



Duluth
Capture the *Spirit*
of Good Living

Budget Performance and Financial Forecast

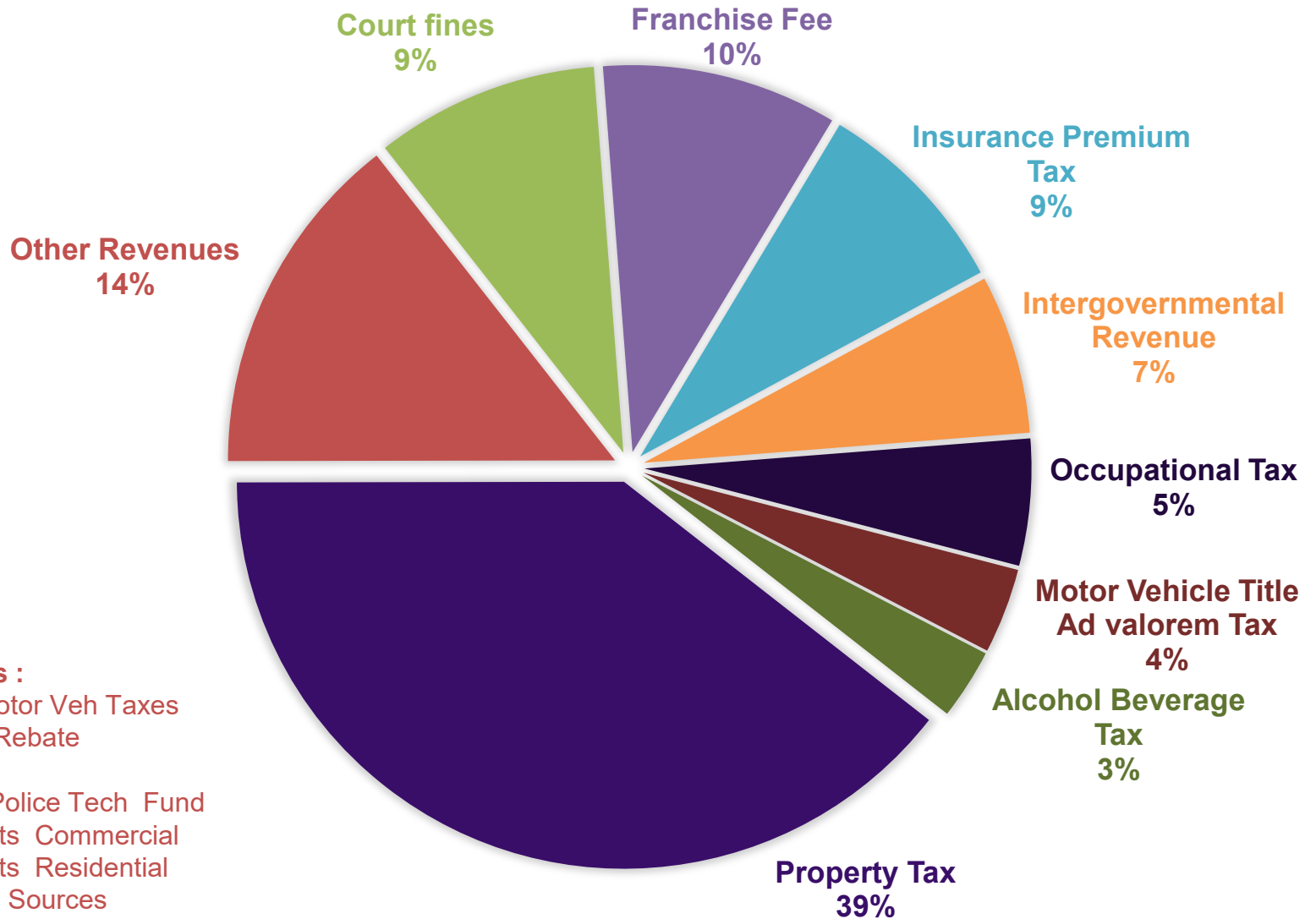
February 27, 2019

Budget Performance Report

- Snap shot in time of budget to actual revenues and expenditures
- Provided to Department Directors monthly

	Amended Budget	YTD Transactions
Revenue Totals	20,010,849	15,287,089
Expenditures Totals	<u>21,781,786</u>	<u>11,828,930</u>
Totals	(1,770,937)	3,458,159

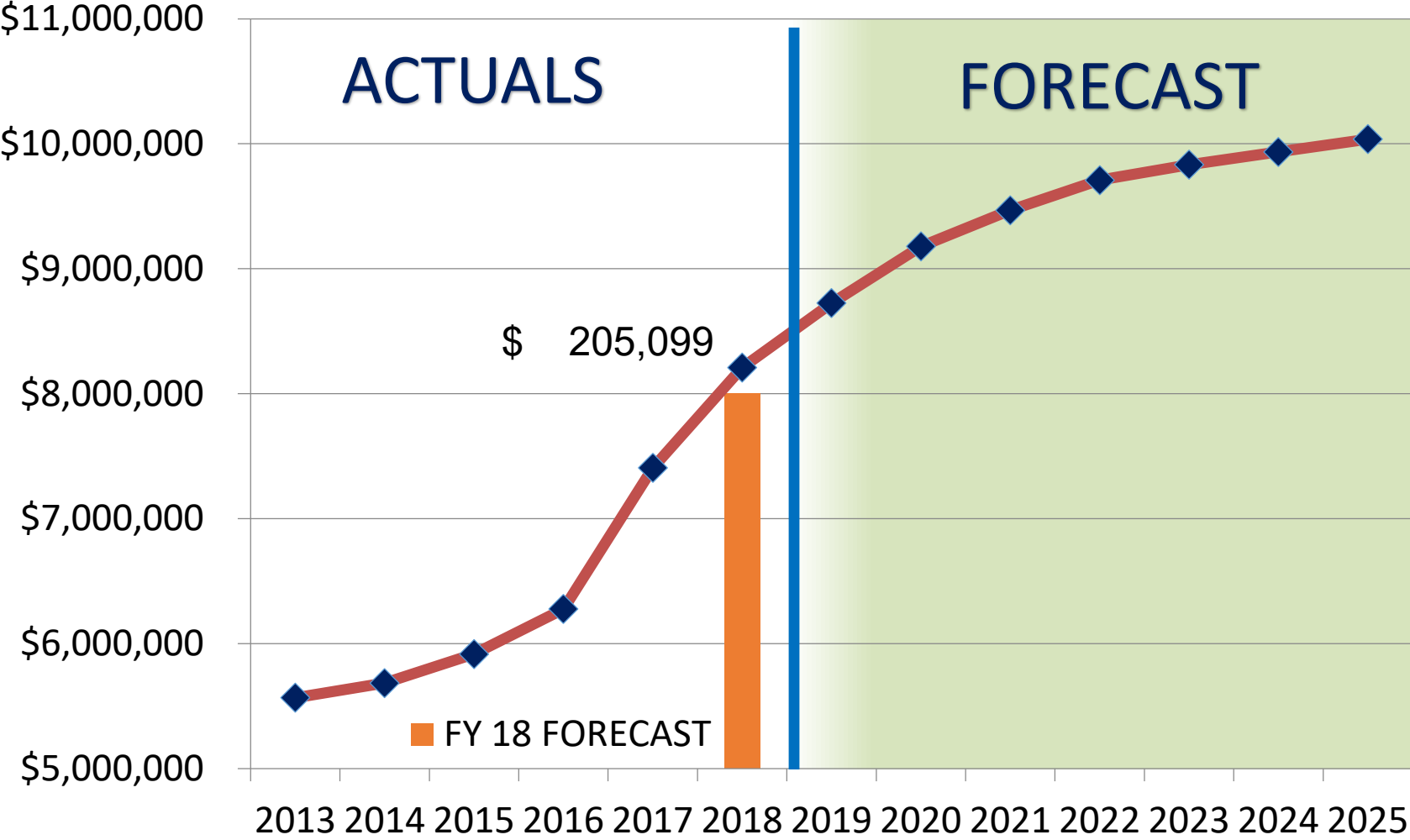
FY 2018 REVENUE DRIVERS



Other Revenues :

- Gwinnett Co Motor Veh Taxes
- Garbage Bag Rebate
- Camps
- Transfer from Police Tech Fund
- Building Permits Commercial
- Building Permits Residential
- Other Revenue Sources

Property Tax



Facts about Property Taxes

- **Property taxes are the single largest revenue sources for the City's General Fund, making up approximately 39% of the overall revenue in FY 2018**
- **The current millage rate is 6.551. Increase based on recommendation by Citizen Budget Review Advisory Committee**
- **The fair market value and assessed value of properties in Duluth is determined by the Gwinnett County Tax Assessor**
- **Property taxes are collected on both residential and commercial property, but not-for-profit parcels are exempt**

Millage Rate History

RATE

YEAR

6.5 Mills

1985 – 1988

6.0 Mills

1989 – 1991

5.55 Mills

1992 – 1999

5.36 Mills

2000

5.191 Mills

2001 – 2009

5.991 Mills

2010 – 2015

6.551 Mills

2016 - current

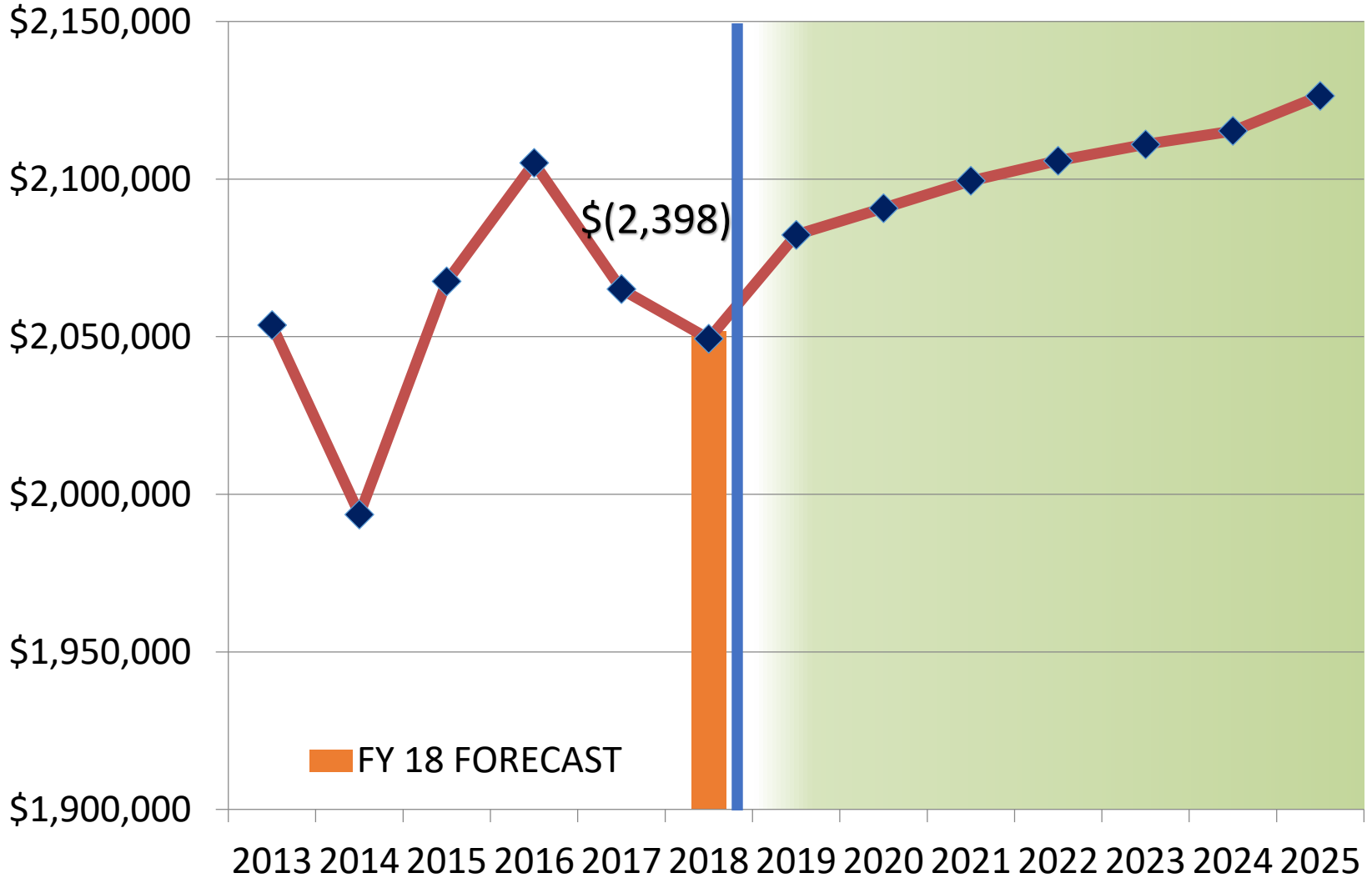
What the millage rate looks like to the average Duluthian

Fair Market Value of Home	\$ 250,000
Assessed value (40%)	\$ 100,000
City Millage Rate	6.551 mills
City Tax Bill*	\$ 655.10

