

# PROPOSED FY2021 BUDGET

*JULY 1, 2020 – JUNE 30, 2021*

*SPECIAL CALLED MEETING \* MAY 19, 2020*



# FORWARD TOGETHER



## *Vision*

Macon-Bibb will be the center of development, culture, and opportunity, remembering our past while inspiring hope and pride for our future.

## *Mission*

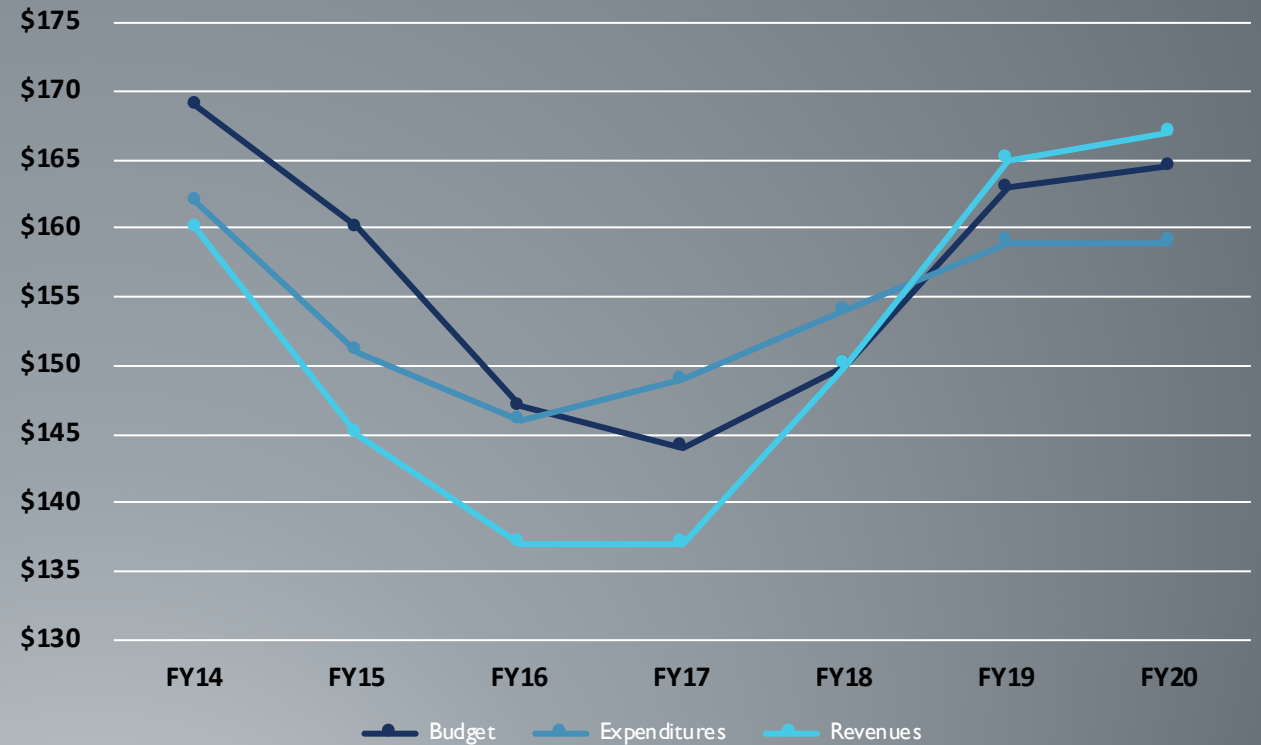
Macon-Bibb County provides the essential infrastructure, services, and programs, creating a vibrant economic and cultural climate, enabling individuals, families, and businesses to prosper.

# BUDGET HISTORY



	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Budget	\$169	\$160	\$147	\$144	\$150	\$163	\$164.5
Expenditures	\$162	\$151	\$146	\$149	\$154	\$159	\$159
Revenues	\$160	\$145	\$137	\$137	\$150	\$165	\$167
Fund Balance		\$27	\$20	\$8	\$5	\$19.8	\$27.8*

\*This was the projection prior to COVID-19. With the reduction in multiple revenue streams still unknown, this number is currently unknown.



# BUDGET HISTORY

## FUND BALANCE



Year	Fund Balance
FY15	\$27M
FY16	\$20M
FY17	\$8M
FY18	\$5M
FY19	\$19.8M*
FY20	\$27.8M**

\* Increase in fund balance came primarily from \$4 million in savings by not filling vacancies and \$8 million in reduced expenditures.

