

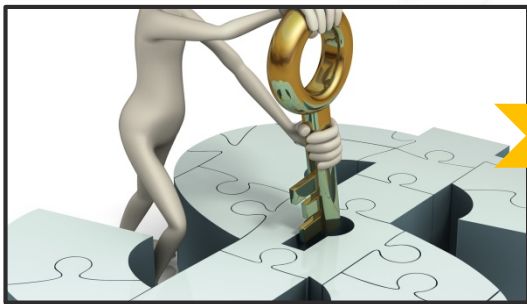


2018 Cherokee County Millage Rate

Proposed Millage Rates

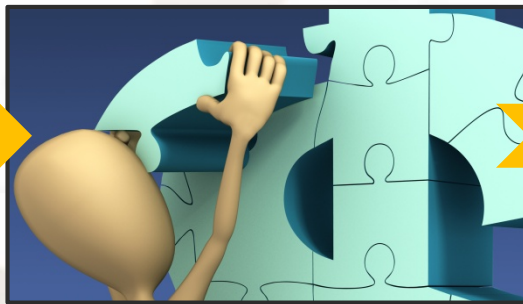
July 24, 2018

Three Steps To Calculating A Millage Rate



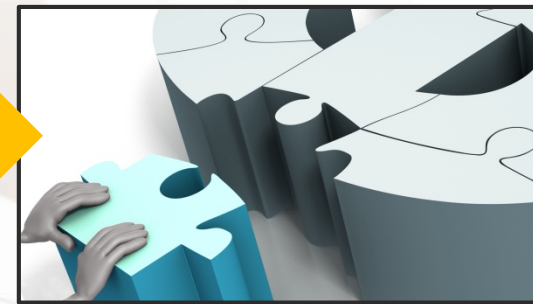
• Step #1

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



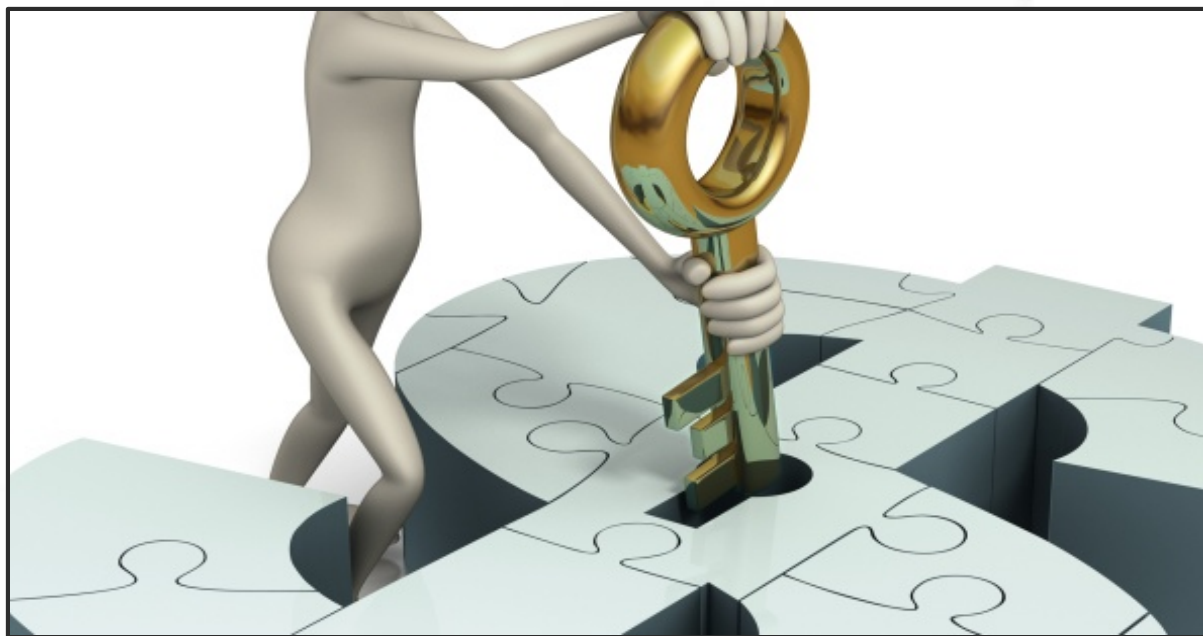
• Step #2

- 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
- $ZBB \text{ Expenditures} - \text{Non Property Tax Revenues} = \text{Property Taxes Necessary to Fund Budget}$



