

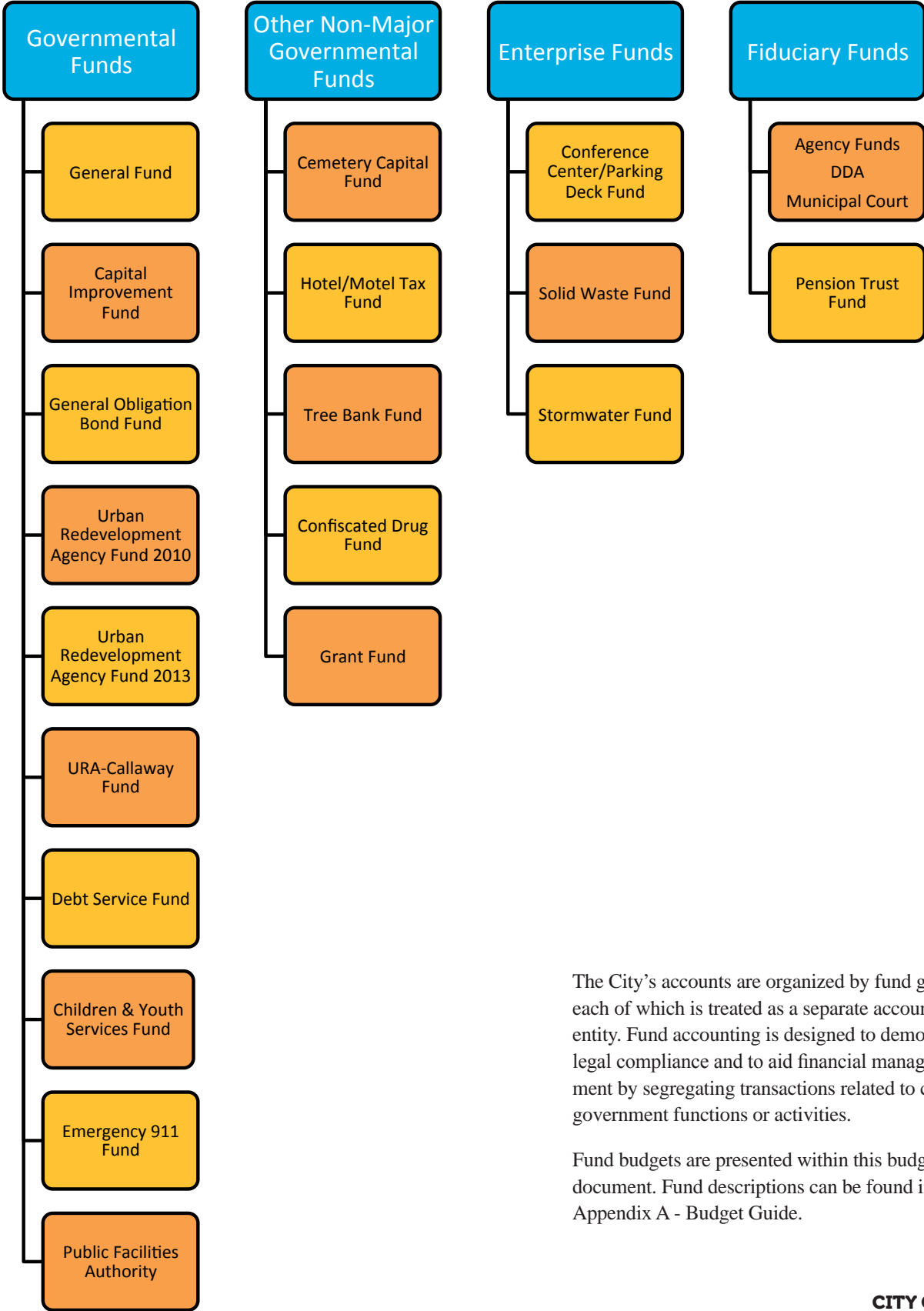


Summary of Fund Budgets

Budget FY 2017-2018

CITY OF DECATUR

Fund Organizational Chart



The City’s accounts are organized by fund groups, each of which is treated as a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund budgets are presented within this budget document. Fund descriptions can be found in Appendix A - Budget Guide.

Fund Balance Summary - All Funds

<i>Fund Balance, end of FY 13-14</i>	\$5,501,604	\$18,553,224	\$349,059	\$6,383,974	\$156,069	\$800,730	\$5,289,992	\$37,034,652
<i>Fund Balance, end of FY 14-15</i>	\$7,209,285	\$11,825,399	\$327,873	\$6,575,325	\$174,769	\$962,399	\$14,995,225	\$42,070,275
<i>Fund Balance, end of FY 15-16</i>	\$8,420,470	\$14,827,909	\$384,187	\$5,900,233	\$272,801	\$1,131,616	\$14,719,966	\$45,657,182
<i>Fund Balance, beginning of year (est)</i>	\$7,866,360	\$6,449,858	\$401,162	\$4,518,093	\$226,621	\$944,406	\$15,729,366	\$36,135,867

REVENUES	General Fund	Capital Project Funds	Non-Major Gov't Funds	Debt Service Fund	E911 Fund	Children & Youth Services Fund	Enterprise Funds	Total Revenues
Taxes	20,079,310	1,871,700	674,260	5,651,000	0	0	0	\$28,276,270
Licenses and permits	1,035,400	0	0	0	0	0	0	\$1,035,400
Fines and forfeitures	1,020,000	0	0	0	0	0	0	\$1,020,000
Interest income	0	0	10	500	0	0	0	\$510
Charges for services	1,856,660	0	55,000	0	564,300	1,923,770	3,935,800	\$8,335,530
Intergovernmental	428,800	6,496,230	87,000	0	0	0	0	\$7,012,030
Contributions	107,500	0	0	0	0	0	0	\$107,500
Sale of Assets	0	0	0	0	0	0	0	\$0
Miscellaneous	10,000	548,700	25,000	18,400	0	0	0	\$602,100
Transfers	(521,110)	0	0	0	0	0	0	(\$521,110)
Total Revenues	\$24,016,560	\$8,096,100	\$841,270	\$5,669,900	\$564,300	\$1,923,770	\$3,935,800	\$45,868,230
EXPENDITURES	General Fund	Capital Project Funds	Non-Major Gov't Funds	Debt Service Fund	E911 Fund	Children & Youth Services Fund	Enterprise Funds	Total Expenditures
Personnel Services	16,307,990	0	0	0	843,040	1,650,540	1,455,960	\$20,257,530
Other Services and Charges	6,016,680	1,180,000	73,240	0	128,730	379,980	1,266,930	\$9,045,560
Supplies	2,871,920	806,750	142,000	0	31,950	324,920	302,270	\$4,479,810
Capital Outlay	0	45,331,300	132,000	0	0	0	418,600	\$45,881,900
Indirect Costs	0	0	0	0	0	0	479,890	\$479,890
Debt Services	0	4,850,240	0	0	0	0	0	\$4,850,240
Lease Payments	0	0	0	0	40,630	0	0	\$40,630
Depreciation/Amortization	0	0	0	0	0	0	730,000	\$730,000
OPEB Costs	0	0	0	0	0	0	145,200	\$145,200
Bond Principal and Interest	0	0	0	6,315,450	0	0	0	\$6,315,450
Cost of Asset Sale	0	0	0	0	0	0	0	\$0
Transfers	0	0	0	0	0	0	0	\$0
Total Expenditures	\$25,196,590	\$52,668,290	\$347,240	\$6,315,450	\$1,044,350	\$2,355,440	\$4,798,850	\$92,726,210

