



City Council Meeting & Retreat
JANUARY 23, 2022
Office of the City Clerk
AC HOTEL BY MARRIOTT GREENVILLE
BROAD & MAIN MEETING ROOM
315 SOUTH MAIN STREET GREENVILLE, SC 29601
4:00 PM

I. CALL TO ORDER

- Mayor Gilvin called the meeting to order at 4:08 p.m.

II. ROLL CALL

- **Council Members**

- Mayor Jim Gilvin
- Mayor Pro Tem Dan Merkel
- Donald F. Mitchell
- Brian Will
- Douglas J. DeRito
- John Hipes
- Jason Binder

- **Staff**

- Bob Regus, City Administrator
- James Drinkard, Assistant City Administrator
- Mike Stacy, City Attorney
- Lauren Shapiro, City Clerk
- Brooke Lappin, Director of Court Services
- Cris Randall, Director of Human Resources
- John Robison, Director of Public Safety
- Kathi Cook, Director of Community Development and Economic Development
- Morgan Rodgers, Director of Recreation, Parks & Cultural Services
- Peter Sewczwicz, Director of Public Works
- Randy Bundy, Director of Information Technology
- Tom Harris, Director of Finance

III. DISCUSSION TOPICS

A. **Mid-Year Financial Review and FY2023 Forecast**

- Director of Finance, Tom Harris, came forward to present the following items. The financial presentation is attached.

- **Initiatives Previously Approved by Council (now seeking formal budget adjustments)**
 - Administration/Community Development
 - Transfer of Economic Development Division appropriations
 - Public Safety
 - Cardiac Monitors/AEDs Capital Lease (additional funding) = \$22K (2022 and beyond)
 - K9 Replacements (additional funding) = \$8K (2022); \$16K (2023)
 - Court
 - eCourt Software Upgrade (software licensing) = \$45K (2022); \$35K annual impact
 - Public Works
 - Citywide Landscape ROW Maintenance (additional funding) = \$115K (2022); \$276K annual impact
 - Recreation, Parks, and Cultural Services
 - Maintenance and Operational Funding (net additional funding – e.g., program instructor funding) = \$130K (2022 and beyond)
 - Special Events (additional funding) = \$101K (2022); \$51K annual impact
 - Wire and Wood
 - Brooke Street Concerts
 - Taste of Alpharetta
 - Food Truck Alley
 - Arts Street Fest
 - Community Development
 - CityWorks Software Upgrade (licensing) = \$20K (2022 and beyond)
 - 911 – Public Safety
 - 911 Telephone Hardware Replacement = \$193K (one-time in 2022); \$5K annual impact
- **Mid-Year Capital Requests**
 - \$152K from Non-Allocated (\$3M current balance)
 - Public Works
 - AC Replacement at Crabapple Training Facility = \$35K (one-time)
 - Public Safety
 - Crabapple Training Facility Buildout = \$44K (one-time); \$25K (annually for operations)

- Finance
 - Employee Expense Software = \$19K (one-time); \$1K (annually for operations)
 - Recreation, Parks, and Cultural Services
 - Innovation Academy Reimbursements = \$54K (one-time)
- **Capital Investment - Recurring Capital Needs**
 - Annual Replacement (“Recurring”) Needs: > \$10M (does not include new capital investment)
 - Milling & Resurfacing \$3M
 - Transportation \$800K
 - Sidewalks \$600K
 - Stormwater \$4.9M
 - Facilities \$600K
 - Fleet \$1M
 - Technology \$300K
 - Other (equip, parks, etc.) \$700K
 - \$18.6M capital funding forecasted for 2023
 - Base Capital Funding: \$18.6M Capital Plan
 - Annual Budget Contribution: \$3M (recurring capital)
 - Fund Balance Contribution: \$12.6M
 - Capital Project Fund Contribution: \$3M (non-allocated)
 - 2022 Parks Bond (\$29.5M)
 - TSPLOST II (Tier I \$52M)
- **Other Items**
 - **Sanitation**
 - In 2021, Republic proposed a 25% increase. The City passed on 10% to customers (used Fund Balance to subsidize).
 - Republic rates will increase on April 1, 2022, and there are some decisions that need to be made in terms of recycling.
 - Mayor Gilvin requested that Director Harris bring forward all options for glass recycling, recycling events, and recycle center partnerships with other cities as a City Council workshop item.
- Mayor Gilvin called for a recess to take a dinner break.
- Mayor Gilvin reconvened the meeting at 7:43 p.m.
 - **Bond Rating/Capacity**

- No legal limit capacity issues nor immediate pressure on Bond Rating
- **Tax Allocation District**
 - 2019 Base Year: \$280M Digest Value (150 Tax Parcels; 941 Acres)
 - 2021: \$268M Digest Value (-4% declined compared to Base)
 - Mayor Gilvin requested that Director Harris bring forward the possibility of a Tax Allocation District in the North Point area as a City Council workshop item after determining whether or not the City receives funding from the Negative Economic Impact Grant for the North Point Parkway LCI Streetscape Enhancement Project.

IV. SESSION ONE ADJOURNMENT

- Mayor Gilvin adjourned the meeting at 8:21 p.m.

