



city of suwanee, georgia
citizens operating budget
fiscal year 2012



A Citizen's Guide to the Operating Budget

Budget documents can sometimes be difficult to read, especially if you are not familiar with the organization. They are filled with information that is useful to regular users of the document and include details that ensure accountability. But, this abundance of information and detail can make it difficult to know where to focus your attention if you do not work with the budget very often. This report is intended to be an easy-to-read summary of Suwanee's operating budget. It offers a big picture view of where the City's money comes from and how it is spent. For greater detail and for the City's multi-year Capital Improvement Plan, the full budget document is available on the City's web site at www.suwanee.com.

An operating budget is a yearly plan for the City that illustrates how much money is anticipated (revenue) and how that money will be spent (expenditures). However, the budget is not just an accounting tool, it is a management and planning tool that aids officials in determining which objectives have the highest priority and will produce a positive impact in the community. Once the budget is adopted, the various City departments are then able to plan day-to-day spending decisions according to the guidance provided by the Annual Budget. Because the budget is based on anticipated revenue, the City is then able to track revenue over the course of the year and modify spending if revenue is different than expected.

A new budget is adopted every year. Each year the Mayor, City Council and staff work together to develop an Annual Budget. During this process decisions are made on how to use the City's limited resources in order to produce the greatest benefits for the citizens while implementing the City's vision and goals. The City is required by law to balance its budget each year, which means that each year revenues must equal expenditures. The budget year runs from July 1 to June 30 of the following year. Throughout the year the budget is monitored and adjusted to ensure the City's resources are in line with its spending.

FY 2011 Highlights

Recap of FY 2011 adopted General Fund Budget

- No increase in City tax rate
- Strategic Plan \$150,000 budgeted over two years. FY 2011 Budget \$75,000
- 2 ½% employee cost of living adjustment (COLA) pay for performance adjustment
- In house janitorial proposal, additional man hours and modest cost savings
- National Citizen Survey \$11,000
- Landscape Management (right of way grounds maintenance contracted)
 1. Four corners of I-85 exit 111, \$23,000
 2. PIB city limits, \$51,250
 3. McGinnis Ferry Road city limits, \$28,750
- Police server upgrade for computer aided dispatch and records system, \$30,000
- Prefunding of FY 2011 police vehicle expenditures in FY 2010, savings \$114,465
- Prefunding of FY 2011 public works truck expenditures in FY 2010, savings \$50,200
- Prefunding of 2011 capital transfer in FY 2010, savings \$175,000

FY 2011 Adopted Budget	\$ 11,223,380
Budget Adjustments:	
Legal fees	50,000
IT high speed internet & static IP	3,000
Property tax payments	7,000
Finger print machine (grant)	18,600
DDA manager part time to full time	16,170
Police equipment (grant)	10,000
Contributions to capital projects	<u>937,680</u>
 Current FY 2011 Budget	 \$ <u><u>12,265,830</u></u>

FY 2012 Adopted Budget

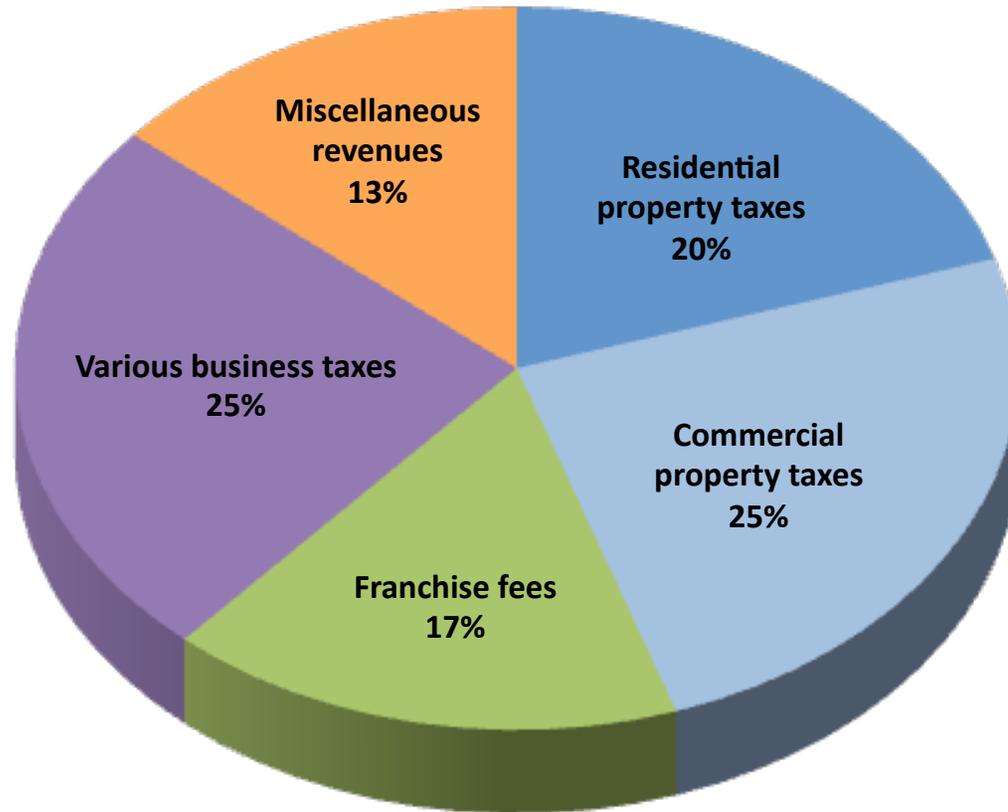
- Proposed decrease in City millage rate, .05 mills proposed rate 5.65 mills
- Strategic Plan \$150,000 plan budgeted over two years. (FY 2012 budget \$75,000 , FY 2011 expenditures estimated at \$75,000)
- 2 ½% employee cost of living adjustment (COLA) pay for performance adjustment
- Personnel Changes (cost includes salaries, benefits, and equipment)
 1. New budget analyst position, \$67,000
 2. New part time police dispatcher, \$26,785
 3. Increase in part time custodian hours, \$7,994
- Landscape Management contractor (right of way grounds maintenance contracted)
 1. PIB city limits, \$51,250
- Police vehicle expenditures, 4 vehicles \$133,740
- Public works vehicles and equipment, \$61,530
- Capital Transfers
 1. Water fund, \$150,000
 2. Paved streets fund, \$100,000
 3. Cemetery fund, \$81,420
 4. Storm water fund, \$75,000

FY 2012 Adopted Budget	\$11,844,220
Current FY 2011 Budget	\$12,265,830
Difference	(\$421,610)

summary of general fund revenues

	Actual FY 2010	FY 2011 Budget		FY 2012 Adopted Budget	% Change	
		Original	Current		Actual FY 2010	Current FY 2011
Property taxes	\$ 5,846,602	\$ 5,484,840	\$ 5,902,110	\$ 5,533,930	-6%	-7%
Franchise taxes	1,694,211	1,670,590	1,804,840	1,973,420	16%	9%
Alcoholic beverage taxes	784,189	772,000	772,000	813,300	4%	5%
Business taxes	1,360,254	1,290,000	1,328,180	1,587,530	17%	20%
Hotel/motel taxes	168,430	167,300	155,300	152,500	-9%	-2%
Other taxes penalties	73,032	55,000	55,000	55,000	-25%	0%
Licenses and permits	349,965	301,380	414,880	366,820	3%	-13%
Intergovernmental revenues	68,088	-	28,600	-	-100%	-100%
Charges for service	64,237	80,200	83,200	79,700	24%	-4%
Fines and forfeitures	1,245,968	1,084,500	1,079,470	977,000	-22%	-10%
Investment income	198,655	175,000	50,000	60,000	-75%	0%
Contributions and donations	2,500	5,000	5,000	5,000	100%	0%
Miscellaneous revenue	21,699	16,500	18,500	12,500	-42%	-32%
Other financing sources*	<u>21,165</u>	<u>121,070</u>	<u>568,750</u>	<u>227,520</u>	<u>975%</u>	<u>-60%</u>
Total revenues	\$ <u>11,898,995</u>	\$ <u>11,223,380</u>	\$ <u>12,265,830</u>	\$ <u>11,844,220</u>	<u>-1%</u>	<u>-4%</u>
*Other financing sources						
Sale of capital item	\$ 21,165	\$ 5,000	\$ 5,000	\$ 5,000		
Budgeted fund balance	<u>-</u>	<u>116,070</u>	<u>563,750</u>	<u>222,520</u>		
Total other financing sources	\$ <u>21,165</u>	\$ <u>121,070</u>	\$ <u>568,750</u>	\$ <u>227,520</u>		

