

OAK RIDGE CITY COUNCIL MEETING
Municipal Building Courtroom

May 29, 2012—7:00 p.m.

AGENDA

I. INVOCATION

The Reverend Matt Reed, Faith Baptist Church

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. APPEARANCE OF CITIZENS

V. PROCLAMATIONS AND PUBLIC RECOGNITIONS

VI. SPECIAL REPORTS

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

VII. CONSENT AGENDA

- a. Approval of the minutes of the May 7, 2012 City Council Meeting.
- b. Approval of the minutes of the May 14, 2012 City Council Special Meeting.
- c. Approval of the minutes of the May 14, 2012 City Council Special Meeting called by the City Manager.
- d. Adoption of a resolution to extend through September 30, 2012 the Water Services Agreement between the City and the United States Department of Energy (DOE), approved by Resolution 4-47-98 and extended by Resolutions 10-98-10 and 6-46-11.

VIII. RESOLUTIONS

- a. Adoption of a resolution supporting the Tennessee Valley Authority in its Small Modular Reactor Application to the United States Department of Energy.
- b. Adoption of a resolution authorizing transmittal of comments to the Tennessee State Historic Preservation Office and authorization to sign the Memorandum of Agreement among the U.S. Department of Energy Oak Ridge Office, the Tennessee State Historic Preservation Office, the Advisory Council on Historic Preservation, the National Park Service, the City of Oak Ridge, Tennessee, and the East Tennessee Preservation Alliance pursuant to 36 CFR Part 800.6(b)(2) regarding site interpretation of the East Tennessee Technology Park, on the Oak Ridge Reservation, Roane County, Tennessee.
- c. Adoption of a joint resolution between the Oak Ridge City Council and the Oak Ridge Schools Board of Education in conjunction with the FY2013 Appropriations Ordinance relative to retirement of the debt for the Oak Ridge High School Project.
- d. Adoption of a resolution to set forth repayment of the bonded indebtedness for the Oak Ridge High School Construction Project.

IX. PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

X. FINAL ADOPTION OF ORDINANCES

Public Hearing and Final Adoption of an Ordinance

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

XI. ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

a. Elections/Appointments

- i. Oak Ridge Convention and Visitors Bureau Hotel Appointment
- ii. Election of Environmental Quality Advisory Board Student Representatives

b. Announcements

c. Scheduling

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

XII. COUNCIL REQUESTS FOR NEW BUSINESS ITEMS OR FUTURE BRIEFINGS

XIII. SUMMARY OF CURRENT EVENTS

a. CITY MANAGER'S REPORT

b. CITY ATTORNEY'S REPORT

XIV. ADJOURNMENT

CONSENT AGENDA

**MINUTES OF THE
OAK RIDGE CITY COUNCIL**

May 7, 2012

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

INVOCATION

The Invocation was given by Reverend Joe Westfall, Minister with United Christian Brotherhood

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag of the United States of America was given by Patricia S. Imperato.

ROLL CALL

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

Mayor Pro Tem D. Jane Miller was absent.

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

APPEARANCE OF CITIZENS

Ms. Patricia S. Imperato, 131 Whippoorwill Drive, spoke about the success of 2012 Earth Day Festival and briefly outlined the various events, volunteer efforts, recycling collections, sponsorship, and festival participation. Ms. Imperato announced that the new festival is scheduled for April 27, 2012.

Mr. Boyce Griffith, 107 Beechwood Court, expressed his opinion that City staff and City Council have underestimated the popularity of the extended walking trail in Oak Ridge. Mr. Griffith discussed the awareness of improvements for recycling and trash receptacles.

PROCLAMATIONS AND PUBLIC RECOGNITIONS

A proclamation designating June 15 and 16, 2012 as *Secret City Festival Time*.

Councilmember Hensley moved, seconded by Mayor Pro Tem Miller

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

Ms. Jane Gibson, Secret City Festival Coordinator, accepted the proclamation on behalf of the Secret City Festival Executive Committee.

SPECIAL REPORTS

Award presentation of the *Tennessee Board of Regents Chancellor's Award for Excellence in Philanthropy* by Dr. Gary Goff, Roane State Community College President.

Dr. Gary Goff, along with Melinda Hillman, Executive Director of the Roane State Foundation, presented a plaque to the City of Oak Ridge in appreciation of the donation that will assist in building a new Health Sciences & Technology Building at Roane State Community College. Ms. Hillman provided a presentative of the new facility which is anticipated to be in available to students in 2014.

Presentation from Mark S. Watson, City Manager regarding his recent travels to Oak Ridge's sister-city, Naka City, Japan.

The City Manager reviewed his recent visit to Naka City, Japan with the International City Manager's Association (ICMA). Mr. Watson briefly described Naka City's government structure, including officials and facilities, as well as the culture. The City Manager shared that he presented a gift, representative of Oak Ridge, to the officials of Naka City, and then presented City Council with a gift from his travels, along with another gift to Shigeko Uppuluri for her assistant with Oak Ridge's sister-city.

Presentation of the FY 2013 City of Oak Ridge Proposed Budget by Mark S. Watson, City Manager.

The City Manager presented an overview of the City's proposed FY2013 budget and explained that the FY2013 budget essentially reflects the FY2012 budget. Mr. Watson noted that the City is proposing to retain the current property tax rate of \$2.39. The budget overview included a summary of budget assumptions, recommendation to maintain the same level of operating transfer funds with regard to Oak Ridge Schools, review of personnel position changes, outline of major capital projects being considered, and a brief report on the budget schedule for May 2012.

At the request of City Council, City staff will coordinate dates and public notices to allow Councilmembers to discuss further budget details prior to first reading of the budget ordinance, scheduled for May 14, 2012.

CONSENT AGENDA

Councilmember Garcia Garland requested to remove item e. titled, "Adoption of a resolution supporting the City of Harriman's, Roane County, Tennessee endeavors to bring a Veterans Administration Hospital to the City of Harriman," to be publicly recognized at the meeting.

Following removal of the item, the remainder of the Consent Agenda was unanimously approved by voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye," thereby:

- a. Approving the minutes of the April 9, 2012 City Council Meeting.
- b. Approving the minutes of the April 16, 2012 City Council Special Meeting.
- c. Adopting Resolution No. 5-26-2012 awarding a bid in the estimated amount of \$163,625.00 to ERMCO Distribution Transformers, c/o Utility Sales Agency, LLC, Dyersburg, Tennessee, for the furnishing of three-phase pad mounted transformers for use by the Electric Department.
- d. Adopting Resolution No. 5-27-2012 awarding a contract (COR 11-16-E4) to Design & Construction Services, Inc. Knoxville, Tennessee, for lift station improvements at Castlewood and Westview in the estimated amount of \$419,300.00.

Item Removed from Consent Agenda

Resolution No. 5-28-2012

A resolution supporting the City of Harriman's, Roane County, Tennessee endeavors to bring a Veterans Administration Hospital to the City of Harriman.

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

Following brief recognition and verbal support of the City of Harriman's efforts, the resolution was

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

RESOLUTIONS

Resolution No. 5-29-2012

Adoption of a resolution awarding a contract to Rich Construction, Inc., Lenoir City, Tennessee, for construction of a pavilion at Melton Lake Park in the estimated amount of \$159,284.00.

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

Mr. Boyce Griffith, 107 Beechwood Court, inquired about potential food services/distribution at the pavilion, for which Council responded that no such plan exists.

Following inquires surrounding the potential of community activities and future use of the facility, Recreation and Parks Department Director Josh Collins explained that the pavilion would be the focal point of the park and that several events will be taking place near the site. Mr. Collins further explained that since there is much interest in activities being planned near the facility, policies will be planned to allow for such usage.

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

Resolution No. 5-30-2012

A resolution approving a Memorandum of Understanding between the City and the Tennessee Department of Transportation for installation and maintenance of a new traffic signal at the new four-way intersection of South Illinois Avenue (State Route 62) and Woodland Terrace East.

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

Following brief discussion about staff examining the synchronization of the traffic lights along South Illinois Avenue, the resolution was unanimously approved by voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

Resolution No. 5-31-2012

Adoption of a resolution approving a settlement in the amount of \$171,000.00 with the United States Environmental Protection Agency (EPA) for alleged violations.

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

Public Works Director Gary Cinder explained that the SEP-- supplemental environmental project—being proposed was recommended to the City and is a grant-type mechanism to help residents repair their laterals while mitigating economic hardships. Councilmember Mosby advocated a low to no interest loan program for residents as a means to help lateral repairs, as well.

Mr. Martin McBride, 954 West Outer Drive, expressed his concern with the EPA's absence at the meeting, and inquired if there was another aspect of the agreement. Mr. McBride also raised concerns about the finalized agreement from the EPA.

City Attorney Kenneth Krushenski clarified that the settlement will resolve legal issues regarding enforcement of fines and penalties from the Department of Justice.

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

Resolution No. 5-32-2012

Adoption of a resolution approving the FY2013 Annual Action Plan, proposed allocations of Community Development Block Grant Entitlement Funds for FY2013 estimated at \$226,341.00, and a subrecipient agreement with Aid to Distressed Families of Appalachian Counties (ADFAC) for the Minor Repair Program.

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

Following brief discussion between City Council and Community Development Director Kathryn Baldwin regarding consideration of funds, the resolution was approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

First Reading of Ordinances

AN ORDINANCE TO AMEND ORDINANCE NO. 27-85, TITLED "A PERSONNEL PLAN FOR EMPLOYEES OF THE CITY OF OAK RIDGE, TENNESSEE," AS AMENDED, BY DELETING SUBSECTION 7.2.B, TITLED "NEPOTISM," IN ITS ENTIRETY AND SUBSTITUTING THEREFOR A NEW SUBSECTION 7.2.B, TITLED "NEPOTISM"; DELETING SUBSECTION 9.1.D, TITLED "LAYOFF," IN ITS ENTIRETY AND SUBSTITUTING THEREFOR A NEW SUBSECTION 9.1.D, TITLED "LAYOFF"; RENUMBERING EXISTING SUBSECTIONS 9.1.E, TITLED "REMOVAL," 9.1.F, TITLED "DISMISSAL," AND 9.1.G, TITLED "DEATH," TO BE SUBSECTIONS 9.1.G, 9.1.H AND 9.1.I RESPECTIVELY; CREATING A NEW SUBSECTION 9.1.E, TITLED "REORGANIZATION;" CREATING A NEW SUBSECTION 9.1.F, TITLED "SEVERANCE PACKAGE;" DELETING SUBSECTION 11.4, TITLED "LEAVE," IN ITS ENTIRETY AND SUBSTITUTING THEREFOR A NEW SUBSECTION 11.4, TITLED "LEAVE"; AND AMENDING SUBSECTION 13.3, TITLED "EMPLOYEE POLITICAL ACTIVITY," BY CREATING A NEW SUBSECTION (E), ALL FOR THE PURPOSE OF UPDATING THE PERSONNEL PLAN.

Councilmember Hensley moved, seconded by Mayor Pro Tem Miller that the ordinance be approved on first reading.

Following an inquiry from Councilmember Mosby, Personnel Director Penelope Sissom noted that the proposed injury leave change has two cost saving elements: one regarding the reduction in the duration of salary received during injury leave, and the other regarding the adjustment of salary based on light duty work assignments. Councilmember Mosby requested a cost-savings analysis of the new, proposed changes in the Personnel Plan. Additionally, Councilmember Smith requested an analysis of savings from previous years had the proposed changes been in effect.

The ordinance was approved on first reading by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

FINAL ADOPTION OF ORDINANCES

Ordinance No. 06-2012

AN ORDINANCE TO AMEND ORDINANCE NO. 2, TITLED "THE ZONING ORDINANCE OF THE CITY OF OAK RIDGE, TENNESSEE," BY AMENDING THE ZONING MAP WHICH IS MADE A PART OF THE ORDINANCE BY CHANGING THE ZONING DISTRICT OF PARCELS 1.06, 1.08, AND 1.24, ROANE COUNTY TAX MAP 30, ALSO KNOWN AS ED-10, LOCATED AT HERITAGE CENTER, FROM F.I.R., FEDERAL INDUSTRY AND RESEARCH TO IND-2, INDUSTRIAL MANHATTAN DISTRICT OVERLAY (IND-2/IMDO).

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

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

ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Elections/Appointments

Recreation and Parks Advisory Board

Election to fill one (1) vacancy for the balance of an unexpired term ending term ending on December 31, 2014.

On first ballot, Mr. Frank P. Chmielewicz was elected to serve on the Recreation and Parks Advisory Board for the balance of an unexpired term of office ending on December 31, 2014 receiving the votes of Mayor Beehan, Councilmember Hensley, Councilmember Hope, Mayor Pro Tem Miller, and Councilmember Smith. Mr. Sheldon Green received the vote of Councilmember Mosby and Ms. Nancy Ward received the vote of Councilmember Garcia Garland.

Youth Advisory Board Election Notice

Received for the record; no action taken.

The City Clerk reviewed the Youth Advisory Board Election Notice noting that sixteen (16) applicants will be considered at the July 9, 2012 City Council Meeting.

The deadline for applications is June 1, 2012 by 5:00 p.m.

Announcements

The City Clerk announced that the City Clerk's office is accepting applications for Oak Ridge High School student representatives for the Environmental Quality Advisory Board (EQAB) and the Traffic Safety Advisory Board (TSAB).

Scheduling

Councilmember Hensley urged councilmembers to complete the City Attorney Evaluations by May 15, 2012 deadline.

COUNCIL REQUESTS FOR NEW BUSINESS ITEMS OR FUTURE BRIEFINGS

Councilmember Smith requested that City Council have an opportunity to examine and discuss the form used to request open records.

Councilmember Mosby announced that the City Manager Evaluation Committee is scheduled to meet May 11, 2012, and asked the City Manager to send a list of accomplishments to the City Council.

SUMMARY OF CURRENT EVENTS

CITY MANAGER'S REPORT

Playful City USA Announcement

The City Manager announced that the City of Oak Ridge was one of four other cities in Tennessee to receive the Playful City USA designation.

The City Manager announced that both he and Finance Director Janice McGinnis will be available to City Council beginning Wednesday, May 9, 2012 to Friday, May 11, 2012 from 3:30 p.m. to 5:30 p.m. except Wednesday which would conclude at 5:00 p.m.

Mr. Gerry Palau, 104 Whippoorwill Drive, Chair of Recreation and Parks Advisory Board, recognized the significance of achieving this award and the appreciation of the work and effort associated with that achievement.

CITY ATTORNEY'S REPORT

City Attorney Kenneth Krushenski confirmed that the Department of Energy had submitted and recorded the abandonment of the CSX rail line for the *Rails to Trails* effort.

ADJOURNMENT

The meeting adjourned at 9:10 p.m.

Diana R. Stanley, City Clerk
CITY OF OAK RIDGE, TENNESSEE

**OAK RIDGE CITY COUNCIL
SPECIAL MEETING MINUTES**

May 14, 2012

The special meeting of the City Council City of Oak Ridge, Tennessee convened at 7:00 p.m. on May 14, 2012, in the Courtroom of the Municipal Building with Mayor Thomas L. Beehan presiding

INVOCATION

The Invocation was given by Pastor Robert May of the Oak Ridge Family Bible Church

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag of the United States of America was given by Mr. Larry Vickers.

ROLL CALL

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

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

PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

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

(A Public Hearing will also occur during Second Reading of the Ordinance scheduled for May 29, 2012)

Councilmember Hensley moved that the ordinance be approved on first reading, seconded by Councilmember Hope.

City Manager Mark Watson reviewed the FY 2013 Budget Assumptions as presented at the May 7, 2012 City Council Meeting and noted that the property tax rate will remain at \$2.39. Mr. Watson also reviewed additional budget elements including positional changes, major capital projects, and a budget schedule.

A public hearing was held with the following participants:

Ms. Trina Baughn, 119 Newport Drive, made inquiries about the City's ability to provide salary increases, additional personnel, and complete projects with no increase in the property tax rate and no additional debt. The City Manager responded that the City was not planning to issue any debt, except in possible circumstances with the Environmental Protection Agency Mandates, and that the City would use the most efficient means to fund projects, in addition to deferring others to a later date. Ms. Baughn also inquired about who is responsible for the outcome of the budget to which the City Attorney clarified that City Council is responsible for approving the budget as presented by the City Manager.

Ms. Kay Williamson, 420 Jefferson Avenue, congratulated the Oak Ridge High School's accomplishments of recent rankings within the nation and at the state level. Ms. Williamson noted that the school administration makes the best decisions for the schools and its students.

The public hearing closed.

Brief discussions occurred with the City Manager, Finance Director Janice McGinnis, and Recreation and Parks Department Director Josh Collins responding to the various questions and comments regarding potential projects, school funds for capital outlay, and indebtedness.

Personnel Director Penelope Sissom provided information regarding the cost savings associated with the proposed personnel ordinance changes considered during first reading at the May 7, 2012 City Council meeting. Ms. Sissom noted that the proposed changes regarding injury leave would have saved the City money had it been in effect in previous years. She also noted that there are costs associated with adding an additional city holiday (as proposed in the FY2013 budget); however, the Finance Director explained that there will not be incremental cost for a holiday because that day is already built into the budget. The Personnel Director noted that adding an additional city holiday would result in the Personnel Plan be amending by means of an ordinance.

Councilmember Smith asked that City Council and City staff not automatically assume that spending takes place on all items listed in the Economic Diversification Fund, and that budgeting for these items does not equate to a commitment to spend the funds.

Additional discussions continued on various budget topics that included economic opportunities, consolidation of resources, salary increases, and the Special Programs Fund. City staff, including Fire Chief Darryl Kerley, responded to questions and comments presented.

The City Manager discussed the present state of the Debt Service Fund by reviewing the history of the 2005 Referendum that increased the sales tax to help fund the Oak Ridge High School renovation debt. Mr. Watson explained that when the voters opted to increase the sales tax to 0.5%, the understanding was that the City would have received the entire increase of sales tax generated to be used toward the renovation debt. He added that when Anderson County superseded the City, the rate was reduced to 0.25% toward the retirement of the debt, and the remaining 0.25% is shared among three school entities in Anderson County, with Oak Ridge being one.

