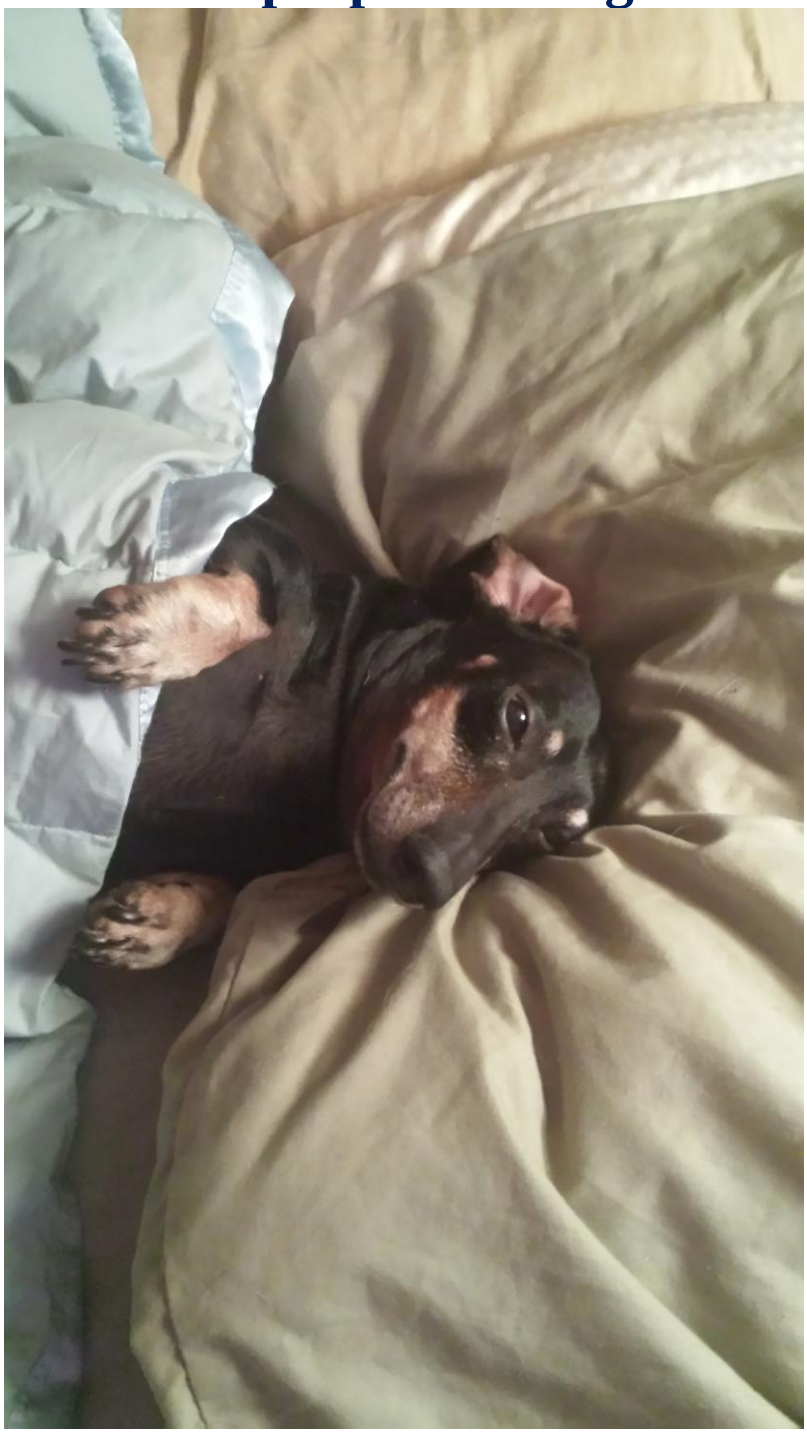
CITY OF PENDERGRASS

2019 proposed budget



Preface

The Proposed Budget consists of a single volume that contains:

* Basis of Budget and Accounting
* Introduction
* Message from the Mayor and City Administrator
* Budget Overview
    - Projected revenue
    - Proposed expenditures
* Summary of income and expenses
* City Goals
    - Vision statement
    - Mission statement
    - Core values
    - Strategic goals
* Accounting policy
* City department’s overview

Basis of Budgeting and Accounting

Government-wide financial statements are prepared using the accrual basis of accounting in compliance with the GASB 34. The City uses the modified accrual basis for all funds budget, both enterprise and general fund. This means that revenues are recognized when they become measurable. Revenue is “measurable” when the amount of the transaction can readily be determined. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Revenues and expenditures are budgeted in a format that is consistent with the City’s financial statement. The City also uses the modified accrual basis for all governmental fund types accounting. Accounting records for propriety and trust funds – if applicable are maintained on an accrual basis.

