

OAK RIDGE CITY COUNCIL MEETING

Municipal Building Courtroom

December 12, 2016 —7:00 p.m.

AGENDA

- I. INVOCATION
Bruce Marshall - Director, Contact Care Line
 - II. PLEDGE OF ALLEGIANCE
 - III. ROLL CALL
 - IV. RULES AND PROCEDURES
 - a. Approve suspension of City Council Rules and Procedures for purpose of agenda formatting for the December 12, 2016 City Council meeting.
 - V. APPROVAL OF THE NOVEMBER 14, 2016 CITY COUNCIL MEETING MINUTES
 - VI. ADJOURNMENT
-

- I. CALL TO ORDER WITH THE NEWLY ELECTED CITY COUNCIL
- II. PUBLIC RECOGNITIONS – OATHS OF OFFICE
 - a. Oath of office administered to City Judge Robert McNees by Mary Beth Hickman, City Clerk
 - b. Oath of office administered to the following newly elected individuals by City Judge Robert McNees:
 - i. James Dodson, Oak Ridge City Council Member
 - ii. Charles J. "Chuck" Hope, Oak Ridge City Council Member
 - iii. Hans Vogel, Oak Ridge City Council Member
 - iv. Keys Fillauer, Oak Ridge Board of Education
 - v. Angi Agle, Oak Ridge Board of Education
- III. ROLL CALL
- IV. PROCLAMATIONS AND PUBLIC RECOGNITIONS

Proclamations

 - a. A proclamation paying tribute to Councilmember Trina Baughn for her service on the Oak Ridge City Council.
 - b. A proclamation paying tribute to Councilmember L. Charles Hensley for his service on the Oak Ridge City Council.

V. ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

a. Elections/Appointments

- i. Election of Mayor of the City of Oak Ridge
- ii. Election of Mayor Pro Tem of the City of Oak Ridge

VI. RECESS

VII. CITY COUNCIL OFFICIAL GROUP PHOTO

VIII. CALL TO ORDER

IX. APPEARANCE OF CITIZENS

X. SPECIAL REPORTS

- a. Report on Debt Obligation – Capital Outlay Note Extension – Janice McGinnis, Finance Director

XI. RESOLUTIONS

- a. A RESOLUTION GRANTING A PERMIT TO KALPESH TRAMBADIA AND NILAYKUMAR TRAMBADIA TO ENGAGE IN THE RETAIL SALE OF ALCOHOLIC BEVERAGES IN THE CITY OF OAK RIDGE AT TURNPIKE LIQUOR STORE, 331 OAK RIDGE TURNPIKE, AND WAIVING THE RESIDENCY REQUIREMENT FOR BOTH APPLICANTS.
- b. A RESOLUTION AUTHORIZING THE MAYOR TO SIGN AND ISSUE ON BEHALF OF THE CITY OF OAK RIDGE CERTIFICATES OF COMPLIANCE FOR KALPESH TRAMBADIA AND NILAYKUMAR TRAMBADIA TO ENGAGE IN THE RETAIL SALE OF ALCOHOLIC BEVERAGES AT TURNPIKE LIQUOR STORE, 331 OAK RIDGE TURNPIKE.
- c. A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH TRESTLES, LLC, NASHVILLE, TENNESSEE, FOR ENGINEERING SERVICES TO DESIGN UPGRADES TO THE TURTLE PARK WASTEWATER PUMP STATION IN AN AMOUNT NOT TO EXCEED \$187,500.00.
- d. A RESOLUTION AMENDING THE PROFESSIONAL SERVICES AGREEMENT (FY2016-062) WITH CTI ENGINEERS, INC., KNOXVILLE, TENNESSEE, TO PROVIDE DESIGN, BIDDING, CONSTRUCTION ADMINISTRATION, AND INSPECTION SERVICES FOR A REHABILITATION AND REPAINTING PROJECT FOR THE STEEL RAW WATER STORAGE TANK AT THE WATER TREATMENT PLANT BY ADDING AN ADDITIONAL \$8,000.00 IN COMPENSATION DUE TO CONSTRUCTION DELAYS.
- e. A RESOLUTION WAIVING COMPETITIVE BIDS AND AUTHORIZING THE CITY TO ENTER INTO A LABOR AND EQUIPMENT CONTRACT WITH BLALOCK CONSTRUCTION, INC., FOR ADDITIONAL IMPROVEMENTS TO THE CITY'S WATER DISTRIBUTION SYSTEM AT THE MAIN STREET OAK RIDGE PROJECT SITE.

- f. A RESOLUTION AUTHORIZING THREE PROFESSIONAL SERVICES AGREEMENTS WITH PATTERSON & DEWAR ENGINEERS, INC., GALLATIN, TENNESSEE, FOR ENGINEERING SERVICES RELATED TO THE AREA OF HORIZON CENTER AND IMPLEMENTATION OF SCADA FOR THE ELECTRIC DEPARTMENT IN THE TOTAL ESTIMATED AMOUNT OF \$256,870.00.
- g. A RESOLUTION AWARDED A CONTRACT (FY2017-089) TO PADDOCK CONSTRUCTION COMPANY, INC., ROCK HILL, SOUTH CAROLINA, FOR THE FILTER REPAIR PROJECT AT THE OAK RIDGE MUNICIPAL SWIMMING POOL IN THE ESTIMATED AMOUNT OF \$97,332.00.
- h. A RESOLUTION APPROVING THE FY2017 REVISED PERSONNEL CLASSIFICATION PLAN, AS RECOMMENDED BY THE CITY MANAGER.
- i. A RESOLUTION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH MCGRATH HUMAN RESOURCES GROUP, WONDER LAKE, ILLINOIS, TO PERFORM A COMPENSATION ANALYSIS AND REVIEW OF THE CITY'S COMPENSATION PLAN STRUCTURE AND RELATED POLICIES.
- j. A RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH WINDROW PHILLIPS GROUP, NASHVILLE, TENNESSEE, FOR THE PROVISION OF CONSULTING SERVICES IN THE AREA OF RELATIONS WITH THE STATE LEGISLATORS, AGENCIES, AND OFFICIALS FOR AGREED UPON PRIORITIES FOR THE CITY IN THE AMOUNT OF \$30,000.00 WITH AN ALLOWANCE OF UP TO \$600.00 FOR EXPENSES RELATED TO REGISTRATION WITH THE TENNESSEE ETHICS COMMISSION.
- k. A RESOLUTION APPROVING A ONE-YEAR EXTENSION TO THE 2013 PILOT REAUTHORIZATION DOCUMENTS APPROVED BY RESOLUTION 11-107-2013 FOR USE BY THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE (IDB) AS A GUIDELINE FOR TAX ABATEMENTS AND PAYMENTS IN LIEU OF TAXES FOR QUALIFYING ENTITIES IN OAK RIDGE, FOR A NEW EXPIRATION DATE OF DECEMBER 31, 2017.
- l. A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF OAK RIDGE, TENNESSEE IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$10,000,000, IN ONE OR MORE SERIES; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS, ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.
- m. A RESOLUTION TO ADOPT THE *CITY OF OAK RIDGE, TENNESSEE 2017 STATE LEGISLATIVE AGENDA* TO INFORM STATE OFFICIALS OF KEY PROJECTS, POLICIES AND PRIORITIES IN THE CITY OF OAK RIDGE, AND TO HELP SECURE FUNDING FOR AGREED UPON PRIORITIES OF THE COMMUNITY.
- n. A RESOLUTION TO GENERALLY ESTABLISH MONTHLY REGULAR CITY COUNCIL MEETINGS AND MONTHLY WORK SESSION MEETINGS FOR CALENDAR YEAR 2017.

XII. PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

First Reading of Ordinances

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

XIII. FINAL ADOPTION OF ORDINANCES

- a. AN ORDINANCE TO AMEND TITLE 13, TITLED “PROPERTY MAINTENANCE REGULATIONS,” CHAPTER 6, TITLED “OAK RIDGE LAND BANK CORPORATION,” OF THE CODE OF ORDINANCES, CITY OF OAK RIDGE, TENNESSEE, BY AMENDING SECTION 13-604, TITLED “BOARD OF DIRECTORS,” SUBSECTION (C), TO GRADUALLY CHANGE THE TERM OF OFFICE FOR DIRECTORS FROM TWO YEARS TO THREE YEARS.

XIV. ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

- a. Announcements
- b. Scheduling

XV. COUNCIL REQUESTS FOR NEW BUSINESS ITEMS OR FUTURE BRIEFINGS

XVI. SUMMARY OF CURRENT EVENTS

- a. CITY MANAGER’S REPORT
 - i. Special Called City Council Meeting on December 13, 2016
 - ii. Joint Work Session on January 26, 2016 with the Board of Education

- b. CITY ATTORNEY’S REPORT

XVII. CITY COUNCIL OFFICIAL GROUP PHOTO

XVIII. ADJOURNMENT

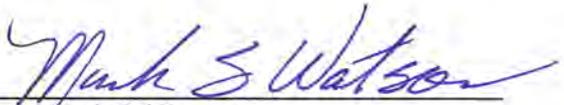
**RULES
AND
PROCEDURES**

CITY COUNCIL MEMORANDUM
16-34

DATE: December 5, 2016
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager
SUBJECT: DECEMBER 12, 2016 AGENDA FORMATTING

The December 12, 2016 City Council meeting agenda has been prepared to allow both the past and the future City Council members an opportunity to jointly participate in a meeting. The central focus of this meeting is twofold. The first part acknowledges the final actions of the prior City Council through the approval of prior meeting minutes. The second part includes the swearing in of the newly certified Council members, Board of Education members, and the City Judge as well as the election of the Mayor and Mayor Pro Tem.

In order to meet the goal of the December 12, 2016 City Council meeting agenda, the Council shall suspend its Rules and Procedures to accept the agenda format as published, as it is the most efficient method of transacting necessary business at this meeting.



Mark S. Watson

MINUTES

OAK RIDGE CITY COUNCIL MEETING
Municipal Building Courtroom

November 14, 2016

Minutes

The regular meeting of the City Council of the City of Oak Ridge, Tennessee convened at 7:00 p.m. on November 14, 2016 in the Courtroom of the Municipal Building with Mayor Warren L. Gooch presiding.

INVOCATION

The invocation was given by Pastor Curtis McClane, Highland View Church of Christ.

PLEDGE OF ALLEGIANCE

The colors were presented by cadets from the Oak Ridge Composite Squadron Color Guard, and the Pledge of Allegiance was led by Mayor Warren Gooch.

ROLL CALL

Upon roll call the following councilmembers were present: Councilmember Kelly Callison; Councilmember Rick Chinn, Jr.; Mayor Warren L. Gooch; Councilmember L. Charles Hensley; Councilmember Charles J. Hope, Jr.; and Mayor Pro Tem Ellen D. Smith. Councilmember Trina Baughn was absent.

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

APPEARANCE OF CITIZENS

Martin McBride, 954 W. Outer Drive, Oak Ridge, addressed Council regarding the 60th anniversary of Oak Ridge schools becoming the first system in the South to desegregate and the need to send a message to the Department of Energy that the Oak Ridge City Council will not tolerate racist housing practices.

PROCLAMATIONS AND PUBLIC RECOGNITIONS

Proclamations

A proclamation designating November 17, 2016 as World Pancreatic Cancer Day.

Councilmember Chinn moved for approval, and Councilmember Mayor Pro Tem Smith seconded. The proclamation was approved unanimously by voice vote with Councilmembers Callison, Chinn, Hensley, Hope, Mayor Gooch and Mayor Pro Tem Smith voting "Aye."

A proclamation designating November 27-December 3, 2016 as Civil Air Patrol Week.

Councilmember Chinn moved for approval, and Councilmember Hope seconded. The proclamation was approved unanimously by voice vote with Councilmembers Callison, Chinn, Hensley, Hope, Mayor Gooch and Mayor Pro Tem Smith voting "Aye."

A proclamation designating November 29, 2016 as Secret City Gives Day.

Councilmember Chinn moved for approval, and Councilmember Hensley seconded. The proclamation was approved unanimously by voice vote with Councilmembers Callison, Chinn, Hensley, Hope, Mayor Gooch and Mayor Pro Tem Smith voting "Aye."

SPECIAL REPORTS

2016 Annual Report from the Oak Ridge Heritage Railroad Authority

Gordon Fee, Chairman of the Oak Ridge Heritage Railroad Authority, provided the 2016 Annual Report. At the conclusion of his report, Mayor Pro Tem Smith asked if the loss of state funding had anything to do with the Southern Appalachian Railway Museum's loss of its permit to operate on the tracks owned by Energy Solutions. Mr. Fee said no and that that decision was based on a liability issue. The report was received for the record.

CONSENT AGENDA

Councilmember Hensley moved for adoption of the Consent Agenda, and Councilmember Hope seconded.

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

Approval of the October 10, 2016 City Council regular meeting minutes

Approval of the October 18, 2016 City Council special meeting minutes

RESOLUTIONS

A RESOLUTION AUTHORIZING THE CITY TO ENTER INTO AN OPERATIONAL AGREEMENT WITH THE OAK RIDGE BOARD OF EDUCATION FOR CERTAIN FACILITIES, INCLUDING BLANKENSHIP FIELD.

Councilmember Chinn moved for approval of the resolution, and Councilmember Hope seconded.

The resolution passed unanimously by board vote with Councilmembers Callison, Chinn, Hensley, Hope, Mayor Gooch and Mayor Pro Tem Smith voting "Aye."

A RESOLUTION AUTHORIZING AN AMENDMENT IN THE AMOUNT OF \$15,000.00 TO THE PROFESSIONAL SERVICES AGREEMENT (FY2016-147) WITH LUNA LAW GROUP, PLLC, FOR LEGAL SERVICES RELATED TO AN APPEAL BEFORE THE STATE OF TENNESSEE BOARD OF WATER QUALITY, OIL & GAS IN THE REED CASE.

Councilmember Chinn moved for approval of the resolution, and Councilmember Callison seconded. City Attorney Ken Krushenski provided an overview of the resolution.

The resolution passed unanimously by board vote with Councilmembers Callison, Chinn, Hensley, Hope, Mayor Gooch and Mayor Pro Tem Smith voting "Aye."

PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

First Reading of Ordinances

AN ORDINANCE TO AMEND TITLE 13, TITLED "PROPERTY MAINTENANCE REGULATIONS," CHAPTER 6, TITLED "OAK RIDGE LAND BANK CORPORATION," OF THE CODE OF ORDINANCES, CITY OF OAK RIDGE, TENNESSEE, BY AMENDING SECTION 13-604, TITLED "BOARD OF DIRECTORS," SUBSECTION (C), TO GRADUALLY CHANGE THE TERM OF OFFICE FOR DIRECTORS FROM TWO YEARS TO THREE YEARS.

Councilmember Hensley moved for approval of the ordinance, and Councilmember Callison seconded.

The ordinance was approved unanimously by board vote with Councilmembers Callison, Chinn, Hensley, Hope, Mayor Gooch and Mayor Pro Tem Smith voting "Aye."

FINAL ADOPTION OF ORDINANCES

AN ORDINANCE TO AMEND ORDINANCE NO. 21-82, AS AMENDED, BY DELETING THE PROVISION OF SECTION 13 PERTAINING TO THE SCHEDULE OF WASTEWATER RATES IN ITS ENTIRETY, AND SUBSTITUTING THEREFOR A NEW SCHEDULE OF WASTEWATER RATES.

Mayor Pro Tem Smith moved for adoption of the ordinance, and Councilmember Callison seconded.

The ordinance was adopted unanimously by board vote with Councilmembers Callison, Chinn, Hensley, Hope, Mayor Gooch and Mayor Pro Tem Smith voting "Aye."

ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Elections/Appointments

Announcements

Councilmember Hensley reported that the Land Bank is transferring a lot on Hillside to a developer for building a single-family home and that no borrowed money was being used.

Councilmember Hope announced that he and Mayor Gooch will be traveling to New Orleans November 15-18 for the Energy Communities Alliance Intergovernmental meeting with the Department of Energy. One of the topics of discussion will be the transition from one presidential administration to the next.

Scheduling

City Manager Mark Watson reported that Anderson County is expected to certify the municipal election results on November 18, 2016 and Roane County will do the same on November 28, 2016. He stated that the ceremonial swearing in will take place at the December 12, 2016 City Council meeting.

The City Manager also informed Council that there will be no work session in November, and reminded them that the Budget and Finance Committee will meet on Wednesday, November 16 in the Mayor's Office.

COUNCIL REQUESTS FOR NEW BUSINESS ITEMS OR FUTURE BRIEFINGS

Councilmember Callison asked for an update on the YWCA property. City Attorney Ken Krushenski stated that the property is in receivership and awaiting a judge's decision as to who will assume control of the property.

SUMMARY OF CURRENT EVENTS

CITY MANAGER'S REPORT

City Manager Mark Watson reminded Council of the December 9th deadline for applications to boards and commissions to be submitted to the City Clerk's office in case they know of any citizens that wish to apply. He also provided a timeline for moving the Senior Center to the Oak Ridge Civic Center. He stated there would be a meeting of the Senior Advisory Board on November 21 to discuss this issue. He also advised that the target date is January for a design proposal to come forward for the Sessions Court movement to the Daniel Arthur building.

CITY ATTORNEY'S REPORT

ADJOURNMENT: 7:52 p.m.

**PROCLAMATIONS
AND
PUBLIC RECOGNITIONS**

CITY CLERK MEMORANDUM
16-31

DATE: December 5, 2016
TO: Honorable Mayor and Members of City Council
FROM: Mary Beth Hickman, City Clerk
SUBJECT: PROCLAMATIONS FOR THE DECEMBER 12, 2016 CITY COUNCIL MEETING
AGENDA

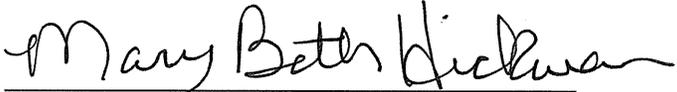
The following proclamations are presented for the December 12, 2016 City Council meeting for the City Council's consideration:

A proclamation paying tribute to Councilmember Trina Baughn for her service on the Oak Ridge City Council

This request was submitted by City Manager Mark Watson to honor Councilmember Baughn as she leaves office after four (4) years of service.

A proclamation paying tribute to Councilmember L. Charles Hensley for his service on the Oak Ridge City Council

This request was submitted by City Manager Mark Watson to honor Councilmember Hensley as he leaves office after nine (9) years of service.



Mary Beth Hickman

Attachments:

Proclamation paying tribute to Councilmember Trina Baughn
Proclamation paying tribute to Councilmember L. Charles Hensley

PROCLAMATION

WHEREAS, Trina Baughn has been recognized as a leader on the Oak Ridge City Council since her service began on November 19, 2012; and

WHEREAS, Trina Baughn graduated from the University of Maryland University College where she earned a Bachelor of Science in Communications and an Associate of Arts degree in Management Studies; and

WHEREAS, Ms. Baughn has been an active member of the community through her service to the American Red Cross and as a foster parent and child advocate; and

WHEREAS, Ms. Baughn has also been very active in her service to the City of Oak Ridge prior to becoming a council member, serving on the City of Oak Ridge Personnel Advisory Board, the Convention and Visitors Bureau Board of Directors and the Bike and Pedestrian Walking Committee; and

WHEREAS, Ms. Baughn has served on many Council committees, including the City Attorney Evaluation Committee, the Budget and Finance Committee, and the Rules and Procedures Committee, as an Oak Ridge representative on the Anderson County Tourism Council and as Chair of the Oak Ridge Special Events Advisory Task Force; and

WHEREAS, Ms. Baughn has used her knowledge of and experience in the Oak Ridge community to help further the progress of the City of Oak Ridge and has been instrumental in ensuring a prosperous future for our residents; and

WHEREAS, the Oak Ridge City Council desires to express its appreciation and gratitude for her 4 years of meritorious public service with the City Council.

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

That in recognition of her distinguished service to the community, the Oak Ridge City Council pays tribute to

TRINA BAUGHN

and accords her an honored place in the history of this city.

IN WITNESS THEREOF, I have hereunto set my hand and caused the Great Seal of the City of Oak Ridge to be affixed this 12th day of December in the year 2016.

MAYOR

MAYOR PRO TEM

COUNCILMEMBER

COUNCILMEMBER

COUNCILMEMBER

COUNCILMEMBER

COUNCILMEMBER

PROCLAMATION

WHEREAS, L. Charles Hensley has been recognized as a leader on the Oak Ridge City Council since his service began on June 12, 2007; and

WHEREAS, upon moving to Oak Ridge after his graduation from Marshall University in 1968 with a Bachelor of Engineering Science degree, L. Charles Hensley began a 29-year career working for various contractors at all three of the Department of Energy facilities; and

WHEREAS, Mr. Hensley has been an active member of the community with his service as an advisor for the Oak Ridge Schools, a technical advisor to Jefferson Middle School and Oak Ridge High School for the Technology Students Association, and as an avid supporter of the Oak Ridge Boys' Club; and

WHEREAS, Mr. Hensley has been very active in his service to the City of Oak Ridge, serving as the Oak Ridge City Council representative on the Oak Ridge Municipal Planning Commission and the Land Bank Board of Directors, as well as an Oak Ridge representative on the Anderson County Development Corporation Board of Directors; and

WHEREAS, Mr. Hensley has served on many Council Committees, including the City Manager Evaluation Committee, the City Attorney Evaluation Committee, and the Budget and Finance Committee; and

WHEREAS, Mr. Hensley has used his knowledge of and experience in the Oak Ridge community to help further the progress of the City of Oak Ridge and has been instrumental in ensuring a prosperous future for our residents, in part due to his tireless advocacy of quality growth while maintaining Oak Ridge's quality environment and expansion of our superior and varied outdoor amenities; and

WHEREAS, the Oak Ridge City Council desires to express its appreciation and gratitude for his 9 years of meritorious public service with the City Council.

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

That in recognition of his distinguished service to the community, the Oak Ridge City Council pays tribute to

L. CHARLES HENSLEY

and accords him an honored place in the history of this city.

IN WITNESS THEREOF, I have hereunto set my hand and caused the Great Seal of the City of Oak Ridge to be affixed this 12th day of December in the year 2016.

MAYOR

MAYOR PRO TEM

COUNCILMEMBER

COUNCILMEMBER

COUNCILMEMBER

COUNCILMEMBER

COUNCILMEMBER

ELECTIONS/ APPOINTMENTS

Warren Gooch
18 Palisades Parkway
Oak Ridge, TN 37830

DEC2'16 12:25PM
OFFICE OF THE
CITY CLERK

December 2, 2016

Dear City Council Colleagues:

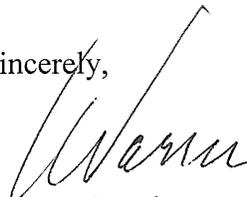
I am seeking re-election for a second term as Mayor, and I respectfully ask for your support. Two years ago, I pledged to be a consensus builder, and to work with each of you, the Board of Education, and the city staff to restore collegiality, team work, and shared goals for the future. I also committed to actively promote Oak Ridge and our commitment to excellence in our schools, city services and quality of life. I believe we have made great strides in this regard, and Oak Ridgers have embraced our collective efforts.

Over the last two years, I have worked diligently to delegate responsibilities among the Council and to appoint every member to lead specific initiatives based upon each member's personal interests and Council's priorities. Our work has been successful, as evidenced by the development of Main Street Oak Ridge, the establishment of the Manhattan Project National Historical Park, re-development of Jackson Square, new retail, commercial and industrial investment, the continued development and support of the Land Bank, the successful award of grants from the Tennessee Valley Authority and the Tennessee Housing Development Agency, the promotion of the Oak Ridge Corridor, the upgrade in our bond rating from AA to AA+, and the addition of the 8th lane to the Melton Lake rowing venue. I am particularly proud of the stronger relationships we have developed with our elected federal, state, and county officials, the Department of Energy, State of Tennessee, and our local DOE contractors.

All of this has resulted in increased excitement about the momentum of our city. We must continue to work hard to maintain this momentum and take full advantage of it in the coming months. As you know, we have a number of near term goals: The replacement of our 70 year old water plant, a new Pre-K building, and a long-awaited new Senior Center. Our longer term challenges include our stagnant population growth, attractive and affordable housing, the changing demographics of our city, and the loss of Hall Income Tax revenue. I want to help lead our efforts in addressing these issues, and that is why I am seeking re-election as Mayor and asking for your vote.

I appreciate your service to our community, and I look forward to serving with each of you in the coming months. I am more confident than ever that great things will continue to happen in Oak Ridge every day.

Sincerely,



Warren Gooch

DEC 7 '16 8:16AM
OFFICE OF THE
CITY CLERK

To: Members of the Oak Ridge City Council

From: Ellen Smith

Date: December 6, 2016

Dear Fellow City Leaders:

I am writing to request your support and your votes for my candidacy to serve as Mayor Pro Tem for a second two-year term.

The role of the Mayor Pro Tem is to fill in for the Mayor when the Mayor is not available – particularly to chair meetings of City Council and serve as the “face” or ambassador of the City’s elected leadership when the Mayor is unable to do so. I have endeavored over the past two years to conduct city business in an efficient and respectful manner and to present a positive image for the Council and the community, both locally and when representing Oak Ridge outside our city’s borders. I think it is important that people perceive that individuals in positions such as Mayor and Mayor Pro Tem are representatives of the city leadership and not also of business entities with special interests, and I believe I have been able to convey the appropriate perception. I would be happy to have the opportunity to continue in this role, with your support.

I look forward to working with all of you as colleagues over the next two years. As I see it, the seven members of the Oak Ridge City Council are community leaders who share collective responsibility for setting the direction of our city, and we have a fine set of leaders for this upcoming term. Positive things are happening in Oak Ridge -- and I expect that the decisions we make over next two years in response to the challenges and opportunities we face will have a major positive impact on the shape of this community for years to come.

Thank you for your consideration.



R. G. (Rick) Chinn, Jr.

101 Stonebridge Way
Oak Ridge, TN 37830
Phone 865-388-8897

DEC 7 '16 1:49PM
OFFICE OF THE
CITY CLERK

December 7, 2016

City Manager Mark Watson and
Members of the Oak Ridge City Council
PO Box 1
Oak Ridge, TN 37830

Re: Election of Council Leadership

City Manager Watson and Honorable members of Oak Ridge City Council,

First, I would like to congratulate the new members elected to Council and express my enthusiasm in working with all the new and returning members of Council for the coming years. I feel we have a great group of members and know that if we work together we can accomplish some great things for the City of Oak Ridge. In my opinion a key to making these great things happen is working together in electing and supporting council leadership. That said I would like to officially announce my interest in becoming the new Mayor Pro Tem.

Next, I would like to express my gratitude and support for Mayor Warren Gooch in his service as mayor for the past two years and his willingness to offer his service again. I feel he has done a fine job in bringing council together to accomplish our common goals. I fully support him in his continued service in this role.

I believe the Mayor and Mayor Pro Tem positions are much more than cutting ribbons and running the monthly meetings. The Mayor, in my opinion, is the chief lobbyist of the City with the Mayor Pro Tem assisting in a similar role. We are unique from most cities in the fact that our health as a city is tied closely to the choices that are made by both State and Federal lawmakers. Maintaining that health depends on a Mayor that has strong relationships with State and Federal elected officials that will result in making meaningful accomplishments for our City. In my many years of working behind the scenes in local politics I have been able to build those strong relationships with our Senators and Congressman. Likewise, I have worked over the years to build incredibly strong relationships with our two State

Senators (Lieutenant Governor) and our two State Representatives as well as the Speaker of the House.

It is true that neither City Council nor Mayor are partisan positions. I believe this is something that should never change. The reality is that all of our State and Federal legislative officials are currently members of the Republican Party. The years I have had working with the local GOP and helping to elect these officials gives me a unique ability to call on and compel them to work for what is best for Oak Ridge. However, I feel my ability to collaborate with members of either party is a strength of mine as well. I also feel that I will be able to play well off the leadership that Mayor Gooch can provide from the Democratic side of the house.

I'm sure you will agree it is vitally important for Council to support whoever is elected to our two leadership positions. As Benjamin Franklin eloquently stated, "If we do not hang together, we shall surely hang separately." The community needs to see that this council can work together towards a common goal to help the city move in a positive direction. Our community is at a crossroads. The decisions this council makes in the coming session will shape our direction for a generation of current and future Oak Ridgers. I am committed to do all I can to move us in a positive direction and work towards attracting new families and additional diversified industries while continuing to help our existing businesses and residents. I humbly ask for your support to the position of Mayor Pro Tem.

With Warm Regards,

R. G. (Rick) Chinn, Jr.
City of Oak Ridge Councilmember

Voting Ballot for Mayor of the City of Oak Ridge	
Kelly Callison	<input type="checkbox"/>
Rick Chinn, Jr.	<input type="checkbox"/>
Jim Dodson	<input type="checkbox"/>
Warren L. Gooch	<input type="checkbox"/>
Charles J. Hope, Jr.	<input type="checkbox"/>
Ellen D. Smith	<input type="checkbox"/>
Hans Vogel	<input type="checkbox"/>
Abstain	<input type="checkbox"/>

**** Please select only one candidate or box above and sign below**

**Member, Oak Ridge City Council
December 12, 2016**

Voting Ballot for Mayor Pro Tem of the City of Oak Ridge	
Kelly Callison	<input type="checkbox"/>
Rick Chinn, Jr.	<input type="checkbox"/>
Jim Dodson	<input type="checkbox"/>
Warren L. Gooch	<input type="checkbox"/>
Charles J. Hope, Jr.	<input type="checkbox"/>
Ellen D. Smith	<input type="checkbox"/>
Hans Vogel	<input type="checkbox"/>
Abstain	<input type="checkbox"/>

** Please select only one candidate or box above and sign below

**Member, Oak Ridge City Council
December 12, 2016**

SPECIAL REPORTS

FINANCE DEPARTMENT MEMORANDUM
16-17

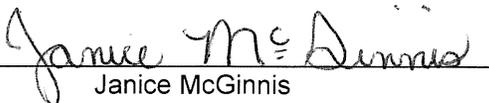
DATE: December 2, 2016
TO: Mark S. Watson, City Manager
FROM: Janice E. McGinnis, Finance Director
SUBJECT: Transmittal of Report on Debt Obligation – State Form CT-0253 and Capital Outlay Note Form

On July 11, 2011, City Council adopted a resolution authorizing the issuance of a \$5,000,000 Waterworks Interfund Loan Capital Outlay Note to evidence an interfund loan from the City's General Fund to the City's Waterworks Fund. Seventy percent of the loan was to fund wastewater capital expenditures, primarily related to work required during the initial phases for the City to meet requirements of the EPA Administrative Order. State law restricts interfund capital outlay notes to a maximum of 9 years. Under State law, the initial note period is 3 years, with loan extension approval required every three years from the Director of State and Local Finance in the State Comptroller's Office for the loan to be extended for the full 9 year term.

On August 8, 2016, City Council approved a resolution to extend the remaining \$714,285.71 balance of the Waterworks Interfund Loan Capital Outlay Note through November 1, 2019. The resolution was submitted to the Director of State and Local Finance in the Comptroller's Office for her required approval of the extension. Attached is the loan extension approval letter received by the City from the Director of State and Local Finance. This is the final 3-year extension of the note.

As with the City's other debt, State Form CT-0253 Report on Debt Obligation is required to be transmitted to City Council. The presentation is for transparency regarding debt transactions; no action is required by City Council.

Attachments
State Form CT-0253
Capital Outlay Note Form
Approval Letter from Director of State and Local Finance



Janice McGinnis

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: Waterworks Interfund Loan Capital Outlay Note, Series 2016 ("Extension Notes")
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

2. Face Amount: \$ 714,285.71
 Premium/Discount: \$ 0.00

3. Interest Cost: 1.0000 % 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:

		BRIEF DESCRIPTION
<input type="checkbox"/> General Government	_____ %	_____
<input type="checkbox"/> Education	_____ %	_____
<input checked="" type="checkbox"/> Utilities	<u>100.00</u> %	<u>Waterworks Capital Improvements</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 General Fund (Lending Fund)
 Negotiated Sale Loan Program _____
 Informal Bid

9. Date:
 Dated Date: 11/01/2016 Issue/Closing Date: 11/01/2016

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
2017	\$ 238,095.23	1.0000 %		\$	%
2018	\$ 238,095.23	1.0000 %		\$	%
2019	\$ 238,095.25	1.0000 %		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%

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	
_____	\$ 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	\$ 0	
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs _____	\$ 0	
TOTAL COSTS	\$ <u>0</u>	

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	_____	_____
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 _____

Name and title of person responsible for compliance _____

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 12/06/2016 and presented at public meeting held on 12/12/2016

Copy to Director to OSLF: on 11/15/2016 either by:

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

OR

Email to: StateAndLocalFinance.PublicDebtForm@cot.tn.gov

18. Signatures:

	AUTHORIZED REPRESENTATIVE	PREPARER
Name	<u>Warren L. Gooch</u>	<u>Janice E. McGinnis</u>
Title	<u>Mayor</u>	<u>Finance Director</u>
Firm	<u><i>Warren L. Gooch</i></u>	<u>City of Oak Ridge</u>
Email	<u>wgooch@oakridgetn.gov</u>	<u>jmccginnis@oakridgetn.gov</u>
Date	<u>11/14/2016</u>	<u>11/01/2016</u>

CAPITAL OUTLAY NOTE FORM

Registered
Note #: 3

City of Oak Ridge
Of the
State of Tennessee
Waterworks Interfund Loan Capital Outlay Note,
Series 2016

Registered
\$714,285.71

DATED	INTEREST RATE	MATURITY DATE
November 1, 2016	1%	November 1, 2019

Registered Owner: General Fund of the City of Oak Ridge
Principal Sum: \$ 714,285.71

The Waterworks Fund (the "Fund") of the City of Oak Ridge, Tennessee (the "Local Government") hereby acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner hereof (named above), or registered assigns, the Principal Sum specified above in principal installments of \$238,095.23 on November 1, 2017 and November 1, 2018, with the remaining principal balance being due on the Maturity Date specified above (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Local Government or its agent, and to pay interest on the Principal Sum on November 1, 2017, and thereafter on November 1 of each year at the Interest Rate per annum specified above by check, draft, or warrant mailed to the Registered Owner at the address of the Registered Owner as it appears on the fifteenth (15th) calendar day of the month next preceding the applicable payment date in the note register maintained by or on behalf of the Local Government. Both principal of and interest on this note are payable at the office of the Finance Department of the Local Government or a paying agent duly appointed by the Local Government in lawful money of the United States of America.

This note is a direct obligation of the Local Government for the payment of which as to both principal and interest the full faith and credit of the Local Government is pledged.

This note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the Local Government upon payment of the principal amount of the note together with the interest accrued thereon to the date of redemption with no premium.

This note is issued under the authority of Parts I, IV, and VI of Title 9, Chapter 21, Tennessee Code Annotated, and a Resolution duly adopted by the Governing Body of the Local Government meeting in session on the 8th day of August, 2016.

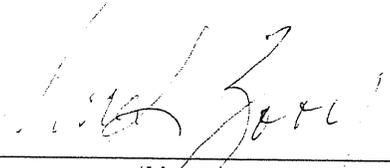
This note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the Registered Owner of the note in person or by the Registered Owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent of the note together with a written instrument of transfer satisfactory to the Local Government duly executed by the Registered Owner or the Registered Owner's duly authorized attorney but only in the manner as provided in the resolutions of the Local Government authorizing the issuance of this note and upon surrender hereof for cancellation. Upon the transfer of any such note, the Local Government or its agent shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered

note. The Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

Title 9, Chapter 21, Section 117, Tennessee Code Annotated provides that this note and interest thereon are exempt from taxation by the State of Tennessee or by any county, municipality or taxing district of the State, except for inheritance, transfer and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Tennessee, and that the amount of this note, together with all other indebtedness of the Local Government, does not exceed any constitutional or statutory limitation therein, and that this note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the Governing Body of the Local Government has caused this note to be executed in the name of the Local Government by the manual signature of the Mayor, and countersigned and attested by the manual signature of the City Clerk with the Seal of the Local Government affixed hereto or imprinted hereon, and this note to be dated as of the November 1, 2016.



(Mayor)

ATTESTED: 
(City Clerk)

SEAL

I, Mary Beth Hickman, duly appointed City Clerk of the City of Oak Ridge, Tennessee, hereby certify this document to be a true, correct, and complete copy of the attachment to Resolution No. 8-57-2016 as adopted by the Oak Ridge City Council on August 8, 2016.

Given under my hand and official seal of the City of Oak Ridge, Tennessee, this the 20th day of October, 2016.



City Clerk



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

October 7, 2016

Honorable Warren Gooch, Mayor
and Members of the City Council
Mr. Mark S. Watson, City Manager
City of Oak Ridge
P.O. Box 169
Oak Ridge, TN 37650

Dear Mayor Lynch and Commissioners:

This Office received a request from City of Oak Ridge (the "City") on September 23, 2016, for approval to issue three-year capital outlay extension notes in an amount of \$714,285.71 to be known as the Waterworks Interfund Loan Capital Outlay Note, Series 2016 (the "Extension Notes").

This Office received a copy of Resolution No. 8-57-2016 adopted on August 8, 2016, authorizing the issuance of the Extension Notes to extend and renew Waterworks Interfund Loan Capital Outlay Notes, Series 2013 which were used to extend and renew the original Waterworks Interfund Loan Capital Outlay Notes, Series 2011 (the "Series 2011 Notes"). The City used proceeds of the Series 2011 Notes to finance improvements to the Waterworks system related to an order by the Environmental Protection Agency (the "Project"). The proposed note form was included with the resolution. Please send a copy of the executed note to us along with the completed Report on Debt Obligation.

Compliance with Debt Management Policy

The City provided a copy of its debt management policy, and within forty-five (45) days of issuance of the debt approved in this letter, is required to submit the Report on Debt Obligation that indicates that this debt complies with its debt policy. If the City amends its policy, please submit the amended policy to this office.

Note Approval

This letter constitutes approval for the City to issue Extension Notes in an amount of \$714,285.71 an interfund loan pursuant to T.C.A. §§ 9-21-604 and §9-21-408. Approval of the sale of the Extension Notes is conditioned upon the City's compliance with all parts of Tennessee state law giving authority to issue such notes and its debt management policy. This Office in a letter dated August 8, 2013, approved the request for the first extension of the original Series 2011 Notes. This is the second and final extension of the maturity date allowed for the original Series 2011 Notes.

The City is responsible for ensuring compliance with Tennessee Code Annotated, Title 9, Chapter 21, Parts 1, 4, and 6, its debt management policy, and timely payment of outstanding note principal and interest in accordance with the note provisions. Please present a copy of this letter to the governing body at the next meeting following receipt of this letter.

Letter to the City of Oak Ridge
October 7, 2016, 2016
Page 2

This letter and the approval to issue debt do not address the compliance with federal tax regulations and should not be relied upon for that purpose. The City should discuss these issues with a tax attorney or bond counsel.

This approval is valid for six months after the date of this letter. If the Extension Notes have not been issued within that time, a new note resolution must be passed by the Governing Body and submitted to this Office for approval.

Purpose, Terms, and Life

This project meets the definition of a public works project in Tennessee Code Annotated § 9-21-105, and the City may issue notes under the authority of Tennessee Code Annotated, Title 9, Chapter 21, to finance such a project. The maturity of the Extension Notes does not exceed the life of the proposed project as attested by the local governing body. The maximum maturity for the Extension Notes as authorized by the governing body is three years after the date of issuance. This is the final extension of the Series 2011 Notes. The debt must be extinguished on final maturity of the Extension Notes.

Nonconforming Obligations

Notes issued contrary to Tennessee Code Annotated, Title 9, Chapter 21, Parts 4 and 6, or Notes not properly extended are nonconforming obligations. The Comptroller has the option to levy a penalty for notes deemed nonconforming obligations.

Director's Approval Requirement

By issuing debt under the authority of Title 9 Chapter 21 of the Tennessee Code Annotated, the City has placed itself under the budget approval authority of the Director of the Office of State and Local Finance for the life of any outstanding debt. This authority requires you, as Chief Executive Officer, to submit within fifteen days of adoption the appropriation resolution with any necessary supporting documents to this Office for official budget approval to document:

- the City's budget is balanced as required by state law,
- the City intends to pay all of its outstanding debt obligations, and
- the annual budget is prepared in a form consistent with accepted governmental standards and as approved by the Director.

This Office can require the City to provide any information or perform any audits necessary to ascertain that the City maintains a balanced budget and make payments on its outstanding debt obligations. If the government is unwilling to submit information to comply with the requirements of T.C.A. § 9-21-403, the approval to issue the Extension Notes is rescinded.

Report on Debt Obligation

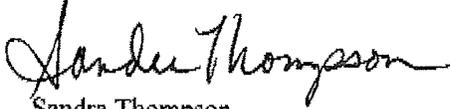
Enclosed is the Report on Debt Obligation. This form must be filed with the governing body of the public entity issuing the Debt not later than forty-five (45) days following the issuance or execution of a debt obligation by or on behalf of any public entity, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by mail to the address on this letter, or by email to StateandLocalFinance.PublicDebtForm@cot.tn.gov. A fillable PDF of the Form is available at

Letter to the City of Oak Ridge
October 7, 2016, 2016
Page 3

<http://comptroller.tn.gov/sl/pubdebt.asp>. No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation.

Please notify us if the City decides not to issue the Extension Notes. If we may be of further assistance, please feel free to call us.

Sincerely,



Sandra Thompson
Director of State & Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit, COT

Enclosure: Report on Debt Obligation

RESOLUTIONS

**LEGAL MEMORANDUM
16-17**

DATE: December 5, 2016
TO: Honorable Mayor and Members of City Council
FROM: Kenneth K. Krushenski, City Attorney
SUBJECT: APPLICATION FOR RETAIL PACKAGE STORE
PERMIT AND CERTIFICATE OF COMPLIANCE

Introduction

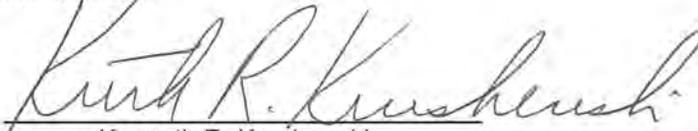
Two items for City Council's consideration are (1) a resolution granting a permit for Kalpesh Trambadia and Nilaykumar Trambadia to engage in the retail sale of alcoholic beverages at Turnpike Liquor Store, 331 Oak Ridge Turnpike, and waiving the residency requirement for both applicants; and (2) a resolution authorizing the Mayor to sign and issue on behalf of the City of Oak Ridge certificates of compliance for Kalpesh Trambadia and Nilaykumar Trambadia.

