

OAK RIDGE CITY COUNCIL MEETING
Municipal Building Courtroom

February 13, 2017 - 7:00 p.m.

AGENDA

- I. INVOCATION
Pastor Bobby McCoy, Oak Ridge Baptist Church
- II. PLEDGE OF ALLEGIANCE
- III. ROLL CALL
- IV. PROCLAMATIONS AND PUBLIC RECOGNITIONS
Proclamations
 - a. A proclamation designating March 3, 2017 as Arbor Day
 - b. A proclamation recognizing the interfaith efforts of Oak Ridge citizens to promote interfaith dialogue and harmony
- V. SPECIAL REPORTS
 - a. Presentation and public meeting to provide information concerning the City of Oak Ridge's application for a Clean Water State Revolving Loan Fund loan - Greg Jones, LDA Engineering
 - b. FY 2016 Audit Report – Conor O'Donoghue and Julie Hayes, Coulter & Justus
- VI. CONSENT AGENDA
 - a. Approval of the January 9, 2017 City Council regular meeting minutes
 - b. A RESOLUTION RENEWING THE CONTRACT (FY2015-222) WITH B & B SERVICES, INC., KNOXVILLE, TENNESSEE, FOR MOWING NON-RIGHTS-OF-WAY INCLUDING CITY-OWNED PARCELS AND PROPERTY FOR CALENDAR YEAR 2017 IN THE ESTIMATED AMOUNT OF \$96,300.00, AND AUTHORIZING THE CITY MANAGER TO RENEW THE CONTRACT FOR THE REMAINING RENEWAL OPTIONS UPON SATISFACTORY PERFORMANCE.
 - c. A RESOLUTION AUTHORIZING THE TRANSFER OF TAX EQUIVALENTS FROM THE ELECTRIC AND WATERWORKS FUNDS TO THE GENERAL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 2017, AND TO AUTHORIZE DISTRIBUTION OF THE ELECTRIC FUNDS BETWEEN THE CITY OF OAK RIDGE AND ANDERSON AND ROANE COUNTIES IN ACCORDANCE WITH STATE LAW.
- VII. PUBLIC HEARINGS AND FIRST READING OF ORDINANCES
Public Hearing and First Reading
 - a. AN ORDINANCE TO AMEND ORDINANCE NO. 3-2016, WHICH ORDINANCE PROVIDES FOR A BUDGET AND APPROPRIATIONS FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR WHICH BEGAN ON JULY 1, 2016 BY ADOPTING A BUDGET AND ADOPTING APPROPRIATIONS, BY AMENDING SAID APPROPRIATIONS.

First Reading

- b. AN ORDINANCE ABANDONING THE PLATTED RIGHT-OF-WAY STUB-OUT LOCATED BETWEEN 113 WILLIAM LANE AND 115 WILLIAM LANE IN THE WESTWOOD SUBDIVISION.

VIII. FINAL ADOPTION OF ORDINANCES

- a. AN ORDINANCE TO AMEND TITLE 8, TITLED "ALCOHOLIC BEVERAGES," CHAPTER 4, TITLED "BEVERAGES EXCEEDING FIVE PER CENT ALCOHOL – RETAILER'S AND EMPLOYEE'S PERMITS," OF THE CODE OF ORDINANCES, CITY OF OAK RIDGE, TENNESSEE, TO DELETE SECTION 8-406, TITLED "DOMICILE REQUIREMENTS FOR APPLICANT," IN ITS ENTIRETY TO REMOVE THE RESIDENCY AND WAIVER REQUIREMENTS FOR THE RETAIL SALE OF LIQUOR.

IX. RESOLUTIONS

- a. A RESOLUTION WAIVING COMPETITIVE BIDS AND AWARDING A CONTRACT TO RBM COMPANY, KNOXVILLE, TENNESSEE, TO RELOCATE THE FUEL PUMPS AT FIRE STATION #4 IN THE ESTIMATED AMOUNT OF \$36,300.00.
- b. A RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WASTEWATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATIONS AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING.
- c. A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH DEMIAN WILBUR ARCHITECTS, WASHINGTON D.C., FOR CONSTRUCTION DOCUMENTS, BIDDING ADMINISTRATION, AND CONSTRUCTION ADMINISTRATION SERVICES FOR A NEW PEACE BELL PAVILION IN THE ESTIMATED AMOUNT OF \$72,000.00.
- d. A RESOLUTION TO EXTEND THE EMPLOYEE MEDICAL INSURANCE CONTRACT BETWEEN THE CITY OF OAK RIDGE AND THE STATE OF TENNESSEE LOCAL GOVERNMENT HEALTH INSURANCE PROGRAM FOR THE PERIOD OF JANUARY 1, 2017 THROUGH DECEMBER 31, 2017 AT AN ESTIMATED COST OF \$4,520,000.00.
- e. A RESOLUTION AUTHORIZING THE PURCHASE OF ONE (1) VACUUM EXCAVATOR FROM VERMEER HEARTLAND, KNOXVILLE, AND TWO (2) REPLACEMENT PICKUP TRUCKS FROM O.G. HUGHES & SONS, INC., KNOXVILLE, FOR USE BY THE ELECTRIC DEPARTMENT IN THE GRAND TOTAL ESTIMATED AMOUNT OF \$229,440.63.
- f. A RESOLUTION EXPRESSING OPPOSITION TO THE USE OF PUBLIC FUNDS FOR PRIVATE SCHOOLS WITHOUT CERTAIN CONDITIONS BEING MET.

X. APPEARANCE OF CITIZENS

XI. ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

- a. Elections/Appointments
- b. Announcements

c. Scheduling

XII. COUNCIL REQUESTS FOR NEW BUSINESS ITEMS OR FUTURE BRIEFINGS

XIII. SUMMARY OF CURRENT EVENTS

a. CITY MANAGER'S REPORT

- i. Grant to promote the Oak Ridge Farmers Market

b. CITY ATTORNEY'S REPORT

XVI. ADJOURNMENT

**PROCLAMATIONS
AND
PUBLIC RECOGNITIONS**

CITY CLERK MEMORANDUM
17-02

DATE: January 31, 2017
TO: Honorable Mayor and Members of City Council
FROM: Mary Beth Hickman, City Clerk
SUBJECT: PROCLAMATIONS FOR THE FEBRUARY 13, 2017 CITY COUNCIL MEETING
AGENDA

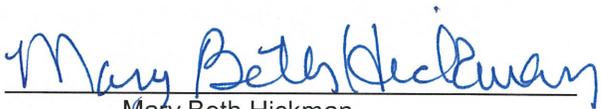
The following proclamations are presented for the February 13, 2017 City Council meeting for the City Council's consideration:

A proclamation designating March 3, 2017 as Arbor Day

This request was submitted by the Oak Ridge Recreation and Parks Department to proclaim March 3, 2017 as Arbor Day. Jon Hetrick of the Recreation and Parks Department will be in attendance to accept the proclamation.

A proclamation recognizing the interfaith efforts of Oak Ridge citizens to promote interfaith dialogue and harmony.

This request was submitted by Councilmember Ellen Smith to recognize the interfaith efforts of Oak Ridge residents to promote interfaith dialogue and harmony. Representatives from the Women's Interfaith Dialogue will be present to accept the proclamation.



Mary Beth Hickman

Attachments:
Proclamation designating March 3, 2017 as Arbor Day
Proclamation recognizing the interfaith efforts of Oak Ridge residents

PROCLAMATION

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees and this holiday, called "Arbor Day," was first observed with the planting of more than a million trees in Nebraska; and

WHEREAS, Arbor Day is now observed throughout the nation and the world; and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife; and

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products; and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community; and

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal; and

WHEREAS, the City of Oak Ridge has been designated a "Tree City USA" by the National Arbor Day Foundation in recognition of the City's desire to maintain an effective program of tree care and planting that will continue through the years; and

WHEREAS, as part of this program, the City's Recreation and Parks Department distributes seedlings to fourth graders in all five of the elementary schools each year, and this year's seedlings will be hornbeam trees; and

WHEREAS, the program also includes the planting of an official tree on Arbor Day of each year, in cooperation with the UT Arboretum, with the planting location being rotated among the elementary schools; and

WHEREAS, this year a Southern Red Oak is being planted at St. Mary's School in a public ceremony to take place on Friday, March 3, 2017, at 10:00 a.m.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE, that March 3, 2017, be proclaimed

ARBOR DAY

in the City of Oak Ridge, Tennessee, and that all citizens be urged to support efforts to protect our trees and woodlands and to support our city's urban forestry program.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the City of Oak Ridge to be affixed, this the 13th day of February in the year 2017.

WARREN L. GOOCH
MAYOR

PROCLAMATION

WHEREAS, Oak Ridge citizens represent a diverse range of cultural backgrounds and faith traditions; and

WHEREAS, throughout our city's history, people of diverse faiths have maintained a tradition of cooperating across the boundaries of their religious faiths and denominations for the benefit of all people; and

WHEREAS, the tradition of interfaith cooperation began in the city's earliest days when Catholic, Protestant, and Jewish congregations shared the same worship space in the Chapel on the Hill; and

WHEREAS, the Women's Interfaith Dialogue of Oak Ridge, formed seven years ago, gathers monthly to bring together women of diverse faith, color, and culture to explore, understand, and learn from one another for the purpose of advancing justice, compassion, friendship, and human rights with a focus on women and children; and

WHEREAS, in 2015, local spiritual leaders of different denominations began a collaboration called Community Matters, centered around a series of public meetings that explored community concerns and identified and promoted measures to address those concerns and strengthen our community; and

WHEREAS, Oak Ridge citizens learned that South Carolina's Governor proclaims each January as Interfaith Harmony Month and have been actively exploring possibilities for using that state's experience as a model for building interfaith understanding and harmony here in Tennessee; and

WHEREAS, community members organized as Oak Ridge Interfaith Partners recently marked World Interfaith Harmony Week by gathering people from more than nine diverse faith traditions to share different parts of their faiths and seek to foster mutual understanding; and

WHEREAS, communication and mutual respect among people of diverse backgrounds and beliefs are vital elements in promoting well-being, peace, and good will in our community, nation, and world.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

that the City honors the efforts of Oak Ridge citizens to work together to promote interfaith dialogue, harmony, mutual understanding, and respect for all people, and affirms the City's continuing commitment to tolerance and respect for the diverse traditions and beliefs found within our community.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the City of Oak Ridge to be affixed, this the 13th day of February in the year 2017.

WARREN L. GOOCH, MAYOR

CONSENT AGENDA

OAK RIDGE CITY COUNCIL MEETING
Municipal Building Courtroom

January 9, 2017

Minutes

The regular meeting of the City Council of the City of Oak Ridge, Tennessee convened at 7:00 p.m. on January 9, 2017 in the Courtroom of the Municipal Building with Mayor Warren L. Gooch presiding.

INVOCATION

The invocation was given by Pastor Tim Kimsey with Woodland Park Baptist Church.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Reed Bischofberger with Boy Scout Troop 328.

ROLL CALL

Upon roll call the following councilmembers were present: Councilmember Kelly Callison; Mayor Pro Tem Rick Chinn, Jr.; Councilmember Jim Dodson; Mayor Warren L. Gooch; Councilmember Charles J. Hope, Jr.; Councilmember Ellen D. Smith; and Councilmember Hans Vogel.

Also present were Mark S. Watson, City Manager; Mary Beth Hickman, City Clerk; Janice McGinnis, Finance Director and Kenneth R. Krushenski, City Attorney.

RULES AND PROCEDURES

Mayor Pro Tem Chinn moved to suspend the City Council Rules and Procedures for the purpose of agenda formatting for the January 9, 2017 City Council meeting, and Councilmember Hope seconded . The motion was approved unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting "Aye."

ELECTIONS

Elect one (1) applicant to the Anderson County Board of Equalization

Ms. Catherine Denenberg was elected on the first ballot.

Elect one (1) applicant to the Anderson County Community Action Commission

Councilmember Smith moved that Ms. Sharon Stratton be elected by acclamation, and Mayor Pro Tem Chinn seconded. The motion was approved unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting "Aye."

Elect one (1) applicant to the Anderson County Economic Development Association

Karen Goforth Crutchfield was re-elected on the second ballot.

Elect two (2) applicants to the Oak Ridge Beer Permit Board

Mark Cantrell and Rodney Nelson were elected on the first ballot.

Elect two (2) applicants to the Board of Building and Housing Code Appeals

Dr. Bruce LeForce and Phillip Yager were re-elected on the first ballot.

Elect one (1) applicant to the Board of Zoning Appeals

David Gengozian was re-elected on the first ballot.

Elect five (5) applicants to the Convention and Visitors Bureau

Councilmember Callison moved that Heather Brown, Gretchen Julius, and Troy Patel be elected by acclamation as the hotel representatives on the Convention and Visitors Bureau. The motion was approved unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting "Aye."

Councilmember Smith moved that the Council members select two (2) applicants on the first ballot and choose which term of office they will fill on a second ballot. The motion was seconded by Mayor Pro Tem Chinn and passed unanimously by voice vote.

Darrell Akins and Naomi Asher were elected on the first ballot. On the second ballot, Naomi Asher was selected to fill the balance of an unexpired term ending on December 31, 2017, and Darrell Akins was selected to fill the balance of an unexpired term ending on December 31, 2018.

Elect five (5) applicants to the Environmental Quality Advisory Board.

Mayor Pro Tem Chinn moved to elect Jan Lyons, Belinda Roark, and Jianqiu Zheng to serve three-year terms by acclamation as there were no other candidates. The motion was seconded by Councilmember Vogel and approved unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voted "Aye."

Elect three (3) applicants to the Industrial Development Board

Mr. Richard Chinn, Sr., Mr. Chris Johnson, and Mr. Buzz Patrick were re-elected on the first ballot. Mayor Pro Tem Chinn recused himself due to one of the candidates being a family member.

Elect one (1) applicant to the Oak Ridge Heritage Railroad Authority

Mr. Gordon Fee was re-elected on the first ballot.

Elect one (1) applicant to the Oak Ridge Housing Authority

Ms. Anne Dunthorne was elected on the first ballot.

Elect three (3) applicants to the Oak Ridge Land Bank Board of Directors.

Councilmember Smith moved to elect the three applicants on the first ballot and vote on their term of office on the second ballot. Mayor Pro Tem Chinn seconded, and the motion passed unanimously by voice vote.

On the first ballot, Ms. Barbara Gardner was elected, and Mr. Colin Anderson and Mr. James Palmer were re-elected.

On the second ballot, Mr. Anderson and Ms. Gardner were selected for a two-year term ending on December 31, 2018. Mr. Palmer was selected for a three-year term ending on December 31, 2019.

Elect four (4) applicants to the Oak Ridge Municipal Planning Commission

On the first ballot, Mr. L. Charles Hensley and Mr. Ben Stephens were elected, and Mr. Patrick McMillan

and Ms. Jane Shelton were re-elected.

On the second ballot, Mr. Hensley and Mr. Stephens were selected for four-year terms commencing on January 1, 2017. Mr. McMillan was selected for the balance of an unexpired term ending on December 31, 2018, and Mr. Shelton was selected for the balance of an unexpired term ending on December 31, 2019.

Elect one (1) applicant to the Personnel Advisory Board

Mr. Kevin Gregg was elected on the first ballot.

Elect four (4) applicants to the Recreation and Parks Advisory Board

On the first ballot, Mr. Bradley Spears was elected, and Ms. Naomi Asher and Mr. Ray Garrett were re-elected.

Mr. Mark Cantrell was elected on the second ballot.

Elect four (4) applicants to the Senior Advisory Board

On the first ballot, Mr. Gene Dunaway was re-elected, and Ms. Jackie Nichols, Ms. Lisa Plante, and Mr. Paul Smiddy were elected.

Elect five (5) applicants to the Trade Licensing Board

Councilmember Callison moved to re-elect Michael Maddox, Joe McCarty, Danny Scott, and Jerry Seiber by acclamation as there were no other candidates. Mayor Pro Tem Chinn seconded, and the motion passed unanimously by voice vote.

Elect three (3) applicants to the Traffic Safety Advisory Board

Councilmember Hope moved to elect Mr. Thomas Carney and to re-elect Mr. Bill Polfus by acclamation as there were no other candidates. Councilmember Callison seconded, and the motion passed unanimously by voice vote.

APPEARANCE OF CITIZENS

Anne Garcia, 120 Outer Drive, Oak Ridge, addressed Council regarding the lack of striping on city streets and requested that a plan for repaving and striping be publicized.

PROCLAMATIONS AND PUBLIC RECOGNITIONS

Proclamations

A proclamation paying tribute to former Oak Ridge Mayor Andrew Jerome "Jerry" Kuhaida. Mayor Pro Tem Chinn moved for approval of the proclamation, and Councilmember Callison seconded. Several Council members made comments recognizing the public service of Mr. Kuhaida.

The proclamation was approved unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting "Aye."

SPECIAL REPORTS

Transmittal of Report on Debt Obligation – State Form CT-0253 - \$9,665,000 in General Obligation Refunding Bonds, Series 2016

Finance Director Janice McGinnis provided City Council with a report regarding the City's refunding of

General Obligation bonds. The report was received for the record.

CONSENT AGENDA

Mayor Pro Tem Chinn moved for adoption of the Consent Agenda, and Councilmember Callison seconded. Councilmember Smith requested that the following item be removed from the Consent Agenda:

A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH CTC TECHNOLOGY & ENERGY, KENSINGTON, MARYLAND, TO PERFORM A FIBER-TO-THE-PREMISES FEASIBILITY STUDY IN THE ESTIMATED AMOUNT OF \$47,500.00.

The Consent Agenda was adopted unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting "Aye."

Approval of the December 12, 2016 City Council regular meeting minutes

Approval of the December 13, 2016 City Council special meeting minutes

A RESOLUTION APPROVING THE SALE OF A SURPLUS EQUIPMENT ITEM (JOHN DEERE 7810 TRACTOR) AS REQUIRED BY CITY CODE §5-501 SINCE THE SALE PRICE EXCEEDS \$20,000.00.

ITEM REMOVED FROM CONSENT AGENDA

A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH CTC TECHNOLOGY & ENERGY, KENSINGTON, MARYLAND, TO PERFORM A FIBER-TO-THE-PREMISES FEASIBILITY STUDY IN THE ESTIMATED AMOUNT OF \$47,500.00.

Councilmember Dodson moved for approval of the resolution, and Councilmember Hope seconded. Electric Department Director Jack Suggs provided background on the resolution and answered questions from Council.

The resolution was adopted unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting "Aye."

RESOLUTIONS

A RESOLUTION APPROVING AN OPERATIONAL AGREEMENT BETWEEN THE CITY AND THE SCHOOLS WITH RESPECT TO FACILITY MAINTENANCE AND SCHEDULING FOR BLANKENSHIP FIELD.

Councilmember Dodson moved for approval of the resolution, and Mayor Pro Tem Chinn seconded. City Manager Mark Watson provided an overview of the resolution and answered questions from Council.

The resolution was adopted unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Smith voting "Aye."

