

# City of Doraville Revenue Overview April 8, 2019

## Revenue Overview

- Municipal revenue sources are often divided into two categories:
  - General Fund revenues
  - Enterprise Fund revenues (for example, Stormwater and Solid Waste)
- Municipal elected officials have the challenging task of balancing revenue sources in a manner that provides sufficient funds for municipal services while maintaining equity among taxpayers.

## Revenue Best Practices

- **General revenue best practices:**
  - Diversification and Stability – a diversity of revenue sources can improve a City's ability to handle fluctuations in revenues and potentially help to better distribute the costs of providing services.
  - Conservative revenue estimates – revenues will be estimated realistically and prudently, with revenues of a volatile nature estimated conservatively.
  - User based fees and charges – user fees will be utilized for services that are of special benefit to easily identified individuals or groups. Fees will be reviewed and updated on an ongoing basis to ensure they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery.
  - Alternative revenue sources – seek alternative funding sources whenever possible, including private and public grants, federal or state assistance, and public and private contributions.

# Revenue Overview

## General Fund Revenues

## General Fund Revenue Sources

- General Fund revenue sources include:
  - Taxes – includes taxes on real and personal property, motor vehicles, public utilities, franchise taxes, alcohol beverage excise taxes, business and occupation taxes, and insurance premium taxes.
  - Licenses and permits – includes fees for alcoholic beverages, buildings and signs, and motor vehicle operators.
  - Intergovernmental – reimbursement from federal or state agencies.
  - Charges for Services – includes accident reports, activity fees, and program fees.
  - Fines and Forfeitures – funds generated by fines applied when a person receives a ticket or citation.
  - Investment Income – interest accrued on City funds that are held in interest bearing accounts.
  - Contribution and Donations – outside funding sources including program partners and sponsors.

# Real and Personal Property Taxes

## ■ Real and Personal Property Taxes

- Ad valorem taxes, meaning according to value, levied on an assessed valuation of land, buildings, permanent fixtures, and improvements.
- Annual valuations are performed by the DeKalb County Property Appraisal & Assessment Department.
- Municipalities are required to tax tangible real and personal property at 40 percent of the assessed value.

# 2018 City of Doraville Property Tax Digest

Category	40% of Assessed Value of Real Property	40% of Assessed Value of Personal Property	Total	% of Total
Residential	\$157,250,967	\$0	\$157,250,967	20.9%
Commercial	\$270,830,487	\$152,359,313	\$423,189,800	56.2%
Industrial	\$165,388,298	\$7,001,284	\$172,389,582	22.9%
Digest Subtotal	\$593,469,752	\$159,360,597	\$752,830,349	100.0%
Public Utility			\$10,897,886	
Motor Vehicle			\$4,056,520	
Heavy Duty Equip			\$4,496	
Gross Digest Total			\$767,789,251	
Less: Exemptions			(\$75,080,282)	
Net Digest Total			\$692,708,969	

# Net Property Tax Digest History

- The Net Property Tax Digest is the total value of all real and personal property (40% of assessed value) minus any property tax exemptions. This is the actual amount that is multiplied by the millage rate to calculate property tax revenues.

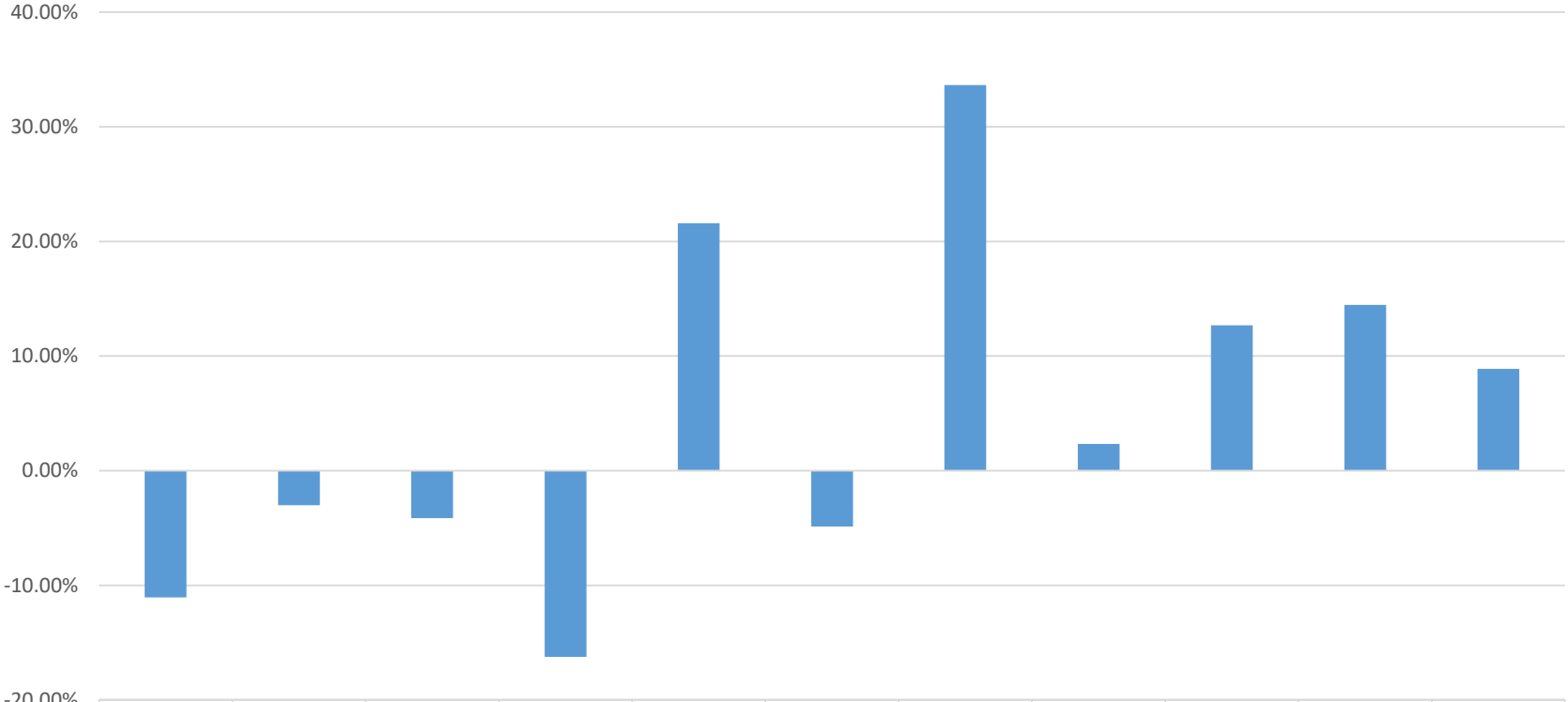
Tax Year	Net Property Tax Digest	% Change from Prior Year
2009	\$436,028,550	-11.07%
2010	\$422,836,194	-3.03%
2011	\$405,363,967	-4.13%
2012	\$339,530,739	-16.24%
2013	\$412,839,368	21.59%
2014	\$392,760,018	-4.86%
2015	\$524,848,444	33.63%
2016	\$537,134,534	2.34%
2017	\$605,219,644	12.68%
2018	\$692,708,969	14.46%
2019 *	\$754,245,977	8.88%

\* Note – preliminary estimate based on current information



# Net Property Tax Digest History

% Change from Prior Year



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
■ % Change from Prior Year	-11.07%	-3.03%	-4.13%	-16.24%	21.59%	-4.86%	33.63%	2.34%	12.68%	14.46%	8.88%

# Net Property Tax Digest Comparison

	<i>Millage Rates 2018</i>	<i>Gross Digest 2018</i>	<i>Exemptions</i>	<i>Exemptions as a Percent of Gross Digest</i>	<i>Net Digest 2018</i>	<i>2018 Property Tax Revenue</i>
Avondale Estates*	9.800	\$ 223,647,204	\$ 559,146	0%	\$ 223,088,058	\$ 2,186,263
Lawrenceville	1.826	\$ 1,164,809,137	\$ 2,861,690	0%	\$ 1,161,947,447	\$ 2,121,716
Snellville	4.588	\$ 882,071,663	\$ 20,735,190	2%	\$ 861,336,473	\$ 3,951,812
Stone Mountain*	22.000	\$ 98,176,169	\$ 2,611,883	3%	\$ 95,564,286	\$ 2,102,414
Lilburn	4.430	\$ 471,401,498	\$ 16,337,830	3%	\$ 455,063,668	\$ 2,015,932
Duluth	6.551	\$ 1,437,411,720	\$ 48,994,800	3%	\$ 1,388,416,920	\$ 9,095,519
Norcross	5.749	\$ 903,880,753	\$ 49,274,190	5%	\$ 854,606,563	\$ 4,913,133
Suwanee	3.430	\$ 1,352,024,044	\$ 71,896,625	5%	\$ 1,280,127,419	\$ 4,390,837
Decatur*	10.900	\$ 2,068,477,753	\$ 176,948,872	9%	\$ 1,891,528,881	\$ 20,617,665
Chamblee*	6.250	\$ 1,584,846,556	\$ 165,696,847	10%	\$ 1,419,149,709	\$ 8,869,686
<b>Dorville*</b>	<b>10.000</b>	<b>\$ 767,789,251</b>	<b>\$ 75,080,282</b>	<b>10%</b>	<b>\$ 692,708,969</b>	<b>\$ 6,927,090</b>
Brookhaven*	2.740	\$ 4,147,667,359	\$ 824,159,366	20%	\$ 3,323,507,993	\$ 9,106,412
Dunwoody*	2.740	\$ 3,932,591,283	\$ 845,171,410	21%	\$ 3,087,419,873	\$ 8,459,530

\*Denotes DeKalb County municipality

## Property Tax Exemptions

- Doraville offers the following exemptions:
  - Basic Homestead Exemption of \$25,000 (For the 2018 Tax Digest, 1,067 parcels received this exemption for a \$26,674,800 exemption amount).
  - Elderly residents age 70 and older can receive 100 percent city tax exemption (For the 2018 Tax Digest, 281 parcels received this exemption for a \$17,115,680 exemption amount).

# Average 2018 Property Tax Statement

<i>Residential Property</i>	
<i>Millage Rate = 10.000</i>	<i>2018</i>
Total Appraisal	\$ 175,000
40% Assessment	\$ 70,000
Estimated Taxes - no exemptions	\$ 700.00
Estimated Taxes w/basic homestead exemption	\$ 450.00
Estimated Taxes w/basic homestead & elderly exemption	\$ -
Additional Items on Property Tax Bill:	
Storm Water - no exemptions available	\$ 48.00
City Sanitation	\$ 200.00
City Sanitation with elderly exemption	\$ -
Total Amount Due on Property Tax Statement:	
No exemptions	\$ 948.00
W/Basic Homestead Exemption	\$ 698.00
W/Basic Homestead & Elderly Exemption	\$ -

## Property Tax Exemptions (cont.)

- Doraville offers the following exemptions:
  - Freeport Exemption – a 100% Level 1 Freeport Exemption is offered by Doraville and DeKalb County. The exemption is applied to state and local inventory tax on raw materials and goods in process, finished goods held by the original manufacturer, and finished goods held by distributors, wholesalers, and manufacturers destined for out-of-state shipment. (For the 2018 Tax Digest, 83 parcels received this exemption for a \$30,679,887 exemption amount).
  - Currently, in addition to Doraville, the cities of Tucker and Stonecrest also offer the Freeport Exemption, as well as Special Service Districts (SSD) in Avondale Estates, Brookhaven, Clarkston and Chamblee.
  - DeKalb, Gwinnett, and Fulton also offer a 100% Freeport Exemption.

## Other Taxes

- Other taxes include:

- Franchise Fees – fees charged to utility companies for use of City streets and right-of-ways to conduct their private business of delivering telephone, cable television, natural gas, water, and other fiber optics cable services.
  - Current companies paying Franchise Fees to Doraville include Georgia Power, Southern Company Gas, AT&T, and Comcast.
- Alcoholic beverage excise – tax that is collected and remitted by wholesalers and retailers who distribute alcoholic products to businesses and the public.
  - Currently City of Doraville collects from 20 wholesalers and retailers.
- Business and Occupation Taxes – tax that is applied towards individuals or entities wishing to engage in any business, profession, or occupation within City limits.
  - Issue approx. 1,000 business licenses each year.
- Insurance Premium Taxes – includes revenues from excise taxes on insurance premiums written by insurance companies conducting business within the City.
  - Amount is received in October each year.

## Licenses and Permits Revenue

- Licenses and Permits Revenue includes:
  - Alcohol License – fees that are collected for the issuance of an alcohol sales license
  - Building and Sign permits – all construction activities within the City of Doraville must be permitted through the Community Development Department. This ensures that all construction is done in accordance with the codes set forth by the City of Doraville, DeKalb County, and the State of Georgia. The fees include but are not limited to the charges associated with land use petitions, revisions to existing petitions, sign permits, and construction permits.
    - Permits issued by year:
      - 2014 – 707
      - 2015 – 788
      - 2016 – 875
      - 2017 – 674
      - 2018 – 668

## Fee Schedule

- A Master Fee Schedule is a listing of all fees charged by the City, and is normally adopted as part of the annual budget.
  - Includes fees for Parks & Recreation, Planning & Zoning, Signs, Building, and Administrative fees.
  - Currently in the process of updating for the FY2020 Budget



