

BUDGET AND FINANCE COMMITTEE MEETING

June 29, 1999

4:30 P. M.

The meeting of the Budget and Finance Committee was called to order by Councilman Hakeem, Chairman, with Councilpersons Hurley, Franklin, Lively, Rutherford, and Crockett present. Councilman Pierce joined the meeting later. City Attorney Randall Nelson; Management Analyst Randy Burns; and Shirley Crowover, Assistant Clerk to the Council, were also present.

Others present included Adm. Boney, Fredia Kitchens, Daisy Madison, Chris Haley, Adm. Marcellis, Randy Ray, and Simone White. Mayor Kinsey and Ken Hays joined the meeting later.

Chairman Hakeem called the meeting to order and Adm. Boney passed out changes to the Budget, which are made a part of this minute material. He explained that these were minor changes and housekeeping in nature; that the major change is changing the Parks and Recreation department name to **“Department of Parks, Recreation, Arts and Culture”**. He stated that this would be submitted for third and final reading tonight.

At this point Councilman Crockett stated that he had several questions about the whole block of funding coming from the sales tax revenue; that there were additional items in this Fund that we had never had before, notably **Chamber of Commerce Marketing or Chamber News Bureau**. He stated these items had been moved out of the General Operating Budget into a category of **Economic Development/Education Fund or Sales Tax Fund**. He noted that these were ongoing. He noted that there were four (4) items in this category, including Hamilton County Education, pointing out that we are committed to the schools, and this is about the same as we have always paid. He stated that a lot of the Public did not know that we were still supporting the schools. He questioned if the other three items were coming out of the Economic Development or Sales Tax Fund and if these items had previously been funded.

Adm. Boney explained that the Chattanooga Chamber for Economic Development was in this Fund and this Spring we paid the second half of Economic Development out of this fund in the amount of \$200,000. Councilman Crockett acknowledged that this was as opposed to appropriations to RiverValley. Adm. Boney mentioned an appropriation to RiverValley this year also, and Councilman Crockett asked if this was all coming out of the Sales Tax money. Adm. Boney stated that this year we did take it from that; last year we did not.

Councilman Crockett questioned why we were shifting all this money out of the General Fund into this Fund; that these items historically had been in the General Fund.

Mayor Kinsey had joined the meeting at this point and answered that we changed this last year.

Councilman Crockett maintained that we did not change the News Bureau, and we also have a new entry in the way of the **African-American Chamber**. He stated to Mayor Kinsey that the Council had questions of why we are moving this out of the General Fund. (Councilwoman Hurley noted that it was Councilman Crockett who had the question.)

Mayor Kinsey responded that it was because it is Economic Development. Councilman Crockett maintained that these were operational funds that stay there and are ongoing. Mayor Kinsey responded that he did not realize that there was a “sunset” on this revenue source. Councilman Crockett continued to question the Chamber News Bureau being in this position this year and not last year. Mayor Kinsey explained that it was an oversight that it was not done this way last year. He maintained that items expended for Economic Development should come out of this source. Following this criteria, Councilman Crockett maintained that road improvements, sewers, and whatever could be classified as economic development. Mayor Kinsey responded that this had been discussed on an individual basis with everyone. Councilman Crockett still maintained that we had not discussed the Chamber News Bureau moving over to this Fund. He stated that he would like to have this discussed and some of his colleagues were of the same opinion—that they would like the ability to discuss these items.

Chairman Hakeem questioned what had *not* been done? He stated that the Council had not requested of the Mayor to come up with the criteria of how and why he used the sales tax money; that we did not have a “set” criteria, and Mayor Kinsey used his own judgement and brought this Budget to the Council.

Councilman Crockett still maintained that we had never discussed the Chamber News Bureau. Chairman Hakeem pointed out that it **was** in the Budget. Councilman Crockett stated that that was correct and that was why he was bringing this up. He questioned if we were seeing everything we were going to see concerning the African-American Chamber or if there would be future requests and a change in the allocation or if these were items we were going to live with the rest of the year. Mayor Kinsey responded that he would hope not. He explained that the Chamber was getting ready to embark on a Strategic Plan and there could be additional requests—that they were planning to get someone on board; that if we spent more money it would be discussed. Mayor Kinsey stated he would not say there would not be additional requests.

Councilman Lively verified that in relation to items that are funded in the Economic Development Fund Budget, that before a check is cut, they will be a line item and will have to come before the Council for approval; that this will be done on an individual basis.