Introduction

The Introduction section contains the City Organizational Chart, Mayor and Council, message from the Mayor, and the message from the City Administrator.

Organizational Chart

Citizens of Pendergrass

Mayor and Council

Mayor Monk Tolbert

Councilman Johnny Pethel
Councilman Harlan Robinson
Councilwoman Lois Gee
Councilman Terry May

City Attorney
Tom McCormick

Municipal Court Judge
Walter Harvey

City Administrator
Rob Russell

City Clerk
Renee Martinez

Planning and Zoning
Rob Russell

Police Department
Brant Erickson

Parks and Recreation
Rob Russell

Building Inspections
Wayne Holcomb

Solid Waste/Sanitation
Rob Russell

Library Services
Renee Martinez

Court Services
Rob Russell

MESSAGE FROM THE MAYOR
2019 BUDGET

I am pleased to present our recommended Annual Operating and Capital Budget for fiscal Year 2019 of the City of Pendergrass, Georgia. My recommendations are based on input from our Department Heads and City Administrator as well as from a thorough review of our current financial status, revenue trends, economic data, and our standard of providing top level service while maintaining our focus on keeping Pendergrass an affordable option for our citizens and business owners.

The City Administrator and I have worked on a financial plan that prioritizes the uses for our available fund balances in an effective manner to ensure our financial success for the future.

Our Finance Department closely monitors our revenues and expenditure trends. We always closely manage our spending to compensate for varied revenue growth relative to expenditure cost drivers.

The objective of this year's City Budget, as always, is to provide a management tool in which our city government can unite its budgeting efforts to provide quality services while operating under available resources. This process entailed updating of the City's on-going financial concerns and providing a vehicle in which management decisions can be made as a result of the formulation of this respective data.

As required by Georgia law on local government budgets, citizen input will be solicited during the process of adopting a budget through publically advertised meetings. The City Council will adopt the millage rate for ad valorem taxes at the same time the budget is adopted.

In this budget we are attempting to prioritize the use of our available fund balance to most effectively position the city for financial success in the future.

In closing, the budget is committed to continuing our focus on providing effective and efficient savings to our citizens.

Sincerely,

MAYOR MELVIN TOLBERT

CITY ADMINISTRATOR'S MESSAGE

On behalf of Mayor Tolbert, I am pleased to present the proposed 2019 Annual Budget and Program of Services that totals $384,785.00.

The General Fund Budget totals $384,785.00 and the Capital Projects Fund totals $0, and the remaining funds total $0.

KEY BUDGET FACTORS, ISSUES, AND PRIORITIES

The fiscal year 2019 budget formalized several key financial factors which have been themes for several years within the government:

- Sustainability of existing services;
- Cost of government;
- Meeting the internal needs of operating departments; and
- Maintaining the quality of life for constituents, businesses and citizens.

Property Tax

The property tax for 2019 will remain at 3 mils. The proposed budget is predicted on City tax rate of 3 mills.

Major Challenges

Growth – Economic growth in Pendergrass and the surrounding areas has begun to improve. We have added approximately 150 new homes to our community in the past year. With this growth comes the responsibility of striking a balance between maintenance of existing assets and acquisition of new assets to properly serve our community. We are currently experiencing a housing start growth in the City and expect to add more than 50 new homes in the City in the next 12 months.

Employees – The City's employees are its greatest asset. To all that reside here, it is obvious that a lot of people have worked very hard for a long period of time to make Pendergrass what it is today. Employees are a vital part of the success equation. Like physical assets, the city must "maintain" its employees as well. No vacation time will be accrued by any employee in 2019. The city does not offer any benefits such as health or life insurance or retirement to our employees. To remain competitive and retain our employees, the city has to give small pay raises in the near future. We will closely monitor our budget and determine the best time to do this.

