

**THE UNIFIED GOVERNMENT OF
ATHENS-CLARKE COUNTY**

FY06

BUDGET IN BRIEF



**ANNUAL OPERATING
& CAPITAL BUDGET**

JULY 1, 2005 - JUNE 30, 2006

This *Budget in Brief* has been produced to provide an overview of the Unified Government of Athens-Clarke County's Annual Operating and Capital Budget for Fiscal Year 2006 (July 1, 2005 – June 30, 2006). This document provides a brief and understandable summary of the FY06 Budget. We hope that you find this document a helpful tool in understanding the financial plan for Athens-Clarke County for the upcoming year.

A more detailed copy of the FY06 Budget can be viewed at the Clerk of Commission's Office, Room 204 of City Hall, the Athens Regional Library on Baxter Street, or at Athens-Clarke County's website www.athensclarkecounty.com/documents.

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ATHENS-CLARKE COUNTY MISSION STATEMENT

**Athens-Clarke County,
an open and responsive government,**

**facilitating a positive environment
for individuals to obtain a high quality of life
and local organizations to achieve success**

**by providing innovative, high quality services and
responsible stewardship of the community's resources,
to benefit current and future generations.**

Adopted November 4, 1997

Mayor and Commission

Mayor	Heidi Davison
Commissioner - District 1	Charles Carter
Commissioner - District 2	Harry Sims
Commissioner - District 3	George Maxwell
Commissioner - District 4	Alice Kinman
Commissioner - District 5	David Lynn
Commissioner - District 6	Carl Jordan
Commissioner - District 7	Kathy Hoard
Commissioner - District 8	States McCarter
Commissioner - District 9	Tom Chasteen
Commissioner - District 10	Elton Dodson
Manager	Alan Reddish

Athens-Clarke County at a Glance

Form of Government: Commission-Manager
Mayor and ten Commissioners.
(Mayor elected at large and Commissioners elected by district).

Population: 108,222 (2005 Estimate)

UGA Enrollment: 33,405 (Fall 2004)

Land Area: 122 square miles or 78,000 acres

Median Age: 25.3 (2000 Census)

Median Household Income: \$28,118 (2000 Census)

Major Attractions:

- University of Georgia
- State Botanical Gardens
- Georgia Museum of Art
- Downtown Athens
- Morton Theatre
- Classic Center (Convention Center & Theater)
- Historic Homes

Principal Employers:

- University of Georgia
- Athens Regional Medical Center
- Clarke County School District
- Pilgrims Pride Poultry Company
- Athens-Clarke County Government
- St. Mary's Health Care System
- Gold Kist, Inc.

Median Price of an Existing Home: \$111,300 (2000 Census)

Estimated Property Taxes for a \$111,300 home in 2004:

A-CC	\$ 340
School	\$ 530
State	\$ <u>7</u>
Total	\$ 877

Annual Budget Development Process

The Annual Operating and Capital Budget is the financial plan for raising revenues and expending funds for all Athens-Clarke County departments, offices and constitutional officials.

The process to develop the Annual Operating and Capital Budget begins about nine months prior to the beginning of the fiscal year. Departments and Constitutional Officials submit Operating and Capital Budget requests for review by the Manager and the Mayor. No later than the end of April, the Mayor must submit a Recommended Budget to the Commission for Review. The Commission will review the Mayor's Recommended Budget and make any adjustments they feel are necessary prior to adopting it in June. Major steps in the Annual Budget development process include:

November	Mayor & Commission Establish Budget Goals
November	Departments Submit Capital Project requests and updates to 5 year Capital Improvement Plan (CIP).
January	Departments Submit Operating Budget Requests.
February	Mayor & Commission review preliminary Capital Budget and CIP.
February	Mayor & Commission review Budget Requests from Independent Agencies.
February - March	Manager and Mayor meet with Department and Constitutional Officials to review Budget requests.
April	Mayor sends Recommended Budget to Commission.
May	Commission reviews Mayor Recommended Budget.
June	Commission adopts Budgets for next fiscal year and establishes the property tax millage rate.
July	Budget for next fiscal year begins on July 1.

FY06 Significant Budget Issues

- This Budget includes a reduction of .60 of a mill in the property tax rate, from a millage rate of 13.40 to 12.80. This rate is the lowest property tax millage rate since Unification and the second millage rate reduction in as many years. This reduction was due in large part to the removal of \$1,500,000 of storm water costs to the new Stormwater Utility. At this level, Athens-Clarke County residents will continue to pay lower property taxes than most other surrounding counties and other similar communities in Georgia.
- This Budget includes an \$86.2 million General Fund Operating Budget in FY06, an increase of 5.5%, and a Capital Budget of \$5.2 million. The total General Fund Operating and Capital Budget for FY06 is \$91.4 million, an increase of 5.3% over the previous year.
- The Operating budget for all other funds totals \$42.9 million, after deducting for interfund transfers. The Capital Budget for all other funds totals \$16.1 million, \$600,000 above the FY05 Budget. The total FY06 Budget is \$150.5 million, an increase of \$12.3 million or 8.9%.
- This Budget includes the following additional funding and positions to improve service delivery and respond to growing demands on ACC services and programs:
 - Enhanced Public Safety with eight (8) additional uniform police officers to continue moving towards International Association of Chief's of Police (IACP) staffing recommendations.
 - Increased inspection for Soil Erosion and Sediment Control with the addition of two (2) positions, vehicles and other resources. Implementation of these additional resources is under review for approval by the Mayor & Commission later in the fiscal year.
 - Two (2) additional planner positions to support the new tree ordinance and neighborhood planning initiatives.
 - Five (5) additional positions funded from water & sewer fees to expand the Sewer Maintenance Program. These additional positions

will improve the frequency of sewer line inspections and maintenance activities thus reducing wastewater system overflows.

- One (1) full-time and two part-time positions to provide for increased roadside maintenance in areas of frequent litter accumulation and other unsightly problems.
- This Budget includes the following additional funding to support new facilities constructed through the SPLOST program:

New Facilities opening during FY06:

- East Athens Community Park - \$182,500 for one (1) full-time and two part-time positions, facility operating support and landscape maintenance expenses.
- East Athens Educational Dance Center - \$120,400 for one (1) full-time position and facility operating support.
- Transit Multi-model Center - \$93,800 for nine months operational expenses.
- Two Police Substations (East & West) and the Family Protection Center Facility - \$40,000 for facility operating costs.

Planning for FY07:

- Fifteen (15) additional firefighters for 3 months in preparation for the opening of the new North Athens Fire Station anticipated to be completed in early FY07.
- In FY06, the basic fare for Transit will increase from \$1.00 to \$1.25 to maintain the current level of services provided by the Transit System. This will be the first fare increase in eight (8) years.
- Effective October 1st, Water and Sewer Fees will increase about 5% to provide funding for current and future capital projects consistent with the water and sewer long range financial plan approved by the Mayor and Commission.
- This budget also includes an increase in Solid Waste residential fees for customers in the Urban Service District to provide sufficient funds for

operations and equipment replacement needed for this service. This is the first residential rate increase in four (4) years.

- This budget includes the Stormwater Utility Enterprise Fund, a new enterprise fund established to finance the cost of federal requirements for the treatment of stormwater runoff and related activities. The budget for this fund in FY06 totals \$3.4 million. This service will be financed by quarterly billing of all property owners in Athens-Clarke County. The average annual bill for a homeowner in FY06 will be less than \$40.
- The FY06 Budget includes a total of \$3.2 million to fund increases for employee compensation and related benefits government-wide. A total of \$1.9 million of this amount maintains the government's ability to recruit and retain good employees by providing a 3.0% market pay adjustment. The budget also continues the governments pay-for-performance by funding \$1.3 million for this program.
- This Budget includes a net increase of 52 full-time positions. Total full-time authorized positions will be 1,503 in FY06. Authorized full-time positions have remained around 14 per thousand of ACC population since 1991.

Mayor and Commission Goals and Objective for FY06

A. Support Community Improvements that will Enhance Quality of Life for all Citizens

1. Develop a measurement tool for tracking and evaluating the viability and sustainability of neighborhoods using indicators such as economic conditions, development patterns, public safety statistics, and code violations.
2. Fund phase two of the Park Safety Initiatives Program, which includes the installation of additional 911 emergency call boxes, re-lighting of the Greenway, and Park Patrols.
3. Adopt incentives that will promote diverse businesses in the Downtown Central Business District.
4. Capitalize a locally funded Housing Trust Fund to stimulate affordable single-family housing development through revolving loans and subsidized mortgages.
5. Provide funding for the implementation of a Neighborhood Planning Unit Pilot Program.
6. Develop and fund a Neighborhood Traffic Calming Program.
7. Fund the development of historic design guidelines for downtown.

