

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side of the frame, creating a modern, dynamic feel. The rest of the background is plain white.

FY2024

Work Session
July 11, 2023

Presentation Goals

- ▶ Review of FY2023 Revenue and Expenditures YTD
- ▶ FY2024 Budget Preparation Process
- ▶ FY2024 Budget Highlights and Budget Priorities
- ▶ FY2024 Financial Details
- ▶ Next Steps
 - ▶ Work Sessions: July and August
 - ▶ Public Hearings: August 8th and September 12th

***REVIEW FY2023 REVENUE AND
EXPENDITURES YEAR TO DATE***

FY2023 Revenue Trends

- ▶ Performing better than expected:
 - ▶ Local Option Sales Tax
 - ▶ Real Property Tax - Current Year/Prior Year
 - ▶ Interest Earnings
- ▶ Returning to historical levels:
 - ▶ Recording Intangible Tax

Review FY2023 Budget Year to Date

- ▶ FY2024 Budget prepared with 6 months of FY2023 data (through March 31, 2023)
 - ▶ FY2023 revenues forecasted \$7.1M or 9.9% over revised budget
 - ▶ FY2023 expenditures forecasted to be within budget...possibly \$1.3M or 2.5% under revised budget
 - ▶ FY2023 expenditures reflect in-house Recreation Department
- ▶ Preparation of the FY2024 Budget used projected FY2023 as a base for measurement

FY2023 and Unassigned Fund Balance

- ▶ City's financial success directly connected to our unassigned fund balance
- ▶ Four Components:
 - ▶ 1. Cash Reserve requirement (3 months operating expense)
 - ▶ 2. Cash Flow Stabilization (to eliminate short-term borrowing such as Tax Anticipation Notes)
 - ▶ 3. Millage Rate Stabilization
 - ▶ 4. Excess / Shortfall (contingency for unforeseen expenditures or emergencies)

Unassigned Fund Balance

- ▶ 09/30/21: \$27,169,076 (Audited)
- ▶ 09/30/22: \$32,036,556 (Audited)
- ▶ 09/30/23: \$37,108,354 (Projected)
 - ▶ Projected unassigned fund balance at close of FY2023 is based on audited FY2022 beginning balance and includes year-to-date budget amendments through March 2023.

Unassigned Fund Balance Breakdown

▶ \$37,108,354 - Projected 09/30/23

FY2023 Budget	3-Month Reserve Requirement	Cash Flow Stabilization	Millage Rate Stabilization	Excess (Shortfall)	Total
	\$12.9M	\$12.2M	\$2.7M	\$9.3M	\$37.1M

- ❑ Annualized FY2023 Budget: Assumes a rollback of the current millage rate and FY2023 Projected Surplus will increase General Fund Balance.
- ❑ Additional appropriations of FY2023 Projected Surplus will affect this Projected Fund Balance.

BUDGET DEVELOPMENT PROCESS

Budget Materials (Binder/E-Version)

Order of the Document

▶ Green Tabs

- ▶ Budget Message
- ▶ General Fund Summary
- ▶ Revenue Summary and Detail (Top 10 Revenue Sources)
- ▶ Personnel (Authorized Positions, Personnel Additions Described, Personnel Variance Analysis)

▶ Blue Tabs

- ▶ Departmental Summaries
- ▶ Department Budgets (15)

Budget Materials (Binder/E-Version)

- ▶ Yellow Tabs
 - ▶ Capital Projects/Enhancements
 - ▶ Accrual Funds (3)
- ▶ Red Tabs
 - ▶ Parks Bonds
 - ▶ TSPLOST II Funds
 - ▶ Other Funds
 - ▶ Debt Service Funds
- ▶ Green Tab
 - ▶ Forecast of Five Year Capital Needs

Budget Development Process



- Department requests were entered into MUNIS; were consolidated into an initial draft budget; Finance staff works with City Manager to prepare a balanced budget



- The Mayor works with the City Manager to prepare his proposed Budget



- The Mayor presents his proposed Budget to the Council



- Council reviews and adjusts if necessary; holds Public Hearings on the proposed Budget



- Mayor and Council adopt the final Budget

Budget Development Process

- ▶ Revenues
 - ▶ FY2023 Year-to-Date Revenues were analyzed
 - ▶ Projection for FY2024 considered historical growth, FY2023 Performance to Date and assumptions for future
- ▶ Budget Book - Revenue Tab (3rd green tab)
 - ▶ Summary of Revenue
 - ▶ Revenue Detail sheets for each of the top ten revenues describe mechanics, current rate(s), and projection for FY2024

Budget Development Process

- ▶ Personnel
 - ▶ Expenditures for salary, merit, cost-of-living, and benefits are projected by employee using Salary and Benefits Projection Module within Munis
- ▶ Budget Book - Personnel Tab (4th green tab)
 - ▶ Overview of authorized positions
 - ▶ Variance Analysis with benefit-related assumptions

Budget Development Process

▶ Operations

- ▶ FY2023 utilized as a base for expenditures; reviewed with a critical eye for cost reductions where appropriate
- ▶ Department projections were entered by quantity and unit cost using the Central Budget Module within Munis

▶ Budget Book - Departments (blue tabs)

- ▶ Department Summary with variances listed (first blue tab)
- ▶ Each department includes “notables” (changes over \$1K) as footnotes

Budget Development Process

- ▶ Capital Projects / Enhancements / New Positions
 - ▶ New position requests not recommended for funding are listed for reference
 - ▶ Capital and other enhancements requests are listed for reference.
- ▶ Budget Book - Capital/Enhancements (1st yellow)
 - ▶ Summary Chart of Funded Requests
 - ▶ Summary Chart of Unfunded Requests
 - ▶ Each project request has a description and if applicable overview of past Council discussions

