



**CITY OF ATLANTA  
DEPARTMENT OF FINANCE  
2023 FISCAL CONDITION OF THE CITY**

**MOHAMED BALLA, CFO  
LISA GORDON, COO**

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# AGENDA

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*Introduction*

*Economic Outlook*

*Revenue Projections*

*Operating Budget Development*

*Revenues*

*Expenditures*

*Trust Funds*

*Impact Fees*

*Fund Balance*

*Debt & Investments*

*Q&A*



# ECONOMIC OUTLOOK



# ECONOMIC OUTLOOK



Economists predicted that economic recovery would occur in three distinct phases: an initial “bounce” in economic activity due to the lifting of “stay-at-home” restrictions and business re-openings; followed by a period of “choppy” economic growth that would persist until an effective vaccine is widely available; followed by a period of sustained above-average economic growth.

The “bounce” and “choppy” phases of the recovery are over. The sustainable, above-average phase of the recovery began in the second quarter of 2021.

Economists predict that above-average GDP growth will continue through 2022. Inflation-adjusted GDP will increase by 4.0 percent.

U.S. GDP surpassed its pre-COVID-19 recession peak value in the second quarter of 2021 and full recovery of the jobs lost to the COVID-19 recession will occur in 2023.

# ECONOMIC OUTLOOK



Once effective vaccines became widely available in the second quarter of 2021, the economy more fully engaged and shifted onto a sustainable, above-average growth trajectory. Phase III of the economic recovery was underway. Voluntary reductions in face-to-face interactions continued. The Delta variant of the virus kept demand from surging and supply chains from normalizing, but the U.S. economy continued to expand at an above-average pace.

Revenue collections by state and local governments held up much better throughout the pandemic than initially feared. Federal government transfers to state and local governments were massive. Many state and local governments recognize that recent revenue gains are unlikely to be repeated and therefore will direct revenue surpluses to one-time uses.

The most important factor that will power consumer spending is job growth. Improving labor market conditions will support growth in wages and salaries and bolster consumer confidence.

# ECONOMIC OUTLOOK



## Consumer Spending

- On an inflation-adjusted basis, personal consumption expenditures will increase at an above-trend rate of about 5 percent in 2022. Consumers' outlays grew by an above-trend rate of about 7 percent in 2021.
- The increase in consumer spending will be possible due to a drop in the personal savings rate as well as spending some of the excess savings that accumulated since the onset of the pandemic.

## Housing

- Home sales and homebuilding were important drivers of US GDP growth in 2020-21. Housing markets will drive growth again in 2022.
- Housing market conditions are very good due to job growth, low mortgage rates\*, and cyclical factors. Demand that was not satisfied in 2020-21 (due to shortages of homes for sale) will support higher sales of new and existing homes in 2022.

## Monetary Policy/Risk

- A large increase in long-term interest rates and/or inflation could trigger a recession through either a stock market correction or a corporate debt crisis.
- Labor market conditions will strengthen further. Workers will remain in short supply in many occupations. The U.S. unemployment rate will soon fall to levels consistent with full employment. At that time, labor market conditions will begin to generate wage-push inflation.
- The Federal Reserve would need to shift its easy money policy to a much more restrictive policy. If the Federal Reserve increases interest rates a lot faster than financial markets are expecting, then stock and bond prices could crater.

# ATLANTA'S ECONOMY



**#1**

Metro Area For  
**LOWEST COST OF  
DOING BUSINESS**

**3<sup>rd</sup>**

Most  
**FORTUNE 500  
COMPANY  
HEADQUARTERS**

**1.9 M**

Forecasted  
**JOBS TO BE  
CREATED BY 2040**

**#1**

Most-Traveled Airport  
in the Western  
Hemisphere  
**HARTSFIELD-  
JACKSON  
ATLANTA  
INTERNATIONAL  
AIRPORT**

**#3**

Market for  
**EDUCATIONAL  
ATTAINMENT**

# ATLANTA'S ECONOMY



## An Economic Engine



### Digital Arts & Media

A \$9.5B economic impact on the state of Georgia.



### Life Sciences

Home to the CDC and over \$400M in NIH funding.



### Processing & Engineering

A leader in STEM degree completions.



### Transportation and Logistics

The most convenient international airport.



### Corporate HQ & Management Services

3rd most Fortune 500 headquarters in the U.S.



# ATLANTA'S ECONOMY



Atlanta continues to be one of the fastest-growing large Metropolitan Statistical Areas (MSA) in the nation. Atlanta's recovery from COVID-19 will outpace the nation's recovery. Business development, tech hubs, the housing market, and job growth underpin Atlanta's economic recovery.

In 2021, the area's high concentration of college-educated workers, business partners, cyber security, high-tech companies, innovation centers, and research universities will continue to attract high technology companies in life sciences, software development, research & development, healthcare IT, professional and business services, and advanced manufacturing.

Atlanta MSA lost 13.6 percent of its jobs to the COVID-19 recession but recovered 83 percent of its losses by late-2021.

On an annual average basis, the 29-county Atlanta MSA will add 99,600 jobs in 2022, a year-over-year increase of 3.6 percent. Atlanta therefore will exceed the pace expected for the state.

Atlanta MSA personal income is expected to decline due to federal stimulus assistance transfers to households.

2022 personal savings rate expected to decline to less than 7 percent from 13 percent in 2021 and from 16 percent in 2020.

Atlanta MSA housing will increase but it will slow due to decreased home affordability and higher mortgage rates.

# ATLANTA'S ECONOMY



The Atlanta MSA is dependent on two highly cyclical industries – distribution and new construction, both of which will outperform the overall economy in 2022. Exports account for about 6.4 percent of the area's GDP, and therefore, the MSA is not overly dependent on export markets.

The Atlanta MSA's main weakness is an overburdened infrastructure.

In 2022, the pace of job growth will be 3.6 percent which exceeds the 2.9 percent gain expected for the U.S. and the 3.2 percent gain expected for Georgia. The Atlanta MSA's economy and its economic growth are very diverse, which decreases the economic risk associated with living and doing business in Atlanta.

Business development, an educated workforce, an innovation and logistics hub, a tech hub, above-average population growth and strong housing markets contribute to Atlanta's economic health.

# REVENUE PROJECTIONS





# REVENUE FORECASTING APPROACH

We developed unique assumptions for the drivers of each revenue category based on economic forecasts, policy decisions, and current events and applied these scenarios to the baseline dataset to produce three revenue forecasts of varying levels of severity.

## 1 Build Economic Scenarios



### Macroeconomic Trends

- National and state-level trends (e.g., GDP, employment, etc.)



### Atlanta Historical Revenues

- City MuniCast Model
- FY 2019 - FY 2022\* actuals at the transaction and receivables level



### Analyzed Revenues

- Analyzed City-specific data (e.g., parking citations, hotel occupancy, events, etc.)
- City-specific policies, relief measures and enforcement decisions

## 2 Analyze General Fund Revenue Levers



Property Taxes



Licenses & Permits



Local Option Sales Tax



Public Utility, Alcoholic Beverages, & Other

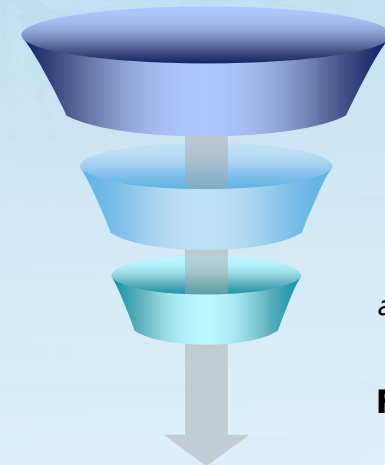


All Other Revenue



Fines, Forfeitures, & Penalties

## 3 Aggregate Assumptions in Revenue Model



Scenarios developed for each revenue lever

Scenario output using CY 2019/2022 data as baseline

Monthly results calculated and rolled up to annual estimates

### FY 2023 Forecast Ranges

General Fund Revenue \$ Estimates

High (\$749M)

Medium (\$730M)

Low (\$713M)

# OVERVIEW OF MACROECONOMIC SCENARIOS FOR FY23



The following presents the three Macroeconomic Scenarios. Moving forward, Deloitte recommends the Medium (Baseline) Scenario for FY 2023.

## HIGH GROWTH (\$749M)

- High economic growth
- Vaccine boosters and treatments continue to be helpful against new COVID variants
- Pent-up demand creates a large burst of spending
- Consumers are sitting on considerable savings and ready to spend on expensive experiences, such as large vacations
- Supply-chain issues are resolved quickly in early 2022
- GDP recovers at 4.2% in CY 2022, and fluctuates around 2% in future years

## MEDIUM GROWTH (\$730M)

- Medium economic growth
- New vaccines and treatments are still being developed, but COVID variants continue to effect health to lesser degree
- Consumer spending continues to increase as people continue to be more comfortable going out and using services, such as restaurants and pubs
- Employment growth continues to increase, with 3.4% growth in CY 2022
- Supply-chain issues continue, but the bottlenecks begin to loosen
- GDP recovers at 3.5% during CY 2022, and hovers around 1.5% forward

## LOW GROWTH (\$713M)

- Low economic growth
- COVID-19 cases continue to increase with new variants
- Vaccines are no longer working to prevent severe COVID illnesses
- Consumers prefer to stay home rather than take unnecessary risks
- Federal reserve increases interest rates many times in 2022, triggering people to save money instead of spend
- GDP growth is positive, but fluctuates around 1% thru CY 2026

***Policymakers must navigate several macro-level "unknowns" as COVID-19 recovery progresses, including public health developments, recurring public policy interventions, and a likely, but uncertain road to economic/financial recovery.***



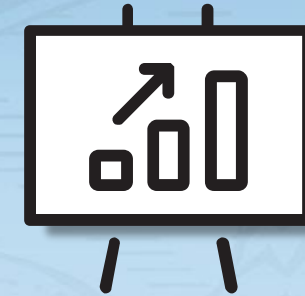
# TYING MACROECONOMIC TRENDS TO REVENUES



## Lessened Economic Impact from COVID



## Increased Economic Activity and Growth



## Increased Revenues

COVID continues to evolve with **New Variants** and **Rising Cases** however availability and accessibility to **Vaccinations** and **Boosters** continue to rise across Atlanta and the rest of the country.



GDP  
Inflation  
Consumer Spending  
Residential Real Estate



Supply Chain Challenges



Unemployment Rates



Property Tax



Local Options Sales Tax



Public Utilities and Alcohol









***The latest macroeconomic trends show and support economic growth on an upward trajectory towards pre-pandemic levels and increased revenues for the City of Atlanta.***



# KEY DRIVERS AND IMPACTS TO REVENUE

The following provides an overview of Key Drivers and Impacts to Revenue, along with a complementary comparative analysis of FY 2023 Revenue Forecasts to the FY 2019 Revenue Actuals at pre-pandemic levels.