Respectfully submitted,



Lauren Shapiro, City Clerk



City Council Retreat (Jan. 23-24, 2022) Financial Status Update

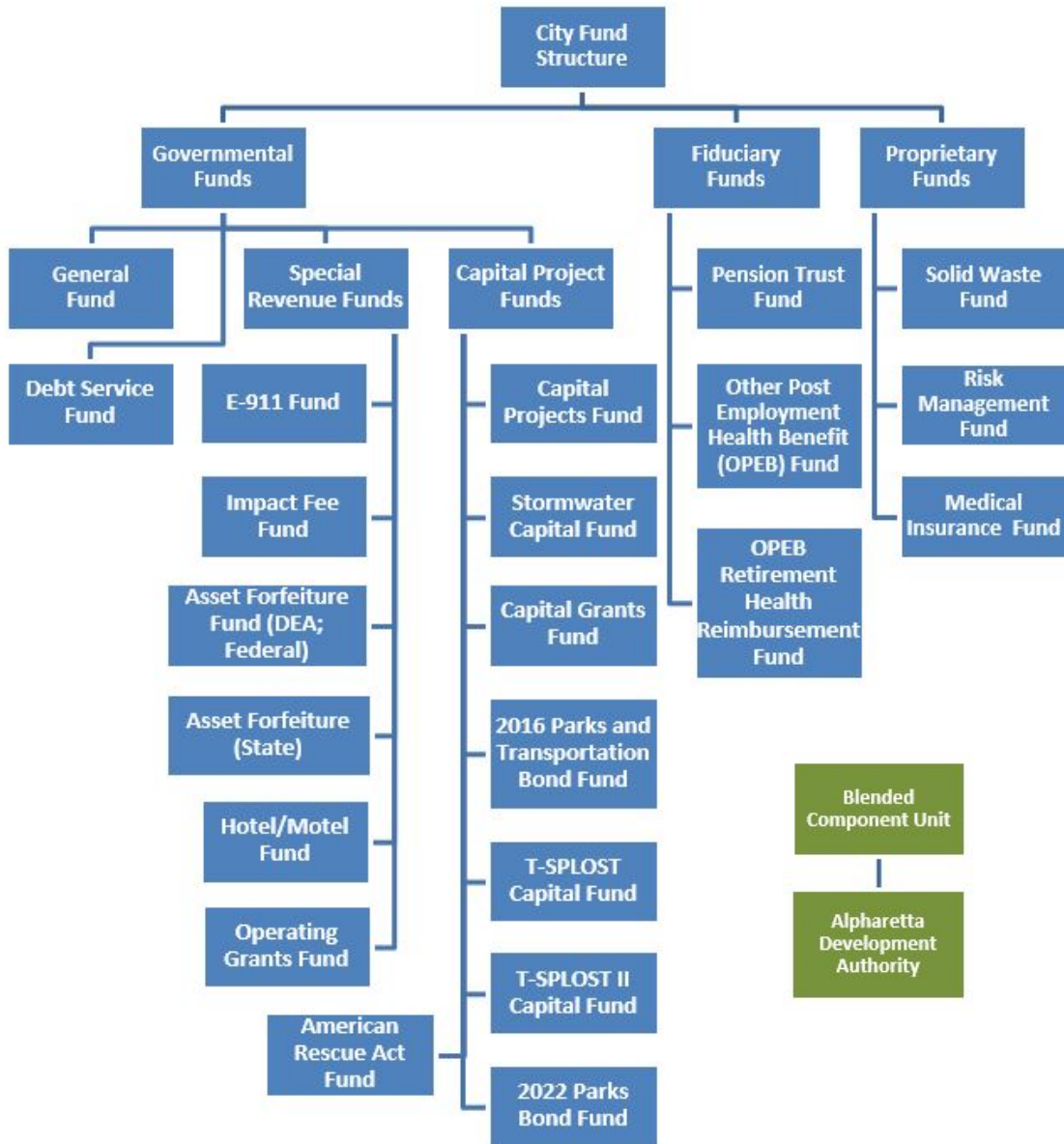


Agenda



- Fund Structure
- Fiscal year 2021 Financial Review
- Fiscal Year 2022 Financial Status
- Capital Investment
- Fiscal Year 2023
- Tax Digest and Millage Rate
- Other Items

Fund Structure



23 Total Funds

16 Governmental Funds

3 Fiduciary Funds

3 Proprietary Funds

1 Blended Component Unit



Fiscal Year 2021 Financial Review



FY 2021 Financial Review



General Fund

	<u>Actual</u>	<u>Over/(Under) Budget</u>
• Operations		
– Revenues	\$74.5M	\$ 7.1M
– Expenditures		
• Operations	<u>(60.9M)</u>	<u>(7.3M)</u>
Surplus from Operations	\$ 13.6M	
• Capital Transfer	<u>(4.5M)</u>	
Net increase in Fund Balance	\$ 9.1M	


Including \$2.6M set aside for non-allocated reserve in response to COVID operational flexibility.

• Fund Balance

– Beginning Fund Balance	\$26.6M	Emergency Reserve: \$17.2M FY 2022 Budget: 5.8M* FY 2023 Budget: <u>12.6M</u> \$35.7M
– Result from Operations	<u>9.1M</u>	
– Ending Fund Balance	\$35.7M	

