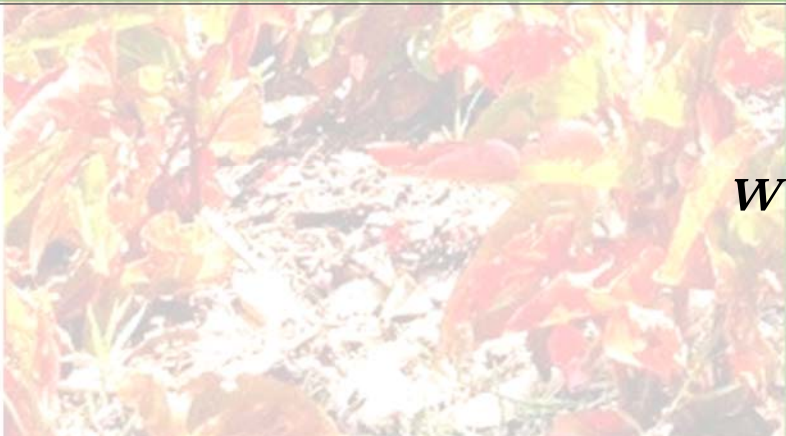




City of Holly Springs

Adopted Budget

January 1, 2017-December 31, 2017



www.hollyspringsga.us



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Holly Springs
Georgia**

For the Fiscal Year Beginning

January 1, 2016

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the City of Holly Springs for its annual budget for the fiscal year beginning January 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

City of Holly Springs, GA
FY2017 Adopted Budget
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*Timothy B. Downing
Mayor*



*Michael R. Zenchuk II
Mayor Pro-Tem*

To anticipate and provide for the needs of our community in all service delivery areas through quality service, fiscal responsibility, innovation and leadership in a transparent and responsive manner every day.

*Councilmembers
From top to bottom:*

- Karen Barnett*
- Jeremy Smith*
- Dee Phillips*
- Kyle Whitaker*



City of Holly Springs, Georgia

Approved Annual Budget

for the Fiscal Year

January 1, 2017 – December 31, 2017



City Council

Timothy B. Downing	Mayor
Michael R. Zenchuk II	Mayor Pro-Tem
Karen Barnett	Councilmember
Dee Phillips	Councilmember
Jeremy Smith	Councilmember
Kyle Whitaker	Councilmember

City Manager

Robert H. Logan

Budget Development Team

Robert H. Logan, City Manager/Finance Director

Nancy Moon, Community Development Director

Erin Honea, Main Street Director

Ron Carter, IT and Facilities Manager

Denise Lamazares, Accounting Specialist

POLICY MAKING AND LEGISLATIVE AUTHORITY is vested in the Mayor and five Council Members. The Mayor and Council are elected at large by the City residents to serve four year terms. For the election of Council Members, candidates must reside in one of the City's five geographic wards. The candidate who receives the most votes (election by plurality) in each geographic ward is elected to office. The City operates under a council/manager form of government pursuant to the constitution and laws of the State of Georgia and the City of Holly Springs Charter. The City Manager is responsible for the daily operations of all City departments and possesses all of the administrative powers granted to the government under the constitution and laws of the State of Georgia and the City's charter.

The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the city manager and city clerk. The city manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for hiring the heads of various departments.

The City provides a full range of services including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events. The City created a legally separate entity in 1999, the Holly Springs Downtown Development Authority, to assist with the planning and redevelopment of the downtown corridor. Financial information for the authority has not been included within this document due to the City Council not having appropriation authority for this entity. The Holly Springs Downtown Development Authority is a discretely presented component unit of the City of Holly Springs.

The City of Holly Springs activated the Holly Springs Parks and Recreation Authority in 2016 to facilitate the acquisition of the Cagle Family Farm through the issuance of a back door general obligation bond in the amount of \$3,200,000 on July 11, 2016. Semi-annual debt payments are made from alcohol excise tax collections. Financial information from the Holly Springs Parks and Recreation Authority has been included in this document since the City Council has appropriation authority for this entity and the composition of board is the same as the City Council. The Holly Springs Parks and Recreation Authority is a blended component unit of the City of Holly Springs.

REGULARLY SCHEDULED PUBLIC MEETINGS of the Holly Springs City Council, Boards, Commissions, and Committees are listed below. All meetings and public hearings are open to the public. City of Holly Springs' residents are encouraged to attend.

City Council Meetings

- First Monday of each month, 7:00 pm, Work Session – Council Chambers
- Third Monday of each month, 6:30 pm, Work Session – Council Chambers
- Third Monday of each month, 7:00 pm, Council Meeting – Council Chambers

Downtown Development Authority Meetings

- Third Wednesday of the beginning of each quarter, 6:00 pm in the Council Chambers

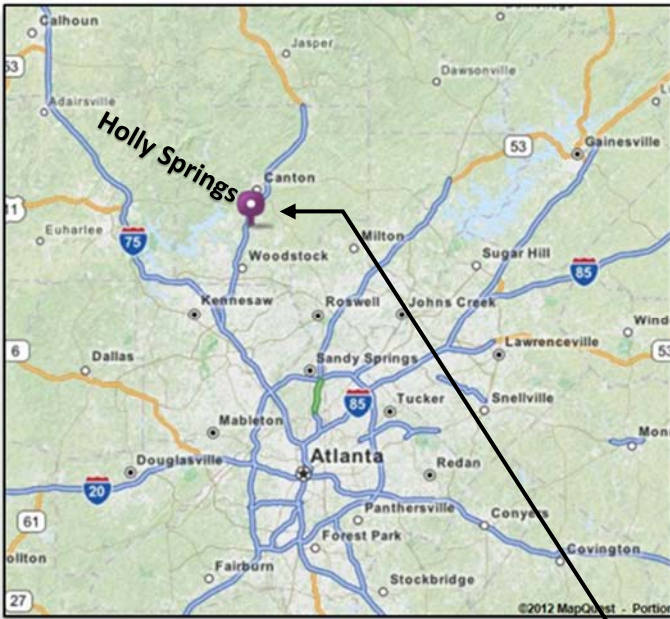
Planning and Zoning Commission Meetings

- Second Thursday of each month, 6:30 pm in the Council Chambers

Main Street Board

- Fourth Tuesday of each month, 6:00 pm in the Council Chambers

The City of Holly Springs Cherokee County Georgia



The City of Holly Springs is located 35 miles northwest of Atlanta, 58 miles south of Blue Ridge, and 21 miles northwest of Roswell. The City is 6.96 square miles and located in Cherokee County.

Community Profile

Location

In Northwest Georgia between Woodstock and Canton in Cherokee County.

City Square Miles 6.96

Climate in Farenheit (January 1930-December 2015)

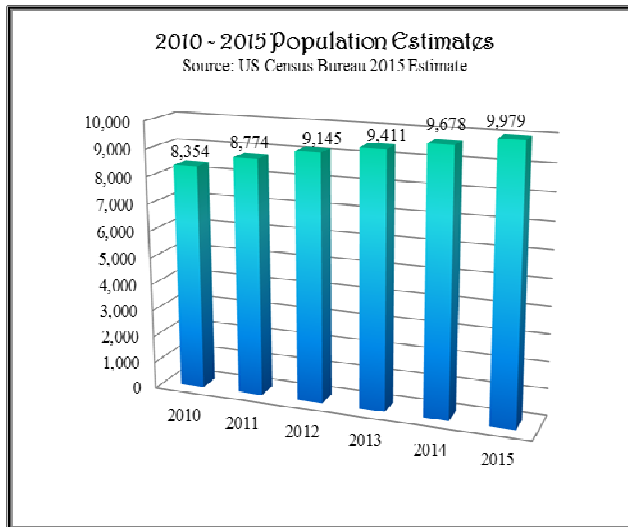
Source: Southeast Regional Climate Center (for Atlanta)

Average minimum temperature (F)	52.3
Average maximum temperature (F)	71.8
Average total precipitation (in.) since 1930	48.66
Average total snow fall (in.) (through Dec 2012)	2.2

Racial Composition

Source: 2015 ACS 5-year Population Estimate

White	8,532	85.50%
Black or African American	891	8.93%
Asian	162	1.62%
American Indian or Alaskan Native	10	0.10%
Other	384	3.85%
	9,979	100.00%



Median Age 32.9

Source: 2015 ACS 5-year Population Estimate

Average Household (persons) 2.9

Source: 2015 ACS 5-year Population Estimate

Gender Composition

Source: 2015 ACS 5-year Population Estimate

Male	4,816	48.26%
Female	5,163	51.74%
	9,979	100.00%

Age Composition

Source: 2015 ACS 5-year Population Estimate

Under 5 years of age	850	8.52%
5 - 14 years	2,060	20.64%
15 - 19 years	630	6.31%
20 - 24 years	377	3.78%
25 - 34 years	1,648	16.51%
35 - 44 years	2,004	20.08%
45 - 54 years	985	9.87%
55 - 64 years	998	10.00%
65 + years	427	4.28%
	9,979	100.00%

Household Tenure (Occupied Housing Unit)

Source: 2015 ACS 5-year Population Estimate

Owner-occupied	77.24%	2,718
Renter-occupied	22.76%	801
	100.00%	3,519

Educational Attainment

Source: 2015 ACS 5-year Population Estimate

Less than High School Diploma	4.20%
High School Diploma	20.90%
Some college, no degree	22.60%
Associates Degree	7.00%
Bachelor's Degree	33.00%
Graduate or Professional Degree	12.30%
	100.00%

Household Income

Source: 2015 ACS 5-year Population Estimate

Less than \$24,999	12.1%	501
\$25,000 - \$49,000	24.1%	633
\$50,000 - \$74,999	26.9%	742
\$75,000 - \$99,999	17.7%	546
\$100,000 +	19.2%	1,097
Median Household Income		\$ 67,488

Income Per Capita

Source: 2015 ACS 5-year Population Estimate

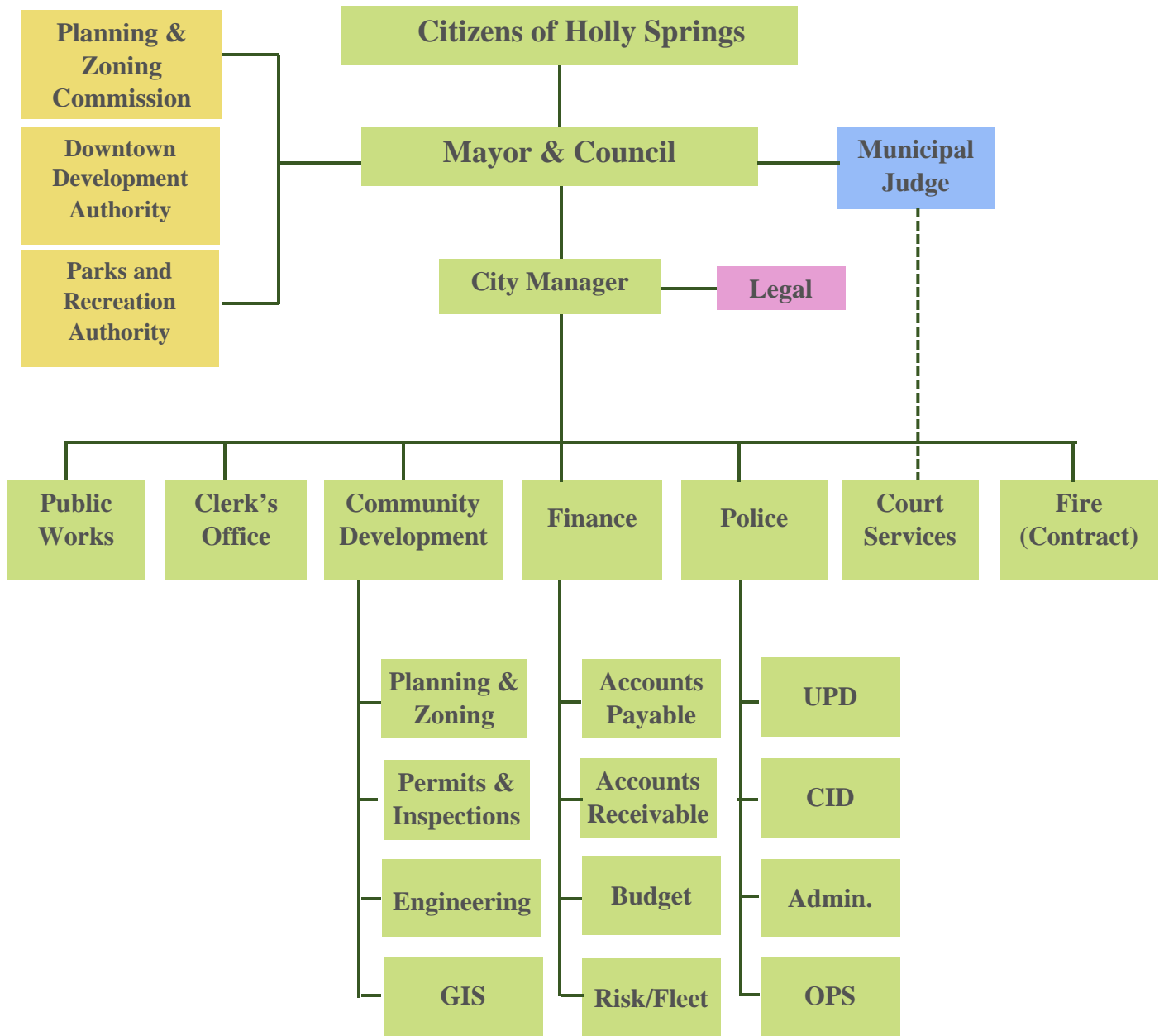
2015 (American Community Survey) \$ 27,901

Unemployment Rate (%)

Source: Georgia Dept. of Labor for Cherokee County

as of November 2016 4.8%

Organizational Chart



GIS Geographic Information Systems
 UPD Uniform Patrol Division
 CID Criminal Investigations Division
 OPS Office of Professional Standards



2017
H S I
1906

City of Holly Springs

Budget Message



Timothy B. Downing, Mayor
Michael R. Zenchuk II, Mayor Pro-Tem
Karen Barnett, Councilmember



Dee Phillips, Councilmember
Jeremy Smith, Councilmember
Kyle Whitaker, Councilmember

Mayor and Council
City of Holly Springs
Dear Mayor and City Councilmembers,

In accordance with the City Charter Section 6.14, the City Council, by Ordinance has put in place the procedures and requirements for the preparation and execution of an annual operating budget, capital improvement program, and a capital budget including requirements as to the scope, content, and forms of such budgets and programs.

We are pleased to present the Annual Operating and Capital Project budget for Fiscal Year 2017 of the City of Holly Springs, Georgia. We continue to operate the City of Holly Springs as efficiently as possible while still providing the level of service required by our citizens.

Holly Springs at a Glance

Located just north of Atlanta in fast-growing Cherokee County, the City of Holly Springs is a 6.96 square mile oasis of friendly neighborhoods, thriving businesses, and wonderful early-twentieth century homes and commercial buildings. The City was incorporated in 1906, and quickly began building up around a busy train depot established by the L&N Railroad (now Patriot Rail). That depot, now the Holly Springs Community Center, was painstakingly restored by the City in the late 1990's and is a source of immense civic pride for our 9,979 local residents. For more information about the City of Holly Springs, visit www.hollyspringsga.us.

History of Holly Springs Train Depot

At the close of the Civil War, North Georgia had suffered great loss of life, prosperity, and economy, and Holly Springs was no different. Despite a grim outlook, residents of Holly Springs, including men returning from the war, picked up the pieces and pressed forward in hopes of rebuilding a thriving economy. By the 1870s, the population began increasing, due in part to the arrival of the Marietta and North Georgia Railroad. (Louisville and Nashville (L&N) Railroad acquired the rail line in 1902.) For many years, there had been discussion of bringing the railroad through Holly Springs, effectively linking Marietta with Canton, and with points even farther north. By 1878 railroad tracks were laid through Holly Springs, and reached Canton, the County seat, by 1879. By 1887, the tracks reached as far north as Murphy, North Carolina, and eventually with the Western & Atlantic Railroad, making it possible for local industries to thrive by transporting their goods to the rest of the country. Freight leaving Holly Springs included serpentine rock, granite, agricultural goods, and lumber. In later years, poultry was also exported from the community.

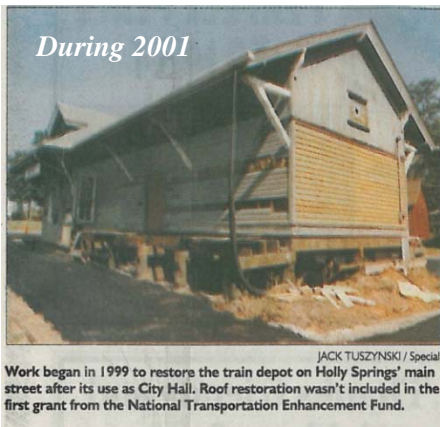


L&R Train Depot c.1910

By 1910, there were 63 households in the City of Holly Springs. The rapid development can be attributed to the building of the L&N Depot, making Holly Springs more than just a place to load stone blocks, but also a place to store freight and transfer all types of goods. Farmers and miners had a much larger customer scope now that goods could be stored at the Depot, while waiting to be shipped longer distances than as far as a horse-drawn carriage could deliver them before they spoiled. Residents and merchants could enjoy shopping for goods from the local general store, not just catalogues and having to wait for their arrival. The ease of transportation of goods and people made Holly Springs a very attractive home for families and industry alike.

On June 4, 1974, L&N Railroad Company sold the depot to the City of Holly Springs for \$800. The original bill of sale is framed on the wall of the depot today, and the signatures of the original railroad agents etched into wood have been preserved into the wall and lit for generations to see.

From 1974 until the late 1990s, the depot housed City Hall, the mayor's office, and the police station. Renovations included adding additional walls to make offices and indoor restrooms. City court took place where passengers once waited for their train to arrive, and where today, residents of the City and County can hold private events.



In the 1990s, the City, heartbroken over the state of disrepair that had fallen over the Depot due to the lack of funds available for upkeep, applied for and received a grant from the National Transportation Enhancements Fund. This grant, along with cash contributions and the donation of manual labor from local citizens, brought about the restored depot as it stands today, in all of its former glory. In fact, the renovation went so well, that the project was featured in the National Transportation Enhancement Clearinghouse's publication. Not included in the grant, was money to add a new terra cotta roof tile, because the City could not prove that the original roof was tile, before a composite shingle roof was added. J.B. Owens, the last ticket agent for the depot before it closed, contacted the City about a picture he had found proving that the original roof was in fact tile. With an additional \$100,000 from National Transportation Enhancement Fund, plus a \$25,000 match from the City, the depot's roof was restored as closely as possible to its original design.



In 2001, city councilman Ben Barnes told the Atlanta Journal-Constitution, “When we’re done, about 95% of the building will be as it was originally.” Today, the depot continues to hold a special place in the heart of Holly Springs’ residents. Many residents have lived in Holly Springs their entire lives, and can fondly recall memories of the depot when it was owned by the railroad. For newer residents, it is often used when trying to give directions around the City. The Holly Springs Train Depot is one of only two depots left in the County. The City of Holly Springs’ hopes to ensure that generations of Holly Springs residents to come will be able to visit the single structure that put their City, and arguably their County, on the map more than a century before they were born.

The City’s Property Tax Digest is comprised of 67.40% residential, 19.39% commercial, 1.49% utility franchises, 5.57% industrial, and 3.56% agricultural by valuation. Commercial development consists primarily of office professional parks, commercial retail, and small office. The average resident is between 35 and 44 years of age, occupies a home with a median sale price of \$203,200 and has a household income of \$67,488.

Major Industries, Commercial Entities and Taxpayers

Holly Springs is home to several light industrial parks and office condominiums some of which include; Hickory Springs Industrial Park, Rickman Industrial Park, Holly Commons, and Mountain Brook. The City is also home to one of the County’s top 20 employers, Hydro-Chem (Division of Linde BOC). Hydro-Chem manufactures modular hydrogen plants and exports the majority of their products throughout the world. Hydro-Chem currently employs 125 people in the City of Holly Springs. In the fall of 2012, Bright Meyers Holly Springs Associates, LP annexed and rezoned property at the intersection of I-575 at exit 14 and Holly Springs Parkway for a Walmart Supercenter and a strip retail center. Construction of the Walmart Supercenter was completed in June 2014. The Walmart Supercenter generated 500 jobs within the City of Holly Springs and added approximately \$95,000 to the City’s tax digest. In addition to Walmart, some of the other major contributors to the City’s tax digest are Holly Springs LLC, Home Depot, East Cherokee Village, Northside Hospital-Cherokee Inc. and Windstream Georgia Communications Corporation.

Recent Commercial Development

Construction started in 2016 on a Nissan dealership on Holly Springs Parkway near the Holly Springs Station Shopping Center at Exit 14 on I-575. Upon completion, the dealership will provide 80 jobs and generate additional sales tax and property tax revenues for the City. Construction has also started on a new commercial center including a new free-standing restaurant on Sixes Road at Exit 11 on I-575. The Georgia Department of Transportation started the Northwest Corridor Project on I-575 and I-75 in 2015. This public/private partnership will add reversible toll lanes along I-575 and I-75 to alleviate traffic congestion throughout the northwestern section of Metro Atlanta. The northern terminus of the project is at the intersection of I-575 and Sixes Road near Exit 11. Upon completion in 2018, this project is expected to generate a great deal of commercial growth within the southern section of the City.

Recent Residential Growth

During 2016 the City of Holly Springs experienced significant residential growth along the Hickory Road corridor in the eastern section of the City. An expansion of the City's largest subdivision, Harmony on the Lakes, was started in the fall of 2016. This expansion will include an additional 180 single family homes. Adjacent to Harmony on the Lakes are the following subdivisions with the corresponding number of homes: Edgewater - 243 homes, Cagle Heights -108 homes, Oakhaven - 94 homes, Woodhaven - 85 homes and Carson Creek - 84 homes. Upon completion, these subdivisions will add 794 single family homes to the City of Holly Springs.

The western section of the City also experienced significant residential growth. Holly Glen and Serenity were approved for 110 and 44 single family homes respectively. Sixes Ridge Luxury Apartments were approved for 340 units and Stonehenge Group received approval for 97 townhomes.

Budget Objective

The objective of the City's budget is to provide a management tool and structure for the intentions of the governing body. This budget is formulated to help unite the City's members with a purpose while decentralizing decision making and integrating activities from the lowest to highest levels within our municipal government. The budgeting process results in the updating of the City's on-going financial plan and provides a vehicle in which management decisions can be made as a result of the formulation of the respective data. As this document indicates, through the utilization of all available revenue sources, the City of Holly Springs continues to demonstrate its commitment to provide a tremendous array of city services to the constituents, businesses, and stakeholders within our community. Through this proven commitment, the City further maintains its status as a Signature Community while boosting the desire to live, work, play, visit, and retire in Holly Springs.

Current Economic Conditions

Throughout the last several years, local governments have been severely impacted by the economic recession. Property values and assessments across the United States have decreased at a rapid rate. However, the City of Holly Springs experienced a resurgence in growth during 2014. The gross digest which includes real and personal property, motor vehicles, and mobile homes is 12.54% greater than the prior year. This source of revenue greatly contributes to the annual operating budget. However, the annual operating budget also relies on other sources of revenue from the Community Development Department, Court Services, and the Recreation and Parks Department. In the past, with the growth in development, we were able to enhance services to meet the demand using the additional revenues that were being generated from these other sources. These sources of revenues have increased and have placed the City in a better position to make some changes in operations to continue meeting the demands of our citizens and business community.

While our current budget poses challenges for us, we are in much better shape than most other local governments. This is due in part to the structure of our revenues, but it is also due to the fiscally conservative policies and practices of the City. The following goals for programs and services were used to guide the budget development process:

Budget Development Guidelines

- Continue to operate as conservatively as possible and keep spending to an absolute minimum;
- Postpone or delay, where possible, the hiring or replacement of positions that are vacant;
- Curtail travel that is not necessary for required training or otherwise considered not optional;
- Continue to review and implement ways to cut non-essential expenditures.
- Review and modify where necessary, any tax and fee adjustments required to maintain existing service levels; and
- Recommend ways to ensure revenue collections are administered in an equitable manner and captured by all sources identified within our financial platform.

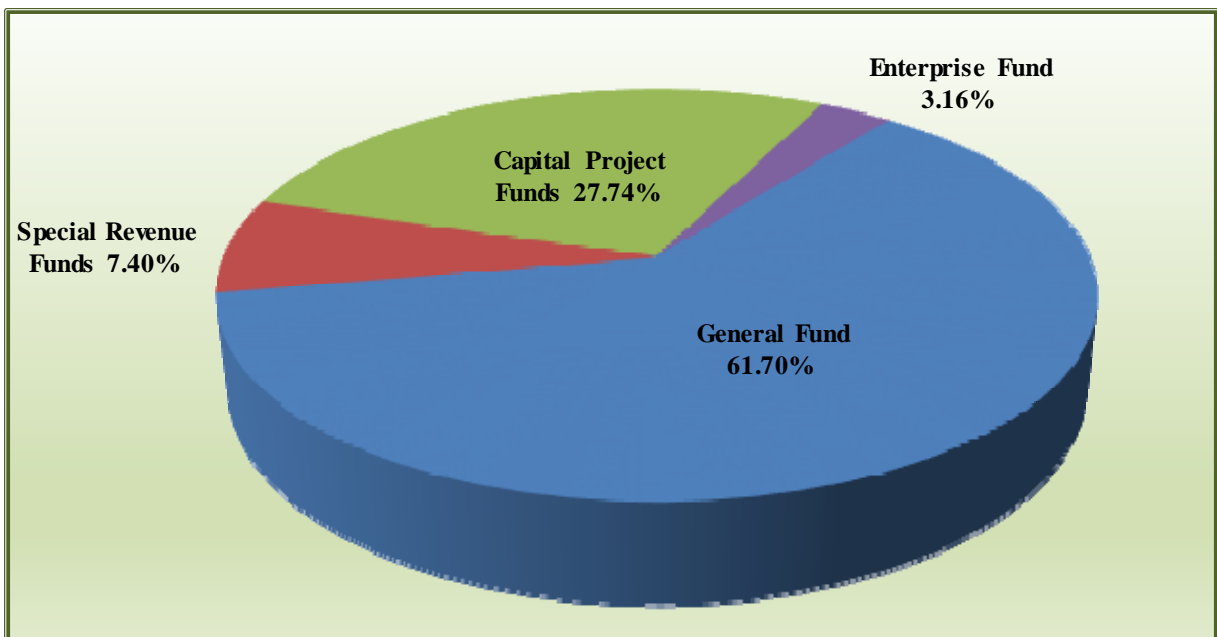
The balanced budget being presented to you carefully weighed these principles in its development. The total budget for FY2017 presented to Council for approval is \$9,643,600.

The City of Holly Springs remains a strong and vibrant community where the citizens have come to expect a transparent and responsive municipal government that delivers services with unwavering efficiency and effectiveness. We are fully confident that we will be able to continually respond to projected operating shortfalls and remain vigilant in our efforts to manage our affairs prudently.

Budget in Brief

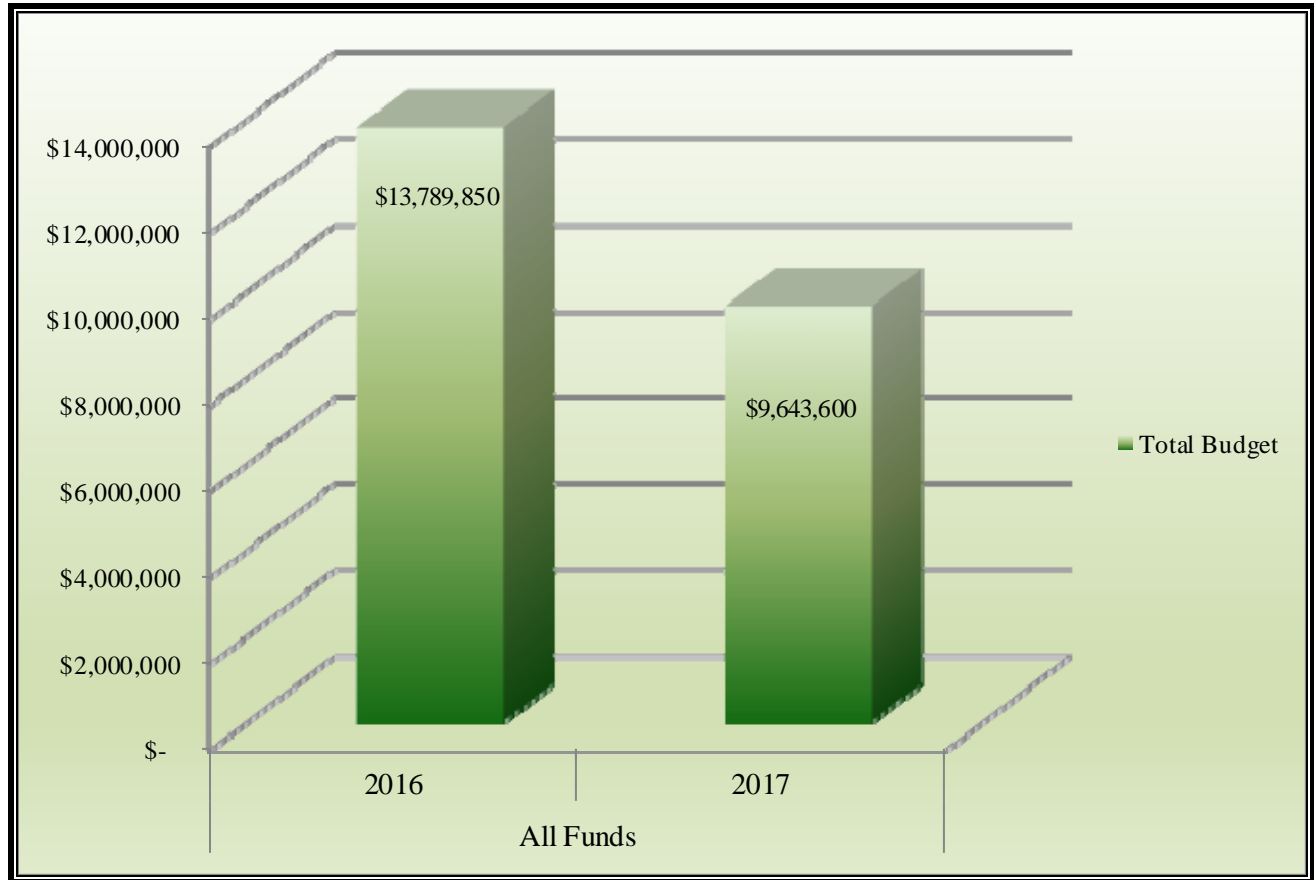
The City of Holly Springs’ budget provides a detailed fiscal operating plan that identifies estimated revenues and expenditures. This balanced budget reflects each department’s priorities and represents a process through which policy decisions are made, implemented and controlled. Funding for our City is derived from several main sources – 1) Taxes: property, motor vehicle, franchise, business and occupational, insurance premium, 2) Building Permits, 3) Municipal Court Fines. The City of Holly Springs’ revenue/expenditure budget for the 2017 fiscal year is \$9,643,600; a 30.07% decrease from last year.

Budgets by Fund **\$9,643,600**



<i>Fund</i>	<i>FY2017 Adopted Budget</i>
<i>General Fund</i>	\$ 5,950,000
<i>Special Revenue Funds</i>	\$ 713,600
<i>Capital Project Funds</i>	\$ 2,675,000
<i>Enterprise Fund</i>	\$ 305,000
Total	\$ 9,643,600

Budget Comparison FY2016 to FY2017

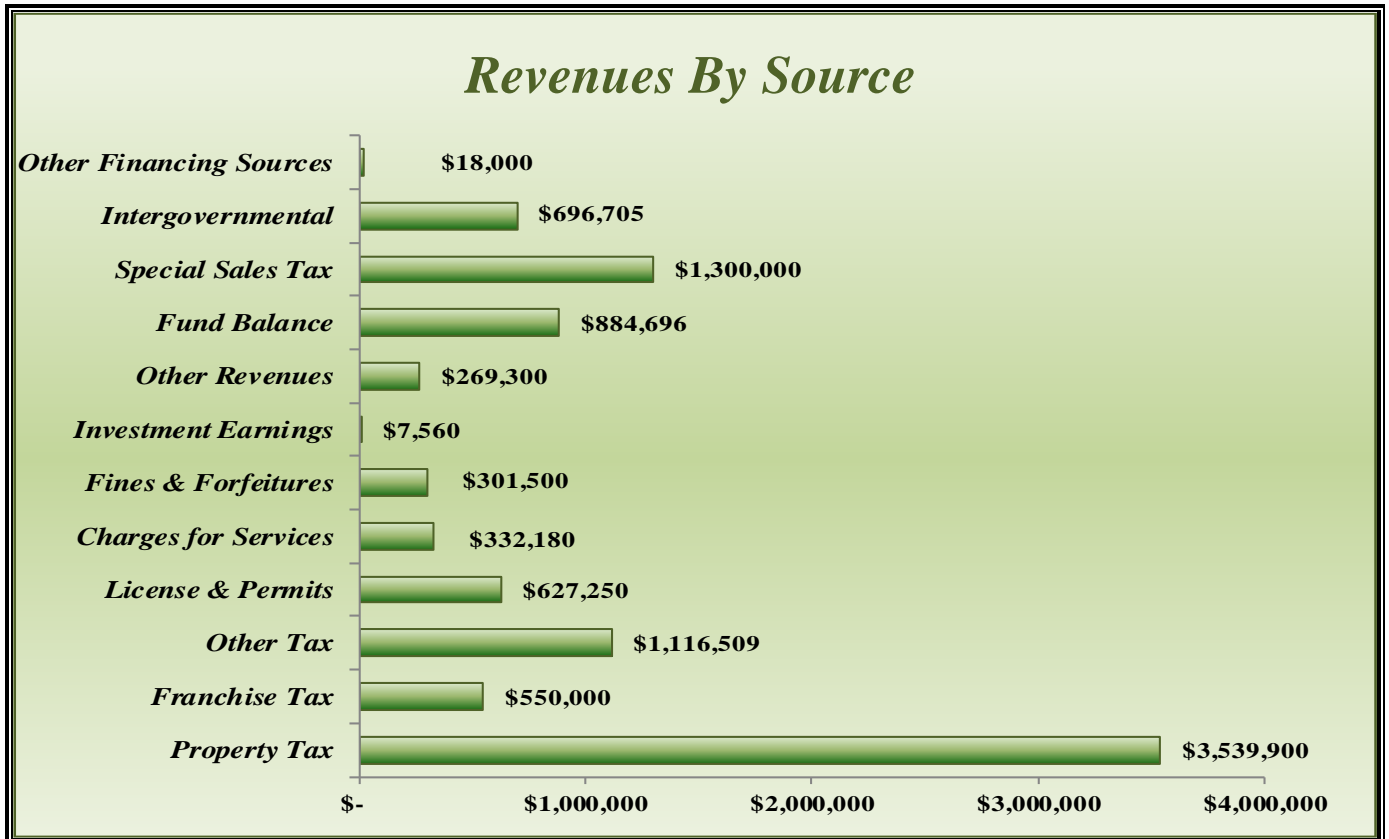


Fund	Adopted Budget		Change from FY2016 to FY2017	
	FY2016	FY2017	\$ (+/-)	% (+/-)
<i>General Fund</i>	\$ 5,875,000	\$ 5,950,000	\$ 75,000	1.28%
<i>Special Revenue Funds</i>	\$ 3,914,850	\$ 713,600	\$ (3,201,250)	-81.77%
<i>Capital Project Funds</i>	\$ 3,700,000	\$ 2,675,000	\$ (1,025,000)	-27.70%
<i>Enterprise Fund</i>	\$ 300,000	\$ 305,000	\$ 5,000	1.67%
Total	\$ 13,789,850	\$ 9,643,600	\$ (4,146,250)	-30.07%

Basis of Revenue Estimates

\$9,643,600

The City will focus its efforts to strengthen and diversify its property tax base to ensure the ongoing stability of the City's income. Charges for Services are usually intended to fully recover the cost of providing those services. The City actively supports economic development activities to diversify the property tax base for the community.



Revenues	Funds				
	General	Special Revenue	Capital Project	Enterprise	Total
Property Tax	\$ 3,539,900	\$ -	\$ -	\$ -	\$ 3,539,900
Franchise Tax	\$ 550,000	\$ -	\$ -	\$ -	\$ 550,000
Other Tax	\$ 774,550	\$ 325,995	\$ 15,964	\$ -	\$ 1,116,509
License & Permits	\$ 627,250	\$ -	\$ -	\$ -	\$ 627,250
Charges for Services	\$ 27,500	\$ -	\$ -	\$ 304,680	\$ 332,180
Fines & Forfeitures	\$ 301,500	\$ -	\$ -	\$ -	\$ 301,500
Investment Earnings	\$ 6,000	\$ 540	\$ 700	\$ 320	\$ 7,560
Other Revenues	\$ 104,800	\$ 164,500	\$ -	\$ -	\$ 269,300
Fund Balance	\$ -	\$ -	\$ 884,696	\$ -	\$ 884,696
Special Sales Tax	\$ -	\$ -	\$ 1,300,000	\$ -	\$ 1,300,000
Intergovernmental	\$ 500	\$ 222,565	\$ 473,640	\$ -	\$ 696,705
Other Financing Sources	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000
Total Revenues	\$ 5,950,000	\$ 713,600	\$ 2,675,000	\$ 305,000	\$ 9,643,600

Basis of Expenditure Estimates ***\$9,643,600***

Personnel Services

Description

This category includes expenditures for City employees' base wages and salaries plus expenditures for other forms of employee compensation; life and health insurance, social security, workers' compensation, retirement contributions, longevity pay, overtime, and special duty/status pay. The Finance Director calculates the personnel cost based on the staffing requested by each department.

Significant Assumptions

The personnel services budget is based on the following assumptions:

- 3% cost of living (COLA) increases are reflected in this budget.
- Workers' Compensation - The risk rates for each employment classification are modified based on projected cost.

Operating Expenditures

Description

This category includes expenditures that are not classified as personnel, capital outlay, or capital projects. Operating expenditures include such items as office supplies, postage, utilities, travel and training, dues and memberships, fuel, communications, and advertising to name a few.

Significant Assumptions

Projected increases (and decreases) are based on a departmental level decision-making process. The Departments were given a guideline when budgeting for these expenditures; no submission of estimates for Travel & Conference (may include funds for tolls, mileage reimbursements, meals and parking), Training College Classes – Education, or membership/dues/subscriptions unless specifically required for mandated certification.

Capital Outlay

Description

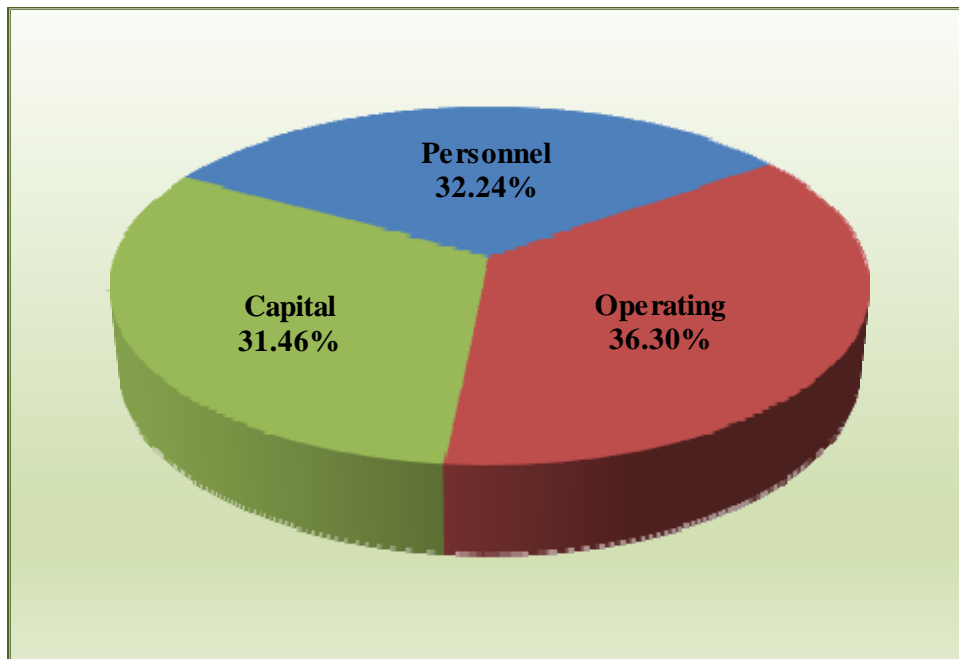
Effective October 1, 2004, this category includes expenditures for capital items, with an initial individual cost of \$5,000 or more, and an estimated useful life in excess of one year.

Significant Assumptions

Projected expenditures are based on the estimated cost of each capital item. Funding for capital expenditures is reflected within the department’s target budget. Capital outlays are ranked in the order of management priorities.

- Projected expenditures are based on the estimated cost of each capital item.
- Funding for capital expenditures is reflected within the department’s target budget.
- Capital outlays are ranked in the order of management priorities.

Percent of Expenditures/Expenses by Category (all funds)



Funds	Personnel	Operating	Capital	Total
<i>General</i>	\$ 3,019,071	\$ 2,930,929	\$ -	\$ 5,950,000
<i>Enterprise</i>	\$ 90,175	\$ 214,825	\$ -	\$ 305,000
<i>Special Revenue</i>	\$ -	\$ 354,864	\$ 358,736	\$ 713,600
<i>Capital Projects</i>	\$ -	\$ -	\$ 2,675,000	\$ 2,675,000
Total	\$ 3,109,246	\$ 3,500,618	\$ 3,033,736	\$ 9,643,600

Long-Range Economic Planning

The City of Holly Springs uses long-range policy and financial planning processes to guide its decision making. This plan establishes objectives that emphasize what we as a community want to achieve during the next few years. Our major priority is to seek out realistic economic opportunities within the City that will provide the fiscal resources needed to keep the City in an economically solvent position. The City continues to work with the Cherokee Office of Economic Development to search for and capitalize on these opportunities as they arise.

The City is always seeking appropriate economic development opportunities. In this regard, a two-pronged approach to development has been adopted:

- the redevelopment of existing properties and
- the development of new properties within the City

Both of these components of economic development are equally important in achieving the long-term goals and objectives of the City as outlined in the following table:

Overall Long-term Municipal Goals

The City of Holly Springs has developed the following goals for programs and services to guide the budget development process:

- Promote and preserve the health, safety, and welfare of the community.
- Promote and pursue a positive economic environment.
- Provide and encourage diverse recreational, and cultural opportunities and maintain a full range of municipal services.
- Provide a positive work environment that encourages teamwork, initiative, productivity, and individual development.
- Pursue and demonstrate a commitment to excellence in leadership and management skills to instill confidence in the integrity of City government.
- Preserve and promote the ecological and environmental quality within the City.

Our Future: 2017-2021

In keeping with this approach to development, there are three key initiatives which the City has embarked upon; the Downtown Holly Springs Redevelopment Project, Harmony on the Lakes Fire Station and the Cagle Farms Park Development. These three key initiatives will improve the quality of life for the residents of the City of Holly Springs as well as residents in unincorporated Cherokee County. These initiatives will also attract future residents to the area.

Harmony on the Lakes Fire Station

In 2014, the City of Holly Springs initiated talks with the Cherokee County Fire and Emergency Services to construct a replacement fire station for Cherokee County Station #3. The City of Holly Springs agreed to enter into a 50-year ground lease with Cherokee County for the construction of the new fire station on property owned by the City in Harmony on the Lakes. The fire station cost \$1.2 million and was funded by Cherokee County. Construction of the new facility began in the spring of 2016 with completion scheduled for late 2017. All maintenance and operation costs will be the responsibility of Cherokee County. The addition of this fire station will serve as a benefit to the residents of Holly Springs as well as the residents of the County. The development of this project will provide for the following:

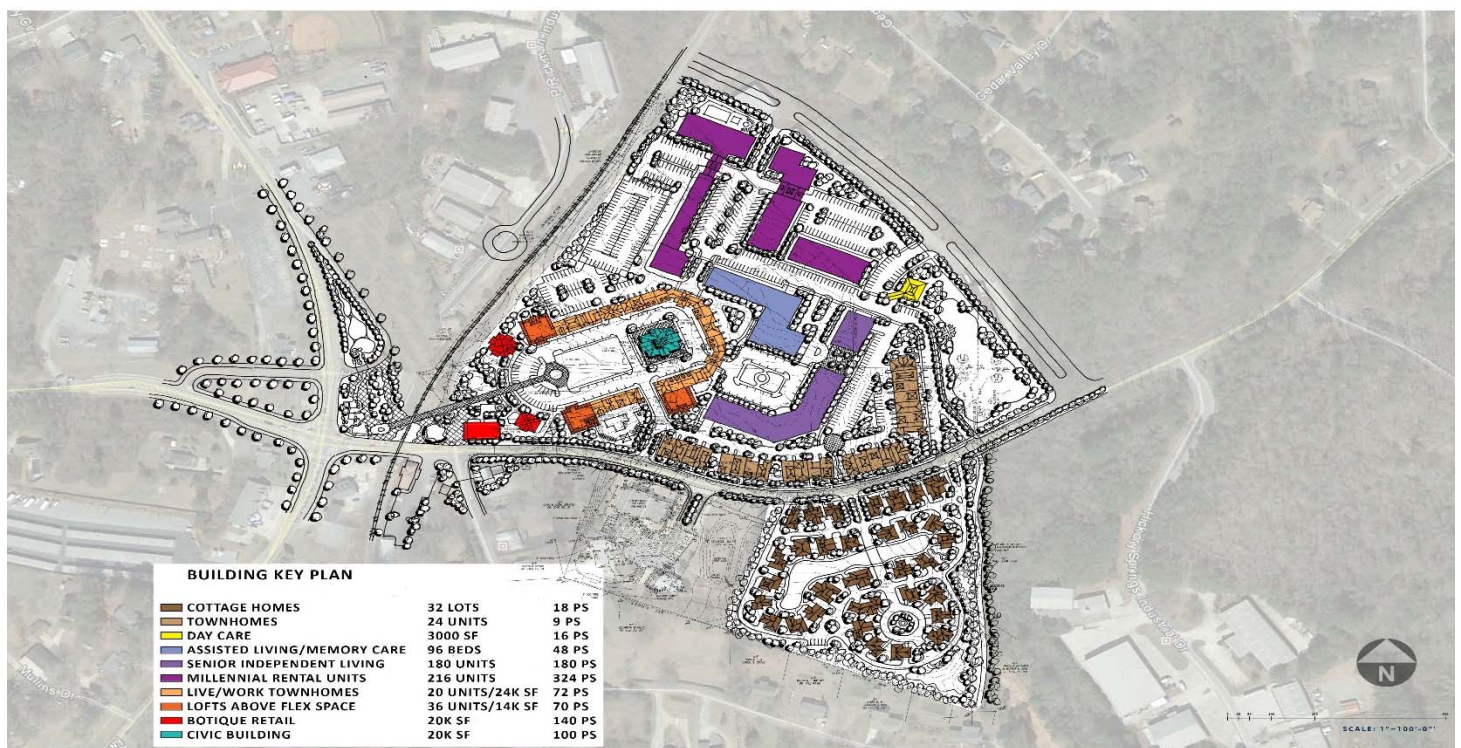
- Reduce insurance costs to our residents
- Completion of the North Commercial Village of Harmony on the Lakes
- Improve response time to emergencies



Downtown Holly Springs Redevelopment Project

The City of Holly Springs in conjunction with the Holly Springs Downtown Development Authority has been assembling and acquiring blighted property within the Town Center District since 2008. The Downtown Development Authority issued backdoor general obligation bonds to finance the acquisition of the property. The City of Holly Springs retired all of the outstanding debt on this property in FY2013. In FY2015, the City of Holly Springs in partnership with the Cherokee County Water and Sewerage Authority constructed a sanitary sewer system to serve this area along with the Hickory Springs Industrial Park. This project totaled \$1,505,845 and was funded jointly by the City of Holly Springs and the Cherokee County Water and Sewerage Authority. The City of Holly Springs’ contribution toward this project was \$822,677 and was funded from the SPLOST IV Fund. Upon completion, the Cherokee County Water and Sewerage Authority accepted the sanitary sewer mains and lift station infrastructure. The City of Holly Springs will bear no ongoing costs associated with this project. The City of Holly Springs was awarded \$2.2 million for a Livable Centers Initiative Grant (LCI) for the construction of streetscapes in the downtown area. All easements, rights-of-way and certifications were approved in 2014 by the Georgia Department of Transportation. Construction was completed in late 2016. In 2015, the City of Holly Springs Council approved the performance of a marketing study to evaluate the appropriate uses of the downtown property in the amount of \$35,000. The City of Holly Springs continues to meet with members of the private sector development community to foster interest in the redevelopment of the entire Town Center District. The City Council has approved a schematic plan that details the components of the mixed-use development. Upon completion, the development will include commercial, multi-family residential, active senior residential, a new city hall facility and a town green for festivals and special events. The City Council approved the issuance of a request for proposal (RFP) for a master developer in late 2016. The redevelopment project will provide for the following:

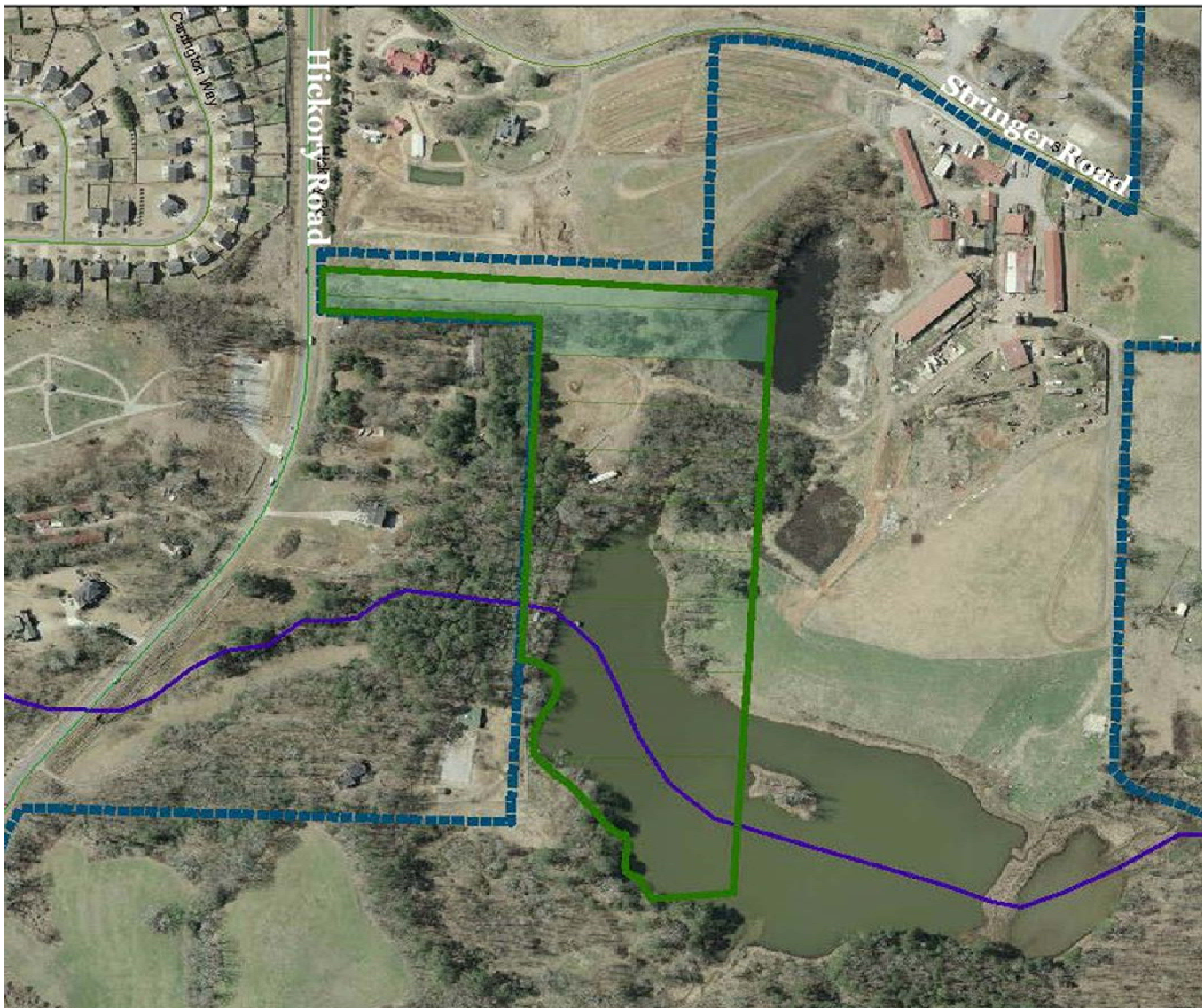
- Street improvements and traffic flow in the Town Center District
- Acquisition of open space
- Economic development



Cagle Family Farm Park Project

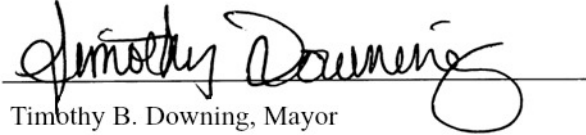
In an effort to provide additional parks and recreation opportunities for our residents, the elected officials and management of the City of Holly Springs has sought property for parks for several years. In the fall of 2014, the City entered into negotiations with the owners of the Cagle Family Farm located on Stringer Road on the eastern side of the City to purchase acreage for the development of a future park. The City has included an appropriation of \$358,736 in the Parks and Recreation Fund for debt service on the Cagle Family Farm in the 2017 budget. The City will appropriate \$358,736 per year in future fiscal years to retire the debt on the Cagle Family Farm. The City Council plans to include an appropriation of \$4 million in the 2019 SPLOST referendum for the retirement of the debt and development of the park. The total acreage of the new active/passive park will approximate 60 acres. The development of this project will provide for the following:


- Hard and soft surface walking/jogging trails
- Additional active recreation facilities (i.e. baseball fields)
- Acquisition of open space with a small public lake for fishing



On behalf of the Mayor and your professional staff, I appreciate the City Council's support and leadership despite the many demands on your time and interests in providing the City staff with the necessary resources, funding, trust and confidence to meet our citizens' needs and allowing us all to live, work, play and retire in a safe and secure community.

