

*City of Hapeville*

***PROPOSED***

**ANNUAL OPERATING BUDGET**

**FISCAL YEAR 2015**

*City of Hapeville  
Organization Chart*

**Executive Summary**

City of Hapeville  
Budget FY 2014-2015  
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The Annual Budget is the financial plan for the upcoming fiscal year and is composed of revenues and expenditures, organized based on Funds, each having a separate balanced budget. The Budget is also a description of the programs and services as offered by the City's Departments and agencies.

Within each Fund Budget are the appropriations, or authorized uses of resources, necessary to carry out the mission of each department.

<b>General Fund:</b>	The <u>General Fund</u> is the primary operating fund that provides for basic government services, such as Mayor and Council, Administrative and Financial Services, Human Resources, Clerk of the Council, Municipal Court, Police and Fire Protection, Code Enforcement, Recreation, Parks, Grounds and Buildings, Planning and Zoning, Economic and Community Development, and Highway and Streets Maintenance. Each service is organized by function categories.
<b>Enterprise Fund:</b>	The City maintains two enterprise funds, the <u>Water Sewer fund</u> and the <u>Solid Waste fund</u> . These funds' activities include all aspects of establishing, operating and maintaining equipment and other work related to the water sewer system and personal cost associated with solid waste operations. Costs are recovered through charges to the customers. Expenses have been summarized by functional categories: personal, contracted services, capital outlays, supplies, and debt service.
<b>Capital Projects Fund</b>	The Capital Projects Fund accounts for multi-year capital projects and the respective funding sources.
<b>Special Revenue Fund</b>	The Special Revenue accounts for revenues which are legally restricted as to use, and the respective expenditures thereof.
<b>Department:</b>	The major organizational unit of the City generally charged with accomplishing the goals and objectives of the City.
<b>Line Item Detail:</b>	This section serves as a reference for City department heads. It contains the line item detail of revenues and expenditures, specific authorizations to spend City revenues.

**BUDGET CALENDAR**

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<b>Date</b>	<b>Task</b>
February, 2014	Distribute Budget Preparation Worksheets and instructions to Department Directors to prepare requested operating expenses
March, 2014	Prepare and distribute Personnel Worksheets and instructions to Directors requesting the necessary staffing and associated payroll and benefit costs.
April, 2014	Preliminary Personnel Worksheets returned to Finance Director
May, 2014	Preliminary Budget Worksheets returned to Finance Director
May, 2014	Compile Personnel Budget and compute fringe benefit costs
May, 2014	Load Personnel data to budget worksheets to computer budgeting module
May, 2014	Load Budget Worksheet data to computer budgeting module
May, 2014	Submit Preliminary Requested Budget to City Manager
June, 2014	City Manager and Finance Director conduct budget discussions with Department Heads
June, 2014	City Manager's Proposed Budget Presentation to City Council
June, 2014	City Council discussions and public hearings to adopt final Budget

*City of Hapeville*

## BUDGET HIGHLIGHTS

## FISCAL YEAR 2014-2015

**FORMAT**

The City uses "Funds" to account for its operations. A "fund" is a single entity, similar in concept to subsidiaries of a corporation with their own asset, liability, revenue and expense accounts.

"Appropriations" are authorizations to spend City revenues on the designated activities of the City's Departments. The ANNUAL BUDGET applies only to the revenue and expense accounts for the upcoming fiscal year ending June 30, 2015.

**HIGHLIGHTS: The overall Total Budget increased by 2%, including all Funds and operations.**

The following table summarizes the City Budget by fund as proposed for Fiscal Year 2014-2015 :

	FISCAL YEAR 2014-2015				
	ANNUAL BUDGET: ALL FUNDS				
	2011-2012	2012-2013	2013-14	2014-15	% change
100-GENERAL FUND	10,656,138	11,468,614	11,466,401	11,316,680	-1.3%
201-SPECIAL REVENUE FUND	1,046,030	1,189,498	2,148,875	2,120,138	-1.3%
301-CAPITAL PROJECTS FUND	2,736,250	1,413,254	1,455,500	1,906,690	31.0%
505-WATER & SEWER FUND	3,423,776	4,321,004	4,198,000	4,321,000	2.9%
540-SOLID WASTE FUND	515,872	597,420	595,000	597,420	0.4%
<b>TOTAL FY 2014 BUDGET</b>	<b>18,378,066</b>	<b>18,989,790</b>	<b>19,863,776</b>	<b>20,261,928</b>	<b>2.0%</b>

The General (operating) Fund's authorizations declined by 1.3%.

The Special Revenue Fund which decreased 1.3% includes all seven cents of the Hotel/Motel as required by State law. Three cents is transferred to the General Fund and four cents to HATT.