Budget Development Process

- ▶ Infrastructure Maintenance Accrual
 - ▶ FY2023 utilized as a base for accrual amount
 - ▶ Inflationary increase applied
 - ▶ Adjusted based on Reserve Studies (Fire Stations and City Hall)
 - ▶ Will need to revise base accrual for Parks to reflect the addition of Cauley Creek once on-going expenses are readily known
- ▶ - Maintenance Accrual (2nd yellow)
 - ▶ Summary Chart of Requests
 - ▶ Project descriptions include historical context and description of the proposed use

Budget Development Process

- ▶ **Equipment Accrual**
 - ▶ FY2023 utilized as a base for accrual amount
 - ▶ Inflationary increase applied
 - ▶ Adjusted based on cost and quantity changes
 - ▶ Added components in Police and Fire to capture more of equipment utilized by departments
- ▶ **Budget Book - Equipment Accrual (3rd yellow tab)**
 - ▶ Accrual Components / Projects Chart: show the in- and out- of the investment

Budget Development Process

- ▶ Vehicle Replacement Accrual
 - ▶ FY2023 utilized as a base for accrual amount
 - ▶ Inflationary increase applied
 - ▶ Reviewed planned replacements
- ▶ Budget Book - Vehicle Accrual (4th yellow tab)
 - ▶ Summary Chart of Requests
 - ▶ Vehicle details and description of how requests align with replacement schedule

Budget Development Process

- ▶ Other Funds (red tabs in Budget Book)
 - ▶ Parks Bond
 - ▶ TSPLOST /TSPLOST II
 - ▶ Other Funds
 - ▶ Seized/Forfeited Assets
 - ▶ State Confiscated
 - ▶ E911
 - ▶ LMIG
 - ▶ Hotel/Motel
 - ▶ Tree Replacement
 - ▶ Stormwater
 - ▶ Debt Funds
 - ▶ Debt Service-City Hall
 - ▶ Parks Bond Debt Service

City Manager Balances Budget

- ▶ **Base Operations / Debt Service**
 - ▶ Providing for “needs” first - debt obligations and funding to continue base level of service in terms of personnel and operations
- ▶ **Accrual Funds**
 - ▶ Funding for current and future care and maintain assets and infrastructure
 - ▶ Projects reviewed for consistency with plan and appropriateness
- ▶ **Enhancements / Capital / New Positions**
 - ▶ Funded within resources available to reach balance

Mayor Prepares his Proposed Budget

- ▶ Reviews City Manager's Proposed Budget
- ▶ Adjusts and refines
 - ▶ Reviews revenue estimates for accuracy/reasonableness
 - ▶ Reviews operations focusing on significant variances or changes over prior year
 - ▶ Reviews accrual funds and proposed projects
 - ▶ Reviews capital / enhancements / position requests and proposed funding of projects



***BUDGET HIGHLIGHTS
AND BUDGET PRIORITIES***

Importance of the Budget



Communication Tool: Residents and Staff



Spending Plan



Method to Monitor Progress / Milestones



Game Plan for Financial Security

Proposed FY2024: Balanced Budget

- ▶ **Balanced Budget**
 - ▶ \$79,003,380 General Fund revenues and expenditures
 - ▶ Increase of 7.87% compared to FY2023
 - ▶ Two Largest General Fund revenues: Local Option Sales Tax (38%) and Property Taxes (29%)
 - ▶ Two Largest General Fund expenditures: Personnel (46%) followed by Operations (27%)
 - ▶ \$12,790,830 Other Funds

Addressing our Community's Strategic Priorities

▶ Important Themes of the FY2024 Budget

1. Investing in our Community's Parks, Streets and Infrastructure
2. Advancing Technology and Service Delivery Innovation
3. Strengthening Our People and Teams
4. Enhancing our Public Safety Framework

1. Investing in Our Community's Parks, Streets, and Infrastructure

- ▶ Creekside Park
- ▶ TSPLOST II Projects
- ▶ Infrastructure Maintenance
- ▶ Stormwater Repairs and Maintenance

2. Advancing Technology and Service Delivery Information

- ▶ Expansion of Multi-Factor Authentication
- ▶ Information Technology/Police Evidence Fire Suppression Systems
- ▶ Migration to Advanced Content Management System

3. Strengthening Our People and Teams

- ▶ First Responder Education and Training
- ▶ Health Insurance Preventative Care Incentive Credits:
- ▶ Training program of LinkedIn Learning

