

**MINUTES OF THE
OAK RIDGE CITY COUNCIL
SPECIAL MEETING**

July 27, 2015

The special meeting of the City Council of the City of Oak Ridge convened at 7:00 p.m. on July 27, 2015 in the Courtroom of the Municipal Building with Mayor Warren L. Gooch presiding.

ROLL CALL

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

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

PUBLIC HEARING AND FINAL ADOPTION OF AN ORDINANCE

Ordinance No. 11-2015

AN ORDINANCE TO PROVIDE FOR A BUDGET AND APPROPRIATIONS FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR WHICH BEGAN JULY 1, 2015 BY ADOPTING A BUDGET AND ADOPTING APPROPRIATIONS.

At the request of the Mayor, the City Manager explained that the July 27, 2015 Special Meeting did not include any staff recommendations or requests of the City Council regarding discussions on contractual operation of the Oak Ridge Public Library.

Following the explanation, Mayor Gooch opened the floor to receive comments on the appropriation ordinance as part of the scheduled public hearing:

Mr. Leonard Abbatiello, 110 Dover Lane, provided remarks regarding the City's tax rate and its relationship to business competitiveness and sustainability.

Mr. Martin McBride, 954 West Outer Drive, commented regarding the future competitiveness of the City of Oak Ridge's tax rate when compared to other areas and remarked about the Department of Energy (DOE) providing better support on encouraging Oak Ridge residency of their employees.

Ms. Susan Moore, Program Manager for the Healthy Families of Tennessee Program, commented about the support that the program had received from the community, validation of the program, and requested full funding restoration of the program from the City of Oak Ridge.

Ms. Marjorie Appleburn, Home Visitor with Healthy Families of Tennessee Program, expressed her support for the Healthy Start Program and noted the positive impact that the preventative assistance provides mothers.

Mr. Keys Fillauer, 17 Palisades Parkway and Chairman of the Board of Education, commented about the positive working relationship between the Oak Ridge Schools and the City of Oak Ridge throughout the FY2016 budget process and that City Council consider the City's budget in relation to the future of the community.

Mr. Bob Eby, 101 Winston Lane and Vice Chairman of the Board of Education, requested that City Council consider a tax rate that would help fund a 3% salary increase for the Oak Ridge School Staff.

Mr. David Kitzmiller, 144 Wellington Circle, commented that the proposed \$2.52 tax rate does not adequately fund the capital needs of the City and consider competitive measures of a tax rate in relation to surrounding areas.

Mr. Elaine Culbert, 106 Deerfield Lane, expressed her support for the Healthy Start of Anderson County and requested that City Council restore funding for the program.

Mr. Tracy Larabee, 103 Chester Lane, requested that City Council set a property tax rate to support the needs of the community.

Following the comments, the Mayor closed the public hearing.

The City Manager provided an overview of the agenda for the special meeting explaining that City Council was considering approval of a budget (spending plan) as a certified tax rate had not yet been received from the State of Tennessee at the time of posting for the special-called meeting. Mr. Watson further explained that City Council was considering an “Amended Ordinance” as presented in the agenda packet and prepared by City staff that does not contain a tax rate, but the appropriations were the same as presented and approved on first reading at the June 15, 2015 City Council Meeting. The City Manager also noted the following recommendations from City staff for funding of a property tax when City Council was considering the ordinance:

- Reduce the Storm Water Funding by \$100,000.00
- Reinstate Healthy Start Funding at \$20,712.00
- Apply a \$1.00 increase to the City’s Refuse Fee
- Reduce the School’s Operating Transfer by \$325,000.00 to recommend that School staff receive the same salary adjustment as City staff at a 2% increase

Discussions were held between the City Council and Finance Director Janice McGinnis regarding projected revenue generated by a \$2.52 tax rate versus that of a \$2.50 tax rate.

Ms. Karen Gagliano, Director of Business and Support Services for Oak Ridge Schools, explained that the Oak Ridge School anticipated to receive approximately \$115,000 from Roane County and approximately \$423,000 from Anderson County as a result of the counties setting their property tax rates and calculations for the Maintenance of Effort; however, the amount received from Roane County would be considered a “wash” as the School’s would receive a reduction from property tax collections due enrollment shifts in the Roane County Schools.

During discussions of the tax rate, the City Attorney noted that City Council was approving appropriations to operate the City in Fiscal Year 2016 and that the tax rate which would satisfy those appropriations would be addressed later at the second special meeting.

Councilmember Baughn moved to reduce the appropriations of the General Purpose School Fund for Operations from \$15,280,915 to last year’s rate of \$14,629,302 by \$651,613. Mayor Gooch requested that the motion be withdrawn until City Council had a motion to consider the Appropriation Ordinance (“Amended Ordinance”). Councilmember Hensley moved, seconded by Mayor Pro Tem Smith, to approve the “Amended Ordinance.”

First, Councilmember Baughn moved to reduce the appropriation of the General Purpose School Fund for Operations from \$15,280,915 to last year’s rate \$14,629,302 by \$651,613 to maintain the FY 2015 Maintenance of Effort. The motion was seconded by Councilmember Chinn.

Dr. Bruce Borchers, Superintendent of the Oak Ridge Schools, explained that the Board of Education would need to discuss any motions and considerations made by City Council regarding appropriations. Additionally, explanations were provided by Dr. Borchers related to the School’s one-to-one initiative and technician positions outlined in their proposed budget.