The Capital Projects Fund increased 31% with the addition of a major new project, a \$900,000 North Central Avenue Streetscape Project funded partly with a \$720,000 grant.

The Water and Sewer Fund increased slightly as supply and distribution costs increased.

The Solid Waste Fund increased by 0.4% but will require a rate increase.

**GENERAL FUND**

For the **General Fund** the tax digest projects a 2% rise in taxable values, before appeals. Last year appeals reduced preliminary revenues by \$100,000.

**The historic drop in taxable values** has not shown any significant recovery.

State law limits the increases by reassessments to 3% preempting any major revaluation of property to recover revenues lost during the housing value collapse.

Other Financing Sources reflects the recordation of Hotel / Motel revenues as a transfer from the Special Revenue Fund. Virtually all other revenue estimates remain the same.

General Fund Expenditures have declined by 1.3% as all authorizations were not expended due to such events as vacant positions not being filled for the entire year (salary lapses).

**SPECIAL REVENUE FUND**

The Special Revenue Fund is used to account for the Hotel/Motel taxes and other restricted revenues. The Fund will transfer \$1,152,936 in Hotel/Motel tax to HATT (the Trade and Tourism Authority) and \$864,702 to the General Fund. Also included are small grants and 911 expenditures.

**CAPITAL PROJECTS FUND**

The expenses for some of the capital projects were incurred in Fiscal 2013-2014 and the remainder are funded in the proposed budget:

**Project List**

	2013-2014	2014-2015	Grants
Depot TE Project	285,185	-	-
North Central Ave Streetscape	39,838	900,000	720,000
Access Road Earmark	150,000	155,000	124,000
Dogwood-North Avenue	146,000	60,000	48,000
R/R Construction	250,000	181,000	181,000
North Fulton TE	426,415	455,000	364,000
CDBG Sidewalks	108,062	80,000	80,000
DOT-LMIG Program	50,000	75,690	75,690
Total	1,455,500	1,906,690	1,592,690

Most projects are grant-funded requiring a 20%-30% match provided by City funds, usually HaTT Hotel/Motel taxes. Some projects are fully funded with State aid.

**WATER & SEWER FUND**

This Fund is financed through service charges. Recent rate increases make revenue forecasting difficult. Settlement with the City of Atlanta for prior capital and operating expenditures remains open.

