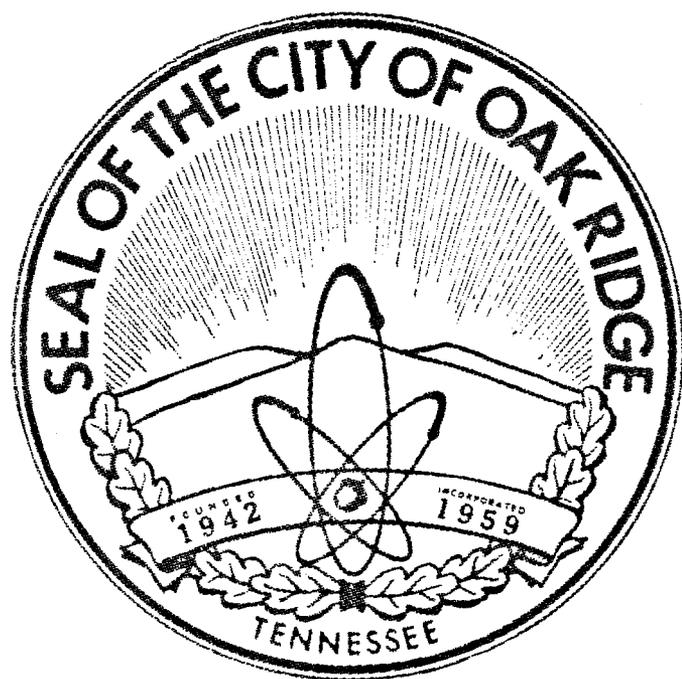


**SECTION III**  
**DEBT SERVICE & CAPITAL PROJECTS FUNDS**  
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## **Debt Service Fund**

### **Fund Overview:**

The Debt Service Fund is used for the accumulation of resources for the payment of principal and interest on general obligation long-term debt backed and funded by the full faith and credit of the City. This includes the debt service on Schools projects. City Charter prohibits the Schools from issuing long-term debt. The City issues the debt for school capital projects and provides funding for the annual debt service payments on those issuances. Approximately 48% of the City's general debt issuances since 1988 were to provide funding for School capital projects. The use of general long-term debt is normally restricted to those capital improvements or projects that cannot be financed with current revenues, with the bonds repaid over a period less than or equal to the projects' useful life. Long-term debt for the City's Enterprise and Internal Service Funds are accounted for in those Funds rather than the Debt Service Fund.

The City's legal debt limit for general fund obligations is established by the City's Charter at an amount not to exceed ten percent of the City's total appraised property value. Statistical information regarding the City's outstanding general obligation debt, including the legal debt margin, as of June 30, 2002 are on pages VI-23 to VI-26 of this document. The City's General Obligation Bonds are rated "Aa3" by Moody's Investor Service and "A+" by Standard and Poor's. Pages III-7 and III-8 contain debt statistics that are generally reviewed by bond rating agencies. The City's statistics have improved over the past two years. This is the result of no new debt issuances since fiscal 2000 and bond refundings in fiscals 2001 and 2003 that lowered interest rates. Additionally, debt service payments declined during this time frame from lower interest rates being paid on the City's variable rate debt.

The following is a summary of the City's general obligation debt issuances since 1998 for which the debt service payments are accounted for in the Debt Service Fund. The bond proceeds and the related capital expenditures for these issuances are accounted for in the Capital Projects Fund.

\$10,000,000 in General Obligation Bonds (GOB) and notes was issued in 1988 to fund the renovation of Willow Brook and Woodland Elementary Schools and the construction of Emory Valley Road and other street improvements.

\$5,385,000 in General Obligation Bonds were issued in 1989 to fund the construction of a new Glenwood Elementary School.

\$4,950,000 in General Obligation Bonds were issued in 1991 to fund the renovation of several municipal and sports facilities, the purchase of an 800MHz trucking communications system, the renovation of the outdoor pool, the construction of a central fire station and the renovation of two existing fire stations.

\$11,150,000 in General Obligation Bonds were issued in 1995 for the renovation of the High School and two City Middle Schools.

A \$1,247,994 variable rate loan was obtained in fiscal 1995 from the Tennessee Municipal Bond Fund for the purchase of land for a new Roane State community College Campus in Oak Ridge and storm drainage improvements.

\$16,000,000 in General Obligation Bonds were issued in 1996 to fund construction of a new City Central Service Complex and various other City and School facility improvements and equipment, including construction of 3 baseball/softball fields at Parcel 457, Briarcliff/Laboratory Road extension, purchase of the Library MARC system and improvements at Linden Elementary School including construction of a stage and the addition of an elevator to meet ADA requirements.

A \$3,213,000 variable rate loan was obtained in 1998 through the TN-LOANs program to fund demolition and remediation of the old Central Service Complex site, street resurfacing including Rutgers Avenue, storm water drainage improvements, Schools ADA enhancements and Willow Brook Elementary wall repairs, Melton Lake Greenway construction and other City building improvements.

\$10,000,000 in General Obligation Bonds were issued in FY 2000 with the bond proceeds split equally on City and School capital improvements. School projects include American Disabilities Act (ADA) renovations and replacement of windows at various school buildings, roof and chiller replacement at Linden Elementary School, upgrades to the auditoriums at the High School and two Middle Schools and systemwide technology upgrades. City projects include storm water drainage improvements, which includes the Mitchell Road and Emory Creek Projects, City share of the State roadway expansion into the City's southwest quadrant, completion of phase II and Phase III of the Melton Lake greenway and the Emory Valley Road greenway, expansion of the Animal Shelter to house the City's two K-9 dogs and numerous building and recreation facility improvements.

Since 1988, there has been 4 bond refundings, which consolidated and lowered the interest rate on the outstanding debt on the above debt issuances. The outstanding principal balance of long-term debt funded through the Debt Service Fund is projected to be \$48,314,765 at June 30, 2003. Page III-6 contains the amortization schedule for this debt. Of this amount, \$19,138,765 is in variable interest rate debt. For budget purposes, this is estimated using a 3.8% interest rate. In fiscal 2003, the variable rate ranged below 2%, however, this is below historical averages. There is also an additional \$1,669,000 in outstanding general obligation debt that will be funded and accounted for through the Equipment Replacement Rental Fund, an internal service fund. This debt was issued to purchase fire trucks and Y2K compliant computer hardware and software.

#### Major Revenue Sources:

Funding for the Debt Service Fund is derived from operating transfers from other Funds; primarily the General Fund budgeted at \$4,034,485 for fiscal 2004. This is a \$178,722 reduction over the prior fiscal year due to a restructuring of the debt in the spring of 2003. \$200,000 is budgeted for transfer from the Capital Projects Fund from funding allocated for capital maintenance projects. This transfer will fund the annual debt service on a \$2,000,000 debt issuance planned for fiscal 2004 to finance capital maintenance projects accounted for in the Capital Projects Fund. Fiscal 2003, was the final year of loan payments funded by an annual \$86,367 transfer from the General Purpose School Fund.

#### Major Expenditure Areas:

Fiscal 2004 projected debt service obligations on existing debt totaled \$4,034,485. This includes \$1,385,065 in estimated expenditures for a fiscal 2003 refunding issuance planned for the spring of 2003. This issuance refinanced existing debt only to achieve cost savings and did not include any additional funding for new projects. \$200,000 in budgeted expenditures is included for a planned 2004 debt issuance as described above under major revenue sources. The appropriation also includes a \$1,000,000 contingency for fluctuations in variable rate debt and for timing variances on future debt issuances.

#### Budget Changes:

The fiscal 2004 budget for contingency expenditures was reduced by \$500,000 from prior year levels based on current potential capital projects that would require funding from new debt issuances. Several major projects have been placed on hold due to funding limitations including the construction of a new School Administration Building, Preschool and Senior Center. The contingency is not funded through an operating transfer; therefore it does not impact the property tax rate. The City cannot enter into any long-term debt agreements without approval by City Council.

