

City of Chattanooga, Tennessee

Comprehensive Annual Budget Report

Fiscal Year July 1, 2007 thru June 30, 2008

Presented by:

The Department of Finance & Administration

Daisy W. Madison, City Finance Officer

Vickie C. Haley, Deputy Finance Officer

Fredia F. Kitchen, Director, Management & Budget Analysis

What's Inside...

Introduction

- 5 Transmittal Letter
An overview of the City's long and short term goals, along with explanation about priorities and issues for the new fiscal year.
- 21 Profile of Chattanooga
An overview about Chattanooga and its accomplishments. Includes Services, Demographic and Economic Statistics.
- 28 City Officials
A list of Chattanooga's Department Administrators, and key Directors.
- 31 Meet Us
Pictures and brief profile for Council, Mayor, Finance Administrators, and Management and Budget Staff.
- 36 City Organization
The Fiscal Year 2008 organizational chart by department

Guidelines

- 37 Procedures
- 40 Budget Model
- 41 Budget Calendar
- 42 Budget Policies
- 51 Budget Ordinance



Financial Overview

- 93 Revenue & Expense History
Includes revenue and expense history and fund balance discussion & charts

Fund Summaries

Includes Summary information about Fund, what departments or divisions included, summaries of revenues, expenditure, projected changes in fund balance, and trends. Capital & Debt Service summaries included behind marked sections

- 105 General Fund
- 119 Special Revenue Funds
- 125 Enterprise Funds
- 133 Internal Service Funds

Summaries by Departments

Includes departmental mission, description, goals, objectives, and performance measures

- 139 General Government
Includes the approved appropriations from the General Fund and divisions of City Council Office, City Court Judges, City Attorney, Information Services, Telecommunications, Purchasing, Building Maintenance, Radio & Electronics, Real Estate, Fleet Services, and other general government type expenditures.
- 141 Supported Agencies
A brief description about the funded agencies for the upcoming fiscal year.
- 147 Economic Development Fund
Includes budgets for the Fund.
- 149 Community Development
Includes divisions of Community Development & Home programs.
- 151 Finance & Administration
Includes divisions of Finance, Treasurer's Offices, and City Court Clerk.
- 153 Police
Includes the Police functions
- 155 Fire
Includes the Fire functions
- 157 Public Works
Includes divisions of Administration, the general fund portion of City Wide Services (Sewer Construction & Maintenance, Emergency Response, Street Cleaning Services), Land Development Office, City Engineering, Traffic Engineering, Storm Water pumping stations, Municipal Forestry, Interceptor Sewer, Solid Waste, Storm Water, and State Street Aid.
- 159 Parks & Recreation
Includes divisions of Administration, Recreation, Champion's Club, Parks, and the Golf Courses.
- 161 Human Services
Includes divisions of Headstart, Daycare, Weatherization, Foster Grandparents, LIHEAP, Community Service Block Grant, Occupancy, Human Services Programs, Family Neighborhood Centers, and the City General Relief divisions.



- 163 **Personnel**
Includes divisions of Personnel, Benefits Office, and Insurance Program
- 165 **Neighborhood Services**
Includes divisions of Administration, Codes & Community Services, Neighborhood Relations & Grants, Grants Administration, and Human Rights
- 167 **Executive Branch**
Includes divisions of the Mayor's Office, Asset Management, Multicultural Affairs and Faith Based Initiatives
- 169 **Education, Arts, & Culture**
Includes divisions of Administration, Civic Facilities, and Arts & Culture

Debt Service Fund

- 171 **Debt Summary**
Includes Summary information about outstanding debt by funding source.
- 178 **Schedule of Debt Service requirements**
- 180 **General Obligation Debt Schedule**
- 184 **Historical Debt Ratios**

Capital Outlay

- 187 **Capital Project Summary**
Includes Summary information about Capital Project Funds, summaries of revenues, expenditure, projected changes in fund balance, trends, followed by a detail listing of projects and operational impact.
- 191 **General Government**
- 193 **Police**
- 194 **Fire**
- 196 **Public Works**
- 199 **Parks & Recreation**
- 201 **Education, Arts, & Culture**
- 202 **2008 Capital Budget Ordinance**

Personnel Administration

- 207 **Overview**
Provides a brief description of the City's compensation package for its employees.
- 209 **2008 Personnel Changes**
Provides explanation for increases or decreases since Fiscal Year 2007.
- 211 **Six year detail chart**
A listing of all City positions with summary figures totaled by fund type
- 223 **Pay Plan tables**
The FY 2008 pay scale for General Employees and Fire & Police

Appendix

- 225 **Glossary**
A listing of terms and abbreviations used throughout this document
- 235 **Index**
A page reference section to quickly help readers find certain subjects of interest



The **CABR 2008** is divided into five major sections:
Introduction, Guidelines, Financial Overview, Personnel Administration, and the **Appendix.**

Section A: Introduction - gives a profile of Chattanooga with selected useful service, demographic, economic, and statistical information, a message from the City Finance Officer, an organizational chart, and profiles of City officials.

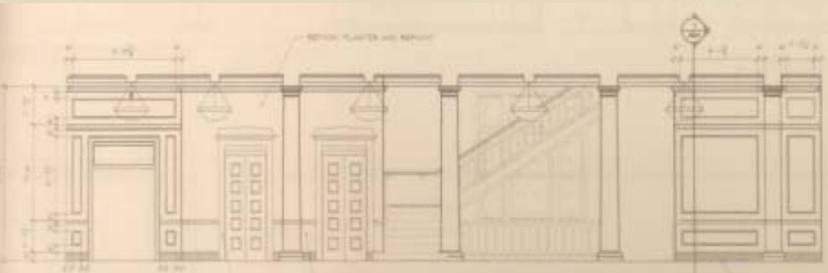
Section B: Guidelines - informs you of guidelines and rules adhered to by the Finance department of the City of Chattanooga, as well as budget policies, model, procedures, a calendar, and the budget ordinance.

Section C: Financial Overview - summarizes the overall financial condition of the City of Chattanooga, where we have been, where we are, and where we are going. This is followed by discussions of programs such as General Government, Supported Agencies, Finance & Administration, Police, Fire, Public Works, Parks & Recreation, Human Services, Personnel, Neighborhood Services, Executive Branch, Education, Arts & Culture, Debt Service and Capital Outlay.

Section D: Personnel Administration - gives an overview of the benefits provided by the City of Chattanooga, position changes, its personnel detail, and pay plan tables.

Section E: Appendix - includes a glossary and an index.



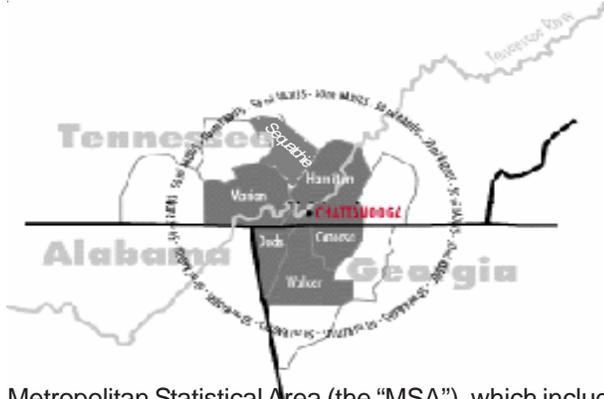


History & Development

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

Services; Public Works; and Education, Arts, & Culture. The City employs approximately 2,338 full-time equivalent employees. The City's Electric Power Board has an additional 400 employees.

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.

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.

Chattanooga, known in the 1930's as the "Dynamo of Dixie", is one of the nation's oldest manufacturing cities with 14.3 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 4.4 percent as of 2006. This is comparable to the nation's unemployment rate of 4.6 percent and the state rate of 5.2 percent.

