City of Flowery Branch
Special Called City Council Meeting
Thursday, June 10, 2021, 9:00AM
City of Flowery Branch City Hall
5410 W. Pine Street, Flowery Branch, GA 30542

CALL PUBLIC MEETING TO ORDER:

Mayor Mike Miller called the special called city council meeting to order at 9:06 am.

Present: Mayor James Miller and Council Members, Joe Anglin, Ed Asbridge, Amy Farah, Leslie Jarchow, and Chris Mundy

Also present were Vickie Short, City Manager, Ron Bennett, City Attorney, Alisha Gamble, Finance Director, and Chere Rucker, Accounts Payable Clerk

PLEDGE OF ALLEGIANCE:

Mayor Miller led the Pledge of Allegiance.

PUBLIC HEARING:

First Public Hearing – Ordinance 644 – To adopt ad valorem tax rate for Tax Year 2021/Fiscal Year 2022

Mrs. Gamble presented Ordinance 644 and gave a summary of the millage history for the City from 2002 to 2021. Over the past 19 years, there were three periods of millage rate fluctuations:

- 2002 to 2003: 1.81 millage rate
- 2004 to 2005: increase from 1.81 to 2.837 for a total increase of 1.027 mills.
- 2013 to 2014: increase from 2.837 to 3.337 for a total increase of 0.50 mills.
- 2015 to 2016 decrease from 3.337 to 3.264 for a total decrease of 0.073 mills.

- From fiscal year 2016 to 2021, the City's millage rate has been 3.264 mills. Staff is recommending 3.264 mills for fiscal year 2022.
- According to the Hall County Tax Assessors Office, the average fair market value of a home in our area is estimated at $275,000 which is assessed at 40% of market value calculates to $359.04 per taxpayer. This is an increase of $11.18 per taxpayer. 3.264 mills will generate $1,810,173 in tax revenue for the City to provide services for citizens of Flowery Branch. $1,810,173 is based on a 97.5% collection rate.

- Keeping the millage rate at 3.264 mills, new or improved properties are estimated to increase revenue by $162,573 and reassessment of existing real property estimated to increase revenue by $84,067.
- Major general fund revenues have been reduced 10-25% in FY 2021 due to COVID-19. For FY2022, it is raised back to normal collection rates due to minimal impact from COVID-19.

As indicated in the picture below, Property Tax is a major revenue source for the City to provide operations.

Flowery Branch

Ordinance No. 644: Millage Rate

Net Millage Rate | **3.264**

Property Tax:

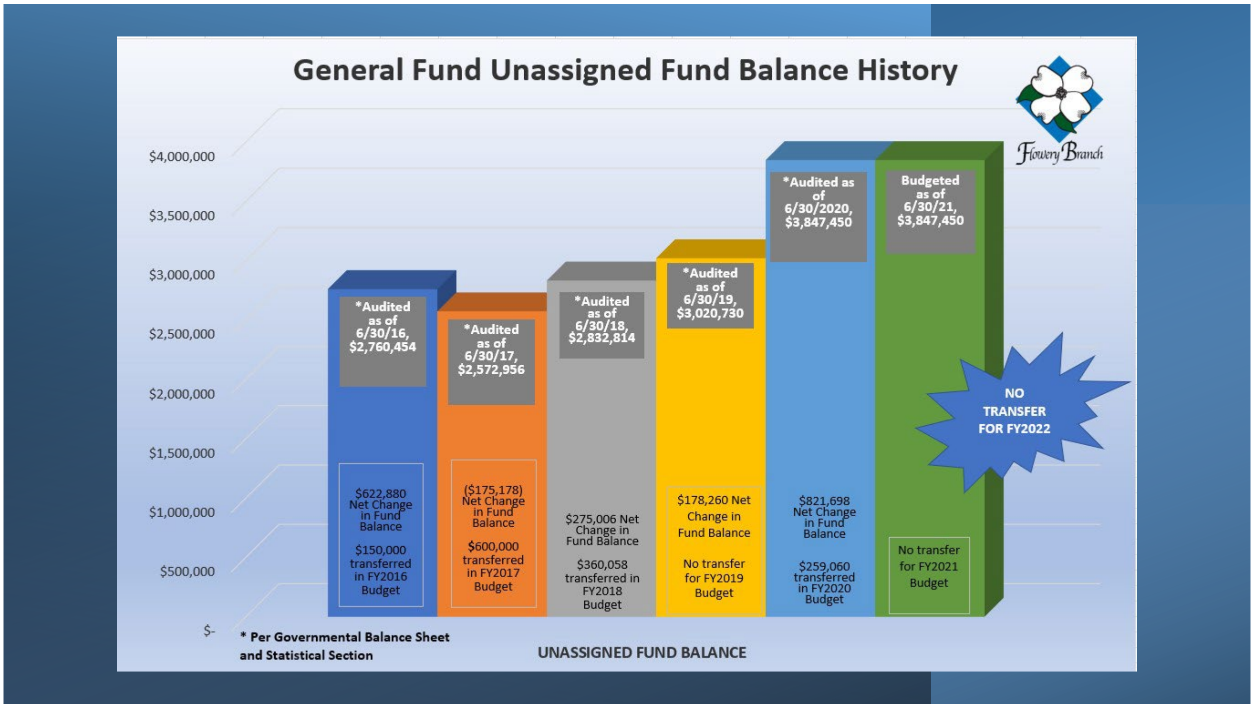
- Major revenue source for the City to provide operations
- How does our millage rate breakdown to cover citywide operations?
- How much? **$1,856,587** (at 100% collection rate)

	Budget	Percent	Mills	PT Revenue
Maintenance (Public Works):	$1,001,146	16.5%	0.540	$306,881
Operations:	$2,114,571	34.9%	1.140	$648,179
Police/Court:	$1,957,445	32.3%	1.055	$600,016
Parks:	$85,550	1.4%	0.046	$26,224
Planning & Development:	$898,075	14.9%	0.483	$275,287
Totals:	**$6,056,787**	**100.0%**	**3.264**	**$1,856,587**

First Public Hearing – Resolution 21-005 – To Adopt the Fiscal Year 2022 Annual Budget

General Fund Expenditures

- 2% COLA and 1.75% STEP adjustment for existing employees
- Addition of 7 new positions in the following departments: Finance (1), Police (2), Public Works (2), Planning (1), Tourism (1)
- Overall General Fund Budget = increase of 18.10%, which places us back to normal range before COVID-19.



