

City of Chattanooga, Tennessee
Comprehensive Annual Budget Report



Fiscal Year July 1, 2013 thru June 30, 2014

Presented by:
Andy Berke, Mayor

and

The Department of Finance & Administration

Daisy W. Madison, CPA, CGFM, City Finance Officer

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The **CABR 2014** is divided into five major sections: **Introduction, Guidelines, Financial Overview, Personnel Administration**, and the **Appendix**.

Section A: Introduction - gives a profile of Chattanooga with selected useful service, demographic, economic, and statistical information, a message from the City Finance Officer, an organizational chart, and profiles of City officials.

Section B: Guidelines - provides guidelines and rules adhered to by the Finance department of the City of Chattanooga, as well as budget policies, model, procedures, a calendar, and the budget ordinance.

Section C: Financial Overview - summarizes the overall financial condition of the City of Chattanooga, where we have been, where we are, and where we are going. This is followed by discussions of programs such as General Government, Supported Agencies, Finance & Administration, Police, Fire, Public Works, Youth & Family Development, Human Resources, Economic & Community Development, Executive Branch, Transportation, Debt Service and Capital Outlay.

Section D: Personnel Administration - gives an overview of the benefits provided by the City of Chattanooga, position changes, its personnel detail, and pay plan tables.

Section E: Appendix - includes a glossary and an index.

Letter of Transmittal



City of Chattanooga
Department of Finance & Administration
City Hall 101 East 11th Street
Chattanooga, Tennessee 37402



Daisy W. Madison, City Finance Officer

To the Honorable Mayor Andy Berke, Members of the City Council, and the Citizens of Chattanooga, Tennessee:

Presented is the adopted Operating Budget and Capital Improvement Plan for the Fiscal Year Ending June 30, 2014. This budget year starts with a new administration. It continues to highlight key issues concerning citizens in Chattanooga and reflects our goal to continue to provide quality service, keeping our focus on maintaining Chattanooga as an affordable option for our citizens and stakeholders. This budget proposes no property tax increase. However, it does include an increase in sewer rates of 9.8% to continue to address compliance with a consent decree.

Chattanooga, like many other cities across the United States, and the world continues to face fiscal challenges as a result of the current national and global economic conditions. The City's long term vision and economic strategies have placed Chattanooga in an enviable position as compared to the national and global economies. While we are challenged, we are well positioned to withstand these times as we continue to prosper as a community.

Over the past years, several programs, such as chattanoogaRESULTS and vacancy control, have been used in order to facilitate management with making decisions that insured increased accountability as well as monitor department performance. These programs allow the Mayor, the Chief Operating Officer, the City Finance Officer, and other senior City officials to collaborate on ideas and plans to best meet the needs for the City. The City has published eight (8) annual performance reports that may be used by citizens as a quick reference guide. All reports can be found at www.chattanooga.gov/finance-division/performance-reports.



Mayor's Vision

After taking office in April, Mayor Berke introduced his vision for the City, which aligned government resources and structure with community priorities. The Mayor eliminated three departments, and placed core services into three new ones. In addition, the Mayor initiated a move away from traditional budgeting toward performance based budgeting by introducing a budget process called "Budgeting for Outcomes". This innovative approach ties each dollar spent to a particular outcome for Chattanoogaans. It details the cost of each service provided and lays out clear expectation for goals. Departments and resources were realigned to better achieve the outcomes defined by the community. Priorities for the pilot project included:

Safer Streets
Stronger Neighborhoods & A Growing Economy
Smarter Students & Stronger Families
Innovative Government

Safer Streets

Public Safety remains a priority. Funding is included for 486 police officers, an increase of 40 more vacancies from the previous year. This provides greater capacity for community policing, investigations, prevention and increased efforts to reduce domestic violence. Introduction of the High Point Strategy to reduce violent crime is also key. We commit to confront gang crime at its root, while communicating clear alternatives to criminal activity. We will support those who choose the right path and overwhelm those who do not. This budget adds funding for a full-time Federal Prosecutor to prosecute the criminals who hurt our neighborhoods the most. Federal sentences keep serious violent offenders off Chattanooga's streets longer. With that in mind Federal authorities will prosecute more crimes and will do so more swiftly for Chattanooga. Last, we want to provide Fire apparatus technology to keep our firefighters safer and empower them to protect us better. Use of GPS navigation will enable firefighters to respond sooner and more accurately. Digital building diagrams ensure our firefighters know the dangers and where to find you.

Stronger Neighborhoods, & A Growing Economy

Ensuring that residents have access to economic opportunity and a high quality of life is critical to Chattanooga's future, and a cornerstone of the Mayor's agenda. In order to recruit and retain great businesses, we must have strong neighborhoods with a multitude of housing options. This budget includes funding for an affordable housing pilot initiative to turn vacant, unproductive lots into affordable housing through infrastructure support and rehabilitation assistance. The pilot project also leverages our federal funds to achieve results for our citizens.

In addition to investing in our neighborhoods, this budget allocates significant resources to our infrastructure and economic development efforts. Initiatives in this budget expedite the transportation planning process to increase the amount of state and federal funding the City is eligible to receive



through more strategic operations, and better comprehensive planning. To promote economic development, the City will make building inspections more efficient and friendly to developers and contractors through eliminating duplication and improving information flow to our customers.

Smarter Students, & Stronger Families

The newly formed Youth & Family Development Department will use recreation centers to teach reading skills through literacy software. The goal is to transform recreation centers into true Youth and Family Development Centers focused on character development, education and leadership skills. To ensure all young Chattanoogaans have an opportunity to succeed, the Mayor has implemented a robust and comprehensive job-training program which makes paid internships and mentorships available to young people. These initiatives help build the future and are critical to the success of our community.

Innovative Government

This budget reflects newly reorganized departments that are completely focused on the key priorities and takes on innovative new approaches to solving long term issues for Chattanoogaans. The City will implement new, customer-friendly software to improve user experience and tax collection. This and other investments in technology will ultimately free up city resources by reducing the number of services that must be accessed in-person at City Hall. In addition, through a more strategic allocation of resources, the executive branch has been cut by 14%.

Through an energy reduction initiative that sets and measures energy reduction goals, the City will save taxpayer resources in our eight primary buildings. By creating a preventative maintenance plan for lighting and HVAC, the City expects to see an energy savings between 5 – 15%, and positive returns in fewer than 2 years.

The FY14 Budget Plan empowers leadership to make decisions around what is most important, delivering services to the Citizens of Chattanooga in the most efficient, effective way possible while addressing what matters most to the Citizens: Public Safety, Youth and Family Development, Economic & Community Development and efficient, transparent government.

Budget Highlights

Major Highlights of the Fiscal Year 2014 Budget:

The rate of \$2.309 per \$100 of assessed valuation is maintained. However, overall assessments and property tax collections remain relatively flat with some return of positive retail consumer spending, gross receipts, state sales tax, and the local option sales tax collections. Gross receipt taxes are estimated to increase by approximately 18% over the FY2013 budget.



Revenues	FY13/14	FY12/13	inc(dec)	% change
Taxes	156,239,300	147,207,360	9,031,940	6.14%
Licenses & Permits	3,595,300	3,558,850	36,450	1.02%
Intergovernmental	86,559,888	106,117,309	(19,557,421)	-18.43%
Charges for services	101,513,650	96,389,804	5,123,846	5.32%
Fines, forfeitures and penalties	1,198,600	2,264,100	(1,065,500)	-47.06%
Interest earnings	1,031,700	781,900	249,800	31.95%
Miscellaneous	41,982,181	42,426,443	(444,262)	-1.05%
Total Revenues	\$ 392,120,619	\$ 398,745,766	(6,625,147)	-1.66%
Other Financing Sources				
Transfers in	45,308,447	53,181,632	(7,873,185)	-14.80%
Fund Balance	3,126,534	2,000,000	1,126,534	56.33%
Bond Proceeds	33,014,245	47,637,469	(14,623,224)	-30.70%
Total Other Financing Sources	\$ 81,449,226	\$ 102,819,101	(21,369,875)	-20.78%
Total Revenues & Other Sources	\$ 473,569,845	\$ 501,564,867	(27,995,022)	-5.58%

Projected revenues, excluding other financing sources for all appropriated funds total \$392,120,619, a decrease of \$6.6 million or 1.66% from the previous year. The largest single decrease is \$19.6 million (18.43%) in intergovernmental revenues. Most of this decrease is a reduction of \$15.7 million in Tennessee Department of Transportation (TDOT) & High Priority Project (HPP) federal funding, \$1.5 million state funding, and \$2.4 million in local funding for long term Capital Projects funded in the previous year. Fines, forfeitures, & penalties decreased by \$1.07 million (47.06%) because of a reduction in collections of automated traffic & speeding fines and a reclassification of parking revenue due to a transfer of management to CARTA in the 2nd quarter of FY2013. The City will continue to receive \$400K of parking revenue thru FY15.

Other financing sources, \$81.4 million includes transfers in to governmental funds of \$44.5 million and \$0.8 million to Internal Services, fund balance from governmental funds of \$1.1 million and \$2 million Internal Services, and bond proceeds (which includes State Revolving Loans) of \$33 million to governmental funds of \$9.3 million in bonds and \$23.7 million in proprietary funds.

Appropriations (next page), excluding other financing uses are \$431,347,597, a \$41.2 million or 8.72% decrease from the FY13 budget. Capital projects account for \$24.3 million or 59% of the decrease. State and Federal funding are down by \$15.5 million, General Bond Obligation down \$0.4 million, no funding requirements from the Health & Wellness Fund, and State Revolving Fund loan for Interceptor Sewer capital down \$9.4 million. These funds are to provide for the continuing program of upgrading the City's interceptor sewer system



Appropriations	%			
	FY13/14	FY12/13	inc(dec)	Change
General Fund (undesignated)	173,080,127	183,030,490	(9,950,363)	-5.44%
Special Revenue Funds ⁽¹⁾	44,104,682	42,292,467	1,812,215	4.28%
Debt Service Fund	22,434,873	22,240,813	194,060	0.87%
Capital Project Funds	28,185,215	52,486,090	(24,300,875)	-46.30%
Enterprise Funds	108,067,316	115,420,872	(7,353,556)	-6.37%
Internal Service	55,475,384	57,104,038	(1,628,654)	-2.85%
<small>(1) includes Economic Development Fund</small>				
Total Expenditures	\$431,347,597	\$ 472,574,770	(41,227,173)	-8.72%
Other Financing Uses				
Transfers Out	42,222,248	28,990,097	13,232,151	45.64%
Total Other Financing Uses	\$ 42,222,248	\$ 28,990,097	13,232,151	45.64%
Total Expenditures & Other Uses	\$473,569,845	\$ 501,564,867	(27,995,022)	-5.58%

and compliance with EPA consent decree requirements.

General Fund. The City's Undesignated General Fund accounts for all resources related to the general operations of city government that are not accounted for elsewhere. The total appropriation for FY14 budget is \$212,540,000 including transfers of \$39,459,873, a \$3.2 million or 1.5% increase over FY13 budget. Salaries and fringes decreased by \$1.3 million or 1.09% which is due primarily to the elimination of forty-six (46) vacant positions. This budget includes a 1.5% increase in employee pay.

There is \$9,265,170 in pay-go capital included in the FY14 budget, which is a \$6.6 million increase over previous year's \$2.6 million. Funding support for these efforts were salaries and fringe cuts redirected from an additional fifty-eight (58) frozen positions during the BFO process.

Special Revenue Funds. The City's Special Revenue Funds are set by City resolution to account for funds that are restricted as to use. Special Revenue Funds itemized in the budget ordinance include State Street Aid, Human Services, Narcotics, Economic Development, Community Development, Hotel/Motel Tax, Automated Traffic Enforcement and Tennessee Valley Regional Communications. Funding for all other designated funds are authorized by ordinance and restricted as to use. The 2014 budget for the Special Revenue Funds totals \$44,417,057. The Economic Development Fund accounts for \$0.25 of the City's share of the local option sales tax designated for economic development. These funds are earmarked to pay long term lease rental payments to fund the debt service for revenue bonds issued by the Chattanooga Downtown Redevelopment Corporation and other economic development initiatives. The Community Development Fund is used to account for Community Development Block Grants and other projects funded by the Federal Housing and Urban Development Programs.



Debt Service Fund. The City is authorized to finance capital improvements through various financing instruments, including but not limited to general obligation bonds, revenue bonds, loan agreements and capital leases. The City Council may authorize the issuance of tax-supported bonds by a simple majority vote, with notification of the action published in local newspapers. Unless 10 percent of the qualified voters protest the issuance by petition within 20 days of notification, the bonds may be issued as proposed. Both principal and interest on general obligation bonds are payable from ad valorem taxes which may be levied by the City Council subject to a legal debt limit of 10 percent of assessed valuation of property. Revenue bonds may be issued for various enterprise operations.

At June 30, 2013, total outstanding debt for the primary government and component units was \$696,419,422 which is made up of the following:

Primary Government	
General Obligation Bonds	
Governmental Operations Funds Debt	\$ 145,243,229
Enterprise Funds Debt	92,678,927
Other Self-Supporting Debt:	
Hotel/Motel Tax Revenue	47,091,427
HUD Sec 108 Notes	3,356,000
Golf Capital Lease 2013	287,958
Total GO Debt	\$ 288,657,541
Revenue Bonds:	
EPB Revenue Bonds	287,826,000
Chatt. Downtown Redevelopment Corp.	114,535,000
Component Units:	
Metropolitan Airport Bonds	5,400,881
Total Revenue Bonds	407,761,881
Total Debt Outstanding	\$ 696,419,422

The City anticipates issuing debt not to exceed \$33 million to fund the FY13/14 Capital Budget, including \$9.3 million of GO bonds and \$23.7 million state revolving loan which is self-supporting debt paid through the Interceptor Sewer System revenues.

