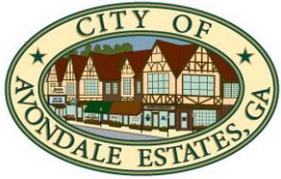


# City Finances 101

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October 21, 2024



# Financial Plan Criteria

## Minimum Operating Requirements + Debt

- What does city need to operate effectively and efficiently to pay for operations and prior commitments.

## Maintenance

- What is needed to maintain and update equipment and property

## New Projects & Strategic Investments

- What strategic investments are needed to improve quality of life, stimulate economic development, and diversify/stabilize economic future



# Millage Rate = Property Tax Rate

1 mill = \$1 for every \$1,000 of assessed property value

1.0 Mill = .001

City's Existing and Proposed Millage Rate: .00955

---

**Appraisal** = property value determined by county tax assessor

**Assessed value** = 40% of appraisal

*To calculate your taxes, move the millage rate's decimal place three times and multiple your property's assessed value by that number (.00955)*

**Example:**

*Property Appraisal = \$300,000*

*Assessed Value = 40% of appraised value*

*$300,000 \times .40 = \$120,000$*

*Property Taxes = Assessed Value x Millage Rate*

*$\$120,000 \times .00955 = \$1,146$*



# City v. Other Full-Service DeKalb Cities

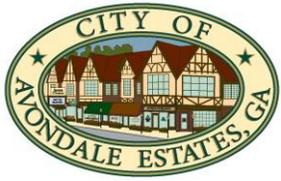
Dekalb Full-Service Cities	2022 Millage Rate	CID
Pine Lake	18.422	
Stone Mountain	16.5	
Clarkston	14.89	
Atlanta	13.329	yes
Decatur (on 50% vs 40% of assessed value)	13.17	
Lithonia	11.021	
Avondale Estates	9.8 (In 2023, 9.55)	
Brookhaven	7.29-10.45	yes
Chamblee	6.25-11.25	yes
Dunwoody	3.04-7.040	

One of Lowest Tax Rates

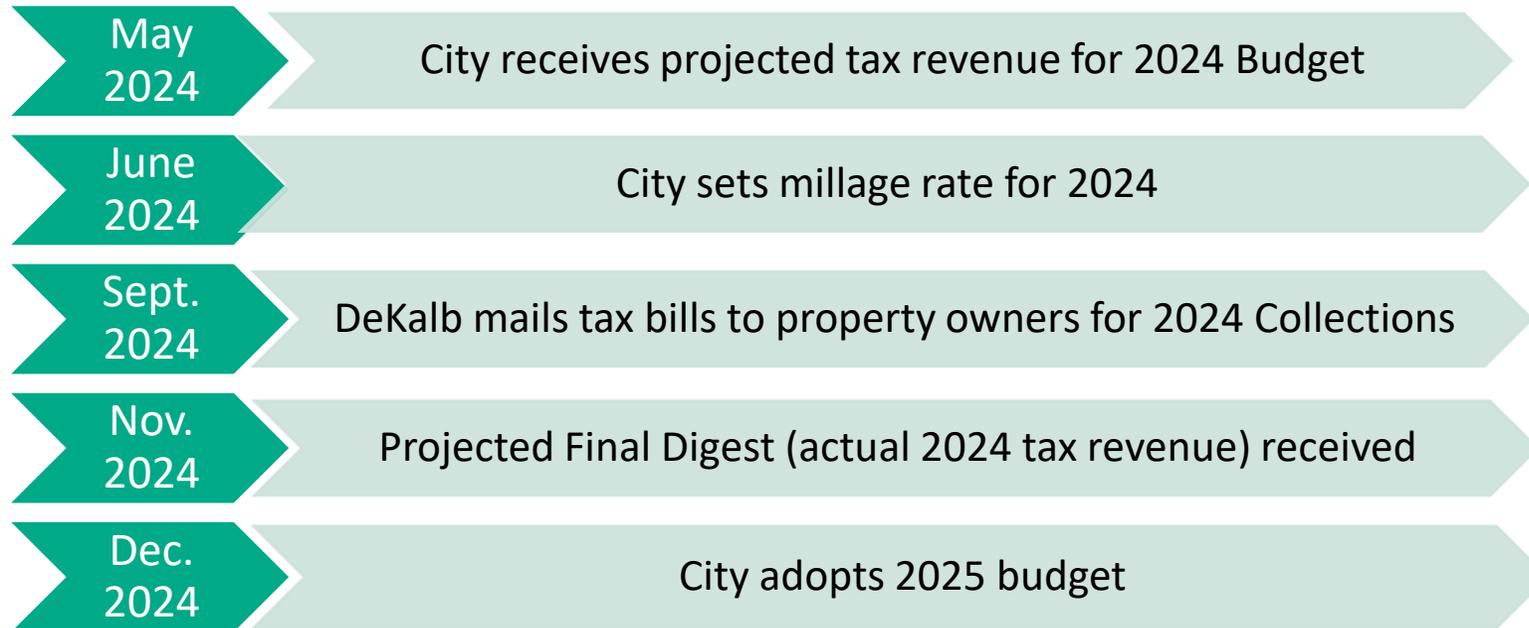
**Commercial Improvement Districts (CID):** Each independent commercial district votes to tax itself for public services and infrastructure investments. Millage rates vary from 3 to 5 additional mills on top of base mills in that geographic area.

