



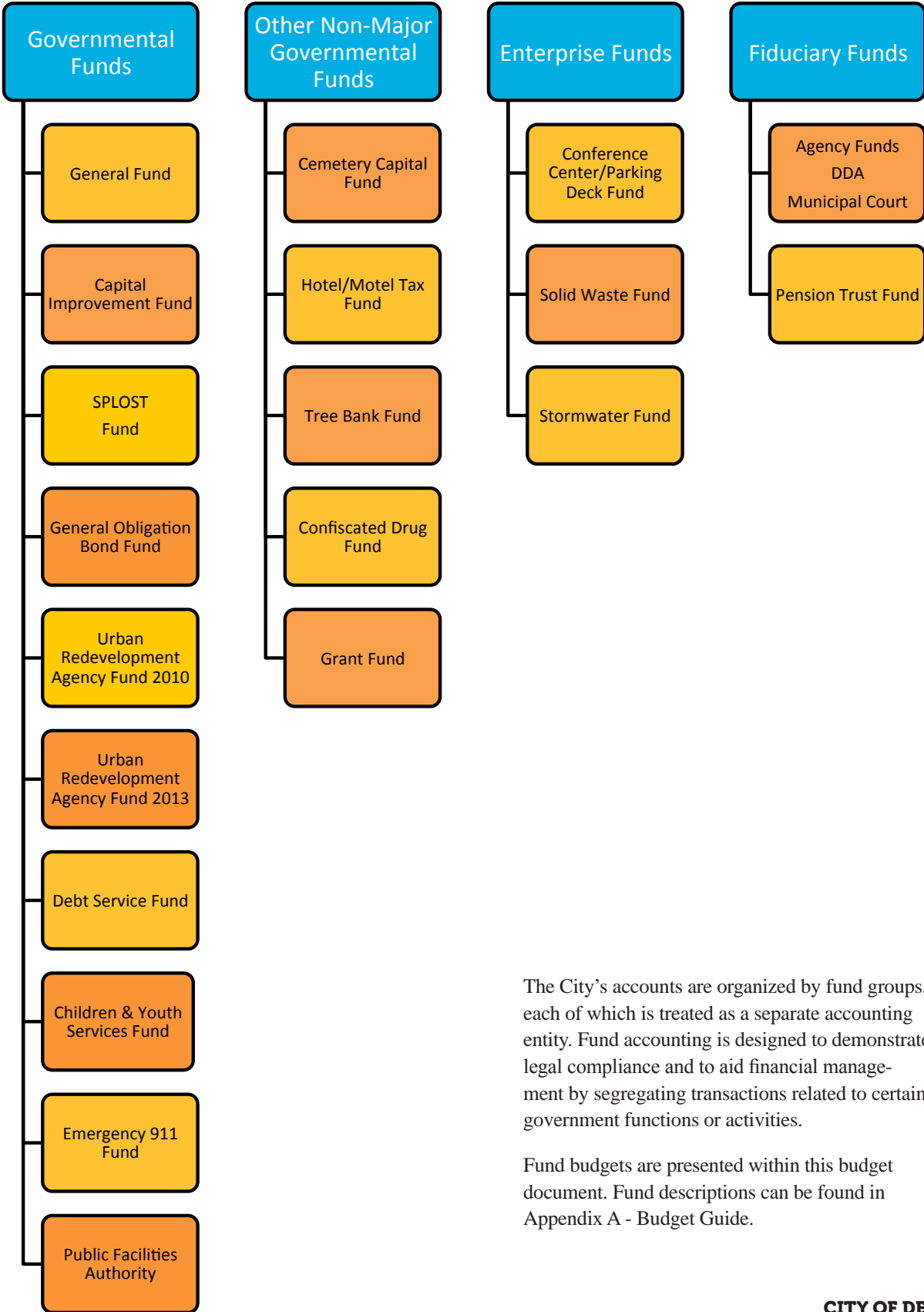
# Summary of Fund Budgets

Budget FY 2018-2019



# 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.



CITY OF DECATUR 2018-2019 ADOPTED BUDGET

Summary of Expenditures - All Funds

DEPARTMENT	ACTUAL EXPENDITURE 2013-2014	ACTUAL EXPENDITURE 2014-2015	ACTUAL EXPENDITURE 2015-2016	ACTUAL EXPENDITURE 2016-2017	BUDGET ESTIMATE 2017-2018	REVISED ESTIMATE 2017-2018	BUDGET ESTIMATE 2018-2019
GOVERNMENTAL CONTROL	188,039	207,357	141,046	144,998	187,350	222,620	211,480
GENERAL GOVERNMENT	1,398,193	1,556,835	1,772,702	1,879,187	1,931,690	2,065,550	1,301,340
COMMUNITY & ECONOMIC DEVELOPMENT	1,546,874	1,723,833	1,776,873	1,711,022	2,275,640	2,195,030	2,648,490
ADMINISTRATIVE SERVICES	2,901,724	3,019,804	3,306,769	3,479,685	4,107,210	3,811,590	4,675,070
POLICE	5,014,163	4,945,760	5,353,096	5,105,355	5,801,080	5,745,310	6,068,990
FIRE	3,461,359	3,581,509	3,634,133	3,460,409	3,538,840	3,570,890	3,607,330
PUBLIC WORKS	2,676,733	2,535,397	2,757,442	2,919,006	3,304,470	3,323,880	3,529,160
DESIGN, ENVIRONMENT & CONSTRUCTION	1,977,793	1,972,786	1,604,704	2,315,303	1,815,790	2,318,970	2,147,520
ACTIVE LIVING	1,574,018	1,762,494	1,854,743	1,996,181	2,234,520	2,242,310	2,561,890
NON-DEPARTMENT EXPENSES	0	0	0	0	0	0	0
MISCELLANEOUS & TRANSFER ACCOUNTS	0	0	0	0	0	0	0
<b>GENERAL FUND TOTAL EXPENDITURES</b>	<b>20,738,896</b>	<b>21,305,775</b>	<b>22,201,508</b>	<b>23,011,146</b>	<b>25,196,590</b>	<b>25,496,150</b>	<b>26,751,270</b>
<b>OTHER FUNDS</b>							
CAPITAL PROJECTS-CAPITAL IMPROVEMENT (350)	3,133,134	2,378,371	2,770,126	6,993,539	8,090,450	6,296,010	10,292,420
SPLOST FUND (320)**						0	914,480
GENERAL OBLIGATION BOND FUND (310)	365,362	1,912,276	1,460,031	354,832	330,000	301,180	0
URA 2010 BONDS FUND (340)	5,074,376	1,184,302	1,182,674	1,174,428	1,169,700	1,169,700	1,162,840
URA 2013 BONDS FUND (345)	26,840,423	8,557,796	2,184,355	1,891,256	1,885,710	1,885,710	1,880,760
DEBT SERVICE FUND (410)	2,010,020	2,034,056	3,283,440	6,016,968	6,315,450	6,315,450	5,626,750
CHILDREN & YOUTH SERVICES FUND (225)	1,520,134	1,651,355	1,744,152	1,904,566	2,355,440	2,176,830	2,502,270
EMERGENCY TELEPHONE (E911) (215)	908,864	906,732	874,156	936,022	1,044,350	1,020,980	1,029,880
CAPITAL PROJECTS-CEMETERY CAP. IMP. (355)	0	19,428	18,201	122,738	132,000	10,800	100,000
HOTEL MOTEL TAX FUND (275)	521,639	572,237	616,169	643,195	674,260	635,000	850,000
TREE BANK FUND (260)	6,070	28,960	30,630	37,650	55,000	120,000	75,000
CONFISCATED DRUG FUND (210)	4,836	700	0	500	1,000	570	1,000
COMMUNITY GRANTS FUND (220)	0	10,020	325,639	16,594	159,240	277,180	33,300
URA-CALLAWAY FUND (347)	212,944	88,581	119,232	5,636,148	0	0	0
PUBLIC FACILITIES AUTHORITY (344)*				0	41,692,430	42,067,010	2,611,550
CONFERENCE CTR/PARKING DECK FUND (555)	341,931	333,598	322,199	296,791	345,000	335,370	330,000
SOLID WASTE ENTERPRISE (540-4520)	2,708,419	2,257,077	2,731,833	2,976,830	2,849,230	2,975,570	3,257,400
STORMWATER UTILITY FUND (505)	2,068,353	1,044,627	1,037,798	2,360,941	1,603,620	1,914,410	1,918,040
