

OAK RIDGE CITY COUNCIL SPECIAL MEETING
Municipal Building Courtroom

October 29, 2018

Minutes

The special meeting of the City Council of the City of Oak Ridge, Tennessee convened at 6:00 p.m. on October 29, 2018 in the Courtroom of the Municipal Building with Mayor Warren L. Gooch presiding.

ROLL CALL

Upon roll call the following Councilmembers were present: Councilmember Kelly Callison; Mayor Pro Tern Rick Chinn, Jr.; Councilmember Jim Dodson; Mayor Warren L. Gooch; Councilmember Charles J. Hope, Jr.; and Councilmember Ellen Smith. Councilmember Derrick Hammond was absent.

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

FIRST READING OF ORDINANCE

AN ORDINANCE TO AMEND ORDINANCE NO. 2, TITLED "THE ZONING ORDINANCE OF THE CITY OF OAK RIDGE, TENNESSEE," BY AMENDING THE ZONING MAP WHICH IS MADE A PART OF THE ORDINANCE BY CHANGING THE ZONING DISTRICT OF PARCEL 007.00, ANDERSON COUNTY MAP 100H, GROUP A, (APPROXIMATELY 0.59 ACRES) FROM R-2, LOW DENSITY RESIDENTIAL, TO R-3, MEDIUM DENSITY RESIDENTIAL; SAID PARCEL BEING LOCATED AT THE SOUTHEAST CORNER OF LAFAYETTE DRIVE AND MARQUETTE ROAD.

Councilmember Dodson moved for approval of the ordinance, and Councilmember Smith seconded. Community Development Director Wayne Blasius provided an overview of the ordinance and answered questions from Council.

Mayor Gooch asked if this had been approved by the Planning Commission, and Councilman Dodson stated it had been approved.

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

RESOLUTIONS Resolution

No.10-90-018

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CITY OF OAK RIDGE, TENNESSEE IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$13,750,000, 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.

Councilmember Callison moved for approval of the ordinance, and Mayor Pro Tern Chinn seconded. City Manager Mark Watson provided an overview of the resolution. Janice McGinnis, Finance Director answered questions from Council.

Councilmember Callison gave an overview of the Budget and Finance Committee's recommendations on roofs of schools and city buildings, stating the purpose was to get it all done within this year.

Mayor Pro Tern Chinn asked if this debt will be a thirty-year debt or payback for all the money being borrowed, or will the roof be a different payback. Ms. McGinnis answered the roof would be paid back in the fifteen- year payback that we have already issued. The Senior Center and Preschool will be a twenty- five year amortization.

Mayor Pro Tern Chinn asked that everyone to be brought up to speed on the overall indebtedness that this would bring the City to in terms of the next five to ten years. Ms. McGinnis answered that at the end of 2019 the total debt was \$167,527,284. That includes all funds- electric, water and general funds. Mayor Pro Tern Chinn also asked if there were any significant payoffs that will decrease that amount in the next five to ten years. Ms. McGinnis stated that we projected \$10 Million to be paid off in budget in 2019 in debt service, principal only. Ms. McGinnis said we usually pay off \$8 million to \$10 million a year.

Councilmember Smith asked in the future will we see a graph that divides the Preschool and the Senior Center. Mr. Watson stated that can be provided; however, they are divided out by bond issuance.

Mayor Gooch followed up with a couple of questions that Mayor Pro Tern Chinn asked and also stated as it relates to previous bond issues, that we have done refinance debt, and he asked Chris Bessler with Cumberland Securities to describe to everyone what has been accomplished by the refinancing that we have done over the last three years.

Mr. Bessler responded that over the past five to seven years as opportunities have risen to refinance, the City has exercised those opportunities to shorten debt to lower interest cost. Mayor Gooch clarified that the City's bond rating has gone from AA to AA plus. Mr. Bessler replied that was correct. Mayor asked what would happen to the funds if they were not all used in the bond. Mr. Bessler said you could utilize the \$400K and apply it toward capital projects as long as they fall within the project description within the resolution.

Councilmember Callison asked if the funds could be used to repair roofs, would there be any restrictions. Mr. Bessler stated it would fall in the project list, therefore it would be the City's legal right to use those funds for that purpose.

Mayor Pro Tern Chinn asked Mr. Watson when the determination will be made as to what expenditures will be made with the \$13.2 million. Mr. Watson stated he would work with the Budget and Finance Committee, and if everyone thought they needed Council's concurrence, then the items would be brought back to Council. Mayor Pro Tern Chinn stated he has an issue with putting twenty-five year debt on furniture that will not last twenty-five years, but would rather use it on putting roofs on that would last twenty-five years. Mr. Bessler stated that items that have a shorter average life by their rules would have to be allocated on the short end of the bond issue. The way it is structured right now the City is planning on going out and issuing level debt for the bond issuance.

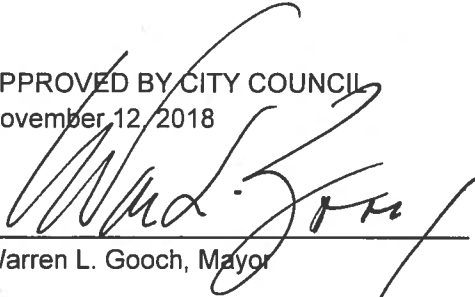
The resolution was approved unanimously by board vote with Councilmembers Callison, Dodson, Hope, Smith, Mayor Gooch and Mayor Pro Tern Chinn voting "Aye." Councilmember Hammond was absent.

ADJOURNMENT: 6:25 p.m.



Mary Beth Hickman, City Clerk

APPROVED BY CITY COUNCIL
November 12, 2018



Warren L. Gooch, Mayor