Capital Project Funds. These funds are used to account for the financial resources used for the acquisition or construction of major capital projects. The approved Capital Budget for the 2014 fiscal year is \$59,014,215, of which \$28,185,215 will be applied to General Government projects, \$28,379,000 to sewer infrastructure and \$2,450,000 to Water Quality improvements. This is a \$37,627,875 or 39% decrease from last year's approved budget of \$96,642,090 which included \$11 million in federal funding, \$16 million in bonds, and \$8 million in state funding from the Tennessee Department of Transportation.

Enterprise Funds. The City maintains five enterprise operations as part of the primary government. These funds are used to account for operations of entities that are financed and



operated in a manner similar to a private business. User fees are charged to produce revenues sufficient to provide for debt service, operating expenses and adequate working capital. Combined Enterprise Funds' net assets at June 30, 2013 were \$571.7 million with an increase in net assets of \$10 million. A brief discussion of the major operations follows:

The Electric Power Board is not presented because it is a separate administrative agency of the government, having exclusive control and management of the Electric Distribution System. It is the sole distributor of electric power within the boundaries of the City and County (600 square miles). It accounts for 87% of total Enterprise Fund operating revenues and reported net operating revenue of \$14.2 million for the year ended June 30, 2013.

The Interceptor Sewer Fund accounts for sanitary sewer services provided to the residents of the City and to portions of Northwest Georgia. The fund's revenues are derived primarily from user fees and investment earnings. The strong growth in the City and increased federal mandates have necessitated ongoing expansion of the Interceptor Sewer System. Their total assets account for almost 87% of total Enterprise Fund assets, excluding the Electric Power Board. Total approved budget for FY2014 including Debt Service and Capital is \$55,843,676, of which \$35,717,496 is for operations.

The Solid Waste Fund was established in accordance with state mandate. This fund accounts for the operations of the City's landfill. The FY 2014 budget is \$6,986,585. Landfill fees are charged to commercial customers for use of the landfill, while the cost of the City landfill needs are funded by the General Fund. A new cell is in its 3rd year of operation. At June 30, 2013, the fund had a deficit of \$2,828,509 which is being funded over a three year period, the result of inadequate accumulation of assets to close.

The Water Quality Management Fund accounts for the operations of the City's water quality management program as mandated by the Environmental Protection Agency and the state. Since the inception of this program in 1994, the investment in property, plant, and equipment has grown to \$50.3 million. The 2014 budget is \$16,858,055.

The Housing Management Fund was closed in fiscal year 2013 with the sale of Dogwood Manor.

Chattanooga Downtown Redevelopment Corporation: In October 2000, the City entered into a non-cancelable long-term lease with the Chattanooga Downtown Redevelopment Corporation (CDRC), for financing the cost of designing, acquiring, constructing and equipping four facilities in the Tourist Development Zone comprising more than 631,210 square feet at a cost of over \$120 million. Facilities include (1) the Chattanooga conference center, (2) parking garage, (3) the Development Resource Center, and (4) an expansion of the Chattanooga-Hamilton County Convention and Trade Center. The lease provides for semi-annual payments in amounts sufficient to meet the annual debt service



requirements on \$129 million in revenue bonds issued by the Industrial Development Board of the City of Chattanooga on behalf of the CDRC, a non-profit corporation. The IDB bonds are secured by payments to be made by the CDRC. The lease payments are funded by the City's share of the 0.5% increase in the county-wide sales tax passed by county-wide referendum, income from the Chattanooga, state incremental sales tax generated in the Tourist Development Zone and interest income from a debt service reserve fund in excess of \$9 million included as part of the bond issue. In the event these sources are insufficient, the City agreed to appropriate sufficient moneys to make the lease payments.

Internal Service Funds. The City maintains three Internal Service Funds - Municipal Fleet Services Fund, Liability Insurance Fund, and the Health & Wellness Fund. Internal Service Funds provide goods or services for a fee to other governmental units, departments, and agencies. The Fleet Services Fund 2014 budget is \$18,147,034. The City of Chattanooga is self-insured for judgments and claims, including health care. The Liability Insurance Fund was established to fund and pay for all judgments and costs or liability claims against the City. The 2014 General Fund premium to the Liability Insurance Fund is \$800,000. The 2014 Health & Wellness Fund budget is \$36,528,350.

Pension Trust Funds. The City accounts for resources held in trust for defined benefit pension plans to provide disability and retirement benefits for City employees/retirees and for Other Post-Employment Benefits. These funds are accounted for in the same manner as business enterprises providing similar services. Following is a brief discussion about the employee pension system.

Retirement Plans. The City maintains three single-employer defined benefit pension plans and one Other Post Employment Benefit (OPEB) Trust which cover all employees. Each of these systems is maintained separately: one system (General Pension Plan) covers general City employees; a second plan covers employees of the Electric Power Board; and the third covers Firefighters and Police Officers and the fourth covers all city retirees from civilian and sworn service classifications. Each plan has its own consulting actuary. The following schedule shows the unfunded actuarial accrued liability (asset) for each fund at June 30, 2013.

Trend Information:

	Year Ended	Annual Cost (ARC)	% ARC Cont	Net Pension Obligation (Assets)
General	06/30/13	\$ 7,813,112	97%	(556,527)
Pension	06/30/12	\$ 7,215,031	93%	(769,699)
Fund	06/30/11	\$ 7,174,558	69%	(1,302,008)
Fire &	06/30/13	\$ 11,782,355	101%	(4,848,557)
Police	06/30/12	\$ 9,615,142	103%	(4,693,643)
Fund	06/30/11	\$ 8,526,415	97%	(4,385,105)
OPEB	06/30/13	\$ 12,739,235	101%	31,381,724
	06/30/12	\$ 14,169,688	101%	31,500,289
	06/30/11	\$ 13,718,933	101%	31,619,302



City management and the Pension Boards closely observe the future costs of both benefit improvements and changes in retirement trends of employees. Recommendations of actuaries are carefully considered and appropriate measures are taken to ensure that the pension plans are actuarially sound.

General Pension Plan. The City provides a pension plan for permanent general city employees. All permanent employees hired after February 1, 1979 must join the plan as a condition of employment. Employee contributions are 2% of total earnings. The City Finance Officer is authorized to match all salaries of all participants in the General Pension Plan, at an actuarially computed contribution rate of 13.72% for FY2014.

Fire and Police Pension Fund. The City Finance Officer is authorized to match the total salaries of all participants in the Fire & Police Pension Fund with a contribution from the General Fund total salary annually. The annual required contribution rate for FY2014 is 35.86%.

Electric Power Board Pension Plan. The Electric Power Board of Chattanooga is a single-employer defined benefit pension plan administered by an individual designated by EPB. The Plan provides retirement benefits to plan members. Plan members are not required to contribute to the Plan. EPB's contributions are calculated based on an actuarially determined rate, which is currently 11.60% of annual covered payroll. Effective August 1, 1984, EPB implemented a 401(k) defined contribution plan, the EPB Retirement Savings Plan, which allows employees to invest up to 15.0% of their salary in the savings plan. EPB contributes up to 4.0% of an employee's salary after one year of employment.

OPEB Trust. The City maintains a single-employer defined benefit post-employment health and medical care plan for retirees and their dependents. Substantially all of the City's employees may become eligible for benefits should they reach normal retirement age and certain services requirements. Retirees and beneficiaries are required to contribute specified amounts depending upon certain criteria and retirement date. Employees who retired prior to 2002 contribute an amount equal to the amount paid by active employees. If they retire after 2002 with 25 years of service or a job related disability, retiree contributes an amount equal to 1.5 times that of active employees; if less than 25 years of service or non-job related disability, retiree contributes an amount increased on a pro rata year's basis. The City pays the remainder of the costs. As a cost reduction measure, effective July 1, 2010, the City council discontinued retiree medical coverage past Medicare eligibility for all new employees and employees not already eligible for retirement. This provision does not apply to sworn personnel for which the City does not contribute to the Federal Medicare Insurance Trust Fund.



Program	Actual FY10/11	Actual FY11/12	Budget FY12/13	Budget FY13/14
Population	171,349	167,674	167,674	171,279
General Government	240.27	270.24	316.68	332.93
Human Resources	8.97	11.57	11.33	10.97
Economic & Community Dev ⁽¹⁾	42.66	48.08	32.52	54.53
Economic Development	59.16	67.27	69.41	68.83
Executive Branch	7.06	8.51	11.10	9.49
Finance & Administration	24.47	28.53	30.53	33.00
Police	309.13	337.42	332.22	324.17
Fire	195.65	214.25	226.07	224.44
Public Works	660.16	627.01	636.95	659.33
Parks & Recreation ⁽²⁾	89.81	101.05	96.45	-
Social Services	96.43	85.20	89.04	88.39
Youth & Family Development	-	-	-	136.77
Transportation	-	-	-	41.34
Education, Arts & Culture ⁽²⁾	13.53	14.50	15.47	-
General Services	90.22	109.38	107.81	125.68
Debt Service	117.99	112.80	130.72	130.98
Total	1,955.51	2,035.81	2,106.30	2,240.85

⁽¹⁾ Formerly Neighborhood Services

⁽²⁾ Eliminated under Reorganization

Per Capita Budget

The chart represents per capita expenditures by department over the past four years.

Financial Assessment

Chattanooga continues to enjoy a position of fiscal strength and our outlook is improving. Through strong fiscal management, Chattanooga has created an environment that fosters economic growth which has lessened the impact of the recent economic downturn on its citizens as compared to other entities on a global scale.

General Fund Undesignated Fund Balance

One measure of a city's fiscal health is the level of its fund balance. At June 30, the City's unaudited total and unassigned fund balance of \$69.8 million and \$55.5 million are 29.3% and 23.3% of total revenues and transfers in. The City strives to maintain an undesignated general fund balance of 20% of operating revenues and transfers in. The City periodically uses fund balance to fund pay-go capital projects instead of adding new debt.

Financial Reserves of Other Operating Funds

In other operating funds, the City strives to maintain a positive fund balance position to provide sufficient reserves for emergencies and revenue shortfalls.

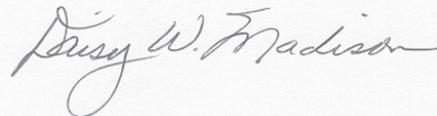
Bond Ratings

The City has recently been upgraded to a "AAA" rating from Standard & Poor's and maintained a "AA+" from Fitch Investor's Service. Both agencies cite sound financial management, fund balance reserves, the debt retirement policy and a history of pay-as-you-go capital financing as justification for the favorable rating.

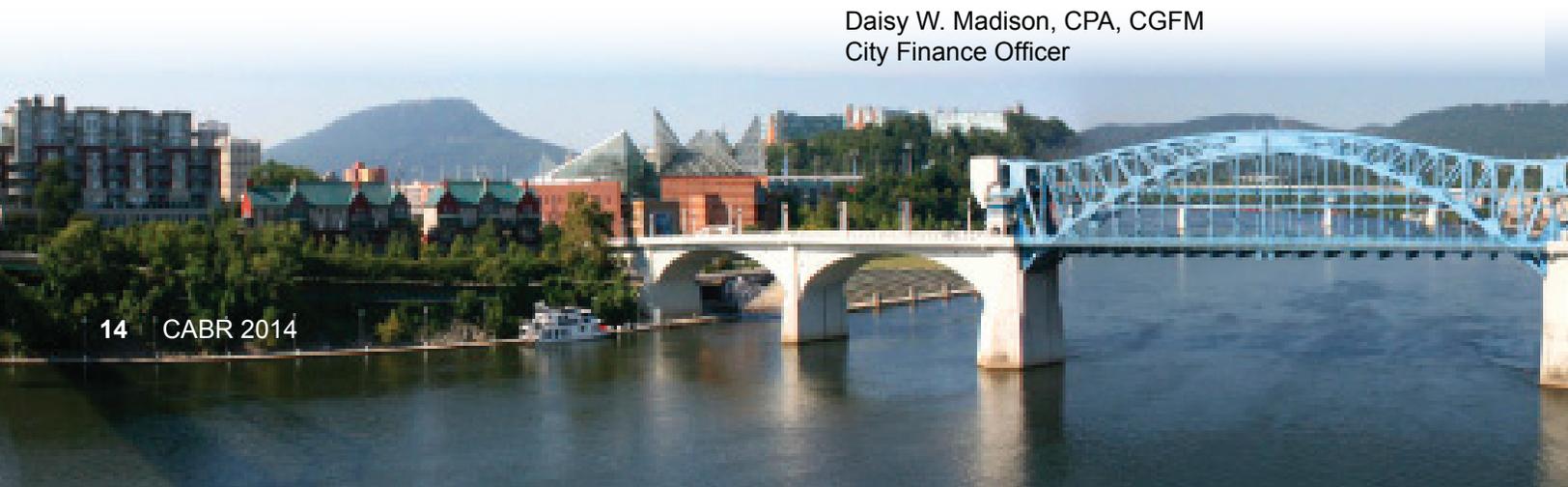
Conclusion

I want to thank Mayor Berke, City Council, Citizens and City staff for their participation and support in the development of the City's Financial Plan.

