

OAK RIDGE CITY COUNCIL SPECIAL MEETING

Municipal Building Courtroom

January 25, 2010 - 6:00 p.m.

AGENDA

1. Call to Order

Mayor Thomas L. Beehan

2. Roll Call

City Clerk

3. Adoption of Ordinances (Second Reading)

AN ORDINANCE TO AMEND ORDINANCE NO. 21-08, AS AMENDED, WHICH ORDINANCE IMPOSES A TAX ON ALL PROPERTY WITHIN THE CITY, FIXES THE RATE OF THE TAX, ADOPTS A BUDGET, AND ADOPTS APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2008, BY AMENDING SAID APPROPRIATIONS.

4. Adoption of Resolutions

A resolution approving the recommendation of the City Manager Search Committee and accepting the proposal of The Mercer Group, Inc., Atlanta, Georgia, to conduct a City Manager search for the City of Oak Ridge, subject to the approval of a Professional Services Agreement with the firm; and authorizing the Search Committee to enter into negotiations with The Mercer Group, Inc., with the negotiated agreement to be presented to City Council for approval.

5. Adjournment

CITY CLERK MEMORANDUM
09-76

DATE: December 31, 2009

TO: Honorable Mayor and Members of City Council

FROM: Jacquelyn J. Bernard, City Clerk

SUBJECT: AMENDMENT OF FY 2009 APPROPRIATIONS ORDINANCE

The attached ordinance to amend the FY 2009 Appropriations Ordinance is presented for the Council's consideration at the request of the Board of Education. The amendment will increase the appropriation by \$456,993 for a total FY 2009 appropriation of \$51,496,933.

The attached memorandum was drafted by Mr. Charles W. Cagle of Nashville, who serves as the attorney for the Oak Ridge Schools, with the approval of the Chairman of the Board of Education and the Director of Schools. Mr. Cagle's reference to the "appropriation resolution" simply reflects a lack of knowledge of our local procedure. As you know, our City Charter requires that appropriations amendments be accomplished by ordinance.

The public hearing on this proposed amendment will be given the five (5) days' notice required by the Charter. It is scheduled for publication on January 6, 2010.


City Clerk

Attachments

TO: The Mayor and the Members of the City Council
FROM: The Oak Ridge City Schools Board of Education
RE: Oak Ridge Schools Budget Appropriation

Due to an unfortunate technical oversight, a portion of the grant funding and other state aid received by Oak Ridge Schools that resulted in an additional increase in our Fiscal 2009 operating budget was not officially appropriated by City Council resolution as required by municipal ordinance. Additionally, the school department used undesignated fund balance dollars to off-set a deficit in the textbook fund that should also be considered an increase in the school department budget for which no appropriation request was presented to the Council for approval. Since no City Council resolution approving these expenditures has been adopted, the technical result is that the Fiscal 2009 budget for the Oak Ridge Schools reflects expenditures exceeding authorized and approved budgeted revenues in amount of \$456,993. Please be advised that these dollars do not reflect any increase in locally-generated revenues from the City of Oak Ridge. The budget amendment presented for approval to correct this oversight would have no effect on municipal appropriations, municipal taxes, or funding for other municipal departments. To reiterate, all monies received and expended were increases in state level funding and/or appropriation of undesignated fund balance revenues. Appropriation resolutions for such purposes are routine as many sources of grant funding are unknown at the time of development and formulation of the school system budget. Approval of this resolution will allow for official closure of the Fiscal 2009 books for the school department.

Please note that the Oak Ridge Schools Board of Education did properly approve resolutions reflecting receipt of these funds on both first and second readings in October and November, 2008; however, no record exists that these items were properly transmitted for the required subsequent approval by the City Council. All respective line item expenditures have already been submitted to, and approved by the State Office of Local Finance at the Department of Education.

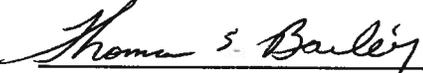
This matter came to the attention of the staff of the Oak Ridge City Schools on Tuesday, December 15, 2009, during a Business Services Department review of end of year 2009 financial statements. Oak Ridge Schools has already initiated an internal review process assuring that such an oversight will not occur in the future.

