

**OAK RIDGE CITY COUNCIL MEETING**  
Municipal Building Courtroom

June 16, 2014—7:00 p.m.

AGENDA

I. INVOCATION

Pastor Robert May, Oak Ridge Police Chaplain

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. APPEARANCE OF CITIZENS

V. PROCLAMATIONS AND PUBLIC RECOGNITIONS

(NONE)

VI. SPECIAL REPORTS

Presentation of State Forms CT-0253 Report on Debt Obligation for the State Revolving Fund Loan in the amount of \$3,000,000.00.

VII. CONSENT AGENDA

(NONE)

VIII. 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, 2014, BY IMPOSING A TAX ON ALL PROPERTY WITHIN THE CITY, FIXING THE RATE OF THE TAX, ADOPTING A BUDGET, AND ADOPTING APPROPRIATIONS.

IX. RESOLUTIONS

- a. A RESOLUTION WAIVING COMPETITIVE BIDS AND MAKING AN AWARD TO MERCER, INSURANCE BROKER, FOR EMPLOYEE LIFE INSURANCE AND LONG TERM DISABILITY INSURANCE WITH HARTFORD FOR FISCAL YEAR 2015 IN THE ESTIMATED AMOUNT OF \$76,764.00, AND AUTHORIZING THE CITY TO RENEW SAID CONTRACT FOR UP TO TWO (2) ADDITIONAL ONE-YEAR TERMS AT THE SAME RATES IF SERVICES ARE SATISFACTORY.
- b. A RESOLUTION AWARDED CONTRACTS (FY2014-144 AND FY2014-146) TO CHRISTOPOULOS & KENNEDY CONSTRUCTION, INC., KNOXVILLE, TENNESSEE, FOR THE SPRINKLER SYSTEM PROJECT AT FIRE STATION #3 IN THE TOTAL ESTIMATED AMOUNT OF \$93,267.00, AND AUTHORIZING AN ENCUMBRANCE UP TO \$93,267.00 OF AVAILABLE RESIDUAL FUNDS FROM THE GENERAL FUND FY2014 BUDGET TO PAY FOR A PORTION, IF NOT ALL, OF THIS PROJECT.
- c. A RESOLUTION AWARDED A BID IN THE ESTIMATED AMOUNT OF \$319,765.00 TO IRBY UTILITY DISTRIBUTOR, NASHVILLE, TENNESSEE, FOR THE FURNISHING OF

AN ELECTRICAL SWITCHGEAR AND ASSOCIATED EQUIPMENT NEEDED FOR EMERGENCY REPAIR AT THE WASTEWATER TREATMENT PLANT.

- d. A RESOLUTION ESTABLISHING A COMPENSATION AMOUNT NOT TO EXCEED \$175,000.00 FOR FISCAL YEAR 2015 FOR THE ECONOMIC DEVELOPMENT SERVICES CONTRACT BETWEEN THE CITY AND THE OAK RIDGE CHAMBER OF COMMERCE APPROVED BY RESOLUTION 8-81-2013.

X. PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

(NONE)

XI. ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

a. Elections/Appointments

Confirmation of Nomination Alan L. Liby by the Oak Ridge Utility District Board of Commissioners for a five-year term beginning July 1, 2014.

b. Announcements

c. Scheduling

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

# **SPECIAL REPORTS**

**FINANCE DEPARTMENT MEMORANDUM**  
**14-12**

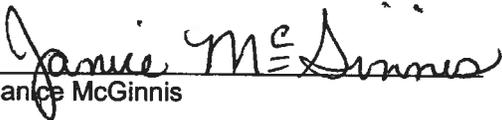
DATE: June 10, 2014  
TO: Mark S. Watson, City Manager  
FROM: Janice E. McGinnis, Finance Director  
SUBJECT: Transmittal of Report on Debt Obligation – State Form CT-0253 on \$3,000,000 State Revolving Fund Loan

Attached is State Form CT-0253 Report on Debt Obligation for transmittal to City Council for the City's \$3,000,000 State Revolving Fund Loan. The resolution authorizing this loan was approved at the March 24, 2014 Special Meeting of City Council. The loan was approved by the Tennessee Local Development Authority on May 6, 2014.

For all city debt issuances, the State requires CT-0253 form be completed and filed with the Office of State and Local Finance and presented to the governing body at a public meeting. The CT-0253 form and related requirements have recently been revised by the State. The principal amortization schedule, item 10 of the report, is based on the amortization and anticipated payment schedule of the full \$3,000,000. This is a draw loan, whereby, loan proceeds are drawn as work progresses to reimbursement the City for applicable expenditures. For draw loans, the State now requires an annual reporting to the governing body on the status of the outstanding principal balance. The attached Annual Update Report on Debt Obligation will be filed with City Council annually while loan proceeds are being drawn.

City staff will be available to answer questions regarding the information contained on the CT-0253 forms at the June 16, 2014 City Council meeting. The presentation is for transparency regarding debt transactions; no action is required by City Council.

Attachment

  
Janice McGinnis

cc: Honorable Mayor and Members of City Council

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

**1. Public Entity:**  
 Name: City of Oak Ridge  
 Address: P.O. Box 1  
Oak Ridge, TN 37831-0001  
 Debt Issue Name: State Revolving Fund Loan 14-337  
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

**2. Face Amount:** \$ 3,000,000.00  
 Premium/Discount: \$ 0.00

**3. Interest Cost:** 1.7300 %  Tax-exempt  Taxable  
 TIC  NIC  
 Variable: Index \_\_\_\_\_ plus \_\_\_\_\_ basis points; or  
 Variable: Remarketing Agent \_\_\_\_\_  
 Other: \_\_\_\_\_

**4. Debt Obligation:**  
 TRAN  RAN  CON  
 BAN  CRAN  GAN  
 Bond  Loan Agreement  Capital Lease  
 If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").

**5. Ratings:**  
 Unrated  
 Moody's \_\_\_\_\_ Standard & Poor's \_\_\_\_\_ Fitch \_\_\_\_\_

**6. Purpose:**

<input type="checkbox"/> General Government	_____ %	<table border="1"> <thead> <tr> <th align="center" colspan="2">BRIEF DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td colspan="2">_____</td> </tr> <tr> <td colspan="2">_____</td> </tr> <tr> <td colspan="2"><u>Sewer projects - engineering and construction</u></td> </tr> <tr> <td colspan="2">_____</td> </tr> </tbody> </table>	BRIEF DESCRIPTION		_____		_____		<u>Sewer projects - engineering and construction</u>		_____	
BRIEF DESCRIPTION												
_____												
_____												
<u>Sewer projects - engineering and construction</u>												
_____												
<input type="checkbox"/> Education	_____ %											
<input checked="" type="checkbox"/> Utilities	<u>100.00</u> %											
<input type="checkbox"/> Other	_____ %											
<input type="checkbox"/> Refunding/Renewal	_____ %											

**7. Security:**  
 General Obligation  General Obligation + Revenue/Tax  
 Revenue  Tax Increment Financing (TIF)  
 Annual Appropriation (Capital Lease Only)  Other (Describe): \_\_\_\_\_

**8. Type of Sale:**  
 Competitive Public Sale  Interfund Loan  
 Negotiated Sale  Loan Program State Revolving Fund Loan  
 Informal Bid

**9. Date:**  
 Dated Date: 05/06/2014 Issue/Closing Date: 05/06/2014

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

**10. Maturity Dates, Amounts and Interest Rates \*:**

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2016	\$ 126,652.00	1.7300 %	2027	\$ 153,178.00	1.7300 %
2017	\$ 128,860.00	1.7300 %	2028	\$ 155,850.00	1.7300 %
2018	\$ 131,107.00	1.7300 %	2029	\$ 158,567.00	1.7300 %
2019	\$ 133,393.00	1.7300 %	2030	\$ 161,332.00	1.7300 %
2020	\$ 135,720.00	1.7300 %	2031	\$ 164,146.00	1.7300 %
2021	\$ 138,086.00	1.7300 %	2032	\$ 167,008.00	1.7300 %
2022	\$ 140,494.00	1.7300 %	2033	\$ 169,920.00	1.7300 %
2023	\$ 142,944.00	1.7300 %	2034	\$ 172,883.00	1.7300 %
2024	\$ 145,437.00	1.7300 %	2035	\$ 175,897.00	1.7300 %
2025	\$ 147,973.00	1.7300 %		\$	%
2026	\$ 150,553.00	1.7300 %		\$	%

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

\* This section is not applicable to the Initial Report for a Borrowing Program.

