

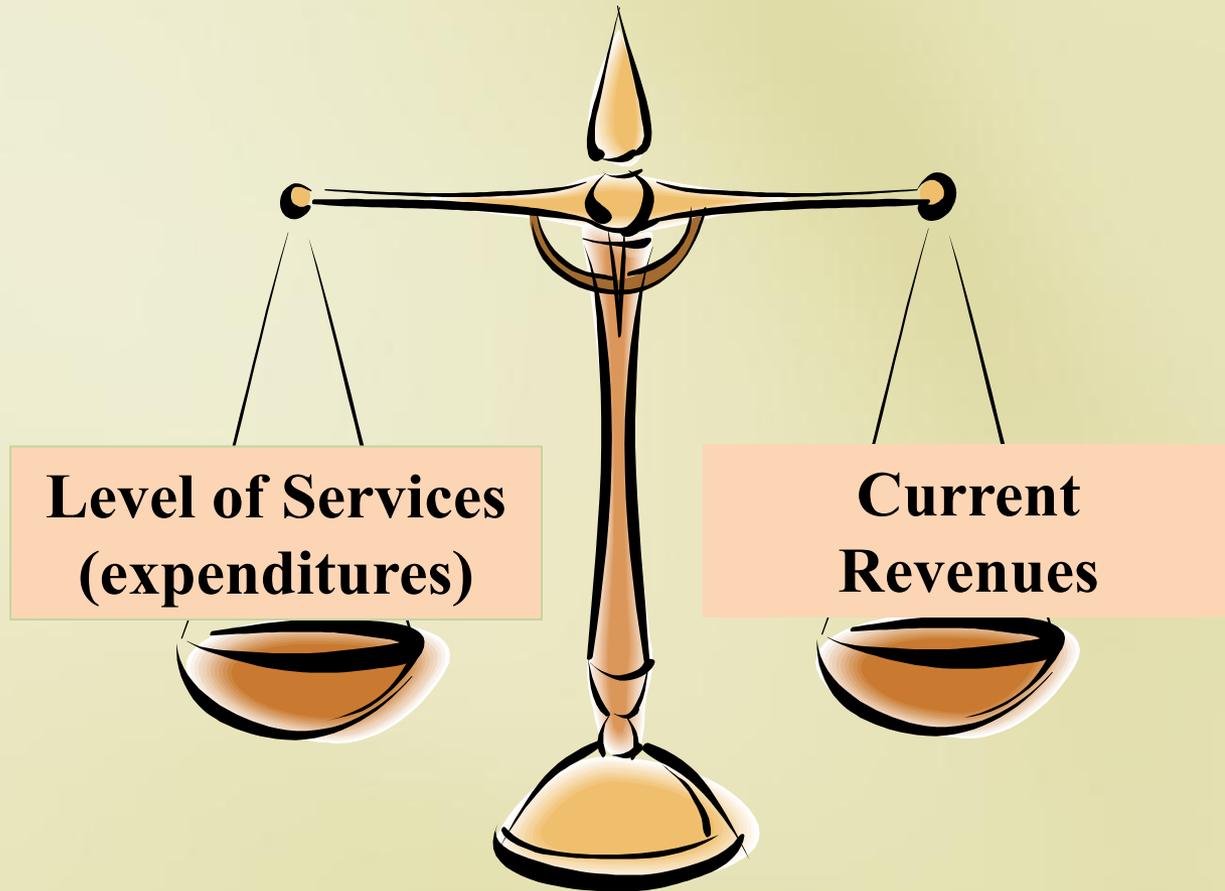


2015 Budget Retreat

Retreat Agenda

- Budget Basics
- Discussion -Payment in Lieu of Franchise Fees
- Agencies
- Recreation, Parks and Facilities
- Engineering
- Next Steps

Budget Must Balance



2015 Budget

Key Dates Remaining

- October 21, 2014 – Interim Administrator presents proposed budget to commission
- November 18, 2015 – Commission adopts 2015 budget

