
Villa Rica, Georgia

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2007-08
Proposed Budget

Fiscal Year 2007-08 Budget



The City of Gold Villa Rica, Georgia

Mayor and City Council

**J Allen Collins – Mayor
Verland Best – Mayor Pro Tem
Perry Amidon, Danny Carter
Woody Holland, Joseph Kelley**

Administration

Danny Mabry, City Manager

City of Villa Rica

2007-08 Budget

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J ALLEN COLLINS - Mayor
DANNY CARTER
PERRY AMIDON

City of Villa Rica
571 W. Bankhead
Villa Rica, Georgia 30180

VERLAND BEST-Mayor Pro Tem
WOODY HOLLAND
JOSEPH KELLEY

DANNY N. MABRY
City Manager

CITY HALL - 770-459-7000

REEDELL SAXON
City Clerk

To: Mayor and City Council

From: Danny Mabry, City Manager

RE: Proposed FY 2007-08 General/Fund/Water-Sewer Fund/ Sanitation Fund/Hotel-Motel
Special Revenue Fund/Capital Projects Fund and SPLOST Fund

Date: February 16, 2007

Attached for your review and consideration is a copy of the proposed FY 2007-08 Budget. The Proposed FY 2007-08 Budget was formulated by the City Manager and all department managers as directed by the Mayor and City Council. This budget is proposed to the City council for your consideration and approval by resolution following a City Council workshop held on January 19, 2007. Your suggestions from the workshop have been incorporated and will be presented at the March 6, 2007 council meeting and final approval will be requested at the April 3, 2007 council meeting. I want to acknowledge the responsible manner in which the Department managers prepared their respective budget requests and thanks in particular City Accountant, Larry Wood for his assistance in developing the budget documents.

The Adopted Budget is the legal authority governing City expenditures for the fiscal year which commences on April 1, 2007 and ends March 31, 2008. Quarterly reviews and updates will be presented to the mayor and council as needed. The Proposed FY 2007-08 Budget for the City of Villa Rica was prepared in accordance with Section 6.32 of the City Codes which reads as follows:

On, or before a date fixed by the council, the city manager shall submit to the council a proposed budget for the ensuing fiscal year. The budget shall be accompanied by a message from the mayor containing a statement of the general fiscal policies of the city, the important features of the budget, explanation of major changes recommended for the next fiscal year, a general summary of the budget and such other comments and information as he may deem pertinent. The budget, the budget message and all supporting documents shall be filed in the office of the city clerk and shall be open to public inspection.

A narrative summary of the FY2007-08 Proposed Budget is as follows accompanied by detailed budget worksheets.

General Fund Budget

The proposed FY 2007-08 General Fund Operating Budget of \$8,042,055 represents an overall increase of \$959,095 or 14% over the FY 2006-07 Operating Budget of \$7,082,960. All capital expenditures have been excluded from the Operating Budget and are in the Capital Projects Budget. This is a balanced budget without a transfer from reserves.

General Fund Revenues

Property tax revenues are projected to be \$2,969,229 for FY 2007-08 up \$304,906 from \$2,664,323 in FY 2006-07 and the millage rate was forecast at the current 6.825 mills rate. The assumptions used with the increase in the tax digest were based on projected family units added in 2006 with average values of \$150,000/unit for Carroll and \$250,000/unit for Douglas County. The millage rate was held level at 6.825 mills and if there are any revaluations, three public hearings will have to be held when the millage rate is approved. This is the second year since the 100% elderly exemption for property tax has applied and resulted in \$6.5 million in additional property exemptions and lost revenues of \$44,000 for 2006 collections. Collections are estimated at 95% with \$124,473 in collections of prior year taxes budgeted in current year. This is a projected 11.4% increase in property tax revenues.

