



BUDGET WORKSHOP PRESENTATION

MAY 24, 2017

Presentation Outline



- I. Budget Process Overview
- II. Budget Highlights
- III. Financial Overview
- IV. City Operations by Department
- V. Budget Assumptions
- VI. Options & Policy Decisions
- VII. Conclusion / City Council Questions

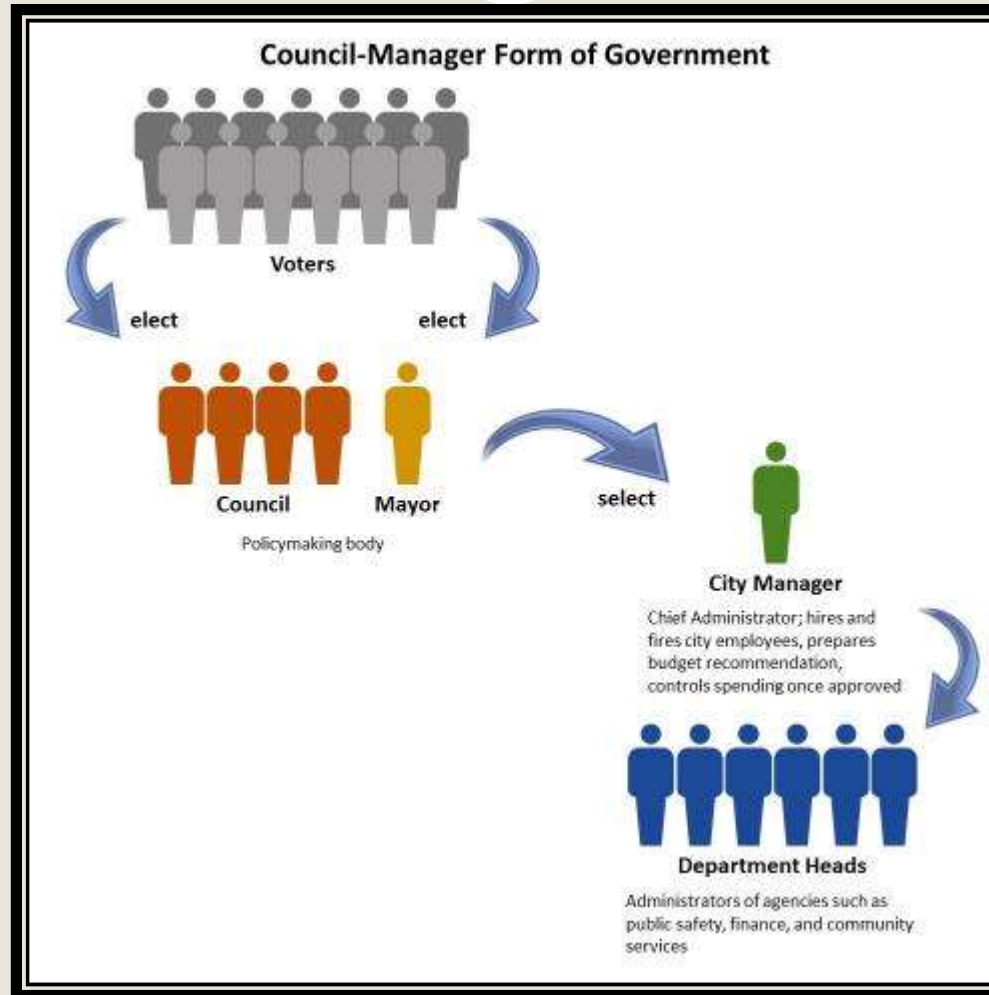
Budget Process Overview



COUNCIL-MANAGER FORM OF GOVERNMENT – exhibit 1
BUDGET PROCESS TIMELINE

Budget Process Overview

exhibit 1



Budget Process Overview



- **Budget Process Timeline – January 2017 – June 2017**
 - Financial Analysis Revenues/Expenses/Operations/Capital
 - Citizen Chalkboard
 - Department Head Requests to City Manager
 - Multiple Revision to Requests
 - City Manager Recommendations to Council
 - Council Direction & Public Input
 - Adoption of Budget—by June 30

Budget Highlights



COMPARISON CHART – exhibit 2
SUMMARY OF REVENUES – exhibit 3
SUMMARY OF EXPENSES – exhibit 4
HATT RESTRUCTURING – exhibit 5

Budget Comparison



exhibit 2

EXPENDITURES	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 YEAR-TO- DATE	2018 DEPARTMENT HEAD REQUEST	2018 CITY MANAGER RECOMMENDATION
GENERAL FUND	9,794,970	11,365,301	11,938,800	10,012,440	12,555,843	11,726,850
SPECIAL REVENUE FUND	113,917	144,971	111,000	114,686	12,650	126,000
TRADE & TOURISM FUND	1,017,025	980,136	943,748	1,029,347	1,573,262	1,952,751
CAPITAL PROJECTS FUND	957,584	1,133,938	4,062,000	529,307	10,560,700	9,584,760
T-SPLOST	-	-	-	-	1,200,000	1,200,000
WATER & SEWER	3,931,647	4,673,484	4,411,000	3,893,044	4,486,006	4,589,123
SOLID WASTE/RECYCLING	467,384	547,776	532,000	441,730	492,523	475,841
STORMWATER FUND	-	-	-	446	201,774	174,615
TOTAL	16,282,527	18,845,606	22,241,048	15,995,378	31,082,758	29,829,940

Summary of Revenues FY 2013 –18 All Funds



exhibit 3

REVENUES	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2018 REQUESTED
GENERAL FUND	10,764,276	10,481,477	9,891,110	11,786,936	11,938,800	11,730,725
SPECIAL REVENUE FUND	1,189,498	220,195	114,563	132,851	111,000	126,650
TRADE & TOURISM FUND	-	1,119,736	1,320,645	1,419,563	1,430,314	1,670,000
CAPITAL PROJECTS FUND	1,227,991	859,825	957,584	1,133,938	4,062,000	9,584,760
T-SPLOST	-	-	-	-	-	1,200,000
WATER & SEWER	3,835,422	5,057,374	8,831,458	4,941,540	4,411,000	4,625,000
SOLID WASTE/RECYCLING	2,072,699	499,282	525,364	535,490	532,000	535,775
STORMWATER FUND	-	-	-	-	-	200,000
TOTAL	19,089,886	18,237,889	21,640,724	19,950,318	22,485,114	29,672,910

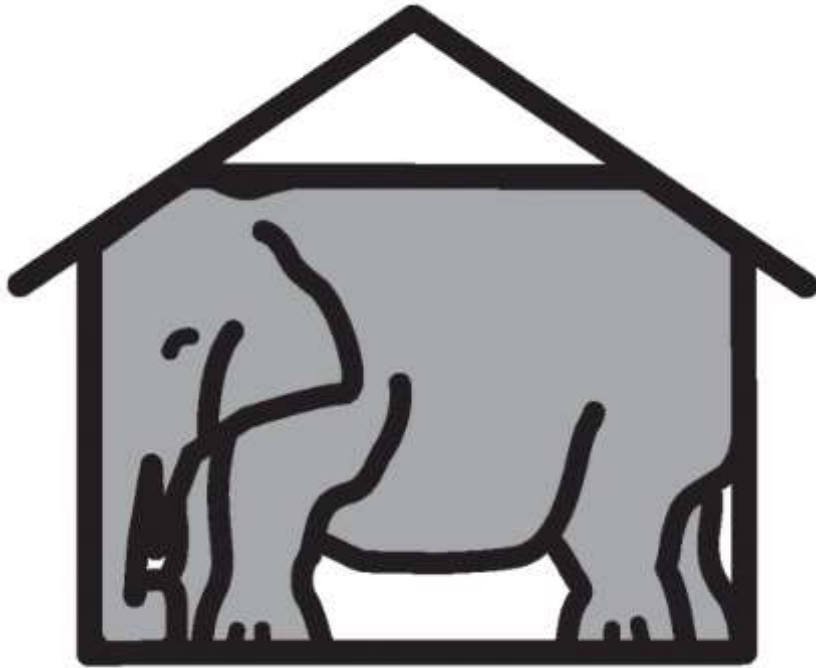
Summary of Expenses FY 2013 –18 All Funds

exhibit 4

EXPENDITURES	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2018 REQUESTED
GENERAL FUND	11,468,591	11,048,521	9,794,970	11,365,301	11,938,800	11,726,850
SPECIAL REVENUE FUND	1,200,969	203,602	113,917	144,971	113,500	126,000
TRADE & TOURISM FUND	-	930,167	1,017,025	980,136	943,748	1,952,751
CAPITAL PROJECTS FUND	1,413,254	859,824	957,584	1,133,938	3,945,000	9,584,760
T-SPLOST	-	-	-	-	-	1,200,000
WATER & SEWER	4,732,747	3,469,870	3,931,647	4,673,484	4,411,000	4,589,123
SOLID WASTE/RECYCLING	587,099	561,813	467,384	547,776	532,000	475,841
STORMWATER FUND	0	0	0	0	357,000	174,615
TOTAL	19,089,886	17,073,797	16,282,527	18,845,606	22,241,048	29,829,940

