements set by the state and federal governments. This program is estimated to cost \$38.5 million over a ten-year period. The 2004 Budget is \$5,865,313.

The Storm Water Fund accounts for the operations of the City's storm water management program as mandated by the Environmental Protection Agency and the state. The program is designed to produce revenues sufficient to provide for debt service, operating expenses and adequate working capital. Since the inception of this program in 1994, the investment in property, plant, and equipment has grown to \$37.7 million. The 2004 Budget is \$5,164,961.

Internal Service Funds. The City maintains three Internal Service Funds. These funds provide goods or

services to other governmental operating units such as departments, bureaus, and agencies. These funds charge for services. The three reporting funds are the two Municipal Fleet Services Funds and the Liability Insurance Fund. The Fleet Services Fund's 2004 budget is \$7,056,061. The City of Chattanooga is self insured. The liability Insurance Fund was established to fund and pay for all judgments and costs or liability claims against the city. The Liability Fund's 2004 budget is \$1,100,000.

Fiduciary Funds. The Pension Trust Funds account for assets held by the City as trustee. These funds are accounted for in the same manner as business enterprises providing similar services.

Below is a brief discussion about the employee pension system.

Retirement Plans. The City maintains three single-employer defined benefit pension plans which cover all employees. Each of these systems is maintained separately: one system (General Pension Plan) covers general City employees; a second plan covers employees of the Electric Power Board; and the third covers Firefighters and Police Officers. Each plan has its own consulting actuary. The following schedule shows the percentage amount of annual pension cost funded by the City for years currently available:

Pension Plan	*UAAL	Funded Ratio
General Pension	(28,542)	117.06%
Fireman & Policemen	37,051	84.46%
Electric Power Board	0	100.00%

*Unfunded actuarial accrued liability

City management and the Pension Boards closely observe the future costs of both benefit improvements and changes in retirement trends of employees. Recommendations of actuaries are carefully considered, and appropriate measures are taken to ensure that the pension plans are actuarially sound.

General Pension Plan. The City provides a pension plan for permanent general city employees. All permanent employees hired after February 1, 1979 must join the plan as a condition of employment. Employee contributions are 2% of total earnings. The City Finance Officer is authorized to match all salaries of all participants in the General Pension Plan. The City's actuarially computed contribution rate for FY 2004 is 4.07% of employee earnings.

Fire and Police Insurance and Pension Fund. The City Finance Officer is authorized to match the total salaries of all participants in the Fire & Police Pension Fund with a contribution from the General Fund in FY 2004 not to exceed 18.39%. Each employee who is a participant in this Plan contributes 8% of total salary annually.

Electric Power Board Pension Plan. The Electric Power Board's plan is a single Employer Defined Benefit Pension Plan administered by an individual designated by EPB. Contribution requirements of Plan members and the EPB are established and can be amended by the EPB. Effective August 1, 1984, the Board implemented a 401(k) plan, which permits

employees to invest up to 10% of salary in a tax-deferred savings plan. EPB contributes up to 3% of the employee's salary.

Per Capita Budget

The citywide operating per capita budget for FY03 totals \$1,674.88 and for FY04 total \$1,676.15. This represents per capita increase of .0788%.

Program	Actual FY00/01	Actual FY01/02	Budget FY02/03	Budget FY03/04
General Government	328.30	374.32	379.52	376.56
Finance & Administration	84.25	102.10	120.54	100.17
Public Safety	413.72	346.70	373.01	397.40
Public Works	397.00	454.79	501.25	476.04
Parks Recreation Arts & Culture	80.37	85.89	88.98	81.27
Debt Service	44.76	159.93	55.45	71.24
Social Services	154.49	156.83	156.13	173.47
Total	1,502.89	1,680.56	1,674.88	1,676.15

Financial Assessment

Chattanooga continues its position of strong fiscal strength enjoyed over the past several years. The City is in the best fiscal condition it has been in over 30 years and our outlook is improving. Over the years, through strong fiscal management, Chattanooga has positioned itself well to weather economic downturns, and create a positive atmosphere for economic development.

Fund Balances

One measure of a city's financial strength is the level of its fund balances. The City's estimated unrestricted fund balance in the general fund is \$29.2 million as of June 30, 2003. This balance is \$2.1 million over FY02. Our recommended guideline for general fund balance coverage is 20% of general fund revenues.

Financial Reserves

Another indicator of a city's financial strength is the level of financial reserves. Over the years the City has established financial reserves to absorb unforeseen liabilities. The City also has \$4.9 million in debt service reserves at June 30, 2003; monies that will help stabilize and fund future debt service obligations. Included in this budget and financed from current revenues are \$.5 million for contingency that may be used to fund unanticipated emergencies.

Bond Ratings

The City has maintained a “AA” rating from Standard & Poor’s and Fitch Investor’s Service. Both agencies cite sound financial management, fund balance reserves, the debt retirement policy, and a history of pay-as-you-go capital financing as justification for the favorable ratings.

Conclusion

With final budget adoption, I want to thank the Mayor and City Council, citizens and City staff for their time and effort throughout this budget process.

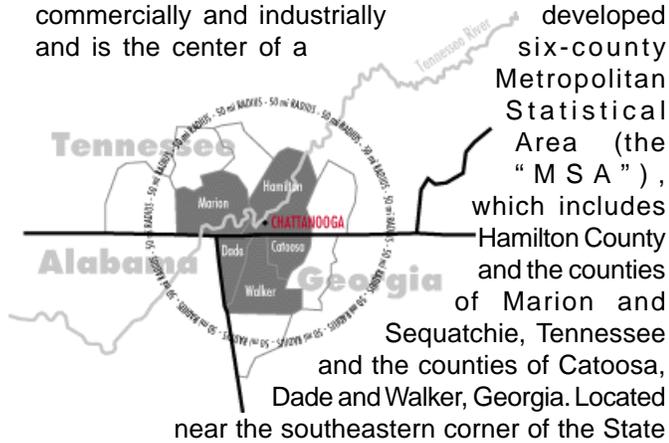
Respectfully submitted,

A handwritten signature in black ink, appearing to read "David R. Eichenthal". The signature is fluid and cursive, with a large, sweeping flourish at the end.