Background

Kalpesh Trambadia and Nilaykumar Trambadia recently purchased the business known as Turnpike Liquor Store, 331 Oak Ridge Turnpike, and are requesting a City of Oak Ridge Retailer's Permit and their state-required Certificates of Compliance. Pertinent information concerning their application has been distributed to the Council. Staff has advised the applicants to be in attendance at the meeting to answer any questions Council may have.

Recommendation

Adoption of the attached resolutions is recommended.

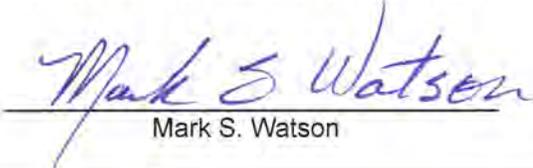

Kenneth R. Krushenski

Im

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 GRANTING A PERMIT TO KALPESH TRAMBADIA AND NILAYKUMAR TRAMBADIA TO ENGAGE IN THE RETAIL SALE OF ALCOHOLIC BEVERAGES IN THE CITY OF OAK RIDGE AT TURNPIKE LIQUOR STORE, 331 OAK RIDGE TURNPIKE, AND WAIVING THE RESIDENCY REQUIREMENT FOR BOTH APPLICANTS.

WHEREAS, Title 8, Chapter 4, of the Oak Ridge Code of Ordinances requires a permit to be issued before anyone may engage in the retail sale of alcoholic beverages, and

WHEREAS, Kalpesh Trambadia and Nilaykumar Trambadia have made proper application for such a permit, and

WHEREAS, said applicants meet all the necessary conditions and requirements of the laws of the City of Oak Ridge and the State of Tennessee, and

WHEREAS, the City Council is authorized to waive the residency requirement for an applicant who possesses sufficient contacts with the City which would permit Council to verify the good moral character of that nonresident applicant.

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

That Kalpesh Trambadia and Nilaykumar Trambadia are hereby granted a permit to engage in the retail sale of alcoholic beverages in the City of Oak Ridge at Turnpike Liquor Store, 331 Oak Ridge Turnpike and that the Mayor is authorized to sign said permit on behalf of the City of Oak Ridge.

BE IT FURTHER RESOLVED that Council does hereby waive the residency requirement for Kalpesh Trambadia and Nilaykumar Trambadia.

This the 12th day of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk

RESOLUTION

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN AND ISSUE ON BEHALF OF THE CITY OF OAK RIDGE CERTIFICATES OF COMPLIANCE FOR KALPESH TRAMBADIA AND NILAYKUMAR TRAMBADIA TO ENGAGE IN THE RETAIL SALE OF ALCOHOLIC BEVERAGES AT TURNPIKE LIQUOR STORE, 331 OAK RIDGE TURNPIKE.

WHEREAS, after diligent inquiry and careful investigation of Kalpesh Trambadia and Nilaykumar Trambadia, City Council has found their general character to be good, and

WHEREAS, City Council feels assured that the applicants will refrain from any violation of Title 8, Chapter 4, of the Oak Ridge Code of Ordinances, and Title 57, Chapters 1, 6, 7, and 8, of the Tennessee Code Annotated (Chapter No. 49, Public Acts, 1939), which are the alcoholic beverage laws, or any statutory amendment thereof or any rule or regulation promulgated pursuant thereto, and

WHEREAS, City Council has granted the necessary permit to Kalpesh Trambadia and Nilaykumar Tramadia for the retail sale of alcoholic beverages thereby signifying full compliance with the ordinances of the City of Oak Ridge, and

WHEREAS, City Council is of the opinion that said applicants are entitled to the State license applied for.

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

That the Mayor is hereby authorized to sign and issue on behalf of the City of Oak Ridge Certificates of Compliance for Kalpesh Trambadia and Nilaykumar Tramadia, Turnpike Liquor Store, 331 Oak Ridge Turnpike, City Council finding that they have not been convicted of a felony, that all local regulations have been complied with, and that they will refrain from any violations hereinabove set forth.

This the 12th day of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk

PUBLIC WORKS DEPARTMENT MEMORANDUM
16-34

DATE: November 22, 2016
TO: Mark S. Watson, City Manager
FROM: Shira A. McWaters, P.E., Public Works Director
SUBJECT: TURTLE PARK PUMP STATION – REQUEST FOR ENGINEERING DESIGN SERVICES

Introduction

An item for City Council consideration is the recommendation of a professional services agreement with Trestles, LLC for engineering services for the design of upgrades to the Turtle Park wastewater pump station and bidding services for a lump sum not to exceed the amount of \$187,500.

Funding

Funding for this project was budgeted for FY2017 and is available in the Waterworks Fund.

Background

The Turtle Park Pump Station (TPPS) is a wastewater pumping station originally designed and constructed in the late 1970's and early 1980's. The station is a dry pit configuration sharing a common wall with the adjacent wet well.

The original station was fitted with two (2) 5,600 gallon per minute (GPM) pumps to provide for a firm capacity of 8.0 million gallons per day (MGD). The original 5,600 GPM pumps are vertical overhung, bearing frame designs with extended drive shafts and main operating floor mounted electric motors. In the late 1990's, the station was retrofitted to add two (2) additional pumps, each with a design capacity of 10,500 GPM. With the larger pump additions, the firm capacity of the station was increased to 30.0 MGD. The newer, larger pumps are also vertical overhung, bearing frame designs; however, the electric motors are mounted directly on the bearing frames and thus are located in the dry well and below the liquid level of the wet well and are susceptible to flooding.

The TPPS serves as the sole influent pumping facility for the adjacent wastewater treatment plant (WWTP). All flow originating within the main sewer service area of the City flows into the TPPS; therefore, the reliability of the station is critical to the long term success of the wastewater system and the City compliance with its State permit. The existing pump station has experienced numerous maintenance issues, including bearing frame failures, as well as flooding of the dry well that results in electric motor and pump failures. In addition, the existing structure and hoist system are very cumbersome, making pump removal for maintenance and rebuild a multi-step, multi-lift process. Finally, the standby electric generator system is insufficient to serve the firm design capacity of the TPPS.

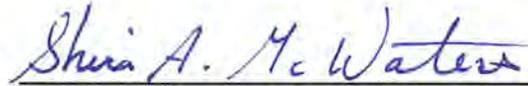
In July 2016, the Public Works Department, along with City Councilman Callison, reviewed submittals from 12 engineering firms, selecting a number of firms for future water and wastewater projects. During this process, the following firms were included in the selection for WWTP:

- Trestles, LLC
- Jacobs
- HDR
- CDM
- CTI Engineers, Inc.

Trestles, LLC was chosen for this design based on their prior experience with the equipment of the TPPS, as well as observations made during multiple site visits and discussions with City staff. Trestles recently designed the upgraded switchgear for the WWTP.

Recommendation

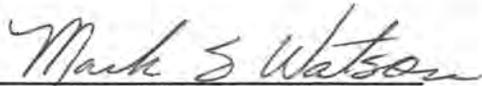
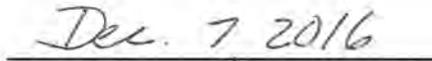
A written cost proposal was received and reviewed on November 23, 2016 by Public Works staff. The current estimate of probable construction costs for the upgrades is approximately \$2,700,000. Based on the review of the scope of work and submitted cost proposals, staff recommends a professional services agreement with Trestles, LLC for engineering design services for the design of upgrades to the Turtle Park Pump Station. Adoption of the attached resolution is recommended as submitted.



Shira A. McWaters, P.E.

City Manager's Comments:

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


Mark S. Watson
Date

RESOLUTION

A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH TRESTLES, LLC, NASHVILLE, TENNESSEE, FOR ENGINEERING SERVICES TO DESIGN UPGRADES TO THE TURTLE PARK WASTEWATER PUMP STATION IN AN AMOUNT NOT TO EXCEED \$187,500.00.

WHEREAS, the Turtle Park Wastewater Pump Station is in need of upgrades due to maintenance issues such as bearing frame failures, and flooding issues that result in electric motor and pump failures; and

WHEREAS, the City evaluated twelve (12) proposals from engineering firms for future water and wastewater projects; and

WHEREAS, Trestles, LLC, Nashville, Tennessee, was selected as the most qualified firm to design the upgrades due to their prior experience with the equipment at Turtle Park Wastewater Pump Station as well as observations made during multiple site visits and discussions with staff; and

WHEREAS, the City Manager recommends approval of a professional services agreement with Trestles, LLC, for these services.

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 a Professional Services Agreement with Trestles, LLC, Nashville, Tennessee, for engineering services to design upgrades to the Turtle Park Wastewater Pump Station is hereby approved in an amount not to exceed \$187,500.00.

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

This the 12th day of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk

PUBLIC WORKS DEPARTMENT MEMORANDUM
16-28

DATE: November 21, 2016
TO: Mark S. Watson, City Manager
FROM: Shira A. McWaters, P.E., Public Works Director
SUBJECT: WATER TREATMENT PLANT – ENGINEERING SERVICES AGREEMENT AMENDMENT

Introduction

An item for City Council consideration is a resolution amending the engineering services agreement (FY2016-062) with CTI Engineers, Inc., Knoxville, Tennessee, for the furnishing of professional engineering services during construction to rehabilitate and repaint a steel raw water storage tank located at the Water Treatment Plant in the estimated amount of \$8,000.

Funding

The amount of this amendment will be funded from liquidated damages charged to the contractor of the project, USTanx, LLC, who has agreed to pay these damages per change order number two (copy attached).

Background

The City of Oak Ridge entered into an engineering services agreement (FY2016-062) with CTI Engineers, Inc. (CTI) on September 2, 2015 in the amount of \$24,800, which included design, bidding, construction administration and inspection services.

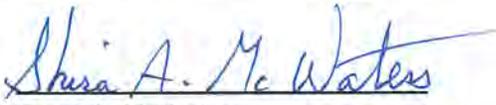
City Council awarded a contract to USTanx, LLC (Resolution 5-26-2016) for the rehabilitation and repainting of the west surge tank located at the Water Treatment Plant. The time for construction of the project was sixty (60) days from July 27 through September 24, 2016. Change order number one was executed allowing four (4) additional days due to inclement weather during the project.

Unfortunately the project was not completed in the allotted time. There have been numerous delays by the contractor such as lack of quality control requiring work to be redone, scheduling conflicts and subcontractor delays. The delays by the contractor have caused CTI to overrun their budgeted amount for services during construction, primarily inspection services, therefore CTI has requested an amendment to their engineering agreement for this project.

The contract with USTanx, LLC allows the City to charge liquidated damages at the rate of \$500 per day. The amount of liquidated damages charged to the contractor will cover the overage for CTI. City staff has been cautious in the payment to USTanx, LLC for this project with approximately forty percent (40%) being paid to the contractor, thus allowing adequate funds to be deducted for the liquidated damages.

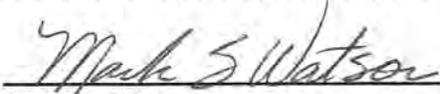
Recommendation

CTI Engineers, Inc. has incurred additional costs for services during construction due to numerous delays by the contractor, USTanx, LLC and request an amendment to the engineering agreement, to be funded from liquidated damages charged to the contractor. Staff recommends approval of the accompanying resolution as submitted.


Shira A. McWaters

City Manager's Comments:

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


Mark S. Watson

12/6/2016
Date

Change Order No. 2 (Final)

Date of Issuance: November 8, 2016

Effective Date: November 11, 2016

Project: Modifications & Repainting of 75,000 Gallon Steel Water Storage (Surge) Tank	Owner: City of Oak Ridge	Owner's Contract No.: FY2016-137
Contract: Modifications & Repainting of 75,000 Gallon Steel Water Storage (Surge) Tank		Date of Contract: May 9, 2016
Contractor: USTanx, LLC		Engineer's Project No.: K15008

The Contract Documents are modified as follows upon execution of this Change Order:

Description: Deduct due to reconciliation of unit price items, liquidated damages for late completion and contract time extension of 27 calendar days.

Deducts in contract price: Item 5 – Reduce from 200 to 100 IN² @ \$22.00 per IN² (deduct of \$2,200.00)

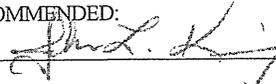
Item 6 – Reduce from 100 to 10 LF @ \$28.00 per LF (deduct of \$2,520.00)

Liquidated Damages of 16 days @ \$500.00 per day (deduct of \$8,000.00) **TOTAL DEDUCT: \$12,720.00**

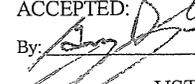
Attachments (list documents supporting change):

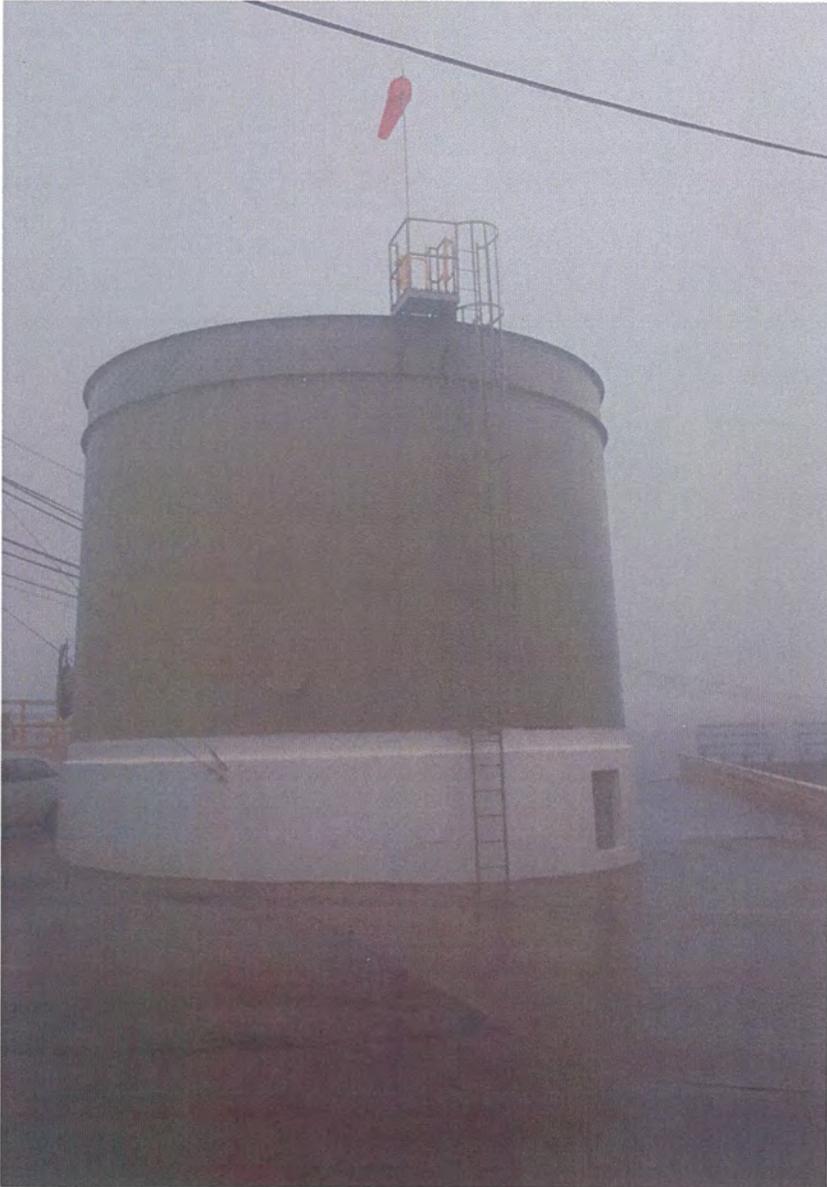
NONE.

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: \$ <u>150,200.00</u>	Original Contract Times: <input type="checkbox"/> Working days <input checked="" type="checkbox"/> Calendar days Substantial completion (days or date): <u>60</u> Ready for final payment (days or date): <u>September 24, 2016</u>
[Increase] [Decrease] from previously approved Change Order No. <u>1</u> : \$ <u>N/A</u>	[Increase] [Decrease] from previously approved Change Order No. <u>1</u> : Substantial completion (days): <u>64</u> Ready for final payment (days): <u>September 28, 2016</u>
Contract Price prior to this Change Order: \$ <u>150,200.00</u>	Contract Times prior to this Change Order: Substantial completion (days or date): <u>September 28, 2016</u> Ready for final payment (days or date): <u>September 28, 2016</u>
[Increase] [Decrease] of this Change Order: \$ <u>12,720.00</u>	[Increase] [Decrease] of this Change Order: Substantial completion (days or date): <u>27</u> Ready for final payment (days or date): <u>October 25, 2016</u>
Contract Price incorporating this Change Order: \$ <u>137,480.00</u>	Contract Times with all approved Change Orders: Substantial completion (days or date): <u>October 25, 2016</u> Ready for final payment (days or date): <u>October 25, 2016</u>

RECOMMENDED:
By: 
John L. King, P.E., CTI Engineers, Inc.
Date: 11/8/16

ACCEPTED:
By: _____
City of Oak Ridge, Tennessee
Date: _____

ACCEPTED:
By: 
USTanx, LLC
Date: 11-30-16





RESOLUTION

A RESOLUTION AMENDING THE PROFESSIONAL SERVICES AGREEMENT (FY2016-062) WITH CTI ENGINEERS, INC., KNOXVILLE, TENNESSEE, TO PROVIDE DESIGN, BIDDING, CONSTRUCTION ADMINISTRATION, AND INSPECTION SERVICES FOR A REHABILITATION AND REPAINTING PROJECT FOR THE STEEL RAW WATER STORAGE TANK AT THE WATER TREATMENT PLANT BY ADDING AN ADDITIONAL \$8,000.00 IN COMPENSATION DUE TO CONSTRUCTION DELAYS.

WHEREAS, the City entered into a contract (FY2016-062) with CTI Engineers, Inc., Knoxville, Tennessee, in the amount of \$24,800.00 to provide design, bidding, construction administration, and inspection services for a project to rehabilitate and repaint the steel raw water storage tank at the Water Treatment Plant; and

WHEREAS, by Resolution 5-26-2016, City Council approved a contract (FY2016-137) with USTanx, LLC, Maryville, Tennessee, for construction of this project; and

WHEREAS, completion of the project was delayed for various reasons with only four of those days resulting in an allowable time extension under the terms of the contract; and

WHEREAS, the delay has resulted in an overrun by CTI Engineers, Inc., in their budgeted amount for construction administration and inspection services, and CTI Engineers, Inc., has requested an amendment to their contract in the amount of \$8,000.00 for the additional costs associated with this delay; and

WHEREAS, the City Manager requests an amendment in the amount of \$8,000.00 to the contract with CTI Engineers, Inc., which additional amount will be paid from the liquated damages assessed on the contract with USTanx.

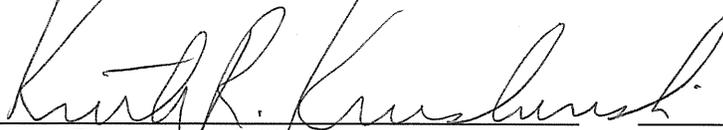
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and the contract (FY2016-062) with CTI Engineers, Inc., Knoxville, Tennessee, to provide design, bidding, construction administration, and inspection services for a project to rehabilitate and repaint the steel raw water storage tank at the Water Treatment Plant is hereby amended by adding an additional \$8,000.00 due to construction delays for a new total amount of \$32,800.00.

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

This the 12th day of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk

PUBLIC WORKS DEPARTMENT MEMORANDUM

16-33

DATE: November 21, 2016
TO: Mark S. Watson, City Manager
FROM: Roger Flynn, P.E., City Engineer
THROUGH: Shira McWaters, Public Works Director SAM
SUBJECT: WATER SYSTEM IMPROVEMENTS AT MAIN STREET SITE

Introduction

An item for City Council consideration is the recommendation to allow an exemption to the normal requirement for sealed bids for purchases over \$25,000, and to allow City staff to contract with Blalock Construction, Inc. for labor and equipment to continue the construction of improvements to the City water distribution system at the Main Street Oak Ridge site. A unanimous vote from Council is required for this recommendation.

Funding

Funding is available in the FY2017 water fund budget, as previously approved.

Background

Council may recall that to prepare the site pad where the new Marriott Hotel is being constructed, (intersection of Rutgers Avenue and Wilson Street), RealtyLink had to relocate several hundred feet of 70-year old cast iron pipe. The City's existing 70-year old cast iron pipe is reaching the end of its useful life and requires replacement. The City has experienced numerous breaks over the past several years and throughout the distribution system on this era pipe, and there are concerns that the 70-year old pipe located in the vicinity of the Mall project (Hotel Site Included), would break during construction or would be further weakened and could fail after construction was completed, potentially damaging private property and disrupt businesses.

Since there is a contractor already on-site, the Public Works Department saw this as an opportunity to not only relocate the portion of pipe near the hotel building pad but to replace the entire waterline off of the site. At the September 2016 meeting, Council unanimously approved Resolution 9-71-2016 for the purpose of allowing the City Manager to contract with RealtyLink's site preparation contractor, Blalock Construction, Inc., so that an additional 600 linear feet (lf) of pipe could be installed. The City agreed to provide the materials and the contractor completed the installation of the new water main. The original estimate for installation was \$30,000-\$40,000; however, the final contract with Blalock Construction, Inc. was \$29,127.16. This work is currently taking place. This approach resulted in a per linear foot price of \$96 (materials and installation combined) for new 16" diameter pipe. This cost is significantly below typical construction costs for similar projects. For example, in 2007, Public Works let a project for bid to replace 2,940lf of cast iron pipe and appurtenances, located under Oak Ridge Turnpike that had experienced multiple failures. At the time, the cost of this project for new 16" diameter pipe was \$453,937; approximately \$154 per linear foot.

The additional water main replacement work is proposed at the request of and for the benefit of the City. By replacing the circa 1940 pipe, Public Works will be improving the overall water transmission grid and reliability in this section of Main Street Oak Ridge. Replacing this pipe reduces the risk of a water main

failure in this area and the associated costs for damage to private property. Public Works is aware of three (3) breaks that have occurred on the former mall site in the last 10 years.

Public Works has evaluated the remaining portion of the Main Street Oak Ridge site and recommends the installation of approximately 3200lf of new water main, ranging in size from 6 to 12 inches in diameter at various locations as shown on the attached drawing. This footage is in addition to the work that RealtyLink is completing as part of the Mall Project.

Both RealtyLink and the City agree that RealtyLink is responsible for the cost of the required relocation associated with their work. The City is willing to fund the cost of the additional improvements and upgrade outside of RealtyLink's scope of work. The site preparation is already taking place and the first two building pads have been prepared. Therefore, Public Works does not have the time available to design and let this work for bid in a conventional manner; and the per foot bid price would be higher than negotiating with the on-site contractor Blalock Construction, Inc.

The total estimated amount of a contract with Blalock Construction, Inc. is approximately \$95,000 to \$110,000. We are requesting approval from Council to negotiate with Blalock Construction, Inc. for the installation of new water main piping with a not to exceed price of \$110,000 for their work. It is anticipated that the overall cost, including pipe and appurtenances provided by the City, will result in a similar per foot linear price as the prior agreement.

Recommendation

Staff recommends approval of this proposal.



Roger Flynn, P.E.

Attachment(s)

Exhibit - Overall site water plan with areas showing pipe recommended for replacement.

City Manager's Comments:

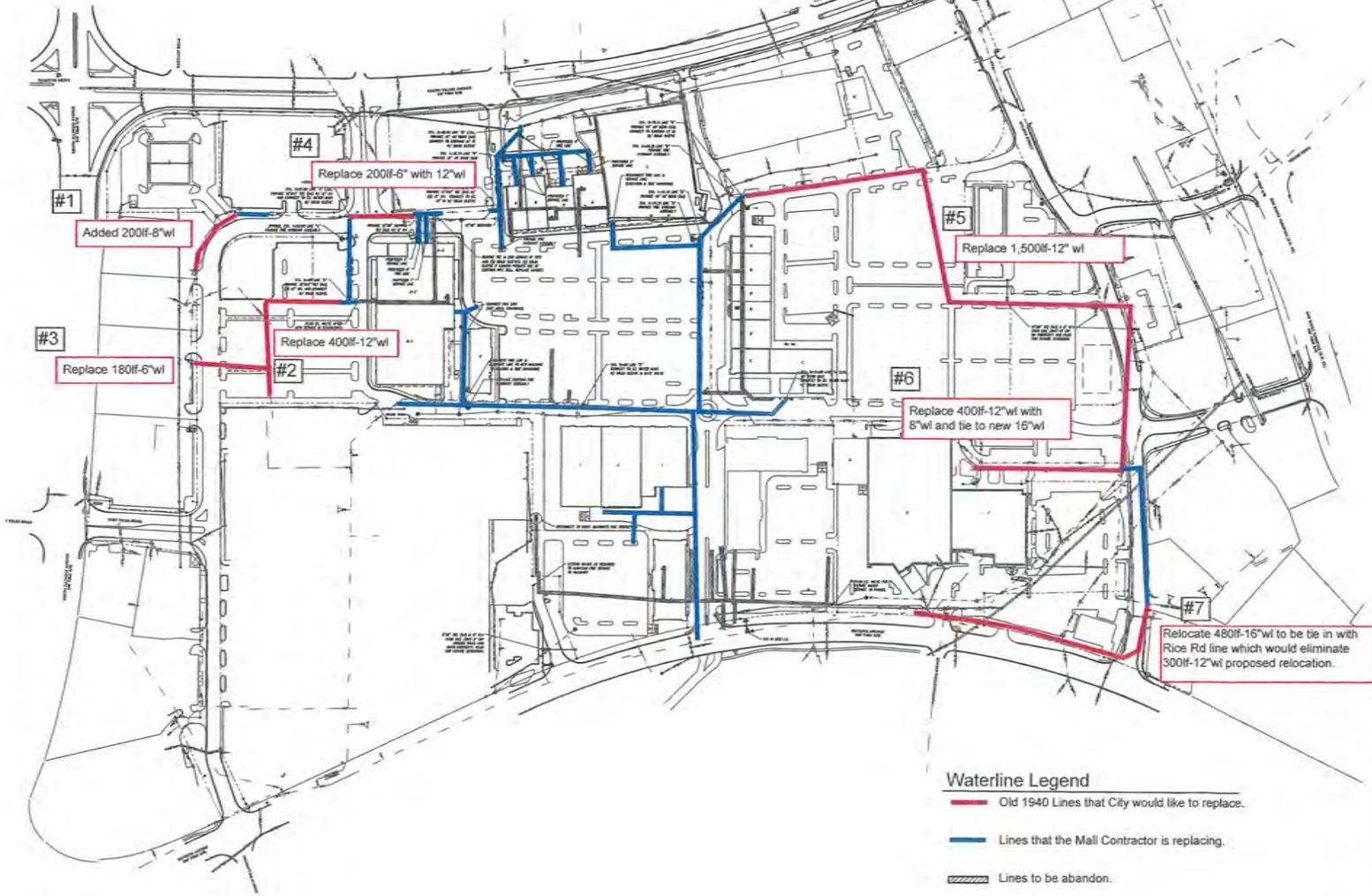
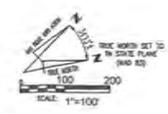
I have reviewed the above issue and recommend Council action as outlined in this document.



Mark S. Watson

12-7-16

Date



- #1 Added 200lf-8"wl
- #2 Replace 180lf-6"wl
- #3 Replace 400lf-12"wl
- #4 Replace 200lf-6" with 12"wl
- #5 Replace 1,500lf-12" wl
- #6 Replace 400lf-12"wl with 8"wl and tie to new 16"wl
- #7 Relocate 480lf-16"wl to be tie in with Rice Rd line which would eliminate 300lf-12"wl proposed relocation.

Waterline Legend

- Old 1940 Lines that City would like to replace.
- Lines that the Mall Contractor is replacing.
- Lines to be abandon.
- Existing Lines to remain.



DESIGNED BY	AS/DA/
CHECKED BY	AS/DA/
CANNON & CANNON INC. CONSULTING ENGINEERS FIELD SERVICES	
1000 GLENN ROAD 2000 KENNEDY BLVD GREENVILLE, SC 29615 KENNESAW, GA 30144	
PROJECT	REALLY LINK 400 SOUTH MAIN STREET SUITE 300 GREENVILLE, SC 29601
SHEET	MAIN STREET OAK RIDGE SITE PLAN 300 MAIN STREET OAK RIDGE, TN 37827
OVERALL WATER PLAN	
DATE PLOTTED	01/14/2016
DRAWN BY	AS/DA/
CHECKED BY	AS/DA/
SCALE	AS SHOWN
W1.00	

RESOLUTION

A RESOLUTION WAIVING COMPETITIVE BIDS AND AUTHORIZING THE CITY TO ENTER INTO A LABOR AND EQUIPMENT CONTRACT WITH BLALOCK CONSTRUCTION, INC., FOR ADDITIONAL IMPROVEMENTS TO THE CITY'S WATER DISTRIBUTION SYSTEM AT THE MAIN STREET OAK RIDGE PROJECT SITE.

WHEREAS, the City is the owner and operator of the water distribution system; and

WHEREAS, by Resolution 9-71-2016, City Council waived competitive bids and authorized the City to enter into a contract for improvements to the City's water distribution system near the hotel site at the Main Street Oak Ridge project site; and

WHEREAS, due to concerns regarding the stability of the existing waterline, the City requests authorization to construct additional water main replacement work at the project site for the City's benefit; and

WHEREAS, due to time constraints and anticipated timing for new construction of buildings on the project site, the City is requesting a waiver of the bid process and authorization to contract with Blalock Construction, Inc., which is the same contractor used under authorization of Resolution 9-71-2016 and is the mall developer's contractor who is already on site; and

WHEREAS, based upon the prices negotiated for the work completed under authorization of Resolution 9-71-2016 in comparison to prices received for similar construction projects in 2007, it is expected that the cost of using Blalock Construction, Inc., will result in a cost-savings to the City; and

WHEREAS, any costs associated with required relocation for the mall developer's work will be borne by the developer.

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

That the recommendation of the City Manager to waive competitive bids is approved and the City is hereby authorized to enter into a labor and equipment contract with Blalock Construction, Inc., for additional improvements to the City's water distribution system at the Main Street Oak Ridge project site in an amount not to exceed \$110,000.00.

BE IT FURTHER RESOLVED that, due to the short timeframe for construction, the City Manager is hereby authorized to enter into the appropriate legal instruments to accomplish the same.

This the 12th day of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk

ELECTRIC DEPARTMENT MEMORANDUM

16-23

DATE: November 28, 2016
TO: Mark S. Watson, City Manager
FROM: Jack L. Suggs, Electric Director
SUBJECT: AWARD OF ENGINEERING CONTRACTS

Introduction

An item for City Council's consideration is a resolution approving three professional services agreements with the firm of Patterson & Dewar Engineers Inc., Gallatin, Tennessee in the total estimated amount of \$256,870 for electrical engineering services.

Funding

Funding is through the Electric Fund.

Summary

Three proposals were received from Patterson Dewar Engineering for work needed in the area of Horizon Center and implementation of a SCADA system. In summary, they are:

1. Distribution Project: Design, surveying, and construction support of new 13kV circuits from Substation 900 to specific locations inside Horizon Center as well as a fiber link connecting the main City fiber ring to the Substation 900 area. The projected cost of this engineering project is eighty-four thousand eight hundred and seventy dollars (\$84,870).
2. Substation 900 Upgrade Project: Design, specification and construction support of improvements to the protection system of Substation 900 including integration of distributed resources, upgrade of relay systems, replacement of obsolete equipment and design of SCADA integration, along with construction management and testing support. The projected cost of this engineering project is a maximum of one hundred fourteen thousand dollars (\$114,000).
3. SCADA System Implementation Project: Review proposed SCADA concepts, develop detailed installation drawings, and perform project management for the installation. This scope will concentrate on finalizing the standards and concepts of the overall SCADA system and design of a full implementation for a typical distribution substation, Substation 400. Additional engineering projects will be required for the remaining substations, built upon the results of this work. The projected cost of this engineering project is a maximum of Fifty-Eight Thousand Dollars (\$58,000).

In addition, staff is requesting authority to exceed the aggregate contract amounts by approximately fifteen percent (15%), to a value of \$295,000.

Detailed Analysis

The City of Oak Ridge supplies electrical power to the East Tennessee Technology Park, Horizon Center and Heritage Center, from an electrical substation referred to as "Substation 900." The substation was designed and constructed between 1999 and 2003 as part of the "Partners for Progress" initiative designed to develop the west end of Oak Ridge. It has a capacity of approximately 60 MW of power delivered at our standard distribution voltage of 13kV.

For some time, staff has been aware of several deficiencies in this substation, some inherent to the substation itself and some in relation to its service to Horizon Center. These deficiencies have come to a head with the location of LeMond Composites in Horizon Center.

The most recognized limitation is the Department's ability to deliver adequate power from Substation 900 into Horizon Center. Currently, electric power is delivered to the southwest corner of the park (south of the intersection of Novus Drive and SR58). It is distributed within the park via underground infrastructure which generally follows the layout of the roads.

This internal distribution system is capable of delivering something less than 10 MW throughout the park, a figure which is not adequate to support the needs of LeMond's plans, much less support further development. Supplying more capacity to the park is extremely challenging due to a variety of factors. That said, staff has developed a concept plan to bring more power to the lots in the vicinity of Palladium Way, where LeMond is located. This plan involves construction of a second overhead feed which roughly parallels the existing feed and then traverses the rear of lots with overhead infrastructure.

Executing such a plan will involve design of the line, acquisitions of easements and then a construction contract. Staff does not have the resources to perform this work in-house either for the design or for the actual construction.

The second delinquency is in the substation itself and its ability to communicate with the remainder of the electric distribution system. One major problem is that the protection equipment that was installed when the station was constructed is no longer manufactured and has been "orphaned" by the industry. The major breakers were made by Alstom, a company which no longer supports this equipment. Although other manufacturers developed support for some of this company's products, no one is making parts for these devices. As such, staff has been forced to disassemble breakers and rob parts to keep other breakers at the station in service. The area has suffered from several prolonged electrical outages as staff made these repairs on an emergency basis.

The protection system is complicated by the existence of significant distributed generation on circuits that feed the substation, making replacement complicated from the relay perspective. Additionally, the Department has been finalizing selection processes for installation of a full functioning SCADA system, the design of which needs to be included in the substation and for which communication needs to be established.

The Electric Department has been studying SCADA Systems for several years, but has not been able to move forward due to lack of resources. We believe that it would be unwise to rework the protection and relaying system of Substation 900 without installing the proper SCADA components especially given the sensitive nature of the power loads and the opportunity for incorporation provided by the reconstruction. To do so, we need to finalize equipment specifications which will serve both this station and others on the system.

There are then, three major tasks that need to be accomplished in order to both meet the needs of Horizon Center and to launch the Department's SCADA initiative. First, delinquencies at the station need to be resolved, second a new distribution system delivering power into the park needs to be constructed, and finally the SCADA system design needs to be finalized both for this station and the more typical distribution substation.

To this end, the Department's Electric Engineering Division Manager, Margaret Elgin, P.E. along with other technical staff identified reputable professional engineering firms with requisite proven experience. Although the process was informal, the process included interviews with firms concerning their expertise, past experience and, most importantly immediate availability. This last was based on the timing of electrical needs on the part of LeMond Composites – reported to be January, 2018 at the latest- which is very tight for the work required.

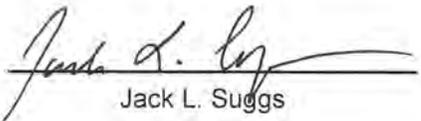
Of the firms known by staff to practice this discipline of engineering in our area, Patterson & Dewar Engineering (PDE) stands out as best meeting these particular City needs. There are several reasons for this, including their demonstrated knowledge and experience in the protection systems and electric SCADA design area. This expertise has been demonstrated in numerous projects as well as their willingness to participate in standards development and industry educational efforts. As importantly in this case, PDE has an electric distribution focus and is willing to commit the resources to complete the proposed projects in a timely manner. After a careful evaluation of options, the Electric Department staff believes that selecting PDE for this work is in the best interest of the system and its customers.

The total cost of these three projects is \$256,870. Staff believes, however, that some elements of the project are not clearly defined. Other potential work is anticipated to develop with extremely limited time frames. For example, the majority of Horizon Center remains undeveloped and under-served for the anticipated needs. There have been discussions regarding the addition of a substation in the Horizon Center area and the routing of power lines into the park- especially the rear of the park where options are extremely limited. We anticipate the need for conceptual studies and evaluations of proposals on an ongoing basis with extremely limited time frames.

In order to meet these needs, staff is requesting authority to exceed the aggregate contract amount by approximately fifteen percent (15%), to a value of \$295,000. Should the need for this expenditure not materialize, it would not be used. Should any change or expansion to the projects described in this document result in the total expenditure exceeding 115% of the total of the awards, staff would approach Council for authorization before the expenditures were approved.

Recommendation

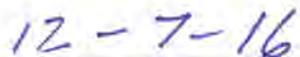
Staff recommends approval of the attached resolution.


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

RESOLUTION

A RESOLUTION AUTHORIZING THREE PROFESSIONAL SERVICES AGREEMENTS WITH PATTERSON & DEWAR ENGINEERS, INC., GALLATIN, TENNESSEE, FOR ENGINEERING SERVICES RELATED TO THE AREA OF HORIZON CENTER AND IMPLEMENTATION OF SCADA FOR THE ELECTRIC DEPARTMENT IN THE TOTAL ESTIMATED AMOUNT OF \$256,870.00.

WHEREAS, the Electric Department has a need for professional engineering services related to the area of Horizon Center for improvements to Substation 900 as well as services related to implementation of a SCADA system; and

WHEREAS, current deficiencies in Substation 900 are in need of immediate correction due to power needs of a new business locating in Horizon Center as well as to support future development; and

WHEREAS, additionally, it would be unwise to rework the protection and relaying system of Substation 900 without installing the proper SCADA components; and

WHEREAS, technical staff in the Electric Department identified reputable firms with proven experience and selected Patterson & Dewar Engineers, Inc., Gallatin, Tennessee, after an interview and evaluation process; and

WHEREAS, the City Manager recommends authorization to enter into three professional services agreements with Patterson & Dewar Engineers, Inc., for these projects.

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

That the recommendation of the City Manager is approved and the City is hereby authorized to enter into professional services agreements with Patterson & Dewar Engineers, Inc., in the total estimated amount of \$256,870.00, as follows:

- For design, surveying, and construction support of new 13kV circuits from Substation 900 to specific locations inside Horizon Center as well as a fiber link connecting the main City fiber ring to the Substation 900 area, in the estimated amount of \$84,870.00.
- For design, specification, and construction support of improvements to the protection system of Substation 900 including integration of distributed resources, upgrade of relay systems, replacement of obsolete equipment, and design of SCADA integration, along with construction management and testing support, in the estimated amount of \$114,000.00.
- For review of proposed SCADA concepts, development of detailed installation drawings, and project management for installation, with a concentration on finalizing the standards and concepts of the overall SCADA system and design of full implementation for a typical distribution substation, in the estimated amount of \$58,000.00.

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

BE IT FURTHER RESOLVED that some elements of the project are not clearly defined and other potential work is anticipated to develop with extremely limited timeframes and, for that reason, the City Manager is authorized to execute amendments and change orders in an amount up to fifteen percent (15%) of the aggregate contract amounts (up to \$38,530.50).

This the 12th day of December 2016

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk

RECREATION & PARKS MEMORANDUM
16-07

DATE: December 2, 2016
TO: Mark S. Watson, City Manager
FROM: Jonathan W. Hetrick, Recreation & Parks Director
SUBJECT: AWARD OF A CONTRACT FOR THE REPAIR OF THE FILTERS AT THE OAK RIDGE MUNICIPAL SWIMMING POOL

Introduction

An item for City Council's consideration is a resolution to award a contract to Paddock Construction Company Inc., of Rock Hill, South Carolina, for repair of the filters at the Oak Ridge Municipal Swimming Pool, including replacement of all valves and associated hardware, in the estimated amount of \$97,332.00.

Funding

Funding for the proposed project is included in the FY2017 Capital Improvements Program.

Review

The pool filters were originally installed in 1993 as part of a comprehensive renovation project. The mechanical systems of the filters, particularly the valves that control the operation of the system, have exceeded their useful life. As a result, it has become increasingly difficult to maintain the required water quality in the pool and significant expenditures of time and money are required for frequent repairs to keep the pool operational. Replacement of the valves and associated hardware will allow the pool to operate more efficiently and reliably. Paddock Construction Company Inc. is the original designer and constructor of the filters and is therefore well qualified to perform the required repairs.

Recommendation

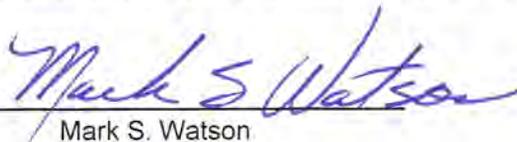
Staff recommends approval of the accompanying Resolution as submitted.


Jonathan W. Hetrick

Attachments

City Manager's Comments:

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

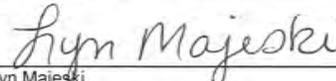

Mark S. Watson

12-7-16
Date

CITY OF OAK RIDGE, TENNESSEE
Abstract of Bids

FY2017-089

OPENING DATE: November 22, 2016 2:00 P.M.