4. Enhancing our Public Safety Framework

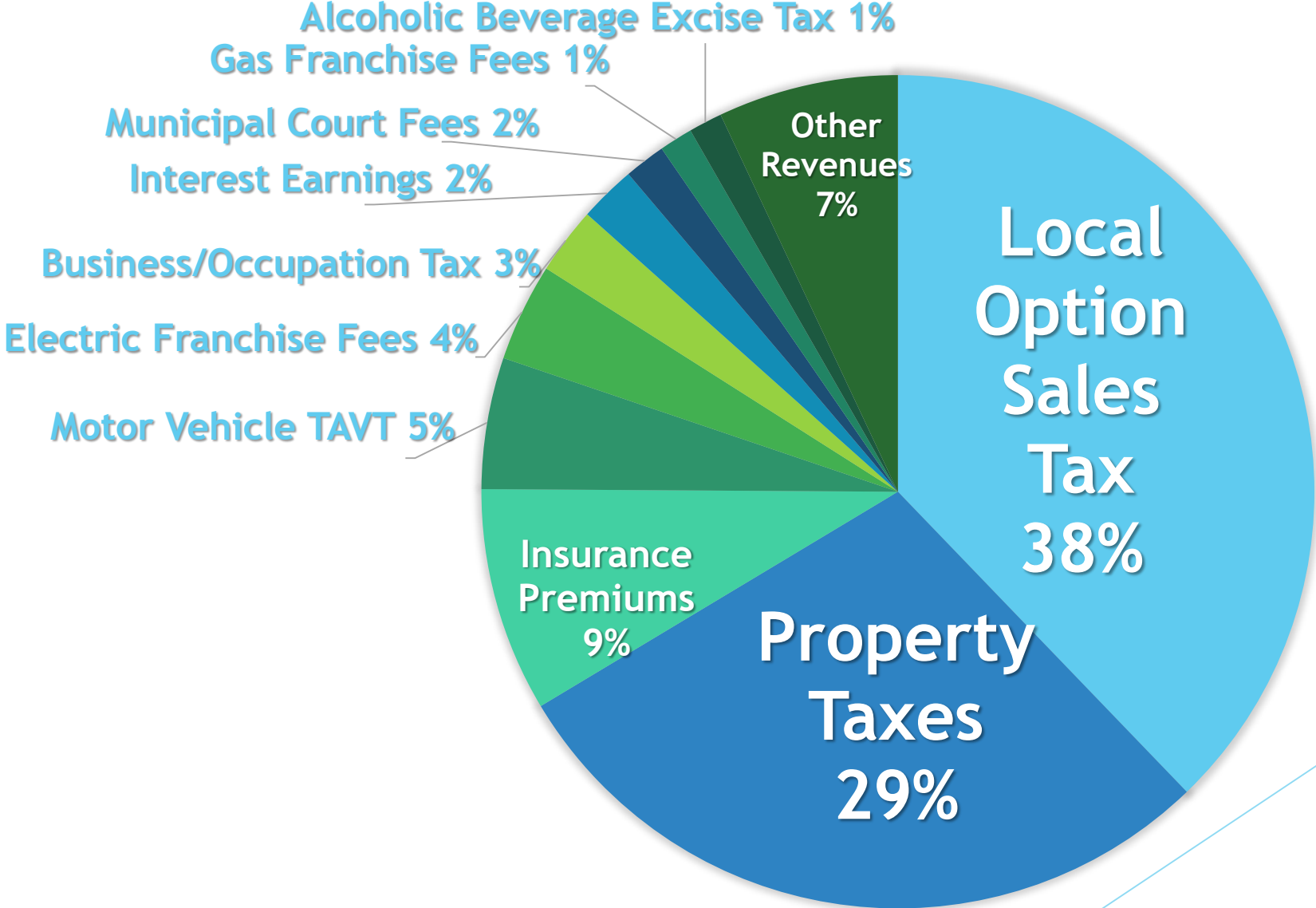
- ▶ Police and Fire Department Equipment
- ▶ Fire Station Repairs and Maintenance
- ▶ Public Safety Vehicles

Overall - FY2024 Budget

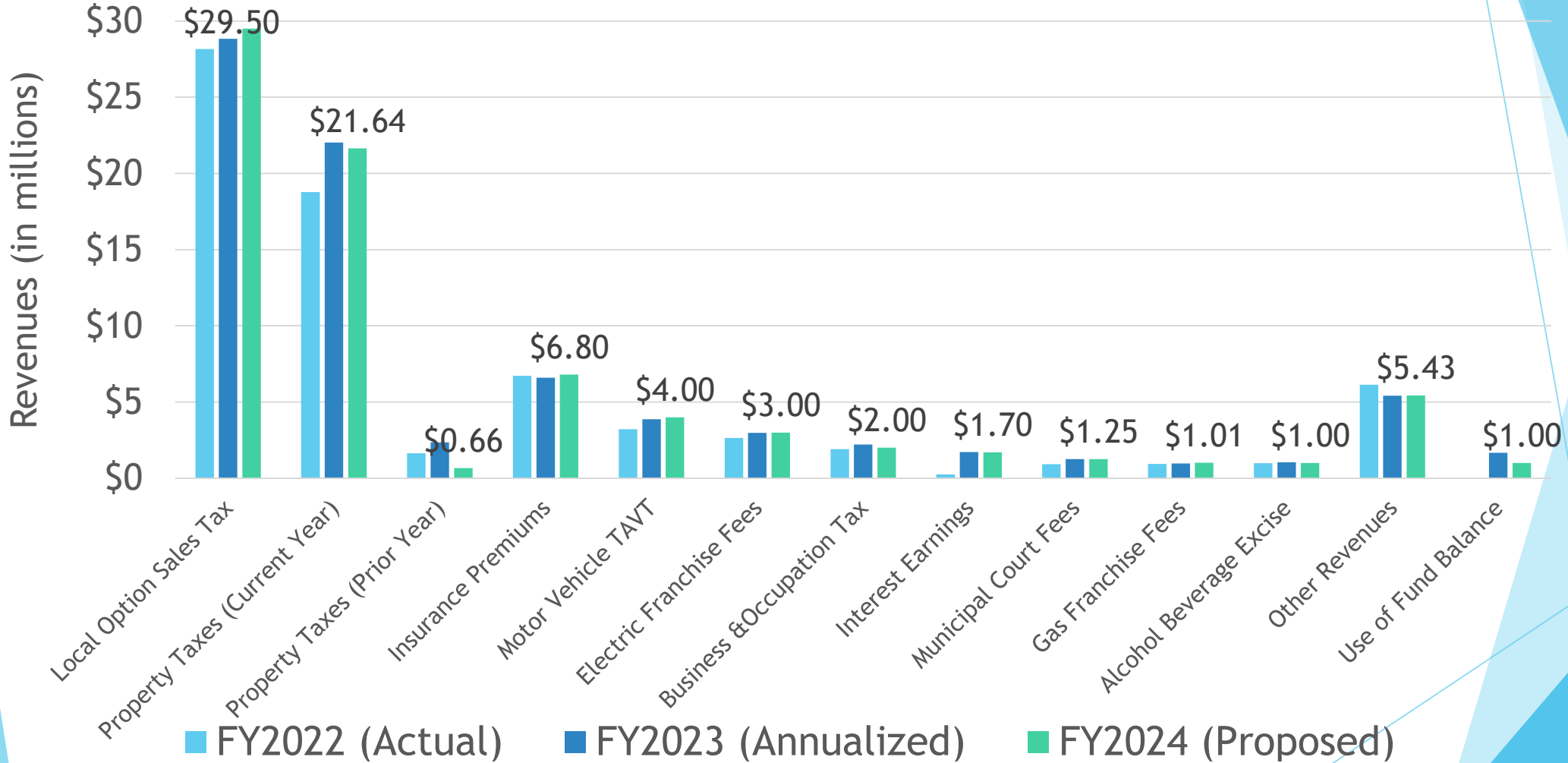
- ▶ Invests in our Community's Parks, Street and Infrastructure
- ▶ Advances Technology and Service Delivery Innovation
- ▶ Enriches and Strengthens our People and Teams
- ▶ Enhances our Public Safety Framework