\*\* This was the projection prior to COVID-19. With the reduction in multiple revenue streams still unknown, this number is outdated and could be incorrect.



# Impact of COVID-19



# COVID-19 IMPACT



## *Sales Tax*

March sales were down roughly \$300,000 from this time last year, and that was only a partial month shut down. For April (in which we were under a full shelter in place order) the Governor has announced a 37% decline in sales tax which *could* mean a \$900,000 decrease for Macon-Bibb.

Continued declines in collections if people:

- don't have money to spend;
- are saving rather than spending due to uncertainty of future; and/or
- don't have access to brick and mortar locations.

# COVID-19 IMPACT



## *Title Ad Valorem Tax (TAVT)*

- The TAVT is exempt from sales and use tax and the annual ad valorem tax. The state collects the tax, keeping 35% and distributing 65% to counties. On January 1, 2020, the rate was decreased from 7% to 6.6%.
- This revenue will continue to decline if people are not purchasing vehicles due to unemployment or lack of confidence in economy.
- The amount of this reduction is currently unknown.

# COVID-19 IMPACT



## *Hotel-Motel Sales Tax*

- Hotel/Motel Taxes (runs 60 days behind) collected at 8%. In March, our occupancy rate was 45%.
- This revenue will continue to decline if people are not comfortable traveling.
- Employers allow more telework and don't require training and sales related travel.

# COVID-19 IMPACT



## *Other*

- Permitting fees have already seen a decline
- Courts fines and fees will see a decline since they have been closed.
- Shows have been cancelled at the Centreplex and Auditorium.
- If businesses close there will be loss in licensing / occupancy / sales tax.
- If this continues into the fall, will there be a people be able to pay property tax?

# COVID-19 IMPACT



## *ICMA Survey Results*

- 55% of municipalities with population between 50,000 and 199,000 expect to **furlough** employees.
- 36% of municipalities with populations between 50,000 and 199,000 expect to **layoff** employees.

## *GMA Survey Results*

- 52 (80%) of the 78, expect a shortfall of 10% or more of their annual budget.
- 78 of 90 responding cities expect a revenue shortfall between March 1 and December 31, 2020.

# COVID-19 IMPACT



## *US Conference of Mayors*

### Tough Facts:

- Dayton's budget is 75% for police, fire, and public works. They have furloughed 470 employees, roughly one in four members of the city's workforce.
- Cincinnati has furloughed 1,700 workers.
- Los Angeles has borrowed \$70 million from the reserve fund, and civilian workers are required to take 26 days without pay.

# Proposed FY21 Budget



# PROPOSED BUDGET CHALLENGES



Projected 15% reduction in revenue nationally.

- If we used this projection, it would be a loss of \$24.9 million based on the pre-COVID projections.
- If we maintain current expenditures with that reduction, we will mostly deplete the fund balance by the end of FY21.

Macon-Bibb proposing a 10% reduction.

- If we begin to reduce expenditures, we might be able to weather a major downturn in the economy.

# PROPOSED REVENUE

## ALL SOURCES



	<u>Pre-COVID (Est)</u>	<u>Percent Reduced</u>	<u>FY21 (Proposed)</u>
<b>Taxes</b>	\$150,238,941	-11%	\$135,063,497
<b>License &amp; Fees</b>	\$3,746,000	-8%	\$3,457,300
<b>Intergovernmental</b>	\$1,889,000	-2%	\$1,851,000
<b>Charges of Services</b>	\$6,407,250	-13%	\$5,592,425
<b>Fines</b>	\$1,548,500	-10%	\$1,393,650
<b>Interest/Rent/Other</b>	\$2,370,309	-6%	\$2,242,128
<b>Total</b>	\$166,200,000	-10%	\$149,600,000

*\*All budgeted at 99% of projected collections.*

# PROPOSED REVENUE TAXES



	<u>Pre-COVID (Est)</u>	<u>Percent Reduced</u>	<u>FY21 (Proposed)</u>
<b>Property Taxes</b>	\$80,379,885	-4%	\$77,164,689
<b>Prior Year Property</b>	\$2,025,056	-4%	\$1,944,053
<b>Franchise Fees</b>	\$8,941,000	-2%	\$8,762,180
<b>Sales Tax</b>	\$32,000,000	-33%	\$21,423,395
<b>TAVT</b>	\$6,018,000	-15%	\$5,115,300
<b>Insurance Premium Tax</b>	\$11,056,000	-2%	\$10,834,880
<b>All Other Taxes</b>	\$9,819,000	n/a	\$9,819,000
<b>Total Revenue</b>	\$150,238,941	-11%	\$135,063,497

*\*All budgeted at 99% of projected collections.*

# PROPOSED BUDGET EXPENDITURE REDUCTIONS



Vacant positions – App \$3.1 million in savings

- Eliminating budget for some civilian vacant positions.
- Maintaining vacancy funding in public safety.