REVENUE CATEGORY	DRIVER	IMPACT
Property Taxes	<ul style="list-style-type: none"> <li>Housing prices increased 27%</li> <li>Commercial real estate prices increased 13.8%</li> </ul>	 +11.1%
Local Options Sales Tax	<ul style="list-style-type: none"> <li>Supply-chain challenges expected to ease during CY 2022</li> </ul>	 +15.8%
Public Utility, Alcoholic Beverages & Other	<ul style="list-style-type: none"> <li>Insurance premium revenue grew 4.5% annually during COVID</li> <li>Public utility revenue collections constant throughout pandemic</li> </ul>	 +14.1%
Licenses & Permits	<ul style="list-style-type: none"> <li>Businesses submitted \$39.5 million in late payments during CY 2021</li> <li>Alcohol and pouring license revenue for CY 2021 was 77% of CY 2019</li> </ul>	 -4.9%
All Other Revenue	<ul style="list-style-type: none"> <li>Hotel occupancy 5% below pre-COVID levels for CY 2022</li> </ul>	 -10.8%
Fines, Forfeitures, & Fees	<ul style="list-style-type: none"> <li>Pre-trial intervention revenue is 43% below pre-COVID</li> </ul>	 -26.4%

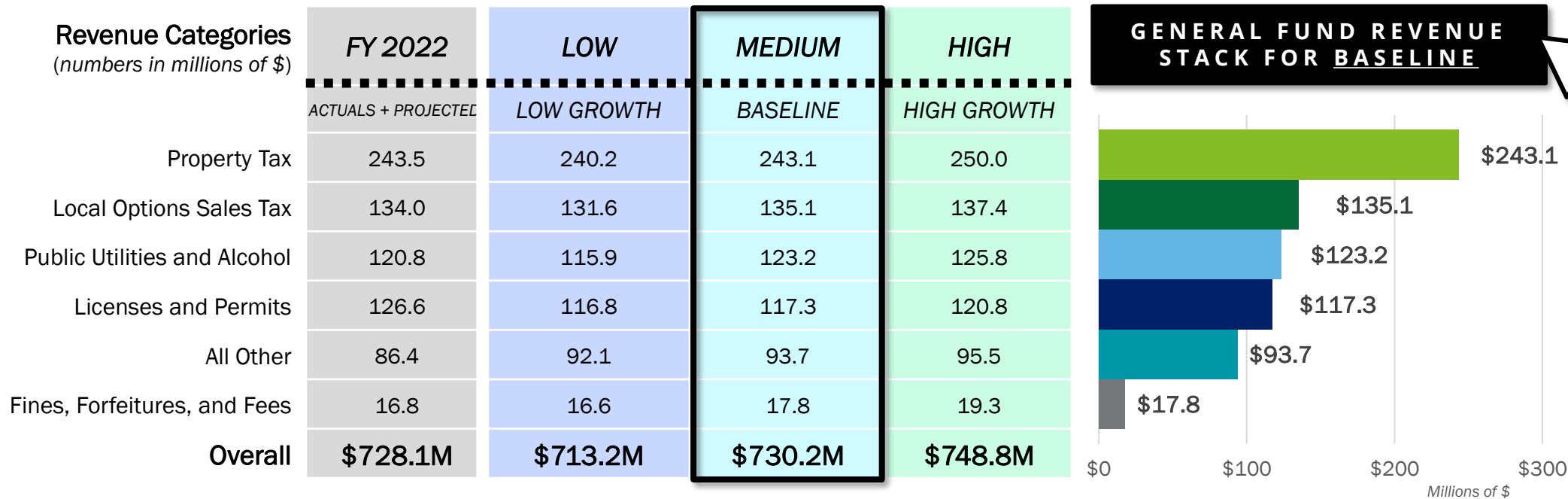


# REVENUE FORECASTS BY REVENUE CATEGORY

The following presents the FY 2023 Revenue Forecast Assessment by Revenue Category. These results are based on the latest Historical Data, Macroeconomic Factors, COVID-related Factors, Operating Assumptions, SME Insights, and Deloitte Recommendations, as well as the application of recommended adjustments to the specific Revenue Streams based on qualitative factors approved by SMEs.

## FY 2023 REVENUE FORECAST ASSESSMENT

**RANGE OF \$35.6M**



Note: As directed, both the actuals and the forecasts above exclude Federal Funding (General Ledger Account 3890036).





# REVENUE FORECASTS BY REVENUE CATEGORY (CONT'D)

The following presents the FY 2023 Revenue Forecast Assessment by Revenue Category. These results are based on the latest Historical Data, Macroeconomic Factors, COVID-related Factors, Operating Assumptions, SME Insights, and Deloitte Recommendations, as well as the application of recommended adjustments to the specific Revenue Streams based on qualitative factors approved by SMEs.

## FY 2023 REVENUE FORECAST ASSESSMENT

### HISTORICAL DATA

### RANGE OF \$35.6M

Revenue Categories <i>(numbers in millions of \$)</i>	FY 2019	FY 2020	FY 2021	FY 2022	LOW	MEDIUM	HIGH
	<i>ACTUALS</i>	<i>ACTUALS</i>	<i>ACTUALS</i>	<i>ACTUALS + PROJECTED</i>	<i>LOW GROWTH</i>	<i>BASELINE</i>	<i>HIGH GROWTH</i>
Property Tax	218.9	228.2	234.7	243.5	240.2	243.1	250.0
Local Options Sales Tax	116.7	111.8	117.6	134.0	131.6	135.1	137.4
Public Utilities and Alcohol	108.0	104.5	105.2	120.8	115.9	123.2	125.8
Licenses and Permits	123.3	118.0	84.8	126.6	116.8	117.3	120.8
All Other	103.1	100.0	89.7	86.4	92.1	93.7	95.5
Fines, Forfeitures, and Fees	24.2	18.5	10.7	16.8	16.6	17.8	19.3
<b>Overall</b>	<b>\$694.2M</b>	<b>\$681.0M</b>	<b>\$642.7M</b>	<b>\$728.1M</b>	<b>\$713.2M</b>	<b>\$730.2M</b>	<b>\$748.8M</b>

Actuals Adjusted for Inflation (Dec 2021)

\$770.4M

\$738.9M

\$687.9M

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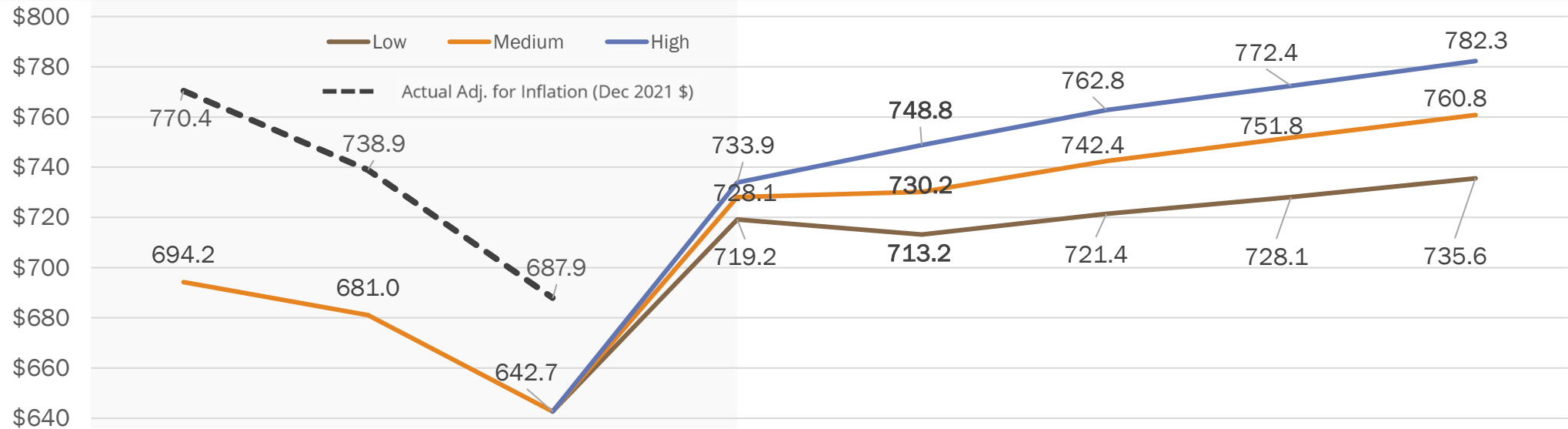
Note: As directed, both the actuals and the forecasts above exclude Federal Funding (General Ledger Account 3890036).

# REVENUE FORECASTS FOR FY 2023



The following presents the FY 2023 Revenue Forecast Assessment across Fiscal Years. These results are based on the latest Historical Data, Macroeconomic Factors, COVID-related Factors, Operating Assumptions, SME Insights, and Deloitte Recommendations, as well as the application of recommended adjustments to the specific Revenue Streams based on qualitative factors approved by SMEs.

## TOTAL REVENUE FORECAST BY FY (\$ MILLIONS)



	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>HIGH</b>				733.9	748.8	762.8	772.4	782.3
<b>MEDIUM</b>	694.2	681.0	642.7	728.1	730.2	742.4	751.8	760.8
<b>LOW</b>				719.2	713.2	721.4	728.1	735.6
<b>FEDERAL</b>	\$1.9M	\$0.4M	\$64.4M	\$0.0M	\$0.00	TBD	TBD	TBD

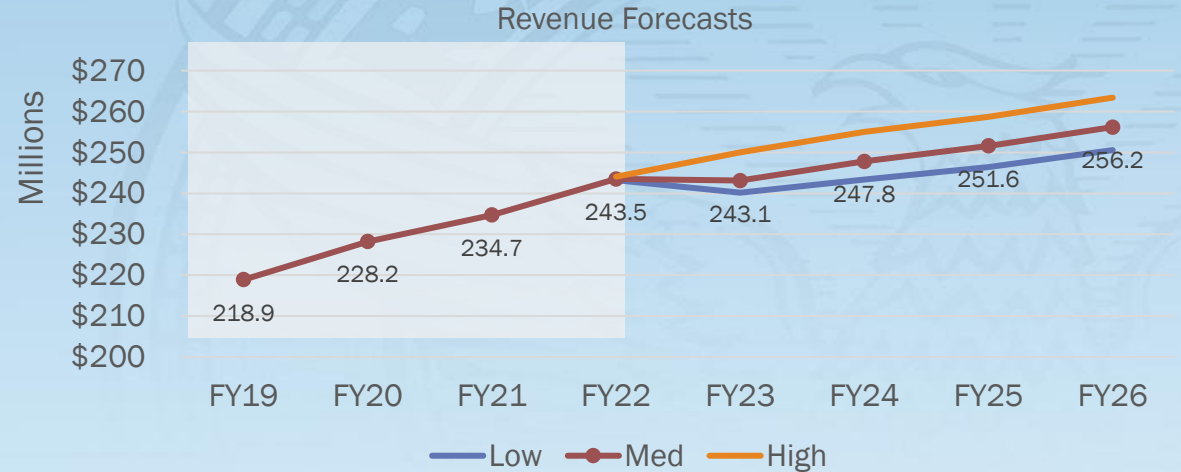
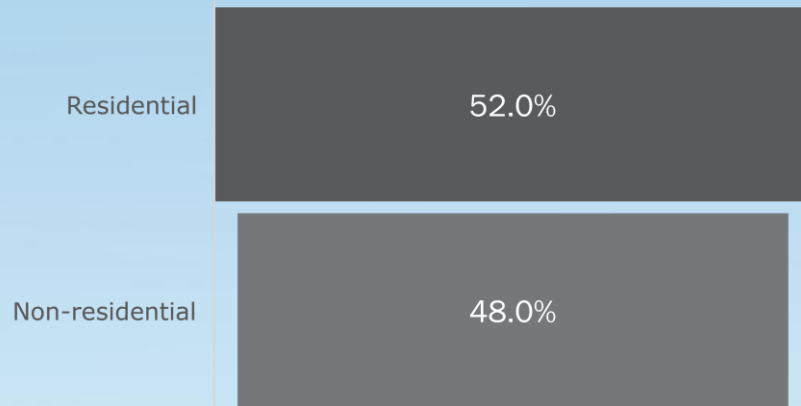
Note: As directed, both the actuals (FY2019, FY2020 and FY2021) and the forecasts above exclude Federal Funding (General Ledger Account 3890036).