The City Manager explained that he would like for City Council to distribute and discuss a joint resolution which outlined a plan where the City would continue to receive debt payments of the full amount and allow time to discuss other arrangements.

Following discussions between City Council and City staff regarding the consideration of the joint resolution that was introduced during first reading of the ordinance, City Attorney Kenneth Krushenski clarified that the resolution will need to be considered separately from the ordinance and that the resolution not be voted on during the special meeting. Based on comments and discussions, it was determined to only discuss the resolution.

The resolution was placed on the floor for discussion and read, in its entirety, by the City Clerk.

The City Manager explained to City Council the main differences between the joint resolution presented at the special meeting versus the previous version that was discussed during a City Council Work Session in April. Mr. Watson pointed out that this joint resolution includes an additional paragraph on the general history of the debt issuance, reaffirms that the retirement of the debt is the primary purpose, includes language from the 2005 ballot, and notes that the City would continue with its repayment course for the remainder of the Fiscal Year 2012 and 2013, and lastly, allow time to further discuss long term funding issues while continuing dialog with the Board of Education.

Several members of City Council commented that the joint resolution presented was a good solution at discussing a means to move forward with the retirement of the high school debt.

The City Manager was instructed by Council to direct the resolution to the Superintendent of Schools for consideration per the recommendation from the City Attorney.

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

ADJOURNMENT

The meeting adjourned at 8:45 p.m.

Diana R. Stanley, City Clerk
CITY OF OAK RIDGE, TENNESSEE

**OAK RIDGE CITY COUNCIL
SPECIAL MEETING MINUTES**

May 14, 2012

The special meeting of the City Council City of Oak Ridge, Tennessee, called by City Manager Mark S. Watson convened at 8:45 p.m. on May 14, 2012, in the Courtroom of the Municipal Building with Mayor Thomas L. Beehan presiding

ROLL CALL

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

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

RESOLUTIONS

Resolution No. 5-23-2012

A resolution authorizing the expenditure of \$500,000.00 for repairs to Woodland Elementary School and to direct the Finance Director to prepare the appropriate amendments for City Council's consideration in the FY2013 budget.

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

City Manager Mark Watson reviewed the school's bid details and pointed out that the school reduced the costs from the original bid, and that the school has requested for the City to match the costs for the project. Mr. Watson continued that \$400,000.00 exists in the FY2013 Budget. Of this \$400,000.00—\$100,000.00 is being allotted from curtailing capital projects to a later date, \$100,000.00 will be generated from the General Fund, and \$200,000.00 is allocated from within the Special Programs (Photo Enforcement) Fund.

The City Manager noted that the additional \$100,000.00 (which needs to be funded) would come from the Special Programs Fund, totaling the \$500,000.00

The City Manager noted that the issues were time sensitive, as the school needs to move forward with renovations to ensure that the schools can begin the fall semester without displacing students or using additional resources.

Following clarification on the funds, Councilmember Smith proposed an amendment to the resolution that would clarify what is being allocated. Councilmember Smith recommended amending the first paragraph under "*now therefore be it resolved*" to delete the words "*either the General Fund or,*" so to read "*to the proposed FY2013 budget from the Special Programs Fund,*" and include additional verbiage "*for total Expenditures of \$200,000.00 from General Fund and \$300,000.00 from Special Programs Fund.*" The amendment was seconded by Councilmember Mosby and approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

Mayor Pro Tem Miller proposed an additional amendment for further clarity, to include the phrase "*Camera Enforcement Money*" in parentheses when identifying the \$300,000.00 allocation from the Special Programs Fund. The amendment was seconded by Councilmember Hensley, and approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

OAK RIDGE CITY COUNCIL SPECIAL MEETING

The resolution, as amended, was approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting “Aye.”

ADJOURNMENT

The meeting adjourned at 9:00 p.m.

Diana R. Stanley, City Clerk
CITY OF OAK RIDGE, TENNESSEE

FINANCE DEPARTMENT MEMORANDUM
12-07

DATE: May 21, 2012
TO: Mark S. Watson, City Manager
FROM: Janice E. McGinnis, Finance Director
SUBJECT: City and U.S. Department of Energy Water Services Agreement Extension

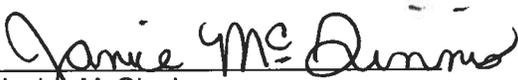
The accompanying resolution extends the contract for the City to sell drinking and raw water to the U.S. Department of Energy through September 30, 2012.

On April 28, 2000, as part of the City's acquisition of the DOE water plant, a contract, DE-AC05-00OR22777, was jointly executed by both parties which provided for the sale of city drinking and raw water to the U.S. Department of Energy sites at Y-12 and ORNL. The original agreement ended on April 30, 2010. The contract has previously been extended through June 30, 2012.

The City is currently in discussions with DOE for a new agreement. DOE is currently preparing a draft contract for review with City staff. The 3-month extension will allow time for contract review by both parties prior to being forward for City Council approval in September 2012.

The accompanying resolution authorizes the City to enter into a mutually agreed upon contract amendment which will extend the water services agreement between the City and the United States Department of Energy through September 30, 2012.

Staff recommends approval of the attached resolution.


Janice McGinnis

City Manager's Comments:

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


Mark S. Watson

5-23-2012
Date

RESOLUTION

A RESOLUTION TO EXTEND THROUGH SEPTEMBER 30, 2012 THE WATER SERVICES AGREEMENT BETWEEN THE CITY AND THE UNITED STATES DEPARTMENT OF ENERGY (DOE), APPROVED BY RESOLUTION 4-47-98 AND EXTENDED BY RESOLUTIONS 10-98-10 AND 6-46-11.

WHEREAS, by Resolution 4-47-98, City Council approved a Memorandum of Understanding between the City and the United States Department of Energy (DOE) to transfer the Y-12 Water Plant from DOE to the City; and

WHEREAS, the transfer documents included a water services agreement whereby DOE purchases water from the City; and

WHEREAS, the water services agreement had an original term of ten years (May 1, 2000 through April 30, 2010) with DOE having the option to extend for up to six (6) months; and

WHEREAS, DOE exercised its option to extend through October 31, 2010; and

WHEREAS, by Resolutions 10-98-10 and 6-46-11, City Council amended the water services agreement to provide for additional extensions through June 30, 2012; and

WHEREAS, the City and DOE desire to amend the current water services agreement to provide for an extension through September 30, 2012; and

WHEREAS, the requested extension will allow sufficient time for DOE to finalize their proposed new agreement for review by the City.

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

That the City is hereby authorized to enter into the necessary legal documents to amend the water services agreement between the City and the United States Department of Energy to extend the agreement through September 30, 2012.

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

This the 29th day of May 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

RESOLUTIONS

**GOVERNMENT AND PUBLIC AFFAIRS MEMORANDUM
12-05**

TO: Mark S. Watson
City Manager

FROM: Amy Fitzgerald, Ph.D.
Government and Public Affairs Coordinator

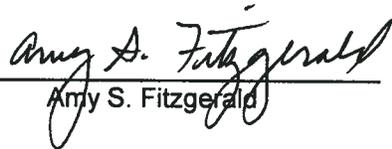
DATE: May 23, 2012

RE: **RESOLUTION SUPPORTING THE TENNESSEE VALLEY AUTHORITY'S SMALL MODULAR REACTOR (SMR) APPLICATION TO THE U.S. DEPARTMENT OF ENERGY**

An item for the May 29th City Council meeting agenda is the adoption of the attached resolution supporting the Tennessee Valley Authority's efforts to construct a Small Modular Reactor (SMR) at its Clinch River Site in the Roane County portion of Oak Ridge. The resolution also supports TVA's application to the Department of Energy (DOE) to share costs in the development of this mutually beneficial project.

This resolution supports the City's 2012 Federal Legislative Agenda, which encourages the development of SMR technology. The deployment of SMRs could possibly serve as a future power source and economic development opportunity for the City of Oak Ridge.

Staff recommends adoption of the resolution.



Amy S. Fitzgerald

Attachments

City Manager's Comments:

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

 5-24-12

Mark S. Watson Date

RESOLUTION

A RESOLUTION SUPPORTING THE TENNESSEE VALLEY AUTHORITY IN ITS SMALL MODULAR REACTOR APPLICATION TO THE UNITED STATES DEPARTMENT OF ENERGY

WHEREAS, the U.S. Department of Energy (DOE) and the Tennessee Valley Authority (TVA) have made significant contributions to energy research and development in the United States, in the State of Tennessee and in the Oak Ridge region; and

WHEREAS, the DOE and TVA have had a significant economic impact on the Oak Ridge region, with thousands of employees and subcontractors; procurements worth millions of dollars annually; as well as other spin-off activities; and

WHEREAS, all three of the DOE Oak Ridge facilities are located within the corporate limits of the City of Oak Ridge; and

WHEREAS, the TVA Clinch River Site is also located in the City of Oak Ridge; and

WHEREAS, Small Modular Reactors (SMR) have the potential to provide the United States with clean, safe, cost-effective energy and create jobs and spur economic development;

WHEREAS, TVA has expressed interest to use the Clinch River Site, which was previously designated for the construction of a breeder reactor project, for the construction of a SMR that would be licensed by the U.S. Nuclear Regulatory Commission; and

WHEREAS, in 2010 the City of Oak Ridge adopted a Climate Action Plan, which includes near-term and longer-term goals for reduction of greenhouse gas emissions in the Oak Ridge community; and

WHEREAS, the DOE Oak Ridge facilities are implementing Executive Order 13514, "Federal Leadership in Environmental, Energy, and Economic Performance," to make reduction of greenhouse gas emissions a priority for Federal agencies; and

WHEREAS, the City of Oak Ridge encourages and supports TVA's efforts to provide low carbon electricity to DOE's Oak Ridge facilities through electricity generated by a Clinch River SMR; and

WHEREAS, the City of Oak Ridge desires to serve as an "energy" community, in partnership with TVA and DOE, to potentially demonstrate the safe use of advanced energy technologies; and

WHEREAS, cost sharing will leverage investments and bring SMRs online sooner delivering their benefits to energy consumers in the United States; and

WHEREAS, in the evaluation of the SMR proposals, significant weight should be given to the offering team's experience, manufacturing capabilities which are located in the United States, job creation potential, the technology's advanced degree of development that will assure near term deployment, and willingness of the local community to host an SMR.

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

That the City of Oak Ridge supports the construction by the Tennessee Valley Authority of an NRC-licensed SMR at the Clinch River site in order to facilitate a partnership with DOE in the safe development of a new generation of nuclear reactors, to reduce environmental emissions, and to eventually serve as potential power source for City of Oak Ridge.

BE IT FURTHER RESOLVED, that the TVA is encouraged to work closely with the City of Oak Ridge, Roane County and other nearby communities early on to assess and mitigate potential impacts associated the construction and deployment of the Clinch River SMR project, including possible economic, environmental, and transportation impacts, and management and disposition of spent fuel and associated waste.

BE IT FURTHER RESOLVED that the City of Oak Ridge supports TVA's efforts to obtain cost share funding from the U.S. Department of Energy to support the development and deployment of SMR technology at TVA's Clinch River site in Oak Ridge, Tennessee.

This the 29th day of May 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

GOVERNMENT AND PUBLIC AFFAIRS MEMORANDUM
12-06

TO: Mark S. Watson
City Manager

FROM: Amy Fitzgerald, Ph.D.
Government and Public Affairs Coordinator

DATE: May 24, 2012

RE: **Resolution Authorizing Transmittal of Comments to the Tennessee State Historic Preservation Office and Authorization to Sign the Memorandum of Agreement Among the U.S. Department of Energy Oak Ridge Office, the Tennessee State Historic Preservation Office, the Advisory Council on Historic Preservation, the National Park Service, the City of Oak Ridge, Tennessee, and the East Tennessee Preservation Alliance Pursuant to 36 CFR Part 800.6(b)(2) Regarding Site Interpretation of the East Tennessee Technology Park, on the Oak Ridge Reservation, Roane County, Tennessee**

An item for the May 29th City Council meeting is the adoption of the attached resolution authorizing transmittal of comments to the Tennessee State Historic Preservation Office (SHPO). The comments are in the form of answers to questions posed by the SHPO in a May 17, 2012 questionnaire regarding the consultation process for the site interpretation at K-25. Comments are requested by May 31st. The resolution also authorizes the City to sign the final Memorandum of Agreement, incorporating community consensus, regarding the final plan for K-25 site interpretation.

As you are aware, the DOE ORO, in the year 2000, initiated a consultation process pursuant to Section 106 of the National Historic Preservation Act to mitigate the adverse effects of decommissioning the K-25 building. The City of Oak Ridge and the Oak Ridge Heritage and Preservation Association (ORHPA) were invited to participate in the consultation process with DOE, the SHPO, and the National Advisory Council on Historic Preservation (ACHP), as "concurring parties." The DOE is requesting that the City participate in the final MOA as an "Invited Signatory" because of the mitigation measures involving Fire Station #4 and the Alexander Inn. Though non-binding, the city is making the commitment to engage with the parties in support of the proposed mitigation measures.

At the February 13, 2012 meeting of City Council, the Mayor was authorized to work with ORHPA and the City Manager on a community consensus regarding the final site interpretation of ETPP.

The DOE held a consultation meeting on May 17th and discussed the findings of the Secretary of Interior's Report regarding K-25 mitigation. Three concepts were presented, and the community consensus centered on "Concept B," which is described in Attachment A to the community letter dated May 15, 2012. The DOE has since invited the National Park Service to participate as a consulting party on the final MOA regarding ETPP preservation plans.

Staff recommends adoption of the resolution. Should the Council adopt the resolution, the comments should be provided by May 31, 2012 to:

Mr. E. Patrick McIntyre, Jr.
State Historic Preservation Officer
Tennessee Historical Commission
2941 Lebanon Road
Nashville, TN 37243-0442



Amy S. Fitzgerald

Attachments

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 TRANSMITTAL OF COMMENTS TO THE TENNESSEE STATE HISTORIC PRESERVATION OFFICE AND AUTHORIZATION TO SIGN THE MEMORANDUM OF AGREEMENT AMONG THE U.S. DEPARTMENT OF ENERGY OAK RIDGE OFFICE, THE TENNESSEE STATE HISTORIC PRESERVATION OFFICE, THE ADVISORY COUNCIL ON HISTORIC PRESERVATION, THE NATIONAL PARK SERVICE, THE CITY OF OAK RIDGE, TENNESSEE, AND THE EAST TENNESSEE PRESERVATION ALLIANCE PURSUANT TO 36 CFR PART 800.6(B)(2) REGARDING SITE INTERPRETATION OF THE EAST TENNESSEE TECHNOLOGY PARK, ON THE OAK RIDGE RESERVATION, ROANE COUNTY, TENNESSEE.

WHEREAS, the U.S. Department of Energy, Oak Ridge Office (DOE ORO) is in the process of decontaminating, decommissioning, and demolishing the K-25 Building located at the East Tennessee Technology Park (ETTP), formally known as the K-25 site, located in the City of Oak Ridge; and

WHEREAS, the building and associated appurtenances are eligible for inclusion in the National Register of Historic Places; and

WHEREAS, pursuant to 36 CFR Part 800 regulations implementing Section 106 of the National Historic Preservation Act (U.S.C. Part 470f) DOE ORO, the Advisory Council on Historic Preservation (ACHP), and the Tennessee State Historic Preservation Office (SHPO), (hereinafter collectively referred to as "the Signatories") have determined that the demolition of the buildings/structures at the ETTP will have an adverse effect on the historical character of the buildings/structures, as well as on the K-25 Site Main Plant Historic District and the Powerhouse Historic Districts; and

WHEREAS, the City of Oak Ridge supports the preservation of key historical artifacts from the ETTP site, and the interpretation of the significance of these facilities and the gaseous diffusion process at the K-25 site, including the Oak Ridge Fire Station #4, and in the hub of the City Center at locations such as the Oak Ridge Public Library and the American Museum of Science and Energy site, and other locations within the City limits; and

WHEREAS, the City of Oak Ridge also supports the accelerated cleanup of the ETTP in order to reduce risk and to promote reindustrialization of the site for economic diversification; and

WHEREAS, the Tennessee State Historic Preservation Office (SHPO) has developed a questionnaire on the ETTP interpretation and is requesting responses; and

WHEREAS, the DOE ORO has developed a final memorandum of agreement (MOA) among the U.S. Department of Energy Oak Ridge Office, the Tennessee State Historic Preservation Office, the Advisory Council on Historic Preservation, the National Park Service, the City of Oak Ridge, Tennessee, and the East Tennessee Preservation Alliance Pursuant to 36 CFR Part 800.6(b)(2) Regarding Site Interpretation of the East Tennessee Technology Park, on the Oak Ridge Reservation, Roane County, Tennessee; and

WHEREAS, the City of Oak Ridge desires to transmit responses to the SHPO questionnaire; and

WHEREAS, the City desires to participate in the MOA as an "Invited Signatory;" and

WHEREAS, the City Manager recommends that the City (1) transmit the attached document entitled *City Of Oak Ridge Responses to the Tennessee State Historic Preservation Office Questionnaire on the DOE-ORO Consultation Concerning the Resolution of Adverse Effects to K-25 to*

the Tennessee State Historic Preservation Office as the official comments of the City of Oak Ridge; and (2) agree to sign the final Memorandum of Agreement Among the U.S. Department of Energy Oak Ridge Office, the Tennessee State Historic Preservation Office, the Advisory Council on Historic Preservation, the National Park Service, the City of Oak Ridge, Tennessee, and the East Tennessee Preservation Alliance Pursuant to 36 CFR Part 800.6(b)(2) Regarding Site Interpretation of the East Tennessee Technology Park, on the Oak Ridge Reservation, Roane County, Tennessee as an Invited Signatory.

