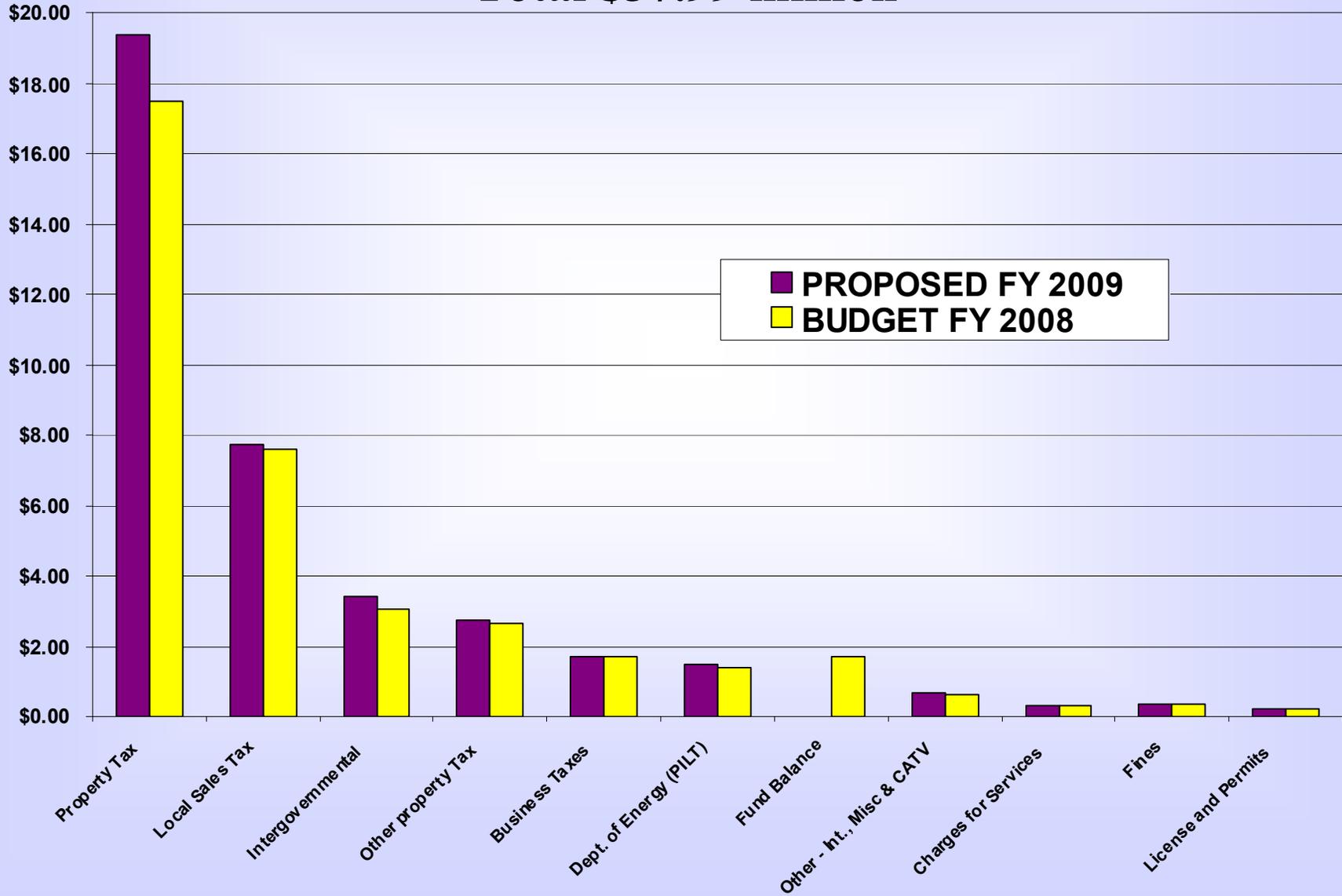


CITY OF OAK RIDGE, TENNESSEE

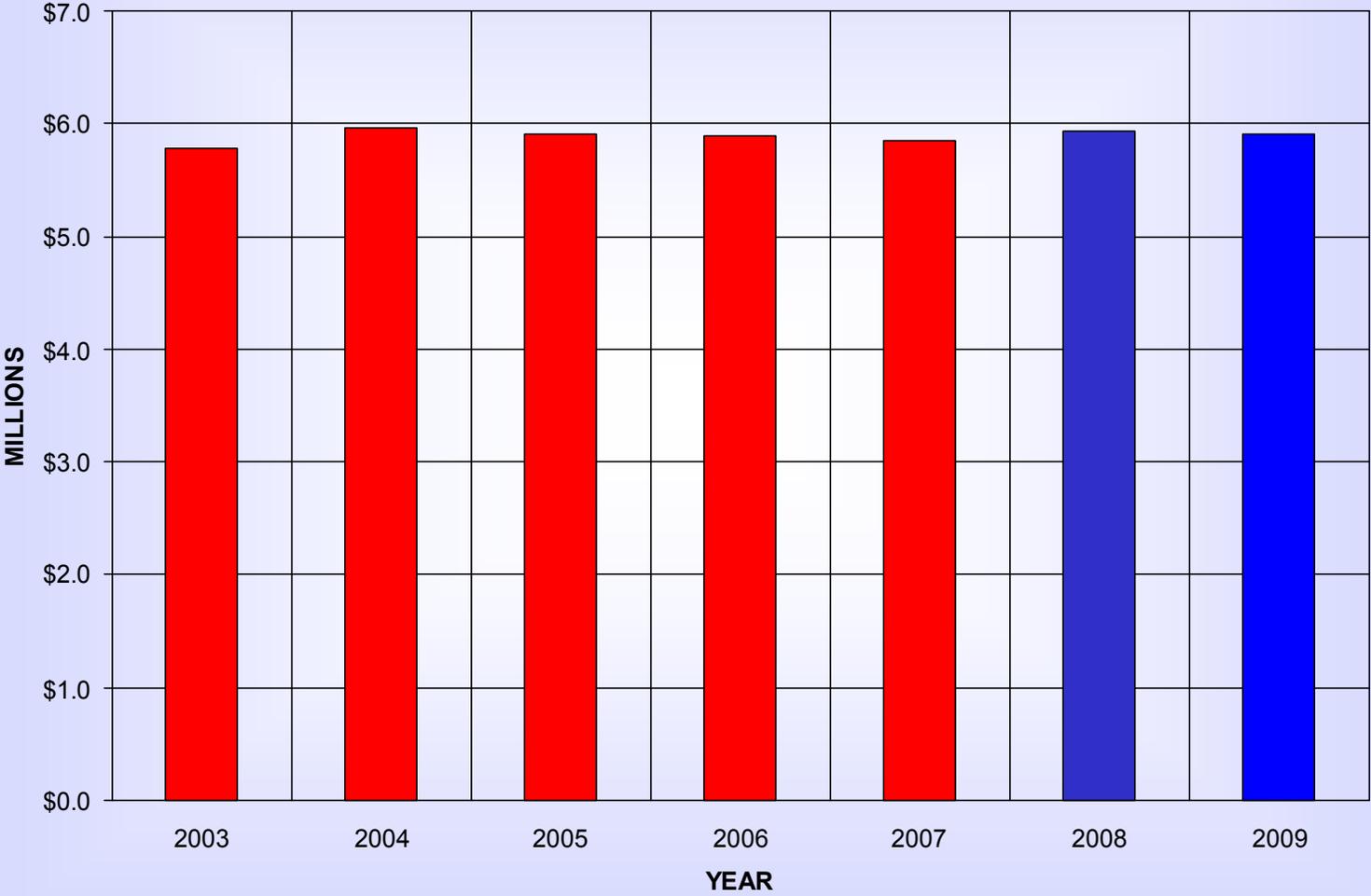
City Council Work Session

April 28, 2008

City of Oak Ridge – FY 2009 General Fund Projected Revenues (millions) Total \$37.99 million

