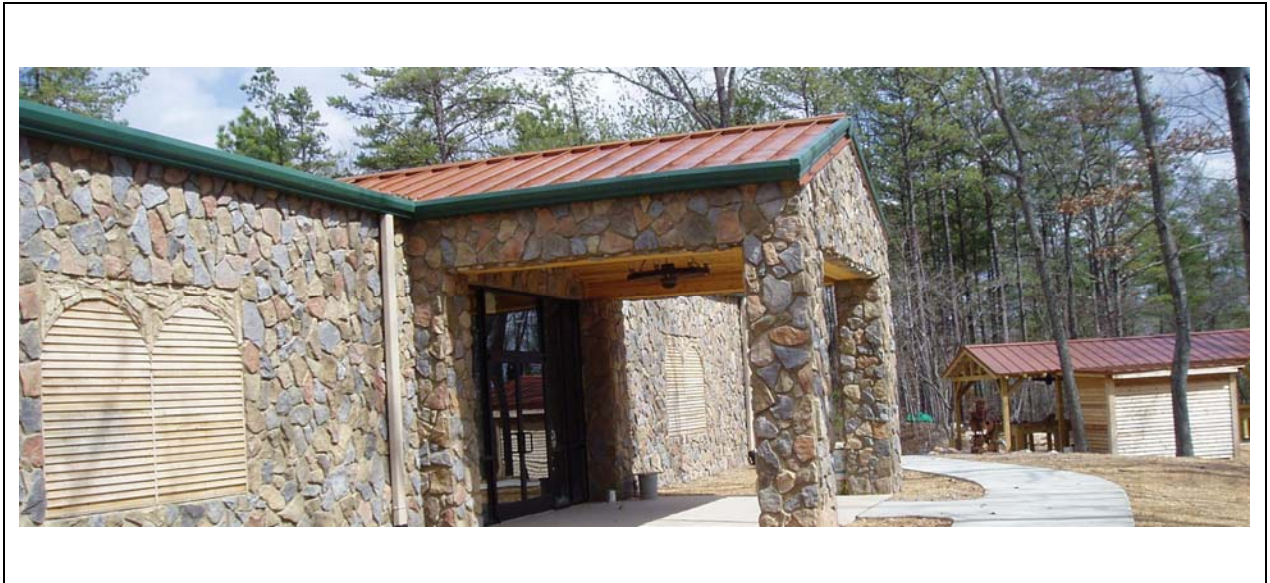

Villa Rica, Georgia

No matter what you're looking for, you can still discover Gold in Villa Rica



2008-09
Proposed Budget

Fiscal Year 2008-09 Budget



The City of Gold *Villa Rica, Georgia*

Mayor and City Council

J Allen Collins – Mayor
Verland Best – Mayor Pro Tem
Perry Amidon, Woody Holland,
Joseph Kelley and Shirley Marchman

Administration

Danny Mabry, City Manager

City of Villa Rica

2008-09 Budget

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- Personnel Budget Detail

City of Villa Rica

571 West Bankhead Hwy.
Villa Rica, Ga. 30180



770-459-7000 – Telephone

770-459-7003 - Fax

TO: Mayor & Council
FROM: Danny Mabry
SUBJ: Proposed FY 2007-08 General/Fund/Water-Sewer Fund/
Sanitation Fund/Hotel-Motel Special Revenue Fund/Capital
Projects Fund and SPLOST Fund
DATE: February 29, 2008

Attached for your review and consideration is a copy of the proposed Fiscal Year 2008-09 Budget. The Proposed 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 at this time and final approval by Ordinance at the April 1, 2008 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 of each year and ends March 31 of the following year. Quarterly reviews and updates will be presented to the Mayor and Council as needed. The Proposed FY 2008-09 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, (he 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 FY2008-09 Proposed Budget will be provided before final consideration.

General Fund Budget

The proposed FY 2008-09 General Fund Operating Budget of \$8,383,669 represents an overall increase of \$299,164 or 4% over the FY 2007-08 Operating Budget of \$8,084,505. All capital expenditures have been excluded from the Operating Budget and are in the Capital Projects Budget. This is a balanced budget with expected revenues of \$9,303,640 which includes funds available for transfer to General Fund Capital Projects of \$919,971.

