

OAK RIDGE CITY COUNCIL SPECIAL MEETING

Municipal Building Courtroom

June 4, 2007 – 6:00 p.m.

AGENDA

1. **PLEDGE OF ALLEGIANCE**

2. **ROLL CALL**

3. **RESOLUTION**

A resolution amending the Employment Agreement between the City of Oak Ridge and James R. O'Connor as City Manager to increase the annual base salary of the City Manager to \$128,065.60, effective March 11, 2007, and to extend his term of office by two years, to March 15, 2012.

4. **ADJOURNMENT**

MEMORANDUM

DATE: May 15, 2007

TO: Fellow Members of City Council

FROM: City Manager Evaluation Committee
Mayor David R. Bradshaw
Councilman Willie Golden, Jr.
Councilwoman Louise B. Dunlap

SUBJECT: REPORT AND RECOMMENDATION

The City Manager Evaluation Committee met on May 15, 2007 to review the Summary of the FY 2007 City Manager Evaluation Questionnaires prepared by the City Clerk and to develop its recommendations regarding an increase in the City Manager's base salary and extension of his employment agreement. All committee members were present as were the City Manager and City Clerk.

Based on the overall rating of the City Manager as indicated on the attached Evaluation Summary, the Committee recommends (1) that Mr. O'Connor be awarded a 3.8% salary increase, resulting in an annual base salary of \$128,065.60, retroactive to March 11, 2007, and (2) that his term of office be extended by two years, until March 15, 2012. Also, as in previous years, the Committee recommends that individual members of City Council make an appointment with the City Manager to provide their comments on his performance during FY 2007 and their expectations for his performance in coming years.

Attached is a resolution that will accomplish the recommended amendments to the City Manager's Employment Agreement to increase his base salary and extend his term of office. Also attached is the City Manager's Employment Agreement and his report on his FY 2007 objective goals. Under the terms of the Employment Agreement, the successor City Manager Evaluation Committee (scheduled for appointment on June 18, 2007) shall meet with the City Manager to establish performance criteria and goals and objectives which shall provide the basis for his evaluation for the following fiscal year (FY 2008).

The FY 2007 City Manager Evaluation Committee unanimously recommends the adoption of the attached resolution. With its adoption, this committee will have completed its work.



David R. Bradshaw

Attachments

CITY COUNCIL'S CITY MANAGER EVALUATION SUMMARY, FY 2007

GROUP A, LEADERSHIP/PERSONAL INITIATIVE		City Council Individual Ranking										Div.	Average	General Comments	
		LA	TB	DB	LD	WG	JM	DM	DM	DM	DM				
Descriptive Statements		1	2	4	5	4	4	4	4	4	4	4	7	0.00	See SUMMARY OF COMMENTS on the following pages.
1	Sets and enforces high, yet attainable work standards	2	4	4	5	4	4	4	4	4	4	4	7	3.86	
2	Motivates self and others to maximum performance	2	4	4	5	4	4	4	4	4	4	4	7	4.14	
3	Work efforts lead toward successful accomplishment of goals	3	4	4	5	4	4	5	5	5	5	7	7	4.57	
4	Demonstrates drive and initiative in achieving organizational goals and objectives	4	5	4	5	5	5	5	5	5	5	7	7	4.86	
5	Demonstrates the ability to perform tasks energetically and puts forth extra effort in task completion	5	4	4	5	5	5	5	5	5	5	7	7	4.71	
6	Responds and adjusts quickly to extra demands on time	6	5	5	5	4	4	4	4	5	5	7	7	4.71	
7	Achieves respect from others while maintaining credibility as an individual	7	4	5	4	4	4	4	4	5	4	7	7	4.29	
8	Is able to identify, assimilate, and comprehend the critical elements of a situation	8	5	4	5	4	4	4	4	4	4	7	7	4.29	
9	Has the ability to conceptualize the needs of the city	9	4	4	5	4	4	5	5	5	4	7	7	4.43	
10	Has complete personal and professional integrity	10	5	5	5	4	4	5	4	4	4	7	7	4.57	
11	Is politically astute while remaining completely impartial and non-political	11	2	4	4	4	4	4	4	4	4	7	7	3.71	
12	Ensures that reports to the Council include all the information on a given issue, not just the information that leads to a certain conclusion	12	2	3	4	5	4	4	4	4	4	7	7	3.71	
13	Provides innovative ideas to aid in the restoration of aging infrastructure	13	3	4	4	4	4	4	4	5	4	7	7	4.00	
14	Is comfortable in brokering the agreements that build the vision of what the city wants to become	14	5	4	5	4	4	4	5	5	5	7	7	4.57	
15	Implements policy as set by Council	15	5	4	5	5	4	4	5	5	5	7	7	4.71	
16	Successfully interprets direction and intent of City Council and establishes operational goals based upon that direction	16	4	4	5	5	4	4	5	5	5	7	7	4.57	
17	Exercises appropriate flexibility of ideas in dealing with new issues	17	4	5	5	4	4	4	4	5	4	7	7	4.43	
Additional Comments: See SUMMARY OF COMMENTS.															
GROUP A, LEADERSHIP/PERSONAL INITIATIVE AVERAGE:															
4.36															
1 - Unsatisfactory, 2 - Marginal, 3 - Satisfactory, 4 - Good, 5 - Excellent, 0 - No Observation															