# Total General Fund Revenue

	<b>FYE 2015 Actual</b>	<b>FYE 2016 Actual</b>	<b>FYE 2017 Actual</b>	<b>FYE 2018 Actual</b>	<b>FYE 2019 Adopted Budget</b>
<i>Fund 100 - General Fund</i>					
Taxes	6,882,631	7,617,579	7,727,759	8,946,966	11,261,000
Licenses and Permits	678,161	1,709,969	908,912	1,262,976	1,246,000
Intergovernmental Revenues	67,158	80,802	89,887	34,977	50,000
Charges for Services	146,502	158,071	116,292	131,957	111,568
Fines and Forfeitures	2,755,004	2,163,342	1,959,152	2,034,662	2,000,000
Investment Income	13,466	1,768	1,258	1,218	2,500
Contributions and Donations	11,105	3,000	19,270	24,682	12,000
Miscellaneous	80,213	99,519	113,052	47,396	67,000
Other Financing Sources	391,160	86,909	1,999,669	93,075	97,500
<b>Total General Fund Revenues</b>	<b>11,025,399</b>	<b>11,920,959</b>	<b>12,935,251</b>	<b>12,577,909</b>	<b>14,847,568</b>

# Revenue Overview

## Other Revenue Sources

## Other Revenue Sources

- Other Revenue Sources includes:
  - Hotel/Motel Tax – this is an excise tax levied against all taxable room rentals within a given month. They are collected by the lodge operator from customers and remitted to the City.
    - Calculated as 5% of the Net Taxable Rent (Gross Room Rent less Exempt Rent)
    - 40% of amount collected is sent to the DeKalb Convention and Visitors Bureau. Remaining 60% is transferred to the General Fund.
  - Motor Vehicle Rental Excise Tax – excise tax assessed and levied upon each rental charge collected by any rental motor vehicle customer when a customer pays sales tax with respect to the rental charge.
    - Calculated as 3% of the Gross Receipts. For returns submitted on or before the deadline, a 3% collection fee is subtracted from the total tax due.

## Other Revenue Sources (cont.)

- Other Revenue Sources includes:
  - E911 Fees – Fees charged to phone users, both cellular and landlines, that are used to maintain and provide emergency contact services to the citizens of Doraville.
    - A monthly fee in the amount of \$1.50 is charged to each cellular and landline customer.
    - Revenue by Year:
      - 2015 - \$181,432
      - 2016 - \$189,060
      - 2017 - \$193,946
      - 2018 – \$194,630
      - 2019 - \$210,000 (budget)

# Revenue Overview

## Enterprise Fund Revenue Sources

# Enterprise Fund Revenue Sources

- **Enterprise Fund:**

- An Enterprise Fund is a fund that provides goods or services to the public for a fee that makes the entity self-supporting.
  - City of Doraville has 2 Enterprise Funds – Stormwater and Solid Waste

## Enterprise Fund Revenue Sources

- Enterprise Fund Revenue Sources includes:
  - Stormwater Utility Fee – fee charged to property owners in exchange for benefits provided by the Stormwater Utility System. Stormwater management includes, among other things, culverts, drains, detention and retention ponds, and other storm, rain, and water run-off.
    - \$48 Billed annually on property tax statement
    - No exemptions available
  - Sanitation Fee – charges for refuse collection to residential customers.
    - Exemption – an exemption was granted if the following conditions were met:
      - The owner of the residence had to be 65 years or older and;
      - Have occupied the residence for five or more years
    - Note that the City stopped this exemption program and no new exemptions were to be granted after August 1, 2010.

## Enterprise Fund Revenue Sources (cont.)

- Enterprise Fund Revenue Sources includes:
  - Sanitation Fee Comparison:
    - DeKalb County - \$265 per year, included on property tax bill
    - Atlanta – Direct (\$307 per year, included on property tax bill)
    - Avondale Estates – Direct (Sanitation Fees – Residential - \$521 per year, Commercial – Heavy-Usage \$735; Normal-Usage \$625; Light-Usage \$521)
    - Brookhaven – DeKalb County
    - Chamblee – Direct (Residential - \$265 per year, included on property tax bill)
    - Clarkston – Direct (Residential - \$213.21 per year, included on property tax bill)
    - Decatur – Direct (Residential - \$290 per year, included on property tax bill)
    - Doraville – Direct (Residential - \$200 per year, included on property tax bill)
    - Dunwoody – DeKalb County
    - Lithonia – DeKalb County
    - Pine Lake – DeKalb County
    - Stone Mountain – DeKalb County
    - Tucker – DeKalb County
    - Stonecrest – DeKalb County
      - Note: Direct = Jurisdiction provides its own service; DeKalb County = The County is the sole provider of service