David R. Eichenthal,
City Finance Officer

History & Development

Founded in 1816, by the leader of the Cherokee Indians, Chief John Ross, the City of Chattanooga was created on the site of Ross's Landing trading post. Chattanooga, a Cherokee word for "Rock coming to a point" was incorporated under State of Tennessee Private Acts of 1839. Today the City serves as the County seat of Hamilton County, is commercially and industrially developed and is the center of a



six-county Metropolitan Statistical Area (the "MSA"), which includes Hamilton County and the counties of Marion and Sequatchie, Tennessee and the counties of Catoosa, Dade and Walker, Georgia. Located near the southeastern corner of the State on the Tennessee-Georgia border, the City encompasses an area of 144.1 square miles. The Tennessee River flows through the center of the City, which has a diversified terrain. The MSA is centrally located in relation to other major population centers of the Southeast, being within a 150-mile radius of Knoxville and Nashville, Tennessee; Birmingham, Alabama and Atlanta, Georgia.

Industrial and Economic Development

The area's central location makes it a perfect distribution center for the eastern United States. Supplies and products for industry flow easily to and from the Chattanooga area by way of an extensive network of highway, water, air and rail transportation systems. Beyond its advantages as a business location, Chattanooga is blessed with beautiful natural surroundings. A gracious life-style results from the community's commitment to preserving its culture and supporting the arts. Chattanooga offers excellence in education and quality health care as well as a virtually unlimited range of recreational activities – all at one of the lowest costs of living in the nation.

Chattanooga, known in the 1930's as the "Dynamo of Dixie", is one of the nation's oldest manufacturing cities with 18.8 percent of its employment in that sector. However, there is no single dominating industry. Economic advantages such as ample utilities, an

efficient transportation system, abundant natural resources, a trained labor force and centralized location make Chattanooga a diversified and profitable business location. This largely accounts for the City's low unemployment rate, which stands at 3.2percent as of July, 2003. This is comparable to the nation's unemployment rate of 6.3 percent and the state rate of 5.4 percent.

Twenty years ago, the City began a rebirth with the establishment of the Moccasin Bend Task Force. The Master Plan which grew out of this task force has resulted in the development of the Tennessee Aquarium, the Riverpark, the Walnut Street Bridge and Coolidge Park.

Over the past decade hundreds of millions of dollars have been invested in these and other projects in the riverfront and downtown gaining the City international recognition. The 21st Century Waterfront Plan is another step in this Master Plan to focus on the City's riverfront. The 21st Century plan grew out of a public process led by Hargreaves & Associates. It is a multimillion plan combining public and private financing to transform the downtown riverfront with a careful combination of development, preservation and enhancement that honors the history and beauty of the area.

The 21st Century Waterfront Plan comprises 129 acres on both sides of the river stretching from the Veteran's Bridge on the east to Moccasin Bend and M.L. King Boulevard on the west. The plan area is divided into six districts based on their natural features and development characteristics. Half of the districts- the First Street Steps, Ross' Landing Park, and Manufacturer's East-offer immediate development potential. Three others- Manufacturers West, Cameron Harbor, and the Moccasin Bend Gateway will develop over a longer period. A brief description of the projects follows:

The First Street Steps connect Market Street and the Bluff View Art District and the Hunter Museum of American Art. A new public plaza is created between Cherry and Walnut Streets. First Street itself is transformed into a mixed-use neighborhood of residences, shops, cafes, and galleries with a funicular to ease the trip up and down hill. Pedestrian connections at Second Street and a proposed bridge from the Walnut Street Circle across Riverfront Parkway complement the Hunter's plan to reconnect the museum to the City.

The Ross's Landing Park is a cornerstone of the plan. Here at the birthplace of the city, the vision includes a reconfigured Riverfront Parkway allowing for an enlarged and enhanced riverside park. This expansive area

encompasses the Chattanooga Green and the Tennessee River Terraces and will be a fabulous and functional setting for riverside festivals. An expanded marina, water taxis, riverfront cafes, residential units and commercial development bring a fitting vitality to the area known as the "front porch" of the city. The crown jewel is the expansion of the Tennessee Aquarium, solidifying its position as the finest freshwater aquarium in the world.

Manufacturers East comprises the area near the intersection of Manufacturers Road, Cherokee Boulevard, and Market Street. The plan calls for a new mixed-use neighborhood of residential and commercial development that mark the beginning of a connection between downtown and Moccasin Bend. The highlight of this district is the Tennessee Wetland Park, preserving the wetlands west of the Market Street Bridge as a nature reserve with an interpretive riverside boardwalk. The Adventure Playground and a segment of the Trail of Tears bring recreation and history to the district, and the collective components of the district provide a perfect complement to Coolidge Park.

Highlights of the remaining segment include: Cameron Harbor- anchoring the west end of M.L. King Boulevard with a marina, housing and offices, restaurants and shops, green space and river taxi linking to the developments upriver and down; Manufacturers West- celebrating the industrial character of the river's north shore, but tempering it with riparian habitats, riverwalk segments and a canoe launch; Moccasin Bend Gateway- providing a interpretive center, water taxi access and celebratory gateway into Moccasin Bend National Park, pending the declaration of park status.

Funding for the first phase of the 21st Century Waterfront Plan is estimated at over \$100 million from public and private sources. The City's share of cost estimated at over \$46 million will be funded by the recently levied Hotel Motel Tax.

In June 2002, the Tennessee Legislature enacted law (TCA 67-4-1401, et seq.) which removed constraints on municipalities giving them the freedom to enact a tax on the occupancy of hotel/motel rooms, in addition to the County Tax. In August 2002, the City levied such a tax to be phased in over a 30-month period beginning October 1, 2002 at 2%; increasing to 3% on October 1, 2003 and 4% effective May 1, 2005 and thereafter. This tax will be used to fund the 21st Century Waterfront Plan. (See section entitled Hotel Motel Occupancy Privilege Tax for more detail)

Four years ago, the State granted approval of a

development mechanism known as the Tourist Development Zone (TDZ), which encompasses the heart of Chattanooga's downtown. The zone, known as the Southside Redevelopment District, is comprised of three districts — the Aquarium/Ross's Landing District, the Central Business District and the Southside Redevelopment District. The City, through the Southside Redevelopment Corporation, is in the final phase of this project. The development will be supported by allocations of incremental increases in state and local sales and use tax revenues. Four facilities with more than 631,210 square feet and cost in excess of \$117.7 million are included in the project. It is anticipated that this investment planned will leverage more than \$400 million in private investment by 2006.