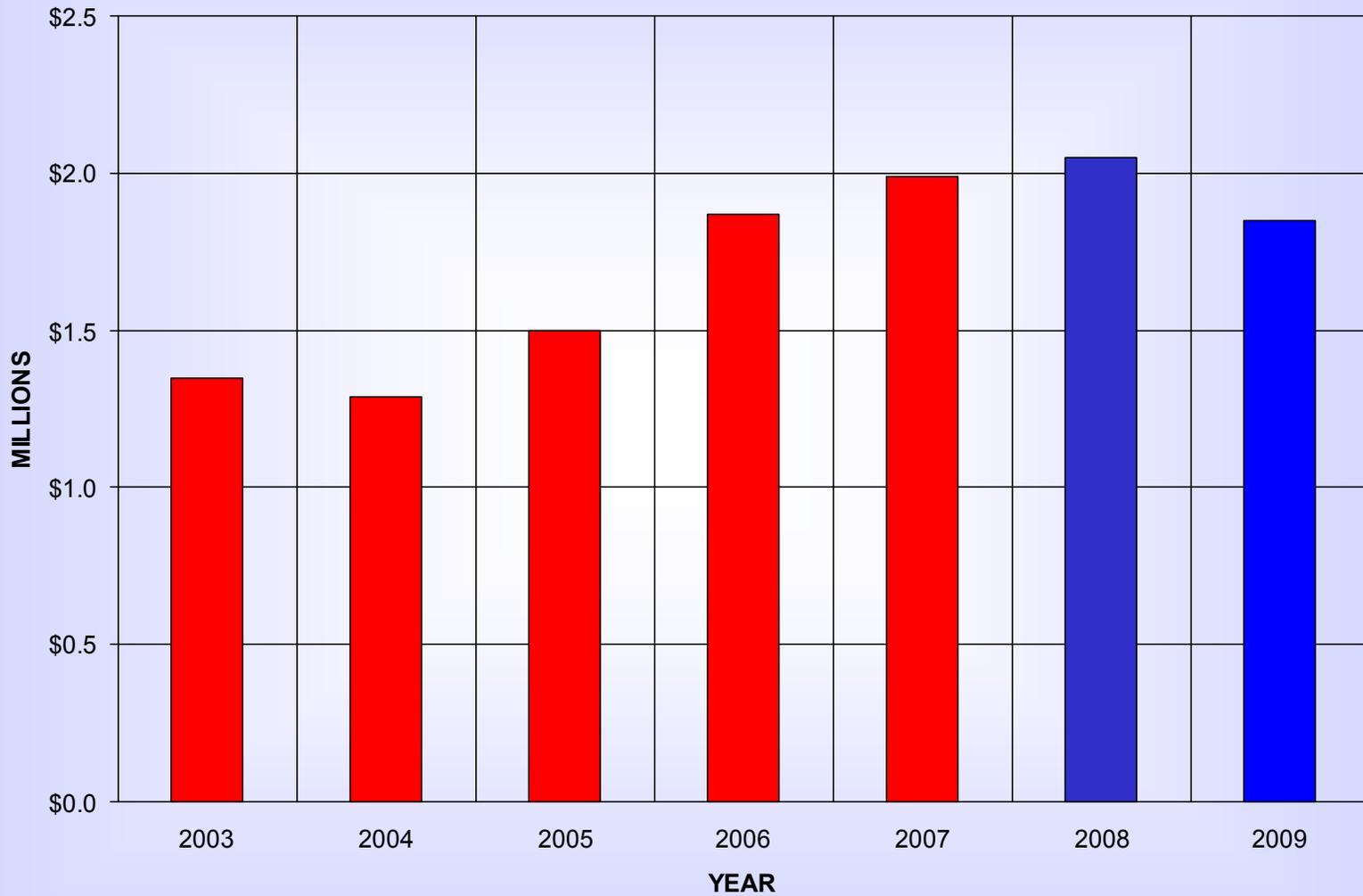


City of Oak Ridge Sales Tax Collections for Operations - Anderson County



Actual --- Projected ---

City of Oak Ridge Sales Tax Collections for Operations - Roane County

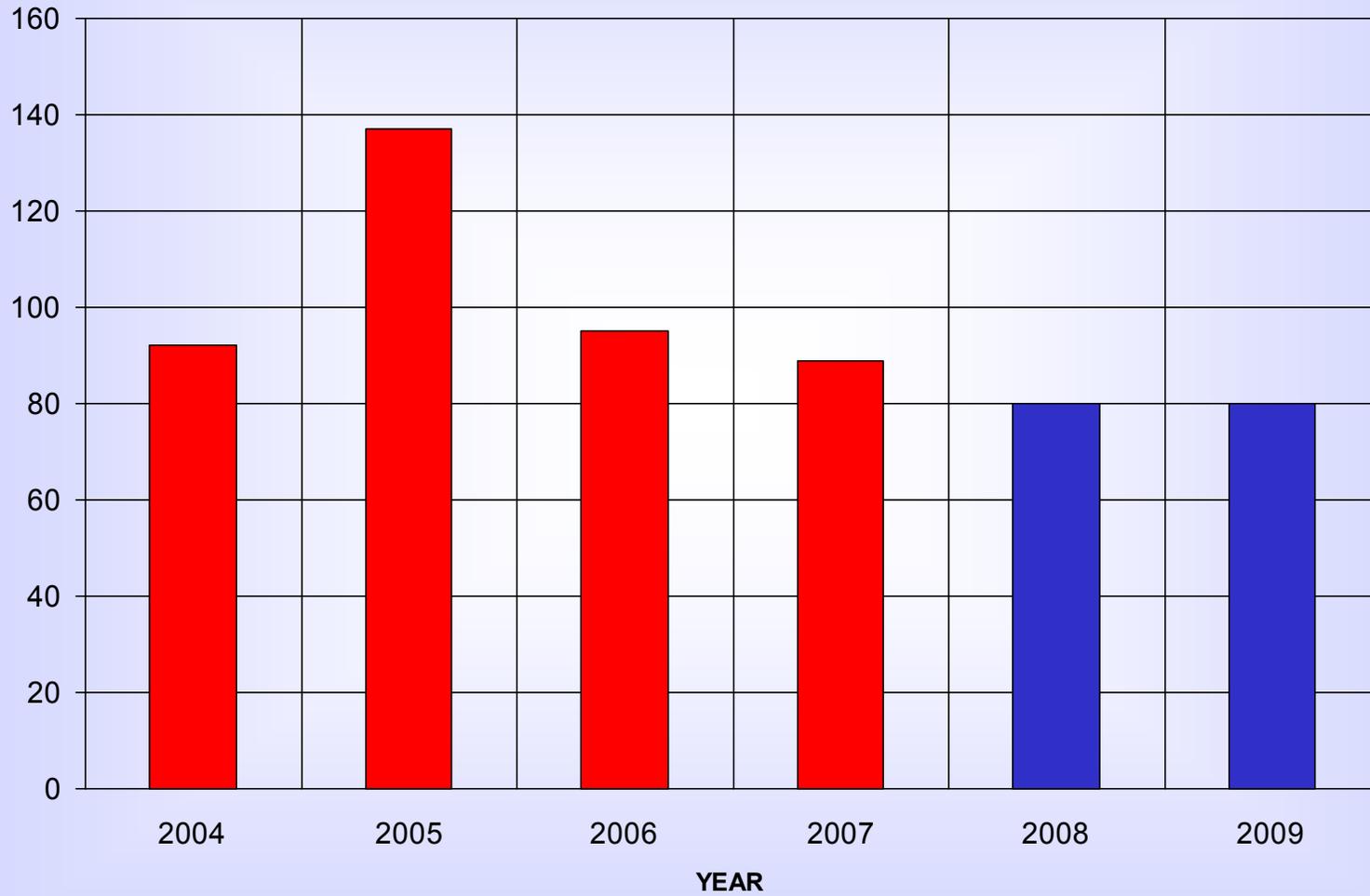


Actual --- Projected ---

City of Oak Ridge