B. Enhance Governmental Services

1. Fund the International Association of Chiefs of Police recommended workload measurement staffing model for metropolitan statistical areas' core counties/cities at 20% of the actual personnel deficit.

2. Fund Space Allocation Program efforts to identify and address the space and facility needs of departments that have not been included in SPLOST programming.
3. Support increased citizen use of public transportation by funding more frequent transit services on heavily congested corridors, developing park-n-ride locations on arterial corridors, extending hours of operation, and increasing service levels on Saturday.
4. Develop a strategy for funding the needs to be identified in the FY05 Internal Auditor's Report for ACC jail operations.
5. Establish a higher service level for litter control.
6. Develop a strategy for funding the implementation of the needs identified in the Auditor's Report for the Planning Department.

C. Improve the Quality and Morale of the Workforce through Enhanced Recruitment and Retention Efforts

1. Continue to provide funding for training and education designed to increase the workforce's knowledge, skills, and abilities.
2. Annually review the Human Resource Department's Wage Rate Study and fund adjustments to maintain a competitive market wage rate.
3. Continue to support the Performance Management Program designed to reward job performance.
4. Develop a leave incentive program that encourages wellness, appropriate use of leave time, and stress management.
5. Revise and update the Personnel System Ordinance.

D. Improve Organizational Workflow through a Greater Use of Electronic Information and Improve Connectivity with ACC Citizens through enhanced eGovernment Services

1. Continue funding the Strategic Automation Plan Guidelines for automation hardware, software, services, and improvements.
2. Fund the implementation of phase two of the "Document Imaging Technology Implementation Plan" which allows two additional user departments to convert to Electronic Record Management.
3. Implement electronic issuance of warrants through a joint project between the court system and public safety departments.
4. Adopt and fund the Government to Citizens Initiative Level 2 services as presented at the 10/12/04 Mayor and Commission Work Session.

E. Support Environmental Stewardship Initiatives of Athens-Clarke County Unified Government.

1. Adopt a water conservation rate structure in support of the overall water conservation program.
2. Fund resources necessary to conduct more frequent soil erosion and construction inspections of both public and private projects.
3. Develop incentives for ACC employees to use alternate modes of transportation such as The Bus, bikes, walking, etc.
4. Provide funding for implementation of energy improvement needs to be identified by the energy management audit.

Structure of Budgets

The A-CC Budget is split into a number of Funds, or separate units for accounting and tracking the revenue and expenditure of specific activities. For example, some activities are required by law to be accounted for in a separate fund (e.g. Hotel/Motel Tax Fund and Debt Service Fund), while other funds have been established by management to track specific activities (e.g. Water & Sewer Enterprise Fund and Landfill Enterprise Fund). A listing of revenues and expense budgets by fund can be found on pages 12 and 13.

The General Fund is the largest fund and accounts for over half of government wide revenues and expenditures. The General Fund budget supports the major portion of basic governmental services such as police, fire, judicial, planning, public works, leisure services, etc. These services are primarily supported from tax revenues such as the property tax and the sales tax. The FY06 General Fund Budget totals \$91.4 million. A listing of budgeted revenues and expenditures by department in the General Fund can be found on pages 14 and 15.

Special Revenue Funds are established to account for specific revenue sources that are legally restricted such as designated taxes, grants or other restricted revenue sources. Funds included in this group are the Community Development Block Grant (CDBG), the Hotel/Motel Excise Tax, Building Inspection, the Grants Fund and others. Budgets for Special Revenue Funds in FY06 total \$9.6 million.

The Debt Service Fund accounts for accumulation of resources for, and the payment of, general long-term debt principal and interest. No budget was necessary in FY06 for the Debt Service Fund because the final payment on A-CC's outstanding general obligation debt (1979 Jail Construction bonds) was made in FY05. (Note that debt backed by specific revenue sources such as water & sewer fees are accounted for in the Enterprise Funds for those services.)

Capital Project Funds account for financial resources used for the acquisition, construction and significant maintenance expenditures for major capital facilities and equipment (other than those financed by

Enterprise Funds). Budgets for the Capital Project Funds in FY06 total \$5.7 million.

Enterprise Funds are used to account for operations that are similar to a private business or the governing body has identified a need to account for an operation in this manner. Funds in this group include the Water & Sewer operation, the Solid Waste Collection operation, the Landfill, the Airport, the Transit System (The Bus), and the Stormwater Utility Program. The FY06 Budget includes a new Enterprise Fund (Stormwater Utility) to account for revenues and expenses related to the management and treatment of stormwater runoff and related activities. Enterprise Fund budgets in FY06 total \$51.6 million.

Internal Service Funds are used to account for the operations of departments that provide goods and services to other government departments or agencies on a cost reimbursement basis. These include items such as vehicle maintenance, self-funded insurance programs, employee health insurance, and a vehicle replacement program. The budgets for Internal Service Funds in FY06 total \$17.8 million.

SUMMARY FY2006 BUDGET ALL FUNDS

	<u>FY05</u> <u>BUDGET</u>	<u>FY06</u> <u>BUDGET</u>	<u>%</u> <u>INC/</u> <u>(DEC)</u>	<u>%</u> <u>OF</u> <u>TOTAL</u>
REVENUES:				
PROPERTY TAXES	\$34,822,500	\$36,535,000	4.9%	20.3%
SALES TAX	\$18,200,000	\$18,900,000	3.8%	10.5%
OTHER TAXES	\$17,454,500	\$18,281,000	4.7%	10.1%
LICENSES & PERMITS	\$1,756,500	\$1,841,500	4.8%	1.0%
INTERGOVERNMENTAL REVENUES	\$5,935,701	\$5,691,201	-4.1%	3.2%
CHARGES FOR SERVICES	\$59,421,127	\$67,499,365	13.6%	37.4%
FINES & FORFEITURES	\$3,424,950	\$3,607,500	5.3%	2.0%
OTHER REVENUES	\$1,200,730	\$888,335	-26.0%	0.5%
TRANSFERS IN FROM OTHER FUNDS	\$8,736,664	\$9,052,934	3.6%	5.0%
USE FUND BALANCE	\$4,325,100	\$4,776,877	10.4%	2.6%
USE OF NET ASSETS BALANCE	<u>\$10,641,761</u>	<u>\$13,275,231</u>	24.7%	7.4%
SUB-TOTAL REVENUE & OTHER SOURCES	\$165,919,533	\$180,348,943	8.7%	100.0%
LESS INTERFUND TRANSFERS (1)	<u>(\$24,644,300)</u>	<u>(\$25,666,734)</u>	4.1%	
TOTAL REVENUE & OTHER SOURCES	<u>\$141,275,233</u>	<u>\$154,682,209</u>	9.5%	
EXPENDITURES (BY FUND):				
GENERAL FUND	\$86,766,468	\$91,362,100	5.3%	51.9%
<u>SPECIAL REVENUE FUNDS:</u>				
EMERGENCY TELEPHONE SYSTEM (E911)	\$1,900,000	\$1,943,000	2.3%	1.1%
COMMUNITY DEV. BLOCK GRANT (CDBG)	\$1,819,097	\$1,709,416	-6.0%	1.0%
HOTEL/MOTEL TAX FUND	\$1,540,700	\$1,532,500	-0.5%	0.9%
GRANTS FUND	\$1,188,783	\$1,425,900	19.9%	0.8%
BUILDING INSPECTION FUND	\$891,000	\$1,027,169	15.3%	0.6%
HUD HOME GRANT FUND	\$1,422,854	\$956,147	-32.8%	0.5%
SPECIAL PROGRAMS & INITIATIVES FUND	\$322,000	\$372,008	15.5%	0.2%
SUPPORTIVE HOUSING GRANT FUND	\$357,900	\$357,900	0.0%	0.2%
ALTERNATIVE DISPUTE RESOLUTION PRGM	\$118,746	\$133,719	12.6%	0.1%
SHERIFF INMATE FUND	\$100,000	\$70,000	-30.0%	0.0%
ECONOMIC DEVELOPMENT FUND	\$50,000	\$25,000	-50.0%	0.0%
CORRECTIONS INMATE FUND	<u>\$30,000</u>	<u>\$15,000</u>	-50.0%	0.0%
SUB-TOTAL SPECIAL REVENUE FUNDS	\$9,741,080	\$9,567,759	-1.8%	

