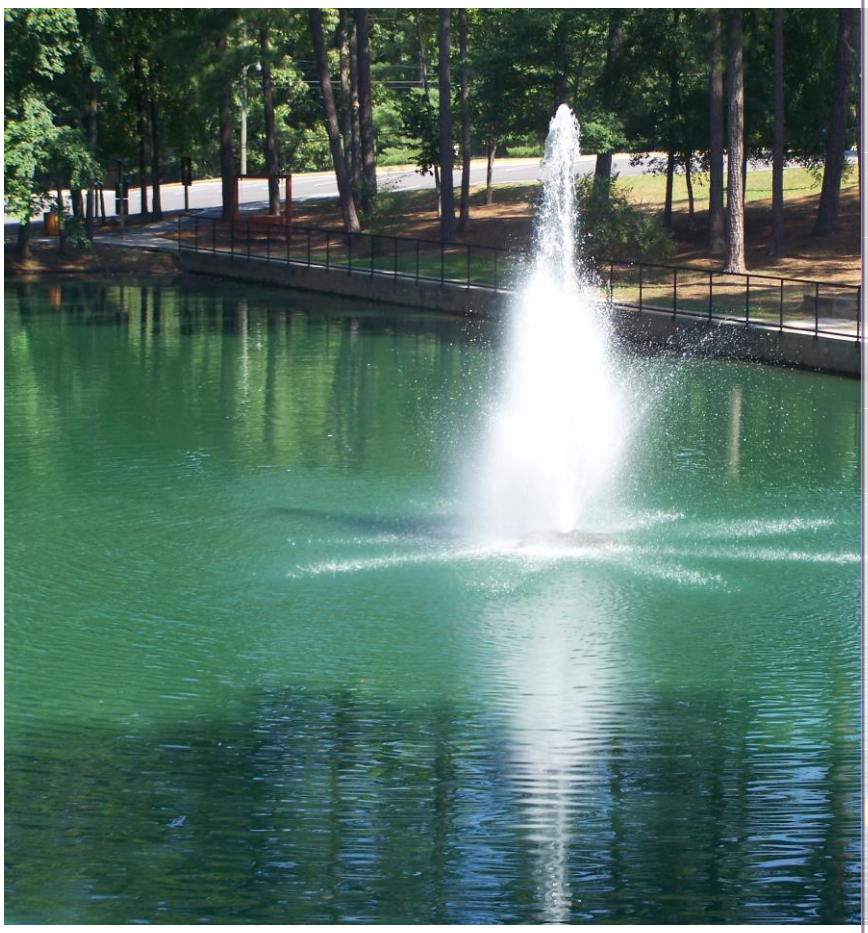
2016 Budget

For the Fiscal Year Beginning July 1, 2015

Annual Operating and Capital





Doris Devey, Mayor



<u>City Council</u>
(from left to right)

Derrick Battle, Post 4
Kathy Carter, Post 5
Prather Rollins, Post 1
Doris Devey, Mayor
Kathy Bookout, Post 2
Teresa Philyaw, Post 3

Annual Operating and Capital Budget

(July 1, 2015 through June 30, 2016)

Unaudited

City of Hiram

217 Main Street
Hiram, Georgia 30141
Phone: (770) 943-3726
Fax: (770) 439-2372
www.cityofhiramga.gov

Mayor Doris Devey

Mayor Pro Tem Kathy Bookout
Post 2

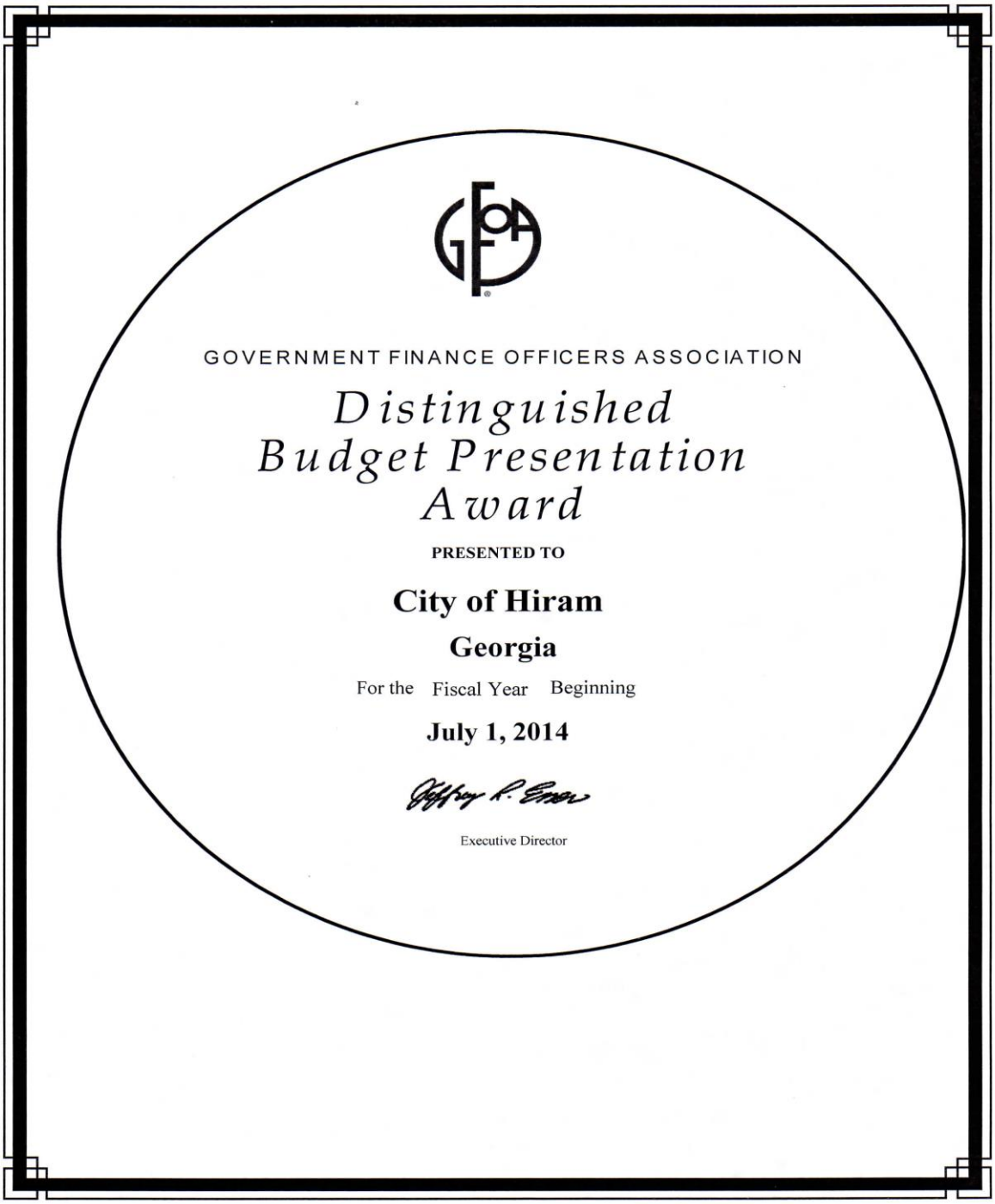
Councilmember Prather Rollins
Post 1

Councilmember Teresa Philyaw
Post 3

Councilmember Derrick Battle
Post 4

Councilmember Kathy Carter
Post 5

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Hiram, Georgia for its annual budget for the fiscal year beginning July 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Hiram

Georgia

For the Fiscal Year Beginning

July 1, 2014

Executive Director

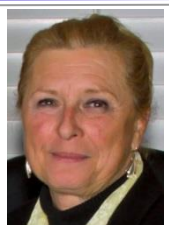
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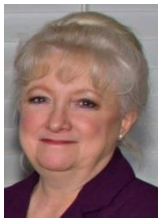
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City of Hiram Annual Budget
For the Fiscal Year July 1, 2015 to June 30, 2016



Mayor
Doris Devey



Mayor Pro Tem
Kathy Bookout



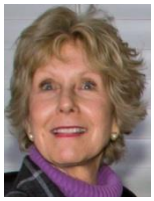
Councilmember
Prather Rollins



Councilmember
Teresa Philyaw



Councilmember
Derrick Battle



Councilmember
Kathy Carter

CITY COUNCIL



City Attorney
Kelly Hundley

MANAGEMENT



City Manager
Robbie Rokovitz



City Clerk
Cynthia Geyer



Chief of Police
Todd VandeZande



Support Services Director
Jason James

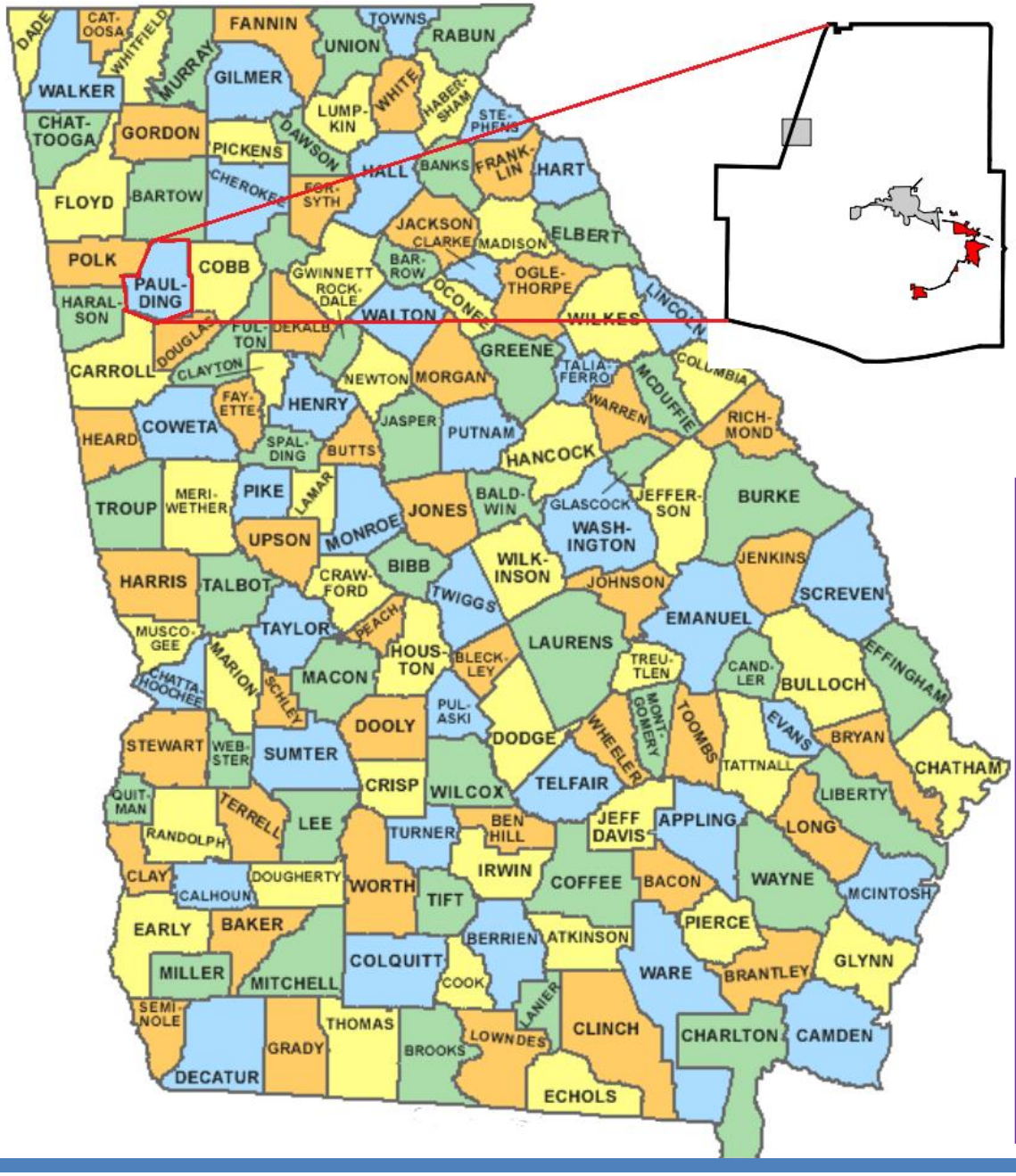


Public Works Director
Jody Palmer



Treasurer/Personnel
Sheila Kendall

City of Hiram MAP



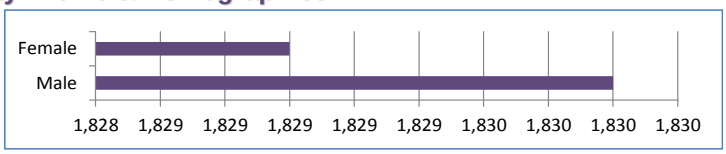
The City of Hiram is located 23.5 miles from Atlanta bordering Cobb County to the east, 10.5 miles from I-20 and 27.3 miles from Hartsfield-Jackson Atlanta International Airport and is approximately 3 square miles located in Paulding County.

Mission Statement

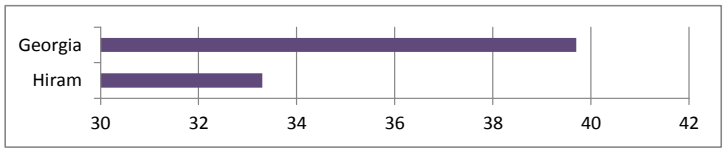
To provide all citizens and visitors to Hiram with the highest quality of life through the delivery of fiscally responsible and value-driven services while fostering vibrant growth and preserving our heritage

Community Profile & Demographics

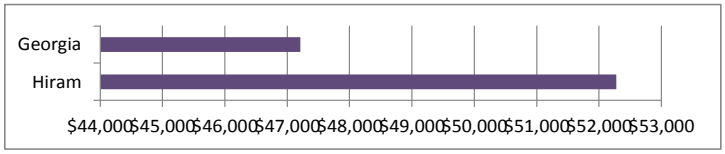
Gender	
Male	1,830
Female	1,829



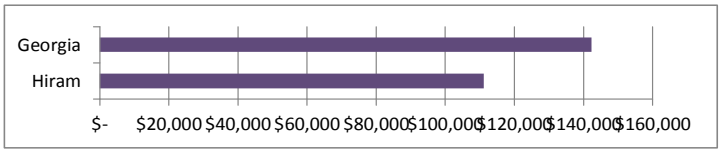
Median Resident Age	
Hiram	33.3
Georgia	39.7



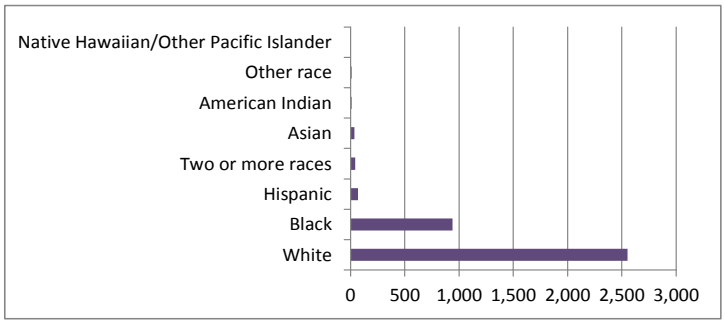
Median Household Income	
Hiram	$ 52,281
Georgia	$ 47,209



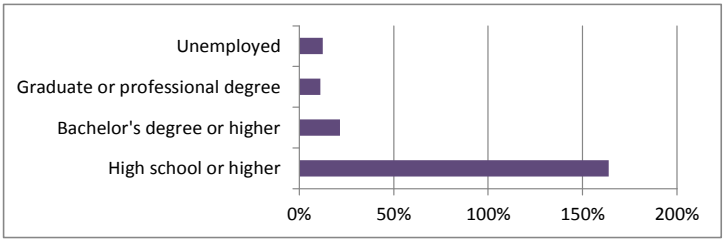
Median Property Value	
Hiram	$ 111,117
Georgia	$ 142,300



Racial Makeup	
White	2,555
Black	940
Hispanic	70
Two or more races	43
Asian	37
American Indian	10
Other race	11
Native Hawaiian/Other Pacific Islander	4



Education	
High school or higher	164%
Bachelor's degree or higher	22%
Graduate or professional degree	11%
Unemployed	13%
Mean travel time to work (minutes)	32.1

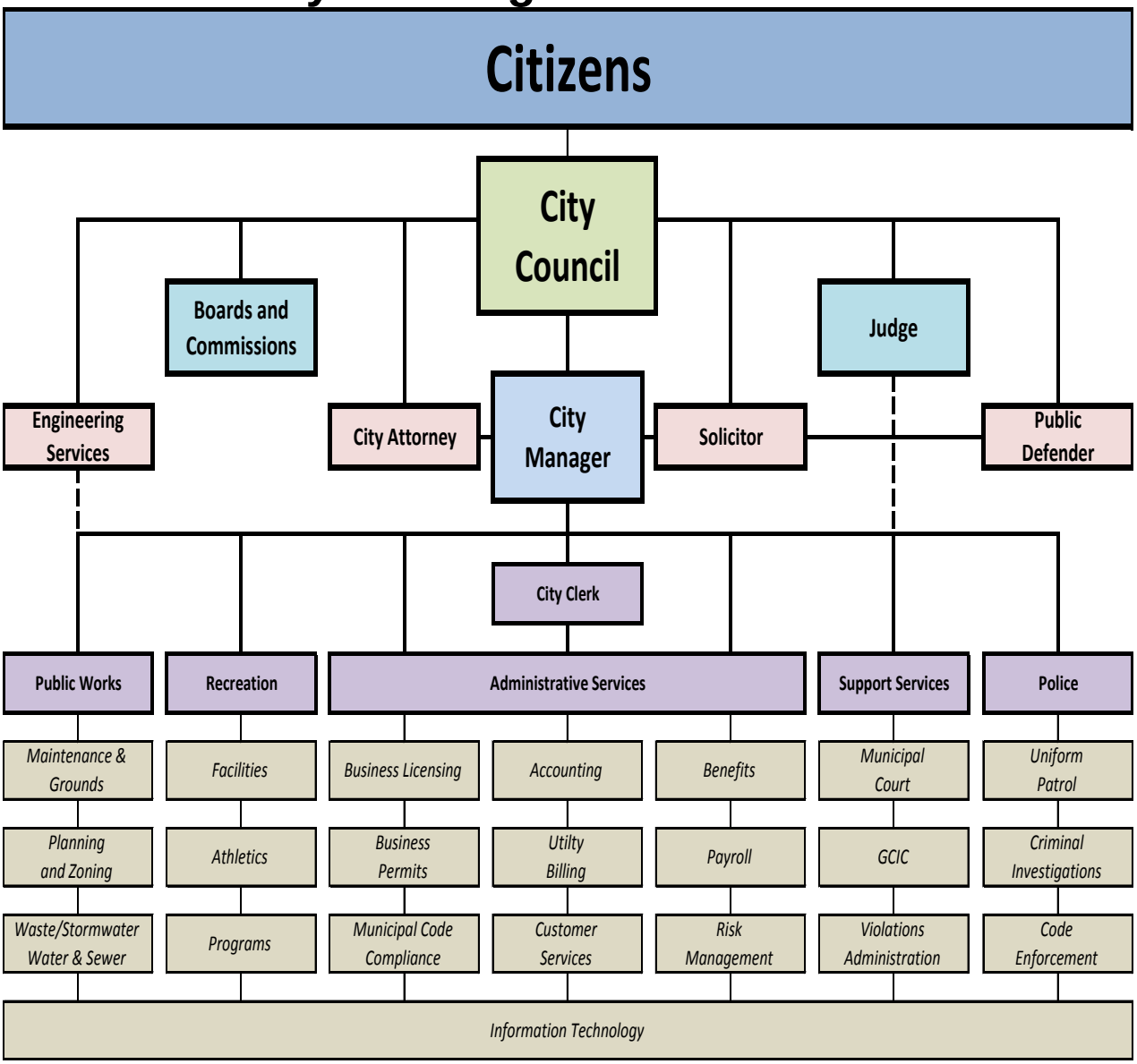


Most Common Industries	
Retail trade	21%
Transportation and warehousing	19%
Manufacturing	13%
Finance and insurance	11%
Construction	9%
Accommodation and food services	9%
Wholesale trade	5%



The Unemployment Rate for Hiram area is estimated at 5.9% (Source: US Bureau of Labor Statistics).

Citywide Organization Chart



Positions By Service Area	FY 2013	FY 2014	FY 2015	FY 2016
Legislative	6	6	6	6
Appointed Boards	2	1	3	3
Judicial	3	3	3	3
Administrative	4	5	7	7
Support Services	6	8	8	8
Police	19	16	16	19
Public Works	7	7	5	5
	47	46	48	51

Authorized Positions	FY 2013	FY 2014	FY 2015	FY 2016
Elected	6	6	6	6
Appointed	6	6	6	6
Regualr F/T	32	29	31	32
Regular P/T	3	5	6	6
	47	46	49	50

The City of Hiram uses third party contractors for some services such as Information Technology, Recreation, Sanitation, Legal, Audit Environmental and Risk Management.

FY2016 Budget Calendar (July 1, 2015 - June 30, 2016)		
Due Date	**Event/Task**	**Who is Responsible**
March 6	FY2016 Budget Calendar Provided to Governing Body	City Manager
March 10	Budget preparation forms are completed and placed in digital folder for access by department heads	City Manager
March 13	Budget information for current year and for previous years is given to each department	City Manager, City Clerk and Treasurer
March 31	FY2016 Budget initiatives and anomalies discussed at City Council Work Session	City Manager
April 10	Budget narratives from Department Directors are returned	Management Team or Department Directors
April 10 – April 27	Analyze department request and hold conferences	City Manager, City Clerk and Treasurer
April 28	Preliminary Budget with Anticipated Expenditures and Projected Revenues Provided to City Council at Work Session	City Manager
April 28 – May 5	Assemble additional requests, compare with updated revenue estimates, and compile FY2016 Budget document	City Manager, City Clerk and Treasurer
May 5	Updated Budget discussed at Council Regular Session	City Manager, City Clerk and Treasurer
May 11	Proposed Budget is digitally submitted to governing body for further review	City Manager
May 16	Governing body holds Special All-Day Budget Work Session	Governing Body, City Manager and City Clerk
May 21	Advertise FY2016 Statement of Revenues and Expenditures and date of public hearings	City Clerk
June 2	Conduct 1st Public Hearing - Proposed FY2016 Budget discussed by governing body for further consideration	Governing Body, City Manager and City Clerk
June 3 - June 23	Further review, analysis and revision	Governing Body, City Manager and City Clerk
June 11	Advertise FY2016 Statement of Revenues and Expenditures and date of 2nd Public Hearing	City Clerk
June 23	Finalize revenue projections and expenditure anticipations	City Manager, City Clerk and Treasurer
June 23	Conduct 2nd Public Hearing and final adoption of FY2016 Budget	Governing Body
July 1	Send copies to management team, governing body, and media	City Manager

Budget Transmittal Letter



City of Hiram
217 Main Street
Hiram, GA 30141

June 23, 2015

To the Honorable Mayor, City Council and Citizens of Hiram:

Your staff respectfully submits for your consideration the City of Hiram's proposed balanced budget for fiscal year 2016 (FY2016). 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.

About Hiram



Established in 1891 as a sleepy, rural railroad town, the City of Hiram has progressed into the major commercial corridor for Paulding County, one of the fastest growing counties in the United States.

The City of Hiram was originally founded as Gray's Mill, Ga., named after one of the earliest settlers, Garrett Gray. He was the son of Isaac Gray, a Revolutionary War soldier from South Carolina born in 1750. Garrett was born on September 23,1802 in South Carolina, where he was reared on the farm and educated in the common country school.

Garrett Gray married Jane Jenkins on January 1, 1828 in Franklin County, Ga. She was also born in South Carolina and was orphaned as a small child. Jane was reared by her brother, with whom she came to Georgia in 1825. Garrett and Jane lived in Franklin County where they successfully farmed until 1835, when they relocated to this area of Paulding County.

As well as being one of the first settlers, Mr. Gray made many contributions to the community that led to it being an incorporated city later on. He had a contract to deliver the first locomotive on the first Georgia railroad, and he also built the first cotton gin in the county in about 1836. He served in the 5th Congressional District of Georgia Legislature and was considered a prominent possible candidate for governor. He also was a private in Company D 1st Regiment Ga. Calvalry until 1862 when he was discharged for the reason of old age.

Perhaps the greatest contribution that Garrett Gray made to the local community was the building of Grays Mill as early as 1850. Located on the outskirts of what is now Hiram, approximately 100 yards above the present Highway 92, the site of the mill was a lovely picturesque place, complete with a dam with water pouring over it and a large mill wheel at one side. A favorite local spot for picnics and gatherings, the creek at the mill was also used for baptisms. For many years, the grist mill operated as a place where everybody from miles around brought their corn and wheat to be ground. Because of the mill's importance in the community as both an economic and social gathering place, the town in the beginning was named Gray's Mill, Ga.

Just a short drive northwest of Atlanta, Hiram blends the best of the past, present, and future. Hiram's downtown business district offers a more relaxed, nostalgic dining and shopping experience while only a moment away from an impressive and growing variety of modern conveniences, including shopping, dining, and entertainment.

From quaint, historic downtown shops to a wide array of nationally recognized retailers, convenience is all within a three-mile radius.



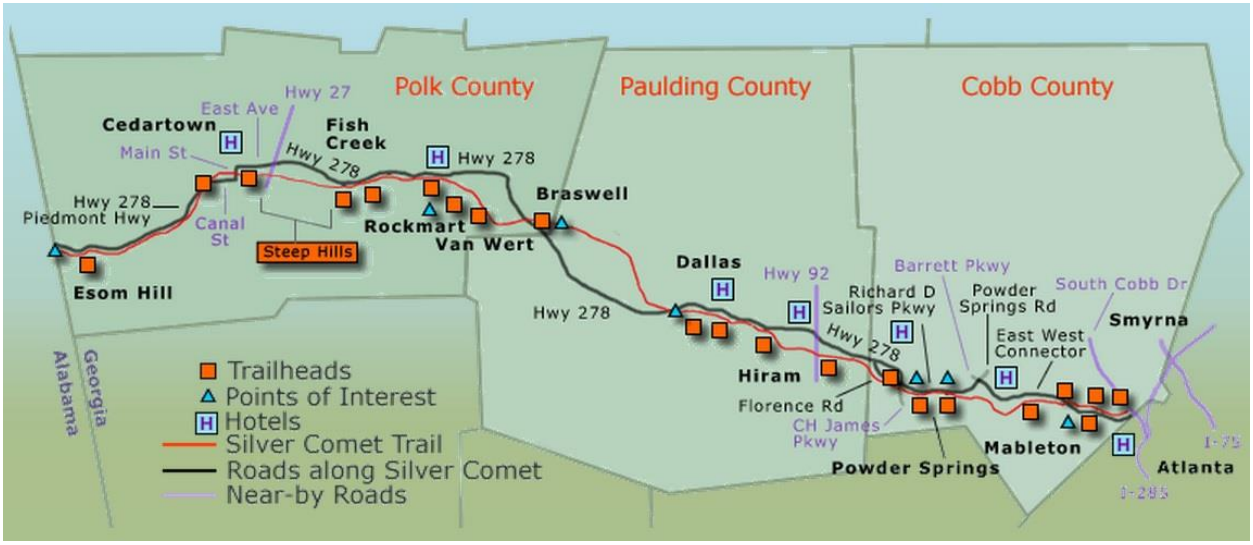
Hiram is also the proud home of the Historic Hiram Rosenwald School & Museum. In 1912, Julius Rosenwald, President of Sears, Roebuck, and Co., established the Rosenwald Fund to assist in community construction of public schools for African-American students in the South.

By the 1930s, 1 in every 5 rural southern schools for African-Americans had been constructed with aid from the Rosenwald Fund, a total of nearly 5,000 schools. The Georgia historical marker was erected by the Georgia Historical Society and the Hiram Rosenwald School Preservation Committee in 2007.

Community and Convenience

Nestled in the center of these unique areas are two exceptional parks and other recreational facilities. It is the perfect combination of community and convenience, where quality of life is more than just a cliché. The city is also home to one of Georgia's premier linear parks known as the Silver Comet Trail. This 61.5 miles long trail is located 13 miles northwest of Atlanta, Georgia. It's free of charge, and travels west through Cobb, Paulding, and Polk counties. This quiet, non-motorized, paved trail is for walkers, hikers, bicyclists, rollerbladers, horses, dog walkers, and is wheelchair accessible. The Seaboard trailhead access point in Hiram is located at mile marker 14.62 on the trail and is adjacent to Homer Leggett Park.





Entertainment

Entertainment choices for all ages abound in Hiram, including movie theaters, exciting night life, and live music. Hiram's crown jewel, Ben Hill Strickland Sr. Memorial Park, has recently been renovated to accommodate a 500-seat amphitheater. Concerts, festivals, fireworks, and other outdoor events are popular with residents and visitors alike!



Quality of life is second to none in Hiram. Bring your family and join us for a day, a weekend, or a lifetime! Hiram really does have it all.

Government Structure

The City of Hiram is governed by a Mayor and five Councilmembers. Elections are staggered and held every two years and are conducted by Paulding County Elections Division. A candidate must reside within the corporate city limits one year immediately prior to the date of an election to qualify to serve as Mayor or Councilmember. The Mayor and Councilmembers are elected to four year terms with the Mayor and three Councilmembers elected two years staggered from the two remaining members on Council. Typically, the Mayor and three Councilmembers are elected during the Presidential election cycle. The Mayor and Council are non-partisan and elected at large with the top vote receivers in each respective election achieving that office.

The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing the city manager and city clerk. The city manager serves as the chief executive and administrative officer of the city and has full authority to execute the city's annual operating budget and capital budget. He is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for hiring the heads of various departments.

The City provides a full range of services including police, water, sanitation along with the construction and maintenance of highways, streets, and other infrastructure; recreational activities are outsourced to a non-profit association known as the Hiram Ruritan. The City partners with the Paulding County Chamber of Commerce for tourism and trade activities and has recently partnered with a newly formed downtown business association known as the Olde Town Hiram Business Association.

The City Council meets for their regular session on the first Tuesday of every month and holds work sessions the last Tuesday of each month preceding the regular sessions. The regular sessions begin at 6:30 pm and are held in the Community Center located at 219 Main Street and the work sessions begin at 6:00 pm and are held in the training room at City Hall located at 217 Main Street.

BUDGET PROCESS AND OVERVIEW

On or before a date fixed by the city council but not later than 90 days prior to the beginning of each fiscal year, the city manager shall submit to the city council a proposed operating budget for the ensuing fiscal year. The budget shall be accompanied by a message from the city manager containing a statement of the general fiscal policies of the city, the important features of the budget, explanations of major changes recommended for the next fiscal year, a general summary of the budget, and such other pertinent comments and information. The operating budget and the capital budget, the budget message, and all supporting documents are filed in the office of the city clerk and open to public inspection.

While the sources of revenues and expenditure categories are similar to FY2015 in which a baseline was established, there are some areas that we would like to highlight that have strengthened our economic position going forward. Currently, each department has formulated budgets in three major areas; maintenance & operating, operating initiatives, and capital project requests.

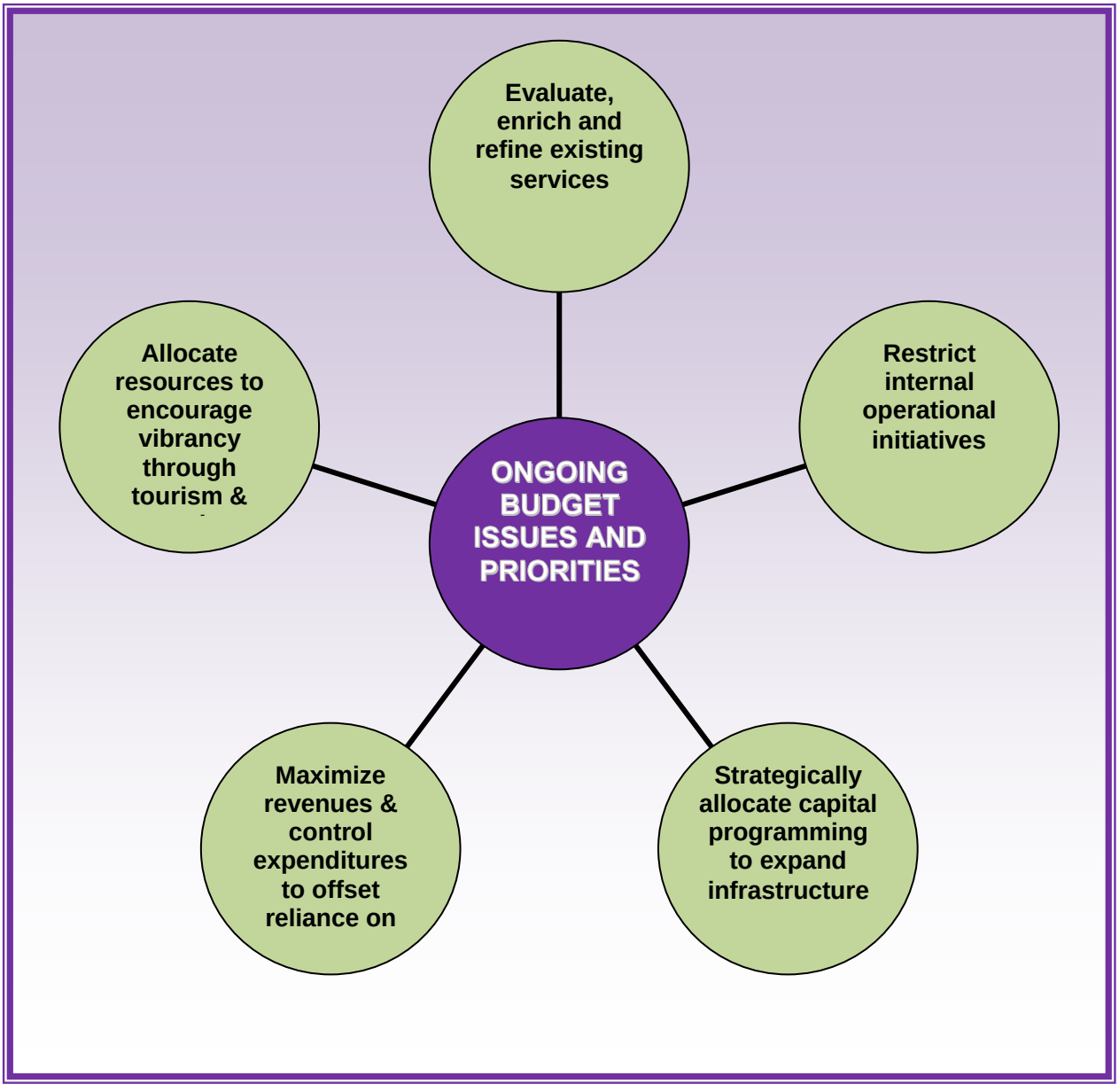
The FY2015 Budget was approved and adopted on June 26th, 2014. We were once again successful in initiating the planning process earlier in the year and had a budget calendar in place which allowed us to have the FY2016 Budget before the Mayor and Council well in advance of the July 1 fiscal year start date. To that end, we held additional City Council meetings to allow a more participative and transparent process. These additional public meetings also made it more advantageous for public input.