Recreation – App \$660,000 in savings

- No summer camp or pools opening this year.
- Recreation programming staff will be furloughed 4 days per week from June – August.
- Will review public health and budget for the second quarter.

# PROPOSED BUDGET EXPENDITURE REDUCTIONS



## Furloughs – App \$2.8 million in savings

- Half a day per week for the entire year.
- Does not include emergency services of Sheriff's Deputies, Firefighters, E-911, EMA, or Coroner. Will include admin staff in those departments.
- HR is prepared to file unemployment for all furloughed employees, meaning people should get their money faster.

# PROPOSED BUDGET



- No millage rate increase.
- No CIP, except for SPLOST.
- New payscale
  - Would like to implement mid-year, depending on revenue.
  - Awaiting final study to determine cost.
- No travel except where mandated.
- Reduced cost for fuel, supplies, & small equipment.

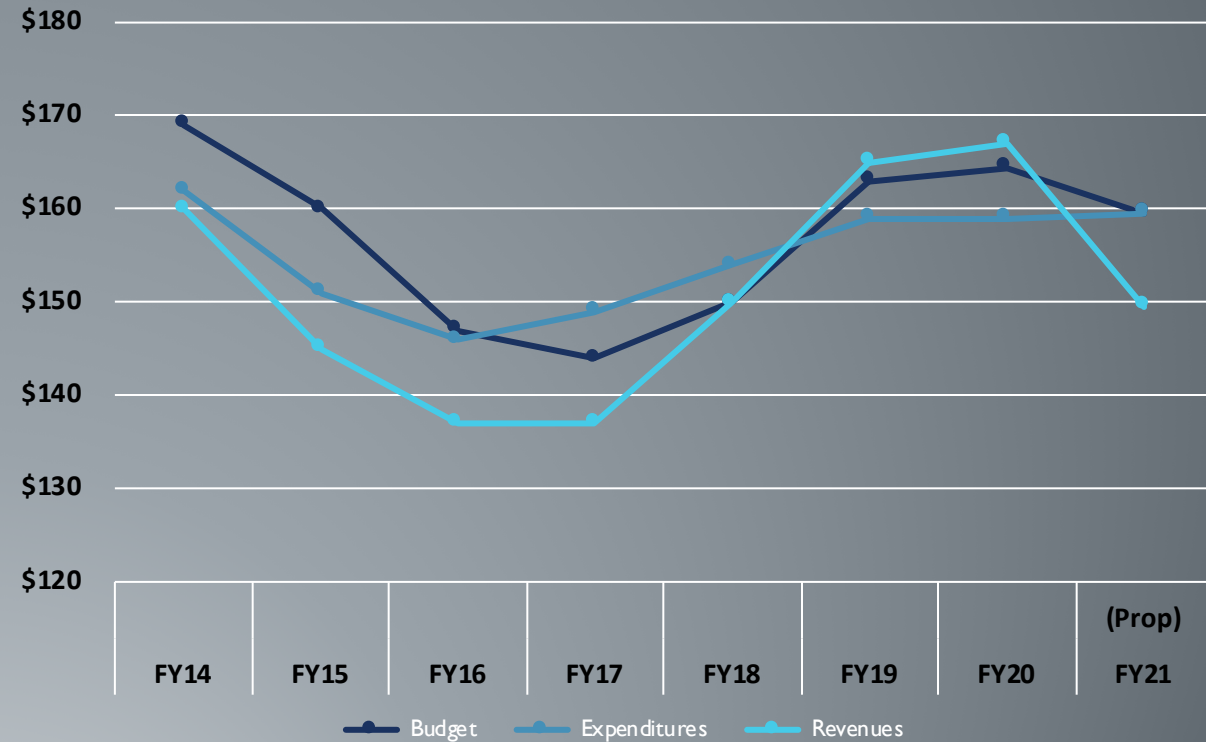
# PROPOSED BUDGET



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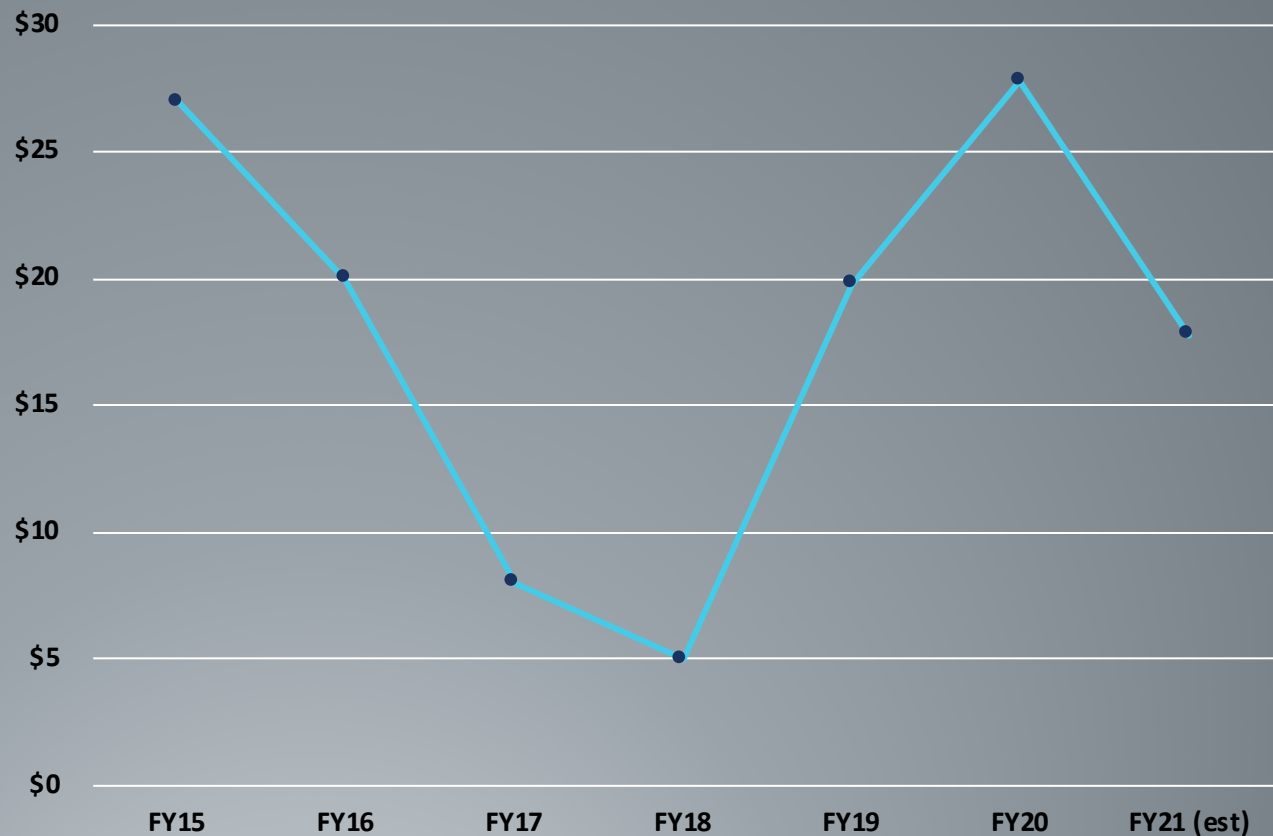
\*\*The budget proposed uses \$10 million in fund balance to make up the difference.