Budget Process

1. Departments submit budget requests
2. Budget requests are reviewed and compiled
3. Administrator presented with preliminary budget
4. Administrator presents proposed budget to commission
5. Commission attends work sessions on proposed budget
6. Commission adopts balanced budget

When budget requests exceed projected revenues

- To get to a balanced budget the choices are:
 - Increase Current Revenue
 - Decrease Services (Expenditures)
 - Reallocation of Existing Resources
 - Use of Fund Balance
 - Combination of above

Revenues

- Major Sources of Revenue
 - Ad Valorem Tax
 - Sales Tax
 - Franchise Fees

Ad Valorem Taxes are the only one we control

Revenues that can be increased

- Ad Valorem Tax (Millage Rate)

Ad Valorem Taxes

- **2 methods of increase**
 - Increase in Tax Digest
 - Increase in Millage Rate

Decrease Expenditures (Services)

- Decrease Expenditures
 - To what level should services be reduced?
 - Which programs should be eliminated?
 - Across the board reductions?

Reallocation of existing resources

- Total Expenditures for the organization remain same
 - Internal Allocation of Funds Between Departments Change
 - Requires Prioritization of Programs

Policy Decision

Methods used to balance 2014 Budget

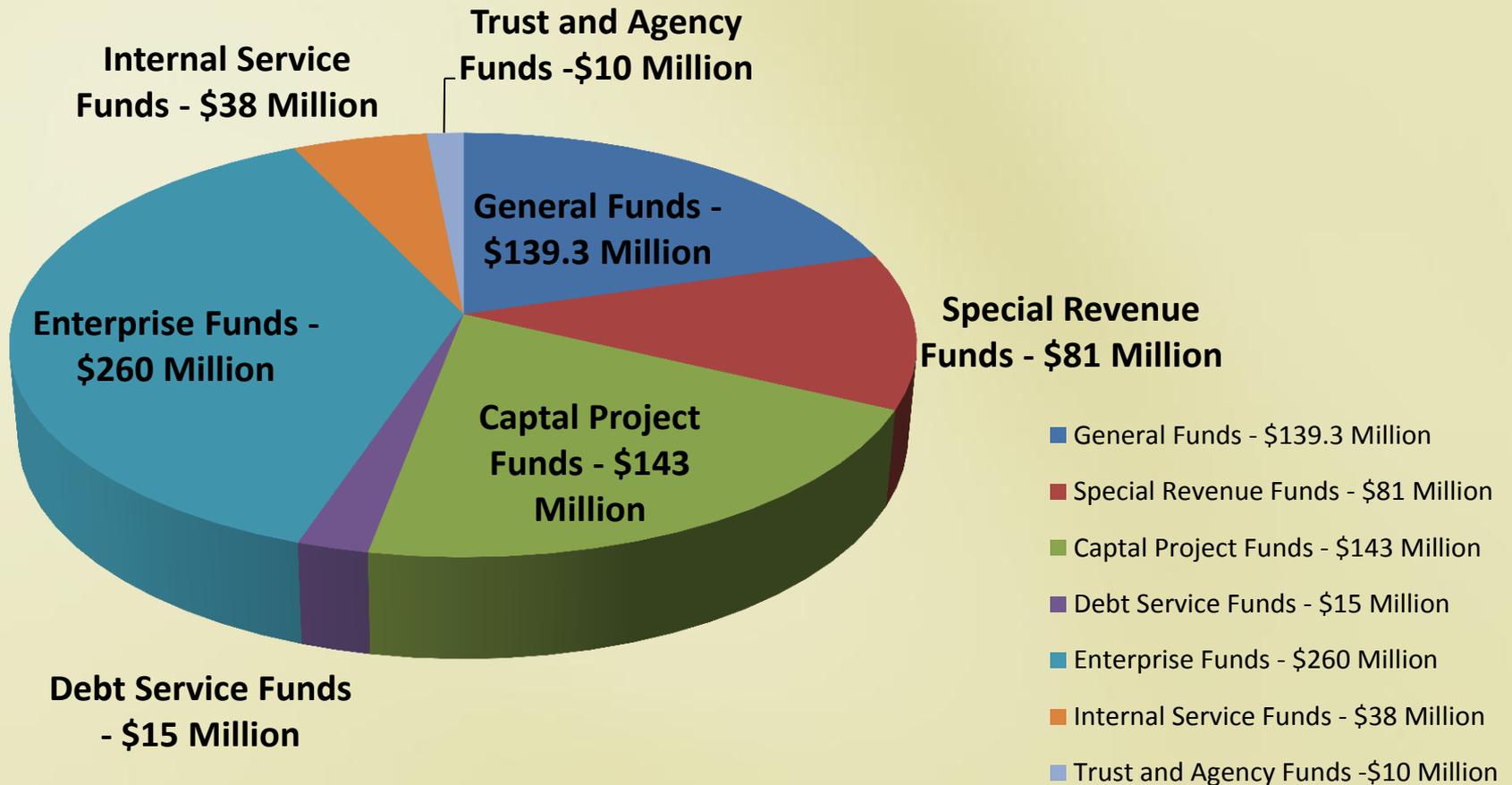
- 2.4 % across the board reduction of services (expenditures)
\$2.1 Million
- 1.75 mill increase in millage rate

