



2014 Budget

Back Ground

- The adopted Budget for 2014 incorporated reductions of 2.4% to all departments in the general fund, law enforcement and those funds receiving a subsidy from the general fund
- The reduction was “across the board” which is a methodology with inherent drawbacks and has been historically difficult to enforce.
- Department Directors and Elected Officials were advised that the reductions had been taken from the funding level of their budgets and asked to identify the lines items specifically to reduce.

**The adopted 2014
budget has already
been reduced by
2.4%.**

2.4 % Budget Reductions not Identified

Fund	Amount
General Fund	454,800
Law Enforcement	889,260
Crime Victims Assistance	7,960
Emergency Telephone - 911	89,640
HCD	245,020
Transit	26,100
Total	1,712,780

Department reduction methods other than supplies and program reductions

- Planning and Development
 - Departmental reorganization and fee increases
- Tax Commissioner
 - Furloughs / office closure (6 Days)
- RCCI
 - Elimination of 2 full time positions
- Recreation
 - Elimination of 8 full time and 5 part time positions
 - Privatization of golf course by mid year

No Reductions Identified

Elected Officials	267,920
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General Fund - other	169,750
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Option 1

- Implementation of Energy Excise Tax Effective October 1, 2014
 - Projected Revenue \$ 625,000 (projected 2015 revenue - \$3 Million)
 - **Apply Funding to Law Enforcement**
- Reduce reduction required from Law Enforcement to \$265,000
- Require all remaining departments to stay within adopted budget

Option 2

- Implementation of Energy Excise Tax Effective October 1, 2014
 - Projected Revenue \$ 625,000
- Implementation of Furlough for all employees
 - 5 furlough days
 - Cost reduction of \$1.1 million

Energy Excise Tax

HB 386 eliminated sales tax charged on energy purchased made by manufacturing companies.

Implemented starting in 2013, 25% per year until fully implemented in 2016.

Year	Savings to Companies		Revenue	Millage Increase
	6% reduction	4% reduction	Lost to ARC	Needed
2013	3,000,000	2,000,000	1,000,000	0.25
2014	6,000,000	4,000,000	2,000,000	0.50
2015	9,000,000	6,000,000	3,000,000	0.75
2016	12,000,000	8,000,000	4,000,000	1.00

Effect of millage increase on top 25 tax payers

Owner Name	Appraised Value	Assessed Value	.4 mill -2014 increase	1 mill
GEORGIA POWER CO	201,275,620	80,510,239	32,204	80,510
PCS NITROGEN FERTILIZER	244,207,562	92,989,007	37,196	92,989
INTERNATIONAL PAPER CO PAPERMILL	356,958,048	69,477,492	27,791	69,477
AUGUSTA NATIONAL INC	103,695,468	41,478,192	16,591	41,478
DSM CHEMICALS NORTH AMERICA	138,911,224	52,247,644	20,899	52,248
DOCTORS HOSPITAL OF AUG I	80,449,484	32,179,794	12,872	32,180
AUGUSTA NEWSPRINT	88,699,304	28,643,642	11,457	28,644
NATL LIFE & ACC INSUR CO	51,032,583	20,413,034	8,165	20,413
AUGUSTA RIVERFRONT LIMITED	39,389,336	15,755,737	6,302	15,756
COMCAST CABLEVISION OF GA/SC INC	41,034,038	16,413,616	6,565	16,414
NUTRASWEET COMPANY	67,196,201	25,352,469	10,141	25,352
BELLSOUTH TELECOM/ AT&T GEORGIA	34,218,658	13,687,463	5,475	13,687
PROCTER & GAMBLE MANUFACTURING CO THE COVIDIEN LP	90,980,458	22,830,203	9,132	22,830
ATLANTA GAS LIGHT COMPANY	55,095,923	22,038,369	8,815	22,038
DOCTORS HOSPITAL OF AUGUSTA 31003 HCA	30,219,974	12,087,989	4,835	12,088
SOLVAY SPECIALTY PRODUCTS USA LLC	32,514,474	13,005,790	5,202	13,006
AUGUSTA MALL LLC	91,997,184	20,489,309	8,196	20,489
THERMAL CERAMICS INC	30,465,669	12,186,266	4,875	12,186
E Z GO CAR DIVISION OF TEXTRON	42,148,591	16,175,233	6,470	16,175
BERCKMAN RESIDENTIAL PROPERTIES LLC	47,568,470	17,538,773	7,016	17,539
KNOLOGY OF AUGUSTA INC	27,330,975	10,932,392	4,373	10,932
KIR AUGUSTA I 044 LLC	31,424,341	12,569,736	5,028	12,570
KIR AUGUSTA II L P	26,382,578	10,553,032	4,221	10,553
ELI LILLY AND COMPANY	26,259,556	10,503,825	4,202	10,504
	97,827,022	29,350,865	11,740	29,351

Energy Excise Tax

- ❖ Authorized by HB 386
- ❖ If approved implemented over 4 years (2013 to 2016)
25% per year
- ❖ Can be rescinded by commission action
- ❖ NOT A NEW REVENUE— replaces sales tax eliminated
- ❖ Manufacturing companies will still enjoy a net 4% reduction of sales tax on energy purchased.

October 1st implementation of Excise Tax - Timeline

- **May 30, 2014** – Meeting Notice sent to Blythe and Hephzibah
- **June 10, 2014** – Meet with Blythe and Hephzibah to discuss implementation of Energy Excise Tax
- **July 10, 2014** – Deadline for Hephzibah and Blythe to opt in
- **July 11, 2014** – Augusta adopts Energy Excise Tax
- **October 1, 2014** – Collections Start

Discussion/Comments