



**CITY OF ATLANTA
DEPARTMENT OF FINANCE
2021 FISCAL CONDITION OF THE CITY**

ROOSEVELT COUNCIL JR., CFO

AGENDA

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ECONOMIC OUTLOOK



ECONOMIC OUTLOOK



COVID-19

The COVID-19 pandemic has already caused sharp drops in employment and economic growth. Unlike the 2008 financial crisis, COVID-19 is an external “shock” that is disrupting the entire economy, rather than originating from within the financial system itself. This is an unprecedented and uncertain environment, with serious impacts on the City of Atlanta’s General Fund and future revenues. There are several major categories of municipal revenue that will be affected by the pandemic differently based on the underlying economic activity from which they are derived.

- Atlanta has benefited from a strong US economy that had seen growth in recent years, but even before COVID-19, many economists were forecasting a recession or slowdown of economic activity. Leading up to the current circumstances, the City of Atlanta was well positioned to be able to withstand these impacts due to a variety of reasons, including:
- **Lower unemployment and higher median household income** than the national average
- **Diversified economy** that isn’t overly reliant on industries sensitive to the COVID-19 public health impacts (e.g. oil & gas, hospitality)
- **Diversified tax revenue structure** that isn’t dependent on a single source of revenue (e.g. personal income tax, sales tax)
- The City of Atlanta’s General Fund has received between **\$687M - \$717M** in revenue per year since FY17 with the largest sources of funds being property tax (~30%), licenses & permits (~18%), local options sales tax (~17%) and public utility, alcoholic beverages & other (~16%).

ECONOMIC OUTLOOK



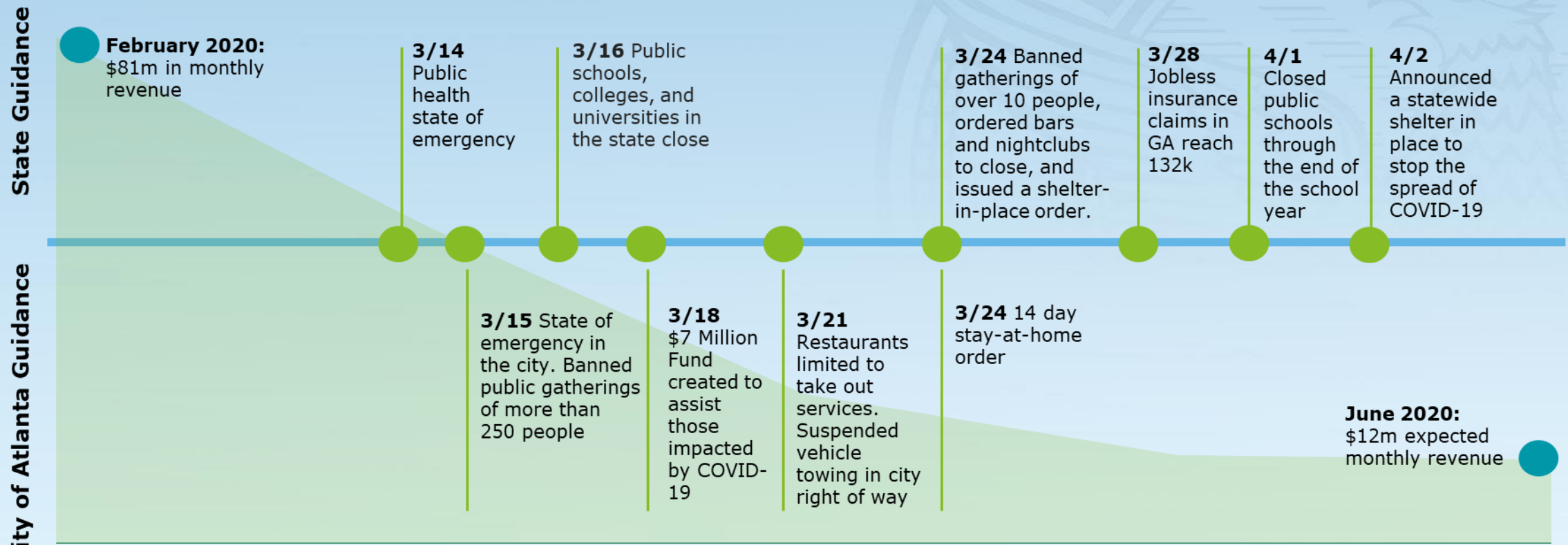
Considering varying revenue impacts including citywide business closures and recovery rates presents a range of possible revenue impacts. As the public health outlook becomes more clear, the economic projections and range of financial estimates will sharpen in focus as well.

- **Short Term Impacts:** Approx. 40% of the General Fund revenues come from property taxes and public utility franchises and are secure in the near term. Sales tax and permit/license revenues are vulnerable in the short term due to business closures and reduced household spending. General Fund revenues will see a decline of **up to approximately \$40M** in FY20. In FY21, the City is expecting General Fund revenue to drop to **\$614M**.
- **Long Term Impacts:** Much of the General Fund's revenue comes from property tax (~30%), and the effects of COVID-19 on those revenues will lag by roughly 3-years. Therefore, there may be a decline that ranges from **\$9M - \$46M between FY23 – FY24**. Additionally, based on how long businesses are shut down, we could see varying rates of overall recovery depending on closures' impact to unemployment and consumer spending.

COVID-19 POLICY RESPONSE AND ECONOMIC IMPACT

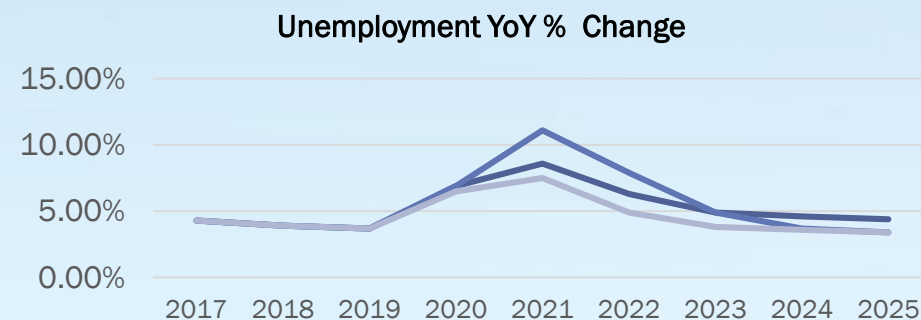
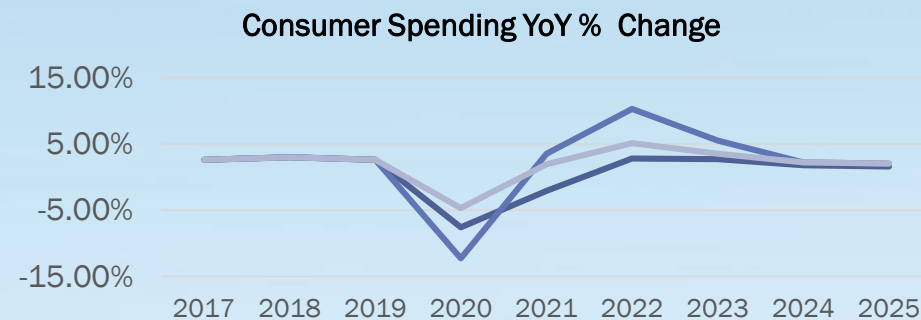
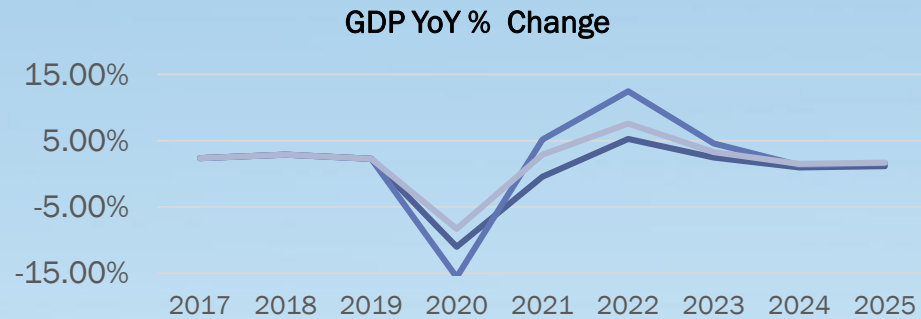


The state of Georgia and the City of Atlanta have rapidly enacted policy responses to combat the spread of COVID-19. These responses mandate business closures and shelter-in-place activities, which have been used as the basis for modeling economic activity.



**Illustrative view of Q4 revenue impacted by COVID-19*

OVERVIEW OF MACROECONOMIC SCENARIOS



Note: Economic indicators are shown as a calendar year, not fiscal year
Full model assumptions located in Appendix

HIGH

LONG HARD TREK TO RECOVERY

- COVID-19 outbreaks continue for 2 years
- Consumers pause big-ticket purchases
- US economy struggles to recover
- GDP drops steeply in 2020, remains low in 2021 with high unemployment
- Growth picks up by 2023, remains high due to pent-up consumer demand
- Scenario accounts for accommodative monetary and fiscal policy

MEDIUM

FINANCIAL CRISIS & DEEP RECESSION

- COVID-19 affects both the economy's supply side and demand side
- Shrinking economy uncovers industry weaknesses
- Lending dries up, throws the economy into a recession.
- Policy intervention creates demand to end recession by mid-2021
- 2022 sees a strong recovery

LOW

THE COVID-19 RECESSION

- GDP falls by 2x the average postwar recession
- GDP begins to recover in late 2020 as the disease is brought under control
- Aggressive monetary and fiscal policy jump-start the recovery
- GDP falls 2.3% in 2020 but starts recovering in 2021
- GDP rises at a fast rate in 2022 and 2023

Across scenarios, the General Fund is impacted in the long term by several overarching economic trends including, but not limited to GDP, consumer spending, unemployment, and new housing starts.

KEY CONSIDERATIONS



There are a number of macro-level “unknowns” that policymakers and officials must navigate as the COVID-19 pandemic progresses, including public health developments, related public policy responses, and associated economic and financial impacts



Public Health

- Current infection rate and spread
- Resiliency of hospital and public health system
- Immunity and reinfection rates for recovered individuals
- Likelihood of “second wave” in fall 2020 or beyond
- Timeline for vaccine development, testing, and approval



Public Policy

- Duration of shelter-in-place orders
- Potential escalation to full lockdown (e.g. Wuhan or Lombardy)
- Economic relief for small business and corporations
- Monetary assistance and direct aid to unemployed
- Federal stimulus funding and aid for state and local governments



Economics & Finance

- Depth and severity of economic downturn
- Effects of unemployment and retail business closures on other sectors
- Impact on real estate markets
- Resilience of global supply chains and impact on international trade
- Financial market liquidity & health
- Risk to major financial institutions

This revenue forecast was prepared during the highly dynamic stages of the initial COVID outbreak, with limited access to reliable econometric data, information on relevant operational drivers, or revenue collection formulas

KEY RESULTS – INITIAL ANALYSIS



An initial assessment of the economic impact of COVID-19 have been identified in a high, medium, and low scenario over a 5-year period, each based on a fixed business closure period and subsequent recovery curve

Total Revenue (\$M)



Key Insights

- All scenarios assume near-term **economic recession**
- High scenario implies likelihood for an extended **economic depression**
- Up to **\$109M potential decline** in overall municipal revenue by FY21
- Business closures lead to near-term shock for consumer spending and spike in unemployment
- Sales tax and business license revenue affected immediately in FY20
- Hit to property tax revenues lags by approximately 3 years

		FY19	FY20	FY21	FY22	FY23	FY24	FY25
HIGH <i>9 Month Business Closure</i>	Total Revenue (\$M)	696.1	638.0	583.4	667.7	680.1	634.1	657.6
MEDIUM <i>6 Month Business Closure</i>	Total Revenue (\$M)	696.1	640.4	628.7	682.4	707.4	683.1	701.9
LOW <i>4 Month Business Closure</i>	Total Revenue (\$M)	696.1	647.7	685.9	704.2	718.0	708.8	721.7