**DEBT SERVICE FUND  
BUDGET SUMMARY**

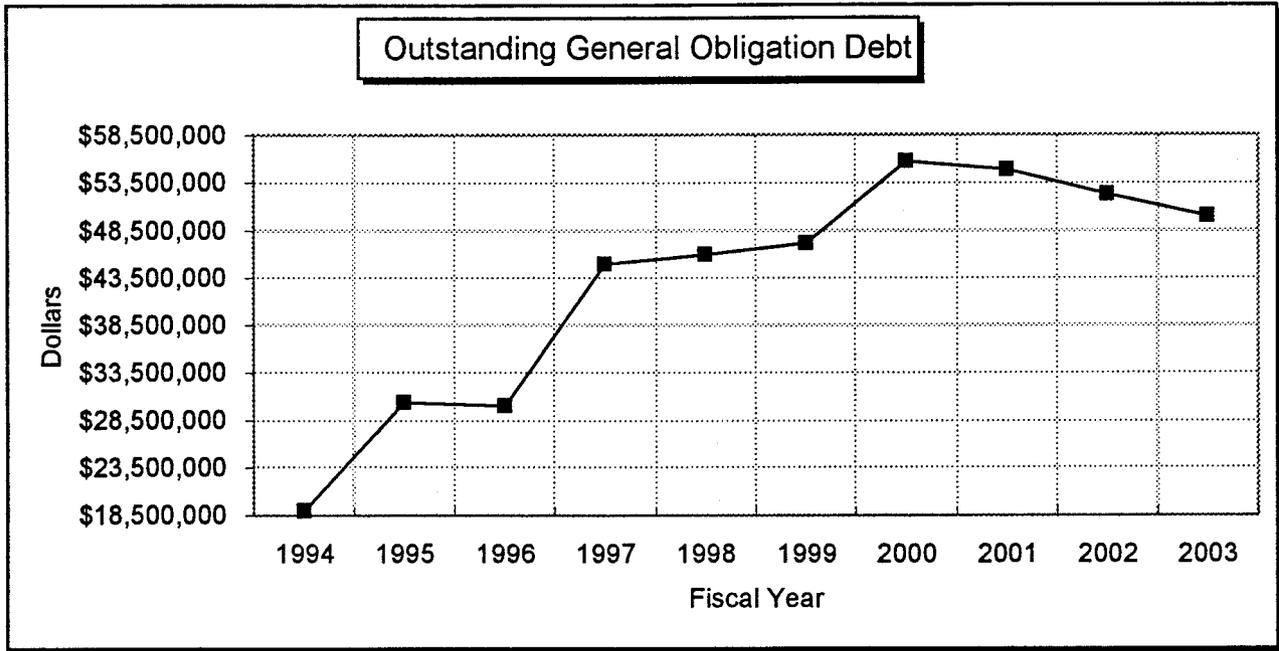
	<u>ACTUAL</u> <u>2002</u>	<u>BUDGET</u> <u>2003</u>	<u>PROJECTED</u> <u>2003</u>	<u>BUDGET</u> <u>2004</u>	<u>BUDGET</u> <u>04 vs 03</u>	<u>%</u> <u>CHANGE</u>
<b>REVENUES:</b>						
4610 Interest	<u>38,890</u>	<u>38,000</u>	<u>23,000</u>	<u>7,200</u>	<u>(30,800)</u>	<u>-81.1</u>
<b>EXPENDITURES:</b>						
Debt Issuances for City Capital Projects:						
12165 General Obligation Bond Refunding 1992	101	0	0	0	0	0.0
12167 General Obligation Bond Refunding 1993	443,173	441,413	441,413	0	(441,413)	-100.0
12151 TMBF 1994 Variable Rate Loan	50,524	76,807	48,716	25,643	(51,164)	-66.6
12141 Public Improvements, Series 1996	681,598	681,356	681,356	0	(681,356)	-100.0
12152 TN-Loan 1997 Variable Rate Loan	59,488	114,922	49,460	0	(114,922)	-100.0
12171 Public Improvements, Series 2000	47,226	76,126	76,126	99,651	23,525	30.9
12156 TN-Loan 2001 Variable Rate Loan	40,769	74,671	31,355	61,267	(13,404)	-18.0
12173 Public Improvements, Series 2001	<u>1,581,840</u>	<u>1,157,417</u>	<u>1,157,417</u>	<u>1,352,904</u>	<u>195,487</u>	<u>16.9</u>
Total City Projects	<u>2,904,719</u>	<u>2,622,712</u>	<u>2,485,843</u>	<u>1,539,465</u>	<u>(1,083,247)</u>	<u>-41.3</u>
Debt Issuances for School Capital Projects:						
12166 General Obligation Bond Refunding 1992	418	0	0	0	0	0.0
12131 Renovation of High School & Jr. Highs, 1995	371,828	374,375	528,417	0	(374,375)	-100.0
12132 School Energy Loan, 1995	86,367	86,367	86,251	0	(86,367)	-100.0
12142 Public Improvements, Series 1996	19,152	19,144	19,144	0	(19,144)	-100.0
12153 TN-Loan 1997 Variable Rate Loan	15,355	29,663	12,770	0	(29,663)	-100.0
12172 Public Improvements, Series 2000	47,226	76,126	76,126	99,651	23,525	30.9
12157 TN-Loan 2001 Variable Rate Loan	415,478	760,979	319,554	624,383	(136,596)	-18.0
12174 Public Improvements, Series 2001	<u>450,807</u>	<u>330,208</u>	<u>330,208</u>	<u>385,921</u>	<u>55,713</u>	<u>16.9</u>
Total School Projects	<u>1,406,631</u>	<u>1,676,862</u>	<u>1,372,470</u>	<u>1,109,955</u>	<u>(566,907)</u>	<u>-33.8</u>
12997 Capital Maintenance Issuance	0	0	0	200,000	200,000	100.0
12998 Refunding 2003	0	0	0	1,385,065	1,385,065	100.0
12999 Contingency	0	1,500,000	0	1,000,000	(500,000)	-33.3
Total Expenditures	<u>4,311,350</u>	<u>5,799,574</u>	<u>3,858,313</u>	<u>5,234,485</u>	<u>(565,089)</u>	<u>-9.7</u>
Excess (Deficiency) of Revenues over Expenditures	(4,272,460)	(5,761,574)	(3,835,313)	(5,227,285)	534,289	-9.3
<b>OTHER FINANCING SOURCES</b>						
Operating Transfers In:						
City General Fund	4,621,305	4,213,207	3,913,207	4,034,485	(178,722)	-4.2
School General Fund	86,367	86,367	86,250	0	(86,367)	-100.0
Capital Projects Fund	262,421	0	0	200,000	200,000	0.0
Contingency	0	1,500,000	0	1,000,000	(500,000)	-33.3
Total Other Financing Sources	<u>4,970,093</u>	<u>5,799,574</u>	<u>3,999,457</u>	<u>5,234,485</u>	<u>(565,089)</u>	<u>-9.7</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	697,633	38,000	164,144	7,200	(30,800)	-81.1
<b>FUND BALANCE - 7/1</b>	<u>85,765</u>	<u>602,101</u>	<u>783,398</u>	<u>947,542</u>	<u>345,441</u>	<u>57.4</u>
<b>FUND BALANCE - 6/30</b>	<u>783,398</u>	<u>640,101</u>	<u>947,542</u>	<u>954,742</u>	<u>314,641</u>	<u>49.2</u>

DEBT SERVICE FUND EXPENDITURES	ACTUAL FY 2002	BUDGET FY 2003	PROJECTED FY 2003	BUDGET FY 2004	BUDGET 04 vs 03	% CHANGE
<b>12131 HIGH SCHOOL AND MIDDLE SCHOOL RENOVATIONS, SERIES 1995</b>						
5210 Professional & Cont. Services	125	250	436	0	(250)	-100.0
5439.1 Principal Retirement	345,000	365,000	365,000	0	(365,000)	-100.0
5439.2 Interest Charges	26,703	9,125	162,981	0	(9,125)	-100.0
Total	371,828	374,375	528,417	0	(374,375)	-100.0
<b>12132 SCHOOL ENERGY LOAN</b>						
5439.1 Principal Retirement	78,337	82,254	82,112	0	(82,254)	-100.0
5439.2 Interest Charges	8,030	4,113	4,139	0	(4,113)	-100.0
Total	86,367	86,367	86,251	0	(86,367)	-100.0
<b>12141 PUBLIC IMPROVEMENTS, SERIES 1996 - CITY</b>						
5210 Professional & Cont. Services	500	500	500	0	(500)	-100.0
5439.1 Principal Retirement	588,453	617,634	617,634	0	(617,634)	-100.0
5439.2 Interest Charges	92,645	63,222	63,222	0	(63,222)	-100.0
Total	681,598	681,356	681,356	0	(681,356)	-100.0
<b>12142 PUBLIC IMPROVEMENTS, SERIES 1996 - SCHOOL</b>						
5439.1 Principal Retirement	16,547	17,366	17,366	0	(17,366)	-100.0
5439.2 Interest Charges	2,605	1,778	1,778	0	(1,778)	-100.0
Total	19,152	19,144	19,144	0	(19,144)	-100.0
<b>12151 TMBF 1994 VARIABLE RATE LOAN - CITY</b>						
5439.1 Principal Retirement	23,813	25,466	25,466	0	(25,466)	-100.0
5439.2 Interest Charges	26,711	51,341	23,250	25,643	(25,698)	-50.1
Total	50,524	76,807	48,716	25,643	(51,164)	-66.6
<b>12152 TN-LOAN 1997 VARIABLE RATE LOAN - CITY</b>						
5439.1 Principal Retirement	0	0	0	0	0	0.0
5439.2 Interest Charges	59,488	114,922	49,460	0	(114,922)	-100.0
Total	59,488	114,922	49,460	0	(114,922)	-100.0
<b>12153 TN-LOAN 1997 VARIABLE RATE LOAN - SCHOOLS</b>						
5439.1 Principal Retirement	0	0	0	0	0	0.0
5439.2 Interest Charges	15,355	29,663	12,770	0	(29,663)	-100.0
Total	15,355	29,663	12,770	0	(29,663)	-100.0
<b>12156 TN-LOAN 2001 VARIABLE RATE LOAN - CITY</b>						
5439.1 Principal Retirement	0	0	0	0	0	0.0
5439.2 Interest Charges	40,769	74,671	31,355	61,267	(13,404)	-18.0
Total	40,769	74,671	31,355	61,267	(13,404)	0.0
<b>12157 TN-LOAN 2001 VARIABLE RATE LOAN - SCHOOLS</b>						
5439.1 Principal Retirement	0	0	0	0	0	0.0
5439.2 Interest Charges	415,478	760,979	319,554	624,383	(136,596)	-18.0
Total	415,478	760,979	319,554	624,383	(136,596)	0.0
<b>12165 GENERAL OBLIGATION BOND REFUNDING 1992 - CITY</b>						
5210 Professional & Cont. Services	101	0	0	0	0	0.0
5439.1 Principal Retirement	0	0	0	0	0	0.0
5439.2 Interest Charges	0	0	0	0	0	0.0
Total	101	0	0	0	0	0.0

