

City of Chattanooga, Tennessee
Comprehensive Annual Budget Report



Cooler Broadband
Community App

Fiscal Year July 1, 2011 thru June 30, 2012

Presented by:
Ron Littlefield, Mayor

and

The Department of Finance & Administration

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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.
- 13 Profile of Chattanooga
An overview about Chattanooga and its accomplishments. Includes Services, Demographic and Economic Statistics.
- 25 City Officials
A list of Chattanooga's Department Administrators, and key Directors.
- 29 Meet Us
Pictures and brief profile for Council, Mayor, Finance Administrators, and Management and Budget Analysis Staff.
- 34 City Organization
The Fiscal Year 2012 organizational chart by department

Guidelines

- 39 Procedures
- 42 Budget Model
- 43 Budget Calendar
- 44 Budget Policies
- 53 Budget Ordinance

Financial Overview

- 85 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, expenditures, projected changes in fund balance, and trends. Capital & Debt Service summaries included behind marked sections

- 97 General Fund
- 109 Special Revenue Funds
- 115 Enterprise Funds
- 125 Internal Service Funds

Summaries by Departments

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

- 131 General Government
Includes the approved appropriations from the General Fund and divisions of City Council Office, City Court Judges, City Attorney, Information Services, Telecommunications, and other general government type expenditures.
- 133 Supported Agencies
A brief description about the funded agencies for the upcoming fiscal year.
- 139 Economic Development Fund
Includes budgets for the Fund.
- 141 Community Development
Includes divisions of Community Development & Home programs.
- 143 Finance & Administration
Includes divisions of Finance, Treasurer's Office, and City Court Clerk.
- 145 Police
Includes the Police functions
- 147 Fire
Includes the Fire functions
- 149 Public Works
Includes divisions of Administration, the General Fund portion of City Wide Services (Emergency Response, Street Cleaning Services), Land Development Office, City Engineering, Traffic Engineering, Water Quality pumping stations, Municipal Forestry, Interceptor Sewer, Solid Waste, Water Quality Management, Garbage and Brush Pickup and State Street Aid.
- 151 Parks & Recreation
Includes divisions of Administration, Recreation, Champion's Club, Parks, and the Golf Courses.
- 153 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.

Personnel Administration

155	Personnel Includes divisions of Personnel, Benefits Office, and Insurance Program
157	Neighborhood Services Includes divisions of Administration, Codes & Community Services, Neighborhood Relations & Grants, Grants Administration, and Human Rights
159	Executive Branch Includes divisions of the Mayor's Office, Multicultural Affairs and Faith Based Initiatives
161	Education, Arts, & Culture Includes divisions of Administration, Civic Facilities, and Arts & Culture
163	General Services Includes divisions of Purchasing, Building Maintenance, TN Valley Regional Communication Services, Real Estate, and Fleet Services

203	Overview Provides a brief description of the City's compensation package for its employees.
205	2012 Personnel Changes Provides explanation for increases or decreases since Fiscal Year 2011.
207	Six year detail chart A listing of all City positions with summary figures totaled by fund type
221	Pay Plan tables The FY 2012 pay scale for General Employees and Fire & Police

Appendix

Debt Service Fund

165	Debt Summary Includes Summary information about outstanding debt by funding source.
172	Schedule of Debt Service requirements
174	General Obligation Debt Schedule
178	Historical Debt Ratios

223	Glossary A listing of terms and abbreviations used throughout this document
233	Index A page reference section to quickly help readers find certain subjects of interest

Capital Outlay

181	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.
185	General Government
187	Police
189	Fire
191	Public Works
195	Education, Arts, and Culture
197	Parks & Recreation
199	2012 Capital Budget Ordinance

The **CABR 2012** is divided into five major sections:
Introduction, Guidelines, Financial Overview, Personnel Administration, and the **Appendix.**

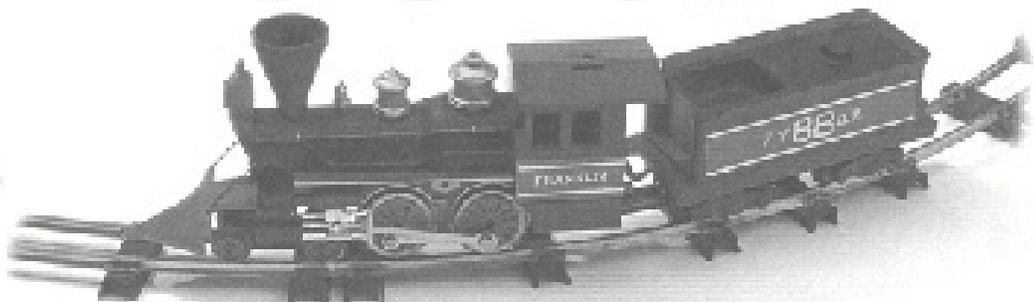
Section A: Introduction - gives a profile of Chattanooga with selected useful service, demographic, economic, and statistical information, a message from the City Finance Officer, an organizational chart, and profiles of City officials.

Section B: Guidelines - Provides 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.





City of Chattanooga
Department of Finance & Administration
City Hall
101 East 11th Street
Chattanooga, Tennessee 37402



June 30, 2011

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

I am pleased to present the adopted Operating Budget and Capital Improvement Plan for the Fiscal Year ending June 30, 2012. This budget highlights key issues discussed during the budgetary process and is reflective of our goal to continue to provide top level service while maintaining our focus on keeping Chattanooga an affordable option for our citizens and stakeholders. For the first time in over 45 years, the operating budget includes 100% of the City's share of the local option sales taxes due to the expiration of the 1966 Sales Tax Agreement between the City and Hamilton County. As a result, the budget includes over \$20 million to support agencies that provide much needed services to the citizens of this community. This budget has no tax increase.

The City's chattanoogaRESULTS and vacancy control programs have been in effect for the past eight (8) years. These initiatives have greatly increased accountability by allowing the Mayor, the City Finance Officer, and other senior City officials to regularly monitor both spending and departmental performance. The City has published five annual performance reports that can be used as a quick reference guide for citizens of Chattanooga. All reports can be found at www.chattanooga.gov.



The City of Chattanooga, like many others across the United States, and the world is facing fiscal challenges as a result of the recent national and global economic conditions. Long term economic strategies and other initiatives have placed Chattanooga in an enviable position as compared to the national and global economies. While we are challenged, we are well positioned to weather these times as we continue to prosper as a community.

The Mayor's Proposal

The Mayor's proposed budget continues to focus on productivity and efficiency in Chattanooga without

negatively impacting services. Initiatives continue that will cultivate economic growth, new jobs, and a healthy local economy. Some highlights of this budget are outlined below:

Taxes:

No Tax Increase is included in this budget. The rate of \$2.309 per \$100 of assessed valuation is maintained and could result in decreased collections due to a reduction in the overall assessments due to several major real estate activities in the City which resulted in lower assessments.

Public Safety:

Public Safety remains a priority. Included are 2 additional firefighters and 23 additional police officers funded with COPs 2011 federal grant. There are 490 police officers included in this year's budget which is within 10 positions of our goal of 500 officers on the streets of Chattanooga.

Continued Emphasis on Youth:

Continued focus on youth and providing positive alternatives to gang activity by emphasizing youth development programs. The budget includes full staffing for the new recreation center at Hixson Middle School.

Rebuilding City Streets and implementation of the "Pavement Management Program":

The Budget provides increased funding for the City's Pavement Management Program which incorporates a long-term strategy to identify streets that need to be paved and to rank them by condition to wisely manage limited resources. To rebuild our city streets and implement funding for agencies at an unprecedented level of \$20+million was made possible in part by the expiration of the 1966 City County Sales Tax agreement whereby over \$10.5 million of city sales tax were sent to Hamilton County for distribution. This enables the City to enhance partnership with external agencies whose goals are consistent with the mission of the City.

Attract and Maintain Competent, Professional Staff:

Funding provided to ensure that the city continues to attract and maintain competent, professional staff.

- o First pay increase since 2008 for civilian employees
- o Funding for pay anomalies for Fire personnel
- o Reinstatement of Police Career Ladder Program
- o Restoration of full funding for longevity
- o Improved Health and Wellness program for employees, retiree and dependents
- o Full funding of increased annual required contributions for both pension funds
 - General rate at 12.95% (up from 9.08%)
 - Fire & Police rate at 27.74% (up from 24.91%)
 - Revisions to the Retiree Medical Insurance Program (OPEB) to ensure sustainability; For the first time in ever, the budget includes full funding of the actuarially computed annual required contribution of 14.9% of payroll or estimated \$14 million

Accountability

Our partnerships involving public and private sectors have placed Chattanooga in an enviable position. Recognized as a model for performance accountability in the region and beyond, our city continues to move forward with its commitment to economic development, job growth, and transforming Chattanooga into a renaissance city. According to Business Facilities Magazine, Chattanooga is ranked number one for metro economic growth potential. To see our score card on performance, please visit our website at www.chattanooga.gov.

Budget Highlights

To sustain the economic momentum in this city during the economic recession, a substantial portion of reserves were utilized for capital projects including but not limited to Volkswagen incentives. Total General Fund revenues have decreased by over \$9 million or 5.2% since 2008. After nine consecutive years of avoiding tax increases, in 2011 the budget restores much needed resources to ensure the long-term fiscal health of this community.

The City's chattanoogaRESULTS and vacancy control programs have been in effect for the past eight (8) years. These initiatives have greatly increased accountability by allowing the Mayor, the City Finance Officer, and other senior City officials to regularly monitor both spending and departmental performance. The City has published five annual performance reports to the citizens of Chattanooga. The first and second were designed to showcase the high points of performance. As the process continued in efforts to better serve the citizens a more reader friendly 4-page format was adopted in 2007 to better spotlight the City's high points and provide all users with a more manageable quick reference guide. All reports can be found at www.chattanooga.gov.