FY 2012 General Fund Revenues



Various Business Taxes include:
*alcoholic beverage
*business
*hotel/motel
*licenses and permit taxes

Miscellaneous Revenues include:
*motor vehicle
*other taxes penalties
*charge for service
*fines and forfeitures
*investment income
*contributions
*miscellaneous revenues
*other financing sources

property taxes

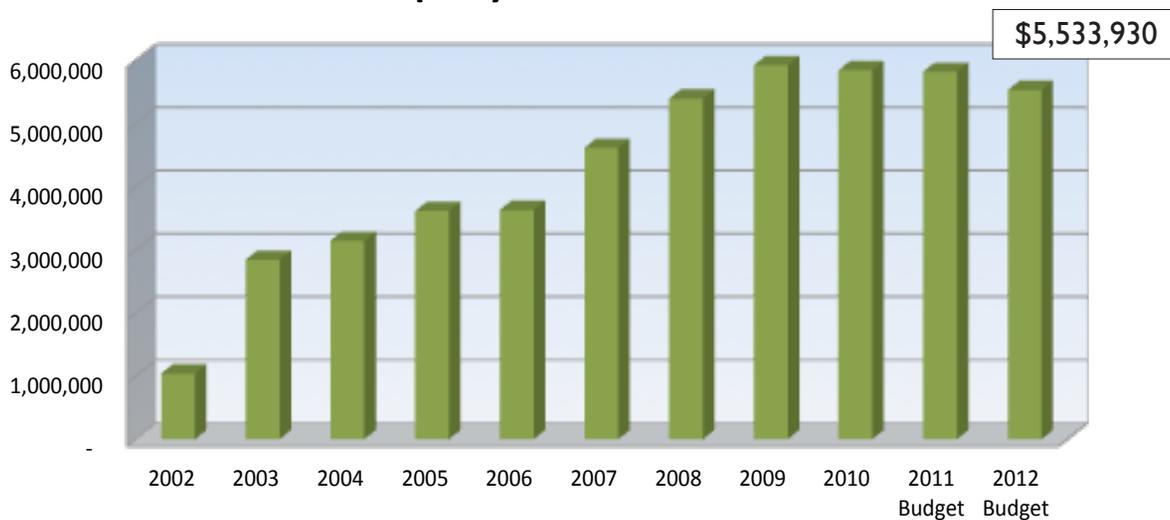
Property taxes include taxes on real and personal property, motor vehicle, mobile homes, and intangible taxes. This category represents 46% of the total FY 2012 proposed general fund revenues. These taxes are projected based on estimated growth of the state approved tax digest at millage rates adopted by Council. Current economic conditions have shown a trend of falling property values. We reviewed two methods to estimate real and personal property taxes.

The first method used fiscal year 2011 projected total collections and applied a 3% reduction on real property and a 5% reduction on personal property. This method takes into account the current economic conditions as it relates to collections and the decline in property values.

The second method reviewed building permit activity to determine if new construction would offset the declining market values and have an effect on the revenue predicted in the first method. New building permit activity was determined to add \$6,907,111 of assessed value to our digest or \$39,025 in property tax revenues. This additional growth is assumed to be deflated by other declining property values and was not added as additional revenue in the first method.

All other revenues were projected using a rolling two year average of change applied to the fiscal year 2011 collections.

Property Tax Revenues



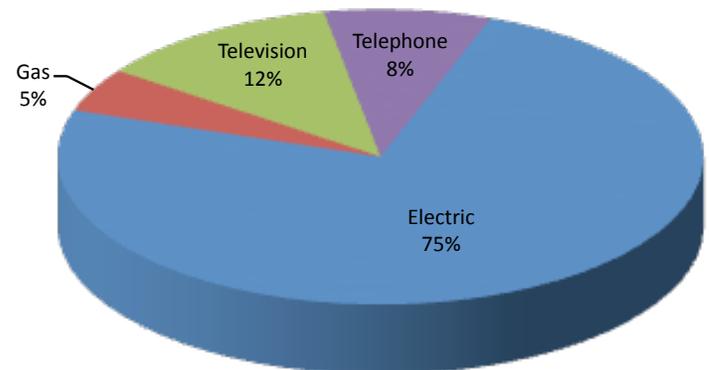
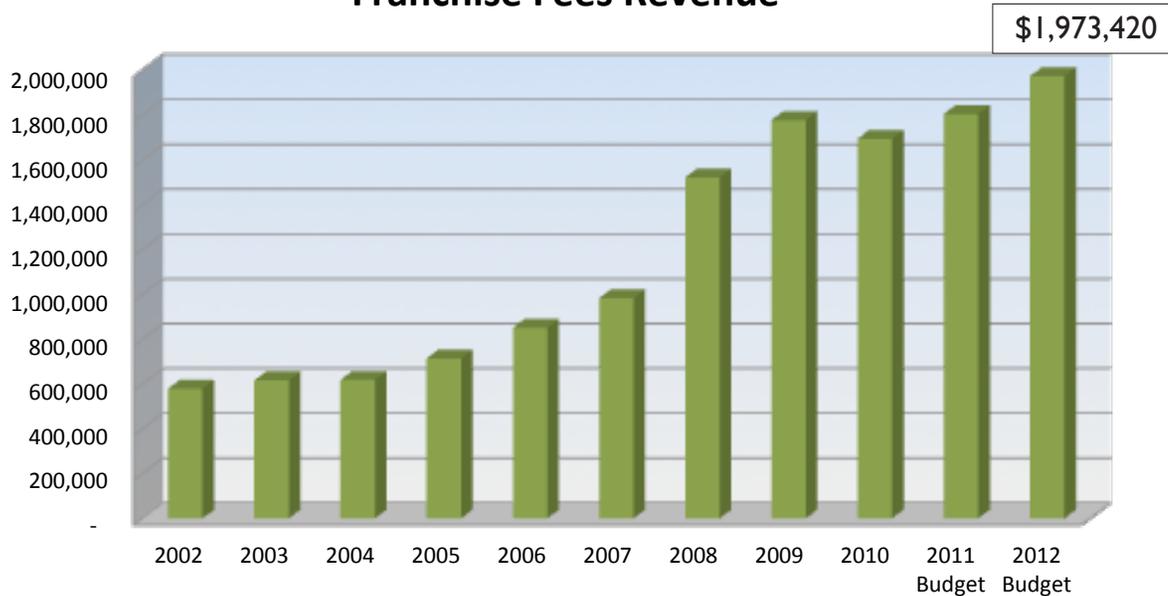
Projected FY 2011 Property Tax Revenues \$5,937,610 (py collections \$268,401)
 Original FY 2011 Budget \$5,484,840, Current FY 2011 Budget \$5,902,110.
 Note: The projected difference in fiscal year 2011 budget and 2012 is due to the larger than normal prior period collections (\$148,700) and lower current year revenues (\$175,910) due to proposed lower millage rate (5.65).

franchise fees

Franchise taxes are the fees charged to utility companies for the use of City streets and right of ways to conduct their private business of delivering natural gas, telephone, cable television, water, and other fiber optics cable services. This category represents 17% of the total FY 2012 general fund revenues. Revenue projections are typically based on historical trends in conjunction with current economic indicators and past climate conditions. A cold winter and a hot summer will produce additional power usage and cause the fees to increase. These fees are deposited in the general fund and are used along with other sources to support City operations.