- The above chart shows the unassigned fund balance history for the general fund. The Government Finance Officers Association recommends no less than 2 months reserves of expenses, but our Council voted to take a more conservative approach and maintain 4.5 months of reserves each year. This budget does present coverage of the 4.5 months of reserves for expenditures.
- We are not budgeting any use of the fund balance in this proposed budget.

<u>Water and Wastewater Fund Revenues and Expenses</u>

- Water and Wastewater Revenue and Expenses show an increase as our community continues to grow with the collection of service charges and fees from water and sewer utility connections. Expenses are on the rise due to three new proposed positions, 2% COLA and 1.75% STEP for existing employees, and increased cost in sludge disposal, chemical and engineering costs as our plant is expanding.
- Council has voted to maintain 6 months of expenditure reserves each year. This budget does encompass coverage of the 6 months of reserves for expenditures.

<u>Tax Allocation District (TAD) and Hotel-Motel Tax</u>

- The Tax Allocation District Budget is focused on the Downtown Development projects that are beginning this month. This budget includes the 5 million in debt that will cover these downtown developments.
- The Hotel-Motel Fund Budget was decreased significantly last year due to COVID-19. This fund is back to a normal range.

Tax Allocation District Capital Improvement Plan

TAX ALLOCATION DISTRICT (CAPITAL IMPROVEMENT PLAN)

	2022	2023	2024	2025	2026
CAPITAL PROJECTS:					
Pine Street Park & Streetscaping	589,465				
Market Pavillion Park & Streetscaping	1,331,249				
Pine Street Improvements	586,932				
Old Town Bike-Pedestrian Path	1,010,081				
Mitchell Street Improvements	851,126				
Downtown Stormwater Improvements	714,866				
TRG Annual Tax Increment Loan Payment	30,000				
Revenue Bonds 2020 Debt Payment	158,800	268,794	345,494	394,794	397,444
Fiscal Agent Fees	3,000	3,000	3,000		
TAD Fund Reserves					
TOTAL CAPITAL PROJECTS	**5,275,519**	**271,794**	**348,494**	**394,794**	**397,444**
SOURCE OF FUNDS:					
TAD Collections	105,000	124,700	152,057	185,914	200,921
TAD Revenue Bonds Proceeds	5,095,519				
Transfer In - General Fund	70,000	83,133	101,371	123,942	133,948
Interest Revenue	5,000	3,000	3,000		
TAD Fund Reserves		60,961	92,066	84,938	62,575
TOTAL SOURCE OF FUNDS:	**5,275,519**	**271,794**	**348,494**	**394,794**	**397,444**

- The above chart shows the Tax Allocation District Captial Improvement Plan.
- Once all the projects are complete, any remaining funding available will be utilitized to develop the Old Town Bike Pedestrian Path to provide connectivity to the downtown businesses and parks.

SPLOST VIII Capital Projects Fund

- This is a six-year program which includes $5.7 million for roads, streets, bridges, and sidewalks. We are in the second year of this six-year program.
- Public Works vehicles, facilities, and equipment for $383,000.
- Park facilities, land, and equipment for $415,000.
- Public safety vehicles and equipment for $276,000.

Local Resources Fund

- Expenditures include various miles of road paving for FY2022 along with Mitchell Street Improvements, City Wide Sign Project, Downtown Streetscapes and Parks, and City Building Generators Project.

Water Sewer Capital Projects Fund

- For the Water Sewer Capital Projects Fund, the 2022 projects and future projects focus on the plant expansion and water line improvements projects. Projects noted on this schedule may change as we progress through these infrastructure improvements over the next two years.

The City-wide budget change for the recommended fiscal year is 102%. Note the large change is due to the increase to normal activity from the COVID-19 reductions of 10-25% last year plus the Debt proceeds included in this budget.

Staff recommends approval of Resolution 21-005, to adopt the fiscal year 2022 budget.

PUBLIC COMMENTS:

There were no public comments.

ADDITIONAL COMMENTS:

Councilman Mundy inquired about the collection rate. Mrs. Gamble advised it is usually over 98% but for FY2022 it is 110%.

Councilman Mundy asked if the Hotel-Motel Tax is back up to the pre-COVID, and he wanted to clarify if it reflects the 8% increase. Mrs. Gamble responded that it does reflects the 8% increase.

Councilman Anglin verified that expenses are manageable.

Councilman Anglin asked for clarification on local resources fund $300,000 for FY2022, the Exit 12 road improvements funds will be held.

ADJOURNMENT:

There was a motion to adjourn at 9:24 am.

MOTION:	Chris Mundy
SECOND:	Amy Farah
AYES:	Joe Anglin, Ed Asbridge, Amy Farah, Leslie Jarchow, Chris Mundy
NAYS:	None

Motion carried

Mayor – Mike Miller	Date	Assistant City Clerk – Shelia Cooper