Annual Operating and Capital Budget

(July 1, 2013 through June 30, 2014)

City of Hiram

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Councilmember Earlene Graham
Post 5

City of Hiram
217 Main Street
Hiram, GA 30141

July 25th, 2013

To the Honorable Mayor, City Council and Citizens of Hiram

We respectfully submit for your consideration the City of Hiram's proposed balanced budget for fiscal year 2014 (FY2014). An objective of the City's budget is to provide a management tool by which our local government can unite its budgeting efforts to provide quality services while operating within available resources. This process results in an updating of the City's on-going financial plan and provides a vehicle by which management decisions can be made as a result of the formulation and analysis of the respective data.

BUDGET PROCESS AND OVERVIEW

There are several areas of revenue and expenditure that have changes from last fiscal year to this current fiscal year. We will be recognizing some new sources of revenue such as the Title Ad Valorem Tax and an increase to our Local Option Sales Tax (LOST) distribution while also experiencing some increased in expenditures such as inmate housing costs. Currently, each department has formulated budgets in three major areas; maintenance & operating, operating initiatives, and capital project requests. Concurrent with departmental budgeting, the management team has completed the first draft of a salary/benefits budget as well as formulated initial revenue estimates.

Even though the City was operating under an amended budget for FY2013, the annual operating budget was not approved by the Mayor and Council until October 18th, 2012. This year, we started the planning process earlier in the year and had a budget calendar in place which allowed us to have the FY2014 Budget before the Mayor and Council earlier.

Each department director met with the city manager to review their budget requests. Each request was evaluated by the city manager according to the priority specified by the department director and available funding. Consideration was also given to the strategies identified over the last few months by the current governing body. Updated drafts of the Budget were provided to the Mayor and Council during the months of May and June. The budget was discussed in detail during a special-called work session held on Saturday, June 15th, 2013.

A public hearing was held on Thursday, June 28th, 2013 where citizen input was encouraged. The budget was revised with updated information over the following days and the final draft was presented on July 9th, 2013 and the final document was adopted by the Mayor and Council on July 25th.

KEY BUDGET FACTORS, ISSUES, AND PRIORITIES

The foundation for the fiscal year 2014 budget is based on four key financial factors:

- ✓ Sustainability of existing services
- ✓ Enhancement to services through operating efficiencies and initiatives
- ✓ Expand tourism and allocate funds to attract more trade and visitors to the City
- ✓ Maintaining the quality of life for constituents, citizens, and businesses through capital programming
- ✓ Maximize revenues and control expenditures to offset the reliance on cash reserves

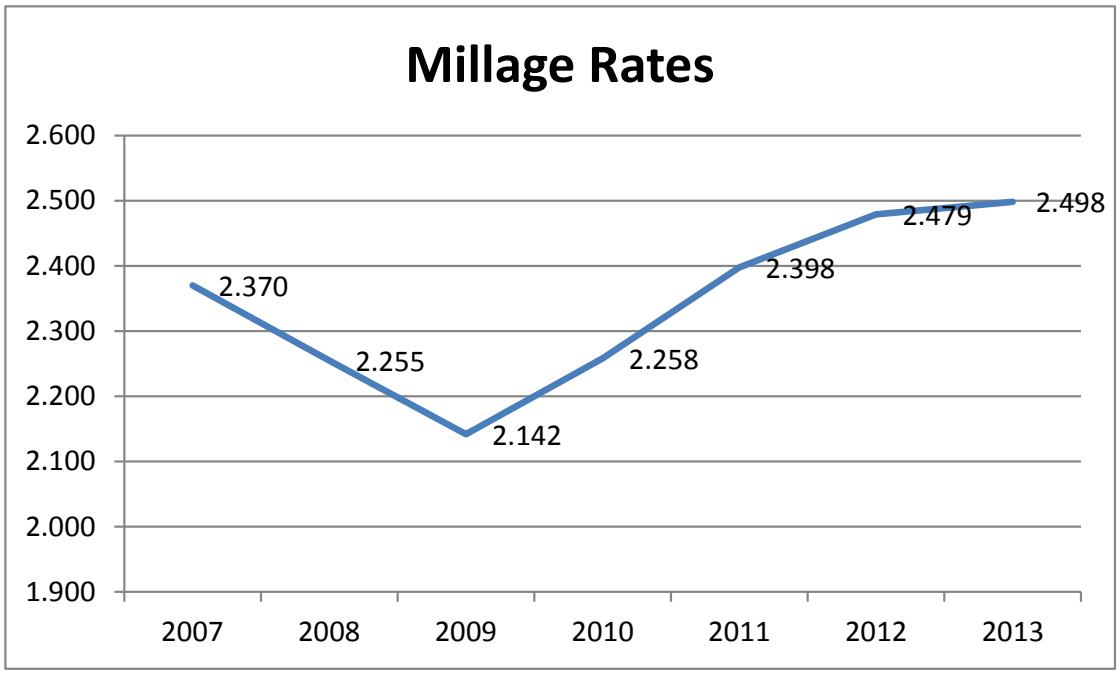
FY2014 Budget Calendar (July 1, 2013-June 30, 2014)		
Due Date	**Event/Task**	**Who is Responsible**
March 1	Budget preparation forms are printed and ready for distribution	City Manager and Treasurer
March 15	Budget information for current year and for previous years is given to each department	City Manager and Treasurer
April 1	Budget information packet is distributed to department directors	City Manager
April 15	Budget request forms are returned	Management Team or Department Directors
April 15 – May 3	Analyze department request and hold conferences	City Manager and Treasurer
May 6 – 19	Assemble budget requests, compare with revenue estimates, and compile budget document	City Manager and Treasurer
May 20	Proposed budget is submitted to governing body for review	City Manager
June 15	Governing body holds Budget Work Session	Governing Body, City Manager and City Clerk
June 19 June 26	Advertise budget information and date of public hearing	City Clerk
June 28	Conduct Public Hearing	Governing Body, City Manager and City Clerk
June 28 – July 9	Revenue projections and expenditure anticipations are completed	City Manager, City Clerk and Treasurer
June 28 – July 9	Further review and revision	Governing Body, City Manager and City Clerk
July 3	Advertise budget information and date of 2nd Public Hearing	City Clerk
July 25	Conduct Public Hearing and final adoption	Governing Body
July 26	Send copies to management team, governing body, and media	City Manager

Sustainability of Existing Services and Enhancements through Operating Initiatives

The FY2014 General Fund balanced budget of $3,465,264 is based on a compilation of revenue streams which does not include any property taxes. While the millage rate was computed to be 2.498, up from 2.479 due to the reduction in the digest, the City has made a practice of rolling back the millage rate to eliminate property taxes. This balanced budget provides resources for the City of Hiram to sustain the current levels of service and includes areas of improved service via operating initiatives.

Cost of Government

The City of Hiram has historically acknowledged the need to provide municipal services without imposing a millage rate on property within the incorporated limits. The below table illustrates what the millage rate has been calculated to be over the last six years.



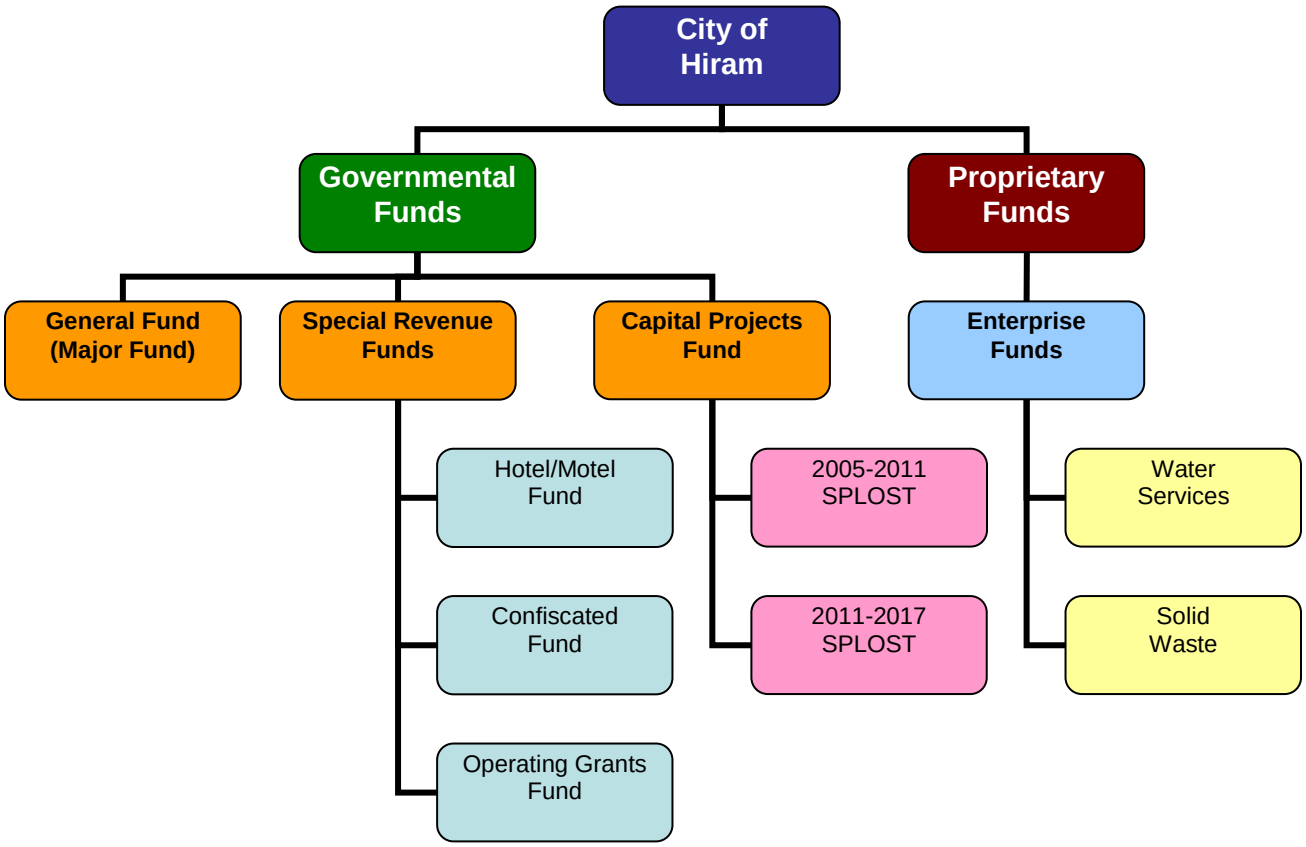
This millage rate has been rolled back to zero and no millage has been levied.

Fiscal Year	Net M&O Digest	(+/-)	Operations	(+/-)
2007	$ 215,094,504		2.37	
2008	$ 225,911,903	$ 10,817,399	2.26	-0.12
2009	$ 221,230,049	$ (4,681,854)	2.14	-0.11
2010	$ 201,286,118	$ (19,943,931)	2.26	0.12
2011	$ 193,792,237	$ (7,493,881)	2.40	0.14
2012	$ 190,462,958	$ (3,329,279)	2.479	0.08
2013	$ 194,644,155	$ 4,181,197	2.498	0.02

Based on the Net M&O Digest, the City could expect to receive approximately $486,221in property tax revenue with a millage rate of 2.498. Without having the collection of property taxes as a source of revenue, the City of Hiram must rely upon other sources of revenue to sustain services. In appropriating the resources to sustain existing services, the following are the proposed projected revenue sources for the General Fund:

Revenue Source	FY2013 Amount	FY2013 Percent	FY2014 Amount	FY2014 Percent
Local Option Sales Taxes	475,000	14.08%	$ 593,750	17.13%
Other Taxes	1,037,662	30.75%	1,143,281	32.99%
Licenses and Permits	160,000	4.74%	163,000	4.70%
Charges for Service	36,500	1.08%	61,100	1.76%
Fines and Forfeitures	835,000	24.75%	890,750	25.71%
Interest Earnings	30,000	0.89%	25,000	0.72%
Other/Miscellaneous	16,000	0.47%	32,000	0.92%
Interfund Transfer from Cash Reserve	250,000	7.41%	-	0.00%
Interfund Transfer from Water	161,616	4.79%	-	0.00%
Interfund Transfer from Sanitation	0	0.00%	18,657	0.54%
Budgeted Fund Balance	25,613	0.76%	185,744	5.36%
Money Market - Undesignated	351,982	10.43%	351,982	10.16%
Total Revenues	3,374,373.00	100.00%	$ 3,465,264	100.00%

The City of Hiram operating on Governmental Fund Accounting and recognizes with Governmental Funds and Proprietary Funds. The Governmental Funds include the General Fund (a major fund), Special Revenue Funds and Capital Projects Funds. The Special Revenue Funds utilized are the Hotel/Motel Fund, Confiscated Fund and Operating Grants Fund. The City relies on SPLOST to serve as its Capital Projects Fund. The City's Proprietary Fund is made up of two Enterprise Funds, Solid Waste and Water Services. The below diagram better illustrates the fund accounting breakdown:



The City's General Fund used for maintenance and operations includes revenues from Administration and Court Services. The combined revenues from these sources are projected to total $3,465,264. The other sources of revenues with more restrictive uses and accounted for in separate funds in compliance with Generally Accepted Accounting Principles (GAAP) are detailed in the tables below.

Citywide Revenues and Expenditures By Fund	Adopted FY2013	Projected FY2014
General Fund	$3,374,373	$ 3,465,264
Hotel/Motel	80,040	145,906
Confiscated	2,510	9,143
Operating Grants	44,990	47,107
Capital Projects	1,662,919	2,111,900
Water	126,150	135,464
Solid Waste	45,000	139,060
Total Revenue:	**$5,335,982**	**$ 6,053,844**

The changes in the projected revenues are based on new operating initiatives including but not limited to the City Council's approval or a Hotel/Motel tax audit, the increase of water rates commensurate with funding requirements and the implementation f a solid waste franchise.

GENERAL FUND – Major Fund for Maintenance and Operations

A general fund is a financial term referring to a local government's financial pool of resources. From a general fund, all operating expenses, services and personnel are provided. A government's general fund attempts to finance all the services necessary for its citizens. Police, public works, utilities and general operating costs are among the main focuses for the City of Hiram.

