

CITY COUNCIL WORK SESSION

April 24, 2012

Call to Order: 7:00 p.m. in the Multipurpose Room of the Central Services Complex

AGENDA

- I. Discussion and preliminary information on the 2013 Budget
- II. Discussion and review of joint resolution between the Oak Ridge City Council and the Oak Ridge Board of Education relative to retirement of the debt for the Oak Ridge High School project and the revenues generated by the 0.5% increase in the local option sales tax
- III. Discussion on the Woodland School project
- IV. City Staff Updates
- V. Adjournment

**CITY / OAK RIDGE SCHOOLS BOARD OF EDUCATION
FY 2013
BUDGET TIMELINE**

<u>May 1, 2012</u> Tuesday	<u>City Manager, Superintendent of Schools, Finance</u> Review Big Picture
<u>May 7, 2012</u> Monday	<u>City Council Meeting – 7:00 P.M.</u> City Manager Budget Presentation to City Council
<u>May 11, 2012</u> Friday	<u>Director of Business & Support Services, Oak Ridge Schools</u> First Draft of Budget sent to Board of Education
<u>May 14, 2012</u> Monday	<u>Special Board of Education Meeting – 5:30 P.M.</u> Budget Presented to Board of Education City Council invited to Budget Presentation
<u>May 14, 2012</u> Monday	<u>City Council Meeting – Board of Education to attend</u> <u>City Presentation – 7:00 P.M.</u> Public Hearing for Appropriations Ordinance First Reading of Appropriations Ordinance
<u>May 15, 2012</u> Tuesday	<u>Special Board of Education Meeting – 5:30 P.M.</u> Line by Line Review of the Budget
<u>May 21, 2012</u> Monday	<u>Regular Board of Education Meeting – 7:00 P.M.</u> Public Hearing of Budget – First Reading
<u>May 24, 2012</u> Thursday	<u>Special Board of Education Meeting – 5:30 P.M.</u> Second Reading – Adoption of Budget
<u>May 25, 2012</u> Friday	<u>Director of Business and Support Services, Oak Ridge Schools</u> Budget Transmitted to the City
<u>May 28, 2012</u> Monday	<u>Memorial Day Holiday</u>
<u>May 29, 2012</u> Tuesday	<u>City Council Meeting – 7:00 P.M.</u> Second Reading of Appropriations Ordinance Board of Education Chairman to speak to Budget Highlights

RESOLUTION

A JOINT RESOLUTION BETWEEN THE OAK RIDGE CITY COUNCIL AND THE OAK RIDGE SCHOOLS OAK RIDGE BOARD OF EDUCATION RELATIVE TO RETIREMENT OF THE DEBT FOR THE OAK RIDGE HIGH SCHOOL PROJECT.

WHEREAS, the Oak Ridge City Council (City Council) and the Oak Ridge Schools Oak Ridge Board of Education (School Board) desire to clarify for present and future city councils and school boards the responsibilities and intentions for the retirement of all debt related to the Oak Ridge High School; and

WHEREAS, by Ordinance No. 13-04, City Council called for a referendum on a proposed 0.5% increase in the local option sales tax "provided, however, the revenue from such increase shall be appropriated and expended for the purpose of funding and paying for construction, renovation, purchase of capital equipment, and/or retirement of school construction debt service for the Oak Ridge High School, and at such time as the high school debt service is paid in full, the sales tax proceeds collected as a result of this increase shall be distributed as prescribed by state law"; and

WHEREAS, the referendum was held on August 5, 2004, and voters overwhelming approved the 0.5% increase in sales tax (from 2.25% to 2.75%) for the purposes set forth in the ordinance; and

WHEREAS, on May 30, 2006, Anderson County voters overwhelming passed a referendum raising the county's local option sales tax to 2.75%, which effectively created a new formula for the distribution of sales tax proceeds to Oak Ridge, Clinton, and Anderson County schools; and

WHEREAS, the City has continued to use the additional revenue from the local option sales tax increase for high school debt payments as transferred through the Oak Ridge Schools General Fund, however, clarification is desired by City Council and the School Board for future governing bodies to understand the intent and use of this revenue; and

WHEREAS, City Council and the School Board desire to enter into this joint resolution setting forth the responsibilities and intentions with respect to the debt for the Oak Ridge High School project.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE, AND THE OAK RIDGE SCHOOLS OAK RIDGE BOARD OF EDUCATION:

That the Oak Ridge City Council (City Council) and the Oak Ridge Schools Oak Ridge Board of Education (School Board) agree to use the revenues generated by the 0.5% increase in the local option sales tax as approved by Oak Ridge voters on August 5, 2004, and modified by Anderson County votes on May 30, 2006, solely for the retirement of the debt issued for the Oak Ridge High School project.

BE IT FURTHER RESOLVED that City Council and the School Board agree said revenues will be dedicated solely for that purpose and will not and cannot be used except for the purposes set forth in Ordinance No. 13-04, as approved by Oak Ridge voters on August 5, 2004, specifically: "for the purpose of funding and paying for construction, renovation, purchase of capital equipment, and/or retirement of school construction debt service for the Oak Ridge High School, and at such time as the high school debt service is paid in full, the sales tax proceeds collected as a result of this increase shall be distributed as prescribed by state law."

BE IT FURTHER RESOLVED that the City Council and School Board concur and define that sales tax proceeds collected in Anderson County at .25% and proportionately provided to each Anderson County educational institution shall be further defined by sales tax generated in the boundaries of Oak Ridge and the remainder of Anderson County, with that portion generated in Oak Ridge being fully applied to payment of the Oak Ridge High School debt and the Anderson County portion being applied according to state law to Oak Ridge Schools.

BE IT FURTHER RESOLVED that the City Council and School Board shall cause a joint review of the financing models associated with payment of the Oak Ridge High School bond issue debt servicing schedule beginning prior to preparation of the Fiscal Year 2014-15 to determine whether economic conditions will allow debt reductions or require additional contributions to debt servicing by either school or city resources. Reviews shall be conducted by 2 representatives from each entity, plus the City Manager, School Superintendent and Finance Directors. Further reviews shall be conducted each two years thereafter or as determined by the City and the School.

BE IT FURTHER RESOLVED that said revenues will be reflected in specific line item detail within the audit of the City.

BE IT FURTHER RESOLVED that the Anderson County Trustee is approved and directed to transfer said revenues directly to the City for the specific purposes set forth above, and shall do so through Calendar Year 2041 or until such time as the debt is paid in full.

BE IT FURTHER RESOLVED that after the debt is paid in full, the sales tax proceeds will revert to direct payment to the Oak Ridge Schools as required by applicable state law.

BE IT FURTHER RESOLVED that the City will delineate the use of said revenues in its annual audit and provide said financials to the School Board.

BE IT FURTHER RESOLVED that a certified copy of this joint resolution shall be delivered to the Anderson County Trustee upon execution by City Council and the School Board.

This the _____ day of _____ 2012.

FOR THE CITY OF OAK RIDGE, TENNESSEE:

APPROVED AS TO FORM AND LEGALITY:

Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

FOR THE OAK RIDGE SCHOOLS

Thomas E. Bailey, Superintendent

OAK RIDGE BOARD OF EDUCATION:

W. Keys Fillauer, Chairman