Larger cities have *relative resources* and a *target commercial tax base*

Source: Georgia Department of Revenue



# Annual Millage and Budget Timeline



Digest: An official listing of all property owners the assessed value of their property, and the taxes levied on this property

**Note:** budgets can be amended at any time to address changes in financial info



# 2024 Final Digest Expected to be Less than Draft Digest

**2024 Draft Digest: Projected Revenue = \$3,709,578**

**Less Anticipated Value Loss = \$185,479**

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**2024 Draft Digest: Projected Revenue = \$3,524,099**

*Note: Can NOT compare 2023 Actual Digest for 2024 Projected Digest*



# 2024 Draft Digest

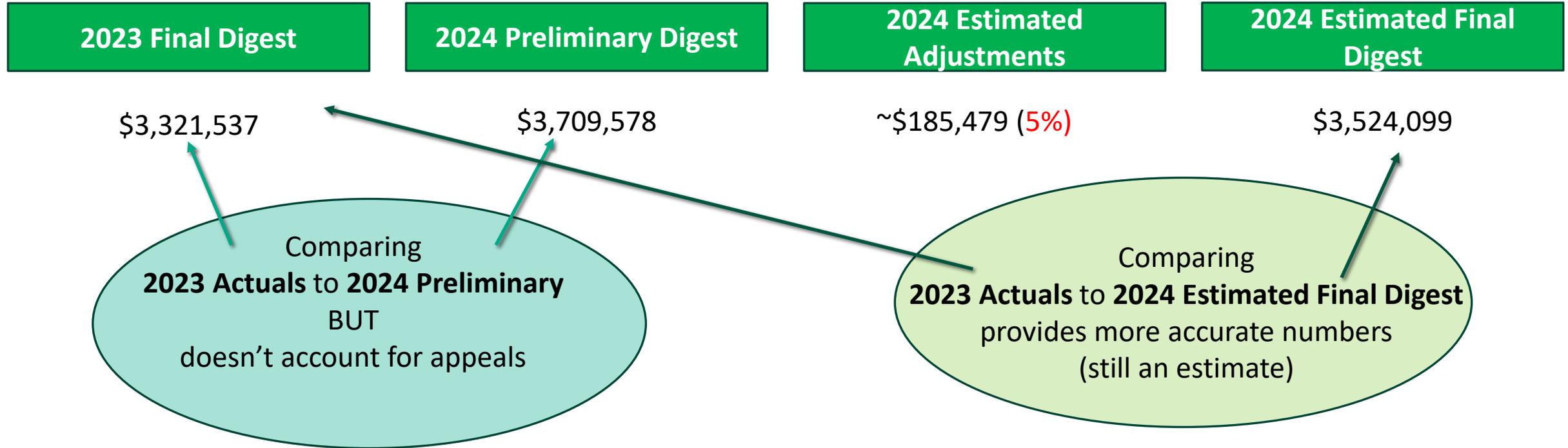
## \$3.7M Projected Property Revenue

### Draft Digest: PROJECTED 2024 PROPERTY TAX

Residential	=	\$321,906,379
Commercial	=	\$68,142,537
Industrial	=	\$16,877,443
Public Utilities	=	\$1,882,605
Motor Vehicle	=	\$1,026,420
<hr/>		
Gross Value	=	\$409,835,384
<b>MINUS</b>		
Exemptions	=	<b>\$ 21,397,648</b>
<hr/>		
<b>TOTAL</b>	=	<b>\$388,437,536</b>
		<b>x .0955 (millage rate)</b>
<b>Projected 2024</b>		
<b>Property Taxes</b>	=	<b>\$ 3,709,578</b>