SUMMARY FY2006 BUDGET ALL FUNDS

DEBT SERVICE FUND	\$129,400	\$0	-	0.0%
 <u>CAPITAL PROJECT FUNDS:</u>				
GENERAL CAPITAL PROJECTS FUND	\$5,031,500	\$5,171,200	2.8%	2.9%
PUBLIC FACILITIES AUTHORITY FUND	<u>\$597,400</u>	<u>\$583,200</u>	-2.4%	0.3%
SUB-TOTAL CAPITAL PROJECT FUNDS	\$5,628,900	\$5,754,400	2.2%	
 <u>ENTERPRISE FUNDS:</u>				
WATER & SEWER FUND	\$31,903,516	\$34,004,858	6.6%	19.3%
LANDFILL FUND	\$3,118,045	\$4,696,302	50.6%	2.7%
TRANSIT FUND	\$3,630,929	\$4,136,272	13.9%	2.3%
STORM WATER UTILITY FUND	\$0	\$3,312,115	--	1.9%
SOLID WASTE COLLECTION FUND	\$2,991,610	\$3,169,422	5.9%	1.8%
AIRPORT FUND	<u>\$1,907,427</u>	<u>\$2,294,614</u>	20.3%	1.3%
SUB-TOTAL ENTERPRISE FUNDS	\$43,551,527	\$51,613,583	18.5%	
 <u>INTERNAL SERVICE FUNDS:</u>				
SELF FUNDED HEALTH INSURANCE FUND	\$9,227,371	\$9,576,010	3.8%	5.4%
SELF FUNDED INSURANCE & CLAIMS FUND	\$2,456,013	\$2,566,900	4.5%	1.5%
FLEET MANAGEMENT FUND	\$2,185,922	\$2,405,600	10.0%	1.4%
FLEET REPLACEMENT FUND	\$1,535,700	\$1,642,000	6.9%	0.9%
INTERNAL SUPPORT FUND	<u>\$1,542,477</u>	<u>\$1,639,335</u>	6.3%	0.9%
SUB-TOTAL INTERNAL SERVICE FUNDS	\$16,947,483	\$17,829,845	5.2%	
SUB-TOTAL EXPENDITURES ALL FUNDS	\$162,764,858	\$176,127,687	8.2%	100.0%
LESS INTERFUND TRANSFERS (1)	<u>(\$24,644,300)</u>	<u>(\$25,666,734)</u>	4.1%	
TOTAL OPERATING & CAPITAL EXPENDITURES	\$138,120,558	\$150,460,953	8.9%	
DESIGNATED FOR FUTURE CAPITAL & DEBT SERVICE REQUIREMENTS	\$3,154,675	\$4,221,256	33.8%	
TOTAL EXPENDITURES & DESIGNATIONS	<u>\$141,275,233</u>	<u>\$154,682,209</u>	9.5%	

NOTES: (1) - Interfund transfers represent charges and transfers between A-CC funds. The amount of these inter-fund charges and transfers are subtracted from the revenue and expenditure totals to avoid "double counting".

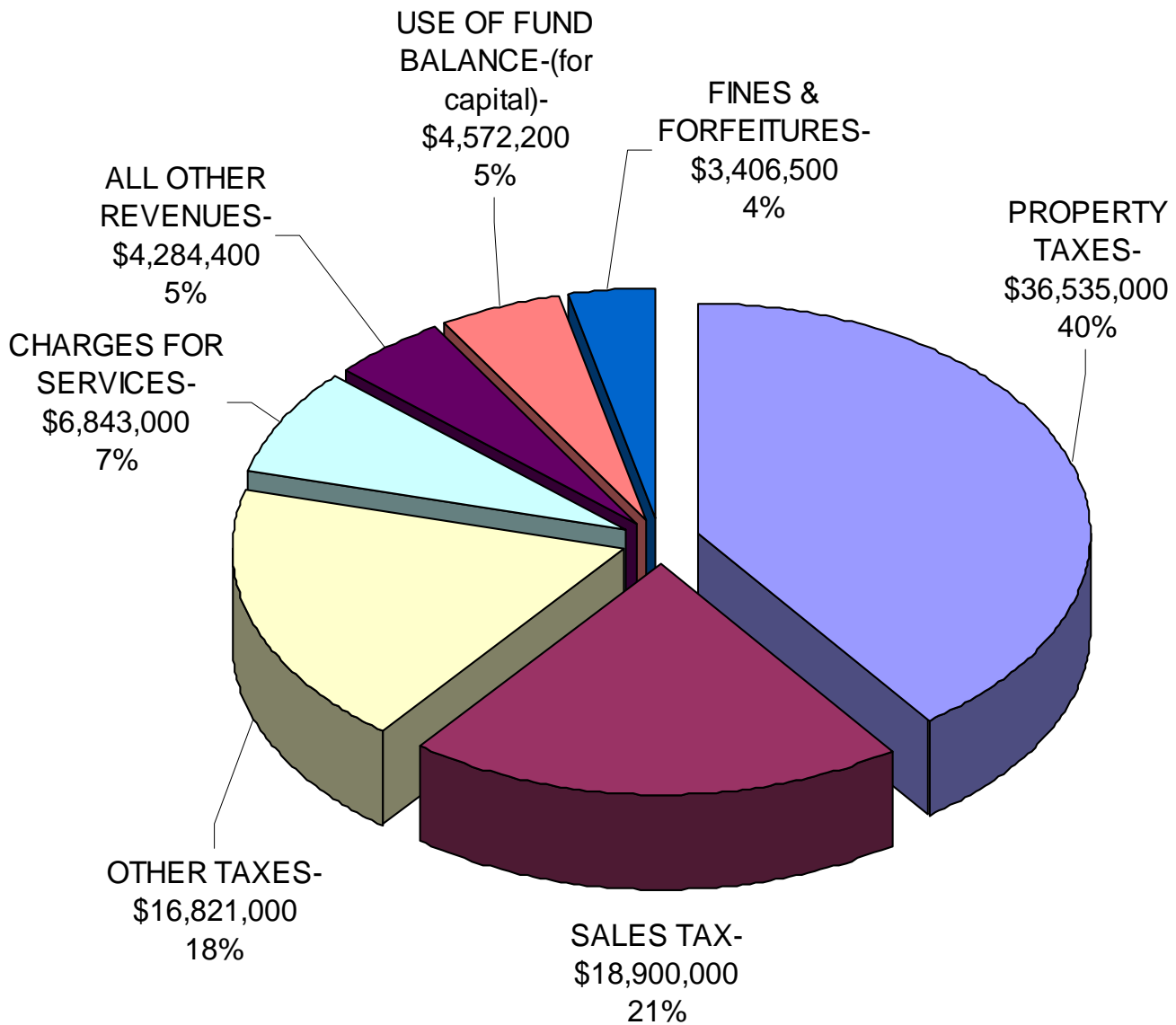
SUMMARY FY2006 BUDGET GENERAL FUND

	<u>FY05 BUDGET</u>	<u>FY06 BUDGET</u>	% <u>INC/ (DEC)</u>
REVENUES:			
PROPERTY TAXES	\$34,822,500	\$36,535,000	4.9%
SALES TAX	\$18,200,000	\$18,900,000	3.8%
OTHER TAXES	\$15,994,500	\$16,821,000	5.2%
LICENSES PERMITS	\$884,500	\$906,500	2.5%
INTERGOVERNMENTAL REVENUES	\$1,128,800	\$1,075,000	-4.8%
CHARGES FOR SERVICES	\$6,239,900	\$6,843,000	9.7%
FINES & FORFEITURES	\$3,242,150	\$3,406,500	5.1%
OTHER REVENUES	\$582,618	\$702,900	20.6%
TRANSFERS IN FROM OTHER FUNDS	\$1,600,000	\$1,600,000	0.0%
USE OF FUND BALANCE-(for capital)	<u>\$4,071,500</u>	<u>\$4,572,200</u>	12.3%
TOTAL REVENUE & OTHER SOURCES	<u>\$86,766,468</u>	<u>\$91,362,100</u>	5.3%
EXPENDITURES (BY DEPARTMENT):			
MAYOR AND COMMISSION MANAGER	\$645,252	\$654,732	1.5%
ATTORNEY	\$616,890	\$637,420	3.3%
AUDITOR	\$412,471	\$556,157	34.8%
FINANCE	\$204,014	\$209,139	2.5%
HUMAN RESOURCES	\$1,657,473	\$1,719,019	3.7%
TAX COMMISSIONER	\$1,165,080	\$1,208,123	3.7%
BOARD OF TAX ASSESSORS	\$1,106,896	\$1,134,715	2.5%
BOARD OF ELECTIONS	\$880,484	\$963,205	9.4%
HUMAN & ECONOMIC DEVELOPMENT	\$344,707	\$266,996	-22.5%
GENERAL SUPPORT GROUP	\$221,379	\$278,917	26.0%
COMPUTER INFORMATION SERVICES	\$227,711	\$236,039	3.7%
NONDEPARTMENTAL	\$1,658,775	\$1,748,552	5.4%
TOTAL GENERAL GOVERNMENT	<u>\$3,046,698</u>	<u>\$4,279,073</u>	40.4%
SUPERIOR COURTS	\$12,187,830	\$13,892,087	14.0%
CLERK OF COURTS	\$1,156,654	\$1,080,975	-6.5%
STATE COURT	\$819,727	\$856,153	4.4%
SOLICITOR GENERAL	\$413,199	\$430,297	4.1%
DISTRICT ATTORNEY	\$929,319	\$834,523	-10.2%
SHERIFF	\$684,369	\$707,594	3.4%
JUVENILE COURT	\$10,531,839	\$11,256,952	6.9%
	\$317,988	\$320,230	0.7%

