

April 1, 2013

The Honorable Mayor  
Members of the City Council  
City of College Park, City Hall  
3667 Main Street  
City of College Park, Georgia 30337

Re: Fiscal Year 2014 Proposed Budget Letter of Transmittal

Dear Mayor and City Council:

I am pleased to submit for your review and consideration, the Fiscal Year 2014 Proposed Budget, in compliance with provisions of the City of College Park Charter and State of Georgia Statutes. In addition to my detailed discussion regarding my proposed budget considerations, I have included an Executive Summary version.

### **Executive Summary**

The City of College Park has taken major steps to address budget shortfall over the past two fiscal years. This was accomplished while maintaining the services provided to the residents of College Park. Major actions taken over the past fiscal years were:

1. In Fiscal Year 2010-11 the overall budget was reduced by 12%. There was an increase in the Ad Valorem tax by 2 mills; Water and Sewer rates increased by 15%; Storm Water rate increased by \$.91 and there was a Power Cost Adjustment by 5 mills.
2. In Fiscal Year 2011-12, the City closed a \$7.4 million budget shortfall in the General Fund. This was accomplished by:
  - a. Instituting an Early Retirement Incentive Program (ERIP).
  - b. Reduced personnel cost through attrition and layoffs.
  - c. No salary increases were given to employees.
  - d. Reduced travel, training, conventions and meetings expenditures.

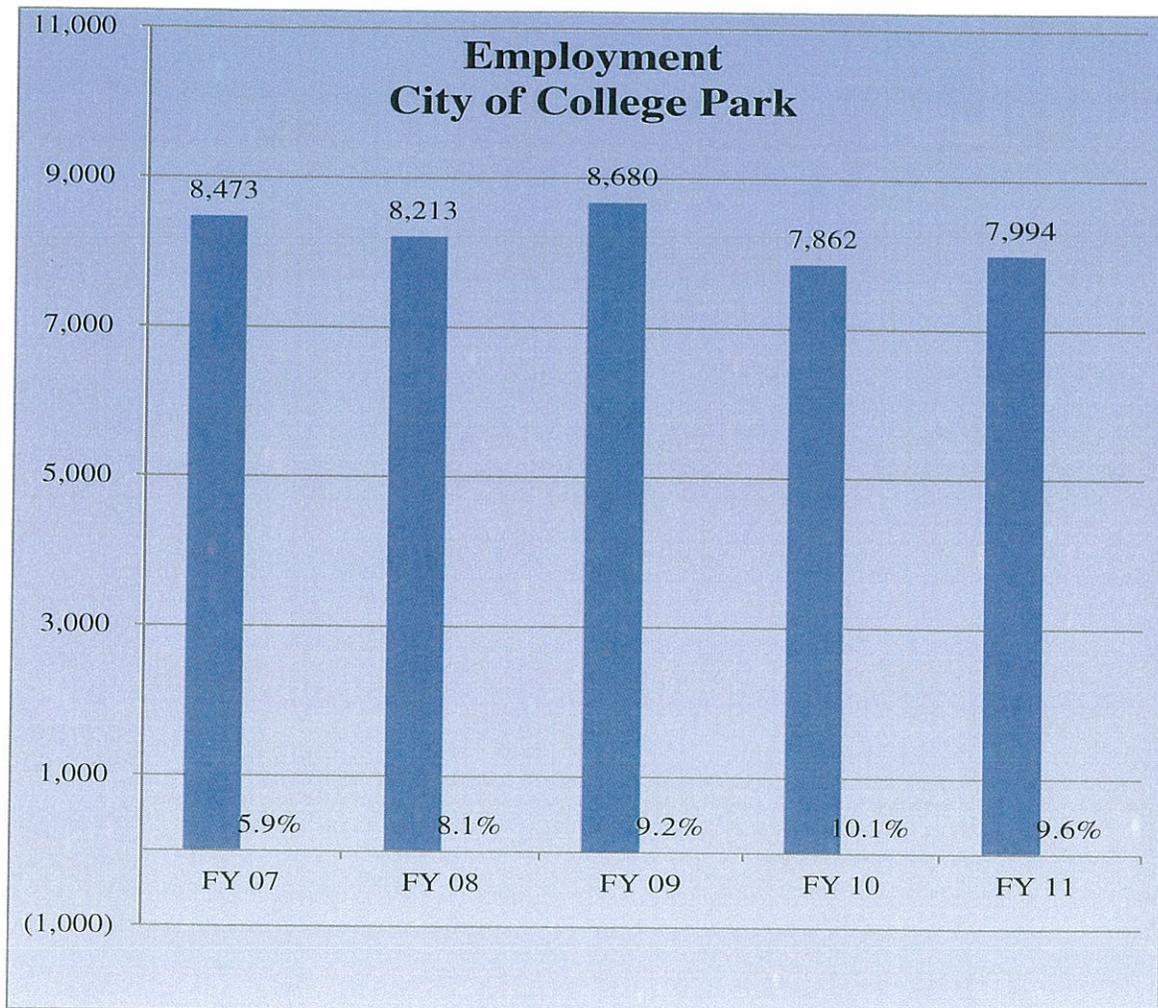
Although not as significant a budget shortfall as in prior years, for Fiscal Year 2012-13 the City had to address a \$1.6 million budget shortfall in the General Fund. To close the budget gap, Water and Sewer rates were increased by 17% and there was 7 mills Power Cost Adjustment. In addition, there were reductions in operating and capital expenditures in the Enterprise Fund, with savings used to support and balance the General Fund. It should be noted, the fiscal actions taken for FY 2011 and FY 2012 resulted in a balanced

