

City of Decatur

Revised 2017-2018 Budgets Proposed 2018-2019 Budgets

Work Session
June 4, 2018



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

- Proposed FY 18-19 budget is \$1,255,120 (4.9%) higher than Revised FY 17-18 budget
- 2018 Digest - 8.9% increase
- Capital Improvement Fund Millage rate (tentative) increase from 1.06 to 1.55 for the former Children's Home debt service.
- Use of \$1,481,030 in general fund balance in order to stay within financial policy guidelines
- Investments in planning, capital projects and technology.



Highlights

- Staff costs are about 63% of budget
- Funding of 2.5% in-step merit based salary increases
- A 6% increase in health costs requires increase in employee contributions and plan modifications
- City 8% contribution to the Employees' Retirement System remains the same



Revenues - Tax Digest

- 2018 Real Property Digest 8.9% increase (budget assumed 6% increase)
- Total increase approx. \$163,880,000
 - 36% or \$59,130,000 is new value
 - 64% or \$104,750,000 is revaluation (6% increase is consistent with real estate sales reports)
- Real Estate digest is 97% of total taxable digest
- Truth in Taxation advertising



Real Property Tax Digest

Commercial:	\$ 338,599,000	17% (last year was 16%)
Residential:	\$1,659,644,000	83%
Total:	\$1,998,244,000	

1 mill (no homestead exemptions)=~\$1,998,200 revenue

1 mill (current homestead exemptions)=~\$1,813,000 revenue

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



Revenues - Homestead Exemptions

- ▶ No Change in 2018 to homestead exemptions
- ▶ Estimated total cost of \$1,463,000

Ex	2018	#	Assessed Value	Local Impact
GH-1	\$25,000	5621	\$140,525,000	\$1,298,451
GH-2	\$10,000	1324	\$13,240,000	\$122,338
GH-3	\$15,000	307	\$4,605,000	\$42,550

Millage Rates

	2017	2018 Tentative	2018 Proposed	Change 2017 to P- 2018
Gen	9.24	9.24	9.00	-.24
Gen-Cap	1.06	1.55	1.52	+.46
DDA	0.38	0.38	0.38	-
M&O Total	10.68	11.17	10.90	+.22
2007 GO Bonds	.90	.90	.87	-.03
2016 School GO Bonds	1.91	1.91	1.85	-.06
Debt Total	2.81	2.81	2.72	-.09
Total All	13.49	13.98	13.62	+.13

Millage Rates

2017 Total Millage Rate:	13.49
2018 Tentative Millage Rate:	13.98 (+.49)
2018 Proposed Millage Rate:	13.62 (+.13)

- ▶ Capital Fund increases .46 mills to generate $\frac{1}{2}$ revenue needed for PFA debt service on former Children's Home property.
- ▶ General Fund one-time transfer of \$1M for balance
- ▶ In absence of PFA/Children's Home debt, 2018 Proposed Millage Rate would be 13.16 (-.33)
- ▶ Next year (FY 19-20) an additional .33 mills will be needed for PFA/Children's Home debt service.
- ▶ Total Anticipated Millage Rate for Children's Home=.79 mills



Tax Bill Impact

+\$27.00

Fair Market Value: \$500,000

2017	Exempt	Tax Value	Rate	Tax
Gen	25,000	225,000	.00924	2,079
Bond		250,000	.00281	702.50
Cap	25,000	225,000	.00106	238.50
DDA	25,000	225,000	.00038	85.50
Total			.01349	\$3,105.50

Fair Market Value: \$500,000

2018	Exempt	Tax Value	Rate	Tax
Gen	25,000	225,000	.009	2,025
Bond		250,000	.00272	680
Cap	25,000	225,000	.00152	342
DDA	25,000	225,000	.00038	85.50
Total			.01362	\$3,132.50