Effect of millage rate increase on 2015 revenues

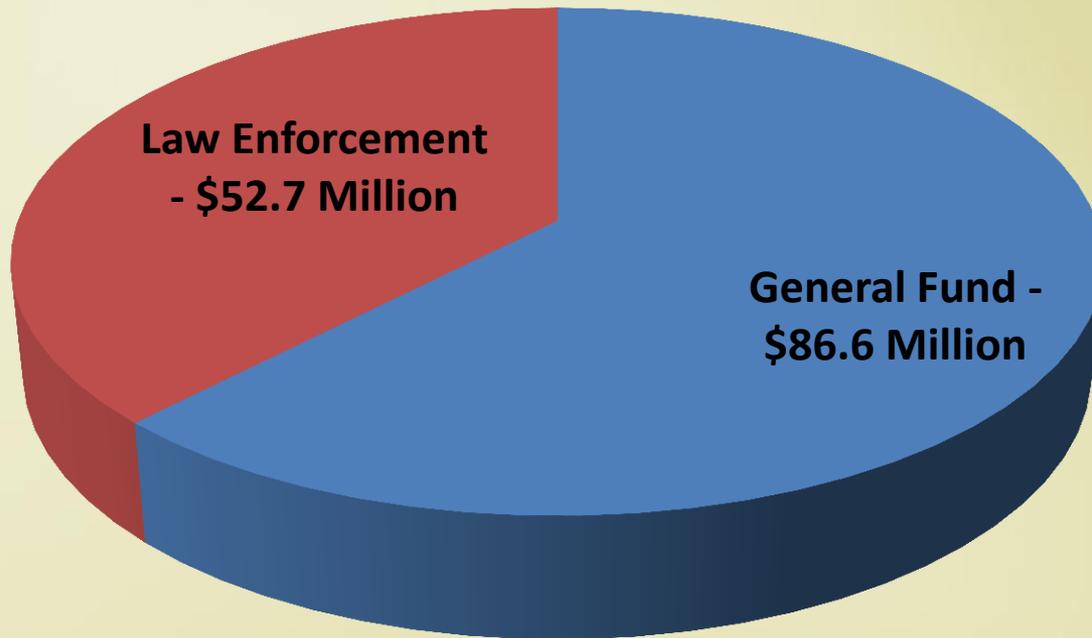
	2014	2015
Revenues		
Increase - millage rate	\$ 7,922,601	\$ 7,922,601
Loss of sales tax revenue from energy sales	-	(890,000)
Total Revenue	7,922,601	7,032,601
Allocation		
Current year expenditures (use of fund balance)	5,389,260	5,389,260
replenish reserve for extraordinary losses	1,125,000	1,125,000
Retention Bonus	924,790	-
Vacation Buy Back	350,000	-
Total Allocation	7,789,050	6,514,260
Net available	\$ 133,551	\$ 518,341

