

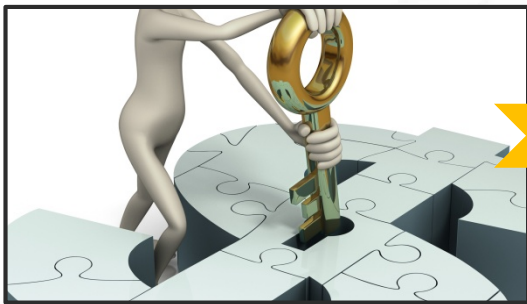
2018 Cherokee County Millage Rate

Proposed Scenarios

June 5, 2018

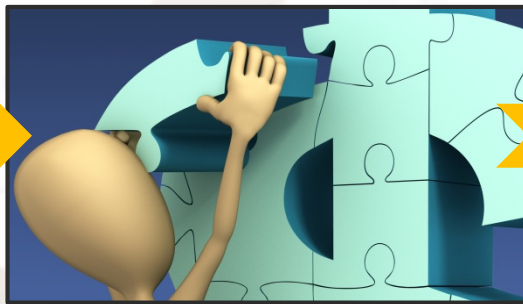


Three Steps To Calculating A Millage Rate



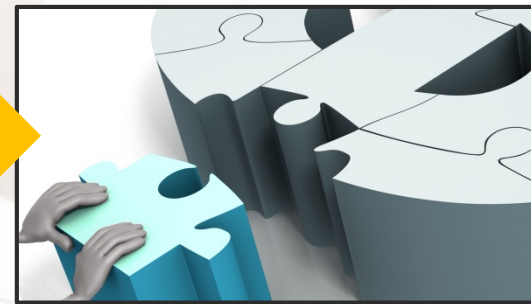
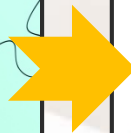
• Step #1

- Build a Zero-Based Budget for FY2019
- Departments Build Proposed Budgets Based on Current Needs
- Conduct Budget Review Meetings with the County Manager



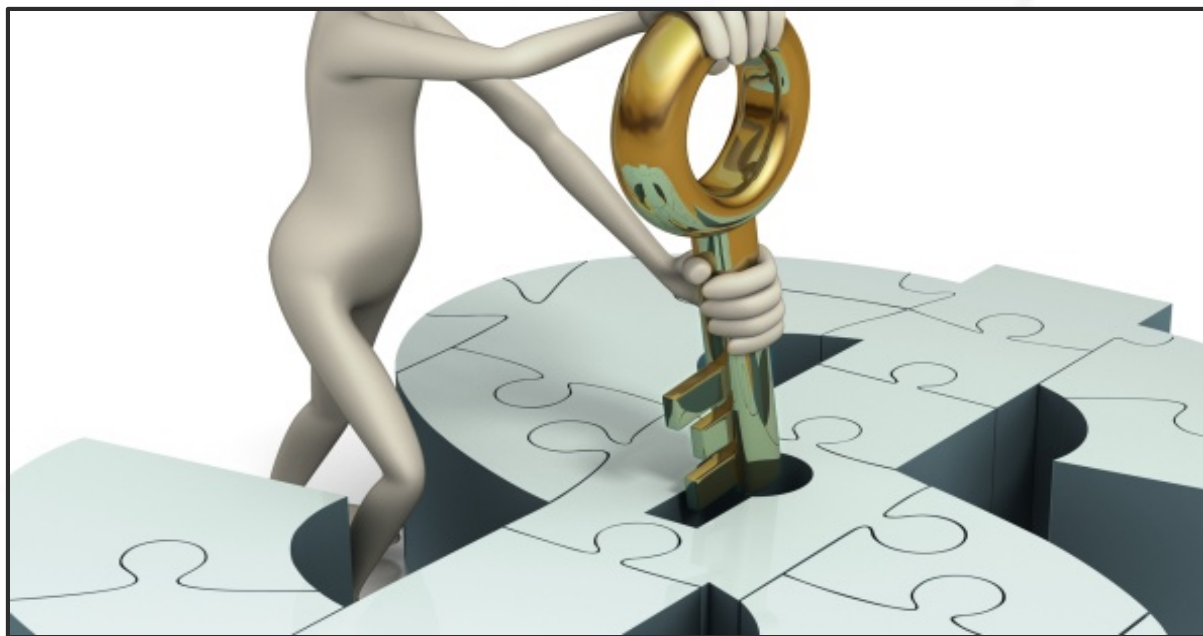
• Step #2

- Forecast All Non-Property Tax Revenues Available to Support ZBB Expenditures in FY2019
- Assess Current Run Rates, Incorporate Expected Changes