Debt Service

18-19 Payments	Fund	Interest	Principal	Ending Balance (principal)	Final Maturity
COPs/City Hall	Capital	35,490	150,000	1,215,000	2026
2007 GO Bonds	Debt Service	1,030,681	865,000	28,210,000	2037
2016 School GO Bonds	Debt Service	2,565,744	1,165,000	68,590,000	2042
URA 2010 Revenue Bonds	URA 2010 (SPLOST)	742,410	420,418	11,352,690	2038
URA 2013 Revenue Bonds	URA 2013 (SPLOST)	1,200,750	680,000	26,055,000	2044
PFA GEFA Loan	PFA (Cap/Gen Funds)	188,759	298,819	10,941,207	2047
PFA 2017 Revenue Bonds	PFA (Cap/Gen Funds)	1,004,969	580,000	29,045,000	2047



Revenues - Other

- General Fund Revenues=\$26,751,270
- All Taxes=\$20,950,000 (78% of total revenue)
- Development Permits=\$1,035,500
- Code Violations=\$1,000,000
- Parking Meter Fees=\$975,000
- Recreation Fees=\$702,000



Fund Balance

- Financial Policy: 20-30% of general operating expenditures
- At the end of FY 16-17 added \$1,295,872 to fund balance = \$9,716,342 or 42% of expenditures
- Revised FY 17-18: Plan to use \$904,150 from fund balance
- Proposed FY 18-19: Plan to use \$1,481,030 of fund balance for projected balance of \$7,331,162 or 27% of expenditures
- \$1,000,000 transfer from fund balance to Public Facilities Authority fund for debt service



Expenditures

- Total General Fund Expenditures = \$26,751,270
 - \$1,255,120 or 5% higher than FY 17-18 revised
- Personnel Services increase \$630,790 over FY 17-18 revised
- Health care costs increase \$150,650
- Professional services total \$2,561,690, a decrease of \$390,100 due to anticipated reduction in development fees budget
 - Professional services includes building permitting services, legal services, IT support services, housing policy summit, shared parking deck assessment, Phase II Impact Fee study, and economic development marketing and communications plan



Personnel

High Quality Services are provided by High Quality Employees

- Personnel expenditures make up 63% of overall budget
- Continue 2.5% in-step merit based salary increases
- Other changes: +2 school crossing guards, +1 Solid Waste Equipment Operator, +1 CYS Program Supervisor, other changes in Parking, Revenue, Accounting, Personnel, Public Works, E911, Active Living
- No change to City's retirement contribution of 8%



Fire - A Success Story

Part-time Firefighter Program

- ▶ Implemented December, 2017
- ▶ 15 P/T Firefighters
- ▶ FY 16-17: \$275,430 spent on overtime
- ▶ FY 17-18:
 - ▶ \$70,061 on overtime through November 2017 (\$14,012/month)
 - ▶ \$37,600 on overtime + part-time salaries December 2017-May 2018 (\$6,266/month)
 - ▶ Overtime/PT Salaries budget:
 - ▶ Original FY 17-18: \$200,000
 - ▶ Revised FY 17-18: \$170,000
 - ▶ Proposed FY 18-19: \$125,000



Employee Health & Wellness Benefits

Healthy Employees Support a Healthy Community

- Health care costs are \$2,533,920 or 9% of budget
- Increase of ~\$150,650 or >6%
- PwC Health Research Institute report estimated 2018 medical cost trend to be 6.5%
- Self-insured model
- Increase specific stop loss deductible remains at \$85k
- Maintain 80/20 funding ratio for health care costs
- Increase employee health insurance deductions 7%
- Use \$75,000 from health care costs fund balance
- Wellness program adds voluntary spouse participation



Employee Health & Wellness Benefits

	17-18 Budget	18-19 Budget
Claims	2,390,000	2,497,780
Stop Loss Insurance	565,455	690,305
Admin Fees	313,140	312,065
ACA Reinsurance	1,113	1,100
Firefighter Cancer Policy	-	7,200
Retiree Plan	175,000	182,000
Life/STD	70,000	70,000
Wellness/Discount	175,000	207,500



Hotel/Motel Tax

	13-14 Actual	14-15 Actual	15-16 Actual	16-17 Actual	17-18 Revised	18-19 Proposed
Revenues	501,638	552,237	611,605	642,195	635,000	900,000
Expenditures						
DTB	163,368	177,829	179,502	187,097	181,400	350,000
Conf Ctr	143,368	157,829	174,740	182,516	181,400	170,000
Gen Fund	214,902	236,578	261,926	273,582	272,200	330,000