Discussions circumscribing balancing the budget lead to the general fund. It encompasses a surplus of money used to operate. The City's Charter provides for the Mayor and Council to approve a budget every fiscal year with the City Manager responsible for facilitating and managing the budget adopted by the governing body.

Expenditures		FY2013	FY2014	FY2014
FUND	Department	Adopted	Recommended	% (+/-)
50	Public Works	$ 526,901	$ 596,158	13.14%
52	Community Center	$ 33,500	$ 45,000	34.33%
54	Summer Camp	$ 20,243	$ 40,125	98.22%
55	Parks & Recreation	$ 45,040	$ 40,100	-10.97%
60	Police	$ 1,564,986	$ 1,180,992	-24.54%
70	Court	$ 399,096	$ 569,044	42.58%
70	Support Services		$ 296,793	100.00%
80	Administration	$ 672,537	$ 597,088	-11.22%
85	Other Financing Use	$ -	$ -	100.00%
81	City Council	$ 113,005	$ 99,964	-11.54%
	Total GF:	**$ 3,375,307**	**$ 3,465,264**	**2.67%**
90	Water	$ 126,150	$ 135,464	7.38%
540	Solid Waste	$ 45,040	$ 139,060	208.75%
215	Hotel/Motel	$ 80,040	$ 145,906	82.29%
210	Confiscated	$ 2,510	$ 9,143	264.27%
250	Grants	$ 44,990	$ 47,107	4.70%
320	2005 SPLOST	$ 109,927	$ -	-100.00%
322	2011 SPLOST	$ 1,552,991	$ 2,111,900	35.99%
	TOTAL EXPENDITURE:	**$ 5,336,956**	**$ 6,053,844**	**13.43%**

The money for the General Fund comes from several sources of revenue including varying forms or taxes, fees and charges for services. These sources of revenue total $2,908,881, which does not include interfund transfers, budgeted fund balance or cash reserves, are described and projected as follows:

Title Ad Valorem Tax (TAVT)

This is new tax revenue for the City of Hiram. HB386 - Vehicles purchased on or after March 1, 2013 and titled in the state of Georgia will be exempt from sales and use tax and the annual ad valorem tax. Instead, these vehicles will be subject to a new, one-time title ad valorem tax that is based on the value of the vehicle. This tax is collected by the Paulding County Tax Commissioner. Projected revenue for FY2014 is $126,619.

Franchise Taxes

These taxes are paid by companies such as Georgia Power, Greystone Power, AT&T (Bell Telecommunications) and AGL (Atlanta Gas). These fees are charged on the basis of a Franchise Agreement. In some cases, the tax is paid annually and in others the tax is paid quarterly. In 2009-2010 the City collected $300,977, in 2010-2011 $309,287 in 2011-2012 $303,614 and in 2012-2013 $340487 averaging $313,000. As a result, we estimate collections for FY2014 to be $310,000.

Local Option Sales Tax (LOST)

L.O.S.T. is a one-percent sales tax imposed on the purchase, sale, rental, storage, use or consumption of tangible personal property and related services. This tax is collected by the State of Georgia and distributed to the City of Hiram on a monthly basis. Taxes received FY2012 totaled $474,832 and in FY2013 totaled $508,000. With the increased percentage for the City of Hiram, we estimate collections for FY2014 to be $593,750.

Occupational Tax Certificates

This tax is assessed for all businesses operating within Hiram City Limits. The tax amount is based on the number of employees and is due and payable by April 1 in order to avoid interest and penalties. In the case of new businesses, the license shall be obtained prior to opening. The City collected $83,491 in FY2011, $86,725 in FY2012 and $81,650 in FY2013. Based on the previous three years we estimate the FY2014 collections to be $95,000.

Financial Institution Occupational Tax

This tax is an assessment on the gross receipts of financial institutions within the City of Hiram. The payment of this tax is due on or before April 1 each year. For FY2011, the City collected $53706, FY2012 $59356 and FY2013 $59,745. Based on these figures, we estimate the FY2014 collections to be $60,000.

Insurance Premium Tax

This tax is collected and distributed by the State Insurance Commissioner and is usually received by the City of Hiram during the month of October each year. In October 2011, the City received $166,322 and in October 2012 it was $176,662. We are estimating $176,662 for FY2014.

Alcohol Beverage License

Fees required for valid license issued by the City of Hiram (Sec. 6-51 of City of Hiram Alcohol Ordinance) to a business to dispense alcoholic beverages within the City (For Fee structure see Sec. 6-72). This license expires at midnight December 31 each year. Renewals must be

received with payment by November 15 of each year or incur late fees. Licenses from newly established alcohol related businesses would be received at various times throughout the year. Prior year collections were $125,963 in FY2010, $138,075 in FY2011, $131,305 in FY2012, and $133,050in FY2013. Based on previous years' totals, the City estimates collections for FY2014 to be $135,000.

Server Alcohol License (Pouring Permit)

Any employee, who dispenses, sells, serves, takes orders, mixes beverages, or serves in managerial position of an establishment serving alcohol for consumption on the premises must obtain a Pouring Permit at the cost of $25.00. The collections for permits over the past three years average $10,000 per year. As a result, the City estimates collection for FY2014 at $9,500.

Retail Alcohol Excise Tax

This is a 3% tax levied upon every sale of alcoholic beverage containing distilled spirits purchased by the drink in the City of Hiram. This tax is due by the 20th of the following month the tax was collected. Previous collections were $43,933 in FY2010, $49,967 in FY2011 and $64974 in FY2012, (which included an additional $11,000 from internal audit of businesses with pouring license which had not paid previous years). GMA's audit service has begun which should assist in correcting any past tax errors and increase collections for an estimated $54,000 for FY2013. Based on the previous year's collections, the City estimates FY2014 collections to be $55,000.

Beer and Wine Tax

An excise tax that is levied on Malt Beverages (beer) sold by Wholesale Distributors in the City of Hiram. The tax is described in Sec. 6-182-a of the City of Hiram Alcohol Ordinance. This tax is due before the 15th of the following month the alcoholic beverages are sold or disposed by the wholesaler within the City of Hiram. Due to collections as high as $250,000 and as low as $239,000 in the past four years, the City is estimating collections for FY2014 to be $250,000.

Liquor Tax

Excise tax that is levied on Distilled Spirits and Wine sold by Wholesale Distributors in the City of Hiram. The tax is described in Sec. 6-182-b&d of the City of Hiram Alcohol Ordinance. This tax is due before the 15th of the following month the alcoholic beverages are sold or disposed by the wholesaler within the City of Hiram. The previous four years collections have been as low as $95,297 and as high as $118,700. FY2013 saw a decrease in this revenue item at $68,000. As a result, the City is estimating collections for FY2014 to be $70,000.

Insurance Licenses

Out -of -City Insurance: Any insurance company that writes an insurance policy in the City of Hiram that does not have a "bricks & mortar" location within the City must pay an annual fee of $40.00. We participate in GMA's Delinquent Insurance Business License Collection program and receive 50% of fees collected. The collected delinquent and undiscovered license fees due to the City of Hiram from insurance companies during 2011 was a total of $4,450.00 of which the City received $2,225.00 and for 2012 $2,347.50. Past collections were $9,088 in FY2009, $9,038 in FY2010, $6,600 in FY2011, $13,603 in FY2012 and $14,307 in FY2013. As a result, we are estimating collections for FY2014 to be $14,500.

Occupational Tax Penalty Fees

This fee is from collection of penalties due to delinquent Business Occupational Taxes. After April 1, a penalty is assessed of 10% per month of the total taxes due for those businesses that are late in paying their yearly Occupational tax. With the hiring of a code enforcement officer, this

revenue has steadily increased from $1,969 in FY2009 to $4,681 in FY2010, $5,756 in FY2011 and $7,150 in FY2012. Due to the attention given to bring Businesses in compliance for FY which increased collection of penalty fees, FY2013 collections were less than previous years at $3,950.00. Based on this recent figure, we estimate FY2014 collections to be $4,000.

Election Qualifying Fee

The City will conduct an election for three council post seats November 2013. Qualifying fee is $90 per person. Prior election for these seats took place in FY 2010 and fees collected totaled $630. Therefore, the estimate for FY2014 is $600.

Police Administration

This revenue includes miscellaneous fees associated with items such as video copy requests, etc. FY2013 collections were $719. Based on this figure, the City is estimating $1,000 for the FY2014.

Accident Report Fees

These fees are collected for accident/incident report copies. Previous years prior to FY2013, this item was included with Police Administration. In FY2013, $7514 was collected. Based on this figure, the City is estimating $7,500 for FY2014

Administration Fees (Alcohol Licenses)

This revenue is based on fees required by City of Hiram Alcohol Ordinance, Sec. 6-72, application fees upon renewal, transfer, New Establishment or Temporary alcohol licenses. Prior year collections were $3,400 FY2010, $3,200 for FY2011, $1,950 for FY2012 and $4,900 FY2013. As a result of these figures, the City is estimating collections for FY2014 to be $5,000

Georgia Jail and Construction Act Fines

The Mayor and Council entered into an Intergovernmental Agreement with Paulding County for the housing of City inmates. Within this IGA, the City is authorized to collect an additional 10% on fines for those charged and convicted of misdemeanor crimes. This additional 10% can be used to offset the inmate housing expenditures which are $45 per day/per inmate. In previous years, the City has addressed this expenditure in the General Fund under the Municipal Court. This expenditure was budgeted at $48,000 for FY2013 with actuals being $42,943. For FY2014 and going forward, consistent with the language set forth in the IGA, the City will be adding this 10% to the fines for an estimated $48,000.

Drug Abuse Treatment and Education Fund (D.A.T.E.)

O.C.G.A § 15-21-101 provides for the Collection of fines and authorized expenditures of funds from County Drug Abuse Treatment and Education Fund. The sums provided for in Code Section 15-21-100 shall be collected by the clerk or court officer charged with the duty of collecting moneys arising from fines and forfeited bonds and shall be paid over to the governing authority of the county in which the court is located upon receipt of the fine and assessment if paid in full at the time of sentencing or upon receipt of the final payment if the fine is paid in installments. Those sums paid over to the governing authority shall be deposited thereby into a special account to be known as the “County Drug Abuse Treatment and Education Fund.” Moneys collected pursuant to this article and placed in the “County Drug Abuse Treatment and Education Fund” shall be expended by the governing authority of the county for which the fund is established solely and exclusively for drug abuse treatment and education programs relating to controlled substances and marijuana. The City has not collected these fines in the past and will do so going forward

starting in FY2014. The estimated collection is $12,750 which is also shown as an expenditure in the Municipal Court departmental budget.

Background Check Fees

This revenue is based on fees for Background Checks at $20.00 per request. Previous years prior to FY2013, this item was included with Police Administration. Collections for FY2013 were $7,735. Based on this figure, the City is estimating $7,500 for FY2014.

Summer Camp (Camp Hornet)

This revenue is based on registration fees for Camp Hornet. These fees are $600 per child with a $50 discount for siblings. Fees are used to fund the camp such as Director and Counselor salaries, field trips and supplies. For the 2012 Camp, there were 40 children registered. The 2013 camp will have opportunity to collect on a weekly basis a fee for those children that would want to attend only a few of the weeks of camp. These individual weeks cost $125 each. Based on the previous camp and possible weekly campers for 2013 camp, the City is estimating collections for FY2014 to be $25,000.

Municipal Court Revenue Fines

In FY2009, the City collected $570,964. Four years later in FY2012, the City collected a total of $876,868. In FY2013, probation Services payments were separated out leaving court fines collected at $506,330. After reviewing previous FY revenues minus probation service payments, the City is estimating collections for FY2014 to be $600,000.

Probation Revenue

This revenue is scheduled probation payments made to Sentinel Services. The City receives payments from Sentinel on a monthly basis. For FY2011, payments collected were $221,369, FY2012 was $244,073 and FY2013 was $235,000. Based on these trends, the FY2014 is estimated at $230,000.

Interest Earned

This revenue is interest from the City of Hiram CD investments reinvested with CD at maturity unless a decision is made otherwise. CD's are scheduled to mature between November 2013 and June 2014. Due to the economic downturn, each year the interest rates for CD's have declined. The City collected $83,486 in FY2011, $34,813 in FY2012 and $25,500 in FY2013. During FY2013, two CD's were cashed, one for General Fund and one for Water Fund. The program with the highest CD rates is no longer available in the state of Georgia. Therefore, interest rates are predicted to be minimal with FY2014 renewals. Due to these predictions of lower interest rates and the decrease in investment amount, the City is estimating collections for FY2014 at $25,000.

Community Center and 855 Building Fees

These fees are charged for rental of the City of Hiram Community Center. The Community Center, which also houses the City Municipal Court sessions & Council Sessions, is used for various other functions such as Weddings, Anniversary Parties, Birthday Parties, Bridal or Baby Showers, Family Reunions, Meetings, etc. Collections for FY2012 have been $23,346. However, with upcoming renovations to the 855 building purchased for rentable space such as is used for the Community Center, beginning in FY2014, rental fee collections will increase. Due to these additional rental fees, we are estimating $27,000 for FY2014.

Park Fees

These fees are charged for rental of pavilions at Ben Hill Strickland Park. Currently there are two pavilions available to rent. These facilities are used seasonally for a variety of functions. Looking to add rental capabilities to our existing park facilities, a request has been made to the public works department for information as to how other municipalities rent and maintain their amphitheater facility. Collections the past four years on pavilion rental alone have averaged $1,746 per year. Based on this average, the City is estimating collections for FY2014 at $1,500.

Administration Miscellaneous

These fees are based on Open Record Requests, Event sponsorships and Vendor Fees. This revenue item is for fees assessed when the City of Hiram receives checks returned by the bank, money collected for Open Records requests, sponsorship money for events and fees collected from event vendors. Collections for FY2013 were $6,073. Approval of the Stars & Stripes event will provide a projected increase for the FY2014 budget to $7,000.