<b>OTHER FUNDS TOTAL EXPENDITURES</b>	<b>45,716,504</b>	<b>22,980,117</b>	<b>18,700,634</b>	<b>31,362,999</b>	<b>68,702,880</b>	<b>67,501,770</b>	<b>32,585,690</b>
<b>TOTAL EXPENDITURES</b>	<b>66,455,400</b>	<b>44,285,892</b>	<b>40,902,143</b>	<b>54,374,145</b>	<b>93,899,470</b>	<b>92,997,920</b>	<b>59,336,960</b>

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

\*\* Special Purpose Local Option Sales Tax (SPLOST) was approved by voters in November 2017.



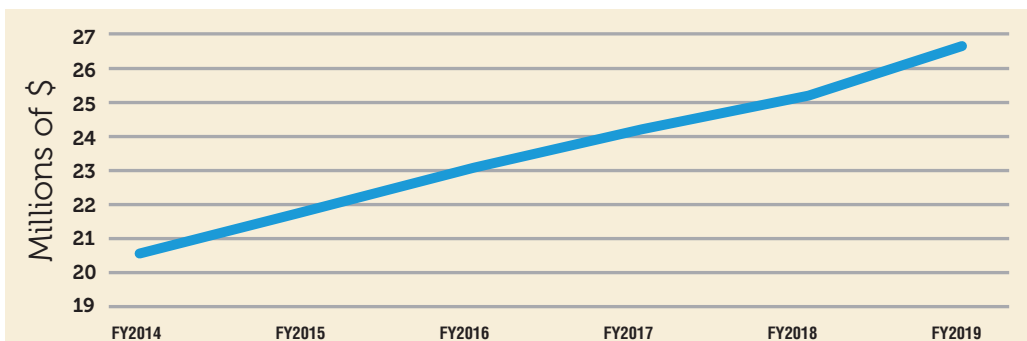
# Summary of Revenues and Expenditures - General Fund

<i>Estimated Beginning Fund Balance:</i>							<b>\$8,812,192</b>
	<b>FY 13-14 ACTUAL</b>	<b>FY 14-15 ACTUAL</b>	<b>FY 15-16 ACTUAL</b>	<b>FY 16-17 ACTUAL</b>	<b>FY 17-18 ADOPTED</b>	<b>FY 17-18 REVISED</b>	<b>FY 18-19 PROPOSED</b>
<b>REVENUES</b>							
Taxes	15,304,967	\$17,614,545	\$19,511,834	\$19,413,506	\$20,079,310	\$20,455,820	\$20,950,000
Licenses and permits	\$1,482,051	\$1,428,792	\$653,009	\$1,711,793	\$1,035,400	\$1,442,800	\$1,153,550
Fines and forfeitures	\$1,386,757	\$1,582,236	\$927,961	\$1,003,766	\$1,020,000	\$909,000	\$1,106,000
Interest income	\$360	\$0	\$0	\$0	\$0	\$2,000	\$2,000
Charges for services	\$1,546,406	\$1,775,444	\$1,959,828	\$1,827,237	\$1,856,660	\$1,788,960	\$2,089,460
Intergovernmental	\$385,250	\$437,420	\$399,275	\$408,771	\$428,800	\$504,430	\$530,780
Contributions	\$94,084	\$100,214	\$120,010	\$125,439	\$107,500	\$115,500	\$116,000
Miscellaneous	\$21,279	\$20,927	\$41,635	\$24,122	\$10,000	\$19,070	\$10,000
Transfers In	(\$2,731,972)	\$53,879	(\$200,859)	(\$207,616)	(\$521,110)	(\$645,580)	(\$687,550)
Current Year Revenues	\$17,494,182	\$23,013,457	\$23,412,182	\$24,307,018	\$24,016,560	\$24,592,000	\$25,270,240
Fund balance appropriation - Use of Reserves	\$3,244,714	(\$1,707,681)	(\$1,211,185)	(\$1,295,872)	\$1,180,030	\$904,150	\$1,481,030
<b>Total Revenues</b>	<b>\$20,738,896</b>	<b>\$21,305,775</b>	<b>\$22,201,508</b>	<b>\$23,011,146</b>	<b>\$25,196,590</b>	<b>\$25,496,150</b>	<b>\$26,751,270</b>
<b>EXPENDITURES</b>							
Governmental Control	\$188,039	\$207,357	\$141,046	144,998	187,350	222,620	211,480
General Government	\$1,398,193	\$1,556,835	\$1,772,702	1,879,187	1,931,690	2,065,550	1,301,340
Community and Economic Development	\$1,546,874	\$1,723,833	\$1,776,873	1,711,022	2,275,640	2,195,030	2,648,490
Administrative Services	\$2,901,724	\$3,019,804	\$3,306,769	3,479,685	4,107,210	3,811,590	4,675,070
Police	\$5,014,163	\$4,945,760	\$5,353,096	5,105,355	5,801,080	5,745,310	6,068,990
Fire	\$3,461,359	\$3,581,509	\$3,634,133	3,460,409	3,538,840	3,570,890	3,607,330
Public Works	\$2,676,733	\$2,535,397	\$2,757,442	2,919,006	3,304,470	3,323,880	3,529,160
Design, Environment & Construction	\$1,977,793	\$1,972,786	\$1,604,704	2,315,303	1,815,790	2,318,970	2,147,520
Active Living	\$1,574,018	\$1,762,494	\$1,854,743	1,996,181	2,234,520	2,242,310	2,561,890
Non-department expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous & transfer accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Expenditures</b>	<b>\$20,738,896</b>	<b>\$21,305,775</b>	<b>\$22,201,508</b>	<b>\$23,011,146</b>	<b>\$25,196,590</b>	<b>\$25,496,150</b>	<b>\$26,751,270</b>

