



FY 2025 Proposed Budget

April 17, 2024



LAWRENCEVILLE
GEORGIA



Agenda

- Overview
 - Personnel
 - Proposed Salary Adjustments
 - New Positions
 - Changes at the Fund Level
 - Capital Projects Plan
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FY 2025 Budget Calendar

- Developed revenue projections in late December & early January
 - Departments submitted operating, personnel and capital requests in January and February
 - Finance Citizen's Committee meetings and input during the month of March
 - City Manager review of the requests in March
 - Budget submitted to Council in April
 - Public Hearings and Council input in April and May
 - Adoption of Budget in June and millage in July
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FY 2025 Revenue Projections

- Proposing Millage Rate increase from 2.228 to 3.26
 - As part of FY 2024 Budget discussion, the City informed the public the City would increase the millage rate by one mill.
 - \$1,679,110 increase in property taxes (real and personal)
 - Proposing to change Occupation Tax to a gross receipt
 - Increase in revenue from \$300,000 to \$2,000,000
 - Proposing adding admin fee for utility accounts of \$2.95 per month
 - Increase in revenue of \$1,800,000
 - Increase in Utility Account Connect Fee change from \$50 to \$75 per application
 - Increase in revenue of \$315,000
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FY 2025 Revenue Projections con't

- Electric Rates
 - Third Year of Electric Rate Study will be implemented in January of 2025. The increase is an average 1.0% across all charges.
 - No base rate increase for Residential
 - Will conduct a Rate Study for FY 2025 and the following years
 - Gas Rates
 - Second Year of Gas Rate Study will be implemented in July of 2024. The increase is an average 1.3% across all charges
 - Residential Base Rate will increase from \$25 to \$26 per month
 - Will update the Rate Study for FY 2026 and the following years
 - Sanitation Rates
 - No Proposed Changes
 - Will conduct a rate study for FY 2026 and the following years
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FY 2025 Revenue Projections con't

- Operating Transfers – in
 - \$18,431,234
 - Decrease of \$1,798,289 (8.9%)
 - \$7,962,203 from Electric
 - \$9,629,031 from Gas
- Charges for Service (Indirect or Overhead)
 - \$9,131,575
 - \$2,596,045 Electric Fund
 - \$5,836,115 Gas Fund
 - \$516,715 Sanitation Fund
 - \$182,700 Stormwater Fund
 - \$112,126 increase from FY 2024



FY 2025 Revenue Projections con't

- Fines & forfeitures
 - \$1,500,000, same as FY 2024
 - Does not include School Speed Zone Fines (New Fund 285)
 - Licenses and Permits
 - \$424,000, decrease of \$16,000 from FY 2024
 - Miscellaneous Revenue
 - \$1,892,500 (includes Aurora Capital Contribution)
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FY 2025 Expense Highlights

- 9 New Positions funded through City Revenues
 - 1 New Position funded through a grant
 - Salary Increases
 - 4% salary increase
 - Additional projected costs for Health Benefit (Active and Retired Employees) of \$952,000 or 9.0% increase
 - \$23,000 for Tuition Reimbursement
 - \$25,000 for City Housing program
 - \$100,000 for Nightshift differential for Police Officers
 - \$105,000 for Police Self Defense and Defensive Tactics training
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FY 2025 Salary Adjustments

- Proposed FY 2025 Salary Adjustments
 - \$1,160,951
 - \$986,700 Salaries
 - \$61,200 Social Security
 - \$14,300 Medicare
 - \$98,751 Retirement
 - 4% average increase implemented on July 1, 2024
 - Metro Atlanta MSA Wage and Salary Increases for 12 months prior to December 2023 was 4.0%
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FY 2025 Personnel – New Positions

Department	Count	Month	Position Title
Electric	1	July	Superintendent
Gas	1	July	Distribution Operation Supervisor
HR	1	July	Human Resources Specialist
IT	1	July	Tech Support Analyst
Police	2	July	Bike Unit Patrol
Government Building	2	July	Facility Maintenance Assistant
Government Building	1	July	Maintenance Tec Supervisor
TOTAL Cost of Positions			\$1,333,343

