

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

FY07

BUDGET IN BRIEF



**ANNUAL OPERATING
& CAPITAL BUDGET**

JULY 1, 2006 - JUNE 30, 2007

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 2007 (July 1, 2006 – June 30, 2007). This document provides a brief and understandable summary of the FY07 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 FY07 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 2006:

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.

FY07 Significant Budget Issues

- This Budget includes a millage rate for 2006 of 12.80 mills, the same rate as 2005 and maintains the lowest property tax millage rate since Unification. At this millage rate, Athens-Clarke County residents will continue to pay lower property taxes for local government services than most other surrounding counties and other similar communities in Georgia.
- This Budget includes a \$92.7 million General Fund Operating Budget in FY07 and a Capital Budget of \$6.1 million. The total General Fund Operating and Capital Budget for FY07 is \$98.8 million, an increase of 8.1% over the previous year.
- The Operating budget for all other funds totals \$44.7 million. The Capital Budget for all other funds totals \$11.5 million, \$4.5 million less than the FY06 Budget. The total FY07 Budget is \$156.5 million, an increase of \$1.8 million or 1.1%.
- This Budget includes the following additional funding and positions to improve service delivery and respond to growing demands on ACC services and programs:
 - Funding to expand Transit bus service on major routes from 7 p.m. until 11 p.m. weekday evenings and Saturdays. This service expansion includes 4 additional full time and 6 part time positions.
 - Funding to support and improve delivery of judicial and police services includes: a Court Administrator, part-time Magistrate's Judge, a Pre-trial Program probation officer, Records Technician in the Sheriff's Office and a Crime/Evidence Technician in the Police Department.
 - Funding for a Motor Vehicle Registrar in the Tax Commissioner's budget to improve customer service at the Tag Office.
 - Funding for an additional planner position in the Planning Department to focus on urban design.

- Overall, ACC Departments have reduced fuel consumption by 15% during FY06. However, the 40-50% increase in fuel cost will add about \$150,000 to the General Fund Budget in FY07 and another \$170,000 to the Transit Enterprise Fund Budget.
- This budget continues to maintain current service levels while responding to the increases in the cost of fuel and health insurance that many organizations are facing.
- This Budget includes the following additional funding to support new facilities constructed through the SPLOST program that will open during FY07:
 - The new North Athens Fire Station (Fire Station #9) – this budget includes a total of 6 months of operating costs for the station anticipated to be completed in the spring of 2007.
 - Multi-modal Transportation Center – this budget provides a full year funding for the center scheduled to open this summer.
 - This budget also includes funding to operate and maintain several other SPLOST facilities that have come on line over the last two years.
- Effective October 1st, Water and Sewer Fees will increase about 4.5% 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.
- The FY07 Budget includes a total of \$4.1 million to fund increases for employee compensation and related benefits government-wide. A total of \$2.7 million of this amount maintains the government's ability to recruit and retain good employees by providing a 4.0% market pay and pay table adjustment. The budget also continues the governments pay-for-performance by funding \$1.4 million for this program.
- This Budget includes a net increase of 19 full-time positions. Total full-time authorized positions will be 1,520 in FY07. Authorized full-time positions have remained around 14 per thousand of ACC population since 1991.

Mayor and Commission Goals and Objectives for FY07

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

1. Fund Phase III of the Park Safety Initiative Program, which includes installing additional 911 emergency call boxes, authorizing additional security staff, and installing a security monitoring/alarm system.
2. Fund the completion of the Greenway Network Plan, which includes development standards; identification of sites for acquisition and future development; and enhancements that link natural areas, parks, neighborhoods, schools, cultural centers, shopping areas, and job centers.
3. Fund Phase I of the development and construction of Ben Burton Park and Dudley Park to be completed in FY07.
4. Fund Phase I of the Leisure Services Master Plan, which includes establishing community-based goals; assessing and inventorying existing facilities; and setting priorities for future program delivery and facility construction identified by the community.
5. Capitalize a locally funded Housing Trust Fund to stimulate affordable single-family housing development.
6. Develop a revised Neighborhood Traffic Management Program (NTMP) Policy and Procedure Statement by January 2007. Provide funding for five projects utilizing the new policy as part of the FY07 budget.

7. Support the inclusion of enhanced pedestrian facilities along all corridor improvement projects and support programs that enhance pedestrian safety and mobility within defined geographical areas or between community destination points. Such efforts should focus on creating a community wide system of improvements that encourage walking as an alternative mode of transportation and means of physical fitness for ACC citizens.

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 appropriate staffing levels for the ACC Public Safety Communication Center based on the Association of Public Safety Communications Officials' recommended workload measurement model. In FY07 fund 50% of the identified staffing deficit.
3. Fund the Space Allocation Program to identify and assess space and facility needs of departments and functions that have not been included in SPLOST programming. The space analysis would include ACC departments and the offices of elected officials with special attention to safety needs of the Courthouse.
4. Identify the security and fire safety needs of the ACC Jail, and fund the critically needed systems in FY07.
5. Review ACC judicial warrant-issuing process to determine if funding of additional court staff and/or additional electronic tools are needed in order to comply with U.S. Supreme Court mandates.
6. Begin implementation of the five-year Transit Development Plan in FY07 by funding more frequent service on major corridors, more late evening service, and streamlining the six fixed routes.

7. Support enhanced professional management across the various classes of courts in order to increase economy and efficiency.

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 employees' knowledge, skills, and abilities.
2. Conduct a Wage Rate Study in FY07 and fund adjustments to maintain a competitive market wage rate.
3. Continue to fund the Performance Management Program designed to reward and recognize job performance measured by departmental and organizational expectations.
4. Increase ACC employee participation in the ACC Wellness Program by 15% in FY07, which will result in a healthier life style for employees and less utilization of the group health insurance.
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 e-Government Services

1. Fund the Strategic Automation Plan – Maintenance and Repair (M&R) at a level that allows Athens-Clarke County employees to function at an efficient and effective level that minimizes workflow interruptions.
2. Fund the Strategic Automation Plan - Additions and Improvements (A&I) to include Document Imaging that expands the program by two additional departments, and provides storage and retrieval capabilities.

3. Study the feasibility of implementing pilot projects for enhancing communication such as a Voice Over Internet Protocol system (VoIP), a FAX Server, and a 311 System.
4. Describe and fund Phase I of the Integrated Criminal Justice Information System to include a Jail Management Program as recommended by the National Consortium for Justice Information and Statistics in February 2004.
5. Increase citizen access to Unified Government documents and information during FY07 by funding the Government to Citizens Initiative Level 2 as approved by the Mayor and Commission in 2004.

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

1. Implement in FY07 the Water Conservation Rate Structure developed by the Water Conservation Committee and approved by the Mayor and Commission in the spring of 2006.
2. Provide incentives for ACC employees to reduce their use of automobiles for personal and business purposes.
3. Adopt a comprehensive Environmental Management System (EMS) to coordinate and assess the development and implementation of initiatives such as LEED and Energy Management.
4. Replace traditional full and/or mid-size sedans with hybrid or high fuel economy vehicles in the FY07 replacement cycle.

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 FY07 General Fund Budget totals \$98.8 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 FY07 total \$9.6 million.

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 FY07 total \$6.7 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. Enterprise Fund budgets in FY07 total \$50.4 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 FY07 total \$19.4 million.