The Southside Redevelopment District is an opportunity to create a model community by rebuilding the District's job base and revitalize housing opportunities. In the heart of the TDZ is the convention and conference complex that includes four public use facilities. Three of the four facilities are complete and operational. They are (1) the Chattanooga, which is a 208,210 sq. ft. residential meeting facility, (2) a new 1,029-space Parking Facility and (3) the Development Resource Center which is an 85,000 sq. ft. facility that serves as a model for better ways to develop a sustainable community. The fourth and final project, the 226,000 sq. ft. expansion of the Chattanooga-Hamilton County Convention and Trade Center was completed in the spring of 2003.

The developments that have taken place throughout the North Shore, the Central Business District, and the Southside Redevelopment District have come together to make the downtown Chattanooga area a gathering place for night and family and recreational activity. The implementation of the 21st Century Waterfront Plan will further highlight Chattanooga's ability to forge bold visions through aggressive implementation.

Chattanooga continues to place high priority on education. Two new schools were constructed and opened downtown in August 2002, representing the first new school buildings in the downtown area in decades. Other investments in the area include the renovation of a former office building into a school for children with special needs, revitalization of a department store building as a premier downtown housing development, a new bank branch, and a new office building in the central business district.

Neighborhoods and quality, affordable housing continue to be a priority in the community. The Chattanooga Neighborhood Enterprise broke ground on a 20-unit apartment building within eyesight of the University of Ten-

nessee at Chattanooga. This unit will complement new housing units already built in the area.

The City continues to implement, through the Chattanooga Housing Authority, the HOPE VI Grant. This \$35 million grant from the Department of Housing and Urban Development (HUD) anchors a \$159 million project to replace the Spencer J. McCallie Homes and revitalize the surrounding Alton Park neighborhood. Coupled with the Alton Park Development Corporation's master plan, the HOPE VI grant will bring about a major revitalization of one of the City's most depressed neighborhoods.

Despite the global attention to Chattanooga's downtown and environmental successes, economic growth in Chattanooga trails most of the rest of the South. During the 1990s, Chattanooga added jobs at only half the pace of the rest of the state. City officials have focused efforts on ways to reverse this trend of slow employment growth. The business culture in Chattanooga is on the verge of change. A venture capital firm with \$45 million in assets has been recruited to set up an office here. This will give entrepreneurs the needed access to capital that has been scarce in our local business environment. The Chamber of Commerce, charged with the task to oversee economic development, has implemented its plan for a larger economic recruitment program. This will include hiring of a business recruitment expert as part of its long-term plan to create more jobs.

Chattanooga is also poised on the leading edge of the technological age. The Electric Power Board of Chattanooga has donated a portion of its nearly 60 miles fiber optic ring for economic development. This move is anticipated to create a high speed information corridor allowing Chattanooga to become a hub for future research, information sharing, and job growth. This hub has already attracted a new long distance firm to locate in the heart of the central business district, bringing new jobs to the area.

City and County officials have initiated plans for the development of the old Volunteer Army Ammunition Plant site- renamed Enterprise South. The \$10 million investment by the City and County provides a 940-acre tract, located within 2 miles of Interstate 75, approximately 700 acres of which can be made available for industrial development almost immediately. This is the largest block of land available within the city limits in several decades. Infrastructure is in place to support a wide range of manufacturing and industrial uses. The entire site exceeds 6,000 acres, and efforts continue to acquire the remaining portions for industrial and recreational uses.

The U.S. Department of Housing and Urban Development recently designated a selected area within Chattanooga as a Renewal Community. The area includes Alton Park, the Southside Redevelopment District, the M.L. King Boulevard district and downtown. This designation allows business to share \$17 billion in tax incentives provided as part of the 2000 Community Renewal Tax Relief Act. The program gives new and existing businesses access to \$6 billion in tax incentives and \$11 billion in low-income housing and new market tax credits that can be used to help revitalize once-vibrant communities.

Hamilton Place Mall, Tennessee's largest, and now in its fourteenth year of operation, remains a magnet for millions of people. The 1.4 million-square-foot mall has brought in many tourist and locals with a savvy mix of new and familiar stores, theme restaurants and movie theaters. Thanks to the mall, the area has become a retail hotbed with more than 15 million visitors a year. Sales at Hamilton Place have grown steadily over the past decade and now average 30 percent above the national average for regional malls. That success has quickly spilled across Gunbarrel Road and Interstate 75. The number of businesses and amount of traffic in the mall area has more than doubled over the past decade. CBL and Associates, the mall's owner and developer of major retail space nation wide, has completed development of a multi-acre site on the south perimeter of the mall. The site includes a new national headquarters office building and additional retail space.

The City's two biggest local revenue sources are sales and property taxes. The local option sales tax rate is 2.25 percent (1.75 percent county-wide and .5 percent city only). The additional revenues generated by the ½ percent city only sales taxes are earmarked for education and economic development. Following two successive reductions the property tax rate has remained at \$2.516 per \$100 assessed valuation for the past three years.

The City's capital initiatives reflect its continual commitment to economic development and long term sustainability of the City. In addition to the operating budget over \$25 million was appropriated for major initiatives. These include \$2.7 million for upgrade of various City parks; \$18.5million for various public works projects such as paving , street improvement, curbs, gutters and sidewalks, downtown streetscape, and equipment replacement; \$2 million for fire vehicles and other equipment; and \$1.8 million for other miscellaneous requirements.

Awards of Achievement

In addition to the development in and around town, the City was privileged to receive the 1994 City Livability Award for its *Renaissance on the River* presentation. The United States Conference of Mayors established the City Livability Awards Program to honor the outstanding leadership of Mayors devoted to enhancing "livability" across the country. The award highlights the mayors' commitment to improving cities and their encouragement of the diverse creativity in our community. The focus for the 1994 City Livability Awards was on the arts and culture. Chattanooga was also designated as one of America's most livable communities by Partners for Livable Places in Washington, D.C. In January 1995, the President's Council on Sustainable Development Conference was conducted in the City of Chattanooga. On March 28, 1996 in Toronto, Canada, the City of Chattanooga was selected by the Best Practices Jury as one of 12 winners of the Tokyo and Dubar "Awards of Excellence in Improving the Living Environment". This initiative was given special recognition at the City Summit in Istanbul, Turkey at a special awards ceremony June 4, 1996. The award included a special plaque, a scroll, and a grant that was used to cover costs of travel and per diem for two people directly involved in The Best Practice project.