- \$1,001,843 in salary, benefits, supplies, and operating costs
- \$331,500 in capital costs
 - Converts temporary part-time HR Specialist to full-time
 - Government Building positions are primarily funded through reduced ongoing maintenance costs.
- Convert ReCAST Program Manager from contract services to Grant Funded Employee
 - No change in costs to the program
- Total of 9 new positions and 1 grant funded position (10 total)



FY 2025 Overview – Operating

Fund		Source of Funds	Use of Fund Balance	Use of Funds
100	GENERAL FUND	\$49,630,393		\$49,630,393
210	CONFISCATED ASSETS FEDERAL	\$60,300		\$60,300
211	CONFISCATED ASSETS LOCAL	\$10,500		\$10,500
215	911 FUND	\$1,333,355		\$1,333,355
230	ARPA FUND	\$0	\$819,000	\$819,000
270	LAWRENCEVILLE TAD	\$500,000		\$500,000
275	HOTEL/MOTEL TAX	\$300,000		\$300,000
280	MOTOR VEHICLE TAX	\$140,000		\$140,000
285	SCHOOL ZONE CAMERAS	\$2,227,000		\$2,227,000
510	ELECTRIC FUND	\$41,336,500		\$41,336,500
515	GAS FUND	\$56,239,000		\$56,239,000
540	SANITATION FUND	\$3,110,292		\$3,110,292
560	STORMWATER FUND	\$2,454,500		\$2,454,500
610	GROUP HEALTH FUND	\$8,750,000		\$8,750,000
615	WORKERS COMP FUND	\$559,000		\$559,000
620	FLEET FUND	\$2,332,125		\$2,332,125
625	RISK MANAGEMENT FUND	\$1,877,046		\$1,877,046
		\$170,860,011	\$819,000	\$171,679,061



FY 2025 Overview – Capital

Fund		Source of Funds	Use of Fund Balance	Use of Funds
326	2023 SPLOST	\$6,559,140		\$6,559,140
355	CAPITAL PROJECTS	\$5,318,060		\$5,318,060
511	ELECTRIC FUND CAPITAL *	\$1,715,000		\$1,715,000
516	GAS FUND CAPITAL*	\$3,344,520		\$3,344,520
541	SANITATION CAPITAL	\$28,000		\$28,000
561	STORMWATER CAPITAL	\$1,453,075	\$146,925	\$1,600,000
		\$17,917,795	\$146,925	\$18,564,720
		\$189,277,856	\$965,925	\$190,243,781



FY 2025 General Fund

Revenue		Amount
31	Taxes	\$14,177,794
32	Licenses & Permits	\$768,100
33	Intergov Revenues	\$1,293,990
34	Charges for Services	\$10,540,275
35	Fines & forfeitures	\$2,041,500
36	Investment Income	\$445,000
38	Miscellaneous	\$1,892,500
39	Other Financing	\$18,471,234
		\$49,630,393

Expense		Amount
51	Personal Services	\$21,763,271
52	Contracted Services	\$10,548,341
53	Supplies	\$1,817,725
55	Interfund Charges	\$9,461,665
57	Other costs	\$4,604,292
58	Debt Services	\$902,044
61	Other Financing Uses	\$533,055
		\$49,630,393



FY 2025 Electric Fund

- \$41,336,500 Proposed Budget
 - Fund Transfers Out
 - \$7,962,203 General Fund Operating
 - \$1,715,000 Electric Fund Capital
 - Indirect Costs
 - \$2,596,045
 - Purchase of Electricity for Resale
 - \$24,400,100
 - The last increase to Electric Rates was January 2024 (3year program)
 - Last increase is scheduled for January 2025 (Average 1.0% increase)
 - No Residential Base increase
 - This is the last year of the Rate Study.
 - A new rate study with ECG will be completed and presented to council.
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FY 2025 Gas Fund

