

MEMORANDUM
City of Stone Mountain
875 Main Street
Stone Mountain, GA 30083

DATE : October 16, 2015
TO : Mayor and City Council
FROM : Gary Peet
RE : Budget Proposal 2016

Attached is the proposed fiscal year 2016 annual budget for the City of Stone Mountain with supporting details. The fiscal year begins January 1, 2016 and ends December 31, 2016. The appropriations ordinance will be on the agenda at the work session scheduled on October 19, 2015. The attachment is styled Exhibit 1 and will be referenced as such in the ordinance.

The city has eight separate fund accounts:

- General Fund 01
- Hotel/Motel Tax Fund 02 (Visitors Center)
- Cemetery Fund 03
- Solid Waste Management Fund 05
- Police Asset Forfeiture Fund 06
- Capital Projects Fund 07
- Storm Water Enterprise Fund 08
- Downtown Development Authority Fund 20

ALL FUNDS SUMMARY OF REVENUES AND EXPENDITURES

DESCRIPTION	FUND	FY 2016 REVENUE ESTIMATE	FY2016 EXPENDITURES ESTIMATE
General Fund	01	3,285,325	3,285,325
Hotel/Motel Tax Fund	02	30,257	30,257
Cemetery Fund	03	17,452	17,452
Solid Waste Enterprise Fund	05	526,915	526,915
Police Asset Forfeiture Fund	06	3,100	3,100
Capital Improvements Fund	07	1,201,079	1,201,079
Storm Water Management Fund	08	146,943	146,943
Downtown Development Authority Fund	20	124,573	124,573
Totals		5,335,644	5,335,644

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The General Fund accounts for the following operations:

- Elected Officials
- Administration
- Public Buildings
- General Government
- Municipal Court
- Public Safety (Polices Services)
- Public Works
- Parks
- Debt Service

General Fund revenues are summarized beginning on page 2 of the Exhibit 1. The following notes were made in the estimates of revenues:

- 1) Ad valorem taxes
 - a) Real estate ad valorem taxes
 - i) Assumes 8.0% increase in digest
 - ii) A decrease in taxable value due to appeals is estimated at 3.54% of the digest
 - b) Assumes an ad valorem tax rate of 20.9 mils
 - c) Utility ad valorem taxes - Assumes no change in digest or any new appeals
 - d) Motor vehicle ad valorem taxes - revenue will continue to decline due to the switch to a value added tax and sales tax.
- 2) Other taxes
 - a) Motor vehicle sales tax revenue increase significantly for the first time in 2015 and is estimated to keep pace with declines in motor vehicle ad valorem taxes
 - b) For all other taxes the estimate is based upon actual revenues in FY2015
 - c) The first payment of franchise taxes from AT&T Uverse will be received on or about October 31, 2015. The administration will request an amendment to add this new revenue source in the budget.
- 3) Licenses and Permits - Revenue from Building Inspection Fees declines by 50% due to the completion of The View in 2015. Increases in fee revenue could occur if construction begins at Hearthstone in 2016.
- 4) Fine and forfeiture revenue – estimate based upon projected year end for 2015

General Fund expenditures are summarized on page 1 of Exhibit 1. The following notes were made in the estimates of expenditures:

- 1) General
 - a) The CPI-U for all items rose 0.2% for the twelve months ending August 31, 2015. The administration recommends no CPI increase in payroll for 2016.

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- b) Landmark Insurance examined hundreds of medical benefit plans and found a plan offered by Humana that has better benefits at a lower premium than the Kaiser renewal plan. Premiums will increase by 2.08% with an opportunity for additional discounts based upon participation in a wellness program.
 - c) The renewal premium for property, liability and workers compensation insurance has not been received as of October 16, 2015.
- 2) Governing Authority
- a) The administration recommends funding for education and training for elected officials in for the 2017 GMA Mayor's Day. Early registration ends December 1, 2016.
- 3) Administration
- a) A temporary assignment of an Assistant City Clerk will be necessary to prepare for the appointment of ChaQuias Miller Thornton to the position of City Manager. This assignment will require the approval by the Mayor and City Council of an amendment to the Classification Plan. The Assistant City Clerk will succeed Ms. Thornton in the position of City Clerk. The transition cost is estimated at \$30,118 assuming the position is filled in February. The transition is scheduled for completion by August 1, 2016.
 - b) The administration requests funding to replace a laptop computer for Code Compliance.
- 4) General Government –Significant transfers from the General Fund to other funds
- a) The administration does not recommend an appropriation for the Storm Water Fund in 2016.
 - b) An additional appropriation of \$169,980 from the General Fund reserve is requested for the Capital Fund budget for the East Mountain Street Project.
 - c) The Downtown Development Authority has requested an increase from \$88,369 to \$88,673.
 - d) An appropriation of \$288,451 from the General Fund reserve is required to balance the budget. The General Fund reserve at end of 2015 is estimated to be \$374,061.
- 5) Municipal Court – The 2016 budget is estimated to decrease by 5.2%.
- 6) Public Safety
- a) Group health insurance assumes full participation from active employees. In 2015 there were two non-participating officers.
 - b) The administration recommends the purchase of one additional patrol car to be financed on a four year lease term through GMA. Purchase price of \$41,700 includes all equipment.
- 7) Public Works - The 2016 budget is estimated to decrease by 9.8%.
- a) Merit pay increases recommended for the position of foreman and supervisor.
 - b) The LMIG road repairs are estimated at \$89,990.
- 8) Debt Service – The proposed budget increases the debt service from \$187,868 to \$216,149. The new lease for one police vehicle will increase the debt service by \$7,446 in 2016 and annually thereafter by \$11,168 through the term of the lease. The additional debt service of \$20,835 is the annual debt service for the six vehicles and one tag reader purchased in 2015. The 2015 leases were not executed until August of 2015.

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Note on Contingencies: Section 2-136 of The Code of the City of Stone Mountain, Georgia provides a guideline for establishing an unreserved balance of between three (3) and five (5) percent of the general fund for contingencies. Contingencies in the amount of \$60,543 are proposed to be spread out over the several departments in the General Fund in 2016. This amount is 1.87% of the total General Fund budget. This year contingencies in the General Fund are budgeted in each department based upon Purchased services, Supplies and Other Costs.

Dept.	Contingency	Basis	% of Basis
30	5,592.00	55,911.00	10.00%
31	4,431.00	44,208.00	10.02%
32	9,387.00	34,024.00	27.59%
35	5,988.00	23,433.00	25.55%
40	14,457.00	105,404.00	13.72%
50	14,688.00	43,349.00	33.88%
60	6,000.00	43,257.00	13.87%
Total	60,543.00	349,586.00	17.32%

Some additional contingency is shown in the budget detail for the departments for a small number of line items such as equipment repair.

Additional details are found in Appendix A, Departmental Detail