

1. Agenda

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2. Agenda Items

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**BOARD OF MAYOR AND COMMISSIONERS  
WORK SESSION  
January 20, 2016  
5:30 p.m.**

**AGENDA**

- Item No. 1 Meeting Called to Order
- Item No. 2 Adoption of Agenda
- Item No. 3 Annexation – Feasibility Study
- Item No. 4 Ad Hoc Committee for Education Update
- Item No. 5 Ad Hoc Committee for Greenspace Update
- Item No. 6 Downtown Development Authority (DDA) Reappointments
- Item No. 7 Historic Preservation Commission/Architectural Review Board (HPC/ARB) Appointments
- Item No. 8 Lake Avondale Advisory Board (LAAB) Appointments
- Item No. 9 Body Cameras for Police Officers
- Item No. 10 Georgia Classic Main Streets Memorandum of Understanding
- Item No. 11 BOMC Strategic Planning Session
- Item No. 12 Arbor Day Proclamation
- Item No. 13 Public Comment
- Item No. 14 Adjournment



  
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## **Chapter 1: Executive Summary**

In November 2015, the City of Avondale Estates requested that the Carl Vinson Institute of Government conduct a study of the fiscal impacts of a possible annexation of two areas. This report presents an analysis of how annexing these areas would affect the city's finances. More specifically, we studied whether the estimated municipal revenues derived in the study areas will be greater or lesser than the cost to provide levels of service in the study areas comparable to that currently received by Avondale Estates residents and businesses. This study should not be viewed as a statement supporting or discouraging annexation; rather it is an information tool for the elected and appointed officials and the citizens of Avondale Estates.

The study areas were identified by the City Manager for the City of Avondale Estates. These areas are referred to in the report as Study Area 1 (SA1) and Study Area 2 (SA2) and are shown on maps in Chapter 2 of this report. To carry out the analysis, we focused on two questions: 1) how much revenue would Avondale Estates have collected from the study areas in fiscal year 2014 (January 1, 2014 to December 31, 2014) if the land had been annexed into the city and 2) how much would Avondale Estates have spent in 2014 to provide services to the study areas. For the purpose of the revenue analysis, we specified that the study areas had been annexed one or more years prior to fiscal year 2014 and as a result there are no lost revenues due to transition issues nor do we consider the effects of cash flow.

### **Population, Households, and Businesses in the Study Area**

The analysis began with an examination of the demographic composition of the study area, since both revenues and expenditures depend largely on the numbers of households and businesses that an annexation would bring into the city. Using 2010 U.S. Census Block data, Census estimates for 2014, and tax maps, we estimated the 2014 population of the study areas, which would be 461 in SA1 and 2,040 in SA2. We applied Avondale Estates' average household size of 2.57 to the annexation areas, resulting in households in the study areas of 179 in SA1 and 794 in SA2. The study areas also contain commercial and industrial parcels with a 40% assessed value of \$10,856,332 in SA1 and a 40% assessed value of \$4,060,000 in SA2.

### **Estimated Study Area Revenues for FY 2014**

To estimate revenues that would have been generated from the study areas, we reported actual numbers for revenue categories where data was available, and estimated other revenues using information on the study area's population, number of households, number of businesses, and property tax information.

We estimated that if the study areas had been part of the City of Avondale Estates in FY 2014, they would have produced approximately \$526,339 in gross new revenues or \$1,141.73 per capita in SA1 and \$1,623,732 in gross new revenues or \$795.95 per capita in SA2. We assumed that the residents and businesses of the annexed areas would have been charged the same tax rates, fees, and service charges that were in effect for city residents during FY 2014.

### **Estimated Study Area Expenditures for FY 2014**

In calculating general fund expenditures, we used two methodologies that create a range of cost estimates. The methodologies represent different underlying assumptions; however, we generally believe that the best estimates come from detailed examinations of costs as done with the case study approach. That said, for both scenarios, we *estimated* costs for a reality that did not exist (i.e., that the study areas were a part of the City of Avondale Estates in 2014). The *actual* future costs to provide services in the annexation will depend upon the policy and implementation decisions of Avondale Estates' elected officials and governmental employees.

#### *Method 1: Department-Specific Unit Measures*

The first method is based on the underlying assumption that citizens and businesses in the study areas are similar to those in Avondale Estates. However, we used unit measures that were tailored to the individual services. In other words, we used measures that attempted to capture service demands. For police, per parcel costs were the unit of measurement which best reflected the demand for services while for others, like public works, we chose miles of road as a better reflection of service demands. In the case of public works, which provides many different kinds of services, a single basis of measurement may not be particularly accurate, necessitating a more detailed analysis, such as the case study approach (Method 2).

#### *Method 2: Case Study*

The second method we used to estimate general fund expenditures was the case study method. This method required interviewing department heads to discuss the level and cost of service delivery to the annexed areas as well as the annexation's possible impact on the existing city. In addition, we reviewed financial documents and adjusted operating expenditures based on individual line-items, rather than treating all operating costs similarly, as we did in the department-specific-measure methodology. The case study method allows us to account for excess or deficient capacity to provide services, and therefore provides a more accurate estimate of expenditures that will be needed.

We interviewed department heads and asked them to consider their individual departmental budgets for FY 2014. We then asked them to project the effect annexation would have on their department's budget, including personnel-related expenditures, operating expenditures, and equipment. According to what we learned from these interviews, there is very limited need for personnel and equipment increases. Only the Public Safety, Public Works and Sanitation departments would need any additional personnel.

The reader of this report should understand that the methodologies can only estimate the amount that would actually be needed to pay for services in the study areas. Until the annexation is implemented and the city experiences demands for additional services, it is impossible to know if our assumptions are correct.

***Net Fiscal Impact: Comparing Revenues and Expenditures in the Study Areas***

Our analysis provides a range of results depending upon the expenditure methodology used. Tables 1.1 and 1.2 show the estimated general fund revenues, expenditures, and the difference between the two for the two expenditure estimation methodologies.

<b>Table 1.1</b>		
<b>Summary of 2014 Revenue and Expenditure Estimates for Study Area 1</b>		
	<b>Method 1: Department-Specific</b>	<b>Method 2: Case Study</b>
<b><i>Revenues</i></b>		
General Fund Revenues	<b>\$468,199</b>	<b>\$468,199</b>
<b><i>General Fund Expenditures</i></b>		
General Government	\$8,139	\$9,505
City Administration	\$0	\$0
Public Safety	\$70,379	\$121,546
Municipal Court	\$3,756	\$0
Public Works	\$78,246	\$61,184
Parks - tree removal	\$6,222	\$6,222
<b><i>Total GF Expenditures</i></b>	<b>\$166,743</b>	<b>\$204,743</b>
<b>Revenues less Expenditures</b>	<b>\$301,457</b>	<b>\$263,456</b>

<b>Table 1.2</b>		
<b>Summary of 2014 Revenue and Expenditure Estimates for Study Area 2</b>		
	<b>Method 1: Department-Specific</b>	<b>Method 2: Case Study</b>
<b>Revenues</b>		
General Fund Revenues	<b>\$1,277,952</b>	<b>\$1,277,952</b>
<b>General Fund Expenditures</b>		
General Government	\$20,535	\$24,866
City Administration	\$0	\$0
Public Safety	\$254,706	\$243,093
Municipal Court	\$7,512	\$0
Public Works	\$141,008	\$163,830
Parks – tree removal	\$11,213	\$11,213
<b>Total GF Expenditures</b>	<b>\$434,974</b>	<b>\$455,573</b>
<b>Revenues less Expenditures</b>	<b>\$842,978</b>	<b>\$822,379</b>

Some factors to keep in mind in analyzing the estimated revenues and expenditures following annexation are as follows:

Factors which would make expenditures higher than revenues:

- If the study area has relatively less commercial and industrial property compared to Avondale Estates on percentage of total assessed value basis, as is the case with SA2.
- If the city has little excess capacity in terms of personnel and equipment to accommodate any significant growth from annexation (which is not the case here under either scenario).

On the other hand, some factors which favor a positive balance between revenues and expenditures are:

- If the municipal services that Avondale Estates provides do not require major investments in infrastructure in order to serve a larger area (i.e., they do not need to add buildings or extend sewer or water lines).
- If proportionally to residential properties and population, the study areas have a substantial number of commercial and industrial properties, as is the case with SA1.

## **Chapter 2: Background Information: Avondale Estates and Study Areas**

Although the purpose of this study is to assess the fiscal impact of the proposed annexation on the City of Avondale Estates, we have also included brief background information on the City of Avondale Estates.

According to the City's New Resident Guide, the City of Avondale Estates was founded by George Francis Willis in 1924 after purchasing the entire village of Ingleside and creating the first planned community in the Southeast. The City was named after Stratford-upon-Avon, Warwickshire, England, birthplace of William Shakespeare. Downtown Avondale Estates buildings were designed in a Tudor style to reinforce this image, as were many of the houses in the City. The City is known for its close-knit community, beautiful setting and diverse architectural styles. The first Waffle House, which opened its doors Labor Day weekend of 1955, is now a museum in the City.<sup>1</sup>

Avondale Estates was placed on the National Register of Historic Places in December 1986 due to the character of the City's architecture and landscape, and because it's the only documented example in the southeastern United States of an early 20th-century planned town. Following the National Register Designation, a Local Historic District was established. The City of Avondale Estates also has the distinction of being the only designated Tree City USA in DeKalb County. Another point of pride is the fact that the City was designated and awarded Classic Main Street Status by the Department of Community Affairs. The City completed all necessary steps for program designation in 2014.

### **Demographic Composition**

According to the 2010 U.S. Census, Avondale Estates is now comprised of:

- 2,832 people (2014 estimate) of which:
- 80.9% are White
- 14.5% are African American
- 2.2% are Hispanic or Latino<sup>2</sup>
- 1.9% are Asian
- 2.0% are two or more races

The population of Avondale Estates has decreased from 2,960 in 2010 to 2,832 in 2014, a decrease of 128 persons. This decrease translates to an average annual growth rate of about -1.1 percent or -4.3 percent over four years. We are using the 2014 Census estimates for all our per capita calculations.

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<sup>1</sup> <http://avondaleestates.org/DocumentCenter/View/204>

<sup>2</sup> According to the US Census, Hispanics may be of any race, so are also included in any applicable categories.

### Households and Ages<sup>3</sup>

Avondale Estates had an estimated 1,366 household in 2010. From the 2010 US Census composition of households, 44.3 percent of families had children under the age of 18 living with them, 44.3 percent were married couples living together, 9.96 percent had a female head of household, and 43.5 percent were non-families. The average household size of 2.57 persons is somewhat smaller than for the state as a whole, which had an average household size of 2.71 persons in 2010.

### Income, Poverty, and Education

The median income for a household in the city was \$78,750 according to the 2010 US Census, and the per capita income equaled \$38,195. In comparison, the State of Georgia's median household income in 2010 equaled \$49,179, \$29,571 less than that of Avondale Estates. About 7.8 percent of the population lived below the poverty line, which is much lower than the state average of 18.2 percent. The percent of the adult population (25+) with a high school degree or higher was 98.4 percent, and the percent with bachelor's degree or higher was 68.1 percent.