Major Highlights of the Fiscal Year 2012 Budget:

Projected revenues, excluding other financing sources for all appropriated funds total \$366,972,958, an increase of \$21.5 million or 6.22% from the previous year. The largest single increase is a \$14.8 million (21%) in intergovernmental revenues. Most of this increase is due to the expiration of the 1966 Sales tax agrees with Hamilton County whereby the City will receive an additional \$10 million in local option sales tax dollars that were sent to the County under the agreement. An additional \$4million (100%) is included in Federal Funding to implement an Intelligent Transportation System.. Miscellaneous revenues increase of 5.6 million (16.2%) for 10% increase in medical insurance premiums in the medical services fund

Appropriations (see following page), excluding other financing uses are \$418,336,868, a \$17

Revenues	FY11/12	FY10/11	inc(dec)	% change
Taxes	146,537,860	143,078,359	3,459,501	2.42%
Licenses & Permits	3,098,700	3,558,600	(459,900)	-12.92%
Intergovernmental	84,708,126	69,901,772	14,806,354	21.18%
Charges for services	88,730,163	90,477,236	(1,747,073)	-1.93%
Fines, forfeitures and penalties	2,739,600	2,767,800	(28,200)	-1.02%
Interest earnings	1,052,660	1,170,343	(117,683)	-10.06%
Miscellaneous	40,105,849	34,517,890	5,587,959	16.19%
Total Revenues	\$ 366,972,958	\$ 345,472,000	21,500,958	6.22%
Other Financing Sources				
Transfers in	58,961,640	44,952,314	14,009,326	31.16%
Fund Balance	2,856,266	13,698,288	(10,842,022)	-79.15%
Bond Proceeds	16,336,038	31,347,465	(15,011,427)	-47.89%
Total Other Financing Sources	\$ 78,153,944	\$ 89,998,067	(11,844,123)	-13.16%
Total Revenues & Other Sources	\$ 445,126,902	\$ 435,470,067	9,656,835	2.22%

Appropriations	FY11/12	FY10/11	inc(dec)	% Change
General Fund	177,558,282	163,483,819	14,074,463	8.61%
Enterprise Funds	66,069,900	65,657,467	412,433	0.63%
Special Revenue Funds	41,864,099	45,310,249	(3,446,150)	-7.61%
Debt Service Fund	19,618,400	20,397,173	(778,773)	-3.82%
Capital Project Funds	55,670,604	54,794,703	875,901	1.60%
Internal Service	57,555,583	51,457,475	6,098,108	11.85%
Total Expenditures	\$418,336,868	\$ 401,100,886	17,235,982	4.30%
Other Financing Uses				
Transfers Out	26,790,034	34,369,181	(7,579,147)	-22.05%
Total Other Financing Uses	\$ 26,790,034	\$ 34,369,181	(7,579,147)	-22.05%
Total Expenditures & Other Uses	\$445,126,902	\$ 435,470,067	9,656,835	2.22%

million or 4.30% increase from the FY11 budget. Although increases are projected in all funds except Debt and Capital Funds, most are attributable to the restoration of most of the previous year's frozen positions, funding for new positions, increased pension contributions, full funding of the annual required contribution for OPEB, full funding for operations cost for materials & supplies, purchased services, fuel, and utilities.

General Fund. The City's Undesignated General Fund accounts for all resources related to the general operations of city government that are not accounted for elsewhere. The total appropriation for FY12 budget is \$201,255,000 including transfers of \$23,814,371, an 8.64% increase over FY11 budget. Salaries and fringes increased by \$14.8 million or 8.3% to address increases in employee compensation as outline above. There is \$2,000,000 in pay-go capital included in the FY12 budget, a 100% increase over prior year.

Special Revenue Funds. The City's Special Revenue Funds are set by City resolution to account for funds that are restricted as to use. Special Revenue funds itemized in the budget ordinance include State Street Aid, Human Services, Narcotics, Economic Development, Community Development, Hotel/Motel Tax, Automated Traffic Enforcement and Tennessee Valley Regional Communications. Funding for all other designated funds are authorized by ordinance and restricted as to use. The 2012 budget for the Special Revenue Funds totals \$42,807,415. The Economic Development Fund accounts for \$0.25 of the City's share of the local option sales tax designated for economic development. These funds are earmarked to pay long term lease rental payments to fund the debt service for revenue bonds issued by 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 may be issued for various enterprise operations.

At June 30, 2011, total outstanding debt for the primary government and component units was \$822,283,891 which is made up of the following:

Primary Government
General Obligation Bonds

Governmental Operations Funds Debt	\$ 138,386,778
Enterprise Funds Debt	110,221,180
Other Self-Supporting Debt	159,808,430
Total GO Debt	\$ 408,416,388
Revenue Bonds:	
EPB Revenue Bonds	282,680,000
Housing Management	2,396,514
Component Units:	
Chatt. Downtown Redevelopment Corp. ⁽¹⁾	122,835,000
Metropolitan Airport Bonds	5,955,989
Total Revenue Bonds	413,867,503
Total Debt Outstanding	\$ 822,283,891

(1) Amount includes \$103,678,615 in lease rental payable to CDRC to pay off the CDRC \$122,835,000,000 obligation

During FY12, the City anticipates approving debt not to exceed \$16.3 million to fund the FY11/12 Capital Budget, including \$11.4 million of GO bonds and \$4.9 million of state revolving loan fund.

Capital Project Funds. These funds are used to account for the financial resources used for the acquisition or construction of major capital projects. The Approved Capital Budget for the 2012 fiscal year is \$55,670,604, of which \$38,389,604 will be applied to General Government projects and \$17,281,000 will be used by the Enterprise Funds. This is an \$875,901 or 1.6% increase from last year's approved budget of \$54,794,818. An additional \$2.5M in pay as you go capital from the Interceptor Sewer System reserves will be used for infrastructure.

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. The programs are designed to produce revenues sufficient to provide for debt service, operating expenses and adequate working capital. Combined Enterprise Funds' net assets at June 30, 2011 were \$542.2 million with a change in net assets of \$1.4 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 89.4% of total Enterprise Fund operating revenues and reported a net operating loss of \$16.5 million for the year ended June 30, 2011.

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 and increased federal mandates have necessitated ongoing expansion of the Interceptor Sewer System. To illustrate, property, plant and equipment of the system in FY2000 totaled \$ million compared to \$294.6 million in 2011. Their total assets account for almost 80.8 percent of total Enterprise Fund assets, excluding the Electric Power Board. Total approved budget for FY2012 including Debt Service and Capital is \$47,033,000, of which \$30,551,542 is for operations.

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 2012 budget is \$6,888,100. 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. At June 30, 2011, the fund had a deficit of \$ 4,645,361.

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. Since the inception of this program in 1994, the investment in property, plant, and equipment has grown to \$39.5 million. The 2012 budget is \$14,298,800. There is also a \$1.5M appropriation for capital projects in FY12, \$1.45M from current year operations and \$50K from reserves.

The Housing Management Fund accounts for the operations of Dogwood Manor, an apartment complex the City acquired from the U.S. Department of Housing and Urban Development. The complex provides low-income housing within the inner city for the elderly. Rental revenue of \$817,042 was reported for the year ended June 30, 2011.

Internal Service Funds. The City maintains three Internal Service Funds - Municipal Fleet Services Fund, Liability Insurance Fund, and the Medical Services Fund. Internal Service Funds provide goods or services for a fee to other governmental units, departments, and agencies. The Fleet Services Fund 2012 budget is \$22,071,323. The City of Chattanooga is self insured for judgments and claims, including health care. The Liability Insurance Fund was established to fund and pay for all judgments and costs or liability claims against the City. The 2012 budget for the Liability Insurance Fund is \$1,000,000. The 2012 Medical Services Fund budget is \$34,484,260.

Pension Trust Funds. The City accounts for resources held in trust for defined benefit pension plans to provide disability and retirement benefits for City employees/retirees and for Other Post-Employment Benefits. 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 and one Other Post Employment Benefit Trust 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 and the fourth covers all city retirees from civilian and sworn service classifications. Each plan has its own consulting actuary. The following schedule shows the unfunded actuarial accrued liability (asset) for each fund at June 30, 2011.

Trend Information:

Year Ended	Annual Cost (APC)	% APC Cont	Net Pension Obligation (Assets)
12/31/10	\$ 6,340,774	69.02%	(1,302,008)
12/31/09	\$ 3,817,842	99.01%	4,100,566
12/31/08	\$ 3,635,302	92.18%	4,138,811
12/31/07	\$ 3,540,962	98.90%	4,177,414
12/31/10	\$ 8,526,415	96.58%	4,385,105
12/31/09	\$ 7,818,280	107.01%	4,677,104
12/31/08	\$ 7,623,063	109.40%	4,129,090
12/31/07	\$ 7,437,283	99.88%	3,412,170
06/30/11	\$ 13,718,933	110.75%	31,619,302
06/30/10	\$ 18,190,921	57.30%	27,201,450
06/30/09	\$ 17,790,129	44.28%	19,434,217
06/30/08	\$ 20,360,866	53.24%	9,521,039

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 12.95% for FY2012.

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 total salary annually. The annual required contribution rate for FY2012 is 27.74%.

Electric Power Board Pension Plan. The Electric Power Board of Chattanooga is a single-employer defined benefit pension plan administered by an individual designated by EPB. The Plan provides retirement benefits to plan members. Article VIII of the Plan assigns the authority to establish and amend benefit provisions to EPB. The contribution requirements of plan members and EPB are established and may be amended by 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 9.91% of annual covered payroll. Effective August 1, 1984, EPB implemented a 401(k) defined contribution plan, the EPB Retirement Savings Plan, which allows employees to invest up to 15.0% of their salary in the savings plan. EPB contributes up to 4.0% of an employee's salary after one year of employment.

The City maintains a single-employer defined benefit post employment health and medical care plan for retirees and their dependents. Substantially all of the City's employees may become eligible for benefits should they reach normal retirement age certain services requirements. Retirees and beneficiaries are required to contribute specified amounts depending upon certain criteria and retirement date- Employees who retired prior to 2002 contribute an amount equal to the amount paid by active employees. If retire after 2002 with 25 years of service or a job related disability, retiree contributes an amount equal to 1.5 times that of active employees: if less than 25 years of service or non-job relate disability, retiree contributes an amount increased on a pro rata year's basis. The City pays the remainder of the costs.

In 2008 the City established an OPEB Trust. This year's budget includes sufficient amount to fully fund the annual required contribution (ARC) to the trust. The City's ARC is calculated based on amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Per Capita Budget

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

Program	Actual FY08/09	Actual FY09/10	Budget FY10/11	Budget FY11/12
Population	169,884	170,880	171,349	167,674
General Government	237.01	247.40	247.39	284.24
Personnel	39.29	40.36	10.10	11.39
Neighborhood Services	42.24	57.43	43.35	34.21
Executive Branch	9.13	8.44	7.50	8.16
Finance & Administration	24.40	23.57	24.97	28.30
Police	280.33	265.73	296.11	324.09
Fire	165.34	163.76	199.17	221.05
Public Works	625.59	577.02	650.66	612.42
Parks & Recreation	90.17	78.78	90.20	97.42
Human Services	83.16	98.79	97.37	86.48
Education, Arts & Culture	13.82	12.87	13.71	14.58
General Services	96.81	80.65	89.15	99.36
Debt Service	93.74	115.72	119.04	117.00
Total	1,801.04	1,770.52	1,888.72	1,938.71

Financial Assessment

Chattanooga continues to enjoy a position of fiscal strength and our outlook is improving. Through strong fiscal management, Chattanooga has created an environment that fosters economic growth which has lessened the impact of the recent economic downturn on its citizens as compared to other entities on a global scale.