Occupational Tax Administration Fees

To meet the increased costs associated with new State & Federal reporting requirements, a $25.00 non-refundable administration fee was implemented in the FY2013. This fee is assessed for each Occupational Tax application submitted and is to be included with the Occupational Tax fee payment submitted by each business annually. The amount collected for FY2013 was $10,855. Based on this figure, this City estimates collections for FY2014 at $11,000.

The below table illustrates the above sources of revenue allocated to the General Fund for operations:

Line Item	FY2012 Projected	FY2012 Actual	FY2013 Adopted	FY2014 Projected
Title Ad Valorem Tax	$ -	$ -	$ -	$ 140,805
Real Estate Transfer Tax	$ -	$ -	$ -	$ -
Franchise Tax	$ 310,000.00	$ 309,078.31	$ 310,000	$ 310,000
Local Option Sales Tax	$ 475,000.00	$ 477,842.00	$ 475,000	$ 593,750
Occupation Tax Certificate	$ 85,000.00	$ 86,725.00	$ 85,000	$ 95,000
Financial Institution Tax	$ 59,000.00	$ 59,356.46	$ 59,000	$ 60,000
Insurance Premium Tax	$ 166,000.00	$ 166,322.30	$ 176,662	$ 176,662
Alcoholic Beverage Licenses	$ 131,000.00	$ 131,350.00	$ 131,000	$ 135,000
Pouring Permit	$ 9,300.00	$ 10,390.00	$ 9,500	$ 9,500
Excise Tax by Alcoholic Drink	$ 60,000.00	$ 67,719.18	$ 62,000	$ 55,000
Beer & Wine Tax Distribution	$ 225,000.00	$ 250,911.87	$ 245,000	$ 250,000
Liquor Tax Distribution	$ 100,000.00	$ 100,664.17	$ 100,000	$ 70,000
Insurance Licenses	$ 13,500.00	$ 13,602.80	$ 13,500	$ 14,500
Other Fees	$ -	$ -	$ -	$ -
Occupation Certificate Penalty	$ 7,000.00	$ 7,150.00	$ 6,000	$ 4,000
Election Qualifying Fee	$ 1,200.00	$ 1,260.00	$ -	$ 600
Police Administration Revenue	$ 11,500.00	$ 11,782.50	$ 4,400	$ 1,000
Accident Report Fee			$ -	$ 7,500
Alcohol License Fee	$ 2,000.00	$ 1,950.00	$ 2,000	$ 5,000
Georgia Jail and Construction Act Fines	$ -	$ -	$ -	$ 48,000
Bail and Bond Forfeiture Fines	$ -	$ -	$ -	$ -
D.A.T.E. Fines	$ -	$ -	$ -	$ 12,750
Background Check Fees	$ -	$ -	$ 5,600	$ 7,500
Camp Hornet Revenue	$ 12,000.00	$ 15,615.76	$ 16,000	$ 25,000
Municipal Court Revenue	$ 825,000.00	$ 902,332.28	$ 605,000	$ 600,000
Probation Revenue			$ 225,000	$ 230,000
Interest Revenue	$ 30,000.00	$ 34,082.68	$ 30,000	$ 25,000
Community Center Fees	$ 23,000.00	$ 23,346.25	$ 23,000	$ 27,000
Park Pavilion Fees	$ 1,500.00	$ 1,485.00	$ 1,500	$ 1,500
Insurance Reimbursement	$ 10,400.00	$ 10,470.04	$ -	$ -
Transfers In			$ -	$ -
Administration Misc. Revenue	$ 15,300.00	$ 16,131.30	$ -	$ 7,000
Police Dept. Grants	$ 6,750.00	$ 6,950.00	$ -	$ -
Youth Services (Dare)	$ 1,300.00	$ 1,300.00	$ -	$ -
Youth Services (Explorer)	$ 4,700.00	$ 4,725.67	$ -	$ -
Occupation Tax Administration Fee	$ -	$ -	$ -	$ 11,000
	$ 2,585,450.00	**$ 2,712,543.57**	**$ 2,585,162.10**	**$ 2,923,067.00**

In addition to the General Fund, the City has also established other Funds to generate revenue to fund short and long term operational initiatives. The expenditures, along with the revenues, within each of these funds are provided in the expenditures section of this document.

The total of all other funds other than the General Fund is $3,144,963. The combined total of revenue for all funds including the General Fund, Other Financing Sources, Special Revenue Funds, Capital Projects Fund and Enterprise Fund is 6,053,844 which is the cost of all governmental services.

City of Hiram
FY2014 Budget
Citywide Statement of Revenues and Expenditures (By Department)

		Special Revenue Funds				Enterprise Funds		
	General Fund	Hotel/Motel Fund	Confiscated Fund	Grants Fund	Capital Project Fund	Water Fund	Solid Waste	Total
REVENUES:								
Local Option Sales Taxes	$ 593,750	$ -	$ -	$ -	$ -	$ -	$ -	$ 593,750
Other Taxes	1,143,281	126,609						1,269,890
Licenses and Permits	163,000							163,000
Intergovernmental Revenue				40,607	752,677	125,685	128,948	1,047,917
Charges for Service	61,100							61,100
Fines and Forfeitures	890,750		2,520					893,270
Interest Earnings	25,000							25,000
Other/Miscellaneous	32,000							32,000
Subtotal	$ 2,908,881	$ 126,609	$ 2,520	$ 40,607	$ 752,677	$ 125,685	$ 128,948	$ 4,085,927
Other Financing Sources								
Interfund Transfer from Hotel Motel	$ -							$ -
Interfund Transfer from Cash Reserve	-							-
Interfund Transfer from Solid Waste	18,657							18,657
Interfund Transfer from Water	-							-
Budgeted Fund Balance	185,744	19,297	6,623	6,500	1,359,223	9,779	10,112	1,597,278
Money Market - Undesignated	351,982						-	351,982
Subtotal	$ 556,383	$ 19,297	$ 6,623	$ 6,500	$ 1,359,223	$ 9,779	$ 10,112	$ 1,967,917
Total Revenues	$ 3,465,264	$ 145,906	$ 9,143	$ 47,107	$ 2,111,900	$ 135,464	$ 139,060	$ 6,053,844
EXPENDITURES:								
Mayor and City Council	$ 99,964							$ 99,964
City Administration	597,088	145,906						$ 742,994
Municipal Court	569,044							$ 569,044
Support Services	296,793							$ 296,793
Police	1,180,992		9,143	16,500	129,685			$ 1,336,321
Public Works	596,158			30,607	1,372,789			$ 1,999,555
Parks Recreation	40,100				357,842			$ 397,942
Water						135,464		$ 135,464
Solid Waste							139,060	$ 139,060
Community Center	45,000							$ 45,000
Summer Camp	40,125							$ 40,125
Non-Departmental								$ -
Contingency								$ -
Reserve								$ -
2011 SPLOST					251,583			$ 251,583
Other								$ -
Subtotal	$ 3,465,264	$ 145,906	$ 9,143	$ 47,107	$ 2,111,900	$ 135,464	$ 139,060	$ 6,053,844
Other Financing Uses								
Interfund Transfer to Hotel Motel								$ -
Interfund Transfer to Grants								-
Interfund Transfer to GF								
Subtotal	$ -	$ -	$ -	$ -	$ -	$ -		$ -
Total Expenditures	$ 3,465,264	$ 145,906	$ 9,143	$ 47,107	$ 2,111,900	$ 135,464	$ 139,060	$ 6,053,844

GOVERNMENTAL FUNDS – General Fund, Special Revenue Funds & Capital Projects Fund

The City of Hiram will realize a balanced budget by ensuring the recommended expenditures meet and do not exceed the projected revenues for FY2014. The expenditures shall be appropriated as follows:

Salary and Benefits Detail

The salary and benefit budget is based upon approved positions and the associated benefit program costs. For FY2014, direct City costs for salaries/benefits are $2,028,846. This is a reduction of $64,065 (-3%) from last fiscal year of $2,092,911.

The salaries/benefits budget is broken down as follows: $1,420,656 is appropriated for salaries, $64,984 is appropriated for overtime, $184,002 is appropriated or employer taxes (FICA, Workers Comp and Medicare), $69,411 is appropriated for Pension, and $264,094 is appropriated for benefits (Short Term Disability, Long Term Disability, Life Insurance, Health Insurance and Dental Insurance). Benefit costs are 13% of the total salaries/benefit budget.

The table below illustrates the detailed breakdown for salaries and benefits:

Category	FY2013	FY2014	% (+/-)
Regular Salaries	$ 1,388,577.96	$ 1,420,656.38	2.31%
Overtime	$ 76,964.72	$ 64,983.97	-15.57%
Sick Time Rebate	$ 32,941.45	$ 25,699.44	-21.98%
FICA	$ 90,926.03	$ 92,109.70	1.30%
Workers Comp	$ 64,867.10	$ 70,350.16	8.45%
Medicare	$ 21,264.96	$ 21,541.79	1.30%
Pension	$ 62,952.02	$ 69,410.86	10.26%
Life/LTD/STD	$ 12,300.36	$ 10,257.72	-16.61%
Health Insurance	$ 315,319.84	$ 231,200.82	-26.68%
Dental Insurance	$ 26,796.12	$ 22,635.48	-15.53%
Totals:	$ 2,092,910.56	$ 2,028,846.31	-3.06%

As the City recognizes the cost of employee retention is less than employee turnover and recruitment, this budget includes some modifications to prior hourly rates. The total City salary/benefits budget is approximately 56% of the total operating expenditures (General Fund). This is a reduction of 6% from FY2013 which was estimated at 62%.

Overtime

During FY2013, the City was able to minimize the use of overtime while still providing exceptional services to its citizenry and visitors. The overtime budget for FY2013 was $76,965 and staff came in $4,144 under budget at $72,821.41. The recommended overtime budget for FY2014 is 15.6% less at $64,984. This reduction is due in part from a reduction in force from 36.5 employees to 34.5 as well as a new personnel policy effective April 1, 2013 that prohibits unauthorized overtime. Additionally, the City is in the process of modifying its position control and pay scale to identify those who meet the FLSA requirements to be considered exempt (salaried) for next fiscal year. It is anticipated that the transitioning of three non-exempt employees to exempt with their annual salaries more in line with industry standards and competitive with surrounding communities will greatly reduce the overtime expenditures.

Sick Time Rebate

Effective April 1, 2013, the Mayor and Council adopted a new personnel policy that continues this benefit with the amount of hours contingent upon the budget. These hours are now part of a Paid Time Off (PTO) accrual with 40- hour employees able to accrue up to a maximum of 240 hours and shift employees eligible to accrue up to 258 hours over the duration of their employment. At the end of each calendar year, the City allows employees to “cash-in” unused (PTO) time. Prior to the end of the 2012 calendar year and as part of the FY2013 budget process, the available sell back hours were reduced from 96 to 64. For this fiscal year, the Council is authorizing the employees to sell back up to 40 hours. We can anticipate this expenditure to be approximately $25,699.

FICA

The City pays 6.2% of each employee’s salary for payroll taxes for FICA (Federally Insured Contributions Act). This budgeted expenditure is anticipated to be $92,110 based on the current salary rates. That is a 1.355% increase over the FY2013 Budget of 90,926.

Workers Compensation (GMA)

Workers’ Compensation is a form of insurance providing wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence. The City used the Georgia Municipal Association to administer this fund and apply applicable premiums. The premiums paid by the City of Hiram are based on rates applied to payroll classifications. These rates are 5.50 for police officers, .38 for Clerical, 12.45 for Public Works/Streets and 2.67 for Municipal Court. The rates for each respective category are multiplied against the budgeted payroll and the City is invoiced accordingly. The 2013 estimated annual premiums were

budgeted at $64,812. Using the formulas provided by GMA, the budgeted expenditure is $70,350.

Medicare

Medicare is a national social insurance program, administered by the U.S. Federal Government since 1965, that guarantees access to health insurance for Americans ages 65 and older and younger people with disabilities as well as people with end state renal disease. As a social insurance program, Medicare spreads the financial risk associated with illness across society to protect everyone, and thus has a somewhat different social role from for-profit private insurers, which manage their risk portfolio to maximize profitability by denying claims The City pays 1.45% of each employee's salary as payroll taxes for Medicare. The budgeted expenditure for Medicare is $21,542.

Pension (GMEBS)

The City of Hiram utilizes the Georgia Municipal Employee Benefits System (GMEBS) administered through the Georgia Municipal Association for its pension plan. The present value of accrued plan benefits on funding assumptions is $601,715. The funded percentage relative to market value is 73.39% which is above average. However, the actual valuation results for Hiram is at an 84.64% funding level which is outstanding. The City has five retired participants in the plan. The recommended contribution for the plan for last fiscal year, which started July 1, 2012, including plan changes, administrative plan changes, administrative charges and pension statements increased from $36,498 to $57,509. FY2013 contribution represented 5.04% of the expected payroll of covered employees, versus 4.50% at the previous valuation. That is an increase of .54% of pay.

The City amended its Pension Plan Document on January 1, 2013 which reduced the vesting period from 10 years to 5 years. Additionally, the city manager's contract stipulated an immediate vesting period as of January 1, 2013 upon the adoption of the new Plan Document from GMEBS. With these two scenarios, the City's funding rate increased from 5.04% to 5.28%. But because of the six month differential in our fiscal year and GMEBS actuarial valuations, we continued to fund the plan at the 5.04% rate while still being able to meet the funding requirement for FY2013 with a budgeted expenditure of $62,906.75. Based on the expected invoice for FY2014, the budgeted amount for pension is recommended at $69,411.

Life, Short Term Disability (STD) and Long Term Insurance (LTD) Insurance (Lincoln)

The City pays 100% towards Life, Short Term Disability and Long Term Disability for employees. The rates are dependent upon individual salaries for each employee. The higher the salary, the higher the rate as employees will receive a percentage of their pay while receiving this benefit should it be needed and activated by the employee. The current rates for the Life Insurance benefit are $108.00 per year for Elected and Appointed Officials and $64.80 per year for regular full time employees. The budgeted expenditure for life insurance is which provides up to $50,000 of life insurance for the employee or his/her beneficiary.