### Annexation Study Areas

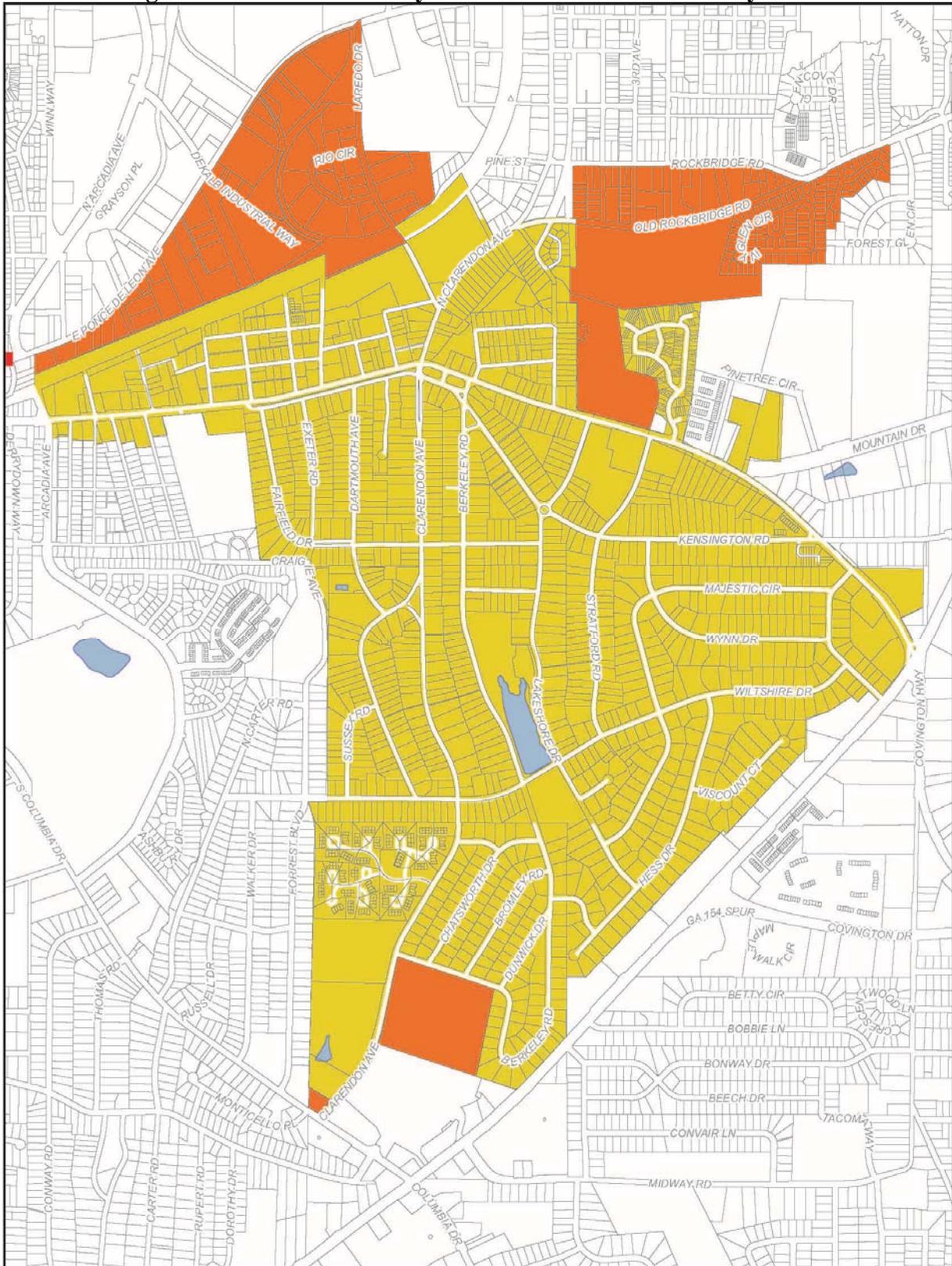
The boundaries of the proposed annexation areas are shown in Figures 1 and 2. Table 2.1 lists the estimated population and households for the study areas in 2014. Using 2010 Census block data, we determined the population for each study area. Avondale Estates has experienced a negative growth rate over the past few years, but since the annexation areas both contain apartment complexes, the population estimates were not adjusted downward. We then applied Avondale Estates' household size of 2.57 to calculate the number of households in the study area by dividing each study area's population by 2.57.

	<b>SA 1</b>	<b>SA 2</b>
Population	461	2,040
Households	179	794

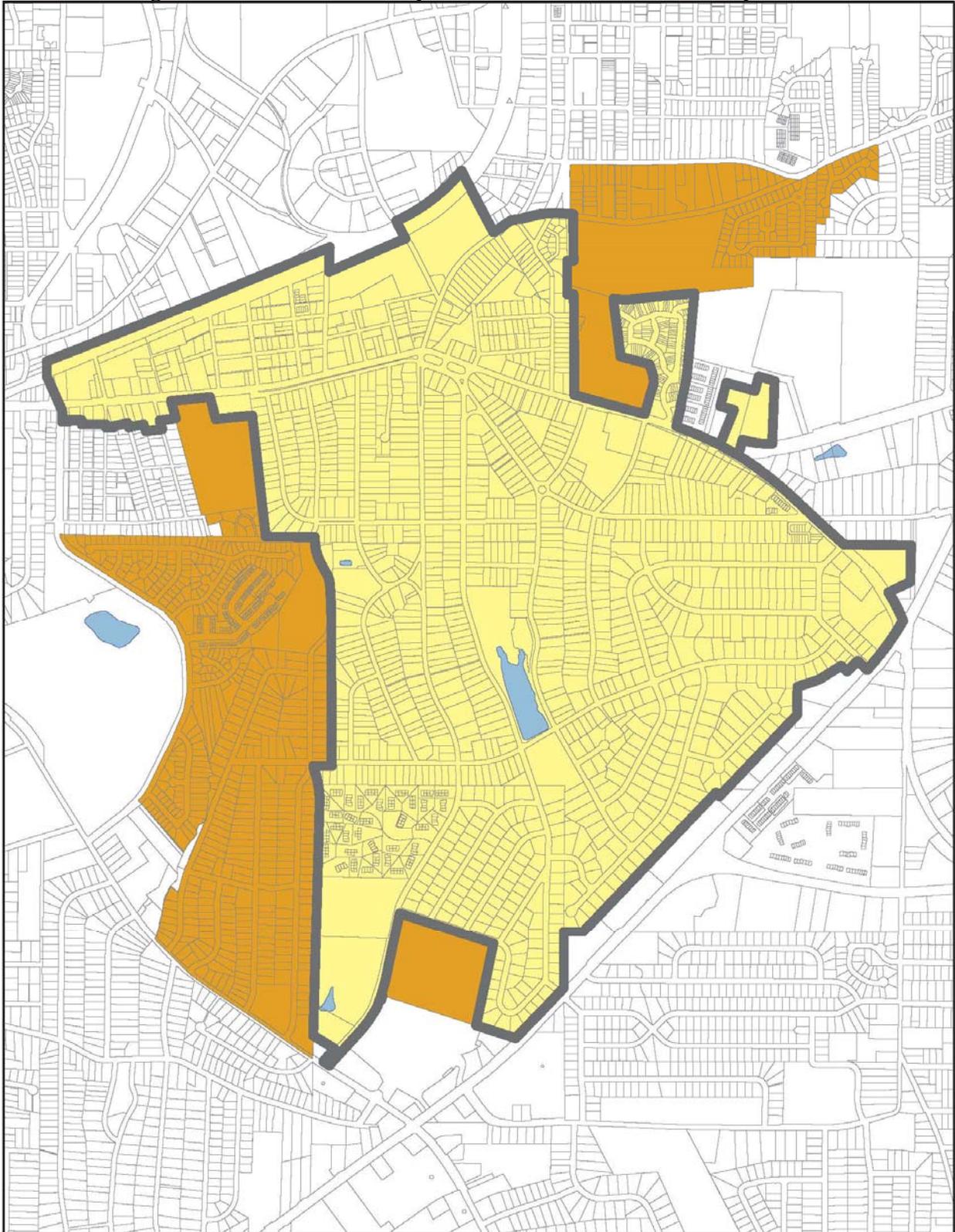
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<sup>3</sup> US Census Bureau Quickfacts and 2013 American Fact Finder.

**Figure 1: Boundaries of City of Avondale Estates and Study Area 1**



**Figure 2: Boundaries of City of Avondale Estates and Study Area 2**



## Chapter 3: Study Area Revenues

In Chapter 2, we presented information about the land and demographic characteristics of the study areas. This information is important because it specifies the numbers of persons and households that would have been in the city if the study areas had been annexed prior to 2014. This baseline information is needed to estimate both the revenues and expenditures that would be generated by annexing the study areas.

In this section, we present our estimates of the revenues that would have been collected in the study area during FY 2014 (January 1, 2014 to December 31, 2014) if those areas had been part of Avondale Estates. We begin with an underlying assumption that this area had been annexed more than a year earlier. Thus, we disregard the timing of revenue collections and any other accounting issues that immediately follow an annexation.

If the study areas had been a part of Avondale Estates during FY 2014, they would have generated revenue from the following sources:

- Property taxes
- Personal property taxes
- Motor vehicle taxes
- Franchise taxes paid by the telephone, gas, electric, and cable television companies for the right to operate in the city
- Insurance premium taxes (an official population count by the Bureau of the Census would be required to adjust the distribution)
- Property transfer taxes
- Permit authorizations
- Traffic court receipts and probation services
- Interest earnings
- HOST (Homestead Option Sales Tax)
- LMIG (Local Maintenance & Improvement Grant)
- Other fees and miscellaneous collections
- Sanitation
- Storm water

Because we are making estimates for an event that has not occurred (i.e., an annexation), by necessity we must make assumptions in determining the factors that influence revenue collections. One of the more commonly used assumptions is that people in the annexation areas behave similarly to those living in the City of Avondale Estates. This assumption permits us to extrapolate Avondale Estates revenue on a per capita or other basis to the study

areas. We rely on several other similar assumptions that are based on our knowledge of the type of revenue and what we perceive as the primary driver of each revenue source.

The City of Avondale Estates collects several categories of revenues which will not be impacted by an annexation. The following sources are not included in the revenue analysis for either annexation area:

- Any taxes paid in a prior year
- Interest on past due taxes
- Public utilities ad valorem taxes (neither annexation area contains any utility property)
- Any taxes or fees for alcohol sales (neither annexation area contains any establishments which sell alcohol)
- Cell tower lease
- Sale of surplus equipment
- Sale of recyclables
- Fourth of July donations
- Labor Day proceeds
- City-wide yard sale
- Gazebo/Park rental fee
- Department of Justice or other grants (with the exception of LMIG)<sup>4</sup>

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<sup>4</sup> While the City may be eligible for higher funding levels for various grants based on greater populations with annexation, grants were considered too uncertain to include.

## **General Fund Revenues**

Most of the revenue in Avondale Estates is captured in the General Fund. We will discuss all the revenues flowing into the General Fund in this section. The city currently has two enterprise funds, one for sanitation and one for storm water. They will be discussed later.

### **Real Property Tax Revenue**

Generally speaking, property taxes have many favorable features. They are collected through a well-established process once a year. Cities deposit these revenues into their general funds and can spend them on any city service. We show in Table 3.1 how much revenue would be generated in the annexation study areas based the city’s 2014 actual tax digest which incorporates all applicable property exemptions.