# PROPERTY TAXES



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

## Property Tax Breakdown (FY19)<sup>1</sup>



Medium values shown.  
Additional numbers available  
in Detailed Methodology.

### Insights

- Housing prices increased 27.1% since the start of the pandemic, but price growth rate will begin to decrease in 2023.
- The Federal Reserve reports commercial real estate prices increased 13.8% since the start of the COVID-19 pandemic.

University of Georgia forecasts housing prices to increase 6% in the Atlanta MSA during CY 2022, and commercial prices to continue increasing.

### Assumptions

Property tax revenue was divided into residential and commercial/industrial by 2020 CAFR dollar valuations. Forecasts for each follow housing investment and business fixed investment. Commercial real estate is expected to grow due to workers preferring hybrid work locations as well as the population continuing to increase.

### Sources

- [Commercial Property Price Index](#)
- [Case-Schiller Home Price Index](#)
- [Deloitte Economic Forecast](#)

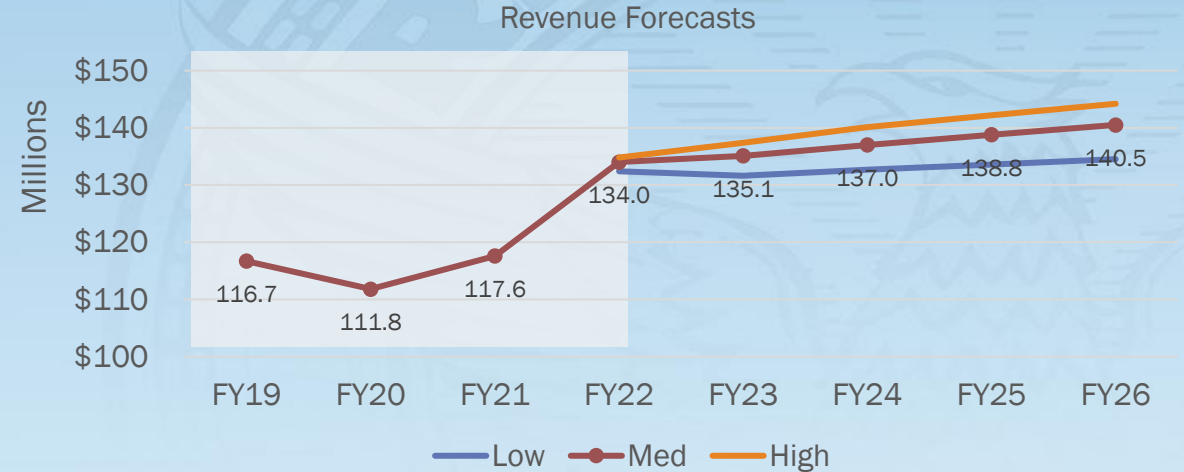
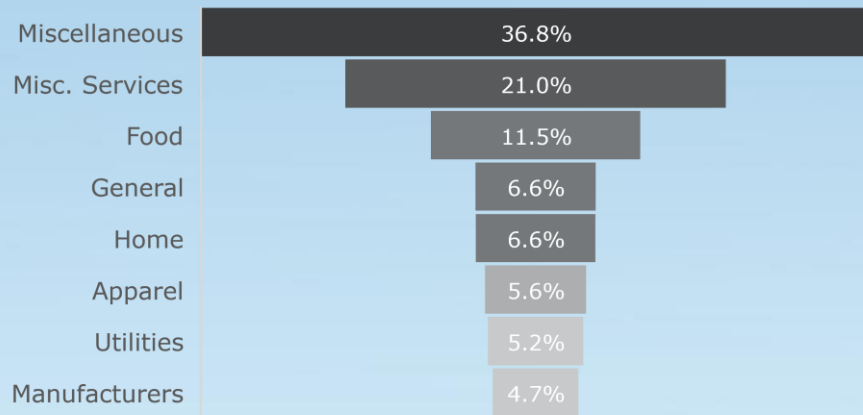
<sup>1</sup>: From FY20 budget, reflecting 2018 net tax digest

# 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)



### Insights

Sales tax was not affected as significantly as expected. Consumers substituted spending on goods for services, since leisure services were generally not available.

Widespread vaccine availability and supply-chain issues will drive consumer spending away from generally-taxed goods to generally-untaxed services.

Consumer spending is indirectly driven by leisure travel and business travel to Atlanta. Industry forecasts show leisure travel returning to pre-pandemic levels, but business travel still lagging.

*Medium values shown.  
Additional numbers available  
in Detailed Methodology.*

### Assumptions

- Sales tax revenue closely follows consumer spending levels.
- Revenue forecasts were weighted by for each type of consumer spending (non-durable goods, durable goods, and services) based on the source of the sales tax from the 2020 CAFR.

### Sources

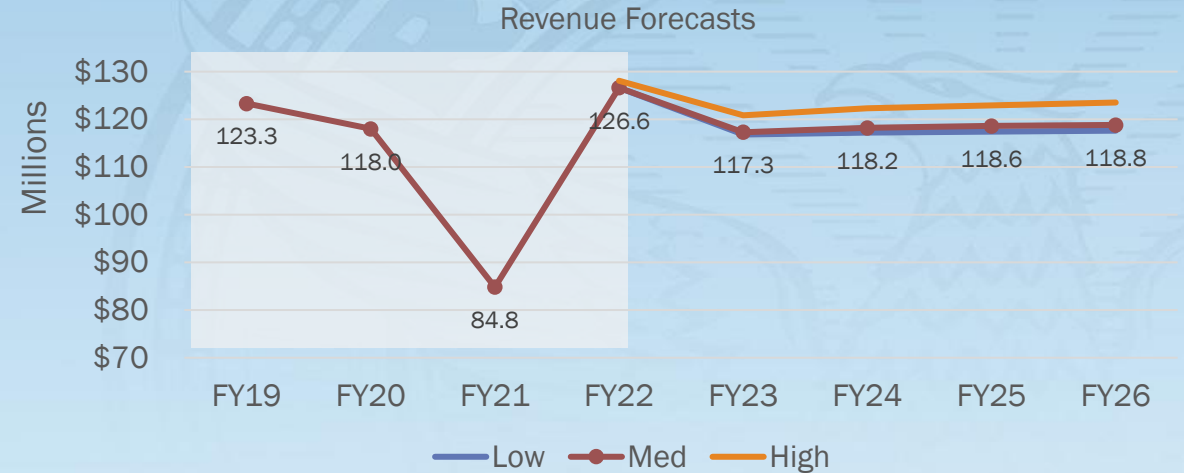
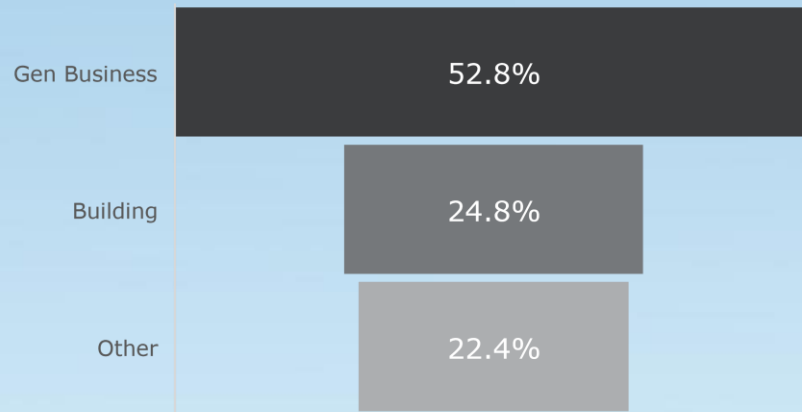
[National Restaurant Association](#)  
[Deloitte Economic Forecast](#)

# LICENSES & PERMITS REVENUE



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

## Licenses & Permits Breakdown (FY19)



Medium values shown.  
Additional numbers available  
in Detailed Methodology.

### Insights

Alcohol and pouring license revenue for CY21 was 77% of CY19 levels, and will increase during CY22 as consumers shift from purchasing goods to services.

Short-term rental licenses will bring in an additional \$1 million in revenue, based on a permit cost of \$150 for an estimated 6.6k STR units.

Businesses made \$39.5 million in late payments during CY 2021 for general business licenses compared to only \$0.7 million during CY 2019. Late payments will decrease during CY 2022 as businesses improve their financial position.

### Assumptions

- Business license revenue driven by macroeconomic employment rates, consumer spending, and GDP growth rates.
- Building permit and occupancy certificate revenue is correlated to changes in the residential and commercial real estate markets.

### Sources

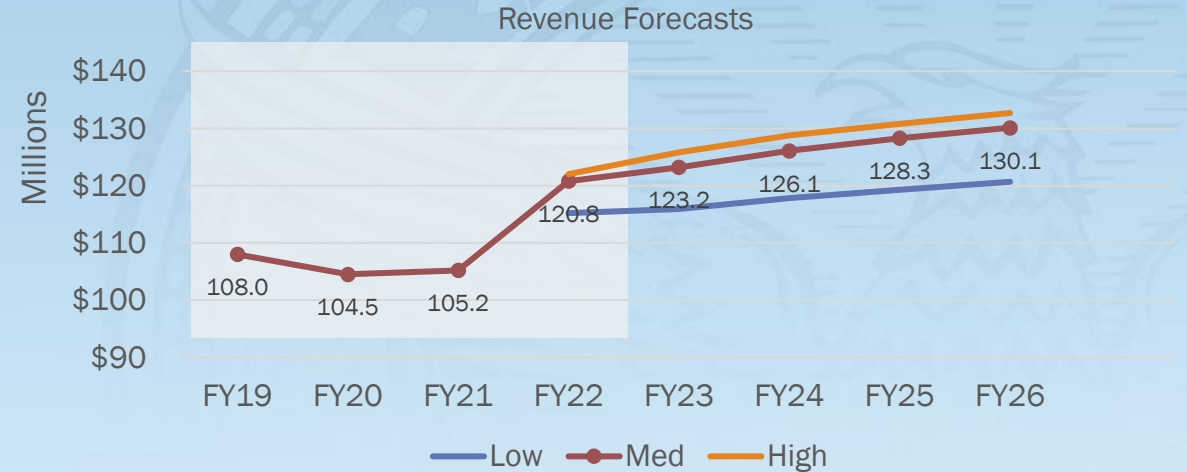
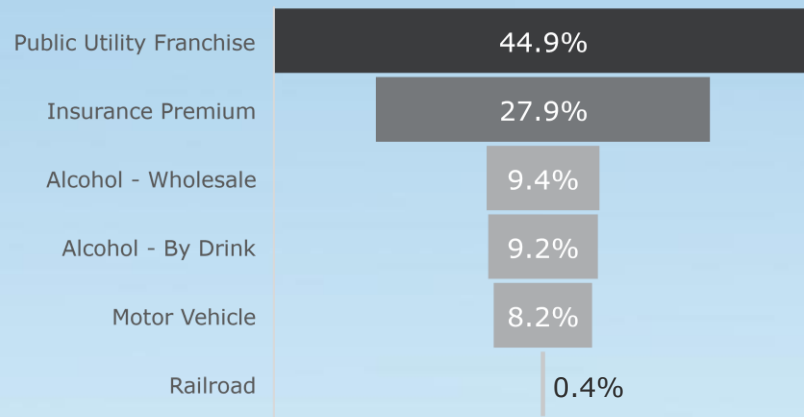
- [City of Atlanta Dept. of Finance](#)
- [Deloitte Economic Forecast](#)

# 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)



Medium values shown.  
Additional numbers available  
in Detailed Methodology.