The FY2013 budgeted expenditure for Life was $3,132, STD was $5,675, LTD was $3,493 for a combined total of $12,300. For FY2014, this expenditure is being budgeted at a combined rate of $10,258.

Health Insurance (Coventry)

For those who elect this benefit upon hiring or open enrollment, the City of Hiram funds 100% of eligible full time employees while paying 75% for dependents. For FY2013, the City is budgeted $315,320. With the assistance of our healthcare brokers, Shaw Hankins, we shopped the market for competitive plans and held open enrollment in January, 2013. This year, we implemented a

Health Reimbursement Arrangements (HRA's) Plan which is a consumer-driven health plan coupled with a Flexible Spending Plan. The HRA Plan, which is a higher deductible plan, allowed the City to reduce is contribution to the Health Plan and place more responsibility for healthcare on the employee. The employees' contribution to the health plan is now 35% as opposed to 25% with the City contributing up to $750 towards deductibles for each employee. The budgeted exposure to the City for these deductible reimbursements was set at $8,000.

For FY2014, the budgeted amount for Healthcare for the City's contribution is $231,201. That was a reduction of $84,119 (26.68%) to the City contribution. While we know that this will change just after mid fiscal year, we feel that the introduction of the HRA will help keep are rates flat going into the second half of FY2014. Should the rates increase, the City Council will have to decide how to fund the exposure at that time.

Dental Insurance (Lincoln)

For those who elect this benefit upon hiring or open enrollment, the City contributes towards the dental premium for employees and their families. This benefit provides an "Employee Only" and "Family" rate. The budgeted expenditure for dental insurance in FY2013 was $26,796. For FY2014, the recommended budget is $22,635 which equates to a reduction of $4,161 (15.53%).

New Employees

Detailed in the department summaries below are some recommended new/modified employee positions. These are specifically as follows:

Additions:

- There are no new positions budgeted for FY2014.

Modifications:

The City is made up of employees who are exempt and non-exempt under the Fair Labor Standards Act (FLSA). To qualify for the executive employee exemption, all of the following must be met:

(A) The employee must be compensated on a "salary basis" at a rate not less than $455 per week;
(B) The employee's primary duty must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise;
(C) The employee must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent; and
(D) The employee must have the authority to hire or fire other employees, or the employee's suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees must be given particular weight.

Administrative Employee Exemption

To qualify for the administrative employee exemption, all of the following tests must be met:

(A) The employee must be compensated on a "salary basis" at a rate not less than $455 per week;
(B) The employee's primary duty must be the performance of office or\ non-manual work directly related to the management or general business operations of the employer or the employer's customers; and
(C) The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

Until recently, the only two employees who were categories as exempt were the city manager and Police Chief. The newly created position of Support Services Director was added to this list of exempt

employees. The city manager recognized that several other employees qualified for an exempt status based on FLSA guidelines. These positions include the City Clerk, Public Works Director, Police Major and Police Lieutenant.

After a detailed analysis was completed, a recommendation was made to identify these positions as exempt and modify the salaries to (a) insure that there was no reduction in compensation for changing the FLSA status and (b) the new salaries are commensurate with industry standards based on like positions and budgeted for similarly sized municipalities on the geographic area. The below table details these modifications:

Position Control	Pay Grade	Current Salary	Budgeted O/T	Budgeted Compensation	2013 Gross	Industry Avg. (Max)	Recommended
New Exempt Positions							
Police Lieutenant (CID)	G	40,248	1,607	41,855	43,197	UNK	45,250
Police Lieutenant (UPD)	G	44,161	4,192	48,353	47,727	45,448	47,250
Operations Manager	N/A	53,580	3,391	56,971	56,678	60,026	58,000
City Clerk	N/A	48,484	7,824	56,308	61,105	65,543	61,000
Current Exempt Positions							
Court Administrator	G	45,250	N/A	45,250	41,624	UNK	45,250
Police Chief	N/A	70,013	N/A	70,000	70,013	72,029	70,013

Budget Summary by Department – General Fund

Mayor and City Council

The FY2013 budget appropriation for the Mayor and Council was $113,005. This department is comprised of a Mayor and five Council Members. Salaries of the Mayor and Council are set by the City Charter. Their combined salaries are $24,600 which is 22% of their overall budget. Prior to FY2013, the Mayor and Council resided in the Administration budget. Having their own budget provides a better system of checks and balances for their respective expenditures.

For FY2014, the Mayor and Council reduced their budget by 11.8% from $113,005 to $99,964. Two of the areas where the most significant reductions reside are in their Training and Conferences and Travel, Lodging and Per Diem line items.

Training and Conferences ($9,000) – This includes GMA Training for Elected Officials, Newly Elected Officials Training, GMA Mayors Conference, GMA Savannah Conference, and Leadership Paulding Class. The budgeted amount for FY2013 was $14,000 and this equates to a 35.7% reduction.

Travel, Lodging and Per Diem ($9,000) - This includes GMA Training for Elected Officials, Newly Elected Officials Training, GMA Mayors Conference, GMA Savannah Conference, Mayor & Council retreat, and Washington Fly-in with the Paulding Chamber of Commerce. The budgeted amount for FY2013 was $14,000 and this equates to a 57.14% reduction.

Elections ($7,000) – During this fiscal year, the City has three (3) Council seats up for election. Qualifying for these seats, Posts 3, 4 & 5 is set for the end of August 2013. The City contracts with Paulding County to conduct its elections. The amount requested from Paulding County Board of Elections for FY2014 is $7,000.

The Maintenance Operating expenditures include the following:

81 Legislative EXPENDITURE		FY2013 Adopted		FY2014 Recommended	(+/-) %
Salaries	$	24,600.00	$	24,600.00	0.00%
FICA/Medicare	$	1,881.90	$	1,881.90	0.00%
Workers Compensation	$	93.48	$	93.48	0.00%
Life Insurance	$	648.00	$	542.40	-16.30%
Professional Services - Photogr	$	500.00	$	525.00	5.00%
Professional Services - Video	$	5,400.00	$	2,700.00	-50.00%
Elections	$	-	$	7,200.00	100.00%
Liability Insurance	$	27,975.00	$	33,401.00	19.40%
Training & Conference	$	14,000.00	$	9,000.00	-35.71%
Travel, Lodging & Perdiem	$	21,000.00	$	9,000.00	-57.14%
Special Events/Sponsorships	$	6,375.00	$	2,000.00	-68.63%
Printing/Reproduction			$	1,500.00	100.00%
Communications - Cell Phones	$	3,600.00	$	3,960.00	10.00%
Business Meals	$	1,200.00	$	500.00	-58.33%
Apparel	$	300.00	$	300.00	0.00%
Supplies	$	500.00	$	1,000.00	100.00%
Cable Services	$	75.00	$	60.00	-20.00%
Furniture and Fixtures	$	1,000.00	$	100.00	-90.00%
Information Technology			$	1,000.00	100.00%
Computers	$	3,857.07	$	600.00	-84.44%
TOTAL EXPENDITURE:	**$**	**113,005.45**	**$**	**99,963.78**	**-11.54%**

Administration

The Administration Department provides support for every facet of the Mayor and Council, City Staff, Hiram Citizens and Businesses – whether it is financial, administrative or legislative. The Administration is comprised of the following employees.

- City Manager
- City Clerk
- City Treasurer
- Business License Administrator

The FY2014 budget appropriation for the Administration Department was $672,537. For FY2014, the budget appropriation is $597,088. This is a reduction of 11.22%. The Maintenance Operating expenditures include the following:

80 Administration EXPENDITURE		FY2013 Adopted		FY2014 Anticipated	(+/-) %
Salaries	$	237,691.60	$	267,356.79	12.48%
Overtime	$	11,549.79	$	3,725.90	-67.74%
Sick Sell	$	4,059.91	$	5,141.48	26.64%
Insurance (Health & Dental)	$	45,150.28	$	31,202.88	-30.89%
Insurance (Life/STD/LTD)			$	1,843.08	
FICA	$	19,066.97	$	16,807.13	-11.85%
Medicare			$	3,930.70	100.00%
Pension Expense	$	11,215.86	$	13,255.94	18.19%
Workers Compensation	$	947.12	$	1,030.11	8.76%
HRA			$	5,000.00	100.00%
FSA			$	1,890.00	
Legal	$	72,000.00	$	82,000.00	13.89%
Professional Services	$	45,000.00	$	16,600.00	-63.11%
Economic Development	$	50,000.00	$	-	-100.00%
Audit - CPA Expenses	$	20,500.00	$	22,500.00	9.76%
Information Technology Services	$	50,000.00	$	66,565.00	33.13%
Liability Insurance	$	4,000.00	$	7,644.00	91.10%
Communications - Cell Phones	$	1,200.00	$	1,620.00	35.00%
Advertisements	$	750.00	$	1,000.00	33.33%
Printing/Reproduction			$	1,500.00	100.00%
Travel, Lodging & Perdiem	$	10,500.00	$	9,000.00	-14.29%
Dues, Fees & Subscriptions	$	11,500.00	$	7,000.00	-39.13%
Training & Conference	$	6,030.00	$	6,000.00	-0.50%
Events/Community Programs	$	45,000.00	$	5,000.00	-88.89%
Supplies	$	10,000.00	$	10,000.00	0.00%
Uniform Allowance	$	375.00	$	375.00	0.00%
Furniture and Fixtures				$3,000.00	100.00%
Computer Equipment Purchases	$	1,000.00	$	3,600.00	260.00%
Charitable Contributions	$	15,000.00	$	2,500.00	-83.33%
TOTAL EXPENDITURE:	**$**	**672,536.53**	**$**	**597,088.01**	**-11.22%**

Municipal Court

The Court staff is responsible for the operation of the City's municipal court system, scheduling, processing, and tracking all violations issued by police and code enforcement personnel. The Court Department is comprised of the following employees:

- Court Clerk
- Deputy Court Clerk (P/T)
- Municipal Judge or Associate Judge
- City Solicitor
- Indigent Defense Attorney
- Court Interpreter

The FY2013 budget appropriation for Municipal Court was $399,096. For FY2014, the budget appropriation is $569,044. This is an increase of 29.87%. The Maintenance Operating expenditures include the following:

70 Municipal Court EXPENDITURE		FY2013 Adopted		FY2014 Anticipated	(+/-) %
Salaries	$	50,007.00	$	61,932.00	19.25%
Overtime	$	5,500.00	$	2,500.00	-120.00%
Sick Sell	$	1,122.00	$	816.00	-37.50%
Insurance (Health & Dental)	$	5,571.72	$	4,461.00	-24.90%
Insurance (Life/STD/LTD)			$	319.68	
FICA	$	5,827.28	$	3,994.78	-45.87%
Medicare			$	934.26	100.00%
Pension	$	2,156.94	$	2,197.17	1.83%
Workers Comp	$	210.93	$	1,273.78	83.44%
HRA					
Indigent Defense	$	9,000.00	$	9,000.00	0.00%
Solicitor	$	18,000.00	$	18,000.00	0.00%
Judge or Associate Judge	$	22,500.00	$	22,500.00	0.00%
Court Software	$	35,000.00	$	35,000.00	0.00%
Repairs & Maintenance	$	250.00	$	150.00	-66.67%
Insurance Liability	$	500.00	$	250.00	-100.00%
Communication - Cell Phones	$	600.00	$	710.88	15.60%
Travel, Lodging & Perdiem	$	1,000.00	$	1,134.00	11.82%
Court Interpreter	$	2,000.00	$	1,000.00	-100.00%
Witness Fees	$	100.00	$	100.00	0.00%
Annuity (A&B) Fund	$	29,000.00	$	29,000.00	0.00%
Spinal Inj Trust Fund	$	2,000.00	$	2,000.00	0.00%
Crime Lab Fee	$	1,000.00	$	1,000.00	0.00%
Drivers' Ed Fund	$	22,000.00	$	22,000.00	0.00%
DATE			$	12,750.00	100.00%
Jail Fees	$	48,000.00	$	199,395.00	75.93%
Local Victim Assistance	$	25,000.00	$	25,000.00	0.00%
POPIDF	$	53,000.00	$	53,000.00	0.00%
Victims' Emergency DUI	$	700.00	$	700.00	0.00%
POPIDF-B-Indigent	$	54,000.00	$	55,200.00	2.17%
Dues, Fees & Subscriptions	$	100.00	$	100.00	0.00%
Training & Conference	$	1,000.00	$	525.00	-90.48%
Supplies	$	1,500.00	$	1,500.00	0.00%
Uniform Allowance	$	200.00	$	350.00	42.86%
Furniture and Fixtures	$	500.00	$	250.00	-100.00%
Computer Equipment Purchases	$	1,750.00	$	-	0.00%
TOTAL EXPENDITURE:	**$**	**399,095.87**	**$**	**569,043.57**	**29.87%**

Jail Fees

The City Council entered into an Intergovernmental Agreement with Paulding County to provide inmate housing for those arrested on City and misdemeanor State charges. This Agreement significantly changes the City's cost for these services. Instead of remitting 10% of the fines collected for the offenses to offset the costs of housing inmates, the City now pays $45.00 per day/per inmate for these services. While the overall expenditure will be offset by the 10% of the fines collected, the City is still anticipating a significant increase on this line item. Some operating initiatives' that are being put into place to reduce the exposure to this expenditure is a LiveScan fingerprinting system. This system will allow the City to avoid transporting alleged offended to the

County jail to be booked-in under certain charges and if the alleged offender's identify can be verified.