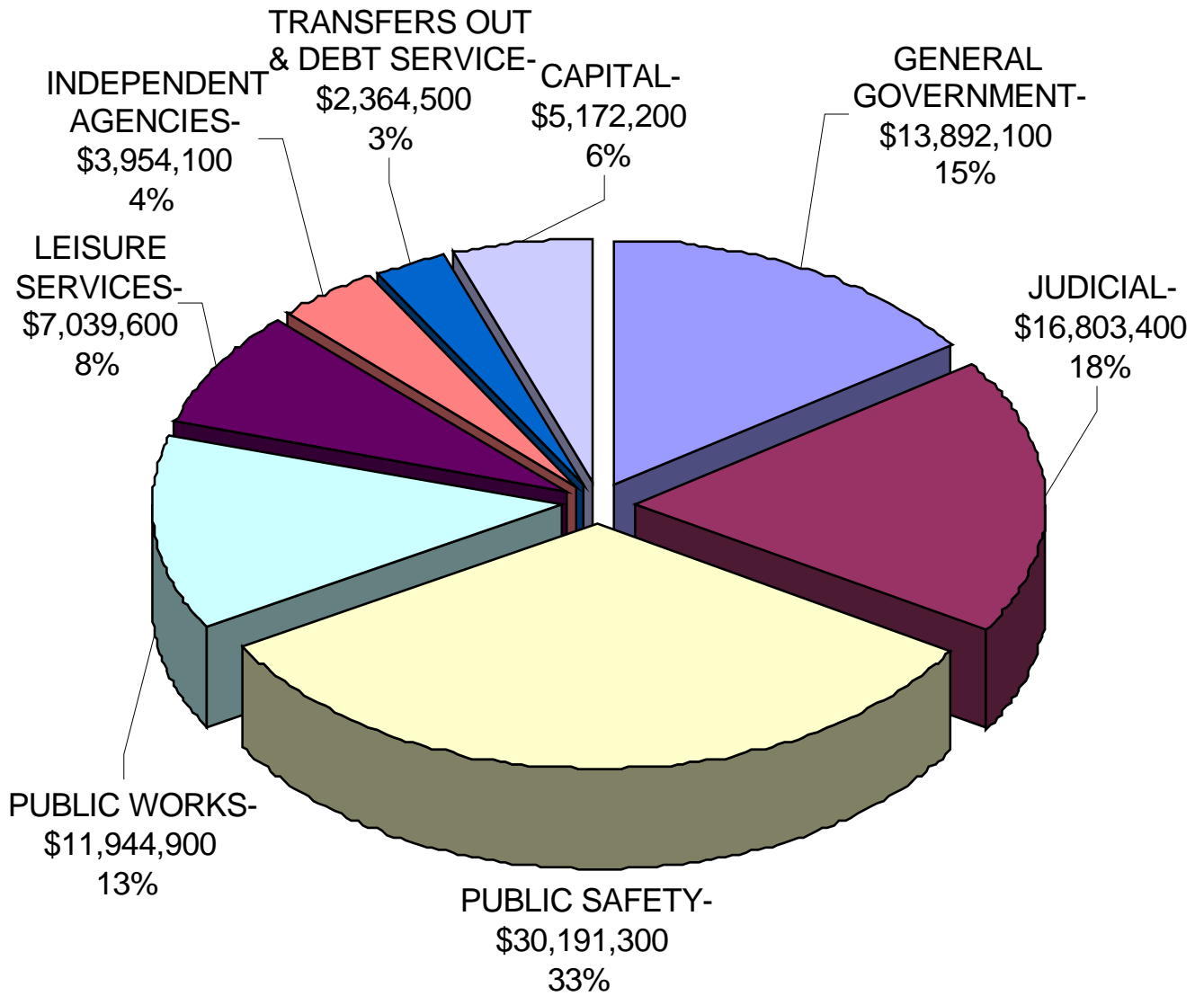
SUMMARY FY2006 BUDGET GENERAL FUND

MAGISTRATE'S COURT	\$504,245	\$508,678	0.9%
CORONER	\$39,159	\$37,670	-3.8%
PROBATE COURT	\$272,163	\$286,590	5.3%
MUNICIPAL COURT	<u>\$471,032</u>	<u>\$483,737</u>	2.7%
TOTAL JUDICIAL	\$16,139,694	\$16,803,399	4.1%
POLICE SERVICES	\$16,686,716	\$17,978,013	7.7%
FIRE SERVICES	\$9,553,797	\$10,303,557	7.8%
CORRECTIONS	<u>\$1,766,039</u>	<u>\$1,909,718</u>	8.1%
TOTAL PUBLIC SAFETY	\$28,006,552	\$30,191,288	7.8%
TRANSPORTATION & PUBLIC WORKS	\$5,318,776	\$3,782,110	-28.9%
SOLID WASTE	\$639,080	\$662,815	3.7%
PLANNING & ZONING	\$848,145	\$959,679	13.2%
BUILDING INSPECTION (Community Protection Div)	\$659,914	\$671,040	1.7%
CENTRAL SERVICES	<u>\$5,429,579</u>	<u>\$5,869,288</u>	8.1%
TOTAL PUBLIC WORKS	\$12,895,494	\$11,944,932	-7.4%
LEISURE SERVICES	\$6,403,170	\$6,917,743	8.0%
COOPERATIVE EXTENSION SERVICE	<u>\$115,873</u>	<u>\$121,846</u>	5.2%
TOTAL LEISURE SERVICES	\$6,519,043	\$7,039,589	8.0%
INDEPENDENT AGENCIES	\$3,748,991	\$3,954,121	5.5%
DEBT SERVICE	\$354,500	\$353,500	-0.3%
TRANSFERS OUT TO OTHER FUNDS	\$1,842,864	\$2,010,984	9.1%
TOTAL OPERATING EXPENDITURES	\$81,694,968	\$86,189,900	5.5%
CAPITAL FOR CURRENT SERVICES (CS)	\$2,671,500	\$3,634,200	36.0%
CAPITAL FOR ADDITIONS & IMPROVEMENTS	<u>\$2,400,000</u>	<u>\$1,538,000</u>	-35.9%
TOTAL CAPITAL	\$5,071,500	\$5,172,200	2.0%
TOTAL OPERATING & CAPITAL EXPENDITURES	<u>\$86,766,468</u>	<u>\$91,362,100</u>	5.3%
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$0</u>	<u>\$0</u>	

GENERAL FUND REVENUES-\$91.4 million



GENERAL FUND EXPENDITURES- \$91.4 million



General Fund Revenues and Expenditures Per Capita

General Fund Revenues: Property taxes account for the largest source of revenue - 40% or \$346 per capita - in the General Fund. The \$0.01 Local Option Sales Tax (LOST) accounts for approximately one-fifth of General Fund revenues. All tax revenues - property, sales and other - account for about 80% of all General Fund revenues. On average, each ACC resident will pay \$865 for General Fund services in FY06.

Per Capital Revenue by Type

Property Tax	\$346
Sales Tax	\$179
Other Taxes	\$159
Charges for Services	\$65
Other Revenues	\$41
Use of Fund Balance	\$43
Fines & Forfeitures	<u>\$32</u>
Total	\$865

General Fund Expenditures: Approximately half of all General Fund dollars are expended in the areas of Public Safety (Police, Fire and the Correctional Institute) and Judicial services (Sheriff, Jail, Courts and prosecuting offices). ACC expends approximately \$445 per capita for these services. Departments included under each functional area (Public Works, General Government, etc.) can be found on page 14 and 15.