<b>Table 3.1</b>			
<b>40% Assessed Values and Tax Revenue in Avondale Estates and the Study Areas</b>			
	<b>Avondale Estates</b>	<b>SA 1</b>	<b>SA 2</b>
Commercial & Industrial	\$15,797,951	\$10,856,332	\$4,060,000
Residential	\$130,814,116	\$12,136,240	\$53,948,978
Total AV <sup>1</sup>	\$146,612,067	\$22,992,572	\$58,008,978
Tax Revenue from Real Property	\$1,550,258	\$243,123	\$613,387

1. Assessed values: includes only commercial, industrial, and residential property – before exemptions are applied
  2. Millage rate in 2014 was 10.957.
- Source: Avondale Estates 2014 tax digest, DeKalb County Board of Tax Assessor for study areas property values

### **Personal Property Tax Revenue**

We show in Table 3.2 how much revenue would be generated from the collection of personal property taxes in the proposed annexation areas. Avondale Estates collected \$16,281.64 in personal property tax in 2014. The 40% Assessed Value of Commercial and Industrial Property in Avondale Estates in 2104 was \$15,797,951 yielding a Personal Property Tax of \$.0010306 per C&I AV.

<b>Table 3.2</b>		
<b>2014 Estimated Personal Property Revenue for the Study Areas</b>		
	<b>SA1</b>	<b>SA2</b>
C&I AV	\$10,856,332	\$4,060,000
Avondale Estates Rev/ C&I AV	\$.0010306	\$.0010306
<b>Total</b>	<b>\$11,189</b>	<b>\$4,184</b>

### Motor Vehicle Tax Revenue

Motor vehicles are subject to an ad valorem tax levied on their assessed value. The revenue is derived by applying the population ratio and assumes car ownership will be consistent across the annexed areas. On a going-forward basis, the city should expect its revenue from this source to decrease significantly. O.C.G.A. § 48-5C-1(c)(3) provides for a two-step distribution of Local Title Ad Valorem Tax Fee (“TAVT”) proceeds on a monthly basis. Over time, as annual ad valorem taxes phase out, the first step distribution will gradually increase, eventually comprising the majority of motor vehicle property taxes. Motor vehicles purchased and titled in Georgia prior to March 1, 2013 are generally subject to annual ad valorem taxes pursuant to Chapter 5 of Title 48. Vehicles purchased on or after March 1, 2013 are subject to TAVT and are exempt from annual ad valorem tax. Thus, as Georgia taxpayers purchase new motor vehicles, the annual ad valorem tax revenue collected will decrease gradually each year.<sup>5</sup> We show in Table 3.3 how much revenue would be generated from the collection of motor vehicle taxes in the proposed annexation areas.

	<b>SA1</b>	<b>SA2</b>
Households	179	794
Avondale Estates Rev/ Household	\$92.14	\$92.14
<b>Total</b>	<b>\$16,528</b>	<b>\$73,138</b>

### Franchise Fees

Georgia cities are permitted by law to enter into franchise agreements with utilities that provide electric service, gas service, telephone service, cable television, and other utilities within their borders that generate fees for the cities in exchange for granting rights of occupancy to municipal rights-of-way. In 2014, the City of Avondale Estates collected \$170,238.28 in franchise fees on cable, natural gas, telecommunications, and electricity. Typically, revenue estimates for the first three services are relatively stable and population driven, and therefore can be calculated on a per household basis. Table 3.4 shows Avondale Estates’ total and per capita franchise fee collection for cable, natural gas, and telecommunications in 2014 and Table 3.5 applies that per capita revenue to the study areas.

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<sup>5</sup> Georgia Department of Revenue Title Ad Valorem Tax Fee Local Distribution Guidance, October 30, 2013.

<b>Table 3.4 Cable, Natural Gas, and Telecommunications Franchise Fees Avondale Estates 2014</b>			
	<b>Avondale Estates Revenue</b>	<b>Households</b>	<b>Avondale Estates Per Capita \$</b>
Cable	\$32,026	1,102	\$29.06
Natural Gas	\$25,728	1,102	\$23.35
Telephone	\$5,068	1,102	\$4.60

Avondale Estates 2014 end-of-year, fiscal activity report, US Census Bureau

<b>Table 3.5 2014 Estimated Cable, Natural Gas, and Telecommunications Franchise Fee Revenue for the Study Areas</b>			
	<b>Revenue Per Capita</b>	<b>SA1</b>	<b>SA2</b>
<i>Households</i>		<i>179</i>	<i>794</i>
Cable	\$29.06	\$5,213	\$23,067
Natural Gas	\$23.35	\$4,188	\$18,535
Telephone	\$4.60	\$825	\$3,651
<b>Total</b>		<b>\$10,226</b>	<b>\$45,253</b>

US Census Bureau

Our estimation for the electrical use component of franchise fees accounts for the differences in energy use in the study areas and Avondale Estates. The key driver of electrical use in communities is the mix of electrical users. In particular and on average, industrial users tend to use more power than commercial users, and commercial users tend to use more than residential users. The assessed values of the various areas capture this stratification. Commercial and Industrial parcels generally have a higher assessed value than residential parcels.

<b>Table 3.6 FY 2014 Avondale Estates Assessed Value and Electrical FF Revenue</b>			
<b>Revenue Source</b>	<b>Revenue</b>	<b>Assessed Value (in \$1,000's)</b>	<b>Revenue/ AV</b>
Georgia Power Franchise Fee	\$107,415.87	\$146,612	\$0.73

<b>Table 3.7</b>			
<b>2014 Estimated Electrical FF Revenue for Study Areas</b>			
<b>Study Areas</b>	<b>Res, C&amp;I AV (\$1,000)</b>	<b>Avondale Estates Rev /AV</b>	<b>Study Area Revenue</b>
SA 1	\$22,992	\$0.73	<b>\$16,845</b>
SA 2	\$58,009	\$0.73	<b>\$42,501</b>

A summary of the new franchise fees is presented below.

<b>Table 3.8</b>					
<b>Total 2014 Estimated Franchise Fees for Study Areas</b>					
	<b>Cable</b>	<b>Natural Gas</b>	<b>Telephone</b>	<b>Electricity</b>	<b>Total</b>
SA1	\$5,213	\$4,188	\$825	\$16,845	<b>\$27,071</b>
SA2	\$23,067	\$18,535	\$3,651	\$42,501	<b>\$87,754</b>

### **Insurance Premium Tax**

Another source of revenue from the study areas would be insurance premium taxes. These taxes are levied by city and county governments on life insurance (1 percent) and on other types of insurance (no more than 2.5 percent). The insurance premium tax is based on a percentage of gross direct premiums received by each insurer writing insurance policies within the city or county during the preceding calendar year. Taxes are collected by the Georgia Commissioner of Insurance and distributed on a per capita basis among the government levying the taxes in the county.

Although the Georgia Insurance Department has no specific provisions for adjusting shares of insurance premium taxes following annexations, legislation does require that tax distributions be adjusted to reflect official population corrections or changes made by the Bureau of the Census. The authorizing statute requires that the Georgia Commissioner of Insurance use corrected, revised, or additional data issued by the Census Bureau as of September 1 in allocating the revenues:

...[P]opulation shall be measured by the United States decennial census of 1990 or any future such census plus any corrections or revisions contained in official statements by the United States Bureau of the Census made prior to the first day of September immediately preceding the distribution of the proceeds of such taxes by the Commissioner and any additional official census data received by the Commissioner from the United States Bureau of the Census or its successor agency pertaining to any newly incorporated municipality. Such corrections, revisions, or

additional data shall be certified to the Commissioner by the Office of Planning and Budget on or before August 31 of each year [O.C.G.A. § 33-8-8.1].

As noted, the insurance premium tax revenue is distributed on a per capita basis using official U.S. Census figures. It would take approximately one year for the city to begin receiving these tax revenues following the proposed annexation, to allow time for the U.S. Bureau of the Census to certify the new Avondale Estates boundary with its larger population.

The amount of insurance premium tax revenue generated by the study area would have been the same per capita amount (using 2014 population figures) in the study areas as received by Avondale Estates in 2014. We determined the amount per capita by dividing the total revenues the city received for FY 2014, \$146,378.99, by the Census estimated 2014 population of Avondale Estates, 2,832. This calculation showed the tax revenue per person to be \$51.69. We multiplied this amount by the calculated 2014 population of the study areas to estimate the insurance premium tax revenues that would have been received from each study area if it had been a part of the city in 2014. Table 3.9 shows the calculation of insurance premium tax collections for Avondale Estates and the study areas.

<b>Table 3.9</b>			
<b>2014 Estimated Insurance Premium Tax Collections</b>			
	<b>2014 Estimated Population</b>	<b>Tax per Capita</b>	<b>Total Revenue</b>
<b>Avondale Estates</b>	2,832	\$51.69	\$146,379
<b>SA 1</b>	461	\$51.69	<b>\$23,829</b>
<b>SA 2</b>	2,040	\$51.69	<b>\$105,448</b>

Avondale Estates 2014 end-of-year fiscal activity report, US Census Bureau

### **Intangible Recording Taxes and Real Estate Transfer Taxes**

Every holder (lender) of a long-term note secured by real estate must record the security instrument in the county in which the real estate is located within 90 days from the date of the instrument executed to secure the note. Before recording the security instrument with the clerk of the superior court, the security instrument must be presented to the collecting officer of the county in which the real estate is located. The collecting officer collects the intangible recording tax due from the holder of the security instrument. The tax for recording the note is at the rate of \$1.50 for each \$500.00 or fractional part of the face amount of the note. The maximum amount of recording tax on any single note is \$25,000.<sup>6</sup>

<sup>6</sup> <http://dor.georgia.gov/intangible-recording-tax>

The real estate transfer tax is an excise tax on transactions involving the sale of real property where title to the property is transferred from the seller to the buyer. Before a deed, security instrument, or other writing can be recorded in the office of the clerk of the superior court, the real estate transfer tax must be paid. The real estate transfer tax is based upon the property's sale price at the rate of \$1 for the first \$1,000 or fractional part of \$1,000 and at the rate of 10 cents for each additional \$100 or fractional part of \$100.<sup>7</sup>

Estimated intangible taxes in the annexation areas are based on the revenue generated per 40% assessed value of all commercial, industrial, and residential property in Avondale Estates. The real estate transfer tax uses just residential property values as an estimation basis because this class of property is most frequently sold.

<b>Table 3.10</b>			
<b>FY 2014 Avondale Estates Assessed Value and Property Tax Revenue</b>			
<b>Revenue Source</b>	<b>Revenue</b>	<b>40% Assessed Value (in \$1,000's)</b>	<b>Revenue/ AV</b>
Intangible Recording	\$24,157	\$146,612	\$0.16
Real Estate Transfer	\$12,987	\$130,814	\$0.10

Avondale Estates 2014 end-of-year fiscal activity report

<b>Table 3.11</b>			
<b>2014 Estimated Intangible Recording Revenue for Study Areas</b>			
<b>Study Areas</b>	<b>Res, C&amp;I 40% AV (\$1,000)</b>	<b>Avondale Estates Rev /AV</b>	<b>Study Area Revenue</b>
SA 1	\$22,993	\$0.16	\$3,679
SA 2	\$58,009	\$0.16	\$9,281

DeKalb County Board of Tax Assessors

<b>Table 3.12</b>			
<b>2014 Estimated Real Estate Transfer Revenue for Study Areas</b>			
<b>Study Areas</b>	<b>Residential 40% AV (\$1,000)</b>	<b>Avondale Estates Rev /AV</b>	<b>Study Area Revenue</b>
SA 1	\$12,136	\$0.10	\$1,214
SA 2	\$53,949	\$0.10	\$5,395

DeKalb County Board of Tax Assessors

### **Occupation Taxes**

We estimated the occupation tax and business license fee revenue for the study areas by first, identifying businesses located in the study areas and second, multiplying that number by the

<sup>7</sup> <https://dor.georgia.gov/real-estate-transfer-tax>

proportion of occupational tax revenue to total businesses paying the tax in Avondale Estates. To determine the number of businesses, we assume that the study areas have the same ratio of businesses to commercial parcels as Avondale Estates. We believe this assumption is fair because the study areas are already developed. In Avondale Estates, there were 246 developed commercial and industrial parcels in 2014 (property classes: C3, C4, I3, I4)<sup>8</sup> and 140 businesses paid for a standard business license. This equates to 0.57 businesses per parcel.