Oak Ridge Schools takes seriously the responsibility of managing its funding including additional funds received via the grant process from state and federal agencies throughout the fiscal year. Please be advised that all funds subject to this resolution were expended for the benefit of the students of the school system in full compliance with the guidelines and restrictions placed thereon by the grantor agency and/or the laws of the State of Tennessee.

FOR THE OAK RIDGE CITY BOARD OF EDUCATION



Keys Fillauer, Chairman



Dr. Tom Bailey, Director of Schools

Date: 12/31/09

Date: 12/31/09

TITLE

AN ORDINANCE TO AMEND ORDINANCE NO. 21-08, AS AMENDED, WHICH ORDINANCE IMPOSES A TAX ON ALL PROPERTY WITHIN THE CITY, FIXES THE RATE OF THE TAX, ADOPTS A BUDGET, AND ADOPTS APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2008, BY AMENDING SAID APPROPRIATIONS.

WHEREAS, there exists a need to amend the original appropriations for Fiscal Year 2009 and for the accomplishment of the same, a public hearing has been held before the City Council after five (5) days' notice thereof published in The Oak Ridger, the official newspaper, as provided by law; and

WHEREAS, the City Manager has certified in writing that a sufficient amount of unappropriated revenue will be available for the needed amendment.

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

Section 1. Ordinance No. 21-08, which adopts appropriations for Fiscal Year 2009, 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 14, 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 2009:

General Fund, Municipal Operations	\$18,064,507
Debt Service (Bond and Interest Redemption Fund)	9,400,000
State Street Aid Fund	1,403,470
Streets and Public Transportation Fund	263,000
Drug Enforcement Program Fund	300,000
Grant Fund	4,168,000
General Purpose School Fund	51,496,933
Golf Course Fund	1,395,000
Capital Projects Fund	19,315,000
Solid Waste Fund	2,250,000
Economic Diversification Fund	2,530,000
West End Fund	2,750,000

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:



 City Attorney

Mayor

City Clerk

Public Hearing: 1/11/10
 First Reading: 1/11/10
 Publication Date: 1/18/10
 Second Reading: _____
 Publication Date: _____
 Effective Date: _____

MEMORANDUM

DATE: January 22, 2010

TO: Fellow Members of City Council

FROM: City Manager Search Committee
Mayor Tom Beehan, Chair
Councilwoman D. Jane Miller
Councilman David N. Mosby

SUBJECT: COMMITTEE REPORT AND RECOMMENDATION

At its special meeting on January 4, 2010, City Council adopted Resolution No. 1-3-10 which created the City Manager Search Committee and defined its charge. A copy of the resolution is attached. In pursuing the first of its charges, the Committee met twice, on January 12 and January 22, 2010. Each of the meetings was attended by Councilwoman Miller, Councilman Mosby, and Mayor Beehan, as voting members, and by Councilwoman Smith as the non-voting alternate. Also present at both meetings were the City Attorney, the Personnel Director, and the City Clerk.

On January 12th, the Committee first reviewed Article V, Section 1 of the City Charter, titled Appointment, term and qualifications of city manager, which reads as follows:

The Council shall appoint a chief administrative officer of the city who shall be entitled city manager, and who shall serve at the pleasure of the Council. *The manager shall be selected on the basis of training, experience, and other administrative qualifications for the office and without regard to political or religious preference or place of residence at the time of appointment.* No member of Council shall be eligible for the position of manager within two (2) years after the expiration of his or her latest council term.

The Chair had asked our Legal Department for an interpretation of the second sentence of this provision so that we would be perfectly clear in our approach to the City Manager selection process from the outset. Legal Department Memorandum 10-03, signed by the City Attorney and the Senior Staff Attorney, is attached.

The Committee also reviewed the City Manager history and the various appointment procedures that were employed through the years. We learned that the City of Oak Ridge has had eight (8) full-term City Managers in its history, and six (6) managers who have served in a temporary or interim capacity. The recent appointment of Gary Cinder to serve again as the Interim City Manager brings the total to seven (7) temporary managers. Attached is the City Manager history as prepared by the City Clerk. In reviewing the appointment procedures employed in previous years, the Committee considered the following options:

1. Development and execution of the search procedure by City Council (through the use of a search committee) with the assistance of the City Clerk and the City's Personnel Department.
2. Development of a search procedure with the assistance of the University of Tennessee's Municipal Technical Advisory Service (MTAS). Attached is a memorandum from Ms. Margaret Norris of MTAS offering to once again provide assistance to the City in its search process.
3. Promotion from within the City organization.
4. Engagement of an executive search firm to provide "turn-key" executive search services.

