

**AGENDA SESSION**  
**MARCH 20, 2012**  
**3:00 P.M.**

Chairman Ladd called the meeting of the Agenda Session to order with Councilpersons Robinson, Scott, Benson, Berz, Gilbert and Rico 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 Bill Payne, Lee Norris, Gary Hilbert, Jim Templeton, Chief Parker, Mark Keil, Danny Thornton, Dennis Malone, Larry Zehnder, Dan Johnson, Jana Lowery, Chief Dodd, Chief Kennedy, Tony Sammons, Dave Crockett, Ron Swafford, Missy Crutchfield, David Johnson, and Chief Maffett. Donna Kelley, Madeline Green, and Jenny Lowry joined the meeting later.

Mr. Johnson proceeded with agenda items, noting that **Ordinances Final Reading** were discussed last week. **Ordinance (a)** amends the Code relative to fees; **Ordinance (b)** amends the Code relative to "Mobile Food Units" and was discussed in Public Works last week. **Ordinances (c) and (d)** were zoning matters.

**Ordinance (a) First Reading** amends the Code, establishing event fees for Parks and Recreation Facilities and also Education, Arts, and Culture. **Ordinance (b)** grants a franchise to Englewood Enterprises and was discussed last week in Public Works committee. Councilwoman Scott asked if the administrative costs had been added? Attorney McMahan related \$10,000 of administrative fees plus ongoing oversights.

**Ordinance (c)** amends the Budget Ordinances in regards to Engel Stadium. **Ordinance (d)** is a zoning matter and is to be withdrawn.

**Resolution (a)** authorizes an Agreement with Global Green Lighting for a purchase of 27,000 lights, with an initial purchase of \$6 million and additional purchases subject to future fiscal year funding, and further authorizing a Three-Party Escrow Service Agreement with Iron Mountain Intellectual Property Management. Mr. Johnson noted that we had continued to work on this throughout the week.

Attorney McMahan stated that there was still some "tweaking" to be done, but the business terms had not changed.

Chairman Ladd stated that representatives of the Electric Power Board were present and wanted to talk. She called on Harold DePriest. Mr. DePriest stated that he had been asked to address a few issues, and his advice was worth what the Council was paying him for. He noted that there were several issues in terms of the estimated numbers shown. One issue addressed was the number of lights at all times which was 2 ¼ %.

Mr. DePriest also addressed the numbers in the finances for when electricity was going up. He explained that he could not foretell such numbers; that he thought the figures given were reasonable, but he could not predict this. He went on to say that he thought TVA rates would go up, but he did not know the level.

He continued by noting that part of the issue is management with risks and told how they handled this at EPB. He added that legal folks would be looking at this and also people in purchasing know about things like this; that one of the simplest things and easy things is to look at the issue of extended warranties—that they did this in buying a new product where there is not much history—that the City might look at extended warranties. He noted that technology can increase, and a price needs to be locked in at the time it is negotiated in order to get the lowest price in the future; that if it is a relatively small company, we need to know we have access to the technology. He suggested putting such things as source codes in lock boxes with a trustee in case something happens, then the information comes back to us—that we need access to the product if something happens to the company. He stated that these were things that were done in business planning sessions and things he would be concerned about.

Councilman Benson noted that he would be chairing this portion of the meeting to free up others to talk, since he would not be voting on this, explaining that his family was in the lighting business.

Councilman Gilbert stated that the guarantees that Mr. DePriest talked about made sense, but asked Mr. Johnson if we had not done a Study at Coolidge Park when we heard about these lights as to how we would save on electricity and how the lights would provide security, and we did get good results.

Mr. Johnson stated that we had been aware of this system years before that; that we had done testing on the use of electricity at Coolidge Park with an 82% approval rating, but this was no guarantee how it would work throughout the city—that operations and management could vary. He reiterated that this was not new—that LED's had been around a long time—that what was new was how we are putting this together and using it—that we are on the “cutting edge” in putting this together and controlling the lights; that we have tested this for a year, and it is working as well as could be expected. He noted that people from Australia had come to see this.

Councilwoman Berz stated that Mr. DePriest had made some really good suggestions. She asked if she understood that all the players were of one accord to go forward with this Resolution? Mr. DePriest responded that he was not sure that EPB was a player but was just giving technical expertise—that they could work with the City with this for the best results. Councilwoman Berz stated that we made a great team and asked if Mr. DePriest' suggestions had been made a part of the new Resolution?

Attorney McMahan responded that going slow was part of the process—that we have a 30-day “Out” Clause; that there is no extended warranty, but we do have an eight-year one; that technology is part of the Resolution, and there is a Third Party Escrow Service Agreement that will hold the technology in escrow.

Councilwoman Berz confirmed that there was not an extended warranty, noting that this was a good suggestion in place on the Electric Power Board. Mr. DePriest responded that if the City mitigates the risks and uses standard methodology that we will be protected. Councilwoman Berz stated that this was very important and asked Mr. DePriest if he was saying they were on board with this? Mr. DePriest clarified that they were not advising the City what to do, but if they chose to go this route, they could work with the vendor and the City.