Augusta Georgia

2014 Budget – \$687 million



2014 General Fund Budget – \$139.3 Million



■ General Fund - \$86.6 Million

■ Law Enforcement - \$52.7 Million

General Fund Revenues by Category

Revenue Source	Total
Taxes	\$ 106,329,260
Licenses and Permits	1,659,920
Intergovernmental Revenue	1,737,170
Charges for Services	18,708,330
Fines and Forfeitures	5,118,000
Investment Income	250,750
Contributions and Donations	17,500
Miscellaneous Revenue	1,127,700
Other Financing Sources	1,868,000
Transfers In	2,506,640
Totals	\$ 139,323,270

Tax Revenue By Type

<u>Revenue Source</u>	<u>Total</u>
Ad Valorem Taxes	\$ 47,310,900
Transfer Taxes	600,000
Franchise Taxes	23,774,380
Local Option Sales Taxes	30,365,000
Alcoholic Beverage Taxes	3,266,980
Penalties	1,012,000
Totals	<u><u>\$ 106,329,260</u></u>

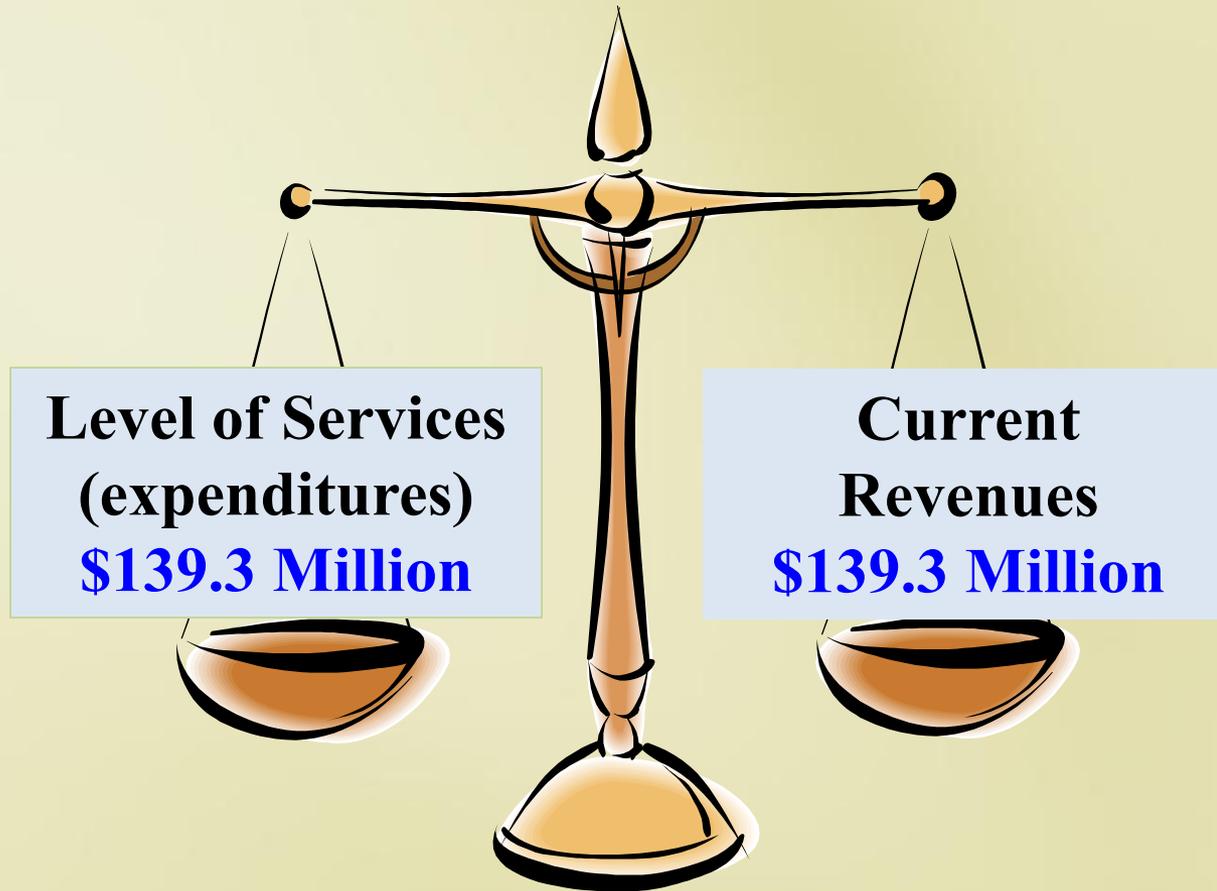
General Fund Expenses by Category

Expense Category	Total
Personnel Services & Employee Benefits	\$ 88,248,580
Purchased/Contracted Services	15,666,220
Supplies	19,394,230
Capital Outlay	117,430
Interfund/Interdepartmental	6,818,130
Other Costs	5,626,230
Cost Reimbursement	(836,400)
Non-Departmental	(1,927,380)
Transfers Out	6,216,230
Totals	<u>\$ 139,323,270</u>

2014 General Fund Budget by Function

Function	Total
General Governmental	\$ 27,355,070
Judicial	19,402,670
Public Safety	61,232,910
Public Works	7,784,450
Health & Welfare	2,274,290
Culture-Recreation	13,633,420
Housing & Development	1,908,750