- One of six cities in the world featured by U.S. News & World Report last year as "Cities that Work."
- One of America's 10 most family-friendly cities to visit, according to Family fun magazine last year.
- One of the "Reborn Cities" profiled by Parade magazine earlier this year.
- One of the 10 "Most Enlightened Cities" featured by Utne Reader magazine.
- One of "America's Best Walking Cities" saluted by Walking Magazine.
- One of cities cited by New York Times in "Smaller U. S. Airports Are Increasingly Popular".
- The National Arbor Day Foundation's "Lady Bird Johnson Award" for the Area Beautification Committee's work in establishing the Gateways Program. 1993.
- Cited in the April 2003 issue of Foreign Direct Investment as an ideal environment for foreign companies looking to relocate or expand due to the Economic Development made.
- The Tennessee Urban Forestry Council's "Tree Board" Award to the Chattanooga Tree Commission for outstanding Contributions to Urban Forestry in Tennessee. 1996.

We are honored with the distinction of receiving, for the past eleven years, the Certificate of Achievement for Excellence in Financial Reporting for our preparation of state and local government financial reports. The Fiscal Year 2003 CAFR is currently being submitted for review.

Also, for seven years we were honored with the distinction of receiving the Distinguished Budget Presentation Award.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The award is valid for a period of one year only. We believe our 2004 budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Form of Government

The City operates under a Mayor/Council form of government. The Mayor is elected at-large and is not a member of the City Council. The Council is composed of nine members, with each member being elected from one of nine districts within the geographic boundaries of the City. The Mayor and Council are elected for four-year terms. The Mayor is the City's chief executive officer and oversees the operation of all City departments including the six principal departments – Finance & Administration; Fire; Police; Parks Recreation, Arts & Culture; Human Services; and Public Works. The City

employs approximately 2,412 full-time employees and approximately 149 part-time employees. The City's Electric Power Board has an additional 394 employees.

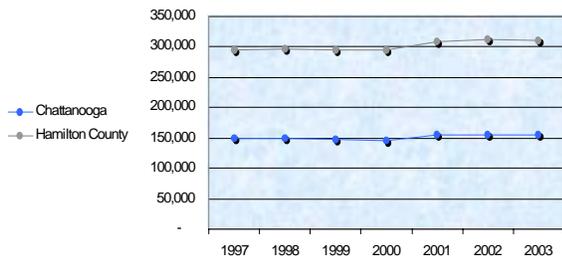
Date of Organization: 1839
Form of Government: Council/Mayor,

Demographics

During 1997 thru 2003, the population for Chattanooga shows an increase of approximated 4%. The population for Hamilton County shows a 5% increase, respectively.

Population		
	Chattanooga	Hamilton County
1997	150,300	295,800
1998	148,800	296,000
1999	147,500	294,800
2000	145,700	295,000
2001	155,554	307,896
2002	155,992	312,266
2003	155,582	311,178

Source: U.S. Census Bureau



Land Area and Usage

Area per Square Mile

1950.....	28.0
1960.....	36.7
1970.....	52.5
1980.....	126.9
1990.....	126.9
2000.....	144.1

The county's land use is predominately agricultural woodland with approximately 587 square miles or 21.2% having been developed.

Miles of Streets (Inside City)

Paved.....1,118

Miles of Streets (County-wide)

Paved.....2,239
Unpaved.....180

Elections (County-wide):

Registered Voters.....164,193
Votes Cast in Last Election.....89,030
Registered Voters Voting.....54.22%

Racial Composition

	City	County
Asian & Pacific Islanders	2.0%	1.6%
African-American	36.7	20.6
Caucasian	60.7	77.3
Other	1.4	1.1

Source: Chamber of Commerce

Average Home Sale Prices

0-2 Bedroom House.....\$ 69,428
3 Bedroom House.....\$114,438
4+ Bedroom House.....\$210,785
Condo/Co-op.....\$110,541

Source: Chattanooga Association of Realtors

Average Monthly Rent

Average rental for a two bedroom, 1 1/2 bath mid-management household, stove and refrigerator included: \$649

Source: ACCRA Cost of Living Index, Second Quarter 2003

Service Statistics

Education

There are 78 public schools in the Hamilton County with a combined enrollment of 40,641. The type of schools and number in County is as follows: Elementary (45); Middle (15); Middle thru High (4); Senior High (12); Kindergarten thru eight, eleven, & 12 (2)

There are 27 private and parochial schools in the Hamilton County area with combined enrollment of 10,350. The type of school and number in County is as follows: Parochial (18); Elementary (6); Preparatory (3).

Facilities

Convention & Meeting Facilities (Capacity)

Soldier's and Sailor's Memorial Auditorium (4,843); Chattanooga-Hamilton County Convention & Trade Center (9,500); Tivoli Theater (1,800); UTC Roundhouse Arena

(12,000); Engel Stadium (7,000); UTC Chamberlain Field (12,500); Finley Stadium (20,000)

Cultural Activities & Facilities

Hunter Museum of American Art, the Houston Museum of Decorative Arts, Bluff View Art District, Chattanooga Ballet, Chattanooga Theatre Center, UTC Fine Arts Center, the Chattanooga Symphony and Opera Association, the Arts & Education Council, the Chattanooga Boys Choir, the Chattanooga Girls Choir, Bessie Smith Performance Hall, African-American Museum.

Recreational Facilities

- 119 Parks
- 16 Golf Courses
- 15 Recreation Centers
- 38 Summer Playgrounds
- 122 Ball Fields
- 200 Public & Private Tennis Courts
- 55 Swimming Pools
- 17 Theaters
- 3 Bowling Alleys

Transportation

Airport: Lovell Field operated by the Chattanooga Metropolitan Airport Authority.

Airline carriers: American Eagle, Atlantic Coast, Atlantic Southeast, Comair, Northwest Airlin, US Airways Express.

