City of Flowery Branch
Public Hearing Meeting
Thursday, May 26, 2022, 9:00 AM
City of Flowery Branch City Hall
5410 W. Pine Street, Flowery Branch, GA 30542

CALL PUBLIC MEETING TO ORDER:

The public hearing was called to order at 9:00 am.

PLEDGE OF ALLEGIANCE:

Finance Director Gamble led the Pledge of Allegiance.

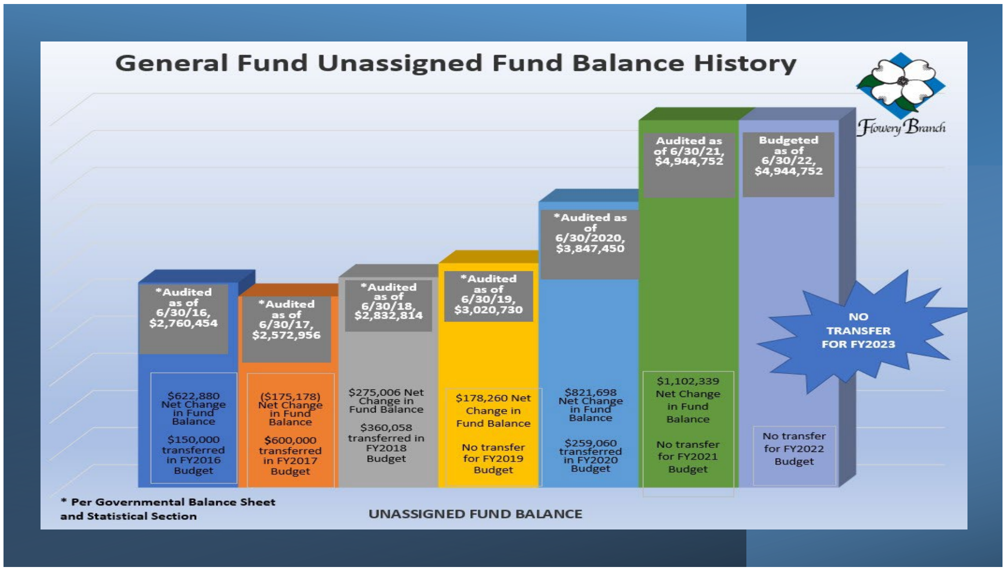
PUBLIC HEARING:

First Public Hearing – Resolution 22-012 – To adopt the Fiscal Year 2023 Annual Budget.

Finance Director Gamble presented Resolution 22-012. Property Tax is a top revenue source for general community service operations. The proposed budget for Fiscal Year 2023 the property tax is based on keeping the millage rate at 3.264 mills. New or improved properties are estimated to increase revenue by $307,729 and reassessment of existing real estate property is estimated to increase revenue by $354,999. The other major revenues categories are Local Options Sales Tax at 15%, TAVT at 35% and Franchise Taxes at 10%.

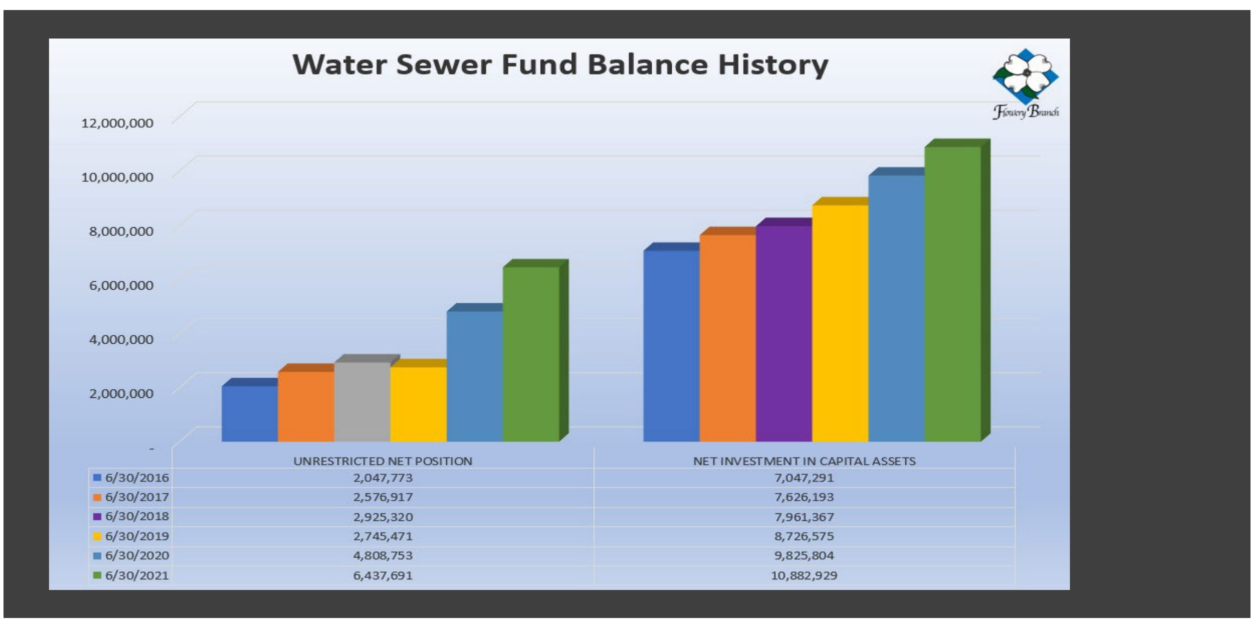
General fund expenditure changes include planned increases for current personnel, an addition of six new positions in the following departments: Finance (1), Police (3), Planning (2) and an additional $825,000 transfer to capital projects for the community (road paving, stormwater, and sidewalk improvements). With these changes our overall general fund budget will increase by 18%.