General Fund Revenues

Total General Fund Revenues are projected at \$9,303,640 up only \$252,185 or 2.8%. Property tax revenues are projected to be \$3,181,011 for FY 2008-09 up only \$157,142 from \$3,023,869 in FY 2007-08 and the millage rate was forecast to remain at the current 6.775 mills rate. The assumptions used with the increase in the tax digest were based on 388 occupancy permits issued in 2007 with average values of \$150,000/unit for Carroll and \$250,000/unit for Douglas County. The millage rate was held level at 6.775 mills and if there are any revaluations, three public hearings will have to be held when the millage rate is approved. Collections are estimated at 95% with \$215,291 in collections of prior year taxes budgeted in current year. This is a projected 5% increase in property tax revenues compared to 11% last year.

Occupational tax forecast is projected to be \$348,779 up from \$340,243 or 3% based on prior year reported gross receipts using a new single table rate structure that we will propose to Mayor and Council in May 2008. We will propose that businesses be charged based on the newest five (5) class table with no cap on gross receipts; a minimum tax of \$100/business and with a 0.1 mill increase in each class millage rate. This will still be much lower millage rate than other surrounding municipalities. Gross receipts received from outside the state of Georgia are not taxed. We are projecting this change to be revenue neutral and therefore will require one public hearing to determine use of the additional revenues (\$8,536).

LOST revenues are projected to fall short of the 2007-08 Budget by about 5% in 2007-08 to \$1.3 million. With the slow down in economic indicators we are only projecting a 3% growth in 2008-09 to \$1,340,602. Police fines and forfeitures are forecast to decline slightly to \$1.16 million or -1% from an expected \$1,150,000 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 an additional 32% to \$200,000 based on only 160 projected new building permits being issued. This is less than 50% of actual receipts two years ago. Other revenue sources were generally escalated by 5% based on historical trends.

Considering the slow down in projected housing units to be constructed (25% of units built three years ago), 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 to ensure revenues exceed expenditures.

	2007-08 Approved Budget	2008-09 Proposed Budget	\$ Change	% Change
GENERAL FUND				
General Taxes	6,461,896	6,830,219	368,323	5.7%
Licenses & Permits	367,873	270,187	-97,686	-26.6%
Intergovernmental Revenues	295,224	378,125	82,901	28.1%
Charges for Services	331,035	327,797	-3,239	-1.0%
Fines & Forfeitures	1,188,003	1,180,637	-7,366	-0.6%
Investment Revenues	137,813	103,360	-34,453	-25.0%
Other Financing Sources	269,610	213,316	-56,294	-20.9%
Total General Fund Revenues	9,051,454	9,303,640	252,185	2.8%

General Fund Expenditures

The total Proposed FY 2008-09 GF Operations Budget is \$8,383,669 up from \$8,084,505 or 4%. 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. Included in each department's budget is a -1% contingency reduction unspecified for each manager to manage toward. This budget contains a 2.3% cost of living allowance (COLA) and no performance increase in wages. Health insurance costs are escalated 7% with no additional cost going to the employee with the new rate going into effect October 1, 2008.

Funding rates for the pension program were increased to 7.64% almost 20% above the current 6.45% rate and the last reported funded ratio was 82.98% down from 88.95% a year ago. This rate is based on the latest actuarial valuation results and puts our 2008-09 fees at just under \$350,000/year. Workers Compensation rates are projected to remain unchanged and Social Security and Medicare rates remained unchanged. Total employee benefits are \$1.2 million with salaries of \$3.1 million.

The Human Resources cost center which contained \$40,000 last year for adjustments expected from the ARC salary study now has \$48,000 for a 3% or 50% match for employees contributing up to 6% to their 457 Plan with an anticipated 70% participation rate. All salary increases and new employees are included in their department budgets.

Property liability insurance costs are estimated at \$290,001 up 1% but we have not received notification from GIRMA about this year's rate. Two years ago when the rates went up almost 20% due to increased claims experience and the City increased the deductible from \$1,000 to \$5,000 to reduce the increase by about \$25,000. If we have another double digit increase, 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 escalate 25% on average and have increased accordingly from \$124,000 up to \$148,000. Electricity was estimated to have a 7% increase. Some electrical rewiring of the

Avanti building is expected to remove some large transformers and lower that electric bill. The Avanti building's electrical cost has increased by over \$19,000 from last year. Electricity and street lights total increased from \$374,646 up to \$419,800 or 12% increase with a number of new subdivisions coming under City maintenance. There are potential reductions in the V Plex electrical costs due to a current rate schedule revaluation that could potentially save \$10,000.

