

OAK RIDGE CITY COUNCIL MEETING
Municipal Building Courtroom

May 23, 2011 – 7:00 P.M.

AGENDA

1. INVOCATION

Myra Mansfield, Oak Ridge Police Department Chaplain

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. APPEARANCE OF CITIZENS

5. RESOLUTIONS

A RESOLUTION TO RENEW THE CONTRACT WITH PUGH & COMPANY, P.C., KNOXVILLE, TENNESSEE, APPROVED BY RESOLUTION 5-44-08, TO CONDUCT AN AUDIT OF THE CITY'S ACCOUNTS AND FUNDS FOR FISCAL YEAR 2011 AND FOR PREPARATION OF FINANCIAL STATEMENTS IN THE COMPREHENSIVE ANNUAL AUDIT REPORT, IN THE ESTIMATED AMOUNT OF \$51,700.

A RESOLUTION TO APPROVE THE FY 2012 BUDGET ASSUMPTIONS, AS RECOMMENDED BY THE CITY MANAGER, AS BEING REFLECTIVE OF THE GENERAL CONTENT OF THE FY 2012 BUDGET.

6. FINAL ADOPTION OF ORDINANCES

Proposed FY 2012 Budget for the City of Oak Ridge

AN ORDINANCE TO PROVIDE REVENUE FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR BEGINNING JULY 1, 2011, BY IMPOSING A TAX ON ALL PROPERTY WITHIN THE CITY, FIXING THE RATE OF THE TAX, ADOPTING A BUDGET, AND ADOPTING APPROPRIATIONS.

7. SPECIAL REPORTS

Presentation and review of the first Oak Ridge Fire Department Strategic Plan, 2011-2015, by Deputy Chief Darryl Kerley. Staff discussion and questions will follow with City Manager and Deputy Chief Kerley.

8. SUMMARY OF CURRENT EVENTS

- a. Commendations on Cedar Hill Playground Build
- b. Support letter for Section 202 Project
- c. Update on Parks Board Meeting (May 12, 2011)

9. ADJOURNMENT

RESOLUTIONS

FINANCE DEPARTMENT MEMORANDUM
11-04

DATE: May 15, 2011
TO: Mark S. Watson, City Manager
THROUGH: Steven W. Jenkins, Deputy City Manager
FROM: Janice E. McGinnis, Finance Director
SUBJECT: Fiscal Year 2011 Audit Contract



In 2008, City Council's then Audit Committee reviewed proposals submitted by CPA firms for financial and compliance auditing and reporting services for fiscal years 2008 through 2012. On May 19, 2008, City Council adopted Resolution No. 5-44-08 which awarded the fiscal year 2008 audit contract and preparation of the government-wide and fund financial statement portion of the City's Comprehensive Annual Financial Report (CAFR) to Pugh & Company, P.C.. The contract contained options for four additional one-year audit periods through fiscal year ending 2012 with payment to be in accordance with the proposal submitted by Pugh & Company, P.C. dated April 11, 2008 and approval each year by City Council. The fee submitted by Pugh & Company for fiscal year 2011 for the audit and CAFR statement preparation is \$51,700.

The attached resolution will approve employment of Pugh & Company, P.C., Certified Public Accountants, to audit the City's accounts and funds and the Convention and Visitors Bureau and prepare the designated portion of the City's CAFR. For fiscal 2011, Pugh & Company will be performing the audit for the Oak Ridge Schools due to their acquisition of Bacon, Howard and Company, CPA's. From a reporting standpoint, the Oak Ridge Schools are an intricate part of the City's CAFR and having the same audit firm for the City and Schools will help to facilitate and expedite the preparation of both the City and Schools financial reports.


Janice McGinnis

City Manager's Comments:

I have reviewed the above issue and recommend council action as outlined in this document.


Mark S. Watson


Date

RESOLUTION

A RESOLUTION TO RENEW THE CONTRACT WITH PUGH & COMPANY, P.C., KNOXVILLE, TENNESSEE, APPROVED BY RESOLUTION 5-44-08, TO CONDUCT AN AUDIT OF THE CITY'S ACCOUNTS AND FUNDS FOR FISCAL YEAR 2011 AND FOR PREPARATION OF FINANCIAL STATEMENTS IN THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, IN THE ESTIMATED AMOUNT OF \$51,700.00.