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

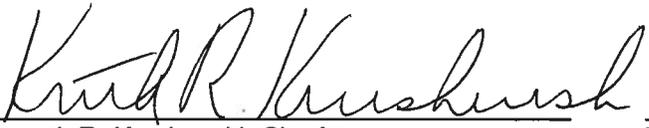
That the first recommendation of the City Manager is approved and the City shall transmit the attached document entitled *City Of Oak Ridge Responses to the Tennessee State Historic Preservation Office Questionnaire on the DOE-ORO Consultation Concerning the Resolution of Adverse Effects to K-25* to the Tennessee State Historic Preservation Office as the official comments of the City of Oak Ridge

BE IT FURTHER RESOLVED that the second recommendation of the City Manager is approved and the City shall sign the final Memorandum of Agreement Among the U.S. Department of Energy Oak Ridge Office, the Tennessee State Historic Preservation Office, the Advisory Council on Historic Preservation, the National Park Service, the City of Oak Ridge, Tennessee, and the East Tennessee Preservation Alliance Pursuant to 36 CFR Part 800.6(b)(2) Regarding Site Interpretation of the East Tennessee Technology Park, on the Oak Ridge Reservation, Roane County, Tennessee as an Invited Signatory.

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

This the 29th day of May 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

**CITY OF OAK RIDGE RESPONSES TO
TENNESSEE STATE HISTORIC PRESERVATION OFFICE
QUESTIONNAIRE ON THE
DOE-ORO CONSULTATION CONCERNING THE RESOLUTION OF
ADVERSE EFFECTS TO K-25**

(Questionnaire Dated May 17, 2012)

(SHPO PREAMBLE) Because of the looming time constraints placed upon DOE-ORO concerning its decontamination/demolition mission, DOE-ORO and we other Consulting Parties must take a final decision on the level of interpretation of K-25 very soon and, as required by the "Bridge MOA," the DOE-FPO must subsequently transform that decision into an Agreement Document and Mitigation Plan. We believe the major unresolved issues in this case have to do with: 1) the level at which DOE-ORO has taken Consulting Party questions and suggestions into account, 2) the level of DOE-ORO's commitment to implement its preferred Interpretive Plan, and, 3) the level of DOE-ORO's proposed interpretation of the history of K-25 compared to the level of historical significance of K-25.

To facilitate the Tennessee SHPO's role in consultation regarding the K-25 case, we are asking all Consulting Parties to submit to us within two weeks from today your written response to the following questions:

1. At this time, do you believe DOE-ORO has adequately addressed all major Consulting Party questions concerning its proposed interpretation of K-25?

Answer: Yes. The City is satisfied with the proposed interpretation plan, and is very concerned that further delay will jeopardize the pending opportunity to introduce legislation designating the proposed Manhattan Project National Park. If an agreement is not reached soon among the Consulting Parties and the National Park Service, we may be viewed by congressional decision makers as being too decisive to be able to work together on a national park. That would be extremely detrimental, and could bring to a halt a decade of work by the three Manhattan Project Communities and many other community groups and stakeholders to lay the foundation for an NPS designation.

2. Should DOE-ORO meld the Consulting Party stipulations transmitted in the February 15, 2012 Consulting Party Consensus Position letter into its proposed Agreement Document and Mitigation Plan?

Answer: Yes.

3. Should DOE-ORO include in its interpretive plan the free-standing Equipment Building proposed in the Consulting Party Consensus Position letter?

Answer: Yes. The City supports implementing the principles associated with the National Park Service's proposed "Option B," in conjunction with the use of Fire Station #4 as previously proposed.

4. Should DOE-ORO agree instead to meld the NPS' 213 Report design stipulations representing Concept "B" or something equally robust into its Agreement Document and Mitigation Plan?

Answer: Yes

5. Should DOE-ORO retain and interpret all or part of the North End Tower instead of constructing a free-standing Equipment Building?

Answer: No. This option has been thoroughly vetted over the past decade, and, unfortunately, is not viable.

6. If DOE-ORO were formally to commit to implementing the NPS version of the free standing Equipment Building (Concept "B"), or a similarly robust Equipment Building, would you agree to abandon the retention of all or a portion of the North End Tower in favor of this more robust version of the Equipment Building? In other words, would you be willing to accept the National Park Service's version of the Equipment Building (Concept "B") or something equally robust in place of retention of all or a portion of the North End Tower?

Answer: Yes.

7. Should the DOE-FPO reference by name within the body of the Agreement Document and Mitigation Plan and also insert as appendices to the Agreement Document and Mitigation Plan all Standards to be used by the DOE-ORO as guidance documents to record, document, or interpret affected Historic Properties or otherwise mitigate project-related adverse effects to them?

Answer: Due to the complexity of the site, once the general principles are agreed to, details should be worked out among the parties during the collaborative design process to provide guidance during implementation.

8. Should the DOE-ORO employ those Standards to ensure that the mitigative measures it has proposed to implement in the Agreement Document and Mitigation Plan meet the Standards?

Answer: DOE should adhere to the standards agreed to during the collaborative design process.

9. Should the DOE-FPO attach intermediate completion timetables and deadlines to each portion of each mitigative stipulation contained in the Agreement Document and Mitigation Plan?

Answer: The MOA will contain projected timetables for execution of each mitigative stipulation within the agreement.

10. Should the DOE-FPO attach completion dates to each mitigative stipulation contained in the Agreement Document and Mitigation Plan and to provide formal certification to the Signatories when each measure is completed on or before the benchmark date?

Answer: No. The MOA provides for targets and periodic reporting on mitigative measures.

11. Should the DOE-FPO insert stipulations into the body of the Agreement Document and Mitigation Plan that require DOE-ORO to submit periodic progress reports to Signatories and to set up timetables for the delivery of such reports?

Answer: Yes.

12. Should the DOE-FPO insert stipulations into the body of the Agreement Document and Mitigation Plan that allow periodic inspections of the progress of the interpretation by representatives of the Signatories?

Answer: This seems unnecessary if the MOA provides for progress reports.

13. Should the DOE-FPO insert stipulations into the body of the Agreement Document and Mitigation Plan that establish timetables for those inspections?

Answer: No.

14. Should the DOE-FPO insert stipulations into the body of the Agreement Document and Mitigation Plan that require periodic formal certifications from Signatories as to whether measures are being carried out according to the timetables and Standards contained within the body of the Agreement Document and Mitigation Plan?

Answer: See Answer #12.

15. Should the DOE-ORO supply an explanation of the process by which the DOE-ORO plans to fund that stipulation to the DOE-FPO who will then attach that explanation to each mitigative stipulation contained in the Agreement Document and Mitigation Plan?

Answer: No. DOE has discussed the funding process during each the consultation meetings and this extra step is unnecessary.

16. Should the DOE-FPO insert standard language in the Agreement Document and Mitigation Plan that stipulates how Signatory objections to DOE-ORO implementation of the stipulations contained within the Agreement Document and Mitigation Plan and the specific measures to mitigate its adverse effects are to be resolved?

Answer: Yes, this language should remain the in the MOA.

17. Should the DOE-FPO insert standard language in the Agreement Document and Mitigation Plan that stipulates how Signatories and the DOE-ORO may amend the Agreement Document and Mitigation Plan?

Answer: Yes, this language should remain the in the MOA.

18. Should the DOE-FPO insert standard language in the Agreement Document and Mitigation Plan that stipulates how Signatories and the DOE-ORO may terminate the Agreement Document?

Answer: Yes, this language should remain the in the MOA.

19. Should the DOE-FPO insert standard language in the Agreement Document and Mitigation Plan that specifies an end date by which all mitigative stipulations must be carried out, and requires automatic termination of the Agreement Document if the DOE-ORO does not meet that date?

Answer: No, this not desirable.

20. Should the DOE-FPO insert standard language in the Agreement Document and Mitigation Plan that stipulates how Signatories and the DOE-ORO will proceed under Section 106 review in the event of termination of the Agreement Document?

Answer: Yes, this language should remain the in the MOA.

21. Should the DOE-FPO insert all of the interpretive stipulations contained within the "Bridge MOA" into the Agreement Document and Mitigation Plan?

Answer: No, some of this language is no longer necessary.

22. If the DOE-ORO agrees to all of the referenced measures contained in the February 15, 2012 Consulting Parties letter and also those we have agreed to today, AND the DOE-FPO formalizes that agreement in an MOA and Mitigation Plan that the Tennessee SHPO and the Advisory Council on Historic Preservation can sign in good conscience, AND DOE-ORO completes all mitigation measures contained in the MOA and Mitigation Plan within its proposed deadlines and without serious challenge from Consulting Parties, would you, as a Consulting Party, concur that DOE-ORO will in fact have interpreted K-25 in a manner commensurate with its high level of significance?

Answer Yes. The City commends DOE and all the parties for having worked for more than a decade on this important initiative. The City is satisfied that the K-25 site will be interpreted, through implementation of the MOA, in a comprehensive package that conveys the historical significance of the site and can be incorporated into the proposed National Manhattan Project National Historical Park.

Please sign and hard copy mail your completed questionnaire on your organization's letterhead to:

**Mr. E. Patrick McIntyre, Jr.
State Historic Preservation Officer
Tennessee Historical Commission
2941 Lebanon Road
Nashville, Tennessee 37243-0442**

May 15, 2012

Ms. Sue Cange
Acting Manager
U.S. DOE ORO-EM
PO Box 2001
Oak Ridge, TN 37831

Dear Ms. Cange:

Consensus Position on the Site Interpretation of the East Tennessee Technology Park

We the undersigned appreciate the hard work that the Department of Energy (DOE), the Department of the Interior (DOI), and many consultants and citizens have performed in developing a plan for site interpretation at the East Tennessee Technology Park (ETTP). A strong *Final Mitigation Plan* will ensure that visitors today and decades into the future receive a proper understanding of the pivotal role that the site played in American and world history.

In support of this process, the undersigned offer brief additional comments (Attachment A) as follow-on to our consensus letter dated February 15, 2012 (Attachment B, for reference). Our consensus position detailed in our February 15th letter is still applicable; by this letter, we simply want to communicate our additional comments based upon the recently released report dated March 23, 2012 from the Secretary of the Interior to the Advisory Council on Historic Preservation (the Section 213 Report) as this report provides valuable insight into ensuring authentic interpretation.

The signatories to this letter have worked diligently to reach consensus on the enclosed information. Furthermore, we believe this approach balances the budgetary constraints experienced by the DOE and the recommendations proposed in the Section 213 Report and other reports/studies. Additionally, while we understand that many details related to the plan will need to be finalized over the next few weeks, we do not desire these intricate details to deter the execution of a plan that includes the major tenants outlined in our comments. We feel strongly that it is critical to complete work on development of the *Final Mitigation Plan* and to obtain signatures of all needed parties in a matter of days as opposed to weeks or months.

It is our desire for the DOE to consider and integrate our comments into the *Final Mitigation Plan* and move forward with quickly implementation. We stand ready and prepared to support the DOE and the DOI in this regard!

*** Signature Page Follows Next ***

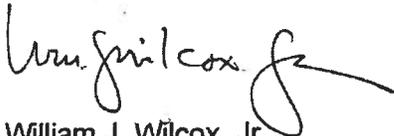
Ms. Sue Cange
May 15, 2012



Tom Beehan
Mayor, City of Oak Ridge
On Behalf of Oak Ridge City Council



Scott Brooks
President, East TN Preservation Alliance



William J. Wilcox, Jr.
Historian, City of Oak Ridge



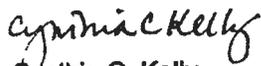
Lawrence T. Young
President, The Community Reuse
Organization of East Tennessee



Katy Brown
President, Oak Ridge Convention
& Visitors Bureau



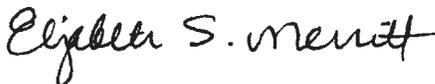
Parker Hardy
President, Oak Ridge Chamber of
Commerce



Cynthia C. Kelly
President and Founder, Atomic
Heritage Foundation



David Bradshaw
President, Oak Ridge Heritage and
Preservation Association



Elizabeth S. Merritt
Deputy General Counsel, National
Trust for Historic Preservation



D. Ray Smith
Historian
Y-12 National Security Complex

Attachment A

First, we the undersigned want to reconfirm the consensus position stated in our letter of February 15, 2012 (see Attachment B for reference). As we stated in this letter,

We strongly believe that the modest changes requested in these revised stipulations are consistent with agreements that all parties signed in previous Memorandum of Agreements and that each individual stipulation plays a vital role in telling the full history of the site. The signatories to this letter have worked diligently to reach consensus on these revised stipulations; furthermore, we believe that these revised stipulations present a balance between the budget constraints facing the DOE and ensuring that the historic legacy of K-25 is appropriately preserved.

Additionally, we believe the modest changes requested in our February 15th letter mirror many of the recommendations proposed within the Secretary of the Interior's Report to the Advisory Council on Historic Preservation entitled *Evaluation of the Proposed Mitigation Plans for the K-25 Building on the Department of Energy's Oak Ridge Reservation, Tennessee* dated March 23, 2012 (the Section 213 Report). Our comments specifically related to this report are provided in more detail below.

Second, on January 17, 2012, pursuant to Section 213 of the National Historic Preservation Act (NHPA), the Advisory Council on Historic Preservation (ACHP) requested a report be prepared, ensuring that the consulting parties could benefit from the National Park Service's (NPS) views on the DOE's proposed actions for the K-25 site. The resulting Section 213 Report was reviewed in detail by the undersigned.

We were pleased to see the strong NPS conviction that some significant preservation should occur regarding this unique Signature Facility's WWII and Cold War history, and their particular stress that this preservation be "authentic". Understanding, as we do, that the DOE has determined that retaining any of the K-25 North End was not feasible for a variety of valid reasons, we spent minimal time considering NPS Concepts A and C – noting though that both concepts had merit and have indeed been considered in past years. However, we spent considerable time studying Concept B presented in overview form in the Section 213 Report. We concluded that Concept B is viable, and we endorse it in principle, knowing that it represents a real step forward from the previous plans.

Concept B calls for a new modern building with authentic equipment displayed in its original context in a faithfully replicated environment around an authentic 30' wide Truck Alley. It allows the visitor a chance to visit both a section of the Pipe Gallery and the Operating Floor, and provides some space on each floor for interpretation (balconies). Overall, Concept B offers the possibility of interpretation of equipment authentic to this K-25 "U" building's Manhattan Project and Cold War operations as well as the ability to depict the important worker experience. We believe the combination of those elements have the potential of showing and telling the complete story of this remarkable K-25 "U" building.

Attachment A

Under the assumption that Concept B from the Section 213 Report is included in the *Final Mitigation Plan*, provided below in bullet form are some of the enhancements to Concept B that we would like to offer for consideration as this concept is more fully developed and implemented by the DOE.

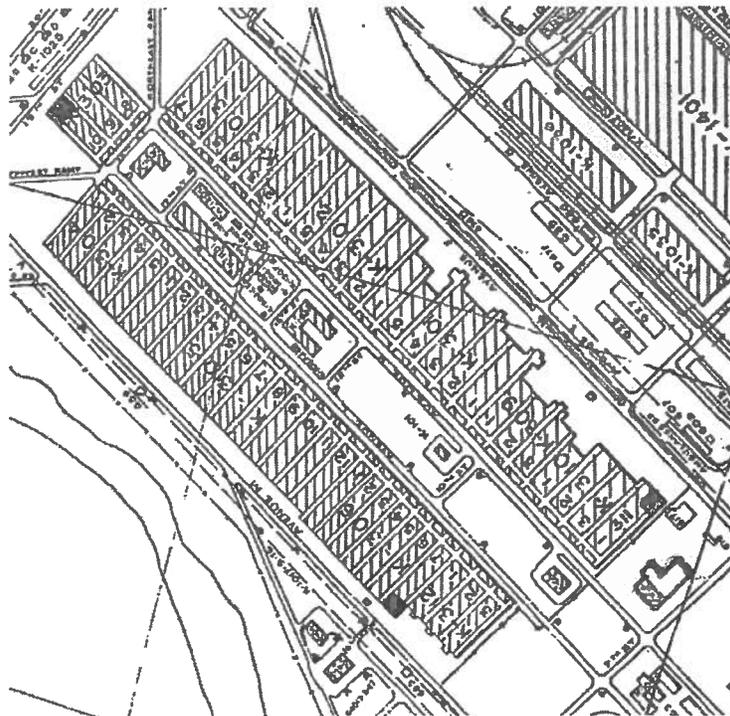
- While Concept B calls for construction of a three-story building, depending upon where and how this is constructed, it could look different than the original building to the visitor. We urge that the Concept B building be a replica (inside and out) of a small piece of the K-25 building. The historic K-25 "U" building has four floors throughout its entire width and length, so the replica should also. From all around the "U" building's outside, the original is 60 feet tall, not 43 feet as the Section 213 Report sketch suggests. Adding the 4th floor (the 17-foot high ground or Vault Floor) not only will make this preservation "authentic", but will provide much-needed space for showing, telling, and explaining the K-25 "U" building's great role in winning the Cold War. As the Section 213 Report clearly advocates creating an authentic experience at the K-25 Site, we believe the three-story building recommended in the report could inadvertently erode the authentic experience the report strives so carefully to create.



Attachment A

- We recommend that the Concept B building (roughly 110' x 95') be located near the Fire Hall Building and be constructed on the footprint of the original K-25 building itself. Locating it at the south end of the "U" makes good sense both from the standpoint of the Visitor Experience (essential for visitors to visit both the Fire Hall Building for reception and orientation and the Concept B building for preserved equipment in context), and from the standpoint of maintaining and monitoring these facilities in the future.

Shown below in solid red are two possible locations and also the location considered in the North Tower. The locations at either (1) at the south end of the East wing, (K-311) or (2) at the south end of the West Wing would be ideal.



New construction of course needs to be fully ADA-compliant with HVAC for making study of the preservation possible year-round. Interior spaces will include entry, exhibit, rest rooms, and office space as needed.

