



***City of Holly Springs***

***Adopted Budget***

***January 1, 2018-December 31, 2018***

***[www.hollyspringsga.us](http://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, 2017**

A handwritten signature in black ink, reading "Jeffrey R. Egan".

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, 2017. 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***  
***FY2018 Adopted Budget***  
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*Steven W. Miller*  
*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, 2018 – December 31, 2018

## ***City Council***

Steven W. Miller	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 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. The City make semi-annual debt payments on behalf of the Authority 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 each month, 6:00 pm in the Council Chambers

***Planning and Zoning Commission Meetings***

- Second Thursday of each month, 7:00 pm in the Council Chambers

***Main Street Board***

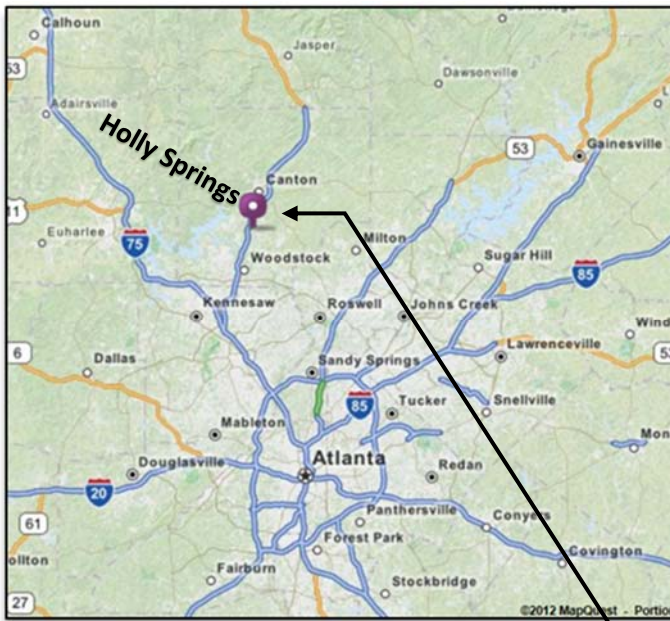
- Fourth Tuesday of each month, 6:00 pm in the Council Chambers

***Tree Commission Meeting***

- Second 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 7.1 square miles and located in Cherokee County.*

# Community Profile

## City of Holly Springs, GA

### Location

In Northwest Georgia between Woodstock and Canton in Cherokee County.

### City Square Miles

7.1

### Climate in Fahrenheit (January 1930-December 2016)

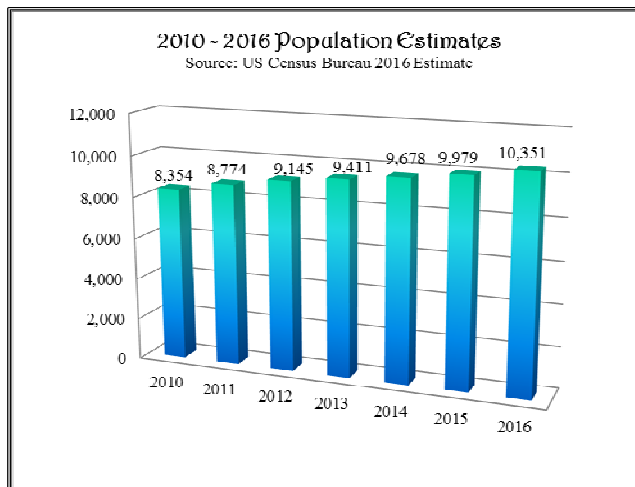
Source: Southeast Regional Climate Center (for Atlanta)

Average minimum temperature (F)	52.3
Average maximum temperature (F)	71.8
Average total precipitation (in.) since 1930	48.58
Average total snow fall (in.) (through Dec 2012)	2.2

### Racial Composition

Source: 2016 ACS 5-year Population Estimate

White	9,296	89.81%
Black or African American	620	5.99%
Asian	43	0.42%
American Indian or Alaskan Native	0	0.00%
Other	392	3.79%
	10,351	100.00%



### Median Age

33.2

Source: 2016 ACS 5-year Population Estimate

### Average Household (persons)

2.9

Source: 2016 ACS 5-year Population Estimate

### Gender Composition

Source: 2016 ACS 5-year Population Estimate

Male	4,858	46.93%
Female	5,493	53.07%
	10,351	100.00%

### Age Composition

Source: 2016 ACS 5-year Population Estimate

Under 5 years of age	722	6.98%
5 - 14 years	1,999	19.31%
15 - 19 years	523	5.05%
20 - 24 years	540	5.22%
25 - 34 years	1,817	17.55%
35 - 44 years	1,755	16.95%
45 - 54 years	1,208	11.67%
55 - 64 years	1,136	10.97%
65 + years	651	6.29%
	10,351	100.00%

### Household Tenure (Occupied Housing Unit)

Source: 2016 ACS 5-year Population Estimate

Owner-occupied	75.34%	2,749
Renter-occupied	24.66%	900
	100.00%	3,649

### Educational Attainment

Source: 2016 ACS 5-year Population Estimate

Less than High School Diploma	6.00%
High School Diploma	20.70%
Some college, no degree	22.30%
Associates Degree	8.60%
Bachelor's Degree	30.90%
Graduate or Professional Degree	11.50%
	100.00%

### Household Income

Source: 2016 ACS 5-year Population Estimate

Less than \$24,999	12.1%	462
\$25,000 - \$49,000	24.1%	559
\$50,000 - \$74,999	26.9%	702
\$75,000 - \$99,999	17.7%	642
\$100,000 +	19.2%	1,284
Median Household Income		\$ 77,307

### Income Per Capita

Source: 2016 ACS 5-year Population Estimate

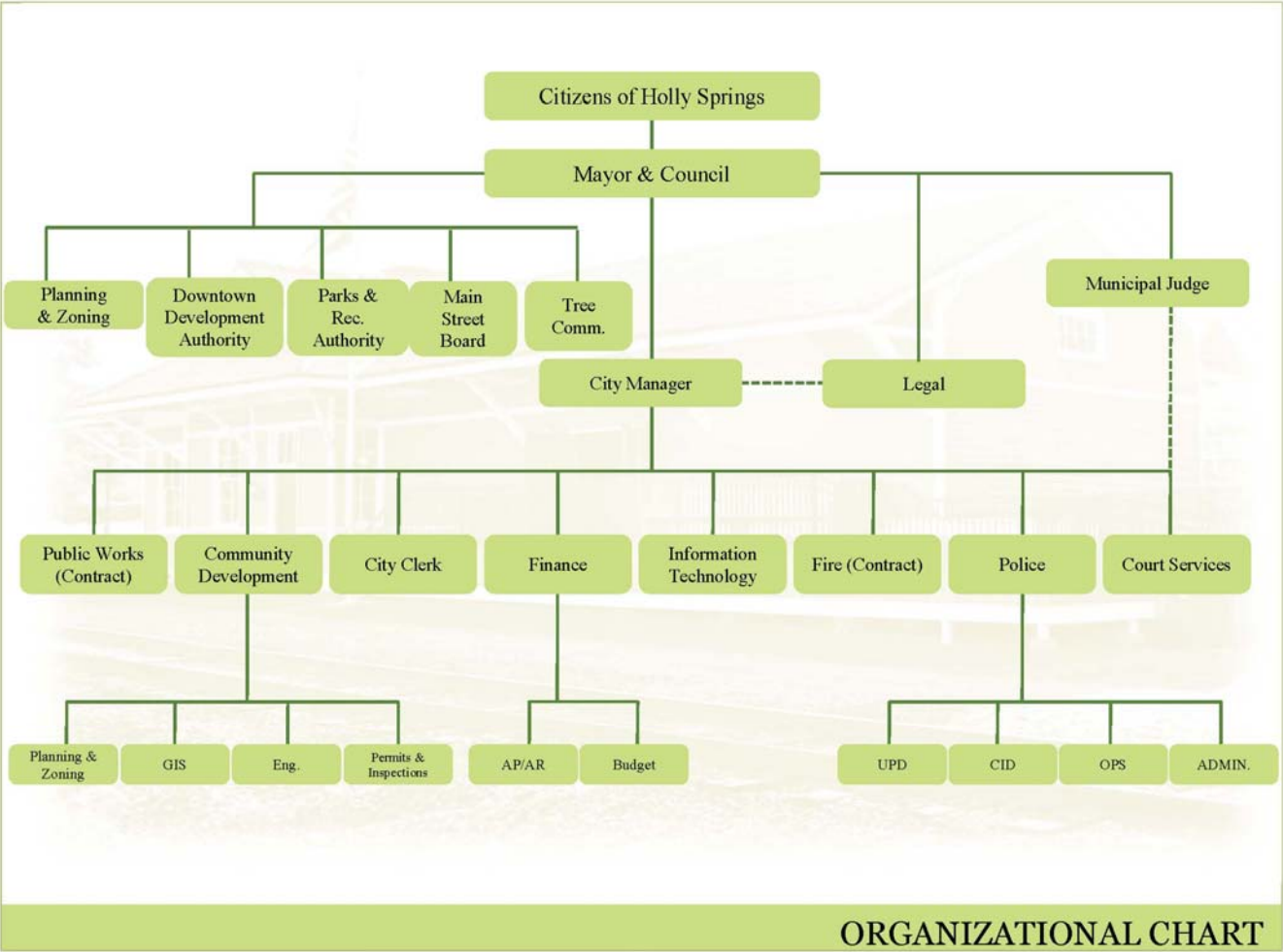
2016	(American Community Survey)	\$ 30,513
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### Unemployment Rate (%)

Source: Georgia Dept. of Labor for Cherokee County

as of November 2017	4.2%
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# Organizational Chart



- GIS    Geographic Information Systems
- AP    Accounts Payable
- AR    Accounts Receivable
- UPD   Uniform Patrol Division
- CID   Criminal Investigations Division
- OPS   Office of Professional Standards





***City of Holly Springs***

***Budget Message***



Steven W. Miller, 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 2018 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 7.1 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 10,351 residents. For more information about the City of Holly Springs, visit [www.hollyspringsga.us](http://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

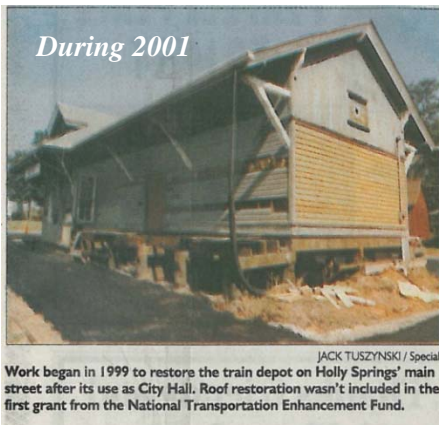
north. By 1878 railroad tracks were laid through Holly Springs, and reached Canton, the County seat, by 1879. By 1887, the tracks reached as far north as Murphy, North Carolina, and eventually with the Western & Atlantic Railroad, making it possible for local industries to thrive by transporting their 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.



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 70.28% residential, 18.88% commercial, 1.37% utility franchises, 4.66% industrial, and 3.02% 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 \$204,400 and has a household income of \$77,307.

### **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**

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 the summer of 2018, this project is expected to generate a great deal of commercial growth within the southern section of the City.

Ahead of the completion of the Northwest Corridor Project, several commercial construction projects are scheduled. Construction started on One Life Fitness, a 60,000 square foot health club, at the intersection of Sixes Road and I-575 in the fall of 2017. Dairy Queen Grill and Chill opened a new restaurant on December 27, 2017 on Holly Springs Parkway just north of Sixes Road. WellStar Health System, Inc. plans to break ground on a 100,000 square foot medical health park at the intersection of Sixes Road and I-575 in May of 2018. The City

has also approved a 31-acre mixed-use development north of Sixes Road called Meridian at Holly Springs that will include approximately 50,000 square feet of commercial property that will open in 2019.

### **Recent Residential Growth**

The City of Holly Springs continues to see significant residential growth in all sectors. In 2017, a planned 129 single-family residential development was approved on Univeter Road, a development with 76 townhomes on Holly Springs Parkway near Toonigh Road and a community consisting of 81 townhomes were approved on Holly Springs Parkway south of East Cherokee Drive. The City also approved a multi-family community of 282 units at the intersection of Holly Springs Parkway and Holly Park Drive.

### **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**

The City of Holly Springs experienced a resurgence in growth starting in 2014. The gross digest which includes real and personal property, motor vehicles, and mobile homes is 11.74% 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.

### **Service Level Changes**

In 2018, the City of Holly Springs did not implement any service level changes. Mayor, City Council and management of the City continually evaluate services provided to our citizens to determine if any changes are necessary. To improve efficiency and to capitalize upon economies of scale, the City of Holly Springs has entered into various agreements with other governmental entities as well as private sector organizations. The City renewed our intergovernmental agreement with Cherokee County on August 20, 2013 to provide fire and emergency services to our citizens in the most economically feasible manner possible while achieving a higher level of service and a reduction in the insurance service office (ISO) rating for our community. On December 21, 2015, the City of Holly Springs entered into an agreement with Optech Monette, LLC to provide public works and parks maintenance services throughout the City. This four-year agreement improves the level of service provided to the citizens of Holly Springs while reducing costs and liability to the City.

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.

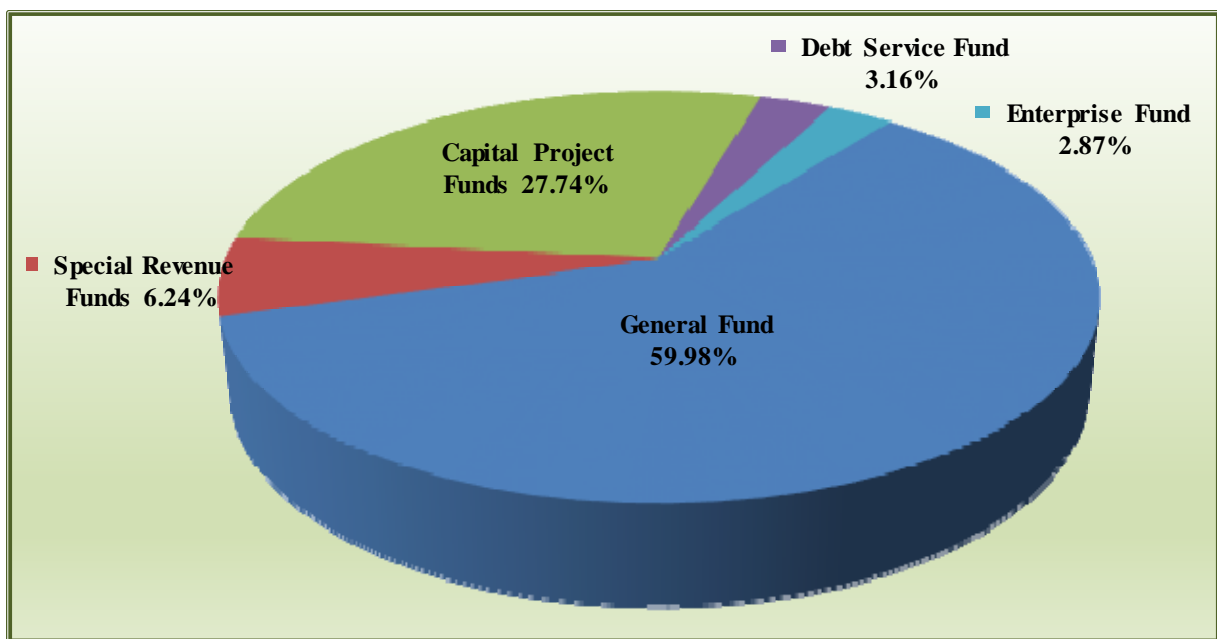
The balanced budget being presented to you carefully weighed these principles in its development. The total budget for FY2018 presented to Council for approval is \$11,336,236.

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 2018 fiscal year is \$11,336,236; a 7.47% increase from last year.

## ***Budgets by Fund*** **\$11,336,236**



<b><i>Fund</i></b>	<b><i>FY2018 Adopted Budget</i></b>
<i>General Fund</i>	\$ 6,800,000
<i>Special Revenue Funds</i>	\$ 707,500
<i>Capital Project Funds</i>	\$ 3,145,000
<i>Debt Service Fund</i>	\$ 358,736
<i>Enterprise Fund</i>	\$ 325,000
<b><i>Total</i></b>	<b>\$ 11,336,236</b>



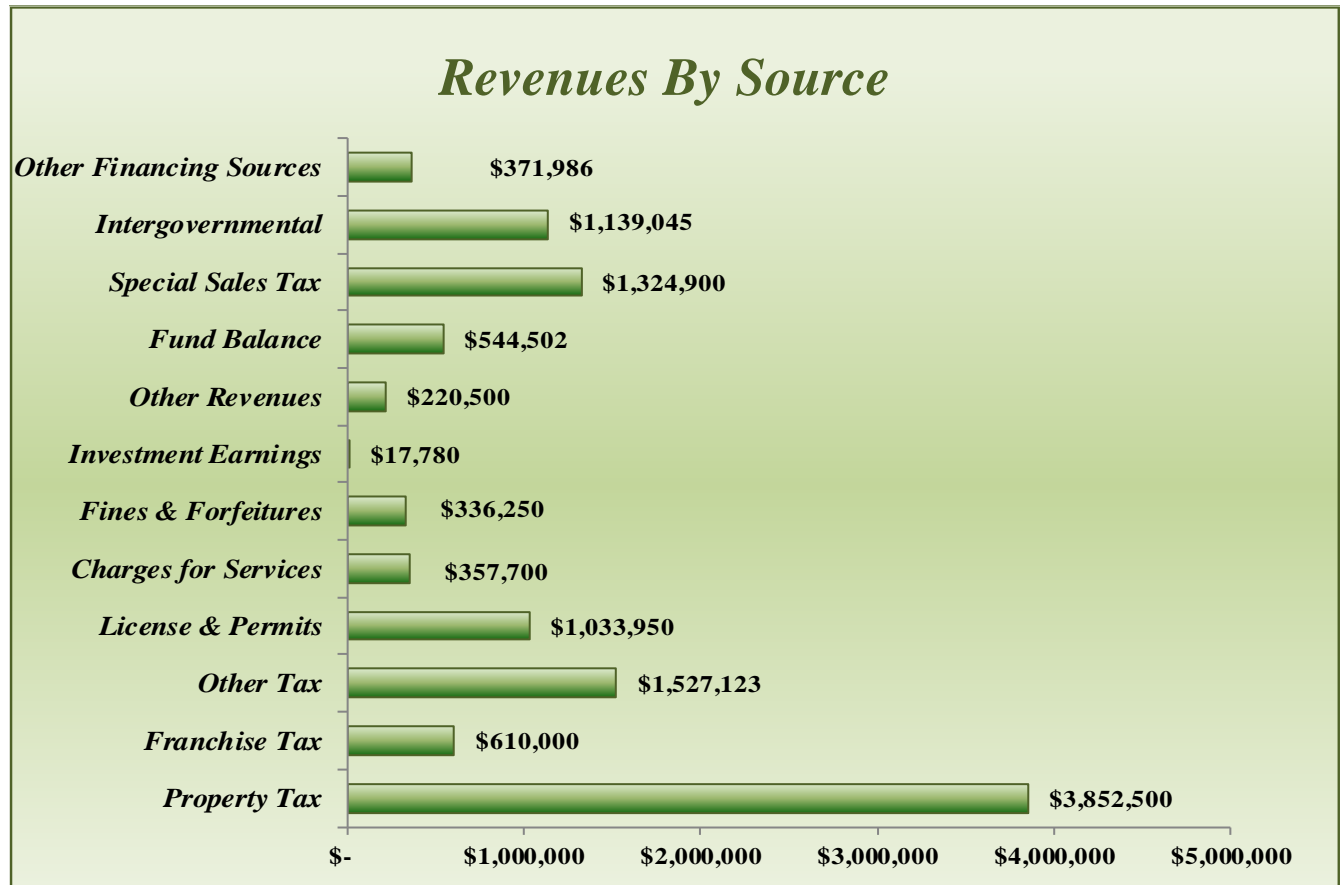
## Budget Comparison FY2017 to FY2018



Fund	Adopted Budget		Change from FY2017 to FY2018	
	FY2017	FY2018	\$ (+/-)	% (+/-)
General Fund	\$ 6,801,000	\$ 6,800,000	\$ (1,000)	-0.01%
Special Revenue Funds	\$ 704,075	\$ 707,500	\$ 3,425	0.49%
Capital Project Funds	\$ 2,925,000	\$ 3,145,000	\$ 220,000	7.52%
Debt Service Fund	\$ 358,736	\$ 358,736	\$ -	0.00%
Enterprise Fund	\$ 310,000	\$ 325,000	\$ 15,000	4.84%
<b>Total</b>	<b>\$ 11,098,811</b>	<b>\$ 11,336,236</b>	<b>\$ 237,425</b>	<b>2.14%</b>

## ***Basis of Revenue Estimates*** ***\$11,336,236***

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.



	Funds					
Revenues	General	Special Revenue	Capital Project	Debt Service	Enterprise	Total
Property Tax	\$ 3,852,500	\$ -	\$ -		\$ -	\$ 3,852,500
Franchise Tax	\$ 610,000	\$ -	\$ -		\$ -	\$ 610,000
Other Tax	\$ 823,500	\$ 341,695	\$ 361,928		\$ -	\$ 1,527,123
License & Permits	\$ 1,033,950	\$ -	\$ -		\$ -	\$ 1,033,950
Charges for Services	\$ 32,750	\$ -	\$ -		\$ 324,950	\$ 357,700
Fines & Forfeitures	\$ 336,250	\$ -	\$ -		\$ -	\$ 336,250
Investment Earnings	\$ 17,500	\$ 60	\$ 170		\$ 50	\$ 17,780
Other Revenues	\$ 79,750	\$ 140,750	\$ -		\$ -	\$ 220,500
Fund Balance	\$ -	\$ -	\$ 544,502		\$ -	\$ 544,502
Special Sales Tax	\$ -	\$ -	\$ 1,324,900		\$ -	\$ 1,324,900
Intergovernmental	\$ 550	\$ 224,995	\$ 913,500		\$ -	\$ 1,139,045
Other Financing Sources	\$ 13,250	\$ -	\$ -	\$ 358,736	\$ -	\$ 371,986
<b>Total Revenues</b>	<b>\$ 6,800,000</b>	<b>\$ 707,500</b>	<b>\$ 3,145,000</b>	<b>\$ 358,736</b>	<b>\$ 325,000</b>	<b>\$ 11,336,236</b>

## ***Basis of Expenditure Estimates*** ***\$11,336,236***

### ***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:

- 2% 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**

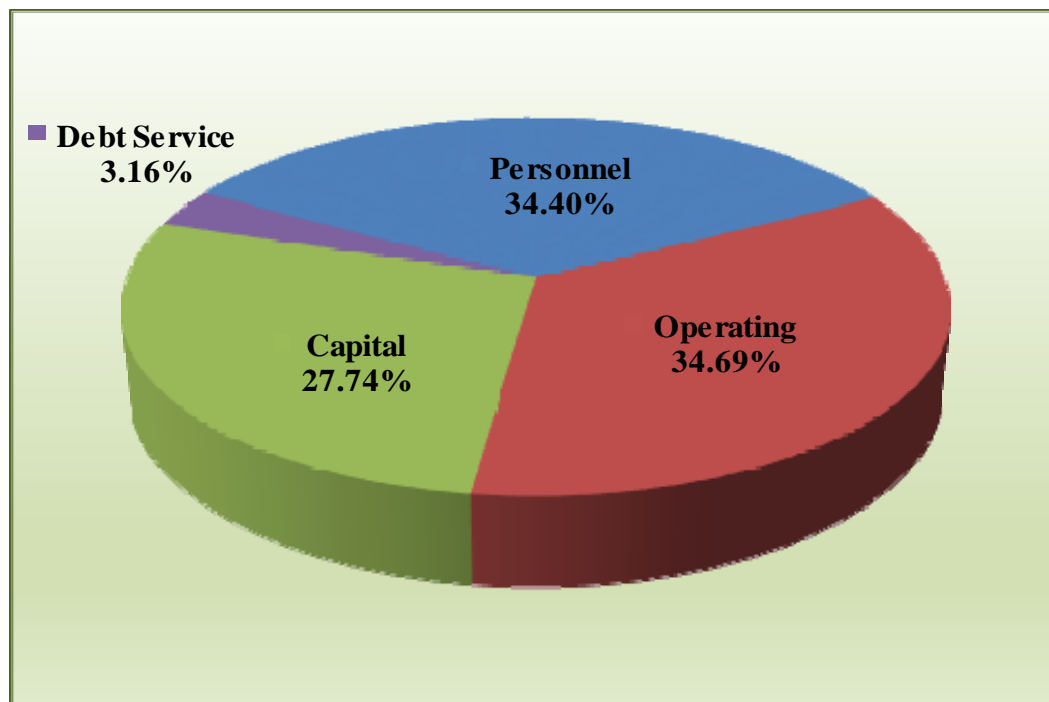
Effective October 1, 2004, this category includes expenditures for capital items, with an initial individual cost of \$5,000 or more, and an estimated useful life in excess of one year.

### **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	Debt Service	Total
<i>General</i>	\$ 3,797,465	\$ 3,002,535	\$ -	\$ -	\$ 6,800,000
<i>Enterprise</i>	\$ 102,395	\$ 222,605	\$ -	\$ -	\$ 325,000
<i>Special Revenue</i>	\$ -	\$ 707,500	\$ -	\$ -	\$ 707,500
<i>Capital Projects</i>	\$ -	\$ -	\$ 3,145,000	\$ -	\$ 3,145,000
<i>Debt Service</i>	\$ -	\$ -	\$ -	\$ 358,736	\$ 358,736
<b>Total</b>	<b>\$ 3,899,860</b>	<b>\$ 3,932,640</b>	<b>\$ 3,145,000</b>	<b>\$ 358,736</b>	<b>\$ 11,336,236</b>

## ***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 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.

## ***Comprehensive Plan (Long-Range Planning)***

### ***Purposes and Uses of the Comprehensive Plan***

In 2008, the City approved a resolution to adopt the Community Agenda. The Community Agenda is first, a physical plan intended to guide the development and redevelopment of the City by describing how, why, when, and where to build, rebuild, or preserve aspects of the community. Second, the Community Agenda covers a long-range planning horizon of 20 years (i.e., to the year 2027). Third, the Community Agenda is “comprehensive” in the sense that it covers the entire City limits, plus it encompasses all the functions that make a community work and considers the interrelatedness of functions. The Community Agenda is based on the foundation that if the City knows where it wants to go, it possesses better prospects of getting there.

The Community Agenda is intended to serve numerous purposes. It provides a primary basis for evaluating all future development proposals, whether they are requests for rezoning, applications for special use permits or subdivision plat approvals, and others. The Community Agenda is also intended to provide guidance for operating and capital improvement budgets. Business persons, investors, real estate brokers, and developers can learn from the plan what the future vision of the community is, as well as the overall direction and intensity of new growth and redevelopment. Market analysts and researchers can draw on the wealth of data provided in the Community Assessment and Community Agenda for their own specific needs. A separate market analysis was also conducted as a part of the comprehensive planning effort and is available for public review. Other local governments, regional entities, and state agencies also look at the contents of the Community Agenda as the best available statement of municipal policy and intent.

By adopting the Community Agenda, the Mayor and City Council make an extremely important expression of their consent and support for the vision and the objectives, goals, policies, and strategies contained in the Community Agenda.

### ***Amendment and Update of the Plan***

As an adopted expression of the City’s policy, the Community Agenda must be maintained in a manner that it still reflects the desires of the current Mayor and City Council. Developers, the general public, and other agencies have a right to rely on the adopted Comprehensive Plan as an expression of current policy. In cases where it is determined that a particular policy, goal, program, or statement is no longer a valid expression of the City’s policy, then the plan needs to be amended. Otherwise, the validity of the plan is weakened, and those that have relied on the Community Agenda when it is not a reflection of current policy have then been, in effect, misled. Local governments are required to update the Comprehensive Plan every five years, and at that time, they are encouraged to provide major rewrites of the Comprehensive Plan. Regardless, the Comprehensive Plan must be comprehensively revised every 10 years. Amendments may be considered by the Planning Commission and Mayor and City Council whenever the City finds it necessary to do so. When there is a significant change in policy by the Mayor and City Council, for instance a decision to drop a major capital improvement project that is described in the adopted plan, the plan should be amended.

Holly Springs will be a City that aspires to the following:

- A Revitalized and Expanded Historic Town Center

The City's Town Center, for which a Livable Centers Initiative (LCI) study has been completed and a redevelopment plan adopted, will be the cornerstone for preserving Holly Springs' small-town feel. Future development within the City's designated Town Center will be sensitive to, and complement, the small-town, historic character of downtown Holly Springs. Within the Town Center, Holly Springs will embrace mixed use development and principles of new urbanism. The City will implement downtown redevelopment plans to enhance downtown business and realize its revitalization objectives. To leverage private investment, the City will install streetscapes, sidewalks, and parking improvements, and it will facilitate revitalization and redevelopment efforts.

- A Robust Economy with Parkway Corridors, Employment Areas, and Office-Professional Parks

In addition to the Town Center, Holly Springs' economy will include development within its designated Parkway Corridors and employment areas, and through the addition of office professional parks. Along designated portions of Holly Springs Parkway (old Highway 5) and at interchanges with Interstate 575, Holly Springs will receive high-quality commercial development. New development may consist of limited bigbox stores, subject to architectural requirements, size limitations, and site and design guidelines.

Designated employment areas, which consist of industrial parks and schools and other institutional uses, will continue to prosper and will expand within defined limits according to campus-style planning and quality growth principles. Holly Springs will seek high-quality office-professional parks and developments in transitional areas adjacent to the Town Center and in other designated locations. Such office-professional developments will provide an appropriate land use transition from the Town Center and Parkway Corridors to the City's traditional and suburban residential neighborhoods.

- A Diversity of Traditional and Suburban Neighborhoods

Holly Springs' residential areas will consist of both traditional neighborhoods and suburban subdivisions. The City will ensure that its in-town, traditional residential neighborhoods will remain viable, quiet, and peaceful places with high quality of life, connected by sidewalks to the Town Center and Parkway Corridors. Traditional neighborhoods will be predominantly detached, single-family residential neighborhoods that maintain a grid-like street pattern and few, if any cul-de-sacs. Retail stores, services, civic-institutional uses and recreational open space areas may be included in traditional neighborhoods, all accessible by foot travel. In addition to preserving in-town residential neighborhoods, the City will also promote and ensure that some new residential neighborhoods follow principles of traditional neighborhood development.

Conventional, suburban development will comprise a significant amount of the City's land area. Such areas will remain exclusively developed with detached, single-family dwellings at suburban, not urban, densities.

Holly Springs will increase its geography over time, annexing residential and nonresidential lands. Residential developments annexed into the city will consist of a variety of master planned subdivisions, developed according to traditional neighborhood development principles, conservation subdivision designs, and conventional suburban characteristics.



