

STATE OF TENNESSEE
COUNTY OF HAMILTON

**UNIFIED COMMUNICATIONS AGREEMENT
ADDENDUM**

Parties

This Addendum ("the Addendum") to the Unified Communications Agreement ("the Agreement"), a copy of which is attached hereto and incorporated herein by reference as Exhibit "A," is between and among the Hamilton County Emergency Communications District ("the District"), a municipality and public corporation created pursuant to the Emergency Communications District Act (T.C.A. 7-86-106), Hamilton County ("the County"), a political subdivision of the State of Tennessee, the cities of Chattanooga ("Chattanooga") and East Ridge ("East Ridge"), and the cities of Collegedale, Red Bank, and Signal Mountain ("the Cities"), which are chartered municipalities of the State of Tennessee and, hereafter, all may be referred to collectively as, "the Parties."

Law

The Parties enter into the Addendum and the Agreement based upon their statutory and corporate powers, including, but not limited to, the provisions of the Intergovernmental Agreement Act (T.C.A. 5-1-113), the Interlocal Cooperation Act (T.C.A. 12-9-101), and the Emergency Communications District Act, specifically at T.C.A. 7-86-105 (b) (6).

Purposes

The District, the County, Chattanooga, and East Ridge have previously approved the Agreement and seek to be covered by the terms of the Addendum. The Cities seek to approve the Agreement and the Addendum, for, among other things, the purposes set forth in the Agreement, and the supplemental terms herein. The District seeks to approve the Addendum in order to apply a cost adjustment plan ("the Plan") to the Parties.

NOW, THEREFORE, BASED UPON THE PURPOSES ABOVE AND THE AUTHORITY OF THE LAWS CITED, THE PARTIES AGREE AS FOLLOWS:

Section 1. Approval of the Agreement and Addendum

- A. The Cities adopt and approve the Agreement in the form attached hereto as Exhibit "A" and as executed by the District, the County, Chattanooga, and East Ridge on January 8, 2008; provided, however, that any terms contained herein that are contrary thereto shall take precedence over the Agreement.
- B. The Parties adopt and approve the Addendum

Section 2. Cost Adjustment Plan

- A. The District has authorized and agrees to maintain a cost adjustment plan ("the Plan") that is applicable to the Parties in the form attached and incorporated herein by reference thereto as Exhibit "B."
- B. The Plan reduces the amount payable by each Party under the Agreement by \$20,000 per year, subject to the availability of funds to the District for this purpose, which amount shall be credited to each Party on a quarterly basis during each fiscal year.

Section 3. Funding Schedule

The District has approved a revised funding schedule that is attached and incorporated herein as Exhibit "C" ("the New Funding Schedule"), which shall be applicable to the Parties.

Section 4. Presentation of Annual Budget

The District shall submit to the Parties, on or before March 1, the amount of each Party's contribution for the fiscal year that begins the following July 1.

Section 5. Amendment

The Addendum may only be amended in writing. To be effective, any amendment must be approved by the approval of all Parties' governing bodies.

Section 6. Notices

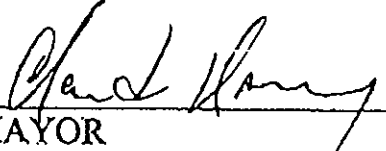

Any notice required hereunder shall be sent to the Mayor of each Party and the District, County, City or Town Attorney of each Party.

Section 7. Legal Effect

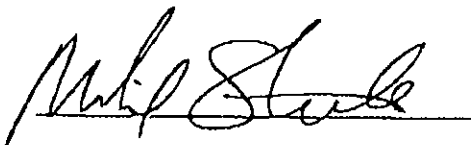
The Addendum shall have legal effect according to its terms upon signing by the Parties and the District.