Per Capital Expenditures by Function

Public Safety	\$286
Judicial	\$159
Public Works	\$113
General Government	\$132
Leisure Services	\$67
Capital Projects	\$49
Independent Agencies	\$37
Transfers to Other Funds & Debt Service	<u>\$23</u>
Total	\$865

Understanding Property Taxes

The property tax rate or millage rate is adopted annually for the Unified Government and the Clarke County School System. A tax rate of one mill is equal to a tax of \$1 for every \$1,000 of assessed property value. (Note; the assessed property value is equal to 40% of a property's fair market value). Taxes may be reduced further by certain exemptions and tax credits such as the State Homeowner's Tax Relief Credit and the Homestead Exemption. In general, the property tax would be calculated as follows:

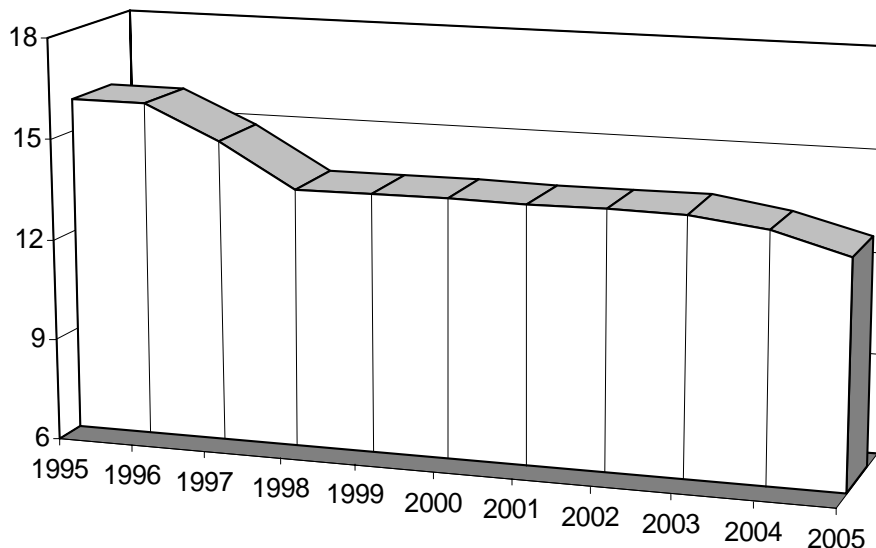
$$\begin{aligned} \text{Fair Market Value} \times 40\% &= \text{Assessed Value} \\ \text{Assessed Value} - \text{Exemptions} &= \text{Taxable Value} \\ \text{Taxable Value} \times \text{Tax Rate} &= \text{Amount of Tax Bill} \end{aligned}$$

Example for \$150,000 home:

$$\begin{aligned} \$150,000 \times 40\% &= \$60,000 \\ \$60,000 - \$10,000 &= \$50,000 \\ \$50,000 \times 0.01280 &= \$640 \end{aligned}$$

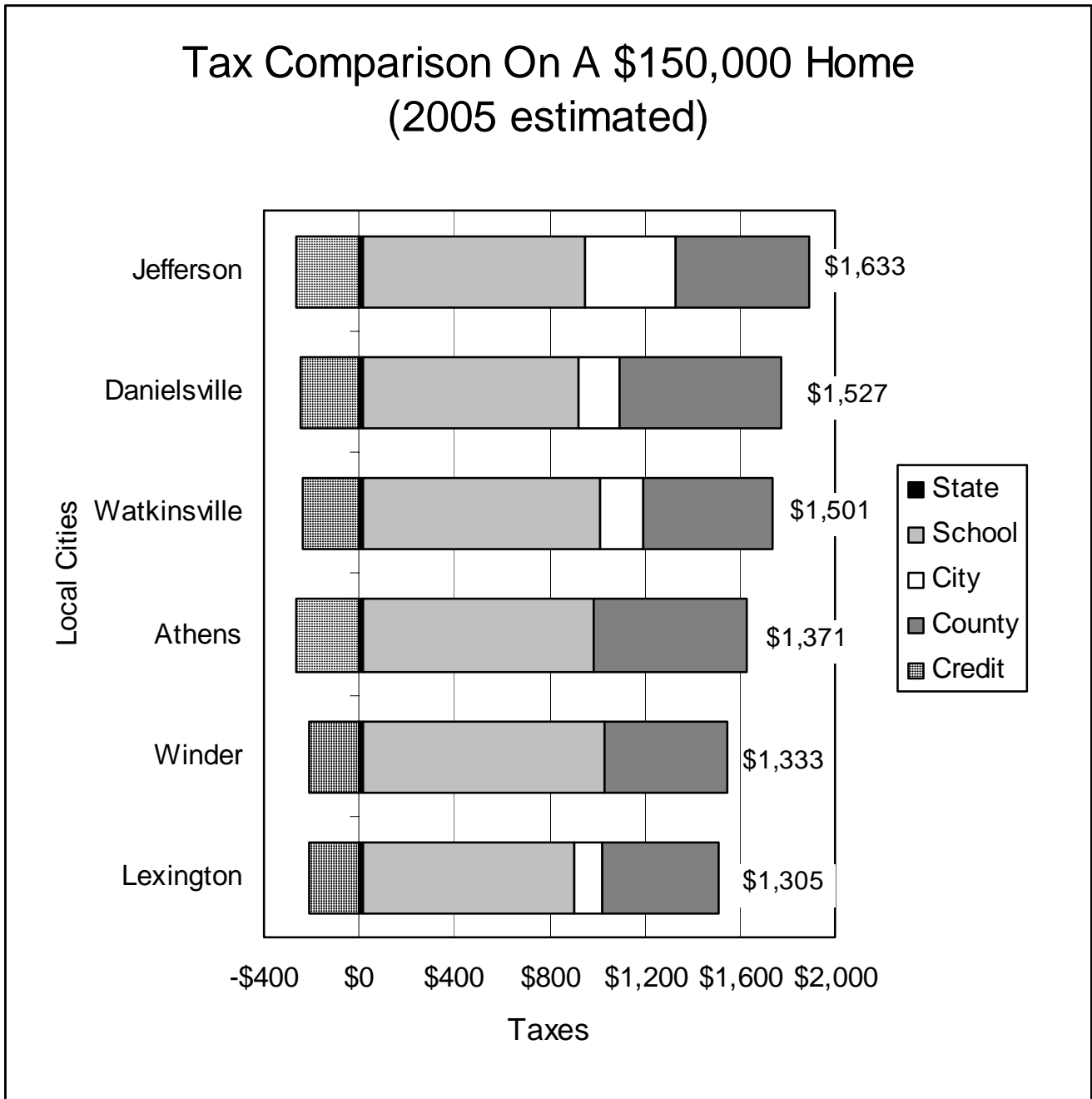
Over the last 10 years, the millage rate for Athens-Clarke County governmental services has dropped from 15.95 mills to 12.80 mills. (Note: the Clarke County Board of Education adopts a separate millage rate for the school system that is not included in these figures.)