Form of Government

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

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. The seven principal departments are Finance & Administration; Fire; Police; Parks & Recreation; Human

In 1982 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. Within the last several years, over \$293 million in new developments have been either completed or under construction. The 21st Century Waterfront Plan was 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. The \$120 million plan combined 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, which has undergone a \$19.5 million expansion. A new public plaza was created between Cherry and Walnut Streets. First Street itself is transformed into a mixed-use neighborhood of residences, shops, cafes, and galleries. Pedestrian connections at Second Street and a bridge from the Walnut Street Circle across Riverfront Parkway connects the Hunter 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 expansion of the Tennessee Aquarium solidifies 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.

The City's share of the cost of the Plan was 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.

On the Southside, the CDRC funded, in part through revenue from the State designated Tourism Development Zone (TDZ), construction of The Chattanooga, a 208,210 sq. ft. residential meeting facility, a new 1,029-space Parking Facility, 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, and the 226,000 sq. ft. expansion of the Chattanooga-Hamilton County Convention and Trade Center, which was completed in the spring of 2003. Together, these developments have made the downtown Chattanooga area a gathering place for night, 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.

A new focus on neighborhoods has complemented the City's efforts to revitalize downtown. In response to neighborhood groups, the former mayor implemented a controversial plan that changed MLK Blvd. and McCallie Avenue from one way to two way traffic. This change has had a positive impact on the community and to the neighborhoods that border these two streets. Through the leadership of the Lyndhurst Foundation, MLK Tomorrow, the Community Impact Fund and Chattanooga Neighborhood Enterprises, 92 housing units for all income levels (19 of which were among the City's most economically disadvantaged neighborhoods) were constructed and rehabbed in this neighborhood resulting in a \$13 million investment.

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.

Along with its partners in the private sector and in County, State, and Federal government, the City has systematically and strategically invested in infrastructure, recruitment, and retention initiatives and technology. It has continued the process of reinventing the economy of the City in a way to meet the challenges of the 21st Century. As a result, the Chamber of Commerce established at the beginning of FY04 a goal that within the next four years, 20,000 new jobs would come to the Chattanooga region. As of the end of FY07, 14,500 new jobs have been added.

Enterprise South, a top tier industrial park, was developed by the City and Hamilton County at the old Volunteer Army Ammunition Plant site. The City and County have funded this site which provides 1,200 acres for development surrounded by a 2,800-acre passive recreation area. The site is located within 2 miles of Interstate 75 where a \$23 million interstate interchange that has been under construction with completion scheduled by December, 2006. This is the largest block of land available within the city limits in several decades. Enterprise South, one of Tennessee's premier Mega sites, has infrastructure in place to support a wide range of manufacturing and industrial uses and boasts dual main line rail capacity. The entire site exceeds 6,000 acres, and efforts continue to acquire the remaining portions for industrial and recreational uses. To add momentum to this venture, strong partnerships have been forged with our state economic development team, the Chamber of Commerce, TVA, and other economic development entities.

In order to take full advantage of the City's location and establish Chattanooga as a hub of the technology corridor, the City, County, and Congressman Wamp have caused the "Enterprise Center" to become an umbrella organization for oversight and accountability to 12 innovative, federally funded initiatives in order to enhance Chattanooga's placement in the technology corridor and the community's relationship with the world class research institutions throughout the region. They include initiatives such as: Advanced Transportation and Technology Institute; the Alliance for Secure Energy and Transportation; CARTA ITS Project; Connect the Valley; the Fuel Cell Project; the High Speed Rail Maglev initiative; the SimCenter; the Center for Entrepreneurial Growth; the Riverbend Technology Institute;

and the New Economy Institute. The United States Department of Commerce announced that The Tennessee Valley Corridor was one of two regional alliances in the country to win the national award for Excellence in Regional Competitiveness in Economic Development. We share this award with the Research Triangle—great company for us to be in. The staff of the Enterprise Center is governed by a nine member board and works closely with our Chamber of Commerce.

Other initiatives such as the Public Art and Outdoor initiatives and the initiative to end chronic homelessness are designed to create public/private partnerships that improve the quality of life in Chattanooga making it truly a great 21st Century American City.

Finally, Hamilton Place Mall, Tennessee's largest, now in its nineteenth year of operation, remains a magnet for millions of people. The 1.1 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. The success of the mall has quickly spilled across Gunbarrel Road and Interstate 75. The number of businesses and amount of traffic in the mall area has greatly increased 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 and the property tax rate is \$2.202 per \$100 assessed valuation.

The City's capital initiatives reflect its ongoing commitment to economic development and long term sustainability of the City. In the proposed FY08 budget, over \$45 million was appropriated for major initiatives. These include over \$14 million for upgrades of various City parks and recreation centers, which includes \$2.5 million for Warner Park and \$10.5 million for a new softball sports complex; \$9.7 million for various public works projects such as paving, street improvement, curbs, gutters and sidewalks, downtown streetscape, and equipment replacement; \$8.5 million for Enterprise South Industrial Park; \$2.5 million for fleet/lease replacement; \$2.7 million for ERP software; and \$500,000 for police digital radios and laptops. Funding sources include \$13 million pay-as-you-go dollars, \$18 million in bonds, \$1,760,000 State and \$12 million in other sources.

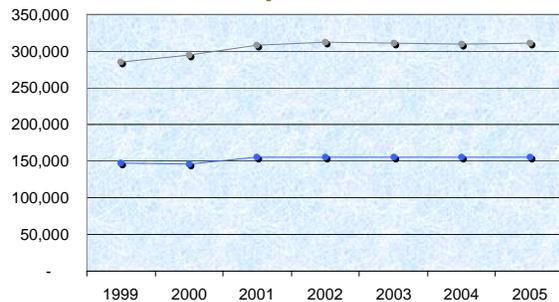
Demographics

During 2000 thru 2006, the population for Chattanooga was flat and Hamilton County showed an increase of approximately 1.6 percent (*see note below*).

Population		
	Chattanooga	Hamilton County
2000	155,554	307,896
2001	155,992	312,266
2002	155,582	311,178
2003	155,289	309,956
2004	154,853	310,371
2005	154,762	310,935
2006	155,190	312,905

Source: U.S. Census Bureau

Population



Note: After publication of this document, updated population figures were released by the Census Bureau changing Chattanooga's population estimates by 8.4% from 155,190 to 168,293. See November 7, 2007 press release - "Mayor's Census Challenge Results in 8.4% Increase in Population Estimate" on www.chattanooga.gov for more information.

Land Area and Usage

Area in Square Miles

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).....	1,221
Miles of Streets (County-wide).....	2,829

Elections (County-wide):

Registered Voters.....	184,099
Votes Cast in Last Election.....	109,424
Registered Voters Voting.....	59.44%

Racial Composition

	Chattanooga MSA
White	82.1%
Black	14.3
Asian	1.5
Other	0.7
American Indian/Alaska Native	0.2

Source: Chamber of Commerce

Housing Costs

Year	Average Sale Price
2001	\$107,300
2002	\$112,300
2003	\$116,700
2004	\$125,400
2005	\$131,900
2006	\$136,000

Source: Chamber of Commerce

Service Statistics

Education

There are over 75 public schools in the Hamilton County School System. The type and number of schools in the County are as follows: Elementary (45); Middle (14); High (16); Special School Programs (1).

There are 39 private and parochial schools in the Chattanooga area with combined enrollment of over 11,000.

Facilities

Convention & Meeting Facilities (Capacity)

Soldiers and Sailors Memorial Auditorium (4,843); Chattanooga-Hamilton County Convention & Trade Center (312,000 sq. ft.); Tivoli Theater (1,800); McKenzie Arena (12,000); Engel Stadium (7,000); UTC Chamberlain Field (12,500); Finley Stadium (20,000); Chattanooga (25,000 sq. ft.); AT&T Field (6,300).