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, May 16th, 2015.

A first public hearing where citizen input was encouraged was held on June 2nd in the City Council Chambers. The budget was revised with updated information over the following days and the final draft was presented during a second public hearing on Tuesday, June 23th, 2015. The final FY2016 Budget document was adopted by the Mayor and Council on June 23rd upon the closing of the second and final public hearing.

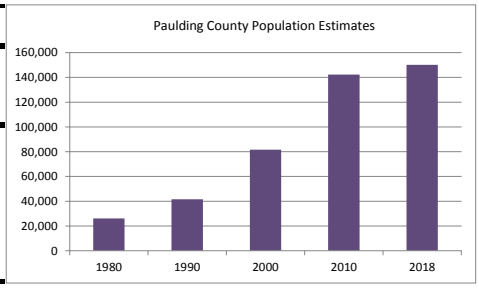
The foundation for the FY2016 budget is based on five key financial factors:



Evaluate, enrich and refine existing service

While the City of Hiram is known as a bedroom community with a small population of approximately 3,936 (Source: 2010 Census) residents, the City has a large and growing commercial base with over 560 businesses that places a high demand on city service such as police and public works.

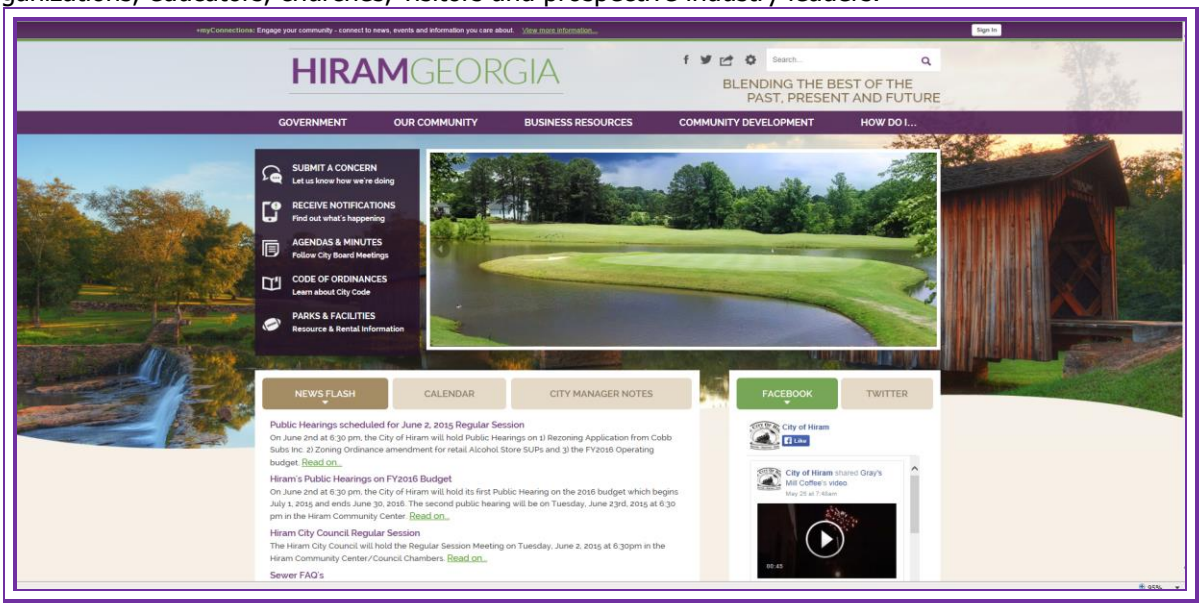
Population Statistics	Atlanta MSA	Paulding County	City of Dallas	City of Hiram
2018 Projection	5,787,210	150,197	13,661	4,263
2013 Estimate	5,464,971	144,931	12,790	4,051
2010 Census	5,268,860	142,324	12,285	3,936
2000 Census	4,247,990	81,241	5,287	2,137



The City has seen a reduction in force over the last three years from 18 officers and one part-time to 15 officers and two part-time, one being strictly for code enforcement. However, the calls for service have only increased especially with the edition of a new eight-floor, 295,000-square foot hospital with 56 beds and the ability to expand to 112 beds.

Last fiscal year, the City refined how police services are delivered by implementing Section 7(k) of the Fair Labor Standards Act (FLSA). This act provides a partial overtime pay exemption for public employees in law enforcement activities. Under section 7(k), when a public employer establishes a work period between 7 and 28 consecutive days, overtime compensation is not required until the employee satisfies the maximum hours standard under the regulations. Refining this service allowed the police department to cut its overtime by 55%. The rate of pay for officers was increased to ensure that annual salary would not be impacted since their annual hours decreased to 2,080. As such, officers are making the same annual salary prior to this initiative while working less and having more time to rest and remain even more alert and vigilant while on patrol.

Another way Hiram has refined is service delivery is by updating the City's website. Many of us today conduct all our research and gather information we are seeking from the internet. So it stands to reason that our municipal operations has a presence in cyberspace that is beneficial to all. We want to make sure that timely and pertinent information is available and accessible for residents, local businesses, civic organizations, educators, churches, visitors and prospective industry leaders.



Restrict internal operational initiatives

One of the areas that the governing body chose to reduce, restrict and suspend was the expenditures associated with professional development such as conferences and the accompanying registration fees, travel including accommodations and mileage and per diem. These expenditures were suspended for all departments and personnel unless it can be shown that the professional development is required as part of a certification or credential held by the employee. While this is a fiscal year initiative to help reach a balanced budget, consideration to allocate funds at mid-year for professional development will be sought.

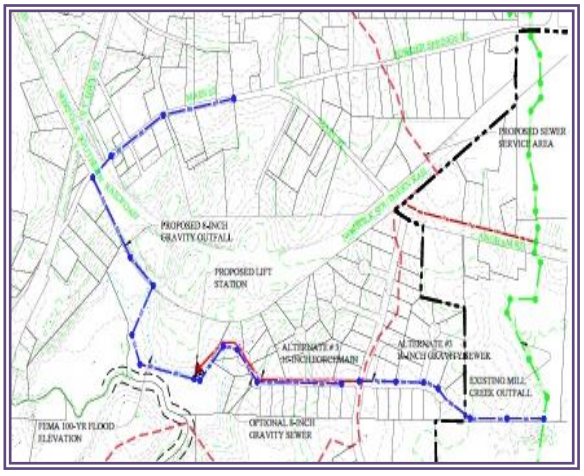
Allocate resources to encourage vibrancy through tourism and trade opportunities

Last fiscal year, Hiram was named an award recipient for the Livable Centers Initiative (LCI) Grant. This is a federally funded planning grant administered through the Atlanta Regional Commission (ARC). Hiram's award of $75,000, with a 20% ($15,000) match from the City, is designated for a City Center plan centered on the historic downtown area. The intent was to seek community involvement and develop a plan that will revitalize and redevelop the immediate downtown and create a mixed-use development. That plan has been completed and will come before the City Council for adoption this fiscal year.

Olde Town Hiram
Business Association
Est. 2014

Continuing in the effort to encourage vibrancy through tourism and trade, several downtown business owners banded together and created a downtown business association known as the Olde Town Hiram Business Association, LLC. Their immediate goals are to present community events, such as concerts, craft fairs and markets, both in our downtown area and at Ben Hill Strickland Park. Their mission is to promote economic development & tourism, protect & preserve history, and encourage a strong sense of community throughout the City of Hiram. In support of the Olde Town Hiram Business Association, the City Council provided some "seed" money in the amount of $20,000 from the Hotel and Motel Tax Fund last fiscal year. There was discussion last year about increasing the allocation of funding it OTHBA was able to achieve a 501(c)6 status through the United Stated Internal Revenue which would make them eligible for a percentage of the Hotel/Motel taxes collected. By law, the City has to provide 40% of these collections to an entity that is a 501c6 that has as its primary mission to enhance trade, tourism and conventions and increase overnight stays in local hotel and motel rooms. Until now, the only entity eligible was the Paulding County Chamber of Commerce. OTHBA did receive this non-profit status, and the City Council voted last fiscal year to split the 40% to these two organizations with 28% being allocated to OTHBA and 12% being allocated to the Paulding County Chamber of Commerce.

PAULDING
Chamber of Commerce



Strategically allocate capital programming to expand infrastructure

In conjunction with the aforementioned initiative encouraging vibrancy through tourism and trade, the City Council specifically allocated approximately $1.3M from the reserves for a Capital Improvement Program (CIP) last fiscal year. This CIP is being utilized to fund sewer infrastructure and sidewalks in the immediate downtown area. The sewer project, which will consist of a lift station, force-mail and gravity service line, will provide the much needed sewer access and capacity to existing business that are currently operating with a large capacity field septic system and optimize the utilization of other vacant downtown buildings that are in need of this infrastructure to be leased/purchased.



This project was bid and awarded last fiscal year and construction is underway with a completion time of November 2015. Because the service area was expanded and milling and paving was include as part of the project, the award was $2.3M instead of $1.3M. Concurrently, the City has awarded a streetscape and water line project that is a continuation of capital improvements on Main Street and in the historic downtown Hiram area. The streetscape will include sidewalks and decorative lighting and connect to the recently completed streetscape north of town. This new streetscape will complete the connectivity to the Silver Comet Trail as described earlier and provide pedestrians with uninterrupted, safe transit to and from the Silver Comet Trail and downtown Hiram.

Maximize revenues and control expenditures to offset the reliance on cash reserves

Controlling expenditures is a day-to-day operational philosophy by all employees. From reducing overtime by fifty percent to managing the inmate population to reduce the housing fees, no rock is left unturned. The latter, inmate housing, is continually funded at a lower level due to the daily monitoring of inmates who are housed in a county detention facility. The staff reviews the daily reports to ensure inmates who are eligible get released to avoid the additional housing fees. A combination of capturing fees and strategically managing expenditures has allowed the City to reduce its reliance on the reserves. But the reliance will remain a reality until some serious consideration is given to the capturing of traditional sources of revenue such as property taxes and/or a gross receipt collections system for business licensing.

The City has been in a position for several years to rely on its reserves to balance the budget. Contrary to what some who are unfair with municipal finance, this does not equate to a deficit. This is a revenue shortfall due to the lack of one of the primary sources of revenue local governments rely on to fund operations and services – property taxes. The City has been using its reserves that have been accumulated over the years to fill that revenue gap. This was not as much of an issue a few years ago when this practice was done because the interest on the reserves would resolve the shortfall. Over the last four years, however, the principal on the reserves has been required and will continue to be required unless another consistent, reliable and impactful source of revenue is considered. Staff is gathering data and initiating the process to present the option of gross receipts to the governing body for consideration.

Sustainability of Existing Services and Enhancements through Operating Initiatives

The City of Hiram's budget provides a detailed fiscal operating plan that identifies estimated revenues and expenditures. This balanced budget reflects each department's priorities and represents a process through which policy decisions are made, implemented and controlled. Funding for our City is derived from several main sources – 1) Taxes: motor vehicle, franchise, business and occupational, insurance premium, 2) Permits, 3) Municipal Court Fines. The City of Hiram's revenue/expenditure budget for the 2016 fiscal year is $ 7,723,590; a 19% increase from last year at $6,191,990. This is a result of accrued SPLOST funds that are allocated to current and imminent capital projects. The FY2016 General Fund balanced budget of $3,449,553 which is $14,691 less than the amended FY2014 budget of $3,464,244. Further, FY2016 is $46,711 less than FY2014 of $3,496,264. What is remarkable about this year's budget is that it is less than previous years while adding two police officer positions that have been frozen which come with a price tag of approximately $100,000 for salaries and benefits

This year's budget is based on a compilation of revenue streams which does not include any property taxes. While the millage rate will be set upon receipt of the certified Tax Digest from Paulding County Tax

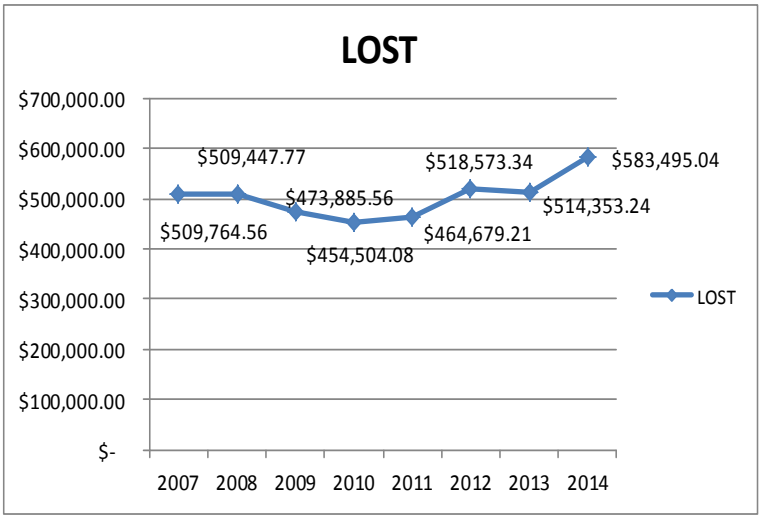
Assessor's Office, is estimated to be computed to be 2.376 compared to the 2.347 for FY2015. This is a .029 mil increase due to the increase in the digest. The City has made a practice of rolling back the millage rate to eliminate property taxes. This balanced budget provides resources for the City of Hiram to sustain the current levels of service and includes areas of improved service via operating initiatives. The City of Hiram will realize a balanced budget by ensuring the recommended expenditures meet and do not exceed the projected revenues for FY2016.

Current Economic Conditions

From 2009 to 2013, the tax digest for Paulding County, specifically Hiram, declined. This occurred around the County due to the Great Recession. The gross digest actually increased in 2014 and reflected the highest amount in years. The gross digest for 2015 of $234,038,375 is almost identical to the 2014 Digest which was $234,028,092. Even though the gross digest which includes real and personal property, motor vehicles, and mobile homes is on the rise, the City of Hiram does not benefit financially from property taxes. Our annual operating budget relies on other sources of revenue as will be illustrated in the Budget Summary section of this document. One of the areas impacted by the economic conditions and is used to help fund operations is the Local Option Sales Tax (LOST).

One of the largest sources of revenue that the City collects and can use for general operations is the Local Option Sales Tax (L.O.S.T.). A local option sales tax is often used as a means of raising funds for specific local or area projects, such as improving area streets and roads, or refurbishing a community's downtown area.

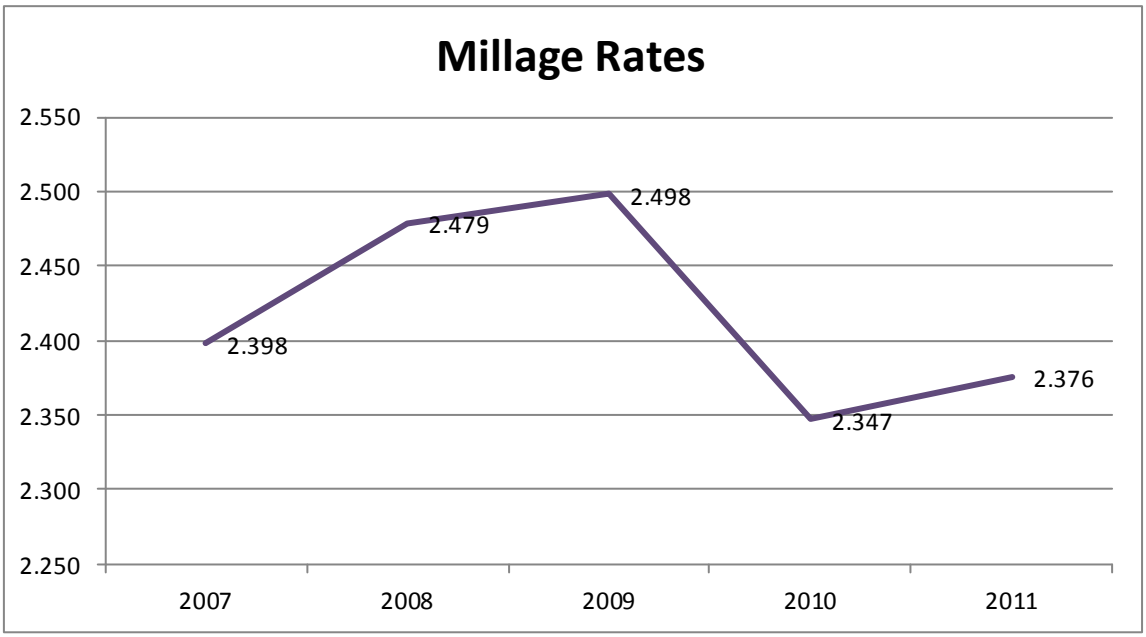
The City negotiated its share of LOST in 2012 with the new collections going into effect January 1, 2013. Since the City of Hiram is not the County seat, the ability to negotiate had its share of challenges. The City joined efforts with the City of Dallas, the County seat for Paulding, and secured a consultant. While Hiram did not get the increase it sought, the City did receive an increase from 3.4% to 4.0%. Cities that chose to decline a negotiated rate were left to endure what has become known as baseball arbitration. The resulting effects of those who chose that judicial route was a status quo. In other words, their rates did not go up or down.



The City of Hiram receives 4% of a 1% sales tax under the current L.O.S.T. negotiation. For FY2016, this 4% equates to a budgeted $570,000. Because these dollars are based on sales, we take a conservative posture. This amount is a 1% increase over FY2015 which was amended to be $560,000. Predicting sales and trends in buying habits can be challenging. We feel confident that economic conditions are improving as can be seen with the higher assessments and a business climate that is showing signs of improving. But we are remaining cautiously optimistic with the projections of related revenues.

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:



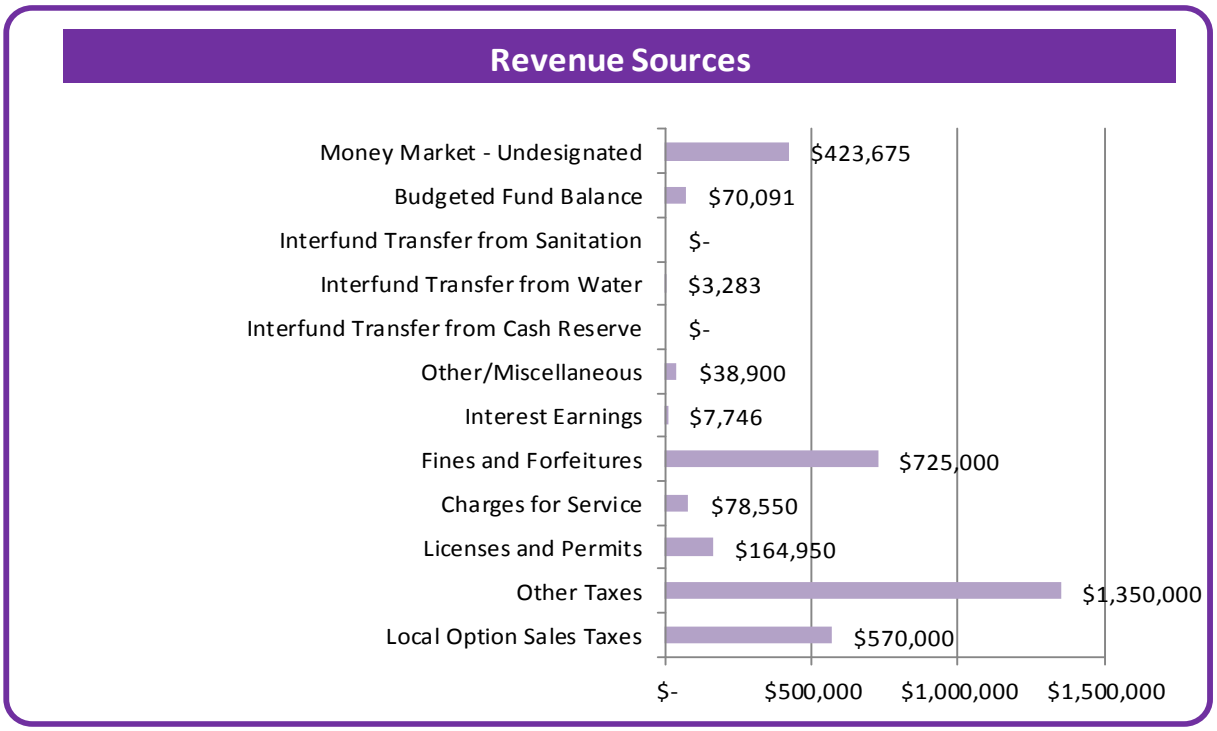
This millage rate in anticipated to be rolled back to zero and no millage will be levied.

Fiscal Year	Net M&O Digest	(+/-)	Operations	(+/-)
2007	$ 215,094,504		2.37	
2008	$ 225,911,903	$ 10,817,399	2.26	-0.11
2009	$ 221,230,049	$ (4,681,854)	2.14	-0.12
2010	$ 201,286,118	$ (19,943,931)	2.26	0.12
2011	$ 193,792,237	$ (7,493,881)	2.4	0.14
2012	$ 190,462,958	$ (3,329,279)	2.479	0.079
2013	$ 195,843,651	$ 5,380,693	2.498	0.019
2014	$ 234,028,092	$ 38,184,441	2.337	-0.161
2015	$ 234,038,375	$ 10,283	2.376	0.039

Based on the Net M&O Digest, the City could expect to receive approximately $556,075 in ad valorem property tax revenue (without exemptions) with a millage rate of 2.3765. 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 City used an amalgamation of other taxes, fees, and reserves. The following table includes are the proposed projected revenue sources for the General Fund:

	FY2013		FY2014		FY2015		FY2016	
Revenue Source	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Local Option Sales Taxes	$ 475,000	14.08%	$ 653,845	18.55%	$ 560,000	16.21%	$ 570,000	16.61%
Other Taxes	1,037,662	30.75%	1,143,281	32.43%	1,279,500	37.04%	$ 1,350,000	39.33%
Licenses and Permits	160,000	4.74%	163,000	4.62%	158,000	4.57%	$ 164,950	4.81%
Charges for Service	36,500	1.08%	61,100	1.73%	79,250	2.29%	$ 78,550	2.29%
Fines and Forfeitures	835,000	24.75%	890,750	25.27%	970,000	28.08%	$ 725,000	21.12%
Interest Earnings	30,000	0.89%	25,000	0.71%	8,000	0.23%	$ 7,746	0.23%
Other/Miscellaneous	16,000	0.47%	32,000	0.91%	31,578	0.91%	$ 38,900	1.13%
Interfund Transfer from Cash Reserve	250,000	7.41%	-	0.00%	-	0.00%	$ -	0.00%
Interfund Transfer from Water	161,616	4.79%	-	0.00%	35,175	1.02%	$ 3,283	0.10%
Interfund Transfer from Sanitation	0	0.00%	18,657	0.53%	26,708	0.77%	$ -	0.00%
Budgeted Fund Balance	25,613	0.76%	185,744	5.27%	54,056	1.56%	$ 70,091	2.04%
Money Market - Undesignated	351,982	10.43%	351,982	9.98%	252,496	7.31%	$ 423,675	12.34%
Total Revenues	**$ 3,374,373**	**100.00%**	**$ 3,525,359**	**100.00%**	**$ 3,454,763**	**100.00%**	**$ 3,432,195**	**100.00%**

"Other Taxes" includes Title Ad Valorem Tax, Franchise Tax, Occupation Tax, Financial Institution Tax, Insurance Premium Tax, Excise Tax by Alcoholic Drink, Beer and Wine Tax and Liquor Tax Distribution.



PLANNING PROCESS

The City's Fiscal year runs from July 1 through June 30. This document is prepared for the year beginning July 1, 2015 through June 30, 2016. 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. Budget policy guides this process. Budget policies also direct the City's financial health and stability. This policy applies to all budgeted funds, which are the responsibility, and under the management of, the City of Hiram and the City Manager. All annual appropriations lapse at year end except capital project and grant funds, which adopt project-length budgets. Georgia law (O.C.G.A. 36-81-2 et seq.) provides the budget requirements for Georgia local governments and is available in the Appendix of this document.

FUND BALANCE/RETAINED EARNINGS

During the review of funds available for appropriations for the FY2015 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 FY2016 budget will reflect this practice.
The FY2016 Budget will reflect an unreserved/undesignated/unaudited fund balance of $70,091. This is a cautiously optimistic increase of 43% increase the amended FY2015 Budget of $39,441. 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:

GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund. Such a guideline should be set by the appropriate policy body and should provide both a temporal framework and specific plans for increasing or decreasing the level of unrestricted fund balance, if it is inconsistent with that policy.

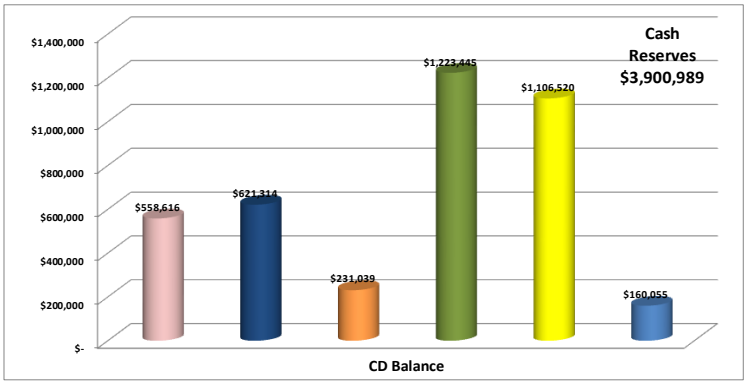
The adequacy of unrestricted fund balance in the general fund should be assessed based upon a Hiram's own specific circumstances. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in our particular circumstances. Furthermore, Hiram's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time.

Due to the amount of cash reserves and degree of solvency, the City does not have nor intends to have debt in the foreseeable future. However, should there be a circumstance that warrants the issuance of debt, the City shall not issue debt that exceeds ten percent (10%) of it consolidated gross tax digest. The millage dedicated to debt service shall be determined through the underwriting process.

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 maintained 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 was an increase of $125,174.59 (1.88%) over FY2013.

During FY2014, the City Council chose to not reinvest $1,313,199 an instead use that to initiate a Capital Improvement Program (CIP) specifically designated for a downtown sewer and sidewalk infrastructure. The Council also used a portion of this CD to partially fund the Paulding County Economic Development Organization at $25,000 and cover the cost of some unanticipated bank fees at $6,000. This leaves $1,282,199 in the CIP for downtown infrastructure.

For FY2016, the City will maintain the remaining nine (7) CD's four (6) of which will mature during the FY2016 fiscal year. One of the CD's in the amount of $397,459 is being cashed upon maturity on July 16th, 2016 and placed into a money market account in order to balance the FY2016 Budget. The Council makes a decision on reinvesting or applying these funds to other areas at the time of maturity.

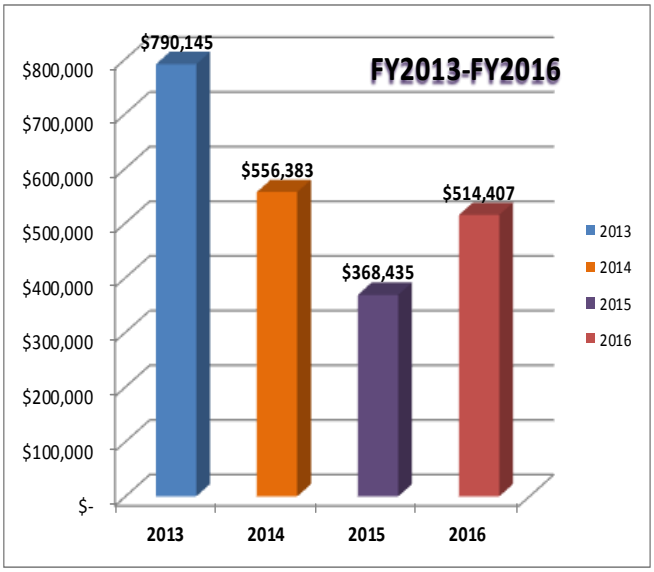


REVENUE ANTICIPATION

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. 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 during FY2014. These funds, however, remained in an interest bearing Money Market account and were 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.

During FY2014, $99,486 of the $351,982 used to balance the deficit in the General Fund was used for Maintenance and Operations. This left a balance of $252,496 to be applied to the FY2015 "Other Financing Sources" to help meet the FY2015 operational expenditures. "Other Financing Sources" also include an Interfund transfer from the Water Department in the amount of $35,175 and Solid Waste Fund in the amount of $26,708. The combination of those financing sources and the Fund Balance carried forward from FY2014 was to $368,435 which was used to adopt a balanced budget in accordance with O.C.G.A. 36-81-6(a).

As FY2015 progressed, revenues were not being generated as projected. This was primarily due to the significant reduction in fines collected through the Municipal Court. This can be attributed to the reduction in work force within the police department that caused uniformed officers to spend more time on calls for service as opposed to proactive traffic enforcement. With this reduction in revenues, the General Fund required a transfer at mid-year using a budget amendment of $50,000. An additional transfer of $10,000 from the same Money Market account was used by the governing body as a charitable donation. This reduced the Money Market account of $192,635. The graph to the right illustrates an increase in "Other Financing Sources" of $514,407 up 31% from $353,820 last fiscal year.



CLOSING

On behalf of the professional and credentialed staff, it is my pleasure to submit the FY2016 Budget to Hiram's Mayor, City Council and Citizens. This budget illustrates the City's dedication to providing an exemplary level of services while maintaining sound fiscal practices and procedures. 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 involvement in the budgetary process, 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

General Budget Policies

GENERAL BUDGET POLICIES

The budget process provides the primary mechanism by which key decisions are made regarding the levels and types of services to be provided within estimated resources. Budget policy guides this process. Budget policy also directs the City's financial health and stability.

Georgia law (e.g., O.C.G.A. 36-81-2 et seq.) provides the budget requirements for Georgia local governments. The information below provides an outline of the City's application of those laws. The City's goal will be to adopt operating budgets where current revenues equal anticipated expenditures. All departments supported by the resources of this City must function within the limits of the financial resources identified or available specifically to them. A balance must be struck between revenues and expenditures, so that the public can realize the benefits of a strong and stable government. It is important to understand that this policy is applied to budget entities over periods of time which extend beyond current appropriations. By law, budgets cannot exceed available resources, defined as revenues generated in the current period added to balances carried forward from prior years. Temporary shortages, or operating deficits, can and do occur, but they are not tolerated as extended trends.

SCOPE

This policy applies to all budgeted funds, which are the responsibility, and under the management of the City of Hiram and the Office of City Manager.

FINANCING CURRENT COSTS

Current costs shall be financed with current revenues, including the use of authorized fund balances. The City shall avoid balancing current expenditures through the obligation of future year's resources. The City shall strive to avoid short-term borrowing or accessing reserves to meet cash flow requirements. However, the City may enter into short-term borrowing or accessing reserves should a critical need arise.

BUDGET OBJECTIVE BY TYPE OF FUND

The following budget objectives are established for the different funds the City uses:

General Fund – The annual budget for the General Fund shall provide for general government operations of the City and maintain working capital necessary for the City's financial health and stability.

Special Revenue Fund(s) – The City adopts annual budgets for each special revenue fund that demonstrates that any legally restricted revenue sources are used consistent with the applicable laws and/or regulations (i.e. Hotel/Motel Fund, Confiscated Fund, and Operating Grants Fund).

Capital Project Fund(s) – The City adopts project budgets for each of its capital project funds. These adopted appropriations do not lapse at the end of a fiscal year; rather they remain in effect until project completion or re-appropriation by City Council.

Debt Service Fund(s) – The City adopts annual budgets for its debt service funds (if applicable). Any remaining fund balances from prior years plus current years projected revenues shall be sufficient to meet all annual debt service requirements.

Enterprise Fund(s) - Although generally accepted accounting principles (GAAP) or Georgia statutes do not require the City to adopt budgets for enterprise funds, the City will adopt budgets for enterprise funds in order to monitor revenues and control expenses. The City will use a business approach if and when budgeting enterprise funds. Enterprise funds shall be self-supporting whenever possible and subsidized losses will be minimized when break-even is not possible. See revenue policies in Section VII

Additionally, the City classifies funds as either operating funds or non-operating funds. Operating funds are those funds that include appropriations for the payment of salary/benefits and whose maintenance & operating appropriations are necessary to continue the daily operations of the City. The General Fund will always be an operating fund. Non-operating funds are those funds that do not include appropriations for the payment of salary/benefits and whose maintenance & operating appropriations are not critical to the daily operations of the City. Examples of non-operating funds are the Hotel/Motel Fund, the Confiscated Fund, and Grant Operating Fund.

OPERATING BUDGET

The operating budget shall be prepared on an annual basis and include those funds detailed in Section I that are subject to annual appropriation (all funds excluding the Capital Project Funds). Prior year budget appropriations and prior year actual data will be provided as reference data, with the current year appropriation and two years projection of expenditures. At a minimum, the City shall adopt annual balanced budgets for the general fund, each special revenue fund, and each debt service fund (if applicable) in accordance with O.C.G.A. 36-81-3.

The annual proposed budget should be submitted to the governing authority while being held by the Office of City Manager for public review/inspection in accordance with O.C.G.A. 36-81-3. Public meetings will be conducted after proper advertisement prior to the City Council adopting and approving the annual budget document. (O.C.G.A. 36-81-5 and 36-81-6).

DEPARTMENTAL APPROPRIATIONS

The budget shall be developed based upon “line-item” expenditures within each department. This type of budget focuses on categories of expenditures such as personal services, contractual services, supplies, equipment, etc. within each department. At a minimum, each department’s appropriation in each fund shall be detailed within the budget document. (O.C.G.A. 36-81-3 and 36-81-5).

PERFORMANCE BUDGET

In addition to requesting expenditures by line item, the budget document shall include “performance” budget information. A performance budget provides information of each of the departments’ goals and objectives to be accomplished in the upcoming budget year. A performance budget also utilizes “Service Efforts and Accomplishments” which measure services rendered and department efficiency/effectiveness on a historical basis and project targets of the indicators for the upcoming budget year. The City shall strive to minimize and reduce, if possible, staffing levels required to accomplish its service delivery.

BUDGET PREPARATION CATEGORIES

Each department shall submit budget requests separately for:

- Current services - A current services budget is defined as that level of funding which is necessary to provide the same level of service for the upcoming year that is currently being provided. The current services budget will include replacement capital equipment.