\$54.59 per month

* Excludes stormwater fee and any homestead exemption

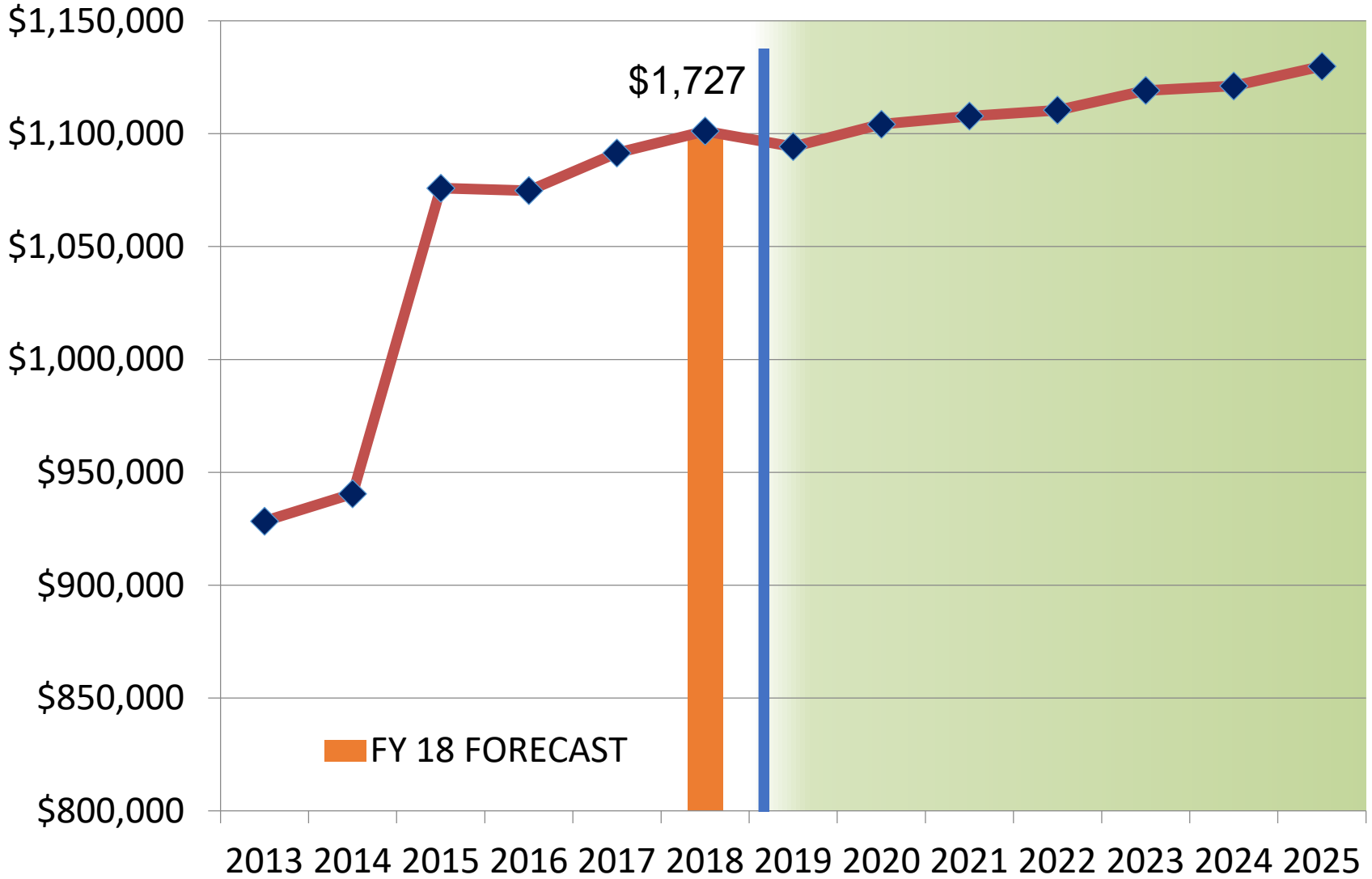
Franchise Tax



Facts about Franchise Taxes

- **Franchise taxes account for approximately 12% of the City's overall General Fund**
- **This tax is imposed on private companies for the use of public property/right of way for transmission lines, pipes and wires**
- **The tax is based on franchise agreement and paid either monthly, quarterly or annually**
- **The largest payer is Georgia Power**

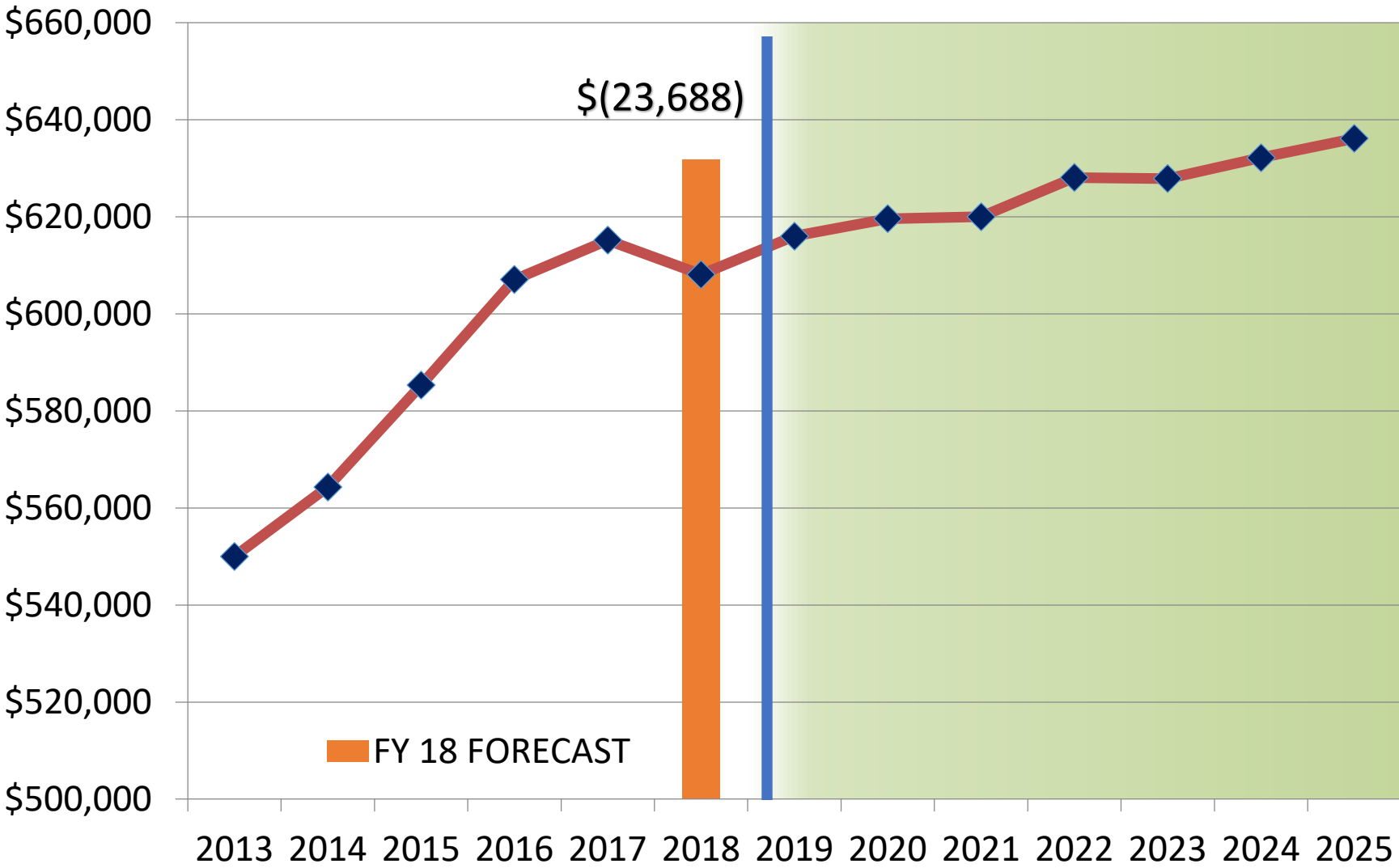
Occupational Tax



Facts about Occupational Taxes

- **Occupational taxes account for approximately 6% of the City's General Fund**
- **The tax is levied on business and practitioners of professions and occupations which have a physical location within the City**
- **Over 1,800 business in the City of Duluth are subject to this tax**
- **The tax is based on business tax class and gross receipts or a flat amount**
- **Collected annually between January 1st and April 30th. The minimum is \$50 and the maximum is \$12,500**

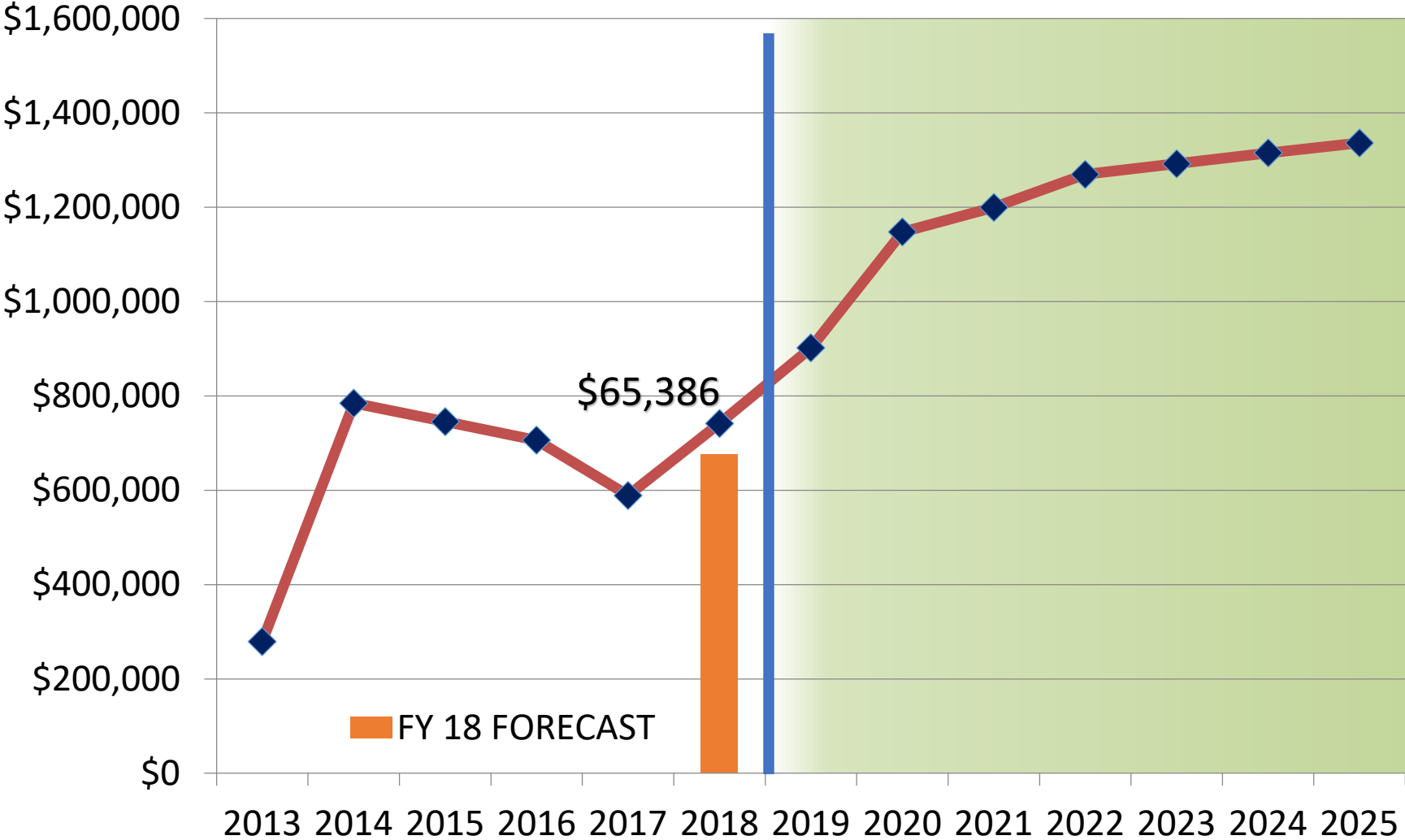
Alcohol beverage Tax



Facts about Alcohol Beverage Taxes

- **The Alcohol Beverage Tax account for approximately 3% of the City's overall General Fund revenue**
- **It is an excise tax (paid at time of purchase) on the distribution of distilled spirits, malt beverages and wine.**
- **Wholesalers pay this tax based on the number of liters of alcohol delivered to business within the City**
- **The tax is paid monthly and due by the 10th of the monthly following purchase**