### Insights

Public utility revenue was consistent between \$48 million and \$49 million annually over the last 3 years—this trend will continue based on how the contract is structured.

Restaurants sales for Dec 2021 were 9.5% higher than Feb 2020, suggesting that revenue from alcohol sales will continue to increase.

The TAVT tax for motor vehicle revenue is based off a percent of purchase price. Decreases in automotive prices as supply chains recover will cause an increase in total purchases, which will likely be revenue neutral.

### Assumptions

- 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

### Sources

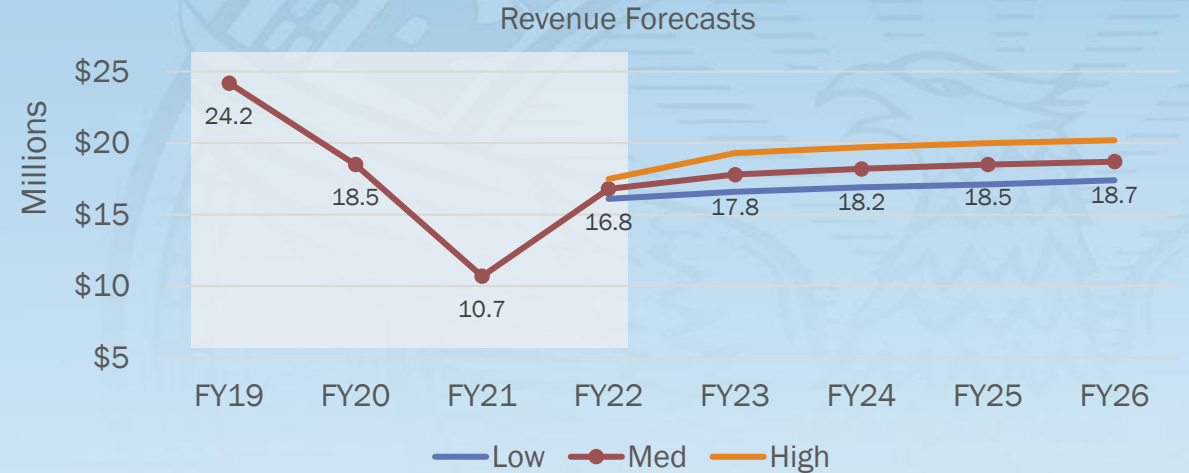
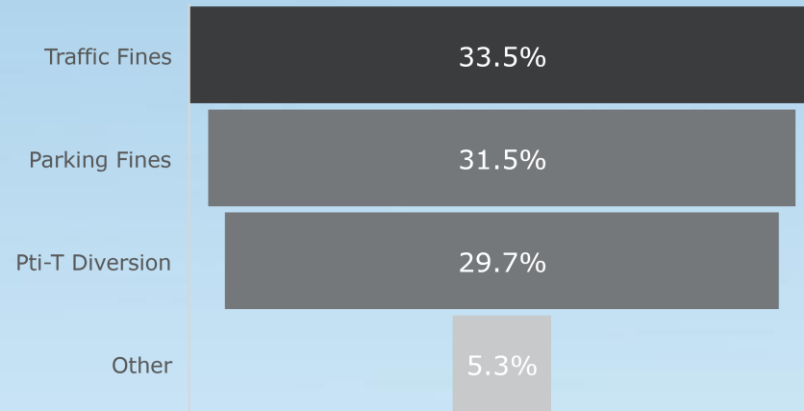
[City of Atlanta](#)  
[Deloitte Economic Forecast](#)

# FINES, FORFEITURES & PENALTIES



Revenue comprised primarily of traffic fines and forfeitures

## Fines, Forfeitures & Penalties Breakdown (FY19)



Medium values shown.  
Additional numbers available  
in Detailed Methodology.

### Insights

- The FBI reports violent crime has increased 22% in Georgia from CY19 to CY20, likely continuing into CY21.
- Revenue from pre-trial intervention for CY21 is only 40.3% of the CY19 level, suggesting this could increase over the next several years.

This revenue stream is sensitive to the scope and depth in the enforcement of fines and forfeitures.

### Assumptions

- The trend showing traffic fines and moving violations from CY20 to CY21 will continue
- Court fees will increase with courts resuming normal operations and back logs disappearing, as well as new options to pay fines online

### Sources

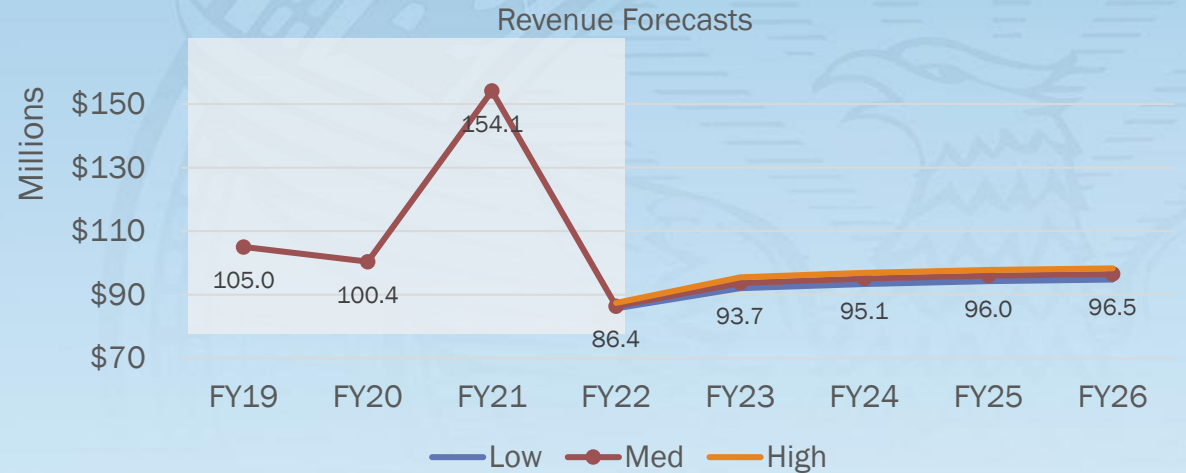
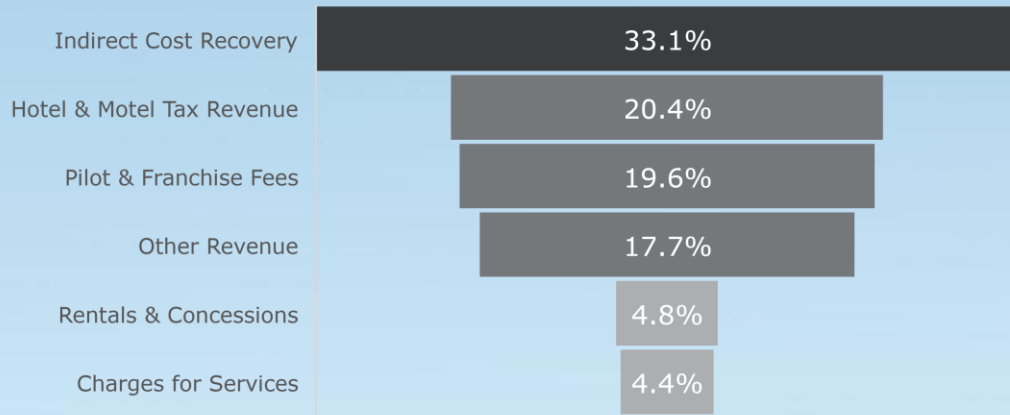
- [Municipal Court of Atlanta](#)
- [Atlanta Public Schools](#)
- [Atlanta Parking Enforcement](#)
- [Deloitte Economic Forecast](#)



# ALL OTHER REVENUES

Additional revenue sources that fall outside of the previous categories

## Other Revenues Breakdown (FY19)



Medium values shown.  
Additional numbers available  
in Detailed Methodology.

### Insights

Hotel tax revenue recovered more quickly than expected. Occupancy expected to be only 5% lower than pre-pandemic levels for 2022. Long-term can see occupancy rates mirroring consumer spending macrotrend, with return to pre-pandemic levels by 2023.

Indirect cost recovery and pilot/franchise fees have had consistent levels of revenue, because of how those revenue streams are structured.

### 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 recovery fixed at \$30 million annually, and pilot/franchise fees fixed at \$22 million annually.

### Sources

[Deloitte Economic Forecast](#)  
[American Hotel & Lodging Association](#)

Atlanta Event Data  
CBRE Hotel Occupancy Data



# OPERATING BUDGET DEVELOPMENT



# FY23 BUDGET DEVELOPMENT OBJECTIVES



**Prioritize resources to maintain public safety and service delivery**

**Facilitate equitable growth and post-covid recovery**

**Target investments to catalyze social and economic mobility**

**Maintain a strong financial position and healthy fund balance reserves**

# FY23 BUDGET INCREASES



**Wage Increases for Frontline staff (311, Fire, AIM, ATLDOT, and DPR)**

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**COLA for all other employees**

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**Infrastructure investments for Parks, Police & Fire Stations**

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**Investments in At-Promise Youth Centers**

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**Increased funding for arts and culture**