SIGNED THIS ____ DAY OF _____, 2008:

FOR THE COUNTY:

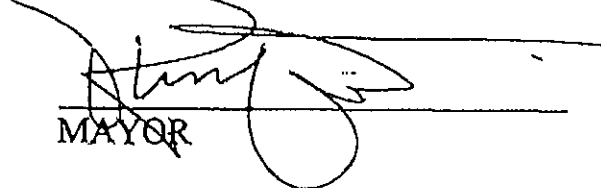

MAYOR


ATTEST:

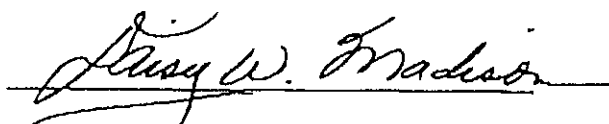


FOR EAST RIDGE:

FOR CHATTANOOGA:


MAYOR

ATTEST:



FOR COLLEGEDALE:

Mike Stuck
MAYOR

ATTEST:

Quente D. Adams

FOR RED BANK:

Joe Glassmoot
MAYOR

ATTEST:

Christopher Perry

FOR THE DISTRICT:

Dan Allan
CHAIRMAN

ATTEST:

John Stuck

John C. Suran
MAYOR

ATTEST:

[Signature]

FOR SIGNAL MOUNTAIN:

Paul M. Kendrick
MAYOR

ATTEST:

Hanna Kogler

EXHIBIT "A"

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STATE OF TENNESSEE
COUNTY OF HAMILTON

UNIFIED COMMUNICATIONS AGREEMENT

Parties

This Unified Communications Agreement ("the Agreement") is between and among the Hamilton County Emergency Communications District ("the District"), a municipality and public corporation created pursuant to the Emergency Communications District Act (T.C.A. 7-86-106), Hamilton County ("the County"), a political subdivision of the State of Tennessee, and the cities of Chattanooga ("Chattanooga") and East Ridge ("East Ridge"), and the cities of Collegedale, Rcd Bank, and Signal Mountain ("the Cities"), which are chartered municipalities of the State of Tennessee and, hereafter, the Parties.

Law

The Parties enter into the Agreement based upon their statutory and corporate powers, including, but not limited to, the provisions of the Intergovernmental Agreement Act (T.C.A. 5-1-113), the Interlocal Cooperation Act (T.C.A. 12-9-101), and the Emergency Communications District Act, specifically at T.C.A. 7-86-105 (b) (6).

Purposes

1. The Parties enter into the Agreement for, among other things, the purpose of unifying under the authority of the District, the separate telecommunication and dispatching services ("the TDS") now provided by the County through the Sheriff and Emergency Services Departments, and the TDS of Chattanooga, East Ridge, and the Cities.

2. The Parties enter into the Agreement for the purpose of allowing the District to manage the Parties' emergency communications, defined to include call-taking and dispatching, to facilitate the saving of lives and the protection of health and property, for all citizens and visitors.

3. The Parties acknowledge that the District will not be able to fulfill the purposes stated above without adequate financial support by the Parties, but recognize that funding is subject to the availability of funds.

NOW, THEREFORE, BASED UPON THESE PREMISES, AND UNDER THE AUTHORITY OF THE LAWS CITED, THE PARTIES AGREE AS FOLLOWS:

Section 1. Unification of TDS

The Parties hereby unify under the exclusive authority and management of the District, the TDS of the County, Chattanooga, East Ridge, and the Cities, which includes, but is not limited to, receiving calls from callers using the enhanced 9-1-1 ("E-911") system, and calls that are administrative and/or non-emergency but related to public safety, and the dispatching of appropriate emergency services in response thereto. Nothing herein shall obligate the District to acquire, install, or maintain radio communications systems or towers.

Section 2. Transfer of TDS Employees

- A. TDS employees of the County, Chattanooga, and East Ridge, employed as of the effective date, may become TDS employees of the District, subject to the policies, compensation schedules and benefits of the District, except as provided below.

B. Eligible and vested TDS employees of Chattanooga may elect to remain in the Chattanooga Pension System ("the CPS") or become participants in the Tennessee Consolidated Retirement System ("the TCRS") offered through the District, if not currently enrolled therein. Chattanooga shall pay any increased cost attributable to participation in the CPS. Any reduced costs resulting from employees that remain in the CPS shall be credited to the City's funding requirement.

C. The compensation of the Parties' current TDS employees shall not be reduced by the District so long as the employee remains compliant with District policies. This does not apply to salary adjustments resulting from disciplinary actions.

Section 3. Level of TDS Service

The District shall do all things necessary and reasonable to maintain and enhance the TDS in order to fulfill the purposes stated above.

Section 4. Invitation to Other Cities

Any Hamilton County municipality not a party to the Agreement is hereby invited to join the Agreement at anytime, subject only to approval by the District Board of Directors ("the Board"); provided, however, that the applicant municipality shall make application to the Board and provide notice of the application to the other Parties, take official action to agree to the terms of the Agreement, and make payment to the District of a participation fee. The participation fee will be determined by the Board, based upon the assessment then applicable to the Cities.