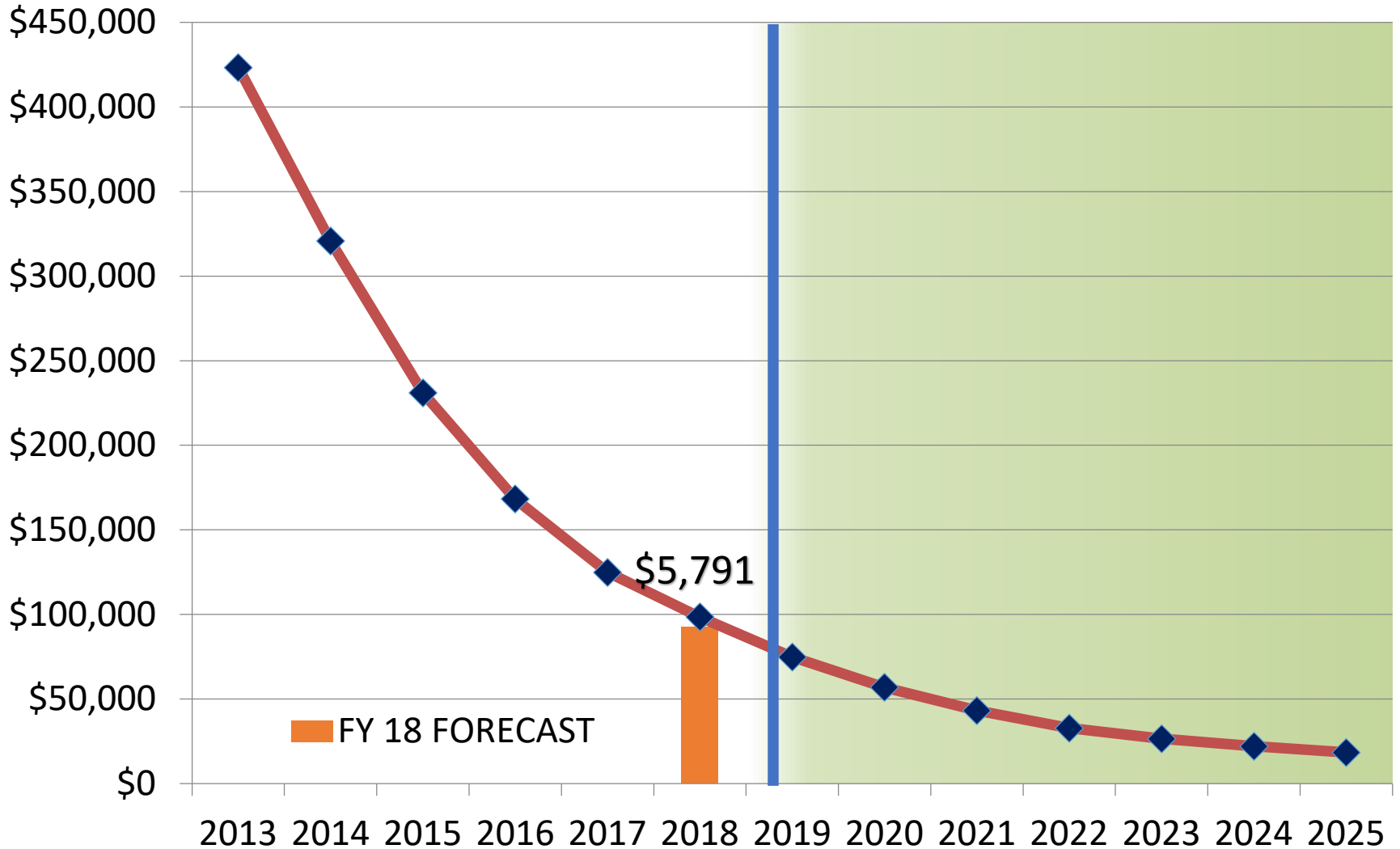
Motor Vehicle Title Ad Valorem Tax



Facts about Motor Vehicle Title Ad- Valorem Taxes

- **The Motor Vehicle Title Ad Valorem (TAVT) Tax accounts for approximately 4% of the City's overall General Fund revenue**
- **The tax began March 1, 2013 and is a one-time title ad valorem tax levied on the value of motor vehicles at the time ownership of a vehicle is transferred**
- **Effective tax rate as of January 1, 2019 is 7% of the vehicles fair market value and will remain at 7% for 2019 and beyond**
- **Replaces the previous annual vehicle ad valorem or birthday tax**

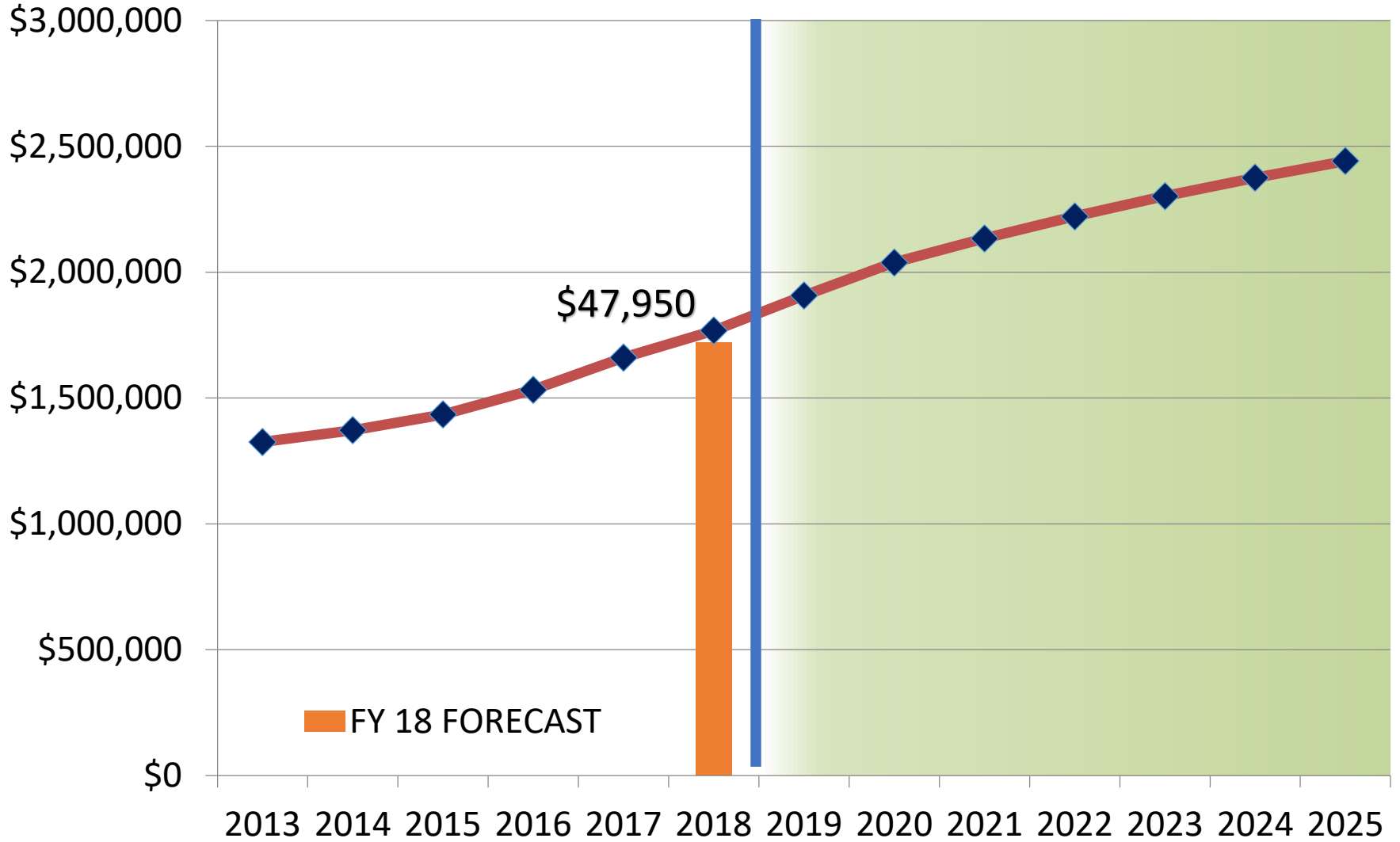
Gwinnett County Motor Vehicle Tax



Facts about Gwinnett County Motor Vehicle Taxes

- **The Gwinnett County Motor Vehicle tax is an ad valorem tax levied on the value of a motor vehicle, mobile home and heavy equipment**
- **This tax is being phased out for most motor vehicles in favor of the TAVT tax**
- **The tax will continue to be assessed on certain vehicles including tractor trailer and pull-behind trailers/campers**

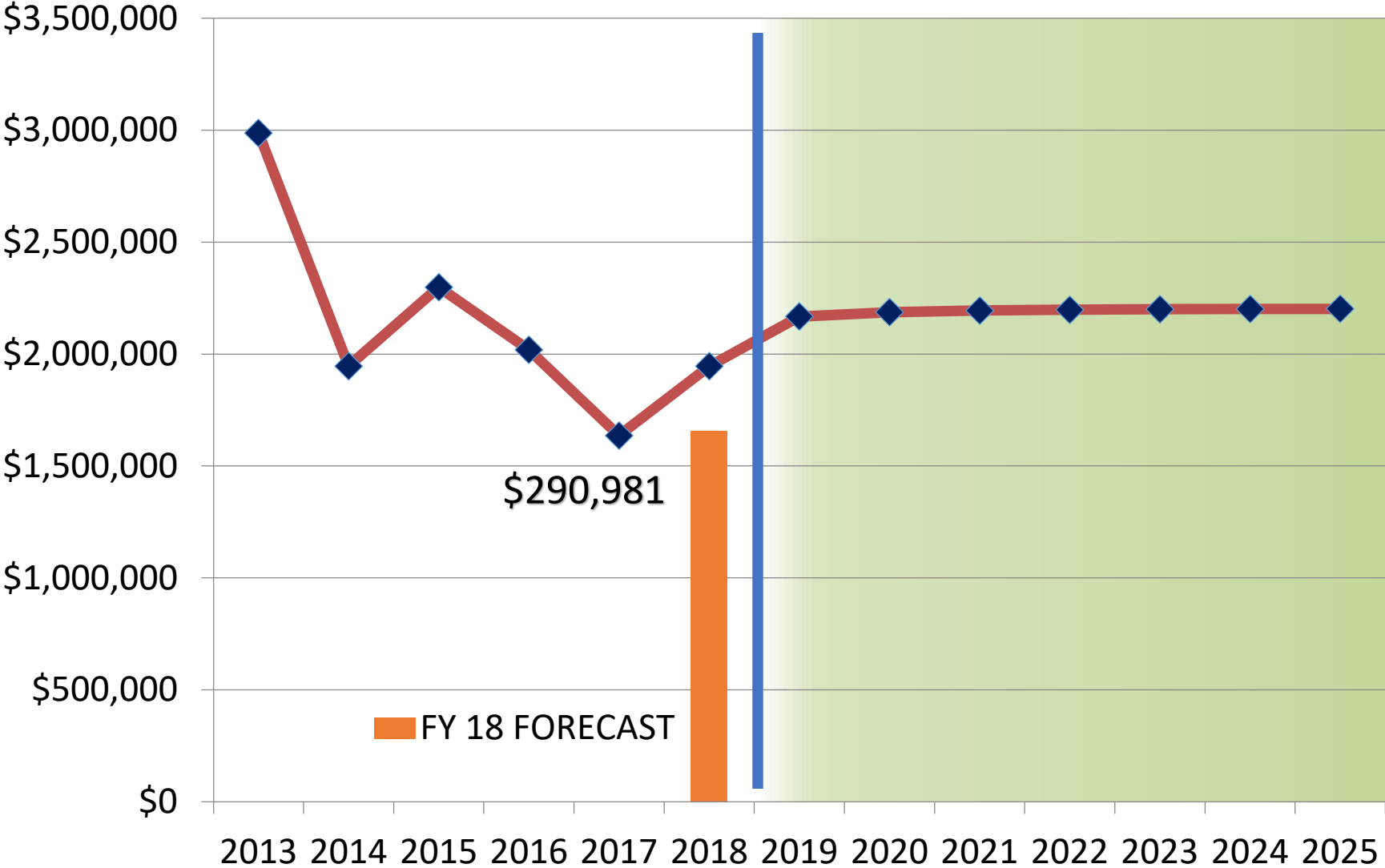
Insurance Premium Tax



Facts about Insurance Premium Taxes

- **The Insurance Premium Tax accounts for approximately 9% of the City's overall General Fund revenue**
- **The tax is levied on insurers doing business in Duluth equal to 1% of gross life insurance premiums and 2.5% of gross premium for other types of insurance**
- **The tax is collected by the Georgia Insurance Commissioner's office and remitted annually on or before October 15th to the City**