Our goal for FY19 is to operate a government that emphasizes public safety, well maintained city parks and grounds as well as roadways, and provide a beautiful city to our citizens that we can walk and play in and be proud to call home.

Rob Russell, City Administrator

Budget Overview

REVENUE for the city consists of Property Taxes, Sales Tax, Franchise fees, Excise fees and Other Revenues such as Licenses and Fees, Charges for Service, and Fines.

- **Property Taxes –** Property Taxes are proposed to generate about $73,000. The Jackson County Tax Commissioner sets the 2019 tax digest.
- **Sales Tax –** Sales tax income is projected to be $75,000. This is based on level income from this source versus last year over the course of the year. (L.O.S.T.)
- **Alcohol/Excise fees –** These fees are projected to be $53,000.
- **Franchise /Utilities/Enterprise fees –** are projected to generate $73,000 in 2019.
- **Insurance Premium Taxes** - are projected to be $33,000.00
- **Planning and Building fees – P**lanning and building fees for 2019 are projected to be about $4335.00.
- **Signs Permits, Site Approvals, Plan Site Zoning costs –** are projected to generate no income for 2019.
- **Fines and Forfeitures from Police Services –** are expected to generate $50,000.
- **General Government** fees (fees for services – copying, faxes, and permits) are expected to generate $1,000.
- **Other Revenues –** All other revenues are projected to generate $1,000.
- **Rental Income** - Rental Income is projected to be about $9600.00 in 2019.
- **Motor Vehicle Taxes** – projected to be about $850.00 in 2019.
- **Probation fees** – projected - to be about $5000.00 in 2019.
- **Motor Vehicle TAVT –** projected to be about $5000.00 in 2019.
- **Municipal License fees** – projected to be about $2000.00.

TOTAL REVENUE IS PROJECTED TO BE $384,785.00 FOR 2019.

City of Pendergrass
EXPENSES

2019 COST CENTERS PROPOSED BUDGET

EXPENDITURES

Professional services (city attorney, accountant)	$ 18,600
Auditors fees (annual State audit)	$ 10,000
City Administrator's Office (salary, supplies)	$ 50,200
City Hall (salaries, supplies)	$ 39,840
City Street Lights	$ 12,200
Insurance – auto, property, liability ins.	$ 16,000
Library (salaries, supplies)	$ 0
Mayor and Council (training – no salary for 2016 fy)	$ 500
Municipal Court (salaries – judge, interpreter, pub. defend)	$ 2,700
Public Works (salaries, equipment purchases)	$ 45,600
Planning and Zoning (salaries, supplies)	$ 0
Public Safety (salaries, fuel, auto repair, equipment, etc.,)	$ 96,145
Legal fees/expenses	$ 35,000
Solid Waste (fuel, driver, scale fees)	575.00
Payroll taxes	$ 30,000
Utilities (phone, fax, internet, electric)	$ 11,964
Depot Rental from RR company	$ 1,000
Real Estate mortgage (city hall, library, police dept)	$ 14,461
Debt Service	$ 10,000
TOTAL EXPENSES PROJECTED	**$ 384,785.00**
CAPITAL PROJECTS (unfunded project- Parks and Recreation)	**$ 00,000**
Projected Total Cost to Operate City - 2019	**$ 384,785.00**

SUMMARY OF INCOME AND EXPENDITURES

INCOME for the City consists of property taxes, sales taxes, franchise fees, excise fees and other miscellaneous fees for service.

EXPENDITURES for the City include Personnel, Operating costs, and Capital expenses consisting of recurring and one-time Capital expenses.

- **Personnel –** The proposed budget recommends maintaining current staffing levels in all departments. This proposed budget does not include a request to increase employee's salaries.

Unfunded Requests

There are no unfunded requests. This number would include unfunded new and increased services, unfunded recurring capital, and unfunded one time capital. This would include additional maintenance requests and equipment costs for the Parks and Recreation program.

Conclusion

Our budget process is continually improving as we streamline our service delivery strategy and increased the level of services we provide.