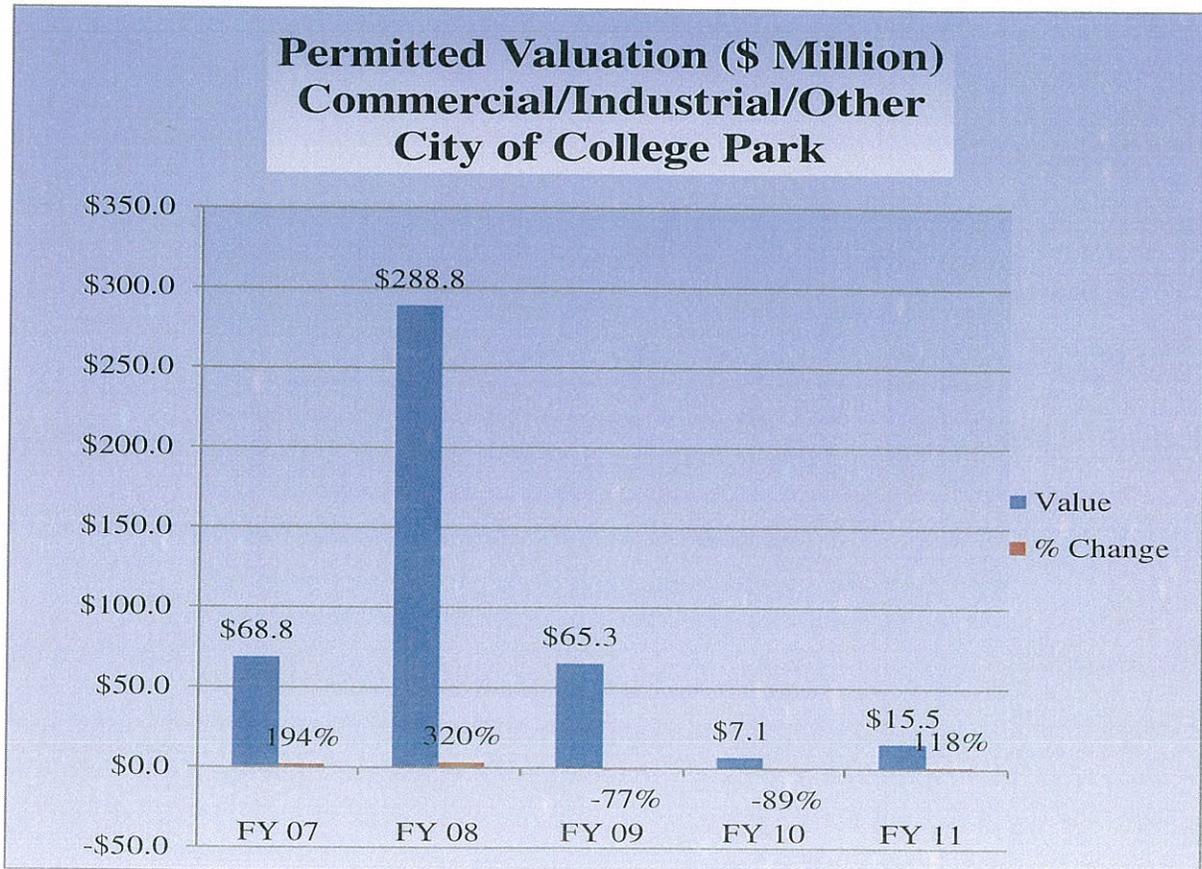
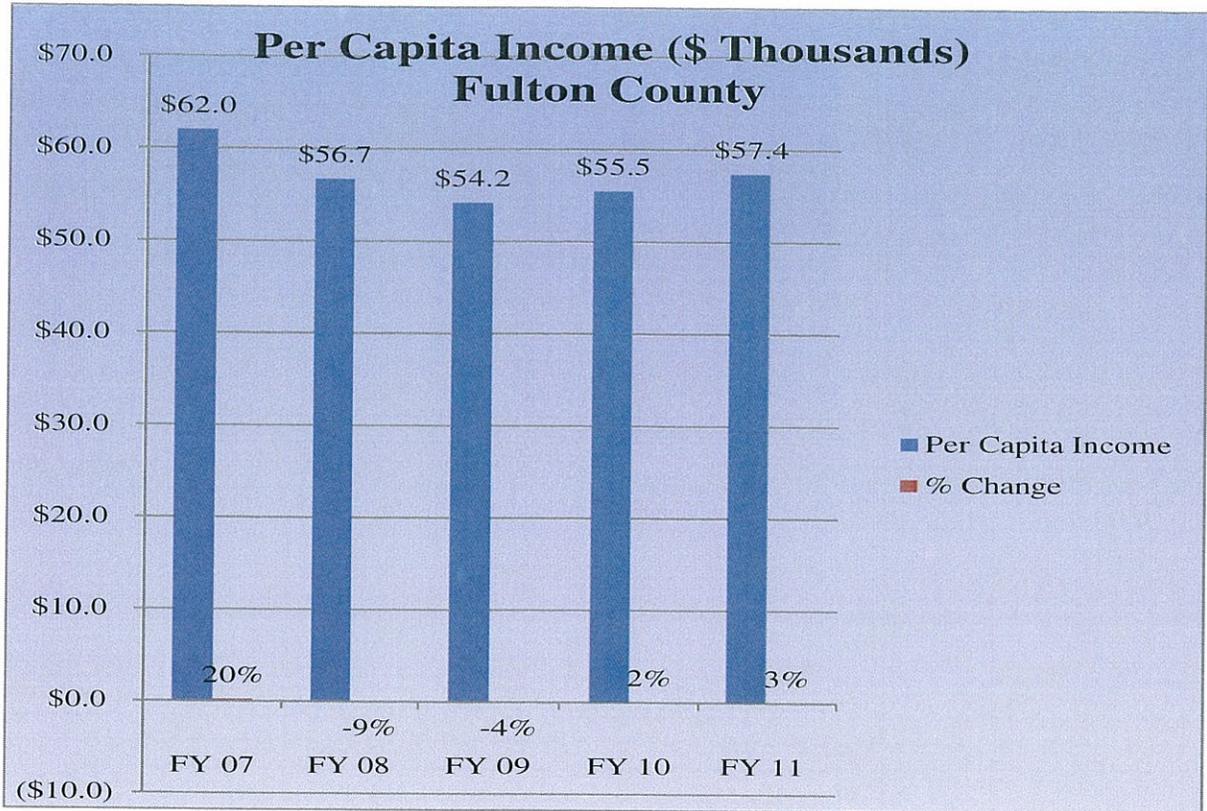
budget for FY 2013 without the use of budget carry forward or reserves for the first time in at least 5 years.

As per the Mayor and Council directions for the proposed budget for FY 2013-14 was developed with an effort to reduce department budget expenditures by 7%. Also, there are no increases in utility rates (e.g., Power, Storm Water, Water and Sewer). This budget does propose a 2% salary increase for full-time and part-time employees. In addition, the city pension contribution reflects an increase of 2.05% to 20.05% and health care cost increased by 13.70%.

### **Economic Climate**

The local economy is expected to return to a modest growth mode as the new fiscal year unfolds. The two primary economic variables are construction investment and personnel income growth. While weak by comparison, to recent years, both variables are expected to show modest gains, as job growth turns slightly positive. Employment information based on South Fulton County employment statistics.





## Summary of the FY 2013-2014 Budget

The presented budget for FY 2013-14 is \$122,799,051. This represents a 5.1% net increase and \$5,989,825 more than the amended FY 2012-13 budget of \$116,809,226. Below is the summary of the total All Funds Budget:

	Amended Budget 2012-2013	Proposed Budget 2013-2014	Increase (Decrease)	%
General	\$29,570,533	\$29,763,850	\$193,317	0.7%
Confiscated Drugs	55,475	55,475	-	0.0%
State Drug Fund	-	1,006	1,006	100.0%
Emergency 911	910,565	934,791	24,226	2.7%
Power	30,701,000	34,528,000	3,827,000	12.5%
Water & Sewer	11,544,309	10,312,347	(1,231,962)	-10.7%
Sanitation	2,750,000	2,745,000	(5,000)	-0.2%
Convention Center	15,027,930	14,888,237	(139,693)	-0.9%
Hospitality Fund	8,518,970	8,706,970	188,000	2.2%
GICC Spec District	105,200	105,850	650	0.6%
FAA Facility	7,052,680	5,991,906	(1,060,774)	-15.0%
BIDA	6,304,457	10,523,466	4,219,009	66.9%
Car Rental Tax	2,501,150	2,550,500	49,350	2.0%
Main Street	104,206	95,113	(9,093)	-8.7%
SPLOST	436,000	436,000	-	0.0%
Storm Water	855,000	855,000	-	0.0%
Golf	54,152	43,175	(10,977)	100.0%
CDBG	-	56,914	56,914	100.0%
Grant Funds	317,599	205,451	(112,148)	-35.3%
<b>Total</b>	<b><u>\$116,809,226</u></b>	<b><u>\$122,799,051</u></b>	<b><u>\$5,989,825</u></b>	<b>5.1%</b>

### Budget Format

The College Park budget worksheet format has been structured to address Council's requests from previous years' budget meetings. The FY 2012 Actual Expenses are shown, 2013 Amended Budget, 2013 Actual Expenses (year to date through March 2012), Percent Used (percentage of 2013 Actual expenses over 2013 Amended Budget), 2013 Estimated Column (comprised of Department head entries on the Logos .Net system), 2014 Department Head Requested, 2014 City Manager Recommended, and Percentage (2014 City Manager Recommended to 2013 Amended Budget). Also, in response to Council's requests is a summary for Department Directors with budgets comprised of multiple departments. The College Park Budget is prepared to conform to the modified accrual accounting basis, which is also used in our accounting system and procedures.

The adopted FY 2013-14 General Fund Budget is summarized as follows:

**Revenues**

Taxes	\$16,182,000
Fee, Licenses & Permits	2,946,184
Leases and Other Rents	45,000
Intergovernmental	1,241,444
Other Income	2,484,450
Operating Transfers In	<u>6,864,772</u>

**Total Revenue**

\$29,763,850

**Expenditures**

Personnel Services *	\$19,639,523
Operating Expenses**	5,167,176
Material & Supplies	1,007,806
Capital Outlay	2,785,928
Cost of Sales	21,000
Non-Operating***	<u>1,142,417</u>