Chairman Ladd asked if there had been any determination on financing as to purchasing versus leasing? She wanted to know how we would pay for this. Mr. Johnson responded that want to purchase and wanted to know what else she was asking? Councilwoman Ladd wanted to know if we would be using bonds to pay for this? Mr. Johnson responded that there could be alternatives—that it would be a debt instrument but not necessarily bonds.

Councilwoman Scott noted that several of her concerns and issues were getting worked out. She asked about the software being put in a lock box and questioned if this would be handled by Iron Mountain Intellectual Property Management? She went on to say that her concern was performance. She wanted to know if Iron Mountain would sign off on performance or hold money? She noted that the total amount of the first leg is \$6 million dollars, which is a huge amount. She added that she thought we needed lighting but was still concerned about “cherry picking” this program without formulating our entire Budget—that we were “putting the cart before the horse” in the budget process, and this worried her; that we were not yet into the budget, and we are selecting it to be the majority thing we are doing with our dollars.

Attorney McMahan stated that Mr. Thornton could talk about the cost versus what we are currently paying. He added that Iron Mountain will not determine performance; that Global Green Lighting has a license from a big company in North Carolina.

Councilwoman Scott wanted to know who would determine that this meets the specifications laid out? Attorney McMahan responded that this would be the responsibility of the Purchasing Department; that performance over a year’s time could be based on meters for a determination; that they would not authorize other Phases if this were not working. Councilwoman Scott wanted to know who would be the person to bring this information to the Council? Attorney McMahan responded that it would be all who are involved in the project; that this is only for the first two Phases—that they would have to come back to the Council to go any further. Councilwoman Scott explained that she wanted to know the “point person”. Attorney McMahan responded that he supposed it would be Dan Johnson, with Mr. Johnson noting that we already have a year’s experience. Councilwoman Scott pointed out that it is not

quite a year. Mr. Johnson responded that the lights had been in operation since last June and had performed excellently at a reduced cost.

Councilwoman Scott pointed out that in a year, Mr. Johnson might not be here, as well as all on the Council could be gone also. She wanted to know if somebody would be watching this? Mr. Johnson responded “watching what”? Councilwoman Scott responded “the performance and criteria”—that this had to be measured regardless of who is here—that both she and Mr. Johnson might not be here. She wanted to know who would take this “mantle”? Mr. Johnson explained to her that the Traffic Engineering Dept. will be ongoing—that the first couple of Phases will be done, and if we want to go ahead with the third Phase, we will have experience and “stop gaps”, and we do have management ability with the Engineering Department—that government goes on.

Councilman Gilbert added that we would not have to go overseas to find this person—that we know where he is; that he had been working with us. He stated that his concern was the location where we are getting started; that this lighting does deter crime and crime is more intense in some areas, and these are the areas we need to look at; that he thought in the City of Chattanooga that downtown was the safest place, with more police, better lighting, and security, and he felt that other areas should be the first areas in the community to have this lighting—places where we know we have a problem; that we have this technology here to stop some of this.

Chairman Ladd stated that she thought everyone was all “giddy” thinking they might not be here next year. She wanted to know if the vendor chosen was the lowest bid on this specific package? Mr. Thornton responded that we had three proposals, and he selected the lowest; that this proposal was all-inclusive—that “yes” it was the lowest in price. Chairman Ladd stated that she agreed with Councilwoman Scott—that she, too, was concerned about the capital debt with all our other infrastructure; that this was a wonderful project, but she was concerned about this much capital debt.

Mr. Johnson responded that this project is based on the fact that the project will save money over what we are currently paying, mentioning a lease with EPB for operating power costs, etc. with less debt service. He went on to say that good points had been made about certain parts of the Capital Budget—that it does take out a good hunk but again, the source of payment is in the savings—that the cash out of pocket will be less.

Councilman McGary asked Mr. Thornton if he had had any communication where one of the bidders was told they had the lowest bid and then were eliminated on a technicality? Mr. Thornton responded that he was not aware of this. He mentioned someone out of Michigan who had a different type of system that did not function as well; that the third proposal was someone from out of Georgia, but they had not finalized all of their plans. Councilman McGary shared that a company had raised concerns, and he hoped that Mr. Thornton understood that

what he was saying was on public record—that in all honesty, someone had approached him about this. Councilman McGary directed a question to Mr. Johnson concerning savings—he noted that Mr. Johnson had said this about the Wellness Center—that savings made sense overtime. Mr. Johnson stated that he agreed with the assumption. Councilman McGary asked if we were hearing the same rationale again? He wanted to know the savings up front—that with this assessment how much are we saving with the \$6 million dollars? Mr. Johnson agreed there would be a savings—that these were two big projects. Councilman McGary wanted to know what the actual return is and when we would break even? Mr. Johnson responded in the first or second year. Councilman McGary wanted to know if we would see a \$6 million dollar return in the first year or two? Mr. Johnson responded “no, not \$6 million dollars”. Councilman McGary wanted to know when it would “exceed or equal”? Mr. Johnson responded seven or eight years; that LED lighting is the most expensive at first—that it could be eight or nine years. Councilman McGary noted that we are dividing this project up, questioning the initial investment. Ms. Madison stated that they had not done a study on when this will be recouped, but we will start to see a reduction in operating costs within the second year.