*Estimated Ending Fund Balance:*

**\$7,331,162**

## 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 2018-2019 budget uses \$1,481,030 from fund balance. This will result in a fund balance of \$7,331,162 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

## 2017-2018 REVISED GENERAL FUND BUDGET ESTIMATE

The 2017-2018 Revised General Fund Budget Estimate is \$299,560 more than the approved 2017-2018 Budget Estimate, a 1% increase, and totals \$25,496,150. Overall personnel services expenditures decrease in the revised estimate by \$78,290. Specifically, there are decreases expected for full-time and part-time salaries and workers compensation. 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 is in the Police department. Since the City is partially self-insured for workers compensation, when employees suffer fewer and less serious on-the-job injuries the City's workers compensation expenditures are lower. Other areas in the revised budget with significant savings include contractual services, stormwater utility fees, electricity and motor fuels. Contractual services dropped over \$84,000 because the Children's Home master planning services were charged to the Capital Improvement Fund instead of the General Fund. Upon acquisition of the Children's Home property, it was determined that the amount budgeted for stormwater could be reduced. Uncertainty about the utility costs associated with the Children's Home property at this time last year resulted in a reduction in the electricity budget; but much of the savings was needed for other utilities such as water and sewer, natural gas and street lighting. Savings of over \$24,000 are expected in motor fuels which reflect lower than anticipated gasoline prices throughout the year.

Overtime increases approximately \$197,140 in the revised expenditure estimates. Most of the increase is in the Police department which has 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. In the current fiscal year, the Fire department instituted a new part-time firefighter program in an effort to curb overtime costs while still meeting minimum staffing requirements in a safe and effective manner. In fiscal year 2016-2017, the Fire department spent over \$275,000 in overtime. In the 2017-2018 revised budget, \$120,000 is budgeted for Fire personnel overtime and an additional \$50,000 is budgeted for part-time firefighters; a savings of over \$100,000.

Professional services increase by \$617,170 primarily due to increased costs associated with permitting and inspection services provided by a third party, Safebuilt. Construction activity was strong during this fiscal year including three significant commercial projects - the Avondale MARTA development, redevelopment of the site formerly occupied by the County Callaway building and a new downtown hotel and parking deck. A corresponding increase in development permit revenues is reflected in the revised budget.

Group insurance remains stable in the revised budget. As of March 2018, four participants exceeded the \$85,000 specific stop loss deductible. The City is self-insured up to the spe-



cific stop loss per member and the aggregate stop loss as a whole. The current budget is able to absorb the claims, but exceeding the stop loss will affect fixed costs associated with the stop loss coverage in the next fiscal year. The specific stop loss carrier has paid more than \$580,000 for claims over the stop loss while the City's stop loss premium is still well below the amount paid by the insurance carrier.

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 \$30,000 to \$160,000 in the revised estimates. While water usage rates have increased, further study is needed to determine the exact cause of the growth in this area. The budget for natural gas is increasing by \$22,000 to \$55,000. Some of this increase can be attributed to the new Children's Home property. Street lighting is increasing by \$35,000 but part of the increase is due to the inclusion of a bill from the prior fiscal year.

The 2017-2018 Revised General Fund revenue estimates increase \$299,560 over the approved 2017-2018 budget. Before taking into consideration interfund transfers and use of fund balance, the revised revenue estimates are \$699,910 or almost 3% more than the approved 2017-2018 revenue estimates. Real estate property taxes are increased by \$380,400 primarily due to an increased billing after appeals were settled and balances paid in fiscal year 2017-2018. Development-related permit fees increase \$399,000 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 \$76,510 in the insurance premiums tax, \$50,000 in the public utilities tax due to a settled appeal and \$35,000 in reimbursements for public safety overtime which reflects an increase in special events security fees in the current fiscal year. An increase of \$75,630 in revenue associated with the Downtown Development Authority (DDA) Management Service Agreement reflects reimbursements for expenditures in the general fund related to DDA activities. Decreases include \$119,000 in lower revenue from penalties and interest on property taxes, a decrease of \$85,000 in parking meter fees, \$85,000 less in intangibles taxes and a reduction of \$57,500 in the electric utility franchise. Georgia House Bill 960 reduced the penalty amount for nonpayment of ad valorem taxes to five percent from ten percent and is not applicable until 120 days after the due date. During the current fiscal year, there have been fewer accounts to collect upon that fall within the new criteria. The parking meter fees are lower because the City's parking management vendor has been deducting their service fees from revenues instead of billing the City directly. We have requested reports from DeKalb County to explain the drop in the intangibles tax. According to Georgia Power, last year's mild seasons resulted in less energy usage and that translates into lower franchise fees. Most other revenue categories remain flat or change only slightly.