Historical Fund Balance Trends



	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Beginning Fund Balance	\$ 27.3	\$ 28.5	\$ 24.6	\$ 27.8	\$ 26.6
Revenues	\$ 65.1	\$ 66.0	\$ 73.9	\$ 71.9	\$ 74.5
Expenditures					
Operations	\$ (53.3)	\$ (55.8)	\$ (59.1)	\$ (60.8)	\$ (60.9)
Capital Transfers					
Capital (Fund Balance)	\$ (6.0)	\$ (8.8)	\$ (6.1)	\$ (4.5)	\$ (4.4)
Capital (FB Adv; Mid-Year, etc.)	-	-	-	(3.0)	-
Capital (Recurring)	(4.5)	(4.5)	(4.5)	(4.8)	(0.2)
Capital (One-Time)	-	(0.7)	(1.0)	-	-
	\$ (10.5)	\$ (14.0)	\$ (11.6)	\$ (12.3)	\$ (4.5)
Net Change in Fund Balance	\$ 1.2	\$ (3.8)	\$ 3.2	\$ (1.2)	\$ 9.1
Ending Fund Balance	\$ 28.5	\$ 24.6	\$ 27.8	\$ 26.6	\$ 35.7
Fund Balance Breakdown					
Capital (next budget year)	\$ 8.8	\$ 6.1	\$ 4.5	\$ 5.3	\$ 5.8
Capital (add'l/mid-year advance)	-	-	3.0	-	-
Capital (two budget years away)	6.1	4.5	5.3	5.8	12.6
Emergency Reserve	13.5	14.0	15.0	15.5	17.2
	\$ 28.5	\$ 24.6	\$ 27.8	\$ 26.6	\$ 35.7

Capital: \$4.4M
 Non-Allocated: 0.7M
 Compensation: 0.2M
 Fund Balance: \$5.3M



Fiscal Year 2022 Financial Status



FY 2022 Financial Status



General Fund

- Revenue estimates (over/under budget)
 - Motor Vehicle Title Taxes \$ 200,000
 - LOST 800,000
 - Insurance Premium Taxes 109,402
 - Business and Occupational Taxes 150,000
 - Hotel Taxes (City portion) 375,000
 - Miscellaneous 302,589
- Estimated Revenue Gain \$ 1,936,991
- Expenditures will remain within/under budget
- The net surplus position (after any mid-year adjustments) will be available to fund capital investment in 2024.

Mid-Year Operating Requests



- **General Operations: +\$819K (2022); +\$1M (2023)**
 - **New Initiatives**
 - Information Technology
 - Help Desk Staffing (+1 FTE): \$55K (2022 partial-year); \$125K annualized.
 - Help Desk Staffing Contract: \$25K (2022 partial-year); \$60K annualized.
 - Public Safety
 - Flock Camera System Expansion: \$138K (2022); \$125K annualized.
 - **Initiatives Previously Approved by Council** (now seeking formal budget adjustments)
 - Administration/Community Development
 - Transfer of Economic Development Division appropriations.

Mid-Year Operating Requests



- Initiatives Previously Approved by Council (now seeking formal budget adjustments)
 - Public Safety
 - Cardiac Monitors/AEDs Capital Lease (additional funding): \$22K (2022 and beyond).
 - K9 Replacements (additional funding): \$8K (2022); 16K (2023).
 - Court
 - eCourt Software Upgrade (software licensing): \$45K (2022); \$35K annualized.
 - Public Works
 - Citywide Landscape ROW Maintenance (additional funding): \$115K (2022); \$276K annualized.

Mid-Year Operating Requests



- Initiatives Previously Approved by Council (now seeking formal budget adjustments)
 - Recreation, Parks and Cultural Services
 - Maintenance and Operational Funding (net additional funding – e.g., program instructor funding): \$130K (2022 and beyond).
 - \$290K in additional expenses less \$160K in additional revenue.
 - Special Events (additional funding): \$101K (2022); \$51K annualized.
 - Wire and Wood
 - Brooke St. Concerts
 - Taste of Alpharetta
 - Food Truck Alley
 - Arts Street Fest
 - Community Development
 - CityWorks Software Upgrade (licensing): \$20K (2022 and beyond).

Mid-Year Operating Requests



- 911 Operations
 - Public Safety
 - 911 Telephone Hardware Replacement: \$193K (one-time in 2022); \$5K annually thereafter.

Mid-Year Capital Requests



- **\$152K from Non-Allocated (\$3M current balance)**
 - **Public Works**
 - AC Replacement at Crabapple Training Facility: \$35K (one-time)
 - **Public Safety**
 - Crabapple Training Facility Buildout: \$44K (one-time); \$25K (annually for operations).
 - **Finance**
 - Employee Expense Software: \$19K (one-time); \$1K (annually for operations).
 - **Recreation, Parks and Cultural Services**
 - Innovation Academy Reimbursements: \$54K (one-time).



Capital Investment



Recurring Capital Needs



- Annual Replacement (“Recurring”) Needs: >\$10M
 - Milling & Resurfacing \$3M
 - Transportation \$800K
 - Sidewalks \$600K
 - Stormwater \$4.9M
 - Facilities \$600K
 - Fleet \$1M
 - Technology \$300K
 - Other (equip; parks; etc.) \$700K
- Figures above do not include new capital investment

Sample Funding History

- City has focused on major Recurring Needs

	2022 Current Budget*	2021 Actual	2020 Actual	2019 Actual	2018 Actual	2017 Actual
Milling & Resurfacing	\$ 3,579,228	\$ 3,645,309	\$ 4,550,376	\$ 3,303,358	\$ 2,400,184	\$ 2,282,480
(1) Stormwater	\$ 2,894,907	\$ 1,432,771	\$ 1,963,551	\$ 1,550,643	\$ 1,377,473	\$ 937,513
Sidewalks	\$ 1,358,055	\$ 140,217	\$ 389,238	\$ 36,491	\$ -	\$ -

* American Rescue Act funding accounts for \$4.6 million of the funding levels provided below.

(1) Current estimates highlight annual funding needs approximating \$4.9 million (currently being verified by consultant).