Factors Affecting Future Sales Tax Growth
FY 2009

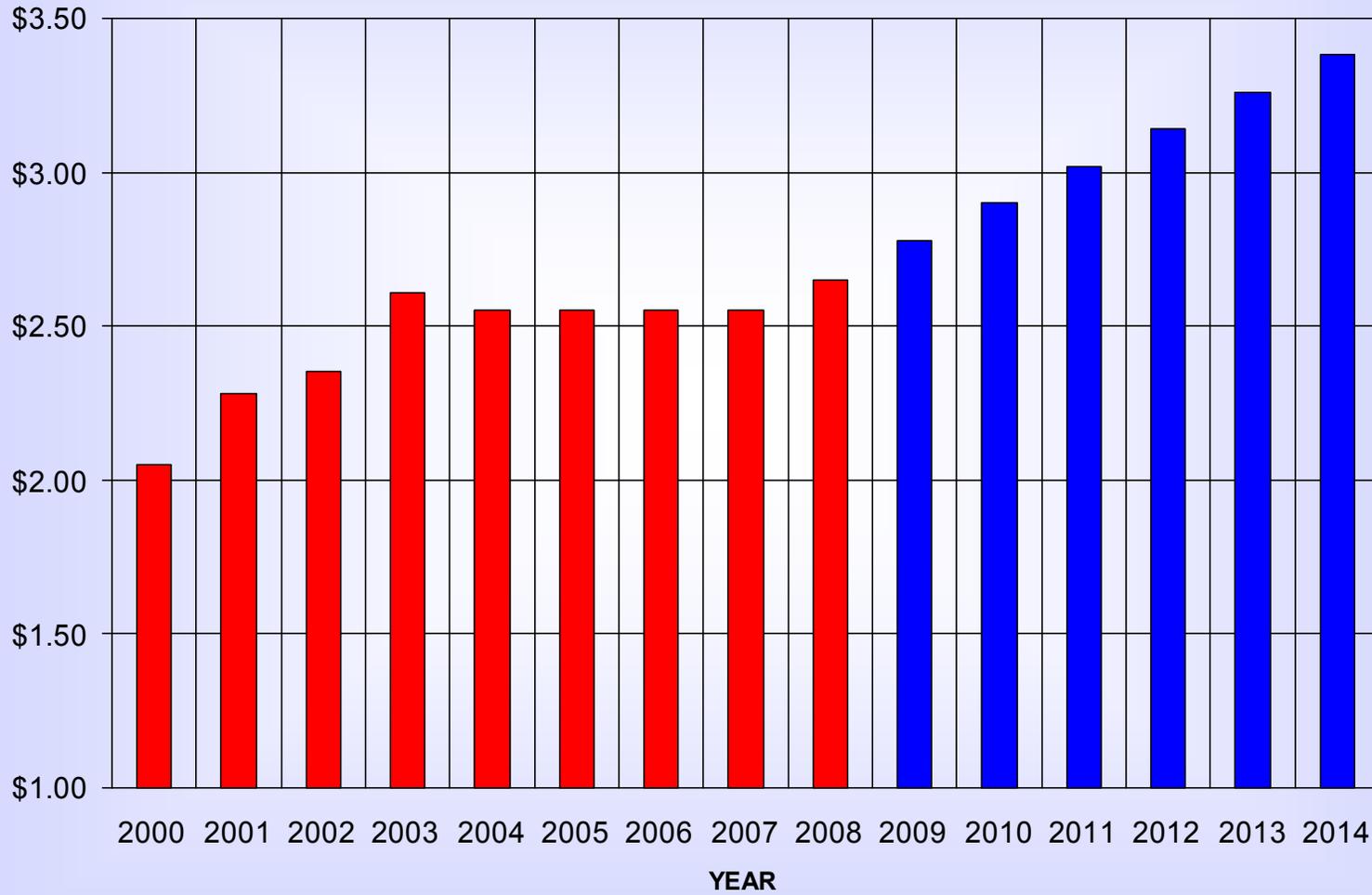
- New Wal-Mart on Interstate 75 in Clinton
- Turkey Creek Continues to Expand
- No significant Retail Growth in Oak Ridge
- Internet Sales are Growing
- Will Revenues from the West End of the City Continue at the Current Pace?