A-CC Millage Rate History 1995 - 2005

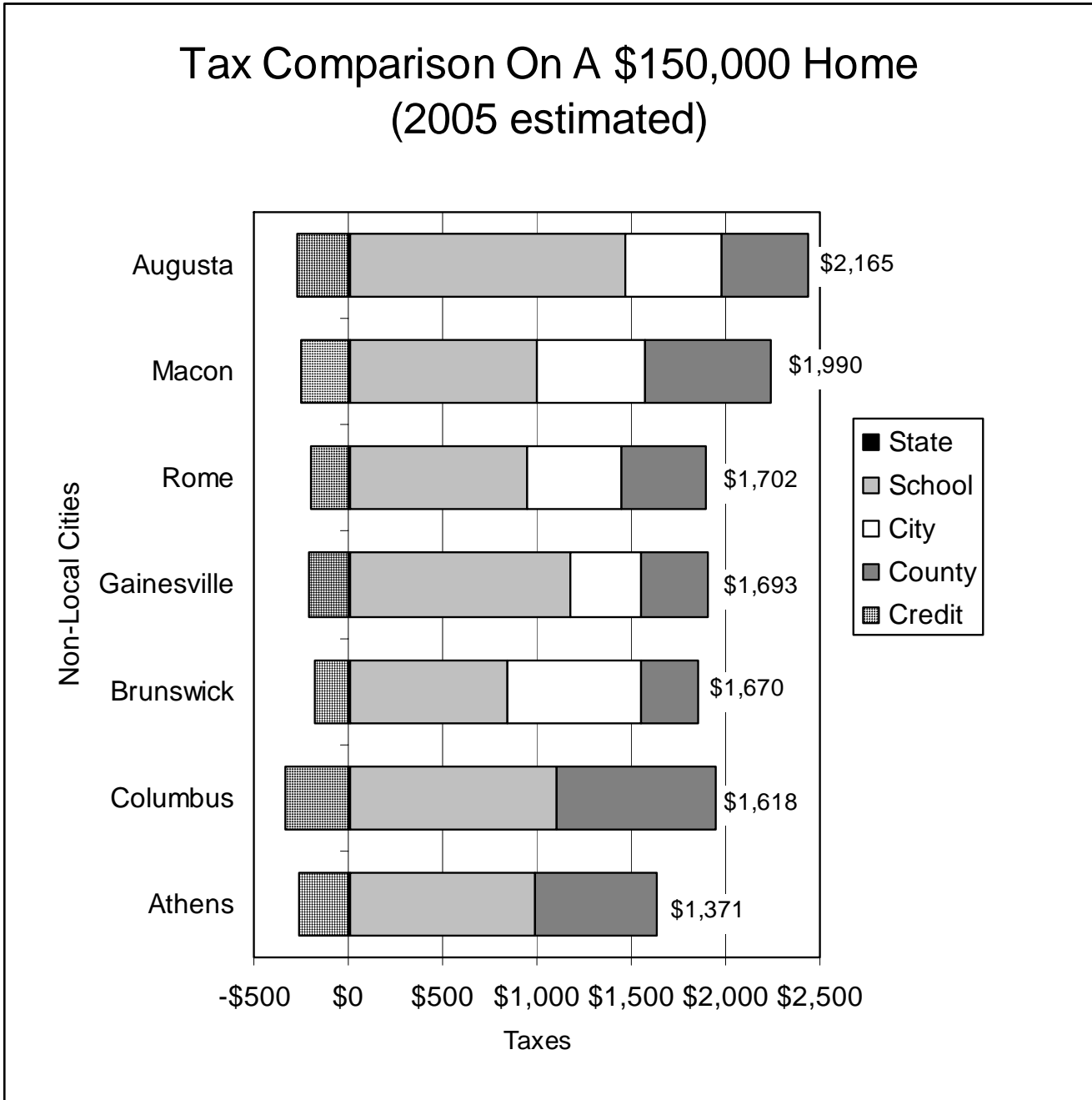


Comparative Property Taxes for a \$150,000 Home

Using the prior year's property tax bill for comparison, the taxes on a \$150,000 home in Athens-Clarke County for government services and the school system are lower than most of the surrounding cities and counties.



In addition, a comparison of similar size cities and counties throughout Georgia shows that Athens-Clarke County property taxes on a \$150,000 home are among the lowest. (Note: Tax rate amounts for A-CC are for 2005. All other city and county rates are for 2004.)



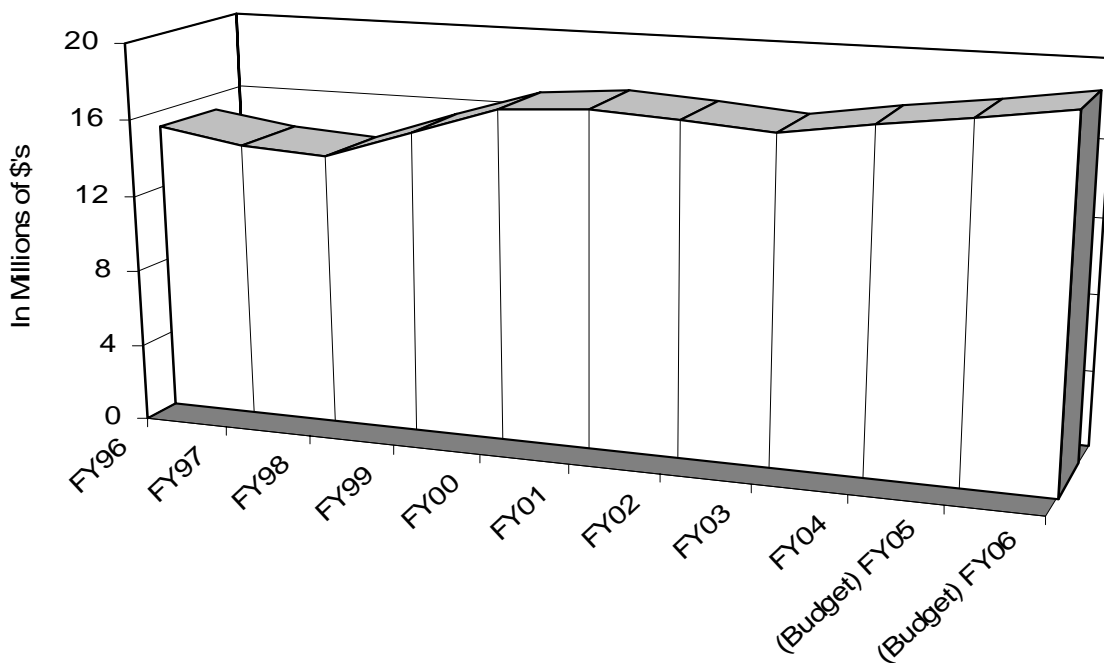
Understanding Sales Taxes

The tax rate on retail sales in Clarke County is \$0.07 for every \$1.00 of sales, similar to most Georgia counties. The \$0.07 sales tax is divided as follows:

- \$0.04 State of Georgia
- \$0.01 LOST (Local Option Sales Tax) A-C County General Fund
- \$0.01 SPLOST (Special Purpose Local Option Sales Tax) Projects
- \$0.01 ELOST (Education Special Purpose L.O.S.T.) Projects
- \$0.07 Total Sales Tax

The LOST tax is the only sales tax revenue that goes into the Athens-Clarke County General Fund to fund ongoing operating expenses. The SPLOST revenues are accounted for separately and can only be used for capital projects approved by a voter referendum. The ELOST revenues go to the Clarke County School System and can only be used for school system capital projects approved by a voter referendum.

Local Option Sales Tax (LOST) Collection History



The FY06 Capital Budget

A Capital project is defined as an individual asset or project of at least \$20,000 and includes facilities, equipment, vehicles, infrastructure repairs and improvements. The FY06 Capital Budget for all Funds totals \$21,326,800, an increase of \$747,700 or 3.6% over the previous year. In addition to the Capital Budget adopted each year, the Budget includes a five-year Capital Improvement Plan to guide and prepare for future Capital Improvements. Some of the major Capital Projects budgeted in FY06 include:

General Fund Capital Projects:

Roadway & Pavement Maintenance Program	\$ 610,000
Facilities Life Cycle Maintenance Program	\$ 600,000
CIS Strategic Plan (Repair & Replacement)	\$ 300,000
Park Facilities & Maintenance Program	\$ 300,000
Classic Center Debt Assistance Program	\$ 250,000
CIS Strategic Plan (Additions & Improvements)	\$ 220,000
Space Allocation Program/Implementation	\$ 175,000
Replace Pumper Truck-Fire station #5 (2 nd of 2 year funding)	\$ 164,100
Local Roads Traffic Improvements	\$ 150,000
800 Mhz Radio Replacement Program	\$ 150,000
Police Department Public Safety Initiative	\$ 150,000
Replace Pumper Truck-Fire station #7 (1 st of 3 year funding)	\$ 125,300
Repair/Improve Jail Showers	\$ 122,500
Bicycle Transportation System Improvements	\$ 100,000
All Other General Fund Projects	<u>\$1,779,300</u>
Sub-total	\$5,196,200

