

CITY OF ATLANTA DEPARTMENT OF FINANCE FIVE YEAR FINANCIAL PLAN

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AGENDA

Executive Summary
Revenue Overview
Expense Overview
Recommendations





EXECUTIVE SUMMARY



WHAT IS A FIVE YEAR PLAN?



The Five Year Plan is a long-term **financial planning** tool for decision making.

WHY A FIVE YEAR PLAN?



The purpose of the Five Year Plan is to **develop strategies** for long-term sustainability of government services, objectives, and financial challenges.

Code section 6-312 per Ordinance 11-0-1415 that provides for the annual preparation of a Five-Year Financial Stabilization Plan.

To be in line with industry best practices.
(Other cities: Memphis and Philadelphia).



Expenses Included within the Five Year Plan.....

Living Wage Increase

- ✓ FY 2019 \$14 per hour
- ✓ FY 2020 \$15 per hour



Infrastructure Maintenance Program

Continuing funding for the City's Infrastructure Maintenance Program.



Debt Service for Various Projects Including...

- ✓ Zone 3 police precinct
- ✓ Fire station 31
- ✓ Renovations City of Atlanta Municipal Court



EXECUTIVE SUMMARY



The Bottom line

City service costs are projected to outpace revenue growth if the City does not take corrective action.

Summary of General Fund - Budgetary Surplus/(Shortfall)

	\$ Million				
	FY19	FY20	FY21	FY22	FY23
Revenues					
Property Taxes	205.8	209.8	214.0	218.2	222.6
All Other Revenues	447.9	448.6	452.4	458.0	462.2
Subtotal - Revenues	653.7	658.4	666.4	676.2	684.7
% Change	(1.8%)	0.7%	1.2%	1.5%	1.3%
Expenditures					
Baseline Expenditures	660.4	679.8	689.6	693.1	703.3
Subtotal - Expenditures	660.4	679.8	689.6	693.1	703.3
% Change	(0.8%)	2.9%	1.4%	0.5%	1.5%
Total Net General Fund Impact	(6.7)	(21.4)	(23.2)	(16.9)	(18.5)



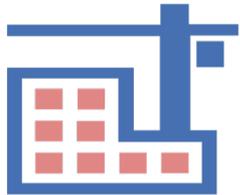
REVENUE OVERVIEW

REVENUE ASSUMPTIONS



Data Driven Analysis & Econometric Indices For all revenue streams including

— property, sales, hotel/motel and business occupation tax



2.0%

Property tax digest increase from new construction
assumes roll-back for reassessments projected for
FY2019-FY2023



\$22M

Dollar value of one mill for budgetary purposes

REVENUE ASSUMPTIONS



1/2%

Per annum sales tax revenue growth closely correlating with gross metro product and personal income trends



1/2%

Building Permits Revenue growth closely correlating with the real estate rebound



\$62.6M avg.

Business License Revenue growth of 1% is closely correlating with employment levels and consumer demand

REVENUE ROUNDTABLE



The City Revenue team will continue to hold Revenue Roundtable meetings with departments to stay informed of any potential revenue opportunities.