2023 Capital Funding Forecast

- \$18.6M Capital Funding forecasted for 2023
- Breakdown:

	2023 Capital Funding Goal/Forecast	Funding Excess/ (Shortfall)
Annual Contribution to Recurring Capital (GF line-item)		
Goal (50% of Need)	\$5M	
(1) Projection	\$3M	
		(\$2M)
Fund Balance (dependent on good years)		
Goal (50% of Need)	\$5M	
Projection	\$12.6M	
		\$7.6M
Other One-Time Sources		
(2) Non-Allocated Capital		\$3M
Funding Excess over \$10M Goal		\$8.6M

(4)

(1) Pre-COVID funding approximated \$4.8M annually.

(2) Less any approved 2022 Mid-Year Capital Requests.

(4) Represents projected Non-Allocated balance assuming fully appropriating \$10M for Recurring Capital. Non-Allocated balance will grow if Recurring Capital balance is lower.

FY 2023 Capital Dashboard



- **Base Capital Funding**
 - \$18.6M Capital Plan
 - Annual Budget Contribution: \$3M (recurring capital)
 - Fund Balance Contribution: \$12.6M
 - Capital Project Fund Contribution: \$3M (non-allocated)
- **2022 Parks Bond (\$29.5M)**
 - December to January
 - Official Statement preparation; Rating Agency credit reviews; Marketing Calls to Bidders; etc.
 - February 7th
 - Competitive Bond Sale; City Council - Bond Resolution and Award
 - February 23rd
 - Closing and Appropriation of Bond Proceeds
- **TSPLSOT II (Tier I; \$52M)**
 - Appropriation of Tier-1 included as part of 2022 Mid-Year



Fiscal Year 2023 Operations Outlook



Pre-Retreat Budget Priorities



- Budget programmed to address the following priorities before service expansion:
 - Grow Recurring Capital Program back to \$5M (min)
 - 2023 Budget proposes \$3M
 - Grow Departmental Operational Budgets to reflect current Service Delivery Demands
 - Service needs approach pre-COVID levels
 - Maintain personnel compensation competitiveness
 - » Merit Plan, Funding previously Frozen Positions, etc.
 - Keep up with inflationary cost growth
 - » Services (e.g., landscape maintenance)
 - » Goods/Commodities/Software (e.g., fuel)
- **Concern** - Revenue Stream may struggle to keep pace with inflationary cost growth
 - Property Taxes is 35% of revenue structure (HX cap)

FY 2023 Budget Dashboard

- All Funds balanced
 - Finance Forecast (departments will update budget detail after the Retreat)
 - 2023 Budget is unique due to a multitude of stresses including:
 - Inflationary growth across all operational segments including personnel (compensation growth trends are the highest in recent memory), maintenance and operations (e.g., landscape maintenance, software maintenance, fuel, etc.), etc.
 - Accelerated post-lockdown expansion in service requests (e.g., recreation services).

	Revenues	Expenditures	Balanced Budget
General Fund	\$ 89,343,168	\$ 89,343,168	√
Special Revenue Funds:			
E-911 Fund	\$ 5,153,714	\$ 5,153,714	√
Hotel/Motel Fund	7,500,000	7,500,000	√
	\$ 12,653,714	\$ 12,653,714	√
Debt Service Fund	\$ 6,613,067	\$ 6,613,067	√
Capital/Grant Funds:			
Capital Projects Fund	\$ 13,064,800	\$ 13,064,800	√
Stormwater Capital Fund	2,500,000	2,500,000	√
Operating Grant Fund	75,000	75,000	√
	\$ 15,639,800	\$ 15,639,800	√
Enterprise Fund:			
Solid Waste Fund*	\$ 6,052,075	\$ 6,052,075	√
Internal Service Funds:			
Risk Management Fund	\$ 1,678,300	\$ 1,678,300	√
Medical Insurance Fund	9,000,000	9,000,000	√
	\$ 10,678,300	\$ 10,678,300	√
Fiduciary Funds:			
OPEB Health Benefit Fund	\$ 23,508	\$ 23,508	√
OPEB Reimbursement Benefit Fund	684,132	684,132	√
	\$ 707,640	\$ 707,640	√
Total	\$ 141,687,764	\$ 141,687,764	√

* Assumes annual rate increases to cover hauler contract +3% for overhead/ hazardous waste collection events.

FY 2023 GF Budget Synopsis



■ General Fund Budget (Finance Forecast)

- Balanced at \$89M

- Taxes

- Maintains 5.75 Millage Rate

- Commercial valuation trend is currently the primary risk driver for the 2023 budget. Millage of 0.15 mills is proposed to transfer from the Operating levy to Debt levy to cover the 2022 Parks Bond debt service.

- Operations

- 5.5% Operating Budget Growth

- Personnel (5% growth)

- Increases Performance-Based Merit Program from 3% to 4% (July 1st)
- Reflects annualized impact of mid-year salary adjustments (+10% sworn police/911 staffing, +3% all others) and funding of 6 positions that were previously frozen (2 Police Officers; 4 PW positions; 1 IT position)

FY	2022	2023	change
Operating	4.935	4.785	-0.150
Debt	0.815	0.965	+0.150

FY 2023 GF Budget Synopsis



- General Fund Budget *continued*
 - Operations *continued*
 - Maintenance & Operations (6.5% growth overall)
 - Growth drivers include:
 - » ROW Landscape Maintenance (\$280K; 69% growth); Recreation Instructors (\$203K; similar uptick in program revenue); Special Events (\$75K); Fuel (\$155K; escalating fuel cost); IT Professional Services (\$127K; software maintenance fee cost growth); etc.
 - Moderate growth (1.9%) after accounting for growth drivers