A RESOLUTION AUTHORIZING A TRANSFER OF \$120,000.00 FROM THE GENERAL FUND TO THE GOLF COURSE FUND TO PROVIDE OPERATIONAL FUNDING FOR TENNESSEE CENTENNIAL GOLF COURSE.

Councilmember Callison moved for approval of the resolution, and Councilmember Smith seconded.

Mayor Pro Tem Chinn stated that although he appreciates the efforts of Billy Casper Golf to turn things around, he can not support continuing to throw good money after bad in order to fund the golf course. He suggested looking at other uses for the property and reminded Council that the golf course is having to

compete locally with a private course.

Councilmember Callison stated that the course is on track with the plan that they had previously provided to Council, and that it appears that their recent marketing efforts have been successful.

Councilmember Vogel stated that if the total amount of revenue per round reaches the 2013 level, the course would be close to breaking even. He also stated that this expenditure is in line with what the City spends on other public activities.

Councilmember Hope asked if the City has had conversations with Billy Casper Golf about alternatives such as closing the course for the winter. City Manager Mark Watson responded that the City is looking at alternative uses for the course. Councilmember Hope also asked if the golf course can compete with surrounding courses if the rates were raised.

Councilmember Smith stated that the Budget and Finance Committee have spent a great deal of time studying and discussing the golf course and that shutting the course down and terminating the contract would not save the City any money compared to what is being put into it currently.

Richard Spraker, 207 Whippoorwill Drive, Oak Ridge, stated that the problem with the golf course is the existing contract.

The resolution was approved by board vote with Councilmembers Callison, Dodson, Smith, Vogel and Mayor Gooch voting "Aye," and Councilmember Hope and Mayor Pro Tem Chinn voting "No."

A RESOLUTION ADOPTING UPDATED RULES AND PROCEDURES FOR CITY COUNCIL.

Mayor Pro Tem Chinn moved for approval of the resolution, and Councilmember Dodson seconded. City Manager Mark Watson provided an overview of the proposed changes and answered questions from Council. Several Council members made comments on the proposed changes.

Mayor Pro Tem Chinn moved that the question be divided and the rules changes be considered separately. Councilmember Hope seconded, and the motion passed unanimously by voice vote.

Councilmember Dodson moved to amend the resolution to make the agenda publication deadline the close of business four business days prior to the City Council meeting. Councilmember Smith seconded, and the amendment passed unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting "Aye."

Councilmember Callison moved to approve the rules change pertaining to proclamations, and Councilmember Smith seconded. The motion was approved unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting "Aye."

Mayor Pro Tem Chinn moved to approve the rules change that would place "Public Hearing and First Reading of Ordinances" and "Final Adoption of Ordinances" above "Resolutions" on the meeting agenda, and Councilmember Dodson seconded. The motion was approved unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting "Aye."

Mayor Pro Tem Chinn moved to approve the rules change that would place "Appearance of Citizens" after "Resolutions" on the meeting agenda, and Councilmember Smith seconded. The motion was approved by voice vote with Councilmembers Callison, Dodson, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting "Aye" and Councilmember Hope voting "No."

PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

First Reading of Ordinances

AN ORDINANCE TO AMEND TITLE 8, TITLED “ALCOHOLIC BEVERAGES,” CHAPTER 4, TITLED “BEVERAGES EXCEEDING FIVE PER CENT ALCOHOL – RETAILER’S AND EMPLOYEE’S PERMITS,” OF THE CODE OF ORDINANCES, CITY OF OAK RIDGE, TENNESSEE, TO DELETE SECTION 8-406, TITLED “DOMICILE REQUIREMENTS FOR APPLICANT,” IN ITS ENTIRETY TO REMOVE THE RESIDENCY AND WAIVER REQUIREMENTS FOR THE RETAIL SALE OF LIQUOR.

Councilmember Dodson moved for approval of the ordinance, and Councilmember Callison seconded. The ordinance was approved unanimously by board vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting “Aye.”

FINAL ADOPTION OF ORDINANCES

AN ORDINANCE TO AMEND TITLE 9, TITLED “BUSINESS, PEDDLERS, SOLICITORS, ETC.,” OF THE CODE OF ORDINANCES, CITY OF OAK RIDGE, TENNESSEE, TO CHANGE ITS TITLE TO “BUSINESS, PEDDLERS, SOLICITORS, TAXICABS, ETC.”; TO UPDATE PROVISIONS REGARDING TAXICABS WITH RESPECT TO DEFINITIONS, MAINTENANCE, ACCIDENT REPORTS, AND THE APPLICATION; AND TO ADDRESS A NEW STATE LAW PERTAINING TO TRANSPORTATION NETWORK COMPANIES (EX. UBER) WHICH ARE EXCLUDED BY STATUTE FROM TAXICAB REGULATIONS.

Councilmember Vogel moved for adoption of the ordinance, and Councilmember Hope seconded. Bruce Applegate, Assistant to the City Manager, answered questions from Council.

In response to requests for changes from Council members at the December 12, 2016 meeting, city staff prepared a substitute ordinance that incorporated the requested changes. Councilmember Smith moved to bring the substitute ordinance to the floor and Councilmember Dodson seconded. The motion to substitute was approved unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting “Aye.”

The ordinance was approved unanimously by board vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting “Aye.”

ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Elections/Appointments

Elect one (1) member from the Oak Ridge City Council to the Oak Ridge Municipal Planning Commission

Councilmember Callison moved that Councilmember Hans Vogel be elected by acclamation to serve as the Council representative on the Planning Commission, and Councilmember Hope seconded. The motion passed unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting “Aye.”

Elect one (1) member from the Oak Ridge City Council to the Oak Ridge Land Bank Corporation Board of Directors

Councilmember Smith moved that Councilmember Kelly Callison be elected by acclamation to serve as the Council representative on the Land Bank Board of Directors, and Mayor Pro Tem Chinn seconded. The motion passed unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting “Aye.”

Confirmation of appointment of Todd Wilson to the Oak Ridge Municipal Planning Commission

The appointment was confirmed unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting “Aye.”

Confirmation of appointment of Thomas Tuck to the Anderson County Development Corporation Board of Directors

The appointment was confirmed unanimously by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, Mayor Gooch and Mayor Pro Tem Chinn voting “Aye.”

Confirmation of appointment of Richard Chinn, Sr. to the Anderson County Development Corporation Board of Directors

The appointment was confirmed by voice vote with Councilmembers Callison, Dodson, Hope, Smith, Vogel, and Mayor Gooch voting “Aye.” Mayor Pro Tem Chinn recused himself from the vote.

Announcements

City Manager Mark Watson reminded Council about the joint work session with the Board of Education on January 26, 2017 at 6:00 p.m.

Councilmember Vogel announced the Community Blueprint meeting for public comment on a new master plan taking place on January 26th from 4-7:30 p.m. at High Places Church in Grove Center.

Councilmember Hope asked whether a report from ESG regarding the assessment of city buildings will be a topic on the joint work session agenda. City Manager Mark Watson replied that it would be.

Councilmember Smith announced that she has been appointed to the National League of Cities Energy and Environment Advocacy Task Force. She also requested information on the ponding of water at the Jackson Square site. City Manager Mark Watson responded that the City had repaired the issue twice and that adding another layer will cause the asphalt to crumble.

Councilmember Callison requested an update on the status of the procurement of new financial software. City Manager Mark Watson indicated that the bids will close in January, and they will be reviewed over the next month.

ADJOURNMENT: 9:46 p.m.

**PUBLIC WORKS DEPARTMENT MEMORANDUM
17-02**

DATE: January 19, 2017
TO: Mark S. Watson, City Manager
FROM: Shira A. McWaters, P.E., Public Works Director
SUBJECT: **MOWING – PARCELS AND PROPERTY (NON RIGHTS-OF-WAY)**

Introduction

An item for City Council consideration is the renewal of Contract FY2015-222, for the mowing of City owned parcels and property (non rights-of-way), to B & B Services, Inc. in the estimated amount of \$96,300.

Funding

Funding for this contract is available in various budgets as listed below.

Background

The mowing services provided by this contract are for the second renewal period of March 15, 2017 through November 1, 2017. The initial contract was approved by City Council Resolution 2-15-2015 as a one-year contract with nine (9) annual renewals.

The mowing frequency for each location is determined by the visibility and use of the property. The parcels and property mowed under this contract are listed below, along with the associated budget activity.

| Description | Locations | Budget Activity | Annual Cost |
|---------------------------------|-----------|-------------------------|-----------------|
| Animal Shelter | 1 | 916 Animal Shelter | \$ 2,000 |
| Central Services Complex | 1 | 946 Central Services | \$ 6,900 |
| Municipal Building | 1 | 948 Municipal Building | \$ 4,200 |
| Parcels* and Cemeteries | 16 | 943 General Maintenance | \$ 16,700 |
| ETTP Water Facilities | 2 | 21610 Water Fund | \$ 6,500 |
| Sewer Pump Stations | 18 | 22650 Wastewater Fund | \$ 12,000 |
| Water Boosters & Tanks | 8 | 21650 Water Fund | \$ 16,000 |
| Electric Substations | 6 | 20562 Electric Fund | \$ 5,100 |
| Water Plant and Raw Water Sites | 5 | 21610 Water Fund | \$ 11,700 |
| Wastewater Plant | 1 | 22610 Wastewater Fund | \$ 10,000 |
| Equalization Basins | 3 | 22610 Wastewater Fund | \$ 5,200 |
| | 62 | | \$96,300 |

* Includes City-owned properties such as the Ambulance Building, Mona Lane Remediation properties and the corner of Illinois Avenue and Oak Ridge Turnpike adjacent to the electric substation.

Recommendation

City staff is pleased with the services provided by B&B Services, Inc., during the previous two years and recommend that this contract be renewed for the period of March 15 through November 1, 2017 and that upon the annual recommendation of the Public Works Director, the contract is renewed automatically for the remaining seven (7) renewal options. Staff recommends approval of the resolution as submitted.


 Shira A. McWaters, P.E.

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.


 Mark S. Watson

Feb 2, 2017
 Date

RESOLUTION

A RESOLUTION RENEWING THE CONTRACT (FY2015-222) WITH B & B SERVICES, INC., KNOXVILLE, TENNESSEE, FOR MOWING NON-RIGHTS-OF-WAY INCLUDING CITY-OWNED PARCELS AND PROPERTY FOR CALENDAR YEAR 2017 IN THE ESTIMATED AMOUNT OF \$96,300.00, AND AUTHORIZING THE CITY MANAGER TO RENEW THE CONTRACT FOR THE REMAINING RENEWAL OPTIONS UPON SATISFACTORY PERFORMANCE.

WHEREAS, by Resolution 2-15-2015, City Council awarded a contract (FY2015-222) to B & B Services, Inc., Knoxville, Tennessee, for mowing non-rights-of-way including city-owned parcels and property for the Public Works Department in the estimated amount of \$81,927.23; and

WHEREAS, the contract was bid with up to nine (9) additional one-year renewal options; and

WHEREAS, the City is pleased with the contractor's services and requests City Council authorization to renew for Calendar Year 2017 (mowing season is March 15 through November 1) in the estimated amount of \$96,300.00; and

WHEREAS, the increased cost is due to CPI adjustments under the contract as well as adjustments to frequency on existing locations and the additional of new locations (ex. EQ basins); and

WHEREAS, the City Manager recommends the contract be renewed for 2017 and that all subsequent renewals be approved as well.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and the contract (FY2015-222) with B & B Services, Inc., 1725 Linden Avenue, Knoxville, Tennessee 37917, for mowing non-rights-of-way including city-owned parcels and property is hereby renewed for Calendar Year 2017 in the estimated amount of \$96,300.00.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to renew the contract for the remaining renewal options upon satisfactory performance as determined by the recommendation of the Public Works Director.

This the 13th day of February 2017.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk

FINANCE DEPARTMENT MEMORANDUM

17-03

DATE: February 2, 2017
TO: Mark S. Watson, City Manager
FROM: Janice E. McGinnis, Finance Director
SUBJECT: TAX EQUIVALENTS

Introduction

An item for City Council's consideration is a resolution that authorizes tax equivalent payments from the Electric Fund to the General Fund and to Anderson and Roane Counties and a tax equivalent payment from the Waterworks Fund to the General Fund.

Funding

Funding is budgeted and will be provided by the Electric and Waterworks Fund.

Review

Tennessee Code Annotated (TCA) authorizes and establishes guidelines for municipal operated utility systems to pay tax equivalent payments to the General Fund of the municipality. Basically, this is an in-lieu of property tax payment paid by the City's utility systems. This is comparable to the property taxes that a private business that provided a similar service would be required to pay the City.

The City Electric Fund's tax equivalent payment is calculated utilizing guidelines set forth in Sections 7-52-301 and 7-52-307 of the TCA and Section 2 – Terms and Conditions, Revision 1987, of the TVA contract. The tax equivalent is calculated utilizing the net asset value of the Electric System's physical plant (i.e. electric lines, land, traffic signals, street lights, vehicles and substations) on a cost basis and a three-year average of the system's operating revenues, excluding purchased power. The net asset value of the system's property is \$48,808,187 in the Anderson County portion of the City and \$7,116,906 in the Roane County portion of the City. Based on the calculations specified in Section 2 of the TVA contract, the tax equivalent payment from the Electric Fund for fiscal 2017 is \$2,139,498.55.

State law requires City Council to annually approve the amount of the Electric Fund's tax equivalent payments and to allocate 77.5% of the total tax equivalent to the City's General Fund, with the remaining 22.5% allocated to the county taxing jurisdictions. Computations in accordance with these formulas result in the following Electric Fund tax equivalent payments as follows:

| | |
|---|-----------------------|
| Portion to Oak Ridge General Fund (77.5%) | \$1,658,111.38 |
| Portion to Counties (22.5%) | |
| distributed based on plant value: | |
| Anderson County | 420,126.89 |
| Roane County | <u>61,260.28</u> |
| Total Electric Fund Tax Equivalent | <u>\$2,139,498.55</u> |

The Waterworks Fund disburses tax equivalent payments to the City's General Fund under authorization of TCA 7-34-115. The code provides for a maximum tax equivalent payment to the General Fund not to exceed the amount of taxes payable on privately owned property of a similar nature. The tax equivalent payment can be established at any level below that maximum amount. There is no provision for the Waterworks Fund's tax equivalent payment to be shared with the counties. Tennessee code does require City Council to annually approve the Waterworks Fund tax equivalent payment. This calculation is based on the net book value of waterworks fixed assets at the public utility assessment ratio of 55%, which equates to the assessed value, at the City's equalized property tax rate per \$100 of assessed value. The amount of the tax equivalent payment will fluctuate each year based on the value of new assets added versus depreciation and changes in the appraisal ratio. The appraisal ratio is currently 100%. The amount of tax equivalent on the waterworks system comparable to that of a private enterprise for fiscal 2017 is \$1,542,518.06.

TCA 7-34-115 also provides for an equity investment charge payable to the General Fund from the waterworks system at a 6% per annum rate. The General Fund's initial investment in the Waterworks system at the 6% rate equates to an annual payment of \$250,445.25

The Waterworks Fund's payment to the General Fund would be \$1,792,963.31, which is the total of these two charges.

Recommendation

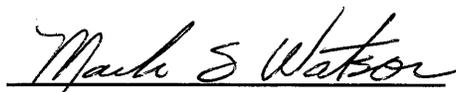
Adoption of the attached resolution is recommended reflecting the tax equivalent payment as provided for under State law.

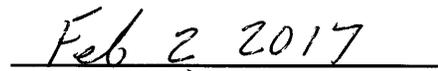
Attachment(s)


Janice McGinnis

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.


Mark S. Watson


Date

RESOLUTION

A RESOLUTION AUTHORIZING THE TRANSFER OF TAX EQUIVALENTS FROM THE ELECTRIC AND WATERWORKS FUNDS TO THE GENERAL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 2017, AND TO AUTHORIZE DISTRIBUTION OF THE ELECTRIC FUNDS BETWEEN THE CITY OF OAK RIDGE AND ANDERSON AND ROANE COUNTIES IN ACCORDANCE WITH STATE LAW.

WHEREAS, Chapter 237 of the Public Acts of 1969 (Tennessee Code Annotated §7-52-301, §7-52-307, and §7-34-115) provides for the transfer of tax equivalents from the Electric Fund and the Waterworks Fund to the General Fund of the owning municipality; and

WHEREAS, said law further provides that the governing body of the municipality shall determine the amounts to be transferred for each fiscal year to the municipality's General Fund, not to exceed specified limits; and

WHEREAS, the City Council of the City of Oak Ridge now desires to establish such payment for the fiscal year ending June 30, 2017, and accordingly authorize its distribution between the City and Anderson and Roane Counties in accordance with State law.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the City of Oak Ridge, Tennessee pay from its Electric Fund and its Waterworks Fund to the General Fund and that the Electric Funds then be distributed to the respective taxing jurisdictions, in accordance with Chapter 237 of the Public Acts of 1969, in the estimated amounts shown below:

| | |
|----------------------------|----------------|
| <u>Electric Fund</u> | |
| City of Oak Ridge | \$1,658,111.38 |
| Anderson County | 420,126.89 |
| Roane County | 61,260.28 |
| <u>Waterworks Fund</u> | |
| City of Oak Ridge | \$1,792,963.31 |

This the 13th day of February 2017.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk

**PUBLIC HEARINGS
AND
FIRST READING OF
ORDINANCES**

**FINANCE DEPARTMENT MEMORANDUM
17-02**

DATE: February 2, 2017
TO: Mark S. Watson, City Manager
FROM: Janice E. McGinnis, Finance Director
SUBJECT: Fiscal Year 2017 Budget Appropriation Amendment

Attached is a request from Keys Fillauer, Chairman of the Oak Ridge Board of Education, and Dr. Bruce T. Borchers, Superintendent, requesting that the fiscal year 2017 budget appropriation for the General Purpose School Fund be amended to \$60,555,320. This is a \$798,680 increase over the General Purpose School Fund appropriation of \$59,756,640 adopted by City Council in budget ordinance number 3-2016 on June 13, 2016. The expenditure increase is requested to allow for expenditures from federal grant carryover amounts and from unanticipated increases in grant funding. The amendment does not change the fiscal year 2017 operating transfer from the City to the Oak Ridge Schools and has no impact on the property tax rate.

Staff recommends approval of the attached ordinance amendment.



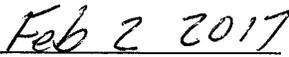
Janice McGinnis

City Manager's Comments:

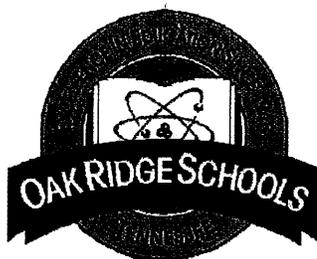
I have reviewed the above issue and recommend council action as outlined in this document.