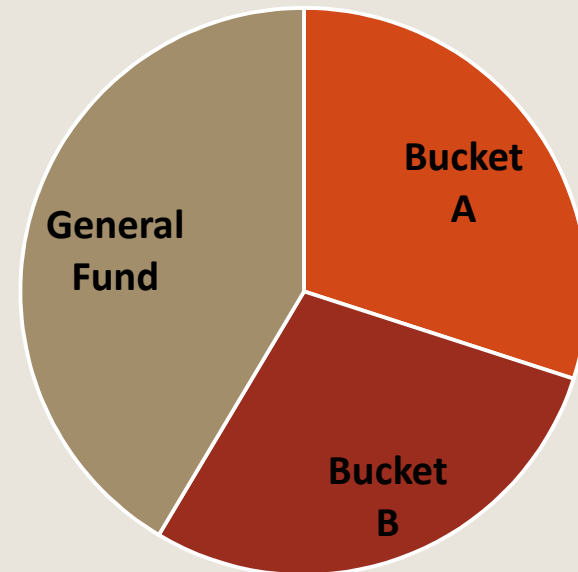
HATT Restructuring

exhibit 5



**ELEPHANT
IN THE ROOM**

Distribution of Hotel/Motel Tax
Expenditures



- Bucket A - 29.98% (Restricted) - est. \$856,000
- Bucket B - 28.58% (Restricted) - est. \$814,000
- General Fund - 41.44% (Unrestricted) - est- \$1,180,000

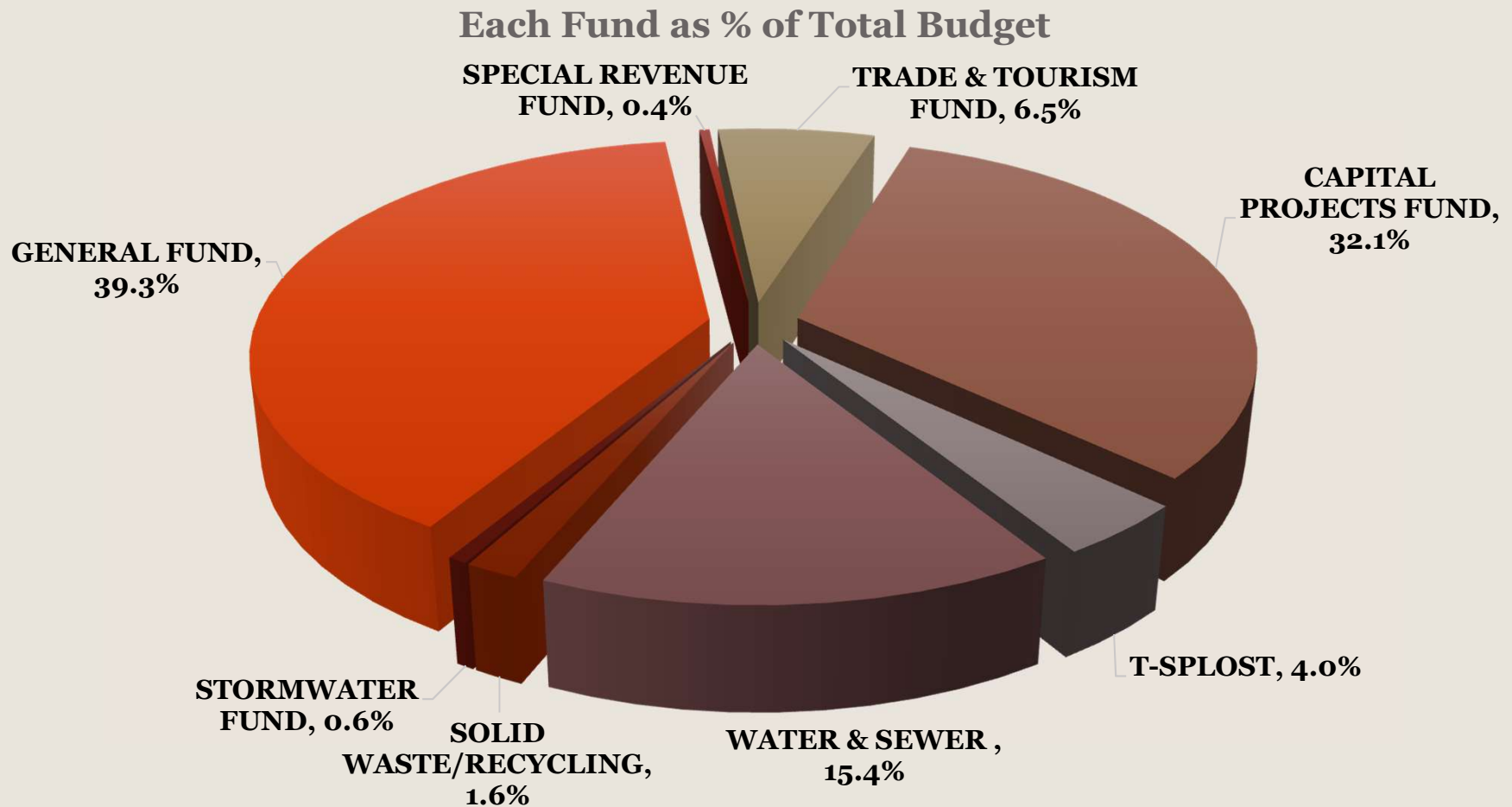
Financial Overview



EACH FUND AS % OF TOTAL BUDGET – exhibits 6-7
GENERAL FUND EXPENDITURES BY FUNCTION –exhibits 8-9
GENERAL FUND PERSONNEL COSTS – exhibits 10-12
PROPERTY TAX VALUE TRENDS – exhibits 13-16
FUND BALANCE – exhibits 17-18

