

City of Oak Ridge FY 2012 Budget

Transmittal and Overview



**By: Mark S. Watson, City Manager
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Janice E. McGinnis, Finance Director**



City Council Budget Preparation Reviews Expressed in February, 2011

- Retain tax rate

- Sustain and maintain existing services
- Consider pay increase for staff, if possible
- Re-negotiate PILT Payment with DOE
- Support events that generate/focus on sales tax and economic improvements



Goals of the City Manager

- Complete review of each department and basic re-adoption of FY 2011 budget
- Realign budget changes that can support Council goals
- Improve internal capacity to deliver services
- Respond to external EPA mandate
- Improve the general condition of our community



Competing Demands of Future Regional Needs



- Anderson County Jail
- “Not In Our Town” Campaign
- Library Expansion
- Senior Citizen Venue
- Rowing Facility and Riverfront Venues
- School Building Needs
- Security Remodeling for Police Station
- Conference Center



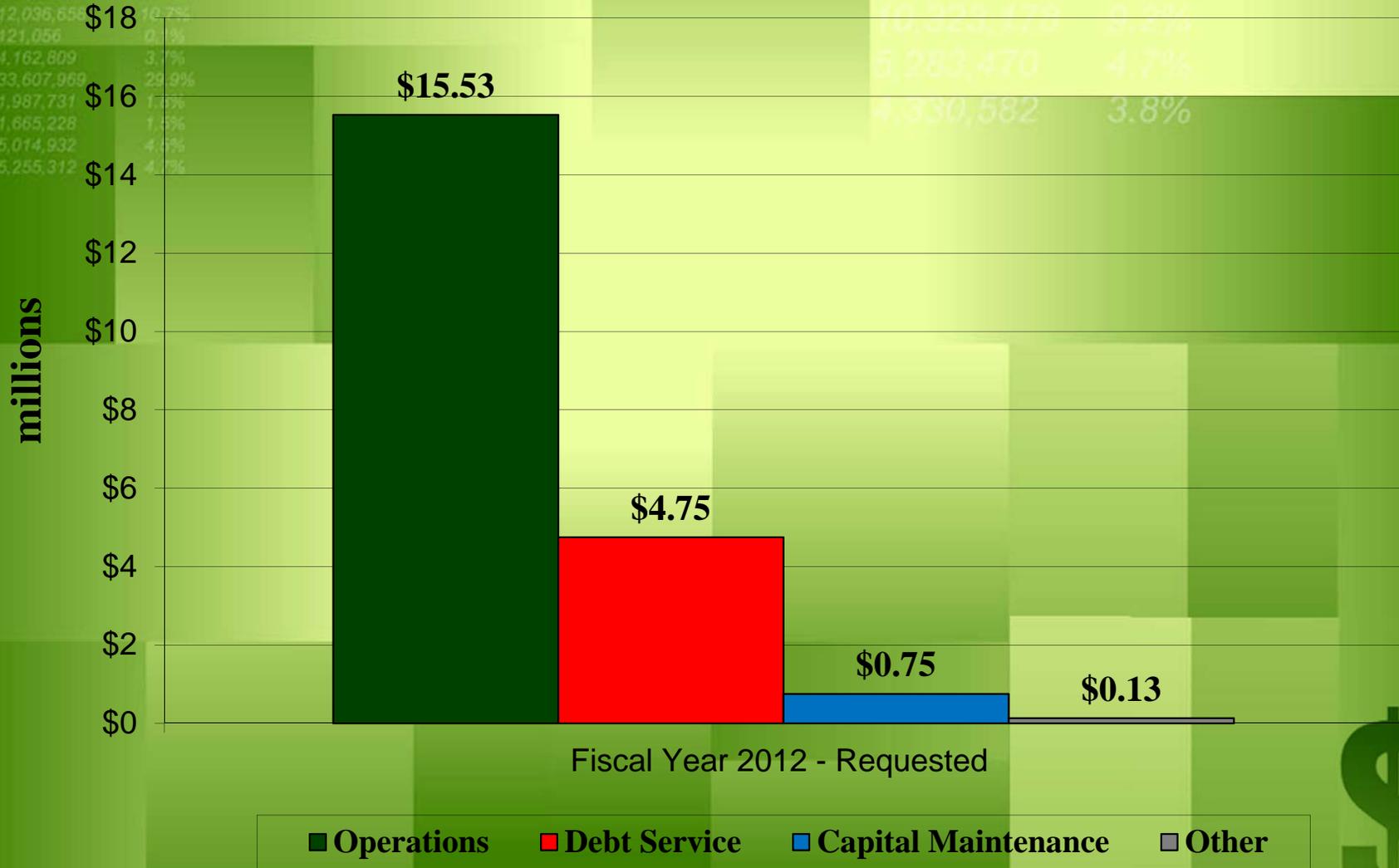
Budget Battle: Fact or Fiction?