General Fund Undesignated Fund Balance

One measure of a city's fiscal health is the level of its fund balance. The City's unaudited general fund unassigned fund balance at June 30, 2011 is \$33.8 million or 17.7% of undesignated general fund revenues and transfers in, or 15.7% 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. City sometimes use fund balance to fund capital projects instead of adding new debt.

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 \$4.9 million in reserves at June 30, 2011.

Bond Ratings

The City has maintained a "AA+" rating from Standard & Poor's and "AA+" from 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

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

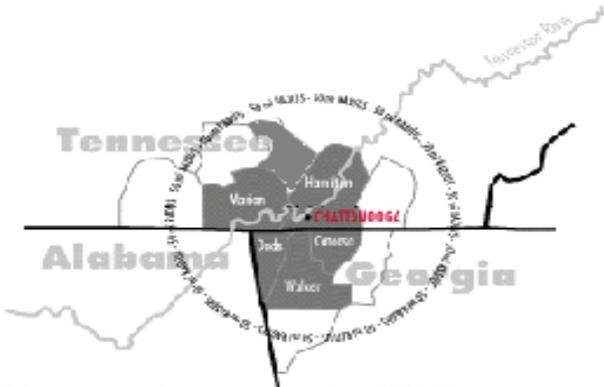
Respectfully submitted,



Daisy W. Madison, CPA, CGFM
City Finance Officer

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 145 square miles and a population of 167,674. The City 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. Over 11 million people live within a 2 to 2½ hour drive of Chattanooga.

Form of Government

Date of Organization: 1839

Form of Government: Mayor/Council

The City operates under a Mayor/Council form of government. The Mayor, elected at-large, serves as the City's Chief Executive Officer and oversees the operation of all City departments. The Mayor does not serve as a member of the Council. The City 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 to four-year terms.

The City provides a full range of municipal services including, but not limited to, fire and police protection; sanitation services; construction and maintenance of highways, streets and infrastructure; recreation and cultural activities; public library; community development; planning and zoning; neighborhood services; social services; and general administrative services. It also operates a water quality program and a regional sewer and sewage facility system serving southeast Tennessee and northwest Georgia. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It also has the power to extend its corporate limits by annexation in accordance with procedures under an "Urban Growth Plan" agreed to between the City and Hamilton County. Annexation proceedings began in 2009 for selected areas included in the Urban Growth Plan. To date the City has successfully annexed an additional 4.3 square miles including over \$73.4 million of appraised property value. An additional 0.6 square mile will be annexed in late 2012 with \$23.4 million of appraised value.

The City employs approximately 2,547 full-time equivalent employees. The City's Electric Power Board has an additional 453 employees.

Industrial and Economic Development

While the past few years have been a fiscal challenge, both nationally and internationally, the Chattanooga area has performed better than most cities. We are fortunate that a diverse group of companies are either locating here or are expanding operations here. Chattanooga has transformed its reputation in economic development circles to that of a national leader. Dubbed the "undiscovered gem" of Tennessee by the New York Times, Chattanooga's rebirth has enjoyed great recognition on a national scale and has become a model for other cities with regard to urban renewal, demonstrating what occurs when dedicated people have a vision and take the necessary steps to realize that vision.

In the 1960s, Chattanooga was declared the nation's dirtiest city. Soot from the iron mills stained the air, the river was tainted and its banks were an industrial wasteland. In 2008 Forbes magazine headlined that Chattanooga was, "Back on Track". During the 1980s the City lost 10% of its population as manufacturing jobs drifted away. However since 2000

the population has rebounded. Due to strategic economic initiatives by federal, state and local leaders, the City is well positioned to navigate the current economic climate. U.S. Bureau of Labor Statistics estimates that the Chattanooga area added 3,600 jobs from June 2010 to June 2011 and accounted for more than a third of all the net new jobs in Tennessee in the past year. The 1.6 percent rise in Chattanooga jobs over the past 12 months also was far ahead of the U.S. employment gain of 0.9 percent and Tennessee's job increase of 0.2 percent.

Over the past five years 109 new and expansion projects have been publicly announced bringing in over 8,900 new jobs and 650 additional jobs with a total investment of over \$2.2 million. These projects run the gamut of retirement facilities, hotels, manufacturing, office buildings, retail, professional services, delivery services, customer service, etc.

In February 2011 ATN Hölzel GmbH, a German specialist in glue application and automation technology, announced plans to establish its U.S. presence in Chattanooga. This company is creating family-wage jobs for local residents through an enterprise which has excellent potential for additional expansion.

Amazon.com, Inc. finalized its commitment in December 2010 to establish two fulfillment centers in Tennessee, one at the Enterprise South Industrial Park in Chattanooga and the other in neighboring Bradley County. Amazon plans to invest a combined total of up to \$139 million to construct the two new facilities, with up to 1,400 jobs expected to be created in the next three years, in addition to hundreds of additional seasonal jobs during peak season. The new fulfillment centers are expected to be operational before the 2011 holiday season. September 2010 was the announcement by IBI Power that it will locate its expansion to the Southeast in Chattanooga. The expansion represents an investment of \$5 million and will create at least 60 new jobs. IBI manufactures metal generator enclosures, metal equipment centers that hold electronic switchgear components and metal battery housings and control buildings, among other products. Important considerations in the decision to locate in Chattanooga include the region's numerous companies in the metal industries, a skilled workforce and a superior transportation network. Wingard Quality Supply announced in August 2010 that it will relocate its headquarters from California to the Volkswagen Supplier Park. A certified minority-owned automobile parts manufacturing supplier since 2003, Wingard has stated its intention to hire locally.

In April 2010 Volkswagen Group of America announced tenants selected to locate in the on-site supplier park. Suppliers include Faurecia (EMCON), MTEK, and Thyssen Krupp.

Magna Seating, an operating group of Magna International, and Hollingsworth International, a leading provider of industrial supply chain management, announced in March 2010 they have formed a joint venture, called Chattanooga Seating Systems, to supply Volkswagen Group of America with complete seat systems. Hollingsworth Logistics Group is a certified minority Native American company which has provided logistics support to the automotive industry for over 25 years.

Key to the growth in the Chattanooga area was the development of Enterprise South Industrial Park (ESIP). Through collaborative efforts of the federal state and local governments, the old Volunteer Army Ammunition Plant site has been developed into this top tier industrial park. The site is now home to Volkswagen Group of America, their supplier park, Amazon.com, Gestamp, TAG Manufacturing and others with an additional 1,400 acres being prepared for use. The Foreign-Trade Zone (FTZ) in the Chattanooga metropolitan area has been expanded by an additional 5,000 acres to include ESIP. This expanded FTZ allows Chattanooga to remain competitive in regional and U.S. markets; it encourages more business and commerce in the southeast Tennessee region and serves as an excellent business recruiting tool. The developable acres at ESIP are surrounded by a 2,800 acre passive recreation area. The site is located within 2 miles of Interstate 75 and is served by a new parkway and interchange.

Chattanooga'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. Employment in the Chattanooga area is diverse with no single dominating industry. The employment sectors are trades, transportation, and utilities (21.2%), government (15.5%), manufacturing (12.3%), professional and business services (17.1%), educational and health services (13.6%), leisure and hospitality (10.1%) and other (10.2%). 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. Amid continued concerns about the national economy, Chattanooga is moving forward and is expected to continue the growth trend.

Transportation

Chattanooga has a strong history in the transportation arena. While railroads made Chattanooga prosperous in the 1800s, they also made it a military target during the Civil War. In the twentieth century the area became a major intersection

in the Southeast with the advent of the interstate system with excellent north/south access via I-75 and I-59 and east/west access via I-24. Chattanooga is home to more than seventy common and contract carriers, including two of the nation's top transportation companies.

Railroads are still play an important role in Chattanooga's transportation with dual-rail transport provided by Norfolk Southern and CSX Transportation. An additional twenty-three miles of track was recently laid linking with both Norfolk Southern and CSX; this new rail connection will serve all the companies located at ESIP.

Because of Chattanooga's proximity to the Tennessee River, there is easy access to 16,000 miles of navigable waterways. River navigation has contributed greatly to the economic and industrial development of the Tennessee Valley as a whole and directly to the development of Chattanooga and was recently used to transport the first turbine manufactured at Alstom.

The City is one of the region's major transportation hubs. The Chattanooga Metropolitan Airport, which is easily accessible due to proximity to the intersection of I-24 and I-75, is a full service airport providing facilities for the general aviation sector, as well as the commercial passenger sector for southeast Tennessee and north Georgia. A 9,000 square foot \$5 million general aviation terminal is under construction, the first phase of a \$10 million upgrade planned for the terminal and surrounding areas. The new facilities are the new business front door to Chattanooga in terms of corporate aircraft and economic development.

Air transportation services are provided by Lovell Field, which is operated by the Chattanooga Metropolitan Airport Authority. Currently, Lovell Field is served by Delta Airlines to Atlanta and Memphis, USAir Express to Charlotte and Washington, D.C., American Eagle to Chicago and Dallas and Allegiant Air to Orlando and Tampa Bay. Delta Airlines will begin flights to Detroit in September. During 2010, passenger flow of traveling passengers included 291,388 enplaning passengers and 288,480 deplaning passengers for a total passenger flow of 579,868. Privately owned and operated airport facilities include Collegedale Municipal Airport and Dallas Bay Skypark. All airport facilities are conveniently located from the downtown area of the City and provide such services as aircraft sales, instruction, charter services, fueling and maintenance of aircraft.

In addition to the City's service by three interstate highways, seven U.S. highways and five State highways, there is one

interstate bus line operates from the City to all other major cities. Local mass transportation service is furnished by the Chattanooga Area Regional Transportation Authority. Multiple daily departures are made via privately operated shuttle service to and from major metropolitan areas surrounding Chattanooga, such as Atlanta and Nashville.

In addition, channelization of the Tennessee River to a nine-foot minimum navigable depth from its junction with the Ohio River at Paducah, Kentucky to Knoxville, Tennessee gives the City the benefits of year round, low-cost water transportation and a port on the nation's 10,000 mile inland waterways system. This system, formed largely by the Mississippi River and its tributaries, effectively links the City with the Great Lakes in the north and the Gulf of Mexico in the south, with cargo passing through the lock with origin or destination in 17 states. Road and bridge relocation, the first step in replacing the Chickamauga Lock, has been completed. The \$365 million federal project, which will increase the lock size from 60-by-360 feet to 110-by-600 feet, is expected to be completed in 2013. This will bring the upper Tennessee lock system into conformance with the lower Tennessee lock system and enhance barge traffic in the region.