Attachment A

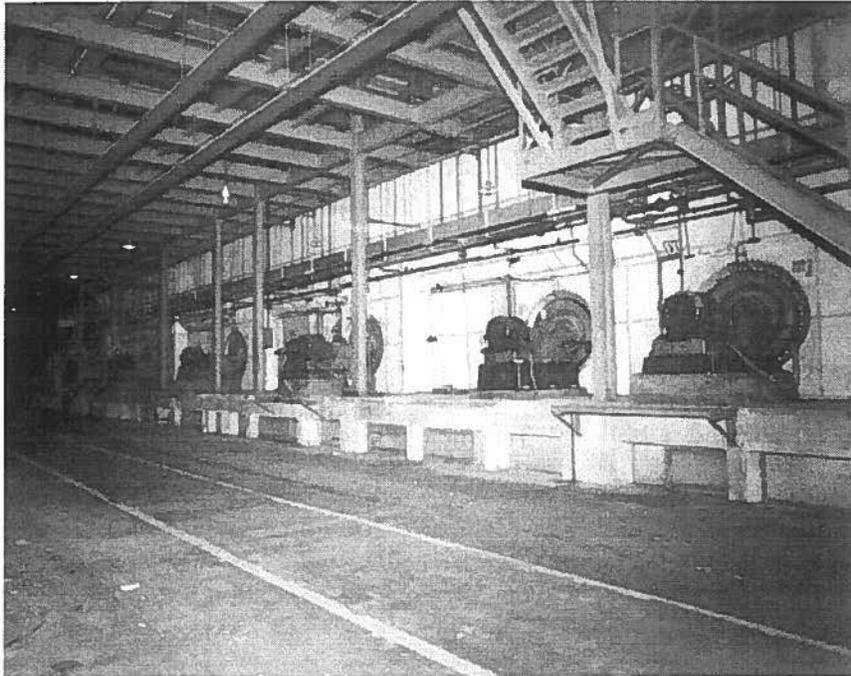
- Each Cell of the two-Cell arrangement shall contain the following processing equipment: Six (6) size two Converters with their 12 compressor assemblies, interconnecting piping, control valves, and other major components.

We recommend that one of the two cells be fitted out as a demonstration cell of the Roosevelt type that various consulting parties have insisted on displaying since the 2005 MOA. These converters should be painted with arrows depicting the gas flow path similar to the Roosevelt Cell in K-303-7-1. This can then serve as a useful interpretative display as well as an authentic equipment display. There should be no sheet metal covering up the Cell along the Truck Alley on this demo cell side.

The Cell on the other side should be as near identical to the Size two Cells in the North Tower as possible. The two Cell doors should be open in the housing to let people see the authentic equipment as it operated.

The plan should also include provisions for an Exploded Stage display, a highly desirable teaching tool.

The Truck Alley should be fitted out authentically with stairs, signage, original lights, etc. We very much support the NPS idea of using graphics at the far end of the 72' cell length to give visitors the sense of depth of the building.



Attachment A

Additional display elements in the Concept B building should include:

- Ancillary fixtures, such as period light fixtures and ventilation devices
 - Several operating floor windows and stairwell doors
 - Examples of genuine desks, chairs, bicycles, control panels, mass spectrometer racks, etc.
 - Many of the hundreds of collected artifacts cannot be shown in isolation. We concur with the Section 213 Report's recommendation that equipment should be arranged throughout the building's various levels to create an understanding of the work environment. Proper spatial orientation of the plant's equipment and piping is vital to accurate interpretation.
-
- We recommend that the DOE consider integrating the proposed viewing tower into the Concept B building's design. This would enhance the authentic viewing experience for the visitor as they proceeded upwards in the building, ending up with a view of the impressive K-25 site and surrounding area much in the way a worker might have done during operation of the building.

 - As planning moves forward, many Manhattan Project and Cold War veterans with excellent first-hand experience working at K-25 or in preserving its history will be eager to help finalize the design of both of the equipment exhibits and their interpretation. These experts have ideas of what needs to go into the Fire Hall Building and in the interpretive spaces based upon their own experience and the help of outside museum consultants and architects. We respectfully request their participation be welcomed as advisors in the *Final Mitigation Plan* implementation process.

Attachment B (for reference)

February 15, 2012

Ms. Sue Cange
Acting Manager
U.S. DOE ORO-EM
PO Box 2001
Oak Ridge, TN 37831

Dear Ms. Cange:

Consensus Position on Proposed Final Memorandum of Agreement for Site Interpretation of the East Tennessee Technology Park

We the undersigned respectively request that the Department of Energy (DOE) modify its *Final Memorandum of Agreement for Site Interpretation of the East Tennessee Technology Park* published by DOE on February 1, 2012 by replacing the proposed stipulations on pages 3-7 with the revised stipulations attached to this letter. These revised stipulations would then drive appropriate revisions to the proposed *Final Mitigation Plan*.

We strongly believe that the modest changes requested in these revised stipulations are consistent with agreements that all parties signed in previous Memorandum of Agreements and that each individual stipulation plays a vital role in telling the full history of the site. The signatories to this letter have worked diligently to reach consensus on these revised stipulations; furthermore, we believe that these revised stipulations present a balance between the budget constraints facing the DOE and ensuring that the historic legacy of K-25 is appropriately preserved.

We appreciate the hard work that DOE and its consultants have performed in developing the proposed *Final Mitigation Plan* and believe the recommended changes will ensure that visitors in the future receive a proper understanding of the pivotal role that the site played in American and world history.

*** Signature Page Follows Next ***

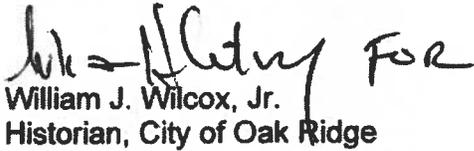
Ms. Sue Cange
February 15, 2012



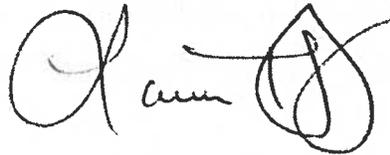
Tom Beehan
Mayor, City of Oak Ridge
On Behalf of Oak Ridge City Council



Scott Brooks
President, East TN Preservation Alliance



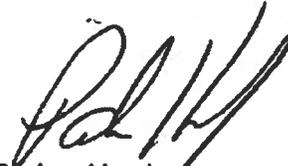
William J. Wilcox, Jr.
Historian, City of Oak Ridge



Lawrence T. Young
President, The Community Reuse
Organization of East Tennessee



Katy Brown
President, Oak Ridge Convention
& Visitors Bureau



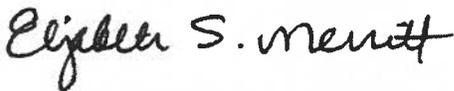
Parker Hardy
President, Oak Ridge Chamber of
Commerce



Cynthia C. Kelly
President and Founder, Atomic
Heritage Foundation



David Bradshaw
President, Oak Ridge Heritage and
Preservation Association



Elizabeth S. Merritt
Deputy General Counsel, National
Trust for Historic Preservation

Version v.4

STIPULATIONS

DOE EM shall ensure the following measures are carried out:

1. Shall dedicate all of the area located inside the road that currently surrounds the K-25 Building for commemoration and interpretation activities, exclusive of DOE-mission essential facilities (e.g., K-1600). No future surface development of the dedicated site will take place unless it is related to these activities. Subsurface development, such as for utility easements to support efforts such as Reindustrialization, would be permitted. Above-ground easements may also be permitted provided there is no interference with the viewscape. If ownership of the area is transferred, deed covenants that restrict its use to commemoration and interpretation uses will be applied. While the road surrounding the footprint may be used for commemoration and interpretation activities, it may be used for other purposes as well.
2. Shall retain the concrete slab under the K-25 Building during D&D pending completion of an examination to determine the contamination levels on and beneath the slab as well as short- and long-term costs associated with leaving, covering, or removing the slab. If these investigations determine the slab can be safely and cost effectively left in place and exposed for public access, it may be integrated into a comprehensive design solution for demarcating the building footprint (Stipulation 3).
3. Shall conduct a procurement for a professional design team with experience interpreting historic sites to prepare a design solution that will (a) effectively delineate the dedicated site (Stipulation 1) to show the scale and unique "U" shape of the K-25 gaseous diffusion process building, including the use of materials salvaged from ETTP; (b) design a building for the display of authentic process gas equipment (the "Equipment Building") (Stipulation 4); (c) design a viewing tower for site observation (the "Viewing Tower") (Stipulation 5); (d) design the K-25 History Center to be located in the Fire Station at ETTP (the "Fire Station Building") (Stipulation 9); (e) design a display of representative operating floor equipment (Stipulation 7); and (f) design the low-profile National Park Service standard type wayside exhibits (Stipulation 11). Each of the design items (a) through (f) above is a critical and necessary element of this Mitigation Plan. Each of the design elements (a) through (f) shall be carried out so as to give future visitors an effective experience of that part of the history of the K-25 Site
4. Shall design and acquire or construct the Equipment Building to display Manhattan Project and Cold War equipment, which will be declassified, decontaminated, and displayed. Execution of this stipulation will rely on the expertise of a professional design team (Stipulation 3), but at a minimum will include space in the Equipment Building to

display the following collection of equipment (all of which were included in the Bridge MOA):

- a. At least 13 Size 2 compressor assemblies, railings, steps, and other signage to recreate a Process Alley (note: this is a reduction in compressor assemblies from the Bridge MOA number of 25);
- b. A Size 2 Cell and all associated major equipment, control valves, and connecting piping;
- c. One example each of the 0, 00, and 000 converters and axial compressors with motors and one 40-foot centrifuge casing.
- d. Other equipment may displayed as it is identified (Stipulation 8).

This equipment will be displayed in the context of a process alley so that visitors (some being non-technical) can walk down the alley and experience what the wartime plant actually looked like in operation.

The Equipment Building will provide space for ingress, egress, video surveillance, miscellaneous storage, viewing and explaining the equipment, and will take into consideration the potential for expansion and the relationship of the structure to the Fire Station Building, where additional authentic artifacts, oral histories, and other displays will be featured.

5. Shall design and construct a dedicated Viewing Tower. The Viewing Tower may make use of an existing facility or be a new facility; the design team (Stipulation 3) will determine the best location and attribution of the tower, which will have a height adequate to provide a view of the size, scale, and proportion of the unique "U" shape of the mile-long K-25 building footprint.
6. Deleted.
7. Shall preserve and display either in the Equipment Building or Fire Hall Building representative Operating Floor equipment that will be identified (Stipulation 8).
8. Shall conduct a review of the full inventory of all equipment and artifacts, especially the equipment identified for preservation in the Bridge MOA, which includes the equipment and materials collected to date and those not yet collected. The review will be conducted by a team that includes a museum professional, a historian who meets the Secretary of Interior's Historic Preservation Professional Standards, a photographer, and subject matter experts with information about the history and use of particular artifacts, and a DOE representative. The review will determine the most appropriate and feasible

equipment and artifacts to display at the Equipment Building (Stipulation 4) and in the Fire Hall Building (Stipulation 9) and possibly elsewhere. Equipment and artifacts not selected for retention and/or display may be loaned to third parties, such as the National Park Service, the Smithsonian, or other Oak Ridge based venues for use in their museum collections if they are determined to be an appropriate and secure repository; however, ownership will be retained by DOE.

9. Shall initiate discussions with the City of Oak Ridge regarding the K-25 History Center to be located on the second level of the Fire Station at ETTP with possible expansion into other areas of the station as made available by the City of Oak Ridge, and in consultation with the City of Oak Ridge, shall obtain the services of a museum professional to design the exhibits and displays for the History Center. Input on the design of the exhibits, displays, and other means to interpret the site's history within a museum context will also be obtained from the Oak Ridge Heritage and Preservation Association/Partnership for K-25 Preservation. The History Center's exhibits will be professionally designed and constructed to utilize authentic equipment, artifacts, and other media to facilitate access to oral histories, film and video, and provide a kiosk to access the K-25 Virtual Museum (Stipulation 10). The DOE will continue to support the Center for Oak Ridge Oral History located at the Oak Ridge Public Library to provide oral histories to the K-25 History Center.
10. Shall sponsor the development and maintenance of a web-based K-25 Virtual Museum. The K-25 Virtual Museum will include multi-media opportunities for viewing, learning, and researching aspects of the K-25 site and its history. The Virtual Museum will use an interactive map of the site where a viewer can click on a building or area that will open up to a menu of information types. Menu types will include, but not be limited to, photographs (archival and recent), oral histories, drawings and plans, videos, descriptive materials of the buildings purposes and functions, and keyword searches. Additionally, users will be able to make their own contributions to the archive through a Digital Memory Box (DMB) that will use electronic multimedia to collect, preserve, and present the stories and digital records of former workers and their families. The DMB will contribute to the ongoing effort by DOE to preserve K-25's history by collecting first-hand accounts, on-scene images, and blog postings.
11. Shall sponsor the preparation, design, installation, and maintenance of 12 low-profile National Park Service standard wayside exhibits to use in coordination with a self-guided tour brochure (Stipulation 12). A DOE ORO K-25 Historic Preservation Coordinator (Stipulation 14) will work with the Oak Ridge Heritage and Preservation Association/Partnership for K-25 Preservation to determine the most appropriate content and location for the exhibits. As a part of this Stipulation, the DOE shall give

consideration to utilizing the bricks and salvaged Clean-Out Doors from the S-50 Boiler House Chimneys in designing, constructing and installing a wayside exhibit dedicated to the S-50 site and for other possible exhibits/displays elsewhere in the city.

12. Shall prepare and publish a self-guided tour brochure for ETTP and its immediate surroundings. The brochure, which will supplement the wayside exhibits described in Stipulation 11, will include a map of the site area, photographs of the site over time, a map of the wayside exhibit locations, and other points of interest, such as the site of the K-25 Building, K-25 History Center, Viewing Tower, and the Equipment Building.
13. Following the execution of the MOA by all signatory parties, DOE shall provide a grant in 2012 to East Tennessee Preservation Alliance (ETPA) or its fiscal agent, Knox Heritage, Inc., for purchase and stabilization of the Alexander Inn (also known as the Guest House) as partial mitigation for the adverse effects at the ETTP site during the site remediation. The purpose of the grant is to support the preservation of the Alexander Inn and to transition the Alexander Inn to a private developer for economic benefit to the community. The Department will provide \$350,000 for purchase of the property, and an additional \$150,000 for building stabilization activity. Within 180 days of receipt of the grant, ETPA will finalize the purchase or other acquisition of the Alexander Inn by ETPA or Knox Heritage or by a private owner. The funds may be used to acquire the Alexander Inn, including payment of any closing costs related thereto, or for acquisition and foreclosure of the first mortgage on the property. Furthermore, the funds may be used to stabilize the building. The sale of the Alexander Inn to private ownership or end user shall include or require a historic preservation easement for the external building to protect the historic and cultural values of the building. The City of Oak Ridge agrees to work with ETPA and the private owner in developing an acceptable schedule, not to exceed 365 days from date of purchase, for bringing the Alexander Inn into compliance with all city ordinances. In the event the ETP A is unable to finalize the purchase and sale of the Alexander Inn in the agreed upon amount of time or any extended period approved by DOE, the grant will be refunded in full to DOE (less, in the event of foreclosure, any funds paid or costs incurred in connection with the foreclosure).
14. Shall appoint a K-25 Historic Preservation Coordinator. The Coordinator will be responsible for implementing the Stipulations in this MOA according to the Execution Plan and schedule appended to this MOA.
15. Monitoring Progress: Twice per year, the K-25 Historic Preservation Coordinator will submit a progress report to all signatory parties and the general public. The report will summarize all work accomplished during the reporting period and identify concerns with

future efforts. At the completion of all stipulations, the Coordinator will submit a final report to all signatory parties.

16. **Funding:** The K-25 Historic Preservation Coordinator will continue to develop scopes of work and estimated costs for the mitigation stipulations. DOE shall submit on an annual basis, through established channels, appropriate budget requests to the Director of the Office of Management and Budget that adequately address agreed upon schedules for implementation of this MOA. The stipulations identified in the MOA shall be recognized by the Department as measures necessary to comply with the National Historic Preservation Act. The completion of all stipulations contained in the Final MOA and their implementation pursuant to the schedule in the Execution Plan appended to this MOA is subject to annual Congressional appropriations.
17. **Amendments:** Any signatory to this MOA may propose to the other signatories that it be amended, whereupon the signatories will consult in accordance with 36 *CFR* Part 800.6(c)(7) to consider such amendments.
18. **Dispute Resolution:** Should any signatory to this MOA object to any action carried out or proposed by DOE with respect to the implementation of this MOA, DOE ORO shall consult with the signatory party to resolve the objection. If after such consultation DOE determines that the objection cannot be resolved, DOE shall forward documentation relevant to the objection to the ACHP, including the DOE proposed response to the objection. Within forty-five (45) days after receipt of all pertinent documentation, the ACHP shall exercise one of the following options:
 1. Advise DOE that the ACHP concurs in DOE ORO's proposed final decision, whereupon DOE shall respond accordingly;
 2. Provide DOE with recommendations, which DOE ORO shall take into account in reaching a final decision regarding its response to the objection; or
 3. Notify DOE ORO that the objection will be referred to the ACHP's membership for formal comment and proceed to refer the objection and comment within forty-five (45) days. The resulting comment shall be taken into account by DOE ORO in accordance with 35 *CFR* Part 800.7(c)(4).

Should the ACHP not exercise one of the above options within forty-five (45) days after receipt of all pertinent documentation, DOE may assume the ACHP's concurrence in its proposed response to the objections. DOE ORO shall take into account any ACHP recommendation or comment provided in accordance with this stipulation with reference

only to the subject of the objection; DOE ORO's responsibility to carry out all actions under this MOA that are not the subject of the objections shall remain unchanged.

19. Termination:

1. If DOE ORO determines that it cannot implement the terms of this MOA, or any of the other signatory parties determines the MOA is not being properly implemented, the objecting party may propose to the other parties to this MOA that it be terminated.
2. The party proposing to terminate this MOA shall notify all consulting parties to this MOA explaining the reasons for termination and affording them at least 30 days to consult and seek alternatives to termination.
3. Should such consultation fail and the MOA be terminated, DOE ORO shall either consult in accordance with 36 *CFR* 800.6(a) to develop a new MOA or request the comments of the Council pursuant to 35 *CFR* 800.7(c).