- School staff and City staff have met to discuss collaborative efforts, particularly shared technology (phones, back-up computer system)
- City has budgeted capital dollars to supplement school dollars for fiber-optic ring
- City provides sole funding for school resource officer at ORHS and crossing guards throughout city
- City and Schools both being affected by changing demographics and economics

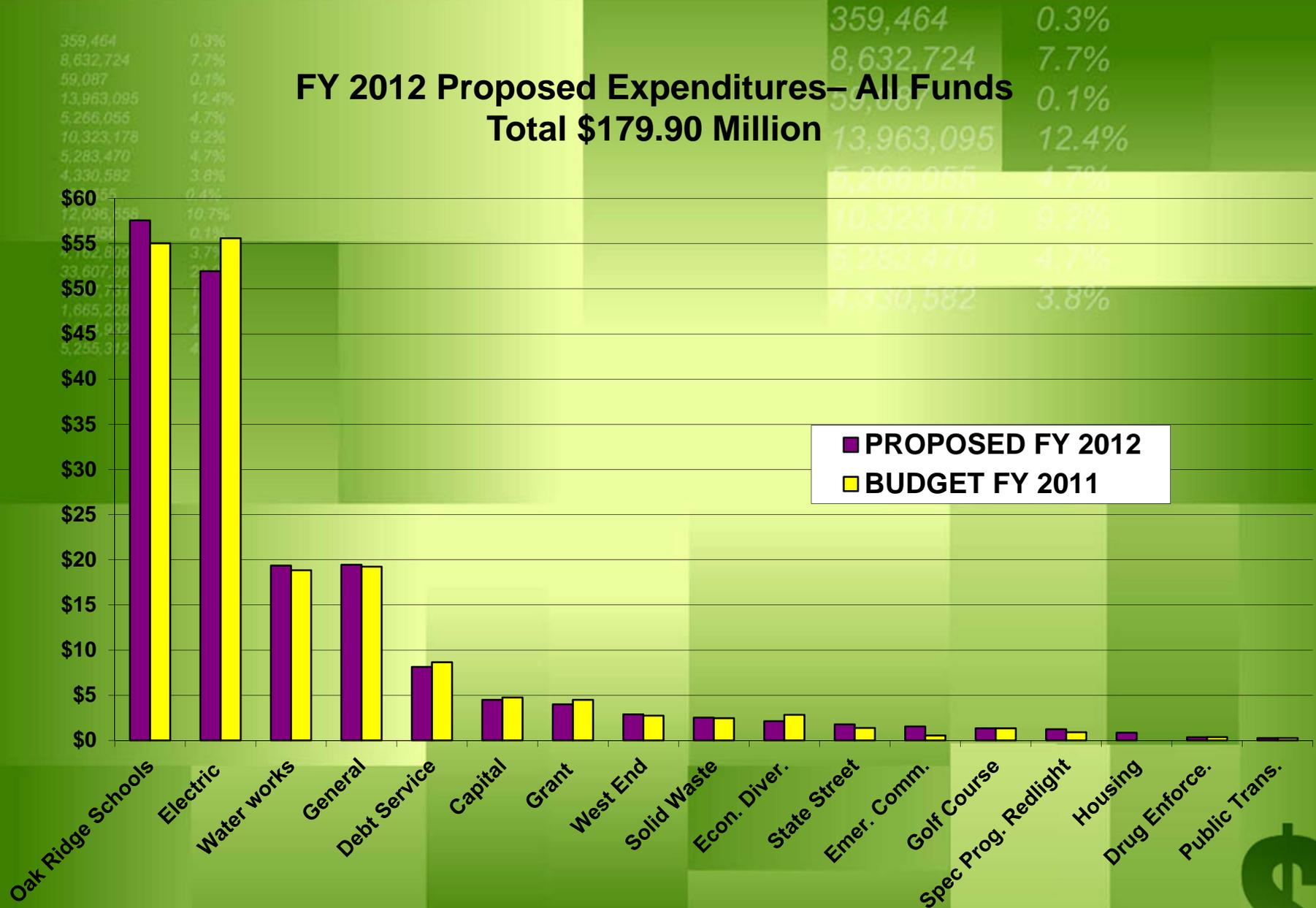


Total Financial Support for Oak Ridge Schools

\$21.16 million



FY 2012 Proposed Expenditures – All Funds Total \$179.90 Million



Waterworks Fund EPA Order

359,464	0.3%
8,632,724	7.7%
59,087	0.1%
13,963,095	12.4%
5,266,055	4.7%
10,323,178	9.2%
5,283,470	4.7%
4,330,582	3.8%
490,555	0.4%
12,036,658	10.7%
121,056	0.1%
4,162,809	3.7%
33,607,969	29.9%
1,987,731	1.8%
1,665,228	1.5%
5,014,932	4.5%
5,255,312	4.7%