Excess (deficiency) of revenues over (under) expenditures	(\$1,180,030)	(\$43,751,660)	\$494,030	(\$645,550)	(\$480,050)	(\$431,670)	(\$863,050)	(\$46,857,980)
Other Financing Sources (Uses)	0	42,537,180	0	0	0	0	418,600	\$42,955,780
Proceeds from Capital Lease	0	3,707,980	55,000	0	400,000	150,000	204,630	\$4,517,610
Transfers In	0	(2,983,980)	704,260	0	0	0	203,630	(\$3,891,870)
Transfers Out	0	0	0	0	0	0	0	\$0
Reserved for Bond Projects	0	0	0	0	0	0	0	\$0
Use of Reserves	0	0	0	0	0	0	0	\$0
Total Other Financing Sources	\$0	\$43,261,180	759,260	\$0	\$400,000	\$150,000	\$826,860	43,581,520
Fund Balance, end of year	\$6,686,330	\$5,959,378	\$245,932	\$3,872,543	\$146,571	\$662,736	\$15,285,916	\$32,859,407
Assigned for Health Insurance	\$252,925	\$0	\$0	\$0	\$21,092	\$34,305	\$6,519	\$314,840
Unassigned	\$6,433,405	\$5,959,378	\$245,932	\$3,872,543	\$125,479	\$628,431	\$15,279,398	\$32,386,367

CITY OF DECATUR 2017-2018 ADOPTED BUDGET

Summary of Expenditures - All Funds

	ACTUAL EXPENDITURE 2012-2013	ACTUAL EXPENDITURE 2013-2014	ACTUAL EXPENDITURE 2014-2015	ACTUAL EXPENDITURE 2015-2016	BUDGET ESTIMATE 2016-2017	REVISED ESTIMATE 2016-2017	BUDGET ESTIMATE 2017-2018
DEPARTMENT							
GOVERNMENTAL CONTROL	164,890	188,039	207,357	141,047	180,600	171,000	187,350
GENERAL GOVERNMENT	1,503,840	1,398,193	1,556,835	1,772,702	1,874,440	1,973,730	1,931,690
COMMUNITY & ECONOMIC DEVELOPMENT	1,072,087	1,546,874	1,723,833	1,776,873	2,013,620	1,973,220	2,275,640
PLANNING, ZONING AND INSPECTIONS	918,806						
ADMINISTRATIVE SERVICES	2,723,922	2,901,724	3,019,804	3,306,769	3,802,900	3,708,180	4,107,210
POLICE	4,674,890	5,014,163	4,945,760	5,353,096	5,739,870	5,603,540	5,801,080
FIRE	3,335,435	3,461,359	3,581,509	3,634,133	3,630,150	3,632,660	3,538,840
PUBLIC WORKS	2,605,929	2,676,733	2,535,397	2,757,442	3,103,960	3,119,220	3,304,470
PUBLIC WORKS - ENGINEERING	691,079						
DESIGN, ENVIRONMENT & CONSTRUCTION		1,977,793	1,972,786	1,604,704	1,936,130	2,051,420	1,815,790
ACTIVE LIVING	1,486,486	1,574,018	1,762,494	1,854,743	2,095,370	2,101,060	2,234,520
NON-DEPARTMENT EXPENSES	0	0	0	0	0	0	0
MISCELLANEOUS & TRANSFER ACCOUNTS	0	0	0	0	0	0	0
GENERAL FUND TOTAL EXPENDITURES	19,177,364	20,738,896	21,305,776	22,201,509	24,377,040	24,334,030	25,196,590
OTHER FUNDS							
CAPITAL PROJECTS-CAPITAL IMPROVEMENT (350)	2,203,007	3,133,134	2,378,371	2,770,126	10,460,870	8,854,640	8,090,450
GENERAL OBLIGATION BOND FUND (310)	361,713	365,362	1,912,276	1,460,031	248,240	300,000	330,000
URA 2010 BONDS FUND (340)	8,789,920	5,074,376	1,184,302	1,182,674	1,174,450	1,174,450	1,169,700
URA 2013 BONDS FUND (345)	5,751,311	26,840,423	8,557,796	2,184,355	1,885,060	1,898,040	1,885,710
DEBT SERVICE FUND (410)	9,778,699	2,010,020	2,034,056	3,283,440	6,016,990	6,016,990	6,315,450
CHILDREN & YOUTH SERVICES FUND (225)	1,529,212	1,520,134	1,651,355	1,744,152	2,344,540	2,151,170	2,355,440
EMERGENCY TELEPHONE (E911) (215)	799,877	908,864	906,732	874,156	997,400	1,010,480	1,044,350
CAPITAL PROJECTS-CEMETERY CAP. IMP. (355)	37,559	0	19,428	18,201	177,000	100,000	132,000
HOTEL MOTEL TAX FUND (275)	486,921	521,639	572,237	616,169	642,000	642,000	674,260
TREE BANK FUND (260)	19,098	6,070	28,960	30,630	30,000	30,000	55,000
CONFISCATED DRUG FUND (210)	0	4,836	700	0	2,500	500	1,000
COMMUNITY GRANTS FUND (220)	84,619	0	10,020	325,639	0	23,800	159,240
URA-CALLAWAY FUND (347)		212,944	88,581	119,232	10,763,040	10,725,650	0
PUBLIC FACILITIES AUTHORITY (341)*						0	41,192,430
CONFERENCE CTR/PARKING DECK FUND (555)	485,156	341,931	333,598	322,199	350,000	350,000	345,000
SOLID WASTE ENTERPRISE (540-4520)	2,486,873	2,708,419	2,257,077	2,731,833	2,837,460	2,859,020	2,849,230
STORMWATER UTILITY FUND (505)	1,276,949	2,068,353	1,044,627	1,037,798	1,969,710	2,952,760	1,603,620
OTHER FUNDS TOTAL EXPENDITURES	34,090,914	45,716,504	22,980,117	18,700,634	39,899,260	39,089,500	68,702,880
TOTAL EXPENDITURES	53,268,278	66,455,400	44,285,892	40,902,143	64,276,300	63,423,530	93,899,470

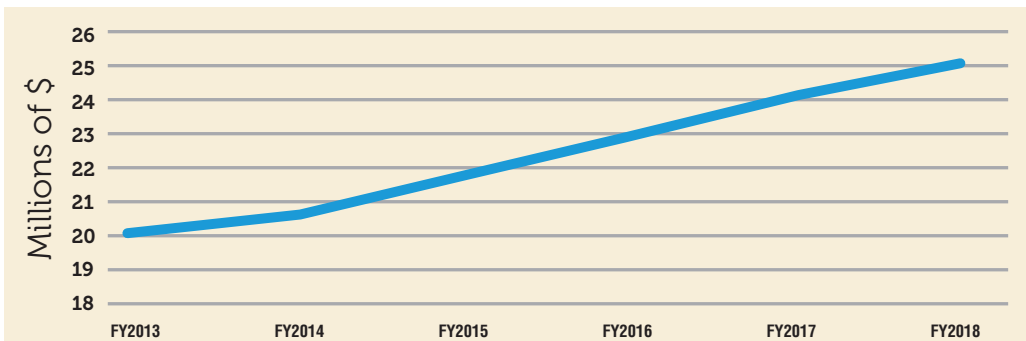
* City of Decatur Public Facilities Authority was created in 2017 by the Georgia General Assembly.