Occupational tax forecast is projected to be \$340,243 up from \$283,500 based on prior year reported gross receipts using the new rate structure that was adopted in May 2005. Businesses are now charged a new but lower occupational tax rate for gross receipts over \$450,000. Gross receipts received from outside the state of Georgia are not taxed. We have projected a 20% increase in occupational tax collections due to growth in retail businesses. LOST revenues increased 18% between 2005 and 2006 and are projected to increase 11% in 2007-08 to \$1,382,957. Police fines and forfeitures are forecast to decrease to \$945,000 from an expected \$1,050,000 in fine receipts this year. This revenue source is based on keeping the current fine schedule which was increased in 2005-06 by an average 25%. Building and inspection permits are forecast to decline 20% to \$433,416 based on 100 fewer units forecast to be built next year. Other revenue sources were generally escalated by 5% based on historical trends. Other Financing Sources for FY 2006-07 were inflated with a \$766,606 transfer from the UDAG Fund and \$251,149 transferred from GF Reserves to purchase the Avanti Building.

Considering the slow down in projected housing units to be constructed this is a very optimistic revenue projection and not as conservative as presented in previous years. Revenues will need to be monitored closely and if short falls develop corrective actions will have to be implemented.

General Fund Revenue Summary	\$ X 1,000	Budget 2006-07	Proposed 2007-08	% Change
A. General Taxes		\$ 5,782	\$ 6,459	12%
B. Intergovernmental Revenues		\$ 258	\$ 282	9%
C. Licenses & Permits		\$ 610	\$ 505	-17%
D. Charges for Services		\$ 287	\$ 331	15%
E. Fines and Forfeitures		\$ 923	\$ 969	5%
F. Investment Income (interest)		\$ 131	\$ 138	5%
G. Other Financing Sources		\$ 1,197	\$ 167	-86%
Total		\$ 9,188	\$ 8,851	-4%

General Fund Expenditures

The total Proposed FY 2007-08 GF Operations Budget is \$8,042,055. This includes all City elected officials and City departments except Water, Sewer and Sanitation. This is a continuation budget that includes personnel services and operating items required to maintain existing levels of service in the City and continue to meet increasing demands from expected growth. This budget contains a 3.3% cost of living allowance (COLA) and a 1.7% performance increase for an average 5% increase in wages. Health insurance costs are escalated 15% with no additional cost going to the employee with the new rate going into effect October 1, 2007. Funding rates for the pension program were not changed from the current 7% rate and the last reported funded ratio was 83.4%. Hopefully the new pension rate for FY 2007-08 will not increase or the total estimated cost of \$285,000 will increase. Four positions have account allocation changes that charge 50% of salaries and benefits to Water & Sewer. The positions are City Manager, City Clerk, Human Resources Manager and Community Development Manager and the dollar shift is \$143,000.

The new Human Resources cost centers added last year for new positions, promotions and annual raises totals \$264,471. Once an increase and/or new positions are approved by City Council the approved funds will be allocated to the appropriate departments. Property liability insurance costs are estimated at \$285,702 up 3% but we have not received notification from GIRMA about this year's rate. Last year the rates went up almost 20% due to increased claims experience and we increased the deductible from \$1,000 to \$5,000 to reduce the increase by about \$25,000. If we have another double digit increase like last year, this estimate will need to be increased accordingly.

Another volatile part of the budget is energy costs. We have assumed that gasoline/diesel prices will not escalate and thus have only a 2% increase to \$124,900. Electricity was estimated to have a 10% increase. Electrical costs for the Avanti building along increased electrical costs by over \$19,000 to a total of \$414,196 up from \$345,171 or a 20% increase. Notable additions are four new employees – bike patrol officer, recreation supervisor, part time V Plex facility leader and part time program assistant.

\$ X 1,000	Budget	Proposed	% Change
General Fund Department Budget Summary	2006-07	2007-08	
A. Administration of Government	\$ 763	\$ 622	-19%
B. Library	\$ 296	\$ 305	3%
C. Planning, Codes, & Development	\$ 489	\$ 483	-1%
D. Police, Community Service, Municipal Court	\$ 2,935	\$ 3,151	7%
E. Maintenance & Buildings	\$ 247	\$ 295	19%
F. Public Works/Streets/Lights	\$ 454	\$ 473	4%
G. Recreation, Sr. Citizens and Parks	\$ 1,548	\$ 1,823	18%
H. Human Resources (new employees and raises)	\$ 0	\$ 264	100%
I. Debt Service GO Bonds	\$ 351	\$ 626	78%
Total	\$ 7,083	\$ 8,042	14%

Enterprise Fund Budget

The proposed FY 2007-08 Operations Water & Sewer Budget of \$3,976,374 represents an overall increase of \$447,517 or a 13% increase over the FY 2006-07 Budget of \$3,528,857. The FY 2007-08 Sanitation Budget of \$662,149 represents an overall increase \$125,970 or 23% over the FY 2006-07 Budget of \$536,179.