Non-Departmental	(484,520)
Operating Transfers Out	6,216,230
Total	\$ 139,323,270

2014 Budget is Balanced



Payment of Lieu of Franchise Fees - (PILOFF)

- **Definition:** Franchise fees are charged to utility companies (I.E. Comcast, Atlanta Gas Light, Georgia Power, Jefferson Electric, etc.) for the use of the government's right of way. Payments in Lieu of Franchise Fees are the equivalent charge to the government enterprise funds.

Payment of Lieu of Franchise Fees - (PILOFF)

- **Methodology:** Enterprise funds are charged a Payment in Lieu of Franchise Fees at a rate of **3.5%**. This is comparable to the rate charged other utilities. The use of this methodology and rate has been reviewed by bond council and does not violate bond covenants that prohibit direct transfer of funds to the General Fund. The fee is charged on the following

Augusta Utilities – Gross Metered Revenue
Environmental Services - Gross Revenue

Franchise Fee Rates

- **Rates charged to other utilities by industry group:**
 - Cable – 5%
 - Telephone – 3%
 - Electric – 4%
 - Gas – 3%

Payment of Lieu of Franchise Fees - (PILOFF)

- The internal rate of 3.5% paid by Utilities and Environmental Services is the average rate for the basic essential quality of life services – electricity and gas.
- Augusta Utilities internal rate charged to ARC departments is one half (1/2) the rate charged to external customers, the budgeted savings for 2014 is \$695,000.