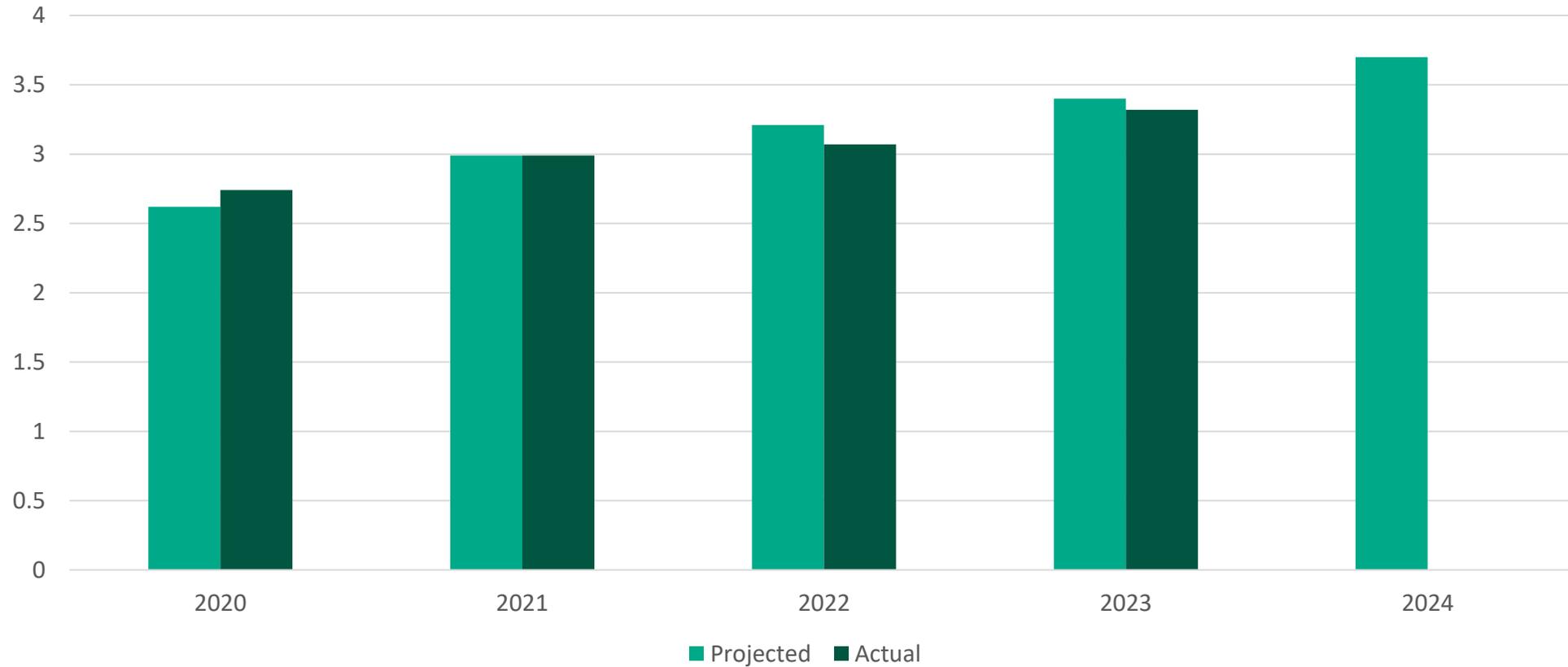


# Comparing Apples to Apples or at Least Closer





# Trend: 2019-2024 Projected v. Actual Tax Revenues





# 2024 Tax Position to Date

Estimated 2024 property tax based on '24 Budget = \$3,793,206

## MINUS

Projected 2024 taxes collection = \$3,524,099

**Anticipated shortfall to make up = \$269,107**

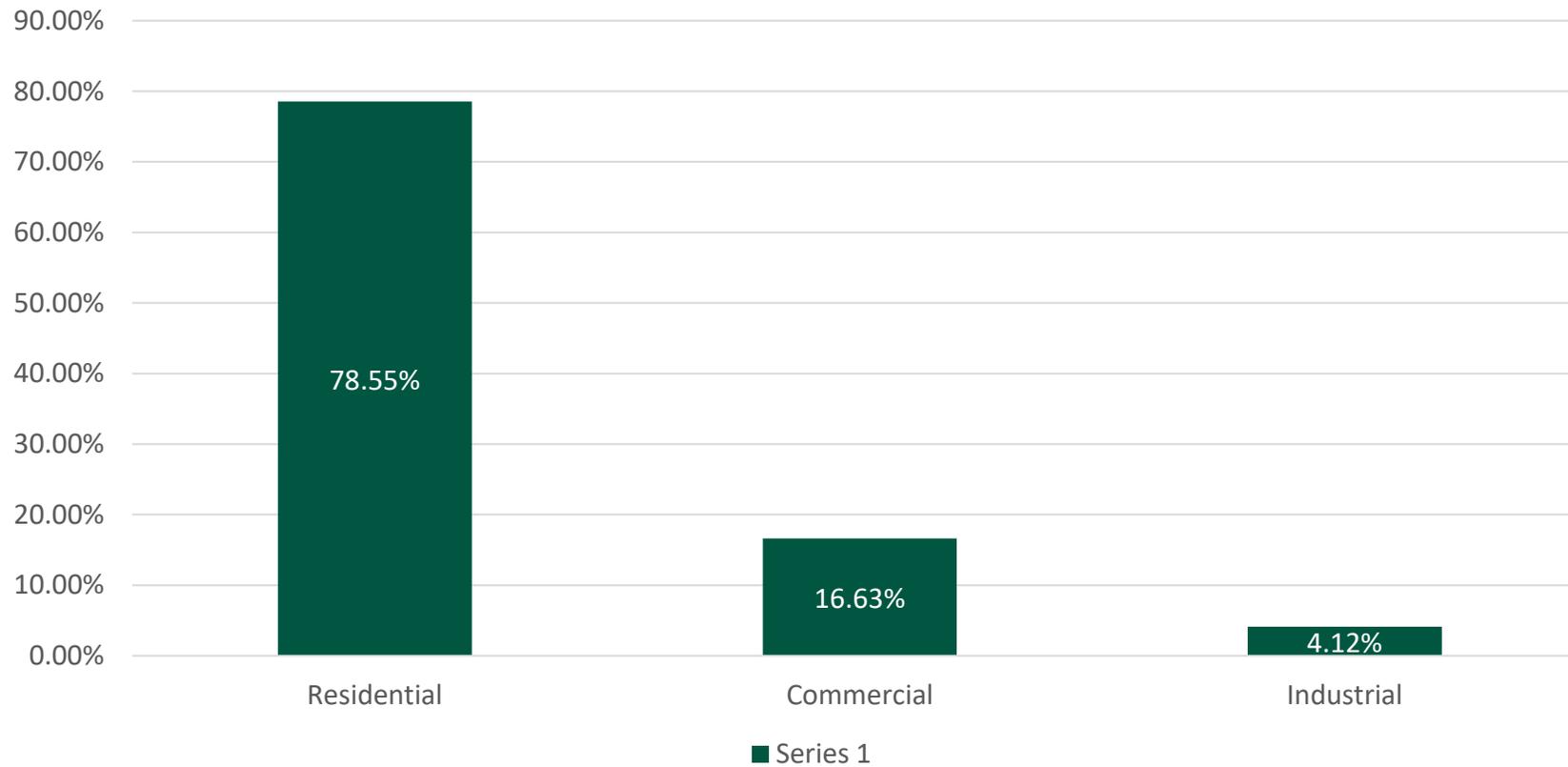


# Factors Driving 2024 Preliminary Digest Increases

- Increased commercial net value = Approx. \$10mil
  - Burn-off from abatement schedule
- Increased residential net value = Approx. \$28mil
  - Driven largely by property transactions, comps.