Respectfully submitted,

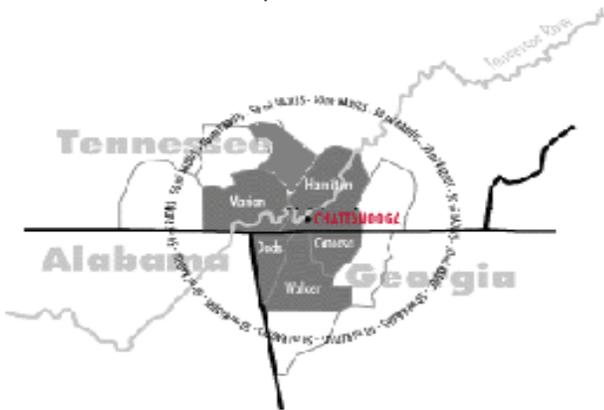


Daisy W. Madison, CPA, CGFM
City Finance Officer



History & Development

Founded in 1816, by the leader of the Cherokee Indians, Chief John Ross, the City of Chattanooga was created on the site of Ross's Landing trading post. Chattanooga, a Cherokee word for "Rock coming to a point" was incorporated under State of Tennessee Private Acts of 1839. Today the City serves as the County seat of Hamilton County, is commercially and industrially developed and is the center of a six-county



Metropolitan Statistical Area (the "MSA"), which includes Hamilton County and the counties of Marion and Sequatchie, Tennessee and the counties of Catoosa, Dade and Walker, Georgia. Located near the southeastern corner of the state on the Tennessee-Georgia border, the City encompasses an area of 145 square miles and a population of 171,279. The City is centrally located in relation to other major population centers of the southeast, being within a 150-mile radius of Knoxville and Nashville, Tennessee; Birmingham, Alabama; and Atlanta, Georgia. Over 11 million people live within a 2 to 2½ hour drive of Chattanooga.

Form of Government

Date of Organization: 1839
Form of Government: Mayor/Council

The City operates under a Mayor/Council form of government. The Mayor, elected at-large, serves as the City's Chief Executive Officer and oversees the operation of all City departments. The Mayor does not serve as a member of the Council. The City Council is composed of nine members, with each member being elected from one of nine districts within the geographic boundaries of the City. The Mayor and Council are elected to four-year terms.

The City provides a full range of municipal services including, but not limited to, fire and police protection; sanitation services; construction and maintenance of highways, streets and infrastructure; recreation and cultural activities; youth and family development; public library; economic and community development; planning and zoning; social services; and general administrative services. It also operates a water quality program and a regional sewer and sewage facility system serving southeast Tennessee and northwest Georgia. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It also has the power to extend its corporate limits by annexation in accordance with procedures under an "Urban Growth Plan" agreed to between the City and Hamilton County. Annexation for selected areas included in the Urban Growth Plan occurred in 2009-2013 adding an additional 4 square miles and over \$313 million of appraised property value.

The City employs approximately 2,548 full-time equivalent employees. The City's Electric Power Board has an additional 499 employees.

Industrial and Economic Development

Nationally recognized companies are headquartered in the Chattanooga area including leading insurance providers, large-scale shopping center developers,



top truckload carriers and manufacturers. Chattanooga has transformed its reputation in economic development circles to that of a national leader and a model for other cities with regard to urban renewal. Chattanooga has demonstrated what occurs when dedicated people take the necessary steps to realize a vision; that vision has resulted in a diverse economic base that has provided the ability to successfully navigate the recent economic recovery.

CNBC recognized Chattanooga as a “manufacturing magnet” and The Wall Street Journal recognized the community-wide effort to rebuild after decades of economic challenges. During the 1980’s the City lost 10% of its population as manufacturing jobs drifted away. Chattanooga is “Back on Track”; the population has rebounded and currently stands at 171,279. Since 2008, 148 new and expansion projects have been publicly announced bringing in over 13,000 new and retained jobs with a total investment of \$2.0 billion. These projects run the gamut of retirement facilities, hotels, manufacturing, office buildings, retail, professional services, and customer service. From June 2012 to June 2013 alone, the U.S. Bureau of Labor Statistics estimates that the Chattanooga area added 2,700 jobs.

Key to the growth in the Chattanooga area was the development of Enterprise South Industrial Park (ESIP). Through collaborative efforts of the federal, state and local governments, the old Volunteer Army Ammunition Plant site has been developed into a top tier industrial park. The site is now home to Volkswagen Group of America, Amazon, Archer Daniels Midland and others with an additional 1,400 acres being prepared for use. The expanded Foreign-Trade Zone allows Chattanooga to remain competitive in regional and U.S. markets; it encourages more business and commerce in the southeast Tennessee region and serves as an excellent business recruiting tool. The developable acres at ESIP are surrounded by a 2,800 acre passive recreation area.

Foreign investments have a growing presence in Chattanooga. Companies with ties to Australia, Austria, Brazil, Canada, Finland, France, Germany, Ireland, Italy, Japan, Mexico, Netherlands, Norway, Spain, Switzerland, Turkey and the United Kingdom all have a presence here. Alstom Power, based in France, opened a \$300 million expansion in 2010.

The clean-energy facility produces the world’s largest steam and gas turbines for power plants in the world using the logistical advantage of the Tennessee River for shipping. Volkswagen Group of America just marked the fifth anniversary of the 2008 announcement to build their \$1 billion auto assembly plant in Chattanooga; the German manufacturer’s longstanding commitment to sustainability and environmental responsibility fit well with the City’s emphasis on a clean, healthy environment and natural beauty. A recent University of Tennessee research study shows that Volkswagen has created 12,400 direct and indirect full-time jobs and is responsible for \$643.1 million in annual income. It has attracted 17 supplier companies to the area. In 2009 French drug maker Sanofi-Aventis announced plans to buy Chattem Inc. a U.S. health-care company based in Chattanooga. Prior to the acquisition, Chattem announced a \$35.5 million investment to expand the facility. Chattem provides the platform for future growth of the Sanofi-Aventis group. Gestamp Corporation, based in Spain, announced plans in 2009 to invest \$90 million to establish a new automotive parts stamping operation located at ESIP. The plant announced an expansion in 2011 to an adjacent sixteen acre tract.

In addition to the foreign investments, many companies continue to locate and expand in our community providing good family-wage jobs. Archer Daniels Midland announced acquisition of a seventeen-acre tract at Enterprise South in 2011 for a new terminal representing a \$25 million investment in Chattanooga. When the new terminal opened in 2012, operations were consolidated from two Chattanooga terminals and one in Cleveland while expanding warehouse capacity. Two restaurant groups were acquired to form CraftWorks Restaurants & Breweries; the new company is co-headquartered in Chattanooga and Colorado. The Chattanooga headquarters moved into renovated offices on Main Street and served as a catalyst for additional growth in the Southside; the new headquarters brought an \$11 million investment with 75 jobs. American Tire Distributors made a 2012 announcement to purchase a nine-acre tract at ESIP to build a distribution center. The \$20 million investment at Enterprise South added 40 jobs while a joint venture between a Chattanooga company and a German company created Team 3 Logistics bringing another 150 jobs. These announcements reinforce Chattanooga’s growing national reputation in the



logistics sector. WNA announced plans in 2013 to add a new production line bolstering their Chattanooga workforce by more than 50 employees and investing \$22 million. Global Green Lighting, moved its offshore manufacturing facility back to the U.S. The move is providing 250 direct jobs, including veterans, with an additional 500 indirect jobs from deployment partners. Southeast Mahindra announced the establishment of a new tractor assembly and distribution facility in Centre South Industrial Riverport. The \$4 million facility, which will employ 55 people, is an outgrowth of a local, family-owned tractor dealership. The project is a perfect example of Chattanooga's entrepreneurial spirit.

Transportation

Chattanooga has a strong history in the transportation arena. While railroads made Chattanooga prosperous in the 1800s, they also made it a military target during the Civil War. In the twentieth century the area became a major intersection in the Southeast with the advent of the interstate system with excellent north/south access via I-75 and I-59 and east/west access via I-24. Chattanooga is home to more than seventy common and contract carriers, including two of the nation's top transportation companies.

Air transportation services are provided by the Chattanooga Metropolitan Airport Authority. Currently Chattanooga is served by Delta Airlines, U.S. Airways, American Eagle, Allegiant Air, and Vision Airlines offering flights to Atlanta, Charlotte, Chicago, Dallas, Destin/Ft. Walton Beach, Detroit, Orlando, Tampa and Washington D.C. During 2012, passenger flow of traveling passengers included 307,162 enplaning passengers and 309,766 deplaning passengers for a total passenger flow of 616,928. General aviation services are provided by Chattanooga Aero, Crystal Air, Star Aviation Services/Star Avionics, Inc. Fixed base operators are TAC Air and Wilson Air Center. Privately owned and operated airport facilities include Collegedale Municipal Airport and Dallas Bay Skypark. All airport facilities are conveniently located from the downtown area of the City and provide such services as aircraft sales, instruction, charter services, fueling and maintenance of aircraft.

Railway service is provided by four divisions of the Norfolk

Southern Railway System and two divisions of the CSX Transportation System, all with switching service throughout the entire area. Modern "piggyback" service is provided by all lines.

Because of Chattanooga's proximity to the Tennessee River, there is easy access to 16,000 miles of navigable waterways. River navigation has contributed greatly to the economic and industrial development of the Tennessee Valley as a whole and directly to the development of Chattanooga and was recently used to transport the first turbine manufactured at Alstom.

The City is one of the region's major transportation hubs. The Chattanooga Metropolitan Airport, which is easily accessible due to proximity to the intersection of I-24 and I-75, is a full service airport providing facilities for the general aviation sector, as well as the commercial passenger sector for southeast Tennessee and north Georgia.

In addition to the City's service by three interstate highways, seven U.S. highways and five State highways, there is one interstate bus line that operates from the City to all other major cities. Multiple daily departures are made via privately operated shuttle service to and from major metropolitan areas surrounding Chattanooga, such as Atlanta and Nashville. Local mass transportation service is furnished by the Chattanooga Area Regional Transportation Authority.

In addition, channelization of the Tennessee River to a nine-foot minimum navigable depth from its junction with the Ohio River at Paducah, Kentucky to Knoxville, Tennessee gives the City the benefits of year round, low-cost water transportation and a port on the nation's over 16,000 miles of navigable waterways. This system, formed largely by the Mississippi River and its tributaries, effectively links the Chattanooga with the Great Lakes in the north and the Gulf of Mexico in the south, with cargo passing through the lock with origin or destination in 17 states.

For several years Chattanooga has been a driving force in the high speed rail initiative connecting Atlanta and Chattanooga. With population growth projections indicating Atlanta and Chattanooga will continue to have significant



growth toward one another, it is important we plan now for our future mobility in the region. Chattanooga continues playing a key role in the Atlanta-Chattanooga High Speed Rail corridor project. The Georgia Department of Transportation (GDOT) as the lead agency for the Project has submitted a draft administrative report to the Federal Rail Agency (FRA) on the Tier 1 Environmental Impact Study (EIS) required by FRA. Discussions between FRA and GDOT regarding procedures for moving the project forward are to be completed prior to GDOT's accessing \$13.8 million in Federal Maglev Development Program funds for completion of the EIS requirements. Matching funds in the amount of \$3.3 million have been raised for accessing the federal funds with the Tennessee Department of Transportation (TDOT), City of Chattanooga, City of Atlanta and the State of Georgia participating.

An earlier feasibility study to extend the corridor on to Nashville from Chattanooga was successfully completed by the Arcadis Group under the direction of Chattanooga's Enterprise Center indicating enhanced ridership revenue from Nashville with the connection into Atlanta. Recently, with FRA funding, GDOT contracted with the HNTB Group to examine the feasibility of extending the corridor on to Louisville. The study was successfully completed with Chattanooga's Enterprise Center and TDOT as participants.

Manufacturing

Manufacturing is a proud part of Chattanooga's past and an essential key to its future. In the early part of the twentieth century, Chattanooga built a foundation of prosperity on a diverse manufacturing base that made every kind of product imaginable, including engines, synthetic silk, furniture and baked goods. Today Chattanooga continues the tradition of innovation as companies locate and expand here to produce products for the new millennium. Over 1,000 manufacturing companies call Chattanooga home, working in twenty industry segments and employing over 29,000 people. Chattanooga, within one day's drive of 70% of U.S. consumer markets, is regularly named as a five-star distribution location for manufacturing. The City's unique location provides access through an exceptional system of roads, rails and waterways which means rapid fulfillment and simplified transportation logistics.

Chattanooga's strong manufacturing tradition gives us a head start in creating successful modern manufacturing operations for the 21st Century. The Chattanooga area has a workforce with experience and skill in manufacturing greatly due to local post-secondary programs. Education is targeted toward our manufacturers through Chattanooga State's Industrial Training Programs and the University of Tennessee at Chattanooga's (UTC) Engineering Program. Chattanooga State is in the top tier among schools with similar offerings and has programs that can be customized to meet the needs of individual manufacturers. The National Center for Computational Engineering, located at UTC, is a world-class computer simulation program that has the ability to proto-type new products for manufacture and serves as a magnet for new industrial talent and ideas.

Future Oriented Economic Growth

While Chattanooga has a proud manufacturing heritage and an impressive manufacturing base, many believe future oriented economic growth requires at least a partial shift to producing knowledge and intangible services. In this area Chattanooga is far ahead of almost everyone. Because of Chattanooga's reputation for technological innovation, we joined two other U.S. cities as one of the world's seven smartest cities in 2011 as determined by the Intelligent Community Forum (ICF), a New York-based think tank that studies 21st Century growth within the global community.