Other adjustments are shown for transfers between the Solid Waste Fund, the Stormwater Utility Fund, Public Facilities 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 offsets for low-income seniors that were granted on the 2018 tax bills. The transfer to the Public Facilities Authority Fund reflects the amount needed to cover the first year of debt service for the Children's Home property. It increases from \$750,000 to \$850,000. The anticipated revenue from the Hotel/Motel Tax Fund drops slightly by \$16,800 based on current tax receipts. The transfer to the Children and Youth Services Fund was reduced by \$50,000 as that operation continues to reduce 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 2017-2018 Adopted General Fund anticipated using \$1,180,030 from fund balance. The 2017-2018 Revised



General Fund anticipates using \$904,150 in fund balance. This will result in a fund balance of approximately \$8,812,192 or 33% of the 2018-2019 Proposed General Fund budget expenditures.

## 2018-2019 ADOPTED GENERAL FUND BUDGET EXPENDITURES

The 2018-2019 Adopted General Fund Budget Estimate of \$26,751,270 is \$1,554,680 or 6% more than the initial 2017-2018 Proposed General Fund Budget Estimate and \$1,255,120 or 5% more than the Revised General Fund Budget Estimate.

The Personnel Services category increases \$630,790 in the 2018-2019 Adopted General Fund Budget Estimate over the 2017-2018 Revised General Fund Budget Estimate. Within that category, full-time salaries increase \$536,210 and part-time salaries increase \$136,450. Much of this increase is due to full funding for all authorized positions and some job reclassifications.

A comprehensive salary survey was conducted in March 2017 which resulted in a 10% shift in salary ranges in the current fiscal year as well as a 5% market rate adjustment for all full-time employees. No across-the-board changes are recommended for the pay plan or pay ranges for fiscal year 2018-2019. 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 2018-2019.

There are some reclassifications being recommended based on job duties. A Personnel Specialist to Personnel Generalist - Range 7 to Range 8; an Accounting Clerk to Accounting Specialist - Range 4 to Range 5; and, a Senior Revenue Officer to Revenue Supervisor - Range 7 to Range 9. A Crew Supervisor to Grounds Crew Worker - Range 9 to Range 1. The Parking Attendant position classification is eliminated. The Accounts Payable Officer is retitled to Accounting Specialist with no range change. Two additional part-time school crossing guards are proposed, one for the mid-block crossing on Scott Boulevard in front of Westchester Elementary School and another position to serve as needed when other guards are absent.

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 \$2,533,920 or 9% of the overall budget. This is an increase of \$150,650 or just over 6%. 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 five 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 2017-2018 estimates, the City's contribution towards health costs remains stable. Based on claims paid through March 2018, total health claims are estimated to be close to 99% of budgeted claims at the end of the fiscal year. The adopted budget includes an increase for health insurance coverage. The specific stop loss insurance rates for fiscal year 2018-2019 are increasing 31% or over \$152,151, primarily due to four claimants exceeding the specific stop loss deductible. The specific stop loss deductible remains at \$85,000 but sets the specific stop loss deductible for one plan member at \$175,000, a practice referred to as "lasering." There is an increase of 1.5% 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 80% of the maximum claims liability in fiscal year 2016-2017. The City's overall group insurance expenditures were about \$142,000 less than budgeted in fiscal year 2016-2017. This resulted in a cumulative amount of \$457,629 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 adopted fiscal year 2018-2019 budget uses \$75,000 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 adopted budget, employee-only contributions increase 7%. The surcharge for spouses that have access to coverage with another employer was added in the current fiscal year and remains in place. There are 34 employees paying the surcharge. Plan changes include an emergency room copay of \$500 if not admitted to the hospital, an increase in the out of pocket maximum from \$3,000 to \$3,500, a \$100 prescription drug deductible (excluding generics), maximum allowable costs (MAC) for prescription drugs, and an increase in specialty pharmacy coinsurance from \$200 to \$300. Many of the plan changes attempt to address the increasing costs associated with specialty or 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 7<sup>th</sup> full year of the city's wellness program will continue in the next budget year. The City partners with Corporate Health Partners (CHP) to provide wellness services. Based on the results of a biometric and health risk assessment, an employee meets with a health coach during the year to identify health risks and develop strategies for addressing the risks. Additional services provided by CHP include tobacco cessation classes and weight loss programs. The wellness program is being expanded to include employees' spouses. Over a three-year period, spouses make up 19% of the plan membership and account for 25% of the claims. The cost of the wellness premium discount plus the health coaching program is estimated to be around \$207,000. 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 2017-2018. The current contribution will fund the pro-rated cost-of-living adjustment approved by the Retirement Board of Trustees effective July 1, 2018. The previous retirement benefit adjustment was March 2001.

Professional services is the second largest expenditure, totaling \$2,561,690 in the adopted budget, a decrease of \$390,100. 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 2018-2019 fiscal year and information technology related services are higher in response to necessary improvements to the City's cybersecurity efforts and smart cities initiatives. Other specific projects that are budgeted in professional services include a housing policy summit, phase two of an impact fee study, an assessment and related services for a shared parking deck, and an economic development marketing and communications plans. Some of these fees will be reimbursed by the Downtown Development Authority. Contractual services total \$2,210,840, an increase of \$641,540. Included in this increase are a number of non-

recurring projects including updates to the community transportation plan, kickoff of the 2020 strategic plan, a new information technology strategic plan, an update to the historic resources survey and a retail analysis study. A proposal to contract for parking enforcement increases contractual services by \$166,250 and there is a decrease of \$36,930 in personnel services and an increase in anticipated revenue of \$275,000 dependent upon expanded enforcement hours and a \$1 increase in parking fees. The contractual services budget related to the City's pool services increases \$212,870 mostly due to the addition of a year-round, indoor pool.

Other new or increased expenditures include increased costs for additional operations at the Children's Home property, new permitting software, applicant assessment software, data visualization projects, Police Explorer's program for middle and high school students, pedestrian and bicycle metrics technology, and a new civic engagement mobile application. Expenditures continue for general operating items such as public safety education and prevention programs, safety equipment for fire and police personnel, CPR and First Aid training for City employees and community members, training and professional development for City employees, turf and park maintenance, invasive plant control, AEDs for city facilities, community-wide Active Living programs, creative business recruitment strategy, the Fire CAPS program, support of social equity and inclusion efforts, and continued emphasis on pedestrian and bicycle safety and environmental initiatives.

## **2018-2019 ADOPTED GENERAL FUND BUDGET REVENUES**

The 2018-2019 Adopted General Fund revenue estimates are \$1,255,120 or 5% higher than the revised 2017-2018 General Fund revenue estimates.

