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**CITY MANAGER**  
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**NEWS ARTICLE: Gainesville Times on October 15, 2012**

## **Oakwood unveils 2013 budget, finalizes roll-up**

In conjunction with unveiling its proposed 2013 budget, the Oakwood City Council passed the final reading of an ordinance that would roll up the city's millage rate.

Monday afternoon, the council unanimously passed a millage rate roll-up to 2.658 mills from 2.48. The council also released a copy of the 2013 proposed budget with an operating revenue projected at \$3.28 million and expenses at \$2.85 million.

The roll-up, city officials said, was to offset a shrinking tax digest — one that cost the city \$40,000 last year and they say would have done the same this year.

“Basically, if you look at the declining tax digest based on the reassessment of properties, our digest was down 7 percent this year compared to the previous year,” said Stan Brown, city manager. “The net impact of that would be about \$40,000 reduction in revenue.”

Last year, the city chose not to roll up the millage rate.

“Last year we had a similar situation and we chose not to do the roll-up hoping that things would stabilize, so we lost about \$40,000 in revenue last year,” Brown said. “Had we not done the roll-up this year, it has a cumulative effect.”

One mill is equal to \$1 per \$1,000 in assessed taxable property value. Property is assessed at 40 percent in the city.

“We’re just trying to stabilize the property tax revenue,” Brown said.

The 2013 revenue, including about \$570,000 from property taxes, is estimated to be about 8.2 percent higher than last year. The expenses, however, are estimated to increase by 5.6 percent.

“We’re projecting some increase in revenue, but it’s really from the fact of how our (Local Option Sales Tax) negotiations will end up,” said Brown. “So that’s a very guarded increase.”

After this week’s LOST negotiations, the city estimates it will receive about \$640,000 from that revenue source.

But, the difference between the expenses and revenue will not go to a reserve fund, Brown said.

Currently, the city is working to pay off debt for high-cost projects, including obtaining the right-of-way for Thurmon Tanner Parkway and the Oakwood 2030 project.

“Our big issue is we have a huge debt service,” said Brown. “We’re not projecting to use any kind of cash reserves. We’re trying to cash flow everything.”

The city is planning to pay nearly \$800,000 in capital and debt services next year and has no plans for any new capital expenses outside of two new police cars, which, Brown said, will only be purchased if all the revenue estimates are correct.

“We’ll be very careful on the cash flow to make sure we’re keeping more in the bank than we’re spending,” Brown said.

The budget will be advertised and is available for viewing at the Oakwood City Hall.

The budget, once approved, and the roll-up will be effective Jan. 1.