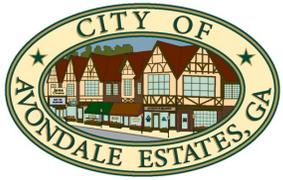




# City Finances 101

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# Financial Plan Criteria

## Minimum Operating Requirements + Debt

- What does the city need to operate effectively and efficiently to pay for operations and prior commitments.

## Maintenance

- What is needed to maintain and update equipment and property

## New Projects & Strategic Investments

- What strategic investments are needed to improve quality of life, stimulate economic development, and diversify/stabilize economic future



# Millage Rate = Property Tax Rate

1 mill = \$1 for every \$1,000 of assessed property value

1.0 Mill = .001

City's Existing and Proposed Millage Rate: .0098

---

**Appraisal** = property value determined by county tax assessor

**Assessed value** = 40% of appraisal

*To calculate your taxes, move the millage rate's decimal place three times and multiple your property's assessed value by that number (.0098)*

**Example:**

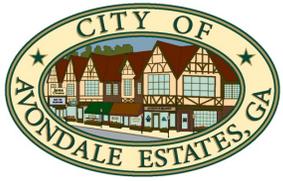
*Property Appraisal = \$300,000*

*Assessed Value = 40% of appraised value*

*Assessed Value:  $300,000 \times .40 = \$120,000$*

*Property Taxes = Assessed Value x Millage Rate*

*City Property Tax:  $\$120,000 \times .0098 = \$1,176$*



# City v. Other Full-Service DeKalb Cities

Dekalb Full-Service Cities	2022 Millage Rate	CID
Pine Lake	18.422	
Stone Mountain	16.5	
Clarkston	14.89	
Atlanta	13.329	yes
Decatur (on 50% vs 40% of assessed value)	13.17	
Lithonia	11.021	
<b>Avondale Estates</b>	<b>9.8</b>	
Brookhaven	7.29-10.45	yes
Chamblee	6.25-11.25	yes
Dunwoody	3.04-7.040	

One of Lowest  
Tax Rates

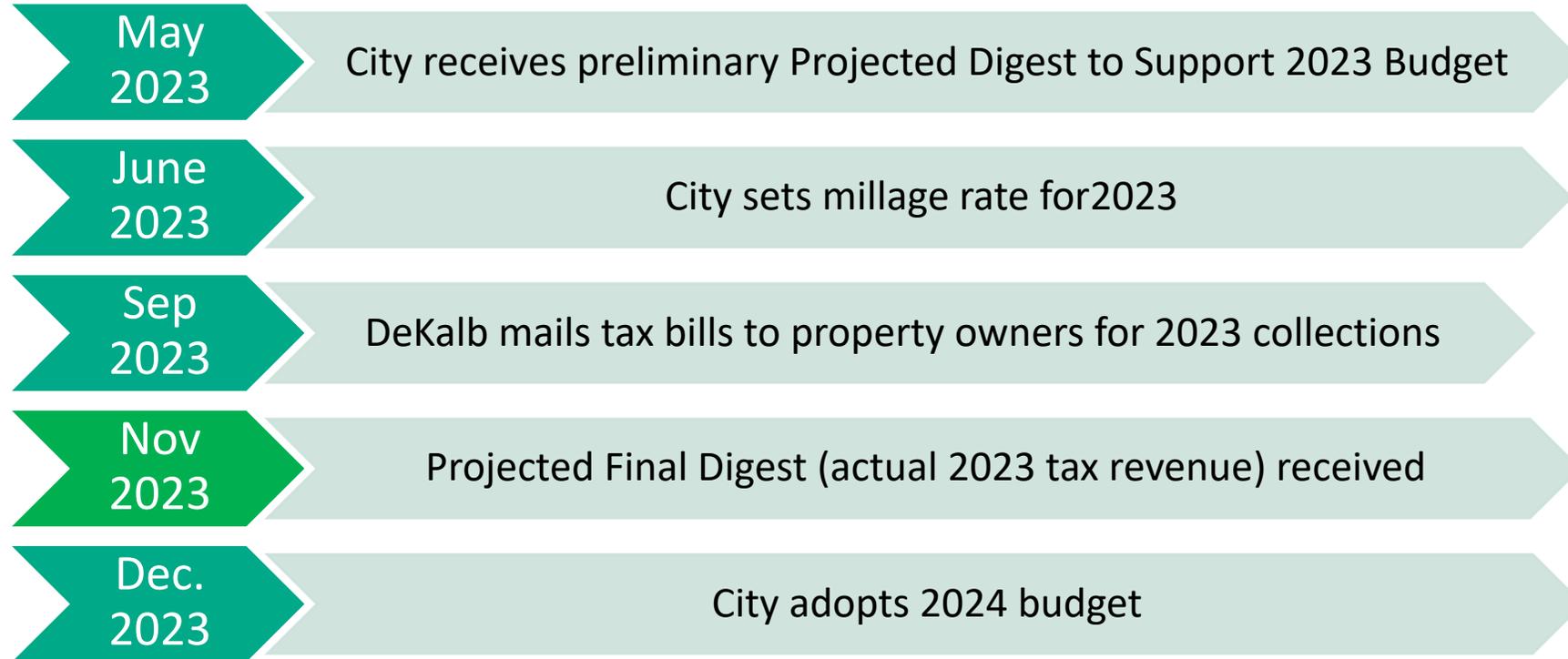
**Commercial Improvement Districts (CID):** Each independent commercial district votes to tax itself for public services and infrastructure investments. Millage rates vary from 3 to 5 additional mills on top of base mills in that geographic area.

*NOTE: Larger cities have **alternative resources** and a larger **commercial tax base***

*Source: Georgia Department of Revenue*



# Annual Millage and Budget Timeline



**Digest:** an official listing of all property owners, the assessed value of their property, and the taxes levied on this property.