FY 2023 GF Budget Synopsis



- **General Fund Budget *continued***
 - Capital Funding
 - General Fund (\$15.6M; Goal = \$10M)
 - Fund Balance of \$12.6M
 - Recurring Capital contribution of \$3M (Goal = \$5M)
 - » FY 2020 included \$4.8M
 - » FY 2021 included \$189K
 - » FY 2022 included \$1.7M
 - Operating Initiative Reserve (\$959K)
 - Reduced by any 2022 Mid-Year Operating Initiative approvals

FY 2023 GF Revenue Overview



	FY 2022 AMENDED BUDGET	FY 2023 FORECASTED BUDGET	\$ Variance	% Variance
Revenues:				
Property Taxes:				
Current Year	\$ 25,649,642	\$ 26,300,000	\$ 650,358	2.5%
Motor Vehicle	60,000	45,000	(15,000)	-25.0%
Motor Vehicle Title Tax Fee	1,800,000	2,750,000	950,000	52.8%
Prior Year/Delinquent	237,000	147,000	(90,000)	-38.0%
Local Option Sales Tax	15,700,000	17,660,000	1,960,000	12.5%
Other Taxes:				
Franchise Fees	6,620,000	6,850,000	230,000	3.5%
Insurance Premium Tax	4,650,000	4,800,000	150,000	3.2%
Alcohol Beverage Excise Tax	2,025,000	2,450,000	425,000	21.0%
Other Taxes	2,432,750	3,185,150	752,400	30.9%
Licenses & Permits	2,729,100	3,136,000	406,900	14.9%
Intergovernmental	380,190	122,000	(258,190)	-67.9%
Charges for Services	3,743,700	3,987,800	244,100	6.5%
Fines & Forfeitures	2,056,000	2,007,000	(49,000)	-2.4%
Interest	190,000	190,000	-	0.0%
Other Revenues	256,487	260,918	4,431	1.7%
Other Financing Sources:				
Interfund Transfer (Hotel/Motel Fund)	2,062,500	2,812,500	750,000	36.4%
Total Operating Revenues	\$ 70,592,369	\$ 76,703,368	\$ 6,110,999	8.7%
Fund Balance Carryforward	5,836,799	12,639,800		
Total Revenues	\$ 76,429,168	\$ 89,343,168		

FY 2023 GF Expenditure Overview



	FY 2022 AMENDED BUDGET	FY 2023 FORECASTED BUDGET	\$ Variance	% Variance
Expenditures (by Category):				
Personnel Services:				
Base Personnel Accounts	\$ 49,280,097	\$ 51,369,709	\$ 2,089,612	4.2%
Mid-Year Personnel Compensation	1,275,132	1,912,700	637,568	50.0%
Mid-Year Funding of Frozen Positions (6 FTE)	374,510	561,800	187,290	50.0%
1st Responders Grant (one-time)	212,000	-	(212,000)	-100.0%
Judge reclassification to 1099 Contractor	41,553	-	(41,553)	-100.0%
Frozen Position Savings (1.5 FTE)	(167,201)	(167,201)	-	-
<i>sub total</i>	\$ 51,016,091	\$ 53,677,008	\$ 2,660,917	5.2%
Maintenance and Operations:				
Base M&O Accounts	\$ 9,887,116	\$ 10,072,729	\$ 185,613	1.9%
Risk Insurance Premiums	779,750	823,300	43,550	5.6%
Elections (Professional Services/Advertising)	155,000	-	(155,000)	-100.0%
Citywide Landscape Maintenance (ROW)	398,746	675,224	276,478	69.3%
Rec. Instructors (increased activity post-closures)	1,027,601	1,230,830	203,229	19.8%
Rec. Events (increased activity post-closures)	525,279	600,694	75,415	14.4%
Parks Grounds Maintenance	644,195	694,300	50,105	7.8%
PW Facility Maintenance	347,000	400,000	53,000	15.3%
IT Professional Services	2,034,389	2,146,223	111,834	5.5%
Judge reclassification to 1099 Contractor	51,553	102,600	51,047	99.0%
Fuel	407,414	562,500	155,086	38.1%
<i>sub total</i>	\$ 16,258,043	\$ 17,308,400	\$ 1,050,357	6.5%
Capital/Lease:				
Fire Trucks/Equipment/Cardiac Monitors/AEDs	\$ 654,595	\$ 659,858	\$ 5,263	0.8%
Miscellaneous	24,000	35,450	11,450	47.7%
<i>sub total</i>	\$ 678,595	\$ 695,308	\$ 16,713	2.5%
Other Uses:				
Contingency	\$ 700,000	\$ 775,000	\$ 75,000	10.7%
Gwinnett Tech Contribution (Debt Svc)	289,640	288,640	(1,000)	-0.3%
<i>sub total</i>	\$ 989,640	\$ 1,063,640	\$ 74,000	7.5%
Total Operating Expenditures	\$ 68,942,369	\$ 72,744,356	\$ 3,801,987	5.5%
Non-Allocated/Reserve (Oper. Initiative)	-	959,012		
Interfund Transfer (Capital/Grant Funds):				
Fund Balance	5,836,799	12,639,800		
Recurring Capital Program	1,650,000	3,000,000		
Total Expenditures	\$ 76,429,168	\$ 89,343,168		