The various utilities conducting business in the City are Atlanta Gas Light, Georgia Power, Jackson EMC, AT&T Communications, Birch Telecom, Charter Communications, and Time Warner.

Franchise Fees Revenue

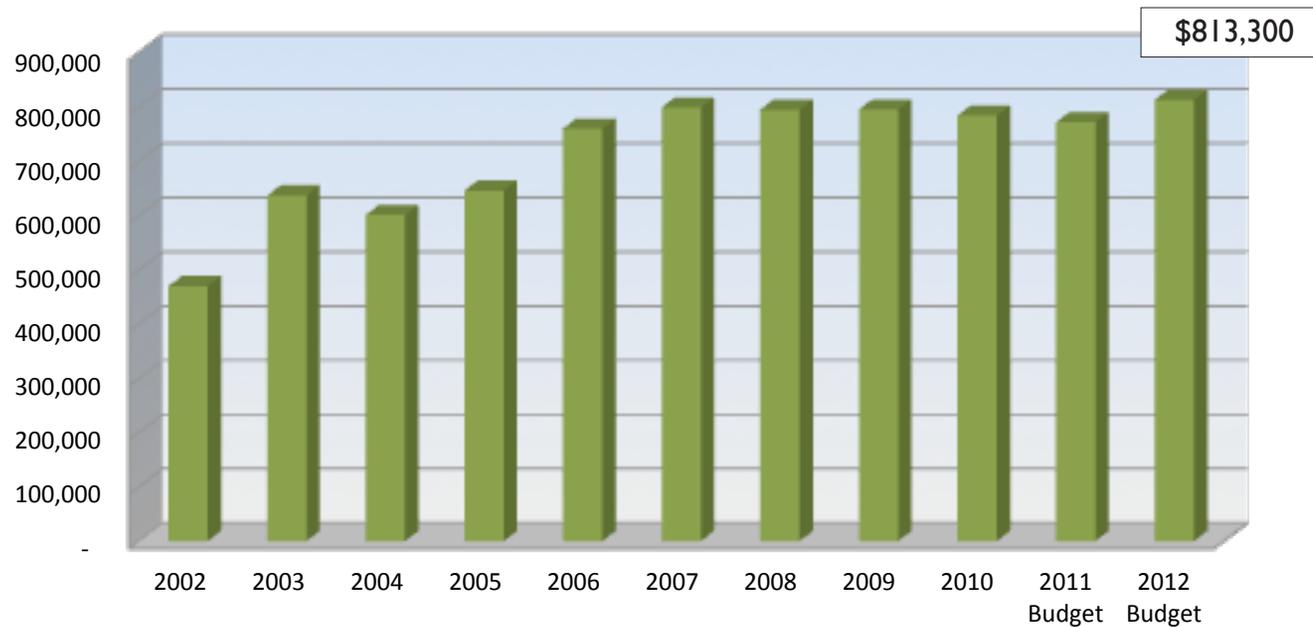


Projected FY 2011 Franchise Fees \$1,832,775
 Original FY 2011 Budget \$1,670,590, Current Budget \$1,804,840

alcoholic beverage taxes

Alcoholic beverage taxes are levied on the sale, distribution, or consumption of selected goods and services. Included in this category are taxes imposed on the distribution of distilled spirits, malt beverages, and wine. Taxes are also imposed on the sale of distilled spirits by the drink. This category represents 7% of the total FY 2012 general fund revenues. The revenue projections are based on historical trends in conjunction with current economic indicators. Current economic trends have noted a stabilization of these revenue sources. Based on these current trends these revenues were projected to remain the same as projected actuals for FY 2011.

Alcoholic Beverage Taxes



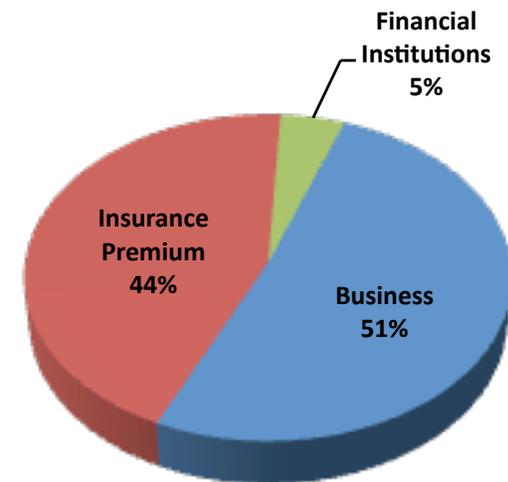
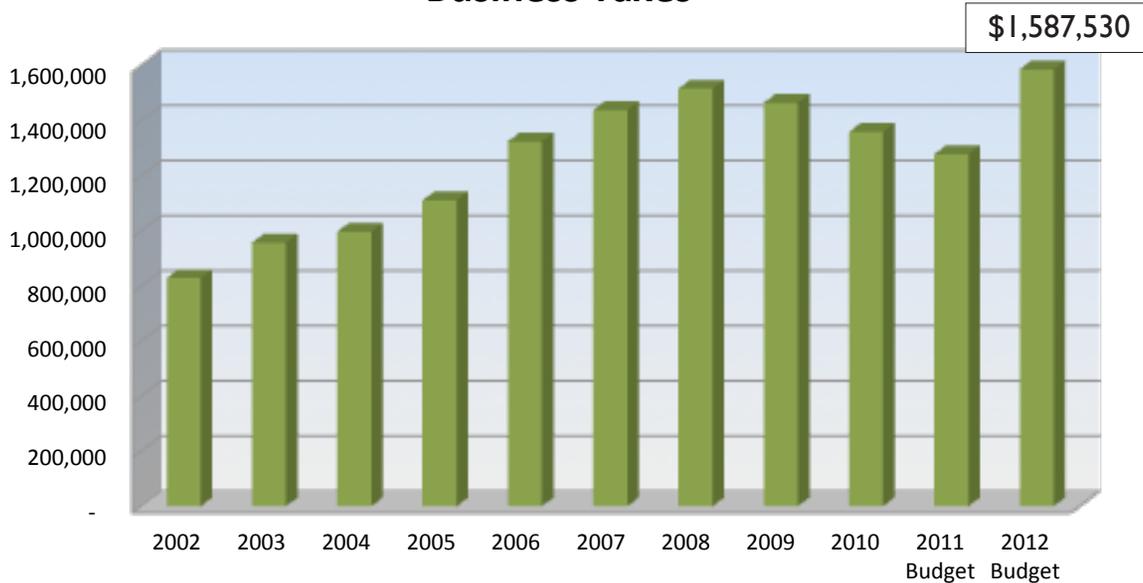
Projected FY 2011 Alcoholic Beverage Taxes \$813,240
 Original FY 2011 Budget \$772,000, Current Budget \$772,000

business taxes

This category includes revenues realized from business and financial institutions' occupational licenses and excise taxes on insurance premiums written by insurance companies conducting business within the City. This category represents 13% of the total FY 2012 general fund revenues. Projections are based on historical trend analysis, economic indicators, and anticipated economic growth. Current estimates for business and financial institutions' occupational licenses assume a flat growth based on projected FY 2011 collections.

Excise taxes on insurance premiums written by insurance companies conducting business within the City are allocated from the state to local governments based on current census data. Due to the growth in our census numbers we are projecting a significant increase of \$228,848 or 49%.