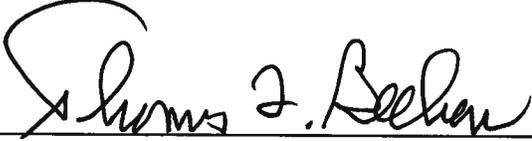
COMMITTEE REPORT AND RECOMMENDATION
City Manager Search Committee
January 22, 2010
Page 2

To assist in its consideration of the fourth option, the Committee was provided with a copy of the Executive Summary of the proposal submitted by The Mercer Group at the time of the previous search process which culminated in the appointment of James R. O'Connor as City Manager.

At the conclusion of its first meeting, the Committee voted unanimously to recommend to the Council the engagement of an executive search firm to conduct a City Manager search for the City of Oak Ridge. Further, the Committee requested that the Mayor, as Committee Chair, contact The Mercer Group to determine if the firm would be interested in performing such a search again and at what cost to the City. Anticipating that the Committee would consider this option, the Chair had asked the Legal Department to comment on the legality of bypassing the RFP process in selecting a firm to perform professional services such as those required in the search for a new City Manager. Legal Department Memorandum 10-03, attached, confirms that the Council may legally and ethically proceed on this path. It is recommended because (1) bypassing the RFP process will reduce the time required to complete the search process significantly, (2) The Mercer Group is already familiar with Oak Ridge and will require less time to analyze our culture before proceeding with the search process, and (3) The Mercer Group's performance in its previous search for the City was outstanding.

As requested, the Chair contacted Mr. James L. Mercer, President and CEO of The Mercer Group, who indicated that his firm would be interested in conducting the search and who agreed to submit a proposal for the Committee's consideration in arriving at its recommendation to City Council. That proposal is attached.

The Committee met again on January 22nd to consider the proposal submitted by Mr. Mercer and to arrive at its final recommendation to the Council. The Committee voted unanimously to recommend the Council's adoption of the attached resolution, thereby accepting the proposal of The Mercer Group and authorizing the Committee to enter into negotiations with the firm for the provision of executive search services for the City of Oak Ridge. The negotiated agreement will be presented to City Council for approval.



Mayor

Attachments

RESOLUTION

WHEREAS, Article V, Section 1, of the Charter of the City of Oak Ridge, Tennessee, provides that City Council shall appoint a chief administrative officer of the City who shall be entitled City Manager, and who shall serve at the pleasure of the Council; and

WHEREAS, on February 9, 2004, James R. O'Connor was appointed by City Council to serve as City Manager of the City of Oak Ridge, Tennessee; and

WHEREAS, James R. O'Connor has resigned as said City Manager, effective January 8, 2010, to assume the position of City Manager of Winchester, Virginia; and

WHEREAS, to begin the process of recruiting and ultimately hiring an individual to serve as City Manager, it is the recommendation of the Mayor that a City Manager Search Committee be created to develop a search procedure for approval by City Council.

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

That there is hereby created a City Manager Search Committee composed of Mayor Thomas L. Beehan, as Chair, and Council members D. Jane Miller and David N. Mosby, with Councilwoman Ellen D. Smith to serve as an alternate member whose duty shall be to attend all Committee meetings and to assume full voting rights in the event that a regular member of the Committee cannot attend a meeting or becomes unable to serve.

BE IT FURTHER RESOLVED that the charge of the City Manager Search Committee shall be to:

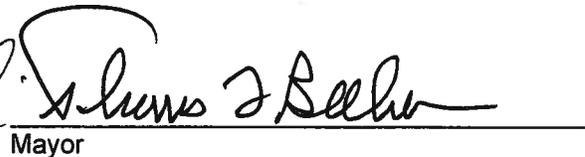
- Recommend a City Manager search procedure for consideration of approval by City Council.
- Execute the approved search procedure to the point of identification of a small number of final candidates for City Manager.
- Working with the City Clerk, arrange for City Council interviews with the finalists, tours of the City, meetings with the staff, etc.
- Negotiate a proposed Employment Agreement with the finalist selected by City Council.
- Present the Employment Agreement to City Council for approval.