Execution of this Agreement Document and implementation of its terms serve as evidence that DOE ORO has afforded consulting parties a reasonable opportunity to comment on the measures proposed to address the adverse effects resulting from D&D of K-25 and K-27 at ETTP, where both facilities are eligible for inclusion in the National Register of Historic Places, and that DOE ORO has taken into account the effects of this undertaking on these historic properties.

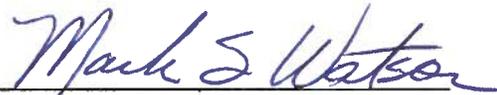
CITY COUNCIL MEMORANDUM
12-17

DATE: May 23, 2012
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager
SUBJECT: JOINT CONTINUING RESOLUTION BETWEEN THE OAK RIDGE CITY COUNCIL AND
THE OAK RIDGE BOARD OF EDUCATION

City Manager Watson presented an item for City Council's consideration at its last budget meeting which was a joint continuing resolution between the Oak Ridge City Council and the Oak Ridge Schools Oak Ridge Board of Education that continues the negotiations of the retirement of the Oak Ridge High School Project debt for up to one (1) year, and establishes a payment of all revenues generated by the 0.5% increase in the local option sales tax to the City by the School Board pay during negotiations. This essentially initiates a hold on further matters to allow a greater review of the long-term consequences of each entity's position.

The City of Oak Ridge and the Oak Ridge Board of Education would clarify for present and future city councils and school boards the responsibility and intentions for the retirement of all debt related to the Oak Ridge School. Extending the negotiations for one year will accomplish these clarifications and allow the bonded indebtedness to be paid.

As presented, the attached resolution outlines that the School Board will pay to the City all sales tax revenues held in reserve by the Schools to be used toward the retirement of the debt for the remodeling of the Oak Ridge High School. With the lack of said resolution, the City of Oak Ridge will require further adjustments in the City budget to accommodate and create a balanced budget for FY 2013. A corrective measure is presented elsewhere in the budget adoption agenda.


Mark S. Watson

Attachment

RESOLUTION

A JOINT RESOLUTION BETWEEN THE OAK RIDGE CITY COUNCIL AND THE OAK RIDGE SCHOOLS BOARD OF EDUCATION IN CONJUNCTION WITH THE FY2013 APPROPRIATIONS ORDINANCE RELATIVE TO RETIREMENT OF THE DEBT FOR THE OAK RIDGE HIGH SCHOOL PROJECT.

WHEREAS, the Oak Ridge City Council (City Council) and the Oak Ridge Schools Board of Education (BOE) desire to clarify for present and future city councils and school boards the responsibilities and intentions for the retirement of all debt related to the Oak Ridge High School; and

WHEREAS, by Ordinance No. 13-04, City Council called for a referendum on a proposed 0.5% increase in the local option sales tax "provided, however, the revenue from such increase shall be appropriated and expended for the purpose of funding and paying for construction, renovation, purchase of capital equipment, and/or retirement of school construction debt service for the Oak Ridge High School, and at such time as the high school debt service is paid in full, the sales tax proceeds collected as a result of this increase shall be distributed as prescribed by state law"; and

WHEREAS, the referendum was held on August 5, 2004, and voters overwhelming approved the 0.5% increase in sales tax (from 2.25% to 2.75%) for the purposes set forth in the ordinance; and

WHEREAS, on May 30, 2006, Anderson County voters overwhelming passed a referendum raising the county's local option sales tax to 2.75%, which effectively created a new formula for the distribution of sales tax proceeds to Oak Ridge, Clinton, and Anderson County schools; and

WHEREAS, on the November 22, 2005, BOE special meeting, a notice to proceed was given to renovate the Oak Ridge High School subject to the finance plan as developed by then Deputy City Manager Steve Jenkins, and as conveyed through then Mayor David Bradshaw; said project and funding model was approved by the School Board by a vote of five-to-zero (5-0); and

WHEREAS, the City has continued to use the additional revenue from the local option sales tax increase for high school debt payments as transferred through the Oak Ridge Schools General Fund, however, clarification is desired by City Council and the BOE for future governing bodies to understand the intent and use of this revenue; and

WHEREAS, City Council and the BOE desire to enter into this joint resolution setting forth the responsibilities and intentions with respect to the debt for the Oak Ridge High School project.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE, AND THE OAK RIDGE SCHOOLS OAK RIDGE BOARD OF EDUCATION:

That the Oak Ridge City Council (City Council) and the Oak Ridge Schools Board of Education (BOE) agree to use the revenues generated by the 0.5% increase in the local option sales tax as approved by Oak Ridge voters on August 5, 2004, and modified by Anderson County voters on May 30, 2006, solely for the retirement of the debt issued for the Oak Ridge High School project.

BE IT FURTHER RESOLVED that City Council and the BOE agree said revenues will be dedicated solely for that purpose and will not and cannot be used except for the purposes set forth in Ordinance No. 13-04, as approved by Oak Ridge voters on August 5, 2004, specifically: "for the purpose of funding and paying for construction, renovation, purchase of capital equipment, and/or retirement of school construction debt service for the Oak Ridge High School, and at such time as the high school debt service is paid in full, the sales tax proceeds collected as a result of this increase shall be distributed as prescribed by state law."

BE IT FURTHER RESOLVED that the City Council and the BOE concur and define that the BOE's proportionate share of all sales tax proceeds collected in Anderson County at .25% and proportionately provided to each Anderson County educational institution shall be fully applied to payment of the Oak Ridge High School debt with the Anderson County portion being applied to Oak Ridge High School debt for FY 2011-2012 and FY 2012-2013 or until further agreements are finalized between the City and the BOE.

BE IT FURTHER RESOLVED that said revenues will be reflected in specific line item detail within the audit of the City.

BE IT FURTHER RESOLVED that the Anderson County Trustee is approved and directed to transfer said revenues directly to the City for the specific purposes set forth above.

BE IT FURTHER RESOLVED that the City will delineate the use of said revenues in its annual audit and provide said financials to the BOE.

BE IT FURTHER RESOLVED that a certified copy of this joint resolution shall be delivered to the Anderson County Trustee upon execution by City Council and the BOE.

This the _____ day of _____ 2012.

FOR THE CITY OF OAK RIDGE, TENNESSEE:

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

FOR THE OAK RIDGE SCHOOLS

Thomas E. Bailey, Superintendent

OAK RIDGE BOARD OF EDUCATION:

W. Keys Fillauer, Chairman

CITY COUNCIL MEMORANDUM
12-19

DATE: May 23, 2012
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager
SUBJECT: SCHOOL BUDGET APPROPRIATION

At the May 14, 2012 meeting, City Manager Watson proposed a joint resolution between the City of Oak Ridge and the Oak Ridge Schools Board of Education in conjunction with the FY 2013 appropriations ordinance relative to retirement of the debt for the Oak Ridge High School project. The purpose of the resolution was to allow further discussion on future financing for City services and School services. The agreement has not come to pass.

In the alternative and in recognition of the State requirement for a balanced budget, the City of Oak Ridge must provide for proper budgeting of the debt service costs associated with the Oak Ridge High School 2004-2008 construction project. Prior agreement and financing plans for the Oak Ridge High School incorporated contributions of sales taxes from both the City and the Schools. The Board of Education has chosen to limit the amount of sales tax it had previously voted to contribute from School revenue sources toward the construction of the high school.

The City is required to meet bond requirements through its existing bond agreements on the project. In essence, this is the bond rating of the City that is in jeopardy and the overall rating of its citizens and is the first priority of City expenditures.

The City of Oak Ridge will continue its support of \$14,629,302 for the FY 2013 budget year. However, the High School bonded indebtedness payment for the year will be provided for first in accordance with the financing schedule approved by the Board of Education in November 2005 at their special called meeting. This amount will be \$766,470 for high school bond payment. Sales taxes transferred and provided by the Schools to the City will be credited against this amount. Any differential will be charged against the annual appropriation of the City. The Finance Director will provide an annual reconciliation of the amount required during the budget process of each fiscal year. The balance will be transferred to the Schools for any lawful school purpose.

Countywide sales taxes received by the Board of Education may be retained by the Board of Education as long as the Board continues to maintain that it is not obligated to contribute payment on the high school debt. As a minimum, those taxes collected in Oak Ridge are expected by the City to be transferred to the City of Oak Ridge per the referendum approved by the voters in August 2004. Non-Oak Ridge collected sales taxes may be retained, with the full recognition that any differential from the financial plan will be provided for first by the City of Oak Ridge to meet the bonded indebtedness obligation for Oak Ridge High School debt. This action is not intended to be a waiver of the City's position that it is entitled to all sales tax revenues collected by the Board of Education not just the Oak Ridge portion and assumes that the bonded indebtedness obligations of the City receive top priority.

It is recommended that the attached resolution setting forth the above provisions be approved.


Mark S. Watson

Attachments

**LEGAL DEPARTMENT MEMORANDUM
12-31**

DATE: May 3, 2012

TO: Honorable Mayor and Members of City Council

FROM: Kenneth R. Krushenski, City Attorney

SUBJECT: SALES TAX DISBURSEMENT TO THE CITY OF OAK RIDGE –
LETTER FROM SCHOOLS ATTORNEY CHARLES CAGLE DATED
OCTOBER 7, 2011

**OAK RIDGE HIGH SCHOOL CONSTRUCTION/RENOVATION PROJECT –
APPROXIMATELY \$67 MILLION TOTAL DEBT**

This Memo is a follow up to Legal Department Memorandums 12-03 and 12-05 which were provided to Council in January of this year.

Attached for Council's review are the following documents:

EXHIBIT A: Council Resolution 4-51-04 approved by Council on April 19, 2004. This Resolution required that *“prior to formal action by City Council to pursue funding for the Oak Ridge High School renovation project, the Oak Ridge Board of Education shall submit to the Mayor and Members of City Council a formal, written request for funding to support the project.”*

EXHIBIT B: Letter dated November 21, 2005 from Dr. Thomas E. Bailey, Superintendent of Schools, to Mr. Jim O'Connor, City Manager, which stated among other things that ... *“on November 22, 2005 the Oak Ridge Board of Education will hold a special meeting to review re-design plans for the Oak Ridge High School.”* Also - *“we anticipate that your City financial model supporting the project will also be discussed at that time as part of the decision process on moving the project forward to construction”*

EXHIBIT C: Minutes of the Oak Ridge Board of Education Special Meeting on November 22, 2005. Discussion of the High School Project is contained on pages 1-6. Discussion of the City's Financing Plan, as prepared and submitted by Steve Jenkins and City staff, begins on page 6.

EXHIBIT D: Letter dated November 23, 2005 from Dr. Thomas E. Bailey, Superintendent of Schools, to Mr. Jim O'Connor, City Manager, which confirms the actions taken and passed by a 5-0 vote by the Board of Education at the November 22, 2005 Special Meeting.

This information is presented to Council for review. If any Council member has any questions or comments, please give me a call.


Kenneth R. Krushenski

Attachment

**cc: Mark S. Watson, City Manager
Janice E. McGinnis, Finance Director**

RESOLUTION

WHEREAS, Thomas, E. Bailey, Superintendent of Oak Ridge Schools, has submitted a letter to the City Manager, dated April 14, 2004, regarding the need for renovation of the Oak Ridge High School; and

WHEREAS, said letter indicates that the Oak Ridge Board of Education at its meeting of April 13, 2004 approved proceeding with Option B, *21st Century School at Existing Site*, as contained in the Oak Ridge High School Planning Study presented by Heery International, Inc.; and

WHEREAS, said Option B includes renovation of existing buildings at the Oak Ridge High School as well as demolition of existing buildings and construction of new facilities; and

WHEREAS, the maximum cost for funding Option B is projected to be \$58,000,000.00; and

WHEREAS, it is imperative to proceed expeditiously with investigation of methods to fund the Oak Ridge High School renovation project if actions are to be taken in time to meet the deadline for placing questions on the ballot for the August 5, 2004 county general election.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCILMEN OF THE CITY OF OAK RIDGE, TENNESSEE:

That the City Manager is hereby directed to investigate methods for funding the renovation of the Oak Ridge High School in accordance with Option B, *21st Century School at the Existing Site*, as contained in the Oak Ridge High School Planning Study presented by Heery International, Inc., in an amount not to exceed \$58,000,000.00.

BE IT FURTHER RESOLVED that prior to formal action by City Council to pursue funding for the Oak Ridge High School renovation project, the Oak Ridge Board of Education shall submit to the Mayor and Members of City Council a formal, written request for funding to support the project.

This the 19th day of April 2004.

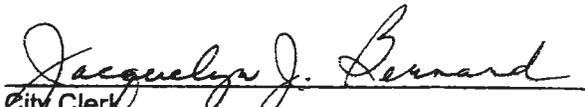
APPROVED AS TO FORM AND LEGALITY:



City Attorney



Mayor



City Clerk



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

Telephone: (865) 425-9001
Fax: (865) 425-9070

Dr. Thomas E. Bailey
Superintendent
email: tbailey@ortn.edu

November 21, 2005

Mr. Jim O'Connor
City Manager of the City of Oak Ridge
P.O. Box 1
Oak Ridge, TN 37830

Dear Jim,

On November 22, 2005, the Oak Ridge Board of Education will meet in a special meeting to review the redesign plans for the Oak Ridge High School. At that session, it is anticipated that a significantly reduced bid price, project scope, and contracting approach will be evaluated and approved for implementation. In anticipation of that action, I am requesting, through this letter, that an additional agenda item (ORHS Project Update) be placed on your November 28, 2005 City Council work session. A school system representative will be made available to discuss the redesign concept, price, and contract strategy to the City staff and Council. We anticipate that your City financial model supporting the project will also be discussed at that time as part of the decision process on moving the project forward to construction.

Please give me a call if you have any questions on this request. I look forward to a meaningful discussion with you and the City Council on the 28th of November.

Sincerely,

Thomas E. Bailey, Ed.D.
Superintendent of Schools

TEB:gw

NOV 21 2005
2005 NOV 21 F 3:01

CITY MANAGER

EXHIBIT B

Dist. to Council

OAK RIDGE SCHOOLS
Oak Ridge, Tennessee

OAK RIDGE CITY CLERK

2005 JAN -5 A 7:58

OAK RIDGE BOARD OF EDUCATION
SPECIAL MEETING - NOVEMBER 22, 2005
Conference/Seminar Room - School Administration Building
2:00 p.m.

A special meeting of the Oak Ridge Board of Education was held on Tuesday, November 22, 2005, in the conference/seminar room of the School Administration Building. Members of the Board present were: Mr. John W. Smith, Jr., Chairman, Ms. Angi Agle, Mr. Dan DiGregorio, Mr. Keys Fillauer, and Ms. Jennifer Richter. Also present were: Dr. Thomas Bailey, Superintendent of Schools, Dr. Dale Dobbs, Assistant Superintendent of Schools, Ms. Karen Splinter, Director of Business and Support Services, and other staff members.

I. CALL TO ORDER

The Chairman called the meeting to order at 2:00 p.m., and stated its purpose as one Item for Action, Approval of Revisions on the Construction Document for the New Oak Ridge High School from Messer Construction (lowest bidder).

II. ITEM FOR ACTION

A. Approval of Revisions on the Construction Document for the New Oak Ridge High School from Messer Construction (lowest bidder)

The Superintendent recommended the Board of Education approve the revised bid proposal and modification in contract to CM at risk. The Board of Education will issue a notice to proceed to Messer Construction on the project unless the Oak Ridge City Mayor, David Bradshaw, advises the Chairman of the Board of Education, John W. Smith, Jr., before December 5, 2005 of any funding issues to be resolved by the City of Oak Ridge. Copies of a letter from the Superintendent to Mr. Jim O'Connor, City Manager of the City of Oak Ridge, revisions for ORHS Partial Floor Plan - Areas A&B, Partial Main Level Floor Plan - Area A, Partial Gym Level Floor Plan - Area A, Partial Gym Level Floor Plan - Area B, Partial Main Floor Plan - Area F, North Elevation @ Existing Gym, South Elevation @ Gym Lobby, and Section/Elevation @ Entry Lobby, were attached to the agenda materials.

Ms. Richter moved for approval of the Superintendent's recommendation. Seconded by Mr. DiGregorio.

The Superintendent recalled that at the last Board meeting, the Board had charged that a meeting with Messer Construction be scheduled to look at reductions and costs

EXHIBIT C

in trying to reduce the price of the project due to the overbid. Mr. Greg Peirce of Herry International, Project Manager, explained that he had met with Messer Construction (low bidder) on November 10, 2005. He said a list had been developed of where it was thought costs could be reduced on the project. He pointed out that following that meeting, time was allowed for Messer Construction to put pricing on those approved items and for DLR to develop some design revisions. Mr. Peirce noted that because the magnitude of the over run was great enough, it was felt that not only small cost reduction items had to be looked at, but also to look at some redesign as well.

Mr. Peirce explained that on Friday, November 18, a meeting was held again to review the cost revisions, that hopefully would be accepted to bring the bid down from the original number. He pointed out that 3.5 million dollars were found in cost reductions/value engineering by looking at different items. He said Heery's experience has been that the contractor always has a lot of good suggestions, because they see the reality in the markets. He pointed out that most of the suggestions had been generated by Messer from their subcontractors on where the subcontractors thought they could save money. Mr. Peirce said the substitutions were not made easily, but they were fairly easy in terms of substitutions of one manufacturer for another for items that were less expensive.

Referring to the Lead requirements, Mr. Peirce explained that Lead Certification was still being anticipated, but it would not be Silver Certification. He said waterless urinals, electric sensor flush, and lavatory controls have been taken out; this compromised a Lead point in the certification, but approximately \$90,000 has been saved in those items. He pointed out that by changing drain pans from stainless steel to galvanized construction resulted in a savings of over \$400,000, and taking some equipment down from a premium grade efficiency to a standard grade efficiency also resulted in savings. He referred to the curved wall in the classroom in the Learning Center, and said the mason had suggested a significant amount of money in labor could be saved (\$60,000 to \$70,000) by making the wall from straight segments instead of one continuous curve. Mr. Peirce noted that the visual screens on the rooftop equipment were eliminated, as well as the pizza oven, the site and landscape construction were looked at; the brick on the brick faced walls were eliminated and now concrete has been substituted.

