

**AGENDA SESSION
JANUARY 4, 2011
3:00 P.M.**

Chairman Rico called the Agenda Session to order, with Councilpersons Berz, Robinson, Benson, Scott, Ladd, Gilbert, and Murphy present. Councilman McGary joined the meeting later. City Attorney Michael McMahan; Management Analyst Randy Burns; and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Dan Johnson, Chief Dodd, Karen Rennich, John Bridger, Mayor Littlefield, Alice Cannelli, Mike Patrick, Paul Page, Richard Beeland, Beverly Cosley, Chief Williams, Larry Zehnder, Dickie Hutsell, Steve Leach, Gary Hilbert, Daisy Madison, Lee Norris, Patrick Bobo, Craig Joel, Dennis Malone, and Vickie Haley. Valerie Mauleug joined the meeting later, as did John Van Winkle, Mark Keil, Ken Fritz, and Bill Payne.

POLICE TAKE-HOME CARS

Chairman Rico turned the meeting over to Mayor Littlefield. Mayor Littlefield stated that once more we were into the trenches in regards to the take-home issue; that he had with him people who were more of an expert on this than himself, including Daisy Madison who had copies of a power point; Dan Johnson with his knowledge on National, State and Local budgets; and Paul Page who knew about the costs of vehicles and how the internal Lease works; that this is not a money-making thing for the City but a way of paying for the vehicles that we have on our books; that it was not an uncommon practice for vehicles to wear out in ten years or less; that in one of his letters to the Council, he had noted that people want us to run the City like a business—then when we start trying to run it like a business, people want us to quit—that this is something we cannot do. He noted that Chief Dodd was present and did not want to be put on the spot—that Chief Dodd stands with his troops; that former Chief Cooper also stood with his troops and had written a letter. Mayor Littlefield stated that he was “all for” take-home cars; that we should have a county-wide service, which had led to discussions.

He went on to say that our Police Chief thought that take-home cars was a good idea and that he, too, was a big fan of take-home cars, but there is a cost involved. He went on to say that there was never a Mayor that was closer to the Police Dept. than Gene Roberts, and he, too, had wrestled with this issue of take-home cars; that other communities are wrestling with this issue right now.

Mayor Littlefield stated that the Budget was discussed at this table a few months ago; that he had presented a proposed Budget that was not well received because it was high, and we began to address the Budget and “whittle” away—that pensions and capital expenses were involved, and we talked about take-home cars—with a cost associated of \$870,000; that his

original Budget included take-home cars and raises for employees and also extending hours for recreation centers. He continued, stating that his original proposed Budget was not well received, and we worked with this and decided that all employees would not get raises, but at his urging, the Police Dept. did get raises because he felt it was important to install a pay plan with an \$800,000 step. Mr. Johnson interposed that this was for the anomaly. Mayor Littlefield noted that a number of police officers were given raises—some as much as 29%--some at 8%--with an average of 15%. He noted a letter then had been sent which indicated that no one had gotten a raise in ten years and that the police were the lowest of the lowest paid—that they were not the lowest paid—that our salaries are in line with other salaries.

Mayor Littlefield went back to take-home cars, noting that \$870,000 would be saved if officers outside the City parked their cars, and they asked that this not be done—that they did not want to just park the cars but to give them a choice; that in the last conversation, this Council said charge a reasonable fee--\$50 for those inside the City and \$75 for those outside. He stated that everyone was getting tired of the issue, and the last word in the conversation to Administration was for Administration to come up with a fair way to close the “hole”—that there was no further response, and Mayor Littlefield stated that he said “we will work it out—but when we work it out—let us take the heat”. He stated that they had looked at the mileage and there had been a six months’ delay because they wanted to do it fair and right; that they had come up with \$.20 per mile for those within the City and \$.30 for those outside the City—that this would amount to \$500,000 estimated, which was about one-third of the cost of take-home cars—that they felt we could live with this.

He stated that this was where we were and mentioned the competitiveness of employees in general, stating that we had done a salary survey for all departments and in looking at our competitive package, including benefits and health plans, we are above par with our insurance, pension and pharmacy.

Mayor Littlefield went on to say that a lot of unknowns are ahead and Daisy Madison and Dan Johnson could chime in if they wanted to. He referred to a copy of yesterday’s newspaper where it talked about the State facing a big budget hurdle—that what affects the State trickles down to the City. He noted that the State had decided to withhold money and had left us in a pinch—this was under Corker’s administration but needed to be considered. He went on to the second page of the newspaper, noting that we had tried to hold the line without furloughs and laying people off and cutting wages to compensate our employees.