Mark S. Watson



Date



Oak Ridge Schools

OFFICE OF
Karen Gagliano
Executive Director of Business
and Support Services

Telephone (865)425-9003
Fax: (865)425-9060

January 19, 2017

Honorable Mayor and Members of City Council
City of Oak Ridge Schools
P.O. Box 1
Oak Ridge, TN 37831

Dear Mayor and members of City Council:

The purpose of this letter is to request an amendment to the Schools FY 2017 Appropriations Ordinance to reflect budget changes that have been approved by the Board to date. The following summarizes those revisions.

| FUND | | FY17 APPROVED BUDGET | AMENDED | FY17 REVISED BUDGET |
|-------------------------|-------------------------|----------------------------|------------|---------------------------|
| 141 | General Fund | \$53,531,069 | \$ 798,680 | \$54,329,749 |
| 142 | Federal Projects Fund | \$ 3,638,796 | -0- | \$ 3,638,796 |
| 143 | Central Cafeteria Fund | \$ 2,018,601 | -0- | \$ 2,018,601 |
| 145 | Special Revenue Fund | \$ 142,937 | -0- | \$ 142,937 |
| 146 | Extended School Program | \$ 425,237 | -0- | \$ 425,237 |
| GRAND TOTAL – ALL FUNDS | | \$59,756,640 | \$ 798,680 | \$60,555,320 |

The requested amendment includes use of federal grant carryover funds and unanticipated increases in grant funding, unknown at the time of budget development. That together with funding received from Anderson County for technology purchases and some potential planned use of fund balance, make up the requested amendment amount.

The requested amendment does not impact the amount appropriated by Council to the Schools or the local tax rate but does impact the overall budget appropriation and must be authorized by ordinance.

Thank you for your prompt attention to this matter.

Sincerely,

Keys Fillauer
Chairman, Board of Education

Dr. Bruce T. Borchers
Superintendent of Schools

BTB/KLG/tv

TITLE

AN ORDINANCE TO AMEND ORDINANCE NO. 3-2016, WHICH ORDINANCE PROVIDES FOR A BUDGET AND APPROPRIATIONS FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR WHICH BEGAN ON JULY 1, 2016 BY ADOPTING A BUDGET AND ADOPTING APPROPRIATIONS, BY AMENDING SAID APPROPRIATIONS.

WHEREAS, there exists a need to amend the appropriations for Fiscal Year 2017 and for the accomplishment of the same, a public hearing will be scheduled during first reading of the ordinance, scheduled for February 13, 2017, before the City Council after ten (10) days' notice thereof published in The Oak Ridger, the official newspaper, as provided by law, and

WHEREAS, the need to amend the appropriations of the General Purpose School Funds for Fiscal Year 2017 is at the request of the Board of Education in the amount of \$798,680 to allow for expenditures from federal grant carryover amounts and from unanticipated increases in grant funding.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

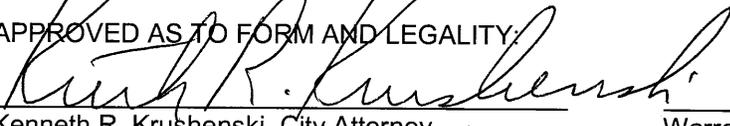
Section 1. Ordinance No. 3-2016, which adopts appropriations for Fiscal Year 2017, is hereby amended by revising Section 3 so that the same, as revised, will read as follows:

Section 3. In accordance with Article V, Section 13, of the Charter of the City of Oak Ridge, the following amounts shall be and hereby are adopted as appropriations by funds for the operation of the City of Oak Ridge, Tennessee, for Fiscal Year 2017:

| | |
|--|---------------|
| General Fund, Municipal Operations | \$ 22,772,667 |
| Debt Service (Bond and Interest Redemption Fund) | \$ 8,600,000 |
| State Street Aid Fund | \$ 1,821,000 |
| Drug Enforcement Program Fund | \$ 255,200 |
| General Purpose School Fund | \$ 60,555,320 |
| Golf Course Fund | \$ 1,197,494 |
| Capital Projects Fund | \$ 5,927,708 |
| Solid Waste Fund | \$ 2,831,954 |
| West End Fund | \$ 2,822,492 |

Section 2. This Ordinance shall become effective ten (10) days after adoption on second reading, the welfare of the City of Oak Ridge requiring it.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk

Publication Date: _____
Public Hearing: _____
First Reading: _____
Publication Date: _____
Second Reading: _____
Publication Date: _____
Effective Date: _____

COMMUNITY DEVELOPMENT MEMORANDUM
17-04

TO: Mark Watson, City Manager
FROM: Kathryn G. Baldwin, Community Development Director
DATE: January 27, 2017
SUBJECT: William Lane Street Abandonment

KGB

Introduction

A request has been received to abandon the platted Right of Way (ROW) between lots 113 and 115 William Lane in the Westwood Subdivision. This is a 50 foot ROW which was dedicated, but never constructed or accepted as public, to lend access to a future phase of the Westwood development. At the time, the property designated for future development was owned by Len Hart, the developer of Westwood, but outside the municipal boundary of Oak Ridge. Actual development required annexation which never occurred and Mr. Hart sold the adjacent property which has been cleared and a single residential home constructed. Currently, the opportunity to develop the land for which this ROW was dedicated has passed and the ROW serves no public purpose and remains non-taxable property.

Funding

No funding is necessary to approve this request.

Background-Analysis

The owners of 115 William Lane submitted a letter requesting abandonment of the property which requires City Council action with an official recommendation by the Planning Commission. Tennessee State Law requires that abandonment of ROW be equally divided between adjacent property owners. The residents of 113 and 115 William Lane will each receive 25 feet of ROW unless one of the owners concedes their 25 feet to the other owner in writing. In addition, deeds to the abandoned ROW must be legally recorded and a subdivision plat filed which establishes the newly created lot lines in the Register of Deeds office with copies to the County Property Assessor. The cost of these actions shall be borne by the adjacent property owners.

Community Development staff reviewed the request and identified the following findings of fact:

- Adjacent property is outside the Municipal Boundary of Oak Ridge
- No opportunity exists to develop the adjacent property
- The ROW serves no public purpose and is non-taxable in its current state

Recommendation

Staff recommended approval of the request to abandon 50 foot of ROW between lots 113 and 115 William Lane to the Planning Commission on January 19, 2017. Members of the Planning Commission reviewed the request and unanimously recommended approval to City Council for action.

Attachments

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.

Mark S. Watson Feb 2, 2017
Mark Watson Date

Jianguang Wang
Meili Chen
113 William Lane
Oak Ridge, TN37830

January 29, 2017

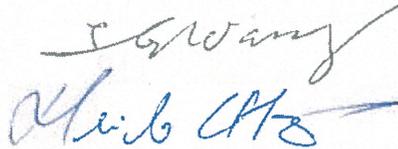
To whom it may concern,

We are the owners of 113 William Lane, Oak Ridge. Between the properties of ours and our neighbor in 115 William Lane, there is a 50 foot wide strip. It is the property of the City of Oak Ridge and originally reserved as a Road of Way (ROW). We have learnt that the City is proposing to abandon the ROW and, according to the State Law, we will receive $\frac{1}{2}$ (25 feet) of ROW. We support this proposal and agree to pay our portion of this action related expenses, such as survey fee. We also understand that we have an option to concede our 25 feet of ROW to the owner of 115 in writing.

Sincerely,

Jian Guang Wang

Mei Li Chen

Handwritten signatures in blue ink. The top signature is for Jianguang Wang and the bottom signature is for Meili Chen.

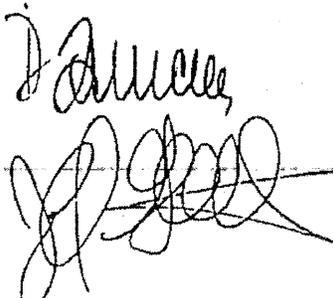
Diane Fabricius
Jeff Grabenstein
115 William Lane
Oak Ridge, TN 37830

October 11, 2016

Dear Mr. Krushenski,

We live at 115 William Lane in Oak Ridge. Adjacent to our property is a small parcel of land that was a proposed city street when we purchased our lot. We would like the city of Oak Ridge to declare this excess city property so that we could purchase it. Should we buy this parcel it is our intention to add it to our lot so that it is included in our platt. We would like to know if this is possible and what the cost would be.

Sincerely,

The image shows two handwritten signatures in black ink. The top signature is cursive and appears to read 'Diane Fabricius'. The bottom signature is also cursive and appears to read 'Jeff Grabenstein'. A horizontal line is drawn across the page, passing through the middle of the signatures.

Diane Fabricius
Jeff Grabenstein

William Lane ROW Abandonment



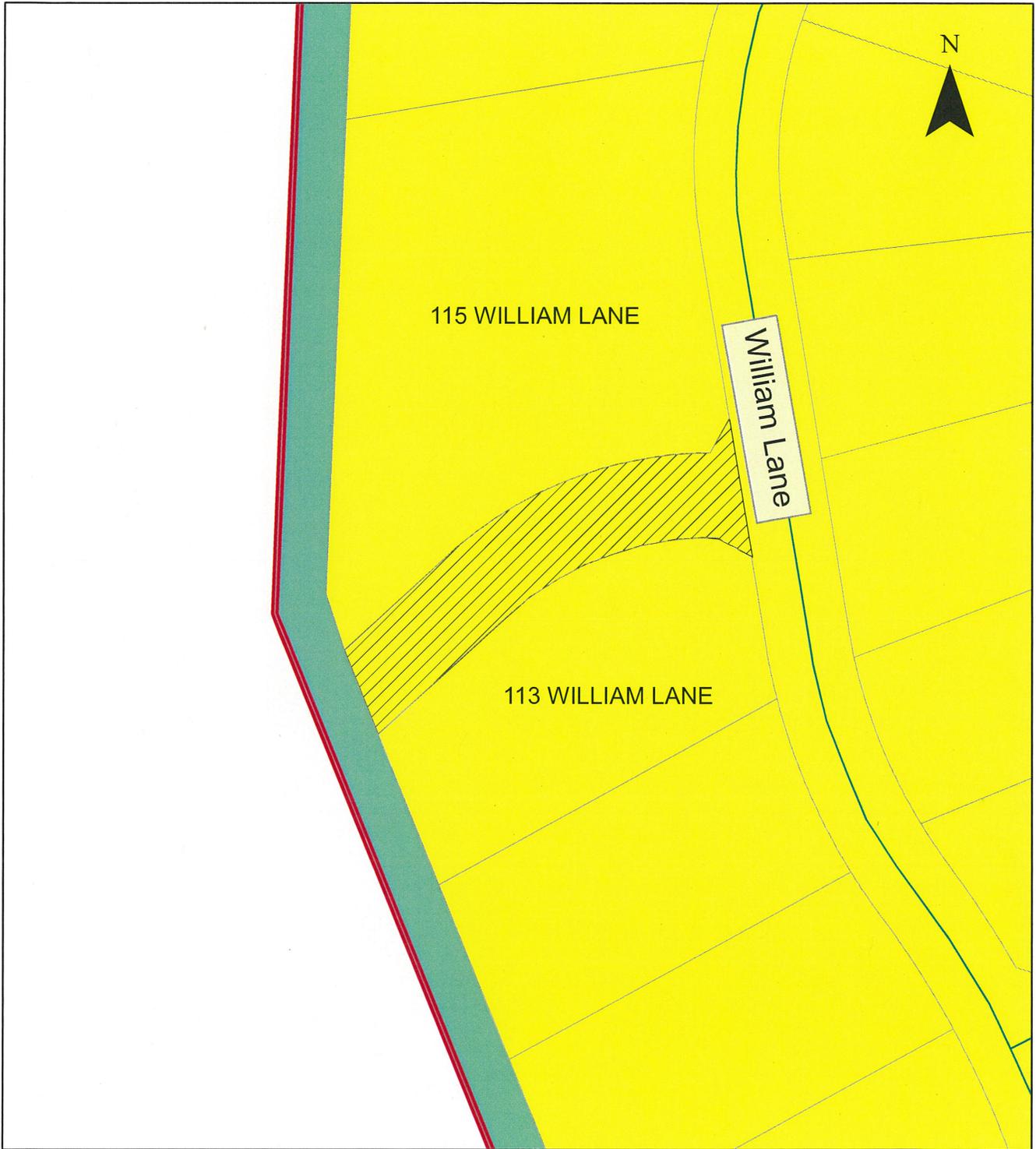
0 50 100 200 Feet

This map was prepared by the City of Oak Ridge Community Development Department. The map is for illustrative purposes only and is not an engineering map or survey.

Legend

-  City Limits
-  Proposed ROW Abandonment

William Lane ROW Abandonment



0 50 100 200 Feet

This map was prepared by the City of Oak Ridge Community Development Department. The map is for illustrative purposes only and is not an engineering map or survey.

Legend

-  City Limits
-  Proposed ROW Abandonment

Zoning

-  G - Greenbelt
-  R-1-A - Single Family Residential District



TITLE

AN ORDINANCE ABANDONING THE PLATTED RIGHT-OF-WAY STUB-OUT LOCATED BETWEEN 113 WILLIAM LANE AND 115 WILLIAM LANE IN THE WESTWOOD SUBDIVISION.

WHEREAS, a fifty-foot right-of-way stub-out located between 113 William Lane and 115 William Lane was dedicated to the City on a subdivision plat for Westwood Subdivision to lend access for an intended future phase of development that required annexation; and

WHEREAS, the future phase of development was never constructed and the property was never annexed to be in the city limits; and

WHEREAS, the property owner of 115 William Lane has requested the City to abandon the fifty-foot right-of-way; and

WHEREAS, City Staff has determined that this right-of-way serves no public purpose; and

WHEREAS, on January 19, 2017, the Oak Ridge Municipal Planning Commission reviewed the request and unanimously recommended City Council approval; and

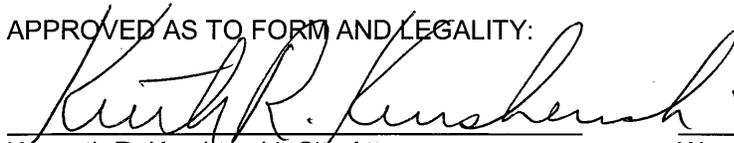
WHEREAS, the City Manager recommends abandonment of the right-of-way.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

Section 1. The fifty-foot right-of-way stub-out located between 113 William Lane and 115 William Lane in the Westwood Subdivision is hereby abandoned, and the property owners of 113 William Lane and 115 William Lane will each receive twenty-feet of the right-of-way unless one of the owners concedes their portion to the other owner in writing. Said property owners shall bear the costs of recording the required deeds and the revised subdivision plat creating the new lot lines.

Section 2. This ordinance shall become effective ten (10) days after adoption on second reading, the welfare of the City of Oak Ridge requiring it.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk

First Reading: _____
Publication Date: _____
Second Reading: _____
Publication Date: _____
Effective Date: _____

**FINAL ADOPTION
OF
ORDINANCES**

LEGAL DEPARTMENT MEMORANDUM
16-22

DATE: December 27, 2016

TO: Honorable Mayor and Members of Council

FROM: Kenneth R. Krushenski, City Attorney

SUBJECT: REPEAL OF WAIVER OF RESIDENCY REQUIREMENT/CITY OF OAK RIDGE
ORDINANCE 8-406

At its December 12th, 2016 Meeting there was a brief discussion among Councilmembers about the waiver of City's residency requirement for owners of Businesses engaged in the retail sale of liquor, and whether it was still necessary to continue to require non-resident applicants to comply with this section of the City's Liquor Ordinance.

For historical reference, attached to this Memorandum is Legal Department Memo # 10-11 dated March 2nd, 2010 which contains City's Ordinance 8-406 entitled "Domicile Requirements for Applicants" and T.C.A. § 57-3-208(c) which references residency. Also, attached is a Legal Department Transmittal to Councilmembers dated October 11, 2016 which addressed the residency and waiver issue.

The Legal Department has prepared an Ordinance which repeals the Residency and Waiver Requirements of Section 8-406 for Council's consideration at its January 9th, 2017 meeting.



Kenneth R. Krushenski

CITY OF OAK RIDGE
LEGAL DEPARTMENT
TRANSMITTAL SLIP

| ROUTE TO: | DEPT. |
|--|-------|
| 1. HONORABLE MAYOR & MEMBERS OF CITY COUNCIL | |
| 2. MARK S. WATSON, CITY MANAGER | |
| 3. BETH HICKMAN, CITY CLERK | |

SUBJECT: **COPY OF LEGAL DEPARTMENT MEMO 10-11 DATED MARCH 2, 2010 REGARDING RENEWAL OF RETAIL LIQUOR PERMITS & RESIDENCY REQUIREMENTS**

Approval

Info Only

Per Request

Your File

Per Conversation

REMARKS:

The City's Residency requirements were discussed at a Council Work Session in March 2010. Attached is a Memo that I provided to Council after that work session. For information only. If any individual Council Member has any questions, please feel free to call me.

From

Date

Ken Krushenski

10/11/2016

CITY COUNCIL MEMORANDUM

10-11

DATE: March 2, 2010
TO: Honorable Mayor and Members of City Council
FROM: Kenneth R. Krushenski, City Attorney
SUBJECT: RENEWAL OF RETAIL LIQUOR PERMITS

At last night's Agenda Meeting Council Member Hayes had a question regarding the City's residency requirement for renewal of retail liquor permits. The basis for this requirement is found in State law at T.C.A. §57-3-208(c) which states:

(c) "A local jurisdiction may impose reasonable residency requirements on any applicant....."

In City Ordinance 8-406 entitled Domicile requirements for applicants Council adopted the following waiver procedure for non-residents:

8-406. Domicile requirements for applicants. Retailer's permits authorized by chapters 2 through 5 of this title shall be issued only to persons domiciled for two (2) years in the city immediately preceding the date of application for such permit. In the case of a corporation, this requirement as to domicile shall apply to its officers. This requirement of domicile may be waived by the city council if, in the council's discretion, it is determined that the applicant has sufficient business connections with the city so that the applicant's moral character may be sufficiently investigated and verified. (1969 Code, § 4-60)

A copy of State law T.C.A. 57-3-208 et seq. and the City Ordinance are attached to this memo.

For information only. If any individual Council Member has any questions, please feel free to call me.


Kenneth R. Krushenski

Enclosure(s)

cc: Gary M. Cinder, Interim City Manager
Jacquelyn J. Bernard, City Clerk

subdivision unless it has
ion. This waiver will only
produced in commercial

zed to promulgate such
out the commissioner's

al products produced in
duced out-of-state. It is
States Constitution, as
ederal or Tennessee court,
uced in Tennessee from
n wine produced out-of-
(5¢) per gallon on wine
duced in Tennessee. Such
from all other alcoholic
§§ 57-3-302 and 57-4-
ederal taxes on the wine

o promulgate such rules
uties of the commission
o, procedures governing
ommissioner of revenue
ecords for tax purposes
der, and for any failure
l notify the commission,
f any winery.

to disseminate the best
of crops which may be
he methods of making
o establish reasonable
ut the winery and to
commission shall issue
e procedures requiring
per sanitary conditions
with such procedures,
authorized to revoke or

or regulation to the
age and support grape
ore Tennessee licensed
e than eight (8) wine
ed a period of seventy-

festival authorized by
l offer complimentary
omplimentary sample
h only one (1) sample

per person for each type of wine. Any person serving wine at such festival shall possess a server permit from the commission as described in title 57, chapter 3, part 7.