• Step #3

- Calculate 2018 Millage Rate Using Latest Tax Digest
- $ZBB \text{ Expenditures} - \text{Non Property Tax Revenues} = \text{Property Taxes Necessary to Fund Budget}$



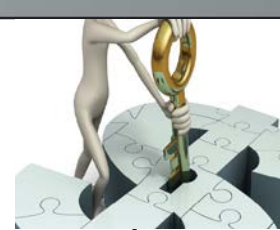
• **Step #1**

- Build a Zero-Based Budget for FY2019



General Fund Expenditures

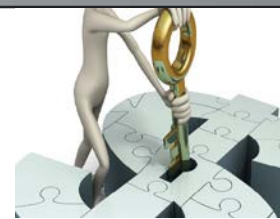
Zero-Based Budget Expenditures (Work-in-Process)



	FY2018 Revised Budget	FY2019 Proposed Budget	Var \$	Var %
General Services	14,564,770	14,469,294	(95,476)	-0.7%
Tax Administration	4,500,099	4,604,969	104,870	2.3%
Public Safety	35,412,415	36,147,181	734,766	2.1%
Judicial Services	15,113,925	15,364,599	250,674	1.7%
Public Works	5,598,454	5,596,381	(2,073)	0.0%
Library/Other	3,094,994	3,213,752	118,758	3.8%
Transfer to RRDA	889,337	876,959	(12,378)	-1.4%
Transfer to EMS	1,593,088	1,750,000	156,912	9.8%
Transfers to Other Funds	3,030,961	3,102,707	71,746	2.4%
Utilities/Allocated Costs	3,510,948	3,666,099	155,151	4.4%
Total	87,308,991	88,791,941	1,482,950	1.7%
3% COLA		1,599,696	1,599,696	100.0%
Total w/COLA	87,308,991	90,391,637	3,082,646	3.5%



General Fund Expenditures



Zero-Based Budget Variance Explanations

General Services (\$95.5k)

- One time DB payment in 2018 (\$1.5M)
- Salary Contingency +\$700k* -14 new Jailor positions in preparation of the opening of the new jail.
- Opioid/Drug Abuse Issue - +\$115k Treatment/Implementation/Education programs
- Personnel +\$362k (5 new positions)

Public Safety +\$735k

- Opioid/Drug Abuse Issue - 2 new full time positions +\$135k
 - Detective (Drug Enforcement) \$75k
 - Analyst \$60k
- Inmate medical +\$600k

Judicial Services +\$251k

- 9 new leased vehicles +\$226k

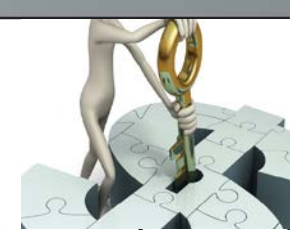
EMS transfer +\$156k

- 4 New positions +\$295k, decrease in salaries due to turnover (\$120k)

Utilities/Insurance +\$155k

- Communications +\$138k, Other Insurance +\$50k

*Funds to be released when vacancies filled



Fire Fund Expenditures

Zero-Based Budget Expenditures (Work-in-Process)

	FY2018	FY2019	Var \$	Var %
Personnel	24,117,104	25,021,830	904,726	3.8%
Operating Costs	3,372,250	3,693,788	321,538	9.5%
Capital	104,888	-	(104,888)	-100.0%
Utilities/Allocated Costs	1,540,533	1,537,118	(3,415)	-0.2%
Transfers	2,713,989	921,210	(1,792,779)	-66.1%
Total	31,848,764	31,173,946	(674,818)	-2.1%
3% COLA FIRE/EMS		795,494	795,494	100.0%
Total w/COLA	31,848,764	31,969,440	120,676	0.4%