Section 5. Location of TDS Facility

The TDS facility shall be located in the District premises known as the 911 Communications Center ("the Center") on Annicola Highway in Chattanooga, or at such other suitable location as the Board may provide therefore, in its sole discretion and at the expense of the District.

Section 6. Effective Date and Transition of Employees

The effective date of the transition of employees to the District shall be on or about October 1, 2008 ("the Effective Date").

Section 7. Equipment Transfer, Replacement, and Maintenance

- A. All non-District property owned by the Parties that is located at the Center on the Effective Date shall become the property of the District.
- B. The Parties shall transfer all titles thereto and warranties thereon, if applicable, to the District. All such equipment is transferred "as is."
- C. The District shall have the right to replace, remove, or dispose of any equipment on or after the Effective Date.
- D. The District shall be responsible for the repair and maintenance of all non-radio equipment at the Center after the Effective Date.

Section 8. Financial Compliance

The District shall comply with applicable Revenue Standards and regulations of the Tennessee Emergency Communications Board (TECB), and otherwise comply with applicable provisions of federal and state law. All financial records shall be subject to review and/or audit by the Parties.

Section 9. Funding

- A. The Board shall annually inform the Parties, on or before April 1, of their respective funding obligation during the subsequent fiscal year that commences July 1 and ends the following June 30.
- B. (1). Funds to be provided by the County, Chattanooga, and East Ridge for the first partial fiscal year ("the FY") during which the Effective Date occurs, shall be in such amounts as listed in Exhibit A, which is attached hereto and incorporated herein by reference. Amounts in Exhibit A will be adjusted on a pro-rated basis to reflect the Effective Date.
- (2). Increases in other operation costs shall be based on District experience and inflation. Further adjustments shall be made for funding parity based on current United States Census Bureau population for each jurisdiction and agency call volume, as determined by the Board.
- (3). Funds to be provided by the County, Chattanooga, and East Ridge for the first full fiscal year, beginning July 1, 2009, shall be no less than the amounts listed in Ex. A, subject to adjustments as authorized above, plus the average compensation increase ("the ACI") given County general government employees ("CGGE") during the FY ending June 30, 2009, for District employee compensation costs, to the extent that the CGGE ACI may be reasonably ascertained; provided, however, if the CGGE ACI is not determinable, the Board may reference an appropriate federal consumer price index in lieu thereof.
- (4). Thereafter, the same calculation shall apply; that is, the total amount paid during a full FY shall become the base amount for the next FY; and, further, that base amount, for District employee compensation costs, shall be increased by the ACI given to CGGE in the preceding FY, subject to the qualification noted in Section 9.B. (2), above. All funding as annually requested by the District is subject to the availability of funds.

- C. (1). Funds to be provided by the Cities for the first partial fiscal year ("the FY") during which the Effective Date occurs, shall be in such amounts as listed in Exhibit B, which is attached hereto and incorporated herein by reference. Amounts in Exhibit B for the first partial FY will be adjusted on a pro-rated basis to reflect the Effective Date.
- (2). Funds to be provided for the first full fiscal year beginning July 1, 2009, and the two (2) following fiscal years, shall be as stated in Ex. B.
- (3). Thereafter, the base amount, as established in Year 4 of Ex. B, will be subject to adjustment for funding parity based on current United States Census Bureau population for each jurisdiction and agency call volume, as determined by the Board, and shall be increased by the ACI given to CGGE in the preceding FY.
- (4). All funding as annually requested by the District is subject to the availability of funds.
- D. Payments by the Parties shall be made in advance quarterly amounts, due before August 1, October 1, January 1, and April 1 of each fiscal year.

Section 10. Special Advisory Committees

The District Board of Directors ("the Board") shall establish a Funding Committee and an Operations Committee to be composed of such persons as the Board may determine after consultation with the parties.

Section 11. Term and Renewal

- A. This Agreement shall have legal effect when approved by the Parties. The initial term shall be four (4) years from the Effective Date.

- B. The Agreement shall automatically renew for additional terms of four (4) years, without limit, and be applicable to all Parties according to its terms unless a Party shall withdraw in accordance with the provisions herein.

