

City of Decatur

Revised 2016-2017 Budgets Proposed 2017-2018 Budgets

Work Session
June 5, 2017



City of Decatur 2010 Strategic Plan Vision

The City of Decatur will assure a high quality of life for its residents, businesses and visitors both today and in the future.



Vision Based Budget Process

- ▶ Collaborative
- ▶ Inclusive
- ▶ Community Involvement
- ▶ Strategic Plan Principles
- ▶ Employee Narrative Teams
- ▶ Qualitative
- ▶ Quantitative



Highlights

- Acquisition and operation of the United Methodist Children's Home
- 2017 Digest - 8.4% increase
- Debt Service Millage rate increase from 2.49 to 2.81. The increase covers the voter approved 2016 school general obligation debt
- Proposed FY 17-18 budget is \$862,560 (3.5%) higher than Revised FY 16-17 budget
- Use of \$1,180,030 in general fund balance in order to stay within financial policy guidelines
- Full impact of new & expanded homestead exemptions



Highlights

- Staff costs are about 65% of budget
- 5% merit-based general market salary adjustment effective January 2018
- A 6% increase in health costs requires increase in employee contributions
- City 8% contribution to the Employees' Retirement System remains the same



Revenues - Tax Digest

- 2017 Real Property Digest 8.4% increase
- Total increase approx. \$142,191,000
 - 46% or \$64,809,000 is new value
 - 54% or \$77,382,000 is revaluation
- Real Estate digest is 97% of total taxable digest
- Truth in Taxation advertising-see handouts



Real Property Tax Digest

Commercial:	\$ 289,212,000	16% (last year was 15%)
Residential:	\$1,546,036,000	84%
Total:	\$1,835,248,000	

1 mill (no homestead exemptions)=~\$1,835,200 revenue

1 mill (current homestead exemptions)=~\$1,521,845 revenue

1 mill=\$225 in taxes on homestead property (\$500,000 FMV)



Revenues - Homestead Exemptions

- ▶ New & expanded homestead exemptions
- ▶ \$400,000 impact on taxable digest for FY 17-18

Ex	2016	2017	#	Assessed Value	Local Impact
GH-1	\$20,000	\$25,000	5535	\$138,375,000	\$1,286,888
GH-2	\$1,000	\$10,000	1213	\$12,130,000	\$112,809
GH-3	New	\$15,000	260	\$3,900,000	\$36,270

Millage Rates

	2016	2017 Tentative	2017 Proposed	Change 2016-2017
Gen	9.30	9.50	9.24	
Gen-Cap	1.00	1.00	1.06	
DDA	0.38	0.38	0.38	
M&O Total	10.68	10.88	10.68	
2007 GO Bonds	.92	.92	.90	
2016 School GO Bonds	1.57	1.97	1.91	
Debt Total	2.49	2.89	2.81	
Total All	13.17	13.77	13.49	.32 (debt service only)

Debt Service

17-18 Payments	Fund	Interest	Principal	Ending Balance (principal)	Final Maturity
COPs/City Hall	Capital	39,260	145,000	1,365,000	2026
2007 GO Bonds	Debt Service	1,047,081	820,000	29,075,000	2037
2016 School GO Bonds	Debt Service	2,589,044	0	69,755,000	2042
URA 2010 Revenue Bonds	URA 2010	760,712	408,979	11,773,108	2038
URA 2013 Revenue Bonds	URA 2013	1,220,700	665,000	26,735,000	2044



UMCH Financial Impact

- Debt Service-see handouts
- Financing Options
- Master Plan, Survey, Environmental Assessment, Field Improvements

- Operating Budget

Personnel	139,890
IT Services	25,000
Landscape	45,000
Insurance	27,000
Stormwater	112,500
Utilities	175,000
Total Operating	524,390

Revenues - Other

- General Fund Revenues=\$25,196,590
- All Taxes=\$20,068,810 (80% of total revenue)
- Development Permits=\$926,500
- Code Violations=\$795,000
- Parking Meter Fees=\$785,000
- Recreation Fees=\$692,000