Each Fund: % of Total of Budget: FY 2018

exhibit 6



Each Fund: % of Total of Budget: FY 2014 -18

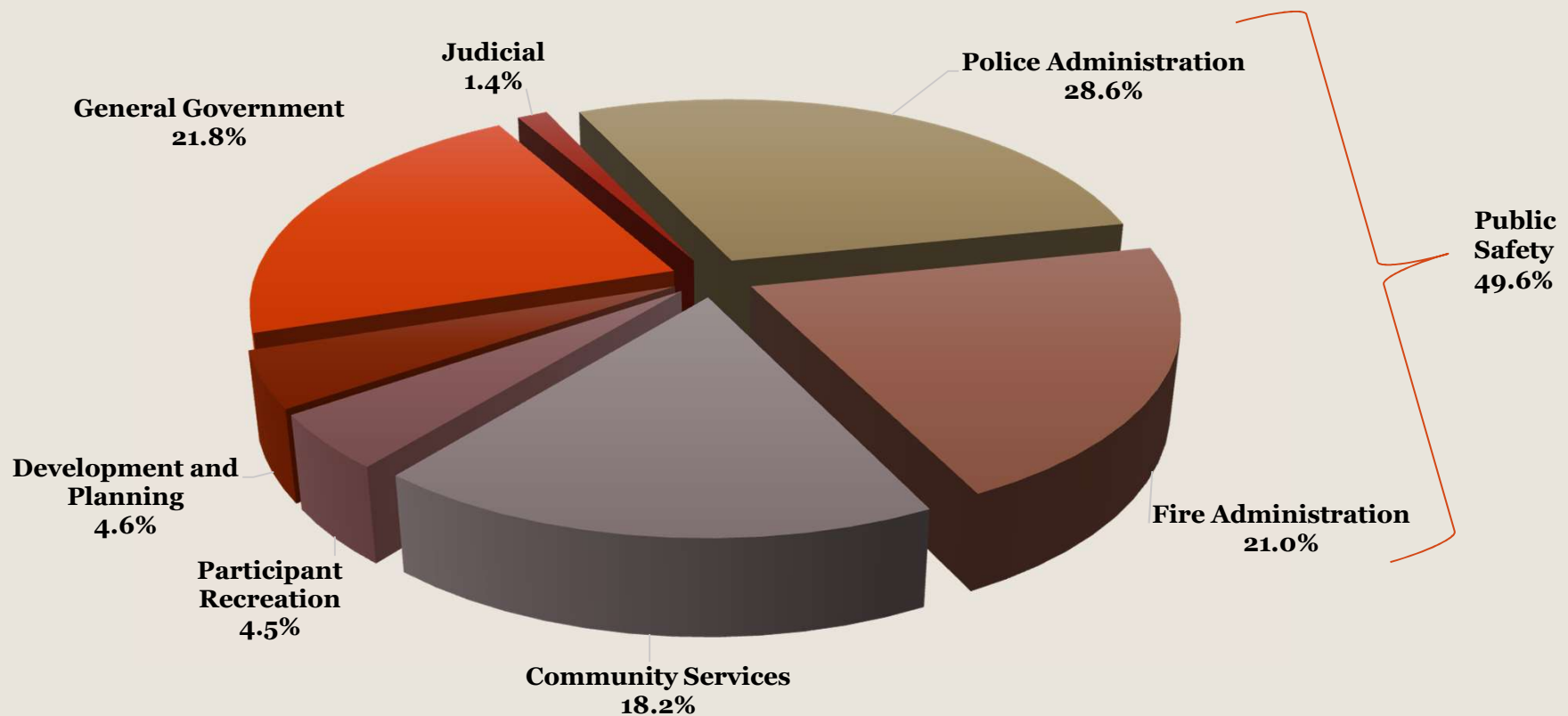
exhibit 7

	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2018 REQUESTED	% of Total
GENERAL FUND	11,048,521	9,794,970	11,365,301	11,938,800	11,726,850	39.3%
SPECIAL REVENUE FUND	203,602	113,917	144,971	113,500	126,000	0.4%
TRADE & TOURISM FUND	930,167	1,017,025	980,136	943,748	1,952,751	6.5%
CAPITAL PROJECTS FUND	859,824	957,584	1,133,938	3,945,000	9,584,760	32.1%
T-SPLOST	-	-	-	-	1,200,000	4.0%
WATER & SEWER	3,469,870	3,931,647	4,673,484	4,411,000	4,589,123	15.4%
SOLID WASTE/RECYCLING	561,813	467,384	547,776	532,000	475,841	1.6%
STORMWATER	-	-	-	-	174,615	0.6%
Total Budget	17,073,797	16,282,527	18,845,606	21,884,048	29,829,940	100.0%

General Fund Expenditures by Function

exhibit 8

General Fund Expenditures by Function



General Fund Expenditures by Function

exhibit 9

	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2018 REQUESTED	% Change
General Government	1,955,247	2,112,747	2,164,604	2,889,084	2,556,376	-11.5%
Judicial	142,996	160,537	137,512	152,060	159,639	5.0%
Police						
Administration	3,088,108	2,855,651	2,955,607	3,223,377	3,353,705	4.0%
Fire						
Administration	2,585,143	2,379,663	3,450,370	2,340,290	2,457,251	5.0%
Community Services	1,787,467	1,667,322	2,056,024	2,327,142	2,137,052	-8.2%
Participant Recreation	523,467	513,482	503,713	617,215	525,842	-14.8%
Development and Planning	966,094	105,569	97,474	389,632	536,985	37.8%
Total Expenditures	11,048,522	9,794,970	11,365,304	11,938,800	11,726,850	-1.8%

General Fund Personnel Cost

exhibit 10

Personnel Cost as % of General Fund



General Fund Personnel Cost



exhibit 11

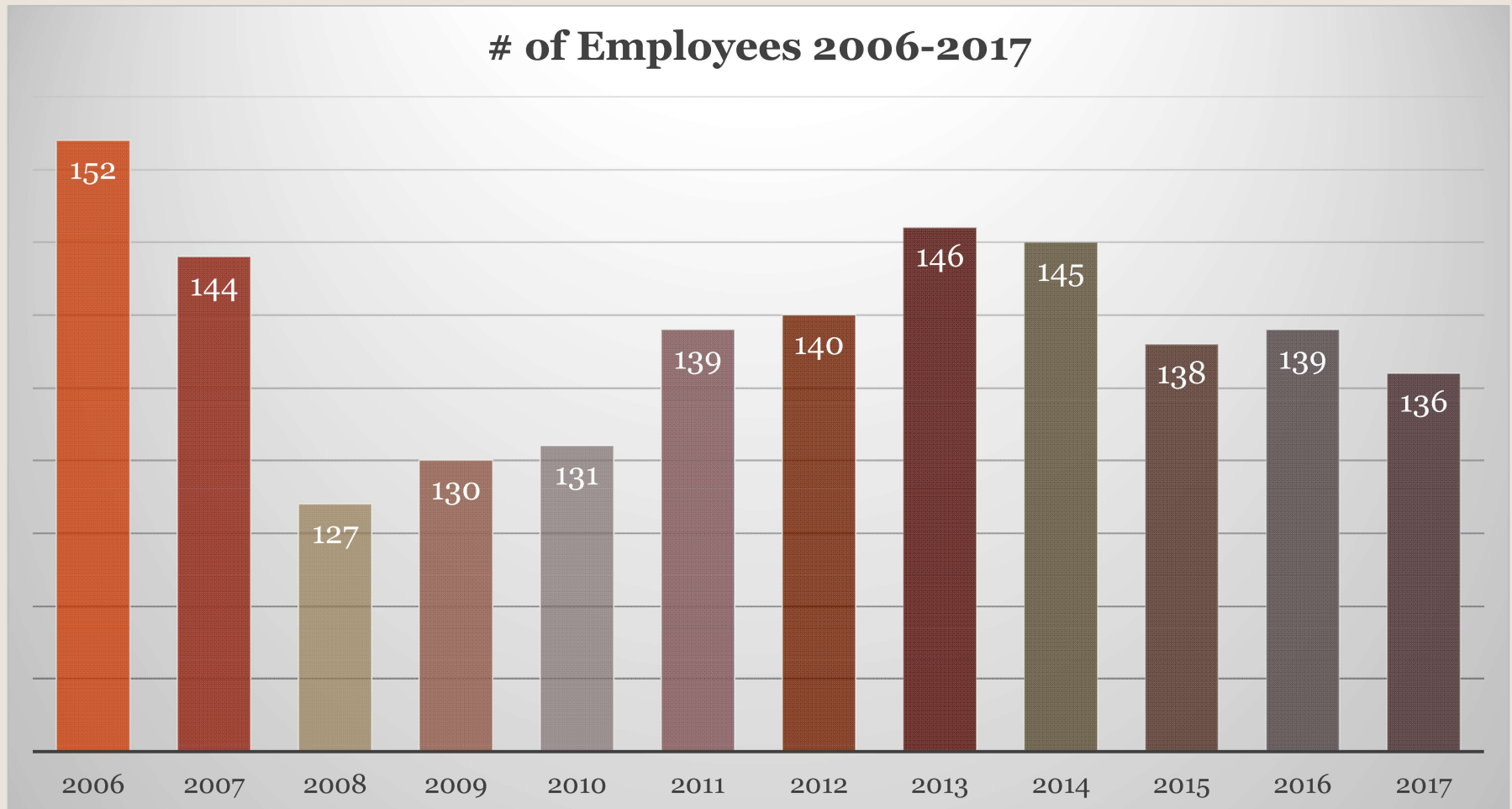
Department	Personnel Cost	Total GF Expenditures	Personnel %
General Government	965,876	2,556,376	38%
Judicial	59,584	159,639	37%
Police Administration	2,729,037	3,353,705	81%
Fire Administration	2,092,201	2,457,251	85%
Community Services	815,297	2,137,052	38%
Participant Recreation	366,552	525,842	70%
Development and Planning	263,635	536,985	49%
Total	7,292,182	11,726,850	62%