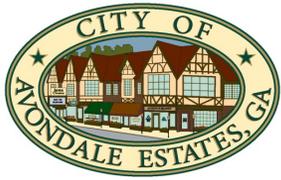
**Note:** budgets can be amended at any time to address changes in financial info



# 2022 Final Digest Expected to be Less than Draft Digest

2022 Draft Digest: Projected Revenue	=	\$3,213,833
Less Anticipated Value Loss	=	\$136,058
<hr/>		
<b>2022 Projected Final Digest Revenue</b>	<b>=</b>	<b>\$3,077,775</b>

*Can't compare 2022 Actual Digest to 2023 Projected Digest.*



# 2023 Draft Digest: \$3.4M Projected Property Revenue

## DRAFT DIGEST: PROJECTED 2023 PROPERTY REVENUE

Residential	=	\$293,592,179
Commercial	=	\$ 80,680,565
Industrial	=	\$ 13,026,508
Public Utility	=	\$ 2,062,410
Moto Vehicle	=	\$ 1,024,100

---

**Gross Value** = **\$390,385,762**

**MINUS**

Exemptions = **\$ 43,306,805**

---

**TOTAL** = **\$347,078,957**  
x .098 (millage rate)

**Projected 2023**

**Property Tax Revenue = \$ 3,401,374**



# Comparing Apples to Apples or at Least Closer

2022 Projected Final  
Digest

2023 Preliminary Digest

2023 Estimated  
Adjustments

2023 Estimated Final  
Digest

\$3,077,775

\$3,401,374

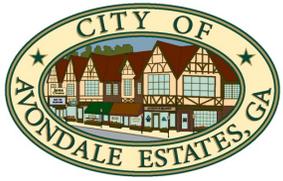
~\$170,068 (5%)

\$3,231,279

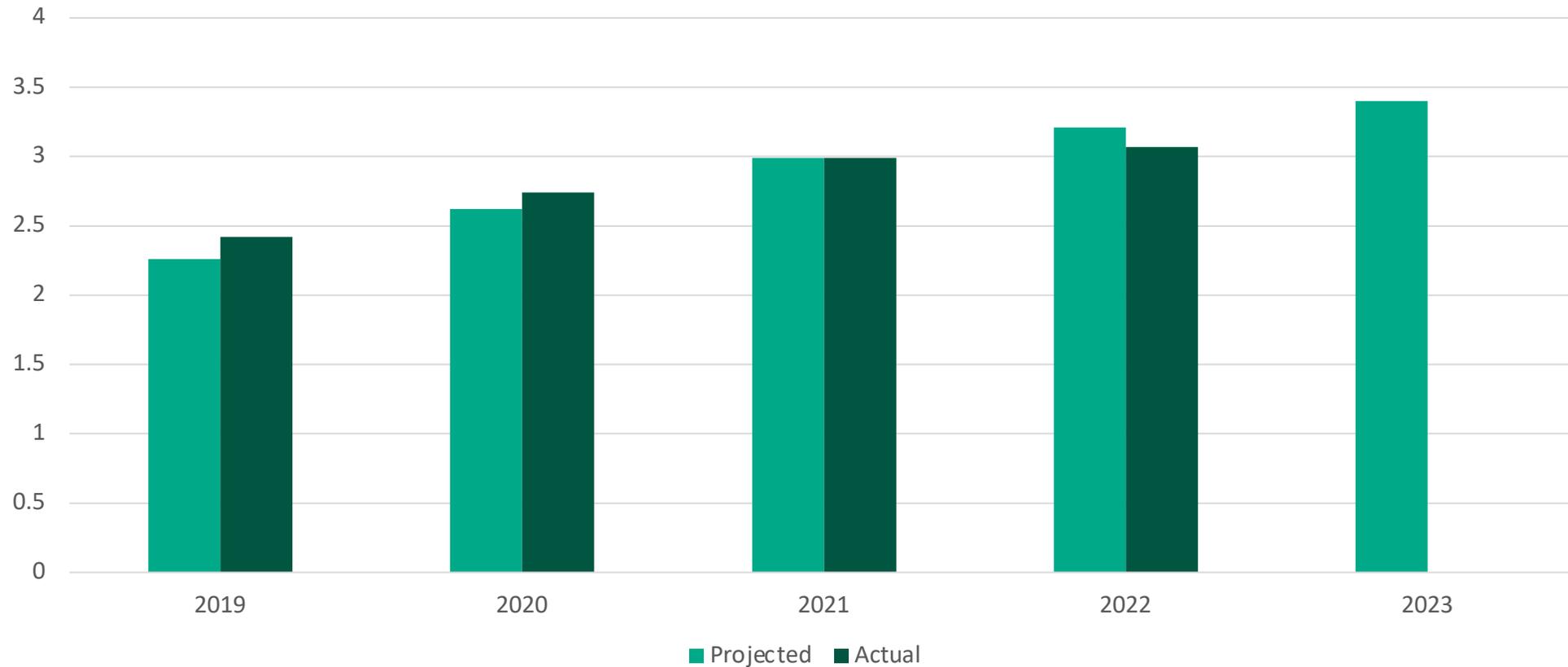
Comparing  
2022 Final Digest to 2023  
Preliminary

BUT  
doesn't account for adjustments

Comparing  
2022 Final Digest to  
2023 Estimated Final Digest  
provides more accurate numbers  
(still an estimate)



# Trend: 2019-2023 Projected Digest v. Actual Digest



Actual Digest varies from year to year. The city is assuming that the 2023 Actual Digest will be less than the 2023 Projected Digest is based on 2022 numbers.



# 2023 Tax Position to Date

Estimated 2023 property tax revenue based on '23 Budget = \$3,467,201

## **MINUS**

Projected 2023 taxes collected = \$3,401,274

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**Anticipated shortfall to make up = \$ 65,827**