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GENERAL FUND REVENUE COMPARISON BY MAJOR CATEGORY

FIVE YEAR FORECAST



	FY19 PRELIMINARY	FY20 PROJECTED	FY21 PROJECTED	FY22 PROJECTED	FY23 PROJECTED
PROPERTY TAXES	\$205.76	\$209.83	\$213.99	\$218.23	\$222.55
PUBLIC UTILITY, ALCOHOLIC BEVERAGE AND OTHER TAXES	\$103.91	\$105.88	\$107.19	\$110.09	\$111.58
LOCAL OPTION SALES TAX	\$105.39	\$105.92	\$106.45	\$106.98	\$107.52
LICENSES AND PERMITS	\$114.38	\$115.43	\$116.51	\$117.62	\$118.78
OTHER REVENUE	\$7.33	\$7.34	\$7.34	\$7.34	\$7.35
CHARGES FOR CURRENT SERVICES	\$4.66	\$4.69	\$4.73	\$4.76	\$4.79
FINES/FORFEITURES & PENALTIES	\$28.12	\$25.10	\$25.21	\$25.32	\$25.44
BUILDING RENTALS & CONCESSIONS	\$13.99	\$13.10	\$13.16	\$13.24	\$13.31
INDIRECT COSTS	\$32.64	\$33.33	\$33.76	\$34.29	\$34.74
HOTEL/MOTEL	\$17.54	\$17.72	\$17.89	\$18.10	\$18.25
PILOT & FRANCHISE FEES	\$19.98	\$20.08	\$20.18	\$20.28	\$20.39
GRAND TOTAL	\$653.70	\$658.42	\$666.41	\$676.25	\$684.70

*This information is referenced on pg. 53 in the FY19 Five Year Plan.

REVENUE COMPARISON BY MAJOR CATEGORY



	FY2017 ACTUALS	FY2018 REVENUE BUDGET	FY2019 PRELIMINARY BUDGET	BUDGET FY18 vs. FY19	% CHANGE FY18 vs. FY19
PROPERTY TAXES	\$198.11	\$201.92	\$205.76	\$3.84	2.00%
PUBLIC UTILITY, ALCOHOLIC BEVERAGE AND OTHER TAXES	\$101.01	\$103.91	\$103.91	\$0.00	0.00%
LOCAL OPTION SALES TAX	\$103.35	\$105.39	\$105.39	\$0.00	0.00%
LICENSES AND PERMITS	\$116.97	\$114.38	\$114.38	\$0.00	0.00%
OTHER REVENUE	\$85.24	\$24.64	\$7.33	(\$17.31)	(70.25%)
CHARGES FOR CURRENT SERVICES	\$6.57	\$4.66	\$4.66	\$0.00	0.00%
FINES/FORFEITURES & PENALTIES	\$22.77	\$28.11	\$28.11	\$0.00	0.00%
BUILDING RENTALS & CONCESSIONS	\$11.37	\$13.99	\$13.99	\$0.00	0.00%
INDIRECT COSTS	\$33.34	\$31.43	\$32.64	\$1.21	3.85%
HOTEL/MOTEL	\$18.14	\$17.54	\$17.54	\$0.00	0.00%
PILOT & FRANCHISE FEES	\$19.89	\$19.98	\$19.98	\$0.00	0.00%
GRAND TOTAL	\$716.74	\$665.95	\$653.70	(\$12.25)	(1.84%)



EXPENSE OVERVIEW

EXPENSE ASSUMPTIONS



- Citywide, the pension rates were adjusted for all Defined Benefit plans to account for the estimated Actuarially Determined Contribution (ADC):

Plan	ACTUAL FY17 ADC	ADOPTED FY18 ADC	ESTIMATED FY19 ADC	YOY INCR
Defined Benefit (General)	\$53.8M	57.9M	\$55.2M	(\$2.7M)
Defined Benefit (Police)	\$27.5M	\$34.2M	\$35.1M	\$0.9M
Defined Benefit (Fire)	\$17.9M	\$22.0M	\$22.4M	\$0.4M
Total	\$99.2M	\$114.1M	\$112.7M	(\$1.4M)

EXPENSE ASSUMPTIONS



8%

increase in the citywide utilities budget for FY 2019; the projected increase is 2.2% for FY 2020 to FY 2023.

3% (Fuel) &

10% (Maintenance)

increase in budget for FY 2019; the projected increase is 2.2% for FY 2020 to FY 2023.

2.2%

increase in the traffic signals and street lights; the projected increase is 2.2% for FY 2020 to FY 2023.

2%

increase in the Water and Sewer budget for FY 2019; the projected increase is 2.2% for FY 2020 to FY 2023.



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QUESTIONS
&
ANSWERS



THANK YOU