



## Office of City Manager

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### City of West Point

#### 2013 Budget Report, General Fund

Prepared by City Manager Ed Moon

Each year the City of West Point engages in the process of creating and adopting an annual budget. The process is clearly defined by state law 36-81-3 "Each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article." There are a variety of ways to accomplish the creation of a budget under the guidelines of state law. The West Point Mayor and City Council have clearly defined our process and as the budget officer it is my responsibility to make sure the development of the budget documents follow state and local law. I take this duty very seriously and consider it to be one of my most important task on an annual basis. I focus on how we can best serve our community while developing an organization that is healthy, strong and as dynamic as possible. I want to assure you that neither the mayor nor any individual council member has a higher level of influence than the other during the drafting of the budget. I do not meet with the mayor or council members other than the meeting that are outlined on the budget calendar. This holds true for department directors as well. Once the budget is drafted and presented to the city council the council acting as a body has the authority to make any changes to the document.

This document is only a brief summary of the general fund budget. I will cover the budget specifics in the October 23, 2012 work session. My presentation will include all utilities and other funds which are not addressed in the summary.

The City of West Point 2013 Budget process began at a meeting held on August 6<sup>th</sup>, 2012 between the City Department Directors and City Manager. The City Manager distributed budget forms specific to each department and gave instructions on the completion of the budget documents. The budget forms are used by the City Manger to construct the operational portion of the budget. City Department Directors were instructed to request within reason what is needed to operate their department for the upcoming year. Budget forms were to be completed and returned to the City Manager on September 19, 2012.

On August 9, 2012 the City Manager presented the budget process to the Mayor and City Council in a regular scheduled work session. Over the next several weeks the City Manger met with the Mayor and City Council members in individual meetings to discuss key projects. The list of projects has decreased over the last few years due to our ability to set goals and accomplish them. The information from the Manager/Council meetings will be included in the budget documents.

As soon as documents are available the City Manager and City Clerk develop the revenue projections for the general fund budget. The City Council approved in September 2012 the reduction of the millage rate from 9.781 to 9.592 mills. Even with the decreased millage the city tax digest will have an increase in revenue due to new taxable property. The increase is primarily due to decreasing tax abatements on industrial companies and new construction. The tax digest will generate an additional \$50,000 for general fund purposes in the 2013 budget. Other city general fund revenue increased slightly

increasing the overall general fund budget revenue. The amount transferred to the general fund from the electric revenues decreased by \$33,000.

On September 19, 2012 the City Manager met with City Department Directors and received all of the department budget forms. Following the meeting the City Manager began the process of creating the general fund budget. Requests from the city departments, city council, boards, commissions, authorities and other city funded groups are considered. The request far exceeded the revenue available to fund the request. The key projects and operational needs of the departments had to be considered equally as budget reductions were made.

### **2013 Key Projects**

#### **Phase II of the 10<sup>th</sup> Street Area Redevelopment Plan/Recreation Plan**

As 2012 draws to a close Phase I of the recreation plan will be complete. As discussed Phase II will require public input to determine what can be constructed or renovated to best meet the recreational needs of the community. We have the guidance of the Recreation Master Plan and the 10<sup>th</sup> Street Area Redevelopment Plan to assist with the direction of these conservations. Discussions should begin on Phase II in the first quarter of 2013.

#### **Residential Development Component of the 10<sup>th</sup> Street Area Redevelopment Plan**

The opportunity for residential development continues to grow in West Point. There have been many developers through our community in the last 5 years. Some have seen the great potential this city has and many have made several visits. Several areas of housing have been identified, work force, subsidized, market rate and student. With these various and very different housing types in the mix it is important that we understand and make good decisions in the beginning. While I have every confidence in our ability to make good decisions I do believe we are limited in this area of expertise. As I have talked to each of you about the budget we discussed hiring a consultant to assist with advising the mayor, council and staff in this very important area. I have included \$40,000 in the budget to cover the cost of a consultant for 2013. Some of you may recall Mr. Tony Pickett, Executive Director of the Atlanta Land Trust Collaborative, who worked with the team of consultants on the 10<sup>th</sup> Street Area Redevelopment Plan. Tony has a wealth of knowledge in the housing industry and I believe he can be a great asset to the city as we discuss housing issues with the various parties. I intend to recommend Tony as a consultant to the city for residential development in 2013.