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Current work is a significant drain on cash reserves

Lamar Dunn Rate Study due in September



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New Initiative Housing Fund Funding Sources

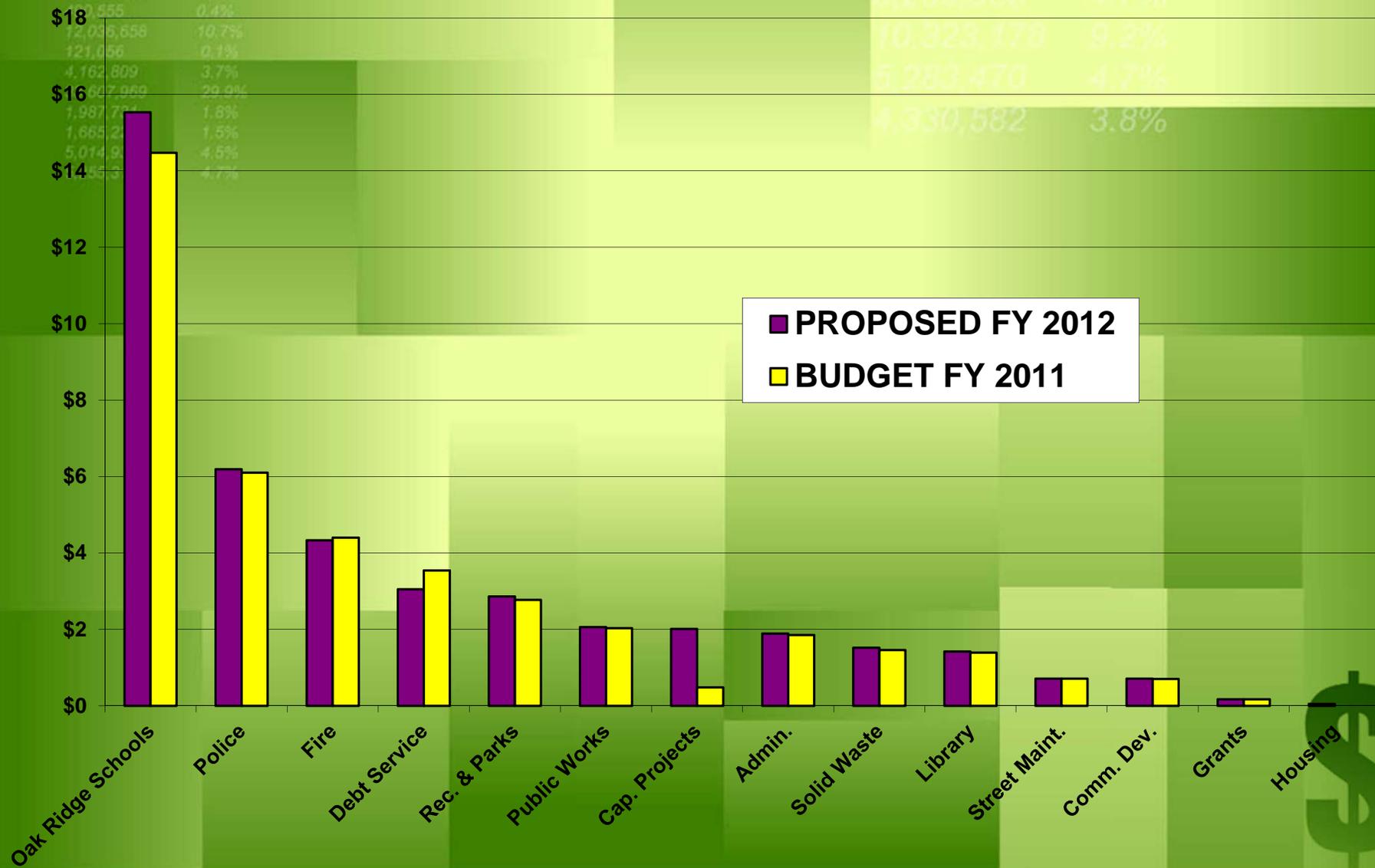
\$50,000 Annual Transfer from General Fund