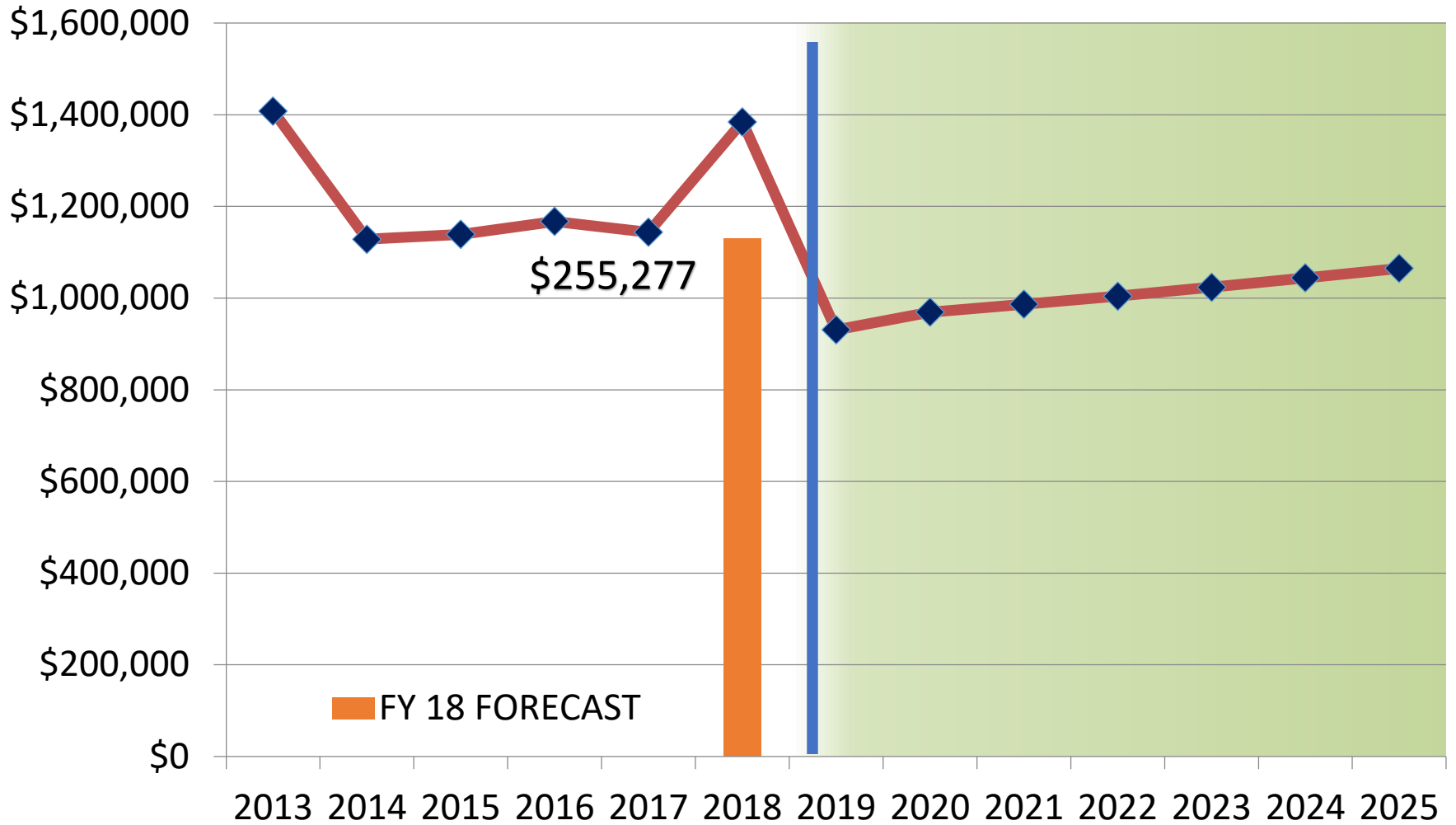
Court Fines



Facts about Court Fines

- **Court Fines account for approximately 9% of the City's overall General Fund revenue**
- **The fines are collected through the City's Municipal Court for traffic citations, various misdemeanors, violations of City ordinances, and/or as mandated under State law for violations occurring within the City limits**
- **On average the City retains 67% of the fine amount with the remaining 33% of state mandated "add-on" fees being paid to various agencies**
- **With each citation paid the City collects a \$10.00 technology fee.**

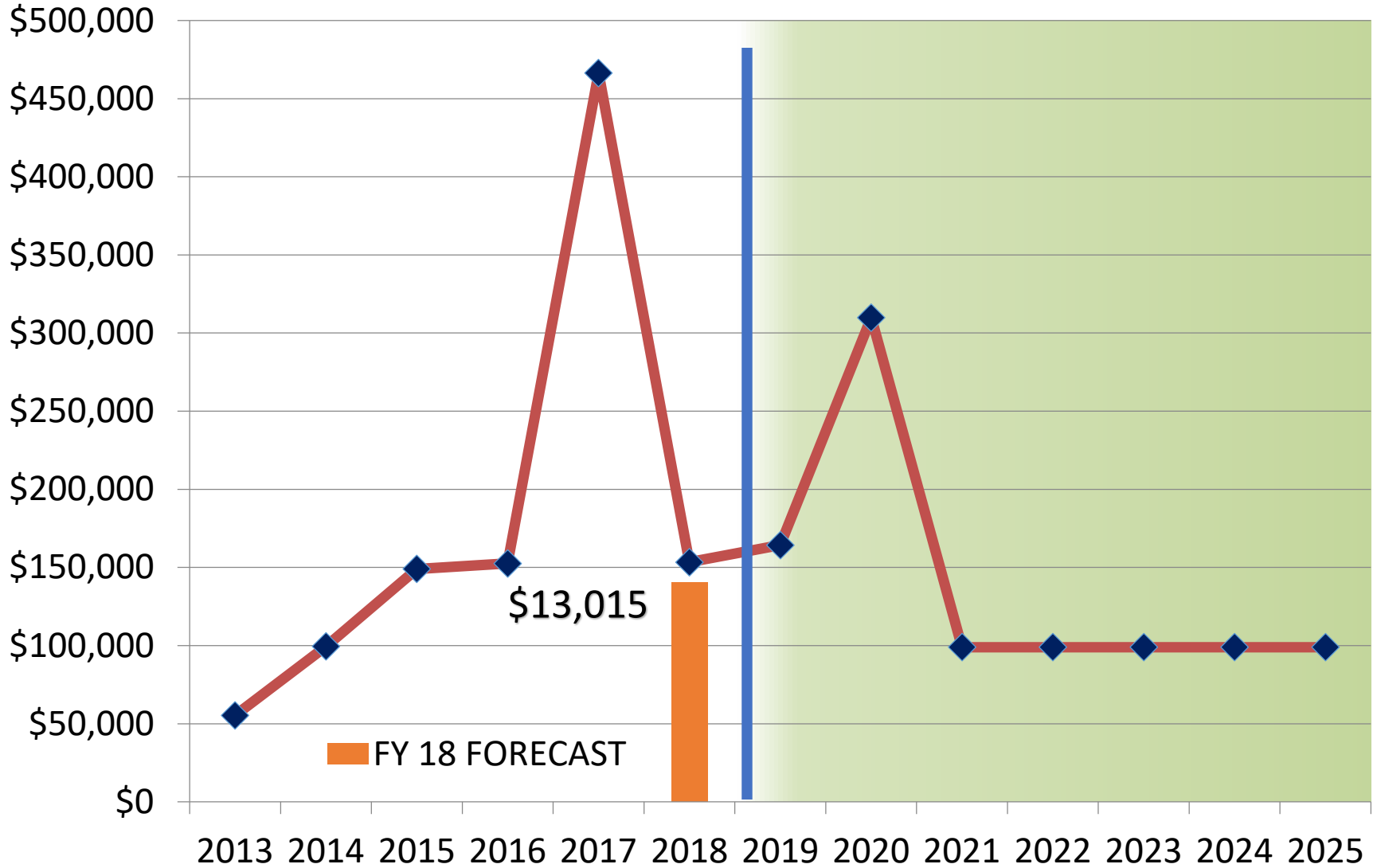
Intergovernmental Revenue (E911 & Police Payment)



Facts about Intergovernmental Revenue

- **Intergovernmental Revenues account for approximately 7% of the City's overall General Fund revenue**
- **This revenue is derived mainly for the Service Delivery Strategy (SDS) settlement between the cities and Gwinnett County**
- **The City receives an annual payment for police and reimbursement for certain E-911 (Dispatch) expenditures**
- **The SDS settlement also resulted in a 1.25 mill decrease in Gwinnett County taxes for Duluth residents**

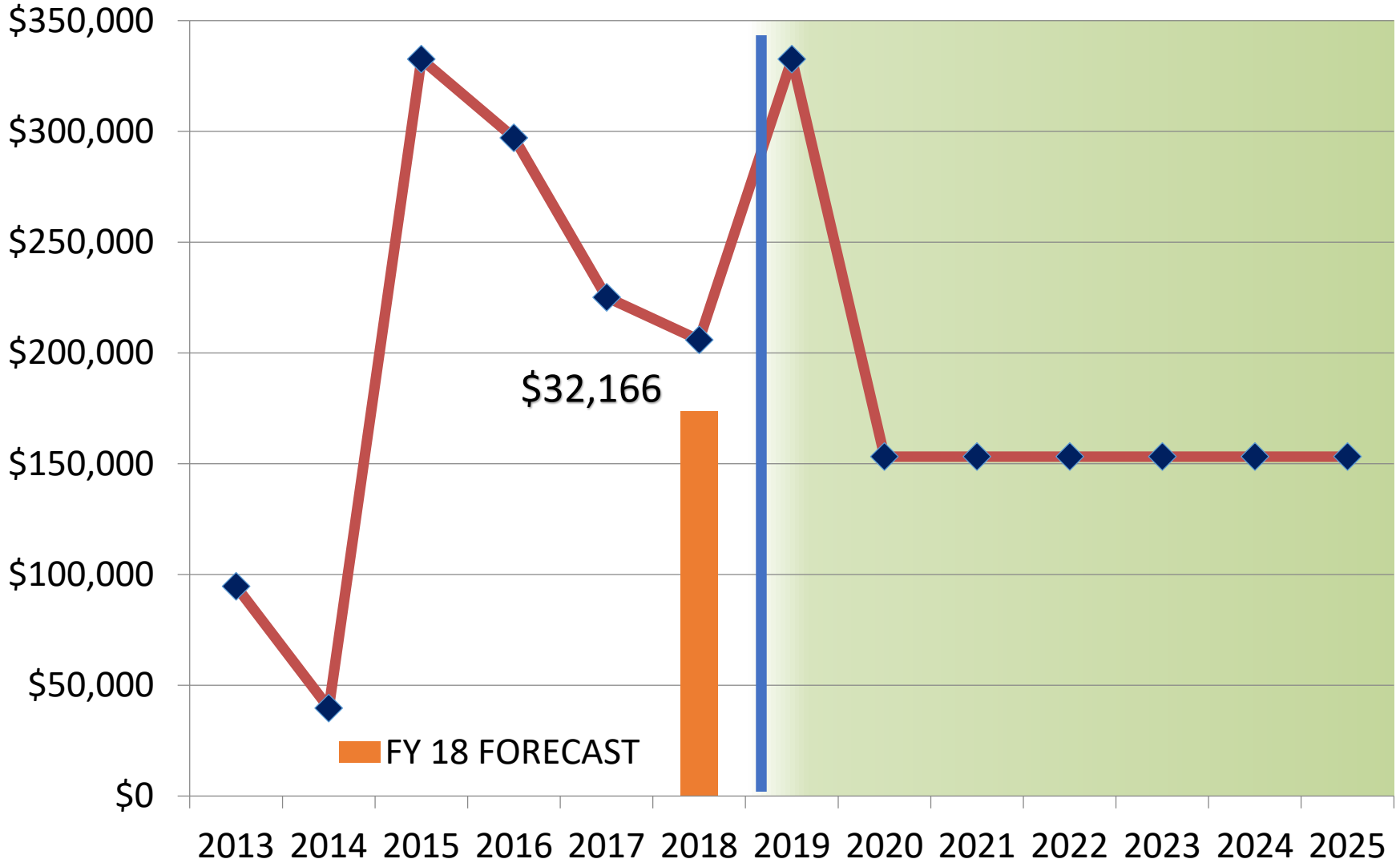
Building Permits Commercial



Facts about Building Permits -Commercial

- **Building Permits/Commercial - are permit fees for the inspection of commercial construction or alterations within the City to assure compliance with City building codes**
- **The fee is paid at the time the permit is obtained and based on the Planning & Development's fee schedule**

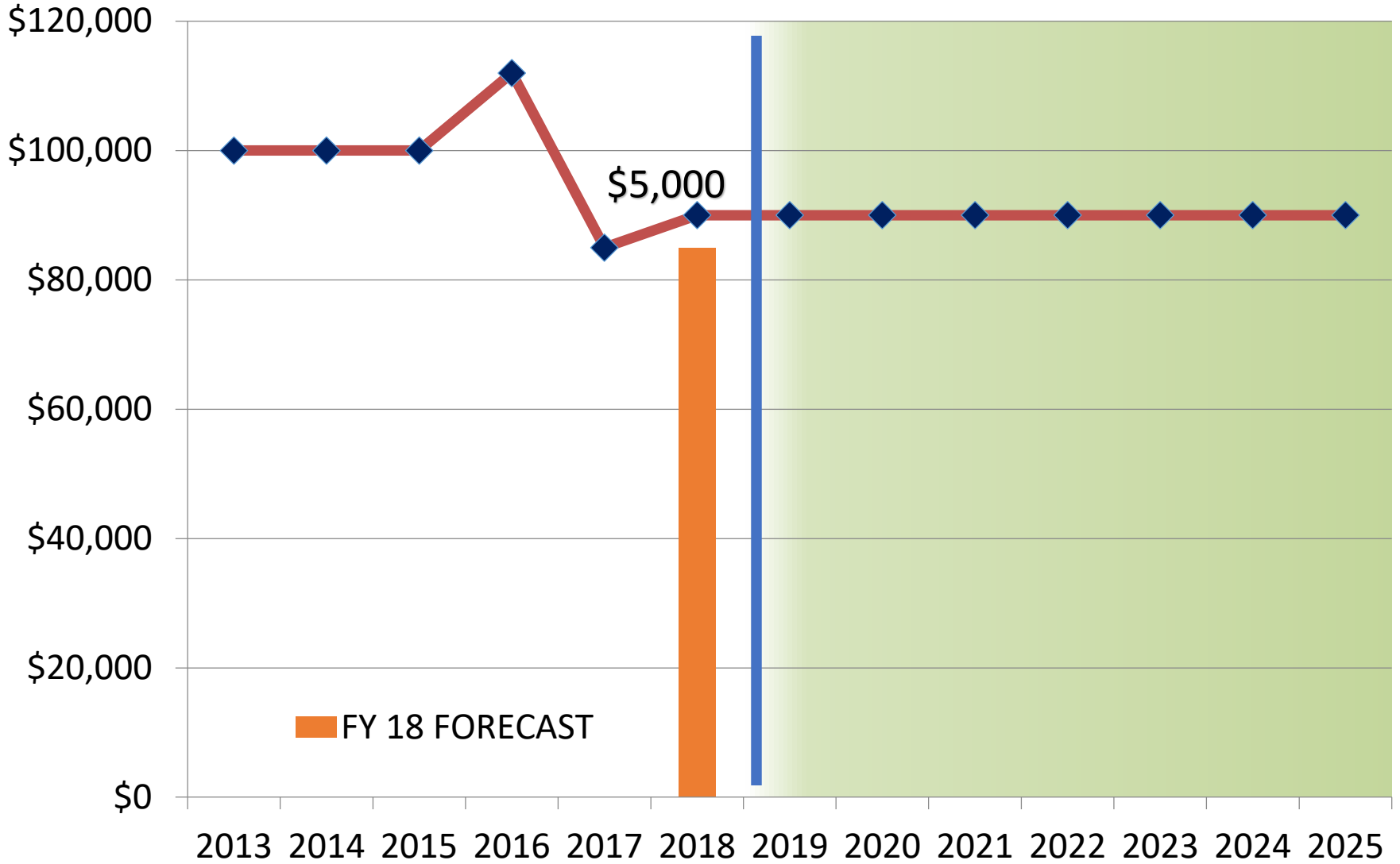
Building Permits Residential



Facts about Building Permits -Residential

- **Building Permits/Residential - are permit fees for the inspection of residential construction and alterations within the City to assure compliance with City building codes**
- **The fee is paid at the time the permit is obtained and based on the Planning & Development's fee schedule**