Mr. Peirce pointed out that three quarters of a million dollars were saved in finish modifications, i.e., standard grades were used in colors for items such as a solid surface counter top, window sill materials; there were not as many color selections there, but money was saved by doing this. He said costs were saved by eliminating the vinyl wall covering in the administrative area; approximately \$180,000 was saved by going to a lower grade in vinyl competition tile. Paint and carpet selections were looked at, i.e., final selections were pending, but different manufacturers and

different specification levels were being looked at to get the cost down. Mr. Peirce pointed out that there were significant savings in purchasing acoustic tiles by changing the manufacturer and going to a different pattern in quite a few areas; there was also a change in the grid that would hold the acoustic tiles. He explained that approximately \$400,000 was saved in audio/video systems due to their costs being in two different budgets. Mr. Peirce noted that 3.3 million dollars have been saved in the accumulated totals in those items.

Ms. Richter referred to the Quality Level Reductions, and going from stainless to galvanized, and inquired whether or not galvanized pieces would last. Mr. Peirce answered that the best material to use would be stainless steel, but it was also very expensive; the standard was to use the galvanized materials. He explained that this was reviewed with Mr. Barth, from a maintenance point of view, and it was felt that it was worth doing for the resulting savings. The Chairman commented that the project has gone from a custom to a standard selection; custom over a premium cost.

Referring to Scope Reductions, Site and Landscape Construction, Mr. Fillauer pointed out that prior to the bid going out, one of the areas cut back was in landscaping. He said it was now cut back again, and asked for clarification. Mr. Peirce replied that it was the same as was seen in the documents before it went to bid. It was not what the full plan had been in the original schematic design, because a significant amount of money has been cut from there.

The Superintendent pointed out that the Board was seeing things that have been accepted as reductions, but there were items that were also rejected. The Chairman explained that when the bids were opened, there were a number of things to review and to prioritize in reducing costs. He said some of the items made sense to reduce, and some items did not, because the Board wanted a quality school to be built for the 21st Century. He explained that the Superintendent had a list of those items, and said he wanted to make sure that the members of the Board understood that it was not just making a list of items that added up to 3.3 million dollars, it was a struggle.

Mr. DiGregorio asked if any of the reductions affected the educational environment. Mr. Peirce answered that he was happy to say no, none of the reductions compromised programming in anyway. A discussion on cosmetic issues took place. The Superintendent pointed out that when this process had started, the members of the Board had directed him and other key personnel, to go back and negotiate with one caveat in mind, and that was not to compromise the educational program and the instructional integrity in delivering 21st Century education.

Mr. Jim French, DLR, explained that when the design reductions were looked at, the question was where to look that would not compromise the education process in the school, and the answer kept coming back to the gym lobby. He said it was not because the gym lobby was not important, because it was. He pointed out that it was a large space, and would still be a large space, it would function very well, but there

would be some cost reductions. Mr. French referred to Partial Main Level Floor Plan - Area A, and noted that this was the option being recommended to the Board; the floor plan was decreased by about 2,500 sq. ft., which was a positive move, because it would help with the security and the ticketing of the lobby, it would become a large kiosk within this large space. Mr. French pointed out that a concern had been how close part of the project was being built to the existing building, which would require a lot of shoring during construction. He explained that Messer felt that the triangle shape of the lobby did need to maintain itself; it was a triangle because there were three different places/connections coming into this lobby, which made it difficult to go to anything else other than this concept. He said it was decided to place all of the program area inside the triangle. Mr. French explained that included the display for the Hall of Champions, ticketing, and concessions.

Referring to the current lobby, Mr. French explained that Messer had said that it would better to demolition it, and then to remodel. He said it would still be a very large space; the structure would just be simplified. Referring to the Competition Gym, Mr. French noted that it has remained the same, and was in a perfect location. He said what was being proposed was to take the square footage from the concession stands and the display areas and to put them inside the box.

Referring to the lower level, Mr. French explained that the hallway was straightened out, which simplified the structure; cost savings was mainly just in the structural savings. He pointed out that the training room and the four coaches' offices have been moved inside the building; fitness training has been moved to where the weight room multi-purpose room had been. He said the square footage of about 3,300 was still maintained for the weights, i.e., approximately 1,100 sq. ft. (30-35% increase) bigger than what was currently there.

Mr. French explained that the location of the cheerleaders' dressing and locker rooms had to be relocated, and was flipped with the boys' locker room. He said the Student Store has been moved back to the Commons area; it would be in a high traffic area, and should work very well.

Mr. Fillauer recalled that previously when cuts were made in other gymnasium projects, a number of things were lost, the one thing being storage. He pointed out that some things have been moved around and additional spaces have been taken up, and wondered if the people working in those areas would ask what happened to all of the storage. Mr. French replied that was a tough question to answer, because there never was enough storage. He said it may happen although no storage areas in the Competition Gym, and all of the locker rooms would still have their own storage, i.e., boys and girls' basketball, and soccer, and if it was a new locker room, storage was provided. He pointed out that it was believed the storage was the size currently in the district today; all sports programs would have adequate storage.

Mr. Peirce noted that the total construction budget and target number prior to going out to bid was \$40,935,000. He pointed out that Messer Construction's bid for the 100% construction documents before any of the revisions was \$50,545,000. He said the cost reduction items totaled \$3,500,000, the drawings represented another \$310,000, i.e., gymnasium - training room moved inside and was included in cost reduction items. He explained that was another \$140,000, which totaled \$450,000 in terms of those configurations were spread into the two pieces. Mr. Peirce said that would make the revised construction award prize of \$46,735,000, and that was the number Messer Construction was now looking at if the Board accepted the recommendations. He pointed out that additional funding of \$5,800,000 was needed.

Mr. Peirce said one of the things he would like to recommend was to go to a construction management form of contract. He explained that Messer had made an offer that it was felt had no downside. He said Messer was willing to take that revised number of \$46,735,000 and guarantee it to Herry as a guaranteed maximum price under a construction management agreement. He pointed out that the primary difference from a lump sum or a hard-bid contract was if savings were found during the course of buying this project out with all of the subcontractors, those savings would return to the School Board. Mr. Peirce said the reality was that a very large portion of the subcontracts would be committed very quickly so there would not be the opportunity for savings.

Referring to the reason for going to a lump sum versus a construction management was a timing issue, Mr. Peirce said. He explained that traditionally, what happened was that a construction management (GMP) was typically higher than a lump sum. He commented that it was fortunate that Messer was willing to treat the same number both ways, i.e., if it went to a lump sum it would be \$46,735,000, or if it went to construction management (GMP), it would be the same \$46,735,000. Mr. Peirce noted that it may give some potential for savings in the future, and also from a timing point of view. He explained that traditionally, construction management was used when there was a big hurry, and there was not time to develop documents.

Mr. Peirce explained that because of going to a construction management contract, Messer would guarantee that as a maximum based on these drawings, the School Board would be protected as an upset maximum at that number. He said the same protection would be had under a lump sum, but there was also now a mechanism to develop the designs, and to work with Messer in order to finalize those designs to not exceed that price. He pointed out that would allow the project to move ahead.

The Chairman asked if there were any roof-line changes in any of the designs that were not discussed yet. Mr. French answered yes, the only change was that a positive roof would be looked at instead of the barrel vault that was on the gymnasium; some people referred to it as a flat roof. He pointed out that the height of the gymnasium was not lowered at all, because there was the large scoreboard in the middle of it; the difference was in the structural system.

Mr. DiGregorio asked if the change in the structural system was in the cost savings. Mr. French responded that it was built into the \$310,000 cost savings. He explained that accurate drawings would be given to Messer on how that would be changed, and then they would price it again. He said a little bit more money could have been saved if the height of the gymnasium was brought down by 3' to 5', but that may compromise things; the roof height was left much the same, and it was a less expensive structural system. Mr. DiGregorio asked if that would compromise the strength of the roof in any way. Mr. French replied no.

Referring to the phasing aspects, the Chairman inquired whether any had been modified. Mr. Peirce replied no, not if the schedule was to be followed.

Mr. Peirce said a recommendation to move ahead, and approval of the suggestions for the reductions in cost were being sought today. He explained that they would like to suggest the ability to go to a Notice To Proceed, which would allow Messer to begin committing funds with their subcontractors. He said they want to lock those prices down; not only was there a window to lock down prices, but there also was a window to get under construction. Mr. Peirce explained that hopefully, construction could get started by mid-December. He said by the end of the month they would be mobilized and working, and that was the amount of time needed to get the Second Phase of the Learning Classroom done in time to start moving students in to maintain that complicated phasing plan in place to keep everybody on track.

The Superintendent noted that the timeline was critical. He explained that Mr. Mike Messer had said in order to get this thing under contract, ground had to be broken in January. He said there would be a major problem if it was not done in that time frame.

Financing

The Chairman commented that when this project was started, the Board knew that the community was behind it 110%. He said it was also known that the Education Foundation, businesses, DLR, Heery, and City Council all were partners in this effort. He commended Messer Construction for stepping forward and putting their efforts in helping to make this work has shown the Board that they would be a partner in this project; it would be a partnership effort to get the school completed. The Chairman pointed out that the next step would be the financing. He recalled that City Council had developed the financial model to move forward with the previous figure. He said the Superintendent has been working with the City Manager and staff in trying to figure where to go from here.

The Superintendent pointed out that the Board and staff was charged with designing a building that would serve the educational program, and that has been done. He said

it was significant to note, that a bid that was 25% over was now cut to approximately 14% over, which spoke volumes for Messer and the subcontractors working with the Board. He commended Messer Construction for spending a lot of time in putting a very thorough package together.

The Superintendent explained that a discussion had taken place of what to do, including rebidding this project again. He said there was no reason to think anything would be better by waiting, or rebidding the project than what was on the table now; if anything it may be worse. He explained that if this was not done in the time frame discussed, the process would have to be started all over again with no guarantee of any funding situation being better than what was before the Board and City now. The Superintendent commented that there may be a minimum delay of a year before going into contract if this was delayed. He said he and the Board were very concerned about Building "A" that was somewhat compromised right now.

Referring to the funding package/model, the Superintendent said it was put together by the City, and that was why the motion spoke to the fact that if the Board approved the recommendation, they felt comfortable in saying that this would be a building that would be a good building, a building that would serve students well for the next 50 years, and that the Board of Education was recommending to proceed with a Letter of Intent. He explained that would be based on the Mayor advising the Chairman of the Board before December 5, 2005 as suggested by the City staff. He said that was why the recommendation read the way it did.

The Chairman clarified that if this was approved this afternoon, it would go before City Council, at least in letter format. He said City Council had a work session scheduled on Monday, November 28, 2005. He reiterated that the Superintendent has been working with City staff, and Mr. Jim Webster, School Attorney, has reviewed the process that the Board needed to go through.

Ms. Agle asked if the Board would be going into any "gray" areas by issuing a Notice to Proceed, even though it was known that the bid was over the original budget. She also inquired whether or not City Council gave a constraint on the amount not to be exceeded. Mr. Webster explained that he was not speaking on behalf of City Council, but said he has met with the finance staff of the City. He pointed out that the recommendation as presented to the Board has been discussed with the City staff, and they were comfortable with the recommendation as presented by the Superintendent to the Board.

The Chairman noted that this recommendation was not a recommendation to issue a Notice to Proceed, at this point. He said a Notice to Proceed would not be issued if the Board heard from Mayor Bradshaw by December 5, 2005. Mr. Webster pointed out that the City staff would like to see the action of the Board, and has said by

waiting until December 5, and if there were concerns from the City, that would allow the City adequate time to express those concerns through Mayor Bradshaw to the Chairman. The Superintendent clarified that if the Board did not hear on any of the issues by December 5, it would mean that the funding model was appropriate for the project. He explained that Mr. Jenkins and staff, had put together that funding model based on what the Board has and what had been done today. He said if that did not work, and it was his job to say whether or not it would work, it would mean that a redesign had to be done again, and another year and a half would go by.

Ms. Richter commented that it was the School Board's job to do what it has done, and that was to show a need for this building, a way to do it had been found, it has been designed, and it was now at a particular price. She explained that the Board's job now was to present to City Council what the Board believed it needed, and it was their job to consider it and to decide whether or not to fund it. Ms. Richter said it seemed to her that the Board has the information it needs to proceed today, with the Board's recommendation as it was.

Mr. Fillauer said he agreed, but the first question each Board member would be asked after this meeting was what would it cost the taxpayers of the community after spending 5.8 million dollars more than the original cost. The Chairman commented that the Board did not have an answer yet. Ms. Richter pointed out that the only comments she has had from citizens were their support to have this building built, basically, no matter what. She added that they believed in the building, they believed in going forward, and they wanted to see it done now. She said she thought the first comment would be that they were glad to see it moving forward. Mr. Fillauer explained that based on the fact that when the bid went over, he has not heard one negative comment, and when someone did comment, it was directed toward completion; not to compromise what had been offered, and to find a way to make it work.

Mr. Andy Marathe, 121 Westlook Circle, asked what kind of contingency was built into these figures. The Superintendent replied that the in-progress contingency was 2.1 million dollars, e.g., 5%. Mr. Marathe questioned that if the construction management concept was used, and there were some unforeseen circumstances in which the costs went up, what were the advantages or disadvantages by going to a fixed lump sum dollar price versus construction management. Mr. Peirce answered that the advantage here was that there was a completed set of documents, so the protection was exactly the same; the protection you have against increases in price was based on the quality of those documents. Mr. Webster pointed out that it was not the classic construction management approach Mr. Peirce had spoken of, in which the contractor still bore responsibility for the subcontractors who worked under his contract. He explained that in true construction management, each contractor has a contract with the owner directly, and there was not a person with overall responsibility. He said this school system had previously had a school built under the construction management approach, and for people with a long memory, that was not

the approach that would be followed in this case. Mr. Peirce added that there was only one contract that the school would have and that was with Messer Construction, and they would be responsible for all subcontractors; it would be the exact same guaranteed surety that you would have under a lump sum contract.

Mr. Andy Lorenz, Messer Construction, explained that his personnel have been looking at this project for months. He said they did not want to do anything that would jeopardize the building, and they want to be part of it, and were excited to be part of it. He pointed out that there was one important fact that went beyond the contractual limits and parameters between lump sum and construction management. He pointed out that construction management takes down a wall or a barrier between a contractor and the owner and the designer. He said it brought everybody together as a team.

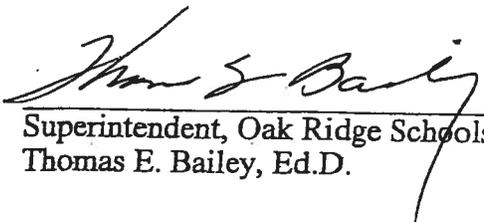
Mr. Marshall Whisnant, 1039 W. Outer Drive, said he had run into Dr. Bill Fox, a University of Tennessee Professor, who many say was the finest economist in the United States. He pointed out that Dr. Fox was very enthusiastic about what the Board and the community has been up to in the renewal of ORHS. He said he, himself, shared in that enthusiasm, and thought it was wonderful. He congratulated all parties involved in this process.

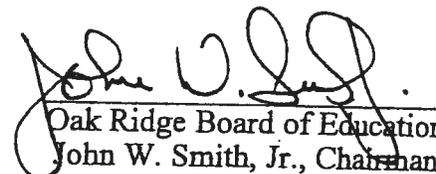
The motion carried 5-0.

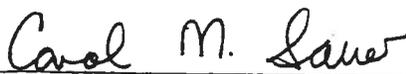
The Chairman said the Board appreciated the efforts that everyone has put in over the last few weeks to reach this point to move it forward, or at least to move it before the City Council. He pointed out that it was clear that the community was still behind the project, and hopefully, they would be with what has been approved today. He said he appreciated everyone's comments.

ADJOURNMENT

The Chairman adjourned the meeting at 3:30 p.m.


 Superintendent, Oak Ridge Schools
 Thomas E. Bailey, Ed.D.


 Oak Ridge Board of Education
 John W. Smith, Jr., Chairman


 Clerk, Oak Ridge Board of Education
 Carol M. Sauer

1/3/06
 Date Approved



November 23, 2005

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

Telephone: (865) 425-9001
Fax: (865) 425-9070

Dr. Thomas E. Bailey
Superintendent
email: tbailey@ortn.edu

Mr. Jim O'Connor
City Manager
City of Oak Ridge
P.O. Box 1
Oak Ridge, TN 37831

Dear Jim,

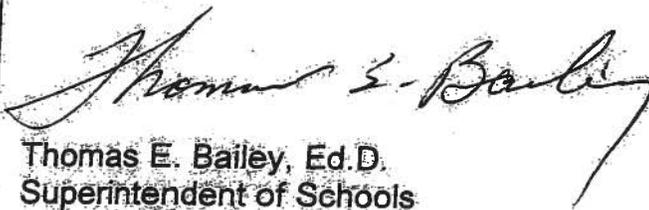
At the Special Called Board of Education meeting yesterday, (November 22, 2005), the Board approved the following recommendation:

"The Board of Education approves the revised bid proposal and modification in contract to CM at risk. The Board will issue a notice to proceed to Messer Construction on the project unless the Oak Ridge City Mayor, David Bradshaw, advises the Chairman of the Board of Education, John W. Smith, Jr., before December 5, 2005 of any funding issues to be resolved by the City of Oak Ridge."

As I understand it, the City Council will review this recommendation at their upcoming work session on Monday, November 28. A school system representative will be present to discuss any redesign concepts, price, and contract strategy with City staff and City Council.

Please contact me if you need any additional information.

Sincerely,



Thomas E. Bailey, Ed.D.
Superintendent of Schools

EXHIBIT D

RESOLUTION

A RESOLUTION TO SET FORTH REPAYMENT OF THE BONDED INDEBTEDNESS FOR THE OAK RIDGE HIGH SCHOOL CONSTRUCTION PROJECT.

