

**MAYOR**  
Lamar Scroggs

**CITY COUNCIL**  
Martha Collins  
Sam Evans  
Ron McFarland  
Montie Robinson, Sr.  
Todd Wilson



**CITY MANAGER**  
Stan Brown

**CITY CLERK**  
Tangee Puckett

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## **Oakwood plans only hearing on 2015 budget**

Now that it has approved a significant tax increase to support its 2015 budget, Oakwood City Council is looking to nail down the spending plan itself.

With the fiscal year starting Jan. 1, the budget adoption is set for Nov. 10. Residents will have a chance to voice their thoughts on Oakwood's spending at a public hearing set for 4:30 p.m. today at Oakwood City Hall, 4035 Walnut Circle.

The total budget amount is \$6.6 million, with a \$3.7 million general fund making up most of that.

The general fund consists mainly of operating and capital improvement expenses, as well as debt obligations totaling \$683,000.

The city's debts particularly are hamstringing city finances, resulting in the council's vote earlier this month to increase the rate to 4 mills from 2.658, a 50 percent jump.

Translated, 1 mill equals \$1 for each \$1,000 in assessed property value, with property assessed at 40 percent. So, taxes on property with a \$100,000 value would increase by \$53.68.

Tax bills will go out Nov. 1, with taxes due Jan. 1.

The city has nearly a \$992,000 difference between operating expenses and its revenues, but that amount is being used to pay for debts, some vehicle replacement and to help build reserves.

"If we have anything left over, that would go toward reserves for the next year," City Manager Stan Brown said, adding that the goal is a three-month reserve.

To help make ends meet, the city is going without filling six positions, including assistant city manager, planning director and police clerk.

"Over the last few years, through attrition, we've had about a 23 percent staff reduction," Brown said. "We've cut pretty much to the bone, as far as operating expenses."

Plus, performance-based raises for city employees are frozen in 2015.

“It just doesn’t make sense if you’re increasing the millage rate to have a step increase for employees,” Brown said.

The tax increase was opposed by several residential and business property owners, with some speaking out at public hearings.

Some said they believed the higher rate should be rolled out over a period of years. Others complained the rate was just too high and that people are still suffering from the economic downturn.

Brown has said much of the city’s financial burden stems from a combination of land purchases as part of long-range plan for the city, buying right-of-way for Thurmon Tanner Parkway and getting less-than-expected revenues from the local option sales tax it shares with Hall County and other local governments.

Plus, officials aren’t planning for any revenues from the special purpose local option sales tax beyond its expiration next year. In the past, the city has relied on SPLOST money to repave streets.

“I think it would be poor budgeting on our part to assume that something be passed for a continuation of SPLOST, so we’re operating under the assumption that it’s not going to be (extended),” Brown said.

He has said the \$3.5 million debt on Thurmon Tanner is “the big issue.”

The project called for running a parkway parallel to Interstate 985 between Flowery Branch and Oakwood. On the final, federally funded link, the U.S. government required Oakwood to pick up the tab for right of way, which totaled \$8.5 million, he said

The city got some money from Hall County as part of right of way that wasn’t in the city. But otherwise, it had to dip into reserves and go into debt for the rest.

Another chunk of debt comes from \$2 million in the city’s purchase of 30 acres to kick-start its ambitious 2030 plan to create a multiuse downtown area.

The city also spent \$1.7 million for a 32-acre industrial park on W. White Road near I-985. That debt will be paid off in July.

Oakwood has about 6 acres it owns off Thurmon Tanner, as well.

The hope is to sell land, perhaps triggering economic development of some kind, and use proceeds to pay off debts from other land purchases in a sort of “snowball effect.”

“As the debt comes down, what I’m recommending to council is that we adjust the (tax) rate accordingly,” Brown has said. “And the land will sell. We didn’t buy land to sit here and hold it. The idea was to do it for economic development purposes.”

Mayor Lamar Scroggs also said he envisions someday scaling back the rate.

“I’m in serious hopes that we can go along and ... when we pay our debts and begin building some reserves, we can start cutting that millage rate down.”