\$250,000 One-Time Transfer from Economic Diversification

Housing Grants



FY 2012 General Fund Proposed Expenditures and Transfers Total \$42.49 million



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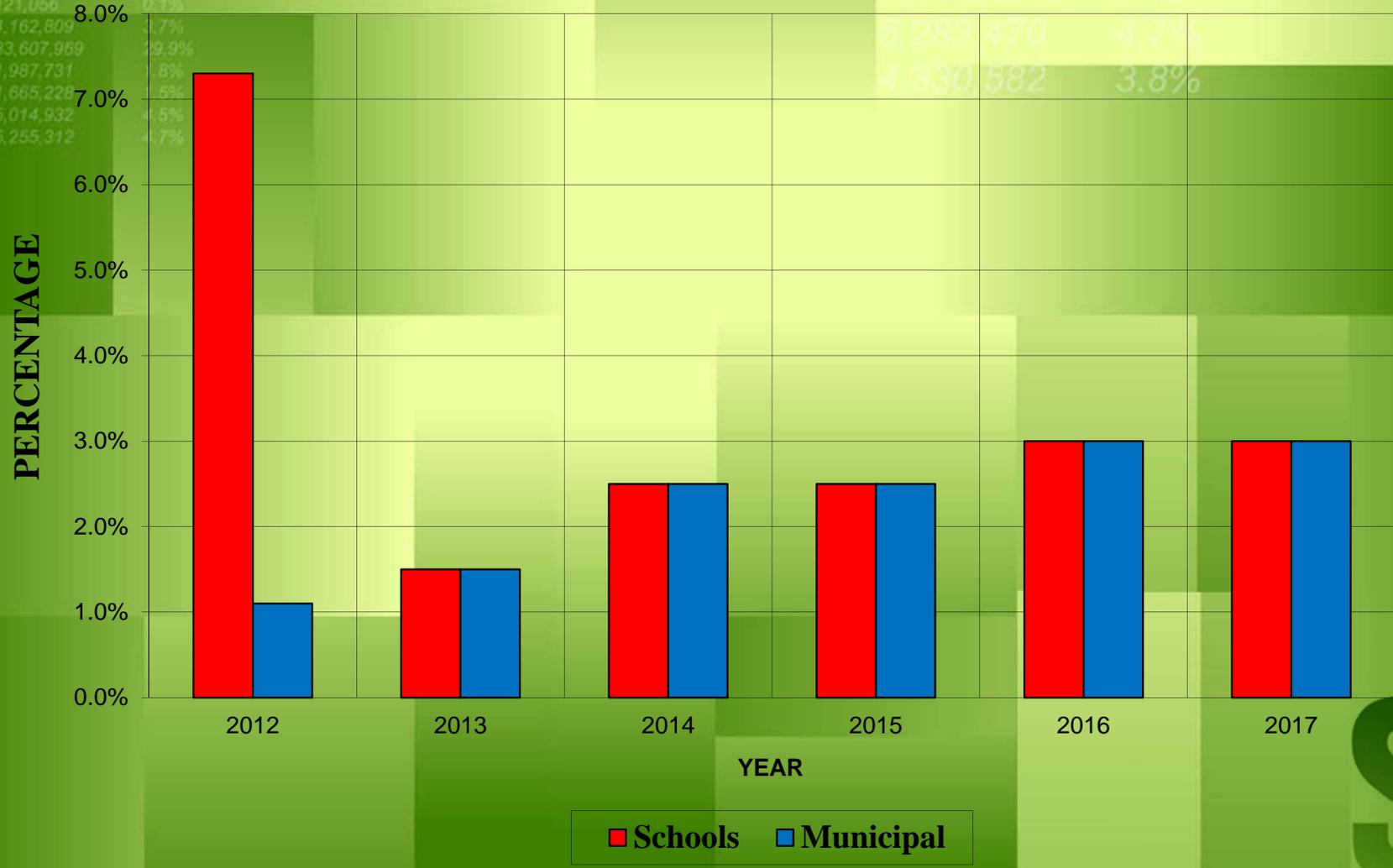


Major Changes in FY 2012 General Fund Budget

Description	Change from FY 2011
Transfer to Oak Ridge Schools	\$1,059,171
Transfer to Capital Projects – Full capital maintenance with no new debt.	\$1,035,729
Transfer to Capital Projects – Roane State	\$500,000
Municipal Budget Increase - Includes 2% salary adjustment and increased utility and small equipment charges	\$212,979
Transfer to New Housing Fund	\$50,000
Reduction in Transfer to Debt Service – Roane State	-\$500,000