FOR --- Oak Ridge Municipal Pool Swimming Pool Filters			BIDDER: Paddock Construction Company, Inc. P.O. Box 11676 Rock Hill, SC 29731		BIDDER:		BIDDER:		BIDDER:		
DESCRIPTION			UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	
FURNISH ALL LABOR, MATERIALS, TOOLS, AND EQUIPMENT NECESSARY TO PERFORM ALL WORK AND SERVICES REQUIRED FOR OAK RIDGE MUNICIPAL POOL SWIMMING POOL FILTERS PER THE SPECIFICATIONS PROVIDED BY THE CITY OF OAK RIDGE RECREATION AND PARKS DEPARTMENT				\$ 97,332.00							
TOTAL PRICE				\$ 97,332.00		\$ -		\$ -		\$ -	
TERMS				NET 30							
DELIVERY				PER CONTRACT							
F.O.B.				JOBSITE							
VIA				VENDOR							
OTHER BIDDERS CONTACTED: <u>SEE BID PROCESS FORM</u>							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 checked="" type="checkbox"/> X LOW PRICE <input type="checkbox"/> BETTER OR REQUIRED DESIGN <input type="checkbox"/> EARLY DELIVERY <input type="checkbox"/> LOWEST TOTAL COST <input type="checkbox"/>				Paddock Construction Company, Inc. P.O. Box 11676 Rock Hill, SC 29731			 Janice McGinnis Finance Director				

BID PROCESS FORM

BID NAME FY2017-089 **DESCRIPTION** Oak Ridge Municipal Swimming Pool Filters

CITY COUNCIL MEETING December 12, 2016

BIDDERS CONTACTED (CONTACT INFORMATION)

<u>Company</u>	<u>Name</u>	<u>Address</u>	<u>City, State ZIP</u>	<u>Phone</u>	<u>Email</u>	<u>Contacted Via</u>
Paddock Construction Company, Inc.	Dennis Ingram	PO Box 11676	Rock Hill, SC 29731	615-280-3371	dennis@paddockpool.com	[e-mail]
Duffield Aquatics	Alison Youngblood	113 Metro Drive	Anderson, SC 29625	864-226-5500	nsweeny@duffieldaquatics.com	[e-mail]
Langley and Taylor		1014 3rd Ave. S	Nashville, TN 37210	615-244-9008	brad@langleyandtaylor.com	[e-mail]

BIDDERS WHO CONTACTED THE CITY AFTER ADVERTISED (CONTACT INFORMATION)

BIDS RECEIVED FROM BIDDERS CONTACTED DIRECTLY BY THE CITY

Paddock Construction Company, Inc.

BIDS RECEIVED FROM BIDDERS NOT DIRECTLY CONTACTED BY THE CITY

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

ADVERTISEMENT

The City of Oak Ridge advertised this bid on the Finance Department's Departmental Webpage for a duration of 8 days.

RESOLUTION

A RESOLUTION AWARDING A CONTRACT (FY2017-089) TO PADDOCK CONSTRUCTION COMPANY, INC., ROCK HILL, SOUTH CAROLINA, FOR THE FILTER REPAIR PROJECT AT THE OAK RIDGE MUNICIPAL SWIMMING POOL IN THE ESTIMATED AMOUNT OF \$97,332.00.

WHEREAS, the City issued an invitation to bid for the furnishing of all labor, tools, materials, equipment, and supplies necessary for the Oak Ridge Municipal Swimming Pool filter repair project, including replacement of all valves and associated hardware; and

WHEREAS, bids were received and publicly opened on November 22, 2016, with Paddock Construction Company, Inc., Rock Hill, South Carolina, submitting the sole bid; and

WHEREAS, Paddock Construction Company, Inc., is the original designer and constructor of the filters, and their bid is reasonable; and

WHEREAS, the City Manager recommends the bid 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 Paddock Construction Company, Inc., 555 Paddock Parkway (P.O. Box 11676), Rock Hill, South Carolina, 29730 (29731) , for the furnishing of all labor, tools, materials, equipment and supplies necessary for the Oak Ridge Municipal Swimming Pool filter repair project, including replacement of all valves and associated hardware; said award in strict accordance with FY2017-089, the required specifications, and the bid as publicly opened on November 22, 2016, and in the estimated amount of \$97,332.00

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

This the 12th day of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk

PERSONNEL MEMORANDUM

16-147

DATE: November 22, 2016
TO: Mark Watson, City Manager
FROM: Bruce M. Applegate, Interim Personnel Director / Assistant to the City Manager
SUBJECT: REVISED CLASSIFICATION PLAN

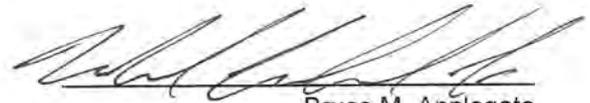
The accompanying Resolution provides for approval of a revised Classification Plan for City employees for FY2017. The classification plan is adopted by resolution and reflects any changes that occur during the fiscal year.

New positions added to the Classification Plan include: Accounting Manager(1215, grade 29) in the Finance Department; Public Affairs Specialist(1708, grade 21) in the Information Services Department; and Power Systems GIS Specialist(5036, grade 21) in the Electric Department.

Revised positions added to the Classification Plan include: Assistant Fire Chief-Daily Operations(3003, grade 32) in the Fire Department, replaces Deputy Fire Chief-Daily Operations (3003, grade 32); Fire Marshal-Fire Prevention and Education(3002, grade 30) in the Fire Department, replaces Assistant Chief-Prevention and Training(3002, grade 29); Fire Projects Officer(3012, grade 22) in the Fire Department, replaces Fire Projects Officer (3012, grade 24); Administrative Services Manager(3032, grade 21) in the Police Department, replaces Lead Public Safety Communications Officer (3032, grade 17), and Lead Police Records Specialist(3035, grade 15).

Attached is a letter from the Chair of the Personnel Advisory Board recommending the revised Plan. A quorum of board members were present at the two meetings in which the above changes were discussed and agreed to unanimously.

Staff recommends adoption of the attached resolution that will approve a revised Classification plan for FY2017.



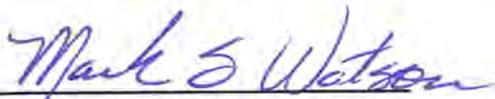
Bruce M. Applegate

Interim Personnel Director / Assistant to the City Manager

Attachments

City Manager's Comments:

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



Mark S. Watson

12-7-16

Date



November 30, 2016

The Honorable Mayor and Members of City Council
City of Oak Ridge
200 South Tulane Avenue
Oak Ridge, TN 37830

Article 4-Classification Plan of the Personnel Plan(Ordinance No.27-85 as Amended) specifies that the City's Classification Plan shall consist of classes submitted by the City Manager, reviewed by the Personnel Advisory Board and adopted by the City Council by resolution. This Article also states that job descriptions shall be established by the City Manager with the review and advice of the Personal Advisory Board.

At our regular meetings on March 15, 2016 and November 18, 2016, the Board reviewed and unanimously approved several modifications in the Classification Plan. New positions were added, and several positions were revised. New positions added to the Classification Plan include: Accounting Manager (1215, grade 29) in the Finance Department; Public Affairs Specialist (1708, grade 21), in the Information Services Department; and Power Systems GIS Specialist (5036, grade 21) in the Electric Department.

Revised positions added to the Classification Plan include: Assistant Fire Chief-Daily Operations(3003, grade 32) in the Fire Department, replaces Deputy Fire Chief-Daily Operations- position (3003, grade 32); Fire Marshal-Fire Prevention and Education (3002, grade 30) in the Fire Department, replaces Assistant Chief-Prevention and Training- position (3002, grade 29); Fire Projects Officer (3012, grade 22) in the Fire Department, replaces Fire Projects Officer position (3012, grade 24); Administrative Services Manager (3032, grade 21) in the Police Department, replaces Lead Public Safety Communications Officer (3032, grade 17), and Lead Police Records Specialist (3035, grade 15).

A quorum of members were present at the two meetings and agreed unanimously with the changes. Members of the Personnel Advisory Board are available to answer any questions you might have about the proposed resolution to provide a revised Classification Plan.

A handwritten signature in blue ink that reads "Martha Wallus".

Martha Wallus
Chair, Personnel Advisory Board

Cc: City Manager
Members of Personnel Advisory Board
Personnel Director

RESOLUTION

A RESOLUTION APPROVING THE FY2017 REVISED PERSONNEL CLASSIFICATION PLAN, AS RECOMMENDED BY THE CITY MANAGER.

WHEREAS, the City periodically needs to make modifications in its Classification Plan because of key staffing changes, increased responsibilities of some employees and new positions that are necessary to better carry out the functions of various departments in providing services to Oak Ridge citizens; and

WHEREAS, Article 4, Subsection 4.2 of the Personnel Plan for Employees of the City of Oak Ridge, Tennessee (Ordinance No. 27-85) specifies that the Classification Plan of City employees shall consist of classes submitted by the City Manager, recommended by the Personnel Advisory Board, and adopted by City Council by resolution; and

WHEREAS, the Personnel Advisory Board by its actions at its March 15, 2016 and November 18, 2016 meetings reviewed the recommended job descriptions and approved the attached revised Classification Plan for FY2017; and

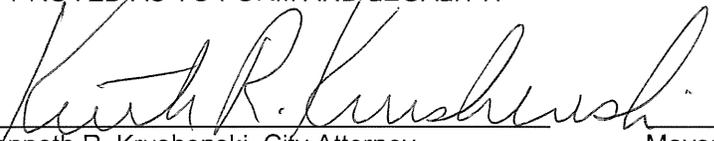
WHEREAS, the City Manager recommends approval of the revised Classification Plan for FY2017.

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

That the recommendation of the City Manager is approved and the attached revised Classification Plan for FY2017 is hereby adopted.

This the 12th day of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk

CLASSIFICATION PLAN - FY 2017							
CLASS CODE	SALARY RANGE	CLASS TITLE	FLSA	CLASS CODE	SALARY RANGE	CLASS TITLE	FLSA
1000		ADMINISTRATIVE SERIES		3000		PUBLIC SAFETY SERIES	
		CITY ADMINISTRATION				FIRE OPERATIONS	
1001	34	Deputy City Manager	E	3001	34	Fire Chief	E
1003	25	City Clerk	E	3003	32	Assistant Fire Chief - Daily Operations	E
1002	23	Assistant To The City Manager	E	3002	30	Fire Marshal - Fire Prevention & Education	E
1006	4	Administrative Intern III	N	3005	25	Battalion Chief	N
1007	3	Administrative Intern II	N	3012	22	Fire Projects Officer	N
1008	2	Administrative Intern I	N	3006	21	Fire Captain	N
				3010	19	Fire Inspector	N
		OFFICE & ADMINISTRATIVE SERVICES		3007	17	Fire Fighter/Engineer	N
1101	21	Senior Administrative Assistant	N	3008	16	Fire Fighter - Trainee	N
1102	17	Administrative Specialist	N				
1105	16	Court Clerk	N			POLICE OPERATIONS	
1108	16	Printing Services Specialist	N	3021	34	Police Chief	E
1103	15	Administrative Assistant	N	3022	32	Deputy Police Chief	E
1109	13	Office Specialist	N	3023	29	Police Captain	E
1106	11	Office Assistant	N	3024	25	Police Lieutenant	N
				3025	21	Police Sergeant	N
		FINANCE & ACCOUNTING		3029	19	Detective	N
1201	32	Finance Director	E	3027	17	Police Officer	N
1215	29	Accounting Manager	E	3028	16	Police Officer - Trainee	N
1202	27	Accounting Division Manager	E			POLICE ADMINISTRATION	
1204	27	Business Office Manager	E				
1214	24	Accountant II	N	3031	21	Crime Analyst	N
1302	23	Contracts/Grants Coordinator	E	3032	21	Administrative Services Manager	N
1303	21	Purchasing/Contracts Coordinator	N	3033	15	Public Safety Communications Officer	N
1304	21	Purchasing/Inventory Coordinator	N	3036	11	Police Records Specialist	N
1203	21	Accountant I	N	3038	5	School Crossing Guard	N
1213	20	Senior Accounting Specialist	N				
1205	17	Accounting Specialist	N			ANIMAL CONTROL	
1210	17	Utility Account Analyst	N	3041	17	Animal Control Supervisor	N
1208	15	Utilities Service Representative	N	3042	15	Animal Control Officer	N
1212	15	Utility Accounts Specialist	N	3043	11	Animal Shelter Attendant	N
1211	13	Utility Account Clerk	N				
1206	13	Accounting Clerk	N				
1306	11	Warehouse Clerk	N	4000		RECREATION & PARKS SERIES	
1207	11	Service Center Cashier	N				
1209	11	Meter Reader	N			RECREATION PROGRAM OPERATIONS	E
				4001	32	Recreation & Parks Director	E
		LEGAL SERVICES		4003	23	Recreation Manager	E
1401	29	Senior Staff Attorney	E	4004	19	Recreation Program Supervisor	N
1402	27	Staff Attorney	E	4005	17	Recreation Program Coordinator	N
				4007	13	Recreation Assistant	N
		ECONOMIC & COMMUNITY DEVELOPMENT		4008	11	Facility Monitor	N
1501	32	Economic Development Director	E	4009	11	Security Guard	N
1503	32	Community Development Director	E	4006	5	Senior Recreation Leader	N
1504	27	Community Development Division Manager	E	4010	3	Recreation Leader	N
1503	27	Remediation Specialist	E				
1505	24	Senior Planner	E			AQUATICS PROGRAM OPERATIONS	
1507	24	Code Enforcement Supervisor	E	4012	11	Pool Supervisor	N
1506	22	Planner	N	4013	7	Senior Lifeguard	N
1514	22	Community Development Specialist	E	4014	5	Lifeguard	N
1508	21	Senior Code Enforcement Inspector	N				
1509	19	Code Enforcement Inspector	N			PARK MAINTENANCE OPERATIONS	
1512	17	Property Maintenance Enforcement Officer	N	4021	21	Parks Maintenance Supervisor	N
1510	15	Mapping Technician	N	4022	17	Parks Maintenance Crew Chief	N
		INFORMATION SERVICES		5000		ELECTRIC OPERATIONS SERIES	
1701	32	Govt' Affairs & Information Services Director	E				
1702	29	Information System Manager	E			ELECTRIC DEPARTMENT ADMINISTRATION	
1703	29	Senior Systems Analyst	E	5001	34	Electric Director	E
1704	24	Systems Analyst	E	5011	32	Electric Engineering Division Manager	E
1706	24	Senior Information Systems Technician	E	5021	30	Electric Operations Manager	E
1707	21	Information Systems Technician	E	5030	27	Special Area Supervisor	N
1708	21	Public Affairs Specialist	E				
						ELECTRICAL ENGINEERING	
1801	32	Personnel Director	E	5013	30	Electric Engineer	E
1803	27	Personnel/Risk Program Manager	E	5014	28	Electric Project Manager	E
1805	20	Personnel/Benefit Program Specialist	N	5015	26	Senior Electric Project Specialist	N
				5016	24	Electric Project Specialist	N

PERSONNEL MEMORANDUM
16-148

DATE: December 6, 2016

TO: Mark Watson, City Manager

FROM: Bruce M. Applegate, Interim Personnel Director / Assistant to the City Manager

SUBJECT: SELECTION OF MCGRATH HUMAN RESOURCES GROUP, TO PERFORM A COMPENSATION ANALYSIS AND REVIEW OF THE CITY'S COMPENSATION PLAN STRUCTURE AND RELATED POLICIES.

Introduction

An item for the agenda is a resolution approving a professional services agreement with McGrath Human Resources Group, Wonder Lake, Illinois, to provide an analysis of the City's compensation plan structure, and related policies.

Funding

Funds are available in the budget for this project.

Background

The City has engaged in several compensation studies over the past 15 years with the most recent studies occurring in 2009, 2004, and 2002. The current performance evaluation and compensation system was implemented in 2009, and remains largely unchanged to date. Departmental changes to policies, positions, job duties, and an increasing gap between market and municipal salaries are rendering the 2009 plan unusable, and ready for replacement. The current issues are exemplified by retiring employees who have not progressed to their salary range's midpoint.

On Friday, October 21, 2016, the City issued a Request for Proposals soliciting the application of Human Resources firms with the range of skills and experience needed to address current issues concerning the City's pay plan, overtime costs, and employee retention.

Eight (8) proposals were received by the City. The selection process was comprised of two phases: (1) an initial pool reduction through review and ranking based on strength of proposal and firm qualifications by City officials; and (2) an evaluation of the top four (4) firms through oral interviews, with final selection by City staff.

City staff recommends the use of McGrath Human Resources Group, Wonder Lake, Illinois. McGrath Human Resources Group's lengthy experience and familiarity with comparable projects guarantees a timely completion of all projects to the standards set by the City. It is requested that City Council approve a professional services agreement in an amount of \$27,717 with McGrath Human Resources Group to carry out the compensation evaluation agreed upon during the FY17 budget preparation cycle.

The City had previously budgeted \$40,000 in funds to carry out this project. Due to the complex nature of this analysis it is requested that the remaining \$12,283 in funds budgeted for this project be available to cover potential scope of work changes at the City Manager's discretion. The discretionary funds provide a backup to address issues that may arise such as: expansion of positions evaluated, unique organizational attributes, etc.

Recommendation

Approval of the attached resolution is recommended.



Bruce M. Applegate
Interim Personnel Director / Assistant to the City Manager

Attachments

City Manager's Comments:

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


Mark S. Watson

12/7/2016
Date

RESOLUTION

A RESOLUTION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH MCGRATH HUMAN RESOURCES GROUP, WONDER LAKE, ILLINOIS, TO PERFORM A COMPENSATION ANALYSIS AND REVIEW OF THE CITY'S COMPENSATION PLAN STRUCTURE AND RELATED POLICIES.

WHEREAS, the City last conducted a compensation analysis in 2009; and

WHEREAS, departmental changes to policies, positions, job duties, and an increasing gap between market and municipal salaries renders the 2009 plan unusable and ready for replacement; and

WHEREAS, the City issued a Request for Proposals soliciting proposals from human resource firms with a range of skills and experience needed to address the City's current issues concerning the pay plan, overtime costs, and employee retention; and

WHEREAS, after a selection process involving interviews with the top four firms, City Staff recommends selection of McGrath Human Resources Group, Wonder Lake, Illinois, based upon their experience and familiarity with comparable projects; and

WHEREAS, the City Manager recommends entering into a professional services agreement with McGrath Human Resources Group.

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

That the recommendation of the City Manager is approved and the City is hereby authorized to enter into a professional services agreement with McGrath Human Resources Group, Wonder Lake, Illinois, to perform a compensation analysis and review of the City's compensation plan structure and related policies, in the amount of \$27,717.00.

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

BE IT FURTHER RESOLVED that due to the complex nature of the analysis, the City Manager is authorized to execute contract amendments for scope of work changes in an amount up to \$12,283.00, which accounts for a total budgeted amount of \$40,000.00 for this project.

This the 12th day of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk

CITY COUNCIL MEMORANDUM
16-36

DATE: December 6, 2016

TO: Honorable Mayor and Members of City Council

FROM: Mark S. Watson, City Manager *MSW*

SUBJECT: PROFESSIONAL SERVICES AGREEMENT – WINDROW PHILLIPS GROUP

Introduction

An item for City Council's consideration is a resolution approving a professional services agreement with Windrow Phillips Group, Nashville, Tennessee, for the provision of consulting services in the area of relations with the state legislators, agencies, and officials for agreed upon priorities for the City in the amount of \$30,000 with an allowance of up to \$600 for expenses related to registration with the Tennessee Ethics Commission.

Funding

The City of Oak Ridge has previously budgeted for Federal lobbying services that are being handled by the City staff and elected officials. Funding for State representation is available in City Manager's budget.

Background

In the last year, the City of Oak Ridge has found itself to be greatly involved with agency activities and legislation associated with Tennessee state government. Activities have found the City dealing with transportation matters with TDOT, environmental matters with TDEC, financing matters with the State Comptroller's office, and educational funding matters with the Department of Education. Oak Ridge additionally finds itself seeking grant support in the areas of tourism and promotion of the community. Our legislative delegation now includes officials serving in key committee assignments and serving as Lieutenant Governor.

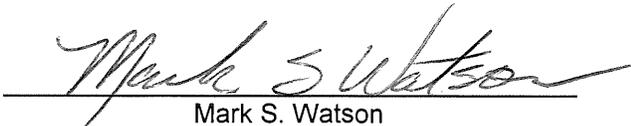
This past year, the City Manager has met with numerous City Managers throughout the state, who are now taking an active role in serving the legislature with proper information on the impacts of public policy. The City Managers in eastern Tennessee have found a need to form coalitions where they have a common need, such as with school financing, revenue equalization with county governments, and challenges to existing funding sources, such as the mixed-drink tax lawsuits. The City of Oak Ridge now finds that we are spending a large amount of time with Nashville state agency oversight and the need to reconsider having visible representation in Nashville.

The City Manager is recommending that the City Council consider the engagement of the Windrow Phillips Group, Nashville, Tennessee, to assist in that representation. The Windrow Phillips Group has come highly recommended and has a solid reputation, as observed by our delegation members. Windrow Phillips Group is led by Anna Durham Windrow and Bill R. Phillips. They bring many years of experience and contacts on the legislative and agency front. Additionally, they have a strong background in the work of cities and rules affecting the effectiveness of city governments.

I have attached the information with their backgrounds and proposals for a retainer-based service to the City of Oak Ridge through December 31, 2017. The cost for this service is very reasonable at the amount of \$2,500 monthly, or \$30,000, and annual registration costs for each Windrow Phillips Group lobbyist with the state. The City Manager recommends engagement of the Windrow Phillips Group for the coming year.

Recommendation

Approval of the attached resolution is recommended.



Mark S. Watson

Attachments

November 11, 2016 Engagement Letter
November 3, 2016 Proposal
Resolution w/Proposed Agreement



511 Union Street, Suite 1820
Nashville, TN 37219
(615)401-4727, Fax (615) 401-4729

November 11, 2016

Mr. Mark Watson
City Manager
P.O. Box 1
Oak Ridge, Tennessee 37831-0001

Re: Letter of Engagement for 2016-2017

Dear Mark,

We are excited about the opportunity to partner with the City of Oak Ridge for Tennessee State Government Relations work in 2016-2017.

Our representation will be on the following basis:

The contract period will begin December 15, 2016 and end December 31, 2017.

The Windrow Phillips Group agrees to represent the City of Oak Ridge as outlined in our proposal for an annual fee in the amount of \$30,000. We will invoice monthly in the amount of \$2,500.

Upon entering into an agreement state law requires lobbyists to register with the Tennessee Ethics Commission (TEC) and pay an annual registration fee of \$150 for the calendar year beginning January 1st through December 31st. The City of Oak Ridge agrees to reimburse the registration fees for Anna Windrow, Bill Phillips and Ryan Swindell in the amount of \$450 total for the contract period stated above.

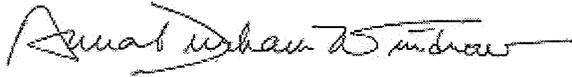
It is likely there will be another registration fee for an additional lobbyist with Windrow Phillips Group. At most that would bring the total registration fees reimbursed by the City to Windrow Phillips Group to \$600 for the term of this contract.

On behalf of the Windrow Phillips Group, I sincerely appreciate the opportunity to represent the City of Oak Ridge and all of us look forward to working with you this coming year.

Please sign, date and return this engagement letter to our office.

Thanks!

Sincerely,

A handwritten signature in cursive script that reads "Anna Durham Windrow". The signature is written in black ink and is positioned above the printed name.

Anna Durham Windrow

AGREED TO AND ACCEPTED:

City of Oak Ridge, Tennessee

By: _____

Date: _____



November 3, 2016

Mr. Mark Watson
City Manager
P.O. Box 1
Oak Ridge, TN 37831-0001

RE: Proposal for City of Oak Ridge, TN

Dear Mark,

Thank you for the opportunity to meet with you about Government Relations work for the City of Oak Ridge at the State Government level. I thoroughly enjoyed our conversation with you and Amy and am looking forward to more of the same. In just the short amount of time we got to visit with you and Amy I feel like we barely scratched the complicated surface of what makes the City of Oak Ridge unlike other cities in our state. While the issues are complex and an intricate spider web of local, state and federal regulations, laws and rules I can say with no hesitation that we would love to have the opportunity for the Windrow Phillips team to be working with you on these matters. I know that we would make great partners in the pursuit of your best interests and objectives in Tennessee.

The main purpose of this representation would be to assist you with any matters or issues that affect the City of Oak Ridge at the state level whether they be in one of the Administrative Departments of State Government, the Governor's Office or the Tennessee General Assembly. As well as work with the Legislative and Administrative Branches of Government we assist clients with regulatory matters that come before state departments, agencies, boards and commissions. Our firm is fully equipped to help you achieve the goals you set so that your City can continue to reestablish itself with retail commerce, fewer environmental issues and a reliable source of tax revenues on which you can depend.

Scope of Representation we suggest for this engagement:

- Monitor and advocate for relevant issues on behalf of the City of Oak Ridge at the Tennessee General Assembly

- Work closely with members of the City's State Legislative Delegation; Regular communication with those members about City positions concerning legislation
- Facilitate and participate in meetings with key State officials in the Administrative Branch of Tennessee Government when needed
- Monitor and lobby issues important to the City that come before the State's Regulatory Agencies, Boards and Commissions
- Overall work with the Administrative Branch of Tennessee Government on matters relevant to the City's issues, especially Departments such as Economic Development, Environment and Conservation, Education and Tourism.

Our letters of engagement are for the term of a year and most of our clients prefer to receive monthly invoices for that retainer. However, due to various accounting variations we do have clients that prefer to pay in a lump sum upfront or are invoiced quarterly.

We do require a formal engagement letter signed by both parties for our files as the Tennessee Ethics Commission rules provide for random audits of registered lobbyists. For these audits the Commission prefers that there are contracts or letters of engagement in our files for each client and we are more than happy to comply.

Again, thank you for the opportunity to talk about becoming a part of the City's team. We are excited about the possibility and look forward to answering any further questions you may have.

Additional information about Windrow Phillips Group is attached.

Warmest Regards,



Anna Durham Windrow

*Windrow Phillips Group
511 Union Street
Suite 1820
Nashville, TN 37219
Office Phone: 615-401-4727
Fax: 615-401-4729
Cell: 615-838-3536*

Windrow Phillips Group

Windrow Phillips Group is a government relations firm based in Nashville, Tennessee. We have extensive experience with every level of government, offering unparalleled resources for municipalities and businesses in need of strategic government relations counsel and lobbying services.



Our three principals offer together what we consider to be the most comprehensive, diverse and effective set of skills and government experience available in Tennessee.

What makes us different?

Team Approach

A common practice in other lobbying firms is to assign one lobbyist to a client. With the Windrow Phillips Group, you get the whole team. We make a point for all three of us to know as much about every issue for our clients as possible. Yes, that's tough work for us, but we think it makes your job easier. On the flip side, our team presents a versatile set of representatives who can divide responsibilities when you have more than one interest occurring at the same time.

Accessibility

This team approach also gives you ultimate accessibility to your lobbying team. Since all three members will be assigned to your project, you can contact any one of us at any time. We work to provide consistent communication for your needs.

Candid Advice

Other lobbying firms may tell you what you want to hear to gain your business. We pride ourselves on being candid with clients about the probability of success.

Gut Instincts

As previously stated, we provide many years of experience inside government as well as working with government from the outside. Bill has been a Deputy Governor, a Deputy Mayor and a lobbyist for the private sector. Anna has been a Governor's top Senior Advisor and in the state government relations sector for over three decades after beginning her career on the staff of a U.S. Senator. Ryan started in the public sector straight out of college in the House Clerk's office, moving to work in the House Majority Leader's office, then capping his public sector experience as a Legislative Liaison over the span of a decade for two governors. These combined years of experience provide us, as partners, with the gut instincts you'll need in a crisis or for the day to day business of government.

Ethics

We are ethical and professional. Your organization must demand advocacy rooted in honesty and integrity. Our team brings an extensive and long term track record of professional and ethical representation in state and local governments for an array of clients, from Fortune 500 companies to seven outstanding Tennessee cities.

Communication

At Windrow Phillips Group, we believe clear, concise and consistent communication is essential to the success of our client relationships. This is how we plan to communicate with you.

In-person Meetings and Telephone Calls

We find it very important to talk regularly with our clients over the telephone or in-person. We are available to communicate via conference calls, individual calls, emails, texts or any method our clients prefer. Confidentiality is paramount in our business and we operate on that premise. Also, we welcome and encourage, where appropriate, client participation in legislative committee meetings during the session.

Newsletters

We produce and distribute an electronic newsletter of pertinent state focused political and government news to our clients and friends. This newsletter is distributed weekly during the legislative session, and as needed the rest of the year.

Weekly Bill Reports

As a matter of practice during the legislative session, we provide the client with a specialized electronic report summarizing pending legislation of interest to the client and actions taken by the House and Senate on such legislation.

The Tennessee Journal

Separately, we maintain a contractual relationship with the publishers of The Tennessee Journal that allows us to distribute their political newsletter to our clients. The Tennessee Journal, a copyrighted publication, is full of valuable information, and we're proud to offer that publication to interested clients.

Who We Are

Anna Durham Windrow

Anna is a veteran government relations specialist, having spent more than 30 years at the Tennessee State Capitol advocating for business, industry and local governments. After graduating in the first class of women at the University of the South: Sewanee, she joined First American National Bank in Nashville in the marketing and public affairs area. After some years with the bank she left her banking career to become a part of



the re-election effort for one of Tennessee's former United States Senators and former Ambassador to China, Jim Sasser. Anna worked both on the campaign as a fund-raiser and then later as an aide to the Senator on his U.S. Senate personal staff.

Her career moved to the Tennessee State Capitol when the Tennessee Building Material Dealers' Association hired her to be their new Executive Director. Her work for the Association included lobbying at the State Capitol and within two years, the law firm of Bass Berry & Sims engaged her to become the Director of State Government relations. Anna began her work at Bass representing clients of the firm at the Tennessee General Assembly along side senior law firm partner and former Tennessee Lieutenant Governor Frank C. Gorrell.

After a decade at the firm, Anna founded a new government relations practice, Anna Windrow & Associates. She continued to represent clients of the firm on a contractual basis, doing work for businesses such as Brown Foreman (Jack Daniel's Whiskey) and American Express, while taking on new clients such as the Metropolitan Nashville-Davidson County Government under the leadership of then-Mayor Phil Bredesen.

After Tennessee's gubernatorial election in 2002, Anna closed her government relations practice to join newly elected Governor Bredesen in the Governor's office as a Cabinet member in the position of Senior Advisor to the Governor. Her work included coordination between the Governor's office and department Commissioners, managing the governor's legislative agenda at the General Assembly, serving as a part of the Governor's

strategic senior team on major policy initiatives and implementing the Tennessee Education Lottery which included identifying and helping hire the Lottery's current Executive Director.

In January of 2005 Anna transitioned from the Governor's office back into the private sector, opening her second government relations firm. She and her partners, Ryan Swindell and Bill Phillips operate today as the Windrow Phillips Group.

A Gallatin, Tennessee native, Anna was one of the first several presidents of the Tennessee Lobbyist Association and one of its founding board members. Her interests outside of the political sector are Tennessee history and psychology. She has one grown son, Robert Windrow, an integrative therapist at the Estuary in Nashville and a daughter-in-law, Dana Windrow, a partner in the event planning company of Page & Windrow.

Bill R. Phillips

Bill brings more than 37 years of experience as a public servant in executive leadership positions at the local, state and federal levels of government. Since 2010, he has been a partner in the Windrow Phillips Group, but a quick glance at Bill's earlier career history helps define his wide ranging expertise.

Beginning as a young reporter and then moving to the world of gubernatorial and presidential politics, Bill knows no surprises. While he has an extensive background on the federal side he has also served seven and a half years as Deputy Mayor of Nashville. Before his stint as Deputy Mayor and in 1994, he became Associate Vice Chancellor for University Relations at Vanderbilt University, after concluding a year long fellowship at Vanderbilt's First Amendment Center. While there, Bill co-authored the book *Nothing Sacred*, which examined the relationship between the media and political leaders with an emphasis on privacy and fairness issues.



Bill served as a Presidential appointee in various capacities during the executive administrations of President Ronald Reagan and President George H.W. Bush, and as Deputy Governor to Nevada Governor Robert List. Also he served as Chief of Staff of the Republican National Committee (RNC) and Manager of the 1988 Republican Convention, and has worked in three Presidential campaigns for Republican candidates. In 1992, he was Assistant Campaign Manager for Operations of the Bush-Quayle Committee.

Today, as a public affairs consultant, Bill provides clients with a unique blend of professional services that ranges internationally and offers an unparalleled roster of experiences. Over the years, his clients have included the Republican National Committee, the McCain for President campaign, the Country Music Association, AT&T, Vanderbilt University, Belmont University, Lipscomb University, Nashville Chamber of Commerce, Nashville Convention and Visitors' Corp., Crescent Resources, Tennessee AARP, Brown and Caldwell Engineering, UBER Technologies and the International Republican Institute.

A native Texan, he is a Vietnam veteran, where he served on Advisory Team 1 of MACV. He is a graduate of the University of Nebraska-Omaha. Bill and his wife, Candy, reside in Brentwood and have three grown children.

Ryan Swindell

Ryan Swindell has an outstanding history of public service with the State of Tennessee. In talking with others the consensus about Ryan is that he is known for his keen and nuanced understanding of public policy combined with a unique pragmatism about how to get the job done. These talents provide for a successful approach to the problems Tennessee businesses and local governments face as they interact with state government.



He is a problem solver and is committed to assisting individuals and organizations find solutions to their issues on regulatory and legislative matters. His extensive background in the regulatory arena is a great help for clients navigating the rule making processes of state

government. Ryan is well known for his genuine relationships at the Capitol, his relentless follow up on issues and his calm demeanor.

Serving most recently as Governor Bill Haslam's Senior Legislative Liaison for the Tennessee Department of Environment and Conservation (TDEC), he has also served in this same capacity under former Governor Phil Bredesen. In addition to ten years in this position at TDEC, Ryan was the Legislative Director at the Tennessee Department of Transportation (TDOT).

Before entering the Executive Branch of Tennessee Government, Ryan worked for six years in the Tennessee General Assembly where he served as Chief Bill Clerk for the House of Representatives and later as the research analyst for the House Government Operations Committee, House Agriculture Committee and for the House Majority Leader.

Ryan is a native of Sparta, Tennessee and has a bachelor's degree from Tennessee Technological University. He is married to Baylor Bone Swindell and they have two children, Brady and Jane, ages 8 and 5.

RESOLUTION

A RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH WINDROW PHILLIPS GROUP, NASHVILLE, TENNESSEE, FOR THE PROVISION OF CONSULTING SERVICES IN THE AREA OF RELATIONS WITH THE STATE LEGISLATORS, AGENCIES, AND OFFICIALS FOR AGREED UPON PRIORITIES FOR THE CITY IN THE AMOUNT OF \$30,000.00 WITH AN ALLOWANCE OF UP TO \$600.00 FOR EXPENSES RELATED TO REGISTRATION WITH THE TENNESSEE ETHICS COMMISSION.

WHEREAS, the City's last professional services agreement with an individual or firm to provide consulting services in the area of State relations expired June 30, 2014; and

WHEREAS, the City now finds itself in need of consulting services with State legislators, agencies, and officials; and

WHEREAS, Windrow Phillips Group is a premier government relations firm out of Nashville, Tennessee, providing strategic government relations counsel and legislative monitoring services through a team approach, and has provided services to area municipalities such as Alcoa, Gatlinburg, Goodlettsville, Johnson City, Kingsport, Maryville, and Pigeon Forge; and

WHEREAS, the City Manager recommends approval of a Professional Services Agreement with Windrow Phillips Group through Calendar Year 2017.

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

That the recommendation of the City Manager is approved and the attached Professional Services Agreement between the City of Oak Ridge and Windrow Phillips Group, 511 Union Street, Suite 1820, Nashville, Tennessee 37219, for the provision of consulting services in the area of relations with State legislators, agencies, and officials for agreed upon priorities for the City through December 31, 2017 is hereby approved in the amount of \$30,000.00 with an allowance of up to \$600.00 for expenses related to registration with the Tennessee Ethics Commission.

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

This the 12th of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement is entered into as of the 12th day of December 2016, by and between the City of Oak Ridge, Tennessee, P.O. Box 1, Oak Ridge, Tennessee 37831-0001, hereinafter referred to as the City, and Windrow Phillips Group, 511 Union Street, Suite 1820, Nashville, Tennessee 37219, hereinafter referred to as WPG.

WHEREAS, the City desires to engage a professional consulting firm to provide consultation in the area of relations with State legislators, agencies, and officials for agreed upon priorities; and

WHEREAS, WPG is willing to provide such services to the City under the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth, the parties do hereby agree as follows:

1. ENGAGEMENT OF WPG

The City hereby engages WPG to perform the services hereinafter set forth, and WPG hereby accepts such engagement.

2. SCOPE OF SERVICES

The City desires to engage WPG to provide consultation in the area of relations with State legislators, agencies, and officials for agreed upon priorities. WPG shall perform the following services for City:

- A. Track the introduction and movement through committees of legislation of interest to the City. Legislation of interest to the City is set forth in the City's annual State Legislative Agenda which is attached hereto as Exhibit A.
- B. Keep abreast of changes within local governments and represent the interests of the City to the General Assembly, state government officials, and others.
- C. Maintain regular contact with the Mayor, City Council, and the City Manager and report any legislation that affects the City.
- D. Attend City Council meetings upon request with the purpose of reporting on legislative matters, with the understanding that expenses associated with such attendance are not incorporated into Section 4, Compensation, and shall be at a cost to be determined when requesting such attendance.

WPG agrees to keep detailed records of activities conducted on behalf of the City and expenses related to the business of the City. WPG agrees to report to the City regularly on the status of legislation and to advise the City on additional steps to be taken in order to achieve the City's goals and objectives. In addition, WPG agrees to file all required documentation according to the Lobbying Disclosure Act to represent the City before the Tennessee General Assembly and State agencies.

3. TERM

This Agreement shall commence on the December 15, 2016 and terminate on December 31, 2017.

4. COMPENSATION

A. Fixed Fee

For the services provided under this Agreement, the City shall pay WPG \$30,000.00. This amount shall be paid in installments of \$2,500.00 per month starting with the first payment due in January 2017. WPG will submit invoices to the City for payment.

B. Expenses

In addition, the City will reimburse WPG for the cost of registration with the Tennessee Ethics Commission for each member of their team associated with work under this Agreement. The cost of registration is \$150.00 per person and the City's reimbursement amount under this subsection is capped at \$600.00.

5. ASSISTANCE FROM THE CITY

To assist WPG in performing representation, the City shall furnish to WPG copies of all available agreements, reports, memoranda, correspondence, ordinances, legislation, rules and regulations, technical data and other information reasonably requested by WPG relevant to the services to be provided by WPG without charge.

6. TERMINATION

Either party may terminate this Agreement at any time upon thirty (30) days advance written notice to the other party without penalty.

7. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement among the parties with respect to the transactions contemplated by this Agreement, and it supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for in this Agreement. No amendment, modification or discharge of this Agreement shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification or discharge is sought.

8. INDEPENDENT CONTRACTORS

The parties acknowledge that the relationship created under this Agreement is that of independent contracting parties and this Agreement does not create a general agency, joint venture, partnership, employment relationship or franchise between the parties. Neither party shall represent itself to be an agent of the other, nor shall it execute any documents or make any commitments to any contractual or other obligations with third parties.

9. GOVERNING LAW

This Agreement, the rights and obligations of the parties and any claims or disputes relating thereto shall be governed and construed in accordance with the laws of the State of Tennessee.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on their behalf, as of the day and year first written above.

APPROVED AS TO FORM AND LEGALITY:

CITY OF OAK RIDGE, TENNESSEE



City Attorney

Mayor

WINDROW PHILLIPS GROUP

Anna Durham Windrow

Tax ID Number

Attachment: Exhibit A – Legislative Agenda

Approved by Resolution _____

CITY COUNCIL MEMORANDUM
16-37

LEGAL DEPARTMENT MEMORANDUM
16-18

DATE: December 6, 2016
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager
Kenneth R. Krushenski, City Attorney
SUBJECT: A RESOLUTION TO APPROVE A 1 YEAR EXTENSION OF THE 2013 PAYMENT IN LIEU OF TAX (PILOT) REAUTHORIZATION

Introduction

An item for the agenda is a Resolution approving a one-year extension of the Reauthorization of the 2013 Payment in Lieu of Tax (PILOT) Program of economic incentives for use by the Industrial Development Board of the City of Oak Ridge (IDB).

Funding

Funding is not required for this program.

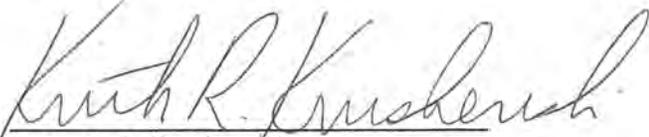
Analysis and Background

At its meeting on November 11, 2013 Council passed Resolution # 11-107-2013 which approved the attached 2013 PILOT Reauthorization Documents for a 3-year term set to expire December 31, 2016. The Industrial Development Board has requested that the current program remain unchanged and be extended for 1 year to expire on December 31, 2017. A copy of the letter request from David Wilson, Chair of the Industrial Development Board, is attached. Both the City Manager and the City Attorney agree that the request should be approved.

Recommendation

Upon City Council approval of the attached resolution, the 2013 PILOT Reauthorization will be effective January 1, 2017 through December 31, 2017. Staff recommends approval of the resolution as submitted.


Mark S. Watson


Kenneth R. Krushenski

Attachments: Resolution # 11-107-2013
2013 PILOT Reauthorization



**Industrial Development Board
of the City of Oak Ridge**
1400 Oak Ridge Turnpike
Oak Ridge, TN 37830

ph (865) 362-0002
oridb01@gmail.com
www.oridb.net

Board of Directors

David E. Wilson
Chairman

Buzz Patrick
Vice Chairman

Phillip Yager
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Richard G. Chinn

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Harold Trapp

Samantha W. Royster
Executive Assistant

December 6, 2016

Mr. Mark Watson, City Manager
City of Oak Ridge
P.O. Box 1
Oak Ridge, TN 37831-0001

Mr. Watson:

The Oak Ridge Industrial Development Board (IDB) met for a regular meeting on December 5, 2016. During its meeting, the IDB passed a resolution authorizing the Chairman to request a 1-year extension of the 2013 PILOT Reauthorization policy approved by Oak Ridge City Council on November 11, 2013.

Please accept this letter as my request to the Oak Ridge City Council for the PILOT Reauthorization scheduled to expire on December 31, 2016 be extended for one year to expire on December 31, 2017.

Sincerely,

David E. Wilson
Chairman

DEW/swr

RESOLUTION

A RESOLUTION APPROVING THE 2013 PILOT REAUTHORIZATION DOCUMENTS FOR USE BY THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE (IDB) AS A GUIDELINE FOR TAX ABATEMENTS AND PAYMENTS IN LIEU OF TAXES FOR QUALIFYING ENTITIES IN OAK RIDGE FOR THE PERIOD OF JANUARY 1, 2014 THROUGH DECEMBER 31, 2016.