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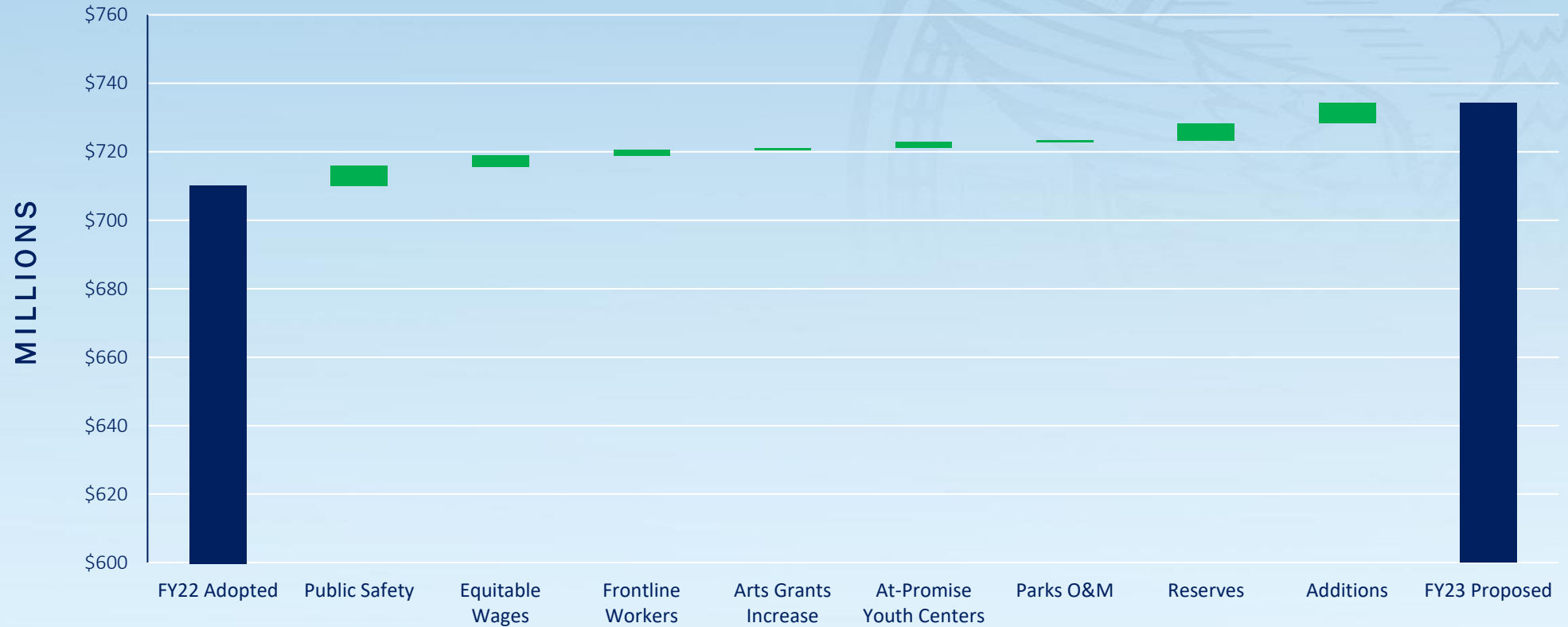
**New Investments in 311 technology to improve constituent experience**

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# FY23 OPERATING BUDGET SUMMARY



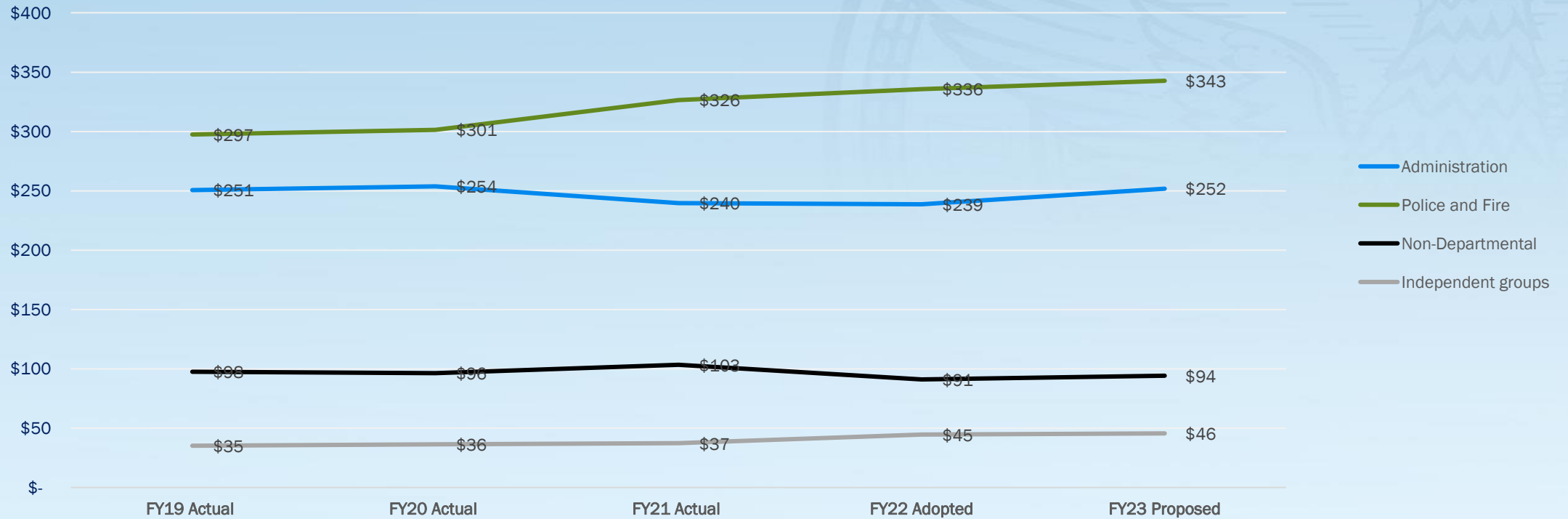
### Summary of key budget changes



# FY23 BUDGET EXPENSE BREAKOUT



General Fund Budget Expense Breakout  
*In Millions*



# FY23 OPERATIONAL AREAS OF FOCUS



**Focusing on Public Safety and reducing crime**

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**Increasing youth employment and engagement**

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**Increasing affordable housing and economic mobility**

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**Reducing unsheltered homelessness**

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**Increasing satisfaction with City services**

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**Investment in infrastructure**

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# FY23 PERSONNEL BUDGET PRIORITIES



**Public Safety recruitment**

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**Hiring/Retention in tight labor market**

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**FTE Position Counts for Departments**

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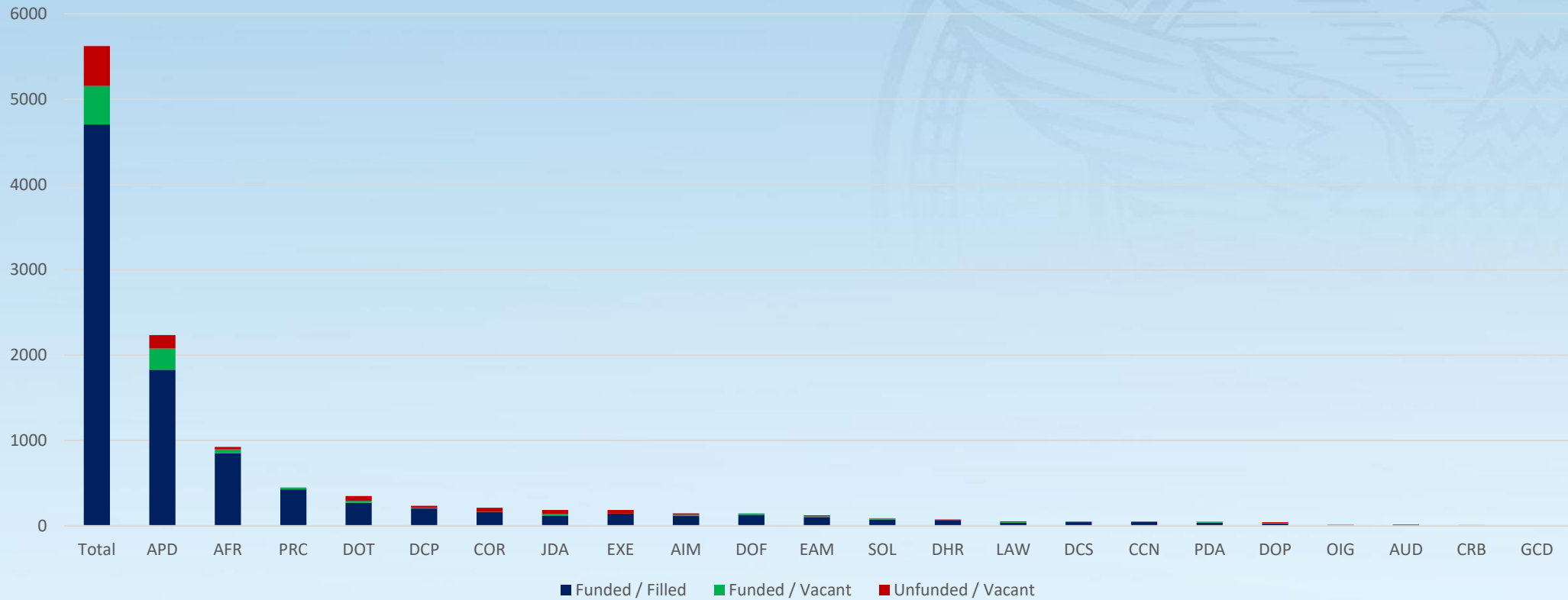
**Personnel paper preview**

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# FULL TIME EQUIVALENT (FTE) COUNTS



Distribution of General Fund FTEs





# REVENUES



# CITY REVENUE BUDGET DEVELOPMENT RESOURCES



EXAMPLES OF SOME OF THE RESOURCES USED IN PREPARING BUDGETS



# FY23 GENERAL FUND REVENUE ASSUMPTIONS

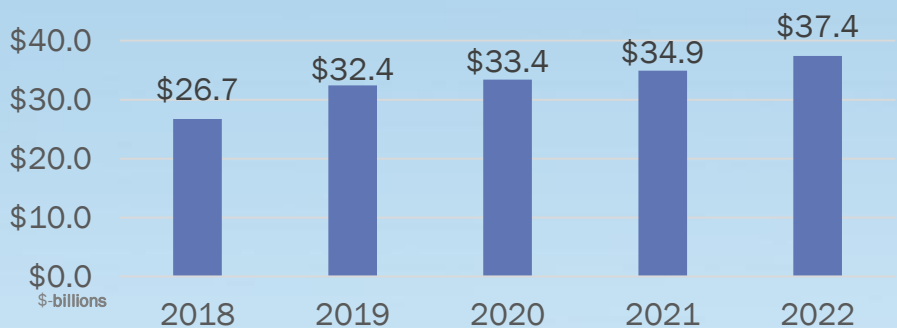


- Property Tax, the largest revenue contributor to the budget, has exhibited stable growth and is attributed to rising property values from market price demands and new construction. Housing prices are projected to increase 6% in the Atlanta MSA during CY 2022, in addition to commercial price increases.
- Local Option Sales Tax, the second-largest revenue source, has continued to exceed expectations and is a favorable contributor to the City's economic recovery following the pandemic.
- Public Utility, Alcoholic Bev. & Tax is another major revenue contributor and is due to the recent uptick in Title Ad valorem Taxes (TAVT) from rising automobile sales pricing and Alcohol by the drink taxes from lessening of covid restrictions on restaurants.
- License and Permits, major revenue contributors are Business License and Building Permits. Business License revenues in FY2023 are projected to continue to recover as businesses improve their financial position after the pandemic. Building Permit revenue is projected to remain stable and correlates to the constant residential and commercial real estate markets