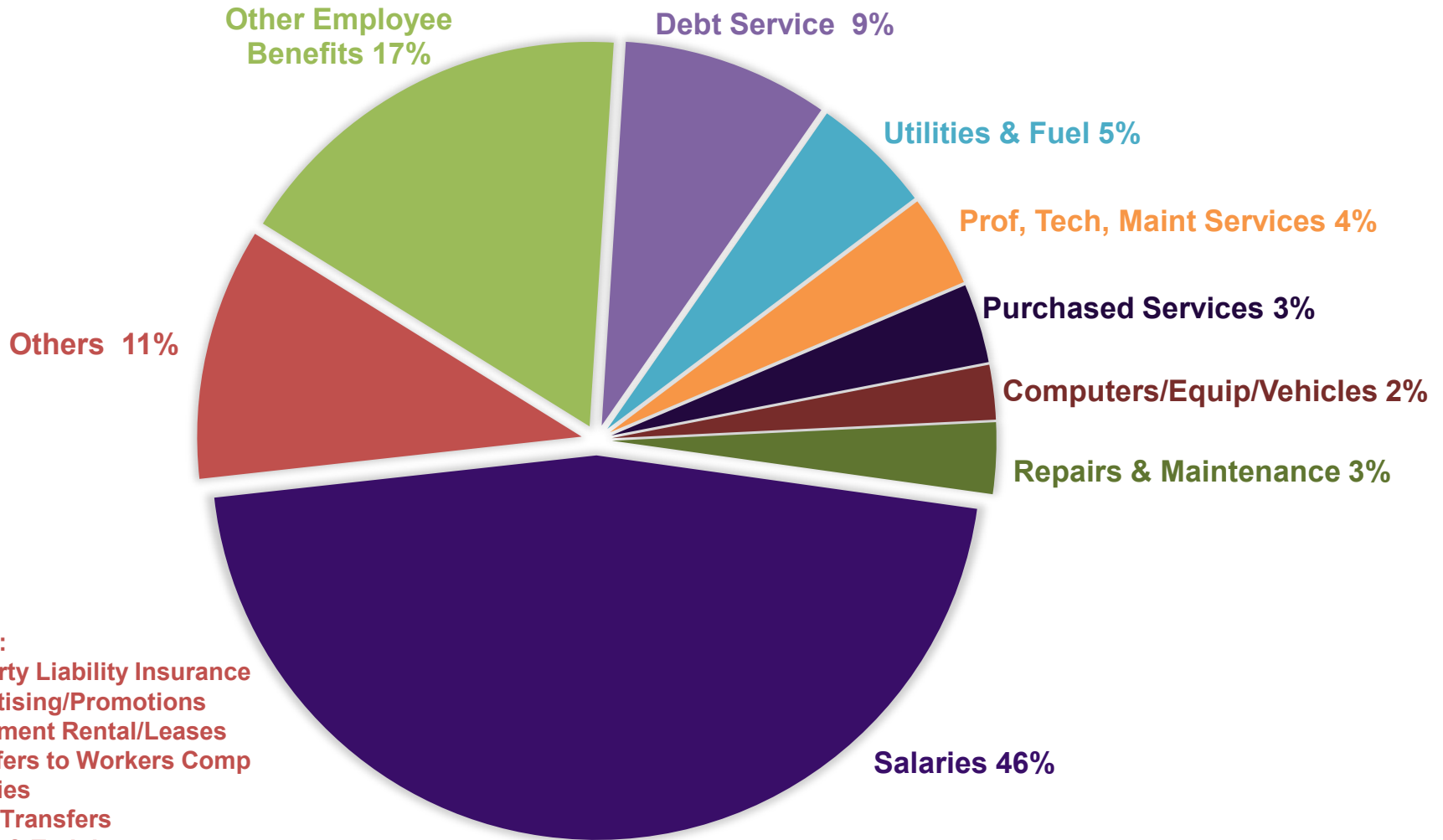
Transfer from Police Tech Fund



Facts about Police Tech Fund Transfer

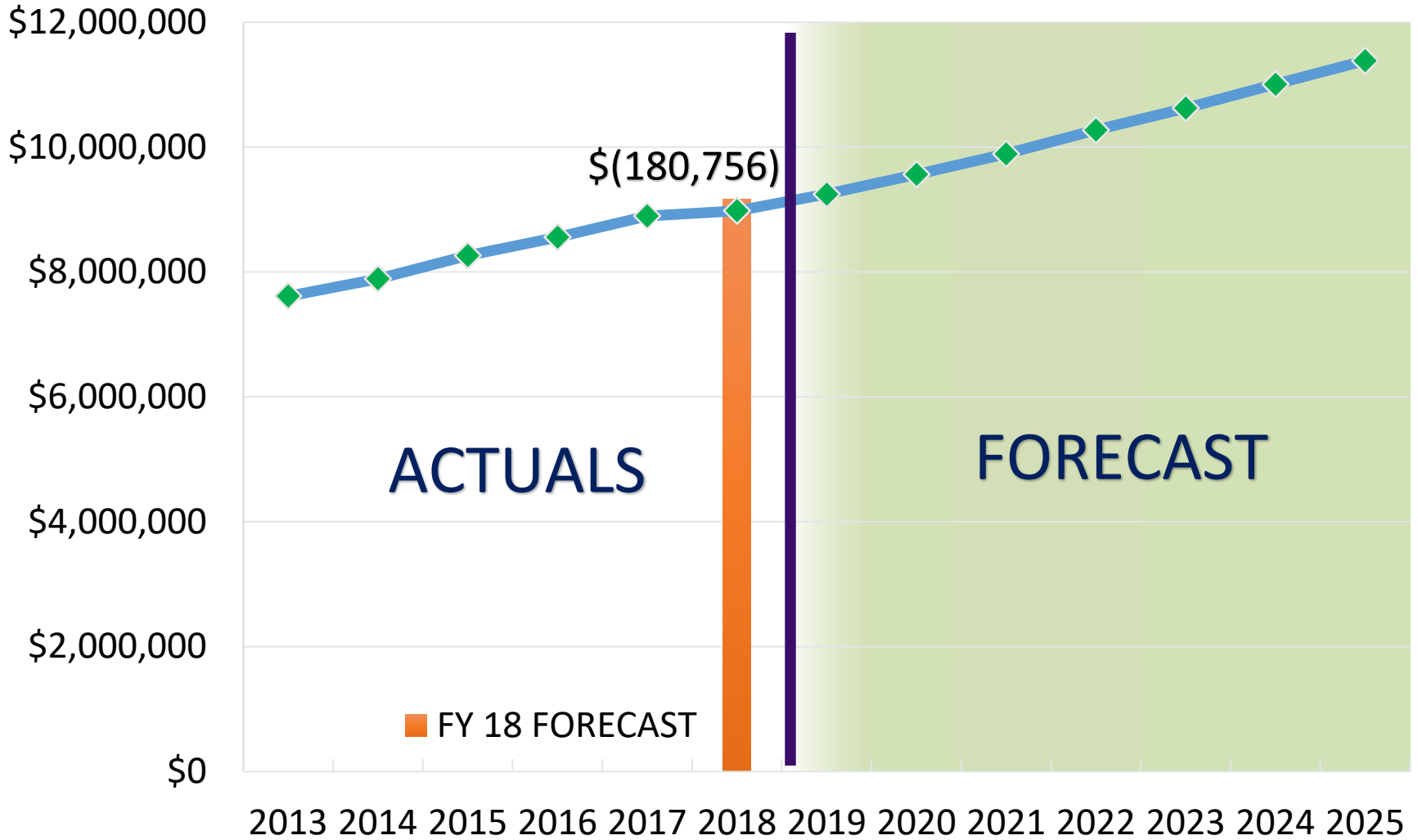
- **The Technology Fee is a \$10 fee added to every Municipal Court fine, excluding seatbelt violation**
- **This fee was approved by council through an amendment to the Duluth code in February 2009, based on a recommendation by the Citizens Budget Review Advisory Committee**
- **The fee is designed to offset the cost of the new police software and software upgrades**

FY18 EXPENDITURE DRIVERS

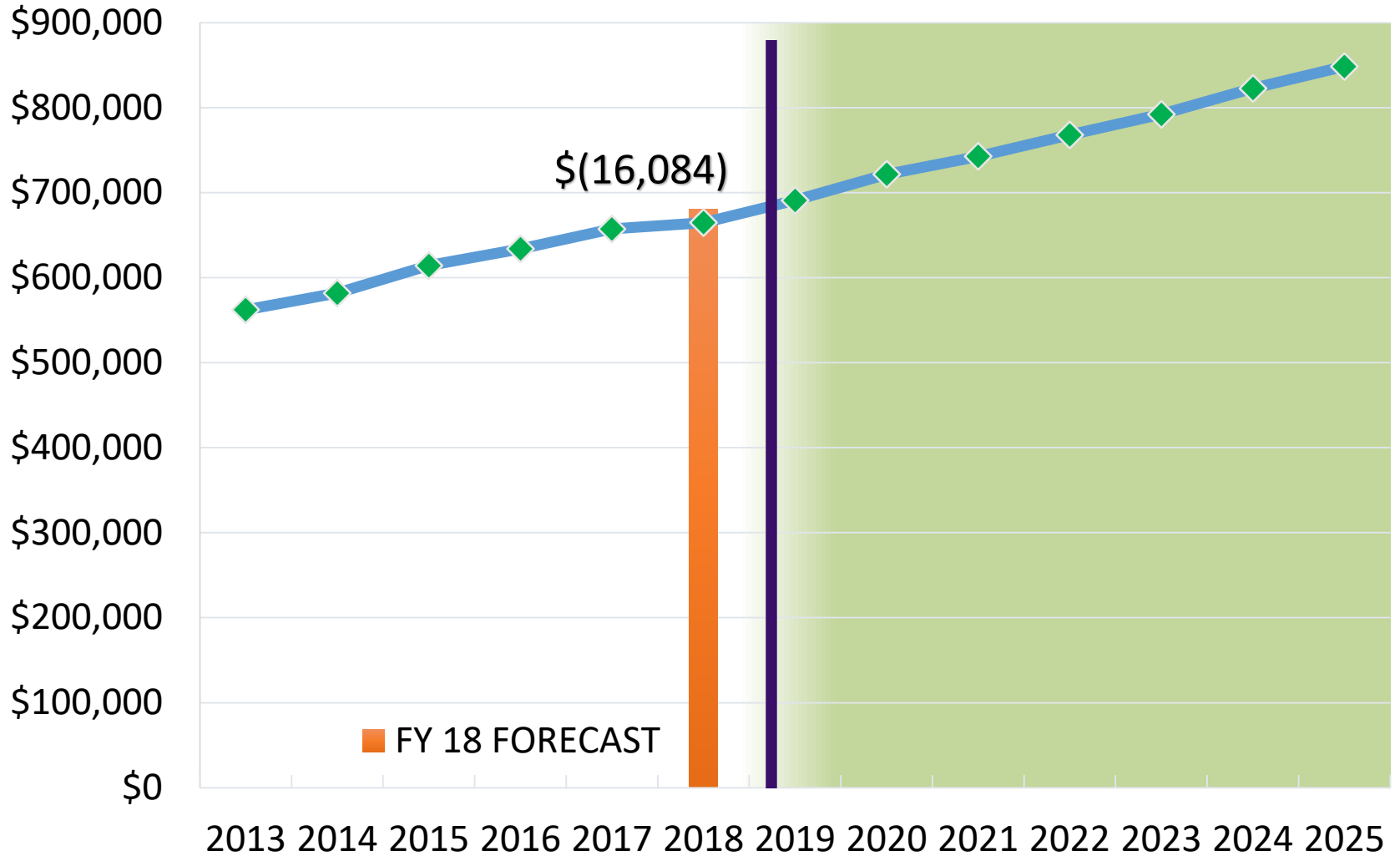


- Others :
- Property Liability Insurance
 - Advertising/Promotions
 - Equipment Rental/Leases
 - Transfers to Workers Comp
 - Supplies
 - Other Transfers
 - Travel & Training
 - Other Expenditure