Business Taxes

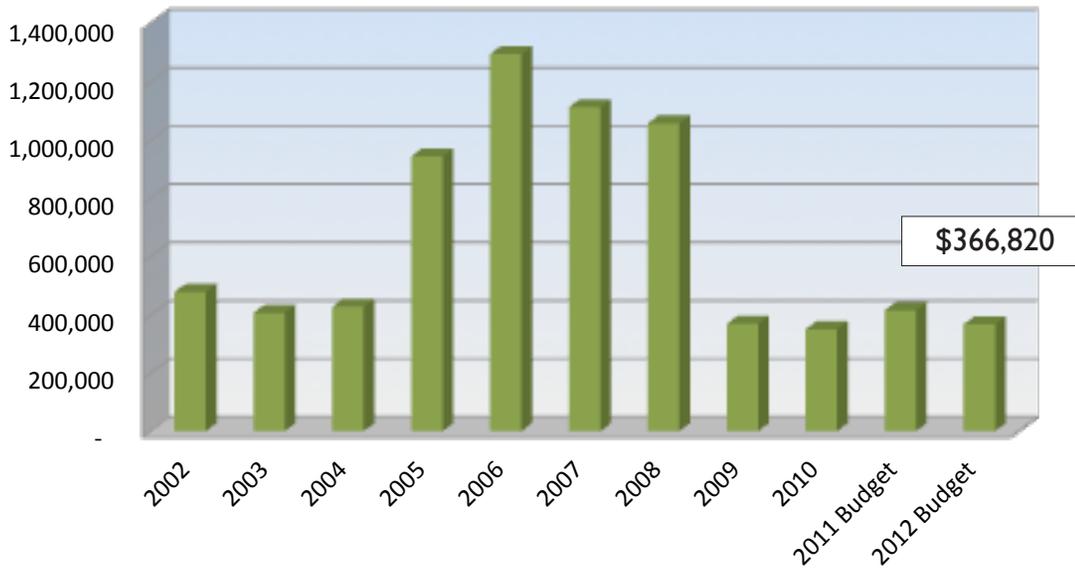


Projected FY 2011 Business Taxes Revenue \$1,359,000
 Original FY 2011 Budget \$1,290,000, Current Budget \$1,328,180

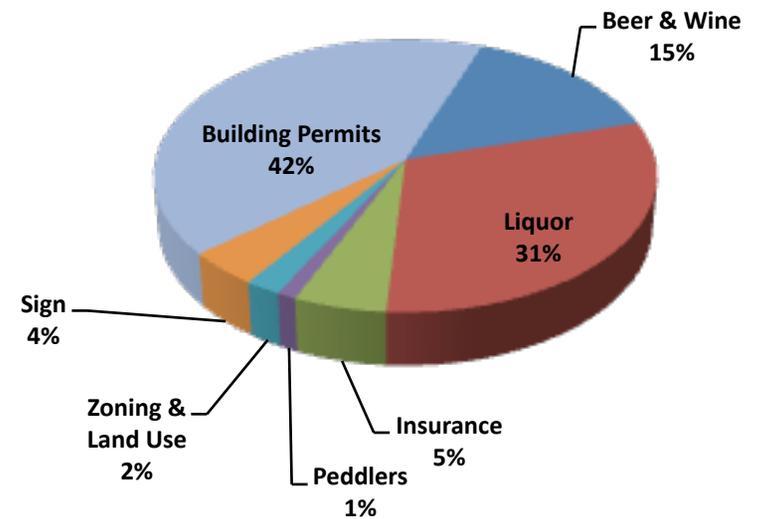
licenses and permits

Licenses and permit fees include revenues realized from alcoholic privilege licenses, peddler license fees, fees for issuance of licenses to insurance companies that sell policies within the City, fees received from applications for zoning amendments, site plan reviews, special use and variance, and fees for sign permits. Regulatory fees charged for building permits and inspections are also included in this section. The revenue projections in this category are based on historical growth trends. Some of the larger changes in prior years are due to a new business receiving two alcohol licenses during one fiscal year and the building expansion that occurred in fiscal years 2005 thru 2008. In fiscal year 2011, the City changed the alcohol ordinance to allow for pro-rated licenses. There have been no other changes to the rate structure. This category represents 3% of the total FY 2012 general fund revenues.

Licenses and Permits



Projected FY 2011 Licenses and Permits Revenues \$400,000
 Original FY 2011 Budget \$301,380, Current FY 2011 Budget \$414,880

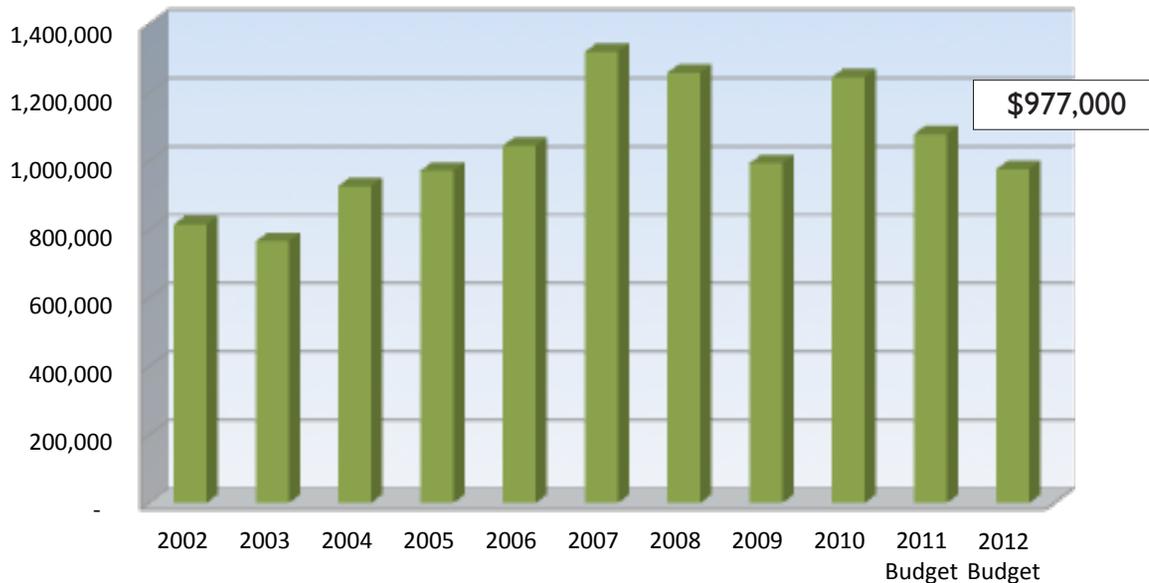


finances and forfeitures

Revenues in this category consist of fines and charges imposed by the City’s Municipal Court. This category represents 8% of the total FY 2012 proposed general fund revenues. Council sets some of the charges while others are mandated by the State and adopted by the Council. Projections are based on the rates set by the City Council and historical trends.

Fiscal year 2012 projections used the average monthly receipts received for fiscal year 2011 and reduced these receipts by 14%. This reduction is due to the continuation of the service delivery lawsuit and the current state sanctions regarding the use of radar for traffic control.

Fines and Forfeitures

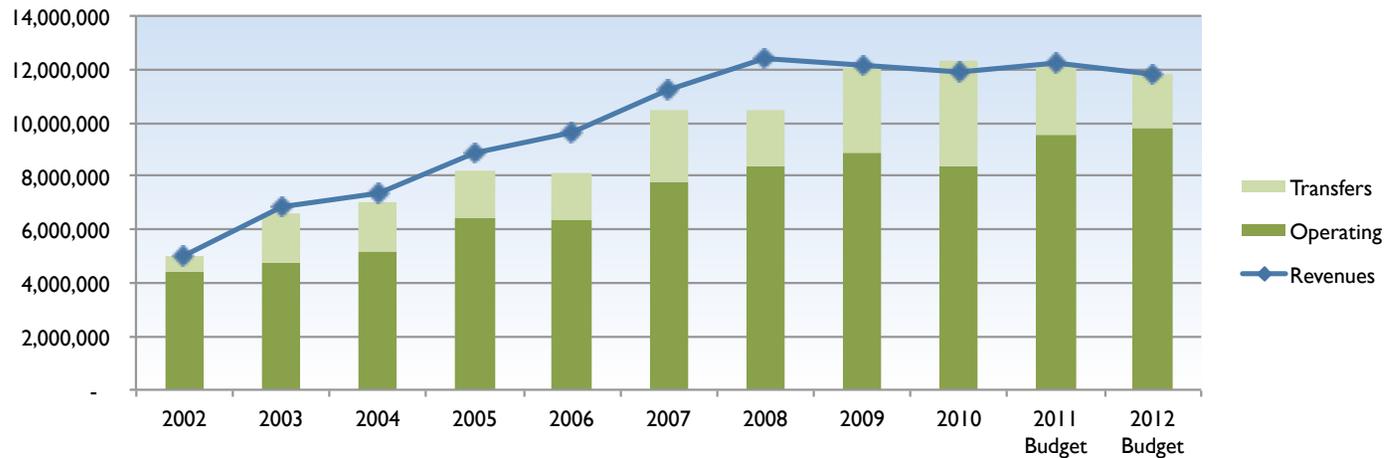


In fiscal year 2007, the City added a new red light camera program. The increase in fines in fiscal year 2007 and 2008 was due to this program. In fiscal year 2009, the City stopped this program, resulting in a decrease of fine revenues. The rate structure was changed in fiscal year 2010 to include a technology fee to cover police software cost.