BE IT FURTHER RESOLVED that said Committee shall cease to exist upon appointment of a new City Manager for the City of Oak Ridge, unless its service is extended by action of City Council.

This the 4th day of January 2010.

APPROVED AS TO FORM AND LEGALITY:


City Attorney


Mayor


City Clerk

LEGAL DEPARTMENT MEMORANDUM
10-03

DATE: January 11, 2010

TO: Honorable Mayor and Members of City Council

FROM: Kenneth R. Krushenski, City Attorney
Tammy M. Dunn, Senior Staff Attorney

SUBJECT: CITY MANAGER SEARCH – ABILITY TO LIMIT SARCH TO OAK RIDGE RESIDENTS,
AND ABILITY TO ENTER INTO AN AGREEMENT WITH A SEARCH FIRM WITHOUT
GOING THROUGH THE PROCESS OF ISSUING A REQUEST FOR PROPOSALS

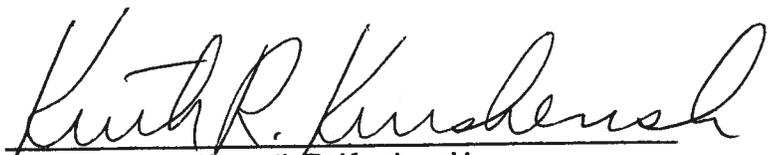
The Legal Department has been asked two questions with respect to the upcoming search for a new City Manager by City Council's City Manager Search Committee:

1. Can the search for a new City Manager be restricted to Oak Ridge residents?
2. Is a Request for Proposals process required before selecting a search firm to assist the City in finding candidates for a new City Manager?

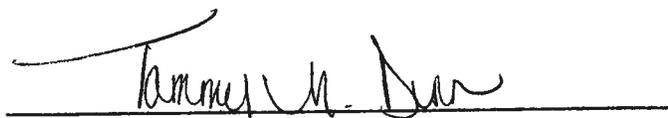
The answer to both question is no.

Pursuant to City Charter Article V, Section 1, the City Manager "shall be selected on the basis of training, experience, and other administrative qualifications for the office and *without regard to* political or religious preference or *place of residence at the time of appointment.*" (Emphasis added.) It would be a violation of City Charter and, therefore, improper to restrict the search for a new City Manager to Oak Ridge residents or any other geographical area.

Neither the City Charter nor the City Code *requires* a Request for Proposals to be issued prior to selecting a person or firm for a professional service. Professional services differ from standard purchases of supplies and materials, which do require a competitive bidding process since price is a guiding factor in those purchases. Professional services are chosen on the basis of the person or firm's qualifications, reputation, etc. and not lowest price. In the case of hiring a person or firm to assist the City in obtaining candidates for a new City Manager, the City may enter into a professional services agreement with a person or firm that the City has had a successful prior contractual relationship with for a similar service, or may select a person or firm based upon reputation, etc. The benefit of a Request for Proposals process is simply to provide the City with names and qualifications of individuals and firms that are in the business of providing the requested service. If a person or firm is qualified to provide the service, the City can enter into a professional services agreement with that person or firm without going through a Request for Proposals process.



