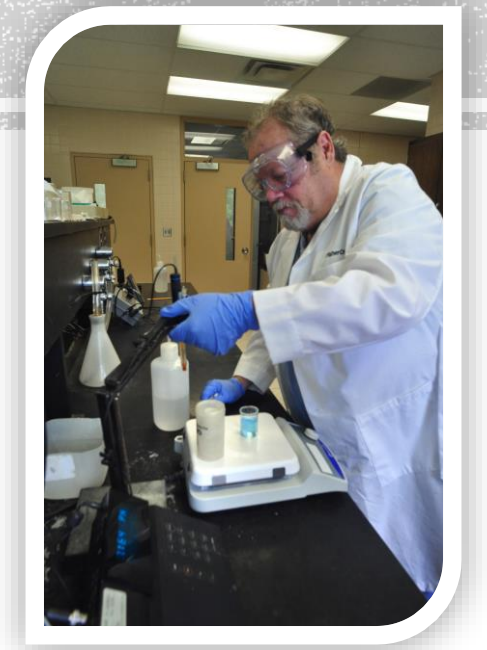
Transmittal of Budget FY 2015

City of Oak Ridge



By: Mark S. Watson, Oak Ridge City Manager

June 2, 2014

Progress has Occurred this Past Year

- Completion of Kroger Marketplace
- Alexander Inn Renovated
- Tax Increment Zone established at former Oak Ridge Mall
- Renovation of Jackson Square, Farmers Market and Blankenship Field Progressing
- Riverfront activities and restrooms completed

City Wide Goals

- Support the Enhancement and Stability of Existing Housing Stock
- Encourage New Market Driven Housing
- Diversify Industrial Job Base through aggressive “Start to Finish” support
- Promote the City of Oak Ridge broadly throughout the Region and the U.S.

Proposed FY 2015 City of Oak Ridge

ALL FUNDS BUDGET

$**119,978,364**

Including Schools

$**182,817,921**

Breakdown of City Fund

- General $20,517,510
- Waterworks $21,195,931
- Electric $53,217,523
- Others $25,047,400

- Total $**119,978,364**

- With Schools $**182,817,921**

General Fund Impacts

- Property Tax Rate proposed at **$2.39**
- Tax Rate (with school request) **$2.76**
- Shifting of Debt Service from School to City of $300,000 as agreed by Resolution
- Revenues have only slightly increased
- **Sales Taxes** are Constantly Changing

Personnel

- No change in General Fund Personnel
- “MOM” crew included for full year in FY 2015
- First Year of 3 years – 2% Pay Plan Implementation
- Insurance remains at same premiums
- Retirement program remains the same for FY 2015
- Travel has been reviewed and adjusted to certification and vital training

Waterworks Fund

- RATES ARE STABLE FOR NOW
- Rates will be reviewed again in FY 2015 to ensure maintenance of cash flows and reserves
- Impact of DOE raw water reduction use to be examined in rate review
- Rates are adjusted to collect equalization basin costs from Y-12
- EPA required improvements are to be completed by September 2015

Electric Fund

FY 2015 Budget $53,217,523

- Existing Service Levels Maintained
- New Utility Billing System being acquired by Electric System
- City of Oak Ridge recognized by TVA as a Green Power Community
- City of Oak Ridge has Platinum Status as TVA Valley Sustainable Communities in 2013

Economic Development

- OAK RIDGE IS ACTIVELY "in the hunt" for major industrial-manufacturing properties
- IMPROVED RELATIONS with State and Regional Agencies
- The "Diamond Team" of City Manager is coordinating communications
- Chamber of Commerce contract for tangible economic development services at **$175,000** for 2015 (only **$125,000** used this past year)
- Convention and Visitors Bureau contract at **$275,000**

State and Federal Governments

- Use of the Ferguson Group for Federal initiatives like DOE and Manhattan Project National Park
- More time and funding reserved for Nashville in 2015 due to Legislature and BEP Committee work and Mixed Drink Tax challenges
- Exploration and Submittal of major grant for “TVA Extreme Energy Makeover” program to have a major impact for older housing operation costs
- Continue to support active missions of DOE Environmental Management, ORNL and NNSA-Y12

Board of Education Request

- Strong desire of Board to remain an innovative and creative school system that attracts new residents and retains current residents
- The Board of Education desires to utilize the latest methods of technology use
- The “Retain” Budget Model proposed by the Board will require a major tax increase to retain all services
- City Council must be concerned with permanent increase on maintenance of effort, cost reductions that may be examined such as 1 mile bus service, or examining the differences of personnel costs between public services such as Police, Fire or Teachers

Conclusions on Budget Process

- The City Council shall review the budget tonight, June 9, and June 16
- The budget shall pass upon reading of ordinance twice
- Public Hearings shall be held on June 9th and June 16th at 7:00 p.m. in the City Council Chambers
- City Staff will be available to promptly answer any budgetary questions through the City Clerk's Office
- Special Thanks to Janice McGinnis and the Finance Department for their work during this budgetary process

Questions?