WHEREAS, in an effort to generate economic growth within Oak Ridge, the City developed economic incentives for use by the Industrial Development Board of the City of Oak Ridge (IDB) as a guideline for tax abatements for qualifying entities; and

WHEREAS, by Resolution 10-99-10, City Council approved the 2010 PILOT (Payment in Lieu of Tax) Reauthorization documents for use by the IDB as a guideline for tax abatements and payments in lieu of taxes for qualifying entities in Oak Ridge; and

WHEREAS, the incentive model is set to expire on December 31, 2013; and

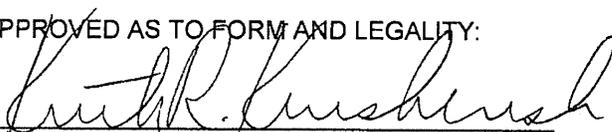
WHEREAS, on October 24, 2013, the IDB unanimously approved 2013 PILOT Reauthorization documents to allow for the continued use of economic incentives, which documents the City Manager recommends be approved as a guideline for the IDB.

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

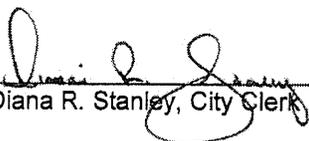
That the recommendation of the City Manager is approved and the attached 2013 PILOT Reauthorization documents are hereby approved for use by the Industrial Development Board of the City of Oak Ridge (IDB) as a guideline for tax abatements and payments in lieu of taxes for qualifying entities in Oak Ridge for the period of January 1, 2014 through December 31, 2016.

This the 11th day of November 2013.

APPROVED AS TO FORM AND LEGALITY:


Kenneth R. Krushenski, City Attorney


Thomas L. Beehan, Mayor


Diana R. Stanley, City Clerk

**Industrial Development Board
of the
City of Oak Ridge**

2013 PILOT Reauthorization

Approved November 11, 2013

by

Oak Ridge City Council

for the period of

January 1, 2014 through December 31, 2016

**CITY OF OAK RIDGE, TENNESSEE
PROPERTY TAX INCENTIVE PROGRAM
POLICIES AND PROCEDURES**

Section I. General Purpose and Objectives*

The City of Oak Ridge, Tennessee (the "City") and Roane County, Tennessee (the "County" and together with the City, the "Local Governments") are committed to improving their local business environment and economy. In furtherance of this objective, the Local Governments have established, in cooperation with The Industrial Development Board of the City of Oak Ridge, Tennessee (the "Oak Ridge Board") and The Industrial Development Board of Roane County, Tennessee (the "Roane County Board," and together with the Oak Ridge Board, the "Boards"), a program to provide economic incentives to qualifying entities based on payments in lieu of taxes ("PILOT"). This program is intended to attract and retain, on a basis competitive with other local governments, businesses that provide the types of employment, capital investment, community involvement and financial impact sought by the Local Governments for their citizens.

The Local Governments have adopted these Policies and Procedures to guide the Boards in considering and evaluating on a case-by-case basis whether particular projects in the Local Governments will be eligible for a PILOT incentive. These Policies and Procedures should not be construed to require the Local Governments or the Boards to approve a PILOT incentive for any Person. Granting a PILOT incentive is solely within the discretion of the Boards acting within the parameters of these Policies and Procedures. In order, however, to inform potential applicants for PILOT incentives of the specific criteria that the Boards will consider in evaluating applications for PILOT incentives, the Local Governments and the Boards have adopted these Policies and Procedures to provide guidelines for evaluating requests for PILOT incentives.

The Boards administer the PILOT for the Local Governments. Each Board is a public nonprofit corporation that was established pursuant to the Tennessee Industrial Development Corporation Act ("Act"), Tenn. Code Ann. §§7-53-101 *et seq.* The Boards' statutory purposes include financing, owning and leasing certain real and personal properties, which will have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce and trade in Tennessee and in particular, the Local Governments. The Boards will conduct their activities consistent with the provisions of the Act and the intent of the Local Governments as set forth in these Policies and Procedures.

Originally, these Policies and Procedures were intended to apply only to Projects that are within the County. Since the City of Oak Ridge is located in two counties, Roane and Anderson, the City utilizes these Policies and Procedures for all Projects presented to the Oak Ridge Board. These Policies and Procedures will be applied by the County and the Roane County Board to Projects that are located within the County but outside the boundaries of the City, except all references to the City in these Policies and Procedures will not be applicable in those cases. For example, in applying the Evaluation Matrix described herein to a Project that is in the County but outside the boundaries of the City, all references to residency requirements in the City will not be applicable. Moreover, the County reserves the right to modify these Policies and Procedures as to Projects outside the boundaries of the City.

* Capitalized terms used in these Policies and Procedures that are not otherwise defined shall have the meanings given to such terms in Section III.

Any Applicant for a PILOT shall only be required to submit an Application to one of the Boards, and only one of the Boards shall be required to consider and/or approve an Application. Any reference in these Policies and Procedures to a "Board" shall be deemed to refer to the Board to which an Application has been submitted. Only one Board shall consider an Application at one time, and if one Board takes action on an Application, the other board shall not consider an Application for the same or substantially similar Project for a period of one year. An Applicant should submit its Application to the Board that is affiliated with the Chamber of Commerce or Economic Development Organization with which the Applicant has had the primary contact in connection with its Project.

In evaluating Applications to participate in the Local Governments' PILOT program, each Board will apply the following general guidelines:

1. **Public Interest/Increased Employment.** In accordance with the objectives of the Act, the Board must find that each proposed Project will be in the public interest and will increase employment within the Local Governments.
2. **Eligible Projects.** The Board will only approve PILOT incentives for the following Project types:
 - a. Commercial and retail businesses that the Board determines will materially increase sales taxes for the Local Governments.
 - b. Distribution facilities that receive and distribute goods.
 - c. Office buildings and service facilities. New speculative office buildings are not eligible.
 - d. Industrial facilities that manufacture, assemble, process or fabricate other products.

If a proposed Project would otherwise not be eligible for a PILOT incentive because it does not meet these guidelines but the Board determines that, based upon unique factors in the particular case, a PILOT incentive would be appropriate for the Project, the Board shall not approve such PILOT incentive without obtaining the prior approval of the Local Governments.

3. **Evaluation Matrices.** Provided a Project satisfies the first two guidelines stipulated above, the Board shall determine the term, if any, of the PILOT incentive by applying the Evaluation Matrices attached hereto as Appendix A and Appendix B. The implementation of the Evaluation Matrices is described in more detail in Section IV. The term of any PILOT incentive shall be the same with respect to payments to both the City and County.

If a proposed Project would be eligible for a certain PILOT Term under the Evaluation Matrix but the Board determines that, based upon unique factors in the particular case, a longer PILOT Term would be appropriate for such Project, the Board shall not approve a longer PILOT Term without obtaining the prior approval of the Local Governments.

Section II. Conflicts of Interest

Each Board member shall be responsible for disclosing any material interest that he or she may have in or with a Project or an Applicant or any financing source for a Project. Any Board member having any material interest in or with a Project or an Applicant or financing source for a Project shall submit to the Board's counsel an explanation of that interest, and the Board's counsel shall advise both the Board and Board member whether the member should recuse himself or herself from consideration of the Application. Such recommendation of the Board's counsel shall be conclusive. If recusal is recommended, the Board will then consider the Application without participation from the member or members who recuse themselves.

To avoid conflicts of interests, the Board's counsel will disclose to the Board if he has a professional legal relationship with or material interest in a Project or an Applicant or any financing source for the Project, and in the event of such a conflict involving the Board's counsel, the Board will retain special counsel to represent it in connection with the particular Project being considered. The Board, however, may waive any such conflict in appropriate circumstances.

Section III. Definitions

For purposes of these Policies and Procedures, the following terms shall have the following meanings:

"Applicant" means the Person, with the authority to legally represent the entity, applying to the Board for a PILOT incentive with respect to a Project.

"Application" means the application submitted to the Board by an Applicant to receive a PILOT incentive.

"Brownfield Site" means a parcel of property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

"Economic Development Organization" means the Oak Ridge Economic Partnership, the Roane Alliance or the Anderson County Economic Development Association.

"Economic Leakage" means the loss of sales and sales tax revenue from one community to a neighboring community.

"Energy Efficiency Building" is a building that meets or exceeds certified energy efficiency standards such as LEED®, Leadership in Energy and Environmental Design.

"Expansion" means the addition of buildings, structures, machinery and/or equipment for the purpose of expanding a Project.

"FTZ" means Foreign Trade Zone #148.

"Governmental Authority" means the United States, the State of Tennessee, any political subdivision of either, and any agency, department, commission, board, bureau or instrumentality of any of them.

"Greyfield" means any previously developed property that does not have known environmental contaminants but is economically nonviable in its current state and has conditions that significantly complicate its redevelopment or reuse, as determined by the Board.

"Lease Agreement" means the lease agreement between the Applicant and the Board pursuant to which the Board leases a Project to the Applicant and agrees upon the terms of a PILOT incentive.

"Local Company" is a company that (i) has its principal office within the Local Governments, (ii) operates one of its principal facilities in the Local Governments, or (iii) has a significant executive and management presence in the Local Governments.

"MOU" (Memorandum of Understanding) means the signed document that outlines all the pertinent terms and conditions required to develop the lease agreement of the PILOT incentive

"National Corporate Headquarters" means a Project that meets the following criteria as determined by the Board:

- (i) The entity occupying the Project must be a business of regional or national significance;
- (ii) A significant percentage, as determined by the Board, of the decision-making officers or employees of such entity must work and maintain their primary offices at the proposed Project;
- (iii) The Project will be the office location of a majority of the management employees of such entity; and
- (iv) The entity must make a significant financial commitment, as determined by the Board, to construct or improve the Project.

"Payment-in-Lieu-of Taxes" or "PILOT" means payments established by a Board to be made in lieu of ad valorem (land, building or equipment) taxes with respect to a Project.

"Person" means any individual, sole proprietorship, corporation, limited liability company (LLC), association, partnership (general, limited, or limited liability partnership), organization, business, trustee, individual or government or political subdivision thereof or any governmental agency, with the legal authority to submit an application for a PILOT incentive.

"PILOT Term" means the period of time, in years, during which a PILOT incentive is in effect pursuant to a Lease Agreement.

"Project" means the acquisition, construction and/or improvement of land, buildings, structures, machinery, equipment and related improvements as described in an Application. A Project may include any Expansion that an Applicant commits to commence within three (3) years of the execution of the Applicant's Lease Agreement. Any Expansion undertaken after such date will require a new Application to be filed with the Board with respect to the Expansion. A Project must be located on a single tract of property or contiguous tracts of property.

"Speculative Buildings" means construction of a building with no formal commitment from an end user for the finished building.

Section IV. PILOT Amount, Application of Evaluation Matrices and Alternative Calculation

PILOT Amount

If an Applicant is approved for a PILOT incentive, the amount of the PILOT for the PILOT Term shall be equal to the taxes imposed by all taxing authorities on the property that is the subject of the Project for the most recent tax year prior to the execution of a Lease Agreement with an Applicant (or if the property was previously exempt from taxation, an amount equal to the taxes that would have been imposed on the property if the property had not been so exempt).

For example, if an Applicant intends to acquire an undeveloped tract of real property and to build and equip a manufacturing facility thereon, the PILOT amount for the PILOT Term shall be the amount of taxes imposed during the prior tax year on the undeveloped property by all local taxing authorities. If an Applicant intends to acquire and rehabilitate an existing facility, the PILOT amount would be the taxes imposed for the most recent tax year on the existing facility prior to its rehabilitation. If the Applicant requests a PILOT incentive only with respect to new equipment to be acquired, the PILOT amount with respect to such equipment would be \$0.

Application of Evaluation Matrices

The Evaluation Matrices attached as Appendix A and Appendix B are intended to provide objective criteria for the Boards to assist in determining the length of the PILOT Term, if any, with respect to a Project. The Boards may consider other special circumstances as it deems relevant in determining a PILOT Term with respect to a particular Project, provided, however, in no event shall the Board award more than 30 points in the aggregate under the Evaluation Matrix for special circumstances without the consent of the Local Governments.

Industrial/Office Matrix (Appendix A)

The Industrial/Office Matrix is intended to provide objective criteria for the Boards to assist in determining the amount and length of the PILOT Term, if any, specific to each Project. All approved incentives are based on the Industrial/Office Matrix. The Oak Ridge Board only authorizes incentives within the parameters of the Matrix with the maximum PILOT Term being 14 years. The Oak Ridge Board may elect to recommend to the Oak Ridge City Council for consideration incentives outside the parameters of the Matrix. The Industrial/Office Matrix contains five criteria to be considered by a Board in establishing a PILOT Term. The following is a brief discussion of each criterion, which discussion is intended to provide guidance as to how each criterion will be applied by the Boards:

1. **New Jobs** – The number of new jobs will be based upon estimates to be provided by the Applicant and the Boards may obtain other information as required. The estimate of new jobs will be based upon the number of new jobs that are anticipated to exist at the Project site three years after completion of the Project. Permanent full-time, full-time equivalent, seasonal, and contract jobs will be considered by the Board, but part-time employment will be appropriately weighted by the Board.
2. **Wages** – The average annualized wage that is to be paid by an Applicant, as compared to the existing per capita income published by the Tennessee Department of Employment Security for the Local Governments, will be a relevant factor in the Board's consideration of an Application. An Applicant who pays an average annualized wage that surpasses 170% of the per capita income for the Local Governments may be given special consideration points. All special consideration points will be awarded at the Board's discretion.

3. **Capital Investment** – The Board will consider any Capital expenditure made by the Applicant in a Project. Special consideration on a case-by-case basis will be used to increase points to Applicants who are making more than \$30 million in capital expenditures. The Matrix utilized by the Oak Ridge Board includes points for buildings certified as energy efficient, such as LEED®. To be eligible for a PILOT incentive, an Applicant must agree to make a minimum of \$1,000,000 in capital expenditures. Capital expenditures for specific items, such as land, building and equipment, must be made by an Applicant in substantially the manner represented to the Board in the Applicant's Application unless the Board otherwise consents.

4. **Location** – The location of a Project within any of the following areas will be a favorable factor:
 - Designated Brownfield
 - The FTZ
 - Any vacant existing business facility

5. **Residency of new employees** – The expected location of the residences of the employees at the Project site, as represented by the Applicant, within the City will be a favorable consideration. For purposes of applying this factor, residency at any location within the City, will be considered.

Commercial/Retail Matrix (Appendix B)

The Boards use the Commercial/Retail Matrix as a guide along with other criteria in determining the feasibility of incentive requests. The Matrix utilized by the Oak Ridge Board includes consideration for buildings certified as energy efficient, such as LEED®. The Matrix is separated into the following four (4) commercial components:

- Retail
- Commercial Housing
- Commercial Office
- Renovated Areas

In addition to the Commercial/Retail Matrix, consideration for the Commercial/Retail incentives may include the following:

- Economic Leakage
- Return on Investment
- Enhancement of Quality of Life
- Economic Analysis

Alternative Calculation (Anderson County Portion Only)

The Oak Ridge Board has the flexibility to grant PILOT incentives utilizing an Alternative Calculation, in the Anderson County portion of the City (Roane County allows for up to 100% abatement), of the PILOT amount in place of the standard calculation provided by the two matrices described above. The Alternative Calculation allows for a declining basis tax abatement, based on the Prime Rate plus 1% (the borrowing cost for most companies) on the day of closing of the PILOT lease agreement.

As demonstrated in the table below, the Alternative Calculation provides for a smaller overall tax abatement than the standard calculation of the matrices. The Alternative Calculation provides for a larger amount of abated funds in the early years of the PILOT Term, whereas the standard calculation provides for an equal amount of abated funds throughout the PILOT Term.

The PILOT calculation example below includes the following criteria:

- Within the Anderson County portion of the City of Oak Ridge (the Roane County portion allows for up to 100% abatement)
- Project valued at \$5,000,000
- Matrix provides for 50% abatement for 6 years
- City tax rate of \$2.39 and County tax rate of \$2.26, for a total of \$4.65, assume no increase in tax rate
- Prime rate plus 1% at date of closing is 4.25%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Standard Calculation	50%	50%	50%	50%	50%	50%	\$279,000
	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	
Declining Basis %	100%	66.7%	53.3%	40%	26.7%	13.3%	\$279,000
	\$93,000	\$62,031	\$49,569	\$37,200	\$24,831	\$12,369	
Alternative Calculation	100%	63.9%	49.1%	35.3%	22.6%	10.8%	\$262,010
	\$93,000	\$59,472	\$45,638	\$32,834	\$20,996	\$10,070	

Section V. Post-Closing Monitoring

Through the implementation of the PILOT program, the Boards intend to produce substantial and measurable changes and improvements to and for the economic and commercial environment of the Local Governments. Accordingly, each Lease Agreement with an Applicant will contain, in the manner determined by the respective Board, certain commitments relating to job creation, wage levels, and capital expenditures. The Boards will annually (or at such other times as it deems appropriate) evaluate each Project receiving a PILOT incentive to ensure compliance with the Lease Agreement applicable to the Project.

In order to assist the Boards in determining compliance with the Lease Agreements and in gathering information to help the Boards evaluate the effectiveness of its PILOT program, each Person who is a party to a Lease Agreement with the respective Board shall provide to the Board certain information in the manner described in the Lease Agreement, which information shall include, but not be limited to, the following:

1. **Capital Expenditures** – A list of all capital expenditures made with respect to the Project during the prior year.
2. **Employee Report** – To include at least the following:
 - a. Total number of employees
 - b. Total salaries
 - c. Number of employees who reside in the City
 - d. Total salaries of employees who reside in the City
 - e. List of jobs with job classifications in such form as is required by the Board.
3. **Vendor Support Report** – The gross dollars spent locally on supplier and professional service contracts during the prior year.
4. **Comparison Criteria Report** – A comparison of the Applicant's actual job creation, wages and capital expenditures with the Applicant's initial projections for job creation, wages and capital expenditures as shown in the Applicant's Application.

If any such report or other information obtained by the Boards reveal that the Applicant has not complied with the Lease Agreement with respect to its employment, wage or capital expenditure commitments, the Board will have such remedies as are provided in the Lease Agreement. The specific remedies will be set out in the Lease Agreement, but, generally, if an Applicant fails in any year to meet the employment, wage or capital expenditure estimates provided in its Application and upon which the Evaluation Matrix was applied, the Applicant should expect that the Applicant's PILOT incentive would be proportionately reduced in that year in addition to any other remedies that may be available under the Lease Agreement.

For example, if an Applicant was awarded 100 points based upon the application of the Evaluation Matrix and the report filed by an Applicant in any year shows that the Applicant would only have been awarded 80 points for the relevant year based upon the actual facts, the Applicant would not receive 20% of its PILOT incentive for such year.

On an annual basis, each respective Board will prepare a compilation of the information received from these reports. This annual compilation will be provided, within thirty (30) days of its completion, to the County Mayor and County Trustee of the County and the Mayor and City Manager of the City. The County Mayor will make such compilation available to the County Commission of the County, and the City Manager will make such compilation available to the City Council of the City. For the Oak Ridge Board, the compilation and distribution of the annual reports are the responsibility of the City Staff IDB Representative.

Section VI. Fees

Any Person desiring that a Board consider providing a PILOT incentive shall submit an Application to the appropriate Board in a form approved by the Boards. Any Applicant shall also follow the procedures set forth in Appendix C in applying for a PILOT incentive.

1. **Application Fees**

An Application fee must be submitted with each completed Application. The Application fee is refundable at the discretion of the Board. The Application Fee shall be calculated using the following chart:

<u>Estimated Project Capital Expenditures At the Time of Application</u>	<u>Application Fee</u>
\$1,000,000 - \$2,500,000	\$2,000
\$2,500,001 - \$5,000,000	\$3,000
\$5,000,001 - \$10,000,000	\$4,000
\$10,000,001 - \$25,000,000	\$8,000
Greater than \$25,000,000	\$15,000

2. **Closing Fees**

A closing fee computed as described in this paragraph will be paid to the respective Board prior to or at the execution of the Lease Agreement. Closing fees for PILOT incentives are based on the benefits that an Applicant will receive (i.e. value of the tax savings over the applicable PILOT Term) rather than on the total Project investment. The closing fee for a PILOT incentive transaction with the Board will be 5% of the expected tax savings for the Applicant, as estimated by the Board, with a minimum closing fee of \$1,500 and a maximum fee of \$300,000. The Applicant receiving the PILOT incentive will also be responsible for paying expenses of the Board relating to the transaction (i.e. attorney's fees, copies, postage, long distance telephone calls, etc).

2. Lease Amendments

If an Applicant requests an amendment to an existing Lease Agreement, the Applicant will pay a fee of \$1,000 at the time of the request.

4. Assignment Fee

If the Board approves the assignment of a Lease Agreement, the Applicant shall pay an assignment fee of 1% of the tax savings for the assignee following such assignment, as estimated by the Board, up to \$1,000,000 with a minimum fee of \$4,000 and 1/2% of such savings over \$1,000,000 with a maximum fee of \$25,000. The Applicant shall also be responsible for all expenses, including attorney's fees incurred by the Board, in connection with such assignment.

5. Reciprocal Fee Payment and Notification

An amount representing 20% of the applicable fees received by the Roane County or Oak Ridge Board pursuant to this Section shall be paid to the other board promptly upon receipt. Each Board will notify the County Mayor and County Trustee of the County and the Mayor and City Manager of the City of any Lease Agreement that provides for a PILOT within fourteen (14) days of entering into such Lease Agreement. The City Staff IDB Representative will provide the written notification for the Oak Ridge Board.

Section VII. Memorandum of Understanding

When the Oak Ridge Board approves a PILOT incentive, a Memorandum of Understanding (MOU) will be developed, by the City Staff Representative, that outlines all pertinent terms and conditions of the incentive, attached as Appendix E. The MOU will specify a date by which both the Board and the Applicant may anticipate an appropriate Lease Agreement to be executed. Signed by both the Chairman of the Board and the Applicant, the MOU will serve as the foundation upon which a formal lease document will be built. The following items may be included in the MOU, length of the PILOT incentive, percentage of tax abatement, performance standards, reporting dates and recovery provisions.

Section VIII. Assignment of Lease Agreement

Lease Agreements will not be assignable without the prior consent of the applicable Board. An Applicant seeking an assignment of an Agreement shall confer with the Board to determine the proper procedure in the specific transaction. The Board will then determine whether the assignment will be approved or whether a new Application should be filed by the assignee.

Section IX. City of Oak Ridge – Application Administrative Process (See Appendix C)

Section X. Oak Ridge Board Decision Process

Following receipt of the City Manager's recommendation, the Oak Ridge Board will vote on the Applicant's request for an incentive. Should the Oak Ridge Board vote concur with the City Manager's recommendation, the decision is final. Should the Oak Ridge Board vote differ with the City Manager's recommendation, the City Manager may reevaluate his recommendation in light of the IDB vote and resubmit. Should the IDB and City staff not reach agreement, the matter is referred to the Oak Ridge City Council for final resolution.

Section XI. Environmental Report Requirements

Each Applicant shall submit with its Application, the most recent Phase I Environmental Site Assessment Report (unless the Project consists only of new equipment) with respect to the proposed Project site. All such reports must grant to the Board the right to rely on such reports. All Phase I Environmental Site Assessments submitted to the Board should substantially conform to the ASTM standards. An Environmental Assessment or Environmental Impact Statement performed by or on behalf of the U.S. Department of Energy may substitute for an Environmental Site Assessment. The environmental contamination of a Project site may be a basis for rejecting an Application if the Board's counsel advises the Board that the respective Board or the Local Governments would have any obligation to remediate the contamination if the Board acquires the Project site.

Section XII. Miscellaneous

These Policies and Procedures shall not be construed to create any type of contract or agreement between the Board or the Local Governments and any third party, including any Applicant. Notwithstanding any provision of these Policies and Procedures to the contrary, the Boards retain the right, in their sole discretion, not to enter into any Lease Agreement with any Applicant and not to approve any Application for a PILOT incentive. If any Applicant does not enter into a Lease Agreement with respect to a proposed Project within one year of the initial approval by the Board of the Applicant's Application for a PILOT incentive, that Applicant's Application shall be deemed to be withdrawn, and the Applicant shall be required to resubmit a new Application if the Applicant wants the Board to continue to consider the Applicant's Project for a PILOT incentive.

Section XIII. Program Term

Each Board is authorized to negotiate PILOT incentives pursuant to these Policies and Procedures for a period of three years from the date these Policies and Procedures are approved by the County Commission or City Council of the Local Governments. After such date, the Boards shall not be authorized to negotiate PILOT incentives pursuant to these Policies and Procedures unless the County Commission of the County and the City Council of the City have reviewed these Policies and Procedures.

Section XIX. Modifications

Boards and Local Governments must approve any modification of these Policies and Procedures except as provided in Section I.

APPENDIX A

INDUSTRIAL/OFFICE EVALUATION MATRIX

Job Creation			Wages		Investment			Location		Residency		
Maximum 30 Points			Maximum 30 Points		Maximum 55 Points			Maximum 10 Points		Maximum 75 Points		
Points will be awarded for each new job to be created due to the project			Firms are encouraged to pay wages that raise the Per Capita Income of the County as defined by the TN Department of Employment Security		Capital expenditures to be made by Applicant at Project Site			Firms locating in specific area of interest		Firms are encouraged to hire employees who reside within the City		
Criteria			Criteria		Criteria					Criteria		
Jobs Created												
Number of Employees	Points		Wages	Points	Amount		Points			Number of Employees	Points	
1	15	2	120%	5	\$1,000,000	\$3,000,000	2	Brownfield	5	1	15	5
16	30	4	130%	10	\$3,000,001	\$6,000,000	4	FTZ	5	16	30	10
31	45	6	140%	15	\$6,000,001	\$10,000,000	6			31	45	15
46	60	8	150%	20	\$10,000,001	\$15,000,000	8			46	60	20
61	75	10	160%	25	\$15,000,001	\$20,000,000	10			61	75	25
76	90	12	170%+	30	\$20,000,001	\$25,000,000	15			76	90	30
91	105	14			\$25,000,001	\$30,000,000	20			91	105	35
106	120	16			\$30,000,001	\$35,000,000	25			106	120	40
121	135	18			\$35,000,001	\$40,000,000	30			121	135	45
136	150	20			\$40,000,001	\$45,000,000	35			136	150	50
151	165	22			\$45,000,001	\$50,000,000	40			151	165	55
166	180	24			\$50,000,001	\$55,000,000	45			166	180	60
181	195	26			\$55,000,001	\$60,000,000	50			181	195	65
196	210	28			\$60,000,001	\$65,000,000+	55			196	210	70
211	225+	30								211	225+	75

AVAILABLE BONUS POINTS

- 5 Points if project is a corporate headquarters
- 10 Points if building is certified for energy efficiency, such as LEED®.
- 10 Points if project locates in existing facility
- 10 Points if chief executive resides within the City of Oak Ridge

Notes:

- ¹ Up to 50% abatement of improvement in Anderson County including the City of Oak Ridge in Anderson County
- ² Up to 100% abatement of improvement in Roane County including the City of Oak Ridge in Roane County

Abatement		
Refer to Notes 1&2		
Total Score	Years	
21	30	2
31	40	3
41	50	4
51	60	5
61	70	6
71	80	7
81	90	8
91	100	9
101	110	10
111	120	11
121	130	12
131	140	13
141	150+	14

APPENDIX B COMMERCIAL/RETAIL EVALUATION MATRIX				
Investment	Retail	Commercial Housing	Commercial Office	Renovated Areas
	>1,000,000 and	>1,000,000	>1,000,000 and	
	33% of complex must be new or expanded retail to Anderson County		New tenants from outside Anderson County	5 additional years
			No new speculative office	
< \$5,000,000	33% 10 years	25% 10 years	25% 5 years	
> \$5,000,000	50% 10 years	33% 10 years	33% 5 years	
> \$15,000,000	50% 15 years	33% 15 years	33% 10 years	

Examples for Illustration Purposes only							
ID	Description	New Investment	New Tenants (Number of Employees on Site)	Eligible Tax Reduction Terms Based on New Investment and/or Tenants	Estimated Annual Property Tax Discount to Developer (City & County) Based on 70 Percent of Investment	Estimated Property Tax Discount to Developer Over Reduction Period (City & County)	Estimated City & County Property Tax Collections Over Reduction Period
3	office - speculative	28,000,000		NONE			
4	retail - renovated area	17,000,000		50% 20 years	126,854	2,537,080	2,537,080
6	commercial housing	12,000,000		33% 10 years	84,427	844,272	1,714,128
7	retail/hotel - renovated area	7,500,000		50% 15 years	55,965	839,475	839,475
8	retail - renovated area	2,000,000		33% 15 years	9,850	147,748	299,972
11	retail/office	2,500,000		33% 10 years	12,312	123,123	249,977
12	retail	2,000,000		33% 10 years	9,850	98,498	199,982
*13	office - renovated	2,000,000	350	25% 10 years	7,462	74,620	223,860

Requests for Infrastructure Improvements and/or other considerations must be approved by City Council on an individual basis

* Renovation will not increase taxable value of building

Calculations will fluctuate with tax rate changes

NOTE: Consideration given for certified energy efficiency construction, such as LEED ®.

Consideration given for construction/renovation on a greyfield property.

APPENDIX C
PILOT INCENTIVE PROGRAM PROCEDURES
for the
INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE (IDB)

1. An Applicant should request the scheduling of a pre-application meeting with the City Staff IDB Representative to discuss the PILOT incentive procedure as it relates to the Applicant's Project. The following representatives should participate in the pre-application meeting:
 - a. Potential applicant with supporting staff, if applicable
 - b. Applicable IDB Member Representative
 - c. IDB Executive Director
 - d. City Staff IDB Representative
 - e. Chamber and/or Economic Development Organization Representative

2. The Applicant shall submit its Application (which shall be in the form of Appendix D) prior to receiving a building permit with all documentation pertaining to the Application by scheduling an appointment with and submitting it to the City Staff IDB Representative no less than 14 days prior to a scheduled meeting of the IDB. The following information must accompany the Application unless waived by the IDB:
 - a. Financial Statements – preferably audited statements, at least statements reviewed by a CPA
 - b. Phase 1 Environmental Audit addressed to the Board or equivalent
 - c. Application Fee

3. The City Staff IDB Representative will assure that the Application is complete and that appropriate fees have been paid. The Oak Ridge City Manager and staff will review all applications and make a written recommendation (including an approved Matrix) to the IDB based on their analysis of the Application. Prior to issuing a written recommendation to the IDB, the City Manager / staff may consult the following parties:
 - a. Applicant or its representative
 - b. IDB Executive Director
 - c. City Staff IDB Representative
 - d. Recruiting organization representative
 - e. Others as needed

4. Following the receipt of the City Manager's written recommendation, the IDB will vote on the Applicant's request for an incentive. Should the IDB vote concur with the City Manager's recommendation, the decision is final. Should the IDB vote differ with the City Manager's recommendation, the City Manager may reevaluate his recommendation in light of the IDB vote and resubmit. Should the IDB and City staff not reach agreement, the matter is referred to the Oak Ridge City Council for final resolution.

5. Based upon the Application, the IDB will determine whether to give preliminary approval for a PILOT incentive. If preliminary approval is given, a memorandum of understanding (MOU), attached as Appendix E, outlining all pertinent terms and conditions of the incentive will be developed by the City Staff IDB Representative. The MOU serves as the foundation upon which a formal Lease Document is built. Upon execution of the MOU, the IDB's counsel will prepare the form of Lease Agreement and negotiate the form of such Lease Agreement with the Applicant's designated representative.

6. Once the Applicant and the IDBs' counsel agree on the proposed form of a Lease Agreement, such Lease Agreement shall be submitted to the IDB for its approval. When the Applicant's matter is to be considered at an IDB meeting, a representative of the Applicant should attend such meeting.
7. Upon IDB approval of the Lease Agreement, a date for the closing can be scheduled immediately. The following documents are needed at closing:
 - a. Lease Agreement
 - b. Special Warranty Deed (if real property is involved)
 - c. List of Encumbrances on the Property
 - d. Bill of Sale (if personal property is involved and has been acquired)
 - e. Closing fees certified or cashier's check or other collected funds
 - f. Such others as may be referred to in the Lease Agreement
8. Upon closing, appropriate documentation will be filed with the County Register's Office. Originals of all documents will be held by the IDB or its counsel. The IDB counsel will file a copy of the Lease Agreement with the appropriate County Mayor, the Mayor of the City of Oak Ridge and with the State Comptroller's office at the following address:

The Office of the Comptroller
Division of Property Assessment
501 Deaderick Street
Suite 1400 (EDA Compliance)
Nashville, Tennessee 37243-0277
9. In accordance with these Policies and Procedures, Applicants will be required to file annual compliance reports with the IDB.
10. Tenn. Code Ann. §7-53-305 requires the lessee under each Lease Agreement to file with the State Board of Equalization before October 1st of each year an annual report containing a list of all the real and tangible personal property owned by the Board subject to the Lease Agreement; the value of each listed property as estimated by the lessee of property; the date and term of the lease for each listed property; the amount of payments made in lieu of property taxes for each listed property; the date each listed property is scheduled to return to the regular tax rolls; and a calculation of the taxes, which would have been due for each listed property if the properties were privately owned or otherwise subject to taxation. Each Applicant will be responsible for the timely completion and filing of such reports with respect to its Project, and failure to timely complete and file the report may subject such Applicant to the penalties set forth in the "Act". The Applicant is required to submit a copy of each such report to the City Staff IDB Representative for inclusion in the Project file. The copy should be sent to:

Industrial Development Board of the City of Oak Ridge
200 S. Tulane Avenue
P.O. Box 1
Oak Ridge, TN 37831

Appendix D
Application for PILOT (Payment In Lieu of Taxes) / Grant Assistance
Industrial Development Board
of the
City of Oak Ridge, Tennessee

I. Applicant:

Company Name: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____
Federal Employer Identification Number: _____

Company Representative to be contacted:

Name: _____ Title: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____
E-mail address: _____

Description of Principal Business:

SIC/NAICS (if known): _____ Legal Structure: _____
If a corporation, state of incorporation: _____
If foreign corporation, is it registered to do business in Tennessee? _____ Yes _____ No

Principal Owner (if applicable):

Company Name: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____
Federal Employer Identification Number: _____

Company Representative to be contacted:

Name: _____ Title: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____
E-mail address: _____

Description of Principal Business:

SIC/NAICS (if known): _____ Legal Structure: _____
If a corporation, state of incorporation: _____
If foreign corporation, is it registered to do business in Tennessee? _____ Yes _____ No

II. Name and address of any of the following involved in the project:

Legal Counsel

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Project Engineer(s)

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Project Architect(s)

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

General Contractor(s)

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Email address: _____

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Email address: _____

Does applicant or sponsor of the project have an application pending or intend to apply for industrial revenue bond financing for this or a similar project with any other board in the City of Oak Ridge?

Yes No **If yes, please attach a detailed explanation.**

Does applicant or sponsor have present plans to incur indebtedness or other financial obligations, which would materially affect its financial condition other than the financing applied hereby?

Yes No **If yes, please attach a detailed explanation.**

Does applicant or sponsor of the project know of any proposed or pending tender offers, mergers, or acquisitions by or affecting applicant or sponsor of the project or any other materially significant corporate event in any way affecting application or sponsor of the project?

Yes No **If yes, please attach a detailed explanation.**

III. Project Location/Ownership:

Street address: _____

City: _____ County: _____ State: _____

Vicinity Map: *Please attach with general location of site shown.*

Attach a copy of deed (or surveyor's description) detailing property's metes and bounds description or other legal description.

Who owns the property at this time? _____

Does applicant have an option to purchase the property if not already owned by applicant?

Yes No

Are there presently outstanding any options or liens with regard to the property?

Yes No

Give a brief description of the activities to be performed at this location, including a description of products to be produced and/or services to be provided:

Current Zoning:

Is the property zoned appropriately for intended use by this project? Yes No

IV. Tax Information:

Obtain the latest property tax statement from the Anderson or Roane County Assessor's Office (include both real and any existing tangible personal property).

Real Property

Tax parcel ID number (s): _____

Current assessment: _____

Current tax: _____

Will this project result in the subdivision of any current tax parcel? _____ Yes _____ No

Tangible Personal Property

Tax parcel ID number (s): _____

Current assessment: _____

Current tax: _____

Are there any assessments under appeal? _____ Yes _____ No

If yes, please describe:

V. Capital Investment:

Land: Acreage: _____ Cost: \$ _____

Site Preparation Cost: \$ _____

Real Property (Building): Square Footage _____ Cost: \$ _____

Personal Property Cost: \$ _____

Indicate total capital investment forecast by year:

Year 1: \$ _____

Year 2: \$ _____

Year 3: \$ _____

Briefly describe these investments (types of tangible personal property, type of site development planned for this location and other improvements):

VI. Construction Estimate:

Start Date: Month: _____ Year: _____

Completion Date: Month: _____ Year: _____

Describe any off-site infrastructure proposed for new public investments:

Describe below construction estimates and anticipated infrastructure requirements:

Water:

Sanitary Sewer:

Electric:

Streets:

Storm Sewer:

Other:

Have project utility requirements been reviewed by the appropriate local utility providers?

Yes No

Certified Energy Efficiency construction, such as LEED®:

Will project be Certified Energy Efficiency construction? Yes No

If yes, Certification information shall be provided with your application.

All properties subject to this PILOT application will meet the Federal and State of Tennessee ADA (American with Disabilities Act) regulations at the time of construction. Yes

VII. Wages/Jobs/ Residency:

Attach number of jobs listing by year, as formatted below, and the average per capita wages by major employment type category (Officials and Administrators, Professionals, Technicians, Protective Service Workers, Paraprofessionals, Administrative Support, Skilled Craft Workers, Service-Maintenance, Others).

<u>Year #1</u>	<u>Year #2</u>	<u>Year #3</u>
<u>Jobs # /Category/Salary</u>	<u>Jobs # /Category/Salary</u>	<u>Jobs# / Category/ Salary</u>

Additionally indicate number of employees living within the City of Oak Ridge by job category per years 1-3 including salary as formatted above.

Wages, jobs and residency requirements shall be achieved as set out in the PILOT agreement between the applicant and the Industrial Development Board. An annual report of achievement is required by December 31 each year for the term of the PILOT agreement.

VIII. Environmental Impacts:

Attach a Phase I Environmental Audit or equivalent addressed to the Industrial Development Board. Discuss any environmental impacts created by the project.

IX. Type of Assistance Requested

PILOT (fully describe PILOT requested): _____

Grant (fully describe grant requested): _____

Justification for PILOT/Grant request: (substantiate and fully describe the justification for this request): _____

X. Financial Information:

Attach copies of the most recent, preferably audited financial statements. If publicly held corporation, attach a certified statement of the corporation's net worth with corresponding disclosure notes as provided in the applicant's latest approved/audited financial statement.

XI. Certifications:

This application is made in order to induce the City of Oak Ridge, Tennessee and the Industrial Development Board of the City of Oak Ridge to grant financial incentives to applicant and sponsor. Applicant and sponsor represent and warrant that the statements contained herein or attached hereto are true and correct to the best of their knowledge and include all information materially significant to the board and its consideration of this application.

Applicant and sponsor have read and agree to comply with all requirements of the application procedures and policies of the City of Oak Ridge, Tennessee and the Industrial Development Board of the City of Oak Ridge. Applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the Board in connection with this application, whether or not the financial incentives are granted or this project built.

Applicant

Date

Owner

Date

Appendix E
IDB of the City of Oak Ridge
PILOT Incentive Program
MEMORANDUM OF UNDERSTANDING
(template)

THIS MEMORANDUM OF UNDERSTANDING, entered into on this the __ day of _____, _____, will confirm the understanding and agreement between (company name) and the INDUSTRIAL DEVELOPMENT BOARD of the City of Oak Ridge, Tennessee (IDB) with respect to the proposed acquisition and transfer of certain real and/or personal property (the "Property"). The Property (sometimes referred to herein or in other PILOT Documents as the "Property" or the "Equipment") is to be located within the City of Oak Ridge, Tennessee, (county name) County.

WITNESSETH:

This Memorandum of Understanding is intended to set forth the mutual understandings between (company name) and the IDB in regards to (i) the acquisition of the Property by the IDB for and on behalf of (company name) and (ii) the leasing of the Property pursuant to that certain PILOT Lease (the "Lease") by and between the IDB and (company name).

1. VALUE TO CITY OF OAK RIDGE.

(company name) proposes to construct and/or operate a (project description) facility in the city limits of Oak Ridge. The Real Property on which the facility is situated, and the building and related improvements are owned by (company name). The cost of the Real Property, Land, Building and Related Improvements to (company name) is \$(amount of total investment).

The parties recognize that the location of the Project being defined as (project name) the buildings and related items, and the investment of such funds in City of Oak Ridge by (company name) will create economic benefits for the City of Oak Ridge. Further, the IDB has made a determination that the investment made by (company name), the opening of the facility, the opportunities brought about and to be derived by such investment in the Project, and the payments to be received in lieu of taxes as described herein, are in furtherance of the public purposes of the IDB.