Respectfully Submitted,


Timothy B. Downing, Mayor


Robert H. Logan, City Manager/Finance Director



City of Holly Springs

***Introduction to the
Budget Process***



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July 2016

- 5 Calendar prepared & distributed
- 11 Property Tax Digest & Millage Rate discussed at Council Work Session

August 2016

- 1 Updated Property Tax Digest & Millage Rate discussed
- 8 City Manager meets to discuss anticipated revenues with staff
- 15 Millage Rate recommended and approved
- 22 Budget preparation forms made available on "P" drive for Department Directors

September 2016

- 5 City Manager meets with Department Directors and Division Leaders for Q&A

October 2016

- 3 Expenditure estimates are made and returned to City Manager
- 10 Budget requests summarized
- 17 Requests analyzed and adjusted
Proposed expenditure plan is assembled

- 24 Department Head meetings
Proposed budget is reviewed
- 28 Budget adoption meeting advertised

November 2016

- 4 Budget adoption meeting advertised
- 7 Work Session to propose 2017 budget
- 21 Public hearing on budget is held
Budget adopted
Appropriation Ordinance adopted
Revenue Ordinance adopted

January 2017

- 3 2017 Budget entered in Financial system

JULY						
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Budget Preparation/Development

1. Beginning in July, the City Manager prepares and distributes the budget calendar to each Department Director.
2. In August, the Budget Committee meets to discuss the projected revenues.
3. During the month of September, budget preparation forms are made available to each Department Director. They are also provided with a report showing actual expenditures for the prior and current years, the current working budget, and personnel cost projections.

Each individual department prepares a proposed budget comprised of the following:

- a. Major Functions and Activities
 - b. Revenue and/or Expenditure projections by line item
4. The Millage Rate is recommended and adopted by Council.
 5. Throughout the month of October, budget requests are summarized and reviewed by the Finance Director for accuracy and a budget package is prepared for the City Manager. The City Manager, Department Directors, and Finance personnel meet to review the proposed budget and make any necessary revisions.
 6. In November, the proposed budget is presented to Council and a public hearing is advertised according to the guidelines set forth in the City's Code of Ordinances which states:

“council shall publish in one or more newspapers of general circulation within the city a notice of the time and place of the budget hearing as well as notice that the proposed budget is available for public inspection. The city clerk shall keep on file a copy of the entire budget for public inspection. The budget hearing shall be held not less than seven days after the advertisement”.

Budget Adoption

7. During the month of November, a public hearing is conducted at the council meeting to inform the taxpayers of the proposed budget. At this time, citizens may present oral or written comments on the entire budget.
8. The budget adoption meeting is advertised in accordance with guidelines set forth in City Ordinance Sec. 2-273 Adoption, Code 1991, § 3-1-14 which states, “notice of the meeting at which the budget shall be adopted shall be published at least seven days in advance of the meeting date”.

9. The proposed budget and appropriations ordinance shall be prepared by the Finance Director and submitted to the Mayor and City Council no later than the first Monday of November of each year. The Mayor and City Council shall schedule such public hearings on the proposed budget as required by O.C.G.A. § 36-81-5. The annual operating budget shall be adopted by the Mayor and City Council on or before the third Monday of November.
10. The adopted budget is entered into the accounting software system effective January 1st. It establishes the legal authority to incur expenditures up to the appropriated amount for each department.

Budget Amendment

The adopted budget may be amended as follows:

- a. The City Council must approve all increases in total departmental appropriations, increases in the personnel services budgets (i.e., moving salary or employee benefit budget to other line items), and increases in the number of authorized positions (full and part-time).
- b. At the mid-point of each year, any necessary budgetary appropriations, including budgets for any projects authorized, but not funded during the year, shall be appropriated through a supplementary budget ordinance. This mid-point adjustment is limited to requesting additional resources. Such supplemental appropriations shall be balanced with additional revenues or fund balance for each fund. A justification for each requested change must be prepared (O.C.G.A. 38-81-3).
- c. Any increase in appropriation at the legal level of control of the local government, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the governing authority. Such amendment shall be adopted by ordinance or resolution;
- d. Transfers of appropriations within any fund below the local government's legal level of control shall require only the approval of the City Manager; and
- e. The governing authority of a local government may amend the legal level of control to establish a more detailed level of budgetary control at any time during the budget period. Said amendment shall be adopted by ordinance or resolution.

Budget Monitoring/Control

The budget is monitored on a monthly basis to track variances between actual and budgeted amounts. The City prepares and distributes to each department, timely, monthly financial reports comparing actual revenues and expenditures with budgeted amounts. Variances are researched by the finance department staff and corrections are made as necessary.

Capital Budget Process

The City prepares a five-year capital improvement plan (CIP) which is updated annually. This plan assists in the planning, acquisition, and financing of capital projects. Major capital projects are generally defined as an expenditure that has an expected useful life of more than 3 years with an estimated total cost of \$25,000 or more, or an improvement/addition to an existing capital asset. Examples include building/infrastructure construction, park improvements, streetscapes, computer systems, land acquisitions, trucks, and vehicles.

Major capital projects are budgeted in the Capital Project Funds with all available resources. With the involvement of the responsible departments, the Finance Director prepares the capital budget in conjunction with the operating budget.



City of Holly Springs

***Budget Development
Guidelines***



BUDGET DEVELOPMENT GUIDELINES

PLANNING PROCESS

The City's fiscal year runs from January 1 through December 31. This document is prepared for the year January 1 through December 31, 2017, thereby being the Fiscal Year 2017 Budget. The City's annual budget process provides a financial plan for the upcoming year. Throughout this process, future year projections are reviewed to proactively adjust spending trends which creates the ability to actively manage future year appropriations. Planning processes from other functions including Council retreats, departmental goal setting, and operating plans such as the Community Agenda (Community Development Department) are incorporated into the budget process, where applicable. Although important, these plans are used as guidelines to reach goals. Funds are not appropriated as a result of the study/plans. Rather, the plans are used as a guide where appropriations can be directed.

BUDGET POLICY

The budget process provides the primary mechanism by which key decisions are made regarding the levels and types of services to be provided within estimated resources. Budget policy guides this process. Budget policies also direct the City's financial health and stability. This policy applies to all budgeted funds, which are the responsibility, and under the management of, the City of Holly Springs and its Finance Director.

Georgia law (O.C.G.A. 36-81-2 et seq.) provides the budget requirements for Georgia local governments. The information below provides an outline of the City's application of those laws.

FINANCING CURRENT COSTS

Current costs shall be financed with current revenues, including the use of authorized fund balances. The City shall avoid balancing current expenditures through the obligation of future year's resources. The City shall strive to avoid short-term borrowing to meet cash flow requirements. However, the City may enter into short-term borrowing should a critical need arise.

BUDGET OBJECTIVE

The following budget objectives are established for the different funds the City uses:

- ✓ General Fund – The annual budget for the General Fund shall provide for general government operations of the City and maintain working capital necessary for the City's financial health and stability.
- ✓ Special Revenue Funds – The City adopts annual budgets for each special revenue fund that demonstrates that any legally restricted revenue sources are used consistently with the applicable laws and/or regulations (i.e. Parks and Recreation Fund, Hotel/Motel Tax Fund, and Operating Grant Fund).

- ✓ Capital Project Funds – The City adopts project budgets for each of its capital project funds. These adopted appropriations do not lapse at the end of a fiscal year; rather they remain in effect until project completion or re-appropriation by City Council.
- ✓ Debt Service Fund – The City adopts annual budgets for its debt service funds (if applicable). Any remaining fund balances from prior years plus current year’s projected revenues shall be sufficient to meet all annual debt service requirements.
- ✓ Enterprise Fund - Although Generally Accepted Accounting Principles (GAAP) and Georgia statutes do not require the City to adopt budgets for enterprise funds, the City adopts budgets for enterprise funds in order to monitor revenues and control expenses. The City uses a business approach when budgeting enterprise funds. Enterprise funds shall be self-supporting whenever possible and subsidized losses will be minimized when break-even is not possible. See the Revenue Policy section.

Additionally, the City classifies funds as either operating or non-operating. Operating funds are those funds that include appropriations for the payment of salaries/benefits and whose maintenance & operating appropriations are necessary to continue the daily operations of the City. The General Fund will always be an operating fund. Non-operating funds are those funds that do not include appropriations for the payment of salaries/benefits and whose maintenance & operating appropriations are not critical to the daily operations of the City. Examples of non-operating funds are the Hotel/Motel Tax Fund, and Operating Grant Fund.

OPERATING BUDGET POLICY

The operating budget shall be prepared on an annual basis and include those funds detailed in the Fund Structure section that are subject to annual appropriation (all funds excluding the Capital Project Funds). Prior year budget appropriations and prior year actual data will be provided as reference data, with the current year appropriation. At a minimum, the City shall adopt annual balanced budgets for the general fund, each special revenue fund, and each debt service fund (if applicable) in accordance with O.C.G.A. 36-81-3.

The annual proposed budget should be submitted to the governing authority while being held by the office of the City Clerk for public review/inspection in accordance with O.C.G.A. 36-81-3. Public meetings will be conducted after proper advertisement prior to the City Council adopting and approving the annual budget document. (O.C.G.A. 36-81-5 and 36-81-6).

✓ **DEPARTMENTAL APPROPRIATIONS**

The budget shall be developed based upon “line-item” expenditures within each department. This type of budget focuses on categories of expenditures such as personnel services, contractual services, supplies, equipment, etc. within each department. At a minimum, each department’s appropriation in each fund shall be detailed within the budget document. (O.C.G.A. 36-81-3 and 36-81-5).

✓ **PERFORMANCE BUDGET**

In addition to requesting expenditures by line item, the budget document includes “performance” budget information. A performance budget provides information for each of the department’s goals and objectives to be accomplished in the upcoming budget year. A performance budget also utilizes “Service Efforts and Accomplishments” which measure services rendered and department efficiency/effectiveness on a historical basis and project targets of the indicators for the upcoming budget year. The City strives to minimize and reduce, if possible, staffing levels required to accomplish its service delivery.

✓ **BUDGET PREPARATION CATEGORIES**

Each department submits budget requests separately for:

- Current services - A current services budget is defined as that level of funding which is necessary to provide the same level of service for the upcoming year that is currently being provided. The current services budget includes replacement capital equipment.
- Expanded services - An expanded services budget includes funding requests associated with new services, additional personnel or new capital projects/equipment.

BALANCED BUDGET POLICY

The budget shall be balanced for each budgeted fund. Total anticipated revenues plus that portion of fund balance in excess of authorized reserves (see operating budget policy) that is designated as a budget-funding source shall equal total estimated expenditures for each fund.

- ✓ The City’s goal is to adopt a balanced budget where current revenues equal anticipated expenditures. All departments supported by the resources of this City must function within the limits of the financial resources identified or available specifically to them. A balance must be struck between revenues and expenditures, so that the public can realize the benefits of a strong and stable government. It is important to understand that this policy is applied to budget entities over periods of time which extend beyond current appropriations. By law, budgets cannot exceed available resources, defined as revenues generated in the current period added to balances carried forward from prior years. Temporary shortages, or operating deficits, can and do occur, but they are not tolerated as extended trends.

BUDGET ADOPTION AND CONTROL POLICY

All budgets shall be adopted at the legal level of budgetary control, which is the department level within each individual fund. The City maintains a system of budgetary control reports to ensure adherence to the budget. The City prepares and distributes to departments, timely, monthly financial reports comparing actual revenues and expenditures with budgeted amounts.

FUND BALANCE (RESERVE) POLICY

The City has established a fund balance reserve in all operating funds for working capital. The purpose of working capital is to cover the cost of expenditures caused by unforeseen emergencies, cover shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes. This reserve shall accumulate and then be maintained at an amount, which represents no less than two (2) months of operating and debt expenditures (approximately 16% of budgeted expenditures).

✓ UTILIZATION OF PRIOR YEAR'S FUND BALANCE/NET ASSETS IN BUDGET

If necessary, the City may use fund balance/net assets in excess of the reserve for working capital (see budget policy) as a funding source for that fund's budget. The amount of unreserved fund balance shall be estimated conservatively, taking into consideration future needs. The minimum requirement for the reserve for working capital, equal to two (2) months of operating and debt expenditures, must first be met before utilizing the excess fund balance/net assets as a funding source for the budget.

✓ APPROPRIATION LAPSES AT YEAR END

All operating budget appropriations (including encumbered appropriations) shall lapse at the end of a fiscal year. Purchases encumbered in the current year, but not received until the following year, must be charged against a department's subsequent year appropriation.

BUDGET ADJUSTMENT POLICY

The budget is a dynamic rather than static plan, which requires adjustments and formal budget amendments as circumstances change. The City Council must approve all increases in total departmental appropriations, increases in the personnel services budgets (i.e., moving salary or employee benefit budget to other line items), and increases in the number of authorized positions (full and part-time).

Department heads must submit budget amendment requests transferring appropriations from one line item to another, other than those prohibited above, and obtain approval of the Finance Director and the City Manager. Adjustments from appropriations that have been obligated, committed, or reserved for a designated purpose shall not be transferred until a formal de-obligation occurs.

At the mid-point of each year, any necessary budgetary appropriations, including budgets for any projects authorized but not funded during the year, shall be appropriated through a supplementary budget ordinance. This mid-point adjustment is limited to requesting additional resources. Such supplemental appropriations shall be balanced with additional revenues for each applicable fund. A justification for each requested change must be prepared (O.C.G.A. 38-81-3).

✓ CONTINGENCY LINE-ITEM

The City shall establish an appropriated contingency of one percent of the total annual expenditure appropriation in all operating funds in order to accommodate unexpected operational changes, legislative impacts, or other economic events affecting the City's operations which could not have been reasonably anticipated at the time the budget was prepared. Non-operating funds shall not require a contingency reserve appropriation.

This contingency reserve appropriation will be a separate line item within the budget. This amount shall be subject to annual appropriation. The approval of the Mayor and the City Manager is required before this appropriation can be expended. If approved, the Finance Director will transfer the appropriation from the contingency line item to the applicable line item(s) within the applicable department's budget.

✓ **MAINTENANCE AND REPLACEMENT OF CAPITAL EQUIPMENT**

The City Council will give budget priority to requests that provide for adequate maintenance of capital equipment and facilities and for their orderly replacement.

✓ **CONTRIBUTIONS**

Unless authorized by City Council, outside contributions to programs operated by City departments shall be subject to the City's accounting and budgetary policies. The City welcomes both unrestricted and restricted contributions compatible with the City's programs and objectives. Any material contribution shall be appropriated by City Council prior to expenditure. Material contributions shall be defined as one-time contributions exceeding one percent of the department's annual maintenance and operating expenditure appropriation or \$10,000, whichever is less.

✓ **ADMINISTRATIVE SERVICE FEE/COST ALLOCATION**

Whenever possible, the City may assess an administrative service fee from the General Fund to any other fund, based upon documentation and/or an outside independent study. This assessment will be based upon a percentage of the operating revenues, or services provided to the fund and shall be used to reimburse the General Fund for the administrative and support services provided to the assessed fund.

CASH FLOW POLICY

For analysis and internal management purposes, the City shall prepare an annual cash flow budget in conjunction with the Operating Budget. The purpose of this document will be to provide the necessary guidelines to ensure that cash will be available to pay budgeted costs on a timely basis.

✓ **BUDGET ALLOTMENTS**

Budget allocations (i.e., budget allotments) are used in the operating budget, when needed to manage cash flows. The annual appropriation may be divided into segments in order to ensure that the projected revenue streams will be adequate to fund the appropriated expenditures. The cash flow budget will provide details as to the periods in which the revenues will be collected, and thereby providing for available resources to pay obligations.

CAPITAL IMPROVEMENT PLAN POLICY

The City will prepare a five-year capital improvement plan (CIP) which they will update annually. This plan will assist in the planning, acquisition, and financing of capital projects. A major capital project generally is defined as an expenditure that has an expected useful life of more than 3 years with an estimated total cost of \$25,000 or more, or an improvement/addition to an existing capital asset. Examples include buildings/infrastructure construction, park improvements, streetscapes, computer systems, land acquisitions, vehicles and equipment. Major capital projects will be budgeted in the appropriate Capital Project Fund with all available resources. With the involvement of the responsible departments, the Finance Director will prepare the capital budget in conjunction with the operating budget.

✓ **PROJECT LENGTH BUDGET**

The CIP budget shall be developed based upon defined projects approved by the Mayor and City Council. Budget appropriation shall include the complete project costs with contingency amounts as appropriate and if available. (O.C.G.A. 36-81-3)

✓ **CAPITAL BUDGET PREPARATION**

Each department, in conjunction with the Mayor and City Council, will identify potential capital projects throughout the year. All identified projects will be added to the CIP document, regardless of available funding. These projects will provide a method of tracking and planning for the future needs of the City. Every effort will be made to identify those projects committed by the City Council through legislative action.

✓ **CAPITAL BUDGET AMENDMENTS**

Department heads must submit budget amendment requests transferring appropriations from one line item to another within the same project. The Finance Director and the City Manager shall review and approve all requests for budget adjustments. Adjustments from appropriations that have been obligated, committed, or reserved for a designated purpose shall not be transferred until a formal de-obligation occurs. The de-obligation of budget dollars to a specific project will only occur after the completion of the project or when a project was identified and budget and funding is no longer necessary.

✓ **CAPITAL APPROPRIATIONS AT YEAR END**

Capital project appropriations shall carry forward to the subsequent budget period an equal amount of any encumbrances/purchase orders issued as of the close of the fiscal year. Purchases encumbered in the current year, but not received until the following year, must be charged against each department's subsequent year carry-over appropriation. Any remaining appropriation available by project at year-end must be re-appropriated.

✓ **CAPITAL CONTINGENCY ACCOUNT**

The City shall include an appropriated contingency of three percent of the total annual expenditure appropriation in the Capital Project Funds in order to accommodate expenditures that may not have been expected during the duration of a capital project. Expenditure of contingency funds shall only be authorized in accordance with the Change Order Policy outlined within the purchasing section of this document. Any contingency budgets shall be subject to annual appropriation.

REVENUE POLICY

This section provides direction in the administration of the revenues the City receives.

The City levies, collects and records certain taxes, license and permit fees, intergovernmental revenues, charges for service, investment income, fines and forfeitures, and other miscellaneous revenues and financing sources.

✓ DIVERSIFICATION AND STABILITY

All revenues have particular characteristics in terms of stability, growth, sensitivity to inflation or business cycle effects, and impact on the tax and ratepayers. A diversity of revenue sources can improve a City's ability to handle fluctuations in revenues and potentially help to better distribute the cost of providing services. The City strives to maintain a diversified and stable revenue structure to shelter it from short-term fluctuations in any primary revenue source. When possible, the revenue mix shall combine elastic and inelastic revenue sources to minimize the effect of economic downturns. The City will work towards diversifying its revenue base in order to reduce its dependence upon property taxes.

✓ CONSERVATIVE REVENUE ESTIMATES

As part of the annual budget process, an objective analytical process will estimate revenues realistically and prudently. The City will estimate revenues of a volatile nature conservatively.

✓ USER BASED FEES AND CHARGES (Exchange Revenue)

The level of user fee cost recovery should consider the community-wide versus special service nature of the program or activity. The use of general-purpose revenues is appropriate for community-wide services, while user fees are appropriate for services that are of special benefit to easily identified individuals or groups. The City will strive to keep the revenue system simple for the taxpayer or service recipient and to decrease the occurrence of avoidance to pay. The City will avoid nuisance taxes, fees, or charges as revenue sources. The City's revenue system will strive to maintain equity in its structure. That is, the City will seek to minimize or eliminate all forms for subsidization between entities, funds, services, utilities, and customers. However, it is recognized that public policy decisions may lead to subsidies in certain circumstances (e.g., senior citizen partial tax abatement). Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery. The Finance Director will forward any proposed changes to the City Council for approval. For services associated with a user fee or charge, a fee shall offset the costs of that service, where possible. Costs of services include direct and indirect costs such as operating and maintenance costs, administrative costs, and charges for the use of capital (e.g., depreciation and/or debt service).

✓ ALTERNATIVE REVENUE SOURCES

The City shall seek alternative funding sources whenever possible to reduce the required revenue from non-exchange transactions (e.g., property taxes). Such alternative sources include private and public grants, federal or state assistance, and public and private contributions.

✓ REVENUE COLLECTION

The City will follow an aggressive policy of collecting revenues, consistent with state and federal laws. This policy includes the assessment of penalties and interest, revoking City licenses, and providing for the transfer and assignment of tax executions.

✓ **RATES AND CHARGES**

The City Council shall approve annually or as necessary, a fee schedule which includes all revenue rates, charges, and processes in association with receipted funds that are deposited by the City, in accordance with the Code of Ordinances.

CASH AND INVESTMENT MANAGEMENT POLICY

The objective of the cash and investment management policy is to maximize interest earnings within an environment that strongly emphasizes legal compliance and safety while providing cash flow liquidity to meet the City's financial obligations.

This investment policy applies to all cash and investments, both short and long-term, which are the responsibility, and under the management of the Finance Director.

✓ **POOLED CASH/INVESTMENT MANAGEMENT**

Except for cash in certain restricted and specialized funds, the City will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based upon their respective participation and in accordance with Generally Accepted Accounting Principles (GAAP).

✓ **INVESTMENT**

The primary objectives of investment activities shall be as follows:

○ **Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

○ **Credit Risk**

The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the safest types of securities (primarily obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government)
- Requiring a credit rating of "A3" or better from Moody's rating agency and "A-" from Standard & Poor's.
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers with which the City will do business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

○ **Custodial Risk**

Custodial risk, that is the risk associated with uninsured deposits, uninsured securities, or securities not registered in the City's name shall be minimized by:

- Collateralization in accordance with State of Georgia legislation equal to 110% of the deposit held in the City's name including participation in an approved pledged collateral pool.
- Securities shall be held in the City's name.

○ **Interest Rate Risk**

The City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools.

○ **Concentration Risk**

The risk associated with a high concentration of government funds which are not diversified shall be reduced by:

- Limiting investments to any one issuer to less than 5% of the investment portfolio.
- Investments explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

○ **Foreign Currency Risk**

The City will negate all foreign currency risk through investment only in instruments where exchange rates do not apply.

○ **Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in instruments offering same-day liquidity for short-term funds.

○ **Yield**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal or to reduce any eminent risk as identified under Section 1, “Safety” of this policy
- A security swap which improves the quality, yield, or target duration in the portfolio
- Liquidity needs of the portfolio require that the security be sold.

INTERNAL CONTROL POLICY

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to ensure compliance with regulatory policies and procedures including Generally Accepted Governmental Auditing Standards.

GRANT MANAGEMENT POLICY

This policy provides direction in the application, acceptance and administration of funds awarded through grants to the City from other local governments, the state or federal government, nonprofit agencies, philanthropic organizations and the private sector.

✓ GRANT APPLICATIONS

The City Manager and/or his/her designee is/are responsible for the submission of all grant applications on behalf of the City of Holly Springs. Departments that wish to submit grant applications must work in conjunction with the City Manager and/or his/her designee. Once a grant opportunity has been identified, the City Manager and/or his/her designee must notify the Finance Director of the application, the financial reporting requirements, and any required matching funds or other City resources needed to meet the grant requirements. Prior to the acceptance of the grant, the Finance Director, in cooperation with the submitting/receiving department shall complete an analysis of financial requirements to ensure the City can meet the grant program’s financial requirements and the City can fulfill the applicable obligations required by the grant. All grant revenues and expenditures, including matching requirements, must be appropriated, either in the current budget or included for appropriation in the subsequent budget. The Mayor and City Council shall approve grant applications and submissions by adopting an official resolution, certified by the City Clerk that will allow both the submission of the grant application and the acceptance of the grant award.

✓ **GRANT ADMINISTRATION**

The City Manager and/or his/her designee is/are responsible for fulfilling the financial reporting and accountability requirements of each grant the City accepts. The City Manager and/or his/her designee and receiving departments are responsible for adhering to the grant program requirements and tracking all applicable expenditures for reporting purposes. The Finance Director is responsible for accounting for grant transactions according to the Financial Management Policy and in compliance with Generally Accepted Accounting Principles (GAAP). The City Manager and/or his/her designee is/are responsible for maintaining the following records for each grant award:

- a. Copy of Grant Application
- b. Resolutions authorizing application and acceptance
- c. Notification of Grant Award
- d. Financial reporting and accounting requirements
- e. Schedule of funding needs

✓ **GRANT AUDITING**

The Finance Director shall comply with all local, state, and federal requirements with respect to the auditing of information as it pertains to the acceptance of grant funds. This includes the Single Audit Act with any future revisions that may be applicable to City grant projects.

EXPENDITURE POLICY

This section provides guidance on authorized expenditures for all departments under the authority of the City Manager. This section shall cover those costs incurred for normal business operations, including those associated with salaries and benefits. Operating guidelines and procedures for procuring goods and services shall be issued under separate cover(s) as they do not constitute or necessitate City Council approval.

✓ **APPROPRIATION**

In conjunction with the annual budget process, the City Council shall authorize departments' appropriations consistent with the annual adopted operating and capital budgets. Departments shall not incur expenditures unless an appropriation is available.

✓ **APPROVAL**

All expenditures relating to City operations shall be processed consistent with procurement/purchasing guidelines. Once the Finance Director or his designee receives the proper documentation from the incurring departments, the execution of payment shall occur. The Finance Director or his designee shall only process transactions for payment based upon the proper approval for the dollar amount of the expenditure, including adequate documentation, received either electronically or in writing.

✓ **SETTLEMENT OF DISPUTE**

The Finance Director shall review expenditure documents for compliance and appropriateness with all City policies and procedures. Expenditure documents that are not in compliance with these policies and procedures shall be returned to the originating department with Finance Director recommendations for changes (e.g., travel issues, cellular phone use). In the event the department does not agree with the Finance Director's recommendations, the City Manager shall make the final decision.

DEBT MANAGEMENT POLICY

The goal of the City's debt policy is to maintain a sound fiscal position; thereby only utilizing long-term debt to provide resources to finance needed capital improvements, while accumulating adequate resources to repay the debt. In addition, it is the City's goal to maintain and improve its credit rating through strong financial administration. The City acknowledges that failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that excess outstanding debt may have detrimental effects on the ability of the City to meet its continuing operational needs.

Issuing debt commits the City's revenues several years into the future, and may limit its flexibility to respond to changing service priorities, revenue inflows, or cost structures. Adherence to this debt policy helps ensure that the City issues and manages its debt prudently in order to maintain a sound financial position and protect its credit rating.

Credit ratings are the rating agencies' assessment of the City's ability and willingness to repay debt on a timely basis. Credit ratings are an important indicator in the credit markets and can influence interest rates a borrower must pay. Each of the rating agencies believe that debt management is a positive factor in evaluating issuers and assigning credit ratings. Therefore, implementing debt management practices will be viewed positively by the rating agencies and could influence the City's credit rating and ultimately lower borrowing costs.

Annual budget appropriations shall include debt service payments (principal and interest) and reserve requirements for all debt currently outstanding.

✓ **DEBT LIMITS**

General obligation debt is limited to 10% of the assessed value of all taxable property located within the boundaries of the City of Holly Springs. For FY2017, the legal debt limit for the City of Holly Springs is \$43,274,790.

✓ **CONDITIONS FOR ISSUING LONG-TERM DEBT**

Debt financing for capital improvements and equipment will be generally used when at least one of the following conditions exist:

- When one-time, non-continuous projects (those not requiring annual appropriations) are desired;
- When the City determines that future users will receive a benefit from the capital improvement that the debt financed;
- When the project is necessary to provide basic services to City residents;

- When total debt, including debt issued by overlapping governments (e.g., the county), does not constitute an unreasonable burden to the taxpayers; and
- Exhaustion of the use of all other possible revenue sources provides no alternative funding for capital projects.

The City will limit its short-term borrowing to cover cash flow shortages through the issuance of tax anticipation notes.

✓ **SOUND FINANCING OF DEBT**

When the City utilizes debt financing, the following will occur to ensure that the debt is soundly financed:

- Analysis of the financial impact, both short-term and long-term, of issuing the debt;
- Conservatively projecting the revenue sources that the City will use to repay the debt;
- Insuring that the term of any long-term debt the City incurs shall not exceed the expected useful life of the asset the debt financed;
- Maintaining a debt service coverage ratio (i.e., for revenue secured debt) that ensures that the revenues pledged for the repayment of the outstanding debt will be adequate to make the required debt service payments.

✓ **DEBT RETIREMENT**

Generally, borrowings by the City should be of a duration that does not exceed the economic life of the capital improvement that it finances and where feasible, should be shorter than the projected economic life. To the extent possible, the City should design the repayment of debt so as to rapidly recapture its credit capacity for future use.

✓ **DISCLOSURE**

The City shall follow a policy of full disclosure in financial reporting in conjunction with the preparation of a bond prospectus.

✓ **LEGAL COMPLIANCE**

When issuing debt, the City shall comply with all legal and regulatory commission requirements, including the continuing disclosure requirements. This compliance includes adherence to local, state and federal legislation and bond covenants.

More specifically, the Finance Director is responsible for maintaining a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This effort includes tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax exempt status of the City's outstanding debt issues. Additionally, general financial reporting and certification requirements embodied in bond covenants are monitored to ensure that all covenants are complied with.

The City will comply with Amended SEC Rule 15c2-12 (the “Rule”) by providing secondary market disclosure for all long-term debt obligations, which are subject to the Rule. As required, the City will submit annual financial information to all nationally recognized municipal securities repositories as applicable.

✓ **CREDIT RATINGS**

The Finance Director is responsible for maintaining relationships with the rating agencies that assign ratings to the City’s various debt obligations. This effort includes providing periodic updates on the City’s general financial condition along with coordinating meetings and presentations in conjunction with new debt issues.

✓ **OTHER POLICIES**

All bond issue requests shall be coordinated by the Finance Director. Requests for new bonds must be identified during the Capital Improvement Program (CIP) process. Opportunities for refunding outstanding bonds shall be communicated by the Finance Director.

ACCOUNTING AND FINANCIAL REPORTING POLICY

Georgia Law on Local Government Audits, O.C.G.A. Section 36-81-7, requires an independent annual audit for the City. The City’s annual independent audit shall be conducted in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Governmental Auditing Standards (GAGAS). In addition, the City shall comply with the requirements of the General Accounting Office (GAO) and the Office of Management and Budget (OMB) when audits are conducted relating to federal funding, consistent with the Single Audit Act (as amended).



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City of Holly Springs

Strategic Goals



City of Holly Springs Strategic Goals

Foster and Maintain Regional Partnerships

The City will seek to coordinate operations to reduce the duplication of services to its population and expedite agreements that are in the best interest of our citizens.

Sustain and Protect Natural Resources

The City will meet and exceed all local, State and Federal guidelines to preserve our natural resources.

Promote a Well-Planned City

The city will maintain the integrity of its development code and ensure curbside appeal is aesthetically pleasing while incorporating pedestrian friendly streetscapes.

Insist Upon Responsive Service Delivery

Continue to safeguard our reputation of being responsive and efficient while being fair and impartial to all who seek our services and assistance.

To anticipate and provide for the needs of our community in all service delivery areas through quality service, fiscal responsibility, innovation and leadership in a transparent and responsive manner every day.



The City of Holly Springs has developed a performance management system to link the City's mission to goals, departmental objectives and performance measures.

City of Holly Springs' Goals	General Administration	Housing and Development	Municipal Court	Public Safety	Public Works	Parks and Recreation	Stormwater
Foster and Maintain Regional Partnerships							
To foster partnerships across agencies and among public and private providers to bring benefits from various organizations and the ability to leverage community resources.	X	X			X	X	X
To use a framework of shared decision making, shared resources and shared accountability so as to encourage agencies to work collaboratively to accomplish a unified City with efforts that lead to shared outcomes.	X	X			X	X	X
Sustain and Protect Natural Resources							
To maintain, protect and preserve the natural environment.			X			X	X
To provide a well-designed and carefully maintained network of parks and other green spaces.						X	
Promote a Well-Planned City							
To assure properly built, safe occupancies conforming to the Building Code of State and Federal Guidelines.			X				
To provide services for the design, construction, maintenance, procurement, beautification, and preservation of all facilities, roadways, properties, materials, and equipment.	X	X				X	X
To contribute directly to the physical and emotional health, social growth, and development of our residents through a wide range of special events and involvement.					X	X	
Insist Upon Responsive Service Delivery							
To protect and safeguard human life.				X	X		
To keep staff positioned to take full advantage of new technological developments so as to enhance efficiency in the performance of our duties and responsibilities.	X			X			
To provide capable and inspiring administrative leadership for the City staff; to make day-to-day decisions that allow for the most effective use of available resources; and most importantly, to operate in a manner that improves and enhances the quality of life in our community.	X						

Adopted Budget FY2017

Departmental Objectives	Performance Measures
Strategic Goals: Foster and Maintain Regional Partnerships	
General Administration Work with local municipalities, county government, and authorities pursuant to the Service Delivery Strategy Act (HB 489) to ensure efficient delivery of governmental services.	Number of years compliant with Cherokee County Service Delivery Strategy
Housing and Development Work with Cherokee County to comply with the provisions of Annexation and Land Use Dispute Resolutions imposed by the Georgia legislature in 2009.	Number of acres successfully annexed into the City of Holly Springs
Public Safety Work with Cherokee County Fire and Emergency Services to provide services to our residents and lower the Insurance Service Office (ISO) rating.	Maintain ISO protection class rating of three (3) Institute measures to reduce ISO protection class rating to two (2)
Public Works Work with the Georgia Department of Transportation, Local Maintenance Improvement Grant (LMIG) program to maintain City streets.	Number of miles of roads resurfaced
Parks and Recreation Work with Cherokee County Recreation and Parks Agency to build new parks throughout the City.	Number of acres of developed park land per 1,000 city residents
Stormwater Maintain requirements pursuant to Georgia Senate Bill 130 to address the pressing need for comprehensive water resource management.	Number of water samples conducted pursuant to North Georgia Water Planning District requirements
Strategic Goals: Sustain and Protect Natural Resources	
Housing and Development Encourage new developments to set aside greenspace for their residents.	Number of acres of greenspace added
Public Works/Parks and Recreation Present to the public clean, physically-attractive, and well-maintained facilities. Provide a well-designed and carefully maintained network of parks and other green space.	Number of re-landscaped sites Number of acres of developed park land per 1,000 city residents
Stormwater Inspect stormwater collection and detention facilities.	Number of facilities inspected
Strategic Goals: Promote a Well-Planned City	
General Administration To maintain a low tax burden.	% change over operating roll-back millage rate
Housing and Development Conduct fire plan reviews for all commercial and multi-family structures.	% of buildings that meet fire safety code requirements
Foster business growth.	Number of new businesses opened in the City
Public Safety Provide a wide range of public education and special events for our citizens.	Number of Neighborhood Crime Watch meetings conducted
Public Works Ensure timely completion of repairs on work projects to ensure minimal disruption to our citizens.	Percent of hazardous street conditions (potholes) repaired within three (3) days of notification
Parks and Recreation Provide for the design, construction, and maintenance of park areas.	Number of acres of land set aside for new park construction
Stormwater Provide for the design, construction and maintenance of stormwater infrastructure.	Number of new stormwater outfall structures, catch basins, and detention facilities
Strategic Goals: Insist Upon Responsive Service Delivery	
General Administration Implement sound recruitment practices to ensure competent candidates are hired Manage City finances to ensure financial benchmarks are met. Maintain high levels of professional accounting and reporting standards worthy of the Government Finance Officers Association (GFOA) awards.	FT employee turnover rate within one year of employment Unassigned Fund Balances as a % of annual budget Number of years Certificate of Achievement for Excellence in Financial Reporting has been received Number of years Distinguished Budget Presentation Award has been received Number of audit findings
Comply with all applicable Georgia Statutes for public open records requests.	Average number of days to complete routine public open records requests
Municipal Court Comply with all applicable Georgia requirements to electronically transmit the disposition of adjudicated traffic cases in a timely manner. Accommodate first-time offenders with diversion program.	Percent of successful transmissions to the Department of Driver Services Number of pre-trial diversions Percent of court cases transferred to probation
Public Safety To deter crime, apprehend criminals, and enhance public safety.	Average emergency call response time Number of traffic tickets issued

FOSTER AND MAINTAIN REGIONAL PARTNERSHIPS

Cherokee County

Cherokee County is a major service provider, and the many ways in which Holly Springs must coordinate and cooperate with Cherokee County are too numerous to begin to describe here. It is recognized however, that the ongoing cooperative relationship with Cherokee County with regard to countywide services and other city-county issues is absolutely essential. Holly Springs will continue to support various opportunities to cooperate and coordinate with the adjacent cities of Canton and Woodstock to improve county-wide services such as water/sewer, fire protection, property appraisal and stormwater management.

Metropolitan North Georgia Water Planning District

This district was established by the Georgia General Assembly in 2001 via Senate Bill 130 to address the pressing need for comprehensive water resources management in metropolitan north Georgia. The main purpose of the district is to promote intergovernmental coordination for all water issues, to facilitate inter-jurisdictional water-related projects, and to enhance access to funding for water-related projects among local governments. The City of Holly Springs adopted the model ordinances in May 2006. The district's jurisdiction encompasses 16 counties including Cherokee. It is required by State law to prepare three long-term plans (which it completed in 2003): a long-term wastewater management plan; a water supply and water conservation management plan, and a district-wide watershed management plan. These regional plans are very important and have a major bearing on the future of how water, sewer, and stormwater management facilities will be provided in Holly Springs.

Service Delivery Strategies

In 1997, the State passed the Service Delivery Strategy Act (HB 489). This law mandates the cooperation of local governments with regard to service delivery issues. Each county was required to initiate development of a service delivery strategy between July 1, 1997, and January 1, 1998. Service delivery strategies must include an identification of services provided by various entities, assignment of responsibility for provision of services and the location of service areas, a description of funding sources, and an identification of contracts, ordinances, and other measures necessary to implement the service delivery strategy. Holly Springs is and must continue to be included in the Cherokee County Service Delivery Strategy. Changes to service arrangements described in a service delivery strategy require an update of the service delivery strategy and an agreement by all parties. Because of this provision, it is likely that the need for intergovernmental coordination with regard to service delivery strategies will continue into the future. In addition, service delivery strategies must be updated every ten years. The Service Delivery Strategy Act also mandates that land use plans of different local governments be revised to avoid conflicts.

Annexation and Land Use Dispute Resolution

The land use dispute resolution process was afforded to Georgia counties by the state legislature in 2009. The process empowers counties to request the mediation of proposed land uses of unincorporated areas seeking annexation, when the new use proposes to increase the density. A "sphere of influence" or "annexation area" (or urban growth boundary) was agreed upon between the City and the county as a gentlemen's agreement from 2003 through 2006. Nonetheless, the growth boundary agreement was not renewed in 2007, though Mayor and Council

may choose to establish a defined growth area or urban service limit in the future. However, Holly Springs is expected to exceed those prior growth limits. Recent objections by the Cherokee County Board of Commissioners to annexations by Holly Springs have led to the need to mediate disputes. This issue of annexation and land use disputes will need significant attention in the future, and the City and County must attempt to cooperate, seeking resolution of disagreements. The City seeks to jointly plan areas with the county, inviting the BOC to participate in this effort. Perhaps the City of Holly Springs and Cherokee County will one day have the opportunity to pursue this worthwhile endeavor.

Intergovernmental Agreements

Law Enforcement

The law enforcement mutual aid agreement between Cherokee County and the Holly Springs Police Department was adopted on April 1, 1996. Holly Springs also entered into agreement with Cherokee County and the Cherokee County Sheriff on September 20, 1998, for services related to detention of persons arrested for violations of municipal ordinances.

Fire Protection

Holly Springs (as well as the cities of Ball Ground, Canton and Waleska) entered into an agreement with Cherokee County to join the 2nd fire district whereby the fire district offers services to municipalities. Holly Springs approved a new agreement on August 20, 2013. This is referred to as a “consolidation” agreement in the Service Delivery Strategy. The City of Holly Springs has firefighting equipment which is leased to the county fire district. However, as new equipment is needed and added to the county fire district, such vehicles and equipment become the property of the county fire district.

Water

The Cherokee County Water and Sewerage Authority was created by the General Assembly, and Holly Springs has entered into an agreement with the Authority for the provision of water services.

Sewer

The Service Delivery Strategy contains an agreement between the Cities of Holly Springs and Canton. The City of Canton, through an agreement with the Cherokee County Water and Sewerage Authority, has secured 350,000 gallons per day of capacity and allocated that amount to Holly Springs per contract. The contract between Holly Springs and Canton provides for Holly Springs’ use of the sewage treatment facilities operated by the City of Canton for the treatment of the City of Holly Springs’ sewage. The sanitary sewers (collection system) belong to the Cherokee County Water and Sewerage Authority.

SUSTAIN AND PROTECT NATURAL RESOURCES

The natural environment should be preserved as much as possible. Preserving natural features helps maintain air and water quality, as well as providing visual and recreational amenities for local citizens.

Environmentally Sensitive Areas

Prevent development from occurring in, or significantly encroaching upon, environmentally sensitive areas such as floodplains, wetlands, and groundwater recharge areas, by preparing and adopting additional regulations as necessary to protect environmentally sensitive areas. At a minimum, this includes development regulations to meet or exceed Georgia Department of Natural Resources' Part V Environmental Planning Criteria.

Innovative Land Practices that Preserve the Environment

Encourage innovative land development practices that focus on preserving environmentally sensitive land areas and open space.

Minimize Water Quality Impacts

The location and intensity of development should be sited so as to minimize the negative effects of that development on water quality, both during and after construction. Major considerations concerning water quality should include: organic pollution from infiltration and surface runoff; erosion and sedimentation; water temperature elevation; nutrients such as nitrogen and phosphorous; and toxic materials.

Wetlands

Preserve wetlands where they exist, or as a last resort if they cannot be preserved on-site, mitigate wetland loss by increasing ecologically equivalent wetlands on other appropriate sites (i.e., wetland mitigation through wetland banking).

Floodways and Floodplains

Prohibit development within floodways and restrict or prohibit development in flood plains. If development within flood plains is allowed, flood plain storage should not be decreased from its present state. In no event shall development be permitted that inhibits the flow of floodwaters.

National Flood Insurance Program

Continue to participate in the National Flood Insurance Program. Periodically amend the flood damage prevention/floodplain management ordinance to comply with changes to ordinances specified by the Federal Emergency Management Agency.

Best Management Practices

Implement best practices for water pollution control and stormwater management, including but not limited to: biofilters (vegetated swales/strips), wet ponds, and constructed wetlands.

Municipal Practices

Ensure that the City, in its own activities, follows the same environmental policies as required of private developers.

Encourage Conservation Subdivisions

Encourage conservation subdivision development. (Conservation developments cluster structures on developable land in order to conserve land and/or provide public open space).

Acquire Conservation Lands

Seek out opportunities to acquire conservation lands and park spaces.

Permeable Surfaces

Use permeable surfaces for parking lots in non-residential developments, if appropriate.

Street Trees

Encourage or require the planting of street trees in subdivisions and new land developments.

Tree Protection and Preservation of the Tree Canopy

Restrict the cutting of trees, require the replacement of trees, and preserve and enhance the tree canopy, by adopting, amending, and enforcing a tree preservation ordinance.

Tree Canopy Guidelines

Unless more restrictive requirements are adopted by ordinance, use goals recommended by American Forests (2002) for the preservation of the tree canopy, as a guide in development planning.

Sustainability and Energy Efficiency

Promote sustainable and energy-efficient development.

PROMOTE A WELL-PLANNED CITY

Urban Design

Urban design within Holly Springs is dictated by both the Commercial Corridor Design Overlay District Guidelines and Article 19 of the Zoning Ordinance. From those documents, the following policies are summarized as policy for the city:

Pedestrian Facilities

Create a safe and accessible pedestrian network throughout the City of Holly Springs. Sidewalks of required widths, well-marked crosswalks and approved pedestrian-scaled lighting should be installed to create an inviting and well-used pedestrian system. All new construction and redevelopment within the City should include a combination of these facilities. All new facilities shall meet Americans with Disabilities Act (ADA) standards. Additional funding will be sought to create and improve pedestrian facilities within existing areas of the City, but when development occurs it will be the responsibility of developers to improve facilities along their public street frontages.

Streetscape Improvements

Aesthetically appealing transportation routes are desired and will be created throughout Holly Springs. Street trees should be installed, and will be required, to create shaded sidewalks for pedestrians and improve the visual quality of local streets and state routes. Street furniture zones and landscape strips will be established along sidewalks within the Downtown Historic District and Holly Springs Parkway District. These zones will consist of brick pavers or landscape strips alongside concrete sidewalks to provide space for the street trees, decorative pedestrian lights, bike racks and planters of ornamental vegetation. All streetscape improvements will be coordinated with the Georgia Department of Transportation when working along state routes or making use of Transportation Enhancement (TE) funds and Livable Centers Initiative (LCI) funds.

Town Center

Development in the town center should include mixed uses, following the overlay district guidelines to ensure appropriate scales, setbacks, materials, and signage are achieved.

Corridor Design Overlay

The Commercial Corridor Design Overlay District Guidelines provide a framework for site design, building design and streetscape design within the overlay district. These guidelines should be met by all projects within the district to ensure that the character of the traditional neighborhoods is retained.

Parking

Adequate parking will be provided within the City. Parking should be situated so that the parking is located at the rear or side of buildings. If circumstances require front parking areas, proper screening from the roadway will be provided.

Streetscape Improvement Standards

Pedestrian lighting and street furniture shall be consistent throughout the City. A standard for each element has been selected by the City. City staff will review plans to ensure that the standards are used on all new projects.

Connectivity of Open Spaces

Creation of new open space and connection to existing or planned open spaces are priorities for Holly Springs and will be sought in the review of development proposals, as appropriate. The requirement of open spaces, and their designs, will be considered on a case-by-case basis, taking into account the city's objectives of creating pedestrian-friendly, mixed-use places and destinations in the town center and accessible linkages to them. Improving accessibility to parks and creating pedestrian links between the open spaces and the public park(s) in the town center will greatly strengthen the urban core of the City and will therefore be a key guiding principle when reviewing open space proposals.

INSIST UPON RESPONSIVE SERVICE DELIVERY

Level of Service Standards

Establish and maintain level-of-service and/or performance standards for all community facilities and services provided by the City.

Police Protection

Ensure that the police department has adequate personnel, equipment, and training. Maintain a target officer to population ratio of at least 2 officers per 1,000 population, or as otherwise determined appropriate by the Police Chief. Strive to uphold an average 3 to 5 minute incident response time for police calls, 90 percent or more of the time.

Fire Services

Continue to work with Cherokee County Fire and Emergency Service to improve the Insurance Service Office (ISO) rating. Work with Cherokee County Fire and Emergency Services to open a new fire station in Harmony on the Lakes in early 2017.

Fire Hydrants and Fire Flow

Ensure fire hydrants are installed along new public water lines every 1,000 feet in residential areas and every 500 feet in commercial areas. Test fire hydrants regularly and institute prompt repairs where necessary. Ensure that water service providers maintain a target water flow standard of 1,500 gallons per minute for firefighting commercial structures, with between 2,000 and 2,500 gallons per minute considered optimum, and a minimum water target of 1,000 gallons per minute for fighting a residential fire with up to 1,500 gallons per minute considered optimum.

Municipal Parks and Recreation Department

Create a new park/recreation department to replace or supplement service by the Cherokee County Parks and Recreation Agency.

Parkland Designation

Designate lands for future parks, recreation, open space, and conservation, including unincorporated areas in the City's sphere of influence or growth boundary.

Multi-use Trails

Continue pursuing opportunities to construct multi-use trails or greenways throughout the city.

Library

Financially supplement the Sequoyah Regional Library System which operates libraries in Cherokee County.

Solid Waste Management

Implement the City's comprehensive solid waste management plan.

Location Policy 1

While abiding by principles of efficiency in terms of optimal geographic locations for City facilities and services, the City should use its investment in civic buildings (e.g., new city hall) to strategically leverage and enhance private reinvestment in redevelopment areas.

Location Policy 2

The City should consider locating public facilities within vacant commercial spaces, if economical and appropriate.

Public-Private Delivery

Identify, and capitalize on, opportunities for innovative public-private ventures in the arrangement, provision, and delivery of various City facilities and services.

Local Street Improvements

Improve geometrics of local street intersections where they pose traffic safety problems.

Downtown Public Parking

Ensure adequate off-street parking facilities downtown, including public parking.

Context-Sensitive Design

Provide for street designs that pay appropriate attention to concepts of compatibility, livability, sense of place, and urban design, in addition to conventional traffic engineering considerations. Utilize context-sensitive roadway design to promote streets that are built appropriately to fit the land uses surrounding them. For example, a downtown main street should be built with narrower lanes, wider sidewalks, and streetscape elements in its design, in order to encourage lower speeds and accommodate pedestrians.

Pedestrian/Sidewalk System

Improve the network of pedestrian facilities (sidewalks) in the city; implement the long-range future sidewalks plan.

Bike Paths and Bikeways

Provide bike paths and bikeways in appropriate locations in the city.

Bicycle lanes are proposed along the following routes (Source: LCI Study 2004):

- Hickory Road from Cedar Valley Drive to the proposed industrial connector roadway
- Holly Springs Parkway from Old Canton Road to Childers Road
- Holly Street from Holly Springs Parkway to I-575
- New industrial connector roadway

Multi-use trails should be developed along each of these corridors. Because it is part of the new Town Center, the railroad trail should be a priority project as well.

Traffic Calming

Consider future needs for traffic calming (raised speed humps, raised tables, etc.) to slow speeding and/or discourage cut-through traffic.

No Truck Routes

Designate routes for truck prohibition where needed.

Public Transportation

Efforts should be made to tie into regional public transportation programs, where and when they are available.

Connectivity

During site plan and development permit review, measures should be made to connect streets to provide a local street network that serves as an alternative to the arterial and collector street system. This includes promotion of a grid-street pattern in all places where such design is feasible and practical. It also means discouraging, limiting, or prohibiting cul-de-sacs in some cases, and providing for stub connections at property lines to tie into future compatible development on adjoining properties.

Objectives Underway

- ❖ Acquire the rights-of way and construction easements for the sidewalk project on Holly Springs Parkway north to Pine Crest Road in 2017.
- ❖ Obtain tax allocation district (TAD) approval for the redevelopment of the Town Center District in the downtown core of the City of Holly Springs from the Cherokee County Board of Commissioners and the Cherokee County Board of Education in 2017.
- ❖ Complete punch list for Livable Centers Initiative (LCI) Phase I project along Holly Springs Parkway and Hickory Road in 2017.
- ❖ Plan for the development of the future park on the site of the former Cagle Family Farm on Stringer Road in 2017.



City of Holly Springs

***Fund Structure and
Basis of Budgeting***



FUND STRUCTURE AND BASIS OF BUDGETING

Fund Structure

In the early 1900's, state and local governments often used separate bank accounts, commonly known as funds, to control resources set aside for specific purposes. This has evolved into modern day fund accounting used for the purpose of controlling governmental monetary resources that are legally restricted or earmarked for special purposes. Financial reporting treats each government as a collection of separate funds rather than one single entity. For this reason, government budgets are prepared using the fund structure. The National Council on Governmental accounting gives a rather long definition for fund:

“A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.”

In summary, funds are the managing tools used by governments to ensure that public monies are spent only for those purposes authorized, and within the limits authorized. Individual funds are classified into three broad categories: Governmental, Proprietary, and Fiduciary. Each City's funds are classified into fund types and the number of funds a government uses can vary.

Governmental Funds

Governmental Funds are defined by law as funds used to account for “governmental-type activities”. They account for all current financial resources except for those required by law to be accounted for in another fund. Governmental Funds are subdivided into four categories; General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

The City of Holly Springs has three Governmental Fund Types: General Fund, Special Revenue Funds, and Capital Project Funds.

General Fund: The General Fund of a government unit serves as the primary reporting method for current government operations.

The major sources of revenues for the General Fund are; property taxes, franchise taxes, insurance premium taxes, municipal court fines, building permits, and certificate of occupancy fees.

The major departments funded include: General Administrative Services (City Manager, Finance, and Human Resources), Community Development, Municipal Court Services, Public Safety, and Public Works.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The major sources of revenue for the Special Revenue Funds include: alcohol beverage excise taxes, hotel/motel taxes, and grant funds.

The major categories funded include; tourism, local community outreach program for troubled youths, and parks and recreation.

Capital Project Funds: The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The major sources of revenue for the Capital Project Funds include; special assessments, capital grants, and special purpose local option sales taxes (SPLOST).

The major categories funded include; significant road repairs, transportation infrastructure, facilities, and capital outlay.

Debt Service Fund: The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The City does not currently have a Debt Service Fund.

Proprietary Funds

Proprietary Funds are used to account for a government's ongoing activities that are similar to those found in the private sector. There are two types of Proprietary Funds; Enterprise Funds and Internal Service Funds.

The City of Holly Springs has one Proprietary Fund: Enterprise Fund.

Enterprise Fund: The Enterprise Fund of a government accounts for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The major source of revenues for the Enterprise Fund is stormwater utility fees.

The major category funded is stormwater maintenance and stormwater infrastructure construction.

Internal Service Fund: The Internal Service Fund is used to identify and allocate costs of goods and services to other departments

The City does not currently have an Internal Service Fund.

Fiduciary Funds

Fiduciary Funds are used to account for assets held in a trustee or agency capacity for others. There are four types of fiduciary funds; Pension (and other employee benefits) Trust Fund, Investment Trust Fund, Private-Purpose Trust Fund and Agency Fund.

The City of Holly Springs has one Fiduciary Fund: Agency Fund.

Pension (and other employee benefit) Trust Fund: The Pension Trust Fund is used to report resources that are required to be held in trust by the City for the members and beneficiaries of defined benefit pension plans, defined contribution pension plans, and other employee benefit plans.