Notable additions are two new employees – Community Services officer (part time) and Gold Mine Museum director; two new vans for Recreation Department and two new patrol cars.

Name	2005-06 Actuals	2006-07 Actuals	Dec YTD Actuals 2007-08	2007-08 Approved Budget	2008-09 Proposed Budget	%
GENERAL FUND						
General Government	1,186,257	1,151,766	839,382	1,321,068	1,333,576	.9%
Human Resources (ARC & 457 Plan Match)	0	0	0	42,362	48,708	15.0%
Municipal Court	334,998	427,628	282,815	415,629	416,499	0.2%
Police	2,619,752	2,609,282	1,989,178	2,815,052	2,920,763	3.8%
Streets & Highways	451,558	455,172	327,482	478,463	507,933	6.2%
Maintenance & Buildings	260,454	307,398	255,323	316,827	310,305	-2.1%
Parks & Recreation	1,523,029	1,567,928	1,350,740	1,885,633	2,048,759	8.7%
Library	262,158	266,725	216,044	313,097	323,797	3.4%
Community Development	403,193	332,999	224,168	376,508	305,331	-18.9%
DDA & Economic Development	82,639	97,165	84,609	119,865	167,998	40.2%
Transfer to Capital Projects	440,849	1,853,925	1,053,472	966,949	919,971	-4.9%
Totals GF Expenditures	7,564,887	9,069,989	6,623,213	9,051,454	9,303,640	2.8%

Enterprise Fund Budget

The proposed FY 2008-09 Operations Water & Sewer Budget of \$4,611,136 represents an overall increase of \$421,049 or a 10% increase over the FY 2007-08 Budget of \$4,190,087. The FY 2008-09 Sanitation Budget of \$671,454 represents an overall increase \$2,708 or 0% over the FY 2007-08 Budget of \$668,746.

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 4,500 gallons/s with service and tap fees remaining unchanged. Water service rates were increased 3% during 2007 due to increases in purchased water costs from Carroll County Water Authority and Douglasville-Douglas County WSA. Three drivers are requiring the City to increase water and sewer rates significantly in 2008. They are:

1. Requirements by the Metro North Georgia Water Planning District to implement three tier water conservation rates.
2. The imminent expansion of the West Waste Water Treatment Plant that will require capital expenditures of \$42 million.
3. Current negotiations with Douglasville/Douglas County Water and Sewer Authority could double their rate to the City thus causing an overall 10% to all customers.

Thus the new water rates have been used that significantly increases water rates an average 16% and sewer service rates increased an average 21%. There could be further significant increases in sewer rates due to the plant expansion and debt service costs. The new sewer and water rates were proposed to Mayor and Council in February 2008 and have been included in these projections.

Sanitation monthly service rates are projected to increase from \$14.50 to \$15.50/month or 7%. Sanitation should be self supporting with this increase. Sanitation revenues are projected to be \$677,964 with expenses of \$677,964.

	2007-08 Approved Budget	2008-09 Proposed Budget	\$ Change	% Change
UTILITY FUND				
Solid Waste Service Fees	667,500	671,454	3,954	0.6%
Water Service Fees	1,953,572	2,249,918	296,346	15.2%
Water Tap Fees	1,764,370	374,960	-1,389,410	-78.7%
Sewer Service Fees	1,492,644	1,783,046	290,402	19.5%
Sewer Tap Fees	3,092,375	988,625	-2,103,750	-68.0%
Investment Revenue	365,400	223,858	-141,542	-38.7%
Contribution in Aid of Const	10,000	10,000	0	0.0%
Sale of Fixed Assets	0	10,000	10,000	N/A
Proceeds from Sale of Bonds	0	42,000,000	42,000,000	N/A
Transfer to Utility Director	0	0	0	N/A
Transfer to Solid Waste Fund	0	0	0	N/A
Transfer from Reserve	365,200	0	-365,200	-100.0%
Total Utility Fund Revenues	9,711,061	48,311,862	38,600,800	397.6%

Enterprise Fund Expenditures

The total Proposed FY 2008-09 Water/Sewer Operations Budget is \$4,611,136 up \$421,049 or a 10% increase from the \$4,190,087 FY 2007-08 Operations Budget. This budget includes a new department, Stormwater or Watershed Protection as well as the unfilled Utilities Administration director position and the pre-existing Water/Sewer Human Resources, Waste Water Treatment Plant, Water/Sewer Distribution and the Water Supply Plant departments. Significant increases include:

1. Three new employees for Stormwater and Watershed Protection.
2. Higher salaries resulting from the ARC salary study.
3. The addition of one new employee in WWTP last year.