Support Services

The Support Services staff is responsible for the operation of the City's municipal court system and GCIC. The Support Services Department is comprised of the following employees:

- Director of Support Services
- TAC Supervisor (1)
- GCIC Operators (4)

This is a new department that was created to oversee the operations of Court and GCIC as these departments were removed from the budgetary and management oversight of the Police Department. However, for accounting purposes, Court Services and Support Services have separate and distinct maintenance and operation budgets. The FY2014 budget appropriation for Support Services is $296,792. The Maintenance Operating expenditures include the following:

70 Support Services EXPENDITURE		**FY2014 Anicipated**
Salaries	$	187,729.98
Overtime	$	15,073.26
Sick Sell	$	3,610.19
Insurance (Health & Dental)	$	51,609.66
Insurance (Life/STD/LTD)	$	1,460.40
FICA	$	12,573.80
Medicare	$	2,940.65
Pension	$	9,917.08
Workers Comp	$	3,087.45
HRA		
Repairs & Maintenance	$	100.00
Insurance Liability	$	250.00
Communication - Cell Phones	$	1,877.64
Travel, Lodging & Perdiem	$	2,217.50
Dues, Fees & Subscriptions	$	200.00
Training & Conference	$	545.00
Supplies	$	2,000.00
Uniform Allowance	$	350.00
Furniture and Fixtures	$	250.00
Computer Equipment Purchases	$	1,000.00
TOTAL EXPENDITURE:	**$**	**296,792.61**

Police Department

The Police Department is divided into these divisions:

- Patrol
- Criminal Investigations
- Code Enforcement
- Support Services

Each of these divisions is staffed by the following sworn officers and civilians that are dedicated to this mission and the principles of honesty and integrity.

- Police Chief
- Lieutenant (2)
- Sergeants (4)
- Detective (1)
- DARE/Code Enforcement Officer (1)
- F/T Police Officers (6)
- Part-Time Officer (1)

The FY2013 budget appropriation for Police Department was $1,564,986. For FY2014, the budget appropriation is $1,180,992. This is a decrease of 32.51%. Two of the primary reasons for this significant reduction are (1) removing the Court and GCIC staff from this department and (2) a reduction in force be freezing two vacant positions. The Maintenance Operating expenditures include the following:

60 Police EXPENDITURE	**FY2013 Adopted**	**FY2014 Anticipated**	**(+/-) %**
Salaries	$ 844,879.36	$ 634,098.41	-33.24%
Overtime	$ 52,839.42	$ 39,999.96	-32.10%
Sick Sell	$ 21,092.94	$ 11,721.40	-79.95%
Insurance (Health & Dental)	$ 244,046.40	$ 123,056.52	-98.32%
Insurance (Life/STD/LTD)		$ 4,375.20	100.00%
FICA	$ 68,675.48	$ 41,794.10	-64.32%
Medicare		$ 9,774.43	100.00%
Pension	$ 39,344.35	$ 32,645.79	-20.52%
Workers Comp	$ 41,307.81	$ 41,349.41	0.10%
HRA		$ 3,000.00	100.00%
Professional Services	$ 2,000.00		
Employment Recruitment	$ 1,000.00		
Information Technology Services	$ 10,000.00	$ 11,500.00	13.04%
Repairs & Maintenance	$ 2,000.00	$ 2,000.00	0.00%
Vehicle Expense	$ 44,000.00	$ 35,000.00	-25.71%
Fuel Expense	$ 102,000.00	$ 95,000.00	-7.37%
Insurance - Liability	$ 18,000.00	$ 26,556.11	32.22%
Communications - Cell Phones	$ 22,000.00	$ 18,953.00	-16.08%
Travel, Lodging & Perdiem		$ 4,845.00	100.00%
Dues, Fees & Subscriptions	$ 1,600.00	$ 4,078.00	60.77%
Training & Conference	$ 10,000.00	$ 7,425.00	-34.68%
Events/Community Programs	$ 7,500.00	$ 7,500.00	0.00%
Supplies	$ 12,000.00	$ 9,020.00	-33.04%
K-9 Supplies	$ 2,000.00	$ 2,750.00	27.27%
Investigations	$ 1,000.00	$ 550.00	-81.82%
Uniforms - General	$ 5,000.00	$ 1,500.00	-233.33%
Uniforms - Allowance	$ 5,000.00	$ 8,500.00	41.18%
Furniture and Fixtures	$ 1,000.00	$ 1,000.00	0.00%
Computer Equipment Purchases	$ 1,500.00	$ 1,500.00	0.00%
Police - Small Equipment	$ 5,200.00	$ 1,500.00	-246.67%
Subtotal:	**$ 1,564,985.76**	**$ 1,180,992.33**	**-32.51%**

Public Works

The Department of Public Works handles and oversees construction projects, contract management, and facility maintenance. The additional divisions within Public Works include parks and recreation, sanitation services stormwater management, streets and the water system. The Public Works Department is comprised of the following employees:

- Public Works Director
- Public Works Supervisor
- Public Works Technicians (2)
- Administrative Assistant
- Community Service Representative

The FY2013 budget appropriation for Public Works Department was $526,900. For FY2014, the budget appropriation is $596,158. This is an increase of 11.62%. The increase in expenditures for this department can be attributed to the funding of the State Labor Crew and a Floodplain Mapping requirement.

For accounting purposes, the State inmate crew used for general maintenance not related to capital projects must be appropriated from the General Fund and not SPLOST. This is an additional expenditure to the General Fund in the amount of $39,500. Further, according to the Federal Emergency Management Agency (FEMA), the City must have a floodplain mapping system in place which is an estimated appropriation of $29,500. The Maintenance Operating expenditures include the following:

50 Public Works EXPENDITURE		FY2013 Adopted		FY2014 Anticipated	(+/-) %
Salaries	$	231,400.00	$	244,939.19	5.53%
Overtime	$	7,075.51	$	3,684.85	-92.02%
Sick Sell	$	6,640.00	$	4,410.37	-50.55%
Insurance (Health & Dental)	$	58,999.92	$	43,506.24	-35.61%
Insurance (Life/STD/LTD)			$	1,716.96	100.00%
FICA	$	18,243.37	$	15,414.69	-18.35%
Medicare			$	3,605.05	100.00%
Pension	$	10,189.60	$	11,394.88	10.58%
Workers Comp	$	22,252.43	$	23,515.92	5.37%
HRA			$	3,900.00	100.00%
Professional Services	$	20,000.00	$	3,000.00	-566.67%
Repairs & Maintenance	$	23,000.00	$	87,000.00	73.56%
Vehicle Expenses	$	3,500.00	$	3,500.00	0.00%
Repairs & Maintenance - Equipment	$	5,500.00	$	4,500.00	-22.22%
Insurance-Liability	$	14,100.00	$	19,620.22	28.14%
Communications - Cell phones	$	3,000.00	$	2,200.00	-36.36%
Communications - Telephone Service	$	6,000.00	$	15,150.00	60.40%
Communications - Internet Service	$	700.00	$	600.00	-16.67%
Advertisements	$	500.00	$	500.00	0.00%
Travel, Lodging & Perdiem	$	500.00	$	1,700.00	70.59%
Dues, Fees & Subscriptions	$	1,100.00	$	1,300.00	15.38%
Training & Conferences	$	700.00	$	1,000.00	30.00%
Events/Community Programs	$	2,000.00	$	1,000.00	-100.00%
Supplies	$	3,600.00	$	5,900.00	38.98%
Postage			$	400.00	100.00%
Utilities - Water					
Utilities - Natural Gas	$	3,000.00	$	2,000.00	-50.00%
Utilities - Electricity	$	26,000.00	$	23,000.00	-13.04%
Street Lighting	$	42,000.00	$	48,000.00	12.50%
Fuel Expenses	$	10,000.00	$	11,000.00	9.09%
Small Equipment - Safety	$	1,500.00	$	1,500.00	0.00%
Small Equipment - Tools	$	1,500.00	$	5,000.00	70.00%
Uniforms - General	$	1,400.00	$	1,200.00	-16.67%
Furniture and Fixtures			$	1,000.00	100.00%
Computer Equipment Purchases	$	2,500.00			
TOTAL EXPENDITURE:	**$**	**526,900.83**	**$**	**596,158.36**	**11.62%**

Community Center

The FY2013 budget appropriation for the Community Center was $33,500. For FY2014, the budget appropriation is $45,000. This is an increase of 25.56%.

The 2014 budget for the Community Center includes operations and maintenance costs for both the 219 Main Street location, and the 855 Hiram Douglasville Highway location (the old Regions Bank building). Currently the 219 location is the only rented facility, and also houses City Court sessions, and City Council meetings. Once renovations area completed for the 855 building, we will begin incurring expenditures as well as recognizing some revenue from rentals for this facility. The Maintenance Operating expenditures include the following:

52 Community Center EXPENDITURE	FY2013 Adopted	FY2014 Recommended	(+/-) %
Maintenance & Operations	$ 14,500.00	$ 18,500.00	21.62%
Communications - Tele (Fire Monitoring)	$ 1,000.00	$ 1,500.00	33.33%
Utilities - Natural Gas	$ 3,000.00	$ 3,000.00	0.00%
Utilities - Electricity	$ 15,000.00	$ 12,000.00	-25.00%
Capital Outlay - 219		$ 5,000.00	100.00%
Capital Outlay - 855		$ 5,000.00	100.00%
TOTAL EXPENDITURE:	**$ 33,500.00**	**$ 45,000.00**	**25.56%**

Parks & Recreation

The FY2013 budget appropriation for the Parks and Recreation was $45,040. For FY2014, the budget appropriation is $40,100. This is a decrease of 12.32%. The Maintenance Operating expenditures include the following:

55 Parks and Recreation EXPENDITURE	FY2013 Adopted	FY2014 Recommended	(+/-) %
Maintenance & Operations - General	$ 20,000.00	$ 22,000.00	9.09%
Repairs & Maint - 186 Building	$ 3,000.00	$ 3,000.00	0.00%
Repairs & Maint - Ruritan	$ 3,000.00	$ 3,000.00	0.00%
Repairs & Maint - 27 Alexander (Welcom	$ 1,500.00	$ 1,500.00	0.00%
Communications - Cell	$ 700.00	$ -	
Communications - Telephone Service	$ 840.00	$ 600.00	-40.00%
Utilities - Electricity	$ 16,000.00	$ 8,000.00	-100.00%
Capital Outlay		$ 2,000.00	100.00%
TOTAL EXPENDITURE:	**$ 45,040.00**	**$ 40,100.00**	**-12.32%**

SPECIAL REVENUE FUNDS - Confiscated Fund, Operating Grants Fund & Hotel Motel Fund

Operating Grants Fund

This Special Revenue Fund is established to account for resources received from state and federal grants that are secured for specific purposes as outlined in the grant award. This fund accounts for transactions related to grants that supplement maintenance and operating projects.

250 Grants Revenue	FY2013 Adopted	FY2014 Projected	(+/-) %
Police Department	$ 3,500.00	$ 3,500.00	0.00%
Police Explorer	$ 4,000.00	$ 4,000.00	0.00%
Police Dare	$ 2,500.00	$ 2,500.00	0.00%
Local Maint. Improvement Grant (LMIG)	$ 27,990.36	$ 30,607.09	8.55%
Transfer in General Fund	$ 7,000.00	$ 6,500.00	-7.69%
Total Revenue:	**$ 44,990.36**	**$ 47,107.09**	**4.49%**
Expenditures:			
Police Grant - Supplies	$ 2,000.00	$ 3,500.00	42.86%
Explorers Youth Services	$ 10,000.00	$ 8,000.00	-25.00%
Dare Youth Services	$ 5,000.00	$ 5,000.00	0.00%
LMIG	$ 27,990.36	$ 30,607.09	8.55%
Total Expenditures:	**$ 44,990.36**	**$ 47,107.09**	**4.49%**

For FY2013, the City projected approximately $44,490 in grant revenues and expenditures. For FY2014, Grant revenue is projected at $47,107 and the appropriations at a balanced $47,107. This is an increase of 4.49%. There are some budgeted matching requirements as well for grants which are budgeted in the 2011-2017 SPLOST Fund. The Maintenance Operating revenues and expenditures include the following:

Confiscated Fund

This Special Revenue Fund has very restrictive uses. The revenues associated with this fund are derived from either a cash confiscation or cash received from a sale of capital assets acquired through drug related activities. Confiscated money is logged and retained as evidence. A court order is then obtained once the case is concluded that addresses the disposition of the money. If the money is ordered forfeited to the law enforcement agency that seized it, the funds can be used for certain law enforcement purposes only (such as) equipment purchases and tuition fees for training. The expenditure of the forfeited funds is regulated not only by court order but also by the City and auditing policies.

For FY2013, the City projected approximately $2,510 in Confiscated Funds and assets and expending the same amount for supplies needed to fund the acquisitions. For FY2014, is projecting Confiscated Funds and assets at $9,143 and expending the same amount for supplies needed to fund the acquisitions. This is an increase of 72.55%. This increase is primarily due to the fund balance from FY2013. The Maintenance Operating revenues and expenditures include the following:

210 Confiscated Revenue		FY2013 Adopted		FY2014 Projected	(+/-) %
Forfeitures Revenue	$	2,000.00	$	2,000.00	0.00%
Confiscation of Cash	$	500.00	$	500.00	0.00%
Confiscated Fund Property	$	10.00	$	10.00	0.00%
Confiscated Fund Interest			$	10.00	100.00%
Fund Balance			$	6,623.27	100.00%
TOTAL REVENUE:	**$**	**2,510.00**	**$**	**9,143.27**	**72.55%**
Expenditures					
Bank Fees	$	10.00	$	10.00	0.00%
Confiscated Supplies	$	2,500.00	$	9,133.27	72.63%
TOTAL EXPENDITURES:	**$**	**2,510.00**	**$**	**9,143.27**	**72.55%**

Hotel/Motel Fund

This Special Revenue Fund accounts for the levy and collection of excise tax upon hotels and motels for the purpose of promoting convenience, tourism, trade shows, while also providing funds to develop economic vitality in downtown areas. Currently, the City of Hiram levies a 5% tax to its hotel and motels. The State of Georgia allows up to 8% for this excise tax.

Forty percent of the revenues generated from this fund are provided to the Paulding County Chamber of Commerce with the remaining 60% available for Municipal operations pertaining to the promotion of trade, conferences, and tourism. The City's 60% is primarily dedicated to special events that appeal to not only City residents but to those outside the City who may be inclined to stay overnight at one of local hotels, hence, promoting tourism. The City is also dedicated a portion of these funds towards a community newsletter designed to promote trade, conferences and tourism. These newsletters are distributed to all Hotels/Motels in the City as well as public places frequented by tourists and visitors.