The 2018-2019 Adopted General Fund real property tax estimate is \$480,600 higher than revised 2017-2018 based on an estimated 6% increase in the real property digest for 2018 and keeping the general fund millage rate at 9.24 mills. The total estimate for real property tax revenue is \$16,066,000 which is 60% of total anticipated revenues.

After real property taxes, the largest revenue category is franchise taxes which is expected to produce \$1,620,500 in General Fund revenue. Franchise tax categories include electric utility, cable, telephone, video service, natural gas and energy excise taxes. All of these are flat or declining revenue sources with the exception of the energy excise tax that started in fiscal year 2013-2014. The energy excise tax is a tax on the energy used in manufacturing. The insurance premiums tax is expected to generate \$1,350,000. Construction permits reflect strong development activity in the City. The revised 2017-2018 development-related fees are budgeted at just over \$1.3 million; a slight decrease from the \$1,597,979 received in fiscal year 2016-2017. The estimate for fiscal year 2018-2019 is a bit more conservative at \$1,035,500. Additional permitting is anticipated for the Avondale MARTA project, the Callaway project and the new downtown hotel. Fines and forfeitures are expected to be close to \$1,000,000, an increase of \$197,000. This is a combination of traffic fines, school bus stop arm violations, parking tickets and other court fees. These revenues are sensitive to staffing levels and patrol assignments. Parking meter fees and violations are expected to be close to \$975,000, an increase of \$275,000 if expanded enforcement hours and fees are approved.

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. In fiscal year 2016-2017, the actual transfer to the school system was close to \$330,000. The same amount is estimated for fiscal year 2018-2019 as 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 Stormwater Utility Fund to the General Fund is shown as revenue to cover indirect costs of supporting stormwater activities. The Solid Waste and Stormwater funds are credited by the General Fund for the cost of the fee offset granted to low-income seniors in 2018.

A transfer from the Hotel/Motel Tax Fund is budgeted to be \$330,000 or \$57,800 greater than the revised 2017-2018 transfer. This change reflects the addition of a new hotel as well as an increase in the hotel/motel tax rate.

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 2018-2019 Adopted General Fund estimate shows a \$400,000 transfer to the E-911 Fund, which is the same as the 2017-2018 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 2017-2018 budget estimate of \$150,000 is reduced to \$100,000 in the revised budget due to lower expenditures. For 2018-2019, there is a transfer from the General Fund to the Children and Youth Services Fund of \$100,000.

A transfer of \$850,000 is budgeted from the revised 2017-2018 General Fund to the Public Facilities Authority Fund to cover debt service costs for the purchase of the Children's Home property. A transfer of \$1,000,000 is budgeted from the adopted 2018-2019 General Fund to the Public Facilities Authority Fund to cover a portion of debt service for the Children's Home property. The balance of the debt service obligation will be covered by a transfer from the Capital Improvements Fund which will require a millage rate increase.

## **ENTERPRISE FUNDS**

The City Commission will also be asked to adopt 2017-2018 Revised and 2018-2019 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 2017-2018 Revised Budget includes a transfer of \$181,000 from the Hotel/Motel Tax Fund to cover maintenance costs. The 2017-2018 Revised Budget includes \$5,370 in expenditures.

The 2018-2019 Adopted Budget revenues include a transfer of \$170,000 from the Hotel/Motel Tax Fund for the capital maintenance reserve account. The City's cash from prior years' service fees will likely be depleted at the end of fiscal year 2017-2018 so there will be no expenditures in this fund for fiscal year 2018-2019. 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 \$112,730 will be made from the 2017-2018 Revised Solid Waste Fund to the 2017-2018 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 offset granted in 2018 to low-income seniors.

An estimated transfer of \$146,000 will be made from the 2018-2019 Adopted Solid Waste Fund to the 2018-2019 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 and a credit for the cost of the fee offset granted in 2018 to low-income seniors.

Using an estimate of total solid waste costs included in the 2018-2019 Adopted Budget, the 2018 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 \$278 to \$290 for residential properties.
- Increased the per cubic yard charge for dumpster service from \$4.05 to \$4.25.
- Increased the annual assessment from \$760 to \$800 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 \$1,140 to \$1,200 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 increase in the fiscal year 2018-2019 recycling contract which increases based on trends in the recycling market and the City's requirement for separate glass collection.
- Total revenues for 2018-2019 are estimated to be \$2,776,900 and expenses prior to non-operating expenses like depreciation are estimated to be \$2,700,900.
- Capital expenditures in fiscal year 2018-2019 for solid waste operations include a front loader (\$248,000) to replace a 2006 front loader.
- A new Sanitation Equipment Operator I position is requested in order to meet the ongoing demand for regularly scheduled street sweeping services. The cost of the additional position was included in the fee calculation for the 2018 user fees.





## Stormwater 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 for the 2017-2018 Revised Storm Water Utility is \$1,328,600. Expenses, including transfers to other funds, indirect costs, depreciation and costs related to other post employment benefits (OPEB) are estimated to be \$1,814,410. Revenue from fees for the 2018-2019 Adopted Stormwater Utility is \$1,300,000 and expenses are estimated to be \$1,918,040. In the revised budget, \$500,000 is budgeted for Lockwood Terrace and for the final expenses for extending the downtown main storm sewer system to Barry Street. In the 2018-2019 Adopted Stormwater Utility Fund, \$450,000 is budgeted to cover the majority of the cost of a stormwater master plan, \$24,000 for a replacement vehicle for the Project Civil Engineer 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.

A transfer of \$314,490 will be made from the 2017-2018 Revised Stormwater Utility Fund to the 2017-2018 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 offset granted in 2018 to low-income seniors. A transfer of \$331,450 will be made from the 2018-2019 Stormwater Fund to the 2018-2019 Adopted General Fund Budget to cover the indirect costs including a credit for the fee offset granted in 2018 to low-income seniors.

## OTHER FUNDS

The City Commission will also be asked to adopt 2017-2018 Revised and 2018-2019 Proposed Budgets for the Capital Improvement Fund, the SPLOST fund, the 2007 General Obligation Bond Fund, the 2010 and 2013 Urban Redevelopment Agency Funds, 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, the Confiscated Drug Fund and the Public Facilities Authority Fund.