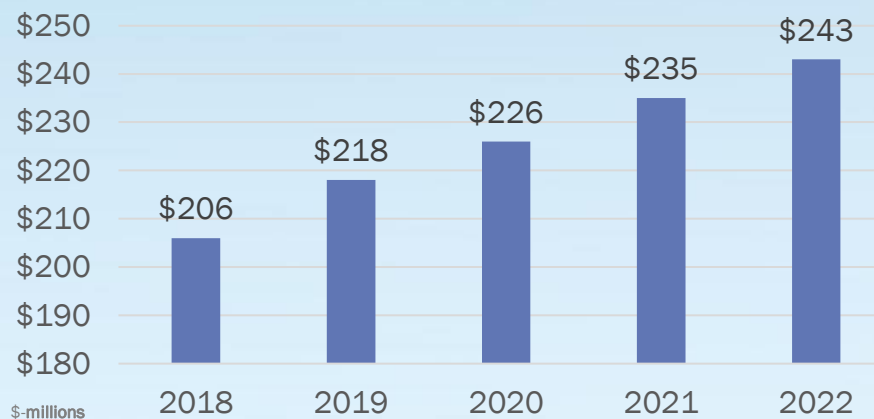


# TAXABLE PROPERTY VALUES

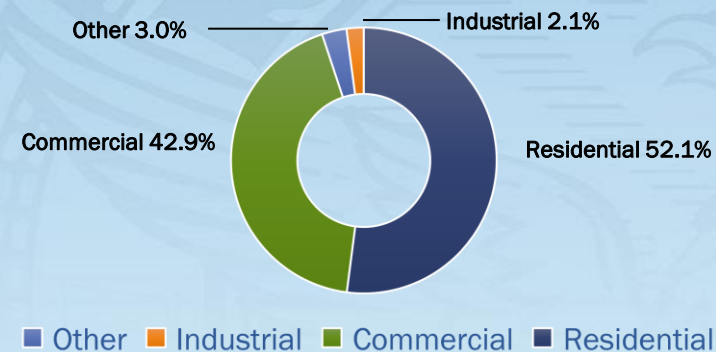
## TAXABLE ASSESSED VALUE (FY 2018 – FY 2022)



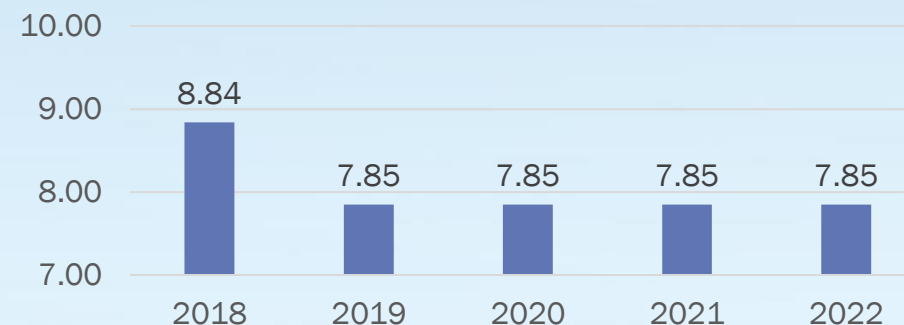
## ACTUAL TAXES COLLECTED (FY 2018 – FY 2022)



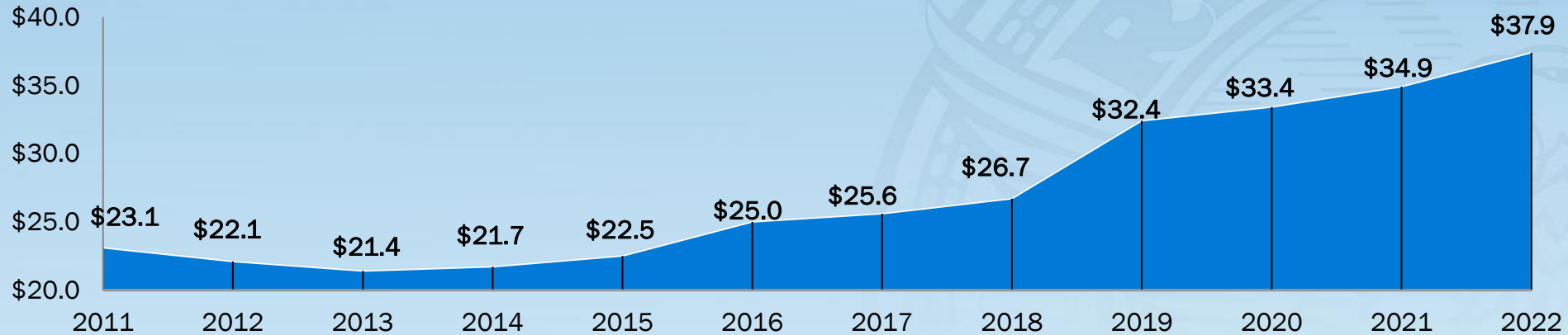
## TAX BASE BY LAND USE (FY 2022)



## OPERATING MILLAGE RATES (FY 2018 – FY 2022)



# NET TAX DIGEST & MILLAGE VALUES



Year	Assessed Value	Mill Rate	CY Property Tax Revenue	Dollar Value of One Mill
FY22	\$37.9 Billion	7.85	\$233.4 Million (Adopted)	\$29.7 Million
FY21	\$34.9 Billion	7.85	\$222.6 Million (Audited)	\$28.4 Million
FY20	\$33.4 Billion	7.85	\$208.8 Million (Audited)	\$26.6 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

# REVENUE COMPARISON BY CATEGORY



MAJOR CATEGORY	FY2021 ACTUALS	FY2022 ADOPTED BUDGET	FY2023 PROPOSED BUDGET	BUDGET FY23 vs. FY22	% CHANGE FY23 vs. FY22
PROPERTY TAXES	\$234.7	\$227.94	\$243.12	\$15.18	7%
PUBLIC UTILITY, ALCOHOLIC BEVERAGE AND OTHER TAXES	\$105.2	\$100.26	\$123.70	\$23.44	23%
LOCAL OPTION SALES TAX	\$117.6	\$112.90	\$135.10	\$22.20	20%
LICENSES AND PERMITS	\$84.8	\$116.00	\$117.30	\$1.30	1%
OTHER REVENUE	\$80.1	\$68.75	\$8.43	(\$60.32)	-88%
CHARGES FOR CURRENT SERVICES	\$4.6	\$4.06	\$5.15	\$1.09	27%
FINES/FORFEITURES & PENALTIES	\$10.7	\$6.13	\$17.80	\$11.67	190%
BUILDING RENTALS & CONCESSIONS	\$3.5	\$5.37	\$8.28	\$2.91	54%
INDIRECT COSTS	\$38.3	\$35.78	\$30.82	(\$4.96)	-0.13%
HOTEL/MOTEL	\$6.8	\$12.02	\$22.11	10.09	84%
PILOT & FRANCHISE FEES	\$20.8	\$20.82	\$22.39	\$1.57	8%
<b>GRAND TOTAL</b>	<b>\$707.13</b>	<b>\$710.03</b>	<b>\$734.20</b>	<b>\$24.17</b>	<b>3%</b>

FY22 Adopted Budget reflects federal subsidy from American Recovery Plan (\$53.1 million & Building Permit Fund revenue \$8.3 million)

# PERCENT OF REVENUE COMPARISON BY CATEGORY



MAJOR CATEGORY	FY2022 ADOPTED BUDGET	% OF FY22 BUDGET	FY2023 PROPOSED BUDGET	% OF FY23 BUDGET
PROPERTY TAXES	\$227.94	32%	\$243.12	33%
PUBLIC UTILITY, ALCOHOLIC BEVERAGE AND OTHER TAXES	\$100.26	14%	\$123.70	17%
LOCAL OPTION SALES TAX	\$112.90	16%	\$135.10	18%
LICENSES AND PERMITS	\$116.00	16%	\$117.30	16%
OTHER REVENUE	\$68.75	10%	\$8.43	1%
CHARGES FOR CURRENT SERVICES	\$4.06	1%	\$5.15	1%
FINES/FORFEITURES & PENALTIES	\$6.13	1%	\$17.80	2%
BUILDING RENTALS & CONCESSIONS	\$5.37	1%	\$8.28	1%
INDIRECT COSTS	\$35.78	5%	\$30.82	4%
HOTEL/MOTEL	\$12.02	2%	\$22.11	3%
PILOT & FRANCHISE FEES	\$20.69	3%	\$22.39	3%
<b>GRAND TOTAL</b>	<b>\$710.03</b>	<b>100%</b>	<b>\$734.20</b>	<b>100%</b>

# EXPENDITURES





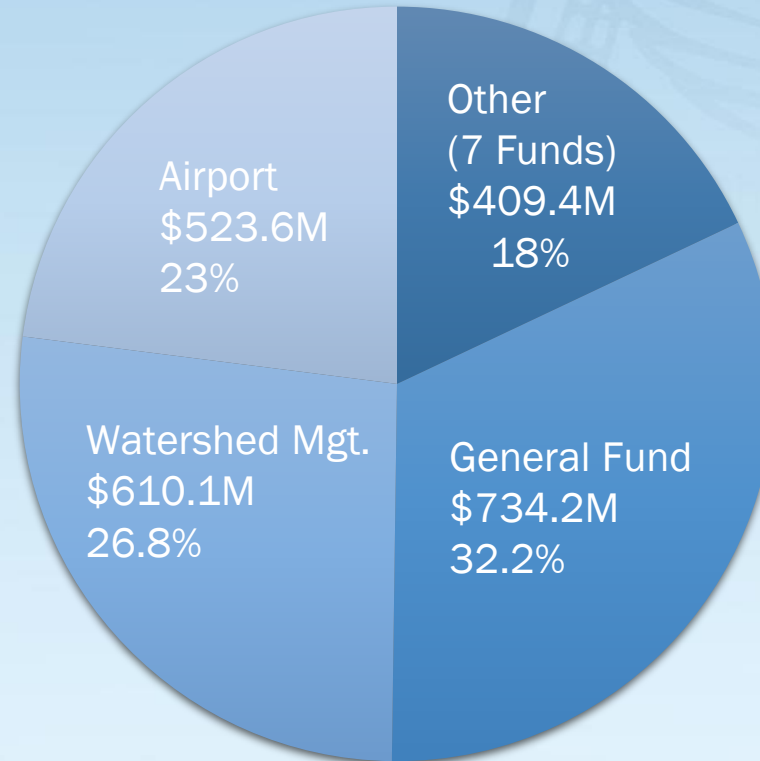
# FY23 OPERATING BUDGET



The City of Atlanta's Total Proposed FY23 Operating Budget is \$2.28B

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

Waste and Wastewater are funded by charges for services and the MOST; residual revenue is directed to its Capital Program.