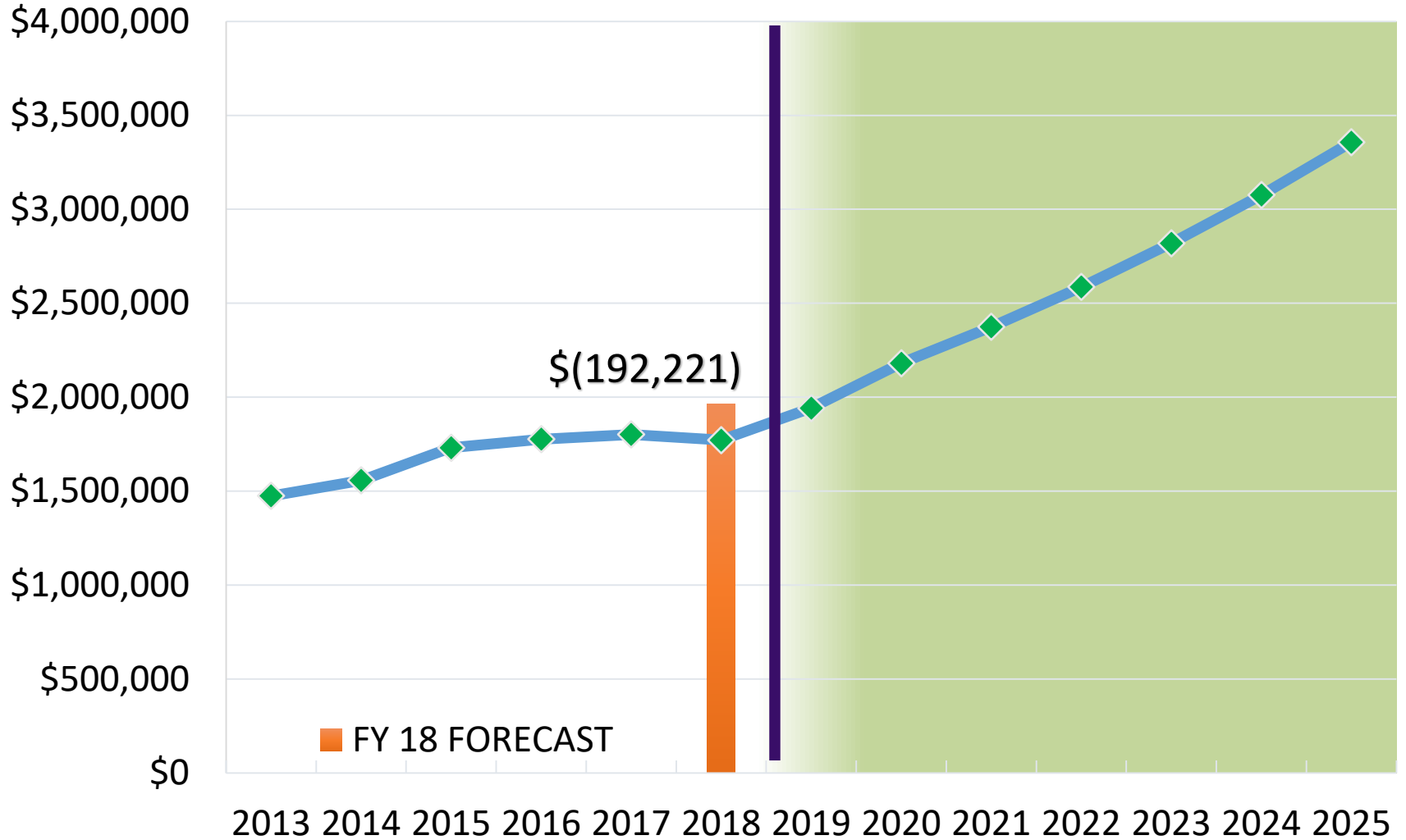
Salaries



FICA Taxes



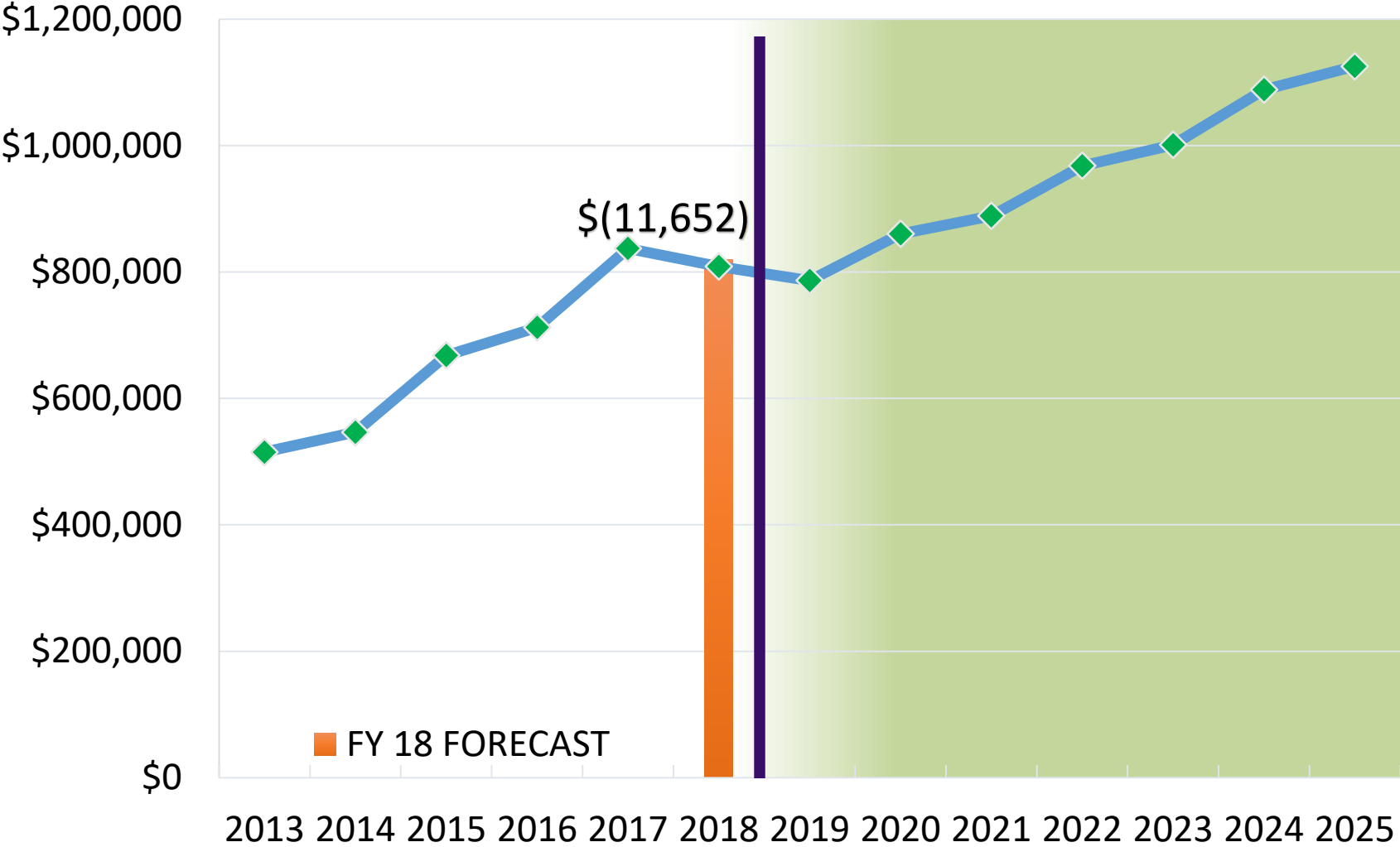
Group Insurance



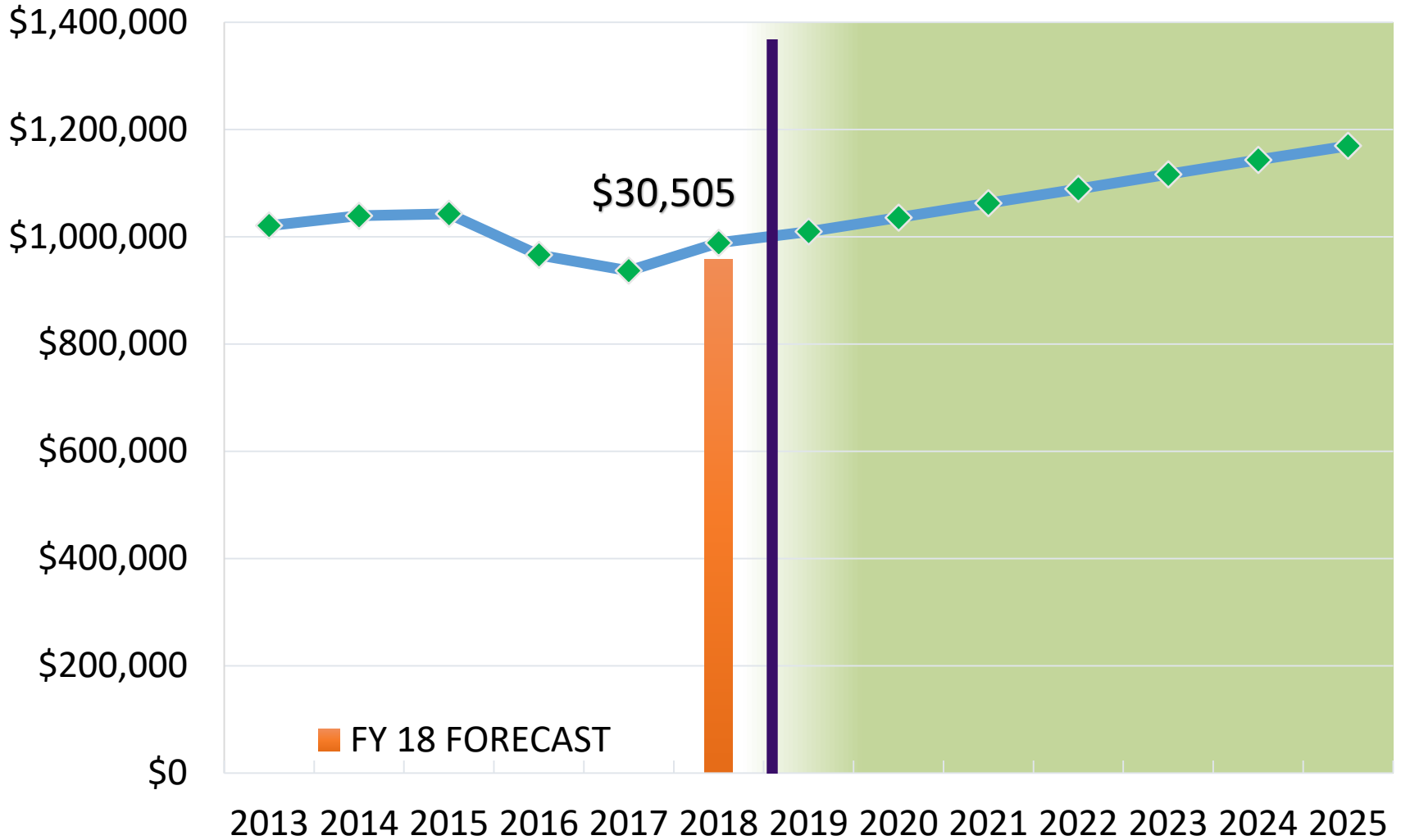
What is Group Insurance

- **Group Insurance includes the following:**
 - **Medical Insurance**
 - **Dental Insurance**
 - **Short Term Disability**
 - **Long Term Disability**
 - **Life Insurance**
 - **Insurance Opt-Out**