2. PAYMENT IN LIEU OF TAXES.

Approximately one year from the date of the approval of the (company name) incentive application (date of application approval date by the IDB or City Council), the IDB will enter into a Payment in Lieu of Tax Agreement ("PILOT Lease") with (company name). The PILOT Lease will be subject to the following terms and conditions:

- A. The PILOT Lease shall be for a term of (lease terms per matrix or City Council approval (reference resolution #)) with payment from (company name) to the IDB, upon signing the lease agreement, in the amount of \$ (PILOT fee determined by City staff).
- B. The amount of taxes abated under the terms of the Lease shall be set according to the following schedule:
 Estimated Real Property Tax savings over term of Lease (city) \$
 (fees determined by City staff) (county) \$
 Estimated Personal Property Tax savings over term of Lease – not applicable
- C. Yearly Performance Standards shall be required of (company name) in accordance with item 3 below (Real Property Investment), as allowed by this MOU and (matrix or Oak Ridge City Council Resolution #), which provides for a % tax abatement over a term of # years.
1. Jobs Creation – (from application)
 - a. Year 1
 - b. Year 2
 - c. Year 3
 - d. Year 4
 - e. Year 5
 - f. Additional as applicable
 2. Wages Percentage – (from application)
 - a. Year 1
 - b. Year 2
 - c. Year 3
 - d. Year 4
 - e. Year 5
 - f. Additional as applicable
 3. Real Property Investment – \$(from application)
 - a. Year 1
 - b. Year 2
 - c. Year 3
 - d. Year 4
 - e. Year 5
 - f. Additional as applicable
 4. Personal Property Investment – (from application)
 - a. Year 1
 - b. Year 2
 - c. Year 3
 - d. Year 4
 - e. Year 5
 - f. Additional as applicable
 5. Location: Brownfield Y____ N____ FTZ Y____ N____ – (from application)
 6. Oak Ridge Residency – (from application)
 - a. Year 1
 - b. Year 2
 - c. Year 3
 - d. Year 4
 - e. Year 5
 - f. Additional as applicable

- D. Annual progress/status reports shall be filed by (company name) during the term of the Lease no later than January 31st each year and shall contain:
1. Jobs Created per Evaluation Matrix and Actual jobs created
 2. Wage Plan per Evaluation Matrix and Actual Wage performance
 3. Capital Expenditure in real property per Matrix and Actual Expenditure
 4. Capital Expenditure in personal property per Matrix and Actual_Expenditure
 5. Confirmation of FTZ or Brownfield project site as applicable
 6. Oak Ridge residency per Matrix and actual Oak Ridge residency

E. Recovery Provisions:

If any such report as is required by Item D set out above, or other information obtained by the IDB, reveals that (company name) has not complied with the Lease Agreement with respect to its capital expenditure commitments, the IDB will have such remedies as are provided in the Lease Agreement. The specific remedies will be set out in the Lease Agreement, but, generally, if (company name) fails in any year to meet the capital expenditure estimates provided in this MOU, (company name) should expect that (company name) PILOT incentive would be proportionately reduced in that year in addition to any other remedies that may be available under the Lease Agreement.

3. FORM OF AGREEMENTS.

The PILOT Lease and any other agreements referred to herein or pertaining to the Project, shall be in a form satisfactory to the IDB and (company name).

4. FEDERAL INCOME TAX.

It is understood by the parties hereto that (company name) will remain the owners of the Real Property, the Personal Property, and the Project for Federal Income Tax purposes.

5. AUTHORIZATIONS AND APPROVALS; ACQUISITION OF PROPERTY.

(company name) agrees to use all reasonable efforts, including, without limitation:

- obtaining all approvals and consents of legislative or other appropriate bodies of City of Oak Ridge;
- obtaining all approvals and consents of applicable departments and agencies of City of Oak Ridge ;
- obtaining all approvals and consents of the utility companies, authorities and districts referred to herein;
- the execution, delivery and filing of such further applications, agreements, instruments or other documents as are required by applicable law or necessary to acquire any and all property which will be included in the PILOT Lease and cause the agreements set forth herein to become binding obligations of (company name) .

6. COSTS, EXPENSES AND ATTORNEYS FEES.

(company name) shall be responsible for the payment of all costs and expenses incurred by the IDB, including reasonable attorneys' fees, in connection with the preparation of documents for the Project.

7. ASSIGNMENT.

(company name), as applicable, shall have the right to assign any or all of its rights under this Memorandum of Understanding to any of its affiliates.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their duly authorized officers or representatives on and as of the date indicated herein.

**INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF OAK RIDGE:**

By: _____
(name)

Title: Chairman

COMPANY NAME

By: _____

Title: _____

RESOLUTION

A RESOLUTION APPROVING A ONE-YEAR EXTENSION TO THE 2013 PILOT REAUTHORIZATION DOCUMENTS APPROVED BY RESOLUTION 11-107-2013 FOR USE BY THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE (IDB) AS A GUIDELINE FOR TAX ABATEMENTS AND PAYMENTS IN LIEU OF TAXES FOR QUALIFYING ENTITIES IN OAK RIDGE, FOR A NEW EXPIRATION DATE OF DECEMBER 31, 2017.

WHEREAS, by Resolution 11-107-2013, City Council approved the 2013 PILOT Reauthorization documents to allow for use by the Industrial Development Board of the City of Oak Ridge (IDB) as a guideline for tax abatements and payments in lieu of taxes for qualifying entities in Oak Ridge for the period of January 1, 2014 through December 31, 2016; and

WHEREAS, the IDB has requested an one-year extension allowing the continued use of the 2013 PILOT Reauthorization documents through December 31, 2017; and

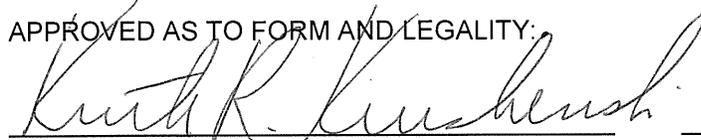
WHEREAS, the City Manager and City Attorney recommend approval of the IDB's request.

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

That the 2013 PILOT Reauthorization documents approved by Resolution 11-107-2013 for use by the Industrial Development Board of the City of Oak Ridge (IDB) as a guideline for tax abatements and payments in lieu of taxes for qualifying entities in Oak Ridge are hereby extended through December 31, 2017.

This the 12th day of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk

FINANCE DEPARTMENT MEMORANDUM

16-18

DATE: December 2, 2016
TO: Mark S. Watson, City Manager
FROM: Janice E. McGinnis, Finance Director
SUBJECT: TMBF VARIABLE RATE DEBT REFUNDING

Introduction

An item for City Council's consideration is the issuance of not to exceed \$10,000,000 in fixed interest rate General Obligation Bonds. The bond proceeds will be used to refund the outstanding 2006 and 2012 variable interest rate loans facilitated through the Tennessee Municipal Bond Fund (TMBF) loan program. The 2006 loan has an outstanding principal balance of \$5,374,000 with final maturity in May 2026 and the 2012 loan has an outstanding principal balance of \$4,501,000 with final maturity in June 2033.

Analysis

The goal of the refunding is to decrease the City's variable interest rate exposure by refunding variable interest rate debt with fixed interest rate bonds and to flatten the sewer system outstanding debt structure. The refunding was structured at a level below \$10,000,000 to achieve the lower interest rates that result from a "bank qualified" refunding. The 2006 loan is comprised of electric, water and sewer system debt. The 2012 loan is comprised of water and sewer system debt. Bond issuance costs are projected at \$95,620 along with an underwriter's discount of \$50,000. The TMBF loans have a 90 day call period with an estimated \$40,000 in interest to be paid during the call period.

Attached is the City's Plan of Refunding that was submitted to the State Comptroller's Office. Included in that Plan is a Preliminary Refunding Analysis Report prepared by Cumberland Securities, the City's Financial Advisor. The projected amortization of the annual debt service of the \$9,925,000 in refunding bonds is on page 1 of the analysis report. Page 2 contains the current amortization of the annual debt service payments on the refunded loans calculated at the 4.5% interest rate that the City uses to budget variable interest rate debt service. The 4.5% variable interest rate is used for analysis purposes throughout the preliminary refunding analysis report. While the 4.5% rate is well above the current variable interest rate costs, these rates were above 4% before the 2008 recession. A refunding savings report is not included in the report due to the loans being refunded having a variable interest rate. Overall, the refunding will enable the City to lower the amount budgeted for debt service payments which will reduce some pressure on the utility rates.

Below is an overview for each utility system presented in the analysis report.

Water System:

Page 6 of the preliminary funding analysis report contains a graph of the current debt amortization for water system debt. The water system has total outstanding debt of \$12,318,992 of which 54% is fixed interest rate and 46% variable interest rate. The schedule on page 8 contains the estimated debt service amortization of the refunding bonds. The current amortization of the water debt to be refunded is on page 11. The differential between the total principal and interest amortization on these two schedules is an overall reduction in total debt service of \$331,423.18 after the refunding. A graph of the amortization of the post refunding water debt service is on page 9. For comparison purposes, the black line reflects the existing budgeted debt service amortization. Post refunding variable interest rate debt drops to 26% of total outstanding water system debt.

Sewer System:

Page 13 of the preliminary funding analysis report contains a graph of the current debt amortization for sewer system debt. The sewer system has total outstanding debt of \$54,212,541 (this assumes full utilization of the draw State Revolving Loans) of which 85% is fixed interest rate and 15% variable interest rate. The schedule on page 15 contains the estimated debt service amortization of the refunding bonds. The current amortization of the sewer debt to be refunded is on page 18. The differential between the total principal and interest amortization on these two schedules is an overall reduction in total debt service of \$1,151,586.70 after the refunding. A graph of the amortization of the post refunding sewer debt service is on page 16. For comparison purposes, the black line reflects the existing budgeted debt service amortization. Post refunding variable interest rate debt drops to 5% of total outstanding sewer system debt.

The sewer system benefits the most from the debt refunding. Longer term fixed rates are at very low levels in the current rate environment. The sewer refunded debt goes out to 2033. The existing budgeted debt structure was utilized to flatten the peak debt service years from 2024 to 2030 which reduces some of the longer term pressure on the sewer rates. Peaks remain in 2024 and 2027. There remains \$2,633,603 in two variable interest rate sewer loans with maturities in 2023 and 2027. Future options available to the City to flatten these peaks are to make additional principal payments each year on this outstanding variable rate debt or to refund this debt and restructure the amortization.

Electric System:

Page 20 of the preliminary funding analysis report contains a graph of the current debt amortization for electric system debt. The electric system has total outstanding debt of \$18,211,067 of which 83% is fixed interest rate and 17% variable interest rate. The schedule on page 22 contains the estimated debt service amortization of the refunding bonds. The current amortization of the electric debt to be refunded is on page 25. The differential between the total principal and interest amortization on these two schedules is an overall reduction in total debt service of \$256,078.83 after the refunding. A graph of the amortization of the post refunding electric debt service is on page 23. For comparison purposes, the black line reflects the existing budgeted debt service amortization. Post refunding variable interest rate debt drops to 7% of total outstanding electric system debt.

Comptroller Review

In accordance with Tennessee Code Annotated, Title 9, Chapter 21, the City submitted a refunding plan to the Comptroller's Office of State and Local Finance for review. The Report of the Director of the Office of State and Local Finance is contained in the bond resolution as Exhibit A. The Director's Report does not constitute approval or disapproval of the proposed refunding plan. The report outlines the risks of variable interest rate debt.

Recommendation

Staff recommends adoption of the attached bond resolution. Since 2008, the City has benefited from very low variable interest rates. Over the past few months, these rates have begun to increase and the anticipation is that over the remaining life of the debt to be refunded these rates would trend back to a more normalized level. Currently, fixed interest rates remain low with longer term fixed rates at very low levels. The sewer system in particular benefits in the fixing of longer term interest rates along with the flattening of the annual debt service funding requirement levels.

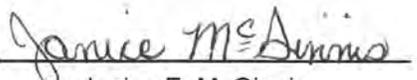
Chris Bessler with Cumberland Securities will be at the meeting on Monday night to answer any questions regarding the refunding

Attachment(s)

Plan of Refunding including Preliminary Funding Analysis Report

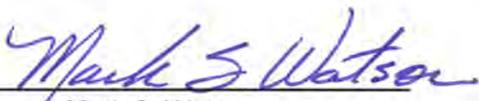
Bond Issuance Resolution

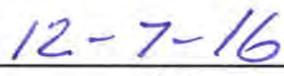
Exhibit A of Resolution - Letter and Report of the Director of the Office of State and Local Finance


Janice E. McGinnis

City Manager's Comments:

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


Mark S. Watson


Date

Plan of Refunding – City of Oak Ridge, Tennessee (the “City”)

- A) **Identification of Key Professionals (including financial advisors, bond counsel, underwriters, or lenders) who have provided advice or proposals on which the Entity relied to prepare the Plan):**
1. Financial Advisor: Cumberland Securities Company, Inc.
 2. Bond Counsel: Bass, Berry & Sims
 3. Underwriter: To be determined at Competitive Public Sale
- B) **Purpose(s) of Refunding, including parameters:**
1. **Cost Savings: include a projection of the savings and amortization schedules for both refunding and refunded debt:**
 - a. N/A
 2. **Restructuring: provide a comparison of existing and proposed structures, describing why debt is being restructured:**
 - a. N/A
 3. **Covenant change: Clearly describe covenant to be eliminated or revised and any change in the structure: N/A**
 4. **Reduction or elimination of risk: describe risk to be reduced or eliminated:**
 - a. The City is decreasing its variable rate exposure by refunding variable rate bonds with fixed rate bonds
- C) **Statement that the proposed refunding complies with the Entity’s adopted debt management policy and a description of how the transaction is consistent with the policy, including any savings threshold. If there is no adopted policy or the transaction is not consistent, the Entity shall provide a detailed explanation.**
1. The proposed refunding is in compliance with the City’s adopted debt management policy due to the City minimizing its risk and increasing its credit profile by shortening debt.
- D) **Other Information**
1. **Amortization schedules for both (proposed) refunding and (outstanding) debt to be refunded,**
 - a. Proposed refunding debt schedule: See attached page 1 of the Preliminary Refunding Analysis.
 - b. Outstanding debt schedule(s): See attached page 2 of the Preliminary Refunding Analysis.

As well as the following:
 2. **Refunding Debt:**
 - a. **Maximum size to be authorized by the governing body, identifying all outstanding debt that could be included in the refunding:**
 - i. Maximum size authorized by governing body = \$10,000,000
 - b. **Anticipated Size = \$9,925,000**
 - c. **Anticipated final maturity and weighted average maturity. If the final maturity is extended beyond the fiscal year of final maturity of debt to be refunded or the weighted average maturity is increased, list the projects as required below for refunded debt:**
 - i. **Final Maturity = 6/01/2033**
 - ii. **Weighted Average Maturity = 6.624Years**
 - d. **Breakdown of Costs of Issuance**

See attached page 4 of the Preliminary Refunding Analysis

e. Sources and Uses of Funds

See attached page 3 of the Preliminary Refunding Analysis

3. Refunded Debt: Information must be provided with respect to *each debt issue to be refunded*; (if all currently outstanding debt will not be refunded, identify maturities that are candidates for refunding).

a. Name of issue, type of debt, original terms, including whether the debt is federally tax-exempt or taxable.

- i. Loan Agreement between the City and the Public Building Authority of Clarksville, TN (the "Authority"), dated June 16, 2006 and maturing on May 25, 2017 and thereafter (the "Series 2006 Loan"). The Series 2006 Loan is tax-exempt, variable rate debt with a final maturity on May 25, 2026.
- ii. Loan Agreement between the City and the Public Building Authority of Clarksville, TN (the "Authority"), dated December 26, 2012 and maturing on June 1, 2017 and thereafter (the "Series 2012 Loan" together with the 2006 Loan, the "Outstanding Debt"). The Series 2012 Loan is tax-exempt, variable rate debt with a final maturity on June 1, 2033.

b. Date of issue and copy of CT-0253 filed.

- i. Series 2006 Loan: Date of Issue = 06/16/2006. The CT-0253 Form was filed with the Office of State and Local Finance in connection with the issuance of the Series 2006 Loan and is attached hereto.
- ii. Series 2012 Loan: Date of Issue = 12/26/2012. The CT-0253 Form was filed with the Office of State and Local Finance in connection with the issuance of the Series 2006 Loan and is attached hereto.

c. Date of authorization by the governing body.

- i. Series 2006 Loan: 12/13/2004
- ii. Series 2012 Loan: 09/10/2012

d. Whether bank-qualified or under other small issuer exception.

- i. Series 2006 Loan: No
- ii. Series 2012 Loan: No

e. Projects funded with proceeds of issue and remaining average life of projects (if final maturity or weighted average maturity of debt is extended).

- i. Series 2006 Loan: The Series 2006 Loan was issued for the purpose of providing funds for extensions and improvements to the City's water, sewer and electric systems.
- ii. Series 2012 Loan: The Series 2012 Loan was issued for the purpose of providing funds for extensions and improvements to the City's water and sewer systems.
- iii. None of the Outstanding Bonds will have their weighted average maturities extended and the remaining average life of all projects financed with the Outstanding Bonds exceeds the estimated weighted average life of the proposed refunding bonds.

f. Derivative product, if any, and copy of Report of Compliance: None

CITY OF OAK RIDGE, TENNESSEE
Refunding of Series 2006 & 2012 Variable Rate Loans
To Fixed Rate Bonds

Preliminary
Refunding
Analysis

As of November 18, 2016



CUMBERLAND SECURITIES

SINCE 1931

Prepared By:

CUMBERLAND SECURITIES COMPANY, INC

Independent Financial Advisors

Knoxville, Tennessee

Telephone: (865) 988-2663

* May not include all outstanding notes and leases

General Risks Associated with Variable Rate Demand Bonds and Municipal Derivative Structures. In addition to any specific risk factors discussed in this presentation or report, there may be other factors that Borrowers should consider in regard to variable rate demand bonds and municipal derivative structures.

General Risks Associated with Variable Rate Debt

Market Risk (Interest Rate Risk). The risk to a Borrower of rising/falling interest rates.

Tax Risk. The risk that changes or proposed changes in tax laws or events relating to the tax-exempt status of the Borrower's obligations or of tax-exempt obligations generally will cause interest rates on the debt of the Borrower to increase.

Liquidity/Letter of Credit Renewal Risk. The risk to a Borrower with variable rate bonds that the liquidity facility or letter of credit for the bonds will terminate or expire prior to the maturity of the bonds and/or be renewed at higher rates resulting in higher costs for the Borrower or the risk of the inability to secure a replacement facility.

Ratings Risk. The risk that either the long-term and/or the short-term ratings on the variable rate bonds are lowered due to credit events of the borrower, bond insurer, liquidity provider or letter of credit bank resulting in higher interest costs for the borrower.

General Risks Associated with Municipal Derivative Structures

Basis Risk. Basis risk refers to the potential mismatch between the floating rate payments received on an interest rate swap and the actual interest payments on the Borrower's underlying bonds. The risk to the Borrower is that the floating payments on the swap are not adequate to meet the Borrower's payments on its bonds, leading to potentially higher interest costs. This risk is a function of both SIFMA/LIBOR ratios and the credit risk attached to the Borrower's underlying bonds.

Termination Risk. The risk that the Borrower may have to pay a substantial sum of money if either the Borrower or the Counterparty chooses to terminate an Interest Rate Agreement prior to its otherwise stated termination date or if the Agreement terminates for some other reason, including the occurrence of an event of default or a termination event in respect of either party to the Agreement.

Leverage Risk. The enhanced risk inherent in certain Interest Rate Agreements which, by their terms, leverage or multiply the risks undertaken.

Counterparty Risk. The risk that the swap provider will not perform on the contract, resulting in the Borrower potentially owing a termination payment or becoming unhedged on its derivatives contract.

Accounting Risk. The risk that the Borrower's accountants could come to an adverse conclusion regarding the accounting treatment of a structure, resulting in a negative impact to the Borrower's financial statements.

City of Oak Ridge, Tennessee

Preliminary Refunding Analysis of Variable Bonds to Fixed Rate Bonds

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DEBT SERVICE

City of Oak Ridge, Tennessee General Obligation Refunding Bonds, Series 2016

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/01/2017	775,000.00	0.850%	75,829.03	850,829.03	
06/30/2017					850,829.03
12/01/2017			83,093.75	83,093.75	
06/01/2018	810,000.00	1.000%	83,093.75	893,093.75	
06/30/2018					976,187.50
12/01/2018			79,043.75	79,043.75	
06/01/2019	825,000.00	1.200%	79,043.75	904,043.75	
06/30/2019					983,087.50
12/01/2019			74,093.75	74,093.75	
06/01/2020	840,000.00	1.350%	74,093.75	914,093.75	
06/30/2020					988,187.50
12/01/2020			68,423.75	68,423.75	
06/01/2021	855,000.00	1.500%	68,423.75	923,423.75	
06/30/2021					991,847.50
12/01/2021			62,011.25	62,011.25	
06/01/2022	875,000.00	1.600%	62,011.25	937,011.25	
06/30/2022					999,022.50
12/01/2022			55,011.25	55,011.25	
06/01/2023	860,000.00	1.800%	55,011.25	915,011.25	
06/30/2023					970,022.50
12/01/2023			47,271.25	47,271.25	
06/01/2024	885,000.00	1.950%	47,271.25	932,271.25	
06/30/2024					979,542.50
12/01/2024			38,642.50	38,642.50	
06/01/2025	635,000.00	2.100%	38,642.50	673,642.50	
06/30/2025					712,285.00
12/01/2025			31,975.00	31,975.00	
06/01/2026	655,000.00	2.200%	31,975.00	686,975.00	
06/30/2026					718,950.00
12/01/2026			24,770.00	24,770.00	
06/01/2027	280,000.00	2.300%	24,770.00	304,770.00	
06/30/2027					329,540.00
12/01/2027			21,550.00	21,550.00	
06/01/2028	95,000.00	2.400%	21,550.00	116,550.00	
06/30/2028					138,100.00
12/01/2028			20,410.00	20,410.00	
06/01/2029	110,000.00	2.500%	20,410.00	130,410.00	
06/30/2029					150,820.00
12/01/2029			19,035.00	19,035.00	
06/01/2030	120,000.00	2.550%	19,035.00	139,035.00	
06/30/2030					158,070.00
12/01/2030			17,505.00	17,505.00	
06/01/2031	435,000.00	2.600%	17,505.00	452,505.00	
06/30/2031					470,010.00
12/01/2031			11,850.00	11,850.00	
06/01/2032	450,000.00	2.700%	11,850.00	461,850.00	
06/30/2032					473,700.00
12/01/2032			5,775.00	5,775.00	
06/01/2033	420,000.00	2.750%	5,775.00	425,775.00	
06/30/2033					431,550.00
	9,925,000.00		1,396,751.53	11,321,751.53	

Date Structure

Date 12/23/2016
First Coupon Date 06/01/2017

Yield Statistics

Average Coupon 2.1244671%
Weighted Average Maturity 6.624
True Interest Cost (TIC) 2.1860816%



DEBT SERVICE TO MATURITY AND TO CALL

City of Oak Ridge, Tennessee
Combined Refunding Candidates

Date	Refunded Bonds	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/30/2017	9,875,000.00	9,875,000.00	630,000.00	4.500%	222,293.75	852,293.75
06/30/2018			655,000.00	4.500%	413,568.75	1,068,568.75
06/30/2019			683,000.00	4.500%	383,988.75	1,066,988.75
06/30/2020			711,000.00	4.500%	353,148.76	1,064,148.76
06/30/2021			741,000.00	4.500%	321,041.36	1,062,041.36
06/30/2022			772,000.00	4.500%	287,580.00	1,059,580.00
06/30/2023			803,000.00	4.500%	252,723.76	1,055,723.76
06/30/2024			837,000.00	4.500%	216,461.36	1,053,461.36
06/30/2025			872,000.00	4.500%	178,665.00	1,050,665.00
06/30/2026			907,000.00	4.500%	139,293.75	1,046,293.75
06/30/2027			282,000.00	4.500%	100,822.50	382,822.50
06/30/2028			295,000.00	4.500%	88,083.75	383,083.75
06/30/2029			308,000.00	4.500%	74,760.00	382,760.00
06/30/2030			322,000.00	4.500%	60,847.50	382,847.50
06/30/2031			337,000.00	4.500%	46,301.25	383,301.25
06/30/2032			352,000.00	4.500%	31,080.00	383,080.00
06/30/2033			368,000.00	4.500%	15,180.00	383,180.00
	9,875,000.00	9,875,000.00	9,875,000.00		3,185,840.24	13,060,840.24

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/23/2016
Average Life	7.169
Average Coupon	4.5000003%
Weighted Average Maturity (Par Basis)	7.169

Refunding Bond Information

Refunding Dated Date	12/23/2016
Refunding Delivery Date	12/23/2016



SOURCES AND USES OF FUNDS

**City of Oak Ridge, Tennessee
General Obligation Refunding Bonds, Series 2016**

Dated Date 12/23/2016
Delivery Date 12/23/2016

Sources:

Bond Proceeds:	
Par Amount	9,925,000.00
Other Sources of Funds:	
City Contribution for COI	95,620.00
	<hr/>
	10,020,620.00

Uses:

Refunding Escrow Deposits:	
Cash Deposit	9,875,000.00
Delivery Date Expenses:	
Cost of Issuance	95,620.00
Underwriter's Discount:	
Underwriter's Discount (Awarded to Lowest Bidder)	50,000.00
	<hr/>
	10,020,620.00



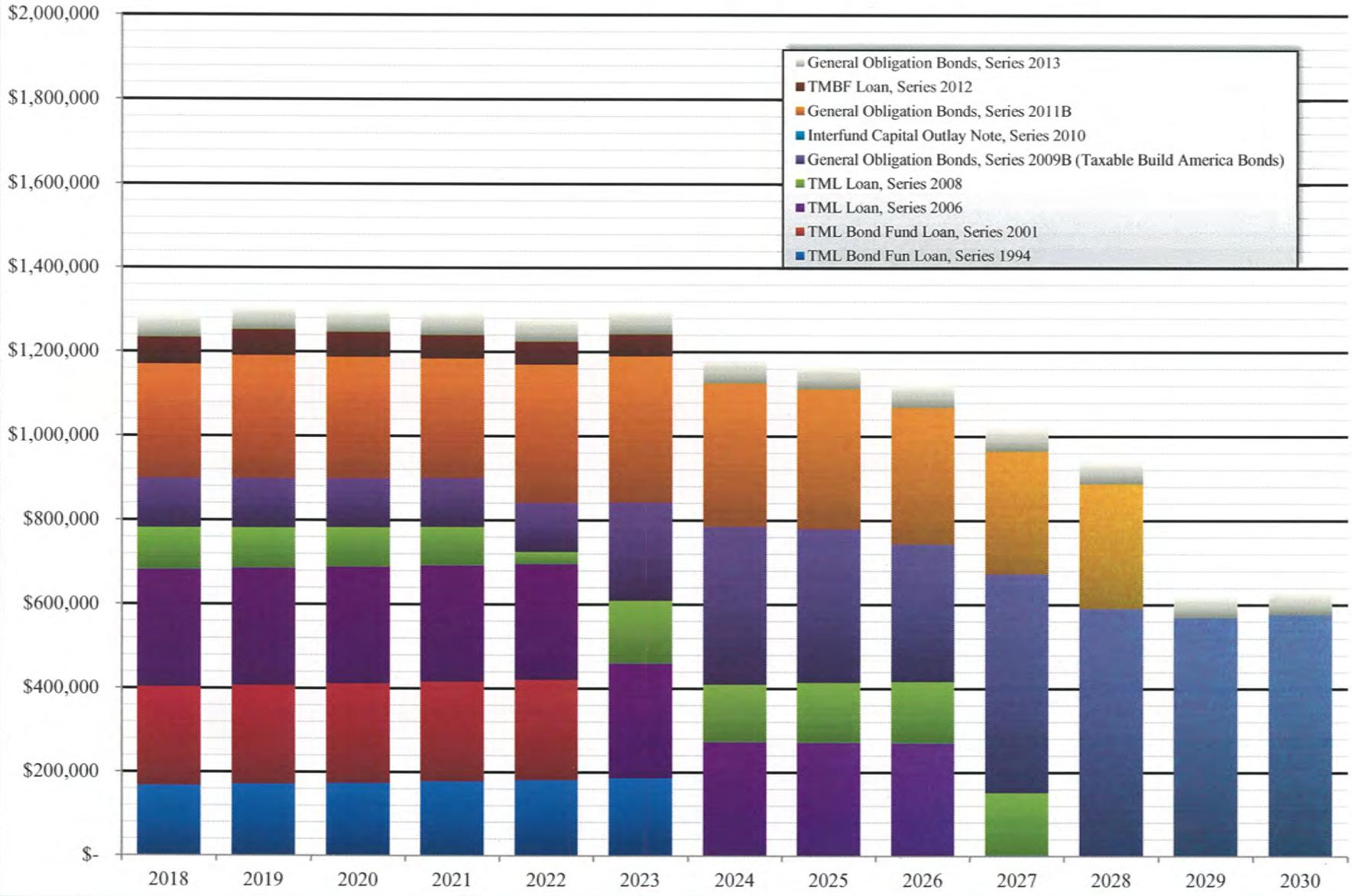
COST OF ISSUANCE

City of Oak Ridge, Tennessee
General Obligation Refunding Bonds, Series 2016

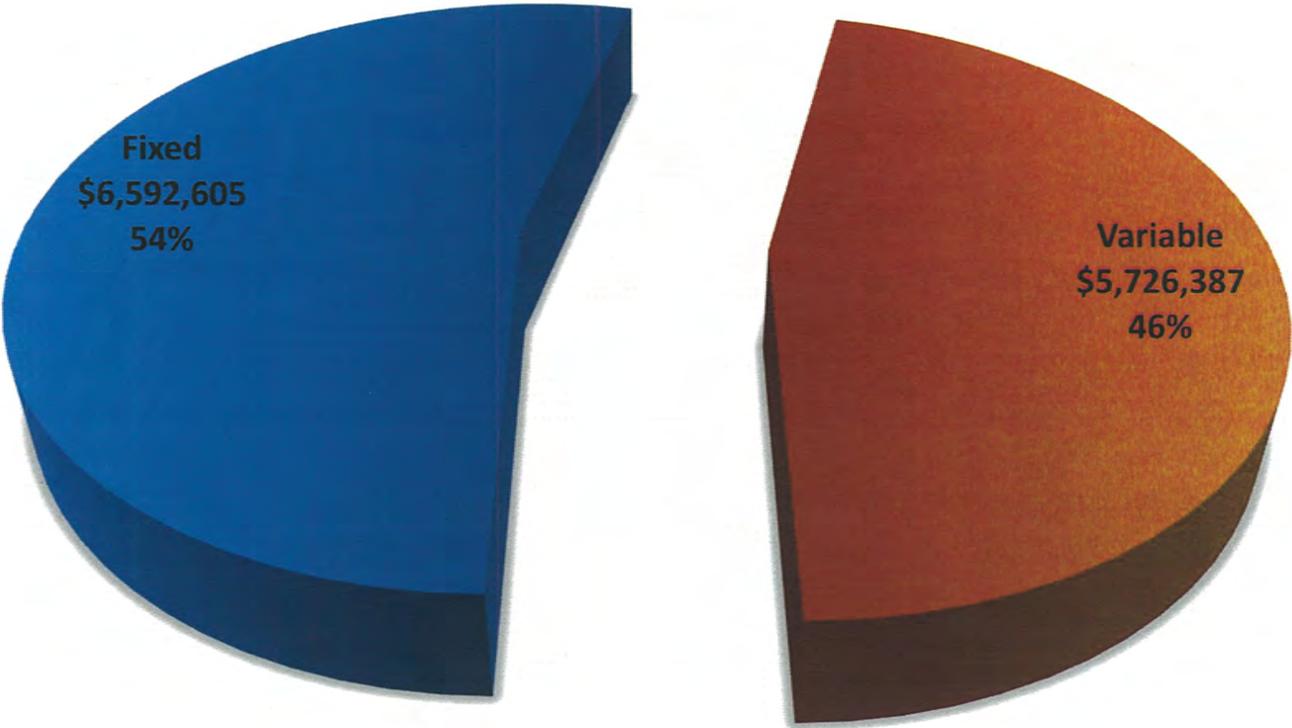
Cost of Issuance	\$/1000	Amount
Financial Advisor	5.00000	49,625.00
Bond Counsel	1.61209	16,000.00
Rating Agency	1.76322	17,500.00
Paying Agent	0.12091	1,200.00
POS/Official Statement	0.50378	5,000.00
Advertising	0.13098	1,300.00
Miscellaneous	0.50327	4,995.00
	9.63426	95,620.00

Water System

City of Oak Ridge, Tennessee Total Outstanding Debt Service - Water System



City of Oak Ridge, Tennessee
Debt Portfolio Ratios - Water System
Total Outstanding Debt = \$12,318,992



Synthetic fixed rate debt is subject to basis risk, credit risk and termination risk as outlined the City's Audited Financial Statements. Additionally, since the variable rate bonds are still outstanding they are subject to credit risk, letter of credit or liquidity renewal risk, put risk and other risk associated with variable rate bonds.



DEBT SERVICE

City of Oak Ridge, Tennessee
General Obligation Refunding Bonds, Series 2016
Refunding of Series 2006 & 2012 TMBF Variable Loans Allocable to Water System

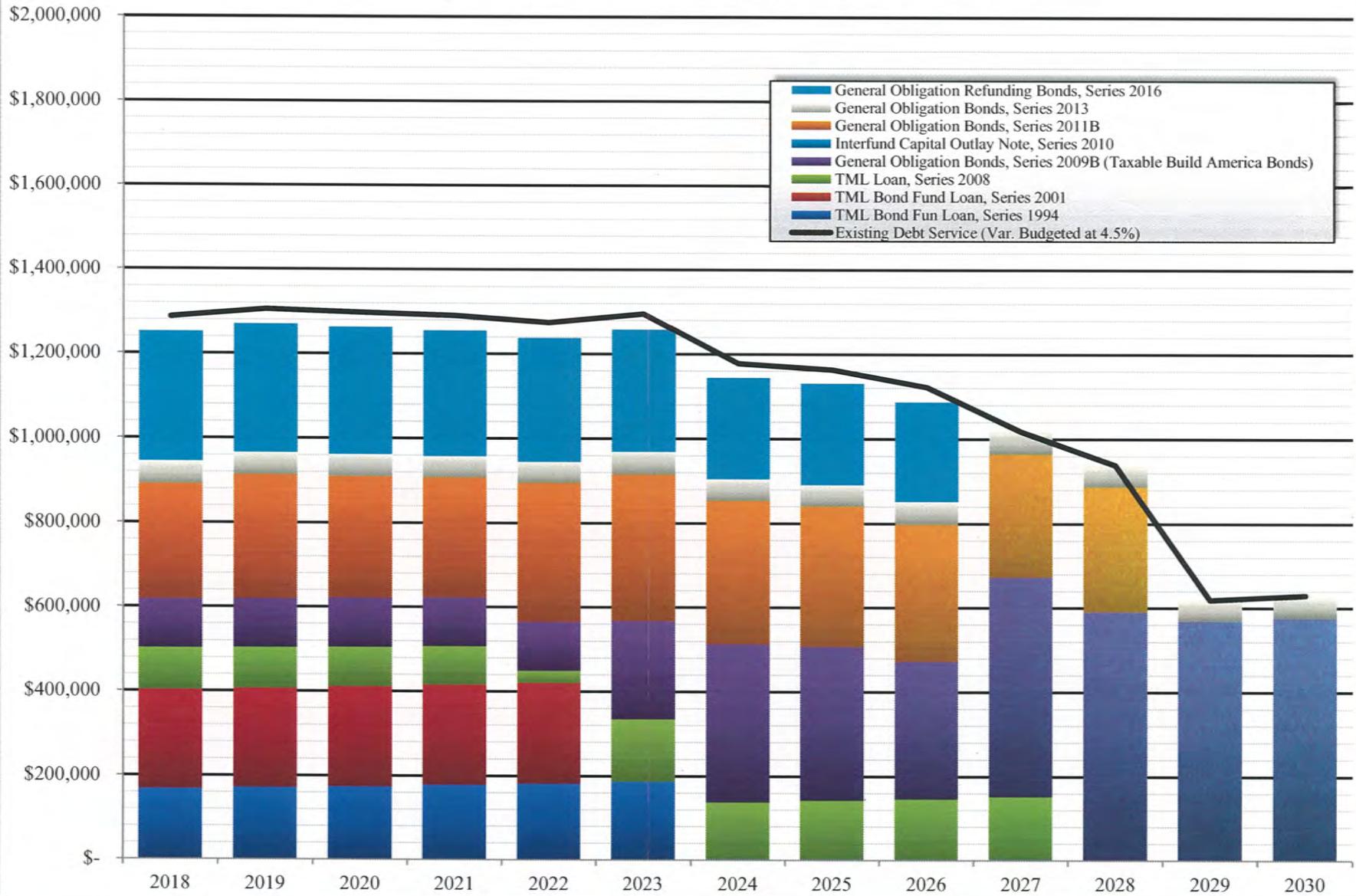
Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2017	255,000.00	0.850%	17,230.78	272,230.78	272,230.78
06/30/2018	270,000.00	1.000%	37,092.50	307,092.50	307,092.50
06/30/2019	270,000.00	1.200%	34,392.50	304,392.50	304,392.50
06/30/2020	270,000.00	1.350%	31,152.50	301,152.50	301,152.50
06/30/2021	270,000.00	1.500%	27,507.50	297,507.50	297,507.50
06/30/2022	270,000.00	1.600%	23,457.50	293,457.50	293,457.50
06/30/2023	270,000.00	1.800%	19,137.50	289,137.50	289,137.50
06/30/2024	225,000.00	1.950%	14,277.50	239,277.50	239,277.50
06/30/2025	230,000.00	2.100%	9,890.00	239,890.00	239,890.00
06/30/2026	230,000.00	2.200%	5,060.00	235,060.00	235,060.00
	2,560,000.00		219,198.28	2,779,198.28	

Date Structure

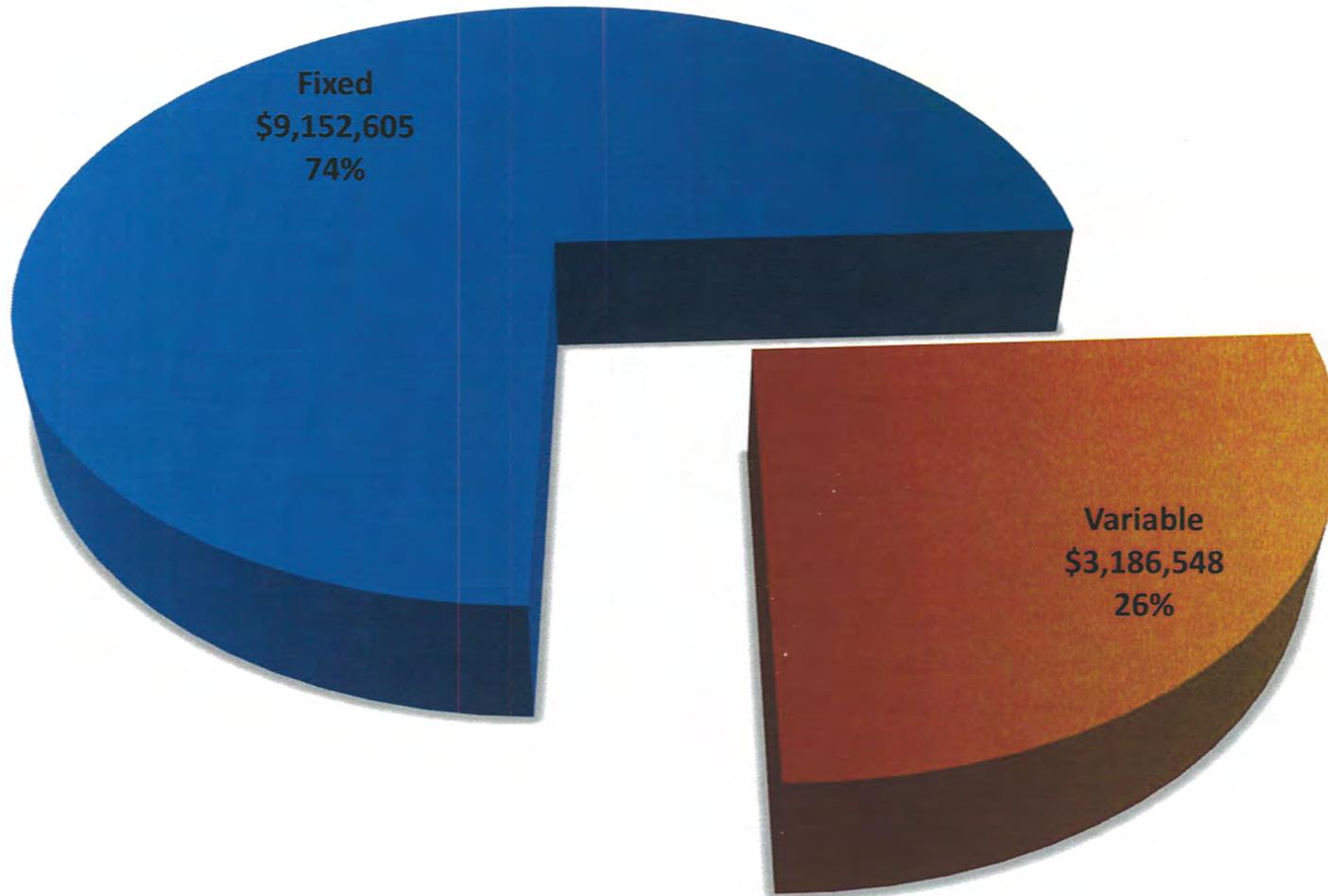
Date 12/23/2016
First Coupon Date 06/01/2017

City of Oak Ridge, Tennessee

Total Outstanding Debt Service - Water System - Estimated Post Issuance



City of Oak Ridge, Tennessee
Debt Portfolio Ratios - Water System - Estimated Post Issuance
Total Outstanding Debt = \$12,339,153



Synthetic fixed rate debt is subject to basis risk, credit risk and termination risk as outlined the City's Audited Financial Statements. Additionally, since the variable rate bonds are still outstanding they are subject to credit risk, letter of credit or liquidity renewal risk, put risk and other risk associated with variable rate bonds.