WHEREAS, the Oak Ridge City Council (City Council) and the Oak Ridge Board of Education (Board of Education) have attempted to mutually resolve the responsibilities and intentions for the retirement of all debt related to the Oak Ridge High School construction project; and

WHEREAS, by Ordinance No. 13-04, City Council called for a referendum on a proposed 0.5% increase in the local option sales tax "provided, however, the revenue from such increase shall be appropriated and expended for the purpose of funding and paying for construction, renovation, purchase of capital equipment, and/or retirement of school construction debt service for the Oak Ridge High School, and at such time as the high school debt service is paid in full, the sales tax proceeds collected as a result of this increase shall be distributed as prescribed by state law"; and

WHEREAS, the referendum was held on August 5, 2004, and voters overwhelming approved the 0.5% increase in sales tax (from 2.25% to 2.75%) for the purposes set forth in the ordinance; and

WHEREAS, on May 30, 2006, Anderson County voters overwhelming passed a referendum raising the county's local option sales tax to 2.75%, which effectively created a new formula for the distribution of sales tax proceeds to Oak Ridge, Clinton, and Anderson County schools; and

WHEREAS, subsequently the November 22, 2005, at the Board of Education Special Meeting a notice to proceed was given to renovate the Oak Ridge High School subject to the finance plan as developed by then Deputy City Manager Steve Jenkins, and as conveyed through then Mayor David Bradshaw; said project and funding model was approved by the Board of Education by a vote of five-to-zero (5-0); and

WHEREAS, at this time, the Board of Education has not approved a proposed joint resolution with City Council to resolve the issue of repayment of this debt and has determined to limit the amount of sales tax the Board of Education contributes toward repayment; and

WHEREAS, in order to provide a balanced budget, the City must provide for proper budgeting of the debt service costs; and

WHEREAS, the City will continue its support of \$14,629,302.00 to the schools for the FY 2013 budget year, however, the Oak Ridge High School bonded indebtedness for the year (\$766,470.00) will be provided for first in accordance with the financing schedule approved by the Board of Education at the November 22, 2005, special meeting; and

WHEREAS, any sales tax transferred and provided to the City by the Schools will be credited against this bond payment amount and any differential will be charged against the annual appropriation of the City; and

WHEREAS, the City's Finance Director will provide an annual reconciliation of the amount required during the budget process each fiscal year, and the balance will be transferred to the Schools for any lawful purpose; and

WHEREAS, for so long as the Board of Education maintains that it is not obligated to contribute payment on the debt, countywide sales taxes received by the Board of Education may be retained; and

WHEREAS, at a minimum, the sales tax revenues collected in Oak Ridge are expected by the City to be transferred to the City per the referendum approved by the voters in August 2004; and

WHEREAS, non-Oak Ridge collected sales tax may be retained, with the full recognition that any differential from the financing plan will be provided for first by the City to meet the bonded indebtedness obligation for the Oak Ridge High School debt; and

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

That the City will continue its support of \$14,629,302.00 to the Oak Ridge Schools for the FY 2013 budget year, however, the Oak Ridge High School project bond indebtedness payment for the year (\$766,470.00) will be provided for first in accordance with the City's financing plan as presented to and approved by the Oak Ridge Schools Board of Education at its November 22, 2005, special meeting.

BE IT FURTHER RESOLVED that any sales tax transferred and provided to the City by the Schools will be credited against this bond payment amount and any differential will be charged against the annual appropriation of the City.

BE IT FURTHER RESOLVED that the City's Finance Director will provide an annual reconciliation of the amount required during the budget process each fiscal year, and any amount exceeding above and beyond the financial plan requirements and reserve requirements will be transferred to the Schools for any lawful purpose.

BE IT FURTHER RESOLVED that for so long as the Board of Education maintains that it is not obligated to contribute payment on the debt, countywide sales taxes received by the Board of Education may be retained; however, at a minimum, the sales tax revenues collected in Oak Ridge are expected by the City to be transferred to the City per the referendum approved by the voters in August 2004.

BE IT FURTHER RESOLVED that non-Oak Ridge collected sales tax may be retained, with the full recognition that any differential from the financing plan will be provided for first by the City to meet the bonded indebtedness obligation for the Oak Ridge High School debt now and for all future budget years until such time as the debt is paid in full or other arrangements are agreed to by the City and the Board of Education.

BE IT FURTHER RESOLVED that by this action the City does not waive its position that the City is entitled to all sales tax revenues collected by the Board of Education and not just the Oak Ridge portion of said revenues, thereby meeting the intent of the referendum passed by the voters on August 5, 2004 and Ordinance No. 13-04.

This the 29th day of May 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

**FINAL ADOPTION
OF
ORDINANCES**

CITY CLERK MEMORANDUM

12-24

DATE: May 24, 2012

TO: Honorable Mayor and Members of City Council

FROM: Diana R. Stanley, City Clerk

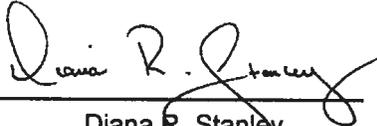
SUBJECT: RECOMMENDED AMENDMENTS TO THE BUDGET APPROPRIATIONS ORDINANCE

Attached for City Council's consideration is the budget appropriations ordinance that was approved on first reading at the May 14, 2012 City Council Special Meeting.

Also, attached are two (2) cover memorandums—one from City Manager Mark S. Watson and the second, from Finance Director Janice E. McGinnis—recommending amendment to the ordinance as follows:

1. Amend Section 5 to decrease the transfer to the General Purpose School Fund for Operations from the General Fund by \$766,470.00 (for a total of \$13,862,832.00) and to increase the transfer to the Debt Service Fund from the General Fund by \$766,470.00 (for a total transfer of \$4,311,470.00).
2. Amend Section 3 to increase the Capital Projects Fund appropriation by \$100,000.00 (for a total appropriation of \$3,685,000.00) and decrease the Special Programs Fund by \$100,000.00 (for a total appropriation of \$918,302.00), and to amend Section 5 to increase the transfer to the Capital Projects Fund from the Special Programs Fund by \$100,000.00 (for a total transfer of \$300,000.00).

All the additional information regarding the recommended amendments can be found in their respective memo.


Diana R. Stanley

Attachments

CITY COUNCIL MEMORANDUM
12-18

DATE: May 23, 2012

TO: Honorable Mayor and Members of City Council

FROM: Mark S. Watson, City Manager

SUBJECT: FY 2013 BUDGET APPROPRIATION ORDINANCE AMENDMENT TO ACCOMMODATE DEBT SERVICING REQUIREMENTS FOR OAK RIDGE HIGH SCHOOL DEBT

In the event the Oak Ridge Board of Education has not approved the proposed joint resolution regarding the Oak Ridge High School Debt, the following amendment to the FY 2013 budget appropriations ordinance is recommended.

Background:

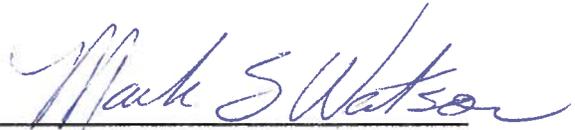
For the past several months, the City of Oak Ridge and the Oak Ridge Board of Education have attempted to reach an agreement for payment of the bond indebtedness for the Oak Ridge High School construction project. At a special called meeting on November 22, 2005, the Oak Ridge Board of Education determined the level of construction required for the high school and reviewed the financing plan as developed by the City, unanimously approving the City's funding approach for this major capital project. This plan estimated certain dollar amounts that would be provided from the Anderson County educational sales tax of .25%. A copy of Legal Department Memorandum 12-31, dated May 3, 2012, was provided to City Council. It contains the minutes of the School Board's November 2005 meeting in addition to Resolution 4-51-04 and letters from Dr. Bailey to then City Manager Jim O'Connor.

Contrary to what they voted on at the November 2005 meeting, the Oak Ridge Board of Education determined that they are only obligated to provide sales taxes from the education sales tax disbursement through Anderson County for sales generated in the City of Oak Ridge, allotting sales taxes generated outside of Oak Ridge for their general school purposes. This interpretation has not been accepted by the City Council, but was approved by the Oak Ridge Board of Education at their April 30, 2012 meeting.

The City of Oak Ridge, which has final budgetary approval authority over school expenditures by City Charter, has prioritized the payment of debt servicing for the Oak Ridge High School. The required participation amount was prioritized in the debt servicing plan for the City in 2005 and will be reflected in the 2013 budget and future city budgets per the financing plan as attached. Any financial payments received from the Oak Ridge Board of Education for purposes of paying off Oak Ridge High School debt will be reflected and credited by the City Finance Director, with the balance to be reflected in the general appropriation for school purposes. As such, it is recommended that City Council amend the FY 2013 budget appropriation ordinance to provide a balanced budget for the upcoming fiscal year as follows:

To amend Section 5 to decrease the transfer to the General Purpose School Fund for Operations from the General Fund by \$766,470.00 (for a total transfer of \$13,862,832.00) and to increase the transfer to the Debt Service Fund from the General Fund by \$766,470.00 (for a total transfer of \$4,311,470.00).

This adjustment following the agreed upon financing plan will provide guidance for future budgeting by both the City and the School and meet the long term High School Debt obligation of our citizens.



Mark S. Watson

Attachments

High School Renovation Debt Service and Funding Requirements

Date	ORHS Debt Service	Sales Tax City		Sales Tax Schools		Total Sales Tax		Private Contributions applied to School Debt		City Contributions		Total Sales Taxes and Contributions		Annual Debt Service Payments Less and Contributions		High School Reserves Balance		QZAB
FY05	-	1,808,627	-	1,808,627	-	1,808,627	-	-				1,808,627	1,808,627	1,808,627	1,808,627	1,808,627	1,808,627	0
FY06	-	2,436,392	-	2,436,392	-	2,436,392	-	-				2,436,392	2,436,392	2,436,392	2,436,392	2,436,392	2,436,392	337,042
FY07	-	1,298,971	671,717	1,970,688		1,970,688						1,970,688	1,970,688	1,970,688	1,970,688	1,970,688	6,215,707	108,468
FY08	-	1,370,690	708,406	2,079,096		2,079,096						2,079,096	2,079,096	2,079,096	2,079,096	2,079,096	8,294,803	150,954
FY09	-	1,296,330	724,547	2,020,877		2,020,877						2,020,877	2,020,877	2,020,877	2,020,877	2,020,877	10,315,680	361,567
FY10	2,232,793	1,352,856	776,634	2,129,490		2,129,490						2,129,490	2,129,490	(103,303)	10,212,377	10,212,377	402,146	
FY11	2,347,192	1,372,169	790,913	2,163,082		2,163,082						2,163,082	2,163,082	(184,110)	10,028,267	10,028,267	403,366	
FY12	2,896,322	1,316,596	758,881	2,075,477		2,075,477						2,075,477	2,075,477	(820,845)	9,207,422	9,207,422	403,531	
FY13	2,939,322	1,329,762	766,470	2,096,232		2,096,232						2,096,232	2,096,232	(843,090)	8,364,332	8,364,332	511,863	
FY14	2,979,947	1,343,060	774,135	2,117,194		2,117,194						2,117,194	2,117,194	(862,753)	7,501,579	7,501,579	511,863	
FY15	3,018,697	1,356,490	781,876	2,138,366		2,138,366						2,138,366	2,138,366	(880,331)	6,621,249	6,621,249	511,863	
FY16	3,055,572	1,370,055	789,695	2,159,750		2,159,750						2,159,750	2,159,750	(895,822)	5,725,426	5,725,426	511,863	
FY17	3,091,572	1,383,756	797,592	2,181,347		2,181,347						2,181,347	2,181,347	(910,225)	4,815,202	4,815,202	511,863	
FY18	3,125,259	1,397,593	805,567	2,203,161		2,203,161						2,203,161	2,203,161	(922,098)	3,893,104	3,893,104	511,863	
FY19	3,156,509	1,411,569	813,623	2,225,192		2,225,192						2,225,192	2,225,192	(931,317)	2,961,787	2,961,787	511,863	
FY20	3,085,884	1,425,685	821,759	2,247,444		2,247,444						2,247,444	2,247,444	(838,440)	2,123,348	2,123,348	511,863	
FY21	3,115,884	1,439,942	829,977	2,269,919		2,269,919		1,400,000				3,669,919	3,669,919	554,035	2,677,382	2,677,382	511,863	
FY22	5,143,884	1,454,341	838,277	2,292,618		2,292,618			2,800,000			5,092,618	5,092,618	(51,266)	2,626,116	2,626,116	511,863	
FY23	5,520,384	1,468,885	846,660	2,315,544		2,315,544			2,800,000			5,115,544	5,115,544	(404,840)	2,221,277	2,221,277	511,863	
FY24	6,154,341	1,483,574	855,126	2,338,700		2,338,700			2,800,000			5,138,700	5,138,700	(1,015,641)	1,205,635	1,205,635	511,863	
FY25	5,331,132	1,498,409	863,677	2,362,087		2,362,087			2,800,000			5,162,087	5,162,087	(169,045)	1,036,590	1,036,590	511,863	
FY26	5,304,737	1,513,393	872,314	2,385,707		2,385,707			2,800,000			5,185,707	5,185,707	(119,030)	917,560	917,560	511,863	
FY27	5,033,744	1,528,527	881,037	2,409,565		2,409,565			1,600,000			4,009,565	4,009,565	(1,024,179)	(106,619)	(106,619)	511,863	
FY28	3,153,907	1,543,813	889,848	2,433,660		2,433,660			1,600,000			4,033,660	4,033,660	879,753	773,134	773,134	511,863	
FY29	3,143,157	1,559,251	898,746	2,457,997		2,457,997			1,600,000			4,057,997	4,057,997	914,840	1,687,974	1,687,974	511,863	
FY30	3,126,757	1,574,843	907,734	2,482,577		2,482,577			1,600,000			4,082,577	4,082,577	955,820	2,643,794	2,643,794	511,863	
FY31	3,123,232	1,590,592	916,811	2,507,403		2,507,403			1,500,000			4,007,403	4,007,403	884,171	3,527,964	3,527,964	511,863	
FY32	5,536,332	1,606,498	925,979	2,532,477		2,532,477			1,500,000			4,032,477	4,032,477	(1,503,855)	2,024,109	2,024,109	511,863	
FY33	5,542,157	1,622,562	935,239	2,557,801		2,557,801			1,000,000			3,557,801	3,557,801	(1,984,356)	39,753	39,753	511,863	
FY34	3,118,982	1,638,788	944,591	2,583,379		2,583,379			800,000			3,383,379	3,383,379	264,397	304,151	304,151	511,863	
FY35	3,110,707	1,655,176	954,037	2,609,213		2,609,213			800,000			3,409,213	3,409,213	298,506	602,657	602,657	511,863	
FY36	3,103,157	1,671,728	963,578	2,635,305		2,635,305			800,000			3,435,305	3,435,305	332,148	934,805	934,805	511,863	
FY37	3,101,107	1,688,445	973,213	2,661,658		2,661,658			0			2,661,658	2,661,658	(439,449)	495,356	495,356	511,863	
FY38	3,112,357	1,705,329	982,945	2,688,275		2,688,275			0			2,688,275	2,688,275	(424,082)	71,274	71,274	511,863	
FY39	2,748,132	1,722,383	992,775	2,715,158		2,715,158			0			2,715,158	2,715,158	(32,974)	38,300	38,300	511,863	
FY40	2,669,000	1,739,607	1,002,703	2,742,309		2,742,309			0			2,742,309	2,742,309	73,309	111,609	111,609	511,863	
FY41	1,563,375	991,740	571,635	1,563,375		1,563,375			0			1,563,375	1,563,375	0	111,609	111,609	511,863	
Total	\$113,685,534	\$55,968,427	\$29,628,716	\$85,597,143	\$1,400,000	\$85,597,143	\$26,800,000	\$1,400,000	\$26,800,000	\$113,797,143	\$113,797,143	\$85,597,143	\$85,597,143	\$6,773,841	\$6,773,841	\$6,773,841	\$6,773,841	\$6,773,841

**FINANCE DEPARTMENT MEMORANDUM
12-08**

DATE: May 21, 2012
TO: Mark S. Watson, City Manager
FROM: Janice E. McGinnis, Finance Director
SUBJECT: FY 2013 Budget Appropriation Ordinance Amendment for Woodland School Repairs

At the May 14, 2012 Special Meeting of City Council, Council unanimously adopted Resolution No. 5-33-2012 authorizing the expenditure of \$500,000.00 for repairs to Woodland Elementary School and to direct the Finance Director to prepare the appropriate amendments for City Council's consideration in the budget.

The \$500,000.00 will be included in the appropriation amount for the Capital Projects Fund in the Fiscal 2013 Budget. The resolution states that the allocation of funding in the Fiscal 2013 Budget is to be provided from \$200,000.00 from the General Fund and \$300,000.00 from the Special Programs Fund (Camera Enforcement Money). This funding split is accomplished through operating transfers from the General and Special Programs Funds to the Capital Projects Fund.

In order to accomplish the directive of the resolution, Council will need to approve the following amendment on second reading of the FY 2013 Budget Appropriation Ordinance in order to incorporate the \$100,000.00 increase in funding for the repairs to Woodland School:

To amend Section 3 to increase the Capital Projects Fund appropriation by \$100,000.00 (for a total appropriation of \$3,685,000.00) and decrease the Special Programs Fund by \$100,000.00 (for a total appropriation of \$918,302.00), and to amend Section 5 to increase the transfer to the Capital Projects Fund from the Special Programs Fund by \$100,000.00 (for a total transfer of \$300,000.00).

The FY 2013 budget currently has a transfer of \$500,000.00 coming from the General Fund to the Capital Projects Fund for which \$200,000.00 can be allotted to the Woodland School project.



Janice McGinnis

City Manager's Comments:

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


Mark S. Watson

5-23-2012
Date

FINANCE DEPARTMENT MEMORANDUM
12-06

DATE: May 9, 2012
TO: Mark S. Watson, City Manager
FROM: Janice E. McGinnis, Finance Director
SUBJECT: FY 2013 Budget Appropriation Ordinance

Attached is the Fiscal 2013 Budget Appropriation Ordinance reflecting appropriations for the various City Funds as presented in the proposed budget document. The presented property tax rate remains at the 2012 tax rate of \$2.39 per \$100 of assessed valuation as outlined in Section 2 of the Ordinance. Each cent on the property tax rate generates approximately \$90,000 in revenue.