Chattanooga has engendered outstanding transformation over the last several years by using innovative technologies to create jobs. We've earned our place on the international map and expect to continue making waves in the global community as we pursue further leadership in 21st Century. Chattanooga was praised for leveraging some of the latest information and communications technology to spark job creation. Our participation in the ICF intelligent communities' process supported our efforts to communicate Chattanooga's tremendous technology story. Our community has established a national reputation for its quality of life and an international business brand by recruiting world-class companies. Now we're capturing headlines for pioneering the uses of next generation data infrastructure.

The infrastructure for much of this transformation is the smart grid developed by EPB, the city-owned electric utility.



Discussion of smart grid technology usually centers on the automated meter infrastructure program. The smart grid developed by EPB goes beyond automated metering to built-in intelligence that reorients itself to find alternative paths for electricity when there are power outages. This is an integral need for the growing manufacturing community. Chattanooga won national recognition with the Cornerstone Award for deploying America's largest and fastest fiber-to-home network at the 2011 Broadband Properties Summit held in Dallas. The award is the latest in a string of national and international awards recognizing Chattanooga's fiber optic network, which is capable of delivering gigabit Internet speeds to every home and business in a 600 square mile area. EPB became the first in the nation to offer this speed of internet service.

The "gig" provides a technology platform that sets us apart from every other community in the U.S. and all but a handful in the world; it has been the impetus for companies to relocate their technical infrastructure here. With multiple technology-based start-up companies calling the Chattanooga home, the City is pioneering new ways to support entrepreneurs and taking a very creative approach to enrich the pool of tech talent. The GigTank is one way to connect entrepreneurs with the tools, capital and contacts needed to go to market. It is the world's only accelerator on a living fiber network, enabling next-generation businesses to go to market today. Each summer business leaders hold competitions bringing entrepreneurs and students from all over the world to Chattanooga to spend 100 days developing ultra-bandwidth applications with a view to permanent relocation to Chattanooga. Chattanooga's technology infrastructure and an impressive entrepreneurial support system, present a significant opportunity for early-stage companies. This environment for innovation and entrepreneurship is an economic development engine to drive our City's economy far into the future.

The ICF honored the City of Chattanooga for having the Coolest Broadband App for deploying an ultra high-speed wireless network called the mesh network. Access points are being installed throughout the city with plans to cover Chattanooga's entire homeland security district in wireless coverage. The mesh network can be used for enhancing public services ranging from smarter traffic controls to better coordination of police, as well as dozens of other services. Police are experimenting

with a device that uses a laser to digitally record every aspect of a crime scene in 3-D, allowing investigators to navigate the scene in 3-D to analyze clues previously missed.

Chattanooga is home to the National Center for Computational Engineering (the SimCenter) at the University of Tennessee at Chattanooga. The SimCenter is a center for integrated research and education whose primary goals are to establish next-generation technologies in computational modeling, simulation and design, to educate a new breed of interdisciplinary computational engineer, and to provide consequent leadership and national impact in critical technology areas. It has established a national reputation for excellence in solving real-world engineering problems in diverse fields such as hydrodynamics, aerodynamics, propulsion, heat transfer, electromagnetics, and computational design optimization. The SimCenter serves as the focal point for a new university-based technology community which makes Chattanooga a significant part of the Tennessee Valley Technology Corridor and will strengthen the high-technology intellectual base of Chattanooga to stimulate and support ongoing economic development initiatives.

Chattanooga continues to distinguish itself for offering a technology platform that sets us apart from every other community in the U.S. and all but a handful in the world. The high-speed internet is connecting the entrepreneurial community in Chattanooga to the global economy. We are the best place in America for entrepreneurs who are working to define the future of the Internet as everyone else will experience it in five to ten years.

Another technology project is the North Shore street light project. Induction lights and LED street lights are being installed to replace outdated high pressure sodium lights with radio controls. The use of radio controlled lights offers operators point-to-point real time communication with individual light data. They can quickly spot and correct malfunctions as well have control over a full range of safety and emergency settings such as brightness and strobe settings. This point-to-point communication allows safety personnel to easily identify emergency locations and quickly program the lights to aid in evacuation efforts including a sequential pulse to indicate a



disaster evacuation route or to lead emergency vehicles to the scene of an accident. Energy efficient lights are expected to reduce energy consumption 64% and create positive effects for our environment. Also because LED and induction lights have a longer life span than traditional lights, the City anticipates savings in maintenance costs. This pilot project could be a first step to replacing all of the street lights in the city.

Downtown Development

Chattanooga's Waterfront has been heralded as a model of urban renewal. Southern Living in July 2007 said: "An utterly inspiring turnaround. Chattanooga proves that a vision, a plan, and a community that cooperates can make big dreams happen." The key to Chattanooga's renaissance, which began in the mid 1980's, was the realization of the importance of our downtown. The Moccasin Bend Task Force was appointed by local governments to lead the community in an inclusive planning process to outline future development plans for the river corridor between the Chickamauga Dam and the Marion County line. The visionary plan which grew out of the task force has reconnected the City to the magnificent Tennessee River. It has resulted in the City making over its image, founding new sources of pride for its citizens and fueling the engine for central economic development.

Chattanooga's renaissance began with the visionary plan of the Moccasin Bend Task Force to reconnect the City to the magnificent Tennessee River. The first phase of this development resulted in the Tennessee Aquarium, the Tennessee Riverpark, the Walnut Street Pedestrian Bridge and Coolidge Park. Hundreds of millions of dollars were invested in this necklace of recreation, historical exhibits, new housing, museums, working industry, hotels, shopping and tourist attractions along the banks of the river. The next phase of the plan began during the late 1990's in the Southside Redevelopment District, a large former industrial area south of the central business district. This phase of the plan provided an opportunity to create a model community by rebuilding the district's job base and revitalizing housing opportunities. In the heart of the district is a convention center and conference center complex. The final step of the master plan was completed in 2005 with the 21st Century

Waterfront Development. The \$120 million, 129-acre vision, capitalizing on the public/private partnerships that have made Chattanooga a model for urban revitalization, transforms the downtown riverfront with a careful combination of development, preservation and enhancement that honors the history and beauty of the area. The waterfront development included expansion of the Tennessee Aquarium and the Hunter Museum of American Art, renovation of the Creative Discovery Museum, enhanced public spaces along both shores of the Tennessee River, and a dramatic underground passageway to the river marking the beginning of the Trail of Tears. The City's share was approximately \$70 million. Now it is time for the next great master plan.

The seal of Chattanooga depicts a large bend of the Tennessee River as seen from Lookout Mountain. This area of the river is called Moccasin Bend and has distinct geographical attributes which have made it of strategic importance as a crossroads within the North American continent throughout the centuries. As a result, the area contains a unique array of contiguous prehistoric and historic sites which chronicle important aspects of human history. Because of the extraordinary density, complexity and integrity of sites which include Native American villages, the remains of Civil War earthworks and other sites of national significance, in 2003 approximately 755 acres were designated as the Moccasin Bend National Archeological District, a unit of the National Park System.

An integrated conceptual plan is in design for the next phase of downtown development for the gateway to the new Moccasin Bend National Archeological District. This integrated plan will help guide future development, identify and design high quality public spaces, identify potential connections and protect the integrity of our natural and cultural resources. We have much to look forward to as we work with the Friends of Moccasin Bend National Park to construct a cultural/visitor center on Moccasin Bend. This new facility, along with other interpretive features, will allow Chattanooga to showcase the history of this special place for the benefit of both the American public and international audiences. With evidence of over 12,000 years of human occupation, overlaid by the Trail of Tears and Civil War



artillery emplacements, and complemented by outstanding views of the Tennessee River and surrounding mountains, Moccasin Bend provides a unique experience for visitors to downtown Chattanooga.

The Tennessee Riverwalk, a joint venture between the City of Chattanooga and Hamilton County, is a jewel with an unparalleled long stretch of greenway. It has brought people back to the river and has been an economic development tool attracting companies to Chattanooga because of the “intangibles”. Currently the Riverwalk, reaching from the Chickamauga Dam to Ross’s Landing downtown, has approximately eight miles of wide pavement for walking, biking, roller-blading, boat ramps and pavilions along the Tennessee River. Two extensions are in progress: one will stretch from Renaissance Park on the north side of the Tennessee River and end at Moccasin Bend National Park, while the other will stretch from Ross’s Landing to St. Elmo and the foot of Lookout Mountain. The ultimate goal is for the Riverwalk to run from the Chickamauga Dam to the Chickamauga National Battlefield at Fort Oglethorpe.

Our downtown renaissance is a monumental turnaround. Most of the vital attractions, stores and restaurants in the downtown core are either housed in former railroad and warehouse infrastructure or are built on top of industrial sites, which was all part of the plan to bring people back to downtown. The heart of Chattanooga is now a popular tourism, entertainment and residential place, as well as the business hub of the region.

One of the new and exciting projects underway is Cameron Harbor, a mixed-use development on the Tennessee River opposite Moccasin Bend National Park that sits on a 9-acre former industrial tract. Cameron Harbor will be an extension of the city’s waterfront project, creating a resort atmosphere on the river in the heart of downtown. The mixed-use development consists of townhouses, a hotel, a restaurant, and a marina. The Townhomes at Cameron Harbor will be assorted styles of architecture with a touch of coastal ambiance, dubbed “Tennessee coastal”. Prices will range from \$1 million to \$1.8 million with 2,500 to 4,200 square feet per unit. The townhouses will be LEED certified and will have broad porches with views of the river. The

hotel is the first built on the city’s downtown waterfront. Most rooms will feature magnificent river views; the hotel will have about 3,000 square feet of meeting space and will include a visually stunning piazza overlooking the river. A world-class restaurant, also planned on the water, will share the piazza of the hotel and will be built predominately of glass to maximize river views. The city is expanding the marina at Ross’s Landing by 65 boat slips providing the townhomes convenient access to the Tennessee River as well as providing rental and transient boat slips. The Riverwalk will be extended from the 21st Century Waterfront Project at nearby Ross’s Landing and will eventually connect to Alstom Power further downstream.

Impact of Tourism On the Economy

Chattanooga is a source of pride for its citizens and a hub for activity, whether in the Southside, on the NorthShore or at the waterfront. Tucked between the mountains of Southeast Tennessee, along the beautiful Tennessee River, Chattanooga is one of America’s most breathtaking cities and one of the South’s top travel destinations. In addition to casual tourists, top sporting events are held each year. These impact the bottom-line of the City’s budget through hotel-motel tax and sales tax revenue. According to the Chattanooga Area Convention and Visitors Bureau, Chattanooga’s tourism industry generates more than \$19 million in local sales tax revenues and supports over 8,500 full time jobs.

The reclamation of the riverfront for public use was recognized by the CBS Morning Show and has made Chattanooga a model eco town and tourist hotspot. American Style Magazine ranked Chattanooga as the number two mid-sized city arts destination. Outdoor Magazine and Runner’s World have featured the outdoor activities that help attract millions of visitors to Chattanooga each year. National Geographic has included the area in one of only 15 geotourism mapguides in the world, spotlighting this region as one of the treasured natural places on the globe. The New York Times named Chattanooga one of the “Top 45 Places to go” in the World. Only four US destinations were named with the Scenic City being the only place outside of California.

Top sporting events recently held in Chattanooga were the



Head of the Hooch, Amateur Softball Association (ASA) national championships and the National Softball Association (NSA) World Series. Head of the Hooch is a rowing regatta that features teams from across the country and around the world and is held in November. This two-day event is the second largest rowing event in the country. The ASA Girls' Class "A" 16-Under Fast Pitch national championships were held at Frost Stadium and Summit of Softball, both city-owned complexes. This was the most attended recruiting tournament in the nation and drew players from all 50 states and Canada with over 170 teams participating and 300 college coaches present. The NSA Girls' Glass "A" fast-pitch world series for ages 10, 12, 14, 16 and 18 brought over 150 teams to Chattanooga.

Quality of Life

Living in Chattanooga means that outdoor views and adventures are around every corner, but Chattanooga is much more. Over the last four decades, the City has been winning acclaim for our unique way of working together to produce national best practices for cleaning up air pollution, downtown revitalization and affordable housing. With a metropolitan population of over 530,000, Chattanooga blends "big city" amenities with "small town" ease of living. Area residents enjoy the friendly atmosphere, moderate housing costs, and easy commuting typically associated with smaller communities while the city's cultural and recreational opportunities rival those in much larger metropolitan areas. Chattanooga has electric buses with routes that run every five minutes on major downtown streets and is the first city in the nation to have a one gigabit per second Internet service available to the entire community. Surrounded by the breathtaking natural beauty of the Tennessee mountains, Chattanooga has been named as one of America's most livable cities by national publications.

Chattanooga's historic neighborhoods, each with its own distinctive personality and energy, are experiencing revitalization. Nearly every urban neighborhood is in close proximity by foot, bike or free electric bus to major downtown employers, schools, restaurants, entertainment venues or attractions. As a result many people are opting

to move back to downtown where they can be close to a pedestrian-centered lifestyle. The Southside once flourished with the famed "Chattanooga Choo-Choo" and industry. This unique part of town has begun to blossom with clusters of art galleries and a variety of one-of-a-kind restaurants. Developers are committed to using the historical buildings for new purposes while preserving green spaces. Residents embrace being near the bustling downtown area while being just far enough away to live in a quiet and neighborly area. The Southside is home to the City's newest urban park, the Main Terrain. The Northshore neighborhood is beautifully situated on the Tennessee River, perhaps Chattanooga's most eclectic community, boasts a wealth of newly restored single-family 1940's-style bungalows along with luxury condominiums. Here you will find boutiques, restaurants, coffeehouses, galleries, salons and day spas, and even dance steps on the sidewalk. The area is home to two large city parks – Coolidge Park, with its play fountains and carousel, and the new Stringer's Ridge trail. Many find this a convenient, quiet place to live just a walking bridge away from downtown.