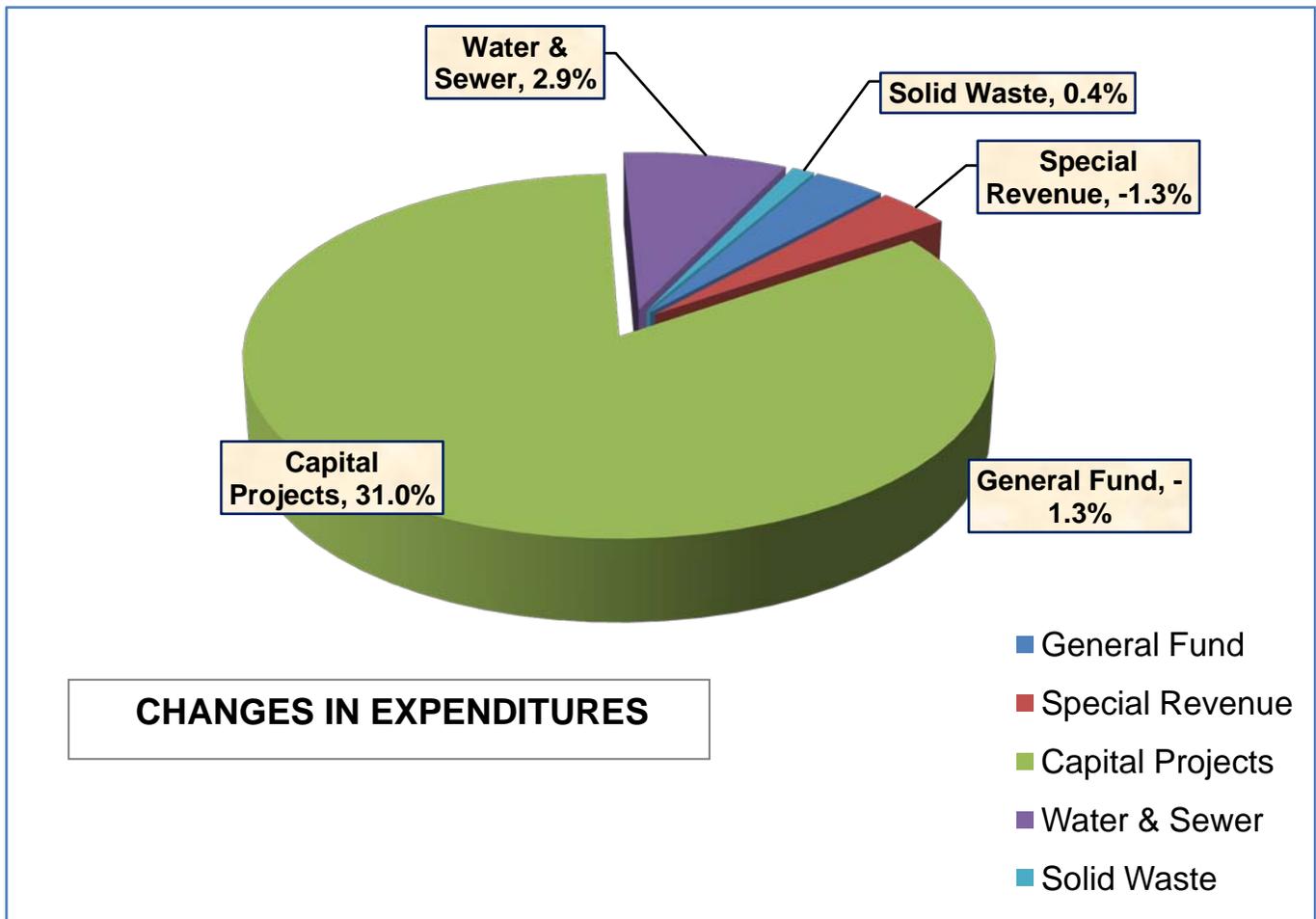
**SOLID WASTE FUND**

The Solid Waste Fund provides for solid waste pick-up and disposal. Historically rates have not fully funded operations and a transfer of \$75,000 from General Fund was necessary in 2014. However, for FY 2015 a rate increase will be required to cover operating costs.