City of Oak Ridge Housing Starts



Actual --- Projected ---

City of Oak Ridge Tax Rate Trend



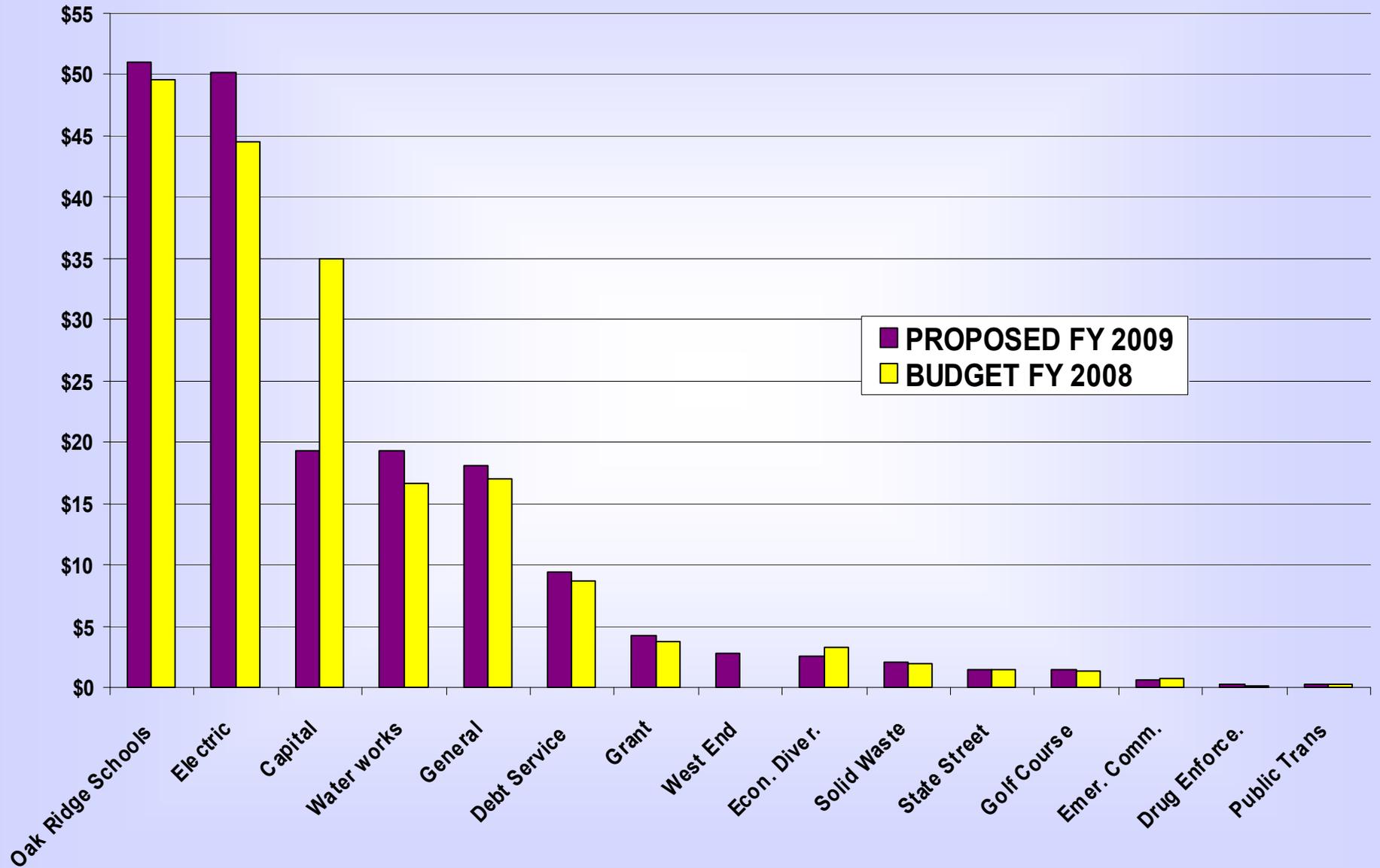
Actual --- Projected ---

CITY COUNCIL
MAJOR FINANCIAL POLICY GUIDELINES

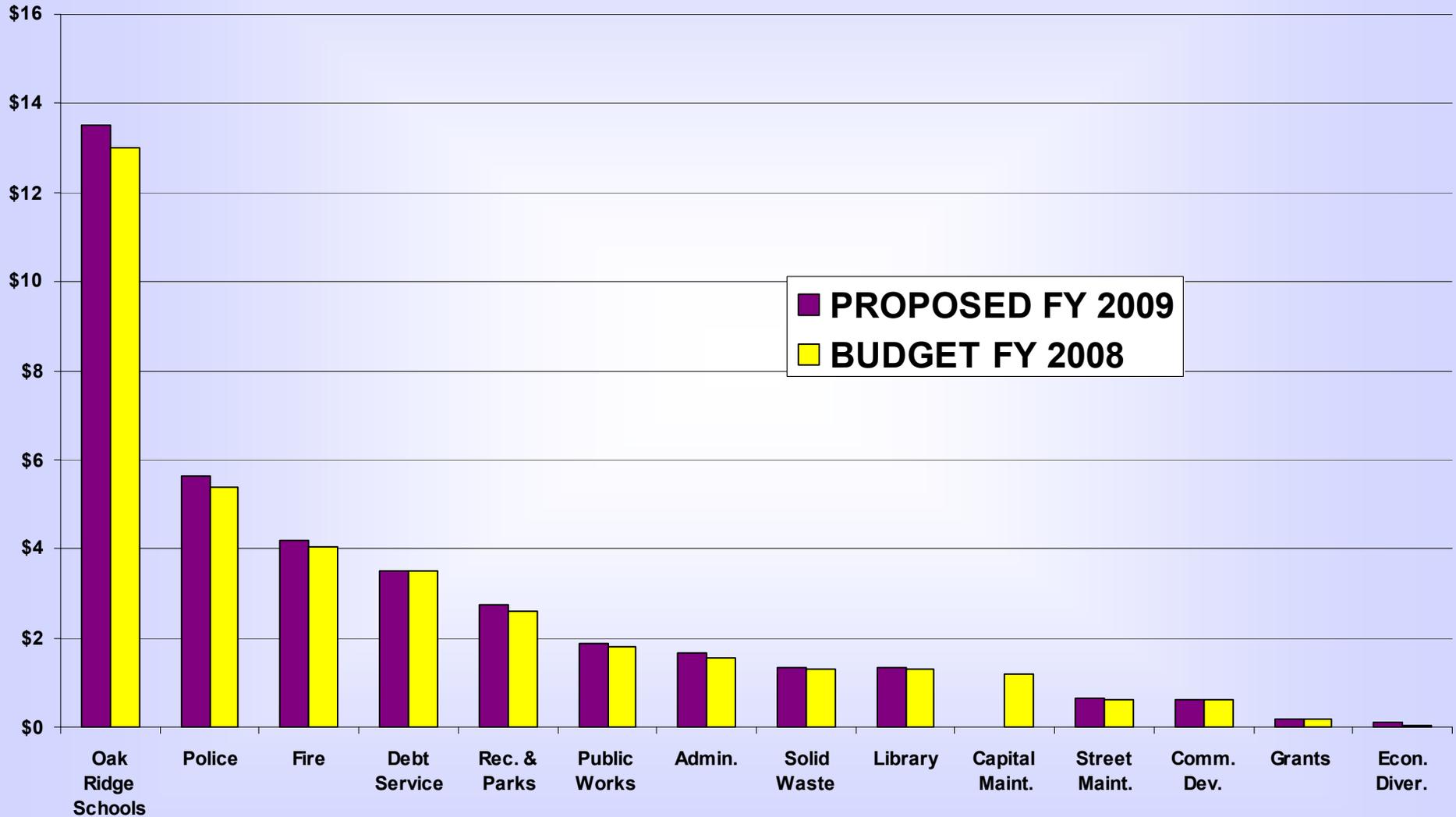
Adopted March 19, 2007

1. The Council's desired overall goal is to first stabilize the property tax rate until 2009, and second to direct specific new revenues toward achieving the longer-term goal of a more competitive property tax rate. This is described in the Oak Ridge City Council Strategic Plan, Fiscal Years 2006-2009, as adopted on August 15, 2005.
2. The property tax rate goal shall be a rate at or below the current rate of \$2.55 for FY 2008. After FY 2008, in the absence of any additional windfall revenues, future expenditure growth and tax rate increases shall be at or below the published or anticipated Government Workers Compensation (GWC) Index growth rate (currently, the December 2006 GWC Index growth rate is 4.1%).
3. From FY 2008 - FY 2013, consider funding all General Fund capital projects with "balanced borrowing" only, meaning projects which will not increase the property tax rate. Funding for repayment of the new high school borrowing (-\$65,000,000) is assumed to have no impact upon the tax rate during the project's 30-year repayment duration and, therefore, is not reflected in the Budget Model. All funding for high school debt repayment is to be generated from the legally dedicated sales tax revenue, Education Foundation contributions, and utilizing a portion of the debt service payments as other borrowings are paid off. All major new general obligation capital projects are currently unfunded (such as School Administration Building, preschool building, American Museum of Science and Energy, Senior Center, or new fire stations). No new capital project specific borrowing is currently planned before FY 2013.