The Chattanooga Convention Center is one of the nation's top-ten green convention centers; it was the first in the nation to incorporate a farm-to-table program, providing fresh produce, bread, meats, cheese and coffee from local and in-state purveyors. The City's has recently built two new fire stations, each achieving Leadership in Energy and Environmental Design (LEED) certification. The Chattanooga Metropolitan Airport Authority shares the City's vision for sustainability by working toward LEED certification for all new construction projects. Their west side corporate aviation development has been awarded the highest level of LEED certification – platinum. BlueCross BlueShield of Tennessee committed to achieve gold certification for their headquarters overlooking downtown Chattanooga; today they are the largest LEED gold-certified corporate campus in the state and the second largest in the nation. Chattanooga is competing on a global basis companies with this same emphasis on sustainability. Alstom achieved gold certification for their expansion – a benchmark of excellence in the manufacturing sector. Volkswagen redefined the auto plant with the only LEED platinum-certified plant in the world. All of these recognize the need to be thoughtful stewards of the environment, both to protect our natural resources and



to reduce energy costs.

Solar technology is becoming a common site in Chattanooga, from parking meters to larger scale efforts. The Chattanooga Parking Authority is operating multi space solar and single space solar powered meters. The airport has operational a one megawatt solar farm that provides energy to offset the entire west side corporate aviation campus. Once the full vision of three megawatts is realized, the Chattanooga Airport will be effectively energy self-sufficient and carbon neutral. In January 2013, Volkswagen powered-up the largest single solar installation at an automotive manufacturing facility in the United States and the biggest solar installation in the state of Tennessee. The solar park occupies 33 acres and is designed to produce 13.1 gigawatt hours of electricity per year -- equivalent to the energy consumed annually by around 1,200 homes in the area. The electricity produced from the solar park is expected to meet 12.5% of the energy needs of the plant during full production and 100% during non-production periods.

Sustainable practices are also evident in other areas. The city has nearly completed Phase I of an energy efficient street lighting project after a successful pilot project in one of Chattanooga's premiere public parks. By merging locally designed and manufactured LED and induction light fixtures with innovative wireless radio control technology, Chattanooga has the world's most advanced lighting and energy monitoring system. Chattanooga is also committed to advancing innovative green infrastructure technologies. The Main Terrain, a distinctive urban art and fitness park located in the Southside, also functions as a stormwater management site. Each week, up to 40,000 gallons of accumulated stormwater will be reused to supplement irrigation with an additional 1.5 million gallons of water saved annually from entering the city's sewer system by the on-site detention ponds. Additionally the airport has partnered with the City to return a Brainerd Road area to a green grass site demonstrating the use of green infrastructure for stormwater runoff in a national water quality project.

Recreation and Arts

Cultural and recreational opportunities in Chattanooga

rival those in much larger metropolitan areas. Add to these the area's breathtaking natural beauty and you have one of the nation's most livable cities with much to offer people from all walks of life. The Tennessee River Blueway, a designated river trail, flows through downtown Chattanooga and offers a unique urban and wild paddling experience. Industrial sites in downtown Chattanooga give way to the high, forested walls of the Gorge, where thousands of acres are protected. The extensive greenway system led Bicycling Magazine to rank Chattanooga in the Top 50 Bike-Friendly Cities. The newest addition for outdoor enthusiasts is Stringer's Ridge, urban forest just minutes away from the heart of downtown which offers more than eight miles of hiking and biking trails with breathtaking view.

The Bluff View Art District is a historic neighborhood with restaurants, a coffee house, art gallery, historic bed and breakfast and plazas. Master gardeners tend to the dramatic landscaping features, including the award-winning River Gallery Sculpture Garden, noted by the Smithsonian in its Archive of American Gardens. The Southside, with its historic buildings, industrial architecture and revitalized community, has become a hub to experience boutique shopping, an array of cuisine, public art, working studios and fine galleries.

Chattanooga has undergone an amazing transformation over the last twenty years and has received numerous accolades. The city's commitment to the arts has helped draw artists and art lovers to take up residence here. As a result art is everywhere from the side of a walking path to downtown sculptures; even distance on the Riverwalk is marked by colorful metal sculptures.

State and Local Economy

We've raised Chattanooga in the national consciousness; major publications are including us at the top of their lists for quality living and economic potential and our community has recruited a number of companies with world-wide name recognition. With all the positive economic movement, the City's unemployment rate in June 2013, the latest month available, was 9.9 percent, which is higher than the U.S. and state jobless rates of 7.8 and 8.8 percent. The MSA rate was improved at 8.5 percent.



Tennessee's state sales tax collections suggest that we are continuing the recovery from the worst recession on record; the local economy is bouncing back as well. Our community has recruited and retained companies with world-wide name recognition. Chattanooga's population growth has outpaced Tennessee's other major cities, excluding metro-Nashville, and the state as a whole since the 2010 census.

The City's two largest local revenue sources are sales and property taxes. The local option sales tax rate is 2.25 percent county-wide. By state law, 50% of the county-wide local option sales tax is dedicated to schools. The City earmarks .25 percent of its share of the local option sales tax for economic development. In 2010, the property tax rate was lowered to \$1.939 per \$100 of assessed valuation due to reappraisal of all property in Hamilton County to 100 percent market value. This was the lowest tax rate for the City since 1958 largely due to growth in the economic base. The current property tax rate, increased in FY2011, is \$2.309 per \$100 of assessed value. Year over year construction permits are up nearly 5 percent while permits for construction of single-family homes are up almost eight percent. This will provide continued growth for the City's property tax base.

Hamilton Place Mall, Tennessee's largest shopping destination has brought in many tourists and locals with its mix of new and familiar stores and restaurants. The 1.2 million-square-foot mall, which opened in 1987 and was renovated in 2011, has approximately 150 stores and 40 restaurants. CBL and Associates, the mall's owner and developer of major retail space nationwide, maintains their national headquarters on a multi-acre site on the south perimeter of the mall.

The City's capital initiatives reflect the commitment to public safety, economic development, and long-term sustainability for infrastructure of the City. In addition to the operating budget, over \$59 million was appropriated for major initiatives in fiscal year 2014. Major projects include \$15.9 million for public infrastructure such as paving, road improvements, sidewalks, parks development and maintenance, as well as transportation projects; \$3.8 million for technology development and upgrades; \$2 million for fleet replacement; \$1.6 million in public safety projects such as digital radios, building maintenance, and completion of the

police firing range; \$3.4 million for Economic & Community Development; \$28.4 million for Interceptor Sewer for its Consent Decree requirement; \$2.4 million to update water quality/storm water infrastructure, and \$1.5 million for other capital projects.

Importance of Education

Chattanooga has a rich heritage in education dating back to the early 1800s when a school was established for the education of the Cherokee. That tradition continues with the Hamilton County Board of Education, numerous private schools and new charter schools. In 2012 Governor Bill Haslam announced that six Hamilton County Schools were ranked in the top ten percent of schools in Tennessee with another ten schools in the top twenty-five percent. The City's newest middle/high schools were not included in the rankings. The Middle College High School, a partnership with Chattanooga State, allows students to finish high school while taking college-level courses and simultaneously receive an associate's degree. Magnet programs are also provided which combine parental involvement to create a progressive learning atmosphere. One magnet school, The International Baccalaureate World School, is a downtown work-site magnet school that concentrates on classical studies. Another magnet program, the STEM School, emphasizes skills in science, technology, engineering and math (STEM). Business and education sectors in Chattanooga have united to cultivate a local workforce prepared for the jobs of the future. Mayor Berke has recently commissioned the new department of Youth and Family Development to incorporate technology-based approach reading skill development with recreation activities. Children will be encouraged to spend time each day to accelerate literacy while having fun.



Demographics

During 2002 thru 2010, the population for Chattanooga increased 7.8 percent and Hamilton County showed an increase of approximately 8.1 percent.

Census Year	City Area	City of Chattanooga	Hamilton County	State of TN	Decennial % Change	
					City	County
1960	36.7	130,009	237,905	3,567,089	-0.8	14.2
1970	52.5	119,923	255,077	3,926,018	-7.8	7.2
1980	126.9	169,565	287,740	4,591,120	41.4	12.8
1990	126.9	152,466	285,536	4,877,855	-10.1	-0.8
2000	126.9	155,554	307,896	5,689,283	2.0	7.8
2010	144.0	171,349	336,463	6,346,105	10.2	9.3
2011	149.7	167,674	340,855	6,399,787		
2012	149.7	170,136	345,545	6,456,243		

The county's land use is predominately agricultural woodland with approximately 587 square miles or 21.2% having been developed.

Miles of Streets (Inside City)..... 1,151
Miles of Streets (County-wide).....2,829

Elections (County-wide):
Registered Voters.....220,875
Votes Cast in Last Major Election (Aug 2012).....50,562
Registered Voters Voting.....23.41%

Elections (City-wide):
Registered City Voters.....111,324
Votes Cast in Last City Election (March 2013).....18,245
Registered City Voters Voting.....16.39%

Racial Composition

Hamilton County, Tennessee	Hamilton County	Tennessee
White alone, percent, 2012(a)	75.70%	79.30%
Black or African American alone, percent, 2012(a)	20.10%	17.00%
American Indian and Alaska Native alone, percent, 2012(a)	0.60%	0.40%
Asian alone, percent, 2012(a)	1.90%	1.60%
Native Hawaiian and Other Pacific Islander alone, percent, 2012(a)	0.10%	0.10%
Two or More Races, percent, 2012	1.60%	1.60%
Hispanic or Latino, percent, 2012(b)	4.80%	4.80%
White alone, not Hispanic or Latino, percent, 2012	71.80%	75.10%

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories

Source: US Census Bureau State & County QuickFacts, June 2013

Housing Costs

Year	Median Sale Prices
2007	\$130,900
2008	\$131,870
2009	\$122,600
2010	\$121,400
2011	\$121,400
2012	\$129,100p

p- preliminary

Source: Chamber of Commerce Community Profile July 2012

Service Statistics

Education

There are 77 public schools in the Hamilton County School System. The type and number of schools in the County are as follows: Elementary (45); Middle (12); High (20). Based on the 20th Day Enrollment Report for the 2013-2014 school year, a total of 42,673 students are served by this system.

There are 41 private and parochial schools in the Chattanooga area with combined enrollment of 11,247 students.

Facilities

Convention & Meeting Facilities (Capacity)

Soldiers and Sailors Memorial Auditorium (4,843); Chattanooga-Hamilton County Convention & Trade Center (312,000 sq. ft.); Tivoli Theater (1,800); McKenzie Arena (12,000); Engel Stadium (7,000); Finley Stadium (20,000); The Chattanooga (25,000 sq. ft.); AT&T Field (6,300); Robert K. Walker Community Theatre (8,921).

Cultural Activities & Facilities

Hunter Museum of American Art, Houston Museum of Decorative Arts, Bluff View Art District, Chattanooga Ballet, Chattanooga Theatre Center, UTC Fine Arts Center, Chattanooga Symphony and Opera Association, Arts & Education Council, Chattanooga Boys Choir, Chattanooga Girls Choir, Bessie Smith Performance Hall, Cultural Center, Oak Street Playhouse, Creative Discovery Museum, Regional History Center, Tennessee Valley Railroad Museum.



City-County Recreational Facilities

- 98 Parks
- 75 miles Bike Lanes
- 8 Private/9 Public Golf Courses
- 8 Country Clubs
- 16 Community Centers
- 67 Hotels and Motels (9,000+ total rooms)

Customer Services

Electric Power Board:
 Electric Customers.....173,418
 Electric Rate for residential.....\$0.1027/kw-hr

Public Works:
 Solid Waste Accepted at Landfill (tons).....86,792
 Miles of Pavement Markings (Center line).....500 miles
 Signalized Intersections.....322

Interceptor Sewer System:
 Net Assets.....\$258 million

Volumes:

- ◆ Approx. 69.7 MGD or 25 billion gallons per year
- ◆ 55 mil lbs/yr BOD removed at 95.1% efficiency
- ◆ 74.6 mil lbs/year TSS removed at 94.2% efficiency
- ◆ 71,762 tons/yr biosolids land applied
- ◆ 4.5 million gallons of septage per year

Waste Load Distribution:

- ◆ 50% Domestic Waste approx. 220,000 persons
- ◆ 50% Industrial Waste 79 permitted industries

Areas Served other than city.....11

Sewer and Pump Stations:
 Miles of sewer.....1,263
 Diameter.....2 to 96 inches
 Major Pump Stations.....8
 Minor Pump Stations.....62
 Residential/Grinder Stations.....195
 Combined sewer overflows.....9

Police Protection:

Sworn Officers.....486
 Crime Index (CY12).....12,869
 Crime rate (per 1,000 pop.-CY12).....72.05
 Parking Violations (CY12).....1,989
 Moving Violations (CY12).....49,685
 Calls for Service (CY12).....225,208

Fire Protection:

Sworn Officers.....429
 Fire Stations.....19
 Front Line Ladder Trucks.....2
 Front Line Fire Engines.....11
 Front Line Quints (Engine/Truck Combination).....13
 Fire Responses.....8,153
 EMS Responses.....7,837
 Average Response Time (minutes).....5:10

Economic

Bond Ratings

Fitch.....AA+
 Standard & Poor's.....AA+

Building Permits Issued & Value

2002.....2,330.....\$287,929,751
 2003.....2,596.....\$345,528,832
 2004.....2,500.....\$347,658,477
 2005.....2,678.....\$388,424,847
 2006.....2,667.....\$415,215,320
 2007.....2,387.....\$673,609,683
 2008.....1,186.....\$347,269,516
 2009.....1,360.....\$435,957,827
 2010.....1,896.....\$266,466,115
 2011.....2,105.....\$392,043,677
 2012.....2,383.....\$619,129,674

Values are based on the current industry averages as published by the Southern Building Code Congress International (SBCCI).

