



FY 2021 Proposed Budget

June 22, 2020



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Agenda

- FY2021 Budget Modifications
- Overview
- Personnel
- All Funds
 - General Fund
 - Enterprise Funds
- Capital Projects
- 5 Year Plan



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FY 2021 Budget Modifications

- GCPS Arts Conservatory \$2,500,000
 - Replace funding from Homelessness Initiative **-\$1,000,000**
 - Use Fund Balance \$1,500,000
- Remove Capital Project Clayton Street Bldg Repairs **-\$50,000**
 - Project was included in FY 2020 Budget
- Add Thunderbolt Economic Development Project \$15,000,000



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FY 2021 Budget Modifications

- Add Tax Revenue Based on Tax Digest \$20,000 (no rollback)
 - Remove property taxes associated with millage increase **-\$835,000**
 - Net \$815,000
- Reduce Gas Revenue for September Rate Change **-\$150,000**
- Use Contingency Funds for New Positions / Capital \$545,000
 - No increase in millage until calendar year 2021
 - January 1 Hire Date
- Update 5 Year CIP for GCPS Arts Conservatory \$2,500,000
 - FY 2022



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FY 2021 Overview

- Strategic Funding includes:
 - Salary Study Implementation
 - Funding for Downtown Parking Deck
 - Funding for Redevelopment/Economic Development
 - GCPS Arts Conservatory (First Installment)
 - Housing Study
 - Contingency Funds for Education, Training and Travel, Vacant Positions



Personnel – Salary Adjustments

- Proposed FY 2021 Salary Adjustments
 - Salary Increases based on Salary Study
 - Recommended by staff to remain competitive in the Market
 - Comparables for the study included:
 - Austell, Alpharetta, Buford, Duluth, Griffin, Gwinnett County, Marietta, Snellville, Suwanee, private employers and other governments
 - Overall increase to salaries is: \$1,100,000 or 7.11%
 - Departmental salaries increased between 3% and 12.1%



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Personnel – New Positions

- Proposed eight new positions
 - Senior Project Manager – Stormwater Fund
 - 4 Police Officers (Complete Shift) – General Fund
 - 3 Street Maintenance Workers (Complete Crew) – General Fund
- Proposed budget includes operating and capital requests to support new positions
- Positions are expected to be filled January 1, 2021



FY 2021 Overview

	Revenues	Expenditures	Net
General Fund	\$33,128,733	\$38,128,733	-\$5,000,000 (1)
Confiscated Assets	\$427,480	\$361,480	\$66,000
911 Fund	\$1,076,890	\$1,076,890	\$0
Hotel / Motel	\$330,000	\$330,000	\$0
Vehicle Rental	\$92,000	\$92,000	\$0
Capital Projects	\$22,386,456	\$22,386,456	\$0
Water Fund	\$5,937,500	\$5,937,500	\$0
Electric Fund	\$37,111,600	\$37,111,600	\$0
Gas Fund	\$45,413,200	\$47,426,250	-\$2,013,050 (2)
Sanitation Fund	\$2,073,682	\$2,073,682	\$0
Stormwater Fund	\$2,394,803	\$2,394,803	\$0
Group Health	\$7,196,600	\$7,196,600	\$0
Workers Comp	\$313,400	\$313,400	\$0
Fleet Fund	\$1,850,868	\$1,850,868	\$0
Risk Fund	\$656,550	\$656,550	\$0
Total	\$160,389,762	\$167,336,812	-\$6,947,050