**City Council's City Manager Evaluation, FY 2007
SUMMARY OF COMMENTS**

GENERAL COMMENTS

Group A, Leadership/Personal Initiative

<u>Question Number</u>	<u>Council Member</u>	<u>Comments</u>
1	Abbatiello	Fails to establish updated functional procedures. Many repetitive or routine "City" operations could be done more efficiently if they were computer based. No effort is being done to accomplish such.
6	Bradshaw	I have found Mr. O'Connor to always be available for and responsive to requests.
11	Abbatiello	The Oak Ridge sensitivity to using public funds on private/semi-government projects.
12	Abbatiello	Partial information continues to be provided in some cases.
15	Abbatiello Bradshaw	Tries within his limits. Mr. O'Connor excels in this area.

ADDITIONAL COMMENTS

Councilwoman Dunlap	Jim has been very active and visible within the community – a position that is appreciated by the populace.
Councilwoman Miller	Jim has demonstrated leadership to help City Council get their job done while also being flexible when we decide to go another direction.

CITY COUNCIL'S CITY MANAGER EVALUATION SUMMARY, FY 2007

GROUP B, FISCAL MANAGEMENT/BUDGETING													
	<i>Descriptive Statements</i>	City Council Individual Ranking										Average	General Comments
		LA	TB	DB	LD	WG	JM	DM	Div.				
1	Presents a realistic and responsible budget	4	5	5	4	4	5	5	7			0.00	See SUMMARY OF COMMENTS on the following pages.
2	Controls expenditures within set budget levels	5	4	5	4	4	5	5	7			4.57	
3	Develops, seeks, and implements creative strategies for novel funding sources	4	5	4	4	4	5	5	7			4.57	
4	Takes action to consistently provide high service levels efficiently and effectively	4	4	5	4	4	5	5	7			4.43	
5	Achieves budget objectives	4	4	5	4	5	5	5	7			4.57	
6	Communicates budget status to City Council	5	4	4	4	5	5	4	7			4.43	
7	Prepares understandable budget documentation	4	4	4	4	4	5	5	7			4.29	
8	Is innovative with a lean budget	4	4	5	4	5	5	4	7			4.43	
9	Clearly states funding and service alternatives	5	4	4	4	4	5	4	7			4.29	
Additional Comments: See SUMMARY OF COMMENTS.													
GROUP B, FISCAL MANAGEMENT/BUDGETING AVERAGE:													
												4.44	
1 - Unsatisfactory, 2 - Marginal, 3 - Satisfactory, 4 - Good, 5 - Excellent, 0 - No Observation													

City Council's City Manager Evaluation, FY 2007

SUMMARY OF COMMENTS

GENERAL COMMENTS

Group B, Fiscal Management/Budgeting

<u>Question Number</u>	<u>Council Member</u>	<u>Comments</u>
1	Abbatiello Golden	Meets Council goals, even when it hurts. Stays within Council guidelines.
3	Abbatiello	Not much practical flexibility.
9	Abbatiello	Yes!

ADDITIONAL COMMENTS

Councilwoman Dunlap The City has done a remarkable job of staying within the budget guidelines provided by Council.
Councilwoman Miller Very thorough in his budget objectives.