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

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

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



MAJOR CATEGORY	FY21 ACTUALS	FY22 ADOPTED BUDGET	FY23 PROPOSED BUDGET	FY22 vs FY23 BUDGETS
Personnel Services and Employee Benefits	\$460.36	\$466.14	\$482.44	\$16.3
Purchased / Contract Services	\$85.56	\$94.50	\$91.70	-\$2.8
Supplies	\$44.45	\$38.66	\$38.51	\$0.15
Capital Outlays	\$1.81	\$6.67	\$6.95	\$0.28
Interfund/ Interdepartmental Charges	\$15.82	\$20.01	\$18.07	-\$1.94
Other Costs	\$37.85	\$43.24	\$34.80	-\$8.44
Debt Service	\$5.52	\$28.87	\$30.83	\$1.96
Conversion Summary	\$0.00	\$1.45	\$5.00	\$3.55
Other Financing Uses	\$55.15	\$10.49	\$25.80	\$15.31
<b>TOTAL EXPENDITURES</b>	<b>\$706.52</b>	<b>\$710.03</b>	<b>\$734.20</b>	<b>\$24.17</b>

# GENERAL FUND BUDGET

## PERCENT OF EXPENDITURE COMPARISON BY CATEGORY



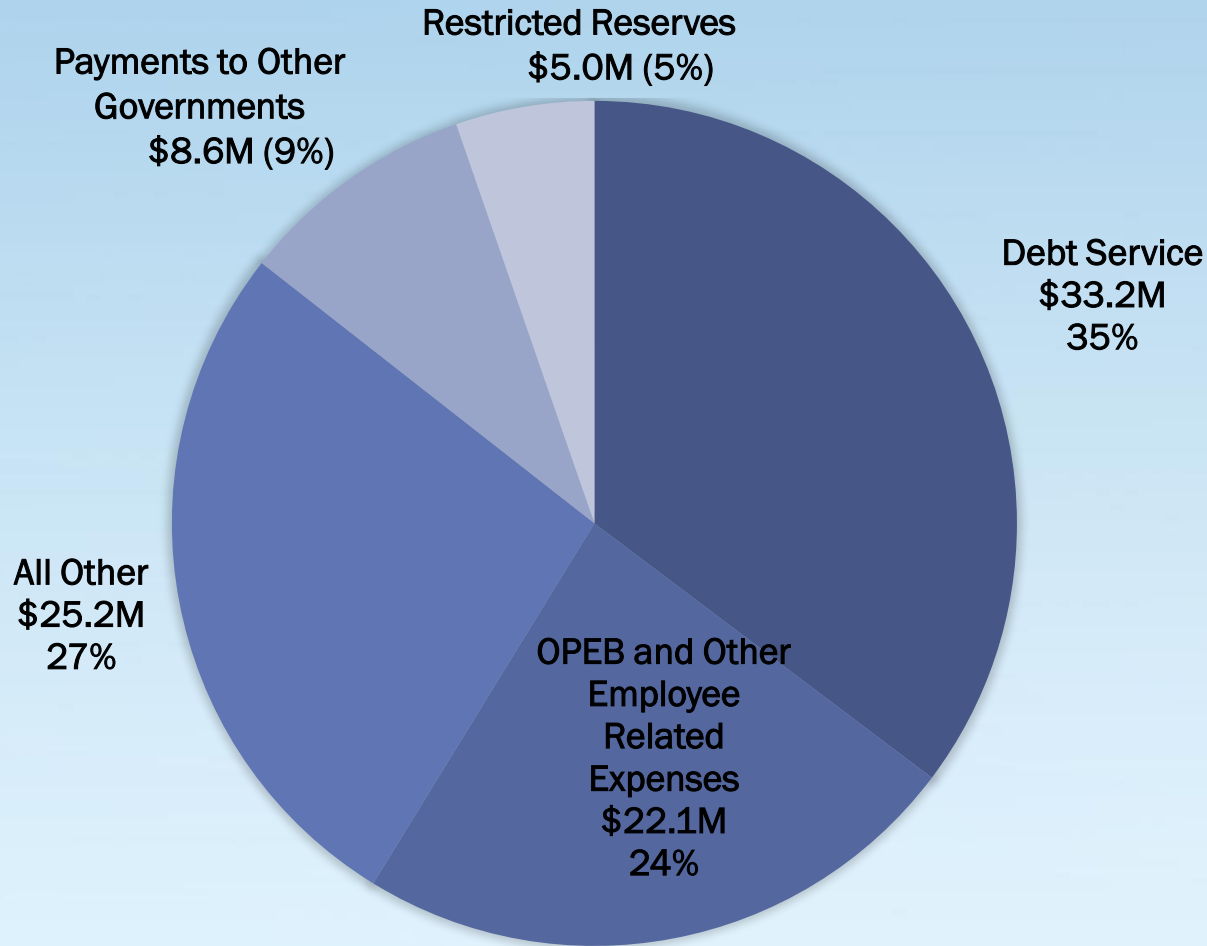
MAJOR CATEGORY	FY2022 ADOPTED BUDGET	% OF FY2022 BUDGET	FY2023 PROPOSED BUDGET	% OF FY2023 BUDGET
Personnel Services and Employee Benefits	\$466.14	65.7%	\$482.44	65.7%
Purchased / Contract Services	\$94.50	13.3%	\$91.70	12.5%
Supplies	\$38.66	5.4%	\$38.51	5.2%
Capital Outlays	\$6.67	0.9%	\$6.95	0.9%
Interfund/ Interdepartmental Charges	\$20.01	2.8%	\$18.07	2.5%
Other Costs	\$43.24	6.1%	\$34.80	4.7%
Debt Service	\$28.87	4.1%	\$30.83	4.2%
Conversion Summary	\$1.45	0.2%	\$5.00	0.7%
Other Financing Uses	\$10.49	1.5%	\$25.80	3.5%
<b>TOTAL EXPENDITURES</b>	<b>\$710.03</b>	<b>100.0%</b>	<b>\$734.20</b>	<b>100.0%</b>

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



Department	FY21 Actuals	FY22 Adopted Budget	FY23 Proposed Budget	FY22 vs FY23
City Council	\$8.56	\$12.27	\$12.38	\$0.11
Executive Offices	\$33.36	\$18.37	\$20.51	\$2.14
Department of Atlanta Information Management	\$33.41	\$30.78	\$31.88	\$1.10
Department of Law	\$12.50	\$7.01	\$7.66	\$0.65
Department of Corrections	\$2.74	\$13.95	\$16.07	\$2.12
Department of Finance	\$16.70	\$16.74	\$18.52	\$1.78
Department of Procurement	\$2.83	\$3.11	\$2.69	-\$0.42
Department of Parks & Recreation	\$41.92	\$43.79	\$44.51	\$0.72
Judicial Agencies	\$12.74	\$13.18	\$13.52	\$0.34
Non-Departmental	\$103.32	\$91.08	\$94.20	\$3.12
Department of Human Resources	\$6.90	\$6.25	\$7.41	\$1.16
Department of Fire Services	\$103.45	\$104.37	\$106.97	\$2.60
Department of Police	\$222.98	\$231.33	\$235.69	\$4.36
Department of City Planning	\$21.41	\$21.77	\$23.05	\$1.28
Department of the Solicitor	\$8.08	\$8.03	\$8.95	\$0.92
The Office of the Inspector General	\$1.07	\$3.00	\$2.70	-\$0.30
Atlanta Citizens Review Board	\$0.98	\$1.42	\$1.48	\$0.06
Department of Audit	\$1.92	\$2.01	\$2.04	\$0.03
Department of Public Defender	\$3.88	\$4.65	\$4.53	-\$0.12
Department of Enterprise Asset Management	\$17.02	\$18.66	\$15.91	-\$2.75
Department of Customer Service	\$2.76	\$3.53	\$3.67	\$0.14
Atlanta Department of Transportation	\$47.38	\$53.49	\$58.55	\$5.06
Department of Grants and Community Development	\$0.61	\$1.24	\$1.31	\$0.07
	<b>\$706.52</b>	<b>\$710.03</b>	<b>\$734.20</b>	<b>\$24.17</b>

# NON-DEPARTMENTAL HIGHLIGHTS



## Non-Departmental Categories

### Restricted Reserve

#### Debt Service:

- Public Safety
- Energy Savings
- Other Debt (Zoo Atlanta, Downtown Parking, GMA, etc.)

#### OPEB and Other Employee Related Expenses:

- OPEB
- Worker's Compensation
- Unemployment

#### Payments to Other Governments:

- Dekalb and Fulton County Taxes
- Fulton County Animal Control
- Fire Department IGAs

#### All Other:

- Invest Atlanta
- Insurance Expenses
- Audit Fees
- Atlanta Land Bank
- Water Utility for Gardy
- Litigation
- Pre-Arrest Diversion

# TRUST FUNDS



# TRUST FUND TOP 10 PROJECTS



March-2022  
186 Trusts total \$81.2M



The Top 10 Trusts total \$62.6M and make up 77% of the Trust Balances



The other 176 Trusts total \$18.6M and make up the remaining 23% of the Trust Balances

PROJECT NAME	AMOUNT
Affordable Housing Trust	20,937,500.00
Tree Trust	11,024,770.43
Insurance Rebates	7,189,079.10
Economic Development Trust	6,767,857.14
Care & Conserve Trust Fund	4,918,923.33
Shelter & Vaccination Campaign	3,893,384.10
Youth Athletics Program	2,279,708.19
Technology Surcharge	1,914,130.85
Donation For Parks, Rec. & Cultural Aff.	1,897,854.95
Federal-Rico-Treasury	1,836,133.66
<b>TOP 10 TOTAL</b>	<b>62,659,341.75</b>