### **Solid Waste**

Solid waste services continue to require subsidization from other funds. Projected expenditure exceeds revenues by \$168,000 for 2013. I have discussed with each of you potential strategies to reduce the cost burden of this service. I plan to create a detailed analysis of solid waste operations and offer alternatives for action by the city council in 2013. The 2013 budget is based on operating the services for the full year.

### **Operations**

#### **City Hall – Mayor and City Council, City Manager’s Office, City Clerk’s Office, Finance, Customer Service and Human Resources**

The City Hall - Administration budget will increase by 3.5% (\$32,279) with a total of \$877,239 for the 2013 Budget year. This budget funds operations of the Mayor and City Council, City Manager’s office, City Clerk’s office, finance, customer service and human resources.

#### **Police Department**

The Police Department Budget increased by 3% (\$34,872) to a total budget for 2013 of \$1,757,330.

#### **Fire Department**

The Fire Department Budget increased by 3% (\$48,305) for a total budget for 2013 of \$1,352,705.

#### **Streets – All Public Works Operations including Stormwater**

The Street Department (Public Works) Budget increased by \$41,800 or 7.5%. The total 2013 budget is \$558,830.

## **Planning/Zoning and Community Development – Code Enforcement**

The Planning and Zoning and Community Development Department Budget increased by 3.5% (\$10,041). The total budget for 2013 is \$315,000.

### **Study/Training Center**

The 2013 budget to operate the facility is \$35,900.

### **Depot**

The Depot budget for 2013 is \$47,176.

### **Youth Services**

New to the budget for 2013 is a separate classification page for the Youth Services Programs. This will give the youth services budget greater detail to allow you and staff to better track revenue and expenses. The department will apply for a \$100,000 in 2013. The federal grant would provide for not only the current operational expenses but also provide for expanded programming. The total youth services budget excluding the possible grant is \$34,600.

### **City Staff**

During 2013 the city council approved the enactment of a new compensation plan. All employees received a raise and were placed on a city wide pay scale. The City currently has 90 full-time employees and 15 part-time employees. The total payroll for 2013 will be approximately \$3.3 million dollars. As a part of the new compensation plan all city employees will be evaluated using a new human capital management system. As a part of the new evaluation process it will now be possible to reward those employees who are performing at a higher level with merit pay increases. With this new tool in place we have multiple and better options when looking at employee pay increases. The city has historically used the Consumer Price Index as a bench mark for salary Cost of Living Adjustments (COLA). The 2013 CPI for the period of time historically used by the city to determine COLA increases for the south east region is 1.6% for this budget cycle. I have not included a COLA increase for the employees in the budget. I have included a formula that increases each department's salary line item to allow for merit pay increases that are based on the performance evaluations.

### **Department Request**

Each year the department directors make budget requests to the city manager for operational needs. The request generally exceeds the amount of funds available. The request for 2013, as expected, did exceed the new funding available by \$167,297. Based on this several large items were removed from department budgets. The first was to remove any new full time personnel and then large equipment which in this budget was a bucket truck and a new ambulance. You can see above that the additional funding was then spread between the departments for operational needs. There are many factors that determine the final outcome of the budget. Once I meet with department directors and discuss these factors they are supportive of the funds that are allocated to their department and the budget is completed and delivered to the city council.

### **Conclusion**

The budget document is the single most important financial policy document prepared and adopted by our city. Not only is it important it is required by state law. The budget document is proof that public officials and staff are accountable for how they spend taxpayers' dollars. I believe that the 2013 Budget document provides evidence that our local government officials are determined to serve the citizens with accountability and fiscal control. As the budget officer it is my responsibility to prepare and propose the budget. I believe that our process during this budget cycle has included input from all city elected officials and city administrative staff and that the budget is fiscally sound based on revenue projections and the operational needs. The city council has full authority to have the budget officer make any change to the budget that is within the law and is approved by the council.