CITY COUNCIL'S CITY MANAGER EVALUATION SUMMARY, FY 2007

GROUP C, ADMINISTRATIVE AND MANAGEMENT ACTIVITIES												
City Council Individual Ranking	City Council Individual Ranking										Average	
	LA	TB	DB	LD	WG	JM	DM	Div.				
	Descriptive Statements											
1	4	4	4	4	4	5	4	7	0.00	General Comments		
2	4	4	4	5	4	5	0	6	4.14	See SUMMARY OF COMMENTS on the following pages.		
3	3	4	4	4	4	5	4	7	4.50			
4	3	4	4	5	4	5	4	7	4.00			
5	4	4	4	5	4	5	4	7	4.14			
6	3	4	5	5	4	5	4	7	4.29			
7	4	4	4	4	4	5	0	6	4.17			
8	5	4	4	4	4	5	4	7	4.29			
9	3	4	4	5	4	5	0	6	4.17			
10	3	4	5	5	5	5	4	7	4.43			
11	3	4	4	4	4	5	5	7	4.14			
12	5	4	5	4	4	4	5	7	4.43			
13	3	5	5	5	4	4	5	7	4.43			
14	4	4	4	5	4	5	4	7	4.29			
15	3	4	4	4	4	4	4	7	3.86			
16	4	0	5	4	4	5	4	6	4.33			
Additional Comments: See SUMMARY OF COMMENTS												
GROUP C, ADMINISTRATIVE AND MANAGEMENT ACTIVITIES AVERAGE: 4.24												
1 - Unsatisfactory, 2 - Marginal, 3 - Satisfactory, 4 - Good, 5 - Excellent, 0 - No Observation												

City Council's City Manager Evaluation, FY 2007

SUMMARY OF COMMENTS

GENERAL COMMENTS

Group C, Administrative and Management Activities

<u>Question Number</u>	<u>Council Member</u>	<u>Comments</u>
4	Bradshaw	Mr. O'Connor is able to provide direction on several complex projects simultaneously.
8	Abbatiello	Works very hard to get public consensus.
10	Bradshaw	Mr. O'Connor excels in this area.
13	Abbatiello Bradshaw	Some official written requests do not get written answers. Mr. O'Connor moves quickly to resolve each issue.
16	Bradshaw	All city staff perform well in this area.

ADDITIONAL COMMENTS

Councilwoman Miller

Jim is highly respected, responsive, keeps up to date and encourages others – builds consensus. A great leader.

City Council's City Manager Evaluation, FY 2007

SUMMARY OF COMMENTS

GENERAL COMMENTS

Group D, Community Relations

<u>Question Number</u>	<u>Council Member</u>	<u>Comments</u>
3	Bradshaw	Mr. O'Connor attends many, many public meetings/events and is always open to discussions at these times.
6	Bradshaw	Mr. O'Connor must continue to cultivate a strong relationship with local DOE leadership.
7	Bradshaw	Mr. O'Connor excels in this area.

ADDITIONAL COMMENTS

Councilwoman Dunlap	As stated above, Jim is active, open to comments and suggestions, and seeks to get the opinions of the community.
Councilwoman Miller	Very respected, integrated and well-liked in the community. Very involved. Commended for not being inward focused yet still able to take care of business.

CITY COUNCIL'S CITY MANAGER EVALUATION SUMMARY, FY 2007

GROUP E, GENERAL PERSONNEL MANAGEMENT AND SUPERVISION													
Descriptive Statements	City Council Individual Ranking										Div.	Average	General Comments
	LA	TB	DB	LD	WG	JM	DM						
1	3	0	5	4	4	4	3	6				0.00	
2	4	4	4	4	4	4	3	7				3.83	
3	3	0	4	4	4	4	0	5				3.86	
4	3	4	4	4	4	4	3	7				3.80	
5	2	0	4	4	4	4	4	5				3.71	
6	3	0	4	4	4	4	3	6				3.83	
7	2	4	4	4	4	4	3	7				3.67	
8	3	0	5	4	4	4	0	5				3.57	
9	2	0	4	4	4	4	4	6				4.00	
10	5	4	4	4	4	4	4	5				3.67	
Additional Comments: See SUMMARY OF COMMENTS.													
GROUP E, GENERAL PERSONNEL MANAGEMENT AND SUPERVISION AVERAGE:												3.82	
1 - Unsatisfactory, 2 - Marginal, 3 - Satisfactory, 4 - Good, 5 - Excellent, 0 - No Observation													

City Council's City Manager Evaluation, FY 2007

SUMMARY OF COMMENTS

GENERAL COMMENTS

Group E, General Personnel Management and Supervision

<u>Question Number</u>	<u>Council Member</u>	<u>Comments</u>
5	Abbateiello	Does not adequately review opinion, letters, or some documents.
7	Abbateiello	Verbally very good, but written opinions and summaries are many times missing.
9	Abbateiello	Not as high as they should be on non-routine items. Fails to have staff review his own reports.
10	Abbateiello	Yes!

ADDITIONAL COMMENTS

Councilwoman Miller

I do not have an opportunity to observe Jim on day to day operations but understand from his subordinates that he is very even handed and respectful. Jim has done a great job and he makes it so much easier to be a Council member because of his knowledge and experience and positive attitude.