Personnel	2023	2022	change
General Fund*	418.0	423.5	5.5
911 Fund	33.0	33.0	-
Solid Waste Fund	1.0	1.0	-
	452.0	457.5	5.5
<i>* personnel reduction results from the removal of Frozen Positions (3 FTE), previously Funded Positions (1.5 FTE), and reclass of Judge to Contractor (1 FTE). Please see below for personnel detail.</i>			
Frozen Positions (incl. in above count)			
Treasury Svcs Mgr	1.0	1.0	
Deputy Court Clerk	-	1.0	
Parking Enf Officer	0.5	0.5	
Civil Engineer	-	1.0	
Admin Asst II	-	1.0	
	1.5	4.5	
Frozen Savings	\$167K	\$167K	
Other Adjustments			
Facility Tech (Pk)	-	1.5	
Judge-to Contractor	-	1.0	
	-	2.5	
Total	1.5	7.0	5.5



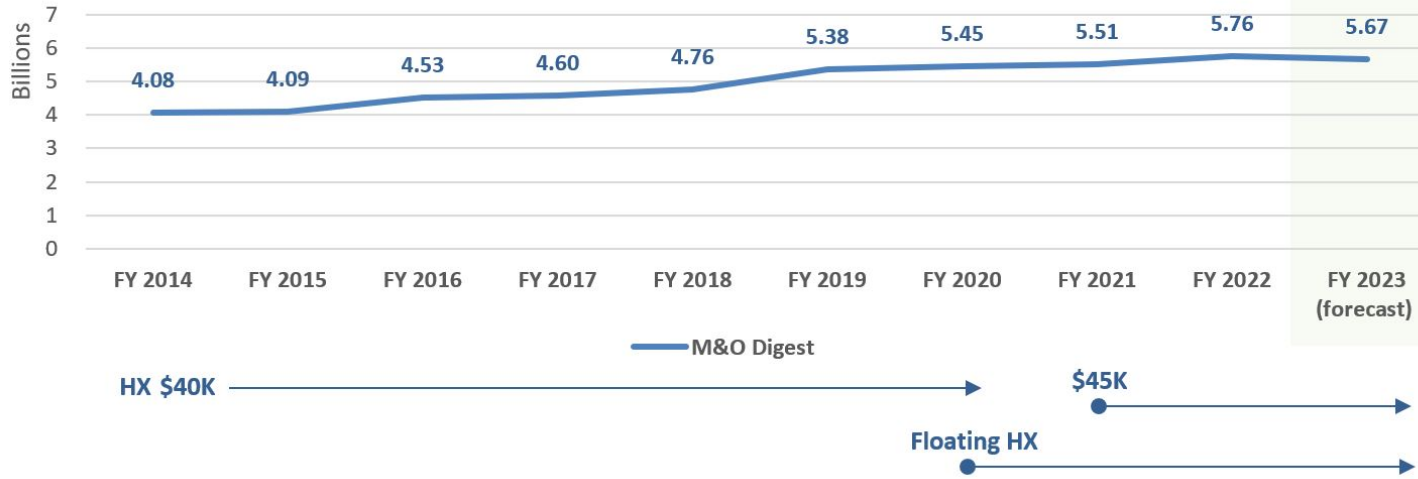
Tax Digest and Millage Rate



Tax Digest and Millage Rates

Tax Digest

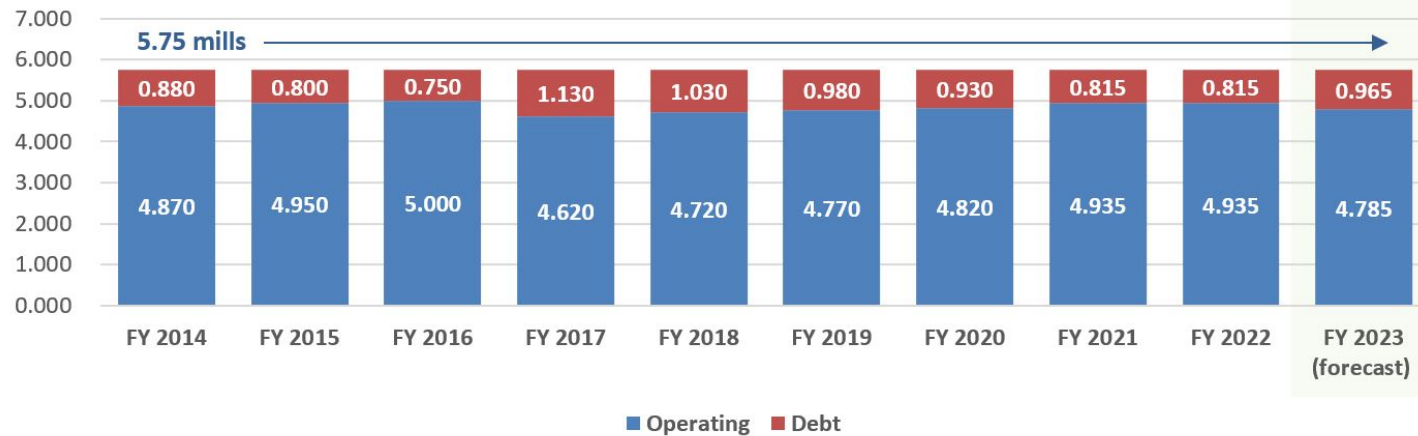
Tax Digest (FYs 2014-2023)



- 2022
 - Listed value is per County Digest
 - Values to decline through appeals, etc.
- 2023 forecast
 - Commercial (1%)
 - Residential (3%)
 - New Construction (\$68M)
 - Valuation growth is net of 2022 appeal estimates

Millage Rate

Millage Rates (FYs 2014-2023)



- Maintains 5.75 Rate.
- Shifts 0.15 mills from Operating to Debt for funding of 2022 Parks Bond.