(3) Notwithstanding any provision of law, rule or regulation to the contrary, any Tennessee licensed winery participating in a festival authorized by this subsection shall be allowed to transport wine produced by such winery to sell at the festival for consumption off premises.

(4)(A) Any nonprofit association authorized by this subsection to hold a wine festival shall apply for a special occasion license as defined in § 57-4-102(28), in order for participating Tennessee licensed wineries to serve complimentary samples as described in subdivision (o)(2) and to sell wine produced by such wineries for consumption off premises.

(B) Notwithstanding the provisions of § 57-4-102(28)(A), a special occasion license issued for a wine festival authorized by this subsection shall be for the duration of such festival for which application is made for a period not to exceed seventy-two (72) hours. A special occasion license issued pursuant to this subsection shall only be available upon the payment of the fee as required by law for each separate day of the festival.

(C) Notwithstanding any provision of law, rule or regulation to the contrary, a nonprofit association authorized to conduct a wine festival pursuant to this subsection shall be permitted to hold such festival in any municipality or county of the state in the manner provided in subdivision (o)(5).

(5) Notwithstanding any provision of law, rule or regulation to the contrary, a nonprofit association as defined in subdivision (o)(1) is authorized to conduct a wine festival pursuant to this subsection in a municipality or county of the state which has approved the sale of alcoholic beverages or has a licensed winery located in such municipality or county, subject to complying with all permit requirements of such municipality or county, and in all other municipalities or counties upon receiving approval of the legislative body of such municipality or county to hold such a festival at a location and in such manner authorized by such legislative body. [Acts 1939, ch. 49, § 9; 1949, ch. 284, §§ 4, 5; C. Supp. 1950, § 6648.14 (Williams, § 6648.12); impl. am. Acts 1963, ch. 257, § 23; Acts 1973, ch. 8, § 1; 1977, ch. 126, §§ 1, 2; T.C.A. (orig. ed.), § 57-120; Acts 1983, ch. 59, § 1; 1983, ch. 229, §§ 1-3; 1985, ch. 386, §§ 1, 3, 4; 1988, ch. 580, §§ 1-3; 1991, ch. 292, § 1; 1995, ch. 151, § 1; 2001, ch. 163, §§ 1-3.]

Compiler's Notes. The misdemeanor penalty provisions in subsection (j) may have been affected by the Criminal Sentencing Act of 1989. See §§ 39-11-114, 40-35-110, 40-35-111.

Cross-References. Viticulture, title 43, ch. 30.

Section to Section References. This section is referred to in § 57-3-602.

57-3-208. Certificate required — Contents — Exceptions. — (a) As a condition precedent to the issuance of a license under § 57-3-204, every applicant for a license under that section shall submit with the application to the commission a certificate signed by the county executive or chair of the county commission in which the licensed premises are to be located if outside the corporate limits of a municipality or, if within a municipality, from the

mayor or a majority of the commission, city council, or legislative body of the municipality, by whatsoever name designated, or if the municipality has no mayor, from the highest executive of the municipality.

(b) The certificate must state:

(1) That the applicant or applicants who are to be in actual charge of the business have not been convicted of a felony within a ten-year period immediately preceding the date of application and, if a corporation, that the executive officers or those in control have not been convicted of a felony within a ten-year period immediately preceding the date of the application; and further, that in the official's opinion the applicant will not violate any of the provisions of this chapter;

(2) That the applicant or applicants have secured a location for the business which complies with all restrictions of any local law, ordinance, or resolution, duly adopted by the local jurisdiction, as to the location of the business;

(3) That the applicant or applicants have complied with any local law, ordinance or resolution duly adopted by the local authorities regulating the number of retail licenses to be issued within the jurisdiction.

(c) Municipalities and counties are hereby authorized to limit the location of retail liquor stores and the number of licenses issued within their jurisdictions. No local law, ordinance or resolution may limit the location and number of licenses authorized under § 57-3-204, so as to unreasonably restrict the availability of alcoholic beverages for the residents of such municipalities and counties. A local jurisdiction may impose reasonable residency requirements on any applicant. However, if a local jurisdiction does impose such residency requirements, such local jurisdiction shall not be authorized to impose any residency requirement on any applicant who has been continuously licensed pursuant to § 57-3-204 for seven (7) consecutive years.

(d) An applicant may seek review of the denial of a certificate by instituting an action in the chancery court having jurisdiction over the municipality or county within sixty (60) days of the denial.

(e) A failure on the part of the issuing authority to grant or deny the certificate within sixty (60) days of the written application for such shall be deemed a granting of the certificate.

(f) The requirement imposed by this section to submit a certificate shall not be applicable to any applicant if:

(1) The authority of the county or municipality charged with the responsibility to issue the certificate required herein shall have failed to grant or deny the certificate within sixty (60) days after written application for such certificate is filed; or

(2) The applicant submits a final order of a court holding that the denial of the required certificate was unreasonable, as established by subsections (c) and (d). [Acts 1939, ch. 49, § 9a, as added by Acts 1949, ch. 284, § 5; C. Supp. 1950, § 6648.14a (Williams, § 6648.12a); Acts 1951, ch. 52, § 2; impl. am. Acts 1963, ch. 257, § 24; Acts 1976, ch. 438, § 2; impl. am. Acts 1978, ch. 934, §§ 7, 16, 36; T.C.A. (orig. ed.), § 57-121; Acts 1980, ch. 894, § 1; 1981, ch. 84, §§ 1, 2; 1993, ch. 451, §§ 1, 2.]

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ANAL

1. Constitutionality.
2. Purpose.
3. Property rights.
4. Applicant requirem
5. Denial.
6. Authority of local of
7. Effect of municipal
8. —Mandamus again;
9. —Effect as to state
10. Authority of commi
11. Hearing before com
12. —Review by court.

1. Constitutionality.
State statutes and ordi
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County prohibiting retail
quor in the general servic
mitting its sale in the ur
were reasonable and did r
tection clause. Templeton v
650 S.W.2d 743 (Tenn. Ct.

2. Purpose.
Decisions of the suprem
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commission, and evidentl
enacted to meet these
Burmester, 193 Tenn. 33
(1952).

3. Property Rights.
A person has no property
lege of sale of intoxicating
Atkins, 199 Tenn. 574, 288

4. Applicant Requireme
Prior misconduct involvir
cepted reason for refusing
applicant will not violate 1
future, but such misconduct 1
formal conviction to make it
ation. SPE, Inc. v. Metrop
S.W.2d 330 (Tenn. Ct. App. 1

5. Denial.
Plaintiff's only means of
over city's denial of plaintiff's
certificate of compliance was
action in the chancery court v
the denial as required by T.C
Johnson v. Alcoholic Bevera
S.W.2d 182 (Tenn. Ct. App. 18

prescribed and furnished by the council. A fee of twenty dollars (\$20.00) shall accompany each application for a retailer's permit. (1969 Code, § 4-57)

8-404. Certificate of good moral character required. A retailer's permit shall be issued only to persons possessing a certificate of good moral character, as described in § 8-203. (1969 Code, § 4-58)

8-405. By whom fee payable. The permit fee for every permit issued under this chapter shall be payable by the person making application for such permit and to whom it is issued, and no other person shall pay for any permit issued under this chapter. In addition to all other penalties provided in this chapter, a violation of this section shall authorize and require the revocation of the permit, the fee for which was paid by another, and also the revocation of the permit, if any, of the person so paying for the permit of another. (1969 Code, § 4-59)

8-406. Domicile requirements for applicants. Retailer's permits authorized by chapters 2 through 5 of this title shall be issued only to persons domiciled for two (2) years in the city immediately preceding the date of application for such permit. In the case of a corporation, this requirement as to domicile shall apply to its officers. This requirement of domicile may be waived by the city council if, in the council's discretion, it is determined that the applicant has sufficient business connections with the city so that the applicant's moral character may be sufficiently investigated and verified. (1969 Code, § 4-60)

8-407. Retailer's permit not to issue to government officers and employees or their relatives; exception. (1) No retailer's permit shall be issued under this chapter to a person, or to anyone in his or her immediate family, including spouse, sibling, children and parents, whether related by blood or marriage, who is a holder of a public office, either appointed or elected, or who is a public employee, either national, state, city or county, and regardless of whether or not that person receives any monetary compensation by holding such position.

(2) The foregoing shall not apply to uncompensated appointees to municipal boards and commissions, where the boards or commissions on which such appointees serve have no duty to vote for, overlook, or in any manner superintend the sale of alcoholic beverages. (1969 Code, § 4-61)

8-408. Not to issue if premises close to church, school, etc. No retailer's permit will be granted under this chapter when, in the opinion of the city council, as expressed by a majority vote thereof, the premises covered by such permit would be in too close proximity to a church, school, or public institution. (1969 Code, § 4-63)

CERTIFICATE OF COMPLIANCE
RETAIL PACKAGE STORE

Pursuant to Tennessee Code Annotated, Title 57, Sections 57-3-208 and 57-3-213, this is to certify that

Name of Applicant: _____ City: _____

Home Address: _____

Date of Birth: _____ SSN: _____

has made application for a Certificate of Compliance to sell retail alcoholic beverages in the County of _____, State of Tennessee, at

Street Address of Liquor Store

and that an investigation has been undertaken of the applicant's criminal record and of the compliance of said business with local law, ordinances or resolutions, and from said investigation the undersigned certified:

1. That the applicant or applicants who are to be in actual charge of said business have not been convicted of a felony within a ten-year period immediately preceding the date of the application and, if a corporation, that the executive officers or those in control have not been convicted of a felony within a ten year period immediately preceding the date of the application; and further, that it is the undersigned's opinion that the applicant will not violate any provisions of Tennessee Code Annotated, Title 57, Chapter 3;
2. That the applicant has secured a location which complies with all restrictions of the laws, ordinances and resolutions;
3. That the applicant or applicants have complied with the residency provisions;
4. That the issuance of this license will not exceed the numerical limit.

This _____ day of _____, 20____

SEND TO:
TN ABC
226 CAPITOL BLVD
SUITE 300
NASHVILLE, TN 37243-0755
ATTN: PEGGY DAVIDSON

Mayor or Other Official Head of
Municipality

MAJORITY OF CITY COUNCIL OR COMMISSION MEMBERS

Member of Legislative Body of
Municipality

TITLE

AN ORDINANCE TO AMEND TITLE 8, TITLED "ALCOHOLIC BEVERAGES," CHAPTER 4, TITLED "BEVERAGES EXCEEDING FIVE PER CENT ALCOHOL – RETAILER'S AND EMPLOYEE'S PERMITS," OF THE CODE OF ORDINANCES, CITY OF OAK RIDGE, TENNESSEE, TO DELETE SECTION 8-406, TITLED "DOMICILE REQUIREMENTS FOR APPLICANT," IN ITS ENTIRETY TO REMOVE THE RESIDENCY AND WAIVER REQUIREMENTS FOR THE RETAIL SALE OF LIQUOR.

WHEREAS, City Code §8-406 sets forth a two-year residency requirement in Oak Ridge immediately preceding the date of application for a liquor retail sale permit, which residency requirement is authorized but not required by Tennessee Code Annotated §57-3-208(c); and

WHEREAS, City Code §8-406 permits City Council to waive the residency requirement in its discretion upon certain conditions; and

WHEREAS, City Council desires to remove the residency and waiver requirements by deletion of City Code §8-406.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

Section 1. The Code of Ordinances, City of Oak Ridge, Tennessee, is hereby amended by deleting Section 8-406, titled "Domicile Requirements for Applicant," in its entirety without replacement.

Section 2. This ordinance shall become effective ten (10) days after adoption on second reading, the welfare of the City of Oak Ridge requiring it.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk

First Reading: 01/09/2017
Publication Date: 01/12/2017
Second Reading: _____
Publication Date: _____
Effective Date: _____

RESOLUTIONS

FIRE DEPARTMENT MEMORANDUM
HQ-17-01

DATE: January 23, 2017
TO: Mark S. Watson, City Manager
FROM: Darryl Kerley, Fire Chief
SUBJECT: **RELOCATION OF FUEL TANKS AT STATION 4 FOR HISTORY CENTER**

Introduction

An item for City Council's consideration is a resolution authorizing the City to waive bids and award a contract to RBM Company, Knoxville, Tennessee, for the relocation of the Fire Department's fuel pumps located at Fire Station 4 in the estimated amount of \$ 36,300.00.

Funding

Funds are available in the 28100 - West End Fire Fund, as a part of the refundable fund accounts payable back to the U.S. Department of Energy (DOE) from the previous four-year agreement (FY12 – FY15). DOE has allowed the City to use these funds for improvements in the facility and equipment at Fire Station 4 and has agreed to allow these funds to be used for the relocation of the fuel pumps in order to begin construction on the History Center.

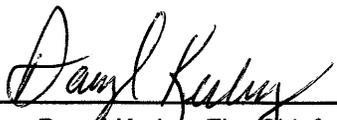
Review

As DOE, UCOR and the City move forward with the construction of the History Center located on the second floor of Fire Station 4, several items will need to be addressed. One item is the relocation of the Fire Department fuel pumps. The pumps are currently located in the middle of the proposed exhibit area on the West side of the Fire Station. To accommodate construction of the History Center, the pumps will be relocated to the North East side of the station on a piece of property currently owned by DOE but to be transferred to the City at a future date. The pumps need to be relocated before June 2017 in order to begin the remodeling of the second floor of the Fire Station in August.

RBM Company initially installed the fuel pumps at Fire Station #4 and is also the City's current contractor maintaining the fuel pumps at the Central Services Complex. By using RBM to relocate the fuel pumps at Fire Station #4, the City maintains continuity throughout the automated fuel ordering and tracking system. RBM has visited the site and provided a bid to pour a new concrete pad, relocate the existing fuel pumps and digital controller including all electrical work, and install a canopy over the pump station to protect the pumps and fueling area from the weather. Due to the nature of the work activity and the previous installation by RBM, the City requests a waiver of the bid process and award of the contract to RBM.

Recommendation

Staff recommends approval of the attached resolution.



Darryl Kerley, Fire Chief

Attachment: Resolution

City Manager's Comments:

I have reviewed the above issue and recommend Council approval as outlined in this document.



Mark S. Watson

Feb 2, 2017

Date

RESOLUTION

A RESOLUTION WAIVING COMPETITIVE BIDS AND AWARDING A CONTRACT TO RBM COMPANY, KNOXVILLE, TENNESSEE, TO RELOCATE THE FUEL PUMPS AT FIRE STATION #4 IN THE ESTIMATED AMOUNT OF \$36,300.00.

WHEREAS, by Resolution 3-21-06, the City began the process for the conveyance of the fire station at the East Tennessee Technology Park (ETTP) from the U.S. Department of Energy (DOE) to the City; and

WHEREAS, this fire station, now known as Fire Station #4, is owned and operated by the City; however, the second floor of the station is reserved for UCOR, DOE's subcontractor, to design and construct a K-25 History Center; and

WHEREAS, the fuel pumps at Fire Station #4 are currently located in the middle of the proposed exhibit area for the history center and will need to be relocated in order for the project to continue; and

WHEREAS, funds are available in the West End Fire Fund as part of the refundable fund accounts payable back to DOE, and DOE has agreed to allow the City to use the funds for this purpose; and

WHEREAS, the fuel pumps will be relocated to property on the north side of the station currently owned by DOE; however, DOE will transfer the property to the City at a later date and has agreed to provide the City's contractor with permission to be on the property for construction; and

WHEREAS, RBM Company, Knoxville, Tennessee, originally installed the fuel pumps at Fire Station #4 and is also the City's current contractor for maintaining the fuel pumps at the Central Services Complex; and

WHEREAS, to retain continuity of maintenance throughout the City's fuel delivery and tracking system, the City Manager recommends competitive bids be waived and award be made to RBM Company for the relocation of the fuel pumps.

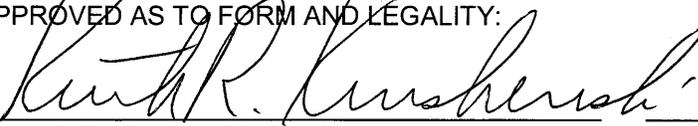
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager to waive competitive bids is approved and award is hereby made to RBM Company, 2700 Texas Avenue NW, Knoxville, Tennessee 37921, for relocation of the fuel pumps at Fire Station #4, in the estimated amount of \$36,300.00.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to enter into the appropriate legal instruments to accomplish the same.

This the 13th day of February 2017.

APPROVED AS TO FORM AND LEGALITY:


Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk

FINANCE DEPARTMENT MEMORANDUM
17-04

DATE: February 3, 2017
TO: Mark S. Watson, City Manager
FROM: Janice E. McGinnis, Finance Director
SUBJECT: \$2,000,000 State Revolving Fund Loan (SRF) Loan

Introduction

An item for City Council's consideration is a resolution authorizing a \$2,000,000 loan from the State Revolving Fund (SRF) program to finance wastewater capital projects in the Turtle Park Sewer Shed located along the Oak Ridge Turnpike west of S. Illinois Avenue to Monterey Road and up to West Outer Drive. The project includes lining or replacement of sewer lines, manhole rehabilitation and replacement of manhole frames and covers. The project cost is estimated at \$2,000,000. There is a \$140,000 principal forgiveness on the loan so therefore 7% of the funds actually borrowed will not need to be repaid to the State nor will there be interest charged on the forgiveness amount.

Funding

This loan will not have a significant impact to the wastewater rates above that outlined in the last wastewater rate review conducted by Chris Mitchell. The loan amount net of the forgiveness is \$1,860,000. On the existing \$21,000,000 in SFR loans that were authorized for capital projects related to fulfilling the EPA Administrative Order, there will be \$1,543,212 on those loans for contingencies that will not be drawn. The net of these equates to a new authorized debt level for SRF loans of only \$316,788. The wastewater rates were built using the debt service on the full amount of the \$21,000,000 in existing SRF loans being drawn.

Consideration

Attached is the Revolving Fund Loan Agreement to be executed by the City and State which outlines the terms and conditions of the loan. The SRF Loan Program is administered by the State of Tennessee Department of Environment and Conservation (TDEC). Key points related to the loan are as outlined below.

Term: 20-year principal payment amortization begins with the earlier of (1) within 90 days after Initiation of Operation of the Project or, (2) within 120 days after 90% after the Project Loan has been disbursed.

Issuance Costs: No loan issuance costs

Interest Rate: The fixed interest rate will be set by the State at the meeting the loan is approved by the State. Currently, this rate approximates 1.89%.

Other Fees: Administrative Fee of .08% annually of the outstanding loan balance.

Payment: Monthly Interest and fees on the outstanding loan balance once loan draws occur. Monthly principal payments once the principal payments begin as outlined in the loan terms above.