**SUMMARY FY2007 BUDGET
ALL FUNDS**

	<u>FY06</u> <u>BUDGET</u>	<u>FY07</u> <u>BUDGET</u>	<u>%</u> <u>INC/</u> <u>(DEC)</u>	<u>%</u> <u>OF</u> <u>TOTAL</u>
REVENUES:				
PROPERTY TAXES	\$36,535,000	\$40,223,000	10.1%	21.6%
SALES TAX	\$18,900,000	\$20,000,000	5.8%	10.8%
OTHER TAXES	\$18,281,000	\$20,561,000	12.5%	11.1%
LICENSES & PERMITS	\$1,841,500	\$1,645,360	-10.7%	0.9%
INTERGOVERNMENTAL REVENUES	\$5,691,201	\$5,258,307	-7.6%	2.8%
CHARGES FOR SERVICES	\$67,499,365	\$73,582,304	9.0%	39.6%
FINES & FORFEITURES	\$3,607,500	\$3,439,731	-4.7%	1.9%
OTHER REVENUES	\$888,335	\$930,952	4.8%	0.5%
TRANSFERS IN FROM OTHER FUNDS	\$9,052,934	\$10,683,504	18.0%	5.7%
USE FUND BALANCE	\$4,776,877	\$5,636,858	18.0%	3.0%
USE OF NET ASSETS BALANCE	<u>\$13,275,231</u>	<u>\$3,870,008</u>	-70.8%	2.1%
SUB-TOTAL REVENUE & OTHER SOURCES	\$180,348,943	\$185,831,024	3.0%	100.0%
LESS INTERFUND TRANSFERS (1)	<u>(\$25,666,734)</u>	<u>(\$29,312,904)</u>	14.2%	
TOTAL REVENUE & OTHER SOURCES	<u>\$154,682,209</u>	<u>\$156,518,120</u>	1.2%	
EXPENDITURES (BY FUND):				
GENERAL FUND	\$91,362,100	\$98,793,951	8.1%	53.6%
<u>SPECIAL REVENUE FUNDS:</u>				
EMERGENCY TELEPHONE SYSTEM (E911)	\$1,943,000	\$1,800,000	-7.4%	1.0%
HOTEL/MOTEL TAX FUND	\$1,532,500	\$1,792,553	17.0%	1.0%
COMMUNITY DEV. BLOCK GRANT (CDBG)	\$1,709,416	\$1,498,350	-12.3%	0.8%
GRANTS FUND	\$1,425,900	\$1,195,910	-16.1%	0.6%
BUILDING INSPECTION FUND	\$1,027,169	\$1,036,600	0.9%	0.6%
HUD HOME GRANT FUND	\$956,147	\$898,895	-6.0%	0.5%
SPECIAL PROGRAMS & INITIATIVES FUND	\$372,008	\$810,436	117.9%	0.4%
SUPPORTIVE HOUSING GRANT FUND	\$357,900	\$291,941	-18.4%	0.2%
ALTERNATIVE DISPUTE RESOLUTION PRGM	\$133,719	\$156,167	16.8%	0.1%
SHERIFF INMATE FUND	\$70,000	\$70,000	0.0%	0.0%
ECONOMIC DEVELOPMENT FUND	\$25,000	\$50,000	100.0%	0.0%
CORRECTIONS INMATE FUND	<u>\$15,000</u>	<u>\$20,000</u>	33.3%	0.0%
SUB-TOTAL SPECIAL REVENUE FUNDS	\$9,567,759	\$9,620,852	0.6%	

SUMMARY FY2007 BUDGET ALL FUNDS

EXPENDITURES (BY FUND):

CAPITAL PROJECT FUNDS:

GENERAL CAPITAL PROJECTS FUND	\$5,171,200	\$6,131,600	18.6%	3.3%
PUBLIC FACILITIES AUTHORITY FUND	<u>\$583,200</u>	<u>\$583,200</u>	0.0%	0.3%
SUB-TOTAL CAPITAL PROJECT FUNDS	\$5,754,400	\$6,714,800	16.7%	

ENTERPRISE FUNDS:

WATER & SEWER FUND	\$34,004,858	\$33,165,073	-2.5%	18.0%
TRANSIT FUND (less depreciation)	\$3,818,372	\$4,577,101	19.9%	2.5%
SOLID WASTE COLLECTION FUND	\$3,169,422	\$3,417,515	7.8%	1.9%
LANDFILL FUND	\$4,696,302	\$3,326,583	--	1.8%
STORM WATER UTILITY FUND	\$3,312,115	\$2,980,785	-10.0%	1.6%
AIRPORT FUND	<u>\$2,294,614</u>	<u>\$2,407,584</u>	4.9%	1.3%
SUB-TOTAL ENTERPRISE FUNDS	\$51,295,683	\$49,874,641	-2.8%	

INTERNAL SERVICE FUNDS:

SELF FUNDED HEALTH INSURANCE FUND	\$9,576,010	\$10,429,995	8.9%	5.7%
FLEET MANAGEMENT FUND	\$2,405,600	\$2,778,800	15.5%	1.5%
SELF FUNDED INSURANCE & CLAIMS FUND	\$2,566,900	\$2,686,107	4.6%	1.5%
INTERNAL SUPPORT FUND	\$1,639,335	\$1,755,448	7.1%	1.0%
FLEET REPLACEMENT FUND	<u>\$1,642,000</u>	<u>\$1,743,400</u>	6.2%	0.9%
SUB-TOTAL INTERNAL SERVICE FUNDS	\$17,829,845	\$19,393,750	8.8%	

SUB-TOTAL EXPENDITURES ALL FUNDS	\$175,809,787	\$184,397,994	4.9%	100.0%
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LESS INTERFUND TRANSFERS (1)	<u>(\$25,666,734)</u>	<u>(\$29,312,904)</u>	14.2%	
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TOTAL OPERATING & CAPITAL EXPENDITURES

\$150,143,053	\$155,085,090	3.3%
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DESIGNATED FOR FUTURE CAPITAL & DEBT SERVICE REQUIREMENTS	\$4,539,156	\$1,433,030	-68.4%
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TOTAL EXPENDITURES & DESIGNATIONS	<u>\$154,682,209</u>	<u>\$156,518,120</u>	1.2%
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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".