**11. Cost of Issuance and Professionals:**

No costs or professionals

	AMOUNT (Round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$ 0	
Legal Fees	\$ 0	
Bond Counsel	\$ 0	
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 0	
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 0	
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount _____ %		
Take Down	\$ 0	
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 200	Oak Ridger - Public Meeting Notice Advertising
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs _____	\$ 11,150	Lamar Dunn & Associates - Engineering Capital Plan
<b>TOTAL COSTS</b>	<b>\$ 11,350</b>	

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

**12. Recurring Costs:**

No Recurring Costs

	AMOUNT <small>(Basis points/\$)</small>	FIRM NAME <small>(if different from #11)</small>
Remarketing Agent	_____	_____
Paying Agent / Registrar	_____	_____
Trustee	_____	_____
Liquidity / Credit Enhancement	_____	_____
Escrow Agent	_____	_____
Sponsorship / Program / Admin	<u>.08%</u>	<u>Office of State and Local Finance</u>
Other _____	_____	_____

**13. Disclosure Document / Official Statement:**

None Prepared

EMMA link \_\_\_\_\_ or

Copy attached \_\_\_\_\_

**14. Continuing Disclosure Obligations:**

Is there an existing continuing disclosure obligation related to the security for this debt?  Yes  No

Is there a continuing disclosure obligation agreement related to this debt?  Yes  No

If yes to either question, date that disclosure is due Dec. 31st of each year

Name and title of person responsible for compliance Janice McGinnis

**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy 11/14/2011

Is the debt obligation in compliance with and clearly authorized under the policy?  Yes  No

**16. Written Derivative Management Policy:**

No derivative

Governing Body's approval date of the current version of the written derivative management policy \_\_\_\_\_

Date of Letter of Compliance for derivative \_\_\_\_\_

Is the derivative in compliance with and clearly authorized under the policy?  Yes  No

**17. Submission of Report:**

To the Governing Body: on 06/11/2014 and presented at public meeting held on 06/16/2014

Copy to Director to OSLF: on 06/11/2014 either by:

Mail to: \_\_\_\_\_ OR  Email to: StateAndLocalFinance.PublicDebtForm@cot.tn.gov

505 Deaderick Street, Suite 1600  
James K. Polk State Office Building  
Nashville, TN 37243-1402

**18. Signatures:**

	AUTHORIZED REPRESENTATIVE	PREPARER
Name	<u>Thomas L. Beehan</u>	<u>Janice McGinnis</u>
Title	<u>Mayor</u>	<u>Finance Director</u>
Firm	<u></u>	<u>City of Oak Ridge</u>
Email	<u>tbeehan@oakridgetn.gov</u>	<u>imcginnis@oakridgetn.gov</u>
Date	<u>06/10/2014</u>	<u>06/10/2014</u>

## Annual Update Report on Debt Obligation

Date Report Prepared \_\_\_\_\_

Loan Description \_\_\_\_\_

Loan Dated Date \_\_\_\_\_

Loan Face Amount \_\_\_\_\_

Loan Principal Outstanding \_\_\_\_\_

Interest Rate Type (Fixed or Variable) \_\_\_\_\_

Fiscal Year	Interest Rate	Principal	Interest	Total Debt Service
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
<b>Total</b>		\$ -	\$ -	\$ -

**FINAL ADOPTION  
OF  
ORDINANCES**



June 2, 2014

Honorable Mayor and Members of City Council:

On behalf of the City of Oak Ridge organization, I am pleased to transmit the proposed Fiscal Year 2014-2015 Budget to you. In accordance with the Article 4, Section 10 of the Oak Ridge City Charter, the City Manager shall present a budget for the upcoming fiscal year that represents a complete financial plan for the City. This document is the result of numerous meetings with City Staff members, City Council members, and external agents affected by this budget. I wish to acknowledge the efforts of Ms. Janice McGinnis, Finance Director, and her staff for their hard work as part of this annual process. This transmittal is forwarded to the City Council for the completion, review and adoption of the expenditure plan for the coming year.

The proposed budget continues to pursue the path of fiscal conservatism as major transformations and economic changes continue to affect our DOE sector, while an upswing in retail re-development inspires us to a brighter future. City service levels are being maintained with an eye to future impacts. Limited capital investment is occurring in facilities, but we need to understand that further expenditures will be necessary on the utility front and throughout our building infrastructure. I believe the allocations in this budget represent good value for the services rendered by a competent and professional staff.

**Council Guidance and Input:**

On May 12, 2014 and during informal sessions prior to that time, the City Manager and the City Council discussed various needs and directions for this year's budget. A resolution passed by the City Council encouraged several strategic efforts including maintenance of the current property tax rate, providing for an increase for personnel, continuing City initiatives in housing, storm water and utilities, assisting the Oak Ridge schools system capital needs, and the continuation of economic development initiatives. These strategic directives provided guidance for the completion of this budget.

**Economic Conditions:**

The City of Oak Ridge finds itself in the strategic position of sustaining its existing services, while several "bright spots" on the economic horizon come to fruition. At present, Oak Ridge continues to see small areas of growth, but major financial gains, at present, are impacted by various financial losses. For instance, a change in environmental approach at the Y-12 complex will reduce their need for raw water and have an impact of \$500,000 annually in unpurchased water for the utility system.

Continuity in community impacts have been shaken this past year with the government shutdown and delayed selection action on a new Y-12 contractor. Adjustments in rates will be proposed for a 5-year cost recovery of Y-12's fair share of an equalization basin from the complex. However, continued investment in the overall water infrastructure will be required for our largest consumer, particularly at the water plant and pump stations. K-25 is now down and activity will slow until the next building is begun. Some sales tax is generated off these projects, where the City finds wide swings in payment amounts. We must also look ahead to reappraisals that will occur in 2015, where some values are expected to decrease in high end housing stock and we must monitor the sustainability of the current housing values.

This year, we have seen growth along Illinois Avenue with new stores, particularly the Kroger development. This has caused a new church to be built along the Oak Ridge turnpike. The New China Palace Restaurant is having more business than ever, allowing the City to improve its Riverfront with supporting restroom facilities for the rowing venue. Jackson Square is moving forward to renovate this central location for our community which includes restaurants, a reconfigured Farmer's Market, and adjacent to the historical preservation of the Alexander Inn. Of course, the community also eagerly anticipates the announcements of progress on the former Oak Ridge Mall property.

So, overall, Oak Ridge is finally seeing the change it wants to see. We shall need to continue to be strategic and thoughtful in the investments we make to ensure maximum impact on the economics of the community. The initiatives we are taking in housing and industrial recruitment will hopefully pay off in the future with efforts to stabilize values, create manufacturing jobs, and enhance retail opportunities.

**Revenues:**

The City of Oak Ridge revenues are primarily from four sources: Property taxes, sales taxes, business taxes and intergovernmental state-shared taxes. Of particular focus is this recommended budget with the same tax rate of \$2.39 per \$100 in assessed value. This will be the seventh year for sustaining this level of taxation. Anticipated property tax revenues are projected at \$19,992,000, up only 1.2% from \$19,741,000 in 2014.

The other important revenue is sales taxes both generated in Roane County and Anderson County. Projected revenues for FY 2015 will be \$8,950,000, up 4.8% from \$8,535,000. Primarily the growth is estimated in Anderson County, with a decrease in Roane County due to the reduction in federal activity anticipated with the completion of the K-25 project. We anticipate that receipts from the new projects at Krogers will not be realized until the late fall, so the full impact will only be for a partial year.

Business taxes, permits and fees will only slightly decrease. Building permits are limited, but will pick up dramatically when the former mall property activity and demolition begins its 18-month build. Taxes and fees are projected at \$2,468,000, down 1% from \$2,492,286.

Intergovernmental Revenues are projected at \$3,392,000, which is down from \$3,533,112. This is primarily due to a segregation of the mixed drink tax in half to incorporate a principle of using the tax for a portion of the base school education contribution.