Cultural Activities & Facilities

Hunter Museum of American Art, Houston Museum of Decorative Arts, Bluff View Art District, Chattanooga Ballet, Chattanooga Theatre Center, UTC Fine Arts Center, Chattanooga Symphony and Opera Association, Arts & Education Council, Chattanooga Boys Choir, Chattanooga Girls Choir, Bessie Smith Performance Hall, African-American Museum, Oak Street Playhouse, Creative Discovery Museum, Regional History Museum, Railroad Museum.

City-County Recreational Facilities

- 98 Parks
- 21 Golf Courses
- 9 Country Clubs
- 18 Community Centers
- 140+ Hotels and Motels

Transportation

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

Airline carriers: US Airways, American Eagle, Continental, Allegiant Air, Delta Connection - ASA/Comair/Northwest Airlink and 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	73	Routes	16
-----------------------	----	--------	----

Highways:

Interstate highways	3	US highways	7
State highways	5		

Customer Services

Electric Power Board

Electric Customers.....168,442
 Electric Rate for residential.....\$0.0752/ kw-hr

Public Works:

Solid Waste Accepted at Landfill (tons).....84,548
 Miles of Pavement Markings (Center line).....992 miles
 Signalized Intersections.....311

Interceptor Sewer System:

Net Assets.....\$240 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.....8
 Minor Pump Stations.....59
 Residential/Grinder Stations.....130

Police Protection

Sworn Officers.....471
 Crime Index (CY06).....14,259
 Crime rate (per 1,000 pop.-CY06).....91.41
 Parking Violations (CY06).....66,810
 Moving Violations (CY06).....32,174
 Calls for Service (CY06).....227,019
 Crimes Committed (CY06).....13,999

Fire Protection

Sworn Officers.....400
 Fire Stations.....17
 Front Line Ladder Trucks.....2
 Front Line Fire Engines.....11
 Front Line Quints (Engine/Truck Combination).....11
 Fire Responses.....6,145
 EMS Responses.....5,240
 Average Response Time (minutes).....5.05

Economic

Bond Ratings

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

Building Permits Issued & Value

2000.....2,421.....	\$283,589,165
2001.....2,443.....	\$365,734,755
2002.....2,330.....	\$287,929,751
2003.....2,596.....	\$345,528,832
2004.....2,500.....	\$347,658,477
2005.....2,678.....	\$388,424,847
2006.....2,667.....	\$415,215,320

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

Source: Land Development Office



Largest Employers in the Chattanooga Area (MSA)

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

TOP NON-MANUFACTURERS		
<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Service</u>
Blue Cross BlueShield of TN	4,502	Insurance
Hamilton County Dept. of Education	4,360	Elementary & Secondary Schools
Tennessee Valley Authority	3,869	Utility Electric Service
Erlanger Health System	3,410	Hospital
Unum Group	2,800	Insurance
City of Chattanooga	2,338	Government
Memorial Health Care System	2,152	Hospital
CIGNA HealthCare	1,850	Insurance
Hamilton County Government	1,750	Government
U.S. Xpress Enterprises Inc.	1,659	Trucking

TOP MANUFACTURERS		
<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Service</u>
McKee Foods Corp.	3,200	Cakes & Cookies
Pilgrim's Pride Corporatin	1,839	Process Chickens
Propex, Inc.	1,800	Geosynthetics & Building Materials
Roper Corporation	1,600	Cooking Ranges
Astec Industries, Inc.	1,160	Asphalt & Dust Collectors
Tecumseh Products company	600	Lawn Mower Engines
Alstom Power	600	Boilers
Mueller Company	566	Valves
KORDSA	583	Gas Appliance
Koch Foods LLC	450	Process Chickens

City Officials as of July 1, 2007

Mayor: Ron Littlefield
 Chief of Staff: L. Dan Johnson
 City Council:

Linda Bennett**	District 1	Marti Rutherford	District 6
Sally L. Robinson	District 2	Manuel Rico	District 7
Dan B. Page*	District 3	Leamon Pierce	District 8
W. Jack Benson, Sr.	District 4	Debbie Gaines	District 9
John P. Franklin, Jr.	District 5		

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

Legal: Randall Nelson, City Attorney

City Court: Russell Bean, City Court Judge
 Sherry Paty, City Court Judge



Department Administrators and Directors:

Finance & Administration:
 Daisy W. Madison, Administrator
 Vickie C. Haley, Deputy Finance Officer

Human Services:
 Bernadine Turner, Administrator
 Tommie Pruitt, Deputy Administrator

Police:
 Freeman Cooper, Chief
 Mark Rawlston, Deputy Chief

Personnel:
 Donna Kelley, Administrator
 Susan Dubose, Deputy Administrator

Fire:
 Wendell Rowe, Chief
 Randy Parker, Deputy Chief

Neighborhood Services:
 Beverly P. Johnson, Administrator
 Anthony O. Sammons, Assistant Administrator

Public Works:
 Steven C. Leach, Administrator
 Donald L. Norris, Deputy Administrator

Education, Arts & Culture:
 Missy Crutchfield, Administrator
 David Johnson, Deputy Administrator

Parks & Recreation:
 Larry Zehnder, Administrator

General Services
 Paul Page, Director

*Chairman

**Vice-Chairman



photo by: Priscilla Simmons

City Hall Grand Re-Opening May 19, 2007

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 Dubai "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.

The New York Times (September 13, 2006) says, "NOT too small and not too big, Chattanooga is really the undiscovered gem of Tennessee, where old-school Southern manners and grand Victorian mansions meet a thoroughly modern, eco-friendly Tennessee riverfront."

The City of Chattanooga has also been recognized by:

- *U.S. News & World Report* as one of the "Cities that Work."
- *Family Fun Magazine* as one of America's 10 most family-friendly cities to visit.
- *Parade* magazine as one of the "Reborn Cities".
- *Utne Reader* magazine as one of the 10 "Most Enlightened Cities".
- *Walking Magazine* as one of "America's Best Walking Cities".
- *New York Times* article entitled "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
- *Foreign Direct Investment* in the April 2003 issue as an ideal environment for foreign companies looking to relocate or expand.
- 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 fifteen years, the Certificate of Achievement for Excellence in Financial Reporting for Comprehensive Annual Financial Report (CAFR). The Fiscal Year 2007 CAFR is currently being submitted for review.

Also, for twelve 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 2008 budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



June 30, 2007



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

I am pleased to present the FY2008 budget for the City of Chattanooga. This year marked an incredible Celebration for the Citizens of Chattanooga. In May of this year, we celebrated the grand re-opening of the City's almost 100 year old Chattanooga Municipal Building which underwent a \$12 million dollar renovation. During the renovation several discoveries were made, hidden windows and doors, hidden articles, and the most celebrated-- a 1908 time capsule with Century Old Artifacts in the cornerstone of City Hall.

Some say it was "A snapshot of Chattanooga almost 100 years ago". Mayor Ron Littlefield says, "Our City has undergone tremendous change since 1908. We were pleased to re-open Chattanooga City Hall after a much needed total restoration and renovation. Our seat of government is once again befitting the growing and prosperous metropolitan city that we are today."

This year's budget continues to commit to economic development, improving our neighborhoods, providing responsive government, and effective delivery of quality services.

The Mayor's Seven Step Strategy

During Mayor Littlefield's inaugural remarks, he outlined three key elements that will guide his administration. These elements: Change, Creativity, and Compassion have inspired the continued commitments which move Chattanooga to a model for performance accountability in the region and beyond. Outlined below is the Mayor's Seven Step Strategy and a scorecard of initiatives that have already been put in place.