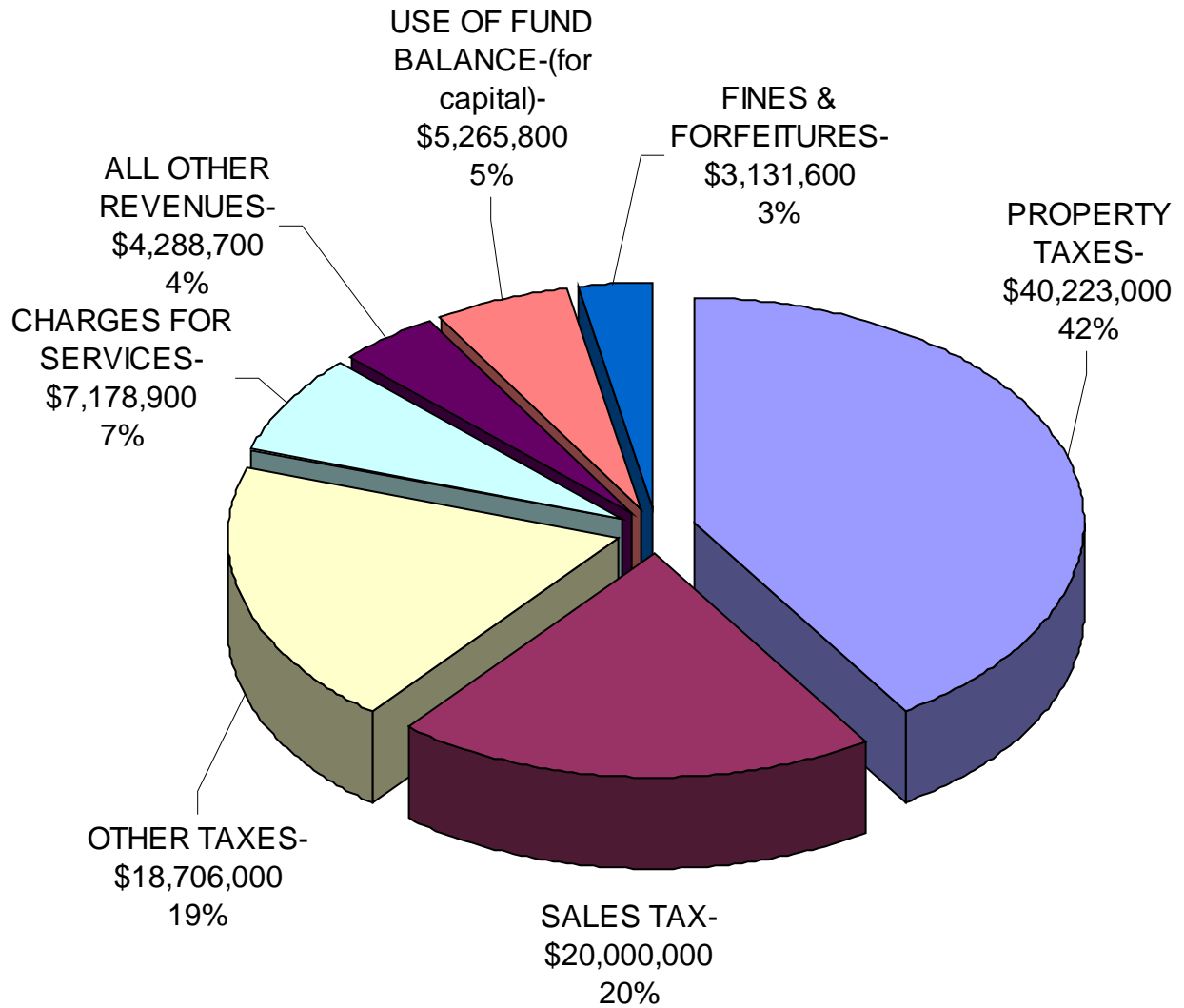
SUMMARY FY2007 BUDGET GENERAL FUND

	<u>FY06</u> <u>BUDGET</u>	<u>FY07</u> <u>BUDGET</u>	<u>%</u> <u>INC/</u> <u>(DEC)</u>
REVENUES:			
PROPERTY TAXES	\$36,535,000	\$40,223,000	10.1%
SALES TAX	\$18,900,000	\$20,000,000	5.8%
OTHER TAXES	\$16,821,000	\$18,706,000	11.2%
LICENSES PERMITS	\$906,500	\$945,360	4.3%
INTERGOVERNMENTAL REVENUES	\$1,075,000	\$1,055,000	-1.9%
CHARGES FOR SERVICES	\$6,843,000	\$7,178,854	4.9%
FINES & FORFEITURES	\$3,406,500	\$3,131,600	-8.1%
OTHER REVENUES	\$702,900	\$788,337	12.2%
TRANSFERS IN FROM OTHER FUNDS	\$1,600,000	\$1,500,000	-6.3%
USE OF FUND BALANCE-(for capital)	<u>\$4,572,200</u>	<u>\$5,265,800</u>	15.2%
TOTAL REVENUE & OTHER SOURCES	<u>\$91,362,100</u>	<u>\$98,793,951</u>	8.1%
EXPENDITURES (BY DEPARTMENT):			
MAYOR AND COMMISSION MANAGER	\$654,732	\$683,512	4.4%
ATTORNEY	\$637,420	\$673,121	5.6%
AUDITOR	\$556,157	\$560,202	0.7%
FINANCE	\$209,139	\$215,469	3.0%
HUMAN RESOURCES	\$1,719,019	\$1,902,757	10.7%
TAX COMMISSIONER	\$1,208,123	\$1,263,724	4.6%
BOARD OF TAX ASSESSORS	\$1,134,715	\$1,228,949	8.3%
BOARD OF ELECTIONS	\$963,205	\$989,816	2.8%
HUMAN & ECONOMIC DEVELOPMENT	\$266,996	\$460,868	72.6%
GENERAL SUPPORT GROUP	\$278,917	\$285,759	2.5%
COMPUTER INFORMATION SERVICES	\$236,039	\$244,922	3.8%
NONDEPARTMENTAL	\$1,748,552	\$2,023,549	15.7%
TOTAL GENERAL GOVERNMENT	<u>\$4,279,073</u>	<u>\$4,790,034</u>	11.9%
	\$13,892,087	\$15,322,682	10.3%
SUPERIOR COURTS	\$1,080,975	\$1,132,419	4.8%
CLERK OF COURTS	\$856,153	\$922,001	7.7%
STATE COURT	\$430,297	\$441,277	2.6%
SOLICITOR GENERAL	\$834,523	\$862,327	3.3%
DISTRICT ATTORNEY	\$707,594	\$759,267	7.3%
SHERIFF	\$11,256,952	\$11,800,420	4.8%
JUVENILE COURT	\$320,230	\$335,469	4.8%
MAGISTRATE'S COURT	\$508,678	\$557,455	9.6%
CORONER	\$37,670	\$38,740	2.8%

