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**NEWS ARTICLE: Gainesville Times on September 11, 2014**

## **Oakwood proposes 50 percent property tax hike in 2015**

Millage hike would add \$53 in tax to home valued at \$100K

Oakwood is proposing to raise property taxes in 2015 by 50 percent.

The new rate would be 4 mills, with 1 mill equal to \$1 for each \$1,000 in assessed property value. Property is assessed at 40 percent in the city. The current rate is 2.658.

Taxes on a home with a \$100,000 value would increase by \$53.36.

The new rate would help support the South Hall city's tentative 2015 budget, which takes effect Jan. 1.

Brown said the city needs additional money to cover "maintaining the infrastructure and equipment we have."

"In terms of operating expenses, we have enough (revenue) to do that," he said. "It's just the capital (projects) and debt service we have, obligations that we have. When we've acquired property, we put the full faith and credit of the city behind it."

The city bought property off McClure Drive as part of its 2030 plan, a document that shows how the city's downtown area might look by that year.

Next August, payments increase to \$16,000 per month from \$5,000 for 10 years.

The city has a \$3.5 million debt on its portion of Thurmon Tanner Parkway, a four-lane road between Flowery Branch in Oakwood. The segment between Plainview and Mundy Mill roads in Oakwood was completed a couple of years ago.

Oakwood used the money to pay for right of way along the stretch.

Also, the city plans to cover a loan from the city's sewer fund that was used to pay for a new culvert on McEver Road. Flooding on May 19, 2013, washed out the old structure.

Because the proposed rate is higher than the city's rollback rate, state law requires that Oakwood holds three public hearings on the proposed tax increase.

They are set for 4 p.m. Sept. 22, 4 p.m. Oct. 6 and 6 p.m. Oct. 13. All the meetings will take place at City Hall, 4035 Walnut Circle.

A rollback rate of 2.66 mills would keep the property revenue amount the same as it was this year. The rollback rate is higher than the 2.658 approved for the 2014 budget because of “adjustments that occurred due to appeals this year,” Brown said.

At its annual retreat Friday, the council talked about the possible tax increase in light of future budgets that don’t account for special purpose local option sales tax money.

Oakwood had projected \$3.7 million in total revenues from SPLOST and, as of this past January, had collected \$1.7 million, with the tax set to expire next July.

More than \$500,000 of that has been spent on road resurfacings, a key item in city budgets, with more than \$1.5 million in such work planned over the next five years.

In its budget outlook, the city also considered several cost-cutting measures, especially if the tax rate is kept the same. Those would include deferring the debt payments to the sewer fund and cutting spending on such capital expenses as paving and equipment replacement.