Finish what we've started

When Chattanooga's envisioned a renaissance for their city 20 years ago, they returned to the river. Now the banks of the Tennessee River flourish with an aquarium, a children's museum, a carousel, theaters, walking paths, a pedestrian bridge and a score of other projects that helped revitalize a

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



dying downtown. The transformation of the waterfront is complete. The 21st Century Waterfront project completes the city's return to our greatest natural resource, the Tennessee River.

Meanwhile, out on the edge of the city, the old Volunteer Army Ammunition Plant has been reborn as Enterprise South – perhaps the finest industrial park in the Southeastern United States. The Enterprise Center's success in bringing attention to Chattanooga's economic potential led to a decision to capitalize on advanced technology projects for job creation. Today, the Enterprise Center serves as an umbrella organization overseeing more than a dozen federally funded entities, many of which have a technology focus. From fuel cell development to heavy duty vehicle wind drag studies to electric and Maglev high speed ground transportation alternatives, each of the independently run entities overseen by The Enterprise Center have come together to form a Council of Managers, encompassing the heads of each agency. As a result, The Center has poised itself as a virtual stage where ideas are presented and acted upon for the sake of efficient technology and to ensure the economic future of the area.

What we've done:

- √ Hiring of professional expertise to ensure creation of large number of high paying jobs at Enterprise South
- √ Double business investments through Renewal Community Expansion
- √ Improved airline options for Chattanooga
- √ Recruit private developers to fill in the vacant parcels.
- √ Effectively manage the transition of Blue Cross/Blue Shield move to Cameron Hill

Fill in the economic gaps

The renewed downtown and rising economic tide that has enriched some in Chattanooga in recent years unfortunately has not been effective in lifting many segments of the population out of a persistent state of underemployment, joblessness and poverty. We can never be a great city until all citizens enjoy the fruits of our community's dazzling new look and new spirit. The loss of employment in old-line manufacturing must be matched by creation of new family wage jobs. The shrinking manufacturing base must be rebuilt. Otherwise, Chattanooga risks becoming an unbalanced city of rich and poor – with a diminished and struggling middle class. There are gaps in the economic fabric of the community that must be mended.

What we've done:

- √ Chattanooga Community Resource Center (old Farmer's Market)
- √ Complete the cleanup of Chattanooga Creek and U.S. Pipe site
- √ Signed the Air Pollution Control Act

Enhance links and gateways

Chattanooga's future is heavily dependent on access to the outside world. Our principal gateways must offer an attractive and efficient opportunity for both visitors and local interests to enjoy the benefits of the renewing community. For our downtown and riverfront, the improved freeway entrance at Fourth Street is a good beginning, but the other principal downtown ramps need significant treatment as well. The long delayed reworking of U.S. Highway 27 through the central business district must proceed without diminishing the carrying capacity or safety of this principal thoroughfare. New interstate access points are needed to serve the rapidly growing Hamilton Place area and the reviving Brainerd / East Ridge commercial center. The new interchange at Enterprise South must be connected to the existing street grid – with extension through to Highway 58. The outdated confluence of Interstates 24 and 75 must be redesigned and rebuilt to resolve the growing problem of truck crashes and other accidents that often result in complete blockage of the highway and near total disruption of traffic on area surface streets. Sight and sound barriers must be provided along limited access highways to protect residential areas from freeway noise. Finally, the much-discussed high-speed rail connection between Chattanooga's Lovell Field and Atlanta's Hartsfield-Jackson International Airport must continue to move forward toward reality.

Nourish the neighborhoods

Downtown is unquestionably important, but there is more to "the greater city" than downtown. Nothing is more essential to a healthy city than healthy neighborhoods. People must have confidence and feel comfortable in the surroundings where they invest their lives and livelihoods most directly. As Chattanooga has reinvented itself, the neighborhoods have not been left out – and they must not be neglected in the future. We must continue to strengthen the Department of Neighborhood Services to encourage and support grassroots neighborhood organizations. Traffic calming, removal of blighting influences, noise abatement, and other quality of life issues have been addressed during the last four years. The same period has seen a flurry of neighborhood plans. Such initiatives must continue in order to

guarantee stronger, safer residential areas with rising property values.

What we've done:

- √ Provide Community Development Block Grant (CDBG) funding to eligible projects, consistent with the City's Consolidated Annual Performance and Evaluation Report (CAPER).
- √ Conduct monthly systematic inspections focusing on residential structures, abandoned vehicles, litter, illegal dumping and overgrowth.
- √ Fund at least 15 Neighborhood Partners Projects
- √ Develop and implement a neighborhood leadership training academy for the purpose of "growing" leadership – current and new, with a focus on developing youth leadership.
- √ Implement World Changers Project – rehab at least 30 elderly and senior owner/occupied residents
- √ Correct drainage issues
- √ Create new sidewalks and fix old ones especially near schools
- √ Traffic Calming/Traffic Cameras/ cross walk lights
- √ Expand programs in recreation centers
- √ Initiate Anti-Gang programs: Stop the Madness and Boxing
- √ Manage infill development of vacant lots
- √ Revise and fine tune the C-7 Zoning Regulations to provide a more workable and legally supportable method to promote desired mixed use and compatible residential development
- √ Neighborhood Meetings in all nine districts
- √ Revamp Common Ground newsletter and reinstitute mailing to neighborhood associations, community leaders
- √ Office of Faith Based Initiatives and Community Partnerships with the Hispanic Outreach/health clinic, Eastside Task Force, Youth Provider Network, and Homeless Initiative
- √ Office of Multicultural Affairs which will be responsible for reviewing, implementing, and monitoring of public policy that affects the disadvantaged cultural communities in Chattanooga
- √ Mayor's Council on Disability thru Go!Fest

Keep growing the green

Chattanooga has gained new recognition for its parks, greenways and outdoor initiatives. We must have more of this! Beginning with the Brainerd Levee Trail in the 1970's, Chattanooga has expanded its system of walkways and greenways into a community wide network serving residents and visitors alike. Before the end of 2005, the last segment in the Tennessee Riverwalk was opened – completing a dream first envisioned in the mid 1980's. Finally, it is possible to walk between downtown and Chickamauga Dam in a safe and scenic environment. Likewise, the new parks on the north shore of the Tennessee River are the product of decades of preparation and effort. The development of Coolidge Park got underway in the late 1980's with action by the (then) City Commission beginning the process of moving the old military reserve facilities to new and improved quarters. The park presently under construction on the former Roper site offers an opportunity to complement our assets and further enhance our newfound prominence as “the Boulder of the East”. The greening of Chattanooga with parks, trails, trees and outdoor facilities must continue.

What we've done:

- √ Security cameras in park areas
- √ Additional Park rangers
- √ Animating the riverfront Creation of Waterfront Management Team (contract with FOF)
- √ Online calendar for ease of reservations for customers
- √ Add a 311 park reservation hotline
- √ Brainerd Mission signage and expansion
- √ Increase Outdoor Chattanooga activities and recreation
- √ Open high profile Outdoor Chattanooga
- √ Office in Coolidge Park
- √ Make McClelland Island a destination park
- √ Work with sports enthusiasts, parents and recreation professionals to develop more playing fields and facilities for all outdoor neighborhood athletics

Attack fear with technology

Crime, vandalism, fire and natural disasters are now joined by the new fear of terrorism. Fortunately, there are effective resources – some old, some new – to address such troublesome issues. Our police officers and our fire fighters

must be well trained, well paid and well equipped in keeping with the increased challenges of today. In addition, the capabilities offered by hardware and software such as the city's 311 and 911 operations, plus the county's Geographic Information System must be coordinated to better track and manage response to emergencies.