General Fund Projected Municipal Expenditure and Schools Transfer Growth

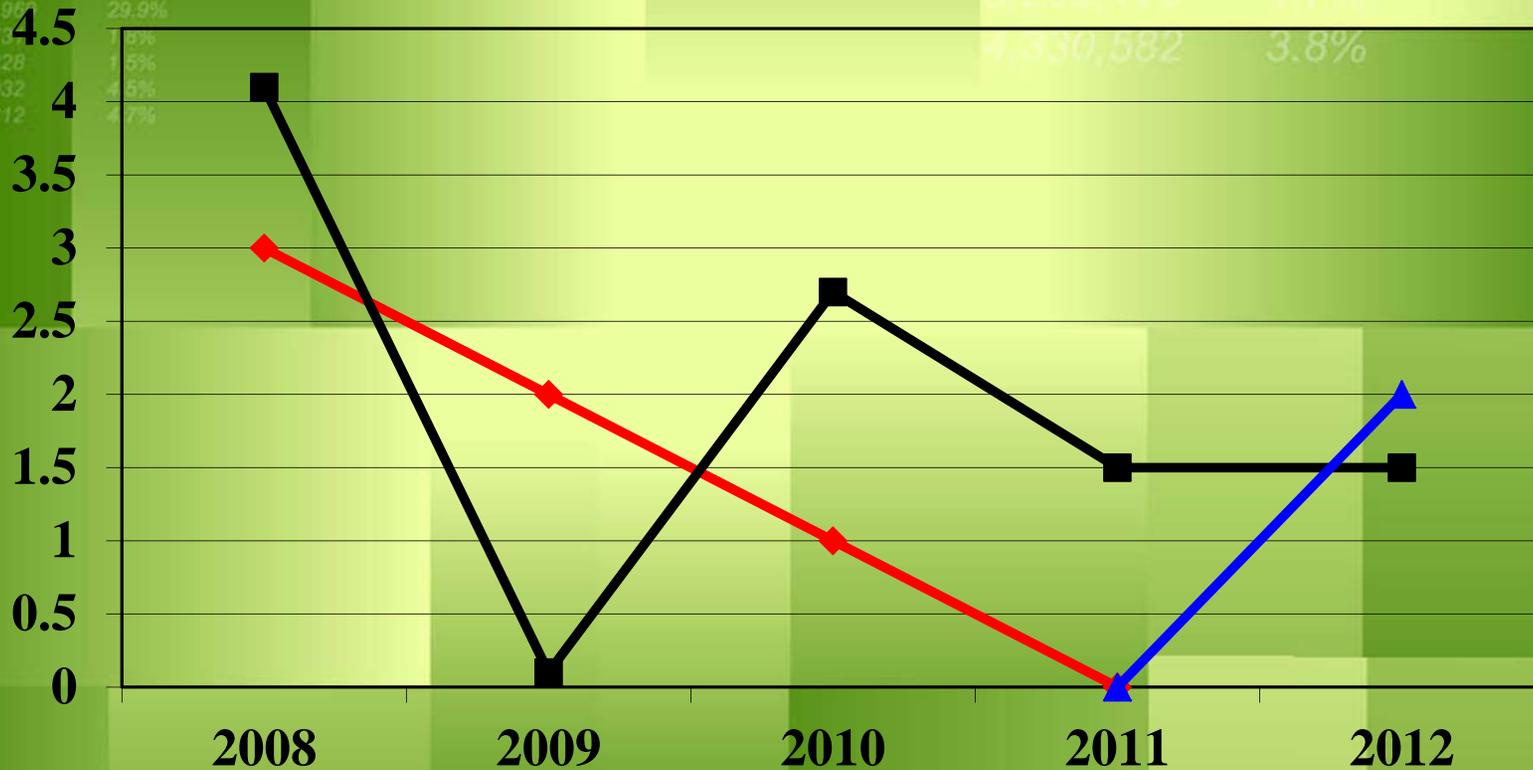


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Wage Adjustments vs. December CPI 2% Salary Adjustment Proposed for 2012



