

OFFICIAL MINUTES OF THE OXFORD MAYOR AND COUNCIL MEETING WORK SESSION MONDAY, JANUARY 21, 2025 – 6:30 PM CITY HALL

ELECTED OFFICIALS PRESENT:

David Eady - Mayor George Holt – Councilmember Jim Windham – Councilmember Laura McCanless – Councilmember Jeff Wearing – Councilmember Mike Ready – Councilmember Erik Oliver – Councilmember

STAFF PRESENT:

Marcia Brooks –City Clerk/Treasurer Bill Andrew – City Manager Mark Anglin – Police Chief Jody Reid – Supervisor of Maintenance and Utilities David Strickland – City Attorney

OTHERS PRESENT: Nick Cole, Kate Verity (Covington News)

Agenda (Attachment A)

- 1. **Mayor's Announcements** Bill Andrew reviewed items in his project status report that had been sent to the City Council.
- 2. Committee Reports
 - a. Trees, Parks, and Recreation Board Mike Ready provided the report.
 - b. Planning Commission No report.
 - c. Downtown Development Authority No report.
 - d. Sustainability Committee No report.
- 3. Emory Street Stormwater Improvements (Attachment B) Bill Andrew reviewed the materials provided showing the proposed repairs. One change is that they will not be addressing any stormwater issues on private property; they will need to be addressed by the homeowner. As indicated in the materials, the corrective action will cost \$49,226.78.
- 4. Discussion of House Bill 581 (Appendix C)

Mayor Eady summarized the purpose of House Bill 581. The State is trying to reduce the rate at which valuations increase for owner occupied residences. Part of the burden of meeting the costs of operation would shift to renters and to owners of commercial and industrial properties. They have done this by creating a "floating homestead exemption" which will cap the rate at which valuations can increase based on the Consumer Price Index (CPI). It would not go higher than 3%. This would start with the 2024 valuations. This provision was on the ballot in November and passed.

Oxford would be impacted by this because it would limit the City's ability to keep the millage rate at the current rate and allow the increases in valuation with the market to cover increases in operating costs. If inflation were to rise higher than the maximum allowed, Oxford would be required to raise its millage rate and/or cut costs to meet its budgetary needs.

However, the bill also provides for an additional 1% sales tax (FLOST) for the county if all municipalities within the county and the county itself agree to opt in to the State's rate. The 1% sales tax must be approved by the voters in the county. This sales tax would help offset the limiting effects of opting in to the State's rate. The economic impact of opting in would be to shift the burden of covering the difference in cost from a value-based tax to a regressive tax.

Jim Windham asked what the impact would be of the City opting out. Laura McCanless stated her understanding is property values would increase with the market like they do now rather than with the rate of inflation. Mayor Eady agreed that if Oxford opts out, the status quo would prevail. Ms. McCanless stated she feels like opting in would benefit homeowners on limited incomes who have struggled with paying their property taxes.

Mayor Eady stated the City could increase the millage rate and create a new homestead exemption for homeowners who live in their primary properties.

George Holt expressed his belief that the City should opt in. Doing so would benefit homeowners.

Mike Ready stated he is not in favor of opting in. He feels it would be harmful to the City as a whole.

Mayor Eady is skeptical whether a 1% sales tax will pass, but if it did, he believes using more sales tax to cover City expenses is not beneficial. He believes additional money should be raised through property tax increases (via millage rate increases).

Mayor Eady summarized the issue: as costs to run the general government increase, is the City willing to make the tough choice to raise the millage rate to cover increases in costs if the City opts in?

Mr. Wearing indicated he believes the City should opt out in order to maintain more control over property taxes.

Laura McCanless stated that Oxford only controls 18% of the total assessment of property taxes.

Mayor Eady recommended holding the hearings while the City Council contemplates what would be best for the City. Not having the hearings would preclude Oxford from opting out.

5. Task Order from AtkinsRealis for Pedestrian Lighting on Whatcoat Street (Appendix D)

There is money in the budget for lighting construction for the Whatcoat Street project, but lighting design was not included in the project plans because AtkinsRealis was not asked to include it. The task order for \$20,000 is to have AtkinsRealis develop the lighting design for pedestrian streetlamps on George Street and Whatcoat Street. The same lights would be used as were used with the Emory Street sidewalks. The cost for the design would be in addition to the \$250,000 for construction.

The City Council will vote on the issue at the February regular session.

 Reprint of the book, <u>Deep Running Roots, Far-Reaching Branches</u> (Appendix E) There was consensus from the City Councilmembers to get the book to the point that the City is ready to get a printing quote. Erik Oliver also recommended selling copies as opposed to giving them away.

7. Alignment for Old Church to Hull Street Trail (Attachment F)

Bill Andrew reviewed the slides provided to the City Council. Alternative routes for the Old Church to Hull Street trail were provided due to difficulties that have been encountered with easements and resistance from property owners. There are time restrictions with the grant that necessitate making a decision on this issue soon.

A discussion was held concerning the street work required to complete one of the alternative plans. This work would be an additional cost of about \$400,000. This work was not contemplated in the grant funds or in the original cost estimate. Alternatively, relocation of utilities rather than street work might save some money. Bill Andrew was asked to set up a special called work session with the AtkinsRealis engineers to walk the proposed trails, then discuss the options in another work session.

8. Improvements at Asbury Street Park (Attachment G)

Erik Oliver suggested speaking to Jim Williams of Designed Installations about creating some rock walls for seating. He will work on some concepts for seating. Several suggestions were made for pavilion sound attenuation. Mayor Eady asked

Bill Andrew to contact AtkinsRealis to see if they have any sound experts. Mayor Eady feels that professional help is needed to address the park green issues.

9. Other Business

None.

10. Work Session Meeting Review

11. Executive Session

None

12. Adjourn

Mayor Eady adjourned the meeting at 9:12 pm.

Respectfully Submitted,

Marcia Bralls

Marcia Brooks City Clerk/Treasurer