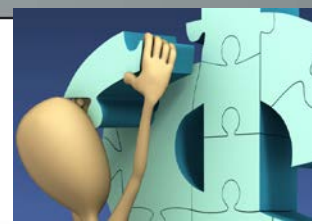
Variance Explanations:

- One time transfer to SPLOST in 2018 -\$2.1M
- 22 new Positions Fire +\$1.1M, Operating increases \$322k



- **Step #2**

- Forecast All Non-Property Tax Revenues



General Fund Revenue

Revenue Forecast for FY2019 (Work-in-Process)

	FY2018	FY2019	Var \$	Var %
Non-Property Taxes	19,220,684	20,885,000	1,664,316	8.7%
Licenses & Permits	2,922,071	2,970,000	47,929	1.6%
Charges for Services	6,385,041	6,948,500	563,459	8.8%
Fines & Forfeitures	4,209,791	4,218,000	8,209	0.2%
Miscellaneous	1,188,973	1,407,650	218,677	18.4%
Other Financing Sources	932,313	1,162,547	230,234	24.7%
Sub-total	34,858,873	37,591,697	2,732,824	7.8%
Use of Reserves	2,018,908		(2,018,908)	-100.0%
Total	36,877,781	37,591,697	713,916	1.9%

Variance Explanations:

Non-Property Taxes:

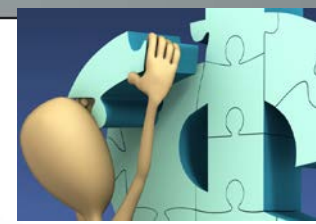
- Insurance Premium Tax +\$535k, TAVT +\$980k, Bank Franchise +\$25k

Licenses and Permits:

- Building Inspections +\$28k, Alcohol Licenses +\$10k

Charges for Services:

- Commissions on Tax Collections +\$300k, Landfill fees +\$225k, Refuse collection +\$25K



Fire Fund Revenue

Revenue Forecast for FY2019 (Work-in-Process)

	FY2018	FY2019	Var \$	Var %
Non-Property Taxes	1,666,766	1,801,000	134,234	8.1%
Licenses & Permits	60,000	65,000	5,000	8.3%
Charges for Services	4,950,845	5,892,000	941,155	19.0%
Miscellaneous	40,000	100,000	60,000	150.0%
Sub Total	6,717,611	7,858,000	1,140,389	17.0%

Variance Explanations:

Non-Property Taxes:

- TAVT +\$15K, Intangibles +\$39K, Real estate transfer +\$16k

Charges for Services :

- Fire Protection fees from Cities +\$941K



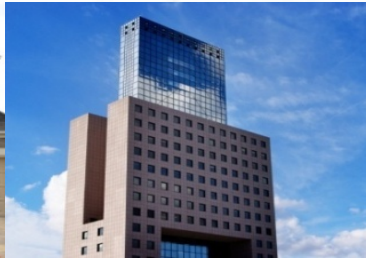
• Step #3

- Calculate 2018 Millage Rate Using
 - Latest Tax Digest



Tax Digest

2018 Experienced Growth



- M&O Digest - Assessment Notices (Before Appeals)
- From \$9.2 Billion to \$9.76 Billion = 6.06% Increase
- Existing Properties = 2.29%
- Other Growth = 3.77%

-
- M&O Digest – Estimated End (After Appeals)
 - From \$9.2 Billion to \$9.75 Billion = 5.96% Increase
 - Existing Properties = 2.27%
 - Other Growth = 3.69%