Enterprise Fund Revenues

By definition, an enterprise fund should be self supporting based on fees assessed for the service/product provided. Water/sewer services and tap fees revenue projections are based on the housing unit additions forecast with an average household usage of 4,800 gallons/month with service and tap fees remaining unchanged. Water and sewer service rates as well as water and sewer tap fees were increased during 2006 and there is a 3% escalation in water rates due to increases in purchased water from Carroll County Water Authority and Douglasville-Douglas County WSA. Current negotiations with Douglasville/Douglas County Water and Sewer Authority could increase rates significantly to cover their capital cost and if so water rates will need to be increased again. No increases are included of sewer services or water/sewer tap fees. See proposed rate schedule attached.

Sanitation monthly service rates are projected to increase to \$12.50/month or 25% and the special pickup fee of \$10.00/pickup is eliminated. This increase will still require \$84,649 subsidization of the Sanitation Fund by Water and Sewer. Sanitation revenues are projected to be \$577,500 with expenses of \$662,149. Special pickup fees collected during the past twelve months has been \$4,030. See proposed rate schedule attached.

Enterprise Fund Expenditures

The total Proposed FY 2007-08 Water/Sewer Operations Budget is \$3,976,374 up \$447,517 or a 13% increase from the \$3,528,857 FY 2006-07 Operations Budget. This budget includes the Public Works Administration, Water/Sewer Human Resources, Waste Water Treatment Plant, Water/Sewer Distribution and the Water Supply Plant departments. Significant increases include professional services of \$60,000 for architectural plan for Avanti building; health insurance at \$51,000; maintenance and repairs for pumps of \$43,000; electricity at \$27,000 and additional salary allocations of approximately \$143,000.

The Sanitation Department Operations Budget is \$662,149 up \$125,970 from the \$536,179 FY 06-07 Operations Budget. Included in the Sanitation Department are four employees who pickup solid waste; 50% of the Street Department Manager and 5% of the Finance Department's salary costs. Increases in the Sanitation Department Budget include \$90,000 in sanitation contract fees and almost \$23,000 from the Street Department manager salary allocation. The sanitation contract fee is projected to increase to \$8.60/month or 5% escalation beginning in May 2007.

	\$ X 1,000	Budget	Proposed	
Water/Sewer Fund Department Budget Summary		2006-07	2007-08	% Change
A. Debt Service		\$ 338	\$ 333	-1%
B. Public Work Administration		\$ 97	\$ 147	51%
C. Wastewater Treatment Plants		\$ 904	\$ 980	8%
D. Water Supply		\$ 1,002	\$ 1,179	18%
E. Water/Sewer Distribution		\$ 1,042	\$ 1,137	9%
F. Human Resources (raises and new staff)		\$ 45	\$ 115	157%
G. Transfer to Solid Waste Fund		\$ 101	\$ 85	-16%
Total		\$ 3,529	\$ 3,976	13%

Hotel/Motel Special Revenue Fund

The Hotel/Motel Special Revenue Fund supports the economic development/tourism efforts of the City. The City has a contract with the Villa Rica Board of Tourism which requires the City to give 40% of these revenues for the support of tourism. The remaining 60% is transferred to the General Fund to fund membership in the Villa Rica Downtown Development Authority, the Chamber of Commerce and other projects. The FY 2007-08 Hotel/Motel Budget totals \$82,499 up from \$77,175 or 7.7% from FY 2006-07. The 5% Hotel/Motel tax levied by the City is the sole source of funding for this fund.