<b>Table 3.13</b>		
<b>2014 Estimated Businesses for Study Areas</b>		
Avondale Estates Commercial & Industrial Parcels		246
Avondale Estates Business Licenses		140
Avondale Estates Businesses per Parcel		0.57
<b>Study Area</b>	<b>Com. &amp; Ind. Parcels</b>	<b>Est. Businesses</b>
SA 1	40	23
SA 2	0 <sup>1</sup>	0
<b>Study Area Total Estimated Businesses</b>		<b>23</b>

GA DOR Tax Digest, Avondale Estates Finance Office, DeKalb County Tax Assessor, City of Avondale Estates Business License Office

1. All the commercial parcels in SA2 are apartments

Next, we calculated the average occupational revenue per business in Avondale Estates by dividing total occupational taxes for 2014 by the number of licenses. This figure, \$724.26, was multiplied by the estimated number of businesses in the study areas.

<b>Table 3.14</b>		
<b>2014 Estimated Occupation Taxes for Study Areas</b>		
Avondale Estates FY 2014 Occupation Tax Revenue		\$101,396.52
Avondale Estates Business Licenses		140
Avondale Estates Revenue Per Business License		\$724.26
<b>Study Area</b>	<b>Estimated Business</b>	<b>SA Revenue</b>
SA 1	23	<b>\$16,658</b>
SA 2	0	<b>\$0</b>

Avondale Estates 2014 end-of-year fiscal activity report

### **Permit Authorizations**

We estimated the permit authorizations by first calculating the permit per assessed value of residential, commercial and industrial property in Avondale Estates. Avondale Estates collected \$86,628 for permit authorizations in 2014. The 40% Assessed Value of residential,

<sup>8</sup> Property class stratification codes for Georgia use numbers 3 and 4 to classify small (3) and large (4) tracks of land.

commercial and industrial property in Avondale Estates was \$146,612,000. This yielded a revenue per assessed value of \$.59. We used this amount and applied it to the 40% assessed values of each study area to calculate the estimated revenue.

	<b>SA1</b>	<b>SA2</b>
40% Assessed Value (\$1,000s)	\$22,992	\$58,009
Avondale Estates Rev/ AV	\$.59	\$.59
<b>Total</b>	<b>\$13,565</b>	<b>\$34,225</b>

### **Traffic Court Receipts and Probation Services**

The City of Avondale Estates collects traffic court receipts and revenue from probation services. In 2014, this amounted to \$242,017.23 for traffic and \$386,149.75 for probation. Court days were held twice a month, on the first and second Thursday of each month. Since then, the city has increased its Court days per month to three. However, in order to ensure the revenue basis is accurate, the twice a month amount of Court days was used to calculate the revenue collected per Court day. The Municipal Court caseload for 2014 in Avondale Estates showed a total of 3,299 cases filed.<sup>9</sup> Of these, 2,746 were traffic cases and 183 were serious traffic. Under either annexation scenario, the area to be incorporated into the city would not include any major roadways where significant additional traffic cases could be anticipated. Therefore, based on discussions with the Clerk of Court, only partial additional Court days were added to account for the slight expected increase in cases.

Avondale Estates FY 2014 Traffic receipts		\$242,017
Avondale Estates Court Days per year		24
Avondale Estates Traffic Revenue per Court Day		\$10,084
Study Area	Additional Court Days per Year	Revenue
SA 1	2	<b>\$20,168</b>
SA 2	4	<b>\$40,336</b>

Avondale Estates 2014 end-of-year fiscal activity report

<sup>9</sup> Administrative Office of the Courts

<b>Table 3.17</b>		
<b>2014 Estimated Probation Revenue for Study Areas</b>		
Avondale Estates FY 2014 Probation Revenue		\$376,150
Avondale Estates Court Days per year		24
Avondale Estates Probation Revenue per Court Day		\$16,090
<b>Study Area</b>	<b>Additional Court Days per Year</b>	<b>Revenue</b>
SA 1	2	<b>\$32,179</b>
SA 2	4	<b>\$64,358</b>

**Interest and Miscellaneous**

With any proposed annexation, the city’s financial resources will increase in that the city will have more cash coming into the organization. We expect that Avondale Estates would seek to maintain the same proportion of fund balance to operating expenses after the annexation as it currently maintains, thereby resulting in a proportional increase in investment revenue. Therefore, we calculate estimated interest as a percent of all general fund revenues. Because of the diverse nature of miscellaneous revenues, we use a per capita basis to calculate it. Table 3.18 applies the revenue ratios from Avondale Estates to the study areas.

<b>Table 3.18</b>			
<b>Avondale Estates 2014 Interest and Misc. Revenues</b>			
<b>Revenue Type</b>	<b>Revenue</b>	<b>Basis for Estimate</b>	<b>Revenue/Basis</b>
Interest	\$4,103	% of GF revenue	0.11%
Miscellaneous	\$3,656	Per capita	\$1.29

Avondale Estates 2014 end-of-year, fiscal activity report

<b>Table 3.19</b>				
<b>2014 Estimated Interest and Misc. Revenue for Study Areas</b>				
<b>Study Areas</b>	<b>Interest</b>		<b>Miscellaneous</b>	
	<b>Total Revenue</b>	<b>Est. Revenue</b>	<b>Population</b>	<b>Est. Revenue</b>
SA1	\$459,650	\$531	461	\$595
SA2	\$1,285,500	\$1,448	2,040	\$2,632

**HOST/Energy Excise Revenue**

The Homestead Option Sales tax is a one cent countywide sales tax originally enacted to provide for county property tax rollback that is levied on the sales of most goods. The HOST tax has been amended over time to allow up to twenty percent of its proceeds to be spent on capital needs and to provide that newly incorporated cities receive a portion of the proceeds from the countywide levy to use for their capital needs. A very specific formula found in O.C.G.A. §48-8-104 provides for the calculation of the amount to be distributed to a

municipality based on both the level of funds to be spent in a given year on capital as determined by the county and the relative size of the residential homestead real property tax digests of the applicable local governments. The intent behind the statutory changes that allow cities in DeKalb County to receive distributions seems to reflect a desire to equalize the benefit of the tax rollback to municipal taxpayers that pay property taxes to cities instead of the county for certain services. Thus, the “equalization payments” made to cities under the statute are proportional to the size of the city’s residential homestead digest.

Another variant in the HOST proceeds calculation is the capital factor set by the county, which determines the amount of the overall proceeds that can be spent by the county on capital needs. Using the most recent HOST certification from the DeKalb Tax Commissioner to establish the total homestead digest for the county and each qualified municipality, a calculation of the 2014 HOST proceeds amount was applied against a capital factor of 20%. The homestead tax digest for the study area was calculated based on tax information provided by the DeKalb Tax Commissioner’s Office. CVIOG calculated the total amount of distributions likely due to all qualified municipalities to determine the total amount of equalization payments.

It should be noted that the incorporation of any other cities will decrease the amount of HOST proceeds received by the current cities by virtue of the HOST calculation. The HOST calculation distributes the capital outlay proceeds based on the equalization calculations. In the event the amount of the capital outlay proceeds exceeds the equalization payments due to each qualified municipality, the excess amount is divided up among all the qualified municipalities based on their share of the homestead digest to the total digest. Thus, additional cities will decrease the amount each existing city is receiving from this excess capital outlay amount. Specifically, the incorporation of Tucker means Avondale Estates will receive less HOST going forward than it had previously.

Finally, there is a “tipping” point after enough new territory is incorporated where the amount due to the municipalities under the equalization calculation will exceed the amount of capital outlay proceeds available for distribution. At this point, HOST proceeds will be allocated based simply on the ratio of the net homestead of each municipality to the total homestead digest.

<b>Table 3.20</b>			
<b>Estimated HOST impact in Study Areas</b>			
<b>Study Areas</b>	<b>Pre-Annexation HOST<sup>1</sup></b>	<b>Post-Annexation HOST</b>	<b>Study Area Revenue</b>
SA 1	\$463,442	\$514,488	\$51,046
SA 2	\$463,442	\$678,812	\$215,370

1. This calculation includes the impact of the Tucker incorporation.

### **Public Works Revenue**

General purpose local governments in Georgia annually receive a road improvement grant from the Georgia Department of Transportation (GDOT), referred to as the LMIG. The grant's distribution is based on a local government's population and road miles. With annexation, both of these factors would increase for the City of Avondale Estates and concomitantly its LMIG award. We were able to locate GDOT's 2016 grant award distribution and use this figure. We believe that the estimate is close enough to 2014 to not result in a significantly different estimate. The specific formula is as follows:

- 1) LMIG Formula Factor = (local government population/state total population) x 1/3  
+ (local government road miles/ total local government road miles) x 2/3
- 2) LMIG Factor x State Allocation = Local Govt. Grant

<b>Table 3.21</b>		
<b>2014 Estimated LMIG Revenue</b>		
State Population	10,097,343	
Total Local Govt. Road Miles	108,263.45	
State Appropriation	\$120,000,000	
<b>Study Area Variables</b>		
	<b>SA1</b>	<b>SA2</b>
Population	461	2,040
Road Miles <sup>1</sup>	4.75	8.56
LMIG Formula Factor <sup>2</sup>	.0000445	.0000679
<b>LMIG Revenue</b>	<b>\$5,336</b>	<b>\$14,407</b>

1. Center lane miles

2. LMIG factors have been rounded for presentation in this table but not so for calculating revenues.

Study area lane mileage from CVIOG's ITOS Division; GA DOT, FY 2016 LMIG Formula Amounts:

[www.dot.ga.gov/PartnerSmart/Local/Pages/LMIG.aspx](http://www.dot.ga.gov/PartnerSmart/Local/Pages/LMIG.aspx)

### **Other**

The City of Avondale Estates has several other small revenues which will increase with an annexation. These include sign permits, other permits, rezoning and variance fees, charges

for other services, and insurance reimbursement. The revenue collected by Avondale Estates in 2014 for these categories summed to \$9,181. The expected revenue for the study areas was calculated on a per capita basis. The chart below shows the additional revenue expected to be generated in each study area.

<b>Table 3.22</b>		
<b>2014 Estimated Other Tax Revenue for the Study Areas</b>		
	<b>SA1</b>	<b>SA2</b>
Population	461	2040
Avondale Estates Other Rev per capita	\$3.23	\$3.23
<b>Total</b>	<b>\$1,489</b>	<b>\$6,588</b>

## ***Enterprise Fund Revenues***

In Table 3.23, we present the estimated revenues for Sanitation and Storm water in the proposed annexation areas for Avondale Estates in FY 2014. The data was provided by the Tax Commissioner's Office of DeKalb County for actual taxes owed in 2014 on the parcels in each study area. The Sanitation fee is \$450 per parcel and the Storm water fee is \$60 per unit, although property owners may be responsible for multiple or partial units.