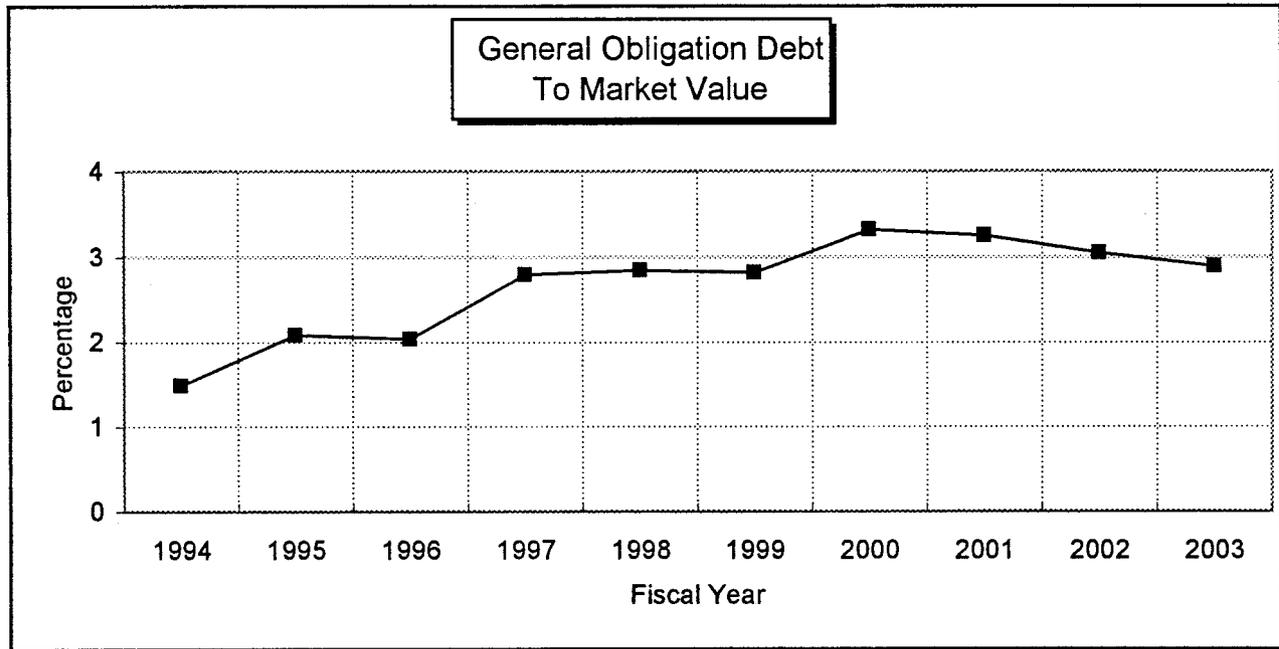
DEBT SERVICE FUND EXPENDITURES	ACTUAL FY 2002	BUDGET FY 2003	PROJECTED FY 2003	BUDGET FY 2004	BUDGET 04 vs 03	% CHANGE
12166 GENERAL OBLIGATION BOND REFUNDING 1992 - SCHOOLS						
5210 Professional & Cont. Services	418	0	0	0	0	0.0
5439.1 Principal Retirement	0	0	0	0	0	0.0
5439.2 Interest Charges	0	0	0	0	0	0.0
Total	418	0	0	0	0	0.0
12167 GENERAL OBLIGATION BOND REFUNDING 1993 - CITY						
5210 Professional & Cont. Services	250	250	250	0	(250)	-100.0
5439.1 Principal Retirement	280,000	290,000	290,000	0	(290,000)	-100.0
5439.2 Interest Charges	162,923	151,163	151,163	0	(151,163)	-100.0
Total	443,173	441,413	441,413	0	(441,413)	-100.0
12171 PUBLIC IMPROVEMENTS, SERIES 2000 - CITY						
5210 Professional & Cont. Services	250	250	250	250	0	0.0
5439.1 Principal Retirement	25,000	55,000	55,000	80,000	25,000	45.5
5439.2 Interest Charges	21,976	20,876	20,876	19,401	(1,475)	-7.1
Total	47,226	76,126	76,126	99,651	23,525	30.9
12172 PUBLIC IMPROVEMENTS, SERIES 2000 - SCHOOLS						
5210 Professional & Cont. Services	250	250	250	250	0	0.0
5439.1 Principal Retirement	25,000	55,000	55,000	80,000	25,000	45.5
5439.2 Interest Charges	21,976	20,876	20,876	19,401	(1,475)	-7.1
Total	47,226	76,126	76,126	99,651	23,525	30.9
12173 PUBLIC IMPROVEMENTS, SERIES 2001 - CITY						
5210 Professional & Cont. Services	0	500	500	500	0	0.0
5439.1 Principal Retirement	778,217	365,762	365,762	575,880	210,118	57.4
5439.2 Interest Charges	803,623	791,155	791,155	776,524	(14,631)	-1.8
Total	1,581,840	1,157,417	1,157,417	1,352,904	195,487	16.9
12174 PUBLIC IMPROVEMENTS, SERIES 2001 - SCHOOLS						
5210 Professional & Cont. Services	0	500	500	500	0	0.0
5439.1 Principal Retirement	221,783	104,238	104,238	164,120	59,882	57.4
5439.2 Interest Charges	229,024	225,470	225,470	221,301	(4,169)	-1.8
Total	450,807	330,208	330,208	385,921	55,713	16.9
12175 GENERAL OBLIGATION BOND REFUNDING 2003						
5210 Professional & Cont. Services	0	0	0	500	500	100.0
5439.1 Principal Retirement	0	0	0	1,150,000	1,150,000	100.0
5439.2 Interest Charges	0	0	0	234,565	234,565	100.0
Total	0	0	0	1,385,065	1,385,065	100.0
12177 GENERAL OBLIGATION BONDS CAPITAL MAINTENANCE						
5210 Professional & Cont. Services	0	0	0	0	0	0.0
5439.1 Principal Retirement	0	0	0	0	0	0.0
5439.2 Interest Charges	0	0	0	200,000	200,000	100.0
Total	0	0	0	200,000	200,000	0.0
12999 CONTINGENCY						
5439.2 Interest Charges	0	1,500,000	0	1,000,000	(500,000)	-33.3
TOTAL DEBT SERVICE FUND EXPENDITURES	4,311,350	5,799,574	3,858,313	5,234,485	(565,089)	-9.7

GENERAL LONG-TERM DEBT  
AMORTIZATION SCHEDULE  
ESTIMATED AT 6/30/03

Fiscal Year	Principal	Interest	Total Requirements
2004	\$ 2,035,000	\$ 2,000,061	\$ 4,035,061
2005	2,095,000	1,938,551	4,033,551
2006	2,175,000	1,857,996	4,032,996
2007	2,260,000	1,773,908	4,033,908
2008	2,350,000	1,680,021	4,030,021
2009	2,440,000	1,588,033	4,028,033
2010	2,338,000	1,485,058	3,823,058
2011	2,453,000	1,361,728	3,814,728
2012	2,740,000	1,243,173	3,983,173
2013	2,690,000	1,106,173	3,796,173
2014	2,620,000	973,823	3,593,823
2015	2,740,000	845,862	3,585,862
2016	2,865,000	734,515	3,599,515
2017	3,010,722	618,120	3,628,842
2018	3,145,326	503,292	3,648,618
2019	2,890,251	384,566	3,274,817
2020	3,010,512	274,361	3,284,873
2021	3,146,145	159,538	3,305,683
2022	1,212,183	46,025	1,258,208
2023	98,626	3,440	102,066
<b>TOTAL</b>	<b>\$ 48,314,765</b>	<b>\$ 20,578,242</b>	<b>\$ 68,893,007</b>

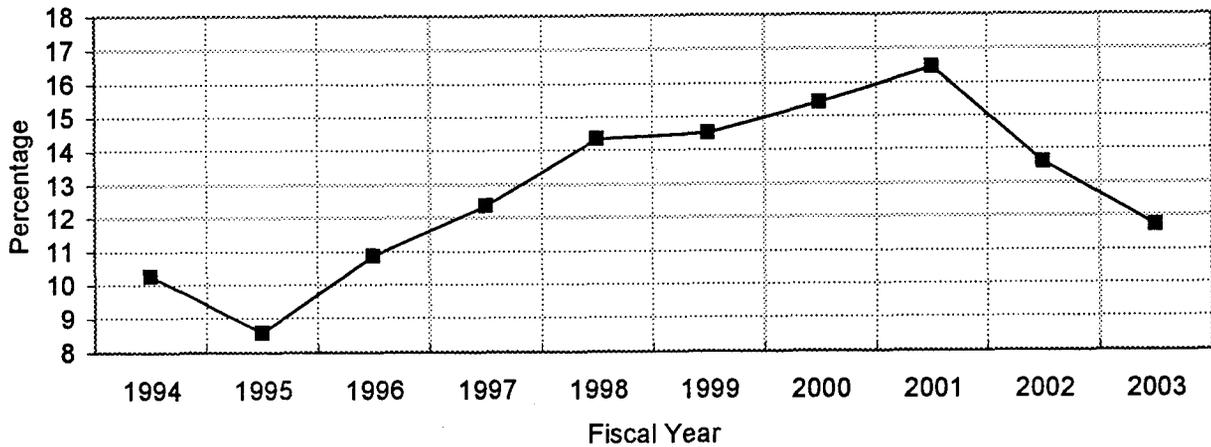


Outstanding General Obligation Debt simply depicts the level of indebtedness over the ten-year period. The peaks were the result of debt issuances of \$11,150,000 in FY 95, \$16,000,000 in FY 97, and \$10,000,000 in FY 00.