Total utility salary increases are \$298,336; electricity costs increased \$27,000 and gasoline/diesel costs increased almost \$20,000.

The Solid Waste Department FY 2008-09 Operations Budget is \$671,454 up only \$2,708 from the \$668,746 FY 07-08 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. There are no significant increases in the Solid Waste Department budget. The sanitation contract fee is projected to remain unchanged; however, increasing costs of fuel could trigger an increase later this year. An adjustment in this budget could potentially have to be made at that point.

UTILITY FUND	2005-06 Actuals	2006-07 Actuals	2007-08 Approved Budget	2008-09 Proposed Budget	%
Human Resources	0	408	0	25,700	
Stormwater/Watershed Protect	0	0	0	209,266	
Wastewater Treatment	799,118	799,118	1,023,834	1,148,266	12.2%
Water Supply	1,060,910	1,060,910	1,461,113	1,497,244	2.5%
Water Distribution/Collection	775,909	943,997	1,216,514	1,245,520	0.4%
Sanitation	553,552	553,552	668,746	671,454	0.4%
Debt Service	930,821	930,821	337,919	332,984	-1.5%
Transfer to Utility Director	78,048	57,096	150,707	152,158	1.0%
Transfer to Solid Waste	161,719	57,451	0	0	
Transfer to Reserves	2,180,907	2,638,283	3,893,834	30,362,773	681.0%
Transfer to Capital Projects	623,341	623,341	5,554,800	12,617,824	127.2%
Totals Utility Expenditures	7,164,325	7,664,976	14,307,467	48,311,861	237.7%

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 2008-09 Hotel/Motel Budget totals \$87,000 up from \$82,499 or 5% from FY 2007-08. The 5% Hotel/Motel tax levied by the City is the sole source of funding for this fund.

Capital Projects Fund

The proposed FY 2008-09 Capital Projects Budget of \$13,537,795 represents an overall increase of \$7,016,046 or a 107.6% increase over the FY 2007-08 Budget of \$6,521,749. This is the second year in the past six years that all capital expenditures have been pulled from the

operations budgets. There are \$49,250 in carryover General Fund Capital Projects and \$1,730,000 in carryover Utilities Funds Capital Projects.

Capital Projects Revenues

Capital Projects are funded with transfers from respective funds i.e. \$12,617,824 from Water/Sewer Fund and \$919,971 from the General Fund.

Capital Projects Fund Expenditures

The total Proposed FY 2008-09 Capital Projects Budget has Water and Sewer projects totaling \$12,617,824 or 93% of the all capital projects and only \$919,971 for General Fund capital projects. Portions of two major WWTP projects are included in this budget. First will be the completion of detail engineering design of the West Waste Water Plant Expansion and cost to prepare and evaluate a RFP for the Phase I expansion of 2.15 million gallons/day with startup construction of \$6 million beginning in the fall of 2008. Second, is the detail engineering design and beginning of construction of a loop sewer main from the North WWTP south of I-20 and back up to the North Plant for \$4 million estimated cost next year. Land for the expansion of the West WWTP was purchased in 2007-08 for approximately \$1.25 million.

In addition to the WWTP expansion and loop projects, there are a couple of large water distribution projects. The first is \$1.5 million for a booster pump station near the V Plex to increase the water supply from Carroll County Water Authority to the water tank at Wal-mart. The second is a pump station from Cowens Lake to Lake Fashion to supplement the water flow to our water treatment plant.

