Oconee sitting on more than $40 million in reserves

Government watchdogs say taxpayers have been overcharged the past 3 years

By CARLOS GALARZA
carlos@dailyjm.com

WALHALLA — The size of Oconee County government has nearly doubled over the past eight years in both total revenues and expenditures, county financial statements show.

In the fiscal year ending June 30, 1998, the county showed actual total revenues collected of $24.5 million. Ten years later, on June 30, 2008, total revenues had spiked by 64.1 percent to $40.2 million.

During the same period, total expenditures ballooned from $18.9 million to $33.7 million.

The amount of property taxes collected by the county, which makes up more than 70 percent of total revenue, jumped nearly 120.2 percent from $12.9 million to $28.4 million over the 10-year span.

Of particular interest to some is the increase of $9.5 million in total revenue from 2005 to 2008.

County Treasurer Greg Nowell and former Oconee County Councilman Steven Moore insist that the 31 percent surge in revenues since 2005, specifically from property taxes, is due to the county's failure to sufficiently roll back its millage rate.

Nowell and Moore claim the millage rate should have been adjusted to compensate for Duke Energy's windfall payment of $14.5 million in 2006 to correct under-billing during three previous fiscal years. The Duke windfall payment, along with the reassessment of property values that went into effect in 2006, Nowell and Moore insist, has resulted in the county collecting more taxes than needed to fund the county government operations and schools.

The state Department of Revenue issued a report in October 2008 declaring that Nowell's claims were without merit and that the county had correctly established its millage rate.

County Council Chairman Reg Dexter said this week he

See MONEY, Page 3A

Continued from Page 1A

has talked with Nowell and Interim Administrator and Finance Director Kendra Brown about the county's finances. Dexter said both told him an audit outside of the county's regular annual audit is not needed.

Nowell said he doesn't think an audit is called for because there is no money missing.

"They've got cash control," Nowell said.

However, Nowell said Dexter ran for County Council on a platform that included having an audit.

Dexter said the money the county has in reserves, which some say is more than $40 million, is a cushion that might not be enough once big-ticket costs for government-mandated improvements to the courthouse and a jail expansion come in. He said not having the reserves would be a sure-fire way to having tax increases down the road.

Furthermore, Dexter makes no apologies for Oconee having three months worth of reserve funds for emergencies instead of two months as other counties. He said families are told to strive to have six months of reserves.

Councilman Mario Suarez said he agrees with the conservative approach regarding the county's reserves. He points out that the County Council recently asked the Economic Development Commission to expand its mission statement beyond attracting and retaining industry.

Suarez said expanding the EDC's mission to include retail, commercial and tourism probably is going to require additional funding. He added the county's bonding rating could suffer if the reserves are depleted.

"We need to spend the money wisely," Suarez said.