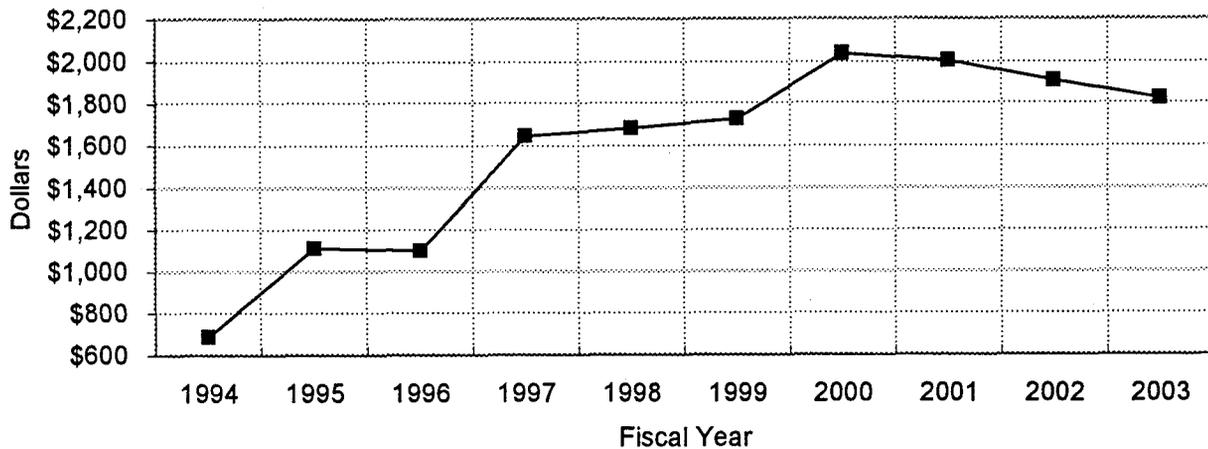
Debt to Market Value fluctuates between 2 and 4 percent. A low debt burden is considered to be below 3 percent, with a moderate debt burden falling in the 3 to 6 percent range.

**General Obligation Debt Service vs.  
General Fund Expenditures and Operating Transfers**



Debt Service to Expenditures shows the ratio of General Obligation principal and interest payments to General Fund expenditures and transfers. Ratings agencies generally consider over 15 percent to be a high carrying charge.

**General Obligation Debt  
Per Capita**



Debt Per Capita follows the same pattern as Outstanding General Debt mentioned above. Rating agencies generally consider \$1,000 to \$2,500 debt per capita to be the moderate range.

## **Capital Projects Fund**

### **Fund Overview:**

This Capital Projects Fund is used to account for financial resources segregated for the acquisition, construction or renovation of major City and School capital facilities other than those financed by Enterprise Funds. By charter, the Oak Ridge Schools cannot issue debt. Expenditures for major School capital projects are accounted for in the Capital Projects Fund and are financed either through long-term debt issued by the City and/or capital maintenance reserves funded by operating transfers from the City General Fund.

### **Major Revenue Sources:**

Funding is provided from long-term debt issuances and operating transfers from the General Fund. For the past several years, the City has been funding capital maintenance projects through the issuance of long-term debt. The funding of these type items through the issuance of long-term debt is eroding the City's debt capacity, in addition to the required borrowings for major renovations or construction projects. In fiscal 2001, a program was recommend to City Council to finance capital projects costing between \$10,000 and \$300,000 from operating transfers from the General Fund to the Capital Projects Fund rather than through the issuance of long-term debt. The initial operating transfer in 2001 was for \$410,000 with the intent of gradually increasing the transfer amount each fiscal year until the required annual funding level of approximately \$1.2 to \$1.5 million is achieved. The fiscal 2004 transfer amount is budgeted at \$1,057,000.

A \$2,000,000 debt issuance is planned for fiscal 2004 to fund budgeted capital projects. Reserves from the General Fund transfer have not yet reached sufficient levels to fund current capital requirements.

### **Major Expenditures Areas:**

Capital improvements totaling \$7,345,500 is budgeted for fiscal 2004, primarily funded from the remaining proceeds of \$10,000,000 in general obligation bonds issued in January 2000, a proposed \$2,000,000 issuance in fiscal 2004 and fund reserves. A \$2,000,000 contingency is also budgeted for unplanned or timing variances in capital projects.

Major City capital improvements of \$1,070,000 are budgeted for fiscal 2004 and include storm water drainage improvements, construction of the Emory Valley Road greenway, roof replacement on the Municipal Building, painting and sealing of the exterior of the Central Service Center Complex and replacement of exterior doors at the Civic Center. \$376,240 of the \$610,000 budgeted for the construction of the Emory Valley greenway will be funded from a previously awarded state grant.

Major School capital improvements of \$4,275,500 budgeted for fiscal 2004 includes \$2,006,500 in improvements to the high school including replacement of windows, structural repairs, auditorium lighting and sound upgrades, and replacements of the gym floor, 2 canopies and a chiller. Other School capital improvements include roof replacements; structural improvements at Woodland Elementary, cooling tower, chiller and heat pump replacements, systemwide technology, security and telephone upgrades, carpet replacement and asbestos abatement.

A more in-depth presentation of planned City and School capital projects is located in the Capital Improvements Program 2004-2009 document. \$200,000 of the capital maintenance reserve funds are budgeted to be transferred to the Debt Service Fund beginning in fiscal 2004. This will fund the annual debt service payment on the \$2,000,000 borrowing planned for 2004 to finance capital projects. This transfer has been budgeted from the Capital Projects Fund to minimize the impact on the property tax rate for this borrowing.

**CAPITAL PROJECTS FUND  
BUDGET SUMMARY**

	<u>ACTUAL</u> <u>2002</u>	<u>BUDGET</u> <u>2003</u>	<u>PROJECTED</u> <u>2003</u>	<u>BUDGET</u> <u>2004</u>	<u>BUDGET</u> <u>04 vs 03</u>	<u>%</u> <u>CHANGE</u>
<b>REVENUES:</b>						
4610 Interest on Investments	164,685	65,000	65,000	25,000	(40,000)	-61.5
4830 Greenways Grants	143,942	470,300	0	376,240	(94,060)	-20.0
<b>TOTAL REVENUES</b>	<b>308,627</b>	<b>535,300</b>	<b>65,000</b>	<b>401,240</b>	<b>(134,060)</b>	<b>-25.0</b>
<b>EXPENDITURES:</b>						
School Expenditures:						
29202 Woodland Structural Repairs	0	150,000	0	150,000	0	0.0
29204 High School Renovations						
ORHS "A" Building Structural Settlement	21,500	478,500	0	478,500	0	0.0
ORHS "A" Building Fire Alarms	0	50,000	0	50,000	0	0.0
ORHS Auditorium-Lighting & Sound	0	90,000	0	250,000	160,000	177.8
ORHS Auditorium Seating	273,142	280,000	0	0	(280,000)	-100.0
ORHS Demolition of Boiler #2 & #3	40,122	95,000	60,387	0	(95,000)	-100.0
ORHS Window Replacements	0	900,000	0	900,000	0	0.0
ORHS Chiller	0	0	0	78,000	78,000	100.0
ORHS Gym Floor Replacement	0	0	0	75,000	75,000	100.0
ORHS Canopies (2)	0	0	0	100,000	100,000	100.0
29206 Robertsville Chiller Replacement	0	75,000	0	75,000	0	0.0
Robertsville Window Replacement	724,452	700,000	0	0	(700,000)	-100.0
Robertsville Parking Lot Construction	0	0	0	105,000	105,000	100.0
29207 School Equipment						
Systemwide Technology & Telephone	136,060	675,210	468,000	525,000	(150,210)	-22.2
Security System	0	180,000	0	180,000	0	100.0
29209 ADA Improvements	0	183,695	4,338	0	(183,695)	-100.0
29211 Miscellaneous Site Improvements:						
Blankenship Field Fence	0	10,000	0	0	(10,000)	-100.0
Carpet Replacement	0	0	0	207,000	207,000	100.0
Window Replacements Engineering	9,179	0	3,036	0	0	0.0
ORHS & RMS Cooling Tower Replacements	131,225	130,000	0	0	(130,000)	-100.0
ORHS & RMS Water Source Heat Pumps	0	310,500	0	310,500	0	0.0
Sidewalks & Service Drives	0	106,500	0	106,500	0	0.0
29212 Asbestos Abatement	0	0	0	555,000	555,000	100.0
29213 Roof Replacements	387,670	225,000	225,000	130,000	(95,000)	-42.2
29215 Preschool	0	2,500,000	2,600	0	(2,500,000)	-100.0
<b>Total School Expenditures</b>	<b>1,723,350</b>	<b>7,139,405</b>	<b>763,361</b>	<b>4,275,500</b>	<b>(2,863,905)</b>	<b>-40.1</b>
29500 City Center Project						
Purchase/Renovate or Construct School Admin. and Municipal Offices and Senior Center - Infrastructure and Open Space Construction	9,035	17,500,000	2,884	0	(17,500,000)	-100.0