CITY COUNCIL'S CITY MANAGER EVALUATION SUMMARY, FY 2007

COUNCIL SURVEY SUMMARY												
LEADERSHIP/PERSONAL INITIATIVE												4.36
FISCAL MANAGEMENT/BUDGETING												4.44
ADMINISTRATIVE AND MANAGEMENT ACTIVITIES												4.24
COMMUNITY RELATIONS												4.61
GENERAL PERSONNEL MANAGEMENT AND SUPERVISION												3.82
CITY COUNCIL EVALUATION AVERAGE:												4.30
STRATEGIC PLAN OBJECTIVES												
	City Council Individual Ranking											
	LA	TB	DB	LD	WG	JM	DM					
COMPETITIVE PROPERTY TAX RATE GOAL	1	3	5	5	5	4	5	5	7			4.57
HOUSING STOCK GOAL	2	3	4	5	5	4	5	4	7			4.29
ECONOMIC DEVELOPMENT GOAL	3	3	4	4	4	4	5	3	7			3.86
ENHANCED QUALITY OF LIFE GOAL	4	3	4	5	4	4	5	4	7			4.14
STRATEGIC PLAN AVERAGE RANKING:												4.21
CITY COUNCIL OVERALL EVALUATION SCORE:												
												4.25

City Council's City Manager Evaluation, FY 2007

SUMMARY OF COMMENTS

STRATEGIC PLAN OBJECTIVES

<u>Goal</u>	<u>Council Member</u>	<u>Comment</u>
Competitive Property Tax Rate	Abbateiello	The impact of schools remains critical and unknown.
Housing Stock	Abbateiello	Housing diversity is improving. Revitalization slow.
Economic Development	Abbateiello	Assessment base growth is occurring, but the sales tax future is critical.
Enhanced Quality of Life	Abbateiello	Security remains a problem, but watches are working.

EMPLOYMENT AGREEMENT

This is an agreement entered into this 11th day of February, 2004 between the City of Oak Ridge (the City) by the City Council and James R. O'Connor (City Manager) to provide for the employment of James R. O'Connor as City Manager of the City of Oak Ridge, Tennessee, and to set forth the terms and conditions of his employment and the mutual obligations, rights and duties of each party.

Now, therefore, in consideration of the mutual promises as set forth in this agreement, the City of Oak Ridge and James R. O'Connor agree as follows:

Section 1. Duties

A. City Council agrees to employ James R. O'Connor as City Manager of the City of Oak Ridge to perform the functions and duties as specified in the City Charter and the City Code, and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign.

B. The City Manager agrees to remain in the exclusive employ of the City and agrees to neither accept other employment nor become employed by any other employer during the term of this agreement, including any renewals and extensions.

Section 2. Term

A. Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of the City Council to terminate the services of the City Manager at any time, subject only to the provisions of the City Charter and those set forth in Section 5, Paragraphs A, B, and C of this agreement.

B. Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of the City Manager to resign at any time, subject only to the provisions set forth herein.

C. Except as otherwise herein stated, this agreement shall become effective as of March 15, 2004, and shall continue in effect until March 15, 2010, except as provided in Section 2, Paragraph D. (Amended 2/16/04, Resolution No. 2-24-04; 7/18/05, Resolution No. 7-74-05; 7/24/06, Resolution No. 7-91-06)

D. In order to extend the term of this agreement, City Council shall take action by July 31, 2009, or at such time as is mutually agreed upon by City Council and the City Manager. However, upon the request of the City Manager during this same period, City Council shall make a decision as to whether it desires to extend said agreement.

Section 3. Performance Evaluation

A. No later than the last business day of June of each year, or at such time as is mutually agreed upon by City Council and the City Manager, a committee of City Council shall meet with the City Manager to establish performance criteria and goals and objectives which shall provide the basis for the evaluation of the City Manager for the following fiscal year. The

performance criteria and the goals and objectives will be those that are necessary for the proper operation of the City and the attainment of City Council's policy objectives. The performance criteria and the goals and objectives shall be assigned a relative priority, and shall generally be attainable within the time limitations established and within the annual operating and capital budgets and the appropriations provided. The performance criteria and goals and objectives established by the committee shall be presented to City Council for final approval by July 31 of each year.
(Amended 6/19/06, Resolution No. 6-65-06)

B. The first formal evaluation of the City Manager's performance shall be completed by July 31, 2005, or at such time as is mutually agreed upon by City Council and the City Manager. Thereafter, evaluations shall be conducted on an annual basis by July 31 of each year for the previous fiscal year.

Section 4. Code of Ethics

Inasmuch as the City Manager is an active member of the International City/County Management Association (ICMA), the "Code of Ethics" promulgated by ICMA is incorporated herein and attached hereto, and by this reference made a part hereof. Said Code of Ethics shall furnish principles to govern the City Manager's conduct and actions as the City Manager of the City.