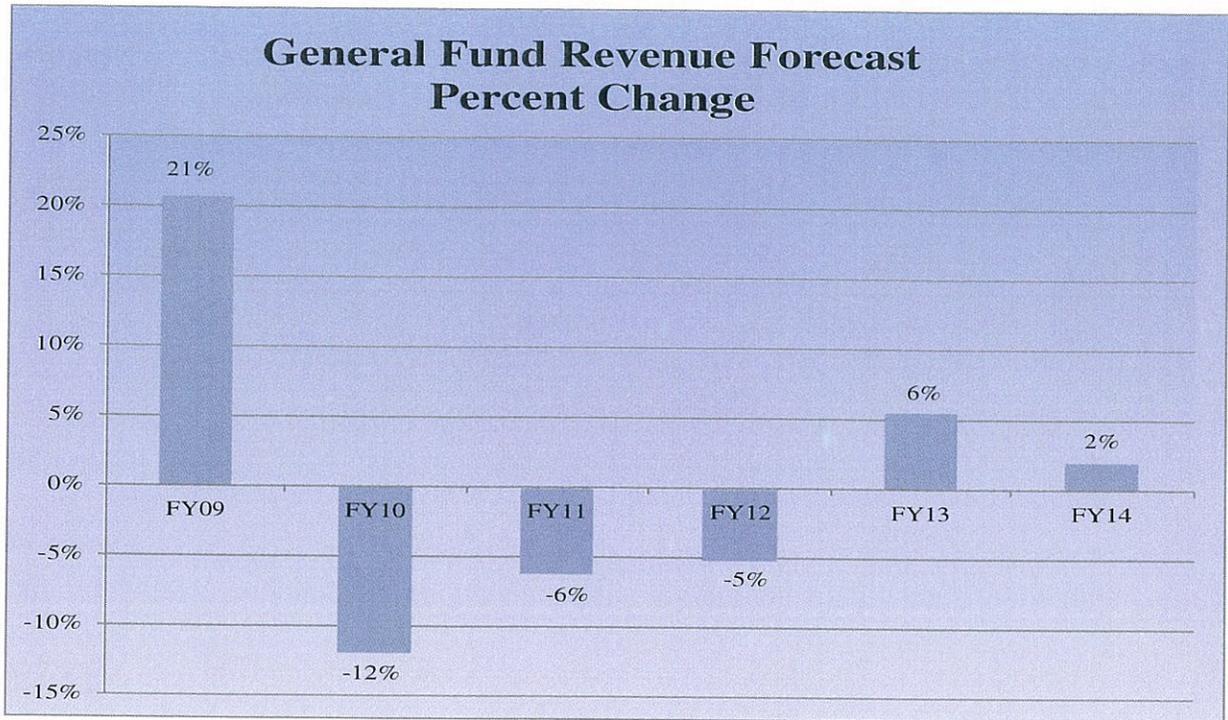
**Total Appropriations**

\$29,763,850

\*Personnel Services include salaries and employee benefits.

\*\*Operating Expenses include communications/utilities, rentals, repairs and maintenance, training and education, and other services and charges.

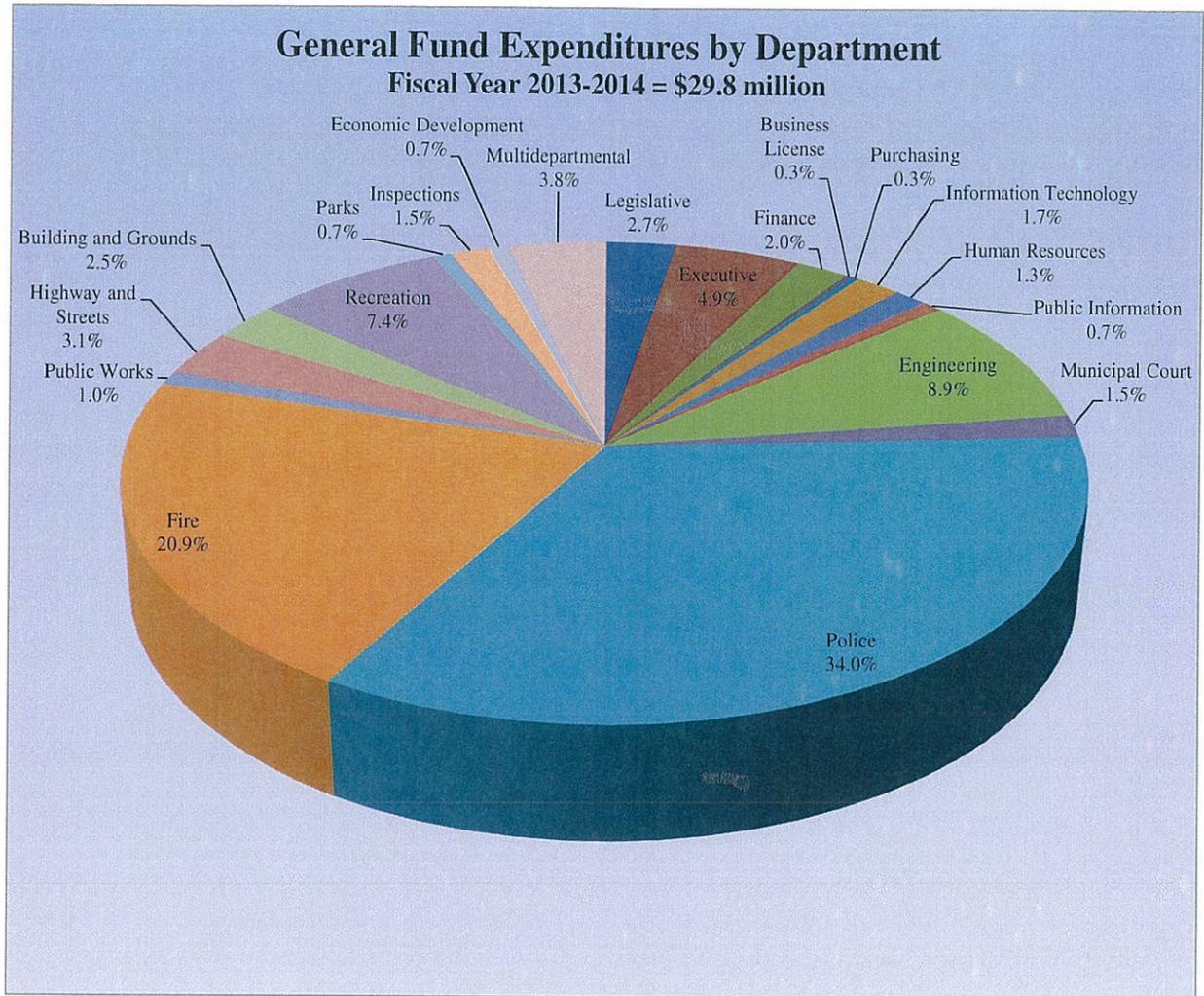
\*\*\*Non-Operating Expenses include transfers from the General Fund to the FAA, Main Street and E911 funds.



### FY 2013-14 General Fund Summary Dollars Millions

	Projected FY 13	Proposed FY 14
Beginning	<u>\$16.6</u>	<u>\$18.0</u>
Revenue	29.6	29.8
Expenditures	<u>28.2</u>	<u>29.8</u>
Ending Balance	<u><u>\$18.0</u></u>	<u><u>\$18.0</u></u>
*Req. Unassigned Fund Balance 30%-60%	\$8.7	\$8.0
Unassigned Fund Balance	\$7.5	\$7.5

\*Transfers-out are omitted from expenditures to arrive at unassigned fund balance.



### BUDGET BY FUNCTION

### GENERAL FUND

The General Fund is a service organization involved with providing services to the entire citizenry; and simply stated, it represents the expenditures for governmental operations. The expenditures, largely personnel services, are susceptible to inflationary increase and the revenues for the upcoming fiscal year look not to be increasing (specifically building permits and business license).

The General Fund balance will increase slightly from \$16.4 million in FY 2010-11 to \$16.6 million in FY 2011-12. The fund balance has been used to fund basic services. In this presented budget projected expenditures for FY 2013-14 there is no fund balance appropriation. During FY 2010-11, the Mayor and Council adopted a Governmental Accounting Standards Board (GASB) 54 Fund Balance Policy. The City will strive to maintain an unassigned fund balance in the General Fund between 30%-60% based upon annual expenditures. As of June 30, 2012, the City's unassigned fund balance is estimated to be 26% of total General Fund expenditures.

The General Fund has the following transfers: (1) Main Street of \$95,113 for salaries and operating expenditures (2) FAA of \$452,634 to cover bond payments (3) E911 of \$594,670 for salaries and operating expenditures.

Included in General Fund Revenues is Operating Transfers In–Hospitality Fund in the amount of \$1,200,000. This amount is dedicated to economic development efforts in the City (the costs of the Business Development and Main Street Departments) as well as an appropriation to further the general purposes of the City government. The funds are included in the General Fund Revenues for the following reasons:

- The combination of the Hotel/Motel Tax and the Special District Tax when added to operating revenues from the Georgia International Convention Enter (GICC), are more than sufficient to cover all of the debt service on the existing and adopted bonds as well as all other costs.
- The expenditures necessary to continue with the new developments are a valid use of the Hotel/Motel Taxes.