- Expanded services - An expanded services budget includes funding requests associated with new services, additional personnel or new capital projects/equipment.

BALANCED BUDGET

The budget shall be balanced for each budgeted fund. Total anticipated revenues plus that portion of fund balance in excess of authorized reserves (see operating budget policy H below)

that is designated as a budget-funding source shall equal total estimated expenditures for each fund.

BASIS OF BUDGETING

Neither GAAP nor Georgia statutes address a required budgetary basis of budgeting; the City adopts budgets in conformity with GAAP for all budgeted funds. All governmental funds use the modified accrual basis of accounting and proprietary fund budgets (when applicable) use the accrual basis of accounting.

LEVEL OF BUDGET ADOPTION AND CONTROL

All budgets shall be adopted at the legal level of budgetary control, which is the department level within each individual fund. See policy K below for amending the budget.

BUDGET STABLIZATION RESOURCES

The City shall establish a fund balance reserve in all operating funds (defined in Section I of this policy) for working capital. The purpose of working capital is to cover the cost of expenditures caused by unforeseen emergencies, cover shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes. This reserve shall accumulate and then be maintained at an amount, which represents no less than two (2) months of operating and debt expenditures (approximately 16% of budgeted expenditures).

UTILIZATION OF PRIOR YEAR'S FUND BALANCE IN BUDGET

If necessary, the City may use fund balance in excess of the reserve for working capital (see budget policy G above) as a funding source for that fund's budget. The amount of unreserved fund balance shall be estimated conservatively, taking into consideration future year needs. The minimum requirement for the reserve for working capital, equal to two (2) months of operating and debt expenditures, must first be met before utilizing the excess fund balance as a funding source for the budget.

APPROPRIATION LAPSES AT YEAR END

All operating budget appropriations (including encumbered appropriations) shall lapse at the end of a fiscal year. Purchases encumbered in the current year, but not received until the following year, must be charged against a department's subsequent year appropriation.

BUDGET CONTROL REPORTS

The City shall maintain a system of budgetary control reports to assure adherence to the budget. The City will prepare and distribute to departments, timely monthly financial reports comparing actual revenues, and outstanding encumbrances and expenditures with budgeted amounts.

AUTHORIZATION OF BUDGET ADJUSTMENTS AND AMENDMENTS

The budget is a dynamic rather than static plan, which requires adjustments and formal budget amendments as circumstances change. Georgia Law O.C.G.A. §36-81-3(d)(1) states that "Any increase in appropriation at the legal level of control of the local government, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the governing authority. Such amendment shall be adopted by ordinance or resolution."

There are two types of Budget Amendments: Major Budget Amendment & Minor Budget Amendment. The Major Budget Amendment is defined as any increase above the legal level of

control. The Major Budget Amendment conforms to the above listed code sections and includes any adjustment to salaries or benefits. The Minor Budget Amendment is below the legal level of control and requires approval from the City Manager.

The City Council must approve all increases in total departmental appropriations, increases in the personal services budgets (i.e., moving salary or employee benefit budget to other line items), and increases in the number of authorized positions (full and part-time). This is known as a Major Budget Amendment.

Department heads must submit budget amendment requests transferring appropriations from one line item to another, other than those prohibited above, and obtain approval by the Office of the City Manager. This is known as a Minor Budget Amendment. Adjustments from appropriations that have been obligated, committed, or reserved for a designated purpose shall not be transferred until a formal de-obligation occurs.

At the mid-point of each year, any necessary budgetary appropriations, including budgets for any projects authorized but not funded during the year, shall be appropriated through a supplementary budget ordinance. This mid-point adjustment is limited to requesting additional resources. Such supplemental appropriations shall be balanced with additional revenues for each fund. A justification for each requested change must be prepared (O.C.G.A. 38-81-3).

The Department Director will initiate the Major Budget Amendment and submit it as an Agenda Item for the next regular session council meeting. The Major Budget Amendment includes any adjustment to salaries, benefits, transfers between funds, transfers between departments, unbudgeted capital asset purchases, use of Contingency Expense, additional revenues or expenses that exceed the legal level of control.

The Department Director will initiate the Minor Budget Amendment and submit it to the City Manager for approval. The Minor Budget Amendment allows the transfer between line items within the department or Fund; as long as the legal level of control is not exceeded and adequate funds are available for transfer. Salaries and benefits are not eligible for a Minor Budget Amendment. Minot Budget Amendments also require final approval by the City Council.

CONTINGENCY LINE-ITEM

The City shall establish an appropriated contingency of one percent of the total annual expenditure appropriation in all operating funds (defined in Section I of this policy) in order to accommodate unexpected operational changes, legislative impacts, or other economic events affecting the City's operations which could not have been reasonably anticipated at the time the budget was prepared. Non-operating funds (defined in Section I of this policy) shall not require a contingency reserve appropriation.

This contingency reserve appropriation will be a separate line item within the budget. This amount shall be subject to annual appropriation. The approval of the Mayor and Council and the City Manager is required before this appropriation can be expended. If approved, the City Manager will transfer the appropriation from the contingency line item to the applicable line item(s) with the applicable department's budget.

MAINTENANCE AND REPLACEMENT OF CAPITAL EQUIPMENT

The City Council will give budget priority to requests that provide for adequate maintenance of capital equipment and facilities and for their orderly replacement.

CONTRIBUTIONS

Unless authorized by City Council, outside contributions to programs operated by City departments shall be subject to the City's accounting and budgetary policies The City welcomes both unrestricted and restricted contributions compatible with the City's programs and objectives. Any material contribution shall be appropriated by City Council prior to expenditure. Material contributions shall be defined as one-time contributions exceeding one percent of the department's annual maintenance and operating expenditure appropriation or $10,000, whichever is less.

ADMINISTRATIVE SERVICE FEE/COST ALLOCATION

Whenever possible, the City may assess an administrative service fee from the General Fund to any other fund, based upon documentation and/or an outside independent study. This assessment will be based upon a percentage of the operating revenues, or services provided to the fund and shall be used to reimburse the General Fund for the administrative and support services provided to the assessed fund.

CASH FLOW BUDGET

For analysis and internal management purposes, the City shall prepare an annual cash flow budget in conjunction with the Operating Budget. The purpose of this document will be to provide the necessary guidelines to insure that cash will be available to pay budget costs on a timely basis.

BUDGET ALLOTMENTS

Budget allocations (i.e., budget allotments) are used in the operating budget, when needed to manage cash flows. The annual appropriation may be divided into segments in order to insure that the projected revenue streams will be adequate to fund the appropriated expenditures. The cash flow budget will provide details as to the periods in which the revenues will be collected, and thereby providing for available resources to pay obligations.

CAPITAL PROJECT IMPROVEMENT PLAN

The City will prepare a five-year capital project improvement plan (CIP) which they will update annually. This plan will assist in the planning, acquisition, and financing of capital projects. A major capital project generally is defined as an expenditure that has an expected useful life of more than 3 years with an estimated total cost of $25,000 or more, or an improvement/addition to an existing capital asset. Examples include building/infrastructure construction, park improvements, streetscapes, computer systems, land acquisitions, trucks, and vehicles.

Major capital projects will be budgeted in the Capital Improvement Fund consist with all available resources. With the involvement of the responsible departments, the Office of City Manager will prepare the capital budget in conjunction with the operating budget.

PROJECT LENGTH BUDGET

The CIP budget shall be developed based upon defined projects approved by the Mayor and City Council. Budget appropriation shall include the complete project costs with contingency amounts as appropriate and if available. (O.C.G.A. 36-81-3)

BUDGET PREPARATION

Each department, in conjunction with the Mayor and City Council, will identify potential capital projects throughout the year. All identified projects will be added to the CIP document, regardless of available funding. These needed projects will provide a method of tracking and planning for

the future needs of the City. Every effort will be made to identify those projects committed by the City Council through legislative action.

BUDGET CONTROL REPORTS

The City shall maintain a system of budgetary control reports to assure adherence to the budget. The City will prepare and distribute to departments, timely monthly financial reports comparing actual revenues, and outstanding encumbrances and expenditures with budgeted amounts.

AUTHORIZATION OF BUDGET ADJUSTMENTS AND AMENDMENTS

Department heads must submit budget amendment requests transferring appropriations from one line item to another within the same project. The Office of the City Manager shall review and approve all requests for budget adjustments. Adjustments from appropriations that have been obligated, committed, or reserved for a designated purpose shall not be transferred until a formal de-obligation occurs. The de-obligation of budget dollars to a specific project will only occur after the completion of the project or when a project was identified and budget and funding is no longer necessary.

APPROPRIATIONS AT YEAR END

Capital project appropriations shall carry forward to the subsequent budget period an equal amount of any encumbrances/purchase orders issued as of the close of the fiscal year. Purchases encumbered in the current year, but not received until the following year, must be charged against each department's subsequent year carry-over appropriation. Any remaining appropriation available by project at year-end must be re-appropriated.

CONTINGENCY ACCOUNT

The City shall include an appropriated contingency of three percent of the total annual expenditure appropriation in the Capital Project Fund in order to accommodate expenditures that may not have been expected during the duration of a capital project. Expenditure of contingency funds shall only be authorized in accordance with the Change Order Policy outlined within the purchasing section of this document. Any contingency budgets shall be subject to annual appropriation.

REVENUE POLICY

This section provides direction in the administration of the revenues the City receives.

The City levies, collects and records certain taxes, license and permit fees, intergovernmental revenues, charges for service, investment income, fines and forfeitures, and other miscellaneous revenues and financing sources.

DIVERSIFICATION AND STABILITY

All revenues have particular characteristics in terms of stability, growth, sensitivity to inflation or business cycle effects, and impact on the tax and ratepayers. A diversity of revenue sources can improve a City's ability to handle fluctuations in revenues and potentially help to better distribute the cost of providing services. The City shall strive to maintain a diversified and stable revenue structure to shelter it from short-term fluctuations in any primary revenue source. When possible, the revenue mix shall combine elastic and inelastic revenue sources to minimize the effect of economic downturns. The City will work towards diversifying its revenue base in order to reduce its dependence upon property taxes (when applicable).

CONSERVATIVE REVENUE ESTIMATES

As part of the annual budget process, an objective analytical process will estimate revenues realistically and prudently. The City will estimate revenues of a volatile nature conservatively.

USER BASED FEES AND CHARGES (Exchange Revenue)

The level of user fee cost recovery should consider the community-wide versus special service nature of the program or activity. The use of general-purpose revenues is appropriate for community-wide services, while user fees are appropriate for services that are of special benefit to easily identified individuals or groups. The City will strive to keep the revenue system simple for the taxpayer or service recipient and to decrease the occurrence of avoidance to pay. The City will avoid nuisance taxes, fees, or charges as revenue sources. The City's revenue system will strive to maintain equity in its structure. That is, the City will seek to minimize or eliminate all forms for subsidization between entities, funds, services, utilities, and customers. However, it is recognized that public policy decisions may lead to subsidies in certain circumstances (e.g., senior citizen partial tax abatement). Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery. The Office of City Manager will forward any proposed changes to the City Council for approval. For services associated with a user fee or charge, a fee shall offset the costs of that service, where possible. Costs of services include direct and indirect costs such as operating and maintenance costs, administrative costs, and charges for the use of capital (e.g., depreciation and/or debt service).

ALTERNATIVE REVENUE SOURCES

The City shall seek alternative funding sources whenever possible to reduce the required revenue from non-exchange transactions (e.g., property taxes). Such alternative sources include private and public grants, federal or state assistance, and public and private contributions.

REVENUE COLLECTION

The City will follow an aggressive policy of collecting revenues, consistent with state and federal laws. This policy includes charging of penalties and interest, revoking City licenses, and providing for the transferring and assignment of tax executions.

RATES AND CHARGES

The City Council shall approve annually, a fee schedule which includes all revenue rates, charges, and processes in association with receipted funds that are deposited by the City, in accordance with the Code of Ordinances.

CASH AND INVESTMENT MANAGEMENT

The objective of the cash and investment management policy is to maximize interest earnings within an environment that strongly emphasizes legal compliance and safety while providing cash flow liquidity to meet the City's financial obligations.

SCOPE

This investment policy applies to all cash and investments, both short and long-term, which are the responsibility, and under the management of the City of Hiram Office of City Manager.

POOLED CASH/INVESTMENT MANAGEMENT

Except for cash in certain restricted and specialized funds, the City will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various

funds based upon their respective participation and in accordance with generally accepted accounting principles.

GENERAL OBJECTIVES

The primary objectives of investment activities shall be as follows:

Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

Credit Risk

The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the safest types of securities (primarily obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government)
- Requiring a credit rating of "A3" or better from Moody's rating agency and "A-" from Standard & Poor's.
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers with which the City will do business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Custodial Risk

Custodial risk, that is the risk associated with uninsured deposits, uninsured securities, or securities not registered in the City's name shall be minimized by,

- Collateralization in alignment with State of Georgia legislation equal to 110% of the deposit held in the City's name (see section F, Safekeeping and Custody, subsection
- 2, Collateralization);
- Securities shall be held in the City's name.

Interest Rate Risk

The City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentration Risk

The risk associated with a high concentration of government funds which are not diversified shall be reduced by:

- Limiting investments to any one issuer to less than 5% of the investment portfolio.

- Investments explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Foreign Currency Risk

The City will negate all foreign currency risk through investment only in instruments where exchange rates do not apply.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in instruments offering same-day liquidity for short-term funds.

Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal or to reduce any eminent risk as identified under Section 1, “Safety” of this policy
- A security swap which improves the quality, yield, or target duration in the portfolio
- Liquidity needs of the portfolio require that the security be sold.

STANDARDS OF CARE

Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officer(s) acting in according with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility of an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probably income to be derived.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and offices shall refrain from undertaking

personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Delegation of Authority

Authority to manage the investment program is granted to the City Manager, referred to as the investment officer in this policy. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with the established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

SAFEKEEPING AND CUSTODY

Authorized Financial Dealers and Institutions

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of $10,000,000 and at least five years of operation). These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification of having read and understood and agreeing to comply with the City’s investment policy.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer.

From time to time, the investment officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, all criteria identified under above shall apply. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state and local law. These types of investment purchases should be approved by the City Council in advance of their purchase.

Internal Controls

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with regulatory policies and procedures including Generally Accepted Governmental Auditing Standards.

Delivery vs. Payment

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian in the City's name, as evidenced by safekeeping receipts.

SAFEKEEPING AND CUSTODY

Investment Types

Investments (other than bond proceeds) shall be made in instruments permitted by the State of Georgia for local governments, regulated under Georgia Code, O.C.G.A. 36-83-4. Such instruments include:

- Obligations issued by the U.S. government,
- Obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States,
- Obligations of any corporation of the U.S. government;
- Prime bankers' acceptances,
- The Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements, and
- Obligations of other political subdivisions of the state

In accordance with O.C.G.A. 36-82-7, investments made with unexpended bond proceeds shall be limited to:

- Bonds or obligations of the governmental entities and/or political subdivisions of the state,
- Bonds or obligations of the U.S. government which are fully guaranteed,
- Obligations of agencies of the U.S. government, bonds or other obligations of public housing agencies or municipal corporations in the United States,
- Certificates of deposit of national or state banks insured by the Federal Deposit Insurance Corporation;
- Certificates of deposit of Federal Saving and Loan Associations; and
- The Georgia local government investment pool (Georgia Fund I)

Collateralization

City shall require pledges of collateral from the depository institution covering at least 110% of the cash/investment. This requirement is in accordance with O.C.G.A. 36-83-5; 45-8-12; 50-17-59; and 45-8-13. Deposit-type securities (i.e., certificates of deposit) shall be collateralized at 110% of the face value. Other investments shall be collateralized by the actual security held in safekeeping by the primary agent.

Repurchase Agreements/Derivatives

Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements. Investments in derivatives of the above instruments shall require authorization by the City Council and be consistent with GFOA Recommended Practices on the "Use of Derivatives by State and Local Governments".

USING GEORGIA FUND I

The City will utilize the State of Georgia local government investment pool (i.e., Georgia Fund I) anytime this investment tool is deemed to be in the best interest of the City. Criteria used to determine the use of this investment pool will be the same as any other investment purchase.

INVESTMENT PARAMETERS

Diversification

The investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities)
- Limiting investment in securities that have higher credit risks
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as a the Georgia Local Government Investment Pool, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Maximum Maturities

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase. The City shall adopt weighted average maturity limitations ranging from 90 days to 5 years, consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the City Council.

REPORTING

Methods

The investment officer or his/her designee shall prepare an investment report monthly which shall be included in the Financial Update Report. Information provided will include a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last month. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be transmitted to the City Council via a consent item placed on a City Council Meeting Agenda. At a minimum, the report will include the following:

- Listing of individual securities held at the end of the reporting period with maturity dates
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks
- Percentage of the total portfolio which each type of investment represents.

Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which the portfolio performance shall be compared on a regular basis.

Marking to Market

The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least monthly.

Governmental Accounting Standards Board References:

Statement No. 3, Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements
Statement No. 28, Accounting and Financial Reporting for Securities Lending Transactions
Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools
Statement No. 40, Deposit and Investment Risk Disclosures

GRANT MANAGEMENT

This policy provides direction in the application, acceptance and administration of funds awarded through grants to the City from other local governments, the state or federal government, nonprofit agencies, philanthropic organizations and the private sector.

GRANT APPLICATIONS

The City Manager and/or his/her designee is/are responsible for the submission of all grant applications on behalf of the City of Hiram. Departments who wish to submit grant applications must work in conjunction with the City Manager and/or his/her designee. Once a grant opportunity has been identified, the person seeking submission must notify the City Manager of the application, the financial reporting requirements, and any required matching funds or other City resources needed to meet the grant requirements. Prior to the acceptance of the grant, the City Manager, in cooperation with the submitting/receiving department shall complete an analysis of financial requirements to ensure the City can meet the grant program's financial requirements and the City can fulfill the applicable obligations required by the grant. All grant revenues and expenditures, including matching requirements, must be appropriated, either in the current budget or included for appropriation in the subsequent budget. The Mayor and City Council shall approve grant applications and submissions by adopting an official resolution, certified by the City Clerk that will allow both the submission of the grant application and the acceptance of the grant award.

GRANT ADMINISTRATION

The City Manager and/or his/her designee is/are responsible for fulfilling the financial reporting and accountability requirements of each grant the City accepts. The City Manager and/or his/her designee and receiving departments are responsible for adhering to the grant program requirements and tracking all applicable expenditures for reporting purposes. The City Manager or his/her designee is responsible for accounting for grant transactions according to the Accounting, Auditing, and Financial Reporting Policy and in compliance with Generally Accepted Accounting Principles (GAAP). The City Manager and/or his/her designee is/are responsible for maintaining the following records for each grant award.

a. Copy of Grant Application
b. Resolutions authorizing application and acceptance
c. Notification of Grant Award

d. Financial reporting and accounting requirements
e. Schedule of funding needs

AUDITING

The City Manager shall comply with all local, state, and federal requirements with respect to the auditing of information as they pertain to the acceptance of grant funds. This includes the Single Audit Act with any future revisions or additional that may be applicable to City grant projects.

EXPENDITURE POLICY

This section provides guidance on authorized expenditures for all departments under the authority of the Mayor and City Council. This section shall cover those costs incurred for normal business operations, including those associated with salaries and benefits. Operating guidelines and procedures for procuring goods and services shall be issued under separate cover(s) as they do not constitute nor necessitate the City Council approval.

APPROPRIATION

In conjunction with the annual budget process, the City Council shall authorize department's appropriations consistent with the annual adopted operating and capital budgets. Departments shall not incur expenditures unless an appropriation is available.

EXPENDITURE APPROVAL

All expenditures relating to City operations shall be processed consistent with procurement/purchasing guidelines. Once the Accounts Payable/Receivable staff receives the proper documentation from the incurring departments, the execution of payment shall occur. The Accounts Payable/Receivable staff shall only process transactions for payment based upon the proper approval for the dollar amount of the expenditure, including adequate documentation, received either electronically or in writing.

SETTLEMENT OF DISPUTE

The Accounts Payable/Receivable staff shall review expenditure documents for compliance and appropriateness with all City policies and procedures. Expenditure documents that are not in compliance with these policies and procedures shall be returned to the originating department with Accounts Payable/Receivable staff recommendations for changes (e.g., travel issues, cellular phone use). In the event the department does not agree with the Accounts Payable/Receivable staff's recommendations, the City Manager shall make the final decision.

ELECTED OFFICIALS ALLOCATION

During the annual budget process, an appropriation will be allocated to each elected official to be used at his/her discretion for the benefit of the City (e.g., travel costs incurred at the annual GMA conference). The amount appropriated will be dependent upon the approval during the budget process.

TRAVEL AND MEAL EXPENDITURE POLICIES

This section provides guidance on authorized expenditures for all departments under the authority of the Mayor and City Council. This section shall cover those costs incurred for travel and meal expenses by any elected official, City employee, or board member who travels on City related business. Operating guidelines and procedures for procuring travel and meal expenses shall be issued under separate cover(s) as they do not constitute nor necessitate City Council approval.

APPROPRIATION

In conjunction with the annual budget process, the City Council shall authorize department appropriations for travel and meal expenses consistent with the annual adopted operating budgets. Departments shall not incur travel expenditures unless an appropriation is available, or budget amendment has been completed.

EXPENDITURE APPROVAL

All expenditures relating to travel and meals shall be processed consistent with procurement/purchasing guidelines. Once the Accounts Payable/Receivable staff receives the proper documentation from the incurring departments, the execution of payment shall occur. The Accounts Payable/Receivable staff shall only process transactions for payment based upon the proper approval for the dollar amount of the expenditure, including adequate documentation, received either electronically or in writing.

SETTLEMENT OF DISPUTED REIMBURSEMENT CLAIMS

The Accounts Payable/Receivable staff shall review expenditure documents for compliance and appropriateness with all City policies and procedures. Expenditure reimbursement requests that are not in compliance with these policies and procedures shall be returned to the originating department with Accounts Payable/Receivable staff recommendations for changes (e.g., travel issues, cellular phone use). In the event the department does not agree with the Accounts Payable/Receivable staff's recommendations, the City Manager shall make the final decision regarding whether to authorize the reimbursement.

TRAVEL EXPENSES

The City shall reimburse/pay expenses incurred by elected officials and employees for travel relating to official City business. Official business shall be deemed that which has been approved prior to the expenditure being incurred on a City of Hiram Travel Authorization form. Travel authorization forms are required for any travel exceeding 50 miles of the employee's place of work.

Lodging: hotel/motel charges shall qualify for reimbursement when they exceed a 50 mile radius of the employee's place of work. All traveling personnel shall minimize the expense associated with hotel/motel costs by procuring a government rate for qualified stays. Lodging expense shall be benchmarked against the U.S. General Services Administration (GSA) approved per-diem rate of reimbursement. When the GSA rate is exceeded by 20% or more, additional justification shall be required from the traveler. When traveling in the State of Georgia, all travelers must use the hotel/motel tax-exempt status form. Sales and occupancy taxes charged for lodging within the State of Georgia do not qualify as eligible reimbursable travel expenses under this policy. Per diem rates can be found at http://www.gsa.gov. Hotel accommodations for travel less than a 50 mile radius from Hiram must be approved by the employee's direct supervisor. Elected officials, the City Manager, Department Directors, and members of Management of the City shall be allowed hotel accommodations for travel less than a 50 mile radius from Hiram, based upon meeting schedules and attendance needs.

Transportation: approved modes of transportation include vehicle, air, rail, or taxi and public transportation. The method selected by the traveler shall be subject to the most economically feasible, taking into consideration the value of time. If a City vehicle is available, it should be used in lieu of a personal vehicle. Generally, the City will not reimburse for the use of a personal vehicle within 10 miles of an employees official headquarters and/or residence.

Mileage: miles traveled in personal vehicles shall be reimbursed at the rate designed by the Internal Revenue Service. Mileage shall be calculated using the employee's place of work as the origination point, so long as the employee reported to work prior to departing to the

destination. In the event the employee does not report to work prior to traveling to the destination, mileage shall be reimbursed from the employee's origin, less their normal commute to the workplace. Expenses associated with employee's vehicles such as fuel, oil, tires, etc. (deemed normal wear and tear) shall not be subject to reimbursement and will be the responsibility of the traveler. Miles traveled in City owned vehicles shall not be subject to reimbursement to the traveler. However, expenses associated with the travel in City vehicles such as fuel, oil, tires, etc. shall be the responsibility of the City, and necessary purchases should follow the guidelines administered by the City Manager.

Rental Cars: Expenses associated with rental cars, i.e. rental expense and fuel will be paid at cost, with receipts provided. Employees shall rent mid-size or smaller vehicles, or an appropriate vehicle size based upon the number of employees needing transportation. Expenses associated with exceeding this car class will be the responsibility of the traveler. Employees should decline additional insurance coverage offered by rental car companies since the City's insurance coverage is applicable to car rentals.

Air/Rail: transportation provided by major airlines or railroads shall be paid at cost to the traveler. Travel will be limited to coach/economy classes of service. In the event the traveler chooses a class higher than coach/economy (business or first class), the difference of the expense shall be the responsibility of the traveler.

Taxi/Shuttle: expenses associated with local transportation will be deemed eligible expenses as long as receipts are provided with point to point explanations for this mode of transportation. Such documentation should accompany receipts.

Meals/incidentals: expenses associated with meals (breakfast, lunch and dinner) and incidentals (snacks, tips, miscellaneous) shall be administered on a per diem basis by city. Per diem amounts will be derived from the U.S. General Services Administration (GSA), which can be found at at http://www.gsa.gov. Per diem will be advanced to the employee prior to travel and therefore, the City's procurement cards should not be used to pay for meal or incidental expenses. Receipts will not be required on incidental or meal expenses. Overages of meal expenses will be the responsibility of the employee, while any savings may be retained by the employee. Alcoholic beverages are not allowable reimbursable expenses, and will not be reimbursed pursuant to the City's Drug and Alcohol Policy. Expenses incurred for meals when travel has not included overnight stay shall be reimbursed under Section E of this policy.

Program/Seminar/Conference Fees: charges relating to the traveler's attendance to the particular event (training, conference, seminar, etc) shall be paid by the corresponding department, subject to the provisions identified for expenditures in the City's Expenditure and Purchasing Policies.

Telephone/Long Distance: telephone, fax, long-distance, Internet, and communication expenses (including postage) shall be reimbursed when relating to the traveler's employment. Expenses for business communication shall be limited to $10.00 per day.

Laundry/Dry Cleaning: when travel is scheduled for more than five consecutive days, reimbursement for laundry and dry cleaning expenses will be allowed. Expenses shall be paid at the cost of the services provided. Each traveler shall pay for expenses associated with travel on a City of Hiram Procurement Card with the exception of meals or incidental expenses. In the event the traveler has not been issued a card, one can be checked out from the Accounts Payable/Receivable staff for the specified travel date. Nonqualified expenses should not be charged on the procurement card; but paid directly by the employee. Travel advances for meal/incidental expenses shall be provided to the employee prior to travel by the Accounts Payable/Receivable staff. Dependents/spouses accompanying employees on official business shall not be eligible for reimbursed expenses by the City. If a dependent or spouse accompanies an employee on an authorized business trip, only those expenses that can be directly attributed to the employee will be reimbursed. Per diem used for expenses other than those directly

attributable to the employee will be allowed; however, the per diem amount will not be increased because of dependent/spouse travel. The Mayor, City Council, City Manager, and City Clerk shall be allowed to submit expenditures for spouses and children when traveling to the annual Georgia Municipal Association Conference. In the event this conference is not attended by the above listed persons eligible for spouse and children expense reimbursement, the Mayor may authorize a substitute trip which would qualify for reimbursement of dependent/spouse costs. The Mayor, City Council, City Manager, Department Directors and management of the City shall be allowed to conduct official City business while on travel. The use of a City Visa Procurement Card in order to cover expenses associated with meetings or business meals when on travel shall be authorized, as deemed appropriate by the City Official. Employees on official business shall follow the City's workers' compensation policies in the event of any on-the-job injury.

NON-TRAVEL MEALS

Expenses related to the furnishing of meals, snacks, or food should be limited to the following circumstances:

1. Meetings hosted by the City Council or City Manager;
2. A meeting during regularly scheduled business hours required by law or authorized by a department director which is anticipated to last more than four (4) hours and which, is scheduled through normal meal times;
3. A business meal with someone other than another City official or employee in order to discuss a specific item of City business;
4. Meals that are an integral part of a scheduled meeting at which the individual is required to attend;
5. A business meal with another City employee or official in order to discuss City business as called by an elected official, the City Manager, a Department Director, or management of the City or other persons to be reasonably determined by the City Manager, Department Director, or Management of the City. Receipts provided for meals within this category should detail the nature of the meeting and the people who were present for discussion.

SUBMISSION OF EXPENSES

All expenses relating to travel shall be submitted to the Accounts Payable/Receivable staff no later than 10 days after return from the trip. Non-travel meals shall be submitted no later than 7 days from the date of occurrence.

EMPLOYEE BREAK ROOMS

City facilities equipped with break rooms shall be furnished with potable water, coffee, tea, hot cocoa, creamer, sugar, and cups/stirrers at the expense of the City, paid from the respective department's budgets who consume the goods.

EXCEPTIONS

Reasonable business expenses associated with an employee's travel, not to exceed $200.00, shall be reimbursable upon approval by the City Manager or Mayor.
Expenses exceeding $200.00 will require City Council approval.

DEBT ISSUANCE AND MANAGEMENT

The goal of the City's debt policy is to maintain a sound fiscal position; thereby only utilizing long term debt to provide resources to finance needed capital improvements, while accumulating adequate resources to repay the debt. In addition, it is the City's goal to maintain and improve its credit rating through strong financial administration. The City acknowledges that failure to meet the demands of

growth may inhibit its continued economic viability, but also realizes that excess outstanding debt may have detrimental effects on the ability of the City to meet its continuing operational needs.

Issuing debt commits the City's revenues several years into the future, and may limit it's flexibility to respond to changing service priorities, revenue inflows, or cost structures. Adherence to this debt policy helps ensure that the City issues and manages its debt prudently in order to maintain a sound financial position and protect its credit rating.

Credit ratings are the rating agencies' assessment of the City's ability and willingness to repay debt on a timely basis. Credit ratings are an important indicator in the credit markets and can influence interest rates a borrower must pay. Each of the rating agencies believes that debt management is a positive factor in evaluating issuers and assigning credit ratings. Therefore, implementing debt management practices will be viewed positively by the rating agencies and could influence the City's credit rating and ultimately lower borrowing costs.

CONDITIONS FOR ISSUING LONG-TERM DEBT

Debt financing for capital improvements and equipment will be generally used when at least one of the following conditions exist:

1. When one-time, non-continuous projects (those not requiring annual appropriations) are desired;
2. When the City determines that future users will receive a benefit from the capital improvement that the debt financed;
3. When the project is necessary to provide basic services to the City residents;
4. When total debt, including debt issued by overlapping governments (e.g., the county), does not constitute an unreasonable burden to the taxpayers; and
5. Exhaustion of the use of all other possible revenue sources provides no alternative funding for capital projects.

The City will limit its short-term borrowing to cover cash flow shortages through the issuance of tax anticipation notes (if applicable).

SOUND FINANCING OF DEBT

When the City utilizes debt financing, the following will occur to ensure that the debt is soundly financed:

1. Analysis of the financial impact, both short-term and long-term, of issuing the debt;
2. Conservatively projecting the revenue sources that the City will use to repay the debt;
3. Insuring that the term of any long-term debt the City incurs shall not exceed the expected useful life of the asset the debt financed;
4. Maintaining a debt service coverage ratio (i.e., for revenue secured debt) that ensures that the revenues pledged for the repayment of the outstanding debt will be adequate to make the required debt service payments.

DEBT RETIREMENT

Generally, borrowings by the City should be of a duration that does not exceed the economic life of the capital improvement that it finances and where feasible, should be shorter than the projected economic life. To the extent possible, the City should design the repayment of debt so as to recapture rapidly its credit capacity for future use.

DISCLOSURE

The City shall follow a policy of full disclosure in financial reporting and with the preparation of a bond prospectus.

LEGAL COMPLIANCE

When issuing debt, the City shall comply with all legal and regulatory commission requirements, including the continuing disclosure requirements. This compliance includes adherence to local, state and federal legislation and bond covenants.

More specifically, the City Manager or his/her designee is responsible for maintaining a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This effort includes tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax exempt status of the City's outstanding debt issues. Additionally, general financial reporting and certification requirements embodied in bond covenants are monitored to ensure that all covenants are complied with.

The City will comply with Amended SEC Rule 15c2-12 (the "Rule") by providing secondary market disclosure for all long-term debt obligations, which are subject to the Rule. As required, the City will submit annual financial information to all nationally recognized municipal securities repositories.

CREDIT RATINGS

The City Manager or his/her designee is responsible for maintaining relationships with the rating agencies that assign ratings to the City's various debt obligations. This effort includes providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.

OTHER POLICIES

All bond issue requests shall be coordinated by the City Manager or his/her designee. Requests for new bonds must be identified during the Capital Improvement Program (CIP) process. Opportunities for refunding outstanding bonds shall be communicated by the City Manager or his/her designee.

Annual budget appropriations shall include debt service payments (interest and principal) and reserve requirements for all debt currently outstanding.

Long-term borrowing shall be incorporated into the City's capital improvement plan (see above).

PURCHASING POLICIES

The City has established a centralized purchasing system to be used for all purchases of goods and procurements of services by the municipal government.

ROLES OF THE CITY MANAGER OR HIS DESIGNEE

The City Manager shall be responsible for ensuring adherence to all rules and regulations for the centralized purchasing system. The Accounts Payable/Receivable staff or his designee shall oversee the day to day today processing of all purchases and procurements made through the system.

INITIATING PURCHASES; REQUIRED FORM

In order to initiate a purchase or procurement, an employee must complete a Requisition Form, a copy of which is included in this manual as Appendix A. The completed requisition form must include a cost for each product or service noted on the form; where the exact cost is not known, estimates may be provided. The form must be signed by the employee and forwarded to his or her department

head for approval. If approved, the department head shall sign the requisitions form, identify and annotate the accounting code (budget line item) for this expenditure, and forward it to the Accounts Payable/Receivable staff for processing.

DEPARTMENTAL LIMITS ON PURCHASES

Should the cost or estimated cost of the requested good or service being processed in accordance with paragraph C above be at least $500.00, but below $1,000, the department head must submit the purchase requisition form to the Accounts Payable/Receivable staff accompanied by at least two (2) quotes from vendors providing the good or service being ordered. These quotes may be in the form of verbal, phone or email quotes, but nevertheless, be identified by the department head in writing and attached to the requisition form. If the department head chooses to use the more expensive of the quotes obtained, he or she must attach a brief statement to the requisition form justifying that decision. The Accounts Payable/Receivable staff shall then process such requests in accordance with all other requirements of the centralized purchasing system.