Why not consider a millage decrease for Fiscal Year 2023? Collections of ARPA funding to date is $1,554,429, and an additional proposed for July 2022 but this is not guaranteed. The City anticipates using these funds for capital projects throughout the community. Response times for police and public works services has declined as community demands have increased with growth, in turn creating the need for additional staff. Rapid growth in population equals more demand for quality City services.



The Government Finance Officer Association (GFOA) best practices recommend no less than a minimum of two months reserves of expenses, but our Council has elected a more conservative approach to maintain four- and one-half months reserve. The budget presented meets that requirement and we have not used budgeted fund balance to create a balanced budget with this proposal.

For water and wastewater operating fund revenues and expenses there is an increase as our community continues to grow with the collection of service charges and fees for water and sewer utility connections. Expenses are on the rise by two categories, planned increases for personnel and increased cost in sludge disposal, chemicals, and engineering costs.



Council voted to maintain six months of expenditure reserves for each year and this budget meets that requirement.

	Proposed FY2023 Budget	Approved FY2022 Budget	Increase / (Decrease)	Percentage Change
TAX ALLOCATION DISTRICT				
Total Revenues	$ 5,687,550	$ 5,275,519	$ 412,031	7.81%
Total Expenditures	$ 5,687,550	$ 5,275,519	$ 412,031	7.81%
HOTEL/MOTEL TAX FUND				
Total Revenues	$ 210,000	$ 154,000	$ 56,000	36.36%
Total Expenditures	$ 210,000	$ 154,000	$ 56,000	36.36%

There is a net increase in the Tax Allocation District of 7.81%. The Hotel Motel Fund budget increased 36.36%.

AMERICAN RESCUE PLAN ACT OF 2021 (CAPITAL IMPROVEMENT PLAN)

	2023	2024	2025	2026
CAPITAL PROJECTS:				
ARPA:				
Interim Wastewater Plant Improvements	969,900			
Aerzen Blower Rentals - 2 Units	139,200			
ARPA Fund Reserves & Collections	445,329			
TOTAL CAPITAL PROJECTS:	1,554,429	-	-	-
SOURCE OF FUNDS:				
ARPA Fund Reserves	1,554,429			
TOTAL SOURCE OF FUNDS:	1,554,429	-	-	-

The American Rescue Plan Act of 2021 is recorded in a separate fund as required by State Law. So far, the City has allocated two projects to this fund: the interim Wastewater Plant improvements and the Aerzen blower rentals. These two projects recently started, and all other funding will be allocated by Council to future projects as needed to help aid general services to our community.