# 2024 Preliminary Net Digest Breakdown Residential, Commercial, and Industrial

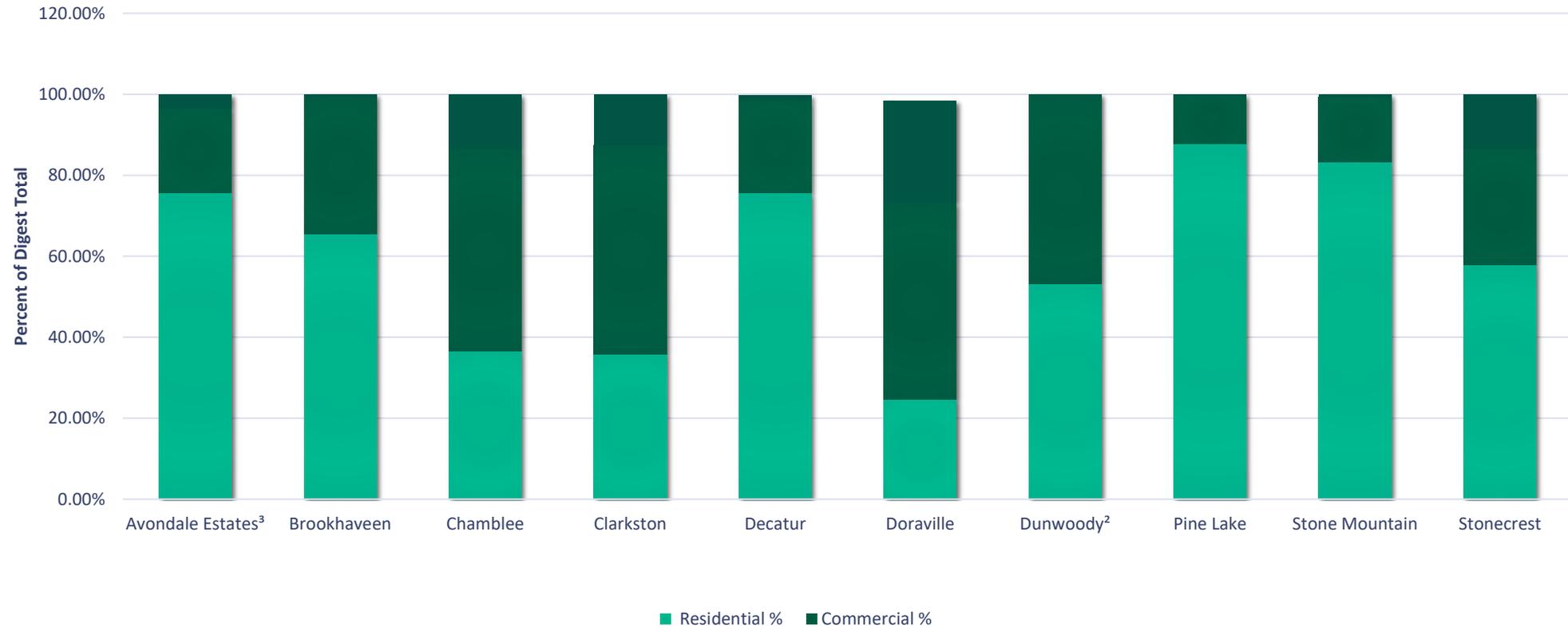




# AE Collects Lower Percentage of Commercial Taxes

MORE LAND AREA AND MORE COMMERCIAL PROPERTY ENABLES DIVERSIFICATION OF REVENUE SOURCES