<b>Table 3.23</b>		
<b>2014 Enterprise Fund Revenue</b>		
	<b>SA1</b>	<b>SA2</b>
Sanitation	\$51,300	\$305,100
Storm water	\$6,840	\$40,680
<b>Total</b>	<b>\$58,140</b>	<b>\$345,780</b>

By design, Enterprise funds are self-sustaining. Fees charged are expected to cover the costs of providing the service.

## *Summary of Revenues*

In Table 3.24 we present the estimated revenues that would have been collected from the study areas if they had been in Avondale Estates in FY 2014. This table is a summary of all of the preceding tables showing the different types of revenues that would have been collected in the study areas.

<b>Table 3.24</b>		
<b>Summary of 2014 Estimated Study Areas' Revenues</b>		
	<b>SA1 Revenue</b>	<b>SA2 Revenue</b>
<b><i>General Fund Revenue</i></b>		
Real Property	\$243,123	\$613,387
Personal Property	\$11,189	\$4,184
Motor Vehicle	\$16,528	\$73,138
Franchise Fees	\$27,071	\$87,754
Insurance Premium	\$23,829	\$105,448
Intangible & Real Estate Transfers	\$4,893	\$14,676
Occupational Taxes	\$16,658	\$0
Permit Authorizations	\$13,566	\$34,225
Traffic Court Receipts	\$20,168	\$40,336
Probation Services	\$32,179	\$64,358
Interest Earnings	\$531	\$1,448
Miscellaneous	\$595	\$2,632
HOST	\$51,046	\$215,370
LMIG	\$5,336	\$14,407
Other	\$1,489	\$6,588
<b>Total General Fund Revenues</b>	<b>\$468,199</b>	<b>\$1,277,952</b>
Per Capita General Fund	<b>\$1,015.62</b>	<b>\$626.45</b>
<b><i>Enterprise Fund Revenue</i></b>		
Sanitation	\$51,300	\$305,100
Storm water	\$6,840	\$40,680
<b>Total Enterprise Fund Revenue</b>	<b>\$58,140</b>	<b>\$345,780</b>
<b>Total Revenues</b>	<b>\$526,339</b>	<b>\$1,623,732</b>
Per Capita	<b>\$1,141.73</b>	<b>\$795.95</b>

## Chapter 4: Expenditures in the Study Areas

In this section, we address the question of how much the City of Avondale Estates would have spent in FY 2014 to extend services to the annexation study areas. To estimate these expenditures, we utilized two methods. The first method uses departmental-specific per unit measures, and the second method involves a case study calculation. Methodology 1 does not consider any transitional or new capital costs that may be necessary due to the annexation. However, the case study methodology does include any needed capital.

### Method 1: Departmental Per Unit Estimates

Based on interviews with the department directors, we developed per unit measures that best fit the services that each department provides. In other words, we examined the primary cost driver in each department and developed a per unit measure to estimate costs for the annexation areas. However, we excluded spending for Professional Consultants, Recreation, Board of Mayors and Commissioners, and Capital Outlay. This analysis includes some expense for Parks to account for the additional tree removal which will be required in the annexed areas. Table 4.1 provides the unit measure and unit cost for each department.

<b>Table 4.1</b>				
<b>2014 Avondale Estates Per Unit Expenditures</b>				
<b>Department</b>	<b>Unit of Measurement</b>	<b>Unit Value</b>	<b>Avondale Estates Expenditures</b>	<b>Expenditure / Unit</b>
General Government – Only Variable cost Bldg Plan Review/Inspect	Contracted out with 60/40 split for Inspector	% of Inspection Rev.	\$50,317	Not applicap.
City Administration	No variable costs			Not applicap.
Public Safety	Per Parcel	3,084	\$1,033,564	\$335.14
Municipal Court	Court Days	24	\$90,143	\$1,877.98
Public Works	Per Lane Mile	15.65	\$257,802	\$16,472.94
Parks – tree removal	Per Lane Mile	15.65	\$20,500	\$1,309.90

Avondale Estates 2014 end-of-year fiscal activity report; 2014 U.S. Census Bureau; City of Avondale Estates Municipal Court Clerk, GA Department of Transportation, City of Avondale Estates website and Public Works Department

### Governing and Support Services

Because of their support functions, we assume no direct growth in the General Government and Administration Departments as a result of either annexation scenario. The exception is

for expenses associated with Building Inspections. Avondale Estates contracts this service out and shares a 60/40 split of Inspection fees received with the contractor.

### **Public Safety**

Avondale Estates has its own Police Department with a full time patrol force of 13 officers. Under Method 1, we estimate the expected increase in expenses using the number of parcels in each annexation area.

### **Municipal Court**

Similarly to our calculation of revenues, expenditures are based on the number of court days per year, 24. Clerk of Court Marcella Shaw estimated that no full additional days of court per month would be needed to serve either annexation area. However, to account for additional cases that will inevitably occur, court days that already occur are assumed to last a little longer. Thus, 2 additional “court days” per year are used as an expenditure basis for annexation area 1, and 4 additional days of court per year would be needed to serve annexation area 2.

### **Public Works Administration**

The Institute of Government’s Information Technology Outreach Services Division (ITOS) measured 4.75 centerline miles of road in SA1 and 8.56 centerline miles in SA2. Road mileage for Avondale Estates comes from the Georgia Department of Transportation (GDOT) as used in their LMIG formula. Based on GDOT data, the city has 15.65 centerline miles of road.

### **Parks**

There will be no additional parks added under either annexation scenario; however, Avondale Estates will be responsible for additional tree removal. This expense is included in the Parks department, and therefore it is shown under this methodology.

### **Summary Unit Expenditures**

Table 4.2 applies the per unit expenditures from Avondale Estates to the Study Areas. We see that total estimated expenditures for Study Area 1 equals \$166,743, and total estimated expenditures for Study Area 2 equals \$434,974.

**Table 4.2  
Estimated 2014 Per Unit Expenditures for Study Areas**

<b>Department</b>	<b>SA1 Units</b>	<b>SA1 Expend.</b>	<b>SA2 Units</b>	<b>SA2 Expend</b>
General Government – Only Variable cost is Bldg Plan Review/Inspect	Contracted out with 60/40 split for Inspector	\$8,139	Contracted out with 60/40 split for Inspector	\$20,535
City Administration	NA		NA	
Public Safety	210 parcels	\$70,379	760 parcels	\$254,706
Municipal Court	2 days	\$3,756	4 days	\$7,512
Public Works	4.75 miles	\$78,246	8.56 miles	\$141,008
Parks – tree removal	4.75 miles	\$6,222	8.56 miles	\$11,213
<b>Total</b>		<b>\$166,743</b>		<b>\$434,974</b>

The underlying assumptions of this methodology are that 1) the city and the study areas are alike and that 2) the city has sufficient excess equipment, land, and facility capacity such that capital costs would not be needed. The City of Avondale Estates should have sufficient excess capacity in regards to building space to meet the service demands of annexation. However, excess capacity is unlikely when it comes to equipment. Therefore, the city will need to increase some of its capital outlays as part of the annexation. Because the city has sufficient capital (e.g., major equipment, buildings) for current services, we see little of this kind of expenditure in the city’s operating budget, resulting in capital expenditures not being included in the per unit study area estimates.

### **Method 2: Case Study**

The case study methodology requires interviews with the city’s staff which are combined with other cost projections to create an overall estimate of fiscal impact. We interviewed Avondale Estates department heads to discuss the types of costs their programs would incur if they were to provide the same levels of service in the annexation areas as they currently do for Avondale Estates residents and businesses. From these interviews, we were able to determine the increases, if any, that would be needed to serve the study areas if they were a part of the city in FY 2014. This information was combined with data obtained from the city’s 2014 end-of-year fiscal operating report and the DeKalb County Tax Digest to determine the expenditures that would be needed if the city annexed the study areas. We generally follow the philosophy that those within an organization and managing programs are in the best position to estimate future demand. Furthermore, our goal is to create realistic cost estimates for providing services in the study areas, and therefore we rely on Avondale Estates’ current or recently incurred expenses.

An item’s cost variability was determined through interviews with department directors. For those costs that are variable, we increased them using a metric that was most appropriate for it. We believe this individualization of cost metrics provides a more realistic estimate.

Based on conversations with the City Manager and department directors, it appears that the city would not have to significantly change how it operates under the annexation. Of course, additional staff and equipment will be needed. However, all the facilities in the city have sufficient space to house any additional staff, and therefore the annexation would not require a major capital facilities investment.

**BOMC (Board of Mayor and Commissioners)**

All members of the governing body serve on a volunteer basis, therefore there would be no additional expense for an expanded council. The DeKalb County Board of Elections and Registration negotiates the cost of elections with the city using a base amount plus additional costs due to extended voting hours and days. There is no anticipated increase in the elections expense as a result of either annexation scenario.<sup>10</sup>

**General Government**

The General Government category includes many expenses which are not a function of the size of the city and which will not increase under either annexation scenario. Costs which are variable include expenses for Public Hearings, Building Plan Review and Inspections (which are contracted out at a 60/40 split), and postage. Public Hearings will cost \$500 more under either scenario. Building Plan Review and Inspection expenses are based on the assessed value of the properties in the annexation areas. Postage is calculated based on number of households.

<b>Table 4.3</b>			
<b>2014 Estimated General Government Expenses for Study Areas</b>			
<b>Study Areas</b>	<b>Exp. for Public Hearings</b>	<b>Building Plan Review/Inspection</b>	<b>Postage</b>
SA 1	\$500	\$8,139	\$866
SA 2	\$500	\$20,535	\$3,831

**Administration Department**

The Administration Department budget includes the salaries and benefits for the City Manager and Finance Director as well as clerical support staff. This budget also includes

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<sup>10</sup> Based on email correspondence with Ken Turner, Director of Finance.

expenses for the buildings housing this department and repairs and maintenance to the building as well as utilities such as water/sewer, gas, and electricity. Other expenses associated with Administration such as general supplies and dues and fees also comprise a part of this budget. Under either annexation scenario, interviews with staff indicate that the expenses associated with the Administration department will not increase. There is sufficient capacity to handle any increased work concomitant with an annexation of either size under contemplation.

**Public Safety**

The Police Chief of Avondale Estates, Gary Broden, estimated that Avondale Estates would need two additional officers under SA1 and 4 additional officers under SA2. Under SA1, the city would require one extra vehicle, whereas under SA2, the city would need two additional police cruisers.

<b>Table 4.4 Estimated 2014 Vehicle Expenditures - Police</b>				
<b>Study Area</b>	<b>Equipment</b>	<b>Total Cost</b>	<b>Useful Life</b>	<b>Annual Cost</b>
SA1	1 Police Cruiser	\$44,000	7 years	<b>\$6,286</b>
SA2	2 Police Cruisers	\$88,000	7 years	<b>\$12,571</b>

<b>Table 4.5 Estimated 2014 Law Enforcement Personnel for Study Areas</b>		
	<b>Study Area 1</b>	<b>Study Area 2</b>
	<b>2 officers</b>	<b>4 officers</b>
Annual Salary	\$69,918	\$139,836
Benefits <sup>1</sup>	\$39,386	\$78,773
Uniforms	\$3,618	\$7,236
Travel and Training	\$593	\$1,186
Gasoline	\$5,445	\$10,890
Small Equipment	\$2,586	\$5,172
<b>Total Operating Expense</b>	<b>\$121,546</b>	<b>\$243,093</b>

1. These include FICA, group insurance, retirement, deferred compensation match, worker's comp, and other employee benefits

## Municipal Court

The City of Avondale Estates holds municipal court two days a month for violations of the city's municipal ordinances and traffic violations. Court Clerk Marcella Shaw believes that the current staffing levels are sufficient to cover any increase in caseload associated with either annexation.