He stated that lastly, we were often compared with the City of Atlanta because we have a lot in common; that they had grown quite a bit but were a “troubled” city; that one would think because their Police Department is larger, that they would have take-home cars, but they don’t; that 22% of their officers live in the city, and their recruit pay is lower than ours; that they were talking about take-home cars for those living in the city and were offering housing allowances to encourage more to live within the city.

Mayor Littlefield went on to say that we were dealing with unknowns ahead, and the time to talk about our next Budget was right now. He urged that the Council not try to re-figure this year's Budget—that we have a financial responsibility and have to impress our rating agency; that he did believe that in the next Budget we can have take-home cars with no fee for residents of the City; that he did think those outside the City should pay because those outside the City are not paying city taxes. He mentioned that an understanding is that a county-wide service would stand up for city residents. He again stated that our Chief was in favor of take-home cars and “yes”, they were called out for emergencies, but he thought that this was overstated. He stated that Paul Page could talk about vehicles and their maintenance and Daisy Madison and Dan Johnson could address the unknowns. He went on to say that we were doing better than most cities, and we should not “tap” into reserve funds.

Councilman McGary asked how take-home cars began and if it were a promise? He also noted that the law says that police officers can live anywhere in the State and questioned how Mayor Littlefield could make a distinction and penalize those outside the City?

Mayor Littlefield responded that in 1974, cars were promised as an alternative to raises; that he had never heard this promise, and there was never anything in writing. He went on to say that those officers living in the City are protecting city neighborhoods and have an interest in being in the neighborhood; that he was in favor of incentives for officers to live in the city; that taxpayers do not get anything for those taking cars outside the city—that he was less impressed with those driving outside the city because the County had “staked” out this territory—that county officers do not cover the City, and he would love to see this distinction go away.

Councilman McGary still questioned if he did not see a discrepancy about charging them more when the law allows them to live outside the City, and Mayor Littlefield responded “no”.

Councilman Murphy questioned the calculation of the \$.20 and \$.30 per mile to recoup one-third of the cost—that this was based on a presumption of full participation—that we had not planned on 2/3 of the cars being parked—that if 2/3 get parked, we would save more than the \$1 million—that he was wondering several things—that some would park their cars out of protest and questioned if we could not recalculate this.

Mayor Littlefield stated that we might be able to lower the fee but questioned if this would be fair to those who had opted to pay.

Councilman Murphy stated that we could give all the choice—that 200 plus cars would get parked. He stated that the other concern that he had was the assignment change; that when we have folks who have agreed to do SWAT, Special Services, etc.—they are subject to being called out 24/7, and it seemed to him that it would be a bit much to say we can call you out in the middle of the night and then make it inconvenient for one if they chose not to pay for their

vehicle—that it seems a bit much and stated that he thought we needed to look at assignments—that he did not understand how this would be implemented.

Mr. Johnson responded that it would be up to the Police Department to come up with a method—that the Chief could get a better handle on this.

Chief Dodd noted that they had talked about \$25.00 a month--\$250.00 take-home and \$25.00 on top of this or maybe \$25.00 per use, which could cause a hardship; that the decision had not been made; that 266 officers were going to turn in their cars and 56 would keep them. (It was confirmed that 61 would keep them).

Councilman Benson stated that we can't re-open the Budget at this time—that he thought this discussion was a good catharsis for all; that all of this had gotten started, and we had to do something; that in 2001 our reserves were down to \$24 million, and we had gotten this up; that we lived on our reserves for three years and got down to the bottom; that we had to do something; that he would like to see those officers who are citizens of Chattanooga be able to take their cars home; that he represented a district where we had a fine policeman living just outside of the city limits and was not paying city taxes; that he would like to see us come up with some way that cars in the city could be taken home and parked in the city, which makes neighborhoods more comfortable; that those who drive to Soddy Daisy get a return at our expense; that he would like to re-address this and let the city police be able to take their cars home.

Mayor Littlefield indicated that he hoped we would be able to do that, going on to talk about gas prices and the mileage of a Crown Victoria, noting that \$.20 is the fuel charge. He acknowledged that Councilman Murphy was right, but we would have a safe, secure place to park the cars—that we have the ability to keep them. He again mentioned a system of incentives for officers to stay within the city, stating that was the reason he had asked Beverly Cosley to be present today—that she had formerly been with the Police Dept.—that he would like to see us do what Atlanta is doing and offer incentives for officers to be housed within the city—that a free take-home car within the city would be an anchor.