**SUMMARY OF ALL FUND BUDGETS**

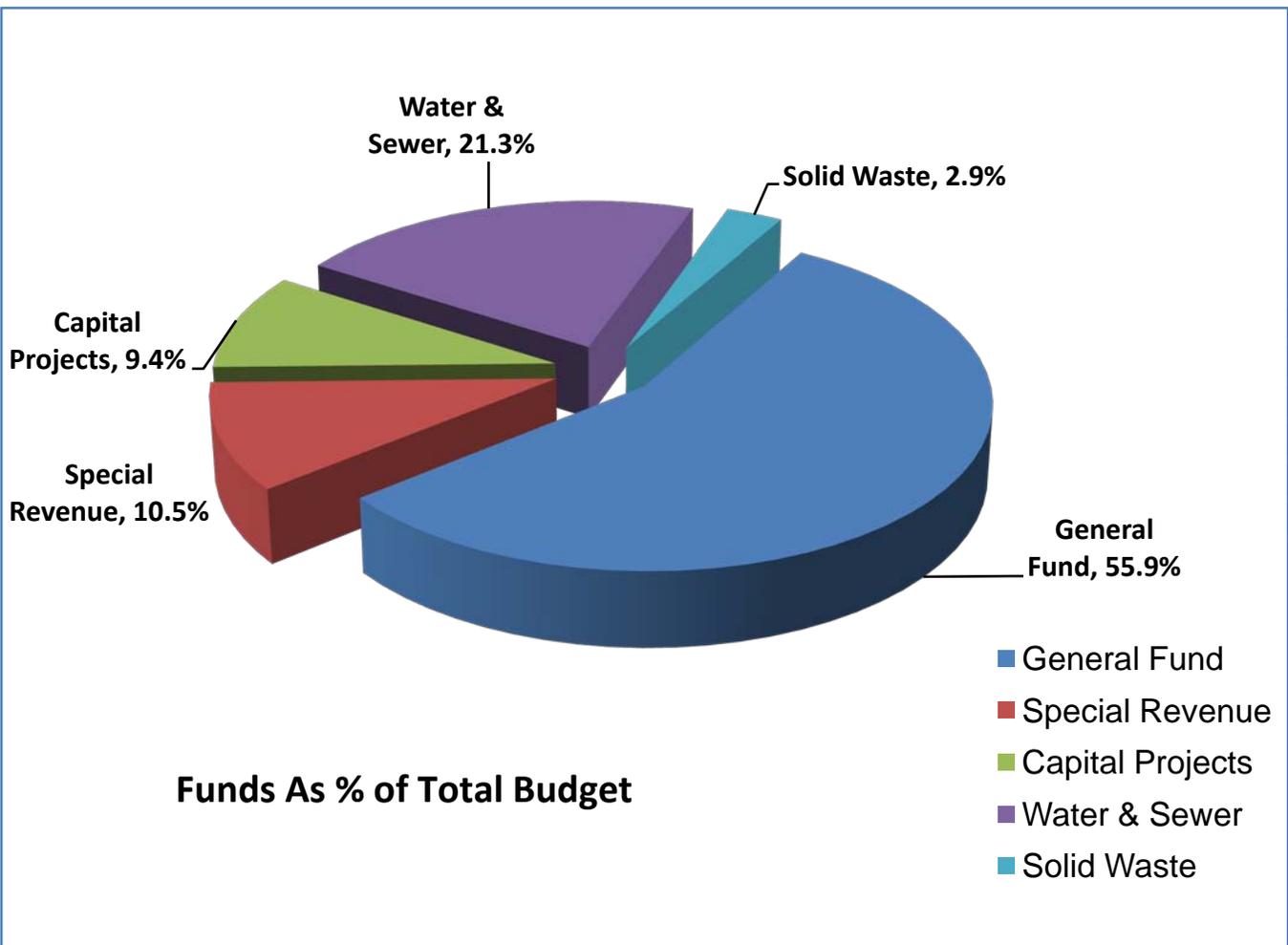
	2011-2012	2012-2013	2013-2014	2014-2015
REVENUES	16,515,523	16,507,165	19,976,276	20,261,928
EXPENDITURES	17,074,724	16,853,628	19,976,276	20,261,928
NET REVENUES (EXPENDITURES)	(559,201)	(346,461)	-	-
<b>TOTAL FY 2015 BUDGET</b>				<b>20,261,928</b>