DEBT SERVICE TO MATURITY AND TO CALL

City of Oak Ridge, Tennessee
Series 2006 & 2012 TMBF Variable Loans Allocable to Water System

Date	Refunded Bonds	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/30/2017	2,539,839.02	2,539,839.02	232,554.50	4.500%	56,909.28	289,463.78
06/30/2018			239,481.79	4.500%	102,929.78	342,411.57
06/30/2019			247,224.06	4.500%	92,124.03	339,348.09
06/30/2020			254,966.32	4.500%	80,969.92	335,936.24
06/30/2021			263,523.57	4.500%	69,464.38	332,987.95
06/30/2022			272,080.81	4.500%	57,573.66	329,654.47
06/30/2023			280,638.05	4.500%	45,297.97	325,936.02
06/30/2024			240,010.27	4.500%	32,821.64	272,831.91
06/30/2025			249,789.97	4.500%	21,984.49	271,774.46
06/30/2026			259,569.68	4.500%	10,707.29	270,276.97
	2,539,839.02	2,539,839.02	2,539,839.02		570,782.44	3,110,621.46

Yield Statistics

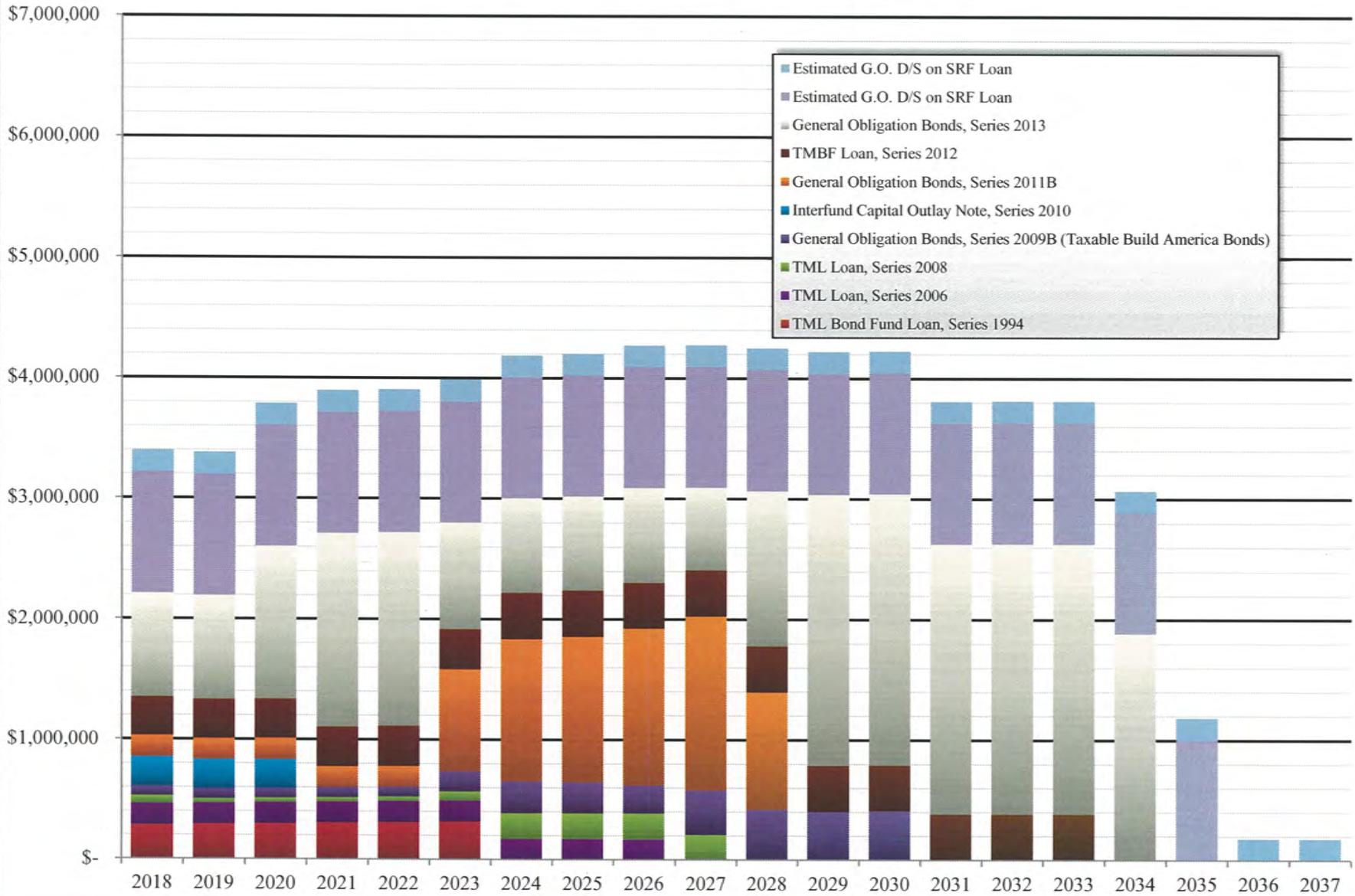
Base date for Avg. Life & Avg. Coupon Calculation	12/23/2016
Average Life	4.994
Average Coupon	4.5000012%
Weighted Average Maturity (Par Basis)	4.994

Refunding Bond Information

Refunding Dated Date	12/23/2016
Refunding Delivery Date	12/23/2016

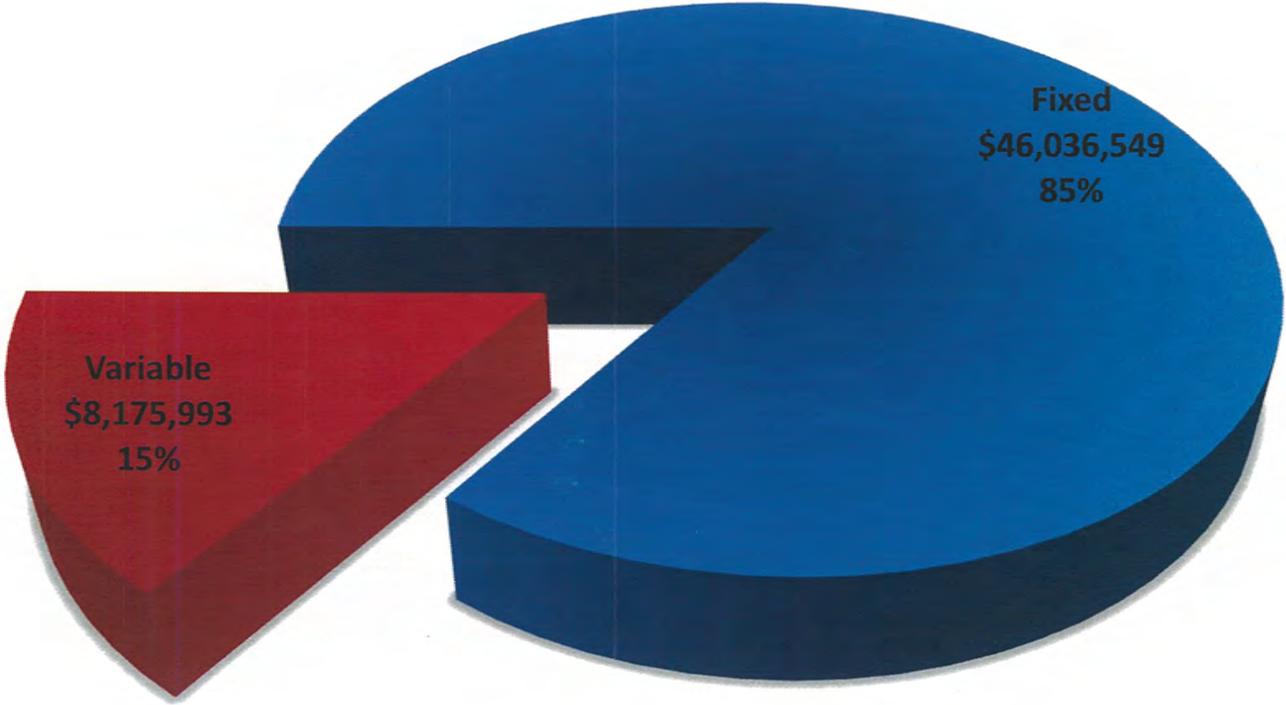
Sewer System

City of Oak Ridge, Tennessee Total Outstanding Debt Service - Sewer System



City of Oak Ridge, Tennessee
Debt Portfolio Ratios - Sewer System

Total Outstanding Debt = \$54,212,541



Synthetic fixed rate debt is subject to basis risk, credit risk and termination risk as outlined the City's Audited Financial Statements. Additionally, since the variable rate bonds are still outstanding they are subject to credit risk, letter of credit or liquidity renewal risk, put risk and other risk associated with variable rate bonds.



DEBT SERVICE

City of Oak Ridge, Tennessee
General Obligation Refunding Bonds, Series 2016
Refunding of Series 2006 & 2012 TMBF Variable Loans Allocable to Sewer System

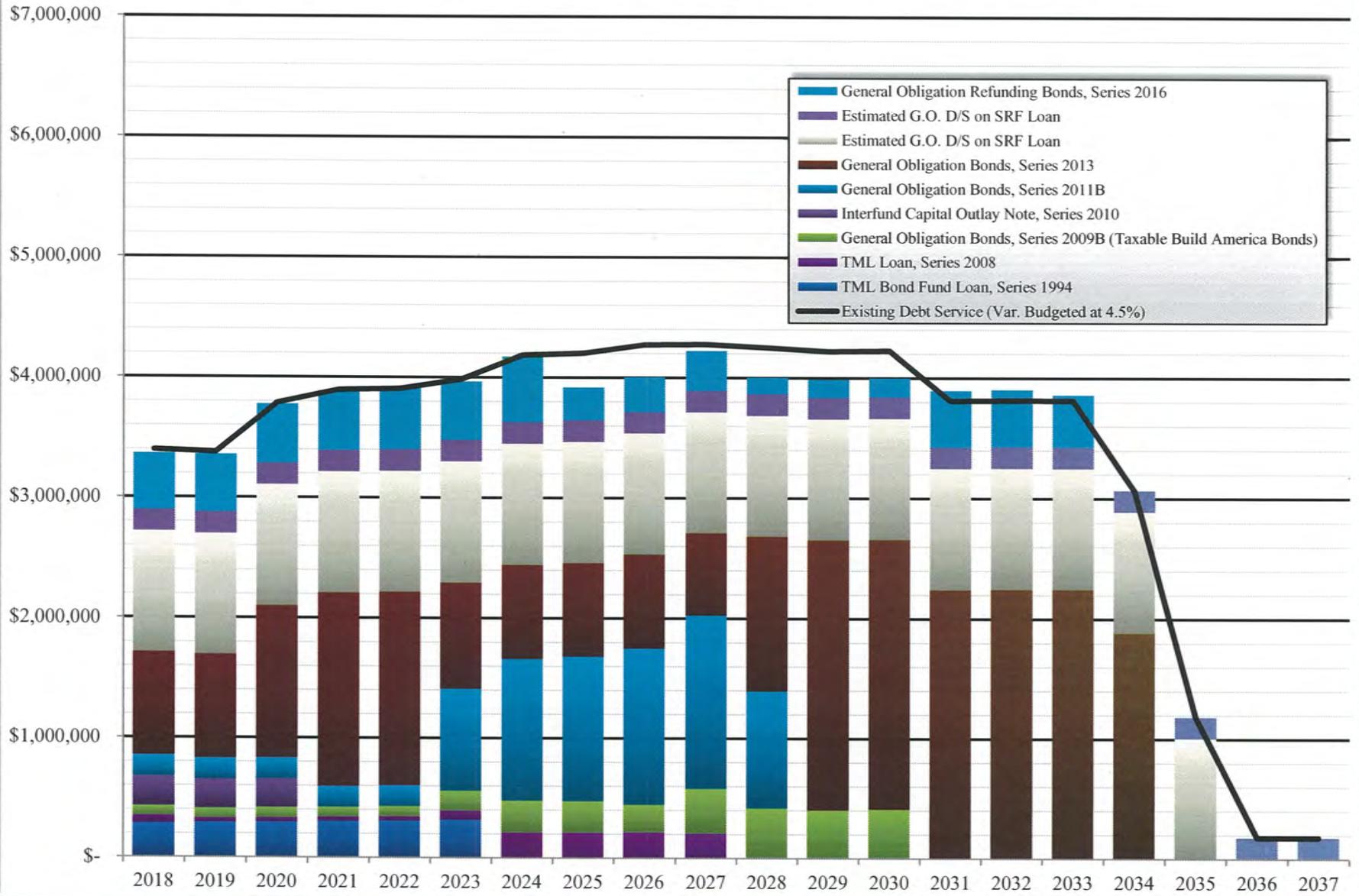
Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2017	355,000.00	0.850%	46,216.10	401,216.10	401,216.10
06/30/2018	365,000.00	1.000%	102,285.00	467,285.00	467,285.00
06/30/2019	380,000.00	1.200%	98,635.00	478,635.00	478,635.00
06/30/2020	395,000.00	1.350%	94,075.00	489,075.00	489,075.00
06/30/2021	405,000.00	1.500%	88,742.50	493,742.50	493,742.50
06/30/2022	425,000.00	1.600%	82,667.50	507,667.50	507,667.50
06/30/2023	410,000.00	1.800%	75,867.50	485,867.50	485,867.50
06/30/2024	475,000.00	1.950%	68,487.50	543,487.50	543,487.50
06/30/2025	215,000.00	2.100%	59,225.00	274,225.00	274,225.00
06/30/2026	235,000.00	2.200%	54,710.00	289,710.00	289,710.00
06/30/2027	280,000.00	2.300%	49,540.00	329,540.00	329,540.00
06/30/2028	95,000.00	2.400%	43,100.00	138,100.00	138,100.00
06/30/2029	110,000.00	2.500%	40,820.00	150,820.00	150,820.00
06/30/2030	120,000.00	2.550%	38,070.00	158,070.00	158,070.00
06/30/2031	435,000.00	2.600%	35,010.00	470,010.00	470,010.00
06/30/2032	450,000.00	2.700%	23,700.00	473,700.00	473,700.00
06/30/2033	420,000.00	2.750%	11,550.00	431,550.00	431,550.00
	5,570,000.00		1,012,701.10	6,582,701.10	

Date Structure

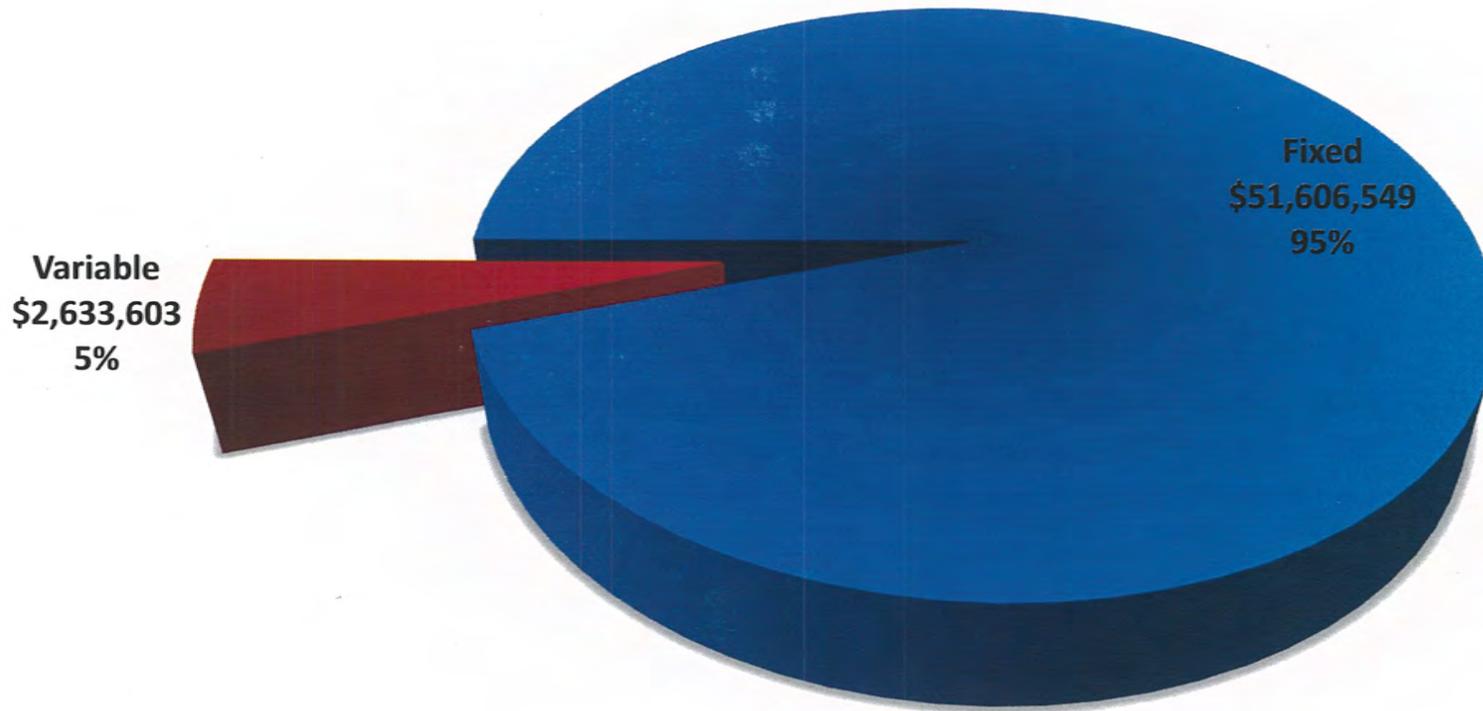
Date 12/23/2016
First Coupon Date 06/01/2017

City of Oak Ridge, Tennessee

Total Outstanding Debt Service - Sewer System - Estimated Post Issuance



City of Oak Ridge, Tennessee
Debt Portfolio Ratios - Sewer System - Estimated Post Issuance
Total Outstanding Debt = \$54,240,152



Synthetic fixed rate debt is subject to basis risk, credit risk and termination risk as outlined the City's Audited Financial Statements. Additionally, since the variable rate bonds are still outstanding they are subject to credit risk, letter of credit or liquidity renewal risk, put risk and other risk associated with variable rate bonds.



DEBT SERVICE TO MATURITY AND TO CALL

City of Oak Ridge, Tennessee
Series 2006 & 2012 TMBF Variable Loans Allocable to Sewer System

Date	Refunded Bonds	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/30/2017	5,542,389.76	5,542,389.76	247,992.30	4.500%	125,159.39	373,151.69
06/30/2018			260,393.79	4.500%	237,271.40	497,665.19
06/30/2019			274,313.11	4.500%	225,501.45	499,814.56
06/30/2020			288,232.43	4.500%	213,105.21	501,337.64
06/30/2021			302,669.56	4.500%	200,080.63	502,750.19
06/30/2022			318,106.70	4.500%	186,402.62	504,509.32
06/30/2023			333,543.84	4.500%	172,029.93	505,573.77
06/30/2024			400,498.80	4.500%	156,769.37	557,268.17
06/30/2025			417,712.68	4.500%	138,682.37	556,395.05
06/30/2026			434,926.55	4.500%	119,820.67	554,747.22
06/30/2027			282,000.00	4.500%	100,822.50	382,822.50
06/30/2028			295,000.00	4.500%	88,083.75	383,083.75
06/30/2029			308,000.00	4.500%	74,760.00	382,760.00
06/30/2030			322,000.00	4.500%	60,847.50	382,847.50
06/30/2031			337,000.00	4.500%	46,301.25	383,301.25
06/30/2032			352,000.00	4.500%	31,080.00	383,080.00
06/30/2033			368,000.00	4.500%	15,180.00	383,180.00
	5,542,389.76	5,542,389.76	5,542,389.76		2,191,898.04	7,734,287.80

Yield Statistics

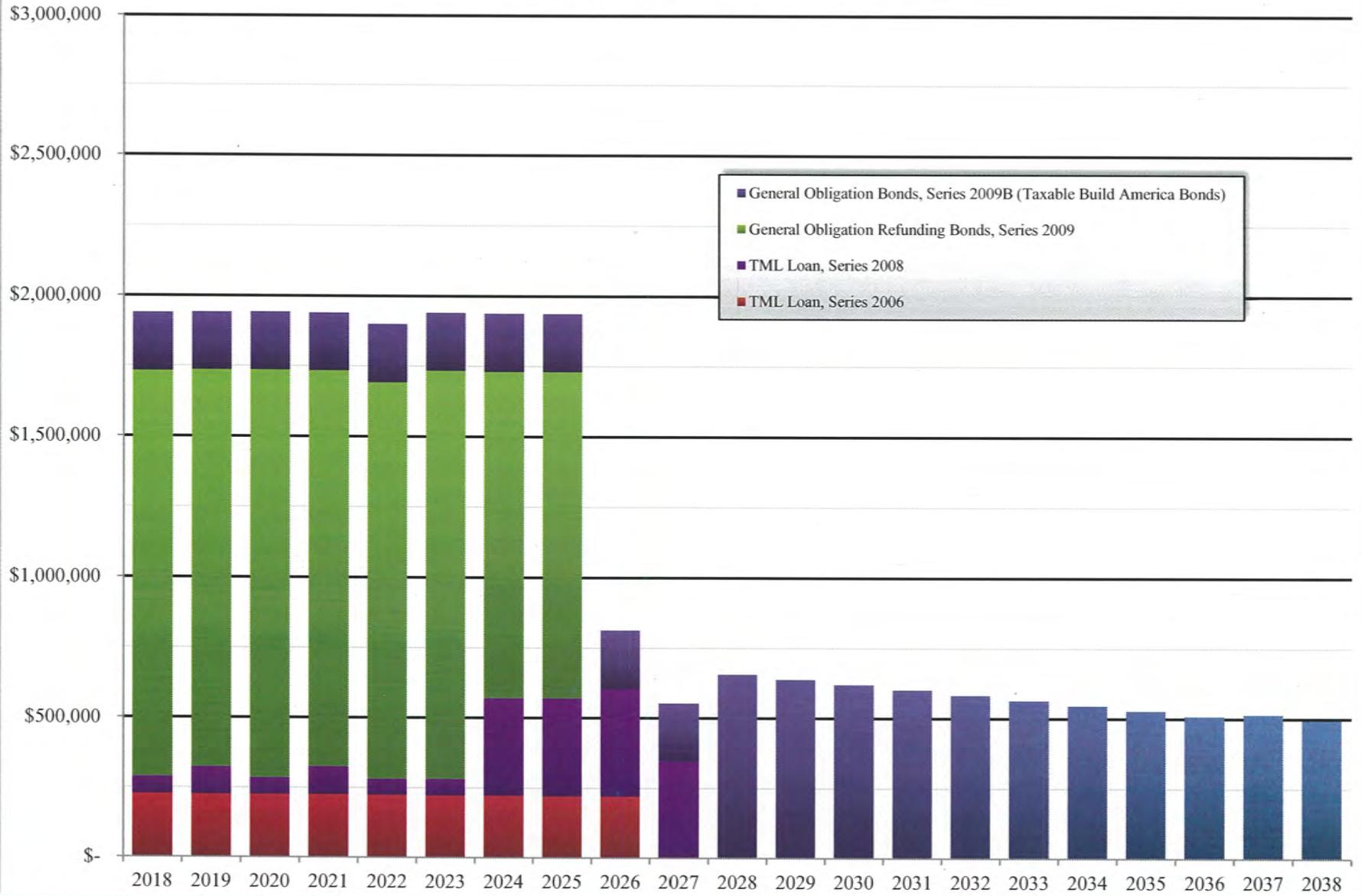
Base date for Avg. Life & Avg. Coupon Calculation	12/23/2016
Average Life	8.788
Average Coupon	4.5000001%
Weighted Average Maturity (Par Basis)	8.788

Refunding Bond Information

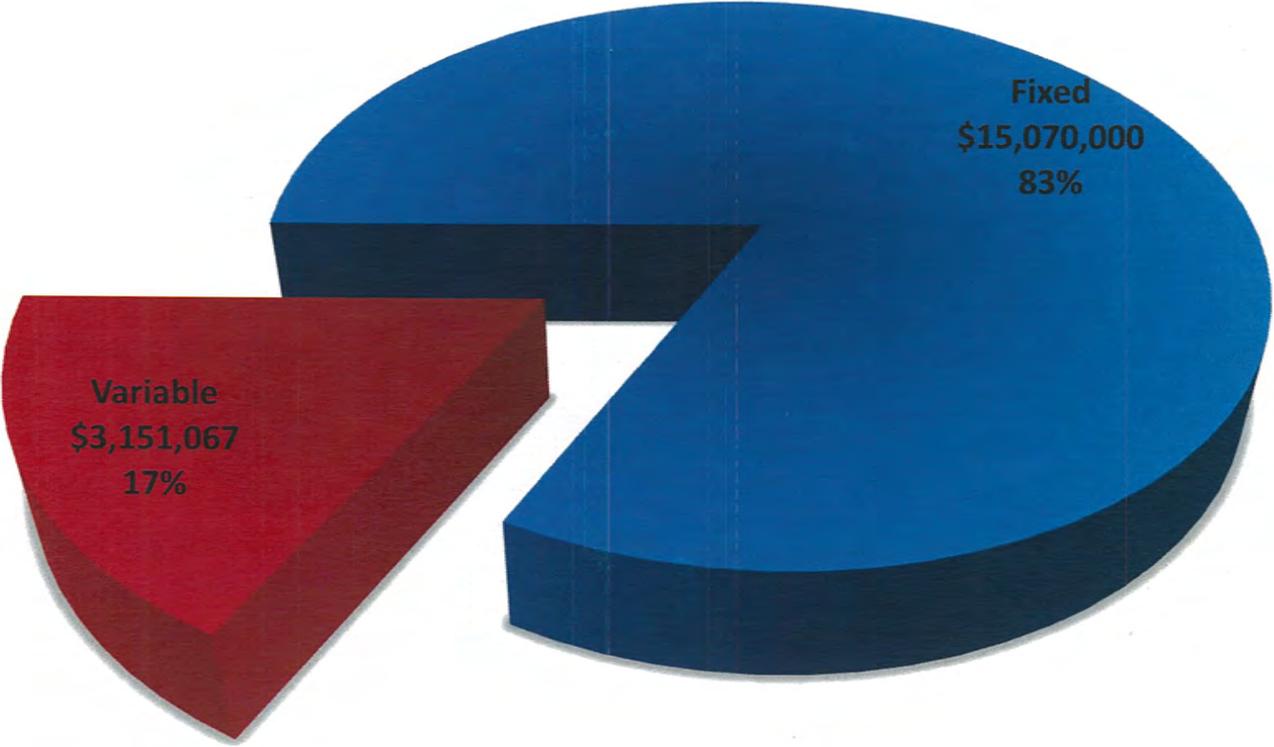
Refunding Dated Date	12/23/2016
Refunding Delivery Date	12/23/2016

Electric System

City of Oak Ridge, Tennessee Total Outstanding Debt Service - Electric System



City of Oak Ridge, Tennessee
Debt Portfolio Ratios - Electric System
Total Outstanding Debt = \$18,221,067



Synthetic fixed rate debt is subject to basis risk, credit risk and termination risk as outlined the City's Audited Financial Statements. Additionally, since the variable rate bonds are still outstanding they are subject to credit risk, letter of credit or liquidity renewal risk, put risk and other risk associated with variable rate bonds.



DEBT SERVICE

**City of Oak Ridge, Tennessee
General Obligation Refunding Bonds, Series 2016
Refunding of Series 2006 TMBF Variable Loans Allocable to Electric System**

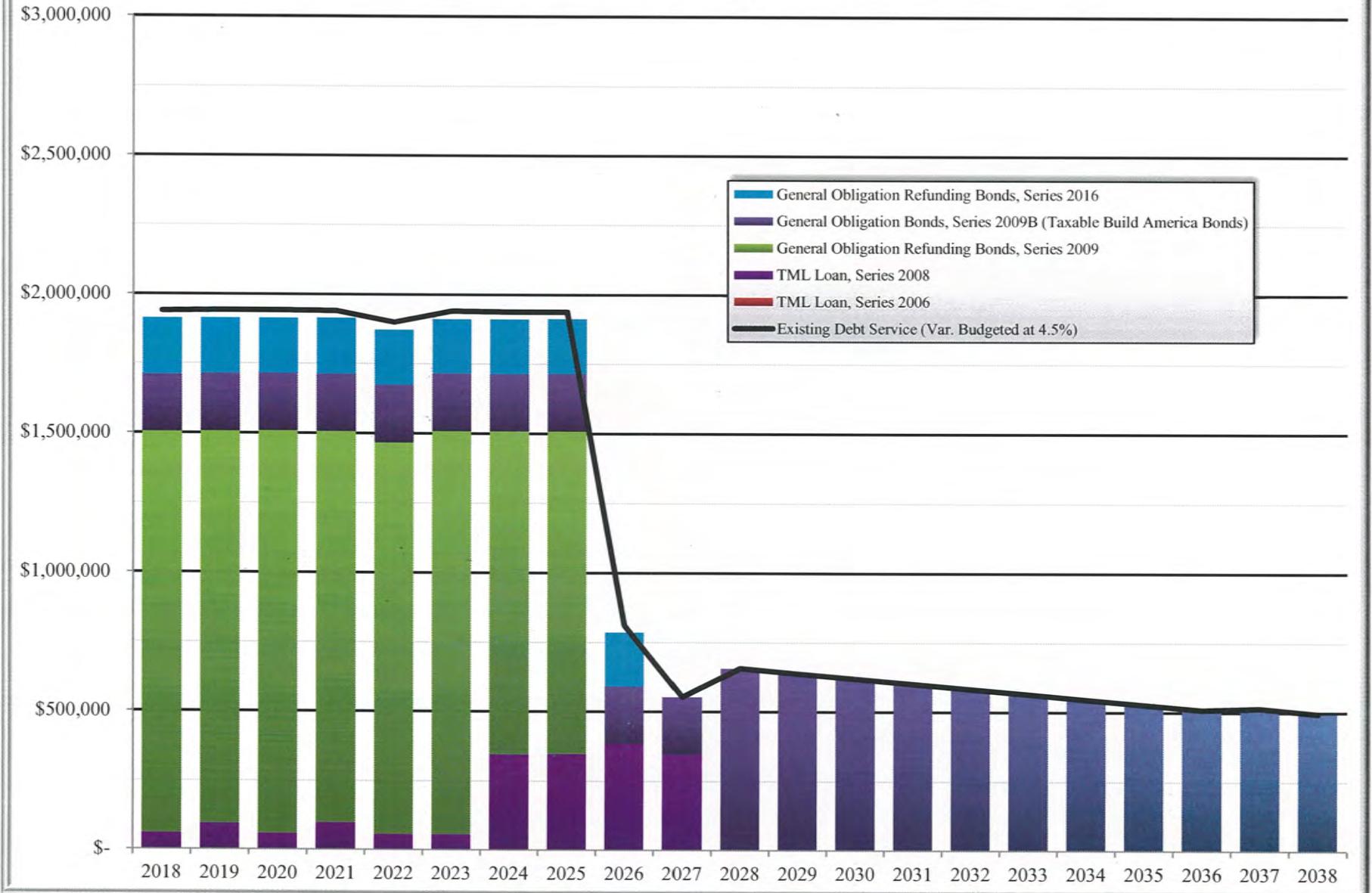
Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2017	165,000.00	0.850%	12,382.15	177,382.15	177,382.15
06/30/2018	175,000.00	1.000%	26,810.00	201,810.00	201,810.00
06/30/2019	175,000.00	1.200%	25,060.00	200,060.00	200,060.00
06/30/2020	175,000.00	1.350%	22,960.00	197,960.00	197,960.00
06/30/2021	180,000.00	1.500%	20,597.50	200,597.50	200,597.50
06/30/2022	180,000.00	1.600%	17,897.50	197,897.50	197,897.50
06/30/2023	180,000.00	1.800%	15,017.50	195,017.50	195,017.50
06/30/2024	185,000.00	1.950%	11,777.50	196,777.50	196,777.50
06/30/2025	190,000.00	2.100%	8,170.00	198,170.00	198,170.00
06/30/2026	190,000.00	2.200%	4,180.00	194,180.00	194,180.00
	1,795,000.00		164,852.15	1,959,852.15	

Date Structure

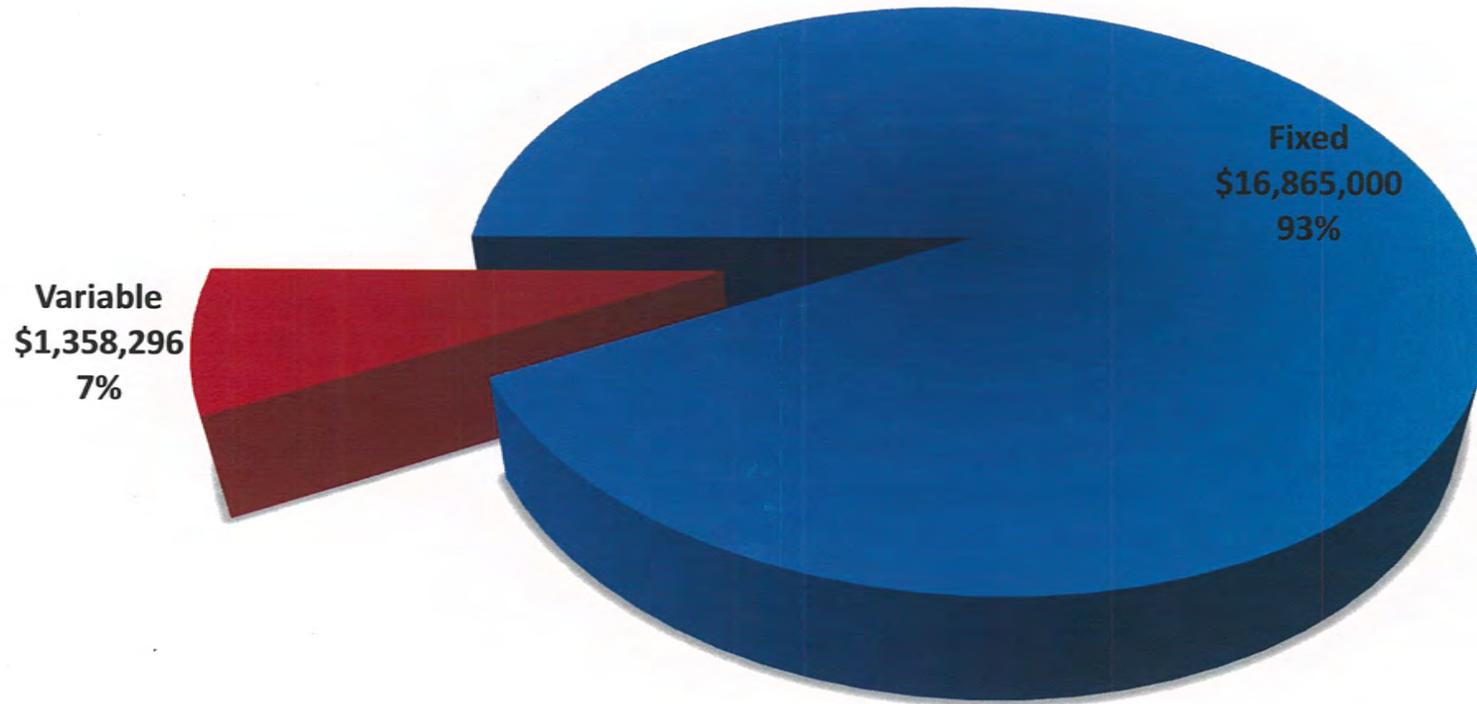
Date 12/23/2016
First Coupon Date 06/01/2017

City of Oak Ridge, Tennessee

Total Outstanding Debt Service - Electric System - Estimated Post Issuance



City of Oak Ridge, Tennessee
Debt Portfolio Ratios - Electric System - Estimated Post Issuance
Total Outstanding Debt = \$18,223,296



Synthetic fixed rate debt is subject to basis risk, credit risk and termination risk as outlined the City's Audited Financial Statements. Additionally, since the variable rate bonds are still outstanding they are subject to credit risk, letter of credit or liquidity renewal risk, put risk and other risk associated with variable rate bonds.



DEBT SERVICE TO MATURITY AND TO CALL

City of Oak Ridge, Tennessee
Series 2006 TMBF Variable Loans Allocable to Electric System

Date	Refunded Bonds	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/30/2017	1,792,771.22	1,792,771.22	149,453.20	4.500%	40,225.08	189,678.28
06/30/2018			155,124.42	4.500%	73,367.57	228,491.99
06/30/2019			161,462.83	4.500%	66,363.27	227,826.10
06/30/2020			167,801.25	4.500%	59,073.63	226,874.88
06/30/2021			174,806.87	4.500%	51,496.35	226,303.22
06/30/2022			181,812.49	4.500%	43,603.72	225,416.21
06/30/2023			188,818.11	4.500%	35,395.86	224,213.97
06/30/2024			196,490.93	4.500%	26,870.35	223,361.28
06/30/2025			204,497.35	4.500%	17,998.14	222,495.49
06/30/2026			212,503.77	4.500%	8,765.79	221,269.56
	1,792,771.22	1,792,771.22	1,792,771.22		423,159.76	2,215,930.98

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/23/2016
Average Life	5.245
Average Coupon	4.5000003%
Weighted Average Maturity (Par Basis)	5.245

Refunding Bond Information

Refunding Dated Date	12/23/2016
Refunding Delivery Date	12/23/2016

Issuer's No. _____
(To be completed by State)

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

1. Issuer:

Name City of Oak Ridge

Address 200 S. Tulane Avenue

P. O. Box 1

Oak Ridge, Tennessee 37831

2. Debt Obligation:

a. Bond

b. CON

c. BAN

d. GAN

e. Lease/Lease Purchase

f. Loan Agreement

5. Face Amount of Debt Obligation: \$ 9,000,000

6. Type of Sale:

a. Competitive Public Sale

b. Negotiated

c. Loan Program PBA City of Clarksville specify 2005 Pool

3. Security for Debt Obligation:

a. General Obligation

b. General Obligation Revenue and Tax

c. Revenue

d. Annual Appropriations

7. Tax Status:

a. Tax Exempt b. Taxable

8. Dated Date: June 16, 2006

9. Issue Date (Closing Date): June 16, 2006

4. Purpose of Issue:

	Percent of Issue:
<input type="checkbox"/> a. General Government	_____
<input type="checkbox"/> b. Education	_____
<input type="checkbox"/> c. Highways and Streets	_____
<input type="checkbox"/> d. Public Safety	_____
<input type="checkbox"/> e. Solid Waste Disposal	_____
<input type="checkbox"/> f. Industrial Park	_____
<input type="checkbox"/> g. Manufacturing Facilities	_____
<input type="checkbox"/> h. Health Facilities	_____
<input type="checkbox"/> i. Airports	_____
<input type="checkbox"/> j. Utilities	_____
<input type="checkbox"/> i. Water	_____
<input type="checkbox"/> ii. Sewer	_____
<input type="checkbox"/> iii. Electric	_____
<input type="checkbox"/> iv. Gas	_____
<input type="checkbox"/> k. Refunding or Renewal	_____
<input type="checkbox"/> l. Other _____	_____
specify	

10. Rating:

a. Moody's _____

b. Standard & Poor's _____

c. Unrated

11. Interest Cost:

VR %

a. TIC (True Interest Cost)

b. NIC (Net Interest Cost)

c. Variable Rate

d. Other

12. Recurring Costs:

a. Remarketing Agent Fees \$ -08

b. Liquidity Fees \$ -0-

c. Credit Enhancement Fees \$.15

SEE REVERSE SIDE

Tennessee Municipal Bond Fund
Variable Rate Pooled Loan Program
Loan Closing Costs and Annual Program Fees
(Series: TMBF 2005)

City of Oak Ridge, Tennessee
Loan Date: Friday, 06/16/2006

Loan amount:	\$9,000,000.00
Closing costs (.70%):	\$63,000.00
One time costs: (trustee, administrator, legal)	\$3,500.00
Total:	<u>\$66,500.00</u>
Less one time costs absorbed by TMBF: (trustee, administrator, legal)	\$3,500.00

NET CLOSING COSTS: \$63,000.00
As a percentage: 0.70%

Annual add-ons to coupon rate: 0.38%
(does not include cap agreement)

Annual trustee fee: \$1,200.00

Exhibit B

Repayment Exhibit

The Borrower acknowledges that, pursuant to Section 8.4 of the Reimbursement Agreement, if the principal of all Bonds is accelerated under the Indenture and the Bonds are paid by the Bank, the repayment schedule set forth in this Exhibit B shall be recalculated (so long as no Loan Default occurs with respect to the Borrower's Loan) such that the Outstanding Loan Amount shall be paid in monthly installments as more particularly described in said Section 8.4, with the final maturity of the Loan being a date which is 60 months after the date of such acceleration. Interest on the Outstanding Loan Amount after such acceleration shall be equal to the Prime Rate (as defined in the Reimbursement Agreement).

<u>Payment Date</u>	<u>Principal</u>
5/25/07	\$ 298,000
5/25/08	314,000
5/25/09	327,000
5/25/10	340,000
5/25/11	354,000
5/25/12	368,000
5/25/13	383,000
5/25/14	398,000
5/25/15	414,000
5/25/16	430,000
5/25/17	448,000
5/25/18	465,000
5/25/19	484,000
5/25/20	503,000
5/25/21	524,000
5/25/22	545,000
5/25/23	566,000
5/25/24	589,000
5/25/25	613,000
5/25/26	637,000
	<u>\$ 9,000,000</u>

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

1. Public Entity: The Public Building Authority of the
 Name City of Clarksville, Tennessee
 Address c/o Runyon and Runyon
301 Main Street
Clarksville, Tennessee 37040

- 2. Debt Obligation:**
- a. Bond
 - b. CON
 - c. BAN
 - d. GAN
 - e. TRAN
 - f. CRAN
 - g. Capital Lease
 - h. Loan Agreement

Note: Enclose a copy of the executed NOTE FORM if applicable.

- 3. Security For Debt Obligation:**
- a. General Obligation
 - b. General Obligation+Revenue+Tax
 - c. Revenue
 - d. TIF
 - e. Annual Appropriations

- 4. Purpose of Issue:**
- | | | |
|-------------------------------------|-----------------------------|-----------------|
| <input type="checkbox"/> | a. General Government | _____ % |
| <input type="checkbox"/> | b. Education | _____ % |
| <input type="checkbox"/> | c. Highways and Streets | _____ % |
| <input type="checkbox"/> | d. Public Safety | _____ % |
| <input type="checkbox"/> | e. Solid Waste Disposal | _____ % |
| <input type="checkbox"/> | f. Industrial Park | _____ % |
| <input type="checkbox"/> | g. Manufacturing Facilities | _____ % |
| <input type="checkbox"/> | h. Health Facilities | _____ % |
| <input type="checkbox"/> | i. Airports | _____ % |
| <input type="checkbox"/> | j. Utilities | _____ % |
| <input type="checkbox"/> | i. Water | _____ % |
| <input type="checkbox"/> | ii. Sewer | _____ % |
| <input type="checkbox"/> | iii. Electric | _____ % |
| <input type="checkbox"/> | iv. Gas | _____ % |
| <input type="checkbox"/> | k. Refunding or Renewal | _____ % |
| <input checked="" type="checkbox"/> | l. Other <u>Loan to a</u> | <u>100.00</u> % |
- municipal specify corporation

5. Face Amount of Debt Obligation: \$5,000,000.00
Premium/Discount: \$0.00

- 6. Type of Sale:**
- a. Competitive Public Sale
 - b. Informal Bid
 - c. Negotiated Sale
 - d. Loan Program

- 7. Tax Status:**
- a. Tax Exempt
 - b. Tax Exempt - Bank Qualified
 - c. Taxable

8. Dated Date: 12/26/2012

9. Issue Date (Closing Date): 12/26/2012

- 10. Ratings:**
- a. Moody's _____
 - b. Standard & Poor's _____
 - c. Fitch _____
 - d. Unrated X

- 11. Interest Cost:**
- _____ %
- a. TIC
 - b. NIC
 - c. Variable: Index SIFMA plus 75 bps
 - d. Other _____

- 12. Recurring Costs:**
- a. Remarketing Agent (bps) \$0.00
 - b. Liquidity (bps) \$0.00
 - c. Credit Enhancements (bps) \$0.00

13. Maturity Dates, Amounts and Interest Rates

Year	Amount	Interest Rate
2014	\$159,000.00	%
2015	\$166,000.00	%
2016	\$174,000.00	%
2017	\$182,000.00	%
2018	\$190,000.00	%
2019	\$199,000.00	%
2020	\$208,000.00	%
2021	\$217,000.00	%
2022	\$227,000.00	%
2023	\$237,000.00	%
2024	\$248,000.00	%

Year	Amount	Interest Rate
2025	\$259,000.00	%
2026	\$270,000.00	%
2027	\$282,000.00	%
2028	\$295,000.00	%
2029	\$308,000.00	%
2030	\$322,000.00	%
2031	\$337,000.00	%
2032	\$352,000.00	%
2033	\$368,000.00	%
		%
		%

If additional space is needed, attach additional sheet.