CAPITAL IMPROVEMENT PROJECTS	2005-06 Actuals	2006-07 Actuals	2007-08 Approved Budget	2008-09 Proposed Budget	%
Admin/City Mgr/Finance Cap Projects	10,872	1,019,344	36,000	24,156	-32.9%
Police Dept Capital Projects	5,123	81,893	92,600	80,605	-13.0%
Streets & Highways	264,784	362,488	489,500	249,975	-48.9%
Stormwater Projects	0	0	0	29,200	
WWTP Capital Projects	234,677	236,506	3,222,300	10,076,800	212.7%
Water Supply Capital Projects	0	0	514,000	742,124	44.4%
Wtr/Swr Distribution Capital Projects	388,664	605,913	1,813,500	1,769,700	-2.4%
Maintenance	461	38,276	25,999	22,075	-15.1%
Parks & Recreation	155,905	338,531	302,000	507,420	68.0%
Library	737	9,934	10,050	27,325	171.9%
Planning and Zoning	2,967	3,460	10,800	8,415	-22.1%
Solid Waste	0	0	5,000	0	-100.0%
Totals Capital Project Expenditures	1,064,190	2,696,345	6,521,749	13,537,795	107.6%

SPLOST Projects Fund

SPLOST Projects for the FY 2008-09 Budget total \$2,760,000 up \$1,405,890 or 103.8% from currently approved 2007-08 FY SPLOST Budget of \$1,354,110.

SPLOST Projects Revenues

SPLOST receipts are forecast based on current trends for Carroll County for the 2003 SPLOST and with the 2001 Douglas County SPLOST expired and the Douglas County SPLOST referendum was defeated in 2007 only a little interest is expected to be received this year. Therefore, Douglas County is not currently collecting SPLOST taxes for 2008. The current sharing rate for Carroll County is 5.5 mills. Estimated SPLOST reserves at the end of 2007-08 are \$2.3 million and receipts for 2007-08 are projected to be \$2,900 from Douglas County and \$900,000 from Carroll County.

SPLOST Projects Expenditures

In 2008-09, Carroll County work is planned to continue on the North Loop Road Project with \$50,000 budgeted for engineering and \$50,000 for paving Weatherstone Subdivision streets; with \$1,000,000 in site prep work for the new West WWTP Project and continue work on sidewalks. Springlake Passive Recreation Project will have a landscape architect plan completed for \$15,000 and work should begin on the park. In Douglas County, there are plans to pave Weatherstone Subdivision streets and Goldmine Museum parking and turn lanes should be completed at \$65,000 as well as \$504,000 for North WWTP digester upgrade.

SPLOST	2005-06 Actuals	2006-07 Actuals	Dec YTD Actuals 2007-08	2007-08 Approved Budget	2008-09 Proposed Budget	%
Streets & Highways	108,258	108,258	107,299	319,110	120,000	-62%
Wastewater Collect/Treatment	0	0	0	0	1,504,000	
Water Supply SPLOST Projects	7,431	7,431	0	0	40,000	
Wtr/Swr Distribution SPLOST Proj	0	0	24,524	890,000	31,000	
Parks & Recreation	270,443	270,443	12,361	100,000	165,000	65.0%
Library	0	0	0	0	900,000	
Downtown Development Authority	0	0	0	45,000	0	-100.0%
Transfer to Reserves		0		0	0	
Totals SPLOST Expenditures	386,132	386,132	144,184	1,354,110	2,760,000	104%

General Assumptions for All Funds

Descriptions/Explanations	\$ Impact
Labor costs were escalated by 2.3%	\$ 102,191

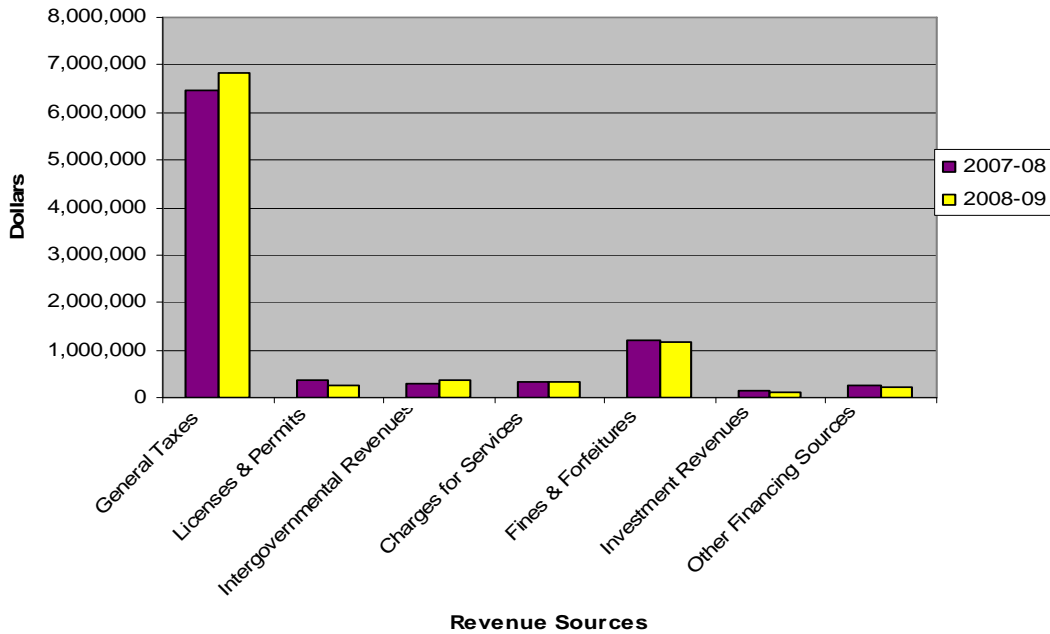
General Assumptions for All Funds (continued)