◆ Wage Adjustments
 ■ CPI
 ▲ Proposed Adjustment



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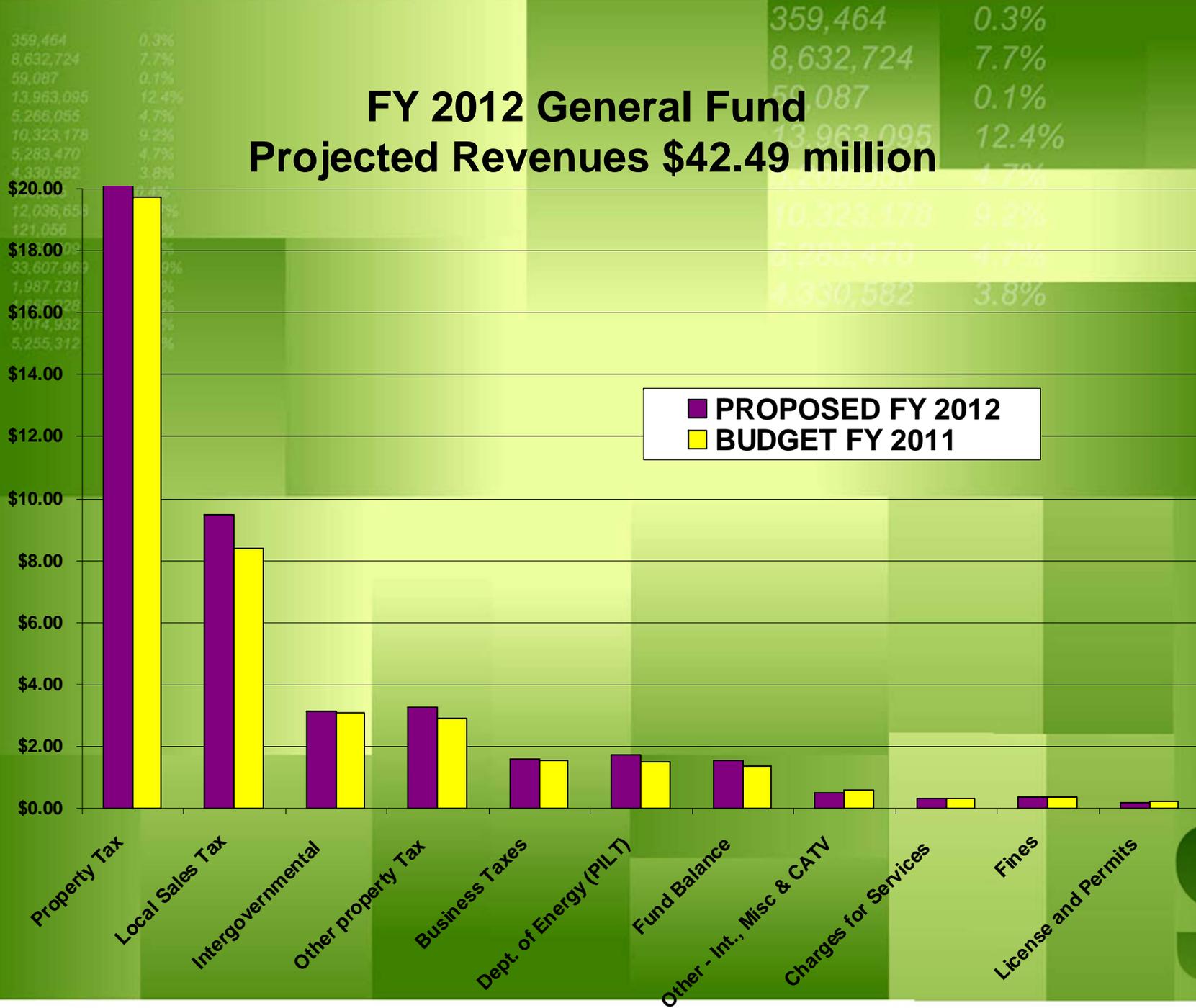
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Positive Factors Contributing to Small Municipal Expenditure Growth for FY 2012

