

**HAMILTON COUNTY COMMISSION  
AGENDA PREPARATION SESSION  
JANUARY 25, 2017**

**STATE OF TENNESSEE**             )             Agenda Preparation Session  
**COUNTY OF HAMILTON**         )             January 25, 2017

**BE IT REMEMBERED**, that on this 25<sup>th</sup> day of January, 2017, an Agenda Preparation Session of the Hamilton County Board of Commissioners was begun and held at the Courthouse, in the City of Chattanooga, in the County Commission Room, when the following proceedings were held, to wit:--

0:10                   Present and presiding was the Honorable Chester Bankston, Chairman. County Clerk Bill Knowles called the roll of the County Commission and the following, constituting a quorum, answered to their names: Commissioner Beck, Commissioner Boyd, Commissioner Fairbanks, Commissioner Fields, Commissioner Graham, Commissioner Mackey, Commissioner Martin, Commissioner Smedley, and Chairman Bankston. Total present - 9. Total absent – 0.

Also in attendance were County Mayor Jim Coppinger, members of his administrative staff, County Attorney Rheubin Taylor, and County Auditor Jenneth Randall.

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Commissioner Fairbanks recognized several representatives from the City of Soddy Daisy who were present at today's meeting including Mayor Robert Cothran, and Commissioners Max Lowe, Gene Shipley, Rick Nunley, and Attorney Sam Elliott.

Chairman Bankston recognized Collegedale Mayor Katie Lamb, City Manager Ted Rogers, and Davis Lundy. He noted that several other elected officials were present in the audience and welcomed them to today's meeting.

Commissioner Graham welcomed Lookout Mountain Mayor Carol Mutter and Town Consultant Dwight Montague, as well as other representatives from the City of Red Bank.

Commissioner Fields acknowledged Town of Signal Mountain Mayor Chris Howley and Town of Walden Vice Mayor Dr. Thom Peterson.

### **COMMITTEE ASSIGNMENTS**

Chairman Bankston indicated the upcoming agenda items would be considered as follows:

- The Trustee's Monthly and Excess Fee Reports for December 2016 would be submitted for the record.

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- A Report of Investment Activity for the quarter ending December 31, 2016 was submitted for the record.
- Resolution No. 217-1 was the usual County Clerk item regarding notaries, etc. This required no committee assignment.
- Resolution Nos. 217-9 through 217-12 were assigned to the Finance Committee, chaired by Commissioner Boyd.
- Resolution Nos. 217-2 through 217-8 and 217-13 were assigned to a Committee of the Whole.

Chairman Bankston stated that Resolution Nos. 217-2 through 217-8 and 217-13 would now be heard by a Committee of the Whole.

**COMMITTEE OF THE WHOLE – RESOLUTION NO. 217-2**

2:32

Chairman Bankston spoke regarding this item, which appropriates \$500.00 from general fund travel discretionary monies, as allotted to District 9, to Friends of Harrison Bay State Park. It was noted that the funds would be used to assist with a program.

There were no questions from Commissioners.

**COMMITTEE OF THE WHOLE – RESOLUTION NO. 217-3**

2:56

Commissioner Beck spoke regarding this item, which appropriates \$6,000.00 from general fund discretionary monies, as allotted to District 5, to Mary Walker Historical and Educational Foundation, Inc. It was noted that funds would assist with the

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cost and advertising expense of a Black History Month exhibit at the Chattanooga African American Heritage Museum.

There were no questions from Commissioners.

**COMMITTEE OF THE WHOLE – RESOLUTION NO. 217-4**

3:30

Christie Jordan, Director of Accounting and Budgeting for the Department of Education, spoke regarding this Resolution, which amends the schools federal projects fund budget by adding \$3,393,315.00 to the FY 2016-2017 budget. It also amends the self-funded projects fund budget by appropriating fund balance of \$497,919.00 and additional revenue of \$388,647.00 to the FY 2016-2017 budget, and amends the general purpose fund budget by appropriating fund balance of \$494,105.00 and additional revenue of \$648,000 to the FY 2016-2017 budget. She stated that this contains amendments to the School Board's budget and is routine business brought before the Commission every year.

There were no questions from Commissioners.

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**COMMITTEE OF THE WHOLE – RESOLUTION NO. 217-5**

4:43

Development Director Dan Saieed spoke regarding this item, which authorizes the County Mayor to submit a grant application to the Tennessee Department of Economic and Community Development in the amount of \$525,000 in Community Development Block Grant (CDBG) funds for sewer system improvements within the Hamilton County Waste and Wastewater Treatment Authority (WWTA) service area of the City of East Ridge (Area 10). He stated that the area has chronic sewage overflow issues during heavy rain. He added that the County is eligible for a 4% discount towards the required local match, which improves Hamilton County's match rate to 19%. It was noted that the WWTA has committed the required 19% in matching funds and any additional funds needed to complete the project.

In response to Commissioner Fields' question, Mr. Saieed stated that the County should be notified by October regarding receipt of the grant.

In response to Commissioner Boyd's question, Mark Harrison Executive Director of the WWTA stated that Area 10 encompasses the area around the I-75 Exit 1 interchange in East Ridge. He emphasized the importance of improving the sewer system in this area and the extreme impact it has on development.