Kenneth R. Krushenski



Tammy M. Dunn

CITY MANAGER HISTORY CITY OF OAK RIDGE, TENNESSEE

<u>NAME</u>	<u>DATES OF SERVICE</u>	<u>REFERENCES</u>
SHALLCROSS, Lewis B., Jr. ¹	6/16/59 – 11/1/59	Resolution Number 6-1-59
WEISBROD, Fred E.	11/1/59 – 11/17/61	Minutes of 9/3/59 and 11/16/61 City Council Meetings
<i>Charles H. Oakley, the Finance Director, served as Acting City Manager from 11/17/61 to 4/1/62. Reference: Minutes of 11/16/61 City Council meeting.</i>		
McMULLIN, Carleton E.	4/1/62 – 9/30/73	Minutes of 2/26/62 and 9/17/73 City Council Meetings
HADDOCK, William N. ²	12/16/74 – 7/10/78 ³	Resolutions Number 12-103-74 and 6-37-78
LACY, Matthew Lyle, III	7/10/78 – 5/5/86	Resolution Number 6-56-78 and Minutes of 4/11/96 City Council Meeting
<i>Joseph C. King, the Assistant City Manager, served as Interim City Manager from 5/5/86 to 7/18/86. Reference: Resolution Number 5-57-86</i>		
<i>Michael W. Walker, the Research and Budget Director, served as Interim City Manager from 7/19/86 to 10/8/86. Reference: Resolution Number 7-120-86</i>		
BROUGHTON, Jeffrey J.	10/8/86 – 10/15/95	Resolutions Number 9-176-86 and 10-169-95
<i>Paul C. Boyer, Jr., the Human Resources Director, served as Interim City Manager from 10/16/95 to 8/1/96. Reference: Resolution Number 10-172-95</i>		
McDANIEL, Robert T.	8/1/96 – 12/15/99	Resolutions Number 7-122-96 and 11-206-99
BOYER, Paul C., Jr.	12/16/99 – 5/9/03	Resolution Number 12-220-99 and Minutes of 4/14/03 City Council Meeting
<i>Gary M. Cinder, the Public Works Director, served as interim City Manager from 5/10/03 to 3/14/2004. Reference: Resolutions Number 5-48-03 and 3-36-04</i>		

¹ Mr. Shallcross was appointed Administrative Assistant to the Advisory Town Council on April 14, 1958. Following incorporation and election of the Oak Ridge City Council, he was appointed temporary City Manager. Resolution Number 6-1-59 adopted on June 16, 1959 provided that he would serve "on a temporary basis...until his successor is qualified."

² Mr. Haddock, who was the Director of Administration, served as Interim City Manager from October 1, 1973 until his appointment as City Manager on December 16, 1974. At the time of his appointment, his salary as City Manager was made retroactive to October 1, 1973.

³ Resolution Number 6-37-78 which accepted the resignation of William N. Haddock provided that his resignation "shall be effective as of 7/31/78 or at such earlier date that Council should designate a new City Manager and provide an effective date for the commencement of such appointment."

CITY MANAGER HISTORY
City of Oak Ridge, Tennessee

<u>NAME</u>	<u>DATES OF SERVICE</u>	<u>REFERENCES</u>
O'CONNOR, James R.	3/15/04 – 1/8/10	Resolutions Number 2-21-04, 2-24-04 and 1-1-10

Gary M. Cinder, the Public Works Director, served as Interim City Manager from 1/9/10 to_____.
Reference: Resolution Number 1-2-10

Bernard, Jacquelyn

From: Norris, Margaret [margaret.norris@tennessee.edu]
Sent: Thursday, December 24, 2009 9:54 AM
To: Beehan, Tom
Subject: City Manager Search
Attachments: MTAS recruitment services.doc

Mayor,

Happy holidays to you. Before I start my Christmas vacation, I wanted to offer MTAS' services to you and the city in your efforts to find a replacement for Jim. I read that you will be discussing the matter on January 4. I have attached a short summary of what MTAS can do to assist. As with the retreat, there is no charge for this service.

Speaking of the retreat, I am available whenever you are ready to complete the great work begun in November.

Please let me know if you have any questions. I have enjoyed working with you in 2009 and look forward to a continued relationship in 2010.

Sincerely,
Margaret

Margaret Norris
Municipal Management Consultant
margaret.norris@tennessee.edu
Municipal Technical Advisory Service
University of Tennessee
www.MTAS.tennessee.edu
(865) 974-9063

What is MTAS?

The University of Tennessee's Municipal Technical Advisory Service (MTAS) was established in 1949 by the Tennessee General Assembly and MTAS is celebrating its 60th anniversary this year. MTAS helps the university fulfill its public service requirements under its land grant status. MTAS operates under the umbrella of the Institute for Public Service.

MTAS has a staff of approximately 60 people and has offices in five locations across the state. MTAS' mission statement is: Meeting the challenge of providing timely, valuable information and assistance to Tennessee cities to build better communities.