14. Repayment Schedule

Year	This Issue		Total Debt Outstanding	
	Cum. Principal Redeemed	% Total	Cum. Principal Redeemed	% Total
1	\$0.00	0.00	\$5,000,000.00	100.00
5	\$871,000.00	17.42	\$4,129,000.00	82.58
10	\$1,959,000.00	39.18	\$3,041,000.00	50.82
15	\$3,313,000.00	66.26	\$1,687,000.00	33.74
20	\$5,000,000.00	100.00	\$0.00	0.00
25				
30				

15. Itemized Description of the Cost of Issuance

(Round to Nearest Dollar)

		Name of Firm
a. Financial Advisor Fees*	_____	Please refer to State Form CT-
b. Legal Fees:		
i. Bond Counsel	_____	0253 filed by City of Oak Ridge
ii. Issuer's Counsel	_____	in connection with the loan from
iii. Trustee's Counsel	_____	the PBA City of Clarksville to
	_____	the City from the proceeds
	_____	of the Bond issue

c. Paying Agent Fees and Registration Fees	_____	
d. Trustee Fees	_____	
e. Remarketing Agent Fees	_____	
f. Liquidity Fees	_____	
g. Rating Agency Fees	_____	
h. Credit Enhancement Fees	_____	
i. Underwriter's Discount _____%	_____	
i. Take Down	_____	
ii. Management Fee	_____	
iii. Risk Premium	_____	
iv. Underwriter's Counsel	_____	
v. Other Expenses	_____	
j. Printing and Advertising Fees	_____	
k. Issuer Fees	_____	
l. Real Estate Fees	_____	
m. Bank Closing Costs	_____	
n. Other Costs	_____	
Total Costs	<u>\$0.00</u>	

*If other costs are included, please itemize

Note: Enclose a copy of the DISCLOSURE DOCUMENT/ OFFICIAL STATEMENT if applicable.

16. Description of Continuing Disclosure Obligations

(Use additional pages if necessary)

Individual Responsible for Completion: _____

Date Annual Disclosure is due: _____

The Public Building Authority does not have any continuing disclosure obligations with respect to the loan- the City is required to file it annual audit with the bank purchasing the PBA's bond within 270 days from the end of the City's fiscal year

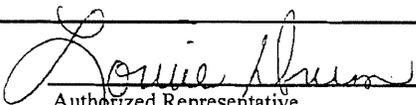
17. Description of Compliance with Written Debt Management Policy:
(Use additional pages if necessary)

SEE ATTACHED INFORMATION

18. (If any) Description of Derivative and Compliance with Written Derivative Management Policy:
(Use additional pages if necessary)

Not applicable

19.



Authorized Representative
Louise Drum, Chairman

Title

12-26-12

Date

Email

Preparer

Title

Firm

Date

Email

20.

Submitted to Governing Body on 1-28-13 and presented at its public meeting held on _____

COPY TO: Director - Office of State and Local Finance, 505 Deaderick Street, Suite 1600,
James K. Polk State Office Building, Nashville TN 37243-1402

CT-0253-The Public Building Authority of the City of Clarksville, Tennessee (the "PBA") – City of Oak Ridge - \$5,000,000 Water and Wastewater Systems Loan

Number 17 – Description of Compliance with Written Debt Management Policy

The PBA adopted its Debt Policy as required by the State Funding Board. The loan to the City of Oak Ridge for the purpose of financing water and wastewater system improvements complies with such Debt Policy since the PBA's Debt Policy states that, as a conduit issuer, the PBA will issue its revenue bond for the purpose of making a loan to a municipal corporation to finance public works projects at the request of such borrower. The bond fits within the definition of debt in the PBA's Debt Policy. The PBA's bond is a revenue bond. The bond has the same repayment schedule and prepayment provisions as the loan to the City. The Bond was sold to a bank as a private placement which is contemplated by the Debt Policy. The Bond and loan have level debt service payments as set forth in the Debt Policy. The Bond and loan bear interest at a variable rate, which was requested by the City, and is contemplated by the PBA Debt Policy. Additional payments may be made on the Bond and loan at any time with no prepayment penalty as set forth in the PBA Debt Policy. The resolution authorizing the debt was adopted at a public meeting of the Board of Directors of the PBA. The total costs of issuance were disclosed to the Board. Therefore, the Board complied with the transparency provisions of the Debt Policy.

RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF OAK RIDGE, TENNESSEE IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$10,000,000, IN ONE OR MORE SERIES; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS, ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

WHEREAS, 9-21-101, et seq., inclusive, Tennessee Code Annotated, as amended, authorizes the City of Oak Ridge, Tennessee (the "Municipality"), by resolution of the City Council, to issue and sell bonds and to refund and refinance outstanding indebtedness; and

WHEREAS, the Municipality has previously incurred indebtedness pursuant to a Loan Agreement dated as of June 16, 2006, entered into between The Public Building Authority of the City of Clarksville, Tennessee (the "Authority") and the Municipality (the "2006 Loan Agreement"), and a Loan Agreement dated as of December 26, 2012, entered into between the Authority and the Municipality (the "2012 Loan Agreement," and together with the 2006 Loan Agreement, the "Refunded Indebtedness"); and

WHEREAS, all or a portion of the Refunded Indebtedness can now be refunded for the purpose of reducing the exposure of the Municipality to variable rate indebtedness; and

WHEREAS, the City Council hereby determines that it is advisable to issue general obligation bonds, in one or more series, for the purpose of refunding all or a portion of the Refunded Indebtedness; and

WHEREAS, a plan of refunding for the Refunded Indebtedness has been filed with the Director of State and Local Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and the State Director has submitted to the Municipality a report thereon (the "Refunded Report"), a copy of which has been made available to the members of the City Council and is attached hereto as Exhibit A; and

WHEREAS, it is the intention of the City Council of the Municipality to adopt this resolution for the purpose of authorizing not to exceed \$10,000,000 in aggregate principal amount of bonds for the above-described purposes, providing for the issuance, sale and payment of said bonds, establishing the terms thereof, and the disposition of proceeds therefrom, and providing for the levy of a tax for the payment of principal thereof, premium, if any, and interest thereon.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Oak Ridge, Tennessee, as follows:

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to 9-21-101, et seq., Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Definitions. In addition to the terms defined in the preamble above, the following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) "Bonds" means the not to exceed \$10,000,000 General Obligation Refunding Bonds of the Municipality, to be dated their date of issuance, and having such series designation or such other dated date as shall be determined by the Mayor pursuant to Section 8 hereof.

(b) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as

Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the Municipality or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds.

(c) "Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder.

(d) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

(e) "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

(f) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System.

(g) "Financial Advisor" for the Bonds authorized herein means Cumberland Securities Company, Inc., Knoxville, Tennessee.

(h) "Mayor" shall mean the Mayor of the Municipality.

(i) "Refunded Indebtedness" means the maturities or portions of the maturities of the Refunded Indebtedness designated for refunding by the Mayor pursuant to the terms hereof.

(j) "Registration Agent" means the registration and paying agent appointed by the Mayor pursuant to the terms hereof, or any successor designated by the Governing Body.

Section 3. Findings of the Governing Body; Compliance with Debt Management Policy.

(a) In conformance with the directive of the State Funding Board of the State of Tennessee, the Municipality has heretofore adopted its Debt Management Policy. The Governing Body hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the Municipality's Debt Management Policy.

(b) The estimated interest expense and costs of issuance of the Bonds have been made available to the Governing Body.

(c) The refunding of the Refunded Indebtedness authorized herein through the issuance of the Bonds will result in reducing the Municipality's exposure to variable rate indebtedness.

(d) The Refunding Report of the State Director has been presented to the members of the Governing Body in connection with their consideration of this resolution.

Section 4. Authorization and Terms of the Bonds.

(a) For the purposes of providing funds to finance, in whole or in part the refunding of the Refunded Indebtedness and payment of costs incident to the issuance and sale of the Bonds, there is hereby authorized to be issued bonds, in one or more series, of the Municipality in the aggregate principal amount of not to exceed \$10,000,000. The Bonds shall be issued in one or more series, in fully registered, book-entry form (except as otherwise set forth herein), without coupons, and subject to the adjustments permitted hereunder, shall be known as "General Obligation Refunding Bonds", shall be dated their date of issuance, and shall have such series designation or such other dated date as shall be determined by the Mayor pursuant to the terms hereof. The Bonds shall bear interest at a rate or rates not to exceed five percent (5.00%) per annum, payable (subject to the adjustments permitted hereunder) semi-annually on

June 1 and December 1 in each year, commencing June 1, 2017. The Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the original purchaser thereof. Subject to the adjustments permitted pursuant to the terms hereof, the Bonds shall mature serially or be subject to mandatory redemption and shall be payable on June 1 of each year, subject to prior optional redemption as hereinafter provided, in substantially the manner presented to the State Director in requesting the State Report in the years 2016 through 2033, inclusive; provided, however, such amortization may be adjusted in accordance with the terms hereof.

(b) Subject to the adjustments permitted under Section 8 hereof, the Bonds maturing June 1, 2026 and thereafter shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2025 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If, after adjustment, the Bonds are subject to optional redemption and less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to the terms hereof, the Mayor is authorized to sell the Bonds, or any maturities thereof, as term bonds ("Term Bonds") with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the Mayor. In the event any or all the Bonds are sold as Term Bonds, the Municipality shall redeem Term Bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts established pursuant to the terms hereof for each redemption date, as such maturity amounts may be adjusted pursuant to the terms hereof, at a price of par plus accrued interest thereon to the date of redemption. The Term Bonds to be redeemed within a single maturity shall be selected as follows:

If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and cancelled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the

Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of any call for redemption shall be given by the Registration Agent on behalf of the Municipality not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Municipality pursuant to written instructions from an authorized representative of the Municipality (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository, if applicable, or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

(d) The Governing Body hereby authorizes and directs the Mayor to appoint the Registration Agent for the Bonds and hereby authorizes the Registration Agent so appointed or the Registration Agent for the Bonds to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Municipality at least annually a certificate of destruction with respect to Bonds cancelled and destroyed, and to furnish the Municipality at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The Mayor is hereby authorized to execute and the City Clerk is hereby authorized to attest such written agreement between the Municipality and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(e) The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed

to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Municipality in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(f) Any interest on any Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Municipality to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Municipality shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered Owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

(g) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or the Bond to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the Municipality to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal

aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

(h) The Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the Municipality with the signature of the Mayor and the attestation of the City Clerk.

(i) Except as otherwise provided in this resolution, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Bond will be immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation relating to the Bonds from the Municipality and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Municipality and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds, or (2) to the extent permitted by the rules of DTC, the Municipality determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, then the Municipality shall discontinue the Book-Entry System with DTC or, upon request of such original purchaser, deliver the Bonds to the original purchaser in the form of fully-registered Bonds, as the case may be. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully-registered Bonds to each Beneficial Owner. If the purchaser(s) certifies that it intends to hold the Bonds for its own account, then the Municipality may issue certificated Bonds without the utilization of DTC and the Book-Entry System.

THE MUNICIPALITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY

NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS; (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE, CEDE & CO., AS OWNER.

(j) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds; provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this Section.

(k) The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the original purchaser, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

(l) In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the Municipality, in its discretion, shall issue, and the Registration Agent, upon written direction from the Municipality, shall authenticate and deliver, a new Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and in substitution for such lost, stolen or destroyed Bond, or if any such Bond shall have matured or shall be able to mature, instead of issuing a substituted Bond the Municipality may pay or authorize payment of such Bond without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the Municipality and the Registration Agent of the destruction, theft or loss of such Bond, and indemnify satisfactory to the Municipality and the Registration Agent; and the Municipality may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the Municipality for the expense incurred by it in the issue thereof.

Section 5. Source of Payment. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Municipality. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Municipality are hereby irrevocably pledged. That portion, as determined by the Municipality, of the Bonds that refinances the Refunded Indebtedness that financed or refinanced improvements to the Municipality's water and sewer system (the "Water and Sewer System") is additionally payable from, but not secured by, revenues derived from the Water and Sewer System, subject to the reasonable and necessary costs of operating, maintaining, repairing and insuring the Water and Sewer System and to any obligations of the Municipality to which such revenues are pledged. That portion, as determined by the Municipality, of the Bonds that refinances the Refunded Indebtedness that financed or refinanced improvements to the Municipality's electric system (the "Electric System") is additionally payable from, but not secured by, revenues derived from the Electric System, subject to the reasonable and necessary costs of operating, maintaining, repairing and insuring the Electric System and to any obligations of the Municipality to which such revenues are pledged.

Section 6. Form of Bonds. The Bonds shall be in substantially the following form, the omissions to be appropriate completed when the Bonds are prepared and delivered:

(Form of Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF ANDERSON
CITY OF OAK RIDGE, TENNESSEE
GENERAL OBLIGATION REFUNDING BOND, SERIES 2016

Interest Rate: Maturity Date: Date of Bond: CUSIP No.:

Registered Owner:

Principal Amount:

FOR VALUE RECEIVED, the City of Oak Ridge, Tennessee (the "Municipality") hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on June 1, 2017, and semi-annually thereafter on the first day of June and December in each year until this Bond matures or is redeemed. The principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of _____, _____, as registration and agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said Bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Municipality to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any, on] this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Bond will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Municipality and the Registration Agent shall treat Cede & Co. as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee,

Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Municipality nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) to the extent permitted by the rules of DTC, the Municipality determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Municipality may discontinue the book-entry system with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully-registered Bonds to each Beneficial Owner. Neither the Municipality nor the Registration Agent shall have any responsibility or obligations to DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy or any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners; (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

Bonds of this issue of which this Bond is one maturing on or after June 1, 2026 shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2025 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the City Council of the Municipality, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

[Subject to the credit hereinafter provided, the Municipality shall redeem Bonds maturing _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
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*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and cancelled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of any call for redemption shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and it notice has been duly provided as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the [Depository or the] affected Bondholders that the redemption did not occur and that the Bond called for redemption and not so paid remain outstanding.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating \$_____ and issued by the Municipality to refinance the Municipality's outstanding indebtedness under a Loan Agreement dated as of June 16, 2006, entered into between The Public Building Authority of Blount County, Tennessee (the "Authority") and the Municipality, and a Loan Agreement dated as of December 26, 2012, entered into between the Authority and the Municipality, and the issuance costs of the Bonds, pursuant to 9-21-101, et seq., Tennessee Code Annotated, as amended, and pursuant to a resolution adopted by the City Council of the Municipality on December 12, 2016 (the "Resolution").

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Municipality. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Municipality are hereby irrevocably pledged. That portion, as determined by the Municipality, of the Bonds that refines the Refunded Indebtedness that financed or refinanced improvements to the Municipality's water and sewer system (the "Water and Sewer System") is additionally payable from, but not secured by, revenues derived from the Water and Sewer System, subject to the reasonable and necessary costs of operating, maintaining, repairing and insuring the Water and Sewer System and to any obligations of the Municipality to which such revenues are pledged. That portion, as determined by the Municipality, of the Bonds that refines the Refunded Indebtedness that financed or refinanced improvements to the Municipality's electric system (the "Electric System") is additionally payable from, but not secured by, revenues derived from the Electric System, subject to the reasonable and necessary costs of operating, maintaining, repairing and insuring the Electric System and to any obligations of the Municipality to which such revenues are pledged.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the Municipality, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by its Mayor and attested by its City Clerk as of the date hereinabove set forth.

CITY OF OAK RIDGE, TENNESSEE

By: _____
Mayor

ATTESTED:

City Clerk

Transferable and payable at the principal corporate trust office of: _____

Date of Registration: _____

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

Registration Agent
By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, whose address is _____ (Please insert Federal Identification or Social Security Number of Assignee _____), the within Bond of City of Oak Ridge, Tennessee, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent

Section 7. Levy of Tax. The Municipality, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the Municipality, in addition to all other taxes authorized by law, sufficient to pay principal of, premium, if any, and interest on the Bonds when due, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay principal and interest coming due on the Bonds in said year. Principal and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the Municipality and reimbursement therefor shall be made out of the taxes hereby provided to the levied when the same shall have been collected. The tax herein provided may be reduced to the extent of any direct appropriations from other funds, taxes and revenues of the Municipality, including the Sales Tax, to the payment of debt service on the Bonds.

Section 8. Sale of Bonds.

(a) The Bonds shall be offered for competitive public sale in one or more series, at a price of not less than 98% of par, plus accrued interest, as a whole or in part from time to time as shall be determined by the Mayor, in consultation with the Financial Advisor. The Bonds, or any series thereof, shall be sold by

delivery of bids via physical delivery, mail, fax, or telephone or by electronic bidding means of an Internet bidding service as shall be determined by the Mayor, in consultation with the Financial Advisor.

(b) If the Bonds are sold in more than one series, the Mayor is authorized to cause to be sold in each series an aggregate principal amount of Bonds less than the total principal amount authorized hereby, so long as the total aggregate principal amount of all series issued does not exceed the total aggregate of Bonds authorized to be issued herein.

(c) The Mayor is further authorized with respect to each series of Bonds to:

(1) change the dated date of the Bonds, or any series thereof, to a date other than the date of issuance of the Bonds;

(2) change the designation of the Bonds, or any series thereof, to a designation other than "General Obligation Refunding Bonds" and to specify the series designation of the Bonds, or any series thereof;

(3) change the first interest payment date on the Bonds, or any series thereof, to a date other than June 1, 2017, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(4) adjust the principal and interest payment dates and the maturity amounts of the Bonds, or any series thereof, provided that (A) the total principal amount of all series of the Bonds does not exceed the total amount of Bonds authorized herein; (B) the final maturity date of each series shall not be later than calendar year 2033; and (C) the debt service schedule for the Bonds shall not be materially different than what was presented to the State Director in connection with the Refunding Report.

(5) adjust or remove the Municipality's optional redemption provisions of the Bonds, provided that the premium amount to be paid on Bonds or any series thereof does not exceed two percent (2%) of the principal amount thereof;

(6) refund less than all of the Refunded Indebtedness;

(7) sell the Bonds, or any series thereof, or any maturities thereof as Term Bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the Mayor, as he shall deem most advantageous to the Municipality; and

(8) cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company if such insurance is requested and paid for by the winning bidder of the Bonds, or any series thereof.

The form of the Bond set forth in Section 6 hereof shall be conformed to reflect any changes made pursuant to this Section 8 hereof.

(d) The Mayor is authorized to sell the Bonds, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Governing Body. The Mayor is further authorized to sell the Bonds, or any series thereof, as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution or resolutions of the Governing Body, in one or more series as the Mayor shall deem to be advantageous to the Municipality and in doing so, the Mayor is authorized to change the designation of the Bonds to a designation other than "General Obligation Refunding Bonds"; provided, however, that the total aggregate principal amount of combined bonds to be sold does not exceed the total aggregate principal amount of Bonds authorized by this resolution or bonds authorized by any other resolution or resolutions adopted by the Governing Body.

(e) The Mayor is authorized to award the Bonds, or any series thereof, in each case to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the rate or rates on the Bonds does not exceed the maximum rate prescribed by Section 4 hereof. The award of the Bonds by the Mayor to the lowest bidder shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required.

(f) The Mayor and City Clerk are authorized to cause the Bonds, in book-entry form (except as otherwise permitted herein), to be authenticated and delivered by the Registration Agent to the successful bidder and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds. The Mayor is hereby authorized to enter into a contract with the Financial Advisor, for financial advisory services in connection with the sale of the Bonds and to enter into an engagement letter with Bass, Berry & Sims PLC to serve as bond counsel in connection with the Bonds, and all actions heretofore taken by the officers of the Municipality in that regard are hereby ratified and approved.

Section 9. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be disbursed as follows:

(a) An amount sufficient, together with such other Municipality funds as may be identified by the Mayor and, if applicable, investment earnings on the foregoing, to refund the Refunded Indebtedness shall be applied to the refunding thereof by paying such funds directly to the holders (or paying agents or trustees for the holders) of the Refunded Bonds.

(b) The remainder of the proceeds of the sale of the Bonds shall be used to pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. Notwithstanding the foregoing, costs of issuance of the Bonds may be withheld from the good faith deposit or purchase price of the Bonds and paid to the Financial Advisor to be used to pay costs of issuance of the Bonds.

Section 10. Official Statement. The officers of the Municipality, or any of them, are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the officers of the Municipality, or any of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The officers of the Municipality, or any of them, shall arrange for the delivery to the successful bidder on the Bonds of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been awarded for delivery, by the successful bidder on the Bonds, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Bonds.

The officers of the Municipality, or any of them, are authorized, on behalf of the Municipality, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of such pricing and other information.

Notwithstanding the foregoing, no Official Statement is required to be prepared if the Bonds, or any series thereof, are purchased by a purchaser that certifies that such purchaser intends to hold the Bonds, or any series thereof, for its own account and has no present intention to reoffer the Bonds, or any series thereof.

Section 11. Discharge and Satisfaction of Bonds. If the Municipality shall pay and discharge the indebtedness evidenced by any series of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

(c) By delivering such Bonds to the Registration Agent for cancellation by it;

and if the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such escrow agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Municipality to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Municipality shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Municipality, as received by the Registration Agent. For the purposes of this Section, Defeasance Obligations shall direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Section 12. Federal Tax Matters Related to the Bonds.

(a) The Bonds will be issued as federally tax-exempt bonds. The Municipality hereby covenants that it will not use, or permit the use of, any proceeds of the Bonds in a manner that would cause the Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond." To that end, the Municipality shall comply with applicable regulations adopted under said Section 148. The Municipality further covenants with the registered owners from time to time of the Bonds that it will, throughout the term of the Bonds and through the date that the final rebate,

if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code.

(b) The Governing Body hereby delegates to the Mayor the authority to designate, and determine whether to designate, any series of the Bonds as "qualified tax-exempt obligations," as defined in Section 265 of the Code, to the extent the Bonds are not deemed designated as such and may be designated as such.

(c) The appropriate officers of the Municipality are authorized and directed, on behalf of the Municipality, to execute and deliver all such certificates and documents that may be required of the Municipality in order to comply with the provisions of this Section related to the issuance of the Bonds.

Section 13. Refinancing of Refunded Indebtedness. The Mayor and/or City Clerk are authorized to take such actions as are required to refinance the Refunded Indebtedness, including giving notice of the prepayment of such Refunded Indebtedness.

Section 14. Continuing Disclosure. The Municipality hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The Mayor is authorized to execute at the Closing of the sale of the Bonds an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the Municipality to comply with the undertaking herein described and to be detailed in said closing agreement shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Municipality to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

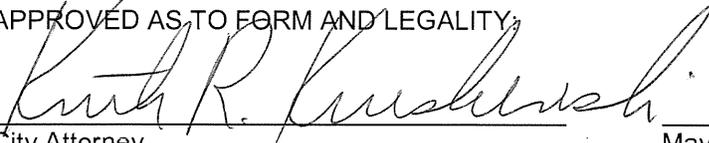
Section 15. Resolution a Contract. The provisions of this resolution shall constitute a contract between the Municipality and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full.

Section 16. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 17. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Duly adopted and approved on December 12, 2016.

APPROVED AS TO FORM AND LEGALITY:



City Attorney

Mayor

City Clerk

EXHIBIT A

REFUNDING REPORT FROM STATE DIRECTOR



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986**

November 28, 2016

Honorable Warren Gooch, Mayor
and Honorable City Council
Mr. Mark S. Watson, City Manager
City of Oak Ridge
P.O. Box 1
Oak Ridge, TN 37831-0001

Dear Mayor Gooch, Mr. Watson, and Members of the City Council:

This letter and report, and the plan of refunding (the "Plan"), are to be posted on the website of the City of Oak Ridge (the "City"). Please make these documents available to the public and present them at the City Council meeting for the adoption of the bond authorizing resolution. The members of the City Council must review this report prior to the adoption of a refunding bond resolution.

This letter acknowledges receipt on November 21, 2016, of the City's request to review its Plan for the issuance of an amount not to exceed \$10,000,000 General Obligation Refunding Bonds, Series 2016, (the "Refunding Bonds").

Pursuant to the provisions of Tennessee Code Annotated Title 9 Chapter 21, a plan must be submitted to our Office for review. The information presented in the Plan includes the assertions of the City and may not reflect either current market conditions or market conditions at the time of sale.

CITY'S PROPOSED REFUNDING OBJECTIVE

The City indicated the purpose of the refunding is to reduce its variable interest rate exposure by refunding variable interest rate debt with fixed interest rate bonds.

PLAN OF REFUNDING

The City intends to sell competitively approximately \$9,925,000 of fixed interest rate Refunding Bonds priced at par as federally tax-exempt bank qualified bonds. The City intends to contribute \$95,620 to pay for the costs associated with the refunding transaction. The proceeds current refund the City's outstanding:

- \$5,374,000 variable interest rate Series 2006 Loan Agreement with the Public Building Authority of the City of Clarksville (the "Series 2006 Loan Agreement"); and
- \$4,501,000 variable interest rate Series 2012 Loan Agreement with the Public Building Authority of the City of Clarksville (the "Series 2012 Loan Agreement").

Collectively, these are the "Refunded Loan Agreements." Total refunded principal is \$9,875,000.

BALLOON INDEBTEDNESS

The structure of the Refunding Bonds presented in the Plan does not appear to be balloon indebtedness. If the Refunding Bonds' structure is revised, the City should determine if the new structure complies with the requirements of T.C.A. § 9-21-134 concerning balloon indebtedness. If it is determined that the bond structure constitutes balloon indebtedness, the City must submit a Plan of Balloon Indebtedness to the Director of the Office of State and Local Finance for approval prior to the City adopting the resolution authorizing the issuance of the debt.

COMPLIANCE WITH THE CITY'S DEBT MANAGEMENT POLICY

The City provided a copy of its debt management policy, and within forty-five (45) days of issuance of the debt approved in this letter, is required to submit a Report on Debt Obligation that indicates that this debt complies with its debt policy. If the City amends its policy, please submit the amended policy to this office.

FINANCIAL PROFESSIONALS

The City has indicated that Cumberland Securities Company, Inc., is its municipal advisor. Municipal advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City's best interest without regard to their own or other interests. The Plan was prepared by the City with the assistance of their municipal advisor.

MSRB Rule G-17

MSRB Rule G-17 requires underwriters and municipal advisors to deal fairly with the City in the conduct of its municipal securities or municipal advisory activities. The Securities and Exchange Commission approved MSRB Notice 2012-25 on the duties of underwriters to issuers of municipal securities on May 4, 2012. On August 2, 2012, this interpretive notice to MSRB Rule G-17 on fair dealing became part of federal securities law and underwriters are required to comply with its provisions.

These duties fall into three areas:

- statements and representations to issuers;
- disclosures to issuers; and
- financial aspects of underwriting transactions.

To learn more about the obligations of the City's underwriter (if applicable) and municipal advisor, please read the information posted on the MSRB website: www.msrb.org.

REPORT OF THE REVIEW OF A PLAN OF REFUNDING

The enclosed report does not constitute approval or disapproval for the proposed plan or a determination that a refunding is advantageous or necessary nor that any of the outstanding obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity. This letter and the enclosed report do not address the compliance with federal tax regulations and are not to be relied upon for that purpose. The City should discuss these issues with a bond counsel.

This report is effective for a period of one hundred and twenty (120) days. If the refunding has not been completed during this time, a supplemental plan of refunding must be submitted to this Office. At that time we will issue a report thereon pursuant to the statutes. In lieu of submitting a supplemental plan, a statement may be submitted to our Office after the 120-day period has elapsed stating that the information contained in the current plan of refunding remains valid. Either the Chief Executive Officer or the Chief Financial Officer of the local government must submit such statement. We will acknowledge receipt of such statement and will issue our letter confirming that this refunding report remains valid for an additional 120-day period. However, with regard to the report currently being issued by this Office, during the initial 120-day period or any subsequent 120-day period no refunding reports will be issued relating to the debt obligations indicated herein as being refunded unless the Chief Executive Officer or the Chief Financial Officer notifies our Office that the plan of refunding which has been submitted is no longer valid.

We recognize that the information provided in the plan submitted to our Office is based on preliminary analysis and estimates, and that actual results will be determined by market conditions at the time of sale of the debt obligations. However, if it is determined prior to the issuance of these obligations that the actual results will be significantly different from the information provided in the plan which has been submitted, and the local government determines to proceed with the issue, our Office should subsequently be notified by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences, and that the local government was aware of the differences and determined to proceed with the issuance of the debt obligations. Notification to our Office will be necessary only if there is an increase or decrease of greater than fifteen percent (15%) in any of the following: (1) the principal amount of the debt obligations issued; (2) the costs of issuance; (3) the cumulative savings or loss with regard to any refunding proposal. We consider this notification necessary to insure that this Office and officials of the local government are aware of any significant changes that occur with regard to the issuance of the proposed indebtedness.

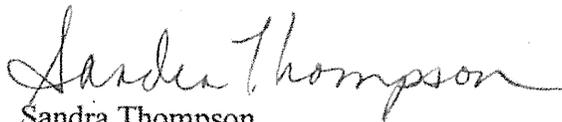
REPORT ON DEBT OBLIGATION

We are enclosing a Report on Debt Obligation, Form CT-0253. Pursuant to T.C.A. § 9-21-151, this form is to be completed and filed with the governing body of the City no later than forty-five (45) days after the issuance of this debt, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by email to StateandLocalFinance.PublicDebtForm@cot.tn.gov or by

mail to the address on this letterhead. No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation. For your convenience, a fillable PDF of Form CT-0253 is available at <http://www.comptroller.tn.gov/sl/pubdebt.asp>.

If you should have any questions regarding this information, or we may be of further assistance, please feel free to call.

Sincerely,



Sandra Thompson
Director of the Office of State & Local Finance

cc: Mr. Jim Arnette, Director of Local Government Audit, COT
Mr. Chris Bessler, Cumberland Securities Company, Inc.
Ms. Mark Mamantov, Bass Berry & Sims

Enclosures: Report of the Director of the Office of State & Local Finance
Report on Debt Obligation

**REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE
CONCERNING THE PROPOSED ISSUANCE BY
THE CITY OF OAK RIDGE, TENNESSEE
OF
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

The City of Oak Ridge (the "City") submitted a plan of refunding (the "Plan"), as required by T.C.A. § 9-21-903 regarding an issuance of an amount not to exceed \$10,000,000 General Obligation Refunding Bonds, Series 2016, (the "Refunding Bonds") to current refund:

- \$5,374,000 variable interest rate Series 2006 Loan Agreement with the Public Building Authority of the City of Clarksville (the "Series 2006 Loan Agreement")¹; and
- \$4,501,000 variable interest rate Series 2012 Loan Agreement with the Public Building Authority of the City of Clarksville (the "Series 2012 Loan Agreement")².

Collectively, these are the "Refunded Loan Agreements." Total refunded principal is \$9,875,000.

This Office has not performed an evaluation of the preparation, support, and underlying assumptions of the Plan. This letter and report provide no assurances of the reasonableness of the underlying assumptions. The Refunding Bonds may be issued with a structure different to that of the Plan. The City provided a copy of its debt management policy. Prior to the adoption of a refunding bond resolution, this report must be presented to the governing body.

Balloon Indebtedness

The structure of the Refunding Bonds presented in the Plan does not appear to be balloon indebtedness. If the Refunding Bonds' structure is revised, the City should determine if the new structure complies with the requirements of T.C.A. § 9-21-134 concerning balloon indebtedness. If it is determined that the bond structure constitutes balloon indebtedness, the City must submit a Plan of Balloon Indebtedness to the Director of the Office of State and Local Finance for approval prior to the City adopting the resolution authorizing the issuance of the debt.

City's Proposed Refunding Objective

The City indicated the purpose of the refunding is to reduce its variable interest rate exposure by refunding variable interest rate debt with fixed interest rate bonds.

Refunding Analysis

- The results of the refunding are based on the assumption that \$9,925,000 Refunding Bonds will be sold by competitive sale.
- The City intends to contribute \$95,620 to pay cost of issuance.
- The projected average coupon for the refunding bonds is 2.12%.

¹ See Exhibit A for risks associated with variable interest rate debt

² Ibid.

- The final maturity of the Refunding Bonds does not extend beyond the final maturity of the Refunded Loan Agreements.
- Estimated cost of issuance of the Refunding Bonds is \$145,620 or \$14.67 per \$1,000 of the par amount. See Table 1 for individual costs of issuance.

Table 1
City of Oak Ridge
Costs of Issuance of Refunding Bonds
General Obligation Refunding Bonds, Series 2016

	Amount	Price per \$1,000 bond
Underwriter's Discount (TBD by competitive sale)	\$ 50,000.00	\$ 5.04
Municipal Advisor (Cumberland Securities Company, Inc	49,625.00	5.00
Bond Counsel (Bass Berry & Sims)	16,000.00	1.61
Rating Agency Fees	17,500.00	1.76
Other Costs	12,495.00	1.26
Total Cost of Issuance	\$145,620.00	\$ 14.67

The City has indicated that Cumberland Securities Company, Inc. is its municipal advisor. Municipal advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City's best interest without regard to their own or other interests. The Plan was prepared by the City with the assistance of its municipal advisor.

This report of the Office of State and Local Finance does not constitute approval or disapproval by the Office for the Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity. This report is based on information as presented in the Plan by the City. The assumptions included in the City's Plan may not reflect either current market conditions or market conditions at the time of sale.

If not all of the Refunded Bonds are refunded as a part of the Refunding Bonds, and the City wishes to refund them in a subsequent bond issue, then a new plan will have to be submitted to this Office for review.



Sandra Thompson
 Director of the Office of State and Local Finance
 Date: November 28, 2016

EXHIBIT A

Risks of Variable Interest Rate Debt

Variable interest rate debt currently comprises 31% or \$51,166,500 of the City's \$166,632,746 general obligation debt portfolio. The City reports, that by using interest rate swap agreements, it has synthetically fixed \$25,875,000 of its \$51,166,500 variable interest rate debt. The City still bears the other risks related to the underlying variable interest rate debt; but it is mitigating interest rate risk by synthetically fixing the debt. Interest rate swap agreements provide additional risks besides those associated with variable interest rate debt. None of the Refunded Loan Agreements are synthetically fixed with interest rate swap agreements.

The City will have reduced the total variable interest rate risk with the proposed refunding. After the proposed refunding, variable interest rate debt, including the synthetically fixed interest rate debt, will comprise 25% of the City's general obligation debt portfolio. The City will still be open to the risks associated with variable interest rate debt for this 25% and interest rate swap risks for the synthetically fixed portion of the debt portfolio.

Series 2006 Loan Agreement

The Series 2006 Loan Agreement is a variable rate demand obligation (VRDO). On a regular periodic basis, a remarketing agent remarkets the Series 2006 Loan Agreement with a pool of other tax-exempt VRDOs. The results of the remarketing of the debt in this pool sets the interest rates for participants not resold during the remarketing period. Additionally, these VRDOs have a "put" feature that allows the debt holder to require the City to buy back its debt if the Series 2006 Loan Agreement does not sell to another buyer during the remarketing period. The City has a bank letter of credit associated with the Series 2006 Loan Agreement. In the event of failure of the City's VRDOs to resell during the remarketing period, the letter of credit bank provides security to the debt holders by agreeing to buy VRDOs put back to the City. This permits the debt holders to rely on the bank's liquidity rather than the City's liquidity.

With debt structured as tax-exempt VRDOs, the City experiences the following risks:

- Interest Rate Risk – the risk of rising interest rates,
- Tax Risk – the risk interest rates will rise due to changes in the federal tax code impact the effect on taxes on debt holders revenues from the VRDOs,
- Remarketing/Put Risk – the risk the remarketing agent is unable to find buyers for the City's VRDOs at the time of remarketing,
- Liquidity Risk – the risk the liquidity provider, letter of credit bank or standby bond purchase agreement provider, cannot repurchase VRDOs when remarketing fails,
- Rating Risk - the risk the liquidity provider's short or bond insurer's long term rating are lowered due to credit events of the borrower, bond insurer, liquidity provider or letter of credit bank resulting in higher interest costs for the borrower, and
- Credit or Liquidity Renewal Risk — the risk of the inability to obtain a suitable liquidity bank facility at an acceptable price to replace a facility upon termination or expiration of the contract period.

Series 2012 Loan Agreement

The City structured the Series 2012 Loan Agreement as a bank loan with a variable interest rate based on an index, such as the SIFMA Municipal Swap Index or a percentage of the London Interbank Offered Rate plus a bank spread. The City agreed to a "reset" of the interest rate to a variable or fixed interest rate by the bank after a period of time with the possibility of the bank "calling" or putting the loan back to the City at the end of the reset period.

With debt structured as a tax-exempt variable interest rate bank loan, the City experiences the following risks:

- Interest Rate Risk – the risk of rising interest rates
- Tax Risk – the risk interest rates will rise due to changes in the federal tax code impact the effect on taxes on lender
- Reset/Put Risk – the risk the lender "calls" the loan at the reset date or increases the interest rate paid by the City

By refunding the loan agreements into fixed interest rate bonds, the City eliminates the risks associated with VRDOs and variable interest rate bank loans. The proposed refunding reduces the amount of variable interest rate debt from \$51,166,500 to \$41,291,500 or 25% of the City's \$166,682,746 general obligation debt portfolio.

INFORMATION SERVICES MEMORANDUM
16-10

TO: Mark S. Watson
City Manager

FROM: Amy Fitzgerald, Ph.D.
Governmental Affairs & Information Services Director

DATE: December 2, 2016

SUBJECT: 2017 STATE LEGISLATIVE AGENDA

Introduction

An item for the December 12th City Council agenda is the approval of the *City of Oak Ridge 2017 State Legislative Agenda*. The resolution also authorizes transmittal to members of the Tennessee General Assembly as the official 2017 state legislative agenda for the City of Oak Ridge.

Background

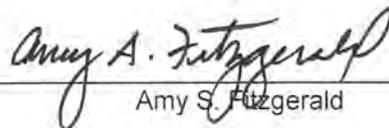
Each year the City develops a list of projects, policies, and priorities that are submitted to our representatives in the Tennessee General Assembly to assist them in advocating on behalf of the City of Oak Ridge.

The draft was developed with an emphasis on current City initiatives and a review of agendas of other local governments and key organizations.

While the agenda is intended to be comprehensive, issues may arise during the year that require further action. Once approved, the agenda will be printed and distributed to the appropriate officials.

Recommendation

Staff recommends approval 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.



Mark S. Watson

Mark S. Watson

Date

12-7-16

RESOLUTION

A RESOLUTION TO ADOPT THE *CITY OF OAK RIDGE, TENNESSEE 2017 STATE LEGISLATIVE AGENDA* TO INFORM STATE OFFICIALS OF KEY PROJECTS, POLICIES, AND PRIORITIES IN THE CITY OF OAK RIDGE, AND TO HELP SECURE FUNDING FOR AGREED UPON PRIORITIES OF THE COMMUNITY.

WHEREAS, the Oak Ridge City Council desires to develop a state legislative agenda as an instrument to inform state officials of key projects, policies, and priorities in the City of Oak Ridge, and to help secure funding for agreed upon priorities of the community; and

WHEREAS, the City Manager recommends the approval of the *City of Oak Ridge, Tennessee 2017 State Legislative Agenda* to inform state officials of key projects, policies, and priorities in the City of Oak Ridge, and to help secure funding for agreed upon priorities of the community; and

WHEREAS, while the *City of Oak Ridge, Tennessee 2017 State Legislative Agenda* is intended to be comprehensive, issues may arise during the course of the year that require further action.

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

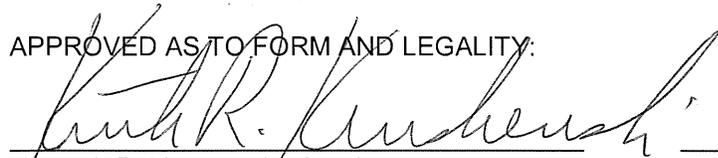
That the recommendation of the City Manager is approved and the attached *City of Oak Ridge, Tennessee 2017 State Legislative Agenda* is hereby adopted to inform state officials of key projects, policies, and priorities in the City of Oak Ridge, and to help secure funding for agreed upon priorities of the community.

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

BE IT FURTHER RESOLVED that the *City of Oak Ridge, Tennessee 2017 State Legislative Agenda* be transmitted to members of the Tennessee General Assembly as the official 2017 state legislative agenda for the City of Oak Ridge.

This the 12th day of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk



City of Oak Ridge, Tennessee

2017 State

Legislative Agenda

This document describes the 2017 State legislative and policy agenda adopted by the elected officials of the City of Oak Ridge. Described herein are key projects, policies, and priorities that the City urges the Tennessee General Assembly to support. Other issues may arise that require separate action by City Council.