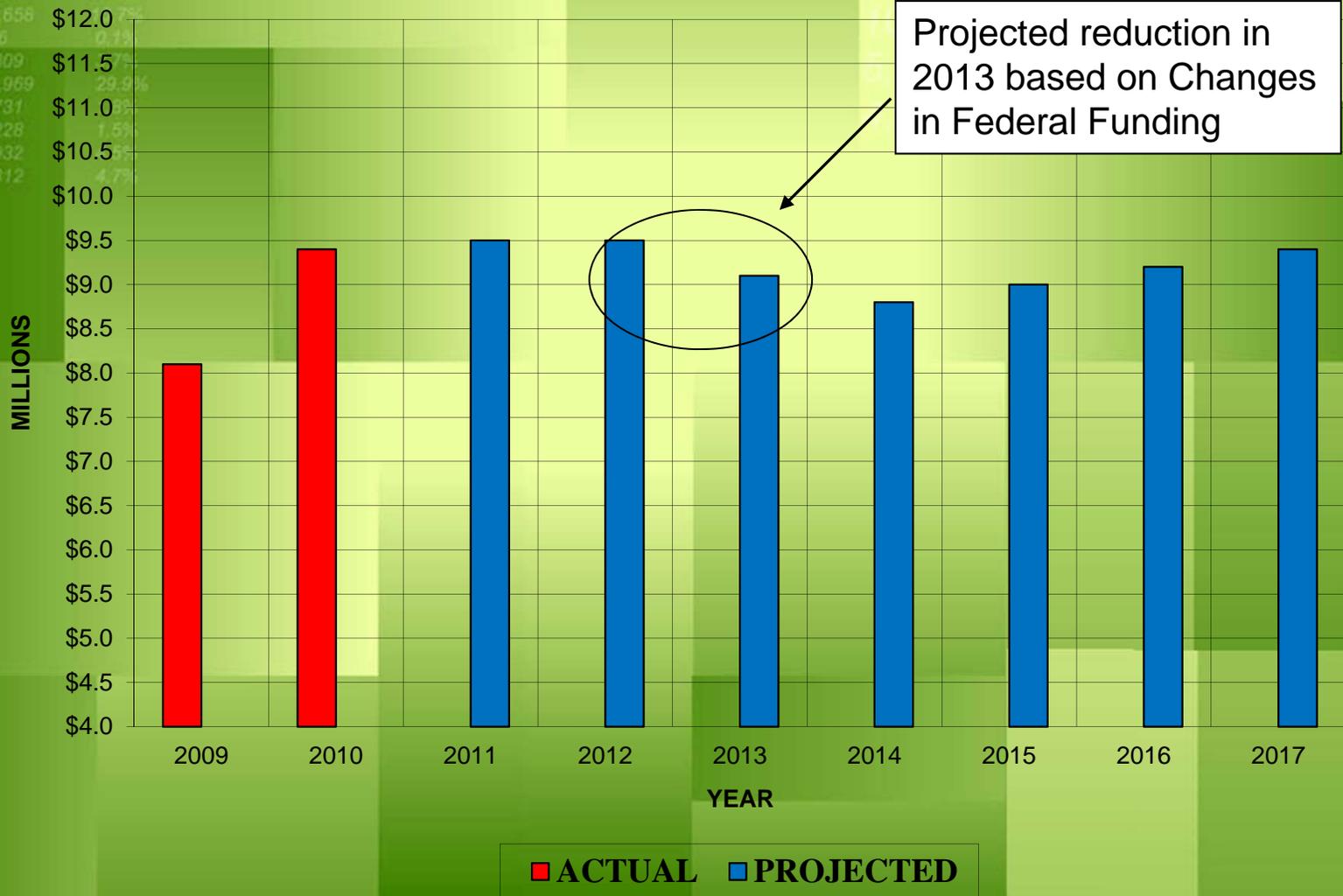
Retirement	No Change from 2011 Budget
Medical Insurance	No Change from 2011 Budget