Source: Land Development Office



TOP NON-MANUFACTURERS

<u>Employer</u>	<u>Number of Full-Time Employees</u>	<u>Type of Product / Service</u>
Hamilton County Dept. of Education	4,480	Elementary & Secondary Schools
BlueCross BlueShield of Tennessee	4,282	Insurance
Tennessee Valley Authority	4,180	Utility - Electric Service
Erlanger Health System	3,176	Health Care
Memorial Health Care System	3,171	Health Care
Unum	2,800	Insurance
City of Chattanooga	2,251	Government
Amazon.com.dedc LLC	1,879	Distribution Center
Hamilton County Government	1,763	Government
CIGNA HealthCare	1,350	Insurance
The University of TN at Chattanooga	1,153	University

TOP MANUFACTURERS

<u>Employer</u>	<u>Number of Full-Time Employees</u>	<u>Industry</u>
McKee Foods Corporation	2,650	Cakes & Cookies
Volkswagen Chattanooga	2,459	Automobiles
Pilgrim's Pride Corporation	1,500	Poultry Slaughtering & Processing
Astec Industries, Inc	1,348	Asphalt & Construction Equipment
Roper Corporation	1,200	Cooking Products
Chattem Inc.	670	Health & Beauty Products
Koch Foods, LLC	610	Poultry Producer, Processor
Chattanooga Coca-Cola Bottling Co.	491	Soft Drinks
Komatsu America Corp.	420	Heavy Construction Equipment
Southern Champion Tray, LP	410	Folding Cartons
Alstom Power	405	Industrial, Utility Boilers & Fabrication
Wrigley Manufacturing Company LLC	391	Confections

Source: Chattanooga Area Chamber of Commerce Major Employers List - 2013.



City Officials as of July 1, 2013

Mayor:

Andy Berke

Chief of Staff & Counselor to the Mayor:

Travis R. McDonough

Chief Operating Officer:

Andrew Kean

City Council:

Chip Henderson**	District 1	Carol Berz	District 6
Jerry Mitchell	District 2	Chris Anderson	District 7
Ken Smith	District 3	Moses Freeman	District 8
Larry Grohn	District 4	Yusuf Hakeem*	District 9
Russell Gilbert	District 5		

*Chairman

**Vice-Chairman

Legislative Staff: Sandra L. Freeman, Clerk to Council

Legal: Wade A. Hinton, City Attorney

City Court: Russell Bean, City Court Judge
Sherry Paty, City Court Judge



Department Administrators and Directors:

Finance & Administration:

Daisy W. Madison, CPA, Administrator
Vickie C. Haley, CPA, Deputy Finance Officer

Fire:

Lamar Flint, Chief
Chris Adams, Executive Deputy Chief

General Services:

Cary M. Bohannon, Director

Public Works:

Donald L. Norris, Administrator
Justin Holland, Deputy Administrator

Human Resources:

Todd Dockery, Director
Richard J. Beeland, Deputy Director

Youth & Family Development:

Lurone Jennings, Administrator

Economic & Community Development:

Donna C. Williams, Administrator
Anthony O. Sammons, Deputy Administrator

Transportation:

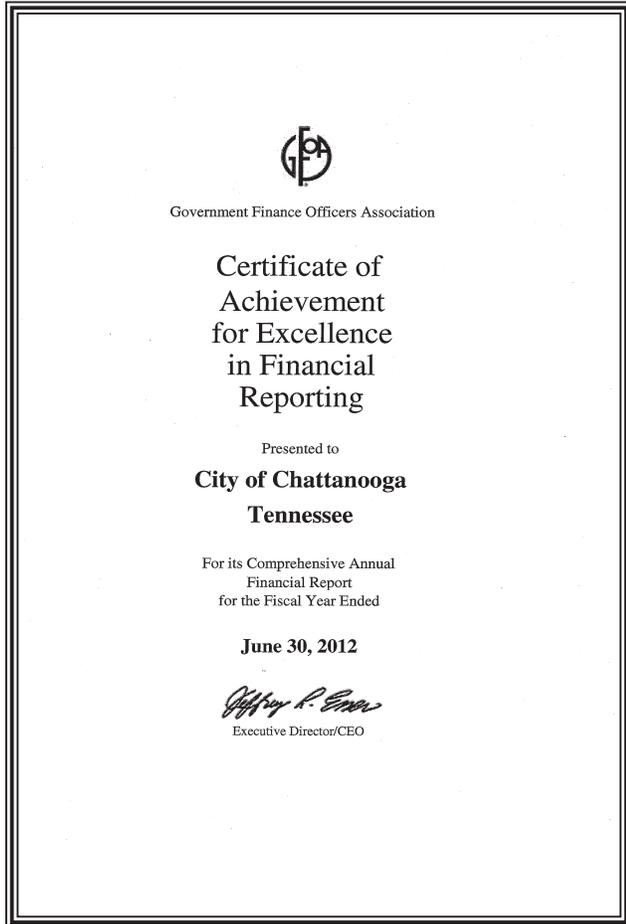
Blythe Bailey, Administrator

Police:

Bobby H. Dodd, Chief
Tommy Kennedy, Deputy Chief

Awards of Achievement

We are honored to have received, for the past twenty years, the Certificate of Achievement for Excellence in Financial Reporting for the City's Comprehensive Annual Financial Report (CAFR). The Fiscal Year 2013 CAFR is currently being submitted for review.



The New York Times (January 2012) named Chattanooga as one of 45 cities worldwide (and one of only four U.S. cities) to visit in 2012. After being famously called the “dirtiest” city in America by Walter Cronkite in 1969, Chattanooga has “undergone a dramatic overhaul with radical gentrification plan and an aggressive citywide push to lure artists.”

The City of Chattanooga has also been recognized by:

- *U.S. News & World Report* as one of the “Cities that Work.”
- In 2012, the *Wall Street Journal* calls Chattanooga home to “one of the nation’s strongest local economies.”
- *CNN Travel* calls Chattanooga a “regional gem,” and “Scenic City USA” with “literally dozens of attractions packed along the city’s downtown riverfront.”
- In July 2012, *Chattanooga Times Free Press* reported “Chattanooga’s population growth outpaces other [Tennessee] cities.”
- *Utne Reader* magazine as one of the 10 “Most Enlightened Cities”.
- *Walking Magazine* as one of “America’s Best Walking Cities”.
- *New York Times* article entitled “Smaller U. S. Airports Are Increasingly Popular”.
- *National Geographic* established the “Tennessee River Valley” Geotourism website, which features the Tennessee River Valley region in one of only 15 such projects in the world, and the only river region in the world to be featured.
- *Forbes Magazine* says “technology makes Chattanooga great place for business”
- *Outside Magazine*, October 2011: Named Chattanooga “Best Town Ever” based on reader votes.
- *MSN Money* calls Chattanooga a “New Hot Retirement Spot...where the amenities include hiking and biking trails, an aquarium and a thriving local arts scene”.
- *Livability.com* Designated Chattanooga as having one of the Top 10 Most Livable Downtowns in 2012
- *Where to Retire* magazine selected Chattanooga to profile as a top retirement town in the March/April 2011 issue.
- *IFC’s* Top 7 Intelligent Community of the year in 2011
- *American Planning Association* designated the Walnut Street Bridget as one of 10 Great Public Spaces for 2013.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Chattanooga
Tennessee**

For the Fiscal Year Beginning

July 1, 2012

Christopher P. Movill *Jeffrey R. Emery*

President

Executive Director

For seventeen years, the City of Chattanooga has received the Distinguished Budget Presentation Award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The award is valid for a period of one year only. We believe our 2014 budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Mayor Andy Berke



Mayor Andy Berke was born on March 31, 1968 in Chattanooga, Tennessee to Marvin and Kandy Berke.

His grandfather, Harry, founded a local law practice in Chattanooga aimed at representing and helping Tennesseans. From assisting someone who was discriminated against for his military service to talking to someone who just needed some advice, the Berke family law practice worked to make someone's life better. Growing up in a family devoted to solving problems for individuals, Mayor Berke learned the value of helping others while giving back to and improving one's community.

After graduating with honors from Stanford University in 1990, he worked as a legislative assistant in the office of Tennessee Congressman Bart Gordon. Seeing Congressman Gordon's attentiveness to his constituents' needs, Mayor Berke decided public service was where he could best serve his community.

He graduated with honors from the University of Chicago Law School in 1994. Following law school, he worked as a law clerk for Judge Deanell Tacha of the United States Court of Appeals for the Tenth Judicial Circuit in Denver, Colorado. During this time he also taught at Kansas University Law School as an adjunct professor.

Elected to the State Senate in 2007 and re-elected to a second term in 2008, Mayor Berke became the Vice-Chairman of the Senate Democratic Caucus. During his tenure, he worked on key legislation like Tennessee Works, First to the Top, and Complete College Tennessee and served on the Senate Education and Transportation Committees. In 2008, he was appointed by Governor Phil Bredesen to the State Workforce Development Board. In addition, the State Legislative Leaders Foundation nominated him to attend its Emerging Leaders Program at the Darden School at the University of Virginia Business School. He attended the 31st American-German Young Leaders Conference in Germany. Recently, he was honored by the Tennessee PTA as the 2012 Legislator of the Year and the Tennessee Education Association's 2012 Friend of Education Award for his commitment to improving public education across Tennessee. Previously, the County Officials Association of Tennessee had named him its legislator of the year, as had the Southeast Tennessee Development District. Lipscomb University's Institute for Sustainable Practice awarded him its Public Official of the Year.

Mayor Berke is a past President of the Chattanooga Association for Justice, and was a charter member of the local chapter of the Inns of Court. Prior to his election as Mayor, he worked as a board member of the Siskin Children's Institute, the local public television station, WTCI, the Chattanooga Nature Center, and the Tennessee Holocaust Commission. At his daughter's elementary school, Normal Park Museum Magnet, he has been on the PTA board and worked on the Superintendent's Parent Advisory Committee.

He was elected to serve as Mayor of Chattanooga on March 5, 2013, winning over 70% of the electoral vote. Mayor Berke has focused his public service on making streets safer, providing every child with the opportunity for success, promoting economic and community development, and ensuring that government budgets on outcomes and effectiveness. He is married to Monique Prado Berke and they have two daughters: Hannah, who is in eighth grade, and Orly, a fifth grader.



Chip Henderson, District 1, Vice Chairman

Councilman Henderson's business experience started in 2006/2007 when industry experienced a building boom which resulted in an increase in revenue for his company. He made the decision to take profits and completely eliminate financial debt while also building cash reserves. This decision became instrumental in weathering the economic crisis of 2008. His education includes: Jacksonville State University, Tennessee Temple University, and Gordon Lee High class of 1978. His activities include involvement in church and have been for many years. As a current member of Temple Baptist Church, he serves as the Children's Chapel Director. Before that while a member at Bible Way Baptist Church, he served as Bus Driver, Middle School Sunday School Teacher, and Kid's Club Bible Teacher. Outside of church, he is a football and lacrosse official as well as a registered Beekeeper. He has coached softball, baseball, basketball, and football at different age levels for the Lookout Valley Community. He served on the LVES PTA as a member for 16 years, 2 of which he was the President. He has also served on the Executive Board for Lookout Valley Recreation, and is a member of the Southeast Tennessee Football Association and US Lacrosse Association. He was also elected to the Hamilton County School Board where he served as both Vice Chair and Chairman. He has also become a member of the Tennessee Valley Beekeepers Association. His wife of 31 years, Deanne, have raised three children and now have one grandchild within the 26 years they have lived in Chattanooga's District 1. His favorite quotation is "Government should provide collectively what we cannot provide individually."

Councilman Henderson serves as Chairperson of the RPA (Planning Committee).

District 1 consists of the following precincts: Hixson 1; Lookout Valley 1; Moccasin Bend; Mountain Creek 1 & 3; Northwoods 2.

Jerry Mitchell, District 2

Councilman Jerry Mitchell, a first-time candidate, defeated two opponents vying to replace retiring Councilwoman Sally Robinson.

Councilman Mitchell has spent his entire career in private and public sector management positions. Jerry attended St. Jude School and graduated from Notre Dame High School and attended college at UTC, UTK, and Florida State before taking his first full time job with a local non-profit – Senior Neighbors of Chattanooga.

As Director of Senior Employment Services at Senior Neighbors, Jerry managed a team of 80 people. He learned about job creation and workforce issues and worked closely with local partners to place seniors in work positions around the region. This early experience with workforce development led to Jerry's next position that gave him all-important international business experience.