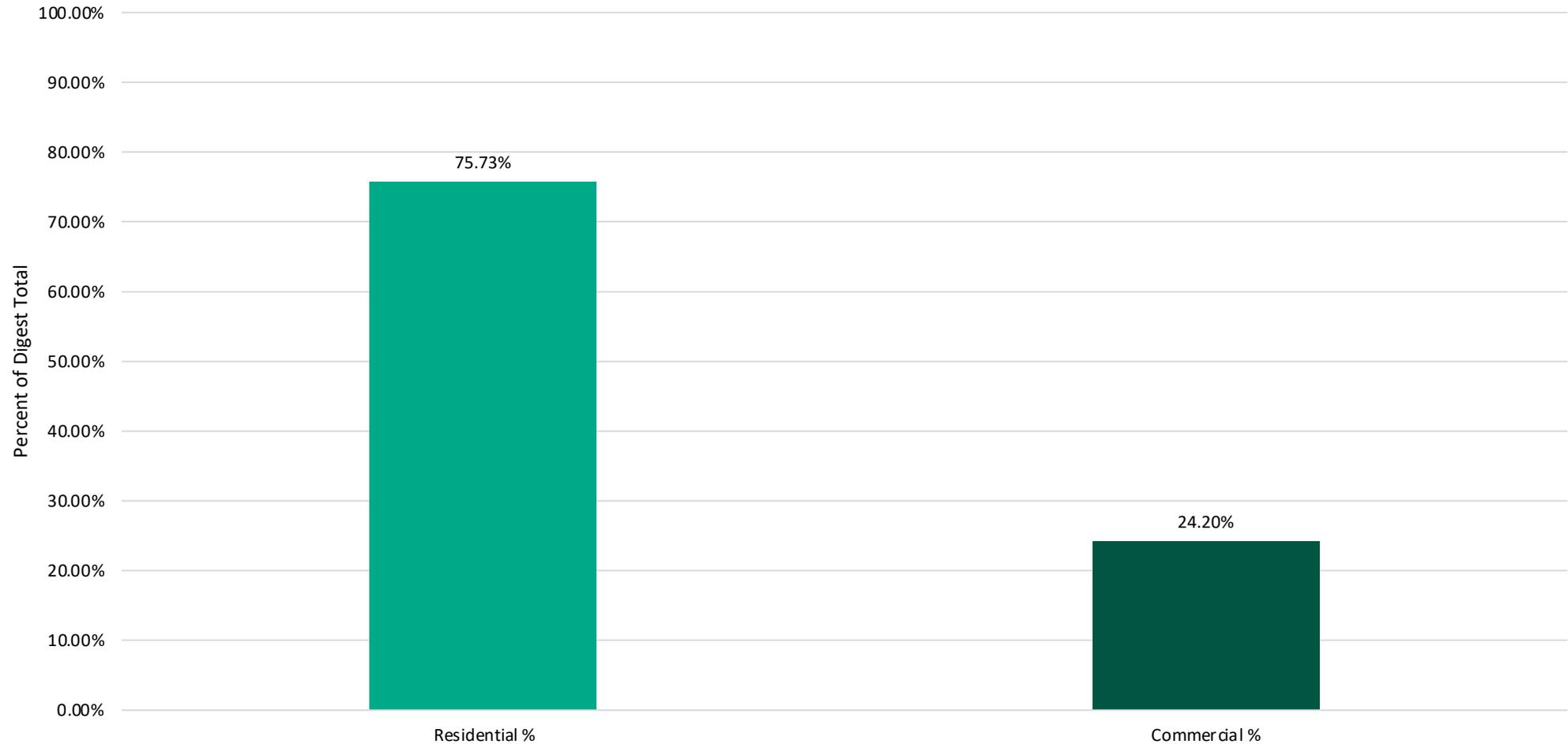
# Factors Driving 2023 Preliminary Digest Increases

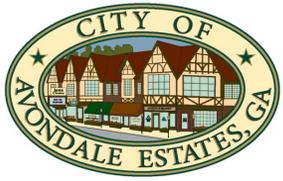
- Additional properties = 26 new residential properties
- Increased commercial value = \$4 million
- Re-appraisals generated properties sold