FY 2012 General Fund Projected Revenues \$42.49 million



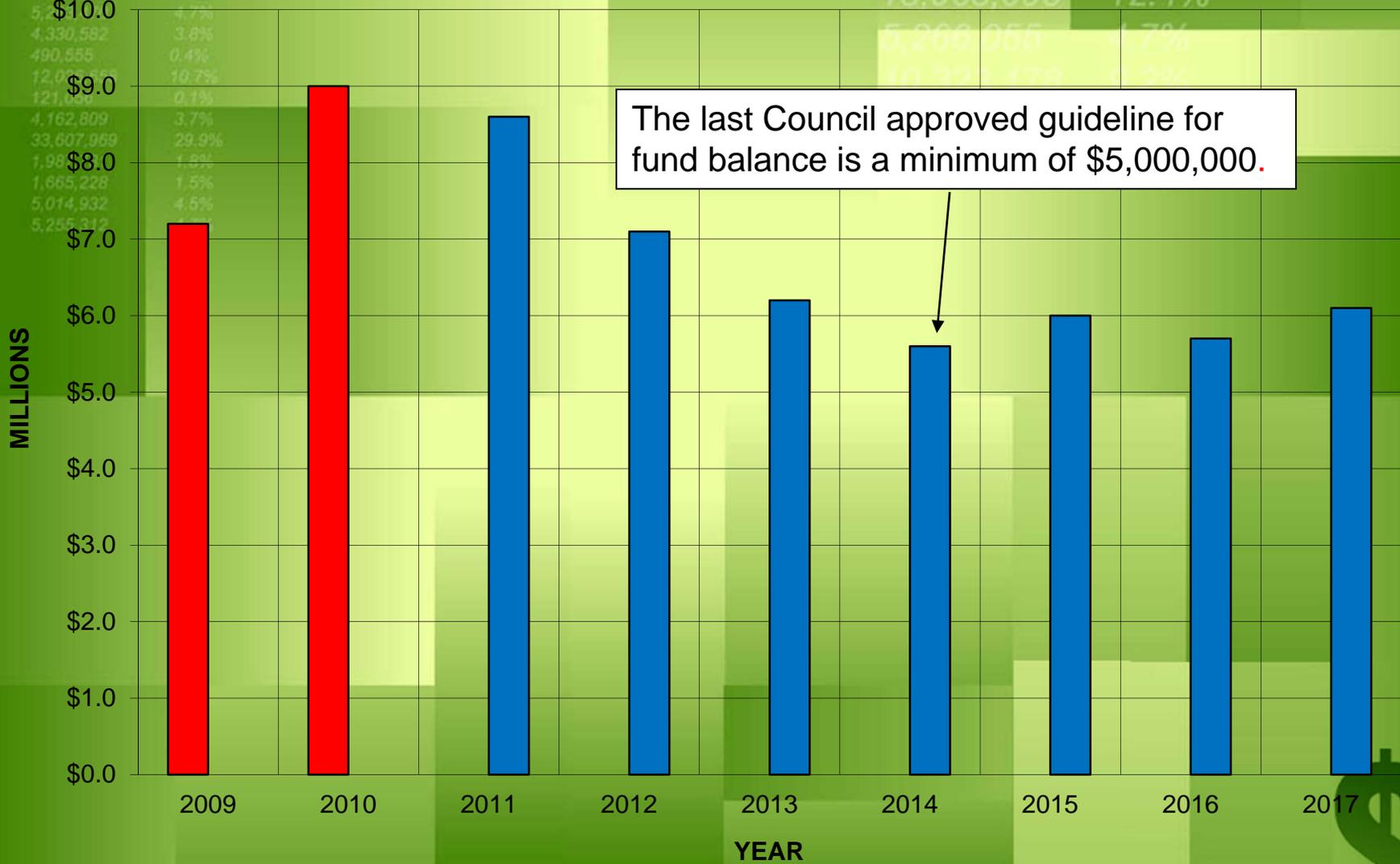
Sales Tax Collections for Operations



Projected reduction in 2013 based on Changes in Federal Funding



General Fund - Fund Balance



■ ACTUAL ■ PROJECTED



Projected Property Tax Rate Financial Impact



	HOME VALUE	TAX RATE	TOTAL (ANNUAL)
FY 2012 With School Request	\$140,000	\$2.49	\$871.50
FY 2011	\$140,000	\$2.39	\$836.50
Tax Rate Increase		\$0.10	\$35.00
MONTHLY INCREASE			\$2.92

Property Tax Rate Comparison Oak Ridge FY 2012 vs. Other FY 2011

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 490,555
 12,036,6
 121,058
 4,162,80
 33,607,9
 1,987,73
 1,665,22
 5,014,93
 5,255,31

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City	Rate
OAK RIDGE - INCLUDES 7.3% BUDGET REQUEST FROM SCHOOLS	\$2.49
KNOXVILLE	\$2.46
OAK RIDGE - RECOMMENDED 1.1% BUDGET INCREASE FOR CITY AND SCHOOLS- REQUIRES NO TAX HIKE	\$2.39
MANCHESTER	\$2.30
TULLAHOMA	\$2.29
BRISTOL	\$2.19
MARYVILLE	\$2.17
ALCOA	\$1.96
KINGSPORT	\$1.94
GREENEVILLE	\$1.86
JOHNSON CITY	\$1.84
ELIZABETHTON	\$1.78
LAKE CITY	\$1.60
NORRIS	\$1.55
JOHNSON CITY	\$1.54
CLEVELAND	\$1.49
GERMANTOWN	\$1.43
CLINTON	\$0.76



Conclusion of FY 2012 Budget

- City of Oak Ridge must have high priority response to EPA Administrative Order
- City of Oak Ridge must explore cooperative and collaborative projects with Schools and Anderson County
- City of Oak Ridge must stabilize neighborhoods through “Not In Our Town” efforts and public safety responses
- City of Oak Ridge can sustain existing school funding levels, but cannot support increased request for funding
- City of Oak Ridge must prepare for anticipated sales tax reductions in FY 2013

Questions?