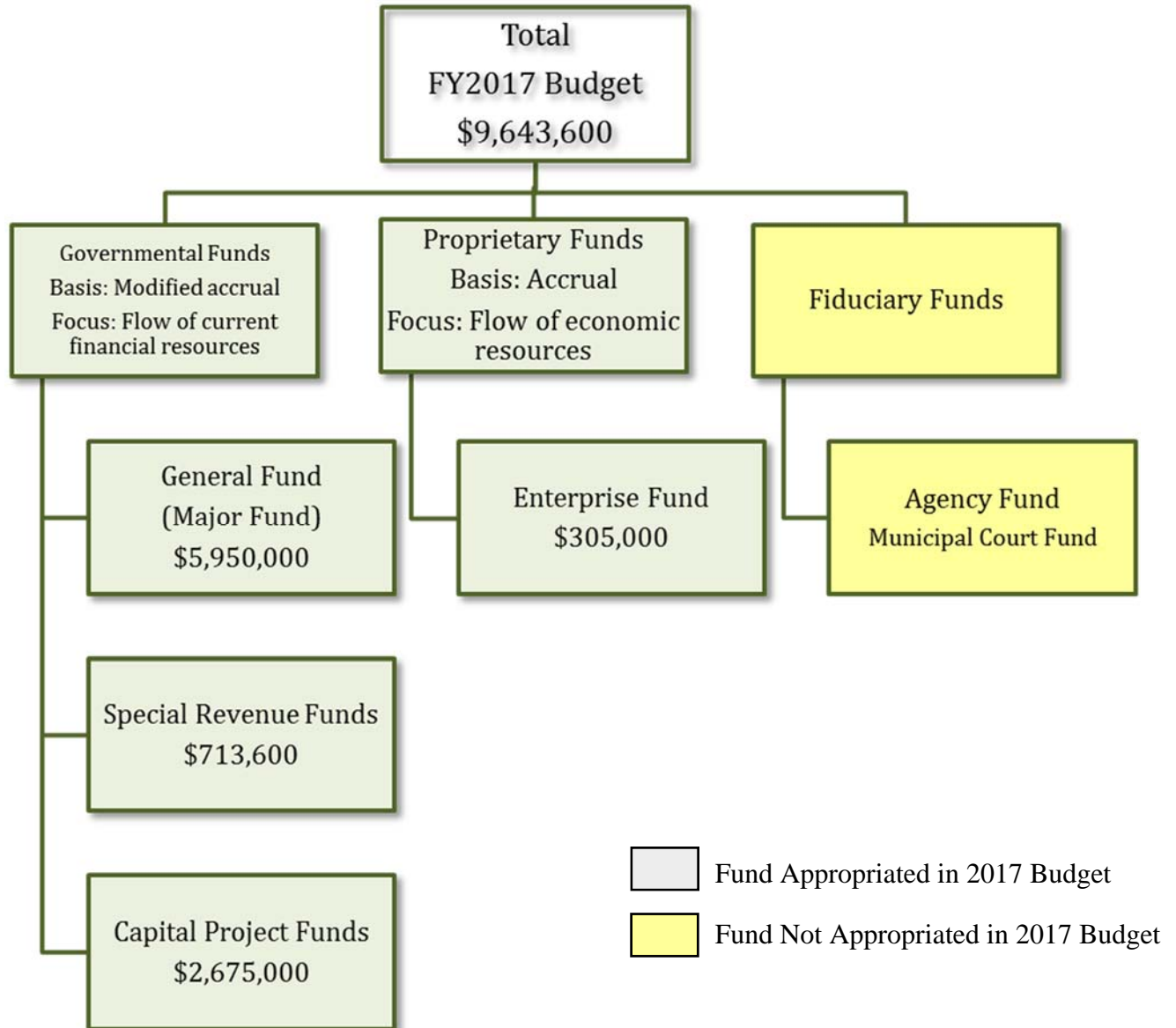
Investment Trust Fund: The Investment Trust Fund is used to report the external portion of the Local Government Investment Pool, which is reported by the City as the sponsoring government.

Private-Purpose Trust Fund: The Private-Purpose Trust Fund is used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments. The resources held under these arrangements are not available to support the government's own programs.

Agency Fund: The Agency Fund is used to account for resources held by the City in a purely custodial capacity for other governments, private organizations or individuals.

The City does not currently have a Pension Fund, Investment Trust Fund or Private-Purpose Trust Fund.

Fund Structure



The General Fund includes the following departments:
 Governing Body, General Administration, Housing and Development, Municipal Court, Public Safety, and Public Works.

Basis of Budgeting versus Basis of Accounting

Neither GAAP nor Georgia statutes address a required basis of budgeting; the City adopts budgets in conformity with GAAP for all budgeted funds. The budgets of the general governmental type funds (the General Fund, Special Revenue Funds, and Capital Project Funds) are prepared on a modified accrual basis. The modified accrual basis of accounting and budgeting recognizes revenue when a transaction is measurable and available. Revenue is considered available when it is collectible during the current period or after the end of the period but in time to pay current year liabilities and expenditures. Expenditures are recognized when they are measurable, when the liability is incurred, and when the liability will be liquidated with current resources. All three of these criteria must be met in order for the expenditure to be recognized.

Local municipal governments in Georgia are not required to adopt budgets for Enterprise Funds. However, best management practices dictate that budgets should be adopted for all funds to ensure that projected revenues and expenses are on target in an Enterprise Fund. The City of Holly Springs adopts a budget for its Enterprise Fund on the modified accrual basis of accounting whereby capital outlay is shown as an expense rather than the acquisition of an asset. Management budgets in this manner to track cash flows in the Enterprise Fund.

The City will establish and maintain high standards of accounting practices. Accounting standards will conform to Generally Accepted Accounting Principles (GAAP) of the United States as promulgated by the Governmental Accounting Standards Board (GASB). The City also will follow the Financial Accounting Standards Board's (FASB) pronouncements, as applicable.



City of Holly Springs

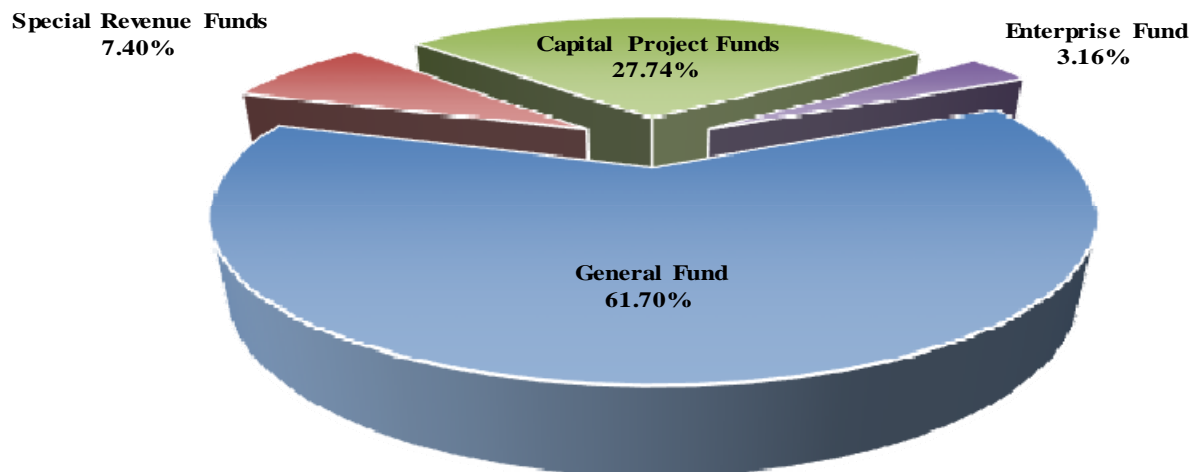
Fund Summaries



Summary of Budgets by Fund

Fund	FY2016 Adopted Budget	% of Total Budget	FY2017 Adopted Budget	% of Total Budget	\$ Change from FY2016 to FY2017	% Change from FY2016 to FY2017
General Fund	\$ 5,875,000	42.60%	\$ 5,950,000	61.70%	\$ 75,000	1.28%
Special Revenue Funds	\$ 3,914,850	28.39%	\$ 713,600	7.40%	\$ (3,201,250)	-81.77%
Capital Project Funds	\$ 3,700,000	26.83%	\$ 2,675,000	27.74%	\$ (1,025,000)	-27.70%
Enterprise Fund	\$ 300,000	2.18%	\$ 305,000	3.16%	\$ 5,000	1.67%
Total	\$ 13,789,850	100.00%	\$ 9,643,600	100.00%	\$ (4,146,250)	-30.07%

Percent of Budgets by Fund

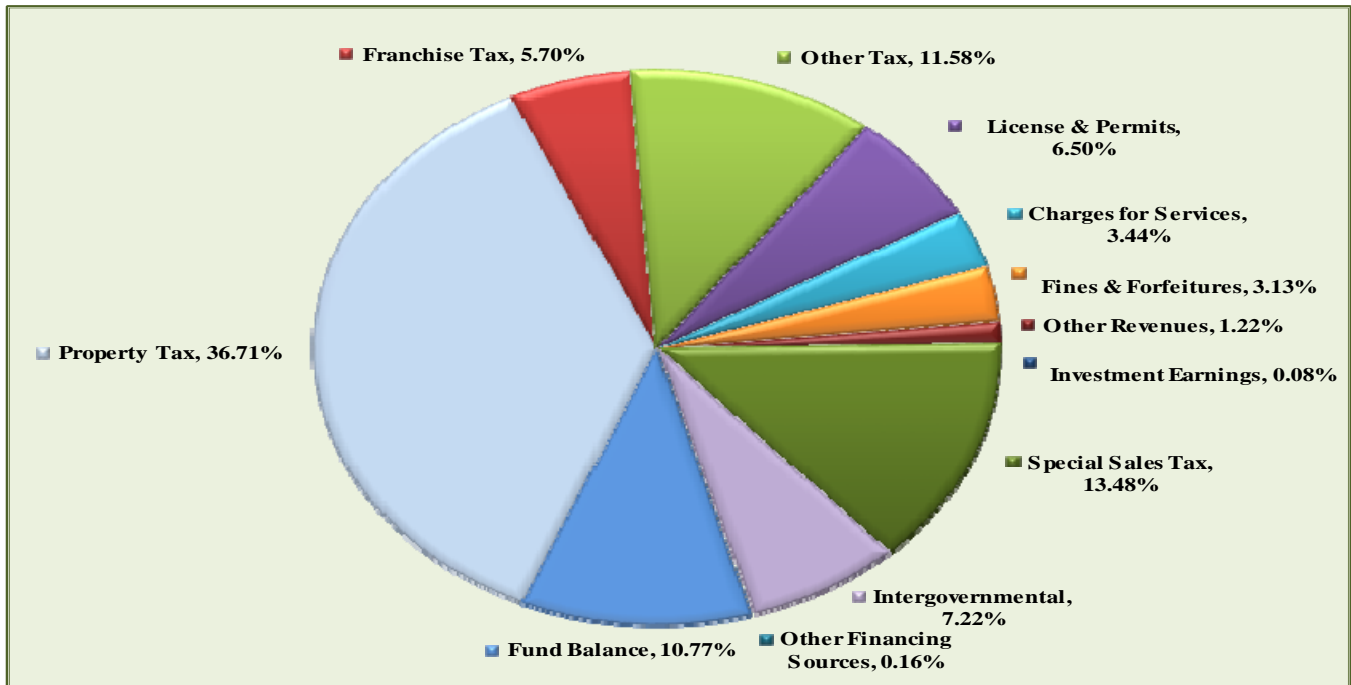


City of Holly Springs Budget Summary (all funds) \$9,643,600

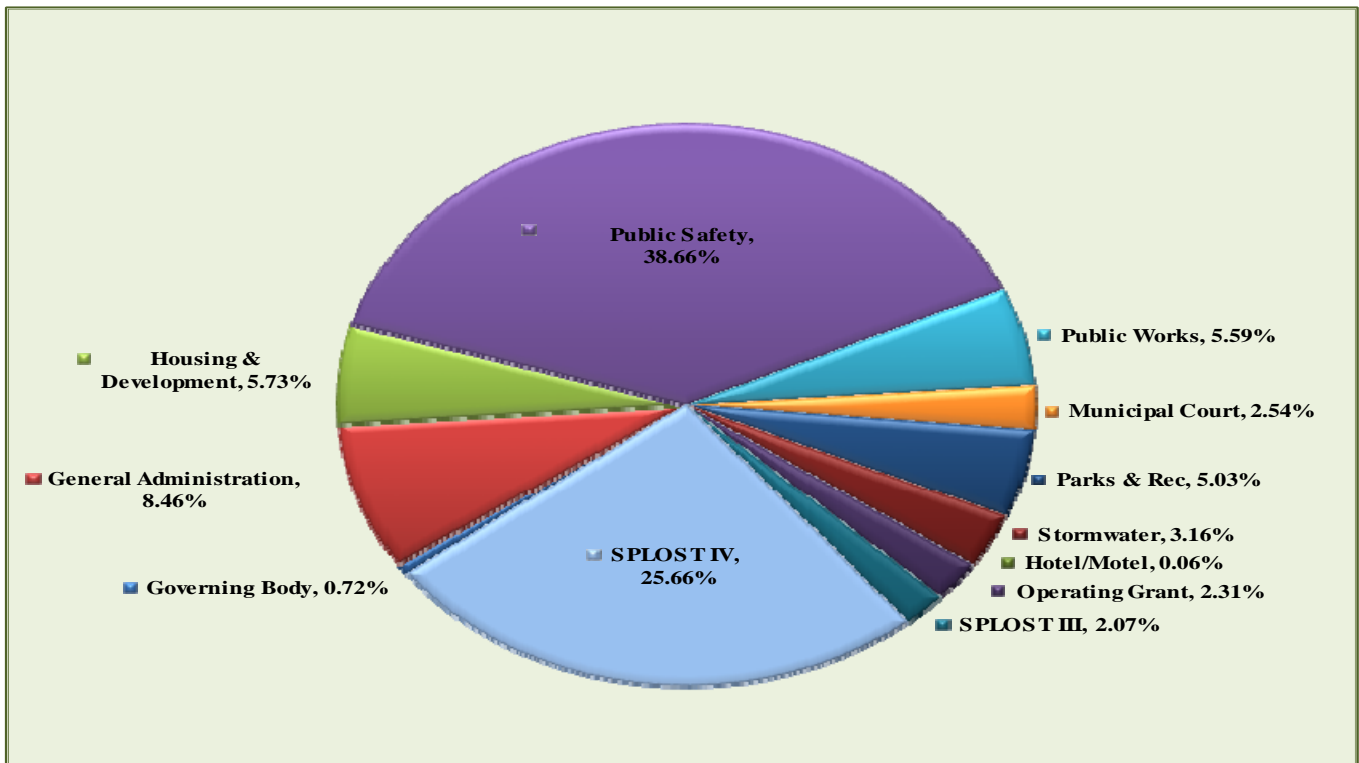
	Funds				Total
	General	Special Revenue	Capital Project	Enterprise	
Beginning Fund Balance/Net Assets	\$ 5,165,480	\$ 769,031	\$ 914,266	\$ 3,328,576	\$ 10,177,353
Estimated Revenues					
Property Tax	3,539,900	-	-	-	3,539,900
Franchise Tax	550,000	-	-	-	550,000
Other Tax	774,550	325,995	15,964	-	1,116,509
License & Permits	627,250	-	-	-	627,250
Charges for Services	27,500	-	-	304,680	332,180
Fines & Forfeitures	301,500	-	-	-	301,500
Investment Earnings	6,000	540	700	320	7,560
Other Revenues	107,300	10,250	-	-	117,550
Fund Balance	-	154,250	884,696	-	1,038,946
Net Assets	-	-	-	-	-
Special Sales Tax	-	-	1,300,000	-	1,300,000
Intergovernmental	500	222,565	473,640	-	696,705
Other Financing Sources	15,500	-	-	-	15,500
	\$ 5,950,000	\$ 713,600	\$ 2,675,000	\$ 305,000	\$ 9,643,600
Estimated Expenditures/Expenses					
Governing Body	69,555	-	-	-	69,555
General Administration	815,378	-	-	-	815,378
Housing and Development	552,808	-	-	-	552,808
Public Safety	3,728,422	-	-	-	3,728,422
Public Works	539,056	-	-	-	539,056
Municipal Court	244,781	-	-	-	244,781
Parks & Recreation	-	485,000	-	-	485,000
Stormwater Management	-	-	-	305,000	305,000
Capital Improvements	-	-	2,675,000	-	2,675,000
Operating Transfers Out	-	222,600	-	-	222,600
Hotel/Motel	-	6,000	-	-	6,000
	\$ 5,950,000	\$ 713,600	\$ 2,675,000	\$ 305,000	\$ 9,643,600
Ending Fund Balance/Net Assets	\$ 5,165,480	\$ 769,031	\$ 914,266	\$ 3,328,576	\$ 10,177,353

FY2017 Budget Summaries (all funds)

Revenues By Source



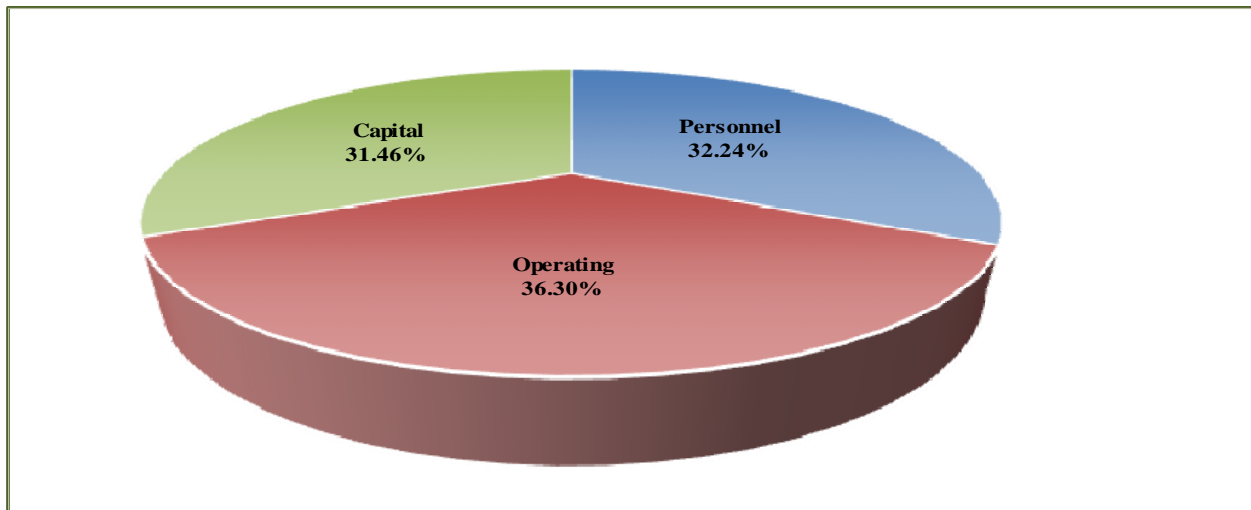
Expenditures/Expenses by Department



Summary of Expenditures/Expenses by Category (all funds)

Funds	Personnel	Operating	Capital	Total
General				
Governing Board	\$ 64,655	\$ 4,900	\$ -	\$ 69,555
General Administration	\$ 508,718	\$ 306,660	\$ -	\$ 815,378
Housing & Development	\$ 343,223	\$ 209,585	\$ -	\$ 552,808
Public Safety	\$ 1,971,094	\$ 1,757,328	\$ -	\$ 3,728,422
Public Works	\$ -	\$ 539,056	\$ -	\$ 539,056
Municipal Court	\$ 131,381	\$ 113,400	\$ -	\$ 244,781
Total	\$ 3,019,071	\$ 2,930,929	\$ -	\$ 5,950,000
Enterprise				
Stormwater Management	\$ 90,175	\$ 214,825	\$ -	\$ 305,000
Special Revenue				
Parks & Recreation	\$ -	\$ 126,264	\$ 358,736	\$ 485,000
Hotel/Motel Tax Fund	\$ -	\$ 6,000	\$ -	\$ 6,000
Operating Grant	\$ -	\$ 222,600	\$ -	\$ 222,600
Total	\$ -	\$ 354,864	\$ 358,736	\$ 713,600
Capital Project				
SPLOST III	\$ -	\$ -	\$ 200,000	\$ 200,000
SPLOST IV	\$ -	\$ -	\$ 2,475,000	\$ 2,475,000
Total	\$ -	\$ -	\$ 2,675,000	\$ 2,675,000
Total	\$ 3,109,246	\$ 3,500,618	\$ 3,033,736	\$ 9,643,600

Percent of Expenditures/Expenses by Category (all funds)





City of Holly Springs

***Changes in Fund Balance
and Net Assets***



Projected Changes in Fund Balance/Net Assets - All Funds

	FY2014 Actual (audited)	FY2015 Actual (audited)	FY2016 Budget	FY2017 Budget	% of Total	% Change from FY16 to FY17
Beginning Fund Balance	\$ 8,341,639	\$ 9,309,551	\$10,177,353	\$10,177,353		
Revenues						
Property taxes	2,911,695	3,140,934	3,242,950	3,539,900	41.21%	9.16%
Franchise taxes	578,242	604,313	550,000	550,000	6.40%	0.00%
Other taxes	612,157	964,795	1,110,045	1,100,545	12.81%	-0.86%
Special Tax	-	-	1,310,000	1,300,000	15.14%	-0.76%
Intergovernmental	1,664,757	1,753,918	2,343,388	696,705	8.11%	-70.27%
License and permits	692,844	877,253	779,500	627,250	7.30%	-19.53%
Charges for services	374,967	391,026	341,250	342,180	3.98%	0.27%
Donations from Prostate Sources	15,181	8,075	17,500	15,000	0.17%	-14.29%
Fines and forfeitures	411,035	389,908	305,435	301,500	3.51%	-1.29%
Investment Earnings	9,261	10,326	7,955	7,560	0.09%	-4.97%
Other Revenues	358,739	30,717	115,493	108,514	1.26%	-6.04%
Total revenues	7,628,878	8,171,265	10,123,516	8,589,154	100.00%	-15.16%
Expenditures/Expenses						
Current:						
General Government	678,717	876,497	862,231	884,933	9.18%	2.63%
Health and Welfare	303,938	356,242	245,525	222,600	2.31%	-9.34%
Culture and Recreation	130,547	150,479	265,825	126,264	1.31%	-52.50%
Municipal Court	211,556	286,373	256,240	244,781	2.54%	-4.47%
Public Safety	2,518,285	3,230,805	3,807,180	3,975,634	41.23%	4.42%
Public Works	573,246	1,647,046	3,931,723	3,225,489	33.45%	-17.96%
Housing & Development	298,874	637,172	564,159	558,808	5.79%	-0.95%
Capital outlay:						
Public Safety	400,225	-	3,000	-	0.00%	-100.00%
Public Works	790,147	6,476	-	-	0.00%	-
Culture and Recreation	144,602	100,000	3,380,000	-	0.00%	-100.00%
Municipal Court	-	-	5,500	-	0.00%	-100.00%
Housing & Development	153,413	-	7,500	-	0.00%	-100.00%
General Government	462,002	1,800	310,000	-	0.00%	-100.00%
Debt Service:						
Principal	138,944	127,215	128,954	341,875	3.55%	165.11%
Interest	6,558	6,252	4,513	63,216	0.66%	1300.75%
Total expenditures	6,811,054	7,426,357	13,772,350	9,643,600	100.00%	-29.98%
Excess of revenues over (under) expenditures/expenses	817,824	744,908	(3,648,834)	(1,054,446)		
Other financing sources (uses):						
Proceeds from Sale of Capital Assets	19,358	20,578	35,500	15,500	1.47%	-56.34%
Proceeds from Issuance of Capital Leases	133,553	-	-	-	0.00%	-
General Long-Term Debt Issued	-	-	3,200,000	-	0.00%	-100.00%
Fund Balance	-	-	401,707	1,038,946	98.53%	158.63%
Transfers in	94,670	12,872	29,127	-	0.00%	-100.00%
Transfers out	(94,670)	(12,872)	(17,500)	-	0.00%	-100.00%
Capital assets contributed by private sources	-	102,316	-	-	0.00%	-
Total other financing sources (uses)	152,911	122,894	3,648,834	1,054,446	100.00%	-71.10%
Net change in fund balance/net assets	970,735	867,802	-	-		
Restatement of net position	(2,823)	-	-	-		
Fund balances/net assets (deficit), end of year	\$ 9,309,551	\$ 10,177,353	\$10,177,353	\$10,177,353		

General Fund

	FY2014 Actual (audited)	FY2015 Actual (audited)	FY2016 Budget	FY2017 Budget	% of Total	% Change from FY 16 to FY17
Beginning Fund Balance	\$ 3,632,243	\$ 4,386,803	\$ 5,165,480	\$ 5,165,480		
Revenues						
Property taxes	2,911,695	3,140,934	3,242,950	3,539,900	59.6%	9.16%
Franchise taxes	578,242	604,313	550,000	550,000	9.27%	0.00%
Other taxes	612,157	644,069	794,050	774,550	13.05%	-2.46%
Intergovernmental	1,200	-	500	500	0.01%	0.00%
License and permits	642,420	865,324	779,500	627,250	10.57%	-19.53%
Charges for services	42,773	60,913	32,750	27,500	0.46%	-16.03%
Fines and forfeitures	411,035	389,908	305,435	301,500	5.08%	-1.29%
Investment Earnings	7,061	7,988	6,000	6,000	0.10%	0.00%
Donations from private sources	13,031	2,000	17,500	15,000	0.25%	-14.29%
Other Revenues	58,898	25,967	93,315	92,300	1.56%	-1.09%
Total revenues	5,278,512	5,741,416	5,822,000	5,934,500	100.00%	1.93%
Expenditures						
Current:						
General Government	678,717	799,051	862,231	884,933	14.87%	2.63%
Municipal Court	211,556	286,373	256,240	244,781	4.11%	-4.47%
Public Safety	2,518,284	3,133,362	3,454,680	3,728,422	62.66%	7.92%
Public Works	370,357	349,258	417,690	539,056	9.06%	29.06%
Culture and Recreation	4,000	4,000	-	-	0.00%	
Housing & Development	292,479	390,125	558,159	552,808	9.29%	-0.96%
Capital outlay:						
General Government	462,002	1,800	310,000	-	0.00%	-100.00%
Municipal Court	-	-	5,500	-	0.00%	-100.00%
Public Works	5,915	6,476	-	-	0.00%	
Public Safety	-	-	3,000	-	0.00%	-100.00%
Housing & Development	-	-	7,500	-	0.00%	-100.00%
Total expenditures	4,543,310	4,970,445	5,875,000	5,950,000	100.00%	1.28%
Excess of revenues over (under) expenditures	<u>735,202</u>	<u>770,971</u>	<u>(53,000)</u>	<u>(15,500)</u>		
Other financing sources (uses):						
Proceeds from Sale of Capital Assets	19,358	20,578	35,500	15,500	100.00%	-56.34%
Transfers in	-	-	17,500	-	0.00%	-100.00%
Transfers out	-	(12,872)	-	-	0.00%	
Total other financing sources (uses)	19,358	7,706	53,000	15,500	100.00%	-70.75%
Net change in fund balance	754,560	778,677	-	-		
Fund balances (deficit), end of year	\$ 4,386,803	\$ 5,165,480	\$ 5,165,480	\$ 5,165,480		

Explanation of General Fund Variances

- Public Works increased 29.06% in 2017 over 2016 due to the City outsourcing the maintenance and repair of all public works infrastructure to a private sector company to increase the level of service provided to our residents.
- Capital Outlay in General Government decreased 100% in 2017. This decrease was due to the purchase of land in downtown approved by City Council in 2016 in the amount of \$310,000. No such allocation was included in the 2017 budget.
- Proceeds from the Sale of Capital Assets decreased 56.34% in 2017 from 2016. Due to the growth in the City, we will not surplus and send to auction any vehicles from our public safety fleet.

Special Revenue Funds

	FY2014 Actual (audited)	FY2015 Actual (audited)	FY2016 Budget	FY2017 Budget	% of Total	% Change from FY16 to FY17
Beginning Fund Balance	\$634,054	\$668,406	\$ 769,031	\$ 769,031		
Revenues						
Other taxes	297,484	320,726	315,995	325,995	58.28%	3.16%
Intergovernmental	303,716	356,243	245,500	222,565	39.79%	-9.34%
Investment Earnings	553	682	780	540	0.10%	-30.77%
Charges for Services	9,575	9,620	9,000	10,000	1.79%	11.11%
Donations from Private Sources	2,150	6,075	-	-	0.00%	
Other Revenues	2,357	4,750	250	250	0.04%	0.00%
Total revenues	615,835	698,096	571,525	559,350	100.00%	-2.13%
Expenditures						
Current:						
Health and welfare	303,939	356,242	245,525	222,600	31.19%	-9.34%
Housing and Development	6,395	7,622	6,000	6,000	0.84%	0.00%
Culture and recreation	126,547	146,479	265,825	126,264	17.69%	-52.50%
Capital Outlay:						
Culture and recreation	144,602	100,000	3,380,000	-	0.00%	-100.00%
Debt Service:						
Principal	-	-	-	296,451	41.54%	
Interest	-	-	-	62,285	8.73%	
Total expenditures	581,483	610,343	3,897,350	713,600	100.00%	-81.69%
Excess of revenues over (under) expenditures	34,352	87,753	(3,325,825)	(154,250)		
Other financing sources (uses):						
General Long-Term Debt Issued	-	-	3,200,000	-	0.00%	-100.00%
Fund Balance	-	-	143,325	154,250	100.00%	7.62%
Transfers out	-	-	(17,500)	-	0.00%	-100.00%
Transfers in	-	12,872	-	-	0.00%	
Total other financing sources (uses)	-	12,872	3,325,825	154,250	100.00%	-95.36%
Net change in fund balance	34,352	100,625	-	-		
Fund balances (deficit), end of year	\$668,406	\$769,031	\$ 769,031	\$ 769,031		

Explanation of Special Revenue Funds Variances

- Budgeted expenditures in 2017 for current Culture and Recreation decreased 52.50% from 2016 as a direct result of the need for cash flow to make the required debt service payments starting in 2017 for the acquisition of the Cagle Family Farm.
- Capital expenditures in Culture and Recreation decreased 100% in 2017 from 2016. This was the result of the acquisition of future park property in 2016 that was not budgeted in 2017.
- Other financing sources (uses) decreased 95.36% in 2017 from 2016. The majority of this decrease is due to proceeds for the acquisition of land purchased in 2016 that was not budgeted in 2017.

Capital Project Funds

	FY2014 Actual (audited)	FY2015 Actual (audited)	FY2016 Budget	FY2017 Budget	% of Total	% Change from FY16 to FY17
Beginning Fund Balance	\$ 1,075,006	\$ 1,136,566	\$ 914,266	\$ 914,266		
Revenues						
Special Tax	-	-	1,310,000	1,300,000	72.61%	-0.76%
Intergovernmental	1,359,841	1,397,675	2,097,388	473,640	26.46%	-77.42%
Licenses and Permits	50,424	11,929	-	-	0.00%	
Investment Earnings	1,114	1,138	675	700	0.04%	3.70%
Other Revenues	-	-	21,928	15,964	0.89%	-27.20%
Total revenues	1,411,379	1,410,742	3,429,991	1,790,304	100.00%	-47.80%
Expenditures						
Capital expenditures						
General Government	-	77,446	-	-	0.00%	
Public Safety	400,225	97,443	352,500	247,212	9.24%	-29.87%
Housing and Development	153,413	239,425	-	-	0.00%	
Public Works	784,232	1,085,261	3,214,033	2,381,433	89.03%	-25.91%
Debt Service						
Principal	138,944	127,215	128,954	45,424	1.70%	-64.78%
Interest	6,558	6,252	4,513	931	0.03%	-79.37%
Total expenditures	1,483,372	1,633,042	3,700,000	2,675,000	100.00%	-27.70%
Excess of revenues over (under) expenditures	(71,993)	(222,300)	(270,009)	(884,696)	-	
Other financing sources (uses):						
Proceeds from Issuance of Capital Leases	133,553	-	-	-	0.00%	
Fund Balance	-	-	258,382	884,696	95.69%	242.40%
Transfers in	94,670	-	11,627	-	4.31%	-100.00%
Transfers out	(94,670)	-	-	-	0.00%	
Total other financing sources (uses)	133,553	-	270,009	884,696	100.00%	227.65%
Net change in fund balance	61,560	(222,300)	-	-		
Fund balances (deficit), end of year	\$ 1,136,566	\$ 914,266	\$ 914,266	\$ 914,266		

Explanation of Capital Project Funds Variances

- Intergovernmental revenues decreased 77.42% in 2017 from 2016 because most projects are of a cost reimbursement nature and reimbursements declined in 2017.
- Public Safety expenditures decreased 29.87% in 2017 from 2016 due to a reduction in budgeted acquisitions of police cars and equipment in 2017.
- Public Works expenditures decreased 25.91% in 2017 from 2016 due to the completion of the Livable Centers Initiative (LCI) Project in 2016.
- Debt Service for principal and interest decreased 64.78% and 79.37% respectively due to the retirement of a capital lease in 2016.
- Use of prior year fund balance increased 242.40% in 2017 over 2016 due to the timing issues with grantor agencies and cost reimbursement requests for local match on capital projects underway in the City in 2017.

Enterprise Fund

	FY2014 Actual (audited)	FY2015 Actual (audited)	FY2016 Budget	FY2017 Budget	% of Total	% Change from FY16 to FY17
Beginning Net Assets	\$ 3,000,336	\$ 3,117,776	\$ 3,328,576	\$ 3,328,576		
Revenues						
Charges for services	322,619	320,493	299,500	304,680	99.90%	1.73%
Investment Earnings	533	518	500	320	0.10%	-36.00%
Total revenues	323,152	321,011	300,000	305,000	100.00%	1.67%
Expenses						
Current:						
Public Works	202,889	212,527	300,000	305,000	100.00%	1.67%
Total expenses	202,889	212,527	300,000	305,000	100.00%	1.67%
Excess of revenues over (under) expenses	120,263	108,484	-	-		
Other financing sources (uses):						
Transfers in	-	-	-	-		
Capital assets contributed by private sources	-	102,316	-	-		
Total other financing sources (uses)	-	102,316	-	-		
Net change in net assets	120,263	210,800	-	-		
Restatement of net position	(2,823)	-	-	-		
Net assets (deficit), end of year as restated	\$ 3,117,776	\$ 3,328,576	\$ 3,328,576	\$ 3,328,576		

Explanation of Enterprise Fund Variances

- There were no significant variances between the 2016 and 2017 operating budgets in the Stormwater Utility Management Fund.



2017
HSI
1906

City of Holly Springs

Revenues



REVENUES

On August 15, 2016, the Mayor and Council approved the millage rate of 5.086 for municipal operations. There is an increase of \$261,909 in net taxes levied (\$3,085,116 in FY2016 to \$3,347,025 in FY2017) over the prior year. The City budgeted approximately 90% collection rate of property tax revenue this fiscal year. The City contracted with a third party delinquent tax collection agency in the fourth quarter of FY2011 to pursue delinquent taxes receivable. This relationship will continue in 2017.

The City has historically acknowledged the need to provide a taxation rate commensurate with the government’s level of service. The table below illustrates the annual millage rates levied by the City of Holly Springs since 2011.

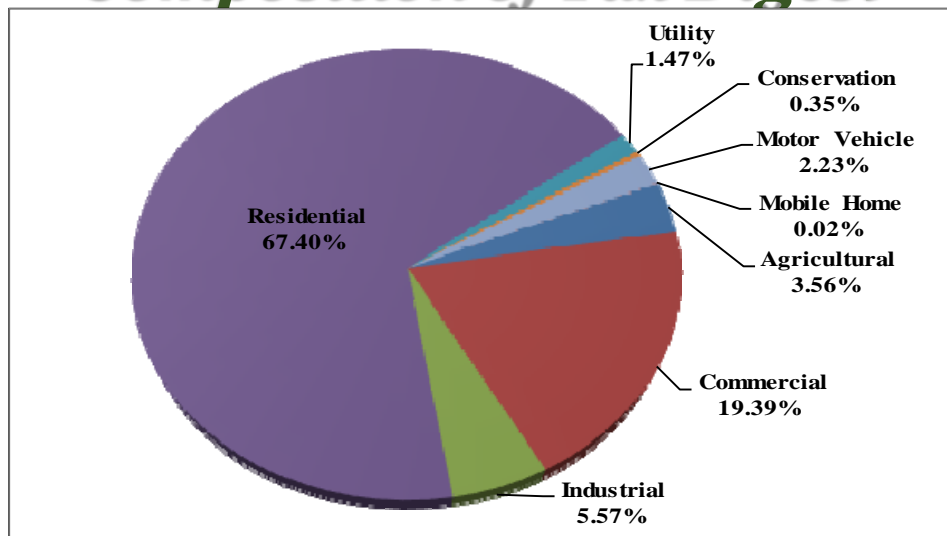
The recommended millage rate of 5.086 plus the Fire Tax millage set by the County of 3.374 for a total of 8.460 would be a decrease of .291 mills (-3.33%) from the previous year. The millage rate is split to fund both operations and fire service requirements as the table below details.

Millage Rate History from 2011-2017

Fiscal Year	City Operations	Fire	Total
<i>Adopted FY17</i>	<i>5.086</i>	<i>3.374</i>	<i>8.460</i>
FY16	5.315	3.436	8.751
FY15	5.500	3.436	8.936
FY14	6.000	3.373	9.373
FY13	6.055	3.394	9.449
FY12	5.469	3.129	8.598
FY11	5.148	2.950	8.098

The following table represents the composition of the City of Holly Springs tax digest:

Composition of Tax Digest



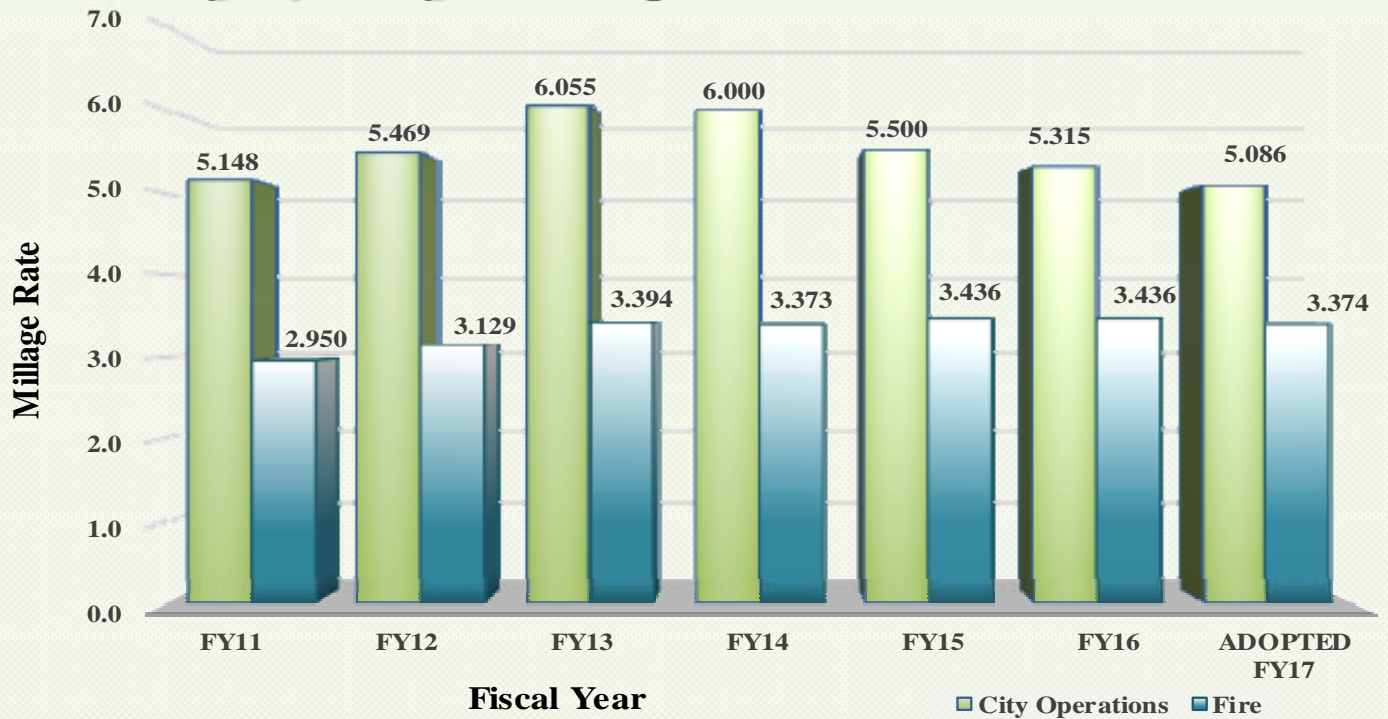
As the city continues to grow its tax base, these percentages may begin to change and further reduce the tax burden on the residential population.

Source: Cherokee County Consolidation and Evaluation of Digest

History of City Millage Rate



History of City Millage Rate & Fire Tax Rate

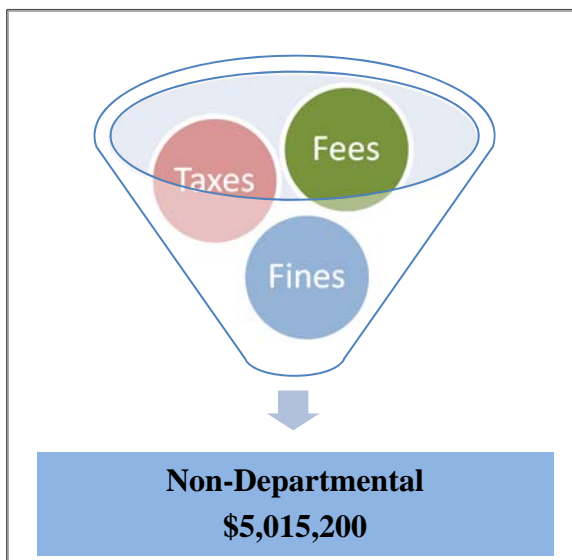
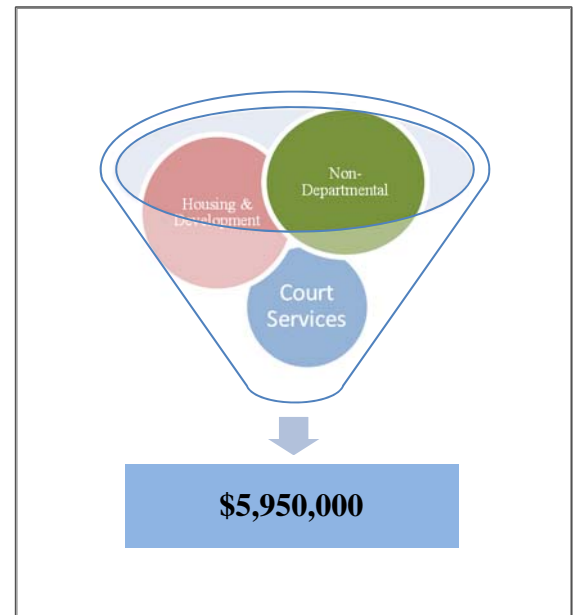


General Fund

The General Fund, often referred to as GF, is where the administrative, operating and maintenance funds are allocated and managed. The General Fund uses the modified accrual basis of accounting and budgeting. The modified accrual basis of accounting and budgeting recognizes revenue when a transaction is measurable and available. Available refers to revenues collected soon after year end (within sixty days) to pay for the current year’s liabilities. Expenditures are recognized when they are measurable, when the liability is incurred, and when the liability will be liquidated with current resources. All three of these criteria must be met in order for the expenditure to be recognized.

In the City of Holly Springs, the GF is comprised of revenues that are primarily generated from taxes (property, motor vehicle, intangible, franchise, and insurance premium); fees (development permits, certificates of occupancy, alcohol licenses, etc.) and fines (code violations, traffic fines and infractions, misdemeanor violations, etc.).

In FY2017, the City is budgeting \$5,950,000 in General Fund revenues. Of this amount, \$3,520,400 is derived from real and personal property taxes, with \$1,406,978 being directly allocated to the Cherokee County Board of Commissioners to pay the Fire Tax (3.374 mils). After remitting these Fire Taxes to the County, we anticipate \$2,113,422 in real and personal property taxes to be used in the General Fund. The gross amount collected for FY2016 for real and personal property taxes was \$3,736,248 with \$1,264,841 being directly allocated to the Cherokee County Board of Commissioners to pay the Fire Tax (3.436 mils). The total net taxes collected for FY2016 was \$2,471,407.



Revenues for the General Fund in the amount of \$5,950,000 are derived from three major divisions: (1) Non-Departmental/City-Wide (\$5,015,200), (2) Housing and Development (\$604,750), and (3) Municipal Court Services (\$330,050).

The largest of the three sources of revenues falls within the Non-Departmental division and is used citywide to cover expenditures. This division, which is estimated to be \$5,015,200, accounts for all taxes and fees that the city is authorized to collect.

Housing and Development also provides a source of revenue for operations. The revenues generated from this fund, which is anticipated to be \$604,750, includes such things as building permits, zoning applications, certificate of occupancy fees, development and plan review fees, fines and fire plan review fees.

The final source of revenue that helps to fund general operations is Municipal Court Services. The revenue that is generated and collected from this source, which is estimated to be \$330,050, is mostly from fines for misdemeanor traffic offenses. In 2009, the City embarked on the daunting task of creating a custom software package to manage its court docket and the related financial reporting responsibilities. The web site interface has greatly increased the City's pre-court collection of the full fine amounts, including surcharges, without any time required by staff to process the payment. This feature is fully integrated into the court management database, updating the offenders' records and thereby, removing them from the open docket. Another added benefit is the ability to charge a convenience fee for the use of the online payment module. This fee is an additional revenue stream for the City that helps offset the cost of the program and related maintenance fees.

These revenues are broken down further in the table on the next page.

General Fund Revenues

Line Item	2015 Actual (audited)	2016 Budget	2016 Actual (u audited)	2016		2017 Budget	FY16-FY17 Budget
				Budget vs. Actual			
City-Wide/Non-Departmental				\$ (+/-)	% of budget collected (+/-)		% (+/-)
<i>Property Tax Revenue</i>	\$ 2,642,002	\$ 2,902,550	\$ 3,382,020	\$ (479,470)	116.52%	\$ 3,254,500	12.13%
<i>Motor Vehicle Tax</i>	84,726	70,000	63,235	6,765	90.34%	65,000	-7.14%
<i>Motor Vehicle Title Ad Valorem</i>	337,535	250,000	290,101	(40,101)	116.04%	200,000	-20.00%
<i>Mobile Home Tax</i>	937	900	892	8	99.11%	900	0.00%
<i>Intangible Tax</i>	61,732	85,000	87,979	(2,979)	103.50%	70,000	-17.65%
<i>RR Car Tax</i>	582	550	562	(12)	102.18%	550	0.00%
<i>Real Estate Transfer Tax</i>	13,420	24,500	21,821	2,679	89.07%	20,000	-18.37%
<i>Franchise Tax</i>	604,313	550,000	609,370	(59,370)	110.79%	550,000	0.00%
<i>Business & Occupational Tax</i>	104,554	100,000	108,261	(8,261)	108.26%	100,000	0.00%
<i>Insurance Premium Tax</i>	529,417	575,000	575,084	(84)	100.01%	575,000	0.00%
<i>Financial Inst. Tax</i>	10,108	9,000	9,096	(96)	101.07%	9,000	0.00%
<i>Penalties & Interest</i>	11,695	15,000	14,862	138	99.08%	15,000	0.00%
<i>FIFA Fees</i>	4,174	4,500	4,203	297	93.40%	4,500	0.00%
<i>Alcohol Beverages License Fees</i>	64,750	20,000	71,333	(51,333)	356.67%	20,000	0.00%
<i>Pouring Permit Fees</i>	3,390	3,000	3,855	(855)	128.50%	2,500	-16.67%
<i>Printing & Duplication</i>	1,198	1,500	1,451	49	96.73%	1,200	-20.00%
<i>Election Qualifying Fees</i>	-	1,440	1,440	-	100.00%	-	-100.00%
<i>Advertising Fees</i>	840	7,000	7,128	(128)	101.83%	5,000	-28.57%
<i>Wrecker Service</i>	10,300	17,275	17,275	-	100.00%	17,500	1.30%
<i>Bad Check Fees</i>	50	50	55	(5)	110.00%	50	0.00%
<i>Insurance Reimbursements</i>	16,224	5,000	9,127	(4,127)	182.54%	2,500	-50.00%
<i>Proceeds - Sale of Conf Assets</i>	-	500	-	500	0.00%	500	0.00%
<i>Other Fines & Forfeitures</i>	500	4,500	5,500	(1,000)	122.22%	1,000	-77.78%
<i>Auxillary Revenue</i>	-	435	-	435	0.00%	-	-100.00%
<i>Interest Revenue</i>	7,988	6,000	7,168	(1,168)	119.47%	6,000	0.00%
<i>Misc. Revenue</i>	8,452	8,500	11,216	(2,716)	131.95%	7,500	-11.76%
<i>Donations from Private Sources</i>	2,000	17,500	18,302	(802)	104.58%	15,000	-14.29%
<i>Rents & Royalties</i>	63,910	50,000	53,090	(3,090)	106.18%	56,500	13.00%
<i>Transfer from Parks & Recreation</i>	-	17,500	17,537	(37)	100.21%	-	-100.00%
<i>Proceeds From Sale of Assets</i>	6,000	35,000	35,305	(305)	100.87%	15,000	-57.14%
Column Total:	\$ 4,590,796	\$ 4,782,200	\$ 5,427,268	\$ (645,068)	113.49%	\$ 5,014,700	4.86%

Continued on next page

General Fund Revenues Cont'd

Line Item	2015 Actual (audited)	2016 Budget	2016 Actual (unaudited)	2016		2017 Budget	FY16-FY17 Budget
				Budget vs. Actual			
				\$ (+/-)	% of budget collected (+/-)		% (+/-)
Community Development							
<i>Zoning and Land Use Fees</i>	29,085	60,000	59,388	612	98.98%	25,000	-58.33%
<i>Sign Permits</i>	2,916	3,000	4,192	(1,192)	139.73%	2,750	-8.33%
<i>Other Licenses & Permits</i>	100	500	375	125	75.00%	500	0.00%
<i>Building Permit Revenue</i>	586,373	560,000	615,327	(55,327)	109.88%	475,000	-15.18%
<i>CO Fees</i>	104,500	95,000	103,500	(8,500)	108.95%	75,000	-21.05%
<i>Development/Plan Review</i>	792	3,000	2,510	490	83.67%	1,500	-50.00%
<i>Fire Plan Review</i>	55,524	35,000	43,371	(8,371)	123.92%	25,000	-28.57%
Column Total:	\$ 779,290	\$ 756,500	\$ 828,663	\$ (72,163)	109.54%	\$ 604,750	-20.06%
Public Safety							
<i>Grant Revenue</i>	-	500	-	500	0.00%	500	0.00%
Column Total:	\$ -	\$ 500	\$ -	\$ 500	0.00%	\$ 500	0.00%
Municipal Court Services							
<i>Accident/Incident Reports</i>	824	1,500	1,501	(1)	100.07%	1,000	-33.33%
<i>Expungements</i>	25	50	-	50	0.00%	50	0.00%
<i>Background Checks</i>	1,660	1,000	1,430	(430)	143.00%	1,000	0.00%
<i>Municipal Court Fines</i>	389,408	300,000	314,818	(14,818)	104.94%	300,000	0.00%
<i>Forfeitures</i>	-	500	-	500	0.00%	500	0.00%
<i>Court Service Fees</i>	-	20,000	18,063	1,937	90.32%	15,000	-25.00%
<i>Probation Fees</i>	-	12,500	13,329	(829)	106.63%	12,000	-4.00%
<i>Drug Testing Fees</i>	-	250	-	250	0.00%	500	100.00%
Column Total:	\$ 391,917	\$ 335,800	\$ 349,141	\$ (13,341)	103.97%	\$ 330,050	-1.71%
Total General Fund Revenues:	\$ 5,762,002	\$ 5,875,000	\$ 6,605,072	\$ (730,072)	112.43%	\$ 5,950,000	1.28%

Note: FY2016 Year to Date (YTD) actuals are unaudited through December 31, 2016

Explanation of variances greater than 10%

- Community Development’s decrease of 20.06% is due to a conservative estimate of fees generated for permits and related fees for construction of residential structures within the City in 2017. The anticipated reduction in annexation and rezoning fees are attributable to changes at the political level.

Based on current estimates, by adopting a millage rate of 8.460, the City did not need to advertise a “Property Tax Increase” as described by the Georgia Taxpayer Bill of Rights.

General Fund Major Revenue Sources:

Property Tax

2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$2,355,400	\$2,400,702	\$2,642,002	\$2,902,550	\$3,254,500

Description:

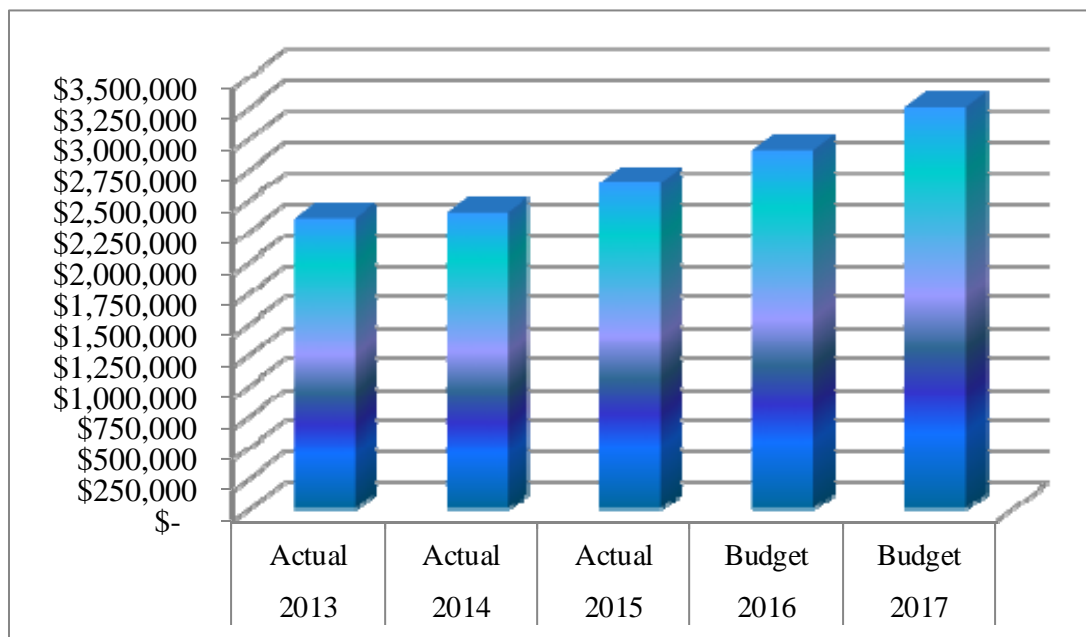
A tax on property paid by owners of real and personal property within the city. The tax is based on an assessment by the Cherokee County Property Appraiser of the market value of property and improvements. This revenue source is found in the General Fund for the operating millage.

The Property Taxes billed to the citizens of Holly Springs includes Fire Tax that is remitted to Cherokee County. The Fire Tax equals \$1,406,978 for this budget year.

A tax rate of one (1) mill produces one dollar of tax revenue on each \$1,000 of taxable property value.

Forecast Methodology:

The operating millage of 5.086 multiplied by the taxable value, less an allowance of 10% for possible adjustments to assessed values and/or non-collection.