Medical insurance escalated by 7%	\$ 84,120
Electricity costs escalated 7% with addition of new street lights	\$ 72,914
Gasoline/Diesel Fuel Costs (25%)	\$ 43,050
Contract Labor (28%)	\$ 91,440
Additional Personnel – 4 regular (3 Stormwater & 1 Museum Director)	\$ 171,824
New/program vehicles – 2 patrol cars and two “program” vans for Rec	\$ 86,000

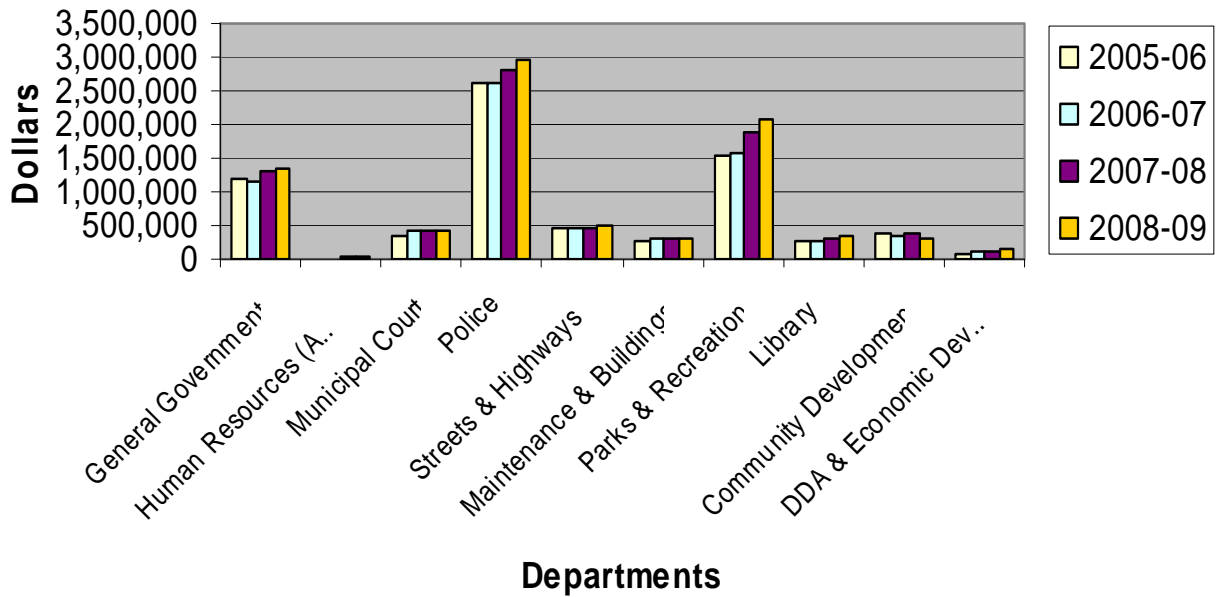
Conclusion

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 2008-09 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.

