

**MINUTES OF THE  
INDUSTRIAL DEVELOPMENT BOARD  
OF THE CITY OF OAK RIDGE**

**September 8, 2015**

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on September 8, 2015 in the Training Room of the Municipal Building. David Wilson; Chairman, called the meeting to order.

**ROLL CALL**

The following members were present: Chris Johnson, Dave Mason, Hal Osucha, Buzz Patrick, Phillip Yager, Richard Chinn, Harold Trapp and David Wilson

The following members were absent: Louise Dunlap

Also present were: Doug Colclasure, Oak Ridge Citizen; Ken Krushenski, Oak Ridge City Attorney; Steve Jones, City of Oak Ridge; Greg Bailey, American Forest Management; and Samantha Royster, Executive Administrative Assistant to the IDB.

**APPROVAL OF THE AGENDA**

Mr. Mason made a motion to approve the agenda as presented. Mr. Patrick seconded the motion. The motion carried unanimously.

**APPROVAL OF THE MINUTES**

Mr. Chinn made a motion to approve the minutes of the regular meeting held August 3, 2015. Mr. Patrick seconded the motion. The motion carried unanimously.

Mr. Mason made a motion to approve the minutes of the special meeting held August 24, 2015. Mr. Trapp seconded the motion. The motion carried unanimously.

**TREASURER'S REPORT**

Mr. Johnson presented the financial report for August 2015 as follows:

Highlights of Financial Statements

- We have collected the bulk of the CAM fees for FY2016. There are only two outstanding.
- The only Income received other than CAM fees is interest income.
- Expenses for August included IDB Support fees for annual bonds of \$410, Management Services which is under budget for the year, Horizon Center Mowing and Landscape which is on budget, Horizon Center Utilities and Contingency costs which are over budget due to water leaks, and Horizon Center Improvement expense relating to the irrigation system contract with Rainscapes.
- Overall, everything is on budget other than utilities and related expenses due to water leaks at Horizon Center. This issue will be discussed further later in this meeting.

Mr. Johnson also stated that we will have a new format next month for financial reporting. We will begin providing month-to-month comparative financial reports.

Mr. Johnson also noted that Ms. Royster has been working with the Auditor on two new policies. These policies are a Fund Balance Policy and a Capitalization Policy. There will be a Finance Committee meeting later this month, and we hope to bring the policies before the board for adoption at the October board meeting. In addition, we anticipate that the auditor will have the FY2015 Audit Report ready to bring to the board at the October meeting.

Mr. Trapp made a motion to approve the financial report as given. Mr. Yager seconded the motion. The motion carried unanimously.

#### **PROSPECT ACTIVITY REPORT**

Mr. Jones reported that new industrial prospect activity remains slow. There were 4 or 5 prospects interested in Oak Ridge; however, he was only able to respond to 2 of them. The others are seeking property with spec buildings and there is none available. He continues to work with 3 good prospects, but it is a slow process.

#### **ATTORNEY REPORT**

No report

#### **EXECUTIVE ADMIN. REPORT**

Ms. Royster included a written report with the September 2015 board packet detailing the management support services she provided to and on behalf of the IDB for August 2015. The board had no follow-up questions regarding the report.

#### **COMMITTEE REPORTS**

- a. Finance Committee – No report
- b. Land Use Committee

1. Mr. Osucha reported that we have completed the process to rebid the Grounds Maintenance and Landscape Services contract for Horizon Center. Diversified Landscape Services, Inc. was the low bidder at \$32,925 for the 15 month contract with four 1 year renewal options. The low bidder took no exception to the bid specifications. Special feature allows low bidder to spend up to \$2,000 on irrigation repair with proof of work completed.

Mr. Osucha made a motion, based on the recommendation of the Land Use Committee, that the IDB award the new Grounds Maintenance and Landscape Services Contract effective October 1, 2015 to Diversified Landscape Services, Inc. Mr. Mason seconded the motion. The motion carried unanimously.

2. Mr. Osucha provided information regarding irrigation/water consumption issues. Irrigation systems are old and have deteriorated over time causing water leaks resulting in large water consumption. Since this issue became known, water has been secured and the irrigation systems are being operated under strict control until corrective actions are completed. Mr. Osucha provided information regarding two fixes to this problem- 1) Have known leaks repaired 2) Have Rainscapes Irrigation install 3 master valves after the backflow preventers to regulate water usage. He will bring estimates on replacing the irrigation systems to the board in April 2016 for consideration during FY2017 budget preparation.

Mr. Mason made a motion that the IDB spend \$1,250 to repair the known leaks and \$1,968 to install three master valves on each of the three irrigation systems in Horizon Center. Mr. Chinn seconded the motion. The motion carried unanimously.

There was a brief discussion by the board as to whether we can or should get some relief from the City as to the large water bills incurred by the IDB over the last few months. In addition, the board asked the Special Projects Committee to review the Horizon Center Covenants and provide the board specifics on what expenses can be billed to owners/tenants as Common Area Maintenance (CAM) fees.

3. In regard to the recent Timber Services Agreement between the IDB and American Forest Management, Greg Bailey provided the board a summary of the inventory and timber appraisal of areas 5 and 6 of Horizon Center. Total appraisal for both areas is estimated to be approximately \$90,000.

Mr. Bailey stated that a typical RFP to harvest the timber provides the contractor a window of up to 1 ½ years to complete the harvest and stumps are usually left in place. AFM is available to assist in an RFP process, and the IDB may contract with them for this service. A question arose concerning the presence of the Indiana Brown Bat within the appraisal area, and Mr. Bailey stated that he saw no suitable habitat in areas 5 or 6 for this species.

There was a brief discussion by the board regarding prospect activity and how quickly we need the land cleared. Also discussed was whether the IDB should post RFPs for timber harvest and stump removal or combine the two actions into one RFP. There is concern as to whether the timber value would offset the cost of the stump removal.

Mr. Patrick made a motion to send this issue back to the Land Use Committee for them to determine the necessity and most cost effective, efficient manner in which the IDB should proceed in clearing areas 5 and 6 and to bring a motion back to the board. Mr. Johnson seconded the motion. The motion carried with the resulting vote- 7 Yeas 1 Nay

4. Mr. Patrick made a motion to approve acceptance of the Landscape Proposal from Reno Land Designs, LLC in the amount of \$9,671 to landscape two island areas on Novus Drive in Horizon Center upon completion of the Rainscapes irrigation contract. Mr. Chinn seconded the motion. The motion carried unanimously.

- c. Special Projects Committee – No report
- d. Spec Building Committee – No report
- e. Policies and Procedures Committee

Mr. Yager reported that he and Ms. Royster met a couple of times during the month of August to discuss IDB Policies and Procedures. We are going through the archives to insure we know what policies/procedures are in place and what items we need to adopt. It is a time consuming process, but we will try to prioritize what items to implement and bring them to the board on a timely basis. Ms. Royster has prepared two policies for review by the Finance Committee, the Fund Balance Policy and the Capitalization Policy, which will be brought before the board for approval in October.

**OLD BUSINESS**

None

**NEW BUSINESS**

None

**ADJOURN**

Mr. Chinn made a motion to adjourn the meeting. Mr. Trapp second the motion. The motion carried unanimously.

The meeting adjourned at 4:51 p.m.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD

October 5, 2015



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Chris Johnson

Secretary/Treasurer