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8:38

Commissioner Graham thanked Mr. Saieed for finding these types of grants. In response to Commissioner Graham's question, Southeast Tennessee Development District Grants Coordinator Sam Saieed stated that this is a very competitive statewide grant, and the County has about a 50% chance of receiving it.

In response to Commissioner Graham's question, Mr. Harrison stated that other options are being explored to ensure improvements are made to the sewer system.

**COMMITTEE OF THE WHOLE – RESOLUTION NO. 217-6**

10:49

Administrator of Public Works and County Engineer Todd Leamon spoke regarding this item, which authorizes the County Mayor to enter into and execute an easement agreement and temporary construction license agreement with 300 Cherokee, LLC for the purpose of developing a pedestrian connection and improving storm water runoff on a portion of County owned property. He stated that the pedestrian connection will run from the Business Development Center, located at 100 Cherokee Boulevard, to Manufacturers Road.

There were no questions from Commissioners.

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**COMMITTEE OF THE WHOLE – RESOLUTION NO. 217-7**

11:54 Administrator of Public Works and County Engineer Todd Leamon spoke regarding this item, which approves the firm of Derthick, Henley & Wilkerson Architects, PLLC for design of a new Walden's Ridge Firehall. Mr. Leamon stated that the design selection process complied with Resolution No. 287-23, which adopted procedures for the selection of architects and engineers. It was noted that a contact and design fee will require Commission approval before design begins.

There were no questions from Commissioners.

**COMMITTEE OF THE WHOLE – RESOLUTION NO. 217-8**

12:39 Administrator of Finance Albert Kiser spoke regarding this item, which authorizes the County Mayor to renew the agreement with the State of Tennessee on behalf of the Tennessee Bureau of Investigation (TBI) for Hamilton County Information Technology (IT) and Hamilton County Geographic Information Systems (GIS) to provide professional services throughout calendar year 2017. These services are for support and development of software for the TBI not to exceed \$275,000. It was noted that this is an annual agreement and there is no cost to the County.

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There were no questions from Commissioners.

**COMMITTEE OF THE WHOLE – RESOLUTION NO. 217-13**

13:41            Commissioner Boyd spoke regarding this item. The Resolution authorizes agreements between Hamilton County and the municipalities within the county pertaining to waiving shared cost for the 2017 Real Property reappraisals. He stated that traditionally the County has paid the full cost for the reappraisals conducted by the Assessor of Property, and that formal agreements do not exist waiving municipal government costs permitted by Tennessee law. Commissioner Boyd stated that many of the municipalities have already approved their fiscal year 2017 budgets, and the reappraisal fees will create an undue burden as they were not given sufficient opportunity to plan for the additional cost. He added that smaller cities could potentially have to raise taxes to cover the fees. He asked for the Commission's support in waiving the shared cost for the 2017 property reappraisals.

18:45            In response to Commissioner Fields' question, Assessor of Property Marty Haynes stated that his office does incur additional cost from property appraisals, which operates on a four-year cycle. He stated that Hamilton County has absorbed the burden of that cost for a number of years. Assessor Haynes stated that he was recently made aware that Hamilton County was not in compliance with a 1988 state law (*TCA 67-5-*



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1601, Section 2), which provides that in the absence of any agreement, local costs of reappraisal of properties within a city shall be paid one half by the county and one half by the city. The law also states that any city paying one half of local costs of reappraisal shall pay those costs directly to the county government with jurisdiction over the property being reappraised, within the fiscal year in which the property is finalized. Assessor Haynes distributed a handout containing a breakdown of each municipality's shared cost. A copy of the handout was filed in the Clerk's office. It was noted that property tax revenue would go directly to the county general fund.

23:39 In response to Commissioner Smedley's question, County Attorney Rheubin Taylor clarified that in the absence of an agreement the municipalities are responsible for the shared cost.

Assessor Haynes stated that if the Commission agrees to waive the municipalities' portion of the 2017 property reappraisal costs, which totals \$772,674.28, they would receive bills for the next required reappraisal in 2021. He emphasized that his office is following state law by billing the cities. He distributed a list of 16 other state laws his office is required to follow. A copy of the list was filed in the Clerk's office.

29:53 In response to Commissioner Smedley's question, Tom Dillon, County Appraisal Specialist, stated that state assessment officials estimated half of the state's 95

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counties share reappraisal costs with their municipalities. He added that approximately half a dozen have formal agreements waiving the cost, and the remaining counties are not technically in compliance with state law.

Assessor Haynes recognized several members of his staff who were present in the audience at today's meeting.

34:55 In response to Commissioner Beck's question, Assessor Haynes provided background information on the state law and the funding process of property reappraisals. He added that waiving the shared cost would be a revenue loss of \$772,674.28 to Hamilton County for the 2017 appraisals.

Assessor Haynes stated that his office would be presenting the 2021 reappraisal plan to the Commission before April 15<sup>th</sup>.

It was noted that no representative from the City of Chattanooga was present at today's meeting.