FINANCIAL DETAILS

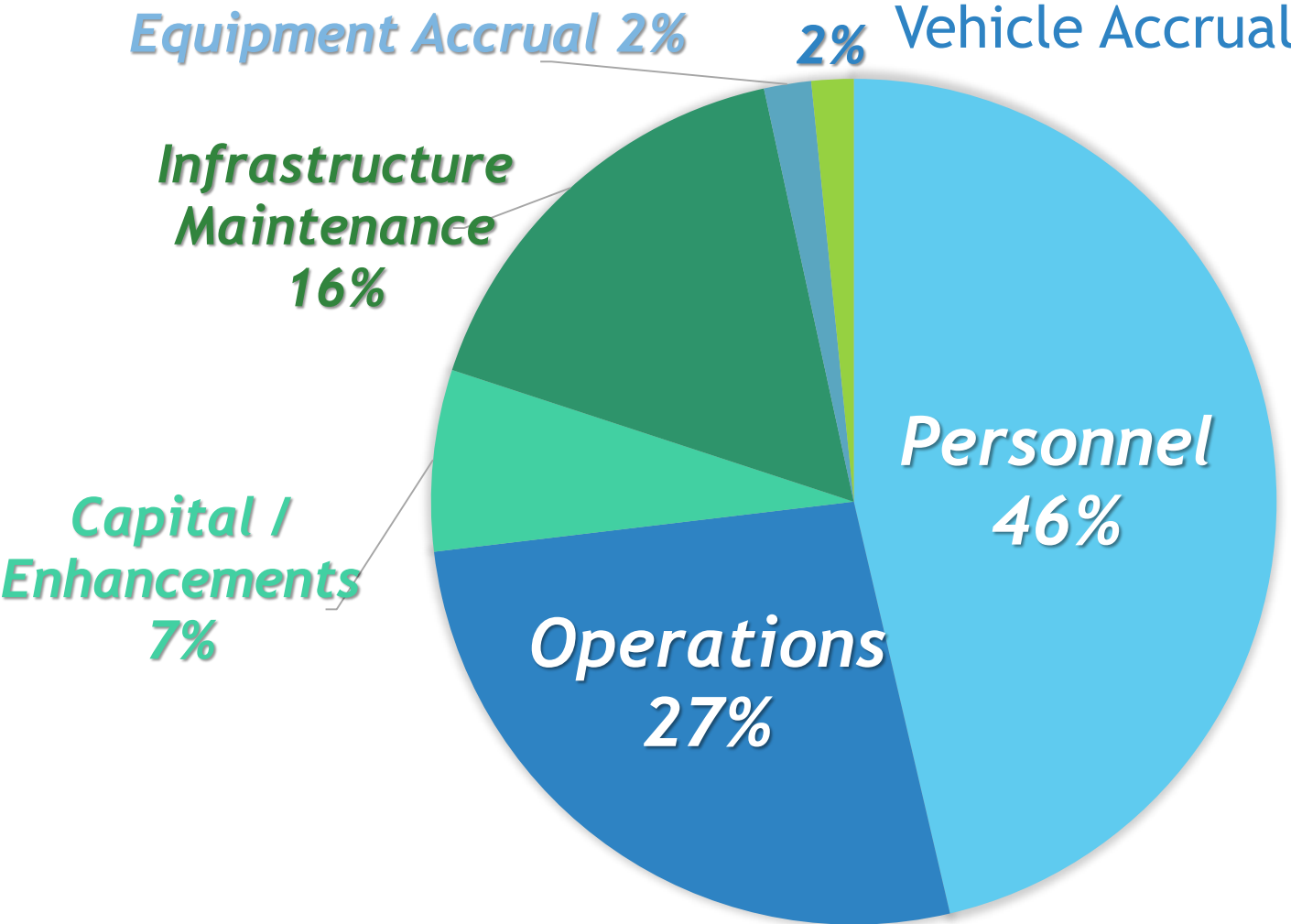
General Fund Revenues: \$79,003,380



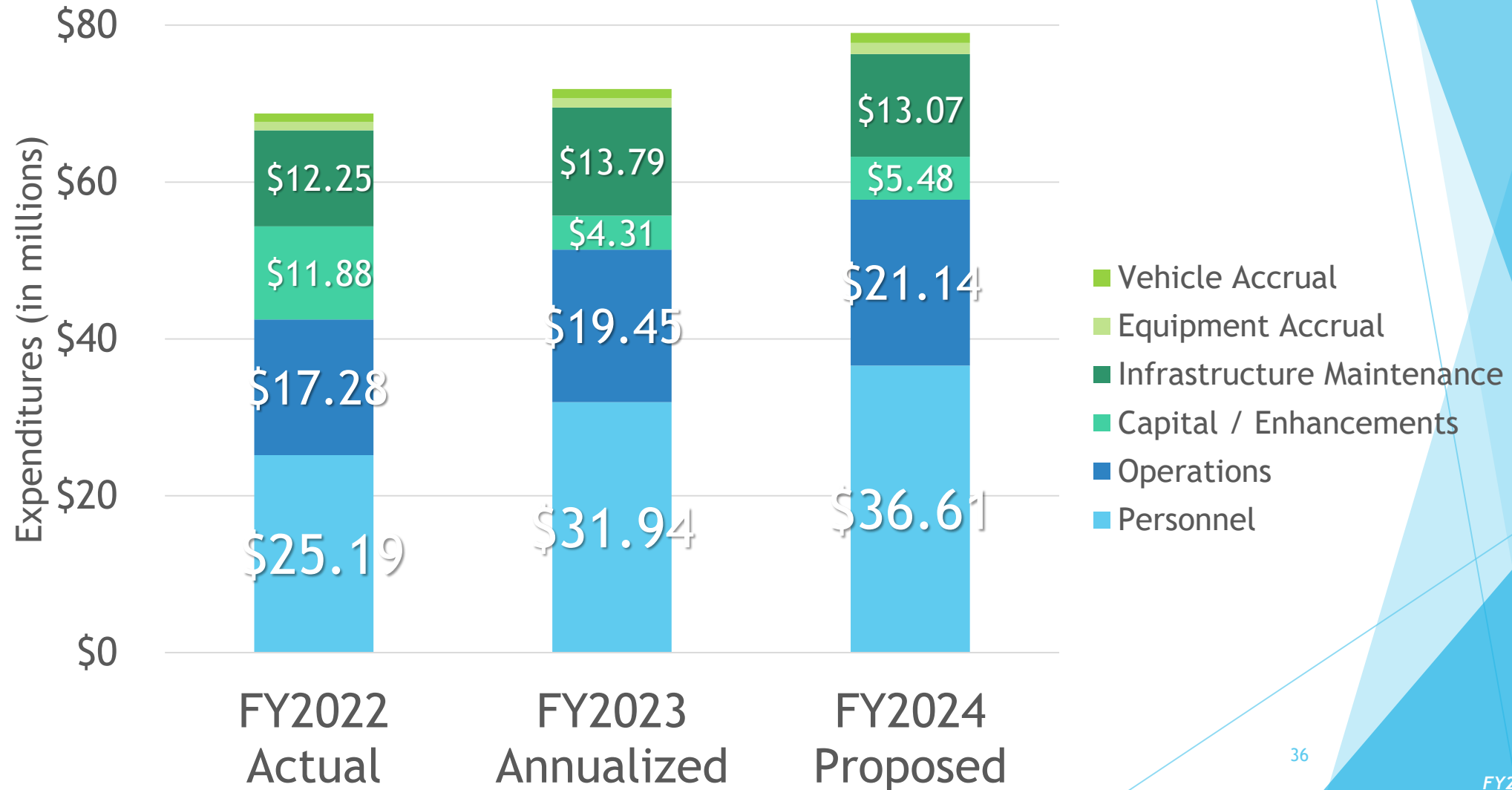
Revenues: Top 10 (FY22-FY24)