- \$56,239,000 Proposed Budget
 - Fund Transfers Out
 - \$9,629,031 General Fund Operating
 - \$3,902,060 General Fund Capital
 - \$3,344,520 Gas Fund Capital
 - Indirect Costs
 - \$5,836,115
 - Purchase of Gas for Resale
 - \$20,974,250
 - Next Rate increase July 1, 2024 (2nd year of 3rd year of rate study)
 - Base Rate increase from \$25 to \$26
 - An updated rate study will be completed and proposed to Council
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FY 2024 Solid Waste & Recycling

- \$3,110,292 Budget
 - Solid Waste Disposal \$975,000
 - Indirect Cost \$516,715



FY 2025 Capital Projects Plan

Department	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SPLOST	\$6,559,140	\$1,300,000	\$850,000	\$2,750,000	\$500,000	\$500,000
Special Events	\$8,000	\$0	\$0	\$0	\$0	\$0
Engineering	\$660,000	\$0	\$0	\$0	\$0	\$0
IT	\$546,000	\$292,950	\$295,490	\$223,070	\$224,700	\$226,380
Police	\$1,315,575	\$715,575	\$639,199	\$639,199	\$240,549	\$240,549
Streets	\$2,442,000	\$2,516,160	\$2,438,093	\$2,754,785	\$3,065,280	\$1,874,585
Economic Development	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Damage Prevention	\$7,060	\$14,120	\$7,060	\$14,120	\$7,060	\$14,120
Fleet	\$1,740,000	\$1,790,000	\$1,900,000	\$1,982,500	\$2,072,500	\$2,132,250
Sanitation	\$28,000	\$205,500	\$0	\$0	\$0	\$0
Electric	\$1,715,000	\$6,326,000	\$5,954,000	\$6,906,250	\$9,100,000	\$8,482,500
Gas	\$3,344,520	\$5,274,520	\$4,899,580	\$5,638,660	\$5,020,780	\$5,068,070
Stormwater	\$1,600,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
Gov Bldgs	\$100,000	\$210,000	\$252,000	\$210,000	\$297,000	\$1,182,000
	\$20,115,295	\$19,994,825	\$18,585,422	\$22,468,584	\$21,877,869	\$21,070,454



FY 2025 Capital Projects con't

- \$20,115,229 Proposed Budget
 - \$2,202,000 Street Resurfacing
 - ARPA: \$660,000
 - Capital Project Fund: \$1,042,000
 - 2023 SPLOST: \$500,000
 - \$50,000 Arts' Commission
 - \$1,700,000 Vehicle Replacement
 - \$400,000 Camelot Subdivison
 - \$815,575 Speed Zone Camera Funds
 - Police Radios, SRT Uniforms and Equipment, Axon body & Vehicle Cameras
 - \$300,000 vehicle wash bay at Public Works
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Long Range Outlook

- Annually, during the Budget Process the City looks at long range impacts of decisions made in the current budget
 - Assumptions are made about future years based on historical trends
 - Helps us to understand the financial implications
 - Evaluate impacts on Financial Policies
 - Evaluate service level changes
 - Evaluate revenue enhancements
 - Provides Financial guidance for policy decisions
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Long Range Outlook con't Revenue