Summary of Revenues and Expenditures - General Fund

<i>Estimated Beginning Fund Balance:</i>							\$7,866,360
	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 ADOPTED	FY 16-17 REVISED	FY 17-18 PROPOSED
REVENUES							
Taxes	\$15,034,726	\$15,309,966	\$17,614,545	\$19,511,834	\$18,846,500	\$19,278,810	\$20,079,310
Licenses and permits	\$882,323	\$1,482,051	\$1,428,792	\$653,009	\$1,031,250	\$1,377,950	\$1,035,400
Fines and forfeitures	\$811,178	\$1,386,757	\$1,582,236	\$927,961	\$1,110,000	\$989,000	\$1,020,000
Interest income	\$181	\$360	\$0	\$0	\$0	\$0	\$0
Charges for services	\$1,488,590	\$1,546,406	\$1,775,444	\$1,959,828	\$1,854,250	\$1,801,050	\$1,856,660
Intergovernmental	\$349,790	\$385,250	\$437,421	\$399,275	\$432,700	\$408,770	\$428,800
Contributions	\$67,385	\$94,084	\$100,214	\$120,010	\$122,000	\$106,000	\$107,500
Miscellaneous	\$21,778	\$21,279	\$20,927	\$41,635	\$25,000	\$24,200	\$10,000
Transfers In	\$223,675	(\$2,731,972)	\$53,879	(\$200,859)	(\$269,000)	(\$205,860)	(\$521,110)
Current Year Revenues	\$18,879,626	\$17,494,182	\$23,013,457	\$23,412,694	\$23,152,700	\$23,779,920	\$24,016,560
Fund balance appropriation - Use of Reserves	\$297,738	\$3,244,714	(\$1,707,681)	(\$1,211,185)	\$1,224,340	\$554,110	\$1,180,030
Total Revenues	\$19,177,364	\$20,738,896	\$21,305,776	\$22,201,509	\$24,377,040	\$24,334,030	\$25,196,590
EXPENDITURES							
Governmental Control	\$164,890	\$188,039	\$207,357	\$141,047	\$180,600	\$171,000	\$187,350
General Government	\$1,503,840	\$1,398,193	\$1,556,835	\$1,772,702	\$1,874,440	\$1,973,730	\$1,931,690
Community and Economic Development	\$1,072,087	\$1,546,874	\$1,723,833	\$1,776,873	\$2,013,620	\$1,973,220	\$2,275,640
Planning, Zoning & Inspections	\$918,806						
Administrative Services	\$2,723,922	\$2,901,724	\$3,019,804	\$3,306,769	\$3,802,900	\$3,708,180	\$4,107,210
Police	\$4,674,890	\$5,014,163	\$4,945,760	\$5,353,096	\$5,739,870	\$5,603,540	\$5,801,080
Fire	\$3,335,435	\$3,461,359	\$3,581,509	\$3,634,133	\$3,630,150	\$3,632,660	\$3,538,840
Public Works	\$2,605,929	\$2,676,733	\$2,535,397	\$2,757,442	\$3,103,960	\$3,119,220	\$3,304,470
Public Works - Engineering	\$691,079						
Design, Environment & Construction*		\$1,977,793	\$1,972,786	\$1,604,704	\$1,936,130	\$2,051,420	\$1,815,790
Active Living	\$1,486,486	\$1,574,018	\$1,762,494	\$1,854,743	\$2,095,370	\$2,101,060	\$2,234,520
Non-department expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous & transfer accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$19,177,364	\$20,738,896	\$21,305,776	\$22,201,509	\$24,377,040	\$24,334,030	\$25,196,590
<i>Estimated Ending Fund Balance:</i>							\$6,686,330

* Design, Environment & Construction created in 2013.

Revenues & Expenditures



Georgia State law requires that municipalities adopt balanced budgets where expenditures do not exceed revenues. It is possible to achieve a balanced budget by using available fund balance or reserves. Fund balance should be used prudently and only in accordance with the city's fund balance policy. The 2017-2018 budget uses \$1,180,030 from fund balance. This will result in a fund balance of \$6,686,330 which is 27% of the city's operating budget. The city's policy states that the fund balance should be within 20-30% of the operating budget.

Summary of Fund Budgets

All Funds Overview

2016-2017 REVISED GENERAL FUND BUDGET ESTIMATE

The 2016-2017 Revised Estimate is \$43,010 less than the approved 2016-2017 Budget Estimate, a .18% decrease. Overall personnel services expenditures decrease in the revised estimate by \$203,920. Specifically, there are decreases expected for full-time and part-time salaries and retirement contributions. The salary savings are a result of vacancies because the approved budget funds all full-time positions as if they are filled throughout the entire fiscal year. The majority of the decrease was in the Police department. Other areas in the revised budget with significant savings include street lighting and motor fuels. Street lighting drops \$40,000 as the monthly charge for lighting has dropped almost 10% since last fiscal year even with the addition of streetlights with new streetscapes, improved lighting around city facilities and an upgrade to roadway lights from high-pressure and mercury vapor fixtures to LED fixtures. Savings of over \$34,000 are expected in motor fuels which reflect lower than anticipated gasoline prices throughout the year.

Overtime increases approximately \$230,000 in the revised expenditure estimates. Most of the increases are in the Police and Fire departments which have minimum staffing levels. The overtime is required when employees are sick, on approved leave and positions are vacant. While overtime increases, there are offsetting reductions in regular, full-time salaries. The City is reimbursed when police officers work overtime for non-City sponsored special events such as road races.

Professional services increase by \$208,340 primarily due to increased costs associated with permitting and inspection services provided by the third party, Safebuilt. Construction activity was strong during this fiscal year, and there are additional large, active projects that will be permitted later this calendar year. A corresponding increase in development permit revenues is reflected in the revised budget.

Workers compensation expenditures increase \$84,800 or 45% due to a claim settlement as well as a small number of costly on-the-job injuries.

Group insurance increases \$79,720 or approximately 3.8% in the revised budget due to higher than expected insurance costs. As of March 2017, five participants exceeded the \$75,000 specific stop loss deductible. The City is self-insured up to the specific stop loss per member and the aggregate stop loss as a whole. In addition to the impact on the current expenditures, exceeding the stop loss will effect fixed costs associated with the stop loss coverage in the next fiscal year.

Utility usage has resulted in higher than expected expenditures. In particular, the City's overall budget for water and sewer from DeKalb County is increasing by \$44,000 to \$130,000 in the revised estimates. While water usage rates have increased, further study is underway to determine the exact cause of the growth in this area.



The 2016-2017 Revised General Fund revenue estimates decrease \$43,010 from the approved 2016-2017 budget. Before taking into consideration interfund transfers and use of fund balance, the revised revenue estimates are \$564,080 or 2% more than the approved 2016-2017 revenue estimates. Real estate property taxes are increased by \$280,000 primarily due to a better collection rate than budgeted. Development-related permit fees increase \$337,400 due to strong commercial and residential development activity. As noted earlier, there is a corresponding expenditure increase for permitting and inspection services. There are increases in other revenue categories including an increase of \$107,810 in the insurance premium tax, \$60,000 in franchise taxes with the addition of the energy excise tax, and \$25,000 in occupation taxes due to increased gross receipts at financial institutions. Decreases include \$101,000 in lower revenue from fines and forfeitures, a decrease of \$50,000 in motor vehicle taxes, \$45,000 in parking meter fees and \$20,000 less in penalty and interest. Most other revenue categories remain flat or change only slightly.