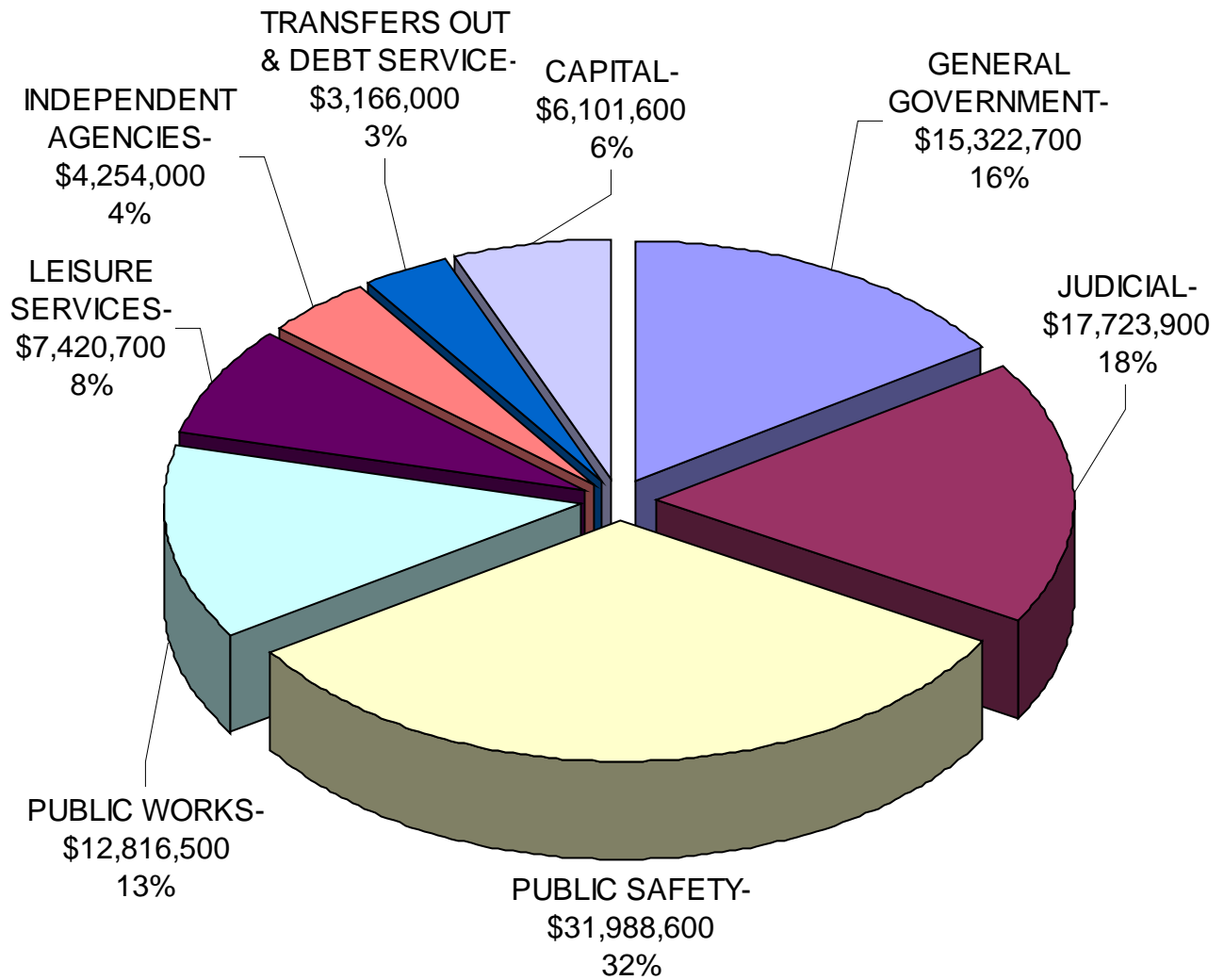
SUMMARY FY2007 BUDGET GENERAL FUND

	<u>FY06 BUDGET</u>	<u>FY07 BUDGET</u>	<u>% INC/ (DEC)</u>
EXPENDITURES (BY DEPARTMENT):			
PROBATE COURT	\$286,590	\$308,414	7.6%
MUNICIPAL COURT	<u>\$483,737</u>	<u>\$566,131</u>	17.0%
TOTAL JUDICIAL	\$16,803,399	\$17,723,920	5.5%
POLICE SERVICES	\$17,978,013	\$18,822,488	4.7%
FIRE SERVICES	\$10,303,557	\$11,116,662	7.9%
CORRECTIONS	<u>\$1,909,718</u>	<u>\$2,049,498</u>	7.3%
TOTAL PUBLIC SAFETY	\$30,191,288	\$31,988,648	6.0%
TRANSPORTATION & PUBLIC WORKS	\$3,782,110	\$4,062,026	7.4%
SOLID WASTE	\$662,815	\$709,050	7.0%
PLANNING & ZONING	\$959,679	\$1,090,247	13.6%
BUILDING INSPECTION (Community Protection Div)	\$671,040	\$716,073	6.7%
CENTRAL SERVICES	<u>\$5,869,288</u>	<u>\$6,239,066</u>	6.3%
TOTAL PUBLIC WORKS	\$11,944,932	\$12,816,462	7.3%
LEISURE SERVICES	\$6,917,743	\$7,283,902	5.3%
COOPERATIVE EXTENSION SERVICE	<u>\$121,846</u>	<u>\$136,780</u>	12.3%
TOTAL LEISURE SERVICES	\$7,039,589	\$7,420,682	5.4%
INDEPENDENT AGENCIES	\$3,954,121	\$4,254,001	7.6%
DEBT SERVICE	\$353,500	\$352,052	-0.4%
TRANSFERS OUT TO OTHER FUNDS	\$2,010,984	\$2,813,904	39.9%
TOTAL OPERATING EXPENDITURES	\$86,189,900	\$92,692,351	7.5%
CAPITAL FOR CURRENT SERVICES (CS)	\$3,634,200	\$3,647,300	0.4%
CAPITAL FOR ADDITIONS & IMPROVEMENTS	<u>\$1,538,000</u>	<u>\$2,454,300</u>	59.6%
TOTAL CAPITAL	\$5,172,200	\$6,101,600	18.0%
TOTAL OPERATING & CAPITAL EXPENDITURES	<u>\$91,362,100</u>	<u>\$98,793,951</u>	8.1%
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$0</u>	<u>\$0</u>	

GENERAL FUND REVENUES-\$98.8 million



GENERAL FUND EXPENDITURES- \$98.8 million



General Fund Revenues and Expenditures Per Capita

General Fund Revenues: Property taxes account for the largest source of revenue - 41% or \$372 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 \$913 for General Fund services in FY07.

Per Capital Revenue by Type

Property Tax	\$372
Sales Tax	\$185
Other Taxes	\$173
Charges for Services	\$66
Use of Fund Balance	\$48
Other Revenues	\$40
Fines & Forfeitures	<u>\$29</u>
Total	\$913

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 \$460 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	\$296
Judicial	\$164
General Government	\$142
Public Works	\$118
Leisure Services	\$69
Capital Projects	\$56
Independent Agencies	\$39
Transfers to Other Funds & Debt Service	<u>\$29</u>
Total	\$913

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:

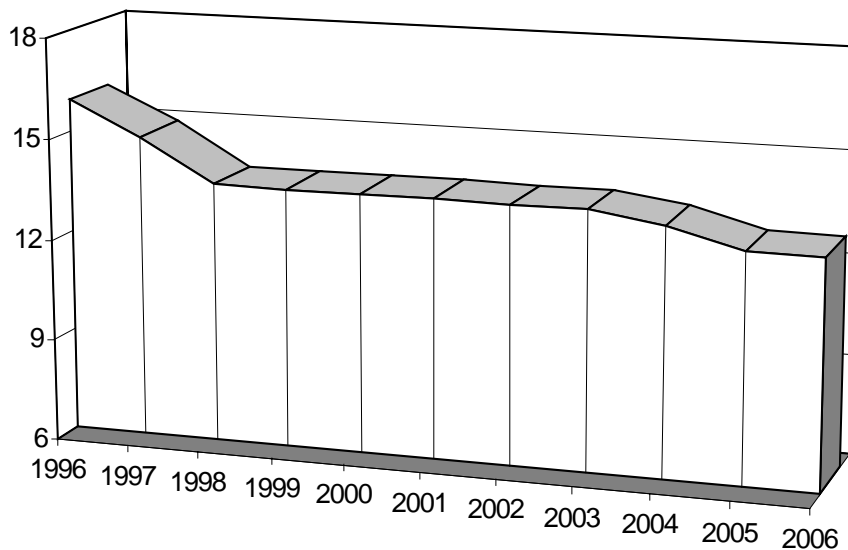
$$\begin{aligned} \text{Fair Market Value} \times 40\% &= \text{Assessed Value} \\ \text{Assessed Value} - \text{Exemptions} &= \text{Taxable Value} \\ \text{Taxable Value} \times \text{Tax Rate} &= \text{Amount of Tax Bill} \end{aligned}$$