- Changes in Taxes
 - 5% annual growth Historical Growth in Digest
 - 1% annual growth in Franchise Taxes and Insurance Premium Tax
 - Occupation Tax based on Gross Receipt model
 - Fines and Forfeitures
 - Based on FY 2023 activity annual revenue is expected to be \$1,500,000 (stable)
 - 2023 SPLOST
 - Projected based on Intergovernmental Agreement
 - Enterprise Funds
 - Gas adding 750 customers a year
 - Electric Fund based on MEAG growth estimates (0.33% annually)
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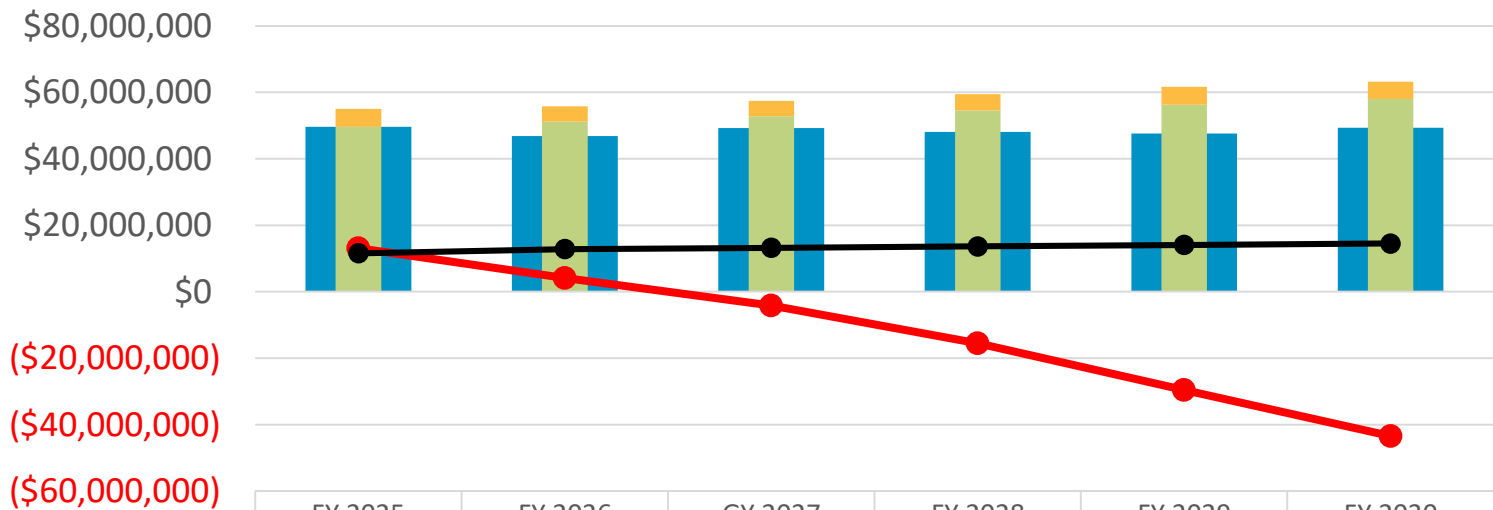
Long Range Outlook con't Expenses

- Salary Changes
 - Annual Increase of 3%
 - 3 additional positions a year
 - Health Care Costs
 - Based on 5% Annual Increase
 - Other Operating
 - Historical Inflation at 2%
 - Debt Service
 - LBA – Series 2019: \$1,700,000
 - DDA – Series 2020: \$1,440,000
 - Electric/Gas Bonds – Series 2023 \$1,136,000
 - 5year FY 2025 CIP based on FY 2025 requested
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Long Range Outlook con't

