

## General Overall Comments Proposed 2015 Budget

### General Comments

- The proposed budgeted tax revenue assumes a moderate increase in the digest for 2015.
- The fee rate for business occupation taxes increased but the base rate remains the same. Also the budgets include increases in water/sewer rates and garbage collection fees of approximately 3%.
- The General Fund is a balanced budget but is .1% less than 2014.
- Most all General Fund revenue sources are **below** 2014 levels.
- The City Contributions for Health Insurance and Workers Compensation remain the same as 2014 levels.
- Employee health insurance rates remain the same in 2015, with no change in deductibles and out of pocket maximums. The City has reduced the PCP copay from \$40 to \$35. The City has added another premium tier with employee/child: employee/children. The City has also added a 4<sup>th</sup> tier for pharmacy purposes for the more expensive drugs.
- City Retirement contributions are only increasing approximately \$30,000 over 2014 contribution levels.
- Payroll expenses include only a 1% merit adjustment for employees. In process pay plan adjustments should be completed in 2015.
- No new positions are budgeted except for a Communications Director. This position is funded by Tourism, General Fund and Forum promotion funds.
- Outside agencies were all funded but with no increases.
- Fuel costs are anticipated to be at 2014 levels.

# **Budget Highlights Proposed 2015 Budget**

## **General Fund**

<u>Page No.</u>	<u>Revenues</u>
2	Ad Valorum Tax revenue assumes a moderate increase in the tax digest and no projected tax increase.
2	Tag/Title fee is up now that we have one year of history and will be collected for 12 full months.
2	Motor Vehicle Ad Valorem decreases 36% based on current collections. This revenue source is decreasing at a rate almost double the estimate.
2	Local Option Sales Tax (LOST) is budgeted to continue to decrease in 2015.
2	Georgia Power Franchise Fee is budgeted the same as 2014, but expectations are that 2014 could be down or about the same—this has been the third consecutive year of decreases.
3	Most licenses, permits and fees were increased approximately 3%.
3	Police Fines/Forfeitures have been reduced to reflect a downward trend for the last three years.
4	Hotel/Motel Fund Transfer-In to General Fund is to help with planning for new Tennis Center.
4	Total revenues are projected to be .1% below 2014 budgets.
	<u>Expenses</u>
5	Expenses include a 1% merit raise for employees with a satisfactory evaluation. In process pay plan adjustments should be completed in 2015.
5	Municipal Court is up significantly due to the transfer of Becky Diamond from the Clerk's Office. This will be offset by a decrease in the Clerks Office.
5	Purchasing is slightly up in personnel due to restructuring and adding the assistant position.
6	Information Technology is up due to increase in service contracts.
6	General Administration down due to decrease in Liability Insurance.

## General Fund cont.

<u>Page No.</u>	<u>Expenses</u>
6	Police Department increases for personnel include the merit increases and salary adjustments. Budget is calculated with some vacancies.
7	Public Works Office is down in personnel due to complete removal of Public Works Director not funded in 2015.
8	Traffic/Electrical up due to incorrect payroll calculations in 2014.
8	Public Works Garage is down due to not funding the majority of the vacated Director position in 2015.
8	Total Public Works actually has decreased 1% .
9	Other facilities include Veteran's Building, Town Green, Clock Tower, Open Door Home, Boys and Girls Club, Floyd Training Center, Kelsey, Aycock and Burrell building. We will now also have insurance and some other related expenses with the addition of the History Museum building.
10	Environmental Information reflects some savings by having the Adopt a Stream program help share in some of their expenses.
10	The Public Information payments reflect the General Fund commitment for the new Communications Director hosted in Tourism Fund.
10	Increase to Recreation Authority reflects increase in Property and Casualty Insurance.
10	Economic Development reflects City commitment to Partners for Prosperity and the 20/20 Plan and related expenses.
11	Payments to outside agencies stayed the same.
11	Election expense is budgeted for 2015
11	Total Operating Expenses increased by only .2%
11	Transfer to Solid Waste <b>reduced</b> by \$174,000. This is due to decrease in leases payments and personnel restructure.
11	Transfer to Fire <b>increased</b> 1.8% or \$105,000.
11	Total Expenditures and Transfers Out decreased .1%

## Water and Sewer Fund

<u>Page No.</u>	<u>Revenues</u>
13	Revenues include a 3% increase in consumption rate and a \$.50 increase in water and sewer base rates. The recent rate study had recommended \$1.00 increase in water and sewer base rates.
13	County wholesale water purchase is only budgeted at \$100,000 due to the expiration of the wholesale agreement at the end of 2014. Negotiations are in process but this assumes the minimum usage from the county.
13	Even with these increases, expected operating revenues are only increasing .6%
	<u>Expenses</u>
15	Operations Office shows a significant increase in personnel budget, but Eric had been budgeted in another department in 2014. This will be offset by that reduction.
15	Most departments are in line with 2014 budgets with moderate increases for chemicals in Water Filtering and WWTP.
15&16	Pay adjustments for certain positions in Water, Filtering and Wastewater Treatment Plants are to be completed in 2015.
17	GEFA Loan Payments should start back up with the completion of the Flash Mix project and the beginning of the repayment of that loan.
18	Renewal and Extension fund does reflect a significant reduction in proposed projects and capital for 2015.

## Building Inspection

<u>Page No.</u>	
20	Increase in Personal Services is the addition of the South Rome Code Enforcement position that is to be funded from a transfer from Entitlement.
20	Although 2014 has been a better revenue year, an allocation of fund balance is budgeted to be used in 2015.