## Capital Improvement Fund

The 2017-2018 Revised Capital Improvement Fund budget includes \$1,957,500 in tax revenue and \$1,882,100 in intergovernmental revenue. The intergovernmental revenue is Livable Centers Initiative (LCI) and MARTA funding for design and right-of-way acquisition for the Clairemont/Commerce and Church/Commerce intersection improvements, 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 2017-2018, the City received \$4,762,120 from HOST, which is included in the 2017-2018 Revised Capital Improvement Fund budget.

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

- Automated Parking Pay Stations
- Playground Equipment
- Recreation Facilities Improvements
- Zero-turn Mower

- Police Taser Equipment
- Rapid Flashing Beacon Traffic Devices
- Part-time Firefighter Equipment
- Sidewalk Construction & Repair
- Street patching, repair and paving
- Public Works and Public Safety Vehicles

The 2017-2018 Revised Capital Improvement Fund budget includes expenditures of \$559,260 for debt service to cover payments for previously purchased equipment. In the 2017-2018 Revised Capital Improvement Fund budget, HOST funds are designated for projects including the Boys & Girls Club Pool renovations (\$360,000), McDonough & Candler Railroad Crossings (\$733,760), North McDonough Streetscapes IV (\$403,160), Commerce Drive Bike Track (\$25,000), Public Art (\$10,000), West Howard Avenue Redesign Services (\$60,000), Property Purchase (\$60,000), Children’s Home Master Planning (\$150,000), sidewalk construction and repair (\$175,000) and a grant match for a HAWK pedestrian signal on Scott Boulevard (\$55,000) and transfers of \$487,730 and \$1,476,110 to the 2010 URA and 2013 URA Funds, respectively.

The 2018-2019 Adopted Capital Improvement Fund budget includes \$3,361,400 in tax revenue and \$2,532,000 in intergovernmental revenue. The intergovernmental revenue is Livable Centers Initiative (LCI) and MARTA funding for design and right-of-way acquisition for the Clairemont/Commerce and Church/Commerce intersection improvements, from the PATH Foundation for the Commerce Drive cycle track and from the State of Georgia for street repair, patching and resurfacing under the Local Maintenance and Improvement Grant (LMIG) program.

HOST proceeds are budgeted to be \$1,000,000. Fiscal year 2018-2019 is the last year that the City will receive HOST proceeds. In a November 2017 referendum, the HOST was replaced with an EHOST (Equalized Homestead Option Sales Tax). The EHOST will apply 100% of its proceeds to homestead exemptions from DeKalb County property tax funds for maintenance and operations and the hospital authority in owner-occupied, single family residences. This eliminates the differential benefit among unincorporated and incorporated taxpayers under the HOST. At the same time, a six-year SPLOST was approved which will fund the debt service payments previously covered by HOST as well as finance improvements to the Atlanta Avenue/West Howard Avenue/West College Avenue intersection and other bicycle, pedestrian and traffic calming improvements.

Examples of capital outlay projects in the 2018-2019 Capital Improvement Fund Budget Estimate include:

- Skatepark Equipment
- Automated Parking Pay Stations
- E-permitting Software
- Fiber Network Upgrade
- Sidewalk Construction & Repair
- Quint Fire Engine
- Website Replacement
- Street patching, repair and paving
- Commerce Drive cycle track
- Children’s Home Improvements
- Public Works and Public Safety Vehicles
- North Decatur Road Repair



The 2018-2019 Capital Improvement Fund Budget Estimate funds the first of a five-year plan to address sidewalk repairs and install new sidewalks throughout the City. The Capital Improvement Fund allocates \$450,000 per year for five years by dedicating \$250,000 per year from non-HOST tax revenues and \$200,000 per year from HOST and HOST fund balance. An additional \$200,000 per year will be allocated from SPLOST proceeds for a total of \$650,000 per year or \$3,250,000 over five years for sidewalk repair and construction.

The 2018-2019 Adopted Capital Improvement Fund budget includes expenditures of \$744,990 for debt service to cover payments for previously purchased equipment. HOST funded projects include construction of storage buildings at Ebster and McKoy fields (\$95,000), Clairemont/Church/Commerce Bike & Pedestrian Improvements (\$194,000), Commerce Drive Cycle track (\$775,000), Sidewalk Construction and Repair (\$200,000), balance of the Master Planning effort for the Children's Home property (\$50,000), Public Art (\$10,000), Avondale MARTA match (\$300,000), West Howard Avenue Redesign (\$190,000), and Building B Buildout & Shelving (\$235,000).

The debt service associated with the purchase of the Children's Home is paid out of the Public Facilities Authority Fund. It is recommended that the Capital Improvement Fund generate the revenue and transfer to the Public Facilities Authority Fund the amount needed for annual debt service. Of the roughly \$2.1 million needed for annual debt service, \$1 million will be provided in fiscal year 2018-2019 from the General Fund's fund balance. A millage rate increase will be needed to fund the remaining balance. An increase of .49 mill will generate an additional \$1.3 million which will be transferred to the Public Facilities Authority Fund. In fiscal year 2019-2020, the Capital Improvement Fund will need to budget a transfer for the full amount of debt service due from the Public Facilities Authority since the General Fund transfer is not meant to be a recurring expenditure. This will likely require another millage rate increase in fiscal year 2019-2020.

It is recommended that the levy for capital improvement purposes increase from 1.06 mills to 1.55 mills.

### **Special Purpose Local Option Sales Tax (SPLOST) Fund**

The Special Purpose Local Option Sales Tax (SPLOST) Fund accounts for the revenue generated from the tax and the project expenditures as approved by voter referendum in November 2017. Collections from the tax were effective April 1, 2018. The fund will receive approximately \$20,529,000 over the six-year period of the tax. Of that amount, about \$13,400,000 will cover debt service payments for the URA 2010 and URA 2013 bond projects - Fire Station #1, Decatur Recreation Center, Leveritt Public Works Building and the Beacon Municipal Center. Another \$5,900,000 will fund the improvements to the Atlanta Avenue/West Howard Avenue/West College Avenue intersection. This is the last remaining intersection improvement project from the 2007 Community Transportation Plan. The five-year sidewalk maintenance and construction program will be funded at \$200,000 per year or \$1,000,000 for five years.

The 2017-2018 SPLOST Fund estimates \$825,000 in revenues and no expenditures.