**CAPITAL PROJECTS FUND  
BUDGET SUMMARY**

	ACTUAL 2002	BUDGET 2003	PROJECTED 2003	BUDGET 2004	BUDGET 04 vs 03	% CHANGE
Excess (Deficiency) of Revenues Over Expenditures	(2,453,523)	(28,186,105)	(1,644,724)	(6,944,260)	21,241,845	75.4
<b><u>OTHER FINANCING SOURCES (USES):</u></b>						
Other Financing Sources and Transfers In:						
Long-Term Debt Proceeds	0	23,200,000	0	2,000,000	(21,200,000)	-91.4
Contingency Funding	0	2,000,000	0	2,000,000	0	0.0
General Fund	617,000	711,000	711,000	1,057,000	346,000	48.7
Transfers out:						
Debt Service Fund	(262,421)	0	0	(200,000)	(200,000)	100.0
Grant Fund	(1,831)	(363,250)	(255,345)	0	363,250	-100.0
Total Other Financing Sources (Uses)	<u>352,748</u>	<u>25,547,750</u>	<u>455,655</u>	<u>4,857,000</u>	<u>(20,690,750)</u>	<u>-81.0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(2,100,775)	(2,638,355)	(1,189,069)	(2,087,260)	551,095	-20.9
<b><u>FUND BALANCE - 7/1</u></b>	<u>6,040,314</u>	<u>5,753,874</u>	<u>3,939,539</u>	<u>2,750,470</u>	<u>(3,003,404)</u>	<u>-52.2</u>
<b><u>FUND BALANCE - 6/30</u></b>	<u>3,939,539</u>	<u>3,115,519</u>	<u>2,750,470</u>	<u>663,210</u>	<u>(2,452,309)</u>	<u>-78.7</u>

### **Capital Improvement Programs**

Beginning on page III-14, is a summary and description of Citywide capital improvement projects budgeted for fiscal 2004. The summary on pages III-14 and III-15 outline the projects by funding source. The projects funded by the Capital Projects Fund are financed by a combination of long-term debt proceeds and existing fund balance created from operating transfers from the General Fund. The long-term goal is to fund major capital projects through the issuance of long-term debt and routine capital maintenance through the accumulated annual operating transfers from the General Fund. The break between routine and major is currently being defined at the \$300,000 level. Reserves from the General Fund operating transfer have not yet reached sufficient levels to fund current capital maintenance requirements and a \$2,000,000 long-term debt issuance is budgeted for fiscal 2004.

The Electric and Waterworks Fund capital improvements will be funded through a combination of long-term debt and existing cash generated through the applicable user rates for those services. If the City is required to fund the electric, water and sewer line relocation costs for the widening of State Route 95/58, this will require the issuance of long-term debt. Debt issuances may also be required for expansion of utilities into the west end of Oak Ridge and for major capital maintenance projects such as the \$750,000 budgeted for underground electric line replacement. The issuance of additional debt in the Electric and Waterworks systems will impact future user rates. It is currently anticipated that Waterworks user rates will require an increase within the next two years due to prior and ongoing capital projects.

Capital improvement projects accounted for in the State Street Aid Fund are funded through an operating transfer from the General Fund and state shared tax revenues. The capital improvement level in this Fund should remain fairly constant from year-to-year.

At the end of each calendar year, a Capital Improvements Program (CIP) document is prepared that outlines the City's capital needs for the next six years. City staff drafts the document and then it is forwarded to the Oak Ridge Regional Planning Commission for review. A detail sheet is prepared outlining the need and cost of each capital project. The final adopted CIP is then incorporated into the City's annual budget document. Please refer to the CIP 2004-2009 document for a more in-depth discussion of the capital projects presented in this budget document.

SUMMARY OF CAPITAL IMPROVEMENT PROGRAMS  
FISCAL YEAR 2004

PROJECT DESCRIPTION	CAPITAL PROJECTS FUND	ELECTRIC FUND	WATERWORKS FUND	STATE STREET AID FUND	STATE/FEDERAL/PRIVATE	TOTAL CAPITAL PROJECTS
CENTRAL SERVICE COMPLEX PAINT/SEAL EXTERIOR WALLS	\$ 60,000					\$ 60,000
CIVIC CENTER / EXTERIOR DOOR REPLACEMENT	25,000					25,000
MUNICIPAL BUILDING/COMMUNITY DEVELOPMENT ROOF	55,000					55,000
ADA COMPLIANT PLAYGROUNDS	20,000					20,000
EMORY VALLEY ROAD GREENWAY	233,760				376,240	610,000
ROWING IMPROVEMENTS					150,000	150,000
SOCCER COMPLEX FIELD CONSTRUCTION			30,000		150,000	180,000
SIDEWALK IMPROVEMENTS				37,000	480,000	517,000
STREET RESURFACING & CITY-OWNED PARKING LOTS				590,000	110,000	700,000
RUTGERS AVENUE AT MANHATTAN AVENUE / UTILITIES			47,500			47,500
STATE ROUTE 95/58 ROAD IMPROVEMENTS / R-O-W & CONST.					13,000,000	13,000,000
STATE ROUTE 95/58 ELECTRIC LINE RELOCATION		2,570,000				2,570,000
STATE ROUTE 95/58 WATER LINE RELOCATION			1,540,000			1,540,000
STATE ROUTE 95/58 SEWER LINE RELOCATION			255,000			255,000
STORM WATER PROGRAM, EPA NPDES	300,000					300,000
DISTRIBUTION SYSTEM IMPROVEMENTS		350,000				350,000
STREET LIGHT IMPROVEMENT PROGRAM		30,000				30,000
TRAFFIC SIGNAL, PUBLIC & PRIVATE LT MAINT./IMPROVEMENTS		110,000				110,000
UNDERGROUND CABLE REPLACEMENT		750,000				750,000
FACILITIES EXPANSION FOR NEW LOADS AND SERVICES		600,000				600,000
TRANSMISSION SYSTEM IMPROVEMENTS		140,000				140,000
ROUTINE EXPANSION, MAINTENANCE AND MINOR ADDITIONS		950,000				950,000
WATER TREATMENT PLANT CAPITAL IMPROVEMENTS			1,040,000			1,040,000
WATER TREATMENT PLANT CAPITAL MAINTENANCE			300,000			300,000
WATER BOOSTER STATION UPGRADE			50,000			50,000
<b>SUBTOTAL CAPITAL IMPROVEMENT PROGRAMS</b>	<b>\$ 693,760</b>	<b>\$ 5,500,000</b>	<b>\$ 3,262,500</b>	<b>\$ 627,000</b>	<b>\$ 14,266,240</b>	<b>\$ 24,349,500</b>

SUMMARY OF CAPITAL IMPROVEMENT PROGRAMS  
FISCAL YEAR 2004

PROJECT DESCRIPTION	CAPITAL PROJECTS FUND	ELECTRIC FUND	WATERWORKS FUND	STATE STREET AID FUND	STATE/FEDERAL/PRIVATE	TOTAL CAPITAL PROJECTS
SEWER LINE REHABILITATION PROGRAM			\$ 1,200,000			\$ 1,200,000
WATER DISTRIBUTION SYSTEM REHABILITATION			850,000			850,000
WASTEWATER LIFT STATION REPLACEMENT/UPGRADE			275,000			275,000
WASTEWATER LIFT STATION CAPITAL MAINTENANCE			40,000			40,000
WASTEWATER TREATMENT PLANT CAPITAL MAINTENANCE			100,000			100,000
WEST END DEVELOPMENT - ELECTRIC		400,000				400,000
WEST END DEVELOPMENT - SEWER			500,000			500,000
WEST END DEVELOPMENT - WATER			600,000			600,000
ASBESTOS ABATEMENT AT ORHS, RMS, JMS, AND LINDEN	555,000					555,000
ORHS "A" BUILDING STRUCTURAL SETTLEMENT	478,500					478,500
ORHS "A" BUILDING FIRE ALARMS	50,000					50,000
ORHS BUILDING "F" GYM FLOOR REPLACEMENT	75,000					75,000
ORHS REPLACE EXISTING CANOPIES (2)	100,000					100,000
ORHS AUDITORIUM STAGE LIGHTING AND SOUND	250,000					250,000
ORHS CENTRACVAC REPLACEMENT (CHILLER)	78,000					78,000
ORHS WINDOW REPLACEMENTS	900,000					900,000
ORHS & RMS WATER SOURCE HEAT PUMP	310,500					310,500
SIDEWALK & SERVICE DRIVE	108,500					108,500
GLENWOOD ELEMENTARY ROOF REPLACEMENT	130,000					130,000
RMS CHILLER REPLACEMENT	75,000					75,000
RMS PARKING LOT CONSTRUCTION	105,000					105,000
WOODLAND STRUCTURAL REPAIRS	150,000					150,000
SYSTEMWIDE CARPET REPLACEMENT	207,000					207,000
SYSTEMWIDE SECURITY SYSTEM	180,000					180,000
SYSTEMWIDE TECHNOLOGY AND TELEPHONE	525,000					525,000
<b>TOTAL CAPITAL IMPROVEMENT PROGRAMS</b>	<b>\$ 4,969,260</b>	<b>\$ 5,900,000</b>	<b>\$ 6,827,500</b>	<b>\$ 627,000</b>	<b>\$ 14,268,240</b>	<b>\$ 32,590,000</b>

**CAPITAL IMPROVEMENTS PROGRAM  
FISCAL YEAR 2004**

**I. COMMERCIAL/RESIDENTIAL DEVELOPMENT**

**1. West End Development & Expansion**

City staff has been developing an approach to service the utility needs of the undeveloped west end of the City. In June of 1999, eight "Partners for Progress" consisting of the City of Oak Ridge, Roane County, Anderson County, Department of Energy (DOE), Tennessee Valley Authority (TVA), State of Tennessee, Boeing-Oak Ridge, and The Community Reuse Organization of East Tennessee (CROET), entered into a Memorandum of Understanding (MOU). The MOU is a pledge for the partners to work together to find sources of funding for the installation of infrastructure, projected to cost \$15.2 million, to five large parcels of vacant land in the Oak Ridge portion of Roane County. With the installation of infrastructure, it is anticipated that the land will be much more attractive to industries with the entire region benefiting from the investment. These utility expansions will be development driven.