Motor Vehicle/Title Ad Valorem Tax

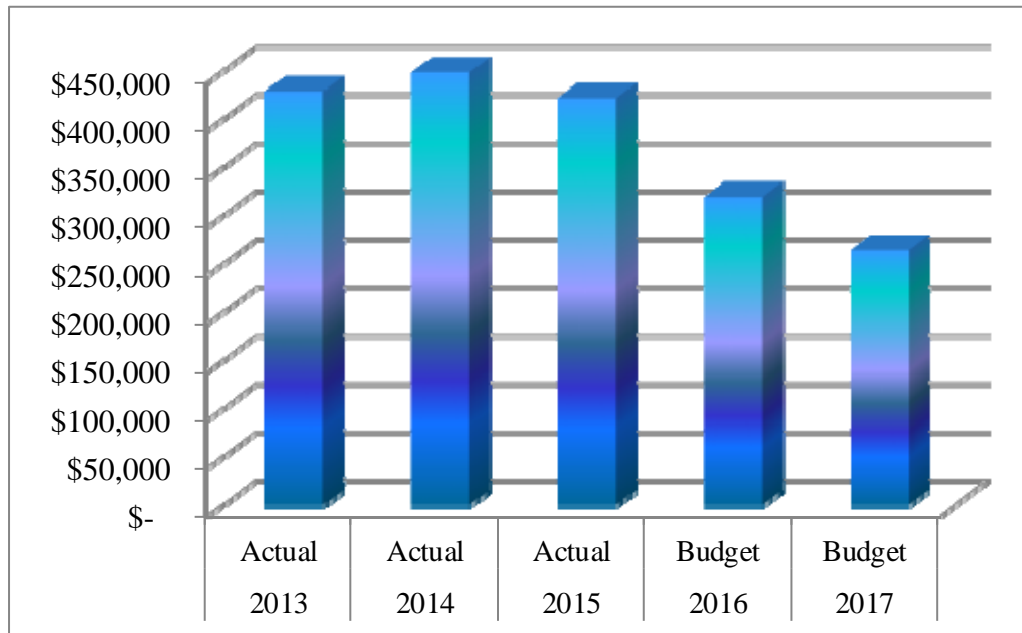
2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$ 429,375	\$ 448,776	\$ 422,261	\$ 320,000	\$ 265,000

Description:

A tax on motor vehicles paid by residents of the City of Holly Springs. The tax is based on an assessment by the Cherokee County Property Appraiser based upon the market value of motor vehicles registered to City residents. This revenue source is found in the General Fund for the operating millage. In the Spring of 2013, the state of Georgia implemented a title ad valorem tax to replace the motor vehicle tax for all automobiles purchased from that date forward. The motor vehicle tax will be phased out as automobiles purchased before the Spring of 2013 are taken out of service.

Forecast Methodology:

The operating millage of 5.086 multiplied by the taxable value, less an allowance of 10% for possible adjustments to assessed values and/or non-collection.



Franchise Tax

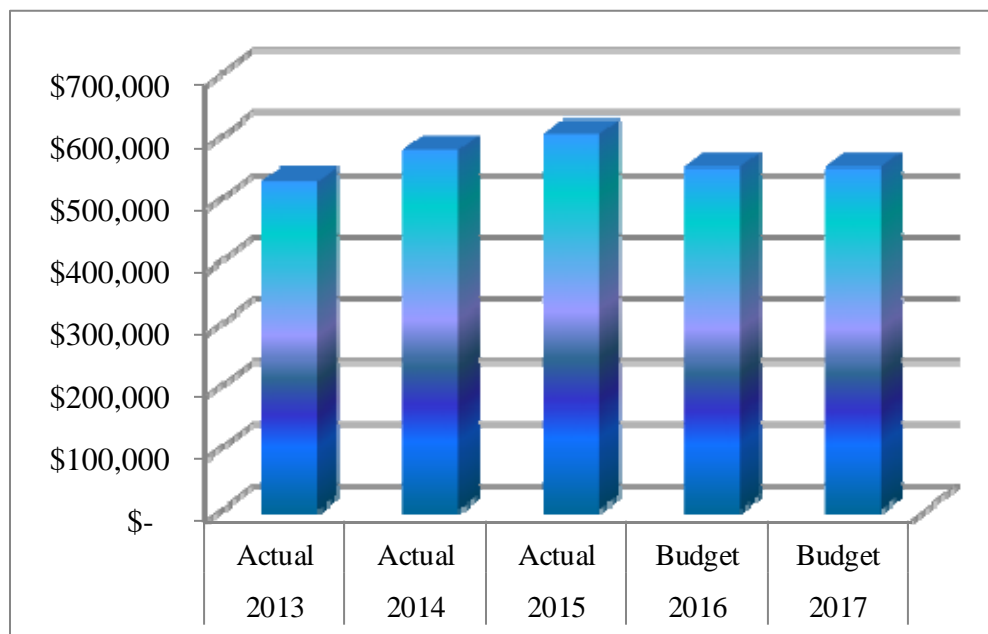
2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$ 528,764	\$ 578,242	\$ 604,313	\$ 550,000	\$ 550,000

Description:

Franchise fees are established by the franchise agreements between the City and utility companies. This revenue is generated based on all residential, commercial, and industrial revenues collected by the provider for services within the City. This revenue source is accounted for in the General Fund.

Forecast Methodology:

The main factors considered in projecting this revenue are historical trends, estimated population growth and estimated inflation.



Insurance Premium Tax

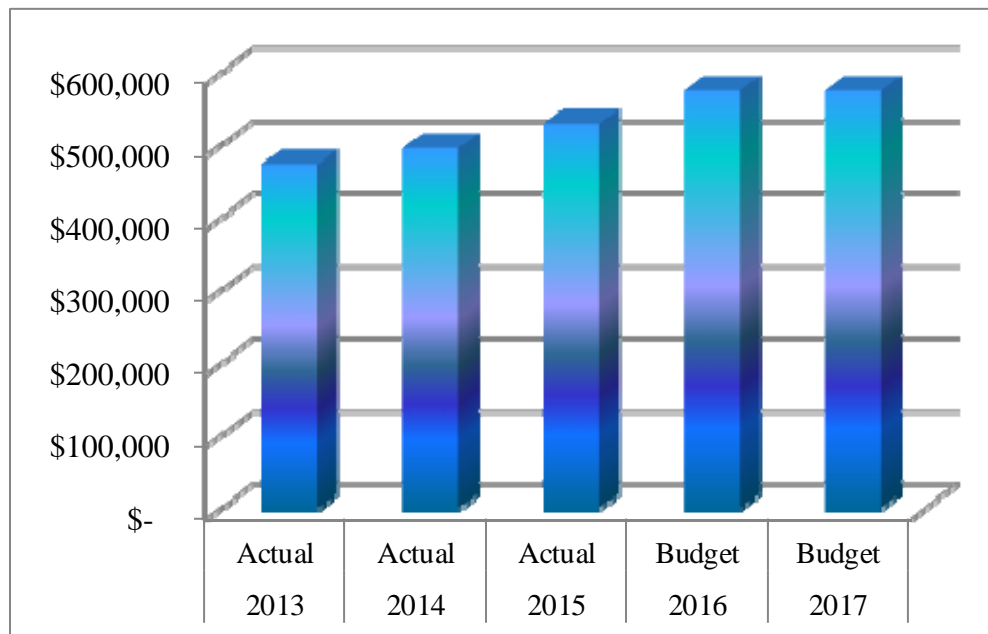
2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$ 474,005	\$ 495,553	\$ 529,417	\$ 575,000	\$ 575,000

Description:

Insurance Premium Taxes are established by the Commissioner of Insurance for the state of Georgia. Insurance Premium Taxes are allocated to municipalities within the State of Georgia based upon the Decennial Census.

Forecast Methodology:

The main factors considered in projecting this revenue are historical trends and City population.



Business & Occupational Tax

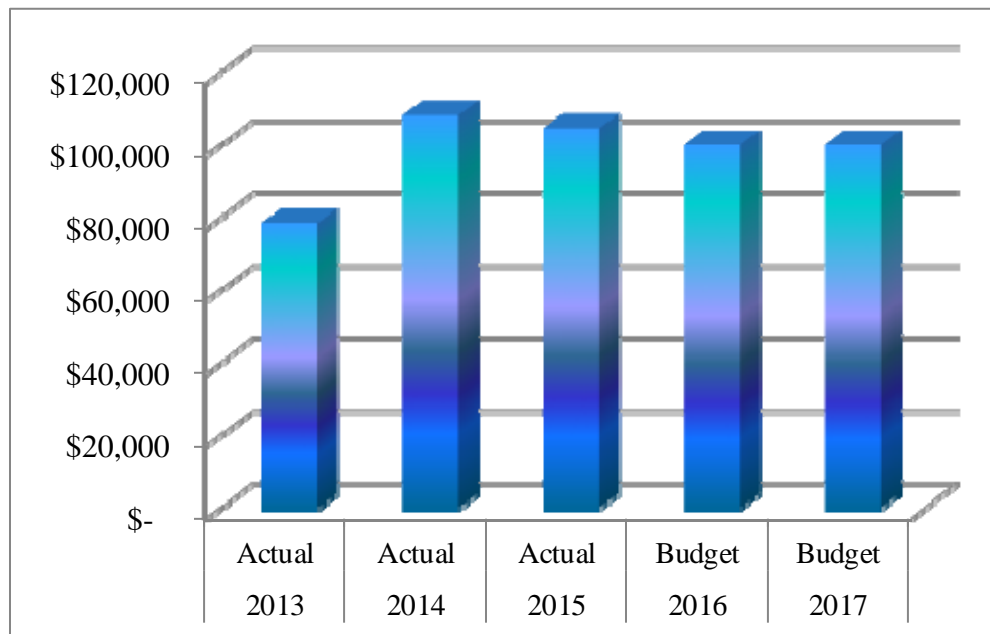
2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$ 78,588	\$ 108,029	\$ 104,554	\$ 100,000	\$ 100,000

Description:

A license issued by the City as a prerequisite to conducting and maintaining a business, service, or profession. Payment is received annually and is due on or before January 1st of each year. The annual fee for an occupational license varies depending on the number of employees and the nature of the business.

Forecast Methodology:

The main factor considered in projecting this revenue is historical trend.



Building Permits

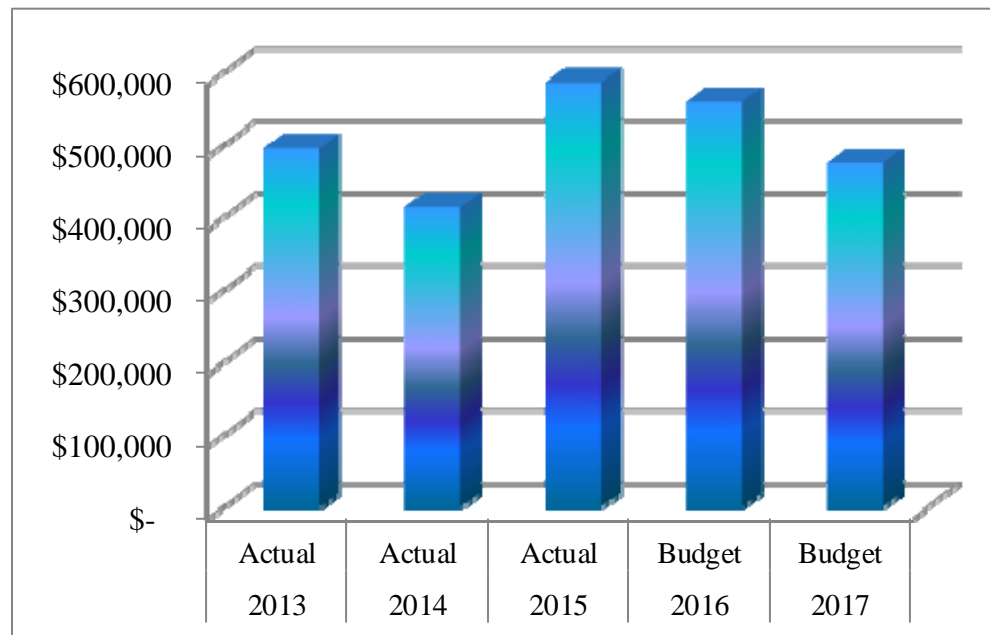
2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$ 496,297	\$ 414,461	\$ 586,373	\$ 560,000	\$ 475,000

Description:

A fee paid by persons or businesses wanting to conduct building work which requires a permit prior to construction as provided by the Georgia Building Code and the City of Holly Springs Code of Ordinances. These fees also include payment for the inspection for which the permit was obtained.

Forecast Methodology:

These fees fluctuate with the level of new construction, as well as renovation and rehabilitation of older structures.



Court Fines

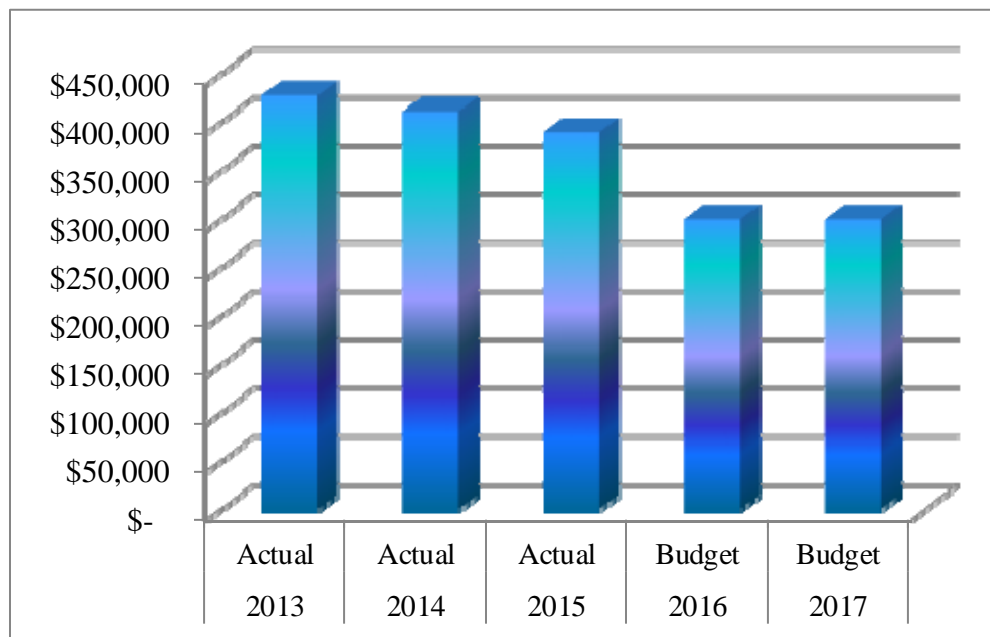
2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$ 427,464	\$ 411,035	\$ 389,408	\$ 300,000	\$ 300,000

Description:

Includes revenues received from traffic citations, certain misdemeanors and violations of City ordinances.

Forecast Methodology:

The projection is based on the most currently available 12-month average.



Special Revenue Funds

Line Item	2015 Actual (audited)	2016 Budget	2016 Actual (unaudited)	2016		2017 Budget	FY16-FY17 Budget
				Budget vs. Actual	% of budget collected (+/-)		
Parks & Recreation				\$ (+/-)	% of budget collected (+/-)		% (+/-)
<i>Alcoholic Beverage Excise Tax</i>	\$ 286,158	\$ 280,000	\$ 294,952	\$ (14,952)	105.34%	\$ 285,000	1.79%
<i>Local Option Mixed Drink Tax</i>	28,100	30,000	32,285	(2,285)	107.62%	35,000	16.67%
<i>Penalties & Interest</i>	709	750	554	196	73.87%	500	-33.33%
<i>Donations from Private Sources</i>	6,075	-	-	-		-	
<i>Misc Revenue</i>	4,700	250	187	63	74.80%	250	0.00%
<i>Rents & Royalties</i>	9,620	9,000	11,623	(2,623)	129.14%	10,000	11.11%
<i>Fund Balance</i>	-	143,325	-	143,325	0.00%	154,250	7.62%
<i>Operating Transfers from Other Funds</i>	12,872	-	-	-		-	
<i>General Long-Term Debt Issued</i>	-	3,200,000	3,200,000	-	100.00%	-	-100.00%
Column Total:	\$ 348,234	\$ 3,663,325	\$ 3,539,601	\$ 123,724	96.62%	\$ 485,000	-86.76%
Hotel/Motel							
<i>Hotel/Motel Tax</i>	6,468	5,995	5,847	148	97.53%	5,995	0.00%
<i>Interest</i>	7	5	6	(1)	120.00%	5	0.00%
Column Total:	\$ 6,475	\$ 6,000	\$ 5,853	\$ 147	97.55%	\$ 6,000	0.00%
Operating Grant							
<i>ARC Grant</i>	356,243	245,500	234,952	10,548	95.70%	222,565	-9.34%
<i>Interest</i>	16	25	14	11	56.00%	35	40.00%
Column Total:	\$ 356,259	\$ 245,525	\$ 234,966	\$ 10,559	95.70%	\$ 222,600	-9.34%
Total Special Revenues:	\$ 710,969	\$ 3,914,850	\$ 3,780,420	\$ 134,430	96.57%	\$ 713,600	-81.77%

Note: FY2016 Year to Date (YTD) actuals are unaudited through December 31, 2016

Explanation of variances greater than 10%

- The decrease of 86.76% in Parks and Recreation is primarily attributed to General Long-Term Debt issued for the purchase of a future park in 2016 and not budgeted in 2017.

Special Revenue Funds Major Revenue Sources:

Alcoholic Beverage Excise Tax

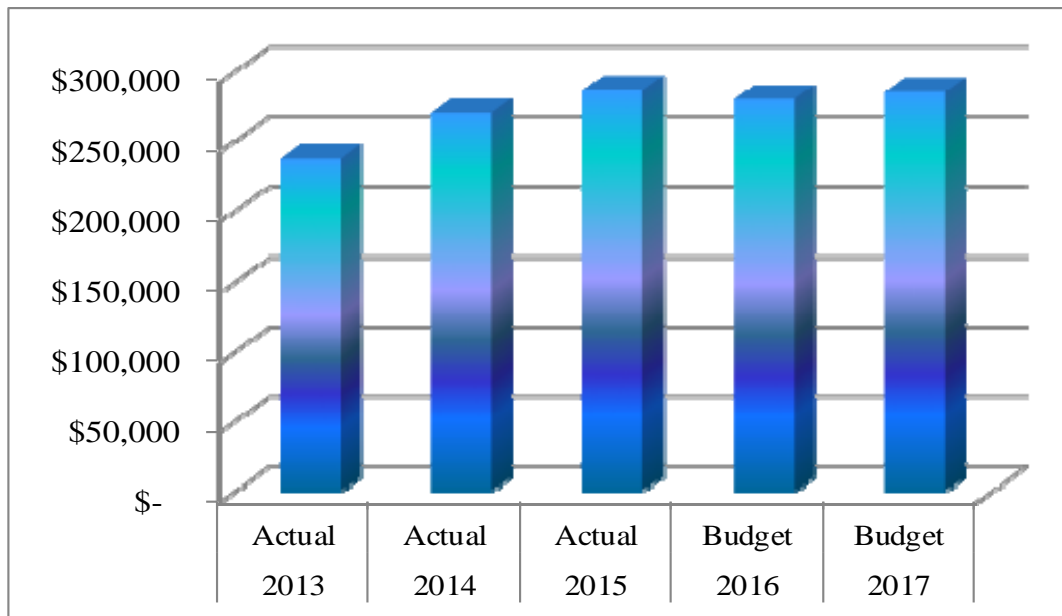
2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$ 237,351	\$ 270,495	\$ 286,158	\$ 280,000	\$ 285,000

Description:

An excise tax computed at a rate of \$0.22 per liter for wine and distilled spirits and \$.05 per 12 oz. container for malt beverages which shall be paid to the city on all beverages sold in the city. Such tax shall be paid to the governing authority by the wholesaler on all distilled spirits sold to retail dealers in the city .

Forecast Methodology:

The projection is based on the most currently available 12-month average.



Local Option Mixed Drink Tax

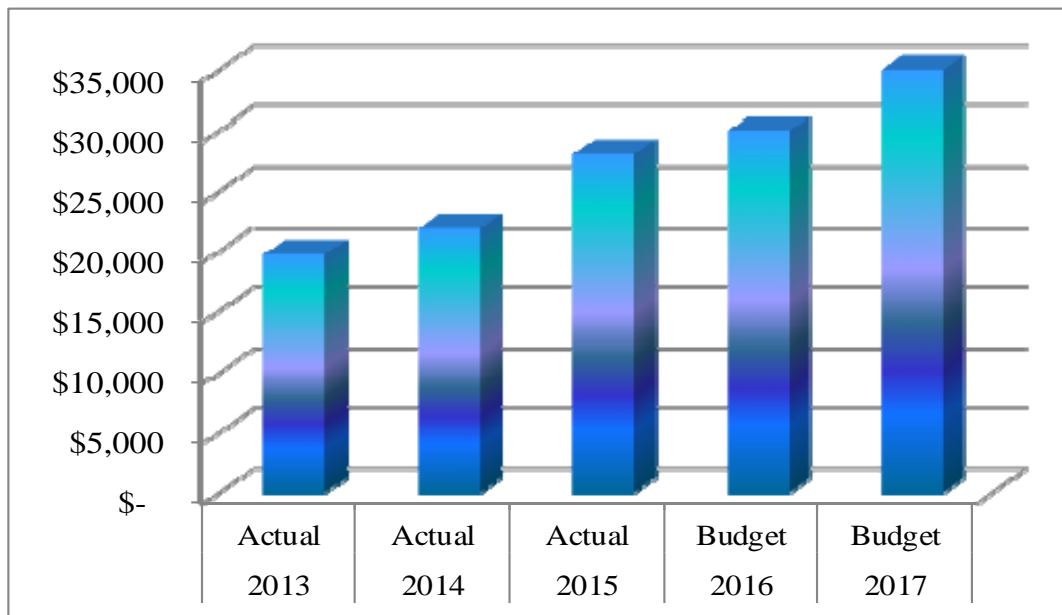
2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$ 19,751	\$ 21,905	\$ 28,100	\$ 30,000	\$ 35,000

Description:

An excise tax computed at the rate of 3% of the charge to the public on sales of distilled spirits by the drink. Such tax shall be paid to the city by the licensee on all distilled spirits sold to customers in the city on the 10th of the following month. Licensees collecting the excise tax shall be allowed a percentage of the tax due and accounted for and shall be reimbursed in the form of a deduction in submitting, reporting and paying the amount due, if the amount due is not delinquent at the time of payment.

Forecast Methodology:

The projection is based on the most currently available 12-month average.



Capital Project Funds

Line Item	2015 Actual (audited)	2016 Budget	2016 Actual (unaudited)	2016		2017 Budget	FY16-FY17 Budget
				Budget vs. Actual			
SPLOST III							
<i>Special Assessment Crestmont</i>	11,928	11,928	14,910	(2,982)	125.00%	5,964	-50.00%
<i>Fund Balance</i>	-	187,897	-	187,897	0.00%	193,836	3.16%
<i>Interest</i>	198	175	162	13	92.57%	200	14.29%
Column Total:	\$ 12,126	\$ 200,000	\$ 15,072	\$ 184,928	7.54%	\$ 200,000	0.00%
SPLOST IV							
<i>SPLOST IV</i>	1,262,871	1,310,000	1,317,384	(7,384)	100.56%	1,300,000	-0.76%
<i>Grant Income</i>	134,804	2,097,388	1,559,536	537,852	74.36%	473,640	-77.42%
<i>Interest</i>	940	500	394	106	78.80%	500	0.00%
<i>Special Assessment</i>	-	10,000	-	10,000	0.00%	10,000	0.00%
<i>Fund Balance</i>	-	70,485	-	70,485	0.00%	690,860	880.15%
<i>Transfer from Other Funds</i>	-	11,627	11,627	-	100.00%	-	-100.00%
Column Total:	\$ 1,398,615	\$ 3,500,000	\$ 2,888,941	\$ 611,059	82.54%	\$ 2,475,000	-29.29%
Total Capital Projects:							
	\$ 1,410,742	\$ 3,700,000	\$ 2,904,013	\$ 795,987	78.49%	\$ 2,675,000	-27.70%

Note: FY2016 Year to Date (YTD) actuals are unaudited through December 31, 2016

Explanation of variances greater than 10%

- The SPLOST IV Fund decrease of 29.29% is primarily due to a decrease in Grant Income. In addition, the use of prior year Fund Balance for 2017 increased over 2016 due to timing issues with grantor agencies and cost reimbursement requests for local match on capital projects underway in the City in 2017.

Capital Project Funds Major Revenue Sources:

SPLOST IV

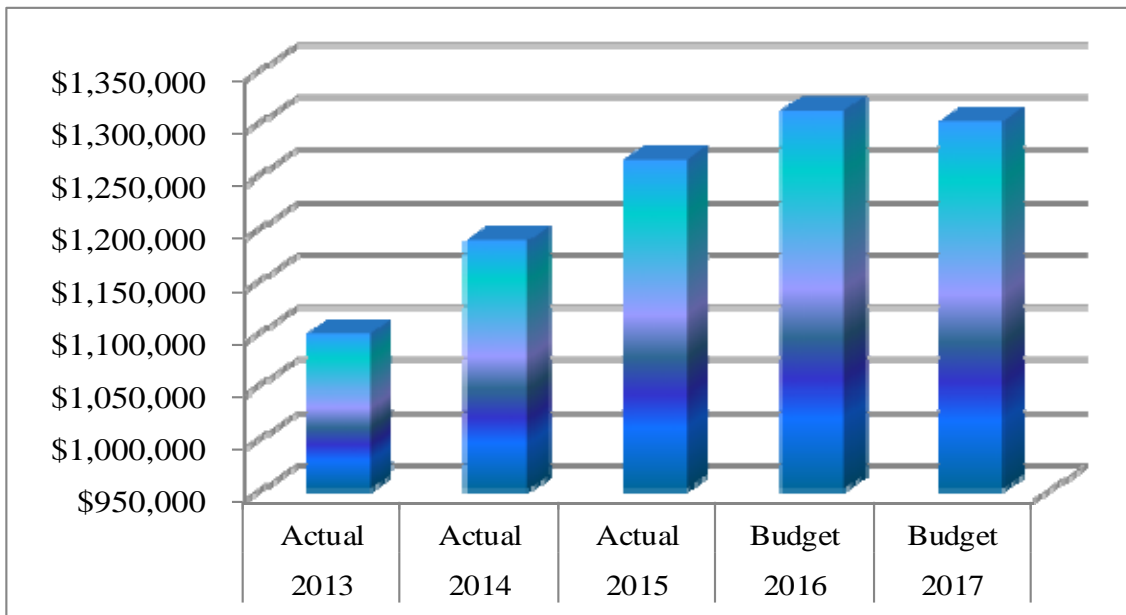
2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$1,098,053	\$1,187,628	\$1,262,871	\$1,310,000	\$1,300,000

Description:

A special-purpose local-option sales tax (SPLOST) that can be levied by any county, for the purpose of funding the building and maintenance of parks, schools, roads, and other public facilities. A SPLOST is passed by a county commission and voted upon by residents in a referendum, usually during the next scheduled election. Generally, SPLOST lasts five to six years. At that time, if the funds are still needed, it must be voted upon again.

Forecast Methodology:

The projection is based on the most currently available 12-month average.



Grant Income

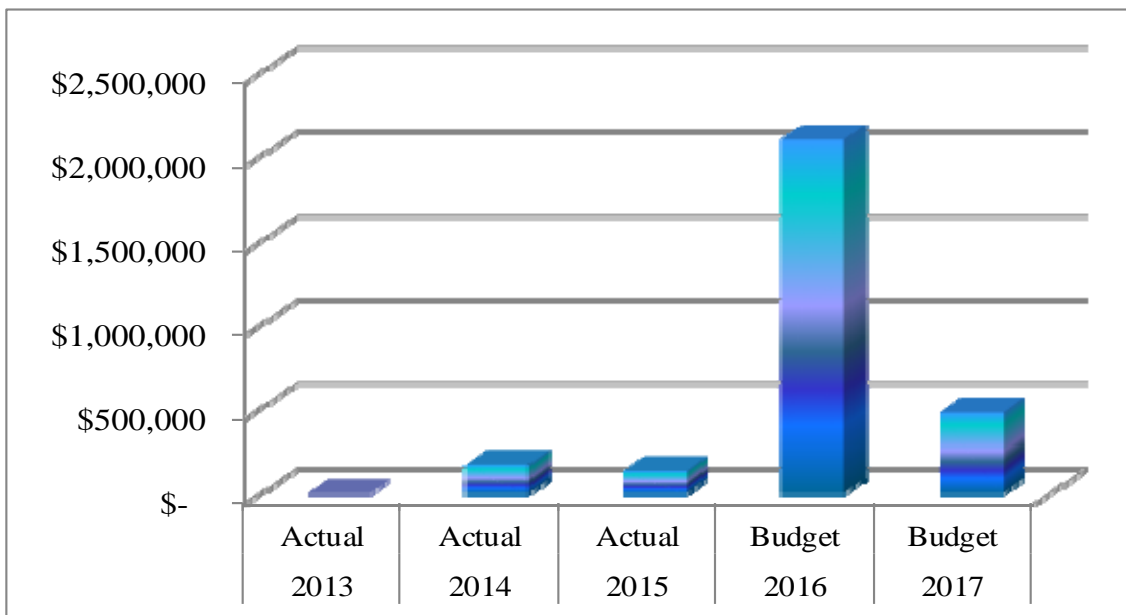
2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$ -	\$ 172,213	\$ 134,804	\$ 2,097,388	\$ 473,640

Description:

This revenue source includes grants from the Georgia Department of Transportation (GDOT), Community Development Block Grant (CDBG) and pass-through funds from the Atlanta Regional Commission (ARC) for the construction of capital projects. These funds are generally cost reimbursement in nature where the city incurs the cost and is reimbursed by the agency.

Forecast Methodology:

The projection is based on contracts in place and are for multi-year projects.



Enterprise Fund

Line Item	2015 Actual (audited)	2016 Budget	2016 Actual (unaudited)	2016		2017 Budget	FY16-FY17 Budget
				Budget vs. Actual			
Stormwater Utility Management				\$ (+/-)	% of budget collected (+/-)		% (+/-)
<i>Utility Fee</i>	\$ 320,493	\$ 299,500	\$ 325,922	\$ (26,422)	108.82%	\$ 304,680	1.73%
<i>Interest</i>	518	500	242	258	48.40%	320	-36.00%
<i>Contributions from Private Source</i>	102,316	-	-	-		-	
Column Total:	\$ 423,327	\$ 300,000	\$ 326,164	\$ (26,164)	108.72%	\$ 305,000	1.67%
Total Enterprise Fund:	\$ 423,327	\$ 300,000	\$ 326,164	\$ (26,164)	108.72%	\$ 305,000	1.67%

Note: FY2016 Year to Date (YTD) actuals are unaudited through December 31, 2016

Explanation of variances greater than 10%

- There were no significant variances between 2016 and 2017 revenue budgets in the Stormwater Utility Management Fund.

Enterprise Fund Major Revenue Source:

Utility Fee

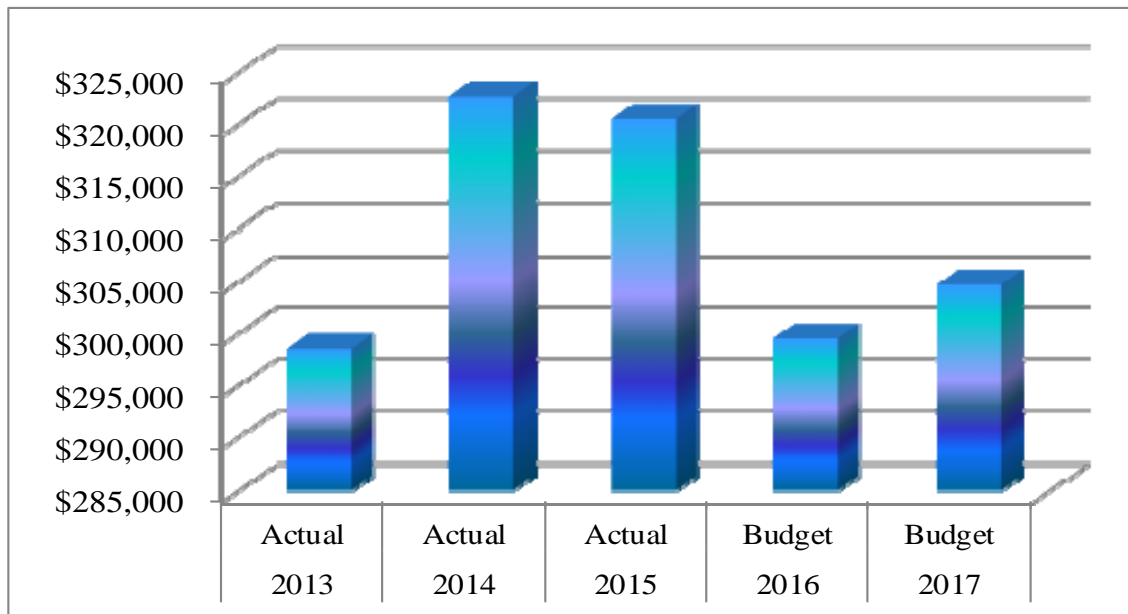
2013	2014	2015	2016	2017
Actual	Actual	Actual	Budget	Budget
\$ 298,534	\$ 322,619	\$ 320,493	\$ 299,500	\$ 304,680

Description:

The stormwater utility fee is a charge included as a separate line item on the annual tax bills of all residents, businesses, institutions, agencies, and organizations located in Holly Springs. The money that is collected can only be spent on stormwater management and improvements.

Forecast Methodology:

The fee is based on the total area of impervious surface on a parcel. Impervious surfaces are areas that cannot absorb rainfall and include rooftops, sidewalks, driveways, etc. All residential parcels are charged a flat rate, while non-residential parcel charges vary.





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City of Holly Springs

Expenditures



EXPENDITURES

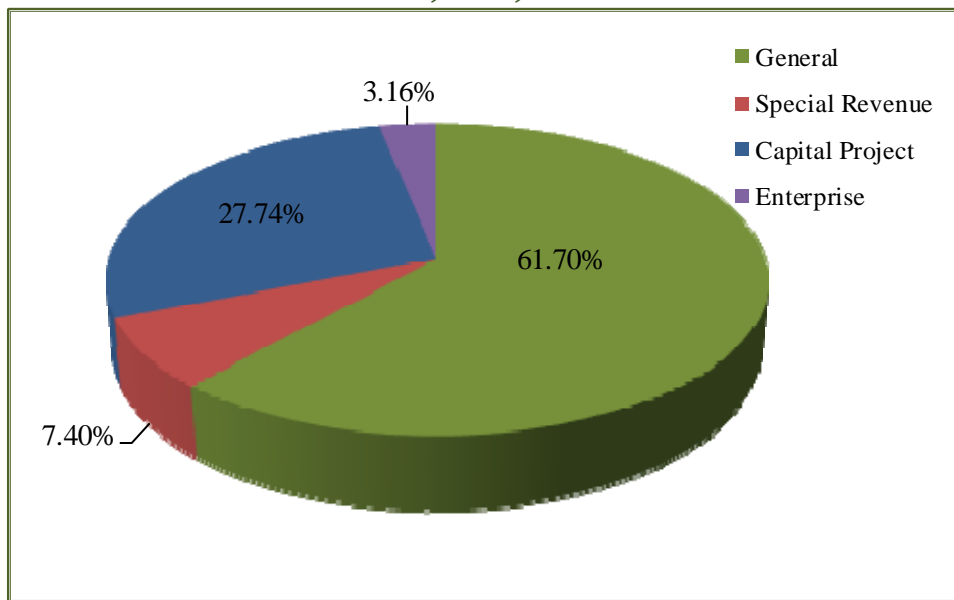
As with most local governmental entities that provide services for the public good, a majority of the expenditures are allocated to operations, specifically salaries and benefits.

Out of the \$5,950,000 anticipated in revenues in the General Fund, the City Manager’s office is recommending \$3,019,071 for salaries and benefits. This equates to 50.74% of the General Fund.

The chart below illustrates how the City expenditures are distributed. A more detailed breakdown of the departmental expenditures is provided under the section entitled “Governmental Funds - Departmental Funding Highlights”.

The City will realize a balanced budget by ensuring the recommended expenditures meet and do not exceed the projected revenues for FY2017.

***Total FY2017 Expenditures- All Funds
\$9,643,600***

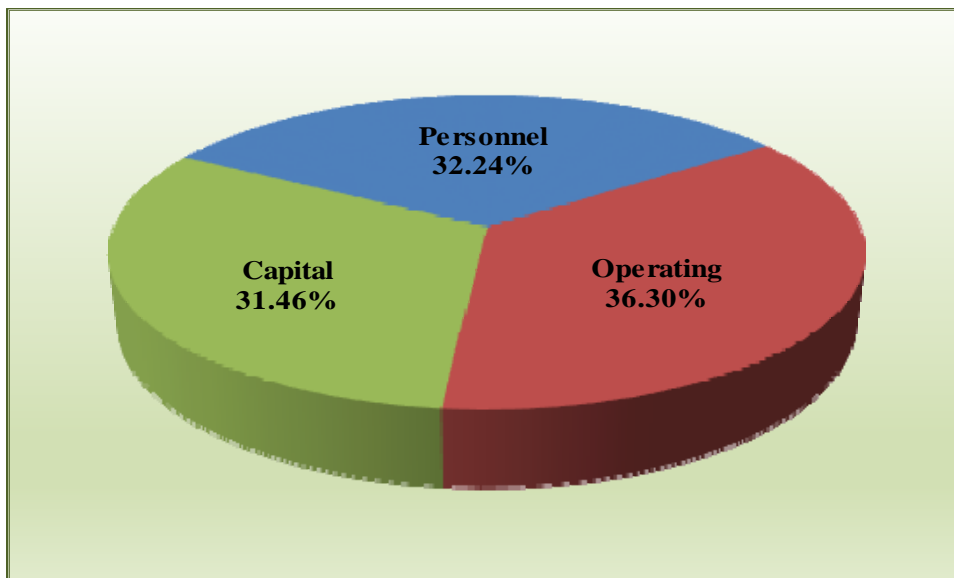


Line Item	2015 Actual (audited)	2016 Budget	2016 Actual (unaudited)	2016		2017 Budget	FY16-FY17 Budget
				Budget vs. Actual			
Fund				\$ (+/-)	% of budget used (+/-)		% (+/-)
<i>General</i>	\$ 4,983,327	\$ 5,875,000	\$ 5,632,969	\$ 242,031	95.88%	\$ 5,950,000	1.28%
<i>Special Revenue</i>	610,342	3,914,850	3,860,832	54,018	98.62%	713,600	-81.77%
<i>Capital Project</i>	1,633,042	3,700,000	4,047,777	(347,777)	109.40%	2,675,000	-27.70%
<i>Enterprise</i>	212,527	300,000	194,919	105,081	64.97%	305,000	1.67%
Column Total:	\$ 7,439,238	\$13,789,850	\$ 13,736,497	\$ 53,353	99.61%	\$ 9,643,600	-30.07%

Total Expenditures/Expenses by Category – All Funds

Line Item	2015 Actual (audited)	2016 Budget	2016 Actual (unaudited)	2016		2017 Budget	FY16-FY17 Budget
				Budget vs. Actual			
				\$ (+/-)	% of budget used (+/-)		% (+/-)
General Fund							
Personnel	\$ 2,786,485	\$ 2,896,378	\$ 2,800,147	\$ 96,231	96.68%	\$ 3,019,071	4.24%
Operating	2,188,566	2,652,622	2,516,780	135,842	94.88%	2,930,929	10.49%
Capital	8,276	326,000	316,042	9,958	96.95%	-	-100.00%
Column Total:	\$ 4,983,327	\$ 5,875,000	\$ 5,632,969	\$ 242,031	95.88%	\$ 5,950,000	1.28%
Special Revenue Fund							
Personnel	\$ 36,606	\$ -	\$ -	\$ -		\$ -	
Operating	473,736	534,850	486,658	48,192	90.99%	354,864	-33.65%
Capital	100,000	3,380,000	3,374,174	5,826	99.83%	358,736	-89.39%
Column Total:	\$ 610,342	\$ 3,914,850	\$ 3,860,832	\$ 54,018	98.62%	\$ 713,600	-81.77%
Capital Project Fund							
Capital	1,633,042	3,700,000	4,047,777	(347,777)	109.40%	2,675,000	-27.70%
Column Total:	\$ 1,633,042	\$ 3,700,000	\$ 4,047,777	\$ (347,777)	109.40%	\$ 2,675,000	-27.70%
Enterprise Fund							
Personnel	77,876	87,600	83,725	3,875	95.58%	90,175	2.94%
Operating	134,651	212,400	111,194	101,206	52.35%	214,825	1.14%
Column Total:	\$ 212,527	\$ 300,000	\$ 194,919	\$ 105,081	64.97%	\$ 305,000	1.67%
Total Expenditures:	\$ 7,439,238	\$13,789,850	\$ 13,736,497	\$ 53,353	99.61%	\$ 9,643,600	-30.07%

Percent of Expenditures/Expenses by Category – All Funds

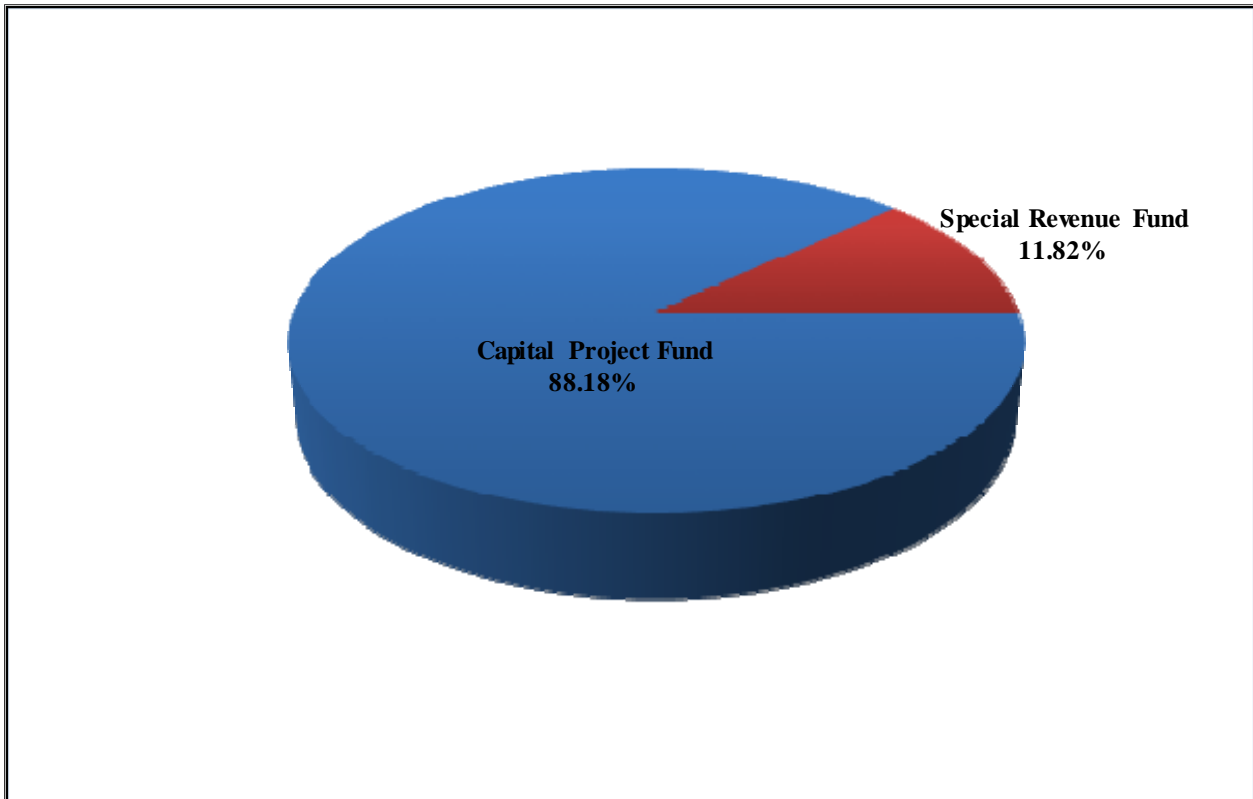


Capital Expenditures

Capital expenditures are defined as all charges incurred to acquire equipment, land, buildings, improvements of land or buildings, fixtures, and other permanent improvements with a value in excess of \$5,000 and a useful life expectancy of greater than 1 year. This year non-routine (*drainage pipes and headwalls, engineering expenditures, acquisition of vehicles and equipment, acquisition of land, lease payments, capital lease payments, sidewalks, and resurfacing streets*) capital expenditures in the amount of \$3,033,736 are being funded. This year's non-routine capital expenditures will not initially impact the city's operating budget, however, with these additional assets comes the potential for future repairs and maintenance costs. Please refer to pages 173-182 for this year's major projects as well as those planned for the future.

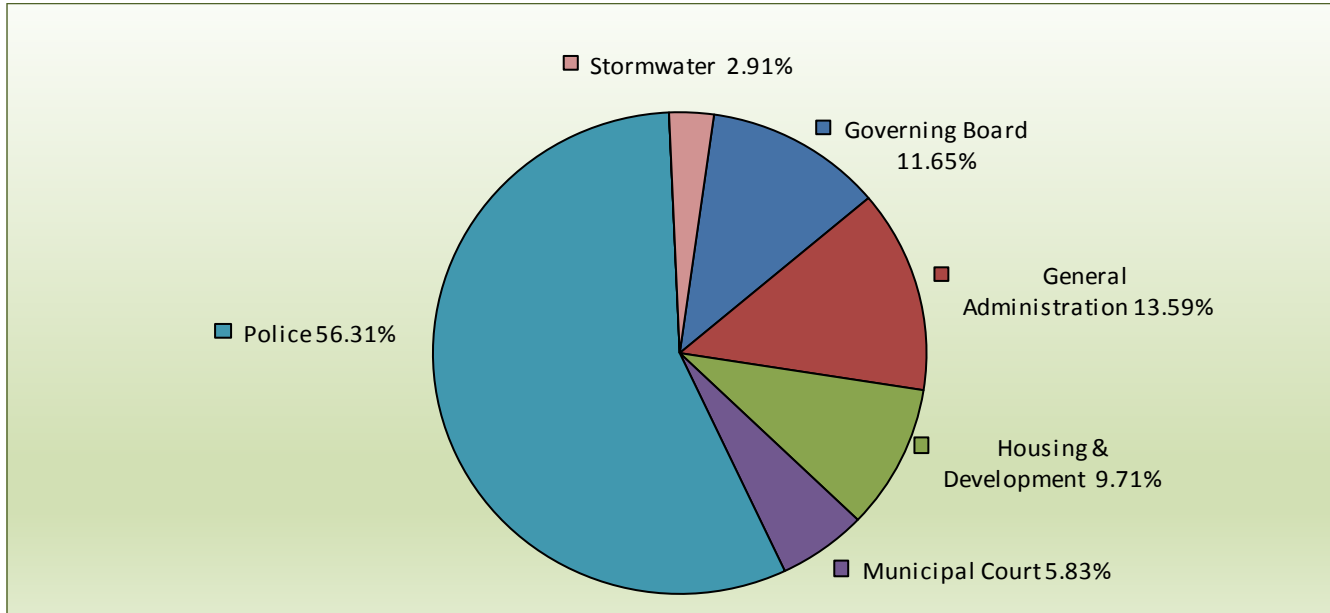
<i>Type of Capital</i>	<i>Fund</i>				<i>Total</i>
	<i>General</i>	<i>Capital Project</i>	<i>Enterprise</i>	<i>Special Revenue</i>	
Routine	\$ -	\$ -	\$ -	\$ -	\$ -
Non-routine	-	2,675,000	-	358,736	3,033,736
Total	\$ -	\$ 2,675,000	\$ -	\$ 358,736	\$ 3,033,736

Percent of Capital Expenditures/Expenses by Fund



FY2017 Personnel Allocation

Percent of Personnel by Department

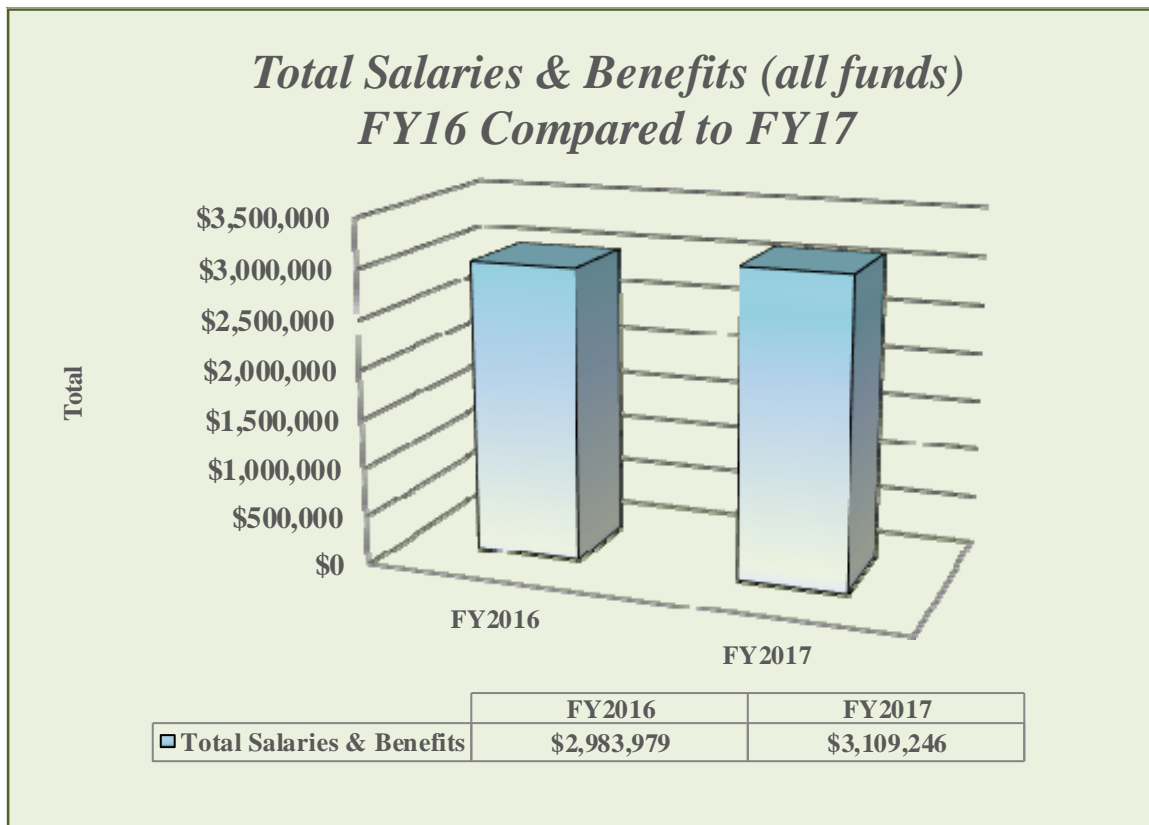


Summary Table of Personnel									
Department	FY2015		FY2016		+/-		FY2017		
	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T	
Governing Board	6.00	0.00	6.00	0.00	0.00	0.00	6.00	0.00	
General Administration	5.00	1.00	5.00	1.00	1.00	1.00	6.00	2.00	
Housing & Development	3.67	1.00	5.00	0.00	0.00	0.00	5.00	0.00	
Municipal Court	2.00	3.00	2.00	3.00	0.00	-1.00	2.00	2.00	
Public Safety	20.00	1.00	27.00	0.00	2.00	0.00	29.00	0.00	
Public Works	2.50	2.00	3.00	2.00	-3.00	-2.00	0.00	0.00	
Parks and Recreation	0.50	1.00	0.00	1.00	0.00	-1.00	0.00	0.00	
Stormwater Utility Management	1.33	0.00	1.00	1.00	0.00	0.00	1.00	1.00	
Total	41.00	9.00	49.00	8.00	0.00	-3.00	49.00	5.00	

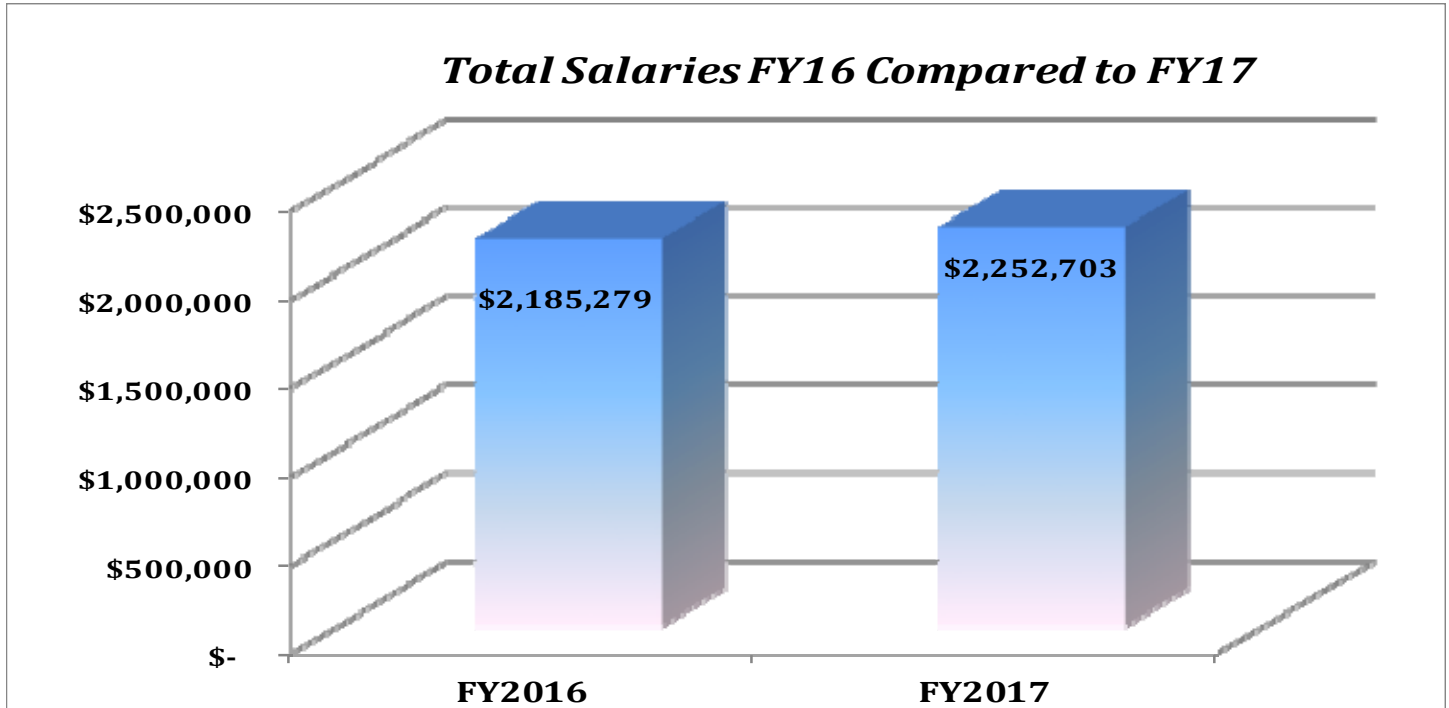
In FY2016, the City employed 57 people, six (6) of whom are the Mayor and five (5) Councilmembers. Including the Mayor and Council, full-time and part-time employees, the City will have an employment base of 51.5 full-time equivalent employees (49 full-time and 5 part-time) in FY2017. This equates to a 2.83% decrease in workforce. Part of this reduction is attributable to the outsourcing of the Public Works function to a private sector company.