# 2023 Avondale Estates Preliminary Digest Breakdown Residential, Commercial and Industrial

Assessed Value Comparison - Avondale Estates

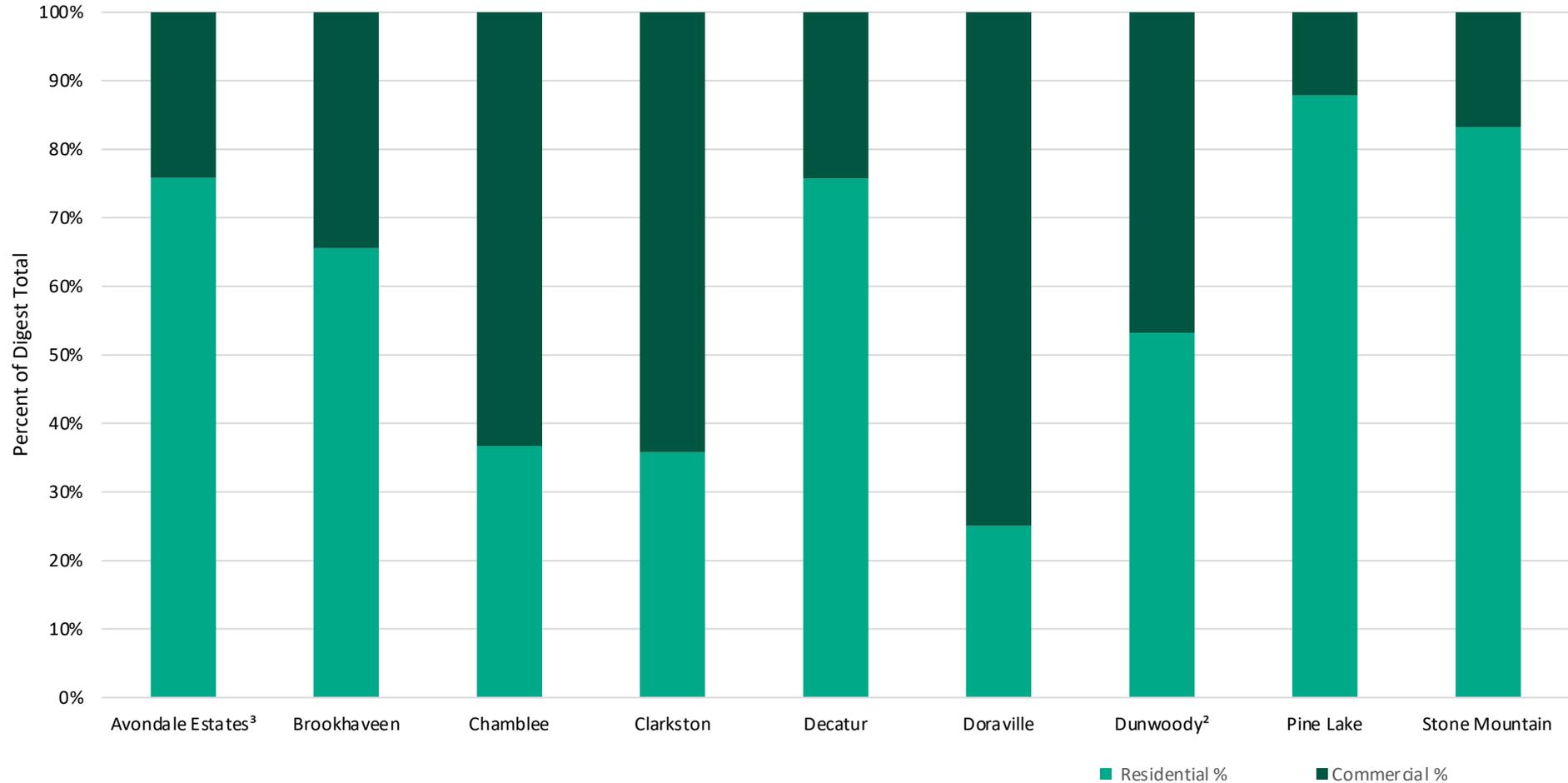


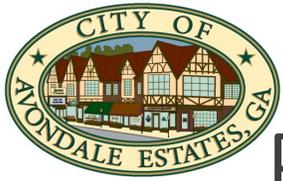


# AE Collects Lower Percentage of Commercial Taxes

MORE LAND AREA AND MORE COMMERCIAL PROPERTY ENABLES DIVERSIFICATION OF REVENUE SOURCES

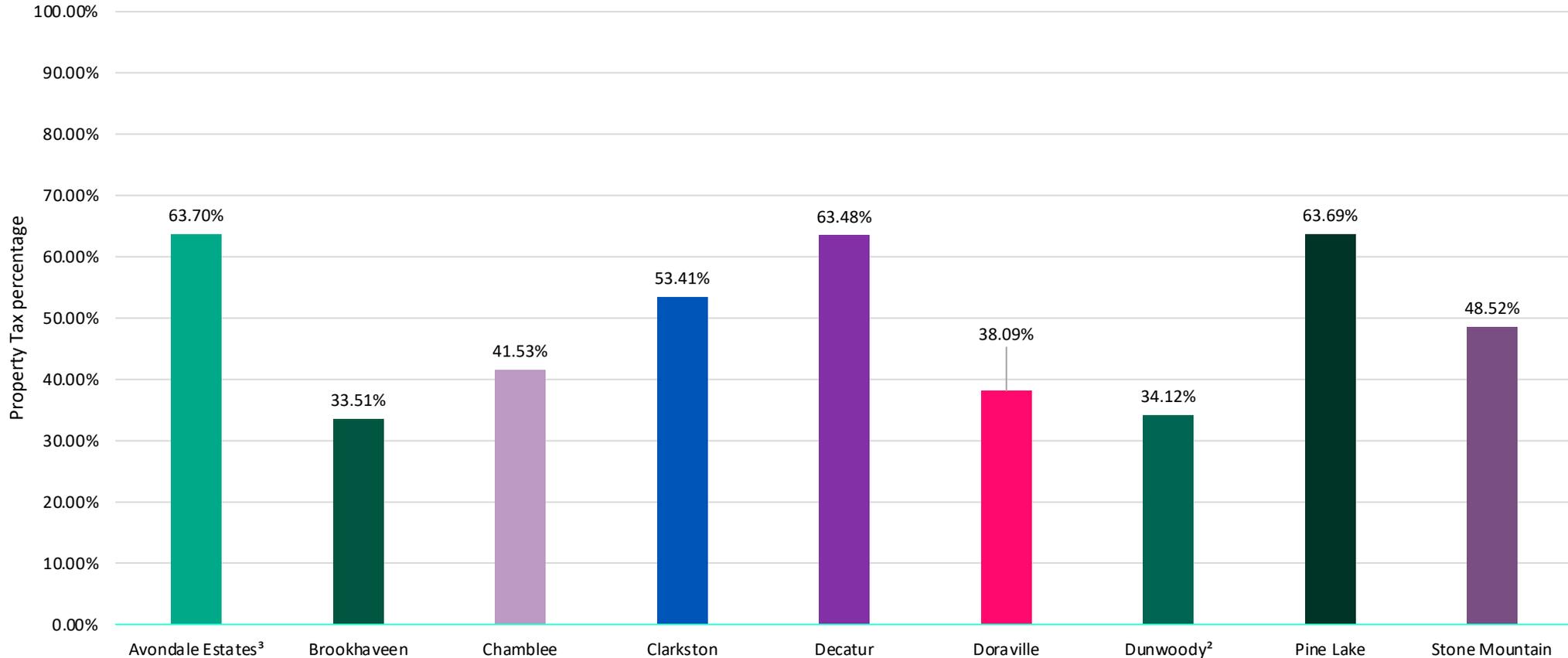
Assessed Value Comparison



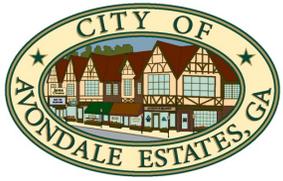


# AE % of Budget More Dependent on Real Property Revenue than other DeKalb Cities

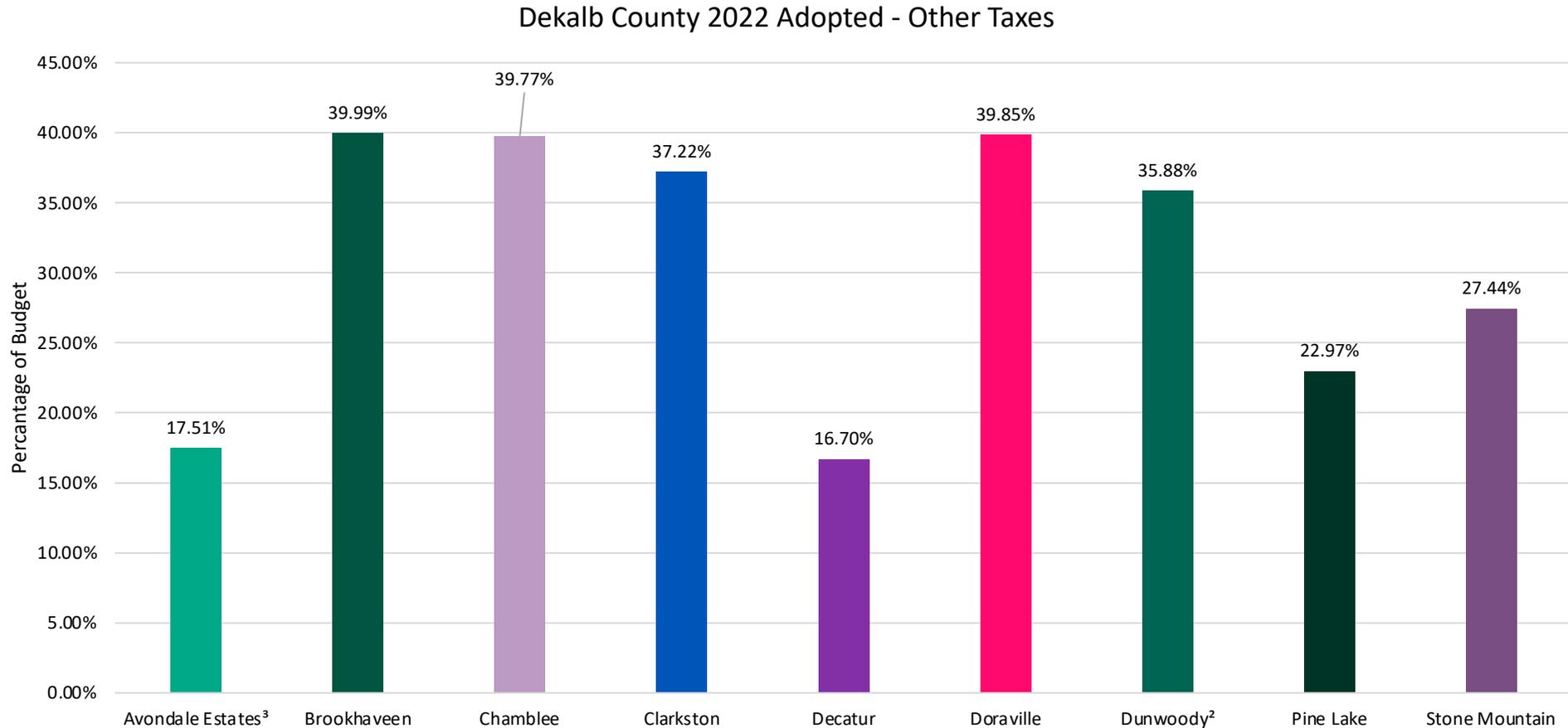
DeKalb County Cities General Fund - 2022 Adopted Budgets



