

**OAK RIDGE CITY COUNCIL  
SPECIAL MEETING**

Municipal Building Courtroom

February 27, 2014—6:00 p.m.

AGENDA

I. ROLL CALL

II. ITEMS FOR DISCUSSION

- a. 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.
- b. 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.

III. ADJOURNMENT



### **LEGAL NOTICE**

At the direction of Council Members Trina Baughn and Anne Garcia Garland and in accordance with Article II, Section 2, of the Charter of the City of Oak Ridge, Tennessee, a special meeting of City Council is hereby called for Thursday, February 27, 2014, at 6:00 p.m. in the Courtroom of the Municipal Building, 200 South Tulane Avenue, for discussion of the following:

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.

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.

In accordance with the City Charter, matters transacted at this special meeting shall be limited to the subjects recited in the notice of the meeting. No action and/or vote will be taken at this meeting regarding the two (2) aforementioned items.

Diana R. Stanley, City Clerk  
CITY OF OAK RIDGE, TENNESSEE

TITLE

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.

WHEREAS, there exists a need to amend the original appropriations for Fiscal Year 2014 and for the accomplishment of the same, a public hearing will be scheduled during second reading of the ordinance, scheduled for March 24, 2014 before the City Council after ten (10) days' notice thereof published in The Oak Ridger, the official newspaper, as provided by law; and

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

Section 1. Ordinance No. 05-2013, which adopts appropriations for Fiscal Year 2014, is hereby amended by revising Section 3 so that the same, as revised, will read as follows:

Section 3. In accordance with Article V, Section 14, 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 2014:

General Fund, Municipal Operations	\$ 20,245,788
Debt Service (Bond and Interest Redemption Fund)	\$ 8,212,544
State Street Aid Fund	\$ 2,210,450
Streets and Public Transportation Fund	\$ 260,000
Drug Enforcement Program Fund	\$ 255,200
Grant Fund	\$ 2,179,401
General Purpose School Fund	\$ 57,236,016
Golf Course Fund	\$ 1,385,000
Capital Projects Fund	\$ 3,030,000
Solid Waste Fund	\$ 2,682,000
West End Fund	\$ 2,568,000
Special Programs Fund	\$ 1,120,000

Section 2. 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

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Thomas L. Beehan, Mayor

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Diana R. Stanley, City Clerk

First Reading: \_\_\_\_\_  
 Publication Date: \_\_\_\_\_  
 Publication Date: \_\_\_\_\_  
 Public Hearing: \_\_\_\_\_  
 Second Reading: \_\_\_\_\_  
 Publication Date: \_\_\_\_\_  
 Effective Date: \_\_\_\_\_

**RESOLUTION**

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.

WHEREAS, the Oak Ridge City Council (City Council) and the Oak Ridge Board of Education (Board of Education) desire to clarify for present and future city councils and boards of education 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, due to changing community economics and increasing educational needs as required by the State of Tennessee, a review of current financial distribution is needed by the Oak Ridge Board of Education and the City of Oak Ridge and clarification is desired by City Council and the Board of Education for future governing bodies to understand the intent and use of this revenue; and

WHEREAS, the City of Oak Ridge recognizes debt retirement and debt servicing as one of its highest municipal responsibilities, while the Board of Education recognizes that consistent and progressive education of our school children is a key responsibility and function, while both governing bodies wish to honor the voter approval for Oak Ridge High School bonds with no property tax increase; and

WHEREAS, City Council and the Board of Education desire to enter into this joint resolution setting forth the responsibilities and intentions with respect to existing debt, finances, and future capital expenditures for Oak Ridge Schools.

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

That the Oak Ridge City Council (City Council) and the Oak Ridge Board of Education (Board of Education) agree to use the revenues generated in the city limits of Oak Ridge 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, for the retirement of the debt issued for the 2006 Oak Ridge High School project.

BE IT FURTHER RESOLVED that City Council and the Board of Education 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 the Board of Education concur and define each governing body’s intent 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 Oak Ridge city limits and the remainder of Anderson County, with that portion generated in Oak Ridge city limits 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 Anderson County Trustee is approved and directed to transfer the above said revenues from within the city limits of Oak Ridge directly to the City or its designated bond trustee for the specific purposes set forth above, and in accordance with the present bond schedule expiring in 2041 or as paid in full earlier than said schedule adopted at the time of this joint resolution.

BE IT FURTHER RESOLVED that the City Council and the Board of Education agree that the local option sales tax revenues generated outside the city limits of Oak Ridge shall be designated and reserved for and invested by the Board of Education at its discretion in accordance with City Charter and state law in Technology Enhancements, Capital Repairs/Equipment, Educational Innovation Projects/Grants Match and Debt Reduction. At such time as high school related debt is paid in full earlier than said schedule or no later than Calendar Year 2041, the terms of this agreement and resolution shall cease.

BE IT FURTHER RESOLVED that after the debt is paid in full, the sales tax proceeds will revert to direct payment in accordance with applicable state law.

BE IT FURTHER RESOLVED that the City Council will delineate the use of its local option sales tax revenues and any other sources in its annual audit and provide said financials/reports to the Board of Education on debt retirement status.

BE IT FURTHER RESOLVED that the City Council and the Board of Education shall establish their intent to develop an annual joint Capital Improvements Program (CIP) establishing a priority based system for needed replacement, rehabilitation, new services, technology enhancement, and public safety as decided upon between the Superintendent of Schools and the City Manager.

BE IT FURTHER RESOLVED that a joint City/Education Committee be established between both bodies that will cause overall review of City/School priorities, legislation, anticipation of future bonding needs, and coordination with necessary support entities such as the Oak Ridge Education Foundation or state agencies.

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 Board of Education.

This the 3rd day of March 2014.

FOR THE CITY OF OAK RIDGE, TENNESSEE:

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Kenneth R. Krushenski, City Attorney

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Thomas L. Beehan, Mayor

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Diana R. Stanley, City Clerk

FOR THE OAK RIDGE SCHOOLS

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Bruce Borchers, Superintendent

OAK RIDGE BOARD OF EDUCATION:

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W. Keys Fillauer, Chairman