In the first scenario the City Council authorized staff to enter into an agreement with the Georgia Municipal Association to facilitate an audit of the City's Hotel/ Motel tax revenue. The result of this audit yielded more accurate collection practices. As part of that audit, which is the second scenarios, the City discovered that it did not collect the accurate amount of taxes from one of its hotels over the last three years. Consequently, the delinquent taxes are owned and must be accounted for within the budget and allocated accordingly. The City will be collected these

delinquent taxes over a thirty month period and waiving the penalties and interest as long as the payments are made in a consistent and timely manner.

For FY2013, the City projected approximately $80,040. The City is projecting 145,906 for FY2014 which is a 45.14% increase over FY2013. This increase can be attributed to two scenarios. The Maintenance Operating revenues and expenditures include the following:

Hotel/Motel Revenue	FY2013 Adopted	FY2014 Projected	(+/-) %
Hotel/Motel Revenue	$ 80,000.00	$ 98,807.00	19.03%
Delinquent Taxes/P&I		$ 27,776.88	100.00%
Interest Earned	$ 40.00	$ 25.00	-60.00%
Fund Balance		$ 19,297.09	
	$ 80,040.00	**$ 145,905.97**	**45.14%**
Expenditures			
Paulding County Chamber of Commerce	$ 32,016.00	$ 58,362.39	45.14%
Transfer to General Fund	$ 48,024.00		
Better Hometown Manager Program		$ 29,181.19	100.00%
Tourism, Conventions, Trade Shows		$ 58,362.39	100.00%
TOTAL EXPENDITURES:	**$ 80,040.00**	**$ 145,905.97**	**45.14%**

CAPITAL PROJECTS FUND – 2005 SPLOST & 2011 SPLOST

SPLOST

SPLOST (Special Purpose Local Option Sales Tax) was levied by Paulding County for the purpose of funding capital needs in the areas of Public Safety, Roads, Streets and Bridges and Recreation Facilities within incorporated Hiram. Georgia's sales tax is currently 4% (groceries and prescription drugs exempted), with the counties allowed to add up to 2% more for SPLOST.

SPLOST (2005-2011)

This SPLOST expired in 2011. These funds had to be expended and/or encumbered by April 1, 2013. During the FY2013 audit, it was determined that some SPLOST funds were expended for operations that traditionally fall within the General Fund. In accordance with those guidelines and recommendation from the Auditor, the City moved approximately $72,000 to this SPLOST account. The remaining SPLOST funds have been allocated to Council approved Capital projects in accordance with the SPLOST Referendum. This SPLOST account will be closed upon the completion of those Council approved capital projects in progress prior April 1, 2013.
SPLOST (2011-2017)

The current SPLOST began in 2011 and will expire in June, 2017. The city receives these revenues from the county on a monthly basis. These monthly revenues are based on sales. Consequently, we must be cognizant of the market and budget accordingly while erring on the conservative side of budgeting.

In compliance with the SPLOST Referendum, the funds collected must be used in the designated areas for the amount specified with a recommended disbursement as illustrated in the table:

Project Area	SPLOST Allocation	Expenditures to Date	FY2013 Balance	FY2014 Allocation
Public Safety	$ 1,071,600	$229,705.37	$ 841,895	$ 129,685
Roads, Streets and Bridges	$ 3,214,800	$66,755.59	$ 3,148,044	$ 1,372,789
Recreation Facilities	$ 1,071,600	$39,559.28	$ 1,032,041	$ 365,842
Totals:	**$ 5,358,000**	**$ 336,020**	**$ 5,021,980**	**$ 1,868,317**

For FY2013, the City of Hiram projected at least $798,000 in SPLOST revenues or approximately $66,567 in monthly revenues on average with approximately $800 in interest income on these revenues. For FY2014, the City of Hiram is projecting at least $751,554 in SPLOST revenues or approximately $62,630 in monthly revenues on average with approximately $1,123 in interest income on these revenues. The below table provided a breakdown of these revenues:

322 SPLOST Revenue	FY2013 Adopted	FY2014 Projected	(+/-) %
Police	$ 159,600.00	$ 149,820.00	-6.53%
Street	$ 478,800.00	$ 451,914.00	-5.95%
Parks & Rec	$ 159,600.00	$ 149,820.00	-6.53%
Police (Interest)	$ 160.00	$ 245.00	34.69%
Street (Interest)	$ 480.00	$ 633.00	24.17%
Parks & Rec (Interest)	$ 160.00	$ 245.00	34.69%
Running total	$ 754,191.00	$1,359,223.01	44.51%
TOTAL REVENUE:	**$ 1,552,991.00**	**$ 2,111,900.01**	**26.46%**

The recommended Capital Improvement Projects are as follows:

Project Area	Project	FY2014 Allocation
Police		
	Patrol Vehicle / Take Home Program	$ 34,000
	Police SPLOST Capital (Map Plotter/Scanner)	$ 8,000
	Police SPLOST Capital Radio Network	$ 60,685
	Police Traffic Enforcement Lasers	$ 7,000
	Police DVD In Car Camera System	$ 20,000
	Subtotal:	**$ 129,685**
Street		
	Hiram Welcome Sign	$ 60,000
	Public Works Facility	$ 223,000
	Powder Springs St & Seaboard Ave	$ 800,000
	855 Parking Addition	$ 100,000
	Skid Steer	$ 65,000
	Excavator	$ 75,000
	Sunnyland Industrial Streets (Deep Patching)	$ 10,000
	Nebo Rd - 92 to Dallas Nebo Rd	$ 30,607
	LMIG Match	$ 9,182
	Subtotal:	**$ 1,372,789**
Parks & Rec		
	Storage Building	$ 16,000
	Basketball Court Fence & Scaping	$ 20,000
	All Terrain Vehicle (utility) for Park Maintenance	$ 8,000
	855 Building Renovation	$ 321,842
	Subtotal:	**$ 365,842**
	Total SPLOST EXPENDITURES:	**$ 1,868,317**

PROPRIETARY FUNDS – Water Operations & Solid Waste

Water Operations

This is an Enterprise Fund. The projected revenues for FY2013 were $86,150. The anticipated expenditures were budgeted at $126,150. Due to this budget shortfall, the City had to secure $40,000 from a Water Fund Certificate of Deposit.

For FY2014, the City Council commissioned a study to help determine what rates would be appropriate to charge for the consumption and use of water by the City's customers. It was ultimately determined that an adjustment is warranted to the rates charged for the water service provided to pay for the water service, its infrastructure, and its attendant costs. The below rate structure will be in effect starting September 2013 to allow our residents to better prepare for the change.

New Tier Residential Water Billing Rates			
Level	**Consumption Levels**	**Current Min**	**New Rate**
Tier 1	First 2,000 (Baseline)	$ 8.26	$ 11.00
	Per 1,000 gal for next 4,000 gal	$ 3.26	$ 5.50
Tier 2	Per 1,000 gal for next 2,000 gal	$ 4.08	$ 8.25
Tier 3	Per 1,000 gal over 8,000 gal	$ 6.52	$ 11.00

The projected revenues for FY2014 are $135,464 with the anticipated expenditures budgeted at $135,464. While this Enterprise Fund result with a revenue neutral fund balance, the City does not have to use a Water Fund Certificates of Deposit to address the shortfall as it has done previously.

505 Water Revenue	**FY2013 Adopted**	**FY2014 Projected**	**(+/-) %**
Water Revenue	$ 80,000.00	$ 121,358.80	34.08%
Penalties	$ 3,000.00	$ 3,000.00	0.00%
Cut-On-Fees	$ 400.00	$ 1,026.20	61.02%
Miscellaneous	$ 600.00	$ 100.00	-500.00%
Interest Earned	$ 2,000.00	$ 50.00	-3900.00%
Reconnection	$ 150.00	$ 150.00	0.00%
Transfer from Other Financing Use	$ 40,000.00		-100.00%
Fund Balance		$ 9,779.00	
	$ 126,150.00	**$ 135,464.00**	**6.88%**
90 Water Expenditure	**FY2013 Adopted**	**FY2014 Anticpated**	**(+/-) %**
Audit & Accounting	$ 3,050.00	$ 3,630.00	15.98%
Repairs & Maintenance	$ 26,500.00	$ 27,000.00	1.85%
Travel, Lodging & Perdiem		$ 400.00	100.00%
Dues, Fees & Subscriptions	$ 800.00	$ 200.00	-300.00%
Training & Conference		$ 655.00	100.00%
Supplies - Water System Stock	$ 5,000.00	$ 4,400.00	-13.64%
Supplies - UB Office		$ 7,200.00	100.00%
Chemicals	$ 1,500.00	$ 1,500.00	0.00%
New Meters & Lines	$ 10,000.00	$ 10,000.00	0.00%
Testing - Water Quality	$ 4,500.00	$ 4,500.00	0.00%
Utilities - Wells	$ 9,000.00	$ 8,500.00	-5.88%
Purchased Water	$ 7,500.00	$ 6,000.00	-25.00%
Tools	$ 800.00	$ 700.00	-14.29%
Capital Outlay	$ 57,500.00	$ 60,779.00	5.39%
TOTAL EXPENDITURE:	**$ 126,150.00**	**$ 135,464.00**	**6.88%**

Solid Waste

This is an Enterprise Fund. The projected revenues for FY2013 were $45,000. The anticipated expenditures were respectively budgeted at $45,000. While this fund should generate some revenue to provide for the expenditures incurred for administering this service, the City has struggled to break-even. There are very few sanitation customers and no recycling services provided. And the service provider is not in a position to provide a multi-year contract with competitive rates as this serve was not franchised. The recommendation last fiscal year was to create a franchise for this service and initiate an RFP (Request for Proposal) process to select a solid waste service provider to serve all residential property owners.

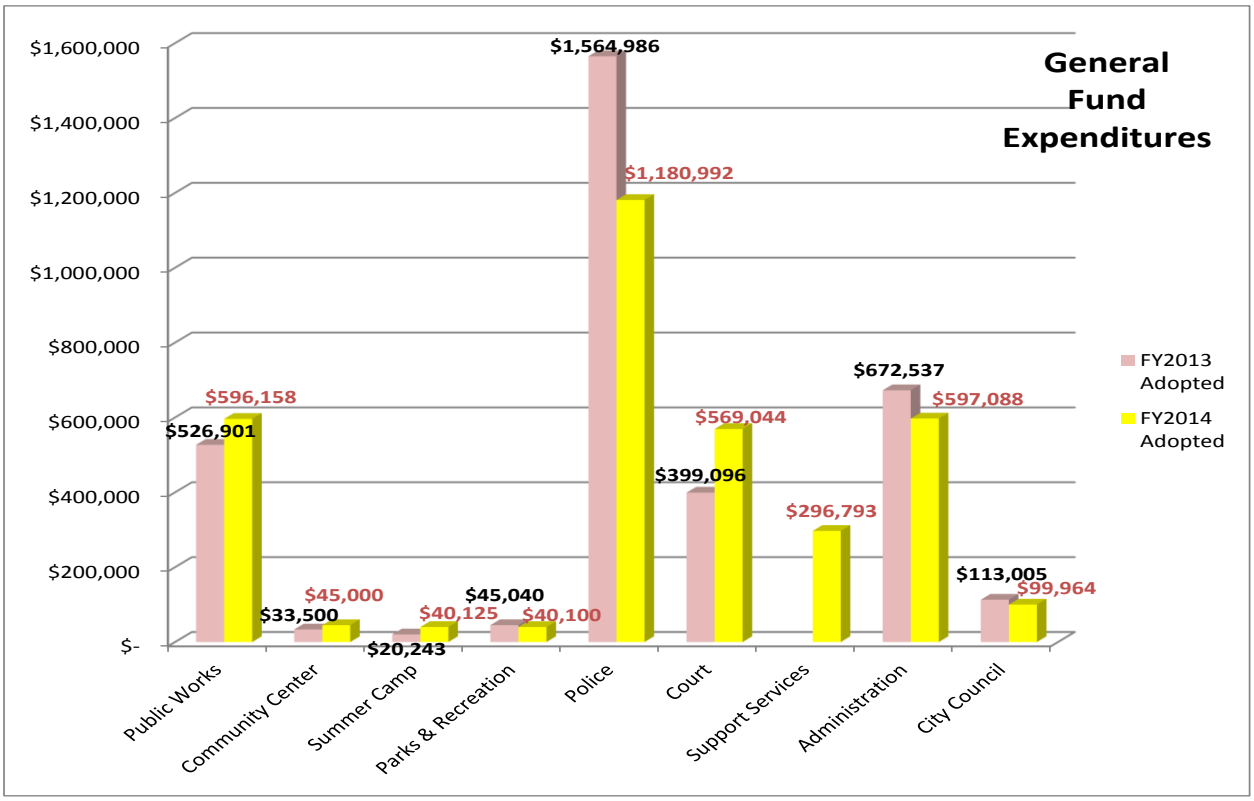
In December of 2012, the City was able to get an extension on the Solid Waste contract with the current provider, Waste Industries. This contract was extended for six months to allow the City to initiate the RFP process and award a contract to the recommended provider by the beginning of FY2014. In March of 2013, the City publicly advertised for quoted on providing residential solid waste removal services with a recycling component. There were three providers who qualified with Waste Industries being the lowest and most responsive, responsible bidder.

Part and parcel of this award included recognizing those residential properties that were currently under contract with another service provider and to allow those property owners to continue receiving service from those providers until their respective contracts expired. However, unless the properties were excluded from service for legitimate reasons, every property owner was required to submit an application and a copy of the contract to exempt from this franchise. Further, the City chose to waive all administrative fees and deposits during the implementation stare of this franchise.