Other adjustments are shown for transfers between the Solid Waste Fund, the Storm Water Utility Fund, Capital Improvements Fund, Hotel/Motel Tax Fund, E911 Fund and the Children and Youth Services Fund. The charges to the Solid Waste and Stormwater Funds reflect revised overhead costs as well as fee credits that were granted on the 2016 tax bills. The transfer to the Capital Improvements Fund reflects the amount needed to purchase property adjacent to Glenlake Park. The transfer to the Children and Youth Services Fund was reduced by \$25,000 as that operation reduces its financial dependency on the General Fund. The General Fund transfer to the E911 Fund remains at \$400,000.

There is a decrease in the amount needed from the fund balance. The 2016-2017 Adopted General Fund anticipated using \$1,224,340 from fund balance. The 2016-2017 Revised General Fund anticipates using \$554,110 in fund balance. This will result in a fund balance of approximately \$7,866,360 or 31% of the 2017-2018 Adopted General Fund budget expenditures.

2017-2018 Adopted General Fund Budget Expenditures

The 2017-2018 Adopted General Fund Budget Estimate of \$25,196,590 is \$819,550 or 3.3% more than the initial 2016-2017 Adopted General Fund Budget Estimate and \$862,560 or 3.5% more than the Revised General Fund Budget Estimate.

The Personnel Services category increases \$487,670 in the 2017-2018 Adopted General Fund Budget Estimate over the 2016-2017 Revised General Fund Budget Estimate. Within that category, full-time salaries increase \$331,620 and part-time salaries increase \$273,670. Much of this increase is due to full funding for all authorized positions and the addition of four full-time positions. Of the four proposed positions, three are needed for initial maintenance and operations upon purchase of the United Methodist Children's Home. These positions include a Public Works Crew Supervisor, Crew Worker and an Active Living Program Assistant. The fourth position, an Administrative Services Assistant, is requested by the Community and Economic Development department. This position would perform receptionist and front office responsibilities for the department. The Community and Economic Development department requests that the current Office Manager be re-classified to a new Operations Analyst position to better reflect the finance, accounting, and administration roles of that employee. This position would be funded by the Downtown Development Authority. Other additions include a part-time program leader for the Athletics division at Ebster Recreation Center, three part-time school-crossing guards, a part-time payroll clerk and fifteen part-time firefighters. Program fees at both recreation centers will help to offset the costs associated with the Active Living position. The part-time firefighters are being added to address the impact of minimum staffing requirements on overtime. It is anticipated that the addition of part-time firefighters will result in a significant reduction in the use of overtime while still meeting minimum staffing requirements.

A comprehensive salary survey was conducted in March 2017 which includes data from cities in the metro-Atlanta region. In addition to the salary survey conducted by the City, data from the Georgia Department of Community Affairs Wage and Salary survey was incorporated into City's salary survey data. Overall, most positions are at least 5% below the market median salary. In an effort to improve the City's competitiveness with salaries in the Atlanta area, a 10% shift upward in salary ranges is proposed. This shift changes the pay scale and makes salaries more attractive from a recruitment perspective. A change to current employee salaries is recommended with a 5% market-rate salary adjustment for all full-time employees effective January 1, 2018. Regular, full-time employees who are not at the top of their salary range are eligible for a 2.5% in-step merit increase on their anniversary within fiscal year 2017-2018.

Some positions are being reclassified from one pay range to another based on the salary survey results, internal equity issues, or both. Those are: Parking Attendant -Range 1 to Range 3; Accounting Clerk -Range 3 to Range 4; Fire Inspector - Range 9 to Range 10; Assistant Active Living Director, Assistant Children & Youth Services Director and Budget & Performance Measurement Director -Range 14 to Range 15; City Clerk, Facilities Superintendent, Personnel Director, Revenue & Technology Director and Sanitation Services Superintendent - Range 15 to Range 16; Building Official -Range 16 to Range 17; Planning Director -Range 17 to Range 18; Chief-Civic Engagement, Education & Communication, Fire Chief and Police Chief - Range 20 to Range 21; and, Assistant City Manager - Range 22 to Range 23.

There are three reclassifications being recommended based on job duties. An Officer Manager to Operations Analyst - Range 7 to Range 10; a Fire Captain to Assistant Fire Chief -Range 16 to Range 17; and, an Administrative Assistant to Office Manager - Range 5 to Range 7. The Payroll & Benefits Coordinator is retitled to Health & Wellness Coordinator with no range change.

The City estimates full funding for all positions in the adopted budget. Any salary savings due to unfilled positions are accounted for during the revised budget process. Because it can be difficult to predict the City's actual employee recruitment and retention rate and a schedule for filling vacancies, it is prudent to fund all positions and it does provide departments with some financial flexibility for unanticipated expenses during the budget year.

After salaries, group insurance is the single largest personnel services expenditure in the general fund budget at \$2,383,070 or 9% of the overall budget. This is an increase of \$162,030 or about 7%. Group insurance includes health claims, prescription drug costs, specific and aggregate stop loss fees, claims handling fees, Affordable Care Act reinsurance fees, dental and vision claims and fees, life insurance and short term disability insurance, and wellness program fees. After 5 years with a fully-insured health plan, the City returned to a partially self-insured health plan in fiscal year 2014-2015. The partially self-insured plan includes specific and aggregate stop loss coverage to limit the city's maximum liability. In the revised 2016-2017 estimates, the City's contribution towards health costs increases 3.8%. Based on claims paid through March 2017, total health claims are estimated to be close to 98% of budgeted claims at the end of the fiscal year. The adopted budget also includes an increase for health insurance coverage. The specific stop loss insurance rates for fiscal year 2017-2018 are increasing 23% or over \$545,000, primarily due to five claimants exceeding the specific stop loss deductible. The cost for specific stop loss coverage is based on increasing the deductible from \$75,000 to \$85,000. Retaining a \$75,000 deductible will increase cost by an additional \$90,000. There is an increase of 2.7% in the administration fees for Blue Cross Blue Shield of Georgia (BCBSGA). Based on current information about the Affordable Care Act, the City's reinsurance payment decreases. The adopted budget estimates claims to be around 90% of the City's maximum claims liability. To put this in



perspective, the City's actual expenditures on health claims were 84% of the maximum claims liability in fiscal year 2015-2016. The City's overall group insurance expenditures were about \$46,000 less than budgeted in fiscal year 2015-2016. This resulted in a cumulative amount of \$314,839 as assigned fund balance for the purpose of smoothing health costs. The assigned fund balance is useful for a self-insured health plan that can be sensitive to a number of high claims. The revised fiscal year 2016-2017 budget uses \$185,000 in fund balance towards health costs.

The City's funding policy for health costs are calculated based on employee contributions funding 20% of the overall cost and the city paying the remaining 80%. Early retirees (pre-65) are offered a high deductible health insurance plan. In the proposed budget, employee contributions increase 6%. Other changes include the addition of a surcharge for spouses that have access to coverage with another employer and an increase in the employee's out of pocket cost for non-formulary prescription drugs. Employees have the opportunity to reduce their insurance contribution by up to 30% through participation in the city's wellness program. The 6th full year of the city's wellness program will continue in the next budget year. The City partners with Corporate Health Partners to provide wellness services. Based on the results of a biometric and health risk assessment, a employee meets with a health coach during the year to identify health risks and develop strategies for addressing the risks. The cost of the wellness premium discount plus the health coaching program is estimated to be around \$175,000. Studies consistently show that investment in employee wellness pays off with healthier, more productive employees.

The City's contribution to the City of Decatur Employees' Retirement System remains at 8% of payroll, the same rate as FY 2016-2017.

