



City of Stockbridge

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Memorandum

October 31, 2019

Mayor and Council:

Attached you will find the proposed budget for Fiscal Year 2020. The proposed budget is intended to place the City of Stockbridge in the position of serving its citizens at the highest level in the coming year and in the future. The proposed budget underscores the City's commitment to excellent service and ensuring sound economic principles which will allow for a healthy financial outlook. In addition, the proposed FY 2020 budget proposes to enhance the cultural enjoyment of citizens and provide the foundation for economic development advancement in the future. The recent groundbreaking for the amphitheater will enhance the opportunity for city exposure to the region and state. The city is poised to experience well-balanced growth and development in accordance with our land use plan. The city is able to provide a high level of service to its citizens, provide activities and events each year that attracts thousands of visitors all without a municipal property tax. The Mayor and Council are to be commended for their leadership in this regard.

The initial proposals that you saw at the budget retreat totaled over \$13 million dollars. The realistic revenue projection is about \$11.6 million, which of course means the overall budget has been reduced in various areas. One thing to keep in mind is there are standard increases in the proposed budget related to a five percent (salary increases + bonus = approximately \$170,000), increased insurance costs (estimated at \$200,000 - \$300,000). The bulk of any government budget is staff which is a necessary and fixed cost. The natural salary and health benefits items will result in approximately \$400,000 increase to the budget from last year prior to any department, equipment, or new initiatives are even considered. This is becoming more challenging each year to balance the budget accordingly.

Listed below are key aspects of the FY 2020 Budget:

Revenue Projections

As the economy continues to advance forward, modest increases are expected for franchise fees, licensing fees, rental incomes and Local Option Sales Tax (LOST). There will be anticipated revenue increases in fees related to permitting associated with assuming the responsibilities of this service from Henry County last year.

Additional Comments

The bulk of increases in health and dental costs are being absorbed by the city and not passed on to employees. As health care costs continue to increase, they are becoming a challenge for public and private entities. This is an item that will continue to need further review in the future. Expenditure increases were offset by actual revenue increases realized in the 2019 budget which have been projected forward including Local Option Sales Tax, Insurance Premium Tax, permitting, and franchise fees. We do plan to utilize funds from SPLOST funds to support efforts to address some capital needs.

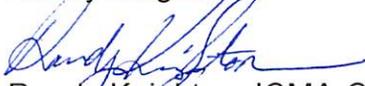
The **Administrative Assistant** position is proposed for the Conference Center and Events to support the overall function of event activities. The position will assist in receiving and sending correspondence, data collection, organization of documents and files as well as the general office management support needed to ensure efficiency in the department. This position would reduce the temporary staff currently utilized in the department by approximately \$25,000.

The **Planner I** position is proposed to support long-range planning and plan review for the overall permitting process for the city. This will enable reviews and permits to be issued in a timely fashion and also ensure the anticipated growth in development activity is sufficiently handled. As the city took over these functions from Henry County, the city has experienced independence in planning considerations. It is anticipated that there will be additional development in the city with a large mixed-use development already approved as well as a couple of hotels and several commercial products.

The **Procurement Clerk** function has been primarily handled by a temporary employee. As the procurement process has grown and evolved, the position is integral to the overall function of the City to ensure vendors and potential vendors or businesses are provided with the materials and information they need to partake in the procurement process. In addition, it will ensure that the city maintains its adherence to internal controls and compliance.

A list of the job descriptions for these positions are included for your information.

Randy Knighton



Randy Knighton, ICMA-CM, AICP
City Manager