

2015 PROPOSED BUDGET RECOMMENDATIONS

City of Clarkston Budget Public Hearing

The Big Picture

Total proposed FY 2015 All Funds Expenditure Budget:

\$5,427,427

- **FY 2014 All Funds Budget: \$4,307,230 – 26% Increase**
 - General Fund
 - Capital Projects
 - Grants Fund
 - Community Fund
 - Storm Water (Enterprise Fund)
 - Sanitation (Enterprise Fund)
 - Seizure Fund

The total proposed FY 2015 Revenue Budget for all funds is

\$5,427,427

“Balanced Budget”

The Big Picture

**The combined General Fund budget for:
FY 2015 - \$4,914,777**

- Operating Budget Categories
 - General Fund Operating - \$4,091,677
 - Capital Projects - \$454,000
 - Grant Funded Projects - \$160,000
 - Debt Service - \$131,200
 - Community Fund - \$54,500
 - Matching Grants Fund - \$23,400

- Segregation of these expenditure types will allow for a more transparent budgeting process

Administration

□ Group health insurance

▣ FY 2014 - \$225,000 **FY 2015 - \$275,844**

■ 22.6% increase (14% GMA increase)

■ 6.5% of total General Fund expenditures

□ Retirement

▣ FY 2014 - \$166,332 **FY 2014 - \$176,460**

■ .06% increase

■ 4.2% of total General Fund expenditures

Administration

- Reclassify Finance Officer to Finance Director
- Justification
 - Increased job complexity
 - Attract highly skilled and trained professional
 - Eliminate cost of financial consultant
 - Expanded duties and responsibilities
 - Financial software platform solutions
 - Integration of all software and data base solutions
 - Management of Clerk of Courts/Records function
 - Coordination of all financial intake portals

Administration

- Replace outdated financial software system
 - ▣ Purchase new financial software system
 - ▣ Simplify and streamline our current processes

- Additional funding for financial audits
 - ▣ Professional Services
 - ▣ Occupational Tax gross receipts
 - ▣ Alcohol Excise Tax

Police

- Provide service to newly annexed area
 - ▣ Adding .6 square miles and 6,000 new residents
 - ▣ Recommend adding six (6) new patrol officers
 - ▣ Recommend adding one (1) new patrol sergeant
 - ▣ Recommend adding one (1) new detective
 - ▣ Recommend reclassifying Patrol Division Captain to Asst. Chief

- Increase Patrol Division shift manpower
 - ▣ Five (5) personnel consisting of one (1) sergeant and four patrol officers
 - ▣ Go to four teams working 12 hour shifts (when fully staffed)
 - Currently using three 8 hour shifts
 - Sergeants off on weekends
 - ▣ Additional sergeant's position will allow for a supervisor to be on duty at all times
 - ▣ If Supervisor on approved leave, a senior patrolman will act as the Officer-in-Charge (OIC)

Police

- Expansion of the Police Department will require purchase of five 2014 Dodge Chargers
 - Fleet would then be consistent with Chargers
 - Currently have two 2012 Chargers and four Crown Victorias
 - Four of the Crown Victorias in fleet have exceeded the mileage, (80,000) at which replacement is warranted
 - Vehicles have had numerous mechanical problems often causing them to be out of service
 - Will maintain two of the best Crown Victorias to be used as spares as needed and for officers to attend training

Police

Vehicle & Equipment Costs

- Total cost of vehicles and equipment will be \$186,473
- Financed via GMA Lease Purchase
 - ▣ 5 year amortization
 - ▣ 2.82% interest rate
 - ▣ Annual payments = \$39,804
- Expense covered by the Federal Asset Forfeiture fund
- Costs not included in the General Fund Operating expenditures budget and will not impact the millage rate calculation in FY 2015

Municipal Court

- Recommend adding one (1) new Court Clerk position
 - There are currently four (4) full time positions
 - (1) Records Manager/Clerk of Court
 - One (1) Deputy Court Clerk
 - Two (2) Court Clerks
 - One (1) part-time Court Clerk

Municipal Court



- Justification
 - ▣ Increase in case load due to annexation
 - ▣ Adding up to two additional court dates
 - ▣ Anticipated increase in multi-family and commercial business property maintenance cases
 - ▣ Maintain appropriate caseload levels
 - ▣ Create separate Records Management and Municipal Court divisions

- Recommend creation of an Environmental Court
 - ▣ Exclusively adjudicate Quality of Life/Code Enforcement violations
 - ▣ Eliminate comingling general traffic related violations
 - ▣ Allow for more efficient focus on remediation of property maintenance issues especially in multi-family and commercial business areas

Public Works

- Recommend adding one (1) new Laborer position
 - ▣ Current Public Works Department staffing
 - Public Works Director
 - Two (2) Crew Leaders
 - One (1) CDL Driver/Equipment Operator
 - Three (3) Equipment Operators
- Justification
 - ▣ Increased public right-of-way maintained due to annexation
 - ▣ Increased number of facilities maintained
 - ▣ Increased efficiency through separation of janitorial vs. laborer job duties