Privately owned and operated airport facilities: Collegedale Municipal Airport and Dallas Bay Skypark

Railway service: Norfolk Southern Railway System and CSX Transportation System

Local mass transportation service: Chattanooga Area Regional Transportation Authority

Vehicles in Operation 88 Routes 18

Highways:

Interstate highways 3 US highways 7
 State highways 5

Customer Services

Electric Power Board

Electric Customers.....160,700
 Telephone lines13,487
 Electric Rate for residential..... \$0.0639/ kw-hr

Public Works:

Solid Waste Collected (tons).....101,066
 Miles of Pavement Markings (Center line).....276miles
 Signalized Intersections.....287

Interceptor Sewer System:

Net Assets.....\$224 million
 Volumes:
 " Approx. 61.1 MGD or 22.3 billion gallons per year
 " 52.4 mil lbs/yr CBOD removed at 94.3% efficiency
 " 153.5 mil lbs/year Suspended Solids removed at 97.9% efficiency
 " 140,000 tons/yr biosolids to Landfill
 " 3.5 million gallons of septage per year

Waste Load Distribution:

" 50% Domestic Waste approx. 220,000 persons
 " 50% Industrial Waste 100 permitted industries

Areas Served other than City.....11
 Sewer and Pump Stations:
 Miles of sewer.....1,200
 Diameter.....4 to 84 inches
 Major Pump Stations.....7
 Minor Pump Stations.....48
 Residential/Grinder Stations.....130

Police Protection

Sworn Officers.....472
 Crime Index (CY 2002).....15,548
 Crime rate (per 1,000 pop.).....99.67
 Parking Citations (CY02).....46,931
 Traffic Citations (FY2003).....20,704
 Calls for Service (CY 2002).....261,175
 Average response time.....7.2 min

Fire Protection

Sworn Officers.....384
 Fire Stations.....17
 Front Line Ladder Trucks.....2
 Front Line Fire Engines.....10
 Front Line Quints (Engine/Truck Combination).....9
 Fire Responses.....5,411
 EMS Responses.....4,188
 Average Response Time..... 5.23 min.

Economic

Bond Ratings

Fitch.....AA
 Standard & Poor's.....AA

Building Permits Issued & Value

1996.....	2,254.....	\$289,521,096
1997.....	2,343.....	\$236,856,304
1998.....	2,338.....	\$286,159,625
1999.....	2,263.....	\$304,112,845
2000.....	2,421.....	\$283,589,165
2001.....	2,443.....	\$365,734,755
2002.....	2,330.....	\$287,929,751

Values are based on the current industry averages as published by the Southern Building Code Congress International (SBCCI).

Source: City Building Inspection Department

Largest Employers in the Chattanooga Area (MSA)

The largest employers within the Chattanooga area in the manufacturing and non-manufacturing sectors are:

TOP 10 NON-MANUFACTURERS

<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Service</u>
Hamilton County Dept. of Education	5,537	Elementary & Secondary Schools
Blue Cross & Blue Shield of Tenn.	3,754	Insurance
UnumProvident Corporation	3,147	Insurance
Memorial Health Care System	2,582	Healthcare
City of Chattanooga	2,587	Government
CIGNA Health Care	2,400	Insurance
Erlanger Health System	2,386	Healthcare
U.S. XPress Enterprises, Inc.	1,700	Trucking
Bi-Lo, Incorp.	1,228	Grocery Store
Hamilton County	1,059	Government

TOP 10 MANUFACTURERS

<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Service</u>
Tennessee Valley Authority	6,974	Utility Electric Service
Beaulieu Group LLC	5,017	Carpet
Shaw Industries, Inc.	4,099	Carpet
McKee Foods Corporation	3,500	Cakes and Cookies
S.I. Corporation	2,358	Carpet Backing
La-Z-Boy Tennessee	2,016	Furniture
Maytag Corporation	1,888	Appliances
Roper Corporation	1,700	Cooking Ranges
United Technologies Carrier	1,600	Climate Control
ConAgra Poultry Company	1,500	Process Boiler Chickens

City Officials as of July 1, 2003

Mayor: Robert P. Corker

Chief of Staff: Mike Compton

City Council:

John M. Lively	District 1	Ronald C. Littlefield	District 6
Sally L. Robinson	District 2	John R. Taylor, Sr.	District 7
Dan B. Page	District 3	Leamon Pierce	District 8
W. Jack Benson, Sr., Vice-Chairman	District 4	Yusuf A. Hakeem	District 9
John P. Franklin Jr., Chairman	District 5		

Legislative Staff: Carol K. O'Neal, Clerk of the Council

Legal: Randall Nelson, City Attorney

City Court: John Millican, City Court Judge
Russell Bean, City Court Judge



Department Administrators and Directors:

Finance & Administration: David Eichenthal, Administrator Daisy W. Madison, Deputy Administrator Ed Hammonds, City Court Clerk	Human Services: Bernadine Turner, Administrator Tommie Pruitt, Deputy Administrator
Police: Jimmie L. Dotson, Chief Charles Cooke and Steve Parks, Deputy Chief	Personnel: Donna Kelley, Administrator
Fire: Jim M. Coppinger, Chief Kelvin Flint, Deputy Chief	Neighborhood Services: Kenardo Curry, Administrator
Public Works: Bill McDonald, Administrator Beverly Johnson, Deputy Administrator	Community Development: Rayburn Traughber, Administrator
Parks Recreation Arts & Culture: Jerry Mitchell, Administrator Janice Miller-Hester, Deputy Administrator	Regional Planning Agency: Barry Bennett, Director
Chattanooga-Hamilton County Bicentennial Library: David Clapp, Director	Air Pollution Control: Robert H. Colby, Director
	Scenic Cities Beautiful: Jeanette Eigelsbach, Director



Chattanooga City Council



John M. Lively
DISTRICT 1



Sally L. Robinson
DISTRICT 2



Dan B. Page
DISTRICT 3



W. Jack Benson, Sr.
DISTRICT 4



John P. Franklin, Jr.
DISTRICT 5



Ronald C. Littlefield
DISTRICT 6



John R. Taylor, Sr.
DISTRICT 7



Leamon Pierce
DISTRICT 8



Yusuf A. Hakeem
DISTRICT 9

PHOTOS BY MICKI JARRETT, HOUSE OF PHOTOGRAPHS

Meet US

Mayor

Mayor, Robert P. Corker

Mayor Bob Corker graduated from the University of Tennessee in 1974 with a Bachelor of Science Degree in Industrial Management. He began his career in 1974 as a Project Manager and Construction Superintendent until he founded Bencor Corporation in 1978. Bencor specialized in building retail shopping centers and operated in 18 states.