The 2018-2019 Adopted SPLOST Fund budget estimates \$3,400,000 in tax revenue. Transfers of \$752,090 and \$1,479,180 will be made to the 2010 URA and 2013 URA Funds, respectively. There is \$200,000 dedicated to the five-year sidewalk maintenance and construction program. The adopted budget assumes borrowing \$4,800,000 for the Atlanta Avenue intersection project and using the SPLOST proceeds to pay the debt service over six years.

## 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. Additionally, Department of Transportation funding for these projects has been included in this fund.

The 2017-2018 General Obligation Bond Fund projects include Oakhurst Streetscapes and Downtown Streetscapes – Phase V. The 2017-2018 Revised General Obligation Bond Fund project expenditures total \$301,180. The remaining cash balance is transferred to the Capital Improvements Fund as a reimbursement of HOST funds spent on the Downtown Streetscapes-Phase V.

In the absence of revenues and expenditures in fiscal year 2018-2019, the account will be closed.

## 2010 Urban Redevelopment Agency (URA) Fund

The 2010 URA Fund accounts for 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 2017-2018 Revised 2010 URA Fund budget includes a federal rebate of \$297,000 on the interest paid on the bonds. Other revenues include \$121,600 in rent revenue from the City Schools of Decatur for their part of the joint maintenance facility on Talley Street. These funds are applied towards the 2010 URA debt service.

The 2017-2018 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 (\$487,730). Accumulated fund balance of \$263,376 is applied to reduce the amount of the transfer from the Capital Improvement Fund.

The 2018-2019 Adopted URA Fund budget includes revenue of \$289,150 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 2018-2019 Adopted URA Fund budget include debt service payments in the amount of \$1,162,840 prior to the interest rebate, and will be paid with funds transferred from the SPLOST 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 2017-2018 Revised 2013 URA Fund budget accounts for the debt service for two URA bond series, Series 2013A and 2013B. 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 \$1,476,110 for debt service. The school system is responsible for \$402,730 in debt service.

The 2018-2019 Adopted URA Fund expenditure budget accounts for the debt service on the revenue bonds. Debt service totals \$1,479,180 for the Series 2013A bonds and \$401,580 for



the Series 2013B bonds, the latter of which is the financial responsibility of the school system. A transfer of \$1,479,180 will be made from the SPLOST Fund proceeds for the City's portion of the debt service.

### **Cemetery Capital Improvement Fund**

The 2017-2018 Revised Cemetery Capital Improvement Fund reflects revenue of \$25,000 that is mainly revenue from sales of lots. Expenditures are estimated at \$10,800 for routine cemetery operations and maintenance.

The 2018-2019 Adopted Budget includes \$25,000 in revenues from lot sales which reflects the limited supply of available grave sites. Adopted expenditures total \$100,000 and include landscaping & signage at the entrances, cemetery wall repair, interior driveway repairs and other miscellaneous repairs. In order to fund the total project budget for 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 2017-2018 and FY 2018-2019 transfers of \$18,000 to the Capital Improvement Fund and \$12,000 to the Stormwater Utility Fund are budgeted. At the end of fiscal year 2018-2019 the ending fund balance is expected to be \$51,783.

### **Debt Service Fund**

The 2017-2018 Revised Debt Service Fund Budget shows \$1,721,000 in tax revenue to retire debt on the 2007 general obligation bond issue. There is a \$1,048,000 interest payment and a \$820,000 principal payment for the bonded debt. At June 30, 2018 it is estimated that there will be approximately \$844,460 in fund balance for the City's 2007 general obligation bonds.

The 2018-2019 Adopted Debt Service Fund Budget shows \$1,830,000 in tax revenue to retire debt on the 2007 bond issue. There is a \$1,031,000 interest payment and an \$865,000 principal payment for bonded debt included in the 2018-2019 Proposed Debt Service Fund Budget. At June 30, 2018 it is estimated that there will be approximately \$778,470 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 fiscal year 2017-2018, the school system will make the last principal and interest payments on the 2012 sales tax notes.

In February 2016, the City issued \$75,000,000 in general obligation bonds for the City Schools of Decatur capital projects. The 2017-2018 Revised Debt Service Fund Budget shows \$4,000,000 in tax revenue for debt service on the 2016 school general obligation bonds. At June 30, 2018 it is estimated that there will be approximately \$3,119,530 in the 2016 school general obligation bonds fund balance.

The 2018-2019 Adopted Debt Service Fund Budget shows revenues of \$3,820,000 in tax revenue for debt service on the 2016 school general obligation bonds. A \$2,565,750 interest payment and a principal payment of \$1,165,000 for bonded debt are included in the 2018-2019 Adopted Debt Service Fund Budget for debt service on the 2016 school general obligation bonds. At June 30, 2019 it is estimated that there will be approximately \$3,208,780 in fund balance for the 2016 school general obligation bonds.



It is recommended that the levy for the 2016 school general obligation bonds remain at 1.91 mills and that the levy for the 2007 general obligation bonds remain at .90 mill for a total debt service levy of 2.81 mills.

### **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 2017-2018 Revised Tree Bank Fund Budget shows \$25,000 in revenues and \$120,000 in expenditures. The balance in the tree bank as of June 30, 2017 was \$194,194. At the end of fiscal year 2017-2018, the Tree Bank Account balance is estimated to be \$99,194.

The 2018-2019 Adopted Tree Bank Fund Budget shows tree bank contributions of \$25,000. There are expenditures of \$75,000 for tree plantings and downtown tree maintenance. The balance in the tree bank as of June 30, 2019 is estimated to be \$49,194.

### **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.

Revenues for the 2017-2018 Revised Emergency Telephone System Fund total \$545,000 and expenditures are estimated to be \$1,020,980. Revenues for the 2018-2019 Proposed Emergency Telephone System Fund total \$555,000 and expenditures are estimated to be \$1,029,880. The 2017-2018 revised budget includes the last annual lease payment of \$28,600 for the E911 call handling system. The 2018-2019 adopted budget includes a lease payment of \$10,000 for the E911 call recording system.

A transfer of \$400,000 will be made to the 2017-2018 Revised Emergency Telephone System Fund from the 2017-2018 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 2018-2019 Adopted General Fund Budget to the 2018-2019 Adopted 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 three years.

Two new classifications are being recommended for the E-911 division without changing the number of positions. Communications Team Leaders will be responsible for oversight of the two day shift and two night shift teams. Two existing employees would be eligible for promotion into this classification. A Communications Officer II classification will be created for employees that meet specific training and certification requirements including the designation as a terminal agency coordinator (TAC).