4. The City will borrow up to \$3,000,000 for capital maintenance expenditures. The purpose of this borrowing is to pay for budgeted capital expenditures with borrowed funds. The effect of this transaction will be to strengthen the City's reserves. The related fund balance goal for future years will be to maintain a combined City and School Fund Balance of \$7,000,000. This borrowing is keeping with guideline 3 above as it will help the City maintain the current tax rate and increase City reserves.
5. The transfer to the Convention and Visitors Bureau (CVB) for FY 2008 and future years will increase by the same percentage as the City's budget. The proposed FY 2008 increase is based on the GWC, which is 4.1% as described in guideline 2 above. In addition, the City will provide up to \$120,000 in matching funds from the Economic Diversification Fund for the construction of a new CVB facility. The result of this action is a minimum of a 3 cent reduction in future property tax rate increases as new hotels come on line.
6. No new City staffing shall be added through FY 2008 unless the addition of staff reduces overtime expenditures in a like amount and the requesting department is staffed at or above 98% of the currently authorized staff level, or the additional staff is fully funded through DOE or its subcontractors and a Memorandum of Understanding between DOE and the City supports the staff increases.
7. Unfunded mandates or other unanticipated revenue losses must be borne by the impacted budget component unless balancing revenues are identified by the City Manager

**City of Oak Ridge – FY 2009
Proposed Expenditures – All Funds (millions)
Total \$182.84 Million**



**City of Oak Ridge – FY 2009 General Fund
Proposed Expenditures and Transfers (millions)
Total \$37.31 million**



City of Oak Ridge
Municipal Expenditures as Percent of Total (Gross)
FY 2009

- Salaries and Benefits – 70.57%
- Energy and Asset Maintenance – 20.34%
- Advertising, Postage, Print, Rents, Elections, Grants, Other – 4.79%
- Commodities and Supplies – 2.59%
- Property and Liability Insurance – 1.04%
- Travel and Training - .66%

**City of Oak Ridge
Significant Expenditure Changes
FY 2009**

- Increased Energy and Rental Costs - \$217,000
- Retirement and Social Security - \$85,000
- Proposed 2% Pay Adjustment - \$212,000
- Medical Insurance - \$175,000