Employees



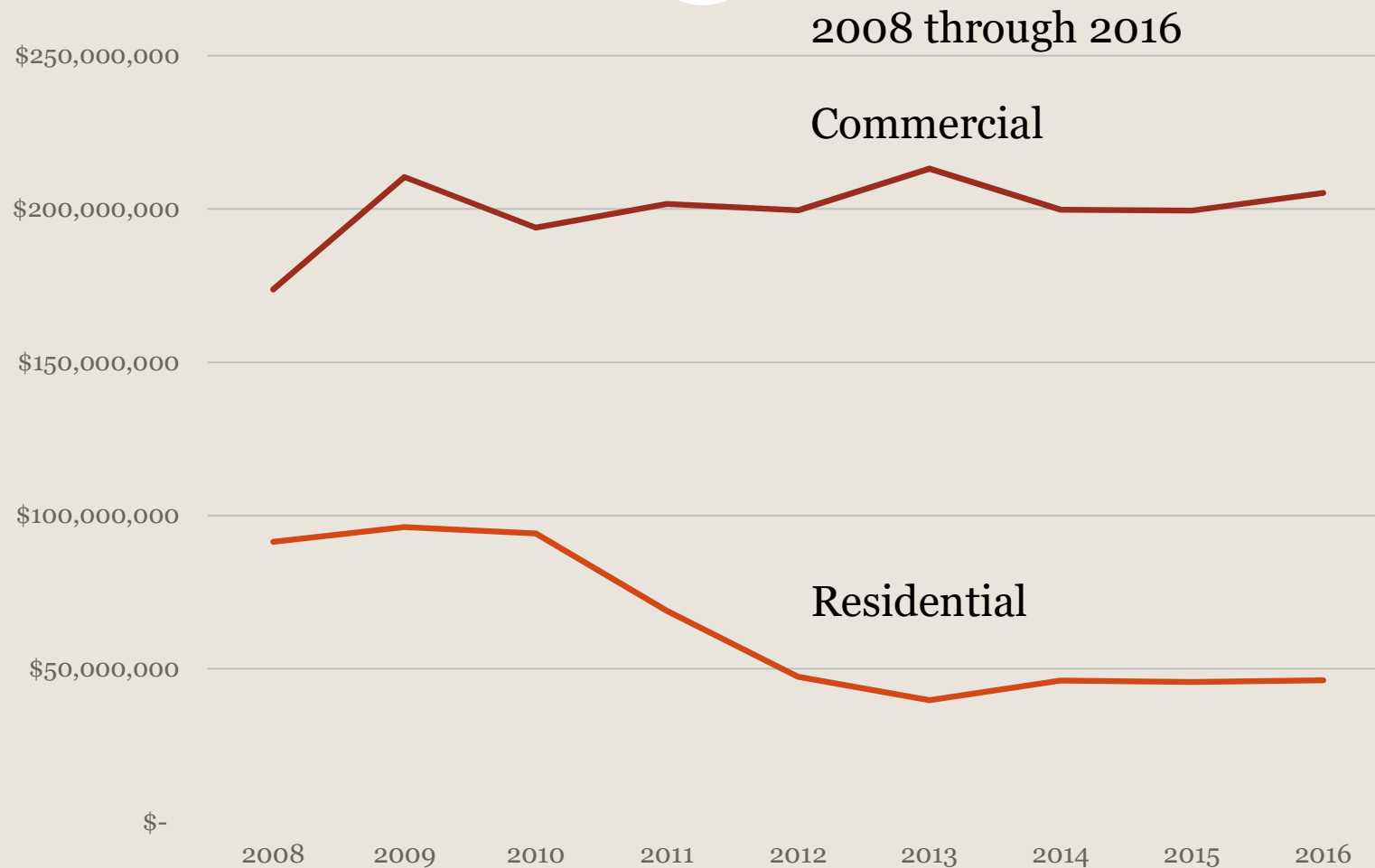
exhibit 12

of Employees 2006-2017



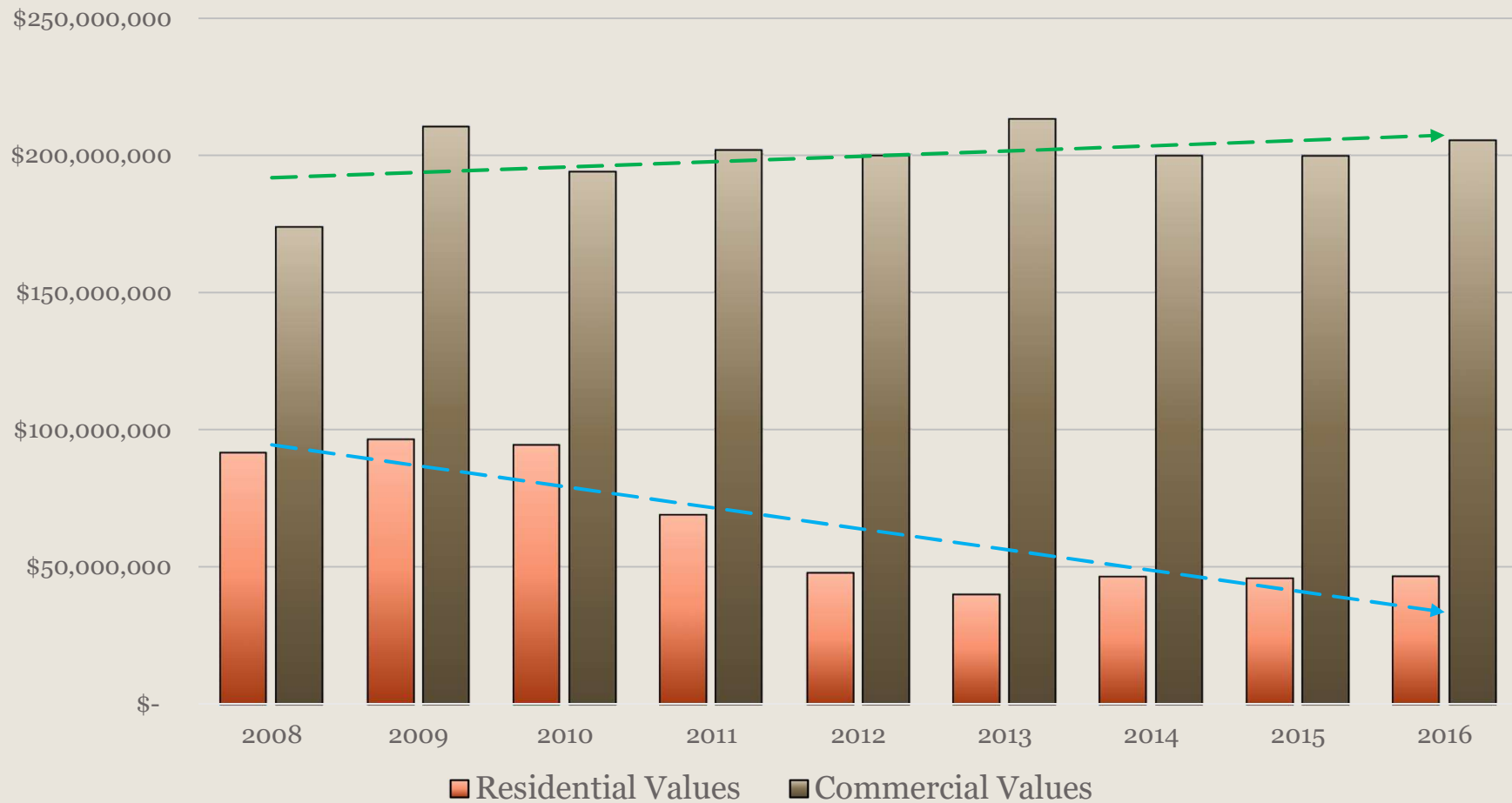
Property Tax Value Trends

exhibit 13



Property Tax Value Trends

exhibit 14



Property Tax Value Trends

exhibit 15

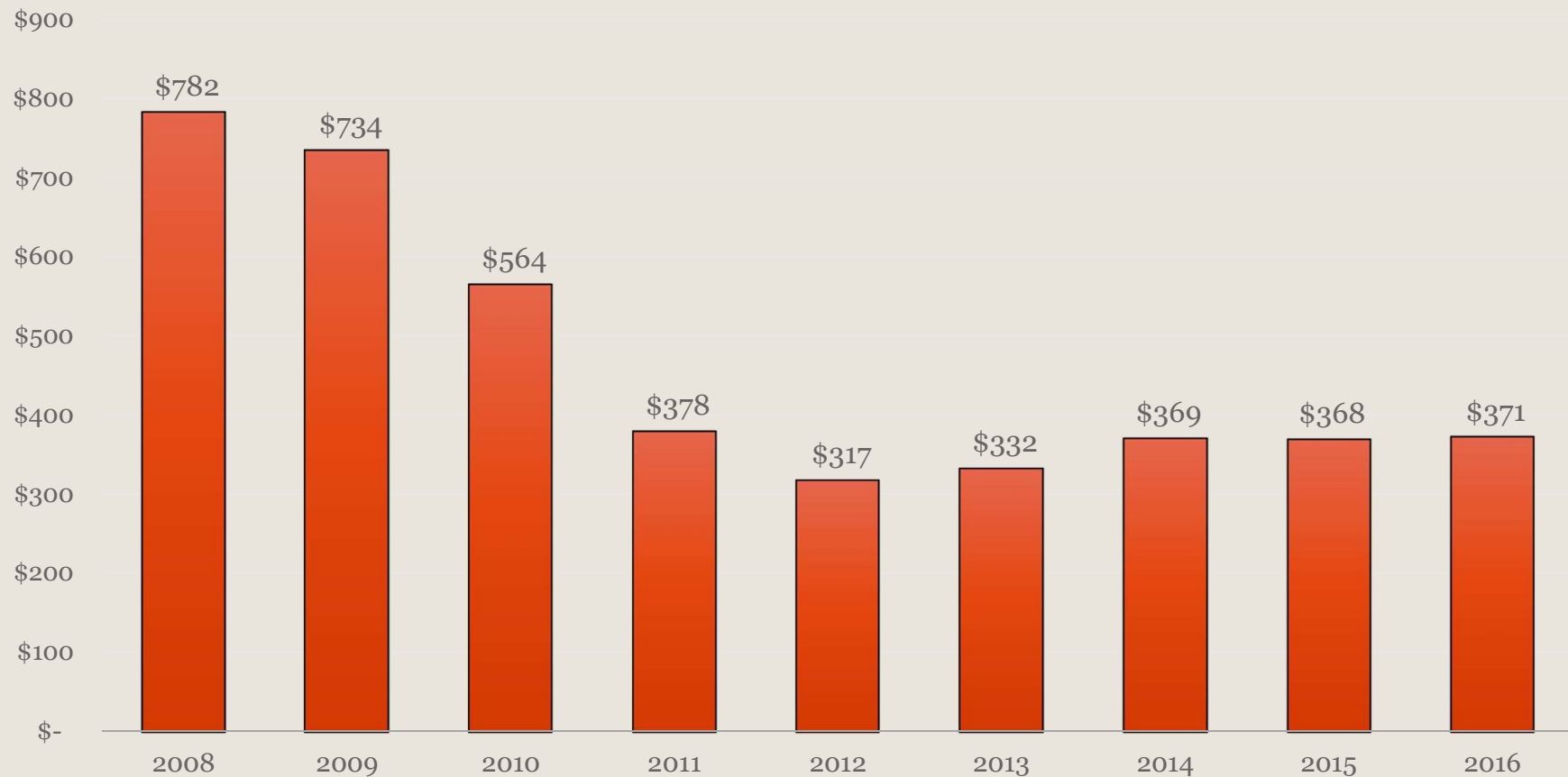
	2008	2009	2010	2011	2012	2013	2014	2015	2016	Cumulative Change	% Change
Residential Tax Value (in 000)	96,233	91,195	70,510	47,330	39,852	41,615	46,202	45,820	46,282	(49,951)	-52%
Residential Units	2,043	2,065	2,075	2,078	2,085	2,079	2,077	2,070	2,070		
Ave Res Assessed Value	47,104	44,162	33,981	22,776	19,114	20,017	22,244	22,135	22,359	(24,745)	-53%
Total Residential Revenue	1,598,428	1,514,745	1,171,171	786,144	661,941	691,218	767,409	761,078	768,747	(829,681)	-52%
Ave Residential Tax Bill	\$ 782.39	\$ 733.53	\$ 564.42	\$ 378.32	\$ 317.48	\$ 332.48	\$ 369.48	\$ 367.67	\$ 371.38	\$ (411.01)	-53%
Residential - Annual %	-	-5.20%	-22.70%	-32.90%	-15.80%	4.40%	-1.10%	-0.49%	1.01%	-152.53%	
