

**BUDGET AND FINANCE COMMITTEE MEETING**  
**January 20, 2000**  
**3:30 P.M.**

The Budget and Finance Committee meeting was called to order by Councilman Hakeem, Chairman, with Councilmen Eaves, Pierce, Hurley, Franklin, Taylor, and Lively being present. City Attorney Randall Nelson; Management Analyst Randy Burns; and Shirley Crowover, Assistant Clerk to the Council, were also present.

Others present included Adm. Boney, Adm. Mitchell, Scott Wilson, Ken Hays, Mayor Kinsey, Moses Freeman, Randy Ray, and Fredia Kitchens. Daisy Madison and Adm. Marcellis joined the meeting later.

**CAPITAL BUDGET DISCUSSION**

Chairman Hakeem turned the meeting over to Mayor Kinsey to go over the Capital Budget. Mayor Kinsey noted that Adm. Boney had passed out a survey of the Budget (which is made a part of the minute material) and that they would have more details. He stated that he would go through the highlights of the Budget and directed attention to the first sheet to put the Capital Budget being requested this year in the proper context. He noted that as we looked at 1994 and 1995 and before that the capital spending was around \$10 million and jumped up to the \$15-18 million range the last few years and was around \$32 million last year, and this year it is right at \$30 million. He stated that we had to make an investment in the community.

The next page showed a survey by department. Mayor Kinsey stated that they had tried in this Budget to improve the economic vitality of our city including the 900+ acres at the Volunteer Ammunition site which was already approved, neighborhood revitalization, improved public safety, improved parks and recreational programs, and improved infrastructure.

He noted that the Police Services total would be around \$4.5 million which would include \$2.7 million for additional and replacement vehicles which would show off in a lower maintenance cost. One key area is that for the last couple of years the Police Dept. has been urged to get a new training facility, and the estimate for cost was in excess of \$10 million. Mayor Kinsey explained that we were able to come up with the purchase and renovation of the Solar Institute on MLK Blvd. for the training facility at \$1.2 million, and this would meet the needs to train cadets in the Police Dept. He added that we have close to 80 additional officers and have to train and re-train; that this would be a great addition to the Police Dept. and would be located on MLK Blvd. which should bode well for the future of this area.

The budget for the Fire Dept. is the largest in history at \$4.4 million. He stated as all would recall we did a citywide study of where the Fire Stations are located and how we could consolidate them; that there were three stations in the downtown area that overlap; that they are very old and require sizable maintenance; that we will build a new super fire station that will hold two complete units and special squads at Station One. This will update the facility and save on operating costs. This is for the facility on Main Street and Rossville Avenue and will be put out for bid, and the cost will be \$2.2 million and this is included in this Budget. There will be a Storage Building in the amount of \$400,000 to house equipment and other needs. There will be some additional equipment and \$1,028,000 is budgeted for fire apparatus and vehicles. Mayor Kinsey stated that we wanted to make sure we were updated from Class 3 to Class 2, and this would make the jobs of firefighters safer.

Mayor Kinsey moved on to the next area which was Parks, Recreation, Arts, and Culture, noting that last January the City Council approved \$17 million in the capital budget toward the implementation of Recreate 2008 which included three major recreational complexes in Hixson, Brainerd, and South Chattanooga. The total proposed budget is \$8.8 million with \$6.5 million for continued implementation of Recreate 2008

The next page included the Powerhouse Expansion in the amount of \$200,000; Rivermont Park in the amount of \$170,000. At this point Mayor Kinsey backed up to the three recreational complexes, stating that we would be making great progress beginning in the next 6-8 months; that we had hired an architect and engineers and the architect was hard at work coming up with plans and all would be under construction in the next 12 months; that it was moving very well.

Mayor Kinsey then continued with the East Chattanooga Recreation Center at \$250,000; Avondale Park at \$500,000; Westside Park at \$50,000; Chattanooga Creek Greenway at \$250,000, noting that this was once a polluted area that would become a greenway; John A. Patten Renovation at \$500,000; East Lake Recreation Center at \$500,000; Red Bank Elementary Park at \$300,000, noting that this is **not** in the City of Red Bank and there are no park facilities, and we are working closely with the Board of Education and doing a partnership; and Eastdale Park Expansion in the amount of \$500,000.

Mayor Kinsey noted an allocation for \$300,000 for Highland Park, noting that this is a very extensive Plan and the Key Plan is working in partnership with Tennessee Temple. Lake Hill Parks is in the amount of \$150,000; East Brainerd Park in the amount of \$400,000, which is for 21 acres in a part of the city that has very little green space left. \$1.67 million allocated for additional appropriation to finish off the Tennessee Riverwalk Expansion. Mayor Kinsey stated that this was our portion in addition to Foundation Funding.