At Tel-a-Train, Jerry was Vice President of International Operations and US Sales for workplace training products. For ten years this work took him to Canada, Central and South America, Asia, Australia and across the US. He managed 40 employees, as well as several distributorships and satellite offices.

Two subsequent positions involving computer solutions for manufacturing and staffing found Jerry closer to home and ready to engage in a civic role. As a lover of the outdoors, Jerry volunteered to lead the creation of Chattanooga's Recreate 2008, the city's first comprehensive recreation plan. As a volunteer he worked closely with city staff, the professional recreation consultants, neighborhoods, and other city leaders. The success of this planning process led to Jerry being asked by Mayor Jon Kinsey to become head of City Parks and Recreation in 1998 and implement the plan.

Working for both Mayors Jon Kinsey and later Bob Corker, Jerry led a department of over 300 employees responsible for the operation, programming and upkeep of the city's parks, playgrounds, golf courses, civic facilities, zoo, and recreation centers. His administration oversaw an increase in parkland – including Coolidge Park, The Champions Club in Lupton City, DuPont Park



in Hixson, Enterprise South Nature Park and the 21st Century Waterfront. Jerry also directed the creation of the Public Art Plan and the development of the Outdoor Initiative, both intended to improve quality of life as a local economic development generator. Jerry increased efficiencies by reducing operating expenses the final three years of his leadership of Parks, Recreation, Arts & Culture.

Under Jerry's leadership the Department of Parks and Recreation took citizen involvement to a new level, engaging people in how the city could best serve recreational needs in their own neighborhoods, and across the city as a whole. His department led a public process that resulted in one of the nation's best recognized Public Art Programs – and one that continues to attract most of its funding from private or national partners. The Outdoor Initiative has served as an essential part of the Chattanooga Area Convention and Visitors Bureau strategy, as well as a major recruitment tool for the Chamber of Commerce. As Jerry's time at Parks, Recreation, Arts & Culture drew to a close in 2005, he helped celebrate the opening of the 21st Century Waterfront. The \$120 million dollar improvements of Ross's Landing and the Northshore area used no general fund dollars and have attracted economic generators like the Head of the Hooch to Chattanooga, as well as providing an amazing place for Chattanooga families to enjoy each other's company.

After seven years in public service, Jerry returned to private business working in commercial real estate and new store development for 2NDS in Building Materials, Inc. a Chattanooga based company.

Jerry has now committed himself full time to connecting with his fellow District 2 neighbors and voters, learning what is important to them, and helping people understand his own thoughts about the future of the district and the city. Jerry continues to enjoy all things outdoors in his spare time. Jerry and his wife Carla Donina live in North Chattanooga and have three children, son Taylor, who lives in District 2 and is employed locally, and two daughters, Sara and Julia, who attend colleges out of town.

Councilman Mitchell serves as Chairperson of the HR Committee (Human Resources)

District 2 consists of the following precincts: Lupton City; North Chattanooga 1 & 2; Northgate 1 & 2; Riverview; and Stuart Heights.

Ken Smith, District 3

Ken is a local businessman, community advocate and father of three, ages 2 through 14 years old. He currently works for The Johnson Group as the firm's Chief Information Officer and previously owned a small business in Chattanooga for the last 10 years. His experience as a small business owner exposed him to the economic hardships, payroll challenges and budget cuts, and most of all, the importance of developing a strong, clear vision for getting back to the basics. Ken believes that without fully addressing critical needs, success is hindered right from the beginning. His community involvement spans from volunteering to serving as chairman of non-profits to mentoring future leaders through Leadership Chattanooga. Ken currently serves as the Board Chairman of Re:Start - The Center for Adult Education and the Leadership Chattanooga Alumni Association, and serves on the Board of Directors for Chattanooga's Kids on the Block and Friends of Hixson. His experience serving on non-profit boards and working with Leadership Chattanooga exposed him to dealing with state and locally funded budgets, critical leadership and organizational skills needed to build consensus among multiple parties, and the importance of using limited resources to achieve the maximum impact in the community. As a father of three children, Ken is very concerned with the future of Chattanooga. Although it is a beautiful place to live and raise a family, he believes there are short and long-term needs that need to be better addressed for Chattanooga to reach its potential. These include managing growth and development, creating strong and vibrant neighborhoods, bringing better transparency and more accountability to city government, and addressing our critical infrastructure needs. Ken's focus will be to bring inclusive and positive leadership to the City Council by being a voice of the



citizens and getting back to the basics of providing essential services to the taxpayers of Chattanooga. Ken and his family attend Hixson United Methodist Church where his children attend Sunday School and Youth Group and his wife serves on the Education Board.

District 3 consists of the following precincts: Dupont; Hixson 2 & 3; Murray Hills 1 & 2; Northwoods 1.

Larry Grohn, District 4

Lawrence Owen Grohn was born and raised in San Antonio, Texas, and lived there for 38 years. His parents were Anton Charles Grohn and Addie Shaw Grohn, both native Texans. He was the younger of two sons. All of his immediate family is deceased. Larry has two sons, six grandchildren and one great-grandchild who live in Texas and Oklahoma. He was a single parent for 10 years before he met and married Army Major Carol Werschky Grohn (retired) in 1986. He followed her career hither and yon until she retired in 1996 and took on other opportunities.

Larry worked for Sears, Roebuck and Co. from 1970 to 1985. He ended that career as a divisional sales manager responsible for a \$3.8 million sales budget and managing 24-40 employees in his departments. In 1986 Larry returned to college full-time to pursue a second career as a secondary school teacher. He began teaching at the age of 42 after completing his undergraduate degree in History (University of Texas) and Master's Degree in Education (University of Kansas). He was certified in Kansas, Oklahoma, and Colorado receiving umbrella certifications in science and social studies. At one time or another he taught the following courses at the middle and high school levels: life science, mathematics, geography, U.S. history, world history, A.P. US history, AP world history, economics, psychology, civics, chemistry, physics, earth science and geology.

In addition, Larry coached freshman high school basketball, high school junior varsity baseball, and 8th grade girls and boys basketball. He continues to play baseball himself and until recently played and managed in the Chattanooga area adult baseball league. He also sponsored and coached chess teams at the middle

and high school levels, taking teams to city, region, state and national tournaments. He recently resigned his position of tournament coordinator for the Tennessee Chess Association due to the pressing demands of the council position. He is a member of the Tennessee Chess Association and the US Chess Federation and serves as a teacher, mentor and resource for instructional chess materials in the Chattanooga area.

Larry and Carol are active members of Woodland Park Baptist Church, the Chattanooga Tea Party, the Tennessee Republican Party, the local Pachyderm Club and other related clubs. Larry is a member of the Brainerd Kiwanis Club and...

In April 2013, with the help of many supporters, Larry waged a successful and hard-fought primary and runoff campaign to win the Chattanooga 4th District City Council seat against a 12-year incumbent. Aware that he is one of nine council members, this role is at once collaborative among others on the Council, other civic and business leaders, and the Mayor, yet also supportive to his district constituents. Always looking for a win/win, Larry's motto is "Believe in Better."

Councilman Grohn serves as Chairperson of the Audit Committee.

District 4 consists of the following precincts: Concord 2, 4, 5, & 7; East Brainerd 1 & 2; Summit 4.

Russell Gilbert, District 5

Councilman Gilbert is a Food Service Director at Parkridge Valley Hospital. He's also an entrepreneur whose non-profit organization, "Angels in Flight", provides industrial and arts training to area children. Councilman Gilbert has also worked to revitalize the Washington Hills Recreation Center and football field. These areas provide a safe haven for community children to spend time and play. He also coordinates the McKenzie Football Camp for Kids and is the coordinator of the Highway 58 Neighborhood Association Coalition, a group of over 3,000 households working together to improve their neighborhoods in Murray Hills, Lake Hills, Washington Hills, Mimosa Circle, Chickamauga and Bal Harbour.



Councilman Gilbert serves as Chairman of the Youth and Family Development Committee.

District 5 consists of the following precincts: Bonny Oaks; Dalewood; Eastgate 1 & 2; Kingspoint 1, 2 & 3; Lake Hills; Woodmore 1 & 2.

Carol B. Berz, District 6

Carol Berz is the Chief Executive Officer of Private Dispute Resolution Services, LLC, a mediation services and training organization headquartered in Chattanooga, Tennessee, and serves as a Chattanooga City Councilwoman representing District 6.

A civil and family mediator, Dr. Berz is listed by the Supreme Court of Tennessee as a Rule 31 Neutral and Trainer in General Civil and Family Mediation and as a Trainer in the special circumstance of Domestic Violence. In addition, Dr. Berz does extensive teaching in both the public and private sectors regarding mediation, law and ethics, and collaborative problem-solving in the areas of health care, labor/management issues and government relations.

Formerly the Director of Forensic Services for Joseph W. Johnson Mental Health Center, and subsequently its Executive Director, Dr. Berz also has served as a visiting professor at the University of Tennessee, Chattanooga, teaching social policy, law and ethics. She is a Board Certified Diplomat in Clinical Social Work, with extensive post-doctoral training in mediation, law, ethics and conflict management system design.

Dr. Berz served as the Chair of the Curriculum and Continuing Education Committee of the Mediation Association of Tennessee before becoming its President. She also chaired the Mediation component of the Hamilton County Courts' Pilot Project relative to Tennessee's Parenting Plan law and spent eleven years as a commissioner with the Chattanooga Human Rights/Human Relations Commission, dealing with employment and civil rights matters. Dr. Berz was the first woman Chairperson of that body.

Dr. Berz is a graduate of Leadership America in Washington, D.C., and is a former President of the

Board of Directors, and life member of, the Moccasin Bend Girl Scout Council. She served on the Governor's Task Force on Church Burnings and the Tennessee Economic Council on Women, for whom she served as Vice Chair, Chair and most recently as head of the Economic Impact Committee. Dr. Berz is a former Chair of the Board of Managers of the Hamilton Family YMCA and a former member of the Board of Directors of the Chattanooga Metro YMCA, where she served on the Human Resources Committee. She is the 2004 recipient of the Chattanooga Area Chamber of Commerce Athena Award, a sustaining member of Chattanooga's Women's Leadership Institute, and recently was honored by the City of Chattanooga for her unique contributions toward advancing equality of opportunity among the citizens of the City. Other professional memberships include the Association of Professional Family Mediators, the ADR Section of the American Bar Association, and the National Association of Social Workers, where she serves as a mediator for the national organization

Dr. Berz studied liberal arts at Emory University and human service administration at the University of Tennessee, Chattanooga. Her master's degree in social policy was completed at the University of Tennessee, Knoxville; her law degree was completed at the Nashville School of Law; and her doctorate in social policy was completed at the University of Tennessee, Knoxville, in cooperation with Bryn Mawr College. In addition, Dr. Berz is a graduate of the Program on Negotiation at Harvard Law School's Insight Initiative Summer Learning Forums. Dr. Berz is an IFTA certified Personal Trainer and is further certified by the Aquatic Exercise Association (AEA) and by the YMCA/USA as an Instructor and Trainer in Aquatics, where she specializes in sports training and aquatic kick-boxing.

Carol serves as Chairperson of the Budget and Finance Committee.

District 6 consists of the following precincts: Airport; Brainerd; Brainerd Hills; Concord 1, 3 & 6; Ooltewah 3; Summit 1; Tyner 1 & 2.



Chris Anderson, District 7

Chris Anderson is a life-long resident of Chattanooga. He is currently Director of Food & Beverage for the Bluff View Art District, a European-style village of restaurants, inns, shops, and specialty kitchens. The facility employs over 150 people and is an iconic part of downtown Chattanooga.

Over the past fifteen years, Chris has worked actively in his community to advocate for policies that strengthen our neighborhoods. He's committed to working side-by-side with residents and community leaders to make District 7 and Chattanooga a better place to live.

Chris also serves as Vice Chair of the Chattanooga-Hamilton County Regional Health Council, promoting health and safety in his community through policy recommendations and guidelines.

Chris and Phillip, his partner of ten years, live in downtown Chattanooga with their two dogs, Jackson and Jefferson.

Councilman Anderson serves as Chairman of the Economic and Community Development Committee.

District 7 consists of the following precincts: Alton Park 1 & 2; Downtown 1 & 2; East Lake; St. Elmo 1.

Moses Freeman, District 8

Councilman Freeman graduated from Tennessee State University in 1960 and also attended graduate school at the University of Chattanooga and Southern University in Baton Rouge, LA. Moses is married to Louise D. Freeman; he has one son, Eric, and two grandchildren - Jonathan and Joseph, along with one great-granddaughter, Kaleigh June Freeman.

Moses worked under former Commissioner of Education John Franklin as Executive Assistant and retired from the City of Chattanooga in 2000 as Administrator of the Department of Neighborhood Services. Moses worked at Community Impact of Chattanooga as a physical revitalization neighborhood specialist. He is Co-Owner of Urban Development Corporation and built several

homes in the downtown M. L. King neighborhood. He is a member and Trustee at Second Missionary Baptist Church where he also served as church treasurer. A former teacher at Howard High School and former Boys Club Director here in Chattanooga, Moses also served as Executive Director of the Northeast Florida Community Action Agency in Jacksonville Florida.

Councilman Freeman served as past president of the Riverbend Festival, Fortwood Mental Health Association, M. L. King Neighborhood Association and the Council on Alcohol and Drugs Treatment Center and a board member of numerous other organizations including the Chattanooga Area Urban League. Moses is a life member of Kappa Alpha Psi Fraternity, the National Association for the Advancement Colored People (NAACP) and the Howard High School National Alumni Association.