For several years Chattanooga has been a driving force in the high speed rail initiative connecting Atlanta and Chattanooga. With population growth projections indicating Atlanta and Chattanooga will continue to have significant growth toward one another, it is important we plan now for our future mobility in the region. With federal and local matching funds of approximately \$8 million, we have a cooperative agreement in place between the Tennessee and Georgia Department's of Transportation to move forward on this project; the tier 1 environmental impact study will be completed by the end of 2011. The high speed rail project has been awarded an additional federal appropriation of \$13 million and the required \$3.3 million local match from within Tennessee and Georgia has been secured to accelerate and complete the required National Environmental Policy Act requirements, the next step in the process.

Manufacturing

Manufacturing is a proud part of Chattanooga's past and an essential key to its future. In the early part of the twentieth century, Chattanooga built a foundation of prosperity on a diverse manufacturing base that made every kind of product imaginable, including engines, synthetic silk, furniture and baked goods. Successful economies are always built on existing foundations such as this. Today Chattanooga

continues the tradition of innovation as companies locate and expand here to produce products for the new millennium.

Chattanooga's strong manufacturing tradition gives us a head start in creating successful modern manufacturing operations for the 21st Century. The Chattanooga area has a workforce with experience and skill in manufacturing greatly due to local post-secondary programs. Education is targeted toward our manufacturers through Chattanooga State's Industrial Training Programs and the University of Tennessee at Chattanooga's (UTC) Engineering Program. Chattanooga State is in the top tier among schools with similar offerings and has programs that can be customized to meet the needs of individual manufacturers. The National Center for Computational Engineering, located at UTC, is a world-class computer simulation program that has the ability to proto-type new products for manufacture and serves as a magnet for new industrial talent and ideas.

Future Oriented Economic Growth

While Chattanooga has a proud manufacturing heritage and an impressive manufacturing base, many believe future oriented economic growth requires at least a partial shift to producing knowledge and intangible services. In this area Chattanooga is far ahead of almost everyone. Because of Chattanooga's reputation for technological innovation, we joined two other U.S. cities as one of the world's seven smartest cities in 2011 as determined by the Intelligent Community Forum (ICF), a New York-based think tank that studies 21st Century growth within the global community.

Chattanooga has engendered outstanding transformation over the last several years by using innovative technologies to create jobs. We've earned our place on the international map and expect to continue making waves in the global community as we pursue further leadership in 21st Century. Chattanooga was praised for leveraging some of the latest information and communications technology to spark job creation. Our participation in the ICF intelligent communities' process supported our efforts to communicate Chattanooga's tremendous technology story. Our community has established a national reputation for its quality of life and an international business brand by recruiting world-class companies. Now we're capturing headlines for pioneering the uses of next generation data infrastructure. Economic developers have begun conversations with brand-name, world-class technology companies with a number of new opportunities emerging.

The infrastructure for much of this transformation is the smart

grid developed by EPB, the city-owned electric utility. Discussion of smart grid technology usually centers on the automated meter infrastructure program. The smart grid developed by EPB goes beyond automated metering to built-in intelligence that reorients itself to find alternative paths for electricity when there are power outages. This is an integral need for the growing manufacturing community. Chattanooga won national recognition with the Cornerstone Award for deploying America's largest and fastest fiber-to-home network at the 2011 Broadband Properties Summit held in Dallas. The award is the latest in a string of national and international awards recognizing Chattanooga's fiber optic network, which is capable of delivering gigabit Internet speeds to every home and business in a 600 square mile area. EPB became the first in the nation to offer this speed of internet service.

The ICF honored the City of Chattanooga for having the Coolest Broadband App for deploying an ultra high-speed wireless network called the mesh network. Access points are being installed throughout the city with plans to cover Chattanooga's entire homeland security district in wireless coverage. The mesh network can be used for enhancing public services ranging from smarter traffic controls to better coordination of police, as well as dozens of other services. Police are experimenting with a device that uses a laser to digitally record every aspect of a crime scene in 3-D, allowing investigators to navigate the scene in 3-D to analyze clues previously missed.

Chattanooga is home to the National Center for Computational Engineering (the SimCenter) at the University of Tennessee at Chattanooga. The SimCenter is a center for integrated research and education whose primary goals are to establish next-generation technologies in computational modeling, simulation and design, to educate a new breed of interdisciplinary computational engineer, and to provide consequent leadership and national impact in critical technology areas. It has established a national reputation for excellence in solving real-world engineering problems in diverse fields such as hydrodynamics, aerodynamics, propulsion, heat transfer, electromagnetics, and computational design optimization. The SimCenter serves as the focal point for a new university-based technology community which makes Chattanooga a significant part of the Tennessee Valley Technology Corridor and will strengthen the high-technology intellectual base of Chattanooga to stimulate and support ongoing economic development initiatives.

Chattanooga continues to distinguish itself for offering a technology platform that sets us apart from every other community in the U.S. and all but a handful in the world. The high-speed internet is connecting the entrepreneurial

community in Chattanooga to the global economy. We are the best place in America for entrepreneurs who are working to define the future of the Internet as everyone else will experience it in five to ten years.

Another technology project is the North Shore street light project. Induction lights and LED street lights are being installed to replace outdated high pressure sodium lights with radio controls. The use of radio controlled lights offers operators point-to-point real time communication with individual light data. They can quickly spot and correct malfunctions as well have control over a full range of safety and emergency settings such as brightness and strobe settings. This point-to-point communication allows safety personnel to easily identify emergency locations and quickly program the lights to aid in evacuation efforts including a sequential pulse to indicate a disaster evacuation route or to lead emergency vehicles to the scene of an accident. Energy efficient lights are expected to reduce energy consumption 64% and create positive effects for our environment. Also because LED and induction lights have a longer life span than traditional lights, the City anticipates savings in maintenance costs. This pilot project could be a first step to replacing all of the street lights in the city.

Downtown Development

Chattanooga's Waterfront has been heralded as a model of urban renewal. Southern Living in July 2007 said: "An utterly inspiring turnaround. Chattanooga proves that a vision, a plan, and a community that cooperates can make big dreams happen." The key to Chattanooga's renaissance, which began in the mid 1980's, was the realization of the importance of our downtown. The Moccasin Bend Task Force was appointed by local governments to lead the community in an inclusive planning process to outline future development plans for the river corridor between the Chickamauga Dam and the Marion County line. The visionary plan which grew out of the task force has reconnected the City to the magnificent Tennessee River. It has resulted in the City making over its image, founding new sources of pride for its citizens and fueling the engine for central economic development.

The first phase of this development resulted in the Tennessee Aquarium, the Tennessee Riverpark, the Walnut Street Pedestrian Bridge and Coolidge Park. Hundreds of millions of dollars were invested in this necklace of recreation, historical exhibits, new housing, museums, working industry, hotels, shopping and tourist attractions along the banks of the river. The next phase of the plan began during the late 1990's in the

Southside Redevelopment District, a large former industrial area south of the central business district. This phase of the plan provided an opportunity to create a model community by rebuilding the district's job base and revitalizing housing opportunities. In the heart of the district is a convention center and conference center complex. The final step of the master plan was completed in 2005 with the 21st Century Waterfront Development. The \$120 million, 129-acre vision, capitalizing on the public/private partnerships that have made Chattanooga a model for urban revitalization, transforms the downtown riverfront with a careful combination of development, preservation and enhancement that honors the history and beauty of the area. The waterfront development included expansion of the Tennessee Aquarium and the Hunter Museum of American Art, renovation of the Creative Discovery Museum, enhanced public spaces along both shores of the Tennessee River, and a dramatic underground passageway to the river marking the beginning of the Trail of Tears. The City's share was approximately \$70 million. Now it is time for the next great master plan.

The seal of Chattanooga depicts a large bend of the Tennessee River as seen from Lookout Mountain. This area of the river is called Moccasin Bend and has distinct geographical attributes which have made it of strategic importance as a crossroads within the North American continent throughout the centuries. As a result, the area contains a unique array of contiguous prehistoric and historic sites which chronicle important aspects of human history. Because of the extraordinary density, complexity and integrity of sites which include Native American villages, the remains of Civil War earthworks and other sites of national significance, in 2003 approximately 755 acres were designated as the Moccasin Bend National Archeological District, a unit of the National Park System.

An integrated conceptual plan is in design for the next phase of downtown development for the gateway to the new Moccasin Bend National Archeological District. This integrated plan will help guide future development, identify and design high quality public spaces, identify potential connections and protect the integrity of our natural and cultural resources. We have much to look forward to as we work with the Friends of Moccasin Bend National Park to construct a cultural/visitor center on Moccasin Bend. This new facility, along with other interpretive features, will allow Chattanooga to showcase the history of this special place for the benefit of both the American public and international audiences. With evidence of over 12,000 years of human occupation, overlaid by the Trail of Tears and Civil War artillery emplacements, and complemented by outstanding

views of the Tennessee River and surrounding mountains, Moccasin Bend provides a unique experience for visitors to downtown Chattanooga.

Our downtown renaissance is a monumental turnaround. Most of the vital attractions, stores and restaurants in the downtown core are either housed in former railroad and warehouse infrastructure or are built on top of industrial sites, which was all part of the plan to bring people back to downtown. The heart of Chattanooga is now a popular tourism, entertainment and residential place, as well as the business hub of the region.

One of the new and exciting projects underway is Cameron Harbor, a mixed-use development on the Tennessee River opposite Moccasin Bend National Park that sits on a 9-acre former industrial tract. Cameron Harbor will be an extension of the city's waterfront project, creating a resort atmosphere on the river in the heart of downtown. The mixed-use development consists of townhouses, a hotel, a restaurant, and a marina. The Townhomes at Cameron Harbor will be assorted styles of architecture with a touch of coastal ambiance, dubbed "Tennessee coastal". Prices will range from \$1 million to \$1.8 million with 2,500 to 4,200 square feet per unit. The townhouses will be LEED certified and will have broad porches with views of the river. The hotel will be the first built on the city's downtown waterfront. Most rooms will feature magnificent river views; the hotel will have about 3,000 square feet of meeting space and will include a visually stunning piazza overlooking the river. A world-class restaurant, also planned on the water, will share the piazza of the hotel and will be built predominately of glass to maximize river views. The city is expanding the marina at Ross's Landing by 65 boat slips providing the townhomes convenient access to the Tennessee River as well as providing rental and transient boat slips. The Riverwalk will be extended from the 21st Century Waterfront Project at nearby Ross's Landing and will eventually connect to Alstom Power further downstream.

Impact of Tourism On the Economy

Chattanooga is a source of pride for its citizens and a hub for activity, whether in the Southside, on the NorthShore or at the waterfront. The reclamation of the riverfront for public use was recognized by the CBS Morning Show and has made Chattanooga a model eco town and tourist hotspot. American Style Magazine ranked Chattanooga as the number two mid-sized city arts destination. Outdoor Magazine and Runner's World have featured the outdoor activities that help attract millions of visitors to Chattanooga each year. National Geographic is including the area in one of only 15 geotourism

maguides in the world, spotlighting this region as one of the treasured natural places on the globe.