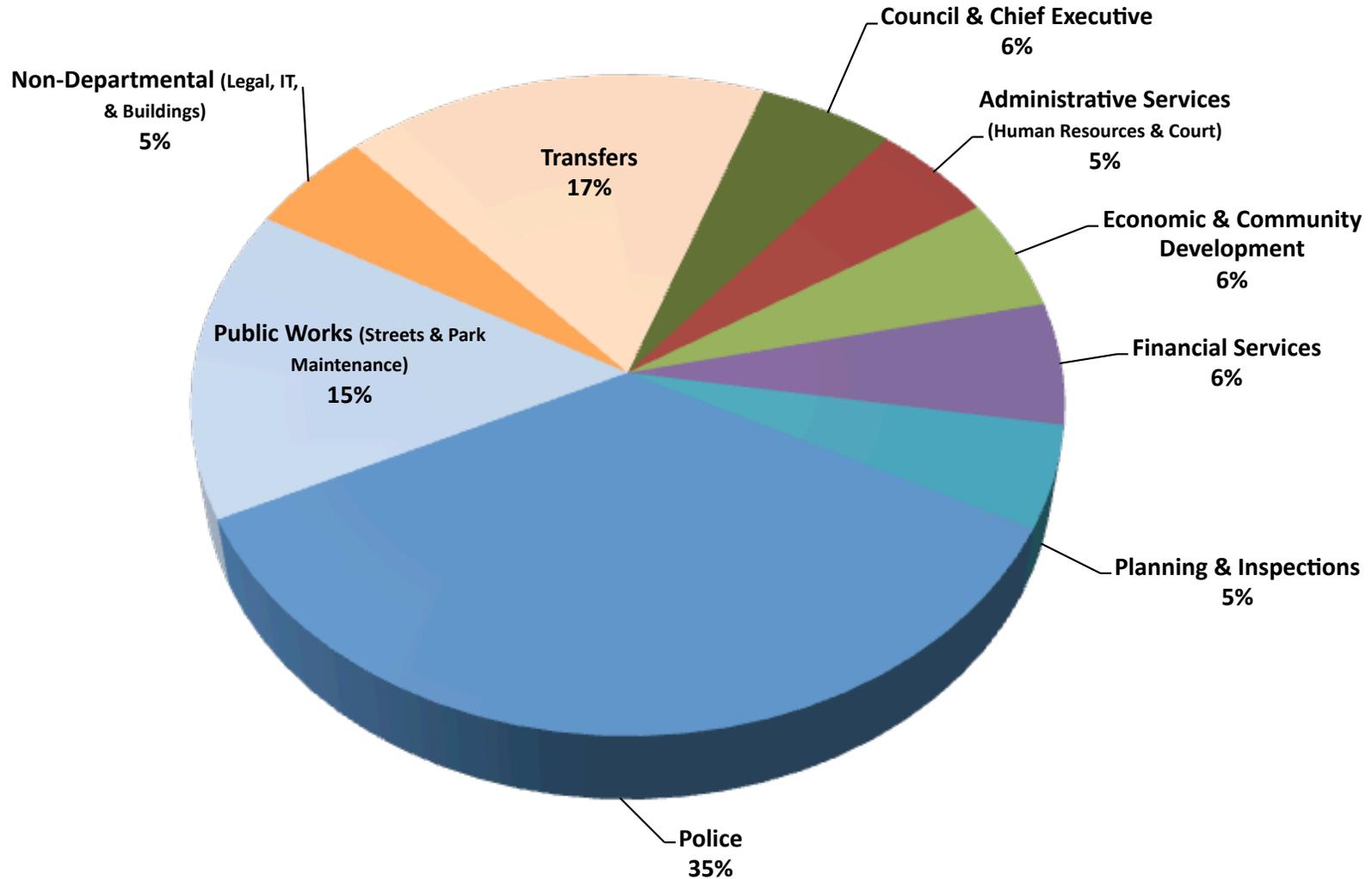
Projected FY 2011 Fines and Forfeitures \$1,140,000
 Original FY 2011 Budget \$1,084,500, Current FY 2011 Budget \$1,079,470

General Fund Expenditures by Department

	Actual			Current FY 2011 Budget	FY 2012 Adopted Budget	Change	
	FY 2008	FY 2009	FY 2010			Amount	%
Chief Executive	\$ 454,020	\$ 488,847	\$ 538,609	\$ 642,260	\$ 652,550	\$ 10,290	2%
Administrative Services	571,083	588,641	518,221	556,030	592,980	36,950	7%
Economic & Community	724,430	559,331	537,187	619,720	649,530	29,810	5%
Financial Services	537,142	574,010	567,180	633,600	706,230	72,630	11%
Planning & Inspections	790,520	703,054	512,681	595,670	594,540	(1,130)	0%
Police	3,393,188	3,728,382	3,730,952	3,962,450	4,191,470	229,020	6%
Public Works	1,365,674	1,637,994	1,496,058	1,825,780	1,809,680	(16,100)	-1%
Non-Departmental	518,520	592,767	498,855	682,880	601,920	(80,960)	-12%
Total Operating	8,354,577	8,873,026	8,399,743	9,518,390	9,798,900	280,510	3%
Transfers	2,073,516	3,234,406	3,945,766	2,747,440	2,045,320	(702,120)	-26%
Total Expenditures & Transfers	\$ 10,428,093	\$ 12,107,432	\$ 12,345,509	\$ 12,265,830	\$ 11,844,220	\$ (421,610)	-3%