REVENUE SUMMARY



Revenue Category Summary

Legend

High – 9 mo. closure
 Medium – 6 mo. closure
 Low – 4 mo. closure

		Forecasted Revenue (\$M)						
		FY19	FY20	FY21	FY22	FY23	FY24	FY25
Property Taxes	218.9	227.94	227.94	227.94	227.94	223.56	170.48	189.12
		227.94	227.94	227.94	227.94	225.02	189.63	202.06
		227.94	227.94	227.94	227.94	226.48	208.79	215.00
Licenses & Permits Revenue	123.3	108.36	93.75	111.94	118.29	118.29	119.93	120.69
		106.18	100.61	116.89	128.78	131.96	133.25	
		109.64	122.33	129.22	133.91	136.09	138.05	
Local Options Sales Tax	116.7	91.60	79.24	113.09	116.38	116.38	118.74	120.53
		94.08	99.41	116.53	123.81	127.78	130.36	
		95.52	115.58	119.89	124.93	128.26	130.86	
Public Utility, Alcoholic Beverages, & Other	108.0	100.74	93.90	102.31	104.69	104.69	105.98	106.71
		101.49	98.04	102.46	107.18	109.37	110.37	
		102.07	103.50	105.34	108.84	110.65	111.75	
All Other Revenue	105.0	93.91	79.57	90.47	93.76	93.76	95.47	97.07
		95.27	87.92	95.21	99.09	100.69	102.07	
		97.02	94.61	98.31	100.26	101.32	102.25	
Fines, Forfeitures, & Penalties	24.2	15.46	9.47	22.13	23.53	23.53	23.55	23.57
		15.46	14.91	23.51	23.54	23.56	23.58	
		15.46	20.91	23.53	23.55	23.57	23.59	

REVENUE IMPACTS BY CATEGORY

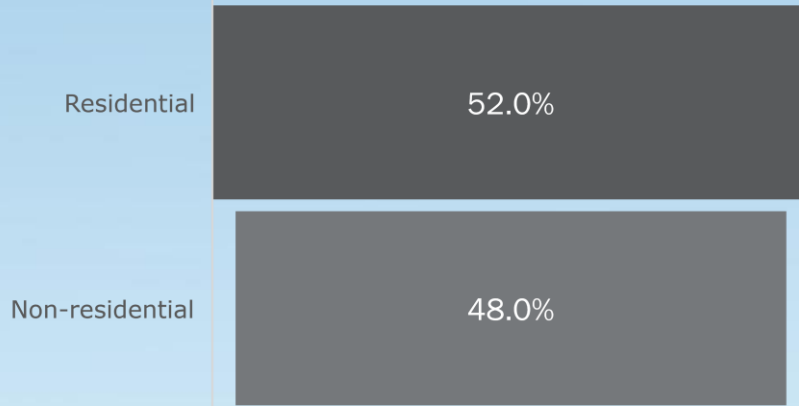


PROPERTY TAXES

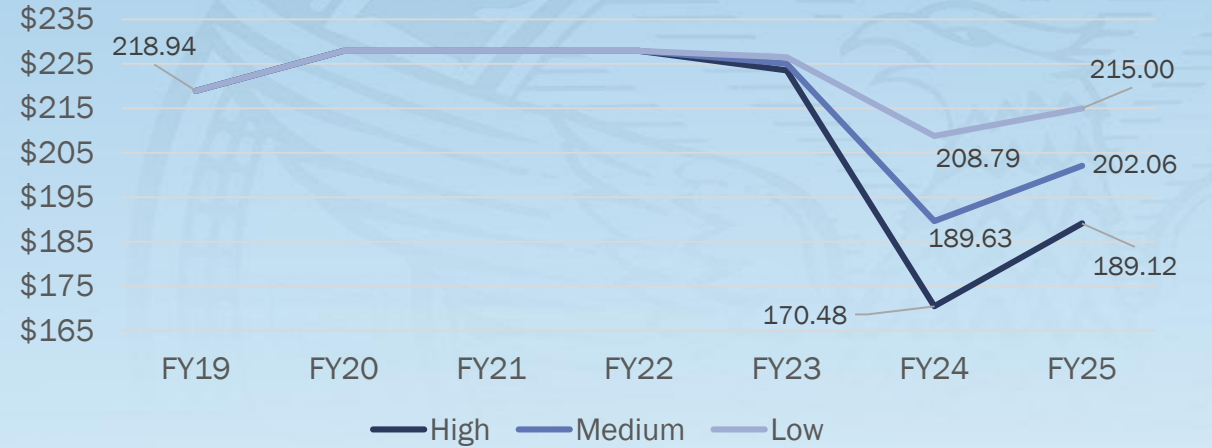


Amounts levied on all real, personal, and public utility property within the corporate limits of the City

Property Tax Breakdown



Revenue Forecasts (\$M; FY20 - FY25)



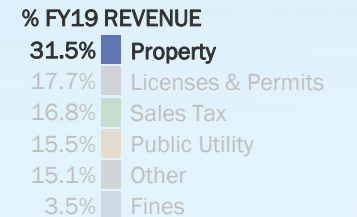
Key Insights

- Growth is reliant on three key underlying factors: **housing stock**, **local price levels**, and **new housing starts** (or) **foreclosures**
- The Case-Schiller Index experienced a **roughly 30% decrease** in housing prices from peak to trough from 2008-2013

- At approx. 30% of FY19 municipal revenues, the anticipated declines in property taxes **represent a major long-term revenue risk**
- Based on historical comparisons and property assessment cycles, the impact on property tax revenues is assumed to **lag approx. 3 years**

Key Assumptions

- Impact is delayed by 3 years and is based on the reduction in property values following the 2008 recession
- Treated 2008 housing market decline as “medium” scenario with multiplier applied for high and low alternatives

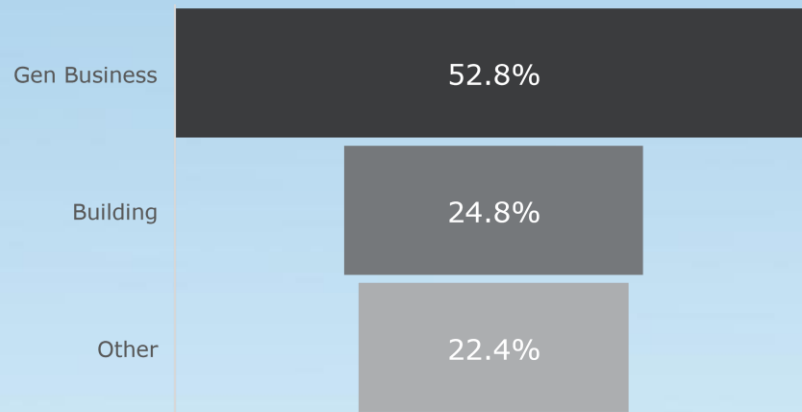


LICENSES & PERMITS REVENUE



Includes general business (occupation) license tax, various parking and building permits, and occupancy certificates

Licenses & Permits Breakdown (FY19)



Revenue Forecasts (\$M; FY20 - FY25)



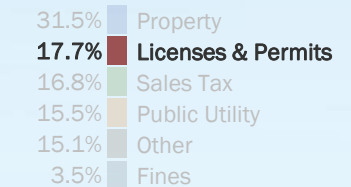
Key Insights

- General business license revenue is derived from fixed and variable revenue sources, each of which are sensitive to employment and GDP indicators
- Building permits, as well as related electrical, plumbing, HVAC, and other inspection-related permits, are highly dependent on the health of residential and real-estate markets
- Forecasted revenues for licenses and permits are particularly sensitive to the duration of business closure periods, especially building permits
- With a significant percentage of business license revenue pegged to headcount, the recovery rate is closely correlated to employment growth

Key Assumptions

- License and permit revenue driven by macroeconomic GDP growth rates and reduction in real estate starts
- License and permit accounts driven by events and real estate development reduced to zero during shut-down period (delayed, not cancelled)

% FY19 REVENUE

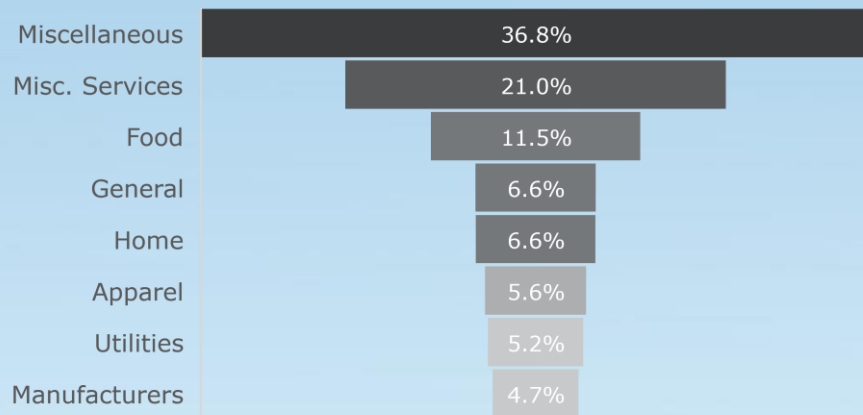


LOCAL OPTIONS SALES TAX (LOST)

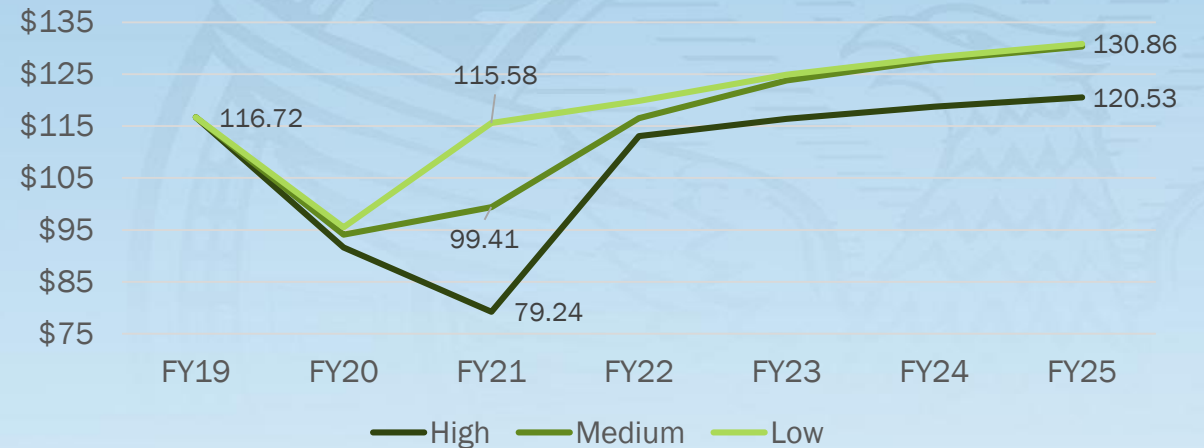


Taxes imposed on the purchase, sale, rental, storage, use, or consumption of tangible personal property and related services

Local Options Sales Tax Breakdown (FY19)



Revenue Forecasts (\$M; FY20 - FY25)



Key Insights

Across scenarios, **FY20 revenue drops steeply**, driven primarily by steep shocks to consumer spending based on business closures

Around 80% of the revenue stream is concentrated in categories mostly **driven by consumer spending patterns** across goods and services

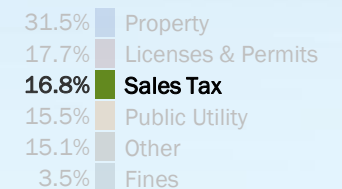
In the longer term, the medium and low-risk scenarios are buoyed by a **strong boost** to consumer spending and fixed business investment

In longer term high-risk scenario, LOST revenue **recovers slowly** due to low consumer spending, GDP growth, and fixed business investment

Key Assumptions

- Distinguished essential and non-essential businesses; nonessentials zeroed out during shutdown
- Applied varying reduction rates for essential goods using relevant multipliers derived from the consumer spending macrotrend, with sales decline ranging from 0-89% across categories
- Longer term recoveries track GDP, consumer spending, personal disposable income, and fixed business investment