The motion to reduce the appropriation of the General Purpose School Fund for Operations, failed by board vote with Councilmembers Callison, Hensley, Hope, and Mayor Gooch voting “Nay,” and Councilmember Baughn, Councilmember Chinn, and Mayor Pro Tem Smith voting “Aye.”

Second, Councilmember Chinn moved to reduce the operating transfer to the General Purpose School Fund from \$15,280,915 to \$14,955,915 to reduce the Maintenance of Effort by \$325,000.00. The motion was seconded by Councilmember Callison.

The motion was approved by board with Councilmembers Baughn, Callison, Chinn, Hope, Mayor Pro Tem Smith, and Mayor Gooch voting "Aye," and Councilmember Hensley voting "Nay."

Third, Councilmember Chinn moved to increase the refuse fee from \$7 to \$14 for a direct user fee so as to eliminate the service being subsidized by the General Fund. The motion was seconded by Councilmember Hensley for discussion. Councilmember Chinn noted that this arrangement for fees would be in-line with that of neighboring areas.

Following discussions on the reestablishment of the Solid Waste Fund and the dollar amount of the refuse fee increase, Hensley recommended reducing the amount for the refuse fee to \$3.50. Councilmember Chinn moved to amend his original amendment by substituting the \$7 fee to \$3.50. The motion was seconded by Councilmember Hensley. The motion was approved by board vote with Councilmembers Callison, Chinn, Hensley, Hope, and Mayor Gooch voting "Aye," and Councilmember Baughn and Mayor Pro Tem Smith voting "Nay." The original amendment proposed by Councilmember Chinn to increase the refuse fee to \$10.50 total was approved by board vote with Councilmembers Callison, Chinn, Hensley, Hope, and Mayor Gooch voting "Aye," and Councilmember Baughn and Mayor Pro Tem Smith voting "Nay."

The Finance Director noted that the refuse fee increase of \$3.50 had generated approximately \$335,000 in revenue, thus Councilmember Chinn moved to amend the ordinance to decrease the General Fund balance by \$335,000. The motion was seconded by Councilmember Baughn. The amendment failed by board vote with Councilmembers Callison, Hensley, Hope, Mayor Pro Tem Smith, and Mayor Gooch voting "Nay," and Councilmembers Baughn and Chinn voting "Aye."

Next, Mayor Gooch moved, seconded by Councilmember Callison, to amend the ordinance by reducing the Storm Water Funding by \$100,000. The City Manager explained that City staff would be concentrating on drafting policies and the \$100,000 could be deferred at the present time. The amendment passed by unanimous board vote with Councilmembers Baughn, Callison, Chinn, Hensley, Hope, Mayor Pro Tem Smith, and Mayor Gooch voting "Aye."

Councilmember Hensley moved, seconded by Mayor Pro Tem Smith, to amend the ordinance by increasing the General Fund balance by \$31,500 for the Healthy Start Program.

Upon clarification from Mayor Pro Tem Smith that last year's funding for the Healthy Start Program was \$31,850.00, Councilmember Hensley removed his amendment, and Mayor Pro Tem Smith moved to amend the ordinance by increasing the General Fund balance by \$31,850. The motion was seconded by Councilmember Hensley. The City Manager explained that the recommendation of funding Healthy Start Program at \$20,712 was to provide for a balanced budget at a \$2.52 tax rate. During discussions of funding for Healthy Start, Ms. Susan Moore, Program Manager for the Healthy Families of Tennessee, noted that the organization receives funding from the State of Tennessee, United Way of Anderson County, the City of Oak Ridge, and private donations. The amendment was approved by unanimous board vote with Councilmembers Baughn, Callison, Chinn, Hensley, Hope, Mayor Pro Tem Smith, and Mayor Gooch voting "Aye."

Following the increase in the General Fund to fund the Healthy Start Program, Mayor Gooch moved to amend the ordinance by reducing the General Fund by \$31,850 to keep the tax rate neutral and not impact the \$335,000 revenue to be received by the refuse fee increase. The motion was seconded by Councilmember Callison. The motion was approved by board vote with Councilmembers Baughn, Callison, Chinn, Hensley, Hope, and Mayor Gooch voting "Aye," and Mayor Pro Tem Smith voting "Nay."

Councilmember Baughn moved to reduce the funding to the Oak Ridge Chamber of Commerce from \$175,000 to \$90,000. The motion failed for lack of a second.

Mayor Pro Tem Smith moved to amend the ordinance to appropriate an additional \$260,000 to the Capital Projects Fund and operating transfer from the General Fund related to revenues gained as part of the increase in the refuse fee to accommodate deferred capital projects that were discussed throughout the course of the special meeting. The motion was seconded by Councilmember Hensley. During discussions of capital needs of the City, the motion was approved by board vote with Councilmembers Callison, Hensley, Hope, Mayor Pro Tem Smith, and Mayor Gooch voting "Aye," and Councilmembers Baughn and Chinn voting "Nay."

Councilmember Baughn moved to reduce the City Manager's Budget by \$85,000. The motion failed for lack of second.

Councilmember Callison moved to adopt the budget ordinance with all aforementioned approved amendments. The motion was seconded by Councilmember Hensley. The motion was approved by board vote with Councilmembers Callison, Chinn, Hensley, Hope, Mayor Pro Tem Smith, and Mayor Gooch voting "Aye," and Councilmember Baughn voting "Nay."

ADJOURNMENT

The meeting adjourned at 10:00 p.m.

Signature on file
Diana R. Stanley, City Clerk

APPROVED BY CITY COUNCIL
September 14, 2015

Signature on file
Warren L. Gooch, Mayor