(1) \$5,000,000 planned use of General Fund Fund Balance for Parking Deck

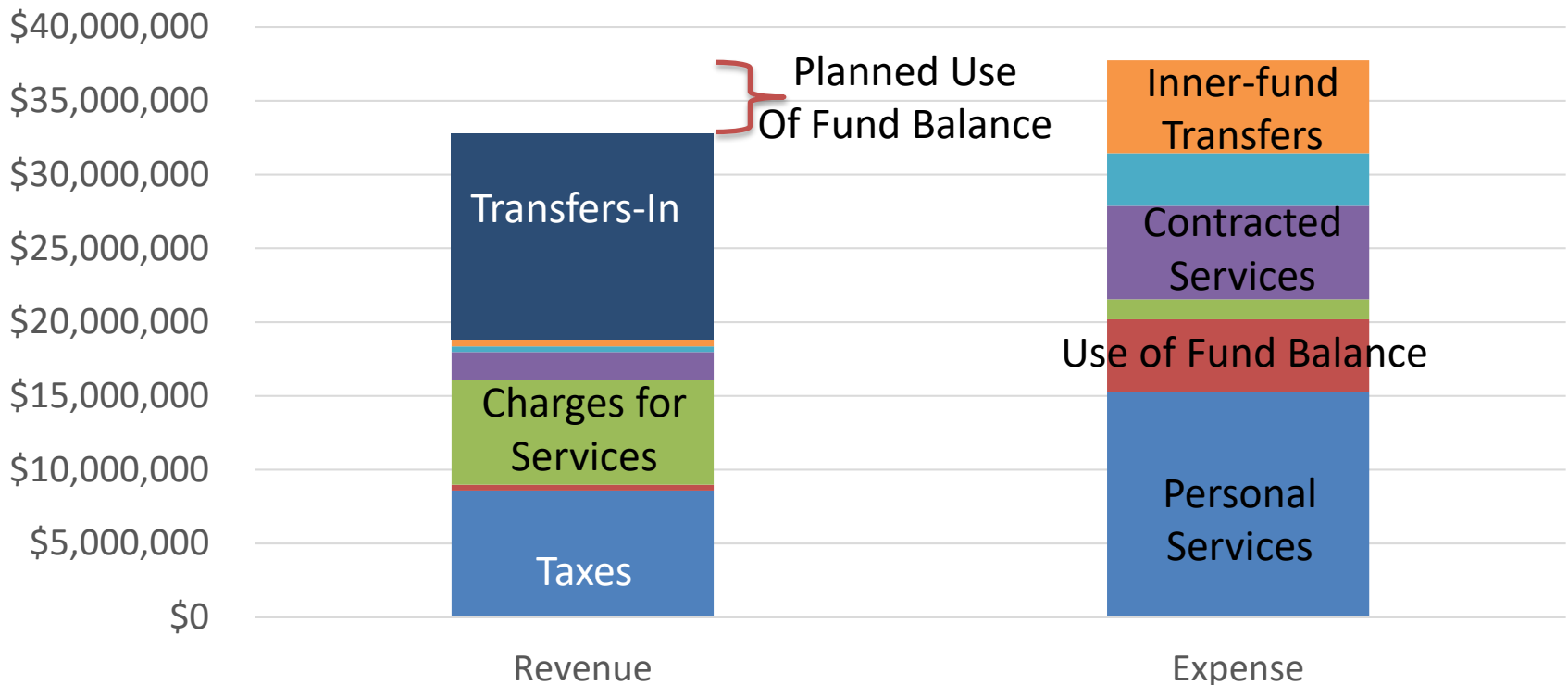
(2) \$2,013,050 use of 2015 LBA Bonds for Eligible Gas Projects



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General Fund

- \$38,128,733 Proposed Expenditure Budget





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General Fund

	Revenue	Expense	
31 - Taxes	\$8,093,100	\$15,263,406	51 - Personal Services
32 - Licenses & Permits	\$389,850	\$6,220,910	52 - Contracted Services
34 - Charges for Services	\$7,092,024	\$1,355,695	53 - Supplies
35 - Fines & Forfeitures	\$1,902,850	\$6,330,250	55 - Interfund Charges
36 - Investment Income	\$375,000	\$3,573,833	57 - Other Costs
38 - Miscellaneous	\$464,330	\$5,000,000	61 - Other Financing Uses
39 - Other Financing	\$14,811,579		
	\$33,128,733	\$38,128,733	



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General Fund - Revenue

- \$33,128,733 Proposed Revenue Budget
 - Includes 5% projected growth in property tax (no rollback)
 - Requires an advertisement for property tax increase by state law
 - Additional revenue of \$100,000
 - Insurance Premium Tax increase of \$119,000 (6.1%)
 - TAVT increase of \$200,000 (33%)
 - Indirect Costs \$6,245,024 (New – part of charges for services)



General Fund - Expenses

- \$38,128,733 Proposed Budget
 - Planned for Normal Revenues and any revenue impacts will be covered through the additions to contingency
 - \$2,447,522 for Contingency (increase of \$1,447,522)
 - Travel & Training
 - Reduction in Capital Expenditures
 - Holding Vacant Positions (need to move to contingency)
 - Adjustments reduce this by \$545,000
 - \$55,000 Stormwater Fees (decrease of \$235,000)
 - \$1,371,875 Payments to DDA (increase of \$346,250)
 - \$5,000,000 planned use of Fund Balance for Parking Deck



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General Fund - Expenses

- \$38,128,733 Proposed Budget
 - Using \$360,000 in Confiscated Asset Funds for new Capital projects for the Police Department
 - Reduced Capital by \$922,142 due to roll-over capital savings in FY 2020



General Fund Balance

		Amount
FY 2020 Projected Ending Fund Balance		\$16,571,810
FY 2021 Use of Fund Balance		<u>-\$5,000,000</u>
FY 2021 Projected Ending Fund Balance		\$11,571,810
FY 2021 General Fund Fund Balance Policy Minimum		\$8,186,023
Funds Above Policy		\$3,385,787