% FY19 REVENUE

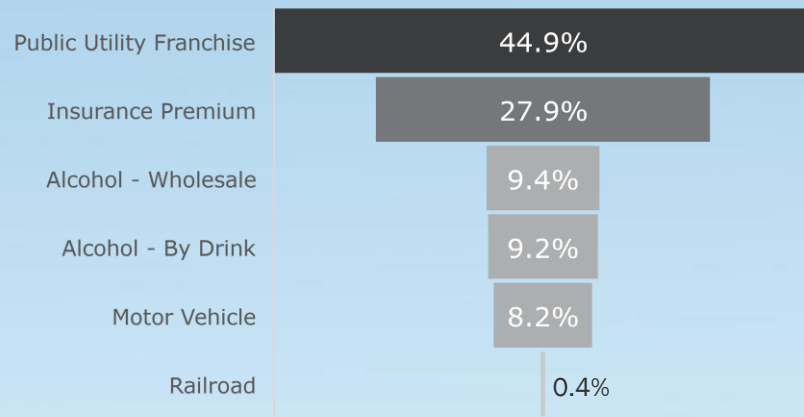


PUBLIC UTILITY, ALCOHOLIC BEVERAGES & OTHER

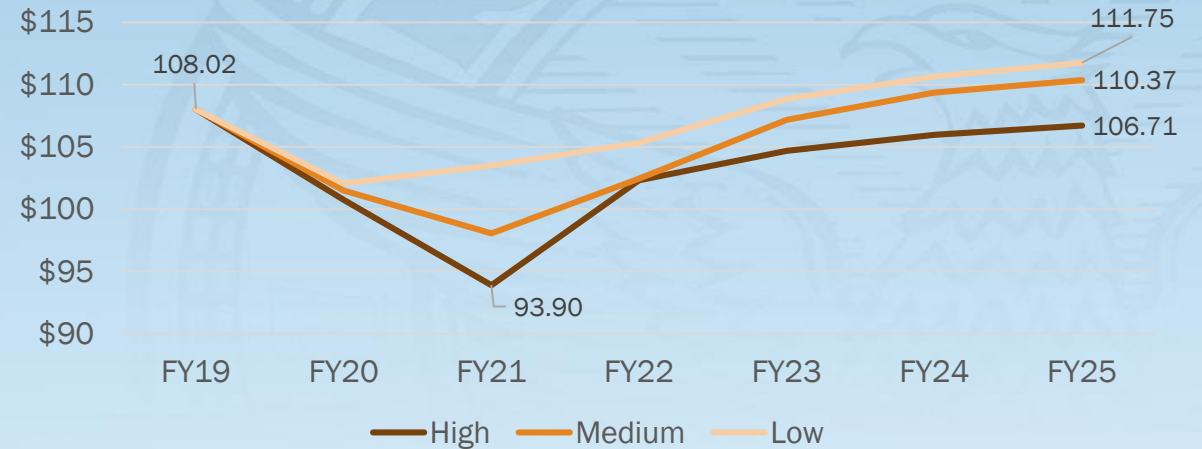


Taxes for public utilities, motor vehicles & titles, state railroads, insurance premiums, and wholesale/by-the-drink alcoholic beverages

Public Utility, Alcoholic Bev's & Other Breakdown (FY19)



Revenue Forecasts (\$M; FY20 - FY25)



Key Insights

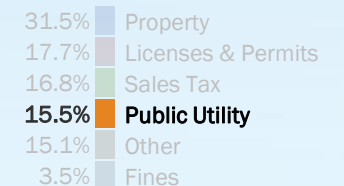
- Public Utilities are held constant across scenarios based on longstanding contracts, which **minimizes the overall revenue impact**
- FY20 impact is concentrated in **lower per-drink alcohol sales, lower wholesale purchases, and a sharp decline in vehicle sales**

- Medium and low risk scenarios expect a **return to strong GDP and consumer spending** on both durable and non-durable goods
- In the high risk scenario, GDP and consumer spending are **slower to return to pre-COVID levels** due to broader economic fallout, resulting in a longer recovery period

Key Assumptions

- Distinguished essential and non-essential businesses; nonessentials zeroed out during shutdown
- Utility tax revenue agreements rarely renegotiated, not expected to be revisited in any scenario
- Applied varying reduction rates to insurance, alcohol sales, and motor vehicles based on GDP and Consumer Spending

% FY19 REVENUE

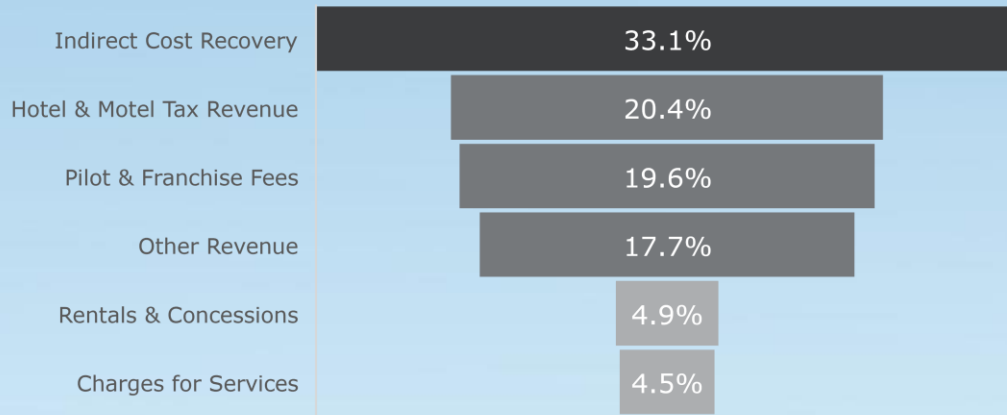


ALL OTHER REVENUES



Additional revenue sources that fall outside of the previous categories

Other Revenues Breakdown (FY19)



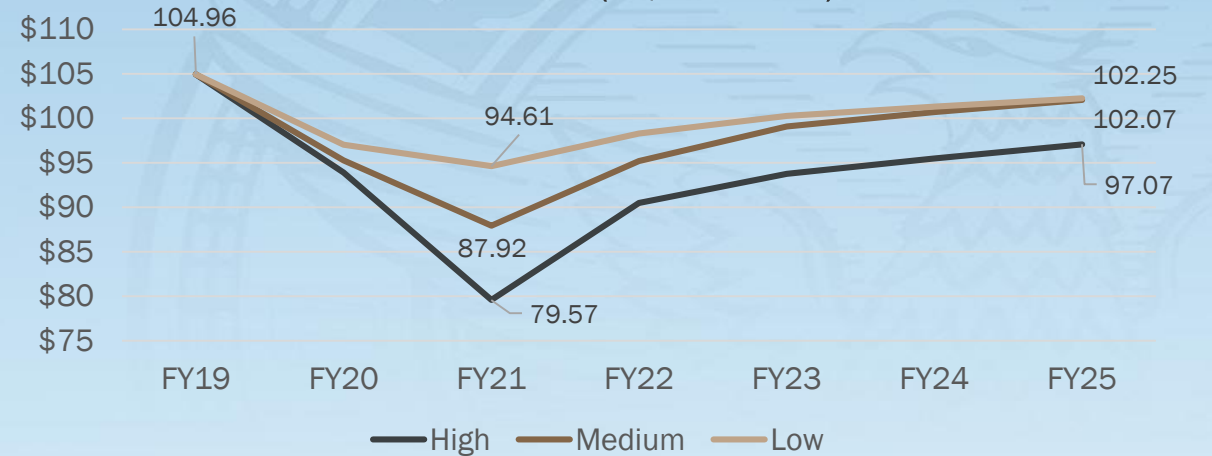
Key Insights & Assumptions

There are >100 miscellaneous subaccounts in this category, so model assumes revenue will suffer from business closures in the near term and recover in-line with GDP and general economic conditions in the long term

Indirect cost recoveries are a function of the size of the overall government. They are held constant in the short term, as the costs are charged on a 2 year lag.

Hotel tax revenue plummets in the short term as shelter-in-place prevents travel. In the long term, this revenue tracks consumer spending patterns.

Revenue Forecasts (\$M; FY20 - FY25)



Pilot & Franchise fees are generally considered to be resilient from economic shocks, though the model produces a slight reduction in water usage based on less people traveling and commuting into the city.

The remaining revenue streams are sensitive to business closures in the short term and correlated to consumer spending and overall economic health in the recovery period

% FY19 REVENUE

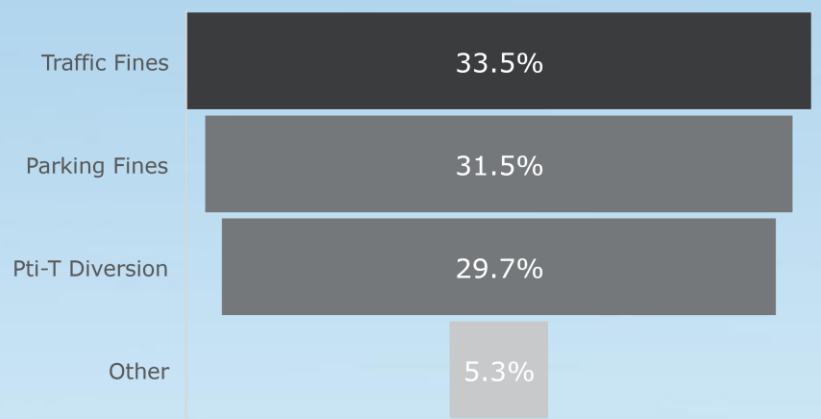
- 31.5% Property
- 17.7% Licenses & Permits
- 16.8% Sales Tax
- 15.5% Public Utility
- 15.1% Other**
- 3.5% Fines



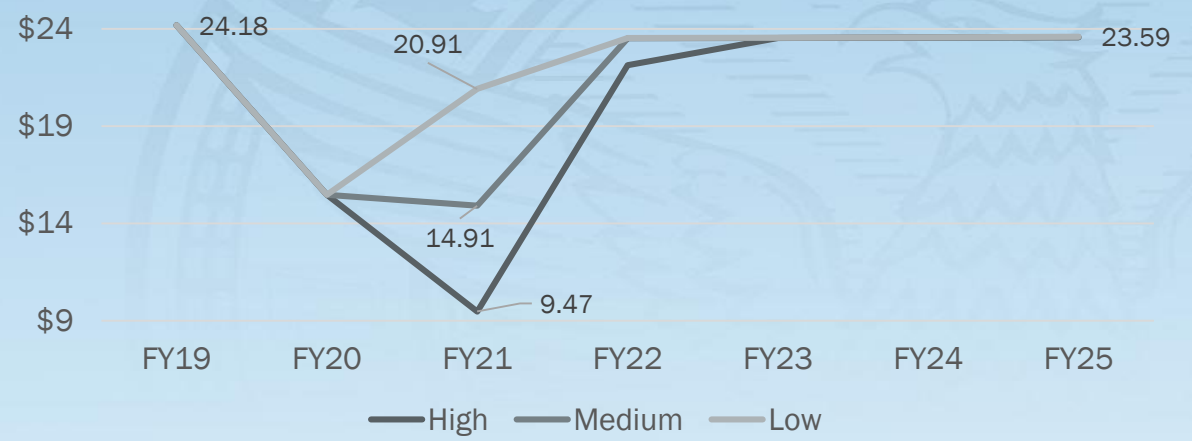
FINES, FORFEITURES & PENALTIES

Revenue comprised primarily of traffic fines and forfeitures

Fines, Forfeitures & Penalties Breakdown (FY19)



Revenue Forecasts (\$M; FY20 - FY25)

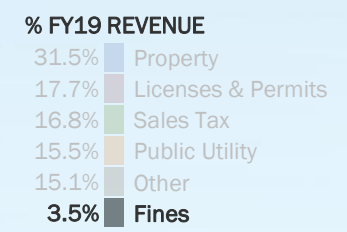


Key Insights

- Fines, fees, and forfeitures have **limited reliance** on macroeconomic conditions with revenue most likely impacted in the short term
- 87% of driving stops** during shelter-in-place orders, reducing moving violations and driving-related fees significantly during closure periods
- Two-thirds** of revenues are dependent on personal travel patterns – particularly the single occupancy vehicle – and are susceptible to declines when driving patterns shift
- The **duration of these policy decisions** determines the slope and recovery rate of the growth curve in this revenue category

Key Assumptions

- Traffic fines and moving violations are assumed to come to a halt, zeroed out for nonessential trips during the shutdown period
- Court fees are zeroed out during shutdown period, with limited spike among resumption of criminal proceedings due to limited court capacity



SUMMARY



Summary of Economic Results:

- This analysis developed key assumptions to make forecasts around the uncertainties of the COVID-19 public health crisis and the associated business closures. The sooner COVID-19 reaches its peak, the sooner the healthcare crisis can be managed, and the sooner the economy can begin to recover.
 - **HIGH:** Up to \$113M potential decline in overall municipal revenue by FY21 followed by a slow recovery and a secondary hit in FY24 based on property value decline, resulting in a net loss of \$39M by the end of the five year time horizon
 - **MEDIUM:** Up to \$67M potential decline in overall municipal revenue by FY21 followed by a moderate recovery and a secondary slowdown in FY24 that contributes to moderate recovery levels by FY25 up by \$6M
 - **LOW:** Quick recovery creates moderate decline of \$10M in FY21 and allows for growth of \$26M by the end of FY25
- If the virus peak occurs and can be managed within the originally anticipated business closure deadlines, the economy has the potential to make a more immediate bounce-back. However, the longer the economy remains shutdown, the higher unemployment will swing, which will lead to a longer recession and slower recovery.
- If the health crisis continues to worsen, public safety costs and the costs of essential services will continue to rise. In a constrained revenue environment, this will put downward pressure on the budget.