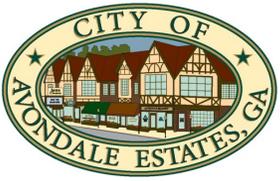
Variable property tax depends on the location in that city. Value is based on commercial and residential from tax digest. Industrial, utility and motor are taken out to calculate real property taxes



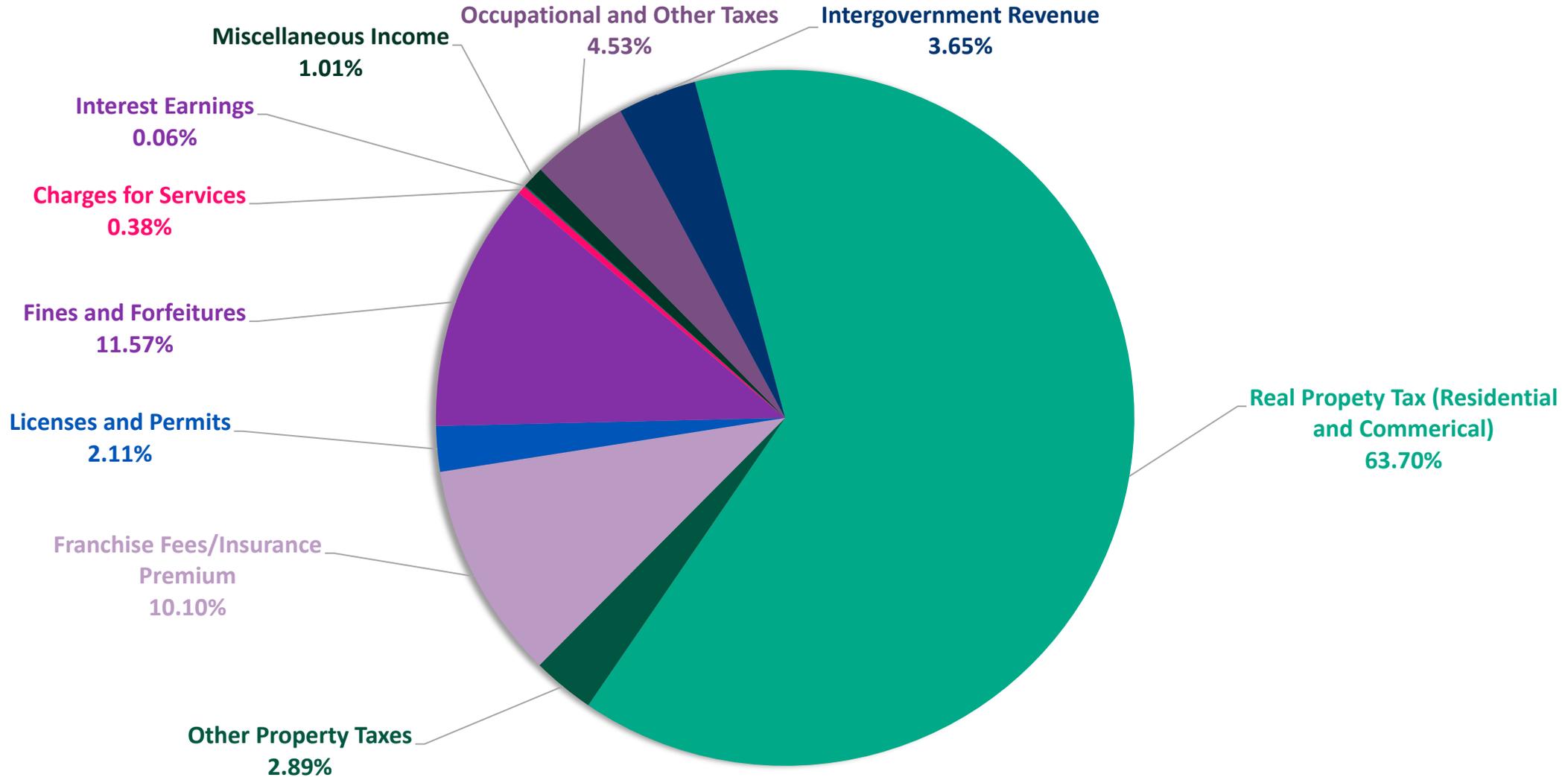
# Other Dekalb Cities More Diverse Tax Sources



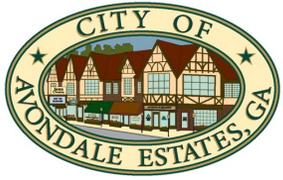
Other typical tax sources include insurance, business licenses and franchise fees.



