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Stan Brown

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## **NEWS ARTICLE: Gainesville Times on October 10, 2016**

# **Oakwood tax revenue to stay same with higher millage rate**

City increases millage rate to account for decline in tax digest

Oakwood City Council adopted a millage rate that would keep tax revenue the same for 2017 on first reading Monday night.

The increase of .174 of a mill would bring the rate to 4.174. But the city's net tax digest declined 3.2 percent, so the new rate would generate the same tax revenue as the current year.

The current millage rate is 4 mills.

The council will hold a called meeting at 6 p.m. Monday to adopt the millage rate on second and final reading.

The council also heard the proposed 2017 budget would be about \$3.959 million — a decrease of about \$338,000 from the current budget.

City Manager Stan Brown explained the budget reflects sizable decreases in some categories and increases in others.

For example, the "mayor & council" category is expected to drop by about 50 percent — about \$142,000 less in 2017 because it will not include a repayment of money to the city's sewer fund — as it has this year. But economic development will be up more than 88 percent because it will include an estimated \$200,000 for a road to make property the city owns more valuable to industry.

The city will get its line item budget at the called meeting Monday.

It will hold a budget hearing at 5 p.m. Oct. 24.

Tax bills are expected to be sent Nov. 1, and the budget is expected to be adopted at the 7 p.m. meeting Nov. 14.

The city's fiscal year is Jan. 1 to Dec. 31.

Brown told the council the proposed budget increases spending from 2016 by about 2 percent — \$59,000.

The city's debt service for 2017 is projected to be \$630,000 — \$442,000 for payment on Thurmon Tanner Parkway construction and \$188,000 on Oakwood 2030 land payment.

The city manager said the parkway debt service will increase “a little bit each year” until it is paid off by about 2020.

The city estimates its 2017 special purpose local option sales tax revenue at \$580,000 and its spending at \$594,000.

Brown explained the city has SPLOST reserves of about \$127,000, and that is projected to be spent this year and in 2017.

The city manager also said that capital improvements will be delayed in 2017 because a tax increase would be required.

He noted that the list includes such projects as Education Way, a connector between Allen Street and Thurmon Tanner Parkway; the town’s Gateway initiatives; McClure Drive extension and the upgrade of the city cemetery.