Explanation of changes in personnel

- **General Administration** – Addition of one (1) full-time employee. This position is reclassified from Public Works. Addition of one (1) part-time Receptionist.
- **Municipal Court** – Elimination of one (1) part-time position. Employee retired and position was no longer needed.
- **Public Safety** – Addition of two (2) Uniform Patrol Officer positions.
- **Public Works** – Elimination of three (3) full-time and two (2) part-time positions. One (1) full-time position was reclassified to General Administration and the remaining positions were outsourced.
- **Parks and Recreation** – Elimination of one (1) part-time position. This position was outsourced.



For FY2017, the combined total for salaries and benefits equals \$3,109,246; \$2,252,703 has been budgeted for salaries and \$856,543 for benefits. Total benefits are 27.55% of the total personnel budget. The total salary and benefits budgeted equates to 32.24% of the City’s total budget. For comparison, in FY2016, \$2,185,279 was budgeted for salaries and \$798,700 for benefits making benefits 26.77% of the total personnel budget. The combined salary and benefits totals for the FY2016 budget were \$2,983,979 with the total being 21.64% of the City’s total budget.



The budgeting components of the salaries and benefits are depicted as follows:

<i>Total Salaries & Benefits</i>							
	<i>FY2015</i>	<i>FY2016</i>		<i>FY2017</i>	<i>FY2016 Budget Compared to FY2017</i>		<i>FY2017</i>
<i>Line Item</i>	<i>Actual (audited)</i>	<i>Budget</i>	<i>Actual (unaudited)</i>	<i>Budget</i>	<i>\$ (+/-)</i>	<i>% (+/-)</i>	<i>% of Total Personnel Budet</i>
<i>Regular Salaries</i>	\$ 1,954,904	\$ 2,135,479	\$ 2,084,824	\$ 2,201,703	\$ 66,224	3.10%	70.81%
<i>Overtime</i>	52,108	49,800	43,813	51,000	1,200	2.41%	1.64%
<i>FICA</i>	121,120	135,175	127,907	131,230	(3,945)	-2.92%	4.22%
<i>Medicare</i>	27,669	31,617	29,820	30,691	(926)	-2.93%	0.99%
<i>Health Insurance</i>	279,760	352,154	323,929	366,451	14,297	4.06%	11.79%
<i>Dental Insurance</i>	22,093	27,759	22,634	27,994	235	0.85%	0.90%
<i>Unemployment</i>	3,658	3,795	3,560	3,598	(197)	-5.19%	0.12%
<i>Life Insurance</i>	8,187	6,687	5,923	6,615	(72)	-1.08%	0.21%
<i>Short term Disability</i>	13,499	15,211	14,042	13,849	(1,362)	-8.95%	0.45%
<i>Workers Compensation</i>	50,757	59,656	61,716	54,969	(4,687)	-7.86%	1.77%
<i>Pension (GMEBS)</i>	366,772	164,646	163,421	219,146	54,500	33.10%	7.05%
<i>Flexible Benefits</i>	439	2,000	2,283	2,000	-	0.00%	0.06%
Totals:	\$ 2,900,967	\$ 2,983,979	\$ 2,883,872	\$ 3,109,246	\$ 125,267	4.20%	100.00%

Health Insurance

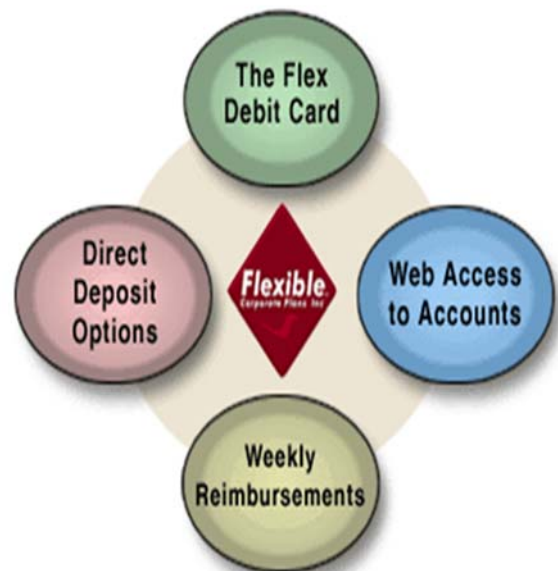
In December of 2016, the City, with assistance from our brokers, MSI Benefits Group, entered into a new agreement with Humana Employers Health Plan of Georgia, Inc. that is in effect until November 30, 2017. The actual cost for FY2016 for health insurance was \$323,929. Although the City shares some of the costs with employees such that they pay 30% of the premiums for family coverage while the City pays 70% of the premiums, we are anticipating an increase of \$42,522 from the prior year actual expense or a total cost to the City of approximately \$366,451.

Humana Employers Health Plan	FY2014 Actual (audited)	FY2015 Actual (audited)	FY2016 Budget	FY2016 Actual (unaudited)	FY2017 Budget	% (+/-) FY16 to FY17
<i>General Administration</i>	\$ 43,161	\$ 52,151	\$ 60,212	\$ 57,561	\$ 54,043	-10.25%
<i>Housing & Development</i>	28,980	28,320	48,665	43,770	48,670	0.01%
<i>Public Safety</i>	123,922	152,822	207,800	190,157	236,092	13.62%
<i>Public Works</i>	12,551	8,049	-	-	-	
<i>Municipal Court</i>	12,495	23,701	29,250	26,733	21,417	-26.78%
<i>Stormwater Utility Management</i>	6,475	11,796	6,227	5,708	6,229	0.03%
<i>Parks & Recreation</i>	-	2,920	-	-	-	
Total:	\$ 227,584	\$ 279,760	\$ 352,154	\$ 323,929	\$ 366,451	4.06%

Flexible Spending Arrangement

In February 2010 Council approved a Flexible Spending Arrangement (FSA) program for City employees. The initial plan year and in subsequent years, the only budgeted item for this expenditure will be the annual \$2,000 to Flexible Corporate Plans, Inc. to administer the plan. Additionally, this plan requires a \$5.00 fee per participant per month with a minimum of \$150 per month (which equates to 30 employees enrolled). It is recommended that we budget \$1,800 in total per year for the FSA Administration fee. This will cover the minimum and up to 30 enrollees. Having 49 eligible employees, the worst-case scenario could be \$2,940 for the FSA Administration fee.

A flexible spending arrangement (FSA), or Flexible Spending Account, as they are commonly called, is one of a number of tax-advantaged financial accounts that can be set up through a cafeteria plan of an employer in the United States. An FSA allows an employee to set aside a portion of his or her earnings to pay for qualified expenses as established in the cafeteria plan, most commonly for medical expenses but often for dependent care or other expenses. Money deducted from an employee's pay into an FSA is not subject to payroll taxes, resulting in a substantial payroll tax savings.



Pension

The City of Holly Springs is a member of the Georgia Municipal Employee Benefits System (GMEBS) administered through the Georgia Municipal Association. The City will be applying 9.73% of employees' salaries towards the pension fund. Our total contribution to GMEBS in 2017 will be \$219,146.

Georgia Municipal Association	FY2014 Actual (audited)	FY2015 Actual (audited)	FY2016 Budget	FY2016 Actual (unaudited)	FY2017 Budget	% (+/-) FY16 to FY17
<i>General Administration</i>	\$ 20,318	\$ 62,635	\$ 30,331	\$ 29,543	\$ 41,424	36.57%
<i>Housing & Development</i>	4,546	46,268	13,000	12,969	24,943	91.87%
<i>Public Safety</i>	53,316	192,666	109,312	109,311	139,227	27.37%
<i>Public Works</i>	10,687	26,529	-	-	-	
<i>Municipal Court</i>	5,995	33,573	7,150	7,149	8,695	21.61%
<i>Stormwater Utility Management</i>	4,500	1,363	4,853	4,449	4,857	0.08%
<i>Parks & Recreation</i>	-	3,738	-	-	-	
Total:	\$ 99,362	\$ 366,772	\$ 164,646	\$ 163,421	\$ 219,146	33.10%

Property and Casualty Insurance

The City's Property and Casualty services are provided by Georgia Interlocal Risk Management Agency (GIRMA), with the broker of record and risk management services provided by Arthur J. Gallagher & Co. Our total premium for FY2017 for the period of May 1, 2016 to May 1, 2017 is \$58,400. This is a 14.84% increase from FY2016 budgeted expenditures of \$50,853 for property and casualty insurance.

Georgia Interlocal Risk Management Agency	FY2014 Actual (audited)	FY2015 Actual (audited)	FY2016 Budget	FY2016 Actual (unaudited)	FY2017 Budget	% (+/-) FY16 to FY17
<i>General Administration</i>	\$ 12,113	\$ 16,283	\$ 13,853	\$ 12,002	\$ 20,900	50.87%
<i>Housing & Development</i>	5,441	6,477	5,000	4,264	5,000	0.00%
<i>Public Safety</i>	29,484	29,332	20,000	17,946	20,000	0.00%
<i>Public Works</i>	6,607	8,915	7,500	6,396	7,500	0.00%
<i>Municipal Court</i>	4,672	6,477	4,500	4,264	5,000	11.11%
<i>Stormwater Utility Management</i>	-	395	-	-	-	
Total:	\$ 58,317	\$ 67,880	\$ 50,853	\$ 44,872	\$ 58,400	14.84%

Workers Compensation Insurance

The City's Workers Compensation services are provided by Georgia Municipal Association (GMA), with the broker of record being Arthur J. Gallagher & Co. The total budgeted premiums for FY2016 were \$59,656. The FY2017 budget is 7.86% less than FY2016. An audit of our worker's compensation coverage was completed to more accurately represent our exposure to claims.

Georgia Municipal Association	FY2014 Actual (audited)	FY2015 Actual (audited)	FY2016 Budget	FY2016 Actual (unaudited)	FY2017 Budget	% (+/-) FY16 to FY17
<i>General Administration</i>	\$ 5,208	\$ 2,979	\$ 2,986	\$ 2,954	\$ 5,674	90.02%
<i>Housing & Development</i>	1,141	2,867	4,772	3,992	6,590	38.10%
<i>Public Safety</i>	32,696	33,566	39,805	42,937	38,347	-3.66%
<i>Public Works</i>	10,606	5,863	7,640	7,640	-	-100.00%
<i>Municipal Court</i>	1,542	1,289	1,335	1,335	1,240	-7.12%
<i>Stormwater Utility Management</i>	1,406	1,656	3,118	2,858	3,118	0.00%
<i>Parks & Recreation</i>	-	2,536	-	-	-	
Total:	\$ 52,599	\$ 50,757	\$ 59,656	\$ 61,716	\$ 54,969	-7.86%

General Fund Expenditure Detail

General Fund	2015	2016		2016 Budget vs Actual		2017	2016-2017
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
Advertising	\$ 18,900	\$ 25,725	\$ 20,590	\$ 5,135	80.04%	\$ 24,250	-5.73%
Books and Periodicals-Code Books	570	500	48	452	9.60%	500	0.00%
Capital Outlay - Sites	1,800	310,000	306,617	3,383	98.91%	-	-100.00%
Capital Outlay-Furniture & Fixtures	-	7,500	-	7,500	0.00%	-	-100.00%
Capital Outlay-Machinery & Equipment	6,476	8,500	9,425	(925)	110.88%	-	-100.00%
Communications	27,614	36,920	36,684	236	99.36%	35,750	-3.17%
Contingency	-	58,750	-	58,750	0.00%	59,500	1.28%
Contract Labor	6,425	245,950	268,253	(22,303)	109.07%	415,006	68.74%
Disposal-Garbage/Recycling	2,146	3,475	2,096	1,379	60.32%	3,500	0.72%
Dues and Fees	33,898	21,250	22,646	(1,396)	106.57%	21,750	2.35%
Dues and Fees-Bank Service Fees	74	2,000	1,885	115	94.25%	2,500	25.00%
Dues and Fees-Direct Deposit	1,890	-	-	-		-	
Education and Training	20,935	37,710	20,509	17,201	54.39%	35,500	-5.86%
Electricity	108,709	122,340	111,260	11,080	90.94%	122,500	0.13%
Employee Benefits-ADD Life	7,921	6,540	5,788	752	88.50%	6,468	-1.10%
Employee Benefits-Dental	21,492	27,354	22,263	5,091	81.39%	27,589	0.86%
Employee Benefits-Disability	12,841	14,905	13,761	1,144	92.32%	13,543	-9.14%
Employee Benefits-Medical	265,043	345,927	318,221	27,706	91.99%	360,222	4.13%
Employee Benefits-Retirement	361,671	159,793	158,972	821	99.49%	214,289	34.10%
FICA	116,005	131,397	123,864	7,533	94.27%	127,027	-3.33%
Flexible Benefits	439	2,000	2,283	(283)	114.15%	2,000	0.00%
Food Supplies	3,102	3,000	2,358	642	78.60%	2,660	-11.33%
Gasoline/Diesel	72,292	68,750	60,900	7,850	88.58%	81,250	18.18%
General Supplies and Materials	44,923	40,750	35,991	4,759	88.32%	38,250	-6.13%
General Supplies-Postage	6,624	6,275	6,506	(231)	103.68%	6,235	-0.64%
Insurance	67,485	50,853	44,872	5,981	88.24%	58,400	14.84%
Intergovernmental-Cherokee Office	10,000	10,000	10,000	-	100.00%	10,000	0.00%
Intergovernmental-Elections	-	8,000	10,752	(2,752)	134.40%	-	-100.00%
Intergovernmental-Fire Services	1,128,875	1,264,841	1,264,841	-	100.00%	1,406,978	11.24%
Intergovernmental-Sequoyah	4,000	4,000	4,000	-	100.00%	4,000	0.00%
Lawn Care	400	1,000	517	483	51.70%	1,000	0.00%
Medicare	26,473	30,733	28,934	1,799	94.15%	29,708	-3.34%

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General Fund Expenditure Detail Cont'd

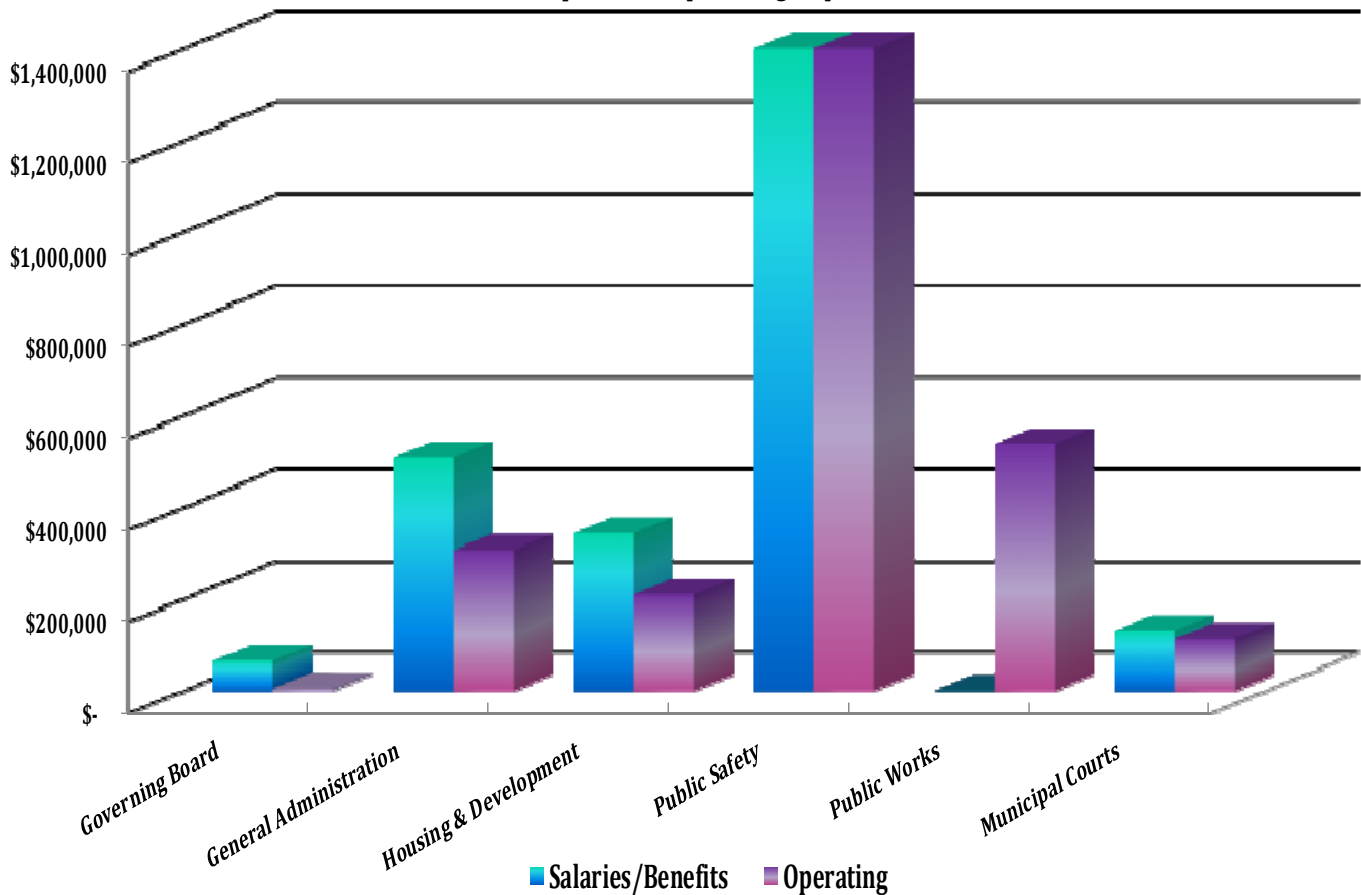
General Fund	2015	2016		2016 Budget vs Actual		2017	2016-2017
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
Other Expenditures	13,382	19,000	17,812	1,188	93.75%	16,750	-11.84%
Other Services-Map Update	-	1,000	-	1,000	0.00%	1,000	0.00%
Other Supplies-Uniforms	38,694	28,885	27,185	1,700	94.11%	33,900	17.36%
Payments to Other Agencies	-	3,570	3,570	-	100.00%	3,500	-1.96%
Pest Control	1,995	2,610	1,995	615	76.44%	2,750	5.36%
Planning & Zoning Meetings	2,695	3,000	2,205	795	73.50%	3,000	0.00%
Printing and Binding	2,149	4,000	2,928	1,072	73.20%	3,500	-12.50%
Professional Services	90,930	66,000	72,268	(6,268)	109.50%	76,000	15.15%
Professional Services-Audit	26,000	85,000	80,388	4,612	94.57%	85,000	0.00%
Professional Services-Engineering	16,009	70,000	65,388	4,612	93.41%	60,000	-14.29%
Professional Services-Legal	67,609	16,000	16,143	(143)	100.89%	16,000	0.00%
Rental of Equipment	655	750	675	75	90.00%	750	0.00%
Repairs & Maintenance	112,665	76,250	70,295	5,955	92.19%	50,500	-33.77%
Repair & Maintenance-Vehicle	60,168	52,500	49,754	2,746	94.77%	52,500	0.00%
Salaries & Wages	1,872,401	2,069,742	2,019,975	49,767	97.60%	2,133,922	3.10%
Salaries & Wages-Overtime	52,108	47,800	43,813	3,987	91.66%	49,000	2.51%
Small Equipment	60,534	59,000	43,894	15,106	74.40%	54,500	-7.63%
Small Equipment-Computer	-	5,000	-	5,000	0.00%	5,000	0.00%
Small Equipment-PD Forfeitures	-	1,000	-	1,000	0.00%	1,000	0.00%
Software	74,014	42,218	44,874	(2,656)	106.29%	22,500	-46.71%
Supplies - Special Events	-	10,000	11,996	(1,996)	119.96%	10,000	0.00%
Technical Services-Planning	14,016	35,000	33,799	1,201	96.57%	35,000	0.00%
Transfer to Other Funds	12,872	-	-	-		-	
Travel	12,879	19,250	15,793	3,457	82.04%	20,250	5.19%
Unemployment	3,525	3,649	3,415	234	93.59%	3,452	-5.40%
Water/Sewer	7,667	13,500	15,005	(1,505)	111.15%	14,000	3.70%
Weapon Supplies and Ammunition	14,772	27,000	16,105	10,895	59.65%	34,000	25.93%
Workers' Compensation	46,565	56,538	58,858	(2,320)	104.10%	51,851	-8.29%
Total General Fund Expenditures	\$ 4,983,327	\$ 5,875,000	\$ 5,632,969	\$ 242,031	95.88%	\$ 5,950,000	1.28%

Note: FY2016 Year to Date (YTD) actuals are unaudited through December 31, 2016

Explanation of variances greater than 10%

- There were no significant variances between the 2016 and 2017 operating budgets in the General Fund.

General Fund FY2017 Total Salaries/Benefits
Compared to Operating Expenditures



General Fund 2017 Budget				
Department	Salaries/Benefits		Operating	Total
<i>Governing Board</i>	\$ 64,655	\$	4,900	\$ 69,555
<i>General Administration</i>	\$ 508,718	\$	306,660	\$ 815,378
<i>Housing & Development</i>	\$ 343,223	\$	209,585	\$ 552,808
<i>Public Safety</i>	\$ 1,971,094	\$	1,757,328	\$ 3,728,422
<i>Public Works</i>	\$ -	\$	539,056	\$ 539,056
<i>Municipal Courts</i>	\$ 131,381	\$	113,400	\$ 244,781
Total	\$ 3,019,071	\$	2,930,929	\$ 5,950,000

Long-Term Debt

The goal of the City’s debt policy is to maintain a sound fiscal position; thereby only utilizing long-term debt to provide resources to finance needed capital improvements, while accumulating adequate resources to repay the debt. In addition, it is the City’s goal to maintain and improve its credit rating through strong financial administration. The City acknowledges that failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that excess outstanding debt may have detrimental effects on the ability of the City to meet its continuing operational needs.

General obligation debt is limited to 10% of the assessed value of all taxable property located within the boundaries of the City of Holly Springs. For FY2017, the legal debt limit for the City of Holly Springs is \$43,274,790.

The capital lease contract for the purchase of vehicles and equipment is collateralized by vehicles with a book value of \$89,034 at December 31, 2015. The contract terms require principal and interest payments until maturity as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
1/20/2017	\$ 931	\$ 45,424	\$ 46,355
	\$ 931	\$ 45,424	\$ 46,355

The Holly Springs Parks and Recreation Authority, blended component unit, issued a back door general obligation bond on July 11, 2016 with semi-annual debt service requirements for the acquisition of 58 +/- acres of land for a future park along the eastern section of the City. The bond resolution calls for principal and interest payments with maturity as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
1/1/2017	\$ 27,800	\$ 151,568	\$ 179,368
7/1/2017	34,485	144,883	179,368
1/1/2018	33,391	145,977	179,368
7/1/2018	31,195	148,173	179,368
1/1/2019	30,008	149,360	179,368
7/1/2019	27,829	151,539	179,368
1/1/2020	26,548	152,820	179,368
7/1/2020	24,521	154,847	179,368
1/1/2021	23,010	156,358	179,368
7/1/2021	20,866	158,502	179,368
2022-2026	107,705	1,685,973	1,793,678
	\$387,358	\$3,200,000	\$3,587,358

Special Revenue Funds Expenditure Detail

<i>Special Revenue Funds</i>	2015	2016		2016 Budget vs Actual		2017	2016-2017
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
<i>Advertising/Promotions</i>	\$ 7,622	\$ 6,000	\$ 5,175	\$ 825	86.25%	\$ 6,000	0.00%
<i>Capital Outlay-Sites</i>	100,000	3,380,000	3,374,174	5,826	99.83%	-	-100.00%
<i>Communications</i>	1,203	1,730	305	1,425	17.63%	2,000	15.61%
<i>Contract Labor</i>	12,725	135,750	142,258	(6,508)	104.79%	22,139	-83.69%
<i>Debt Service-Bond Principal</i>	-	-	-	-		296,451	
<i>Debt Service-Bond Interest</i>	-	-	-	-		62,285	
<i>Disposal-Garbage/Recycling</i>	1,684	4,500	1,696	2,804	37.69%	4,500	0.00%
<i>Dues and Fees</i>	347	600	630	(30)	105.00%	500	-16.67%
<i>Electricity</i>	5,046	13,000	4,960	8,040	38.15%	13,000	0.00%
<i>Employee Benefits-ADD Life</i>	73	-	-	-		-	
<i>Employee Benefits-Dental</i>	200	-	-	-		-	
<i>Employee Benefits-Disability</i>	189	-	-	-		-	
<i>Employee Benefits-Medical</i>	2,920	-	-	-		-	
<i>Employee Benefits-Retirement</i>	3,738	-	-	-		-	
<i>FICA</i>	1,550	-	-	-		-	
<i>General Supplies-Christmas</i>	4,254	-	-	-		-	
<i>General Supplies-Special Events</i>	12,136	-	-	-		-	
<i>General Supplies & Materials</i>	4,189	5,000	3,825	1,175	76.50%	5,000	0.00%
<i>Lawn Care</i>	3,320	7,500	5,940	1,560	79.20%	7,500	0.00%
<i>Medicare</i>	363	-	-	-		-	
<i>Natural Gas</i>	1,690	2,500	1,506	994	60.24%	2,500	0.00%
<i>Overtime</i>	-	-	-	-		-	
<i>Payments to Other Agencies</i>	359,242	245,525	224,983	20,542	91.63%	222,600	-9.34%
<i>Pest Control</i>	840	2,500	840	1,660	33.60%	2,500	0.00%
<i>Professional Services</i>	288	-	-	-		-	
<i>Rental of Equipment</i>	-	2,000	836	1,164	41.80%	2,000	0.00%
<i>Rental of Land-Brackett Park</i>	-	125	-	125	0.00%	125	0.00%
<i>Repairs & Maintenance</i>	52,677	83,620	63,783	19,837	76.28%	57,500	-31.24%
<i>Salaries & Wages</i>	25,000	-	-	-		-	
<i>Small Equipment</i>	999	2,500	1,605	895	64.20%	2,500	0.00%
<i>Transfer to General Fund</i>	-	17,500	17,537	(37)	100.21%	-	-100.00%
<i>Unemployment</i>	37	-	-	-		-	
<i>Water/Sewer</i>	5,473	4,500	10,779	(6,279)	239.53%	4,500	0.00%
<i>Workers' Compensation</i>	2,536	-	-	-		-	
Total Special Revenue Funds Expenditures	\$ 610,342	\$ 3,914,850	\$3,860,832	\$ 54,018	98.62%	\$ 713,600	-81.77%

Note: FY2016 Year to Date (YTD) actuals are unaudited through December 31, 2016

Explanation of variances greater than 10%

- The Special Revenue Funds decrease of 81.77% in 2017 from 2016 was the result of the acquisition of future park property in 2016 that was not budgeted in 2017.

Capital Project Funds Expenditure Detail

<i>Capital Project Funds</i>	2015	2016		2016 Budget vs Actual		2017	2016-2017
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
<i>Capital Outlay - CDBG Sidewalk</i>	\$ 51,883	\$ 250,000	\$ 473,329	\$ (223,329)	189.33%	\$ 650,000	160.00%
<i>Capital Outlay - Equipment</i>	3,883	52,500	48,935	3,565	93.21%	117,885	124.54%
<i>Capital Outlay - Infrastructure</i>	-	200,000	-	200,000	0.00%	200,000	0.00%
<i>Capital Outlay - LCI Sidewalk Project</i>	204,133	2,203,335	2,465,402	(262,067)	111.89%	250,652	-88.62%
<i>Capital Outlay - Road Infrastructure</i>	404,619	560,698	635,482	(74,784)	113.34%	1,280,781	128.43%
<i>Capital Outlay - Vehicles</i>	171,006	300,000	291,162	8,838	97.05%	129,327	-56.89%
<i>Capital Outlay-Sewer Infrastructure</i>	664,051	-	-	-		-	
<i>Interest - Capital Lease</i>	6,252	4,513	4,513	-	100.00%	931	-79.37%
<i>Principal - Capital Lease</i>	127,215	128,954	128,954	-	100.00%	45,424	-64.78%
Total Capital Project Funds Expenditures	\$1,633,042	\$3,700,000	\$4,047,777	\$ (347,777)	109.40%	\$2,675,000	-27.70%

Note: FY2016 Year to Date (YTD) actuals are unaudited through December 31, 2016

Explanation of variances greater than 10%

- The Capital Project Funds decrease of 27.70% from the previous year is primarily attributable to the substantial completion of the Livable Centers Initiative (LCI) Project in 2016.

Enterprise Fund Expense Detail

<i>Enterprise Fund</i>	2015	2016		2016 Budget vs Actual		2017	2016-2017
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
<i>Communications</i>	\$ 519	\$ 3,000	\$ 2,558	442	85.27%	\$ 3,000	0.00%
<i>Contingency</i>	-	6,000	-	6,000	0.00%	3,050	-49.17%
<i>Contract Labor</i>	4,150	-	-	-		2,500	
<i>Depreciation</i>	62,892	-	-	-		-	
<i>Dues and Fees</i>	21	100	1,525	(1,425)	1525.00%	125	25.00%
<i>Employee Benefits - ADD Life</i>	193	147	135	12	91.84%	147	0.00%
<i>Employee Benefits - Dental</i>	401	405	371	34	91.60%	405	0.00%
<i>Employee Benefits - Disability</i>	469	306	281	25	91.83%	306	0.00%
<i>Employee Benefits - Medical Insurance</i>	11,796	6,227	5,708	519	91.67%	6,229	0.03%
<i>Employee Benefits - Retirement</i>	1,363	4,853	4,449	404	91.68%	4,857	0.08%
<i>FICA</i>	3,565	3,778	4,043	(265)	107.01%	4,203	11.25%
<i>Gasoline/Diesel</i>	1,742	4,000	3,948	52	98.70%	4,000	0.00%
<i>Insurance</i>	395	-	-	-		-	
<i>Legal & Professional Services</i>	530	5,000	75	4,925	1.50%	5,000	0.00%
<i>Maintenance & Cleaning</i>	23,183	85,000	93,287	(8,287)	109.75%	90,000	5.88%
<i>Medicare</i>	834	884	886	(2)	100.23%	983	11.20%
<i>Office Supplies</i>	120	-	1,069	(1,069)		-	
<i>Other Supplies</i>	589	750	578	172	77.07%	750	0.00%
<i>Overtime</i>	-	2,000	-	2,000	0.00%	2,000	0.00%
<i>Pollution Prevention</i>	350	2,500	-	2,500	0.00%	2,500	0.00%
<i>Postage</i>	439	400	66	334	16.50%	250	-37.50%
<i>Printing & Binding</i>	40	-	-	-		-	
<i>Regional Stormwater</i>	-	5,000	4,400	600	88.00%	5,000	0.00%
<i>Salaries & Wages</i>	57,502	65,736	64,849	887	98.65%	67,781	3.11%
<i>Small Equipment</i>	-	1,500	949	551	63.27%	1,500	0.00%
<i>Structural Upgrades</i>	36,620	90,000	-	90,000	0.00%	87,500	-2.78%
<i>Training/Education & Public Awareness</i>	206	5,500	187	5,313	3.40%	6,000	9.09%
<i>Unemployment</i>	96	146	145	1	99.32%	146	0.00%
<i>Water/Sewer</i>	2,856	3,000	2,552	448	85.07%	3,000	0.00%
<i>Watershed Planning</i>	-	650	-	650	0.00%	650	0.00%
<i>Workers Comp Insurance</i>	1,656	3,118	2,858	260	91.66%	3,118	0.00%
Total Enterprise Fund Expenses	\$ 212,527	\$ 300,000	\$ 194,919	\$ 104,639	64.97%	\$ 305,000	1.67%

Note: FY2016 Year to Date (YTD) actuals are unaudited through December 31, 2016

Explanation of variances greater than 10%

- There were no significant variances between the 2016 and 2017 operating budgets in the Stormwater Utility Management Fund.



City of Holly Springs

Governmental Funds





Budget Overview

General Fund

	Adopted Budget <u>2016</u>	Adopted Budget <u>2017</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Total Cost	\$5,875,000	\$5,950,000	\$75,000	1.28%

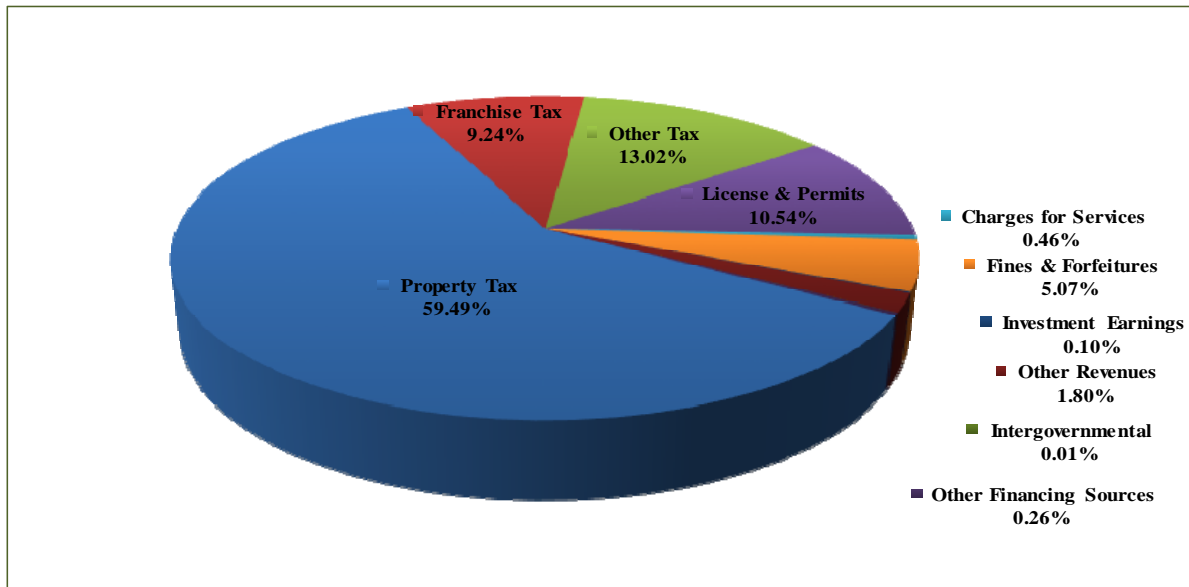
Revenues by Department & Category				
	<u>Taxes</u>	<u>Fees & Fines</u>	<u>Other Revenue</u>	<u>Total</u>
Non-Departmental	\$ 4,864,450	\$ 1,000	\$149,250	\$ 5,014,700
Housing & Development	-	-	604,750	604,750
Public Safety	-	-	500	500
Public Works	-	-	-	-
Municipal Court	-	300,500	29,550	330,050
Total	<u>\$ 4,864,450</u>	<u>\$ 301,500</u>	<u>\$784,050</u>	<u>\$ 5,950,000</u>

Expenditures by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Governing Body	\$ 64,655	\$ 4,900	\$ -	\$ 69,555
General Administration	508,718	306,660	-	815,378
Housing & Development	343,223	209,585	-	552,808
Public Safety	1,971,094	1,757,328	-	3,728,422
Public Works	-	539,056	-	539,056
Municipal Court	131,381	113,400	-	244,781
Total	<u>\$ 3,019,071</u>	<u>\$ 2,930,929</u>	<u>\$ -</u>	<u>\$ 5,950,000</u>

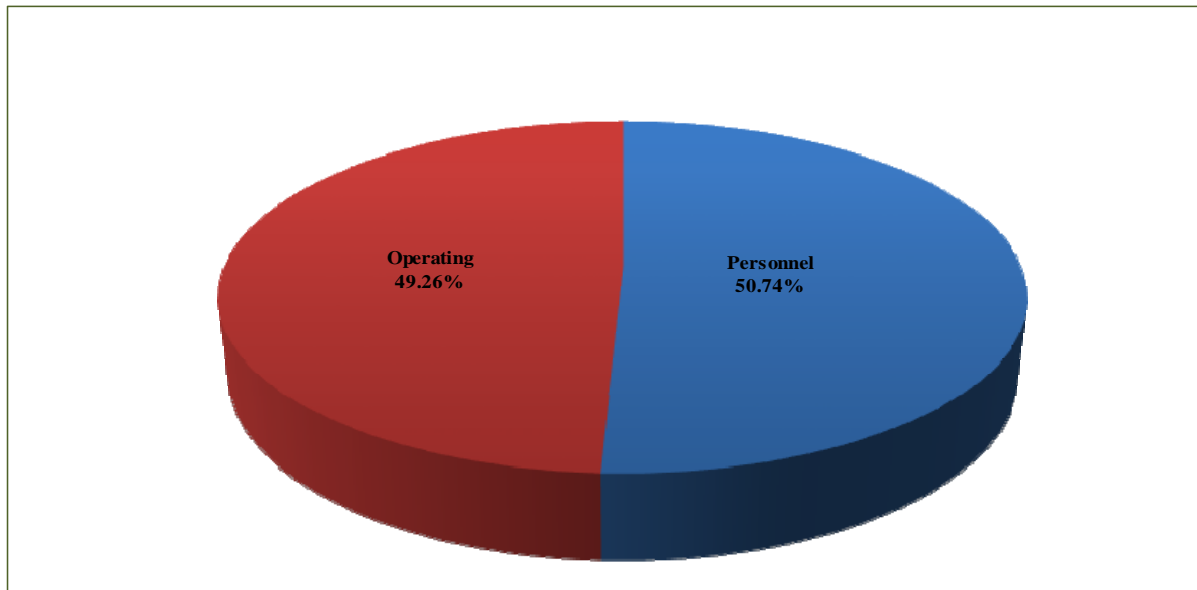
Operating Millage 2016	Operating Millage 2017	Percent Decrease
5.315	5.086	-4.31%

Budget Overview General Fund

Revenues By Source



Expenditures By Category



General Fund

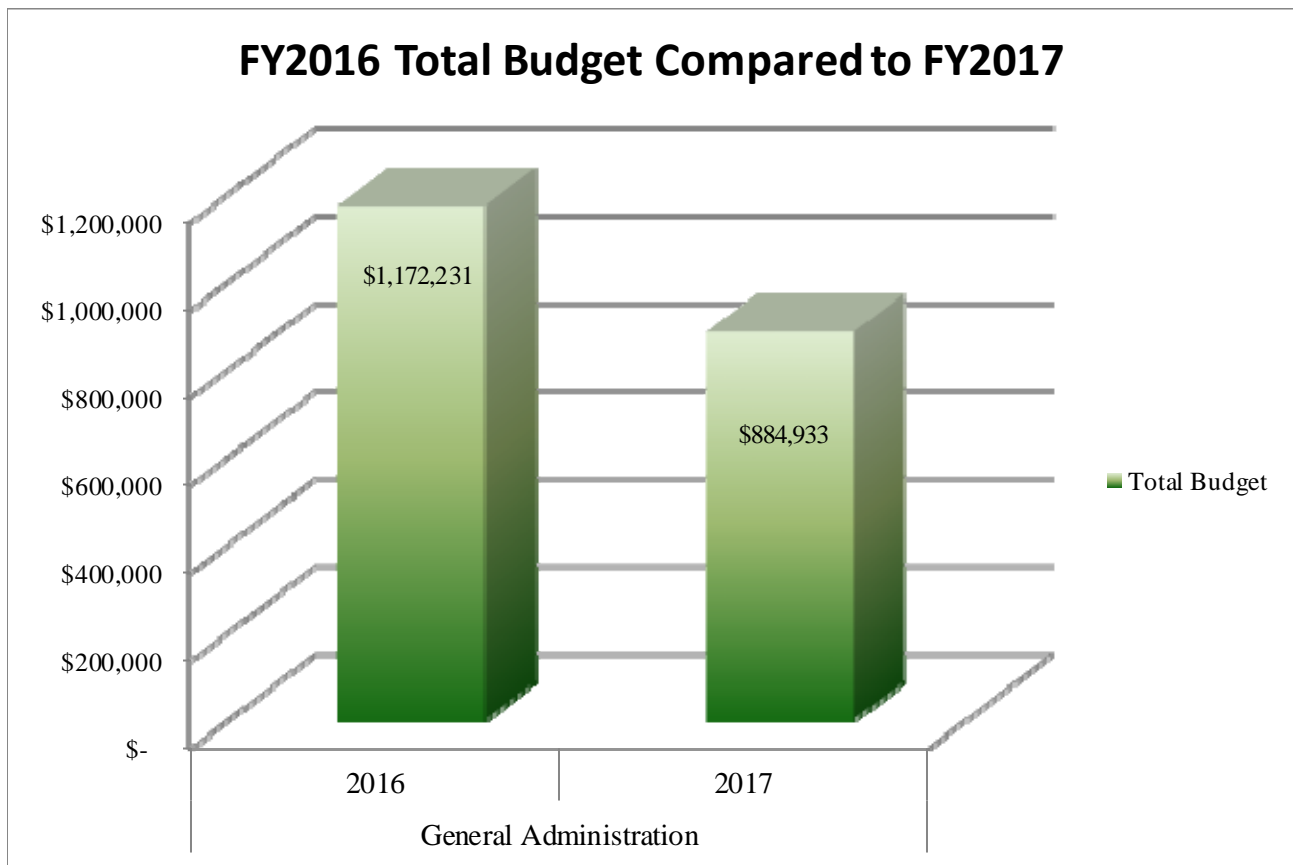
The General Fund of a governmental unit serves as the primary reporting fund for current government operations. The primary sources of revenue for the General Fund include property and franchise taxes. The major departments include General Administration, Municipal Court Services, Public Safety, and Public Works.

Departmental Funding Highlights

❖ *General Administration*

The City’s General Administration Department is comprised of the Governing Body (Mayor, Councilmembers, and City Manager) and Finance Department. The mission of the General Administration Department is to carry out the policies and implement the goals established by the City Council in providing efficient and responsive services to the citizens using sound fiscal management strategies while using a participative model of governance.

The total expenditures allocated for appropriation for the General Administration Department are anticipated to be \$884,933 (\$572,373 for salaries and benefits and \$311,560 for operating). This is a 24.51% decrease in expenditures from \$1,172,231 in 2016.



The FY2017 personnel allocation recommendation for the General Administration Department is as follows:

Mayor	One (1) FT
Councilmembers	Five (5) FT
City Clerk	One (1) FT
Assistant City Clerk	One (1) FT
Information Technology Manager	One (1) FT
Finance Director	One (1) FT
Accounting Specialist	One (1) FT
Public Works Technician	One (1) FT
Administrative Assistant	One (1) PT
Receptionist	One (1) PT

One (1) full-time Public Works Technician was reclassified from Public Works and one part-time Receptionist was added to General Administration for the 2017 budget.

Summary Table of Personnel								
	FY2015		FY2016		+/-		FY2017	
Department	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T
Governing Board	6.00	0.00	6.00	0.00	0.00	0.00	6.00	0.00
General Administration	5.00	1.00	5.00	1.00	1.00	1.00	6.00	2.00
Total	11.00	1.00	11.00	1.00	1.00	1.00	12.00	2.00

Goals, Objectives and Performance Measures

The Finance Department includes Accounting, Payroll, Accounts Payable and Receivable, Budget, and Cash Management/Investments. This department is responsible for the preparation, implementation and execution of the City’s annual budget, preparation and analysis of budget transfer and amendment requests, year-end closing process, the preparation of various financial analysis and reports for management planning, property taxes, and all other basic accounting functions such as payables and receivables. The City Manager is responsible for the efficient administration of all departments of the City to provide effective delivery of all municipal services and programs. The City Manager makes recommendations to the City Council to adopt policies and implements them in the context of a shared vision through various administrative and operating departments.

The goals of the General Administration Department are:

- ❖ Fiscal Stability - Develop and administer the budgeting process to make a sound basis for planning, decision making, and financial control for the City Manager, Mayor and Council.
- ❖ Fiscal Soundness - Develop financial policies to provide for long-range, sound fiscal management and provide efficient and effective financial support services to all departments.
- ❖ Cost Efficiency - Ensure that funds are spent utilizing the procurement policies set forth by the City of Holly Springs and to acquire goods and/or services in the most efficient manner possible.

Objectives:

- Work with local municipalities, county government, and authorities pursuant to the Service Delivery Strategy Act (HB 489) to ensure efficient delivery of governmental services.
- To maintain a low tax burden.
- Implement sound recruitment practices to ensure competent candidates are hired.
- Manage City finances to ensure financial benchmarks are met.
- Maintain high levels of professional accounting and reporting standards worthy of the Government Finance Officers Association (GFOA) awards.
- Comply with all applicable Georgia Statutes for public open records requests.

Performance Measures	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Output				
Monthly financial statements	12	12	12	12
Effectiveness				
# of years compliant with Cherokee County Service Delivery Strategy (HB 489)	17	18	18	19
% change over operating roll-back millage rate	.04%	.05%	.00%	.05%
FT employee turnover rate within one year of employment	3%	4%	0%	0%
# of years GFOA Certificate of Achievement for Excellence in Financial Reporting has been received*	4	5	*	6
# of years GFOA Distinguished Budget Award received	6	7	7	8
# of audit findings*	0	0	*	0
Efficiency				
Unassigned Fund Balances as a % of annual budget (1)	106.08%	84.96%	108.02%	102.27%
Average number of days to complete routine public open records requests	3 days	3 days	3 days	3 days

* FY 2016 audit will be completed and submitted in June 2017

(1) audited balances used when available

Fiscal Year 2017						
Governing Body & General Administration Expenditure Detail		FY2015 Actual (audited)	FY2016 Budget	FY2016 Actual (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
Governing Body						
100-1110-511100	Salaries & Wages-Council	\$ 42,125	\$ 42,000	\$ 42,000	\$ 42,000	0.00%
100-1110-512100	Employee Benefits-Medical	19,196	14,224	13,693	12,459	-12.41%
100-1110-512110	Employee Benefits-Dental	1,270	810	202	810	0.00%
100-1110-512120	Employee Benefits-ADD Life	1,109	735	716	735	0.00%
100-1110-512150	Flexible Benefits	250	-	-	-	
100-1110-512200	FICA	1,719	2,604	1,535	2,604	0.00%
100-1110-512300	Medicare	402	609	359	609	0.00%
100-1110-512400	Employee Benefits-Retirement	8,510	4,540	3,753	4,540	0.00%
100-1110-512600	Unemployment	229	304	190	304	0.00%
100-1110-512700	Workers Comp Insurance	592	594	562	594	0.00%
100-1110-523100	Insurance	1,417	780	768	900	15.38%
100-1110-523200	Communications	-	250	-	250	0.00%
100-1110-523500	Travel	60	500	433	500	0.00%
100-1110-523700	Education and Training	-	2,600	2,600	2,500	-3.85%
100-1110-531100	General Supplies and Materials	-	250	359	250	0.00%
100-1110-572000	Payments to Other Agencies	-	500	500	500	0.00%
Total Governing Body		\$ 76,880	\$ 71,300	\$ 67,670	\$ 69,555	-2.45%
Elections						
100-1400-523300	Advertising	\$ -	\$ 725	\$ 718	\$ -	-100.00%
100-1400-571000	Intergovernmental-Elections	-	8,000	10,752	-	-100.00%
Total Elections		\$ -	\$ 8,725	\$ 11,470	\$ -	-100.00%
General Administration						
100-1500-511100	Salaries & Wages	\$ 314,102	\$ 365,000	\$ 356,074	\$ 385,793	5.70%
100-1500-511300	Overtime	451	300	286	1,500	400.00%
100-1500-512100	Employee Benefits-Medical	32,955	45,988	43,868	41,584	-9.58%
100-1500-512110	Employee Benefits-Dental	2,631	3,075	2,941	2,992	-2.70%
100-1500-512120	Employee Benefits-ADD Life	947	800	747	882	10.25%
100-1500-512130	Employee Benefits-Disability	2,414	2,641	2,456	2,690	1.86%
100-1500-512150	Flexible Benefits	189	2,000	2,283	2,000	0.00%
100-1500-512200	FICA	19,501	22,750	22,231	23,312	2.47%
100-1500-512300	Medicare	4,561	5,320	5,199	5,452	2.48%
100-1500-512400	Employee Benefits-Retirement	54,124	25,791	25,790	36,884	43.01%
100-1500-512600	Unemployment	502	601	611	549	-8.65%
100-1500-512700	Workers' Comp. Insurance	2,387	2,392	2,392	5,080	112.37%
100-1500-521200	Professional Services	86,720	-	-	-	
100-1500-521210	Professional Services-Audit	26,000	85,000	80,388	85,000	0.00%
100-1500-521230	Professional Services-Legal	4,419	8,500	8,200	8,500	0.00%
100-1500-522110	Disposal-Garbage/Recycling	434	475	434	500	5.26%

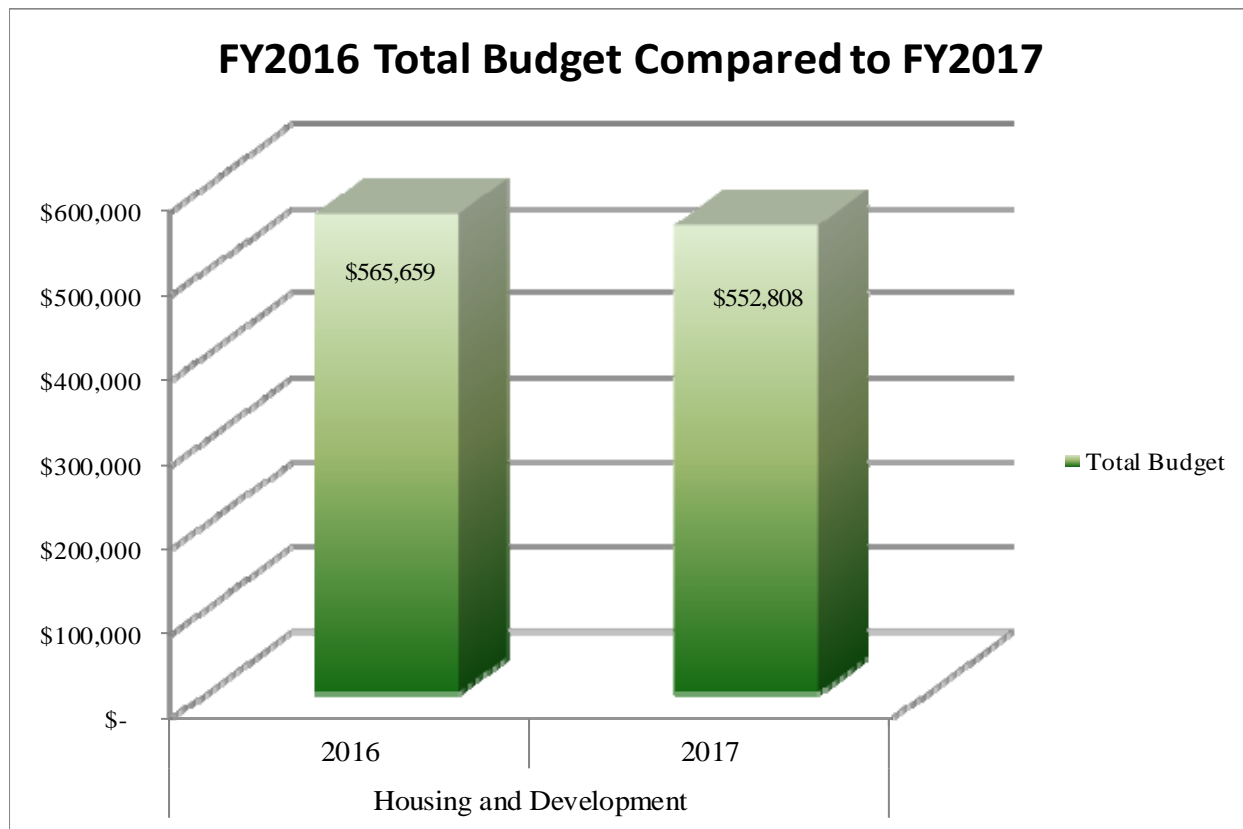
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Fiscal Year 2017						
Governing Body & General Administration Expenditure Detail		FY2015 Actual (audited)	FY2016 Budget	FY2016 Actual (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
100-1500-522150	Pest Control	435	500	435	500	0.00%
100-1500-522200	Repairs & Maintenance	23,916	21,000	22,122	20,000	-4.76%
100-1500-523100	Insurance	14,867	13,073	11,234	20,000	52.99%
100-1500-523200	Communications	6,600	8,500	8,325	8,500	0.00%
100-1500-523300	Advertising/Promotions	2,902	3,750	3,158	5,000	33.33%
100-1500-523400	Printing and Binding	1,214	1,500	968	1,500	0.00%
100-1500-523500	Travel	3,639	2,000	1,660	3,000	50.00%
100-1500-523600	Dues and Fees	24,171	10,000	15,790	11,000	10.00%
100-1500-523610	Dues and Fees-Bank Service Fees	74	2,000	1,885	2,500	25.00%
100-1500-523620	Dues and Fees-Direct Deposit	1,890	-	-	-	
100-1500-523700	Education and Training	5,531	3,000	2,824	3,500	16.67%
100-1500-523850	Contract Labor	1,250	-	-	-	
100-1500-523900	Other Expenditures	5,043	5,000	4,268	5,000	0.00%
100-1500-531100	General Supplies and Materials	24,781	25,000	21,352	25,000	0.00%
100-1500-531120	General Supplies-Postage	6,379	5,000	6,406	5,000	0.00%
100-1500-531210	Water/Sewer	1,289	7,000	9,953	7,500	7.14%
100-1500-531230	Electricity	3,057	5,000	3,023	5,000	0.00%
100-1500-531270	Gasoline/Diesel	755	1,000	808	1,000	0.00%
100-1500-531300	Food Supplies	861	500	-	160	-68.00%
100-1500-531600	Small Equipment	16,420	15,000	12,522	10,000	-33.33%
100-1500-531630	Software	23,427	20,000	24,659	15,000	-25.00%
100-1500-531700	Other Supplies	1,335	-	-	-	
100-1500-541100	Capital Outlay - Sites	1,800	310,000	306,617	-	-100.00%
100-1500-542100	Capital Outlay-Machinery & Equip	-	-	1,346	-	
100-1500-579000	Contingency	-	58,750	-	59,500	1.28%
100-6500-571000	Intergovernmental-Sequoyah	4,000	4,000	4,000	4,000	0.00%
100-9000-611000	Transfer to Other Funds	12,872	-	-	-	
Total General Administration		\$ 740,844	\$ 1,092,206	\$ 1,017,255	\$ 815,378	-25.35%
TOTAL EXPENDITURES		\$ 817,724	\$ 1,172,231	\$ 1,096,395	\$ 884,933	-24.51%

❖ **Housing and Development**

The Housing and Development Department is comprised of planning and zoning as well as building inspections. Using teamwork, creativity, professionalism, and unprecedented customer care, the Housing and Development Department provides our clients and citizens with outstanding building safety, environmental protection, regulatory oversight, planning practices, land use techniques, infrastructure systems, economic development, GIS, and problem solving services to overcome challenges, create opportunities, promote the highest quality of life for our community to achieve the future vision and enduring legacy of a highly livable and economically successful City.