General Fund

Calculating the Millage Rate –Various Scenarios

Current Tax Rate for M & O = 5.483 mills

General Fund Reserves = \$29.4M actuals as of 9/30/2017

= \$46.4M actual as of 4/30/2018

= \$30.6M estimated as of 9/30/2018



	Rollback Rate ZBB BASE w/3% COLA Use of Reserves	
Costs:		
ZBB as Submitted	\$	88,791,941
3% COLA	\$	1,599,696
Total Net Costs	\$	90,391,637
Non-Property Tax Revenue	\$	(37,591,697)
Use of Reserves	\$	(500,000)
Amount for Property Taxes	\$	52,299,940
Tax Digest (Estimated End)	\$	9,750,175,188
Proposed Millage Rate		5.364
<i>Complete Rollback</i>		

Fire Fund

Calculating the Millage Rate – Various Scenarios

Current Tax Rate for Fire = 3.298 mills

Fire Fund Reserves = \$6.7M as of 9/30/2017

= \$16.1M as of 4/30/2018

= \$5.2M estimated for 9/30/2018

	Current Rate ZBB BASE w/3% COLA, Use of Reserves	Proposed Rate ZBB BASE w/3% COLA, Use of \$500k Reserves	Rollback Rate ZBB BASE w/3% COLA, Use of Reserves
Costs:			
ZBB as Submitted	\$ 31,173,946	\$ 31,173,946	\$ 31,173,946
COLA	\$ 795,494	\$ 795,494	\$ 795,494
Total Net Costs	\$ 31,969,440	\$ 31,969,440	\$ 31,969,440
Non-Property Tax Revenue	\$ (7,858,000)	\$ (7,858,000)	\$ (7,858,000)
Use of Reserves	\$ (285,000)	\$ (500,000)	\$ (995,000)
Taxes	\$ 23,826,440	\$ 23,611,440	\$ 23,116,440
Tax Digest (Estimated End	\$ 7,224,814,269	\$ 7,224,814,269	\$ 7,224,814,269
Proposed Millage Rate	3.298	3.269	3.200
<i>Increase compared to Rollback</i>	<i>3.06%</i>	<i>2.16%</i>	<i>0.00%</i>



Parks Bond Debt Service Calculating the Millage Rate



Parks Bond Debt Service	Required Rate
Total Net Costs	\$ 5,760,911
Non-Property Tax Revenue	\$ (413,900)
Amount for Property Taxes	\$ 5,347,011
Tax Digest (Estimated End)	\$ 10,639,537,207
Proposed Millage Rate	0.503

The required rate is .078 mills (13.43%) less than the current rate of .581.
It is also .059 mills (10.50%) less than the rollback rate of .562.

Average Homeowner Impact

Average Home Assessment = \$256,300

	Current Rates	Proposed Rates ZBB W/3% COLA and Use of \$500k GF Reserves Use of \$500k FF Reserves
<u>Millage Rate</u>		
General M&O	5.483	5.364
Fire Fund	3.298	3.269
Parks Bond	0.581	0.503
Total Rate	9.362	9.136
		-2.41%
<u>Dollar Impact</u>		
General M&O	\$534.70	\$523.10
Fire Fund	\$338.11	\$335.14
Parks Bond	\$59.56	\$51.57
Total Rate	\$932.38	\$909.80
Difference \$		-\$22.57
Difference %		-2.41%

Breakdown of County M&O

What Services Are Provided for \$523.10?