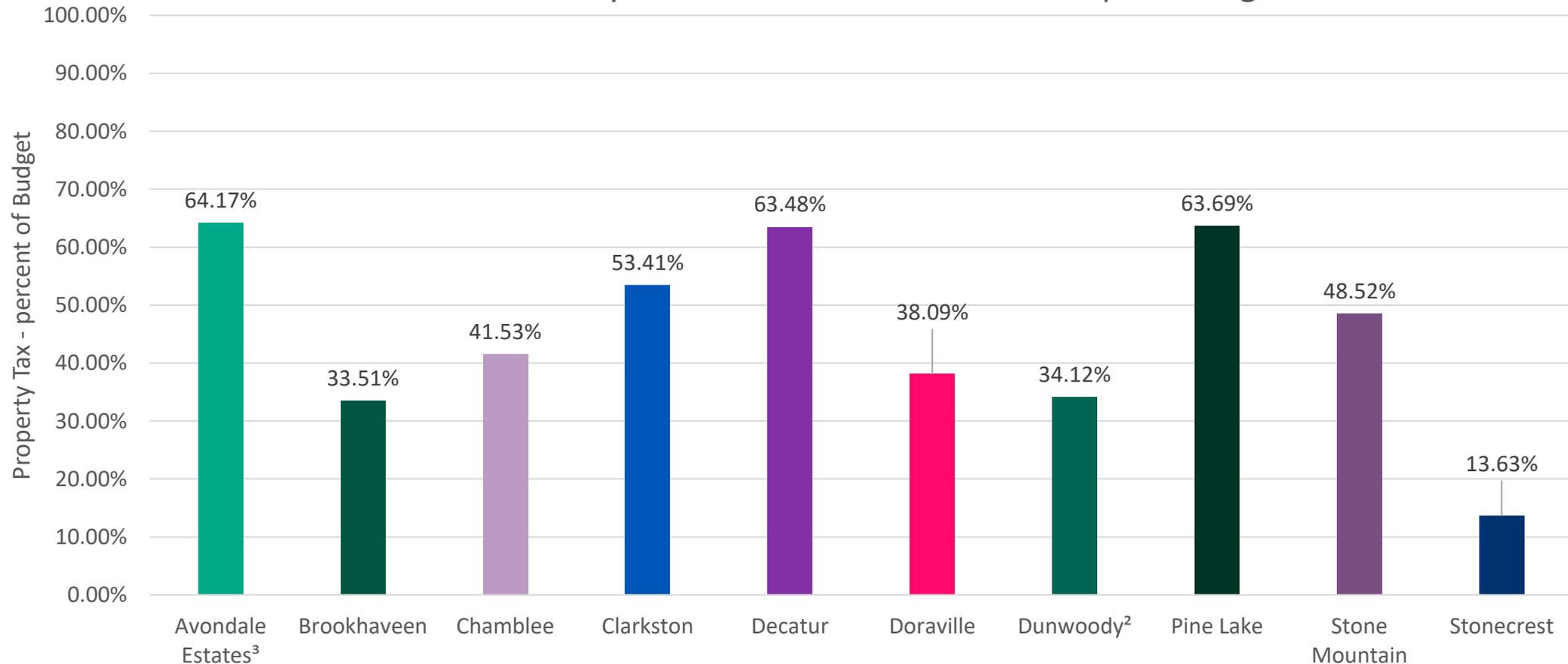
### Assessed Value Comparison

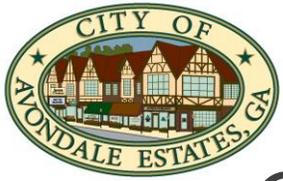




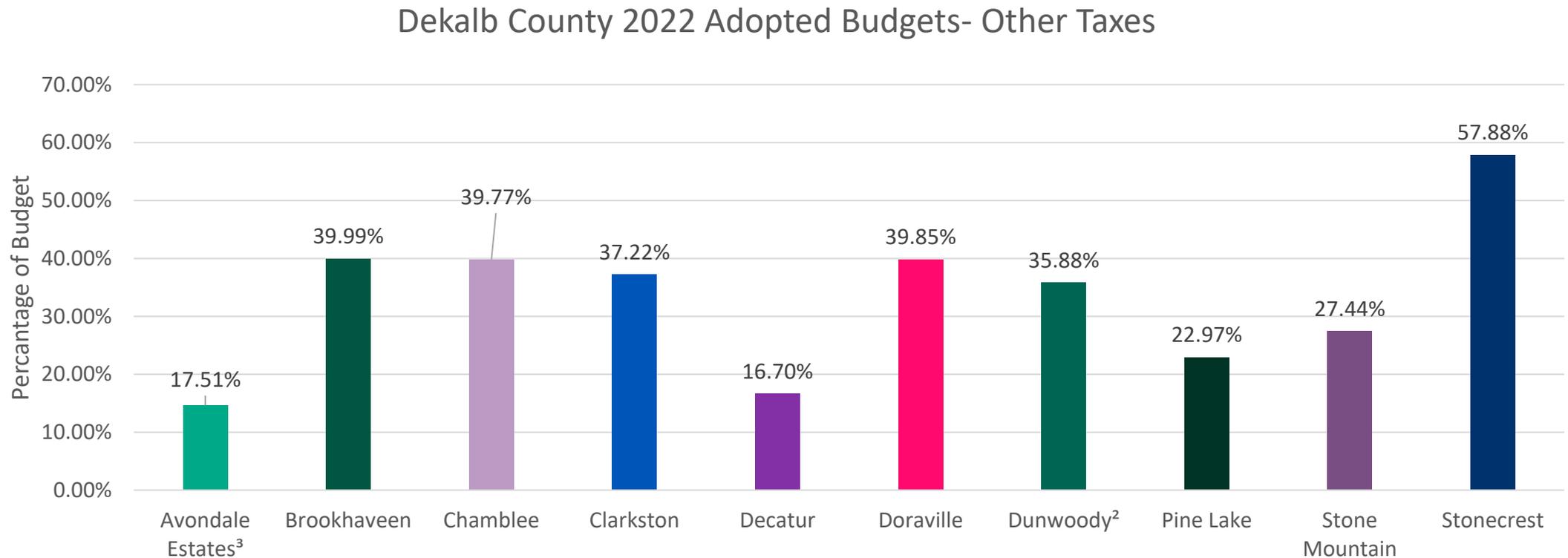
# Percentage of Avondale Budget More Dependent on Real Property Tax than other DeKalb Cities