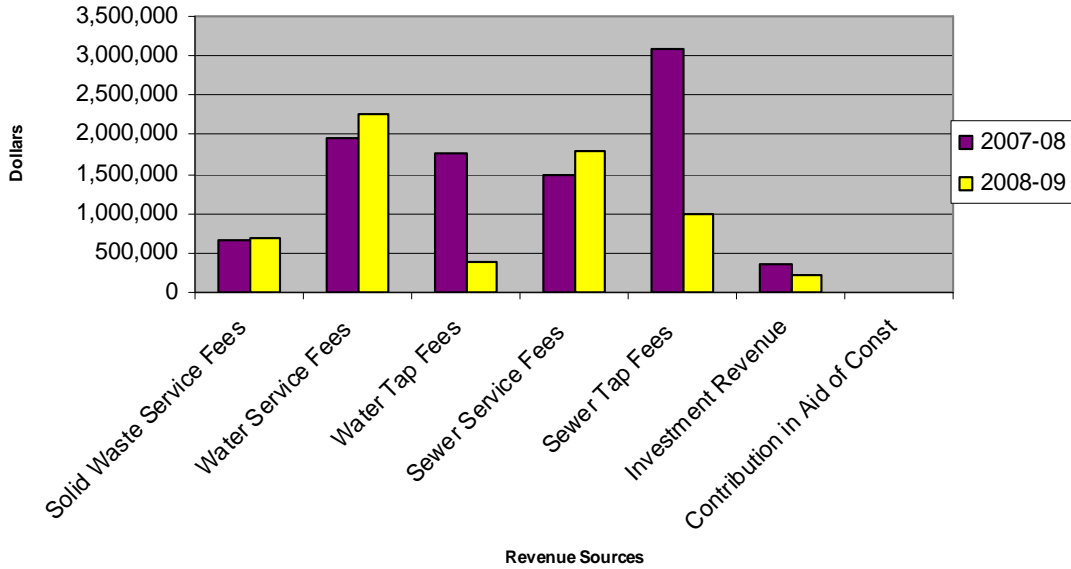
General Fund Revenue Sources



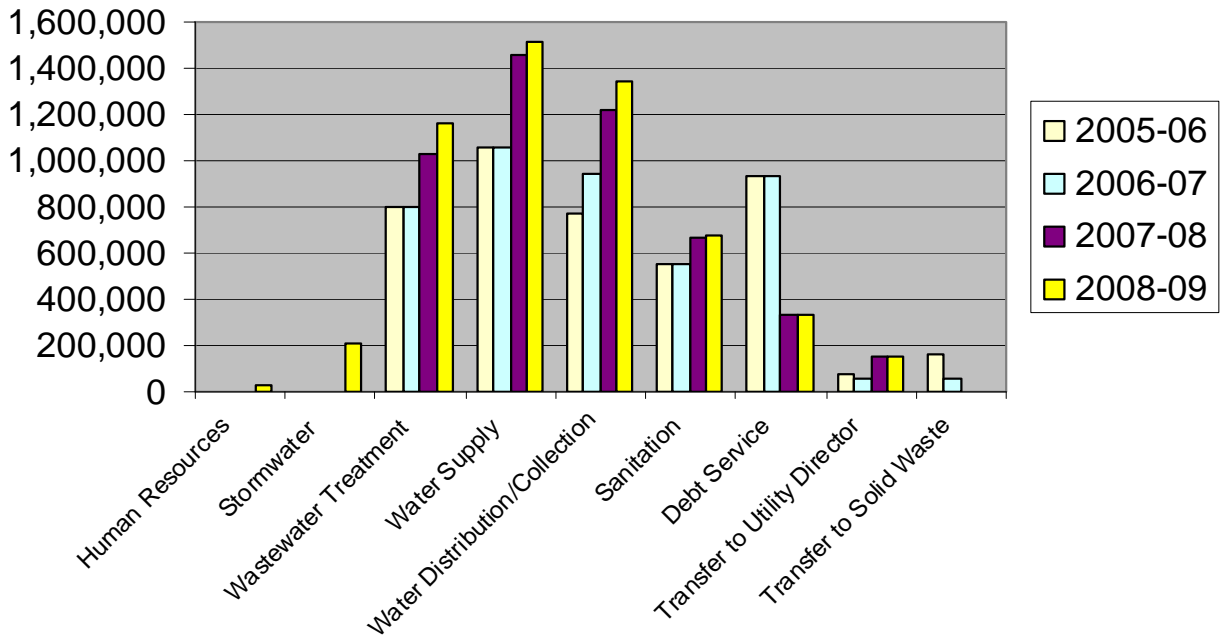
General Fund Expenditures by Department



Enterprise Fund Revenue Sources



Enterprise Fund Expenditures by Department



City of Villa Rica

Proposed FY 2008-09 Budget

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