

Municipal Building
Chattanooga, Tennessee
December 29, 1998

The meeting of the Chattanooga City Council was called to order by Chairman Crockett, with Councilmen Eaves, Franklin, Hakeem, Hurley, Lively, Pierce, Rutherford and Taylor present. City Attorney Randall Nelson, Management Analyst Randy Burns, and Shirley Crownover, Assistant Clerk of the Council, were also present.

INVOCATION

Chairman Crockett delivered the invocation for the evening.

MINUTE APPROVAL

On motion of Councilman Lively, seconded by Councilman Taylor, the minutes of the previous meeting were approved as published and signed in open meeting.

APPROPRIATION FOR ACQUISITION OF
WATERWORKS SYSTEM

Chairman Crockett expressed appreciation for all those in the audience and wished everyone a Happy New Year. He stated there had been a great deal of correspondence and telephone communication surrounding this issue; that it was important to frame where we are in this decision process. He explained that this Ordinance was passed on first reading on December 15th; that typically the Council hears an Ordinance on first reading one week and second and third readings are typically the same evening the next week. He asked that Administration review this Ordinance as it was presented to the Council.

Mayor Kinsey joined the meeting and stated that he would go over a couple of points; that it was important for people to remember that out of the top 150 cities in the United States, only eight of the water companies are privately owned; that the City of Chattanooga is the only one in the State of Tennessee whose system is not municipally-owned. Mayor Kinsey stated that water should belong to the people; that if the city had maintained ownership and followed through the last time this was addressed, our rates would be 25% lower. He explained that this was going to be a long process of 12-18 months, and we have to get the ball rolling; that it would take \$750,000.00 to hire engineers and financial people to do "due diligence"; that we needed to do this in order to compete in the economic arena. He explained that in the next few weeks

WATERWORKS SYSTEM (CONT'D.)

qualifications would be arrived at for private management. He noted that this was happening throughout the country and when this happens the request is put in for equal or better benefits and salaries for employees and assured that the City of Chattanooga would do this as well. He stated that he was committed to this as we would get inherent economic benefits and have to pay no Federal and State income taxes; no cost of capital; but would continue to pay local property taxes and reiterated that we were the only ones paying Federal and State taxes. He reiterated that we had to start the process; that by no means were we given a blank check to buy the company; that we would determine fair market value in 12-18 months, and the Council would ultimately have the vote. He stated that this was a complex issue and a lot of misinformation and rumors had been spread. He mentioned that there would be a public forum set for January 21st, and the city would be there to talk about this; that this would be done throughout the community. He ended by saying that this is where we are now, and we need to move on this Ordinance for second and third readings.

Chairman Crockett stated that this was an unusual issue that had generated a number of people who had expressed an interest and had raised important questions for the whole community. He explained that typically we allow three people to speak for an issue and three against, and they are limited to three minutes. He stated that three minutes were not sufficient to do this kind of issue justice; that this limited amount of time did not allow people to articulate their thoughts. He stated that he would like to hear from employees and management of the Water Co.; that starting January 21st we would begin a methodical process of doing what we have become known for, which is listening to the people and hearing the people. He explained that this was not a final decision tonight; that we could not buy the Water Company for \$750,000; that we needed information for all to have an informed idea and there would be many more public meetings. He asked for the peoples' patience and invited them to come and be a part of this process. At this point he stated that he would recognize anyone who wanted to speak on behalf of management of the Water Company and people employed by the Water Company.

Mr. Tim Ortega was the first speaker. He stated that his wife worked for the Tennessee American Water Co.; that the City was about to approve \$750,000 to spend on something that from all information he could find showed that it was not necessary to spend it nor was it necessary to purchase the Water Co. to maintain rates, which was the primary interest of the public. He stated that this City has extremely good water, and he did not think anyone on the Council knows more about treating water than those who have been doing it for 130 years. He stated he did not think you could find a city-owned water company who were presently providing a much better rates savings than

WATERWORKS SYSTEM (CONT'D.)

the City of Chattanooga has; that most rates are higher. Mr. Ortega stated that the financing of a purchase of this size is of great importance. He questioned if the City maintains the rates, could they finance the purchase with profits the Water Company is making now. He questioned if the City could justify spending \$750,000 when an open forum of citizens would give their input to the City that they do not want them to own the Water Co. He stated the City would save a lot of money by putting this out to public vote. He reiterated that the citizens did not want the City to own the Water Co.; that there was no paperwork to convince the common man that this is a wise idea. He ended by saying the City had not explained this.

Mr. Greg Dart attempted to speak next. He stated that he was not employed by the Water Co., nor did he have relatives employed by the Water Co., but he had friends who had lived in Cuba. He stated that his fiancée worked for the Water Co., which in some religions was the same as marriage.

Chairman Crockett stated that he had made his position pretty clear; that there would be 20 or more in the audience who would have something of value to offer. He stated we had already outlined what we would take as a public hearing process; that a lot of people wanted to speak, and they would be heard fully in January; that this was the process we were going to follow; that it would not be fair to let him speak when he did not fit either category--employee or management. He asked Mr. Dart to please take his seat.