The total expenditures allocated for appropriation for the Housing and Development Department are anticipated to be \$552,808 (\$343,223 for salaries and benefits and \$209,585 for operating). This is a 2.27% decrease in expenditures from \$565,659 in 2016.



Personnel

The FY2017 personnel allocation recommendation in the Housing and Development Department is as follows:

Community Development Director	One (1) FT
Building Inspector	One (1) FT
Chief Building Inspector	One (1) FT
Main Street Director	One (1) FT
Permit Clerk	One (1) FT

There are no changes in personnel for Community Development department for FY2017.

One of the goals in this department is to hire another inspector and a City Planner on the upswing of the building and development market so that we can continue to provide the same level of service when it is needed.

<i>Summary Table of Personnel</i>								
	<i>FY2015</i>		<i>FY2016</i>		<i>+/-</i>		<i>FY2017</i>	
<i>Department</i>	<i>F/T</i>	<i>P/T</i>	<i>F/T</i>	<i>P/T</i>	<i>F/T</i>	<i>P/T</i>	<i>F/T</i>	<i>P/T</i>
Housing & Development	3.67	1.00	5.00	0.00	0.00	0.00	5.00	0.00
Total	3.67	1.00	5.00	0.00	0.00	0.00	5.00	0.00

Goals, Objectives and Performance Measures

The Housing and Development Department coordinates with organizations to enhance community aesthetics, revive distressed neighborhoods, offer long-term solutions to land development, promote citizen participation in community functions, and maintain responsible growth and redevelopment in the City. This department is also responsible for reviewing building permit applications and performing inspections to ensure compliance with the Georgia Building Code.

Goal:

The goal of the Housing and Development Department is to implement long range planning and further economic development in the City by increasing citizen participation and engaging the public in the planning process through proactive meetings with neighborhood associations, business and service organizations.

Objectives:

- Work with Cherokee County to comply with the provisions of Annexation and Land Use Dispute Resolutions imposed by the Georgia legislature in 2004.
- Encourage new developments to set aside greenspace for their residents.
- Conduct fire plan reviews for all commercial and multi-family structures.
- Foster business growth.

Performance Measures	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Output				
# of acres successfully annexed into the City	98.538	86	53.53 +/-	25
# of acres of greenspace added	14.781	12.9	58 +/-	2.5
# of new businesses opened in the City	72	75	62	75
Effectiveness				
% of buildings that meet fire safety code requirements	100%	100%	100%	100%
Efficiency				
Average # of days to complete inspection requests	1	1	1	1

Fiscal Year 2017						
Housing & Development Revenue & Expenditure Detail		FY 2015 Actual (audited)	FY2016 Budget	FY2016 Actuals (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
<i>Revenues</i>						
100-0000-322210	Zoning & Land Use Fees	\$ 29,085	\$ 60,000	\$ 59,388	\$ 25,000	-58.33%
100-0000-322230	Sign Permits	2,916	3,000	4,192	2,750	-8.33%
100-0000-322990	Other Licenses & Permits	100	500	375	500	0.00%
100-0000-323120	Building Permit Revenue	586,373	560,000	615,327	475,000	-15.18%
100-0000-323125	Certificate of Occupancy Fees	104,500	95,000	103,500	75,000	-21.05%
100-0000-341300	Planning & Development Fees	792	3,000	2,510	1,500	-50.00%
100-0000-341305	Fire Plan Review	55,524	35,000	43,371	25,000	-28.57%
TOTAL REVENUES		\$ 779,290	\$ 756,500	\$ 828,663	\$ 604,750	-20.06%
<i>Expenditures</i>						
100-7200-511100	Salaries & Wages	\$ 190,016	\$ 205,000	\$ 197,280	\$ 189,886	-7.37%
100-7200-511300	Overtime	15	500	-	1,500	200.00%
100-7200-512100	Employee Benefits-Medical	28,320	42,040	37,708	42,441	0.95%
100-7200-512110	Employee Benefits-Dental	2,923	2,900	2,516	2,338	-19.38%
100-7200-512120	Employee Benefits-ADD Life	648	588	515	588	0.00%
100-7200-512130	Employee Benefits-Disability	1,378	1,565	1,448	1,456	-6.96%
100-7200-512200	FICA	11,779	12,745	11,796	11,429	-10.33%
100-7200-512300	Medicare	2,097	2,980	2,725	2,673	-10.30%
100-7200-512400	Employee Benefits-Retirement	46,268	8,900	8,868	19,929	123.92%
100-7200-512600	Unemployment	270	500	371	293	-41.40%
100-7200-512700	Workers' Compensation	2,867	4,690	3,909	6,497	38.53%
100-7200-521220	Professional Services-Engineering	14,603	55,000	52,391	55,000	0.00%
100-7200-521230	Professional Services-Legal	12,153	7,500	7,943	7,500	0.00%
100-7200-521300	Technical Services-Planning	14,016	35,000	33,799	35,000	0.00%
100-7200-522150	Pest Control	360	500	360	500	0.00%
100-7200-522200	Repairs & Maintenance	4,447	2,500	2,352	2,500	0.00%
100-7200-523000	Other Services-Map Update	-	1,000	-	1,000	0.00%
100-7200-523100	Insurance	6,477	5,000	4,264	5,000	0.00%
100-7200-523200	Communication	4,635	5,500	5,532	5,500	0.00%
100-7200-523300	Advertising/Promotions	14,877	17,000	16,110	15,000	-11.76%
100-7200-523310	Advertising	-	1,000	444	1,000	0.00%
100-7200-523400	Printing and Binding	708	2,500	1,960	2,000	-20.00%
100-7200-523500	Travel	540	2,500	2,158	2,500	0.00%
100-7200-523600	Dues and Fees	3,436	5,000	4,070	5,000	0.00%

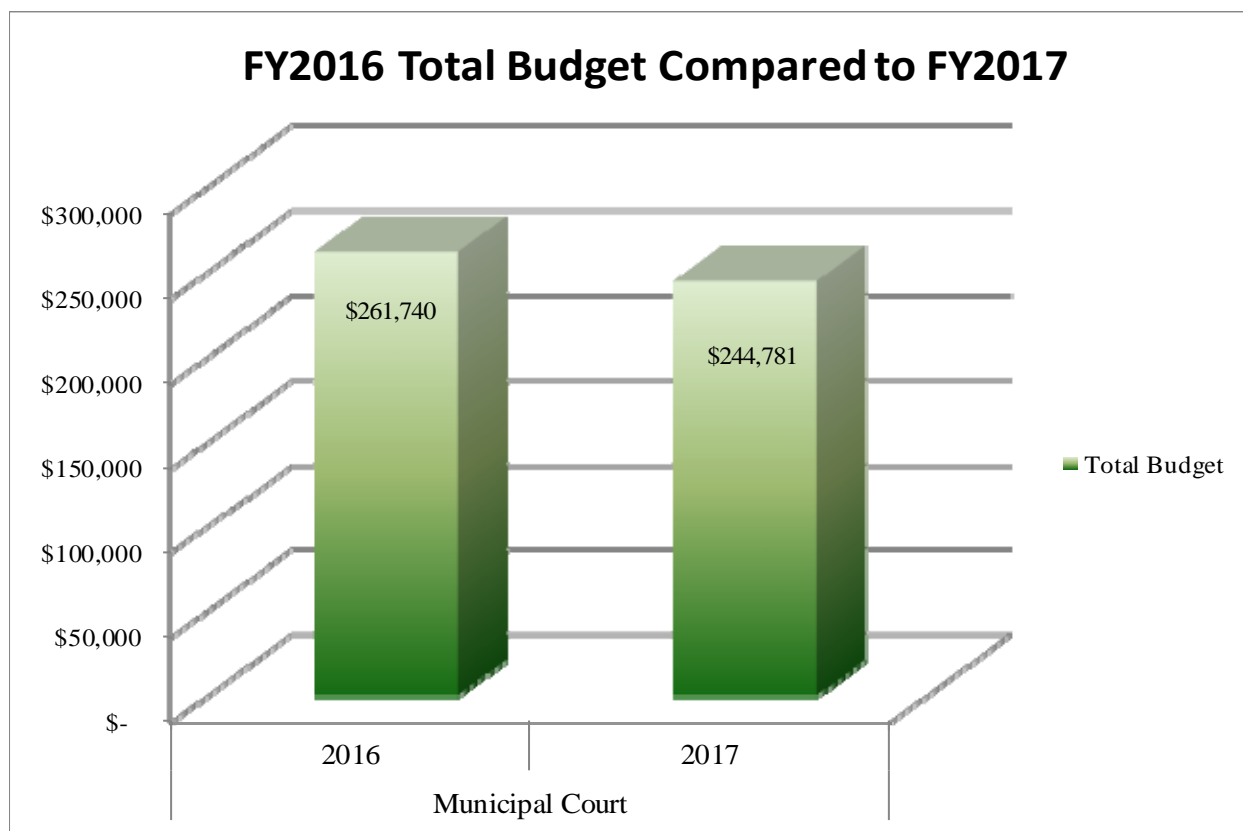
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Fiscal Year 2017						
Housing & Development Revenue & Expenditure Detail		FY 2015 Actual (audited)	FY2016 Budget	FY2016 Actuals (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
100-7200-523700	Education and Training	3,635	5,000	2,882	5,000	0.00%
100-7200-523850	Contract Labor	-	12,000	30,465	12,000	0.00%
100-7200-523860	Planning & Zoning Meetings	2,695	3,000	2,205	3,000	0.00%
100-7200-523900	Other Expenditures	618	500	395	500	0.00%
100-7200-531100	General Supplies and Materials	139	2,500	1,312	2,500	0.00%
100-7200-531120	General Supplies-Postage	104	586	56	585	-0.17%
100-7200-531210	Water/Sewer	1,314	750	442	750	0.00%
100-7200-531230	Electricity	4,203	4,500	4,130	4,500	0.00%
100-7200-531270	Gasoline/Diesel	2,546	2,500	2,028	2,500	0.00%
100-7200-531400	Books and Periodicals-Code Books	570	250	48	250	0.00%
100-7200-531600	Small Equipment	1,472	2,500	2,494	2,500	0.00%
100-7200-542300	Capital Outlay-Furniture & Fixtures	-	7,500	-	-	-100.00%
100-7520-571000	Intergovernmental-Cherokee Office	10,000	10,000	10,000	10,000	0.00%
100-7550-511100	Salaries & Wages	-	47,500	45,928	47,276	-0.47%
100-7550-511300	Overtime	-	500	381	500	0.00%
100-7550-512100	Employee Benefits-Medical	-	6,625	6,062	6,229	-5.98%
100-7550-512110	Employee Benefits-Dental	-	500	401	967	93.40%
100-7550-512120	Employee Benefits-ADD Life	-	150	135	147	-2.00%
100-7550-512130	Employee Benefits-Disability	-	385	350	345	-10.39%
100-7550-512200	FICA	-	2,980	2,858	2,876	-3.49%
100-7550-512300	Medicare	-	700	668	673	-3.86%
100-7550-512400	Employee Benefits-Retirement	-	4,100	4,101	5,014	22.29%
100-7550-512600	Unemployment	-	73	73	73	0.00%
100-7550-512700	Workers' Compensation	-	82	83	93	13.41%
100-7550-523310	Advertising	-	2,500	-	2,500	0.00%
100-7550-523600	Dues and Fees	-	2,500	520	2,500	0.00%
100-7550-523700	Education and Training	-	2,500	1,605	2,500	0.00%
100-7550-523850	Contract Labor	-	7,500	6,627	7,500	0.00%
100-7550-572000	Payments to Other Agencies	-	3,070	3,070	3,000	-2.28%
100-7550-531100	Supplies - Special Events	-	10,000	11,996	10,000	0.00%
TOTAL EXPENDITURES		\$ 390,129	\$ 565,659	\$ 539,834	\$ 552,808	-2.27%

❖ **Municipal Court**

The Municipal Court Services is comprised of both full-time and part-time staff members as well as appointed judicial officials and contract employees. The mission of the Municipal Court Services is to support the process of adjudicating cases in accordance with the laws of the state of Georgia and the ordinances of the City of Holly Springs in a fair, courteous, efficient and professional manner.

The total expenditures allocated for appropriation for the Municipal Court Services are anticipated to be \$244,781 (\$131,381 for salaries and benefits and \$113,400 for operating). This is a 6.48% decrease in expenditures from \$261,740 in 2016.



The FY2017 personnel allocation recommendation for the Municipal Court Services is as follows:

Court Clerk	One (1) FT
Deputy Court Clerk	One (1) FT
Bailiff	Two (2) PT

One (1) part-time position was eliminated from the 2017 budget. The employee retired and the position was no longer needed.

The following court officials are contracted personnel:

Appointed Judge	One (1)
Appointed Associate Judge	One (1)
Contract Personnel	Four and a half (4.5) contract personnel

Summary Table of Personnel								
	FY2015		FY2016		+/-		FY2017	
Department	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T
Municipal Court	2.00	3.00	2.00	3.00	0.00	-1.00	2.00	2.00
Total	2.00	3.00	2.00	3.00	0.00	-1.00	2.00	2.00

Judicial Designation	FY2016 Budgeted Expenditures (24 sessions)	Proposed Compensation	FY2017 Budgeted Expenditures (24 sessions)
Judge (1)	\$31,250	\$1,250 per session	\$30,000
Associate Judge (1)	10,000	1,250 per session	7,500
Chief Solicitor (1)	24,000	1,000 per session	24,000
Public Defender (2.5)	16,750	300 per session	10,500
Translator (1)	3,000	125 per session	3,000
Totals:	\$85,000		\$75,000

Goals, Objectives and Performance Measures

The Municipal Court Services is responsible for presiding over cases for people with business before the court, such as misdemeanors, including traffic and non-traffic offenses and civil matters pertaining to non-compliance with city ordinances.

Goal:

The goal of the Municipal Court Services is to administer effective, timely, and impartial justice for all persons with business before the court.

Objectives:

- Comply with all applicable Georgia requirements to electronically transmit the disposition of adjudicated traffic cases in a timely manner.
- Accommodate first-time offenders with a diversion program including community service which would allow re-instatement of all driving privileges.

Performance Measures	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Output				
#of pre-trial diversions	48	50	26	50
Effectiveness				
% of successful transmissions to the Department of Driver Services	100%	100%	100%	100%
% of court cases transferred to probation	3%	3%	3%	3%
Efficiency				
Average number of court hours per session - arraignments	6	6	7	6
Average number of court hours per session - trials	5	5	5	5

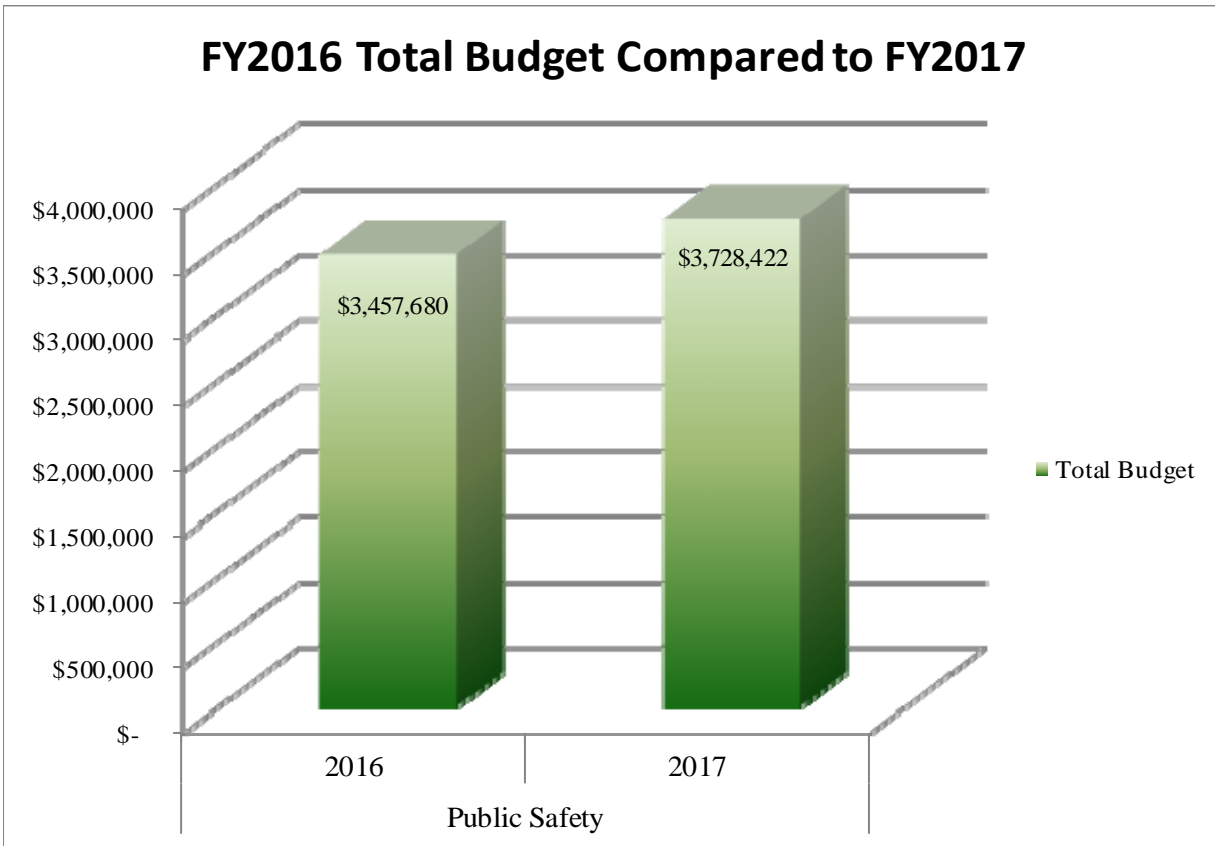
Fiscal Year 2017						
Municipal Court Revenue & Expenditure Detail		FY2015 Actual (audited)	FY2016 Budget	FY2016 Actuals (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
<i>Revenues</i>						
100-0000-342120	Accident/Incident Reports	\$ 824	\$ 1,500	\$ 1,501	\$ 1,000	-33.33%
100-0000-342900	Expungements	25	50	-	50	0.00%
100-0000-346400	Background Checks	1,660	1,000	1,430	1,000	0.00%
100-0000-351170	Municipal Court Fees	389,408	300,000	314,818	300,000	0.00%
100-0000-351320	Forfeitures	500	500	-	500	0.00%
TOTAL REVENUES		\$ 392,417	\$ 303,050	\$ 317,749	\$ 302,550	-0.16%
<i>Expenditures</i>						
100-2650-511100	Salaries & Wages	\$ 120,552	\$ 100,242	\$ 97,328	\$ 90,263	-9.95%
100-2650-511300	Overtime	3,275	-	-	-	
100-2650-512100	Employee Benefits-Medical	23,701	29,250	26,733	21,417	-26.78%
100-2650-512110	Employee Benefits-Dental	1,262	1,520	1,449	1,933	27.17%
100-2650-512120	Employee Benefits-ADD Life	435	445	404	294	-33.93%
100-2650-512130	Employee Benefits-Disability	829	962	882	615	-36.07%
100-2650-512200	FICA	6,342	6,215	4,895	5,434	-12.57%
100-2650-512300	Medicare	1,483	1,454	1,145	1,271	-12.59%
100-2650-512400	Employee Benefits-Retirement	33,573	7,150	7,149	8,695	21.61%
100-2650-512600	Unemployment	238	157	156	219	39.49%
100-2650-512700	Workers' Compensation	1,289	1,335	1,335	1,240	-7.12%
100-2650-521200	Professional Services	4,110	65,000	71,768	75,000	15.38%
100-2650-521230	Professional Services - Legal	51,037	-	-	-	
100-2650-522150	Pest Control	360	360	360	500	38.89%
100-2650-522200	Repairs & Maintenance	2,391	2,750	3,472	3,000	9.09%
100-2650-523100	Insurance	6,477	4,500	4,264	5,000	11.11%
100-2650-523200	Communications	1,316	3,500	3,513	3,500	0.00%
100-2650-523300	Advertising	25	250	-	250	0.00%
100-2650-523400	Printing & Binding	190	-	-	-	
100-2650-523500	Travel	1,225	750	602	750	0.00%
100-2650-523600	Dues and Fees	478	250	50	250	0.00%
100-2650-523700	Education and Training	725	1,000	450	1,000	0.00%
100-2650-523900	Other Expenditures	298	1,000	756	1,000	0.00%
100-2650-531100	General Supplies and Materials	1,310	2,000	2,026	2,000	0.00%
100-2650-531120	General Supplies-Postage	53	150	-	150	0.00%
100-2650-531210	Water/Sewer	2,478	3,000	2,278	3,000	0.00%
100-2650-531230	Electricity	4,427	4,500	4,351	4,500	0.00%
100-2650-531270	Gasoline/Diesel	-	250	-	250	0.00%
100-2650-531300	Food Supplies	2,241	2,500	2,358	2,500	0.00%
100-2650-531400	Books and Periodicals-Code Books	-	250	-	250	0.00%
100-2650-531600	Small Equipment	2,108	5,000	2,596	2,500	-50.00%
100-2650-531630	Software	11,235	10,000	9,908	7,500	-25.00%
100-2650-531700	Other Supplies-Uniforms	910	500	-	500	0.00%
100-2650-542100	Capital Outlay - Machinery & Equip	-	5,500	5,386	-	-100.00%
TOTAL EXPENDITURES		\$ 286,376	\$ 261,740	\$ 255,614	\$ 244,781	-6.48%

❖ **Public Safety**

Public Safety includes police services, code enforcement and fire services. The Police Department is comprised of administrative and support staff, criminal investigations, uniform patrol and professional standards. As a whole, their mission is to maintain social order within prescribed ethical and constitutional limits, while providing professional law enforcement services. Fire services are provided by the Cherokee County Fire and Emergency Services through an intergovernmental agreement between the City of Holly Springs and Cherokee County Board of Commissioners.

The total expenditures allocated for appropriation for the Police Department and fire services are anticipated to be \$3,728,422 (\$1,971,094 for salaries and benefits and \$1,757,328 for operating). This is a 7.83% increase in expenditures from \$3,457,680 in 2016.

In FY2014, the Holly Springs Mayor and City Council approved the issuance of a capital lease agreement between the City and BB&T for a lease-purchase of 5 police vehicles utilizing SPLOST IV funds. The capital lease will be retired in 2017.



Personnel

The FY2017 personnel allocation recommendation for Public Safety is as follows:

Chief of Police	One (1) FT
Deputy Chief	One (1) FT
Lieutenant Commander	One (1) FT
Lieutenant	One (1) FT
Sergeant	Five (5) FT
Executive Assistant	One (1) FT
Uniform Patrol Officer	Fifteen (15) FT
Detective	Two (2) FT
Code Enforcement Officer	One (1) FT
Probation Officer	One (1) FT

The Police Department will add two (2) full-time Uniform Patrol Officer positions for FY2017.

Summary Table of Personnel									
	FY2015		FY2016		+/-		FY2017		
Department	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T	
Public Safety	20.00	1.00	27.00	0.00	2.00	0.00	29.00	0.00	
Total	20.00	1.00	27.00	0.00	2.00	0.00	29.00	0.00	

Goals, Objectives and Performance Measures

The Police Department is responsible for the development and implementation of programs which successfully address the changing and ever growing law enforcement problems facing our citizens. Our Police Department is committed to providing a responsive police presence that improves the quality of life and builds problem-solving partnerships within the community.

Pursuant to the agreement between the City of Holly Springs and the Cherokee County Board of Commissioners dated January 20, 2009, the County shall respond to all emergency fire, hazardous material, and lifesaving related alarms within the corporate limits of the City within 8 minutes and provide fire prevention, pre-fire inspection, hydrant flow, community services, and other usual and customary services as provided by Cherokee County Fire and Emergency Services throughout the County. In addition, Cherokee County stations an ambulance (squad) within the City of Holly Springs.

Goal:

The goal of Public Safety is to provide citizens with enhanced quality of life by maintaining and improving effective, efficient public safety services through public education, crime prevention, and quick response.

Objectives:

- Work with Cherokee County Fire and Emergency Services to provide services to our residents and lower the Insurance Service Office (ISO) rating.
- Provide a wide range of public education and special events for our citizens.
- To deter crime, apprehend criminals, and enhance public safety.

Performance Measures	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Output				
# of TRACE meetings conducted	10	10	10	10
# of traffic tickets issued	2,520	3,000	2,462	2,500
Effectiveness				
Maintain ISO protection class rating of three (3)	Yes	Yes	Yes	Yes
Institute measures to reduce ISO protection class rating to Two (2)	Yes	Yes	Yes	Yes
Efficiency				
Average response time for all calls for service (in minutes)	4	4	2.53	4

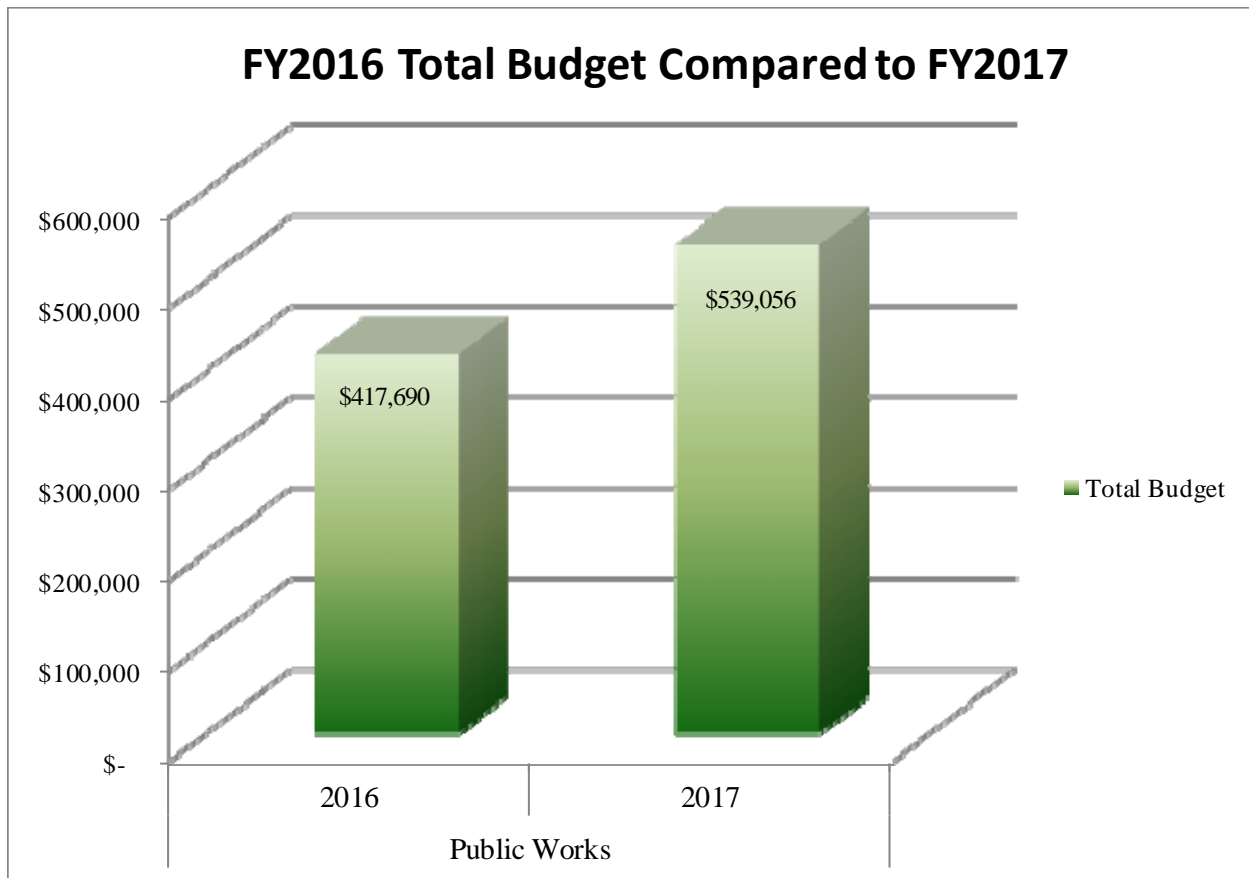
* During 2014 Cherokee County Fire and Emergency Services (CCFES) called for an ISO inspection. As a result of the inspection, ISO granted Cherokee County a rating of three (3). The CCFES opened a new fire station (station #3 replacement) in the City of Holly Springs om 2016. CCFES also implemented procedures to allocate personnel and apparatus to more effectively provide fire protection coverage within the City in 2016.

Fiscal Year 2017						
Public Safety Revenue & Expenditure Detail		FY 2015 Actual (audited)	FY2016 Budget	FY2016 Actuals (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
Revenues						
100-0000-331000	Grant Revenue		\$ 500	\$ -	\$ 500	0.00%
100-0000-351905	Auxillary Revenue		435	-	-	-100.00%
TOTAL REVENUES		\$ -	\$ 935	\$ -	\$ 500	-46.52%
Expenditures						
Police Department						
100-3200-511100	Salaries & Wages	\$ 1,107,288	\$ 1,310,000	\$ 1,281,365	\$ 1,378,704	5.24%
100-3200-511300	Salaries & Wages-Overtime	47,349	46,500	43,146	45,500	-2.15%
100-3200-512100	Employee Benefits-Medical	152,822	207,800	190,157	236,092	13.62%
100-3200-512110	Employee Benefits-Dental	12,415	18,549	14,754	18,549	0.00%
100-3200-512120	Employee Benefits-ADD Life	4,677	3,822	3,271	3,822	0.00%
100-3200-512130	Employee Benefits-Disability	7,538	9,352	8,625	8,437	-9.78%
100-3200-512200	FICA	70,562	84,103	80,549	81,372	-3.25%
100-3200-512300	Medicare	16,502	19,670	18,838	19,030	-3.25%
100-3200-512400	Employee Benefits-Retirement	192,666	109,312	109,311	139,227	27.37%
100-3200-512600	Unemployment	1,857	2,014	2,014	2,014	0.00%
100-3200-512700	Workers' Compensation	33,566	39,805	42,937	38,347	-3.66%
100-3200-521200	Professional Services	100	1,000	500	1,000	0.00%
100-3200-522110	Garbage	434	500	434	500	0.00%
100-3200-522150	Pest Control	360	500	360	500	0.00%
100-3200-522200	Repair & Maintenance	19,422	15,000	12,635	15,000	0.00%
100-3200-522210	Repair & Maintenance-Vehicle	52,921	45,000	41,669	45,000	0.00%
100-3200-523100	Insurance	29,332	20,000	17,946	20,000	0.00%
100-3200-523200	Communications	13,979	17,670	18,123	18,000	1.87%
100-3200-523300	Advertising	970	500	160	500	0.00%
100-3200-523400	Printing & Binding	37	-	-		
100-3200-523500	Travel	7,415	13,500	10,940	13,500	0.00%
100-3200-523600	Dues and Fees	5,813	3,000	2,216	3,000	0.00%
100-3200-523700	Education and Training	11,044	22,110	10,148	20,000	-9.54%
100-3200-523710	Education and Training-PD Auxiliary	-	1,000	-	1,000	0.00%
100-3200-523850	Contract Labor	1,000	1,450	675	1,450	0.00%
100-3200-523900	Other Expenditures	6,590	12,250	12,366	10,000	-18.37%
100-3200-531100	General Supplies and Materials	7,547	10,000	9,855	7,500	-25.00%
100-3200-531110	Weapon Supplies and Ammunition	14,772	27,000	16,105	34,000	25.93%
100-3200-531120	General Supplies-Postage	76	489	44	500	2.25%
100-3200-531210	Water/Sewer	2,478	2,500	2,278	2,500	0.00%
100-3200-531230	Electricity	13,187	13,340	12,986	13,500	1.20%
100-3200-531270	Gasoline/Diesel	56,461	50,000	47,345	65,000	30.00%
100-3200-531600	Small Equipment	38,162	35,500	26,052	38,500	8.45%
100-3200-531610	Small Equipment-Computer	-	5,000	-	5,000	0.00%
100-3200-531620	Small Equipment-PD Forfeitures	-	1,000	-	1,000	0.00%
100-3200-531630	Software	39,352	12,218	10,307	-	-100.00%
100-3200-531700	Other Supplies-Uniforms	35,794	28,385	27,185	33,400	17.67%
100-3200-541100	Capital Outlay-Machinery & Equip	-	3,000	2,693	-	-100.00%
Total Police Department		\$ 2,004,489	\$ 2,192,839	\$ 2,077,989	\$ 2,321,444	5.86%
Fire Services						
100-3500-571000	Intergovernmental-Fire Services	1,128,875	1,264,841	1,264,841	1,406,978	11.24%
Total Fire Services		\$ 1,128,875	\$ 1,264,841	\$ 1,264,841	\$ 1,406,978	11.24%
TOTAL EXPENDITURES		\$ 3,133,364	\$ 3,457,680	\$ 3,342,830	\$ 3,728,422	7.83%

❖ **Public Works**

The Public Works Department is responsible for maintaining our streets, rights-of-way, public facilities and property which includes our park areas. Their mission is to provide cost effective maintenance and design solutions through professionalism while protecting, preserving, and improving the City's infrastructure and capital assets to ensure a safe, fun, and livable community

The total expenditures allocated for appropriation for the Public Works Department are anticipated to be \$539,056 (all expenditures shown are for operating costs). This is a 29.06% increase in expenditures from \$417,690 in 2016.



Personnel

The Public Works Department will not have personnel allocated in the FY2017 budget.

Three (3) full-time and two (2) part-time positions have been eliminated. One (1) full-time position was reclassified to General Administration and the remaining positions were outsourced.

Summary Table of Personnel								
	FY2014		FY2015		+/-		FY2016	
Department	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T
Public Works	2.50	2.00	3.00	2.00	-3.00	-2.00	0.00	0.00
Total	2.50	2.00	3.00	2.00	-3.00	-2.00	0.00	0.00

In order to continue maintaining grounds, the City works with the probation officer to secure community service workers to assist with general lawn and grounds maintenance. The goal is to continue to operate with the existing staff while supplanting the vacancies with these community service workers to help them achieve their probationary hours.

Goals, Objectives and Performance Measures

The Public Works Department is responsible for the maintenance of the City’s infrastructure, municipal facilities, and parks. Staff has also included fleet maintenance as an additional responsibility.

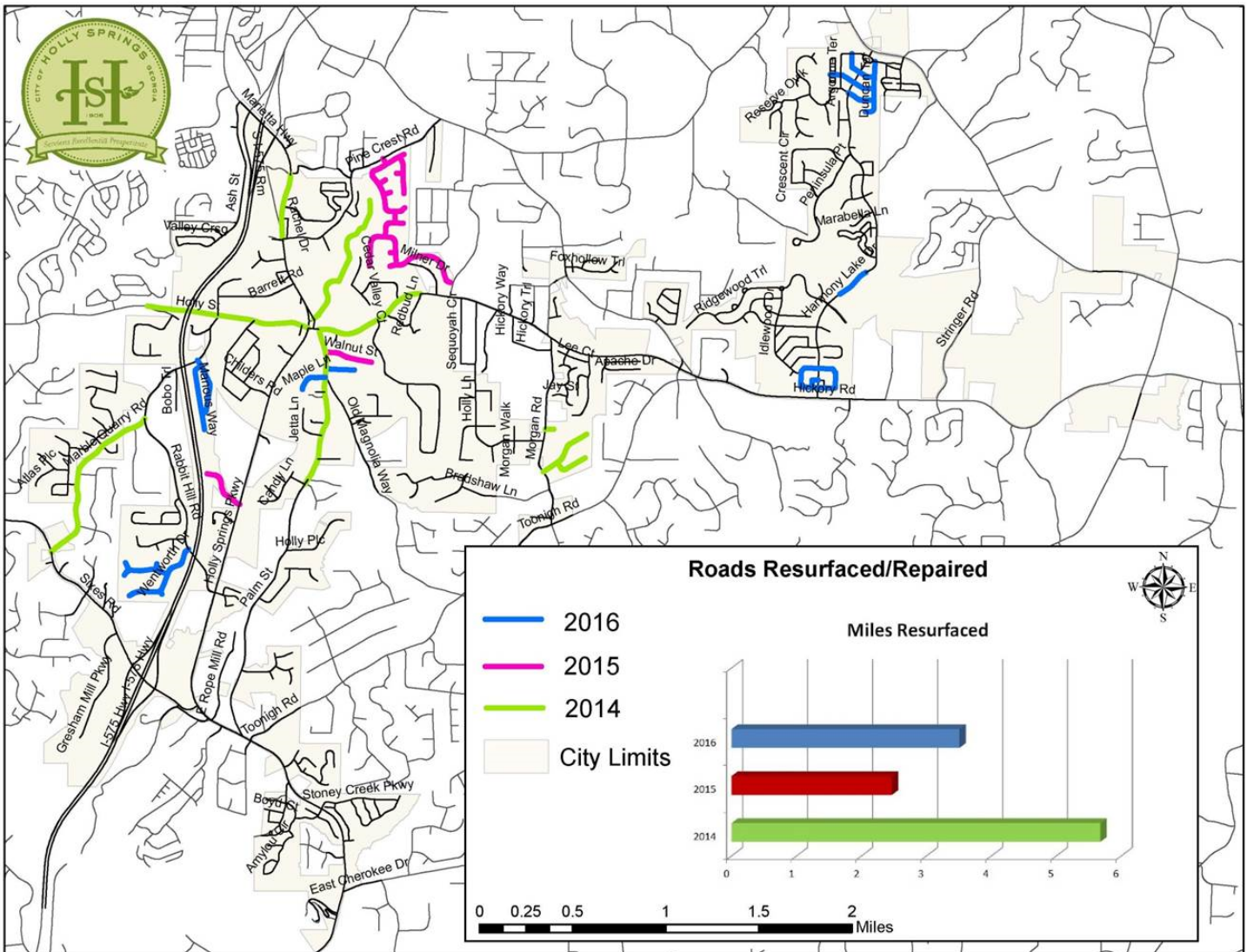
Goal:

The goal of the Public Works Department is to provide services for the maintenance, procurement, beautification, and preservation of all municipal facilities, roadways, rights-of-way, materials and equipment in the most responsive and cost effective manner to the community.

Objectives:

- Work with the Georgia Department of Transportation, Local Maintenance Improvement Grant (LMIG) program to maintain City streets.
- Present to the public clean, physically-attractive, and well-maintained facilities.
- Provide a well-designed and carefully maintained network of parks and other green space.
- Ensure timely completion of repairs on work projects to ensure minimal disruption to our citizens.

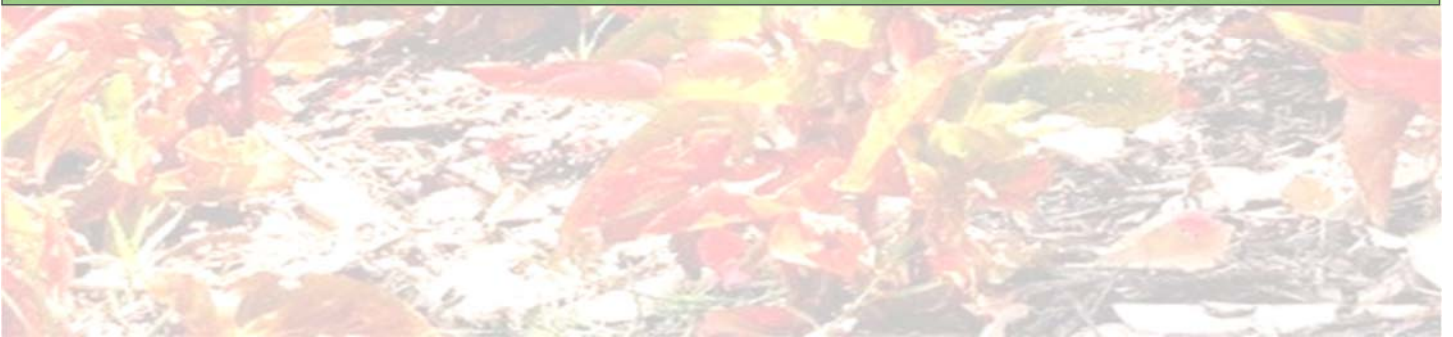
Performance Measures	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Output				
# of miles of roads resurfaced	2.47	.97	3.51	.43
# of re-landscaped sites	3	2	1	0
Effectiveness				
Percent of hazardous street conditions (potholes) repaired	100%	100%	100%	100%
Efficiency				
Average number of days to complete work order	3	3	3	3



Fiscal Year 2017						
Public Works Expenditure Detail	FY 2015 Actual (audited)	FY2016 Budget	FY2016 Actuals (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017	
Highways and Streets						
100-4200-511100	Salaries & Wages	\$ 98,319	\$ -	\$ -	\$ -	
100-4200-511300	Salaries & Wages-Overtime	1,018	-	-	-	
100-4200-512100	Employee Benefits-Medical	8,049	-	-	-	
100-4200-512110	Employee Benefits-Dental	991	-	-	-	
100-4200-512120	Employee Benefits-ADD Life	105	-	-	-	
100-4200-512130	Employee Benefits-Disability	681	-	-	-	
100-4200-512200	FICA	6,102	-	-	-	
100-4200-512300	Medicare	1,427	-	-	-	
100-4200-512400	Employee Benefits-Retirement	26,529	-	-	-	
100-4200-512600	Unemployment	431	-	-	-	
100-4200-512700	Workers' Compensation	5,863	7,640	7,640	-	
100-4200-521220	Professional Services-Engineering	1,406	15,000	12,997	5,000	
100-4200-522110	Disposal-Garbage/Recycling	1,278	2,500	1,228	2,500	
100-4200-522140	Lawn Care	400	1,000	517	1,000	
100-4200-522150	Pest Control	480	750	480	750	
100-4200-522200	Repairs & Maintenance	62,488	35,000	29,714	10,000	
100-4200-522210	Repairs & Maintenance-Vehicles	7,248	7,500	8,085	7,500	
100-4200-522320	Rental of Equipment	655	750	675	750	
100-4200-523100	Insurance	8,915	7,500	6,396	7,500	
100-4200-523200	Communications	1,084	1,500	1,191	-	
100-4200-523300	Advertising/Promotions	125	-	-	-	
100-4200-523600	Dues and Fees	-	500	-	-	
100-4200-523700	Education and Training	-	500	-	-	
100-4200-523850	Contract Labor	4,175	225,000	230,486	394,056	
100-4200-523900	Other Expenditures	833	250	27	250	
100-4200-531100	General Supplies and Materials	11,146	1,000	1,087	1,000	
100-4200-531120	General Supplies-Postage	12	50	-	-	
100-4200-531210	Water/Sewer	107	250	54	250	
100-4200-531230	Electricity	4,737	7,500	6,874	7,500	
100-4200-531270	Gasoline/Diesel	12,530	15,000	10,719	12,500	
100-4200-531600	Small Equipment	2,371	1,000	230	1,000	
100-4200-531700	Other Supplies-Uniforms	654	-	-	-	
100-4200-542100	Capital Outlay -Machinery & Equipment	6,476	-	-	-	
Total Highways and Streets		\$ 276,635	\$ 330,190	\$ 318,400	\$ 451,556	36.76%
Street Lights						
100-4260-531230	Electricity-Street Lights	77,642	85,000	78,685	85,000	
Total Street Lights		\$ 77,642	\$ 85,000	\$ 78,685	\$ 85,000	0.00%
Traffic Lights						
100-4270-531230	Electricity-Traffic Lights	1,457	2,500	1,211	2,500	
Total Traffic Lights		\$ 1,457	\$ 2,500	\$ 1,211	\$ 2,500	0.00%
TOTAL EXPENDITURES		\$ 355,734	\$ 417,690	\$ 398,296	\$ 539,056	29.06%



Special Revenue Funds



Budget Overview

Special Revenue Funds

	Adopted Budget 2016	Adopted Budget 2017	Dollar Change	Percent Change
Total Cost	\$3,914,850	\$713,600	(\$3,201,250)	-81.77%

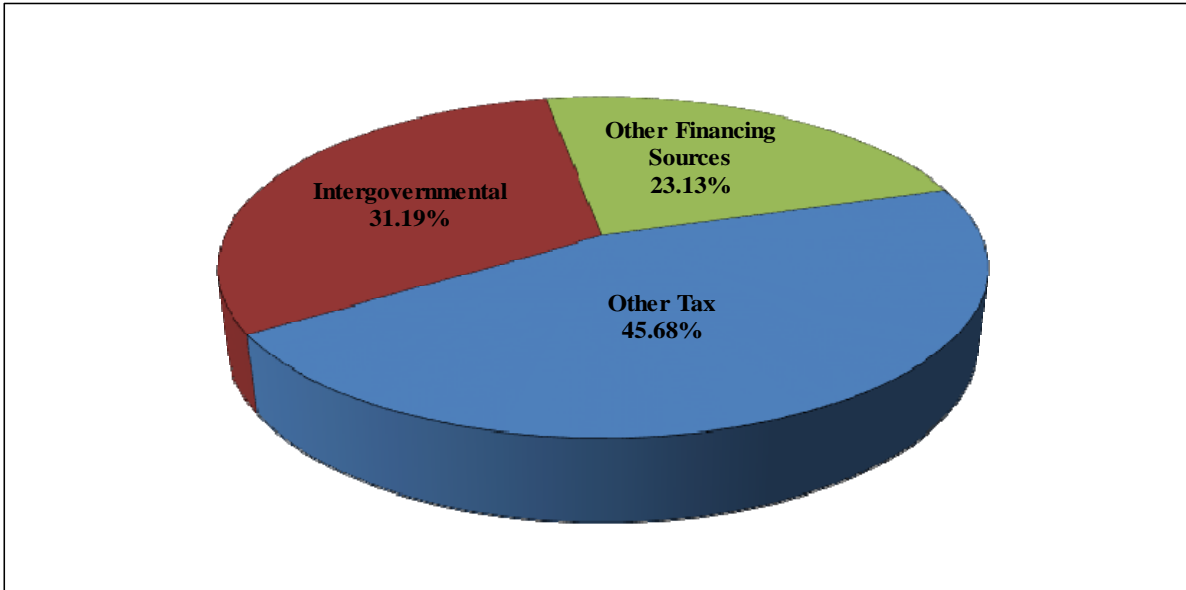
Revenues by Department & Category				
	<u>Other Tax</u>	<u>Intergovernmental</u>	<u>Other</u>	Total
Parks and Recreation	\$ 320,000	\$ -	\$ 165,000	\$ 485,000
Hotel/Motel Tax	5,995	-	5	6,000
Operating Grant	-	222,565	35	222,600
Total	\$ 325,995	\$ 222,565	\$ 165,040	\$ 713,600

Expenditures by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	Total
Parks and Recreation	\$ -	\$ 126,264	\$ 358,736	\$ 485,000
Hotel/Motel Tax	-	6,000	-	6,000
Operating Grant	-	222,600	-	222,600
Total	\$ -	\$ 354,864	\$ 358,736	\$ 713,600

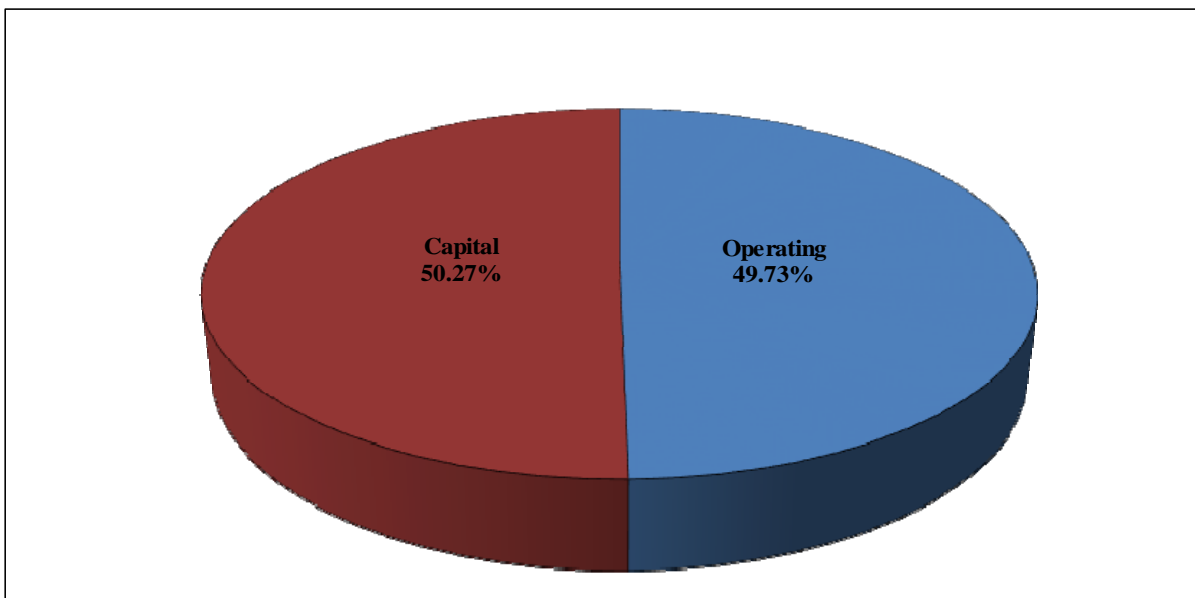
Explanation of Major Variances
<p>The Special Revenue Funds decrease of 81.77% in 2017 from 2016 was the result of the acquisition of future park property in 2016 that was not budgeted in 2017.</p>

Budget Overview Special Revenue Funds

Revenues By Source



Expenditures By Category



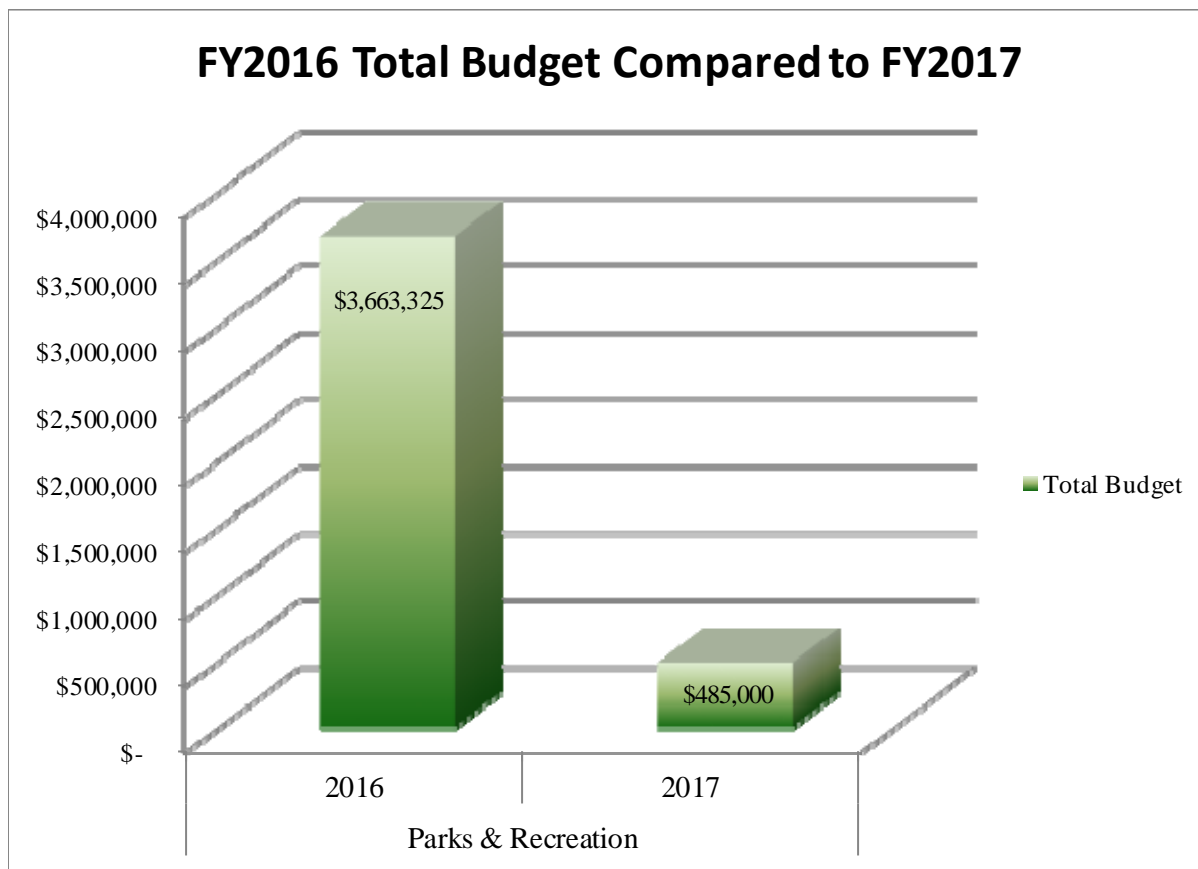
Special Revenue Funds

Special Revenue Funds are used to account for specific revenue sources that can be legitimately spent for designated purposes only. All special revenue funds use the modified accrual basis of accounting and budgeting. The modified accrual basis of accounting and budgeting is explained in detail in the “Fund Structure and Basis of Budgeting” section. The City of Holly Springs has three Special Revenue Funds; a Parks and Recreation Fund, a Hotel/Motel Tax Fund, and an Operating Grants Fund.

Departmental Funding Highlights

❖ *Parks and Recreation*

The total expenditures allocated for appropriation for the Parks and Recreation Fund are anticipated to be \$485,000. This is an 86.76% decrease in expenditures from \$3,663,325 in 2016. This is the result of the acquisition of future park property in 2016 that was not budgeted in 2017.



Personnel

The Parks and Recreation Department will not have personnel allocated in the FY2017 budget.

Elimination of one (1) part-time position. This position was outsourced.

Summary Table of Personnel								
	FY2015		FY2016		+/-		FY2017	
Department	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T
Parks and Recreation	0.50	1.00	0.00	1.00	0.00	-1.00	0.00	0.00
Total	0.50	1.00	0.00	1.00	0.00	-1.00	0.00	0.00

Public Works staff provide maintenance of the area parks and facilities related to park operations; therefore, expenditures are allocated between the Public Works Department and Parks and Recreation.

Goals, Objectives and Performance Measures

The Parks and Recreation Fund is responsible for preserving, improving, and maintaining the landscapes throughout the City for the passive and active enjoyment of all residents. In 2015, the City of Holly Springs opened J. B. Owens Park. The park is a 33-acre passive park with walking trails, a playground, pavilions and an open field. The park was funded from an allocation of park bond money from Cherokee County. The City of Holly Springs incurred expenditures as a result of this project.

Goal:

The goal of the Parks and Recreation Fund is to provide, protect and preserve a park system that promotes quality recreational, cultural and outdoor experiences for the Holly Springs community.

Objectives:

- Work with Cherokee County Recreation and Parks Agency to build new parks throughout the City.
- Present to the public clean, physically-attractive, and well-maintained facilities.
- Provide a well-designed and carefully maintained network of parks and other green space.
- Provide for the design, construction, and maintenance of park areas.