Also included in revenues are operating transfers from Enterprise Funds that represents funds allocated costs for shared computer services, administrative costs, operating expenses and payment in lieu of taxes:

- Golf Course Fund- \$43,175
- GICC - \$350,339
- Power Fund - \$4,060,518
- Water and Sewer Fund - \$753,918
- Sanitation Fund- \$228,411
- Storm Water Utility Fund - \$228,441

## REVENUES

### Ad Valorem (Property Tax)

The FY 2013-14 General Fund (Operating Budget) proposes a flat millage rate of 12.619 mills, as adopted during FY 2012-13.

	<u>2012-13</u>	<u>2013-14</u>	% Change
			<u>+ / (-)</u>
General Fund (mills) (General Operating)	12.619	12.619	0%

The proposed tax rate levied against the City’s new assessed valuation (taking into consideration the application of homestead exemption and the assessment ratio of 40% of taxable value for all properties) is expected to yield a slight increase for FY 2013-14 over the amended budget for FY 2012-13. This anticipated neutrality of the tax digest is predominantly due to an estimation of the reevaluations of existing properties throughout the City.

The City's total assessed valuation of properties of all types, residential and commercial throughout the City has decreased from \$899,544,656 in 2011 to \$896,704,839 in 2012, primarily due to a decrease in commercial property values. The CONRAC Facility was added to the 2011 tax digest as requested of Fulton County.

The Flight Equipment Tax, computed on the value of the airplanes and related equipment parked on the airport concourses within College Park's jurisdiction as of January 1st, is projected to remain flat at \$1,800,000 in the FY 2013-14 Budget. The collections are based on actual billings for the calendar year 2012.

The Special District Tax is presently a 14.5 mills tax rate applied to hotels operating in the defined special district. This tax was imposed to recover amounts from the economic benefits enjoyed by the hotels provided by the Convention Center. All of the tax collections are used to supplement facility-generated revenues and to provide for debt service. This revenue is projected to be the same as last year's budgeted amount.

### **Ad Valorem (Vehicles)**

The assessed valuation of vehicles has decreased from \$202 million in FY 2010-11 to \$162 million in FY 2011-12. The car rental companies remit taxes on their inventory based on an alphabet/ month schedule, i.e. Alamo would submit taxes in January (A-B), Enterprise in March (E-H), Hertz in May and so on.

### **Other Revenues**

The economy is experiencing a gradual recovery. Consequently, new business and construction activity has been sluggish. Several revenue sources such as business license inspection fees, permits, planning and zoning fees are anticipated to remain constant. In FY 2011-12, the Municipal Court Department implemented an automated system to process citations. Also, a city solicitor was hired during FY 2011-12 to handle the increased case load. As a result, fines and forfeitures are projected to increase by \$491,000 for FY 2013-14. Clayton County and Fulton County are in the process of negotiating with their respective municipalities on the 10 year agreement to distribute local option sales tax (LOST) dollars. Municipalities receive LOST distributions from the County based on eight criteria. College Park is anticipating a slight decrease in LOST revenue from Clayton County. The proportionate share of College Park LOST allocation from Fulton County is much smaller due to the number of cities in Fulton County. College Park is projecting a \$1 million decrease in LOST revenue from Fulton County for FY 2013-14.

Other projected revenues are expected to remain constant in the FY 2013-14 budget year as compared to the FY 2012-13 amended budget.

### **EXPENDITURES**

The budgeted expenditures for FY 2013-14 will be \$193.317 greater than the amended FY 2013-14 Budget, representing an increase of 0.7%. In general, Operating Expenses increased 4.8%, Personnel Costs increased by 4.8%, Materials/Supplies decreased 7.2%,

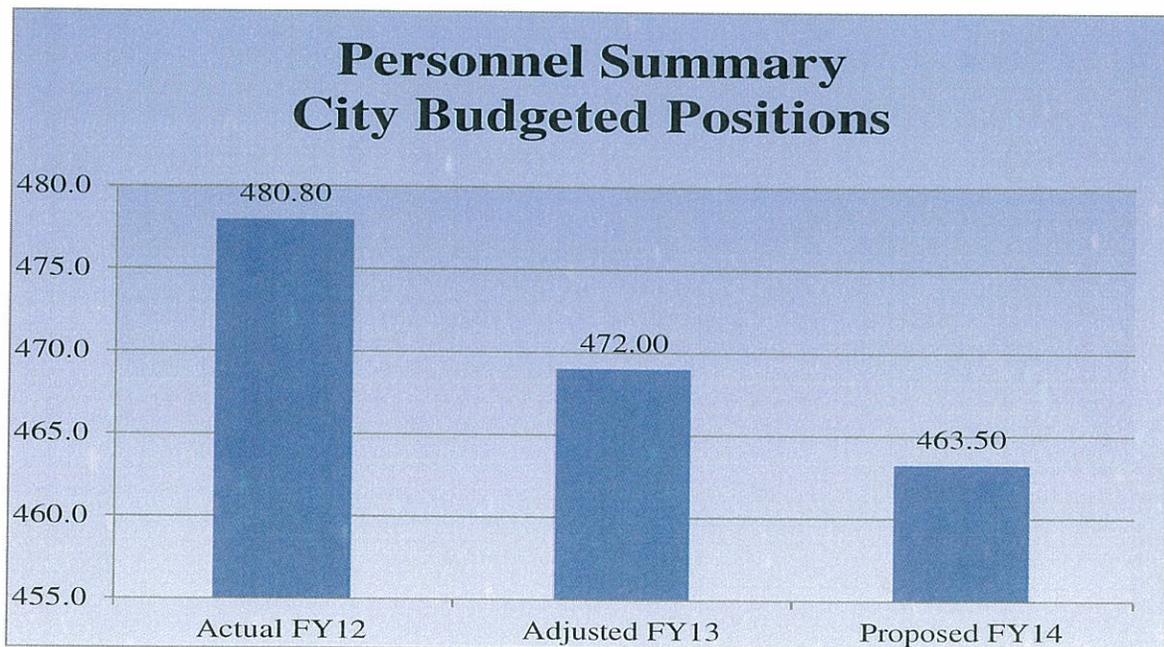
and Cost of Sales decreased by 13.2%. Capital Outlay decreased 7.2% and Operating Transfers decreased by 12.3%.

### **Personnel Costs**

The Personnel Costs (salaries, wages and employee benefits) in the proposed FY 2013-14 Budget Year will equal approximately 66% of the General Fund (Operating Budget) net Operating Transfers. This budget will sustain the current level of municipal services to the City of College Park.

There are no requests for new positions in the General Fund. The total personnel count for the overall budget program (All Funds) for the proposed FY 2013-14 is 463.5 positions; 9 positions less than the FY 2012-2013. For the General Fund Budget, the total personnel count is 304.5 positions; a change of 6.25 positions from FY 2012-13. For the Other Funds Budget the total personnel count is 160 positions: a change of 1.75 positions from FY 2012-13. There is a request to fund one new position in the Convention Center, one full-time Electrical Mechanic. Also the Convention Center has requested to reclassify the MIS Technician to MIS Manager. A more comprehensive listing on personnel is outlined at the end of this budget message.

There is a 13.70% increase in health insurance costs and the city pension contribution will increase 2.05% to 20.05%. For FY 2013-14, the City will continue its Healthy City Initiative Program for City employees.



### **Operating Expenditures**

The total cost of operating expenditures reflects a net decrease in the Proposed FY 2013-14 General Fund budget of \$258,766 over that of the FY 2012-13 amended budget.

The decrease is comprised of the following object accounts:

Communications and Utilities	\$68,998
Rentals	(4,950)
Repairs and Maintenance	(176,356)
Building Maintenance	(50,763)
Training and Education	(7,215)
Other Services and Charges	<u>(88,480)</u>
Total Net Change in Expenditures	<u><u>(\$258,766)</u></u>

### **Materials and Supplies**

The total cost of Materials and Supplies reflects a decrease in the proposed FY 2013-14 General Fund budget of \$77,927 over that of the FY 2012–13 amended budget.

### **Capital Outlay**

Overall, the cost of Capital Outlay decreased from \$3,125,819 in the Amended FY 2012-13 General Fund budget to \$2,785,928 in the proposed FY 2013-14 Budget, a decrease of \$339,891.