Top sporting events recently held in Chattanooga were the Head of the Hooch, Amateur Softball Association (ASA) national championships and the National Softball Association (NSA) World Series. Head of the Hooch is a rowing regatta that features teams from across the country and around the world and is held in November. This two-day event is the second largest rowing event in the country. The ASA Girls' Class "A" 16-Under Fast Pitch national championships were held at Frost Stadium and Summit of Softball, both city-owned complexes. This was the most attended recruiting tournament in the nation and drew players from all 50 states and Canada with over 170 teams participating and 300 college coaches present. The NSA Girls' Glass "A" fast-pitch world series for ages 10, 12, 14, 16 and 18 brought over 150 teams to Chattanooga.

Events like these bring an influx of visitors. According to the Chattanooga Area Convention and Visitors Bureau, Chattanooga attracts 3 million visitors annually. This translates into upwards of \$762 million and employs over 7,500 people. The impact of tourism has a bottom-line impact on the City of Chattanooga's budget; for fiscal year 2011 hotel-motel tax revenues rose nearly 17 percent.

Quality of Life

Chattanooga has done its share of "big project" strategies, such as the waterfront expansion, but city leaders have also paid attention to less conspicuous things that enhance the quality of life for all citizens. Chattanooga has electric buses with routes that run every five minutes on major downtown streets and is the first city in the nation to have a one gigabit per second Internet service available to the entire community. Surrounded by the breathtaking natural beauty of the Tennessee Mountains, Chattanooga has been named as one of America's most livable cities by national publications.

Recreation and Arts

Chattanooga has undergone an amazing transformation over the last twenty years and has received numerous accolades. National Public Radio Morning Edition acclaimed Chattanooga's strong sense of community, beautiful natural landscapes, civic pride and the ability to solve problems. Chattanooga has twice been designated by Outside Magazine a top city to "Live Big, Play Hard, and Work (if you must)" because of the unlimited options for climbing, caving, biking,

hiking, paddling and an expansive park system.

The Wall Street Journal featured Chattanooga in a special section about U.S. cities who are benefiting from the expansion of arts and cultural venues. American Style magazine placed Chattanooga near the top for mid-size cities for the arts. Chattanooga's commitment to the arts has helped draw artists and art lovers to take up residence here. As a result art is everywhere from the side of a walking path to downtown sculptures; even distance on the Riverwalk is marked by colorful metal sculptures.

The Bluff View Art District is a historic neighborhood with restaurants, a coffee house, art gallery, historic bed and breakfast and plazas. Master gardeners tend to the dramatic landscaping features, including the award-winning River Gallery Sculpture Garden, noted by the Smithsonian in its Archive of American Gardens. The Southside, with its historic buildings, industrial architecture and revitalized community, has become a hub to experience boutique shopping, an array of cuisine, public art, working studios and fine galleries.

State and Local Economy

We've raised Chattanooga in the national consciousness; major publications are including us at the top of their lists for quality living and economic potential and our community has recruited a number of companies with world-wide name recognition. This is reflected in the unemployment rate for Chattanooga. Unemployment within the Chattanooga MSA as of June 2011 was at 9.1%, compared with 9.8% for the State of Tennessee and 9.2% for the nation.

The City's two largest local revenue sources are sales and property taxes. The local option sales tax rate is 2.25 percent county-wide. By state law, 50% of the county-wide local option sales tax is dedicated to schools. The City earmarks .25 percent of its share of the local option sales tax for economic development. In 2010 the property tax rate was lowered to \$1.939 per \$100 of assessed valuation due to reappraisal of all property in Hamilton County to 100 percent market value. This was the lowest tax rate for the City since 1958 largely due to growth in the economic base. The current property tax rate, increased in FY2011 is \$2.309 per \$100 of assessed value.

Hamilton Place Mall, Tennessee's largest shopping destination has brought in many tourists and locals with its mix of new and familiar stores and restaurants. The 1.2 million-square-foot mall, which opened in 1987 and is being renovated in 2011, has over 200 stores and 30 restaurants. CBL and Associates, the mall's owner and developer of major retail space nationwide, maintains their national headquarters on

a multi-acre site on the south perimeter of the mall.

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 \$55 million was appropriated for major initiatives in fiscal year 2012. Major projects include 9.1 million for public infrastructure such as paving, road improvements, and sidewalks; \$1.3 million for technology upgrades; \$7.4 million for a regional Intelligent Traffic System; \$3.5 million for a Health & Wellness Center; \$6 million for fleet replacement; \$3.1 million for various parks and recreation projects; \$2.4 million in public safety projects such as fire apparatus, laptops and cameras for police cars and new police station on 11th Streets; \$1.9 million for building repair; \$1.2 million for Riverfront repairs; \$10.5 million for Interceptor Sewer; \$1.5 million to update water quality/storm water infrastructure, \$6 million for City Landfill Cell Closure, and \$1.8 million for other capital projects.

Revitalization of Neighborhoods

The Southside area of Chattanooga that once flourished with the railroads and industry was home to hotels, business and the famed "Chattanooga Choo-Choo". Main Street has new life and a strong sense of community. Many artists are choosing to live and work here and developers are committed to using the historical buildings for new purposes while preserving greenspaces. A grant from National Endowment for the Arts, along with local private dollars, will be used to create the Main Terrain, a new urban park in the Southside. The grant was awarded to communities that have created public-private partnerships designed to improve the arts while impacting the social, physical and economic characters of their neighborhoods, towns, cities and regions. The park will feature interactive sculptures that encourage physical play and fitness.

Chattanooga's Renewal Community Program, which began in 2002 and expanded in 2006, creates jobs by providing federal tax savings to individuals who invest in, conduct business in, and/or hire residents from the designated renewal community areas. The program advances the creation of livable and vibrant communities through public-private partnerships that encourage affordable housing development, support school improvements, and foster economic growth where families can flourish. One of the recent expansions mentioned earlier, Designed Alloy Products, is a result of the renewal community program in the Alton Park community.

The NorthShore is neighborhood beautifully situated on the Tennessee River that has resurged as a result of downtown development. This neighborhood, perhaps Chattanooga's

most eclectic, boasts Victorian-style houses and small bungalows along with luxury condominiums. Here you will find boutiques, restaurants, coffeehouses, galleries, salons and day spas, and even dance steps on the sidewalk. The Chattanooga Theatre Centre, Coolidge Park and the Walnut Street Pedestrian Bridge are all within walking distance.

Chattanooga Neighborhood Enterprise (CNE), whose mission is to eliminate substandard housing and promote homeownership, celebrates 25 years in 2011. Built on the premise that homeownership is the key to stable neighborhoods, CNE has moved into neighborhoods often overlooked by conventional banks to offer many different programs and services such as home buying assistance, home improvement assistance, weatherization programs and loan assistance. CNE, which has touched almost every neighborhood in the city, is currently focusing on the Orchard Knob area to rebuild 100-year old dwellings. They are adding energy-efficiencies while retaining original wood and wrought-iron features where possible.

Emphasis on sustainability

Chattanooga is a national example of how good business practices and good environmental practices can go hand in hand. Chattanooga pioneered sustainable building practices in signature developments such as the Development Resource Center, The Chattanooga Convention Center and EPB's headquarters and is competing on a global basis for investments in clean technology. This existing culture of environmental awareness has made sustainability a standard operating procedure.

Chattanooga boasts one of the nation's top-ten green convention centers. The Chattanooga Convention Center was the first in the nation to incorporate a farm-to-table program, providing fresh produce, bread, meats, cheese and coffee from local and in-state purveyors. The City's newest fire station, Station 7, has achieved gold certification through the Leadership in Energy and Environmental Design (LEED) green building rating system.

BlueCross BlueShield of Tennessee committed to achieve gold certification for their recently completed headquarters on Cameron Hill. Today they are the largest LEED gold-certified corporate campus in the state and the second largest in the nation. Alstom followed LEED guidelines during construction of their expansion to achieve the largest gold certified manufacturing sites in US and is an exemplary leader

as a non-impacting facility on the environment. Volkswagen, who was LEED aggressive in building the assembly plant, was awarded the 2011 Governor's Environmental Stewardship Award for Building Green.

The list of LEED certified building includes the only gold-certified shopping center in the region located in the NorthShore, the City's Outdoor Chattanooga headquarters, a private school's new residence hall, multiple banks, a cinema, business offices and condos. Other businesses have recognized the benefits of solar projects including restaurants, museums, manufacturers, grocers, and professional service groups. As of mid-2011 there were sixty-nine LEED, solar and green roof projects either completed or underway in Chattanooga. All of these recognize the need to be thoughtful stewards of the environment, both to protect our natural resources and to reduce energy costs.

The City of Chattanooga participates in the Tennessee Stormwater Excellence Program, an initiative designed to educate and coordinate engineers, buildings and regulators in building approaches that help limit pollution from water running off parking lots and buildings following heavy rains. This is a pioneering new partnership between business and government.

A growing movement committed to increasing the production and consumption of local food in the Chattanooga region was launched in 2010. Production and consumption of local food bolsters the economy, helps conserve the environment, promotes good health and builds community. Food artisans, farmers markets, grocers, restaurants and community gardens all participate in the program.

Chattanooga was chosen as one of seventeen cities to be part of the ECOTality program launched by the U.S. Department of Energy. Since most of the participating cities are located among the west coast, this is indeed an honor. Currently there is a free charging station at one of the downtown hotels with plans to expand to tourist destinations on Lookout Mountain as part of the program.

With a high emphasis already placed on sustainability, it is easy to understand why Chattanooga was chosen as one of nine cities as a beta community in a sustainability rating system with the mission to build healthier and more livable communities. These beta communities will collaborate with the ICLEI, the largest international association of local

governments, to accelerate the sustainability movement by developing a local level roadmap for advancing climate protection that can then be rolled out in other communities.

Importance of Education

Chattanooga has a rich heritage in education dating back to the early 1800s when a school was established for the education of the Cherokee. That tradition continues with the Hamilton County Board of Education, numerous private schools and new charter schools.

The local school district has two schools authorized to implement the International Baccalaureate Programme. It also has a Middle College High School that allows students to finish high school while taking college-level courses and simultaneously receive an associate’s degree.