One of the key elements in the west end development is the provision of reliable electric power. Budgeting began in fiscal 2002, with the construction of substation 900 to be located on Blair Road immediately adjacent to the TVA Roane Substation. \$1.5 million of the estimated total \$4 million cost to construct the substation will be funded by an EDA grant.

Other west-end development projects will be development driven and some cost sharing arrangements with the properties being served should be possible. The Partners for Progress will review phasing and cost sharing. Rarity Ridge is the next project planned with electric and water/sewer services planned for this area.

**Funding Source**

Electric Fund	\$ 400,000
Waterworks Fund	<u>1,100,000</u>
TOTAL	<u>\$1,500,000</u>

Electric Service to Rarity Ridge	400,000
Water Infrastructure for Rarity Ridge	600,000
Sewer Extension to Rarity Ridge/Clinch River	<u>500,000</u>
TOTAL	\$1,500,000

Operational Impact: The expansion of services into the Roane County portion of Oak Ridge will result in additional lines and facilities to maintain. Additional personnel are not anticipated at this time.

**TOTAL COMMERCIAL/RESIDENTIAL DEVELOPMENT \$1,500,000**

**II. MUNICIPAL FACILITIES**

**1. Renovations/Additions to Municipal Facilities**

This project provides for improvements to existing City-owned facilities. Some of the improvements include: Paint and seal approximately 4,500 square feet of exterior wall at the Central Services Complex due to erosion of finish, replace exterior doors at the Civic Center and replace the roof system covering the Community Development portion of the Municipal Building.

**Funding Source and Purpose**

Capital Projects Fund		<u>\$140,000</u>
Central Services Complex		
Paint and Seal Exterior Walls	\$ 60,000	
Oak Ridge Civic Center		
Replace Exterior Doors	25,000	
Municipal Building		
Replace Community Development Roof	<u>55,000</u>	
TOTAL		\$140,000

Operational Impact: Maintenance projects will have minimal impact on operations.

**TOTAL MUNICIPAL FACILITIES \$140,000**

**III. RECREATION AND PARKS**

**1. Greenway Implementation**

A Greenway is a system of walking trails connecting the City's greenbelts. The advantage is to bring parkland nearer to all Oak Ridge citizens. The Citywide system recommended by the Greenway Task Force has been endorsed by City Council and has now moved into the implementation stage. The Melton Lake Greenway, which is being constructed in three phases, is the construction of a 4-mile 8-foot wide asphalt walking/biking trail along Melton Lake Drive to Haw Ridge. The Emory Valley Road portion of the greenway implementation will begin in FY 2004. These greenways are being funded through a combination of City and grant money from the Tennessee Department of Transportation (TDOT).

**Funding Source**

Capital Projects Fund	\$233,760
Tennessee Department of Transportation Grants	<u>376,240</u>
TOTAL	<u>\$610,000</u>

Operational Impact: Maintenance cost is estimated at \$220 per mile per year.

**III. RECREATION AND PARKS (Continued)**

**2. Construction and Improvement of Various Park and Recreation Facilities**

Existing long-term debt proceeds will be utilized for various recreational facility improvements. The comprehensive plan outlines the development or improvement of a neighborhood park within walking distance of each neighborhood. The City is continuing to conduct ADA complaint upgrades and enhancements to City owned playgrounds to comply with new standards established by the Consumer Product Safety Council.

The soccer community is providing funding and manpower (Army Reserve training) for construction of soccer fields at Haw Ridge Park. Construction of the field began in FY 2003 with utilities, concessions and restrooms plus additional parking scheduled for FY 2004.

The rowing venue on Melton Hill Lake continues to be upgraded to include new docks, timing device, finish line tower and expanding of the existing boathouse along with widening the course and dredging near the start line. This venue has hosted numerous national rowing events and regional regattas. The funding will be provided through private and public partnership. The rowing events held here have contributed to the quality of life in Oak Ridge along with increasing both visitors and tax revenue to the City. Enhancing the course will increase the opportunity to attract national and international events.

**Funding Source and Purpose**

Capital Projects Fund	\$ 20,000
Waterworks Fund	30,000
Public/Private Partnership	<u>300,000</u>
TOTAL	<u>\$350,000</u>
ADA Compliant Playgrounds (Renovation)	\$ 20,000
Rowing Improvements	150,000
Soccer Complex at Haw Ridge Park Field Construction	<u>180,000</u>
TOTAL	\$350,000

Operational Impact: Once constructed, there will be electric, water and wastewater operational charges for lighting and restrooms at the new soccer complex.

**TOTAL RECREATION AND PARKS \$960,000**

**IV. TRANSPORTATION**

**1. Street Resurfacing including City-Owned Parking Lots (Maintenance)**

This program funds the City's Enhanced Pavement Maintenance Program and provides for annual resurfacing of designated city streets in a manner which utilizes both corrective and preventative maintenance strategies. Corrective maintenance includes the use of conventional hot-mix asphalt overlays along with pavement milling where necessary and is used to rehabilitate and correct streets, which are very deteriorated and/or have poor pavement conditions. Preventative maintenance strategies used include the application of thin micro-surface overlays and the application of asphalt rejuvenating surface treatments. These strategies are used to extend the life of street pavements, which are still in good to excellent condition.

**IV. TRANSPORTATION (Continued)**

**1. Street Resurfacing including City-Owned Parking Lots (Maintenance) (Continued)**

In addition to resurfacing streets, this program also includes resurfacing of city-owned parking lots that are in poor condition including such parking lots as those located in the Grove Center and Jackson Square commercial area and various city parks.

Funding Source

State Street Aid Fund	\$590,000
Federal and State STP Grant	<u>110,000</u>
TOTAL	<u>\$700,000</u>

Operational Impact: By resurfacing or rejuvenating streets on a need basis, this project reduces the overall cost and amount of maintenance required for City streets. This project is performed under contract with minimal impact on operations.

**2. Sidewalk Improvements**

This project focuses on the rehabilitation of existing sidewalks throughout the City. Approximately 100 miles of concrete and asphalt sidewalk are located throughout Oak Ridge. Many of the existing sidewalks are 20 to 30 years old and this program will serve to keep them in acceptable condition to assure pedestrian safety. The new sidewalks will continue the completion of a pedestrian network in downtown Oak Ridge. The City has been awarded a \$480,000 grant from the Tennessee Department of Transportation (TEA-21 Grant) to construct and improve sidewalks in the City's Central Business District and to link the recently constructed greenways listed under III-1 of this schedule. The City must match funds for 20% of the grant for a total of \$600,000.

Funding Source

State Street Aid Fund	\$ 37,000
Tennessee Department of Transportation Grant	<u>480,000</u>
TOTAL	<u>\$517,000</u>

Operational Impact: Sidewalk renovation does not initially impact operating expenses. Direct operating costs are generally insignificant and can be handled with existing municipal forces.

**3. Rutgers Avenue at Manhattan Avenue**

This project is for the realigning of Manhattan Avenue to connect to Rutgers Avenue opposite Perimeter Road. A side street access will be provided to the TNBank property. The improvements will be compatible with the widening of Rutgers Avenue and the traffic signal at the Rutgers Avenue and Perimeter Road intersection constructed under the Wal-Mart expansion improvements.

Tennessee Department of Transportation will design and construct the improvements with City allocated Federal TEA21 Surface Transportation Program funds plus City matching funds. TDOT is presently seeking approval of the project within a Historical District. Although this additional review will result in a one to two year project delay, approval is expected. The relocation of water and wastewater lines will begin in FY2004.

**IV. TRANSPORTATION (Continued)**

**3. Rutgers Avenue at Manhattan Avenue (Continued)**

Funding Source

Waterworks Fund		<u>\$47,500</u>
Water Line Relocation	\$12,500	
Sanitary Sewer Relocation	<u>30,000</u>	
TOTAL	\$47,500	

Operational Impact: The addition of an intersection with traffic signals will increase electric maintenance costs but no additional personnel will be required.

