

PRESENTATION
FOR
AUGUST 10, 2017
COUNCIL MEETING

REFERENCING
CITY TAX PROPOSAL

Press Release / Legal Ad. August 2, August 16 and September 6, 2017.

NOTICE OF PROPOSED PROPERTY TAX IMPLEMENTATION IN WALNUT GROVE, GEORGIA PER GEORGIA CONSTITUTION ARTICLE IX, SECTION IV, PARAGRAPH I.

All concerned citizens are invited to the three public hearings on this proposed tax implementation, at Walnut Grove Municipal Building at 1021 Park Street in Walnut Grove on August 10, 2017 at 7 p.m., and on August 24, 2017 at 7 p.m. and on September 14, 2017 at 7 p.m. All interested persons are invited to attend.

At the conclusion of the final Public Hearing, the Mayor and Council may vote on the proposed implementation of a property tax. All persons having an interest should be at the public hearings. Call 770-787-0046 or email the City at mayorwalnutgr@bellsouth.net or kglass@walnutgrovegeorgia.com for more details. A qualified interpreter for the hearing impaired will be available upon request made at least 10 days in advance of each hearing.

Taxes are for revenue to be able to pay for the costs of key municipal public services, and other public purposes, including rebuilding legally necessary reasonable reserves.

Public Services provided or needed include: Extensive street work, sewer plant costs, building maintenance, equipment, park, budget deficit, enhanced police presence (needed contract with Sheriff), code enforcement, library, sidewalks, and zoning.

Currently reserves are minimal, significant reserves have been used for \$850,000 sewer plant note payments the last 5 months, \$14,391 per month, \$71,955. Reserves should be at least 20% or preferably far more.

Mayor and Council have tentatively proposed a 6 mill tax, which will require ad valorem property taxes, by ordinance. Lower millage than a number of other surrounding communities. This is as expressly authorized by Walnut Grove Charter Sections 1.12, 6.10, and 6.11. The Charter and State Law contemplate taxes.

10 miles of streets (20 "lane miles"): deteriorated streets, potholes and alligating, 20+ years old, ~1 mile of street repair ~\$100,000. If shoulders require repairs could be an additional ~\$50,000.

Sewer plant costs each year: certified treatment plant supervisor ~\$40,000, electricity ~\$60,000, Lab ~\$5,000, Disposal ~\$10,000, Chemicals ~\$3,000, GEFA ~\$43,200, Engineering ~\$10,000. Total ~\$171,000 / year+

Building maintenance, insurance, utility and repairs (City Hall, Storage Building, Smoke House, Municipal Building, Pavilion, Maintenance Building, Shop, Equipment Shed, Concession Stand, Fire Station, Walton County Sheriff's Office Precinct, Sewer Plant Building, Announcer Stand at Ball field, Field Electrical Building). Insurance ~\$9,000, Utility ~\$39,000 and Repairs ~\$17,000, total ~\$65,000.

Equipment maintenance, insurance, and repair (trucks, tractor, implements, mowers, etc), ~\$9,000+ insurance ~\$4,500= ~\$13,500

Park Maintenance, repair, cleaning, supplies and upkeep, ~\$4,000₃

Budget deficit, been using reserves to pay Sewer Note, \$14,391 per month, \$71,955 in 5 months, replenish ~\$40,000.

Enhanced police protection, hope to negotiate contract with Sheriff for additional deputy patrol coverage, ~\$50,000 (salary + benefits)

Code enforcement officer to address ongoing problems of unfit property, junk and weeds, junk vehicles and other code violations- ~\$5,000 (5 hours per week) Vehicle ~\$9,000, total ~\$14,000.

Library contract with Uncle Remus Library System to support the local library to serve citizens and students, \$49,900 + \$35,935/year note.

Sidewalks, ~\$10,000 of current cost to repair and maintain + future \$.

Grass cutting and ROW maintenance and other public works type projects, Public Works Crew, ~\$44,000.

Land Use Planning, Zoning Administration + Enforcement, ~\$30,000.

Per OCGA 36-81-3, the City must adopt and operate under an annual balanced budget. This mandatory state law requires adequate revenue to pay all legal obligations.

Budget must cover all costs of public services and provide for creation and maintenance of a reasonable reserve, to address any unforeseen expenses. Acts of God, equipment or plant failure, unfunded state mandates, etc.

This balanced budget requires 6 mills, due to revenue shortfall and inability to maintain reserves with other income sources. Sales taxes and other revenue can be unpredictable and inadequate.

The proposed total taxes to be levied at 6 mills for the 2018-2019 fiscal year is \$160,111. Tax for a home with a fair market value of \$100,000 is approximately \$240 and for a non-homestead property with a fair market value of \$300,000 is approximately \$720.

The assessed taxable value of all property in Walnut Grove, per the County Tax Offices, within the City's taxing jurisdiction, is \$26,685,126.

The proposed 6 mill tax to generate the \$160,111 is a lower millage than other cities in the area.

This tax is the only way to address aging roads and sidewalks, sewer plant costs and other expenses of public services. Building maintenance, equipment, park, budget deficit, enhanced police presence (via contract with Sheriff), code enforcement, library, sidewalks, and zoning.

Without this tax the city would have to eliminate many of these public services and could even lose its charter.

To qualify for Local Option Sales Tax ("LOST") that we rely so heavily upon, ~\$160,000 per year, the City must provide at least three of six municipal public services in OCGA 48-8-80.

OCGA 48-8-80 ...“qualified municipality” means only those incorporated municipalities which impose a tax other than the tax authorized by this article and which provide at least three of the following services: Water; Sewage; Garbage collection; Police protection; Fire protection; or Library.

OCGA 36-30-7.1(b)(1) says an active municipality must provide at least 3 of the following, directly or by contract: Law enforcement; Fire protection; Road and street construction or maintenance; Solid waste management; Water supply or distribution; Waste-water treatment; Storm-water collection and disposal; Electric or gas; Code Enforcement; Planning and zoning; and Recreational facilities;

The tax levy is to be established by the City for financing, in whole or in part, the City's expenses for the 2018-2019 fiscal year. These are conservative expenditures, little or no new projects, simply maintaining existing public infrastructure and services.

Copies of the 2017-2018 Walnut Grove budget are being made available at City Hall for citizens' review. That 2017-2018 budget will be the foundation for the 2018-2019 budget.

The 2018-2019 Budget will need to cover all sewer plant costs. Sewer is critical if the city wants to ever get a large grocery store, a hotel, several restaurants, or similar commercial establishments that will improve quality of life and tax base in Walnut Grove.

In conclusion, for the City to continue providing key municipal public services to the citizens and remain qualified for \$165,720 per year in Local Option Sales Tax revenue, and be long term viable, it must have additional revenue from property taxes to survive. The additional \$160,111 a year will allow the City to meet budget while providing public services, for \$240 per \$100,000 house.

The alternative is to cut back on public services, lose LOST Sales Tax revenue, and possibly even put at risk the City Charter.