Pre-Payment: Can prepay all or part of the loan.

Projects funded through the SRF loans require specific bidding and contractual procedures, including compliance with Davis-Bacon wages by contractors. The advantages of this loan program are very low fixed interest rate, interest/fee payments only during spend down period of the loan and no loan issuance costs. Loan proceeds are drawn as work progresses and interest/fee are applicable only on the outstanding loan amount. At closure of the loan to additional draws, the loan principal payment amortization is restructured based on the actual principal borrowed.

As part of the SRF loan process, the wastewater rate structure is reviewed by the State who can require that rate increases be adopted prior to issuance of the SRF loan. In an initial review, the State has determined that the wastewater rate structures already approved by City Council are sufficient to repay the proposed loan.

Recommendation

Staff recommends approval of the attached resolution. The project allows the City to remain in compliance with EPA and TDEC requirements. Once the loan application packet is submitted to TDEC it must be reviewed and then submitted to the Tennessee Local Development Authority (TLDA) for approval. The TLDA board typically meets in May or June, prior to the both the City and State's fiscal year end.



Janice McGinnis

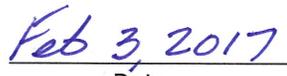
Attachments(s)
Authorizing Resolution
Revolving Loan Agreement
General Loan Conditions

City Manager's Comments:

I have reviewed the above issue and recommend council action as outlined in this document.



Mark S. Watson



Date

AUTHORIZING RESOLUTION _____

RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WASTEWATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATIONS, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING.

WHEREAS, the City of Oak Ridge is a public and governmental body in the City of Oak Ridge, Tennessee (the "Local Government"); and

WHEREAS, the Local Government has determined that it is necessary and desirable to undertake certain activities or tasks in connection with a wastewater facilities project, Department of Environment and Conservation Number **CG4 2017-356** (the "Project"), in and for the Local Government; and

WHEREAS, Tennessee Code Annotated, Section 68-221-1001 et. seq., provide for the lending of moneys in the wastewater facilities Revolving Loan Fund to Local Governments for the purpose of providing funds for Project Loans; and

WHEREAS, the local Government has determined that it is necessary and advisable to borrow funds for the Project pursuant to these sections.

NOW, THEREFORE, be it resolved as follows:

Section 1. Local Government hereby approves the creation of indebtedness on behalf of the Local Government in the principal amount of TWO MILLION Dollars (\$2,000,000) by the obtaining of a Project Loan.

Section 2. The execution and delivery of the Application for a Project Loan in the principal amount of TWO MILLION Dollars (\$2,000,000) for the purpose of funding all or a portion of the total estimated cost of the Project TWO MILLION Dollars (\$2,000,000), by Warren Gooch, Mayor of the City of Oak Ridge, is hereby ratified and approved in all respects.

Section 3. The form, terms, and provisions of the agreement for the Project Loan among the Local Government, the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority (the "Loan Agreement"), as presented at this meeting, are hereby approved.

Section 4. The Local Government hereby agrees to honor and accept the method of financing as may be determined by the Authority pursuant to the Loan Agreement.

Section 5. The Local Government hereby agrees to make the monthly payments on the Project Loan in accordance with the Payment Schedule to be attached to the Loan Agreement.

Section 6. The Local Government hereby agrees to levy fees, rates or charges for services provided by the Project and/or to levy ad valorem taxes sufficient to pay the interest on and principal of the Project Loan in accordance with the Loan Agreement. The Local Government also agrees to levy fees, rates, or charges and/or ad valorem taxes sufficient to pay the cost of operation and maintenance of the wastewater system of which the Project is a part, which cost shall include depreciation and all other debt service expense of the system.

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The City Manager of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments or supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

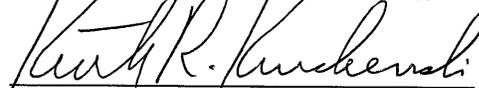
Duly passed and approved this _____ day of _____, 2017.

Warren Gooch, Mayor

WITNESS:

(Affix Seal As Appropriate)

APPROVED AS TO FORM AND LEGALITY:



City Attorney

(Name and Title)

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The City Manager of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments or supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this _____ day of _____, 2017.

Warren Gooch, Mayor

WITNESS:

(Affix Seal As Appropriate)

(Name and Title)

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The City Manager of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments or supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this _____ day of _____, 2017.

Warren Gooch, Mayor

WITNESS:

(Affix Seal As Appropriate)

(Name and Title)

**REVOLVING FUND LOAN AGREEMENT
FOR TAX REVENUE ENTITIES
(i.e. TOWNS/CITIES/COUNTIES)**

This Agreement is among the Tennessee Department of Environment and Conservation (the "Department"), the Tennessee Local Development Authority (the "Authority") and the City of Oak Ridge (the "Local Government"), which is a Tennessee governmental entity authorized to own, operate, and manage facilities. The purpose of this Agreement is to provide for the financing of all or a portion of a Waste Water (water/wastewater) facility by the Local Government. The Local Government submitted an application for the financing dated _____ which is hereby incorporated into this Agreement.

1. **DEFINITIONS.** Unless the context in this Agreement indicates another meaning, the following terms shall have the following meaning:
 - (a) "Administrative fee" means the fee to be collected by the Authority for administration of the loan in accordance with Tenn. Code Ann. Sections 68-221-1004(a) and 68-221-1204(a), both as amended;
 - (b) "Agreement" means this agreement providing financing for the Project from the Fund;
 - (c) "Facility" means either a wastewater facility or a water system;
 - (d) "Fund" means:
 - (1) For wastewater projects, the wastewater revolving loan fund created by the Tennessee Wastewater Facilities Act of 1987, Tenn. Code Ann. Sections 68-221-1001, et seq., as amended, and rules and regulations promulgated thereunder; or
 - (2) For water projects, the drinking water revolving loan fund created by the Drinking Water Revolving Loan Fund Act of 1997, Tenn. Code Ann. Sections 68-221-1201, et seq., as amended, and rules and regulations promulgated thereunder;
 - (e) "Initiation of Operation" means the date when all but minor components of the Project have been built, all treatment equipment is operational and the Project is capable of functioning as designed and constructed;
 - (f) "Local Government" means the governmental entity borrowing under this Agreement described in (1) Tenn. Code Ann. Section 68-221-1003(7), as amended, if a wastewater facility and (2) Tenn. Code Ann. Section 68-221-1203(6), as amended, if a water system;
 - (g) "Obligations" means bonds, notes and any other evidence of indebtedness lawfully issued or assumed by the Local Government;
 - (h) "Project" means the activities or tasks concerning a facility described in the application submitted by the Local Government to be financed pursuant to this Agreement;
 - (i) "Project Cost" means the total amount of funds necessary to complete the Project;
 - (j) "Project Loan" means the moneys loaned from the Fund to finance the Project and, except for principal forgiven, if any, required to be repaid pursuant to this Agreement;

(k) "Revenues" means all fees, rents, tolls, rates, rentals, interest earnings, or other charges received or receivable by the Local Government from the water or wastewater system which is the Project, or of which the Project is or will be a component, including any revenues derived or to be derived by the Local Government from a lease, agreement or contract with any other local government, local government instrumentality, the state, or a state or federal agency for the use of or in connection with the system, or all other charges to be levied and collected in connection with and all other income and receipts of whatever kind or character derived by the Local Government from the operation of the system or arising from the system;

(l) "State" means the state of Tennessee acting through the Department and the Authority, jointly or separately, as the context requires;

(m) "State-Shared Taxes" has the meaning established by Tenn. Code Ann. Section 4-31-102, as amended; and

(n) "Unobligated State-Shared Taxes" means State-Shared Taxes which have not been pledged or applied to any other prior indebtedness.

2. PROJECT

(a) Description. The description of the Project is as described in the application submitted by the Local Government.

(b) Funding Sources. The Local Government estimates the Project Cost to be \$2,000,000 which is expected to be funded as follows:

| | |
|---------------------------|--------------|
| (1) Project Loan | \$ 1,860,000 |
| (2) Principal Forgiveness | \$ 140,000 |
| (3) Local Funds | \$ -0- |
| (4) Other Funds | \$ -0- |
| | <hr/> |
| TOTAL | \$ 2,000,000 |

3. LOAN

(a) Loan and use of proceeds. The State shall lend to the Local Government from moneys available in the Fund an aggregate principal amount not to exceed \$2,000,000 to bear interest as described in (b) below. The Project Loan shall be used by the Local Government for completion of the Project and in accordance with engineering plans and specifications and special conditions, approved and required by the Department and hereby incorporated into this Agreement. Interest on the Project Loan will begin to accrue upon the first disbursement of the Project Loan pursuant to Section 5 of this Agreement.

(b) Interest rate. The rate of interest for this Project Loan is that rate established by the Authority at the meeting at which this Project Loan is approved and stated on the payment schedule which is incorporated into and attached to this Agreement.

- (c) Administrative fee. The Authority shall collect a fee equal to 8 basis points of the total Project Loan, where one basis point is equal to one-hundredth of one percent (0.01%). This fee shall be payable in monthly installments equal to one-twelfth (1/12) of the annual fee amount as stated on the payment schedule.
- (d) Payment schedule. The Local Government expressly agrees to make all payments of principal and interest in accordance with the payment schedule, including the form of payment (currently electronic funds transfer), as it is from time to time revised by the State. A revision of the payment schedule shall not be deemed to be an amendment of this Agreement.

4. REPAYMENT OF PROJECT LOAN.

(a) Payments.

- (1) The Local Government promises to repay to the order of the State the Project Loan plus interest, payable in installments on the 20th day of each month in accordance with the payment schedule established by the Authority and attached to this Agreement. The payment schedule will require payments of interest to begin after the first disbursement pursuant to Section 5 of this Agreement. The payment schedule will require repayments of principal to begin the earlier of:

(A) Within ninety (90) days after Initiation of Operation of the Project for construction loans or within two (2) years of loan approval for planning and design loans; or

(B) Within one hundred twenty (120) days after ninety percent (90%) of the Project Loan has been disbursed.

- (2) Notwithstanding Section 4(a)(1), the Authority may agree in the instance of a newly created water system to defer the commencement of principal repayment for no more than one year after Initiation of Operation of the Project.

- (b) Reduction. The Project Loan, and the required payments made pursuant to the payment schedule, shall be reduced to reflect:

(1) Funding not listed in Section 2(b) which subsequently becomes available; or

(2) The amount actually disbursed by the State to the Local Government pursuant to the Agreement as the Project Loan.

If any of the conditions set out in Section 4(b)(1) or (b)(2) occur, a new payment schedule reflecting such changes shall be submitted to the Local Government to be attached to this Agreement, superseding any previous schedules.

- (c) Prepayment. The Local Government, at its option, may prepay all or any portion of the Project Loan.

- (d) Principal Forgiven. A portion of the original principal amount of the Project Loan may be forgiven by the State. The principal forgiven shall be Seven per cent (7%) of the original principal amount of the Project Loan, or if the full original amount of the Project Loan is not used, then Seven percent (7%) of the amount of the Project Loan actually disbursed. Notwithstanding Section 3, no interest shall accrue on the amount of principal forgiven pursuant to this Section 4(d).

5. DISBURSEMENT OF PROJECT LOAN. Each request by the Local Government for disbursement of the Project Loan shall constitute a certification by the Local Government that all representations made in this Agreement remain true as of the date of the request and that no adverse developments affecting the financial condition of the Local Government or its ability to complete the Project or to repay the Project Loan plus interest have occurred since the date of this Agreement unless specifically disclosed in writing by the Local Government in the request for disbursement. Submitted requests for disbursement must be supported by proper invoices and other documentation required by and acceptable to the Department and the Authority.

After the Department has certified and the Authority has approved a request for disbursement, the Authority will disburse the Project Loan during the progress of the Project. Each disbursement shall be by electronic funds transfer or such other form of payment as specified in the payment schedule and shall be equal to that portion of the unpaid principal amount incurred to the date of the Local Government's request for disbursement. The amount of any principal forgiven shall be allocated on a pro-rata basis to each disbursement made.

No more than 90% of the Project Loan shall be paid to the Local Government prior to the time: 1) the construction of the Project has been completed, 2) the facilities constituting the Project are in the opinion of the Department in proper operation, and 3) the Project has been approved by the Department. Following approval of the Project by the Department, the remaining 10% of the Project Loan may be paid to the Local Government. Provided, however, that if this Project Loan is for planning or replanning and design, payments may be made prior to the completion of construction of the Project for the full amount of costs associated with the planning or replanning and design.

6. AMENDMENT.

- (a) Increase in Project Loan. If the final Project Cost is greater than is estimated in Section 2(b), then the Project Loan may be increased by a subsequent agreement executed by the parties to this Agreement (the amount of such increase may be subject to a different interest rate) if the following conditions are fulfilled:

- (1) Amounts in the Fund are authorized and available for such increase;
- (2) The increased Project Loan otherwise meets the applicable statutory requirements and the rules adopted thereunder; and
- (3) Such increase in this Project Loan does not result in any violation or breach of any contract, resolution, or ordinance of the Local Government.

- (b) Other Amendments and Modifications. Any other amendment or modification of this Agreement must first be approved by the Authority and must be in writing executed by the parties to this Agreement.

7. REPRESENTATIONS AND COVENANTS OF LOCAL GOVERNMENT. The Local Government hereby represents, agrees, and covenants with the State as follows:

- (a) To construct, operate, and maintain the Project in accordance, and to comply, with all applicable federal and state statutes, rules, regulations, procedural guidelines, and grant conditions;

- (b) To comply with:
 - (i) The Project schedule, engineering plans and specifications, and any and all special conditions established and/or revised by the Department; and
 - (ii) Any special conditions established and/or revised by the Authority including, but not limited to, the Authority's "State Revolving Fund Policy and Guidance for Borrowers" adopted on September 21, 2016, and as may be amended or revised from time to time, the terms and conditions of which are adopted by reference as if fully set forth herein;
- (c) To commence operation of the Project on its completion and not to contract with others for the operation and management of, or to discontinue operation or dispose of, the Project without the prior written approval of the Department and the Authority;
- (d) To provide for the Local Government's share of the cost of the Project;
- (e) To comply with applicable federal requirements including the laws and executive orders listed on Exhibit A to this Agreement;
- (f) To advise the Department before applying for federal or other state assistance for the Project;
- (g) To establish and maintain adequate financial records for the Project in accordance with generally accepted government accounting principles; to cause to be made an annual audit acceptable to the Comptroller of the Treasury of the financial records and transactions covering each fiscal year; and to furnish a copy of such audit to the Authority. In the event of the failure or refusal of the Local Government to have the annual audit prepared, then the Comptroller of the Treasury may appoint an accountant or direct the Department of Audit to prepare the audit at the expense of the Local Government;
- (h) To provide and maintain competent and adequate engineering supervision and inspection of the Project to insure that the construction conforms with the engineering plans and specifications approved by the Department;
- (i) To abide by and honor any further guarantees or granting of security interests as may be required by the State which are not in conflict with state or federal law;
- (j) To do, file, or cause to be done or filed, any action or statement required to perfect or continue the lien(s) or pledge(s) granted or created hereunder;
- (k) To establish and collect, and to increase, user fees and charges and/or increase or levy, as the case may be, ad valorem taxes as needed to pay the monthly installments due under this Agreement, as well as the other costs of operation and maintenance including depreciation and debt service of the system of which the Project is a part;
- (l) To receive the approval of the Authority prior to issuing any Obligations that are payable all or in part from any part of the Revenues if such Obligations are intended to be on parity or superior to the lien position created under this Agreement;
- (m) To notify the Assistant Secretary to the Authority in writing prior to issuing any Obligations that are payable all or in part from any part of the Revenues if such Obligations are intended to be subordinate to the lien position created under this Agreement;

- (n) To receive the approval of the Authority prior to pledging or encumbering the Local Government's State-Shared Taxes; and
- (o) The Local Government is subject to the jurisdiction of the Water and Wastewater Financing Board ("WWFB") established in Tenn. Code Ann. Section 68-221-1008 or of the Utility Management Review Board ("UMRB") created in Tenn. Code Ann. Section 7-82-701 as provided by law. If the Authority, in its sole discretion, determines that the Local Government's obligations under this Agreement have been or may be impaired, the Authority may refer the Local Government to the WWFB or UMRB (each a "Board") as appropriate. In the event of default under this Agreement, the Authority shall refer the Local Government to the Board having jurisdiction over the entity. In such event, the Local Government covenants, to the extent permitted by law, to request advisory technical assistance from the Board and to request that the Board propose any and all management, fiscal and/or rate changes necessary to enable the Local Government to fulfill its obligations to the Authority under this Agreement. The Local Government agrees to supply the Board with any information that the Board may request in connection with its analysis of the Local Government's system. The Local Government agrees that it will implement any and all technical, management, fiscal and/or rate changes recommended by the Board and determined by the Authority to be required for the Local Government to fulfill its obligations to the Authority under this Agreement.

8. SECURITY AND DEFAULT.

(a) As security for payments due under this Agreement, the Local Government pledges users fees and charges and/or ad valorem taxes, and covenants and agrees that it shall increase such fees or increase or levy, as the case may be, ad valorem taxes as needed to pay the monthly installments due under this Agreement, as well as the other costs of operation and maintenance of the system, including depreciation. The Local Government covenants to establish and collect such fees and taxes and to make such adjustments to raise funds sufficient to pay such monthly payments and costs but to create only a minimum excess. The Local Government further pledges such other additional available sources of Revenues as are necessary to meet the obligations of the Local Government under this Agreement.

As further security for payments due under this Agreement, the Local Government pledges and assigns subject to the provisions herein its Unobligated State-Shared Taxes in an amount equal to the maximum annual debt service requirements under this Agreement. If the Local Government fails to remit the monthly payments as established in the payment schedule, the Authority shall deliver by certified mail a written notice of such failure to the Local Government within 5 days of such failure and the Authority shall suspend making disbursements as provided in Section 5 until such delinquency is cured. If the Local Government fails to cure payment delinquency within 60 days of the receipt of such notice, such failure shall constitute an event of default under this Agreement and, in addition, the Authority shall notify the Commissioner of Finance and Administration of the State of Tennessee of the default of the Local Government and the assignment of Unobligated State-Shared Taxes under this Agreement. Upon receipt of such notice, the Commissioner shall withhold such sum or part of such sum from any State-Shared Taxes which are otherwise apportioned to the Local Government and pay only such sums necessary to liquidate the delinquency of the Local Government to the Authority for deposit into the fund. The Local Government acknowledges that it has no claim on State-Shared Taxes withheld as permitted under this Agreement.

If the Local Government breaches any other provision of this Agreement, the Authority shall deliver by certified mail a written notice of such breach to the Local Government within 30 days of the Authority learning of such breach. The Local Government's failure to cure the breach

within 60 days from receipt of notice of such breach shall constitute an event of default under this Agreement.

(b) Upon an event of default, the Authority may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. The Local Government shall be responsible for all costs that the Authority incurs in enforcing the provisions of this Agreement after an event of default, including, but not limited to, reasonable attorneys' fees.