What we've done:

- √ 311 Tracking of neighborhood concerns
- √ On-Line Welcome video on City's Website; update and maintain all department's websites with information that impact about neighborhoods.
- √ Develop a comprehensive resource directory database for each district

Focus on teaching

It might be said that the City of Chattanooga is no longer in the business of operating a school system, but we can never be out of the business of providing the best learning environment for our leaders of the future. The provision of appropriate educational opportunities for all citizens – children and adults – must remain a top priority. We must continue to provide incentives and rewards for top rank teachers performing in a measurably effective manner. In fact, such programs should be expanded whenever and wherever possible. Further, we must provide all teachers – not just some - with the support and resources needed for the task at hand. Still, as important as it might be, the public school classroom offers only one means for delivering the benefits of education. Therefore, to a greater degree, we must equip all citizens – and especially parents - to be teachers. One example: our local library system can be modeled into a more modern, more readily accessible learning resource. The computer age and the internet offer almost limitless possibilities. Chattanooga can become a city of teachers.

As a next step to teaching, local government offices, foundations, and corporate citizens created the 'Youth School to Work Program' providing at risk students with paid internships in the community (including city government). We hope by engaging our youth of our communities in a positive way, we can offer creative solutions to youth violence and encourage them to make connections, observe various career paths, and develop the abilities to make the right choices for a brighter future.

What we've done:

- √Mayor's Council on Disability thru Go!Fest
- √Great Ideas Competition for high school students
- √Teaching/computers/mentoring in Recreation Centers
- √Creation of Education, Arts and Culture department
- √Youth School to Work Program

Chattanooga's Key Financial Issues

By focusing on productivity and efficiency, Chattanooga seeks to overcome the problems of structural deficits that have plagued other cities across the nation. Chattanooga, striving to live within its means without raising taxes or slashing services, faces the following budget challenges:

•**Cost of Fuel and Employee Benefits** ~ The rising cost of fuel and employee pay and benefits continue to be challenging in the face of limited resources. Increased revenues resulting from improved economic conditions have provided some relief along with continued emphasis on efficiencies and operations.

•**Competitive Pay for Employees** ~ The City is moving toward a total compensation package including an open pay base plan, pay-for-performance, and bonuses. The City Council commissioned an independent consultant to develop a pay plan to provide a total compensation package that attracts and retains a professional, competent work force.

•**Employee Benefit Costs** ~ Although medical costs remained stable during the past, we are faced with a twenty 20% increase in medical benefits for fiscal year 2008. To minimize future cost increases and maintain a healthy workforce, two on-site clinics and a fitness center have been opened to employees and dependents

•**Retiree Benefits** ~The cost of retiree benefits continues to be one of the fastest growing concerns. Fire & Police pension increased by more than 20% due to such factors as earlier retirement, improved benefits, and declining investment returns in prior years. A review of the DROP plan is underway to determine the impact on the cost of pension benefits.

•**Other Post-Employment Benefits (OPEB)** ~ The Governmental Accounting Standards Board recently issued

statement No. 45 which sets forth standards for reporting post retirement benefits other than pensions (OPEB). Based on an actuarial evaluation the City's unfunded actuarial liability for OPEB is \$151,200,000 on a prefunded (trust) funding option and \$228,500,000 on a pay-as-you-go basis. The City established a Post Retirement Investment Trust during FY07 and contributed \$2,000,000 from current years excess operations revenues. A task force is currently evaluating options to minimize this cost.

•**Energy Costs** ~ Uncertainty regarding energy costs and the fiscal impact to heat and cool buildings and to fuel vehicles may increasingly become a concern. This year we factored in over twelve percent (12%) increase in water rates and nine percent (9%) in cost of diesel fuel.

•**Enterprise Resource Planning (ERP)** ~ The City is in the beginning phase of an ERP acquisition and implementation for use in finance, purchasing and human resources. \$3.6 million was appropriated in FY07 with an additional \$2.7 million set aside in the preliminary FY08 capital budget for the continued implementation.

Budget Highlights

The City's undesignated General Fund budget has grown by roughly 15% over the past five years and there has been a significant effort to maintain the position reduction of 2002 in City government. For the sixth consecutive year tax increases and layoffs have been avoided by a combination of more effective management and economic growth. This budget provides the resources for continued investment in the long term fiscal health of this community.

The City's *chattanoogaRESULTS* initiative and vacancy control program that has been in effect since February 2002 greatly increases accountability by allowing the Mayor, the City Finance Officer and other senior City officials to regularly monitor both spending and departmental performance. The result has been a review process that defines the way that all of City government does business throughout the fiscal year. The City is in the process of publishing its third annual performance report to the citizens of Chattanooga. This final prior year report gives residents a track record on how the city is responding to their needs, it also provides administrators and managers with quantifiable performance measures, and tells how citizens feel about their priorities being addressed. You can find both reports on www.chattanooga.gov

Major Highlights of the Fiscal Year 2008 Budget :

Taxes - No tax increase for the sixth straight year. The current tax rate of \$2.202 is 31 cents less the 2005 rate of \$2.516.

Personnel - The fiscal year 2008 budget includes a net increase of three (3) positions over the prior year. In General Fund, 2 net positions were decreased within its various departments. Special Revenue reduced position by eleven (11), Enterprise Funds added fifteen (15) new positions, including eight new positions added to the Interceptor Sewer Fund. Internal Service Fund has no position increases, but other funds, Golf and DRC show an increase of one (1).

City of Chattanooga
Detail Position List for Fiscal Year 2005-2010

Position Number	Position Name	2007 Pay Grade	Change				Projected			
			FY 2005	FY 2006	Final FY07	FY 2008	PY to CY	FY 05 thru FY 2008	FY 2009	FY 2010
All Authorized Budget Positions			2,571	2,585	2,572	2,575	3	4	2,575	2,575
Total General Fund			1,862	1,871	1,893	1,891	-2	29	1,891	1,891
Total Special Revenue Funds			424	429	386	375	-11	-49	375	375
Total Enterprise Funds			178	178	187	202	15	24	202	202
Total Internal Service Funds			62	62	61	61	0	-1	61	61
Total Golf Course and DRC			45	45	45	46	1	1	46	46

Public Safety - The City Continues to focus on Citizens safety by the addition of eleven (11) Sworn Officers on the streets, Police Service Technicians, an additional Ranger for the Riverfront security and added full time guards for City Hall. Also plans are underway to implement a unified dispatch program to answer 911 calls fro Hamilton County and surrounding municipalities.

Neighborhoods/Community - Restructuring of neighborhood grants for greater benefit to the neighborhoods thru Community Development Block Grants, expanded recreation center programs and greater involvement of the Neighborhood Services Department.

Continued funding for the **Office of Faith Based** Initiatives to administer programs that benefit the less fortunate in our community

Increase citizen participation in the **recycling program** thru creation of additional drop off centers and improved awareness through public eduction

Wellness - Continued funding for Onsite medical clinics to help curb rising cost of medical insurance

Parks & Recreations - Improved management of the City's leisure and recreation facilities by continuation of the City's Recreate 2008 program

Fleet Services - Expansion of the vehicle lease program that was initiated in FY 2007 to effect better management of the City fleet.

Projected revenues for all appropriated funds total \$276,825,311, an increase of 6.94% from the previous year. This does not include fund balance, bond proceeds, and transfers in, which are considered other financing sources. Charges for services account for the largest increase of 35.81%. Taxes are up 2.68% largely due to projected increase in property taxes, and countywide and state sales taxes of 2.68%, 4.88%, and 3.02% respectively. These forecasts are based on a stable economy. The largest projected revenue increases come from taxes and intergovernmental revenues. The major decreases are in Licenses & Permits due to Parking Meter revenue being transferred to CARTA (Chattanooga Area Regional Transit Authority).