# General Fund: % and Type of Revenue Sources Adopted 2023 Budgeted

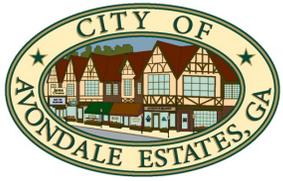


**GOAL: diversify revenue sources**

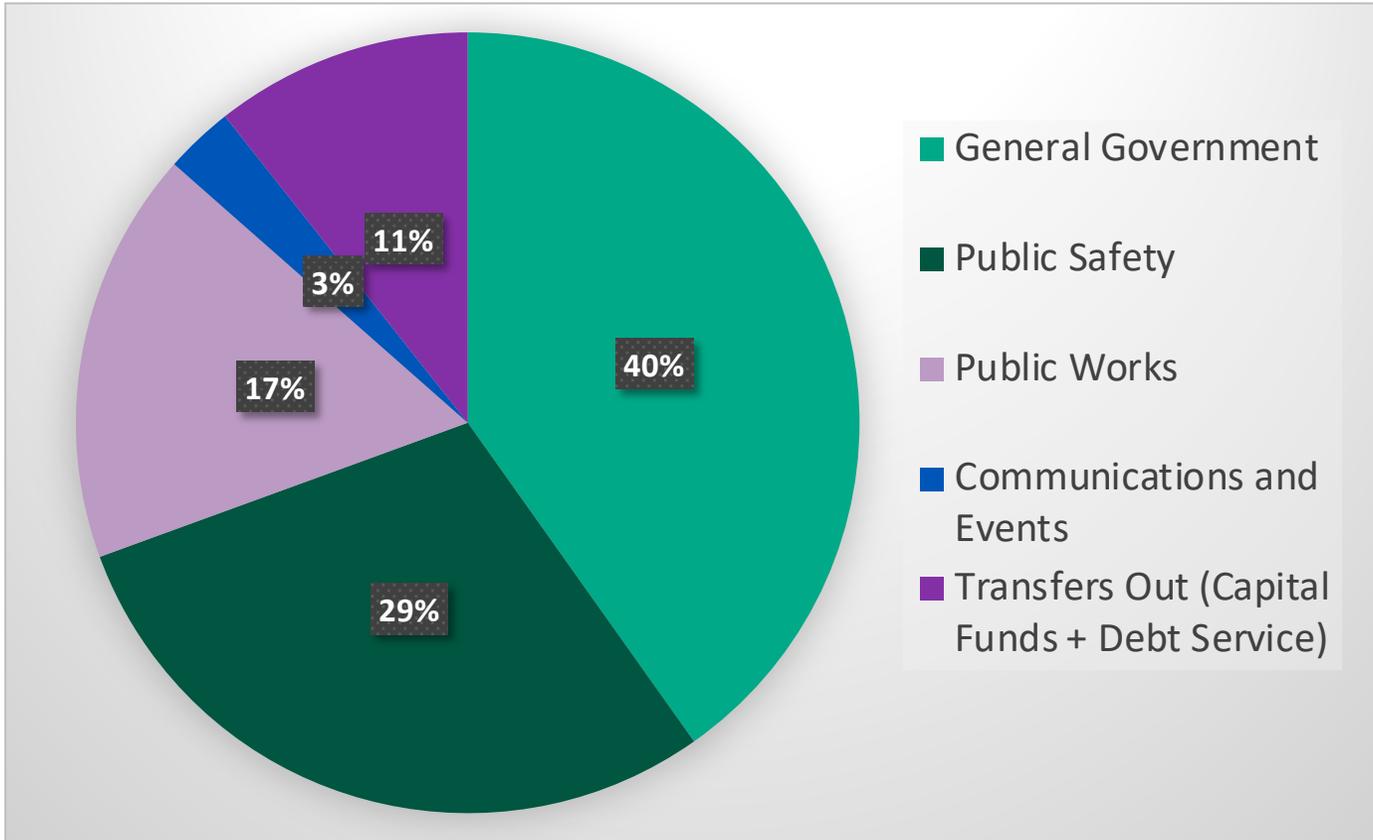


# Efforts Underway to Find New Revenue

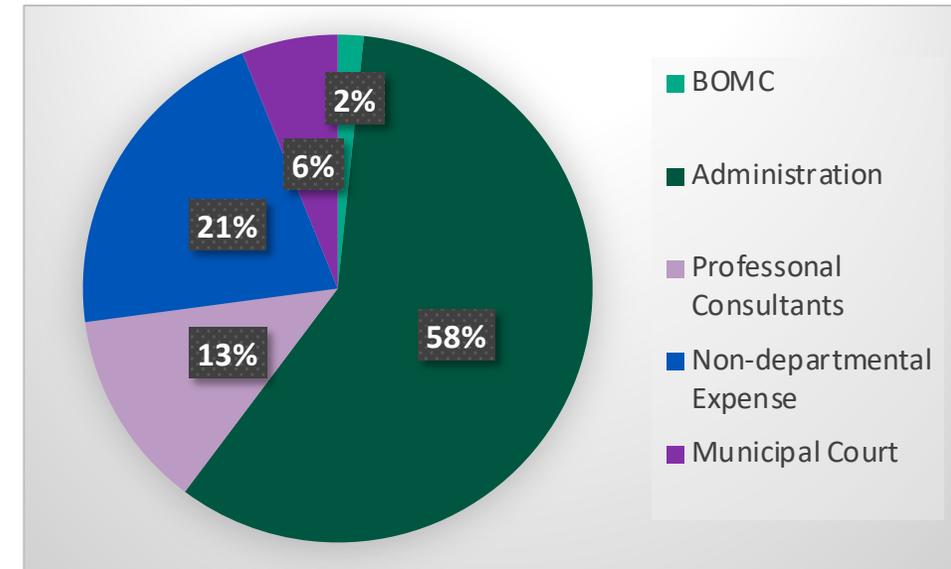
- Evaluating commercial tax revenue for potential increase in 2024
- Assessing the potential of other tax revenue
- Administration and other city fees
- Sponsorships - \$30K in 2023 and anticipating additional growth in 2024
- Grants – Looking for additional opportunities