When incorporating all revenues, the total Revenues, Operating Transfer and Fund Balance usage represents \$41,649,247 for the proposed FY 2015 year. As a side note, the interest earnings on City monies continue to be extremely low and are only \$18,000.

**Staffing and Salaries and Benefits:**

No new staffing is being proposed in the upcoming budget. Although the next future need for the City of Oak Ridge may be considered to be in the 911 dispatch center, but shall wait as new software is being added.

As the new fiscal year starts, the City was pleased to see no increase in cost to the City for its personnel retirement and insurance benefits. Contribution amounts would remain the same for the coming year. Given the current uncertainty in the health care industry, it was indeed a piece of welcome news. As expressed in the City Council's strategic resolution, recognition of personnel was encouraged due to the lack of wage adjustments in the past several years. The proposed budget includes a 2% adjustment for all personnel effective July 1<sup>st</sup>. In addition, the City Manager would target continuing this adjustment in the FY 2014-2015 year and FY 2015-2016 year. Depending on market conditions and economy which is predicted to improve, it will be important to maintain salaries that keep ahead of the slight inflation that we now face. In addition, the City Manager has asked the Personnel Director to develop tangible, definable

evaluation observations that will exclude employees from these adjustments such as employee-fault accidents, written counseling incidents or suspensions, or safety violations. These are impacts upon the assets and liabilities of the organization and should be a baseline level of accountability for city government employees.

The City's organization has progressed well in the management of City benefit structures offering a variety of health insurance options. Our staff also monitors workers compensation closely with the TML Risk Pool and is vigilant for abuse. Our Personnel Department also monitors the claims against the City and works closely with the TML Pool to keep premiums low and out of pocket costs to a minimum.

**Capital Fund:**

In the coming year, the budget includes a capital allocation to the Oak Ridge Schools in the amount of \$350,000. This amount will be used for capital needs of which the highest small project needs is an estimated \$300,000 renovation of the Robertsville Middle School restroom facilities. This amount can allow this renovation concern to be met, freeing school resources for additional needs. As agreed this past year by the City Council and Board of Education, please recall the allowance for sales taxes generated and apportioned in Anderson County as the education sales tax to be used for capital expenses as defined by resolution.

The City Manager reminds the City Council of the need for continued IT investment, including the desperate need for General Ledger, including Human Resources and Utility Billing software. Utility billing and personnel systems were developed in-house and augmented with a purchased GL package during the 1980's and are not being serviced further. Internal reviews for a recommendation and funding options are being assessed now. The City continues to look for ways of enhancing IT services and is presently examining off-site space in the Schools data center to provide back-up services to City technology systems with new servers at a cost of \$250,000.

The Waterworks Fund and in particular the Wastewater Fund will continue the implementation of the projects affiliated with response to the EPA Administrative Order, which is to be finished by September 2015. However, new this year is a requirement by the State of Tennessee to begin addressing matters of stormwater management. Repairs to the existing stormwater system has been minimal in previous years, but this year will see an allocation of \$200,000 to coordinate further planning, organization and minor repairs that can be achieved with in-house or small contractor sources. In accordance with our state approved plan, the City will begin integrating long-term capital items for stormwater management and developing revenue sources for this to be paid. Dollars for these improvements must come from the General Fund presently unless a new financing system is introduced.

The Electric Fund will continue to pursue the addition of fiber optics to significant public sites in the community. This project involves interconnectivity with all City schools and City utility infrastructure. The Electric Fund continues to make progress on this joint project with the City Schools. Capital improvements in the system will involve continual upgrades to enhance reliability and dependability.

This past year, the City Council chose not to renew a contract for red light camera services. This fund will now need to be closed out and obligated. The remaining balances will be established in this budget as amounts available for capital projects as designated by the Council. At present, it may be considered for pedestrian/bike improvements, the Blankenship Football Stadium lower parking lot and is being considered for traffic light study work at the High School entrance at Oak Ridge Turnpike.

New management at the Centennial Golf Course is yielding better results and improved play. As part of the investments this past year, repairs and improvements have been made at the Club House, irrigation system and increasing maintenance is occurring on the course. A capital need for the course that will be considered during the year depending upon economics is a gate for closure at night. Some vandalism and theft has occurred, which can be corrected with limitations to access after dark by a gate.

The City of Oak Ridge will also be allocated an amount of \$350,000 for capital in the coming year. The City staff will review the next priorities on the CIP and determine how to allocate. The City has seen a continued need for improvements to the HVAC and roof of the service center, a City General Fund asset. We also need to consider enhancements to Fire Station #4 where improvements to the building are anticipated with the DOE Historical Preservation project.

### **Promotion and Marketing:**

For the coming budget year, the continued relationship is recommended to continue with the Chamber of Commerce. This past year due to the level of activity, the programs only used \$125,000 out of \$175,000 allocated due to activity needs. The proposed budget suggests budgeting the same \$175,000 amount, carefully allocating and planning proposed use.

The budget also includes continuation of private consulting contracts with Ray Evans and Steve Jones. These contracts have favorably put the City into a positive relationship with the State of Tennessee, TVA, the ORNL, and regional agencies. They have also provided a point of contact for the economic prospect to receive assistance from the City of Oak Ridge.

The City of Oak Ridge also has contracts with the Oak Ridge Convention and Visitors Bureau (CVB), whose purpose is to grow the economy with support for community events and recruiting visitors to our community. Current trends show a demonstrative need to improve in this arena. To maintain contractual levels that may be sustained, the budget shows a reduction of \$25,000 in the contract for the coming year. After meeting with the CVB board, the City Council has directed them to aggressively pursue new marketing techniques that improve the local and regional recognition of the Oak Ridge community. This will be vital in promoting new investment in existing hotels and recruiting new hotels as community profiles, at present, will not encourage that investment due to occupancy levels. Significant efforts are needed in promoting new events, the Secret City Festival, the Lavender Festival, the Secret City Half-Marathon, Summer Concerts and many others.

The City's contracts with regional agencies and organizations are supported through membership in the Anderson County Chamber of Commerce and the Roane Alliance. We also shall continue to participate with the Innovation Valley Consortium and regional Economic Development groups such as ACEDA.

### **Educational Budget:**

The Oak Ridge School system continues to be an important asset to our community. Its vitality has contributed to positive recognition to our educational efforts as a community. The City is required to maintain a continuous and reliable funding effort to our schools. This contribution through the normal channels of raising revenues for the schools is known as Maintenance of Effort and was the subject of much discussion in the past year. This past year, both the Board of Education and the City Council passed a resolution clarifying a path forward on county generated sales tax for the school system. The City of Oak Ridge took action that essentially increases the annual debt service burden to the City of nearly \$300,000. This amount, along with required reserves, causes a critical need for more economic growth in the community.

All citizens recognize the need to pay our debts and such is a first priority for a city government, too. Debt must be recognized in the community's ability to pay for enhanced or basic services.

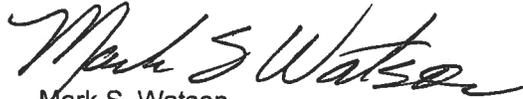
The Board of Education has strongly identified a need to strengthen the Oak Ridge School system and has recommended a major tax increase to the City Council. The major tax increase will involve staffing pay raises, maintaining educational specialty programs and technology improvements to the system. Recognizing a significant importance of schools is to attract new residents, develop a qualified workforce and create new skills for advanced technology, the Board has recommended a level of service that

retains and enhances current workers and work environments. The proposed tax rate level is \$2.76 per \$100, which will generate an additional \$3,329,393 in property taxes above the current \$2.39 rate.

**Final Comments:**

As City Manager, I am pleased to present the City Council with a budget that is thoroughly examined and reviewed for the FY 2014-2015 year. The proposed budget continues the same tax rate and burden upon the community. The Board of Education has proposed additional dollars that they need to stay at a high level of teaching responsiveness. I look forward to reviewing this document with you and the greater Oak Ridge community in the coming weeks.

Respectfully yours,

A handwritten signature in black ink that reads "Mark S. Watson". The signature is written in a cursive style with a large, stylized "M" and "W".