MTAS is funded by a direct state appropriation and a portion of the local share of the statewide sales tax. Most of MTAS services are prepaid – cities don't get a bill. However, MTAS charges minimal fees for training, codes, and some other services.

How can MTAS help in the Search Process?

The Municipal Technical Advisory Service delivers technical assistance services upon request. We can provide as much or as little assistance as the city would like in recruiting and hiring a new city manager. Previous requests have entailed the following:

Determining what kind of administrator to hire

- Doing a survey of elected officials on personality traits that they want to see in the next administrator
- Reviewing the city's charter and code for a list of job duties and responsibilities
- Establishing core competencies of the position
- Facilitating discussions with the governing body on minimum qualifications it requires and prefers for the position

Advertisements

- Writing an advertisement
- Offering suggestions on where to advertise
- Compiling samples of previous advertisements for the governing body to use as a template
- Placing notices on the MTAS website
- Requesting other state's city management associations to post job notices
- Using MTAS consultants to help recruit former colleagues and current and past clients for positions

Applications

- Accepting applications
- Handling application correspondence
- Ranking applications
- Supplying a ranking system of applications for the elected officials to use based on the advertisement and/or qualities the board desires to have in an administrator

Interviews

- Facilitating discussions with the governing body on narrowing the list of applicants to invite for an interview
- Scheduling interviews with candidates
- Writing interview questions specifically tailored for the city that address current issues, criteria specified in the advertisement, and core competencies
- Supplying a ranking system for interviews
- Conducting and ranking interviews with a senior staff member to assist the governing body in making its decision on who to bring back for a second interview
- Supplying a list of generic interview questions for the governing body to select from
- Proctoring interviews
- Providing cost estimates of hosting interviews
- Developing and proctoring assessment centers

Employment

- Providing sample employment contracts for the governing body to consider
- Providing comparable salary and benefit information
- Providing a list of professionals to perform personality assessments
- Assisting in background checks by putting the city in touch with the TBI, and suggesting questions to ask of references or calling references

What will MTAS not do in a recruitment effort?

MTAS will not make recommendations on whom to hire, place paid advertisements, make offers of employment, or send rejection letters to candidates that have been interviewed.

What else do I need to know?

- MTAS is unique in the county offering one-on-one, prepaid services directly to cities and towns.
- MTAS annually completes more than 1,000 major municipal management projects and provides an average of 6,000 other services each year.
- MTAS staffs the Tennessee City Management Association and has contacts and relationships with other state associations.
- MTAS consultants have at least a combined 400 years of municipal experience in multiple cities across the U.S. with 67% of the management consultants working in other states outside of Tennessee and 67% of those working in at least two different states.
- MTAS has a vested interest in making sure the governing body makes a good hire because he or she is a future client.

RESOLUTION

WHEREAS, James R. O'Connor resigned as City Manager of the City of Oak Ridge, effective January 8, 2010; and

WHEREAS, to begin the process for selection of a new City Manager for Oak Ridge, City Council on January 4, 2010 appointed a City Manager Search Committee (the Committee) and defined its charge, the first of which is to *recommend a City Manager search procedure for consideration of approval by City Council*; and

WHEREAS, the City Manager Search Committee has met and by unanimous vote recommends that City Council engage an executive search firm to conduct a City Manager search for the City of Oak Ridge and that the firm so engaged be The Mercer Group, Inc., headquartered in Atlanta, Georgia; and

WHEREAS, the Committee's recommendation is based on the outstanding performance of The Mercer Group, Inc., at the time of its engagement to provide turn-key executive search services for the City in 2003-2004, which services culminated in the employment of James R. O'Connor as City Manager on March 15, 2004; and

WHEREAS, at the request of the Committee, Mr. James L. Mercer, President/CEO of The Mercer Group, Inc., has submitted a proposal to conduct a second City Manager search for the City of Oak Ridge at a discounted cost of \$23,000 because of the firm's past work for the City; and

WHEREAS, the Committee recommends the acceptance of said proposal.

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

That the recommendation of the City Manager Search Committee is approved and the attached proposal of The Mercer Group, Inc., Atlanta, Georgia, to conduct a City Manager search for the City of Oak Ridge is hereby accepted, subject to the approval of a Professional Services Agreement with The Mercer Group, Inc.