A comprehensive listing and explanation of these Capital Improvement items appropriated under All Funds FY 2013-14 are provided in the Capital Improvement listing.

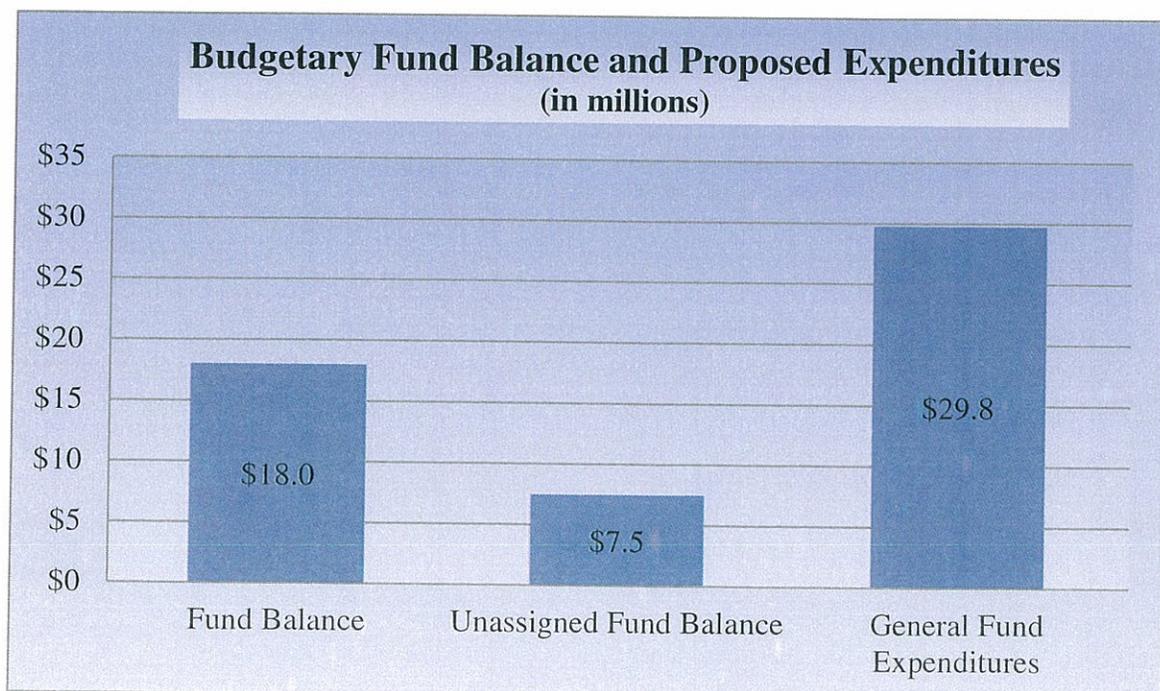
It is advisable, as well as extremely important for a City, to undertake and maintain an on-going viable annual capital improvement program yearly because these costs in total are usually the heaviest faced in any budget. Proper scheduling of capital improvement projects, as well as a level appropriation (i.e., an equal dollar allocation each fiscal year), prevents excessive costs in any one budget year.

## Capital Outlay Summary by Fund

	FY 2012-13 <u>Amended Budget</u>	FY 2013-14 <u>Proposed Budget</u>	<u>Percent Change</u>
General Fund	\$ 3,125,819	\$ 2,785,928	-10.87%
Confiscated Drug Fund	10,000	0	-100.00%
E911 Fund	81,806	0	-100.00%
CDBG Fund	0	56,914	100.00%
Grants Fund	207,939	195,998	-5.74%
SPLOST Fund	291,000	436,000	49.83%
Water and Sewer Fund	1,371,132	0	-100.00%
Sanitation Fund	75,000	75,000	0.00%
Storm Water Utility Fund	224,600	0	-100.00%
Electric Fund	1,676,700	1,446,300	-13.74%
Convention Center Fund	10,000	0	-100.00%
FAA Fund	0	403,000	100.00%
BIDA Fund	250,275	4,490,000	1694.03%
<b>Total</b>	<b>\$ 7,324,271</b>	<b>\$ 9,889,140</b>	<b>35%</b>

### Fund Balance

The graph below illustrates the Unassigned General Fund Balance and Total General Fund Balance as a percentage of General Fund Expenditures proposed as of June 30, 2013. The City's BASB 54 Fund Balance requires the City to maintain an Unassigned General Fund Balance between 30%-60% based upon annual budgeted expenditures. The Unassigned General Fund Balance is at 28%.



## Debt Service

There is currently no debt service obligation in the General Fund budget.

## Summary

To summarize the General Fund, the budget basically maintains the current level of municipal services and programs. There is no increase to the millage rate. The budget reflects a two percent salary increase for full-time and part-time employees. The FY 2013-2014 budget proposes a staff reduction of one position and a request to fund one new positions and a reclassification of one position. There was an increase of 13.70% for health care cost to the city and the city's pension contribution increased to 20.05%

## **BUDGET BY FUNCTION**

### **POWER ENTERPRISE FUND**

Until approximately 1998, College Park was legally limited in the ability to sell or trade this excess generating capacity. However, beginning in 1998, federal and state laws governing such sales changed so that energy could now be traded as a commodity, allowing College Park to more effectively address the excess capacity cost obligation. By selling it to other Municipal Electric Authority of Georgia (MEAG) cities (i.e., Inter-participant Transfers or IPT's) and into the open market, as well as seeking other opportunities to this asset such as competing for "off-system" competitive loads. This effort continues as evidenced by the agreement in FY 2008 between College Park and two of its sister electric cities for the long-term sale of 21MW of excess capacity.

In order to continue the City's efforts to maximize the opportunities available as a result of excess power supply position, the Power Department has completed or is contemplating the following measures:

- College Park Power in conjunction with MEAG has established the above-mentioned "Municipal Competitive Trust Fund" which is administered by MEAG for the benefit of each MEAG participant. The purpose of this fund is to offset future wholesale power cost increases, which allow each MEAG participant to stabilize rates and become increasingly competitive with surrounding public and private utilities.
- A comprehensive cost of service study was completed based on data collected for Fiscal Year End June 30, 2009 and showed that overall rates are continuing to adequately recover all operating costs plus a reasonable margin. It also showed that College Park Power has some of the lowest rates in the State of Georgia and is 25-35% below the surrounding municipalities.
- All City departments contribute to the revenue stream by paying for their actual costs of electricity. The estimated revenue from Other City Sales will remain constant at \$300,000 for FY 2013-14.

- The Georgia International Convention Center (GICC) power is estimated to be \$1.3 million for FY 2012-13. An increase of \$300,000 from FY 2011-12.

The Power Fund has a 7 mil Power Cost Adjustment (PCA) for FY 2013-14. The increase is due an anticipated increase in power cost to be passed on to the City by MEAG. The increase in PCA is necessary for the Power Fund to continue to generate sufficient revenues necessary to contribute to cash reserves.

Power Fund operating transfers for FY 2013-14 are as follows:

- Operating Transfers to the General Fund is \$4,060,518 for FY 2013-2014, which represents an increase of \$2,060,518 over the prior year budgeted transfer amount of \$2,000,000.
- Operating transfers to the BIDA Fund is \$4,100,000 which represents an increase of \$2,100,000 over the prior year budgeted transfer amount of \$2,000,000. The increase is for the purchase of non-master land property for future use and economic development.

### **WATER AND SEWER FUND ENTERPRISE FUND**

The Water and Sewer Fund accounts for all operating and capital cost that are required to provide efficient water/wastewater services to the public. Revenues are provided from user charges for services and interest on investments.

The City of College Park owns and operates a Water Distribution System and a Sanitary Sewer Conveyance System. The City of East Point provides approximately 3 million gallons of potable water to College Park per day. FY 2012-13 budget reflected a \$0.50 increase in the water rate, which became effective April 2012. The City of Atlanta and Fulton County provides treatment of the City's wastewater. During FY 2009-10, the City of College Park began to purchase an estimated .5 to 1.5 million gallons of potable water per day from the Clayton County Water Authority as a secondary source of water supply.