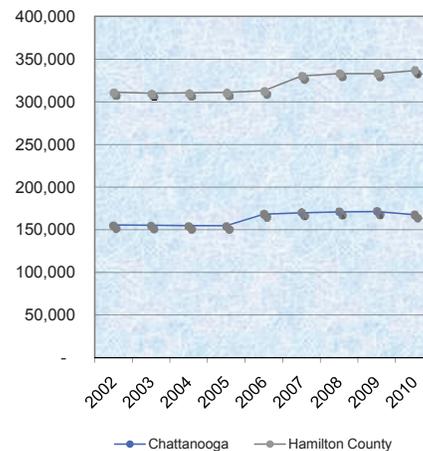
There are fifteen different magnet programs that feature various curriculum themes to provide engaging instruction for all students while offering core courses in language arts, mathematics, social studies and science. This standard is combined with parent involvement to create a progressive learning atmosphere. There are also schools with fine arts curriculum standards that include separate sets of standards for each of the four arts: dance, music, theatre, and visual art. Each set of standards is based on the national standards for that art area.

Teachers from a variety of disciplines are earning National Board Certification and two counselors were recently named 2011 “Counselors that Change Lives” for their dedication to the college counseling profession. These counselors were among only eleven chosen from around the country. The Principals Leadership Academy completed its first year in 2010 to prepare assistant principals to lead schools with a focus on achieving high academic standards. The academy also includes a significant business component to help principals with tasks like finances, human resources and management. Each participant is assigned a business mentor, often from a Fortune 500 Company, to learn best practices of leadership. With this focus on teachers, counselors and leadership, the district’s four-year on-time graduation rate jumped 13 percent and the dropout rate declined 30 percent in the 2010 school year.

Demographics

Population		
	Chattanooga	Hamilton County
2002	155,582	311,178
2003	155,289	309,956
2004	154,853	310,371
2005	154,762	310,935
2006	168,293	312,905
2007	169,884	330,168
2008	170,880	332,848
2009	171,349	332,848
2010	167,674	336,463

Source: U.S. Census Bureau



During 2002 thru 2010, the population for Chattanooga increased 7.8 percent and Hamilton County showed an increase of approximately 8.1 percent.

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
2010.....	144.9

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)..... 1,151
 Miles of Streets (County-wide).....2,829

Elections (County-wide):
 Registered Voters.....212,457
 Votes Cast in Last Major Election (Nov 2010).....87,817
 Registered Voters Voting.....41.79%

Racial Composition

Hamilton County, Tennessee	Hamilton County	Tennessee
White persons, percent, 2010 (a)	73.9%	77.6%
Black persons, percent, 2010 (a)	20.2%	16.7%
American Indian and Alaska Native persons, percent, 2010 (a)	0.3%	0.3%
Asian persons, percent, 2010 (a)	1.8%	1.4%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	0.1%	0.1%
Persons reporting two or more races, percent, 2010	1.7%	1.7%
Persons of Hispanic or Latino origin, percent, 2010 (b)	4.5%	4.6%
White persons not Hispanic, persons, 2010	72.0%	75.6%

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

Source: US Census Bureau State & County QuickFacts, June 2011

Housing Costs

Year	Median Sale Prices
2006	\$136,000
2007	\$130,900
2008	\$131,870
2009	\$122,600
2010	\$121,400

Source: Chamber of Commerce Community Profile July 2011

Service Statistics

Education

There are 76 public schools in the Hamilton County School System. The type and number of schools in the County are as follows: Elementary (44); Middle (12); High (20).

There are 41 private and parochial schools in the Chattanooga area with combined enrollment of 11,737 students.

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); Finley Stadium (20,000); The 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 Center, Tennessee Valley Railroad Museum.

City-County Recreational Facilities

- 98 Parks
- 9 Private/14 Public Golf Courses
- 8 Country Clubs
- 16 Community Centers
- 140 Hotels and Motels (9,000+ total rooms)

Customer Services

Electric Power Board:
 Electric Customers.....171,154
 Electric Rate for residential.....\$0.0952/kw-hr

Public Works:

Solid Waste Accepted at Landfill (tons).....81,322
 Miles of Pavement Markings (Center line)....500 miles
 Signalized Intersections.....320

Interceptor Sewer System:

Net Assets.....\$255 million

Volumes:

- ◆ Approx. 77.8 MGD or 28 billion gallons per year
- ◆ 55 mil lbs/yr CBOD removed at 94.5% efficiency
- ◆ 59.6 mil lbs/year Suspended Solids removed at 93.1% efficiency
- ◆ 70,359 tons/yr biosolids land applied
- ◆ 5.4 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.....1,254
 Diameter.....2 to 96 inches
 Major Pump Stations.....8
 Minor Pump Stations.....62
 Residential/Grinder Stations.....195
 Combined sewer overflows.....9

Police Protection:

Sworn Officers.....475
 Crime Index (CY10).....12,423
 Crime rate (per 1,000 pop.-CY10).....72.03
 Parking Violations (CY10).....40,658
 Moving Violations (CY10).....71,773
 Calls for Service (CY10).....200,015

Fire Protection:

Sworn Officers.....414
 Fire Stations.....18
 Front Line Ladder Trucks.....2
 Front Line Fire Engines.....12
 Front Line Quints (Engine/Truck Combination).....11
 Fire Responses.....8,761
 EMS Responses.....7,764
 Average Response Time (minutes).....5:12

Economic

Bond Ratings

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

Building Permits Issued & Value

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
2007.....	2,387.....	\$673,609,683
2008.....	1,186.....	\$347,269,516
2009.....	1,360.....	\$435,957,827
2010.....	1,896.....	\$266,466,115

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

The largest employers within the Chattanooga area in the manufacturing and non-manufacturing sectors in 2011 were:

TOP NON-MANUFACTURERS

<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Service</u>
Hamilton County Dept. of Education	5,865	Elementary & Secondary Schools
Blue Cross Blue Shield of Tennessee	4,514	Insurance
Tennessee Valley Authority	3,981	Utility-Electric Service
Erlanger Medical Center	3,865	Hospital
Memorial Health Care System	3,708	Hospital
Unum	2,800	Insurance
City of Chattanooga	2,402	Government
Hamilton County Government	1,985	Government
CIGNA HealthCare	1,324	Health Services
University of Tenn at Chattanooga	1,106	University
Parkridge Medical Center	1,078	Hospital

TOP MANUFACTURERS

<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Service</u>
McKee Foods Corp.	2,950	Cakes & Cookies
Volkswagen Group of America	2,000	Automobiles
Pilgrim's Pride Corporation	1,550	Food Processing
Astec Industries	1,289	Construction Equipment
Roper Corporation	1,200	Cooking Products
Koch Foods	601	Food Processing
Chattem Inc.	585	Health & Beauty Aids
Alstom Power	440	Industrial, Utility Boilers
Chattanooga Coca-Cola Bottling Co.	435	Soft Drinks
INVISTA	435	Nylon Fiber
Shaw Industries	430	Carpet Yarn

Source: Chattanooga Chamber of Commerce Major Employers List - 2011. Includes part-time employees.

City Officials as of July 1, 2011

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

City Council:

Deborah Scott	District 1	Carol Berz	District 6
Sally L. Robinson	District 2	Manuel Rico	District 7
Pam Ladd*	District 3	Andrae McGary	District 8
W. Jack Benson, Sr.**	District 4	Peter Murphy	District 9
Russell Gilbert	District 5		

*Chairman

**Vice-Chairman

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

Legal: Michael McMahan, City Attorney

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



Department Administrators and Directors:

Finance & Administration:

Daisy W. Madison, CPA, Administrator
Vickie C. Haley, CPA, Deputy Finance Officer

Police:

Bobby Dodd, Chief
Mike Willams, Deputy Chief

Fire:

Randall Parker, Chief
Lamar Flint, Deputy Chief

Public Works:

Steven C. Leach, Administrator
Donald L. Norris, Deputy Administrator

Parks & Recreation:

Larry Zehnder, Administrator

Human Services:

Ron Swafford, Administrator
Donna Stone, Assistant Administrator

Personnel:

Donna Kelley, Administrator
Susan Dubose, Deputy Administrator

Neighborhood Services:

Beverly P. Johnson, Administrator
Anthony O. Sammons, Assistant Administrator

Education, Arts & Culture:

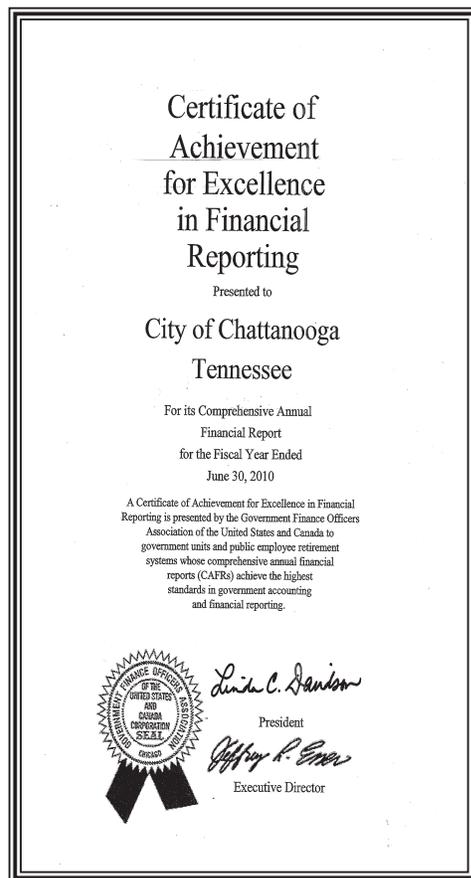
Missy Crutchfield, Administrator
David Johnson, Deputy Administrator

General Services

Paul Page, Director

Awards of Achievement

We are honored with the distinction of receiving, for the past eighteen years, the Certificate of Achievement for Excellence in Financial Reporting for Comprehensive Annual Financial Report (CAFR). The Fiscal Year 2011 CAFR is currently being submitted for review.