Potential Next Steps:

- 1** Refine economic assumptions as more clarity around outbreak and the business closures emerges
- 2** Assess the impact COVID-19 will have on Atlanta's expenditures and opportunities to relieve pressure
- 3** Position Atlanta for support from the CARES act and assess how stimulus support can impact Atlanta's general fund

FEDERAL FUNDING



OVERVIEW OF CRF



The CARES Act established the Coronavirus Relief Fund and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—
are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);

were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and

were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

The City of Atlanta received \$88M in Coronavirus Relief Funds.

OVERVIEW OF FEMA



Consistent with the national emergency declared for the coronavirus (COVID-19) pandemic on March 13, 2020, FEMA has provided guidance on the types of emergency protective measures that may be eligible under FEMA's Public Assistance Program in order to ensure that resource constraints do not inhibit efforts to respond to this unprecedented disaster.

FEMA assistance will be provided at a 75 percent federal cost share, if not funded by the HHS/CDC or other federal agency. These emergency protective measures include, but are not limited to:

- Management, control and reduction of immediate threats to public health and safety
- Emergency medical care
- Medical sheltering
- Household pet sheltering
- Purchase and distribution of food, water, medicine and other consumable supplies including PPE
- Movement of supplies and persons
- Security and law enforcement
- Communications of general health and safety information to the public
- Search and rescue to locate and recover member of the population requiring assistance
- Reimbursement for local government force account overtime costs

OPERATING BUDGET DEVELOPMENT



FY21 BUDGET DEVELOPMENT OBJECTIVES



Prioritize resources to maintain public safety and service delivery

Minimize impact of expense reductions on workforce

Make prudent use of fund balance reserves

Establish an orderly pathway back to a balanced budget through savings and efficiency efforts

FY21 BUDGET INCREASES



Police Raises

Body Cameras

Fire Raises

Office of Inspector General

Benefits Costs

FY21 OPERATING BUDGET SUMMARY



Summary of key budget changes



FY21 BUDGET EXPENSE REDUCTIONS



Vacancies and attrition

Overtime

Contracts and Professional Services

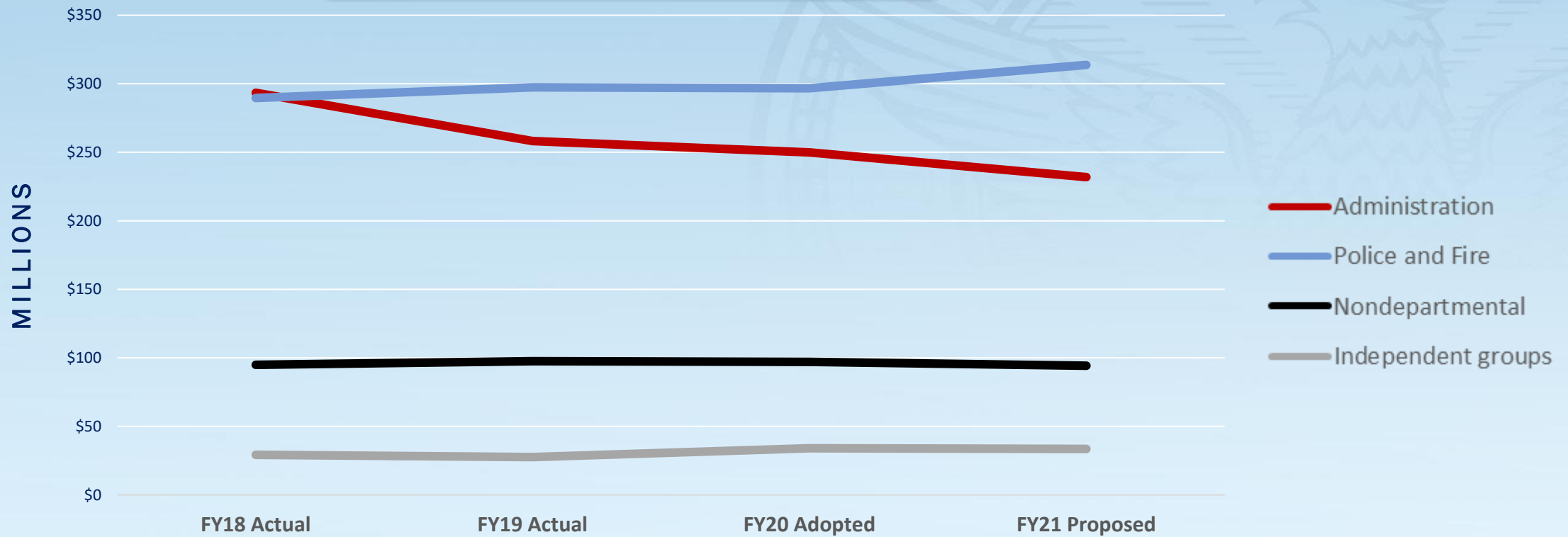
Supplies

Non-departmental

FY21 BUDGET EXPENSE BREAKOUT



General Fund budget expense breakout



We will continue to implement thoughtful strategies to reduce costs in FY21

FY21 OPERATIONAL AREAS OF FOCUS



Vacancy Review Board

Department efficiency plans

Corrections operational assessment

OPEB task force

Back-office functional alignment

FY21 PERSONNEL BUDGET PRIORITIES



Hiring/Backfill approach

Telework productivity

Full Time Equivalent counts

Personnel paper preview

HIRING / BACKFILL APPROACH



Effective April 20

Only mission-critical positions are eligible for hire

Supervisor positions can be backfilled with internal candidates on an interim basis

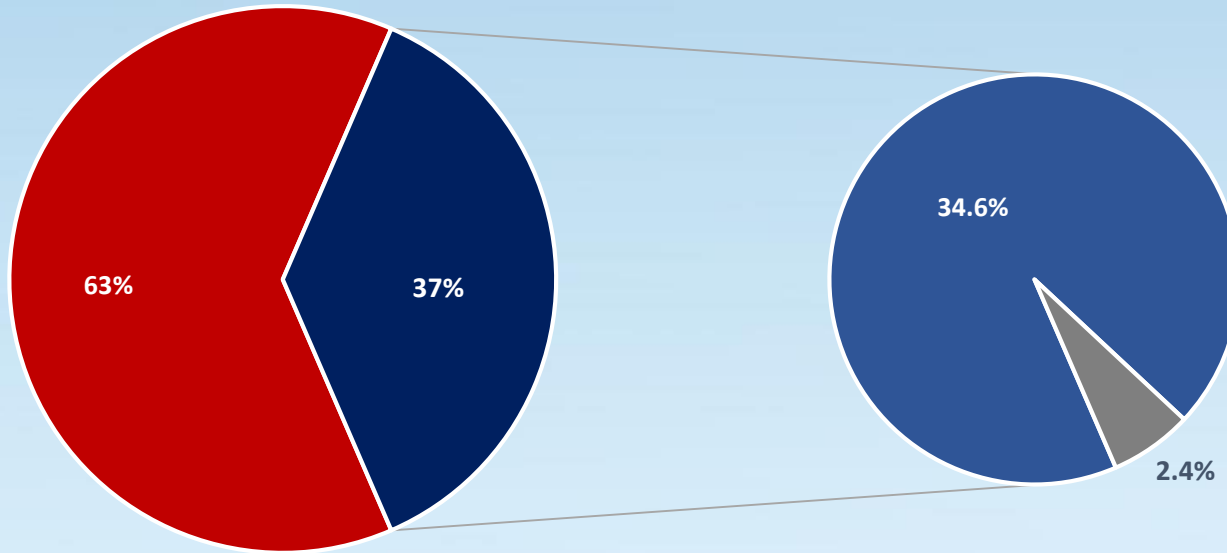
Non mission-critical hires paused until further notice

- Exceptions to this policy considered, based on demonstrated operational needs, with prior approval obtained from the Chief Operating Officer

TELEWORK PRODUCTIVITY



Workforce telework status



■ Telework Eligible ■ Mission Critical ■ Able to telework ■ Not able to telework

Utilization management approaches

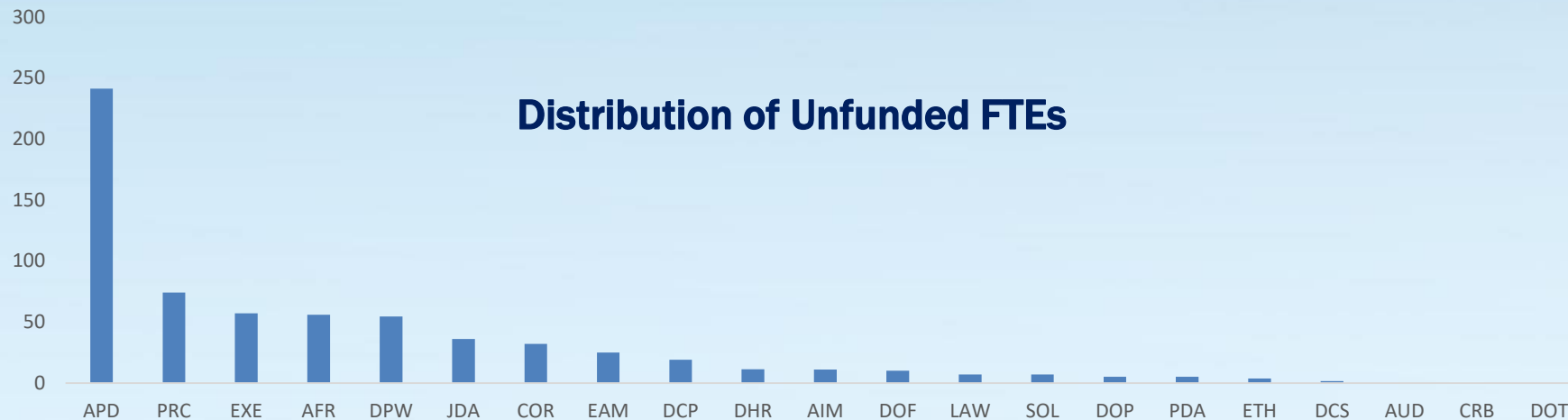
- Assignment Transfer
- Targeted Cross-Training
- Establishment of Eligibility Roster / Vacancy Pool