Department % of Budget

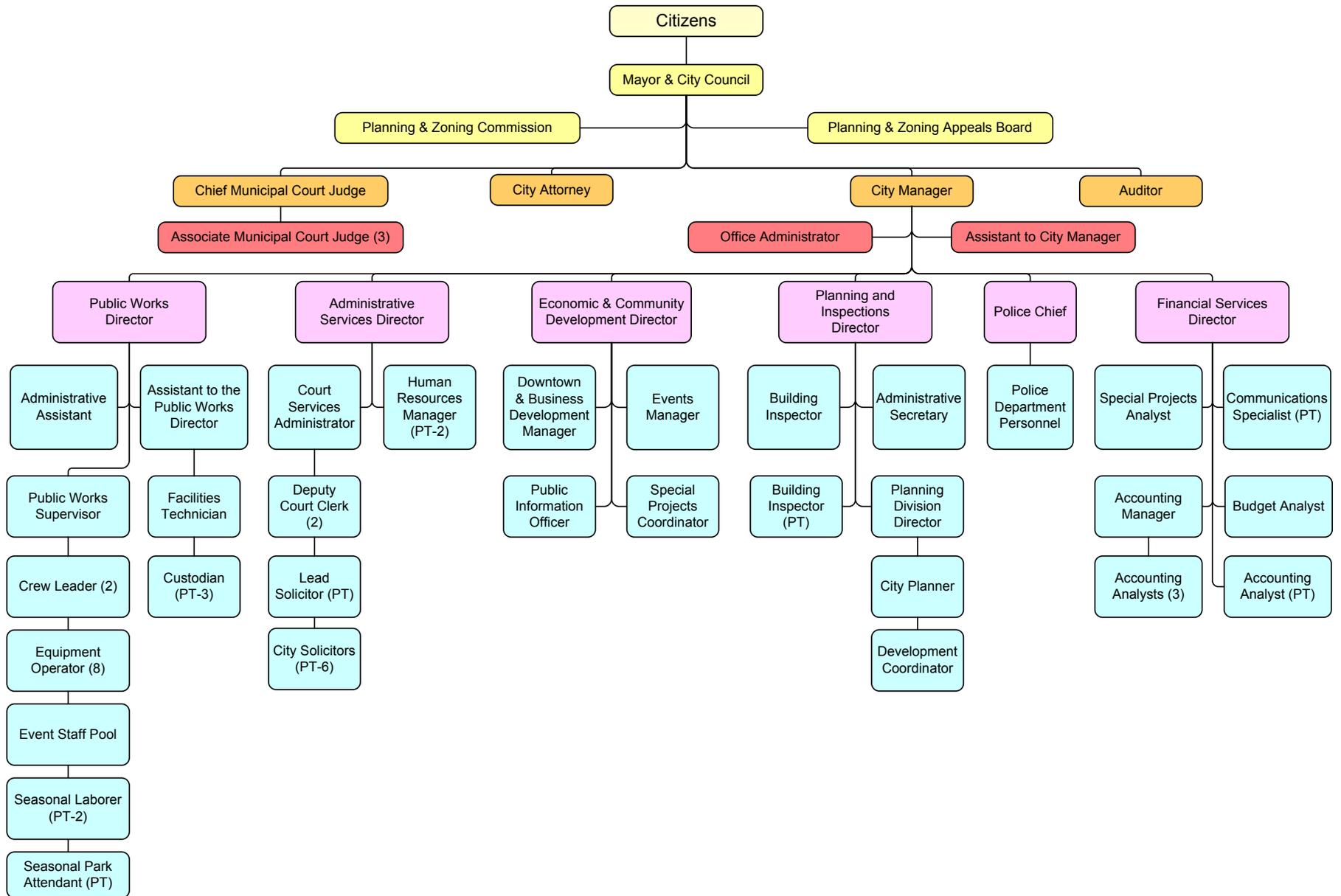


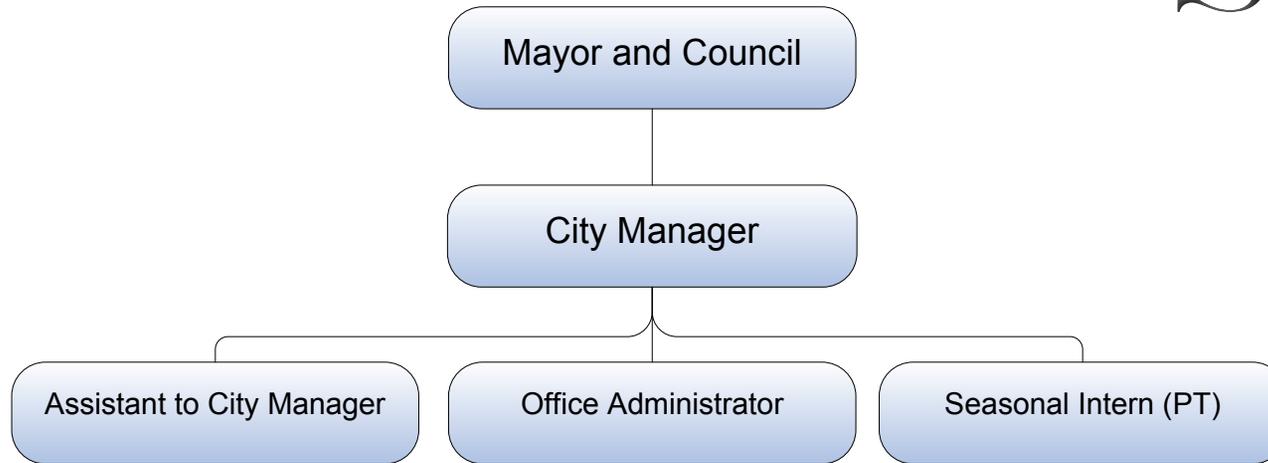
Summary of Big Ticket Items

During the budget forecast process, all Department Directors submit their performance and expenditure requests for the next fiscal year. Based on this information, the budget development team reviewed all departmental operations and budget requests in order to propose a recommended balanced budget to the City Council.

The following is a summary of larger dollar items (over \$10,000) for FY 2012 that were included.

Function	Description	Amount	Function	Description	Amount
All	Salaries	\$ 4,735,880	4100	Repairs (Public Works)	\$ 39,500
All	Overtime	54,500	4100	Electricity outdoor lighting (street lights)	204,070
All	FICA	292,090	4100	Inmate work crew (right of way maintenance)	37,200
All	M-Care	68,430	4100	Park water usage	35,500
All	Retirement	431,370	4100	Public works truck (new)	27,130
All	Group health	851,540	4100	Public works mowing equipment (new)	34,440
All	Other employee benefits	49,850	4221	Street sweeping (contracted)	14,800
All	Workers compensation	179,460	4221	Special Landscape management right of way (contracted)	57,250
All	Gasoline fuel usage	169,580	4250	MS4 permit requirements	30,000
All	Property/casualty insurance	185,820	6190	Events	117,500
1110	GWMA City contribution	70,700	6220	Park landscape management & tree removal	84,750
1320	Strategic plan	75,000	6220	Park repairs	38,500
1500	Election costs	13,390	6220	Park site improvements	20,000
1512	Annual audit	35,000	7400	Professional services (planning)	27,500
1530	Annual attorney fees	65,000	7400	Arbor day	30,710
1535	Information Technology Consulting	95,000	7510	Partnership Gwinnett	20,000
1535	Accounting software support fees	45,000	7520	Downtown Suwanee funding	91,410
1535	Software annual license fees	20,950	9100	GO bond payment	1,126,680
1535	Document management	22,000	9100	URA bond payment	475,220
1535	Accounting technical support	26,500	9100	Water fund transfer	150,000
1535	Computer repair & replacement	16,750	9100	TAD fund transfer	30,000
1535	New IT programs	27,000	9100	Paved streets fund transfer	100,000
1565	City Hall operating cost	181,000	9100	Cemetery fund transfer	81,420
1570	Newsletter production & printing	50,000	9100	Storm water fund transfer	\$ 75,000
3223	Fleet repairs (Police)	52,100			
3223	4 Police vehicles (new)	133,740			
3223	10 new laptops (new)	12,000			
3224	Police annual software fees	77,000			
3260	Police station operating cost	80,500			
				Total Big Ticket Items	\$ 11,065,730
				Total Budget	\$ 11,844,220
				% Summarized	93%