Should the cost or estimated cost of the requested good or service being processed in accordance with paragraph 2.3 above be at least $1,000.00, but not more than $5,000.00, the department head must submit the purchase requisition form directly to the City Manager's office accompanied by at least three (3) written quotes from vendors providing the good or service being requested. The City Manager shall review the requisition form and quotes and determine whether or not the request should be approved. The City Manager shall typically approve such requests, but may issue a denial where he or she determines; a) that additional vendor quotes should be obtained; b) the good or service being requested does not reasonable relate to the line item identified by the department head; c) the cash flow in the fund from which the purchase would be made is low or otherwise inadequate; or d) a bona-fide problem exists in the management of the requesting department's budget.

PURCHASES EXCEEDING THE CITY MANAGER'S SPENDING LIMITS

Should the cost or estimated cost of the requested good or service being processed in accordance with paragraph C above be more than $5,000.00, but not more than $25,000.00, the City Manager shall ensure that: a) at least three (3) written quotes from vendors have been obtained are attached to the purchase requisition; b) the requisition is accompanied by a written determination of whether the request was anticipated in the budget; c)compliance with Section I of this policy has been met in the case of the non-budgeted requests; and d) the need for a budget amendment does or does not exist.

Should the City Manager be satisfied that the requested purchase or procurement in this spending range is warranted, he/she shall place the item on the agenda of a regular or special City Council meeting for review and approval/disapproval. Approval of such a purchase request must be granted by a majority vote of Council Members present and constituting a legal quorum at said meeting before the requested item can be ordered or purchased.

PURCHASES EXCEEDING $25,000

All purchases with an estimated total cost exceeding $25,000 require formal competitive sealed bids, in accordance with the bidding process established in Section III of this manual. If state or federal policies are more stringent than this requirement, then the more stringent policy shall supersede the $25,000 threshold.

BIDDING PROCESS

INITIATING PURCHASES; REQUIRED FORM

The City Manager is delegated the responsibility to issue all formal bid announcements/invitations, with advice and consent from the Mayor and Council.

BID SPECIFICATIONS

All public bid specifications for budgeted capital purchases shall be approved by the City Manager prior to announcements/invitations being communicated. Any public bid specifications for non-budgeted construction shall be submitted to the Mayor and Council for approval prior to advertisement.

ADVERTISING

All contracts to be let by public bid shall be advertised in the City's legal organ at least twice during a two-week period prior to the date and time of the public bid opening, in accordance with state law.

BID OPENINGS

As advertised, the City Manager shall unseal and announce all competitive bids that were submitted prior to the advertising deadline. The opening shall be public and may occur at a City Council meeting or during normal City Hall business hours.

BID AWARD

The City Council will award all contracts at a regular or called meeting. The contract will generally go to the lowest bidder provided references and other methods available to the City Manager for determining the quality and reliability of the bidder's work is satisfactory to complete all required work and the bid amount does not exceed the City's budgetary requirements.

Awards are made with the following criteria all being taken into consideration:

- ✓ Delivery
- ✓ Dependability
- ✓ Local Bidder Preference – a local vendor is one whose base of business operations is located in Pauling County
- ✓ Lowest Bid
- ✓ Service & Parts Availability
- ✓ Vendor Performance, Past, & Present Warranty

RIGHT OF REFUSAL & RE-BID

The City reserves the right to reject any and all bids whether such right is reserved in the public notice or not and in such case may re-advertise, perform the work ourselves or abandon the project.

EMERGENCY PURCHASES

PROCESS

There are certain functions and purchases that may be performed without prior Mayor and Council approval such as the emergency repair of city infrastructure and clearing of blocked streets and roads resulting from washouts or similar natural or man-made disasters. However, if such exceeds the $10,000.00 city manager limitation, the city manager shall report the situation to the mayor and council within 48 hours following such repairs.

PRE-APPROVED VENDORS

QUALIFICATIONS

The City will maintain a list of pre-approved vendors. In order to qualify for the list, a vendor must supply a list of three (3) or more references, list of prior work/projects with municipal governments, SAVE affidavit and E-Verify form and proof of liability and workers compensation insurances. The City Manager will recommend to the Mayor and City Council after a thorough background investigation whether the applicant should be placed on the list.

EMPLOYEE TRAINING

TRAINING FOR ALL EMPLOYEES & ELECTED OFFICIALS

All employees, including Mayor and Council are required to review a copy of this policy and any amendments thereto.

CAPITAL ASSETS

INTRODUCTION

The Capital Asset Policy is designed to provide a comprehensive description of the capital asset and property systems of the City of Hiram. The primary purpose of the policies are to provide for consistent and uniform accounting of capital asset transactions throughout the City; guidelines for physical control and accountability of capital assets; and guidelines for disposal and depreciation of capital assets.

DEFINITIONS

Asset Acquisition: There are various methods by which the City acquires assets. These methods include, but are not limited to: purchase, donation, lease/purchase, trade-in, forfeiture, condemnation, internal/external construction, transfers from other governments, or any other method which transfers title of any property to the City.

Leased Assets: The City capitalizes assets, acquired under capital lease, provided they meet the capitalization threshold and a buy-out option is included in the lease agreement. The capital lease must meet accounting standards for capitalization purposes. For capital leases, where the title of the asset will ultimately be transferred to the City, the asset will be capitalized at the net present value of future minimum lease payments. The City does not capitalize assets they acquired under operating leases.

Gifts/Donations: The City capitalizes all equipment acquired through donations at fair market value on the date of the transaction, provided such gift or donation meets the capitalization threshold of this policy. If the equipment is new and the donor can furnish an invoice, the invoice would determine the fair market value. If the equipment is used or no information is available regarding the cost of new equipment on date of acquisition, an appraisal will be conducted to establish the capitalization amount.

Property: Property is divided into several classes including:

Real property: Land and whatever is attached to the land that cannot be readily removed, such as buildings and permanent improvements to the land. Infrastructure is included within this classification.

Personal property: Property that is movable and further classified as tangible and intangible.

Tangible personal property: Property that is moveable such as furniture, machinery, automobiles, or works of art.

Intangible personal property: The right of ownership in property such as bonds, notes, contracts, computer software, programs, and proprietary assets that are created or purchased and owned by the City.

Capital Asset: Any real or personal property acquired by the City which has an estimated useful life of three (3) or more years with an acquisition value of $5,000 or more. This includes land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in the operations of the government.

Asset Capitalization Amount: The City will capitalize purchased assets at acquisition cost plus costs incurred in preparing the asset for use. The City will recognize acquisition costs based on individual unit prices.

Generally Accepted Accounting Principles (GAAP) Reporting: All assets capitalized under this policy shall be included in the financial statements issued by the City and in the annual external audit.

Gifts/Donations: Gifts and donations are capitalized at fair market value on the date donated, if the value of the asset meets the threshold levels.

CLASSIFICATION CATEGORIES

Land: The City will capitalize all costs incurred to acquire land (without regard to a dollar threshold) and to place it in use. The acquisition costs of land should include: (1) the purchase price; (2) ancillary charges; (3) the assumption of any liens or mortgages on the property; and (4) improvements made to the land that are permanent in nature. Examples of ancillary charges to be included in the capitalization costs are: legal and title fees, closing costs, appraisal and negotiation fees, surveying fees, site preparation fees, demolition costs, architect and accounting fees, insurance premiums during construction phase, and transportation charges.

Improvements other than Buildings (IMP): The City classifies improvements to land with limited lives, such as fences, parking lots, and walkways as land improvements. These improvements will be depreciated over their estimated useful lives.

Buildings (BLD): If the City purchases a building, the capitalized cost should include the purchase price and other incidental expenses incurred at the time of acquisition. If the building is constructed, the capitalized cost should include material, labor, supervision, and overhead, or the contract price, including costs such as: permits and licenses, architectural and engineering fess, insurance, title costs, and interest incurred on tax exempt debt (the latter is applicable to enterprise funds only).

Building Improvements: The City capitalizes costs of improvements to a building if the following criteria are met: (1) the expenditures increase the service potential of the building and (2) the total improvement costs, including the contract price, engineering, architectural, and attorney's fees, etc., meet the capitalization threshold of this policy.

- Items considered as improvements include: ramps, fire escapes, truck doors or other appurtenances; modifications to comply with fire, health, or safety codes; conversion of unusable to useable floor space, upgrade of the space.

- Repairs to a building are not considered an improvement unless it extends the useful life of the structure or increases the value of the structure (i.e., a betterment). The City considers ordinary repairs as operating costs.

Construction in Progress (CIP): Construction in progress includes accumulation of on-going project costs that increase the value or life of the asset. Upon project completion, the construction account in

progress will be closed out and costs will be capitalized into the appropriate asset category (infrastructure, land improvement, building).

Moveable Equipment (EQP): Expenditures for individual items or pieces of equipment meeting the capitalization threshold shall be capitalized, consistent with the designations of personal property, both tangible and intangible outlined above.

Infrastructure: Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets shall be capitalized based on the capitalization threshold requirement of this policy. Examples of infrastructure include roads, bridges, drainage systems, sidewalks, etc.

ANNUAL INVENTORY

Annually, an asset listing is sent to each department for their verification of the existence of their department's capital assets. The department should identify any assets that their department has, which are not included on the asset listing. Also, the department should identify any missing assets. The City Manager or his/her designee will investigate any missing items with the assistance of the department. Significant unaccounted losses of assets will be brought to the attention of the City Manager for further actions. The City Manager or his/her designee, with the cooperation of the department, may make an annual physical inventory to verify the accuracy of inventory records.

TRANSFER OR DISPOSAL OF ASSETS

All capital assets are the property of the City. They may not be donated, discarded or transferred to another owner without the City Manager or his/her designee's direct authorization. Departments should send all surplus assets to the City Manager or his/her designee for disposition. Transfer or disposal of vehicles must be coordinated with the City Manager or his/her designee.

The disposition of capital assets the City purchased with Federal grant must follow Federal Guidelines. The guidelines of the specific grant, or Federal general guidelines, will dictate the duration of time that the asset must remain property of the City. The guidelines also will indicate the disposition of the proceeds of from the sale of the asset.

All sales by the City of real property or personal property with an assigned value of more than $500 must be offered for purchase, either by sealed bids or by auction to the highest bidder. Notice of the sale must be published once in the official newspaper of the City or in a newspaper of general circulation in the City. The legal notice must appear not less than 15 days or more than 60 days prior to the date of the sale. The notice must contain a brief description of the property and the conditions of the sale. If the sale is by sealed bid, the bids shall be opened in public at the time and place stated in the legal notice. The bids shall be kept available for public inspection for 60 days. The City may reject any and all bids or cancel a proposed sale.

Property with an estimated value of less than $ 500.00 may be sold without regard to the above provisions. Such sales may be made in the open market without advertisement and without acceptance of bids. The City has the power to estimate the value of the property being sold.

DEPRECIATION

The City records depreciation for its capital assets monthly. Depreciation is calculated using the straight-line method with no estimated salvage values. For purchased capital assets, the City uses the invoice date as the in service date.

ESTIMATED USEFUL LIFE

For purposes of depreciation, each asset is assigned an estimated useful life. Useful lives are based upon the category of assets. The life of the asset begins when it is put into service, which is recognized as the invoice date. The estimated lives shall be based upon those recommended by the Governmental Accounting Standards Board, the Government Finance Officers Association, and the City's experience.

RESPONSIBILITY FOR CAPITAL ASSET AND PROPERTY INVENTORY AND CONTROL

It is the responsibility of the City Manager or his/her designee to establish and maintain an accurate accounting of capital assets, and to design and implement continually improved operating procedures for activities required as a result of this policy. It shall be the responsibility of all City departments to cooperate in the capitalization process and to perform the annual inventory.

NON-CAPITAL OPERATING INVENTORY

The primary purpose of the Non-Capital Inventory Policies is to provide:

- For consistent and uniform tracking of assets which are not capitalized under the Capital Asset policy;
- Guidelines for physical control and accountability of items which should be inventoried and tracked based upon purpose; and
- Guidelines for disposal and yearly reporting of inventoried, non-capital assets.

A. DEFINITIONS

Operating Inventory Acquisition: There are various methods by which the City acquires operating inventories. The acquisition means may require different methods to identify inventories. The City acquires inventories in the following ways:

New Purchases	City Surplus
Donations	Lease Purchase
Transfers from other department	Internal/External Construction

Operating Inventory Criteria: The City will track inventories when one of the following criteria is met:

1. Goods or supplies are purchased with use scheduled for a future date. Examples of this type of inventory include water meters purchased for future installation or bulk paper purchased with the intent to distribute to departments when previous stock has been depleted; or

2. The operating inventory is such that for non-financial related reasons, the tracking of the item(s) is beneficial to the safekeeping of governmental property. Examples of this type of inventory include firearms or official uniforms. Further, specialized tools and equipment may be determined applicable to this policy.

CLASSIFICATION CATEGORIES

All inventories shall be classified and reported in compliance with Generally Accepted Accounting Principles (GAAP). Classifications and categories shall be compliant with the Georgia Department of Community Affairs chart of accounts.

ANNUAL INVENTORY

Annually, an inventory listing shall be sent from all departments to the City Manager or his/her designee for verification of the existence of their department's non-capitalized assets. The department should identify any inventories that their department has, which are not included on the capitalized asset listing.

Also, the department should identify any missing items from inventory. The City Manager or his/her designee will investigate any missing items with the assistance of the department. Significant unaccounted losses of assets will be brought to the attention of the City Manager for further actions. The City Manager or his/her designee, with the cooperation of the department, may make an annual physical inventory to verify the accuracy of inventory records.

TRANSFER OR DISPOSAL OF ASSETS

All inventory assets are the property of the City. They may not be donated, discarded, transferred or consumed to/by another department without the City Manager's notification. Departments should notify City Manager or his/her designee for assistance in the disposal of all surplus inventories.

Disposal of inventories to surplus is accomplished by completing the "*Inventory/Transfer*" form and indicating that the asset is being transferred to surplus. All sales by the City of real property or personal property with an assigned value of more than $500 must be offered for purchase, either by sealed bids or by auction to the highest bidder. Notice of the sale must be published once in the official newspaper of the City or in a newspaper of general circulation in the City. The legal notice must appear not less than 15 days or more than 60 days prior to the date of the sale. The notice must contain a description of the property and the conditions of the sale. If the sale is by sealed bid, the bids shall be opened in public at the time and place stated in the legal notice. The bids shall be kept available for public inspection for 60 days. The City may reject any and all bids or cancel a proposed sale.

Property with an estimated value of less than $ 500.00 may be sold without regard to the above provisions. Such sales may be made in the open market without advertisement and without acceptance of bids. The City has the power to estimate the value of the property being sold.

ACCOUNTING

The City shall maintain a system of financial monitoring, control, and reporting for all operations and funds in order to provide an effective means of ensuring that financial integrity is not compromised. In addition, such practices shall provide City officials with the necessary resources in order to make sound financial decisions.

SCOPE

This policy applies to all accounting records that are the responsibility and under the management of the Financial Systems.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

The City will establish and maintain a high standard of accounting practices. Accounting standards will conform to generally accepted accounting principles of the United States as promulgated by the Governmental Accounting Standards Board (GASB). The City also will follow the Financial Accounting Standards Board's pronouncements, as applicable.

FUND STRUCTURE

The City will maintain the minimum number of funds consistent with legal compliance and sound financial administration. The City will adhere to the mandatory fund structure included in the Georgia Department of Community Affairs' (DCA) chart of accounts (see below). Funds shall be classified in conformity with GAAP. Further, all funds shall be reported within the annual financial statements.

CHART OF ACCOUNTS

The Georgia General Assembly passed the Local Government Uniform Chart of Accounts and Reporting act in 1997 (House Bill 491). This law requires the DCA to prepare and issue a standardized chart of accounts for Georgia governments. It shall be the policy of the City to implement and utilize the account classifications as the chart of accounts prescribes.

AUDITING

Georgia Law on Local Government Audits, O.C.G.A. Section 36-81-7, requires an independent annual audit for the City. The annual independent audit shall be conducted in accordance with generally accepted auditing standards (GAAS) and generally accepted governmental auditing standards (GAGAS). In addition, the City shall comply with the requirements of the General Accounting Office (GAO) and the Office of Management and Budget (OMB) when audits are conducted relating to federal funding, consistent with the 1996 (and any future) amendments to the Single Audit Act.

SCOPE

This policy applies to all funds that are the responsibility and under the management of the City of Hiram.

AUDITOR QUALIFICATIONS

A properly licensed Georgia independent public accounting firm shall conduct the audit

CHOOSING THE AUDIT FIRM

Every three to five years, the City will issue a request for proposal to choose an audit firm for a period of three years with two one year options. The City will request two proposals from qualified public accounting firms. One proposal shall contain the firm's costs and a second will contain the firm's qualifications. The cost proposals shall only be opened after three qualified firms are determined. When awarding the contract for the independent audit, not less than 70% of the decision will be based upon technical qualifications rather than cost.

AUDITING AGREEMENT

The agreement between the independent auditor and the City shall be in form of a written contract or an engagement letter. The contract or engagement letter shall include the request for proposal as an appendix to the written document and all issues addressed in the request for proposal shall be required as part of the contract or engagement letter.

INTERNAL AUDIT

The City shall work towards developing and maintaining a strong internal audit function, whereby applying financial practices and policies to transactions. The City shall develop accounting practices and procedures, which will be documented for use in internal control evaluation.

MALFEASANCE AND EMBEZZLEMENT

Any employee will be prosecuted to the extent of the law in any instance where the employee is proven to have committed an illegal act such as theft.

FINANCIAL REPORTING

The City Manager or his/her designee shall develop and maintain an ongoing system of financial reporting to meet the information needs of the government, authorities, and regulatory agencies. In addition, the City Manager, Mayor, Council, Department Heads and the public shall have access to reports to allow them to monitor, regulate, and to use as a basis for future financial decisions.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

In conjunction with the annual independent audit, the City shall work towards preparing and publishing a Comprehensive Annual Financial Report (CAFR). The City shall prepare the CAFR in conformity with GAAP and the Government Finance Officers Association's (GFOA) program requirements. Annually, the City will submit its CAFR to the GFOA to determine its eligibility to receive the GFOA's "Certificate of Achievement for Excellence in Financial Reporting." The City shall make this his report available to the elected officials, bond rating agencies, creditors and citizens. All financial statements and schedules contained within the CAFR shall be audited, with the purpose to effectively communicate the complete financial affairs of the City to all interested readers.

ANNUAL BUDGET DOCUMENT

The City shall prepare and publish an annual budget document in accordance with the policies contained within this document. This budget shall measure the annual funding and forecast the financial position of the City for the two subsequent fiscal years.

ANNUAL CITIZEN'S REPORT

In order to provide citizens with financial information that is easily disseminated, the City Manager shall coordinate the publication of an annual report to the citizen's (e.g., a popular report). This report is in addition to the CAFR. This report shall be in conformance with GAAP, and follow the recommendations of the GFOA's "Popular Annual Financial Report" (PAFR) program guidelines. The City shall submit the Annual Citizen's Report to the PAFR program to determine it eligibility to receive the award.

FINANCIAL REPORTING TO THE CITY COUNCIL

On a monthly basis, the City Manager shall prepare and present a summarized "Statement of Revenues and Expenditures" to the City Council for all of the City's operating funds. This report shall detail prior year comparisons to provide data for analysis. In addition, this report shall include all checks issued in dollar amounts over $1,000, and all purchase orders with an estimated cost of over $1,000 but less than $25,000 (see purchasing policies for purchases with an estimated cost in excess of $25,000). The City also shall prepare a "Capital Project" report outlining appropriations (if any), expenses, outstanding encumbrances, and available appropriable balances.

FINANCIAL REPORTING TO THE ADMINISTRATION

In addition to the external reporting detailed above, the financial staff shall coordinate the reporting needs of each department in order to design and implement those reports which the departments need to make sound business decisions. At a minimum, departments will receive reports detailing monthly department financial activity including expenses, any personnel costs in excess of the approved budget, and recommended budget line-item reallocations.

EXTERNAL FINANCIAL REPORTING

The City shall report in conformity with O.C.G.A Section 36-81-7. A copy of the City's annual audit (i.e., the CAFR) shall be submitted to the Georgia Department of Audits and Accounts within 180 days of year-end, as required.

INTERNAL AUDIT

Government managers are responsible for designing and implementing effective internal controls to ensure that assets are safeguarded; records are reliable; reports on operations are sufficient and fairly presented; fraud, waste, and abuse are deterred; and programs, functions, and activities are conducted

economically, efficiently, and effectively. Audits help provide reasonable assurance that local governments are operating in accordance with laws, rules, regulations, and policies; responding to citizen needs; and functioning economically, efficiently, and effectively.

By independently reviewing and reporting on programs, functions, activities, and organizations, auditors provide the public, elected officials, and government managers with a fair, objective, and reliable assessment of local government performance.

SCOPE

This policy applies to all departments, offices, boards, commissions, agencies, or other activities under the authority of the Mayor and City Council. It apples to all internal operations of those entities or activities, as well as contracts, agreements, and all other transactions between the City and external entities (e.g., other federal, state, or local government entities and private sector entities).

AUDIT SCHEDULE

Scheduling of audits will be a continuous and dynamic process and provide adequate coverage of the City's programs and operations. Managers are encouraged to work with the City Manager or Independent Auditor Contractor by suggesting areas or programs for audit or requesting other assistance (e.g., reviewing proposed contract terms and conditions, analyzing alternative approaches, conducting investigative work). Potential audits or other requests will be prioritized based on potential risks, City management requests for coverage in specific areas, public interest in a particular area, and achieving an acceptable mix of audit coverage for all of the City's operations.

ACCESS TO EMPLOYEES, RECORDS, AND PROPERTY

All officers and employees of the City shall furnish the City Manager or Independent Auditor Contractor with unrestricted access to employees, information, and records (including automated data) within their custody regarding powers, duties, activities, organization, property, financial transactions, contracts, and methods of business needed to conduct an audit or otherwise perform audit duties. In addition, they shall provide access for the City Manager or Independent Auditor Contractor to inspect all property, equipment, and facilities within their custody. In addition, all contracts, subcontracts, or other agreements between the City and any outside entity (public or private) shall provide for auditor access to all revenue, expense, and other financial records; performance-related records; and property, equipment, or other purchases paid for in whole or in part with governmental funds and facilities.

REPORTING

A final draft audit report will be forwarded to the audited department, office, board, commission, agency, or other activity and the City Manager for review and comment regarding factual content before it is released. The audited entity must respond in writing and specify agreement with audit findings and recommendations or reasons for disagreement with findings and/or recommendations, plans for implementing solutions to issues identified, and a time table to complete such activities. The response must be forwarded to the Internal Auditor within 30 calendar days or as otherwise specified by the City Manager or Independent Auditor Contractor. The final report will include the audited entity's response. If no response is received, the final report will note that fact. Final audit reports, along with a report summary, will be transmitted to the Mayor and City Council and will be made available to the public upon request.

Fund Structure & Basis of Budgeting

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

Governmental Funds are defined by law as funds used to account for "governmental-type activities". They account for all current financial resources except for those required by law to be accounted for in another fund.

The City of Hiram operating on Governmental Fund Accounting and recognizes 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.

General Fund

The General Fund of a government unit serves as the primary reporting method for current government operations. The major sources of revenues for the General Fund are; Local Option Sales Taxes, Title Ad Valorem Taxes, Franchise Taxes, Insurance Premium Taxes, and Municipal Court Fines. The major departments funded include: General Administrative Services, Municipal Court Services, Police, and Public Works.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The major sources of revenue for the Special Revenue Funds include: Hotel/Motel Taxes, Confiscated Funds and Grant Funds. The major categories funded include; Trade, Tourism, Special Events and Community Activities.

Capital Project Funds

The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The major sources of revenue for the Capital Project Funds include; Capital Grants and Special Purpose Local Option Sales (SPLOST) taxes. The major categories funded include; Streets, Roads and Bridges, Parks and Recreation and Police Capital Outlay.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The City does not currently have a Debt Service Fund.

Proprietary Funds

Proprietary Funds are used to account for a government's ongoing activities that are similar to those found in the private sector. There are two types of Proprietary Funds; Enterprise Funds and Internal Service Funds. The City of Hiram has one Proprietary Fund: Enterprise Fund.

Enterprise Fund

The Enterprise Fund of a government accounts for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The sources of revenues for the Enterprise Fund are Solid Waste an Waster Services. The major categories funded are maintenance and capital improvements.

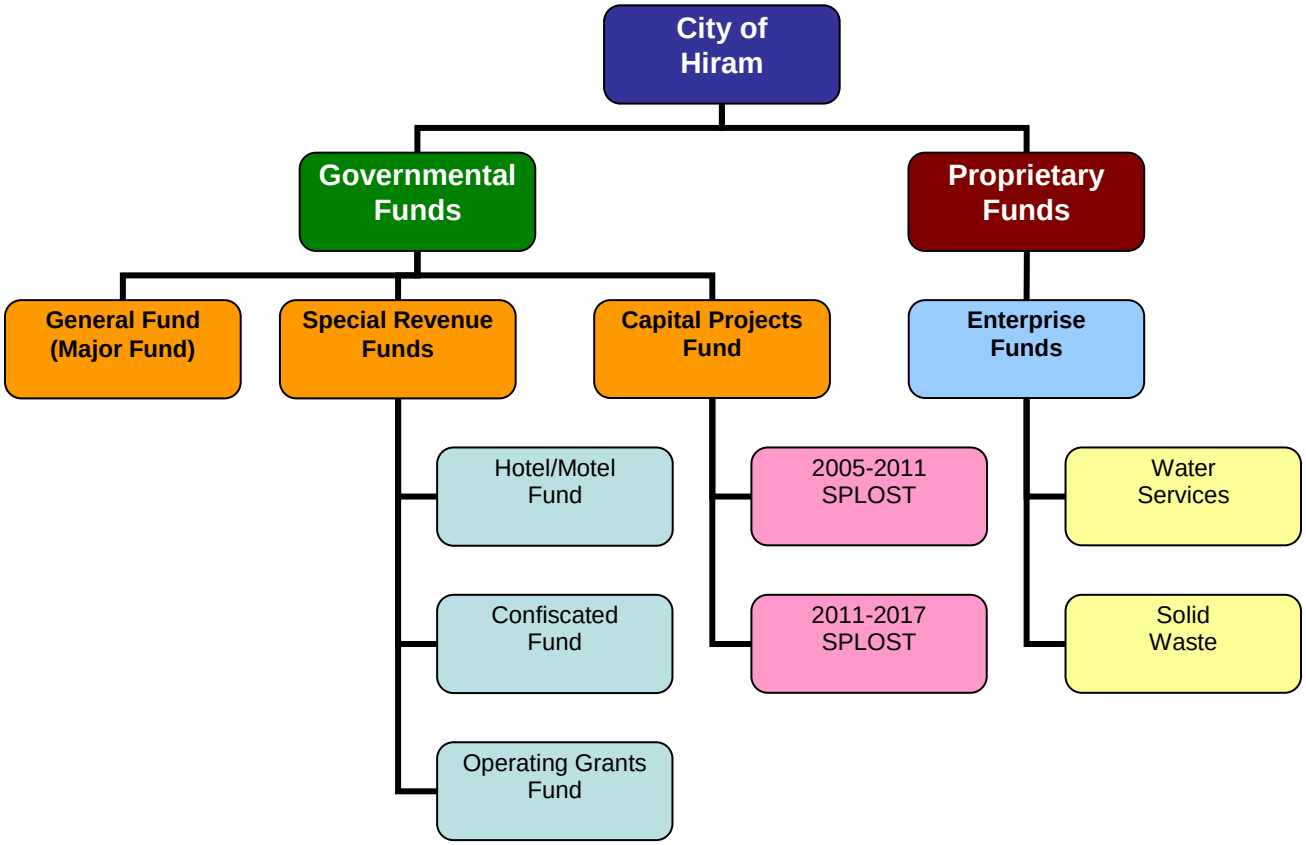
Internal Service Fund

The Internal Service Fund is used to identify and allocate costs of goods and services to other departments. The City does not currently have an Internal Service Fund.

Fiduciary Funds

Fiduciary Funds are used to account for assets held in a trustee or agency capacity for others. The City does not have any Fiduciary Funds at this time.

The below diagram better illustrates the fund accounting breakdown:



Basis of Budgeting versus Basis of Accounting

Neither GAAP nor Georgia statutes address a required basis of budgeting; the City adopts budgets in conformity with GAAP for all budgeted funds. The budgets of the general governmental type funds (the General Fund, Special Revenue Funds, and Capital Project Funds) are prepared on a modified accrual measurable basis. The modified accrual basis of accounting and budgeting recognizes revenue when a transaction is and available. Revenue is considered available when it is collectible during the current period or after the end of the period but in time to pay current year liabilities and expenditures. Expenditures are recognized when they are measurable, when the liability is incurred, and when the liability will be liquidated with current resources. All three of these criteria must be met in order for the expenditure to be recognized.

Local municipal governments in Georgia are not required to adopt budgets for Enterprise Funds. However, best management practices dictate that budgets should be adopted for all funds to ensure that projected revenues and expenses are on target in an Enterprise Fund. The City of Hiram adopts a budget

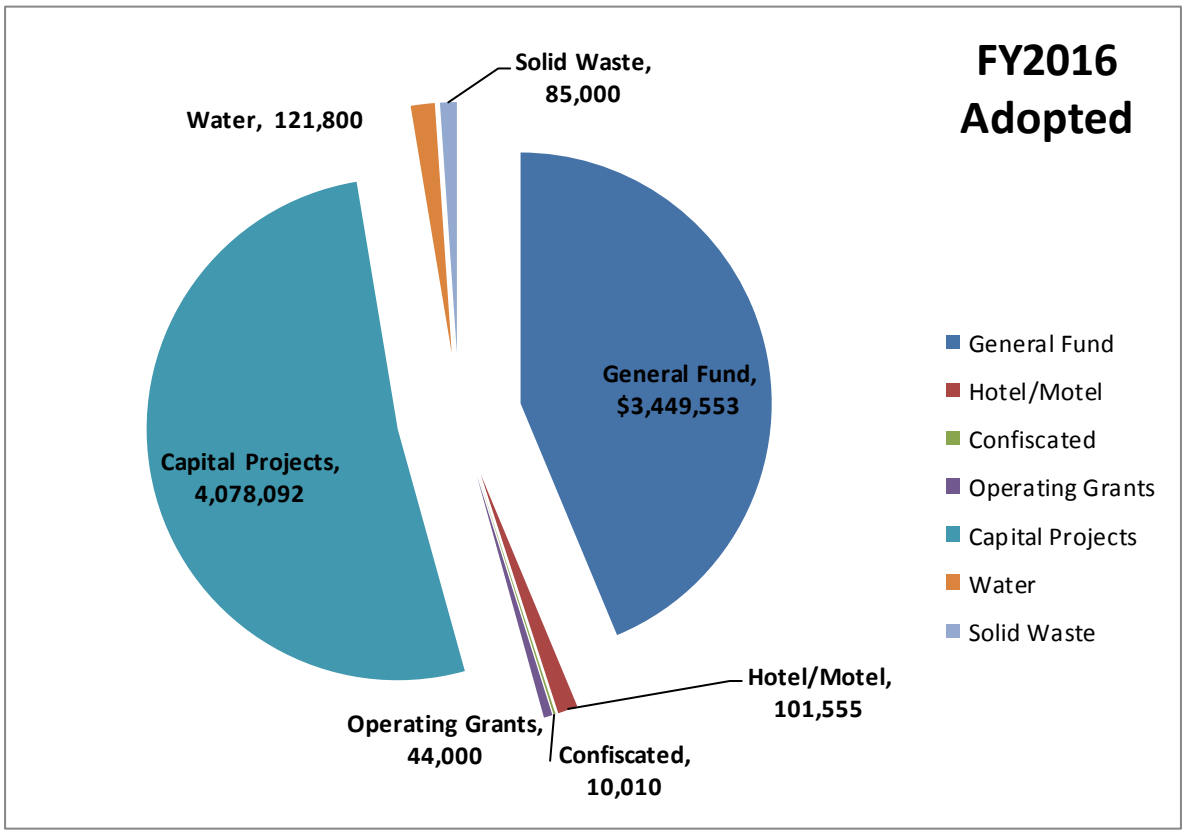
for its Enterprise Fund on the modified accrual basis of accounting whereby capital outlay is shown as an expense rather than the acquisition of an asset. The management budgets in this manner to track cash flows in the Enterprise Fund.

The City will establish and maintain high standards of accounting practices. Accounting standards will conform to Generally Accepted Accounting Principles (GAAP) of the United States as promulgated by the Governmental Accounting Standards Board (GASB). The City also will follow the Financial Accounting Standards Board's (FASB) pronouncements, as applicable

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 $3,449,553. This is $14,691 less than the FY2015 Amended Budget. 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 Fund Summaries section.

Citywide Revenues and Expenditures By Fund	FY2013 Adopted	FY2014 Adopted	FY2014 Amended	FY2013-2014 %(+/-)	FY2015 Adopted	FY2015 Amended	FY2014-2015 %(+/-)	FY2016 Adopted	FY2015-2016 %(+/-)
General Fund	$ 3,374,373	$ 3,525,359	$ 3,499,764	3.72%	$ 3,454,763	$ 3,464,244	-1.01%	$ 3,449,553	-0.42%
Hotel/Motel	80,040	145,906	145,906	82.29%	151,491	151,491	3.83%	101,555	-32.96%
Confiscated	2,510	9,143	9,133	263.88%	7,422	7,422	-18.73%	10,010	34.86%
Operating Grants	44,990	47,107	47,107	4.71%	95,033	96,533	104.92%	44,000	-54.42%
Capital Projects	1,662,919	816,400	2,117,470	27.33%	2,328,190	2,328,190	9.95%	4,078,092	75.16%
Water	126,150	135,464	135,464	7.38%	91,800	106,975	-21.03%	121,800	13.86%
Solid Waste	45,000	139,060	139,060	209.02%	63,292	63,292	-54.49%	85,000	34.30%
Total Revenue:	**$ 5,335,982**	**$ 4,818,439**	**$ 6,093,904**	**14.20%**	**$ 6,191,990**	**$ 6,218,147**	**2.04%**	**$ 7,890,010**	**27.42%**

The chart below provides a visual of how the Governmental Fund Accounting is used:



Fund Summaries

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. At the present time, these funds do not include property taxes. Without these significant and reliable revenue stream, the City needs to identify another source of revenue to fund operations without relying on its reserves to fill the revenue gap. Staff has recommended and is pursuing the possibility of implemented a new way of collecting business license fees. The current system is based on the number of employees. Unfortunately, this system does not capture the amount of revenue that is commensurate with the services delivered to many businesses within the City. The alternative that would capture a more equitable share of revenue which has been recommended is the system known as gross receipts.

