

**OAK RIDGE CITY COUNCIL
SPECIAL MEETING**

Municipal Building Courtroom

May 14, 2012—7: 00 p.m.

AGENDA

I. INVOCATION

Pastor Robert May, Oak Ridge Family Bible Church

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

AN ORDINANCE TO PROVIDE REVENUE FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR BEGINNING JULY 1, 2012, BY IMPOSING A TAX ON ALL PROPERTY WITHIN THE CITY, FIXING THE RATE OF THE TAX, ADOPTING A BUDGET, AND ADOPTING APPROPRIATIONS.

(Public Hearing will also occur during Second Reading of the Ordinance scheduled for May 29, 2012)

V. ADJOURNMENT

FINANCE DEPARTMENT MEMORANDUM
12-06

DATE: May 9, 2012
TO: Mark S. Watson, City Manager
FROM: Janice E. McGinnis, Finance Director
SUBJECT: FY 2013 Budget Appropriation Ordinance

Attached is the Fiscal 2013 Budget Appropriation Ordinance reflecting appropriations for the various City Funds as presented in the proposed budget document. The presented property tax rate remains at the 2012 tax rate of \$2.39 per \$100 of assessed valuation as outlined in Section 2 of the Ordinance. Each cent on the property tax rate generates approximately \$90,000 in revenue.

The City's General Fund municipal expenditures are budgeted at \$19,453,250. The City's operating transfer to the Oak Ridge Schools is budgeted at \$14,629,302. Both of these amounts remain at the Fiscal 2012 levels in order to retain the current property tax rate.

The spendable fund balance of the General Fund is projected at \$6,430,504 at the end of fiscal 2013. The nonspendable portion of the fund balance in the General Fund is shown as a deduction from total fund balance. This presentation is part of the new Governmental Accounting Standards Board (GASB) Standards that became effective in fiscal 2011. The nonspendable portion is primarily the \$5,000,000 capital outlay notes (loan) from the General Fund to the Waterworks Fund that occurred in 2011. These notes (loan) will be repaid back over a 3-year period restoring full fund balance to the General Fund in November of 2014.

The fiscal 2013 City budgets contain a 1.5% salary adjustment for City employees. The impact of this increase was mitigated by staffing turnover and departmental restructurings that occurred during the current fiscal year. Cost allocations for services provided by employees based in the General Fund to other City funds were also reviewed. The allocation of costs from Activity 930, Public Works Supervision, was revised to reduce the General Fund share of the costs from that activity from 27% to 5%. In turn, the cost share for services provided to the Waterworks Fund for wastewater related duties increased from 31% to 53%. This cost shift is related to the duties currently being performed by these employees that resulted from the EPA Administrative Order (AO).

The fiscal 2013 budget reflects departmental restructurings that have occurred, particularly in police and computer services, which is now being titled Information Services. The budget contains 9 new positions related to the EPA AO. A 3-position pump maintenance crew is scheduled for start in September 2012 and a 6-position MOM gravity line crew is budgeted to begin in January 2013.

The \$500,000 increase in the operating transfer to the Debt Service Fund is related to the City's contribution to Roane State Community College. The General Fund had previously been transferring \$3,545,000 annually to the Debt Service Fund. Due to savings related to debt refundings, in 2012 the transfer to the Debt Service Fund was reduced by \$500,000 and transferred instead to the Capital Projects Fund that year to fund the City's \$500,000 contribution to the expansion of the Oak Ridge Roane State Community College campus. The 2013 transfer to the Debt Service Fund, budgeted at \$3,545,000, reflects resumption to the normal contribution level.

The General Fund transfer to the Capital Projects Fund is budgeted for \$500,000 in fiscal 2013. The transfer amount was established at this level in order to retain the current property tax rate. Funding for the Capital Projects Fund's budgeted 2013 projects will be provided from the \$500,000 transfer from the General Fund, money available from budgeted capital projects that were delayed in fiscal 2012, and a \$200,000 transfer from the Special Programs Fund. The major projects to be funded through the Capital Projects Fund in 2013 are as follows:

Woodland School building repairs - \$400,000
TDOT grant match for Jackson Square revitalization - \$280,000
Clean Tennessee Energy grant match - \$250,000
Roane State Community College contribution – second and final installment \$250,000
Rowing/Marina improvements - \$25,000 to be matched with private funds

The remaining capital dollars are planned for critical City maintenance projects including HVAC replacement at Fire Station 3, replacement of lighting poles at City ball fields and ADA facility compliance at Briarcliff Park.

The budget also reflects the planned issuance of approximately \$9 million in debt for water and wastewater projects planned for fiscal 2013.

The new Housing Fund that was included in the fiscal 2012 budget has been deleted from the fiscal 2013 budget. Without the designation of a specific revenue source, the Housing Fund cannot be established as a separate special revenue fund according to new GASB guidelines. The projects, such as housing demolition and land bank, which were planned to be accounted for in the Housing Fund, are included in the 2013 budget for the Economic Diversification Fund. The \$50,000 operating transfer budgeted in 2012 from the General Fund to the Housing Fund is scheduled to be transferred to the Economic Diversification Fund instead. The fiscal 2013 budget also contains a \$50,000 operating transfer from the General Fund to the Economic Diversification Fund.