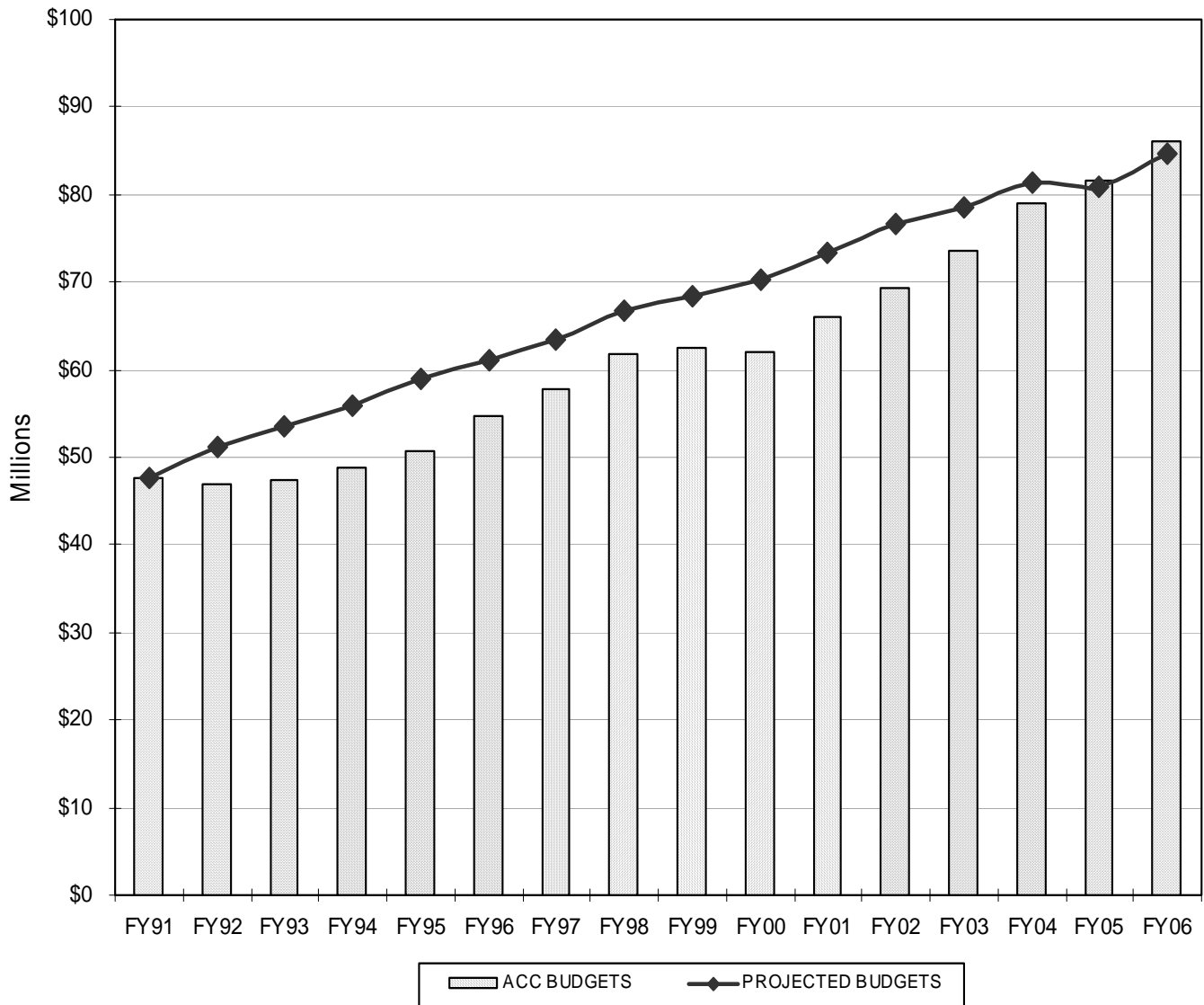
All Other Funds:

Wastewater Treatment Plant-Exp & Upgrades (W&S)	\$10,308,900
Fleet Replacement Program	\$1,552,000
Closure of Landfill Phase One Area	\$1,500,000
Source Water Assessment (W&S)	\$ 862,000
All Other Projects	<u>\$1,907,700</u>
Sub-total	<u>\$16,130,600</u>
Total Capital Budget	<u>\$21,326,800</u>

Budget History and Trends

The FY06 General Fund Operating Budget is \$86.2 million, an increase of 5.5% over FY05. The FY06 Budget continues the trend of maintaining General Fund Operating Budget growth to levels comparable to the combined current annual increase of the CPI (3.1%) and population increase for the last year (1.0%) as shown in the graph below.