FULL TIME EQUIVALENT (FTE) COUNTS



General Fund

FY21 FTE COUNT	—	UNFUNDED VACANT FTES	=	FY21 FUNDED FTES
5611.2		658.0		4953.2



PERSONNEL PAPER PREVIEW



Implement Police and Fire raises

Abolish unfunded positions

ADOT position transfers

DGCD positions transfers

REVENUES



CITY REVENUE BUDGET DEVELOPMENT RESOURCES



EXAMPLES OF SOME OF THE RESOURCES USED IN PREPARING BUDGETS



GENERAL FUND REVENUE ASSUMPTIONS

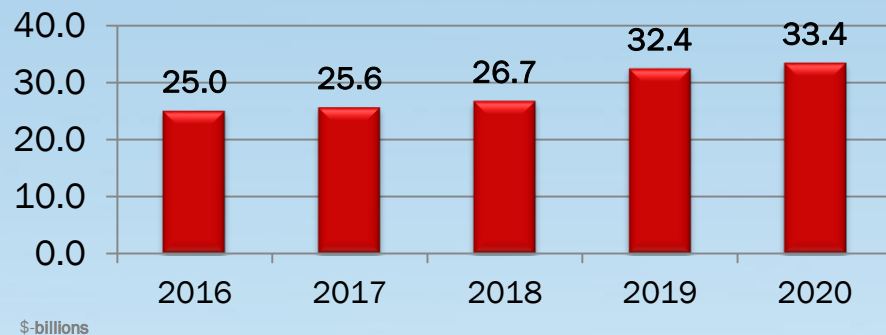


- For FY21, Property & Sales taxes represent 49% of General Fund revenue.
- Current year Property taxes are estimated to increase 6.8% from new construction and allowable reassessment growth per the City of Atlanta Base Freeze Exemption (HB820).
- Dollar value of one mill is projected at \$28.4 million in FY21 compared to \$17 million in FY13.
- Property tax revenues are not expected to be impacted from effects of COVID-19 events. Property tax value and subsequent bills are derived from values as of Jan. 1 of each year, which for this year preceded the COVID-19 event.
- Sales tax revenue is forecasted to decline by -29% and correlates to the impact from the COVID-19 pandemic.
- Hotel/Motel tax revenue is projected to decline by -27% due to reduction in business and leisure travel from mandatory shelter in place order.

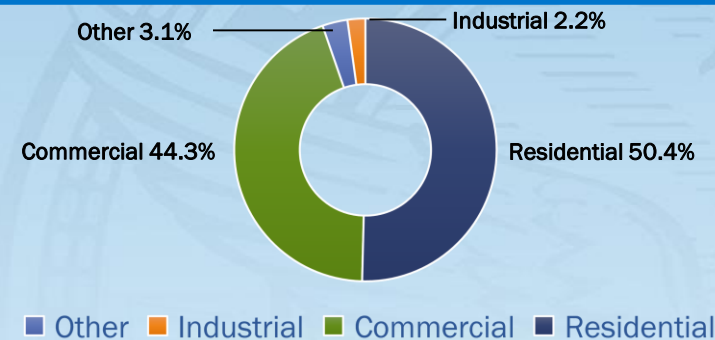


TAXABLE PROPERTY VALUES

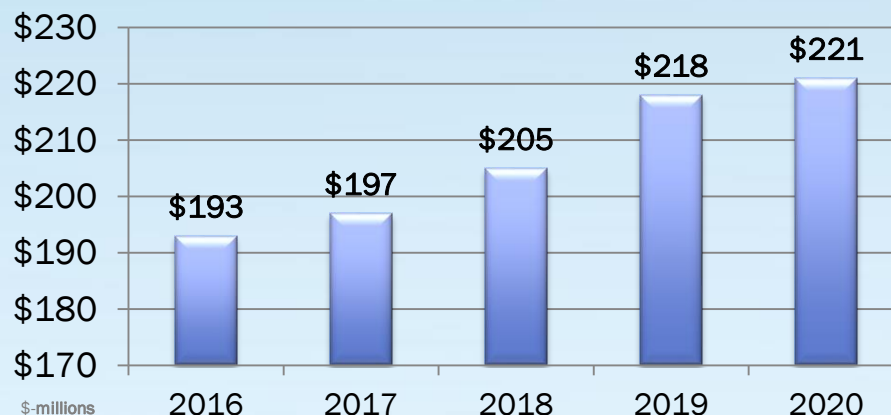
TAXABLE ASSESSED VALUE (FY 2016 – FY 2020)



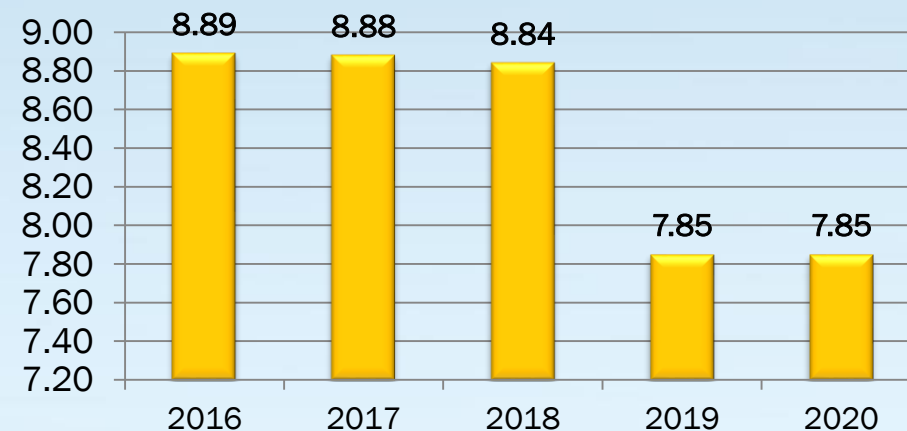
TAX BASE BY LAND USE (FY 2020)



ACTUAL TAXES COLLECTED (FY 2016 – FY 2020)

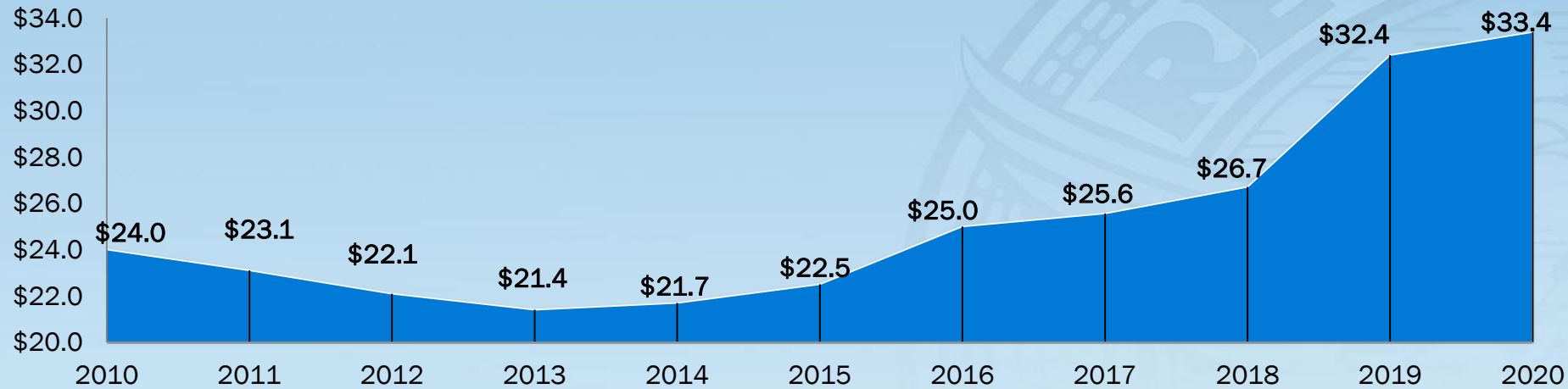


OPERATING MILLAGE RATES (FY 2016 – FY 2020)



Source: City of Atlanta Department of Finance, Office of Revenue

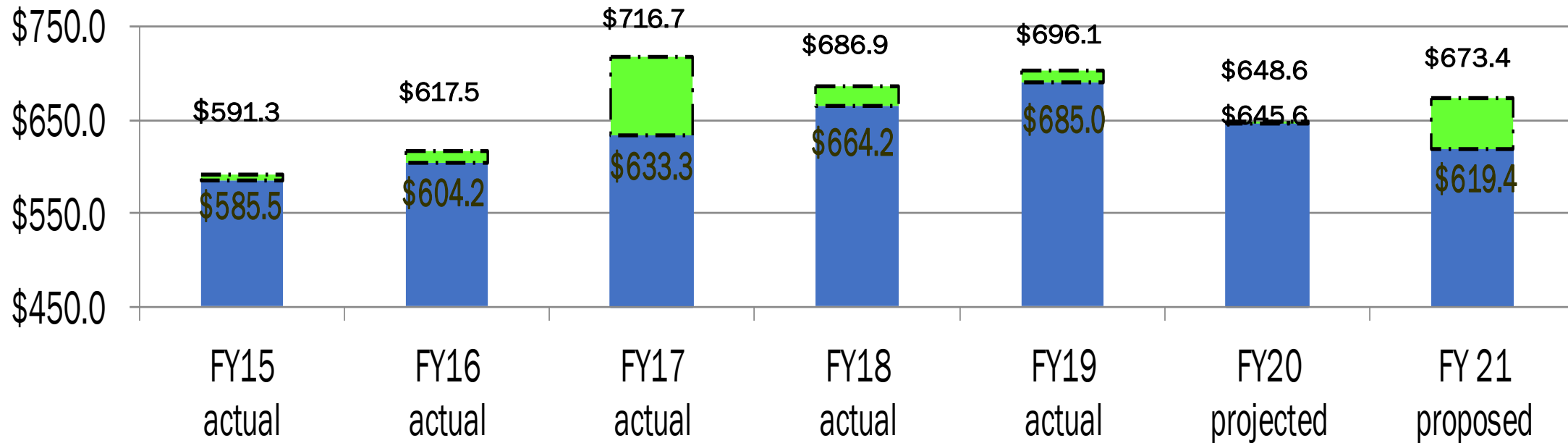
NET TAX DIGEST AND MILLAGE VALUE



Year	Assessed Value	Mill Rate	CY Property Tax Revenue	Dollar Value of One Mill
FY20	\$33.4 Billion	7.85	\$208.5 Million (Adopted)	\$26.7 Million
FY19	\$32.4 Billion	7.85	\$198.1 Million (Audited)	\$25.2 Million
FY18	\$26.7 Billion	8.84	\$192.4 Million (Audited)	\$21.8 Million
FY17	\$25.6 Billion	8.88	\$187.5 Million (Audited)	\$21.1 Million
FY16	\$25.0 Billion	8.89	\$180.9 Million (Audited)	\$20.4 Million
FY15	\$22.5 Billion	9.75	\$179.4 Million (Audited)	\$18.4 Million
FY14	\$21.7 Billion	10.05	\$174.8 Million (Audited)	\$17.4 Million
FY13	\$21.4 Billion	10.24	\$171.7 Million (Audited)	\$16.8 Million
FY12	\$22.1 Billion	10.24	\$175.8 Million (Audited)	\$17.2 Million
FY11	\$23.1 Billion	10.24	\$189.8 Million (Audited)	\$18.5 Million
FY10	\$24.0 Billion	10.24	\$209.5 Million (Audited)	\$20.5 Million

Source: City of Atlanta Department of Finance, Office of Revenue

REVENUE ACTUAL & ANTICIPATIONS OVERVIEW



■ One time/non-recurring revenues

NOTE: FY 2017 Includes transfer of Building Permit Revenues & fund balance and proceeds from the sale of Underground.

FY 2018 Includes proceeds from sale of Civic Center.

FY 2019 Includes proceeds from insurance reimbursement from Cyber attack.

FY 2020 Includes Cyber attack reimbursements & anticipated reduction in revenues from COVID-19 events.

FY 2021 Includes proceeds from intrafund & intergovernmental transfers.