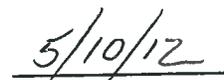

Janice McGinnis

Attachments

City Manager's Comments:

I have reviewed the above issue and recommend approval of the attached ordinance.


Mark S. Watson


Date

TITLE

AN ORDINANCE TO PROVIDE REVENUE FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR BEGINNING JULY 1, 2012, BY IMPOSING A TAX ON ALL PROPERTY WITHIN THE CITY, FIXING THE RATE OF THE TAX, ADOPTING A BUDGET, AND ADOPTING APPROPRIATIONS.

WHEREAS, the City Manager, in accordance with the requirements of Article V, Section 10, of the Charter of the City of Oak Ridge, has submitted to City Council a proposed budget prior to the beginning of the fiscal year upon which a public hearing was held on May 14, 2012 and May 29, 2012 as required by law; and

WHEREAS, in accordance with the requirements of the same Charter section, the Council held meetings which served to provide guidance to the City Manager on the preparation of the proposed budget.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

Section 1. The budget for the fiscal year beginning July 1, 2012 submitted to City Council by the City Manager, is hereby adopted.

Section 2. In order to provide revenue for municipal purposes, there is hereby imposed on the value of all property within the City of Oak Ridge as such value has been ascertained by the taxing authority of the City, a levy at the rate of \$2.39 upon each One Hundred Dollars' (\$100.00) worth of assessed value of all taxable property, this levy to be the tax rate for the year 2012. This levy shall also be imposed upon such assessments as may be certified for tax purposes to the City of Oak Ridge by the Public Service Commission of the State of Tennessee.

Section 3. In accordance with Article V, Section 13, of the Charter of the City of Oak Ridge, the following amounts shall be and hereby are adopted as appropriations by funds for the operation of the City of Oak Ridge, Tennessee, for Fiscal Year 2013:

General Fund, Municipal Operations	\$ 19,453,250
Debt Service (Bond and Interest Redemption Fund)	\$ 8,300,000
State Street Aid Fund	\$ 2,064,000
Streets and Public Transportation Fund	\$ 260,000
Drug Enforcement Program Fund	\$ 300,000
Grant Fund	\$ 3,750,000
General Purpose School Fund	\$ 56,471,889
Golf Course Fund	\$ 1,335,000
Capital Projects Fund	\$ 3,585,000
Solid Waste Fund	\$ 2,643,000
Economic Diversification Fund	\$ 2,385,000
West End Fund	\$ 2,918,000
Special Programs Fund	\$ 1,018,302

Section 4. The following amounts in the proprietary-type funds are projected expenses for Fiscal Year 2013 and are provided for informational purposes:

Electric Fund	\$ 54,988,374
Waterworks Fund	\$ 19,720,000
Emergency Communications District Fund	\$ 1,523,980

Section 5. In order to provide funds to meet the expenditure requirements, the following transfers are projected for Fiscal Year 2013 and are provided for informational purposes:

<u>To General Fund For Tax Equivalent</u>	
From Electric Fund	\$ 1,466,085
From Waterworks Fund	\$ 1,448,000
<u>To General Purpose School Fund for Operations</u>	
From General Fund	\$ 14,629,302
<u>To Debt Service Fund</u>	
From General Fund	\$ 3,545,000
<u>To Capital Projects Fund</u>	
From General Fund	\$ 500,000
From Special Programs Fund	\$ 200,000
<u>To Economic Diversification Fund</u>	
From General Fund	\$ 50,000
<u>To State Street Aid Fund</u>	
From General Fund	\$ 660,000
<u>To Streets and Public Transportation Fund</u>	
From General Fund	\$ 60,000
<u>To Solid Waste Fund</u>	
From General Fund	\$ 1,636,000
<u>To Grant Fund</u>	
From General Fund	\$ 171,850

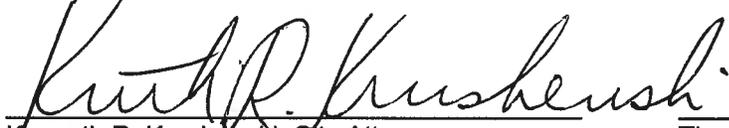
Section 6. All proceeds received through fines, forfeitures and the disposal of seized goods resulting from the City's drug enforcement program shall be used exclusively for that program. A Special Revenue Fund has been established and any funds expended will be limited to the funds collected for that program.

Section 7. The taxes levied under this Ordinance shall become due and payable, shall become delinquent and shall be subject to penalties, the execution of distress warrants and sale of property levied upon as provided by law.

Section 8. The levy provided for herein shall be imposed on all taxable property as the same has been reported to the Council as a final total assessment of each class of property by the legally constituted Boards of Equalization for property situated in either Anderson County or Roane County within the City of Oak Ridge. The written report of the Equalization Boards shall be the assessment roll of the City of Oak Ridge.

Section 9. This Ordinance shall become effective ten (10) days after adoption on second reading, the welfare of the City of Oak Ridge requiring it.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

Publication Date:	<u>05/03/2012</u>
Public Hearing:	<u>05/14/2012</u>
First Reading:	<u>05/14/2012</u>
Publication Date:	_____
Public Hearing:	_____
Second Reading:	_____
Publication Date:	_____
Effective Date:	_____