Mr. Jerry Hallock spoke next. He stated that he worked for the Water Co. and asked the Council to bear with him as he was not used to speaking in public. He stated there were a lot of issues to be covered before we move to spend money and fix something that is not broken; that he had heard that it would take 12-18 months to go through the process, but it seemed as we were going fast right now; that he thought citizens should be allowed input prior to spending \$750,000; that the general public did not want the City to spend the money period! He stated this would be wasting money on the front end; that what the Council decides is the way things go; that input is needed from citizens prior to spending any money; that the people elected the Council, and the Council needed to pay close attention to what the citizens say. He urged to let the citizens have some voice prior to spending any money and to wait on passage of this Ordinance until after January 21st; that at that time the Council would know a little better what the peoples' ideas are. He questioned if it was that important that this get started tonight! He stated that he was speaking for himself and had been at the Water Co. 11 years; that the people at the Water Co. are worried; that the Mayor had said that benefits and salaries would be the same or a little better but that

WATERWORKS SYSTEM (CONT'D.)

could not be guaranteed. He stated a lot of the employees were very dedicated to doing a good job; that it had been said that the money was going to New Jersey, but it was going to the stockholders and not New Jersey; that he thought it was kind of petty to say that the money was going to New Jersey.

Kim Durham was the next speaker. She stated she had been a chemist at the Water Co. for 10 years and stood to lose less than a lot of people; that a lot of issues had "opened a can of worms"; that \$750,000 was a lot of money and needs a lot of consideration; that there were a lot of issues that had not been thought about; that a lot of people just thought you turned the water faucet on and that was all there was to water; that being a part of a large company meant they had to follow EPA standards and were allowed access to a lot of research; that we needed to think about environmental issues; that there were a lot of diseases in water in large metropolitan areas. She questioned if anyone had thought about what could happen; that we had had no major problems with this with Tennessee American Water Co. She stated these were facts that needed to be considered; that being part of a big industry had its benefits. She stated she felt they were lucky to be part of a company that was one of the leading researchers. She urged the Council to let this go to public vote; that these were hard working people; that the City needed money for education and urged the Council to go help the School System--that there were other issues to be considered. She ended by saying let this go to public vote and put this vote off tonight.

Chairman Crockett expressed his appreciation for the Water Co. employees coming tonight stating that their families and livelihoods depended on this, and they had a unique perspective, and the Council valued this. He stated that a lot of us do take water for granted and that the citizens working for the Water Co. can help us a lot.

Councilman Franklin spoke next stating that he would like to take this opportunity to commend the citizens of Chattanooga for being present; that this issue affects us all; that he was the freshman of the bunch and had been on the Council only a few weeks, and he felt it was incumbent on him to research this as vigorously as he could; that there were a lot of underlying issues that surround this issue and a lot of information had not been disseminated; that contrary to what some might think, there had been a lot of thought put into this by the Council; that a lot of deliberation had been taken, and this was not an issue that ends tonight; that it would be an 18-month process and the idea is to methodically research all the information that has been set forth; that we wanted to hear from not just Decosimo and Co. but from the people from the Water Co., many who had been there a long time and had profit sharing, reiterating that all of the money was not

WATERWORKS SYSTEM (CONT'D.)

going out of the city. He stated it was incumbent on us to share information; that we have to work together, and we are in this for the long haul. He stated this was not the final issue; that everyone needs to come to the table and everyone needs to be satisfied; that we do not need to be narrow-minded at this point; that people had said why spend tax money to fix something that is not broken. He reiterated that a forum had been set up for the 21st to address this; that the Council needed to go out into the community to encourage dialogue both pro and con. He urged those present to not feel that if the Council approves this Ordinance on second and third readings that this is over; that there are things the people need to know, and the Council wants to exchange this information. He stated we needed to explore every opportunity; that 150 cities were doing this well, and there could be a lot of benefits from this whole process, and he urged the people to work with the Council, and the Council would work with them for the best solution possible.

Councilman Hakeem stated that what he was hearing from the citizens is a call for the Council to have an open mind; that it was his understanding that the process has to be started; that this Council has the last word on whether the acquisition would take place; that we need to hear from the engineers and financial people on what kind of deal we want to have; that this \$750,000 is for engineers and legal fees; that we would have district meetings to listen to citizens, and he would bring information to his district. He stated he knew it was easy to say why should we trust you elected people, but he urged people to look at the Council and Mayor's track record; that we had lowered taxes and followed through on our word; that the Council is responsive to the citizens for the action it takes. He stated it was not a foregone conclusion that we would end up acquiring the Water Co., but we have to start somewhere, and we will evaluate as we go along.

Councilman Lively stated a few weeks back the Mayor came to the Council with facts and figures to enable them to take the next step. He stated that the Water Co. was not being acquired tonight; that this money is to get all the facts and figures before the Council makes a decision. He stated that this was not a personality contest; that if anything the Council is more sympathetic with the working people as most of the Council work for the private sector; that rumors had been spread that people would lose their jobs and benefits. He stated that we are only at Step One; that the Council had heard enough to know they wanted to get all the facts.