Mark S. Watson  
City Manager

TITLE

AN ORDINANCE TO PROVIDE REVENUE FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR BEGINNING JULY 1, 2014, 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 two (2) public hearings were held on June 9, 2014 and June 16, 2014 with the June 16, 2014 public hearing serving as the official Charter required public hearing; and

WHEREAS, in accordance with the requirements of said Charter section, meetings were held with City Council on April 3, 2014; April 10, 2014; April 17, 2014; and May 12, 2014 which served to provide guidance to the City Manager on the preparation of the proposed budget; and

WHEREAS, City Council met on June 9, 2014 and June 16, 2014 for official consideration and approval of said appropriation ordinance.

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, 2014 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 \$2.76 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 2014. 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 2015:

General Fund, Municipal Operations	\$ 20,517,510
Debt Service (Bond and Interest Redemption Fund)	\$ 8,000,000
State Street Aid Fund	\$ 2,221,000
Streets and Public Transportation Fund	\$ 260,000
Drug Enforcement Program Fund	\$ 255,200
Grant Fund	\$ 3,553,188
General Purpose School Fund	\$ 62,839,557
Golf Course Fund	\$ 1,292,112
Capital Projects Fund	\$ 2,797,272
Solid Waste Fund	\$ 2,704,000
West End Fund	\$ 2,597,110
Special Programs Fund	\$ 830,000

Section 4. The following amounts in the proprietary-type funds are projected expenses for Fiscal Year 2015 and are provided for informational purposes:

Electric Fund	\$ 53,217,523
Waterworks Fund	\$ 21,195,931
Emergency Communications District Fund	\$ 537,518

Section 5. In order to provide funds to meet the expenditure requirements, the following transfers are projected for Fiscal Year 2015 and are provided for informational purposes:

<u>To General Fund For Tax Equivalent</u>	
From Electric Fund	\$ 1,495,875
From Waterworks Fund	\$ 1,595,000
<u>To General Purpose School Fund for Operations</u>	
From General Fund	\$ 17,923,194
<u>To Debt Service Fund</u>	
From General Fund	\$ 3,545,000
<u>To Capital Projects Fund</u>	
From General Fund	\$ 350,000
From Capital Projects Fund	\$ 350,000
<u>To State Street Aid Fund</u>	
From General Fund	\$ 700,000
<u>To Streets and Public Transportation Fund</u>	
From General Fund	\$ 60,000
<u>To Solid Waste Fund</u>	
From General Fund	\$ 1,700,000
<u>To Grant Fund</u>	
From General Fund	\$ 182,936

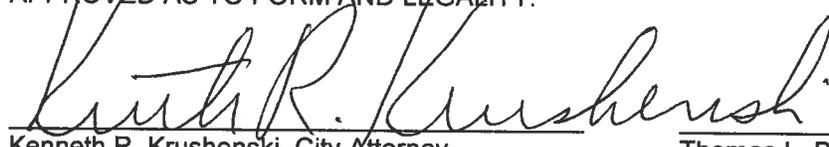
Section 6. All proceeds received through fines, forfeitures and the disposal of seized goods resulting from the City's drug enforcement program shall be used exclusively for that program. A Special Revenue Fund has been established and any funds expended will be limited to the funds collected for that 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:	<u>05-30-2014</u>
Public Hearing:	<u>06-09-2014</u>
First Reading:	<u>06-09-2014</u>
Publication Date:	_____
Second Reading:	_____
Public Hearing:	_____
Publication Date:	_____
Effective Date:	_____

TITLE

AN ORDINANCE TO PROVIDE REVENUE FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR BEGINNING JULY 1, 2014, 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 two (2) public hearings were held on June 9, 2014 and June 16, 2014 with the June 16, 2014 public hearing serving as the official Charter required public hearing; and

WHEREAS, in accordance with the requirements of said Charter section, meetings were held with City Council on April 3, 2014; April 10, 2014; April 17, 2014; and May 12, 2014 which served to provide guidance to the City Manager on the preparation of the proposed budget; and

WHEREAS, City Council met on June 9, 2014 and June 16, 2014 for official consideration and approval of said appropriation ordinance.

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, 2014 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 2014. 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 2015:

General Fund, Municipal Operations	\$ 20,517,510
Debt Service (Bond and Interest Redemption Fund)	\$ 8,000,000
State Street Aid Fund	\$ 2,221,000
Streets and Public Transportation Fund	\$ 260,000
Drug Enforcement Program Fund	\$ 255,200
Grant Fund	\$ 3,553,188
General Purpose School Fund	\$ 62,839,557
Golf Course Fund	\$ 1,292,112
Capital Projects Fund	\$ 2,797,272
Solid Waste Fund	\$ 2,704,000
West End Fund	\$ 2,597,110
Special Programs Fund	\$ 830,000

**Section 4.** The following amounts in the proprietary-type funds are projected expenses for Fiscal Year 2015 and are provided for informational purposes:

Electric Fund	\$ 53,217,523
Waterworks Fund	\$ 21,195,931
Emergency Communications District Fund	\$ 537,518

**Section 5.** In order to provide funds to meet the expenditure requirements, the following transfers are projected for Fiscal Year 2015 and are provided for informational purposes:

<u>To General Fund For Tax Equivalent</u>	
From Electric Fund	\$ 1,495,875
From Waterworks Fund	\$ 1,595,000
<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	\$ 350,000
From Capital Projects Fund	\$ 350,000
<u>To State Street Aid Fund</u>	
From General Fund	\$ 700,000
<u>To Streets and Public Transportation Fund</u>	
From General Fund	\$ 60,000
<u>To Solid Waste Fund</u>	
From General Fund	\$ 1,700,000
<u>To Grant Fund</u>	
From General Fund	\$ 182,936

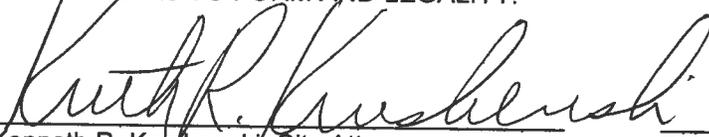
**Section 6.** All proceeds received through fines, forfeitures and the disposal of seized goods resulting from the City's drug enforcement program shall be used exclusively for that program. A Special Revenue Fund has been established and any funds expended will be limited to the funds collected for 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: 05-30-2014  
Public Hearing: 06-09-2014  
First Reading: 06-09-2014  
Publication Date: 06-12-2014  
Public Hearing: 06-16-2014  
Second Reading: 06-16-2014  
Publication Date: \_\_\_\_\_  
Effective Date: \_\_\_\_\_

# RESOLUTIONS

**PERSONNEL DEPARTMENT  
14-052**

June 6, 2014

**TO:** Mark S. Watson, City Manager  
**FROM:** Personnel Director  
**SUBJECT:** EMPLOYEE LIFE AND LONG TERM DISABILITY INSURANCE

The attached resolution provides for life insurance, dependent life insurance, supplemental life insurance and long term disability insurance for City employees for July 1, 2014 through June 30, 2017.

The City's broker, Martin D. Steele, Senior Associate with Mercer in the Nashville Office, has provided the City with information relative to his research on prospective providers for basic life insurance, supplemental life insurance, dependent life insurance and long term disability for City employees. In addition to Standard Insurance Company, the City's current provider, Mr. Steele also contacted Hartford, Prudential and CIGNA. The results of this research are attached.

Mr. Steele and Personnel Department staff members reviewed the results and determined that with the almost \$20,000 per year savings in the long term disability component, it is in the best interest of all parties to change our provider from Standard Insurance Company to The Hartford. The City has previously had insurance with The Hartford and had no problems. It is also significant that these rates are guaranteed for three years.

Under The Hartford proposal the rates that the City pays for basic life insurance and the rates that employees pay for dependent and supplemental life insurance remain the same as our current rates. The savings is in the lower cost for long term disability which is a benefit totally paid for by the City. Long term disability insurance pays 60% of the employee's base salary after a 120 days waiting period. This insurance is provided as long as the employee is disabled or until age 65 and the benefit is reduced by any other disability benefits the employee receives. Long term disability insurance is not effective for disabilities as a result of on-the-job injuries that are covered by workers' compensation.

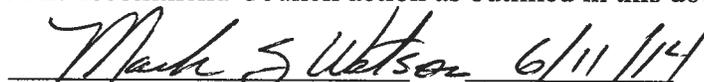
Staff recommends approval of the attached resolution.