Our goal is simple: To have an open and easy to understand budget process that reflects the goals and policies as established by the Mayor and Council.

We live in a very dynamic environment. Our City has an opportunity to be one of the finest places in Georgia to live and work. Nothing short of this goal will be accepted by the staff and government officials of this City.

Strategic Goals

***The Strategic Goals Section contains the City of Pendergrass's Vision and Mission Statements, Core Values, Strategic Goal plan for* FY 2019.**

VISION STATEMENT

"We are a family oriented, safe and attractive community that respects our natural environment and celebrates our culture. We are a City of pride, progress, and possibilities. We are Pendergrass… The best place to live in Georgia."

Mission Statement

"It is our mission to provide superior municipal services delivered by professional and dedicated people committed to exceeding the needs of our community."

Core Values and Strategic Goals

Core Values

Open Government

The elected officials and staff of the City of Pendergrass believe in honest and open government. We are dedicated to the highest standards of integrity, openness, and fairness in all that we do in serving our citizens.

Responsive Government

We are passionate about representing the citizens of Pendergrass. We believe in listening to our citizens and being responsive to their needs. We believe a government that is receptive to citizen input and quick to respond can better serve its citizens.

Service to our Citizens

The City of Pendergrass exists to serve our citizens. We believe we have an obligation to ensure that City services are delivered to our citizens in a professional, timely and courteous manner.

Community Partnerships

We are committed to encouraging our citizens and businesses to participate in the City's planning and decision-making process. We believe by creating strong partnerships within our community, we will make Pendergrass a better place to live for current and future generations.

City Staff

We believe City of Pendergrass employees are our most important resource. Through them, the City's vision and mission will be accomplished. We believe in treating City staff with fairness, dignity and respect.

Quality of Life

We believe in maintaining the high quality of life enjoyed by our citizens by adapting to changing economies and demographics. Our prosperity is founded in its residential neighborhoods, and protecting and enhancing them is paramount in every decision the City makes.

STRATEGIC GOALS

I. PROMOTE A WELL DESIGNED COMMUNITY

The City will identify and implement solutions which support and balance our livability.

II. SUSTAIN AND PROTECT THE CITY'S RESOURCES

The City will maintain and protect our Resources including the City's infrastructure to meet the current and future needs of our community.

III. EMPHASIZE A RESPONSIVE DELIVERY OF QUALITY SERVICES

The City will take a proactive approach to improve services.

IV. CELEBRATE OUR CULTURE AND CHARACTER

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The City will provide opportunities to enjoy our distinct and unique quality of life.

Accounting Policies

The budgeting and basis of accounting policies of the City of Pendergrass conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments. The basis of accounting refers to when revenues and expenditures are recognized in the accounting and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund-level government funds use the modified accrual basis of accounting. All government fund types, expendable trust funds and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available).

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities in the current period. The City considers revenues as available if they are collected within 60 days after year-end. Those revenues considered susceptible to accrual are property taxes, charges for services, sales taxes, fines, forfeitures, interest income and intergovernmental grants Revenues from licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

In applying the susceptible-to-accrual concept to intergovernrnental revenues, the legal and contractual requirements of the numerous individual programs are used for guidance.

There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based on the expenditures recorded. In the other type, monies are virtually unrestricted as to purpose of expenditure and are nearly irrevocable (i.e., revocable only for failure to comply with prescribed compliance requirements, such as equal employment opportunity.) These resources are reflected as revenues at the time of receipt or earlier if they meet the criteria for availability.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liabilities are incurred. Exceptions to this general rule include: (1) accumulated unpaid vacations, judgments and claims which are not expected to be paid out of "available spendable resources", (2) principle and interest on general obligation long-term debt which are recognized when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year and (3) inventory of materials and supplies which are recorded as expenditures when they are consumed. Those liabilities that are not to be paid from current resources are recorded in the general long-term obligations account group.

Proprietary Funds utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The following is a summary of the more significant policies:

Funds Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with separate sets of self-balancing accounts that comprise its assets, liabilities, fund e2quities, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds bases upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds in the budget are grouped into generic fund types and two broad fund categories as follows:

Governmental Funds

General Fund: The general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds: Used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. Special Revenue Funds currently used are: *S.P.L.O.S.T.*

Fund Balances

Fund balance is the difference between a fund's assets and its liabilities. Portions of the Fund Balance may be reserved for various purposes; such are as contingencies and encumbrances.

