

BUDGET GUIDE

The 2018 - 2019 Annual Budget is divided into thirteen (13) sections whose contents are explained below. This Budget Guide is provided to summarize the information contained in each section and to assist the reader in finding information.

Section I - City Manager's Message

This section includes the City Manager's transmittal letter, the strategic plan, organizational accomplishments, and the adopted budget ordinance. Also included in this section are the revenue and expenditure recaps for the General Fund, Special Funds, Self-Sustaining Enterprise Funds, Supplemented Enterprise Funds, and the Utility Internal Service Fund.

Section II - Policies and Procedures

This section outlines the policies used to guide the preparation and management of the City's annual budget. This section also provides detailed information on budget development, budget adoption, the accounting policies and procedures for Fund Accounting, Governmental Funds, Debt Services, Central Services, and Revenue and Expenditure policies. In addition, this section includes the FY 19 budget calendar.

Section III - Revenue and Expenditures / Expenses

This section begins with a chart showing the relationship between funds, in addition to a chart showing the percentages of expenditures as it relates to personnel services, operating expenses, cost of goods sold, and capital improvement. Included in this section is a summary of the General Fund revenue sources and expenditure/expense categories for the 2018 - 2019 budget. This information is categorized by the following fund accounts:

- General Fund
- Special Funds
- Self-Sustaining Enterprise Funds
- Supplemented Enterprise Funds
- Utility Internal Service Fund

Section IV - Supplemental Information

In this section pertinent information is reported on the budget that analyzes trends and outlines the recent policy decisions that have impacted the City's budget, and its financial position. This section provides the reader with an overview of revenues/expenditures, debt and tax digest information, and personnel information.

Section V - General Fund Expenditure Detail

The General Fund is the City's major operating fund. It accounts for all financial resources and expenditures that are not accounted for in specific purpose funds. The General Fund finances most of the regular day-to-day operations and accounts for approximately 23% or \$62,135,022 of the budgeted appropriation. It consists of the

following departments: Legislative, City Manager's Office, Law Department, Municipal Court, Human Resources, Central Services, Finance, License & Business Support, Technology & Communication, Planning/Code Enforcement, Police, Fire, Engineering, Recreation, and Facilities/Grounds Management. It also contains appropriations to independent agencies. The General Fund depends on revenues generated from such sources as property taxes, sales taxes, utility transfers, service charges, business licenses and permits, insurance taxes, and other revenue to cover its operating costs.

Section VI - Special Funds Expenditure Detail

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. About 6% or \$15,313,464 of the FY 19 Budget is allocated to Special Fund activities. Included in the Special Funds are Community & Economic Development, CAD 911, Hotel/Motel, Capital Improvement, Tax Allocation District (TAD), Job Investment, R3M, and Grant Funds. The Albany Convention and Visitors Bureau receives \$725 thousand of current year's actual Hotel/Motel tax revenue to promote tourism and growth in Albany.

Also included under Special Funds is the Debt Fund. However, the City does not have any active General Obligation Bonds that require repayment. Therefore, only the Capital Improvement Fund is financed through revenues received from the General Fund.

To encourage development in the Albany Riverfront and Gateway Development Plan the Commission established a Tax Allocation District (TAD) for that area. A TAD allows the City to sell bonds to finance infrastructure and other redevelopment costs within the designated district.

The Job Investment Fund was created to provide monies to companies that meet established criteria that are considered to be long term investments in the City of Albany.

Section VII - Self-Sustaining Enterprise Funds (Utility Funds)

With projected revenues of \$103,631,108, the Light Fund it is easily the largest revenue generating enterprise fund for the City of Albany. Expenses are projected to be \$101,478,615, resulting in net income of \$2,152,493. This fund represents about 37% of the total budget. Its 33,008 customers include residential, commercial, and industrial.

The Gas Fund is projected to generate \$17,284,838 in revenue through charges for service and incur \$16,026,782 in expenses, resulting in a net income of \$1,258,056. The fund represents about 6% of the total budget. It provides natural gas services to approximately 12,598 customers in Dougherty and Lee Counties.

The Sanitary Sewer Fund is projected to generate \$15,953,100 in revenue primarily through user fees and incur \$15,508,754 in expenses, resulting in a net income of \$444,346. This fund represents about 6% of the total budget. Included under the Sanitary Sewer Fund are Wastewater Treatment, Lift Stations,

Wastewater Sampling, and Sanitary Sewer Maintenance. This Division of Public Works is responsible for the treatment of the City's wastewater and for disposal of sewage sludge in accordance with Environmental Protection Division's guidelines. This division is also responsible for the maintenance of all sanitary sewers and for the installation of new taps and sewer extensions within the city limits of Albany.