There was an estimated 20% increase for water and sewer sales reflected into the FY 2012-13 budget. This increase was necessary to recover wholesale supply increases. In addition, the increase was necessary to cover debt service payments for the Georgia Environmental Finance Authority (GEFA) loan, whose funds will be used for Water and Sewer capital projects. There are no increase in the water rates for FY 2013-14

During FY 2012-13, the City began construction to develop groundwater wells to supplement their existing water supply. The current project, which includes Well No. 1, will have a pumping capacity of 70 gallons per minute or 100,000 gallons per day. To treat more than one well with the filters, flows can be blended with finished water. Also, chemical feed capacity can be increased easily to treat up to 300,000 gallons per day at proposed facility. During FY 2013-14 the City is considering drilling 6 more test wells.

### **STORM WATER UTILITY FUND ENTERPRISE FUND**

The Storm Water Fund accounts for the repair and maintenance of the city's storm sewer collection system.

On July 1, 2007, Mayor and Council approved the City of College Park's Storm Water Utility Program. This program allows the City to collect a monthly fee from residential and commercial utility customers for the amount of impervious surface that allows storm water run-off from their property into the City's storm water sewer system. Fees are based on single-family units (SFU) and each customer is charged a fixed rate per unit depending upon category. Revenues from this fee are allocated to improve the City's overall storm sewer infrastructure and enhance the existing (CPM) comprehensive preventive maintenance program, construction and general maintenance.

This is the sixth year of the program and we are addressing infrastructure needs; cost effective design and construction of the necessary improvements; providing leadership through implementation of best management practices (BPMs) that will enhance water quality throughout the City improving the overall quality of life for our citizens. During FY 2013-2014 the Storm Water Utility fund will continue making debt service payments on the \$2,000,000 of stimulus funds received from Georgia Environmental Finance Authority the outstanding loan balance at June 30, 2012 was \$1,938,391. There is no proposed increase in the storm water fee for FY 2013-2014.

### **SANITATION ENTERPRISE FUND**

The Sanitation Fund is for residential and commercial trash-pick-up, the city's recycling program, animal control and yard waste curbside pick-up.

The current cost for solid waste collection is \$16.50 per household or unit. College Park also provides commercial collection within the corporate limits. Revenues collected for providing these services fund operations and capital expenditures within this division. In 2006, Mayor and City Council authorized a \$1.00 increase to establish a Capital Improvement Plan for Sanitation. This amount is \$36,000 per year.

There is no proposed increase in the solid waste management fee for FY 2013-2014. Capital Expenses recommended budget of \$130,000 for vehicle and equipment purchases should insure continued effective and efficient collection services for the citizens of College Park.

### **CONVENTION CENTER ENTERPRISE FUND**

The Georgia International Convention Center (GICC) opened at its new location in April 2003. The GICC is a premier facility in the Southeast United States, covering 400,000 square feet; which includes a 40,000 square foot ballroom (the largest in the State of Georgia) and a 150,000 square foot exhibition hall.

The total revenue budget for the GICC reflects a decrease in the proposed FY 2013-14 budget of \$139,693 over the amended budget for FY 2012-13. The decrease is primarily

due to the elimination of budget carry forward for FY 2013-14. Total revenue reflects the transfer of Hotel Special District Tax and GICC Special District Fund taxes to the GICC for bonded indebtedness for the Convention Center and infrastructure.

Adopted budget expenditures for FY 2013-14 indicate an overall decrease net of capital expenditures and debt service of \$139,693 or -0.93%. This increase is comprised of the following object accounts:

	Increase (Decrease)
<b>Convention Center - Change in Revenues</b>	
Sales Food and Beverage	\$100,000
Parking	100,000
Exhibit Hall	(1,100,000)
Meeting Rooms	1,200,000
Telecommunications	10,000
Audio Visuals	(6,000)
Miscellaneous Income	(50,000)
Administrative/Hospitality	138,000
Transfers - GICC	50,637
Budget Carryforward	(582,330)
	<hr/>
Total Net Change in Revenues	(\$139,693)
	<hr/> <hr/>

#### **FEDERAL AVIATION ADMINISTRATION ENTERPRISE FUND**

The Federal Aviation Administration (FAA) Fund is used to account for the lease of office buildings to the General Services Administration of the federal government regional headquarters. This fund also accounts for the operating activities of these buildings as well. Its revenue sources are derived from projected Facility Rental Income of \$5,538,672 and Operating Transfer In from the General Fund of \$452,634.

#### **BUSINESS INDUSTRIAL AND DEVELOPMENT AUTHORITY**

The Business Industrial and Development Authority (BIDA) work to encourage business relocation and expansion by offering access to BIDA owned property and BIDA funding initiatives. The purpose of BIDA, according to Georgia Senate Resolution No. 348, is to attain development and promote for the public good, general welfare, trade commerce, industry and employment opportunities. BIDA revenue sources are derived from sales of land, rental income and property tax income.

BIDA's Budget increased from \$6,304,457 in the Amended FY 2012-13 to \$10,523,466 in the FY 2013-14 Proposed Budget, an increase of \$4,219,009 primarily due to a plan to purchase non-master land property for future economic development.

#### **GOLF COURSE ENTERPRISE FUND**

The Golf Course Fund is used to report the revenues and expenses generated or incurred through golf course activities. Its revenue sources are derived from fees and equipment rental. The Golf Course operating budget for FY 2013-2014 is \$43,175.

## **SPECIAL REVENUE FUNDS**

### **HOSPITALITY FUND**

The total revenue budget for the Hospitality Fund reflects an increase in the proposed FY 2013-14 budget of \$188,000 over the amended budget for FY 2012-13.

With the passing of the 2% increase in the Hotel/Motel excise tax, the City of College Park created a College Park Destination Management Organization (CP-DMO), a non-profit, non-sectarian corporation. The general purpose of the CP-DMO is to operate exclusively for the purpose of promoting tourism, attracting groups, conventions and trade shows to the City of College Park's convention venue, local hotels and restaurants.

Mayor and Council ratified the 2% Hotel/Motel tax increase that became effective on July 1, 2011. 1.5 % of the Hotel/Motel tax increase will be used for the CP-DMO and .5% may be used for tourist/convention product development (CP-TPD). A Destination Marketing Organization line item was established in the Hospitality Fund for FY 2012-2013 budget.

The distribution of these tax collections is as follows:

- General Fund – \$1,200,000  
This transfer covers the costs of the Main Street and Business Development departments, as well as the portion of collections not necessary for bond debt or other purposes from funds other than the General Fund.
- GICC – \$5,686,970  
This amount is transferred to pay principal and interest on bond debt as well as to cover operational costs associated with the GICC facility. \$20,000 is budgeted for legal fees related to the Hospitality Fund as well.
- CP-DMO – \$1,350,000  
This amount is distributed to the CP-DMO to promote tourism, conventions, and trade shows by the CP-DMO.
- CP-TPD – \$450,000  
This amount is allocated for tourism/convention product development.

### **GICC SPECIAL DISTRICT FUND**

This fund is set up to pay the bond interest and principal expenses for the Gateway Development (including the GICC) and the Global Gateway Connector infrastructure through a transfer to the GICC fund. A special district tax was established in late 2001 for

the entire project in anticipation that the tax revenues generated from new development within the redevelopment area (7.5 mills) would pay the annual debt service. Due to a lack of development, an infusion of funds from the Hospitality Fund will need to occur to make up the balance due on the annual payment. The Automated People Mover (APM) and hotel development opened in this tax district in December 2009. We anticipate that sufficient revenues would be collected to pay the annual debt service. The primary revenue source for the GICC Special District Fund in FY 2013-14 is fund income of Special District Taxes estimated at \$105,850.

### **COMMUNICATIONS (E911) FUND**

The E-911 Fund accounts for monthly user charges on telephone service for operation and maintenance of the E-911 System, as well as for capital equipment purchases. This fund contains the Police Dispatchers as well as E911 Operators and the costs of providing those services to the community. Its revenue sources are derived as an Operating Transfer In from the General Fund of \$594,670, as well as the projected E911 collections and interest of \$340,141.

### **CAR RENTAL FUND**

Car rental funds are used to account for revenue and expenditure of taxes collected from the excise tax levied on rental cars in the City.

Car Rental Tax collections for the FY 2013-14 have been budgeted upon the settlement of the funding formula litigation. This fund is projected to receive \$2,602,800 in FY 2013-14. Collections for prior years are as follows:

2003	2,083,252
2004	2,198,593
2005	2,548,311
2006	2,703,314
2007	2,748,648
2008	2,681,445
2009	2,622,351
2010	2,454,827
2011	2,467,323
2012	2,668,779

The annual allocations are added to the existing fund balance, less expenses for projects. The Car Rental Tax may only be expended for public safety projects, parks and recreation projects, and convention center/tourism uses.