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.”
- *IFC’s* Top 7 Intelligent Community of the year in 2011
- *New York Times* “Fastest Net Service in the US”
- *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”.
- *Foreign Direct Investment* in the April 2003 issue as an ideal environment for foreign companies looking to relocate or expand.
- *Forbes Magazine* says “technology makes Chattanooga great place for business”
- September 2008 issue of *National Geographic’s Adventure* magazine includes Chattanooga among the “50 Next Great Towns” for living and playing.
- *MSN Money* calls Chattanooga a “New Hot Retirement Spot...where the amenities include hiking and biking trails, an aquarium and a thriving local arts scene”.
- August 2008 issue of *Outside Magazine* calls Chattanooga one of the 20 Best Towns in America and ranks the Scenic City No. 2
- According to a 2008 listing by *RelocateAmerica.com*, Chattanooga landed third-place out of the top 100 places to live. nominated for its rich culture, beautiful landscapes and business opportunities.
- Chattanooga is one of the Top 10 Healthy Places in the Southeast for longevity and enjoying a productive retirement lifestyle, according to *Retirement Lifestyles Magazine* December 2007/January 2008 edition.
- Travel section of the July 2007 issue of *Southern Living* features Chattanooga as a traveler’s delight. Titled Splashy River Town, the piece begins, “Chattanooga just keeps getting better. Ditch your car, and discover new surprises around every bend”.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Chattanooga
Tennessee**

For the Fiscal Year Beginning

July 1, 2010

President

Executive Director

Also, for fifteen 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 2012 budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



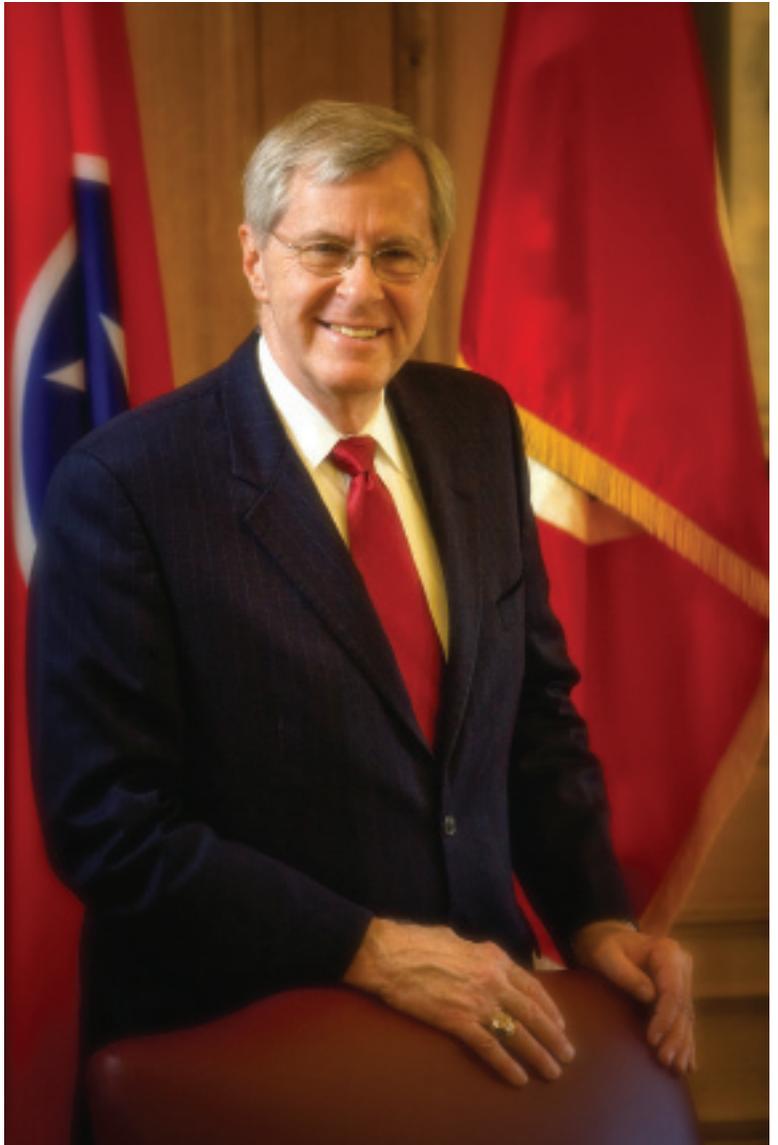
MeetUS

Mayor Ron Littlefield

Mayor Littlefield was sworn into his second term as Mayor on April 20, 2009. He brought with him many years of experience in City Government and urban planning. Under the guidance of Mayor Littlefield, Chattanooga has experienced a manufacturing rebirth with the announcement that Volkswagen would locate their North American Manufacturing facility at the Enterprise South Industrial Park. Volkswagen's \$1 billion investment in the community will result in 2000 direct jobs and another 9500 indirect jobs. Alstom Power has also invested over \$300 million in a new facility and will be employing over 300 people. Working closely with Hamilton County officials, our United States congressional delegation, state and local officials, Mayor Littlefield has been instrumental in attracting thousands of new jobs to our region in the past four years.

Mayor Littlefield's dedication to Chattanooga's neighborhoods has resulted in more sidewalk construction than any previous administration. Coupled with his dedication to neighborhoods and support of increased involvement from community leaders, Chattanooga has seen a resurgence of neighborhood pride and neighbors coming together to fight blight and crime. Under his direction, the Department of Neighborhood Services has been at the forefront of re-establishing itself as premier resource that citizens can rely upon for direction in reclaiming and strengthening neighborhoods.

By establishing annual neighborhood meetings in 2006, Mayor Littlefield has been able to hear directly from citizens in each of the city's nine unique districts. With departmental leadership supporting the Mayor, numerous matters are resolved



immediately and others are given individualized attention. Neighborhoods are stronger as a result. Residents are able to speak directly with the Mayor and gain a better understanding of the City of Chattanooga. Neighborhoods are integral to the success of our city.

Since 2005, approximately 198 miles of roads have been repaved, replaced, and improved in the city. This creative use of scarce resources,

along with a life time of working with State and Federal officials, has helped improve the city's infrastructure and has positioned Chattanooga as a potential recipient of funding which will allow the continuation of this much needed work.

As a community planner in the 1970's, Ron Littlefield was instrumental in establishing the Brainerd Levee as the City's first Greenway and as Mayor, he has extended and improved the City's Greenway system. Under the leadership of Mayor Littlefield, Warner Park has undergone a dramatic transformation which has been a key competent in reestablishing Chattanooga as a Soft Ball Tournament destination. Along with a new entrance to the Chattanooga Zoo, Warner Park is now a first-class facility able to once again host softball tournament play. Combined with the new Summit of Softball, Chattanooga can once again host regional and national events which will have an estimated economic impact of \$25 million within the next five years for our community.

After a decade-long effort, the new McKamey Animal Care and Adoption Center is open. The McKamey Center provides comprehensive services for adoption, animal population control, education and animal rescue. McKamey is employing national best practices; setting a higher standard in animal welfare; and helping to inspire and educate our citizens toward an awareness and compassion for all living beings.

In 2006 Mayor Littlefield joined 235 other communities when he signed the US Conference of Mayors Climate Protection Agreement. Creating a sustainable city is a long term journey and requires commitment. In 2007, Mayor Littlefield appointed the Chattanooga Green Committee to advise and assist in moving Chattanooga toward the long-sought goal of sustainability. The committee is working diligently towards this goal.

Mayor Littlefield has and continues to be committed to completing the transformation of Chattanooga. From urban renewal to planned growth in the region, Mayor Littlefield has

lead with experience and knowledge.

The installation of cameras in high traffic areas continues to deter speeding and dangerous driving habits resulting in a safer Chattanooga. The supplemental use of cameras to help fight crime has been unprecedented. Police officers are now equipped with state of the art surveillance equipment helping reduce their workload and their ability to fight crime more effectively. The innovative use of technology continues to be high on the city's agenda for Mayor Littlefield.

Mayor Littlefield's commitment to providing better access to services for those less fortunate continues to be a priority. The resources to effectively address homelessness and those at risk of becoming homeless already exist in our city. All we need is an efficient delivery system. Once in place, it will help to provide better access to housing, employment, and services. Work continues towards this goal.

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 2005. He has been an instructor at the University of Tennessee at Chattanooga, as well, teaching a summer postgraduate course on metropolitan politics and policies.

In private life, Mayor Littlefield and his wife Lanis have been married over 40 years. They 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 Littlefield's have lived in the same home in the Glendon Place neighborhood in Brainerd. They have two grown sons.

Mayor & Mrs. Littlefield are active members of Calvary Chapel where they have participated in the recent building program for the church. They also lead a small group Bible study.

Council Members

Deborah Scott, District 1

Councilwoman Scott is a native of Alabama, but has been a District One resident of Chattanooga for 25 years. Prior to running for City Council, she retired from a career in education and nursing. She received her Bachelor's Degree in Education from the University of Alabama, as well as two Master's Degrees, in Counseling & Guidance and in Communications. While teaching high school in Birmingham she attended UAB, earning a Bachelor of Science of Nursing. After moving to Chattanooga she received a Master's Degree in Nursing with specialization as a Family Nurse Practitioner from UTC.

Councilwoman Scott and Wayne, her husband of 31 years, reside on Mountain Creek Road. They are members of Red Bank Church of Christ.

Councilwoman Scott's philosophy of governance is predicated on 3 main goals: fiscal responsibility, transparency and accountability. She believes fiscal policy should be prioritized according to resident needs, with the most important needs being safety and infrastructure. She believes the most effective governments promote full disclosure and that elected officials have a duty to inform and educate residents about administrative problems, government actions, and issues that impact them. "When residents know more, government accountability will follow."

District 1 consists of the following precincts: Lookout Valley 1 & 2; Moccasin Bend; Mountain Creek 1, 2 & 4; North Chattanooga 2; Northwoods North 2.

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 five grandchildren.

District 2 is consists of the following precincts: Lupton City; North Chattanooga 1; Northgate; Northwoods 2; Riverview; and Stuart Heights 1 & 2.

Pam Ladd, District 3, Chairman

Pam Ladd grew up in the Hixson area of District 3 and is a graduate of Hixson High School. She is a current resident of Murray Hills where she served as President of her neighborhood association for 2 years. She has been active in several civic organizations in her district and throughout Chattanooga. She is a graduate of Chattanooga Leadership and the City of Chattanooga Neighborhood Leadership Institute.

Pam holds a Master of Science Degree in Industrial Organizational Psychology from UTC. She owns and operates Custom Custodial, Inc. Her business is located in Hixson and employs over 120 part-time and 6 full-time positions.

District 3 consists of the following precincts: Dupont; Hixson 1, 2, 3; Murray Hills; Northwoods 3 & 4; Northwoods North 1.

W. Jack Benson, Sr., District 4, Vice-Chairman

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.

Russell Gilbert, District 5

Russell Gilbert is a Food Service Director at Parkridge Valley Hospital. He's also an entrepreneur whose non-profit organization, "Angels in Flight", provides industrial and arts training to area children. Councilman Gilbert has also worked to revitalize the Washington Hills Recreation Center and football field. These areas provide a safe haven for community children to spend time and play. He also coordinates the McKenzie Football Camp for Kids and is the coordinator of the Highway 58 Neighborhood Association Coalition, a group of over 3,000 households working together to improve their neighborhoods in Murray Hills, Lakes Hills, Washington Hills, Mimosa Circle, Chickamauga and Bal Harbour.

District 5 consists of the following precincts: Bonny Oaks; Eastgate 1; Dalewood; Kingspoint; Lake Hills; Woodmore.

Carol B. Berz, District 6

Carol Berz is the Chief Executive Officer of Private Dispute Resolution Services, LLC, a

mediation services and training organization. In addition, Dr. Berz does extensive teaching in both the private and public sectors in the areas of mediation, mediation advocacy, mediation ethics and employment and labor/management matters relative to the costs of corporate conflict. Dr. Berz studied liberal arts at Emory University and human service administration at UTC. Her law degree was completed at the Nashville School of Law; and her master's and doctorate in social policy was completed at UT Knoxville in cooperation with Bryn Mawr College in Philadelphia, Pennsylvania.