Dekalb County Cities General Fund - 2022 Adopted Budgets





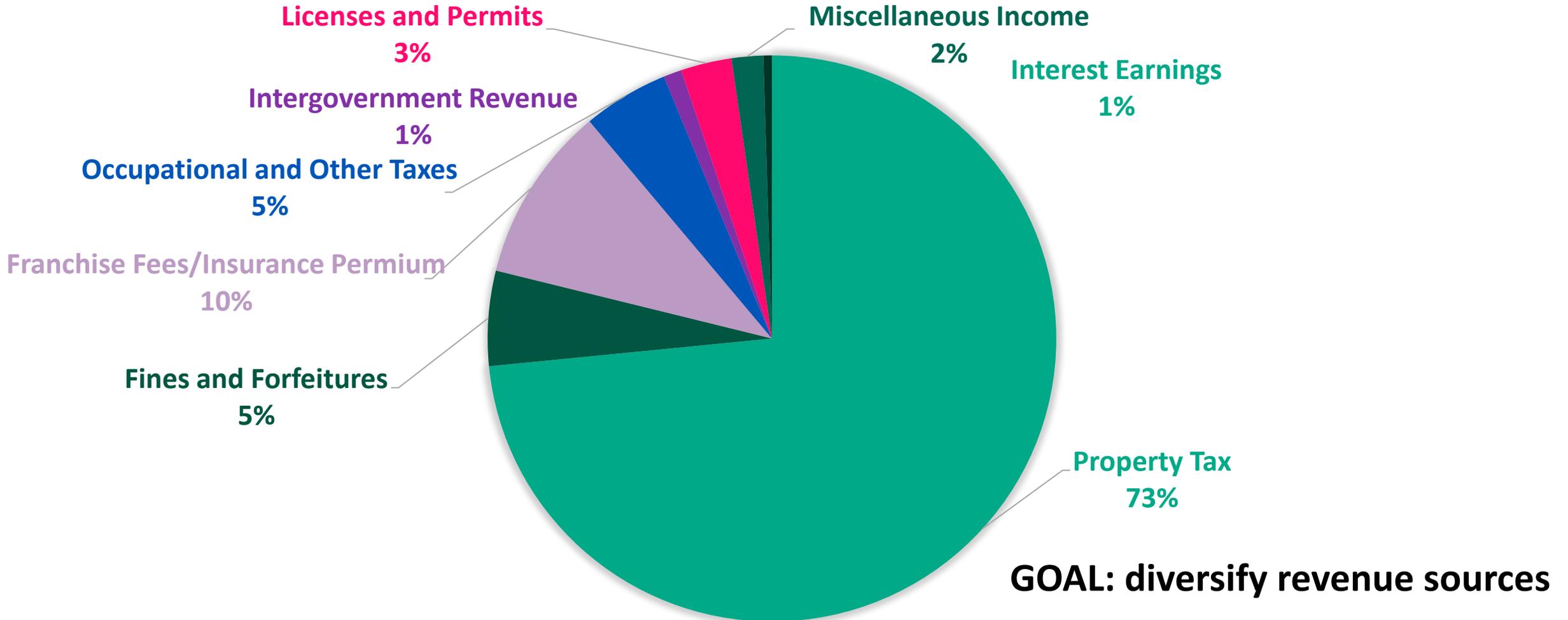
# Other Dekalb Cities More Diverse Tax Base



Note: Other typical tax sources include insurance, business licenses and franchise fees



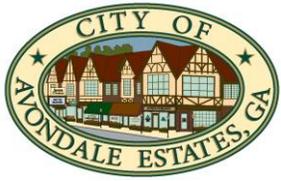
# General Fund: % and Type of Revenue Sources Budgeted in 2024





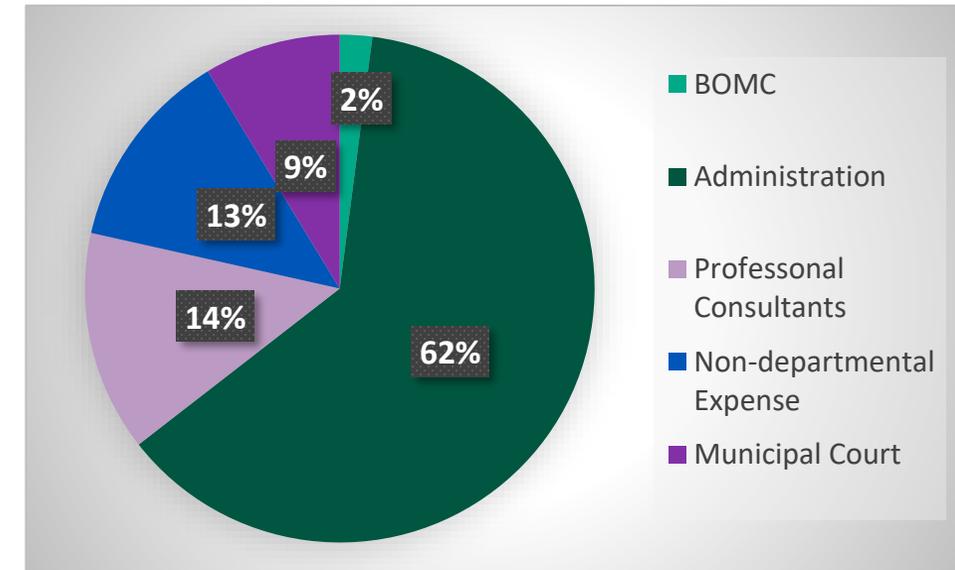
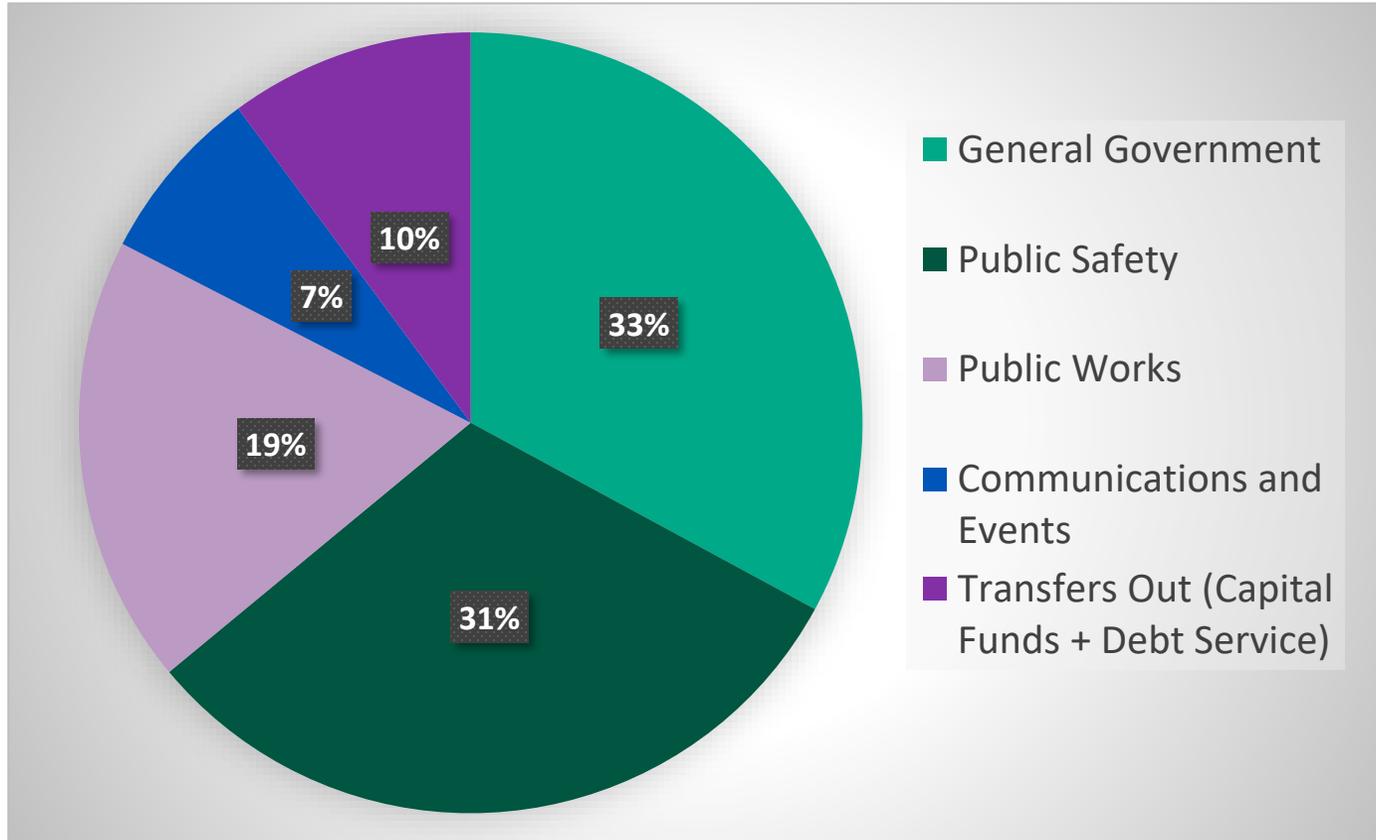
# Efforts Underway to Find New Revenue