WATERWORKS SYSTEM (CONT'D.)

Councilwoman Rutherford stated that change was difficult and frightening; that the Council was trying to look at all the facts to make a decision that would be right for all of Chattanooga. She stated that she had not been able to get any facts from the Water Co. and her facts had come from Administration; that she would like to have been able to weigh Administration's facts with the facts of the Water Co., but she had not been granted that privilege; that she would have to make her decision on the facts available to her, and she hoped the Water Co. would present facts on the 21st.

At this point Councilman Pierce made the motion to pass this Ordinance on second and third readings.

Councilman Eaves stated that he did not know how many people he had talked to about this issue. He stated to those present that he did not think they had anything to fear except fear itself; that water would not stopped being dispersed just because the City would assume ownership of the Water Co. He asked why in Heaven's name would the City want anything to happen to the Water Co. employees; that we did not intend to let their standard of living change and urged the people to please not get upset and worried about their future; that it was not the City's intent to do them any harm or danger; that water has to be put out, and we will do that. He stated that no one in City government knows as much as the Water Co. employees do about putting water out to the City. He urged the people to please not worry.

Chairman Crockett stated the Council was real serious about public dialogue; that there will be an opportunity to hear the people, and the most important thing to do is to concentrate on the questions; that the Council will not be trying to sell or convey a particular position; that we need to get the questions right to come up with the right answers. He urged those present to give the Council the ability to get the facts and for the right questions to be asked. At this point he noted that the Attorney for the Water Co. was present and might wish to speak.

Councilwoman Hurley stated that it would be appropriate for him to introduce himself but not to present a position, as the Council was in the middle of a vote.

Attorney Mahn stated that he did not wish to speak but to introduce Water Co. management. Chairman Crockett stated that the Council would be happy to allow this introduction.

WATERWORKS SYSTEM (CONT'D.)

Councilman Pierce stated he had no objection to him introducing himself, but the Council had already given the opportunity for the public to speak and that time had passed, and he questioned their coming to state their position after the vote had been taken. He mentioned the way he had been treated by the Water Co. in this ordeal as being one reason he was so strongly opposed to any information after this Ordinance has been passed.

Chairman Crockett stated that it was the will of the Council that Water Co. management not state a position at this point, but they could be a part of every discussion from this point forward. He stated he was pleased to have Mr. Shultz here to introduce himself and asked that he not make the Water Company's position now.

Mr. David Shultz stated he was the new Vice-President of the Water Co. and had arrived late at this meeting and was unable to hear out in the hall. He stated he would like to address Councilwoman Rutherford's remark about requesting information from the Water Co. He stated they would supply what information they could; that they were familiar with the water business, but in the sense of fair play the City needed to provide them with facts and information; that if the City was calling for a debate and open forum, they needed to know what the City's move was at this point.

Chairman Crockett reiterated that there would be a meeting on January 21st, and he hoped the Water Company management would be there, and the Council would be there; that we needed to get information to each other and also to the public as we go ahead; that we need to frame the questions and get the answers. He stated that the meeting would be at the Tivoli Theater on January 21st at 6:30 P.M. and that all would be welcome.

Mr. Shultz thanked Chairman Crockett for this information and stated that he looked forward to getting further information so they could participate.

WATERWORKS SYSTEM (CONT'D.)

On motion of Councilman Pierce, seconded by Councilwoman Rutherford, AN ORDINANCE AUTHORIZING THE CITY TO OWN AND/OR OPERATE A WATERWORKS SYSTEM WITHIN AND/OR BEYOND THE BOUNDARIES OF THE CITY, AND FURTHER AUTHORIZING THE ACQUISITION BY EMINENT DOMAIN, PURCHASE, LEASE OR OTHERWISE ALL LANDS, GROUNDS AND OTHER PROPERTY INTERESTS, BOTH REAL AND PERSONAL, NECESSARY TO OPERATE SUCH WATERWORKS SYSTEM, AND FINALLY, AUTHORIZING A TRANSFER OF SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00) FROM THE GENERAL FUND TO THE LIABILITY INSURANCE FUND TO BE RECOVERED FROM BOND PROCEEDS AT A LATER DATE, TO FINANCE ACQUISITION COSTS EXCEPT THOSE TO BE USED AS PAYMENT OF FAIR MARKET VALUE OF THE PROPERTY passed second reading. On motion of Councilman Pierce, seconded by Councilwoman Rutherford, the Ordinance passed third and final reading and was signed in open meeting.