District 6 consists of the following precincts: Airport 1, 2 & 4; Brainerd Hills; Concord 3; Eastgate 2; Sunnyside; Tyner 2 & 4.

Manuel Rico, District 7

Councilman Rico first entered public service roughly twenty years ago as a member of the Downtown Sertoma Club where he served as President. At about the same time he was asked to become chairman of the board of WTCL; since that time he has served numerous other boards including Blood Assurance, the American Red Cross, Goodwill Industries, Moccasin Bend, Mental Health Association, Hamilton County Health Council, Boy Scouts, the Homeless Coalition, Southeast Tennessee Development Board, T.P.O. Board, Chattanooga Community Housing Development Organization, and was a past Chairman of the Human Rights Commission.

Councilman Rico enjoys working with young people and also serves on the Metro YMCA board as well as Y-CAP. While he has never had any problem working hard with any group that in need of help, he particularly enjoys his spot on the board of the "Friends of the Festival" and the Riverbend celebration each year.

District 7 consists of the following precincts: Alton Park; Cedar Hill; East Lake; Howard; Piney Woods; St. Elmo 1 & 2.

Andraé McGary, District 8

Councilman Andraé McGary is originally from Houston, Texas, but has lived in Chattanooga since 2002. Councilman McGary has a B.A. from

Carver Bible College in Atlanta, a Master's in Divinity from Covenant Theological Seminary, and is working on a doctorate in pastoral theology at Oxford Graduate School. Councilman McGary is an Adjunct Faculty Member at Bethel College.

Councilman McGary and his wife have been married for 8 years and have four wonderful children.

Key issues for Councilman McGary: Helping growth and development along Main Street and M.L. King Boulevard; seeing if incentives can be used to improve participation in our recycling program; making government more transparent.

District 8 consists of the following precincts: Avondale; Clifton Hills 1 & 2; Courthouse; Eastside 1 & 2.

Peter Murphy, District 9

Councilman Peter Murphy is a native of New York and the youngest of seven children. He attended public schools there and earned scholarships in Track and Cross Country and an Academic pre-law scholarship to Canisius College, in Buffalo, New York, graduating with a B.A. in Political Science and Communication.

Prior to law school, he was a Program Assistant with the Congressional Economic Leadership Institute in Washington, D.C.

He received his Juris Doctor in 1997 from Washington & Lee University Law School where he was a member of the Law School Rugby team and (by personal invitation) a member of the Black Law Student's Association.

He is married to Etelka Murphy and the father of two sons. In addition to his work for our City, Councilman Murphy practices civil litigation in State and Federal Courts in and around Chattanooga.

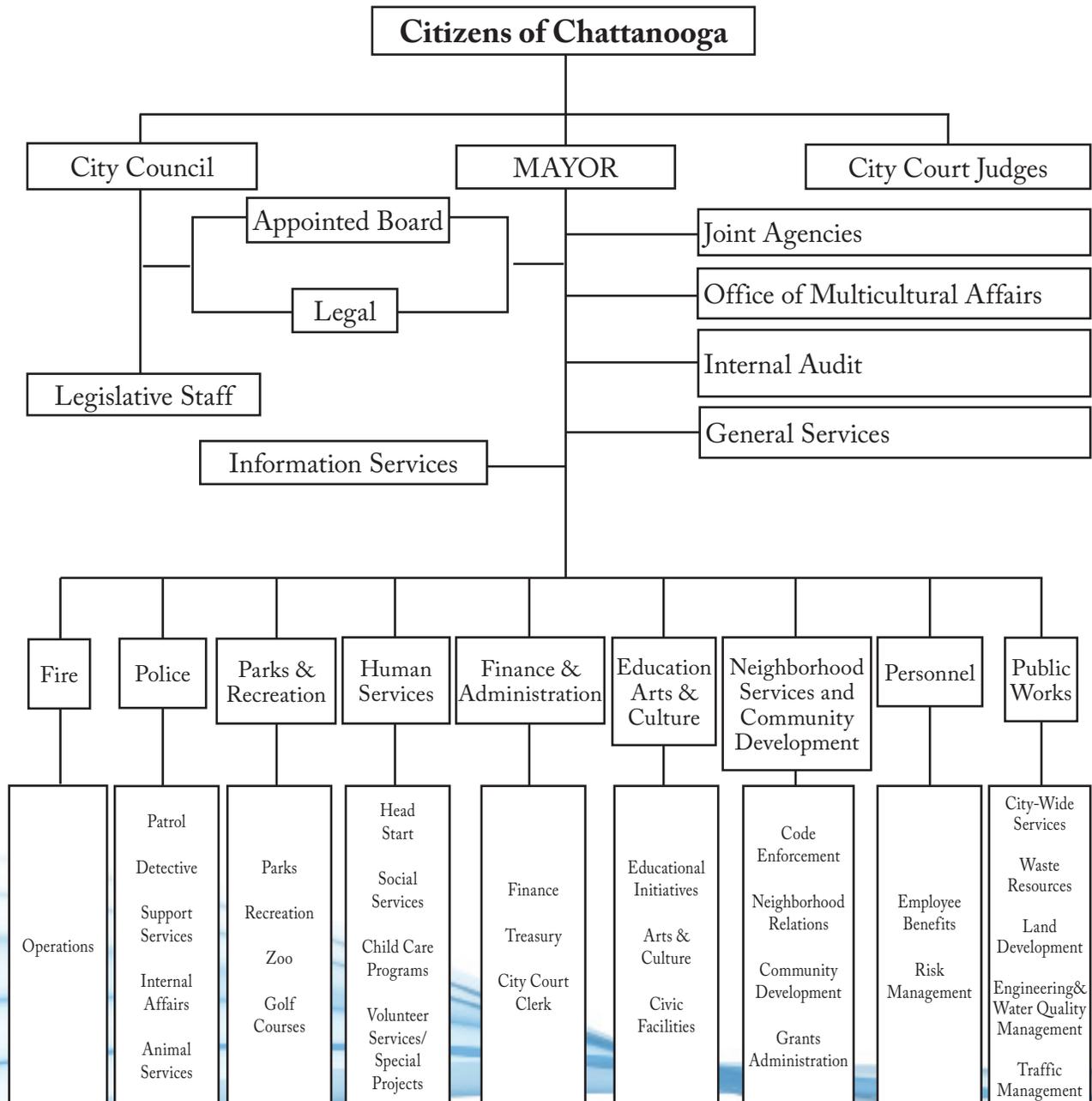
His civic and community activities have included Chattanooga City Council, District Nine and Chair of Chattanooga City Council Legal and Legislative Committee since 2009. He is on the Board of Directors for The Industrial Development Board of

Hamilton County and the Chattanooga Track Club. Mr. Murphy is the Arbitrator for the Chattanooga Bar Association, Fee Dispute Panel. He serves as Legal Advisor and Treasurer for The Missionary Ridge Neighborhood Association. He is a past and present member of the YMCA of Greater Chattanooga, the Chattanooga Track Club, Friends of the Park, The Historical Society of the US District Court for the Eastern District of Tennessee.

District 9 consists of the following precincts: Amnicola; Bushtown; East Chattanooga 1; Eastdale 1 & 2; Glenwood; Highland Park; Missionary Ridge.

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 2013 (their current terms run from April, 2009 until April, 2013).

Organizational Chart



City Council



Deborah Scott
District 1



Sally Robinson
District 2



Pam Ladd
Chairman
District 3



Jack Benson, Sr.
Vice - Chair
District 4



Russell Gilbert, Sr.
District 5



Carol Berz
District 6



Manuel Rico
District 7



Andraé McGary
District 8



Peter Murphy
District 9

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 currently president of the Tennessee Government Finance Officers Association and serves on the standing Debt Committee for the Government Finance Officers Association of US and Canada. Also a member and past president of the Association of Government Accountants. She is involved in numerous community and civic organization which promote a better quality of life in Chattanooga. Daisy and her husband of 34 years, Sam, are the *proud* parents of four children and two grandchildren. **Office Phone: 757-5232**

**Vickie C. Haley, CPA, CGFM
Deputy Administrator**

Vickie Haley, who was appointed as Deputy Administrator in 2006 began her service with the City in 1993 as an 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 has two children and three 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,
Management & Budget Analyst 2**

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 ISS. 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. She has been a reviewer for the GFOA's Distinguished Budget Awards Program for over 10 years. 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 other church/community activities. Simone and her husband, Jerrold, are busy parents of triplets. **Office Phone: 757-0534**

**Christy Creel
Management & Budget Analyst 2**

Christy Creel was hired by the City in 2008 and joined the Budget Department in 2009. In August 2011 she was promoted to her current position. Prior to working with the City she worked as a Staff Accountant for Chattanooga Neighborhood Enterprise. Christy holds a Bachelor of Business Administration in Accounting from Shorter College. She handles budgets for the General Services, Human Services, and Education, Arts, and Culture. She is a Member of the Chattanooga Chapter Association of Government Accountants. Christy and her husband, Stephen, have two children. **Office Phone: 425-7874**

**Randall E. Ray, CGFM
Management & Budget Analyst 1**

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 the Executive Office and Public Works and is the interim Director of Capital Projects for the City. 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**

**Ulystean J. Oates, Jr.,
Management & Budget Analyst 1**

Ulystean was hired by the City in January, 2008. He has over 19 years experience in the accounting and finance profession which includes governmental accounting, corporate finance, internal audit and supply chain management. He holds a Bachelor of Science with double majors in Finance and Economics from the University of North Alabama, Florence. His areas of responsibility include, Air Pollution, Personnel, including Employee Benefits, City Attorney, City Council, City Court, Fire Department, Internal Audit, Regional Planning. He is married to Shana and they have two boys. **Office Phone: 757-4751**

**Hujiaabudula Hasimu
Management & Budget Analyst 1**

Hujiaabudula Hasimu joined City of Chattanooga in June of 2009. Prior to coming to Chattanooga, he was a Budget Analyst Intern in Metro Government of Nashville and Davidson County. He served as Vice Manager of Budgeting Division in Urumqi city of Xinjiang Uighur Autonomous Region in China before he relocated to the USA in 2007. For his brilliant work in underdeveloped region of China, Hujia was awarded Ford Foundation International Fellowship and attended Vanderbilt University during 2007-2009. He received his Master of Arts in Economics degree from Vanderbilt with many awards and honors. His areas of responsibility include Debt Service, Parks & Recreation, Neighborhood Services, Community Development, Chattanooga Trade & Conventions Center and Bicentennial Library. **Office Phone: 643-6363**