Commercial Values (in 000)	223,100	216,100	216,333	215,916	225,457	213,932	209,148	208,530	221,758	-1%	-1%

Residential Tax Bill Decrease

exhibit 16



Residential Property Tax Bill: 2008-2016

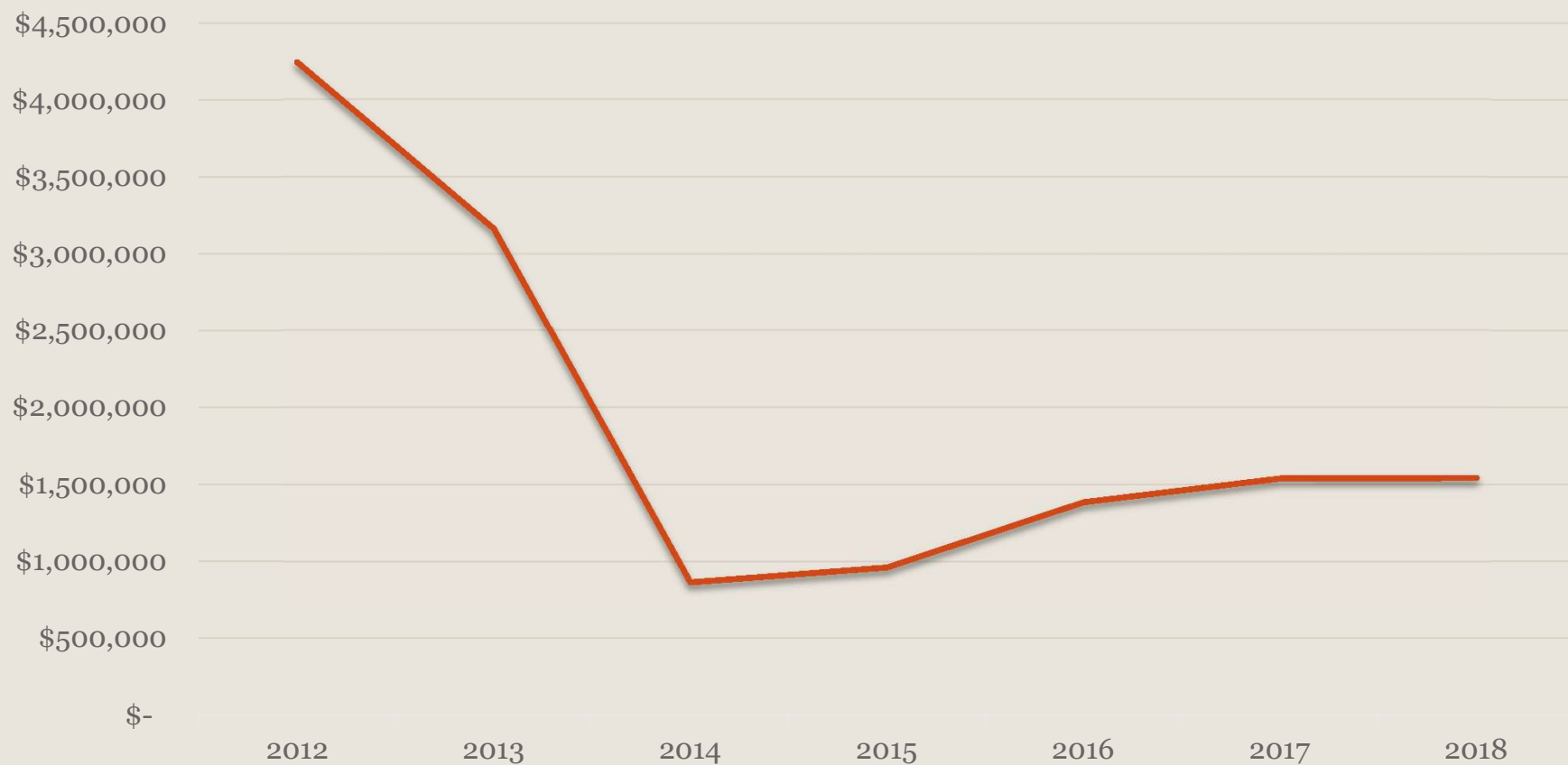


Changes in Fund Balance



exhibit 17

Changes in Fund Balance 2012-2018



Changes in Fund Balance FY 2014 – FY 2018

exhibit 18

	FY 2014	FY 2015	FY 2016	BUDGET 2017	PROPOSED 2018
Revenues:	10,481,475	9,891,114	11,786,937	11,938,800	11,730,725
Expenditures:	11,048,521	9,794,968	11,365,304	11,783,800	11,726,850
Net Revenues	(567,046)	96,147	421,633	155,000	3,875
Fund Balance, Beginning of Year	2,343,243	868,090	964,235	1,385,868	1,540,868
Net Increase (Decrease)	(1,475,153)	96,145	421,633	155,000	3,875
Fund Balance, End of Year	868,090	964,235	1,385,868	1,540,868	1,544,743

City Operations by Department



PUBLIC SAFETY
COMMUNITY SERVICES – exhibits 19-20
RECREATION
FINANCE
PLANNING & DEVELOPMENT
ADMINISTRATION
IT
HATT – exhibits 21-23
LEGAL – exhibits 24-25



What does this budget address?