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.

General Fund By Department	FY2013 Adopted	FY2014 Adopted	(+/-) %	FY2014 Amended	FY2015 Adopted	(+/-) %	FY2015 Amended	(+/-) %	FY2016 Adopted	(+/-) %
Public Works	$ 531,492	$ 596,158	12.17%	$ 590,698.37	$ 525,467.06	-11.04%	$ 524,856.41	-0.12%	$ 521,651.79	-0.61%
Community Center	$ 22,677	$ 45,000	98.44%	$ 45,000.00	$ 34,800.00	-22.67%	$ 34,800.00	0.00%	$ 35,750.00	2.73%
Summer Camp	$ 37,724	$ 40,125	6.36%	$ 40,125.00	$ 43,875.00	9.35%	$ 43,875.00	0.00%	$ 44,050.00	0.40%
Parks & Recreation	$ 36,322	$ 40,100	10.40%	$ 40,100.00	$ 34,545.00	-13.85%	$ 34,545.00	0.00%	$ 50,175.00	45.25%
Police	$ 1,564,059	$ 1,180,992	-24.49%	$ 1,180,992.33	$ 1,170,363.50	-0.90%	$ 1,169,773.79	-0.05%	$ 1,217,151.81	4.05%
Court	$ 355,151	$ 569,044	60.23%	$ 570,319.77	$ 548,262.52	-3.87%	$ 545,624.11	-0.48%	$ 531,945.90	-2.51%
Support Services	$ -	$ 296,793	100.00%	$ 295,516.39	$ 294,613.00	-0.31%	$ 296,663.01	0.70%	$ 257,410.50	-13.23%
Administration	$ 555,975	$ 597,088	7.39%	$ 631,048.01	$ 711,655.93	12.77%	$ 721,330.93	1.36%	$ 713,454.16	-1.09%
Other Financing Use	$ 6,300	$ -	100.00%	$ 31,000.00	$ -	-100.00%	$ -	0.00%	$ -	0.00%
City Council	$ 89,171	$ 99,930	12.07%	$ 99,963.78	$ 92,774.95	-7.19%	$ 92,774.95	0.00%	$ 77,963.95	-15.96%
Total GF:	**$ 3,198,870**	**$ 3,465,230**	**8.33%**	**$ 3,524,763.65**	**$ 3,456,356.96**	**-1.94%**	**$ 3,464,243.20**	**0.23%**	**$ 3,449,553.10**	**-0.42%**
Other Funds										
Capital Improvement Program	$ -	$ -	0.00%	$ 1,288,306.00	$ 1,288,306.00	100.00%	$ 1,288,306.00	0.00%	$ 2,412,956.00	87.30%
Water	$ 80,014	$ 135,464	69.30%	$ 135,464.00	$ 91,800	-32.23%	$ 91,800.00	0.00%	$ 121,800.00	32.68%
Solid Waste	$ 44,142	$ 139,060	215.03%	$ 139,060.00	$ 63,292	-54.49%	$ 63,292.00	0.00%	$ 85,000.00	34.30%
Hotel/Motel	$ 82,913	$ 145,906	75.97%	$ 145,905.97	$ 151,491	3.83%	$ 151,490.88	0.00%	$ 101,555.20	-32.96%
Confiscated	$ 1,685	$ 9,143	442.63%	$ 9,133.27	$ 7,422	-18.73%	$ 7,422.27	0.00%	$ 10,010.00	34.86%
Grants	$ 56,563	$ 47,107	-16.72%	$ 47,107.09	$ 95,033	101.74%	$ 95,032.66	0.00%	$ 44,000.00	-53.70%
2005 SPLOST	$ 106,754	$ -	-100.00%	$ 81,714.17	$ 18,205	-77.72%	$ -	-100.00%	$ -	0.00%
2011 SPLOST	$ 286,873	$ 816,400	184.59%	$ 2,117,470	$ 1,021,679	-51.75%	$ 1,021,678.83	0.00%	$ 1,665,136.39	62.98%
TOTAL EXPENDITURE:	**$ 3,857,815**	**$ 4,758,311**	**23.34%**	**$ 7,488,924.16**	**$ 6,193,584.60**	**-17.30%**	**$ 6,183,265.84**	**-0.17%**	**$ 7,890,010.69**	**27.60%**

REVENUES:

Local Option Sales Taxes	$ 570,000
Other Taxes	1,350,000
Licenses and Permits	164,950
Intergovernmental Revenue	
Charges for Service	78,550
Fines and Forfeitures	725,000
Interest Earnings	7,746
Other/Miscellaneous	38,900
Subtotal	$ 2,935,146

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 $2,935,146. This is $175,278 (5%) less than the FY2015 Amended Budget. These revenues do not include interfund transfers, budgeted fund balance or cash reserves, are described and projected as follows:

Title Ad Valorem Tax (TAVT)

We are in the third year of collection this new tax revenue for the City of Hiram that was created under HB386. 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. The projected revenues for FY2016 is $177,000. This is a projected decrease of $500 from the FY2015 Amended Budget of $177,500.

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. The City collected $300,977 in 2009-2010, $309,287 in 2010-2011, $303,614 in 2011-2012, $340,487 in 2012-2013, $310,000 in 2013-2014 and $346,282 in 2014-2015. The City worked with the Georgia Municipal Association to conduct an audit of these taxes. The results yielded that not all entities were paying the correct amount which increased revenues for this line item. The actuals for FY2015 are estimated to be $392,266. As such, we estimate collections for FY2016 to be $393,000.

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, in FY2013 totaled $508,000, in FY2014 totaled $593,750 and are projected to be $560,000 for FY2015. While we believe the trend will continue to be in an upward direction, we are conservatively estimating FY2016 collections to be just slightly above FY2015 at $570,000.

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 $81,650 in FY2013, $95,000 in FY2014 and $95,000 in FY2015. Based on the previous five years, we estimate the collections to remain constant at $95,000. However, the City will be pursuing a change in the collections of these taxes. Instead of assessing an amount based on the number of employees, the City will be incorporated a gross receipts system which will create a positive result in collections.

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. The City collected $53,706 in FY2011, $59,356 in FY2012, $59,745 in FY2013, and $60,000 in FY2014. The FY2015 actuals closer to $63,379. Based on these figures and trend, we estimate the FY2016 collections to be $65,000.

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, in October 2012 it was $176,662, in October 2013 is was $182,916. We collected $191,468 in FY2015 and are projecting $195,000 for FY2016

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,

$135,550 in FY2013, $135,000 in FY2014 and $136,700 for FY2015. Based on previous trends, the City estimates collections for FY2016 to be $138,700.

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 five years average $10,000 per year. The City is conservatively projecting collections at $10,000 for F2016.

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 $64,974 in FY2012, (which included an additional $11,000 from internal audit of businesses with pouring license which had not paid previous years). The City entered into an agreement with the Georgia Municipal Association's audit service in FY2014 which helped correct past tax errors while increasing collections to a budgeted $55,000 with FY2014 actuals estimated at $60,429 for FY2014. FY2015 was budgeted at $61,000. Based on the current collections trends, the City estimates FY2016 collections to be $61,000.

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. Collections have been as high as $250,000 and as low as $239,000 in the past four years. With FY2014 actuals estimated to be 286,957, the City is estimating collections for FY2015 to be $275,000. The trend had been in a positive direction due to the proactive collections by staff so the FY2016 projection is $292,000.

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. The collections for FY2014 were budgeted at $70,000. The City budgeted a slight increase for FY2015 at $73,000. With this trend, the projected collections for FY2016 are $73,000.

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 $2,347.50 for 2012. Past collections were $9,088 in FY2009, $9,038 in FY2010, $6,600 in FY2011, $13,603 in FY2012, $14,307 in FY2013, and $13,807 in FY2014. The FY2014 as well as the FY2015 Budget was set at $14,500. As a result, we are estimating collections for FY2016 to remain relatively flat at $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 FY2012 which increased collection of penalty fees, FY2013 collections were less than previous years at $3,950.00. And while we projected these revenues to be closer to $4,000 for FY2014, the actuals are estimated to be considerably lower at $1,703. We are projected this revenue to be only $1,000 for FY2015. This projection was further reduced t0 $750 due to the compliance gained by a proactive collection method.

Election Qualifying Fee

The City has a scheduled election in FY2016 with three seats open; the Mayor, Post 1 and Post. Qualifying is the last week of August and the budget has been set at $900 for projected revenue.

Police Administration

This revenue includes miscellaneous fees associated with items such as video copy requests, etc. FY2013 collections were $719 and was estimated at $1,000 for FY2014. However due to some new operating initiatives such as offering fingerprinting services through LiveScan, this revenue line item generated closer to $4,062. While we projected to collect $4,500 in FY2015, this line item was reduced ti $2,000 for FY2016.

Accident Report Fees

These fees are collected for accident/incident report copies. Previous years prior to FY2013, this item was included with Police Administration. Collections for FY2013 were $7,514 and estimated to be $8,475 for FY2014. The FY2015 Budget was adopted at $7,500. Based this trend, the City is continuing to estimate $8,000 for FY2016.

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. In FY2014, the collections are expected to be $3,950, lower than the projected $5,000. This revenue was decreased to $4,000 in FY2015. Consistent with trending, the FY2016 projection is $4,000.

Georgia Jail and Construction Act Fines

In 2013, 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 and will not show this as a revenue as it is remitted using the Municipal Court software system. This revenue is reflected in the Municipal Court Revenue line item.

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. Until FY2014, the City was not collecting these fines. The estimated collection for FY2014 was $12,750, which is also shown as an expenditure in the Municipal Court departmental budget. These revenues have been moved to the Municipal Court revenue line item and are remitted through the Court software without being a transaction within our General Fund.

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 and are projected to be $7,572 for FY2014. The projected amount of revenue for this line item for FY2015 was $7,500 and was reduced to $5,500 for FY2016 as we did not reach the prior year's projections.

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. FY2014 was projected to be $25,000 and is projected to come in slightly higher at $28,974. Based on the previous camps and increase in participants, the City is projecting collections for FY2015 to be $30,000. For FY2016, the City increased its projections to $37,500 due to the increase in tuition rates.

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 Fiscal Year revenues minus probation service payments, the City projected collections for FY2014 to be $600,000 yet expects to realize a significant increase to $802,563. These revenues are based on a multiple of factors one of which can be tied to the officer initiated Uniform Traffic Citation Summons activity. The City is operating with less certified and sworn officers which can contribute to fluctuations within this line item. The City projected $690,000 for FY2015. However, Uniform Traffic Citations were down due to the reduction in force when two officers resigned and two other authorized positions remained frozen. The two vacant positions were filled prior to the beginning of FY2016 and the two frozen positions will be filled within the first quarter of FY2016. These four new officers will be in training and not released to full duty until the second quarter of FY2016. With these factors in mind, the City is reducing the projected Municipal Court revenue to $450,000.

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 FY2013 was $235,000, and FY2014 was budgeted at $230,000 yet projected to be $279,000. Based on these trends, the projection for FY2015 was $280,000 and will remain fat at $275,000 for FY2016.

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 were predicted to $25,000 with FY2014 renewals. The actual amount was closer to $14,617 for FY2014. Due to these predictions of lower interest rates and the decrease in investment amount as some for the funds have been divested to subsidize the General Fund and/or fund capital projects, the City projected $8,000 for FY2015 and remained conservative at $7,746 for FY2016.

Community Center and The Event Place Fees

The City owns and operated two event facilities, the Hiram Community Center and the newly renovated Events Place. The Community Center, which also houses the City Municipal Court sessions & Council Sessions, and The Events Place located across from the Ben Hill Strickland, Sr. Memorial Park are used for various other functions such as Weddings, Anniversary Parties, Birthday Parties, Bridal or Baby Showers, Family Reunions, Meetings, etc. Collections for FY2012 were $23,346. However, with the opening of the Events Place in early 2014, rental collections increased. Due to those additional rental fees, we estimated $27,000 for FY2014 but collected over $33,430. The City budgeted $34,000 for FY2015 and remained constant for FY2016.

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 projected $1,500 in collections for FY2014. This revenue is expected to come in higher at $2,682 for FY2014 and was projected conservatively at $2,000 for FY2015. Rentals have remained flat or lower that projections. So FY2016 is being projected to be $1,800.

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. However, the City chose to manage the operations and the revenues and expenditures associated with special events within the Hotel/Motel Fund as the event are organized and conducted to promote trade, tourism and conference. So the revenues collected were closer to $1,393. This revenues came in slightly higher in Y2015 at $1,578. Using this new benchmark, the projection for this line item for FY2016 will only be $1,400.

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 and $11,000 for FY2014 which were expected closer to $14,730. FY2015 remained consistent with FY2014 and was projected to be $14,000. Based on current practices and trends, this City is projecting $13,500 for FY2016.

Sign Permits

With changes in 2014 to the City of Hiram's sign Ordinance under Article XII, Sec. F, any person seeking to erect construct, enlarge, alter, repair, move, improve, or convert any sign must submit an application and a fee for processing the application and request. These associated fees have been codified including temporary permits ($25 fee), permanent sign permits ($75 fee) and sign variance permits ($125 fee). Each of these permits fall within a revenue line item which was new to Hiram in 2015. For FY2016, the City is projecting $1,500 in revenue for Sign Permitting.

Pawnshop Precious Metal Fees

By January 1, 2015, the City will have an Ordinance in place that is congruent with State law in regards to the fees associated with licensing precious metal dealers. The City projected $1,250 in revenues associated with these fees in FY2015. This projection was amended to $500 in FY2015. The City does not project any revenues in FY2016 as the Ordinance capped the number of pawn shops permitted to operate in the City limits.

Building Lease (186 Oak Street – Ruritan Recreation)

In FY2015, the City has entered onto a lease agreement with the Ruritan Recreation Association. The Ruritan is a national organization dedicated to improving communities and building America through fellowship, goodwill and community service. The City of Hiram has partnered with the Ruritan in order to delivery recreation services to our community and has offered a City building for lease at the rate of $2,500. This facility, located at 186 Oak Street, has become part of the Hiram Ruritan Sports Complex. The Hiram Ruritan sports complex offers several sports opportunities and training camps for youth in Paulding County offering many programs such as baseball, football, track and field, and cheerleading.

Building Lease (27 Alexander Street – Intertech Probation Services)

In FY2016, the City entered into an agreement with a new probation service, Intertech, to replace the previous service, Sentinel. As a part and parcel of this change, the City encouraged that Intertech secure a presence within or near the City of Hiram. The City of Hiram owns a residential structure that has been leased out for various non-profit organizations yet has remained vacant for several months. The City entered into a lease agreement with Intertech to occupy this facility at rate o $300 per month. This revenue will be a new source of annual revenue at $3,600.

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

GF Revenue Line Item	FY2014 Adopted	FY2014 Amended	FY2015 Adopted	(+/-) %	FY2015 Amended	(+/-) $	FY2016 Adopted	(+/-) $
Title Ad Valorem Tax	$ 126,619	$ 126,619	$ 177,500	40.18%	$ 177,500	0.00%	$ 177,000	-0.28%
Energy Tax	$ -	$ -	$ -	0.00%	$ 275	100.00%		-100.00%
Real Estate Transfer Tax	$ -	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%
Temporary Permits	$ -	$ -	$ 500	100.00%	$ 950	90.00%	$ 1,000	5.26%
Franchise Tax	$ 310,000	$ 310,000	$ 350,000	12.90%	$ 350,000	0.00%	$ 393,000	12.29%
Local Option Sales Tax	$ 593,750	$ 593,750	$ 560,000	-5.68%	$ 560,000	0.00%	$ 570,000	1.79%
Occupation Tax Certificate	$ 95,000	$ 95,000	$ 95,000	0.00%	$ 95,000	0.00%	$ 95,000	0.00%
Occupation Tax Admin Fee	$ 11,000	$ 11,000	$ 14,000	27.27%	$ 14,000	0.00%	$ 13,500	-3.57%
Financial Institution Tax	$ 60,000	$ 60,000	$ 63,000	5.00%	$ 63,000	0.00%	$ 65,000	3.17%
Insurance Premium Tax	$ 176,662	$ 176,662	$ 185,000	4.72%	$ 191,468	3.50%	$ 195,000	1.84%
Alcoholic Beverage Licenses	$ 135,000	$ 135,000	$ 132,000	-2.22%	$ 136,700	3.56%	$ 138,700	1.46%
Pouring Permit	$ 9,500	$ 9,500	$ 10,000	5.26%	$ 10,000	0.00%	$ 10,000	0.00%
Excise Tax by Alcoholic Drink	$ 55,000	$ 55,000	$ 61,000	10.91%	$ 61,000	0.00%	$ 60,000	-1.64%
Beer & Wine Tax Distribution	$ 250,000	$ 250,000	$ 275,000	10.00%	$ 275,000	0.00%	$ 292,000	6.18%
Liquor Tax Distribution	$ 70,000	$ 70,000	$ 73,000	4.29%	$ 73,000	0.00%	$ 73,000	0.00%
Insurance Licenses	$ 14,500	$ 14,500	$ 14,500	0.00%	$ 14,500	0.00%	$ 14,500	0.00%
Other Fees	$ -	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%
Sign Permit Fees	$ -	$ -	$ 1,500	100.00%	$ 1,500	0.00%	$ 1,500	0.00%
Pawn Shop Regulatory	$ -	$ -	$ 1,250	100.00%	$ 1,250	0.00%	$ 1,250	0.00%
Occupation Certificate Penalty	$ 4,000	$ 4,000	$ 1,000	-75.00%	$ 1,000	0.00%	$ 750	-25.00%
Election Qualifying Fee	$ 600	$ 600	$ -	-100.00%	$ -	0.00%	$ 900	100.00%
Police Administration Revenue	$ 1,000	$ 4,500	$ 4,500	0.00%	$ 4,500	0.00%	$ 2,000	-55.56%
Accident Report Fee	$ 7,500	$ 7,500	$ 7,500	0.00%	$ 7,500	0.00%	$ 8,000	6.67%
Alcohol License Fee	$ 5,000	$ 5,000	$ 4,000	-20.00%	$ 4,000	0.00%	$ 4,000	0.00%
Pawn Shop-Precious Metal Fees	$ -	$ -	$ 500	100.00%	$ 500	0.00%	$ -	-100.00%
Georgia Jail and Construction Act Fines	$ 48,000	$ 48,000	$ -	-100.00%	$ -	0.00%	$ -	0.00%
Bail and Bond Forfeiture Fines	$ -	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%
D.A.T.E. Fines	$ 12,750	$ 12,750	$ -	-100.00%	$ -	0.00%	$ -	0.00%
Background Check Fees	$ 7,500	$ 7,500	$ 7,500	0.00%	$ 7,500	0.00%	$ 5,500	-26.67%
Camp Hornet Revenue	$ 25,000	$ 25,000	$ 30,000	20.00%	$ 30,000	0.00%	$ 37,500	25.00%
Municipal Court Revenue	$ 600,000	$ 600,000	$ 690,000	15.00%	$ 690,000	0.00%	$ 450,000	-34.78%
Probation Revenue	$ 230,000	$ 230,000	$ 280,000	21.74%	$ 280,000	0.00%	$ 275,000	-1.79%
Interest Revenue	$ 25,000	$ 25,000	$ 8,000	-68.00%	$ 8,000	0.00%	$ 7,746	-3.17%
Community Center Fees	$ 27,000	$ 27,000	$ 34,000	25.93%	$ 34,000	0.00%	$ 34,000	0.00%
Park Pavilion Fees	$ 1,500	$ 1,500	$ 2,000	33.33%	$ 2,000	0.00%	$ 1,800	-10.00%
186 Oak Street Lease	$ -	$ -	$ 2,500	100.00%	$ 2,500	0.00%	$ 2,500	0.00%
Intertch Lease (Alexander Street)	$ -	$ -	$ -	0.00%	$ -	0.00%	$ 3,600	100.00%
Insurance Reimbursement	$ -	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%
Transfers In	$ -	$ 31,000	$ -	-100.00%	$ -	0.00%	$ -	0.00%
Workers Compensation Premium Rebat	$ -	$ -	$ -	0.00%	$ 15,203	100.00%	$ -	-100.00%
Administration Misc. Revenue	$ 7,000	$ 7,000	$ 1,578	-77.46%	$ 1,578	$ 0.00	$ 1,400	-11.28%
Subtotal:	**$ 2,908,881**	**$ 2,943,381**	**$ 3,086,328**	**4.86%**	**$ 3,110,424**	**0.78%**	**$ 2,935,146**	**-5.64%**

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 $4,954,864.

Other Governmental Funds	FY2014 Adopted	FY2014 Amended	FY2015 Adopted	% (+/-)	FY2016 Adopted	% (+/-)
Grants	$ 47,107	$ 47,107	$ 95,033	102%	$ 44,000	-54%
Confiscated	9,133	9,133	7,422	-19%	10,010	35%
Hotel/Motel	145,906	145,906	151,491	4%	118,913	-22%
Capital Projects	2,111,900	2,212,642	1,039,884	-53%	1,665,136	60%
Enterprise	293,181	293,181	216,975	-26%	210,083	-3%
Other Financing Sources	537,726	1,826,032	1,594,858	-13%	2,906,722	82%
Total:	**$ 3,144,953**	**$ 4,534,001**	**$ 3,105,663**	**-32%**	**$ 4,954,864**	**60%**

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 $7,890,010 which is the cost of all governmental services.

ADOPTED
June 23, 2015

City of Hiram
FY2016 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	$ 570,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 570,000
Other Taxes	1,350,000	101,555						1,451,555
Licenses and Permits	164,950							164,950
Intergovernmental Revenue				44,000	831,334	121,800	85,000	1,082,134
Charges for Service	78,550							78,550
Fines and Forfeitures	725,000		10,010					735,010
Interest Earnings	7,746							7,746
Other/Miscellaneous	38,900				2,412,956			2,451,856
Subtotal	$ 2,935,146	$ 101,555	$ 10,010	$ 44,000	$ 3,244,290	$ 121,800	$ 85,000	$ 6,541,801
Other Financing Sources								
Interfund Transfer from Hotel Motel	$ 17,358							$ 17,358
Interfund Transfer from Cash Reserve								-
Interfund Transfer from Solid Waste	-							-
Interfund Transfer from Water	3,283							3,283
Budgeted Fund Balance	70,091	-	-	-	833,802			903,893
Money Market - Undesignated	423,675						-	423,675
Subtotal	$ 514,407	$ -	$ -	$ -	$ 833,802	$ -	$ -	$ 1,348,209
Total Revenues	$ 3,449,553	$ 101,555	$ 10,010	$ 44,000	$ 4,078,092	$ 121,800	$ 85,000	$ 7,890,010
EXPENDITURES:								
Mayor and City Council	$ 77,964							$ 77,964
City Administration	713,454	101,555		-				$ 815,009
Municipal Court	531,946							$ 531,946
Support Services	257,411							$ 257,411
Police	1,217,152		10,010	14,000	296,244			$ 1,537,406
Public Works	521,652			30,000	955,066			$ 1,506,718
Parks Recreation	50,175				413,826			$ 464,001
Water						$121,800.00		$ 121,800
Solid Waste							85,000	$ 85,000
Community Center	35,750							$ 35,750
Summer Camp	44,050							$ 44,050
Non-Departmental								$ -
Contingency								$ -
Reserve								$ -
2011 SPLOST					*			$ -
Other					2,412,956			$ 2,412,956
Subtotal	$ 3,449,553	$ 101,555	$ 10,010	$ 44,000	$ 4,078,092	$ 121,800	$ 85,000	$ 7,890,010
Other Financing Uses								
Interfund Transfer to Hotel Motel								$ -
Interfund Transfer to Grants								-
Interfund Transfer to GF								
Subtotal	$ -	$ -	$ -	$ -	$ -	$ -		$ -
Total Expenditures	$ 3,449,553	$ 101,555	$ 10,010	$ 44,000	$ 4,078,092	$ 121,800	$ 85,000	$ 7,890,010

CITYWIDE EXPENDITURES

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 for 31 full-time and 5 part-time employees were $2,028,680. That was a reduction of $64,026 (-3.1%) from FY2013 of $2,092,706 in which the City employed 35 full-time and 3 part-time employees. The FY2014 budget was amended to $2,035,325 which equated to a fractional increase of $6,645 (.3%). For FY2015, our personal services budget, which includes salaries and benefits for 32 FTE's and salaries for 6 PTE's and 6 Councilmembers, was approved at $2,012,890. This makes up 58% of our overall General Fund ($3,454,763). This is a net zero increase from the FY2014 amended budget. For FY2016, the personal services budget was approved at $2,082,821. While this is an increase of $69,931 (3%), it is a direct result of filling two frozen police officer positions which equated to over $95,000 in salaries and benefits. The salaries and benefits are approximately 60% of the over General Fund of $3,449,553.

The salaries/benefits budget is broken down as follows: $1,527,255.46 is appropriated for salaries, $26,200.00 is appropriated for overtime, $25,990.77 is appropriated for PTO rebate, $203,438.79 is appropriated or employer taxes (FICA, Workers Comp, Medicare, Unemployment Insurance), $82,325.29 is appropriated for Pension, and $217,610.58 is appropriated for benefits (Short Term Disability, Long

Term Disability, Life Insurance, Health Insurance and Dental Insurance). Benefit costs are 26.67% of the total salaries/benefit budget. The table below illustrates the detailed breakdown for salaries and benefits:

Category	FY2013 Adopted	FY2014 Adopted	(+/-) %	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2016 Adopted	(+/-) %
Regular Salaries	$ 1,388,577.96	$ 1,420,656.37	2.3%	$ 1,420,625.45	0.0%	$ 1,460,667.14	2.8%	$ 1,527,255.46	4.6%
Overtime	$ 76,964.72	$ 64,983.97	-15.6%	$ 58,071.79	-10.6%	$ 33,700.00	-42.0%	$ 26,200.00	-22.3%
Sick Time Rebate	$ 32,914.85	$ 25,699.44	-21.9%	$ 29,088.69	13.2%	$ 21,206.80	-27.1%	$ 25,990.77	22.6%
FICA&Medicare	$ 112,114.02	$ 113,651.49	1.4%	$ 112,901.49	-0.7%	$ 113,619.09	0.6%	$ 117,879.55	3.7%
Unemployment Insurance	$ -	$ -	0.0%	$ 11,093.80	100.0%	$ 15,178.43	36.8%	$ 15,178.43	0.0%
Workers Comp	$ 64,811.76	$ 68,723.93	6.0%	$ 69,700.12	1.4%	$ 66,472.00	-4.6%	$ 70,380.81	5.9%
Pension	$ 62,906.75	$ 69,410.86	10.3%	$ 69,410.86	0.0%	$ 76,844.48	10.7%	$ 82,325.29	7.1%
Health//Dental/Life/LTD/STD	$ 354,416.32	$ 265,554.42	-25.1%	$ 264,432.69	-0.4%	$ 224,316.18	-15.2%	$ 217,610.58	-3.0%
Totals:	**$ 2,092,706.36**	**$ 2,028,680.48**	**-3.1%**	**$ 2,035,324.89**	**0.3%**	**$ 2,012,004.11**	**-1.1%**	**$ 2,082,820.89**	**3.5%**

Due to budgetary cuts, there was no Cost of Living Allowance (COLA) provided to employees. Additionally, no new positions other than the current vacancies and the two frozen positions within the police department are authorized. The total City salary/benefits budget is approximately 60% of the total operating expenditures (General Fund). This is a 2% decrease since FY2013 when salaries and benefits made up 62% of the total General Fund.

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 was15.6% less at $64,984. This reduction was 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 modified its position control and pay scale to identify those who meet the FLSA requirements to be considered exempt (salaried) for next fiscal year. The transitioning of three non-exempt employees to exempt with their annual salaries more in line with industry standards and competitive with surrounding communities helped to reduce the overtime expenditures. Overtime was further reduced at mid-year FY2014 to $40,000, another $25,000 reduction or a total reduction close to $33,000 from FY2013. That is a 55% reduction in overtime due to operation initiatives. Even further during FY2014, the Police Department modified the scheduled from 12-hour days to 10-hour days under a 24 day pay period in which overtime would not be accrued until the non-exempt officer exceeded 147 hours with that period. Officers are still paid on a bi-weekly basis regardless of the hours they work. Those who work less than the required amount “owe” the City hours which can be used to attend court sessions, training, community policing and enforcement initiatives, and the like. Under this new compensation plan, the police department is reducing their overtime to $18,000 for FY2015. That was another $22,000 in reductions for a total of $55,000 (75%) in overtime reduction. This trend has continued into FY2016 with a reduction of overtime from $33,700 to $26,200. That is a 22% reduction over last fiscal year and a 65% reduction in overtime in the last three fiscal years.

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 12-hour shift employees (GCIC) 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 FY2014, the Council authorized the employees to sell back up to 40 hours. In FY2014, the Amended City budget for sick sell was $18,743. The actual expenditure for this line item was $17,485. For FY2015, the City budgeted $24,466 for sick sell back. The actual for FY2015 was $16,465.88. The City has budgeted $25,990 for FY2016. This is based on 100% selling back the maximum number of hours with the exception of new/newly hired employees who will not have time to accrue the max.

FICA and Medicare

The City pays 6.2% of each employee's salary for payroll taxes for FICA (Federally Insured Contributions Act). 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.

This combined budgeted expenditure for FY2014 was $112,901 based on the salary rates at the time the budget was adopted. That was a .7% decrease over the FY2013 Budget of $112,114. The allocated expenditure in FY2015 was $114,104.63, a 1.1% increase of the amended FY2014 Budget. The City allocated $95,760.39 for FICA and $22,119.16 for Medicare for a combined total of $117,879.55 for FY2016.

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 for FY2014 was $70,350. The budgeted allocation for this expenditure in FY2015 was $66,466. There has not been a significant change other than the number of employees. Thus, the budgeted expenditure for FY2016 is $70,380.

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 was recommended at $69,411. Containing with the same rates and trend, the FY2015 allocation for this expenditure was allocated at $74,320. The rate for the 2015 calendar year came in at 5.85%. Applying that rate for FY2016, the budgeted expenditure had to increase to $82,325.

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 was budgeted at a combined rate of $10,258. These expenditures have been grouped with the health insurance for FY2015.

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 these expenditures fluctuate during the fiscal and calendar year due to qualifying events, we feel that the introduction of the HRA has helped to keep rates flat going into the second half of the fiscal years. Should the rates increase upon renewal, the City Council has to decide how to fund the exposure at that time.

For FY2015, the budgeted amount for Healthcare (which also includes Short Term Disability, Long Term Disability and Life Insurance) for the City's contribution is $224,267. This is based on the renewal rates that were applied in February of calendar year 2014. The rates are applied under the affordable Care Act guidelines in which the only things taken into to consideration are he employees age, sex, tobacco use and dependents. So while each employee has the option to choose a plan during open enrollment that works best for his/her personal circumstances, the City must fund a remaining portion based on the aforementioned factors.

In previous years, we have shared the costs of the increase with employees with the 2013 Plan splitting the costs 70/30 and employees paying 30% of the costs. That was a 34% increase to employees with the City realizing an 8% decrease saving the city approximately $25K. Last year, the City realized a 5% decrease for the City, but left the employee contributions the same while adding higher deductibles. This actually resulted in a 14.28% increase to employees who changed plans. The table below illustrates the historical variations in distributions between employees and employers.

	2012	%(+/-)	2013	%(+/-)	2014	%(+/-)	2015
EMP	$ 301,553.96	-8.16%	$ 276,936.82	-23.27%	$ 212,481.46	8.14%	$ 229,772.74
EE	$ 50,931.40	34.08%	$ 68,290.82	14.28%	$ 78,042.38	0.00%	$ 78,042.38
Total:	**$ 352,485.36**	**-2.06%**	**$ 345,227.64**	**-15.85%**	**$ 290,523.84**	**5.95%**	**$ 307,815.12**

In February 2015, the proposed plan cost to the City was estimated to be $307,814 annually. This amount includes a HRA deductible exposure of $9,525. Employees' contributions toward this annual premium are estimated to be a total of $78,042.38 (or approximately 25%). The recommended renewal with the Coventry HRA plan makes the City's budget amount to be estimated at $229,722.74. This equated to an increase of approximately of $17,291.29 (8.14%). The actual exposure and budgeted amount by the City after open enrollment was 217,610.58. This is based on a calendar year from February to January. So this budgeted amount is subject to change upon the 2016 rate renewal and open enrollment period.

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 and $22,635 for FY2014 which equated to a reduction of $4,161 (15.53%). Working with our Healthcare brokers, the City was able to negotiate a switch from Lincoln to Ameritas and maintain our same rate for the City contributions and employee rates. As such, the budgeted allocation for this expenditure in FY2015 remained flat at $21,295.

Our renewal remained with *Ameritas* but with a 5% increase. The total amount of the annual premium went up $1,430 from $26,398 to $27,828. Last year, the City's portion of dental with *Ameritas* was estimated at $22,390.68. Employees contributed $4,007.52 making the total plan cost $26,398. The Council preferred that the employees absorb the 5% increase resulting in their bi-weekly deductions increasing 36% to $9.50 bi-weekly.

New Employees

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

Additions:

- The City Council released the two frozen police officer positions to be filled beginning after July 1, 2015 for FY2016.

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 categorized as exempt were the city manager and Police Chief. In FY2014, the City created a position of Support Services Director which 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 included 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.

BUDGET SUMMARY BY DEPARTMENT – GENERAL FUND

This portion of the budget document represents how the appropriations for each department are allocated to ensure expenditures do not exceed projected revenues. The information will also illustrate increases and decreases over the last two fiscal years to include an amended (unaudited) budget for the previous fiscal year.

The budget is a dynamic rather than static plan, which requires adjustments and formal budget amendments as circumstances change. Georgia Law O.C.G.A. §36-81-3(d)(1) states that "Any increase in appropriation at the legal level of control of the local government, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the governing authority. Such amendment shall be adopted by ordinance or resolution."

Mayor and City Council

The legislative authority of the government of the City of Hiram, Georgia, except as otherwise specifically provided in the charter, is vested in a city council composed of a mayor and five council members. The mayor and council members are elected at large from council posts designated as Post 1, Post 2, Post 3, Post 4, and Post 5. The mayor shall be considered a council member for all purposes, except as his or her powers are restricted elsewhere in the charter.

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 11.6% 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.