## Public Works

The Avondale Estates Public Works Department oversees Sanitation, Parks and Recreation, as well as Roadways and Walkways. The Code Enforcement Officer is also housed in this Department. Under SA2, there would be a need for an additional Code Enforcement officer.

	<b>Study Area 1</b>	<b>Study Area 2</b>
	<b>No additional personnel needed</b>	<b>1 Code Enforcement Officer</b>
Annual Salary		\$33,294
Benefits <sup>1</sup>		\$17,911
Uniforms		\$1,156
Travel and Training		\$1,095
Dues and Fees		\$50
<b>Total Operating Expense</b>		<b>\$53,506</b>

1. These include FICA, group insurance, retirement, deferred compensation match, worker's comp, and other employee benefits

While not directly a personnel expense, there will also be an increase in the repairs and maintenance of the vehicles as the result of an additional code enforcement officer. This is estimated to be \$62.92. Other expenses in the Public Works Department that will increase are the costs associated with street lights and traffic engineering. The City of Avondale Estates is charged a fee per bulb for street lights of \$10.76 a month. The additional number of streetlights was estimated based on the additional road mileage each annexation would be receiving. Similarly, the additional expense for traffic engineering was calculated on a per mile basis.

<b>Table 4.7</b>		
<b>2014 Estimated Electricity – Street Light Expense for Study Areas</b>		
Avondale Estates Electricity – Street Light Expense		\$56,674.64
Avondale Estates Centerline miles		15.65
Avondale Estates expense per mile		\$3,621.38
<b>Study Area</b>	<b>Centerline miles</b>	<b>Expense</b>
SA 1	4.75	<b>\$17,202</b>
SA 2	8.56	<b>\$30,999</b>

<b>Table 4.8</b>		
<b>2014 Estimated Traffic Engineering Expense for Study Areas</b>		
Avondale Estates Traffic Engineering Expense		\$1,793.68
Avondale Estates Centerline miles		15.65
Avondale Estates expense per mile		\$114.61
<b>Study Area</b>	<b>Centerline miles</b>	<b>Expense</b>
SA 1	4.75	<b>\$544</b>
SA 2	8.56	<b>\$981</b>

Street and Rights-of-Way Maintenance

The City of Avondale Estates has an Intergovernmental Agreement with DeKalb County so that DeKalb County, for a fee, repairs and maintains the roads in Avondale Estates. This arrangement would continue under either annexation scenario. However, we estimate the additional costs of road repair based on the additional mileage that would be acquired.

<b>Table 4.9</b>		
<b>2014 Estimated Roadway Expense for Study Areas</b>		
Avondale Estates FY 2015 Roadway Expense		\$140,879
Avondale Estates Centerline miles		15.65
Avondale Estates road expense per mile		\$9,001.85
<b>Study Area</b>	<b>Centerline miles</b>	<b>Expense</b>
SA 1	4.75	<b>\$42,759</b>
SA 2	8.56	<b>\$77,056</b>

It should be noted that by relying on FY 2014 expenditures, this cost estimate does not include anticipated but not yet funded road projects such as new signage required by the Georgia Department of Transportation. With the annexation and increase in the number of lane miles, the city should expect a greater financial commitment in these areas.

**Parks**

There will be no additional parks added under either annexation scenario, however, Avondale Estates will be responsible for additional tree removal.

<b>Table 4.10</b>		
<b>2014 Estimated Tree Removal Expense for Study Areas</b>		
Avondale Estates Tree Removal Expense		\$20,500
Avondale Estates centerline miles		15.65
Avondale Estates Expense per mile		\$1,309.90
<b>Study Area</b>	<b>Additional Centerline miles</b>	<b>Expense</b>
SA 1	4.75	<b>\$6,222</b>
SA 2	8.56	<b>\$11,213</b>

Please note that we excluded storm water expenditures from this study because they are within an enterprise fund, which according to best governmental accounting practices, should be self-funded. To adhere to this accounting standard, the storm water fund should reimburse the general fund fully for any storm water expenses incurred. For example, if public works employees spend time on storm water projects, the storm water fund would reimburse the general fund for the workers' time.

Table 4.11 summarizes all the estimated expenditures using the Case Study Method.

<b>Table 4.11</b>		
<b>Estimated 2014 Total Expenditures in Study Areas</b>		
	<b>SA1</b>	<b>SA2</b>
General Government	\$9,505	\$24,866
City Administration	\$0	\$0
Public Safety	\$127,832	\$255,664
Municipal Court	\$0	\$0
Public Works	\$61,184	\$163,830
Parks – tree removal	\$6,222	\$11,213
<b>Total Estimated Expenses</b>	<b>\$204,743</b>	<b>\$455,573</b>

### **Summary of Expenditure Methods: 1 & 2**

Table 4.12 summarizes the expenditure estimates for the three methodologies: combined per capita and assessed valuation, department-specific unit measures, and the case study method.

<b>Table 4.12</b>		
<b>Summary of 2014 Expenditure Estimates for Study Area 1</b>		
<b>Department</b>	<b>Method 1: Department-Specific</b>	<b>Method 2: Case Study</b>
General Government	\$8,139	\$9,505
City Administration	\$0	\$0
Public Safety	\$70,379	\$127,832
Municipal Court	\$3,756	\$0
Public Works	\$78,246	\$61,184
Parks – tree removal	\$6,222	\$6,222
<b>Total Expenditures</b>	<b>\$166,743</b>	<b>\$204,743</b>

<b>Table 4.13</b>		
<b>Summary of 2014 Expenditure Estimates for Study Area 2</b>		
<b>Department</b>	<b>Method 1: Department-Specific</b>	<b>Method 2: Case Study</b>
General Government	\$20,535	\$24,866
City Administration	\$0	\$0
Public Safety	\$254,706	\$255,664
Municipal Court	\$7,512	\$0
Public Works	\$141,008	\$163,830
Parks – tree removal	\$11,213	\$11,213
<b>Total Expenditures</b>	<b>\$434,974</b>	<b>\$455,573</b>

## *Enterprise Fund Expenses*

### **Method 1: Departmental Per Unit Estimates**

Based on interviews with the department directors, we developed per unit measures that best fit the services that each department provides. In other words, we examined the primary cost driver in each department and developed a per unit measure to estimate costs for the annexation areas. Table 4.14 provides the unit measure and unit cost for the Sanitation department.

<b>Table 4.14</b>				
<b>2014 Avondale Estates Per Unit Expenditures</b>				
<b>Department</b>	<b>Unit of Measurement</b>	<b>Unit Value</b>	<b>Avondale Estates Expenditures</b>	<b>Expenditure / Unit</b>
Sanitation	Per Parcel Served	1,378	\$713,687	\$517.92

Avondale Estates 2014 end-of-year fiscal activity report; 2014 U.S. Census Bureau; City of Avondale Estates Municipal Court Clerk, GA Department of Transportation, City of Avondale Estates website and Public Works Department

The DeKalb County Tax Assessor’s office collects sanitation taxes from 1,378 parcels in Avondale Estates. According to the Tax Assessor’s Office, SA1 will have 114 parcels which will need sanitation services and SA2 will have 678 parcels which will need to be served. This is based on the parcels which are now paying for Sanitation to DeKalb County. Thus, the parcels currently utilizing Sanitation services from DeKalb is the unit measure utilized for costs.

<b>Table 4.15</b>				
<b>Estimated 2014 Per Unit Expenditures for Study Areas</b>				
<b>Department</b>	<b>SA1 Units</b>	<b>SA1 Expend.</b>	<b>SA2 Units</b>	<b>SA2 Expend</b>
Sanitation	114 parcels	<b>\$59,043</b>	678 parcels	<b>\$351,150</b>

## Method 2: Case Study

The case study methodology requires interviews with the city’s staff which are combined with other cost projections to create an overall estimate of fiscal impact. We interviewed Avondale Estates department heads to discuss the types of costs their programs would incur if they were to provide the same levels of service in the annexation areas as they currently do for Avondale Estates residents and businesses. From these interviews, we were able to determine the increases, if any, that would be needed to serve the study areas if they were a part of the city in FY 2014. This information was combined with data obtained from the city’s 2014 end-of-year fiscal operating report and the DeKalb County Tax Digest to determine the expenditures that would be needed if the city annexed the study areas. We generally follow the philosophy that those within an organization and managing programs are in the best position to estimate future demand. Furthermore, our goal is to create realistic cost estimates for providing services in the study areas, and therefore we rely on Avondale Estates’ current or recently incurred expenses.

An item’s variability was determined through interviews with department directors. For those costs that are variable, we increased them using a metric that was most appropriate for it. We believe this individualization of cost metrics provides a more realistic estimate.

The Sanitation Department in Avondale Estates currently has 11 employees. Under SA1, the Director of Public Works, Oscar Griffin, who is also responsible for running the Sanitation Department, estimates he would need 2 additional entry-level employees. However, under SA2, Mr. Griffin estimates he would need 4 additional entry-level employees as well as an additional driver.

<b>Table 4.16</b>		
<b>Estimated 2014 Sanitation Personnel for Study Areas</b>		
	<b>Study Area 1</b>	<b>Study Area 2</b>
	<b>2 Laborers (@\$21,465 each)</b>	<b>4 Laborers and 1 Driver (4 @\$21,465 and 1 @\$29,120)</b>
Annual Salary	\$42,930	\$114,980
Benefits <sup>1</sup>	\$26,365	\$66,982
Communications for Driver		\$252
Uniforms	\$1,823	\$4,557
<b>Total Operating Expense</b>	<b>\$71,119</b>	<b>\$186,771</b>

1. These include FICA, group insurance, retirement, deferred compensation match, worker’s comp, and other employee benefits

Other expenses which will increase upon annexation are gasoline, landfill expense, recycling disposal, repairs and maintenance to the vehicles and equipment, insurance, and general

supplies. The city's landfill and recycling expenses are based on the number of parcels. The gasoline expense is based on additional mileage as are the repair and maintenance costs. Insurance expense is based on the policy as written. General supplies include extra trash cans, rakes, and brooms.

	<b>Study Area 1</b>	<b>Study Area 2</b>
Gasoline	\$8,481	\$15,283
Landfill expenses	\$6,609	\$39,305
Recycling disposal	\$2,750	\$16,353
Repairs & Maint. - vehicles	\$4,484	\$1,500 <sup>1</sup>
Repairs & Maint. - equip.	\$350	\$630
Insurance - liability	\$0	\$140
General supplies	\$400	\$800
<b>Total Operating Expense</b>	<b>\$23,073</b>	<b>\$74,011</b>

1. There will be more new vehicles under SA2 and more expense in capital, therefore these new vehicles are assumed to not need as much repair.