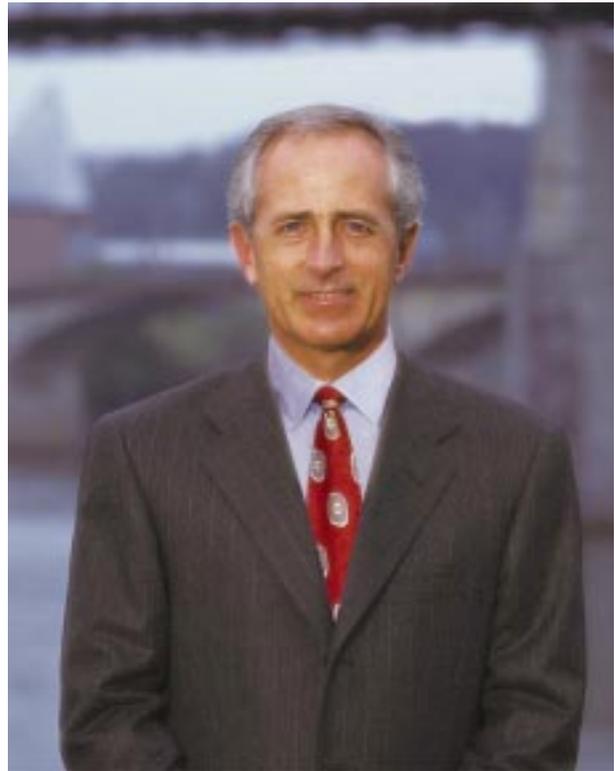
Over time, the acquisition of real estate and other investments became Mayor Corker's business focus and the construction arm of his company was sold in 1990. In 1999, he acquired Osborne Building Corporation and Stone Fort Land Company, the two largest and most historic real estate companies in Chattanooga.

In 1986, Mayor Corker led the creation of Chattanooga Neighborhood Enterprise (CNE), a non-profit, public/private partnership, and served as its founding Chairman. Through the hard work of a diverse group of community participants, CNE has become a national model for neighborhood revitalization, having invested more than \$200 million dollars and having helped more than 6,000 families in Chattanooga find decent, fit and affordable housing.

In 1995, Mayor Corker was recruited to serve as Commissioner of Finance and Administration for the State of Tennessee. There, he was widely acclaimed for his ability to bring together people from both sides of the aisle to solve problems. Among his responsibilities were the preparation and implementation of Tennessee's \$13 billion state budget and overseeing the general operations of the state.

In March of 2001, Bob Corker was elected Mayor of Chattanooga, earning 54% of the vote and a first ballot victory in a crowded field of eleven candidates.

Mayor Corker serves, or has served, on the board of directors of the University of Chattanooga Foundation, Chattanooga Housing Authority, Chattanooga Neighborhood Enterprise, U.S. Xpress Enterprises, Inc., River City Company, American National Bank and Trust Company, Siskin Memorial Foundation, Creative Discovery Museum, Regional Planning Agency,



Southside Development Corporation, Memorial Hospital, Tennessee Housing Development Agency, Chattanooga Venture, Chattanooga Chamber of Commerce, Associated General Contractors, the Executive Committee of the United Way, the Rotary Club and the Urban League. He is past Chairman of the Administrative Board and past Finance Chairman of First Centenary United Methodist Church and a past member of the University of Tennessee at Chattanooga Chancellor's Roundtable. Mayor Corker is a former member of the Governor's Task Force on Low-Income Housing as well as a former Trustee of the Tri-State Carpenters' Fringe Benefit Fund.

The Mayor and his family are members of St. Paul's Episcopal Church. He and his wife, Elizabeth, and their two daughters, Julia and Emily live in North Chattanooga.

Council Members

John M. Lively, District 1

Mr. Lively had never been involved in politics before friends talked him into running in 1990. " He says that it is "more difficult to govern...to get things done...than most people realize." His special interest is cutting waste from city's budget. Lively worked in sales and marketing for General Mills for 20 years and is still active in the business world selling commercial waste removal services to contractors and others. He attended Central High and UTC, and put in 35 years of active service in the National Guard. Lively was a football official with the Tennessee Secondary School Athletic Association for 20 years spending many Friday nights refereeing games around the region. Lively is Deacon of Lookout Valley Baptist Church, a choir member and Sunday school teacher. Lively and his wife Margie Bryan, have been married for 36 years and have three daughters and 1 granddaughter.

Represents citizens in areas: Mountain Creek, Northwoods North, Valley View East, Wauhatchie
Phone: 757-5196
Address: 263 Garden Road, Chattanooga, TN 37419

Sally L. Robinson, District 2

Sally Robinson has been involved in downtown revitalization and riverfront development in Chattanooga since 1980 as a founding member of the Riverbend Festival, and has volunteered through the years on the Moccasin Bend Task Force, Walnut Street Bridge Restoration, Cornerstones Historic Preservation and Friends of Moccasin Bend National Park. She is past executive director of the Arts & Education Council where she worked to establish the Chattanooga Conference on Southern Literature. Ms. Robinson is past executive director of Chattanooga Downtown Partnership where she expanded the Nightfall Concerts, established the Downtown Business and Merchants Roundtable Association, and developed seasonal activities promoting downtown year-round. She has served on the board of the International Downtown Association, and was elected to City Council in 2001. Ms. Robinson attended the University of North Carolina and graduated from the University of Tennessee-Chattanooga. Ms. Robinson is a member of St. Paul's Episcopal Church. She is married to attorney Sam Robinson and has four children and two grandchildren.

Represents citizens in areas: Lupton City, North Chattanooga, Northgate, Northwoods South, Riverview, and Stuart Heights
Phone: 757-5196
Address: 1068 Constitution Dr. - Chattanooga, TN 37405

Dan B. Page, District 3

Councilman Dan Page, in his first venture into politics, was elected to the Council in 2001. Dan, a lifelong resident of Chattanooga, is founder and president of Greenleaf Health Systems. He grew up in the Avondale-East Chattanooga area and graduated from Central High School. He earned a Masters Degree from the University of Tennessee at Chattanooga and completed post-graduate studies at the University of Tennessee at Knoxville. Dan currently resides with his wife of 37 years, Shirley Lowe Page, in the Hixson area. They are actively involved at Trinity Lutheran Church. Dan Page has had a successful business career while raising two sons, Brent and Brian, who graduated from Chattanooga public schools...Hixson High School and Chattanooga High School of the Performing Arts. Dan is a Rotarian, a Trustee Emeritus of Newberry College, has been a board member of the North Chickamauga Creek Conservancy and the North River YMCA. He served on the core group that initiated the Interfaith Hospitality Network of Greater Chattanooga and has been involved with Northside Neighborhood House. Dan's interest is to continue helping people by listening to the citizens and providing them leadership with a strong voice. He believes public service is of the highest calling. He supports encouraging better community planning and promoting a strong business climate for Chattanooga.