# IMPACT FEES

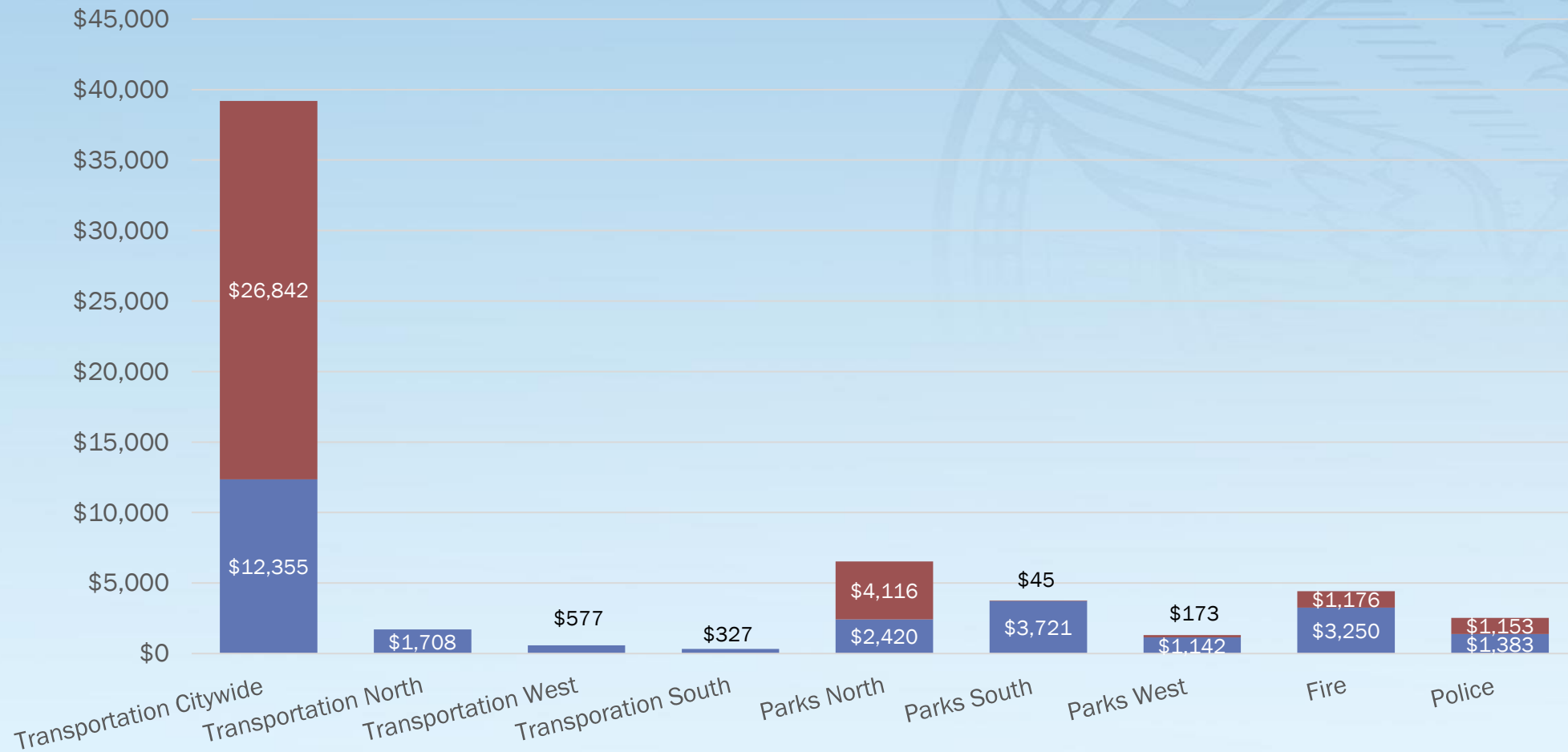




# IMPACT FEES



## Impact Fee Fund Balances as of March 2022 - \$60M



Source: City of Atlanta Department of Finance, Office of The Controller

■ Unrestricted ■ Restricted

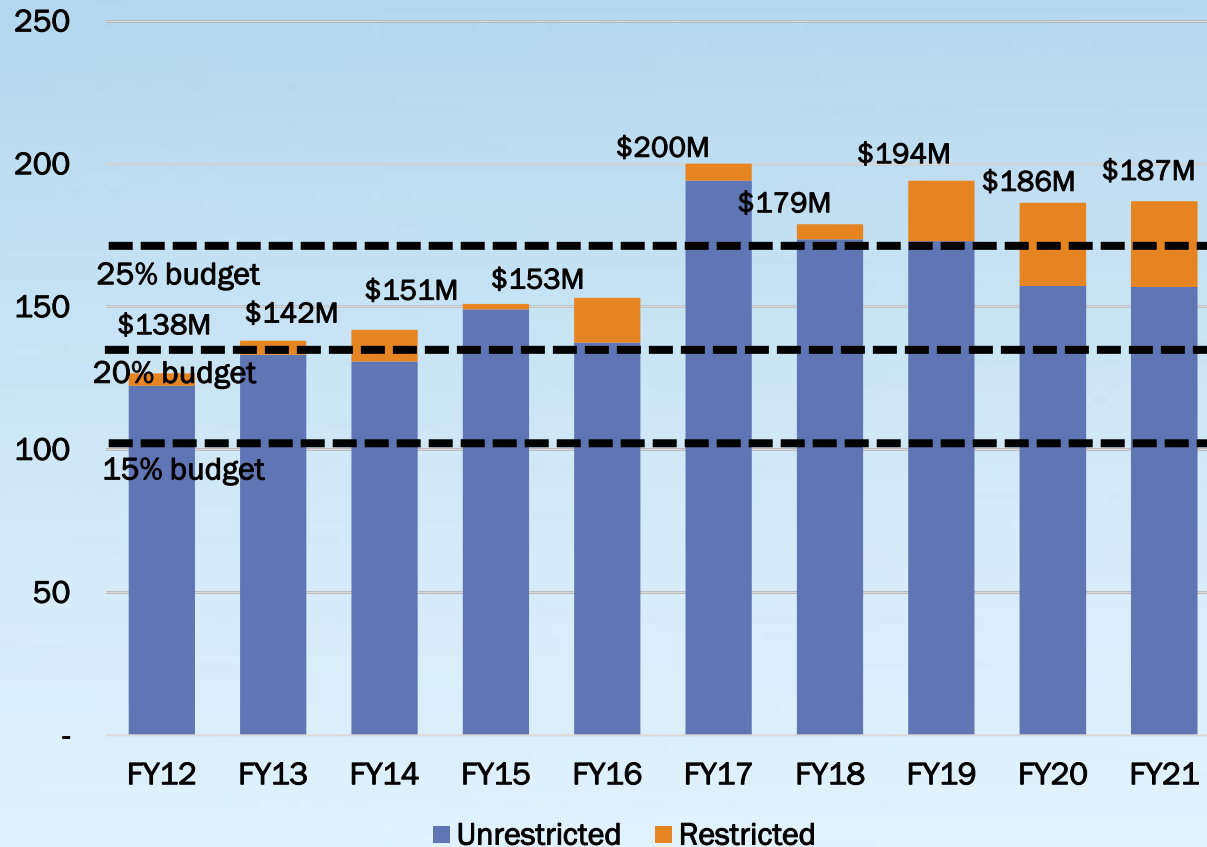
# FUND BALANCE



# FY2021 GENERAL FUND BALANCE



## Unrestricted Fund Balance & Restricted Fund Balance



- ❖ Total Fund Balance has grown by \$49 million since the beginning of FY2013.
- ❖ 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.

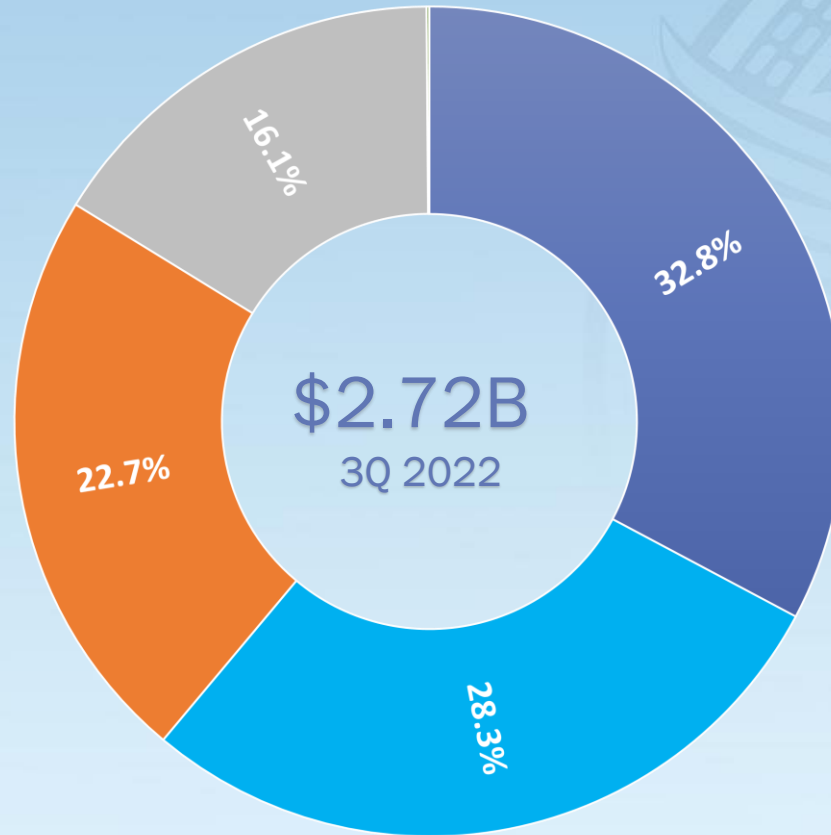
# DEBT AND INVESTMENTS



# INVESTMENT PORTFOLIO OVERVIEW

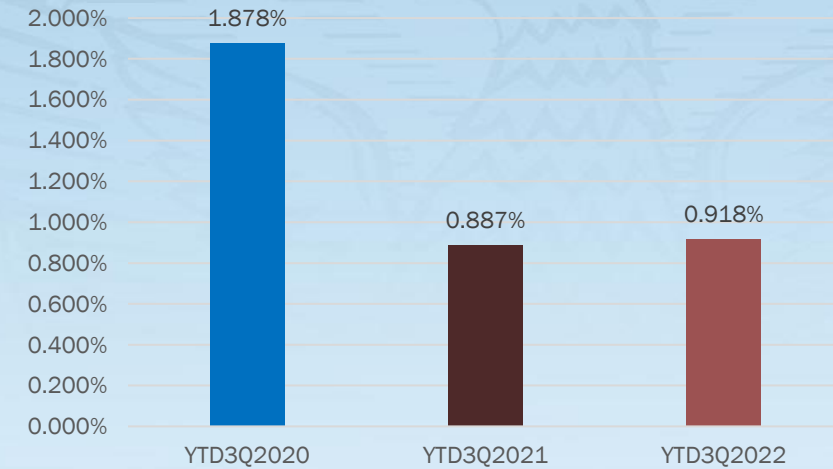


## Portfolio Objectives



■ US Agencies ■ Muni's ■ GF1 ■ US Treasuries ■ CD's Currency\*

## Portfolio Yield



Net increase  
**\$176.7 M**  
 Compared to 3Q 2021



# DEBT PORTFOLIO OVERVIEW



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

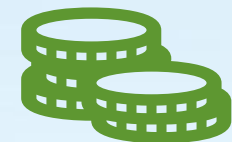
	General Obligation	General Fund & Other	Tax Allocation Districts	Dept of Aviation	Dept of Watershed
Q3 FY21	\$244,195	\$344,165	\$290,205	\$2,571,359	\$3,040,164
Q3 FY22	\$243,950	\$412,685	\$255,973	\$2,434,646	\$2,950,204
	(\$245)	\$68,520	(\$34,232)	(\$136,713)	(\$89,960)
	(0.10%)	19.91%	(11.79%)	(5.32%)	(2.96%)

Net Decrease  
**\$192.6M**  
Outstanding Debt

**0%**  
Variable Rate  
Debt

**\$136.1M**  
Total NPV Savings  
On Refunded Debt  
during FY22

**\$136.7M**  
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	A+	AA-
Airport Revenue Bonds- PFC/Subordinate Lien GARBs	Aa3	A+	AA-
Airport Revenue Bonds Senior Lien Customer Facility Charge	A2	BBB+	A



**QUESTIONS  
&  
ANSWERS**



# APPENDIX



# REVENUE CATEGORY SUMMARY



	Actual Revenue (\$M)			Forecasted Revenue (\$M)					Legend	
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026		
Property Taxes	218.9	228.2	234.7	244.1	250.0	255.0	258.7	263.4	High	
				243.5	243.1	247.8	251.6	256.2		Medium
				243.2	240.2	243.4	246.4	250.6		
Licenses & Permits Revenue	123.3	118.0	84.8	128.1	120.8	122.3	122.9	123.5	Low	
				126.6	117.3	118.2	118.6	118.8		
				126.6	116.8	117.2	117.4	117.6		
Local Options Sales Tax	116.7	111.8	117.6	134.8	137.4	140.1	142.2	144.2		
				134.0	135.1	137.0	138.8	140.5		
				132.4	131.6	132.7	133.6	134.5		
Public Utility, Alcoholic Beverages, & Other	108.0	104.5	105.2	122.0	125.8	128.8	130.8	132.7		
				120.8	123.2	126.1	128.3	130.1		
				115.2	115.9	117.8	119.3	120.7		
All Other Revenue	105.0	100.4	154.1	87.4	95.5	96.9	97.8	98.3		
				86.4	93.7	95.1	96.0	96.5		
				85.7	92.1	93.4	94.3	94.8		
Fines, Forfeitures, & Penalties	24.2	18.5	10.7	17.5	19.3	19.7	20.0	20.2		
				16.8	17.8	18.2	18.5	18.7		
				16.1	16.6	16.9	17.1	17.4		