  
Penelope H. Sissom

Attachment

**City Manager's Comments:**

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

  
Mark S. Watson      6/11/14  
Date

**City of Oak Ridge**  
**2014 Renewal and Marketing Results**  
**7/1/2014 Effective Date**

	Volume	Current Standard Life	Renewal Standard Life	CIGNA	Hartford	Prudential
Basic Life	\$ 10,564,500	\$ 0.19	\$ 0.19	\$ 0.155	\$ 0.152	\$ 0.186
Basic AD&D	\$ 10,564,500	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.028	\$ 0.021
Annual Premium		\$ 26,623	\$ 26,623	\$ 23,453	\$ 22,819	\$ 26,242
Dependent Life	180	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.50
Annual Premium		\$ 7,366	\$ 7,366	\$ 7,366	\$ 7,366	\$ 7,560
Long Term Disability	\$ 1,338,481	\$ 0.39	\$ 0.39	\$ 0.428	\$ 0.29	\$ 0.479
Annual Premium		\$ 62,641	\$ 62,641	\$ 68,744	\$ 46,579	\$ 76,936
<b>Total Paid Premium</b>		\$ 96,629	\$ 96,629	\$ 99,563	\$ 76,764	\$ 110,738
Difference \$			\$ -	\$ 2,934	\$ (19,865)	\$ 14,109
Difference %			0%	3%	-23%	44%
<b>Supplemental Life/\$1,000</b>						
Under 30		\$ 0.045	\$ 0.045	\$ 0.045	\$ 0.045	\$ 0.107
30-34		\$ 0.055	\$ 0.055	\$ 0.055	\$ 0.055	\$ 0.113
35-39		\$ 0.080	\$ 0.080	\$ 0.080	\$ 0.080	\$ 0.141
40-44		\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.187
45-49		\$ 0.205	\$ 0.205	\$ 0.205	\$ 0.205	\$ 0.278
50-54		\$ 0.350	\$ 0.350	\$ 0.350	\$ 0.350	\$ 0.452
55-59		\$ 0.550	\$ 0.550	\$ 0.550	\$ 0.550	\$ 0.770
60-64		\$ 0.820	\$ 0.820	\$ 0.820	\$ 0.820	\$ 1.221
65-69		\$ 1.180	\$ 1.180	\$ 1.180	\$ 1.180	\$ 2.023
70-74		\$ 2.100	\$ 2.100	\$ 2.100	\$ 2.100	\$ 3.512
75-79		\$ 3.590	\$ 3.590	\$ 3.590	\$ 3.590	\$ 5.834
80-84		\$ 3.590	\$ 3.590	\$ 3.590	\$ 3.590	\$ 10.000
<b>Rate Guarantee</b>			2 years	3 years	3 years	2 years

**Commissions**

Life and AD&D	Graded 15%	Graded 15%	Graded 15%	Flat 6%	Flat 15%
LTD	9.50%	9.50%	9.50%	9.50%	9.50%

**RESOLUTION**

A RESOLUTION WAIVING COMPETITIVE BIDS AND MAKING AN AWARD TO MERCER, INSURANCE BROKER, FOR EMPLOYEE LIFE INSURANCE AND LONG TERM DISABILITY INSURANCE WITH HARTFORD FOR FISCAL YEAR 2015 IN THE ESTIMATED AMOUNT OF \$76,764.00, AND AUTHORIZING THE CITY TO RENEW SAID CONTRACT FOR UP TO TWO (2) ADDITIONAL ONE-YEAR TERMS AT THE SAME RATES IF SERVICES ARE SATISFACTORY.

WHEREAS, the City of Oak Ridge has need for certain routine materials, equipment and services that do not lend themselves to the normal competitive bidding procedure; and

WHEREAS, the City's insurance broker, Martin Steele with Mercer, contacted prospective insurance providers for basic life insurance, dependent life insurance, supplemental life insurance, and long term disability insurance for City employees which included four potential providers; and

WHEREAS, Mr. Steele and City Staff reviewed the results of the research and determined it was in the City's and the employees' best interest to award a contract to Hartford for life insurance and long term disability insurance which is an approximate \$20,000.00 per year cost savings over the current provider; and

WHEREAS, Hartford has agreed to guarantee their rates for three years; and

WHEREAS, the City Manager recommends that competitive bids be waived and award be made to Mercer, insurance broker, for life insurance and long term disability insurance with Hartford.

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

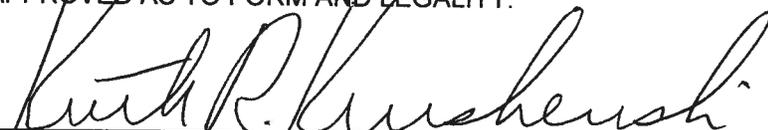
That the recommendation of the City Manager that competitive bids be waived is approved and award is hereby made to Mercer, insurance broker, for employee life insurance and long-term disability insurance with Hartford for Fiscal Year 2015 (July 1, 2014 through June 30, 2015), in the estimated amount of \$76,764.00.

BE IT FURTHER RESOLVED that the City is hereby authorized to exercise two one-year renewal options at the same rates should services be satisfactory.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute contracts for and on behalf of the City of Oak Ridge in connection with supplying the above services, where required by law.

This the 16th day of June 2014.

APPROVED AS TO FORM AND LEGALITY:

  
\_\_\_\_\_  
Kenneth R. Krushenski, City Attorney

\_\_\_\_\_  
Thomas L. Beehan, Mayor

\_\_\_\_\_  
Diana R. Stanley, City Clerk

**FIRE DEPARTMENT HEADQUARTERS  
MEMORANDUM**

**HQ-14-08**

**DATE:** May 20, 2014  
**TO:** Mark S. Watson, City Manager  
**FROM:** Darryl Kerley, Fire Chief  
**SUBJECT:** **FIRE STATION #3 SPRINKLER SYSTEM PROJECT**

Introduction

An item for the agenda is a resolution approving two contracts with Christopoulos & Kennedy Construction, Inc., for the sprinkler system project at Fire Station #3 in the estimated amount of \$ 93,267.00. Any available residual funds from the FY14 general fund budget will be encumbered for said project.

Funding

Available residual funds from the FY14 General Fund will be encumbered for the project and the remaining funds will come from the FY15 Capital Budget fund. This project is scheduled to begin sometime in the first half of FY2015 after all logistical elements of repairing the fire station while at the same time keeping it open and in-service for the community response are complete.

Background

Over the last thirty-six (36) months, the sprinkler system at Fire Station #3, located at 333 Tuskegee Drive, has experienced numerous leaks in the water pipe distribution system resulting in ceiling damage. Four months ago, the sprinkler system had to be "valve out of service" to avoid additional structural damage to the building. Several solutions were investigated to resolve the situation, but ultimately a decision was made to completely replace the sprinkler system and ceiling in the living quarters, office, kitchen, TV room and training room. Upon completion of the sprinkler installation a new drop ceiling will be installed to provide future access to the system. The piping in the truck bay will be pressure tested and if no leaks are detected it will be placed back in service. If leaks are detected, only the leaking pipes will be replaced at this time in order to conserve funds on this project. The sprinkler system in the truck bay is exposed to the truck bay and can be easily serviced or repaired without removing structural components of the building.

Analysis

Bids were issued separately for the ceiling portion of the project (removal of existing ceiling, installation of insulation, and installation of the new ceiling – FY2014-144) and the sprinkler system replacement portion of the project (FY2014-146). Sealed bids were submitted on May 8, 2014, with Christopoulos & Kennedy Construction, Inc., submitting the low bid on both projects. . The project will be completed per the specifications which meet National Fire Protection Association requirements and City Code. The project will be conducted under the supervision of the Fire Marshall's Office and the Electric Department.

Recommendation

Staff recommends approval of the attached resolution authorizing the City to enter into contracts with Christopoulos & Kennedy Construction, Inc., as well encumbering funds from FY2014 for a portion this project.

Attachments

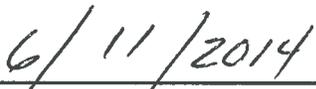
Bid Abstract  
Resolution

  
\_\_\_\_\_  
Darryl Kerley, Fire Chief

**City Manager's Comments:**

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

  
\_\_\_\_\_  
Mark S. Watson

  
\_\_\_\_\_  
Date

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

FY2014-144  
OPENING DATE: May 6, 2014 2:30 P.M.