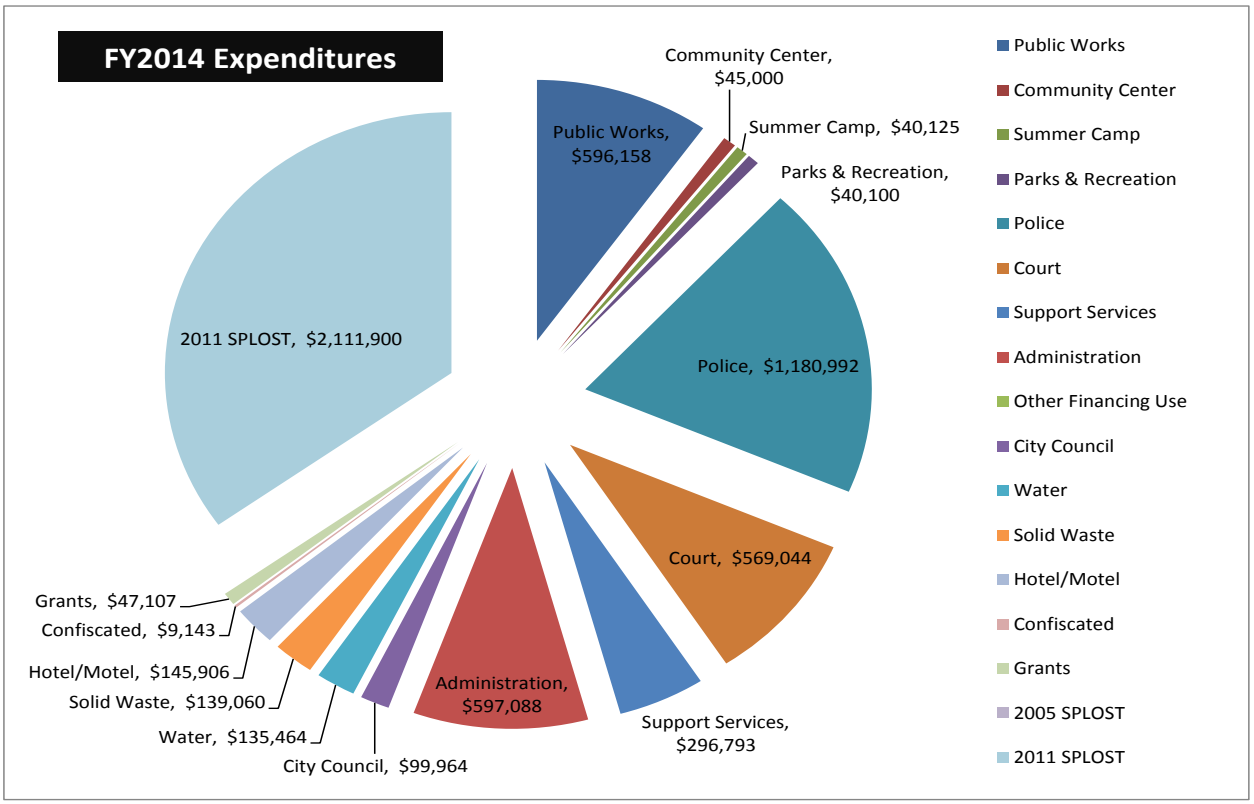
Under this new franchise, the projected revenues for FY2014 for the Hiram Solid Waste Fund are $157,717. The anticipated expenditures are $$139,060 with the projected balance of $18,657 to be transferred to the General Fund to offset the expenditures incurred from the internal services associated with this Enterprise Fund.

540 Solid Waste Revenue	**FY2013 Adopted**	**FY2014 Projected**	**(+/-) %**
Sanitation Revenue	$ 45,040.00	$ 147,605.00	69.49%
Fund Balance		$ 10,111.85	
TOTAL REVENUE:	**$ 45,040.00**	**$ 157,716.85**	**71.44%**
Solid Waste Expenditures	**FY2013 Adopted**	**FY2014 Anticpated**	**(+/-) %**
Sanitation Collection	$ 45,000.00	$ 137,760.00	67.33%
Supplies	$ 40.00	$ 1,300.00	96.92%
TOTAL EXPENDITURES:	**$ 45,040.00**	**$ 139,060.00**	**67.61%**

The below chart illustrates a comparison for General Fund Expenditures from FY2013 to FY2014:



The below chart illustrates how the expenditures for all funds are allocated to each department/category.



PLANNING PROCESS

The City's annual budget process provides a financial plan for the upcoming year. Throughout this process, future year projections are reviewed to proactively adjust trends which create the ability to actively manage future year appropriations. Planning processes from other functions including Council retreats, departmental goal setting, and operating plans are incorporated into the budget process, where applicable. Although important, these plans are used as guidelines to reach goals. Funds are not appropriated as a result of the study/plans. Rather, the plans are used as a vision where appropriations can be directed.

BUDGET POLICY

Annual budgets are adopted on a basis consistent with accounting practices as defined by generally accepted accounting principles for all funds. All annual appropriations lapse at year end except capital project and grant funds, which adopt project-length budgets.

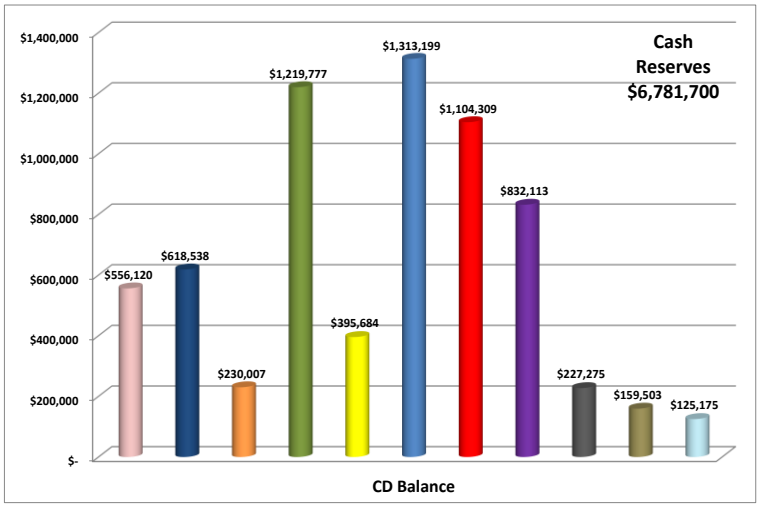
FUND BALANCE/RETAINED EARNINGS

During the review of funds available for appropriations for the FY2014 Budget, the city manager's office and finance department took a conservative approach in relation to the current financial condition of the City of Hiram. As a budgetary practice, the use of budgeted fund balance should be for non-operating appropriations only. The FY2014 budget will reflect this practice.

The FY2014 Budget will reflect an unreserved/undesignated fund balance of $185,744. This is an increase of $160,197 over FY2013. Although this fund balance represents our spending power, it is recommended that the City seek additional sources of revenue to ensure this fund balance remain designated as the emergency account. This City should seek to increase the emergency account to 17% of the budgeted General Fund.

CASH RESERVES:

For FY2013, the City maintained ten Certificates of Deposit totaling $6,616,551.57 and two Certificates of Deposit in the Water Fund totaling $326,320.87. For the FY2014 Budget, the City is maintaining ten Certificates of Deposit totaling $6,656,525 and one Water Fund Certificate of Deposit in the amount of $125,174.70 for a total of $6,781,699.59. This is an increase of $125,174.59 (1.88%) over FY2013.



REVENUE ANTICIPATION

With the City not having property taxes as its primary source of revenue, it relies on diversified revenue sources in order to prevent unsustainable loss due to unforeseen event(s). In the past as well as this fiscal year, the City has appropriated cash reserves in order to meet the service demands. As part of the During FY2013, $601,982.46 was redeemed from a Certificate of Deposit (CD). A portion of those funds, $351,982.46, was included in the budget process as undesignated. Under the leadership of the Mayor and Council and fiscal responsibility on the part of all the City staff, this $351,981.46 was not utilized. These funds, however, remained in an interest bearing Money Market account and have been authorized for release for FY2014. The remaining balance of $250,000 was allocated and made available for use by the General Fund. Additionally, a Water Fund CD in the amount of $201,615.78 which matured November 18th, 2012 was redeemed to address the budgetary needs of City operations which include the

subsidy of the Water Fund. The total of all "Other Financing Sources" is 20.44% less than FY2013 at $556,383 compared to $699,375 from FY2014.

CLOSING

It is our privilege to submit the FY2014 Proposed Budget to Hiram's Mayor, City Council and Citizens. This budget illustrates the City's dedication to providing the highest level of services while maintaining sound fiscal policies. We would like to thank all of the contributors for their diligent efforts in developing a budget that addresses the major policy goals of the City Council, while protecting the financial health of the City now and in the future.

We extend our additional thanks and gratitude to our elected officials for their effectiveness and vision as leaders and for their commitment, despite the many demands on their time and interests. If in your review of this document you have any questions, please do not hesitate to contact us.

Respectfully Submitted,

Robert T. Rokovitz
City Manager

City of Hiram
FY2014 Budget
Citywide Statement of Revenues and Expenditures (By Department)

	General Fund	Special Revenue Funds: Hotel/Motel Fund	Special Revenue Funds: Confiscated Fund	Special Revenue Funds: Grants Fund	Capital Project Fund	Enterprise Funds: Water Fund	Enterprise Funds: Solid Waste	Total
REVENUES:								
Local Option Sales Taxes	$ 593,750	$ -	$ -	$ -	$ -	$ -	$ -	$ 593,750
Other Taxes	1,143,281	126,609						1,269,890
Licenses and Permits	163,000							163,000
Intergovernmental Revenue				40,607	752,677	125,685	128,948	1,047,917
Charges for Service	61,100							61,100
Fines and Forfeitures	890,750		2,520					893,270
Interest Earnings	25,000							25,000
Other/Miscellaneous	32,000							32,000
Subtotal	$ 2,908,881	$ 126,609	$ 2,520	$ 40,607	$ 752,677	$ 125,685	$ 128,948	$ 4,085,927
Other Financing Sources								
Interfund Transfer from Hotel Motel	$ -							$ -
Interfund Transfer from Cash Reserve	-							-
Interfund Transfer from Solid Waste	18,657							18,657
Interfund Transfer from Water	-							-
Budgeted Fund Balance	185,744	19,297	6,623	6,500	1,359,223	9,779	10,112	1,597,278
Money Market - Undesignated	351,982						-	351,982
Subtotal	$ 556,383	$ 19,297	$ 6,623	$ 6,500	$ 1,359,223	$ 9,779	$ 10,112	$ 1,967,917
Total Revenues	$ 3,465,264	$ 145,906	$ 9,143	$ 47,107	$ 2,111,900	$ 135,464	$ 139,060	$ 6,053,844
EXPENDITURES:								
Mayor and City Council	$ 99,964							$ 99,964
City Administration	597,088	145,906						$ 742,994
Municipal Court	569,044							$ 569,044
Support Services	296,793							$ 296,793
Police	1,180,992		9,143	16,500	129,685			$ 1,336,321
Public Works	596,158			30,607	1,372,789			$ 1,999,555
Parks Recreation	40,100				365,842			$ 405,942
Water						135,464		$ 135,464
Solid Waste							139,060	$ 139,060
Community Center	45,000							$ 45,000
Summer Camp	40,125							$ 40,125
Non-Departmental								$ -
Contingency								$ -
Reserve								$ -
2011 SPLOST					243,583			$ 243,583
Other								$ -
Subtotal	$ 3,465,264	$ 145,906	$ 9,143	$ 47,107	$ 2,111,900	$ 135,464	$ 139,060	$ 6,053,844
Other Financing Uses								
Interfund Transfer to Hotel Motel								$ -
Interfund Transfer to Grants								-
Interfund Transfer to GF								
Subtotal	$ -	$ -	$ -	$ -	$ -	$ -		$ -
Total Expenditures	$ 3,465,264	$ 145,906	$ 9,143	$ 47,107	$ 2,111,900	$ 135,464	$ 139,060	$ 6,053,844