Section 5. Termination and Severance Pay

A. In the event the City Manager is terminated by the Council at its will and pleasure during such time that the City Manager is willing and able to perform his duties under this agreement, then in that event the City agrees to pay the City Manager a sum equal to six (6) months' aggregate salary plus any accrued leave and benefits less applicable deductions as required by agreement, law, ordinance or policy for other employees and/or the City Manager's matching portion of benefits provided for and during said six (6) months' severance period. The pay would continue for the period of six (6) months at normal intervals by direct deposit into an account directed by the City Manager, and shall be in such amounts as to ensure the City Manager's retention of those benefits provided in Sections 12 and 15 of this Agreement. At City Council's option, the actual resignation date may be extended through earned and accrued leave balances due the City Manager then in effect. Provided, however, that in the event the City Manager is terminated "for just cause," then in such event, the City shall have no obligation to pay the aggregate severance sum designated in this paragraph, with the exception of accumulated General Leave. "Just cause" is defined and limited for the purposes of this Agreement to the following reasons: (1) willful neglect of duty; (2) any felony conviction, (3) misdemeanor conviction of any crime involving moral turpitude; (4) violation of duties by the City Manager of honesty and sobriety; (5) any other act of a similar nature of the same or greater seriousness.
(Amended 7/24/06, Resolution No. 7-91-06)

B. In the event the City at any time reduces the salary or other financial benefits of the City Manager in a greater percentage than an applicable across-the-board reduction for all City employees, then the City Manager may at his option be deemed to be "terminated" at the date of such reduction within the meaning and context of the herein severance pay provision.

C. The City Manager may terminate his employment with the City by directing written notice to the Mayor and City Council 60 days in advance of the effective date of termination.

Section 6. Disability

If the City Manager becomes permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four successive weeks beyond any accrued leave, the City shall have the option to terminate this agreement, subject to the severance pay requirements of Section 5, Paragraph A.

Section 7. Salary

A. City agrees to pay the City Manager for his services rendered pursuant hereto an annual base salary of \$123,364.80, retroactive to March 12, 2006, and payable in installments at the same time as other City employees are paid. (Amended 7/18/05, Resolution No. 7-74-05; 7/24/06, Resolution No. 7-91-06)

B. In addition, the City Manager shall be entitled to longevity payments in the same manner as other City employees as specified in Article 6 of the City of Oak Ridge Personnel Plan. (Amended 7/24/06, Resolution No. 7-91-06)

C.. City agrees to increase said base salary and/or other benefits of the City Manager in such amounts and to such an extent as the City Council may determine desirable on the basis of the performance evaluation developed as required by Section 3 of this agreement. Nothing in this paragraph shall require the City to increase the base salary or other benefits of the City Manager. (Amended 7/24/06, Resolution No. 7-91-06)

Section 8. Hours of Work

The City of Oak Ridge requires the full-time service of its City Manager and, therefore, in the event the City Manager is not available for his duties, he shall designate a City employee as his representative to be responsible in his place, and so inform members of City Council when appropriate.

Section 9. Automobile and Communications Equipment

A. The City Manager requires that he shall have for business and personal use during his employment with the City an automobile provided to him by the City. City shall be responsible for paying liability, property damage, and comprehensive insurance and for the purchase, operation, maintenance, repair, and regular replacement of said automobile.

B. The City agrees to provide a mobile or portable radio compatible with the City's radio system for the City Manager's exclusive use.

C. The City agrees to provide a cellular or digital telephone for the exclusive business and personal use of the City Manager.

Section 10. Dues and Subscriptions

The City agrees to budget and to pay the professional dues and subscriptions of the City Manager for his continuation and full participation in national, regional, state, and local associations, organizations, and service clubs as necessary and desirable for his continued professional participation, growth, and advancement, and for the good of the City.

Section 11. Professional Development

A. The City agrees to budget and to pay the travel and subsistence expenses of the City Manager for professional and official travel, meetings, and occasions adequate to continue the professional development of the City Manager and to adequately pursue necessary official and other functions for the City, including but not limited to the Annual Conference of the International City/County Management Association, the National League of Cities, the Tennessee Municipal League, and such other national, regional, state, and local governmental groups and committees thereof which the City Manager serves as a member.

B. The City also agrees to budget and to pay for the travel and subsistence expenses of the City Manager for short courses, institutes, and seminars that are necessary for his professional development and for the good of the City.

Section 12. Retirement

A. The City Manager shall be immediately covered by the Tennessee Consolidated Retirement System in the same manner as is provided all other general employees of the City.