Represents citizens in areas: Dupont, Hixson 1, Hixson 2, Kingsport, Lake Hills, Murray Hills
Phone: 757-5196
Address: 6315 Ridge Lake Rd. - Hixson, TN 37343

W. Jack Benson, Sr., District 4

W. Jack Benson, B.S. Peabody at Vanderbilt, M. Ed. University of Chattanooga, Post Graduate at University of Tennessee at Knoxville. He is presently serving on the Chattanooga City Council as Councilman from District 4 and Vice-Chairman.

Mr Benson served for 35 years in the Chattanooga Public School System as an elementary and junior high teacher and then as principal of two elementary schools and two junior high schools. He then moved to a system-wide position at the administrative office where he served as Director of Curriculum and as the Assistant to the Superintendent. After retirement from the school system Mr Benson served as the Executive Director of the Chattanooga Big Brothers/Big Sisters Association.

Mr Benson is a Past-President of the Association of United Way Agency Directors. He has also served on the boards of the National Education Association; Tennessee Education Association; Southern

Association of College and Secondary Schools; Chattanooga/Hamilton County Planning Commission; Tele-scripps Cable Access; Council of Alcohol and Drug Abuse Services; Chattanooga Education Association; United Way Allocation Panel; Armed Forces Committee; Camp Ocoee; and Boy Scout Exposition.

Represents citizens in areas: Concord 1, Concord 2, East Brainerd, Tyner
Phone: 757-5196
Address: 8510 Chambers Rd. – Chattanooga, TN 37421

John P. Franklin, Jr., District 5, Chairman

John Franklin—better known as Duke—was elected in 1998. He graduated from Brainerd High where he excelled in football and track. He received a business degree from Hampton University. Duke is a third-generation director of Franklin-Strickland Funeral Home, and past president of the Tennessee Funeral Director's Association. He has served on numerous boards including Partners for Academic Excellence, Chamber of Commerce, Jewish Community Center, and Zoning Board of Appeals for Variance and Special Permits. The Councilman is interested in improving the climate for new and existing business and upgrading property values in his district and currently serves as Council Chairman from District 5. Duke is an avid golfer.

Represents citizens in areas: Airport, Bonny Oaks, Dalewood, Eastdale, Woodmore
Phone: 757-5196
Address: 2233 Nimitz St. – Chattanooga, TN 37406

Ronald C. Littlefield, District 6

Ron Littlefield is a professional city planner with 32 years of experience working with cities, counties, states and private sector organizations.

He was the first director of Chattanooga's combined city/county/chamber of commerce economic development office where, in 1981, he initiated the annual leadership visits to dynamic cities such as Indianapolis, Baltimore and Charlotte that have inspired a number of major Chattanooga projects.

In 1984, he was an incorporator and initial Executive Director of Chattanooga Venture where he led the successful Vision 2000 planning program -credited with shaping the communities grand scale ideas for riverfront and downtown redevelopment

Subsequently, he was elected Commissioner of Public Works for the City of Chattanooga where he had opportunities to implement plans for restoration of the Walnut Street Bridge and construction of streets, sewers and other infrastructure associated with the Tennessee Aquarium and related projects. Later following a change

in the form of local government, he became the first Chairman of the new Chattanooga City Council and helped to guide the community's transition from the old form of government to the new.

During an eight-year hiatus from public office, Littlefield worked as a planning consultant for a number of public and private clients on a wide variety of development projects In 1998, he was recruited by Mayor Jon Kinsey to assist with proposals for a high-speed passenger rail connection between Chattanooga and Atlanta.

In April of 2001, he was reelected to the Chattanooga City Council from District 6.

Represents citizens in areas: Brainerd, Brainerd Hills, Cedar Hill, Eastgate, Missionary Ridge North, Missionary Ridge South, Ridgedale, Sunnyside
Phone: 757-5196
Address: 308 Hemphill Ave. – Chattanooga, TN 37411

John R. Taylor, Sr., District 7

Mr. Taylor was elected to the City Council in 1997. He is president of Taylor Funeral Home, a family owned business established in 1989 employing 20 people. He is president of the Scales Funeral Home in Nashville. He graduated from Brainerd High and Southwestern Christian College in Tiarell, Texas, and went on to get a degree in Mortuary Science. His district is 50% black and 50% white; some constituents live in poverty and others are wealthy. He is interested in empowering underdeveloped neighborhoods by bringing more people into the governmental process...“for the people and by the people”. Taylor loves to travel (but hates to fly) and in Spring 1999 journeyed to Johannesburg, South Africa as an embalming consultant. He is married to Anita, a native of Indianapolis. They have two sons and attend East Third Street Church of Christ, where John is pastor.

Represents citizens in areas: Alton Park, East Lake, Howard, Moccasin Bend, Piney Woods, St. Elmo
Phone: 757-5196
Address: 4611 Tennessee Ave. – Chattanooga, TN 37409

Leamon Pierce, District 8

Mr. Pierce and his wife Sue have one child and have lived in Park City all their lives. He has operated his own business, Liberty Bonding Company and Lesser Properties, since 1974. He was elected to City Council in 1990. Pierce's career history includes five years as a linesman with TVA and six years with the Electric Power Board where he became the company's first Black linesman. He has been an activist for equal opportunity through many years of service with NAACP, the Action Coordinating Council, Operation PUSH and the Unity Group.

Represents citizens in areas: Avondale, Bushtown, City Hall, Clifton Hills, Courthouse, Downtown
Phone: 757-5196

Address: 2710 Cannon Ave. – Chattanooga, TN 37404

Yusuf A. Hakeem, District 9

Yusuf Abdul Hakeem retired from the General Electric Corporation after 25 years of service, and was one of the pioneers who started the Islamic Center in Chattanooga. He served on the Board of Education for 10 years, and on many other local boards—both past and present—including Chattanooga Neighborhood Enterprise, the Regional History Museum and the Bethlehem Center and Credit Union. Hakeem has been very active in the Tennessee Municipal League and is currently on the Board of Directors; he chaired the League's Telecommunications Committee in 1996. Hakeem was elected to City Council in 1990 and is now serving his 4th term on the Council. He is a graduate of Howard High School and Chattanooga State. He and his wife Beseemah have four children—all are college graduates.