Millage Rate Comparison



- Includes (draft) FY 2023 millage rate for Alpharetta
- Includes FY 2022 millage rates for all other entities

	Millage Rates (est.)			Effective Millage Rate for Average Homeowner		Homestead Exemptions	
	Operations	Debt Service	Total	Operations	Total		
Alpharetta*	4.785	0.965	5.750	3.589	4.554	45,000	floating
Johns Creek	3.986	0.411	4.397	3.654	4.065	15,000	floating
Sandy Springs	4.731	0.000	4.731	4.337	4.337	15,000	floating
Milton	4.731	0.487	5.218	4.337	4.824	15,000	floating
Roswell	4.618	0.100	4.718	4.618	4.718	-	floating

Homestead Exemption tax-reduction calculations are based on an average home value of \$450,000.

* Alpharetta's Homestead Exemptions saves our homeowners over \$5.5 million annually.



Other
Items



2023 Budget Calendar



January 23-24	City Council Retreat		
January 24-26	<p>Budget kickoff meetings Budget target data distributed to departments</p> <ul style="list-style-type: none"> - Phase II (maintenance and operations) - Phase III (capital requests and budget initiatives) - Performance Measurement ("PM") template <ul style="list-style-type: none"> • FY 2020 actual vs. target (results) • FY 2021 year-to-date actual • FY 2022 target • FY 2023 target - Departmental organizational charts - Departmental goals and objectives <p>Service summary by Division/Function funded within Budget Target</p>		
February 16	<p>Due to Finance:</p> <ul style="list-style-type: none"> - Phase II and III Budget data - Updated PM data - Updated organizational charts - Updated goals and objectives - Service summary by Divison/Function 		
February-March	Finance Department 2023 Budget finalization		
		March-April	Mayor, City Administrator, Departments and Finance Department Budget reprogramming
		April 25	Distribute Mayor's Recommended FY 2023 Operating and Capital Budget
		May 2/16/23	City Council Meetings Finance Department presentation <ul style="list-style-type: none"> - FY 2023 Budget work sessions (operating and capital)
		<u>Budget Hearings</u>	
		June 6	Public Hearing City Council Meeting (1 st reading of Budget Ordinance)
		June 20	Public Hearing City Council Meeting (2 nd reading of Budget Ordinance)
		<u>Millage Levy Hearings</u>	
		July 18	Public Hearing City Council Meeting (1 st reading of Millage Rate Ordinance)
		July 25	Public Hearing(s) City Council Meeting (2 nd reading of Millage Rate Ordinance)

Sanitation Contract/History



- Republic proposed 25% increase in 2021
 - City passed on 10% to customers (used Fund Balance to subsidize)
- RFP issued (4 responses)
 - Republic proposed same fees as 2021
 - 4% inflationary growth thereafter
 - Lowest cost proposer
 - Other Vendors proposed costs in excess of \$1M higher than Republic
- Council approved Mayor to execute contract

Sanitation Rates

- Republic rates to increase on April 1, 2022
 - City rate resolution authorizes automatic adjustment to cover hauler rates +3% for overhead (annually in July)
 - Rate adj. would equal \$5 monthly (19% increase over current rates)
 - Glass service is included in above figures and equals approximately \$4.19 monthly

MONTHLY RATES												
Republic		City Customers		Difference (City OH)	Republic			City Customers			\$ Difference (City OH)	% Difference (City OH)
Current Rates	Current Rates	RFP 21-05 (\$ Rate Adj.)	RFP 21-05 (% Rate Adj.)		New Rates (April 1, 2022)	\$ Rate Adj.	% Rate Adj.	New Rates (July 1, 2022)				
95-gallon cart	\$ 28.61	\$ 25.65	\$ (2.96)	\$ 1.15	4.02%	\$ 29.76	\$ 5.00	19.49%	\$ 30.65	\$ 0.89	3.0%	
68-gallon cart	\$ 27.01	\$ 24.28	\$ (2.73)	\$ 1.08	4.00%	\$ 28.09	\$ 4.65	19.15%	\$ 28.93	\$ 0.84	3.0%	
senior	\$ 14.85	\$ 13.29	\$ (1.56)	\$ 0.60	4.04%	\$ 15.45	\$ 2.62	19.71%	\$ 15.91	\$ 0.46	3.0%	
senior exempt	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	-	
extra 95/68-gallon cart	\$ 8.78	\$ 7.72	\$ (1.06)	\$ 0.35	3.99%	\$ 9.13	\$ 1.68	21.76%	\$ 9.40	\$ 0.27	3.0%	
extra 18-gallon bin	\$ 3.91	\$ 3.44	\$ (0.47)	\$ 0.16	4.09%	\$ 4.07	\$ 0.75	21.80%	\$ 4.19	\$ 0.12	2.9%	

Rates above include	\$ 3.91		\$ 4.07		\$ 4.19
Glass Bin service:					

Recycling



- **City Recycling**
 - Curbside (included in Rates)
 - Recycling
 - Plastics (1-3), Carboard, etc.
 - Glass Recycling
 - \$830K annually
 - PW HQ
 - Additional Recycling options included in Rates (overhead)
 - Paint
 - Weekday drop-off
 - \$5K annually
 - Hazardous Waste Events
 - Household chemicals, Paints, etc.
 - \$40K annually
 - **Not Recycled**
 - Tires, Plastic Bags, Plastics (4-7), etc.

