



**June 20, 2024**

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**To:** Mayor and Council

**CC:** N/A

**From:** Brandon Perkins, Town Manager

**Re:** FY2025 Budgets

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I am pleased to present Staff's FY2025 budget proposals for your consideration and approval. Highlights are as follows:

**General Fund Operating Budget**

The proposed General Fund budget amount is \$11,899,237.11, which is a 32.26% decrease from the current approved budget of \$17,566,991.38. Balancing the budget proposal included the use of \$4,469,998.78 from surplus funds, which is a 52.15% decrease from FY24.

A few important items of note:

- This budget includes a 4% across the board pay increase for the Town's employees.
- You will notice that the Technical Services line item for many of our departments has decreased. This is due to a new accounting practice that requires all subscription-based software to be accounted for in a new line item called Subscription Based IT Agreements (SBITA). This includes software like ClearGov, ADP (Payroll), JustFOIA (Open Records), Adobe, Office365, Rackspace, and VC3 (Town IT Services), etc. As a result, many of the items previously allocated to Technical Services have been moved to SBITA.
- As discussed with you during the first budget workshop in March, I have added funding (~\$5,500 annually) to the SBITA line item in the Administration budget to move all employees, elected officials, and planning commissioners to Office 365 for email and office/productivity software, etc. We will begin that transition in July.

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- We have included an anticipated increase of 15% to both our medical and dental insurance plans. This is something that we add every year as we can usually count on these costs going up. Last year was an anomaly and we did not have an increase, so Sandy and I strongly believe we will see one in FY25. This information usually comes to us in October.
- We have added a total of \$7,140.00 to the Public Safety and Public Safety Administration budgets to cover our officer's participation in the Peace Officer's Annuity and Benefit (POAB) Fund of Georgia, which is a State administered supplemental retirement fund for certified police officers. The POAB was established by the General Assembly in 1950 and provides up to \$900.00 per month in supplemental retirement income. Officer participation is \$35 per month and we are seeing many agencies begin to offer this as an employer-paid benefit in order to help remain competitive and we would like to do the same.
- The surplus funding used to balance the General Fund budget also includes funding for several projects that were budgeted in FY24, but not completed, to include projects funded with Assigned Funds (ARPA).
- As a reminder, the Town ended FY23 with 15.7 months of reserve funding, which amounts to approximately \$9,200,570 according to the 2024 audit report. This leaves the Town with a required 6-month reserve of approximately \$2,564,023.22 and a surplus of approximately \$6,636,546.78.

## **Revenue**

- We project an overall increase in tax revenue of 7.25% from all sources over FY25. As usual, property taxes and LOST represent our largest sources of revenue.
- Property tax revenue is anticipated to be \$1,822,709.69 for FY25 vs. \$1,703,467.00 in FY24, which is a 7% increase. This is, of course, contingent upon the millage rate remaining the same when you all vote on that in August. Anticipated property taxes amount to 15.3% of the proposed budget. The national average for property tax revenue at the municipal level is approximately 30% according to the Tax Policy Center and other sources.

## **Departmental Budget Overview**



Below is a breakdown of each department's budget request for FY25 compared to the current approved budget:

Department	FY24 Budget	FY25 Proposal	% Change
Administration	\$1,894,705.59	\$1,424,263.18	-24.83%
Finance	\$427,645.00	\$412,669.18	-3.5%
Municipal Court	\$360,067.09	\$294,677.30	-18.16%
Public Safety	\$2,155,165.16	\$2,250,106.85	4.41%
Public Safety Administration	\$324,039.80	\$355,087.66	9.58%
Public Works	\$10,896,871.45	\$5,638,935.39	-48.25%
Parks & Recreation	\$560,802.55	\$517,458.59	-7.73%
Museum	\$16,601.74	\$12,750.00	-23.2%
Library	\$442,501.97	\$462,958.57	4.62%
Planning & Zoning	\$488,591.03	\$530,330.39	8.54%
Totals	\$17,566,991.38	\$11,899,237.11	-32.26%

#### Other Funds Highlights

- **2017 SPLOST:** \$4,335,141.72 :
  - \$3,500,000 for the Palmetto Road Roundabout (still in property acquisition)
  - \$300,000 for parks (Handley Park Pavilion/Restroom)
  - \$535,142 for gateway signage & streetscapes, facility renovations (881), and GTIB loan payments.
- **2023 SPLOST:** \$3,960,000:
  - \$585,000 for downtown and intersection improvements
  - \$550,000 for sewer system improvements
  - \$1,920,000 for Public Works Projects: Road paving & repair, stormwater maintenance, dam repair and maintenance, cart paths, equipment, etc.
  - \$905,000 for parks improvements
- **Founder's Day**
  - Increased by \$11,250 to \$61,777
- **Sewer Fund**

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- Decreased 17.75% from FY24 to \$1,689,171.53.

### **Summary**

Staff has been aggressive in budgeting and planning projects over the last couple of budget cycles, which has placed us in a situation where we have an abundance of projects in various stages of completion from still in planning/design to stuck in property acquisition to construction is underway. Consequently, this year's budget request has decreased overall because I have asked staff to be more realistic in choosing which projects they are planning for this year. I want us to continue to move forward at a realistic pace while also ensuring that current projects are getting completed.

If you have any questions about this budget proposal prior to the meeting, please feel free to reach out to me and we can discuss.