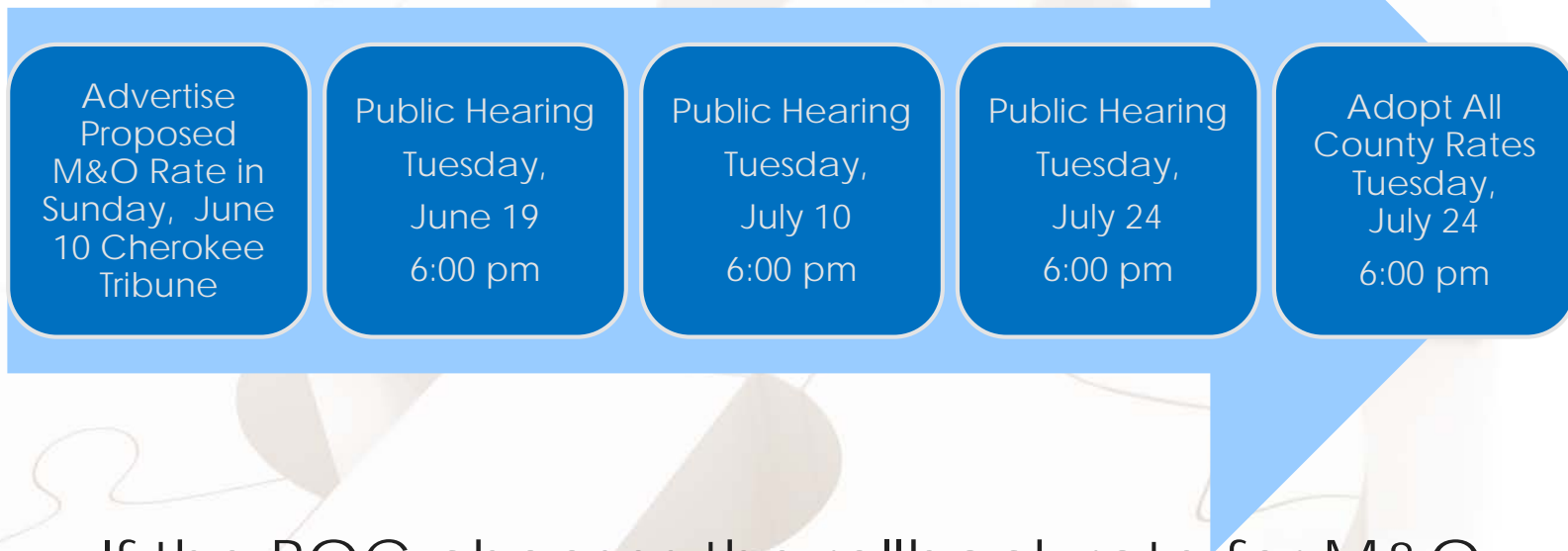
The M&O amount shown is based on the ZBB w/3% COLA and use of \$500k reserves



ESTIMATED 2018 BUDGET FOR GENERAL FUND OPERATIONS	TOTAL BUDGET	\$ FUNDED BY PROP TAXES	DEPT % OF TOTAL	YOUR TAX DOLLARS GO TO:
General Admin Services	3,962,186	2,292,492	4.38%	\$22.93
Tax Administration	4,687,881	2,712,374	5.19%	\$27.13
Community Development	3,527,298	2,040,869	3.90%	\$20.41
Health & Human Services	209,130	121,001	0.23%	\$1.21
Elections	773,263	447,404	0.86%	\$4.47
Information Technology	2,726,261	1,577,395	3.02%	\$15.78
Libraries	2,254,116	1,304,215	2.49%	\$13.04
Judicial Services	15,618,959	9,037,015	17.28%	\$90.39
Law Enforcement	38,868,337	22,488,935	43.00%	\$224.93
Coroner	211,942	122,628	0.23%	\$1.23
Public Works	5,766,964	3,336,723	6.38%	\$33.37
RRDA Debt Service	876,959	507,402	0.97%	\$5.07
Youth Services & Other Community	571,517	330,676	0.63%	\$3.31
Property Management	1,901,963	1,100,462	2.10%	\$11.01
<u>Transfers to Other Funds:</u>				\$0.00
Senior Services	619,935	358,690	0.69%	\$3.59
Parks and Recreation	1,489,227	861,656	1.65%	\$8.62
Transportation	390,105	225,712	0.43%	\$2.26
Animal Shelter	519,495	300,576	0.57%	\$3.01
Emergency Medical Services	1,750,000	1,012,537	1.94%	\$10.13
Allocated Costs (WC, Utilities)	3,666,099	2,121,178	4.06%	\$21.22
TOTAL GENERAL FUND	90,391,637	52,299,940	100%	\$523.10



Next Steps



If the BOC chooses the rollback rate for M&O then no public hearings will be needed. The advertisement of the 5 year digest will run at least a week prior to the meeting to adopt all county rates.