Councilman Gilbert stated that some good points had been made but wanted to take a look at the Police; that he knew of several incidents where police who lived in the county had responded to a call and spent two hours and did not turn it in as overtime; that we do save money by them not charging the city. He stated that response time would be different—that if they used their private cars, they might lose their insurance; that they would have to make stops without their equipment and might get hurt trying to stop a robbery; that they are called on weekends to do a service, mentioning that he had often called Dickie Hutsell. Mayor Littlefield reminded him that Dickie Hutsell was not a policeman but a Public Works' employee. Councilman Gilbert stated that nevertheless, he did a great service. He mentioned the Water

Quality Blue Ribbon Committee, which might be a good suggestion—that we could have such a committee to study this, and a set of “new” eyes might suggest something.

Mayor Littlefield agreed that we could set a panel; that we don’t have county-wide services—that he would love for the county to join us.

Councilman Gilbert stated that going back to the Budget, he was talking about the entire Budget. Mayor Littlefield reminded him that he (Councilman Gilbert) was a strong proponent of extending recreation center hours; that this was the way Administration had come up with a fair fee. Councilman Gilbert stated that a CPA might think of another way—that there might be other ways that we can’t see, and we needed to invite others to help us. Mayor Littlefield stated that we were not where we needed to be with employee raises; that he would be glad to have someone come in, but there was no “hidden pot of money”; that Gene Roberts had to review things of this nature—that he would love to be able to pay people more. Councilman Gilbert asked if we could not look at this year and let them keep their cars. Mayor Littlefield responded “no”—that we would have an unbalanced Budget—that there was no hidden money. Councilman Benson added that we could close down the recreation centers.

Councilwoman Berz mentioned transparency; that she had gotten hit with an Executive Order that the Mayor had made; that as Chair of the Budget and Finance Committee, she got “hit” all over the city—that there was a different understanding; that she would like to search through the minutes about negotiating a “fair fee”; that she understood Mayor Littlefield’s explanation but thought that we had found money for them to keep their cars between July and now.

Mayor Littlefield noted that this conversation had taken place at this table. (It was noted that no minutes were taken).

Chairman Rico stated that it is not the Council’s place to micro-manage; that we just have to do the best we can with this.

Councilwoman Berz stated that she agreed, but she would like an understanding of where the problem is; that she understood money was found in the amount of \$475,000; that she was not arguing the issue, but there was a lack of understanding and a lack of transparency. She stated that she was unable to find any Budget minutes and questioned if the budget hearings were taped; that we will have to do due diligence next month and everything we do will have to be taped; that there is a lack of understanding, and we need to be able to play a tape back, but there is a lack of a tape recording and lack of a record, which makes for a lack of transparency; that there needs to be an understanding as we begin our next budget negotiations. She asked as we look at our next budget if folks living in the City will be able to take their cars home at no cost, and the answer was “yes”.

Mayor Littlefield stated that he wished it were a fact that we did not have to do this; that there had been a six months' lapse; that in these six months, we had been looking at mileage, including the costs; that this was a fair fee structure, which they had been asked to come up with sitting around this very table; that his position was not "fun"—that he would like to be liked. He stated that everyone had been reminded all along the way that we had to impose this fee.

Councilwoman Berz asked Ms. Madison if this had been paid for for six months? Ms. Madison responded that a budget is a fluid process—that we had been able to do this because 60 vacancies had not been filled—that she liked to think long-term, and we need to be able to sustain our Budget once these 60 people are hired.

Mayor Littlefield agreed that we had been able to fund this with unfilled positions. Ms. Madison went on to say that we had a \$3 million dollar gap that we had not anticipated, mentioning OPEB and a flat rate across the board and actuaries taking the actual population into account. Mayor Littlefield asked for not too much detail concerning this, stating that we have capable people monitoring our budget; that there was an understanding that these fees would be imposed—that there were a few months that the people had not had to pay this.

Councilwoman Ladd stated that her questions differed after getting this last "news flash". She asked if we had defined the cost associated with in-city take home cars versus those living in the county. She wanted to know if this had been broken out. She stated that she would suggest a compromise to get us through this fiscal year and questioned if it were feasible for the Council to attempt to look for money to maintain the cars for the city employees and letting those in the county pay the rate that had been proposed.

Mayor Littlefield stated that this would be pushing the limits; that we need to start right now on the next budget.

Councilwoman Robinson stated that she thought most of her questions had been answered; that going back to re-calculate the budget is not something we were willing to do; that she would like to offset some of the sting of the new fee; that we were six months in the Budget that we had passed; that this should have started last summer; that we are better informed now, and this may be the best we can do right now, unless recalculations are made for officers in the city and 42% are in the city. She questioned if we wanted to recalculate this before we pull the trigger, questioning if the City could afford this. She stated that she liked the idea of asking Administration to put together a program with incentives to live in the City—that we could use Community Impact, Habitat, and CNE—that she thought this was a great way to go; that if officers lived in the City, there should be an incentive or benefit. She stated that she was a great supporter of consolidated service to save taxpayers' money and hoped that the City would be able to work with Hamilton County and other municipalities to be a unified, efficient

machine to save dollars. She stated that she hoped this day would come, noting that all officers would not “pull up roots” to move into the city just to get a break for take-home cars.