FOR --- Fire Station #3 Ceiling Removal & Installation of Insulation & New Ceiling			BIDDER: Christopoulos & Kennedy Const. Inc. 2301 Hatcher Drive Knoxville, TN 37921		BIDDER: H-S Whitson Construction Co., Inc. 2669 Byington Solway Road Knoxville, TN 37931		BIDDER:		BIDDER:			
DESCRIPTION	ITEM	QUANTITY	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL		
THE FURNISHING OF ALL LABOR, MATERIALS, SUPPLIES, TOOLS, AND EQUIPMENT NECESSARY TO PERFORM ALL WORK AND SERVICES NECESSARY FOR THE FIRE STATION #3 CEILING REMOVAL & INSTALLATION OF INSULATION & NEW CEILING CONTRACT PER THE SPECIFICATIONS PROVIDED BY THE CITY OF OAK RIDGE, FIRE DEPARTMENT	1			\$ 28,939.00		\$ 46,120.00						
<b>TOTAL PRICE</b>			\$	28,939.00	\$	46,120.00	\$	-	\$	-		
<b>TERMS</b>				Net 30		Net 30						
<b>DELIVERY</b>				Per Contract		Per Contract						
<b>F.O.B.</b>				Oak Ridge		Oak Ridge						
<b>VIA</b>				Vendor		Vendor			Vendor			
OTHER BIDDERS CONTACTED: Riikola Construction - Oak Ridge, TN Johnson & Galyon Construction - Knoxville, TN Wood Brothers Construction Company - Knoxville, TN Powell Brothers Contracting, LLC - Powell, TN Knoxville Drywall - Knoxville, TN							Merit Construction - Knoxville, TN Rich Construction - Lenoir City, TN Citadel Construction - Sevierville, TN Cozy Excavation - Clinton, TN Environmental Safety & Health, Inc. - Knoxville, TN		Southeast Contractors - Franklin, TN		BIDS OPENED AND RECORDED BY---  Lynn Majeski Accounting Division Manager	
<b>REASON FOR AWARD:</b>				<b>RECOMMEND AWARD BE MADE TO:</b>				BIDS REVIEWED BY---				
ONLY BID RECEIVED <input type="checkbox"/>				Christopoulos & Kennedy Const. Inc. 2301 Hatcher Drive Knoxville, TN 37921				 Janice McGinnis Finance Director				
LOW PRICE <input type="checkbox"/>												
BETTER OR REQUIRED DESIGN <input type="checkbox"/>												
EARLY DELIVERY <input type="checkbox"/>												
LOWEST TOTAL COST <input checked="" type="checkbox"/>												

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

FY2014-146  
OPENING DATE: May 6, 2014 2:45 P.M.

FOR ---			BIDDER:		BIDDER:		BIDDER:		BIDDER:	
Fire Station #3 Sprinkler System			Christopoulos & Kennedy Const. Inc. 2301 Hatcher Drive Knoxville, TN 37921		H-S Whitson Construction Co., Inc. 2669 Byington Solway Road Knoxville, TN 37931					
DESCRIPTION	ITEM	QUANTITY	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
THE FURNISHING OF ALL LABOR, MATERIALS, SUPPLIES, TOOLS, AND EQUIPMENT NECESSARY TO PERFORM ALL WORK AND SERVICES NECESSARY FOR THE FIRE STATION #3 SPRINKLER SYSTEM CONTRACT PER THE SPECIFICATIONS PROVIDED BY THE CITY OF OAK RIDGE, FIRE DEPARTMENT	1			\$ 64,328.00		\$ 64,600.00				
<b>TOTAL PRICE</b>				\$ 64,328.00		\$ 64,600.00		\$ -		\$ -
<b>TERMS</b>				Net 30		Net 30				
<b>DELIVERY</b>				Per Contract		Per Contract				
<b>F.O.B.</b>				Oak Ridge		Oak Ridge				
<b>VIA</b>				Vendor		Vendor				
OTHER BIDDERS CONTACTED: Tennessee Automatic Sprinkler - Knoxville, TN Simplex Grinnell - Knoxville, TN Morristown Automatic Sprinkler - Knoxville, TN Precision Fire Protection - Knoxville, TN							BIDS OPENED AND RECORDED BY---  Lyn Majeski Accounting Division Manager			
REASON FOR AWARD:			RECOMMEND AWARD BE MADE TO:				BIDS REVIEWED BY---			
ONLY BID RECEIVED <input type="checkbox"/> LOW PRICE <input type="checkbox"/> BETTER OR REQUIRED DESIGN <input type="checkbox"/> EARLY DELIVERY <input type="checkbox"/> LOWEST TOTAL COST <input checked="" type="checkbox"/>			Christopoulos & Kennedy Const. Inc. 2301 Hatcher Drive Knoxville, TN 37921				 Janice McGinnis Finance Director			

**RESOLUTION**

A RESOLUTION AWARDING CONTRACTS (FY2014-144 AND FY2014-146) TO CHRISTOPOULOS & KENNEDY CONSTRUCTION, INC., KNOXVILLE, TENNESSEE, FOR THE SPRINKLER SYSTEM PROJECT AT FIRE STATION #3 IN THE TOTAL ESTIMATED AMOUNT OF \$93,267.00, AND AUTHORIZING AN ENCUMBRANCE UP TO \$93,267.00 OF AVAILABLE RESIDUAL FUNDS FROM THE GENERAL FUND FY2014 BUDGET TO PAY FOR A PORTION, IF NOT ALL, OF THIS PROJECT.

WHEREAS, the City of Oak Ridge has issued invitations to bid for the furnishing of all labor, tools, materials, equipment and supplies necessary for the sprinkler system project at Fire Station #3; and

WHEREAS, bids were issued separately for the ceiling portion of the project (removal of the existing ceiling, installation of new insulation, and installation of the new ceiling) and for the sprinkler system replacement portion of the project; and

WHEREAS, bids were received and publicly opened on May 6, 2014, with Christopoulos & Kennedy Construction, Inc., submitting the lowest and best bids for both portions of the project, which bids the City Manager recommends be accepted; and

WHEREAS, the City Manager recommends up to \$93,267.00 in available residual funds in the General Fund FY2014 budget be encumbered for FY2015 for payment toward this project.

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

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

To Christopoulos & Kennedy Construction, Inc., 2301 Hatcher Drive, Knoxville, Tennessee 37921, for the furnishing of all labor, tools, materials, equipment and supplies necessary for the ceiling portion of the sprinkler system project at Fire Station #3; said award in strict accordance with contract number FY2014-144, the required specifications, and the bid as publicly opened on May 6, 2014, and in the estimated amount of \$28,939.00.

To Christopoulos & Kennedy Construction, Inc., 2301 Hatcher Drive, Knoxville, Tennessee 37921, for the furnishing of all labor, tools, materials, equipment and supplies necessary for the sprinkler system replacement portion of the sprinkler system project at Fire Station #3; said award in strict accordance with contract number FY2014-146, the required specifications, and the bid as publicly opened on May 6, 2014, and in the estimated amount of \$64,328.00.

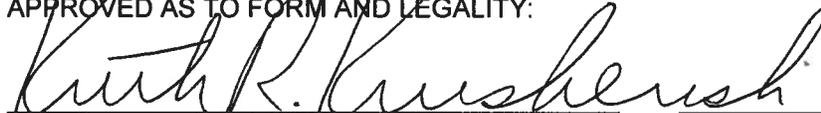
Said awards in the grand total estimated amount of \$93,267.00.

BE IT FURTHER RESOLVED that up to \$93,267.00 in available residual funds in the General Fund FY2014 budget are hereby encumbered for FY2015 for payment toward this project.

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

This the 16th day of June 2014.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

\_\_\_\_\_  
Diana R. Stanley, City Clerk

## ELECTRIC DEPARTMENT MEMORANDUM

14-10

**DATE:** June 11, 2014  
**TO:** Mark S. Watson, City Manager  
**FROM:** Jack L. Suggs  
**SUBJECT:** PURCHASE OF ELECTRICAL SWITCHGEAR EQUIPMENT

### Introduction

An item for City Council's consideration is award of bids for the provision of an electrical switchgear needed for an urgent repair at the Wastewater Treatment Plant. The attached resolution makes an award to Irby Utility Distributor of Nashville, Tennessee in the estimated amount of \$319,765.00 for this equipment.