- A System of Connected Open Spaces and a Healthy Environment

The City will be proactive in identifying future parks, recreation, open space, and conservation areas. Holly Springs will ensure that civic spaces, parks, recreation areas, and greenways are added to the City, collectively comprising a connected network, as development occurs. Holly Springs will protect its environment as new development occurs, through enforcement of environmental and land use regulations.

The City of Holly Springs utilizes the Comprehensive Plan in conjunction with the preparation of annual budgets as well as updates to the Capital Improvement Plan. There are projects and program identified in the Comprehensive Plan that relate directly with the annual budgets and Capital Improvement Plan.

### **Future Land Use Plan Map**

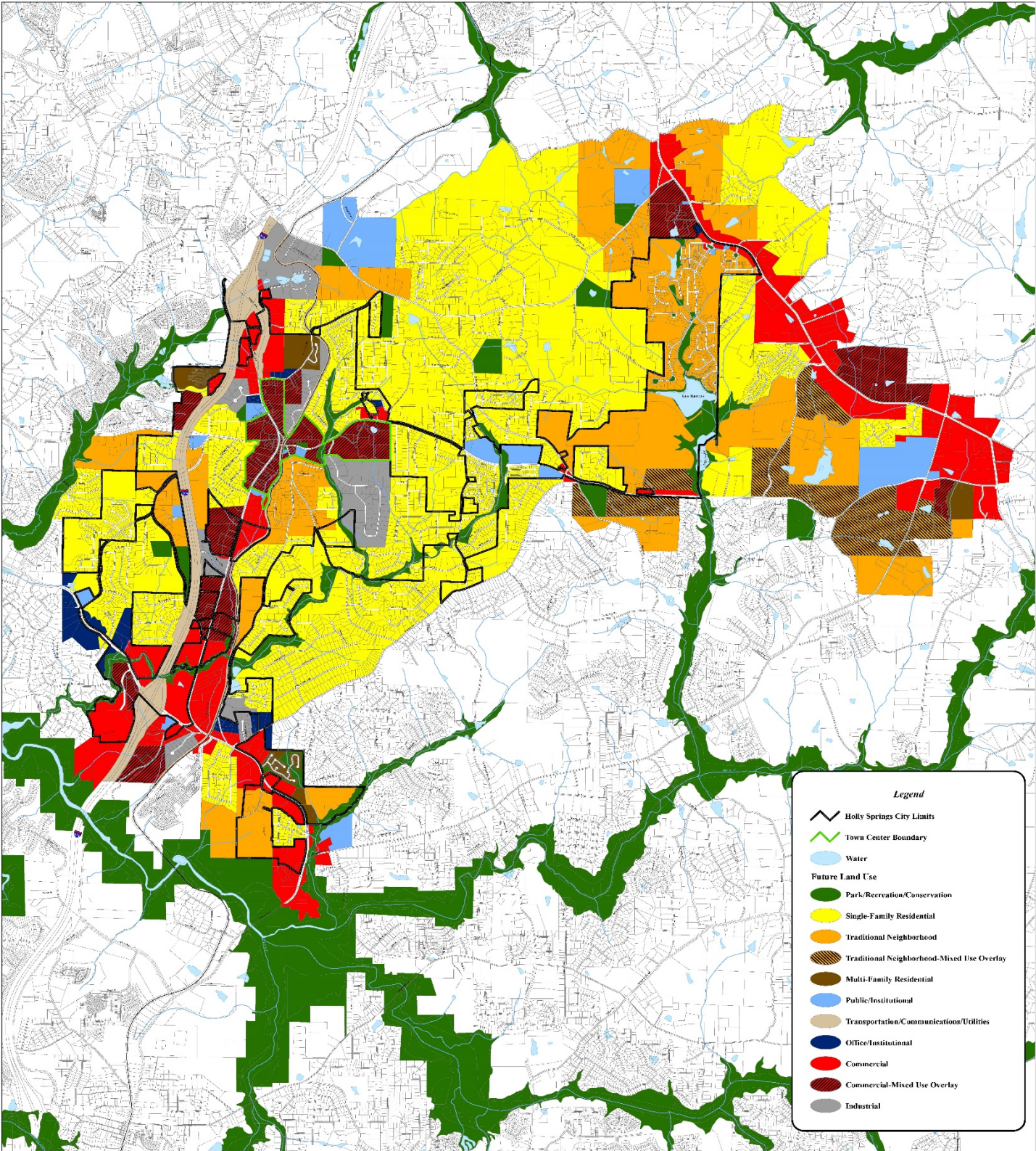
Under the state administrative rules for local planning, a future land use plan is optional. However, for local governments that have adopted zoning ordinances, a future land use plan is often considered to be essential in guiding rezoning decisions, which must consider the land use compatibility of proposed zoning actions with adjacent and nearby land uses. The future land use plan map is not a legal document per se, but it is used as a guide by the Planning Commission and Mayor and City Council in making rezoning and other decisions.

Future land uses as identified on the map below have a direct correlation with future tax revenues and demands for service as the City grows over the course of the next 10 years. This information is utilized in the preparation of the annual budget as well as the Capital Improvement Plan.



# Future Land Use Plan Map - City of Holly Springs Area

February 21, 2008



**Legend**

- Holly Springs City Limits
- Town Center Boundary
- Water
- Future Land Use**
  - Park/Recreation/Conservation
  - Single-Family Residential
  - Traditional Neighborhood
  - Traditional Neighborhood-Mixed Use Overlay
  - Multi-Family Residential
  - Public/Institutional
  - Transportation/Communications/Utilities
  - Office/Institutional
  - Commercial
  - Commercial-Mixed Use Overlay
  - Industrial

0 1,200 2,400 3,600 4,800 6,000 7,200 8,400 Feet  
1 inch equals 1,200 feet

 **City of Holly Springs**

 **Jerry Woltz & Associates, Inc.**  
Planning & Development Consultants  
10100 Highway 101, Suite 100, Holly Springs, NC 27540  
Phone: 919.775.4400 Fax: 919.775.4401  
www.jerrywoltz.com

 **Robert and Company**  
Engineers, Architects, Planners  
275 Peachtree St. N.E., Ste. 2000  
Atlanta, GA 30303-1020  
<http://www.robertandcompany.com>



## **Our Future: 2018-2022**

In keeping with this approach to development, there are five key initiatives which the City has embarked upon; the Holly Springs Parkway Widening Project, Downtown Holly Springs Redevelopment Project, Pedestrian Network Project, Industrial Connector Bypass Project, and the Cagle Farms Park Development. These five 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.

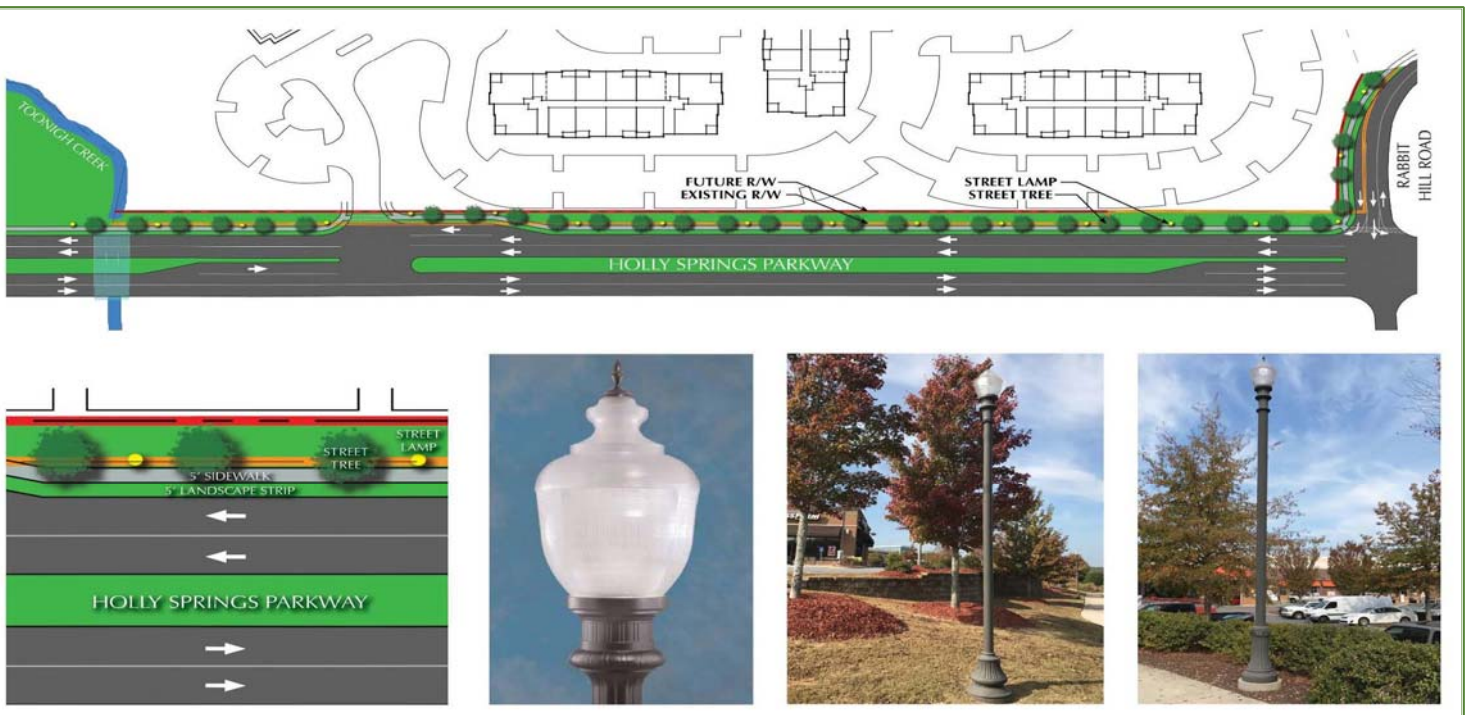
### **Holly Springs Parkway Widening Project**

Construction is scheduled to begin on the Holly Springs Parkway Widening Project in the spring after Holly Springs City Council voted to award the construction contract to Baldwin Paving Company, Inc., during their January 18, 2017 meeting, who also came in as the low-bidder out of five sealed bids at \$3,218,607.

Three upcoming developments will help offset construction costs for the Project. Developers of Meridian at Holly Springs, a mixed-use residential and commercial project being constructed across Holly Springs Pkwy. from Home Depot, Holly Park apartments, and Sixes Ridge apartments will contribute \$1,177 per residential unit to the Project, or \$1,073,424. Sixes Ridge remitted their contribution of \$400,180 on May 15, 2017, while Meridian at Holly Springs and Holly Park will submit their contributions as building permits are issued.

The project will include the extension of culverts over Toonigh Creek, four travel lanes with a median from Home Depot to Rabbit Hill Road, the addition of sidewalks and lamp posts along the roadway and the addition of a traffic light at the intersection of Holly Springs Parkway at Rabbit Hill Road. As part of this project, Rabbit Hill Road is also slated for improvements from I-575 to Holly Springs Parkway. The development of this project will provide for the following:

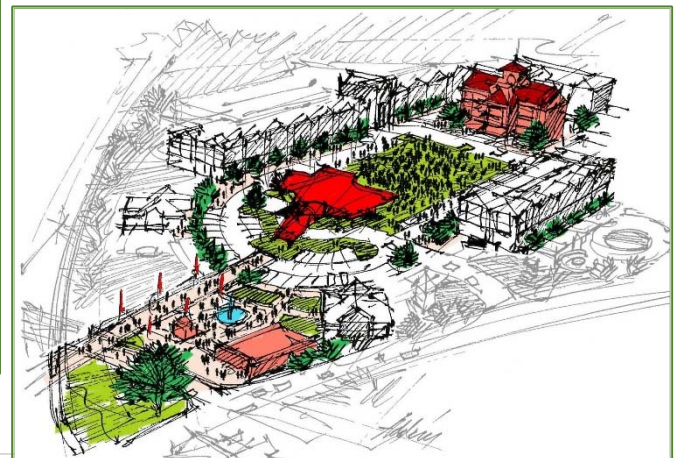
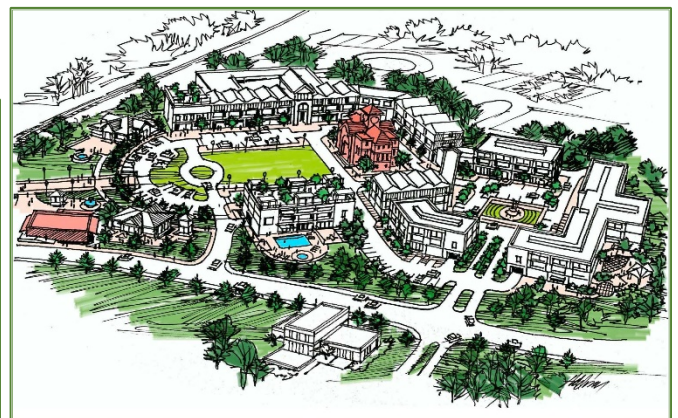
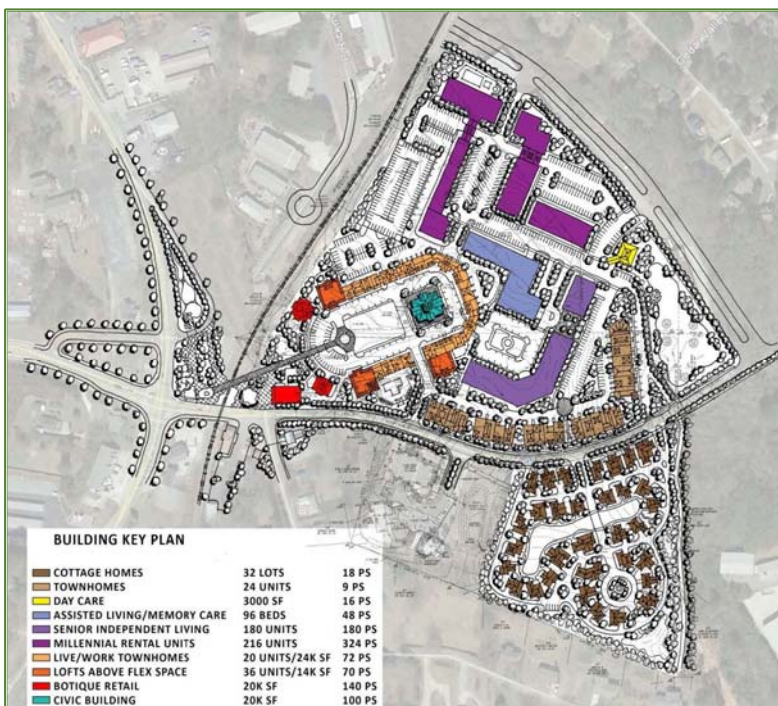
- Street improvements and traffic flow
- Economic development



## 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 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 proposals (RFP) for a master developer in late 2016 and is in current negotiations with a perspective master developer. The redevelopment project will provide for the following:

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





## Pedestrian Network Project

In an effort to improve pedestrian connectivity in the redeveloped Town Center District and throughout the City as a whole, the City of Holly Springs has been working to complete a pedestrian network funded through various sources. Improvements include not only sidewalks, but streetscape improvements as well.

The City of Holly Springs seeks to promote quality development and redevelopment within the Town Center District. Ideally, the area will be redeveloped with a mix of uses; become more bicycle- and pedestrian-oriented; and accommodate, reinforce, and preserve the City's historic identity. The development of this project will provide for the following:

- Pedestrian improvements in the Town Center District
- Hard walking/jogging trails
- Economic development



**KEY**

**Funded-LCI, Phase I  
(Completed 2017)**

**Currently Funded-LCI,  
Phase II**

**Currently Funded by  
SPLOST V**

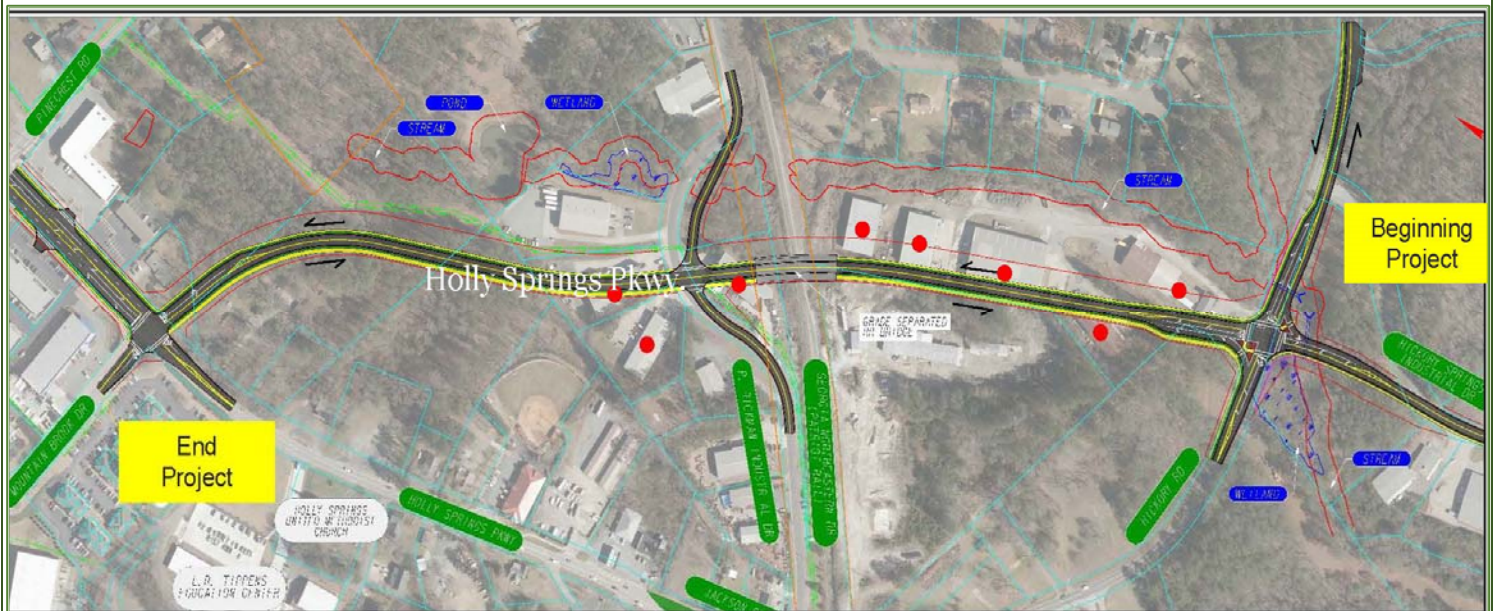
**Currently Funded by  
SPLOST V**

**Funded-CDBG  
(Completed 2017)**

### **Industrial Connector Bypass Project**

In 2002, the City entered into a contract with ARCADIS G&M, Inc. for the preparation of the Holly Springs Transportation Study, which identified several transportation improvement projects that needed to be constructed to improve traffic flow in the downtown Holly Springs area. In 2009, the City entered into an agreement with URS for the performance of the Town Center Transportation Study & Plan (TCP). Both studies suggested the construction of an industrial connector that would divert traffic from the downtown area, including the at-grade railroad crossing at the intersection of Hickory Rd. and Holly Springs Pkwy. It was also suggested that traffic be diverted from Hickory Springs Industrial Dr. over the railroad, across Rickman Industrial Dr. to Holly Springs Parkway near Exit 14 on I-575. At completion, the connector will divert traffic from Hickory Road to Holly Springs Parkway close to Mountain Brook Office Park. The development of this project will provide for the following:

- Street improvements and traffic flow in the Town Center District
- Economic development

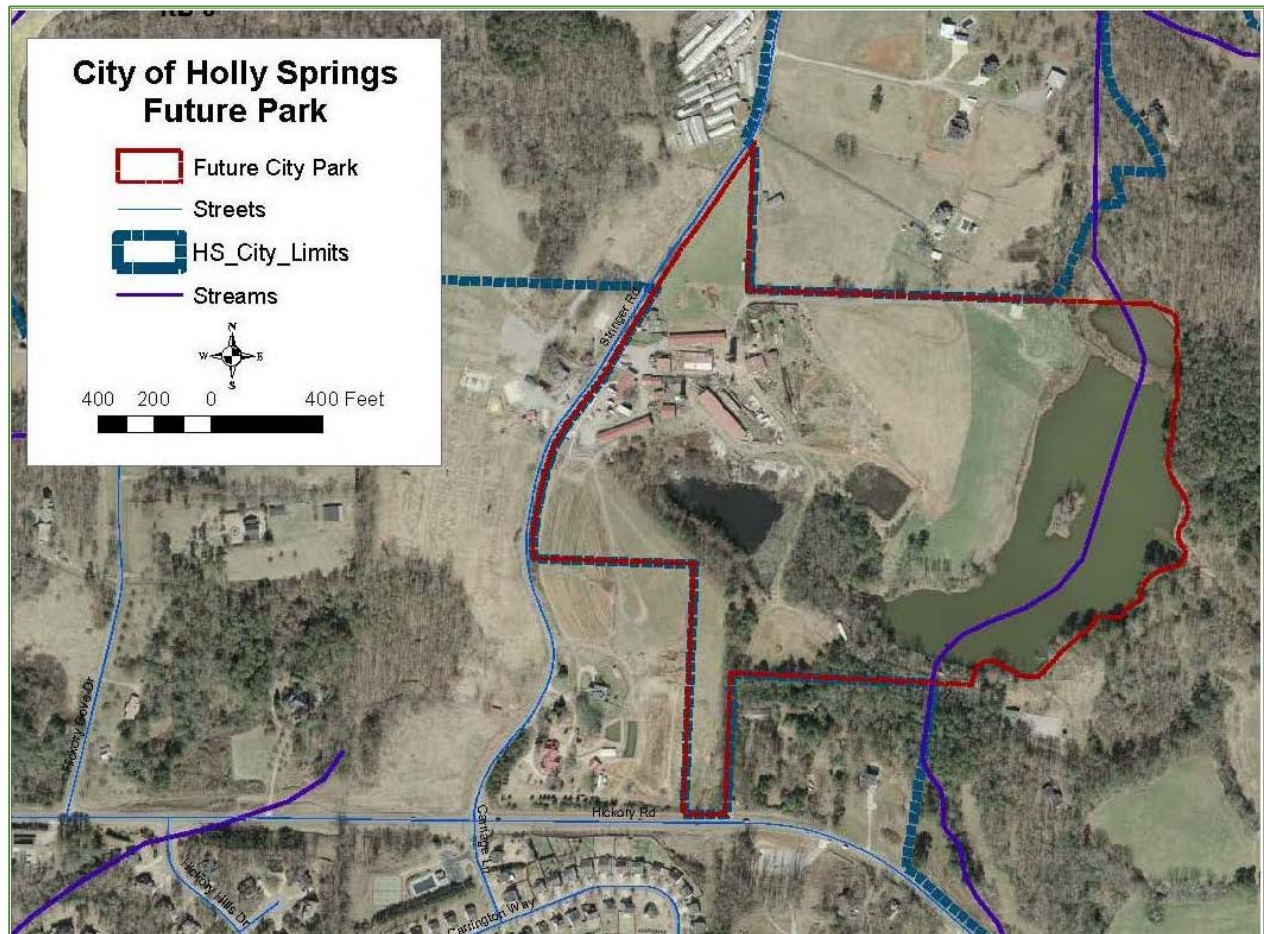




## **Cagle Family Farm Park Project**

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 Debt Service Fund for debt service on the Cagle Family Farm in the 2018 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 included an appropriation of \$1,500,000 in the 2017 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)
- Preservation of open space with a small public lake for fishing





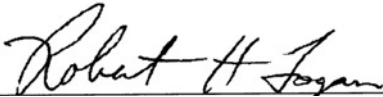
On behalf of the Mayor and your professional staff, I appreciate the City Council's support and leadership despite the many demands on your time and interests in providing the City staff with the necessary resources, funding, trust and confidence to meet our citizens' needs and allowing us all to live,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

Respectfully Submitted,



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Steven W. Miller, Mayor



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Robert H. Logan, City Manager/Finance Director



***City of Holly Springs***  
***Introduction to the***  
***Budget Process***



JANUARY						
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**July 2017**

- 3 Calendar prepared & distributed
- 10 Property Tax Digest & Millage Rate discussed at Council Work Session

**August 2017**

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

**September 2017**

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

**October 2017**

- 2 Expenditure estimates are made and returned to City Manager
- 9 Budget requests summarized
- 16 Requests analyzed and adjusted  
Proposed expenditure plan is assembled
- 23 Department Head meetings  
Proposed budget is reviewed

**November 2017**

- 8, 15 Budget adoption meeting advertised
- 20 Public hearing on budget is held

**December 2017**

- 4 Work Session to propose 2018 budget  
Budget adopted  
Appropriation Ordinance adopted  
Revenue Ordinance adopted

**January 2018**

- 2 2018 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 1<sup>st</sup>. 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, 2018, thereby being the Fiscal Year 2018 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 FY2018, the legal debt limit for the City of Holly Springs is \$48,353,952.

✓ **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).



***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.*



<b>City of Holly Springs' Goals</b>	<b>General Administration</b>	<b>Housing and Development</b>	<b>Municipal Court</b>	<b>Public Safety</b>	<b>Public Works</b>	<b>Parks and Recreation</b>	<b>Stormwater</b>
<b><i>Foster and Maintain Regional Partnerships</i></b>							
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	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	X
<b><i>Sustain and Protect Natural Resources</i></b>							
To maintain, protect and preserve the natural environment.		X			X	X	X
To provide a well-designed and carefully maintained network of parks and other green spaces.						X	
<b><i>Promote a Well-Planned City</i></b>							
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	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	
<b><i>Insist Upon Responsive Service Delivery</i></b>							
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 FY2018

<i>Departmental Objectives</i>	<i>Performance Measures</i>
<b>Strategic Goals: Foster and Maintain Regional Partnerships</b>	
<b>General Administration</b> 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
<b>Housing and Development</b> 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
<b>Public Safety</b> 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)
<b>Public Works</b> Work with the Georgia Department of Transportation, Local Maintenance Improvement Grant (LMIG) program to maintain City streets.	Number of miles of roads resurfaced
<b>Parks and Recreation</b> 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
<b>Stormwater</b> 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
<b>Strategic Goals: Sustain and Protect Natural Resources</b>	
<b>Housing and Development</b> Encourage new developments to set aside greenspace for their residents.	Number of acres of greenspace added
<b>Public Works/Parks and Recreation</b> Present to the public clean, physically-attractive, and well-maintained facilities.	Number of re-landscaped sites
Provide a well-designed and carefully maintained network of parks and other green space.	Number of acres of developed park land per 1,000 city residents
<b>Stormwater</b> Inspect stormwater collection and detention facilities.	Number of facilities inspected
<b>Strategic Goals: Promote a Well-Planned City</b>	
<b>General Administration</b> To maintain a low tax burden.	% change over operating roll-back millage rate
<b>Housing and Development</b> 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
<b>Public Safety</b> Provide a wide range of public education and special events for our citizens.	Number of Neighborhood Crime Watch meetings conducted
<b>Public Works</b> 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
<b>Parks and Recreation</b> Provide for the design, construction, and maintenance of park areas.	Number of acres of land set aside for new park construction
<b>Stormwater</b> Provide for the design, construction and maintenance of stormwater infrastructure.	Number of new stormwater outfall structures, catch basins, and detention facilities
<b>Strategic Goals: Insist Upon Responsive Service Delivery</b>	
<b>General Administration</b> 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
<b>Municipal Court</b> 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
<b>Public Safety</b> 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. The update for the Service Delivery Strategy must be completed by October 31, 2018.

### **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. Impose developer contributions for new fire vehicles and equipment.



### **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 throughout 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**

- ❖ Work with the Cherokee County Master Gardners, Inc. to house their facilities on the site of the former Cagle Family Farm in the fall of 2018.
- ❖ Start construction on the Livable Centers Initiative (LCI) Phase II streetscape project from the L.R. Tippens Education Center to Pine Crest Road along Holly Springs Parkway.
- ❖ Start construction on the Holly Springs Widening Project between Sixes Road and Rabbit Hill Road.



***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 major sources of revenue for the Debt Service Fund includes; alcohol excise tax, special assessments, capital grants, and special purpose local option sales taxes (SPLOST).

The major categories funded include; significant road repairs, transportation infrastructure, facilities, vehicles and equipment.

## **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.

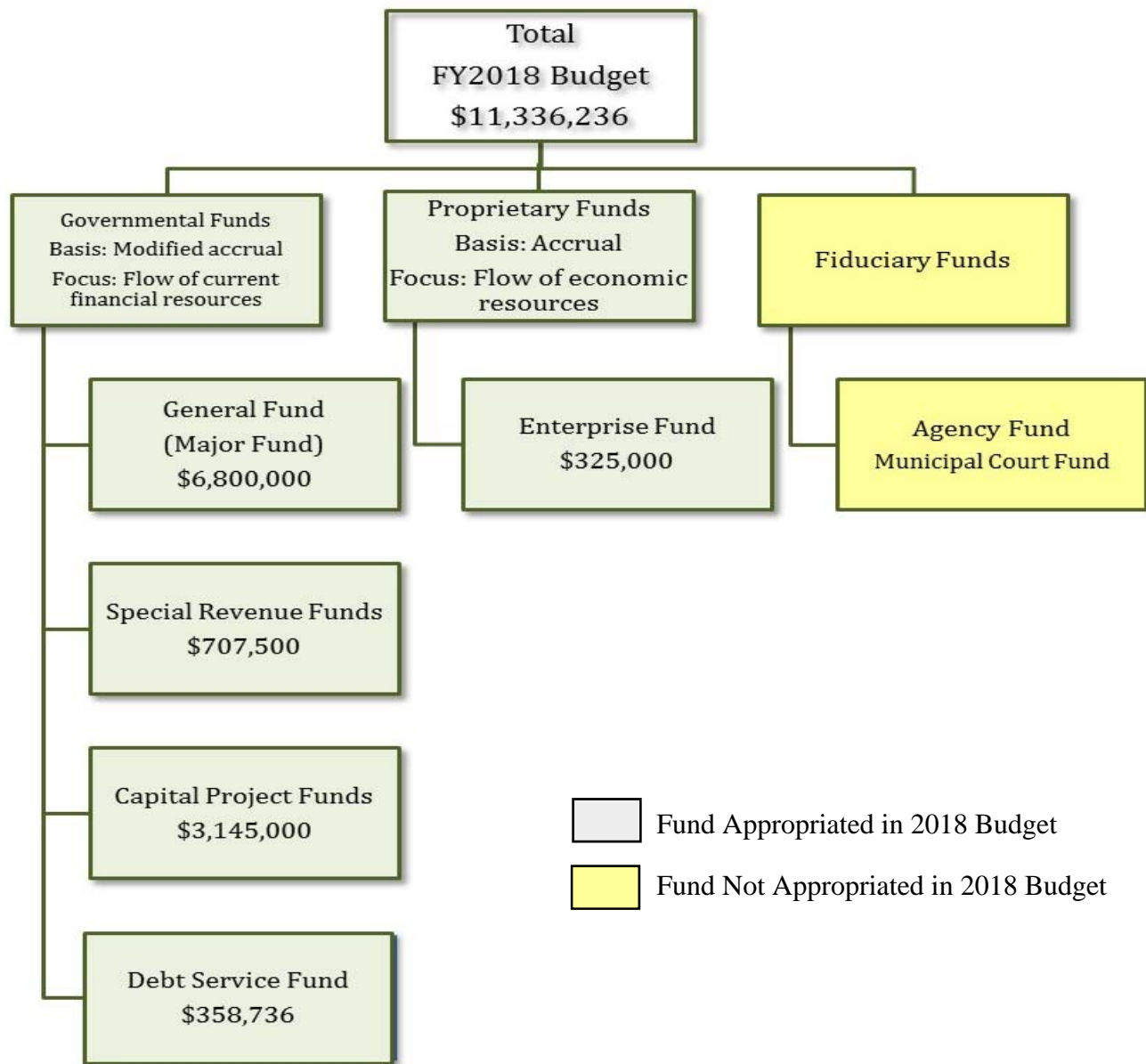
*Investment Trust Fund:* The Investment Trust Fund is used to report the external portion of the Local Government Investment Pool, which is reported by the City as the sponsoring government.