Revenues	FY07/08	FY06/07	inc(dec)	% change
Taxes	118,580,410	115,487,170	3,093,240	2.68%
Licenses & Permits	3,264,700	3,601,200	(336,500)	-9.34%
Intergovernmental	71,515,876	62,959,998	8,555,878	13.59%
Charges for services	69,509,383	51,181,331	18,328,052	35.81%
Fines, forfeitures and penalties	1,410,000	1,432,500	(22,500)	-1.57%
Interest earnings	5,299,870	3,946,141	1,353,729	34.31%
Miscellaneous	7,245,072	20,261,038	(13,015,966)	-64.24%
Total Revenues	\$ 276,825,311	\$ 258,869,378	17,955,933	6.94%
Other Financing Sources				
Transfers in	21,963,515	25,071,497	(3,107,982)	-12.40%
Fund Balance	18,258,092	18,512,433	(254,341)	-1.37%
Bond Proceeds	19,550,000	14,446,994	5,103,006	35.32%
Total Other Financing Sources	\$ 59,771,607	\$ 58,030,924	1,740,683	3.00%
Total Revenues & Other Sources	\$ 336,596,918	\$ 316,900,302	19,696,616	6.22%

Appropriations are \$318,934,446, a 7.87% increase from the FY07 Budget, excluding transfers out, which are considered other financing uses. Projected General Fund increases are primarily applied to compensation and fringe benefits for city employees. Other significant increases are Special Revenue Funds, Capital Projects Funds and Internal Service, at 12.9%, 45.08%, and 39.10%, respectively. Internal Services increase is due to the addition of \$4,072,426 to fund the purchase of vehicles for the new fleet leasing program. Capital projects are up due to financing for a major park addition of Summit Softball Park

Appropriations	FY07/08	FY06/07	inc(dec)	% Change
General Fund	151,179,528	151,100,936	78,592	0.05%
Enterprise Funds	52,398,952	50,474,912	1,924,040	3.81%
Special Revenue Funds	39,170,932	34,695,754	4,475,178	12.90%
Debt Service Fund	15,298,984	16,934,360	(1,635,376)	-9.66%
Capital Project Funds	44,636,054	30,766,241	13,869,813	45.08%
Internal Service	16,249,996	11,682,253	4,567,743	39.10%
Total Expenditures	\$318,934,446	\$ 295,654,456	23,279,990	7.87%
Other Financing Uses				
Transfers Out	17,662,472	21,245,846	(3,583,374)	-16.87%
Total Other Financing Uses	\$ 17,662,472	\$ 21,245,846	(3,583,374)	-16.87%
Total Expenditures & Other Uses	\$336,596,918	\$ 316,900,302	19,696,616	6.22%

General Fund. The City's Undesignated General Fund accounts for all applicable resources related to the general operations of city government that are not accounted for elsewhere. The total appropriation for FY08 budget is \$166,442,000 including transfers of \$15,262,472, a 3.66% increase from FY07 budget. Appropriations for salaries and fringe benefits increased by 6.02%, primarily due to rising sworn pension cost and a 20% increase in medical cost, while appropriations for operations increased by 3.18%

Special Revenue Funds. The City's Special Revenue Funds are set by City resolution to account for funds that are restricted as to use. Reported funds for FY08 include State Street Aid, Human

Services, Narcotics, Economic Development, Community Development and Hotel/Motel Tax as per the budget ordinance. The 2008 budget for the Special Revenue Funds totals \$40,070,932 including transfers of \$900,000. The Economic Development fund accounts for the City's share of the countywide (1/2 cent) local option sales tax. These funds are earmarked to pay long term lease rental payments to the Chattanooga Downtown Redevelopment Corporation and other economic development initiatives. The Community Development Fund is used to account for Community Development Block Grants and other projects funded by the Federal Housing and Urban Development Programs.

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 20 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 could be issued for various enterprise operations.

At year-end there was \$645,808,136 in debt outstanding for the primary government and its component units.

This debt includes the following:

General Obligation Debt	\$ 106,475,331	24.7%
Enterprise Funds G.O.Bonds	152,496,947	35.3%
Other Self-Supporting Debt (1)	<u>172,729,546</u>	<u>40.0%</u>
Total General Obligation Debt	\$431,701,824	100.0%
EPB Revenue Bonds	71,430,000	
EPB Equipment Notes	1,971,312	
Component Units:		
Development Redevelopment Corp.(1)	127,400,000	
Metropolitan Airport Bonds	<u>13,305,000</u>	
Total Debt Outstanding	\$645,808,136	

(1) Amount includes \$113,738,737 in lease rental payable to CDRC to pay off the CDRC \$127,400,000 obligation

During FY08, the City anticipates approving debt not to exceed \$18.4 million to fund the FY07/08 Capital Budget.

Capital Project Funds. These funds are used to account for the financial resources used for the acquisition or construction of major capital projects. The Capital Budget for the 2008 fiscal year is \$44,636,054, of which \$41,096,054 will be applied to General

Government projects, and \$3,540,000 will be used by the Enterprise Funds. This is a \$13,869,813 or 45.1% increase from last year's approved amount of \$30,766,241. The largest increase is due to \$10.5M appropriation for the "Summit of Softball" Sports Complex and \$2.5M improvements to Warner Park. The large increase in General Government of \$5.5M is to continue infrastructure development at Enterprise South Industrial Park, \$3M to establish a Workforce Development Center at ESIP, and \$2.7M appropriated to the next phase of the ERP software implementation. The Interceptor Sewer System has applied for a \$13 million loan from the State revolving loan program. Once accepted the City will approve needed sewer upgrade projects.

Enterprise Funds. The City maintains five enterprise operations as part of the primary government. These funds are used to account for operations of entities that are financed and operated in a manner similar to a private business. Combined Enterprise Funds net assets at June 30, 2007 were \$510.4 million with a change in net assets of \$10.5 million. A brief discussion of the major operations follows:

The Electric Power Board is not presented because it is a separate administrative agency of the government, having exclusive control and management of the Electric Distribution System. It is the sole distributor of electric power within the boundaries of the City and County (600 square miles). It accounts for 89.5% of total Enterprise Fund operating revenues and reported a net operating income of \$2.8 million for the year ended June 30, 2007.

The Interceptor Sewer System of the City provides 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, have 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 \$351.3 million in 2007. Their total assets account for almost 81.1 percent of total Enterprise Fund assets, excluding the Electric Power Board. The 2008 approved budget including Debt Service and Capital is \$41,533,111. Approved operations is \$23,735,915.

The Solid Waste/Sanitation Fund was established in accordance with state mandate. This fund accounts for the operations of the City's landfill.

The FY 2008 budget is \$5,598,455. Landfill fees are charged to commercial customers for use of the landfill, while the cost of the City landfill needs are funded by the General Fund. The City has entered into a long term agreement to transfer solid waste from a centrally located privately operated transfer station to the City Landfill. The City has received a permit from the state for the construction of new disposal cells which will facilitate the deposit of approximately 100,000 tons of solid waste for thirty years.

The Water Quality Management Fund accounts for the operations of the City's water quality 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 \$45.3 million. The 2008 budget is \$6,767,386. There is \$1,500,000 appropriation for capital projects.

The Housing Management Fund accounts for the costs associated with low-income housing provided to residents of the City. One complex exclusively provides low-income housing inside the inner city. Another complex, also in the heart of the city, meets the needs of the elderly in the community. The third complex was designed to provide mixed and affordable housing outside the traditional inner city. As of June 30, 2007 (unaudited) the net operating loss was \$239,337 with net assets of \$3,794,163.

Internal Service Funds. The City has maintained two Internal Service Funds in the past, and is adding a third fund in FY08 to account for the cost of the newly implemented self insured medical benefits program. Effective July 1, 2007, the City discontinued its medical insurance contract and began a self insured program for this coverage. These funds provide goods or services for a fee to other governmental units, departments, and agencies. The two previously established reporting funds are the Municipal Fleet Services Fund and the Liability Insurance Fund. The Fleet Services Funds 2008 budget is \$15,449,997. The City of Chattanooga is self insured for judgements and claims. The liability Insurance Fund was established to fund and pay for all judgments and costs or liability claims against the city. The 2008 budget for the Liability Insurance Fund is \$800,000. The 2008 Medical Fund budget is \$26,189,044.