Capital Projects Fund

The proposed FY 2007-08 Capital Projects Budget of \$12,106,999 represents an overall increase of \$8,142,814 or a 206% increase over the FY 2006-07 Budget of \$3,961,685. This is the first year in the past five years that all capital expenditures have been pulled from the operations budgets.

Capital Projects Revenues

Capital Projects are funded with transfers from respective funds i.e. \$11,297,800 from Water/Sewer Fund and \$809,199 from the General Fund.

Capital Projects Fund Expenditures

The total Proposed FY 2007-08 Capital Projects Budget has Water and Sewer projects totaling \$11,297,800 or over 93% of the capital projects and only \$809,199 General Fund capital projects. Three major WWTP projects are included in this budget. First is the purchase of land to expand the West Plant estimated at \$1.5 million. Second will be the detail engineering design of the West Plant Expansion and cost to prepare and evaluate a RFP for the Phase I expansion of 2.15 million gallons/day with engineering services estimated at \$500,000 and startup construction of \$2.9 million beginning in the fall of 2007. Third is a \$4 million estimated cost to add capacity to the North Plant. There are three options under consideration:

1. Add a package plant at the North WWTP.
2. Divert flow from the North Plant to the West Plant to accept excess flow from the North Plant.

3. Build a tie-in line from the North Plant to WSA's main wastewater treatment plant in SW Douglas County for excess flow.

As pricing for each of these alternatives is developed, the alternatives will be presented to the City Council for your consideration and direction.

Capital Projects Fund Budget Summary	\$ X 1,000	Budget 2006-07	Proposed 2007-08	% Change
A. Three patrol vehicles for Police Department		\$ 69	\$ 69	0%
B. Gold Mine Museum Infrastructure		\$ 175	\$ 175	0%
C. Street Resurfacing (Edge and Andrew Way)		\$ 390	\$ 262	-33%
D. TEA Grant Matching Funds for Walking Trails		\$ 125	\$ 125	0%
E. WWTP Land Purchase		\$ 0	\$ 1,500	100%
F. WWTP West Plant Expansion		\$ 430	\$ 3,450	19%
G. WWTP Diversion/Package Plt/WSA tie-in		\$ 0	\$ 4,000	100%
H. WWTP Emergency Generator for Lift Stations		\$ 600	\$ 600	0%
I. WWTP Two Vehicles (replacements)		\$ 0	\$ 60	100%
J. Wtr Plt – Pump Station from Cowens Lake		\$ 0	\$ 400	100%
K. Wtr Dist – V Plex & ML Booster Pump Station		\$ 0	\$ 420	100%
L. Wtr Dist – Meter Replacement & Improvements		\$ 650	\$ 600	-8%
M. Avanti Building Purchase		\$ 1,011	\$ 0	-100%
N. Other Capital Projects (PC's, vehicles, etc.)		\$ 512	\$ 446	-13%
Total		\$ 3,962	\$12,107	206%

SPLOST Projects Fund

SPLOST Projects for the FY 2007-08 Budget total \$988,000 down \$610,047 or 38% from currently approved 2006-07 FY SPLOST Budget of \$1,598,047. There is a pending \$400,000 increase to the current SPLOST budget for paving at V Plex.

SPLOST Projects Revenues

SPLOST receipts are forecast based on the “potential” or high side estimates provided by Carroll County for the 2003 SPLOST. Current sharing rates for Carroll County and Douglas County are 5.5 mills and .294948 mills respectively. The 2001 Douglas County SPLOST expires this year. Estimated SPLOST reserves at the end of 2006-07 are \$1.6 million and receipts for 2007-08 are projected to be \$40,000 from Douglas County and \$850,000 from Carroll County.