Limited Nice to Have's (icing)

Functions to enhance competitive edge (top layer)

Sustainability and compliance efforts (middle layer)

Basic Functions (bottom layer)

Budget Choices?





What Does this Budget Achieve?

Balanced Budget

Maintains Staffing Levels

Plans for Growth

Maximizes Efficiencies

Does More With Less

- Sustainability & Stability
- Maintaining Service Levels
- Achieving New Goals Through:
 - Cost recovery improvements
 - New software to improve operations and efficiencies
 - Addressing some critical vehicle fleet improvements
 - Completing priority capital commitments
 - Responding to growth and increased market demands



The Citizen Chalkboard, a participatory budget program, draws upon the belief that residents should have a voice in helping make decisions about the city budget. The Chalkboard does so by encouraging citizens to express their priorities through a curated list of needed projects. This program is aimed at informing citizens about the City's budget history and process, receiving citizen input and feedback on preferences for project funding, and exchanging knowledge and ideas between both groups.

April 12 & 13, 2017



Second Annual Citizen Chalkboard

Citizen Chalkboard Summary



- Project Priorities as Identified by Citizens

Item	Status in Budget
Update Vehicle Fleet	◇ 2 Police Patrol Cars 2 Community Services Work Trucks
Staff Salary Increases	◇ Chain-of-command promotions for Fire Department
Police/Fire Replacement Radios	*
Police Mobile License Plate Readers	*
Fire Safety and Emergency Equipment	◇ Dry-cut circular extrication saws and composite cribbing
Paperless Court System	√
GIS Mapping Capabilities	√

√

Included in Proposed Budget

◇

Partially funded in current fiscal year.

*

Unable to fund in current fiscal year. Management will work on multi-year plan to address this need.



As members of the City of Hapeville Police Department, we are committed to the responsibility of serving and protecting all who live, work, and travel through our community. We will solve problems by creating partnerships within the community and conduct ourselves in a manner that brings respect to the department, to each other and to the people that we serve.

2017 FT Employees 43*

PT Employees 4

Seasonal 4

2018 FT Employees 44*

PT Employees 4

Seasonal 4

*** Includes Police Officers,
Communications, Court, and
Administrative positions**

NET CHANGE = +1 FT

+0 PT

+0 Seasonal



Police Department

Police Department



- Budget Highlights:
 - Two new patrol cars
 - +1 Full-time Employee
 - New Court Software to increase operational efficiencies

	FY 2014	FY 2015	FY 2016	BUDGET 2017	PROPOSED 2018	% CHANGE
Police						
Administration	2,963,336	2,726,492	2,820,378	3,080,538	3,192,275	3.6%
Code Enforcement	124,772	129,159	135,229	142,839	161,430	13.0%
Municipal Court	142,996	160,537	137,512	152,060	159,639	5.0%
Total	3,088,108	2,855,651	2,955,607	3,223,377	3,353,705	4.0%



The Hapeville Fire Department provides safe, professional services through education, prevention, emergency medical services, and community relations to preserve life and property within the City. The principal function of the Department is to provide services, such as fire suppression and emergency medical services, fire prevention along with public education, and hazardous materials decontamination as well as city-wide emergency management coordination.

2017 FT Employees 31

2018 FT Employees 31

NET CHANGE = 0



Fire Department

Fire Department



- **Budget Highlights:**

- Staff promotions to maintain appropriate chain-of-command
- Maintaining full staffing levels
- Purchase of composite cribbing and dry-cut circular extrication saws

	FY 2014	FY 2015	FY 2016	BUDGET 2017	PROPOSED 2018	% CHANGE
Fire Administration	2,585,142	2,379,663	3,450,370	2,340,290	2,457,251	5.0%



The Community Services Department oversees Highways and Streets and Parks, Grounds and Facilities in the General Fund. The Department also oversees the operations of the Water and Sewer utility and Sanitation Services.

2017 FT Employees 33

PT 2

2018 FT Employees 33

PT 2

NET CHANGE = 0



Community Services Department

Community Services



- **Budget Highlights:**

- 2 Replacement work trucks
- GIS Stormwater mapping

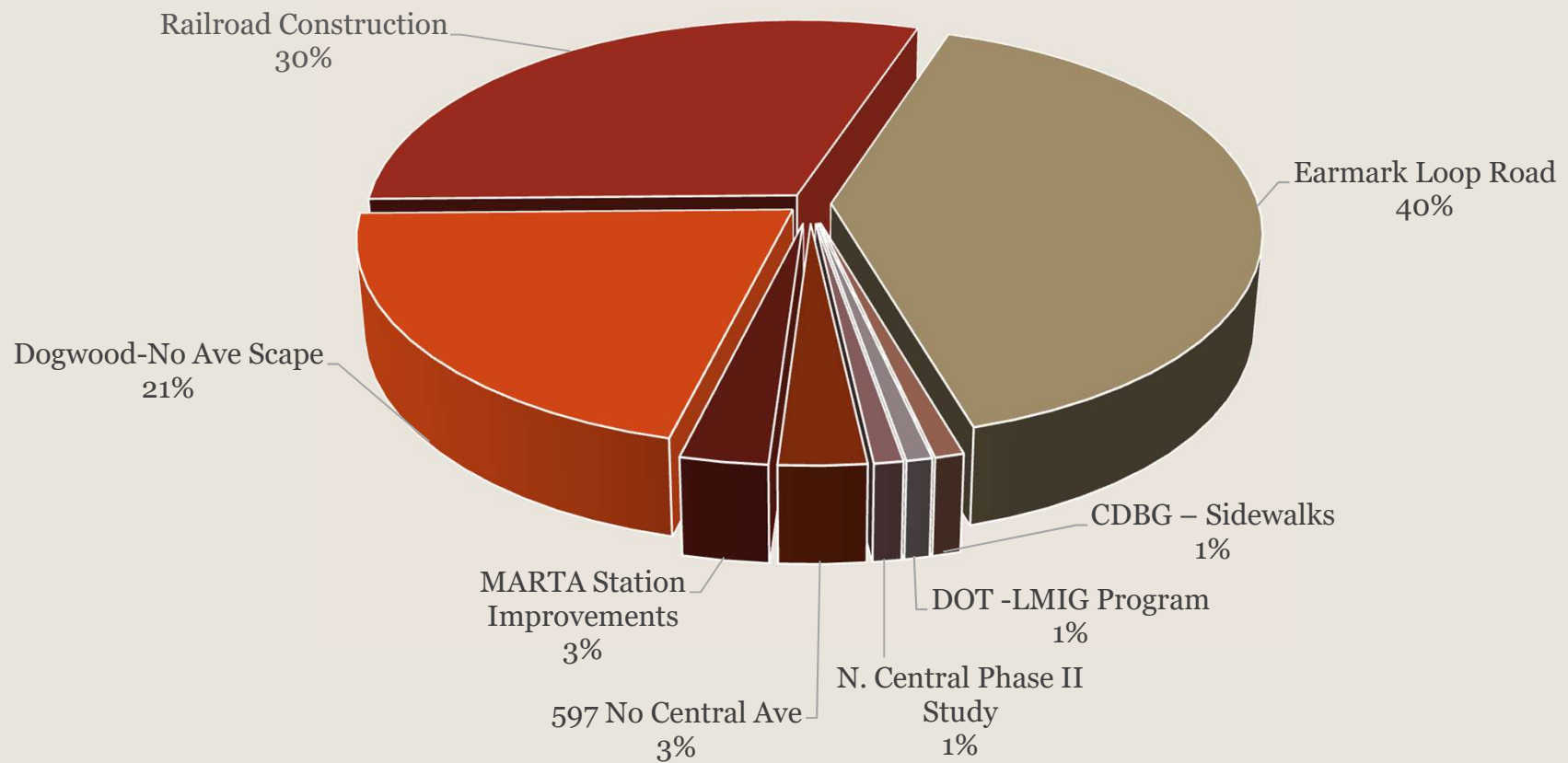
- Maintaining staffing levels
- Multiple Capital Projects