Section 12. Withdrawal

- A. Any Party may withdraw from the Agreement by providing advance written notice no less than 180 days prior to the end of a fiscal year, at which date the withdrawal shall be effective.
- B. Notice of withdrawal shall be sent to the Mayors of each Party and the District Board Chairman and a copy to the County and City Attorneys, and the District General Counsel.
- C. Withdrawal by the District or both County and Chattanooga shall terminate the Agreement.
- D. If any Party withholds funding, in whole or in part, as required herein, the District may terminate the TDS for the withholding party, upon reasonable notice.

Section 13. Termination

- A. In the event that any Party provides notice of withdrawal, representatives of the District and the withdrawing Party agree to meet within thirty (30) days of the notice and jointly develop plans for the continuity of TDS and the equitable distribution of assets, if applicable.
- B. The District agrees to maintain the TDS for any withdrawing Party for a reasonable transition period in order to avoid any interruption or inconvenience to the citizens of Hamilton County living in the jurisdiction of the withdrawing Party; provided, however, that this obligation of the District shall not extend beyond six (6) months, during which time the withdrawing Party shall be

obligated to make payments as provided above on a pro-rated basis for the transition period.

Section 14. Insurance

- A. The District agrees to maintain adequate and reasonable reserves to protect District assets, and shall maintain comprehensive liability insurance with a carrier that is Best-rated "A" or above. The Parties shall be listed as additional named insureds under said insurance coverage.
- B. In the event the District maintains asset protection in the forms mentioned, that may not be construed as any waiver of immunities and limitations of liability as may elsewhere exist, including, but not limited to, that found at T.C.A. Section 29-20-108.

Section 15. Non-Discrimination

The District shall not illegally discriminate in any manner and will observe all applicable laws so that no person, otherwise qualified, is denied an opportunity to be considered for employment.

Section 16. Severability

If any court of competent jurisdiction should declare any part of the Agreement void, illegal, or otherwise ineffective, such provisions shall be severed and the Agreement shall otherwise remain in effect according to its remaining terms and provisions, unless the severed portion is so material as to substantially alter the balance of interests expressed in the Agreement, in which event the Agreement shall fail and be of no effect, excepting the provisions hereof regarding Insurance, above, which shall not be affected.

Section 17. Amendment

The Agreement may only be amended in writing. To be effective, any amendment must be approved by the County and Chattanooga. No change may be made that adversely affects East Ridge or the Cities without the approval of the affected Cities' governing body.

Section 18. Notices

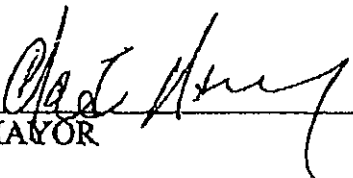
Any notice required hereunder shall be sent to the Mayor of each party and the District, County, or City Attorney of each party.

Section 19. Legal Effect

The Agreement shall have legal effect according to its terms upon signing by the County, Chattanooga, and East Ridge, and be applicable to the Cities only when approved by their respective governing body.

SIGNED THIS 8th DAY OF January, 2008:

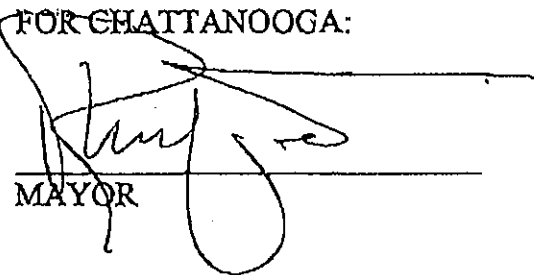
FOR THE COUNTY:


MAYOR

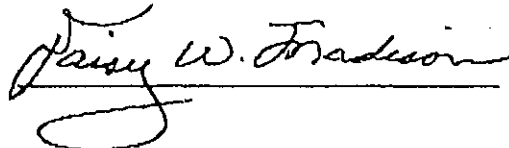
ATTEST:



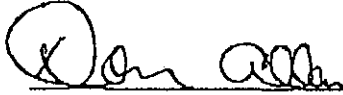
FOR CHATTANOOGA:


MAYOR

ATTEST:

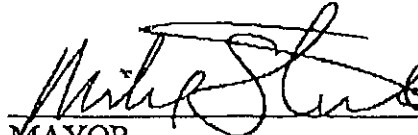


FOR THE DISTRICT:



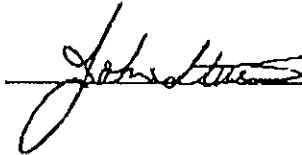
CHAIRMAN

FOR EAST RIDGE:



MAYOR

ATTEST:



ATTEST:

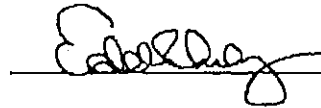


EXHIBIT "A"

It is noted that the amounts listed herein are based on the budget for the fiscal year that ends June 30, 2007 (FY 2007), and that this amount shall be updated when the budget is adopted for the fiscal year that ends June 30, 2009 (FY 2009).

| PARTY | AMOUNT |
|--------------|------------------------|
| COUNTY | <u>\$ 1,555,938.10</u> |
| CHATTANOOGA | <u>\$3,136,940.18</u> |
| EAST RIDGE | <u>\$382,881.28</u> |

EXHIBIT "B"

| PARTY | AMOUNT | | | | |
|-----------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | FORMULA PERCENTAGE | 25% | 50% | 75% | 100% |
| | | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 |
| RED BANK | | <u>\$113,006.01</u> | <u>\$134,012.02</u> | <u>\$155,018.04</u> | <u>\$176,024.05</u> |
| SIGNAL MOUNTAIN | | <u>\$46,348.99</u> | <u>\$63,900.98</u> | <u>\$81,452.97</u> | <u>\$99,004.96</u> |
| COLLEGEDALE | | <u>\$47,026.86</u> | <u>\$59,053.72</u> | <u>\$71,080.58</u> | <u>\$83,107.44</u> |

EXHIBIT "B"

COST ADJUSTMENT PLAN

The Cost Adjustment Plan ("the Plan") is to offset the enhanced call volume attributed to each agency that is caused by cellular 9-1-1 calls that cross jurisdictional lines. The Plan provides that each Party's annual funding amount, as established under the Unified Communications Agreement, be reduced \$20,000.00 per year. This amount will be quarterly credited to each Party in the amount of \$5,000.00, subject to the availability of District funds for this purpose.

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EXHIBIT "C"
NEW FUNDING SCHEDULE

Agencies FY 2006-2007 Budget for Reference*

| | Budgeted 06-07 | Unified Funding | Difference | Difference by 4 Yrs | Year 1 | | | Year 2 | | | Year 3 | | | Year 4 | | | Year 5 | | |
|--|----------------|-----------------|----------------|---------------------|------------------|-------------------------|----------------|------------------|-------------------------|----------------|------------------|-------------------------|----------------|------------------|-------------------------|----------------|------------------|-------------------------|--|
| | | | | | Funding Formulas | Less Cost Adjustment ** | | Funding Formulas | Less Cost Adjustment ** | | Funding Formulas | Less Cost Adjustment ** | | Funding Formulas | Less Cost Adjustment ** | | Funding Formulas | Less Cost Adjustment ** | |
| Chattanooga | \$3,333,221.00 | \$3,333,221.00 | \$0.00 | \$0.00 | \$1,555,838.00 | \$1,777,383.00 | \$1,655,838.00 | \$1,555,838.00 | \$1,555,838.00 | \$1,555,838.00 | \$1,555,838.00 | \$1,555,838.00 | \$1,555,838.00 | \$1,555,838.00 | \$1,555,838.00 | \$1,555,838.00 | \$1,555,838.00 | \$1,555,838.00 | |
| Harrison County | \$1,655,790.00 | \$1,655,838.00 | \$48.00 | \$48.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | \$1,655,838.00 | |
| East Ridge | \$3,969,082.00 | \$3,969,082.00 | \$0.00 | \$0.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | \$3,969,082.00 | |
| Red Bank | \$92,000.00 | \$176,024.05 | \$84,024.05 | \$84,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | \$176,024.05 | |
| Warner | \$228,757.00 | \$1,899,004.96 | \$1,670,247.96 | \$1,670,247.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | \$1,899,004.96 | |
| Collegedale | \$35,000.00 | \$53,107.44 | \$18,107.44 | \$18,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | \$53,107.44 | |
| * Unified Funding amounts for Chattanooga, Harrison County and East Ridge will be updated after FY 2008-2009 budgets | | | | | | | | | | | | | | | | | | | |
| ** Cost Adjustment Plan | | | | | | | | | | | | | | | | | | | |

↑
FY 2010