*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***

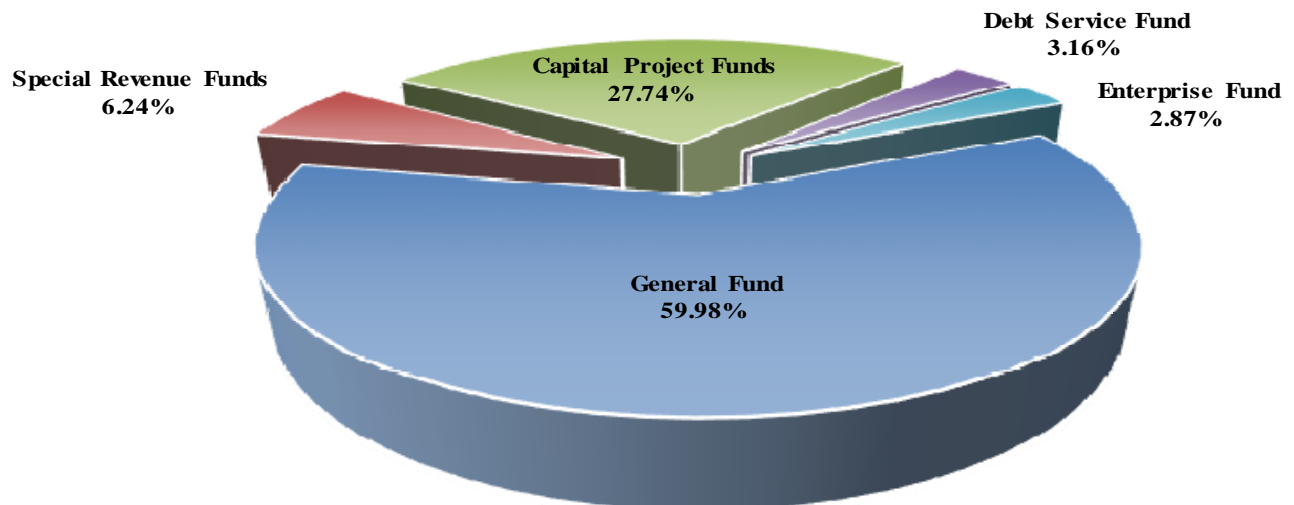
***Fund Summaries***



## ***Summary of Budgets by Fund***

Fund	FY2017 Adopted Budget	% of Total Budget	FY2018 Adopted Budget	% of Total Budget	\$ Change from FY2017 to FY2018	% Change from FY2017 to FY2018
General Fund	\$ 6,801,000	61.28%	\$ 6,800,000	59.98%	\$ (1,000)	-0.01%
Special Revenue Funds	\$ 704,075	6.34%	\$ 707,500	6.24%	\$ 3,425	0.49%
Capital Project Funds	\$ 2,925,000	26.35%	\$ 3,145,000	27.74%	\$ 220,000	7.52%
Debt Service Fund	\$ 358,736	3.23%	\$ 358,736	3.16%	\$ -	0.00%
Enterprise Fund	\$ 310,000	2.79%	\$ 325,000	2.87%	\$ 15,000	4.84%
Total	\$ 11,098,811	100.00%	\$ 11,336,236	100.00%	\$ 237,425	2.14%

## ***Percent of Budgets by Fund***



# City of Holly Springs

## Budget Summary (all funds)

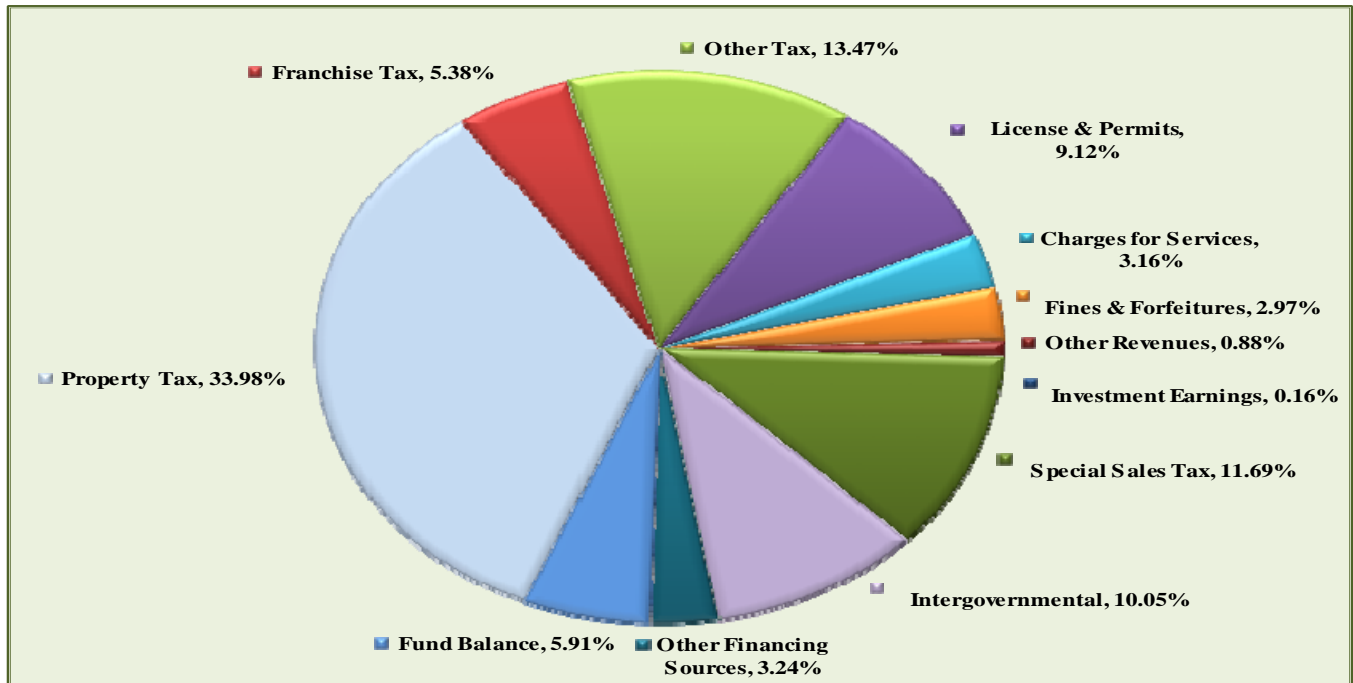
### \$11,336,236

#### Funds

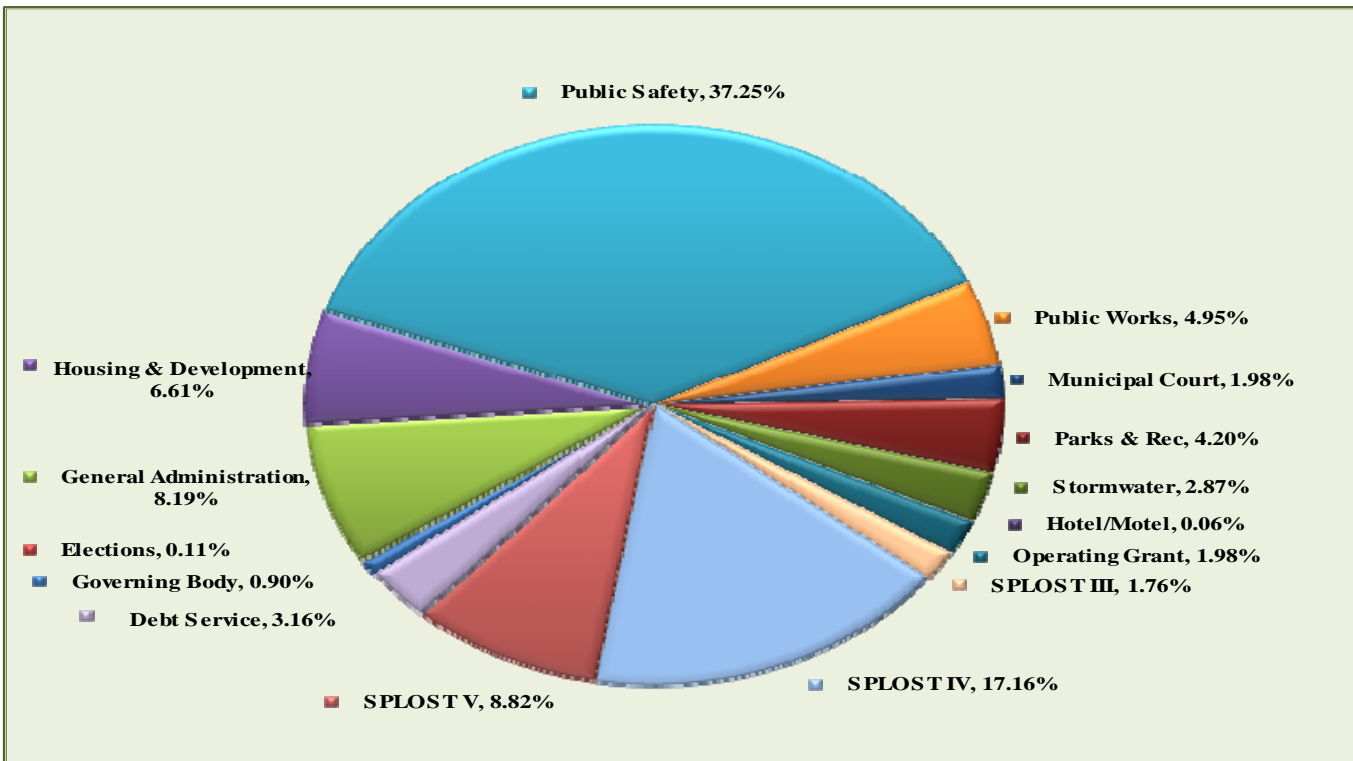
	General	Special Revenue	Capital Project	Debt Service	Enterprise	Total
<b>Beginning Fund Balance/Net Assets</b>	<b>\$ 5,700,350</b>	<b>\$ 486,931</b>	<b>\$ 198,934</b>	<b>\$ -</b>	<b>\$ 3,427,896</b>	<b>\$ 9,814,111</b>
<b>Estimated Revenues</b>						
Property Tax	3,852,500	-	-	-	-	3,852,500
Franchise Tax	610,000	-	-	-	-	610,000
Other Tax	823,500	341,495	361,928	-	-	1,526,923
License & Permits	1,033,950	-	-	-	-	1,033,950
Charges for Services	32,750	-	-	-	324,950	357,700
Fines & Forfeitures	336,250	-	-	-	-	336,250
Investment Earnings	17,500	60	170	-	50	17,780
Other Revenues	84,750	15,300	-	-	-	100,050
Fund Balance	-	125,650	544,502	-	-	670,152
Net Assets	-	-	-	-	-	-
Special Sales Tax	-	-	1,324,900	-	-	1,324,900
Intergovernmental	550	224,995	913,500	-	-	1,139,045
Other Financing Sources	8,250	-	-	358,736	-	366,986
	<b>\$ 6,800,000</b>	<b>\$ 707,500</b>	<b>\$ 3,145,000</b>	<b>\$ 358,736</b>	<b>\$ 325,000</b>	<b>\$ 11,336,236</b>
<b>Estimated Expenditures/Expenses</b>						
Governing Body	101,759	-	-	-	-	101,759
General Administration	940,995	-	-	-	-	940,995
Housing and Development	748,893	6,500	-	-	-	755,393
Public Safety	4,223,130	-	-	-	-	4,223,130
Public Works	560,688	-	-	-	-	560,688
Municipal Court	224,535	-	-	-	-	224,535
Parks & Recreation	-	476,000	-	-	-	476,000
Stormwater Management	-	-	-	-	325,000	325,000
Capital Outlay	-	-	3,145,000	-	-	3,145,000
Debt Service	-	-	-	358,736	-	358,736
Other Financing Uses	-	225,000	-	-	-	225,000
	<b>\$ 6,800,000</b>	<b>\$ 707,500</b>	<b>\$ 3,145,000</b>	<b>\$ 358,736</b>	<b>\$ 325,000</b>	<b>\$ 11,336,236</b>
<b>Ending Fund Balance/Net Assets</b>	<b>\$ 5,700,350</b>	<b>\$ 486,931</b>	<b>\$ 198,934</b>	<b>\$ -</b>	<b>\$ 3,427,896</b>	<b>\$ 9,814,111</b>

## ***FY2018 Budget Summaries (all funds)***

### ***Revenues By Source***



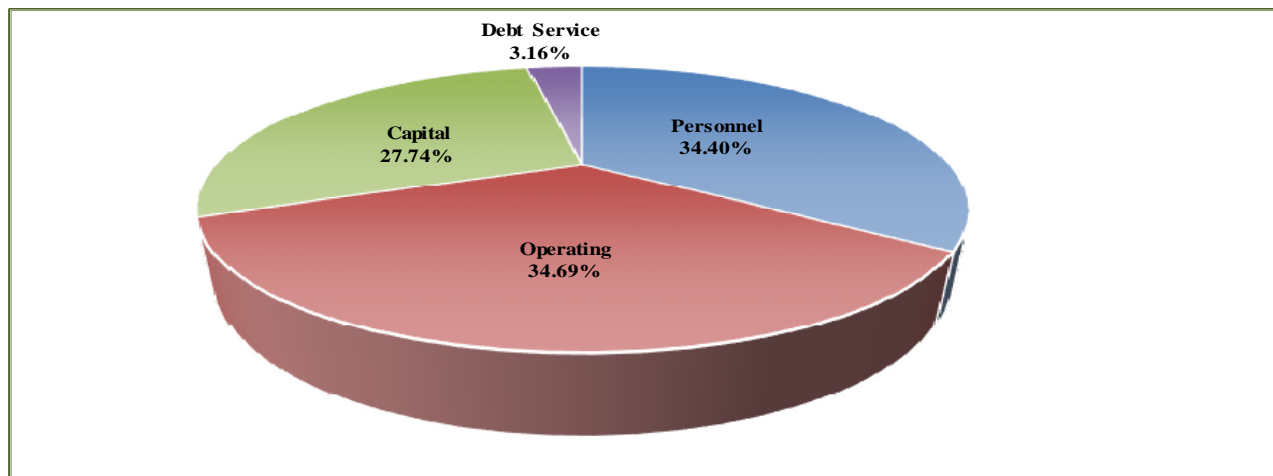
### ***Expenditures/Expenses by Department***



## ***Summary of Expenditures/Expenses by Category (all funds)***

Funds	Personnel	Operating	Capital	Debt Service	Total
<b>General Fund</b>					
Governing Board	\$ 98,009	\$ 3,750	\$ -	\$ -	\$ 101,759
General Administration	\$ 573,495	\$ 367,500	\$ -	\$ -	\$ 940,995
Housing & Development	\$ 536,118	\$ 212,775	\$ -	\$ -	\$ 748,893
Public Safety	\$ 2,447,058	\$ 1,776,072	\$ -	\$ -	\$ 4,223,130
Public Works	\$ -	\$ 560,688	\$ -	\$ -	\$ 560,688
Municipal Court	\$ 142,785	\$ 81,750	\$ -	\$ -	\$ 224,535
Total	\$ 3,797,465	\$ 3,002,535	\$ -	\$ -	\$ 6,800,000
<b>Enterprise Fund</b>					
Stormwater Management	\$ 102,395	\$ 222,605	\$ -	\$ -	\$ 325,000
<b>Special Revenue Fund</b>					
Parks & Recreation	\$ -	\$ 476,000	\$ -	\$ -	\$ 476,000
Hotel/Motel Tax Fund	\$ -	\$ 6,500	\$ -	\$ -	\$ 6,500
Operating Grant	\$ -	\$ 225,000	\$ -	\$ -	\$ 225,000
Total	\$ -	\$ 707,500	\$ -	\$ -	\$ 707,500
<b>Capital Project Funds</b>					
SPLOST III	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000
SPLOST IV	\$ -	\$ -	\$ 1,945,000	\$ -	\$ 1,945,000
SPLOST V	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Total	\$ -	\$ -	\$ 3,145,000	\$ -	\$ 3,145,000
<b>Debt Service Fund</b>					
Debt Service	\$ -	\$ -	\$ -	\$ 358,736	\$ 358,736
Total	\$ 3,899,860	\$ 3,932,640	\$ 3,145,000	\$ 358,736	\$ 11,336,236

## ***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**

	FY2015 Actual (audited)	FY2016 Actual (audited)	FY2017 Budget	FY2018 Budget	% of Total	% Change from FY17 to FY18
<b>Beginning Fund Balance</b>	<b>\$ 9,312,374</b>	<b>\$10,177,354</b>	<b>\$ 9,814,111</b>	<b>\$10,351,072</b>		
<b>Revenues</b>						
Property taxes	3,140,934	3,562,941	3,473,500	3,852,500	37.4%	10.91%
Franchise taxes	604,313	628,911	545,000	610,000	5.92%	11.93%
Other taxes	964,795	1,029,550	1,119,225	1,165,195	11.31%	4.11%
Special Tax	-	-	1,350,000	1,324,900	12.86%	-1.86%
Intergovernmental	1,753,918	3,792,829	1,366,408	1,139,045	11.06%	-16.64%
License and permits	877,253	1,012,827	985,275	1,033,950	10.04%	4.94%
Charges for services	391,026	461,673	355,200	372,700	3.62%	4.93%
Donations from private sources	8,075	18,302	25,000	35,000	0.34%	40.00%
Fines and forfeitures	389,908	334,566	301,000	336,250	3.26%	11.71%
Investment Earnings	10,326	15,399	15,180	17,780	0.17%	17.13%
Other Revenues	30,717	39,217	105,128	411,778	4.00%	291.69%
<b>Total revenues</b>	<b>8,171,265</b>	<b>10,896,215</b>	<b>9,640,916</b>	<b>10,299,098</b>	<b>100.00%</b>	<b>6.83%</b>
<b>Expenditures</b>						
<b>Current:</b>						
General Government	799,051	819,309	1,055,413	1,038,754	9.46%	-1.58%
Health and Welfare	356,242	224,872	222,570	225,000	2.05%	1.09%
Culture and Recreation	150,479	3,629,324	120,264	121,264	1.10%	0.83%
Municipal Court	286,373	261,335	262,101	224,535	2.05%	-14.33%
Public Safety	3,133,362	3,413,547	3,693,201	4,223,130	38.47%	14.35%
Public Works	561,785	704,790	897,306	885,688	8.07%	-1.29%
Housing & Development	397,747	561,728	665,523	755,393	6.88%	13.50%
<b>Capital outlay:</b>						
Public Safety	97,443	297,725	363,000	577,540	5.26%	59.10%
General Government	79,245	371,727	-	-	0.00%	
Culture and Recreation	100,000	-	-	-	0.00%	
Municipal Court	-	-	-	-	0.00%	
Public Works	1,091,737	710,179	2,518,645	2,567,460	23.39%	1.94%
Housing & Development	239,425	3,187,392	-	-	0.00%	
<b>Debt Service</b>						
Principal	127,215	281,417	340,067	297,533	39.39%	-12.51%
Interest	6,252	31,418	65,024	61,203	8.10%	-5.88%
<b>Total expenditures</b>	<b>7,426,356</b>	<b>14,494,763</b>	<b>10,203,114</b>	<b>10,977,500</b>	<b>96.73%</b>	<b>7.59%</b>
<b>Excess of revenues over (under) expenditures</b>	<b>744,909</b>	<b>(3,598,548)</b>	<b>(562,198)</b>	<b>(678,402)</b>		
<b>Other financing sources (uses):</b>						
Proceeds from Sale of Capital Assets	20,578	35,305	556,500	8,250	1.22%	-98.52%
Proceeds from revenue bond issuance	-	3,200,000	-	-		
Restatement of net position	(2,823)	-	-	-		
Fund Balance	-	-	542,659	670,152	98.78%	23.49%
Transfers in	12,872	382,706	358,736	358,736	52.88%	0.00%
Transfers out	(12,872)	(382,706)	(358,736)	(358,736)	-52.88%	0.00%
Capital assets contributed by private sources	102,316	-	-	-	0.00%	
<b>Total other financing sources (uses)</b>	<b>120,071</b>	<b>3,235,305</b>	<b>1,099,159</b>	<b>678,402</b>	<b>100.00%</b>	<b>-38.28%</b>
<b>Net change in fund balance</b>	<b>864,980</b>	<b>(363,243)</b>	<b>536,961</b>	<b>-</b>		
<b>Fund balances (deficit), end of year</b>	<b>\$ 10,177,354</b>	<b>\$ 9,814,111</b>	<b>\$10,351,072</b>	<b>\$10,351,072</b>		

**General Fund**

	FY2015 Actual (audited)	FY2016 Actual (audited)	FY2017 Budget	FY2018 Budget	% of Total	% Change from FY17 to FY18
<b>Beginning Fund Balance</b>	<b>\$ 4,386,803</b>	<b>\$ 5,165,480</b>	<b>\$ 5,700,350</b>	<b>\$ 6,237,311</b>		
<b>Revenues</b>						
Property taxes	3,140,934	3,562,941	3,473,500	3,852,500	56.7%	10.91%
Franchise taxes	604,313	628,911	545,000	610,000	8.98%	11.93%
Other taxes	644,069	695,402	785,550	823,500	12.13%	4.83%
Intergovernmental	-	-	725	550	0.01%	-24.14%
License and permits	865,324	925,535	985,275	1,033,950	15.22%	4.94%
Charges for services	60,913	90,368	30,250	32,750	0.48%	8.26%
Fines and forfeitures	389,908	334,566	301,000	336,250	4.95%	11.71%
Investment Earnings	7,988	14,064	15,000	17,500	0.26%	16.67%
Donations from private sources	2,000	18,302	25,000	35,000	0.52%	40.00%
Other Revenues	25,967	38,993	83,200	49,750	0.73%	-40.20%
<b>Total revenues</b>	<b>5,741,416</b>	<b>6,309,082</b>	<b>6,244,500</b>	<b>6,791,750</b>	<b>100.00%</b>	<b>8.76%</b>
<b>Expenditures</b>						
<b>Current:</b>						
General Government	799,051	819,309	1,055,413	1,038,754	15.28%	-1.58%
Municipal Court	286,373	261,335	262,101	224,535	3.30%	-14.33%
Public Safety	3,133,362	3,413,547	3,693,201	4,223,130	62.10%	14.35%
Public Works	349,258	442,958	587,306	560,688	8.25%	-4.53%
Culture and Recreation	4,000	4,000	4,000	4,000	0.06%	0.00%
Housing & Development	390,125	556,552	659,018	748,893	11.01%	13.64%
<b>Capital outlay:</b>						
General Government	1,800	329,353	-	-	0.00%	
Municipal Court	-	-	-	-	0.00%	
Public Works	6,476	-	-	-	0.00%	
Public Safety	-	-	3,000	-	0.00%	-100.00%
Housing & Development	-	-	-	-	0.00%	
<b>Total expenditures</b>	<b>4,970,445</b>	<b>5,827,054</b>	<b>6,264,039</b>	<b>6,800,000</b>	<b>100.00%</b>	<b>8.56%</b>
Excess of revenues over (under) expenditures	770,971	482,028	(19,539)	(8,250)		
<b>Other financing sources (uses):</b>						
Proceeds from Sale of Capital Assets	20,578	35,305	556,500	8,250	100.00%	-98.52%
Transfers in	-	17,537	-	-	0.00%	
Transfers out	(12,872)	-	-	-	0.00%	
<b>Total other financing sources (uses)</b>	<b>7,706</b>	<b>52,842</b>	<b>556,500</b>	<b>8,250</b>	<b>100.00%</b>	<b>-98.52%</b>
Net change in fund balance	778,677	534,870	536,961	-		
<b>Fund balances (deficit), end of year</b>	<b>\$ 5,165,480</b>	<b>\$ 5,700,350</b>	<b>\$ 6,237,311</b>	<b>\$ 6,237,311</b>		

## **Explanation of General Fund Variances**

- Municipal Court decreased 14.33% in 2018 from 2017 due to a decrease in court personnel due to reassignment.
- Public Safety increased 14.35% in 2018 due to an increase in the number of police officers and in increase fire district taxes attributable to the growth within the City of Holly Springs in 2018 over 2017.
- Housing and Development increased by 13.64% in 2018 over 2017 due to the addition of personnel in the Community Development Department due to continued growth in the City. The City contracted with a private sector company in 2017 to assist with commercial construction inspections.

**Special Revenue Funds**

	FY2015 Actual (audited)	FY2016 Actual (audited)	FY2017 Budget	FY2018 Budget	% of Total	% Change from FY17 to FY18
<b>Beginning Fund Balance</b>	<b>\$668,406</b>	<b>\$769,031</b>	<b>\$ 486,931</b>	<b>\$ 486,931</b>		
<b>Revenues</b>						
Other taxes	320,726	334,148	333,675	341,695	58.73%	2.40%
Intergovernmental	356,243	224,873	222,565	224,995	38.67%	1.09%
Investment Earnings	682	537	60	60	0.01%	0.00%
Charges for Services	9,620	10,395	15,000	15,000	2.58%	0.00%
Donations from Private Sources	6,075	-	-	-	0.00%	
Other Revenues	4,750	224	-	100	0.02%	
<b>Total revenues</b>	<b>698,096</b>	<b>570,177</b>	<b>571,300</b>	<b>581,850</b>	<b>100.00%</b>	<b>1.85%</b>
<b>Expenditures</b>						
<b>Current:</b>						
Health and welfare	356,242	224,872	222,570	225,000	64.51%	1.09%
Housing and Development	7,622	5,176	6,505	6,500	1.86%	-0.08%
Culture and recreation	146,479	3,625,324	116,264	117,264	33.62%	0.86%
<b>Capital Outlay:</b>						
Culture and recreation	100,000	-	-	-	0.00%	
<b>Debt Service:</b>						
Principal	-	151,568	-	-	0.00%	
Interest	-	27,800	-	-	0.00%	
<b>Total expenditures</b>	<b>610,343</b>	<b>4,034,740</b>	<b>345,339</b>	<b>348,764</b>	<b>100.00%</b>	<b>0.99%</b>
Excess of revenues over (under) expenditures	87,753	(3,464,563)	225,961	233,086		
<b>Other financing sources (uses):</b>						
Proceeds from revenue bond issuance		3,200,000	-	-	0.00%	
Fund Balance	-	-	132,775	125,650	-53.91%	-5.37%
Transfers out	-	(371,079)	(358,736)	(358,736)	153.91%	0.00%
Transfers in	12,872	353,542	-	-	0.00%	
<b>Total other financing sources (uses)</b>	<b>12,872</b>	<b>3,182,463</b>	<b>(225,961)</b>	<b>(233,086)</b>	<b>100.00%</b>	<b>3.15%</b>
Net change in fund balance	100,625	(282,100)	-	-		
<b>Fund balances (deficit), end of year</b>	<b>\$769,031</b>	<b>\$486,931</b>	<b>\$ 486,931</b>	<b>\$ 486,931</b>		



**Explanation of Special Revenue Funds Variances**

- There were no significant variances between the 2017 and 2018 operating budgets in the Special Revenue Funds.

**Capital Project Funds**

	FY2015 Actual (audited)	FY2016 Actual (audited)	FY2017 Budget	FY2018 Budget	% of Total	% Change from FY17 to FY18
<b>Beginning Fund Balance</b>	<b>\$ 1,136,566</b>	<b>\$ 914,267</b>	<b>\$ 198,934</b>	<b>\$ 198,934</b>		
<b>Revenues</b>						
Special Tax	-	-	1,350,000	1,324,900	50.95%	-1.86%
Intergovernmental	1,397,675	3,567,956	1,143,118	913,500	35.13%	-20.09%
Licenses and Permits	11,929	87,292	-	-	0.00%	
Investment Earnings	1,138	556	70	170	0.01%	142.86%
Other Revenues	-	-	21,928	361,928	13.92%	1550.53%
<b>Total revenues</b>	<b>1,410,742</b>	<b>3,655,804</b>	<b>2,515,116</b>	<b>2,600,498</b>	<b>100.00%</b>	<b>3.39%</b>
<b>Expenditures</b>						
<b>Capital expenditures</b>						
General Government	77,445	42,374	-	-	0.00%	
Public Safety	97,443	297,725	360,000	577,540	18.36%	60.43%
Housing and Development	239,425	3,187,392	-	-	0.00%	
Public Works	1,085,261	710,179	2,518,645	2,567,460	81.64%	1.94%
<b>Debt Service</b>						
Principal	127,215	129,849	43,617	-	0.00%	-100.00%
Interest	6,252	3,618	2,738	-	0.00%	-100.00%
<b>Total expenditures</b>	<b>1,633,041</b>	<b>4,371,137</b>	<b>2,925,000</b>	<b>3,145,000</b>	<b>100.00%</b>	<b>7.52%</b>
Excess of revenues over (under) expenditures	(222,299)	(715,333)	(409,884)	(544,502)	-	
<b>Other financing sources (uses):</b>						
Proceeds from Issuance of Capital Leases	-	-	-	-	0.00%	
Fund Balance	-	-	409,884	544,502	100.00%	32.84%
Transfers in	-	11,627	-	-	0.00%	
Transfers out	-	(11,627)	-	-	0.00%	
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>409,884</b>	<b>544,502</b>	<b>100.00%</b>	<b>32.84%</b>
Net change in fund balance	(222,299)	(715,333)	-	-		
<b>Fund balances (deficit), end of year</b>	<b>\$ 914,267</b>	<b>\$ 198,934</b>	<b>\$ 198,934</b>	<b>\$ 198,934</b>		

**Explanation of Capital Project Funds Variances**

- Expenditures in Public Safety increased 60.43% in 2018 over 2017 due to the addition of police vehicles and equipment to for the replacement of existing vehicles and equipment and to acquire new vehicles and equipment for the police department personnel hired in 2018.
- Debt Service decreased 100% in 2018 from 2017 due to the retirement of capital leases in the prior year. The City issued no additional debt in 2018.