SPLOST Projects Expenditures

With the completion of all but the \$100,000 Spring Lake passive park project for Recreation, \$1.25 million will have been spent on Recreation out of the 2003 Carroll County SPLOST. In addition, \$250,000 will also have been spent for the development of the downtown Train Station Park Project leaving only \$45,000 from the optimistic estimate to complete landscaping and sidewalks in the 2007-08 SPLOST Budget. The North Loop Road Project engineering and environmental studies continue with expenditures projected to be just under \$500,000 by the end of this year. Included in the 2007-08 SPLOST Budget is \$230,000 to complete the

engineering for the North Loop By-pass Project. Sidewalk construction will continue with expenditures of \$20,000 and the downtown water and sewer improvement project will continue with expenditures of \$250,000 from the 1998 Carroll County SPLOST which will complete the use of these SPLOST expenditures except for the new library \$150,000 allocation.

SPLOST Projects	2005-06 Projects	2007-08 Projects
North Loop By-pass Project	\$ 300,000	\$ 230,000
New Library	\$ 150,000	\$ 0
Sidewalk Projects	\$ 40,000	\$ 20,000
Downtown Development Enterprise Project	\$ 250,000	\$ 45,000
Downtown Water/Sewer Improvement Project	\$ 100,000	\$ 250,000
Spring Lake Passive Park Recreation Project	\$ 100,000	\$ 100,000

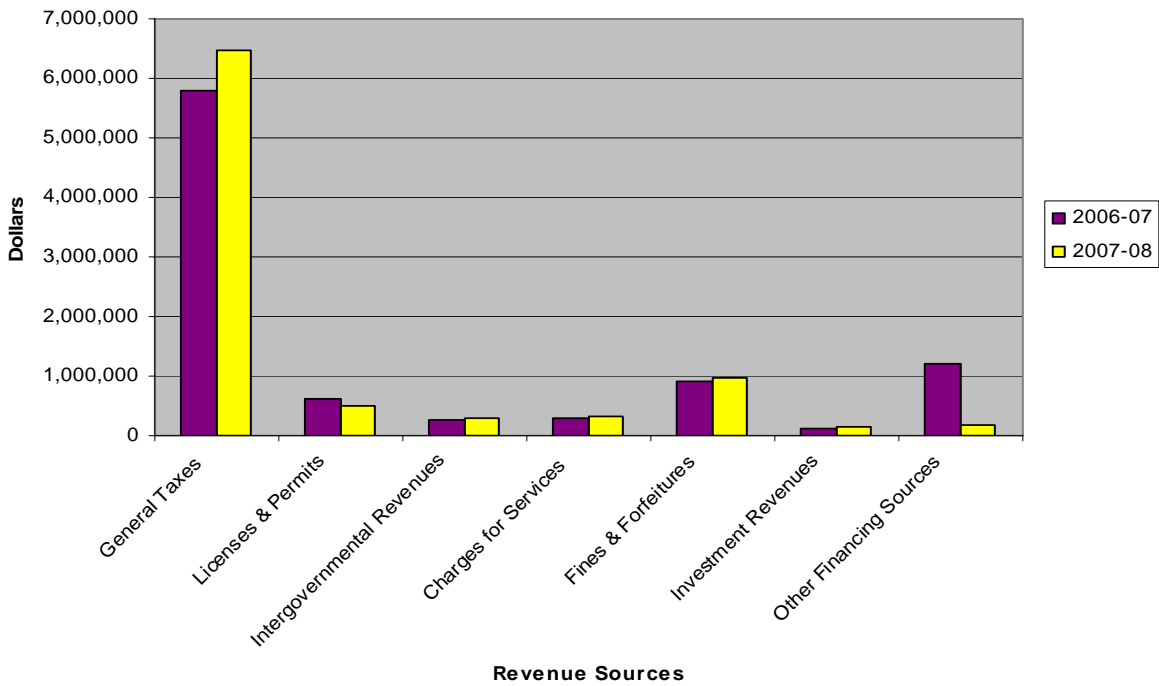
General Assumptions for All Funds

Descriptions/Explanations	\$ Impact
Labor costs were escalated by 5%	\$ 202,712
Medical insurance escalated by 15%	\$ 84,120
Electricity costs escalated 10%	\$ 69,025
Contract Labor	\$ 160,000
Additional Personnel – 3 regular and 2 part-time employees	\$ 136,704
New/program vehicles – 3 patrol cars, 1 auto and 1 Expedition	\$ 129,000