Chairman Rico noted that according to Mayor Littlefield and Daisy Madison, it was not feasible to re-do the Budget.

Mayor Littlefield stated that we needed to move forward with the decision that has been made; that we had all heard “fearful” stories, mentioning the two-way streets; that doom will not happen.

Councilwoman Scott stated that first of all, she wished we had minutes of our budget meetings; that it was a good idea to record the meetings; that we wrestled with this and did say that the Executive Branch should work on this, and they have worked on it; that we want to do what we can for the Police officers; that we respect them and wished we could do everything and more; that we can’t pay like we would like to. She went on to say the OPEB shortfall is sad and serious; that we don’t need to take the Budget apart and re-work it—that this would be a recipe for disaster; that OPEB affects all employees of the City of Chattanooga in a far more reaching way than just transportation. She stated that she would have to agree with Mayor Littlefield—that it was a tremendous idea to give police officers in the City of Chattanooga free of charge cars but was it worth it.

Councilman Murphy stated that he did not agree with “punting” this to Administration—that he did not agree with the charge; that there was not a majority who wished to re-visit the Budget. He mentioned the various duties that he had “ticked” off, stating that he thought it was highly inappropriate to charge anything to those with duties such as those who were SWAT-trained; that we had the best SWAT Team in the nation, and he felt it was inappropriate to charge them, as well as the Arson folks, too—that suspects needed to be questioned in a timely manner. He added that based on the numbers we have, there will be way more savings and asked that folks with these duties not be charged. He also added that he did not think \$.20 and \$.30 was a correct figure.

Chief Dodd stated that when he was interviewed for this job, he asked that his department not be divided—that he did not want anything to cause division in his department; that productivity and morale was going up; that if we were going to charge a reasonable fee, then charge it to everybody.

Councilwoman Berz asked if he meant he wanted all charged equally—not some \$.20 and some \$.30? Chief Dodd responded that he lived in the county and had spent five years on the SWAT Team—that he wanted everyone charged or none at all.

Mayor Littlefield stated that he wanted our officers to live in the City—that he wished Chief Dodd lived in the city.

Councilwoman Berz stated that she would like to remind all of us that the Council is acting as a Board of Directors and not micro-managing, but she wanted to be part of the policy making with a “full deck”. She stated that she wanted the next proposed Budget sooner than May 16th; that Councilman McGary had asked that we look over our goals and objectives in February; that there should be no decision making that is not of record; that it is important that we have an understanding of the OPEB situation; that we need to know about Pension Plan matters early.

Mayor Littlefield noted that actuaries change their perspectives.

Councilwoman Berz still maintained that the Council was not getting information soon enough to give thoughtful consideration and everything needs to be fully recorded.

Mr. Johnson stated that they could give the Council a projection of expenditures but not of revenue. Councilwoman Berz asked that they just give the Council a range.

Councilman Gilbert asked if we could not go to July and let the officers keep their cars? Ms Madison explained that we were only one-half way through this year; that if she made projections, she made them on the conservative side.

At this point, both Councilman Benson and Councilman McGary wanted to speak and Councilman Benson deferred to Councilman McGary. Councilman McGary asked if we could have an educational session on fleet management and the lease arrangement concerning the police department vehicles.

Mr. Johnson stated that we have charged a fee equivalent to the cost of gasoline—that nothing is being charged for maintenance. Mayor Littlefield stated that he thought Councilman McGary was talking about the lease arrangement.

Councilman Benson noted that City Police Officer were paying \$.37 more on taxes, and we need to take this into consideration; that the police officers living in the County did not get a tax increase.

AGENDA ITEMS FOR JANUARY 4, 2011

Mr. Johnson proceeded to go over agenda items, noting that the first set of Ordinances had already passed first reading. **Ordinance (b)** was an abandonment for Charter Real Estate and discussed in Public Works Committee. **Ordinances (c) through (h)** were zoning matters.

Ordinance (a) First Reading amends the City Code relative to vehicles for hire. Councilwoman Scott asked how after-hours was identified? Ken Fritz responded that this was in the General Code—that open hours are from 8:00 a.m. to 5:00 p.m. It was noted that Rick Rutherford was

present. He was concerned about the wording in the proposed Ordinance. Councilman Benson asked that this be postponed for a week—that it needed to be delayed. Attorney Fritz indicated that he had talked to Mr. Rutherford, with Councilman Benson stating that we may be ready to vote.