## Debt Service Fund

	FY2017*	FY2018	% of Total	% Change from FY17 to FY18
	Budget	Budget		
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures</b>				
<b>Debt Service</b>				
Principal	296,450	297,533	82.94%	0.37%
Interest	62,286	61,203	17.06%	-1.74%
<b>Total expenditures</b>	<b>358,736</b>	<b>358,736</b>	<b>100.00%</b>	<b>0.00%</b>
Excess of revenues over (under) expenditures	(358,736)	(358,736)	100%	
<b>Other financing sources (uses):</b>				
Transfers in	358,736	358,736	100.00%	
Total other financing sources (uses)	358,736	358,736	100.00%	0.00%
Net change in fund balance	-	-		
Fund balances (deficit), end of year	<b>\$ -</b>	<b>\$ -</b>		

*\*FY2017 was the first year the City had a Debt Service Fund*

**Explanation of Debt Service Fund Variances**

- There were no significant variances between the 2017 and 2018 operating budgets in the Debt Service Fund.



**Enterprise Fund**

	FY2015 Actual (audited)	FY2016 Actual (audited)	FY2017 Budget	FY2018 Budget	% of Total	% Change from FY17 to FY18
<b>Beginning Net Assets</b>	<b>\$ 3,120,599</b>	<b>\$ 3,328,576</b>	<b>\$ 3,427,896</b>	<b>\$ 3,427,896</b>		
<b>Revenues</b>						
Charges for services	320,493	360,910	309,950	324,950	99.98%	4.84%
Investment Earnings	518	242	50	50	0.02%	0.00%
<b>Total revenues</b>	<b>321,011</b>	<b>361,152</b>	<b>310,000</b>	<b>325,000</b>	<b>100.00%</b>	<b>4.84%</b>
<b>Expenses</b>						
<b>Current:</b>						
Public Works	212,527	261,832	310,000	325,000	100.00%	4.84%
<b>Total expenses</b>	<b>212,527</b>	<b>261,832</b>	<b>310,000</b>	<b>325,000</b>	<b>100.00%</b>	<b>4.84%</b>
Excess of revenues over (under) expenses	108,484	99,320	-	-		
Other financing sources (uses):						
Capital assets contributed by private sources	102,316	-	-	-		
<b>Total other financing sources (uses)</b>	<b>102,316</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Net change in net assets	210,800	99,320	-	-		
Restatement of net position	(2,823)	-	-	-		
<b>Net assets (deficit), end of year as restated</b>	<b>\$ 3,328,576</b>	<b>\$ 3,427,896</b>	<b>\$ 3,427,896</b>	<b>\$ 3,427,896</b>		

**Explanation of Enterprise Fund Variances**

- There were no significant variances between the 2017 and 2018 operating budgets in the Stormwater Utility Management Fund.



***City of Holly Springs***

***Revenues***



## **REVENUES**

On August 28, 2017, the Mayor and Council approved the millage rate of 4.850 for municipal operations. There is an increase of \$270,953 in net taxes levied (\$3,347,025 in FY2017 to \$3,617,978 in FY2018) 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 2018.

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 2012.

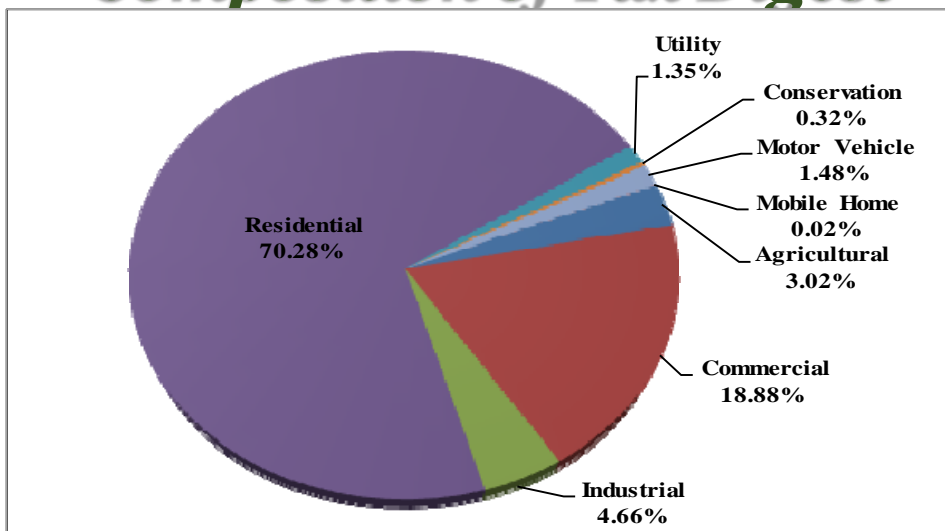
The recommended millage rate of 4.850 plus the Fire Tax millage set by the County of 3.298 for a total of 8.148 would be a decrease of .312 mills (-3.69%) from the previous year. The millage rate is split to fund both operations and fire service requirements as the table below details.

### **Millage Rate History from 2012-2018**

<b>Fiscal Year</b>	<b>City Operations</b>	<b>Fire</b>	<b>Total</b>
<b><i>Adopted FY18</i></b>	<b><i>4.850</i></b>	<b><i>3.298</i></b>	<b><i>8.148</i></b>
FY17	5.086	3.374	8.460
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

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

### ***Composition of Tax Digest***



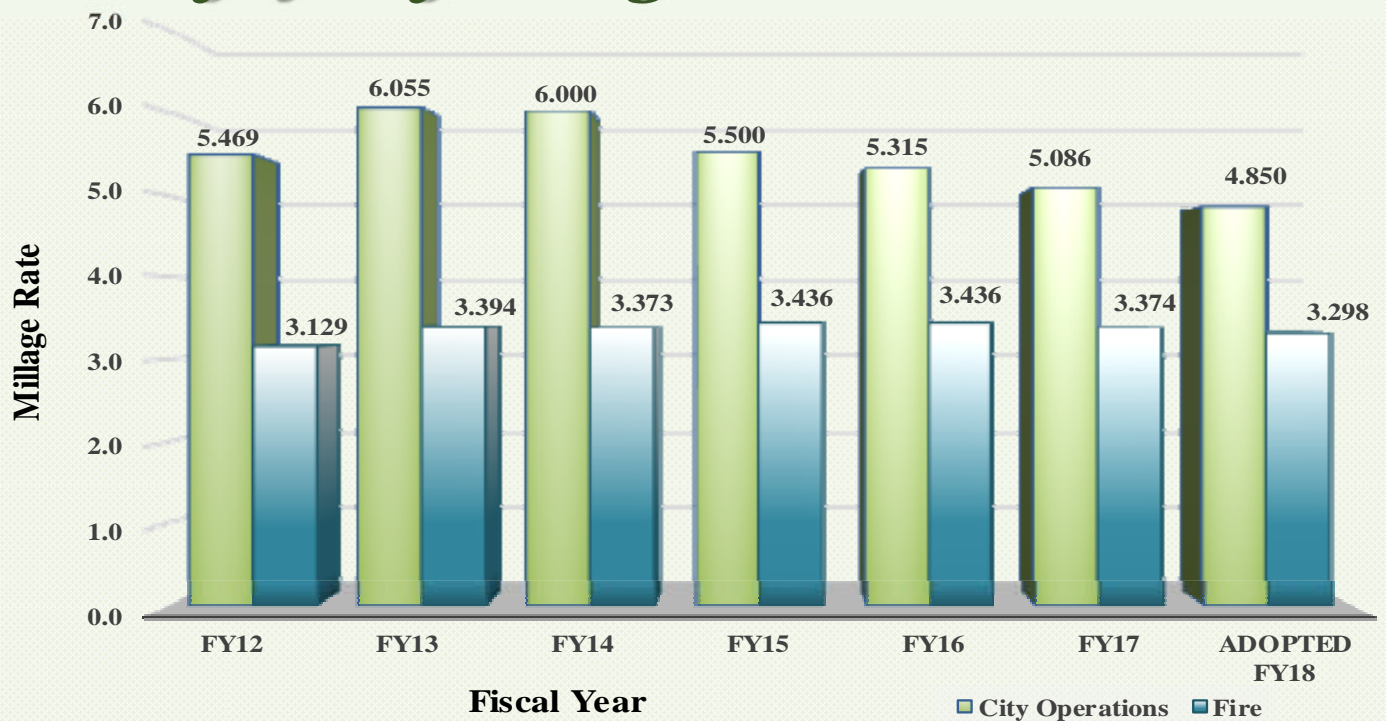
As the city continues to grow its tax base, these percentages may begin to change and further reduce the tax burden on the residential population.

Source: Cherokee County  
Consolidation and Evaluation of  
Digest

## History of City Millage Rate



## History of City Millage Rate & Fire Tax Rate



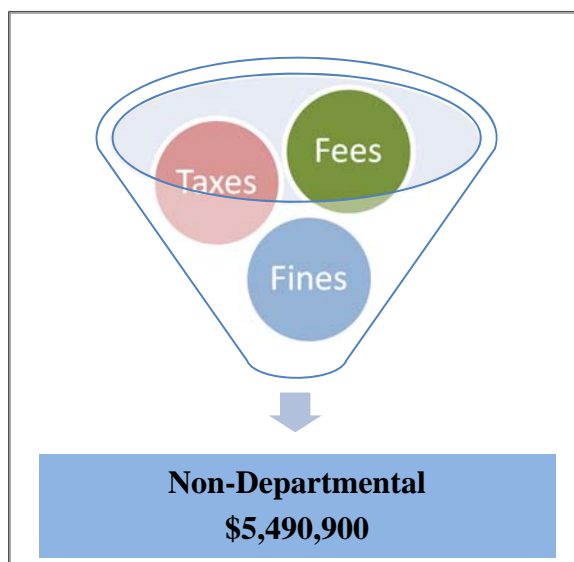
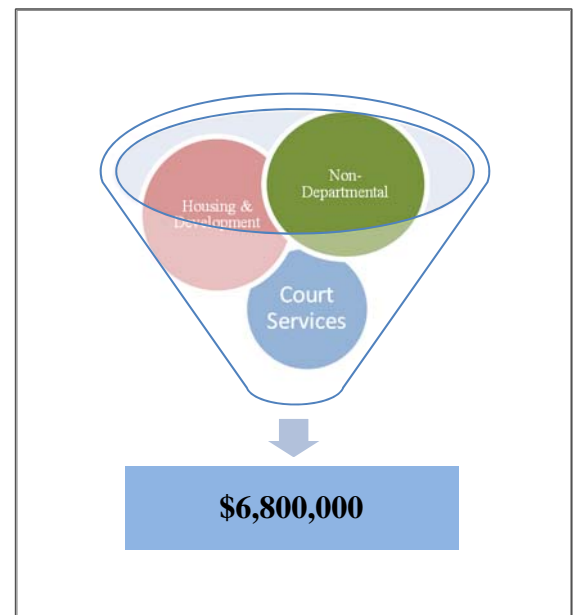


## **General Fund**

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 FY2018, the City is budgeting \$6,800,000 in General Fund revenues. Of this amount, \$3,852,500 is derived from real and personal property taxes, with \$1,489,822 being directly allocated to the Cherokee County Board of Commissioners to pay the Fire Tax (3.298 mils). After remitting these Fire Taxes to the County, we anticipate \$2,362,678 in real and personal property taxes to be used in the General Fund. The gross amount collected for FY2017 for real and personal property taxes was \$3,574,854 with \$1,406,978 being directly allocated to the Cherokee County Board of Commissioners to pay the Fire Tax (3.374 mils). The total net taxes collected for FY2017 was \$2,167,876.



Revenues for the General Fund in the amount of \$6,800,000 are derived from three major divisions: (1) Non-Departmental/City-Wide (\$5,490,900), (2) Housing and Development (\$937,250), and (3) Municipal Court Services (\$371,850).

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 \$5,490,900, 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 \$937,250, 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 \$371,850, 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	2016 Actual (audited)	2017 Budget	2017 Actual (unaudited)	2017		2018 Budget	FY17-FY18 Budget
				Budget vs. Actual			
City-Wide/Non-Departmental				\$ (+/-)	% of budget collected (+/-)		% (+/-)
Property Tax Revenue	\$ 3,107,113	\$ 3,170,000	\$ 3,574,854	\$ (404,854)	112.77%	\$ 3,510,000	10.73%
Motor Vehicle Tax	62,014	40,000	46,266	(6,266)	115.67%	45,000	12.50%
Motor Vehicle Title Ad Valorem	283,365	251,200	323,993	(72,793)	128.98%	281,750	12.16%
Mobile Home Tax	892	800	818	(18)	102.21%	750	-6.25%
Intangible Tax	89,827	60,000	91,970	(31,970)	153.28%	70,000	16.67%
RR Car Tax	562	550	567	(17)	103.08%	500	-9.09%
Real Estate Transfer Tax	19,168	12,500	14,418	(1,918)	115.34%	12,250	-2.00%
Franchise Tax	628,911	545,000	668,914	(123,914)	122.74%	610,000	11.93%
Business & Occupational Tax	111,222	100,000	116,927	(16,927)	116.93%	110,750	10.75%
Insurance Premium Tax	575,084	600,000	613,169	(13,169)	102.19%	615,000	2.50%
Financial Inst. Tax	9,096	12,000	12,158	(158)	101.32%	15,000	25.00%
Penalties & Interest	14,862	10,500	10,597	(97)	100.92%	12,500	19.05%
FIFA Fees	4,203	1,500	1,514	(14)	100.96%	2,500	66.67%
Alcohol Beverages License Fees	68,133	20,000	78,300	(58,300)	391.50%	25,000	25.00%
Pouring Permit Fees	3,855	2,500	3,325	(825)	133.00%	3,500	40.00%
Printing & Duplication	1,253	600	546	54	90.94%	750	25.00%
Election Qualifying Fees	1,440	-	-	-		1,300	
Advertising Fees	7,128	3,000	3,564	(564)	118.80%	5,000	66.67%
Wrecker Service	17,275	16,500	16,500	-	100.00%	16,500	0.00%
Bad Check Fees	55	50	25	25	50.00%	100	100.00%
Insurance Reimbursements	-	-	-	-		-	
Proceeds - Sale of Conf Assets	-	500	-	500	0.00%	750	50.00%
Other Fines & Forfeitures	5,500	500	500	-	100.00%	750	50.00%
Auxiliary Revenue	-	-	-	-		-	
Interest Revenue	14,064	15,000	15,272	(272)	101.82%	17,500	16.67%
Misc. Revenue	10,801	8,075	9,260	(1,185)	114.67%	15,000	85.76%
Donations from Private Sources	18,302	25,000	23,855	1,145	95.42%	35,000	40.00%
Rents & Royalties	53,490	42,500	44,185	(1,685)	103.96%	2,500	-94.12%
Reimbursement for Damaged	9,127	10,000	12,074	(2,074)	120.74%	5,000	-50.00%
Transfer from Parks & Recreation	17,537	-	3,043	(3,043)		-	
Proceeds From Sale of Assets	35,305	556,000	4,748	551,253	0.85%	7,500	-98.65%
Column Total:	\$ 5,169,584	\$ 5,504,275	\$ 5,691,361	\$ (187,086)	103.40%	\$ 5,422,150	-1.49%

Continued on next page

## **General Fund Revenues Cont'd**

Line Item	2016 Actual (audited)	2017 Budget	2017 Actual (unaudited)	2017		2018 Budget	FY17-FY18 Budget
				Budget vs. Actual			
Community Development				\$ (+/-)	% of budget collected (+/-)		% (+/-)
<i>Zoning and Land Use Fees</i>	59,388	20,000	36,824	(16,824)	184.12%	25,000	25.00%
<i>Sign Permits</i>	4,192	2,500	3,221	(721)	128.83%	3,500	40.00%
<i>Other Licenses &amp; Permits</i>	375	700	850	(150)	121.43%	1,950	178.57%
<i>Building Permit Revenue</i>	615,327	752,000	983,650	(231,650)	130.80%	757,500	0.73%
<i>CO Fees</i>	103,500	150,000	182,500	(32,500)	121.67%	150,000	0.00%
<i>Development/Plan Review</i>	2,510	2,500	2,638	(138)	105.54%	2,500	0.00%
<i>Fire Plan Review</i>	43,371	35,000	80,278	(45,278)	229.37%	65,000	85.71%
Column Total:	\$ 828,663	\$ 962,700	\$ 1,289,961	\$ (327,261)	133.99%	\$ 1,005,450	4.44%
Public Safety							
<i>Grant Revenue</i>	-	725	810	(85)	111.72%	550	-24.14%
Column Total:	\$ -	\$ 725	\$ 810	\$ (85)	111.72%	\$ 550	-24.14%
Municipal Court Services							
<i>Accident/Incident Reports</i>	1,501	1,500	1,904	(404)	126.93%	2,500	66.67%
<i>Expungements</i>	-	50	-	50	0.00%	100	100.00%
<i>Background Checks</i>	1,430	1,000	1,020	(20)	102.00%	1,000	0.00%
<i>Municipal Court Fines</i>	329,066	300,000	354,708	(54,708)	118.24%	335,000	11.67%
<i>Forfeitures</i>	-	500	-	500	0.00%	500	0.00%
<i>Court Costs</i>	18,063	12,500	11,781	719	94.25%	12,500	0.00%
<i>Probation Fees</i>	13,329	17,500	21,346	(3,846)	121.98%	20,000	14.29%
<i>Drug Testing Fees</i>	90	250	320	(70)	128.00%	250	0.00%
Column Total:	\$ 363,479	\$ 333,300	\$ 391,079	\$ (57,779)	117.34%	\$ 371,850	11.57%
Total General Fund Revenues:	\$ 6,361,726	\$ 6,801,000	\$ 7,373,211	\$ (572,211)	108.41%	\$ 6,800,000	-0.01%

Note: FY2017 Year to Date (YTD) actuals are unaudited through December 31, 2017

### **Explanation of variances greater than 10%**

- Public Safety's decrease of 24.14% is a result of a projected decrease in proceeds from the U.S. Department of Justice for bullet proof vests for police officers.
- Municipal Court's increase of 11.57% is a result of an increase in projected court fines and requests for accident/incident reports.

Based on current estimates, by adopting a millage rate of 8.148, 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

2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$2,400,702	\$2,642,002	\$3,107,113	\$3,170,000	\$3,510,000

#### ***Description:***

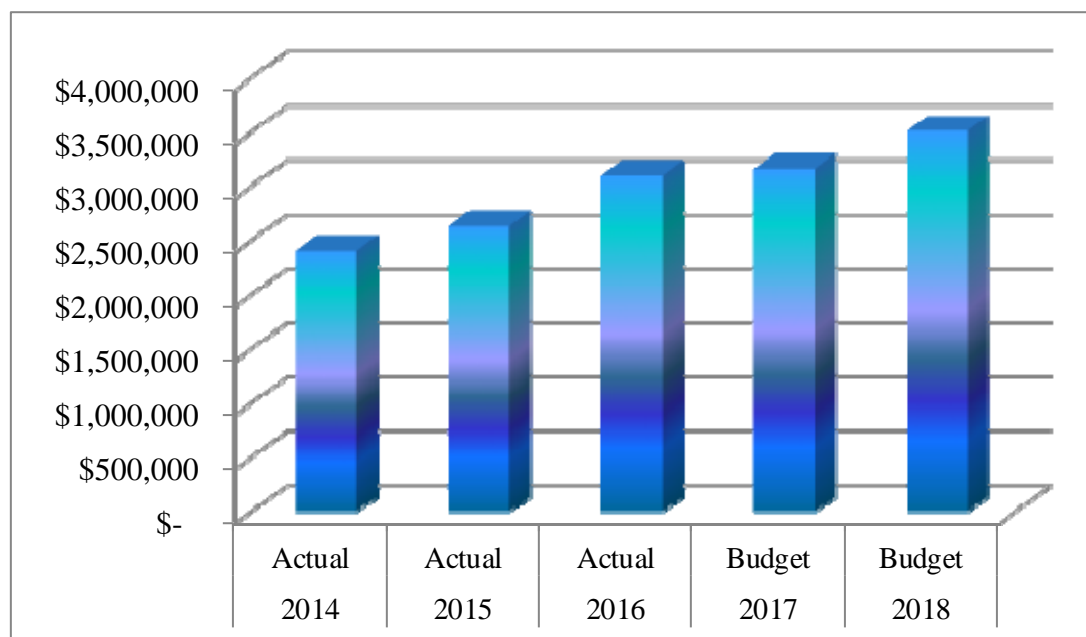
A tax on property paid by owners of real and personal property within the city. The tax is based on an assessment by the Cherokee County Property Appraiser of the market value of property and improvements. This revenue source is found in the General Fund for the operating millage.

The Property Taxes billed to the citizens of Holly Springs includes Fire Tax that is remitted to Cherokee County. The Fire Tax equals \$1,489,822 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 4.850 multiplied by the taxable value, less an allowance for possible adjustments to assessed values and/or non-collection.



## Motor Vehicle/Title Ad Valorem Tax

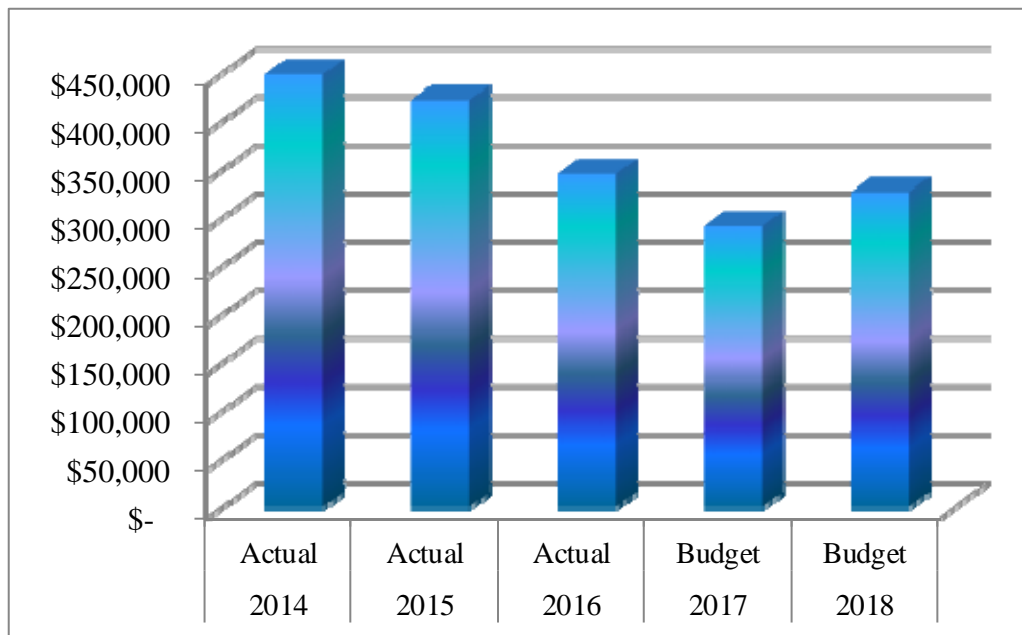
2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$ 448,776	\$ 422,261	\$ 345,379	\$ 291,200	\$ 326,750

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





## Franchise Tax

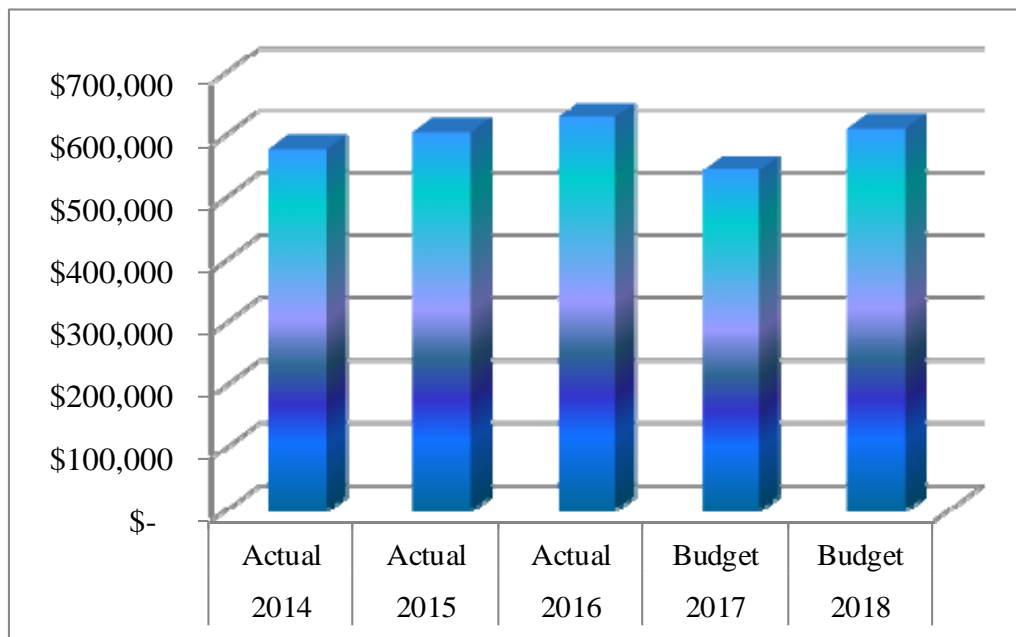
2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$ 578,242	\$ 604,313	\$ 628,911	\$ 545,000	\$ 610,000

### **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

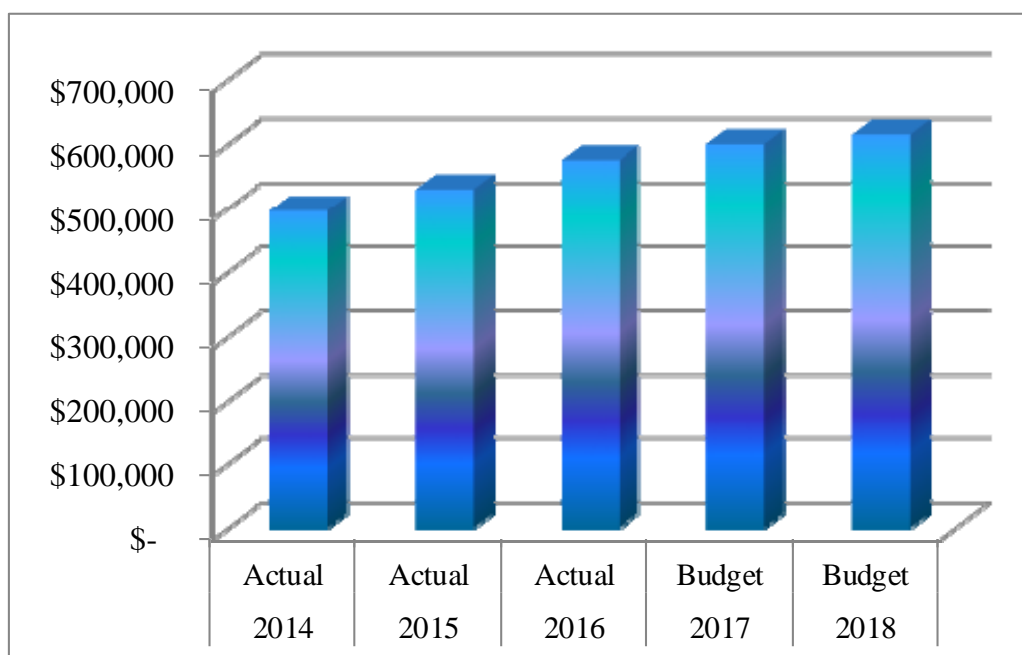
2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$ 495,553	\$ 529,417	\$ 575,084	\$ 600,000	\$ 615,000

**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

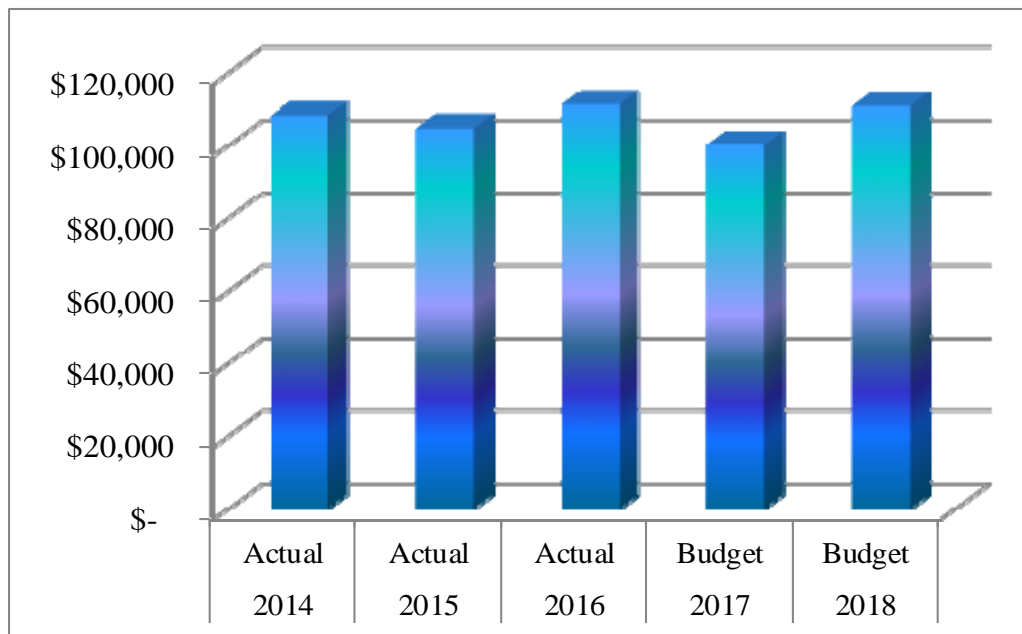
2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$ 108,029	\$ 104,554	\$ 111,222	\$ 100,000	\$ 110,750