General Fund

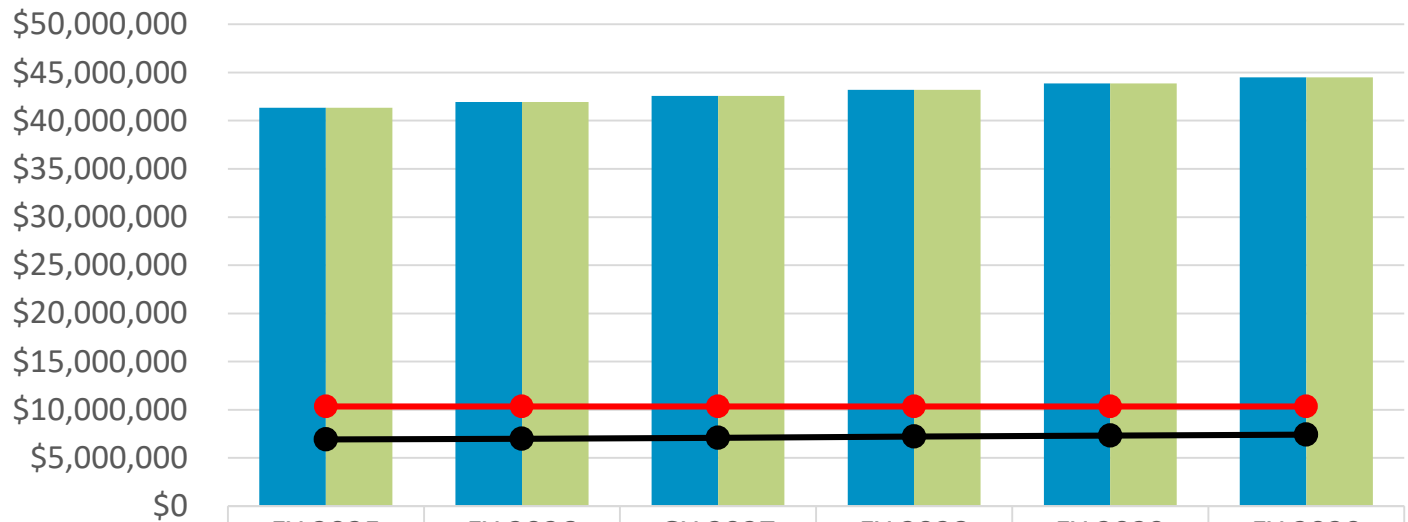


	FY 2025	FY 2026	GY 2027	FY 2028	FY 2029	FY 2030
General Fund Revenue	\$49,630,393	\$46,864,188	\$49,264,137	\$48,069,164	\$47,622,266	\$49,357,792
GF Capital	\$5,393,060	\$4,585,230	\$4,642,643	\$4,934,475	\$5,416,540	\$5,179,335
General Fund Expense	\$49,630,393	\$51,212,402	\$52,846,273	\$54,533,421	\$56,265,281	\$58,043,113
General Fund Fund Balance	\$13,053,100	\$4,119,655	(\$4,105,123)	(\$15,503,855)	(\$29,563,410)	(\$43,428,066)
General Fund Fund Balance Policy	\$11,598,540	\$12,803,101	\$13,211,568	\$13,633,355	\$14,066,320	\$14,510,778