B. The City may contribute to the City Manager's Deferred Compensation Plan with the International City/County Management Retirement Corporation, on behalf of the City Manager, a sum equal to the annual contribution to such plan by the City Manager. Such annual contribution by the City shall not exceed three (3) percent of the City Manager's annual salary.

Section 13. Community Involvement

The City recognizes the desirability of representation in and before local civic and other organizations, and the City Manager is encouraged to participate in these organizations in order to maintain a continuing awareness of our community attitudes and ideas.

Section 14. Leave

As of the date of commencement of the term of employment, the City Manager shall

have credited to his account 80 hours of sick leave and 120 hours of annual leave. Thereafter, the City Manager shall accrue leave in the same manner as other City employees as specified in Article 11 of the City of Oak Ridge Personnel Plan. Provided, however, that Section 11.2e, Effect of Termination on Emergency Leave Credits, of said Plan shall have no applicability to the City Manager, and Sections 11.1f and 11.8 of said Plan shall be applied to the City Manager as follows:

Section 11.1f. General and Emergency Leave Upon Termination

Upon termination of employment, all General Leave and Emergency Leave shall be paid to the City Manager, subject to the provisions of Section 5, Termination and Severance Pay, of this Employment Agreement.

Section 11.8. Administrative Leave

The City Council may excuse the City Manager from duty in special situations for short periods of time for the benefit of the City. This type of leave would also be granted when the City Manager is assigned to home pending completion of an investigation.

(Amended 7/24/06, Resolution No. 7-91-06)

Section 15. Medical, Dental, Disability, Long-Term Care, and Life Insurance Benefits

The City agrees to provide medical, dental, disability, long-term care and life insurance benefits to the City Manager, and to pay the premiums thereon equal to that which is provided all other general employees of the City.

Section 16. Liability Protection

The City shall provide the same liability protection for the City Manager as provided for all general employees of the City, as specified in Section 13.4 of the Personnel Ordinance.

Section 17. Bonding

The City agrees to bear the full cost of any fidelity or other bonds required of the City Manager under any law, ordinance or regulation.

Section 18. Residence

The City requires and the City Manager agrees to the establishment of his principal residence inside the corporate limits of the City of Oak Ridge prior to December 31, 2004, and further agrees to maintain his principal residence in Oak Ridge during the term of this agreement, including any renewals and extensions. (Amended 8-16-04; Res. No. 8-110-04)

Section 19. Moving and Relocation Expenses

A. The City agrees to pay for the expenses of moving the City Manager, his family and personal property from St. Charles to the City of Oak Ridge, with said moving expenses to include packing, moving, storage costs, unpacking, and insurance charges. The City Manager agrees to secure at least three bids from reputable moving companies for such services, and shall use the lowest responsible bidder.

B. The City shall pay reasonable relocation expenses of up to three thousand dollars (\$3,000.00) which may include, but is not limited to, sixty (60) days of temporary housing.

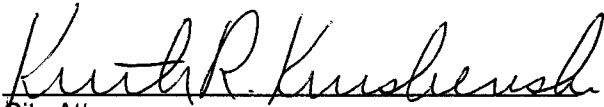
Section 20. General Provisions

A. The text herein shall constitute the entire agreement between the parties.

B. If any provisions contained in this agreement, or portion thereof, are held to be unconstitutional, invalid, or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

APPROVED AS TO FORM AND LEGALITY:

CITY OF OAK RIDGE, TENNESSEE


City Attorney

Mayor

City Manager

ATTEST:

City Clerk

CITY MANAGER'S FY 2007 OBJECTIVE GOALS

BASED ON CITY COUNCIL'S STRATEGIC PLAN FOR FISCAL YEARS 2006–2009

July 24, 2006

Revenue/Stabilized Taxes

1. Maintain a balanced budget without a property tax increase.
 - Work with the School Administration to improve communication and the budget process, including the acquisition of a long-term educational system strategic plan with a multi-year budget model identifying at least future City transfer fund expectations, capital improvement plans, or other financial needs.
 - Effectively manage the City's revenues/expenditures within the adopted "Major Policy Guidelines" document and suggest additional revenue enhancements that will result in keeping Oak Ridge a desirable, competitive city.

The proposed budget for FY 2007-08 is balanced without a tax increase. We have worked with the School Administration through out the year to ensure they understood our goal. A Strategic Plan was submitted by the School Superintendent but we are still working to establishing a long-term budget needs plan. The adopted "Major Policy Guidelines" have been the direction used in proposing a budget document.

2. Identify near-term methods of increasing DOE-paid General Fund revenues through either federal reservation privatization or property taxes, or through expansion of PILT payments under the provisions of the AECA, Paragraph 91, to achieve a greater DOE fair-share revenue supporting Oak Ridge.
 - The long-term goal should be to achieve DOE paid PILT, or equivalent tax revenues, yielding 35% of all General Fund revenues.

