

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

February 27, 2014

The special meeting of the City Council of the City of Oak Ridge, Tennessee, convened at 6:00 p.m. on February 27, 2014, in the Courtroom of the Municipal Building with Councilmember David N. Mosby presiding during the initial portion of the meeting, until Mayor Pro Tem Miller arrived assuming the chair.

ROLL CALL

Upon roll call, the following councilmembers were present: Councilmember Trina Baughn; Councilmember Anne Garcia Garland; Councilmember L. Charles Hensley; Councilmember Charles J. Hope, Jr.; and Councilmember David N. Mosby.

Mayor Pro Tem D. Jane Miller was absent during roll call, but arrived later in the meeting. Mayor Thomas L. Beehan was absent for the meeting.

Also present were Jack L. Suggs, Acting City Manager serving in the absence of Mark S. Watson, City Manager; Kenneth R. Krushenski, City Attorney; Janice E. McGinnis, Finance Director; and Diana R. Stanley, City Clerk.

City Manager Mark S. Watson participated in the meeting via conference call.

ITEMS FOR DISCUSSION

AN ORDINANCE TO AMEND ORDINANCE NO. 05-2013, WHICH ORDINANCE IMPOSES A TAX ON ALL PROPERTY WITHIN THE CITY, FIXES THE RATE OF THE TAX, ADOPTS A BUDGET, AND ADOPTS APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2013, BY AMENDING SAID APPROPRIATIONS.

Finance Director Janice McGinnis explained that the increase of approximately \$1.7 million was a transfer from the fund balance of the Oak Ridge Schools to fund technology infrastructure improvements and the Discovery Professional Development and Discovery Ed Partnership contract for the School's STEM initiative.

Discussions were held amongst the City Council regarding the growth of the School's reserves and the source of funding for those reserves, as well as the City's process for approving funding for the school that requires an amendment to the appropriation ordinance.

The City Manager remarked that the school is under a tight deadline for implementation of this program and that he was not aware of any additional partnership elements or monetary requests with regards to the partnership between the City and the School.

Acting City Manager Jack Suggs clarified that the letter received from Maryanne Durski, Executive Director, Office of Local Finance for the Department of Education was indicating that the fund balance transfer would not impact the Maintenance of Effort formula given that it is a fund balance available in coffers and is not considered an obligation to match the funding request since it is currently available in the School's funds. Finance Director Janice McGinnis clarified that the Maintenance of Effort formula is based on local revenue funding level per pupil and that the total appropriations will be not be affected as it is a one-time, fund balance transfer.

(Mayor Pro Tem Miller arrived during discussion of this item and assumed chairmanship.)

Inquiries were presented by City Council regarding the maintenance of the agreement and any future funding that would be required as a function or term of that agreement.

A 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 DEBT AND FUTURE INITIATIVES INVOLVING OAK RIDGE AND ANDERSON COUNTY LOCAL OPTION SALES TAXES.

The City Manager noted that this resolution was a plan to determine how the debt would be paid until 2041.

Councilmember Baughn requested that the following statement, as provided by her, be noted for inclusion in the minutes:

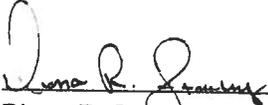
First, that the schools, to date, have withheld approximately \$1.54 million from debt payment since discontinuing payment of the entire sales tax increase. Second, that it is anticipated that a difference of approximately \$10.3 million is being remitted from payment of the debt.

(Councilmember Hope was absent during this discussion and remainder of the meeting.)

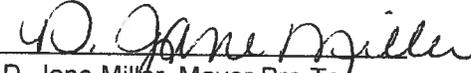
In response to inquiries of the City Council regarding the approximate \$10.3 million formula referenced during discussions, the Finance Director explained that the differential is based on a modeling perspective of sales tax remitted by the Oak Ridge Schools based on county-wide collections compared to Oak Ridge only sales tax collections.

ADJOURNMENT

The meeting adjourned at 7:15 p.m.


Diana R. Stanley, City Clerk

APPROVED BY CITY COUNCIL
April 14, 2014


D. Jane Miller, Mayor Pro Tem