REZONING

#1998-231 (GENIA CRITTENDEN DURHAM)

On motion of Councilman Lively, seconded by Councilman Hakeem, AN ORDINANCE TO AMEND ORDINANCE NO. 6958, AS AMENDED, KNOWN AS THE ZONING ORDINANCE, SO AS TO REZONE A PORTION OF A TRACT OF LAND LOCATED AT 1410 O'GRADY DRIVE, MORE PARTICULARLY DESCRIBED HEREIN, FROM R-1 RESIDENTIAL ZONE TO R-3 RESIDENTIAL ZONE, SUBJECT TO CERTAIN CONDITIONS was substituted. On motion of Councilman Lively, seconded by Councilman Hakeem, the Ordinance passed third and final reading and was signed in open meeting.

CLOSURE AND ABANDONMENT

1998-246 (KOCH FOODS, LLC)

Councilman Taylor stated that this issue came up in the Public Works committee and comes with a recommendation.
Chairman Crockett stated that he would like to hear quickly from Planning and Public Works and then the applicant.

CLOSURE AND ABANDONMENT (CONT'D.)

Adm. Marcellis stated that they had been discussing this with citizens nearby, and they had basically worked out a solution of abandoning a portion of the right-of-way; that they would like to have this approved on first reading tonight and work out the details and conditions during the next week.

Brian Mickels, attorney for Koch Foods, stated they were in agreement with the proposal from the City; that they hoped to start by May; that they hoped the road could be done by that time and was glad accommodations could be made.

Cameron Hill, attorney for the opposition, stated that he represented the owners of the property near Koch Poultry Plant. He stated the proposal did satisfy all parties; that there had been poor communication, but the problem was solved even though there were some specifics to be worked out. He stated their main concern was leaving 18th St. open because they would have a problem in that they would be unable to get into their facility. He stated they were not opposed to expansion, but they did have some concerns about time; that they needed the road moved over (18th St.) and for it to stay open before the expansion begins.

Councilman Hakeem asked what company Mr. Hill represented. He responded that Cavalier was the tenant. Councilman Hakeem asked Adm. Marcellis if the street would remain open during the expansion process. Adm. Marcellis responded that he could not see us having it closed; that there might be some expansion before we finish the road; that we have to have the roadway rebuilt and relocated. Councilman Hakeem asked if Cavalier would be able to access their base. Adm. Marcellis responded that they may start constructing the building before the road is relocated.

Councilman Pierce asked about the architectural drawings of 18th St., confirming that we would be moving the road over 15 ft. He questioned what this would have to do with the drawing.

A representative of Koch Foods, LLC, explained that any time they expanded, plans have to go to Washington; that they had already gotten setback variances through the Board of Appeals; that they would be operating under new Federal Government plans and were trying to appease everybody.

Chairman Crockett asked if the points raised by the attorneys were being addressed.

CLOSURE AND ABANDONMENT (CONT'D.)

Adm. Marcellis responded "yes". Chairman Crockett asked if they were confident that this could be worked out within the next week, and it was felt this could be worked out shortly.

On motion of Councilwoman Hurley, seconded by Councilman Taylor,
AN ORDINANCE CLOSING AND ABANDONING 250 FEET OF EAST
18TH STREET FROM BALDWIN STREET TO KERR STREET, MORE
PARTICULARLY DESCRIBED HEREIN AND AS SHOWN ON PLAT
ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE
passed first reading.

CLOSURE AND ABANDONMENT

1998-174 (AMERICAN MATERIALS TECHNOLOGIES, LLC)

Councilman Taylor stated this came before committee, and it was recommended that it be tabled.

Councilwoman Hurley added that it had not been fully determined about the use of the land and asked that this be tabled for six months since this is still a subject for legal consideration; that this needs to be tabled until the property owners come before the Council with the proper use.

Linda Spencer stated that this was a physical use of the property. Councilwoman Hurley responded there was no application for M-4 Zone and no legal decision on this case.

On motion of Councilwoman Hurley, seconded by Councilman Hakeem,
AN ORDINANCE CLOSING AND ABANDONING STREETS AND ALLEYS
LOCATED SOUTHEAST OF JERSEY PIKE, NORTHEAST OF HIGHWAY
153, MORE PARTICULARLY DESCRIBED HEREIN AND AS SHOWN ON
PLAT ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE,
SUBJECT TO CERTAIN CONDITIONS
was tabled for six weeks.

CAPITAL BUDGET 1998/99

Councilman Lively stated that due to time constraints the Budget Committee was not able to meet today; that the Council needed to go ahead with first reading tonight, and he would set another Budget Committee meeting at 5:00 P.M. on January 5th prior to second and third readings.

On motion of Councilman Lively, seconded by Councilman Pierce,
AN ORDINANCE APPROPRIATING, AUTHORIZING OR ALLOCATING
FUNDS TO THE CAPITAL IMPROVEMENTS BUDGET FOR THE FISCAL
YEAR 1998/99
passed first reading.

APPROPRIATION FOR THE 2020 PLAN

Councilman Hakeem stated this was contingent upon other municipalities participating in this effort also.

Councilwoman Rutherford asked if the information was handed out in the committee meeting. Councilman Hakeem referred her to the breakdown on the third page.

