

**BUDGET AND FINANCE COMMITTEE MEETING**  
**February 27, 2001**  
**4:20 P.M.**

The Budget and Finance Committee was called to order by Councilman Taylor, Chairman, with Councilmen Eaves, Hakeem, Pierce, and Franklin being present. Also present were Randall Nelson and Mike McMahan, City Attorneys; Shirley Crownover, Assistant Clerk to the Council; and Randy Burns, Management Analyst.

Others present included Adm. Boney, Daisy Madison, Adm. Traugher, and Adm. Mitchell.

**AGENDA ITEMS FOR FEBRUARY 27, 2001**

Chairman Taylor turned the meeting over to Adm. Boney and Daisy Madison. Adm. Boney thanked the committee and proceeded to go over **Resolution (b)** authorizing the issuance and sale of an amount not to exceed \$52,000,000.00, General Obligation Bonds, Series 2001. Adm. Boney noted that the Council was originally briefed on this during the Capital Budget. He explained that \$52 million is subject to being adjusted up to the last minute; that we need \$48.5 million in bonds for these capital projects; that on March 13<sup>th</sup>, we will be conducting the sale at 10:00 A.M.; that it will be an Internet Sale, which contains interesting features and eliminates the concern of timely entries. He explained that the software does verification of bids and our Financial Advisor will be here. Ms. Madison added that this will be on screen in Information Services and also the Council Assembly Room. Attorney Nelson stated that the bids will come in at 10:00 A.M. Councilman Pierce noted that the Councilmembers had been asked to be present at 12:00 Noon and questioned if they needed to be here earlier. Attorney Nelson explained that the bids won't get here until the last second. Adm. Boney verified that the firms would not commit until the last two minutes. Councilman Pierce asked if the Stock Market were down, would it be in our favor? Adm. Boney replied in the affirmative—that it would cost us less to borrow.

**Resolution ©** authorizes an Agreement with Carter Street Corporation, Hamilton County, Tennessee, and Southside Redevelopment Corporation relative to the Trade Center Expansion Project. Adm. Boney turned this over to Attorney McMahan to explain.

Attorney McMahan stated that the Southside Corp. issued bonds for the Trade Center Expansion and Development Resource Center; that this Agreement allows Carter Street to draw down \$50 million dollars bonds; that the County is committed on a 50/50 basis to fund any deficit. He stated that this was the basic outline of the Agreement.

Adm. Boney added that they were trying to get the budget below \$50 million and were now at \$49 million and in good shape; that this allows Carter Street to draw down money for the expansion.

Councilman Eaves asked about an operating deficit. Adm. Boney responded that any deficit would be in the form of an increase in utility costs and maintenance. He stated that he could not predict an operating deficit.

**Resolution (e)** authorizes payment from the Contingency Fund to Carl Levi, City Treasurer, for the payment of taxes for the benefit of the Sports Authority of the City of Chattanooga. Adm. Boney explained that this was the last Resolution to clear up property taxes; that it pays the taxes on behalf of the Lookouts, which were taxable up to April 1<sup>st</sup>. Attorney McMahan explained that we were only paying the City's portion of the taxes. Adm. Boney stated that we could make payment on behalf of the Sports Authority.

**Resolution (s)**, which was added late, refers property located at 25 W. 20<sup>th</sup> Street to the Chattanooga-Hamilton County Regional Planning Commission for consideration as being declared surplus property and authorizes the Mayor to negotiate a contract on said property for at least its appraisal value should the City Council declare said property surplus. Adm. Boney stated that he was sure everyone had heard about Labor Solutions; that we had been in intense negotiations and the parking arrangement did not work out; that we would be selling the field on 20<sup>th</sup> Street for use of this facility; that the selling price is \$87,000.00.

Councilman Pierce asked if this was the appraised value. The appraised value is \$85,000.00, which Adm. Boney said was in the ball park. This covers one-third of an acre. Councilman Pierce asked if we had purchased the building, and if so, did this come through the Council. Mr. Lynn responded that the Council authorized Eminent Domain. Councilman Pierce stated that even so, he thought the purchase price would come before the Council. Attorney Nelson explained that only over a certain amount has to come before the Council. Adm. Traugher added that his department had nothing to do with this—that Public Works buys their own property. Ms. Johnson stated that this purchase pre-dated her. Councilman Pierce reiterated that he had not seen this pass through the Council. Ms. Johnson indicated that she would check on this for Councilman Pierce. Attorney Nelson stated that if this went to Eminent Domain that it might not come back before the Council. Adm. Boney stated that a suit was filed and that this sort of thing needs to be tightened up.

**On motion of Councilman Franklin, seconded by Councilman Pierce, the above items will be recommended to the full Council**

The meeting adjourned at 4:30 P.M.