- Adjustments for GCPS Arts Conservatory increases Use of Fund Balance \$1,500,000
 - Total Use of Fund Balance \$6,500,000
 - Funds Above Policy \$2,885,787



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Water fund

- \$5,937,500 Proposed Budget
- Capital Improvement Plan reflects implementing capital items
 - This will require a rate increase according to planned previously presented in FY 2020



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Electric Fund

- \$37,111,600 Proposed Budget
- No additional Rate Changes Proposed for FY 2021
- Increased MEAG Costs
 - Maintenance on ash ponds



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Gas Fund

- \$47,426,250 Proposed Budget
- FY 2021 includes changes in rates to September 1
 - \$XXXXXXXXX additional funds for FY 2021



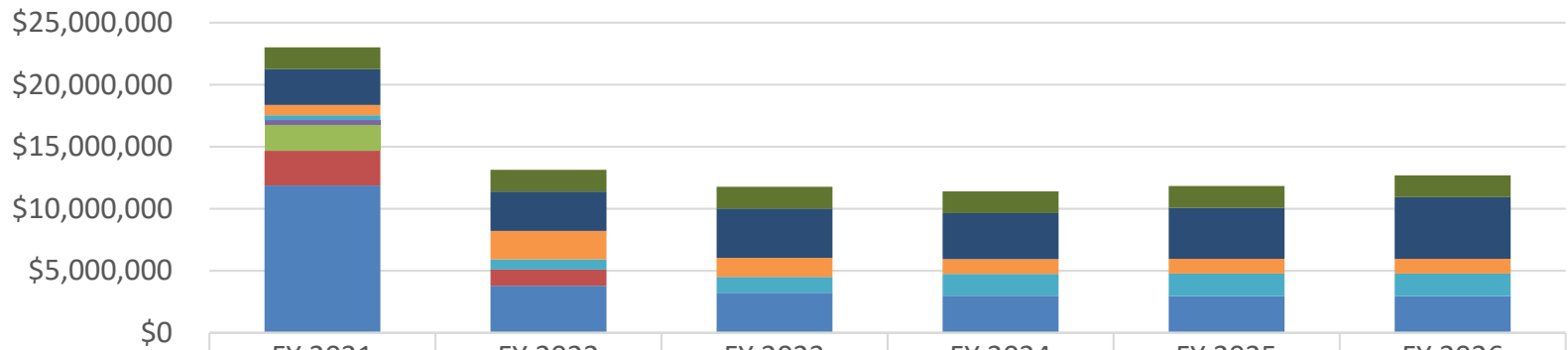
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Storm Water Fund

- \$2,394,803 Proposed Budget
 - Capital \$1,752,705
 - \$1,474,705 Stormwater Maintenance
 - \$250,000 Phillips Rd
 - \$28,000 vehicle for new position



Projected Budgets - Capital



	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Fleet Services	\$0	\$0	\$0	\$0	\$0	\$0
Stormwater	\$1,752,705	\$1,752,705	\$1,752,705	\$1,752,705	\$1,752,705	\$1,752,705
Solid Waste	\$0	\$0	\$0	\$0	\$0	\$0
Gas	\$2,891,230	\$3,177,200	\$3,969,550	\$3,709,970	\$4,115,110	\$4,974,160
Electric	\$830,000	\$2,285,000	\$1,535,000	\$1,190,000	\$1,190,000	\$1,190,000
Water	\$403,225	\$830,500	\$1,282,500	\$1,760,000	\$1,811,000	\$1,811,000
Confiscated Assets	\$360,395					
SPLOST Joint	\$2,100,402	\$0	\$0	\$0	\$0	\$0
SPLOST	\$2,797,445	\$1,300,000	\$0	\$0	\$0	\$0
General	\$11,879,809	\$3,799,685	\$3,229,359	\$2,988,124	\$2,963,124	\$2,963,124



Projected Budgets - Assumptions

- Changes in Taxes
 - 5% annual growth - Historical Growth in Digest (last 3 years) was 6%
 - Millage Increase FY 2021 (October 2020 Tax Bills)
 - 1% annual growth in Franchise Taxes, Occupation Tax, Insurance Premium Tax
- Fines and Forfeitures
 - Based on FY 2020 activity annual revenue is expected to be \$1,600,000
- SPLOST
 - Projected based on Intergovernmental Agreement
- Enterprise Funds
 - Gas adding 750 customers a year
 - Electric Fund based on MEAG growth estimates (.33% annually)



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Projected Budgets - Assumptions

- Salary Changes
 - Annual Increase of 3%
- Health Care Costs
 - Based on 5% Annually
- Other Operating
 - Historical Inflation
- Capital
 - Based on Capital Plan
- Debt Service
 - LBA – Series 2019: \$1,800,000 (FY 2024 – FY 2026)
 - DDA – Series 2020: \$500,000 additional (FY 2022 – FY 2026)



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Questions