Public Works

For FY 2015 100% of salaries and benefits reflected in the Public Works expenditure budget

□ **Purpose**

- Build up Storm Water Utility Fund to fund future capital project improvements

□ **Background**

- 33% decrease in tax digest from 2010 through 2013
- To provide relief to the General Fund budget and avoid additional impact on the millage rate, for FY 2012, FY 2013 and FY 2014, 50% of Public Works employee salaries and benefits charged to Storm Water Utility Fund account
 - Acceptable budgeting practice to accurately reflect effort and resources expended conducting storm water maintenance related activities
- During that time period, several storm water capital and maintenance projects were completed which were severely needed and long overdue

Public Works

- Contract to provide mowing and maintenance of the CSX right-of-way will continue in FY 2015 budget
 - \$28,000 budgeted
- Pool management and operations
 - \$40,000 budgeted
 - New equipment purchases kept to a minimum
 - \$15,000 budgeted to purchase leaf vacuum

Planning & Development



For FY 2015, staff recommending changes in how we provide certain services related to fire code inspections and code enforcement

- City currently utilizes the DeKalb County Fire Marshall's office for fire safety code related inspections
 - Service provided consistent with provisions of an (IGA), Intergovernmental Agreement between the City of Clarkston and DeKalb County
 - This budget assumes contracting with a private vendor for these services beginning in FY 2015
 - Utilizing a private vendor for fire code inspection services will significantly reduce the time required to schedule and complete this critical step in the construction or renovation process

Planning & Development



Recommend outsourcing of the Quality of Life/Code Enforcement function beginning in FY 2015

□ **Justification**

- Effective code enforcement is critical to the future success of Clarkston's economic development efforts
- Age of commercial retail and multi-family dwellings require greater focus to address property maintenance issues that persist
- Need to bring new commercial retail and multi-family businesses obtained as a result of annexation, into compliance
- Success stories of cities with similar issues

Capital Projects

- Streetscape Project
 - Estimated expenditures FY 2015 - \$350,000
 - City responsible for engineering, design, environmental assessment and possibly right-of-way acquisition in FY 2015
 - 80% of construction costs covered by FHWA grant
 - No construction expenditures until 2017
 - FY 2015 expenses covered by \$2 million GTIB loan from State Road and Toll-way Authority

Capital Projects

- August 6, 2013, City Council approves multiyear Sidewalk Improvement Plan
 - ▣ Projects to be completed in phases over 3 years
 - ▣ Phase I completed in 2014
- Phase II budgeted for FY 2015
 - ▣ East Ponce de Leon Ave from Montreal Rd to West Smith St
 - ▣ North Indian Creek Various improvements
- Total Phase II project cost - \$145,000
 - ▣ LMIG grant funds totaling \$41,000 will offset the cost of this project
 - ▣ \$104,000 has been included in the FY 2015 Capital Projects budget to complete project

Enterprise Funds

- Storm Water Utility Fund
 - ▣ Ongoing storm water management program
 - ▣ Rate unchanged
 - ▣ Estimated revenue increase due to annexation
 - \$126,000 to \$177,050 annually
 - Budget assumes \$71,000 carried over to FY 2016

Enterprise Funds

- Sanitation Fund
 - ▣ Rate unchanged - \$185.40
 - ▣ Adding approximately 100 additional households due to annexation
 - ▣ Projected expenditures & revenues increased from \$150,020 in FY 2014 to \$189,000 in FY 2015

Grant Funds

- The City of Clarkston applied for and received four (4) grant awards that will be received in FY 2015
 - ▣ \$80,000 – Livable Centers Initiative (LCI)
 - 20% local match of \$20,000
 - ▣ \$41,000 - Local Maintenance & Improvement (LMIG)
 - ▣ \$72,000 - ARC “Last Mile Connectivity” grant fund
 - Bicycle Safety, Education and Training Program
 - 20% local match of \$18,000
 - Funded from the FY 2015 Matching Grant Fund
 - ▣ \$2,000 – GMA to develop and promote a Wellness program for City employees

Community Funds

- Community Center Agreement - \$20,000
- Citizen Budgeting Process - \$20,000
- Clarkston Community Festival - \$7,500
- Sagal Radio Agreement - \$7,000

