



**OFFICIAL MINUTES OF THE OXFORD MAYOR AND COUNCIL MEETING
PUBLIC HEARING
MONDAY, July 16, 2018 – 9:00 AM
CITY HALL**

MEMBERS PRESENT: Jerry D. Roseberry, Mayor; and Councilmembers: David Eady; Sarah Davis; Mike Ready.

OTHERS PRESENT: Matt Pepper, Assistant City Manager; Lauran Willis, City Clerk; Daryl Welch with the Covington News.

The meeting was called to order at 9:00 AM by the Hon. Jerry D. Roseberry, Mayor.

Mayor Roseberry announced the purpose of the Public Hearing is to review the proposed change in property taxes. Roseberry said over the past five years the city has not maintained any growth in property taxes. He said that Oxford is the only city in the county that offers a \$10,000 Homestead Exemption. Roseberry said that Council has indicated that we are not going to roll back the rate. We are going to continue with the 6.62 mileage rate. Roseberry said that the city depends heavily on the electric utilities to supplement the general budget. For example, the budget year that just ended, 30% of the general fund budget came from the electric department. As we see a decline in revenue, we have to be mindful of what will happen ten years from now. It's better if we begin a small marginal increase now rather than waiting until we must take action and risk having a large increase.

Councilmember Eady said that in reviewing our funds, the general fund expenses have increased slightly over the past few years while other revenue has remained relatively even. The general fund has declined because we have been rolling back the rates since 2008 - 2009. We have not been increasing our revenue on the property tax side, so it's just started to get back in line with growth and the cost of government. Also, we are shifting some of our focus on revenue to cover more of our expenses with property tax and less with enterprise funds.

Roseberry included that in addition to the electric fund being a source, our largest tax revenue comes from Local Option Sales Tax. In the most recent budget cycle, 25% was from sales tax. Sales tax is based on population; the way the money is shared in the County is based on population of the cities in the County. The next census which is underway now which will be published in 2021, the County and the Cities will have to negotiate the distribution no later than December 2021. At that time, it will be determined what share of revenue Oxford will receive. We are currently receiving about 3%, when under the estimated revenue with the county we are significantly less than 3% based on population. Another tax revenue we receive is from Insurance Premium, which was 10% of our budget. This, too, is based on population according to state distributions. There are several factors that go into the long range planning of the budget. We are not arbitrarily saying we are going to

increase taxes. In our philosophy, we do not increase any taxes or fees without explaining why and the purpose in which they will be used.

Daryl Welch with Covington News asked had the assessments not gone up this year would you have raised the taxes this year. Roseberry said no we would not have had to raise, that actually what has happened is that if you do nothing the inflation factor takes over. And I don't think Council would have raised taxes under that scenario because if they don't go up that's an indication that the economy is not growing. If the economy is not growing, the people don't have the income for growth. We think it needs to grow as the economy grows and people's income grows. We don't want to get to far behind, and then all of a sudden say we have to raise your taxes.

Councilmember Ready said we did a lot of hard thinking about what's going to happen in the years moving forward. As the Mayor stated, we were concerned about having to justify a large tax increase down the road when it's best to start a basis now after eight years. It's catching up to us if you can imagine what it will be five years from now.

There being no further discussion, Mayor Roseberry adjourned the Public Hearing at 9:27.

Respectfully Submitted,

Lauran Willis, CMC/FOA
City Clerk