Retirement Contribution/Pension



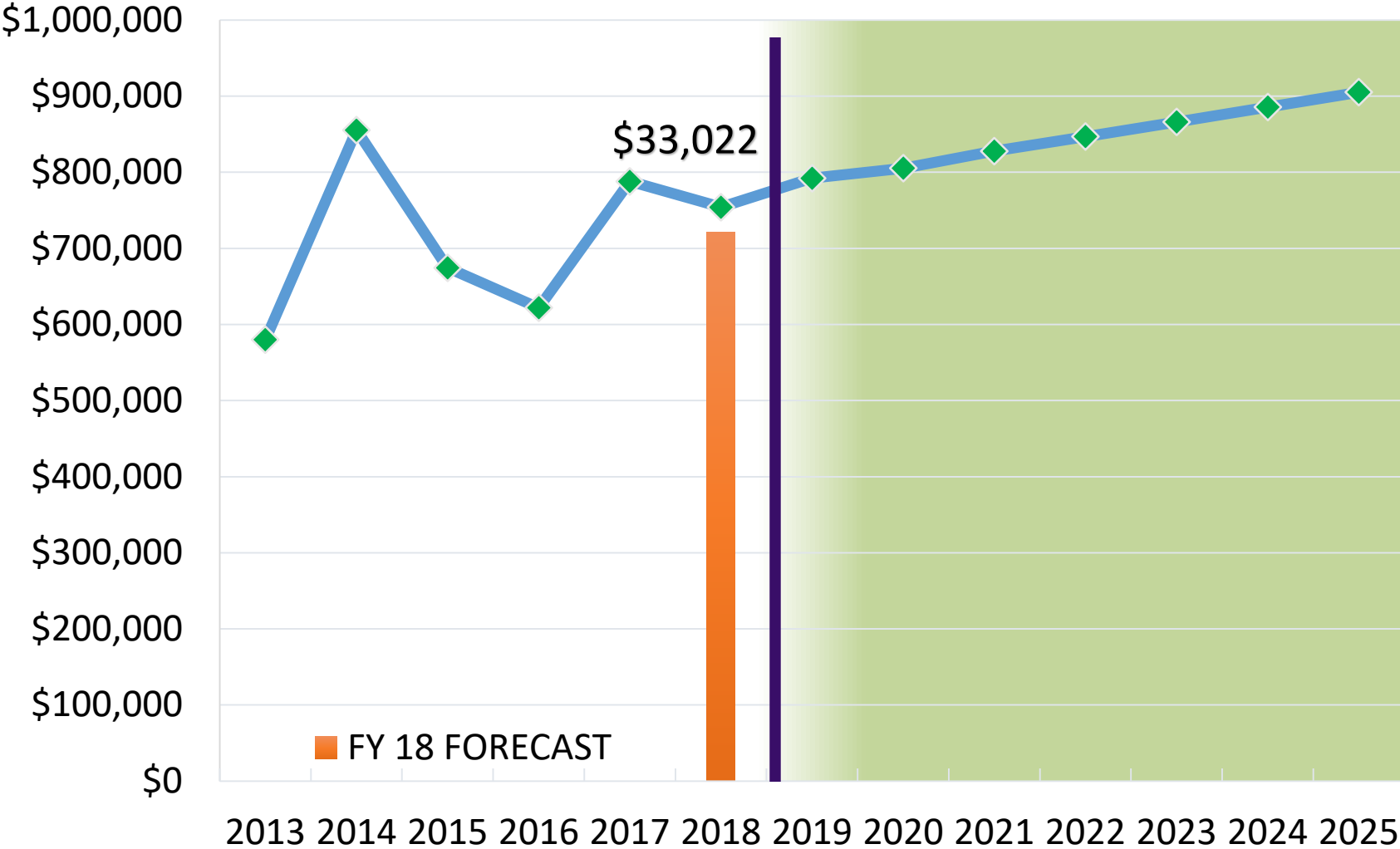
Utilities & Fuel



What is Utilities & Fuel

- **Utilities & Fuel includes the following:**
 - **Fuel and oil changes for all city vehicles**
 - **Electric (includes street lights)**
 - **Stormwater Fees**
 - **Water/Sewer**
 - **Gas**
 - **Cable TV**

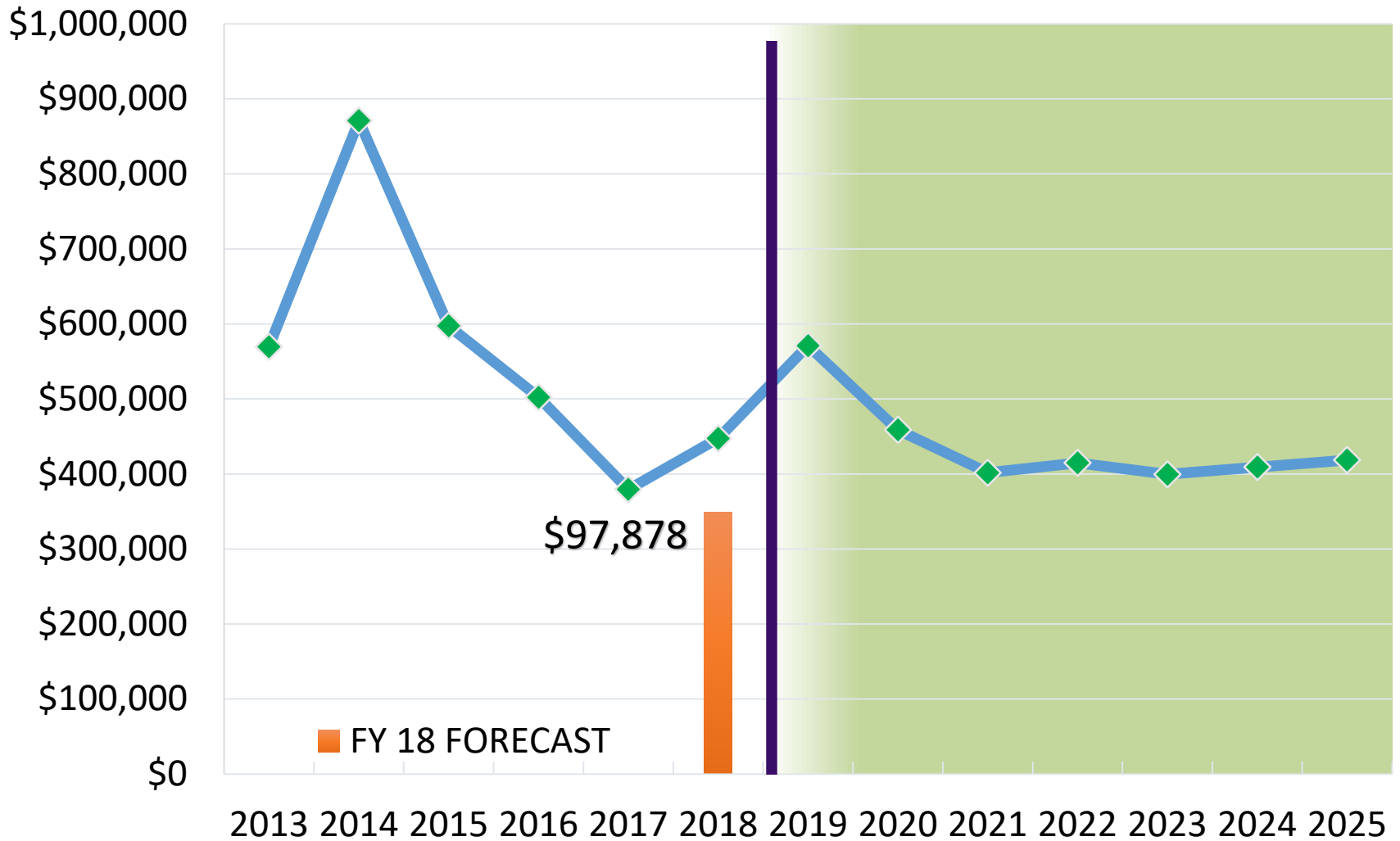
Professional, Tech, Maintenance Services



What is Professional Technical & Maintenance Services

- **Professional, Technical & Maintenance Services includes the following:**
 - **Professional includes lawyers, engineers, auditors, and court solicitors**
 - **Technical includes pest control, fire protection, HVAC service, elevator inspection, and landscape maintenance**
 - **Contract labor for events and recreational class instructors**

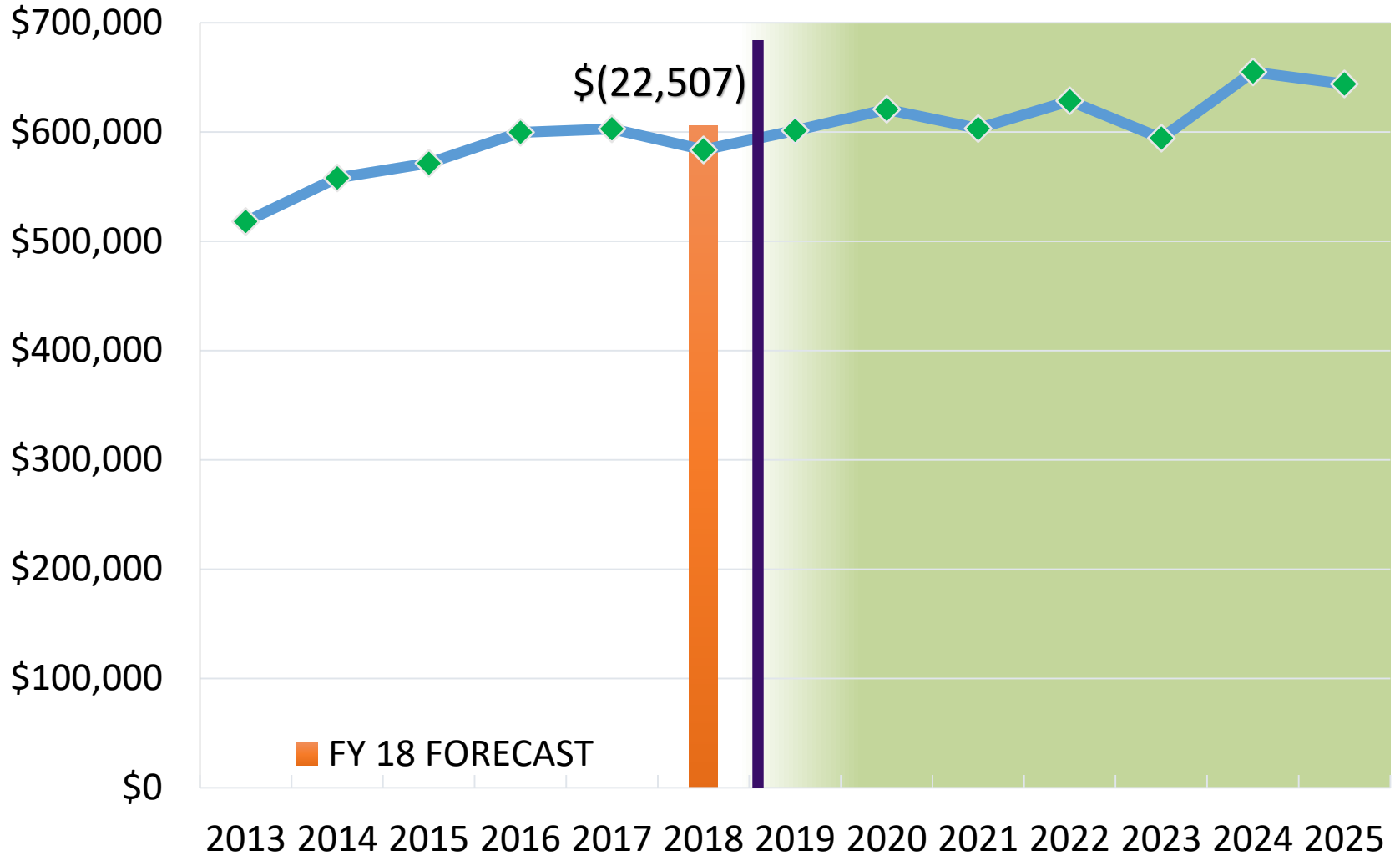
Computers/Equipment/Non-Police Vehicles



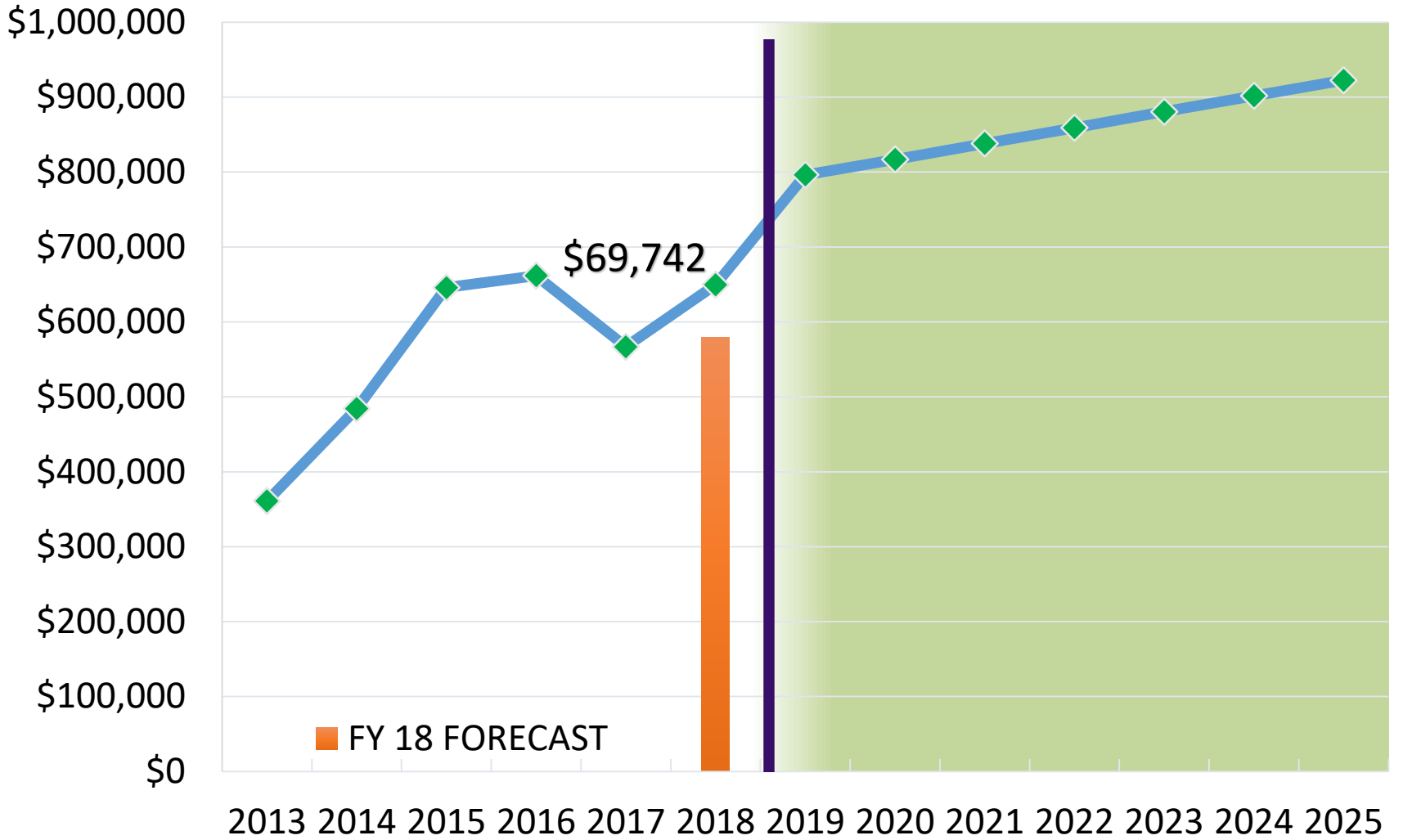
What is Computers, Equipment, Non-Police Vehicles