39:28 In response to Commissioner Martin's question, Assessor Haynes reported that bills can only be sent out in the final year of reappraisals, which would not be until 2021 if the Commission approves the agreement to waive the 2017 shared costs.

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Assessor Haynes clarified that the 2017 municipal shared cost totals do not include 2014, 2015, or 2016 reappraisal costs, as he was not in office at that time. He added that the bills to be sent out in 2021 would include all four years of the reappraisal cycle.

In response to Commissioner Martin's question, Attorney Taylor stated that other fees the County collects from municipalities based on services rendered are done through agreements that are already in place.

44:57

Commissioner Graham expressed his support for waiving the shared cost, and stated that he would rather see a long-term solution instead of revisiting the issue in 2021. In response to Commissioner Graham's question, Attorney Taylor stated that no agreement regarding the municipalities' portion of the cost is in place. Commissioner Graham spoke about a 2014 settlement agreement between Hamilton County and the City of Chattanooga in which the City would pay the school system \$11 million in owed liquor sales taxes and the school system would pay \$1.6 million in old stormwater fees over five years, plus future fees. Christie Jordan, Director of Accounting and Budgeting for the Department of Education, confirmed that the latest bill for stormwater fees was approximately \$400,000. Commissioner Graham noted that further discussion regarding the situation needed to take place.

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50:45

In response to Commissioner Mackey's question, Attorney Taylor clarified that Assessor Haynes has brought it to the attention of Commissioners that the County is not currently in compliance with state law. He echoed his previous comments that in the absence of an agreement, the cost of reappraisals is to be shared by the County and municipalities.

In response to Commissioner Fields' question, Assessor Haynes stated that he is required to share this information per state law.

52:28

In response to Commissioner Fields' question, Attorney Taylor reported that the law implies the agreement must be between the County and all cities.

Commissioner Fairbanks stated that he has received many calls encouraging the Commission to waive the fees.

At this time, several municipal leaders spoke in favor of the agreement to waive the shared cost of property reappraisals. It was noted that the municipal representatives were made aware of the reappraisal billing in December. They each described the unbudgeted expense as an unexpected and unfair burden and expressed their wish to see the cost permanently waived. It was noted that some of the municipalities would have no recourse but to raise property taxes in order to cover the cost of the bill. Those

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who spoke in favor of the agreement included Soddy Daisy Mayor Robert Cothran, Davis Lundy, who has a contract to represent several small cities, Red Bank City Manager Randall Smith, Lookout Mountain Mayor Carol Mutter, and Lakesite Mayor David Howell.

Commissioners thanked each representative for their dedicated service, and for attending and speaking at today's meeting.

1:10:25 In response to Commissioner Mackey's question, Commissioner Graham echoed Attorney Taylor's previous comments regarding fees the County collects from municipalities based on services rendered. He added that municipalities rely on the Assessor's office to provide up to date, accurate information regarding property values as they use that information to determine property taxes.

Assessor Haynes reiterated that the 2017 municipal shared cost totals do not include 2014, 2015, or 2016 reappraisal costs and the bills to be sent out in 2021 would include all four years of the reappraisal cycle.

Commissioner Boyd noted that the goal of the proposed agreement is to allow Commissioners to waive the 2017 shared costs, and provide more time to thoroughly discuss how to handle the costs going forward.

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1:27:46 Mayor Coppinger spoke regarding the proposed agreement and empathized with Assessor Haynes' position in enforcing compliance of the law. He commended several Constitutional Officers, including County Clerk Bill Knowles and Trustee Bill Hullander, for the excess fees they provide to the County general fund. He added that while he understands municipalities not wanting to raise property taxes to cover the cost of the fees, the result is an increase in cost to the County. Mayor Coppinger spoke about the \$11 million in unexpected costs the County incurred when the City of Chattanooga chose to end the 1964 sales tax agreement shortly after he took office. It was noted that the result was a \$13 million decrease to the budget and over 50 positions were cut in order to account for the extra cost.

Mayor Coppinger gave an overview of the responsibilities of County government including property taxes and the budget process.

Commissioner Boyd, Chairman of the Finance Committee, stated that the Finance Committee would meet in the Commission Room immediately following the Agenda Session.

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**ANNOUNCEMENTS**

Chairman Bankston asked for announcements from members of the Commission.

1:40:01 Commissioner Smedley thanked the representatives from the various municipalities who were present at today's meeting.

1:40:15 Commissioner Fairbanks reported that Soddy Daisy City Commissioners are not paid for their services. He thanked them for their community service and for attending today's meeting.

1:40:51 Attorney Taylor spoke regarding possible revisions to the 1978 Commission Rules of Procedure. He presented a marked up version of the changes that were emailed to Commissioners. He noted that the marked up copy specifies where certain changes have been made or proposed. A copy was filed in the Clerk's office.

**DELEGATIONS**

Chairman Bankston asked for delegations on matters other than zoning. There were none.

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Being no further business, Chairman Bankston declared the meeting adjourned until Wednesday, February 1 at 9:30 AM.

Respectfully submitted:



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William F. (Bill) Knowles, County Clerk

Approved:

02-15-17  
Date

W.F.K  
Clerk's Initials