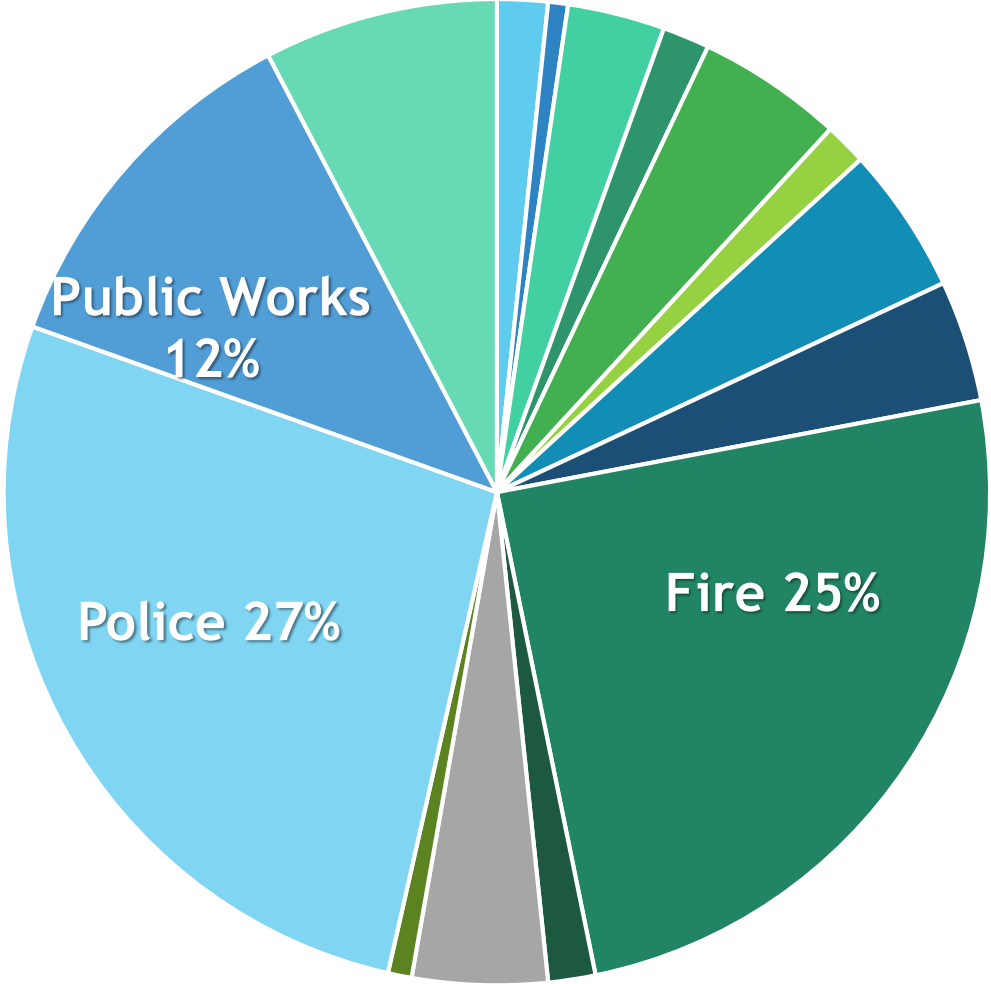
General Fund Expenditures: \$79,003,380



Expenditures Comparison (FY22 to FY24)