The City of Avondale Estates will need some additional vehicles in the Sanitation Department if annexation occurs. With the relatively small increase in population and lane miles in Study Area 1, the current garbage trucks are sufficient, and they will require no additional equipment. However, they will need a leaf vacuum and dump truck under Study Area 2, and the relatively larger area of annexation will also require Avondale Estates to purchase a larger garbage truck than the one already planned.

<b>Study Area</b>	<b>Equipment</b>	<b>Total Cost</b>	<b>Useful Life</b>	<b>Annual Cost</b>
SA1	NA			<b>\$0</b>
SA2	Garbage Truck <sup>1</sup>	\$7,500	10 years	<b>\$750</b>
	Dump Truck	\$75,000	7 years	<b>\$10,714</b>
	Leaf Vac	\$32,000	5 years	<b>\$6,400</b>
		<b>Total Annual Cost</b>		<b>\$17,864</b>

1. Avondale Estates is already planning to purchase a new garbage truck, however, under SA2, they will need to purchase a larger one so the expense shown is the additional cost of the larger truck.

Table 4.19 summarizes all the estimated expenditures using the Case Study Method.

<b>Table 4.19</b>		
<b>Estimated 2014 Total Expenditures in Study Areas</b>		
	<b>SA1</b>	<b>SA2</b>
Sanitation	<b>\$94,191</b>	<b>\$278,646</b>

***Summary of Expenditure Methods: 1 & 2***

Table 4.20 summarizes the expenditure estimates for the two methodologies: department-specific unit measures and the case study method.

<b>Table 4.20</b>		
<b>Summary of 2014 Expenditure Estimates for Study Area 1</b>		
<b>Department</b>	<b>Method 1: Department-Specific</b>	<b>Method 2: Case Study</b>
<b>Sanitation</b>	<b>\$59,043</b>	<b>\$94,191</b>

<b>Table 4.21</b>		
<b>Summary of 2014 Expenditure Estimates for Study Area 2</b>		
<b>Department</b>	<b>Method 1: Department-Specific</b>	<b>Method 2: Case Study</b>
<b>Total Expenditures</b>	<b>\$351,150</b>	<b>\$278,646</b>

## **Chapter 5: Comparing Revenues and Expenditures from Annexation of the Study Areas**

In the preceding sections, we estimated the revenues that would have been collected from the study areas if they had been in the City of Avondale Estates in FY 2014 and also estimated the expenditures that would have been needed to provide services to those areas. A comparison of the estimated revenues and expenditures is presented in Tables 5.1 and 5.2, for Study Areas 1 and 2, respectively.

Some factors to keep in mind in analyzing the estimated revenues and expenditures following annexation are as follows:

Factors which would make expenditures higher than revenues:

- If the study area has relatively less commercial and industrial property compared to Avondale Estates on percentage of total assessed value basis, as is the case with SA2.
- If the city has little excess capacity in terms of personnel and equipment to accommodate any significant growth from annexation (which is not the case here under either scenario).

On the other hand, some factors which favor a positive balance between revenues and expenditures are:

- If the municipal services that Avondale Estates provides do not require major investments in infrastructure in order to serve a larger area (i.e., they do not need to add buildings or extend sewer or water lines).
- If proportionally to residential properties and population the study areas has a substantial number of commercial and industrial properties as is the case with SA1.

<b>Table 5.1</b>		
<b>Summary of 2014 GF Revenue and Expenditure Estimates for Study Area 1</b>		
	<b>Method 1: Department-Specific</b>	<b>Method 2: Case Study</b>
<b><i>Revenues</i></b>		
General Fund Revenues	<b>\$468,199</b>	<b>\$468,199</b>
<b><i>Expenditures</i></b>		
General Government	\$8,139	\$9,505
City Administration	\$0	\$0
Public Safety	\$70,379	\$121,546
Municipal Court	\$3,756	\$0
Public Works	\$78,246	\$61,184
Parks - tree removal	\$6,222	\$6,222
<b><i>Total Expenditures</i></b>	<b>\$166,743</b>	<b>\$204,743</b>
<b>Revenues less Expenditures</b>	<b>\$301,457</b>	<b>\$263,456</b>

<b>Table 5.2</b>		
<b>Summary of 2014 GF Revenue and Expenditure Estimates for Study Area 2</b>		
	<b>Method 1: Department-Specific</b>	<b>Method 2: Case Study</b>
<b><i>Revenues</i></b>		
General Fund Revenues	<b>\$1,277,952</b>	<b>\$1,277,952</b>
<b><i>Expenditures</i></b>		
General Government	\$20,535	\$24,866
City Administration		\$0
Public Safety	\$254,706	\$243,093
Municipal Court	\$7,512	\$0
Public Works	\$141,008	\$163,830
Parks - tree removal	\$11,213	\$11,213
<b><i>Total Expenditures</i></b>	<b>\$434,974</b>	<b>\$455,573</b>
<b>Revenues less Expenditures</b>	<b>\$842,978</b>	<b>\$822,379</b>

Comparing the net revenues between the methodologies for each study area reveals some interesting findings and demonstrates 1) the importance of commercial property relative to the fiscal feasibility of an annexation and 2) the importance of the basis from which to calculate expenditures. Realistically, administrative functions can achieve some economies of scale as expressed in Method 2, the case study approach.

As we have discussed earlier in the report, we believe the use of the case study methodology (i.e., Method 2) provides a good measure for planning what the revenues and expenditures will likely be.

The following tables show the Sanitation Enterprise Fund impact. However, as discussed before, by their nature Enterprise Funds are assumed to be fully self-funded.

<b>Table 5.3</b>		
<b>Summary of 2014 Sanitation Revenue and Expenditure Estimates for Study Area 1</b>		
	<b>Method 1: Department-Specific</b>	<b>Method 2: Case Study</b>
<i>Revenue</i>	<b>\$51,300</b>	<b>\$51,300</b>
<i>Expenditures</i>	<b>\$59,043</b>	<b>\$94,191</b>
<b>Revenues less Expenditures</b>	<b>-\$7,743</b>	<b>-\$42,891</b>

<b>Table 5.4</b>		
<b>Summary of 2014 Sanitation Revenue and Expenditure Estimates for Study Area 2</b>		
	<b>Method 1: Department-Specific</b>	<b>Method 2: Case Study</b>
<i>Revenue</i>	<b>\$305,100</b>	<b>\$305,100</b>
<i>Expenditures</i>	<b>\$351,150</b>	<b>\$278,647</b>
<b>Revenues less Expenditures</b>	<b>-\$46,050</b>	<b>\$26,453</b>

## **Chapter 6: Impact on DeKalb County**

With the incorporation of the study areas, we anticipate some fiscal impact on DeKalb County. Due to our focus on the City of Avondale Estates, we did not develop cost estimates on the impact the annexation may have on the DeKalb County government. We can, however, mention several factors that influence whether the impact will be positive or negative. First, it is important to remember that countywide services and bond payments will not be affected by the annexation. As residents of the county, property owners in the annexation areas would continue to pay for countywide services regardless of whether they are within the City of Avondale Estates. Secondly, Avondale Estates does not provide fire service, so city residents and business owners would continue to rely on DeKalb County's fire protection service, paying for it through countywide property taxes after the annexation. The county would incur revenue losses in insurance premiums, cable franchise fees, fines and forfeitures, occupational taxes, and minor revenues associated with regulatory fees, but these losses would be fairly small in relation to the entire DeKalb County budget.

## **Body Cameras for Police Officers**

The Avondale Estates Police Department has been investigating the purchase and use of body cameras to assist in the performance of its duties. The agency will use the body cameras to augment the existing digital camera systems in the patrol units. The body cameras will allow officers to video events outside the view of the patrol unit's camera system, from the beginning of and to the end of the encounter. The continual video footage will assist in the prosecution of cases, review of complaints as well as to determine training needs. Body cameras are being purchased nationwide, small and large agencies alike. The agency has reviewed a number of systems during approximately a two-year period and is ready to implement the device if approved.

## **Georgia Classic Main Street Memorandum of Understanding (MOU)**

The City is designated as a Classic Main Street. Each year the Department of Community Affairs (DCA) requests that the City approve a Memorandum of Understanding (MOU) to participate in the Classic Main Street Program. The MOU outlines the responsibilities of the community, Main Street Board of Directors (our DDA), Downtown Manager and the DCA associated with the Main Street Program. Some highlights from the MOU include:

- The Community will maintain a paid professional to administer the program and assist the manager in data collection.
- The Main Street Board will assist with the development of a Work Plan and provide opportunities for public engagement.
- The Downtown Manager will complete monthly economic and programming activity reports and other data collection as well as attend training.
- DCA will provide Classic Main Street Communities with training, publicity, technical and other assistance at no or low cost.

The logo for the Georgia Department of Community Affairs features the word "Georgia" in a stylized font with a green leaf above the 'i', followed by "Department of" in a smaller font, and "Community Affairs" in a large, bold, brown font. To the right of the text is a green outline of a city skyline.

Georgia<sup>®</sup> Department of  
**Community Affairs**

December 3, 2015

To Whom It May Concern:

Enclosed you will find a copy of the 2016 Georgia Classic Main Street Program Memorandum of Understanding. As per the National Main Street Center requirements all accredited Main Street cities must have a current signed MOU agreement on file with the Georgia Department of Community Affairs in order to retain the use of the Main Street name.

The enclosed document must be signed by the Mayor, Board Chair and local Manager and returned to DCA by no later than **February 15, 2016**. Failure to comply may result in probationary status or loss of accreditation for the local Main Street program in 2016.

As per this MOU agreement the local municipality is required to notify the Office of Downtown Development within one week of any Downtown Director Vacancy. If at any point during the 2016 calendar year there is a change in the local program manager, the local program is required to submit a new MOU including the new manager's signature to DCA, clarifying that person's understanding of the requirements of the this relationship.

Regards,

Jessica Reynolds,  
Director, Office of Downtown Development &  
Georgia Main Street Program  
Georgia Department of Community Affairs



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# 2016 Georgia Classic Main Streets Memorandum Of Understanding

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MOU

1/1/2016

## GEORGIA CLASSIC MAIN STREETS PROGRAM

### MEMORANDUM OF UNDERSTANDING

#### 2016 Program Year

This agreement is entered into and executed by the Georgia Department of Community Affairs Office of Downtown Development (hereinafter referred to as “DCA”), the City/Town of **Avondale Estates**, Georgia (hereinafter referred to as “Community”), the Local Main Street Program Board of Directors, and the Downtown Manager for the Community. DCA will enter into this agreement with the above parties to provide services in return for active and meaningful participation in the Georgia Classic Main Streets Program by the Community as specified below.

This agreement outlines the necessary requirements set forth by DCA for the Community’s participation in the Georgia Classic Main Streets Program for 2016. DCA is the sponsoring state agency for the Georgia Classic Main Street program and is licensed by the National Main Street Center (hereinafter referred to as “National Program”) to designate, assess, and recommend for accreditation Main Street programs within the State of Georgia.