### 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

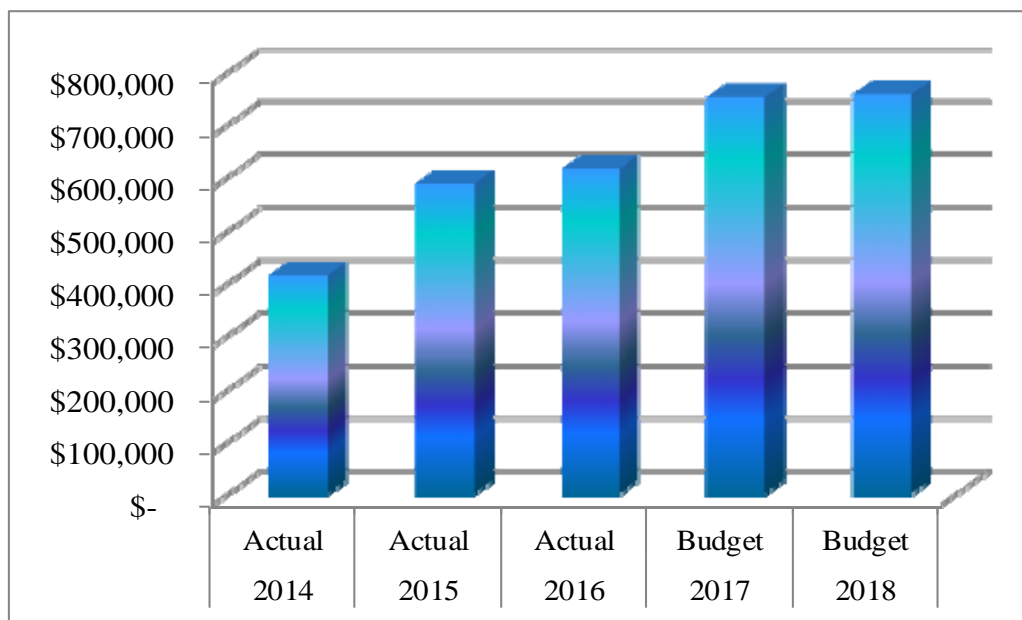
2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$ 414,461	\$ 586,373	\$ 615,327	\$ 752,000	\$ 757,500

### 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

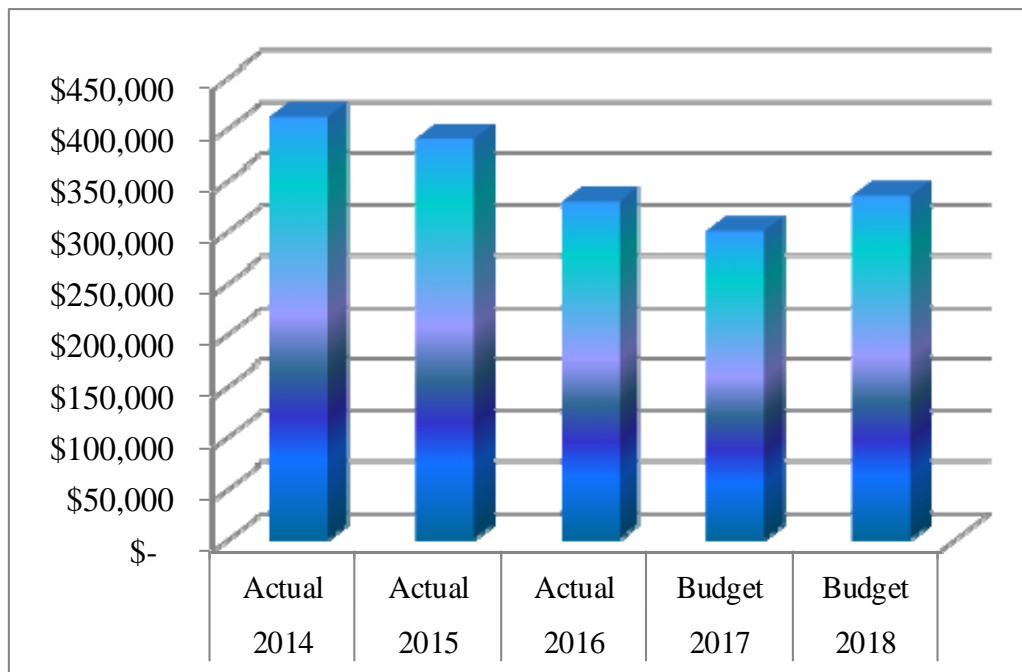
2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$ 411,035	\$ 389,408	\$ 329,066	\$ 300,000	\$ 335,000

***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	2016 Actual (audited)	2017 Budget	2017 Actual (unaudited)	2017		2018 Budget	FY17-FY18 Budget
				Budget vs. Actual			
Parks & Recreation				\$ (+/-)	% of budget collected (+/-)		% (+/-)
Alcoholic Beverage Excise Tax-Beer	\$ 295,228	\$ 230,000	\$ 232,591	\$ (2,591)	101.13%	\$ 235,000	2.17%
Alcoholic Beverage Excise Tax-Liquor	-	62,000	67,409	(5,409)	108.72%	65,000	4.84%
Local Option Mixed Drink Tax	32,921	35,000	36,043	(1,043)	102.98%	35,000	0.00%
Penalties & Interest	37	175	148	27	84.49%	200	14.29%
Interest	517	50	46	4	92.96%	50	0.00%
Misc Revenue	187	-	-	-		100	
Rents & Royalties	10,395	15,000	16,029	(1,029)	106.86%	15,000	0.00%
Fund Balance	-	132,775	-	132,775	0.00%	125,650	-5.37%
Column Total:	\$ 339,284	\$ 475,000	\$ 352,266	\$ 122,734	74.16%	\$ 476,000	0.21%
Parks & Recreation Authority							
Transfer from Park & Recreation	353,542	-	-	-		-	
General Long-Term Debt Issued	3,200,000	-	-	-		-	
Column Total:	\$ 3,553,542	\$ -	\$ -	\$ -		\$ -	
Hotel/Motel							
Hotel/Motel Tax	5,999	6,500	6,664	(164)	102.52%	6,495	-0.08%
Interest	6	5	1	4	13.80%	5	0.00%
Column Total:	\$ 6,005	\$ 6,505	\$ 6,665	\$ (160)	102.45%	\$ 6,500	-0.08%
Operating Grant							
ARC Grant	224,873	222,565	179,060	43,505	80.45%	224,995	1.09%
Interest	14	5	2	3	42.60%	5	0.00%
Column Total:	\$ 224,887	\$ 222,570	\$ 179,062	\$ 43,508	80.45%	\$ 225,000	1.09%
Total Special Revenues:	\$ 4,123,718	\$ 704,075	\$ 537,992	\$ 166,083	76.41%	\$ 707,500	0.49%

Note: FY2017 Year to Date (YTD) actuals are unaudited through December 31, 2017

### **Explanation of variances greater than 10%**

- There were no significant variances between the 2017 and 2018 revenue budgets in the Special Revenue Funds.



**Special Revenue Funds Major Revenue Sources:****Alcoholic Beverage Excise Tax**

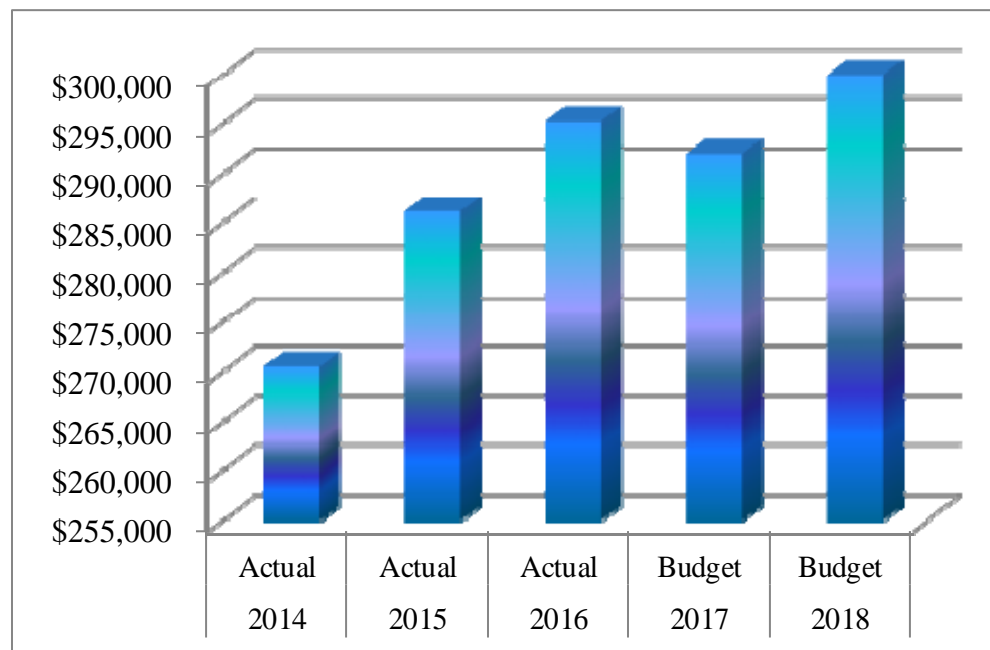
2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$ 270,495	\$ 286,158	\$ 295,228	\$ 292,000	\$ 300,000

**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

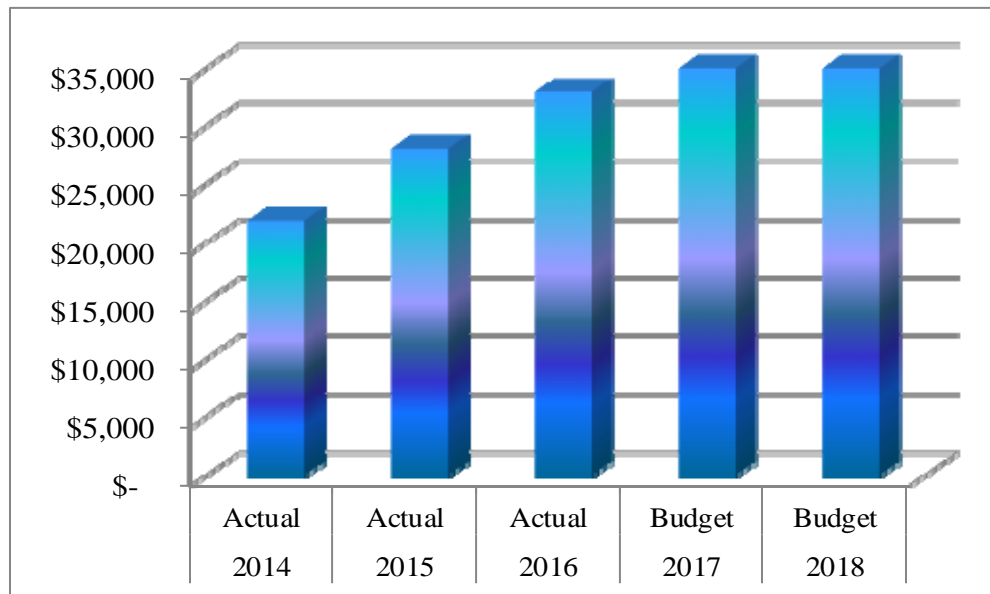
2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$ 21,905	\$ 28,100	\$ 32,921	\$ 35,000	\$ 35,000

### 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	2016 Actual (audited)	2017 Budget	2017 Actual (unaudited)	2017		2018 Budget	FY17-FY18 Budget
				Budget vs. Actual			
SPLOST III							
Special Assessment Crestmont	14,910	11,928	11,928	-	100.00%	11,928	0.00%
Fund Balance	-	188,052	-	188,052	0.00%	188,052	0.00%
Interest	162	20	22	(2)	112.35%	20	0.00%
Column Total:	\$ 15,072	\$ 200,000	\$ 11,950	\$ 188,050	5.98%	\$ 200,000	0.00%
SPLOST IV							
SPLOST IV	1,322,407	1,350,000	1,358,140	(8,140)	100.60%	675,000	-50.00%
Grant Revenue-LMIG	171,078	113,118	113,118	(0)	100.00%	113,500	0.34%
Grant Revenue-GDOT Scoping	-	110,000	136,236	(26,236)	123.85%	50,000	-54.55%
Grant Revenue-LCI Phase I	1,859,182	625,000	626,947	(1,947)	100.31%	-	-100.00%
Grant Revenue-LCI Phase II	-	75,000	44,119	30,881	58.83%	750,000	900.00%
Grant Revenue-CDBG Palm St.	215,289	220,000	222,676	(2,676)	101.22%	-	-100.00%
Interest	394	50	59	(9)	118.70%	50	0.00%
Special Assessment	72,382	10,000	-	10,000	0.00%	-	-100.00%
Fund Balance		221,832	-	221,832	0.00%	356,450	60.68%
Transfer from Capital Grant	11,627	-	-	-		-	
Column Total:	\$ 3,652,357	\$ 2,725,000	\$ 2,501,296	\$ 223,704	91.79%	\$ 1,945,000	-28.62%
SPLOST V							
SPLOST V	-	-	-	-		649,900	
Special Assessment	-	-	-	-		350,000	
Interest	-	-	-	-		100	
Column Total:	\$ -	\$ -	\$ -	\$ -		\$ 1,000,000	
Total Capital Projects:	\$ 3,667,429	\$ 2,925,000	\$ 2,513,247	\$ 411,753	85.92%	\$ 3,145,000	7.52%

Note: FY2017 Year to Date (YTD) actuals are unaudited through December 31, 2017

### **Explanation of variances greater than 10%**

- The SPLOST IV Fund decrease of 28.62% is primarily due to a decrease in grant income because of projects being substantially completed in the prior year.

## **Capital Project Funds Major Revenue Sources:**

### SPLOST

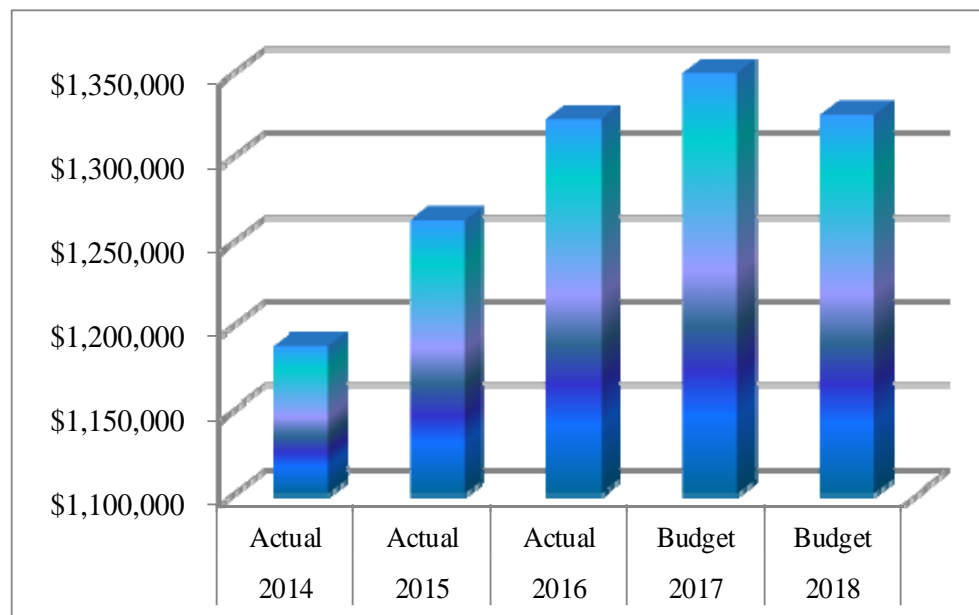
2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$1,187,628	\$1,262,871	\$1,322,407	\$1,350,000	\$1,324,900

#### ***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. SPLOST IV expires on June 30, 2018. SPLOST V, approved by voters of Cherokee County in a referendum in November of 2017, will start July 1, 2018.

#### ***Forecast Methodology:***

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



## Grant Income

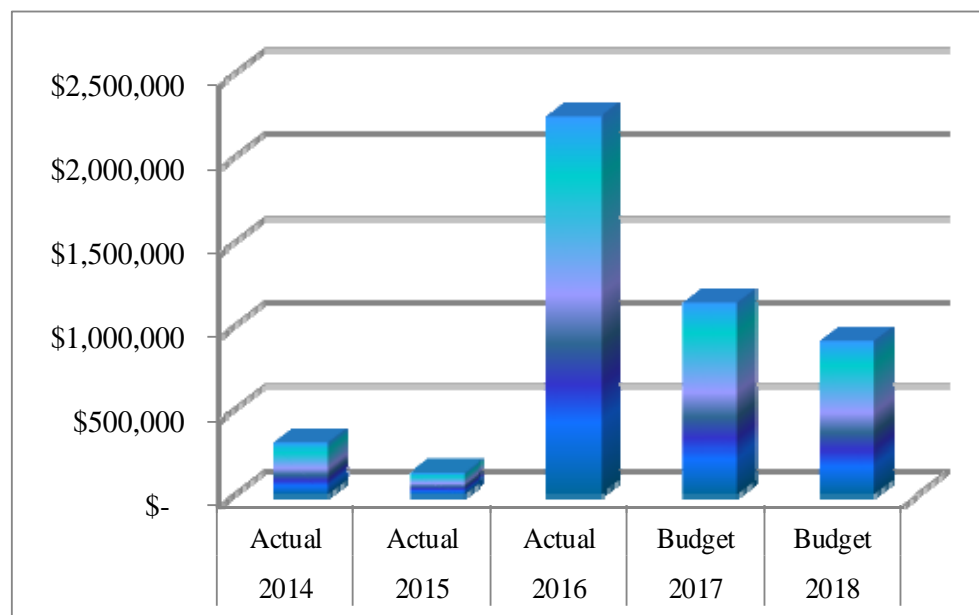
2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$ 305,766	\$ 134,804	\$ 2,245,548	\$ 1,143,118	\$ 913,500

**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.



**Debt Service Fund**

Line Item	2017 Budget*	2017 Actual (unaudited)	2017		2018 Budget	FY17-FY18 Budget
			Budget vs. Actual			
Debt Service Fund			\$ (+/-)	% of budget collected (+/-)		% (+/-)
Transfers from Parks&Recreation Fund	\$ 358,736	\$ 358,736	\$ -	100.00%	\$ 358,736	0.00%
Column Total:	\$ 358,736	\$ 358,736	\$ -	100.00%	\$ 358,736	0.00%
Total Debt Service Fund:	\$ 358,736	\$ 358,736	\$ -	100.00%	\$ 358,736	0.00%

*Note: FY2017 Year to Date (YTD) actuals are unaudited through December 31, 2017*

*\*FY2017 was the first year the City had a Debt Service Fund*

**Explanation of variances greater than 10%**

- There were no significant variances between 2017 and 2018 revenue budgets in the Debt Service Fund.



## Interfund Transfer

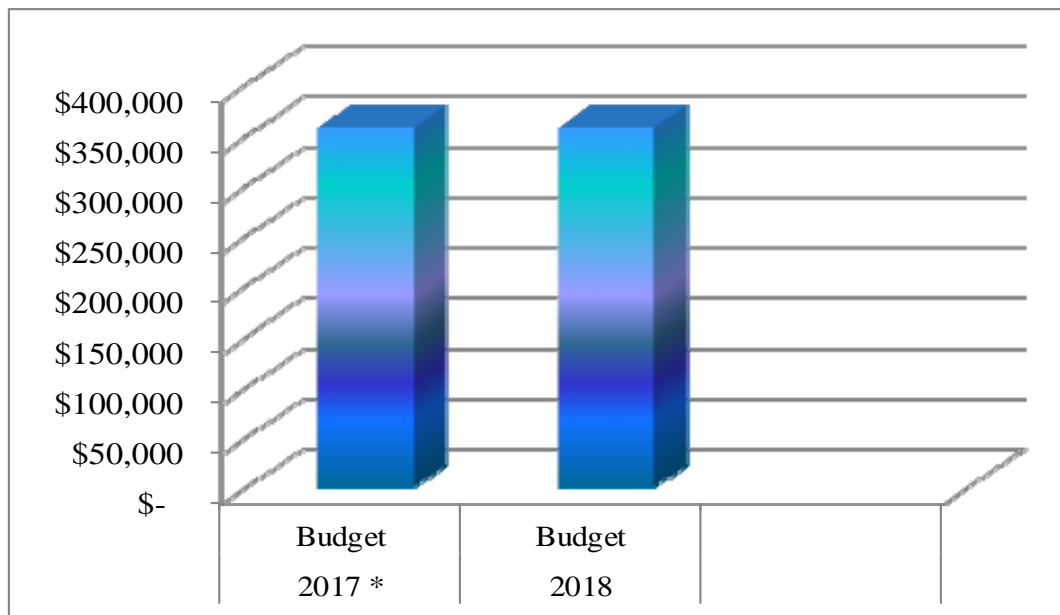
2017 *	2018
Budget	Budget
\$ 358,736	\$ 358,736

**Description:**

Funds transferred from one fund to another for purposes of debt retirement.

**Forecast Methodology:**

The City will only transfer sufficient funds to cover debt service requirements to maturity.



\*FY2017 was the first year the City had a Debt Service Fund

**Enterprise Fund**

Line Item	2016 Actual (audited)	2017 Budget	2017 Actual (unaudited)	2017		2018 Budget	FY17-FY18 Budget
				Budget vs. Actual			
Stormwater Utility Management				\$ (+/-)	% of budget collected (+/-)		% (+/-)
Utility Fee	\$ 362,889	\$ 309,950	\$ 317,200	\$ (7,250)	102.34%	\$ 324,950	4.84%
Interest	242	50	25	25	50.74%	50	0.00%
Column Total:	\$ 363,131	\$ 310,000	\$ 317,226	\$ (7,226)	102.33%	\$ 325,000	4.84%
Total Enterprise Fund:	\$ 363,131	\$ 310,000	\$ 317,226	\$ (7,226)	102.33%	\$ 325,000	4.84%

*Note: FY2017 Year to Date (YTD) actuals are unaudited through December 31, 2017*

**Explanation of variances greater than 10%**

- There were no significant variances between 2017 and 2018 revenue budgets in the Stormwater Utility Management Fund.

## **Enterprise Fund Major Revenue Source:**

### Utility Fee

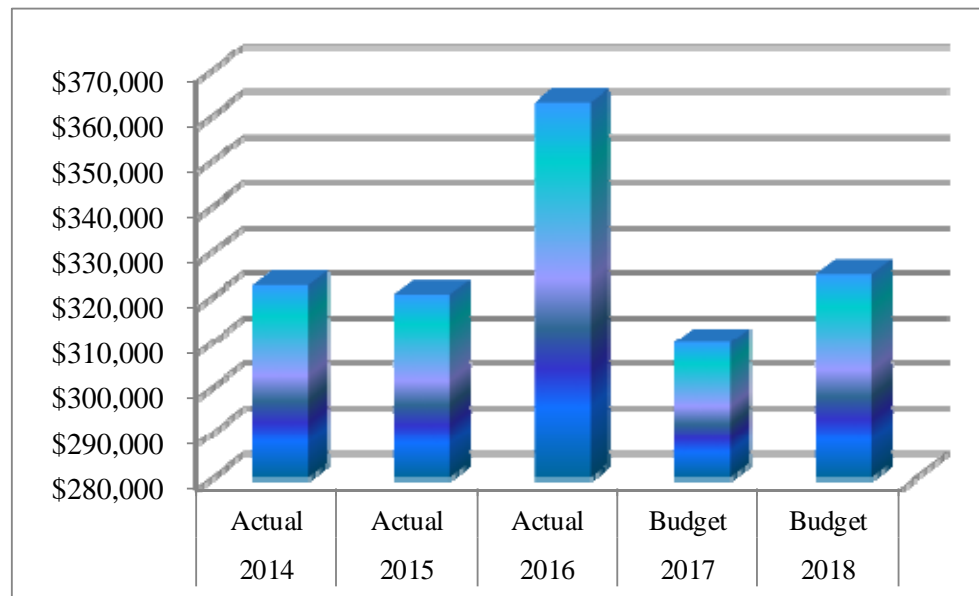
2014	2015	2016	2017	2018
Actual	Actual	Actual	Budget	Budget
\$ 322,619	\$ 320,493	\$ 362,889	\$ 309,950	\$ 324,950

#### ***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.





***City of Holly Springs***

***Expenditures***



## **EXPENDITURES**

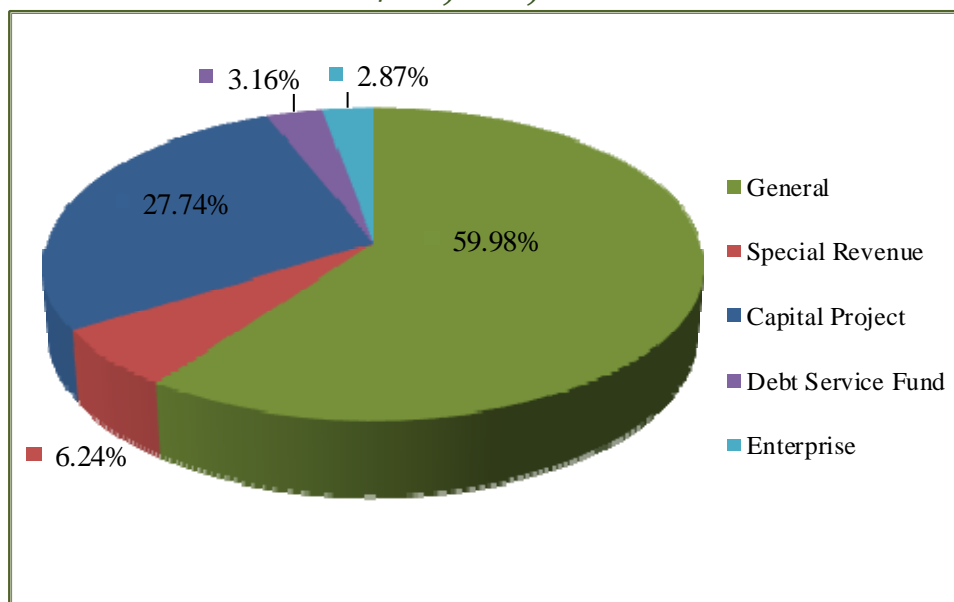
As with most local governmental entities that provide services for the public good, a majority of the expenditures are allocated to operations, specifically salaries and benefits.

Out of the \$6,800,000 anticipated in revenues in the General Fund, the City Manager's office is recommending \$3,797,465 for salaries and benefits. This equates to 55.85% 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 FY2018.

### ***Total FY2018 Expenditures- All Funds*** ***\$11,336,236***

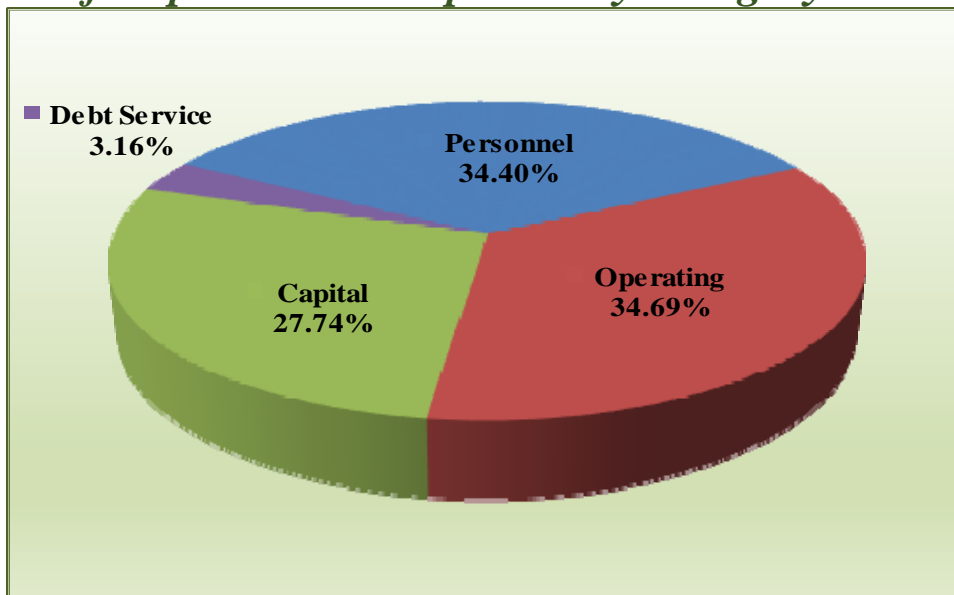


Line Item	2016 Actual (audited)	2017 Budget	2017 Actual (unaudited)	2017		2018 Budget	FY17-FY18 Budget
				Budget vs. Actual			
Fund				\$ (+/-)	% of budget used (+/-)		% (+/-)
General	\$ 5,827,056	\$ 6,801,000	\$ 5,926,244	\$ 874,756	87.14%	\$ 6,800,000	-0.01%
Special Revenue	4,405,716	704,075	645,666	58,409	91.70%	707,500	0.49%
Capital Project	4,371,135	2,925,000	2,656,798	268,202	90.83%	3,145,000	7.52%
Debt Service Fund	-	358,736	358,736	-	100.00%	358,736	0.00%
Enterprise	261,832	310,000	194,292	115,708	62.67%	325,000	4.84%
Column Total:	\$14,865,740	\$11,098,811	\$ 9,781,736	\$ 1,317,075	88.13%	\$11,336,236	2.14%

## Total Expenditures/Expenses by Category – All Funds

Line Item	2016 Actual (audited)	2017 Budget	2017 Actual (unaudited)	2017		2018 Budget	FY17-FY18 Budget
				Budget vs. Actual			
General Fund				\$ (+/-)	% of budget used (+/-)		% (+/-)
Personnel	\$ 2,855,335	\$ 3,117,891	\$ 3,023,575	\$ 94,316	96.97%	\$ 3,797,465	21.80%
Operating	2,617,021	3,680,109	2,902,669	777,440	78.87%	3,002,535	-18.41%
Capital	354,701	3,000	-	3,000	0.00%	-	-100.00%
Column Total:	\$ 5,827,056	\$ 6,801,000	\$ 5,926,244	\$ 874,756	87.14%	\$ 6,800,000	-0.01%
Special Revenue Fund							
Operating	852,174	704,075	645,666	58,409	91.70%	707,500	0.49%
Capital	3,553,542	-	-	-		-	
Column Total:	\$ 4,405,716	\$ 704,075	\$ 645,666	\$ 58,409	91.70%	\$ 707,500	0.49%
Capital Project Fund							
Capital	4,371,135	2,925,000	2,656,798	268,202	90.83%	3,145,000	7.52%
Column Total:	\$ 4,371,135	\$ 2,925,000	\$ 2,656,798	\$ 268,202	90.83%	\$ 3,145,000	7.52%
Debt Service Fund							
Debt Service	-	358,736	358,736	-	100.00%	358,736	0.00%
Column Total:	\$ -	\$ 358,736	\$ 358,736	\$ -	100.00%	\$ 358,736	0.00%
Enterprise Fund							
Personnel	92,679	90,175	82,795	7,380	91.82%	102,395	13.55%
Operating	169,153	219,825	111,497	108,328	50.72%	222,605	1.26%
Column Total:	\$ 261,832	\$ 310,000	\$ 194,292	\$ 115,708	62.67%	\$ 325,000	4.84%
Total Expenditures:	\$14,865,740	\$11,098,811	\$ 9,781,736	\$ 1,317,075	88.13%	\$11,336,236	2.14%

## Percent of Expenditures/Expenses by Category – All Funds



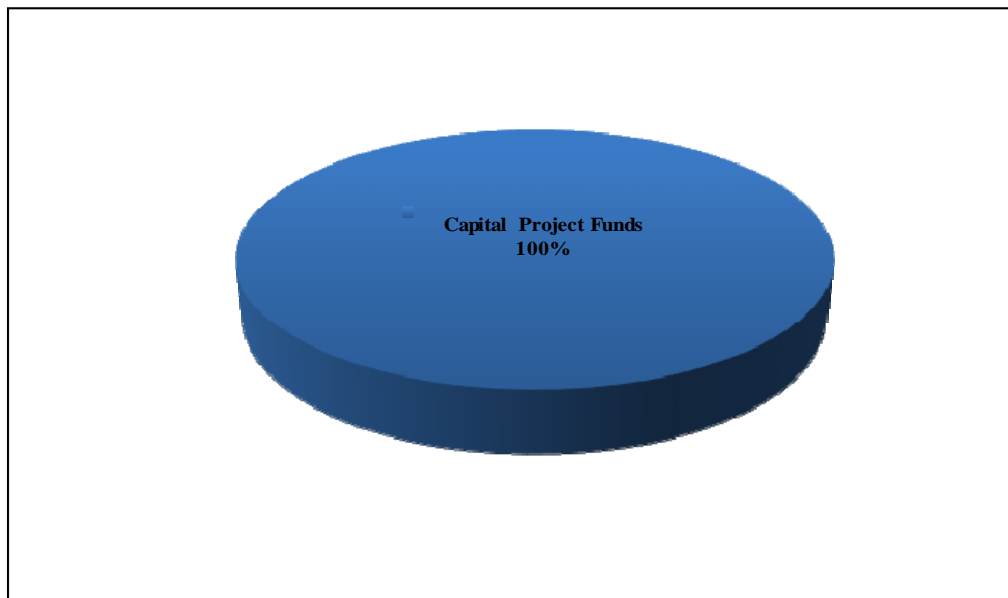


## ***Capital Expenditures***

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, capital lease payments, sidewalks, and resurfacing streets*) capital expenditures in the amount of \$3,145,000 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 193-203 for this year's major projects as well as those planned for the future.

