City of Decatur, GA

Revised 2018-2019 Budgets
Proposed 2019-2020 Budgets

Work Session
June 3, 2019
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

<table>
<thead>
<tr>
<th>Ex</th>
<th>2019</th>
<th>#</th>
<th>Assessed Value</th>
<th>Local Impact</th>
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</thead>
<tbody>
<tr>
<td>GH-1</td>
<td>$25,000</td>
<td>5,650</td>
<td>$141,250,000</td>
<td>$1,539,625</td>
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<tr>
<td>GH-2</td>
<td>$10,000</td>
<td>1,392</td>
<td>$13,920,000</td>
<td>$151,728</td>
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<td>GH-3</td>
<td>$15,000</td>
<td>338</td>
<td>$5,070,000</td>
<td>$55,263</td>
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## Millage Rates

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

**Fair Market Value: $500,000**

<table>
<thead>
<tr>
<th></th>
<th>Exempt</th>
<th>Tax Value</th>
<th>Rate</th>
<th>Tax</th>
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<tr>
<td><strong>Gen</strong></td>
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<td><strong>Bond</strong></td>
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<td><strong>Cap</strong></td>
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<td>225,000</td>
<td>0.00152</td>
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<tr>
<td><strong>DDA</strong></td>
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<td>225,000</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>0.01362</td>
<td>$3,132.50</td>
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## Tax Bill Impact

**Fair Market Value: $500,000**

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<thead>
<tr>
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<th>Rate</th>
<th>Tax</th>
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<tr>
<td><strong>Gen</strong></td>
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<td>225,000</td>
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<td><strong>Bond</strong></td>
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<td>250,000</td>
<td>0.00258</td>
<td>645</td>
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<td><strong>Cap</strong></td>
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<td>225,000</td>
<td>0.00200</td>
<td>450</td>
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<td><strong>DDA</strong></td>
<td>25,000</td>
<td>225,000</td>
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<td>85.50</td>
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<tr>
<td><strong>Total</strong></td>
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<td>0.01392</td>
<td>$3,196.50</td>
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## Debt Service

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

Source: livingwage.mit.edu/counties/13089
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

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

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

- 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
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