**4. State Route 95/58 Road Improvements**

The scope of this project includes widening State Route 95/58 in Roane County and State Route 95 in Anderson County from I-40 Gallahar Road interchange to State Route 62 (South Illinois Avenue). Phase I proposed improvements include widening the existing two-lane roadway to a five-lane section from I-40 to the Clinch River and a four-lane divided roadway from the Clinch River to SR 95/58 interchange with an excluded roadway section around K-25. Phase II proposed improvements include widening to a four-lane divided roadway between ST 95/58 interchange to Westover Drive. Phase III proposed improvements include widening to a four-lane grass median divided highway from Westover Drive to Jefferson Avenue and a five-lane section from Jefferson Avenue to State Route 62 (South Illinois Avenue).

Funding Source

State of Tennessee and Federal Funding		\$13,000,000
Electric Fund		2,570,000
Waterworks Fund		<u>1,795,000</u>
TOTAL		<u>\$17,365,000</u>
Right of Way and Roadway Construction	\$13,000,000	
Electric Relocation	2,570,000	
Water Line Relocation	1,540,000	
Sewer Line Relocation	<u>255,000</u>	
TOTAL	\$17,365,000	

Operational Impact: Minimal impact on City operational expenses. Total funding for all phases of the project, estimated at \$33.7 million, will be provided from state/federal sources.

**TOTAL TRANSPORTATION** **\$18,629,500**

V. UTILITIES

1. **Facilities Expansion for New Load**

This item combines the various elements of the Department's efforts to serve new loads with the exception of substations and major feeder lines. These include line extensions, construction within subdivisions and other such activities. Cost is dependant on development activity and this should be treated as a placeholder. For instance, residential underground subdivisions cost about \$1,200 per acre for electric infrastructure, 90% of which is borne by the ratepayers. Commercial installations are heavily supported by the customer/developer. For total cost, these numbers should be combined with System Expansion items.

Funding Source

Electric Fund	<u>\$600,000</u>
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Operational Impact: Expanded service areas will require additional maintenance by City electrical crews. Outside contractors are utilized for distribution expansion and other operational projects to supplement electric crews on an as needed basis.

2. **Electrical Distribution System Improvements**

This project provides for the upgrade of existing system components, including conductors, underground service vaults, and the addition of specific protection devices. It describes non-routine work done by the department to rectify identified inadequacies, along with items required to enhance system performance. An underground cable replacement program is under development. It is included here with placeholder values only. The budget for 2004 and subsequent CIP's will reflect Council reaction.

Obvious deficiencies are being addressed and equipment updated. Limited replacement of underground cable and vault systems has already begun. Some reconductoring and replacement of 13 kV lines has also begun based on the results of the system model. Circuit 16 is awaiting development pressure. Limited pro-active underground cable replacement of approximately \$100,000 per year may meet basic system reliability concerns.

Line segments are routinely evaluated via the Department's system model for potential use in switching operations, alternate feeds and line loss, as well as age, condition and functionality. Other structures particularly underground vaults need to be upgraded.

Funding Source

Electric Fund	<u>\$350,000</u>
Circuit Improvement	\$250,000
Underground Cable Replacement	<u>100,000</u>
TOTAL	\$350,000

Operational Impact: With new equipment installed annual operating costs should decrease and system safety improved.

V. **UTILITIES (Continued)**

3. **Electrical Routine Expansion, Maintenance, Replacement and Minor Additions (Maintenance)**

Most of the routine work done by the Department is considered capital (under TVA guidelines). This item has been included to capture the cost of that routine capital. A major addition for FY04 is the underground cable replacement. Much of the City's underground cable has aged to the point that replacement is necessary. Also this item represents minor items that are completed on an ongoing basis in the Department – such as pole change/outs. Miscellaneous capital includes a broad range of items from meters and transformers to protection equipment.

Funding Source

Electric Fund		<u>\$1,700,000</u>
Overhead Distribution	\$250,000	
Underground Distribution	250,000	
Underground Cable Replacement	750,000	
Transformers	200,000	
Substation Equipment	100,000	
Miscellaneous (Undescribed) Capital	<u>150,000</u>	
TOTAL	\$1,700,000	

Operational Impact: This is an ongoing project for replacement of aging equipment and will reduce overall maintenance expenses and insure good quality electric power delivery.

4. **Street Light Improvement Program (Capital/Maintenance)**

This project provides for the correction of problems to improve the level of street lighting activity within the City. Reduced funding will allow for minor improvements to critical need locations.

The Electrical Department has a street light survey of the city and has policies and guidelines for street lighting. This program will address the street lights in areas with deteriorated or inadequate lighting. Streets include residential as well as industrial and commercial areas, and some thoroughfares. Underground street light cable, which in some cases is over twenty years old, has to be replaced. No funds were included for significant new lighting projects.

Funding Source

Electric Fund	<u>\$30,000</u>
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5. **Transmission System Improvements (Maintenance)**

This program provides funding for maintenance of the City's 69kV system. An increase in FY 04 and FY 05 will be used to replace fiberglass insulator arms located on concrete poles along the Turnpike. Other amounts reflect the occasional need to replace wooden poles as they decay.

V. UTILITIES (Continued)

5. **Transmission System Improvements (Maintenance)(Continued)**

Reconductoring and pole replacement are being completed as needed. Work in replacing insulators, connectors, and switches have been identified in engineering studies.

Funding Source

Electric Fund \$140,000

Operational Impact: This project represents an effort to maintain the 69kV system. Delay of this project significantly increases chance of widespread electrical outages.

6. **Traffic Signal and Street Lighting Improvements (Maintenance)**

This project provides for the routine maintenance, installation and replacement of existing traffic signals, street and private lighting. These items are maintained and replaced on an ongoing basis and will be budgeted annually.

Funding Source

Electric Fund \$110,000

Traffic Signal Upgrades and Improvements	\$ 70,000
Public/Private Lighting Upgrades and Improvements	<u>40,000</u>
TOTAL	\$110,000

Operational Impact: The Electric Fund pays for and installs the capital equipment and performs ongoing maintenance to the traffic/street lighting systems. The General Fund annually pays the Electric Fund a 13% investment charge on the net book value of the traffic signal and street lighting assets for the installation and maintenance of the equipment

7. **Stormwater Management Activities and EPA NPDES Stormwater Program**

This project combines two previous projects regarding the EPA NPDES Stormwater Program and the Stormwater Management Activity. This project provides funding for compliance with the new EPA Stormwater regulations and for routine maintenance activities. Upon completion of a management plan, additional funding will be allocated in the future for needed improvements to meet required regulations. Such improvements may include upgrading of inadequate structures, replacement of current structures and/or new installations.

Final EPA regulations for Phase II stormwater requirements were released in October 1999 and Oak Ridge is expected to fall in this second phase of rulemaking. A management plan must be developed by June 2003 with full implementation of the plan by 2008. Camp Dresser and McKee is under contract to begin the management plan process. Although some inventory tasks have been completed, the project is on hold until the State provides official notification that the City is included in the program.

V. **UTILITIES (Continued)**

7. **Stormwater Management Activities and EPA NPDES Stormwater Program (Continued)**

\$150,000 of the FY 04 funding provides extension of engineering services, if needed to complete the management plan and storm water modeling with recommendations in the Midway and Woodland areas. This plan should identify other problem areas in the city that need to be addressed. The remaining FY 04 funds are for ongoing maintenance including a significant cost associated with replacing a twin 24-inch storm drainage culvert in the New York Avenue area.

Funding Source

Capital Projects Fund – Storm Water Management \$300,000

Operational Impact: Minimal impact on operations at this time.

8. **Water Booster Station Upgrades (Maintenance)**

Additional maintenance capital is added to replace or upgrade items such as pumps, motors, or pipes that will fail as time takes it's toll on these forty-year old structures.

The general upgrade of all water booster stations is complete except Wisconsin (which will be completed by the end of FY 03). Additional capital maintenance funding is added to replace existing equipment such as pumps and motors that will fail as it ages.

Water booster stations are an integral part of the water system. Many repairs and upgrades resulted in the stations looking and performing more efficiently. The extended life of over thirty years necessitates continued maintenance for uninterrupted water for our customers.

Funding Source

Waterworks Fund \$50,000

Operational Impact: Continuation of upgrades to the City's main water booster pump stations including buildings, pumps, motors, and the hydraulic capability of the pumping stations. This will reduce maintenance costs and improve the operation of the pumping stations.

9. **Water Distribution System Rehabilitation (Maintenance)**

This program provides funding for ongoing routine capital maintenance activities within the water distribution system. Activities include inspection and repainting of the five elevated water tanks, replacement of large diameter water valves and piping, replacement of obsolete fire hydrants, and replacement and downsizing of water meters. A three year program for replacement of obsolete meters, two inches and larger is proposed for FY 05, FY 06, and FY 07.

Replacement of fire hydrants and large diameter valves and piping occurs through the year. Inspection and repainting of the elevated tanks began in FY 00 and will be completed in FY 03 with routine capital maintenance thereafter.

V. UTILITIES (Continued)

9. **Water Distribution System Rehabilitation (Maintenance)(Continued)**

This project continues a plan for rehabilitation of the City's water distribution system. The plan concentrates on 1) Replacing obsolete fire hydrant which are no longer manufactured and repair parts are no longer available; 2) Replacement of approximately 5,000 feet of 12 inch force main from the east booster that fill Orchard Reservoir due to age and large number of breaks we have had on that line, estimated to be approximately \$300,000. The "twin" to this line is also becoming problematic and fills the Louisiana Reservoir. It is proposed for replacement at a similar cost in FY 09; 3) Inspection and painting of the five elevated water tanks and 4) Replacement and downsizing of water meters. Approximately 80 meters, two inches and larger, are nearly forty-five years old. Replacement parts are becoming unavailable, as these meters are no longer manufactured. The program proposes to replace these meters from FY 05 to FY 07.

