

**MINUTES OF THE
OAK RIDGE CITY COUNCIL**

May 29, 2012

The regular meeting of the City Council City of Oak Ridge, Tennessee convened at 7:00 p.m. on May 29, 2012, in the Courtroom of the Municipal Building with Mayor Thomas L. Beehan presiding.

INVOCATION

The Invocation was given by Minister Jack Mansfield of Faith Baptist Church.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag of the United States of America was given by Oak Ridge Police Chief James T. Akagi.

ROLL CALL

Upon roll call, the following councilmembers were present: Mayor Thomas L. Beehan, Councilmember Anne Garcia Garland; Councilmember L. Charles Hensley; Councilmember Charles J. Hope, Jr.; Mayor Pro Tem D. Jane Miller; Councilmember David N. Mosby; and Councilmember Ellen D. Smith.

Also present were Mark S. Watson, City Manager; Janice E. McGinnis, Finance Director; Kenneth R. Krushenski, City Attorney; and Diana R. Stanley, City Clerk.

APPEARANCE OF CITIZENS

Mr. Randy Linkous, representing his mother Ms. Elois Linkous at 69 Riverview Drive, expressed his concerns over the new electronic sign at the Riverview Grill (near Melton Lake Drive), which is near his mother's residence. Mr. Linkous expressed his opinion that the sign distracts from the area and that he considers it a nuisance. He would like see action taken to address the sign, such as lessening the luminosity of the sign.

PROCLAMATIONS AND PUBLIC RECOGNITIONS

(NONE)

SPECIAL REPORTS

FY 2013 Budget Presentation from Mr. Keys Fillauer, Chairman of the Board of Education.

The Chairman of the Oak Ridge Board of Education, Mr. Keys Fillauer, gave a verbal budget presentation for the Oak Ridge Schools. Mr. Fillauer briefly reviewed the Board's budget review process, Oak Ridge School's ranking and achievements, and that of neighboring school systems. He also noted budget situations that other schools are facing. Following his overview, he responded to the questions of City Council.

CONSENT AGENDA

Mayor Pro Tem Miller moved, seconded by Councilmember Hensley to approve the Consent Agenda as presented, thereby:

- Approving the minutes of the May 7, 2012 City Council Meeting.
- Approving the minutes of the May 14, 2012 City Council Special Meeting.
- Approving the minutes of the May 14, 2012 City Council Special Meeting called by the

City Manager.

- Adopting **Resolution No. 5-34-2012** to extend through September 30, 2012 the Water Services Agreement between the City and the United States Department of Energy (DOE), approved by Resolution 4-47-98 and extended by Resolutions 10-98-10 and 6-46-11.

The vote was unanimous with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

RESOLUTIONS

Resolution No. 5-35-2012

Adoption of a resolution supporting the Tennessee Valley Authority in its Small Modular Reactor Application to the United States Department of Energy.

Mayor Pro Tem Miller moved, seconded by Councilmember Smith that the resolution be adopted.

Councilmember Smith commented that she wanted to make sure that there are benefits to the local government for hosting the facility as the project progresses.

The City Manager noted that staff would make a "friendly amendment" to include language in the resolution about proposals including community participation in economic development at the suggestion of Councilmember Mosby.

During discussions, several councilmembers expressed their verbal support for the project.

The resolution was approved by unanimous board vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

Resolution No. 5-36-2012

Adoption of a resolution authorizing transmittal of comments to the Tennessee State Historic Preservation Office and authorization to sign the Memorandum of Agreement among the U.S. Department of Energy Oak Ridge Office, the Tennessee State Historic Preservation Office, the Advisory Council on Historic Preservation, the National Park Service, the City of Oak Ridge, Tennessee, and the East Tennessee Preservation Alliance pursuant to 36 CFR Part 800.6(b)(2) regarding site interpretation of the East Tennessee Technology Park, on the Oak Ridge Reservation, Roane County, Tennessee.

Councilmember Smith moved, seconded by Councilmember Hope that the resolution be adopted.

Councilmember Smith noted that a typo needed to be corrected for the answer to question number one to change "decisive" to "divisive." Concerned over the factual answer to question number five of the comments to the Tennessee State Historic Preservation Office, Councilmember Smith suggested the following revision: "The City would support the retention of all or part of the North End Tower if it were a practical option. Unfortunately, we understand the option is no longer viable." No opposition was expressed by councilmembers.

The resolution was approved by unanimous board vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

(Removed from the agenda)

Adoption of a joint resolution between the Oak Ridge City Council and the Oak Ridge Schools Board of Education in conjunction with the FY2013 Appropriations Ordinance relative to retirement of the debt for the Oak Ridge High School Project.

