

City of Decatur, GA



Revised 2018-2019 Budgets Proposed 2019-2020 Budgets

Work Session

June 3, 2019

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 19-20 budget is \$2,372,860 (9%) higher than Revised FY 18-19 budget
- 2019 Digest - 7.5% increase
- Capital Improvement Fund Millage rate (tentative) increase from 1.52 to 2.00 for the Decatur Legacy Park debt service.
 - Last year, the increase was 1.06 to 1.52 mills.
- Use of \$2,316,410 in general fund fund balance in order to stay within financial policy guidelines
- Investments in personnel, planning, capital projects and technology.

Highlights



- Staff costs are about 62% of budget
- Funding of 2.5% in-step merit based salary increases
- A 14% increase in health costs requires increase in employee contributions and plan modifications
- City contribution to the Employees' Retirement System increases to 8.6% from 8% of payroll

Revenues - Tax Digest



- 2019 Real Property Digest 7.5% increase
- Total increase approx. \$152,459,150
 - 42% or \$63,841,900 is new value
 - 58% or \$88,617,250 is revaluation
 - Real Estate digest is 98% of total taxable digest
- Truth in Taxation advertising-updated
 - Updated advertised increase is 6.8%, not 9.3%
 - Rollback rate is 13.03 mills, not 12.73 mills. Proposed millage rate of 13.92 mills is .89 mills greater than rollback rate.

Real Property Tax Digest



Commercial:	\$377,391,100	17% (last year was 17%)
Residential:	\$1,790,014,600	83%
Total:	\$2,167,405,700	

1 mill (no homestead exemptions)=~\$2,167,400 revenue

1 mill (current homestead exemptions)=~\$2,026,000 revenue

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

Revenues - Homestead Exemptions



- No Change in 2019 to homestead exemptions
- Estimated total cost of \$1,746,600

Ex	2019	#	Assessed Value	Local Impact
GH-1	\$25,000	5,650	\$141,250,000	\$1,539,625
GH-2	\$10,000	1,392	\$13,920,000	\$151,728
GH-3	\$15,000	338	\$5,070,000	\$55,263

Millage Rates



	2018 Adopted	2019 Tentative	Change 2018 to 2019
Gen	9.00	8.96	-.04
Gen-Cap	1.52	2.00	+.48
DDA	0.38	0.38	-
M&O Total	10.90	11.34	+.44
2007 GO Bonds	.87	.84	-.03
2016 School GO Bonds	1.85	1.74	-.11
Debt Total	2.72	2.58	-.14
Total All	13.62	13.92	+.30

Millage Rates



2018 Adopted Millage Rate:	13.62
2019 Proposed Millage Rate:	13.92 (+ .30)

- Capital Fund increases .48 mills to generate balance of revenue needed for PFA annual debt service on Decatur Legacy Park property
- General Fund one-time transfer of \$1M for storm water repairs

Tax Bill Impact

+\$64.00



Fair Market Value: \$500,000

2018	Exempt	Tax Value	Rate	Tax
Gen	25,000	225,000	.00900	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

Fair Market Value: \$500,000

2019	Exempt	Tax Value	Rate	Tax
Gen	25,000	225,000	.00896	2,016
Bond		250,000	.00258	645
Cap	25,000	225,000	.00200	450
DDA	25,000	225,000	.00038	85.50
Total			.01392	\$3,196.50

Debt Service



19-20 Payments	Fund	Interest	Principal	Ending Balance (principal)	Final Maturity
COPs/City Hall	Capital	31,590	155,000	1,060,000	2026
2007 GO Bonds	Debt Service	1,013,381	905,000	27,305,000	2037
2016 School GO Bonds	Debt Service	2,509,944	1,300,000	67,290,000	2042
URA 2010 Revenue Bonds	URA 2010 (SPLOST)	722,557	431,943	10,920,747	2038
URA 2013 Revenue Bonds	URA 2013 (SPLOST)	1,173,550	710,000	25,345,000	2044
PFA GEFA Loan	PFA (Capital Fund)	183,640	303,939	10,637,268	2047
PFA 2017 Revenue Bonds	PFA (Capital Fund)	975,969	605,000	28,440,000	2047
GO Sales Tax Bonds	SPLOST	118,483	838,000	3,583,000	2024

Revenues - Other



- General Fund Revenues=\$28,720,060
 - All Taxes=\$22,518,800 (78% of total revenue)
 - Development Permits=\$711,750
 - Code Violations=\$960,000
 - Parking Meter Fees=\$750,000
 - Recreation Fees=\$712,000