- Evaluating Commercial Tax Revenue for Potential Increase in 2025
- Assessing the potential of other tax revenue
- Administration and other city fees
- Sponsorships - \$27K anticipated in total for 2024
- Grants – Continue to Seek Additional Funds- 2024 New Grant Funding Secured
  - ARC
  - SPLOST
  - Fletcher Park
  - 319 Stormwater



# Distribution of 2024 Annual Budgeted Expenses

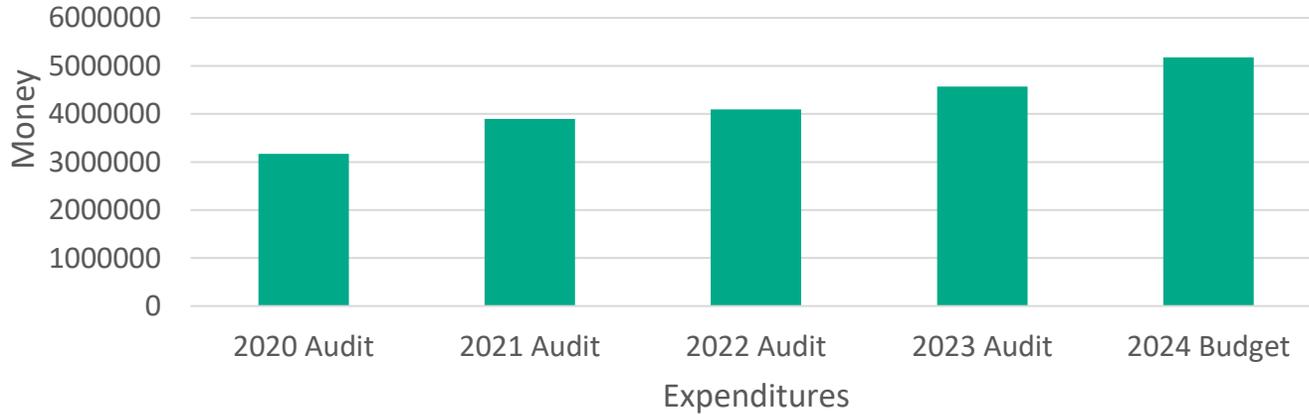
## General Government Breakdown





# General Fund Audited Expenses 2020-2023 Budgeted 2024

GF 2020-2023 Audit and 2024 Budget



- 2020 expenditures are an anomaly due to the pandemic.
- Budgets are always higher than audited numbers because the budget covers 100% of salaries even though actual expenses are lower due to natural attrition.

Expenditures	2020 Audit	2021 Audit	2022 Audit	2023 Audit	2024 Budget
General Government	1,512,564	1,674,527	1,626,834	1,785,061	1,704,665
Public Safety	989,693	1,356,650	1,377,398	1,443,763	1,607,905
Public Works	661,747	780,199	951,500	1,047,718	963,112
Communications & Events	-	-	-	-	378,521
Housing & Development	6,000	9,500	-	-	-
Interest/Debt Service	-	-	140,486	289,864	523,475
<b>Total Expenditures</b>	<b>3,170,004</b>	<b>3,820,876</b>	<b>4,096,218</b>	<b>4,566,406</b>	<b>5,177,678</b>

- Starting in 2024, the city began to separate out the Communications and Events budget.
- Since 2021, the bulk of expenditure increase has been a result of debt service on the TG. Other expenditures have increased slower than the inflation rate.