On motion of Councilwoman Hurley, seconded by Councilman Hakeem, AN ORDINANCE APPROPRIATING THIRTY THOUSAND, FOUR HUNDRED SIXTY-ONE AND 66/100 DOLLARS (\$30,461.66) TO THE REGIONAL PLANNING AGENCY FUND FROM THE CONTINGENCY FUND TO BE USED FOR PAYING THE CITY'S PORTION OF FUNDING FOR THE 2020 PLAN BEING DONE BY THE CHATTANOOGA-HAMILTON COUNTY REGIONAL PLANNING AGENCY passed first reading.

Councilman Taylor stated that Resolutions (b), (c), and (f) were discussed in committee and come with a recommendation.

LEASE AGREEMENT RENEWAL

On motion of Councilwoman Rutherford, seconded by Councilman Taylor, A RESOLUTION AUTHORIZING THE RENEWAL OF A LEASE AGREEMENT WITH THE BAKER-VAN CURA BALLET CENTRE AND BALLET TENNESSEE FOR THE LEASE OF THE PATTEN ARTS CENTER FROM SEPTEMBER, 1998, THROUGH SEPTEMBER, 2000 was adopted.

TDOT PROPOSAL (I-75 WIDENING)

On motion of Councilman Taylor, seconded by Councilwoman Hurley, A RESOLUTION AUTHORIZING THE ACCEPTANCE OF A PROPOSAL FROM THE TENNESSEE DEPARTMENT OF TRANSPORTATION, RELATIVE TO THE WIDENING OF I-75 AND THE INTERCHANGE MODIFICATION WITH BONNY OAKS DRIVE AND LEE HIGHWAY, MORE PARTICULARLY DESCRIBED HEREIN was adopted.

CONTRACT CHANGE ORDER

On motion of Councilman Franklin, seconded by Councilwoman Hurley, A RESOLUTION AUTHORIZING THE EXECUTION OF CHANGE ORDER NO. 1, CONTRACT NO. 52E, SANITARY SEWER RELOCATION, I-75 WIDENING, EAST BRAINERD ROAD TO STATE ROUTE 153, WITH MAYSE CONSTRUCTION COMPANY, WHICH CHANGE ORDER INCREASES THE CONTRACT AMOUNT BY TWO HUNDRED ONE THOUSAND, SIX HUNDRED TWENTY-FIVE AND 50/100 DOLLARS (\$201,625.50) FOR A REVISED CONTRACT TOTAL OF EIGHT HUNDRED SEVENTY-THREE THOUSAND, ONE HUNDRED TWENTY-FIVE AND 50/100 DOLLARS (\$873,125.50) was adopted.

SUPPORT OF NEW BASEBALL STADIUM

On motion of Councilman Lively, seconded by Councilwoman Rutherford, A RESOLUTION IN SUPPORT OF THE NEW BASEBALL STADIUM ON OLD KIRKMAN HILL AND COMMENDING FRANK BURKE AND HIS ASSOCIATES IN THEIR EFFORTS TO BRING BASEBALL TO DOWNTOWN CHATTANOOGA was adopted.

PERSONAL SERVICES CONTRACT
(ROB TAYLOR)

Councilman Pierce asked if this was discussed in committee. Adm. Boney responded "yes", either on the 8th or 15th of December. Councilman Lively added that no figure was discussed. Adm. Boney stated that this was a personal services contract; that it was not a salaried employee, and his net income would be lower than the \$178,000.00. He explained that Mr. Taylor was formerly with RiverValley Partners and left the company and that frankly the Mayor thought he would be the best man for completion of the Conference Center.

Councilwoman Rutherford asked how much time Mr. Taylor would be putting in. Adm. Boney responded that it would be full-time job, not a part-time job; that it would be 8:00 AM to 5:00 PM, five days a week. Councilwoman Rutherford asked if Mr. Taylor would be accepting any other contracts. Adm. Boney responded he did not discuss this with him.

PERSONAL SERVICES CONTRACT (CONT'D.)

Councilman Pierce stated he would like this matter taken back to committee and discussed; that he was leery about this kind of money, and it not going out for proposals; that it seemed someone was just picked out of the air to fill this position.

Councilman Taylor stated this did come before committee; that Mr. Taylor was with RiverValley Partners and had been working on the Conference Center fulltime. Adm. Boney agreed that Mr. Taylor was the lead analyst on this. Councilman Taylor verified that Mr. Taylor was no longer an employee of RiverValley, but he would be working on this project fulltime.

Councilman Eaves asked if this position required any architectural, engineering or construction background or if it were just someone who would meet with the group. Adm. Boney responded that he would be the total contract manager in every regards; that he would evaluate general contractors and this was a function that was desperately needed; that it was a very important project, and we believed that we needed our own person ramrodding this.

Councilwoman Hurley stated this whole process was covered through the State Convention Act and in a sense this was a piece of the large project--the total project being in the \$35 million dollar range; that we needed someone with expertise to manage a \$35 million dollar project; that Mr. Taylor could have been employed directly out of the Mayor's Office; that we would just be taking \$178,000 as part of the total \$35 million dollar project. She stated she thought this put it in better perspective.