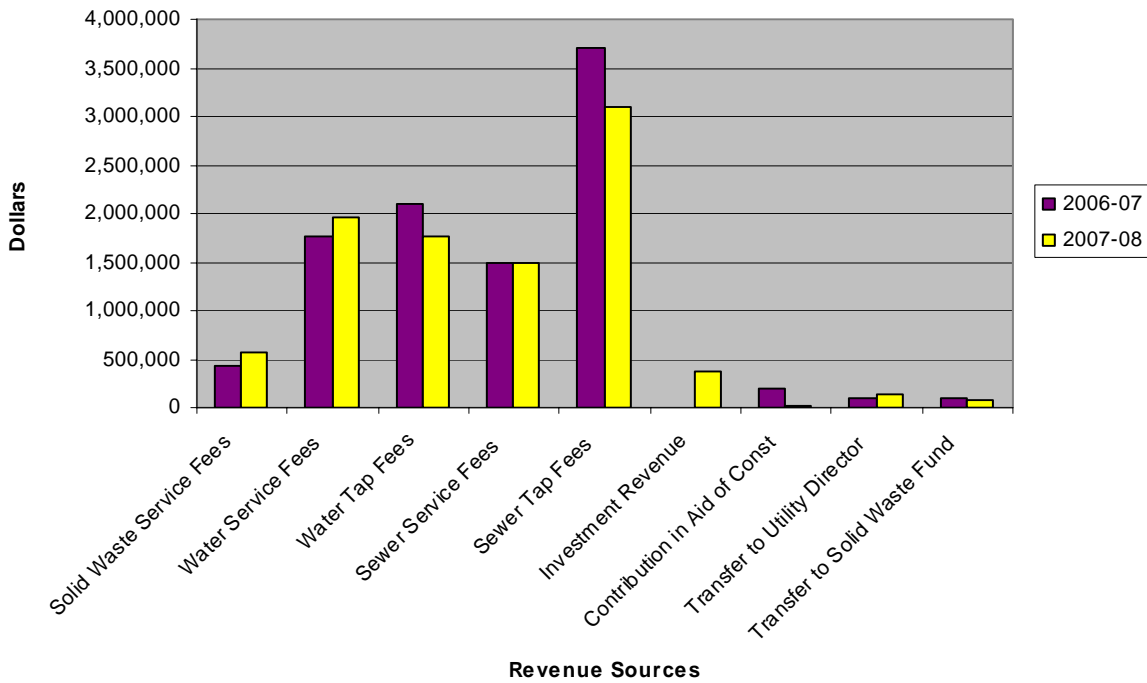
Conclusion

To protect the City's financial condition while achieving the goals outlined in this budget, a conservative approach was taken in projecting revenues and budgeting expenditures. This 2007-08 Annual Budget is submitted to the City Council with the confidence that this document will assist citizens in evaluating approved budgetary and service levels, the City Council in setting policy and guidelines and the City Staff in accomplishing their goals and objectives within financial constraints.