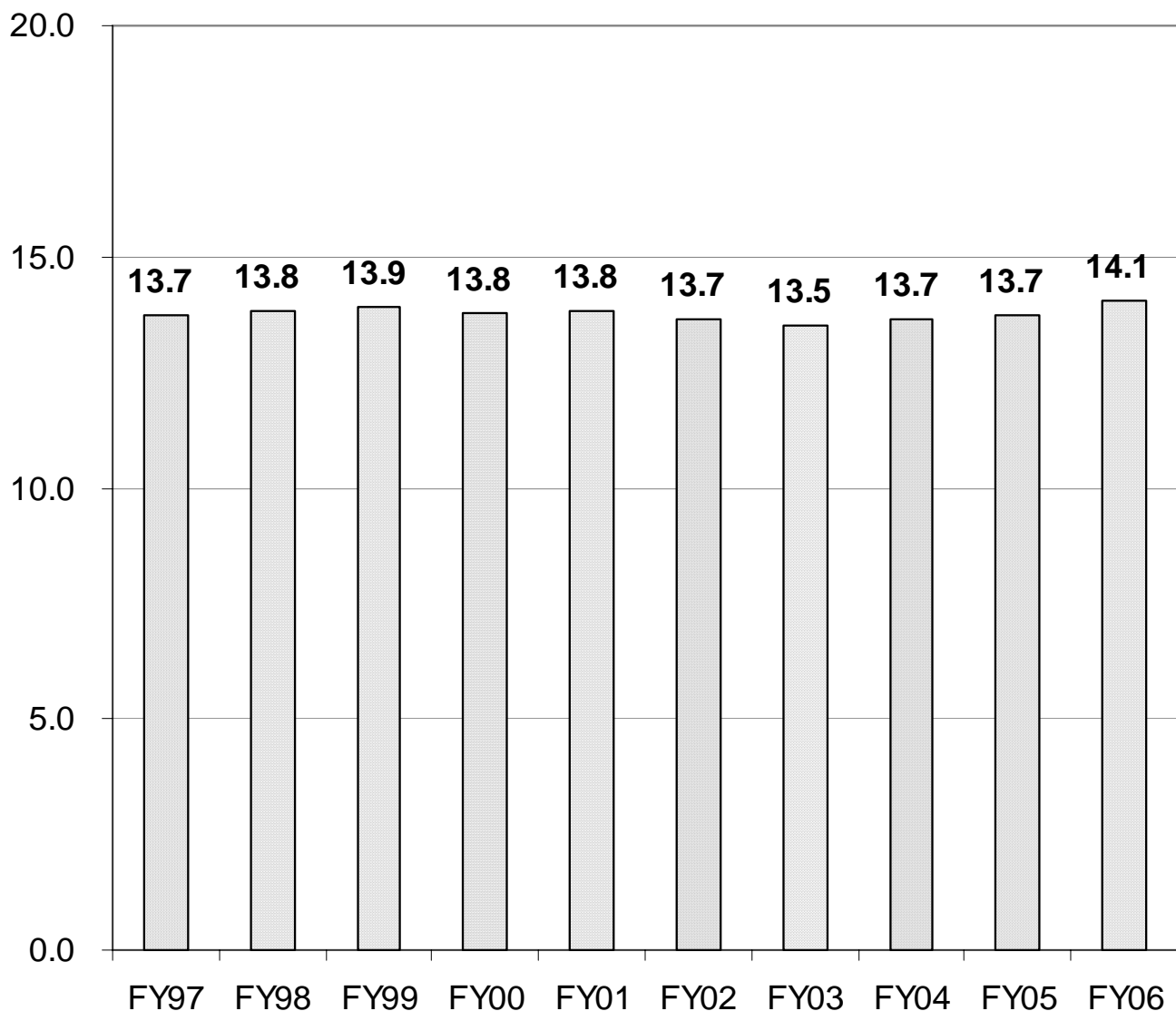
**GENERAL FUND BUDGETS COMPARED TO
POPULATION AND CPI INCREASE
(FY91 - FY06)**



Full-time Employees: Trends and Comparisons

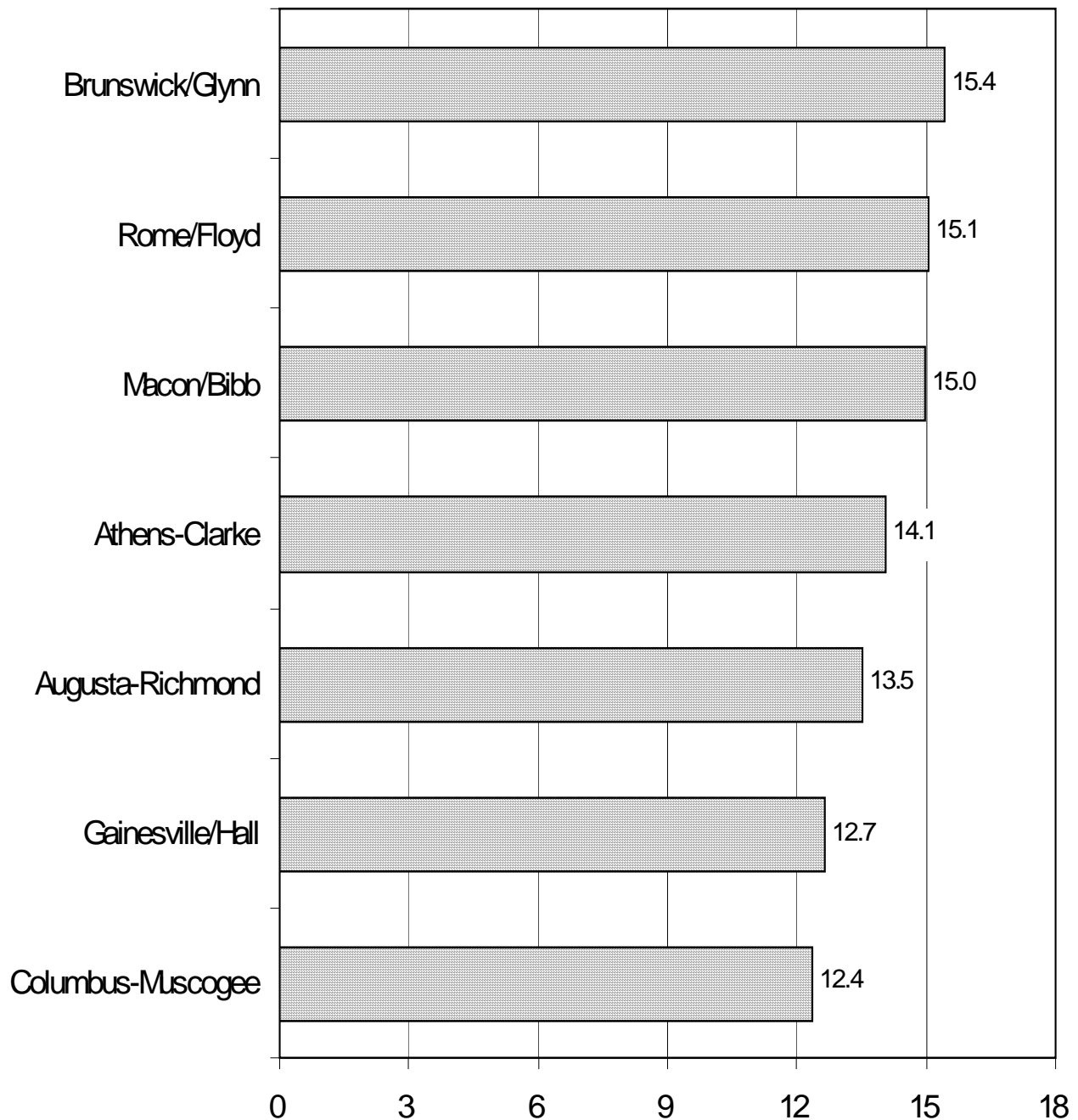
This Budget will raise the number of full-time authorized employee positions to 1,503, a net increase of 52 compared to the current level of 1,451. This change brings the number of full-time employees per thousand residences to 14.1. The 10-year trend of full-time employees per thousand residences has remained around 14.

Employees per 1,000 Population - History



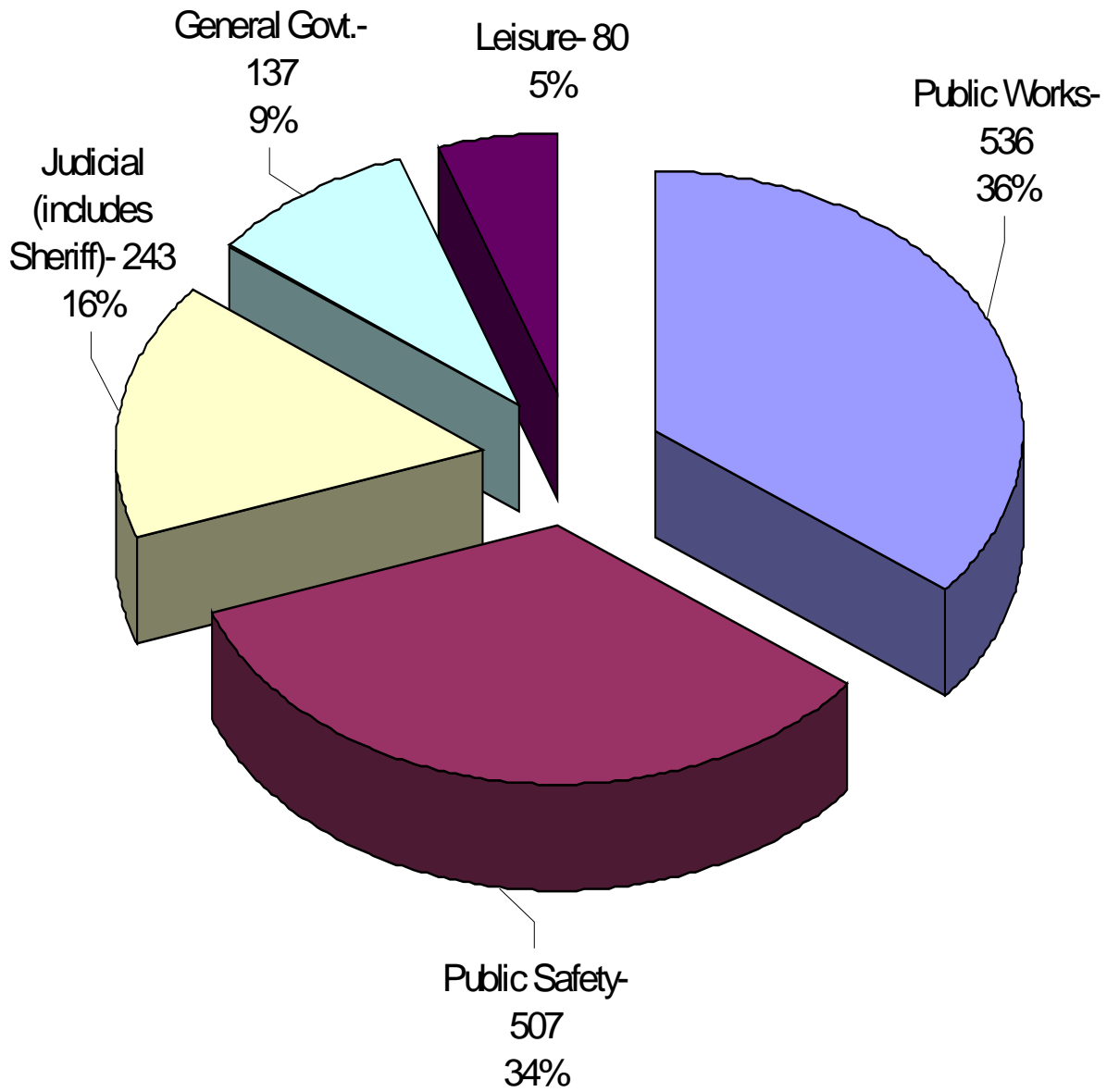
However, Athens-Clarke County's 14.1 full time employees per 1,000 of population still compares favorably with similar sized governments in Georgia as shown on the graph below.

Employees Per 1,000 Population - Comparison



Full-Time Employees - By Function

Total of 1,503



FULL-TIME AUTHORIZED POSITIONS

<u>Department or Office</u>	<u>FY06</u>	<u>Change From FY05 to FY06</u>
Airport	13	--
Attorney	6	2
Auditor	3	--
Board of Elections	3	--
Building Inspections & Permits	25	1
Central Services	73	3
Clerk of Courts	17	--
Computer Information Services	18	1
Cooperative Extension	1	--
Corrections	27	--
District Attorney	12	--
Finance	27	--
Fire & Emergency Services	190	15
General Support Group: Organizational Development	3	--
Human & Economic Development	11	--
Human Resources	20	--
Juvenile Court	3	--
Leisure Services	79	3
Magistrate Court	9	--
Manager	6	--
SPLOST Management	3	--
Mayor and Commission	1	--
Clerk of Commission	2	--
Public Information	2	--
Municipal Court	9	--
Planning	20	2
Police	290	9
Probate Court	4	--
Public Utilities	191	6
Sheriff	160	--
Solicitor General	15	(2)
Solid Waste	65	--
State Court	7	--
Superior Courts	7	--
Tax Assessor	14	1
Tax Commissioner	18	--
Transit	51	3
Transportation & Public Works	98	8
	<hr/> 1,503	<hr/> 52

Legal and Charter Requirements for the Annual Budget

There are several requirements under Georgia Law and the Unified Government's Charter that must be met as a part of preparing and adopting the Annual Budget. Some of these requirements include:

- Budgets must be balanced so that projected expenditures do not exceed projected revenues and available fund balances.
- Budgets must be provided at least at the department level and be separated by fund.
- A separate Operating and Capital Budget must be submitted and adopted.
- The Mayor's Recommended Budget must be submitted to the Commission at least 60 days prior to beginning of the fiscal year.
- At the time the Recommended Budget is provided to the Commission, it shall be made available for public review.
- Public Hearings must be held to receive public input on the proposed budget at least one week prior to the budget being adopted.
- Public Hearings must be held to receive public input if the proposed budget will include an increase in the property tax millage rate.

During the fiscal year, the Mayor and Commission may change the Budget as needed through the adoption of a budget ordinance identifying the change. Also, departments can transfer budget funds between line items within their department's budget to cover unanticipated expenses with approval of the Finance Director. However, the department's total budget or full-time authorized positions cannot increase without Mayor and Commission approval.

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