	FY 2014	FY 2015	FY 2016	BUDGET 2017	PROPOSED 2018	% CHANGE
Highway and Streets	894,057	865,284	1,344,519	1,354,527	1,149,293	-15.2%
Parks and Grounds	893,410	802,037	711,505	972,615	987,759	1.6%
Total Community Services	1,787,467	1,667,321	2,056,024	2,327,142	2,137,052	-8.2%
Water and Sewer Fund	3,469,870	3,931,637	4,673,484	4,411,000	4,589,123	4.0%
Stormwater Fund	-	-	-	-	174,615	N/A
Solid Waste Fund	561,814	478,434	500,723	532,000	475,841	-10.6%

Capital Projects

exhibit 19

Capital Projects FY2018 Requested Budget



Capital Projects



exhibit 20

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 BUDGET	2017-18 REQUEST
PROJECTS					
Dogwood-No Ave Scape	25,494	40,702	23,075	1,250,000	2,200,000
Railroad Construction	154,685	150,509	20,350	2,500,000	3,210,000
Earmark Loop Road No Central Ave Streetscape	16,970	87,040	37,296	100,000	4,262,300
	29,659	137,830	398,783	-	-
N.Fulton Streetscape	16,490	222,085	485,662	-	-
CDBG – Sidewalks	94,876	78,909	75,258	37,000	100,000
DOT -LMIG Program	77,718	4,218	70,882	75,000	88,400
N. Central Phase II Study	-	-	-	100,000	100,000
597 No Central Ave MARTA Station Improvements	-	132,443	18,105	-	300,000
	9,683	-	-	-	300,000
Other Projects	434,250	103,849	4,527	-	-
Total Capital Projects	859,825	957,585	1,133,938	4,062,000	10,560,700

T-SPLOST



- T-SPLOST revenues currently projected at \$1,200,000
- Full workshop planned in August 2017





The Hapeville Recreation Department serves the recreation needs of the community, regardless of age or program need. The Department provides learning and leisure time programs, operates and a wide variety of rental facilities and is committed to providing high quality experiences.

2017 FT Employees 5

PT Employees 6

Seasonal 12*

2018 FT Employees 5

PT Employees 6

Seasonal 12*

***Seasonal for Summer
Camp for June /July only**

NET CHANGE = 0



Recreation Department

Recreation Department



- **Budget Highlights:**
 - HATT restructuring
 - Maintain staffing levels
 - Continue participant recreation programs

	FY 2014	FY 2015	FY 2016	BUDGET 2017	PROPOSED 2018	% CHANGE
Participant Recreation	523,467	513,482	503,713	617,215	525,842	-14.8%



The Finance Department is responsible for the fiscal management for the City of Hapeville. The department is responsible for providing timely information to the City Manager on issues affecting the current and future financial affairs of the City. In addition, the department provides related support services to other City departments.

2017 FT Employees 4.5

2018 FT Employees 5.5*

**Reclassification of Employee*

NET CHANGE = +1*

**Reclassification of Employee*



Finance Department

Finance Department



- **Budget Highlights:**
 - Conversion of one employee to FTE to save City funds
 - RFP for City Auditor
 - Incorporates increased insurance costs after competitive bids

	FY 2014	FY 2015	FY 2016	BUDGET 2017	PROPOSED 2018	% CHANGE
Financial Administration	917,442	839,077	837,970	1,083,856	1,023,574	-5.6%



The Economic Development Department serves the City by working diligently to revitalize the City economically and culturally. Responsibilities include attracting investment, managing development, redevelopment, and cultural projects and services.

2017 FT Employees 3.5

2018 FT Employees 3.5

NET CHANGE = 0



Economic Development Department

Economic Development



- **Budget Highlights:**
 - HATT restructuring
 - Staff restructuring with emphasis on aggressive pursuit of grants and communications

	FY 2014	FY 2015	FY 2016	BUDGET 2017	PROPOSED 2018	% CHANGE
Economic Development	856,367	-	-	146,282	440,685	201.3%
Main Street	22,284	-	-	35,000	20,000	-42.9%
Total Econ Department	878,651	-	-	181,282	460,685	154.1%



The Planning & Zoning division assists the public and to direct and encourage quality community development in accordance with adopted policies, codes, and laws, which enhances the City, protects the environment, and makes the City a better place to live.



Planning & Zoning



Administration employees provide general information and customer services along with processing Open Records Requests, handling Occupational Tax Licenses, Alcohol Beverage Licenses, Holding Municipal Elections, and providing Records Management, Clerk of Council and Human Resources Services.

2017 FT Employees 3

2018 FT Employees 3

NET CHANGE = 0



Administration Department

Administration: City Clerk /HR / Risk Management



- **Budget Highlights:**
 - New document management system
 - Improved safety and risk management programs
 - Further automation of hiring selection process

	FY 2014	FY 2015	FY 2016	BUDGET 2017	PROPOSED 2018	% CHANGE
City Clerk	82,951	94,198	116,644	119,181	123,265	3.4%
Human Resources	410,636	365,524	260,922	405,521	377,508	-6.9%
TOTAL ADMINISTRATION	493,587	459,722	377,566	524,702	500,773	-4.6%

IT Services



LIBERTY TECHNOLOGY



IT Services



- **Budget Highlights:**
 - Increased efficiencies through virtual servers
 - New software to improve operations and efficiencies (Courtware, BoardDocs, SeeClickFix, 7Geese, OpenGov, FilmApp)
 - Improved camera connectivity
 - Continued implementation of the Technology 5-Year Plan

	FY 2014	FY 2015	FY 2016	BUDGET 2017	PROPOSED 2018	% CHANGE
Information Technology	342,116	455,964	337,924	459,656	506,600	10.2%

HATT Funds



“BUCKET A” – Funds for the Destination Marketing Organization (DMO)

“BUCKET B”- Funds for the purpose of operating, maintaining, and improving of facilities such as the Hoyt Smith conference center

“BUCKET C” – General Fund allocations

290-Trade and Tourism Fund

exhibit 21



REVENUES	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2018 REQUESTED
Intergovernmental Rev	-	16,000	11,400	-	-
Misc. Rev	4,386	4,250	950	-	-
Other Financing Sources	1,115,350	1,300,395	1,407,213	1,430,314	1,670,000
TOTAL REVENUES	1,119,736	1,320,645	1,419,563	1,430,314	1,670,000

290- Trade and Tourism Fund

exhibit 22

EXPENDITURES	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2018 REQUESTED
Conference Facilities	-	-	-	78,056	814,630
Parks & Grounds	-	153,365	153,613	166,684	-
Economic Development (DMO)	93,167	733,679	514,064	377,828	1,255,370
Main Street	-	21,162	18,706	9,180	-
Capital Projects	-	108,817	293,752	312,000	-
TOTAL EXPENDITURES	93,167	1,017,023	980,135	943,748	2,070,000

290-Trade and Tourism Fund

exhibit 23

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2018 REQUESTED
Revenues	1,119,736	1,320,645	1,419,563	1,430,314	1,670,000
Carryover	-	-	-	-	400,000
Total Sources	1,119,736	1,320,645	1,419,563	1,430,314	2,070,000
Total Expenditures	930,167	1,017,023	980,136	943,748	2,070,000
Revenues > or < Expenditures	189,568	303,622	439,427	486,566	-