Glass Recycling

- **As-Is Service Cost: \$830K Annually**
 - \$4.07 monthly (April 2022)
- **Cost Effective Alternatives**
 - **Strategically located Glass Recycling Containers**
 - Example: net annual costs for 2 Containers = \$21K
 - Rental (\$7K); Hauling (\$16K); less Rebates (\$2K)



Recycling



- Roswell Recycling Center (preliminary discussion)
 - As an alternative to glass and other non-curbside materials
 - Roswell looking for complete buy-in for the City as a whole (not piecemeal)
 - Current Cost to Operate: \$4.50 per resident (city paid) + \$3/gallon paint
 - Potential with Alpharetta and Milton to reduce cost: \$3.00 or less per resident
 - City – Projected Cost - \$210k annually plus charges assumed by resident for paint

Bond Rating/Capacity

	Outstanding Debt (FY 2023)	Rating	Final Maturity	Debt Service (FY 2023)	Funding Source
General Obligation (GO) Bonds					
GO Refunding Bonds, Series 2014	\$ 7,185,000	AAA	2026	\$ 1,913,129	Debt Service Fund
GO Bonds, Series 2016	48,270,000	AAA	2041	1,925,188	Debt Service Fund
GO Refunding Bonds, Series 2020	17,335,000	AAA	2032	1,116,750	Debt Service Fund
GO Bonds, Series 2022 (est.)	29,500,000	AAA	2047	1,650,000	Debt Service Fund
	<u>\$ 102,290,000</u>			<u>\$ 6,605,067</u>	
Development Authority Bonds					
Revenue Bonds, Series 2013	\$ 2,625,000	AAA	2033	\$ 288,640	General Fund
Revenue Bonds, Series 2016	23,185,000	AAA	2041	1,365,213	Hotel/Motel Fund
	<u>\$ 25,810,000</u>			<u>\$ 1,653,853</u>	

- **Capacity**

- No legal limit capacity issues nor immediate pressure on Bond Rating
- More about planning/investing in future/revenue source

Bond Rating Positives/Negatives



Positives

Economy & Demographics

- Exceptionally healthy large, diverse tax base
- Full value per capita above US median
- Affluent and growing local economy

Financial Condition

- Fund balance as a percent of operating revenues is consistent with U.S. medians
- Superior operating cash position with strong access to external liquidity
- Strong budgetary performance with general fund and total governmental fund operating surpluses
- Diverse general fund revenues

Debt & Pension

- Strong debt and contingent liability profile
- Pension and OPEB are not an immediate source of pressure

Management

- Prudent long-term budgeting
- Formalized debt, investment, and fund balance policies

ESG

- Long term environmental risk is low
- Healthy social credit profile
- Stable governance

Negatives

Economy & Demographics

- None

Financial Condition

- Sizable capital plan

Debt & Pension

- Slow payout of outstanding debt

Management

- None

ESG

- Some elevated exposure to heat stress

TAD

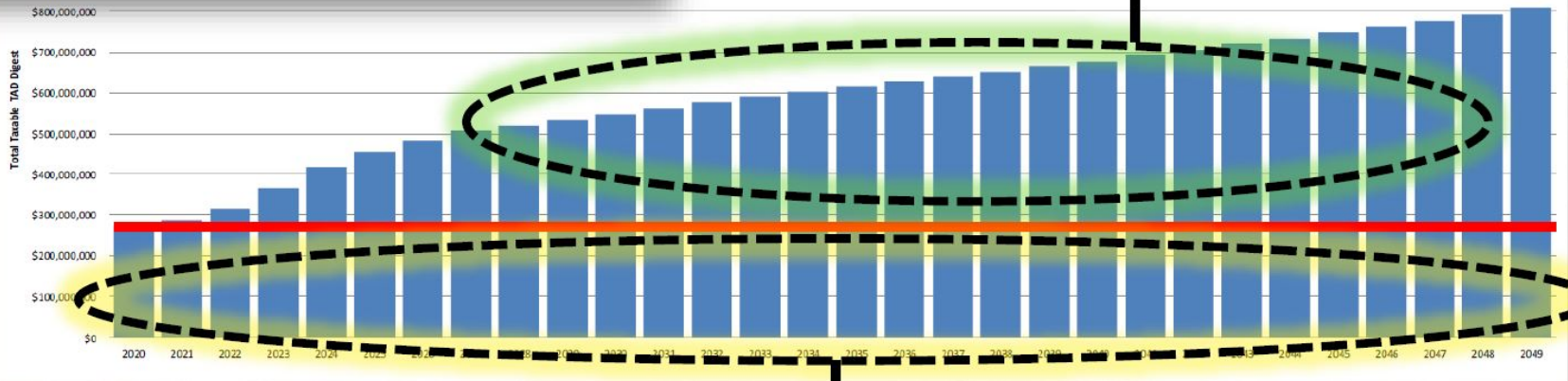
TAX ALLOCATION DISTRICT #1: ALPHARETTA NORTH POINT ACTIVITY CENTER



- 138 parcels
- 898 acres
- Taxable real estate digest: \$268.8 million
- 4.98% of Total City Digest

This savings estimate does not include streets, right of way and other land for which an assessment record is available.

Assuming Increase in Values, everything above the initial "Frozen" value is collected and makes up the funds used in the TAD



2020

The County, School Board & City continue to collect the tax \$ currently collected. Its essentially "Frozen" at its current value

2049

- 2019 Base Year
 - \$280M Digest Value
 - 150 Tax Parcels; 941 Acres
- 2021
 - \$268M Digest Value (-4% decline compared to Base)
- Recommendation from KB Advisory was to leave 2019 as the Base Year
 - Move forward with negotiations (Fulton County; Fulton County Board of Education)
- Projected NPV of Increment (over 20-year period):
 - City: \$16M
 - City/County: \$50M
 - City/County/School District: \$111M