**Resolution (b)** authorizes the Department of Education, Arts, and Culture to execute a License Agreement with Eastgate Town Center, LLC, for temporary use of certain facilities located at 5600 Brainerd Road for the operation of Eastgate Senior Activity Center. Mr. Johnson explained that this agreement has to be re-done and that this was explained last week.

**Resolutions (c) through (f)** are Public Works’ items. **Resolution (g)** approves payment to the State of Tennessee for the release of public ownership and use requirements and reversionary language contained in that right-of-way deed from the State of Tennessee to the City of Chattanooga in the amount of \$32,000.00 in connection with the Property Exchange Agreement with Walnut Commons, LLC and Little Miss Mag Child Care Center for a total amount not to exceed \$50,000.00. This has been years in the making and is a release of use restriction. **Resolution (h)** is a Public Works’ item that was discussed last week.

#### **AGENDA ITEMS FOR MARCH 27, 2012**

**Ordinance 6(a) First Reading** amends Ordinance No. 12534 so as to accept \$100,000 from Hamilton County and provide funding for the Visionair RMS/Mobile Software database application upgrade.

**Resolution (a)** pertains to Neighborhood Services. **Resolutions (b) and (c)** are Public Works’ items for the appointment of special police officers. **Resolution (d)** is an Offer to Purchase relative to a tract of the Enterprise South Industrial Park, conveying said property to BCP Chattanooga, LLC for \$378,045.00. Mr. Johnson explained that rather than offer to purchase it is an offer to sell from our standpoint. **Resolutions (e) through (n)** are Public Works’ items to be discussed next week. Councilwoman Scott asked about **Resolution (e)**—accepting a Clean Tennessee Energy Grant by TDEC for the City of Chattanooga/Moccasin Bend Waste Water

Treatment Plant for energy conservation in the amount of \$250,000.00 to be matched with \$250,000 of City funds for a total project cost of \$500,000.00. She wanted to know if this is related to the capping of the odor? Mr. Norris responded that he would get the answer for her in the morning.

Carlos Smith, Attorney for EPB, was present to go over **Resolution (o)**, relating to telecommunications services provided by the Electric Power Board of Chattanooga. He mentioned a standard in 1995, that was codified in the Public Acts of 1997 (“Telecommunications Statutes”), and in 2007 the Tennessee Regulatory Authority granted EPB an expanded Certificate of Convenience and Necessity to provide telecommunications services relating to fiber optics. He explained that because of the progress in making available to the community telecommunications services and related Internet and video services, the resulting outcome is favorable refinancing opportunities currently available that will offer significant benefits to EPB. He explained that in the Charter EPB has exclusive authority, acting by and through the Board of Directors, to provide services and enter into transactions pursuant to the authority of the Telecommunications Statutes and was asking that the City Council affirms the authority of EPB to exercise all powers relating to telecommunications services to the fullest extent permitted by Tennessee Code Annotated, giving them the authority to engage in transactions; that through this document between EPB and the City, they could provide the vendor, and the City would not be responsible for the debt.

Councilwoman Scott asked if the Council could get a copy of this Resolution? Mr. Smith stated that he had brought this with him.

Councilman McGary asked what it would mean if the Council denied this request? Mr. Smith responded that it would go to a convoluted legal opinion in regards to private banking in the relationship between the City and EPB. He added that the Attorney General had issued an opinion in regards to the City of Jackson, which clarified authority for telecommunications.

At this point, Mr. Johnson went over the four purchases that will be introduced at tonight’s Council meeting. (This is made a part of the minute material). One of the purchases was for a blanket contract for Employee Service Awards for the Personnel Dept. Councilman McGary wanted to know how someone became eligible for an Employee Service Award? Mr. Johnson explained that each department has their own program. Ms. Kelley added that throughout the city there are different levels of application; that some departments offer enhanced benefits; that this is used by the Public Works’ Department to celebrate their employees that are on a lower scale; that often it is based on years of service. Councilman McGary wanted to know what the Council would be voting on tonight? Ms. Kelley explained that employees had choices—that it could be a trophy—that the service award was for the level of service.

Councilwoman Scott asked Mr. Keil to explain the purchase for Information Services for a blanket contract for Web Hosting for City's Website. She also wanted to know when the City's new website will be up? Mr. Keil explained that this purchase is for our current website—that this would apply to the band width for any website and is a cost that we already had before the new website—that it can change if usage goes up. She asked the estimated date for the new and improved website? Mr. Keil responded that it could be as close as the end of this month.

This meeting was adjourned at 3:50 P.M.