Example for \$150,000 home:

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

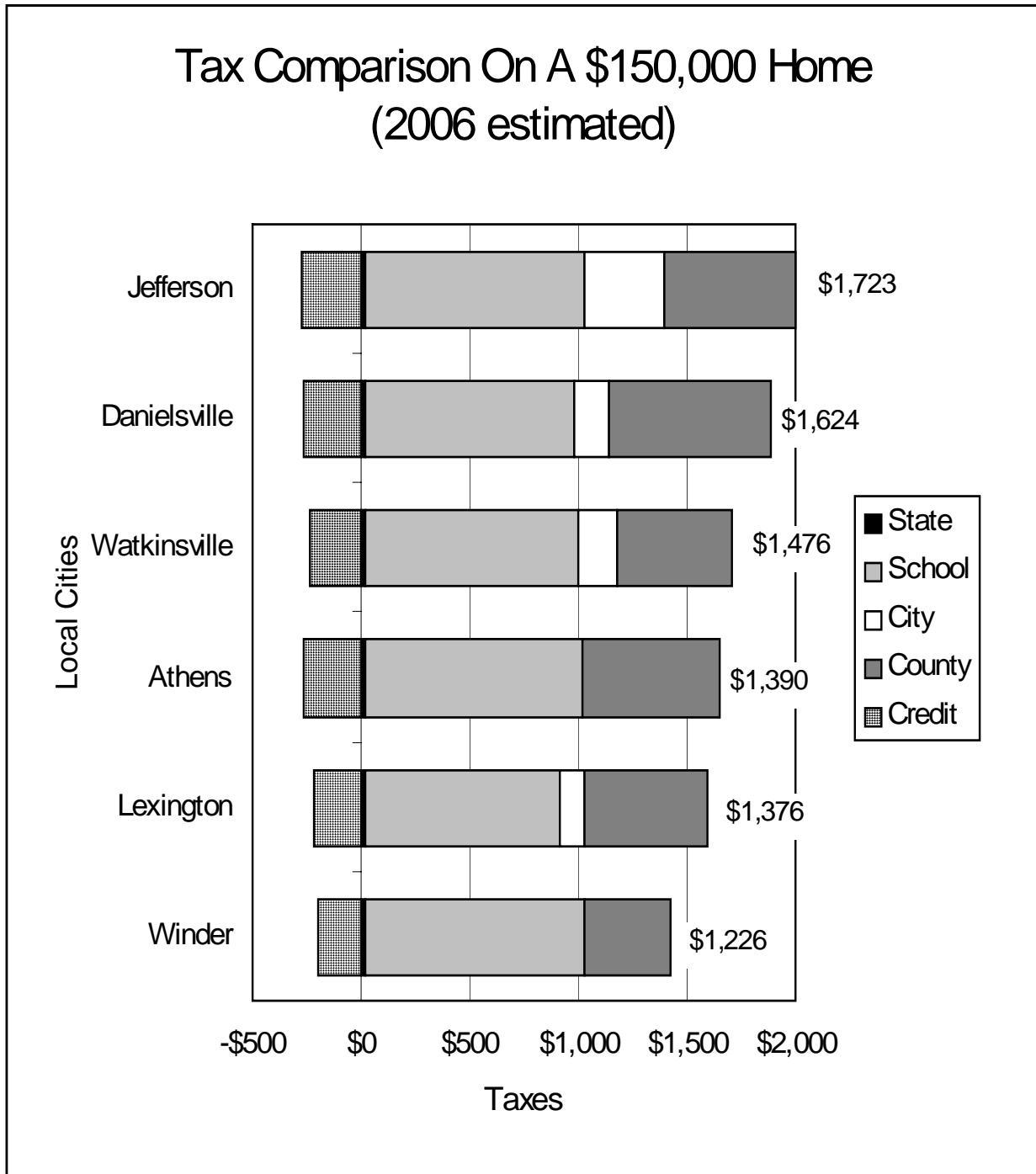
Over the last 10 years, the millage rate for Athens-Clarke County governmental services has dropped from 15.95 mills to 12.80 mills. (Note: the Clarke County Board of Education adopts a separate millage rate for the school system that is not included in these figures.)

A-CC Millage Rate History 1996 - 2006



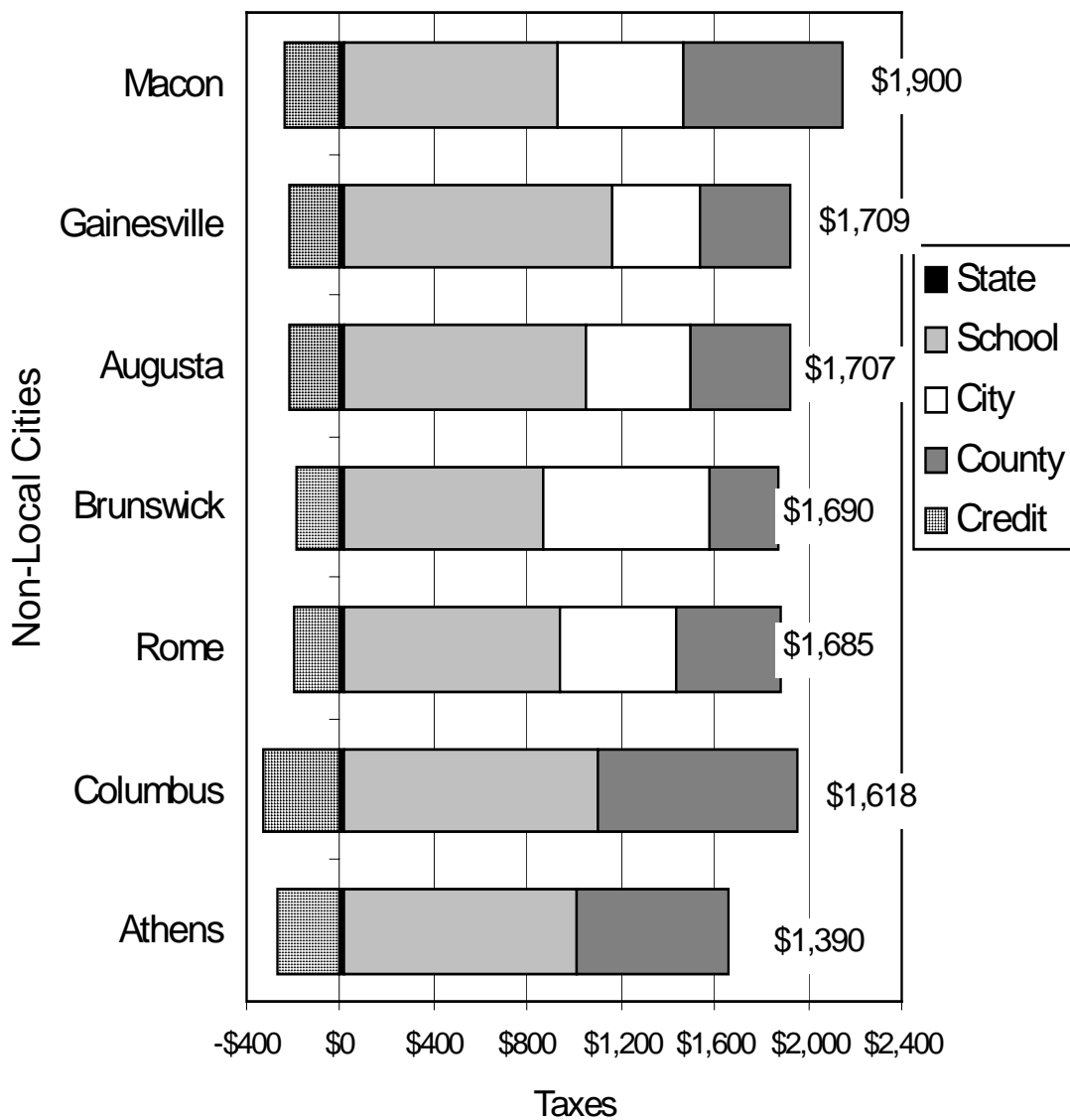
Comparative Property Taxes for a \$150,000 Home

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 2006. All other city and county rates are for 2005.)