The next area that Mayor Kinsey covered was Public Works, noting that there is nothing more basic that the city provides. He stated that this was a very aggressive budget and something from which the citizens will reap benefits. The total budget is \$10.7 million with \$2.5 million going for paving. Mayor Kinsey explained that this does not include paving from MPO funds, noting that a significant amount of major roads were paved last year. He stated that he believed this total money would go further than last year. There is in excess of \$2 million appropriated for street rehab—this matches MPO funds. The State is actually doing the work, and the cost keeps escalating. Mayor Kinsey mentioned roads such as 3<sup>rd</sup> and 4<sup>th</sup> Streets from Lindsay to Broad; Shallowford Rd.; Hickory Valley to Lee Highway; and Ashland Terrace—all of which have been in the works for years. \$1.6 million is for bridge rehab, with the Mayor pointing out that the bridge next to Engel Stadium will be included and will take place this year—that we have a 20% match here. (Adm. Marcellis added that we would keep two lanes open at all times to service the hospital). \$.76 million for downtown streetscape program; \$1.3 million for traffic engineering equipment and projects; \$1.1 million for curbs, gutter, and sidewalks including \$.5 million for sidewalks adjoining schools and a new pathway along Mt. Creek Road; and \$.7 million for streetscape in neighborhood commercial areas including the Ridgedale area and thru the tunnel.

Other projects included \$.5 million for CARTA, which is a match for electric busses—we have a grant from the Federal Government to buy large busses; \$.1 million for area beautification; \$45,000 for WTCI Channel 45 as a match for federal grant to purchase equipment

Mayor Kinsey went over the funding sources for the total budget of **\$29,580,943**. \$5.2 million will come from the General Fund; \$10 million from the Economic Development Fund; \$10.4 million from Bonds; and \$4 million from other funds. **He explained that we were taking \$10 million out of the Economic Development Fund to apply directly to capital improvements; that we currently have a little over \$13 million in cash in this fund, and will easily be able to develop the Volunteer Ammunition Site.** He stated that he thought this was a very good use of the funds, and we should not let this money sit idle; that by July of next year we will have \$38 million of additional outstanding debt. He stated that in no way will this restrict our ability to take advantage of other opportunities that will come along and will improve the quality of life.

Chairman Hakeem stated that the Council could study this over the next few weeks and asked if there were any questions.

Councilman Pierce asked about the Storage Building for the Fire Dept. in the amount of \$400,000, and if it were the same as the Super Station. Mayor Kinsey responded that it would be at the Fire Administration Headquarters and would be utilized to store equipment and would serve the double purpose of working on radios out of the weather.

At this point Mayor Kinsey made it clear that over the last three years we have reduced the tax rate to citizens, and this budget will not lead to any tax increases at all.

At this point Chairman Hakeem asked for questions from the press. Kathy Gilbert asked how long it would take before this is up before the full Council. Chairman Hakeem stated that it could be on next week's agenda unless we have a "feel" that it needs to take a couple of weeks. Councilman Lively indicated that he thought we had the votes at the table to pass it next week.

One of the reporters asked Mayor Kinsey what he thought his most significant contributions as Mayor had been. Mayor Kinsey responded that this Council had made significant investments; that he thought by having made these investments we had spurred economic development; that there was a lot going on in Chattanooga.

**Councilman Lively moved to put this on next week's agenda. This was seconded by Councilwoman Hurley.**

#### **TML SUGGESTION REGARDING STATE REVENUE PROBLEMS**

Chairman Hakeem noted that Adm. Boney and Candace McRae had attended a TML Board Meeting last week and presented a handout which is made a part of the minute material. He explained that the Hall Income Tax and State Shared Sales Taxes as a source of funds for helping the State to balance the budget would have an impact on us to the tune of millions of dollars. He stated that they were asking us to go on record as being in favor of passing a resolution to address these issues as a means of brings public attention to the matter and to ask the Legislature to not use this as a "stop-gap" measure to deal with the shortfall the State has. He noted that a sample Resolution was attached to the handout that we could consider and Attorney Nelson could deal with the language, and he urged the Council to support this as it would be to our benefit.

Councilwoman Hurley pointed out that this was not speaking to the issue of Tax Reform.

**On the motion of Councilman Lively, seconded by Councilman Franklin, this will be put on next week's agenda.**

Chairman Hakeem asked if there was any problem with Administration encouraging other municipalities and County Government to do likewise. Councilman Pierce indicated that he did not feel we should get involved with other cities. Attorney Nelson suggested that we could send copies of our Resolution to Hamilton County and satellite cities. Chairman Hakeem stated that he thought this would show on our part that we are making an effort to work with the people.

The meeting adjourned at 4:05 P.M.