Long Range Outlook con't

Electric Fund

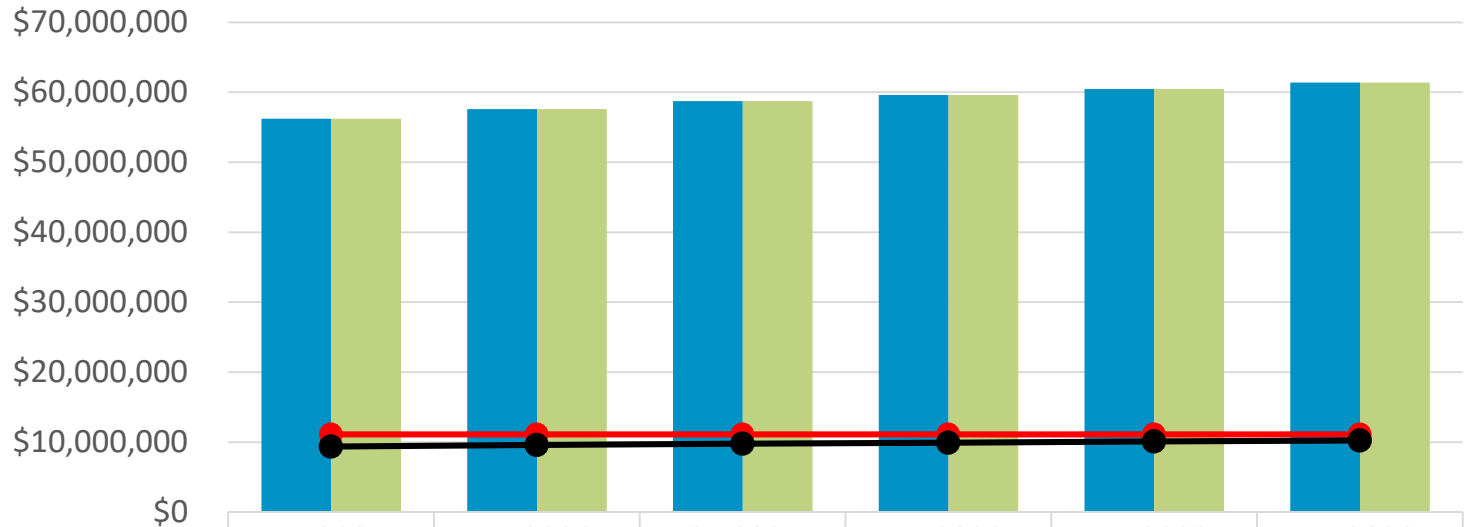


	FY 2025	FY 2026	GY 2027	FY 2028	FY 2029	FY 2030
Electric Fund Revenue	\$41,336,500	\$41,952,760	\$42,578,234	\$43,213,060	\$43,857,377	\$44,511,328
Electric Fund Expense	\$41,336,500	\$41,952,760	\$42,578,234	\$43,213,060	\$43,857,377	\$44,511,328
Electric Fund Fund Balance	\$10,348,537	\$10,348,537	\$10,348,537	\$10,348,537	\$10,348,537	\$10,348,537
Electric Fund Fund Balance Policy	\$6,903,196	\$6,993,525	\$7,097,792	\$7,203,617	\$7,311,025	\$7,420,038



Long Range Outlook con't

Gas Fund



	FY 2025	FY 2026	GY 2027	FY 2028	FY 2029	FY 2030
Gas Fund Revenue	\$56,239,000	\$57,573,360	\$58,727,643	\$59,599,147	\$60,483,630	\$61,381,285
Gas Fund Expense	\$56,239,000	\$57,573,360	\$58,727,643	\$59,599,147	\$60,483,630	\$61,381,285
Gas Fund Fund Balance	\$11,115,029	\$11,115,029	\$11,115,029	\$11,115,029	\$11,115,029	\$11,115,029
Gas Fund Fund Balance Policy	\$9,391,913	\$9,597,479	\$9,789,898	\$9,935,178	\$10,082,621	\$10,232,260



Long Range Outlook – Wrap Up

- The Electric and Gas Funds do not have sufficient revenue to support the General Fund, General Fund Capital, Electric Capital & Gas Capital
 - Adjusted for the FY 2025 Budget
 - **Estimate needing \$9,000,000 in changes for FY 2026**
 - Due to increased Capital Costs, Electric, Gas, and Sanitation Rates may need to be reviewed again in FY 2025
 - Excess operating costs above the assumptions will require either new revenue increases or expense reductions
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Long Range Outlook – Wrap Up

- Revenue Analysis
 - Millage will need to be revised again during this period
 - Expenditure Analysis
 - Managing the Capital Plan is critical to the success of the financial plan
 - Evaluation of City Benefits vs. Market Conditions
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Upcoming Dates

APRIL 2024

- Wednesday, 29: 1st Council Budget work day (5pm)

MAY 2024

- Wednesday, 8: 2nd Council Budget work day (3pm)
- Wednesday, 22: 1st Public Budget Hearing (7pm)

JUNE 2023

- Wednesday, 5: **If necessary** 3rd Council Budget work day (3pm)
 - Wednesday, 5: 2nd Public Budget Hearing (5pm)
 - Wednesday, 26: Adopt Budget at Council Meeting (7pm)
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April 29 Topics

- Finance Committee Process and Comments
 - New Positions
 - Outline requests
 - Insurance
 - Why the increase
 - How can we mitigate this as we go into the future
 - Slides on millage rate
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Questions