Legal Services



FINCHER & DENMARK

Legal Services Protocols and Resource Controls

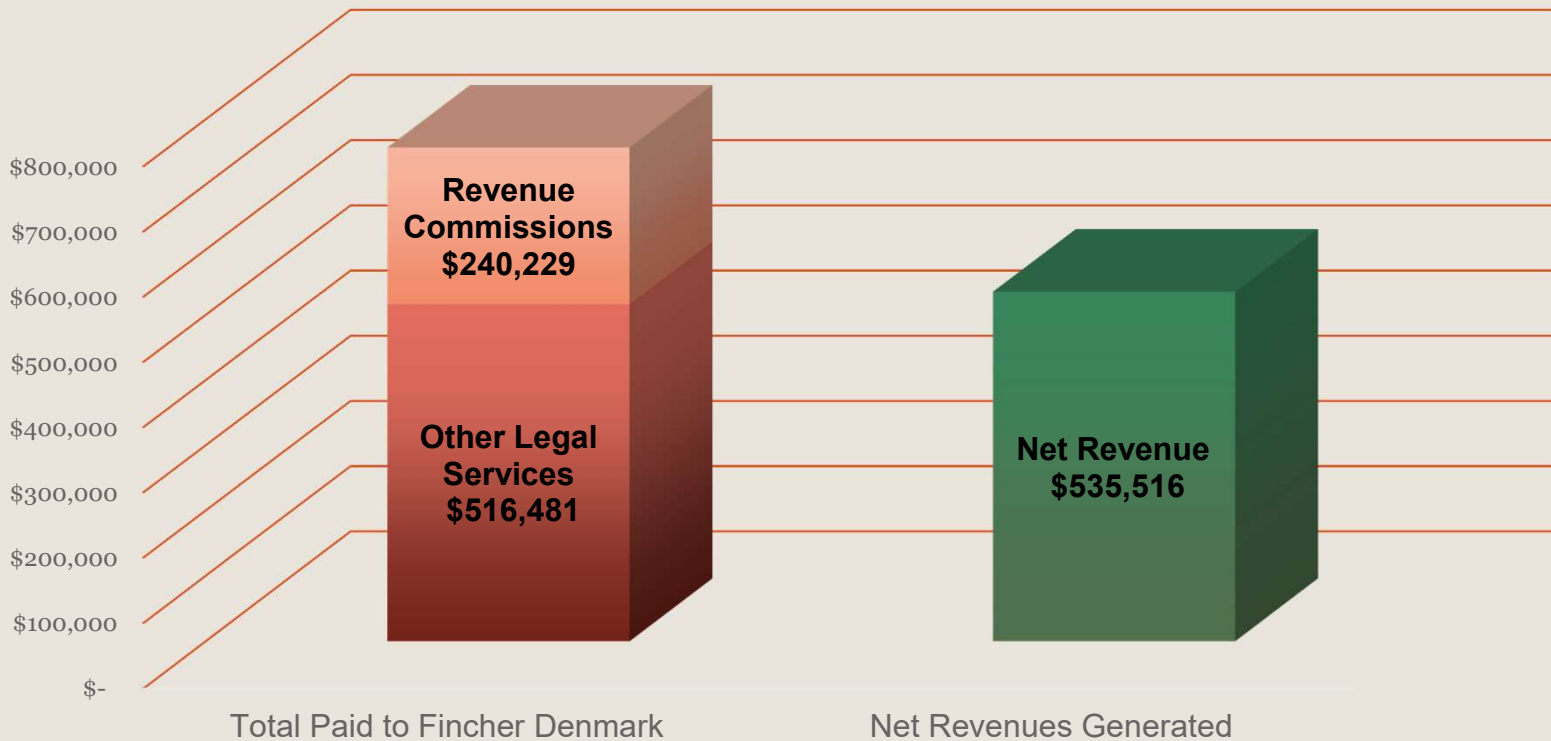


- **All** Legal Matters are engaged pursuant to City of Hapeville official authorization.
- **Litigation** financial impacts, as well as settlement options, are as a matter of Firm practice always discussed with the Mayor, Members of City Council, City Manager and other staff as appropriate as part of the legal services protocol.
- **Detailed** invoices are submitted monthly describing the level of effort, the work performed, the date the work was performed, and fees and expenses incurred by specific matter.
- **Information** is included in the transmittal letter with each monthly invoice that discusses budgetary impacts of year to date legal cost.
- **The City Attorney** meets periodically with the City Manager and staff to discuss legal and related matters.
- **A meeting** is held in our office quarterly with City Manager and discussion of all legal service activity is had with all Firm attorneys working on City of Hapeville matters in order to verify that matters with activity should continue to be pursued.

Legal Services

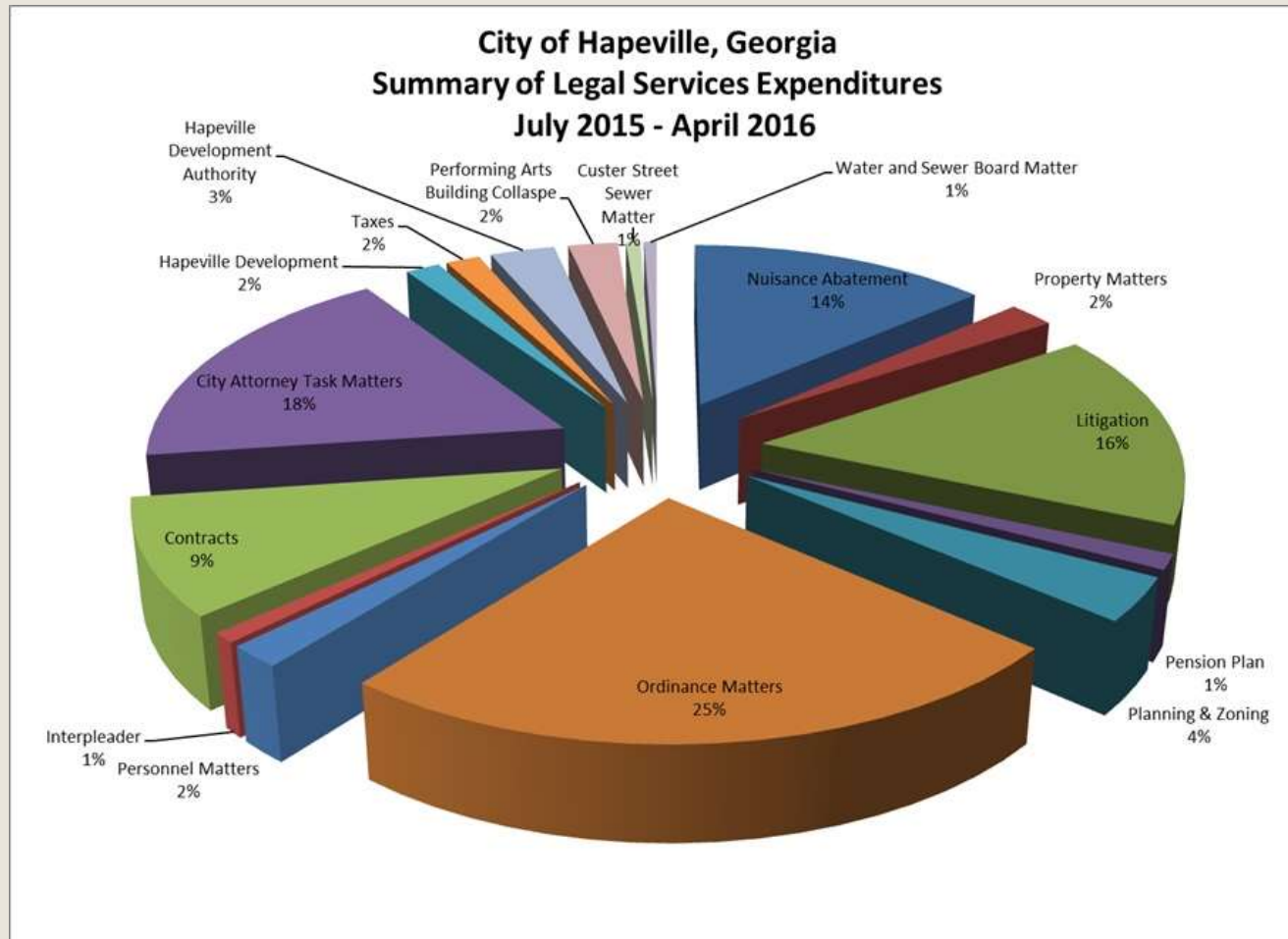
exhibit 24

Revenue Enhancements, Revenue Recoveries, and Cost Savings Compared to Legal Expenditures FY 2017



Legal Services

exhibit 25



Budget Assumptions



KEY BUDGET ASSUMPTIONS

Key Budget Assumptions



- Conservative estimates of flat collected property tax revenues *
 - *Once we receive a preliminary tax digest, we will have a better idea of where this key revenue stream is headed
- \$330,000 estimated interfund transfer from Water/Sewer Fund
- Continued growth in Hotel/Motel Tax revenues
- Development Authority taking over bond payments of approximately \$300,000 from General Fund
- General lowering of legal bills (assuming no further escalated litigation activity occurs)
- Tighter Operating Expenses and Council authority to adjust building fees so that new growth shares more in the cost of growth

Options & Policy Decisions



KEY ISSUES & DISCUSSION

Key Issues



- Should we develop a contingency plan?
 - Council Options
 1. Millage Rate Increase for contingency?
 2. Tap into General Fund Reserves?
 3. Combination of 1 & 2?
 4. Make Further Cuts?
 5. Adopt As-Is?
- What is the proper target for the City Fund Balance this Fiscal Year?

Key Issues



- What plans does the City need (if any) for employee salary increases?
- Should the City proceed with developing a Request for Proposals (RFP) for actuarial services?
- Are there any critical items the Council feels are missing from the budget?

Conclusion



CITY COUNCIL QUESTIONS
NEXT STEPS

Next Steps



- Council Provide Feedback/Questions?
- Schedule
 - Two Public Hearings—June 6th and June 20th

Thank you!