# Distribution of 2023 Annual Budgeted Expenses



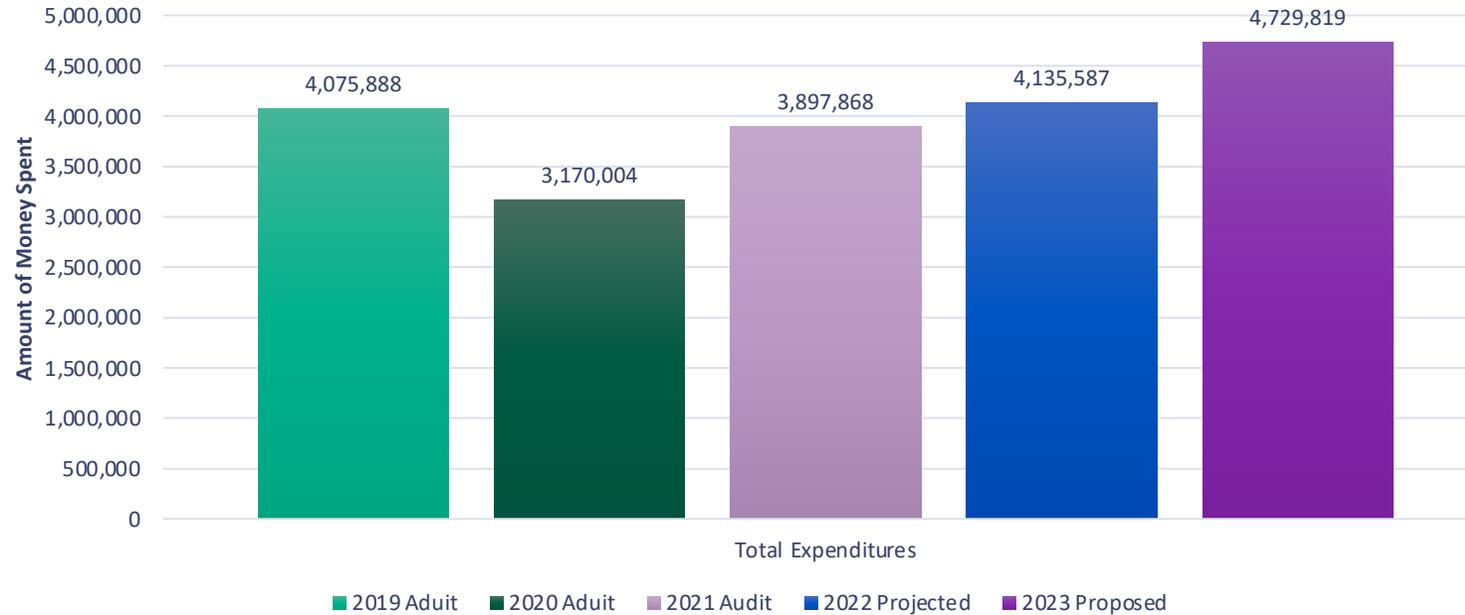
## General Government Breakdown





# General Fund Audited Expenses 2019-2022; Budgeted 2023

## Avondale - Expenditures



The 2020 expenditures are an anomaly due to the pandemic.

2022 numbers are complete but not audited.

Budgets are always higher than audited because the BOMC must budget to cover 100% of salaries even though the actual expense is lower due to natural attribution. Therefore, the 2023 audited expenses are anticipated to be less than proposed.

Expenditures	2019 Audit	2020 Audit	2021 Audit	2022 Projected	2023 Proposed
General Government	2,004,471	1,494,495	1,597,535	1,896,570	2,141,909
Public Safety	1,209,948	989,693	1,356,650	1,327,233	1,537,590
Public Works	398,748	661,747	780,199	820,502	900,420
Culture and Recreation	447,721				
Marketing & Communications		18,069	76,992	91,282	150,000
Community Participation					
Program Funding	15,000	6,000	9,500	0	0
<b>Total Expenditures</b>	<b>4,075,888</b>	<b>3,170,004</b>	<b>3,897,868</b>	<b>4,135,587</b>	<b>4,729,819</b>



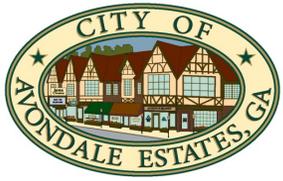
# Rising Expenses

Rising costs

- Since pandemic salaries and supplies have increased
- City's inflation not just as residential. Those different for construction.

Increasing responsibility

- Added multiple capital projects
- Prior to 2021, city allocated surplus to unreserved fund balance



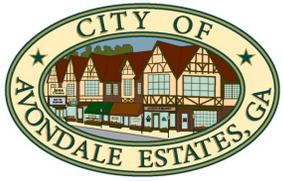
# 2019-2023 Revenue & Expenditures General Categories