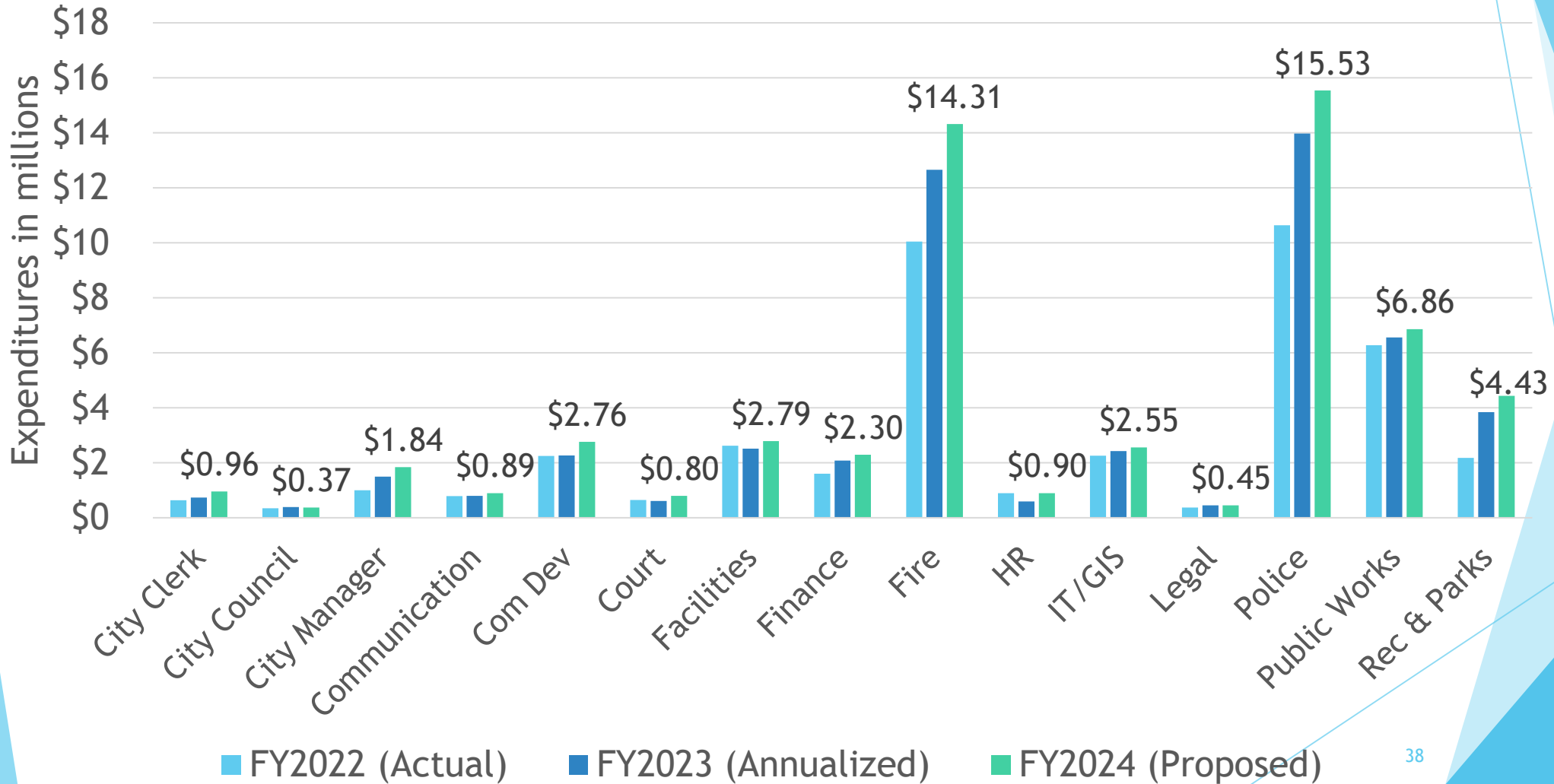


Department Expenditures



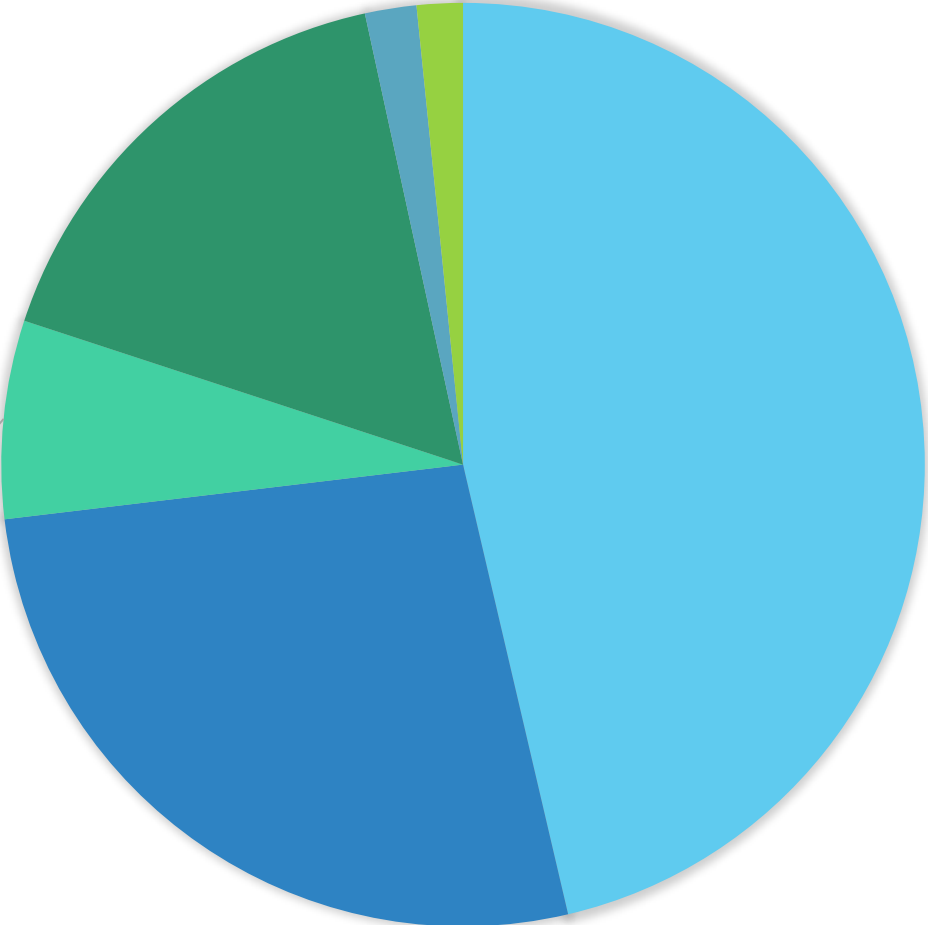
- City Clerk
- City Council
- City Manager
- Communications
- Community Development
- Court
- Facilities
- Finance
- Fire
- Human Resources
- IT/GIS
- Legal
- Police
- Public Works
- Recreation & Parks

Department Expenditure Trends (FY22-FY24)



Capital / Enhancements \$5,477,500