The list of self-sustaining enterprise funds continues with the Water Fund. It is expected to generate \$12,024,082 in revenue and incur \$12,017,933 in expenses, resulting in net income of \$6,149. The fund represents about 4% of the total budget. The fund provides 14 million gallons of water per day over 35,150 customers. While Water Distribution is responsible for these figures, the fund also includes Water Production. This department is capable of producing 36 million gallons per day from 38 dry wells. This is a vital resource for future economic development.

The Solid Waste Fund is expected to generate \$10,450,428 in revenue through service charges and incur \$10,216,672 in expenses, resulting in a net income of \$233,756. This fund represents about 4% of the total budget. Included under the Solid Waste Fund are Solid Waste Administration, Solid Waste Removal/Residential East, Solid Waste Removal/Residential West, Solid Waste Removal/Commercial and Special Services. This division is responsible for collecting and properly disposing of solid waste and recyclables generated by both residential and commercial customers. This division serves approximately 24,851 residential customers, with a private contractor providing service to over 11,000 of these. The division also serves almost 1,200 commercial customers.

The Storm Water Fund is projected to generate \$4,347,493 in revenue through user fees and incur \$6,201,179 in expenses. Also, Sewer is transferring additional revenue of \$1,303,680 in FY 2019, resulting in a net loss of \$550,006. The Storm Water Fund represents about 2% of the total budget. Engineering Storm Water, Street Sweeping, Asphalt/Concrete, Grading/Construction and Storm Maintenance are included in this fund. The responsibility of the Storm Water Fund is to provide storm water management services to include drainage system operation and maintenance of ditches, canals and ponds, and storm water pump stations, and to provide street sweeping services necessary for the collection and disposal of storm water-related debris. Other functions include maintenance of existing storm water infrastructure and installation of new storm water conveyance systems.

The Telecommunication Fund is the last of the self-sustaining enterprise funds. Revenue is expected to be \$3,221,791 and expenses are projected to be \$3,478,669, resulting in net loss of \$256,879. The fund represents approximately 1% of the total budget. Telecom provides excellent fiber optic based services to businesses in Albany and Dougherty County. The fund serves approximately 873 connections to their customers.

Section VIII - Supplemented Enterprise Funds

The approved program and expense plan is recorded in this section for the Supplemented Enterprise Funds which include the following: Airport, Civic Center/Municipal Auditorium, and the Transit System. Because these funds are not self-sustaining, they are budgeted to receive subsidies from the General Fund in the amounts of \$966,250, \$961,936, and \$1,513,217 respectively.

Section IX - Utility Internal Service Fund

The Utility Internal Service Fund provides support for all of the utility enterprise funds (Light, Sewer, Gas, Water, Solid Waste, Storm Water, and Telecom). It is comprised of eight (8) departments: Utility Management and Board, Investigations, Engineering, Marketing, HDD, Energy Control/ Techs, Vegetation Management, and Customer Service. The projected budget for this fund is \$13,613,946 in FY 2019.

Section X - Capital Improvement Program

This section includes all of the approved FY 2019 Capital Outlay/Improvement requests for the General Fund, Special Funds, Utility Internal Service Fund, and the Enterprise Funds. The capital outlay expenditure plan is listed by Department/Division. General Fund expenditures are budgeted to be \$4,783,150, while the Utility Internal Service Fund and Enterprise Funds are expected to have \$442,317 and \$15,165,837 in capital expenses, respectively. The City has the expectation of funding the AMI/Streetlight Project for approximately \$30 Million with debt service. Also included in this section are the Georgia Municipal Association Lease Pool (GMA) capital requests.

Section XI - SPLOST VII

The Special Purpose Local Option Sales Tax (SPLOST) VII is a referendum approved by voters in November 2016 that allows for an extra penny in sales tax to fund a diverse list of community projects. It is not a separate tax; Georgia law allows local jurisdictions to use SPLOST proceeds to fund capital improvement projects that would otherwise be paid for with General Fund and property tax revenues. SPLOST VII expenditures for FY 2019 are projected to be \$10,335,000.

Section XII - Sponsored Operations

These are Special Funds that have been established to carry out projects or programs that are not funded through the normal operating & capital budget process. These funds are used to account for resources received from outside agencies and are restricted for a specific purpose. This section includes Federal and State Grants.

Section XIII - Appendix

This section contains a glossary of terms that may be useful in assisting the individual to interpret the budget.