- ▶ Assumes hotel/motel tax rate increase from 7% to 8%
 - ▶ Tourism Bureau 3.5 cents
 - ▶ Tourism Products Development/Conf Center 1.5 cents
 - ▶ General Fund 3.0 cents



Public Facilities Authority

- ▶ Bonds/Loans: \$41,077,000
- ▶ Property Purchase: \$40,000,000
- ▶ Site Improvements: \$1,200,000
(DeKalb Grant & bond balance)
- ▶ Rent: \$15,000-\$20,000
- ▶ Debt Service: \$2,100,000
 - ▶ General Fund Transfer
 - ▶ Capital Improvements Fund Millage Rate



HOST to SPLOST

- ▶ HOST to EHOST and addition of SPLOST
- ▶ Effective April 1, 2018
- ▶ 6 year term; \$20,529,000
 - ▶ \$13,400,000 URA Debt Service (FS#1, DRC, PW, Beacon)
 - ▶ \$5,900,000 Atlanta Avenue (includes borrowing costs)
 - ▶ \$1,200,000 Sidewalks



Sidewalks – Maintenance, Repair & Construction Program

- ▶ 5 Year Commitment
- ▶ Total \$3,250,000
- ▶ \$650,000/year from multiple sources
 - ▶ \$200,000 SPLOST
 - ▶ \$200,000 HOST Fund Balance
 - ▶ \$250,000 Capital Improvement Fund



Capital Improvements

- Arbors-Scott Park Garden, Oakhurst & McKoy Parks
- Active Living Shuttle Bus
- Skatepark & Playground Equipment Replacement
- Children's Home Administration Building Improvements
- AEDs Citywide Replacement (23)
- Mobile Rescue Units (3)
- Fire Mini-Pumper
- Quint Fire Engine Replacement
- Automated Parking Pay Stations (3)
- Rapid Flashing Beacon-West Howard Avenue
- Vehicle Replacement Program
- Solid Waste Front Loader



Capital Projects

- Sidewalk construction & repair
- North Decatur Road Full Depth Replacement
- Street patching, repair & paving
- Commerce Drive Cycle Track
- Clairemont/Commerce/Church Bicycle and Pedestrian Improvements
- West Howard Avenue Redesign



Capital Improvement Fund

- Recommend increasing Capital fund millage by .46
- Capital fund tax revenue increases from ~\$2,000,000 to \$3,300,000; an increase of \$1,300,000
- Increase is for Public Facilities Authority debt service
- Estimated FY 18-19 year-end unassigned fund balance of \$158,000
- Final HOST revenue estimate \$1,000,000; estimated unassigned fund balance of \$581,000



Technology Improvements

- ▶ Citywide Fiber Network \$1.1M-\$1.6M
- ▶ Wireless Network Upgrade
- ▶ E-Permitting Software
- ▶ Website Replacement
- ▶ Cybersecurity-Incident Response Plan and Pen Testing
- ▶ IT Strategic Plan
- ▶ Smart City Projects
- ▶ Data Visualization
- ▶ Pedestrian and Bicyclist Sensors
- ▶ Security Cameras
- ▶ Online ABL Application



FY 18-19 Projects, Programs & Plans

- Children's Home Master Planning and property improvements
- Commerce Drive Cycle Track
- Sidewalk Maintenance and Construction
- Finalize Community Transportation plan
- Housing Policy Summit
- Shared Parking Deck Assessment
- Historic Resources Survey Update
- 2020 Strategic Plan Update
- Stormwater Master Plan
- Phase II Impact Fee Study
- Additional parking meters
- West Howard Avenue re-design
- Civic Tech/Smart City initiative
- Cybersecurity implementation
- Small "Capital" Projects
- E-Newsletter



FY 17-18 Accomplishments

- Children's Home Financing and Acquisition
- All-America City Award Finalist
- Cottage Court project progress
- Pilot Program for Buskers
- N. McDonough Streetscapes/Bicycle Path
- Railroad Crossing Improvements
- Open Office Hour programs (5)
- New Resident Packet
- Police and Fire Department Recruitment Videos
- LED Lighting at Decatur Conference Center Parking Deck
- Sidewalk Improvements
- Expanded wellness program to target diabetes and obesity