<u>PERCENTAGE CHANGE : EACH FUND</u>	FY 2013-2014 BUDGET	FY 2014-2015 BUDGET	% Change
General Fund	\$ 11,466,401	\$ 11,316,680	-1.3%
Special Revenue	2,148,875	2,120,138	-1.3%
Capital Projects	1,455,500	1,906,690	31.0%
Water & Sewer	4,198,000	4,321,000	2.9%
Solid Waste	595,000	597,420	0.4%
<b>Total Budget</b>	<b>\$ 19,863,776</b>	<b>\$ 20,261,928</b>	<b>2.0%</b>



**Funds As % of Total Budget**

FUND	FY 2013-2014 BUDGET	FY 2014-2015 BUDGET	% Change
General Fund	\$ 11,466,401	\$ 11,316,680	-1.3%
Special Revenue	2,148,875	2,120,138	-1.3%
Capital Projects	1,455,500	1,906,690	31.0%
Water & Sewer	4,198,000	4,321,000	2.9%
Solid Waste	595,000	597,420	0.4%
<b>Total Budget</b>	<b>\$ 19,863,776</b>	<b>\$ 20,261,928</b>	<b>2.0%</b>



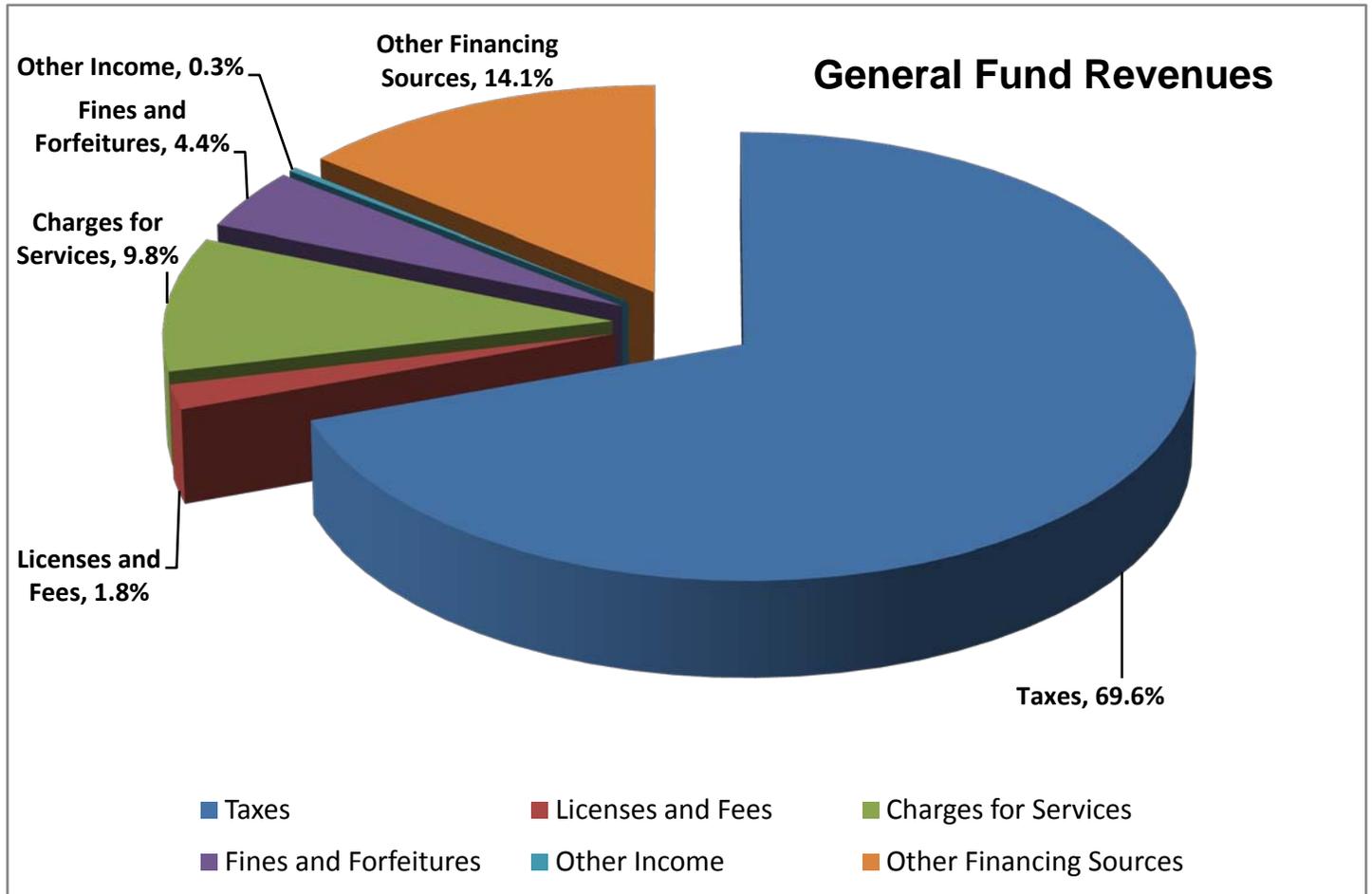
**FY 2015 BUDGET  
GENERAL FUND**

The General Fund is the general operations fund which includes all major services except utilities.

**General Fund**  
**SUMMARY OF MAJOR REVENUES**

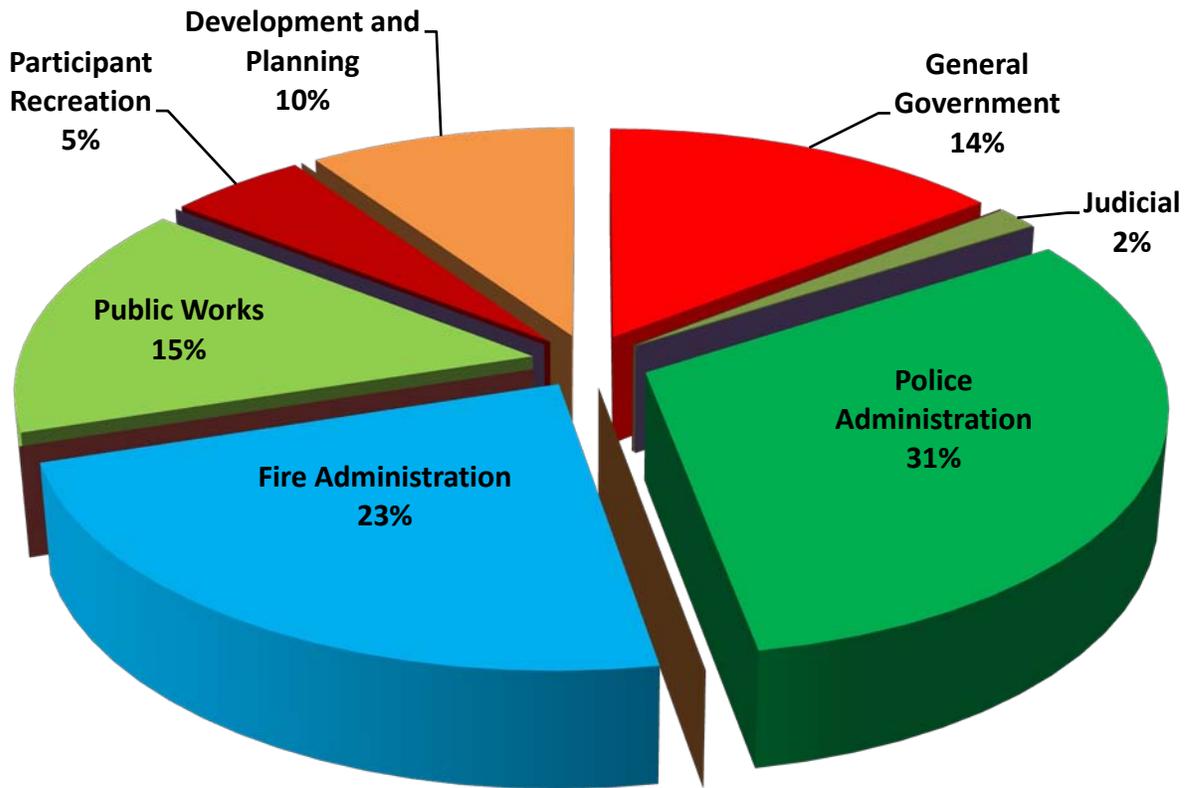
	FY 2012-2013 BUDGET	FY 2013-2014 BUDGET	FY 2014-2015 BUDGET	% CHANGE
Taxes	\$ 8,580,900	\$ 8,510,500	\$ 7,872,900	-7.5%
Licenses and Fees	222,700	223,000	203,000	-9.0%
Charges for Services	1,327,135	1,091,549	1,108,341	1.5%
Fines and Forfeitures	400,000	500,000	500,000	0.0%
Other Income	236,200	25,500	35,600	39.6%
Other Financing Sources	1,107,955	1,115,852	1,596,839	43.1%
<b>Total Revenues</b>	<b>\$ 11,874,890</b>	<b>\$ 11,466,401</b>	<b>\$ 11,316,680</b>	<b>-1.3%</b>