Councilman Pierce asked if Mr. Taylor had stayed with RiverValley Partners would we have had to hire someone else in this capacity or would Mr. Taylor have continued to work in this capacity at RiverValley. Adm. Boney explained that our relation with RiverValley is changing, and he could not predict this.

Chairman Crockett added that the money would be channeled through the Chamber.

On motion of Councilman Pierce, seconded by Councilman Eaves,

A RESOLUTION AUTHORIZING EXECUTION OF A PERSONAL SERVICES CONTRACT WITH ROB TAYLOR, RELATIVE TO PROJECT MANAGEMENT AT THE CONFERENCE CENTER, FOR A PERIOD OF TWO (2) YEARS, AT A COMPENSATION OF ONE HUNDRED SEVENTY-EIGHT THOUSAND DOLLARS (\$178,000.00), PLUS REASONABLE EXPENSES

will be taken back to committee for further discussion.

PERSONAL SERVICES CONTRACT (CONT'D.)

Chairman Crockett stated these numbers were well in line; that we were procuring a service; that this is a direct cost of the project, and we need to make provisions to make these advances. Adm. Boney agreed that this was a project expense.

Councilman Lively questioned if this figure was for two years. Adm. Boney explained that Mr. Taylor's net salary would be \$68,000 to \$70,000 a year.

Councilman Pierce questioned if Chairman Crockett had any expertise in this field; that he (Councilman Pierce) might like this job himself or maybe Councilwoman Rutherford. Chairman Crockett stated that this issue would be taken back to Councilman Hakeem's committee.

AGREEMENT

On motion of Councilwoman Hurley, seconded by Councilwoman Rutherford, A RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION, RELATIVE TO THE CITY PROVIDING COLLECTION OF RECYCLABLES FROM SIX (6) STATE AGENCIES was adopted.

OVERTIME

Overtime for the week ending December 25, 1998 totaled \$26,194.66.

EMERGENCY PURCHASE

The emergency purchase for a Heating System at Human Services, Purchase Order No. P0010115 in the amount of \$76,750.001, issued to North Georgia Heating & Air, Inc. was duly reported and signed in open meeting.

PERSONNEL

The following personnel matter was reported for the Parks and Recreation Department:

KENNETH TERRY THOMPSON--Death of Laborer II, 12/24/98.

Chairman Crockett expressed his condolences to the family.

PERSONNEL

The following personnel matters were reported for the Public Works Department:

PHILLIP W. LYNN--Lateral Transfer to position of City Engineer, Pay Grade 41/8, \$78,891 annually, effective 1/1/99.

JOHN D. WILKINSON, JR.--Retirement of City Engineer, effective 12/31/98.

THOMAS B. SCOTT--Retirement of Stormwater Manager, effective 12/31/98.

LOUIS E. TAYLOR--Retirement of Plans & Survey Analyst, effective 12/31/98.

VALORIE H. OSBORNE--Family Medical Leave of Public Relations & Education Coordinator, effective December 15, 1998.

KEITH D. SANDERS--Employment of Sanitation Worker, Pay Grade 3/1, \$15,230.00 annually, effective 12/30/98.

ARLEY L. HARVEY--Promotion from Crew Worker in Street Maintenance to Sewer Maintenance Truck Operator in Stormwater, Pay Grade 9/1, \$21,918.00 annually, effective 12/23/98.

BERNARD RENFROE--Resignation of Crew Worker, effective 12/4/98.

WALTER BANTHER, SR.--Retirement of Equipment Operator, effective 12/31/98.

PURCHASES

On motion of Councilwoman Hurley, seconded by Councilwoman Rutherford, the following purchases were approved for use by the Public Works Dept.:

POTTERS INDUSTRIES (Lower and better bid)
Requisition No. 0038121

Contract for Glass Beads

\$10.75 a Bag

PURCHASES (CONT'D.)

VULCAN ALUMINUM (Only Bid received)
Requisition No. 0038120

Aluminum Sign Blanks

(See minute material for costs)

HCI WORTH AND PB & S (Lower and better bids)
Requisition No. 0039388

Liquid Chlorine (HCI WORTH) \$194.00/Ton

Liquid Sodium Bisulfite (PB & S) \$340.00/Ton

FISHER SCIENTIFIC (Only bid received)
Requisition No. R0039341

Twelve Months Requirements Contract for Laboratory Chemicals

(See minute material for costs)

CHEROKEE TRUCK EQUIPMENT (Lower and better bid)
Requisition No. R0038877

Salt/Sand Spreader

\$35,901.00

PERSONNEL

The following personnel matters were reported for the Police Dept.:

LARRY LOCKMILLER--Three-day Suspension without pay, effective 12/26/98.

ANTHONY LEMLEY--Retirement of Officer, effective 1/1/99.

SHARON D. BLANKS--Voluntary Demotion to Records Clerk Senior, Pay Grade 5/9, \$24,965.00 annually, effective 12/21/98.