Performance Measures	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Output				
# of acres of land set aside for new park construction	1.67*	3.34	55.01	0
# of acres of developed park land per 1,000 city residents	4.76	4.76	4.61	4.61
Effectiveness				
% of days park facilities are available for rent by citizens	96%	100%	96%	100%
% of days community center is available for rent by citizens	98%	100%	98%	100%
Efficiency				
Average operating cost per resident - parks	\$11.78	\$10.54	\$8.85	\$8.03
Average operating cost per resident - community center	\$1.22	\$2.49	\$.84	\$2.40

*During 2015, the City of Holly Springs in partnership with Cherokee County Parks Agency completed construction of J. B. Owens Park. This park consists of approximately 33 acres and was moved out of construction-in-progress to completed parks inventory.



Adopted Budget FY2017

Fiscal Year 2017						
Parks and Recreation Revenue & Expenditure Detail		FY 2015 Actual (audited)	FY2016 Budget	FY2016 Actuals (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
Revenues						
270-0000-314200	Alcoholic Beverage Excise Tax	\$ 286,158	\$ 280,000	\$ 294,952	\$ 285,000	1.79%
270-0000-314300	Local Option Mixed Drink Tax	28,100	30,000	32,285	35,000	16.67%
270-0000-349300	Bad Check Fees	50	-	-	-	
270-0000-361000	Interest Earnings	-	750	554	500	-33.33%
270-0000-319100	Penalties & Interest	659	-	-	-	
270-0000-371000	Donations from Private Sources	6,075	-	-	-	
270-0000-380000	Miscellaneous Revenue	4,700	250	187	250	0.00%
270-0000-381000	Rents and Royalties	9,620	9,000	11,623	10,000	11.11%
270-0000-391200	Operating Transfers In	12,872	-	-	-	
270-0000-134000	Prior Year Fund Balance	-	143,325	-	154,250	7.62%
270-0000-393000	General Long-Term Debt Issued	-	3,200,000	3,200,000	-	-100.00%
TOTAL REVENUES		\$ 348,234	\$ 3,663,325	\$ 3,539,601	\$ 485,000	-86.76%
Expenditures						
270-5530-522110	Disposal - Garbage Depot	\$ 903	\$ 1,500	\$ 677	\$ 1,500	0.00%
270-5530-522150	Pest Control - Depot	480	1,000	480	1,000	0.00%
270-5530-522200	Repairs & Maintenance - Depot	3,390	8,620	1,665	7,500	-12.99%
270-5530-523200	Communications	1,203	1,730	305	2,000	15.61%
270-5530-531210	Water/Sewer - Depot	483	1,500	105	1,500	0.00%
270-5530-531220	Natural Gas - Depot	1,690	2,500	1,506	2,500	0.00%
270-5530-531230	Electricity - Depot	3,683	8,000	3,637	8,000	0.00%
270-6175-531100	General Supplies - Christmas	4,254	-	-	-	
270-6176-531100	General Supplies - Special Events	12,136	-	-	-	
270-6220-511100	Salaries & Wages	25,000	-	-	-	
270-6220-512100	Employee Benefits-Medical Insurance	2,920	-	-	-	
270-6220-512110	Employee Benefits-Dental Insurance	200	-	-	-	
270-6220-512125	Employee Benefits-Disability Insurance	189	-	-	-	
270-6220-512150	Employee Benefits-Addtl Life Insurance	73	-	-	-	
270-6220-512200	FICA	1,550	-	-	-	
270-6220-512300	Medicare	363	-	-	-	
270-6220-512400	Employee Benefits-Retirement	3,738	-	-	-	
270-6220-512600	Unemployment	37	-	-	-	
270-6220-512700	Workers Compensation Insurance	2,536	-	-	-	
270-6220-521200	Professional Services	288	-	-	-	
270-6220-522110	Disposal - Garbage Parks	781	3,000	1,019	3,000	0.00%
270-6220-522140	Lawn Care	3,320	7,500	5,940	7,500	0.00%
270-6220-522150	Pest Control - Parks	360	1,500	360	1,500	0.00%
270-6220-522200	Repairs & Maintenance - Parks	49,287	75,000	62,118	50,000	-33.33%
270-6220-522310	Rental of Land-Brackett Plaza	-	125	-	125	0.00%
270-6220-522320	Rental of Equipment	-	2,000	836	2,000	0.00%
270-6220-523600	Dues and Fees	347	600	630	500	-16.67%
270-6220-523850	Contract Labor	12,725	135,750	142,258	22,139	-83.69%
270-6220-531100	General Supplies & Materials - Parks	4,189	5,000	3,825	5,000	0.00%
270-6220-531210	Water/Sewer - Parks	4,991	3,000	10,674	3,000	0.00%
270-6220-531230	Electricity - Parks	1,362	5,000	1,323	5,000	0.00%
270-6220-531600	Small Equipment - Parks	999	2,500	1,605	2,500	0.00%
270-6220-541100	Capital Outlay - Sites	100,000	3,380,000	3,374,174	-	-100.00%
270-6220-572000	Payments to Other Agencies	3,000	-	-	-	
270-9000-611000	Transfer to the General Fund	-	17,500	17,537	-	-100.00%
270-6220-581100	Debt Service-Bond Principal	-	-	-	296,451	
270-6220-582100	Debt Service-Bond Interest	-	-	-	62,285	
TOTAL EXPENDITURES		\$ 246,478	\$ 3,663,325	\$ 3,630,674	\$ 485,000	-86.76%

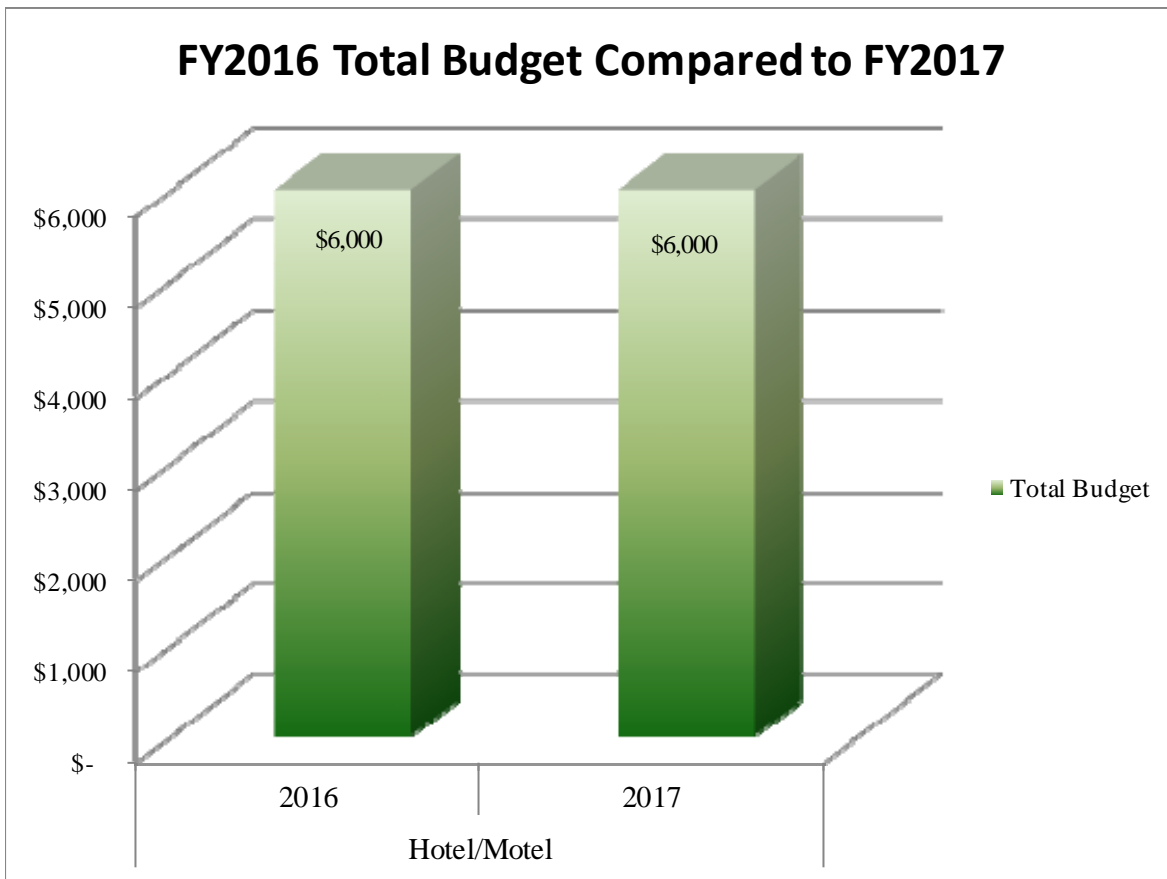
<u>Product</u>	<u>Non-Routine Capital Expenditure Amount</u>	<u>Notes</u>
Debt Service	\$ 358,736	Payment on long-term debt
	<u>\$ 358,736</u>	

Impact on operating budget : these expenditures will not initially impact the City's operating budget, however, with these additional assets comes the potential for future repairs and replacement costs.

❖ *Hotel/Motel Tax Fund*

In March of 2008, the Mayor and Council approved the creation of a Hotel/Motel Tax Fund. This fund accounts for the levy and collection of excise tax upon hotels and motels. Funds can be used for the purpose of promoting conventions, tourism, and trade shows, while also providing funds to develop economic vitality in downtown areas. Currently, the City of Holly Springs levies a 3% tax on its one existing hotel/motel.

The total expenditures allocated for appropriation in this fund are anticipated to be \$6,000. This is the same amount that was budgeted in 2016.



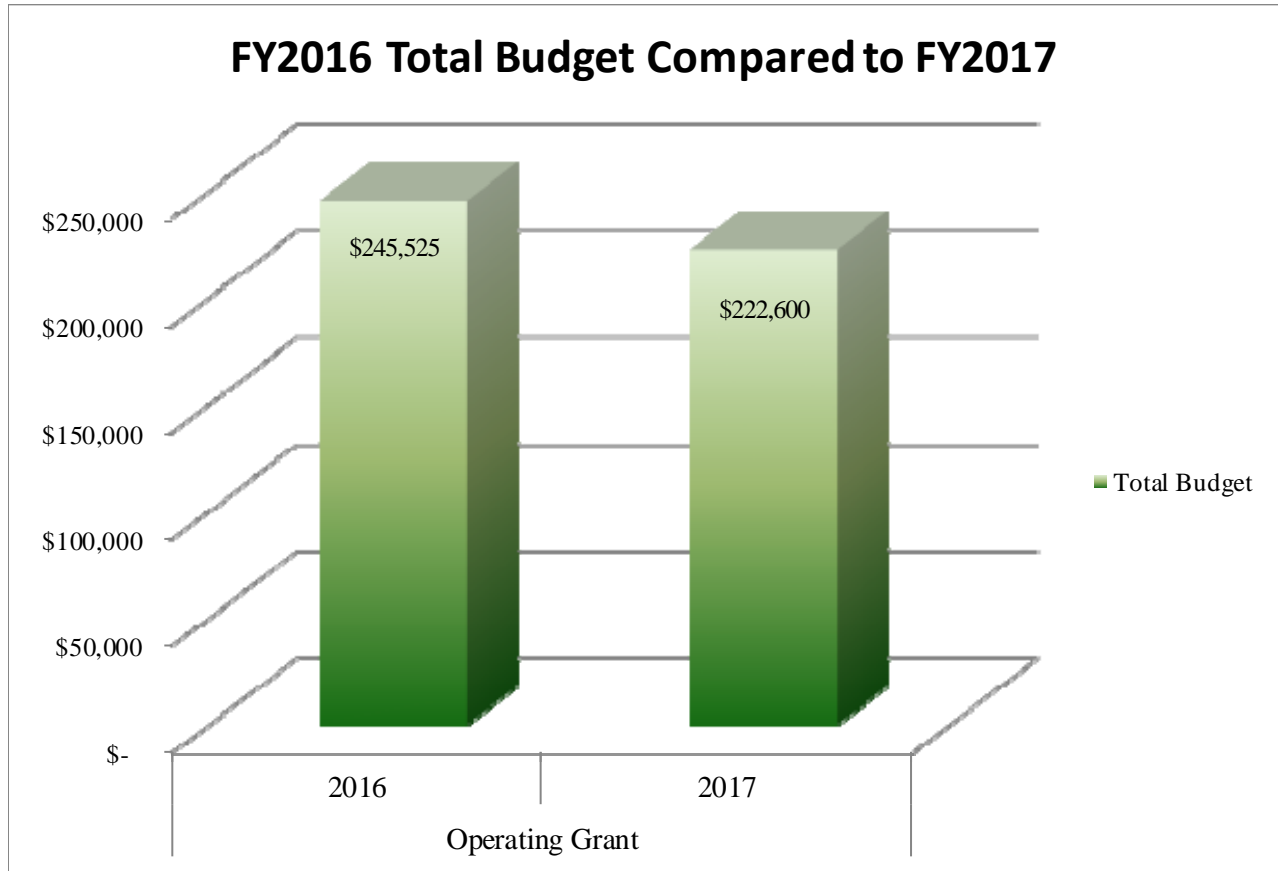
According to Georgia Code (O.C.G.A. 48-13-51), these monies can only be used to advance tourism and promote the City. The City is using Hotel/Motel tax revenues in the amount of \$6,000 to promote the City’s activities and events that attract visitors.

Fiscal Year 2017						
Hotel/Motel Revenue & Expenditure Detail		FY 2015 Actual (audited)	FY2016 Budget	FY2016 Actuals (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
<i>Revenues</i>						
275-0000-314100	Hotel/Motel Taxes	\$ 6,468	\$ 5,995	\$ 5,847	\$ 5,995	0.00%
275-0000-361000	Interest Revenue	7	5	6	5	0.00%
TOTAL REVENUES		\$ 6,475	\$ 6,000	\$ 5,853	\$ 6,000	0.00%
<i>Expenditures</i>						
275-7540-523300	Advertising/Promotions	\$ 7,622	\$ 6,000	\$ 5,175	\$ 6,000	0.00%
TOTAL EXPENDITURES		\$ 7,622	\$ 6,000	\$ 5,175	\$ 6,000	0.00%

❖ **Operating Grants Fund**

This fund accounts for resources received from state and federal grants that are earmarked for specific purposes outlined in the grant award. The Operating Grants Fund accounts for transactions related to grants that supplement maintenance and operating projects.

For FY2017, we have budgeted \$222,600 for the Operating Grants Fund. These expenditures are broken down in the table below:



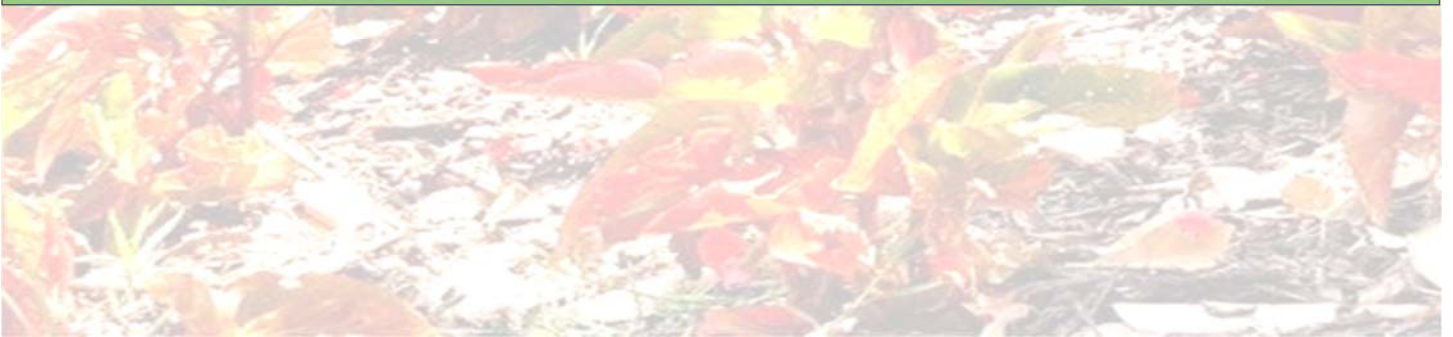
The City supports Families of Cherokee United in Service (F.O.C.U.S.) by serving as their fiscal agent for their grants received from the Atlanta Regional Commission (ARC). While the funds are entirely reimbursable through the ARC as invoiced by F.O.C.U.S., the City must budget accordingly for these expenditures as we are the pass-through entity.

Fiscal Year 2017						
Operating Grant Revenue & Expenditure Detail		FY 2015 Actual (audited)	FY2016 Budget	FY2016 Actuals (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
<i>Revenues</i>						
250-0000-331000	Grant Revenue	\$ 356,243	\$ 245,500	\$ 234,952	\$ 222,565	-9.34%
250-0000-361000	Interest Revenue	16	25	14	35	40.00%
TOTAL REVENUES		\$ 356,259	\$ 245,525	\$ 234,966	\$ 222,600	-9.34%
<i>Expenditures</i>						
250-7640-572000	Payments to Other Agencies	356,242	245,525	224,983	222,600	-9.34%
TOTAL EXPENDITURES		\$ 356,242	\$ 245,525	\$ 224,983	\$ 222,600	-9.34%





Capital Project Funds



Budget Overview

Capital Project Funds

	Adopted Budget <u>2016</u>	Adopted Budget <u>2017</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Total Cost	\$3,700,000	\$2,675,000	(\$1,025,000)	-27.70%

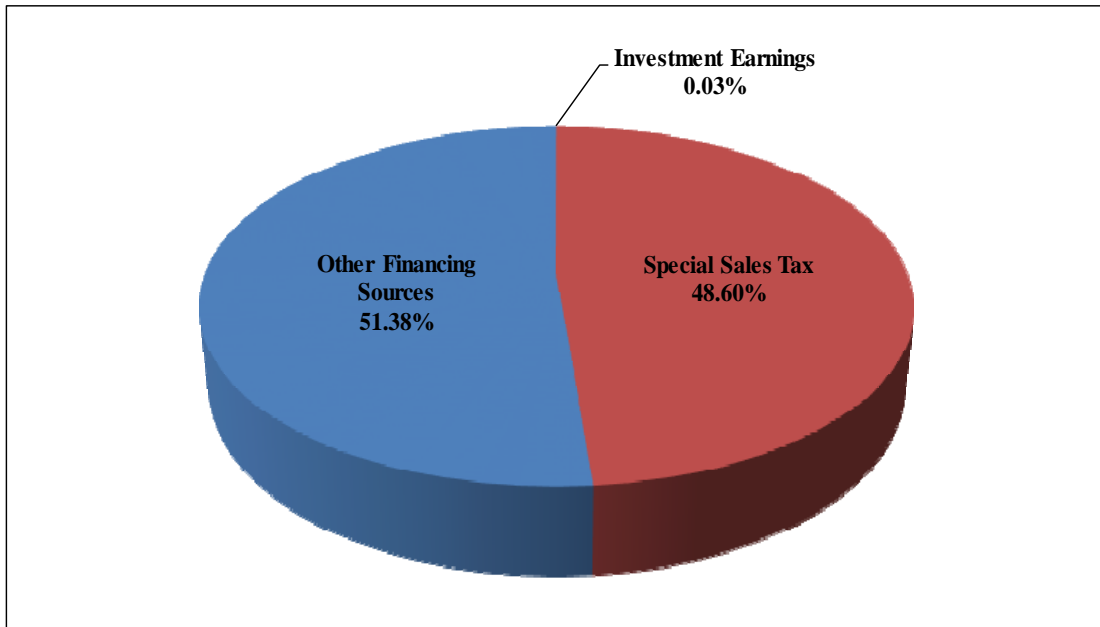
Revenues by Department & Category				
	<u>Special Tax</u>	<u>Investment Earnings</u>	<u>Other</u>	<u>Total</u>
SPLOST III	\$ -	\$ 200	\$ 199,800	\$ 200,000
SPLOST IV	1,300,000	500	1,174,500	2,475,000
Total	\$ 1,300,000	\$ 700	\$ 1,374,300	\$ 2,675,000

Expenditures by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
SPLOST III	\$ -	\$ -	\$ 200,000	\$ 200,000
SPLOST IV	-	-	2,475,000	2,475,000
Total	\$ -	\$ -	\$ 2,675,000	\$ 2,675,000

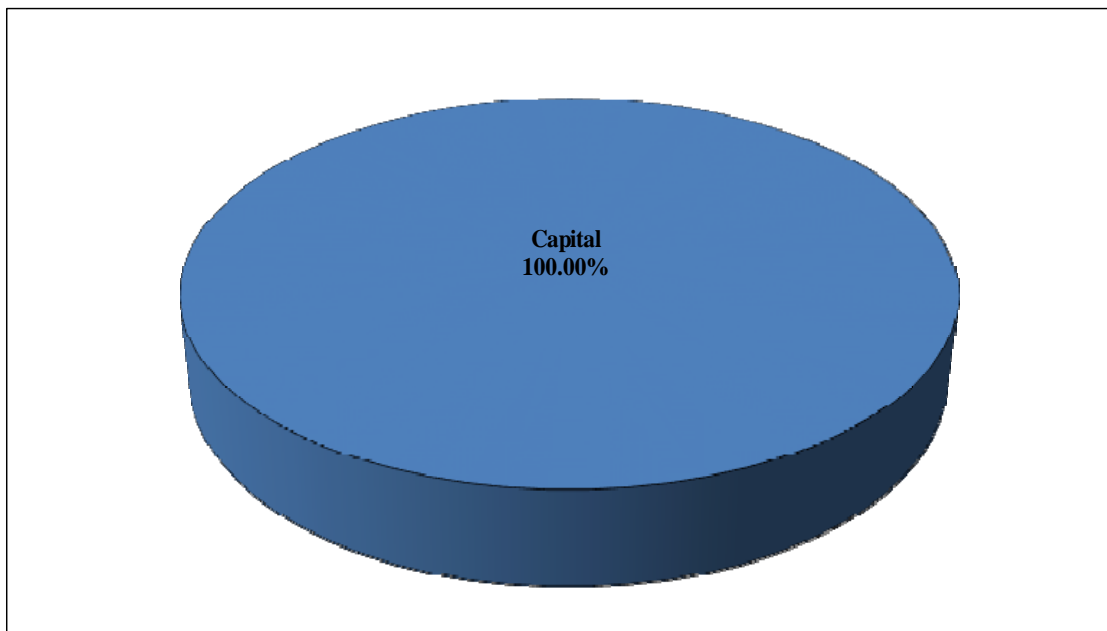
Explanation of Major Variances
<p>The 27.70% decrease in 2017 over 2016 is due to the substantial completion of The Livable Centers Initiative (LCI) Project in 2016.</p>

Budget Overview Capital Project Funds

Revenues By Source



Expenditures By Category



Capital Project Funds

Capital Project Funds are used to account for major capital construction or acquisition. The City has three Capital Project Funds at this time which account for general capital projects and fleet acquisition. Capital Project Funds use the modified accrual basis of accounting and budgeting.

Fund Highlights

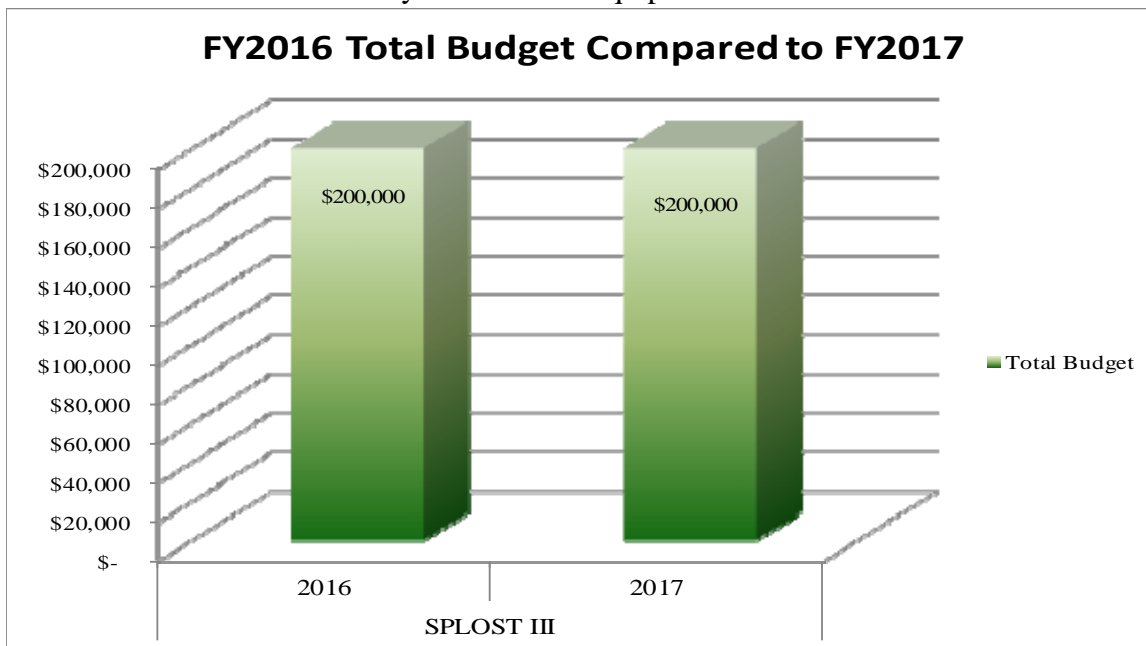
❖ *SPLOST III (Special Purpose Local Option Sales Tax) Fund*

A special-purpose local-option sales tax (SPLOST) can be levied by any county, for the purpose of funding the building and maintenance of parks, schools, roads, and other public facilities. Georgia's state sales tax is currently 4% (groceries and prescription drugs exempted), with the counties allowed to add up to 2% more for SPLOST. A SPLOST is passed by a county commission and voted upon by residents in a referendum, usually during the next scheduled election. Generally, SPLOST lasts five to six years. At that time, if the funds are still needed, it must be voted upon again. SPLOST III funding ended June 30, 2012

The City received SPLOST revenues from the County on a monthly basis. These monthly revenues vary based on sales. Consequently, we must be cognizant of the market and budget on the conservative side.

The City is anticipating using \$200,000 of prior year accumulated fund balance for FY2017 for local match on the streetscapes project in the SPLOST III Fund. In compliance with the SPLOST III Ordinance, funds collected must be used in the following capacities:

- Road repair
- Streets and sidewalks
- Downtown square
- City Hall
- Streetscapes
- Public Safety vehicles and equipment



Fiscal Year 2017						
SPLOST III Revenue & Expenditure Detail		FY2015 Actual (audited)	FY2016 Budget	FY2016 Actuals (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
<i>Revenues</i>						
320-0000-134000	Fund Balance	\$ -	\$ 187,897	\$ -	\$ 193,836	3.16%
320-0000-343200	Special Assessment - Crestmont	11,928	11,928	14,910	5,964	-50.00%
320-0000-361000	Interest Revenue	198	175	162	200	14.29%
TOTAL REVENUES		\$ 12,126	\$ 200,000	\$ 15,072	\$ 200,000	0.00%
<i>Expenditures</i>						
320-4224-541400	Capital Outlay - Infrastructure	\$ -	\$ 200,000	\$ -	\$ 200,000	0.00%
TOTAL EXPENDITURES		\$ -	\$ 200,000	\$ -	\$ 200,000	0.00%

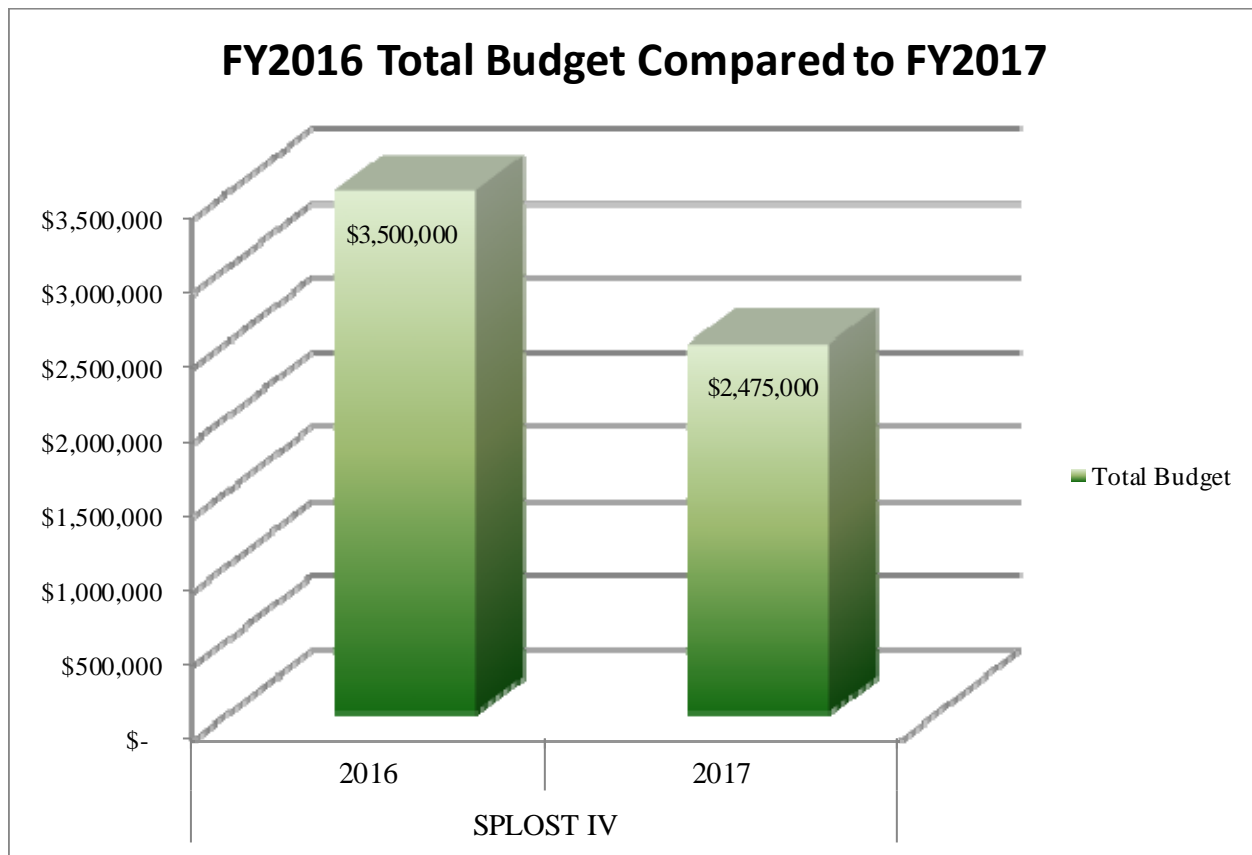
<i>Non-Routine Capital Expenditures</i>		
<i>Description</i>	<i>Amount</i>	<i>Notes</i>
City-wide	\$ 200,000	Streetscapes
	<u>\$ 200,000</u>	
<i>Impact on operating budget : these expenditures will not initially impact the City's operating budget as these are special purpose projects approved by the voters and paid for by an additional 1% sales tax on consumables.</i>		

❖ **SPLOST IV (Special Purpose Local Option Sales Tax) Fund**

The City of Holly Springs started receiving SPLOST IV funds on July 1, 2012. Voters in Cherokee County approved the referendum for SPLOST IV in 2010. The duration of SPLOST IV spans six (6) years and includes the following approved projects and/or capital expenditures:

- Transportation facilities and improvements
- Law enforcement facilities, vehicles and equipment
- Sewer system infrastructure, facilities and equipment
- City Hall administrative offices, facilities and equipment
- Public Works vehicles and equipment

The City is budgeting \$1,300,000 in SPLOST revenues for FY2017. We are budgeting for an average monthly revenue collection of \$108,333 in FY2017.



Fiscal Year 2017						
SPLOST IV Revenue & Expenditure Detail		FY2015 Actual (audited)	FY2016 Budget	FY2016 Actuals (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
Revenues						
325-0000-134000	Fund Balance	\$ -	\$ 70,485	\$ -	\$ 690,860	880.15%
325-0000-313200	SPLOST IV Revenue	1,262,871	1,310,000	1,317,384	1,300,000	-0.76%
325-0000-331000	Grant Revenue - LCI	-	1,762,668	1,261,456	200,522	-88.62%
325-0000-331000	Grant Revenue - LMIG	-	84,720	113,118	113,118	33.52%
325-0000-331000	Grant Revenue - CDBG	134,804	250,000	184,962	-	-100.00%
325-0000-331000	Grant Revenue - GDOT Scoping	-	-	-	160,000	
325-0000-343200	Special Assessments - Topping Fees	-	10,000	-	10,000	0.00%
325-0000-361000	Interest Revenue	914	500	394	500	0.00%
325-0000-391000	Transfer from other funds	-	11,627	11,627	-	
TOTAL REVENUES		\$ 1,398,589	\$ 3,500,000	\$ 2,888,941	\$ 2,475,000	-29.29%
Expenditures						
325-1500-542200	Capital Outlay - Vehicles	77,446	-	-	-	
325-3200-542100	Capital Outlay - Equipment	3,883	52,500	48,935	117,885	124.54%
325-3200-542200	Capital Outlay - Vehicles	93,560	300,000	291,162	129,327	-56.89%
325-4200-541400	Capital Outlay - Road Infrastructure	404,619	560,698	635,482	1,280,781	128.43%
325-4224-541400	Capital Outlay - LCI Sidewalk Project	204,133	2,203,335	2,465,402	250,652	-88.62%
325-4224-541410	Capital Outlay - CDBG Sidewalk	51,883	250,000	473,329	650,000	160.00%
325-4300-541400	Capital Outlay-Sewer Infrastructure	664,051	-	-	-	
325-8000-581200	Principal - Capital Lease	127,215	128,954	128,954	45,424	-64.78%
325-8000-582200	Interest - Capital Lease	6,252	4,513	4,513	931	-79.37%
TOTAL EXPENDITURES		1,633,042	\$ 3,500,000	\$ 4,047,777	\$ 2,475,000	-29.29%

Non-Routine Capital Expenditures

Description	Amount	Notes
Streets and sidewalks	\$2,181,433	New roads throughout the City and resurfacing city streets and construction of the LCI Phase II Project
Police equipment	\$ 117,885	Cameras, radios and equipment for police cars
Police vehicles	\$ 129,327	Four (4) police vehicles
Capital lease payment	\$ 46,355	Lease payments on four police cars
	<u>\$2,475,000</u>	

Impact on operating budget : these expenditures will not initially impact the City's operating budget as these are special purpose local option sales tax projects approved by the voters and paid for by an additional 1% sales tax on consumables.



City of Holly Springs

Proprietary Fund





Enterprise Fund



Budget Overview

Enterprise Fund

	Adopted Budget <u>2016</u>	Adopted Budget <u>2017</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Total Cost	\$300,000	\$305,000	\$5,000	1.67%

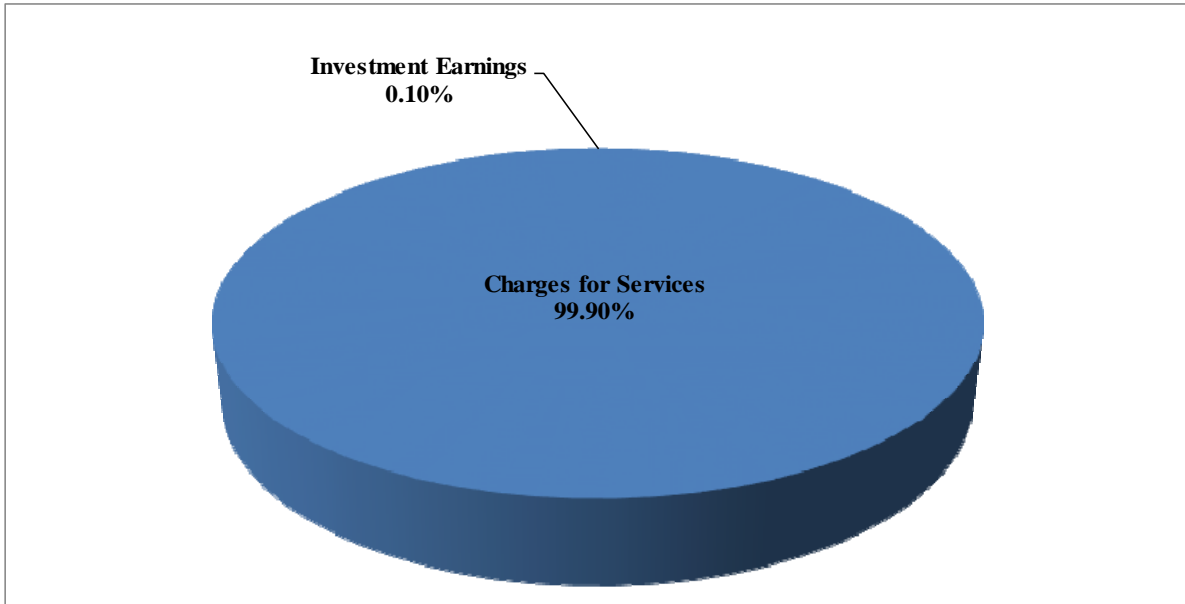
Revenues by Department & Category				
	<u>Charges for Services</u>	<u>Investment Earnings</u>	<u>Net Assets</u>	<u>Total</u>
Stormwater	\$ 304,680	\$ 320	\$ -	\$ 305,000
Total	<u>\$ 304,680</u>	<u>\$ 320</u>	<u>\$ -</u>	<u>\$ 305,000</u>

Expenses by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Stormwater	\$ 90,175	\$ 214,825	\$ -	\$ 305,000
Total	<u>\$ 90,175</u>	<u>\$ 214,825</u>	<u>\$ -</u>	<u>\$ 305,000</u>

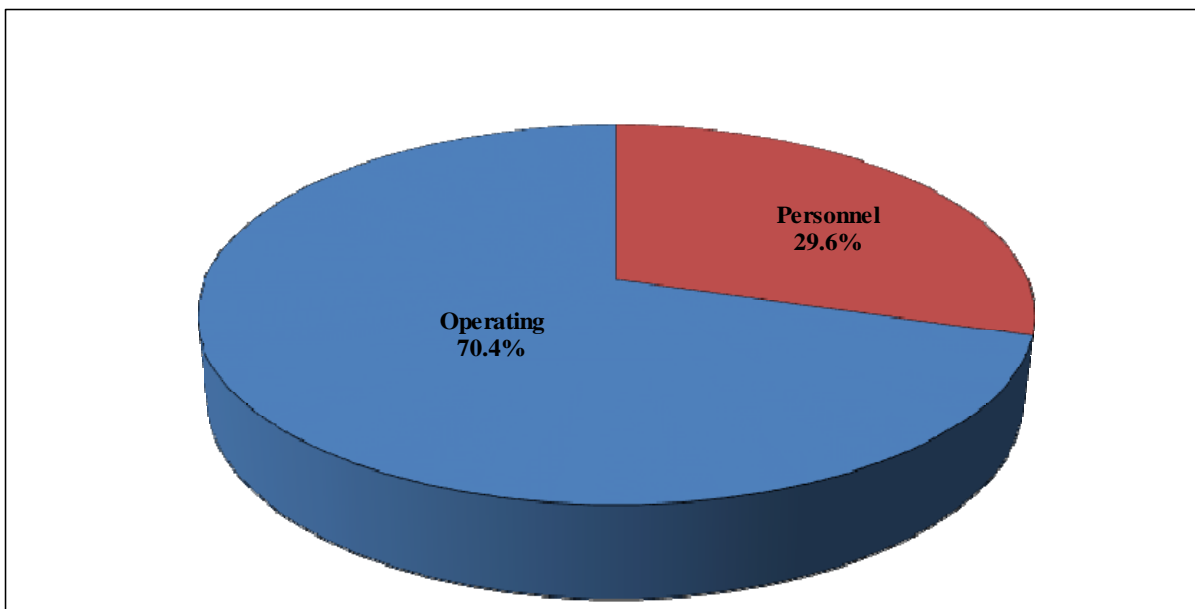
Budget Overview

Enterprise Fund

Revenues By Source



Expenses By Category



Enterprise Fund

The Enterprise Fund of a government accounts for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Departmental Funding Highlights

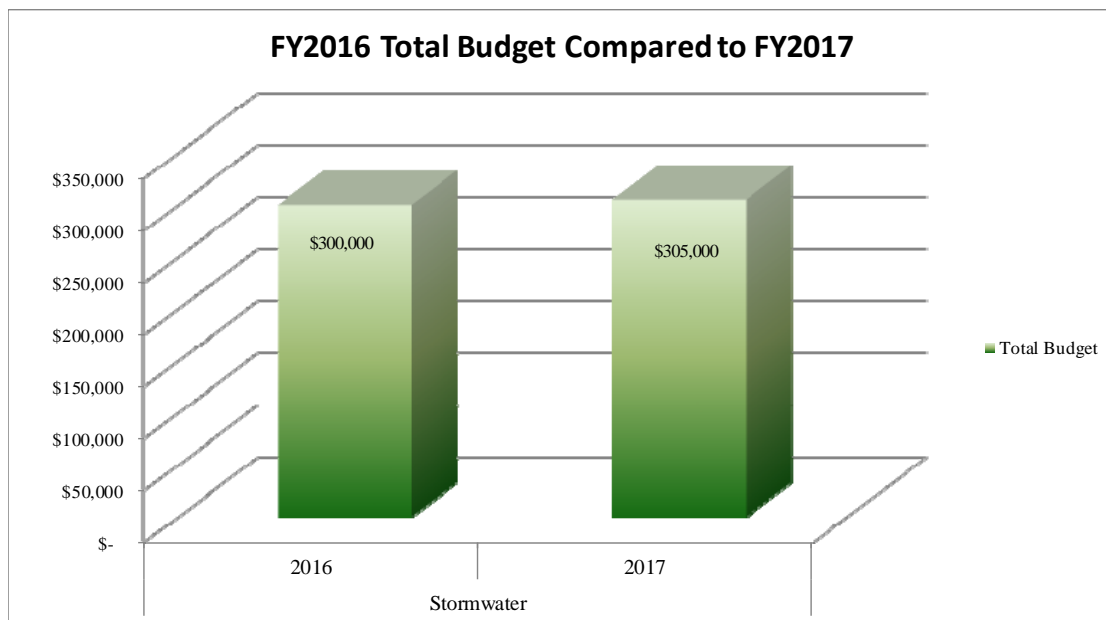
❖ *Stormwater Utility Management*

Stormwater Utility Management is the department responsible for the daily operations of the City's stormwater management program, including maintaining compliance with the City's National Pollutant Discharge Elimination System (NPDES) stormwater permit and the Metropolitan North Georgia Water Planning District's Watershed Management Plan. The NPDES permit and the Metro District Watershed Plan constitute an unfunded mandate, requiring the City of Holly Springs to direct resources towards stormwater management activities such as inspection and maintenance of the storm sewer system, regulation of construction and development activities, pollution prevention, and public outreach and involvement.

In addition to regulatory requirements, Holly Springs is facing issues of aging infrastructure or inadequate drainage systems in many areas throughout the City. The adoption of the Stormwater Utility is a display of the City's commitment to improving its drainage infrastructure throughout the city in order to benefit all citizens as well as our natural resources.

The Home Rule of the Georgia Constitution grants local governments the power to provide stormwater collection and disposal systems and to prescribe, revise, and collect rates, fees, tolls or charges for the services, facilities or commodities furnished or made available by such undertaking.

The revenues for the Stormwater Utility Management budget for FY2017 are estimated to be \$305,000. The expenses budgeted commensurate with the revenues of \$305,000 and are broken down in the following table.



The primary effort for 2017 will focus on expanding the level of service for inspection and maintenance operations. Along with improving inspection capabilities, there will be a focus on expanding the City’s routine maintenance capabilities. Funding needs include supplies (rip-rap, etc.), minor repairs to structures, inlet and pipe cleaning, detention pond maintenance, and any equipment needed for routine maintenance work.

Along with expanding inspection and maintenance operations, there will be an effort to develop an asset management system that will allow staff to prioritize maintenance & capital improvement tasks based on the calculated risk of failure for system components. Such a system would allow staff to focus inspection and maintenance efforts on those portions of the system identified as being at high risk for failure. Over time, this asset management approach should increase the efficiency and cost effectiveness of the City’s inspection and maintenance efforts.

Personnel

The FY2017 personnel allocation recommendation for the Stormwater Utility Management Department is as follows:

Stormwater Analyst	One (1) FT
Stormwater Technician I	One (1) FT

There are no changes in personnel for the 2017 budget year.

Summary Table of Personnel								
	FY2015		FY2016		+/-		FY2017	
Department	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T
Stormwater Utility Management	1.33	0.00	1.00	1.00	0.00	0.00	1.00	1.00
Total	1.33	0.00	1.00	1.00	0.00	0.00	1.00	1.00

Goals, Objectives and Performance Measures

Federal laws regulating stormwater runoff require local governments to reevaluate the way it manages the water that runs off impervious surfaces such as concrete, asphalt, or rooftops. Stormwater runoff carries pollutants directly to our streams and rivers and creates drainage and flooding problems throughout the city. The Stormwater Utility Management Department is responsible for maintaining and improving drainage and flood protection to preserve water quality.

Goal:

The goal of the Stormwater Utility Management Department is to ensure maintenance of existing infrastructure, prevent adverse impacts by new development or current uses, and ensure compliance with Federal and State requirements.

Objectives:

- Maintain requirements pursuant to Georgia Senate Bill 130 to address the pressing need for comprehensive water resource management.
- Inspect stormwater collection and detention facilities.
- Provide for the design, construction and maintenance of stormwater infrastructure.

Performance Measures	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Output				
# of new stormwater outfall structures, catch basins, and detention facilities	16	15	10	15
# of facilities inspected	591	550	601	550
# of water samples conducted pursuant to the North Georgia Water Planning District requirements	13	14	14	14
Effectiveness				
% of stormwater structures inspected	20%	25%	20%	25%
Efficiency				
Average number of days to respond to stormwater complaints	1	3	1	3

Fiscal Year 2017						
Stormwater Utility Management Revenue & Expense Detail		FY2015 Actual (audited)	FY2016 Budget	FY2016 Actuals (unaudited)	FY2017 Budget	% (+/-) FY2016 to FY2017
<i>Revenues</i>						
560-0000-344260	Stormwater Utility Fees	\$ 320,493	\$ 299,500	\$ 325,922	\$ 304,680	1.73%
560-0000-361000	Interest Revenue	518	500	242	320	-36.00%
560-0000-371000	Contributions from Private Sources	102,316	-	-	-	
TOTAL REVENUES		\$ 423,327	\$ 300,000	\$ 326,164	\$ 305,000	1.67%
<i>Expenses</i>						
560-4320-511100	Salaries & Wages	\$ 57,502	\$ 65,736	\$ 64,849	\$ 67,781	3.11%
560-4320-511300	Overtime	-	2,000	-	2,000	0.00%
560-4320-512100	Employee Benefits - Medical Insurance	11,796	6,227	5,708	6,229	0.03%
560-4320-512110	Employee Benefits - Dental	401	405	371	405	0.00%
560-4320-512125	Employee Benefits - Disability	469	306	281	306	0.00%
560-4320-512150	Employee Benefits - ADD Life	193	147	135	147	0.00%
560-4320-512200	FICA	3,565	3,778	4,043	4,203	11.25%
560-4320-512300	Medicare	834	884	886	983	11.20%
560-4320-512400	Employee Benefits - Retirement	1,363	4,853	4,449	4,857	0.08%
560-4320-512600	Unemployment	96	146	145	146	0.00%
560-4320-512700	Workers Comp Insurance	1,656	3,118	2,858	3,118	0.00%
560-4320-521200	Legal & Professional Services	530	5,000	75	5,000	0.00%
560-4320-521300	Regional Stormwater	-	5,000	4,400	5,000	0.00%
560-4320-521325	Pollution Prevention	350	2,500	-	2,500	0.00%
560-4320-521350	Watershed Planning	-	650	-	650	0.00%
560-4320-522100	Maintenance & Cleaning	23,183	85,000	93,287	90,000	5.88%
560-4320-522200	Structural Upgrades	36,620	90,000	-	87,500	-2.78%
560-4320-523100	Insurance	395	-	-	-	
560-4320-523200	Communications	519	3,000	2,558	3,000	0.00%
560-4320-523400	Printing & Binding	40	-	-	-	
560-4320-523600	Dues and Fees	21	100	1,525	125	25.00%
560-4320-523700	Training/Education & Public Awareness	206	5,500	187	6,000	9.09%
560-4320-523850	Contract Labor	4,150	-	-	2,500	
560-4320-531100	Office Supplies	120	-	1,069	-	
560-4320-531120	Postage	439	400	66	250	-37.50%
560-4320-531210	Water/Sewer	2,856	3,000	2,552	3,000	0.00%
560-4320-531270	Gasoline/Diesel	1,742	4,000	3,948	4,000	0.00%
560-4320-531700	Other Supplies	589	750	578	750	0.00%
560-4320-531600	Small Equipment	-	1,500	949	1,500	0.00%
560-4320-561000	Depreciation	62,892	-	-	-	
560-4320-579000	Contingency	-	6,000	-	3,050	-49.17%
TOTAL EXPENSES		\$ 212,527	\$ 300,000	\$ 194,919	\$ 305,000	1.67%



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City of Holly Springs

Capital Improvement Plan



Policies that guide the development of the CIP

1. The City has developed a multi-year plan for capital improvements that is updated annually with documentation of deviations, if any, from the plan.
2. The City will maintain its physical assets at a level adequate to protect the City's capital investment and minimize future maintenance and replacement costs. The budget will provide for the adequate maintenance and timely replacement of the capital plant and equipment from current revenues whenever possible.
3. The City has provided sufficient funds to replace and upgrade equipment as well as to take advantage of new technology, thereby ensuring that employees have safe and efficient tools to serve the public. It reflects a commitment to further automation and the use of available technology to improve productivity of the City's work force. The objective for upgrading and replacing equipment includes:
 - Normal replacement as equipment completes its useful life
 - Upgrades to new technology
 - Additional equipment necessary to serve the needs of the City
4. The City will attempt to ensure, according to its Comprehensive Land Use Plan, that the necessary infrastructure is in place in order to facilitate the orderly development of vacant land.
5. The City will use the following criteria to evaluate the relative merit of each capital project. Capital expenditures will foster goals of:
 - Economic and neighborhood vitality.
 - Infrastructure and heritage preservation.
 - Capital projects that implement a component of an approved redevelopment plan.
 - Projects specifically included in an approved replacement schedule.
 - Projects that reduce the cost of operations, and projects that increase the cost of operations shall have identified trade-offs or objectives to support those additional costs.
 - Projects that significantly improve safety and reduce risk exposure.
 - Projects supporting private development must include satisfactory return on investment ratios or a fully documented cost/benefit analysis.