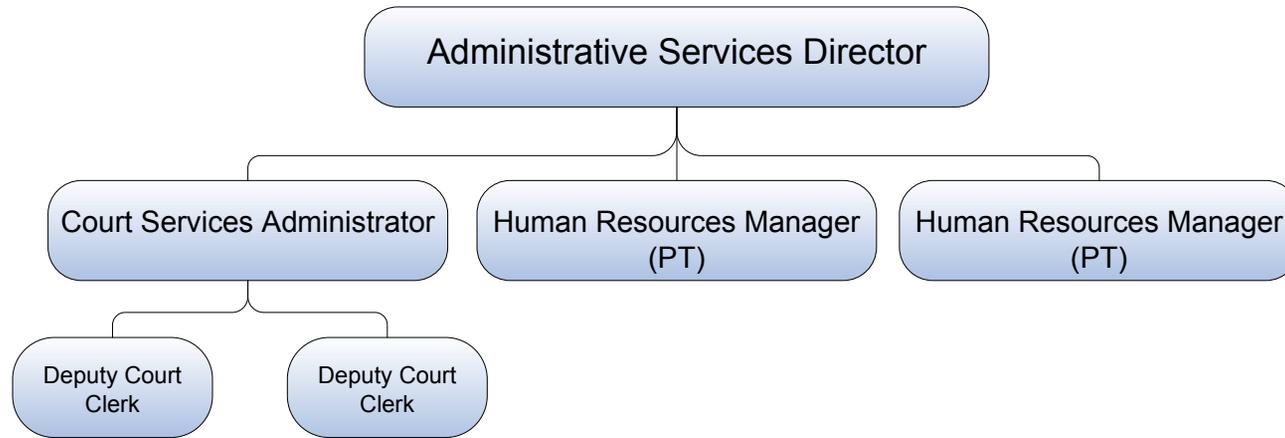




CHIEF EXECUTIVE

FUNCTIONS	Includes the operations of the Governing Body and Chief Executive.
POSITIONS	3 full time, 6 City Council members, and one summer intern
ROLE	This office is responsible for carrying out the City Council’s policy decisions, for vision and leadership to the organization, and for overseeing the day-to-day operations. It also includes special projects and management of the capital project consultant.
NOTABLE FY 2012 BUDGET ITEMS	No new employees Summer intern, \$7,750 Gwinnett Municipal Association Dues, \$20,700 SDS legal fees, \$50,000 Strategic Plan, \$125,000 (2 year plan, total plan \$150,000)
Current Fy 2011 Budget	\$642,260
Fy 2012 Adopted Budget	\$652,550

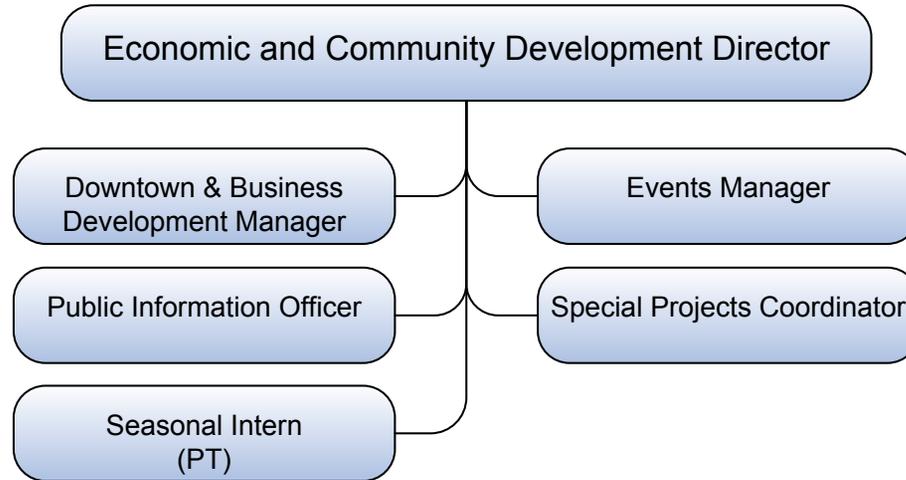




ADMINISTRATIVE SERVICES

FUNCTIONS	Includes the operations of General Administration and Municipal Court.
POSITIONS	4 full time, 2 part time, 4 Judges, and 6 Solicitors
ROLE	This department is responsible for City Clerk functions, Human Resources, and Municipal Court operations.
NOTABLE FY 2012 BUDGET ITEMS	No new employees Funding for 1 election with possible run off, \$13,930 Citywide management training, \$1,700 Professional services for pension management, \$14,000
Current FY 2011 Budget	\$556,030
FY 2012 Adopted Budget	\$592,980

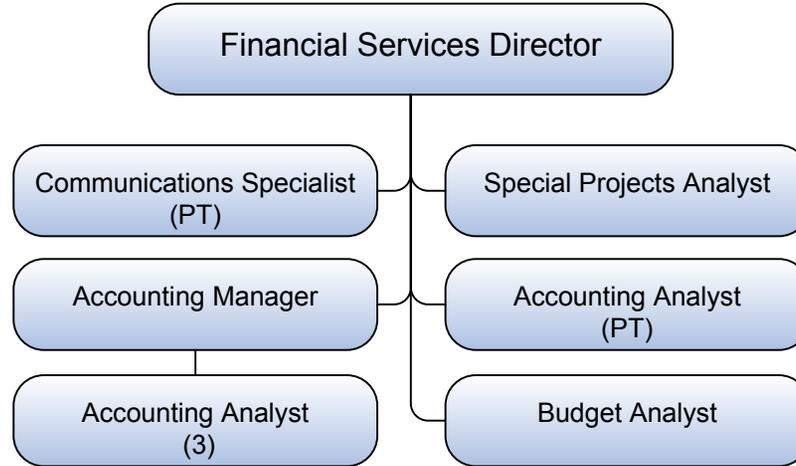




ECONOMIC & COMMUNITY DEVELOPMENT

FUNCTIONS	Includes the operations of Public Information, Special Facilities & Activities, Economic Development, and Downtown Suwanee.
POSITIONS	5 full time and 1 summer intern
ROLE	Provides information for citizens and business owners, promotes Suwanee’s image, manages the farmers market and events, and provides support to the Public Arts Commission and the Downtown Development Authority.
NOTABLE FY 2012 BUDGET ITEMS	No new employees Maintain current event funding Partnership Gwinnett, \$20,000 Expanding newsletter to business owners Summer intern, \$7,417
Current FY 2011 Budget	\$619,720
FY 2012 Adopted Budget	\$649,530

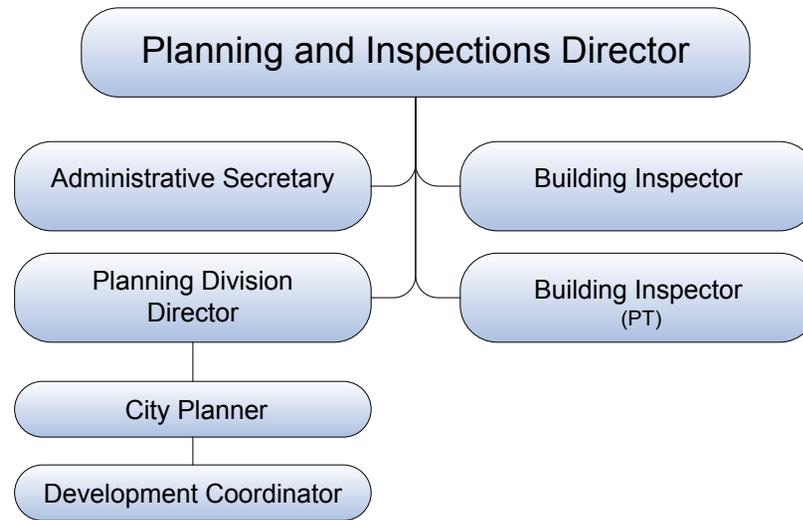




FINANCIAL SERVICES

FUNCTIONS	Includes the operations of Financial Administration and Accounting.
POSITIONS	7 full time and 2 part-time
ROLE	Provides the accounting and financial reporting for all City operations, billing and collection for taxes, issuance of debt, and alcohol licenses.
NOTABLE FY 2012 BUDGET ITEMS	New Budget Analyst position, \$67,000 (includes salary, benefits and equipment) Annual Audit \$35,000
Current FY 2011 Budget	\$633,600
FY 2012 Adopted Budget	\$706,230