We have not identified specific revenue streams under Paragraph 91 although we have increased Federal revenue to the City. It has come in the form of privatized buildings (Y-12), Police funding, Payment in Lieu of Taxes minor increase, Fire funding for the study of turning over the K-25 fire station and money for our part in the GNEP study. We have not reached a 35% level in General Fund.

3. Evaluate the use of an independent operational audit to identify and implement strategies to gain at least 10% efficiency improvement in City operations.

We did not use an independent study for efficiency studies due to cost. We do continually work to improve the way we deliver services such as expanding our web site information and excepting credit cards for selected city service fees.

4. Provide quarterly summary reports or graphs to City Council showing projected versus actual sales tax receipts on a fiscal-year-to-date basis.

We have placed this information on the web site under Facts & Figures. This provides a breakdown between Roane and Anderson Counties in sales tax collections and projections.

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Housing

1. Support fully the Highland View Redevelopment Plan.

- Identify and implement methods of achieving "recycling" of the existing WWII housing stock and properties in Oak Ridge into desirable, competitive housing. Prototype these methods within the Highland View district and expand the proven methods into other areas of Oak Ridge.

I continue to meet with the Highland View Advisory Board. Department of Community Development is working on plans and possible funding sources to address not only persevering of existing housing stock but methods to encourage new investment. We are teaming with the Landmark Group and KCDC that will help us in moving forward with a vision.

- Working with the Highland View Redevelopment Advisory Board, consider a small infill housing project in Highland View (similar to Willow Place in Woodland and the housing project near Scarboro Center).

This is being done with the purchase of two of the Applewood properties. We are hopeful there will be construction on the site in the very near future. We have completed the land transfer with Habitat for Humanity in the Scarboro community that we hope will create a Willow Place type of development. Another project is the South Hills development that will build a neighborhood adjacent to the Scarboro community.

- Apply for HUD grants to support this redevelopment effort.

Using the 2007 Legislative Agenda we continually work to acquire funding for housing projects. Emphasis is given to Highland View with the use of CDBG funding. The major attraction for the Landmark Group was the use of tax credits from HUD.

2. Complete the transfer of ED-6 from DOE to the City and invite proposals for development.

DOE has notified us that a transfer is possible without restrictions. This transfer hopefully will take place before the end of the calendar year.

- #### 3. Work with realtors to identify and document specific gaps in the Oak Ridge housing market, considering current/proposed developments under construction.

Community Development meets regularly with the Chamber to discuss not only housing issues but also how to ensure we are working as a team to make processes attractive to housing investors.

- #### 4. Develop an improved City housing inspection form and benchmark it against other local government competitors.

We have contacted International Accreditation Services, Inc. to perform an outside audit of our inspections division. It is hoped this audit will be completed by the end of the year. It will help us understand our strengths and weakness in this area compared to other government entities.

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Quality of Life/Service Delivery

1. Encourage more regional athletic tournaments and other such events.
 - Investigate enhancement of event management, such as rowing regattas, festivals, or other major draws, with a professional events manager who can bring together staff, volunteers, and contracted services.
 - a. Conduct the investigation in cooperation with the President of the Oak Ridge Convention and Visitors Bureau.
 - b. Develop a funding strategy that includes event returns or hotel/motel tax revenues.

Recreation and Parks have been involved in expanding rowing regattas (NCAA), festivals (Secret City) and other events (Bow Tournament). Josh has been at the table in contract negotiations for regattas. This input has allowed for the first time that anyone can remember that the fees will equal or exceed expenses of the activity. Our monthly waterfront committee has been discussing the future of the marina and the city owned restaurant. Katie Brown and I have an open door to each other and have conversed on items such as relocation of their office.

2. Take aggressive action to decrease drug and other criminal activity in problem neighborhoods.
 - Working with the City legal staff, police department, and neighborhood watch groups, develop and implement additional plans to attack and eradicate illegal drug hot spots in Oak Ridge neighborhoods, including new legislation if warranted.
 - Show measurable improvement and progress on police effectiveness in combating the drug business and associated burglaries.

Police efforts in the neighborhoods with higher calls for service have shown a decrease in drug activity. The camera installation at the Community Center appears to have reduced the gathering problem that was there. Officer Newman has been successful in forming over 20 neighborhood watch groups throughout the City.

3. Provide proper training opportunities and empowering policies so that City staff are prepared and encouraged to solve citizen problems immediately and are also encouraged to develop and implement innovative ideas that provide a better living environment for Oak Ridge citizens and businesses.
 - Improve program to track/address citizen issues through resolution.
 - Continue to improve "customer service" awareness and image of all City staff in dealing with citizens/taxpayers on the telephone and in person, with a focus that the *customer is always the customer*.