Tax Comparison On A \$150,000 Home (2006 estimated)



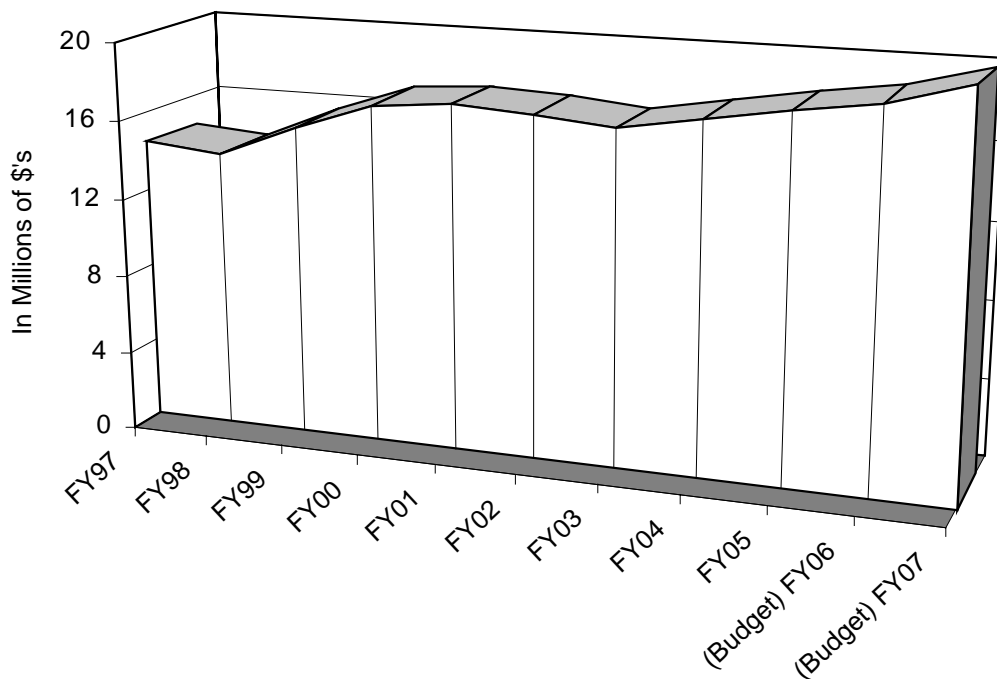
Understanding Sales Taxes

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 FY07 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 FY07 Capital Budget for all Funds totals \$17,708,800, a decrease of \$3,618,000 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 FY07 include:

General Fund Capital Projects:

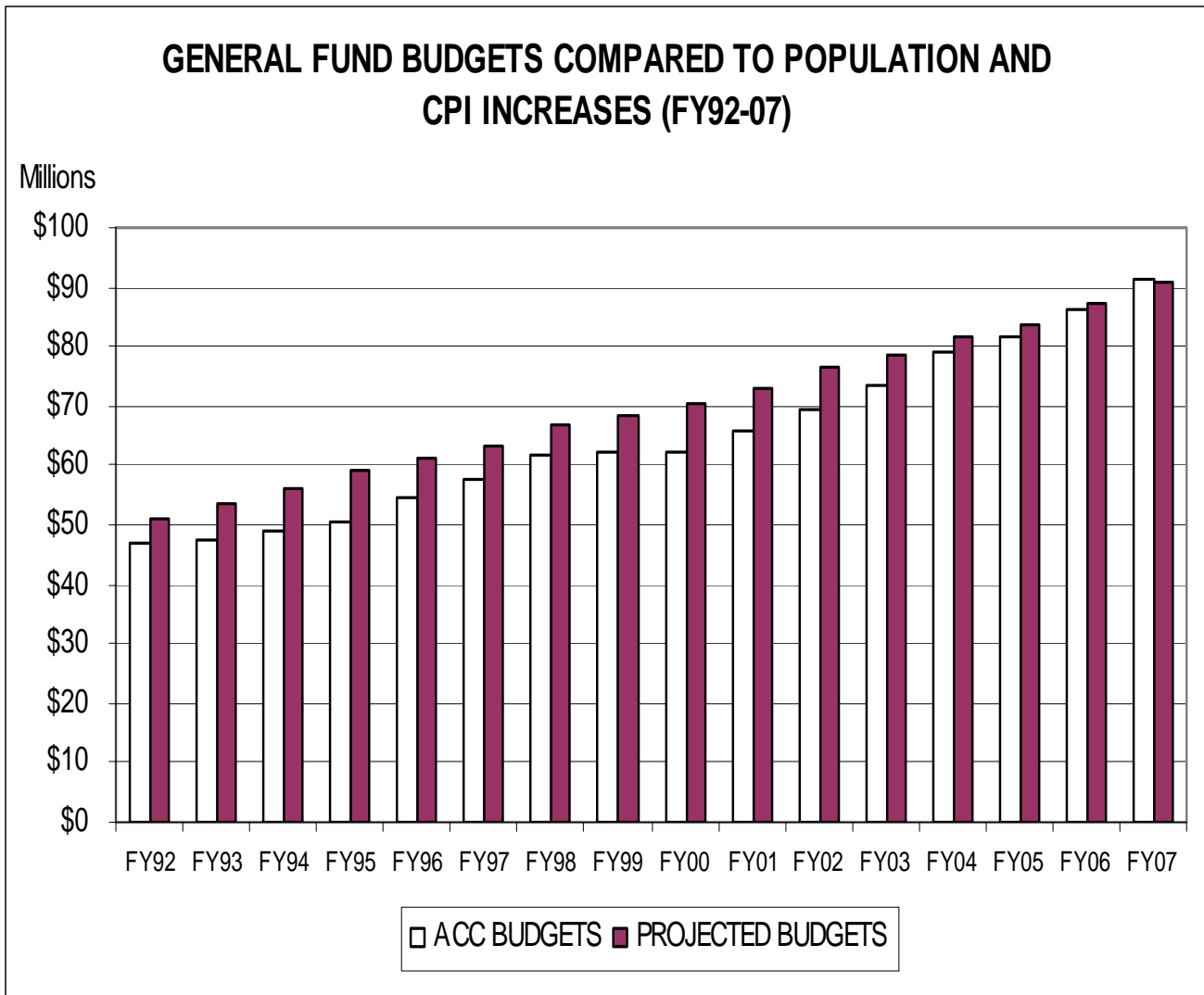
Facilities Life Cycle Maintenance Program	\$ 750,000
Roadway & Pavement Maintenance Program	\$ 630,000
CIS Strategic Plan (Repair & Replacement)	\$ 337,000
Park Facilities & Maintenance Program	\$ 300,000
CIS Strategic Plan (Additions & Improvements)	\$ 250,000
Corridor Appearance Management Program	\$ 244,000
Classic Center Debt Assistance Program	\$ 230,000
Sidewalk Improvement Program	\$ 225,000
Space Allocation Program/Implementation	\$ 223,000
Document Imaging Storage System	\$ 200,000
Local Roads Traffic Improvements	\$ 200,000
800 Mhz Radio Replacement Program	\$ 200,000
Replace Pumper Truck-Fire station #6 (1 st of 3 year funding)	\$ 134,200
All Other General Fund Projects	<u>\$2,258,400</u>
Sub-total	\$6,181,600