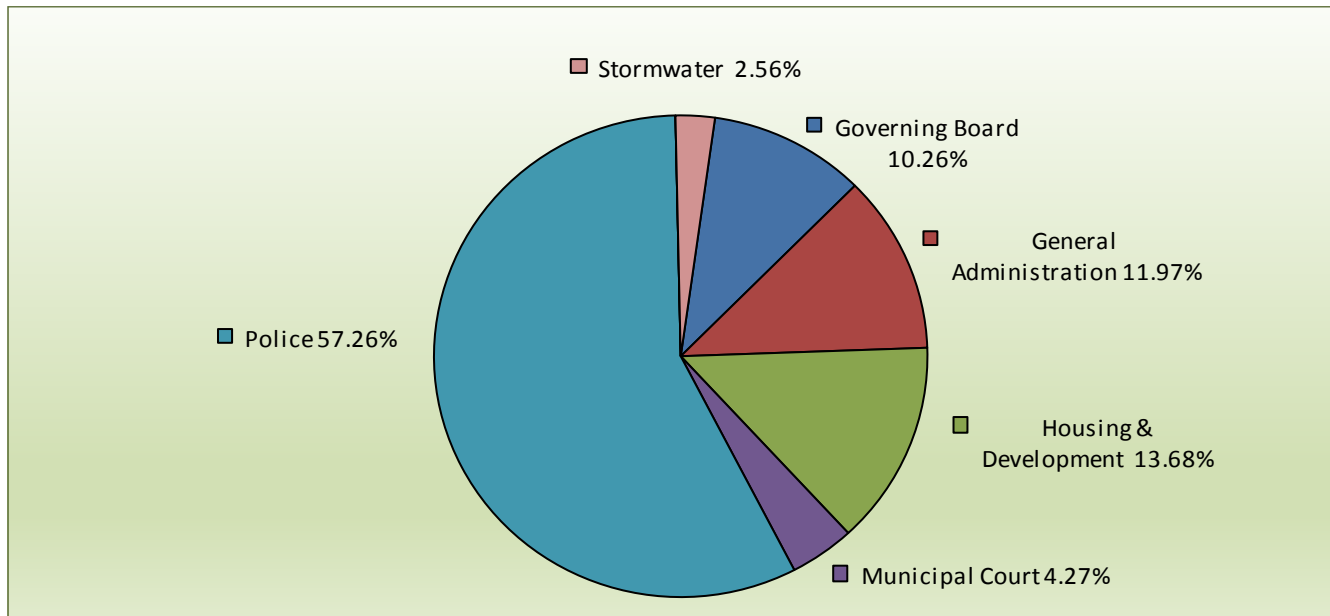
<b><i>Type of Capital</i></b>	<b><i>Fund</i></b>				<b><i>Total</i></b>
	<b><i>General</i></b>	<b><i>Capital Project</i></b>	<b><i>Enterprise</i></b>	<b><i>Special Revenue</i></b>	
Routine	\$ -	\$ -	\$ -	\$ -	\$ -
Non-routine	-	3,145,000	-	-	3,145,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 3,145,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,145,000</b>

## ***Percent of Capital Expenditures/Expenses by Fund***



**FY2018 Personnel Allocation**

***Percent of Personnel by Department***

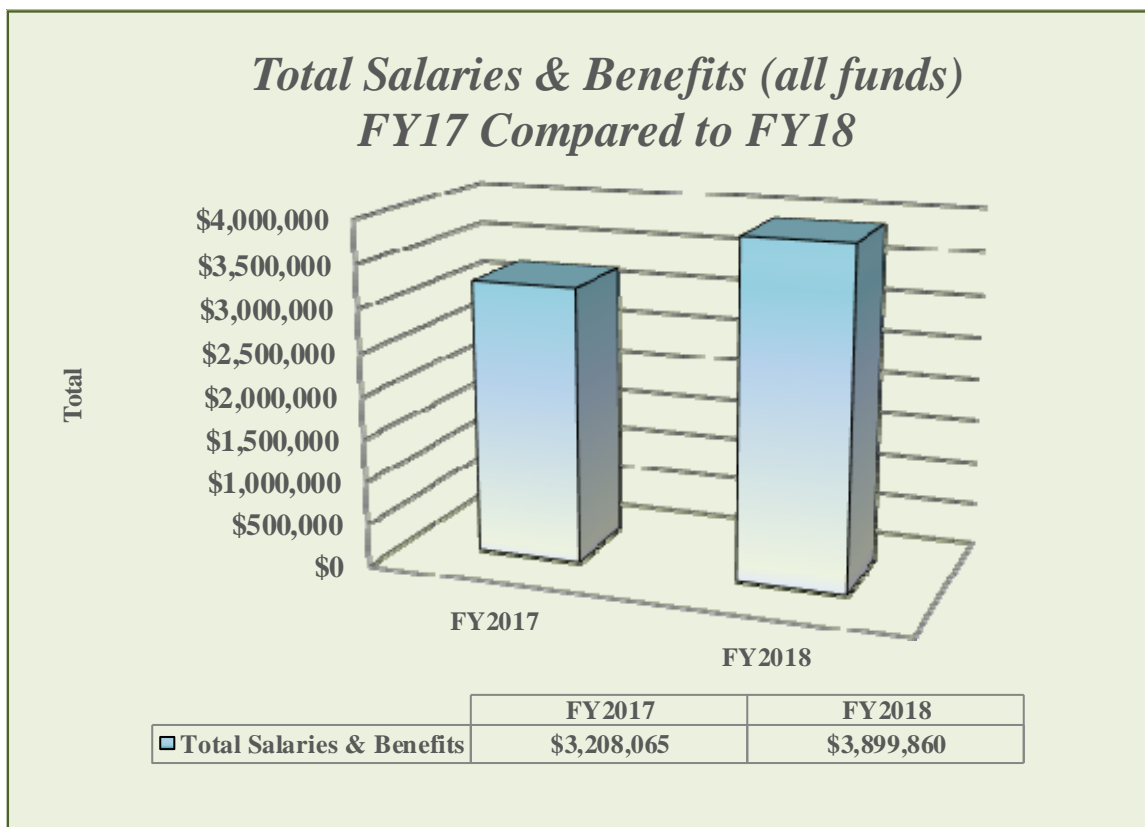


<b>Summary Table of Personnel</b>									
	<b>FY2016</b>		<b>FY2017</b>		<b>+/-</b>		<b>FY2018</b>		
<b>Department</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>	
Governing Board	6.00	0.00	6.00	0.00	0.00	0.00	6.00	0.00	
General Administration	5.00	1.00	5.00	2.00	2.00	-2.00	7.00	0.00	
Housing & Development	5.00	0.00	6.00	0.00	2.00	0.00	8.00	0.00	
Municipal Court	2.00	3.00	2.00	2.00	0.00	-1.00	2.00	1.00	
Public Safety	27.00	0.00	29.00	0.00	4.00	1.00	33.00	1.00	
Public Works	3.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	
Parks and Recreation	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	
Stormwater Utility Management	1.00	1.00	1.00	2.00	0.00	-1.00	1.00	1.00	
<b>Total</b>	<b>49.00</b>	<b>8.00</b>	<b>49.00</b>	<b>6.00</b>	<b>8.00</b>	<b>-3.00</b>	<b>57.00</b>	<b>3.00</b>	

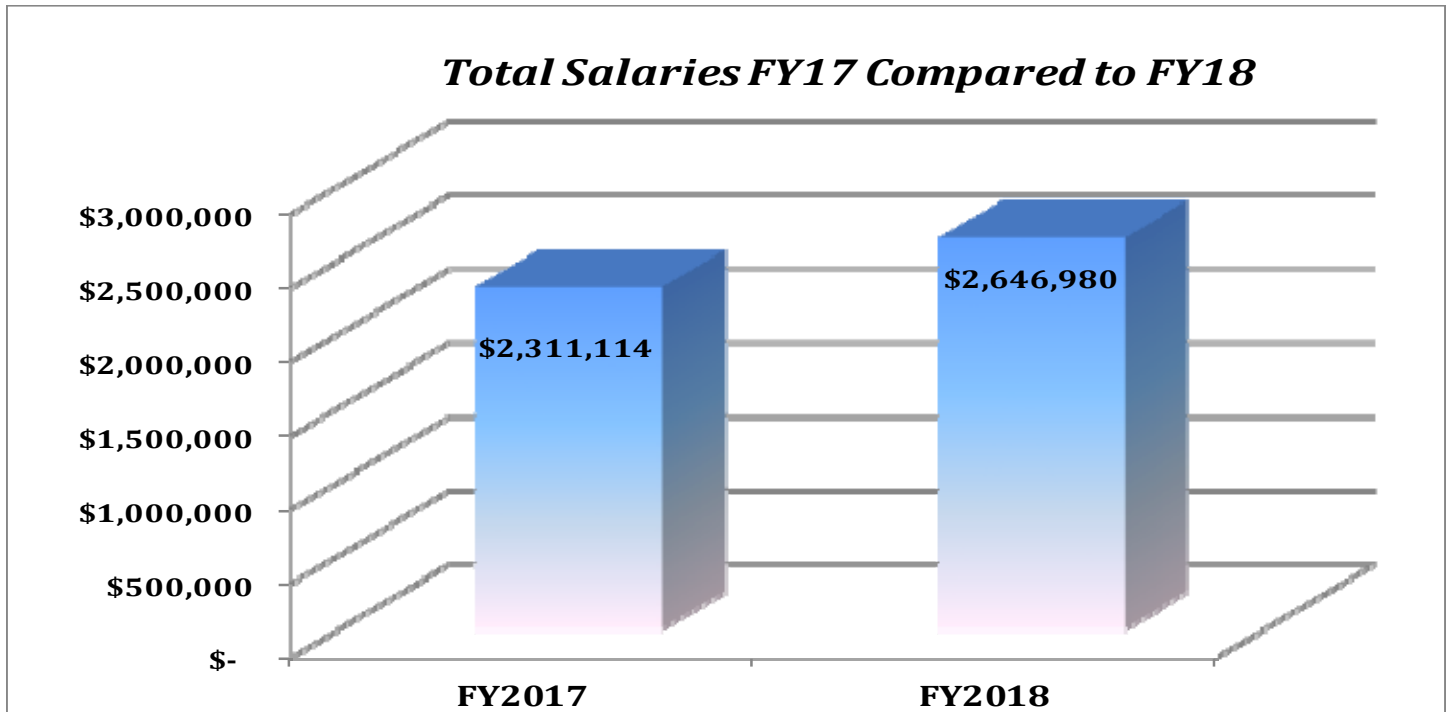
In FY2017, the City employed 55 people, six (6) of whom are the Mayor and five (5) Councilmembers. Including the Mayor and Council, full-time and part-time employees, the City will have an employment base of 58.50 full-time equivalent employees (57 full-time and 3 part-time) in FY2018. This equates to a 9% increase in workforce.

## Explanation of changes in personnel

- **General Administration** – Addition of two (2) full-time and elimination of two (2) part-time positions. These positions, one (1) Assistant City Clerk and one (1) Accountant, were converted from part-time to full-time.
- **Municipal Court** – Elimination of one (1) part-time position. This position was transferred to the Police Department.
- **Housing and Development** – Addition of two (2) full-time employees; one (1) Permit Technician/Receptionist and one (1) GIS Technician position. The GIS Technician position was a part-time employee from Stormwater who was converted to full-time and transferred to the Housing and Development department.
- **Public Safety** – Addition of four (4) Uniform Patrol Officer positions and one (1) part-time positions that was transferred from Municipal Court.
- **Stormwater Utility Management** – Elimination of one (1) part-time GIS Technician position. This position was converted to full-time and transferred to the Housing and Development department.



For FY2018, the combined total for salaries and benefits equals \$3,899,860; \$2,646,980 has been budgeted for salaries and \$1,252,880 for benefits. Total benefits are 32.13% of the total personnel budget. The total salary and benefits budgeted equates to 34.41% of the City's total budget. For comparison, in FY2017, \$2,311,114 was budgeted for salaries and \$896,951 for benefits making benefits 27.96% of the total personnel budget. The combined salary and benefits totals for the FY2017 budget were \$3,208,065 with the total being 28.90% of the City's total budget.



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

<b>Total Salaries &amp; Benefits</b>							
	<b>FY2016</b>	<b>FY2017</b>		<b>FY2018</b>	<b>FY2017 Budget Compared to FY2018</b>		<b>FY2018</b>
<b>Line Item</b>	<b>Actual (audited)</b>	<b>Budget</b>	<b>Actual (unaudited)</b>	<b>Budget</b>	<b>\$ (+/-)</b>	<b>% (+/-)</b>	<b>% of Total Personnel Budget</b>
Regular Salaries	\$ 2,110,730	\$ 2,260,614	\$ 2,229,837	\$ 2,585,480	\$ 324,866	14.37%	66.30%
Overtime	45,115	50,500	37,584	61,500	11,000	21.78%	1.58%
FICA	129,544	135,515	135,211	164,113	28,598	21.10%	4.21%
Medicare	30,206	31,694	31,622	38,381	6,687	21.10%	0.98%
Health Insurance	352,431	445,421	407,750	654,006	208,585	46.83%	16.77%
Dental Insurance	23,913	30,189	29,104	41,093	10,904	36.12%	1.05%
Vision Insurance	24	-	-	-	-		0.00%
Unemployment	3,053	3,598	2,179	2,870	(728)	-20.23%	0.07%
Life Insurance	6,473	7,172	6,936	8,379	1,207	16.83%	0.21%
Short term Disability	16,964	17,598	16,304	18,671	1,073	6.10%	0.48%
Workers Compensation	64,376	64,103	64,052	112,815	48,712	75.99%	2.89%
Pension (GMEBS)	162,902	159,661	143,689	212,552	52,891	33.13%	5.45%
Flexible Benefits	2,283	2,000	2,103	-	(2,000)	-100.00%	0.00%
<b>Totals:</b>	<b>\$ 2,948,013</b>	<b>\$ 3,208,065</b>	<b>\$ 3,106,370</b>	<b>\$ 3,899,860</b>	<b>\$ 691,795</b>	<b>21.56%</b>	<b>100.00%</b>

## Health Insurance

In January of 2018, 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 December 31, 2018. The actual cost for FY2017 for health insurance was \$407,750. Although the City shares some of the costs with employees such that they pay 22.77% of the premiums for family coverage while the City pays 77.23% of the premiums, we are anticipating an increase of \$246,256 from the prior year actual expense or a total cost to the City of approximately \$654,006.

Humana Employers Health Plan	FY2015 Actual (audited)	FY2016 Actual (audited)	FY2017 Budget	FY2017 Actual (unaudited)	FY2018 Budget	% (+/-) FY17 to FY18
<i>General Administration</i>	\$ 52,151	\$ 62,484	\$ 111,025	\$ 99,680	\$ 140,098	26.19%
<i>Housing &amp; Development</i>	28,320	48,027	67,675	63,457	90,700	34.02%
<i>Public Safety</i>	152,822	205,974	236,092	220,954	380,610	61.21%
<i>Public Works</i>	8,049	558	-	-	-	
<i>Municipal Court</i>	23,701	29,161	24,400	22,604	28,646	17.40%
<i>Stormwater Utility Management</i>	11,796	6,227	6,229	1,055	13,952	123.98%
<i>Parks &amp; Recreation</i>	2,920	-	-	-	-	
<b>Total:</b>	<b>\$ 279,760</b>	<b>\$ 352,431</b>	<b>\$ 445,421</b>	<b>\$ 407,750</b>	<b>\$ 654,006</b>	<b>46.83%</b>

## 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 Medcom 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 Administrative fee. This will cover the minimum and up to 30 enrollees. Having 57 eligible employees, the worst-case scenario could be \$3,420 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 8.03% of employees' salaries towards the pension fund. Our total contribution to GMEBS in 2018 will be \$212,552.

Georgia Municipal Association	FY2015 Actual (audited)	FY2016 Actual (audited)	FY2017 Budget	FY2017 Actual (unaudited)	FY2018 Budget	% (+/-) FY17 to FY18
<i>General Administration</i>	\$ 62,635	\$ 29,543	\$ 41,455	\$ 28,806	\$ 35,467	-14.44%
<i>Housing &amp; Development</i>	46,268	12,968	12,514	11,086	29,815	138.25%
<i>Public Safety</i>	192,666	109,311	92,140	92,877	133,902	45.32%
<i>Public Works</i>	26,529	-	-	-	-	
<i>Municipal Court</i>	33,573	7,149	8,695	6,063	7,658	-11.93%
<i>Stormwater Utility Management</i>	1,363	3,931	4,857	4,857	5,710	17.56%
<i>Parks &amp; Recreation</i>	3,738	-	-	-	-	
<b>Total:</b>	<b>\$ 366,772</b>	<b>\$ 162,902</b>	<b>\$ 159,661</b>	<b>\$ 143,689</b>	<b>\$ 212,552</b>	<b>33.13%</b>

### 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 FY2018 for the period of May 1, 2017 to May 1, 2018 is \$101,250. This is a 31.27% increase from FY2017 budgeted expenditures of \$77,130 for property and casualty insurance.

Georgia Interlocal Risk Management Agency	FY2015 Actual (audited)	FY2016 Actual (audited)	FY2017 Budget	FY2017 Actual (unaudited)	FY2018 Budget	% (+/-) FY17 to FY18
<i>General Administration</i>	\$ 16,283	\$ 17,273	\$ 25,240	\$ 27,447	\$ 101,250	301.15%
<i>Housing &amp; Development</i>	6,477	6,292	6,890	6,887	-	-100.00%
<i>Public Safety</i>	29,332	27,056	27,600	27,548	-	-100.00%
<i>Public Works</i>	8,915	8,728	10,500	11,330	-	-100.00%
<i>Municipal Court</i>	6,477	6,292	6,900	6,887	-	-100.00%
<i>Stormwater Utility Management</i>	395	-	-	-	-	
<b>Total:</b>	<b>\$ 67,880</b>	<b>\$ 65,640</b>	<b>\$ 77,130</b>	<b>\$ 80,099</b>	<b>\$ 101,250</b>	<b>31.27%</b>

### 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 FY2017 were \$64,103. The FY2018 budget is 75.99% more than FY2017. An audit of our worker's compensation coverage was completed to more accurately represent our exposure to claims.

Georgia Municipal Association	FY2015 Actual (audited)	FY2016 Actual (audited)	FY2017 Budget	FY2017 Actual (unaudited)	FY2018 Budget	% (+/-) FY17 to FY18
<i>General Administration</i>	\$ 2,979	\$ 2,954	\$ 7,295	\$ 7,267	\$ 7,296	0.01%
<i>Housing &amp; Development</i>	2,867	3,992	4,719	4,715	5,662	19.98%
<i>Public Safety</i>	33,566	45,336	47,500	47,482	94,382	98.70%
<i>Public Works</i>	5,863	7,640	-	-	-	
<i>Municipal Court</i>	1,289	1,335	1,471	1,471	305	-79.27%
<i>Stormwater Utility Management</i>	1,656	3,118	3,118	3,118	5,170	65.81%
<i>Parks &amp; Recreation</i>	2,536	-	-	-	-	
<b>Total:</b>	<b>\$ 50,757</b>	<b>\$ 64,376</b>	<b>\$ 64,103</b>	<b>\$ 64,052</b>	<b>\$ 112,815</b>	<b>75.99%</b>



## **General Fund Expenditure Detail**

<b>General Fund</b>	<b>2016</b>	<b>2017</b>		<b>2017 Budget vs Actual</b>		<b>2018</b>	<b>2017-2018</b>
	<b>Actual (audited)</b>	<b>Budget</b>	<b>Actual (unaudited)</b>	<b>\$ (+/-)</b>	<b>% of budget used</b>	<b>Budget</b>	<b>% (+/-)</b>
<i>Advertising</i>	\$ 21,255	\$ 21,750	\$ 20,401	\$ 1,349	93.80%	\$ 12,250	-43.68%
<i>Books and Periodicals-Code Books</i>	49	500	95	405	19.00%	750	50.00%
<i>Capital Outlay - Sites</i>	300,000	-	-	-		-	
<i>Capital Outlay - Site Improvements</i>	21,619	-	-	-		-	
<i>Capital Outlay-Machinery &amp; Equipment</i>	33,082	3,000	-	3,000	0.00%	-	-100.00%
<i>Communications</i>	38,065	38,395	37,877	518	98.65%	31,500	-17.96%
<i>Contingency</i>		62,500	-	62,500	0.00%	67,500	8.00%
<i>Contract Labor</i>	311,693	432,556	417,290	15,266	96.47%	434,438	0.44%
<i>Disposal-Garbage/Recycling</i>	2,096	5,000	2,142	2,858	42.84%	5,000	0.00%
<i>Dues and Fees</i>	30,879	39,750	33,111	6,639	83.30%	14,225	-64.21%
<i>Dues and Fees-Bank Service Fees</i>	87	2,500	50	2,450	2.00%	1,750	-30.00%
<i>Dues and Fees-Direct Deposit</i>	1,798	-	1,864	(1,864)		-	
<i>Education and Training</i>	22,159	28,000	18,714	9,286	66.84%	39,250	40.18%
<i>Electricity</i>	112,204	127,500	124,847	2,653	97.92%	112,500	-11.76%
<i>Employee Benefits-ADD Life</i>	6,326	7,025	6,789	236	96.63%	8,232	17.18%
<i>Employee Benefits-Dental</i>	23,508	29,784	28,699	1,085	96.36%	40,692	36.62%
<i>Employee Benefits-Disability</i>	16,658	17,292	15,998	1,294	92.52%	18,302	5.84%
<i>Employee Benefits-Medical</i>	346,204	439,192	406,695	32,497	92.60%	640,054	45.73%
<i>Employee Benefits-Vision</i>	24	-	-	-		-	
<i>Employee Benefits-Retirement</i>	158,971	154,804	138,832	15,972	89.68%	206,842	33.62%
<i>FICA</i>	125,013	131,312	131,121	191	99.85%	159,704	21.62%
<i>Flexible Benefits</i>	2,283	2,000	2,103	(103)	105.15%	-	-100.00%
<i>Food Supplies</i>	2,358	3,000	2,602	398	86.74%	2,000	-33.33%
<i>Gasoline/Diesel</i>	66,166	79,250	76,218	3,032	96.17%	75,750	-4.42%
<i>General Supplies and Materials</i>	37,157	42,000	34,972	7,028	83.27%	47,750	13.69%
<i>General Supplies-Postage</i>	6,506	5,650	6,926	(1,276)	122.59%	2,500	-55.75%
<i>Insurance</i>	65,640	77,130	80,099	(2,969)	103.85%	101,250	31.27%
<i>Intergovernmental-Cherokee Office</i>	10,000	10,000	10,416	(416)	104.16%	10,000	0.00%
<i>Intergovernmental-Elections</i>	10,752	-	-	-		12,000	
<i>Intergovernmental-Fire Services</i>	1,264,841	1,406,978	1,406,978	-	100.00%	1,489,822	5.89%
<i>Intergovernmental-Sequoyah</i>	4,000	4,000	4,000	-	100.00%	4,000	0.00%
<i>Lawn Care</i>	517	1,000	400	600	40.00%	1,000	0.00%
<i>Medicare</i>	29,206	30,711	30,665	46	99.85%	37,350	21.62%

**Continued on next page**

## **General Fund Expenditure Detail Cont'd**

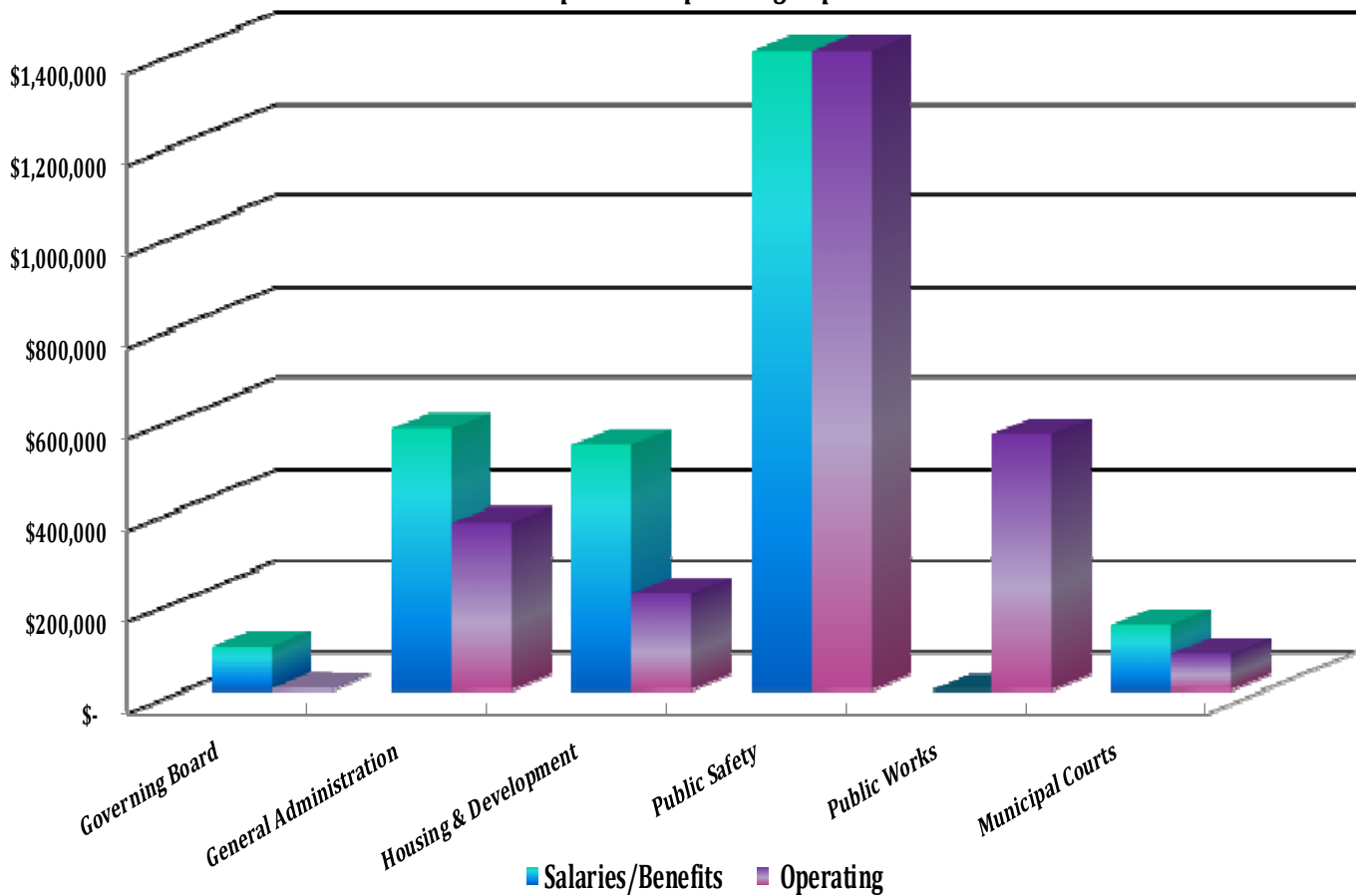
General Fund	2016	2017		2017 Budget vs Actual		2018	2017-2018
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
Natural Gas		\$ 2,000	\$ 1,347	\$ 653	67.35%	\$ 5,000	150.00%
Other Expenditures	18,088	13,750	9,759	3,991	70.97%	6,000	-56.36%
Other Services-Map Update		1,000	-	1,000	0.00%	1,000	0.00%
Other Supplies-Uniforms	27,185	40,500	27,313	13,187	67.44%	30,000	-25.93%
Payments to Other Agencies	3,570	15,000	3,265	11,735	21.77%	3,500	-76.67%
Pest Control	1,995	2,650	1,995	655	75.28%	4,000	50.94%
Planning & Zoning Meetings	2,205	2,500	2,101	399	84.03%	-	-100.00%
Printing and Binding	2,928	3,000	2,143	857	71.43%	3,250	8.33%
Professional Services	53,562	90,039	70,144	19,895	77.90%	5,000	-94.45%
Professional Services-Audit	27,000	85,000	21,000	64,000	24.71%	25,000	-70.59%
Professional Services-Engineering	67,918	80,000	93,156	(13,156)	116.45%	57,500	-28.13%
Professional Services-LCI	-	-	-	-		20,000	
Professional Services-Legal	83,936	18,500	75,929	(57,429)	410.43%	110,000	494.59%
Rental of Equipment	739	1,500	957	543	63.80%	1,500	0.00%
Repairs & Maintenance	65,940	93,500	63,247	30,253	67.64%	56,500	-39.57%
Repair & Maintenance-Vehicle	55,390	64,500	62,537	1,963	96.96%	55,750	-13.57%
Salaries & Wages	2,037,873	2,192,834	2,162,123	30,711	98.60%	2,516,373	14.75%
Salaries & Wages-Overtime	45,115	48,500	37,584	10,916	77.49%	59,500	22.68%
Small Equipment	43,893	50,500	36,972	13,528	73.21%	27,300	-45.94%
Small Equipment-Computer		2,500	-	2,500	0.00%	-	-100.00%
Small Equipment-PD Forfeitures		1,000	-	1,000	0.00%	-	-100.00%
Software	59,256	85,000	63,805	21,195	75.06%	25,000	-70.59%
Supplies - Special Events	11,996	3,500	13,795	(10,295)	394.13%	12,500	257.14%
Technical Services-Planning	34,909	38,000	35,323	2,677	92.95%	25,000	-34.21%
Transfer to Other Funds		536,961	-	536,961	0.00%	-	-100.00%
Travel	16,167	18,250	12,858	5,392	70.46%	12,000	-34.25%
Unemployment	2,896	3,452	2,033	1,419	58.89%	2,771	-19.73%
Water/Sewer	15,479	13,500	8,231	5,269	60.97%	15,000	11.11%
Weapon Supplies and Ammunition	16,642	30,000	17,789	12,211	59.30%	36,500	21.67%
Workers' Compensation	61,258	60,985	60,934	51	99.92%	107,645	76.51%
<b>Total General Fund Expenditures</b>	<b>\$ 5,827,057</b>	<b>\$ 6,801,000</b>	<b>\$ 5,926,244</b>	<b>\$ 874,756</b>	<b>87.14%</b>	<b>\$ 6,800,000</b>	<b>-0.01%</b>

Note: FY2017 Year to Date (YTD) actuals are unaudited through December 31, 2017

### **Explanation of variances greater than 10%**

- There were no significant variances between the 2017 and 2018 operating budgets in the General Fund.