The City's General Fund municipal expenditures are budgeted at \$19,453,250. The City's operating transfer to the Oak Ridge Schools is budgeted at \$14,629,302. Both of these amounts remain at the Fiscal 2012 levels in order to retain the current property tax rate.

The spendable fund balance of the General Fund is projected at \$6,430,504 at the end of fiscal 2013. The nonspendable portion of the fund balance in the General Fund is shown as a deduction from total fund balance. This presentation is part of the new Governmental Accounting Standards Board (GASB) Standards that became effective in fiscal 2011. The nonspendable portion is primarily the \$5,000,000 capital outlay notes (loan) from the General Fund to the Waterworks Fund that occurred in 2011. These notes (loan) will be repaid back over a 3-year period restoring full fund balance to the General Fund in November of 2014.

The fiscal 2013 City budgets contain a 1.5% salary adjustment for City employees. The impact of this increase was mitigated by staffing turnover and departmental restructurings that occurred during the current fiscal year. Cost allocations for services provided by employees based in the General Fund to other City funds were also reviewed. The allocation of costs from Activity 930, Public Works Supervision, was revised to reduce the General Fund share of the costs from that activity from 27% to 5%. In turn, the cost share for services provided to the Waterworks Fund for wastewater related duties increased from 31% to 53%. This cost shift is related to the duties currently being performed by these employees that resulted from the EPA Administrative Order (AO).

The fiscal 2013 budget reflects departmental restructurings that have occurred, particularly in police and computer services, which is now being titled Information Services. The budget contains 9 new positions related to the EPA AO. A 3-position pump maintenance crew is scheduled for start in September 2012 and a 6-position MOM gravity line crew is budgeted to begin in January 2013.

The \$500,000 increase in the operating transfer to the Debt Service Fund is related to the City's contribution to Roane State Community College. The General Fund had previously been transferring \$3,545,000 annually to the Debt Service Fund. Due to savings related to debt refundings, in 2012 the transfer to the Debt Service Fund was reduced by \$500,000 and transferred instead to the Capital Projects Fund that year to fund the City's \$500,000 contribution to the expansion of the Oak Ridge Roane State Community College campus. The 2013 transfer to the Debt Service Fund, budgeted at \$3,545,000, reflects resumption to the normal contribution level.

The General Fund transfer to the Capital Projects Fund is budgeted for \$500,000 in fiscal 2013. The transfer amount was established at this level in order to retain the current property tax rate. Funding for the Capital Projects Fund's budgeted 2013 projects will be provided from the \$500,000 transfer from the General Fund, money available from budgeted capital projects that were delayed in fiscal 2012, and a \$200,000 transfer from the Special Programs Fund. The major projects to be funded through the Capital Projects Fund in 2013 are as follows:

Woodland School building repairs - \$400,000
TDOT grant match for Jackson Square revitalization - \$280,000
Clean Tennessee Energy grant match - \$250,000
Roane State Community College contribution – second and final installment \$250,000
Rowing/Marina improvements - \$25,000 to be matched with private funds

The remaining capital dollars are planned for critical City maintenance projects including HVAC replacement at Fire Station 3, replacement of lighting poles at City ball fields and ADA facility compliance at Briarcliff Park.

The budget also reflects the planned issuance of approximately \$9 million in debt for water and wastewater projects planned for fiscal 2013.

The new Housing Fund that was included in the fiscal 2012 budget has been deleted from the fiscal 2013 budget. Without the designation of a specific revenue source, the Housing Fund cannot be established as a separate special revenue fund according to new GASB guidelines. The projects, such as housing demolition and land bank, which were planned to be accounted for in the Housing Fund, are included in the 2013 budget for the Economic Diversification Fund. The \$50,000 operating transfer budgeted in 2012 from the General Fund to the Housing Fund is scheduled to be transferred to the Economic Diversification Fund instead. The fiscal 2013 budget also contains a \$50,000 operating transfer from the General Fund to the Economic Diversification Fund.

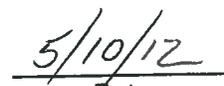

Janice McGinnis

Attachments

City Manager's Comments:

I have reviewed the above issue and recommend approval of the attached ordinance.


Mark S. Watson


Date

TITLE

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

WHEREAS, the City Manager, in accordance with the requirements of Article V, Section 10, of the Charter of the City of Oak Ridge, has submitted to City Council a proposed budget prior to the beginning of the fiscal year upon which a public hearing was held on May 14, 2012 and May 29, 2012 as required by law; and

WHEREAS, in accordance with the requirements of the same Charter section, the Council held meetings which served to provide guidance to the City Manager on the preparation of the proposed budget.

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

Section 1. The budget for the fiscal year beginning July 1, 2012 submitted to City Council by the City Manager, is hereby adopted.

Section 2. In order to provide revenue for municipal purposes, there is hereby imposed on the value of all property within the City of Oak Ridge as such value has been ascertained by the taxing authority of the City, a levy at the rate of \$2.39 upon each One Hundred Dollars' (\$100.00) worth of assessed value of all taxable property, this levy to be the tax rate for the year 2012. This levy shall also be imposed upon such assessments as may be certified for tax purposes to the City of Oak Ridge by the Public Service Commission of the State of Tennessee.

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 2013:

General Fund, Municipal Operations	\$ 19,453,250
Debt Service (Bond and Interest Redemption Fund)	\$ 8,300,000
State Street Aid Fund	\$ 2,064,000
Streets and Public Transportation Fund	\$ 260,000
Drug Enforcement Program Fund	\$ 300,000
Grant Fund	\$ 3,750,000
General Purpose School Fund	\$ 56,471,889
Golf Course Fund	\$ 1,335,000
Capital Projects Fund	\$ 3,585,000
Solid Waste Fund	\$ 2,643,000
Economic Diversification Fund	\$ 2,385,000
West End Fund	\$ 2,918,000
Special Programs Fund	\$ 1,018,302

Section 4. The following amounts in the proprietary-type funds are projected expenses for Fiscal Year 2013 and are provided for informational purposes:

Electric Fund	\$ 54,988,374
Waterworks Fund	\$ 19,720,000
Emergency Communications District Fund	\$ 1,523,980

Section 5. In order to provide funds to meet the expenditure requirements, the following transfers are projected for Fiscal Year 2013 and are provided for informational purposes:

<u>To General Fund For Tax Equivalent</u>	
From Electric Fund	\$ 1,466,085
From Waterworks Fund	\$ 1,448,000
<u>To General Purpose School Fund for Operations</u>	
From General Fund	\$ 14,629,302
<u>To Debt Service Fund</u>	
From General Fund	\$ 3,545,000
<u>To Capital Projects Fund</u>	
From General Fund	\$ 500,000
From Special Programs Fund	\$ 200,000
<u>To Economic Diversification Fund</u>	
From General Fund	\$ 50,000
<u>To State Street Aid Fund</u>	
From General Fund	\$ 660,000
<u>To Streets and Public Transportation Fund</u>	
From General Fund	\$ 60,000
<u>To Solid Waste Fund</u>	
From General Fund	\$ 1,636,000
<u>To Grant Fund</u>	
From General Fund	\$ 171,850

Section 6. All proceeds received through fines, forfeitures and the disposal of seized goods resulting from the City's drug enforcement program shall be used exclusively for that program. A Special Revenue Fund has been established and any funds expended will be limited to the funds collected for that program.

Section 7. The taxes levied under this Ordinance shall become due and payable, shall become delinquent and shall be subject to penalties, the execution of distress warrants and sale of property levied upon as provided by law.

Section 8. The levy provided for herein shall be imposed on all taxable property as the same has been reported to the Council as a final total assessment of each class of property by the legally constituted Boards of Equalization for property situated in either Anderson County or Roane County within the City of Oak Ridge. The written report of the Equalization Boards shall be the assessment roll of the City of Oak Ridge.

Section 9. 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

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

Publication Date: 05/03/2012
Public Hearing: 05/14/2012
First Reading: 05/14/2012
Publication Date: 05/21/2012
Public Hearing: 05/29/2012
Second Reading: 05/29/2012
Publication Date: _____
Effective Date: _____

ELECTIONS
&
APPOINTMENTS
ANNOUNCEMENTS
SCHEDULING



Unlock the Secrets of America's Secret City

May 18, 2012

Honorable Mayor Beehan
City Council Members
City of Oak Ridge
PO Box 1
Oak Ridge, TN 37830

Dear Mayor Beehan and City Council Members,

Recently, we were informed that the Comfort Inn representative on our Board of Directors, Steve Hattangadi, was no longer an employee. He was serving on the Oak Ridge Convention & Visitors Bureau Board of Directors in the At-Large position until December 31, 2012. Prior to that, the Comfort Inn had allowed Ashley Richards to serve in that capacity. She no longer works with the Comfort Inn either.

Because of the frequent change over at the Comfort Inn in the last few months, I would like to propose that Adrian Zarczynski, General Manager at the Hampton Inn, be asked to join our board until the position expires. Mr. Zarczynski originally submitted his name for the board position when this initially went before Council in 2011. Therefore, his expressed interest should be considered first and foremost.

Secondly, Mr. Zarczynski is also an Oak Ridge resident and has been working for the Hampton Inn since October of 2008. He has supported the Oak Ridge CVB's initiatives through his work at Hampton Inn already and we would be delighted to have him as part of our Board of Directors.

I have spoken to Mr. Zarczynski and he has expressed an interest in being on the board. I have enclosed his resume for your review.

Please contact me if you have any questions, 865-482-7821 or Katy@OakRidgeVisitor.com.

Warm regards,

A handwritten signature in black ink that reads "Katy Brown". The signature is fluid and cursive, with the first letters of "Katy" and "Brown" being capitalized and prominent.

Katy Brown
President

cc: enclosure



Resume of Adrian Zarczynski

Adrian.Zarczynski@Hilton.com

105 Indian Pl
Oak Ridge, TN 37830
(713) 299-6048

PROFESSIONAL EXPERIENCE

October 2008 – Present

General Manager, Hampton Inn Oak Ridge, Tennessee

Managed overall hotel operations through financial planning, internal controls, developing and executing a business plan, and directing the properties sales efforts.

- Increased over all revenue 5 to 10% each year using Revenue Mgt and Sales and Marketing strategies.
- Boosted overall SALT scores to levels high enough to earn an outstanding score on our Hilton Quality Assurance Audit.
- Consistently stayed at the number one or two spot in overall REVPAR in the Oak Ridge Market.
- Regularly inspected all areas of the hotel to insure a high quality of cleanliness and service.
- Instilled a high level of quality and ethics in all my staff to build a culture of success that permeated to the guest's experience.

October 2007 - October 2008

Director of Revenue Manager, Sachchidanand Operations Inc.

Responsibilities include overview of the revenue management for Hampton Inn Oak Ridge, Downtown Knoxville, Comfort Inn Clinton and Days Inn Oak Ridge. Maximizing profitability through implementation of revenue management strategies for each property.

- Collaborated with the General Managers to implement a revenue management strategy.
- Reviewed Star Reports, Key Marketing Reports and Market Share Reports to evaluate trends and position the hotel strategy accordingly.
- Evaluated each properties markets and set rates accordingly to capture the highest market share through REVPAR growth.
- Added the Market Vision report to all hotels to help each property track their comp set rates and revenue management strategies.
- Assisted in the budget process for each hotel in 2008 & 2009.

December 2006 – September 2007

General Manager, Hampton Inn Airport Alcoa, Tennessee

Promoted, managed and coordinated the daily operations of the hotel.

- Increased year over year revenue by 6% and consistently stayed number one or two in our markets REVPAR Index on the Star Report.
- Winner of 3 Outstanding Leadership Awards in Cost Control, REVPAR, ADR and Salt Scores.
- Achieved a score of 98.7% on a Hilton Corp Internal Audit.
- Implemented creative incentive programs to increase salt scores and employee loyalty.
- Created daily operation controls in order to insure cost control and loss prevention.

September 2005 – December 2006

Assistant General Manager, Hampton Inn Hobby Airport Houston, Texas

Ensured excellence in guest service while overseeing Front Office, Guest Services, Housekeeping, Engineering and Daily Operations

- Ensured the adherence to pre-established Hilton standards and policies.
- Conducted weekly staff meeting for all departments to insure efficient operations.
- Collected \$43,000 in past due accounts receivable.
- Assisted in the implementation of a loss prevention program.
- Member of an internal controls committee and participant in several hotel internal and Sarbanes Oxley audits.

CERTIFICATIONS

Hampton Leadership GM Program Certification

Hampton Step Up Sales Certification

Hilton Revenue Management 101 & 201

Hilton Revenue Generation 101 & 201

Hilton Claim Your Pitch Certification

REFERENCES

Michael Berryman

District Manager

Homewood Suites San Antonio, Texas

210-696-5400

Lamica Mackey

General Manager

Holiday Inn Express Clear Lake, Texas

832-385-8080

Pam Rios

Director of Sales

Doubletree Downtown Houston, Texas

832-797-0102

Voting Ballot for EQAB High School Representative
Determine which term of office you would like each
applicant to serve.

Elijah Fetzer

Term ending May 31, 2012

Abstain

Term ending May 31, 2013

Stephanie Paul

Term ending May 31, 2012

Abstain

Term ending May 31, 2013

Member, Oak Ridge City Council
May 29, 2012

Environmental Quality Advisory Board

NumVacancies 2
 Total # of Members 12

Term of Office
 May 31, 2012 and May 31, 2013

Qualifications

The only special qualifications for the positions are Oak Ridge residency and current student status at Oak Ridge High School.

Applicants

Environmental Quality Advisory Board	Submitted	Preference
Mr. Elijah Fetzer	5/10/2012	1
Ms. Stephanie Paul	5/18/2012	1

Current Members

Environmental Quality Advisory Board		Term Expires
Mr. Chuck Agle	Planning Commission Representative	2014
Ms. Leslie E. Agron		2012
Mr. Frances Alston		2014
Patricia M. Fain		2013
James Groton	Chair	2012
Mr. David Hughes	ORHS Student Representative	2013
Mr. Robert G Kennedy III, PE	Vice Chair	2014
Mr. Stephen Todd Kenworthy		2013
Mrs. Patricia Imperato		2014
Austin Morgan	ORHS Representative	2012
Mr. James G. Placke Jr.		2013

City of Oak Ridge Board Application

BoardName: Environmental Quality Advisory Board

2012

Application Submitted

Applicant: Fetzer, Elijah

Choice

1

5/10/2012 21:11

144 Glassboro Drive

HomePhone

(865) 483-9462

Email

MobilePhone

(865) 202-1263

fetzerelijah@gmail.com

Oak Ridge

TN

OfficePhone

Retired?

N

Current Position / Title

Student (Junior)

Current Employer

Oak Ridge High School

Company / Organization Retired From

Do you currently serve on any other City board, commission or committee?

No

Education, Professional and or Community Activity

I am a high school student and am a member of the Environmental Club at ORHS under the direction of Mrs. Sobek.

Explain why you are interested in being appointed to this board, commission or committee

I am an avid environmentalist and have been that way since I took the environmental science class offered in seventh grade at Robertsville Middle School. From that year, an enthusiasm has possessed me to act out for this cause, shaping my life so far as well as what I will focus in in college, and eventually, my ultimate decision of a career. As a part of this enthusiasm, I would be honored to participate in community leadership positions that affect our environmental impact as human beings. Serving our community by taking part in EQUAB as the student representative would help achieve this dream.

Describe any special knowledge or past experience qualifying you for this appointment?

When I was in middle school, a friend and myself began a petition with the much-appreciated help of Pat Imperato in order to combat the destruction of the forrest along either side of state highway 95 / 58 from Illinois Avenue all the way to the junction where 95 splits off from 58. Even though the petition was obviously unsuccessful, we were able to gain over 250 signatures. At the high school, I was a member of the Environmental Club at ORHS my freshman year and am currently a member this year, my junior year. Recently, I played a role in helping expand the Tennessee Youth Environmental Network (or TennYEN, a promising organization which is in its infancy) to Oak Ridge through helping organize a day when the founders came to speak during the club session. The two founders of TennYEN offered me a leadership position as a part of the latter half of this school year, which I had to turn down due to academic reasons not present in this coming school year.

Notes

End of Application for

Fetzer, Elijah

For Board:

Environmental Quality Advisory Board

City of Oak Ridge Board Application

BoardName: Environmental Quality Advisory Board

2012

Application Submitted

Applicant: Paul, Stephanie

Choice

1

5/18/2012 16:20

107 Hollbrook Ln.

HomePhone

(865) 220-8876

Email

MobilePhone

(865) 314-4605

Stephaniepaul5@yahoo.com

Oak Ridge

TN

OfficePhone

Retired?

N

Current Position / Title

Rising Sophomore

Current Employer

Company / Organization Retired From

Do you currently serve on any other City board, commission or committee?

No

Education, Professional and or Community Activity

Oak Ridge High School (2011-present)

Girl Scouts

Interact Service Club

International Friends Club

Yoga Club

Science Olympiads

Criminal Justice Club

St.Mary's Youth Group

ORHS Cross Country

Volunteer Work- (American Museum of Science & Energy, Methodist Medical Center)

Explain why you are interested in being appointed to this board, commission or committee

I am interested in serving on the Environmental Quality Advisory Board so that I can have a voice in our community. I strongly believe that Oak Ridge must maintain a great environment. I am passionate about preserving the environment. I enjoy giving back to the community and getting involved in all of Oak Ridge's wonderful events. I believe I would be an asset to the Environmental Quality Advisory Board.

Describe any special knowledge or past experience qualifying you for this appointment?

I have grown vegetables and flowers all of my life. I love getting involved in the outdoors and the environment. I love science and wish to be a Biologist later on in life. I am always open to experiences that will ready me for the future. I have experience in being involved in community events. I frequently volunteer with organizations like Oak Ridge Track Club. I have done many community service projects with St.Mary's and Interact.

Notes

End of Application for

Paul, Stephanie

For Board:

Environmental Quality Advisory Board