Professional services is the second largest expenditure, totaling \$2,334,620 in the adopted budget, a decrease of \$164,450. The majority of the decrease is due to an anticipated decrease in the permitting and inspections services provided by Safebuilt. Other professional services include legal services, IT support services, accounting services and services from other professional and technical fields. Legal fees are budgeted lower in the FY 2017-2018 fiscal year and information technology related services are higher in response to necessary improvements to the City's cybersecurity efforts. Contractual services total \$1,653,500, an increase of \$32,670. Included in this increase are non-recurring projects including updates to the community transportation and greenspace master plans.

The pool management contract increases with extended weekend hours after Labor Day weekend at Glenlake Pool. Other new or increased expenditures include increased costs for a bike share program, financial transparency software, strategic plan management software, crime analysis software, specialized training for police officers, and an anticipated increase in gasoline costs. Expenditures continue for general operating items such as safety equipment for fire and police personnel, CPR and First Aid training for City employees and citizens, turf and park maintenance, invasive plant control, AEDs for city facilities, community-wide Active Living programs including Team Decatur, creative business recruitment strategy, the Fire CAPS program and continued emphasis on pedestrian and bicycle safety and environmental initiatives.

In addition to the personnel requested to meet the basic maintenance and operations needs of the new City property on South Columbia Drive, the budget includes an additional \$175,000 for utilities for the new property, \$45,000 for grounds maintenance, \$25,000 for telecommunications, and \$27,000 for insurance. The amount needed for the stormwater fee is uncertain but an additional \$48,000 is included.

2017-2018 Adopted General Fund Budget Revenues

The 2017-2018 Proposed General Fund revenue estimates are \$862,560 higher than the revised 2016-2017 General Fund revenue estimates.

The 2017-2018 Adopted General Fund real property tax estimate is \$810,000 higher than revised 2016-2017 based on an estimated 5% increase in the real property digest for 2017 and increasing the general fund millage from 9.3 mills to 9.5 mills. The purpose of the .20 millage rate increase, which is estimated to produce about \$350,000, is to meet the initial maintenance and operations needs of the property on South Columbia Drive. The adopted revenues incorporates the application of the homestead exemptions approved in fall 2016 which reduces anticipated property tax revenue by approximately \$385,000. The total estimate for real property tax revenue is \$15,205,000 which is 62% of total anticipated revenues.

Construction permits reflect strong development activity in the city. The revised 2016-2017 development-related fees are budgeted at just under \$1.3 million; a significant increase over the \$765,752 received in fiscal year 2015-2016. The estimate for fiscal year 2017-2018 is a bit more conservative at \$926,500. Additional permitting is anticipated for the development at East College, the Callaway project and a new downtown hotel. Parking meter fees and violations are expected to be close to \$850,000. Fines and forfeitures are expected to remain near \$800,000. This is consistent with the revised fiscal year 2016-2017 estimates but still much lower than the \$1.3 million collected in fiscal year 2014-2015. The fluctuations in fine revenue reflect how sensitive these revenues are to staffing levels and patrol assignments. Recreation program fees and facility rentals are expected to increase to \$792,000 with updated rental fees and increasing demand for the City's active living services.

Starting in fiscal year 2015-2016, the City began distributing 50% of net revenues from alcoholic beverage excise taxes, licenses and server permits to the City Schools of Decatur. The actual transfer of close to \$320,000 was consistent with initial estimates. The alcoholic beverage revenues are expected to remain stable.

It is anticipated that other revenue sources will generally show modest or no changes based on estimates using historic and economic trends.

A transfer from the Solid Waste Fund to the General Fund is shown as revenue to cover the indirect costs of providing residential and commercial solid waste services minus the cost of services provided to the City of Decatur and to the City Schools of Decatur, the cost for street sweeping and the cost for emptying litter containers in the commercial district. A transfer from the Storm Water Utility Fund to the General Fund is shown as revenue to cover indirect costs of supporting storm water activities.

The E-911 Fund accounts for all the revenues and expenditures associated with operating the emergency public safety dispatch system. Fees from telephone lines as well as cellular phone service are dedicated to this purpose. However, a transfer from the general fund is required to meet the balance of the expenditures not covered by the E-911 fees. The 2017-2018 Adopted General Fund estimate shows a \$400,000 transfer to the E-911 fund, which is the same as the 2016-2017 Revised budget.

Children and Youth Services expenditures and revenues are budgeted in a special revenue fund that combines annual city support, grant revenues and fees to support the program. The original 2016-2017 budget estimate of \$175,000 is reduced to \$150,000 in the revised budget due to lower expenditures. For 2017-2018, there is a transfer from the General Fund to the Children and Youth Services Fund of \$150,000.

A transfer of \$385,000 is budgeted from the revised 2016-2017 General Fund to the Capital Improvements Fund for the purchase of property adjacent to Glenlake Park. A transfer of



\$750,000 is budgeted from the adopted 2017-2018 General Fund to the Public Facilities Authority Fund to cover debt service costs for purchase of the United Methodist Children's Home property. It was recommended that the levy for general fund operations decrease to 9.24 mills.

ENTERPRISE FUNDS

The City Commission was also asked to adopt 2016-2017 Revised and 2017-2018 Proposed Budgets for three Enterprise Funds. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise where the intent is that the cost of providing goods or services to the general public on a continuing basis be financed primarily through user charges.

Conference Center/Parking Deck

The City has entered into a long-term lease with the Decatur Downtown Development Authority (DDA) for operation and management of the conference center and parking deck. The DDA entered into a sub-lease with the Noble Investment Group for management and operation of the conference center. Hotel/motel tax collections for the upkeep and maintenance of the conference center are placed in a reserve account to be used for maintenance of the facility. That is the only public financial obligation for operation, maintenance and capital improvements for the conference center. A strong economy and the popularity of downtown Decatur as a destination for personal and professional travel contribute to the revenue available for facility maintenance and capital improvements.

The 2016-2017 Revised Budget includes a transfer of \$183,500 from the Hotel/Motel Tax Fund to cover maintenance costs. The 2016-2017 Revised Budget includes \$20,000 in expenditures which includes maintenance and repairs for the parking deck lobby.

The 2017-2018 Adopted Budget revenues include a transfer of \$192,630 from the Hotel/Motel Tax Fund to cover maintenance costs. Expenditures include \$15,000 for parking deck maintenance and repair. The City's reserves from prior years' service fees will likely be depleted in fiscal year 2017-2018. The funds in the capital maintenance reserve will be available to address future capital needs of the conference center. A maintenance reserve account has also been created with revenue from the parking deck management contract. The revenue in this account is available for maintenance and repairs for the parking deck.

Solid Waste

Effective July 1, 2000, solid waste services began to be accounted for using an Enterprise Fund. Sanitation fees and income from refuse bag sales are shown in the Solid Waste Fund along with all operational expenses.

A transfer of \$154,390 will be made from the 2016-2017 Revised Solid Waste Fund to the 2016-2017 Revised General Fund Budget to cover the indirect cost of services paid for by the General Fund for solid waste management services minus a credit for the cost of street sweeping, the cost of collecting the downtown litter containers, a credit for services provided but not billed to the City and to the City Schools of Decatur and a credit for the cost of the fee waiver granted in 2016 to low-income seniors.

An estimated transfer of \$172,150 will be made from the 2017-2018 Adopted Solid Waste Fund to the 2017-2018 Adopted General Fund Budget to cover the indirect cost of services paid for by the General Fund for solid waste management services minus a credit for the cost of street sweeping, the cost of collecting the downtown street cans, a credit for services provided but not billed to the City and to the City Schools of Decatur.