The City Manager requested that the resolution be removed from the agenda and no action be taken; no opposition was expressed by City Council.

Resolution 5-37-2012

Adoption of a resolution to set forth repayment of the bonded indebtedness for the Oak Ridge High School Construction Project.

Councilmember Hensley moved, seconded by Mayor Pro Tem Miller that the resolution be adopted.

At the request of Councilmember Smith, the City Manager clarified that the spreadsheet titled "High School Renovation Debt Service and Funding Requirements" included in the agenda was dated March 21, 2012 and that it is a projected amortization spreadsheet to the Oak Ridge High School debt.

Councilmember Smith moved to amend the resolution to reflect actual sales tax collections instead of estimates, as presented in the projected amortization spreadsheet, with the following amendment:

- The first paragraph beneath "NOW, THEREFORE, BE IT RESOLVED . . ." to change the text in the parenthesis to "(estimated at \$766,470 based on estimated sales tax receipts attributable to the 0.5% sales tax approved for the high school project).
- The first paragraph beginning "BE IT FURTHER RESOLVED . . ." be altered to read ". . . that any sales tax transferred and provided to the City by the Schools will be credited against this bond payment amount, that this bond payment amount will be adjusted to match the sales taxes received by the Schools from Anderson County as a result of the 0.5% sales tax increase, and any differential between the sales tax transferred and the adjusted bond payment amount will be charged against the annual appropriation of the City."

Councilmember Garcia Garland seconded Councilmember Smith's amendment to the resolution.

Upon return from a brief recess requested by the City Manager, Mayor Beehan requested that staff clarify the projected amortization spreadsheet discussed during the meeting. The City Attorney explained that former Deputy City Manager Steve Jenkins developed the spreadsheet as a plan to utilize sales tax for payment of the debt related to the Oak Ridge High School Construction Project. He added that the spreadsheet was presented at various public meetings during the 2004-2005 calendar years.

The City Clerk read Councilmember Smith's amendment as presented above. The amendment to the resolution failed by board vote with Councilmembers Garcia Garland and Smith voting "Aye," and Councilmembers Hensley, Hope, Mosby, Mayor Pro Tem Miller, and Mayor Beehan voting "Nay."

The resolution was unanimously approved by board vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

(NONE)

FINAL ADOPTION OF ORDINANCES

Public Hearing and Final Adoption of an Ordinance

Ordinance No. 07-2012

AN ORDINANCE TO PROVIDE REVENUE FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR BEGINNING JULY 1, 2012, BY IMPOSING A TAX ON ALL PROPERTY WITHIN THE CITY, FIXING THE RATE OF THE TAX, ADOPTING A BUDGET, AND ADOPTING APPROPRIATIONS.

Mayor Pro Tem Miller moved, seconded by Councilmember Hensley that the ordinance be adopted.

Mayor Beehan explained that the amendments presented in the agenda packet and from staff would be addressed first and the public hearing to occur following approval of the amendments. Finance Director Janice McGinnis, the City Clerk, and the City Manager reviewed the three amendments:

1. Amend Section 5 to decrease the transfer to the General Purpose School Fund for Operations from the General Fund by \$766,470.00 (for a total of \$13,862,832.00) and to increase the transfer to the Debt Service Fund from the General Fund by \$766,470.00 (for a total transfer of \$4,311,470.00).
2. Amend Section 3 to increase the Capital Projects Fund appropriation by \$100,000.00 (for a total appropriation of \$3,685,000.00) and decrease the Special Programs Fund by \$100,000.00 (for a total appropriation of \$918,302.00), and to amend Section 5 to increase the transfer to the Capital Projects Fund from the Special Programs Fund by \$100,000.00 (for a total transfer of \$300,000).
3. An amendment to increase the appropriation of the General Purpose School Fund to the amount adopted by the School Board on May 24, 2012 by amending Section 3 to increase the General Purpose School Fund appropriation by \$63,436.00 (for a total appropriation of \$56,535,325.00).

Councilmember Hope moved, seconded by Councilmember Smith to amend the ordinance to include all three amendments presented above, which was unanimously approved by voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

A public hearing was held with the following participants:

Mr. Keys Fillauer, Board of Education Chairman, 17 Palisades Parkway, commented that in his opinion, the passage of the budget will place the school's budget out of balance, and until such budget is balanced he assumed it will not be approved by the State Comptroller's Office. Mr. Fillauer expressed his concern that Council does not have statutory authority to approve such use of the money, causing the school's appropriation to go below maintenance of effort. Mr. Fillauer requested that Mr. Chuck Cagle, attorney for the Board of Education, discuss the school's opinion of disagreement with the recently adopted resolution, which sets forth repayment of the bonded indebtedness for the Oak Ridge High School Construction Project.