PURCHASES

On motion of Councilman Hakeem, seconded by Councilwoman Hurley, the following purchases were approved for use by the Police Dept.:

TOWN AND COUNTRY FORD (Lower and better bid)
Requisition No. R0038209

Unmarked Police Cars

\$19,805.60 each

TOWN AND COUNTRY FORD (Lower and better bid)
Requisition No. R0038208

Marked Police Cars

\$19,246.00 each

GT DISTRIBUTORS (Only bid received)
Requisition No. R0033340

Uniform/Firearm Accessories

\$11,142.00 Total

Councilwoman Rutherford questioned why the City used Town and Country Ford which is outside Chattanooga. She stated she thought we had a State Contract. Attorney Nelson explained that sometimes other vendors are lower than the State Contract, and Adm. Boney added that sometimes State Contracts are out of town.

PERSONNEL

The following personnel item was reported for Information Services:

KEVIN BOYER--Promotion to PC Services Specialist, Sr., Pay Grade 18/5, \$38,338.00 annually, effective 1/1/99.

PERSONNEL

The following personnel matters were reported for the Department of Neighborhood Services:

DANIEL J. ANDERSON and ALICE L. WILLIAMS--Hire as Code Enforcement Inspectors, Better Housing, Pay Grade 11/1, \$24,147.00 annually, effective 12/18/98.

BOARD APPOINTMENTS

On motion of Councilwoman Hurley, seconded by Councilman Hakeem, the following Board Appointments were approved:

TREE ADVISORY COMMISSION:

Appointment of **KIM MCCLURKIN** AND **ANN HUCKABA** for four-year terms ending **December 1, 2002**.

TENNESSEE RIVERPARK ADVISORY COMMITTEE:

Appointment of **SALLY PHIPPS**, **FRANK KINSEY**, AND **RICHARD BELCHER** for three-year terms ending **December 1, 2001**.

COMMITTEES

Councilwoman Rutherford questioned if Mr. Hutsell was present at the meeting for a discussion on a particular ordinance discussed in the Legal and Legislative Committee. Mr. Hutsell stated that this Ordinance was put in at the last minute, and he thought it would be voted on tonight. The ordinance was not on tonight's agenda.

Councilman Lively scheduled a **Budget and Finance Committee meeting** at **5:00 P.M., Tuesday, January 5, 1999** for further discussion of the Capital Budget before passage on second and third readings.

Councilman Hakeem scheduled a **Economic Development Committee meeting** at **4:30 P.M., Tuesday, January 5, 1999** for further discussion of Resolution on tonight's agenda authorizing a Personal Services Contract with Rob Taylor.

Councilman Pierce mentioned that Chairman Crockett was not present in the committee meeting tonight when an item that was on the agenda a year or so ago (Widening of Hixson Pike) was discussed and will be back before committee in a couple of weeks.

Chairman Crockett asked those who wished to address the Council at this time to keep their remarks to three minutes.

EDSEL PAYNE

Mr. Payne stated that he was not an employee of the Water Co. and not a stockholder but wanted to voice his opinion regarding the Mayor's desire to gain ownership and control of the Tennessee American Water Company. He stated that he personally felt that if this proposal is so good that the citizens of Chattanooga should vote on the issue before even the \$750,000 is spent. He thanked the Mayor and his staff for obtaining an agreement whereby the city will save \$1,000,000 per year in fire hydrant fees and questioned why we had been paying this in the past. He questioned why the city school system was run so poorly if the City of Chattanooga is such a good manager. He stated that controlling our resources (water) does not require ownership. He questioned if we take over Tennessee American Water Co. will other local water companies also be taken over just because it can be done. Mr. Payne asked if bids had been obtained from other firms to do an evaluation or if Joseph Decosimo Co. and Public Financial Management are the only two firms with whom the City has had contact. In concluding he stated that it did not seem that enough due diligence had been done to even approve \$750,000.00.

Chairman Crockett explained to Mr. Payne that professional services contracts are not put out for low bid--that we don't bid these as we do other contracts; that the peoples' watchdog is "us" and that "we" would do our best. He stated that a great deal of money was involved with \$750,000 being about what we spend annually on fire hydrant fees. He expressed that he thought we needed to spend this money in order to make an informed decision, and we are going to do that and this is the start of a long process. He asked Mr. Payne to leave a copy of what he had just read with the Council Clerk.

Mr. Payne indicated that he had lots more to say.

Councilman Lively questioned the remark made by Mr. Payne concerning the city school system being run so poorly. He explained to him that the School System managed itself and people were complaining about the mismanagement, and the Council put it before the people to vote; that the Council tries to find out the facts before they make a move.

Councilwoman Hurley pointed out that East Ridge, Red Bank, and the City of Chattanooga are the only three areas that don't own their water companies. She stated this was not the time for a debate; that we won't take over the Hixson Utility because they own it, and we are prevented by law from doing this.

Chairman Crockett added that Soddy Daisy, EastSide, and Hixson all own their own water companies, and we have no legal right to do anything.