TAX ALLOCATION DISTRICT (CAPITAL IMPROVEMENT PLAN)

	2023	2024	2025	2026	2027
CAPITAL PROJECTS:					
Pine Street Park & Streetscaping	589,465				
Market Pavilion Park & Streetscaping	1,331,249				
Pine Street Improvements	586,932				
Old Town Bike-Pedestrian Path	692,362				
Mitchell Street Improvements	851,126				
Downtown Stormwater Improvements	714,866				
Tenant Improvements	445,000				
Professional Services - Development Agreement Payments	205,000	207,506	230,206	302,556	380,206
Revenue Bonds 2020 Debt Principal Payment	110,000	190,000	245,000	255,000	260,000
Revenue Bonds 2020 Debt Interest	158,800	155,494	149,794	142,444	134,794
Fiscal Agent Fees	2,750	-	-		
TAD Fund Reserves					
TOTAL CAPITAL PROJECTS	5,687,550	553,000	625,000	700,000	775,000
SOURCE OF FUNDS:					
TAD Collections	250,000	300,000	350,000	400,000	450,000
TAD Revenue Bonds Proceeds	5,250,550				
Transfer In - General Fund	185,000	250,000	275,000	300,000	325,000
Interest Revenue	2,000	3,000	-		
TAD Fund Reserves					
TOTAL SOURCE OF FUNDS:	5,687,550	553,000	625,000	700,000	775,000

The Tax Allocation District projects include all the downtown developments such as the Market Pavilion, Park and Streetscaping Project and the Mitchell Street Improvements. The downtown projects are expected to be completed by August 2022 so therefore it rolls forward into the FY 2023 budget. Phase II development along with the Old Town Bike Pedestrian path is in the planning stages and the bid preparation stage.

SPLOST VIII (CAPITAL IMPROVEMENT PLAN)

	2021	2022	2023	2024	2025	2026	Project Budget	Total
CAPITAL PROJECTS:								
SPLOST VIII:								
Roads, streets, bridges, sidewalks, and related improvements								5,718,230
Exit 12 Improvements		300,000	1,000,000	700,000			2,000,000	
Old Town (General) Stormwater	550,000						550,000	
Lights Ferry Culvert		550,000					550,000	
East Main Culvert					550,000		550,000	
Roads and Sidewalks	491,102	252,102	97,102	432,102	294,675	501,146	2,068,230	
Public works facilities, land, vehicles and equipment								383,384
Building						305,384	305,384	
Equipment	48,000	30,000					78,000	
Parks and leisure facilities, land and equipment								415,000
Property and Improvements					244,428	170,572	415,000	
Public safety vehicles and equipment	43,000	43,000		35,000	78,000	77,000	276,000	276,000
SPLOST Fund Reserves	348,565							348,565
TOTAL CAPITAL PROJECTS:	1,480,667	1,175,102	1,097,102	1,167,102	1,167,102	1,054,102		7,141,179
SOURCE OF FUNDS:								
SPLOST VII Collections	1,479,816	1,175,102	1,097,102	1,167,102	1,167,102	1,054,102		7,140,327
Interest Revenue	852							852
SPLOST Fund Reserves								-
TOTAL SOURCE OF FUNDS:	1,480,667	1,175,102	1,097,102	1,167,102	1,167,102	1,054,102		7,141,179

SPLOST VIII categories for the six-year program include roads, bridges, sidewalks, and related improvements for $5,718,230. Public Works facilities, land, vehicle, and equipment for

$383,384. Parks and leisure facilities, land, and equipment for $415,000. Public safety vehicles and equipment for $276,000. We will be rolling into the third year of the six-year term.

LOCAL RESOURCES FUND (CAPITAL IMPROVEMENT PLAN)

	2023	2024	2025	2026	2027	2026
CAPITAL PROJECTS:						
Paving Projects (Various Roads) 1.5 miles	878,252	556,695	724,084	499,076	499,076	-
City Website & Rebranding	90,000					
IT Equipment Upgrades Annual Program	100,000	25,000	25,000	10,000	10,000	
City Buildings Generator Project						
Municipal Building Debt Service	341,026	341,026	342,917	344,818	346,823	348,841
Local Resources Fund Reserves		127,699	(178,374)	371,375	57,728	709,039
TOTAL CAPITAL PROJECTS	1,409,278	1,050,420	913,627	1,225,269	913,627	1,057,880
SOURCE OF FUNDS:						
LOST Collections	419,178	419,178	419,178	419,178	419,178	419,178
Transfer In - Fund Balance	200,000	200,000	200,000	200,000	200,000	200,000
Transfer In - General Fund (.427 mills)	209,449	209,449	209,449	209,449	209,449	209,449
Grant from LMIG (Paving Projects)	86,850	85,000	85,000	85,000	85,000	85,000
Local Resources Fund Reserves	493,801	136,793		311,642		144,253
TOTAL SOURCE OF FUNDS:	1,409,278	1,050,420	913,627	1,225,269	913,627	1,057,880
	-	-	-	-	-	-

The Local Resources Fund plans for various miles of road paving, City website and rebranding, and IT equipment upgrades annual program.