Capital /
Enhancements
7%



Projects Funded in FY2024 Budget

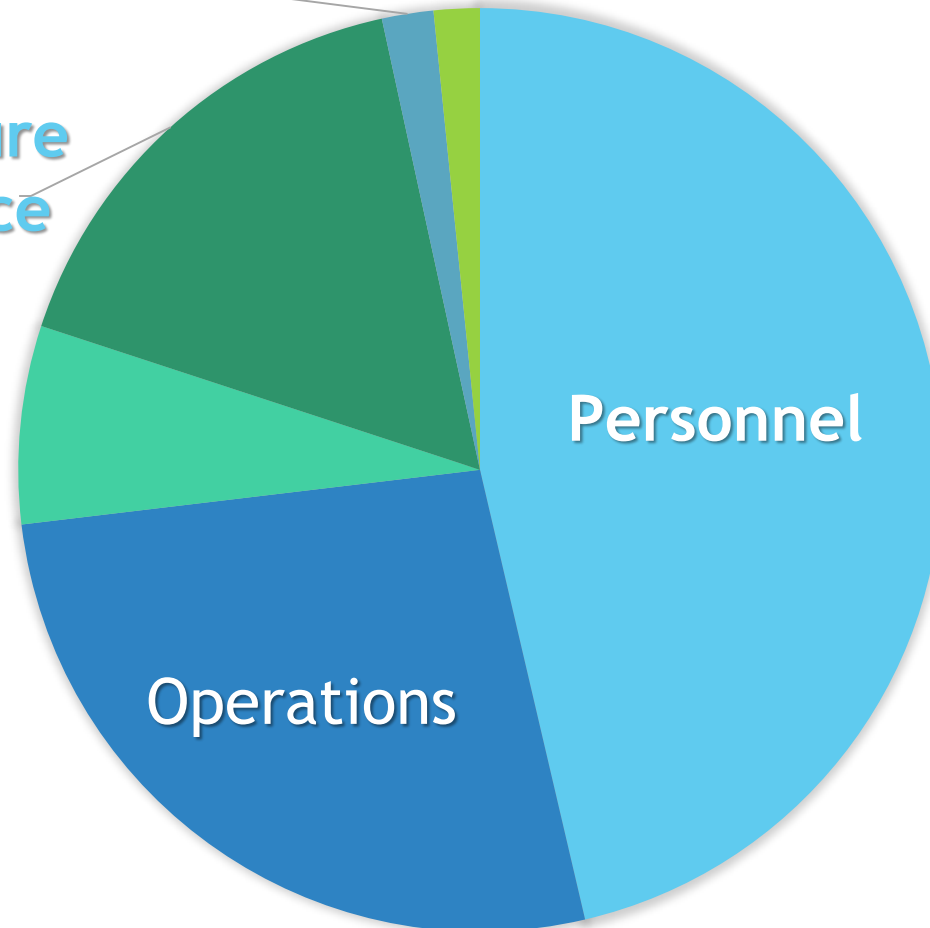
- ▶ Capital / Enhancements
 - ▶ Health Insurance Preventative Care Incentive Credits
 - ▶ IT/PD Evidence Fire Suppression System
 - ▶ Migration to Tyler Content Manager Enterprise
 - ▶ Creekside Park Amphitheater (Bandshell and Terraced Seating behind City Hall)
 - ▶ Daffodil Planting - City Parks