### Funding

Funding for the replacement equipment is through the Electric Fund. This is because the equipment being purchased will be on the utility side of the electric meters.

### Review

The Wastewater Treatment Plant (WWTP) is supplied electrical power through two high voltage utility feeds to ensure continuous operation. It also has backup emergency generators to meet critical needs in the event of simultaneous failure of the two electrical feeds.

The power from the two high voltage feeds flows into the WWTP through a series of three specialized pieces of electrical equipment, termed "metal clad switchgear (switchgear)."

Each of the switchgears has two "sides" from which power can be fed. This means if power from one "side" is lost, through a series of manual steps, power to the Wastewater Treatment Plant's equipment can be restored through the other side. This arrangement provides the redundancy needed to operate the plant.

Each switchgear is a specialty device, designed and constructed for the specific application. Inside the switchgear are switches, transformers, circuit breakers and metering. The power handled by these units is very high, and the equipment operates under a great deal of electrical stress in a difficult environment.

The switchgear was installed when the plant was built in 1979, making it 35 years old. It was inspected and rebuilt in 1991. Staff in the Electric Department was aware that the equipment was reaching the end of its life and was in the early stages of planning and executing a plan for replacement.

The situation changed this year on May 15, when one side of the main switchgear serving the WWTP failed. The failure caused severe damage which has resulted in the plant having only one electrical feed to its largest and arguably most important load. Staff immediately contacted the manufacturer of the switchgear whose service technicians arrived on May 16 to evaluate the situation.

The evaluation revealed that the switchgear was in worse condition than previously thought. The manufacture deemed the equipment obsolete and economically unrepairable. Replacement and spare parts were not generally available, but even if they were, the overall age and condition of the equipment prevented its repair. A written report dated June 2 echoed the initial examination's results. The two undamaged switchgears are of the same vintage and replacement is recommended for all units.

After extensive study and consultation with Public Works, staff has determined to replace the switchgear with a type standard to our system instead of purpose built units. In addition to the obvious advantage of having spare parts on hand that can be used in several places in our system, the new switchgear will be an advantage to our distribution automation efforts and provide a faster and more secure power restoration in case of failure. Cost is comparable to replacing the equipment directly.

With the WWTP receiving power through a single feed from a damaged piece of equipment, time is of the essence. If the current equipment fails, it will take significant time to create an emergency feed which, in itself, will be without backup until the new equipment is installed.

Normal lead time for the needed equipment is five months after receipt of order. Our engineering staff contacted the manufacturer of the switchgear we use in the Electric System, however, and learned that a current manufacturing "run" of the equipment was planned for July. We immediately prepared specifications and bid the switchgear units. Due to the urgency of the acquiring this equipment, delivery is anticipated in early September of this year.

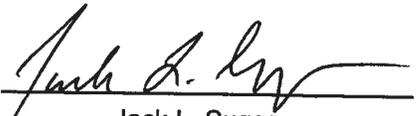
In addition to the three switchgears, the new electric feeds will require two "Interruptions," which will be installed on electric distribution circuits. Units that are on hand will be used to expedite construction, but replacement units are included in the bid. Other expenses to complete the project will involve modification of some feed and service entrances for the WWTP facilities.

The bid specifications also includes approximately \$83,075.00 for spare switchgear being purchased. The total cost will include the Interruptions and switchgear from this purchase plus some specialized 480 volt switchgears that will be purchased in the near future at an estimated cost of \$90,000, totaling this project at approximately \$317,000.00 (not including the spare).

We believe this investment is a good one that will provide a reliable source of power for this important facility as well as increasing the power reliability for other customers in the area.

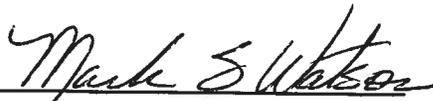
Recommendation

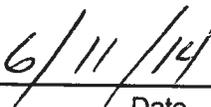
Staff recommends approval of the attached resolution.

  
\_\_\_\_\_  
Jack L. Suggs

**City Manager's Comments:**

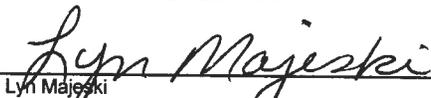
I have reviewed the above issue and recommend Council action as outlined in this document.

  
\_\_\_\_\_  
Mark S. Watson

  
\_\_\_\_\_  
Date

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

OPENING DATE: June 10, 2014 11:00 A.M.

FOR --- 15 kV Intelli-team Pulsecloser Source Transfer Equipment (Emergency Replacement Equipment for WWTP) & Associated Radio System Covering Multiple Locations			BIDDER: Irby Utility Distributor 1284 Heil Quaker Blvd Nashville, TN 37086		BIDDER: Brighter Days & Nites, Inc. 2165 Troyer Ave. Memphis, TN 38114		BIDDER: Kendall Electric 170 Mabry Hood Rd Knoxville, TN 37922		BIDDER:								
DESCRIPTION	ITEM	QUANTITY	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL							
THE FURNISHING OF 15 kV INTELLI-TEAM PULSECLOSER SOURCE TRANSFER EQUIPMENT (EMERGENCY REPLACEMENT EQUIPMENT FOR WWTP) & ASSOCIATED RADIO SYSTEM COVERING MULTIPLE LOCATIONS PER THE SPECIFICATIONS PROVIDED BY THE CITY OF OAK RIDGE ELECTRIC DEPARTMENT	1B	3	\$ 83,075.00	\$ 249,225.00	\$ 86,398.00	\$ 259,194.00	\$ 88,465.56	\$ 265,396.68									
	2	2	\$ 35,270.00	\$ 70,540.00	\$ 36,680.80	\$ 73,361.60	\$ 37,995.83	\$ 75,991.66									
<b>TOTAL PRICE</b>			\$ 319,765.00		\$ 332,555.60		\$ 341,388.34										
<b>TERMS</b>			Net 30		Net 30		Net 30										
<b>DELIVERY</b>			20 Weeks & 11 Weeks		20 Weeks & 11 Weeks		Not Indicated										
<b>F.O.B.</b>			Oak Ridge		Oak Ridge		Oak Ridge										
<b>VIA</b>			Best Way		Best Way		Best Way										
OTHER BIDDERS CONTACTED: Edwards Supply Co. Inc. - Oak Ridge, TN (Withdraw Bid) WESCO Distribution, Inc. - Chattanooga, TN (Non-Responsive Bid) Power Supply Company - Chattanooga, TN HD Supply Utilities - Knoxville, TN Utilicor - Jackson, TN						Customer Service Electric Supply - Knoxville, TN Stokes Electric Company - Knoxville, TN											
<b>REASON FOR AWARD</b> ONLY BID RECEIVED <input type="checkbox"/> LOW PRICE <input type="checkbox"/> BETTER OR REQUIRED DESIGN <input type="checkbox"/> EARLY DELIVERY <input type="checkbox"/> LOWEST TOTAL COST <input checked="" type="checkbox"/>						<b>RECOMMEND AWARD BE MADE TO:</b>  Irby Utility Distributor 1284 Heil Quaker Blvd Nashville, TN 37086						<b>BIDS OPENED AND RECORDED BY--</b>  Lyn Majeski Accounting Division Manager					
												<b>BIDS REVIEWED BY--</b>  Janice McGinnis Finance Director					

**RESOLUTION**

A RESOLUTION AWARDING A BID IN THE ESTIMATED AMOUNT OF \$319,765.00 TO IRBY UTILITY DISTRIBUTOR, NASHVILLE, TENNESSEE, FOR THE FURNISHING OF AN ELECTRICAL SWITCHGEAR AND ASSOCIATED EQUIPMENT NEEDED FOR EMERGENCY REPAIR AT THE WASTEWATER TREATMENT PLANT.

WHEREAS, the City of Oak Ridge issued invitations to bid for the purchase of an electrical switchgear and associated equipment for emergency repair at the Wastewater Treatment Plant; and

WHEREAS, bids were received and publicly opened on June 10, 2014, with Irby Utility Distributor submitting the lowest and best bid, which bid the City Manager recommends be accepted.