WATER SEWER CAPITAL PROJECTS FUND

	2023	2024	2025	2026	2027
CAPITAL PROJECTS:					
WASTEWATER:					
Wastewater Effluent Discharge Force Main - Phase 2		750,000	750,000		
Wastewater Expansion Construction Management Services	393,000	393,000			
Wastewater Expansion Construction (Parallel Plant)	10,017,001	10,017,001			
Geotechnical for Construction Site Work	75,000	75,000			
Wastewater Pumping Station Modification		100,000			
WATER:					
Water Distribution at Railroad Crossings		250,000			
Water Line Improvements Planning & Design	300,000	140,000	140,000		
Water Distribution System Upgrade	200,000	200,000	200,000		
Atlanta Highway Water Line	140,000	140,000	140,000		
Lights Ferry Water Line	250,000	250,000			
Roberts Drive P.S. Reliability Project (Natural Gas)	250,000				
Purchase Well No. 4 and No. 5	650,000				
Install Pumps and Wellhouse for Well No. 4 and No. 5	475,000	475,000			
Modify Well Pumps and Wellhouse for Well No. 1 and No. 3	150,000				
Modify Well Pumps and Wellhouse for Well No. 4 and No. 5		150,000			
Improvements to SCADA System	50,000	50,000			
New 750,000 Ground Tank Construction	700,000	700,000			
Less: New Debt Payments	393,814	393,814	1,831,716	1,831,716	1,831,716
Water Sewer Capital Retained Earnings		1,745,286			
TOTAL CAPITAL PROJECTS	14,043,815	15,829,101	3,061,716	1,831,716	1,831,716
SOURCE OF FUNDS:					
TAP & Capacity Collections	719,048	824,378	484,811	529,809	579,237
Transfer In - Water Sewer Operating Fund	991,172	1,418,004	305,189	260,191	260,191
Add: New Debt Proceeds	9,745,001	13,586,719			
Water Sewer Capital Retained Earnings	2,588,594		2,271,716	1,041,716	992,288
TOTAL SOURCE OF FUNDS:	14,043,815	15,829,101	3,061,716	1,831,716	1,831,716

Water and Sewer Capital Projects Fund focus on the plant expansion and water line improvements projects.

TOTAL FOR ALL FUNDS:

By Fund:	FY2021 Approved:	FY2022 Approved:	FY2023 Proposed:	Percent Change from FY2022 to FY2023:
General Fund	$ 5,128,605	$ 6,056,787	$ 7,139,034	17.87%
American Rescue Plan Act of 2021	$ -	$ 1,554,429	$ 1,554,429	0.00%
Tax Allocation District Fund*	$ 5,477,044	$ 5,275,519	$ 5,687,550	7.81%
Hotel Motel Fund	$ 38,692	$ 154,000	$ 210,000	36.36%
SPLOST Fund	$ 1,132,102	$ 1,175,103	$ 1,097,102	-6.64%
Local Resources Fund	$ 646,107	$ 1,920,389	$ 1,409,278	-26.61%
TOTAL GOVERNMENTAL FUNDS:	**$ 12,422,550**	**$ 16,136,227**	**$ 17,097,393**	5.96%
Water/Wastewater Operating	$ 2,301,337	$ 3,135,350	$ 3,185,862	1.61%
Water/Wastewater Capital**	$ 647,416	$ 13,380,001	$ 14,043,815	4.96%
TOTAL ENTERPRISE FUNDS:	**$ 2,948,753**	**$ 16,515,351**	**$ 17,229,677**	4.33%
TOTAL BUDGET BY FISCAL YEAR:	**$ 15,371,303**	**$ 32,651,578**	**$ 34,327,070**	5.13%

** Includes TAD Debt proceeds of $5.3 million for downtown developments.*
*** Includes anticipated GEFA Debt draws for water and sewer infrastructure/plant expansion improvements.*

Resolution 22-012
To Adopt the FY2023 Annual Budget

Overall, the City wide budget increased 5.13%. We recommend approval of Resolution 22-012 to adopt the FY2023 Annual Budget.

PUBLIC COMMENT:

There were no public comments.

ADJOURNMENT:

The meeting was adjourned at 9:08 am.

Ed Asbridge, Mayor	Date	Shelia Cooper, City Clerk