REVENUE COMPARISON BY CATEGORY



MAJOR CATEGORY	FY2019 ACTUALS	FY2020 ADOPTED BUDGET	FY2021 PROPOSED BUDGET	BUDGET FY21 vs. FY20	% CHANGE FY21 vs. FY20
PROPERTY TAXES	\$218.94	\$219.14	\$232.11	\$12.97	5.92%
PUBLIC UTILITY, ALCOHOLIC BEVERAGE AND OTHER TAXES	\$108.02	\$107.71	\$100.63	(\$7.08)	-6.57%
LOCAL OPTION SALES TAX	\$116.72	\$115.43	\$82.15	(\$33.28)	-28.83%
LICENSES AND PERMITS	\$123.26	\$121.77	\$105.38	(\$16.39)	-13.46%
OTHER REVENUE	\$18.98	\$6.29	\$5.49	(\$0.80)	-12.72%
CHARGES FOR CURRENT SERVICES	\$4.27	\$4.56	\$3.38	(\$1.18)	-25.88%
FINES/FORFEITURES & PENALTIES	\$24.18	\$22.21	\$14.43	(\$7.78)	-35.03%
BUILDING RENTALS & CONCESSIONS	\$5.13	\$3.73	\$4.29	\$0.56	15.01%
INDIRECT COSTS	\$34.71	\$34.31	\$34.88	\$0.57	1.66%
HOTEL/MOTEL	\$21.34	\$21.80	\$15.99	(\$5.81)	-26.65%
PILOT & FRANCHISE FEES	\$20.53	\$20.68	\$20.70	\$0.02	0.10%
INTRA-FUND & INTERGOVERNMENTAL TRANSFERS			\$54.00	\$54.00	100.00%
GRAND TOTAL	\$696.08	\$677.63	\$673.43	(\$4.20)	-0.62%

*FY21 Proposed Budget reflects anticipated impact of the Covid-19 pandemic.

FY21 Proposed Budget amount of \$54 million includes Intra-fund {\$37 million} & Intergovt.{\$17 million} transfers.

EASTSIDE TAD SUMMARY



- The Eastside TAD (ETAD) was established in 2003 to extend redevelopment progress from the Westside TAD towards eastern Downtown, Sweet Auburn and Old Fourth Ward
- 20+ projects/2 million+ square feet of development has been completed
 - Original 2005 bond was \$47.5M and was fully paid off (escrowed) in February 2019
 - \$47.5M of new projects are currently committed/in progress
 - Additional tax increment is available for Sweet Auburn corridor
- Tax digest has almost tripled as of 2019 since the base year of 2005.
- Developer incentives are no longer needed to attract investment in much of the area; northeast corner of ETAD is adjacent to the Beltline's Eastside Trail
- Atlanta Public School tax increment will no longer be available to the ETAD beginning with tax year 2019
- \$4 to \$5 million would be added to General Fund revenue on an ongoing basis if tax increment was returned
- \$10 to \$15 million would come back to the City as a one-time lump sum

EASTSIDE TAD FINANCIAL POSITION



TAD	Taxes	Cash/Investments	Debt Balance
Westside 1992	\$22.5	\$69.5	\$73.0
Atlantic Station 1999	\$23.4	\$23.3	\$119.7
Princeton Lakes 2002	\$2.1	\$5.5	\$4.9
Perry Bolton 2002	\$5.6	\$16.1	\$14.8
Eastside 2003	\$19.9	\$107.1	\$0
Atlanta Beltline 2005	\$51.8	\$113.9	\$111.6
Campbellton Road 2006	\$0.3	\$4.7	\$0
Hollowell/ML King 2006	\$0.3	\$2.4	\$0
Metropolitan Pkwy 2006	\$0.4	\$1.8	\$0
Stadium Area 2006	\$0.2	\$0.4	\$0

Why the Eastside TAD?

- Only TAD with substantial cash/investment balances, available for future projects and distributions, above debt balance
- One of the earliest TADS created having met substantially all original development goal.
- 50% of the Tax increment (APS) went away with the 2018 Omnibus TAD Agreement

Balances as of March 31, 2020

EXPENDITURES



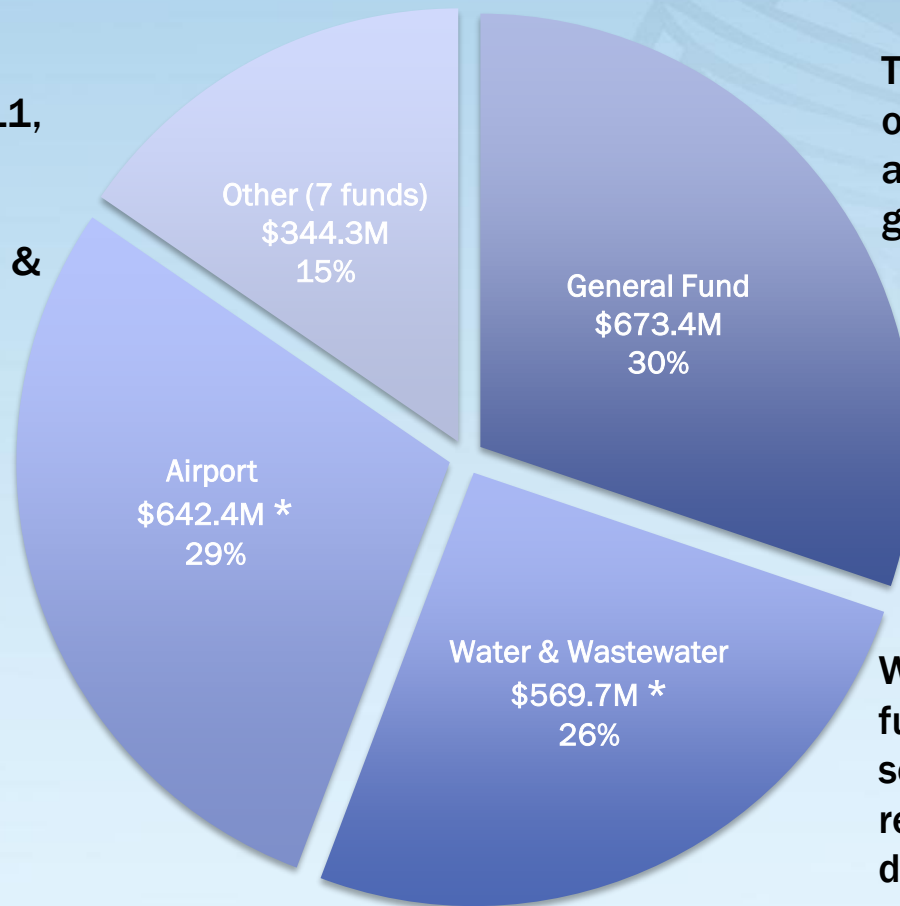
FY2021 TOTAL OPERATING BUDGET



The City of Atlanta's Total Proposed FY21 Operating Budget is \$2.2B *

Other funds include Group Insurance, E911, Solid Waste, Fleet Service, Hotel/Motel, Rental/Motor Vehicle & City Plaza.

The Airport is funded by gate fees, concessions & parking revenues, PFC's and CFC's. Funding uses are strictly controlled by the FAA.



The City's main operating fund; accounts for all general government functions.

Water & Wastewater is funded by charges for services and the MOST; residual revenue is directed to its capital program.

* Pre-COVID-19

GENERAL FUND BUDGET EXPENDITURE COMPARISON BY MAJOR CATEGORY (\$MIL)



MAJOR CATEGORY	FY19 ACTUALS	FY20 ADOPTED BUDGET	FY21 PROPOSED BUDGET	FY20 vs. FY21
Personnel Services and Employee Benefits	\$430.65	\$435.47	\$433.02	(\$2.45)
Purchased / Contracted Services	\$97.89	\$103.86	\$96.54	(\$7.32)
Supplies	\$44.66	\$35.47	\$38.72	\$3.25
Capital Outlays	\$1.74	\$1.41	\$6.36	\$4.95
Interfund / Interdepartmental Charges	\$20.93	\$15.17	\$15.17	\$0.00
Other Costs	\$40.46	\$38.21	\$38.11	(\$0.10)
Debt Service	\$6.68	\$33.92	\$31.49	(\$2.43)
Conversion / Summary	\$0.00	\$4.11	\$4.11	\$0.00
Other Financing Uses	\$37.74	\$10.00	\$9.88	(\$0.12)
TOTAL GENERAL FUND EXPENDITURES	\$680.75	\$677.63	\$673.41	(\$4.22)

GENERAL FUND BUDGET EXPENDITURE COMPARISON BY DEPARTMENT (\$MIL)



DEPARTMENT	FY19 ACTUALS	FY20 ADOPTED BUDGET	FY21 PROPOSED BUDGET	FY20 vs. FY21
City Council	\$8.20	\$12.34	\$11.99	(\$0.35)
Executive Offices	\$17.95	\$19.85	\$18.62	(\$1.23)
Department of Atlanta Information Management	\$38.64	\$30.95	\$29.34	(\$1.61)
Department Of Law	\$7.87	\$6.64	\$6.30	(\$0.34)
Department Of Corrections	\$27.98	\$20.13	\$18.90	(\$1.23)
Department Of Finance	\$15.05	\$17.15	\$16.49	(\$0.66)
Department Of Procurement	\$2.23	\$3.23	\$2.93	(\$0.30)
Department Of Public Works	\$50.06	\$51.73	\$0.00	(\$51.73)
Dept of Parks & Recreation	\$40.61	\$41.80	\$40.79	(\$1.01)
Judicial Agencies	\$12.20	\$13.38	\$13.02	(\$0.36)
Non-Departmental	\$97.58	\$97.07	\$94.24	(\$2.83)
Department Of Human Resources	\$7.04	\$7.03	\$6.33	(\$0.70)
Department Of Fire Services	\$97.47	\$91.21	\$96.16	\$4.95
Department Of Police Services	\$199.93	\$205.45	\$217.57	\$12.12
Department of City Planning	\$21.27	\$22.51	\$20.86	(\$1.65)
Department Of The Solicitor	\$7.54	\$6.70	\$6.70	\$0.00
Board of Ethics & Independent Compliance *	\$0.61	\$1.48	\$1.64	\$0.16
Atlanta Citizens Review Board	\$0.79	\$0.92	\$0.94	\$0.02
Department Of Audit	\$2.09	\$2.02	\$2.05	\$0.03
Department Of Public Defender	\$3.77	\$3.90	\$3.89	(\$0.01)
Department Of Enterprise Assets Management	\$20.59	\$18.62	\$17.19	(\$1.43)
Department Of Customer Service	\$1.30	\$2.79	\$2.80	\$0.01
Atlanta Department of Transportation	\$0.00	\$0.75	\$44.32	\$43.57
Department of Grants and Community Development	\$0.00	\$0.00	\$0.31	\$0.31
TOTAL GENERAL FUND EXPENDITURES	\$680.75	\$677.63	\$673.41	(\$4.22)

* Board of Ethics & Independent Compliance is now a part of the Office of Inspector General per legislation 19-0-1729.