## **Transit**

### Page No.

- 21 Department of Human Resources (DHR) decreased by 46% due to reduction in receipts.
- 21 Tripper Service Revenue is up due to the addition of several additional routes.
- 21 Transit Federal Operating Grant funds are increasing \$75,000
- 21 Advertising Revenue has been decreased due to falling demand.
- 22 Transit expenses include some pay plan adjustments, and a more complete staffing. Fuel costs are estimated to remain at 2014 levels.

## **Business Improvement District**

- 23 Business Improvement District has a balanced budget for 2015.

## **Capital Fund**

### Page No.

- 24 Capital Tax revenues are expected to be the same.
- 24 Equipment expenditures and projects are both slightly below 2014 levels. Lease Purchase payments are higher in 2015.
- 24 Projects for 2015 include Street paving, North Rome sidewalk improvements, and Dock improvements.
- 24 Payments to Insurance Fund are to repay loan for Mausoleum.

## **Tourism**

### Page No.

- 25 Hotel/Motel allocations have increased \$10,000. Also the 1% forum promotion split is changed from a 75/25 county /tourism split, to a 40/60 split. This will give the CVB additional funds to promote the forum and fund the communication Directors time for that function. The City's contribution for that position is also added. Forum Promotion expenses have been increased to reflect the availability of additional funds. Also reflected is the opening of the new Tourism satellite office at the Town Green.

## **Fire Fund**

### Page No.

- 26 Grant Funds are gone in 2015
- \$395,000 of fund balance is budgeted to use in 2015, but are projecting that 2014 will be close to break even.
  - City and County contribution goes up \$105,000 or 1.8%
  - Personal Services which is merit raises, pay adjustments and health benefits are up \$137,500.
  - Capital expenses have been cut substantially to help the payroll funding and bridge the loss of grant funds.
  - Total Expenses and Transfers Out increased only .2%

## **Hotel/Motel Tax Fund**

### Page No.

- 27 Revenue shows a slight increase in overall tax revenues, and does show the new 2% tax addition for the Tennis Center.
- 27 The expense section does show the revised allocation for the county and Tourism for the 1% forum promotion money. Expenses are also shown for the transfer out to the Tennis Center.
- 27 Payment to General Fund increased from \$50,000 to \$63,000

## **Insurance Fund**

### Page No.

- 28 City contribution remains the same, as well as rates from employees.
- 28 Revenues between the contributions have been reallocated to reflect the actual numbers trending in 2014.
- 28 Claims paid have been reduced to \$5,800,000 to better reflect actual expenses. New fee for Affordable Health Care Act is \$80,000. Stop Loss Insurance fees and Administrative fees are budgeted separately.
- 28 \$160,000 of fund balance has been budgeted.

## **Workers Compensation**

### Page No.

- 29 City contribution remains the same. We currently have a cash fund balance of approximately \$900,000 for Workers' Compensation. Insurance premiums have been increased to reflect actual expenses in 2014. A \$150,000 use of fund balance has been budgeted.

## **Tax Allocation District Fund (TAD)**

### Page No.

- 30 TAD number 1 (West Third Street) has increased some, with the Publix shopping area, but still is only allocating City M/O currently.

## **Entitlement Fund**

### Page No.

- 31 North Rome Redevelopment is mainly for sidewalk repairs.

## **Stonebridge Golf Course**

### Page No.

- 32 Billy Casper Golf Operating budget is projecting a \$43,370 deficit. We have discussed with management about the City's concerns with supplementing the operations. Will have to review monthly in 2015.

## **Downtown Development Fund**

### Page No.

- 33 Budget amounts are basically the same as 2014.

## **Downtown Parking Facilities Fund**

### Page No.

- 34           The 2015 budget reflects downward trends in current parking revenues. A use of fund balance is allocated for 2015 and continuing reductions in revenue will necessitate a reduction in expenses.

## **Forum Parking Fund**

### Page No.

- 35           Revenues here also reflect decreases, and the payments to the City/County have been eliminated. It is a balanced budget.

## **SPLOST Fund**

- 36           SPLOST Funds are allocated from 2013 project list. The Tennis Center should be the main project expense in 2015.

## **Solid Waste Commission (Landfill)**

### Page No.

- 37           Fees anticipate a 2% increase.  
Capital Outlay is significantly up due to the possible purchase of two larger pieces of machinery.
- 37           Cash surplus of \$180,000 is projected.

## **Solid Waste Management Fund (Collection)**

### Page No.

- 38           Revenue assumes a 3% rate increase in fees.
- The fund has a balanced budget.
  - Dumpster rental is now a separate line item.
  - Transfer from General Fund decreases \$174,000
  - Capital Lease payments drop significantly due to payoff of all carts.
  - Landfill Tipping Fees are up slightly.

## **Rome/Floyd County Planning Commission**

### Page No.

- 39            Operating Contributions from the City and County are down slightly from 2014. Increase in Capital Contributions include a slight increase in overall GIS expenses, but does include \$45,000 for county-wide aerial mapping in 2015.

## **Public Building Fund**

- 40            The proposed budget assumes the current proposed contract agreement is accepted. The lease will revert back to a \$35,750 annual maintenance contribution. The City will provide the contracted additional services and will receive a 5% administration fee. Any monies that are not spent out of the additional services portion will remain with the City.

## **City of Rome Redevelopment Fund**

- 41            We did budget \$5,000 in General Fund for possible South Rome or other expenses.

## **Land Bank Authority**

- 42            This is the first year that the City has the Land Bank Authority. The proposed budget amounts are really just an estimate of possible activity for 2015.

## **Tennis Center:**

- 43            The Tennis Center is included because of the expenditures of the restricted hotel/motel monies. It is estimated that most of the expenses in 2015 will be getting the operations set up with management, advertising, fundraising, and other promotions.

## **Community Development**

### Page No.

- 44            This fund is a balanced budget, but does depend on funds committed from the South Rome Development Corporation and maximizing other grand funds.