Funding Source

Waterworks Fund		<u>\$ 850,000</u>
Water System Rehabilitation	\$ 690,000	
Water Tank Painting & Inspection	10,000	
Fire Hydrant Replacement	90,000	
Water Meter Replacement (21200)	<u>60,000</u>	
TOTAL	\$ 850,000	

Operational Impact: This project will concentrate on replacement of aged system components focusing initially on large diameter valves (14" through 30") and valve vaults and finally on water main replacement. This will decrease the number of water breaks and lower maintenance costs. Older fire hydrants are being replaced instead of being repaired because the parts are no longer being manufactured.

10. **Water Treatment Plant Improvements (Capital/Maintenance)**

On May 1, 2000, the City acquired ownership of a 50+-year-old water treatment plant from the Department of Energy (DOE). This program provides for ongoing capital improvements to the plant necessary to ensure the plant's physical and mechanical structure and allows it to continuously produce drinking water, which meets or exceeds guidelines established by State and Federal regulations. The funding provided by this program will allow for a timely replacement of various aged plant equipment, including electronic monitoring and control components, electric motors, pumps, main electrical service and other plant components. Prior to transfer to the City, engineers identified a four million dollar five year improvement program and the financial support of this program has been factored in the rate structure. Capital maintenance funding will continue on an annual basis.

This project is subject to change based on future new regulations from the EPA.

To date, the controller at the operations center, which includes meters and telemetry, has been replaced. Also replaced has been the turbidimeter and particle counter system, the roof on the maintenance building and the application valves on the incoming raw water lines. Projects scheduled for completion in FY 03 include a new filter control system, new roofs on the intake and booster buildings and upgrade of the treatment plant dehumidification system. FY 04 through FY 06 capital improvement projects and funding is based on projects identified in both the water plant feasibility study and the ongoing routine capital maintenance programs.

V. **UTILITIES (Continued)**

10. **Water Treatment Plant Improvements (Capital/Maintenance)(Continued)**

An engineering study of the plant identified a \$4,000,000 improvement program that will take place over the next five years. The annual debt service to support this program has been factored into the rate structure. FY 2003 through FY 2006 capital improvement project planning and funding is based on projects identified in both the water plant feasibility study, which is funded through debt amortization, and ongoing routine capital maintenance projects funded through the rate structure.

Funding Source

Waterworks Fund		<u>\$1,340,000</u>
Capital Improvements	\$ 300,000	
Steel Tank Inspection and Repainting	240,000	
Filter Replacement	500,000	
Maintenance Capital Improvements	<u>300,000</u>	
TOTAL	\$1,340,000	

Operational Impact: The Lamar Dunn engineering study indicated that the plant's physical condition, which is still operational at the present time, will require various improvements in order to replace outdated equipment with new, modern and more reliable equipment which will allow for cost efficient operation of the facility.

11. **Wastewater Lift Station Replacement /Upgrade Program (Capital/Maintenance)**

This program funds the systematic replacement of deteriorated sewer lift stations and the upgrading of some other lift stations.

Replacement of nine lift stations is complete: Oak Hills, West Outer Drive, Warehouse Road, Fairbanks Road, Peach Orchard, Marina, Eastburn Lane, Rivers Run and Emory Heights. Radisson Cove and Whippoorwill stations will be completed in FY 03. Additional replacements will continue as outlined with minor upgrades continuing under the annual capital maintenance activity. No other replacements except those listed are planned at this time.

Gum Hollow is scheduled for replacement in FY 04 and Graceland is scheduled for FY 05. These stations continue to be maintenance problems. Their advanced age has made locating replacement parts extremely difficult. The remaining stations are on a priority basis and this program will continue as planned. The level of funding is approximately one percent of the total asset value.

Funding Source

Waterworks Fund		<u>\$315,000</u>
Station Replacement	\$275,000	
Wastewater Lift Station Maintenance	<u>40,000</u>	
TOTAL	\$315,000	

Operational Impact: Systematic replacement of wastewater lift stations will reduce maintenance expenses. Funding will be provided from a 20-year loan from the Tennessee State Revolving Loan Program.

V. **UTILITIES (Continued)**

**12. Sewer Line Rehabilitation (Maintenance)**

This program provides funding to rehabilitate deteriorated lines on an ongoing basis.

Funding Source

Waterworks Fund \$1,200,000

Operational Impact: This program is part of an annual repair and replacement program to upgrade the City's sewer collection system and correct Infiltration and Inflow problems. Funding will be provided from a 20-year loan from the Tennessee State Revolving Loan Program.

**13. West Wastewater Treatment Plant (Maintenance)**

This program provides for the ongoing capital maintenance at the west end Wastewater Treatment Facility. This is part of the City's wastewater collection and treatment systems. Additional maintenance capital is added to replace or upgrade items such as pumps, meters or transmission pipes that will fail as time takes its toll on the existing 20-year old equipment.

The Wastewater Treatment Plant required some measures of upgrading to accommodate the high levels of infiltration and inflow into the collection system. The upgrade to the treatment plant is scheduled for completion in FY 03. Capital maintenance funding is added to replace or upgrade items such as pumps, motors or transmission pipes that will fail with age on the existing twenty year old equipment.

Funding Source

Waterworks Fund \$100,000

Operational Impact: Additional maintenance will be required on the new equipment. Funding will be provided from a \$20 million 20-year loan from the Tennessee State Revolving Loan Program.

**TOTAL UTILITIES \$ 7,085,000**

**TOTAL CITY OF OAK RIDGE \$28,314,500**

## VI. SCHOOLS

### 1. **Asbestos Abatement (Maintenance)**

The Asbestos Hazard Emergency Act requires that all schools in the nation inspect, test and evaluate all suspect building materials. Following the inspection and testing a comprehensive plans has been submitted to the State, which includes the specific actions that will be taken by the school system to eliminate any asbestos hazard. All schools have been approved by the State for an operations and maintenance program. The long range and most appropriate solution for the asbestos containing material is complete removal of exposed or friable material or the approved encapsulation of materials that are not easily accessible in conjunction with an organized operations and maintenance program for all remaining ACM's.

Jefferson and Linden – Removal of all sprayed on asbestos containing materials in mechanical rooms and gymnasiums. In addition, ceiling tiles containing asbestos would be removed and replaced. The AHERA Management Plan for the Oak Ridge Schools identifies this work as first priority in the event that the existing aging encapsulation system begins to fail.

Oak Ridge High School, Robertsville and Remaining Oak Ridge School Buildings – Removal or encapsulation of all remaining asbestos containing pipe sleeves and boiler lagging as well as miscellaneous insulation on heating systems.

The Jefferson gymnasium ceiling encapsulation is aging and questionable for future effectiveness. The preference is that this be funded for removal in FY 05 to eliminate the possibility of airborne asbestos fibers.

#### Funding Source

Capital Projects Fund		<u>\$555,000</u>
Architectural and Engineering	\$ 56,000	
Removal, Air Monitoring, Testing	<u>499,000</u>	
TOTAL	\$555,000	

Operational Impact: No operational impact on school staff.

### 2. **Roof Replacement**

The roofs are EPDM style and the rubber membranes are separating and cracking causing leaks that are extremely hard to find and repair in a permanent manner. A review of the maintenance work orders indicate a very high incidence of reported leaks causing property damage, inconvenience, safety hazards, and drains on maintenance manpower.

#### Funding Source

Capital Projects Fund		<u>\$130,000</u>
Glenwood Elementary School	\$130,000	

Operational Impact: Reduced maintenance expenses.

**VI. SCHOOLS (Continued)**

**3. Site Development Capital Improvements**

This provides funding for system wide improvements to existing School facilities.

Funding Source

Capital Projects Fund		<u>\$810,000</u>
System Wide Security System	\$180,000	
System Wide Technology and Telephone	525,000	
Robertsville Middle School Parking Lot	<u>105,000</u>	
TOTAL	\$810,000	

Operational Impact: Will improve efficiency and productivity of School Staff.

**5. Site Development and Building Improvements to Various Schools (Maintenance)**

This project provides for improvements to existing School facilities.

Funding Source and Purpose

Capital Projects Fund		<u>\$2,780,500</u>
ORHS Auditorium Lighting and Sound	\$ 250,000	
ORHS Centravac Replacement (Chiller)	78,000	
ORHS Replace Existing Canopies (2)	100,000	
ORHS Window Replacement	900,000	
ORHS "A" Building Structural Settlement	478,500	
ORHS "F" Gym Floor Replacement	75,000	
ORHS "G" Building Fire Alarm	50,000	
ORHS & RMS Water Source Heat Pumps	310,500	
RMS "B" Building Chiller Replacement	75,000	
Sidewalks and Service Drives Repaving	106,500	
System Wide Carpet Replacement	207,000	
Woodland Building Structural Settlement	<u>150,000</u>	
TOTAL	\$2,780,500	

Operational Impact: Minimal operational impact on School Staff.

**TOTAL SCHOOLS** \$4,275,500

**GRAND TOTAL - CAPITAL IMPROVEMENTS** \$32,590,000