9. CONDITIONS PRECEDENT. This Agreement is further conditioned on the receipt of the following documents, in form and substance acceptable to the Authority, if applicable, on or before the date of the first disbursement of the Project Loan; each document is to be dated or certified, as the case may be, on or before the date of the first disbursement of the Project Loan:

(a) A general certificate of the Local Government certifying the resolution or ordinance authorizing the Local Government to enter into this Agreement, the resolution or ordinance authorizing the rate and fee structure for the users of the system, and other matters;

(b) An opinion of the attorney or special counsel to the Local Government to the effect that:

(1) The Local Government has been duly created and is validly existing and has full power and authority (under its charter and by-laws or general law, if applicable, and other applicable statutes) to enter into and carry out the terms of this Agreement;

(2) This Agreement is duly executed and constitutes a valid and binding contract of the Local Government, enforceable in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditors rights generally;

(3) This Agreement is not in conflict in any material way with any contracts, resolutions or ordinances of the Local Government; and

(4) There is no litigation materially adversely affecting this Agreement or the financial condition of the Local Government;

(c) An opinion of a licensed engineer or certified public accountant as to the sufficiency of the rates, fees and charges and any other fees and charges to meet costs of operation and maintenance, including depreciation and all debt service of the Local Government, as set forth in Paragraph 7(k) above;

(d) An opinion of a licensed engineer as to the reasonableness of the project costs and as to the estimated completion date of the Project; and

(e) A representation of the Local Government as to loans and State-Shared Taxes.

10. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the state of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Agreement. The Local Government acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees, including but not limited to, the Department, the Authority, and the employees thereof, arising under this Agreement shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. Title 9, Chapter 8.

11. SEVERABILITY. In the event any covenant, condition or provision of this Agreement is held to be invalid or unenforceable by a final judgment of a court of competent jurisdiction, the invalidity thereof shall in no way affect any of the other covenants, conditions or provisions hereof.
12. NOTICES. Any notice shall be delivered to the parties at the addresses below (or such other addresses as the parties shall specify to each other in writing):

To Department: Tennessee Department of Environment and Conservation
312 Rosa L. Parks Ave, 12th Floor
Nashville, TN 37243
ATTN: State Revolving Fund Loan Program

To Authority: Tennessee Local Development Authority
Suite 1600, James K. Polk Building
Nashville, TN 37243-0273
ATTN: Assistant Secretary

To Local Government: City of Oak Ridge
Attn: Mark S. Watson, City Manager
P.O Box 1
Oak Ridge, TN 37831-0001

12. SECTION HEADINGS. Section headings are provided for convenience of reference only and shall not be considered in construing the intent of the parties to this Agreement.

13. EFFECTIVE DATE. The effective date of this Agreement shall be the date on which the Authority approves this Agreement as indicated below.

IN WITNESS WHEREOF, the parties to this Agreement have caused the Agreement to be executed by their respective duly authorized representatives.

LOCAL GOVERNMENT

NAME City of Oak Ridge
(City)

BY: _____
(Mark S. Watson, City Manager)

TITLE: _____

DATE: _____

**TENNESSEE LOCAL DEVELOPMENT
AUTHORITY**

BY: _____

TITLE: _____

MEETING APPROVAL DATE: _____

INTEREST RATE: _____

APPROVED AS TO FUNDING:

**COMMISSIONER, DEPARTMENT OF
ENVIRONMENT AND CONSERVATION**

BY: _____

DATE: _____

**COMMISSIONER OF FINANCE AND
ADMINISTRATION**

BY: _____

DATE: _____

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LOCAL GOVERNMENT

NAME City of Oak Ridge
(City)

BY: _____
(Mark S. Watson, City Manager)

TITLE: _____

DATE: _____

**TENNESSEE LOCAL DEVELOPMENT
AUTHORITY**

BY: _____

TITLE: _____

MEETING APPROVAL DATE: _____

INTEREST RATE: _____

APPROVED AS TO FUNDING:

**COMMISSIONER, DEPARTMENT OF
ENVIRONMENT AND CONSERVATION**

BY: _____

DATE: _____

**COMMISSIONER OF FINANCE AND
ADMINISTRATION**

BY: _____

DATE: _____

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LOCAL GOVERNMENT

NAME City of Oak Ridge
(City)

BY: _____
(Mark S. Watson, City Manager)

TITLE: _____

DATE: _____

**TENNESSEE LOCAL DEVELOPMENT
AUTHORITY**

BY: _____

TITLE: _____

MEETING APPROVAL DATE: _____

INTEREST RATE: _____

APPROVED AS TO FUNDING:

**COMMISSIONER, DEPARTMENT OF
ENVIRONMENT AND CONSERVATION**

BY: _____

DATE: _____

**COMMISSIONER OF FINANCE AND
ADMINISTRATION**

BY: _____

DATE: _____

LIST OF CLOSING DOCUMENTS RELATED TO LOAN AGREEMENT

Copy of the Local Government's Application for Project Loan

Loan Conditions

General Certificate with copies of ordinances/resolution approving Loan Agreement and Rate Structure

Opinion as to Sufficiency of Rates, Fees and Charges and Cost and Completion

Representation as to Loans and State-Shared Taxes

Legal Opinion of Attorney or Special Counsel to Local Government

EXHIBIT A

FEDERAL LAWS AND EXECUTIVE ORDERS

ENVIRONMENTAL:

Clean Air Act (Pub. L. 101-549, 42 U.S.C. § 7401, et seq.), as amended.

Endangered Species Act (Pub. L. 93-205, 16 U.S.C. § 1531, et seq.), as amended.

Environmental Justice, Executive Order 12898, 59 Fed. Reg. 7629 (1994), as amended.

Floodplain Management, Executive Order 11988 42 Fed Reg. 26951 (1977), as amended by Executive Order 12148, 44 FR 43239 (1979) (pertaining to Federal Emergency Management) and as further amended by Executive Order 13690, 80 FR 6425 (2015), as amended.

Protection of Wetlands, Executive Order 11990, 42 Fed Reg. 26961 (1977), as amended.

Farmland Protection Policy Act, (Pub. L. 97-98, 7 U.S.C. § 4201, et seq.), as amended.

Fish and Wildlife Coordination Act, (Pub. L. 85-624, 16 U.S.C. § 661 et seq.), as amended.

National Historic Preservation Act of 1966, (Pub. L. 113-287, 54 U.S.C. § 300101 et seq.), as amended.

Water Pollution Control Act of 1972, (Pub. L. 114-181, 33 U.S.C. § 1251 et seq.), as amended.

Safe Drinking Water Act (Title XIV of the Public Health Service Act, Pub. L. 93-523, 42 U.S.C. § 300f et seq.), as amended.

Wild and Scenic Rivers Act, (Pub. L. 90-542, 28 U.S.C. § 1271, et seq.), as amended.

ECONOMIC AND MISCELLANEOUS AUTHORITIES:

Demonstration Cities and Metropolitan Development Act of 1966, (Pub. L. 89-754, 42 U.S.C. § 3331, et seq.), as amended.

Intergovernmental Review of Federal Programs, Executive Order 12372, 47 Fed. Reg. 30959 (1982), as amended.

Procurement Prohibitions under Section 306 of Clean Air Act, 42 U.S.C. § 7606, and Section 508 of Clean Water Act, 33 U.S.C. § 1368, including Executive Order 11738, 38 Fed. Reg. 25161(1973) (Administration of Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants and Loans), as amended.

Uniform Relocation and Real Property Acquisition Policies Act (Pub. L. 91-646, 42 U.S.C § 4601, et seq.), as amended.

Debarment and Suspension, Executive Order 12549, 51 Fed. Reg. 6370 (1986), as amended.

Kickbacks from Public Works Employees Prohibited, 18 U.S.C. § 874.

Requirements for Public Work Contractors to Comply with U.S. Dept. of Labor Regulations (Pub. L. 103-322, Title XXXIII, § 330016(1)(K), 40 U.S.C. § 3145), as amended.

Contract Work Hours and Safety Standards Act (Pub. L. 111-350, 40 U.S.C. § 3701, et seq.), as amended.

SOCIAL POLICY AUTHORITIES:

Age Discrimination in Employment Act (Pub. L 114-181, 29 U.S.C. § 621, et seq.), as amended.

Title VI of Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. § 2000d, et seq.), as amended, and related anti-discrimination statutes.

Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112, 29 U.S.C. § 701), as amended, and Executive Order 12250 (45 Fed. Reg. 72995 (1980)).

Equal Employment Opportunity, Executive Order 11246 (30 Fed. Reg. 12319, 12935 (1965)), Executive Order 11375 (32 Fed. Reg. 14303 (1967)), and Executive Order 13672 (79 Fed. Reg. 42971 (2014)).

Women's and Minority Business Enterprise Executive Orders 11625 (36 Fed. Reg. 19967 ((1971)), 12138 (44 Fed. Reg. 29637 (1979)), and 12432 (48 Fed. Reg. 32551 (1983)).

Section 129 of Small Business Administration Reauthorization and Amendment Act (Pub. L. 100-590, 15 USC § 637), as amended.

LOAN CONDITIONS

GENERAL LOAN CONDITIONS

The Local Government hereby agrees to comply with the General Loan Conditions and Special Loan Conditions attached to, and made a part of, this Loan Agreement.

1. No date reflected in the loan agreement, or in the project completion schedule, or extension of any such date, shall modify any compliance date established in an NPDES Permit. It is the borrower's obligation to request any required modification of applicable permit terms or other enforcement requirements.
2. In accordance with federal Executive Order 11625 dated October 13, 1971, and Executive Order 12138 dated May 18, 1979, the local government must make a good faith effort to include participation from Disadvantaged Business Enterprises (DBE) in subagreement awards. The Minority Business Enterprises (MBE) fair share goal is 2.6% for construction and 5.2% for supplies, services and equipment. The Women's Business Enterprises (WBE) fair share goal is 2.6% for construction and 5.2% for supplies, services and equipment.

The following steps must be utilized in soliciting participation:

- a. Include qualified small, Disadvantaged Business Enterprises (DBE) on solicitation lists.
- b. Assure that small, Disadvantaged Business Enterprises (DBE) are solicited.
- c. Divide total project requirement, when economically feasible, into small tasks or quantities to permit maximum participation of small, Disadvantaged Business Enterprises (DBE).
- d. Establish delivery schedules, where requirements of the work permit, which will encourage participation by small, Disadvantaged Business Enterprises (DBE).
- e. Use services and assistance of the Small Business Administration and the Minority Business Development Agency of the U. S. Department of Commerce, as appropriate.
- f. Require construction contractors to solicit Disadvantaged Business Enterprises (DBE) participation utilizing above steps a. through e.

- g. Require the Loan Recipient to have the Prime Contractor provide EPA Form 6100-2 to any DBE Subcontractor(s) that will participate in the construction of the project. The DBE Subcontractor(s) will use this form to describe the work received from the Prime Contractor, how much the DBE Subcontractor(s) was/were paid, and describe any other concerns of the DBE Subcontractor(s). The DBE Subcontractor(s) will then mail the completed form(s) to the EPA DBE Coordinator; Small and Disadvantaged Business Program; EPA, Region IV; Office of Policy and Management; 61 Forsyth Street, SW; Atlanta, GA 30303-8960.
- h. Require the Loan Recipient to have the Prime Contractor provide EPA Form 6100-3 to any DBE Subcontractor(s) intending to participate in the construction of the project. The DBE Subcontractor(s) will use this form to describe (1) the intended work to be performed for, and (2) the price of the work submitted to, the Prime Contractor. The DBE Subcontractor(s) will then submit the completed form(s) to the Loan Recipient as part of an Authority To Award (ATA) Bid Package.
- i. Require the Loan Recipient to provide EPA Form 6100-4 to the Prime Contractor for completion. The Prime Contractor will use this form to identify each DBE Subcontractor that will participate in the construction of the project and the estimated dollar amount of each DBE subcontract. The Prime Contractor will then submit the completed form to the Loan Recipient as part of an Authority To Award (ATA) Bid Package.

3. The Local Government will comply with the following:

- a. The Local Government must adhere with the most current Wage Rate (Davis-Bacon Act) applicable to the project.
- b. The bid advertisement for construction must state the wage rate requirements. The wage rate needs to be current at the bid opening.
- c. The wage determination (including any additional classifications and wage rates conformed) and a Davis-Bacon poster (WH-1321) must be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen.
- d. The wage rate information can be obtained at:
www.gpo.gov/davisbacon/referencemat.html and www.wdol.gov/.

4. The Local Government will comply with the following new American Iron and Steel requirements:

H.R.3547, "Consolidated Appropriations Act, 2014," (Appropriations Act) was enacted on January 17, 2014. This law provides appropriations for both Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) for Fiscal Year of 2014, while adding a American Iron and Steel requirement to these already existing programs. H.R. 3547 provides that none of the funds made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or made available by a drinking water

treatment revolving loan fund as authorized by Section 1452 of the Safe Drinking water Act (42 U.S.C. 300j-12) shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States. This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency (EPA) finds that:

- 1) applying the American Iron and Steel requirements would be inconsistent with the public interest;
- 2) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- 3) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

If the Administrator receives a request for a waiver under this section, the Administrator shall make a copy of the request and information concerning the request available to the public and shall allow for informal public input on the request for at least 15 days prior to making a finding based on the request. The Administrator shall make the request and other information available on the official EPA Internet Web site and by other electronic means.

5. The local government will comply with the following OMB Circular A-133 audit requirements:

The funding for this loan could be disbursed from federal or state sources or both. Therefore, the recipient should consider that all funding received is a federal award and abide by all relevant federal and/or state compliance requirements.

CFDA Title: Capitalization Grants for Clean Water State Revolving Funds

CFDA #: 66.458

Research and Development Award: No

Grant Number: CS470001XX

Federal Awarding Agency: Environmental Protection Agency, Office of Water

Confirmations of actual federal funding can be obtained at fiscal year-end from the Tennessee Comptroller of the Treasury, Division of Municipal Audit's Website @ <http://www.tn.gov/comptroller>.

At fiscal year-end, contact state SRF Loan Program for a breakdown by specific grant period(s), number(s), and amount(s).

OMB Circular A-133 Audit Requirements

Section 200 states, "*Non-federal entities that expend \$750,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year...*"

Section 320 states, “*The audit shall be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section shall be submitted within . . . nine months after the end of the audit period . . .*”

Section 225 states, “*In cases of continued inability or unwillingness to have an audit conducted in accordance with these requirements, Federal agencies and pass-through entities shall take appropriate action using sanctions such as (a) Withholding a percentage of Federal awards until the audit is completed satisfactorily; (b) Withholding or disallowing overhead costs; (c) Suspending Federal awards until the audit is conducted; or (d) Terminating the Federal award.*”

6. The State of Tennessee and/or The United States Environmental Protection Agency shall have access to the official project files and job site.
7. The Local Government will Comply with the Fiscal Sustainability Plan (FSP) requirements set out in the FWPCA section 603(d)(1)(E) as follow
 - (i) develop and implement a Fiscal Sustainability Plan that includes
 - (I) An inventory of critical assets that are a part of the treatment works;
 - (II) an evaluation of the condition and performance of inventoried assets or asset groupings;
 - (III) a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
 - (IV) A plan for maintaining, repairing, and as necessary, replacing the treatment works and a plan for funding such activities; or
 - (ii) Certify that the recipient has developed and implemented a plan that meets the requirements under clause(i);

SPECIAL LOAN CONDITIONS

1. The following project schedule is established:
 - a. Start construction on or before
 - b. Complete construction on or before
 - c. Initiate operation on or before

The State Revolving Fund Loan Program may amend the project schedule above upon written request and for good cause shown.

Failure to adhere to the project schedule established above, or secure an amended project schedule from the State Revolving Fund Loan Program, will constitute a breach of contract pursuant to Division Rule 0400-46-06-.07(10) and may result in loss of principal forgiveness, loss of interest rate reduction or both.

The State Revolving Fund Loan Program may take other such actions as may be necessary relative to breach of contract against a borrower that fails to carry out its obligations under Chapter 0400-46-06 and this loan agreement up to and including cancellation of loan funding.

**RECREATION AND PARKS MEMORANDUM
17-01**

DATE: January 30, 2017
TO: Mark S. Watson, City Manager
FROM: Jonathan Hetrick, Recreation and Parks Director
SUBJECT: PROFESSIONAL SERVICES AGREEMENT WITH DEMIAN WILBUR ARCHITECTS

Introduction

An item for City Council's consideration is a resolution approving a professional services agreement with Demian Wilbur Architects, Washington, D.C., for construction documents, bidding administration, and construction administration services for a new Peace Bell Pavilion in the estimated amount of \$72,000.00.

Funding

The proposed award will allow the City to contract with Demian Wilbur Architects to provide construction design, bid administration and construction administration services for the rebuild of the Peace Bell Pavilion in A.K. Bissell Park. Funding for this agreement is provided by the Capital Improvements Program. In FY 2016 \$25,000 was allocated for the project; an additional \$50,000 has been allocated in the FY 2017 Capital Projects Fund. To date \$15,000 has been expended for conceptual planning by Demian Wilbur Architects. The balance of funding for this agreement will be allocated in the FY 2018 Capital Projects Fund.

Review

In April 2014, the City received an inspection report from Tetra Tech, Inc., on the structure housing the International Friendship Bell in A.K. Bissell Park. Inspection by City staff had previously found decay in the wooden structure that prompted the City to engage Tetra Tech for a complete engineering analysis. The analysis found that most of the structure had experienced significant decay since its construction in 1996. At the request of City Manager Mark Watson, the City Recreation and Parks Advisory Board developed short- and long-term recommendations for the bell structure. They recommended removal of the structure to protect the public and the bell itself as a short-term solution. In addition, the Board recommended that the City move forward with long-term plans for a new Peace Bell Pavilion.

The Parks Board then created a Peace Bell Rebuild Committee, charged with developing design of the new pavilion and a fundraising program. The Committee engaged architect Ziad Demian of Demian Wilbur Architects to develop concept plans. After analysis of two design options and several revisions of the selected design, the Committee is ready to move forward with development of construction and bidding documents, and construction administration. Fundraising is underway and the Committee currently has commitments of approximately \$600,000 for the project, including the Capital commitment from the City. The project is estimated to have a construction cost of approximately \$750,000.

Recommendation

Staff recommends approval of the accompanying Resolution as submitted.

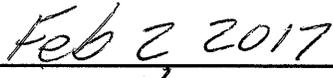

Jonathan Hetrick

Attachment: Resolution

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.


Mark S. Watson


Date

RESOLUTION

A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH DEMIAN WILBUR ARCHITECTS, WASHINGTON D.C., FOR CONSTRUCTION DOCUMENTS, BIDDING ADMINISTRATION, AND CONSTRUCTION ADMINISTRATION SERVICES FOR A NEW PEACE BELL PAVILION IN THE ESTIMATED AMOUNT OF \$72,000.00.