**City of Oak Ridge
Proposed Program Enhancements
FY 2009**

- Thermoplastic Applicator – Estimated Cost \$40,000 – Balanced Borrowing as defined in guidelines - 3-5 year payback
- Increase Medical Insurance match for retirees from 25% to 50% - Estimated cost is \$13,000
- Tax rate impact for both items is less than .2 (2 tenths) cents

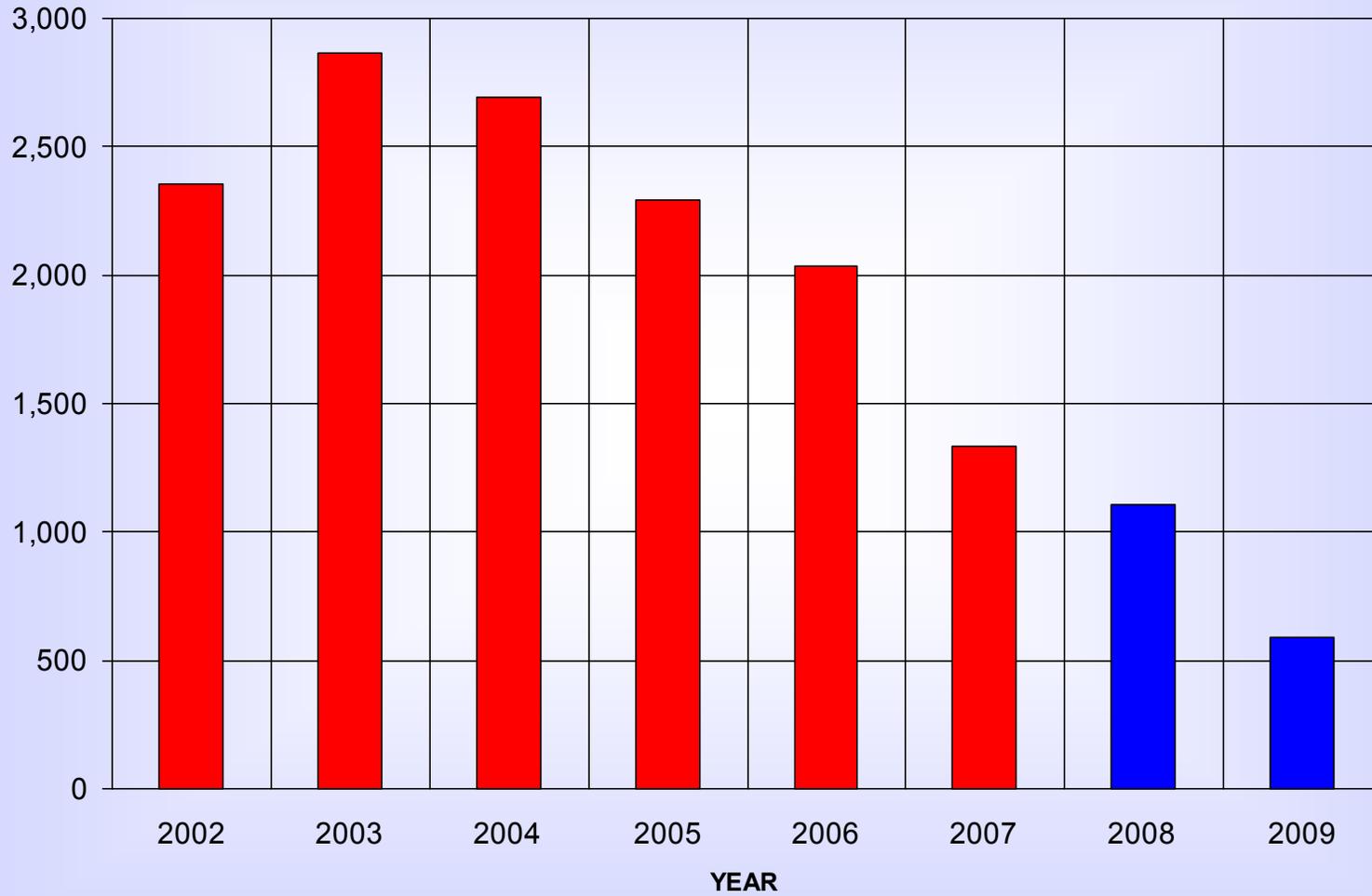
**City of Oak Ridge, Tennessee - General Fund
Unfunded Budget Requests FY 2009 - Ongoing Expenditures**