All Other Funds:

Beacham Water Treatment Plant Upgrade	\$2,500,000
Wastewater Treatment Plant-Exp & Upgrades (W&S)	\$2,000,000
Fleet Replacement Program	\$1,653,400
Relocate Public Utilities Operations Facility	\$1,000,000
W&S Inflow/Infiltration Abatement Program	\$1,000,000
All Other Projects	<u>\$3,373,800</u>
Sub-total	<u>\$11,527,200</u>
Total Capital Budget	<u>\$17,708,800</u>

Budget History and Trends

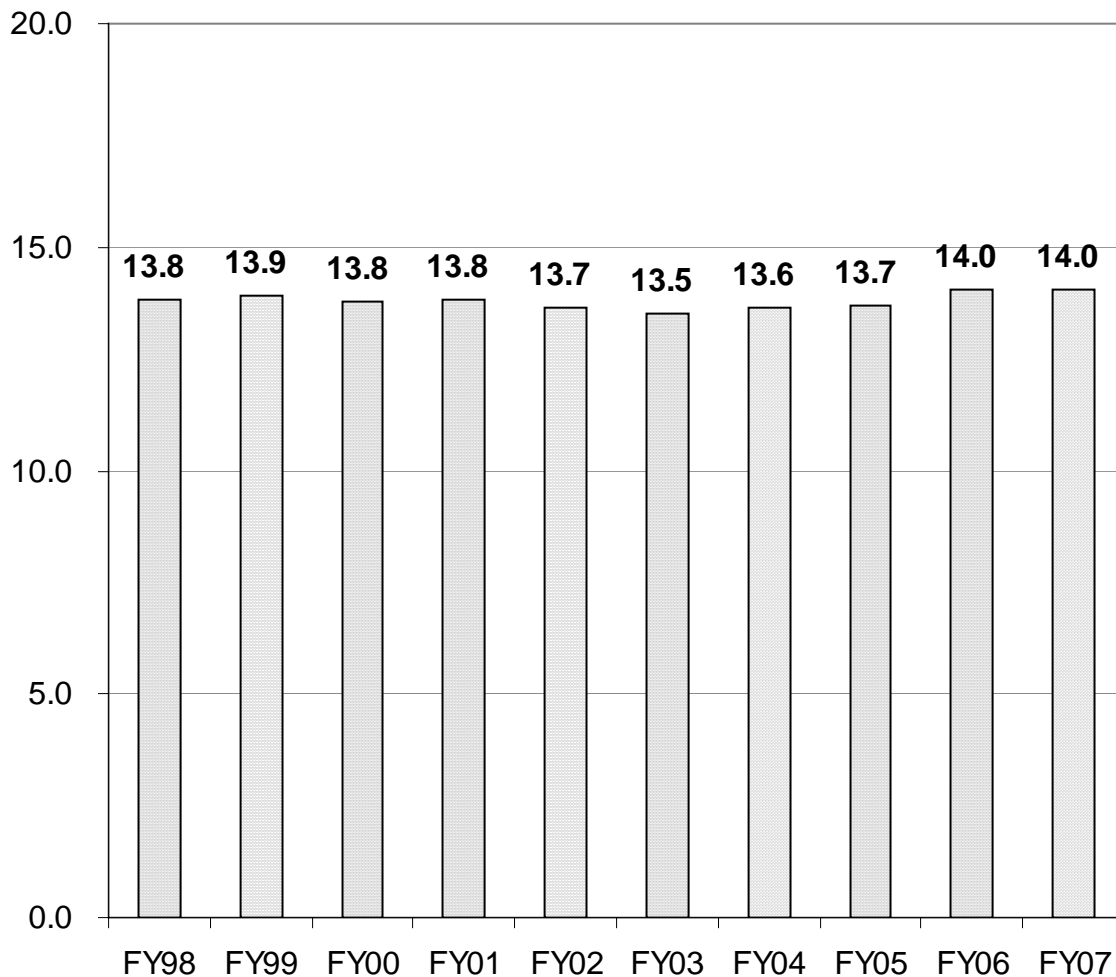
The FY07 General Fund Operating Budget is \$92.7 million, an increase of 9% over FY06. The FY07 Budget continues the trend of maintaining General Fund Operating Budget growth to levels comparable to the combined current annual increase of the CPI (3.0%) and population increase for the last year (1.0%) as shown in the graph below.



Full-time Employees: Trends and Comparisons

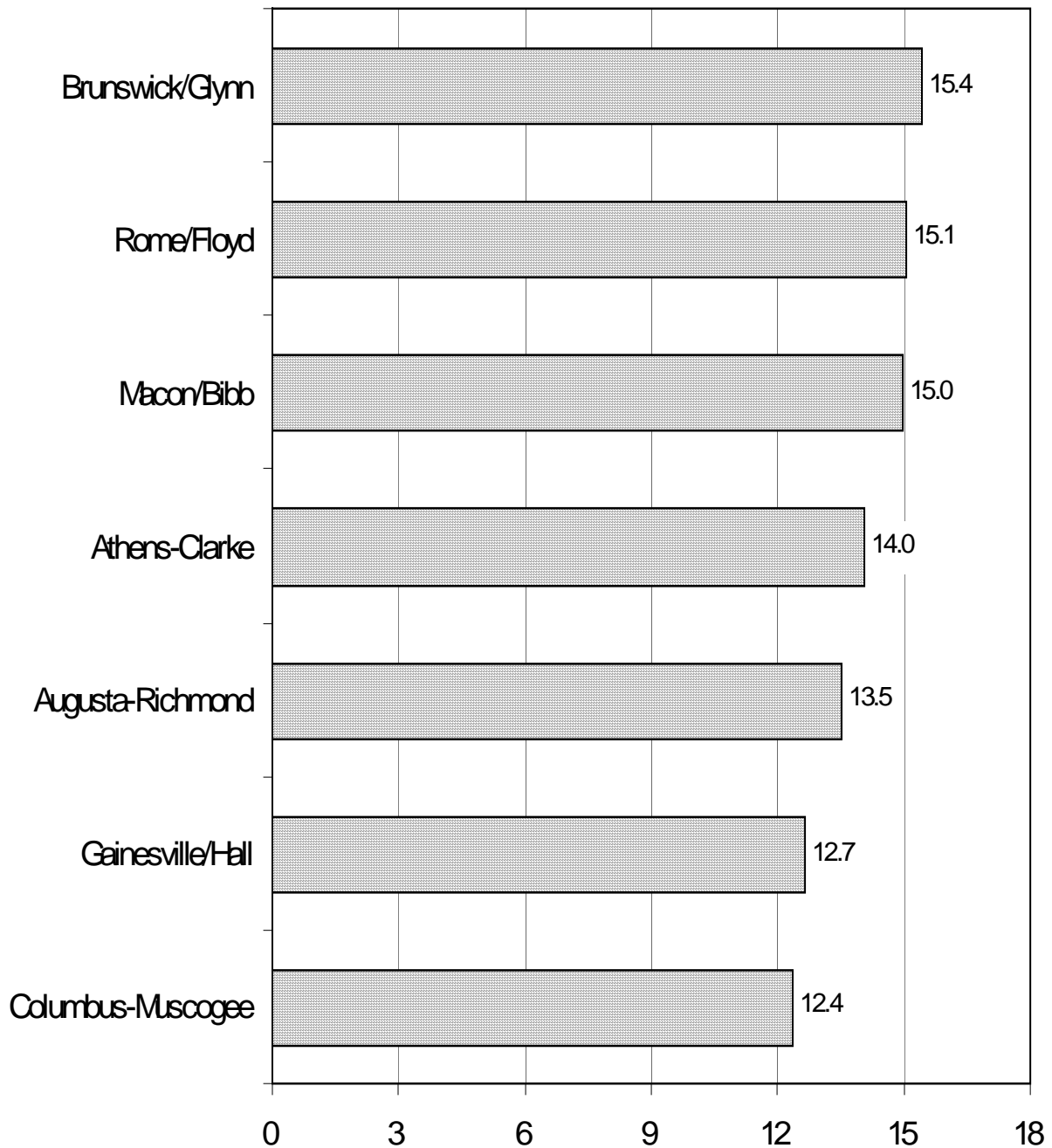
This Budget will raise the number of full-time authorized employee positions to 1,520, a net increase of 19 compared to the current level of 1,501. This increase still maintains the number of full-time employees per thousand residences at 14. The 10-year trend of full-time employees per thousand residences has remained around 14.