Ordinances (b) through (h) are Public Works' items.

Resolution (a) authorized the use of Frost Stadium for one day annually to be used as an auction item by Baylor School. Mr. Johnson stated that Administration did not want to do this. Councilwoman Scott stated that for the future, she had a problem with us having anything proposed annually. Chairman Rico stated that we don't do this—that it would be opening up Pandora's Box.

Resolution (b) authorizes acceptance of an RFP from Arthur J. Gallagher to provide property, equipment and fleet insurance for one year with renewal options. Councilwoman Scott pointed out that on the back-up document, Gallagher was not listed. Mr. Page indicated that it was under a second name. She still maintained that she did not see "Gallagher" anywhere. Mr. Page stated that he would find out the name.

Resolutions © through (j) were Public Works' items. **Resolution (k)** was a Parks and Recreation item.

Resolution (l) was a RPA item that changes the purchase order concerning the agreement with META to reduce one OSHA 10 class for the Brownfields Job Training Program and the addition of three EPA refresher classes, for an increase of \$2,739, for a revised purchase order in an amount not to exceed \$50,763.00. Councilwoman Scott wanted to know where the classes were held. Mr. Bridger did not know and stated he would have to find out. Chairman Rico stated that the classes were at Piney Woods old elementary school.

Resolution (m) was a Public Works' matter.

Resolution (n) was for General Services to reimburse Hamilton County for 50% of the jointly owned facilities, riverwalk, and courts building insurance premium in the amount of \$10,789.03.

Resolution (o) ratifies a letter of agreement with Chattanooga Housing Authority concerning the Fairmont Street project. Councilman McGary asked if they listed all other funding sources? Mr. Malone noted that a couple of projects were under budget and funds were available. Councilwoman Robinson noted that they already have personnel and people on site and asked if we still had oversight. The answer was "yes".

AGENDA ITEMS FOR JANUARY 11, 2011

Ordinance (a) First Reading will be taken up in Legal and Legislative Committee, as will **Ordinance (b)**, relative to the regulation of nightclubs.

Ordinance © deannexes certain properties on Elder Mountain and is to be deferred for two months, according to Mayor Littlefield. An Interlocal Agreement with Marion County is being discussed so that residents would not be left in a "lurch".

Attorney McMahan noted that **Ordinance (d)** is a housekeeping matter.

Ordinances (e) and (f) are zoning issues.

Ordinance (g), according to Attorney McMahan, pertains to "Kelley Days". Mr. Johnson added that they would be able to carry over three days into next year.

Resolutions (a) and (b) have to do with the development and re-development policies for Brainerd Road. Councilman Murphy stated that these two would be talked about in Legal and Legislative Committee today. **Resolution (c)** is a Public Works' item.

PURCHASES

Mr. Johnson proceeded to go over purchases, the first one being for Public Works and the purchase of Chlorine Vaporizer Parts from Specialized Operations Services, Inc. in the amount of \$27,044.00. The second was also for Public Works and the purchase of grinder pumps from Water & Waste Equipment, Inc. in the amount of \$16,660.00. The third, likewise, was for Public Works and also a Chlorine Vaporizer for Specialized Operations Services, In. in the amount of \$23,741.00. The fourth purchase was for Fleet Management and a rejection of bids for Ford Fiestas because they did not have a government concession. Mr. Page explained that we have concessions on all we bid, and they had not received this concession. The fifth purchase was for the Police Dept. and an Agreement for Software, Training and Support Services from MdE.Inc. in the amount of \$23,665.00. Mark Keil explained that this makes the academies totally paperless. The next purchase was for Public Works and the purchase of one used Sewer Combination Truck from Ingram Equipment Company, LLC in the amount of \$190,584.00. The next purchase was for Information Services and the purchase of Annual Motorola CSR System Maintenance from Motorola in the amount of \$31,019.00. The next was for Fleet Management and a blanket contract for Oil and Lubricants from Parman Lubricants for approximately \$25,000 annually. The last was for the Police Department for the purchase of Motorola Radios & Accessories from Motorola, Inc. in the amount of \$250,550.08.

There were two appointments—one was a correction on Teresa Woods. She was listed as being an appointee of Chairman Rico, and it should have been listed as the Mayor's appointee. The second appointment was Daisy Pratt from District 4 for a three-year term. She is an appointee of Jack Benson to OMA, and he added that she speaks German.

The meeting adjourned at 4:30 P.M.