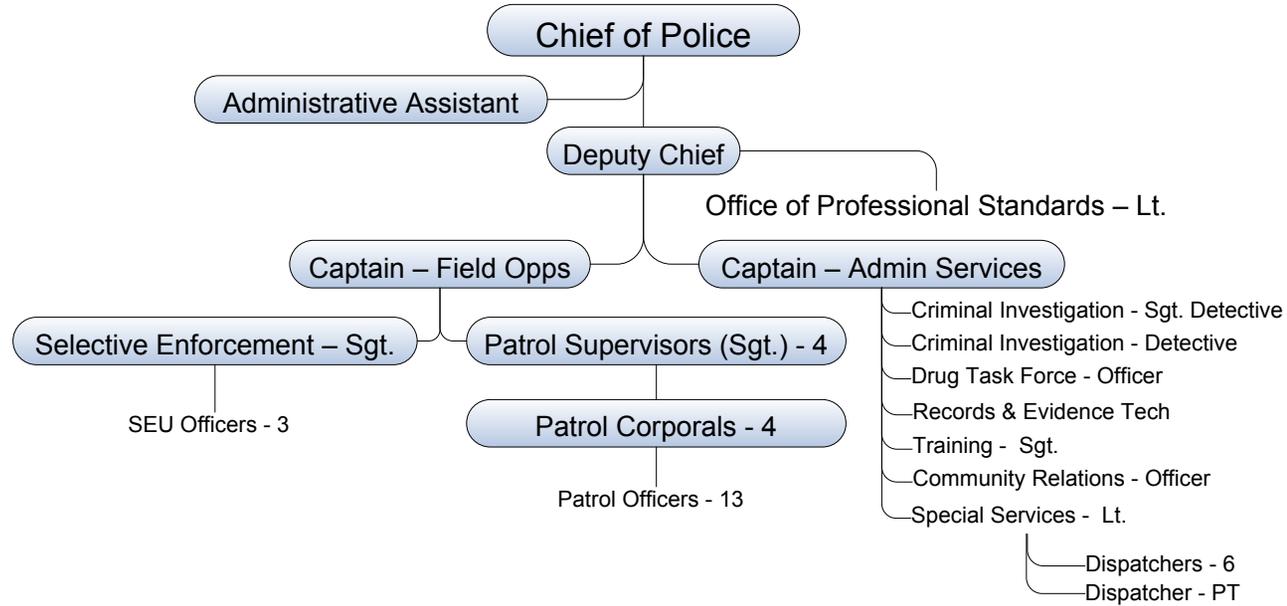




PLANNING & INSPECTIONS

FUNCTIONS	Includes the operations of Legislative Committees, Protective Inspection Administration, Planning & Zoning, and Code Enforcement.
POSITIONS	6 full time, 1 part time, 6 Planning Commissioners, and 6 Zoning Board of Appeals Members.
ROLE	Manages the current and long range planning activities and provides guidance to citizens, developers, and property owners regarding zoning, development, code enforcement, and building inspections.
NOTABLE FY 2012 BUDGET ITEMS	No new employees Continuation of current funding
Current FY 2011 Budget	\$595,670
FY 2012 Adopted Budget	\$594,540

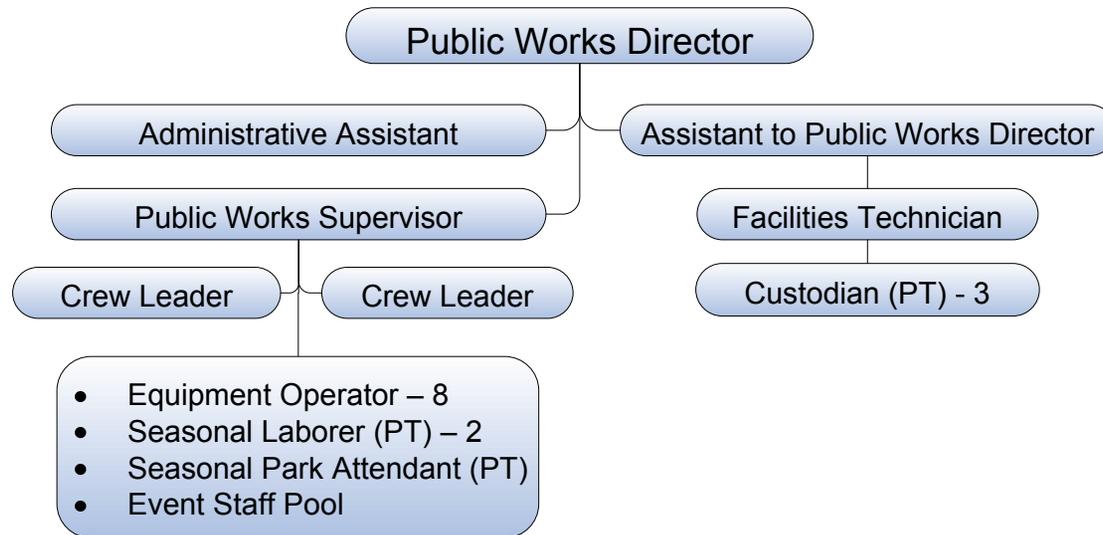




POLICE

FUNCTIONS	Includes the operations of Police Administration, Criminal Investigation, Patrol Records & Identification, Police Training, Special Detail Services, Gateway Patrol, Police Station & Building, Dispatcher, and Public Relations.
POSITIONS	36 sworn officers and 8 non-sworn personnel full time and one part time non-sworn personnel
ROLE	Provides safety and security services, responds to calls for service, investigates and solves cases referred, manages the Police and Citizens Together (PACT) program, and the Citizen's Police Academy.
NOTABLE FY 2012 BUDGET ITEMS	New part time Dispatcher position 30 hours a week, \$26,785 Replace 10 laptops, \$12,000 4 new police vehicles, \$133,740
Current FY 2011 Budget	\$3,962,450
FY 2012 Adopted Budget	\$4,191,470





PUBLIC WORKS

FUNCTIONS	Includes the operations of Public Works Administration, Paved Streets, Storm Drainage, and Park Areas.
POSITIONS	15 full time, 3 part time, and a pool of seasonal workers
ROLE	Maintenance and repair of City owned facilities, grounds, and infrastructure, including the City's water system.
NOTABLE FY 2012 BUDGET ITEMS	12 additional hours a week for the part time custodian, \$7,994 Landscape maintenance of PIB, \$51,250 1 new public works truck, \$27,130 Mowing equipment, \$34,400 (2 zero turn mowers and a radio slope mower)
Current FY 2011 Budget	\$1,825,780
FY 2012 Adopted Budget	\$1,809,680



LAW

ROLE	To provide timely and effective advice and professional representation to the City's officials. The City Attorney has the responsibility of responding to requests for advice and in answering lawsuits in a manner as to eliminate or minimize legal difficulties and damages before decisions are made which might create legal problems.
Current FY 2011 Budget	\$115,000
FY 2012 Adopted Budget	\$65,000

DATA PROCESSING

ROLE	To provide secure, efficient, innovative, and cost effective data communication services that will support and enhance the daily business operations of the City and enable staff to better serve the citizens.
Current FY 2011 Budget	\$299,350
FY 2012 Adopted Budget	\$263,200

GENERAL GOVERNMENT BUILDING

ROLE	To manage building operations and maintenance activities for the City's facilities so that employees and visitors have a clean and comfortable environment. It is the responsibility of this function to maintain City facilities, including minor renovations as necessary.
Current FY 2011 Budget	\$268,530
FY 2012 Adopted Budget	\$273,720

OTHER FINANCING USES

ROLE	Accounts for operation transfers from the general fund to other funds. Transfers are made to provide required matching funds for federal and state awards, to account for resources transferred to other funds or agencies where actual costs are recorded with funding assistance from the general fund, and to account for funds allocated to the debt service fund for the payment of the general obligation bonds and URA revenue bonds.
Current FY 2011 Budget	\$2,747,440
FY 2012 Adopted Budget	\$2,045,320



Conclusion

The City appreciates any comments from the citizens of our community relative to the budget. All citizens are invited and encouraged to attend the budget hearings held in June of each year. Anyone interested in attending or receiving additional information should contact the Financial Services Department at 770-945-8996.