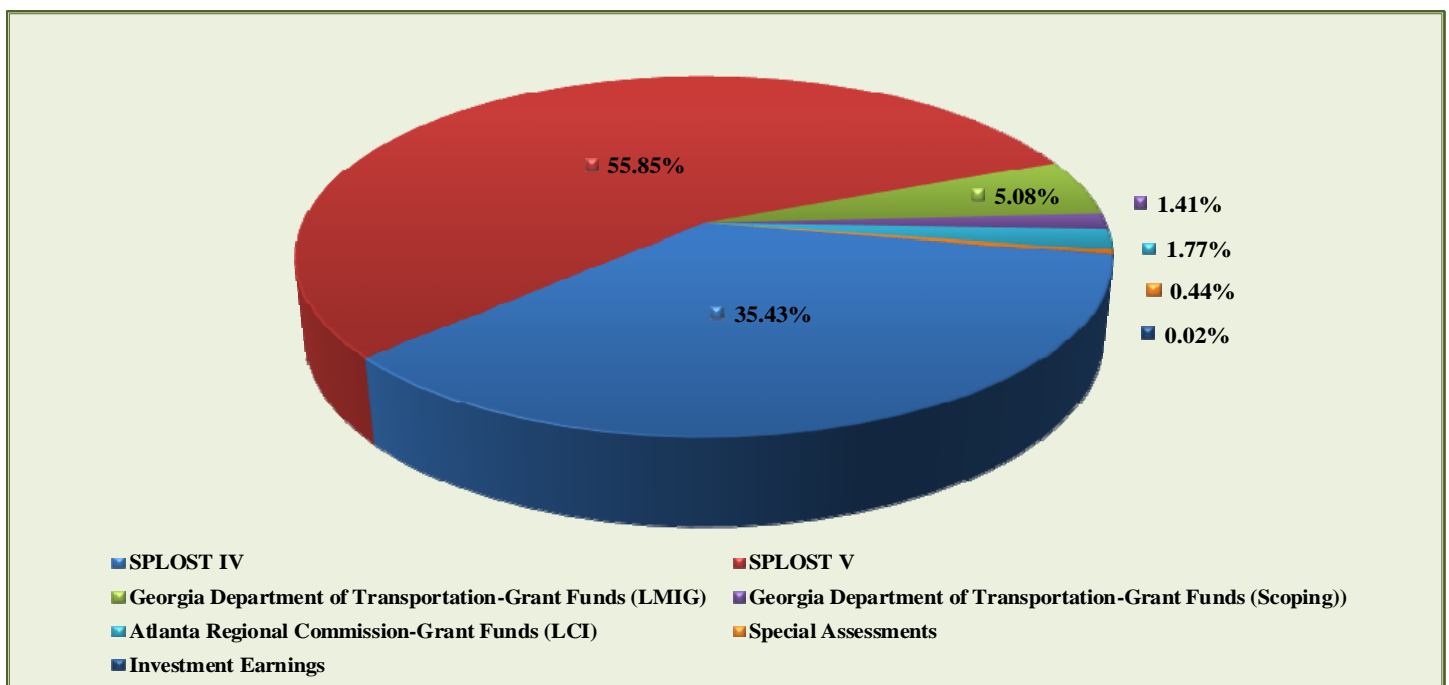
5 Year Capital Improvement Plan

All major capital projects in the SPLOST IV Fund were scheduled to begin in FY2012 utilizing Special Purpose Local Option Sales Tax, grant funds, special assessments and interest earnings. Funding from SPLOST IV revenue will be provided from FY2012-FY2018 to fund projects totaling \$4,021,537. Funding from SPLOST V revenue will be provided from FY2019-FY2024 to fund projects totaling \$6,338,978. In addition to SPLOST revenue, grant funds totaling \$1,087,538 from the Atlanta Regional Commission (ARC), Cherokee County and Georgia Department of Transportation (GDOT) will be used to fund LMIG, CDBG and LCI projects. Special assessments and interest in the amount of \$51,958 will also be used to fund capital projects. Major capital projects totaling \$11,500,011 are listed on the following pages:

Capital Costs by Funding Source 2017 – 2021

Funding Source	FY2017	FY2018	FY2019	FY2020	FY2021	Total
SPLOST IV	\$ 1,990,860	\$ 2,030,677	\$ -	\$ -	\$ -	\$ 4,021,537
SPLOST V	-	-	2,071,291	2,112,717	2,154,971	6,338,978
Georgia Department of Transportation-Grant Funds (LMIG)	113,118	114,249	115,392	116,546	117,711	577,015
Georgia Department of Transportation-Grant Funds (Scoping)	160,000	-	-	-	-	160,000
Cherokee County-Grant Funds (CDBG)	-	150,000	-	-	-	150,000
Atlanta Regional Commission-Grant Funds (LCI)	200,522	-	-	-	-	200,522
Special Assessments	10,000	10,000	10,000	10,000	10,000	50,000
Investment Earnings	500	350	357	364	387	1,958
Total	\$ 2,475,000	\$ 2,305,276	\$ 2,197,039	\$ 2,239,626	\$ 2,283,069	\$ 11,500,011

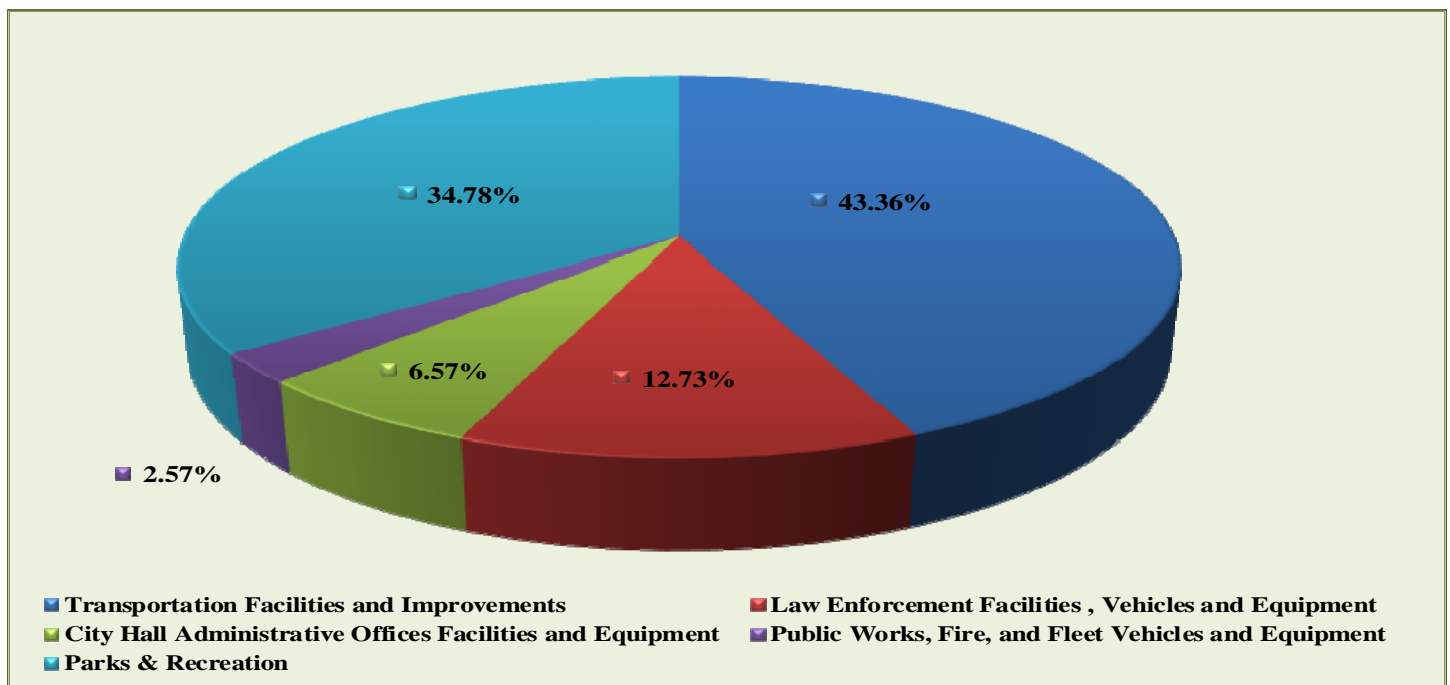
Percent of Capital Costs by Funding Source



Capital Cost by Project Category 2017 – 2021

Project Category	FY2017	FY2018	FY2019	FY2020	FY2021	Total
Transportation Facilities and Improvements	\$ 2,181,433	\$ 500,000	\$ 743,950	\$ 750,000	\$ 810,784	\$ 4,986,167
Law Enforcement Facilities , Vehicles and Equipment	293,567	274,990	288,737	303,175	303,175	1,463,644
City Hall Administrative Offices Facilities and Equipment	-	251,667	251,667	251,666	-	755,000
Public Works, Fire, and Fleet Vehicles and Equipment	-	75,067	110,067	110,066	-	295,200
Parks & Recreation	-	-	750,000	2,500,000	750,000	4,000,000
Total	\$ 2,475,000	\$ 1,101,724	\$ 2,144,421	\$ 3,914,907	\$ 1,863,959	\$ 11,500,011

Percent of Total Capital by Project Category



CIP Impact on the Operating Budget

The \$11,500,011 expenditure plan consists of \$10,360,515 of projects to be financed internally through the use of Special Purpose Local Option Sales Tax proceeds, \$577,015 will be funded from the ARC for the LCI Project, \$150,000 will be funded from Cherokee County for the CDBG project and \$360,522 will come from Georgia Department of Transportation for the LCI project. The capital improvement plan is mainly comprised of road resurfacing projects, law enforcement vehicles and equipment, sanitary sewer facilities, and replacement of items such as motor vehicles. These items will improve but not expand the level of service the City provides and the associated operating impact is negligible. The estimated impact on the operating budget relative to each project is detailed on the following pages.

Project: Transportation Facilities and Improvements - This project involves the clearing of rights-of-way, road resurfacing, and the replacement of drain pipe as needed throughout the City. The Public Works Director has compiled a list of approximately 12 miles of roadway and drainage needing improvements.

Project Total: \$4,986,167

Project Status: Began in FY2017 and scheduled to end in FY2021

Funding Source: SPLOST IV (Special Purpose Local Option Sales Tax) 2012-2018, SPLOST V (Special Purpose Local Option Sales Tax) 2019-2024, Atlanta Regional Commission, Cherokee County and Georgia Department of Transportation

<i>Transportation Facilities and Improvements</i>						
<i>Project</i>	<i>Total</i>	<i>FY2017</i>	<i>FY2018</i>	<i>FY2019</i>	<i>FY2020</i>	<i>FY2021</i>
Bay Ridge Drive	25,568	25,568	-	-	-	-
CDBG Sidewalk & Drainage Project	650,000	650,000	-	-	-	-
Childers Road	22,862	-	-	-	-	22,862
Cryder Lane	14,865	14,865	-	-	-	-
Hickory Springs Industrial Park Drive	93,950	-	-	93,950	-	-
Industrial Connector Road	2,250,000	-	250,000	500,000	750,000	750,000
Industrial Connector Road Scoping Project	200,000	200,000	-	-	-	-
Jacee Circle	11,275	-	-	-	-	11,275
Kimberly Road	12,667	-	-	-	-	12,667
LCI Pedestrian Improvement Project Phase I	250,652	250,652	-	-	-	-
LCI Pedestrian Improvement Project Phase II	400,000	-	250,000	150,000	-	-
Mansfield Drive	29,676	29,676	-	-	-	-
Palm Lake Drive	77,839	77,839	-	-	-	-
Rickman Industrial Drive Realignment Project	902,887	902,887	-	-	-	-
Ridge Hill Circle	29,946	29,946	-	-	-	-
Sweet Gum Circle	13,980	-	-	-	-	13,980
Total	\$ 4,986,167	\$ 2,181,433	\$ 500,000	\$ 743,950	\$ 750,000	\$ 810,784

Impact on the Operating Budget

The only impact to the operating budget that this project will have is continued maintenance of the roadways as shown in the table below:

<i>Expenditures</i>	<i>FY2017</i>	<i>FY2018</i>	<i>FY2019</i>	<i>FY2020</i>	<i>FY2021</i>
Repairs and Maintenance	\$ 2,500	\$ 5,000	\$ 7,500	\$ 10,000	\$ 12,500
Total Expenditures	\$ 2,500	\$ 5,000	\$ 7,500	\$ 10,000	\$ 12,500

Project: Law Enforcement Facilities, Vehicles and Equipment - Funds will be used to purchase police vehicles and equipment.

Project Total: \$1,463,644

Project Status: Began in FY2017 and scheduled to end in FY2021

Funding Source: SPLOST IV (Special Purpose Local Option Sales Tax) 2012-2018 and SPLOST V (Special Purpose Local Option Sales Tax) 2019-2024

<i>Law Enforcement Facilities, Vehicles and Equipment</i>						
<i>Project</i>	<i>Total</i>	<i>FY2017</i>	<i>FY2018</i>	<i>FY2019</i>	<i>FY2020</i>	<i>FY2021</i>
Police Vehicles	\$ 1,099,474	\$175,682	\$217,110	\$227,962	\$239,360	\$239,360
Other Vehicles, Equipment and Facilities	364,170	117,885	57,880	60,775	63,815	63,815
Total	\$ 1,463,644	\$293,567	\$274,990	\$288,737	\$303,175	\$303,175

Impact on the Operating Budget

The impact on the operating budget will be the necessary repairs and/or maintenance of the purchased vehicles and equipment will be the responsibility of the General Fund in future years as shown in the table below:

<i>Expenditures</i>	<i>FY2017</i>	<i>FY2018</i>	<i>FY2019</i>	<i>FY2020</i>	<i>FY2021</i>
Gasoline	1,500	1,545	1,591	1,639	1,688
Repairs and Maintenance	3,000	5,000	7,500	10,000	12,500
Total Expenditures	\$ 4,500	\$ 6,545	\$ 9,091	\$ 11,639	\$ 14,188

**The majority of vehicles purchased are replacement vehicles and will not result in additional operating costs to the City.*

Project: City Hall Administration Offices, Facilities and Equipment - This project includes the installation of an audio/video system for Council, a computer data center to include new servers and computer equipment, and the purchase of furniture, fixtures, and equipment for a new city hall to be located in downtown.

Project Total: \$755,000

Project Status: Scheduled to begin in FY2018

Funding Source: SPLOST IV (Special Purpose Local Option Sales Tax) 2012-2018 and SPLOST V (Special Purpose Local Option Sales Tax) 2019-2024

<i>City Hall Administrative Offices Facilities and Equipment</i>						
<i>Project</i>	<i>Total</i>	<i>FY2017</i>	<i>FY2018</i>	<i>FY2019</i>	<i>FY2020</i>	<i>FY2021</i>
Technology Systems, Facilities & Services	\$ 755,000	\$ -	\$ 251,667	\$ 251,667	\$ 251,666	\$ -
Total	\$ 755,000	\$ -	\$ 251,667	\$ 251,667	\$ 251,666	\$ -

Impact on the Operating Budget

The impact on the operating budget will be the maintenance and necessary repairs of the purchased equipment. This will be the responsibility of the General Fund in future years.

<i>Expenditures</i>	<i>FY2017</i>	<i>FY2018</i>	<i>FY2019</i>	<i>FY2020</i>	<i>FY2021</i>
Repairs and Maintenance	\$ -	\$ 2,500	\$ 2,575	\$ 2,652	\$ 2,732
Total Expenditures	\$ -	\$ 2,500	\$ 2,575	\$ 2,652	\$ 2,732

Project: Public Works, Fleet Vehicles and Equipment - Funds will be used to purchase additional public works vehicles, tractors, trucks, and other equipment.

Project Total: \$295,200

Project Status: Scheduled to begin in FY2017 and end in FY2019

Funding Source: SPLOST IV (Special Purpose Local Option Sales Tax) 2012-2018 and SPLOST V (Special Purpose Local Option Sales Tax) 2019-2024

<i>Public Works, Fleet Vehicles and Equipment</i>						
<i>Project</i>	<i>Total</i>	<i>FY2017</i>	<i>FY2018</i>	<i>FY2019</i>	<i>FY2020</i>	<i>FY2021</i>
Public Works Vehicles	\$ 145,000	\$ -	\$ 25,000	\$ 60,000	\$ 60,000	\$ -
Lawn and Fleet Equipment	150,200	-	50,067	50,067	50,066	
Total	\$ 295,200	\$ -	\$ 75,067	\$ 110,067	\$ 110,066	\$ -

Impact on the Operating Budget

The impact on the operating budget will be the maintenance and necessary repairs of the purchased equipment and vehicles. This will be the responsibility of the General Fund in future years.

<i>Expenditures</i>	<i>FY2017</i>	<i>FY2018</i>	<i>FY2019</i>	<i>FY2020</i>	<i>FY2021</i>
Repairs and Maintenance	\$ -	\$ 2,500	\$ 5,000	\$ 5,305	\$ 5,464
Gasoline/Diesel	-	1,000	1,030	1,093	1,126
Total Expenditures	\$ -	\$ 3,500	\$ 6,030	\$ 6,398	\$ 6,590

Funding for the project listed below will be provided through the SPLOST V (Special Purpose Local Option Sales Tax). This project is anticipated to total \$4,000,000.

Project: Parks and Recreation/Cagle Family Farm Park – This project includes the construction of active and passive recreational use facilities to include playgrounds, ball fields, trails and pavilions.

Project Total: \$4,000,000

Project Status: The master plan will begin in 2019 with construction anticipated to start in 2020. The projected completion date will be in 2021.

Funding Source: SPLOST V (Special Purpose Local Option Sales Tax) 2019-2024

<u>Parks and Recreation</u>						
<u>Project</u>	<u>Total</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
Cagle Family Farm Park Project	\$ 4,000,000	\$ -	\$ -	\$ 750,000	\$ 2,500,000	\$ 750,000
Total	\$ 4,000,000	\$ -	\$ -	\$ 750,000	\$ 2,500,000	\$ 750,000

Impact on the Operating Budget

The \$4,000,000 is for the development of a new park within the City which will include playgrounds, ball fields, trails and pavilions. Upon completion, the Parks and Recreation Fund (a Special Revenue Fund of the City) will incur estimated annual maintenance and upkeep costs of approximately \$25,000. These costs will include water and sewer for restroom facilities, maintenance of the lawn and soft surface trail, and electricity for street lights and park structures. The City will set aside funds to cover these expenditures in subsequent years’ operating budgets. The impact on the operating budget will be the cost of maintenance and utilities for the new park as shown below:

<u>Expenditures</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
Disposal - Garbage	\$ -	\$ -	\$ -	\$ -	\$ 2,000
Lawn Care	-	-	-	-	3,500
Pest Control	-	-	-	-	1,500
Repairs and Maintenance	-	-	-	-	3,000
Water/Sewer	-	-	-	-	5,000
Electricity	-	-	-	-	10,000
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 25,000

5 Year Capital Improvement Plan

Project	Total	2017	2018	2019	2020	2021
Transportation Facilities and Improvements						
	\$ 4,986,167					
Bay Ridge Drive	25,568	25,568	-	-	-	-
CDBG Sidewalk & Drainage Project	650,000	650,000	-	-	-	-
Childers Road	22,862	-	-	-	-	22,862
Cryder Lane	14,865	14,865	-	-	-	-
Hickory Springs Industrial Park Drive	93,950	-	-	93,950	-	-
Industrial Connector Road	2,250,000	-	250,000	500,000	750,000	750,000
Industrial Connector Road Scoping Project	200,000	200,000	-	-	-	-
Jacee Circle	11,275	-	-	-	-	11,275
Kimberly Road	12,667	-	-	-	-	12,667
LCI Pedestrian Improvement Project Phase I	250,652	250,652	-	-	-	-
LCI Pedestrian Improvement Project Phase II	400,000	-	250,000	150,000	-	-
Mansfield Drive	29,676	29,676	-	-	-	-
Palm Lake Drive	77,839	77,839	-	-	-	-
Rickman Industrial Drive Realignment Project	902,887	902,887	-	-	-	-
Ridge Hill Circle	29,946	29,946	-	-	-	-
Sweet Gum Circle	13,980	-	-	-	-	13,980
Total	4,986,167	2,181,433	500,000	743,950	750,000	810,784
Law Enforcement Facilities , Vehicles and Equipment						
	\$ 1,463,644					
Police Vehicles	1,099,474	175,682	217,110	227,962	239,360	239,360
Other Vehicles, Equipment and Facilities	364,170	117,885	57,880	60,775	63,815	63,815
Total	1,463,644	293,567	274,990	288,737	303,175	303,175
City Hall Administrative Offices Facilities and Equipment						
	\$ 755,000					
Technology Systems, Facilities & Services	755,000	-	251,667	251,667	251,666	-
Total	755,000	-	251,667	251,667	251,666	-
Public Works, Fire, and Fleet Vehicles and Equipment						
	\$ 295,200					
Public Works Vehicles	145,000	-	25,000	60,000	60,000	-
Lawn and Fleet Equipment	150,200	-	50,067	50,067	50,066	-
Total	295,200	-	75,067	110,067	110,066	-
Parks & Recreation						
	\$ 4,000,000					
Cagle Family Farm Park Project	4,000,000	-	-	750,000	2,500,000	750,000
Total	4,000,000	-	-	750,000	2,500,000	750,000
Total	\$11,500,011	\$ 2,475,000	\$ 1,101,724	\$ 2,144,421	\$ 3,914,907	\$ 1,863,959



City of Holly Springs

***Glossary of Budgetary &
Financial Terminology***



The City's Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Budget document in understanding these terms, a glossary has been included below:

ACCRUAL BASIS OF ACCOUNTING

A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the related cash flows.

ADOPTED (APPROVED) BUDGET

The funds appropriated by the City Council at the beginning of the year.

AD VALOREM TAX

Commonly referred to as property taxes, are levied on both real and personal property based upon the property's assessed valuation and the millage rate.

AGENCY FUND

Funds used to account for resources held by the state in a purely custodial capacity for other governments, private organizations or individuals

APPROPRIATION

A legal authorization to incur obligations and to make expenditures for specific purposes.

ASSESSED VALUATION

The valuation set upon real estate and certain personal property by the Property Appraiser as a basis for levying Ad Valorem (property) taxes.

BALANCED BUDGET

To the extent that the Appropriated Revenues and Estimated Budget Savings equal or exceed the Appropriated Expenditures, the budget is considered balanced. Should the Appropriated Expenditures exceed the Appropriated Revenues and Estimated Budget Savings, the difference would be shown in the revenue section as Beginning Surplus. The amount of the Beginning Surplus would specify the amount by which the Fund Balance would be reduced.

BASIS OF ACCOUNTING

The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes. For example, the effects of transactions or events can be recognized on an accrual basis (that is, when the transactions or events take place), or on a cash basis (that is, when cash is received or paid). Basis of accounting is an essential part of measurement focus, because a particular timing of recognition is necessary to accomplish a particular measurement focus.

BOND

A long-term debt obligation primarily used to finance capital projects or other long-term obligations. A bond represents a promise to repay a specified sum of money called the face value or principal amount at a specified maturity date or dates in the future, together with periodic interest at a specified rate.

BUDGET

An operational guide of planned financial activity for a specified period of time (fiscal year or project length) estimating all anticipated revenues and expected expenditures/expenses for the budget period. A policy document, which communicates programmatic goals and objectives and the anticipated means for achieving them.

BUDGET AMENDMENT

The transfer of funds from one appropriation account to another, requiring approval of City Manager, Finance Director, and Department Director.

BUDGET CALENDAR

The schedule of target dates that a government follows in the preparation of preliminary budgets and the adoption of the final budget.

BUDGET RESOLUTION

The official enactment by the City Council legally authorizing City Officials to obligate and expend resources.

BUDGET OFFICER

“Budget officer” means that local government officials charged with budget preparation and administration for the local government. The official title of the local government budget officer shall be as provided by local law, charter, ordinance, or appropriate resolution of the governing authority.

BUDGET ORDINANCE

“Ordinance,” or “Resolution” means that governmental action which appropriates revenues and fund balances for specified purposes, functions, or activities for a budget period.

BUDGET PERIOD

Budget period, means the period for which a budget is proposed or a budget ordinance or resolution is adopted.

BUDGETARY BASIS OF ACCOUNTING

This refers to the basis of accounting used to estimate when revenues and expenditures are recognized for budgetary purposes. This generally takes one of three forms: GAAP, cash, or modified accrual.

BUDGETARY CONTROL

The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources. The level of budgetary controls that is the point at which expenditures cannot legally exceed the appropriated amount.

CAPITAL BUDGET

A plan of proposed capital outlays and the means of financing them for the current fiscal period. It is usually a part of the current budget.

CAPITAL EXPENDITURES

All charges incurred to acquire equipment, land, buildings, improvements of land or buildings, fixtures, and other permanent improvements. Pursuant to the City of Holly Springs Financial Policy, capital expenditures for the City have a value in excess of \$5,000 and a useful life expectancy of greater than 1 year.

CAPITAL IMPROVEMENTS

Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as "Infrastructure." See also "Capital Project".

CAPITAL PROJECT

Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called "Capital Improvements."

CASH BASIS OF ACCOUNTING

A basis of accounting in which transactions or events are recognized when related cash amounts are received or disbursed.

CONTINGENCY

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

DEBT

An obligation resulting from the borrowing of money or from the purchase of goods and services on credit. The City Council must approve all debt instruments.

DEBT SERVICE FUND

A governmental fund established to finance and account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Also known as "Sinking Fund".

DEPARTMENT

An organizational unit of government, which is functionally unique in its delivery of services.

DISTINGUISHED BUDGET PRESENTATION AWARD PROGRAM

A voluntary awards program administered by the Government Finance Officers Association (GFOA) to encourage governments to prepare effective budget documents.

EMPLOYEE (OR FRINGE) BENEFITS

Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and Medicare, and the various pension, medical, and life insurance plans.

ENCUMBRANCE

The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

ENTERPRISE FUND

A proprietary fund used to account for business-like operations of a government to provide goods and or services to the general public. The intent is that enterprise fund operations should be supported by user fees on a cost recovery basis. The periodic determination of revenues and expenses is appropriate for capital maintenance, management control, or other public policy. An example of an enterprise fund is Stormwater Utility.

EXPENDITURE

The incurring of a liability, the payment of cash, or the transfer of property for the purpose of acquiring an asset, or a service or settling a loss. A decrease in net financial resources under the current financial resources measurement focus not properly classified as “Other Financing Uses”.

EXPENSE

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges. Decreases the net assets of a fund.

FIDUCIARY FUND

Fiduciary Fund means those trust and agency funds used to account “Fiscal year” means the period for which a budget is proposed or a budget ordinance or resolution is adopted for the local government’s general funds, each special revenue fund, if any, and each debt service fund, if any.

FISCAL POLICY

A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

FISCAL YEAR

A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City’s fiscal year runs from January 1st to December 31st.

FUND

An accounting and reporting entity with a self-balancing set of accounts. Funds are created to establish accountability for revenues and expenses, which are segregated for the purpose of carrying out a specific purpose or range of activities.

FUND BALANCE (undesignated/unreserved)

Refers to the excess of assets over liabilities and is therefore, generally known as amount available for appropriation.

FUND BALANCE (designated/reserved)

Refers to the excess of assets over liabilities and is designated or reserved for a particular item, e.g. “Fund Balance Reserved for Encumbrances”.

FUND BALANCE (carried forward)

Funds on hand at year end resulting from collections of revenue in excess of anticipations and/or unexpended appropriations which are included as a revenue source in the budget of the ensuing year.

GENERAL FUND

The chief operating fund used to account for both general government transactions and those financial resources not required to be accounted for in another fund.

GOALS

A measurable statement of desired conditions to be maintained or achieved.

GOVERNING AUTHORITY

Governing authority means that official or group of officials responsible for governance of the unit of local government.

GOVERNMENTAL FUNDS

Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities – except for those accounted for in proprietary funds and fiduciary funds.

INTERFUND TRANSFERS

Flows of assets (such as cash or goods) between funds of the primary government without equivalent flows of assets in return and without a requirement for repayment.

INTERGOVERNMENTAL REVENUE

Funds received from federal, state and other local government sources in the form of grants, shared revenues, entitlements, or payments in lieu of taxes.

LEGAL LEVEL OF CONTROL

Legal level of control is the lowest level of budgetary detail at which a local government’s management or budget officer may not reassign resources without approval of the governing authority. The legal level of control shall be, at a minimum, expenditures for each department for each fund for which a budget is required. This does not preclude the governing authority of a local government from establishing a legal level of control at a more detailed level of budgetary control than the minimum required legal level of control.

MAJOR FUND

Funds with “revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) that are at least 10% of corresponding totals for all governmental or enterprise funds and at least 5% of the aggregate amount for all government and enterprise funds for the same item.” (See also “Non-Major Funds,” below.)

MILLAGE RATE

The ad valorem tax rate expressed in the amount levied per thousand dollars of the taxable assessed value of property. One mill is equal to one dollar per thousand.

MODIFIED ACCRUAL ACCOUNTING

A basis of accounting in which revenues are recorded when collected within the current period or soon enough thereafter to be used to pay liabilities of the current period and expenditures are recognized when the related liability is incurred.

NET ASSETS

The value of an entity's assets less the value of its liabilities.

NON-DEPARTMENTAL (CITY-WIDE)

A group of accounts which are not directly related to a department's primary service activities, or which are separate from departmental operations for control purposes.

NON-MAJOR FUND

Non-major funds are those that fail the test defining major funds in one or more aspects. Major funds have revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) that are at least 10% of corresponding totals for all governmental or enterprise funds and at least 5% of the aggregate amount for all government and enterprise funds for the same item.

OBJECTIVES

Unambiguous statements of performance intentions expressed in measurable terms.

OPERATING BUDGET

The portion of the budget pertaining to daily operations that provides basic governmental services. The operating budget contains appropriations for such expenditures as personal services, fringe benefits, commodities, services and capital outlay.

OPERATING EXPENSES

The cost for personnel, materials and equipment required for a department to function. Another example would be Proprietary Fund expenses related directly to the primary activities of the fund.

OPERATING REVENUES

Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services. Another example would be Proprietary Fund user fees for goods and/or services that are directly related to the primary activities of the fund.

PERFORMANCE INDICATORS

Special quantitative and qualitative measure of work performed as an objective of a department.

PERSONNEL SERVICES

Expenditures for salaries, wages, and fringe benefits of a government's employees.

PROPRIETARY FUNDS

Used to account for government's ongoing organizations and activities that are similar to those found in the private sector.

RETAINED EARNINGS

A fund equity account which reflects accumulated net earnings (or losses) in a proprietary fund. As in the case of fund balance, retained earnings may include certain reservations of fund equity.

RESERVE

An account to indicate that a portion of funds have been legally restricted for a specific purpose, or not available for appropriation and subsequent spending. A reserve for working capital is a budgetary reserve set aside for cash flow needs, emergencies, or unforeseen expenditure/revenue shortfalls.

REVENUE

Funds that the City receives as income. It includes such items as taxes, licenses, user fees, service charges, fines and penalties, and grants.

REVENUE BONDS

Bonds whose principal and interest are payable exclusively from specific projects or special assessments, rather than from general revenues. These bonds do not require approval by referendum.

ROLL BACK RATE

The millage rate which, exclusive of new construction, will provide the same property (Ad Valorem) tax revenue for each taxing entity as was levied during the prior year. The roll back rate controls for changes in the market value of property and represents "no tax increase". The only source of additional tax revenue, if the roll back rate is levied, is the tax upon new construction.

SINKING FUND

A reserve fund accumulated over a period of time for retirement of a debt.

SPECIAL REVENUE FUND

A fund in which the revenues are designated for use for specific purposes or activities.

TAX DIGEST

Official list of all property owners, the assessed value (100% of fair market value), and the tax due on their property.

TAXES

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. Taxes levied by the City of Holly Springs are approved by the City Council and are within limits determined by the State.

UNIT OF LOCAL GOVERNMENT

Unit of local government, "unit", or "local government" means a municipality, county, consolidated city-county government, or other political subdivision of the state. Such terms do not include any local school district or board of education. For purposes of this paragraph, "county" includes any county officer who is paid in whole or in part on a salary basis over whom the county governing authority exercises budgetary authority.

WORKING CAPITAL

A dollar amount reserved in (General Fund) fund balance that is available for unforeseen emergencies, to handle shortfalls caused by revenue declines, and to provide cash liquidity during periods of low cash flow.



2017
HSI
1906

City of Holly Springs

Appendix



Abbreviations & Acronyms

ACS	American Community Survey
ADA	Americans with Disabilities Act
APB	Accounting Principles Board
ARC	Atlanta Regional Commission
ASE	Automotive Service Excellence
BCBS	Blue Cross/Blue Shield
BOC	Board of Commissioners
CAFR	Comprehensive Annual Financial Report
CCWSA	Cherokee County Water and Sewerage Authority
CDBG	Community Development Block Grant
CID	Criminal Investigations Division
CIP	Capital Improvement Plan
CMAQ	Congestion Mitigation and Air Quality
COLA	Cost of Living Adjustment
DDA	Downtown Development Authority
F/T	Full-Time
FTE	Full-Time Equivalent
FASB	Financial Accounting Standards Board
FEMA	Federal Emergency Management Agency
FICA	Federal Insurance Contributions Act
FOCUS	Families of Cherokee United in Service
FSA	Flexible Spending Arrangement
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
GAGAS	Generally Accepted Governmental Auditing Standards
GAO	General Accounting Office
GASB	Governmental Accounting Standards Board
GDOT	Georgia Department of Transportation
GFOA	Government Finance Officers' Association
GIRMA	Georgia Interlocal Risk Management Agency
GIS	Geographic Information Systems
GMA	Georgia Municipal Association
GMEBS	Georgia Municipal Employees Benefit System
ISO	Insurance Service Office
IT	Information Technology
LCI	Livable Centers Initiative
LMIG	Local Maintenance Improvement Grant
NPDES	National Pollutant Discharge Elimination System
OMB	Office of Management and Budget
OPS	Office of Professional Standards
P/T	Part-Time
SPLOST	Special Purpose Local Option Sales Tax
TRACE	Teamwork Results Accountability Communication Enforcement
TE	Transportation Enhancement
UPD	Uniform Patrol Division

City of Holly Springs
Council Work Session Minutes
August 15, 2016
6:30 p.m.

Elected Officials Present: Mayor Pro Tem Michael Zenchuk, Councilwoman Karen Barnett, Councilman Jeremy Smith, Councilwoman Dee Phillips and Councilman Kyle Whitaker.

Elected Officials Absent: Mayor Timothy Downing.

Staff Present: City Attorney Bobby Dyer, City Clerk Karen Norred, City Manager Rob Logan, Chief Ken Ball, Deputy Chief Michael Carswell, Community Development Director Nancy Moon, Information Technology Manager Ron Carter and Officer Joe McDonald.

Mayor Pro Tem Zenchuk called the work session to order.

No action was taken.

Meeting Adjourned.

City of Holly Springs
City Council Regular Meeting Minutes
August 15, 2016

Elected Officials Present: Mayor Pro Tem Michael Zenchuk, Councilwoman Karen Barnett, Councilman Jeremy Smith, Councilwoman Dee Phillips and Councilman Kyle Whitaker.

Elected Officials Absent: Mayor Timothy Downing.

Staff Present: City Attorney Bobby Dyer, City Clerk Karen Norred, City Manager Rob Logan, Chief Ken Ball, Deputy Chief Michael Carswell, Community Development Director Nancy Moon, Information Technology Manager Ron Carter, Officer Joe McDonald and Officer Sherron Conrad.

Mayor Pro Tem Zenchuk called the meeting to order.

Mayor Pro Tem Zenchuk led the Pledge of Allegiance. Councilmember Smith gave the invocation.

Councilmember Phillips moved to remove Item 15: Approve/deny MA-11-2016 rezoning request of 9.93+/-acres located on Holly Springs Parkway, tax parcel 012C of tax plat 15N15, Holly Springs, GA from GC, General Commercial to GC, General Commercial and MXD-1, Mixed Use Development from the agenda. Councilmember Barnett seconded the motion. Motion carried 5-0.

Councilmember Smith moved to place Items 12-14 on the Consent Agenda

12. Approve/deny Condemnation Order for Parcel 28 on Palm Street Sidewalk Project
13. Approve/deny the Quitclaim Deeds for parcels 15N26 027B, 15N26 027D, 15N26 027E between the City of Holly Springs and the Holly Springs Parks and Recreation Authority
14. Approve/deny a Resolution to accept the timber motor vehicle bridges in the Harmony on the Lakes subdivision for maintenance contingent upon a \$5,000 remittance from the Harmony on the Lakes at Holly Springs Community Association, Inc.

Councilmember Phillips seconded the motion. Motion carried 5-0.

Consent Agenda

1. July 7, 2016 Council Meeting Minutes
2. July 18, 2016 Council Meeting Minutes
3. Ordinance to amend the Official Code of the City of Holly Springs; Chapter 74 - Traffic and Vehicles to create Article VIII Personal Transportation Vehicles
4. Resolution to amend the City of Holly Springs Municipal Services Master Fee Schedule
5. Resolution to amend the Financial Management Policy
6. Ordinance to set the 2016 Millage Rate pursuant to Section 6.02 of the City Charter
7. 2016-2017 Annual Renewal Service Agreement between the Cherokee Office of Economic Development and the City of Holly Springs

8. Ratify the Right-of-Way Easement for 270 Crown Avenue for Sawnee Electric Membership Corporation
9. Support our Seniors Day Proclamation
10. A-07-2016 annexation request of tax parcel 073 of tax map 15N15, located on East Rope Mill Road, Cherokee County, GA
11. MA-12-2016 rezoning request of 2.2+/- acres located on East Rope Mill Road, tax parcel 073 of tax plat 15N15, Holly Springs, GA from R-40, Single Family Residential (County) to LI, Light Industrial
12. Condemnation Order for Parcel 28 on Palm Street Sidewalk Project
13. The Quitclaim Deeds for parcels 15N26 027B, 15N26 027D, 15N26 027E between the City of Holly Springs and the Holly Springs Parks and Recreation Authority
14. Resolution to accept the timber motor vehicle bridges in the Harmony on the Lakes subdivision for maintenance contingent upon a \$5,000 remittance from the Harmony on the Lakes at Holly Springs Community Association, Inc.

Councilmember Phillips moved to approve the Consent Agenda for August 15, 2016.
Councilmember Barnett seconded the motion. Motion carried 5-0.

Department Reports:

- Rob announced that the July Financial Report was in the agenda packet and he was available to answer any questions.

Councilmember Phillips moved to adjourn. Councilmember Barnett seconded the motion.
Motion carried 5-0.

Meeting adjourned.

Respectfully Submitted


Timothy B. Downing, Mayor

City of Holly Springs
Work Session Minutes
November 7, 2016
Immediately following the Public Hearing

Elected Officials Present: Mayor Timothy Downing, Mayor Pro Tem Michael Zenchuk, Councilwoman Karen Barnett, Councilwoman Dee Phillips, Councilman Jeremy Smith and Councilman Kyle Whitaker.

Staff Present: City Attorney Bobby Dyer, City Manager Rob Logan, City Clerk Karen Norred, Community Development Director Nancy Moon, Acting Chief Michael Carswell, Officer Art Gibford, Information Technology Manager Ron Carter and Assistant City Clerk Donna Sanders.

Mayor Downing called the Work Session to order.

Mayor Downing led the Pledge of Allegiance. Councilmember Jeremy Smith gave the invocation.

Public Comments:

Holly Springs' resident, Julie Echols spoke against the multi-family development. Her concerns included the traffic, noise and the impact of home values in the area.

Holly Springs' resident, Diane McClanahan spoke against the multi-family development. Her concerns included the impact of home values and the area being over developed.

Holly Springs' resident, Roger McIver spoke in favor of the text amendment to modify the High Density Residential Multi-Family Zoning District. Mr. McIver also spoke in favor of the annexation and rezoning of the multi-family development. He expressed concerns about the lighting and a second access being compliant with the Cherokee County Fire Department regulations to the developer. The Developer agreed to put in LED lighting along with down lighting. Also, agreed to a life safety access to meet Cherokee County standards. Mr. McIver spoke against the amendment of Stipulation #11 of the rezoning ordinance MA-05-2016. He feels we should re-open negotiations with the developer to add sidewalks near Hickory Road if they are not going to install a left-hand turn lane. Mr. McIver spoke in favor of the City rezoning the parcels to a government zoning district.

No reports to discuss.

City of Holly Springs
Special Called Meeting Minutes
November 7, 2016
Immediately following the Work Session

Elected Officials Present: Mayor Timothy Downing, Mayor Pro Tem Michael Zenchuk, Councilwoman Karen Barnett, Councilwoman Dee Phillips, Councilman Jeremy Smith and Councilman Kyle Whitaker.

Staff Present: City Attorney Bobby Dyer, City Manager Rob Logan, City Clerk Karen Norred, Community Development Director Nancy Moon, Acting Chief Michael Carswell, Officer Art Gibford, Information Technology Manager Ron Carter and Assistant City Clerk Donna Sanders.

Mayor Downing called the Special Called meeting to order.

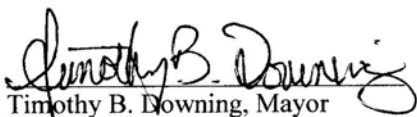
Councilmember Zenchuk made a motion to approve the Contract for Acquisition of Right of Way State-Aid or Federal-Aid Project between the Georgia Department of Transportation and the City of Holly Springs. Councilmember Smith seconded the motion. Motion carried 5-0.

Councilmember Phillips made a motion to approve the Resolution of Commitment for project match for 2017 Livable Centers Initiative (LCI) Plan Update application. Councilmember Barnett seconded the motion. Motion carried 5-0.

Councilmember Zenchuk moved to enter into Executive Session for the purpose of Real Estate. Councilmember Barnett seconded the motion. Motion carried 5-0.

Meeting Adjourned.

Respectfully Submitted


Timothy B. Downing, Mayor

City of Holly Springs
Council Work Session Minutes
November 21, 2016
6:30 p.m.

Elected Officials Present: Mayor Timothy Downing, Mayor Pro Tem Michael Zenchuk, Councilwoman Karen Barnett, Councilwoman Dee Phillips, Councilman Jeremy Smith, and Councilman Kyle Whitaker.

Staff Present: City Manager Rob Logan, City Clerk Karen Norred, Acting Chief Michael Carswell, Community Development Director Nancy Moon, Information Technology Manager Ron Carter, and Alicia Argo with the City Attorney's Office.

Mayor Downing called the work session to order.

Public Comments:

Holly Springs' resident, Roger McIver, spoke regarding the offer from Harmony on the Lakes Southside Home Owners' Association to contribute funding toward the sidewalk along Hickory Road from Harmony on the Lakes to J.B. Owens Park. He suggested a stipulation having an open-end date in lieu of the 18 months of construction to be completed, due to the budget constraints in the City. He said both parties agree and a new agreement can be signed in 30 days.

Councilmember Zenchuk made a motion to move Executive Session before the Council meeting begins. Councilmember Barnett seconded the motion. Motion carried 5-0.

Councilmember Zenchuk made a motion to move into Executive Session for Real Estate. Councilmember Barnett seconded the motion. Motion carried 5-0.

Councilmember Zenchuk made a motion to return from Executive Session. Councilmember Phillips seconded the motion. Motion carried 5-0.

No action was taken.

Meeting Adjourned.

City of Holly Springs
City Council Regular Meeting Minutes
November 21, 2016

Elected Officials Present: Mayor Timothy Downing, Mayor Pro Tem Michael Zenchuk, Councilwoman Karen Barnett, Councilwoman Dee Phillips, Councilman Jeremy Smith, and Councilman Kyle Whitaker.

Staff Present: City Manager Rob Logan, City Clerk Karen Norred, Acting Chief Michael Carswell, Community Development Director Nancy Moon, Information Technology Manager Ron Carter, and Alicia Argo with the City Attorney's Office.

Mayor Downing called the meeting to order.

Mayor Downing led the Pledge of Allegiance. Councilmember Smith gave the invocation.

Consent Agenda

1. October 3, 2016 Council Meeting Minutes
2. October 17, 2016 Council Meeting Minutes
3. 2016 Budget Amendment Ordinance
4. Fiscal Year 2017 Budget Ordinance
5. Five-year Capital Improvement Plan 2017-2021 Ordinance
6. The Termination of Service Agreement with North Metro Waste
7. Award the Harmony on the Lakes curb and gutter repair on Lakefront Drive to Georgia Development Partners in an amount not to exceed \$15,572.05
8. ORD-15-2016 to amend the Holly Springs Zoning Ordinance, Article 5, District Uses and Regulations, to modify the High Density Residential Multi-Family Zoning District
9. MA-13-2016, rezoning request of 22.4+/- acres located on Hickory Road, tax parcel 103 of tax plat 15N14 and parcels 004, 005, 006, 007, 008, 009, 040, 040A, 040B, 041, 042, and 043 of tax plat 93N00, Holly Springs, GA from NC, Neighborhood Commercial, OI, Office and Institutional, GC, General Commercial, and LI, Light Industrial to GC, General Commercial with MXD-1, Mixed Use Overlay
10. ORD-14-2016 to amend the Holly Springs Zoning Ordinance, Article 5, District Uses and Regulations, Section 5.2; to provide for the addition of the GV, Governmental Zoning District; to provide for severability; to repeal conflicting ordinances; to provide an effective date; and for other purposes.

Councilmember Zenchuk moved to approve the Consent Agenda for November 21, 2016. Councilmember Whitaker seconded the motion. Motion carried 5-0.

Councilmember Zenchuk moved to approve an Ordinance to amend the Code of the City of Holly Springs, Georgia, Chapter 6 – Alcoholic Beverages; Article II. – Licenses; Section 6-36. – Location of Business – Districts Where Permitted and Section 6-52. – Penalty for late fee payment. Councilmember Whitaker seconded the motion. Motion carried 4-1, Councilmember Smith opposed.

Councilmember Zenchuk moved to approve the offer from Harmony on the Lakes Southside Home Owners' Association to contribute funding toward the construction of a sidewalk along Hickory Road from Harmony on the Lakes to J.B. Owens Park with a stipulation to amend the agreement from a specified completion date to an open-end date. Councilmember Whitaker seconded the motion. Motion carried 5-0.

Councilmember Phillips moved to approve A-10-2016 annexation request of tax parcel 008 of tax plat 15N15, located on Holly Springs Parkway, Cherokee County, GA; tax parcel 056, 057 of tax plat 15N15, located on Rabbit Hill Road, Cherokee County, GA. Councilmember Zenchuk seconded the motion. Motion carried 5-0.

Councilmember Barnett moved to approve MA-14-2016 rezoning request of 21.27+/- acres located on Holly Springs Parkway, tax parcels 008, 056, 057 of tax plat 15N15, Cherokee County, GA from R-40, Single Family Residential (County), to HDMFR, High Density Multi-Family Residential with staff stipulations. Councilmember Whitaker seconded the motion. Motion carried 5-0.

Councilmember Zenchuk moved to deny MA-15-2016 rezoning request of 28.43+/- acres located on Stringer Road, tax parcels 017B, 018, 018B, 018C of tax plat 15N26, Holly Springs, GA to amend Stipulation #11 of rezoning ordinance MA-05-2016. Councilmember Smith seconded the motion. Motion carried 5-0.

Councilmember Zenchuk moved to approve MA-16-2016 rezoning request for property located on Holly Springs Parkway, tax parcels 073, 087B of tax plat 15N15, tax parcel 062 of tax plat 93N00, tax parcel 001 of tax plat 93N02, tax parcels 092, 097A, 097J of tax plat 15N14, tax parcels 376A, 526A, 527, 527A, 528, 528A, 528B, 532, 533 of tax plat 15N20, tax parcels 027, 027A, 027B, 027D, 027E of tax plat 15N26, from GC, General Commercial, NC, Neighborhood Commercial, LI, Light Industrial, OI, Office Institutional, R-40, Single Family Residential County, R-15, Single Family Residential, to a government zoning district. Councilmember Smith seconded the motion. Motion carried 5-0.

Councilmember Whitaker moved to approve the Supplemental Agreement No. 1 between Georgia Department of Transportation and the City of Holly Springs for PI#0008961, Hickory Road and Holly Springs Parkway-Downtown Pedestrian Improvement-Livable Centers Initiative. Councilmember Phillips seconded the motion. Motion carried 5-0.

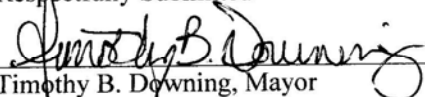
Department Reports:

- Rob Logan announced that the October Financial Report was in the agenda packet.

Councilmember Phillips moved to adjourn. Councilmember Barnett seconded the motion. Motion carried 5-0.

Meeting adjourned.

Respectfully Submitted


Timothy B. Downing, Mayor

ORD-24-2016

AN ORDINANCE OF THE CITY OF HOLLY SPRINGS APPROVING APPROPRIATIONS FOR THE YEAR 2017 GENERAL FUND, HOTEL/MOTEL TAX FUND, OPERATING GRANT FUND, PARKS AND RECREATION FUND, SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST) III FUND, SPLOST IV FUND, AND STORMWATER FUND

WHEREAS, the Mayor and City Council of the City of Holly Springs have prepared budgets for fiscal year 2017; and

WHEREAS, those budgets show a balance between projected revenues and anticipated expenditures/expenses; and

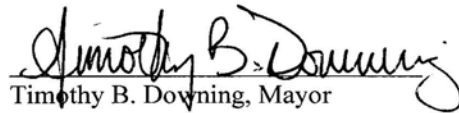
WHEREAS, it is required by the State of Georgia that local governments adopt ordinances or resolutions approving the appropriations necessary to effectively carry out the aims and operations proposed in their budgets:

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Holly Springs, do hereby officially approve the following appropriations for the purpose of implementing the 2017 fiscal year budget:


GENERAL FUND	\$ 5,950,000
HOTEL/MOTEL TAX FUND	\$ 6,000
OPERATING GRANT FUND	\$ 222,600
PARKS AND RECREATION FUND	\$ 485,000
SPLOST III FUND	\$ 200,000
SPLOST IV FUND	\$ 2,475,000
STORMWATER FUND	\$ 305,000

SO ORDAINED, THIS 21st DAY OF NOVEMBER, 2016 BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HOLLY SPRINGS, GEORGIA.

CITY OF HOLLY SPRINGS


Timothy B. Downing, Mayor

Attest:


Karen Norred, City Clerk
(Seal)

GEORGIA LAW ON LOCAL GOVERNMENT BUDGETS

36-81-2.Definitions

Statute Text

As used in this article, the term:

- (1) "Budget" means a plan of financial operation embodying an estimate of proposed expenditures during a budget period and the proposed means of financing them.
- (2) "Budget officer" means that local government official charged with budget preparation and administration for the local government. The official title of the local government budget officer shall be as provided by local law, charter, ordinance, or appropriate resolution of the governing authority.
- (3) "Budget ordinance," "ordinance," or "resolution" means that governmental action which appropriates revenues and fund balances for specified purposes, functions, or activities for a budget period.
- (4) "Budget period" means the period for which a budget is proposed or a budget ordinance or resolution is adopted.
- (5) "Capital projects fund" means a fund used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by resources from proprietary type activities which are accounted for in enterprise funds or those financed with funds held by the local government in a trustee capacity.
- (6) "Debt service fund" means a fund used to account for the accumulation of resources for and the payment of general long-term debt principal and interest.
- (7) "Enterprise fund" means a fund used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing authority is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing authority has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. For purposes of this paragraph, the term "costs" means expenses, including depreciation.
- (8) "Fiduciary fund" means those trust and agency funds used to account for assets held by a local government in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds.

- (9) "Fiscal year" means the period for which a budget is proposed or a budget ordinance or resolution is adopted for the local government's general fund, each special revenue fund, if any, and each debt service fund, if any.
- (10) "Fund" means a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
- (11) "General fund" means the fund used to account for all financial resources except those required to be accounted for in another fund.
- (12) "Governing authority" means that official or group of officials responsible for governance of the unit of local government.
- (13) "Internal service fund" means a fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit or to other governmental units on a cost-reimbursement basis.
- (14) "Legal level of control" means the lowest level of budgetary detail at which a local government's management or budget officer may not reassign resources without approval of the governing authority. The legal level of control shall be, at a minimum, expenditures for each department for each fund for which a budget is required. This does not preclude the governing authority of a local government from establishing a legal level of control at a more detailed level of budgetary control than the minimum required legal level of control.
- (15) "Special revenue fund" means a fund used to account for the proceeds of specific revenue sources, other than those for major capital projects or those held by the government in a trustee capacity, that are legally restricted to expenditure for specified purposes.
- (16) "Unit of local government," "unit," or "local government" means a municipality, county, consolidated city-county government, or other political subdivision of the state. Such terms do not include any local school district or board of education. For purposes of this paragraph, "county" includes any county officer who is paid in whole or in part on a salary basis and over whom the county governing authority exercises budgetary authority.

36-81-3. Establishment of fiscal year; requirement of annual balanced budget; adoption of budget ordinances or resolutions generally; budget amendments; uniform chart of accounts

- (a) The governing authority shall establish by ordinance, local law, or appropriate resolution a fiscal year for the operations of the local government.

(1) 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.

(2) Each unit of local government shall adopt and operate under a project-length balanced budget for each capital projects fund in use by the government. The project-length balanced budget shall be adopted by ordinance or resolution in the year that the project initially begins and shall be administered in accordance with this article. The project-length balanced budget shall appropriate total expenditures for the duration of the capital project.

(3) A budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations.

(4) Nothing contained in this Code section shall preclude a local government from adopting a budget for any funds used by the local government other than those specifically identified in paragraphs (1) and (2) of this subsection, including enterprise funds, internal service funds, and fiduciary funds.

(b) For each fiscal year beginning on or after January 1, 1982, each unit of local government shall adopt and utilize a budget ordinance or resolution as provided in this article.

(c) Nothing contained in this Code section shall preclude a local government from amending its budget so as to adapt to changing governmental needs during the budget period. Amendments shall be made as follows, unless otherwise provided by charter or local law:

(1) Any increase in appropriation at the legal level of control of the local government, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the governing authority. Such amendment shall be adopted by ordinance or resolution;

(2) Transfers of appropriations within any fund below the local government's legal level of control shall require only the approval of the budget officer; and

(3) The governing authority of a local government may amend the legal level of control to establish a more detailed level of budgetary control at any time during the budget period. Said amendment shall be adopted by ordinance or resolution.

(d) The Department of Community Affairs, in cooperation with the Association County Commissioners of Georgia and the Georgia Municipal Association, shall develop local government uniform charts of accounts. The uniform charts of accounts, including any subsequent revisions thereto, shall require approval of the state auditor prior to final adoption by the Department of Community Affairs. All units of local government shall

adopt and use such initial uniform charts of accounts within 18 months following adoption of the uniform charts of accounts by the Department of Community Affairs. The department shall adopt the initial local government uniform charts of accounts no later than December 31, 1998. The department shall be authorized to grant a waiver delaying adoption of the initial uniform charts of accounts for a period of time not to exceed two years upon a clear demonstration that conversion of the accounting system of the requesting local government, within the time period specified in this subsection, would be unduly burdensome.

(f) The department's implementation of subsection (e) of this Code section shall be subject to Chapter 13 of Title 50, the "Georgia Administrative Procedure Act."

36-81-4. Appointment of budget officer; performance of duties by governing authority in absence of appointment; utilization of executive budget

(a) Unless provided to the contrary by local charter or local Act, each local government may appoint a budget officer to serve at the will of the governing authority.

(b) In those units of local government in which there is no budget officer, the governing authority shall perform all duties of the budget officer as set forth in Code Section 36-81-5.

(c) Nothing in this Code section shall preclude the utilization of an executive budget, under which an elected or appointed official, authorized by charter or local law and acting as the chief executive of the governmental unit, exercises the initial budgetary policy-making function, while another individual, designated as provided in this Code section as budget officer, exercises the administrative functions of budgetary preparation and control.

36-81-5. Preparation of proposed budget; submission to governing authority; public review of proposed budget; notice and conduct of budget hearing

(a) By the date established by each governing authority, in such manner and form as may be necessary to effect this article, and consistent with the local government's accounting system, the budget officer shall prepare a proposed budget for the local government for the ensuing budget period.

(b) The proposed budget shall, at a minimum, be an estimate of the financial requirements at the legal level of control for each fund requiring a budget for the appropriate budget period and shall be in such form and detail, with such supporting information and justifications, as may be prescribed by the budget officer or the governing authority. The budget document, at a minimum, shall provide, for the appropriate budget period, a statement of the amount budgeted for anticipated revenues by source and the amount budgeted for expenditures at the legal level of control. In accordance with the minimum required legal level of control, the budget document shall, at a minimum, provide a statement of the amount budgeted for expenditures by

department for each fund for which a budget is required. This does not preclude the governing authority of a local government from preparing a budget document or establishing a legal level of control at a more detailed level of budgetary control than the minimum required legal level of control.

(c) On the date established by each governing authority, the proposed budget shall be submitted to the governing authority for that body's review prior to enactment of the budget ordinance or resolution.

(d) On the day that the proposed budget is submitted to the governing authority for consideration, a copy of the budget shall be placed in a public location which is convenient to the residents of the unit of local government. The governing authority shall make every effort to provide convenient access to the residents during reasonable business hours so as to accord every opportunity to the public to review the budget prior to adoption by the governing authority. A copy of the budget shall also be made available, upon request, to the news media.

(e) A statement advising the residents of the local unit of government of the availability of the proposed budget shall be published in a newspaper of general circulation within the jurisdiction of the governing authority. The notice shall be published during the week in which the proposed budget is submitted to the governing authority. In addition, the statement shall also advise the residents that a public hearing will be held at which time any persons wishing to be heard on the budget may appear. The statement shall be a prominently displayed advertisement or news article and shall not be placed in that section of the newspaper where legal notices appear.

(f) At least one week prior to the meeting of the governing authority at which adoption of the budget ordinance or resolution will be considered, the governing authority shall conduct a public hearing, at which time any persons wishing to be heard on the budget may appear.

(g) (1) the governing authority shall give notice of the time and place of the budget hearing required by subsection (f) of this Code section at least one week before the budget hearing is held. The notice shall be published in a newspaper of general circulation within the jurisdiction of the governing authority. The statement shall be a prominently displayed advertisement or news article and shall not be placed in that section of the newspaper where legal notices appear.

(2) The notice required by paragraph (1) of this subsection may be included in the statement published pursuant to subsection (e) of this Code section in lieu of separate publication of the notice.

(h) Nothing in this Code section shall be deemed to preclude the conduct of further budget hearings if the governing body deems such hearings necessary and complies with the requirements of subsection (e) of this Code section.

36-81-6. Adoption of budget ordinance or resolution; form of budget

(a) On a date after the conclusion of the hearing required in subsection (f) of Code Section 36-81-5, the governing authority shall adopt a budget ordinance or resolution making appropriations in such sums as the governing authority may deem sufficient, whether greater or less than the sums presented in the proposed budget. The budget ordinance or resolution shall be adopted at a public meeting which shall be advertised in accordance with the procedures set forth in subsection (e) of Code Section 36-81-5 at least one week prior to the meeting.

(b) The budget may be prepared in any form that the governing authority deems most efficient in enabling it to make the fiscal policy decisions embodied in the budget, but such budget shall be subject to the provisions of this article.