Franchise Fee Revenue

<u>Department</u>	<u>3.50%</u>	<u>4%</u>	<u>Difference</u>
Augusta Utilities Department	2,995,840	3,423,820	427,980
Augusta Environment Services	<u>1,223,032</u>	<u>1,397,751</u>	<u>174,719</u>
Total	<u>4,218,872</u>	<u>4,821,571</u>	<u>602,699</u>

Agencies

Agency	2014 Budget	2015 Requested Budget	Increase /(Decrease)
Mandated	2,741,140	3,234,100	492,960
Health Welfares and Social Services	1,665,340	1,725,850	60,510
Intergovernmental Agencies	356,570	533,100	176,530
Community Investment	593,740	750,760	157,020
Total	5,356,790	6,243,810	887,020

Agencies - Mandated

Agency	2014 Budget	2015 Requested Budget	Increase / (Decrease)
ARC Library	2,466,100	2,961,560	495,460
CSRA Regional Commission	195,820	195,820	-
878 Engineering	7,020	7,020	-
Forestry	10,700	10,700	-
West Augusta Soccer	52,500	50,000	(2,500)
Garrett Comm Center	9,000	9,000	-
Total Mandated	2,741,140	3,234,100	492,960

Agencies – Health Welfare and Social Services

Agency	2014 Budget	2015 Requested Budget	Increase /((Decrease)
Project Access	332,470	332,470	-
Community Medical Outreach-Lamar Medical Center	48,310	49,500	1,190
Miracle Making	41,040	55,000	13,960
Bd of Health-Public	1,004,250	1,004,250	-
Bd of Health-Mental Serenty Behavioral	7,590	7,590	-
Child Enrichment	24,640	24,640	-
Safe Homes	8,200	8,200	-
DFACS	118,750	118,800	50
Mach Academy	25,000	50,000	25,000
Senior Center Council	40,210	40,200	(10)
Shiloh Appropriation	8,760	28,000	19,240
Berry Appropriations	6,120	7,200	1,080
Total Health Welfare and Social Services	1,665,340	1,725,850	60,510

Agencies – Intergovernmental

Agency	2014 Budget	2015 Requested Budget	Increase /(Decrease)
Development Authority of Augusta	60,560	100,000	39,440
Downtown Development Authority	154,610	252,300	97,690
Land Bank Authority	141,400	180,800	39,400
Total Intergovernmental Agencies	356,570	533,100	176,530

Agencies – Community Investment

Agency	2014 Budget	2015 Requested Budget	Increase /(Decrease)
Lucy Craft Laney Museum	143,670	147,200	3,530
ARC Museum of History	143,670	203,670	60,000
Ezekiel Harris House	50,900	60,900	10,000
Historic Augusta	9,650	9,650	-
Arts Council	143,420	225,000	81,580
Alliance For Ft Gordon	24,400	25,000	600
American Red Cross	24,640	24,640	-
Central Sav River Land Trust	53,390	54,700	1,310
Total Community Development	593,740	750,760	157,020

Recreation, Parks and Facilities

	<u>2014 Budget</u>	<u>2015 Operational Budget</u>	<u>New Programs</u>	<u>2015 Total Budget Request</u>	<u>2014/2015 Budget INC/DEC</u>
Facilities	4,811,390	5,403,780	287,200	5,690,980	879,590
Recreation and Parks	<u>10,820,100</u>	<u>11,287,650</u>	<u>134,400</u>	<u>11,422,050</u>	<u>601,950</u>
Total	<u>15,631,490</u>	<u>16,691,430</u>	<u>421,600</u>	<u>17,113,030</u>	<u>1,481,540</u>

Engineering

	<u>2014 Budget</u>	<u>2015 Operational Budget</u>	<u>New Programs</u>	<u>2015 Total Budget Request</u>	<u>2014/2015 Budget INC/DEC</u>
Highway&Street Administration	1,940,680	2,013,040	88,600	2,101,640	160,960
Roads and Walkways - Other	2,500,280	2,874,150	5,954,900	8,829,050	6,328,770
Traffic engineering	<u>2,792,820</u>	<u>2,923,770</u>	<u>2,184,300</u>	<u>5,108,070</u>	<u>2,315,250</u>
Total Engineering	<u>7,233,780</u>	<u>7,810,960</u>	<u>8,227,800</u>	<u>16,038,760</u>	<u>8,804,980</u>

Next Steps