Mr. Payne stated that he basically was against Eminent Domain.

GREG DART

Mr. Dart stated that he used to be a really calm person, but he had friends that were born in Cuba and knew what could happen and how easy it is to take over something, and people can't fight back when the government is taking your property. He stated that Eminent Domain, as far as he was concerned, was pure socialism; that the government could take all property in this way. He mentioned the incident at Twin Towers and Fair Market Value and questioned what happened there. He mentioned an incident in Marion County involving Eminent Domain; that he understood it had to do with the good of the people. He stated he did not understand how someone can come in and take a Water Company. If they can do this, they can take other businesses and questioned where you can and cannot take and questioned where you stopped! He stated he thought our country was based on capitalism; that to take something someone wants is just not right!

Chairman Crockett stated that more people would be able to speak at length at the forum; that we needed a legal definition of Eminent Domain; that it was fair to bring up this point; that he understood that it is what is appropriate and in the common good; that without Eminent Domain we would not be able to build roads and put in sewers, but he stated there were limits. He stated he did not know if this was the time to go into this; that in the case of water rights, we could have a single individual controlling something needed by everybody for his own personal wealth. He stated that this Council was not trying to take over anything and asked Attorney Nelson for a legal definition of Eminent Domain.

Attorney Nelson stated that Eminent Domain is used for a public purpose--something that serves the whole public. He noted that the Electric Power Board is a city-owned facility; that water is a facility that everyone needs; that the Tennessee General Assembly had set forth a litany of different purposes and a waterworks system was high on the list.

Chairman Crockett stated we had raised a good issue philosophically on the use of Eminent Domain; that this would require more than one discussion.

LARRY MATTHEWS

Mr. Matthews stated that he was an employee of the Water Co. and asked the Council how they felt about the people who elected them; did they not feel that these people had a right to a "say" or a "vote" on this.

Councilwoman Rutherford responded that all nine Councilpersons feel very strongly about what constituents think; the the Council is elected by the people to make decisions that are best for the community; that they study the information given them and then vote--for their constituents and the community at large. She stated that her constituents had faith that she would do the best job she could.

Councilwoman Hurley stated that Councilmembers had talked to a number of their constituents; that they sometimes had to make business decisions and not political decisions; that the most political thing to do is not do anything and not take any risks; that the Council had studied this issue and looked at a lot of numbers; that they wanted to get the best possible engineering and legal advice and reason together with their constituents. She stated that the Council would use their own good judgement to see what the facts are. Councilwoman Hurley stated that intentionally misinformation had been spread by somebody; that other utility districts own their own water companies and no one is yelling socialism; that the Union soldiers took control of this system after the Civil War; that we are one of eight in this position and are being called socialists and worse; that if the Council wanted to be politically correct, they would never have gotten involved in this; that the City would never take over a competitive business but the Water Company is a privately-owned monopoly; that there will be competition for management; that there is information constituents don't have, and the Councilmembers will share it with them.

Councilman Pierce stated that the Council had two kinds of constituents--those that call them personally and another group that listen to Talk Shows; that the ones who listen to Talk Shows are the outspoken ones. He stated that he called the Council Office two days ago to find out how many calls they had had concerning this issue, and they had had only five calls up to that point; that once the Free Press had promoted this, we had the situation tonight; that the first reading occurred last week and there was not near the interest to the extent it was now. He urged the people to not believe in Radio Talk Show Hosts, noting that some Councilmembers do appear on these shows. He stated that the Council had not had any input from the Water Co. and alluded to the position he was put in by one of their attorneys. He stated that incident had brought some of his hostility out, and he was sorry for this. He stated he firmly believed that what the Council was doing was in the best interest of their constituents; that some decisions are easy and some are hard. He urged those present to come to the forum.

Councilman Lively stated that the issue had been raised as to whether Councilmembers listen to their constituents. He stated "yes we do--to a certain extent"; that one-half of them love you and the other half hate your guts; that if he had taken into consideration peoples' emotional responses to him, he would have already walked out of this job; that it was not any fun to have your friends mad at you; that he felt when all was said and done that the Water Company employees will say this was the right decision. He stated this Council had compassion for Water Company employees.

Chairman Crockett stated the Council had tried to listen; that the purpose of having open forums was not just a chance to sell a point of view. He stated he could understand some of the feelings because he reacted too and the distrust of the power of government is a natural built-in cynicism. He urged those present to think about this and run the flip-side--should Hixson and Soddy Daisy go sell to a private company? He questioned should he be trying to sell his neighbors on the idea of selling to a private company.

Mr. Payne stated he would like to publicly express his appreciation to Chairman Crockett for taking up his time to talk to him on the phone today and for the generosity of his time.

ADJOURNMENT

Chairman Crockett adjourned the meeting until Tuesday, January 5, 1999 at 6:00 P.M.



CLERK OF COUNCIL



CHAIRMAN

(A LIST OF NAMES OF PERSONS IN ATTENDANCE IS FILED WITH
MINUTE MATERIAL OF THIS DATE)