Represents citizens in areas: Amnicola, East Chattanooga, East Side, Glenwood, Highland Park

Phone: 757-5196

Address: 504 Kilmer St. – Chattanooga, TN 37404

Elections for Chair and Vice Chair are made each year, generally the 3rd week of April. Each councilperson will be up for re-election in 2005 (their current terms run from April, 2001 until April, 2005).

Management & Budget Staff

David R. Eichenthal, Esq., City Finance Officer

David Eichenthal joined the City of Chattanooga in July 2002 as the City's first Director of the Office of Performance Review. In February 2003, Mayor Corker tapped him to serve as City Finance Officer as well. Prior to coming to Chattanooga, Mr. Eichenthal served in a series of senior positions in New York City government in the Offices of the Public Advocate, the City Comptroller and the New York City School Construction Authority's Office of Inspector General. He represented the Public Advocate on the City of New York Audit Committee and was appointed by the New York State Assembly Speaker to serve as a local government representative on the New York State Procurement Council. A graduate of the University of Chicago and New York University School of Law, Mr. Eichenthal has

also been an adjunct professor of public administration at New York University's Wagner School of Public Service and Baruch College.

Office Phone: 425-6200

Daisy W. Madison, CPA, CGFM, Deputy Finance Officer/Treasurer

Daisy W. Madison was hired as Deputy Finance Officer in 1992. She is a Certified Public Accountant with over 22 years of experience in financial accounting and auditing which include 10 years as staff auditor for the U.S. General Accounting Office, Arthur Anderson & Company and audit manager for the internal audit division of Hamilton County government. Prior to coming to the City, she served as Director of Financial Management for Hamilton County government for over 10 years. Mrs. Madison initiated the first successful attempt by the City to obtain the GFOA certificate of achievement in financial reporting and the first GFOA Budget Award which was instrumental in the city's achieving an upgraded bond rating. She is involved in numerous community and civic organization which promote a better quality of life in Chattanooga. Daisy and her husband of 25 years, Sam, are the proud parents of four children.

Office Phone: 757-5232

Fredia F. Kitchen, CPA, CGFM Director of Management & Budget Analysis

Fredia Kitchen was promoted to Budget Officer in March, 2000. She holds a Bachelor of Science degree from Austin Peay State University located in Clarksville, TN. She has obtained certificates for Certified Public Accountancy and the Certified Government Financial Manager issued by the Association of Government Accountants. Prior to Budget Officer, her career with the City began in 1980 where she started out in Payroll, moving to Budget in 1984 as a Budget Analyst, then promoted to Senior Budget Analyst. In addition to major budget duties, she monitors all City Investments, performs Revenue Analysis, and Bond Analysis, including gathering data for official statement preparation. She is married to Ken, who is the Assistant Chief Information Officer in the City's Information Services division.

Office Phone: 757-0524

Simone M. White, Sr. Management & Budget Analyst

Simone White joined the City in March 1993 as a Budget Analyst. In November, 2000 she was promoted to her

current position. She handles budgets for Finance & Administration, Police, Neighborhood Services, and the Interceptor Sewer. Prior to joining the City, she was a Business Analyst for the City of Charleston (South Carolina). Simone holds a Bachelor of Science in Accounting from Clemson University (SC). She serves as a reviewer for the GFOA's Distinguished Budget Awards Program. Her other activities include serving as President of the Chattanooga Chapter Association of Government Accountants, Daisy Girl Scout Leader, member of Delta Sigma Theta Sorority, and several church related activities. Simone is married to the wonderful Jerrold Javier White, an attorney practicing in the Chattanooga area and they are new parents of triplets. **Office Phone: 757-0534**

Christopher L. Haley, CGFM, CFA, Management & Budget Analyst

Chris Haley was hired as a Budget Analyst in 1996. He handles budgets for selected General Government accounts and Parks, Recreation, Arts, & Culture. Prior to coming to the City, he worked in internal audit with Hamilton County. **Office Phone: 757-0537**

Randall E. Ray, CGFM, Management & Budget Analyst

Randall Ray was hired by the City in 1986. Prior to that he was a Sales Tax Auditor for the State of Tennessee for 2 years. He is a graduate of Middle Tennessee State University. He handles budgets for Fleet Services, Fire, and Public Works. He has been married to the former Teena Andrews for seventeen years with three cats (Ernest T. Bass, Little Miss, and Arthur). **Office Phone: 757-0535**

Beverly J. Isaac, Management & Budget Analyst

Beverly Isaac was hired in February 2001 as a Budget Analyst. She handles budget for General Government, Personnel, Human Services and the joint funded agencies (Regional Planning Agency, Air Pollution, and Scenic Cities Beautiful). Beverly is a graduate of Southern University located in Baton Rouge, Louisiana. She holds a Bachelor of Science in Accounting. Prior to coming to the City, she served in the United States Army for seven years. She held various positions in the Finance Department. **Office Phone: 757-4751**

Rachelle L. Smith, MPA, Management & Budget Analyst

Rachelle Smith was hired as a Management and Budget Analyst in 2003. She is a graduate of the University of Tennessee at Chattanooga, holding a Master of Public

Administration. Her department assignments are the Chattanooga Area Regional Transportation Authority (CARTA), Chattanooga Neighborhood Enterprise (CNE), the Chattanooga Chamber of Commerce, the Chattanooga Downtown Redevelopment Corporation (CDRC), and the Hamilton County Department of Education. Rachelle is married to Spencer Smith, the Rehab Services Manager at a skilled care nursing facility. **Office Phone: 425-6217**

Preciosa G. Goduco, CGFM, Management & Budget Analyst

Preciosa Goduco joined the city in March, 1984 as an Internal Auditor. In 2003, she was transferred to the Management and Budget Analysis staff. Prior to working with the city, she was a supervising senior with Carlos J. Valdes & Co., CPA's in Manila, Philippines where she was in charge of auditing various SEC corporations and banks. She also worked as a senior auditor with Tomatsu Awoki & Co., CPA's in Tokyo, Japan for 16 months. **Office Phone: 425-6215**

Organizational Chart

CITY OF CHATTANOOGA