Mr. Chuck Cagle, attorney for the Board of Education, commented that in his opinion, the action taken on the above referenced resolution lacks statutory authority with a budget that appropriates funds to the schools, and that the City's approval of the budget is not in compliance by not forwarding appropriated money to the Board of Education for their consideration. He continued by explaining that, in his opinion, the school's budget is unbalanced by approximately \$250,000.00 not being forwarded to them. Mr. Cagle also expressed his opinion that the Board of Education never formally approved the projected amortization spreadsheet presented by city staff in 2005. He concluded by explaining that the budget needs to be returned to the Board of Education for balancing as required by statute.

Ms. Trina Baughn, 119 Newport Drive, expressed several concerns regarding the school's budget, including their lease agreements, appropriation amendments, and budget process. Ms. Baughn inquired about what stage the City Council was in concerning the development of a new debt policy, in light of all the concerns she presented.

Mr. Bob Eby, Board of Education Vice Chairman, 101 Winston Lane, expressed his concern that the

action taken by City Council on the recently adopted resolution, which sets forth repayment of the bonded indebtedness for the Oak Ridge High School Construction Project, has resulted in the school's budget being unbalanced by approximately \$250,000.00. Mr. Eby concluded that, in his opinion, the budget cannot be forwarded to the State Comptroller's Office for this reason.

The public hearing was closed.

After additional discussions, the ordinance was unanimously approved, as amended, by board vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Elections/Appointments

Oak Ridge Convention and Visitors Bureau Hotel Appointment

The City Clerk briefly explained that, due to recent and multiple turnovers of the Comfort Inn Hotel, Ms. Katy Brown, President of the Oak Ridge Convention and Visitors Bureau, was requesting that City Council consider Mr. Adrian Zarczynski, General Manager of the Hampton Inn, for the third hotel appointment vacancy. Councilmember Smith suggested that the appointment of Mr. Zarczynski contain a term of office for one and one half years, until December 31, 2013, for continuity. Ms. Brown expressed that she is comfortable with allowing Mr. Zarczynski to serve that term duration.

Mayor Pro Tem Miller moved, seconded by Councilmember Hope, to appoint Mr. Adrian Zarczynski, General Manager at the Hampton Inn, to the Oak Ridge Convention and Visitors Bureau and to amend the term of office to expire on December 31, 2013. The motion was approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

Election of Environmental Quality Advisory Board Student Representatives

Ms. Stephanie Paul was elected to a two-year term of office beginning June 1, 2012, and Mr. Elijah Fetzer was elected to a balance of an unexpired term ending May 31, 2013 receiving the votes of Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan.

Announcements

(NONE)

Scheduling

Reminder of the City Council Retreat scheduled for May 30, 2012 from 4:00 p.m. to 8:30 p.m. in Multipurpose Room of the Central Services Complex.

No action taken.

COUNCIL REQUESTS FOR NEW BUSINESS ITEMS OR FUTURE BRIEFINGS

Councilmember Hensley noted that the City Attorney Evaluation Committee report was postponed until June 11, 2012 City Council meeting.

Councilmember Mosby reminded City Council that the City Manager Evaluation Committee Evaluations

are due on Wednesday, May 30, 2012 to the City Clerk. Councilmember Mosby noted that there was one change to the evaluation form which included a new description statement under "City Council Relations" a new descriptive statement was added regarding the "progress toward accomplishing established goals set by the City Manager and City Council."

Councilmember Garcia Garland clarified that the City Council Retreat was scheduled for Wednesday, May 30, 2012 and wanted to ensure that the date was presented correctly on the City's website calendar.

SUMMARY OF CURRENT EVENTS

CITY MANAGER'S REPORT

The City Manager noted that staff had followed up on an inquiry regarding the status of red light camera reports, and that those should now be completed.

CITY ATTORNEY'S REPORT

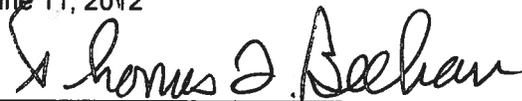
(NONE)

ADJOURNMENT

The meeting adjourned at 9:25 p.m.


Diana R. Stanley, City Clerk

APPROVED BY CITY COUNCIL
June 11, 2012


Thomas L. Beehan, Mayor