**General Fund FY2018 Total Salaries/Benefits  
Compared to Operating Expenditures**



General Fund 2018 Budget				
Department	Salaries/Benefits		Operating	
Total				
Governing Board	\$	98,009	\$	3,750
General Administration	\$	573,495	\$	367,500
Housing & Development	\$	536,118	\$	212,775
Public Safety	\$	2,447,058	\$	1,776,072
Public Works	\$	-	\$	560,688
Municipal Courts	\$	142,785	\$	81,750
<b>Total</b>	<b>\$</b>	<b>3,797,465</b>	<b>\$</b>	<b>3,002,535</b>
			<b>\$</b>	<b>6,800,000</b>

## **Special Revenue Funds Expenditure Detail**

<i>Special Revenue Funds</i>	2016	2017		2017 Budget vs Actual		2018	2017-2018
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
<i>Advertising/Promotions</i>	\$ 5,175	\$ 6,505	\$ 5,161	\$ 1,344	79.34%	\$ 6,500	-0.08%
<i>Bank Service Fees</i>	250	-	-	-		-	
<i>Capital Outlay-Sites</i>	3,374,174	-	-	-		-	
<i>Communications</i>	305	1,000	844	156	84.44%	1,000	0.00%
<i>Contract Labor</i>	153,766	50,000	45,033	4,967	90.07%	45,000	-10.00%
<i>Debt Service-Bond Principal</i>	151,568	-	-	-		-	
<i>Debt Service-Bond Interest</i>	27,800	-	-	-		-	
<i>Disposal-Garbage/Recycling</i>	1,696	1,449	1,100	349	75.91%	1,749	20.70%
<i>Dues and Fees</i>	380	400	341	59	85.25%	500	25.00%
<i>Electricity</i>	5,085	6,015	5,034	981	83.69%	6,000	-0.25%
<i>General Supplies-Christmas</i>	88	-	-	-		-	
<i>General Supplies-Special Events</i>	189	-	-	-		-	
<i>General Supplies &amp; Materials</i>	3,547	2,500	2,455	45	98.22%	2,500	0.00%
<i>Lawn Care</i>	5,940	7,500	6,230	1,270	83.07%	8,000	6.67%
<i>Natural Gas</i>	1,399	1,500	1,441	59	96.06%	1,500	0.00%
<i>Payments to Other Agencies</i>	224,872	222,570	179,061	43,509	80.45%	225,000	1.09%
<i>Pest Control</i>	840	1,000	840	160	84.00%	1,140	14.00%
<i>Professional Services</i>	340	-	-	-		-	
<i>Rental of Equipment</i>	836	1,750	1,117	633	63.81%	2,000	14.29%
<i>Rental of Land-Brackett Park</i>	-	400	303	97	75.76%	125	-68.75%
<i>Repairs &amp; Maintenance</i>	63,791	35,000	24,162	10,838	69.03%	40,000	14.29%
<i>Small Equipment</i>	1,605	2,000	1,085	915	54.24%	2,000	0.00%
<i>Transfer to Debt Service Fund</i>		358,736	358,736	0	100.00%	358,736	0.00%
<i>Transfer to Other Fund</i>	17,537	-	3,043	(3,043)		-	
<i>Transfer to P&amp;R Authority</i>	353,542	-	-	-		-	
<i>Water/Sewer</i>	10,989	5,750	9,681	(3,931)	168.37%	5,750	0.00%
<b>Total Special Revenue Funds Expenditures</b>	<b>\$ 4,405,716</b>	<b>\$ 704,075</b>	<b>\$ 645,666</b>	<b>\$ 58,409</b>	<b>91.70%</b>	<b>\$ 707,500</b>	<b>0.49%</b>

Note: FY2017 Year to Date (YTD) actuals are unaudited through December 31, 2017

<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>	<b><u>Amount</u></b>
Debt Service Fund	Parks & Recreation	\$ 358,736
		<u>\$ 358,736</u>

### **Explanation of variances greater than 10%**

- There were no significant variances between the 2017 and 2018 operating budgets in the Special Revenue Funds.

## **Capital Project Funds Expenditure Detail**

<b>Capital Project Funds</b>	<b>2016</b>	<b>2017</b>		<b>2017 Budget vs Actual</b>		<b>2018</b>	<b>2017-2018</b>
	<b>Actual (audited)</b>	<b>Budget</b>	<b>Actual (unaudited)</b>	<b>\$ (+/-)</b>	<b>% of budget used</b>	<b>Budget</b>	<b>% (+/-)</b>
<i>Capital Outlay - CDBG Palm Street</i>	\$ 634,554	\$ 515,000	\$ 514,434	\$ 566	99.89%	\$ -	-100.00%
<i>Capital Outlay - Equipment</i>	48,935	255,000	251,951	3,049	98.80%	151,090	-40.75%
<i>Capital Outlay - HS Pkwy Widening</i>	-	200,000	79,799	-	39.90%	1,000,000	400.00%
<i>Capital Outlay - HS Pkwy Sidewalks</i>	-	15,000	13,987	-	93.25%	-	-100.00%
<i>Capital Outlay - Industrial Connector</i>	-	138,645	178,901	-	129.04%	61,355	-55.75%
<i>Capital Outlay - Infrastructure</i>	-	200,000	-	200,000	0.00%	200,000	0.00%
<i>Capital Outlay - LCI Sidewalk Project</i>	2,477,105	235,000	233,863	1,137	99.52%	-	-100.00%
<i>Capital Outlay - LCIPH2 Sidewalk Project</i>	76,799	165,000	138,888	26,112	84.17%	835,000	406.06%
<i>Capital Outlay - Rickman Extension</i>	238,176	800,000	792,402	7,598	99.05%	-	-100.00%
<i>Capital Outlay - Road Infrastructure</i>	-	250,000	301,531	(51,531)	120.61%	436,105	74.44%
<i>Capital Outlay - Vehicles</i>	291,162	105,000	104,686	314	99.70%	461,450	339.48%
<i>Capital Outlay-Sewer Infrastructure</i>	470,937	-	-	-		-	
<i>Interest - Capital Lease</i>	3,618	2,738	2,738	-	100.00%	-	-100.00%
<i>Principal - Capital Lease</i>	129,849	43,617	43,617	-	100.00%	-	-100.00%
<b>Total Capital Project Funds Expenditures</b>	<b>\$4,371,135</b>	<b>\$ 2,925,000</b>	<b>\$ 2,656,798</b>	<b>\$ 187,244</b>	<b>90.83%</b>	<b>\$ 3,145,000</b>	<b>7.52%</b>

Note: FY2017 Year to Date (YTD) actuals are unaudited through December 31, 2017

### **Explanation of variances greater than 10%**

- There were no significant variances between the 2017 and 2018 operating budgets in the Capital Project Funds.

## **Debt Service Fund Expenditure Detail**

<b><i>Debt Service Fund</i></b>	<b>2017*</b>		<b>2017 Budget vs Actual</b>		<b>2018</b>	<b>2017-2018</b>
	<b>Budget</b>	<b>Actual (unaudited)</b>	<b>\$ (+/-)</b>	<b>% of budget used</b>	<b>Budget</b>	<b>% (+/-)</b>
<i>Debt Service-Bond Principal</i>	\$ 296,450	\$ 290,860	\$ 5,590	98.11%	\$ 297,533	0.37%
<i>Debt Service-Bond Interest</i>	62,286	67,876	(5,590)	108.97%	61,203	-1.74%
<b>Total Debt Service Fund Expenditures</b>	<b>\$ 358,736</b>	<b>\$ 358,736</b>	<b>\$ 0</b>	<b>100.00%</b>	<b>\$ 358,736</b>	<b>0.00%</b>

*Note: FY2017 Year to Date (YTD) actuals are unaudited through December 31, 2017*

*\*FY2017 was the first year the City had a Debt Service Fund*

### **Explanation of variances greater than 10%**

- There were no significant variances between the 2017 and 2018 operating budgets in the Debt Service Fund.



**Enterprise Fund Expense Detail**

<i>Enterprise Fund</i>	2016	2017		2017 Budget vs Actual		2018	2017-2018
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
<i>Cleaning Services-Stormwater</i>	\$ 41,773	\$ 90,000	\$ 66,185	23,815	73.54%	\$ 100,000	11.11%
<i>Communications</i>	2,150	3,000	2,416	584	80.53%	2,750	-8.33%
<i>Contingency</i>	-	3,100	-	3,100	0.00%	3,250	4.84%
<i>Contract Labor</i>	4,400	2,500	-	2,500	0.00%	500	-80.00%
<i>Depreciation</i>	69,013	-	-	-		-	
<i>Dues and Fees</i>	6,025	500	100	400	20.00%	300	-40.00%
<i>Employee Benefits - ADD Life</i>	147	147	147	-	100.00%	147	0.00%
<i>Employee Benefits - Dental</i>	405	405	405	-	100.00%	401	-0.99%
<i>Employee Benefits - Disability</i>	306	306	306	-	100.00%	369	20.59%
<i>Employee Benefits - Medical</i>	6,227	6,229	1,055	5,174	16.94%	13,952	123.98%
<i>Employee Benefits - Medicare</i>	1,000	983	957	26	97.31%	1,031	4.88%
<i>Employee Benefits - Retirement</i>	3,931	4,857	4,857	-	100.00%	5,710	17.56%
<i>FICA</i>	4,531	4,203	4,090	113	97.31%	4,409	4.90%
<i>Gasoline/Diesel</i>	4,091	4,000	4,830	(830)	120.75%	4,500	12.50%
<i>General Supplies &amp; Materials</i>	1,069	500	315	185	63.07%	500	0.00%
<i>General Supplies - Postage</i>	67	250	25	225	10.18%	55	-78.00%
<i>Legal &amp; Professional Services</i>	-	-	-	-		-	
<i>Other Supplies</i>	580	775	364	411	47.02%	750	-3.23%
<i>Pollution Prevention</i>	-	-	-	-		-	
<i>Professional Services</i>	13,422	7,500	-	7,500	0.00%	4,000	-46.67%
<i>Repairs &amp; Maintenance</i>	17,745	89,000	34,453	54,547	38.71%	95,000	6.74%
<i>Salaries &amp; Wages</i>	72,857	67,781	67,714	67	99.90%	69,107	1.96%
<i>Salaries &amp; Wages - Overtime</i>	-	2,000	-	2,000	0.00%	2,000	0.00%
<i>Small Equipment</i>	948	1,500	-	1,500	0.00%	1,500	0.00%
<i>Structural Upgrades</i>	-	-	-	-		-	
<i>Technical Services-Stormwater</i>	-	5,000	-	5,000	0.00%	2,500	-50.00%
<i>Technical Services-Pollution</i>	-	2,500	-	2,500	0.00%	1,500	-40.00%
<i>Technical Services-Watershed</i>	5,340	700	-	700	0.00%	500	-28.57%
<i>Training/Education &amp; Public Awareness</i>	187	6,000	340	5,660	5.67%	2,000	-66.67%
<i>Unemployment</i>	157	146	146	-	100.00%	99	-32.19%
<i>Water/Sewer</i>	2,344	3,000	2,467	533	82.22%	3,000	0.00%
<i>Workers Comp Insurance</i>	3,118	3,118	3,118	-	100.00%	5,170	65.81%
<b>Total Enterprise Fund Expenses</b>	<b>\$ 261,832</b>	<b>\$ 310,000</b>	<b>\$ 194,292</b>	<b>\$ 115,708</b>	<b>62.67%</b>	<b>\$ 325,000</b>	<b>4.84%</b>

Note: FY2017 Year to Date (YTD) actuals are unaudited through December 31, 2017

**Explanation of variances greater than 10%**

- There were no significant variances between the 2017 and 2018 operating budgets in the Stormwater Utility Management Fund.

**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 FY2018, the legal debt limit for the City of Holly Springs is \$48,353,952.

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:

	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Total</u></b>
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
	<b><u>\$325,073</u></b>	<b><u>\$2,903,549</u></b>	<b><u>\$3,228,622</u></b>



***City of Holly Springs***

***Governmental Funds***





## ***General Fund***



# *Budget Overview*

## *General Fund*

	Adopted Budget <u>2017</u>	Adopted Budget <u>2018</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Total Cost	\$6,801,000	\$6,800,000	<b>(\$1,000)</b>	-0.01%

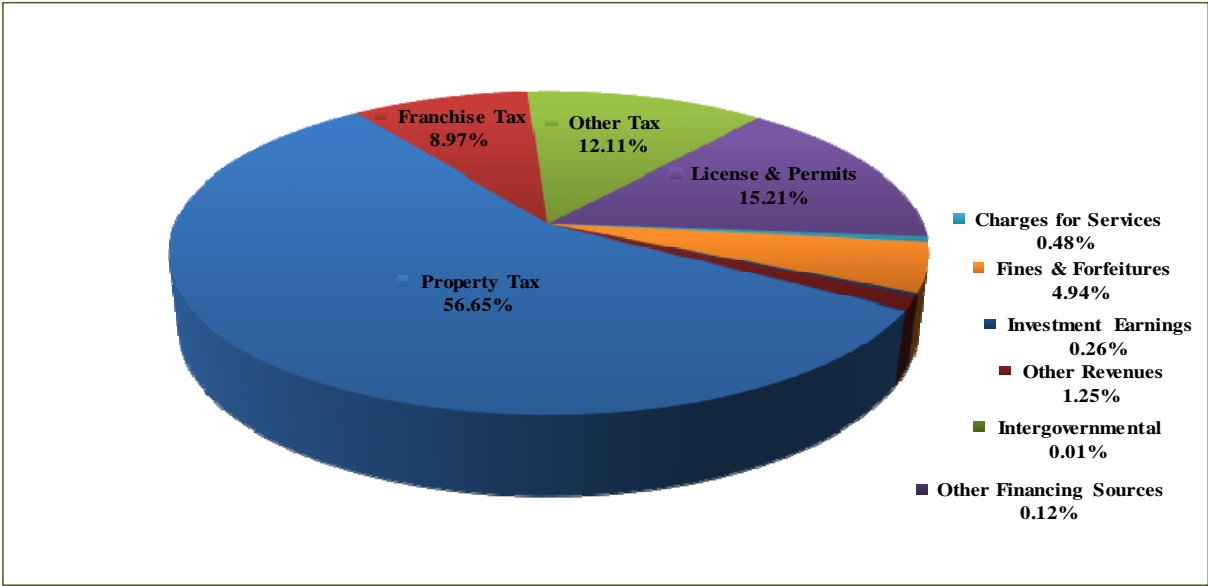
Revenues by Department & Category				
	<u>Taxes</u>	<u>Fees &amp; Fines</u>	<u>Other Revenue</u>	<u>Total</u>
Non-Departmental	\$ 5,286,000	\$ 750	\$ 135,400	\$ 5,422,150
Housing & Development	-	-	1,005,450	1,005,450
Public Safety	-	-	550	550
Public Works	-	-	-	-
Municipal Court	-	335,500	36,350	371,850
Total	<u>\$ 5,286,000</u>	<u>\$ 336,250</u>	<u>\$ 1,177,750</u>	<u>\$ 6,800,000</u>

Expenditures by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Governing Body	\$ 98,009	\$ 3,750	\$ -	\$ 101,759
General Administration	573,495	367,500	-	940,995
Housing & Development	536,118	212,775	-	748,893
Public Safety	2,447,058	1,776,072	-	4,223,130
Public Works	-	560,688	-	560,688
Municipal Court	142,785	81,750	-	224,535
Total	<u>\$ 3,797,465</u>	<u>\$ 3,002,535</u>	<u>\$ -</u>	<u>\$ 6,800,000</u>

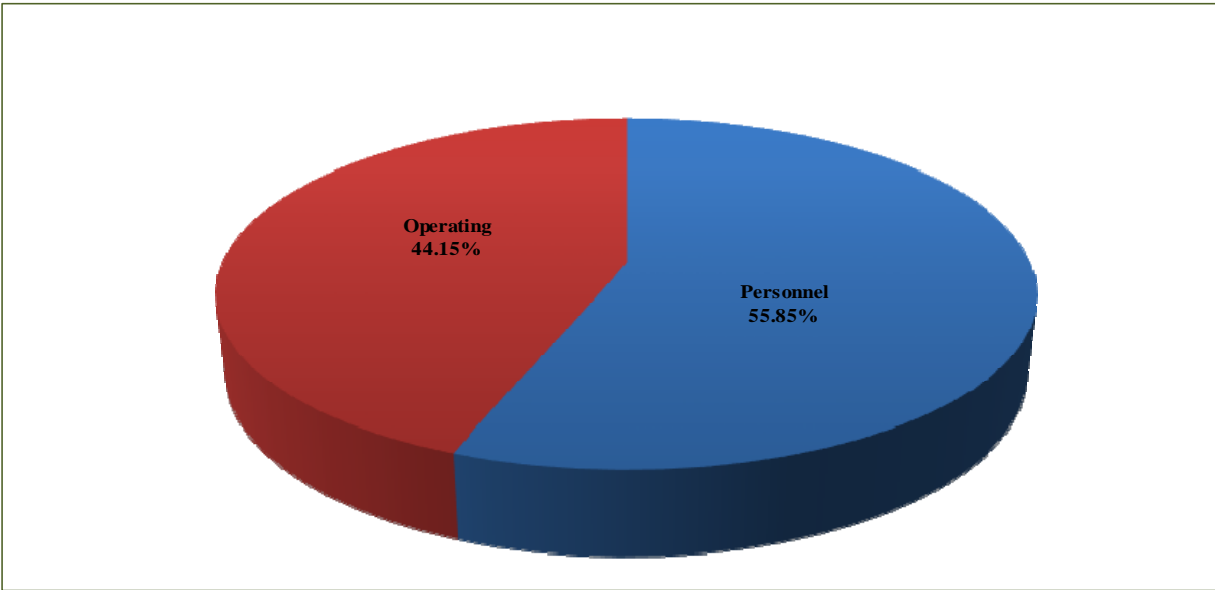
Operating Millage 2017	Operating Millage 2018	Percent Decrease
5.086	4.850	-4.64%

# Budget Overview General Fund

## Revenues By Source



## Expenditures By Category





## **General Fund**

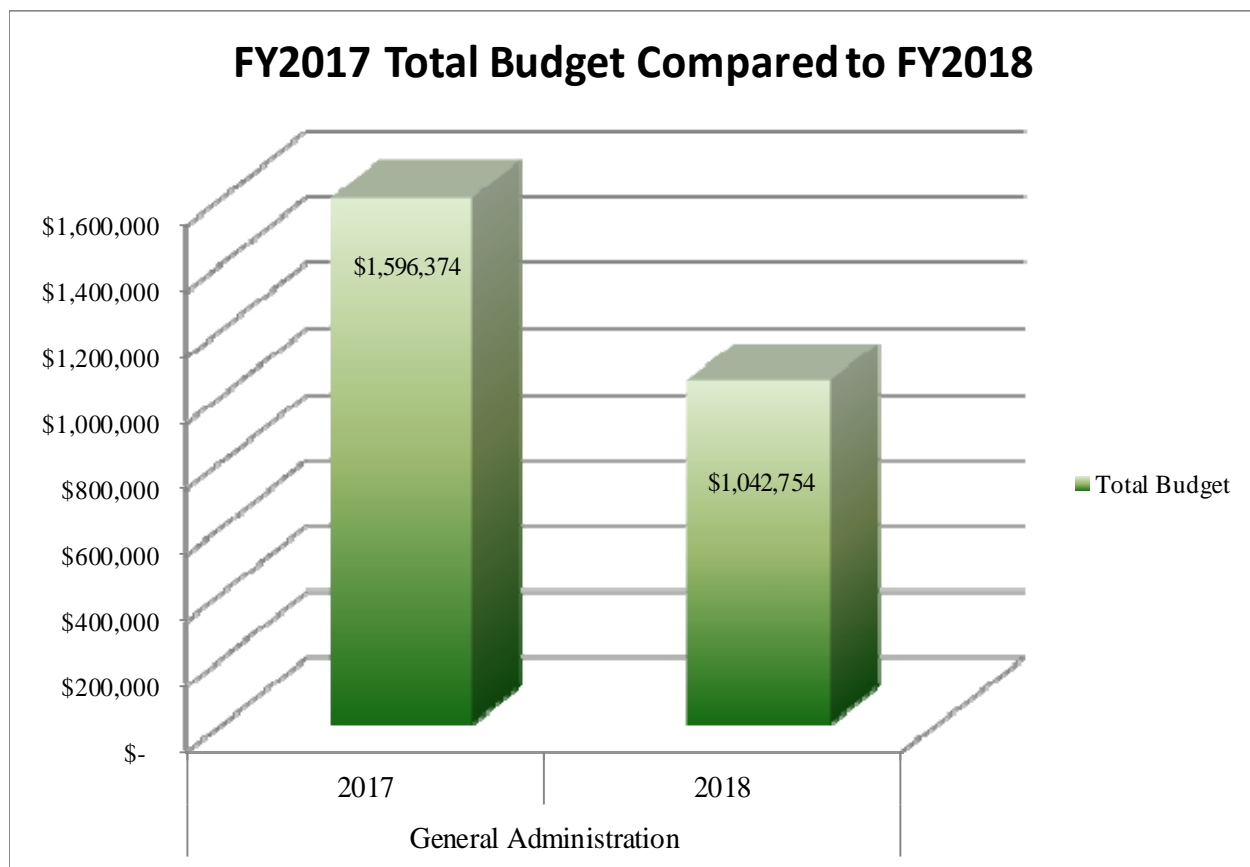
The General Fund of a governmental unit serves as the primary reporting fund for current government operations. The primary sources of revenue for the General Fund include property and franchise taxes. The major departments include General Administration, Municipal Court Services, Public Safety, and 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 \$1,042,754 (\$671,504 for salaries and benefits and \$371,250 for operating). This is a 34.68% decrease in expenditures from \$1,596,374 in 2017.



The FY2018 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
Building and Grounds Technician	One (1) FT
Accountant	One (1) FT

The General Administration Department will add two (2) full-time and eliminate two (2) part-time positions in the 2018 budget. These positions, one (1) Assistant City Clerk and one (1) Accountant, were converted from part-time to full-time.

<b>Summary Table of Personnel</b>								
	<b>FY2016</b>		<b>FY2017</b>		<b>+/-</b>		<b>FY2018</b>	
<b>Department</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>
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	2.00	2.00	-2.00	7.00	0.00
<b>Total</b>	<b>11.00</b>	<b>1.00</b>	<b>11.00</b>	<b>2.00</b>	<b>2.00</b>	<b>-2.00</b>	<b>13.00</b>	<b>0.00</b>

### **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.

<b>Performance Measures</b>	<b>FY2016 Actual</b>	<b>FY2017 Budget</b>	<b>FY2017 Actual</b>	<b>FY2018 Budget</b>
<b>Output</b>				
Monthly financial statements	12	12	12	12
<b>Effectiveness</b>				
# of years compliant with Cherokee County Service Delivery Strategy (HB 489)	18	19	19	20
% change over (under) operating roll-back millage rate	.00%	.05%	(-.16%)	.05%
FT employee turnover rate within one year of employment	0%	0%	0%	0%
# of years GFOA Certificate of Achievement for Excellence in Financial Reporting has been received*	5	6	*	7
# of years GFOA Distinguished Budget Award received	7	8	8	9
# of audit findings*	*	0	*	0
<b>Efficiency</b>				
Unassigned Fund Balances as a % of annual budget (1)	93.95%	100%	104.15%	100%
Average number of days to complete routine public open records requests	3 days	3 days	3 days	3 days

\* FY 2017 audit will be completed and submitted in June 2018

(1) audited balances used when available

Fiscal Year 2018						
Governing Body & General Administration Expenditure Detail		FY2016 Actual (audited)	FY2017 Budget	FY2017 Actual (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
<b>Governing Body</b>						
100-1110-511100	Salaries & Wages-Council	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	0.00%
100-1110-512100	Employee Benefits-Medical	15,237	36,750	30,812	45,808	24.65%
100-1110-512110	Employee Benefits-Dental	202	1,425	1,291	1,596	12.00%
100-1110-512120	Employee Benefits-ADD Life	789	1,060	870	882	-16.79%
100-1110-512200	FICA	1,535	2,604	2,123	2,604	0.00%
100-1110-512300	Medicare	359	609	496	609	0.00%
100-1110-512400	Employee Benefits-Retirement	3,753	4,540	2,830	3,373	-25.70%
100-1110-512600	Unemployment	190	304	177	205	-32.57%
100-1110-512700	Workers Comp Insurance	562	695	695	932	34.10%
100-1110-523100	Insurance	1,173	1,240	1,240	1,250	0.81%
100-1110-523200	Communications	-	250	-	250	0.00%
100-1110-523500	Travel	433	500	390	500	0.00%
100-1110-523700	Education and Training	2,600	2,500	625	1,500	-40.00%
100-1110-531100	General Supplies and Materials	359	500	54	250	-50.00%
100-1110-531600	Small Equipment	-	2,500	1,440	-	-100.00%
100-1110-572000	Payments to Other Agencies	500	-	-	-	
<b>Total Governing Body</b>		<b>\$ 69,692</b>	<b>\$ 97,477</b>	<b>\$ 85,041</b>	<b>\$ 101,759</b>	<b>4.39%</b>
<b>Elections</b>						
100-1400-523300	Advertising	\$ 718	\$ -	\$ -	\$ 750	
100-1400-571000	Intergovernmental-Elections	10,752	-	-	12,000	
<b>Total Elections</b>		<b>\$ 11,470</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,750</b>	
<b>General Administration</b>						
100-1500-511100	Salaries & Wages	\$ 360,850	\$ 385,793	\$ 372,865	\$ 399,677	3.60%
100-1500-511300	Overtime	286	500	-	-	-100.00%
100-1500-512100	Employee Benefits-Medical	47,247	74,275	68,868	94,290	26.95%
100-1500-512110	Employee Benefits-Dental	3,165	4,075	4,105	5,982	46.80%
100-1500-512120	Employee Benefits-ADD Life	809	965	882	1,029	6.63%
100-1500-512130	Employee Benefits-Disability	2,959	3,110	2,863	3,138	0.90%
100-1500-512150	Flexible Benefits	2,283	2,000	2,103	-	-100.00%
100-1500-512200	FICA	22,476	23,313	22,180	24,781	6.30%
100-1500-512300	Medicare	5,256	5,452	5,187	5,795	6.29%
100-1500-512400	Employee Benefits-Retirement	25,790	36,915	25,976	32,094	-13.06%
100-1500-512600	Unemployment	517	549	236	345	-37.16%
100-1500-512700	Workers' Comp. Insurance	2,392	6,600	6,573	6,364	-3.58%
100-1500-521200	Professional Services	48,841	14,039	65,606	-	-100.00%
100-1500-521210	Professional Services-Audit	27,000	85,000	21,000	25,000	-70.59%
100-1500-521220	Professional Services-Engineering	-	-	17,875	-	
100-1500-521230	Professional Services-Legal	8,250	8,500	6,517	45,000	429.41%
100-1500-522110	Disposal-Garbage/Recycling	434	1,750	581	2,500	42.86%

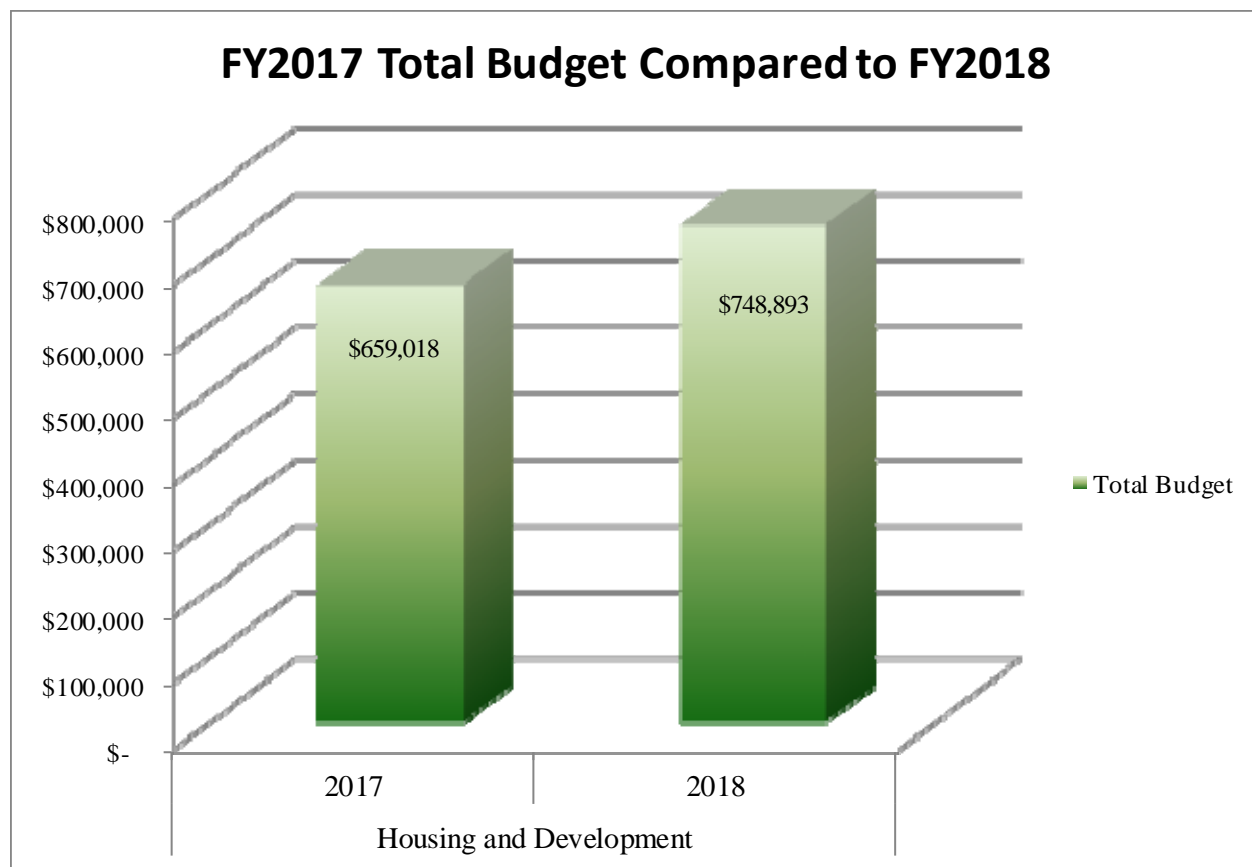
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Fiscal Year 2018						
Governing Body & General Administration Expenditure Detail		FY2016 Actual (audited)	FY2017 Budget	FY2017 Actual (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
100-1500-522150	Pest Control	435	600	435	2,000	233.33%
100-1500-522200	Repairs & Maintenance	17,891	25,000	15,453	15,000	-40.00%
100-1500-522210	Repairs & Maintenance-Vehicles	5,190	2,000	1,959	750	-62.50%
100-1500-523100	Insurance	16,100	24,000	26,207	100,000	316.67%
100-1500-523200	Communications	8,663	8,500	7,767	1,000	-88.24%
100-1500-523300	Advertising/Promotions	3,746	2,500	2,136	1,000	-60.00%
100-1500-523400	Printing and Binding	968	2,500	2,178	2,000	-20.00%
100-1500-523500	Travel	1,660	3,000	2,606	1,000	-66.67%
100-1500-523600	Dues and Fees	24,023	30,000	24,191	2,000	-93.33%
100-1500-523610	Dues and Fees-Bank Service Fees	87	2,500	50	1,750	-30.00%
100-1500-523620	Dues and Fees-Direct Deposit	1,798	-	1,864	-	
100-1500-523700	Education and Training	2,824	3,500	2,250	5,250	50.00%
100-1500-523900	Other Expenditures	4,268	5,000	4,216	-	-100.00%
100-1500-531100	General Supplies and Materials	22,418	25,000	16,560	19,000	-24.00%
100-1500-531120	General Supplies-Postage	6,406	5,000	6,778	2,500	-50.00%
100-1500-531210	Water/Sewer	9,982	7,500	2,797	12,500	66.67%
100-1500-531220	Natural Gas	-	2,000	1,347	5,000	150.00%
100-1500-531230	Electricity	3,020	5,000	2,846	10,000	100.00%
100-1500-531270	Gasoline/Diesel	893	1,000	689	1,500	50.00%
100-1500-531300	Food Supplies	-	500	235	-	-100.00%
100-1500-531600	Small Equipment	12,522	17,500	18,568	8,500	-51.43%
100-1500-531630	Software	36,692	70,000	49,200	20,000	-71.43%
100-1500-531700	Other Supplies	13	-	-	-	
100-1500-541100	Capital Outlay - Sites	300,000	-	-	-	
100-1500-541200	Capital Outlay - Site Improvement	21,619	-	-	-	
100-1500-542100	Capital Outlay-Machinery & Equip	7,734	-	-	-	
100-1500-579000	Contingency	-	62,500	-	67,500	8.00%
100-6500-571000	Intergovernmental-Sequoyah	4,000	4,000	4,000	4,000	0.00%
100-9000-611000	Transfer to Other Funds	-	536,961	-	-	-100.00%
<b>Total General Administration</b>		<b>\$ 1,071,506</b>	<b>\$ 1,498,897</b>	<b>\$ 817,748</b>	<b>\$ 928,245</b>	<b>-38.07%</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,152,668</b>	<b>\$ 1,596,374</b>	<b>\$ 902,790</b>	<b>\$ 1,042,754</b>	<b>-34.68%</b>

**❖ 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 \$748,893 (\$536,118 for salaries and benefits and \$212,775 for operating). This is a 13.64% increase in expenditures from \$659,018 in 2017.