# Rising Expenses

## Rising costs

- Since pandemic salaries and supplies have increased
- City's inflation does NOT just impact residential. Inflation impacts construction costs

## Increasing responsibility

- Added multiple capital projects
- Prior to 2021, city allocated surplus to unreserved fund balance



# 2020-2024 Revenue and Expenditures General Categories

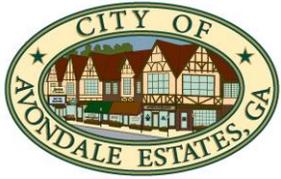
Year	2020 Audit	2021 Audit	2022 Audit	2023 Audit	2024 Budget
Total Revenue	4,674,591	4,280,923	4,377,837	4,713,344	5,177,678
Expenditures					
General Government	1,512,564	1,674,527	1,626,834	1,785,061	1,704,665
Public Safety	989,693	1,356,650	1,377,398	1,443,763	1,607,905
Public Works	661,747	780,199	951,500	1,047,718	963,112
Communications & Events	-	-	-	-	378,521
Housing & Development	6,000	9,500	-	-	-
Interest/Debt Service	-	-	140,486	289,864	523,475
Total Expenditures	3,170,004	3,820,876	4,096,218	4,566,406	5,177,678
Total Expend Percent Change Year to Year	20.53%	7.21%	11.48%	13.39%	



# Revenue vs Expenditures 2019-2024

Avondale Estates: Revenues vs Expenditures





# General Fund v. Capital Fund

General Fund pays for operations and is based on a one-year annual budget.

Capital Fund is for capital expenses and projects that are often multiple years.

- Sources for capital funds are often restricted to only specific uses
- Grants and intergovernmental funds often require a local match



# Capital Fund Sources

- ARPA
- SPLOST
- Grants
- Stormwater Enterprise Fund
- Sanitation Enterprise
- General Fund Property Tax Transfers
- Tax Allocation District

NOTE: SPLOST funds calculated based on Population **not** land area.

Thus denser cities get more money. Ex. Decatur has only 4x the land area, but 8x the population.



# Adopted 2024 Capital Budget by Funding Source

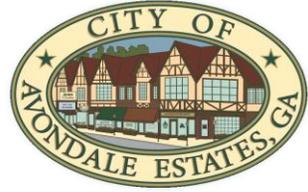
Capital Budget 2024-2025						
Sources	ARPA	Stormwater	SPLOST I	SPLOST II	Capital	Total
Revenue	\$ 1,215,772	\$ 1,288,530	\$ 330,438	\$ 6,354,014	\$ 9,245,303	\$ 18,434,057
Est Expenses	\$ 1,215,772	\$ 1,229,200	\$ 330,113	\$ 6,328,149	\$ 8,602,936	\$ 17,706,170
Rev-Est Exp	\$ -	\$ 59,330	\$ 325	\$ 25,865	\$ 642,367	\$ 727,887

# Estimated Capital Project Schedule 2024 - 2028

AVONDALE ESTATES CAPITAL PROJECT SCHEDULE 2024-2028

	2024				2025				2026				2027				2028			
PROJECT	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>PARKS AND GREEN SPACE</b>																				
Town Green - Phase 2				■	■	■														
Fletcher Park	■	■	■	■	■	■														
US278 Plazas			■	■	■	■	■	■	■	■										
<b>TRANSPORTATION</b>																				
Franklin Street - Repaving and Stormwater							■	■	■	■	■	■	■	■	■	■				
Pine Street Improvements																				
Pine Street Paving & Railroad Parking*								■	■	■	■	■								
US278 - Complete Street	■	■	■	■	■	■	■	■	■	■	■	■								
Paving and Sidewalks		■	■	■		■	■	■		■	■	■			■	■			■	■
New Downtown Roads																				
<i>Traffic Calming</i>		■	■	■																
<i>Public Works Parking Lot Paving</i>	■	■																		
<b>STORMWATER</b>																				
Washington Street Pine Stormwater	■	■	■	■	■	■	■	■	■	■	■	■								
Dunwick Dr Stormwater	■	■	■	■	■	■	■	■	■	■	■									
Kensington Concept 5	Canceled at request of focal residents - repairs too invasive																			
Wiltshire/Sussex								■	■	■	■			■	■	■				
Wiltshire/Lakeshore		■	■	■	■	■	■	■	■	■	■									
Hess										■	■	■	■	■	■	■				
Emergency Repairs	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
SW Green Infrastructure Grant					■	■			■	■			■	■			■	■		
<b>VEHICLES AND EQUIPMENT</b>																				
Public Works (Vehicles)	■	■																		
Public Safety (Vehicles and Equipment)			■	■																
<b>ADMINISTRATIVE</b>																				
City Hall 2nd Floor Office Space (includes updates to evidence room, furniture)					■	■	■	■	■	■										
Downtown Master Plan/CDP			■	■	■	■	■	■	■	■										
Branding			■	■	■	■	■	■	■	■										
City-wide survey									■	■	■	■								
Financial Software	■	■	■	■																
Web site	■	■	■	■	■															

LEGEND	
<b>Project Estimated Phasing</b>	
PLANNING, CONCEPT, AND SCHEMATIC PLANS	■
RIGHT OF WAY	■
PRELIMINARY ENGINEERING	■
CONSTRUCTION (including bidding)	■



Thank you

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