Councilman Crockett stated that in relation to Economic Development for the Chattanooga Chamber, African-American Chamber, and the Chamber News Bureau, to be successful they all three have to support each other, and he felt that these three items deserved more discussion. He questioned what involvement we would have with the Chamber and if Strategic Planning would be a separate focus of the Chamber dealing with that particular function and not just the normal type of Chamber things. Councilman Crockett stated that with the issue of the African-American Chamber, he believed it was reasonable to ask more questions. He stated that he had not heard much detail about these items; that he understood there might be an additional request coming to us almost immediately; that he would like to take the time to ask the African-American Chamber to visit with us and have a conversation and a good mutual understanding.

Mayor Kinsey responded that Councilman Crockett was totally right and noted that he had made the effort to talk to each Councilperson individually and would be glad to meet with Councilman Crockett at any time.

Councilman Crockett responded that he thought it would be more appropriate to meet with the Chamber as a Body, and he would suggest that we not approve the Budget without this request being fulfilled and until we have this meeting and are in agreement on the front end. He stated that these items could be excluded from this Budget and the Council move on the Budget tonight or it could be delayed for another week.

Councilwoman Hurley stated that this had been discussed for over a month's time and there had been some difference of opinion about one item. She stated that we had been discussing this for a long period of time, and she would be in favor of going ahead and approving this tonight; that she did not feel we should hold up the entire Budget at the 9th hour; that she could not understand this; that it had been discussed for five weeks.

Councilman Crockett stated that this was not the 9th hour; that it seemed that this had been discussed by various people "individually"; that we had had three Budget meetings for the express purpose to let the Council see it and have discussion time; that we have an Interim Budget in place and are able to make a Budget earlier than in the past because we don't have to wait for the schools; we are not "under the gun". Councilman Crockett stated he would be in favor of approving part of the Budget or deferring it. He stated that this was a good time to have a discussion.

Mayor Kinsey questioned what Councilman Crockett hoped to gain from further discussion and delaying the Budget.

Councilman Crockett responded that he wanted to see how these items would shape-up in the future and how the Council would relate to this new Economic Development Group; that we have not been involved since the transition. He also asked if there was another request for an additional \$75,000 for the African-American Chamber of Commerce, stating that he felt we should deal with this as one request. He noted that the County did not receive a request for this funding.

Chairman Hakeem explained that we had talked to the County Commissioners individually and could not obtain funding; that this was not a top priority of theirs. He stated there had also been individual meetings with Council persons and members of the Chamber and all requests are fully known in terms of dollar amounts.

Councilman Crockett indicated that he had more questions about the structure. Chairman Hakeem responded that they had a Board and that Mr. Hays is on the Board. Councilman Crockett stated that we were talking about two different things—that there is the question of the \$75,000; that he thought Chairman Hakeem was talking about the regular Chamber of Commerce. Chairman Hakeem questioned if it would not be feasible that when the request for the additional money comes up that we will have time to discuss it and questions can be answered. He stated this was not the last opportunity to have input. Mayor Kinsey agreed that it absolutely was not the last opportunity. Councilman Crockett maintained that when the Council adopts the Budget, the “money flows”; he questioned what the tremendous urgency was to pass the Budget tonight; that there are two entities—Chamber of Commerce and African-American Chamber of Commerce, and he would like to know how they are going to work together. He stated he did not think anything would change, but we needed to start with a good dialog.

Chairman Hakeem stated that we had talked about it for six weeks and asked that a motion be put on the table.

Councilwoman Rutherford stated that we had already come so far with this Budget, and she thought that we should do third reading tonight and get it behind us. As far as the dialog, she suggested that Chairman Lively have representatives from both Chambers meet with us and carry on a conversation. She moved that we have third reading of the Budget tonight and invite the Chambers to come and talk to us sometime in the near future. This was seconded by Councilwoman Hurley.

Councilman Crockett expressed that this was agreeable to him for the Chambers to talk to the Council as a group.

Councilwoman Hurley pointed out that there had been an individual briefing in the Mayor's Office with the African-American Chamber and Jim Kennedy. She stated that we had transferred money from RiverValley to the Chamber; that it was fine with her to have a conversation with them. She stated that Councilman Crockett had raised four questions.

Chairman Hakeem noted that the motion had been made to pass the Budget Ordinance on third reading tonight and to set up a meeting with the two Chambers to give us another briefing.

Councilman Pierce, who had arrived late, questioned if this was the reason for passing the Budget; that he too thought we should bring them back up for questions.

DEVELOPMENT RESOURCE CENTER

Adm. Boney stated that last December we passed a Resolution for Design Fees for the Development Resource Center to include telecommunication equipment, and we now need to add this to the Contract. **On motion of Councilwoman Rutherford, seconded by Councilman Franklin, this will be recommended to the full Council.**

The meeting adjourned at 5:15 P.M.