Projected disbursements from this fund for FY 2013-14 are for costs associated with bonded indebtedness and operating expenditures.

### **GRANT FUNDS**

This fund accounts for activities carried out by the City under the terms of various intergovernmental grants. Numerous federal and state grants comprise the Grants Funds. Most grants require either local match funds or soft (in-kind) contributions. The grants anticipated for FY 2013-14 are as follows:

Source	Title	FY 2013-2014 Project Costs	Match \$'s	Match Ratio
Federal Grant	Department of Justice - Bullet Proof Vests	\$9,244	\$0	0%
Federal Grant	Economic Development Administration - Quiet Crossing	622,000	\$311,000	50%
Federal Grant	Small Business Admin	97,695	\$0	0%
State Grant	GDOT/ARC Grant Phoenix Trail	819,000	\$163,800	20%
State Grant	Godby Road and Old National Parkway TE Project	20,000	\$4,000	25%
State Grant	Main Street TE Project	500,000	\$250,000	50%
State Grant	Old National Bus Shelters - MARTA	236,000	\$0	0%
		\$2,303,939		

**Community Development Block Grant (CDBG) Fund** \$56,914 – This Fund reports the Grant Income from the CDBG and the expenditure of those funds.

**Confiscated Drug Funds** \$55,475 - This Fund records the proceeds from confiscated drug funds and the expenditures of those funds on Police-related operations, supplies and/or capital items.

**State Drug Fund** \$1,006 – This Fund reports the City share of State Drug monies that are confiscated by the City.

#### **CAPITAL PROJECT FUNDS**

**Main Street Fund** \$95,113 – This fund accounts for the purpose of redevelopment of College Park Main Street. Mayor and Council have appropriated fund for the purchase of properties and the renovation of those structures for ultimate resale to new businesses. Proceeds from sales are then reinvested in additional properties. Also, the Main Street Economic Development Manager salary is paid from this fund.

**Special Local Option Sales Tax Fund (SPLOST) Fund** \$436,000 – This fund accounts for proceeds of a sales tax levied in Clayton County, which will be used by the City for the exclusive purpose of capital outlay projects.

#### **AGENCY FUND**

**Municipal Court Fund** \$0 – This fund accounts for the receipt and disbursement of bonds (posted to secure release of individuals charged with various crimes) and court-ordered fines and fees made on behalf of third parties. There are no funds budgeted for the Municipal Court for FY 2013-14.

## DEBT

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Also, to account for lease purchases from commercial paper loans for shorter-term financing.

All of the long-term debt owed by the City is in the form of Revenue Bonds. Revenue Bonds are repaid with proceeds of revenues paid by users of that service, as opposed to General Obligation Bonds, which are tax supported. By using this form of debt, pressures on the General Fund are minimized.

**Convention Center** - \$20,375,000 these revenue bonds, Series 2001, were issued for constructing the new Georgia International Convention Center. The outstanding balance of these revenue bonds at June 30, 2012 was \$15,560,000.

**Convention Center** - \$53,475,000 These revenue bonds, Series 2005, were issued for the purpose of refunding a portion of the City's Civic Center Project Revenue Bonds, series 2000, in order to refinance a portion of the costs of the convention center facility leased by BIDA to the City of College Park. The outstanding balance of these revenue bonds at June 30, 2012 was \$51,145,000.

**BIDA** - \$11,250,000 these revenue bonds, Series 2004, relates to the construction of the Public Safety Complex completed in November 2005. The outstanding balance of these revenue bonds at June 30, 2012 was \$8,245,000.

**BIDA** - \$25,875,000 These revenue bonds, Series 2006, were issued for the purpose of financing the costs of acquiring land to be used as a site for a new hotel, retail, and office complex near the convention center facility, which land will be leased by BIDA to the City of College Park. The outstanding balance of these revenue bonds at June 30, 2012 was \$24,245,000.

**BIDA** - \$34,060,000 These revenue bonds, Series 2008, were issued for the purpose of financing the costs of acquiring, construction, and opening of a 402-key first class headquarters hotel and a 148-key select service hotel, on a site owned by the Authority which is adjacent to Georgia International Convention Center. The outstanding balance of these revenue bonds at June 30, 2012 was \$33,580,000.

**BIDA** - \$7,445,000 These revenue bonds, Series 2008A, were issued for the purpose of financing the costs of acquiring and construction of a 138,000 gross square foot, four story office building and related parking, on a site owned by the Authority which is adjacent to Georgia International Convention Center. The outstanding balance of these revenue bonds at June 30, 2012 was \$7,035,000.

**FAA Projects I and II** - The amounts borrowed in two separate issues (Series 1993 and 1999) were used to construct and equip the Regional Offices of the

Federal Aviation Administration (FAA) and secured by a non-cancelable lease from the General Services Administration (GSA). Under the lease with the City, the City is obligated to make up the difference of rental payments received by the FAA to ensure amounts are sufficient to make principal and interest payments on the bonds. A management company runs the facilities and disbursements are authorized at that level.

On July 20, 2011 the City of College Park Business and Industrial Development Authority (BIDA) issued \$8,960,000, 2.010% Taxable Refunding Revenue Bond, FAA Project, Series 2011. These taxable revenue bonds were issued for the purpose of refunding of the City of College Park BIDA, 6.5% Taxable Revenue Bond, FAA Project, Series 1999.

**FAA – \$8,500,000** Series 1993 the outstanding balance of these revenue bonds at June 30, 2012 was \$2,385,000.

**FAA – \$8,960,000** Series 2011 The outstanding balance of these refunding revenue bonds at June 30, 2012 was \$6,190,000.

## SUMMARY

There are a lot of numbers, indicators, projections, charts and graphs in the Fiscal Year 2014 Proposed Budget document. This is rightfully so, since this budget also reflects College Park vision and focus on improving the quality of life for our residents, businesses and visitors, respectively. This budget reflects community values, goals, objectives and ideas, all of which are indicative and consistent with the expectations articulated by Mayor and City Council.

The Fiscal Year 2014 Proposed Budget represents the character of a city whose unique identity distinguishes itself from other geographical areas of Southwest Fulton County and the overall Atlanta Metropolitan Area. City administration began finalizing its recommendations for next year's budget with 67% of the current fiscal year completed, 62% of the approved budget expended, and 61% of anticipated revenues collected. Staff is likewise working to promote and establish an unassigned fund balance that remains healthy.

Total General Fund expenditures are up 0.7%, personnel services are up 4.8%. The increase in personnel services reflects a 2.0% proposed salary increase, 2.05% city pension contribution increase and 13.70% increase in health care costs. Fiscal Year 2014 will also mark the third consecutive year of administering a performance budget, enabling our ability to again secure recognition from the Government Finance Officers Association of the United States and Canada for best budget format. However, make no mistake that this effort represents a continuous process, as more work is required to truly solidify our belief that we are moving in the right direction.

Total local property tax millage for City operations will result in neutral revenues. Total appropriation for all funds is recommended to be \$122,799,051. As such, the overall

Fiscal Year 2014 Proposed Budget is financially sound and delivers services our residents have come to expect.

	Amended Budget 2012-2013	Proposed Budget 2013-2014	Increase (Decrease)	%
General	\$29,570,533	\$29,763,850	\$193,317	0.7%
Confiscated Drugs	55,475	55,475	-	0.0%
State Drug Fund	-	1,006	1,006	100.0%
Emergency 911	910,565	934,791	24,226	2.7%
Power	30,701,000	34,528,000	3,827,000	12.5%
Water & Sewer	11,544,309	10,312,347	(1,231,962)	-10.7%
Sanitation	2,750,000	2,745,000	(5,000)	-0.2%
Convention Center	15,027,930	14,888,237	(139,693)	-0.9%
Hospitality Fund	8,518,970	8,706,970	188,000	2.2%
GICC Spec District	105,200	105,850	650	0.6%
FAA Facility	7,052,680	5,991,906	(1,060,774)	-15.0%
BIDA	6,304,457	10,523,466	4,219,009	66.9%
Car Rental Tax	2,501,150	2,550,500	49,350	2.0%
Main Street	104,206	95,113	(9,093)	-8.7%
SPLOST	436,000	436,000	-	0.0%
Storm Water	855,000	855,000	-	0.0%
Golf	54,152	43,175	(10,977)	100.0%
CDBG	-	56,914	56,914	100.0%
Grant Funds	317,599	205,451	(112,148)	-35.3%
<b>Total</b>	<b>\$116,809,226</b>	<b>\$122,799,051</b>	<b>\$5,989,825</b>	<b>5.1%</b>

The College Park Executive Team therefore looks forward in working with Mayor and City Council during the upcoming budget workshops and public hearings, as well as welcomes the opportunity to address questions and concerns accordingly. In summary, the Fiscal Year 2014 Proposed Budget outlines and supports the City's good financial position, continues attention to engage various scale infrastructure improvements, encourages well-managed growth management policies and principles, and is supportive of expanding private/public collaborations and economic development.