## **Personnel**

The FY2018 personnel allocation recommendation in the Housing and Development Department is as follows:

Community Development Director	One (1) FT
Building Inspector	One (2) FT
Chief Building Inspector	One (1) FT
Main Street Director	One (1) FT
Permit Clerk	One (2) FT
GIS Technician	One (1) FT

The Housing and Development Department added two (2) full-time employees; one (1) Permit Technician/Receptionist and one (1) GIS Technician position to the 2018 budget. The GIS Technician position was a part-time employee from Stormwater who was converted to full-time and transferred to the Housing and Development department.

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.

<b>Summary Table of Personnel</b>								
	<b>FY2016</b>		<b>FY2017</b>		<b>+/-</b>		<b>FY2018</b>	
<b>Department</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>
Housing & Development	5.00	0.00	6.00	0.00	2.00	0.00	8.00	0.00
<b>Total</b>	<b>5.00</b>	<b>0.00</b>	<b>6.00</b>	<b>0.00</b>	<b>2.00</b>	<b>0.00</b>	<b>8.00</b>	<b>0.00</b>

## **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.

<b>Performance Measures</b>	<b>FY2016 Actual</b>	<b>FY2017 Budget</b>	<b>FY2017 Actual</b>	<b>FY2018 Budget</b>
<b>Output</b>				
# of acres annexed into the City	53.53 +/-	25	119.33	25
# of acres of greenspace added	58 +/-	2.5	13.87	2.5
# of new businesses opened in the City	62	75	83	80
<b>Effectiveness</b>				
% of buildings that meet fire safety code requirements	100%	100%	100%	100%
<b>Efficiency</b>				
Average # of days to complete inspection requests	1	1	1	1

Fiscal Year 2018						
Housing & Development Revenue & Expenditure Detail		FY 2016 Actual (audited)	FY2017 Budget	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
<b>Revenues</b>						
100-0000-322210	Zoning & Land Use Fees	\$ 59,388	\$ 20,000	\$ 36,824	\$ 25,000	25.00%
100-0000-322230	Sign Permits	4,192	2,500	3,221	3,500	40.00%
100-0000-322990	Other Licenses & Permits	375	500	850	1,250	150.00%
100-0000-323120	Building Permit Revenue	615,327	750,000	983,650	755,000	0.67%
100-0000-323125	Certificate of Occupancy Fees	103,500	150,000	182,500	150,000	0.00%
100-0000-324100	Building Permit - Reinspection Fees	-	2,000	-	2,500	25.00%
100-0000-341300	Planning & Development Fees	2,510	2,500	2,638	2,500	0.00%
100-0000-341305	Fire Plan Review	43,371	35,000	80,278	65,000	85.71%
<b>TOTAL REVENUES</b>		<b>\$ 828,663</b>	<b>\$ 962,500</b>	<b>\$ 1,289,961</b>	<b>\$ 1,004,750</b>	<b>4.39%</b>
<b>Expenditures</b>						
100-7200-511100	Salaries & Wages	\$ 197,384	\$ 240,000	\$ 251,394	\$ 320,573	33.57%
100-7200-511300	Overtime	45	1,500	-	1,500	0.00%
100-7200-512100	Employee Benefits-Medical	41,987	60,525	56,833	82,348	36.06%
100-7200-512110	Employee Benefits-Dental	2,640	2,835	2,996	5,188	83.00%
100-7200-512120	Employee Benefits-ADD Life	576	695	652	1,029	48.06%
100-7200-512130	Employee Benefits-Disability	1,774	2,095	1,967	2,698	28.78%
100-7200-512200	FICA	11,805	14,973	15,040	19,968	33.36%
100-7200-512300	Medicare	2,727	3,502	3,518	4,670	33.35%
100-7200-512400	Employee Benefits-Retirement	8,868	7,500	7,919	25,863	244.84%
100-7200-512600	Unemployment	319	293	179	346	18.09%
100-7200-512700	Workers' Compensation	3,909	4,610	4,606	5,396	17.05%
100-7200-521200	Professional Services-LCI	-	-	-	20,000	
100-7200-521220	Professional Services-Engineering	54,421	75,000	69,282	50,000	-33.33%
100-7200-521230	Professional Services-Legal	8,140	10,000	10,163	10,000	0.00%
100-7200-521300	Technical Services-Planning	34,909	38,000	35,323	25,000	-34.21%
100-7200-522150	Pest Control	360	500	360	-	-100.00%
100-7200-522200	Repairs & Maintenance	2,333	4,500	4,283	4,000	-11.11%
100-7200-523000	Other Services-Map Update	-	1,000	-	1,000	0.00%
100-7200-523100	Insurance	6,292	6,890	6,887	-	-100.00%
100-7200-523200	Communication	5,817	6,645	6,710	5,750	-13.47%
100-7200-523300	Advertising/Promotions	16,632	16,000	17,919	10,000	-37.50%
100-7200-523400	Printing and Binding	1,960	500	(35)	1,250	150.00%
100-7200-523500	Travel	2,158	500	53	1,500	200.00%

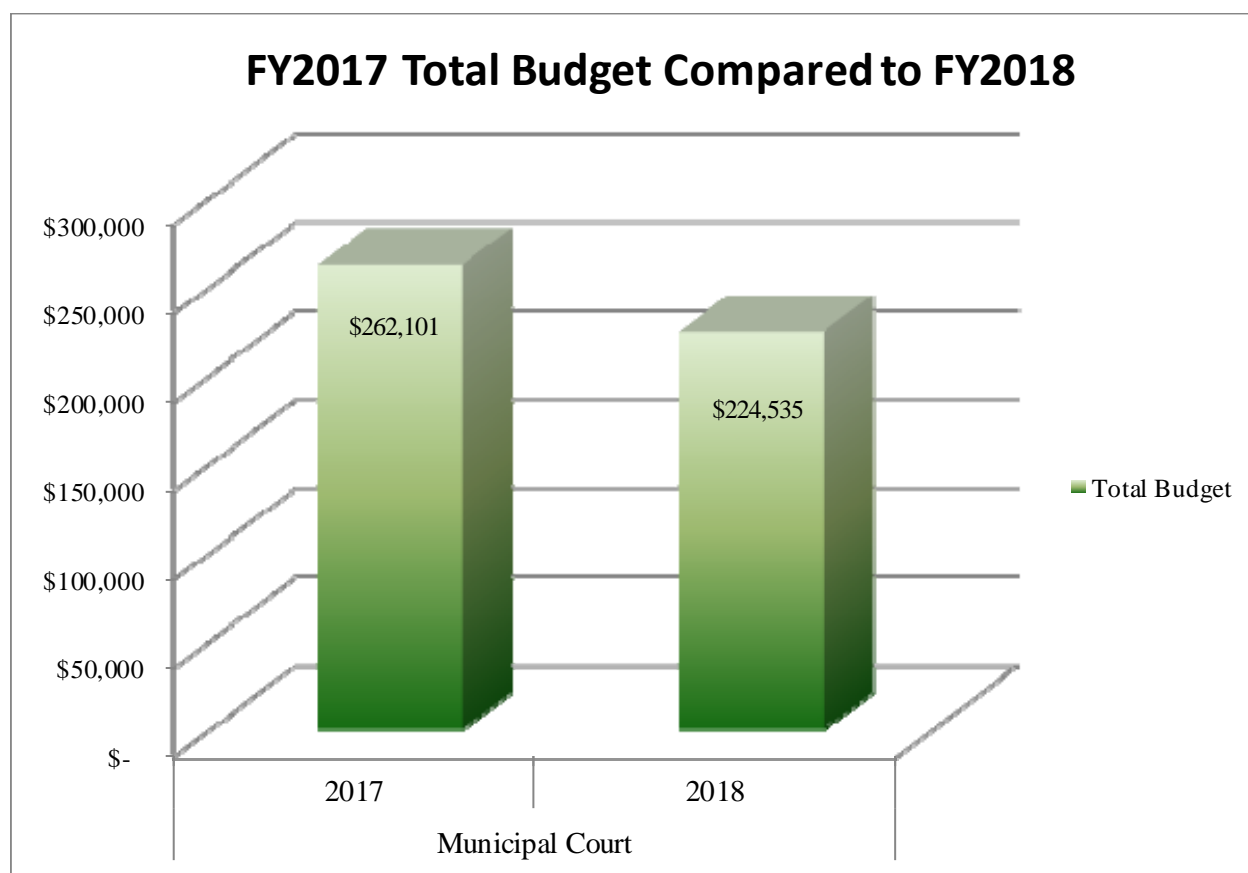
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Fiscal Year 2018						
Housing & Development Revenue & Expenditure Detail		FY 2016 Actual (audited)	FY2017 Budget	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
100-7200-523700	Education and Training	2,882	1,500	1,098	3,500	133.33%
100-7200-523850	Contract Labor	34,425	30,000	20,160	25,000	-16.67%
100-7200-523860	Planning & Zoning Meetings	2,205	2,500	2,101	-	-100.00%
100-7200-523900	Other Expenditures	395	750	669	500	-33.33%
100-7200-531100	General Supplies and Materials	1,312	2,500	2,102	4,000	60.00%
100-7200-531120	General Supplies-Postage	56	250	23	-	-100.00%
100-7200-531210	Water/Sewer	472	750	423	-	-100.00%
100-7200-531230	Electricity	4,126	4,500	3,881	-	-100.00%
100-7200-531270	Gasoline/Diesel	2,225	3,000	2,838	3,500	16.67%
100-7200-531400	Books and Periodicals-Code Books	49	250	95	500	100.00%
100-7200-531600	Small Equipment	2,494	1,500	1,015	1,500	0.00%
100-7520-571000	Intergovernmental-Cherokee Office	10,000	10,000	10,000	10,000	0.00%
100-7550-511100	Salaries & Wages	47,692	47,276	47,387	48,223	2.00%
100-7550-511300	Overtime	381	500	486	1,000	100.00%
100-7550-512100	Employee Benefits-Medical	6,040	7,150	6,624	8,352	16.81%
100-7550-512110	Employee Benefits-Dental	426	967	401	400	-58.63%
100-7550-512120	Employee Benefits-ADD Life	135	147	147	147	0.00%
100-7550-512130	Employee Benefits-Disability	384	420	386	385	-8.33%
100-7550-512200	FICA	2,968	2,876	2,940	3,052	6.12%
100-7550-512300	Medicare	694	673	687	714	6.09%
100-7550-512400	Employee Benefits-Retirement	4,101	5,014	3,167	3,952	-21.18%
100-7550-512600	Unemployment	63	73	40	49	-32.88%
100-7550-512700	Workers' Compensation	83	109	109	266	144.04%
100-7550-523310	Advertising	-	2,500	-	500	-80.00%
100-7550-523500	Travel	375	750	732	1,000	33.33%
100-7550-523600	Dues and Fees	520	1,000	710	1,500	50.00%
100-7550-523700	Education and Training	1,230	3,000	2,604	3,500	16.67%
100-7550-523850	Contract Labor	6,627	7,500	6,134	7,500	0.00%
100-7550-531100	Supplies - Special Events	11,996	15,000	13,795	12,500	-16.67%
100-7550-572000	Payments to Other Agencies	3,070	3,500	3,265	3,500	0.00%
<b>TOTAL EXPENDITURES</b>		<b>\$ 556,550</b>	<b>\$ 659,018</b>	<b>\$ 634,853</b>	<b>\$ 748,893</b>	<b>13.64%</b>

❖ **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 \$224,535 (\$142,785 for salaries and benefits and \$81,750 for operating). This is a 14.33% decrease in expenditures from \$262,101 in 2017.



The FY2018 personnel allocation recommendation for the Municipal Court Services is as follows:

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

Municipal Court Services eliminated one (1) part-time Bailiff position. This position was transferred to the Police Department.

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

<b>Summary Table of Personnel</b>								
	<b>FY2016</b>		<b>FY2017</b>		<b>+/-</b>		<b>FY2018</b>	
<b>Department</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>
Municipal Court	2.00	3.00	2.00	2.00	0.00	-1.00	2.00	1.00
<b>Total</b>	<b>2.00</b>	<b>3.00</b>	<b>2.00</b>	<b>2.00</b>	<b>0.00</b>	<b>-1.00</b>	<b>2.00</b>	<b>1.00</b>

Judicial Designation	FY2017 Budgeted Expenditures (24 sessions)	Proposed Compensation	FY2018 Budgeted Expenditures (22 sessions)
Judge (1)	\$30,000	\$1,250 per session	\$27,500
Associate Judge (1)	7,500	1,250 per session	1,250
Chief Solicitor (1)	24,000	1,000 per session	22,000
Public Defender (2.5)	10,500	300 per session	1,500
Translator (1)	3,000	125 per session	2,750
<b>Totals:</b>	<b>\$75,000</b>		<b>\$55,000</b>



**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.

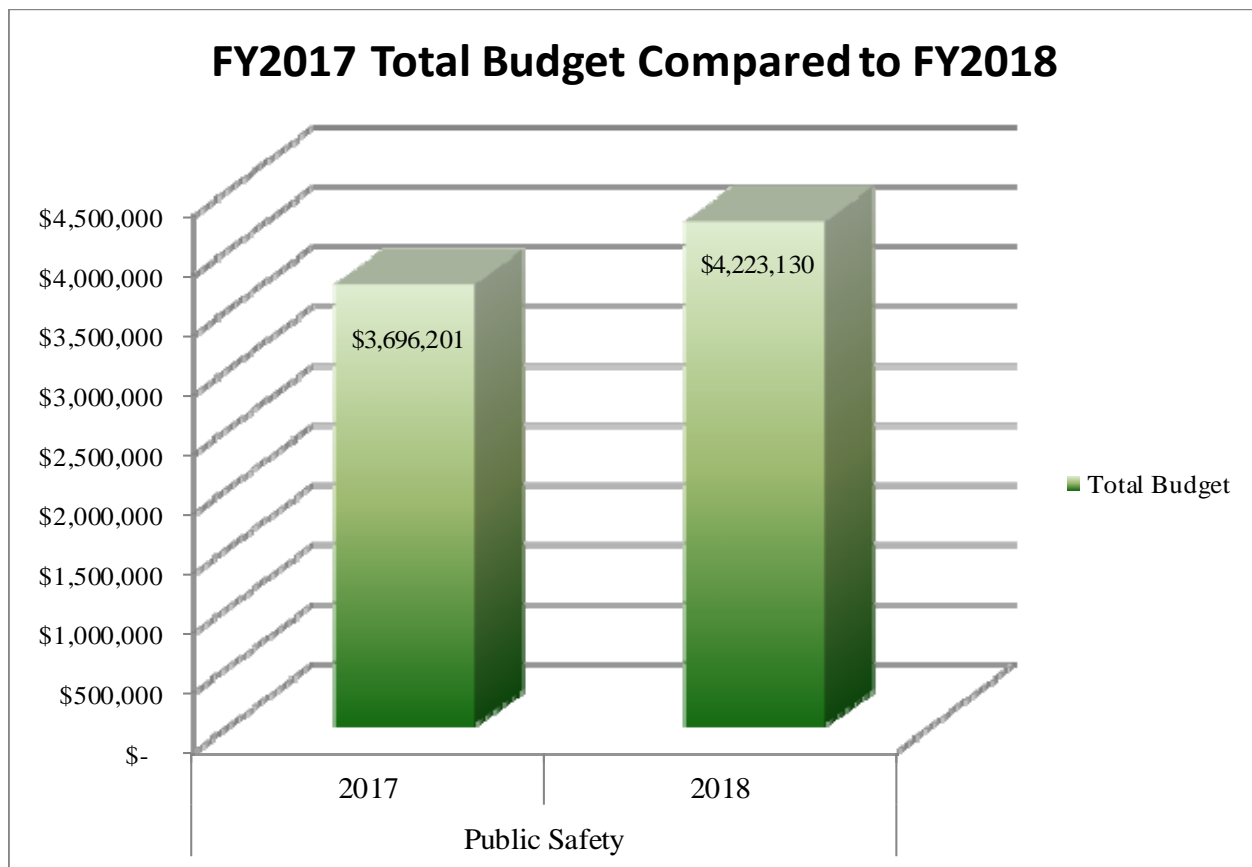
<b>Performance Measures</b>	<b>FY2016 Actual</b>	<b>FY2017 Budget</b>	<b>FY2017 Actual</b>	<b>FY2018 Budget</b>
<b>Output</b>				
#of pre-trial diversions	26	50	9	8
<b>Effectiveness</b>				
% of successful transmissions to the Department of Driver Services	100%	100%	100%	100%
% of court cases transferred to probation	3%	3%	4%	3%
<b>Efficiency</b>				
Average number of court hours per session - arraignments	7	6	6	6
Average number of court hours per session - trials	5	5	5	5

Fiscal Year 2018						
Municipal Court Revenue & Expenditure Detail		FY2016 Actual (audited)	FY2017 Budget	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
<b>Revenues</b>						
100-0000-342120	Accident/Incident Reports	\$ 1,501	\$ 1,500	\$ 1,904	\$ 2,500	66.67%
100-0000-342900	Expungements	-	50	-	100	100.00%
100-0000-346400	Background Checks	1,430	1,000	1,020	1,000	0.00%
100-0000-351170	Municipal Court Fees	329,066	300,000	354,708	335,000	11.67%
100-0000-351320	Forfeitures	-	500	500	500	0.00%
<b>TOTAL REVENUES</b>		<b>\$ 331,997</b>	<b>\$ 303,050</b>	<b>\$ 358,132</b>	<b>\$ 339,100</b>	<b>11.90%</b>
<b>Expenditures</b>						
100-2650-511100	Salaries & Wages	\$ 96,726	\$ 99,060	\$ 98,819	\$ 94,372	-4.73%
100-2650-511300	Overtime	1,257	500	450	1,000	100.00%
100-2650-512100	Employee Benefits-Medical	29,161	24,400	22,604	28,646	17.40%
100-2650-512110	Employee Benefits-Dental	1,486	1,933	1,935	2,389	23.61%
100-2650-512120	Employee Benefits-ADD Life	441	336	306	294	-12.38%
100-2650-512130	Employee Benefits-Disability	1,008	767	702	675	-11.99%
100-2650-512200	FICA	4,936	6,175	4,890	5,913	-4.24%
100-2650-512300	Medicare	1,154	1,445	1,144	1,383	-4.29%
100-2650-512400	Employee Benefits-Retirement	7,149	8,695	6,063	7,658	-11.93%
100-2650-512600	Unemployment	141	219	83	148	-32.42%
100-2650-512700	Workers' Compensation	1,335	1,471	1,471	305	-79.27%
100-2650-521200	Professional Services- Public Defender	4,221	10,000	3,713	5,000	-50.00%
100-2650-521230	Professional Services - Solicitor/Judge	67,547	65,000	59,250	55,000	-15.38%
100-2650-522150	Pest Control	360	300	360	-	-100.00%
100-2650-522200	Repairs & Maintenance	3,451	4,000	4,422	2,500	-37.50%
100-2650-523100	Insurance	6,292	6,900	6,887	-	-100.00%
100-2650-523200	Communications	3,704	3,500	3,420	3,500	0.00%
100-2650-523300	Advertising	-	250	-	-	-100.00%
100-2650-523500	Travel	602	1,500	1,513	1,500	0.00%
100-2650-523600	Dues and Fees	50	250	100	250	0.00%
100-2650-523700	Education and Training	450	1,500	1,413	1,500	0.00%
100-2650-523900	Other Expenditures	756	250	50	250	0.00%
100-2650-531100	General Supplies and Materials	2,026	2,500	3,010	2,500	0.00%
100-2650-531120	General Supplies-Postage	-	150	-	-	-100.00%
100-2650-531210	Water/Sewer	2,487	2,500	2,506	-	-100.00%
100-2650-531230	Electricity	4,347	4,500	4,087	-	-100.00%
100-2650-531270	Gasoline/Diesel	-	250	-	-	-100.00%
100-2650-531300	Food Supplies	2,358	2,500	2,368	2,000	-20.00%
100-2650-531400	Books and Periodicals-Code Books	-	250	-	250	0.00%
100-2650-531600	Small Equipment	2,596	3,000	2,748	2,500	-16.67%
100-2650-531630	Software	9,908	7,500	9,260	5,000	-33.33%
100-2650-531700	Other Supplies-Uniforms	-	500	-	-	-100.00%
100-2650-542100	Capital Outlay - Machinery & Equip	5,386	-	-	-	
100-2650-571000	Intergovernmental-Cherokee	-	-	416	-	
<b>TOTAL EXPENDITURES</b>		<b>\$ 261,334</b>	<b>\$ 262,101</b>	<b>\$ 243,990</b>	<b>\$ 224,535</b>	<b>-14.33%</b>

❖ **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 \$4,223,130 (\$2,447,058 for salaries and benefits and \$1,776,072 for operating). This is a 14.26% increase in expenditures from \$3,696,201 in 2017.



## **Personnel**

The FY2018 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 (19) FT
Detective	Two (2) FT
Code Enforcement Officer	One (1) FT
Probation Officer	One (1) FT
Reserve Officer	One (1) PT

The Public Safety Department will add four (4) Uniform Patrol Officer positions and one (1) part-time position for FY2018. The part-time Bailiff position was reassigned from Municipal Court and reclassified as a Reserve Officer.

Summary Table of Personnel											
	FY2016			FY2017			+/-			FY2018	
Department	F/T	P/T		F/T	P/T		F/T	P/T		F/T	P/T
Public Safety	27.00	0.00		29.00	0.00		4.00	1.00		33.00	1.00
Total	27.00	0.00		29.00	0.00		4.00	1.00		33.00	1.00

## **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.

<b>Performance Measures</b>	<b>FY2016 Actual</b>	<b>FY2017 Budget</b>	<b>FY2017 Actual</b>	<b>FY2018 Budget</b>
<b>Output</b>				
# of TRACE meetings conducted	10	10	10	10
# of traffic tickets issued	2,462	2,500	2,204	2,500
<b>Effectiveness</b>				
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
<b>Efficiency</b>				
Average response time for all calls for service (in minutes)	2.53	4	2.32	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 in 2016. CCFES also implemented procedures to allocate personnel and apparatus to more effectively provide fire protection coverage within the City in 2016.

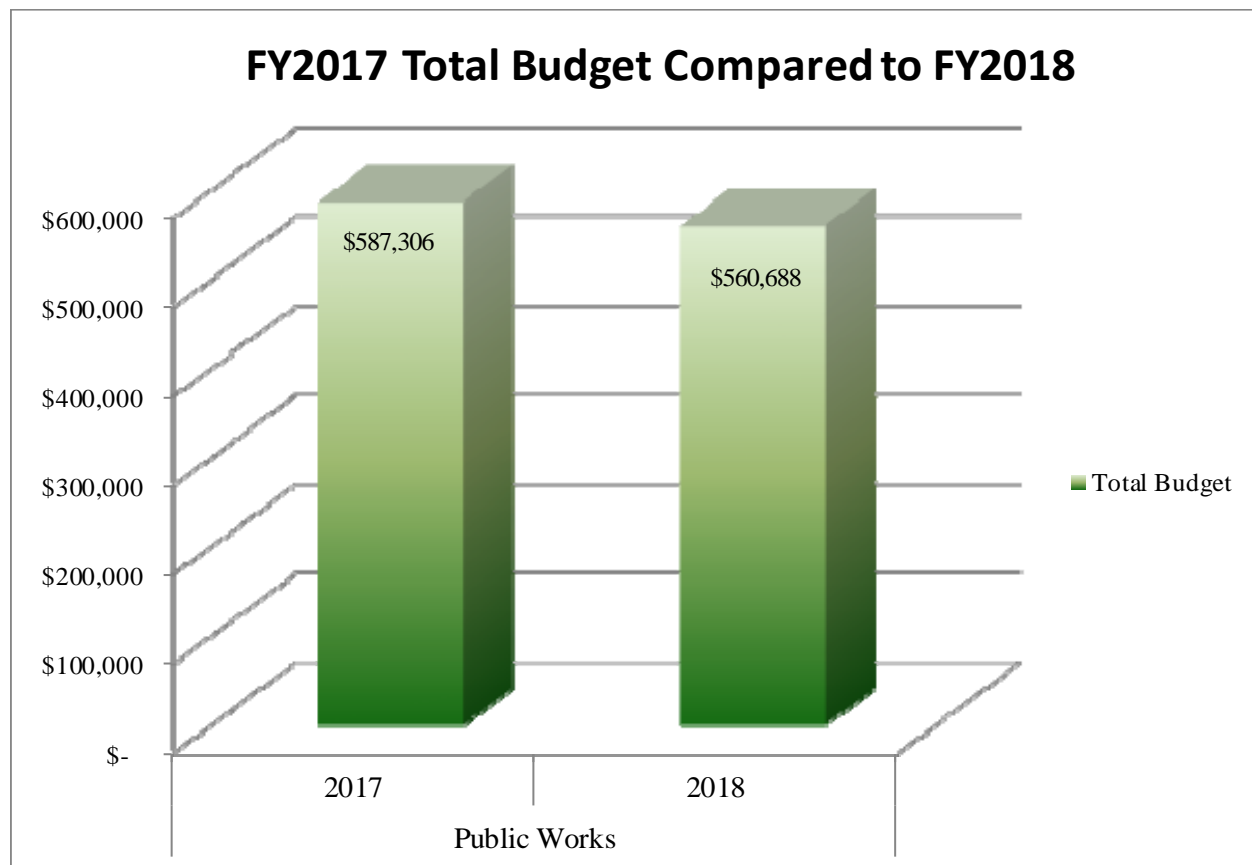
Fiscal Year 2018						
Public Safety Revenue & Expenditure Detail		FY 2016 Actual (audited)	FY2017 Budget	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
<b>Revenues</b>						
100-0000-331000	Grant Revenue	\$ -	\$ 725	\$ -	\$ 550	-24.14%
<b>TOTAL REVENUES</b>		<b>\$ -</b>	<b>\$ 725</b>	<b>\$ -</b>	<b>\$ 550</b>	<b>-24.14%</b>
<b>Expenditures</b>						
<b>Police Department</b>						
100-3200-511100	Salaries & Wages	\$ 1,293,221	\$ 1,378,704	\$ 1,349,658	\$ 1,611,526	16.89%
100-3200-511300	Salaries & Wages-Overtime	43,146	45,500	36,648	56,000	23.08%
100-3200-512100	Employee Benefits-Medical	205,974	236,092	220,954	380,610	61.21%
100-3200-512110	Employee Benefits-Dental	15,589	18,549	17,970	25,137	35.52%
100-3200-512120	Employee Benefits-ADD Life	3,552	3,822	3,932	4,851	26.92%
100-3200-512130	Employee Benefits-Disability	10,493	10,900	10,080	11,406	4.64%
100-3200-512140	Employee Benefits-Vision	24	-	-	-	
100-3200-512200	FICA	81,294	81,372	83,949	103,386	27.05%
100-3200-512300	Medicare	19,015	19,030	19,633	24,179	27.06%
100-3200-512400	Employee Benefits-Retirement	109,311	92,140	92,877	133,902	45.32%
100-3200-512600	Unemployment	1,666	2,014	1,317	1,678	-16.68%
100-3200-512700	Workers' