

City of Social Circle Budget and Program of Services Fiscal Year 2016/2017

JUNE 21, 2016

Process

City Council Retreat

January 2016

- - Evaluation of City's Financial Condition
- - Identification of Trends in Revenues and Expenditures
- - Prioritization of Strategic Goals

Capital Improvement Plan

February and March 2016

- - Funding of Strategic Goals
- - Critical Infrastructure Needs
- - Identification of Deferred Projects and Facilities

Operating Budget and Program of Services

May and June 2016

Budget Considerations

- Adopted Strategic Goals
- Community Needs
- Current Programs and Level of Service Provided
 - How Services are Provided
 - Improve Customer Service
 - Increase Efficiencies, Reduce Waste
 - Make Existing Services More Effective
- Infrastructure Condition
- Support of Economic Growth in the City

Budget Calendar

May 17, 2016 -

Presentation and Public Hearing on Operating Budget

June 21, 2016

Council Adoption of Capital Improvement Plan and Operating Budget

Council Evaluation of FY 2016-17 Budget

- May 24, 2016 - Budget Work Session 1:
- Overview, Accomplishments and Objectives per Department
 - Detailed Review of Proposed Expenditures
- May 31, 2016 - Budget Work Session 2
- Cost Recovery Fee Consideration
 - Evaluation of Revenue and Expenditures Trends
 - Regional Comparisons
 - Discussion of Cost Allocations, Efficiencies, Level of Service
- June 16, 2016 - Budget Work Session 3
- Review of Fund Balances, Trends and Purpose
 - Review of Preliminary Tax Digest Information
 - Consideration of impact of Millage vs. Utility Rate Changes

Budget and Program of Services FY2016-17

Introduction

Strategic Goals

Financial Policies

Trends and Analyses and Projections

Capital Improvement Plan

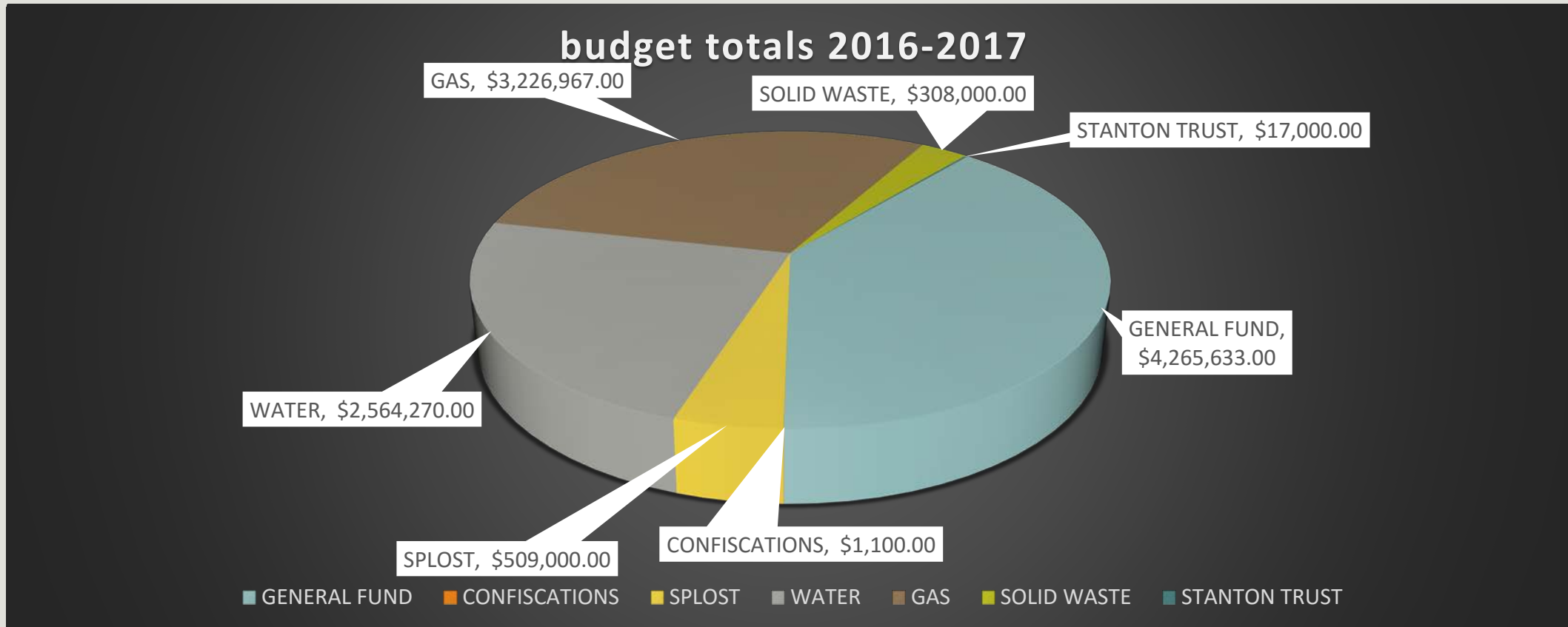
Operating Budget

- Department Accomplishments and Objectives

Personnel Summary

Recommended Budget FY 2016-17

\$10,891,970



Structure of Budget – Major Funds

General Fund

- Funded with Property Tax, Intergovernmental Revenues, Business Licenses & Fees, and Transfers from Utilities
- Supports Police, Fire, Public Works, and General Administration Services

Water and Sewer Fund

- Funded with Utility Fees, and Cost Recovery Fees
- Supports the operation of the Water Plant, Water Distribution System, Sewer Plant, Sewer Collection
- Supplements the General Fund Revenue

Gas Fund

- Funded with Gas Utility Fees
- Supports the operation of the Gas System
- Supplements the General Fund Revenue

Utility Fund Revenues

Water and Sewer Fund

- No rate increases are recommended
- Capital Recovery Fees are projected to continue at their current level
- Reduced transfers from this fund to the general fund are reflected
- Increased investment in Capital Projects is reflected in the Capital Improvement Plan as adopted to address significant infrastructure needs.

Gas Fund

- No rate increase is recommended
- A transfer of \$887,000 from this fund to the general fund is reflected.

Solid Waste Fund

- No rate increase is recommended
- A transfer of \$57,000 from this fund to the general fund is reflected.

General Fund Revenues

General Fund revenues reflect a stable yet flat trend.

- The real estate market is beginning to show a rebound, however assessments are not yet.
- The current City tax rate is 7.41 mills, which has not changed since 2006
- During the recession, as property values dropped, the city did not increase the tax rate.

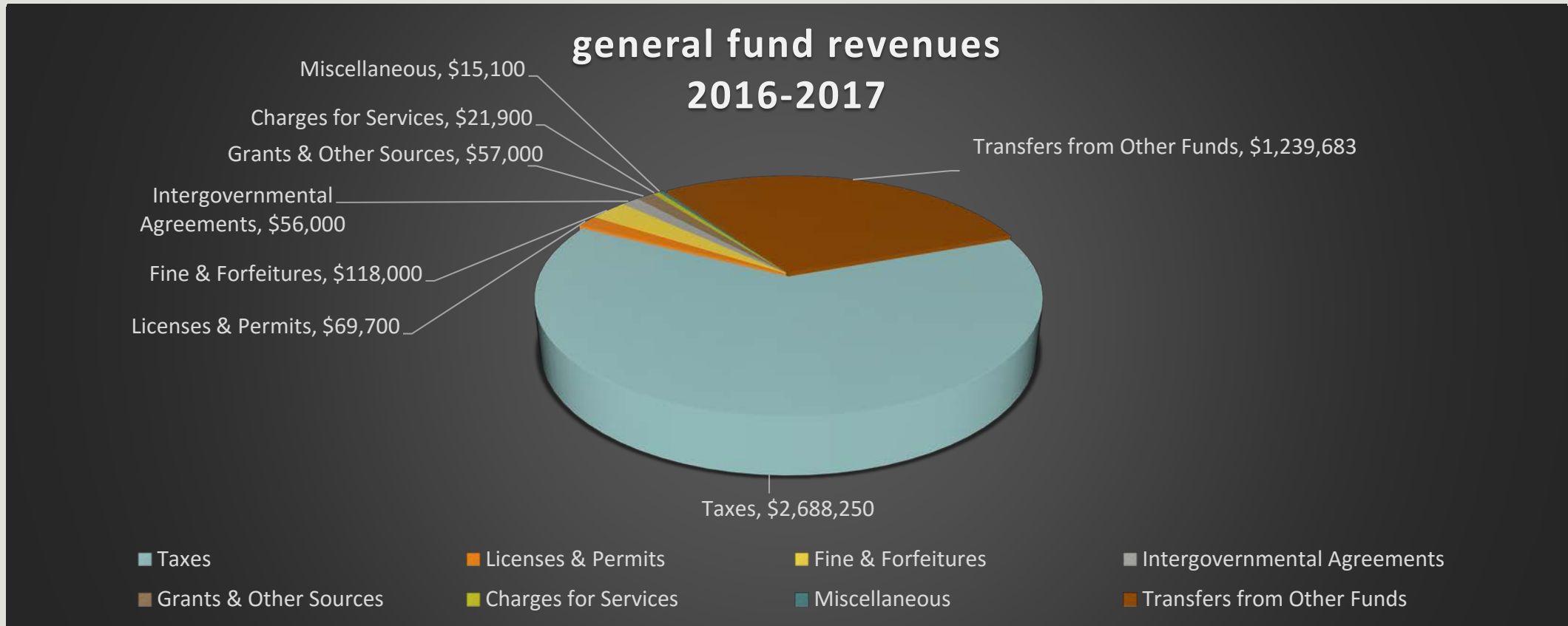
Transfers from the Utility funds to the General Fund have increased significantly over the last five years, to a level that is equivalent to 10 mills.

While it is appropriate for utility funds to support the general fund in part, over reliance on such transfers is not advisable.

Gas revenues are dependent upon unpredictable weather and may be influenced significantly by a few large industrial users.

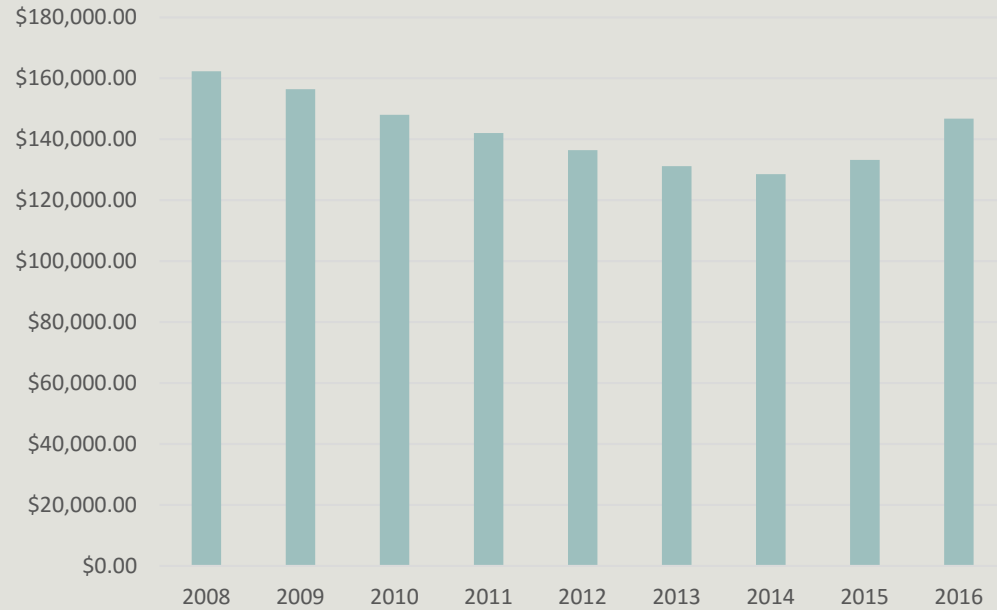
Water and sewer transfers have impacted the City's ability to invest in the infrastructure to assure long term reliability.

General Fund Revenues

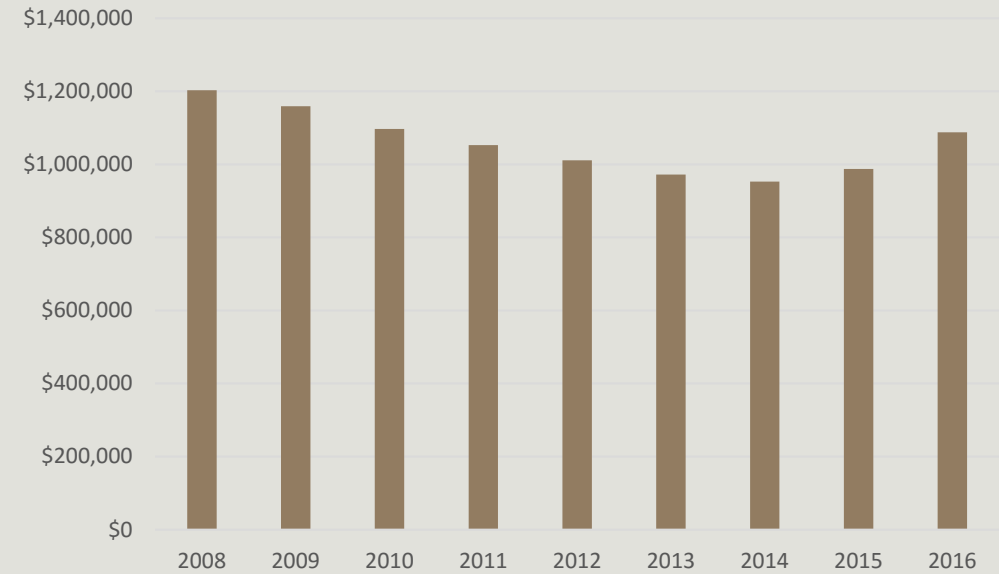


General Fund – Tax Digest Trend

what a mill is worth



Total County Taxes Levied



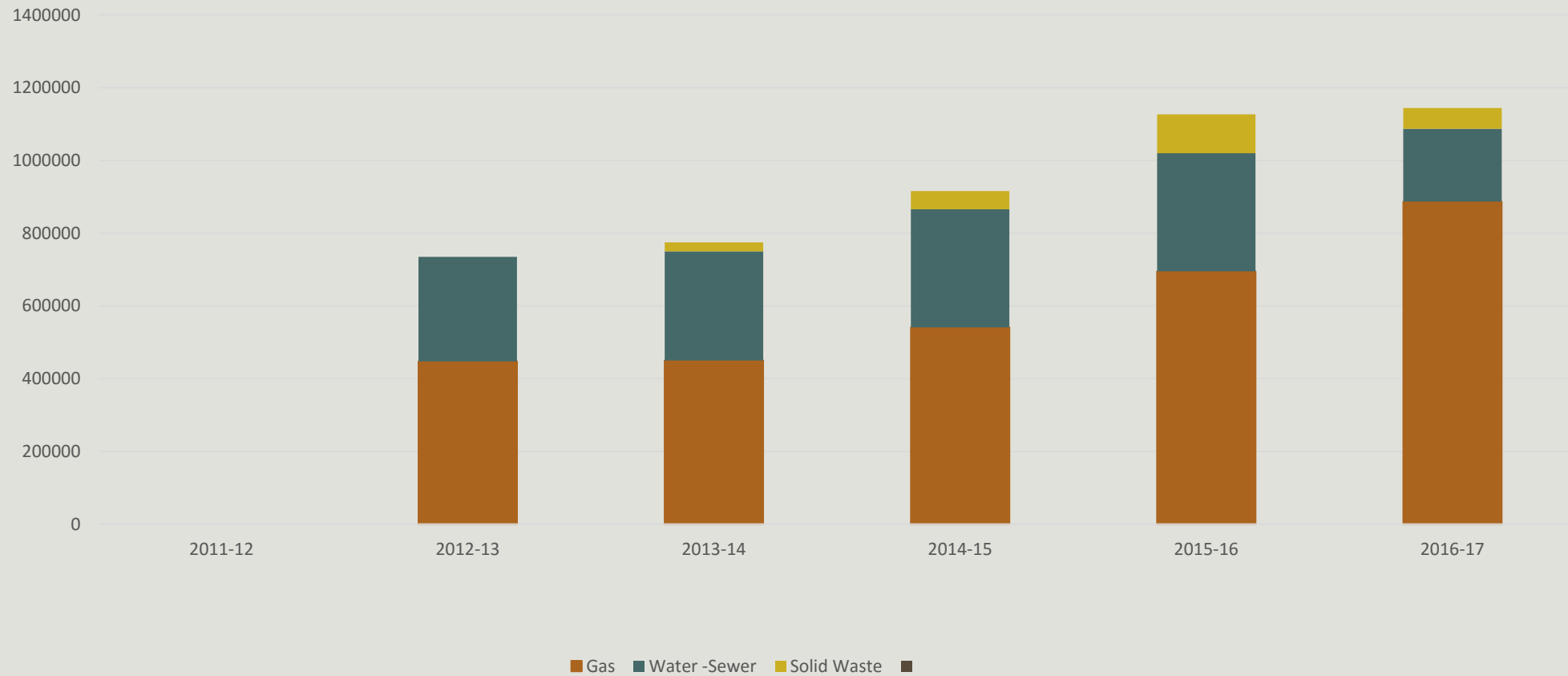
Social Circle Millage Rate History

2000	6.987
2001	6.74
2002	8
2003	8
2004	7.997
2005	7.636
2006	7.524
2007	7.417
2008-Present	7.411

Local Comparisons – Current Millage Rates

City	Mil Rate
CONYERS	13.590
LOGANVILLE	10.180
MONROE	8.115
COVINGTON	7.654
SOCIAL CIRCLE	7.411
MADISON	6.227

Transfers from Enterprise Funds to GF



Recommended Budget

Balanced, with no tax rate increase, no utility rate increases,

However

Transfers from Utility Funds are at a historically high level which may not be sustainable,

Projections indicate that either a tax rate increase, or additional transfers from the utility funds to the general fund will be needed to balance the budget beginning next fiscal year,

Consideration should be given to an increase in the millage rate to reduce the general fund reliance on utility fund transfers.

Budget Action

The Council must adopt a budget this evening, for the Fiscal Year beginning July 1, 2016

The final tax digest will be submitted by the County to the City sometime after the first of July.

The tax digest will include the projected property tax revenue based upon the current millage rate of 7.411

The tax digest will indicate the rollback millage rate that is indicated by the current assessments.

City Council will be required to advertise three public hearings at that time to adopt a millage rate

Cost Recovery Fees

Recommended Budget:

Year	Water	Sewer
1998		\$1500
2003	\$3,000	\$3500
2007	\$4,000	\$4,500
2012 (50%)	\$2,000	\$2,250
2016	\$4,000	\$4,500

- \$4,000 – Water; \$4,500 – Sewer per residential connection (increases for other uses based upon meter)
- Revenue projected
 - = \$60,000 water, or 15 new residential connections at current CRF
 - + \$50,000 sewer, or 11 new residential connections at current CRF
- If Cost Recovery Fees were reduced 25% for the Fiscal Year, and equal revenue were to be projected:
 - \$3,000 CRF for Water per residential connection, for 20 new residences and
 - \$3,375 CRF for Sewer per residential connection, for 15 new residences.
- FY2015-2016 experience has been 12 new residential water connections and 12 new residential sewer connections to date.

Council Actions Needed

Action on Cost Recovery Fees:

- 1. No action is required for Cost Recovery Fees to remain at current level
- 2. A motion is required for Cost Recovery Fees to be reduced by 25% for a six month or one year period.

Action on Millage Rate:

- 1. The budget presented is based upon the current millage rate
- 2. Millage rate changes may only be made after the tax digest is published and required public hearings
- 3. Consideration of Millage rate is anticipated in August 2016.

Action on Annual Operating Budget and Program of Services

- 1. Adoption of the Budget is necessary for the Fiscal Year Beginning July 1, 2016