House Bill 751 was approved in the 2017-2018 Georgia General Assembly session and was signed by the Governor on May 7, 2018. It establishes the Georgia Emergency Communications Authority (GECA), housed within the Georgia Emergency Management and Home-



land Security Agency. GECA includes within its membership all local governments that operate or contract for the operation of an E-911 system. Starting on January 1, 2019, all E-911 fees will be submitted directly to the State as opposed to individual E-911 agencies. GECA, through a contract with the Department of Revenue (DOR), will disburse the funds to each local government. GECA will be authorized to contract with DOR to audit telecommunications service providers to ensure proper payment of E-911 fees.

### **Children and Youth Services Fund**

Upon the completion of the 21<sup>st</sup> 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 which includes after-school programs and summer camps.

Revenue for the 2017-2018 Revised Children and Youth Services Fund is anticipated to be \$2,024,760 and expenditures are estimated to be \$2,176,830. A transfer of \$100,000 will be made from the 2017-2018 Revised General Fund Budget to cover the cost of providing children and youth services not covered by other revenue sources. This is \$50,000 less than the original 2017-2018 budget. The remaining difference will be covered by the accumulated reserve resulting in an ending fund balance of approximately \$1,141,149.

Revenue for the 2018-2019 Adopted Children and Youth Services Fund is expected to be \$2,031,570 and expenditures are estimated to be \$2,502,270. The adopted budget includes a new Program Supervisor. Currently, there is one Program Supervisor who oversees nine Site Directors. An additional Program Supervisor will provide better support to the Site Directors and each after-school program as well as prepare for the addition of a tenth site with the opening of the new 3-5 academy in the fall of 2019. The budget includes a three-tiered structure for the Site Director role to allow for career development and advancement opportunities. The division will pursue after-school re-accreditation for all nine programs within the next two fiscal years. Costs associated with accreditation are included in the budget proposal. A one-time capital outlay request of \$80,000 is included for furniture for fourteen offices. The Children and Youth Services employees have moved into the administration building at the Children's Home property and need furniture for the new work spaces. A transfer of \$100,000 is budgeted from the 2018-2019 Adopted General Fund Budget to cover the costs 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 \$770,449.

The transfer from the general fund has decreased from a high of \$450,000 in 2008-2009 to \$100,000 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 2017-2018 Revised Confiscated Drug Fund Budget shows revenues of \$4,080 and expenditures of \$570. It is estimated that the fund balance at June 30, 2018 will be \$15,603. The 2018-2019 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, 2019 will be \$14,613.

## 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 2017-2018 Revised Hotel/Motel Tax Fund Budget shows revenues of \$635,000 and expenditures of \$181,400 for the support of the Decatur Tourism Bureau; a transfer of \$181,400 to the Conference Center Fund; and a \$272,200 transfer to the General Fund.

The 2018-2019 Adopted Hotel/Motel Tax Fund Budget Estimate shows revenues of \$850,000. Expenditures include \$350,000 for the support of the Decatur Tourism Bureau; a \$170,000 transfer to the Conference Center Fund; and a transfer of \$330,000 to the General Fund.

The 2018-2019 Adopted Hotel/Motel Tax Fund Budget Estimate assumes an increase in the hotel/motel tax from 7% to 8% starting in the fall of 2018. In the 2017-2018 session, the Georgia General Assembly passed enabling local legislation to increase the rate from 7% to 8%. The next steps require the City Commission to amend the City's hotel/motel tax ordinance and then the rate change will be effective no sooner than the first day of the second month after adoption of the City's ordinance. Under the new formula, the eight cents is distributed as follows: three cents to the City's General Fund, three and one-half cents to the City's "designated marketing organization" which is the Decatur Tourism Bureau, and one and one-half cents towards "tourism products development" which is satisfied with a transfer to the Conference Center Fund's capital reserve. The estimated revenue conservatively assumes that the Hampton Inn will be in operation by January 2019.

## Public Facilities Authority Fund

The City of Decatur Public Facilities Authority (PFA) was created by the Georgia General Assembly in 2017. The fiscal year 2017-2018 Revised Public Facilities Authority Fund Budget Estimate reflects the issuance of the PFA Series 2017 revenue bonds in the amount of \$29,625,000 and a low-interest loan from the Georgia Environmental Finance Authority (GEFA) in the amount of \$11,452,000 for the purchase of the seventy-seven acre Children's Home property. The GEFA loan funds the purchase of twenty-two of the seventy-seven acres for the purpose of conservation. The property was purchased from the United Methodist Children's Home of the North Georgia Conference, Inc. in August 2017. 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 which commenced in early 2018.

The two budgetary accounts shown in the fund are the 1.) Capital Account and 2.) Operating Account. The Capital Account reflects the proceeds from the debt issuances, related issuance costs and the property acquisition. About \$572,000 remained in the capital account subsequent to the property purchase. These funds are available for property improvements. The Operating Account includes rent from property tenants and reflects funding from DeKalb County to undertake certain projects in the conservation area on the Children's Home property such as trail construction, pond improvements and removal of invasive species. The annual debt service payments are accounted for in the Operating Account.

At the end of fiscal year 2017-2018, the Capital Account will end with a fund balance of approximately \$459,640 restricted for property improvements and the Operating Account will end with a fund balance of approximately \$849,230, of which \$800,000 is restricted for conservation area improvements and \$49,230 is restricted for future debt service.



The fiscal year 2018-2019 Adopted Public Facilities Authority Fund Budget Estimate anticipates spending most of the funds in the Capital Account for property improvements. The fiscal year 2018-2019 Adopted Public Facilities Authority Fund Budget Estimate for the Operating Account reflects \$13,400 in revenue from rent and \$80,000 in expenditures towards improvements in the conservation area. Debt service payments will total \$2,072,550 which include \$878,820 in principal and \$1,193,730 in interest payments. A non-recurring transfer of \$1,000,000 is budgeted from the General Fund and a transfer of \$1,300,000 is budgeted from the Capital Improvement Fund to cover the debt service obligations of the PFA. An additional \$1,000,000 will be needed from the Capital Improvement Fund in fiscal year 2019-2020 because the General Fund transfer is not intended to continue. As stated previously, this will require an increase in the Capital Improvement Fund millage. At the end of fiscal year 2018-2019, the Operating Account is anticipated to end with a fund balance of \$1,010,080, of which \$720,000 is restricted for conservation area improvements and \$290,080 is restricted for future debt service.