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The City Staff retreat centered on customer service and responding to customer concerns. The book "From Good to Great" was used as our guide in the discussion. We have a central reporting system but still working on issues to ensure proper operation. I continue to stress the importance of customer service and I believe with good results based upon the Customer Service survey conducted this year.

Economic Development

1. Aggressively pursue creative solutions to accelerate the redevelopment of the City Center/Oak Ridge Mall, and report progress to City Council quarterly.

Recent correspondence by the Mall developer has indicated they do not have a viable plan in the process. We are having a meeting with a CORE representative in the near future to have further discussions about their plan.

2. Assist privately funded development/redevelopment of the commercial and retail properties within the city.
 - Accomplish this using the free market system and either federal or state redevelopment grants to the fullest extent possible.
 - Evaluate the need for changes in the current economic incentives matrix.
 - a. Report on the effectiveness of the current matrix as a cost/benefit study, and suggest changes or apportioning of the economic incentives growth needs to achieve the minimum assessment base growth fractions supporting the City's future near-term revenue needs.
 - b. Provide a quarterly activity report on the Economic Diversification Fund.
 - c. Ensure that City Council has adequate data and time within which to make a decision concerning development issues on which it must vote.

As we know the pending referendum will determine a major investment in the retail segment of our City. We have experienced new investment in some of our existing retail areas such as Manhattan Place and the old bowling alley center. We have attempted to provide the Council with current information about the Economic Diversification Fund and the IDB changed meeting dates to ensure adequate time for Council consideration on items being recommended. A new tax incentive plan is planned to be presented to the Council in the next month.

3. Working with the waterfront committee, Oak Ridge Rowing Association, and developers, ensure that progress is made in developing the Melton Lake Drive waterfront to fully support recreation and retail development.

The financial plan with the redevelopment of the Flatwater Grill has allowed for investment into the waterfront to encourage recreational activities. A new docking system and rip-rap for erosion control will provide for a long term investment into recreational use of the area. The waterfront committee is still working on ideas on how to encourage further retail investment in the area near the boathouse and the city owned marina and restaurant.

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4. Complete the negotiations for the extension of utilities all the way to Rarity Ridge and transfer of the Heritage Center Fire Station to the City.

We have not completed negotiations on either project but are very close. There has been some delay in the utilities since DOE is considering transfer by phases.

5. Continue working to make progress on the transfer of the Solway Bend area to the City for additional high-end housing and commercial development.

We have had several meetings to discuss this project but DOE has determined that the 3 Bend Area may be a part of their overall mission making a transfer unlikely. We are continuing dialog.

RESOLUTION

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

WHEREAS, on February 11, 2004, City Council and James R. O'Connor entered into an employment agreement (the Agreement) which provides certain conditions applicable to the position of City Manager; and

WHEREAS, Section 3, Item B, of the Agreement provides that evaluations of the performance of the City Manager shall be conducted on an annual basis by July 31 of each year; and

WHEREAS, on March 19, 2007, City Council appointed a City Manager Evaluation Committee (the Committee) to develop a procedure for conducting the evaluation of the City Manager's performance during FY 2007 and to oversee the evaluation process; and

WHEREAS, on April 16, 2007, the Committee presented a recommended procedure to City Council, which procedure was approved, and the Committee has completed the evaluation process in accordance with that procedure; and

WHEREAS, based on the results of the evaluation of the City Manager's performance during FY 2007, the Committee recommends that the City Manager's term of office be extended by two years and his annual salary adjusted by 3.8%.

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

That the recommendations of the City Manager Evaluation Committee are approved and the Employment Agreement between the City of Oak Ridge and James R. O'Connor as City Manager is hereby amended to increase the salary of the City Manager by 3.8%, effective March 11, 2007, and to extend his term of office by two years, so that the Agreement shall read:

Section 2. Term

C. Except as otherwise herein stated, this agreement shall become effective as of March 15, 2004, and shall continue in effect until March 15, 2012, except as provided in Section 2, Paragraph D.

D. In order to extend the term of this agreement, City Council shall take action by July 31, 2011, or at such time as is mutually agreed upon by City Council and the City Manager. However, upon the request of the City Manager during this same period, City Council shall make a decision as to whether it desires to extend said agreement.


Section 7. Salary

A. City agrees to pay the City Manager for his services rendered pursuant hereto an annual base salary of \$128,065.60 payable in installments at the same time as other City employees are paid.

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

This the 4th day of June 2007.

APPROVED AS TO FORM AND LEGALITY:


City Attorney

Mayor

City Clerk