# Includes various interfund transactions, debt proceeds, etc



**GENERAL FUND  
EXPENDITURE BY MAJOR FUNCTION**

	FY 2012-2013	FY 2013-2014	FY 2014-2015	Change
General Government	\$ 1,920,026	\$ 1,784,113	\$ 1,992,450	11.7%
Judicial	364,849	167,829	194,341	15.8%
Police Administration	3,489,104	3,564,180	3,062,496	-14.1%
Fire Administration	2,917,334	2,605,355	2,783,440	6.8%
Community Services	1,834,795	1,753,471	1,643,059	-6.3%
Participant Recreation	563,890	591,254	559,813	-5.3%
Development and Planning	784,892	1,000,199	1,081,081	8.1%
<b>Total Expenditures</b>	<b>\$ 11,874,890</b>	<b>11,466,401</b>	<b>\$ 11,316,680</b>	<b>-1.3%</b>



**General Fund Expenditures**

**GENERAL FUND****EXPENDITURES BY ORGANIZATIONAL UNIT**

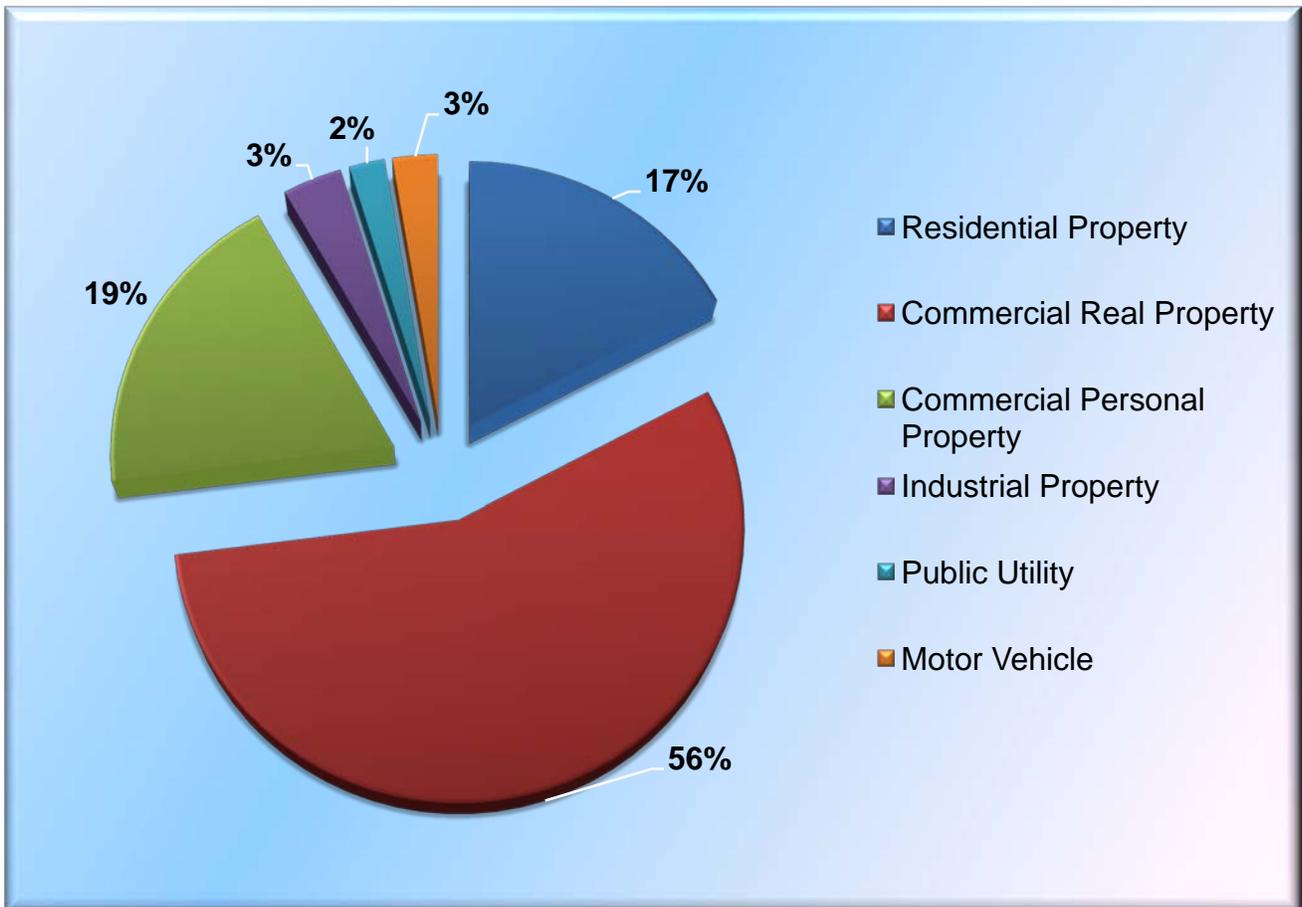
	2012-2013 BUDGET	2013-14 REQUESTED	2013-14 REQUESTED	% Change
<b>LEGISLATIVE</b>				
CITY COUNCIL	35,736	36,736	131,586	258.2%
MAYOR	12,043	18,793	19,043	1.3%
ELECTIONS	-	8,928	500	-94.4%
CITY CLERK	107,948	100,242	98,037	-2.2%
<b>FINANCE &amp; ADMINISTRATION</b>				
FINANCE & ADMINISTRATION	1,581,578	1,018,168	878,729	-13.7%
LEGAL SERVICES	160,000	170,000	155,000	-8.8%
INFORMATION TECHNOLOGY	-	-	409,359	
HUMAN RESOURCES	163,221	356,246	289,196	-18.8%
<b>POLICE ADMINISTRATION</b>	3,304,447	3,395,701	2,917,858	-14.1%
MUNICIPAL COURT	204,849	167,829	194,341	15.8%
INSPECTIONS	-	-	-	
CODE ENFORCEMENT	184,657	168,479	144,638	-14.2%
<b>FIRE ADMINISTRATION</b>	2,917,334	2,605,355	2,783,440	6.8%
<b>PARTICIPANT RECREATION</b>	563,890	591,254	559,813	-5.3%
<b>COMMUNITY SERVICES</b>				
HIGHWAY AND STREETS	968,656	907,932	789,768	-13.0%
PARK AREAS & GROUNDS	866,139	845,539	853,291	0.9%
<b>PLANNING &amp; ECONOMIC DEVELOPMENT</b>				
PLANNING & ZONING	89,000	90,000	87,250	-3.1%
ECONOMIC DEVELOPEMENT	664,392	870,199	953,831	9.6%
MAIN STREET	51,000	40,000	40,000	0.0%
<b>INTERFUND TRANSACTIONS</b>	-	75,000	11,000	-85.3%
<b>TOTAL: EXPENDITURES</b>	<b>11,874,890</b>	<b>11,466,401</b>	<b>11,316,680</b>	<b>-1.3%</b>

**EXPENDITURES BY MAJOR ORGANIZATIONAL UNIT**

6-03-2013 0 MAY 31ST, 2013	2012-2013 BUDGET	2013-14 REQUESTED	2013-14 REQUESTED
<b>LEGISLATIVE</b>	155,727	164,699	249,166
<b>FINANCE &amp; ADMINISTRATION</b>	1,904,799	1,544,414	1,732,284
<b>POLICE ADMINISTRATION</b>	3,693,953	3,732,009	3,256,837
<b>FIRE ADMINISTRATION</b>	2,917,334	2,605,355	2,783,440
<b>PARTICIPANT RECREATION</b>	563,890	591,254	559,813
<b>COMMUNITY SERVICES</b>	1,834,795	1,753,471	1,643,059
<b>PLANNING &amp; ECONOMIC DEVELOPMNT</b>	804,392	1,000,199	1,081,081
<b>INTERFUND TRANSACTIONS</b>	-	75,000	11,000
<b>TOTAL</b>	<b>11,874,890</b>	<b>11,466,401</b>	<b>11,316,680</b>