WHEREAS, Article V, Section 19, of the Charter provides that an audit shall be made of the accounts and funds of the City, covering the operations of the past fiscal year, by a certified public accountant selected by City Council; and

WHEREAS, by Resolution 5-44-08, City Council engaged the firm of Pugh & Company, P.C., Knoxville, Tennessee, to conduct the audit of the City's accounts and funds for the fiscal year ending June 30, 2008; and

WHEREAS, the contract for said audit contained an option to renew for up to four (4) additional one-year audit periods, including the fiscal year ending June 30, 2011; and

WHEREAS, Pugh & Company, P.C., has offered to renew the contract for a fee of \$51,700.00, including preparation of the government-wide and fund financial statements in the City's Comprehensive Annual Financial Report.

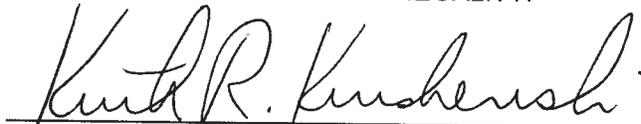
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the City is hereby authorized to renew the contract with Pugh & Company, P.C., approved by Resolution 5-44-08, for the purposes of conducting an audit of the accounts and funds of the City for the fiscal year ending June 30, 2011, and for preparation of the government-wide and fund financial statements in the Comprehensive Annual Financial Report in the estimated amount of \$51,700.00.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 23rd day of May 2011.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Donna L. Patterson, City Clerk

CITY COUNCIL MEMORANDUM
11-26

DATE: May 17, 2011
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager
SUBJECT: SUMMARY OF FY 2012 BUDGET ASSUMPTIONS

At the May 16, 2011 meeting of the Oak Ridge City Council, a review of the budget assumptions used in the assembly of the current City budget occurred. During deliberations of the City Council, it was noted that the listed assumptions did not match with those used this year, nor did we find that some items listed were still relevant.

The City Manager and staff have re-worked this document to display more of the considerations that were made in the preparation of the City budget. The assumptions were generally reviewed in the workshop meeting of the City Council where they were acting as a Committee of the Whole. This meeting was conducted on February 28, 2011.

Highlights of some of the attached *FY 2012 Budget Assumptions* include:

- Municipal salaries include a 2% pay system adjustment
- Retention of the current tax rate of \$2.39
- Retention of a minimum Fund Balance of \$5,000,000 in the General Fund
- \$500,000 provided through re-financing proceeds for Roane State Commitment
- New debt for the Utility Fund estimated at \$10M and issued during budget year
- Assumption of continued contract for West End fire services with DOE

The City Council should review and approve these budgetary assumptions as reflective of the general content of the FY 2012 budget. Approval of the attached resolution is recommended.



Mark S. Watson

Attachments

NUMBER _____

RESOLUTION

A RESOLUTION TO APPROVE THE *FY2012 BUDGET ASSUMPTIONS*, AS RECOMMENDED BY THE CITY MANANAGER, AS BEING REFLECTIVE OF THE GENERAL CONTENT OF THE FY2012 BUDGET.

WHEREAS, at the May 16, 2011 meeting, City Council requested the City Manager to re-visit the budget assumptions utilized the preparation of the FY2012 budget; and

WHEREAS, the City Manager and City Staff have re-worked the budget assumptions as requested by City Council; and

WHEREAS, the City Manager recommends approval of the attached *FY2012 Budget Assumptions*.

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

That City Council hereby approves the attached *FY2012 Budget Assumptions*, as recommended by the City Manager, as being reflective of the general content of the FY2012 budget

This the 23rd day of March 2011.

APPROVED AS TO FORM AND LEGALITY:

Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Donna L. Patterson, City Clerk