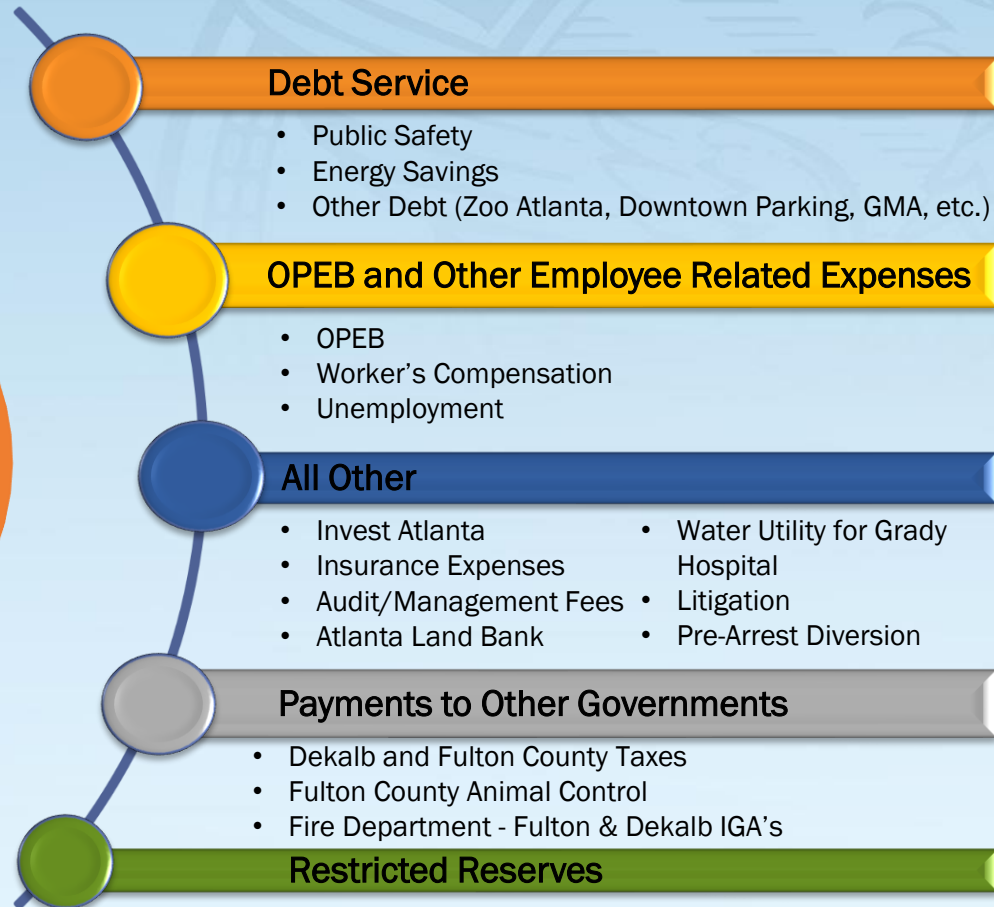
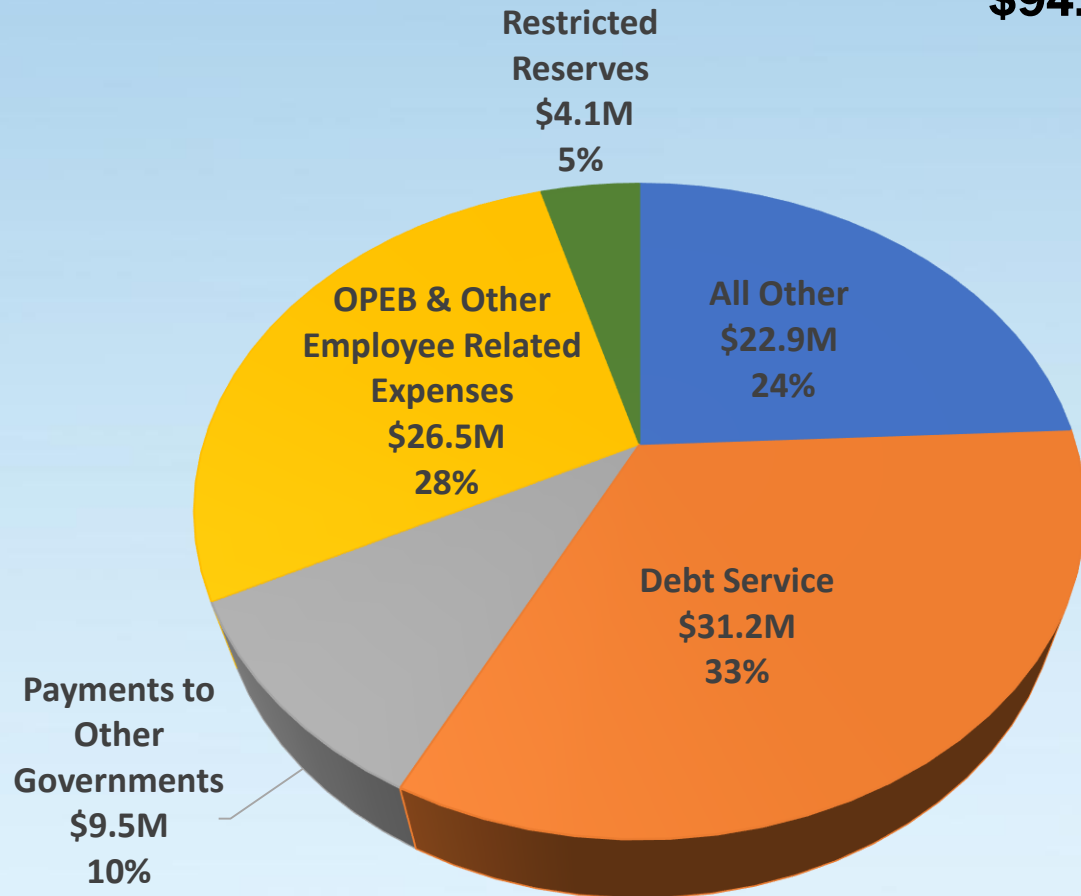
NON-DEPARTMENTAL EXPENDITURES



NON-DEPARTMENTAL COMPARISON



Non-Departmental \$94.2M



TRUST FUND



TRUST FUND – TOP 10 PROJECTS



Total Trust \$40.7MM



Top 10 make up 79% of the Total Balance



Total of 248 Trust Accounts

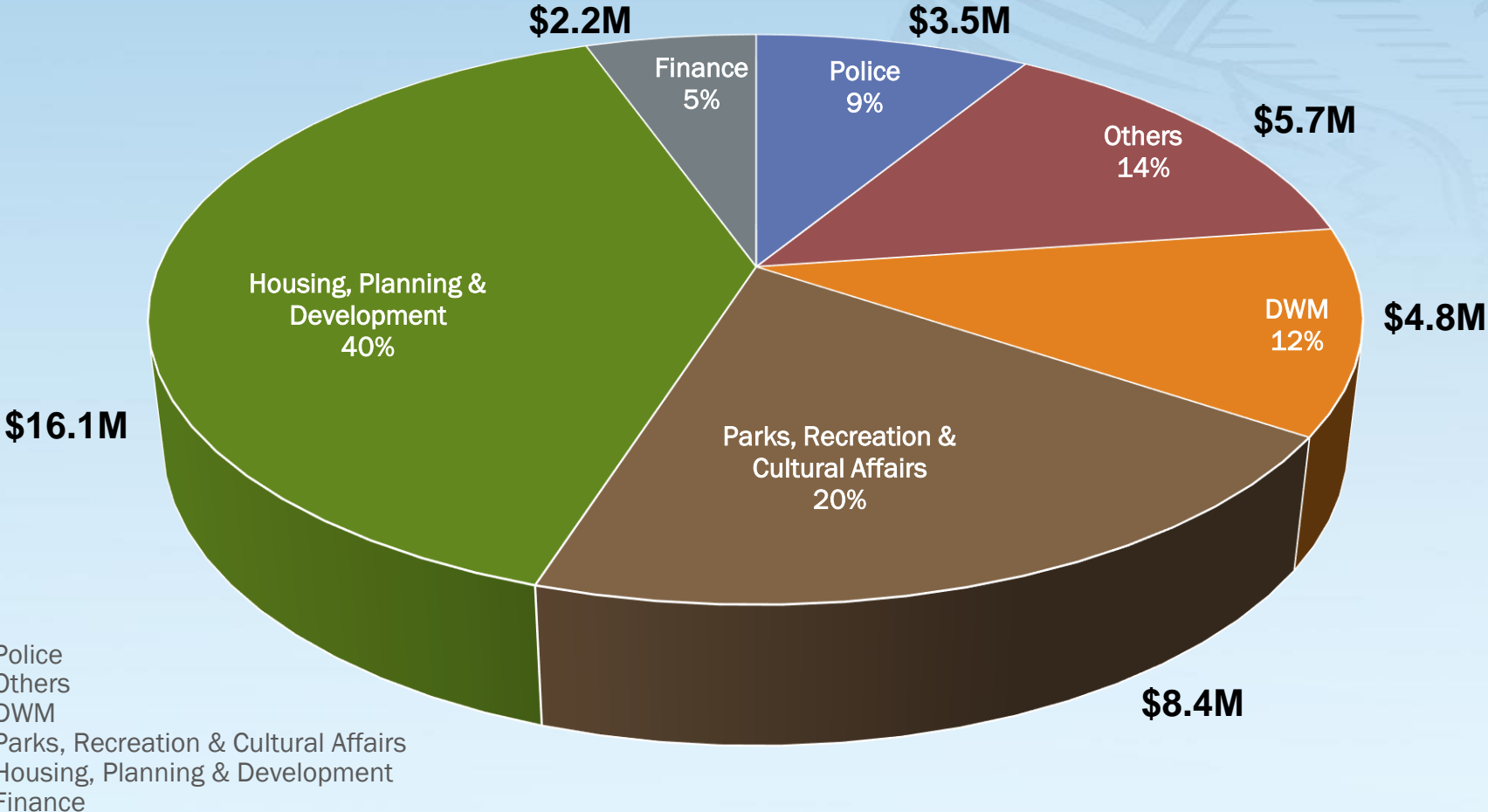
- \$11.9MM Tree Removal
- \$4.5MM Care & Conserve
- \$3.5MM Covid-19 Corona Virus
- \$2.3MM Youth Athletics Program
- \$2.1MM Parks & Cultural Affairs
- \$1.9MM Technology Surcharge
- \$1.6MM Streetcar O & M
- \$1.5MM Jail Administration Fund
- \$1.3MM Federal RICO Treasury
- \$1.2MM Centers of Hope