Employees per 1,000 Population - History



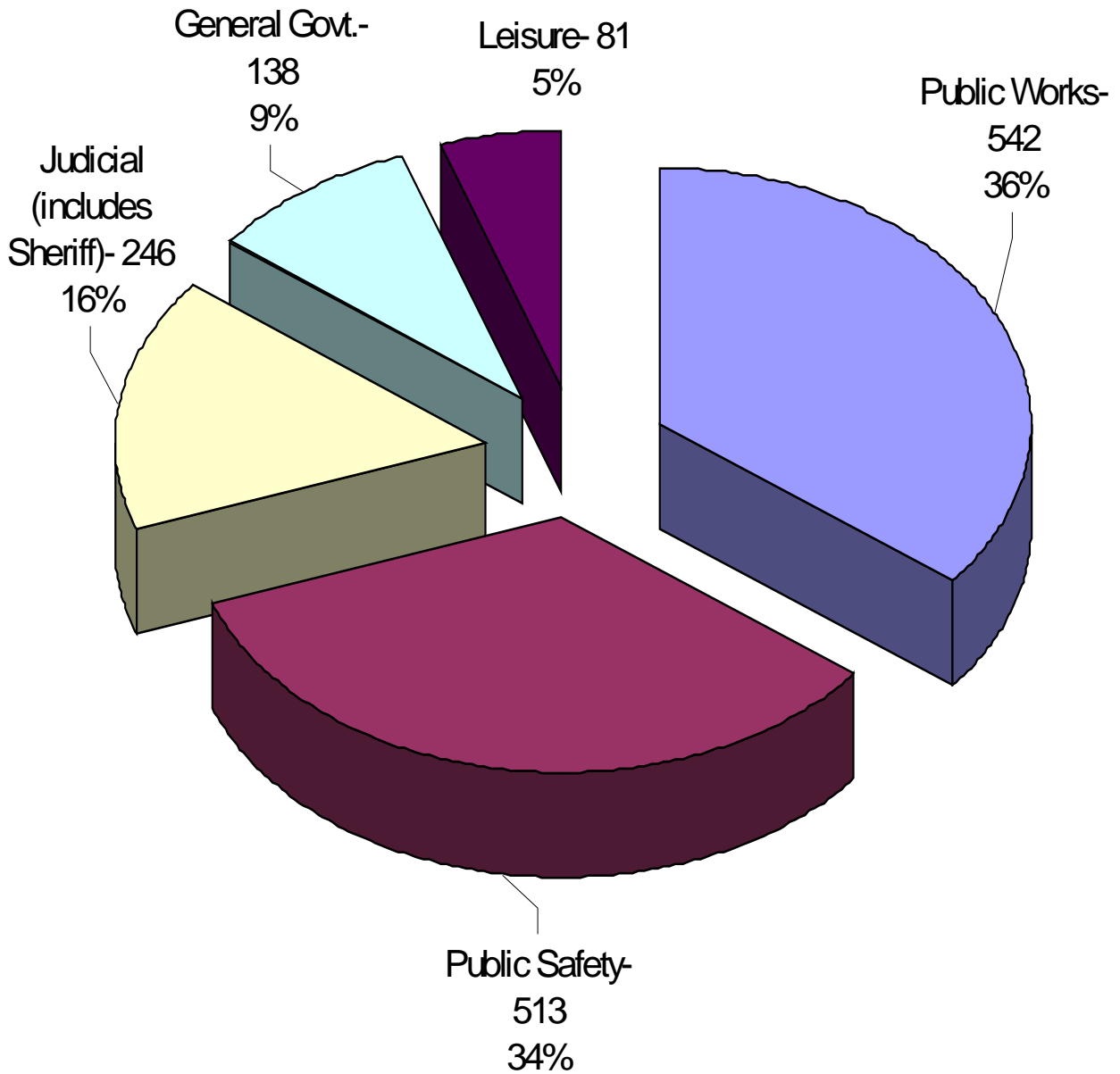
Athens-Clarke County's 14 full time employees per 1,000 of population compares favorably with similar sized governments in Georgia as shown on the graph below.

Employees Per 1,000 Population - Comparison



Full-Time Employees - By Function

Total of 1,520



FULL-TIME AUTHORIZED POSITIONS

<u>Department or Office</u>	<u>FY07</u>	<u>Change From FY06 to FY07</u>
Airport	8	--
Attorney	6	--
Auditor	3	--
Board of Elections	3	--
Building Inspections & Permits	25	--
Central Services	75	2
Clerk of Courts	17	--
Computer Information Services	18	--
Cooperative Extension	1	--
Corrections	29	2
District Attorney	12	--
Finance	28	1
Fire & Emergency Services	190	--
General Support Group: Organizational Development	3	--
Human & Economic Development	10	(1)
Human Resources	20	--
Juvenile Court	3	--
Leisure Services	80	1
Magistrate Court	9	--
Manager	6	--
SPLOST Management	3	--
Mayor and Commission Clerk of Commission	1	--
Public Information	2	--
Municipal Court	10	1
Planning	22	2
Police	294	1
Probate Court	4	--
Public Utilities	193	2
Sheriff	161	1
Solicitor General	15	--
Solid Waste	65	--
State Court	7	--
Superior Courts	8	1
Tax Assessor	14	--
Tax Commissioner	19	1
Transit	55	4
Transportation & Public Works	99	1
	<hr/>	<hr/>
	1,520	19

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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