Moses has also been very active in Chattanooga-Hamilton County political community serving on many campaigns and was elected countywide to serve as a commissioner of the Metropolitan Study Charter Commission. He also served as campaign manager and in other posts with several candidates for mayor of Chattanooga, City Council candidates, several judicial candidates, and other elective offices in Chattanooga and Hamilton County.

Presently he serves as a commissioner on the Chattanooga Metropolitan Airport Authority and The Chancellor's Roundtable at the University of Tennessee at Chattanooga. He is also Chairperson of the Public Safety Committee.

District 8 consists of the following precincts: Amnicola; Avondale; Bushtown; Courthouse 1 & 2; Eastside 1 & 2.

Yusuf Hakeem, District 9, Chairman

In March 2013, District 9 voters returned Councilman Yusuf Hakeem to the position he had held for five terms, beginning in 1990. Councilman Hakeem resigned from the City Council in 2006 when appointed by Gov. Phil Bredesen to the Tennessee Board of Probation and Parole, from which he has now retired. During his first



15 years on the City Council, he served as the Council's first Vice Chairman and as Chairman of the Council in 1996, 2000 and 2001. At the first meeting of the new Council he was chosen by his fellow Councilmembers to serve as Chairman for the coming year.

Councilman Hakeem is a 1966 graduate of Howard High School and graduated from Chattanooga State Technical Community College with a major in electronics. He attended the University of Tennessee at Chattanooga and pursued studies in economics. He is retired from 25 years service at the General Electric Corporation.

Councilman Hakeem served as a member of the Chattanooga Board of Education for ten years, and is a 1987 graduate of the Leadership Chattanooga program. He has served on multiple boards, including the Chattanooga-Hamilton County Planning Commission Zoning Board, Chattanooga Community Impact Fund, Tennessee Human Rights Commission, Chattanooga Downtown Redevelopment Corporation, and is the former chairman of the Chattanooga-Hamilton County/North Georgia Transportation Planning Organization.

During his first tenure on the City Council, he led an eight-person delegation to Chattanooga's Chinese sister city, Wuxi, to further the two cities' working relationship.

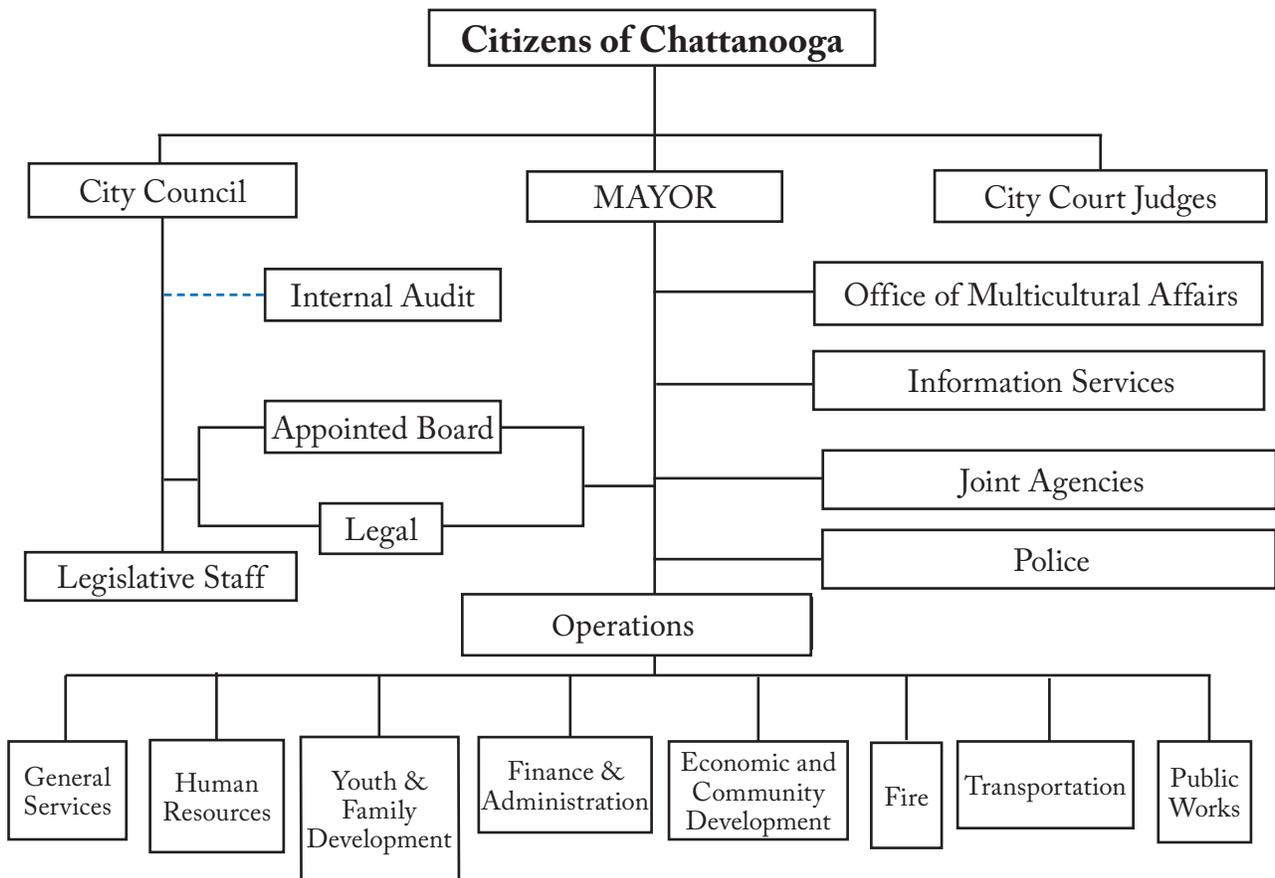
Councilman Hakeem and his wife of 48 years, Baseemah, have four children, and four grandchildren.

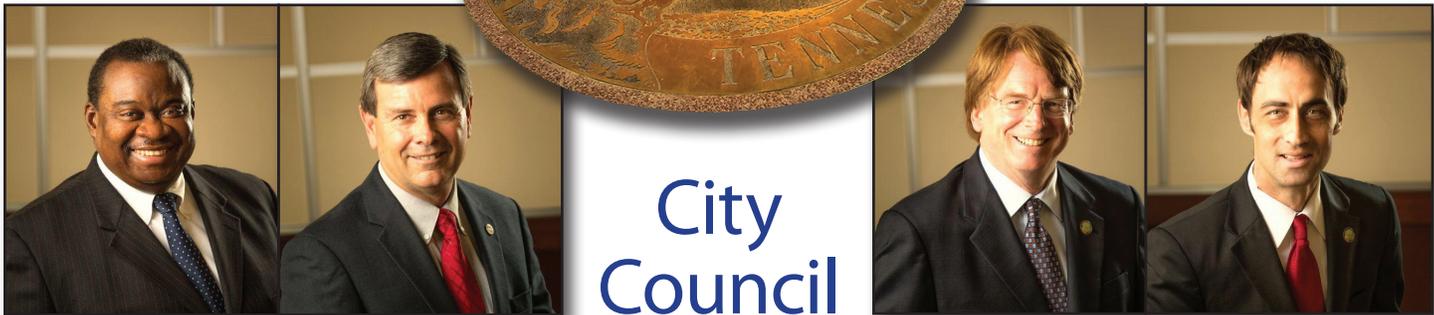
District 9 consists of the following precincts: East Chattanooga 1 & 2; Eastdale; Glenwood; Missionary Ridge; Ridgedale 1 & 2.

Council Chair and Vice Chair are elected each year in April. Councilmembers are elected for four-year term. Current term expires April 2018.



Organizational Chart





City Council

Yusuf Hakeem
Chairman
District 9

Chip Henderson
Vice Chair
District 1

Jerry Mitchell
District 2

Ken Smith
District 3



Larry Grohn
District 4

Russell Gilbert
District 5

Carol Berz
District 6

Chris Anderson
District 7

Moses Freeman
District 8



**Daisy W. Madison, CPA, CGFM,
City Finance Officer**

Daisy W. Madison was hired as Deputy Finance Officer in 1992 and appointed to the position of City Finance Officer by Mayor Ron Littlefield in 2005. She is a graduate of Alabama State University with a Bachelor of Science in Accounting and also attended University of Cincinnati. She is a Certified Public Accountant with over 22 years of experience in financial accounting and auditing which include 10 years as staff auditor for the U.S. General Accounting Office, Arthur Anderson & Company and audit manager for the internal audit division of Hamilton County government. Prior to coming to the City, she served as Director of Financial Management for Hamilton County government for over 10 years. Mrs. Madison initiated the first successful attempt by the City to obtain the GFOA certificate of achievement in financial reporting and the first GFOA Budget Award which was instrumental in the city's achieving an upgraded bond rating. She is past president of the Tennessee Government Finance Officers Association and serves on the GFOA standing committee on Debt Management and is a member and past president of the Association of Government Accountants. She is involved in numerous community and civic organization which promote a better quality of life in Chattanooga. Daisy and her husband of 36 years, Sam, are the proud parents of four children and five grandchildren.
Office Phone: 757-5232

**Vickie C. Haley, CPA, CGFM
Deputy Administrator**

Vickie Haley, who was appointed as Deputy Administrator in 2006 began her service with the City in 1993 as an accountant. She obtained a Bachelor of Science in Business Administration from Old Dominion University in Norfolk, VA. As a CPA she has worked as an auditor in regional CPA firms in Norfolk and in Chattanooga. She has served on the Special Review Committee for GFOA's certificate of achievement in financial reporting, as an officer of the Chattanooga chapter of the Tennessee Society of Certified Public Accountants and the Chattanooga chapter of the Association of Government Accountants. She has two children and four grandchildren.
Office Phone: 757-4912.

**Fredia Forshee Kitchen, CPA, CGFM
Director of Management & Budget Analysis**

Fredia Kitchen was promoted to Budget Officer in March, 2000. She holds a Bachelor of Science degree from Austin Peay State University located in Clarksville, TN. She has obtained certificates for Certified Public Accountancy and the Certified Government Financial Manager issued by the Association of Government Accountants. Prior to her appointment to the position of Budget Officer, her career with the City began in 1980 where she started out in Payroll, moving to Budget in 1984 as a Budget Analyst, then gaining promotion to Senior Budget Analyst, and later to her current position of Director of Management & Budget Analysis. In addition to major budget duties, she monitors all City Investments, performs Revenue and Bond Analysis, including gathering data for official statement preparation. **Office Phone: 757-0524**



**Simone M. White,
Management & Budget Analyst 2**

Simone White joined the City in March 1993 as a Budget Analyst. In November 2000 she was promoted to her current position. She handles budgets for Finance, Police, ISS, and manages Capital planning for the City. Prior to joining the City, she was a Business Analyst for the City of Charleston (South Carolina). Simone holds a Bachelor of Science in Accounting from Clemson University. She has been a reviewer for the GFOA's Distinguished Budget Awards Program for over 12 years. Her other activities include serving as past president of the Chattanooga Chapter Association of Government Accountants, Daisy Girl Scout Leader, member of Delta Sigma Theta Sorority, and other church/community activities. Simone and her husband, Jerrold, are busy parents of triplets. **Office Phone: 757-0534**

**Christy Creel
Management & Budget Analyst 2**

Christy Creel was hired by the City in 2008 and joined the Budget Department in 2009. In August 2011 she was promoted to her current position. Prior to working with the City she worked as a Staff Accountant for Chattanooga Neighborhood Enterprise. Christy holds a Bachelor of Business Administration in Accounting from Shorter College. She handles budgets for the Public Works, Transportation, and Solidwaste. She is a Member of the Chattanooga Chapter Association of Government Accountants. Christy and her husband, Stephen, have two children. **Office Phone: 425-7874**

**Ulystean J. Oates, Jr.,
Management & Budget Analyst 1**

Ulystean was hired by the City in January, 2008. He has over 19 years experience in the accounting and finance profession which includes governmental accounting, corporate finance, internal audit and supply chain management. He holds a Bachelor of Science with double majors in Finance and Economics from the University of North Alabama, Florence. His areas of responsibility include, Air Pollution, Human Resources (including Employee Benefits), Fire Department, Regional Planning. He is also the MTAS Benchmarking Project lead analyst. He is married to Shana and they have two boys. **Office Phone: 757-4751**

**Misty O'Malley
Management & Budget Analyst 1**

Misty was hired by the City in November 2011. Prior to joining the City, she was a Credit Analyst for a local community bank. Misty holds a Bachelor of Business Finance and Masters of Business Administration from the University of Tennessee at Chattanooga. She handles budgets for the Executive, Economic and Community Development, and Water Quality departments. She is a member of the Chattanooga Chapter Association of Government Accountants. Misty and her husband, Steven, have one child. **Office Phone: 757-0520**

**Teresa (McDougal) DiDonato
Management & Budget Analyst 1**

Teresa DiDonato was hired by the City in October 2012 as a Management & Budget Analyst. She has over 15 years experience in Health Care Management which includes, Supervision, Governmental Compliance, corporate & governmental budgeting, and extensive internal/external auditing background including LEAN and ISO Certification. Teresa holds a Bachelor of Science in Finance. She handles budgets for City Council, City Attorney, City Judges, Internal Audit, Youth and Family Development, State Street Aid, and Supported Agencies. Teresa is originally from St. Petersburg, FL and has two children. **Office Phone: 757-0535**