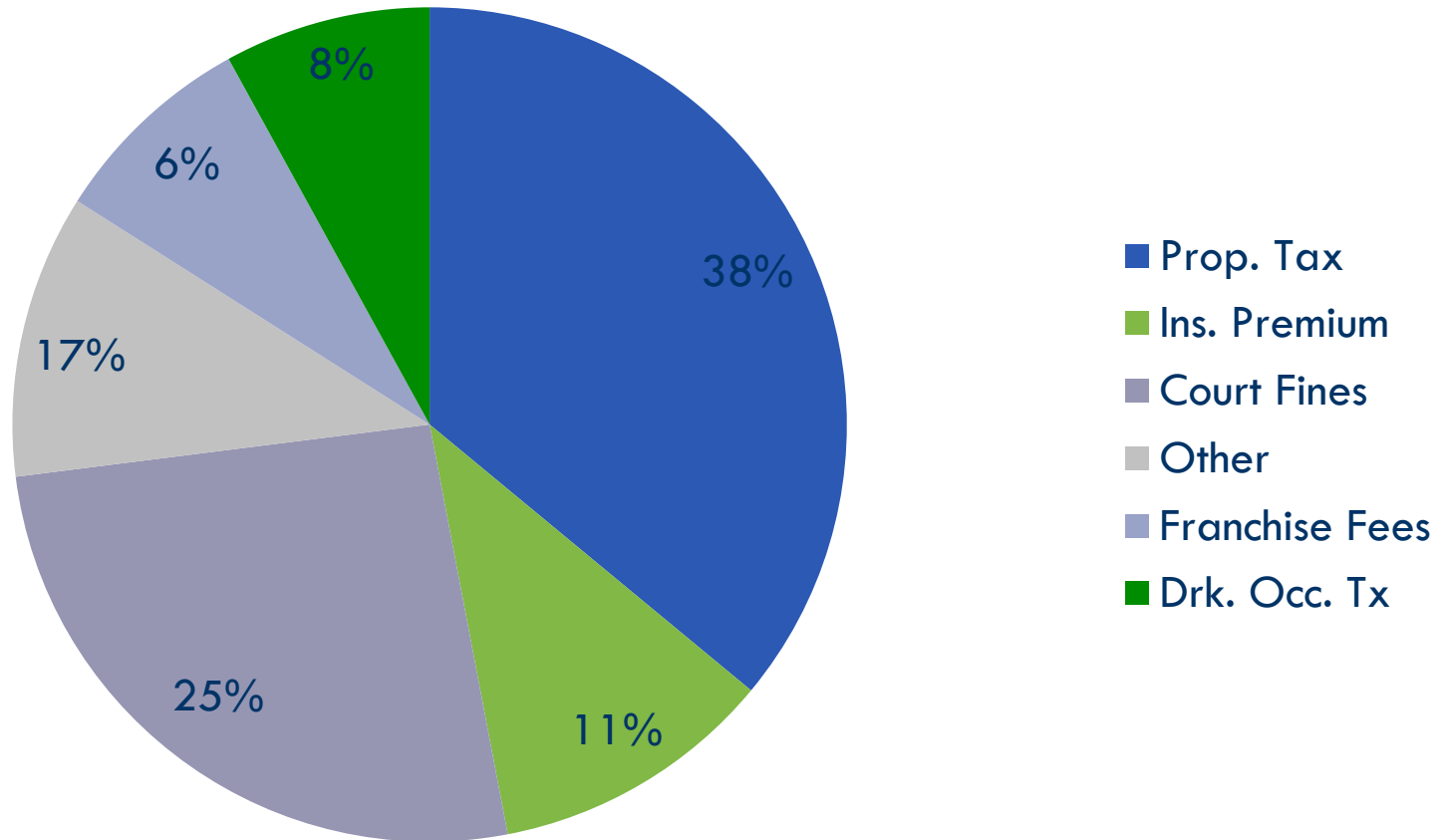
Total Community Funds Expenditure - \$54,500

Revenues

\$4,428,177 - FY 2015 General Fund Revenue Budget Estimate

- ▣ \$3,481,610 in FY 2014
- ▣ Increase of \$946,567 (27.19%)
- ▣ Large increase in revenue estimates reflects an anticipated increase in various revenue categories as a result of annexation

Revenues



Revenue

Revenue Enhancements

- Annexation
 - Business/Occupational Taxes, Alcohol Beverage Excise Taxes, Local Option Mix Drink Taxes estimates increased from 2.86% to 8% of the total FY 2015 revenue budget
 - Broadened and diversified tax base
 - Approximately 1 million dollar impact across all revenue fund types
 - Will determine new residential vs. commercial ratio
- Audit quarterly gross receipt reports
 - City has not required strict adherence to city ordinances that govern reporting and remittance of these funds
- Monitor property tax collections at end of year
 - Ensure property collection % thresholds – DeKalb Co.

Potential Millage Rate Impact



- Gross Digest has declined 33% from 2010 to 2013
- Millage rates have increased during that time period
 - ▣ Use of fund balance to mitigate millage increase
 - ▣ 21.11 – current millage rate set in 2014

Potential Millage Rate Impact



- Estimating revenues and expenditures with annexation challenging
 - ▣ No trend or historical data
- Determining potential future millage rate challenging
 - ▣ City will not receive the 2015 Net Digest figures until May of 2015
 - ▣ Millage rate set in June
 - ▣ Accuracy of revenue estimates not confirmed until end of year
 - property tax revenue not received until September, October November of 2015.
- Budget assumes potential for lower millage rate if all other revenue estimates are met

Questions?