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

That the recommendation of the City Manager is approved and award is hereby made to Irby Utility Distributor, 1284 Heil Quaker Blvd, Nashville, Tennessee 37086, for the furnishing of an electrical switchgear and associated equipment for emergency repair at the Wastewater Treatment Plant; said award in strict accordance with the required specifications and the bid as submitted and publicly opened on June 10, 2014, and in the estimated amount of \$319,765.00.

This the 16th day of June 2014.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

\_\_\_\_\_  
Thomas L. Beehan, Mayor

\_\_\_\_\_  
Diana R. Stanley, City Clerk

CITY COUNCIL MEMORANDUM  
14-21

DATE: June 11, 2014  
TO: Honorable Mayor and Members of City Council  
FROM: Mark S. Watson, City Manager  
SUBJECT: FY2015 COMPENSATION FOR CONTRACT WITH OAK RIDGE CHAMBER OF  
COMMERCE (APPROVED BY RESOLUTION 8-81-2013)

Introduction

An item City Council's consideration is a resolution to establish a compensation level for Fiscal Year 2015 in an amount not to exceed \$175,000.00 for the second year of a three-year contract between the City and the Oak Ridge Chamber of Commerce for economic development activities as approved by Resolution 8-81-2013.

Funding

Funds are designated in the Fiscal Year 2015 budget for this program in the amount of \$175,000.00. Funds would be used for specific quantifiable economic development activities, but not used for personnel services and costs associated with the Chamber's regular membership activities. Funds would be for hard costs associated with travel, marketing, studies, data collection, prospect serving, and fees.

Background

At the August 26, 2013 meeting by Resolution 8-81-2013, City Council approved a three year contract with the Chamber for economic development activities. Funds were allocated for Fiscal Year 2014 in an amount not to exceed \$175,000.00. It is recommended that the same level of funding be allocated for Fiscal Year 2015.

Recommendation

The City Manager recommends approval of the attached resolution.

  
Mark S. Watson

Attachments

**RESOLUTION**

A RESOLUTION ESTABLISHING A COMPENSATION AMOUNT NOT TO EXCEED \$175,000.00 FOR FISCAL YEAR 2015 FOR THE ECONOMIC DEVELOPMENT SERVICES CONTRACT BETWEEN THE CITY AND THE OAK RIDGE CHAMBER OF COMMERCE APPROVED BY RESOLUTION 8-81-2013.

WHEREAS, the Oak Ridge Chamber of Commerce has contracted with the City for economic development services for several years to market industrial, office, research and development, commercial, retail, and residential development in order to expand and enhance the economy and to maintain and expand the City's current economic base; and

WHEREAS, by Resolution 8-81-2013, City Council approved a three-year contract with the Oak Ridge Chamber of Commerce, with said contract subject to available funding after FY2014; and

WHEREAS, funds are available in the FY2015 budget in an amount not to exceed \$175,000.00.

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

That the compensation level in the economic development services contract between the City of Oak Ridge, Tennessee, and the Oak Ridge Chamber of Commerce as approved by Resolution 8-81-2013 is hereby set at an amount not to exceed \$175,000.00 for Fiscal Year 2015 as approved in the FY2015 City Budget.

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

This the 16th day of June 2014.

APPROVED AS TO FORM AND LEGALITY:



\_\_\_\_\_  
Kenneth R. Krushenski, City Attorney

\_\_\_\_\_  
Thomas L. Beehan, Mayor

\_\_\_\_\_  
Diana R. Stanley, City Clerk

**ELECTIONS**  
**&**  
**APPOINTMENTS**  
  
**ANNOUNCEMENTS**  
  
**SCHEDULING**

CITY COUNCIL MEMORANDUM  
14-20

DATE: June 3, 2014  
TO: Honorable Mayor and Members of City Council  
FROM: Mark S. Watson, City Manager  
SUBJECT: CONFIRMATION OF NOMINATION BY ORUD  
BOARD OF COMMISSIONERS

The attached communication from the Oak Ridge Utility District (ORUD) Board of Commissioners nominates Alan L. Liby to succeed himself as a Commissioner of the Utility District and petitions City Council to confirm his nomination. I met with the ORUD Board of Commissioners on May 28, 2014 and join with them in recommending the reappointment of Mr. Liby to fill the five-year term beginning July 1, 2014 and ending June 30, 2019.

  
\_\_\_\_\_  
Mark S. Watson

Attachment

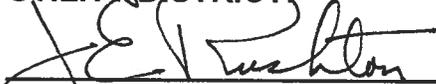
**TO THE HONORABLE MAYOR AND CITY COUNCIL  
OF OAK RIDGE, TENNESSEE**

1. That, by Chapter 503 of the 1951 Private Acts of Tennessee, there was created a municipal corporation designated as "Oak Ridge Utility District,"
2. That, by Section 3 of said Chapter 503, and by petitions for appointments by the Board of Commissioners of Oak Ridge Utility District and the City Manager of the City of Oak Ridge, having been confirmed by the City Council of the City of Oak Ridge as follows:
  - a. On July 1, 2009, the term of Alan L. Liby expired, and he was duly nominated and re-appointed to a five-year term expiring June 30, 2014.
  - b. On July 1, 2010, the term of Dr. Thomas L. Clary, III expired, and he was duly nominated and re-appointed to a five-year term expiring June 30, 2015.
  - c. On July 1, 2011, the term of James E. Rushton expired, and he was duly nominated and re-appointed to a five-year term expiring June 30, 2016.
  - d. On July 1, 2012, Nancy S. Riser was duly nominated and appointed for a five-year term expiring June 30, 2017.
  - e. On July 1, 2013, James W. Charles, III was duly nominated and appointed for a five-year term expiring June 30, 2018.
3. That, on June 30, 2014, the term of Alan L. Liby expires, thereby creating a vacancy in the membership of the Board of Commissioners of Oak Ridge Utility District.
4. That Section 3 of said Chapter 503 provides that whenever a vacancy occurs, a successor shall be nominated by a majority vote of the remaining members of the Board of Commissioners and the City Manager, then the name of the person so nominated shall be submitted to the City Council of Oak Ridge, Tennessee, for confirmation and within twenty days from the submission of such name to such City Council, the Council shall act upon the nomination and advise the District thereof.
5. That Alan L. Liby, of Oak Ridge, Tennessee, has been nominated to fill the vacancy created by the expiration of his current term, beginning July 1, 2014 and expiring on June 30, 2019, such nomination being made by a majority vote of the remaining members of the Board of Commissioners of Oak Ridge Utility District and the City Manager of Oak Ridge, Tennessee, as evidenced by the Resolution attached hereto.

**Wherefore**, the undersigned Petitioners pray that Oak Ridge City Council confirm the nomination of Alan L. Liby as Commissioner of the Oak Ridge Utility District to serve a five-year term beginning July 1, 2014 and ending June 30, 2019, as authorized by Chapter 503 of the 1951 Private Acts of Tennessee.

RESPECTFULLY SUBMITTED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014,

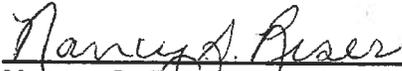
**BOARD OF COMMISSIONERS OF OAK RIDGE  
UTILITY DISTRICT:**



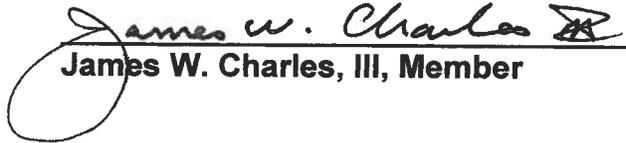
James E. Rushton, Secretary



Dr. Thomas L. Clary, III, Member

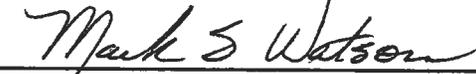


Nancy S. Riser, Member



James W. Charles, III, Member

**CITY OF OAK RIDGE, TENNESSEE:**



Mark S. Watson, City Manager

**APPROVED BY OAK RIDGE CITY COUNCIL  
THE \_\_\_\_ DAY of \_\_\_\_\_ 2014,**

\_\_\_\_\_  
**MAYOR**

\_\_\_\_\_  
**CITY CLERK**

**APPROVED AS TO FORM AND LEGALITY:**



Kenneth Krushenski, City Attorney



James T. Normand, ORUD Attorney