**GENERAL FUND: PROPERTY TAXES  
ASSESSED VALUE OF TAXABLE PROPERTY**

	FY 2012-13	FY 2013-14	FY 2014-15	% Total
Residential Property	\$ 39,722,520	\$ 41,617,080	\$ 46,151,350	17.25%
Commercial Real Property	149,074,650	145,358,690	149,120,850	55.74%
Commercial Personal Property	64,110,140	57,379,520	50,234,410	18.78%
Industrial Property	3,709,280	4,295,200	9,342,080	3.49%
Public Utility	6,958,930	6,895,880	5,585,087	2.09%
Motor Vehicle	8,258,170	8,426,420	7,102,350	2.65%
<b>Total Taxable Property</b>	<b>\$271,833,690</b>	<b>\$ 263,972,790</b>	<b>\$ 267,536,127</b>	<b>100.00%</b>



## TAX DIGEST FOR CITY OF HAPEVILLE 2008- 2014

	2008	2009	2010	2011	2012	2013	Preliminary 2014
<b>Real &amp; Personal</b>	<b>328,488,835</b>	<b>307,294,312</b>	<b>286,843,486</b>	<b>263,245,516</b>	<b>265,309,411</b>	<b>255,546,370</b>	<b>260,452,867</b>
<b>Residential</b>	<b>96,232,880</b>	<b>91,194,780</b>	<b>70,509,990</b>	<b>47,329,540</b>	<b>39,851,960</b>	<b>41,614,540</b>	<b>41,151,360</b>
<b>Commercial</b>	<b>223,100,425</b>	<b>206,515,662</b>	<b>216,333,496</b>	<b>215,915,976</b>	<b>225,457,451</b>	<b>213,931,830</b>	<b>219,301,507</b>
<b>Motor Vehicles</b>	<b>9,155,530</b>	<b>9,583,870</b>	<b>31,045,390</b>	<b>8,666,570</b>	<b>8,258,170</b>	<b>8,428,420</b>	<b>7,102,350</b>
<b>Gross Digest</b>	<b>328,488,835</b>	<b>307,294,312</b>	<b>286,843,486</b>	<b>271,912,086</b>	<b>265,309,411</b>	<b>263,974,790</b>	<b>267,555,217</b>
<b>Less M&amp;O Exemption</b>	<b>(789,530)</b>	<b>(1,183,350)</b>	<b>(1,234,570)</b>	<b>(1,357,480)</b>	<b>(1,481,880)</b>	<b>(1,300,140)</b>	<b>(55,200)</b>
<b>Net M&amp;O Digest</b>	<b>327,699,305</b>	<b>306,110,962</b>	<b>285,608,916</b>	<b>270,554,606</b>	<b>263,827,531</b>	<b>262,674,650</b>	<b>267,500,017</b>
<b>Net M&amp;O Millage</b>	<b>16.61</b>						
<b>Net Taxes Levied</b>	<b>5,443,085</b>	<b>5,084,503</b>	<b>4,743,964</b>	<b>4,493,912</b>	<b>4,382,175</b>	<b>4,363,026</b>	<b>4,443,175</b>
<b>Net Tax Inc / (Dec)</b>	<b>327,713</b>	<b>(358,582)</b>	<b>(340,539)</b>	<b>(250,052)</b>	<b>(111,737)</b>	<b>(130,886)</b>	<b>61,000</b>
<b>Net % Inc /(Dec)</b>	<b>6.22%</b>	<b>-6.28%</b>	<b>-6.70%</b>	<b>-5.27%</b>	<b>-2.49%</b>	<b>-2.91%</b>	<b>1.39%</b>
<b>Residential tax Yield</b>	<b>1,598,428</b>	<b>1,514,745</b>	<b>1,171,171</b>	<b>786,144</b>	<b>661,941</b>	<b>691,218</b>	<b>683,524</b>

## Millage Yields

1 mill yield - all property	327,699	306,111	285,609	270,555	263,828	262,675	267,500
1 mill yield - all residential	96,233	91,195	70,510	47,330	39,852	41,615	41,151
1 mill yield - each residential	47.10	44.16	33.98	22.78	19.11	20.02	19.81

Residential real property makes up about 15 % of all taxable property. 85% is commercial.

The yield from residential property has declined from \$1,598,428 to \$683,524, almost \$1 million.

The average residential tax bill has declined from \$782.39 per residence in 2008 to \$329.09 in 2014

Including homestead exemption the average bill drops to \$250, a decline of \$532