CITY OF HIRAM FY2013-2014

REVENUE	Line Item	FY2013 Adopted	FY2014 Projected	
General Fund				
100-00-0000-311310-000	Title Ad Valorem Tax	$ -	$ 126,619	100.00%
	Real Estate Transfer Tax	$ -	$ -	
100-00-0000-311700-000	Franchise Tax	$ 310,000	$ 310,000	0.00%
100-00-0000-313100-000	Local Option Sales Tax	$ 475,000	$ 593,750	20.00%
100-00-0000-316100-000	Occupation Tax Certificate	$ 85,000	$ 95,000	10.53%
100-00-0000-316300-000	Financial Institution Tax	$ 59,000	$ 60,000	1.67%
100-00-0000-316200-000	Insurance Premium Tax	$ 176,662	$ 176,662	0.00%
100-00-0000-321100-000	Alcoholic Beverage Licenses	$ 131,000	$ 135,000	2.96%
100-00-0000-321140-000	Pouring Permit	$ 9,500	$ 9,500	0.00%
100-00-0000-314300-000	Excise Tax by Alcoholic Drink	$ 62,000	$ 55,000	-12.73%
100-00-0000-314201-000	Beer & Wine Tax Distribution	$ 245,000	$ 250,000	2.00%
100-00-0000-314202-000	Liquor Tax Distribution	$ 100,000	$ 70,000	-42.86%
100-00-0000-321220-000	Insurance Licenses	$ 13,500	$ 14,500	6.90%
100-00-0000-321290-000	Other Fees	$ -	$ -	
100-00-0000-324100-000	Occupation Certificate Penalty	$ 6,000	$ 4,000	-50.00%
100-00-0000-341910-000	Election Qualifying Fee	$ -	$ 600	100.00%
100-00-0000-342100-000	Police Administration Revenue	$ 4,400	$ 1,000	-340.00%
100-00-0000-342120-000	Accident Report Fee	$ -	$ 7,500	100.00%
100-00-0000-342140-000	Alcohol License Fee	$ 2,000	$ 5,000	60.00%
100-00-0000-342150-000	Pawn Shop-Precious Metal Fees	$ -		
	Georgia Jail and Construction Act Fines		$ 48,000	100.00%
	Bail and Bond Forfeiture Fines			
	D.A.T.E. Fines		$ 12,750	100.00%
100-00-0000-346410-000	Background Check Fees	$ 5,600	$ 7,500	25.33%
100-00-0000-347500-000	Camp Hornet Revenue	$ 16,000	$ 25,000	36.00%
100-00-0000-351170-000	Municipal Court Revenue	$ 605,000	$ 600,000	-0.83%
100-00-0000-351171-000	Probation Revenue	$ 225,000	$ 230,000	2.17%
100-00-0000-361000-000	Interest Revenue	$ 30,000	$ 25,000	-20.00%
100-00-0000-381000-000	Community Center Fees	$ 23,000	$ 27,000	14.81%
100-00-0000-381100-000	Park Pavilion Fees	$ 1,500	$ 1,500	0.00%
100-00-0000-383000-000	Insurance Reimbursement	$ -	$ -	
100-00-0000-391200-000	Transfers In	$ -	$ -	
100-00-0000	Administration Misc. Revenue	INACTIVATE	$ 7,000	
100-00-0000	Police Dept. Grants	FUND 205		
100-00-0000	Youth Services (Dare)	FUND 205		
100-00-0000	Youth Services (Explorer)	FUND 205		
100-00-0000-316110000	Occupation Tax Administration Fee		$ 11,000	100.00%
	Subtotal:	**$ 2,585,162**	**$ 2,908,881**	**11.13%**
Special Revenue Funds				
250-00-0000-371000-000	Police Department	$ 3,500	$ 3,500	0.00%
250-00-0000-371000-001	DARE Program	$ 2,500	$ 4,000	37.50%
250-00-0000-371000-002	Post 1871 Police Explorer Program	$ 4,000	$ 2,500	-60.00%
	LMIG	$ 27,990	$ 30,607	8.55%
	Transfer in GF	$ 7,000	$ 6,500	
	Subtotal:	**$ 44,990**	**$ 47,107**	**4.49%**
Confiscated Funds				
210-00-0000-351000-000	Forfeitures Revenue	$ 2,000	$ 2,000	0.00%
210-00-0000-351320-000	Confiscation of Cash	$ 500	$ 500	0.00%
210-00-0000-351325-000	Confiscation of Property	$ -	$ 10	100.00%
210-00-0000-361000-000	Confiscated Fund Interest	$ 10	$ 10	0.00%
			$ 6,623	100.00%
	Subtotal:	**$ 2,510**	**$ 9,143**	**72.55%**
Hotel/Motel Fund				
275-00-0000-314100-000	Hotel-Motel Revenue	$ 80,000	$ 118,104	32.26%
	Delinquent Tax/P&I	$ -	$ 27,777	100.00%
275-00-0000-361000-000	Interest Earned	$ 40	$ 25	-60.00%
	Subtotal:	**$ 80,040**	**$ 145,906**	**45.14%**
Capital Projects Funds				
	SPLOST 2005-2011	$ 109,927	$ -	
	SPLOST 2011-2017	$ 1,552,991	$ 752,677	-106.33%
	SPLOST 2011-2017 Fund Balance		$ 1,359,223	100.00%
	Subtotal:	**$ 1,662,918**	**$ 2,111,900**	**21.26%**
Enterprise Funds				
	Water	$ 126,150	$ 135,464	6.88%
	Solid Waste	$ 45,040	$ 157,717	71.44%
	Subtotal:	**$ 171,190**	**$ 293,181**	**41.61%**
Other Financing Sources				
	H/M Transfers In			
	Use of Cash Reserve	$ 250,000		-100.00%
	Operating Transfers	$ 161,616		
	Budgeted Fund Balance	$ 26,547	$ 185,744	85.71%
	Money Market	$ 351,982	$ 351,982	0.00%
	Subtotal:	**$ 790,145**	**$ 537,726**	**-14.29%**
	Total Revenues:	**$ 5,336,956**	**$ 6,053,844**	**11.84%**
	Total Expenditures:	**$ 5,336,956**	**$ 6,053,844**	**11.84%**
	FUND BALANCE (-)	**$ 0**	**$ (0)**	**$ (0)**

CITY OF HIRAM FY2013-2014

Expenditures		FY2013	FY2014	FY2014
FUND	Department	FY2013 Adopted	FY2014 Adopted	% (+/-)
50	Public Works	$ 526,901	$ 596,158	13.14%
52	Community Center	$ 33,500	$ 45,000	34.33%
54	Summer Camp	$ 20,243	$ 40,125	98.22%
55	Parks & Recreation	$ 45,040	$ 40,100	-10.97%
60	Police	$ 1,564,986	$ 1,180,992	-24.54%
70	Court	$ 399,096	$ 569,044	42.58%
70	Support Services		$ 296,793	100.00%
80	Administration	$ 672,537	$ 597,088	-11.22%
85	Other Financing Use	$ -	$ -	100.00%
81	City Council	$ 113,005	$ 99,964	-11.54%
	Total GF:	**$ 3,375,307**	**$ 3,465,264**	**2.67%**
90	Water	$ 126,150	$ 135,464	7.38%
540	Solid Waste	$ 45,040	$ 139,060	208.75%
215	Hotel/Motel	$ 80,040	$ 145,906	82.29%
210	Confiscated	$ 2,510	$ 9,143	264.27%
250	Grants	$ 44,990	$ 47,107	4.70%
320	2005 SPLOST	$ 109,927	$ -	-100.00%
322	2011 SPLOST	$ 1,552,991	$ 2,111,900	35.99%
	TOTAL EXPENDITURE:	**$ 5,336,956**	**$ 6,053,844**	**13.43%**

STATE OF GEORGIA

CITY OF HIRAM

RESOLUTION NO. 2013-11

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF HIRAM, GEORGIA, TO FIX THE AD VALOREM TAX RATE OF THE CITY OF HIRAM FOR FISCAL YEAR 2014; AND FOR OTHER PURPOSES.

WHEREAS, the Charter of the City of Hiram, Georgia authorizes the City to levy and provide for the assessment of ad valorem property taxes on all property subject to taxation; and

WHEREAS, the valuation of all property subject to taxation by the City shall be determined according to the tax digest prepared by the Paulding County Board of Tax Assessors; and

WHEREAS, the City of Hiram, Georgia calculated a rollback millage rate as defined within State of Georgia law, demonstrating the proposed millage rate is less than the rollback millage rate; and

WHEREAS, the City Council has properly given notice, and held two public hearings, one on June 27, 2013 at 6:30 p.m. and one on July 9, 2013 at 6:30 pm for the purpose of receiving relevant evidence, testimony and public comment concerning the proposed millage rate for ad valorem property taxes; and

WHEREAS, the Mayor and City Council, after hearing and after duly considering all such relevant evidence, testimony and public comments, has determined that the City of Hiram, Georgia should set a levy in the amount of 0.00 on each $1,000.00 of taxable value for all property subject to ad valorem taxation by the City;

BE IT ORDAINED by the Mayor and City Council of the City of Hiram, Georgia as follows:

SECTION I: The ad valorem tax rate for the City of Hiram, Georgia for the 2014 fiscal year on property subject to ad valorem taxation by the City is hereby fixed at 0.00 on forty percent (40%) of each $1,000.00 of property subject to ad valorem tax by the City.

SECTION II: Said rate of 0.00 on forty percent (40%) of each $1,000.00 of taxable property will yield no property taxes for General Government purposes.

SECTION IV: All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SO SHALL IT BE ORDAINED BY THE MAYOR AND THE COUNCIL OF THE CITY OF HIRAM, GEORGIA THIS DAY, THE 9th day of July 2013.

Doris A. Dewey
Mayor Doris A. Dewey

Derrick Battle
Mayor Pro Tem Derrick Battle, Post 4

Councilperson Pep Rollins, Post 1

Kathy Bookout
Councilperson Kathy Bookout, Post 2

Teresa Philyaw
Councilperson Teresa Philyaw, Post 3

Earlene Graham
Councilperson Earlene Graham, Post 5

Attest: Cynthia Geyer
Cynthia Geyer, City Clerk

CITY OF HIRAM SEAL EST. 1891 GEORGIA

PT32.1 - Computation of MILLAGE RATE ROLLBACK AND PERCENTAGE INCREASE IN PROPERTY TAXES - 2013

COUNTY	Paulding	TAXING JURISDICTION	Hiram

INFORMATION FOR THE SHADED PORTIONS OF THIS SECTION MUST BE ENTERED

This information will be the actual values and millage rates certified to the Department of Revenue for the applicable tax years.

DESCRIPTION	2012 DIGEST	REASSESSMENT OF EXISTING REAL PROP	OTHER CHANGES TO TAXABLE DIGEST	2013 DIGEST
REAL	155,992,429	-1,514,504	2,918,920	157,396,845
PERSONAL	27,778,755		2,362,862	30,141,617
MOTOR VEHICLES	7,904,790		385,520	8,290,310
MOBILE HOMES	14,360		-1,480	12,880
TIMBER -100%			0	
HEAVY DUTY EQUIP			0	
GROSS DIGEST	191,690,334	-1,514,504	5,665,822	195,841,652
EXEMPTIONS	1,227,376	0	-29,879	1,197,497
NET DIGEST	190,462,958	-1,514,504	5,695,701	194,644,155
FLPA Reimbursement Value			0	
Adjusted NET DIGEST	190,462,958	-1,514,504	5,695,701	194,644,155
	(PYD)	(RVA)	(NAG)	(CYD)
2012 MILLAGE RATE >>>	2.479	2013 PROPOSED MILLAGE RATE >>>		2.519

THIS SECTION WILL CALCULATE AUTOMATICALLY UPON ENTRY OF INFORMATION ABOVE

DESCRIPTION	ABBREVIATION	AMOUNT	FORMULA
2012 Net Digest	PYD	190,462,958	
Net Value Added-Reassessment of Existing Real Property	RVA	-1,514,504	
Other Net Changes to Taxable Digest	NAG	5,695,701	
2013 Net Digest	CYD	194,644,155	(PYD+RVA+NAG)
2012 Millage Rate	PYM	2.479	
Millage Equivalent of Reassessed Value Added	ME	-0.019	(RVA/CYD) * PYM
Rollback Millage Rate for 2012	RR	2.498	PYM - ME

COMPUTATION OF PERCENTAGE INCREASE IN PROPERTY TAXES

If the 2013 Proposed Millage Rate for this Taxing Jurisdiction exceeds Rollback Millage Rate computed above, this section will automatically calculate the amount of increase in property taxes that is part of the notice required in O.C.G.A. Section 48-5-32.1(c) (2)

Rollback Millage Rate	2.498
2013 Millage Rate	0.000
Percentage Increase	-100.00%

CERTIFICATIONS

I hereby certify that the amount indicated above is an accurate accounting of the total net assessed value added by the reassessment of existing real property for the tax year for which this rollback millage rate is being computed.

_____ _____

Chairman, Board of Tax Assessors Date

I hereby certify that the values shown above are an accurate representation of the digest values and exemption amounts for the applicable tax years.

_____ _____

Tax Collector or Tax Commissioner Date

I hereby certify that the above is a true and correct computation of the rollback millage rate in accordance with O.C.G.A. Section 48-5-32.1 for the taxing jurisdiction for tax year 2013 and that the final millage rate set by the authority of this taxing jurisdiction for tax year 2013 is _____

CHECK THE APPROPRIATE PARAGRAPH BELOW THAT APPLIES TO THIS TAXING JURISDICTION

____ If the final millage rate set by the authority of the taxing jurisdiction for tax year 2013 exceeds the rollback rate, I further certify that the required advertisements, notices, and public hearings have been conducted in accordance with O.C.G.A. Sections 48-5-32 and 48-5-32.1 as evidenced by the attached copies of the published five year history and current digest advertisement, the "Notice of Intent to Increase Taxes" showing the times and places when and where the required public hearings were held, and a copy of the press release provided to the local media.

____ If the final millage rate set by the authority of the taxing jurisdiction for tax year 2013 does not exceed the rollback rate, I further certify that the required five year history and current digest advertisement have been published in accordance with O.C.G.A. Section 48-5-32 as evidenced by the attached copy of such advertised report.

_____ _____ _____

Signature of Responsible Party Title Date

City of Hiram

NOTICE

The City of Hiram City Council does hereby announce that the millage rate will be set at a meeting to be held at the Hiram Community Center loctaed at 217 Main Street, Hiram, Georgia 30141 on July 9th, 2013 at 6:30 pm and pursuant to the requirements of O.C.G.A. Section 48-5-32 does hereby publish the following presentation of the current year's tax digest and levy, along with the history of the tax digest and levy for the past five years.

CURRENT 2013 TAX DIGEST AND 5 YEAR HISTORY OF LEVY

INCORPORATED	2007	2008	2009	2010	2011	2012	2013
Real & Personal	207,394,189	218,216,873	213,320,955	194,942,021	187,390,722	183,771,184	187,538,462
Motor Vehicles	8,980,960	8,982,620	9,246,300	7,965,410	7,580,510	7,904,790	8,290,310
Mobile Homes	39,044	36,870	29,884	15,960	15,160	14,360	12,880
Timber - 100%							
Heavy Duty Equipment							
Gross Digest	216,414,193	227,236,363	222,597,139	202,923,391	194,986,392	191,690,334	195,841,652
Less M& O Exemptions	1,319,689	1,324,460	1,367,090	1,637,273	1,194,155	1,227,376	1,197,497
Net M & O Digest	$215,094,504	$225,911,903	$221,230,049	$201,286,118	$193,792,237	$190,462,958	$194,644,155
State Forest Land Assistance Grant Value					**0**		
Adjusted Net M&O Digest	**215,094,504**	**225,911,903**	**221,230,049**	**201,286,118**	**193,792,237**	**190,462,958**	**194,644,155**
Gross M&O Millage	2.370	2.255	2.142	2.258	2.398	2.479	2.498
Less Rollbacks	2.370	2.255	2.142	2.258	2.398	2.479	2.498
Net M&O Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Taxes Levied	$0	$0	$0	$0	$0	$0	$0
Net Taxes $ Increase (Decrease)	$0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Net Taxs % Increase/Decrease	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Prepared By: Robert T. Rokovitz, City Manager

Approved and Adopted: July 9th, 2013