# PROPOSED BUDGET FUND BALANCE



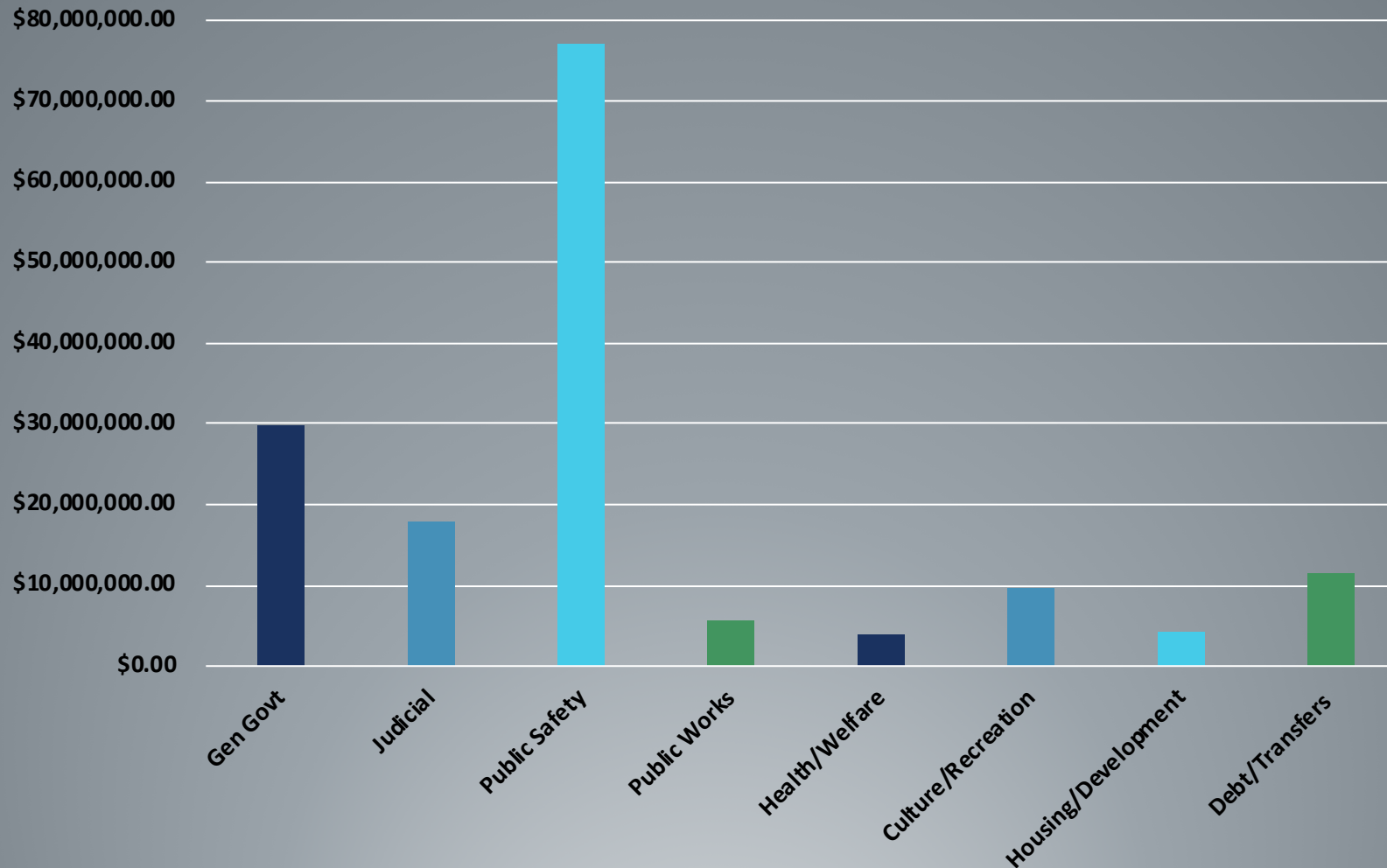
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FY21 (est)	\$17.8M



\*Increase in fund balance came primarily from \$4 million in savings by not filling vacancies and \$8 million in reduced expenditures.

\*\*Pre-COVID projection of \$8M due to vacancies and increased revenues.

# PROPOSED EXPENDITURES BY SECTOR



# PROPOSED EXPENDITURES

## SALARIES & BENEFITS



Year	Amount
FY14	\$104,853,624
FY15	\$102,927,612
FY16	\$95,304,774
FY17	\$97,558,800
FY18	\$103,907,050
FY19	\$110,201,000
FY20	\$105,991,131
<b>FY21 (Proposed)</b>	<b>\$99,570,902</b>

Includes pension, healthcare, and benefits.

Increase in Salaries & Benefits in FY19 came primarily from the raises given to sheriff deputies and firefighters, the hiring of additional firefighters, and increases in healthcare and pension costs.

# PROPOSED EXPENDITURES

## OUTSIDE AGENCIES



Agency	FY2020	FY2021 (Proposed)
Health	\$930,000	\$930,000
Welfare	\$2,934,326	\$2,934,326
Community Service	\$3,002,000	\$3,002,000
Industrial	\$2,201,775	\$2,201,775
<b>Total</b>	<b>\$9,068,101</b>	<b>\$9,068,101</b>

# FUTURE CONSIDERATIONS



- When and how much the economy rebounds
  - Sales tax and other revenue streams.
- Total expense reduction
- Mid-year budget adjustment
  - Payscale implementation
  - Eliminating furloughs
  - Restoring needed positions
  - Restoring CIP

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