FY 2012 BUDGET ASSUMPTIONS

REVIEWED BY CITY COUNCIL ACTING AS A COMMITTEE OF THE WHOLE

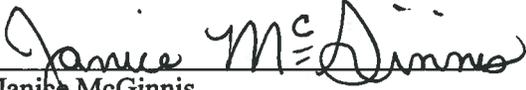
1. FY 2012 Municipal Expenditure estimates include adjustments necessary to maintain current service levels (fuel, energy, contractual agreements, equipment charges, etc.).
2. Municipal salaries contain a 2% adjustment.
3. School operating transfer growth projected at 1.1%.
4. Municipal Expenditure growth projected at 1.1%.
5. Retain current tax rate of \$2.39.
6. Retain minimum Fund Balance of \$5,000,000 in General Fund.
7. City and School FY 2012 capital project allotment of \$750,000 each fully funded by the operating transfer from the General Fund.
8. Agencies budgeted for funding for economic development/tourism and lobbying services (Convention & Visitors Bureau (CVB), Oak Ridge Chamber of Commerce, Anderson County Economic Development Association (ACEDA), Innovation Valley, Roane Alliance, Oak Ridge Revitalization Effort (ORRE), Ferguson Group and Bill Nolan) and social service/cultural programs (Aid to Distressed Families of Appalachian Counties (ADFAC), Prevent Child Abuse TN for the Healthy Start program, Arts Council of Oak Ridge, Youth Advisory Board and Sister City Support Organization) remain at the FY 2011 level, with the exception of the Oak Ridge Chamber of Commerce, which is budgeted to increased 2.7% based on annual contractual inflationary adjustments.
9. \$500,000 for the City's contribution to Roane State Community College with funding provided by savings generated from the recent refunding of \$7,470,000 in outstanding City long-term debt.
10. New debt, currently estimated at \$10,000,000, to be issued for water and wastewater capital projects.
11. Major construction/renovation projects requiring the issuance of long-term debt are deferred until FY 2015.
12. FY 2012 Photo Enforcement proceeds will be accounted for in the Special Programs Fund.
13. Establishment of a new Housing Fund by a \$250,000 transfer from the Economic Diversification Fund and a \$50,000 operating transfer from the General Fund to account for the City's housing initiatives.
14. The operations of the west end fire operations, accounted for in the West End Fund, are based on continuation of the Fire Contract with the Department of Energy.

**FINAL ADOPTION
OF
ORDINANCES**

FINANCE DEPARTMENT MEMORANDUM
11-05

DATE: May 17, 2011
TO: Mark S. Watson, City Manager
THROUGH: Steven W. Jenkins, Deputy City Manager 
FROM: Janice E. McGinnis, Finance Director
SUBJECT: FY 2012 Budget Appropriation Ordinance

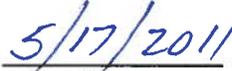
Attached is the fiscal 2012 Budget Appropriation Ordinance as amended at first reading by City Council. In Section 5 of the ordinance, the operating transfer to the Oak Ridge Schools was reduced to \$14,629,302, which is a 1.1%, \$159,171 increase over last fiscal year's operating transfer amount. The amendment by City Council reduces the property tax rate in Section 2 of the ordinance to \$2.39 per \$100 of assessed valuation, which retains the property tax rate at the fiscal 2011 level.


Janice McGinnis

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, 2011, 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 16, 2011 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, 2011 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 2011. 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 2012:

General Fund, Municipal Operations	\$ 19,453,250
Debt Service (Bond and Interest Redemption Fund)	\$ 8,142,000
State Street Aid Fund	\$ 1,784,000
Streets and Public Transportation Fund	\$ 260,000
Drug Enforcement Program Fund	\$ 350,000
Grant Fund	\$ 4,000,000
General Purpose School Fund	\$ 57,577,851
Golf Course Fund	\$ 1,335,000
Capital Projects Fund	\$ 4,500,000
Solid Waste Fund	\$ 2,531,170
Economic Diversification Fund	\$ 2,131,000
West End Fund	\$ 2,893,000
Special Programs Fund	\$ 1,243,000
Housing Fund	\$ 850,000

Section 4. The following amounts in the proprietary-type funds are projected expenses for Fiscal Year 2012 and are provided for informational purposes:

Electric Fund	\$ 51,943,000
Waterworks Fund	\$ 19,362,000
Emergency Communications District Fund	\$ 1,554,000

Section 5. In order to provide funds to meet the expenditure requirements, the following transfers are projected for Fiscal Year 2012 and are provided for informational purposes:

<u>To General Fund For Tax Equivalent</u>	
From Electric Fund	\$ 1,380,000
From Waterworks Fund	\$ 1,385,000
<u>To General Purpose School Fund for Operations</u>	
From General Fund	\$ 14,629,302
<u>To Debt Service Fund</u>	
From General Fund	\$ 3,045,000
<u>To Capital Projects Fund</u>	
From General Fund	\$ 2,012,000
<u>To Economic Diversification Fund</u>	
From Electric Fund	\$ 164,000
From Waterworks Fund	\$ 132,000
<u>To State Street Aid Fund</u>	
From General Fund	\$ 653,000
<u>To Streets and Public Transportation Fund</u>	
From General Fund	\$ 55,000
<u>To Solid Waste Fund</u>	
From General Fund	\$ 1,524,170
<u>To Grant Fund</u>	
From General Fund	\$ 171,850
<u>To Housing Fund</u>	
From General Fund	\$ 50,000
From Economic Diversification Fund	\$ 250,000

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

Donna L. Patterson, City Clerk

Public Hearing: 5/16/11
 Publication Date: 5/06/11
 First Reading: 5/16/11
 Publication Date: _____
 Second Reading: _____
 Publication Date: _____
 Effective Date: _____