WHEREAS, due to signs of deterioration, the International Friendship Bell "house" was evaluated in 2014 by engineers who found substantial deterioration and recommended closure for public safety; and

WHEREAS, the Recreation and Parks Advisory Board created a committee to develop a long-term redevelopment plan for the bell and selected a design option provided by Demian Wilbur Architects, Washington, D.C., for a new pavilion to house the bell (the "Peace Bell Pavilion"); and

WHEREAS, fundraising is underway with approximately \$600,000.00 currently in place for the project, which is estimated to cost \$750,000.00; and

WHEREAS, the City is ready to move forward with development of construction design documents, bidding administration, and construction administration services; and

WHEREAS, the City Manager recommends approval of a professional services agreement with Demian Wilbur Architects to provide construction design, bid administration, and construction administration services for the construction of the Peace Bell Pavilion.

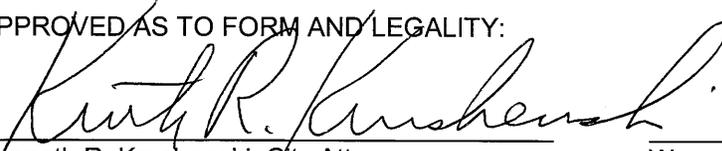
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and the City is hereby authorized to enter into a Professional Services Agreement with Demian Wilbur Architects, Washington D.C., for construction design documents, bidding administration, and construction administration services for the Peace Bell Pavilion in the estimated amount of \$72,000.00.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute the appropriate legal documents to accomplish the same.

This the 13th day of February 2017.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk

**PERSONNEL DEPARTMENT
17-015**

January 30, 2017

TO: Mark S. Watson, City Manager
FROM: Bruce M. Applegate Jr., Assistant to the City Manager / Interim Personnel Director
SUBJECT: MEDICAL INSURANCE RENEWAL

Introduction

The attached resolution extends the contract with the State of Tennessee Local Government Health Insurance Program to purchase employee medical insurance for calendar year 2017 in the estimated amount of \$4,520,000.

Funding

Funds are available from employee deductions and in the FY2017 Budget for the City's portion of the premium.

Background

The State program that became effective January 1, 2011 offers a wide variety of choices with different premium rates for Employee Only, Employee plus Child(ren), Employees plus Spouse, and Employees plus Spouse plus Child(ren) and Employee Dual (both spouses are City employees under one contract). In prior years, the employee chose either a Standard PPO (Preferred Provider Organization), a Partnership PPO or a Limited PPO and all three of these options were offered by both Blue Cross Blue Shield and CIGNA HealthCare.

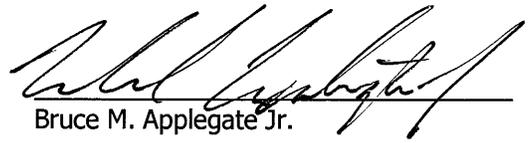
In 2016, there was a new category added called HealthSavings CDHP (Consumer Driven Health Plan). Each of the four plans has different coinsurance and different deductible amounts. Another factor in the employee's decision is that not all physicians and hospitals are in every provider network.

For 2017 a new plan, the No Partnership Promise PPO, was added for those employees that did not fulfill the requirements of the Partnership Promise PPO. This option offers the same benefits as the Partnership Promise PPO, but at a different cost. Also a new CIGNA network, Open Access was added in addition to the CIGNA LocalPlus network offered in 2016 giving employees a third option of healthcare providers.

Employees were advised that the annual enrollment transfer period was during the period of October 1 through October 28, 2016. During that time employees were able to change plans (Partnership, No Partnership, Standard, Limited PPO or the HealthSavings CDHP), medical providers (BCBS, CIGNA LocalPlus or CIGNA Open Access), or enroll dependents without a qualifying event.

Recommendation

Sufficient funds are included in the FY 2017 Budget for medical insurance premiums. Therefore, Staff recommends adoption of the attached resolution. If you need additional information, please let me know.



Bruce M. Applegate Jr.

Attachment

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.



Mark S. Watson



Feb 2, 2017
Date

RESOLUTION

A RESOLUTION TO EXTEND THE EMPLOYEE MEDICAL INSURANCE CONTRACT BETWEEN THE CITY OF OAK RIDGE AND THE STATE OF TENNESSEE LOCAL GOVERNMENT HEALTH INSURANCE PROGRAM FOR THE PERIOD OF JANUARY 1, 2017 THROUGH DECEMBER 31, 2017 AT AN ESTIMATED COST OF \$4,520,000.00.

WHEREAS, it is appropriate for the City to ensure that its employees have affordable medical insurance coverage for themselves and their families; and

WHEREAS, it is appropriate for the City to provide medical insurance coverage for its employees that is comparable to that provided by similar cities and employers; and

WHEREAS, it is appropriate for the City to ensure that those who have retired from City employment after having served the City have medical insurance coverage for themselves and their families; and

WHEREAS, it is appropriate for the City to provide for a medical reimbursement account for those employees who elect not to have medical insurance through the City; and

WHEREAS, the State of Tennessee offers to local government employees and retirees a self-insured medical insurance plan and contracts for the administration of said plan; and

WHEREAS, by Resolution 9-148-98, City Council approved a contract with the State of Tennessee for the purchase of employee medical insurance; and

WHEREAS, the City of Oak Ridge has the option to extend said contract for the period of January 1, 2017 through December 31, 2017, at an estimated cost of \$4,520,000.00; and

WHEREAS, the City Manager recommends extension of said contract.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and the contract between the City of Oak Ridge and the State of Tennessee Local Government Health Insurance Program, Nashville, Tennessee, to provide employee medical insurance is hereby extended for the period January 1, 2017 through December 31, 2017 at an estimated cost of \$4,520,000.00.

BE IT FURTHER RESOLVED that the Mayor and/or City Manager is hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 13th day of February 2017.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk

**ELECTRIC DEPARTMENT MEMORANDUM
17-01**

DATE: January 31, 2017
TO: Mark S. Watson, City Manager
FROM: Jack L. Suggs, Electric Director
SUBJECT: PURCHASE OF EQUIPMENT FOR ELECTRIC DEPARTMENT

Introduction

An item for City Council's consideration is the award of three bids for equipment to be used in the Oak Ridge Electric Department. The awards are to Vermeer Heartland, Knoxville, Tennessee in the estimated amount of \$52,892.63 for the furnishing of a vacuum excavator and to O.G. Hughes & Sons, Inc., Knoxville, Tennessee in the estimated amount of \$176,548.00 for the provision of two 1 ¼ ton trucks.

Funding

Funding is through the Electric Fund.

Review

The Electric Department uses a variety of equipment to operate, maintain and repair the electric distribution system. The vacuum excavator listed is an expansion of our fleet, while the two trucks will replace units that are in service.

The first item for consideration is a vacuum excavator. The Department first started using vacuum excavators provided through our contractors for excavation several years ago. Using these devices, materials are simultaneously excavated using water or air while a suction hose and vacuum stream instantaneously load materials into a tank where it is stored pending proper disposal. The primary advantage of this equipment over other excavation technologies is its use in congested areas where the technique avoids damage to other buried infrastructure. Our experiences with this equipment has been uniformly positive, reducing damage to other utilities and decreasing utility interruptions.

Bids were sent to four manufacturers through factory reps in the area in addition to required advertising. Two bids were received with Vermeer Heartland submitting the lowest bid which staff recommends be accepted.

Three options were submitted with the low bid which staff recommends be approved (a valve box cleanout attachment for working in small areas, a hydraulic trailer jack and a potholing tool). Together these options total \$2,905.00, bringing the total estimated price to \$52,892.63 which is still less than the competing base bid of over \$53,000.00.

Two trucks are also recommended for purchase. These trucks have been in the budget for several years, but have deferred as the existing units were pressed into continued service. The cost listed in the budget document was for direct replacement of the units being taken out of service. For reasons listed, the cost of the proposed units is higher, but funding is available in the Electric Fund.

The first truck to be replaced is unit 275. It is a 1998 F-250 4x4 extended cab pickup with three tool boxes. It has 169,017 miles and several mechanical problems, including excessive oil usage and problems with the transmission and front end.

This truck is used by an Electric Line Crew Chief. The Department has migrated away from pickups for these duties and toward tool and equipment trucks. In addition to the utility having parts and tool supplies on hand, the trucks can carry a reel of wire and accommodate the weight without being overloaded.

The replacement crew chief truck was specified as a 1 ¼ ton (14500 GVWR) truck with service body, wire reel holder, front winch, hydraulic reel take-up and brake, hydraulic tool circuit and grounding reel. This is the same unit that we have replaced crew chief pickups with 3 times before and would make four of these units available in Electric Operations.

The second truck to be replaced, unit 245, is a 1997 GMC Sierra half ton pickup. It has 84,347 miles and has two toolboxes. The unit was transferred to the Electric Department in 2012 from the Utility Business Office when the substation truck then being used failed. The unit is undersized for its current use as it cannot safely carry the loads required nor can it pull the trailers used in the substation area. Currently a bucket truck is being used for these duties.

To replace this truck, bids were solicited for a 1 ¼ ton (14500 GVWR) truck with service body , rear lift gate, front winch , gas cylinder holders, high-pot machine connectors, hydraulic tool circuit, grounding reel and trailer towing hitch. The truck was specifically configured to meet the needs of the substation crew in safely handling and moving the trailers and equipment they use each day- ranging from substation parts to tools to cylinders of various gasses.

In addition to the required advertising, bids were sent to four vendors known to produce these types of vehicles. Unfortunately, only one bid was received for each.

The single bid received to replace the substation pickup was submitted by O.G. Hughes & Sons, Inc., in the amount of \$86,549.00 for a 4x4 Ram 4500 cab chassis with service body and all the required items in the bid except for two minor items. A specified 24 inch tailshelf is not available with a rear lift gate installed and an acceptable substitution for a specified gas cylinder mounting requirement was made.

The single bid to replace to the crew chief pickup was also submitted by O.G. Hughes & Sons, Inc., in the amount of \$89,999.00 for a 4x4 Ram 4500 cab chassis with service body and all the required items in the bid.

Staff regrets that only one bid was received for each of these trucks. We have been in contact with the vendors but have received no concrete reason for the failure to bid. That said, we are very familiar with O.G. Hughes & Sons, Inc., who has provided and serviced several pieces of our equipment over the years. They have consistently produced equipment of high quality and good service life.

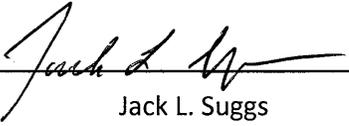
Staff recommends approval of the resolution approving these three purchases.

Recommendation

Staff recommends approval of the attached resolution.

Attachment

Abstract of Bids



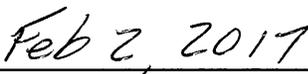
Jack L. Suggs

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.



Mark S. Watson



Date

**CITY OF OAK RIDGE, TENNESSEE
Abstract of Bids**

RFQ 150976
OPENING DATE: January 12, 2017 2:00 P.M.

| FOR --- | | | BIDDER: | | BIDDER: | | BIDDER: | | BIDDER: | | |
|---|------|----------|---|-----------------------------|---|--------------|--|------------------------|-----------|-------|--|
| Trailer Mounted Vacuum Excavator | | | Vermeer Heartland 9724 Parkside Drive Knoxville, TN 37922 | | Vermeer Heartland 9724 Parkside Drive Knoxville, TN 37922 | | | | | | |
| DESCRIPTION | ITEM | QUANTITY | UNIT COST | TOTAL | UNIT COST | TOTAL | UNIT COST | TOTAL | UNIT COST | TOTAL | |
| Brand Model | | | Heartland VX30-500 | | Vac-Tron 573SGT | | | | | | |
| THE FURNISHING OF A NEW TRAILER MOUNTED VACUUM EXCAVATOR PER THE MANUFACTURER'S LATEST DESIGN AND PRODUCTION, COMPLETE, SERVICED, READY FOR WORK, AND INCLUDES ALL STANDARD EQUIPMENT PER REQUEST FOR QUOTE PROVIDED BY THE CITY OF OAK RIDGE ELECTRIC DEPARTMENT | 1 | 1 | | \$ 49,987.63 | | \$ 53,110.98 | | \$ - | | \$ - | |
| Option 1: Valve Box Clean Out Attachment | | | | \$ 335.00 | | | | | | | |
| Option 2: Hydraulic Trailer Jack | | | | \$ 1,900.00 | | | | | | | |
| Option 3: Potholing Tool | | | | \$ 670.00 | | | | | | | |
| TOTAL PRICE | | | | \$ 52,892.63 | | \$ 53,110.98 | | \$ - | | \$ - | |
| TERMS | | | | Net 30 | | Net 30 | | | | | |
| DELIVERY | | | | 4 Weeks | | 6-8 Weeks | | | | | |
| F.O.B. | | | | Oak Ridge | | Oak Ridge | | | | | |
| VIA | | | | Delivered | | Delivered | | | | | |
| OTHER BIDDERS CONTACTED: Vac-Tron Equipment, LLC - Okahumpka, FL Ditch Witch - Knoxville, TN McLaughlin - Greenville, SC | | | | | | | BIDS OPENED AND RECORDED BY--- <i>Lyn Majeski</i> Lyn Majeski Accounting Division Manager | | | | |
| REASON FOR AWARD: | | | | RECOMMEND AWARD BE MADE TO: | | | | BIDS REVIEWED BY--- | | | |
| ONLY BID RECEIVED <input type="checkbox"/> | | | | Vermeer Heartland | | | | <i>Janice McGinnis</i> | | | |
| LOW PRICE <input type="checkbox"/> | | | | 9724 Parkside Drive | | | | Janice McGinnis | | | |
| BETTER OR REQUIRED DESIGN <input type="checkbox"/> | | | | Knoxville, TN 37922 | | | | Finance Director | | | |
| EARLY DELIVERY <input type="checkbox"/> | | | | | | | | | | | |
| LOWEST TOTAL COST <input checked="" type="checkbox"/> | | | | | | | | | | | |

BID PROCESS FORM



BID NAME RFQ 150976 **DESCRIPTION** Trailer Mounted Vacuum Excavator

CITY COUNCIL MEETING February 13, 2017

BIDDERS CONTACTED (CONTACT INFORMATION)

| <u>Company</u> | <u>Name</u> | <u>Address</u> | <u>City, State ZIP</u> | <u>Phone</u> | <u>Email</u> | <u>Contacted Via</u> |
|-------------------------|---------------|----------------------|------------------------|--------------|-------------------------|----------------------|
| Vermeer Heartland | Tim Hedrick | 9724 Parkside Drive | Knoxville, TN 37914 | 865-524-9174 | thedrick@vermeerhl.com | [e-mail] |
| Vac-Tron Equipment, LLC | Kevin Showley | 27137 South Hwy 33 | Okahumpka, FL 34762 | 888-822-8766 | kevin@vactron.com | [e-mail] |
| Ditch Witch | | 10732 Dutchtown Road | Knoxville, TN 37932 | 865-970-2840 | parts@ditchwitchtn.com | [e-mail] |
| | | | | | info@cherokeetruck.com | [e-mail] |
| McLaughlin | Justin Watson | 2006 Perimeter Road | Greenville, SC | 864-569-8488 | jwtatson@mightymole.com | [e-mail] |

BIDDERS WHO CONTACTED THE CITY AFTER ADVERTISED (CONTACT INFORMATION)

BIDS RECEIVED FROM BIDDERS CONTACTED DIRECTLY BY THE CITY

Vermeer Heartland

BIDS RECEIVED FROM BIDDERS NOT DIRECTLY CONTACTED BY THE CITY

(e.g., City's Website, Vendor Registry, Planrooms, Word of Mouth)

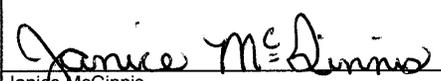
ADVERTISEMENT

The City of Oak Ridge advertised this bid on the Finance Department's Departmental Webpage for a duration of 32 days.

**CITY OF OAK RIDGE, TENNESSEE
Abstract of Bids**

RFQ 150975

OPENING DATE: January 12, 2017 2:00 P.M.

| FOR --- Class 4 Truck Chassis With Front Electric 14,000 Pound Winch, Material Body, Wire Reel Holder, and Hydraulic Reel Brake | | | BIDDER: O.G. Hughes & Sons, Inc. 4816 Rutledge Pike Knoxville, TN 37914 | | BIDDER: | | BIDDER: | | BIDDER: | | |
|--|------|----------|--|---------------|-----------|---|-----------|-------|-----------|-------|--|
| DESCRIPTION | ITEM | QUANTITY | UNIT COST | TOTAL | UNIT COST | TOTAL | UNIT COST | TOTAL | UNIT COST | TOTAL | |
| THE FURNISHING OF A NEW 4 WHEEL DRIVE CLASS 4 TRUCK THAT IS THE MANUFACTURER'S LATEST DESIGN AND PRODUCTION, COMPLETE, SERVICED, READY FOR WORK, AND INCLUDES ALL STANDARD EQUIPMENT PER REQUEST FOR QUOTE PROVIDED BY THE CITY OF OAK RIDGE ELECTRIC DEPARTMENT | 1 | 1 | | \$ 89,999.00 | | \$ - | | \$ - | | \$ - | |
| TOTAL PRICE | | | | \$ 89,999.00 | | \$ - | | \$ - | | \$ - | |
| TERMS | | | | Net 30 | | | | | | | |
| DELIVERY | | | | 16 - 20 Weeks | | | | | | | |
| F.O.B. | | | | Oak Ridge | | | | | | | |
| VIA | | | | Best Way | | | | | | | |
| OTHER BIDDERS CONTACTED: Altec Industries - Birmingham, Al Cherokee Truck Equipment, LLC - Chattanooga, TN Utility Equipment Service - Spring Hill, TN | | | | | | BIDS OPENED AND RECORDED BY---  Lyn Majeski Accounting Division Manager | | | | | |
| REASON FOR AWARD: | | | RECOMMEND AWARD BE MADE TO: | | | BIDS REVIEWED BY---  Janice McGinnis Finance Director | | | | | |
| ONLY BID RECEIVED <input type="checkbox"/> LOW PRICE <input type="checkbox"/> BETTER OR REQUIRED DESIGN <input type="checkbox"/> EARLY DELIVERY <input type="checkbox"/> LOWEST TOTAL COST <input checked="" type="checkbox"/> | | | O.G. Hughes & Sons, Inc. 4816 Rutledge Pike Knoxville, TN 37914 | | | | | | | | |

BID PROCESS FORM



BID NAME RFQ 150975 **DESCRIPTION** Class 4 Truck Chassis With Front Electric 14,000 Pound Winch, Material Body, Wire Reel Holder, and Hydraulic Reel Brake

CITY COUNCIL MEETING February 13, 2017

BIDDERS CONTACTED (CONTACT INFORMATION)

| <u>Company</u> | <u>Name</u> | <u>Address</u> | <u>City, State ZIP</u> | <u>Phone</u> | <u>Email</u> | <u>Contacted Via</u> |
|---------------------------------|---------------|--------------------|------------------------|--------------|---|----------------------|
| O.G. Hughes & Sons, Inc. | Steve Hudgens | 4816 Rutledge Pike | Knoxville, TN 37914 | 865-524-7525 | steve@oghughes.com | [e-mail] |
| Altec Industries | Michael Nold | 150 Altec Drive | Burnsville, NC 28714 | 828-678-5500 | michael.nold@altec.com | [e-mail] |
| Cherokee Truck Equipment | Pat Graham | 3510 Cummins Road | Chattanooga, TN 37419 | 800-365-7189 | pat.graham@cherokeetruck.com | [e-mail] |
| Utility Equipment Service, Inc. | Bill | 4584 Tom Lunn Road | Spring Hill, TN 37174 | 800-433-4017 | info@cherokeetruck.com bill@1ues.com | [e-mail] [e-mail] |

BIDDERS WHO CONTACTED THE CITY AFTER ADVERTISED (CONTACT INFORMATION)

BIDS RECEIVED FROM BIDDERS CONTACTED DIRECTLY BY THE CITY

O.G. Hughes & Sons, Inc.