Budget	2019 Audit	2020 Audit	2021 Audit	2022 Projected	2023 Proposed
Total Revenue	\$ 4,913,267	\$ 4,674,591	\$ 4,280,923	\$ 4,819,081	\$ 5,289,567
Expenditures					
General Government	2,004,471	1,494,495	1,597,535	1,896,570	2,141,909
Public Safety	1,209,948	989,693	1,356,650	1,327,233	1,537,590
Public Works	398,748	661,747	780,199	820,502	900,420
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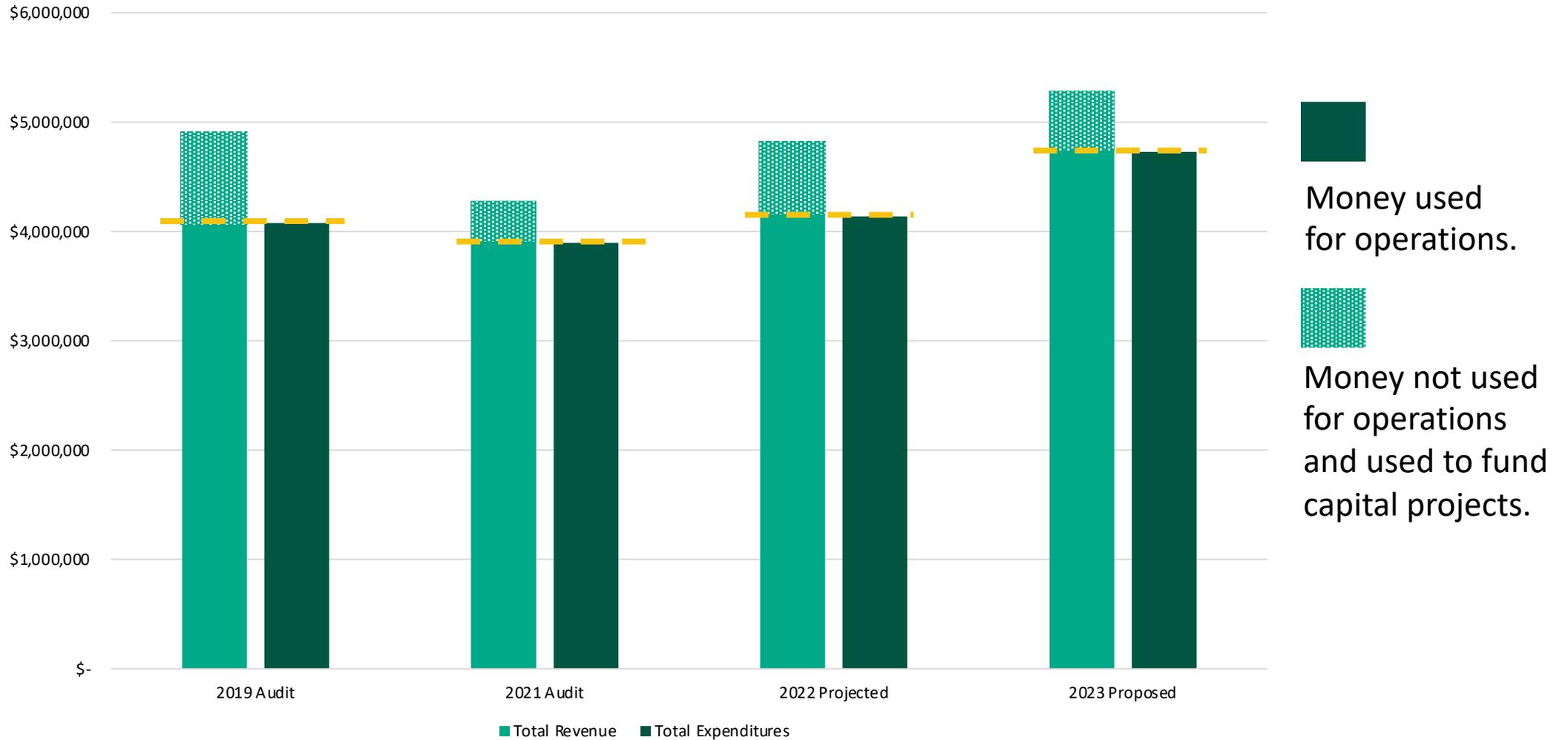
# 2019, 2021-2023 Revenue & Expenditures General Categories

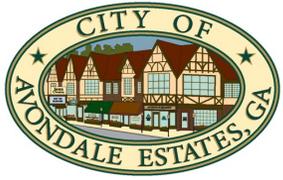
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Culture & Recreation	447,721			
Marketing & Communications		76,992	91,282	150,000
Community Participation Program Funding	15,000	9,500		
Total Expenditures	4,075,888	3,897,868	4,135,587	4,729,819
Total Expenditures Percent Change Year to Year	-4.47% (2019-2021)	5.92% (2021-2022)	13.41% (2022-2023)	



# Revenue vs Expenditures

Avondale Estates: Revenue vs Expense



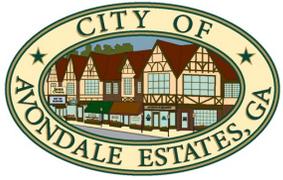


# General Fund v. Capital Fund

General Fund pays for operations and is based on a one-year annual budget.

Capital Fund is for capital expenses and projects that are often multiple years.

- Sources for capital funds are often restricted to only specific uses
- Grants and intergovernmental funds often require a local match

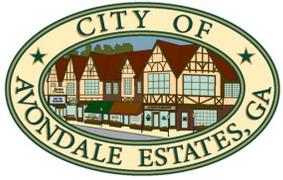


# Capital Funding Sources

- ARPA
- SPLOST – Not reoccurring; limited years
- Grants
- Stormwater Enterprise
- Sanitation Enterprise
- General Fund Property Tax Transfers
- Tax Allocation District

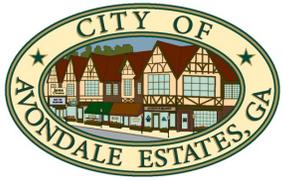
NOTE: Amount received is based on population not land area; denser cities get more money

Ex. Decatur has only 4x the area, but 8x the population of Avondale Estates



## Capital Budget 2023-2024

Sources	URA	ARPA	Stormwater	SPLOST	Capital	Total
Revenue	\$ 660,000	\$ 1,185,000	\$ 1,745,000	\$ 1,679,000	\$ 10,895,918	\$ 16,164,918
Est Expenses	\$ 440,000	\$ 1,168,500	\$ 1,617,100	\$ 1,614,650	\$ 8,894,805	\$ 13,735,055
Rev-Est Exp	\$ 220,000	\$ 16,500	\$ 127,900	\$ 64,350	\$ 2,001,113	\$ 2,429,863



# Projects in the Capital Budget

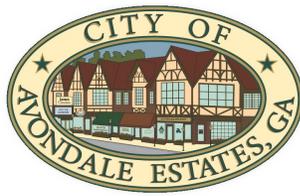
CAPITAL PROJECT STATUS 2022-23

Project	Est. Cost	Planning				Preliminary Design				Engineering				Construction Plans				Construction				Complete			
		25%	50%	75%	100%	25%	50%	75%	100%	25%	50%	75%	100%	25%	50%	75%	100%	Bid	25%	50%	75%		####		
Property Acquisition for Street Grid	Maple Street Ext	\$ 49,650																							
	Olive Street	\$ 1,800,000																							
Transportation & Parks	Franklin Street	\$ 440,000																							
	Laredo	\$ 137,500																							
	Pine Street	\$ 231,000																							
	Repaving and Sidewalks	\$ 1,255,000																							😊
	US278 - Complete Street	\$ 5,094,805																							
	Plazas	\$ 200,000																							
	Other Downtown Roads	\$ 2,000,000																							
Stormwater	Northwoods	\$ 970,000																							
	Hydro Model	\$ 128,000																							😊
	Washington & Pine	\$ 260,700																							
	Dunwick	\$ 161,600																							
	Kensington	\$ 96,800																							
Vehicle & Equipment	Public Works - Equipment	\$ 150,000																							
	Public Safety - Vehicles	\$ 560,000																							😊
Adm	Branding	\$ 100,000																							
	City Survey	\$ 100,000																							

*All cost estimates are preliminary until construction plans are completed and the project is bid.*

**Total** \$ **13,735,055**

as of 6/29/23



Thank you

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