	Description	Total Request	General Fund Impact - Annually	Tax Rate Impact (cents)
Public Works	Street Resurfacing	\$ 50,000	\$ 50,000	0.71
	Street Stripping	\$ 22,000	\$ 22,000	0.31
	Pedestrian Enhancements	\$ 12,000	\$ 12,000	0.17
Fire	Fire Specialist	\$ 70,000	\$ 70,000	1.00
	Fire Prevention	\$ 100,000	\$ 100,000	1.43
	EMS First Responder Regattas	\$ 25,000	\$ 25,000	0.36
Police	Additional Detective	\$ 53,000	\$ 53,000	0.76
	Police Dispatcher	\$ 42,000	\$ 42,000	0.60
	Additional Officer	\$ 46,000	\$ 46,000	0.66
Police and Fire	Supplemental Retirement Benefits	\$ 228,478	\$ 228,478	3.26
Parks/Rec	Supplies and Materials	\$ 20,000	\$ 20,000	0.29
	1 Additional Maintenance Worker	\$ 34,000	\$ 34,000	0.49
	Special Events Coordinator	\$ 50,000	\$ 50,000	0.71
Library	Supplies	\$ 7,250	\$ 7,250	0.10
Legal	Books	\$ 4,000	\$ 2,840	0.04
Comm. Dev.	Restore Mowing and Demolition	\$ 20,000	\$ 16,400	0.23
	Training	\$ 7,000	\$ 4,540	0.06
Personnel	HazMat Medical Evaluations	\$ 4,000	\$ 2,160	0.03
	Public Works Training for ETPP	\$ 2,000	\$ 1,080	0.02
Comp. Services	Training for Computer Services	\$ 25,000	\$ 8,250	0.12
	2 Additional Positions - Computer Services	\$ 150,000	\$ 49,500	0.71
	Document Imaging	\$ 100,000	\$ 33,000	0.47
Capital Maint.	City and Schools - Total \$2,500,000 annually	\$ 1,300,000	\$ 1,300,000	18.57
	Total	\$ 2,371,728	\$ 844,498	31

Unfunded Project Requests FY 2009 - One Time Expenditures

	Description	Total Request	General Fund Impact - Annually	Tax Rate Impact (cents)
Comp. Services	Police Laptop Upgrades (30)	\$ 150,000	\$ 30,000	0.43
	City wide Fiber Backbone	\$ 2,000,000	\$ 120,000	1.71
	Telephone Upgrades	\$ 100,000	\$ 5,000	0.07
Library	Engineering Study for Renov. & Expansion	\$ 50,000	\$ 5,000	0.07
	Senior Center	\$ 3,000,000	\$ 280,000	4.00
	Municipal Building Remodel - Expansion	\$ 500,000	\$ 30,000	0.43
	Total	\$ 5,800,000	\$ 470,000	7
	All Position Requests include benefits			

City of Oak Ridge Economic Diversification Fund Fund Balance Trend



Actual --- Projected ---

City of Oak Ridge – Proposed Property Tax Rate and Financial Impact



	HOME VALUE	TAX RATE	TOTAL (ANNUAL)
FY 2009	\$120,000	\$2.78	\$834.00
FY 2008	\$120,000	\$2.65	\$795.00
Tax Rate Increase		\$0.13	\$39.00
MONTHLY INCREASE			\$3.25

Property Tax Rate Comparison – FY 2008

County	City	Dist.	Co.	City	SSD	Total
SHELBY	MEMPHIS		\$4.0400	\$3.4332		\$7.4732
GIBSON	HUMBOLDT		\$0.7900	\$2.9900		\$3.7800
MADISON	HUMBOLDT		\$2.3100	\$2.9900		\$5.3000
KNOX	KNOXVILLE		\$2.6900	\$2.8100		\$5.5000
	OAK RIDGE - PROPOSED 2009			\$2.7800		
ANDERSON	OAK RIDGE		\$2.6800	\$2.6500		\$5.3300
ROANE	OAK RIDGE		\$2.2700	\$2.6500		\$4.9200
COFFEE	TULLAHOMA		\$2.3700	\$2.4400		\$4.8100
FRANKLIN	TULLAHOMA		\$2.0144	\$2.4400		\$4.4544
SULLIVAN	BRISTOL		\$2.5300	\$2.4200		\$4.9500
COFFEE	MANCHESTER		\$2.4500	\$2.4200		\$4.8700
SULLIVAN	KINGSPORT		\$2.5300	\$2.3000		\$4.8300
GREENE	GREENEVILLE		\$1.9500	\$2.2900		\$4.2400
HAMILTON	CHATTANOOGA		\$3.1540	\$2.2020		\$5.3560
BLOUNT	ALCOA		\$2.2300	\$2.1000		\$4.3300
LAUDERDALE	HENNING		\$2.8500	\$2.1000		\$4.9500
MADISON	JACKSON		\$2.3100	\$2.1000		\$4.4100
BLOUNT	MARYVILLE		\$2.2300	\$2.0500		\$4.2800
DYER	DYERSBURG		\$2.5800	\$2.0400		\$4.6200
COCKE	NEWPORT		\$2.4800	\$2.0400		\$4.5200
OBION	UNION CITY		\$1.7100	\$2.0200		\$3.7300
OBION	RIVES		\$2.2000	\$2.0000		\$4.2000
MORGAN	OAKDALE		\$2.9900	\$1.9900		\$4.9800
HAWKINS	KINGSPORT		\$2.6100	\$1.9600		\$4.5700
WASHINGTON	JOHNSON CITY		\$2.3500	\$1.9300		\$4.2800
CROCKETT	FRIENDSHIP		\$2.8400	\$1.9100		\$4.7500
CARROLL	BRUCETON	BRUCETON SSD	\$1.0000	\$1.8900	\$1.6600	\$4.5500
WEAKLEY	SHARON		\$2.3700	\$1.8700		\$4.2400
LAKE	TIPTONVILLE		\$2.4300	\$1.8600		\$4.2900
LAUDERDALE	GATES		\$2.8500	\$1.8500		\$4.7000
CARTER	JOHNSON CITY		\$2.1000	\$1.8000		\$3.9000