Using an estimate of total solid waste costs included in the 2017-2018 Adopted Budget, the 2017 recommended user fees for various sanitation services were calculated earlier this year and the City Commission adopted the following schedule of fees:

- Increased the annual assessment from \$275 to \$278 for residential properties.
- Retained per cubic yard charge for dumpster service from at \$4.05.
- Increased the annual assessment from \$750 to \$760 per single 95-gallon cart for once a week pick-up, with fees increasing based on the number of carts and the number of pick-ups per week.
- Increased the annual assessment from \$1,125 to \$1,140 per 3 cubic yard dumpster collection with increased charges depending on the number of pick-ups per week.
- Retained the charges for the costs of residential garbage bags at \$1.35 per 30-gallon bag, \$0.65 per 15-gallon bag, and \$0.38 per 8-gallon bag to cover disposal costs.

The City contracts with Latham Home Sanitation for residential recycling services. The recently adopted residential service fee should cover the anticipated increase in the fiscal year 2017-2018 recycling contract which will increase equivalent to the consumer price index.

Total revenues for 2017-2018 are estimated to be \$2,630,800 and expenses prior to non-operating expenses like depreciation are estimated to be \$2,416,080. The current collection rate for sanitation fees is 99.6% for the 2016 service year.

Capital expenditures in fiscal year 2017-2018 for solid waste operations include a street sweeper (\$218,600) to replace a 2005 street sweeper.

Storm Water Utility

The major activity of this fund has been the construction of downtown storm drainage improvements and construction of neighborhood storm drainage improvements. In June 2016, an increase in the stormwater utility charge was approved from the annual fee of \$75 per Equivalent Residential Unit (ERU) to \$100 per ERU in an effort to address the City's ongoing capital stormwater needs. The fee was previously updated in 2005.

Revenue from fees, including the regional stormwater facility fees, for the 2016-2017 Revised Storm Water Utility is \$2,167,000. Expenses, including transfers to other funds, indirect costs, depreciation and costs related to other post employment benefits (OPEB) are estimated to be \$2,952,760. Revenue from fees for the 2017-2018 Adopted Storm Water Utility is \$1,305,000 and expenses are estimated to be \$1,603,620. In the revised budget, \$150,000 is budgeted for Lockwood Terrace and \$2,275,000 is budgeted for the expenses for extending the downtown main storm sewer system to Barry Street. The original approved budget for this project was \$1,725,000. The \$550,000 increase is due to the need to repair the streets and sidewalks that were disturbed as the result of emergency repairs by DeKalb County of a deteriorated and obsolete sanitary sewer system in the project area. This project is being funded from \$725,000 in HOST funds, \$830,000 in revenue from the regional stormwater facility, and \$720,000 from stormwater utility fees. In the 2017-2018 Adopted Storm Water Utility Fund, \$250,000 is budgeted to cover approximately one-half of the cost of a stormwater master plan, \$100,000 for a replacement dump truck and \$100,000 for capital repairs. Upon the completion of the current capital stormwater projects and the master plan, there will be limited funding for major capital projects until the fund builds up reserves from year to year.

Starting in fiscal year 2014-2015, the stormwater utility began to receive revenue from participants in the regional stormwater facility that is part of the Beacon Municipal Center project. Properties being developed in the upper Peavine basin have the option to use the Beacon detention facility to store stormwater in lieu of on-site water storage. To date, close



to \$830,000 has been paid into the regional stormwater facility, which is being used to fund phase 2 of storm drainage improvements at Barry Street.

A transfer of \$297,750 will be made from the 2016-2017 Revised Storm Water Utility Fund to the 2016-2017 Revised General Fund Budget to cover the indirect cost of services paid for by the General Fund for storm water management plus a credit for the fee waiver granted in 2016 to low-income seniors. A transfer of \$307,740 will be made from the 2017-2018 Storm Water Fund to the 2017-2018 Adopted General Fund Budget to cover the indirect costs.

OTHER FUNDS

The City Commission was also asked to adopt 2016-2017 Revised and 2017-2018 Proposed Budgets for the Capital Improvement Fund, the 2007 General Obligation Bond Fund, the 2010 and 2013 Urban Redevelopment Agency Funds, the URA Callaway Fund, the Cemetery Capital Improvement Fund, Children and Youth Services Fund, the Debt Service Fund, the Tree Bank Fund, the Emergency Telephone System (E911) Fund, the Community Grants Fund and the Confiscated Drug Fund.

Capital Improvement Fund

The 2016-2017 Revised Capital Improvement Fund budget includes \$1,705,000 in tax revenue and \$3,221,000 in intergovernmental revenue. The intergovernmental revenue is for design of the Clairemont/Church/Commerce intersection improvements, Livable Centers Initiative (LCI) funding for the North McDonough Streetscapes, Transportation Enhancement (TE) funding for the railroad crossings project and funding from the State of Georgia for street repair, patching and resurfacing under the Local Maintenance and Improvement Grant (LMIG) program. In 2016-2017, the City received \$4,363,380 from HOST, which is included in the 2016-2017 Revised Capital Improvement Fund budget.

Examples of capital outlay projects in the 2016-2017 Revised Capital Improvement Fund Budget Estimate include:

- Playground Equipment
- Bandstand Repairs & Painting
- Zero-turn Mower
- Fire Station 1 Driveway Repairs
- Police Portable Radios
- Police Firearms Replacement
- Sidewalk Construction & Repair
- Traffic Calming Devices
- Street patching, repair and paving
- Square Landscaping Improvements
- Police Furniture & Equipment
- Public Works and Public Safety Vehicles

The 2016-2017 Revised Capital Improvement Fund budget includes expenditures of \$550,290 for debt service to cover payments for previously purchased equipment. HOST funds are designated for projects including the Boys & Girls Club Pool renovations (\$360,000), Facility Upgrades at Oakhurst & McKoy Parks (\$1,250,000), Decatur Recreation Center Movement Studio Window Shade Modification (\$10,000), McDonough & Candler Railroad Crossings (\$710,000), North McDonough Streetscapes IV (\$470,000), Public Art (\$10,000), West Howard Avenue Redesign Services (\$20,000), Keyless Entry Systems at Fire Stations 1 and 2 (\$20,500), Property Purchases (\$254,000) and A/V Equipment at Public Works (\$10,000) and transfers of \$185,600 and \$1,481,330 to the 2010 URA and 2013 URA Funds, respectively, as well as a \$48,560 transfer to DDA for debt service

and a transfer to the stormwater fund in the amount of \$725,000 towards the Barry Street stormwater improvement project.

The 2017-2018 Adopted Capital Improvement Fund budget includes \$1,713,500 in tax revenue and \$2,297,300 in intergovernmental revenue. The intergovernmental revenue is from the MARTA offset program for design of the Clairemont/Commerce and Church/Commerce intersections, from the Livable Centers Initiative (LCI) for the North McDonough Streetscapes, from the State of Georgia for street repair, patching and resurfacing under the Local Maintenance and Improvement Grant (LMIG) program, Transportation Enhancement revenue for the McDonough/Candler railroad crossing project and the PATH Foundation for the Commerce Drive bike track. HOST proceeds are budgeted to be \$3,500,000. Once the City has closed the financing and purchase of the property from the United Methodist Children's Home, reimbursement of expenses associated with the sale will be reimbursed to the capital improvements fund.