As College Park's new City Manager, I wish to offer a special and a very personal thanks to all department directors who assisted the Office of the City Manager in preparing this year's budget submission. Director of Finance and Accounting Richard D. Chess, Accounting Supervisor Carl LaFleur, Utility Accountant Rodrique Taylor, Accounting Assistant Cleshette Davis, Accounting Clerk Sandra Heard, Accounting Clerk Yolanda, Aline Malone-Farrar, and Tax Clerk Philip Latona, as well as all department managers, supervisors and section administrators who contributed invaluable in preparing the budget document. This year's submittal of an enhanced performance-oriented budget will enable

us to continue exercises factually to ascertain how the organization is doing in terms of productivity and how well we are responding to meet goals and objectives. We all must therefore operate on the premise that if you cannot measure output, you cannot improve it. Our efforts to more thoroughly benchmark municipal services, as well as highlight both performance indicators and accomplishments, will direct continuous improvement accordingly. We also hope the City and general public will avail themselves of the many facts and figures contained in this budget document so that we can better meet the challenges and expectations of our residents and other stakeholders. The City's administration and organization are up to the challenge and we look forward to a very productive year for our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Terrence R. Moore". The signature is fluid and cursive, with a large initial "T" and "M".

Terrence R. Moore, ICMA-CM  
City Manager

**CITY OF COLLEGE PARK, GEORGIA  
PERSONNEL SUMMARY**

<b>Fund</b>	<b>Department</b>	<b>FY 2012-2013</b>		<b>FY 2013-2014</b>
		<b>Adopted Positions</b>	<b>Vacant Positions</b>	<b>City Manager Recommended</b>
General	Legislative	10		10
	Executive	5.5		5.5
	Financial Admin.	2		2
	Accounting	5		5
	Public Information	2.34		2
	Business License	1		1
	Purchasing	1		1
	Information Technology	5.33	1.33	5
	Human Resources	3		3
	Buildings/Grounds	14		14
	Engineering	3		3
	Municipal Court	9		10
	Police Admin.	13		14
	Police Patrol	89		82
	Police Investigations	12		11
	Corrections (Jail)	6		6
	Fire Admin.	7	2	6
	Fire Suppression	70		70
	EMS	1		1
	Public Works Admin.	0.75		1
	Highways/Streets	11	1	12
	Recreation Admin.	2		2
	Recreation Programs	16		16
	Recreation Facilities	6		6
	Parks	9		9
	Inspection	4.5		5
Business Development	2.33	0.5	2	
<b>Total General Fund</b>		<b>310.75</b>	<b>4.83</b>	<b>304.5</b>
Power	Line Section	14		13
	Warehouse	1		1
	Meter Reading	4	1	5
	Account Maintenance (Customer Service)	11	1	11
Main Street	1		1	
Water and Sewer	19.5		18	
Sanitation	35.75		36	
Convention Center	54	1	53	
Communications (E911)	17		17	
Storm Water Utility	4.5		4	
<b>Total Other Funds</b>		<b>161.75</b>	<b>3</b>	<b>159</b>
<b>TOTAL ALL FUNDS</b>		<b>472.5</b>	<b>7.83</b>	<b>463.5</b>

**CITY OF COLLEGE PARK  
NEW POSITIONS REQUESTED**

<b>Department</b>	<b>Request</b>	<b>Number Requested</b>	<b>City Manager Recommended</b>
GICC	Electrical Mechanic	1	1
<b>Total New Positions General</b>		<b>1</b>	<b>1</b>

CITY OF COLLEGE PARK  
CAPITAL OUTLAY  
FISCAL YEAR 2013-14

DEPARTMENTS	DESCRIPTION	NUMBER OF UNITS	COST PER UNIT	DEPARTMENT HEAD	CITY MANAGER
Executive	Furniture/Fixtures Replace	1	1,500	1,500	-
<b>Subtotal - Executive</b>				<b>1,500</b>	<b>-</b>
MIS-Info Technology	Other Equipment/New	1	70,000	70,000	32,000
<b>Subtotal - MIS-Info Technology</b>				<b>70,000</b>	<b>32,000</b>
Engineering	Capital Improvement Fund	1	3,711,770	3,711,770	2,276,783
<b>Subtotal - Engineering</b>				<b>3,711,770</b>	<b>2,276,783</b>
Police Investigations	Communications	1	5,600	5,600	-
<b>Subtotal - Police Investigations</b>				<b>5,600</b>	<b>-</b>
Police Patrol	Police Technology	1	140,250	145,250	132,145
<b>Subtotal - Police Patrol</b>				<b>145,250</b>	<b>132,145</b>
Public Works	Infrastructure	1	220,000	220,000	220,000
<b>Subtotal - Public Works Administration</b>				<b>220,000</b>	<b>220,000</b>
Highway and Street	Street Resurfacing	1	125,000	125,000	125,000
<b>Subtotal - Highway and Street</b>				<b>125,000</b>	<b>125,000</b>
Recreation Facilities	Other Equipment/New	1	6,448	6,448	-
<b>Subtotal - Recreation Facilities</b>				<b>6,448</b>	<b>-</b>
<b>Grand Total - General Fund</b>				<b>4,285,568</b>	<b>2,785,928</b>
CDBG Fund	Capital Improvement Fund	1	56,914	56,914	56,914
<b>Subtotal - Confiscated Drugs</b>				<b>56,914</b>	<b>56,914</b>
Grant Funds	Capital Improvement Fund	1	195,998	195,998	195,998
<b>Subtotal - Grants</b>				<b>195,998</b>	<b>195,998</b>
S.P.L.O.S.T.	Buildings	1	436,000	436,000	436,000
<b>Subtotal - S.P.L.O.S.T.</b>				<b>436,000</b>	<b>436,000</b>
Electric/Power Fund					
Electric/Line	Communications	1	15,000	15,000	15,000
	Capital Improvement Fund	1	150,000	150,000	150,000
	Electrical Improvements	1	375,000	375,000	375,000
	Other System Improvements	1	100,000	100,000	100,000
	Street Lighting	1	297,000	297,000	297,000
<b>Subtotal - Electric/Line</b>				<b>937,000</b>	<b>937,000</b>
Electric/Meter	Vehicle Replacement	1	9,300	9,300	9,300
	Other System Improvements	1	500,000	500,000	500,000
<b>Subtotal - Electric/Meter</b>				<b>509,300</b>	<b>509,300</b>
<b>Total - Electric/Power Fund</b>				<b>1,446,300</b>	<b>1,446,300</b>
Sanitation	Sanitation Containers	1	75,000	75,000	75,000
<b>Subtotal - Sanitation</b>				<b>75,000</b>	<b>75,000</b>
Fund: 555-Convention Center	Furniture Fixtures/Replace	1	50,000	50,000	-
	Office Equipment/New	1	28,777	28,777	-
	Other Equipment/New	1	48,500	48,500	-
	Other Equipment/Replace	1	297,500	297,500	-
<b>Subtotal - Convention Center</b>				<b>424,777</b>	<b>-</b>
Federal Aviation Administration (FAA)	Buildings	1	685,000	685,000	275,000
	Capital Improvement Fund	1	128,000	128,000	128,000
<b>Subtotal - FAA</b>				<b>813,000</b>	<b>403,000</b>
Business Industrial Development (BIDA)	Land Purchase Cost	1	4,490,000	4,490,000	4,490,000
<b>Subtotal - BIDA</b>				<b>4,490,000</b>	<b>4,490,000</b>
<b>Grand Total - Other Funds</b>				<b>7,937,989</b>	<b>7,103,212</b>
<b>Grand Total of General and Other Funds</b>				<b>12,223,557</b>	<b>9,889,140</b>