For FY2015, the Mayor and Council reduced their budget 6.5% from an amended $99,964 to $93,475. During this fiscal year, the City has no scheduled elections which contribute to the reduction on the Legislative budget for FY2015.

For FY2016, the Mayor and Council reduced their budget another 15.96% from $92,775 to $77,964. This was done by eliminating all training and conferences as well as the associated travel, lodging and per diem. As a result, the elected officials will not be eligible for professional development unless the FY2016 Budget is amended.

The Maintenance & Operating expenditures for FY2015 include the following:

81 Legislative EXPENDITURE	FY2013 Adopted	(+/-) %	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	(+/-) %	FY2016 Adopted	(+/-) %
Salaries	$ 24,600.00	0.00%	$ 24,600.00	$ 24,600.00	0.00%	$ 24,600.00	0.00%	$ 24,600.00	0.00%	$ 24,600.00	0.00%
FICA/Medicare	$ 1,881.90	0.00%	$ 1,881.90	$ 1,731.90	-7.97%	$ 1,181.90	-31.76%	$ 1,181.90	0.00%	$ 1,181.90	0.00%
Workers Compensation	$ 93.48	0.00%	$ 93.48	$ 93.48	0.00%	$ 93.48	0.00%	$ 93.48	0.00%	$ 93.48	0.00%
GA Unemployment Tax			$ -	$ 400.00	100.00%	$ 303.57	-24.11%	$ 303.57	0.00%	$ 303.57	0.00%
Life Insurance	$ 648.00	-21.48%	$ 542.40	$ 542.40	-16.30%	$ 558.00	2.88%	$ 558.00	0.00%	$ 558.00	0.00%
Professional Services - Photogr	$ 500.00	5.00%	$ 525.00	$ 275.00	-45.00%	$ 300.00	9.09%	$ 300.00	0.00%	$ 300.00	0.00%
Professional Services - Video	$ 5,400.00	-50.00%	$ 2,700.00	$ 3,700.00	-31.48%	$ 3,700.00	0.00%	$ 3,700.00	0.00%	$ 3,700.00	0.00%
Elections	$ -	100.00%	$ 7,200.00	$ 4,700.00	100.00%	$ -	-100.00%	$ -	0.00%	$ 8,000.00	100.00%
Liability Insurance	$ 27,975.00	19.40%	$ 33,401.00	$ 33,401.00	19.40%	$ 31,678.00	-5.16%	$ 31,678.00	0.00%	$ 31,667.00	-0.03%
Training & Conference	$ 14,000.00	-35.71%	$ 9,000.00	$ 9,000.00	-35.71%	$ 9,000.00	0.00%	$ 9,000.00	0.00%		-100.00%
Travel, Lodging & Perdiem	$ 21,000.00	-57.14%	$ 9,000.00	$ 9,000.00	-57.14%	$ 9,000.00	0.00%	$ 9,000.00	0.00%	$ -	-100.00%
Special Events/Sponsorships	$ 6,375.00	-68.63%	$ 2,000.00	$ 3,000.00	-52.94%	$ 4,500.00	50.00%	$ 4,500.00	0.00%	$ 1,500.00	-66.67%
Printing/Reproduction		100.00%	$ 1,500.00	$ 1,500.00	100.00%	$ 1,000.00	-33.33%	$ 1,000.00	0.00%	$ 500.00	-50.00%
Communications - Cell Phones	$ 3,600.00	10.00%	$ 3,960.00	$ 3,960.00	10.00%	$ 3,600.00	-9.09%	$ 3,600.00	0.00%	$ 3,000.00	-16.67%
Business Meals	$ 1,200.00	-58.33%	$ 500.00	$ 500.00	-58.33%	$ 300.00	-40.00%	$ 300.00	0.00%	$ 200.00	-33.33%
Apparel	$ 300.00	0.00%	$ 300.00	$ 300.00	0.00%	$ 300.00	0.00%	$ 300.00	0.00%		-100.00%
Supplies	$ 500.00	100.00%	$ 1,000.00	$ 1,500.00	200.00%	$ 1,500.00	0.00%	$ 1,500.00	0.00%	$ 1,200.00	-20.00%
Cable Services	$ 75.00	-20.00%	$ 60.00	$ 60.00	-20.00%	$ 60.00	0.00%	$ 60.00	0.00%	$ 60.00	0.00%
Furniture and Fixtures	$ 1,000.00	-90.00%	$ 100.00	$ 100.00	-90.00%	$ 100.00	0.00%	$ 100.00	0.00%	$ 100.00	0.00%
Information Technology		100.00%	$ 1,000.00	$ 1,000.00	100.00%	$ 1,000.00	0.00%	$ 1,000.00	0.00%	$ 1,000.00	0.00%
Computers	$ 3,857.07	-84.44%	$ 600.00	$ 600.00	-84.44%	$ -	-100.00%	$ -	0.00%	$ -	0.00%
TOTAL EXPENDITURE:	**$ 113,005.45**	**-11.57%**	**$ 99,963.78**	**$ 99,963.78**	**-11.54%**	**$ 92,774.95**	**-7.19%**	**$ 92,774.95**	**0.00%**	**$ 77,963.95**	**-15.96%**

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 seven full-time (FTE) employees.

- City Manager
- City Clerk
- City Treasurer
- Accounting Technician
- Business License Administrator
- Community Services Representative (2)

The FY2013 budget appropriation for the Administration Department was $672,537. For FY2014, the amended budget appropriation was $631,048. That was a reduction of 6.17% from the previous fiscal year. The FY2015 budget appropriation for the Administration Department is $711,150. While this is a 12.69% increase over FY2014, the increase is due primarily to taking over the salaries and benefits of two Customer Services Representatives who used to fall under the Public Works Department.

The FY2016 Budget for Administration was adopted at $713,454 which is 1% less than the previous fiscal year of $721,331. $18,100 was removed from training and conferences as well as the associated travel, lodging and per diem. $35,000 was added to Information Technology (IT) services to account for the additional Virtual Office Advantage (VOA) accounts needed as well as other IT services that could not be full anticipated during the transition to VOA.

The Maintenance & Operating expenditures for FY2016 include the following:

80 Administration EXPENDITURE	FY2013 Adopted	(+/-) %	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	(+/-) %	FY2016 Adopted	(+/-) %
Salaries	$ 237,691.60	12.48%	$ 267,356.79	$ 270,476.79	13.79%	$ 332,239.70	22.83%	$ 332,239.70	0.00%	$ 329,787.60	-0.74%
Overtime	$ 11,549.79	-67.74%	$ 3,725.90	$ 3,900.90	-66.23%	$ 4,000.00	2.54%	$ 4,000.00	0.00%	$ 4,000.00	0.00%
Sick Sell	$ 4,059.91	26.64%	$ 5,141.48	$ 2,961.60	-27.05%	$ 2,816.70	-4.89%	$ 2,816.70	0.00%	$ 6,342.07	125.16%
Insurance (Health/Dental/Life/STD/LTD)	$ 45,150.28	-30.89%	$ 31,202.88	$ 37,187.82	-17.64%	$ 50,091.72	34.70%	$ 50,091.72	0.00%	$ 50,091.72	0.00%
Insurance (Life/STD/LTD)	$ -	0.00%	$ 1,843.08	$ -	100.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
FICA & Medicare	$ 19,066.97	-11.85%	$ 20,737.83	$ 21,412.83	12.30%	$ 25,722.34	20.13%	$ 25,722.34	0.00%	$ 25,534.75	-0.73%
Medicare	$ -	100.00%	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
GA Unemployment Tax	$ -	0.00%	$ -	$ 2,313.99	100.00%	$ 2,883.90	24.63%	$ 2,883.90	0.00%	$ 2,883.90	0.00%
Pension Expense	$ 11,215.86	18.19%	$ 13,255.94	$ 13,255.94	18.19%	$ 18,334.25	38.31%	$ 18,334.25	0.00%	$ 19,526.57	6.50%
Workers Compensation	$ 947.12	8.76%	$ 1,030.11	$ 896.00	-5.40%	$ 1,277.71	42.60%	$ 1,227.71	-3.91%	$ 1,268.39	3.31%
HRA	$ -	100.00%	$ 5,000.00	$ 2,348.14	100.00%	$ 2,000.00	-14.83%	$ 2,000.00	0.00%	$ -	-100.00%
FSA	$ -	100.00%	$ 1,890.00	$ 2,390.00	100.00%	$ 1,240.00	-48.12%	$ 1,990.00	60.48%	$ 1,990.00	0.00%
Legal	$ 72,000.00	13.89%	$ 82,000.00	$ 79,000.00	9.72%	$ 72,000.00	-8.86%	$ 72,000.00	0.00%	$ 72,000.00	0.00%
Professional Services	$ 45,000.00	-63.11%	$ 16,600.00	$ 11,600.00	-74.22%	$ 14,600.00	25.86%	$ 14,600.00	0.00%	$ 14,975.00	2.57%
Economic Development	$ 50,000.00	-100.00%	$ -	$ 25,000.00	-50.00%	$ -	-100.00%	$ -	0.00%	$ -	0.00%
Audit - CPA Expenses	$ 20,500.00	9.76%	$ 22,500.00	$ 22,500.00	9.76%	$ 22,500.00	0.00%	$ 22,500.00	0.00%	$ 22,500.00	0.00%
Information Technology Services	$ 50,000.00	33.13%	$ 66,565.00	$ 77,565.00	55.13%	$ 110,592.62	42.58%	$ 74,874.05	-32.30%	$ 110,000.00	46.91%
Harris Computers - CSI	$ -	0.00%	$ -	$ -	0.00%	$ -	0.00%	$ 22,000.00	100.00%	$ 15,000.00	-31.82%
Web Site Development	$ -	0.00%	$ -	$ -	0.00%	$ -	0.00%	$ 4,350.00	100.00%	$ 1,000.00	-77.01%
Timeclock Systems	$ -	0.00%	$ -	$ -	0.00%	$ -	0.00%	$ 1,788.57	100.00%	$ 1,800.00	0.64%
Ricoh Systems	$ -	0.00%	$ -	$ -	0.00%	$ -	0.00%	$ 2,580.00	100.00%	$ 2,580.00	0.00%
Comsec Services	$ -	0.00%	$ -	$ -	0.00%	$ -	0.00%	$ 5,000.00	100.00%	$ 3,000.00	-40.00%
Liability Insurance	$ 4,000.00	91.10%	$ 7,644.00	$ 7,644.00	91.10%	$ 5,841.99	-23.57%	$ 5,841.99	0.00%	$ 7,014.15	20.06%
Communications - Cell Phones	$ 1,200.00	35.00%	$ 1,620.00	$ 1,620.00	35.00%	$ 1,635.00	0.93%	$ 1,635.00	0.00%	$ 1,635.00	0.00%
Advertisements	$ 750.00	33.33%	$ 1,000.00	$ 2,000.00	166.67%	$ 1,450.00	-27.50%	$ 1,450.00	0.00%	$ 1,000.00	-31.03%
Printing/Reproduction	$ -	100.00%	$ 1,500.00	$ 1,500.00	100.00%	$ 1,500.00	0.00%	$ 1,500.00	0.00%	$ 750.00	-50.00%
Travel, Lodging & Perdiem	$ 10,500.00	-14.29%	$ 9,000.00	$ 9,000.00	-14.29%	$ 11,900.00	32.22%	$ 11,900.00	0.00%	$ -	-100.00%
Dues, Fees & Subscriptions	$ 11,500.00	-39.13%	$ 7,000.00	$ 7,000.00	-39.13%	$ 6,000.00	-14.29%	$ 6,975.00	16.25%	$ 6,975.00	0.00%
Training & Conference	$ 6,030.00	-0.50%	$ 6,000.00	$ 6,000.00	-0.50%	$ 6,200.00	3.33%	$ 6,200.00	0.00%	$ -	-100.00%
Bank Fees	$ -	0.00%	$ -	$ -	0.00%	$ 3,000.00	0.00%	$ -	-100.00%	$ 3,000.00	100.00%
Events/Community Programs	$ 45,000.00	-88.89%	$ 5,000.00	$ 5,000.00	-88.89%	$ 5,000.00	0.00%	$ 5,000.00	0.00%	$ -	-100.00%
Miscellaneous	$ -	0.00%	$ -	$ 1,000.00	100.00%	$ 1,000.00	0.00%	$ 1,500.00	50.00%	$ 1,500.00	0.00%
Supplies	$ 10,000.00	0.00%	$ 10,000.00	$ 10,000.00	0.00%	$ 6,500.00	-35.00%	$ 6,500.00	0.00%	$ 6,500.00	0.00%
Fuel	$ -	0.00%	$ -	$ -	0.00%	$ -	0.00%	$ 500.00	100.00%	$ 500.00	0.00%
Business Meals	$ -	0.00%	$ -	$ 300.00	100.00%	$ 300.00	0.00%	$ 300.00	0.00%	$ 300.00	0.00%
Uniform Allowance	$ 375.00	0.00%	$ 375.00	$ 375.00	0.00%	$ 250.00	-33.33%	$ 250.00	0.00%	$ -	-100.00%
Furniture and Fixtures	$ -	100.00%	$ 3,000.00	$ 700.00	100.00%	$ 780.00	11.43%	$ 780.00	0.00%	$ -	-100.00%
Computer Equipment Purchases	$ 1,000.00	260.00%	$ 3,600.00	$ 3,600.00	260.00%	$ -	-100.00%		0.00%	$ -	0.00%
Charitable Contributions	$ 15,000.00	-83.33%	$ 2,500.00	$ 2,500.00	-83.33%	$ -	-100.00%	$ 10,000.00	100.00%	$ -	-100.00%
TOTAL EXPENDITURE:	$ 672,536.53	-11.22%	$ 597,088.01	$ 631,048.01	-6.17%	$ 711,655.93	12.77%	$ 721,330.93	1.36%	$ 713,454.16	-1.09%

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 one full-time (FTE) employee, one part-time employee, three appointed judicial staff and one contract employee. These include 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 amended budget appropriation was $570,320. This was an increase of 42.9%. This significant increase in FY2014 was primarily due to inmate housing 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 must fund the significant increase on this line item. Some operating initiatives' that were being put into place to reduce the exposure to this expenditure is a LiveScan fingerprinting system. This system allows 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.

The FY2015 budget appropriation for the Municipal Court Department was $547,628 which equates to a 3.98% decrease from FY2014. One of the areas that contribute to this decrease in overall expenditures is the reduction of overtime.

The FY2016 budget appropriation for the Municipal Court Department is $531,946 which equates to a 2.51% decrease from FY2015. The professional development including training and conferences and travel, lodging and per diem were eliminated with the exception of required certification courses. FY2015 professional development was budgeted at $4,200 and reduced to $255.

The Maintenance & Operating expenditures for FY2016 include the following:

70 Municipal Court EXPENDITURE	FY2013 Adopted	(+/-) %	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	(+/-) %	FY2016 Adopted	(+/-) %
Salaries	$ 50,007.00	19.25%	$ 61,932.00	$ 61,932.00	23.85%	$ 63,789.96	3.00%	$ 63,789.96	0.00%	$ 63,926.56	0.21%
Overtime	$ 5,500.00	-120.00%	$ 2,500.00	$ 2,205.53	-59.90%	$ 1,000.00	-54.66%	$ 1,000.00	0.00%	$ 1,000.00	0.00%
Sick Sell	$ 1,122.00	-37.50%	$ 816.00	$ 816.00	-27.27%	$ 840.48	3.00%	$ 840.48	0.00%	$ 840.48	0.00%
Insurance (Health/Dental/Life/STD/LTD)	$ 5,571.72	-24.90%	$ 4,461.00	$ 4,780.68	-14.20%	$ 4,032.72	-15.65%	$ 4,032.72	0.00%	$ 4,032.72	0.00%
Insurance	$ -	100.00%	$ 319.68	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
FICA & Medicare	$ 5,827.28	-45.87%	$ 4,929.04	$ 4,779.04	-17.99%	$ 4,956.43	3.71%	$ 4,956.43	0.00%	$ 4,966.88	0.21%
Medicare	$ -	100.00%	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
GA Unemploymet Tax	$ -	0.00%	$ -	$ 444.47	100.00%	$ 607.14	36.60%	$ 607.14	0.00%	$ 607.14	0.00%
Pension	$ 2,156.94	1.83%	$ 2,197.17	$ 2,197.17	1.87%	$ 2,359.53	7.39%	$ 2,359.53	0.00%	$ 2,615.24	10.84%
Workers Comp	$ 210.93	83.44%	$ 1,273.78	$ 2,900.00	1274.86%	$ 1,269.95	-56.21%	$ 1,269.95	0.00%	$ 1,270.46	0.04%
HRA	$ -	0.00%	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Indigent Defense	$ 9,000.00	0.00%	$ 9,000.00	$ 9,000.00	0.00%	$ 9,000.00	0.00%	$ 9,000.00	0.00%	$ 9,000.00	0.00%
Solicitor	$ 18,000.00	0.00%	$ 18,000.00	$ 18,000.00	0.00%	$ 18,000.00	0.00%	$ 18,000.00	0.00%	$ 18,000.00	0.00%
Judge or Associate Judge	$ 22,500.00	0.00%	$ 22,500.00	$ 22,500.00	0.00%	$ 22,500.00	0.00%	$ 22,500.00	0.00%	$ 22,500.00	0.00%
Court Software	$ 35,000.00	0.00%	$ 35,000.00	$ 41,558.00	18.74%	$ 40,000.00	-3.75%	$ 40,000.00	0.00%	$ 40,000.00	0.00%
Repairs & Maintenance	$ 250.00	-66.67%	$ 150.00	$ 150.00	-40.00%	$ 150.00	0.00%	$ 150.00	0.00%	$ 150.00	0.00%
Insurance Liability	$ 500.00	-100.00%	$ 250.00	$ 250.00	-50.00%	$ 212.25	-15.10%	$ 212.25	0.00%	$ 109.82	-48.26%
Communication - Cell Phones	$ 600.00	15.60%	$ 710.88	$ 710.88	18.48%	$ 634.06	-10.81%	$ 634.06	0.00%	$ 240.00	-62.15%
Travel, Lodging & Perdiem	$ 1,000.00	11.82%	$ 1,134.00	$ 534.00	-46.60%	$ 1,800.00	237.08%	$ 1,800.00	0.00%	$ 30.00	-98.33%
Court Interpreter	$ 2,000.00	-100.00%	$ 1,000.00	$ 902.08	-54.90%	$ 1,000.00	10.85%	$ 1,000.00	0.00%	$ 1,000.00	0.00%
Witness Fees	$ 100.00	0.00%	$ 100.00	$ 100.00	0.00%	$ 100.00	0.00%	$ 100.00	0.00%	$ 100.00	0.00%
Annuity (A&B) Fund	$ 29,000.00	0.00%	$ 29,000.00	$ 36,325.00	25.26%	$ 36,000.00	-0.89%	$ 36,000.00	0.00%	$ 36,000.00	0.00%
Spinal Inj Trust Fund	$ 2,000.00	0.00%	$ 2,000.00	$ 2,000.00	0.00%	$ 2,000.00	0.00%	$ 2,000.00	0.00%	$ 2,000.00	0.00%
Crime Lab Fee	$ 1,000.00	0.00%	$ 1,000.00	$ 1,000.00	0.00%	$ 1,000.00	0.00%	$ 1,000.00	0.00%	$ 1,000.00	0.00%
Drivers' Ed Fund	$ 22,000.00	0.00%	$ 22,000.00	$ 15,442.00	-29.81%	$ 18,000.00	16.57%	$ 18,000.00	0.00%	$ 18,000.00	0.00%
DATE	$ -	100.00%	$ 12,750.00	$ 12,750.00	100.00%	$ 10,000.00	-21.57%	$ 10,000.00	0.00%	$ 10,000.00	0.00%
Jail Fees	$ 48,000.00	75.93%	$ 199,395.00	$ 155,440.00	223.83%	$ 138,000.00	-11.22%	$ 138,000.00	0.00%	$ 126,000.00	-8.70%
Local Victim Assistance	$ 25,000.00	0.00%	$ 25,000.00	$ 31,940.00	27.76%	$ 32,000.00	0.19%	$ 32,000.00	0.00%	$ 32,000.00	0.00%
POPIDF	$ 53,000.00	0.00%	$ 53,000.00	$ 67,182.00	26.76%	$ 66,500.00	-1.02%	$ 66,500.00	0.00%	$ 66,500.00	0.00%
Victims' Emergency DUI	$ 700.00	0.00%	$ 700.00	$ 700.00	0.00%	$ 600.00	-14.29%	$ 600.00	0.00%	$ 700.00	16.67%
POPIDF-B-Indigent	$ 54,000.00	2.17%	$ 55,200.00	$ 68,708.00	27.24%	$ 68,000.00	-1.03%	$ 65,361.59	-3.88%	$ 65,361.59	0.00%
Dues, Fees & Subscriptions	$ 100.00	0.00%	$ 100.00	$ 100.00	0.00%	$ 120.00	20.00%	$ 120.00	0.00%	$ 120.00	0.00%
Training & Conference	$ 1,000.00	-90.48%	$ 525.00	$ 775.00	-22.50%	$ 690.00	-10.97%	$ 690.00	0.00%	$ 225.00	-67.39%
Supplies	$ 1,500.00	0.00%	$ 1,500.00	$ 2,627.98	75.20%	$ 2,400.00	-8.68%	$ 2,400.00	0.00%	$ 2,400.00	0.00%
Printing & Reproduction	$ -	0.00%	$ -	$ 355.00	100.00%	$ 300.00	-15.49%	$ 300.00	0.00%	$ 400.00	33.33%
Uniform Allowance	$ 200.00	42.86%	$ 350.00	$ 182.02	-8.99%	$ 200.00	9.88%	$ 200.00	0.00%	$ -	-100.00%
Fuel	$ -	0.00%	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 150.00	0.00%
Furniture and Fixtures	$ 500.00	-100.00%	$ 250.00	$ 10.00	-98.00%	$ 200.00	1900.00%	$ 200.00	0.00%	$ 200.00	0.00%
Computer Equipment Purchases	$ 1,750.00	0.00%	$ -	$ 1,022.92	-41.55%	$ -	-100.00%	$ -	0.00%	$ 500.00	100.00%
TOTAL EXPENDITURE:	**$ 399,095.87**	**29.87%**	**$ 569,043.55**	**$ 570,319.77**	**42.90%**	**$ 548,262.52**	**-3.87%**	**$ 545,624.11**	**-0.48%**	**$ 531,945.90**	**-2.51%**

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 five full-time (FTE) employees and 2 part time employees and includes the following:

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

This department was created in FY2014 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 was $296,017 and amended to $295,516.

The FY2015 budget appropriation for the Support Services Department was $294,659 which equates to a .29% decrease from FY2014. Two of the areas that contribute to this decrease in overall expenditures are the reduction of overtime and cell phone plan modification that was made.

The FY2016 budget appropriation for the Support Services Department is $257,411 which equates to a 13.23% decrease from FY2015. The professional development including training and conferences and travel, lodging and per diem were eliminated with the exception of required certification courses. FY2015 professional development was budgeted at $5,000 and reduced to $0.00.

The Maintenance & Operating expenditures for FY2016 include the following:

70 Support Services EXPENDITURE	FY2014 Adopted	FY2014 Amended	FY2015 Adopted	(+/-) %	FY2015 Amended	(+/-) %	FY2016 Adopted	(+/-) %
Salaries	$ 187,729.98	$ 188,400.14	$ 205,095.68	8.86%	$ 205,095.68	0.00%	$ 195,379.50	-4.74%
Overtime	$ 15,073.26	$ 13,455.55	$ 7,500.00	-44.26%	$ 7,500.00	0.00%	$ 3,000.00	-60.00%
Sick Sell	$ 3,610.19	$ 3,110.00	$ 3,182.90	2.34%	$ 3,182.90	0.00%	$ 3,194.80	0.37%
Insurance (Health/Dental/Life/STD/LT	$ 53,070.06	$ 50,756.87	$ 35,047.56	-30.95%	$ 35,047.56	0.00%	$ 21,381.82	-38.99%
Insurance (Life/STD/LTD)	$ 1,460.40	$ -	$ -	0.00%		0.00%	$ -	0.00%
FICA & Medicare	$ 15,514.45	$ 15,064.45	$ 16,263.57	7.96%	$ 16,263.57	0.00%	$ 15,176.03	-6.69%
GA Unemployment Tax	$ -	$ 1,397.55	$ 1,973.20	41.19%	$ 1,973.20	0.00%	$ 1,973.20	0.00%
Pension	$ 9,917.08	$ 9,917.08	$ 10,780.00	8.70%	$ 10,780.00	0.00%	$ 8,182.95	-24.09%
Workers Comp	$ 3,087.45	$ 1,461.23	$ 3,194.17	118.59%	$ 3,194.17	0.00%	$ 3,140.15	-1.69%
HRA	$ -	$ 2,313.19	$ 3,194.17	38.08%	$ 3,194.17	0.00%	$ -	-100.00%
Repairs & Maintenance	$ 100.00	$ 100.00	$ -	-100.00%	$ -	0.00%	$ -	0.00%
Insurance Liability	$ 250.00	$ 250.00	$ 636.76	154.70%	$ 636.76	0.00%	$ 207.06	-67.48%
Communication - Cell Phones	$ 1,877.64	$ 1,877.64	$ 1,450.00	-22.78%	$ 1,450.00	0.00%	$ 900.00	-37.93%
Travel, Lodging & Perdiem	$ 2,217.50	$ 2,217.50	$ 3,000.00	35.29%	$ 3,000.00	0.00%	$ -	-100.00%
Dues, Fees & Subscriptions	$ 200.00	$ 200.00	$ 200.00	0.00%	$ 200.00	0.00%	$ 75.00	-62.50%
Training & Conference	$ 545.00	$ 895.00	$ 545.00	-39.11%	$ 1,295.00	137.61%	$ -	-100.00%
Supplies	$ 2,000.00	$ 2,000.00	$ 2,000.00	0.00%	$ 2,000.00	0.00%	$ 2,000.00	0.00%
Printing	$ -	$ -	$ -	0.00%	$ 200.00	100.00%	$ 200.00	0.00%
Uniform Allowance	$ 350.00	$ 350.00	$ 350.00	0.00%	$ 350.00	0.00%	$ -	-100.00%
Furniture and Fixtures	$ 250.00	$ 250.00	$ 200.00	-20.00%	$ 200.00	0.00%	$ 200.00	0.00%
Computer Equipment Purchases	$ 1,000.00	$ 1,000.00	$ -	-100.00%		0.00%	$ 400.00	100.00%
LIveScan Fees	$ -	$ 500.19	$ -	-100.00%	$ 1,100.00	100.00%	$ 2,000.00	81.82%
TOTAL EXPENDITURE:	**$ 298,253.01**	**$ 295,516.39**	**$ 294,613.00**	**-0.31%**	**$ 296,663.01**	**0.70%**	**$ 257,410.50**	**-13.23%**

Police Department

The Police Department is responsible for enforcing the law in a fair and impartial manner, recognizing both the statutory and judicial limitations of police authority and the constitutional rights of all persons.

The Police Department consists of fifteen full-time (FTE) employees and two part-time employees and is divided into these divisions:

- Uniform Patrol
- Criminal Investigations
- Code Enforcement
- Professional Standards

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)
- F/T Police Officers (8)
- P/T Officer (1)
- P/T Code Enforcement Officer (1)

The FY2013 budget appropriation for Police Department was $1,564,986. For FY2014, the budget appropriation is $1,186,992 and amended to $1,180,992. This was a decrease of 24.54%. 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 FY2015 budget appropriation for the Police Department was $1,169,774 which equated to a .95% decrease from FY2014.

The FY2016 budget appropriation for the Police Department is $1,217,152 which equates to a 4.05% increase from FY2015. The Police Department reduced its professional development funding approximately $2,050 from $9,475 to $7,425. The overtime has also been reduced to $15,000 from $18,000 last fiscal year. Salaries and benefits increased $100,402 which can be solely attributed to the addition of two new police officers filling the positions that were frozen in FY2013.

The Maintenance & Operating expenditures for FY2016 include the following:

60 Police EXPENDITURE	FY2013 Adopted	(+/-) %	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	(+/-) %	FY2016 Adopted	(+/-) %
Salaries	$ 844,879.36	-33.24%	$ 634,098.41	$ 634,098.41	-24.95%	$ 643,193.66	1.43%	$ 643,193.39	0.00%	$ 721,823.56	12.22%
Overtime	$ 52,839.42	-32.10%	$ 39,999.96	$ 33,999.96	-35.65%	$ 18,000.00	-47.06%	$ 18,000.00	0.00%	$ 15,000.00	-16.67%
Sick Sell	$ 21,092.94	-79.95%	$ 11,721.40	$ 8,852.74	-58.03%	$ 10,988.26	24.12%	$ 10,988.51	0.00%	$ 12,235.15	11.34%
Insurance (Health/Dental/Life/STD/LTD)	$ 244,046.40	-98.32%	$ 123,056.52	$ 127,431.72	-47.78%	$ 105,615.30	-17.12%	$ 105,615.30	0.00%	$ 112,575.44	6.59%
Insurance (Life/STD/LTD)	$ -	100.00%	$ 4,375.20	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
FICA & Medicare	$ 68,675.48	-64.32%	$ 41,794.10	$ 51,568.53	-24.91%	$ 50,581.32	-1.91%	$ 50,581.29	0.00%	$ 56,107.21	10.92%
Medicare	$ -	100.00%	$ 9,774.43	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
GA Unemployment Tax	$ -		$ -	$ 4,913.22	0.00%	$ 7,133.86	45.20%	$ 7,133.86	0.00%	$ 7,133.86	0.00%
Pension	$ 39,344.35	-20.52%	$ 32,645.79	$ 32,645.79	-17.03%	$ 34,470.70	5.59%	$ 34,470.70	0.00%	$ 41,536.61	20.50%
Workers Comp	$ 41,307.81	0.10%	$ 41,349.41	$ 41,349.41	0.10%	$ 36,365.65	-12.05%	$ 36,365.64	0.00%	$ 40,338.52	10.92%
HRA	$ -	100.00%	$ 3,000.00	$ 10,368.66	0.00%	$ 9,665.00	-6.79%	$ 9,665.00	0.00%		-100.00%
Professional Services	$ 2,000.00	0.00%	$ -	$ 1,602.00	-19.90%	$ 1,000.00	-37.58%	$ 1,000.00	0.00%	$ 4,000.00	300.00%
Employment Recruitment	$ 1,000.00	0.00%	$ -	$ -	-100.00%	$ 750.00	100.00%	$ 750.00	0.00%	$ 1,000.00	33.33%
Information Technology Services	$ 10,000.00	13.04%	$ 11,500.00	$ 11,350.00	13.50%	$ 11,350.00	0.00%	$ 11,350.00	0.00%	$ 12,000.00	5.73%
Repairs & Maintenance	$ 2,000.00	0.00%	$ 2,000.00	$ 1,300.00	-35.00%	$ 8,000.00	515.38%	$ 8,000.00	0.00%	$ 5,000.00	-37.50%
Vehicle Expense	$ 44,000.00	-25.71%	$ 35,000.00	$ 35,000.00	-20.45%	$ 42,000.00	20.00%	$ 42,000.00	0.00%	$ 35,000.00	-16.67%
Fuel Expense	$ 102,000.00	-7.37%	$ 95,000.00	$ 84,009.78	-17.64%	$ 102,000.00	21.41%	$ 100,950.35	-1.03%	$ 65,000.00	-35.61%
Insurance - Liability	$ 18,000.00	32.22%	$ 26,556.11	$ 29,056.11	61.42%	$ 27,704.75	-4.65%	$ 27,704.75	0.00%	$ 32,021.25	15.58%
Communications - Cell Phones	$ 22,000.00	-16.08%	$ 18,953.00	$ 15,753.00	-28.40%	$ 13,000.00	-17.48%	$ 13,000.00	0.00%	$ 11,000.00	-15.38%
Travel, Lodging & Perdiem	$ -	100.00%	$ 4,845.00	$ 4,845.00	0.00%	$ 5,050.00	4.23%	$ 5,050.00	0.00%	$ 4,400.00	-12.87%
Dues, Fees & Subscriptions	$ 1,600.00	60.77%	$ 4,078.00	$ 4,078.00	154.88%	$ 7,100.00	74.10%	$ 7,100.00	0.00%	$ 10,395.00	46.41%
Training & Conference	$ 10,000.00	-34.68%	$ 7,425.00	$ 7,425.00	-25.75%	$ 4,425.00	-40.40%	$ 4,425.00	0.00%	$ 3,025.00	-31.64%
Events/Community Programs	$ 7,500.00	0.00%	$ 7,500.00	$ 7,520.00	0.27%	$ 5,000.00	-33.51%	$ 5,000.00	0.00%	$ 4,000.00	-20.00%
Supplies	$ 12,000.00	-33.04%	$ 9,020.00	$ 8,820.00	-26.50%	$ 8,820.00	0.00%	$ 8,820.00	0.00%	$ 3,650.00	-58.62%
Printing	$ -	0.00%	$ -	$ 515.00	100.00%	$ -	-100.00%	$ -	0.00%	$ 500.00	100.00%
K-9 Supplies	$ 2,000.00	27.27%	$ 2,750.00	$ 522.48	-73.88%	$ -	-100.00%	$ 400.00	#DIV/0!	$ -	-100.00%
Investigations	$ 1,000.00	-81.82%	$ 550.00	$ 576.00	-42.40%	$ 550.00	-4.51%	$ 550.00	0.00%	$ 550.00	0.00%
Cable Services	$ -	0.00%	$ -	$ 65.00	100.00%	$ -	-100.00%	$ 60.00	#DIV/0!	$ 60.00	0.00%
Business Meals	$ -	0.00%	$ -	$ 150.00	100.00%	$ 300.00	100.00%	$ 300.00	0.00%	$ 300.00	0.00%
Uniforms - General	$ 5,000.00	-233.33%	$ 1,500.00	$ 7,827.52	56.55%	$ 3,800.00	-51.45%	$ 3,800.00	0.00%	$ 4,500.00	18.42%
Uniforms - Allowance	$ 5,000.00	41.18%	$ 8,500.00	$ 8,000.00	60.00%	$ 9,000.00	12.50%	$ 9,000.00	0.00%	$ 9,000.00	0.00%
Furniture and Fixtures	$ 1,000.00	0.00%	$ 1,000.00	$ 650.00	-35.00%	$ 500.00	-23.08%	$ 500.00	0.00%	$ 1,000.00	100.00%
Computer Equipment Purchases	$ 1,500.00	0.00%	$ 1,500.00	$ 5,199.00	246.60%	$ -	-100.00%	$ -	0.00%	$ -	0.00%
Police - Small Equipment	$ 5,200.00	-246.67%	$ 1,500.00	$ 1,500.00	-71.15%	$ 4,000.00	166.67%	$ 4,000.00	0.00%	$ 4,000.00	0.00%
Subtotal:	**$ 1,564,985.76**	**-32.51%**	**$ 1,180,992.33**	**$ 1,180,992.33**	**-24.54%**	**$ 1,170,363.50**	**-0.90%**	**$ 1,169,773.79**	**-0.05%**	**$ 1,217,151.59**	**4.05%**

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 four full-time (FTE) and one part-time employee and includes the following:

- Public Works Director
- Public Works Supervisor
- Public Works Technicians (2)

The FY2013 budget appropriation for Public Works Department was $526,900. For FY2014, the amended budget appropriation was $590,698. This was an increase of 12.11%. The increase in expenditures for this department can be attributed to the funding of the State Labor Crew and a Floodplain Mapping requirement.