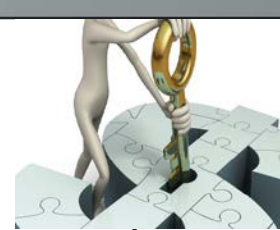
- **Step #1**

- Build a Zero-Based Budget for FY2019



General Fund Expenditures

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

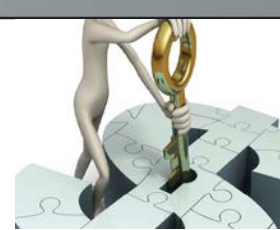


	FY2018	FY2019		
	Revised Budget	Proposed Budget	Var \$	Var %
General Services	14,482,150	14,421,369	(60,781)	-0.4%
Tax Administration	4,500,099	4,604,969	104,870	2.3%
Public Safety	35,412,415	36,147,181	734,766	2.1%
Judicial Services	15,113,925	15,411,768	297,843	2.0%
Public Works	5,681,074	5,671,992	(9,082)	-0.2%
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	3,660,171	149,223	4.3%
Total	87,308,991	88,860,868	1,551,877	1.8%
3% COLA		1,599,696	1,599,696	100.0%
Total w/COLA	87,308,991	90,460,564	3,151,573	3.6%



General Fund Expenditures

Zero-Based Budget Variance Explanations



General Services (\$60.8k)

- 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 +\$298k

- 9 new leased vehicles +\$226k
- 1 New position – Solicitor +\$47k

EMS transfer +\$156k

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

Utilities/Insurance +\$149k

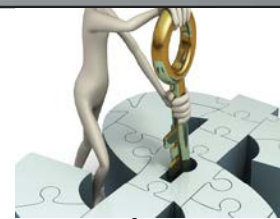
- Communications +\$138k, Other Insurance +\$50k

*Funds to be released when vacancies filled



Fire Fund Expenditures

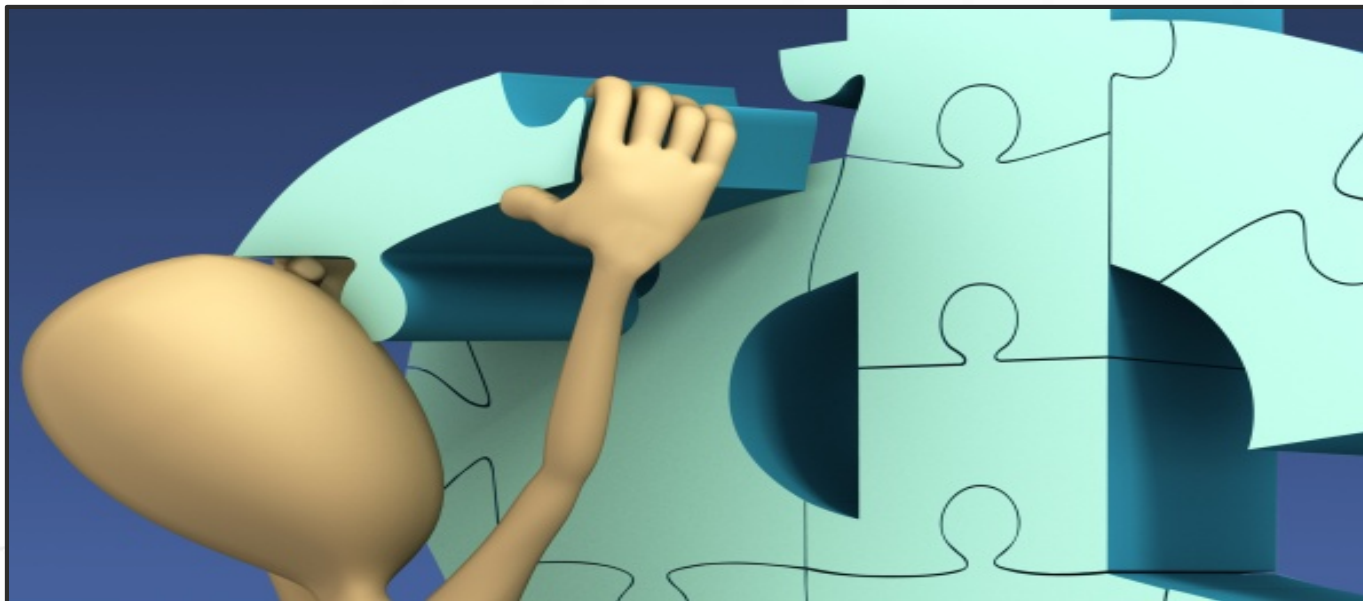
Zero-Based Budget Expenditures (Work-in-Process)



	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%

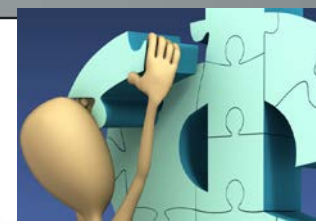
Variance Explanations:

- 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	20,949,855	1,729,171	9.0%
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	1,401,722	212,749	17.9%
Other Financing Sources	932,313	1,162,547	230,234	24.7%
Sub-total	34,858,873	37,650,624	2,791,751	8.0%
Use of Reserves	2,018,908		(2,018,908)	-100.0%
Total	36,877,781	37,650,624	772,843	2.1%

Variance Explanations:

Non-Property Taxes:

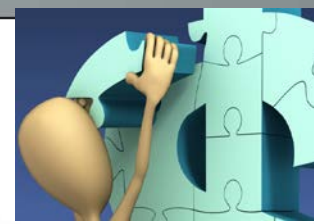
- Insurance Premium Tax +\$535k, TAVT +\$1.04M, Bank Franchise +\$25k

Charges for Services:

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

Miscellaneous:

- Interest revenue +202k



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



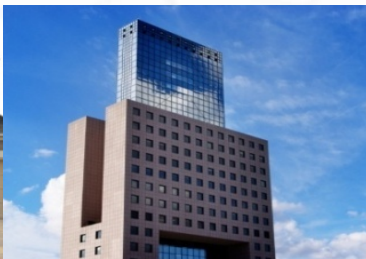
• Step #3

- 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 \$9.749 Billion = 5.95% Increase
 - Existing Properties = 2.26%
 - Other Growth = 3.69%

General Fund

Calculating the Millage Rate

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	\$	88,860,868
3% COLA	\$	1,599,696
Total Net Costs	\$	90,460,564
Non-Property Tax Revenue	\$	(37,650,624)
Use of Reserves	\$	(500,000)
Amount for Property Taxes	\$	52,309,940
Tax Digest (Estimated End)	\$	9,749,211,833
Proposed Millage Rate		5.366

Complete Rollback

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	\$ (288,000)	\$ (500,000)	\$ (990,000)
Amount for Property Taxes	\$ 23,823,440	\$ 23,611,440	\$ 23,121,440
Tax Digest (Estimated End)	\$ 7,224,006,791	\$ 7,224,006,791	\$ 7,224,006,791
Proposed Millage Rate	3.298	3.269	3.201
<i>Increase compared to Rollback</i>	<i>3.03%</i>	<i>2.12%</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)	\$ 10,639,423,141
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	5.366
Fire Fund	3.298	3.269
Parks Bond	0.581	0.503
Total Rate	9.362	9.138
		-2.39%
<u>Dollar Impact</u>		
General M&O	\$534.70	\$523.29
Fire Fund	\$338.11	\$335.14
Parks Bond	\$59.56	\$51.57
Total Rate	\$932.38	\$910.00
Difference \$		-\$22.38
Difference %		-2.40%

Breakdown of County M&O

What Services Are Provided for \$523.29?

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



ESTIMATED 2019 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	2,291,183	4.38%	\$22.92
Tax Administration	4,687,881	2,710,825	5.18%	\$27.12
Community Development	3,527,298	2,039,704	3.90%	\$20.40
Health & Human Services	209,130	120,932	0.23%	\$1.21
Elections	773,263	447,149	0.85%	\$4.47
Information Technology	2,726,261	1,576,494	3.01%	\$15.77
Libraries	2,254,116	1,303,470	2.49%	\$13.04
Judicial Services	15,666,128	9,059,132	17.32%	\$90.62
Law Enforcement	38,868,337	22,476,097	42.97%	\$224.84
Coroner	211,942	122,558	0.23%	\$1.23
Public Works	5,766,964	3,334,818	6.38%	\$33.36
RRDA Debt Service	876,959	507,112	0.97%	\$5.07
Youth Services & Other Community	571,518	330,487	0.63%	\$3.31
Property Management	1,929,649	1,115,843	2.13%	\$11.16
<u>Transfers to Other Funds:</u>				\$0.00
Senior Services	619,935	358,485	0.69%	\$3.59
Parks and Recreation	1,489,226	861,163	1.65%	\$8.61
Transportation	390,105	225,583	0.43%	\$2.26
Animal Shelter	519,495	300,404	0.57%	\$3.01
Emergency Medical Services	1,750,000	1,011,959	1.93%	\$10.12
Allocated Costs (WC, Utilities)	3,660,171	2,116,539	4.05%	\$21.17
TOTAL GENERAL FUND	90,460,564	52,309,940	100%	\$523.29



Next Step

Adopt All County Rates Tuesday, July 24
6:00 pm

Since the BOC decided on a full rollback of the M & O millage rate, no public hearings were required.