Examples of capital outlay projects in the 2017-2018 Capital Improvement Fund Budget Estimate include:

- Skatepark Equipment
- McKoy Pool Resurfacing
- Automated Parking Pay Stations
- Fiber Network Upgrade
- Sidewalk Construction & Repair
- Traffic Calming Devices
- Street patching, repair and paving
- Commerce Drive cycle track
- City Hall carpet
- Public Works and Public Safety Vehicles

The 2017-2018 Capital Improvement Fund Budget Estimate includes authorization for the Fire department to prepare specifications and order a replacement fire pumper in an amount not to exceed \$1,100,000.

The 2017-2018 Adopted Capital Improvement Fund budget includes expenditures of \$1,102,400 for debt service to cover payments for previously purchased equipment. From the HOST proceeds, there is a transfer of \$751,900 to the 2010 URA Fund for debt service on the 2010 URA bonds and a transfer of \$1,482,980 to the 2013 URA Fund for debt service. In addition, starting January 2017, the City Schools of Decatur began paying rent for their use of the joint facility on Talley Street. This revenue is applied to the 2010 URA debt service. Other HOST funded projects include the Master Planning effort for the United Methodist Children's Home property (\$150,000), Ebster & McKoy Fields Storage Buildings (\$100,000), Commerce Drive Cycle track (\$750,000), Building B Buildout & Shelving (\$150,000), Sidewalk Construction and Repair (\$175,000), West Howard Avenue Redesign services (\$40,000), Avondale MARTA match (\$300,000), HAWK Signal grant match (\$55,000), Public Art (\$10,000), North McDonough Streetscapes (\$238,000), McDonough & Candler Railroad Crossings (\$370,000), and Clairemont/Church/Commerce Pedestrian & Bike Improvements (\$72,000).

It was recommended that the levy for capital improvement purposes increase to 1.06 mills.

General Obligation Bond Fund

The General Obligation Bond Fund accounts for the approved general obligation bond fund projects that are being financed primarily through a 2007 GO Bond issue.



The 2016-2017 General Obligation Bond Fund projects include Oakhurst Streetscapes and Downtown Streetscapes – Phase V. The 2016-2017 Revised General Obligation Bond Fund project expenditures total \$300,000. In addition to the general obligation bond proceeds, there is Department of Transportation funding budgeted for both projects.

The 2017-2018 budget funds improvements to the McDonough/Candler railroad crossings. The 2017-2018 Adopted General Obligation Bond Fund expenditures total \$330,000. The fund balance should be depleted at the end of fiscal 2017-2018.

2010 Urban Redevelopment Agency (URA) Fund

The 2010 URA Fund accounts bonds that were issued by the URA in December 2010. The bond revenue was used for construction and renovation of Fire Station #1, Decatur Recreation Center and the Public Works facility.

The 2016-2017 Revised 2010 URA Fund budget includes a federal rebate of \$302,860 on the interest paid on the bonds. Other revenues include \$562,550 from the sale of property as part of the Callaway redevelopment and \$121,600 rent revenue from the City Schools of Decatur for their part of the joint maintenance facility on Talley Street. These funds have been applied towards the 2010 URA debt service.

The 2016-2017 Revised 2010 URA Fund budget accounts for the debt service on the bond proceeds. HOST proceeds are budgeted as a transfer from the Capital Improvement Fund for the debt service (\$185,600).

The 2017-2018 Adopted URA Fund budget includes revenue of \$296,200 for the federal rebate on the interest paid by the City on the bonds. Other revenues include \$121,600 from the City Schools of Decatur for rent for their use of the joint maintenance facility on Talley Street.

Expenditures for the 2017-2018 Adopted URA Fund budget include debt service payments in the amount of \$1,169,700 prior to the interest rebate, and will be paid with HOST funds transferred from the Capital Improvement Fund.

2013 Urban Redevelopment Agency (URA) Fund

The 2013 URA accounts for the revenue bonds that were issued by the URA in April 2013. The revenue from these bonds was used for construction and renovation of the Beacon Municipal Center.

The 2016-2017 Revised 2013 URA Fund budget includes \$12,980 in project related expenditures to complete the final payments for the renovation and construction of the Beacon Municipal Center. Two bond series, Series 2013A and 2013B, are accounted for in this fund. Series 2013A includes the City portions of the project and series 2013B includes the City Schools of Decatur portion of the project.

HOST proceeds are budgeted as a transfer from the Capital Improvement Fund in the amount of \$1,481,330 for debt service. The school system is responsible for \$403,730 in debt service.

The 2017-2018 Adopted URA Fund expenditure budget accounts for the debt service on the revenue bonds. Debt service totals \$1,482,980 for the Series 2013A bonds and \$402,730 for the Series 2013B bonds, the latter of which is the financial responsibility of the school system. A transfer of \$1,482,980 will be made from the HOST proceeds in the Capital Improvement Fund for the City's portion of the debt service.

URA Callaway Fund

The URA Callaway Fund accounts for the revenue bonds that were issued in October 2013 by the URA. The proceeds from these bonds, which totaled \$5,120,000, were used to purchase the Callaway Building from DeKalb County for redevelopment purposes. The City was responsible for interest only payments until the principal amount was due on November 1, 2016. The URA entered into a lease agreement with the building's tenant, DeKalb County, and the lease payments covered the interest payments. Upon the sale of the property in August 2016 for redevelopment the outstanding principal and interest were paid.

Cemetery Capital Improvement Fund

The 2016-2017 Revised Cemetery Capital Improvement Fund reflects revenue of \$98,000 that is mainly revenue from sales of lots. Expenditures are estimated at \$100,000 for cemetery maintenance and repair projects, including the replacement of stairs and handrails throughout the cemetery.

The 2017-2018 Adopted Budget includes \$55,000 in revenues from lot sales which reflects the limited supply of available grave sites. Adopted expenditures total \$132,000 and include improvements to the water system, landscaping & signage at the entrances and the ongoing cemetery marker restoration. In order to fund the total project budget for the major cemetery improvements, a transfer was made by the Capital Improvement Fund to the General Obligation Bond Fund to cover some of the costs of the cemetery project. For several years, the Cemetery Capital Improvement Fund will transfer funds back to the Capital Improvement Fund and Stormwater Fund. In FY 2016-2017 and FY 2017-2018 transfers of \$18,000 to the Capital Improvement Fund and \$12,000 to the Stormwater Utility Fund are budgeted.

Debt Service Fund

The 2016-2017 Revised Debt Service Fund Budget shows \$1,690,000 in tax revenue to retire debt on the 2007 general obligation bond issue. There is a \$1,073,500 interest payment and a \$660,000 principal payment for the bonded debt. At June 30, 2017 it is estimated that there will be approximately \$983,420 in fund balance for the city's 2007 general obligation bonds.

The 2017-2018 Adopted Debt Service Fund Budget shows \$1,715,000 in tax revenue to retire debt on the 2007 bond issue. There is a \$1,048,000 interest payment and an \$820,000 principal payment for bonded debt included in the 2017-2018 Adopted Debt Service Fund Budget. At June 30, 2017 it is estimated that there will be approximately \$830,420 in fund balance for the city's general obligation bonds.

In December 2012, the City issued \$5,400,000 in general obligation sales tax notes on behalf of the City Schools of Decatur. The City Schools of Decatur funds repayment of the notes with special purpose local option sales tax revenues. The principal and interest payments are reflected in the Debt Service Fund budget. In years 2016-2017 and 2017-2018, the school system will pay \$54,850 and \$18,400 respectively, in interest. The school system will make a principal payment of \$1,805,000 in 2016-2017 and the final principal payment of \$1,840,000 in 2017-2018.