The FY2015 budget appropriation for the Public Works Department was $524,856 which equated to an 11.15% decrease from FY2014.

The FY2016 budget appropriation for the Public Works Department is $521,652 which equates to an .61% decrease from FY2015. One of the significant changes that the Public works Department will encounter this fiscal year is the loss of the State inmate crew that handles common area maintenance which includes the grounds around public facilities and right of ways. Staff is handling what they can and an effort is being made to outsource these services. The funding for the crew was $39,500 per year and has been eliminated from the budget.

The Maintenance & Operating expenditures for FY2016 include the following:

50 Public Works EXPENDITURE	FY2013 Adopted	(+/-) %	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	(+/-) %	FY2016 Adopted	(+/-) %
Salaries	$ 231,400.00	5.53%	$ 244,939.19	$ 241,118.11	4.20%	$ 191,748.13	-20.48%	$ 191,748.13	0.00%	$ 191,738.25	-0.01%
Overtime	$ 7,075.51	-92.02%	$ 3,684.85	$ 4,509.85	-36.26%	$ 3,200.00	-29.04%	$ 3,200.00	0.00%	$ 3,200.00	0.00%
Sick Sell	$ 6,640.00	-50.55%	$ 4,410.37	$ 3,002.80	-54.78%	$ 3,378.46	12.51%	$ 3,378.46	0.00%	$ 3,378.27	-0.01%
Insurance (Health/Dental/Life/STD/LTD)	$ 58,999.92	-35.61%	$ 43,506.24	$ 43,733.20	-25.88%	$ 28,970.88	-33.76%	$ 28,970.88	0.00%	$ 28,970.88	0.00%
Insurance (Life/STD/LTD)	$ -	100.00%	$ 1,716.96	$ -	100.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
FICA & Medicare	$ 18,243.37	-18.35%	$ 15,414.69	$ 18,344.74	0.56%	$ 14,913.53	-18.70%	$ 14,913.53	0.00%	$ 12,086.17	-18.96%
Medicare	$ -	100.00%	$ 3,605.05	$ -	100.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
GA Unemployment Tax	$ -	0.00%	$ -	$ 1,624.57	100.00%	$ 2,276.76	40.15%	$ 2,276.76	0.00%	$ 2,276.76	0.00%
Pension	$ 10,189.60	10.58%	$ 11,394.88	$ 11,394.88	11.83%	$ 10,900.00	-4.34%	$ 10,900.00	0.00%	$ 10,463.91	-4.00%
Workers Comp	$ 22,252.43	5.37%	$ 23,515.92	$ 23,000.00	3.36%	$ 24,271.04	5.53%	$ 24,271.04	0.00%	$ 24,269.81	-0.01%
HRA	$ -	100.00%	$ 3,900.00	$ 3,900.00	100.00%	$ -	-100.00%	$ -	0.00%	$ -	0.00%
Professional Services	$ 20,000.00	-566.67%	$ 3,000.00	$ 2,000.00	-90.00%	$ 7,000.00	250.00%	$ 5,829.36	-16.72%	$ 3,000.00	-48.54%
Maintenance & Operations	$ 23,000.00	73.56%	$ 87,000.00	$ 92,000.00	300.00%	$ 96,000.00	4.35%	$ 96,000.00	0.00%	$ 97,850.00	1.93%
Vehicle Expenses	$ 3,500.00	0.00%	$ 3,500.00	$ 3,500.00	0.00%	$ 3,500.00	0.00%	$ 3,500.00	0.00%	$ 3,500.00	0.00%
Repairs & Maintenance - Equipment	$ 5,500.00	-22.22%	$ 4,500.00	$ 4,500.00	-18.18%	$ 4,500.00	0.00%	$ 4,500.00	0.00%	$ 4,500.00	0.00%
Insurance-Liability	$ 14,100.00	28.14%	$ 19,620.22	$ 19,620.22	39.15%	$ 18,558.25	-5.41%	$ 18,558.25	0.00%	$ 20,507.73	10.50%
Communications - Cell phones	$ 3,000.00	-36.36%	$ 2,200.00	$ 2,660.00	-11.33%	$ 2,200.00	-17.29%	$ 2,200.00	0.00%	$ 2,000.00	-9.09%
Communications - Telephone Service	$ 6,000.00	60.40%	$ 15,150.00	$ 16,601.31	176.69%	$ 17,000.00	2.40%	$ 17,000.00	0.00%	$ 17,500.00	2.94%
Communications - Internet Service	$ 700.00	-16.67%	$ 600.00	$ 600.00	-14.29%	$ 600.00	0.00%	$ 600.00	0.00%	$ -	-100.00%
Advertisements	$ 500.00	0.00%	$ 500.00	$ 500.00	0.00%	$ 500.00	0.00%	$ 760.00	52.00%	$ 760.00	0.00%
Travel, Lodging & Perdiem	$ 500.00	70.59%	$ 1,700.00	$ 1,700.00	240.00%	$ 1,000.00	-41.18%	$ 1,000.00	0.00%	$ 1,200.00	20.00%
Dues, Fees & Subscriptions	$ 1,100.00	15.38%	$ 1,300.00	$ 1,300.00	18.18%	$ 1,300.00	0.00%	$ 1,600.00	23.08%	$ 1,600.00	0.00%
Training & Conferences	$ 700.00	30.00%	$ 1,000.00	$ 1,000.00	42.86%	$ 700.00	-30.00%	$ 700.00	0.00%	$ 900.00	28.57%
Events/Community Programs	$ 2,000.00	-100.00%	$ 1,000.00	$ -	-100.00%	$ 1,000.00	100.00%	$ 1,000.00	0.00%	$ 1,000.00	0.00%
Supplies	$ 3,600.00	38.98%	$ 5,900.00	$ 5,900.00	63.89%	$ 5,900.00	0.00%	$ 5,900.00	0.00%	$ 5,000.00	-15.25%
Printing & Reproduction	$ -	0.00%	$ -	$ 190.49	100.00%	$ 150.00	-21.26%	$ 150.00	0.00%	$ 150.00	0.00%
Postage	$ -	100.00%	$ 400.00	$ 330.00	100.00%	$ 200.00	-39.39%	$ 200.00	0.00%	$ 200.00	0.00%
Utilities - Water	$ -	0.00%	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Utilities - Natural Gas	$ 3,000.00	-50.00%	$ 2,000.00	$ 2,000.00	-33.33%	$ 2,000.00	0.00%	$ 2,000.00	0.00%	$ 2,000.00	0.00%
Utilities - Electricity	$ 26,000.00	-13.04%	$ 23,000.00	$ 22,414.65	-13.79%	$ 20,000.00	-10.77%	$ 20,000.00	0.00%	$ 20,000.00	0.00%
Street Lighting	$ 42,000.00	12.50%	$ 48,000.00	$ 46,040.00	9.62%	$ 45,000.00	-2.26%	$ 45,000.00	0.00%	$ 45,000.00	0.00%
Fuel Expenses	$ 10,000.00	9.09%	$ 11,000.00	$ 11,000.00	10.00%	$ 11,000.00	0.00%	$ 11,000.00	0.00%	$ 10,000.00	-9.09%
Small Equipment - Safety	$ 1,500.00	0.00%	$ 1,500.00	$ 1,500.00	0.00%	$ 1,500.00	0.00%	$ 1,500.00	0.00%	$ 1,700.00	13.33%
Small Equipment - Tools	$ 1,500.00	70.00%	$ 5,000.00	$ 3,085.35	105.69%	$ 5,000.00	62.06%	$ 5,000.00	0.00%	$ 5,000.00	0.00%
Uniforms - General	$ 1,400.00	-16.67%	$ 1,200.00	$ 1,049.07	-25.07%	$ 1,200.00	14.39%	$ 1,200.00	0.00%	$ 1,900.00	58.33%
Furniture and Fixtures	$ -	0.00%	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Computer Equipment Purchases	$ 2,500.00	0.00%	$ 1,000.00	$ 579.13	-76.83%	$ -	-100.00%	$ -	0.00%	$ -	0.00%
TOTAL EXPENDITURE:	**$ 526,900.83**	**11.62%**	**$ 596,158.37**	**$ 590,698.37**	**12.11%**	**$ 525,467.06**	**-11.04%**	**$ 524,856.41**	**-0.12%**	**$ 521,651.79**	**-0.61%**

Community Center

The FY2013 budget appropriation for the Community Center was $33,500. For FY2014, the amended budget appropriation was $45,000. This was an increase of 34.33%.

The 2015 budget for the Community Center includes operations and maintenance costs for both the 219 Main Street location known as the Community Center, and the 855 Hiram Douglasville Highway location (the old Regions Bank building) now known as The Events Place. Both of these locations are rented facilities, with the Community Center also housing City Court sessions, and City Council meetings. Now that the renovations are completed for The Events Place, we have begun incurring expenditures as well as recognizing some revenue from rentals for this facility.

The FY2015 budget appropriation for the Community Center is $34,800 which equates to a 22.67% decrease from FY2014. The Maintenance & Operating expenditures for FY2015 include the following:

54 Summer Camp Hornet Recreation EXPENDITURE	FY2013 Adopted	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	(+/-) %	FY2016 Adopted	(+/-) %
Salaries	$ 13,000.00	$ 28,000.00	$ 28,000.00	115.38%	$ 31,750.00	13.39%	$ 31,750.00	0.00%	$ 31,750.00	0.00%
Overtime	$ 500.00	$ 500.00	$ 500.00	0.00%	$ 500.00	0.00%	$ 500.00	0.00%	$ 500.00	0.00%
FICA-Medicare Payroll Taxes	$ 1,032.75	$ 2,200.00	$ 2,200.00	113.02%	$ 2,200.00	0.00%	$ 2,200.00	0.00%	$ 2,200.00	0.00%
Ga. Unemployment Tax	$ -	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 175.00	100.00%
Employee Recruitment	$ -	$ 700.00	$ 700.00	100.00%	$ 700.00	0.00%	$ 700.00	0.00%	$ 700.00	0.00%
Workers Compensation	$ 650.00	$ 865.00	$ 865.00	33.08%	$ 865.00	0.00%	$ 865.00	0.00%	$ 865.00	0.00%
Cleaning Services	$ 660.00	$ 660.00	$ 660.00	0.00%	$ 660.00	0.00%	$ 660.00	0.00%	$ 660.00	0.00%
Transportation Rental	$ 300.00	$ 300.00	$ 300.00	0.00%	$ 300.00	0.00%	$ 300.00	0.00%	$ 300.00	0.00%
Operating Services	$ 3,000.00	$ 4,000.00	$ 4,000.00	33.33%	$ 4,000.00	0.00%	$ 4,000.00	0.00%	$ 4,000.00	0.00%
Supplies	$ 400.00	$ 1,500.00	$ 1,500.00	275.00%	$ 1,500.00	0.00%	$ 1,500.00	0.00%	$ 1,500.00	0.00%
Utilities - Electricity	$ 700.00	$ 1,400.00	$ 1,400.00	100.00%	$ 1,400.00	0.00%	$ 1,400.00	0.00%	$ 1,400.00	0.00%
TOTAL EXPENDITURE:	**$ 20,242.75**	**$ 40,125.00**	**$ 40,125.00**	**98.22%**	**$ 43,875.00**	**9.35%**	**$ 43,875.00**	**0.00%**	**$ 44,050.00**	**0.40%**

Parks & Recreation

The FY2013 budget appropriation for the Parks and Recreation was $45,040. For FY2014, the amended budget appropriation was $40,100. This was a decrease of 10.97%.

The FY2015 budget appropriation for the Parks and Recreation Department was $34,545 which equated to a 13.85% decrease from FY2014. In FY2015, the City took over Homer Leggett Park and added a dog park now know as the Hiram Hounds Dog Park. With these additional facilities, there are increased M&O costs to include the maintenance of the grounds and utilities. The increases in these line items resulted in a 45.25% increase lover last year's budget.

The Maintenance & Operating expenditures for FY2016 include the following:

55 Parks and Recreation EXPENDITURE	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	(+/-) %	FY2016 Adopted	(+/-) %
Maintenance & Operations - General	$ 22,000.00	$ 18,680.27	-6.60%	$ 18,320.00	-1.93%	$ 18,320.00	0.00%	$ 31,000.00	69.21%
Repairs & Maint - 186 Building	$ 3,000.00	$ 3,379.73	12.66%	$ 2,490.00	-26.33%	$ 2,859.95	14.86%	$ 2,859.95	0.00%
Repairs & Maint - Ruritan	$ 3,000.00	$ 2,800.00	-6.67%	$ 2,800.00	0.00%	$ 2,430.05	-13.21%	$ 2,430.05	0.00%
Repairs & Maint - 27 Alexander (Welcome)	$ 1,500.00	$ 1,500.00	0.00%	$ 1,200.00	-20.00%	$ 1,200.00	0.00%	$ -	-100.00%
Communications - Cell	$ -	$ -	-100.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Communications - Telephone Service	$ 600.00	$ 800.00	-4.76%	$ 1,085.00	35.63%	$ 1,085.00	0.00%	$ 1,085.00	0.00%
Utilities - Water	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 800.00	100.00%
Utilities - Electricity	$ 8,000.00	$ 8,000.00	-50.00%	$ 8,650.00	8.13%	$ 8,650.00	0.00%	$ 12,000.00	38.73%
Capital Outlay	$ 2,000.00	$ 4,940.00	100.00%	$ -	-100.00%	$ -	0.00%	$ -	0.00%
TOTAL EXPENDITURE:	**$ 40,100.00**	**$ 40,100.00**	**-10.97%**	**$ 34,545.00**	**-13.85%**	**$ 34,545.00**	**0.00%**	**$ 50,175.00**	**45.25%**

Summer Camp

The FY2013 budget appropriation for the Summer Camp was $20,242. For FY2014, the amended budget appropriation was $40,125. This was an increase of 98.22%.

The FY2015 budget appropriation for the Summer Camp was $43,875 which equated to a 9.35% increase from FY2014. With the success of Hiram Hornets summer camp and the amount of campers who continue to sign-up every year, the City needed to increase the tuition and for FY2016. However, the only change to the budget going forward I the allocation for the Georgia unemployment tax that used to be funded through the Administration Department.

The Maintenance & Operating expenditures for FY2016 include the following:

54 Summer Camp Hornet Recreation EXPENDITURE	FY2013 Adopted	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	(+/-) %	FY2016 Adopted	(+/-) %
Salaries	$ 13,000.00	$ 28,000.00	$ 28,000.00	115.38%	$ 31,750.00	13.39%	$ 31,750.00	0.00%	$ 31,750.00	0.00%
Overtime	$ 500.00	$ 500.00	$ 500.00	0.00%	$ 500.00	0.00%	$ 500.00	0.00%	$ 500.00	0.00%
FICA-Medicare Payroll Taxes	$ 1,032.75	$ 2,200.00	$ 2,200.00	113.02%	$ 2,200.00	0.00%	$ 2,200.00	0.00%	$ 2,200.00	0.00%
Ga. Unemployment Tax	$ -	$ -	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 175.00	100.00%
Employee Recruitment	$ -	$ 700.00	$ 700.00	100.00%	$ 700.00	0.00%	$ 700.00	0.00%	$ 700.00	0.00%
Workers Compensation	$ 650.00	$ 865.00	$ 865.00	33.08%	$ 865.00	0.00%	$ 865.00	0.00%	$ 865.00	0.00%
Cleaning Services	$ 660.00	$ 660.00	$ 660.00	0.00%	$ 660.00	0.00%	$ 660.00	0.00%	$ 660.00	0.00%
Transportation Rental	$ 300.00	$ 300.00	$ 300.00	0.00%	$ 300.00	0.00%	$ 300.00	0.00%	$ 300.00	0.00%
Operating Services	$ 3,000.00	$ 4,000.00	$ 4,000.00	33.33%	$ 4,000.00	0.00%	$ 4,000.00	0.00%	$ 4,000.00	0.00%
Supplies	$ 400.00	$ 1,500.00	$ 1,500.00	275.00%	$ 1,500.00	0.00%	$ 1,500.00	0.00%	$ 1,500.00	0.00%
Utilities - Electricity	$ 700.00	$ 1,400.00	$ 1,400.00	100.00%	$ 1,400.00	0.00%	$ 1,400.00	0.00%	$ 1,400.00	0.00%
TOTAL EXPENDITURE:	**$ 20,242.75**	**$ 40,125.00**	**$ 40,125.00**	**98.22%**	**$ 43,875.00**	**9.35%**	**$ 43,875.00**	**0.00%**	**$ 44,050.00**	**0.40%**

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. For FY2013, the City projected approximately $44,490 in grant revenues and expenditures. For FY2014, amended Grant revenue was projected at $47,107 and the appropriations at a balanced $47,107. This is an increase of 4.70%. There are some budgeted matching requirements as well for grants which are budgeted in the 2011-2017 SPLOST Fund.

The FY2015 budget appropriation for the Operating Grants Fund was $95,033 which equated to a 101.74% increase from FY2014. The main reason for this significant increase is that the City was awarded a Livable Centers Initiative Grant (LCI) through the Department of Community Affairs. The total grant is $75,000 with a 20% match requirement from the City. The 80%, or $60,000, is recognized as both a revenue and expenditure within the Grants Fund.

Even though the City will seek any and all grants that will help offset General Fund Expenditures, the City is not anticipating any significant change in the amount of grant funds beyond what has been obtained over the recent years. The LCI Grant mentioned above ends this month, July of 2015, with the revenues and expenditures being recognized in the FY2015 Budget.

The Maintenance & Operating expenditures for FY2016 include the following:

250 Grants Revenue	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	FY2016 Adopted	(+/-) %
Police Department	$ 3,500.00	$ 3,500.00	0.00%	$ 1,000.00	-71.43%	$ 1,000.00	$ 10,000.00	900.00%
Police Explorer	$ 4,000.00	$ 4,000.00	0.00%	$ 4,000.00	0.00%	$ 4,000.00	$ 4,000.00	0.00%
Police Dare	$ 2,500.00	$ 2,500.00	0.00%	$ -	-100.00%	$ -	$ -	0.00%
Local Maint. Improvement Grant (LMIG)	$ 30,607.09	$ 30,607.09	9.35%	$ 30,000.00	-1.98%	$ 30,000.00	$ 30,000.00	0.00%
Taget Community Grant	$ -	$ -	0.00%	$ -	0.00%	$ 1,500.00	$ -	0.00%
Atlanta Regional Commission (LCI)	$ -	$ -	0.00%	$ 60,000.00	100.00%	$ 60,000.00	$ -	-100.00%
Transfer in General Fund	$ 6,500.00	$ 6,500.00	-7.14%	$ 32.66	-99.50%	$ 32.66	$ -	-100.00%
Total Revenue:	**$ 47,107.09**	**$ 47,107.09**	**4.70%**	**$ 95,032.66**	**101.74%**	**$ 96,532.66**	**$ 44,000.00**	**-53.70%**
Expenditures:								
Police Grant - Supplies	$ 3,500.00	$ 3,500.00	75.00%	$ 3,000.00	-14.29%	$ 8,500.00	$ 10,000.00	233.33%
Explorers Youth Services	$ 8,000.00	$ 8,000.00	-20.00%	$ 4,000.00	-50.00%	$ -	$ 4,000.00	0.00%
Dare Youth Services	$ 5,000.00	$ 5,000.00	0.00%	$ -	-100.00%	$ -	$ -	0.00%
LMIG	$ 30,607.09	$ 30,607.09	9.35%	$ 28,032.66	-8.41%	$ 28,032.66	$ 30,000.00	7.02%
Atlanta Regional Commission	$ -	$ -	0.00%	$ 60,000.00	100.00%	$ 60,000.00	$ -	-100.00%
Total Expenditures:	**$ 47,107.09**	**$ 47,107.09**	**4.70%**	**$ 95,032.66**	**101.74%**	**$ 96,532.66**	**$ 44,000.00**	**-53.70%**

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, the amended projection for Confiscated Funds and assets was $9,143 and expending the same amount for supplies needed to fund the acquisitions. This is was increase of 263.88%. This increase was primarily due to the fund balance from FY2013.

The FY2015 budget appropriation for the Confiscated Fund was $7,422 which equated to an 18.73% decrease from FY2014.

This Fund is one of the most unpredictable funds as it is based on police activity and adjudication which will vary from year to year.

The Maintenance & Operating expenditures for FY2016 include the following:

210 Confiscated Revenue	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	FY2016 Adopted	(+/-) %
Forfeitures Revenue	$ 2,000.00	$ 2,000.00	0.00%	$ -	-100.00%	$ -	$ 10,000.00	100.00%
Confiscation of Cash	$ 500.00	$ 500.00	0.00%	$ -	-100.00%	$ -	$ -	0.00%
Confiscated Fund Property	$ -	$ -	-100.00%	$ -	0.00%	$ -	$ -	0.00%
Confiscated Fund Interest	$ 10.00	$ 10.00	100.00%	$ 10.00	0.00%	$ 10.00	$ 10.00	0.00%
Fund Balance	$ 6,623.27	$ 6,623.27	100.00%	$ 7,412.27	11.91%	$ -	$ -	-100.00%
TOTAL REVENUE:	**$ 9,133.27**	**$ 9,133.27**	**263.88%**	**$ 7,422.27**	**-18.73%**	**$ 10.00**	**$ 10,010.00**	**34.86%**
Expenditures								
Bank Fees	$ 10.00	$ 10.00	0.00%	$ 10.00	0.00%	$ -	$ 10.00	0.00%
Confiscated Supplies	$ 9,123.27	$ 9,123.27	264.93%	$ 7,412.27	-18.75%	$ -	$ 10,000.00	34.91%
TOTAL EXPENDITURES:	**$ 9,133.27**	**$ 9,133.27**	**263.88%**	**$ 7,422.27**	**-18.73%**	**$ -**	**$ 10,010.00**	**34.86%**

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.

For FY2013, the City projected approximately $80,040. The City projected $145,906 for FY2014 which was an 82.89% increase over FY2013. That increase can be attributed to two scenarios.

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 collecting 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.

In FY2015, the City allocated $20,000 to a recently established downtown business association known as the Olde Town Hiram Business Associations, LLC. The OTHBA obtained its 501c6 status in April of 2015. Their mission is to "Promote economic development & tourism, protect & preserve history, and encourage a strong sense of community throughout the City of Hiram, Georgia."



The FY2015 budget appropriation for the Hotel/Motel Fund was $151,490 which equated to a 3.83% increase from FY2014.

With the achievement of their 501c6 status, OTHBA was eligible to be considered for a parentage of the Hotel/Motel taxes collected. Since the inception of the Hotel/Motel Fund, the Paulding County Chamber of Commerce was the only organization that met the legal criteria to be a receive of these monies. These funds are now being split between two entities: The Paulding County Chamber of Commerce will be receiving 12% and the Olde Town Hiram Business Association will be receiving 28% of the Hotel/Motel Funds collected.

The Maintenance Operating expenditures for FY2016 include the following:

Hotel/Motel Revenue	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	FY2016 Adopted	(+/-) %
Hotel/Motel Revenue	$ 98,807.00	$ 98,807.00	23.51%	$ 104,163.12	5.42%	$ 104,163.12	$ 105,000.00	0.80%
Delinquent Taxes/P&I	$ 27,776.88	$ 27,776.88	100.00%	$ 27,776.88	0.00%	$ 27,777.00	$ 13,888.00	-50.00%
Interest Earned	$ 25.00	$ 25.00	-37.50%	$ 25.00	0.00%	$ 25.00	$ 25.00	0.00%
Fund Balance	$ 19,297.09	$ 19,297.09	100.00%	$ 19,525.88	1.19%	$ 19,525.88	$ -	-100.00%
	$ 145,905.97	**$ 145,905.97**	**82.29%**	**$ 151,490.88**	**3.83%**	**$ 151,491.00**	**$ 118,913.00**	**-21.50%**
Expenditures								
Paulding County Chamber of Commerce	$ 58,362.39	$ 58,362.39	82.29%	$ 52,776	-9.57%	$ 52,776.00	$ 14,267	-72.97%
Transfer to General Fund	$ -	$ -	0.00%	$ -	0.00%	$ -	$ 17,358	100.00%
Olde Town Hiram Business Association	$ -	$ -	0.00%	$ 20,000	100.00%	$ 20,000.00	$ 33,289	66.44%
Main Street Manager Program	$ 29,181.19	$ 29,181.19	100.00%	$ 20,000	-65.73%	$ 20,000.00	$ -	-100.00%
Tourism, Conventions, Trade Shows	$ 58,362.39	$ 58,362.39	100.00%	$ 58,715	0.60%	$ 58,715.00	$ 54,000	-8.03%
TOTAL EXPENDITURES:	**$ 145,905.97**	**$ 145,905.97**	**82.29%**	**$ 151,490.88**	**3.83%**	**$ 151,491.00**	**$ 118,913.00**	**-21.50%**

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 was 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	Year Approved	Original Estimated Cost	Amount Expended Year 1 or 2011	Year 2 or 2012	Year 3 or 2013	Year 4 or 2014	Total Amount Expended to Date	Percent Used
Public Safety Capital Outlay	2010	$ 1,071,600	$ 147,374	$ 82,331	$ 123,086	$ 189,522	$ 542,313	50.61%
Recreational Facilities Capital Outlay	2010	$ 1,071,600	$ 11,679	$ 27,880	$ 336,538	$ 38,966	$ 415,063	38.73%
Road, Street and Bridge Capital Outlay	2010	$ 3,214,800	$ 5,572	$ 61,183	$ 1,078,801	$ 394,094	$ 1,539,650	47.89%
Totals:	**2011-2017**	**$ 5,358,000**	**$ 164,625**	**$ 171,394**	**$ 1,538,425**	**$ 622,582**	**$ 2,497,026**	**46.60%**

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. In FY2014, the City of Hiram projected 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.

For FY2015, the City of Hiram projected at least $790,371 in SPLOST revenues or approximately $65,864 in monthly revenues on average with approximately $1,680 in interest income on these revenues.

For FY2016, The City of Hiram is projecting $830,134 in SPLOST revenues or approximately $69,178 in monthly revenues on average with approximately $1,200 in interest revenue. There is also an estimated fund balance of $833,802 that is being carried forward to dedicate to capital projects in FY2016.

The below table provided a breakdown of these revenues:

322 SPLOST Revenue	FY2013 Adopted	(+/-) %	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	FY2016 Adopted	(+/-) %
Police	$ 159,600.00	-6.53%	$ 149,820.00	$ 149,820.00	-6.13%	$ 158,074.00	5.51%	$ 158,074.00	$ 166,027.00	5.03%
Street	$ 478,800.00	-5.95%	$ 451,914.00	$ 451,914.00	-5.62%	$ 474,223.00	4.94%	$ 474,223.00	$ 498,080.00	5.03%
Parks & Rec	$ 159,600.00	-6.53%	$ 149,820.00	$ 149,820.00	-6.13%	$ 158,074.00	5.51%	$ 158,074.00	$ 166,027.00	5.03%
Police (Interest)	$ 160.00	34.69%	$ 245.00	$ 245.00	53.13%	$ 340.00	38.78%	$ 340.00	$ 240.00	-29.41%
Street (Interest)	$ 480.00	24.17%	$ 633.00	$ 633.00	31.88%	$ 1,000.00	57.98%	$ 1,000.00	$ 720.00	-28.00%
Parks & Rec (Interest)	$ 160.00	34.69%	$ 245.00	$ 245.00	53.13%	$ 340.00	38.78%	$ 340.00	$ 240.00	-29.41%
Running total	$ 754,191.00	-1083.54%	$ 1,359,223.01	$ 1,364,793.01	80.96%	$ 229,627.83	-83.17%	$ 229,627.83	$833,802.39	263.11%
TOTAL REVENUE:	**$ 1,552,991.00**	**-90.22%**	**$ 2,111,900.01**	**$ 2,117,470.01**	**36.35%**	**$ 1,021,678.83**	**-51.75%**	**$ 1,021,678.83**	**$ 1,665,136.39**	**62.98%**

The recommended Capital Improvement Projects are as follows:

Expenditures	FY2016 Adopted
Police	
Police Capital	$ 190,030.43
Patrol Vehicles	$ 106,213.54
Subtotal:	**$ 296,243.97**
Streets, Roads and Bridges	
Street Capital	$ 947,066.05
LMIG Match	$ 8,000.00
Subtotal:	**$ 955,066.05**
Parks and Recreation	
Park and Recreation Capital	$ 413,826.37
Subtotal:	**$ 413,826.37**
Total SPLOST Allocation:	**$ 1,665,136.39**

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.

In 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 went into effect 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 were $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 CD's to address the shortfall as it has done previously.

The FY2015 budget appropriation for the Water Fund was $126,975 which equated to a 6.27% decrease from FY2014.

The FY2016 revenue projection for the Water Fund is $104,310 plus a fund balance of 20,773 for a total of 125,083. This equate to a 1.49% decrease from FY2015.

505 Water Revenue	FY2013 Adopted	(+/-) %	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	FY2016 Adopted	(+/-) %
Water Revenue	$ 80,000.00	34.08%	$ 121,358.80	$ 121,358.80	51.70%	$ 95,000.00	-21.72%	$ 95,000.00	$ 90,000.00	-5.26%
Penalties	$ 3,000.00	0.00%	$ 3,000.00	$ 3,000.00	0.00%	$ 6,100.00	103.33%	$ 6,100.00	$ 6,100.00	0.00%
Cut-On-Fees	$ 400.00	61.02%	$ 1,026.20	$ 1,026.20	156.55%	$ 5,000.00	387.23%	$ 5,000.00	$ 8,000.00	60.00%
Miscellaneous	$ 600.00	-500.00%	$ 100.00	$ 100.00	-83.33%	$ 600.00	500.00%	$ 600.00	$ -	-100.00%
Interest Earned	$ 2,000.00	-3900.00%	$ 50.00	$ 50.00	-97.50%	$ 125.00	150.00%	$ 125.00	$ 210.00	68.00%
Reconnection	$ 150.00	0.00%	$ 150.00	$ 150.00	0.00%	$ 150.00	0.00%	$ 150.00	$ -	-100.00%
Transfer from Other Financing Us	$ 40,000.00	-100.00%	$ -	$ -	-100.00%	$ -	0.00%	$ -	$ -	0.00%
Fund Balance	$ -	0.00%	$ 9,779.00	$ 9,779.00	100.00%	$ 20,000.00	104.52%	$ 20,000.00	$ 20,773.00	3.87%
	$ 126,150.00	**6.88%**	**$ 135,464.00**	**$ 135,464.00**	**7.38%**	**$ 126,975.00**	**-6.27%**	**$ 126,975.00**	**$ 125,083.00**	**-1.49%**

The Maintenance/Operating expenditures for FY2016 include the following:

90 Water Expenditure	FY2013 Adopted	(+/-) %	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	FY2015 Adopted	(+/-) %
Audit & Accounting	$ 3,050.00	15.98%	$ 3,630.00	$ 3,630.00	19.02%	$3,600.00	-0.83%	$3,600.00	$3,600.00	0.00%
Repairs & Maintenance	$ 26,500.00	1.85%	$ 27,000.00	$ 27,000.00	1.89%	$27,000.00	0.00%	$27,000.00	$27,000.00	0.00%
Travel, Lodging & Perdiem	$ -	100.00%	$ 400.00	$ 400.00	100.00%	$400.00	0.00%	$400.00	$400.00	0.00%
Dues, Fees & Subscriptions	$ 800.00	-300.00%	$ 200.00	$ 200.00	-75.00%	$600.00	200.00%	$600.00	$600.00	0.00%
Training & Conference	$ -	100.00%	$ 655.00	$ 655.00	100.00%	$600.00	-8.40%	$600.00	$600.00	0.00%
Supplies - Water System Stock	$ 5,000.00	-13.64%	$ 4,400.00	$ 4,400.00	-12.00%	$4,400.00	0.00%	$4,400.00	$4,400.00	0.00%
Supplies - UB Office	$ -	100.00%	$ 7,200.00	$ 7,200.00	100.00%	$5,000.00	-30.56%	$5,000.00	$5,000.00	0.00%
Chemicals	$ 1,500.00	0.00%	$ 1,500.00	$ 1,500.00	0.00%	$1,500.00	0.00%	$1,500.00	$1,500.00	0.00%
New Meters & Lines	$ 10,000.00	0.00%	$ 10,000.00	$ 10,000.00	0.00%	$10,000.00	0.00%	$10,000.00	$10,000.00	0.00%
Testing - Water Quality	$ 4,500.00	0.00%	$ 4,500.00	$ 4,500.00	0.00%	$4,500.00	0.00%	$4,500.00	$4,500.00	0.00%
Utilities - Wells	$ 9,000.00	-5.88%	$ 8,500.00	$ 8,500.00	-5.56%	$8,500.00	0.00%	$8,500.00	$8,500.00	0.00%
Purchased Water	$ 7,500.00	-25.00%	$ 6,000.00	$ 6,000.00	-20.00%	$5,000.00	-16.67%	$5,000.00	$5,000.00	0.00%
Tools	$ 800.00	-14.29%	$ 700.00	$ 700.00	-12.50%	$700.00	0.00%	$700.00	$700.00	0.00%
Capital Outlay	$ 57,500.00	5.39%	$ 60,779.00	$ 60,779.00	5.70%	$ 20,000.00	-67.09%	$ 20,000.00	$ 50,000.00	150.00%
TOTAL EXPENDITURE:	**$ 126,150.00**	**6.88%**	**$ 135,464.00**	**$ 135,464.00**	**7.38%**	**$91,800.00**	**-32.23%**	**$91,800.00**	**$121,800.00**	**32.68%**
Fund Balance:	**$ -**	**0.00%**	**$ -**	**$ -**	**0.00%**	**$ 35,175.00**	**100.00%**	**$ 35,175.00**	**$ 3,283.00**	**100.00%**

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

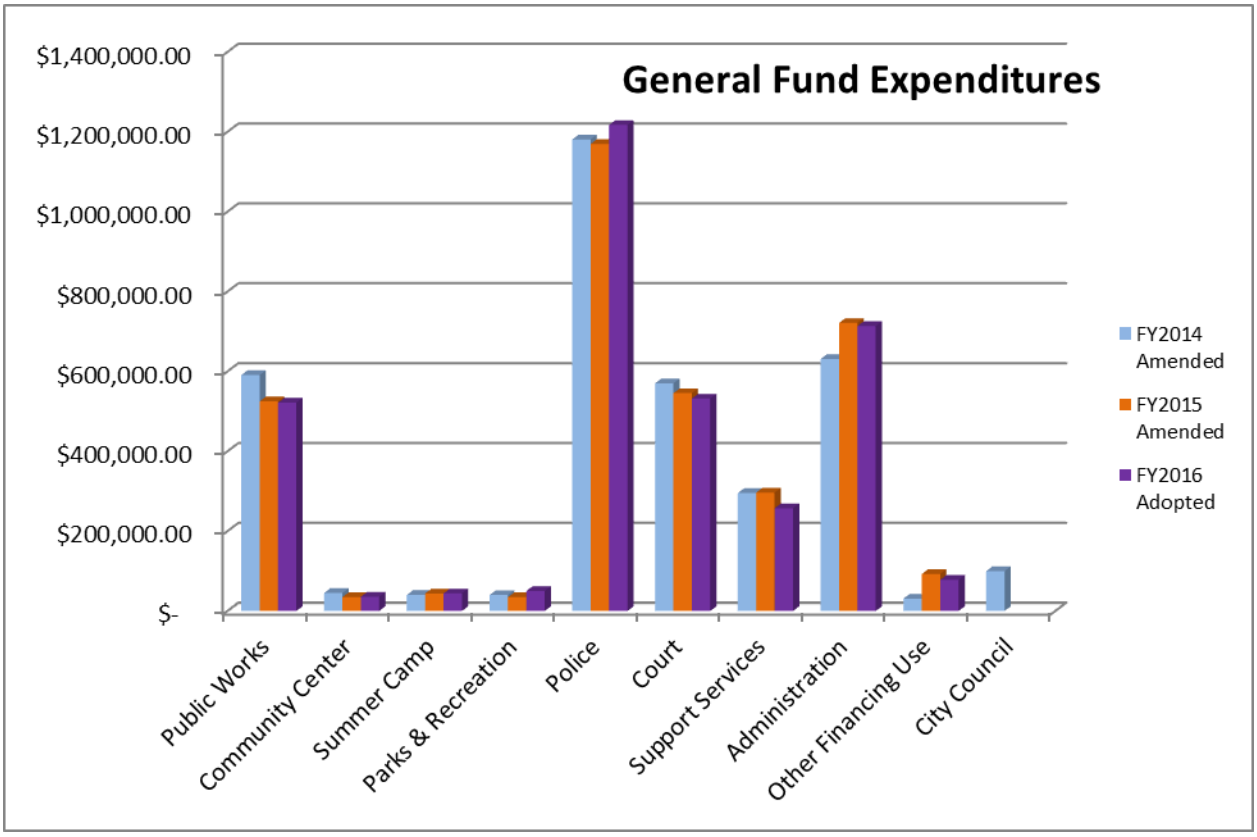
Due to collections being below projections, a decision was made to reduce the amount of receivable revenues in this fund by 42.94%, or $67,716.85. And since the contracted provider only invoices for the amount of properties being serviced, the anticipated expenditures were reduced 43.15% or $75,768 leaving a conservative $26,708 to be transferred to the General Fund.