BIDS RECEIVED FROM BIDDERS NOT DIRECTLY CONTACTED BY THE CITY

(e.g., City's Website, Vendor Registry, Planrooms, Word of Mouth)

ADVERTISEMENT

The City of Oak Ridge advertised this bid on the Finance Department's Departmental Webpage for a duration of 32 days.

**CITY OF OAK RIDGE, TENNESSEE
Abstract of Bids**

RFQ 150974

OPENING DATE: January 12, 2017 2:00 P.M.

| FOR --- Class 4 Truck Chassis With Material Body, Electric Winch and Hydraulic Lift Gate | | | BIDDER: O.G. Hughes & Sons, Inc. 4816 Rutledge Pike Knoxville, TN 37914 | | BIDDER: | | BIDDER: | | BIDDER: | | |
|--|------|----------|--|---------------|-----------|-------|--|-------|-----------|-------|--|
| DESCRIPTION | ITEM | QUANTITY | UNIT COST | TOTAL | UNIT COST | TOTAL | UNIT COST | TOTAL | UNIT COST | TOTAL | |
| THE FURNISHING OF A NEW 4 WHEEL DRIVE CLASS 4 TRUCK THAT IS THE MANUFACTURER'S LATEST DESIGN AND PRODUCTION, COMPLETE, SERVICED, READY FOR WORK, AND INCLUDES ALL STANDARD EQUIPMENT PER REQUEST FOR QUOTE PROVIDED BY THE CITY OF OAK RIDGE ELECTRIC DEPARTMENT | 1 | 1 | | \$ 86,549.00 | | \$ - | | \$ - | | \$ - | |
| TOTAL PRICE | | | | \$ 86,549.00 | | \$ - | | \$ - | | \$ - | |
| TERMS | | | | Net 30 | | | | | | | |
| DELIVERY | | | | 15 - 20 Weeks | | | | | | | |
| F.O.B. | | | | Oak Ridge | | | | | | | |
| VIA | | | | Best Way | | | | | | | |
| OTHER BIDDERS CONTACTED: Altec Industries - Birmingham, Al Cherokee Truck Equipment, LLC - Chattanooga, TN Utility Equipment Service - Spring Hill, TN | | | | | | | BIDS OPENED AND RECORDED BY--- <i>Lynn Majeski</i> Lynn Majeski Accounting Division Manager | | | | |
| REASON FOR AWARD: | | | RECOMMEND AWARD BE MADE TO: | | | | BIDS REVIEWED BY--- | | | | |
| ONLY BID RECEIVED <input checked="" type="checkbox"/> X LOW PRICE <input type="checkbox"/> BETTER OR REQUIRED DESIGN <input type="checkbox"/> EARLY DELIVERY <input type="checkbox"/> LOWEST TOTAL COST <input type="checkbox"/> | | | O.G. Hughes & Sons, Inc. 4816 Rutledge Pike Knoxville, TN 37914 | | | | <i>Janice McGinnis</i> Janice McGinnis Finance Director | | | | |

BID PROCESS FORM



BID NAME RFQ 150974 **DESCRIPTION** Class 4 Truck Chassis With Material Body, Electric Winch and Hydraulic Lift Gate

CITY COUNCIL MEETING February 13, 2017

BIDDERS CONTACTED (CONTACT INFORMATION)

| <u>Company</u> | <u>Name</u> | <u>Address</u> | <u>City, State ZIP</u> | <u>Phone</u> | <u>Email</u> | <u>Contacted Via</u> |
|---------------------------------|---------------|--------------------|------------------------|--------------|---|----------------------|
| O.G. Hughes & Sons, Inc. | Steve Hudgens | 4816 Rutledge Pike | Knoxville, TN 37914 | 865-524-7525 | steve@oghughes.com | [e-mail] |
| Altec Industries | Michael Nold | 150 Altec Drive | Burnsville, NC 28714 | 828-678-5500 | michael.nold@altec.com | [e-mail] |
| Cherokee Truck Equipment | Pat Graham | 3510 Cummins Road | Chattanooga, TN 37419 | 800-365-7189 | pat.graham@cherokeetruck.com | [e-mail] |
| Utility Equipment Service, Inc. | Bill | 4584 Tom Lunn Road | Spring Hill, TN 37174 | 800-433-4017 | info@cherokeetruck.com bill@1ues.com | [e-mail] [e-mail] |

BIDDERS WHO CONTACTED THE CITY AFTER ADVERTISED (CONTACT INFORMATION)

BIDS RECEIVED FROM BIDDERS CONTACTED DIRECTLY BY THE CITY

O.G. Hughes & Sons, Inc.

BIDS RECEIVED FROM BIDDERS NOT DIRECTLY CONTACTED BY THE CITY

(e.g., City's Website, Vendor Registry, Planrooms, Word of Mouth)

ADVERTISEMENT

The City of Oak Ridge advertised this bid on the Finance Department's Departmental Webpage for a duration of 32 days.

RESOLUTION

A RESOLUTION AUTHORIZING THE PURCHASE OF ONE (1) VACUUM EXCAVATOR FROM VERMEER HEARTLAND, KNOXVILLE, AND TWO (2) REPLACEMENT PICKUP TRUCKS FROM O.G. HUGHES & SONS, INC., KNOXVILLE, FOR USE BY THE ELECTRIC DEPARTMENT IN THE GRAND TOTAL ESTIMATED AMOUNT OF \$229,440.63.

WHEREAS, the City of Oak Ridge has issued invitations to bid for the furnishing of one (1) vacuum excavator and two (2) replacement pickup trucks for the Electric Department; and

WHEREAS, bids were received and publicly opened on January 12, 2017, with Vermeer Heartland, Knoxville, submitting the lowest and best bid for the vacuum excavator with three additional options, and O.G. Hughes & Sons, Inc., Knoxville, submitting the sole bids for the pickup trucks, which bids the City Manager recommends be accepted.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and awards are hereby made as follows:

To Vermeer Heartland, 9724 Parkside Drive, Knoxville, Tennessee 37922, for furnishing one (1) vacuum excavator with three additional options for the Electric Department; said award in strict accordance with Request No. 150976 the required specifications, and the bid as publicly opened on January 12, 2017, and in the estimated amount of \$52,892.63.

To O.G. Hughes & Sons, Inc., 4816 Rutledge Pike, Knoxville, Tennessee 37914, for furnishing one (1) 4X4 Ram 4500 cab chassis with service body to replace the substation pickup truck in the Electric Department; said award in strict accordance with Request No. 150974 the required specifications, and the bid as publicly opened on January 12, 2017, and in the estimated amount of \$86,549.00.

To O.G. Hughes & Sons, Inc., 4816 Rutledge Pike, Knoxville, Tennessee 37914, for furnishing one (1) 4X4 Ram 4500 chassis with service body to replace the crew chief pickup truck Electric Department; said award in strict accordance with Request No. 150975 the required specifications, and the bid as publicly opened on January 12, 2017, and in the estimated amount of \$89,999.00.

Said bids in the grand total estimated amount of \$229,440.63.

This the 13th day of February 2017.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk

CITY COUNCIL MEMORANDUM
17-06

DATE: February 3, 2017
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager
SUBJECT: POSITION ON SCHOOL VOUCHERS

Introduction

The City Council should consider a resolution providing additional detail and interest in the positions of the Oak Ridge Legislative delegation towards school vouchers and encouraging opposition to such changes in the public education system of Tennessee.

Background

For many years, the State of Tennessee Legislature has debated the merits of implementing a school voucher system as a method of providing a quality education for all students in the state. This system would allow a freedom of choice for all students to choose to leave their geographical centered public school to another school, taking the state allocated funds for that public school system to the "new" system, be it public or private.

The City of Oak Ridge, as one of 27 public school systems in Tennessee, controlled by contributions and oversights in some way by the municipality, is vitally concerned about the impact that such a change would have on the community. In consultation with the Oak Ridge Board of Education, the City Council of Oak Ridge supports their analysis and position on this subject. Financially, the City prides itself in the investment it makes in the educational school system. This investment far exceeds the per capita student investment made by the State of Tennessee, which becomes heavily dependent upon federal resources and limiting state sources. Because the City of Oak Ridge has such an outstanding school system, we can envision a school system that is "chosen" by participants in a school voucher program and only paying a portion of the costs borne by the general taxpayer of Oak Ridge. The City questions where this deficiency will be made up in the planned voucher program. OR, will the municipal taxpayer have to absorb this cost? Such decisions through legislation must be addressed and funded. Unfunded mandates are not acceptable.

Legislative discussions appear to philosophically create artificial competition among public schools and encourage an unregulated private education industry to seek such vouchers (MONEY) and take away from school systems. As a municipal school system, Oak Ridge finds that diversionary impacts on the educational costs within our city or the loss of students to adjacent academies or private religious schools will exceed the capacity of our community to pay for and pass the burden on to others or the State. The City of Oak Ridge does not accept that the State of Tennessee is ready to assume the social, financial and administrative burdens associated with such a change in the constitutionally mandated education requirements in Tennessee.

The City of Oak Ridge stands opposed to the use of vouchers within the Tennessee educational system. We believe the Oak Ridge community must have a level playing field as for testing and curriculum, along with a fully funded Basic Education Program inclusive of local tuition costs.

Recommendation

Approval of the attached resolution is recommended.



Mark S. Watson

Attachments:
Board of Education Letter and Resolution
City Resolution



OAK RIDGE SCHOOLS
304 NEW YORK AVE.
P.O. BOX 6588
OAK RIDGE, TN 37831-6588

Telephone: 865.425.9001
Fax: 865.425.9070

Oak Ridge Schools
Board of Education

December 1, 2016

Oak Ridge City Council
Clinton City Council
Clinton Board of Education
Anderson County Board of Education
Anderson County Commission
Roane County Commission
Roane County Board of Education

Esteemed Colleagues:

Enclosed please find a copy of the resolution passed unanimously by the Oak Ridge Schools Board of Education on Monday, November 28, 2016.

Voucher programs negatively impact public schools by taking scarce resources and redirecting them to private, sometimes for-profit entities that are not held to the same accountability standards as public schools. There is significant concern that if very permissive voucher legislation passes, there will be for-profit schools opening all over the state, being very selective in their admissions.

We simply ask that no voucher program be created until schools receiving public funds be subject to the same requirements and accountability standards as public schools.

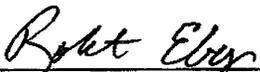
Because any funding issue negatively impacting schools creates a greater need for local funding, we ask that you also consider passing this resolution and forwarding to our legislative delegation. We very much appreciate the productive working relationship between local government entities and the ability to cooperate for the good of all.

Sincerely,

Oak Ridge Schools Board of Education



Keys Willauer, Chairman



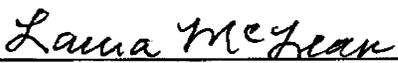
Bob Eby, Vice-Chair



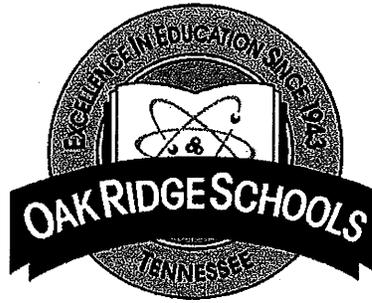
Angi Agle



Paige Marshall



Laura McLean



RESOLUTION

A RESOLUTION to express opposition of the Oak Ridge Board of Education to the use of public funds for private schools.

WHEREAS, the Tennessee General Assembly in the 2017 legislative session will entertain legislation that would use public funds to pay tuition costs for students to attend private, religious and non-religious schools; and

WHEREAS, the General Assembly and the Tennessee State Board of Education have adopted high standards of student and teacher performance in the public schools; and

WHEREAS, private schools are not held to the same accountability standards as public schools pertaining to academic performance or student access; and

WHEREAS, many private schools in Tennessee have not adopted similar standards, refusing to administer the same tests given to public school students, not providing special education services required of public schools or accepting all students regardless of ability, making it impossible to determine the academic value of funding private education; and

WHEREAS, the proposal to take resources from public schools comes at a time when the state's Basic Education Program is not adequately funded, made worse in the City of Oak Ridge by the repeal of the Hall Income Tax that will sharply reduce local revenues needed for education; and

WHEREAS, the motivation for taking funds from Tennessee public schools comes primarily from groups in California, Texas and Washington, D.C., that seek to establish and manage private schools on a profit basis; and

WHEREAS, large numbers of legislators have openly expressed their desire to expand the use of public funds to all students, regardless of their income, school or community; and

WHEREAS, once authorized, the pressure of interest groups to expand the transfer of public funds to private schools in all communities will be enormous; and

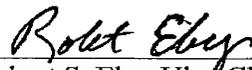
WHEREAS, it is critical to the vitality of Oak Ridge that we protect and sustain a system of public education that for decades has proved to be among our city's most valuable assets;

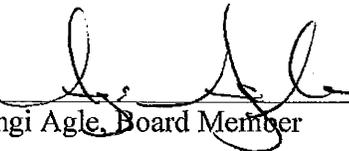
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE CITY OF OAK RIDGE, that the Board strongly opposes taking funds from public education in any Tennessee community without the concurrence of the local Board of Education, without statutory assurance that schools receiving the funds will comply with the same curriculum and testing standards required of public schools, and until the Basic Education Program is adequately funded by the Tennessee General Assembly.

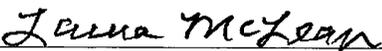
BE IT FURTHER RESOLVED, that copies of this resolution be forwarded to the Oak Ridge City, Anderson County and Roane County legislative delegations and to the Oak Ridge Superintendent of Schools.

Dated this 28th day of November, 2016.

Signed 
W. Keys Fillauer, Board Chairman

Signed 
Robert S. Eby, Vice Chairman

Signed 
Angi Agle, Board Member

Signed 
Laura McLean, Board Member

Signed 
Paige Marshall, Board Member

RESOLUTION

A RESOLUTION EXPRESSING OPPOSITION TO THE USE OF PUBLIC FUNDS FOR PRIVATE SCHOOLS WITHOUT CERTAIN CONDITIONS BEING MET.

WHEREAS, it is anticipated the Tennessee General Assembly will consider legislation in the 2017 legislative session that would authorize the use public funds to pay tuition costs for students to attend private schools; and

WHEREAS, the City of Oak Ridge, as one of 27 Tennessee school systems associated with funding by city government, is vitally concerned about the negative fiscal impact caused by underfunded school vouchers and the transfer of cost onto our local citizenry; and

WHEREAS, private schools are currently not held to the same accountability standards as public schools, which standards are mandated by the General Assembly and the Tennessee State Board of Education; and

WHEREAS, private schools are not required to administer the same tests given to public school students, to provide special education services as required by public schools, or to accept all students regardless of ability; and

WHEREAS, since private schools are not held to the same accountability standards as public schools, it is difficult if not impossible to determine the academic value of funding private education; and

WHEREAS, the proposal to take resources from public schools comes at a time when the State's Basic Education Program is not fully funded, and is made worse in the City of Oak Ridge by a new state law eliminating the Hall Income Tax, which is sharply reducing state-shared revenue that supports the Oak Ridge school system through its General Fund; and

WHEREAS, also under consideration is a proposal to further cut the sales tax on groceries by another half percent, resulting in a reduction of state shared revenues with local governments, many of which maintain public schools systems; and

WHEREAS, the City further envisions the possibility of non-resident students in a school voucher program selecting Oak Ridge as their school of choice and only paying a portion of the costs borne by our taxpayers; and

WHEREAS, it is critical to the vitality of Oak Ridge that we protect and sustain a system of public education that is one of our most valuable assets.

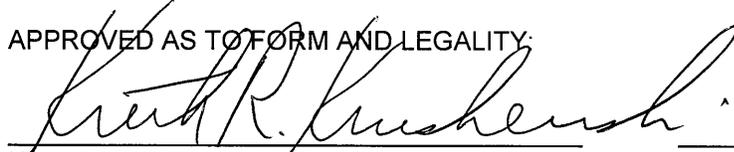
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the City Council strongly opposes taking funds from public education in any Tennessee community without the following conditions being met: (1) the concurrence of the local Board of Education, (2) a level playing field is established and statutory assurance that schools receiving the funds will comply with the same curriculum and testing standards required of public schools, (3) the Basic Education Program is fully funded by the Tennessee General Assembly, and (4) that school vouchers would fully fund standard rates of tuition for all school systems.

BE IT FURTHER RESOLVED that copies of this resolution shall be forwarded to the Oak Ridge legislative delegation.

This the 13th day of February 2017.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Richard G. Chinn, Jr., Mayor Pro Tem

Kelly S. Callison, Councilmember

James Dodson, Councilmember

Charles J. Hope, Jr., Councilmember

Ellen D. Smith, Councilmember

Hans Vogel, Councilmember

Mary Beth Hickman, City Clerk

CITY MANAGER'S REPORT

CITY COUNCIL MEMORANDUM
17-05

DATE: February 2, 2017
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager
SUBJECT: CITY MANAGER'S REPORT

Grant to Promote the Oak Ridge Farmers Market

Council Action Recommended: None, for information only.

The East Tennessee Farmers Association for Retail Marketing (East Tennessee FARM) recently received notification that its grant application to the Tennessee Department of Agriculture was approved in the amount of \$1,000 to promote the Oak Ridge Farmers Market adjacent to Jackson Square. The East Tennessee FARM is a non-profit organization that works with area farmers markets to promote their local markets. The grant will help pay for advertisements for the Oak Ridge Farmers Market, which opens for the season on Saturday, April 15, 2017, 8:00 a.m.– 2:00 p.m. The award is the maximum awarded under this year's program.

A requirement of the program is that the local government in the jurisdiction of the farmers market serve as the official Grantee. City staff has worked with the East Tennessee FARM since 2006 to help secure funding, and is pleased to work with the organization again this year to increase the public's awareness of the Oak Ridge Farmers Market. Strict reporting requirements are implemented to ensure that funds are applied to approved activities. Additional information about the Oak Ridge Farmers Market is available at www.easttnfarmmarkets.org.



Mark S. Watson