In recognition of the agreement by DCA, the Community, the Board of Directors, and the Downtown Manager to maintain an active Local Main Street Program, the parties have agreed to the following:

#### ARTICLE 1: THE COMMUNITY AGREES TO—

1. Appoint or contract with an entity to serve as the Board of Directors for the local Main Street Program. The city council may not serve as the Main Street Board.
2. Set and review boundaries for the target area of the local Main Street Program.
  - A. A copy of these boundaries should remain on file with DCA at all times.
  - B. The Community should work with the Board of Directors to review boundaries at least once every three years.
3. Employ a paid professional downtown manager responsible for the daily administration of the local Main Street Program.
  - A. The downtown manager must have a job description that identifies at least 75% of their duties (if a full time employee) or all of their duties (if a part-time employee) that are directly related to Main Street activities. A copy of the job description should remain on file with DCA at all times.
  - B. The downtown manager should be paid a salary consistent with other community and economic development professionals within the region. The program manager’s salary must be paid in excess of minimum wage.
  - C. The Community must notify DCA within one week of any downtown manager vacancy and the Community must appoint an interim downtown manager until the position is filled. DCA must have accurate contact information for the downtown manager at all times.
  - D. Provide an annual evaluation of the downtown manager. If the manager is employed by an entity other than the local government, require that entity to provide an annual evaluation and performance review.
4. Provide for local Main Street Program solvency through a variety of direct and in-kind financial support.
  - A. If the downtown manager is an employee of the local Main Street Program and not the Community, the Community assures that the program has the financial means to pay for said manager for the period of this agreement.
  - B. The local Main Street program must maintain an identifiable and publicly accessible office space. DCA encourages this space to be in the local Main Street program area.
  - C. The local Main Street program must have sufficient funding to provide travel and training for the downtown manager and the Board of Directors.
5. Assist the downtown manager in compiling data required as part of the monthly reporting process.
  - A. Provide for a positive relationship between the downtown manager and key city staff to access the following information in a timely manner:
    - i. Business license data
    - ii. Building permit data
    - iii. Property tax data
    - iv. Geographic Information Systems data (mapping support when available)
  - B. Review reported data submitted by the downtown manager to assure accuracy.

6. Use the "Main Street America" name in accordance with the National Main Street Policy on the Use of the Name Main Street.
7. Notify DCA in writing prior to any wholesale changes in the local program, including staff changes, major funding changes, change in organizational placement of the program or major turnover in the board of directors. Such notice should be within one business week of said changes when possible. Changes may result in program probation, the loss of accreditation or removal of program designation.

ARTICLE 2: THE BOARD OF DIRECTORS AGREES TO—

1. Assist the downtown manager in creating an annual work plan that incorporates incremental and meaningful goals related to the Main Street Approach™ to downtown revitalization: Community Transformation Strategies, Organization, Design, Promotion and Economic Vitality.
  - A. The work plan should include specific tasks, assignments or a point of contact for the task, related budget needs, and a timeline.
  - B. The work plan should be created on a Calendar Year format in concurrence with this Agreement (2016).
  - C. A copy of the work plan should be on file and updated with DCA monthly as part of the monthly reporting process.
2. Provide opportunities for regular public engagement and support of the Local Main Street Program.
  - A. DCA recommends a public downtown visioning event/town hall meeting at least once every three years.
  - B. The Board should identify opportunities for volunteer support and assistance in executing the work plan.
  - C. The Board should actively engage the community for financial and in-kind support of the local program.
3. Conduct, at least, one board training, orientation or planning retreat per year for the local program.
4. Meet a minimum of 6 times per year and minutes of each meeting are maintained and distributed. Such meetings should be open to the public and public notice should be given related to meeting times and agendas.
5. Attend training when possible to become better informed about the Main Street approach and trends for downtown revitalization and to support the downtown manager.
6. Newly Appointed Board Members are required to attend Main Street 101, hosted by the Office of Downtown Development, within their first year of their first term.
7. Assure the financial solvency and effectiveness of the Local Main Street Program.
  - A. Adopt an annual budget that is adequate to support the annual work plan, maintain an office and support staff, and provide for training and travel.
  - B. Maintain current membership of the Local Main Street Program to the National Main Street Center to be eligible for accreditation.
  - C. Provide for policies to expend funds, enter into debt, and provide programming support for the local Main Street Program.

ARTICLE 3: THE DOWNTOWN MANAGER AGREES TO—

1. Complete all reporting required by DCA to maintain National Accreditation of the local Main Street Program.
  - A. Complete monthly economic and programming activity reports, including portions of said reports that are required as part of the local program assessment process by DCA. These reports must be completed by the 30<sup>th</sup> of the following month. (Example: March report due by April 30<sup>th</sup>). Failure to complete monthly reports in a timely manner may result in program probation, the loss of accreditation or removal of program designation.
  - B. Participate in occasional surveys by DCA related to Main Street Programming.
  - C. Provide documentation of all meetings, work plans, budgets, job descriptions, mission and vision statements for the organization.
  - D. Provide documentation to support the work of the organization as it relates to the Main Street Approach™, including information related to historic preservation as required by the National Main Street Center.
  - E. Provide, from time to time, documentation related to local ordinances, plans, codes, and policies that are specific to the Community's downtown area.
2. Participate in training to broaden the impact of the local Main Street Program.
  - A. One representative from the local program should attend at least one Regional Managers meeting in 2016.
  - B. The downtown manager and/or board members are expected to attend at least one preservation-related training annually.
  - C. DCA requires managers to attend at least 30 hours of training annually (including webinars, regional managers meetings, annual trainings, statewide workshops, etc.) Eligible training hours can come from both DCA and non-

DCA hosted training events. Training must be relevant to the field of downtown development, historic preservation, planning, community development and economic development.\*

*\*A current list of training opportunities through DCA can be obtained at any time from the agency.*

3. Respond to requests by DCA in a timely manner.
4. Take advantage of the Georgia Classic Main Street network of professional downtown managers.
5. All newly hired managers must complete Main Street 101 training with DCA within the first 12 months of employment in the local community.
6. Provide regular updates between the local Main Street Program and the Community.
  - A. Managers are encouraged to provide at least quarterly reports to the local government.
  - B. Managers are encouraged to provide copies of all minutes, budgets, and work plans to the local government in a timely manner.
7. Maintain and preserve project files. Document downtown projects and other major local program information in a thorough and systematic fashion. All relevant programmatic documentation should be uploaded and stored in the DCA shared Dropbox folder created for your program. This is to help ensure a seamless transfer of project files to city representatives or successor manager in the event of personnel changes.

ARTICLE 4: DCA AGREES TO—

1. Supervise all communications between the Community, state government agencies and the National Main Street Center as it relates to the local Main Street Program.
2. Conduct a curriculum of training on an annual basis to assist the downtown manager, the Main Street Board, and the Community with the local downtown revitalization program.
  - A. DCA will offer a series of webinars (live and pre-recorded) on a diverse set of downtown related topics and will upload a copy of recorded webinars to the Georgia Main Street YouTube Channel.
  - B. DCA will offer six Regional Managers Meetings statewide in 2016.
  - C. DCA will offer four Main Street 101 workshops and two Main Street 201 workshops throughout the year related to the Main Street Approach™
3. Assist local Main Street Programs with organizational issues that may prevent the successful progress of the Community's downtown revitalization strategy.
  - A. DCA may provide assistance, directly or through partnerships, to assist in the execution of local organization strategy sessions, trainings, retreats, and community visioning sessions.
  - B. DCA may assist communities in selecting candidates for the position of downtown manager as requested.
  - C. DCA may require a local Main Street Program to host an on-site assessment visit if the program has had a major leadership or organization change, is currently in a probationary status, or is in jeopardy of losing accreditation or designation status.
4. Provide timely assistance and guidance to the Community as a result of requests for service, monthly reports, or the annual assessment process.
  - A. DCA may contact a community upon observation of monthly reporting abnormalities, missing data or missing reports. If a community becomes delinquent in multiple reports, DCA may contact the local board chair or city administrator about the delinquency.
  - B. DCA may assist in training local staff or volunteers in the reporting process.
  - C. DCA will provide unlimited telephone consultations with local programs.
  - D. DCA will attempt to provide on-site assistance as feasible.
5. Provide ongoing press coverage of the Georgia Classic Main Streets Program, including social media outreach, to recognize and publicize the work of local programs.
6. Provide access to resource materials, sample codes and ordinances, organizational documents, and templates for local programs.
7. Conduct an annual program assessment for the Community highlighting success and opportunities for improvement.
8. Provide design services to the local program at a discounted rate. Services may include phone consultations, site visits, design training, services for local property owners and merchants, conceptual drawings, property plans and layouts, corridor plans and strategies, historic preservation plans, and historic research, among other services as requested.
9. Provide economic development assistance to encourage small business development, real estate development and property rehabilitation within the downtown area.

ARTICLE 5: ALL PARTIES AGREE THAT—

1. This agreement shall be valid through December 31, 2016.
2. This agreement may be terminated by DCA or the Community by written notice of 60 days. Termination of this agreement by the Community will result in the loss of local Main Street Designation. Communities that choose to terminate their Georgia Classic Main Streets Program affiliation will be required to formally apply for and participate in the Start-Up Program process if they desire to regain their National Accreditation in the future.
3. If the Community, Board of Directors and/or Downtown Manager fail to fulfill their obligations set forth in this agreement, DCA reserves the right to determine a course of action for the local Main Street Program as it deems appropriate. Such course may include probation, loss of accreditation or termination of designation.
4. If at any point during the 2016 calendar year there is a change in the local program manager, the local program is required to submit a new MOU including the new manager's signature certifying that person's understanding of the requirements of this relationship.
5. Any change in the terms of this agreement must be made in writing and approved by both parties.

**GEORGIA CLASSIC MAIN STREET PROGRAM**  
**MEMORANDUM OF UNDERSTANDING: 2016 Program Year**

THIS AGREEMENT IS HEREBY EXECUTED BY AND BETWEEN THE PARTIES BELOW:

LOCAL GOVERNMENT (COMMUNITY): \_\_\_\_\_

\_\_\_\_\_  
Mayor/Chief Elected Official's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date Term Expires

---

MAIN STREET BOARD OF DIRECTORS

\_\_\_\_\_  
President/Board Chairperson's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date Term Expires

---

DOWNTOWN MANAGER

\_\_\_\_\_  
Manager's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date Hired

Please check here if this position is vacant.

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GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS  
OFFICE OF DOWNTOWN DEVELOPMENT  
GEORGIA CLASSIC MAIN STREET PROGRAM

\_\_\_\_\_  
Director's Signature

\_\_\_\_\_  
Date

Jessica Reynolds  
Director, Office of Downtown Development  
Georgia Department of Community Affairs  
60 Executive Park South, NE  
Atlanta, Georgia 30329

Phone: 404-679-4859  
Email: [Jessica.reynolds@dca.ga.gov](mailto:Jessica.reynolds@dca.ga.gov)



## Proclamation

**WHEREAS**, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for planting of trees; and

**WHEREAS**, this day, now known as ARBOR DAY, was first observed with the planting of more than a million trees in the State of Nebraska; and

**WHEREAS**, Arbor Day is now observed throughout the United States and the world; and

**WHEREAS**, trees reduce erosion of our topsoil, reduce heating and cooling costs, moderate temperature, clean air, produce oxygen, and provide habitat for wildlife; and

**WHEREAS**, trees are a renewable resource that provides paper, wood, fuel, and beauty

**NOW, THEREFORE**, I, Jonathan Elmore, Mayor of the City of Avondale Estates, Georgia, do hereby proclaim February 19, 2016, as the 144<sup>th</sup> anniversary celebration of Arbor Day in the City of Avondale Estates, and urge all citizens to celebrate Arbor Day and support efforts to protect our trees and woodlands.

Dated this 25<sup>th</sup> day of January 2016.

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Jonathan Elmore, Mayor