2017 City of Oak Ridge, Tennessee
State Legislative Agenda

Legislative Priorities

Project/Issue	Responsible Agency/Organization	Issue/Action Needed
Hall Tax	General Assembly and Tennessee Department of Revenue	<p>Background: The Hall tax is a state tax that applies to individuals and other entities receiving interest from bonds and notes and dividends from stock. Enacted in 1929, this tax is called the Hall income tax for the senator who sponsored the legislation. Any person 65 years of age or older having a total annual income derived from any and all sources below specific limits is completely exempt from the tax. Public Chapter 1064, enacted in 2016, reduces the Hall income tax from six percent (6%) to five percent (5%) beginning with tax year 2016. The bill establishes the legislative intent that the tax be reduced through annual reductions of one percent (1%) made by enactments of general bills beginning with the first annual session of the 110th General Assembly. It eliminates the tax on January 1, 2022.</p> <p>Problem: Elimination of the tax (1) reduces revenue upon which Oak Ridge relies to help fund municipal services and K-12 education; and (2) places additional pressure on fixed-income local property taxpayers to make up the loss. Elimination of the tax all at one would be catastrophic to the City of Oak Ridge, as the community cannot absorb the loss of approximately \$700,000 in annual revenue. An estimated equivalent of \$55,000,000 in new sales at the current rate would be required to make up the difference. Action needed: Urge the General Assembly to honor the legislative commitment to phase out the tax over multiple years, and to</p>

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		commit to holding local governments harmless by offsetting the estimated loss in annual revenue until the tax is eliminated in 2022.
Implement State Sales and Use Tax Rules for Out of State Retailers and Dealers	Tennessee General Assembly and Department of Revenue	Background: Tennessee Department of Revenue Rule 1320-05-01-.129 sets out sales and use tax registration and collection requirements for out-of-state dealers who regularly and systematically solicit business in Tennessee and who made more than \$500,000 in sales in Tennessee during the previous twelve-month period. These dealers must register for sales and use tax by March 1, 2017, and begin to collect and remit tax by July 1, 2017, or a later date set by the Department. Problem: Many out-of-state retailers currently have a price advantage over those with a physical storefront due to not charging sales tax and by effectively using their in-state competitors as show rooms. Out-of-state sellers who send products into Tennessee without contributing to the maintenance of the State and local governments' infrastructure enjoy an advantage over those sellers who do contribute. Action needed: Urge the General Assembly to support implementation of Department of Revenue rules in order to place Tennessee retailers on a level playing field with out-of-state retailers.
Sales and Property Tax Related to Federal Missions in Oak Ridge	General Assembly and Tennessee Department of Revenue	Background: The City of Oak Ridge is unique among Tennessee cities in that approximately 60% of real property is owned by the Federal and State governments, and is thereby exempt from property tax. Problem: In order to provide municipal services, including education, the City relies on sales tax from goods and services purchased by federal contractors. While the construction of the Uranium Processing Facility in Oak Ridge is estimated at \$6.5 Billion in construction, many goods and services are expected to come from out of state. Action needed: Urge the General Assembly to oppose

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		<p>reductions in state shared taxes related to the federal government missions in Oak Ridge. Urge the Department of Revenue to work with the City in the coordination of taxable versus non-taxable sales tax collections on the UPF and other government-owned facilities. Analyze proposed changes to sales and use tax law in other states where DOE has a presence, such as New Mexico and South Carolina, for potential revenue losses to state and local governments.</p>
De-Annexation	General Assembly	<p>Background: In 2016, the General Assembly established a study committee to examine the process related to de-annexation from municipalities in Tennessee. Testimony received by the study committee suggests that few problems exist across the State with regard to City plans for services being fulfilled. Problem: De-annexation of property owners from municipalities would impact local bond ratings due to population loss and ability to pay for capital projects, particularly educational facilities and public infrastructure. Action needed: Urge to General Assembly to limit de-annexation to situations where City plans for services are NOT being fulfilled. Cities must be included in the de-annexation decision-making process, which should also have a mechanism to allow municipal “exit strategies” that protect “in town” residents. Members are urged to use municipal information and expertise during legislative review for actual impacts, particularly capital infrastructure.</p>
Education	General Assembly and Tennessee Department of Education	<p>Background: The Oak Ridge educational system is a key asset to the State of Tennessee and to the Oak Ridge community. The City and School administrations are collaborating to achieve greater efficiency and effectiveness in the delivery of municipal services and K-12 education, while funding sources are declining. Problems: (1) Continued reductions in state-shared taxes, including the Halls tax, and fluctuations in sales tax</p>

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		<p>collections, are placing enormous pressures on Oak Ridge property taxpayers to fund K-12 according to the current formula for school funding. In 2012, for example, the State reduced the sales tax rate on food from 5.5% to 5.25%, and reduced the rate further in 2013, from 5.25% to 5%. Thus, the City had to make up the difference because of the State’s maintenance of effort requirements, subjecting the City to unfunded, mandated expenses. (2) Another unfunded mandate would be a voucher program that does not cover the actual cost of per pupil expenditures in the Oak Ridge school system. (3) The Basic Education Program (BEP) formula is complex and does not accommodate needed flexibility for communities like Oak Ridge, whose student population, local workforce, and economy may experience significant fluctuations based on an economy dependent on federal government programs. (4) The existing local capacity measure does not adequately represent the significant per pupil expenditure invested by communities like Oak Ridge. Actions needed: Adjust maintenance of effort requirements to accommodate fluctuations in student populations. In conjunction with other Tennessee City-funded school systems, recognize and modify the existing local capacity model to recognize/reward communities that invest above the state average in education. Support public schools through a deliberative “local impact” analysis when considering any voucher programs. Support school board efforts to oppose election of school superintendents.</p>
<p>Adventure Tourism Legislation</p>	<p>General Assembly and Tennessee Department of Tourism Development</p>	<p>Background: The Tennessee Adventure Tourism and Rural Development Act of 2011 established a program that allows cities and counties to designate geographic areas within their jurisdiction as Adventure Tourism Districts. Qualified businesses that locate or expand within such a district may be eligible for special tax credits based on the number of</p>

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		<p>jobs created and amount of investment made. Oak Ridge’s application for an Adventure Tourism District was approved in 2014. An amendment to the law was enacted in 2016, authorizing tax credits for small businesses, and authorizing the Tennessee Department of Tourist Development to take over management of the program. Problem: The existing program requires that a new application be submitted every three years to maintain the adventure tourism designation. This requirement is burdensome, particularly for rural areas that the program was designed to benefit. Action needed: Urge the General Assembly to authorize a period of five-years for the Adventure Tourism designation. Urge the Department of Tourist Development to work with affected local communities in the promulgation of new and amended rules for the program.</p>
<p>Diesel Tax Allocations for Railway Improvements</p>	<p>General Assembly and Tennessee Department of Revenue</p>	<p>Background: Diesel Tax Allocations for Railway Improvements are currently being held in reserve pending the resolution of the Class I railroads’ challenges to the validity of the (former) sales tax on railroad diesel fuel. Therefore, no allocations have been made during the past several fiscal years. Problem: There is no revenue source to help make repairs to the short line rail infrastructure in Oak Ridge, potentially affecting needed infrastructure for the Reindustrialization of the East Tennessee Technology Park. Action needed: Urge the General Assembly and Department of Revenue to work with the City and the Oak Ridge Heritage Railroad Authority to quickly resolve this problem.</p>

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Projects, Positions, Activities

Project/Issue	Responsible Agency/Organization	Issue/Action Needed
Oak Ridge General Aviation Airport	Tennessee Department of Transportation (TDOT) Aeronautics Division	<p>Background: The Metropolitan Knoxville Airport Authority is completing preliminary planning for the development of a general aviation airport at the East Tennessee Technology Park in Oak Ridge. Benefits include: Enhanced aviation opportunity will support regional population growth, job creation, and economic and community development for “megaprojects” in Oak Ridge; increased access for business community and reduce congestion at general aviation airports in the region. Action needed: Continue support for the development of the East Tennessee Technology Park as one of East Tennessee’s premier industrial sites, including investments in a new general aviation airport and related infrastructure improvements.</p>
Manhattan Project National Historical Park	General Assembly, Tennessee Historical Commission, Tennessee Department of Tourist Development, and Tennessee Department of Transportation	<p>Background: Federal legislation to establish the Manhattan Project National Historical Park in Oak Ridge, TN, Los Alamos, NM, and Hanford, WA (three sites, one park concept) was passed by Congress in December 2014. The Park was established in November 2015. Benefits include: Historical preservation and interpretation by the National Park Service of one of most significant events in Tennessee and American history. The new park has the potential to significantly bolster the State’s heritage tourism sector. Action needed: Include funding for the Department of Tourism to promote the park; participate in the development of the management and interpretive plans for the national park. Install Interstate signage to direct visitors to the National Park.</p>

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<p>Oak Ridge Corridor Initiative</p>	<p>General Assembly and Tennessee Department of Economic and Community Development</p>	<p>Background: U.S. Senator Lamar Alexander has proposed designating the region from the McGhee Tyson airport to Oak Ridge as the “Oak Ridge Corridor.” Benefits include: Such a designation would give the area a signature and identity not unlike the Research Triangle or Silicon Valley to represent excellence in science, research, technology, and supercomputing. Action needed: Support the City’s <i>Oak Ridge Corridor Initiative</i>.</p>
<p>Uranium Processing Facility (UPF)</p>	<p>General Assembly and Tennessee Department of Economic and Community Development</p>	<p>Background: The National Nuclear Security Administration (NNSA) is designing a new Uranium Processing Facility (UPF) at the Y-12 site in Oak Ridge. The UPF is slated to be one of the largest construction projects in state history, with hundreds of suppliers needed to procure building materials, specialized machinery, and customized parts. The City of Oak Ridge is working with NNSA and state officials on local planning, infrastructure, and logistical issues, and also recruitment of suppliers and manufacturers to Oak Ridge. Benefits include: Supports future mission of the Y-12 National Security Complex, one of the state’s largest employers; provides significant risk reduction to workforce and community; provides major long-term economic development opportunity for the state, region, and community. Action needed: Urge the General Assembly to learn about the UPF project and its benefits, and to support incentives for private sector investment in areas such as workforce development, infrastructure programs, and brownfield reuse. Urge the Department of Economic and Community Development to continue to invest in and facilitate recruitment of industries and suppliers into Oak Ridge.</p>

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<p>Land Bank Program</p>	<p>General Assembly and Tennessee Housing Development Agency</p>	<p>Background: Legislation was approved by General Assembly in 2012 for a City of Oak Ridge pilot program, which was featured in a recent Tennessee Advisory Commission on Intergovernmental Relations report on blight. The City has developed guidelines for implementation, including obtaining 501 status for the Oak Ridge Land Back Corporation (ORLBC), and defining housing goals. The ORLBC is collaborating with other cities that are working on land bank issues. Benefits include: Allows a process to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging reuse or redevelopment of urban property. Such programs are used in several states as a progressive way for cities to reclaim unused, vacant, or undesirable land for potential housing opportunities or public use. Action needed: Urge the General Assembly to continue support for the Land Bank program and to fund programs within THDA and other agencies that reduce blight and enhance community revitalization. Examine tax and fiscal policies in other states that could enhance opportunities for private sector investment and redevelopment of brownfields and vacant, blighted properties for the benefit of Tennessee communities.</p>
<p>Edgemoor Road (SR 170) Improvements—Phase 1</p>	<p>Tennessee Department of Transportation (TDOT)</p>	<p>Background: With the cancellation of the Knoxville regional beltway project, congestion along this major thoroughfare continues to worsen with additional traffic load. TDOT Average Daily Traffic counts at the nexus of SR170, SR62, and SR162 are among the highest in the region. The project has been added as to the regional mobility plan. Benefits include: Phase 1 from Solway to the bridge would improve safety, mitigate congestion, improve access to major employment sectors, and enhance commercial development.</p>

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		Action needed: Urge TDOT to fully prioritize and integrate the project into the regional planning funding profile; continue to work on interpretation of cost sharing rules and rights-of-way inventory.
Recognize Local Decision Making Authority and Limited Financial Capacity	General Assembly	Action needed: Eliminate unfunded mandates and mandates that impose non-discretionary requirements on local governments.

TDEC Issues

Environmental Management Waste Management Facility Financial Assurance and Need for Additional Disposal Capacity	Tennessee Department of Environment and Conservation (TDEC)	Background: The U.S. Department of Energy, the U.S. Environmental Protection Agency (EPA) and TDEC signed a Record of Decision in 1999 to construct the Environmental Management Waste Management Facility (EMWMF) to dispose of materials related to the cleanup of the Oak Ridge Reservation, which is located in the City of Oak Ridge. Under a consent order between DOE and the State of TN, DOE is paying the State \$18 million to establish a permanent trust fund for long-term surveillance and maintenance of the EMWMF after closure. It is unclear where funds would come from should a breach or other emergency arise that exceeds existing funding levels. Discussions are underway between DOE, EPA, and TDEC regarding the need for a second waste disposal facility. Action needed: Payments into the trust fund should be maintained at \$1 million per year until the fund reaches an amount of at least \$50 million. Include the City in ongoing discussions regarding additional disposal capacity in the city limits, and support compensation to the community to help offset adverse impacts.
Financial Assurance for Hazardous Materials	Tennessee Department of Environment and Conservation (TDEC)	Background: Owners and operators of certain businesses, including solid and hazardous waste storage facilities and processors of radiological materials, are required by

UNAPPROVED WORKING DRAFT

		<p>Tennessee law to provide proof that they have sufficient funds to pay for accidental releases, compensation of third parties for any damage to human health or property, and long-term maintenance and monitoring of closed sites.</p> <p>Problem: Local governments are concerned that the current basis for posting financial assurance is inadequate to protect host communities and local governments if a private business closes and leaves an environment/public health hazard. Action needed: Modify the current financial assurance requirements so that: (1) financial assurance bonds are determined based on the risk associated with the licensed hazardous materials instead of square footage of the facility; (2) coverage for costs incurred by the host local governments is included and documented; and (3) financial assurance bonds are reviewed on a regular basis and adjusted for inflation.</p>
<p>Natural Resources Damages Assessment (NRDA)</p>	<p>Tennessee Department of Environment and Conservation (TDEC)</p>	<p>Background: The federal Superfund Law (CERCLA) requires State and Federal natural resource trustees to evaluate the monetary value of the environmental damages associated with contaminant releases from facilities at the Oak Ridge Reservation and to compensate “the public” for losses resulting from such injuries. Problem: The ORR lies within the jurisdictions of the City of Oak Ridge, Roane and Anderson Counties. These jurisdictions are significantly impacted, yet not included in the past or current trustee council or in pre-decisional discussions. As a result, major decisions have been, and continue to be made without representation by the affected local jurisdictions. Action needed: CERCLA does not specifically require the appointment of local government representatives; however inclusion is not prohibited. The state and other trustees must include the City of Oak Ridge, Roane, and Anderson counties in the NRDA decision-making process currently underway.</p>

UNAPPROVED WORKING DRAFT

<p>Oak Ridge Reservation Communities Alliance (ORRCA)</p>	<p>Tennessee Department of Environment and Conservation (TDEC)</p>	<p>Background: The City and area county governments adopted the Tennessee Oversight Interlocal Agreement and formed the Oak Ridge Reservation Communities Alliance (ORRCA) in 2012. The Interlocal Agreement was renewed in 2016. Benefits include: ORRCA facilitates involvement of the affected local governments and public in decisions about DOE environmental management. Action needed: Support implementation of the new five-year grant approved by TDEC in 2016. Continued cooperation and engagement to ensure local government involvement in federal and state cleanup decisions and emergency response planning.</p>
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CITY COUNCIL MEMORANDUM
16-35

DATE: December 6, 2016
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager *MSW*
SUBJECT: MEETING SCHEDULE FOR CALENDAR YEAR 2017

Introduction

An item for City Council's consideration is a resolution to generally establish monthly regular City Council meetings and monthly work sessions for calendar year 2017.

Review

In reviewing Article II, Section 1, of the City Charter, it states:

The Council shall hold regular meetings in Oak Ridge at least once monthly. Increased frequency, time of day, and place of its meetings shall be established by resolution.

Since 2013, the resolution establishing the meeting schedule has had built-in flexibility. The proposed resolution for the 2017 calendar year continues to provide flexibility to schedule meeting dates of City Council in correlation with City business. A sample calendar has been drafted outlining when the meeting dates/times will typically occur. The historical practice of scheduling the regular City Council meeting on the second Monday of each month has been continued; however, in order to accommodate the request from the Oak Ridge Board of Education, work session meetings have been continued on the third Tuesday of each month. This freely allows City Council and Board of Education attendance at each other's meetings on the fourth Monday. Additionally, it is proposed that regular meetings begin at 7:00 p.m. and work sessions begin at 6:00 p.m. Work sessions are targeted for a duration of two (2) hours.

As before, the resolution contains a provision allowing the City Manager to reschedule regular meetings upon ample notification to Council and the public in the event of a needed change. There are several advantages of allowing the rescheduling of regular meetings including the ability to conduct City business in time-sensitive cases, completing complex items/projects requiring close calendar coordination, allowing for presence of a quorum, and saving money on advertising costs on ads that merely note a date, time, or location change.

The resolution does not impact special meetings of Council. Per Article II, Section 2, of the City Charter, special meetings may be called upon the written request of the City Manager, the Mayor, or any two (2) Council members upon twenty-four (24) hours' written notice. Business transacted at special meetings is limited to the subject(s) specified in the meeting notice. In such instances, a request may be made through the City Clerk's Office.

Items for Future Consideration

In 2017 there are a few potential conflicts with the proposed calendar that may require adjustment as the meeting date approaches. The first is two conflicts with conferences that City Council may wish to attend — TML's Legislative Conference March 20-21, 2017 in Nashville, and TML's Annual Conference in Murfreesboro, June 10-13, 2017. Should attendance at these conferences affect the regular Council meeting or work session, the meetings can be rescheduled in accordance with the approved

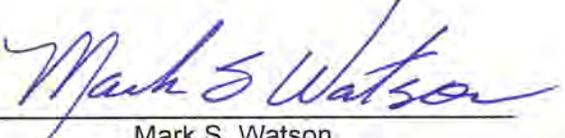
resolution. June will also be our budget adoption processes for FY 2018. Any work session items can be incorporated into that calendar. It is suggested that there be no work session in June and superseded with expected budget work sessions.

Another conflict is the work session in August, which falls on the day after a regular Council meeting, and November which falls during the week of the Thanksgiving holiday. If needed, the work session can also be changed to a different date by the City Manager without any formal action required. The August work session will be proposed for August 22, 2017 and the November work session for November 14, 2017.

The month of June includes two scheduled meetings for public hearings and first and second reading on the proposed budget. A special called meeting for the presentation of the budget would be scheduled at a later date after coordinating with the Board of Education. As proposed, Monday, June 5, 2017, would be the scheduled meeting for public hearing and first reading of the budget ordinance, and the agenda for Monday, June 12, 2017, would include a second public hearing and second reading of the budget ordinance.

Recommendation

Approval of the attached resolution is recommended.



Mark S. Watson

Attachments:
Calendar Year 2017 Proposed Meeting Schedule
Resolution

COUNCIL CALENDAR - 2017

January						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February						
S	M	T	W	T	F	S
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April						
S	M	T	W	T	F	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July						
S	M	T	W	T	F	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

OBSERVED HOLIDAYS

- January 2 New Year's Day (Observed)
- January 16 Martin Luther King Day
- February 20 President's Day
- April 14 Good Friday
- May 29 Memorial Day
- July 4 Independence Day
- September 4 Labor Day
- November 23 -24 Thanksgiving
- December 25 -26 Christmas

COUNCIL MEETINGS

- 7:00 p.m. Court Room - Municipal Building
Second Monday of Each Month
- June 5 & 12 Public Hearings, Budget Approval

COUNCIL WORK SESSIONS

- 6:00 p.m. Multipurpose Room - Central Services
Third Tuesday of Each Month

CONFERENCES

- March 11 -15 NLC - Congressional City Conference
Washington, DC
- March 20 -21 TML 2017 Legislative Conference
Doubletree, Nashville, TN
- June 10 -13 TML 2017 Annual Conference
Murfreesboro, TN

RESOLUTION

A RESOLUTION TO GENERALLY ESTABLISH MONTHLY REGULAR CITY COUNCIL MEETINGS AND MONTHLY WORK SESSION MEETINGS FOR CALENDAR YEAR 2017.

WHEREAS, Article II, Section 1, of the Charter of the City of Oak Ridge, Tennessee, provides that City Council shall hold regular meetings at least once monthly, and that increased frequency, time of day, and place of its meetings shall be established by resolution; and

WHEREAS, City Council meetings have traditionally been held on the second Monday of each month in the Municipal Building Courtroom and work session meetings are scheduled for the third Tuesday of each month in order to not conflict with Oak Ridge Board of Education (BOE) meetings; and

WHEREAS, the City Manager desires to not commit City Council to a rigid monthly meeting schedule, but to allow for some flexibility to address matters such as emergency situations and time sensitive business; and

WHEREAS, the City Manager has prepared and recommends adoption of a proposed schedule for Calendar Year 2017.

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 meetings of City Council are hereby established as follows: as required by Article II, Section 1, of the City Charter, City Council will hold a regular meeting once a month and these regular meetings will typically occur on the second Monday of each month in the Municipal Building Courtroom beginning at 7:00 p.m.

BE IT FURTHER RESOLVED that the City Manager may alter the date of a regular City Council meeting fourteen (14) days in advance of a proposed change to verify scheduling with City Council and coordination, if applicable, with the audio/visual crew.

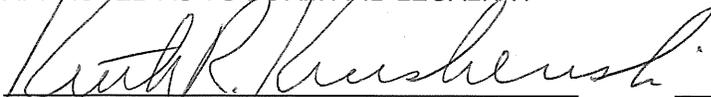
BE IT FURTHER RESOLVED that the City Manager may alter the time or location of a regular City Council meeting with forty-eight (48) hours' advance notice to City Council and the media due to special needs or an emergency situation.

BE IT FURTHER RESOLVED that the City Manager may schedule work sessions with City Council and other meetings at which no formal action can be taken by City at his discretion, with those meetings typically occurring on the third Tuesday of each month in the Central Services Complex Multipurpose Room at 6:00 p.m., provided however said meetings can be cancelled, altered, or rescheduled as needed without any formal action.

BE IT FURTHER RESOLVED that this resolution does not alter in any way the process for calling a special meeting of City Council per Article II, Section 2, of the City Charter.

This the 12th day of December 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk

PUBLIC HEARINGS
AND
FIRST READING OF
ORDINANCES

CITY COUNCIL MEMORANDUM
16-63

DATE: November 23, 2016
TO: Mark S. Watson, City Manager
FROM: Bruce M. Applegate, Interim Personnel Director / Assistant to the City Manager
SUBJECT: CITY CODE AMENDMENT – TAXICAB REGULATIONS

Introduction

An item for City Council's consideration is an ordinance to amend the City Code provisions pertaining to Taxicabs (City Code Title 9, Chapters 2-4) and their operation within the City limits.

Funding

No funding is necessary for this item.

Analysis

A recent review of the City Code provisions regarding the definition and operation of Taxicabs within the City revealed several areas for improvement and simplification. Meetings were held between the Police Department and Morgan Cab Company (the only taxi company currently operating in Oak Ridge) to go over current operating requirements and begin staff review of the current City Code.

Recommended changes from these meetings include the following:

1. Amendment to the heading of Title 9 from "BUSINESS, PEDDLERS, SOLICITORS, ETC.," to "BUSINESS, PEDDLERS, SOLICITORS, TAXICABS, ETC.,".
2. Changes to City Code § 9-201 to include:
 - a. Definition for ASE Certified Mechanic.
 - b. Redefining the term City Manager to indicate City Manager or duly authorized designee.
 - c. Updating of the term Taxicab to reflect changes made at the state level regarding "Transportation Network Companies" to address transportation by Uber drivers and similar operations which are excluded by statute from taxicab regulations.
3. Clarification of City Code § 9-205 covering City and Permittee responsibilities regarding mechanical inspections, and cleanliness evaluations.
4. Update of City Code § 9-212 regarding accident reporting to clearly define responsibilities of permittees when an accident resulting in death or injury to any person, resulting in damage to any vehicle, or result in damage to any property in an amount exceeding four hundred dollars(\$400.00).
5. Modification of City Code § 9-402.

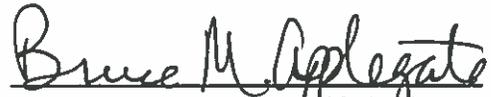
It is staff's intention to bring forth a resolution with second reading of the ordinance to increase the base fare per mile charge to mirror the rate charged in comparable neighboring communities. The fare increase

will mitigate some of the costs associated with recommended amendments and was requested by Morgan Cab Company.

Recommendation

Approval of the proposed ordinance is recommended.

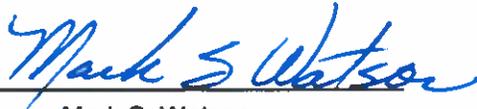
Attachments: Bold-Strikethrough
Proposed Ordinance


Bruce M. Applegate

Interim Personnel Director/Assistant to the City Manager

City Manager's Comments:

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



Mark S. Watson



Date

BOLD-STRIKETHROUGH OF CHANGES

TITLE 9 BUSINESS, PEDDLERS, SOLICITORS, TAXICABS, ETC.

Section 9-201. Defined **Definitions**.

- (a) **ASE-Certified Mechanic.** ASE-Certified Mechanic means a mechanic certified by the National Institute for Automotive Service Excellence.
- (b) **City Manager.** City Manager means the City Manager or the City Manager's duly authorized designee.
- (c) **Taxicab.** Taxicab means ~~The term "taxicab," as used in chapters 2, 3, and 4 of this title, shall mean any motor vehicle used for the purpose of transporting persons within the city, for hire, and not operating upon an established route or between fixed termini. Taxicab does not include vehicles engaged exclusively in sight-seeing operations or used for weddings, funerals, or similar operations.~~ **Further, taxicab does not include vehicles operated or controlled by transportation network companies as that termed in defined in Tennessee Code Annotated §55-12-141.**

Section 9-205. Maintenance, **Signage**, and Inspection.

- (a) **Maintenance.** All taxicabs operated within the City shall be safely conditioned for the transportation of passengers, and shall be kept in a clean and sanitary condition in interior and exterior. **All taxicabs shall be receive annual maintenance by an ASE-Certified Mechanic. Documentation of this annual evaluation shall be submitted to the City Manager and kept on file in the City Clerk's Office. It shall be unlawful for any person to operate a taxicab in the city limits unless such taxicab is equipped in accordance with the requirements of the state motor vehicle law.**
- (b) **Signage.** All taxicabs shall have conspicuously posted inside the cab a sign reading as follows:

City ordinance requires that the interior and exterior of this cab be kept clean. If you think the cleanliness of this cab needs improvement, please mention this to the cab driver or call the Police Department (865-425-4399) and give the number of the cab.
- (c) **Inspection.** The City Manager shall cause to be made periodic inspection of such vehicles to determine their fitness for public use. It shall be grounds for the revocation of any taxicab permit for the holder thereof to fail to comply with this section.

Section 9-212. Accident Reports.

~~Any accident in which any person is injured, in which a taxicab is involved, shall be reported within three (3) hours thereof by the driver of such taxicab to the police department. Such report shall give the cause, if known, and nature of the accident and the names of any known witnesses. In the event the operator is unable to make the report within the above specified time, he or she shall make it as soon as he or she is able to do so.~~

All accidents arising from or in connection with the operation of taxicabs which result in death or injury to any person, result in damage to any vehicle, or result in damage to any property in an amount exceeding four hundred dollars (\$400.00) shall be reported within seventy-two (72) hours

from the time of the occurrence to the City Manager on a form to be furnished by the City Manager. Any taxicab damaged in an accident may not be returned to serve until a safety inspection has been completed by an ASE-Certified Mechanic.

A taxicab driver operating a taxicab at the time of an accident involving bodily injury or death is required to report for a drug screen within twenty-four hours from the time of occurrence at a testing site designated by the City Manager. Failure to report for such a screen may result in revocation of the taxicab driver's license.

A taxicab damaged in an accident, but still operable without placing the driver or passengers at risk, must be repaired within two (2) weeks of the accident or removed from operation until repaired.

Section 9-402. Application.

Application for a taxicab driver's license shall be on a form provided by the City Manager. Such application shall give the applicant's full name; present address; place of residence for three (3) years next preceding; age; height; color of eyes and hair; places of previous employment; ~~whether married or single; whether he or she has ever been convicted of a felony or misdemeanor; Tennessee Chauffeur's license number~~ **Tennessee driver's license number with the appropriate state-required endorsement for drivers of vehicles for hire**; whether previously licensed as a driver or chauffeur, and if so, whether his or her license has ever been suspended or revoked. Such application shall be signed and sworn to by the applicant, **submitted to the City Manager**, and ~~filed, as part of his or her records, by the city clerk~~ then kept by the City Clerk as part of the applicant's file. The application provided for herein shall have attached thereto, on a form provided by the City Manager, affidavits of the applicant's good character from two (2) reputable persons who have known him or her personally during the three (3) years next preceding the date of the application.

NOTE: The new language for City Code §9-212 is similar to an ordinance in Chattanooga.

TITLE

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

WHEREAS, Title 9 of the City Code contains three chapters (Chapters 2, 3, and 4) devoted to taxicab regulations; and

WHEREAS, the taxicab regulations are in need of updating to address definitions, maintenance, accident reports, and the application process as well as to address recent state law changes pertaining to transportation network companies (ex. Uber) which are excluded by statute from taxicab regulations; and

WHEREAS, the City desires to replace the title of Title 9 from "Business, Peddlers, Solicitors, Etc." to "Business, Peddlers, Solicitors, Taxicabs, Etc." to more accurately reflect the contents of this title.

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

Section 1. The Code of Ordinances, City of Oak Ridge, Tennessee, is hereby amended by deleting the title of Title 9, titled "Business, Peddlers, Solicitors, Etc.," in its entirety and substituting therefore a new title for Title 9, titled "Business, Peddlers, Solicitors, Taxicabs, Etc."

Section 2. Title 9, titled "Business, Peddlers, Solicitors, Taxicabs, Etc.," Chapter 2, titled "Taxicabs – In General," of the Code of Ordinances, City of Oak Ridge, Tennessee, is hereby amended by deleting Section 9-201, titled "Defined," in its entirety and substituting therefore a new Section 9-201, titled "Definitions," which new section shall read as follows:

Section 9-201. Definitions.

- (a) ASE-Certified Mechanic. ASE-Certified Mechanic means a mechanic certified by the National Institute for Automotive Service Excellence.
- (b) City Manager. City Manager means the City Manager or the City Manager's duly authorized designee.
- (c) Taxicab. Taxicab means any motor vehicle used for the purpose of transporting persons within the city for hire and not operating upon an established route or between fixed termini. Taxicab does not include vehicles engaged exclusively in sight-seeing operations or used for weddings, funerals, or similar operations. Further, taxicab does not include vehicles operated or controlled by transportation network companies as that termed in defined in Tennessee Code Annotated §55-12-141.

Section 3. Title 9, titled "Business, Peddlers, Solicitors, Taxicabs, Etc.," Chapter 2, titled "Taxicabs – In General," of the Code of Ordinances, City of Oak Ridge, Tennessee, is hereby amended by deleting Section 9-205, titled "Maintenance and Inspection," in its entirety and substituting therefore a new Section 9-205, titled "Maintenance, Signage, and Inspection," which new section shall read as follows:

Section 9-205. Maintenance, Signage, and Inspection.

- (a) Maintenance. All taxicabs operated within the City shall be safely conditioned for the transportation of passengers and shall be kept in a clean and sanitary condition in interior and exterior. All taxicabs shall be receive annual maintenance by an ASE-Certified Mechanic. Documentation of this annual evaluation shall be submitted to the City Manager and kept on file in the City Clerk's Office. It shall be unlawful for any person to operate a taxicab in the city limits unless such taxicab is equipped in accordance with the requirements of the state motor vehicle law.
- (b) Signage. All taxicabs shall have conspicuously posted inside the cab a sign reading as follows:
- City ordinance requires that the interior and exterior of this cab be kept clean. If you think the cleanliness of this cab needs improvement, please mention this to the cab driver or call the Police Department (865-425-4399) and give the number of the cab.
- (c) Inspection. The City Manager shall cause to be made periodic inspection of such vehicles to determine their fitness for public use. It shall be grounds for the revocation of any taxicab permit for the holder thereof to fail to comply with this section.

Section 4. Title 9, titled "Business, Peddlers, Solicitors, Taxicabs, Etc.," Chapter 2, titled "Taxicabs – In General," of the Code of Ordinances, City of Oak Ridge, Tennessee, is hereby amended by deleting Section 9-212, titled "Accident Reports," in its entirety and substituting therefore a new Section 9-212, titled "Accident Reports," which new section shall read as follows:

Section 9-212. Accident Reports.

All accidents arising from or in connection with the operation of taxicabs which result in death or injury to any person, result in damage to any vehicle, or result in damage to any property in an amount exceeding four hundred dollars (\$400.00) shall be reported within seventy-two (72) hours from the time of the occurrence to the City Manager on a form to be furnished by the City Manager. Any taxicab damaged in an accident may not be returned to serve until a safety inspection has been completed by an ASE-Certified Mechanic.

A taxicab driver operating a taxicab at the time of an accident involving bodily injury or death is required to report for a drug screen within twenty-four hours from the time of occurrence at a testing site designated by the City Manager. Failure to report for such a screen may result in revocation of the taxicab driver's license.

A taxicab damaged in an accident, but still operable without placing the driver or passengers at risk, must be repaired within two (2) weeks of the accident or removed from operation until repaired.

Section 5. Title 9, titled "Business, Peddlers, Solicitors, Taxicabs, Etc.," Chapter 4, titled "Taxicabs – Driver's License," of the Code of Ordinances, City of Oak Ridge, Tennessee, is hereby amended by deleting Section 9-402, titled "Application," in its entirety and substituting therefore a new Section 9-402, titled "Application," which new section shall read as follows:

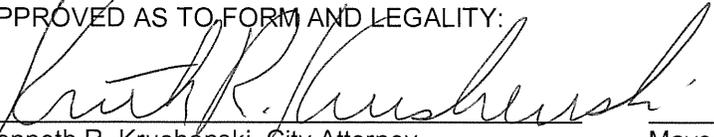
Section 9-402. Application.

Application for a taxicab driver's license shall be on a form provided by the City Manager. Such application shall give the applicant's full name; present address; place of residence for three (3) years next preceding; age; height; color of eyes and hair; places of previous employment; whether he or she has ever been convicted of a felony or misdemeanor; Tennessee driver's license number with the appropriate state-required endorsement for drivers of vehicles for hire;

whether previously licensed as a driver or chauffeur, and if so, whether his or her license has ever been suspended or revoked. Such application shall be signed and sworn to by the applicant, submitted to the City Manager, and then kept by the City Clerk as part of the applicant's file. The application provided for herein shall have attached thereto, on a form provided by the City Manager, affidavits of the applicant's good character from two (2) reputable persons who have known him or her personally during the three (3) years next preceding the date of the application.

Section 6. 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

Mayor

Mary Beth Hickman, City Clerk

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

**FINAL ADOPTION
OF
ORDINANCES**

COMMUNITY DEVELOPMENT DEPARTMENT MEMORANDUM
16-43

DATE: November 7, 2016
TO: Mark S. Watson, City Manager
FROM: Matthew Widner, Staff Liaison, Oak Ridge Land Bank Board of Directors
THROUGH: Kathryn Baldwin, Community Development Director 
SUBJECT: AMENDMENT TO CITY CODE CHAPTER 6 SECTION 13-604(C)

Introduction

An item for City Council's consideration is a request for amendment to City Code Chapter 6, Section 13-604 (c) to adjust the current terms of office for the directors of the Land Bank to stagger their terms evenly every two years.

Funding

No funding required.

Background/Analysis/Review/Consideration

This year, with the current ordinance as written, the Oak Ridge Land Bank, Inc. will have a total of four directors (a majority) up for renewal and/or replacement. These include one director from the City Council and three directors that are non-City Council members. The Board would be better served if the six non-City Council directors were on three year terms rotating (staggering) so that no more than two directors would be up for re-appointment each year. Adoption of the proposed ordinance amendment would accommodate this need starting January, 2017.

Recommendation

Approve ordinance amendment request as presented.

Attachments:

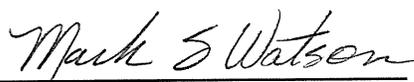
Letter from Charlie Jernigan, Land Bank Board Chair
Bold Strike-Through
Ordinance



Matthew Widner

City Manager's Comments:

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



Mark S. Watson



Date



August 29, 2016

Subject: ORLB Board of Directors Terms of Office

Charlie Jernigan
Chair, Oak Ridge Land Bank, Inc.

Mark Watson
City Manager, City of Oak Ridge, TN

Mark,

I would like to have this matter considered in the upcoming City Council regular meeting so that we can have the second vote, if approved, in time to select ORLB Board Members in January. As I discussed in the last work session, we have 6 board seats selected from Oak Ridge citizens at large and a seventh occupied by a selected City Council member. The 6 citizens serve 2 year terms. This year we have 4 of the 6 (a majority) up for renewal/replacement. This board would be better served if these 6 members had 3 year terms and the rotation was that each year only 2 would be renewable.

Here is a draft of part of this concept:

Section 13-604. Board of Directors.

(a) Number and Qualifications of Directors. *The Oak Ridge Land Bank Corporation's Board of Directors shall consist of seven (7) directors, one of which shall be a member of City Council. All directors shall be electors and taxpayers in the City of Oak Ridge. Preference may be given for persons in the following fields: banking, real estate, and legal. [Tennessee Code Annotated §13-30-105]*

(b) Appointment of Directors. *Directors shall be appointed by City Council using the election process for boards and commissions.*

(c) Terms of Directors. *The City Council member shall serve until expiration of his or her current term of office on City Council **at which point City Council will appoint a Councilmember to fill this vacancy.** Of the remaining directors first appointed, three (3) directors shall serve through December 31, 2014, and three (3) directors shall serve through December 31, 2015, and thereafter the term of office shall be two (2) years commencing January 1. **Effective with the appointments commencing January 1, 2017 and thereafter, the non-City Council directors shall serve three (3) years terms.** In case of resignation, death, or removal from office,*



another appointment will be made to finish out the unexpired term of office. Directors shall continue to serve beyond the end of the director's term until the director's successor has been appointed. [Tennessee Code Annotated §13-30-105]

The change from this draft that I would like to see involves the process for January, 2017. This would be the transition year where 2 of the 4 would get a two year term and the other 2 get the first 3 year term. This would allow 2 terms ending January, 2018, 2 in January, 2019, and the final two in 2020.

Thank you for your ongoing support of the Oak Ridge Land Bank, Inc.,

A handwritten signature in black ink that reads "Charlie Jernigan". The signature is written in a cursive style with a large, prominent "C" and "J".

Charlie Jernigan
118 Claymore Ln
Oak Ridge, TN

(865) 481-3388

Cc: Ken Krushenski

BOLD-STRIKETHROUGH

Section 13-604. Board of Directors.

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- (b) Appointment of Directors. Directors shall be appointed by City Council using the election process for boards and commissions.
- (c) Terms of Directors. The City Council member shall serve until expiration of his or her current term of office on City Council **at which point City Council will appoint a Councilmember to fill this vacancy.** Of the remaining directors first appointed, three (3) directors shall serve through December 31, 2014, and three (3) directors shall serve through December 31, 2015, and thereafter the term of office shall be two (2) years commencing January 1. **Effective with the appointments commencing January 2017, one (1) director (non-City Council member) shall be appointed to serve a three (3) year term. Effective with the appointments commencing January 2018 two (2) directors (non-City Council member) shall be appointed to serve three (3) year terms. Effective with the appointments commencing January 2019 and thereafter all directors (non-City Council member) shall serve three (3) years terms.** In case of resignation, death, or removal from office, another appointment will be made to finish out the unexpired term of office. Directors shall continue to serve beyond the end of the director's term until the director's successor has been appointed. [Tennessee Code Annotated §13-30-105]

TITLE

AN ORDINANCE TO AMEND TITLE 13, TITLED "PROPERTY MAINTENANCE REGULATIONS," CHAPTER 6, TITLED "OAK RIDGE LAND BANK CORPORATION," OF THE CODE OF ORDINANCES, CITY OF OAK RIDGE, TENNESSEE, BY AMENDING SECTION 13-604, TITLED "BOARD OF DIRECTORS," SUBSECTION (C), TO GRADUALLY CHANGE THE TERM OF OFFICE FOR DIRECTORS FROM TWO YEARS TO THREE YEARS.

WHEREAS, Title 13, Chapter 6, of the City Code created a land bank corporation to provide a tool to support economic revitalization through returning vacant, abandoned, and tax-delinquent properties to productive use; and

WHEREAS, the land bank corporation was created in accordance with Tennessee Code Annotated §13-30-101 et seq.; and

WHEREAS, with the exception of the City Council member who serves until expiration of his or her current term of office on City Council, all other directors of the land bank currently serve two year terms; and

WHEREAS, the land bank has requested that all future appointments serve three year terms, with the exception of the City Council member appointment which shall remain concurrent with his or her term of office on City Council; and

WHEREAS, in order to keep the corporation on staggered terms, the new term length will be implemented gradually.

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

Section 1. Title 13, titled "Property Maintenance Regulations," Chapter 6, titled "Oak Ridge Land Bank Corporation," Section 13-604, titled "Board of Directors," of the Code of Ordinances, City of Oak Ridge, Tennessee, is hereby amended by deleting Subsection (c), titled "Terms of Directors," in its entirety and substituting therefor a new Subsection (c), titled "Terms of Directors," which new subsection shall read as follows:

Section 13-604. Board of Directors.

- (c) Terms of Directors. The City Council member shall serve until expiration of his or her current term of office on City Council at which point City Council will appoint a Councilmember to fill this vacancy. Of the remaining directors first appointed, three (3) directors shall serve through December 31, 2014, and three (3) directors shall serve through December 31, 2015, and thereafter the term of office shall be two (2) years commencing January 1. Effective with the appointments commencing January 2017, one (1) director (non-City Council member) shall be appointed to serve a three (3) year term. Effective with the appointments commencing January 2018 two (2) directors (non-City Council member) shall be appointed to serve three (3) year terms. Effective with the appointments commencing January 2019 and thereafter all directors (non-City Council member) shall serve three (3) years terms. In case of resignation, death, or removal from office, another appointment will be made to finish out the unexpired term of office. Directors shall continue to serve beyond the end of the director's term until the director's successor has been appointed. [Tennessee Code Annotated §13-30-105]

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

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Mary Beth Hickman, City Clerk

First Reading: 11/14/2016

Publication Date: 11/17/2016

Second Reading: _____

Publication Date: _____

Effective Date: _____