In February 2016, the City issued \$75,000,000 in general obligation bonds for the City Schools of Decatur capital projects. The 2016-2017 Revised Debt Service Fund Budget shows \$2,890,000 in tax revenue for debt service. At June 30, 2017 it is estimated that there will be approximately \$1,694,891 in fund balance.

The 2017-2018 Adopted Debt Service Fund Budget shows revenues of \$3,936,000 in tax revenue for debt service. A \$2,589,050 interest payment for bonded debt is included in the



2017-2018 Adopted Debt Service Fund Budget. At June 30, 2018 it is estimated that there will be approximately \$3,041,841 in fund balance for the 2016 school general obligation bonds.

In August 2018, the first principal payment of \$1,165,000 for the 2016 school general obligation bonds is due. The revenue must be collected in fiscal year 2017-2018 in advance of the August 2018 due date. This requires an increase in the debt service levy of four-tenths of a mill. It is recommended that the levy of 1.57 mills for the 2016 school general obligation bonds be increased to 1.97 and the levy for the 2007 general obligation bonds remain at .92 mills for a total debt service levy of 2.89.

Tree Bank Fund

The Tree Bank Fund was established to receive payments from property owners in lieu of planting replacement trees required for compliance with the city's tree ordinance. Fees are used to purchase and plant trees in public parks, rights of way and other public properties, the purchase of green space, funding tree care educational programs and similar activities associated with maintaining and improving the city's public tree canopy.

The 2016-2017 Revised Tree Bank Fund Budget shows \$57,000 in revenues and \$30,000 in expenditures. The balance in the tree bank as of June 30, 2016 was \$167,745. At the end of fiscal year 2016-2017, the Tree Bank Account balance is estimated to be \$194,745.

The 2017-2018 Adopted Tree Bank Fund Budget shows tree bank contributions of \$25,000. There are expenditures of \$55,000 for tree plantings and downtown tree maintenance. The balance in the tree bank as of June 30, 2018 is estimated to be \$164,745.

Emergency Telephone System Fund

The City collects \$1.50 per land phone line, cell phone line and voice over IP account in the City for provision of E-911 emergency telephone services. This is the maximum amount allowed by State law. In August 2011, the City Commission approved a resolution to impose a 911 charge on prepaid wireless services to be paid directly from the State to the City.

The City is required to maintain a separate Emergency Telephone System Fund to account for the revenues from E-911 fees and to account for the expenditures for provision of the service. Therefore, all E-911 fees and all E-911 expenditures are accounted for in this fund. Because it costs the City more to provide E-911 services than is collected through fees, a transfer from the General Fund covers the balance.

Revenue for the 2016-2017 Revised Emergency Telephone System Fund is \$564,300 and expenditures are estimated to be \$1,010,480. Revenue for the 2017-2018 Adopted Emergency Telephone System Fund is \$564,300 and expenditures are estimated to be \$1,044,350. The 2016-2017 revised budget includes the annual lease payment of \$28,600 for the E911 call handling system. In addition to the lease payment on the E911 call handling system, the 2017-2018 adopted budget includes a lease payment of \$10,000 for the call recording system.

A transfer of \$400,000 will be made to the 2016-2017 Revised Emergency Telephone System Fund from the 2016-2017 Revised General Fund Budget to cover the cost of providing E-911 not covered by E-911 fees. A transfer of \$400,000 is estimated from the 2017-2018 Adopted General Fund Budget to the 2017-2018 Proposed Emergency Telephone Fund for the same purpose. In the absence of additional revenues and/or reduced expenditures, the E911 fund balance will be nearly depleted.

In May 2017, Governor Deal vetoed Senate Bill 222 that would have created a Local Government 911 Authority and would have resulted in changes to 911 fee collection and

disbursement. Instead, the Governor stated that he would create such authority by executive order and house it in the Georgia Emergency Management and Homeland Security Agency.

Children and Youth Services Fund

Upon the completion of the 21st Century Learning Center grant, the City established a special revenue Children and Youth Services Fund to account for grants, program fees, accumulated fees, contributions from other partners and a transfer from the General Fund for support of children and youth services.

Revenue for the 2016-2017 Revised Children and Youth Services Fund is anticipated to be \$1,813,960 and expenditures are estimated to be \$2,151,170. The revised revenues are slightly lower than the original budget because the school system is operating its own after-school tutoring program and no longer providing financial support for a city-sponsored tutoring program. A transfer of \$150,000 will be made from the 2016-2017 Revised General Fund Budget to cover the cost of providing children and youth services not covered by other revenue sources. This is \$25,000 less than the original 2016-2017 budget. The remaining difference will be covered by the accumulated reserve resulting in an ending fund balance of approximately \$944,400.

Revenue for the 2017-2018 Adopted Children and Youth Services Fund is \$1,923,770 and expenditures are estimated to be \$2,355,440. The adopted budget includes increases of \$2 to the starting pay rates for part-time counselors. A transfer of \$150,000 is budgeted from the 2017-2018 Adopted General Fund Budget to cover the cost of providing children and youth services not covered by other revenue sources. The remaining difference will be covered by the accumulated reserve resulting in an ending fund balance of \$662,730.

The transfer from the general fund has decreased from a high of \$450,000 in 2008-2009 to \$150,000 in the current fiscal year. The goal is for the program to be financially self-supporting while remaining affordable and accessible.

Confiscated Drug Fund

The purpose of this fund is to account for monies and goods confiscated when the Police department makes an arrest and obtains a conviction in a drug-related case. Funds are made available to the department when the case has been successfully prosecuted. Expenditures from this fund can only be made for law enforcement purposes.

The 2016-2017 Revised Confiscated Drug Fund Budget shows revenues of \$10 and expenditures of \$500. It is estimated that the fund balance at June 30, 2017 will be \$11,589. The 2017-2018 Adopted Confiscated Drug Fund Budget Estimate shows revenues of \$10 and expenditures of \$1,000. It is estimated that the fund balance at June 30, 2018 will decrease to \$10,599.

Hotel/Motel Tax Fund

The purpose of this fund is to account for monies collected pursuant to the imposition of a hotel/motel tax on rooms rented by hotels and motels within the City. Expenditures from this fund can only be made for purposes defined in state law, including the support of a conference center, support of a tourism bureau and for general purposes.

The 2016-2017 Revised Hotel/Motel Tax Fund Budget shows revenues of \$642,000 and expenditures of \$183,500 for the support of the Decatur Tourism Bureau; a \$183,500 transfer to the Conference Center Fund; and a \$275,000 transfer to the General Fund.



The 2017-2018 Adopted Hotel/Motel Tax Fund Budget Estimate shows revenues of \$674,260. Expenditures include \$192,630 for the support of the Decatur Tourism Bureau; a \$192,630 transfer to the Conference Center Fund; and a transfer of \$289,000 to the General Fund.

Public Facilities Authority Fund

The City of Decatur Public Facilities Authority was created by the Georgia General Assembly in 2017. The fiscal year 2017-2018 Public Facilities Authority budget reflects the proposed issuance of \$41 million in revenue bonds for the purchase of the United Methodist Children's Home property. This property will provide valuable greenspace and recreational facilities for the community. The long-term future of the property will be determined through a community-wide master planning process.

It is anticipated that the first interest payment will be due February 2018. A transfer of \$750,000 from the general fund balance is budgeted for an interest payment. Revenue for future debt service payments may be transferred from the capital improvements fund and will require an increase in the millage rate of 1.2 mills. The timing of the millage rate increase is uncertain at this time but could be as early as March 2018 or in June 2018 with the adoption of the fiscal year 2018-2019 budget.