Fund Balance



- Financial Policy: 20-30% of general operating expenditures
- At the end of FY 17-18 added \$1,718,758 to fund balance = \$10,530,950 or 36% of expenditures
- Revised FY 18-19: Plan to use \$1,139,120 from fund balance
- Proposed FY 19-20: Plan to use \$2,316,410 of fund balance for projected balance of \$7,075,420 or 25% of expenditures
- \$1,000,000 transfer from fund balance to Storm Water Utility fund for unanticipated system repairs

Expenditures



- **Total General Fund Expenditures = \$28,720,060**
 - \$2,372,860 or 9% higher than FY 18-19 revised
- Personnel Services increase \$1,198,510 over FY 18-19 revised
- Health care costs increase \$390,290
- Professional services total \$2,688,600, an increase of \$40,790
 - Professional services includes building permitting services, legal services, IT support services, Phase II Impact Fee study, traffic management feasibility study and economic development marketing & communications plan
- Contractual services total \$2,688,150, an increase of \$667,160
 - Contractual services includes pool management contract, 2020 Strategic Planning process and increased GIS service days

Personnel



High Quality Services are provided by High Quality Employees

- Personnel expenditures make up 62% of overall budget
- Increase City's retirement contribution to 8.6%
- Conducted salary survey among metro-Atlanta cities
- Shift pay ranges 5% to achieve a "living wage"
- Continue 2.5% in-step merit based salary increases

Living Wage



A living wage is the hourly rate an individual must earn to support his/her family if he/she is the sole provider and working full-time.

- Upward shift of 5% in pay ranges moves City closer to offering a \$15 per hour minimum wage for full-time positions
 - Atlanta-Sandy Springs-Roswell MSA living wage = \$13.27
 - DeKalb County living wage = \$13.31
 - City of Decatur (proposed) living wage = \$14.81

Personnel



- **Reclassifications due to salary survey or internal equity issues:** Health & Wellness Coordinator, Chief Court Clerk, Engineering Inspector, Fire Lieutenant, Police Lieutenant, Human Resources Director and Finance Director
- **Reclassifications based on job duties:** Lead Auto Mechanic to Motor Maintenance Supervisor, Personnel Generalist to Sr. Personnel Generalist, Communications Specialist to Communications Manager/PIO, Downtown Development Manager to Downtown Programs Manager, Accountant to Accounting Director, City Clerk to City Clerk/Budget Director and Planning Director to Planning & Economic Development Director
- **Other changes:** +3 school crossing guards, +1 Revenue Officer, +1 Senior Planner, other changes in Parking, Personnel, Public Works, Active Living and CYS

Employee Health & Wellness Benefits



Healthy Employees Support a Healthy Community

- Health care costs are \$3,052,910 or 11% of budget
 - Increase of ~\$390,290 or >14%
- Self-insured model
- Specific stop loss deductible remains at \$85k
- Maintain 80/20 funding ratio for health care costs
- Significant Plan Changes driven by # and size of claims in 2018
 - Deductibles increasing
 - Out of pocket maximums increasing
 - Coinsurance increasing
 - Bi-weekly payroll deductions increasing by 8%
- Use \$100,000 from health care costs fund balance
- Continue wellness program: 82% participation rate; decrease in high risk individuals from 44% to 34%.

Employee Health & Wellness Benefits



	18-19 Budget	19-20 Budget
Claims	2,497,780	3,245,100
Stop Loss Insurance	690,305	527,050
Admin Fees	312,065	311,250
ACA Reinsurance	1,100	0
Firefighter Cancer Policy	7,200	7,100
Retiree Plan	182,000	180,000
Life/STD	70,000	76,000
Wellness/Discount	207,500	195,750

2020 Strategic Plan



- Proposed Timeline

- | | |
|-----------------------|-----------------------|
| • June - Aug 2019 | RFP Process |
| • Sept - Oct 2019 | Conditions Assessment |
| • Nov 2019 - Apr 2020 | Public Engagement |
| • May - Sept 2020 | Plan Development |
| • Oct - Nov 2020 | Adoption |

- Sampling of Tasks to be Completed

- Evaluate the 2010 Strategic Plan and other current planning documents to determine completeness and how to incorporate current planning efforts into the planning process.
- Coordinate public input sessions designed to encourage the participation of a broad range of citizens and stakeholders. These sessions should include a public education component/seminar series on topic areas.
- Confirm a vision statement for the City of Decatur for 2030 based on the analysis of the 2010 Roundtables community visioning process.
- Develop a clear set of goals, action steps and policy statements that define the values and visions articulated by our citizens and clarify how these goals will be achieved.