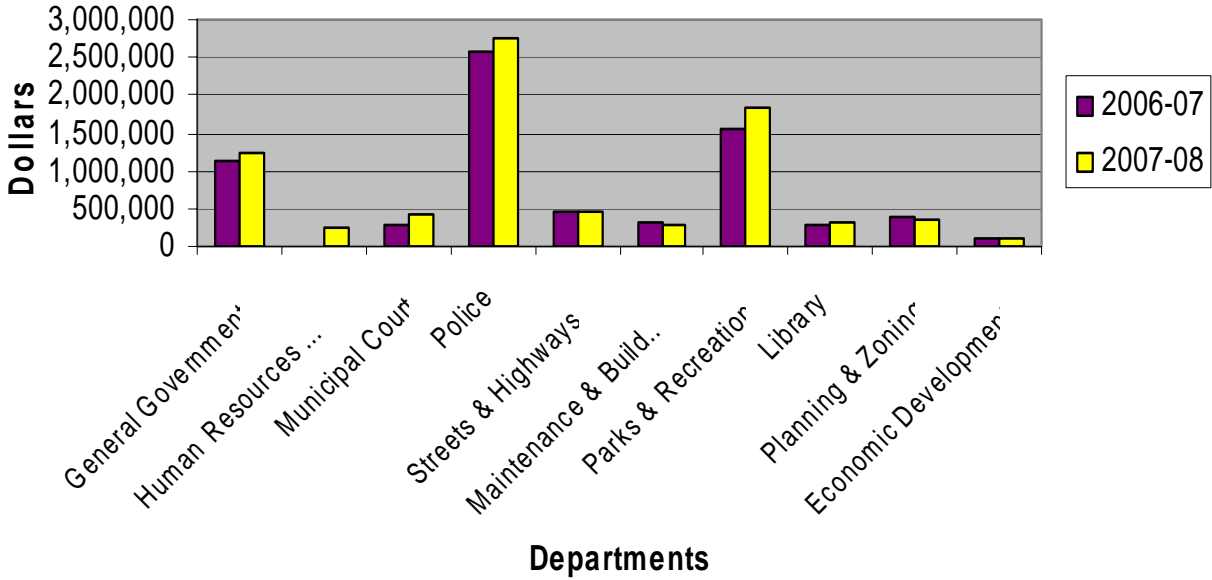
General Fund Revenue Sources



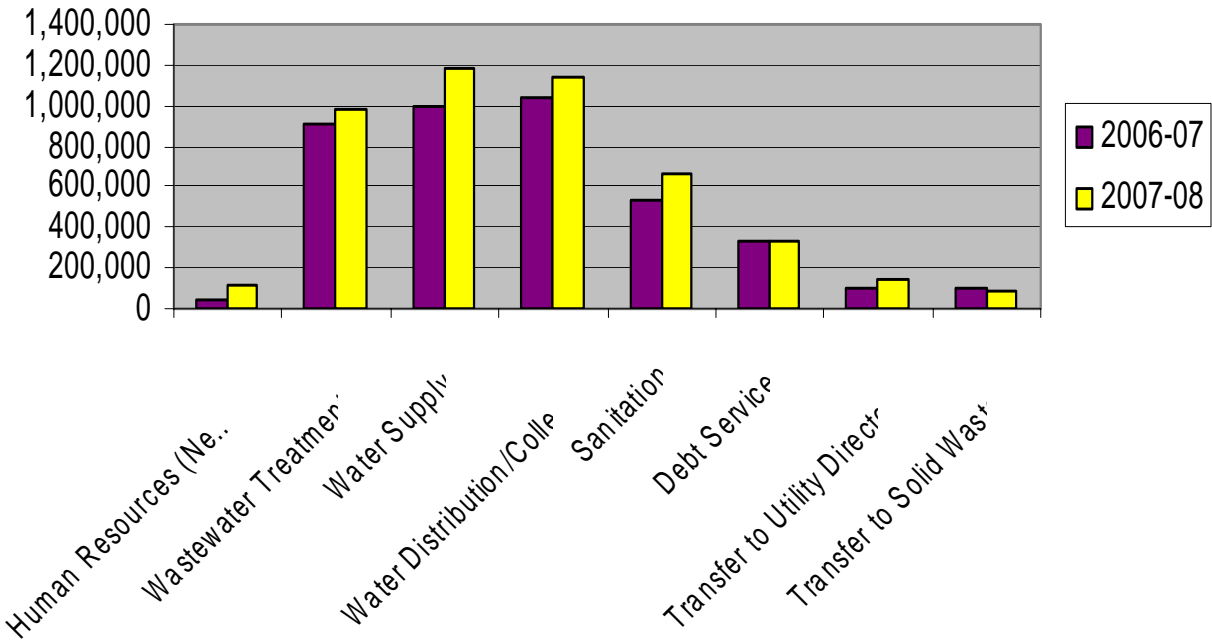
Enterprise Fund Revenue Sources



General Fund Expenditures by Department



Enterprise Fund Expenditures by Department



City of Villa Rica

Proposed FY 2006-07 Budget

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