Accruals: \$15,766,533

Equipment Accrual 2%

Vehicle Accrual 2%

Infrastructure
Maintenance
17%



Infrastructure Maintenance Accrual: Contribution of \$13,071,044 in FY2024

Maintenance Accrual	Contribution	Projects	Balance*
Roads and Right-of-Way	\$6,759,939	\$4,350,000	\$7,653,604
Sidewalks and Trails	\$635,568	\$400,000	\$1,654,940
Traffic Signal System	\$809,684	\$200,000	\$3,011,785
Bridges, Tunnels, and Dams	\$842,764	\$0	\$2,945,184
Parks	\$2,040,877	\$1,850,000	\$2,486,235
Fire Stations	\$291,000	\$350,000	\$1,752,995
City Hall	\$255,000	\$400,000	\$458,104
Land Acquisition	\$1,436,213	\$0	\$6,388,711
Total Maintenance Accrual	\$13,071,044	\$7,550,000	\$26,351,757

**Balances listed are cumulative figures*

Equipment Replacement Accrual: Contribution of \$1,424,881 in FY2024

Equipment Replacement Accrual	Contribution	Projects	Balance*
Police Equipment	\$886,709	\$756,270	\$775,278
Fire Equipment	\$265,153	\$387,500	\$133,016
Information Technology Equipment	\$273,019	\$309,000	\$332,119
Total Equipment Replacement Accrual	\$1,424,881	\$1,452,770	\$1,240,503

**Balances listed are cumulative figures*

Vehicle Replacement Accrual: Contribution of \$1,270,608 in FY2024

Vehicle Replacement Accrual	Contribution	Projects	Balance*
Police Vehicles	\$579, 393	\$922,000	(\$436,768)
Fire Apparatus / Vehicles	\$591,053	\$444,500	\$739,854
Other City Vehicles	<u>\$100,162</u>	<u>\$80,000</u>	<u>\$72,130</u>
Total Vehicle Replacement Accrual	\$1,270,608	\$1,446,500	\$374,716

**Balances listed are cumulative figures*

Unassigned Fund Balance Breakdown

▶ \$37,108,354 - Projected 09/30/24

FY2024 Budget	3-Month Reserve Requirement	Cash Flow Stabilization	Millage Rate Stabilization	Excess (Shortfall)	Total
	\$14.4M	\$13.6M	\$1.7M	\$7.3M	\$37.1M

- ❑ Proposed FY2024 Budget: Assumes a rollback of the current millage rate and use of \$1.0M from Millage Rate Stabilization Fund to balance revenue and funded expenditure requests.
- ❑ Additional appropriations of FY2023 Projected Surplus will affect this Projected Fund Balance.

TSPLOST II Fund

▶ Project Management	\$400,000
▶ Bridges	\$1,000,000
▶ Traffics Congestion Relief	\$4,450,000
▶ Landscape/Streetscape	\$7,000
▶ Operations and Safety	\$2,050,000
▶ Pedestrian/Bike Improvements	<u>\$5,150,000</u>
▶ Total	\$13,057,000

Other Funds - Balanced

Fund	Revenues	Expenditures
Seized/Forfeited Asset Fund*	\$177,490	\$177,490
State Confiscated Fund	\$10,000	\$10,000
E911 Fund	\$2,212,375	\$2,212,375
LMIG Fund	\$750,000	\$750,000
Hotel/Motel Tax Fund	\$863,391	\$863,391
Tree Replacement Fund*	\$20,000	\$20,000
Stormwater Fund	\$3,800,000	\$3,800,000
Debt Service Fund	\$2,320,229	\$2,320,229
Debt Service Parks Bond Fund*	<u>\$2,637,345</u>	<u>\$2,637,345</u>
Total Other Funds	\$12,790,830	\$12,790,830

*Reflects use or contribution to Fund Balance

Next Steps

- ▶ July 25, 2023
 - ▶ Work Session - discussion / refinement of Budget
- ▶ August 8, 2023
 - ▶ Work Session - discussion / refinement of Budget
 - ▶ Council Meeting - 1st Public Hearing
- ▶ August 22, 2023
 - ▶ Work Session - discussion / refinement of Budget
- ▶ September 12, 2023
 - ▶ Council Meeting - 2nd Public Hearing and Consideration of Budget Adoption
- ▶ October 1, 2023: Start of FY2024



QUESTIONS/ COMMENTS