Hotel/Motel Tax



	14-15 Actual	15-16 Actual	16-17 Actual	17-18 Actual	18-19 Adopted	18-19 Revised	19-20 Proposed
Revenues	552,237	611,605	642,195	643,963	850,000	752,000	1,100,000
Expenditures							
DTB	177,829	179,502	187,097	184,045	350,000	329,000	481,250
Conf Ctr	157,829	174,740	182,516	184,045	170,000	141,000	206,250
Gen Fund	236,578	261,926	273,582	275,874	330,000	282,000	412,500

- Hotel/Motel tax rate increased from 7% to 8% in October 2018
 - Tourism Bureau = 3.5¢; Tourism Products Development/Conf Center = 1.5¢; General Fund = 3¢
- Hampton Inn opened March 2019 but was budgeted to open January 2019

Public Facilities Authority



- Bonds/Loans: \$41,077,000
- Property Purchase: \$40,000,000
- Site Improvements: \$1,200,000
(DeKalb Grant & bond balance)
- Rent: \$20,000
- Debt Service: \$2,100,000
 - Capital Improvements Fund Millage Rate
- Capital Items-Painting, A/V Equipment, Kitchen Upgrade, Roof Repair, Dairy Barn stabilization
- Contractual Services

SPLOST



- HOST to EHOST and addition of SPLOST
 - Effective April 1, 2018
- 6 year term
- Original estimate: \$20,529,000
- Project estimate: \$18,980,000
 - \$13,400,000 URA Debt Service (FS#1, DRC, PW, Beacon)
 - \$5,600,000 Atlanta Avenue (includes borrowing costs)
- County underestimated impact of sales tax exemption on groceries; results in 5-10% decrease in actual revenue from original estimate.

Sidewalks – Maintenance, Repair & Construction Program



- 5 Year Commitment
- Total \$2,250,000
- \$450,000/year from multiple sources
 - \$200,000 HOST Fund Balance
 - \$250,000 Capital Improvement Fund (this may be extended beyond 5 years)
 - \$0 SPLOST
- \$130,000 spent in FY 18-19
- \$850,000 estimated for S. Columbia traffic signal and shared use path

Capital Improvement Fund



- Recommend increasing Capital fund millage by .48 from 1.52 mills to 2 mills
- Capital fund tax revenue increases from ~\$3,300,000 to ~\$4,500,000; an increase of \$1,200,000
- Increase is for Public Facilities Authority debt service and initial maintenance & operations costs at Decatur Legacy Park
- Estimated FY 19-20 year-end unassigned fund balance of \$690,000
- HOST fund balance assigned to Clairemont/Commerce/Church bicycle and pedestrian improvements (\$2.9 million) and Sidewalks (\$800,000 over 4 years)
 - Estimated unassigned HOST fund balance of \$74,000

Capital Improvements



- Automated License Plate Reader
- Playground Equipment Replacement
- Decatur Legacy Park Administration Building Improvements
- Decatur Legacy Park Dairy Barn Stabilization
- Quint Fire Engine Replacement
- Outdoor water bottle/drinking fountain stations
- Rapid Flashing Beacon - W. Howard Ave
- Tennis Court Painting - Glenlake & Scott Parks
- Tennis Court Resurfacing & Lighting - Oakhurst Park
- Vehicle Replacement Program
- Solid Waste Rear Loader
- Storm Water Pole Camera

Capital Projects



- Sidewalk construction & repair
- Street patching, repair & paving
- Traffic Calming Improvements
- Commerce Drive Cycle Track
- Clairemont/Commerce/Church Bicycle and Pedestrian Improvements
- Talley St Traffic Signal
- S. Columbia multi-use path
- Allen Wilson storm water system repair

Technology Improvements



- Citywide Fiber Network
- Cybersecurity-Incident Response Plan and Pen Testing
- IT Strategic Plan
- Smart City Projects
- Security Cameras
- City Commission Room A/V Equipment Upgrade
- Decatur Legacy Park A/V Equipment Installation
- GIS services from 1 day to 3 days/week

FY 19-20 Projects, Programs & Plans



- Decatur Legacy Park Master Plan and property improvements implementation
- Commerce Drive Cycle Track
- Sidewalk Maintenance and Construction
- Housing Policy Summit 2.0
- Affordable Housing Task Force
- Shared Parking Deck Assessment
- Historic Resources Survey Update
- Storm Water Master Plan
- Phase II Impact Fee Study
- Civic Tech/Smart City initiative
- Cybersecurity implementation
- 2020 Strategic Plan Update

FY 18-19 Accomplishments



- Annexation of Decatur Legacy Park and surrounding Derrydown properties
- All-America City Award Winner
- Cottage Court project progress
- Railroad Crossing Improvements
- Housing Summit
- Legacy Park Master Plan
- Sidewalk Improvements
- Expanded wellness program to target diabetes and obesity

Budget Document



Enhancements to the Budget Document

- Funds Impact Chart - pages 30-31
- Planning Impacts Matrix - pages 51-53
- Account Coding Structure - pages A-5 to A-9

Questions

