

## MEMORANDUM

**To** Mayor and Council

**From** Regina V.K. Williams-Gates, City Manager  
Richard E. Platto CPA, Finance Director

**Date** May 16, 2019

**Subject Title** FY 2020 Proposed Budget

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### **Introduction**

The State of Georgia requires every local government to adopt a balanced operating budget in advance of the start of each fiscal year. This process includes setting the millage rate, advertising and conducting public hearings, and adhering to Generally Accepted Accounting Principles (GAAP).

On Monday, May 20, 2019, the City Administration will provide an introductory overview of the Fiscal Year (FY) 2020 Proposed Budget in the work session. FY 2020 refers to the period of time between July 1, 2019 and June 30, 2020. The Proposed Budget is based on information obtained and revised throughout the initial phases of the budgeting process. However, it should be noted that the assessed property values have not been finalized by the DeKalb County Tax Commissioner Office. Therefore, the estimate for property tax revenues in the Proposed Budget you will see on May 20<sup>th</sup> has not been finalized.

### **FY 2020 Budget Highlights**

The General Fund Proposed Budget is \$15,255,700.

1. The Budget relies on anticipated revenues, with no fund balance proposed to be used for operating expenses.
2. Overall, General Fund revenues are relatively stable, with some sources rising and others declining slightly. General Fund revenues are expected to be higher by about 2.7% (\$408,132) from \$14,847,568 (FY 2019 adopted) to \$15,255,700 (FY 2020 recommended). The majority of this increase is due to higher property tax and franchise tax revenues, offset by a lower fines and forfeitures revenue.
3. Property taxes remain the City's largest source of revenue. The proposed budget anticipates the millage rate will remain unchanged at 10.000 mills, which is the same rate as last year.
4. The recommended budget largely focuses on maintaining the City's current service and staffing levels and existing initiatives such as police and street and park maintenance.

5. Overall General Fund expenditures are projected to be \$15,255,700, which is an increase of \$534,532 from the FY 2019 adopted budget.
6. At \$7,249,440, and representing about 47.1% of the City's overall budget, the Police department is the single largest category of City expenditures. Employing 47 sworn officers and 14 non-sworn personnel, the police department is a 24-hour-a-day operation.
7. At \$1,398,000, Public Works is the City's second largest expenditure area (9.1%). This funding pays for 8.25 full-time employees and 3 part-time staff as well as the maintenance and upkeep costs for all of the City's parks, trails, buildings, streets, and other related infrastructure. SPLOST funding is often used to undertake much of the capital construction associated with these items.
8. Healthcare benefit costs are expected to increase by about 2%.

There will be a lot of details in print and in the presentation at the May 20<sup>th</sup> meeting; also including the Special Revenue Funds and Enterprise Funds. This meeting is primarily for presentation only. A special called City Council work session will occur on Thursday, May 30<sup>th</sup>, providing the City Council with time to have reviewed the Proposed Budget in preparation of a full discussion.

# City of Doraville FYE2020 Proposed Budget

Presented at the City Council Work Session  
May 20, 2019

# BUDGET IN BRIEF

- ▶ Composed of 13 funds, the FYE2020 budget totals \$18,936,853
- ▶ Of the approximately \$19 million budget, \$3,563,653 (18.8%) must be used for dedicated expenditures
- ▶ Used Guiding Principles to develop the Proposed Budget

# GUIDING PRINCIPLES

- ▶ **Guiding Principles included among others:**
  - ▶ **Ensure ongoing budget items are funded with ongoing revenue sources**
  - ▶ **Review longer term impact of present-day decisions; i.e. identify fiscal impact in future years**
  - ▶ **Factor the cost vis-à-vis benefit of augmentations and/or not, such as cost of new vehicle versus fleet maintenance on aged vehicle**
  - ▶ **Perform trade-offs to avoid absolute adds, i.e. reorganize, reclassify and reallocate where possible**

# FYE2020 Proposed Budget All Funds

Fund	Amount
General	\$15,255,700
Confiscated Assets*	\$394,157
Emergency 911*	\$508,600
Tree Bank*	\$86,102
Multiple Grants*	\$183,000
Hotel/Motel Tax*	\$70,000
Motor Vehicle Rental Excise Tax*	\$40,000
Special Local Option Sales Tax (SPLOST)*	\$970,494
Homestead Option Sales Tax (HOST)*	\$-
Capital Projects-Local Resources	\$100,000
Stormwater*	\$773,200
Solid Waste*	\$538,100
Urban Redevelopment Agency	\$2,500
Downtown Development Authority	\$15,000
<b>Total FYE2019 Proposed Budget</b>	<b>\$18,936,853</b>

\*Denotes revenue source that must be used for specific purpose

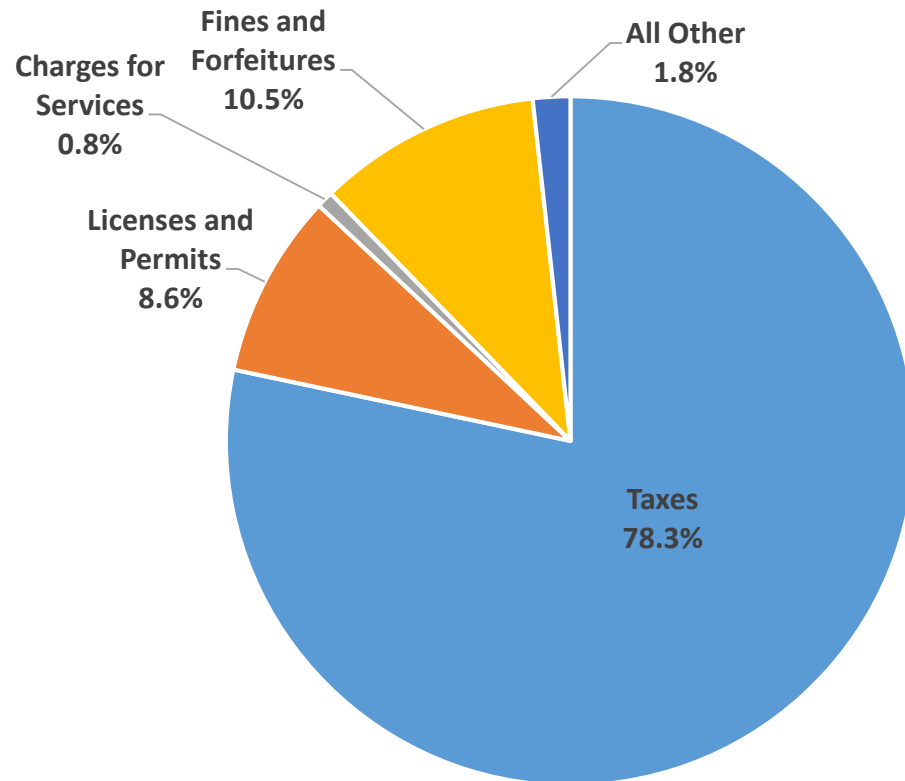


# FYE2020 Proposed General Fund Revenues

# FYE2020

## Proposed General Fund Revenues

General Fund Revenues by Category



Revenue Source	FY2020	FY2019
Taxes	\$11,948,600	\$11,261,000
Fines and Forfeitures	\$1,600,000	\$2,000,000
Licenses and Permits	\$1,319,100	\$1,246,000
Charges for Services	\$120,000	\$111,568
All Other	\$268,000	\$229,000
<b>Total Revenues</b>	<b>\$15,255,700</b>	<b>\$14,847,568</b>



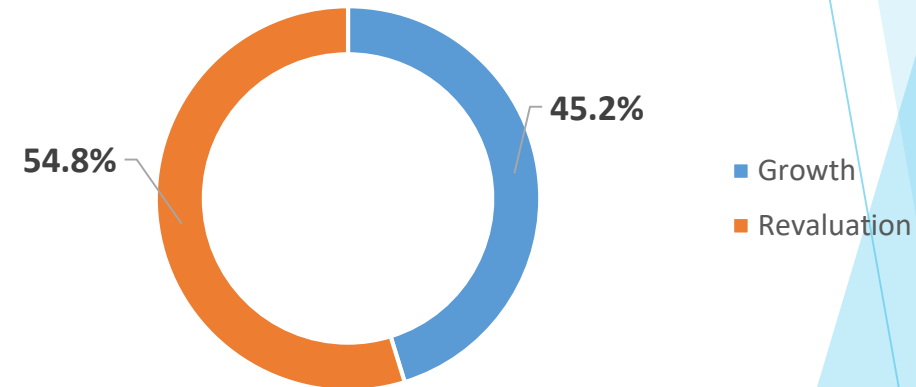
# NET PROPERTY TAX DIGEST HISTORY

- 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 *	\$723,511,880	4.45%

\* Note – preliminary estimate based on current information from DeKalb County

Change in Net Tax Digest from 2018 to 2019



Note: Based on preliminary estimate, 1 Mil = \$701,807 in revenue (based on 97% collection rate). For reference, last Tax Year 1 Mil = \$671,928 in revenue.

# GENERAL FUND REVENUE

- Other Notable General Fund changes from FY2019 Budget to FY2020 Budget:
  - Franchise Tax revenue increase of \$514,600 due to historical trend
  - Municipal Fines and Forfeitures decrease of \$400,000 due to the continued trend of lower court cases year-over-year (decrease in police-issued citations; code enforcement citations show a slight increase)
  - Managing cash flow to allow for more investment income
  - Updates to the Fee schedule (and continued review of the fee schedule throughout FY2020)
  - Potential Grant opportunities

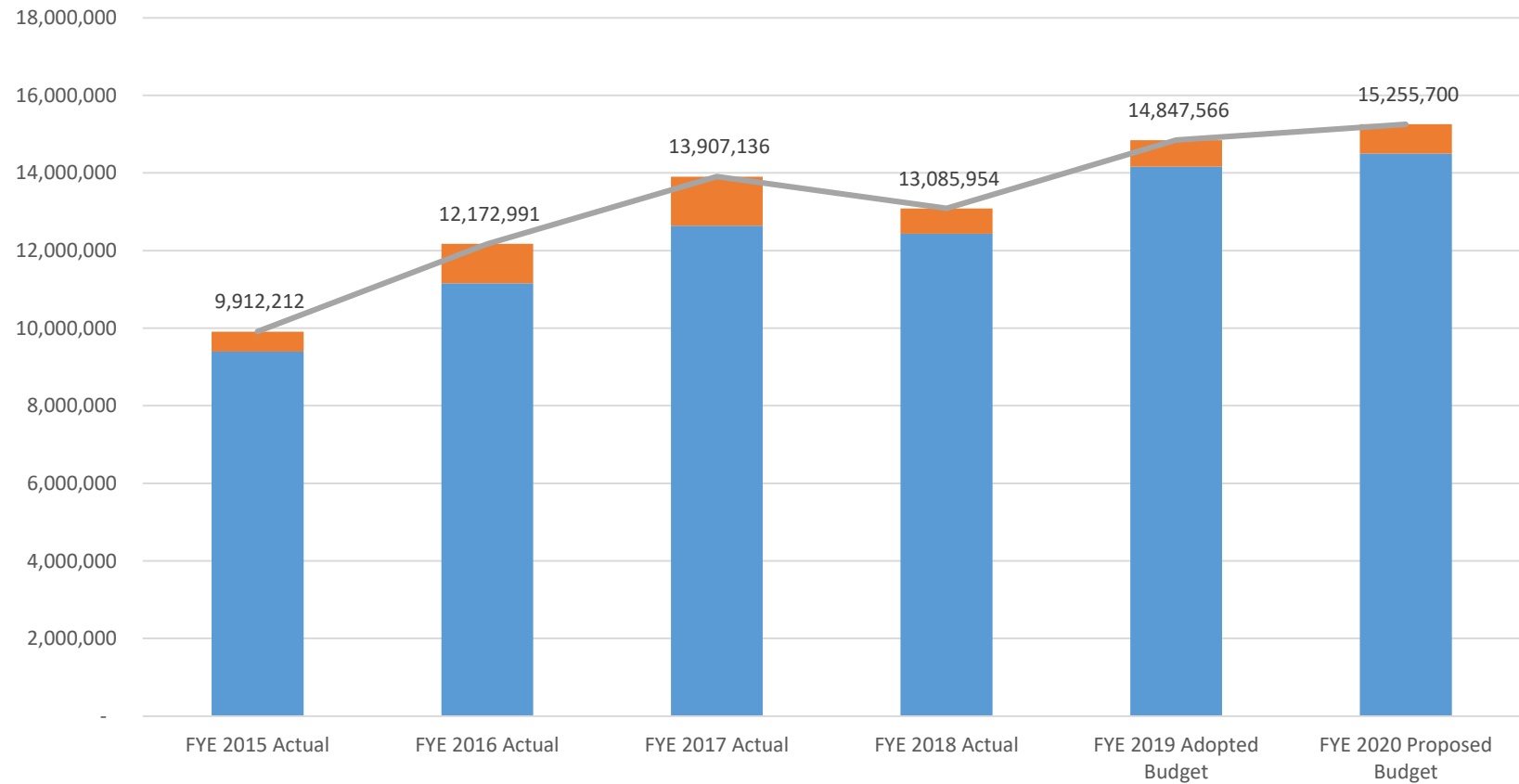
# GENERAL FUND REVENUE HISTORY

	<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>	<b>FYE 2020 Proposed Budget</b>
<b><i>Fund 100 - General Fund</i></b>						
Taxes	6,882,631	7,617,579	7,727,759	8,946,966	11,261,000	11,948,600
Licenses and Permits	678,161	1,709,969	908,912	1,262,976	1,246,000	1,319,100
Intergovernmental Revenues	67,158	80,802	89,887	34,977	50,000	61,000
Charges for Services	146,502	158,071	116,292	131,957	111,568	120,000
Fines and Forfeitures	2,755,004	2,163,342	1,959,152	2,034,662	2,000,000	1,600,000
Investment Income	13,466	1,768	1,258	1,218	2,500	30,000
Contributions and Donations	11,105	3,000	19,270	24,682	12,000	11,000
Miscellaneous	80,213	99,519	113,052	47,396	67,000	74,000
Other Financing Sources	391,160	86,909	1,999,669	93,075	97,500	92,000
<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>	<b>15,255,700</b>

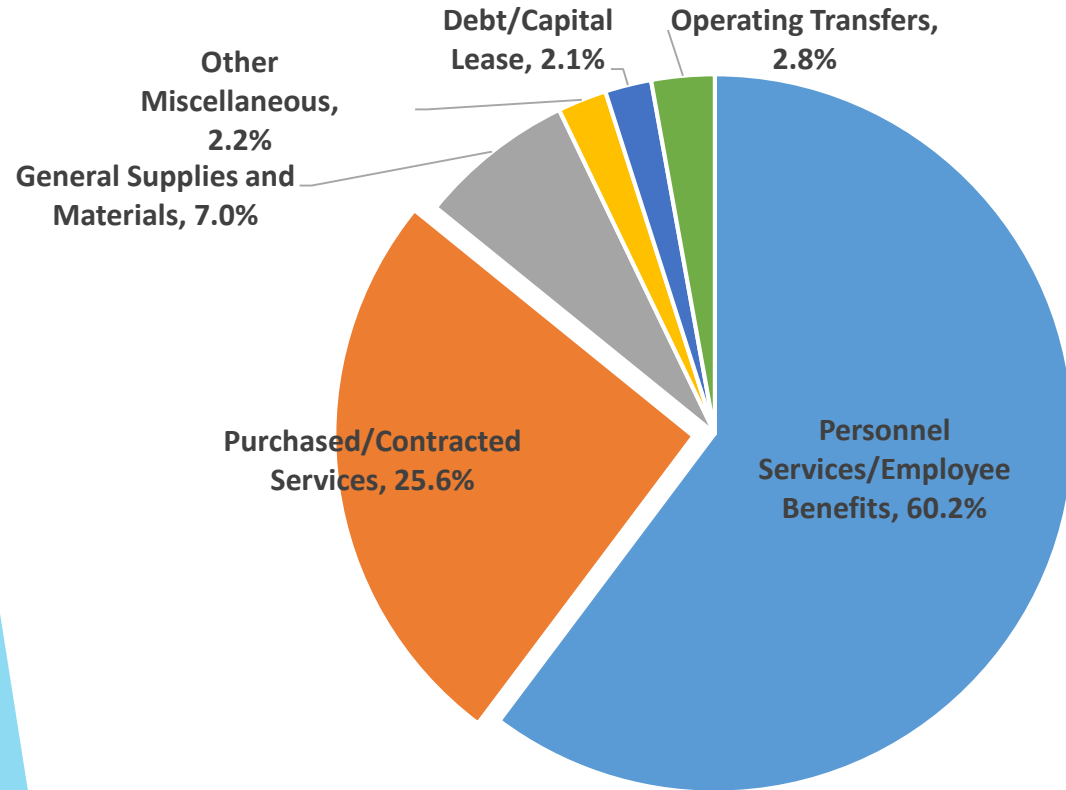


# FYE2020 Proposed General Fund Expenditures

# General Fund Operating Expenditures

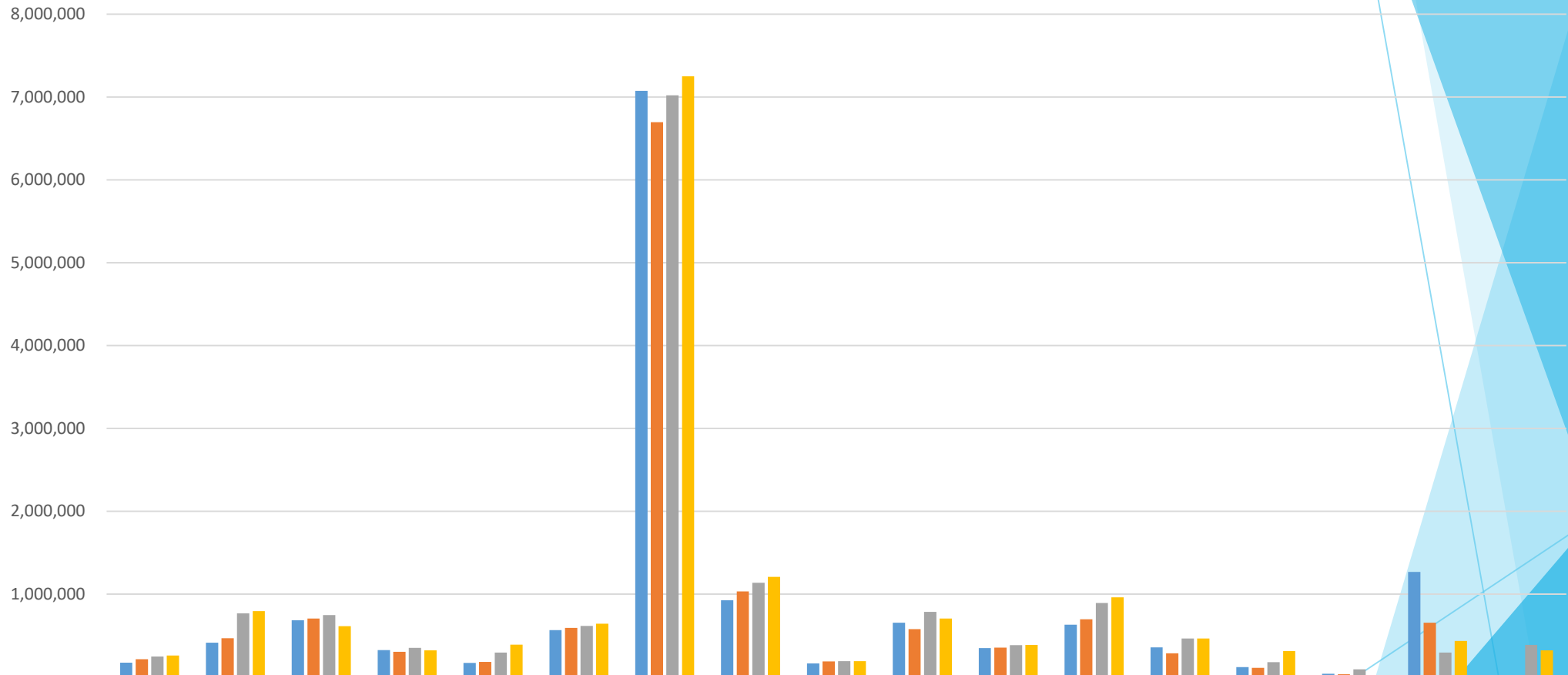


# General Fund Operating Expenditures - Uses



Expenditure Category	FY2020	FY2019
Personnel Services/Employee Benefits	\$9,190,500	\$8,831,100
Purchased/Contracted Services	\$3,904,220	\$3,918,530
General Supplies and Materials	\$1,071,850	\$1,085,300
Other Miscellaneous	\$336,680	\$398,500
Debt/Capital Lease	\$318,350	\$318,336
Operating Transfers	\$434,100	\$295,800
<b>Total Expenditures</b>	<b>\$15,255,700</b>	<b>\$14,847,566</b>

# General Fund Operating Expenditures - Comparison



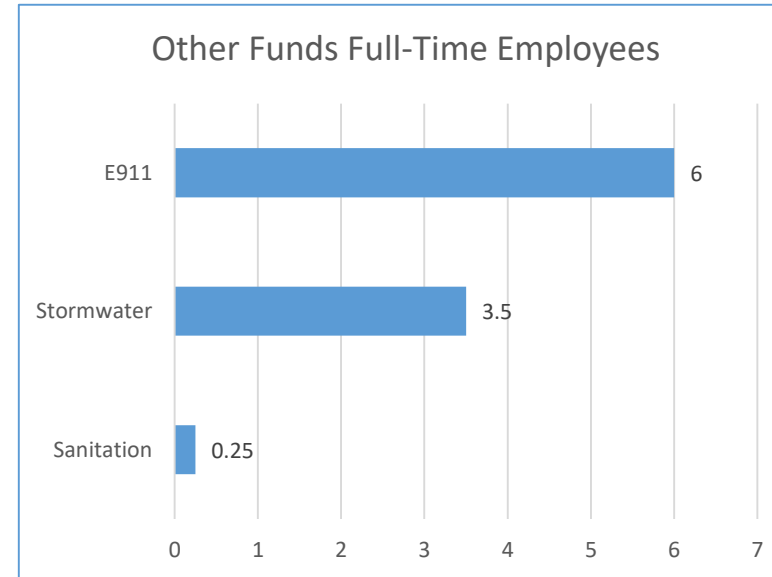
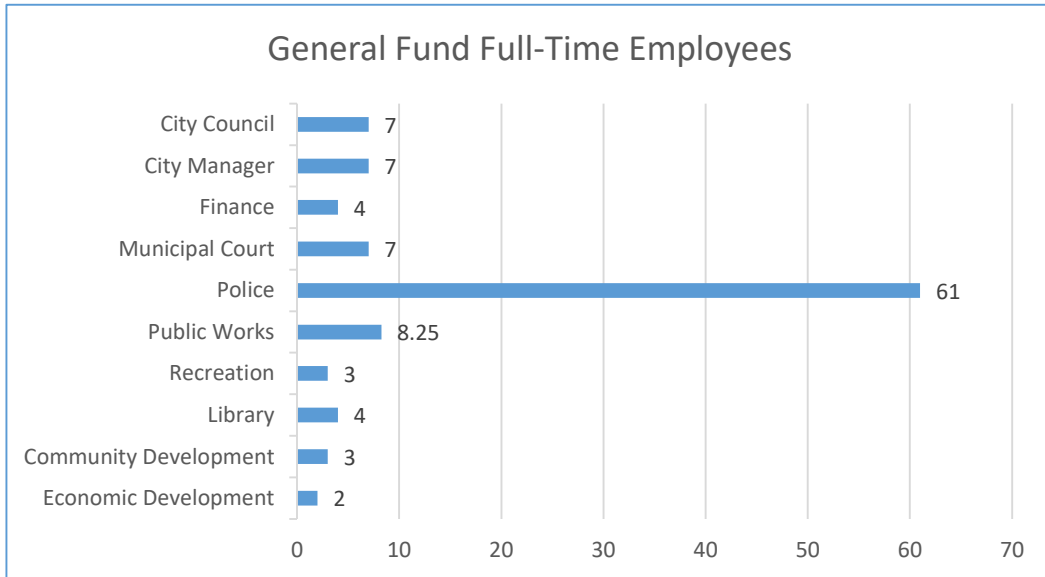
	City Council	City Manager	Finance	Legal	Information Tech	Municipal Court	Police	Public Works	Street Lights	Recreation	Library Admin	Community Dev	Code Comp	Economic Dev	Other	Interfund Trans	Conting
FYE 2017 Actual	172,181	411,999	683,542	324,665	168,369	564,295	7,075,375	926,236	164,057	655,719	348,517	630,740	356,333	119,808	37,263	1,268,036	-
FYE 2018 Actual	212,647	467,757	704,440	304,375	181,773	591,113	6,696,941	1,032,884	188,612	576,797	353,813	694,875	284,344	111,023	31,484	653,076	-
FYE 2019 Adopted Budget	247,650	767,300	747,900	350,000	294,400	616,500	7,020,696	1,137,600	190,000	785,075	382,750	891,170	463,000	178,425	91,300	295,800	388,000
FYE 2020 Proposed Budget	259,200	793,800	613,110	320,400	389,240	642,930	7,249,440	1,208,000	190,000	705,980	387,980	961,270	463,000	311,750	5,500	434,100	320,000

# General Fund Operating Expenditures - Enhancements/Initiatives

- ▶ Notable General Fund Operating Expenditures Enhancements/Initiatives:
  - ▶ Business License/Occupational Tax Review
  - ▶ Development of an IT Master Plan (for example, evaluation of equipment replacement and network needs)
  - ▶ Municipal Court enhancements, including updates to signage
  - ▶ Select organizational realignments to gain efficiencies



# FY2020 Authorized Personnel



## ▶ General Fund

- ▶ 106.25 full-time and 26 part-time employees
- ▶ Personnel expenditures are about 61% of total operating budget
- ▶ Public Safety represents 60% of total personnel expenditures

## ▶ Other Funds

- ▶ 9.75 full-time and 1 part-time employees



# FYE2020 Proposed Other Funds

# Other Funds - Enhancements/Initiatives

- ▶ Notable Other Funds Enhancements/Initiatives:
  - ▶ Solid Waste Fund - proposed rate increase from the current \$200 per resident amount annually to \$295 per resident annually (included on property tax bill).

# Other Funds - Enhancements/Initiatives

▶ Notable Other Funds Enhancements/Initiatives:

- ▶ SPLOST Fund - includes new funding for: (note that FY2019 unspent budget will carryforward to FY2020)

Project	FY 2020 Amount	Project	FY 2020 Amount
Oakcliff Phase 2	\$73,000	Relocate Generators	\$75,000
Citywide Traffic Calming	\$10,000	Public Safety Building Improvements	\$40,000
Citywide Sidewalk Repair and Replacement	\$203,050	Replacement Police Vehicles	\$67,778
Chestnut Road Improvement	\$50,000	Municipal Courthouse Renovations	\$20,000
Citywide Street Striping	\$136,666	Library Improvements	\$45,000
Safety Improvements at intersection of Chestnut/Wheeler and Addison Streets	\$15,000	Citywide Signage	\$5,000
Citywide Pavement Mgmt	\$200,000	Honeysuckle Park Improvements	\$20,000

# Other Funds - Enhancements/Initiatives

- ▶ Notable Other Funds Enhancements/Initiatives:
  - ▶ General Capital Projects Fund - includes funding for:

Project	FY 2020 Amount
Tyler Content Manager Software	\$11,600
Office Relocations and Renovations	\$30,000
Telephone System Upgrade - Citywide	\$18,400
PD Vehicle Lifecycle Replacement Program	\$25,000
PW Vehicle Lifecycle Replacement Program	\$15,000