The Pension Trust Funds account for resources held in trust for defined benefit pension plans to provide disability and retirement benefits for City employees/retirees. These funds are accounted for in the same manner as business enterprises providing similar services. Following 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 unfunded actuarial accrued liability for each fund at June 30, 2007.

Trend Information:

	Year	Annual	%	Net Pension
	<u>Ended</u>	<u>Cost (APC)</u>	<u>APC</u>	<u>Obligation</u>
			<u>Cont.</u>	<u>(Assets)</u>
General Pension Plan	12/31/06	\$3,825,453	98.97%	\$(4,216,376)
	12/31/05	3,558,187	97.54%	(4,255,701)
	12/31/04	2,132,773	118.74%	(4,343,073)
Firemen's and Policemen's Fund	12/31/06	7,454,348	90.00%	(3,420,846)
	12/31/05	6,566,969	97.75%	(4,165,966)
	12/31/04	6,190,284	99.64%	(4,313,641)

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, at an actuarially computed contribution rate of 6.36% for FY2008.

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 2008 not to exceed 23.56%. 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. The plan administrator is appointed by the EPB. Contribution requirements of Plan members and the EPB are established and can be amended by the EPB. Plan members are not required to contribute to the plan. EPB's contributions are calculated based on an actuarially determined rate, which is currently 9.42% of annual covered payroll. Effective August 1, 1984, the Board implemented a 401(k) plan, which permits employees to invest up to 13% of salary in a tax-deferred savings plan. The employee contribution rate changed from 3.5% to 4% of the employee's salary effective May 1, 2006.

Per Capita Budget

The chart below represents per capita expenditures by department over the past four years. The population figures used in calculations are shown in the chart:

Program	Actual FY04/05	Actual FY05/06	Budget FY06/07	Budget FY07/08
Population	155,289	154,853	154,762	155,190
General Government	\$ 210.43	\$ 224.59	\$ 242.41	\$ 242.96
Personnel	35.76	39.48	39.67	44.03
Neighborhood Services	16.98	42.80	42.09	45.84
Executive Branch	8.75	7.77	12.80	11.52
Finance & Administration	108.29	113.53	24.48	25.27
Police	234.15	244.30	258.52	272.16
Fire	158.63	156.27	168.48	177.87
Public Works	530.94	545.22	552.31	571.94
Parks & Recreation	81.63	74.25	80.32	84.70
Human Services	86.25	88.64	80.68	86.57
Education, Arts & Culture	0.00	10.73	14.25	15.26
Debt Service	76.95	91.30	109.42	98.58
Total	\$ 1,548.76	\$ 1,638.88	\$ 1,625.43	\$ 1,676.70

Note: After publication of this document, updated population figures were released by the Census Bureau changing Chattanooga's population estimates by 8.4% from 155,190 to 168,293. See November 7, 2007 press release - "Mayor's Census Challenge Results in 8.4% Increase in Population Estimate" on www.chattanooga.gov for more information.

Financial Assessment

Chattanooga continues to enjoy a position of fiscal strength. The City is in the best fiscal condition it has been in over 30 years and

our outlook is improving. Through strong fiscal management, Chattanooga has positioned itself well to weather economic downturns, and create an environment that fosters economic development.

General Fund Undesignated Fund Balance

One measure of a city's financial strength is the level of its fund balances. The City's general fund unaudited undesignated fund balance at June 30, 2007 is \$45 million or 27.05% of undesignated general fund revenues and transfers in, or 24.7% of total unaudited general fund revenues and transfers in. The City strives to maintain an undesignated general fund balance of 20% of operating revenues and transfers in. Reserves in excess of the 20% level may be used to fund capital projects.

Financial Reserves of Other Operating Funds

In other operating funds, the City strives to maintain a positive fund balance position to provide sufficient reserves for emergencies and revenue shortfalls. Specifically the debt service fund has \$8.9 million in reserves at June 30, 2007.

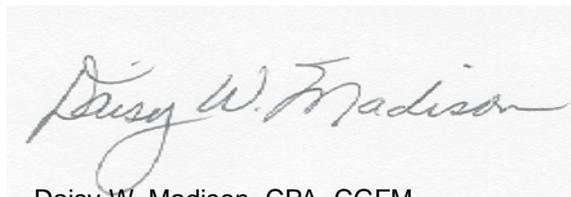
Bond Ratings

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 rating.

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,



Daisy W. Madison, CPA, CGFM
City Finance Officer



Meet US

Mayor Ron Littlefield

Mayor Littlefield was sworn into office on April 18, 2005. He brought with him many years of experience in City Government and urban planning. Though his license is now retired, Mayor Littlefield was a Realtor, specializing in Commercial and Industrial Development, in both Tennessee and Georgia from 2000 to 2002. He has been an instructor at the University of Tennessee at Chattanooga as well, teaching a summer postgraduate course on metropolitan politics and policies.

Mayor Littlefield has served in several previous capacities within government, including:

- Member, Chattanooga City Council (Chairman FY 2002-2003)
- Acting Director of Planning and Development, Walker County, GA, 1997-2000
- Chairman, Chattanooga City Council, 1990
- Commissioner of Public Works, Chattanooga, TN, 1987
- Economic Development Coordinator, City of Chattanooga, TN, 1979
- Director of Current Planning and Operations, Chattanooga-Hamilton County Regional Planning Commission, 1977
- Senior Planner, Chattanooga-Hamilton County Regional Planning Commission, 1974
- Planner-in-Charge, Tennessee State Planning Office, 1969

Mayor Littlefield has worked with many planning, research, and urban-development projects, including:

- Subcontractor on master plan for Chattanooga Metropolitan Airport, as consultant with Parsons Brinckerhoff
- Subcontractor on engineering feasibility study of the Atlanta-Chattanooga MagLev High Speed Rail Proposal, as a consultant with Parsons Transportation Group
- Market Development/Government Relations with Infrastructure Services Inc.
- Consultant/Public Sector with Roadtec Inc.
- Executive Director, Chattanooga Venture General Manager, Chattanooga Area Economic Development Council
- Field Office Director, Research Triangle Institute
- Incorporator and Charter Member of



the Board of Directors, Chattanooga Museum of Regional History

- Incorporator, Southeast Tennessee Local Development Corporation
- Chattanooga-Hamilton County Business Development Center (Proposed original idea and facilitated early efforts as an outgrowth of the 3M/GE sale brokered while serving as Economic Development Coordinator)
- Hamilton County Riverport and Industrial Park (As member of the public development team, obtained funds and contracted for necessary archaeological studies, etc.)
- Bonny Oaks Industrial and Office Park (As member of the public development team, secured funding and facilitated early architectural and engineering design)
- Special Consultant to the City of Chattanooga for the Chattanooga-Atlanta High Speed Rail Initiative

Mayor Littlefield and his wife Lanis grew up in the same community and even attended the same elementary school. The couple dated in high school and married during Ron's senior year at Auburn University, where he earned a Bachelor of Science degree in Business Administration in 1968.

After college, the couple moved to Chattanooga in 1968. For more than 30 years, the Littlefields have lived in the same home in the Glendon Place neighborhood in Brainerd. They have two adult sons: Derek and Zack.

Mayor & Mrs. Littlefield are active members of Calvary Chapel, participate in the building program for the church and lead a small group Bible study.