The continued challenges the City has faced with collections has caused the fund balance to be reduced further in FY2016 to zero. So there will be no additional funds to transfer to the General Fund to offset the administrative costs of operations.

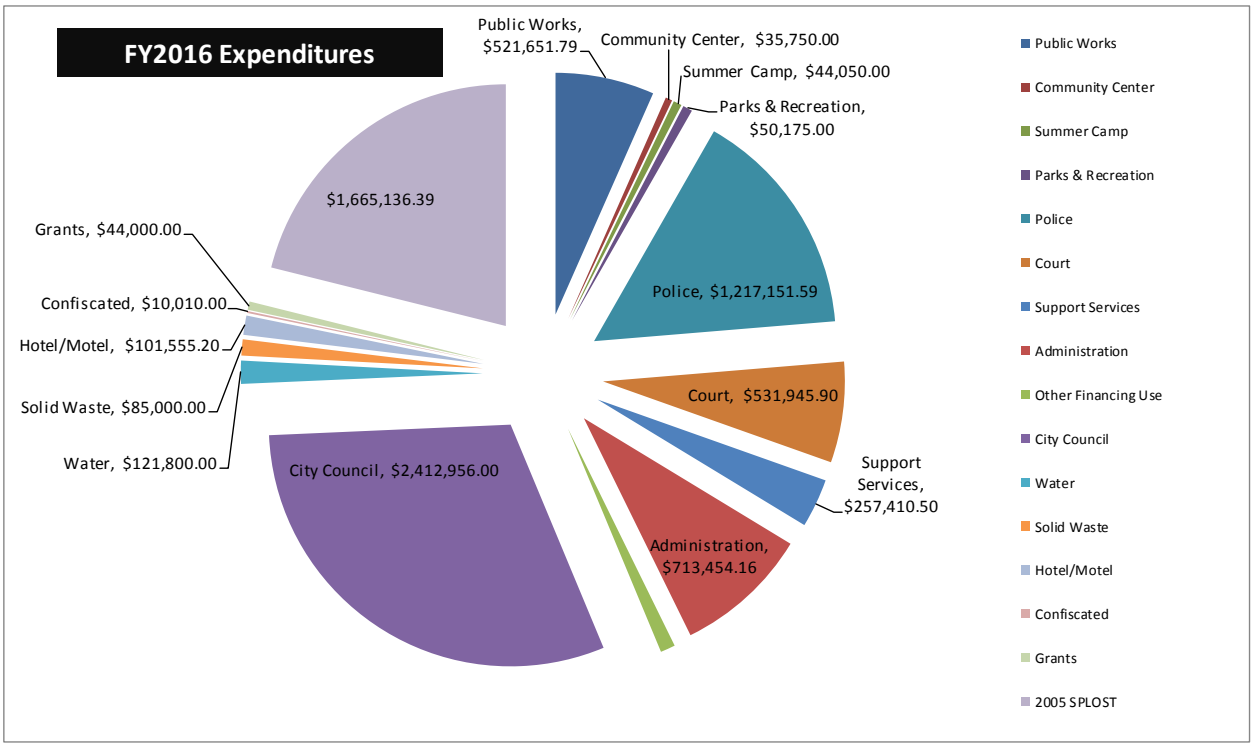
540 Solid Waste Revenue	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Adopted	(+/-) %	FY2015 Amended	FY2016 Adopted	(+/-) %
Sanitation Revenue	$ 147,605.00	$ 147,605.00	227.72%	$ 80,000.00	-45.80%	$ 80,000	$ 85,000.00	6.25%
Fund Balance	$ 10,111.85	$ 10,111.85	100.00%	$ 10,000.00	-1.11%	$ -	$ -	-100.00%
TOTAL REVENUE:	**$ 157,716.85**	**$ 157,716.85**	**250.17%**	**$ 90,000.00**	**-42.94%**	**$ 80,000**	**$ 85,000.00**	**-5.56%**

540 Solid Waste Expenditures	FY2014 Adopted	FY2014 Amended	(+/-) %	FY2015 Recommended	(+/-) %	FY2015 Amended	FY2016 Adopted	(+/-) %
Sanitation Collection	$ 137,760.00	$ 137,760.00	206.13%	$ 61,992.00	-55.00%	$ 61,992.00	$ 83,500.00	34.69%
Supplies	$ 1,300.00	$ 1,300.00	3150.00%	$ 1,300.00	0.00%	$ 1,300.00	$ 1,500.00	15.38%
TOTAL EXPENDITURES:	**$ 139,060.00**	**$ 139,060.00**	**208.75%**	**$ 63,292.00**	**-54.49%**	**$ 63,292.00**	**$ 85,000.00**	**34.30%**
Fund Balance:	**$ 18,656.85**	**$ 18,656.85**	**100.00%**	**$ 26,708.00**	**43.15%**	**$ 16,708.00**	**$ -**	**-100.00%**

The below charts illustrate a comparison for General Fund Expenditures from FY2013 to FY2016:



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



Appendix

GLOSSARY

The City's Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Budget document in understanding these terms, a glossary has been included in this document.

ACCRUAL BASIS OF ACCOUNTING
A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the related cash flows.

ADOPTED (APPROVED) BUDGET
The funds appropriated by the City Council at the beginning of the year.

AD VALOREM TAX
Commonly referred to as property taxes, are levied on both real and personal property based upon the property's assessed valuation and the millage rate.

APPROPRIATION
A legal authorization to incur obligations and to make expenditures for specific purposes.

ASSESSED VALUATION
The valuation set upon real estate and certain personal property by the Property Appraiser as a basis for levying Ad Valorem (property) taxes.

BALANCED BUDGET
To the extent that the Appropriated Revenues and Estimated Budget Savings equal or exceed the Appropriated Expenditures, the budget is considered balanced. Should the Appropriated Expenditures exceed the Appropriated Revenues and Estimated Budget Savings, the difference would be shown in the revenue section as Beginning Surplus. The amount of the Beginning Surplus would specify the amount by which the Fund Balance would be reduced.

BASIS OF ACCOUNTING
The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes. For example, the effects of transactions or events can be recognized on an accrual basis (that is, when the transactions or events take place), or on a cash basis (that is, when cash is received or paid). Basis of accounting is an essential part of measurement focus, because a particular timing of recognition is necessary to accomplish a particular measurement focus.

BOND
A long-term debt obligation primarily used to finance capital projects or other long-term obligations. A bond represents a promise to repay a specified sum of money called the face value 0or principal amount at a specified maturity date or dates in the future, together with periodic interest at a specified rate.

BUDGET
An operational guide of planned financial activity for a specified period of time (fiscal year or project length) estimating all anticipated revenues and expected expenditures/expenses for the budget period. A policy document, which communicates programmatic goals and objectives and the anticipated means for achieving them.

BUDGET AMENDMENT
The transfer of funds from one appropriation account to another, requiring approval of City Manager, Finance Director, and Department Director.

BUDGET CALENDAR
The schedule of target dates that a government follows in the preparation of preliminary budgets and the adoption of the final budget.

BUDGET RESOLUTION
The official enactment by the City Council legally authorizing City Officials to obligate and expend resources.

BUDGET OFFICER
"Budget officer" means that local government officials charged with budget preparation and administration for the local government. The official title of the local government budget officer shall be as provided by local law, charter, ordinance, or appropriate resolution of the governing authority.

BUDGET ORDINANCE
"Ordinance," or "Resolution" means that governmental action which appropriates revenues and fund balances for specified purposes, functions, or activities for a budget period.

BUDGET PERIOD
Budget period, means the period for which a budget is proposed or a budget ordinance or resolution is adopted.

BUDGETARY BASIS OF ACCOUNTING
This refers to the basis of accounting used to estimate when revenues and expenditures are recognized for budgetary purposes. This generally takes one of three forms: GAAP, cash, or modified accrual.

BUDGETARY CONTROL
The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources. The level of budgetary controls that is the point at which expenditures cannot legally exceed the appropriated amount.

CAPITAL BUDGET
A plan of proposed capital outlays and the means of financing them for the current fiscal period. It is usually a part of the current budget.

CAPITAL EXPENDITURES
All charges incurred to acquire equipment, land, buildings, improvements of land or buildings, fixtures, and other permanent improvements with a value in excess of $500 and a useful life expectancy of greater than 1 year.

CAPITAL IMPROVEMENTS
Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as "Infrastructure." See also "Capital Project".

CAPITAL PROJECT
Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called "Capital Improvements."

CASH BASIS OF ACCOUNTING
A basis of accounting in which transactions or events are recognized when related cash amounts are received or disbursed.

CONTINGENCY
A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

DEBT
An obligation resulting from the borrowing of money or from the purchase of goods and services on credit. The City Council must approve all debt instruments.

DEBT SERVICE FUND

A governmental fund established to finance and account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Also known as “Sinking Fund”.

DEPARTMENT
An organizational unit of government, which is functionally unique in its delivery of services.

DISTINGUISHED BUDGET PRESENTATION AWARD PROGRAM
A voluntary awards program administered by the Government Finance Officers Association (GFOA) to encourage governments to prepare effective budget documents.

EMPLOYEE (OR FRINGE) BENEFITS
Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and Medicare, and the various pension, medical, and life insurance plans.

ENCUMBRANCE
The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure. Adopted Budget FY2011

ENTERPRISE FUND
A proprietary fund used to account for business-like operations of a government to provide goods and or services to the general public. The intent is that enterprise fund operations should be supported by user fees on a cost recovery basis. The periodic determination of revenues and expenses is appropriate for capital maintenance, management control, or other public policy. An example of an enterprise fund is Stormwater Utility.

EXPENDITURE
The incurring of a liability, the payment of cash, or the transfer of property for the purpose of acquiring an asset, or a service or settling a loss. A decrease in net financial resources under the current financial resources measurement focus not properly classified as “Other Financing Uses”.

FIDUCIARY FUND
Fiduciary Fund means those trust and agency funds used to account “Fiscal year” means the period for which a budget is proposed or a budget ordinance or resolution is adopted for the local government’s general funds, each special revenue fund, if any, and each debt service fund, if any.

FISCAL POLICY
A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

FISCAL YEAR
A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City’s fiscal year runs from January 1st to December 31st.

FUND
An accounting and reporting entity with a self-balancing set of accounts. Funds are created to establish accountability for revenues and expenses, which are segregated for the purpose of carrying out a specific purpose or range of activities.

FUND BALANCE (undesignated/unreserved)
Refers to the excess of assets over liabilities and is therefore, generally known as amount available for appropriation.

FUND BALANCE (designated/reserved)

Refers to the excess of assets over liabilities and is designated or reserved for a particular item, e.g. "Fund Balance Reserved for Encumbrances".

FUND BALANCE (carried forward)
Funds on hand at year end resulting from collections of revenue in excess of anticipations and/or unexpended appropriations which are included as a revenue source in the budget of the ensuing year.

GENERAL FUND
The chief operating fund used to account for both general government transactions and those financial resources not required to be accounted for in another fund.

GOALS
A measurable statement of desired conditions to be maintained or achieved.

GOVERNING AUTHORITY
Governing authority means that official or group of officials responsible for governance of the unit of local government.

GOVERNMENTAL FUNDS
Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities – except for those accounted for in proprietary funds and fiduciary funds.

INTERFUND TRANSFERS
Flows of assets (such as cash or goods) between funds of the primary government without equivalent flows of assets in return and without a requirement for repayment.

INTERGOVERNMENTAL REVENUE
Funds received from federal, state and other local government sources in the form of grants, shared revenues, entitlements, or payments in lieu of taxes.

LEGAL LEVEL OF CONTROL
Legal level of control is the lowest level of budgetary detail at which a local government's management or budget officer may not reassign resources without approval of the governing authority. The legal level of control shall be, at a minimum, expenditures for each department for each fund for which a budget is required. This does not preclude the governing authority of a local government from establishing a legal level of control at a more detailed level of budgetary control than the minimum required legal level of control.

MILLAGE RATE
The ad valorem tax rate expressed in the amount levied per thousand dollars of the taxable assessed value of property. One mill is equal to one dollar per thousand.

MODIFIED ACCRUAL ACCOUNTING
A basis of accounting in which revenues are recorded when collected within the current period or soon enough thereafter to be used to pay liabilities of the current period and expenditures are recognized when the related liability is incurred.

NON-DEPARTMENTAL (CITY-WIDE)
A group of accounts which are not directly related to a department's primary service activities, or which are separate from departmental operations for control purposes.

OBJECTIVES
Unambiguous statements of performance intentions expressed in measurable terms.

OPERATING BUDGET

The portion of the budget pertaining to daily operations that provides basic governmental services. The operating budget contains appropriations for such expenditures as personal services, fringe benefits, commodities, services and capital outlay.

OPERATING EXPENSES
The cost for personnel, materials and equipment required for a department to function. Another example would be Proprietary Fund expenses related directly to the primary activities of the fund.

OPERATING REVENUES
Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services. Another example would be Proprietary Fund user fees for goods and/or services that are directly related to the primary activities of the fund.

PERFORMANCE INDICATORS
Special quantitative and qualitative measure of work performed as an objective of a department.

PERSONNEL SERVICES
Expenditures for salaries, wages, and fringe benefits of a government's employees.

PROPRIETARY FUNDS
Used to account for government's ongoing organizations and activities that are similar to those found in the private sector.

RETAINED EARNINGS
A fund equity account which reflects accumulated net earnings (or losses) in a proprietary fund. As in the case of fund balance, retained earnings may include certain reservations of fund equity.

RESERVE
An account to indicate that a portion of funds have been legally restricted for a specific purpose, or not available for appropriation and subsequent spending. A reserve for working capital is a budgetary reserve set aside for cash flow needs, emergencies, or unforeseen expenditure/revenue shortfalls.

REVENUE
Funds that the City receives as income. It includes such items as taxes, licenses, user fees, service charges, fines and penalties, and grants.

REVENUE BONDS
Bonds whose principal and interest are payable exclusively from specific projects or special assessments, rather than from general revenues. These bonds do not require approval by referendum.

ROLLED BACK RATE
The millage rate which, exclusive of new construction, will provide the same property (Ad Valorem) tax revenue for each taxing entity as was levied during the prior year. The rolled back rate controls for changes in the market value of property and represents "no tax increase". The only source of additional tax revenue, if the rolled-back rate is levied, is the tax upon new construction.

SINKING FUND
A reserve fund accumulated over a period of time for retirement of a debt.

SPECIAL REVENUE FUND
A fund in which the revenues are designated for use for specific purposes or activities.

TAX DIGEST
Official list of all property owners, the assessed value (100% of fair market value), and the tax due on their property.

TAXES
Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. Taxes levied by the City of Hiram are approved by the City Council and are within limits determined by the State.

UNIT OF LOCAL GOVERNMENT
Unit of local government, "unit," or "local government" means a municipality, county, consolidated city-county government, or other political subdivision of the state. Such terms do not include any local school district or board of education. For purposes of this paragraph, "county" includes any county officer who is paid in whole or in part on a salary basis and over whom the county governing authority exercises budgetary authority.

WORKING CAPITAL
A dollar amount reserved in (General Fund) fund balance that is available for unforeseen emergencies, to handle shortfalls caused by revenue declines, and to provide cash liquidity during periods of low cash flow.

Abbreviations & Acronyms

ACS	American Community Survey
ADA	American with Disabilities Act
APB	Accounting Principles Board
ARC	Atlanta Regional Commission
ASE	Automotive Service Excellence
BCBS	Blue Cross/Blue Shield
BOC	Board of Commissioners
CIP	Capital Improvement Program
COLA	Cost of Living Adjustment
CTP	Comprehensive Transportation Plan
DDA	Downtown Development Authority
F/T	Full Time
FASB	Financial Accounting Standards Board
FEMA	Federal Emergency Management Association
FICA	Federal Insurance Contributions Act
FSA	Flexible Spending Arrangement
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
GAGAS	Generally Accepted Governmental Auditing Standards
GAO	General Accounting Office
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers' Association
GMEBS	Georgia Municipal Employees Benefit System
HRA	Health Reimbursement Arrangement
IBA	Industrial Building Authority
IT	Information Technology
LCI	Livable Centers Initiative
LMIG	Local Maintenance Improvement Grant
LOST	Local Option Sales Tax
NPDES	National Pollutant Discharge Elimination System
NWGRC	Northwest Georgia Regional Commission
OMB	Office of Management and Budget
PCAA	Paulding County Airport Authority
PCEDO	Paulding County Economic Development Organization
P/T	Part Time
SPLOST	Special Purpose Local Option Sales Tax
TAVT	Title Ad Valorem Tax
TE	Transportation Enhancement

Georgia Law on Local Government Budgets

36-81-2. Definitions.

Statute text

As used in this article, the term:

(1) "Budget" means a plan of financial operation embodying an estimate of proposed expenditures during a budget period and the proposed means of financing them.

(2) "Budget officer" means that local government official charged with budget preparation and administration for the local government. The official title of the local government budget officer shall be as provided by local law, charter, ordinance, or appropriate resolution of the governing authority.

(3) "Budget ordinance," "ordinance," or "resolution" means that governmental action which appropriates revenues and fund balances for specified purposes, functions, or activities for a budget period.

(4) "Budget period" means the period for which a budget is proposed or a budget ordinance or resolution is adopted.

(5) "Capital projects fund" means a fund used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by resources from proprietary type activities which are accounted for in enterprise funds or those financed with funds held by the local government in a trustee capacity.

(6) "Debt service fund" means a fund used to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

(7) "Enterprise fund" means a fund used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing authority is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing authority has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. For purposes of this paragraph, the term "costs" means expenses, including depreciation.

(8) "Fiduciary fund" means those trust and agency funds used to account for assets held by a local government in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds.

(9) "Fiscal year" means the period for which a budget is proposed or a budget ordinance or resolution is adopted for the local government's general fund, each special revenue fund, if any, and each debt service fund, if any.

(10) "Fund" means a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

(11) "General fund" means the fund used to account for all financial resources except those required to be accounted for in another fund.

(12) "Governing authority" means that official or group of officials responsible for governance of the unit of local government.

(13) "Internal service fund" means a fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit or to other governmental units on a cost-reimbursement basis.

(14) "Legal level of control" means the lowest level of budgetary detail at which a local government's management or budget officer may not reassign resources without approval of the governing authority. The legal level of control shall be, at a minimum, expenditures for each department for each fund for which a budget is required. This does not preclude the governing authority of a local government from establishing a legal level of control at a more detailed level of budgetary control than the minimum required legal level of control.

(15) "Special revenue fund" means a fund used to account for the proceeds of specific revenue sources, other than those for major capital projects or those held by the government in a trustee capacity, that are legally restricted to expenditure for specified purposes.

(16) "Unit of local government," "unit," or "local government" means a municipality, county, consolidated city-county government, or other political subdivision of the state. Such terms do not include any local school district or board of education. For purposes of this paragraph, "county" includes any county officer who is paid in whole or in part on a salary basis and over whom the county governing authority exercises budgetary authority.

36-81-3. Establishment of fiscal year; requirement of annual balanced budget; adoption of budget ordinances or resolutions generally; budget amendments; uniform chart of accounts.

Statute text

(a) The governing authority shall establish by ordinance, local law, or appropriate resolution a fiscal year for the operations of the local government.

(b) (1) Each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article.

(2) Each unit of local government shall adopt and operate under a project-length balanced budget for each capital projects fund in use by the government. The project-length balanced budget shall be adopted by ordinance or resolution in the year that the project initially begins and shall be administered in accordance with this article. The project-length balanced budget shall appropriate total expenditures for the duration of the capital project.

(3) A budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations.

(4) Nothing contained in this Code section shall preclude a local government from adopting a budget for any funds used by the local government other than those specifically identified in paragraphs (1) and (2) of this subsection, including enterprise funds, internal service funds, and fiduciary funds.

(c) For each fiscal year beginning on or after January 1, 1982, each unit of local government shall adopt and utilize a budget ordinance or resolution as provided in this article.

(d) Nothing contained in this Code section shall preclude a local government from amending its budget so as to adapt to changing governmental needs during the budget period. Amendments shall be made as follows, unless otherwise provided by charter or local law:

(1) Any increase in appropriation at the legal level of control of the local government, whether accomplished through a change in anticipated revenues in any fund or through a transfer of

appropriations among departments, shall require the approval of the governing authority. Such amendment shall be adopted by ordinance or resolution;

(2) Transfers of appropriations within any fund below the local government's legal level of control shall require only the approval of the budget officer; and

(3) The governing authority of a local government may amend the legal level of control to establish a more detailed level of budgetary control at any time during the budget period. Said amendment shall be adopted by ordinance or resolution.

(e) The Department of Community Affairs, in cooperation with the Association County Commissioners of Georgia and the Georgia Municipal Association, shall develop local government uniform charts of accounts. The uniform charts of accounts, including any subsequent revisions thereto, shall require approval of the state auditor prior to final adoption by the Department of Community Affairs. All units of local government shall adopt and use such initial uniform charts of accounts within 18 months following adoption of the uniform charts of accounts by the Department of Community Affairs. The department shall adopt the initial local government uniform charts of accounts no later than December 31, 1998. The department shall be authorized to grant a waiver delaying adoption of the initial uniform charts of accounts for a period of time not to exceed one year upon a clear demonstration that conversion of the accounting system of the requesting local government, within the time period specified in this subsection, would be unduly burdensome.

(f) The department's implementation of subsection (e) of this Code section shall be subject to Chapter 13 of Title 50, the "Georgia Administrative Procedure Act."

36-81-4. Appointment of budget officer; performance of duties by governing authority in absence of appointment; utilization of executive budget.

Statute text

(a) Unless provided to the contrary by local charter or local Act, each local government may appoint a budget officer to serve at the will of the governing authority.

(b) In those units of local government in which there is no budget officer, the governing authority shall perform all duties of the budget officer as set forth in Code Section 36-81-5.

(c) Nothing in this Code section shall preclude the utilization of an executive budget, under which an elected or appointed official, authorized by charter or local law and acting as the chief executive of the governmental unit, exercises the initial budgetary policy-making function, while another individual, designated as provided in this Code section as budget officer, exercises the administrative functions of budgetary preparation and control.

36-81-5. Preparation of proposed budget; submission to governing authority; public review of proposed budget; notice and conduct of budget hearing.

Statute text

(a) By the date established by each governing authority, in such manner and form as may be necessary to effect this article, and consistent with the local government's accounting system, the budget officer shall prepare a proposed budget for the local government for the ensuing budget period.

(b) The proposed budget shall, at a minimum, be an estimate of the financial requirements at the legal level of control for each fund requiring a budget for the appropriate budget period and shall be in such form and detail, with such supporting information and justifications, as may be prescribed by the budget officer or the governing authority. The budget document, at a minimum, shall provide, for the appropriate budget period, a statement of the amount budgeted for anticipated revenues by source and the amount

budgeted for expenditures at the legal level of control. In accordance with the minimum required legal level of control, the budget document shall, at a minimum, provide a statement of the amount budgeted for expenditures by department for each fund for which a budget is required. This does not preclude the governing authority of a local government from preparing a budget document or establishing a legal level of control at a more detailed level of budgetary control than the minimum required legal level of control.

(c) On the date established by each governing authority, the proposed budget shall be submitted to the governing authority for that body's review prior to enactment of the budget ordinance or resolution.

(d) On the day that the proposed budget is submitted to the governing authority for consideration, a copy of the budget shall be placed in a public location which is convenient to the residents of the unit of local government. The governing authority shall make every effort to provide convenient access to the residents during reasonable business hours so as to accord every opportunity to the public to review the budget prior to adoption by the governing authority. A copy of the budget shall also be made available, upon request, to the news media.

(e) A statement advising the residents of the local unit of government of the availability of the proposed budget shall be published in a newspaper of general circulation within the jurisdiction of the governing authority. The notice shall be published during the week in which the proposed budget is submitted to the governing authority. In addition, the statement shall also advise the residents that a public hearing will be held at which time any persons wishing to be heard on the budget may appear. The statement shall be a prominently displayed advertisement or news article and shall not be placed in that section of the newspaper where legal notices appear.

(f) At least one week prior to the meeting of the governing authority at which adoption of the budget ordinance or resolution will be considered, the governing authority shall conduct a public hearing, at which time any persons wishing to be heard on the budget may appear.

(g) (1) The governing authority shall give notice of the time and place of the budget hearing required by subsection (f) of this Code section at least one week before the budget hearing is held. The notice shall be published in a newspaper of general circulation within the jurisdiction of the governing authority. The statement shall be a prominently displayed advertisement or news article and shall not be placed in that section of the newspaper where legal notices appear.

(2) The notice required by paragraph (1) of this subsection may be included in the statement published pursuant to subsection (e) of this Code section in lieu of separate publication of the notice.

(h) Nothing in this Code section shall be deemed to preclude the conduct of further budget hearings if the governing body deems such hearings necessary and complies with the requirements of subsection (e) of this Code section.

36-81-6. Adoption of budget ordinance or resolution; form of budget.

Statute text

(a) On a date after the conclusion of the hearing required in subsection (f) of Code Section 36-81-5, the governing authority shall adopt a budget ordinance or resolution making appropriations in such sums as the governing authority may deem sufficient, whether greater or less than the sums presented in the proposed budget. The budget ordinance or resolution shall be adopted at a public meeting which shall be advertised in accordance with the procedures set forth in subsection (e) of Code Section 36-81-5 at least one week prior to the meeting.

(b) The budget may be prepared in any form that the governing authority deems most efficient in enabling it to make the fiscal policy decisions embodied in the budget, but such budget shall be subject to the provisions of this article.

CITY OF HIRAM
STATE OF GEORGIA

ORDINANCE NO. 2015-03

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF HIRAM, GEORGIA, ADOPTING THE FINAL ESTIMATES OF REVENUE AND EXPENDITURES FOR THE FISCAL YEAR COMMENCING JULY 1, 2015, AND ENDING ON JUNE 30, 2016, AS ITS ANNUAL BUDGET, APPROPRIATING THE USE OF FUNDS SHOWN THEREIN AS MAY BE NEEDED OR DEEMED NECESSARY TO DEFRAY ALL EXPENDITURES AND LIABILITIES OF THE CITY FOR SUCH FISCAL YEAR; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the Mayor and Council of the City of Hiram have held public hearings on June 2, 2015 and June 23, 2015 for its proposed budget for the 2015-2016 fiscal year;

WHEREAS, the proposed budget represents a balanced budget for each of the City's various funds, so that anticipated revenues equal proposed expenditures for each fund; and

WHEREAS, the 2015-2016 fiscal year budget provides a financial plan for the government, establishing appropriations for each operating department in order to extend services:

NOW, THEREFORE BE IT ORDAINED that this budget, "Exhibit A" attached hereto and by this reference made a part hereof this ordinance, shall be the City of Hiram's 2016-2016 fiscal year budget; and

BE IT FURTHER ORDAINED that this budget is hereby approved and the items of revenues shown in the budget for each fund in the amounts anticipated are adopted and that the amounts shown in the budget for each fund as proposed expenditures are hereby appropriated to the departments named in each fund; and

BE IT FURTHER ORDAINED that the expenditures shall not exceed the appropriations authorized by this budget or amendments thereto provided that expenditures for the fiscal year shall not exceed actual funding available; and

BE IT FURTHER ORDAINED that the City Manager is authorized to amend the budget to reflect expenditures and appropriations within capital project funds as approved by the City Council; and

BE IT FURTHER ORDAINED that the City Manager is authorized to amend the budget to reflect grant/contract revenues and expenditures upon receipt of an executed grant award document, intergovernmental agreement, contract, or comparable documentation; and

CITY OF HIRAM
STATE OF GEORGIA

ORDINANCE NO. 2015-03

BE IT FURTHER ORDAINED that the City Manager is authorized to amend the budget to reflect donation and/or contribution revenues and expenditures upon documented approval by the director of the benefitting department and the actual receipt of the donation and/or contribution; and

BE IT FURTHER ORDAINED that this Ordinance shall take effect as provided by law, but the budget adopted hereby shall take effect as of July 1, 2015.

ADOPTED AND APPROVED this 23rd day of June 2015.

Mayor Doris A. Devey

(Absent)
Mayor Pro Tem Kathy Bookout, Post 2

Councilperson Pep Rollins, Post 1

Councilperson Teresa Philyaw, Post 3

Councilperson Derrick Battle, Post 4

Councilperson Kathy Carter, Post 5

Attest: Cynthia L. Geyer
Cynthia Geyer, City Clerk

CITY OF HIRAM SEAL EST. 1891 GEORGIA

CITY OF HIRAM
STATE OF GEORGIA

ORDINANCE NO. 2015-03

EXHIBIT A

ADOPTED
June 23, 2015

City of Hiram
FY2016 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	$ 570,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 570,000
Other Taxes	1,350,000	101,555						1,451,555
Licenses and Permits	164,950							164,950
Intergovernmental Revenue				44,000	831,334	121,800	85,000	1,082,134
Charges for Service	78,550							78,550
Fines and Forfeitures	725,000		10,010					735,010
Interest Earnings	7,746							7,746
Other/Miscellaneous	38,900				2,412,956			2,451,856
Subtotal	$ 2,935,146	$ 101,555	$ 10,010	$ 44,000	$ 3,244,290	$ 121,800	$ 85,000	$ 6,541,801
Other Financing Sources								
Interfund Transfer from Hotel Motel	$ 17,358							$ 17,358
Interfund Transfer from Cash Reserve								-
Interfund Transfer from Solid Waste	-							-
Interfund Transfer from Water	3,283							3,283
Budgeted Fund Balance	70,091	-	-	-	833,802			903,893
Money Market - Undesignated	423,675						-	423,675
Subtotal	$ 514,407	$ -	$ -	$ -	$ 833,802	$ -	$ -	$ 1,348,209
Total Revenues	$ 3,449,553	$ 101,555	$ 10,010	$ 44,000	$ 4,078,092	$ 121,800	$ 85,000	$ 7,890,010
EXPENDITURES:								
Mayor and City Council	$ 77,964							$ 77,964
City Administration	713,454	101,555		-				$ 815,009
Municipal Court	531,946							$ 531,946
Support Services	257,411							$ 257,411
Police	1,217,152		10,010	14,000	296,244			$ 1,537,406
Public Works	521,652			30,000	955,066			$ 1,506,718
Parks Recreation	50,175				413,826			$ 464,001
Water						$121,800.00		$ 121,800
Solid Waste							85,000	$ 85,000
Community Center	35,750							$ 35,750
Summer Camp	44,050							$ 44,050
Non-Departmental								$ -
Contingency								$ -
Reserve								$ -
2011 SPLOST					*			$ -
Other					2,412,956			$ 2,412,956
Subtotal	$ 3,449,553	$ 101,555	$ 10,010	$ 44,000	$ 4,078,092	$ 121,800	$ 85,000	$ 7,890,010
Other Financing Uses								
Interfund Transfer to Hotel Motel								$ -
Interfund Transfer to Grants								-
Interfund Transfer to GF								
Subtotal	$ -	$ -	$ -	$ -	$ -	$ -		$ -
Total Expenditures	$ 3,449,553	$ 101,555	$ 10,010	$ 44,000	$ 4,078,092	$ 121,800	$ 85,000	$ 7,890,010

Prepared By: Robert T. Rokovitz, City Manager 7/1/2015 217 Main Street, Hiram, GA 30141