- **Computers, Equipment, Non-Police Vehicles includes the following:**
 - **Replacement of 15% of computers and upgrades to electronic equipment**
 - **Miscellaneous equipment and all non-police vehicles**

Repairs & Maintenance



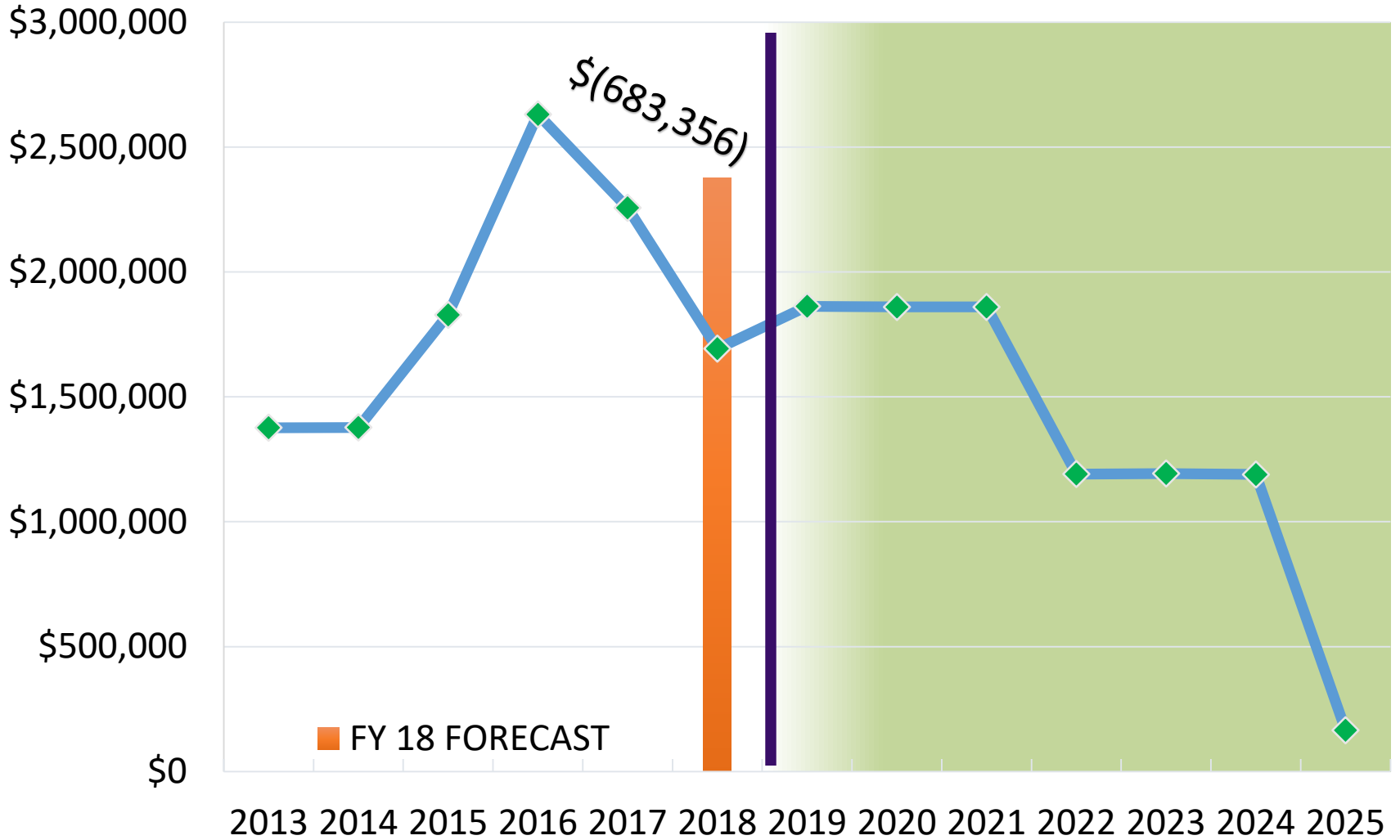
Purchased Services



What is Purchased Services

- **Purchased Services includes the following:**
 - **All telephones cost including land lines and cellular phones**
 - **Software and hardware support contracts**
 - **Dues and professional fees**
 - **Certification/education/training**

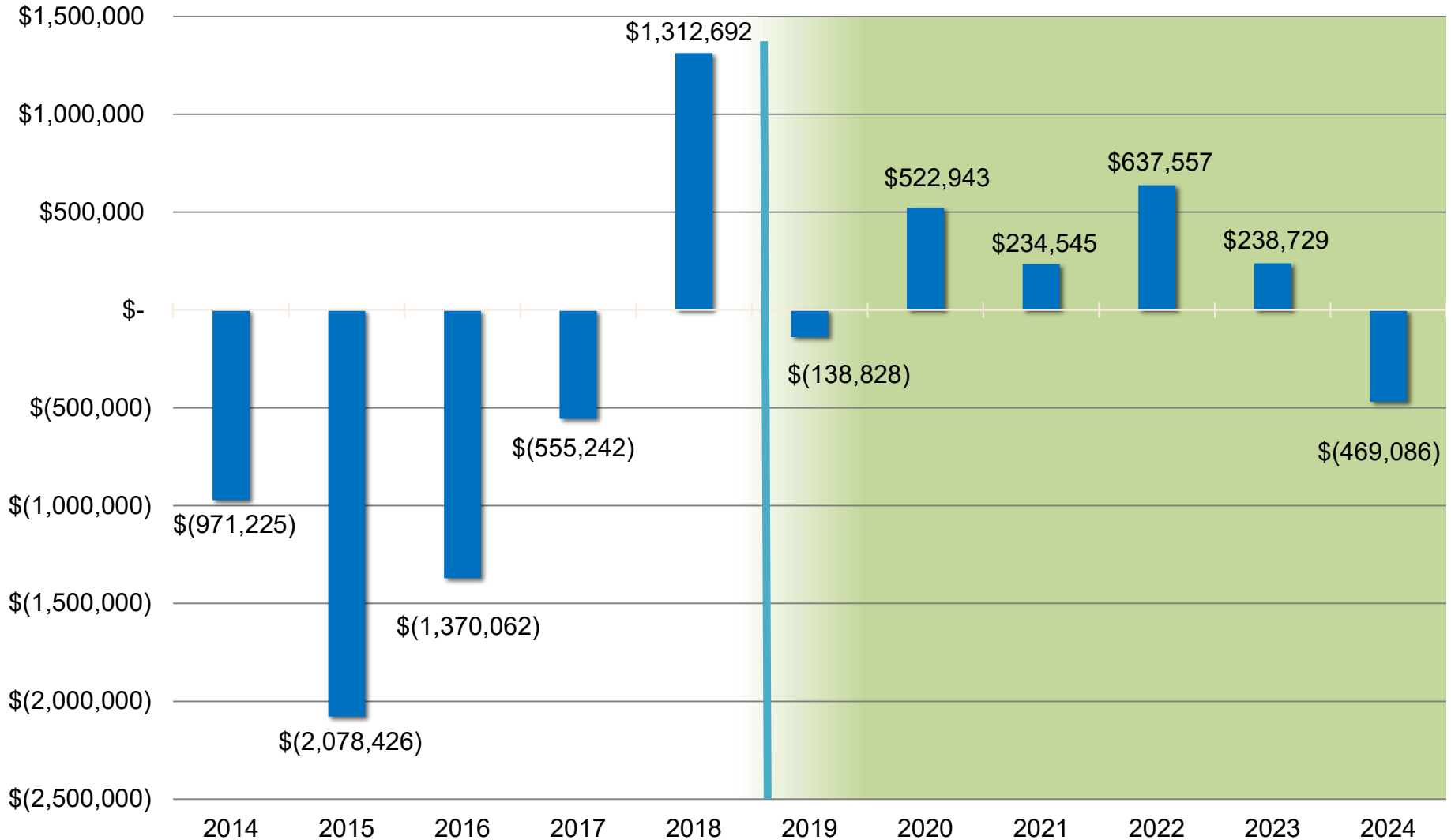
Debt Service & EOP



What is Debt Service & EOP Contract

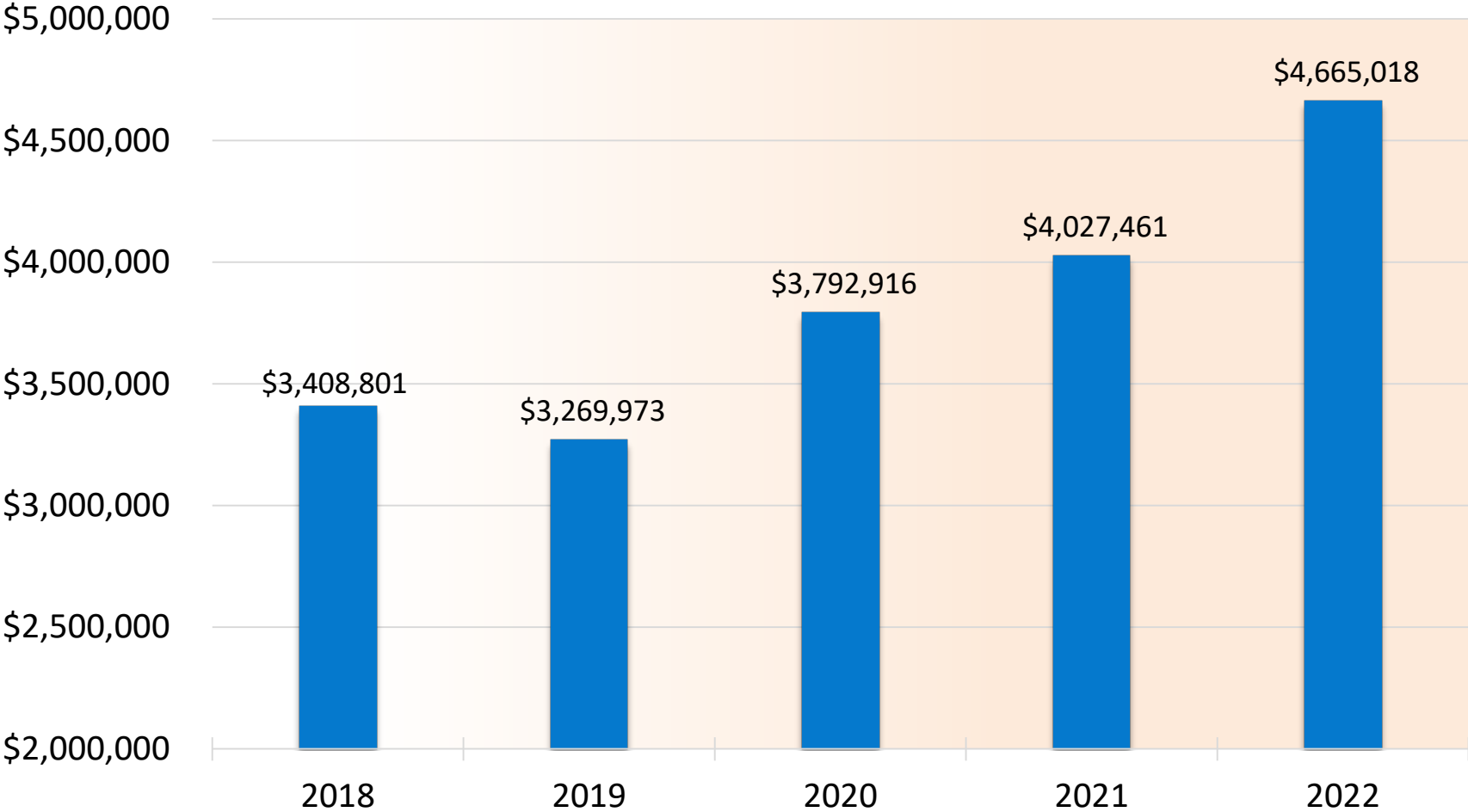
- **Debt Service & EOP Contract includes the following:**
 - **Series 2000 Town Green Bond through 12-1-20**
 - **Series 2006 City Hall Bond through 6-1-24**
 - **Series 2012 Public Safety Bond through 6-1-24**
 - **Series 2015 The Block Bond through 12-1-25**
 - **EOP management contract through 6-30-19**

Fund Balance Change - 2018 Actual



Overall Forecast Results

Projected Reserves



Note: Reserve Balance includes SDS & Capital reserve fund but not 4 months operating reserves

Discussion/Questions?

Thank You



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