BE IT FURTHER RESOLVED that the City Manager Search Committee is hereby authorized to enter into negotiations with The Mercer Group, Inc., for the provision of said executive search services for the City of Oak Ridge, with the negotiated agreement to be presented to City Council for approval.

This the 25th day of January 2010.

APPROVED AS TO FORM AND LEGALITY:



City Attorney

Mayor

City Clerk



The Mercer Group, Inc.

Consultants to Management

*5579B Chamblee Dunwoody Road, #511
Atlanta, Georgia 30338
770- 551-0403
FAX 770-399-9749
E-mail: mercer@mindspring.com*

January 15, 2010

Via e-mail: jbernard@cortn.org

The Honorable Tom Beehan, Mayor and
Members of the City Manager Search Committee
City of Oak Ridge
200 S. Tulane Avenue
Oak Ridge, TN 37830

Dear Mayor Beehan and Members of the City Manager Search Committee:

The Mercer Group, Inc. is pleased to present this proposal to conduct a City Manager search for the City of Oak Ridge.

Background

The Mercer Group, Inc. successfully completed the previous search for a City Manager of the City of Oak Ridge and is familiar with your City.

Scope of Work

If selected for this important project, The Mercer Group will perform the following tasks associated with the City Manager search:

1. We will meet with members of the City Council and others of their choice to determine the key characteristics required of the new City Manager and agree on the general timeline for the search process. We will also obtain written material needed to prepare the Recruitment Brochure and will obtain digital color pictures to use in the final version of the Recruitment Brochure.

2. We will access our databases of recent City Manager searches and determine potential candidates to pursue for the City of Oak Ridge.
3. We will place ads on professional association and similar websites, (including the City's and our own), that we typically utilize for city manager recruitments.
4. We will send the Recruitment Brochure and invitation letter to a selected list of potential candidates and sources and directly recruit potential candidates for the positions.
5. We will follow up on all of our recruitment efforts to encourage top candidates to apply and to secure a high quality candidate pool.
6. We will preliminarily screen the candidates for each position against the criteria established for the position by the City Council.
7. We will discuss the resumes and cover letters of the top 10-12 candidates with the City Council.
8. We will conduct interviews with the selected candidates, conduct reference and background checks and prepare a report and Interview Guide for the City Council.
9. We will arrange interviews and an evaluation process for the City Council to consider the top candidates.
10. We will assist the City Council to reach a decision on a selected candidate and assist the City Council in the negotiation process.
11. We will notify all applicants not selected of the City Council's decision and will handle their candidacy in a professional manner.
12. We will follow-up with the selected candidate and the City Council once a quarter during the first year after the new City Manager comes on-board to see how things are working out. If desired, we will also conduct a session with the City Council and the new City Manager to set mutual performance expectations.

13. All of the ten (10) guarantees of our work apply to the above scope of work.

Schedule

The scope of work described above will be completed within 90-120 calendar days from the date of execution of a contract with the City of Oak Ridge for these services.

Staffing

The above work will be completed for the City of Oak Ridge by James L. Mercer, President/CEO of The Mercer Group, Inc. and his support staff.

Fees and Expenses

Our fees and expenses to conduct the City Manager search for the City of Oak Ridge are discounted because of our past work for the City and are as follows:

Professional Services Fee	\$16,500
Previous Client Discount	<u>1,500</u>
Net Fee	\$15,000
Expenses Not-to-Exceed	<u>8,000</u>
Total	\$23,000

Standards of Work

The work on this project will be in accordance with the Code of Ethics of the International City/County Management Association and the Institute of Management Consultants USA. Mr. Mercer is a member in good standing of both of these organizations.

The Honorable Tom Beehan, Mayor and
Members of the City Manager Search Committee
Page Four
January 15, 2010

Thank you all for the opportunity to submit this proposal. We look forward to working with the City of Oak Ridge on this important project. Please call me at 770-551-0403 if you have questions or require an amendment to this proposal.

Sincerely yours,

THE MERCER GROUP, INC.

James L. Mercer

James L. Mercer, President/CEO
Certified Management Consultant (CMC)