General Fund: The City's policy is to keep, at minimum, 10% of budgeted expenditures for the General Fund within fund balances at the end of each fiscal year, if possible, based on the current economic conditions. The amount used to calculate budgeted expenditures may be discounted for extraordinary one-time contribution or purchases. This policy may be further adjusted through action of the Mayor and City Council.

Additional fund balance over and above the 10% may be scheduled for use for future one time capital projects in lieu of borrowing.

Other funds: The City Administrator or his/her designee may establish fund balance policies for all other city funds as needed or required by law.

Purchasing Policy

The City's financial policies and State law set forth requirements for the expenditure of local government funds for the purchase of goods and services. Per the City of Pendergrass financial policies, the City Administrator shall have the responsibilities and powers of the Purchasing Agent for the City.

The Purchasing Agent shall establish procedures for purchases of goods and services involving the estimated expenditures of $10,000 or less. These procedures determine the thresholds at which the number and type of quotes that are required. Purchases with anticipated amount of $10,000 or over require sealed bids or proposals.

The City has a partially decentralized purchasing process. Departments are authorized to obtain quotes for items under $500. Quotes on items over $1000 are to be obtained by the Purchasing Division, headed by the City Administrator.

General Fund

The General Fund is the general operating fund of the City and is used to account for all financial resources, except those required to be accounted for in another fund. Revenues for the General Fund include sales tax, property tax, franchise, alcohol, business/insurance taxes, licenses, charges for service, fines, interest, miscellaneous, inner-fund transfers and reserves.

CITY DEPARTMENTS

ADMINISTRATION

The Administration Department is made up of several different offices and divisions. They include the Elected Officials, City Administrator's office, the City Clerk, Grants Office, Court Services, Human Resources, Legal Department, Building Services and Community Information. The Administration Department provides policy direction and guidance, provides accurate and timely information to all customers, supports the mission and goals of the other City Departments and manages the day-to-day operations of the City.

Opportunities and Challenges for FY 2019…

Opportunities…
To deliver high quality services at the same or increased level of service in a manner that maximizes the efficiency and effectiveness of our resources and promotes long-term values. Manage housing growth and quality of growth in the housing markets in our city and develop and attract commercial business to our City.

Challenges…
Promotion of innovation into our organization and operations that facilitate the goals of the department and Mayor and City Council.

Police Department

The Police department is responsible for providing a host of quality police services to the community. This includes, but is not limited to, answering citizens calls for service, providing preventive patrol and other crime prevention programs to the community, the enforcement of Federal, State, and Local laws, and conducting investigations into known criminal activity and arresting violators of the law.

Opportunities and Challenges for FY 2019…

Opportunities…
Opportunities for the coming fiscal year include increased training for our Officers.

Challenges…
Our FY 2019 budget includes no additional police officers. We must continue to address this increase in demand for police service, and help us guard against degradation in our response time.

Building Inspections

The Building Inspections Division is made up of a contract employee who monitors all phases of new residential and commercial construction as well as new additions and repairs to existing residential and commercial structures in our City. The Building Inspector is available 6 days a week to meet our citizen needs.

Planning and Zoning

The Planning and Zoning process in Pendergrass consists of a Planning and Zoning Director and support staff. The City Council acts as their own Planning and Zoning review board and makes all zoning decisions, conducts all public hearings, and works with developers both commercial and residential alike.

Recreation and Parks Department

The Recreation and Parks Department is responsible for providing the leisure needs of the Citizens of Pendergrass by offering many diverse opportunities to engage in recreational programs and activities and by providing a host of parks, open space and facilities for all to enjoy.

PUBLIC WORKS/STREET DEPARTMENT

The Public Works/ Street Department are responsible for City Streets, grounds, and building/facility upkeep and maintenance. The Street Department is probably the busiest department in the City, with requests for services continuously pouring in. The focus of this department is to keep the City clean and beautiful for all of our citizens and visitors to enjoy.

This completes the City of Pendergrass 2019 Proposed Budget