Hotel/Motel Tax

	12-13 Actual	13-14 Actual	14-15 Actual	15-16 Actual	16-17 Estimate	16-17 Revised	17-18 Proposed
Revenues	470,802	501,638	552,237	611,605	642,000	642,000	674,260
Expenditures							
DTB	153,446	163,368	177,829	179,502	183,500	183,500	192,630
Conf Ctr	133,446	143,368	157,829	174,740	183,500	183,500	192,630
Gen Fund	200,029	214,902	236,578	261,926	275,000	275,000	289,000



Fund Balance

- Financial Policy: 20-30% of general operating expenditures
- At the end of FY 15-16 added \$1,211,185 to fund balance = \$8,420,470 or 35% of expenditures
- Revised FY 16-17: Plan to use \$554,110 from fund balance
- Proposed FY 17-18: Plan to use \$1,180,030 of fund balance for projected balance of \$6,686,330 or 27% of expenditures
- \$750,000 transfer from fund balance to Public Facilities Authority fund for debt service



Expenditures

- Total General Fund Expenditures = \$25,196,590
 - \$862,560 or 3.5% higher than FY 16-17 revised
- Personnel Services increase \$487,670 over FY 16-17 revised
- Health care costs increase \$162,030
- Professional services total \$2,334,620, a decrease of \$164,450 due to reduction in development fees budget
 - Professional services includes Facilities/Greenspace master plan, building permitting services, Community Transportation plan, Phase II Impact Fee study, & Cottage Court consulting fees



Personnel

High Quality Services are provided by High Quality Employees

- Personnel expenditures make up 65% of overall budget
- Salary survey data
- 5% market-rate salary adjustment for full-time employees
- 10% shift in salary ranges
- Living Wage
- Other changes: +\$2/hr for CYS afterschool counselors, Chief Judge increase, +2 school crossing guards, part-time firefighters, CED position, UMCH positions, other reclassifications
- No change to City's retirement contribution of 8%



Employee Health & Wellness Benefits

Healthy Employees Support a Healthy Community

- Health care costs are \$2,383,070 or 9% of budget
- Increase of ~\$162,030 or 7%
- Self-insured model
- Increase specific stop loss deductible from \$75k to \$85k
- Maintain 80/20 funding ratio for health care costs
- Increase employee health insurance deductions 6%
- Use \$100,000 from health care costs fund balance
- Wellness program adds weight loss program



Employee Health & Wellness Benefits

	17-18 Budget
Claims	2,390,000
Stop Loss Insurance	565,455
Admin Fees	313,140
ACA Reinsurance	1,113
Retiree Plan	175,000
Life/STD	70,000
Wellness/Discount	175,000



Capital Improvements

- Fiber Network Upgrade
- Police Training Simulator
- Fire Back-In Guidance System
- Tornado Outdoor Warning Siren System
- McKoy Pool Resurfacing
- Skate park Equipment Replacement
- City Hall Exterior Painting
- Automated Pay Parking Stations
- Vehicle Replacement Program



Capital Projects

- UMCH Field Improvements/Trails
- Sidewalk construction & repair
- Street patching, repair & paving
- Railroad Crossing Improvements
- North McDonough Streetscapes
- Commerce Drive Bike Track
- Clairemont/Commerce/Church Improvements



Capital Improvements Fund

- Recommend reducing General fund millage by .06 and increasing Capital fund millage by .06
- Capital fund tax revenue increases from \$1,713,500 to \$1,871,700; an increase of \$158,200
- Additional tax revenue results in unassigned fund balance of \$397,777
- HOST revenue estimate \$3,500,000; \$2,234,880 committed for debt service; estimated unassigned fund balance of \$3,567,194



Other Funds

- Stormwater Utility Fund
- E911 Fund
- Cemetery Fund



FY 16-17 Accomplishments

- Cottage Court project initiated
- Landscaping improvements on the downtown greenspace
- Callaway re-development groundbreaking
- Approval of new and expanded homestead exemptions
- Better Together Community Advisory Board
- Decatur Youth Council
- MARTA overpass mural
- Decorative crosswalks in downtown
- High Performance Building Standards
- Open Office Hour



FY 17-18 Projects & Programs

- United Methodist Children's Home property
- Commerce Drive Bicycle Track
- Police training simulator
- Update to Community Transportation plan
- Facilities/Greenspace master plan
- Additional parking meters
- West Howard Avenue re-design
- Boys & Girls Club indoor pool
- Part-time firefighters
- Civic Tech/Smart City initiative
- Cybersecurity implementation
- Stormwater master plan