Council
Photo
Here

Council Members

Linda Bennett, District 1, Vice Chairman

Linda Bennett was elected to the Council in March 2005, in her first attempt at elected office. Linda is a lifelong resident of Chattanooga. She grew up in the Falling Water community and graduated from Red Bank High School. Linda has 21 years of experience in sales and marketing, working as a National Technical Training Director and currently as a Sales Director for Mary Kay Cosmetics. She is Vice President of Programs of the North Chattanooga Chamber Council and serves on the Executive Board. Linda was a founding member of the Northside Community Association; she volunteers for Moccasin Bend Hospital's activities therapy program and is a past board member of the Northside Neighborhood House. Linda has a passion to help citizens lead their community and values the opportunity to be their voice in District One. Ms. Bennett is a member of St. Paul's Episcopal Church. She loves the outdoors and is a regular Bike2Work participant. Her two grown children also reside in the Chattanooga area.

District 1 consists of the following precincts: Lookout Valley 1 & 2; Moccasin Bend; Mountain Creek 1, 2 & 4; North Chattanooga 2; Northwoods North 2.
Phone: 425-7858
Address: 320 Pine Ridge Rd. -- Chattanooga, TN 37405

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 The 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.

District 2 consists of the following precincts: Lupton City; North Chattanooga 1; Northgate; Northwoods 2; Riverview; and Stuart Heights 1 & 2.
Phone: 757-5196
Address: 1136 Constitution Dr. -- Chattanooga, TN 37405

Dan B. Page, District 3, Chairman

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 42 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, and 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.

District 3 consists of the following precincts: Dupont; Hixson 1, 2, 3; Murray Hills; Northwoods 3 & 4; Northwoods North 1.
Phone: 757-5196
Address: 3000 Hamill Road -- 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. 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.

District 4 consists of the following precincts: Concord 1 & 2; East Brainerd 1 & 2; Ooltewah 3; Tyner 1.
Phone: 757-5196
Address: 2302 Laurelton Creek Lane – Chattanooga, TN 37421

John P. Franklin, Jr., District 5

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 Directors 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. Duke is an avid golfer.

District 5 consists of the following precincts: Bonny Oaks; Brainerd 2; Dalewood; Kingspoint; Lake Hills; Woodmore.
Phone: 757-5196
Address: 2233 Nimitz St. – Chattanooga, TN 37406

Marti Rutherford, District 6

Councilwoman Marti Rutherford is serving her third term on council, having previously served 2 terms from 1993 - 2001. Marti is a real estate broker and currently serves as Vice Chair of the Board of the Southside and Dodson Avenue Health Centers. She has been an officer or board member on a number of civic organizations focused on mental health, race relations, the arts, the disadvantaged, and children. She worked for the revitalization of Eastgate Mall and its conversion to a town center in the heart of her district. Her number one concern is neighborhood revitalization. She is a native Chattanooga - a graduate of GPS and the University of Tennessee at Chattanooga and a member of First Presbyterian Church.

District 6 consists of the following precincts: Airport 1, 2 & 4; Brainerd Hills; Concord 3; Eastgate 2; Sunnyside; Tyner 2 & 4.
Phone: 425-7852
Address: 3442 Alta Vista Dr. – Chattanooga, TN 37411

Manuel Rico, District 7

Councilman Rico was elected to the council in 2005. He has owned Rico Monuments, located in St. Elmo at the foot of Lookout Mountain, since 1985. He has been an active member of the community, including the Sertoma

Club, the American Red Cross, and the city's Human Rights and Relations Commission, having served as chairman. He is married with one son and three grandchildren.

District 7 consists of the following precincts: Alton Park; Cedar Hill; East Lake; Howard; Piney Woods; St. Elmo 1 & 2.
Phone: 425-7856
Address: 1616 West 52nd St. – 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 first elected to City Council in 1990. Pierce's career history includes five years as a lineman with TVA and six years with the Electric Power Board where he became the company's first African American lineman. He has been an activist for equal opportunity through many years of service with the NAACP, the Action Coordinating Council, Operation PUSH and the Unity Group.

District 8 consists of the following precincts: Avondale; Clifton Hills 1 & 2; Courthouse; Eastside 1 & 2.
Phone: 757-5196
Address: 2710 Cannon Ave. – Chattanooga, TN 37404

Debbie Gaines, District 9

Councilwoman Debbie Gaines was elected to the Council in May, 2006, to complete the term of Yusuf Hakeem, who resigned from the Council earlier in the year. Ms. Gaines graduated from Brainerd High School, attended McKenzie College, and is retired from Hamilton County, including 23 years in the County Commission Office, the last six as Legislative Administrator. As the commissioners' administrative liaison, her position enabled her to see the operation of local government first-hand. As Councilwoman, Ms. Gaines intends to work with neighborhood organizations to improve the quality of life in the district's neighborhoods and to meet on a regular basis with police officials regarding crime in the area.

District 9 consists of the following precincts: Amnicola; Bushtown; East Chattanooga 1; Eastdale 1 & 2; Glenwood; Highland Park; Missionary Ridge.
Phone: 757-5367
Address: 2015 Blackford 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 2009 (their current terms run from April, 2005 until April, 2009).

Management & Budget Staff

Daisy W. Madison, CPA, CGFM, City Finance Officer

Daisy W. Madison was hired as Deputy Finance Officer in 1992 and appointed to the position of City Finance Officer under the Littlefield administration in 2005. 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 several years, Sam, are the *proud* parents of four children and a new grandchild. **Office Phone: 757-5232**

Vickie C. Haley, CPA, CGFM Deputy Administrator

Vickie Haley was appointed as Deputy Administrator in 2006. Vickie began her service with the City in 1993 as an accountant and was later promoted to Senior Accountant. She obtained a Bachelor of Science in Business Administration from Old Dominion University in Norfolk, VA. As a CPA she has worked as an auditor in regional CPA firms in Norfolk and in Chattanooga. She has served on the Special Review Committee for GFOA's certificate of achievement in financial reporting, as an officer of the Chattanooga chapter of the Tennessee Society of Certified Public Accountants and the Chattanooga chapter of the Association of Government Accountants. She is the mother of two active duty military personnel and has two grandchildren. **Office Phone: 757-4912.**

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 her appointment to the position of 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 gaining promotion to Senior Budget Analyst. In addition to major budget duties, she monitors all City Investments, performs Revenue and Bond Analysis, including gathering data for official statement preparation. **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, Police and Neighborhood Services. 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 Member 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 J. White, an attorney practicing in the Chattanooga area and they are busy parents of triplets. **Office Phone: 757-0534**

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

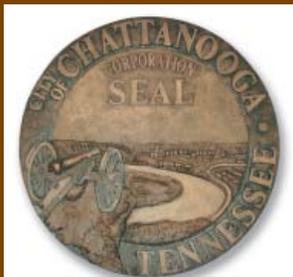
Chris Haley was hired as a Budget Analyst in 1996. His areas of responsibility include selected General Government accounts, Parks & Recreation, Education, Arts, & Culture, and Community Development. Prior to coming to the City, he worked in internal audit for Hamilton County. In addition to obtaining a CFA (Chartered Financial Analyst), he holds a BS in accounting from the University of Tennessee at Chattanooga and a MBA from Middle Tennessee State University. **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 General Government, Fire, and Public Works. He has been married to the former Teena Andrews for over twenty-five years with four cats (Ernest T. Bass, Little Miss, Arthur and Mud Ball). **Office Phone: 757-0535**

Edward F. Wellmann, CGFM Management & Budget Analyst

Ed Wellmann was hired by the City in May of 2005. Prior to that he held various engineering and managerial positions with the Tracerco division of ICI Americas, Inc. in Houston, TX and Sarnia, Ontario, Canada. His areas of responsibility include Fleet Services, Personnel, and Interceptor Sewer. He holds a Bachelor of Science degree in Chemical Engineering from Mississippi State University. **Office Phone: 425-7874**



Organizational Chart