Balances as of March 31, 2020

TRUST FUND BALANCE BY DEPARTMENT



Total Trust Fund FY20 Budgeted Balance is \$40.7M



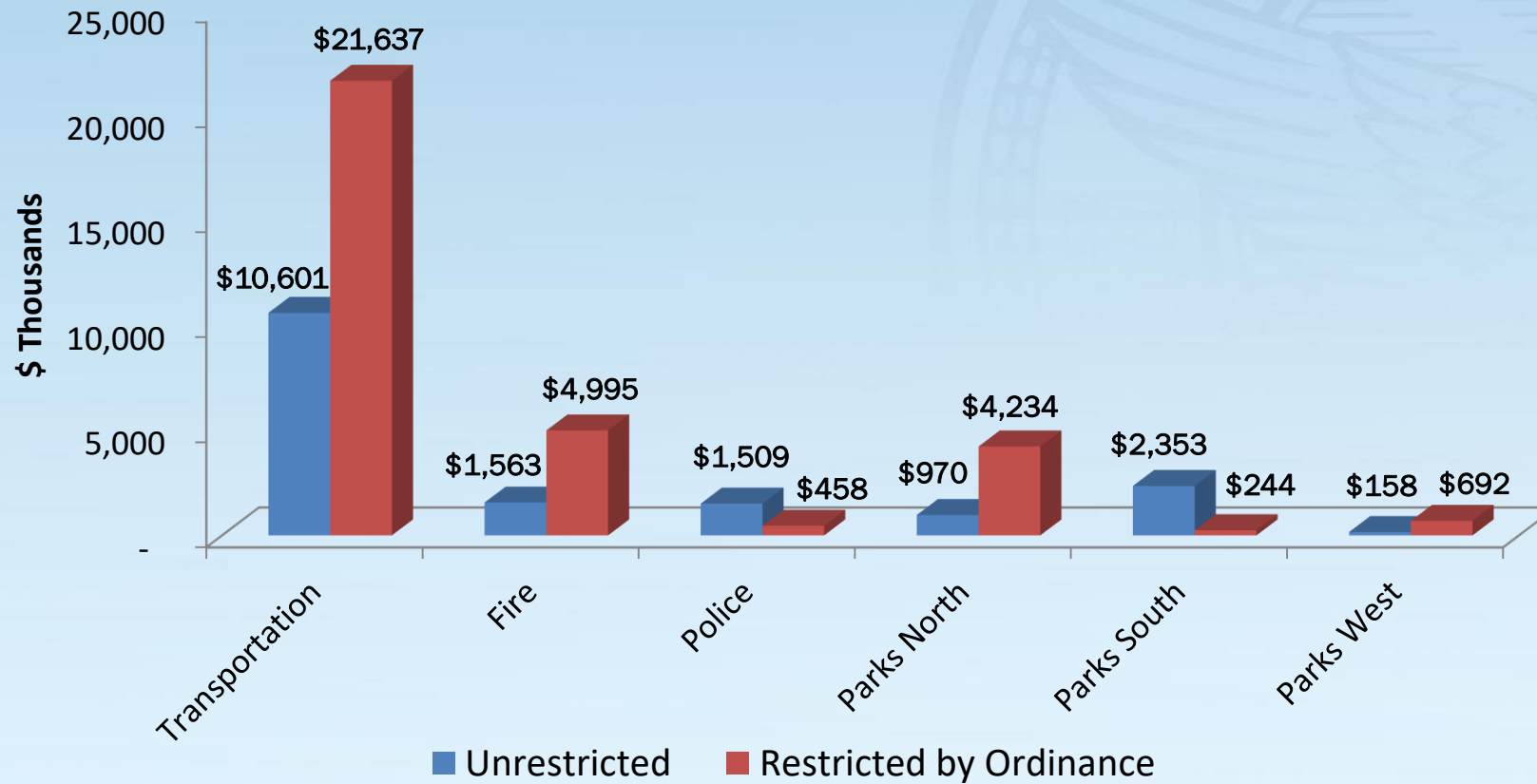
IMPACT FEES



IMPACT FEES



Impact Fee Fund Balances as of March, 2020 - \$49M



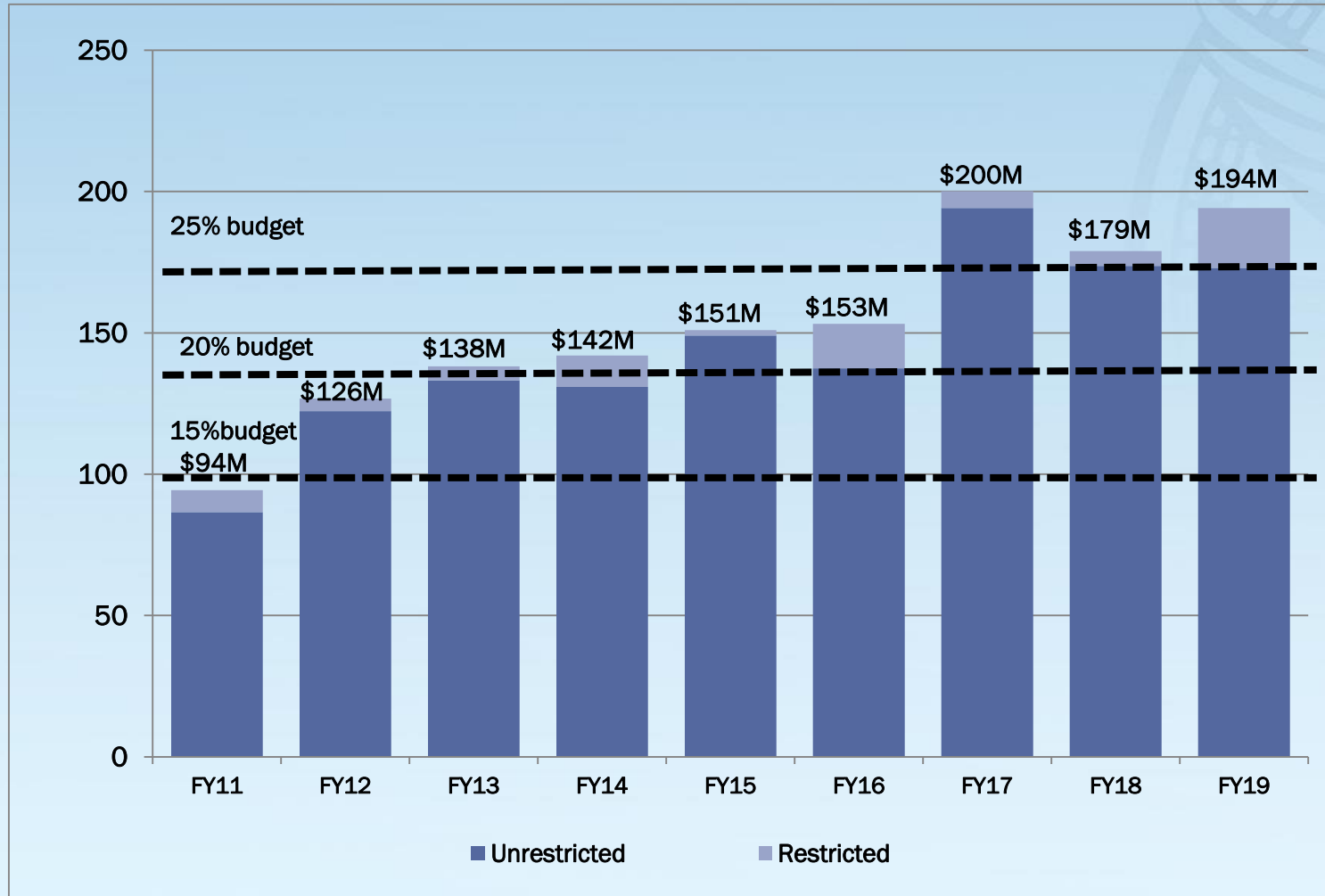
FUND BALANCE



FY2019 GENERAL FUND BALANCE



Unrestricted Fund Balance & Restricted Fund Balance



- ❖ Total Fund Balance has grown by \$100 million since the beginning of FY2011.
- ❖ Budgeted reserves and strong cost control were key factors in restoring fund balance.
- ❖ Unrestricted fund balance above 20% is available for one-time, nonrecurring purchases as long as a portion goes toward reducing any remaining deficit funds.

FY2019 CASH DEFICIT FUNDS



Deficit Funds – Cash basis	2018	2019
E911	2.3M	0
Internal Service Fund – Fleet Services	2.0M	0
Internal Service Fund - Group Insurance	7.7M	21.6M
Solid Waste Service	29.2M	38.8M
Total	\$41.8M	\$69.1M

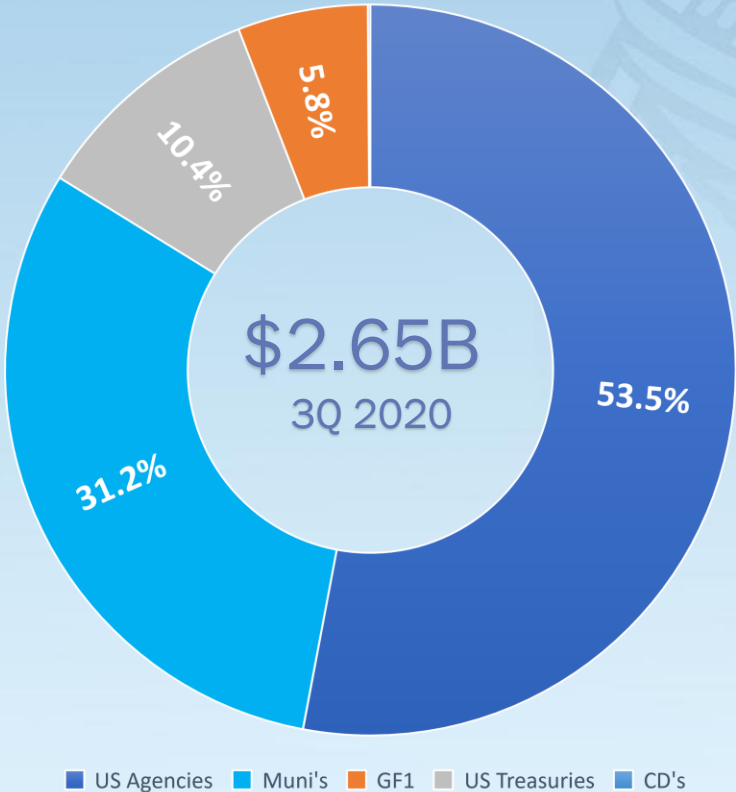
DEBT AND INVESTMENTS



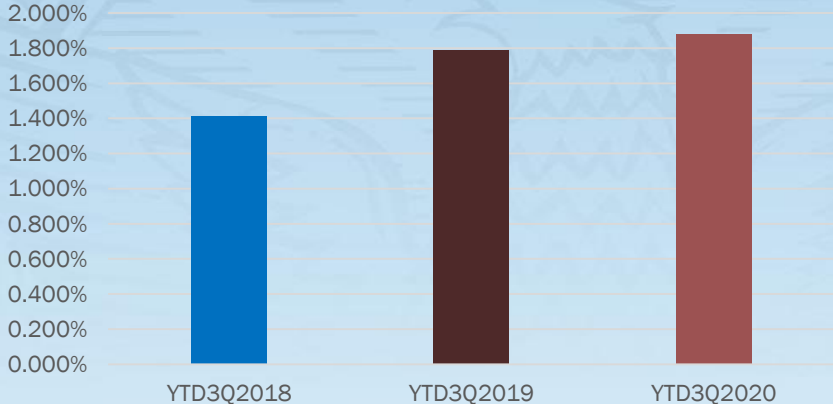
INVESTMENT PORTFOLIO OVERVIEW



Portfolio Objectives



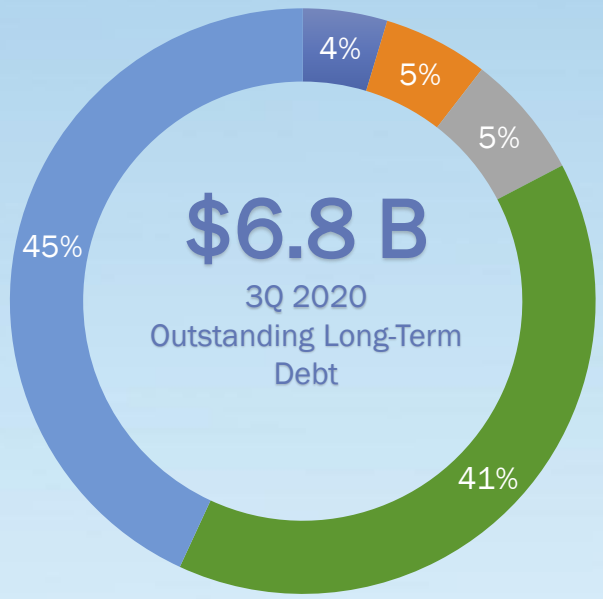
Portfolio Yield



Net Increase
\$110.0 M
 Compared to 3Q 2019



DEBT PORTFOLIO OVERVIEW



- General Obligation
- General Fund
- Tax Allocation Districts
- Aviation
- Water & Wasterwater

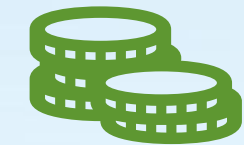
	General Obligation	General Fund Other	& Tax Allocation Districts	Dept of Aviation	Dept of Watershed
Q3 FY20	\$273,900	\$375,988	\$323,960	\$2,824,078	\$3,046,339
Q3 FY19	299,095	411,713	373,300	2,327,560	3,161,083
	(\$25,195)	(\$35,725)	(\$49,340)	\$496,518	(\$114,744)
	(8.42%)	(8.68%)	(13.22%)	21.33%	(3.63%)

Net Increase
\$271.5 K
Outstanding Debt

0%
Variable Rate
Debt

\$101.8 M
Total NPV Savings
On Refunded Debt
during FY20

\$140.0 M
Energy Savings
Performance
Contracts



ATLANTA CREDIT RATINGS



CITY OF ATLANTA MUNICIPAL BOND RATINGS

	Moody's	Standard & Poor's	Fitch
General Obligation Bonds	Aa1	AA+	AA+
Water and Wastewater Revenue Bonds	Aa2	AA-	AA-
Airport Revenue Bonds - Senior Lien GARBs	Aa3	AA-	AA-
Airport Revenue Bonds- PFC/Subordinate Lien GARBs	Aa3	AA-	AA-
Airport Revenue Bonds Senior Lien Customer Facility Charge	A2	A	A

Note: The Moody's rating agency recently announced that it may downgrade bonds supported by car rental fees as well as hotel/motel taxes in the future.



QUESTIONS
&
ANSWERS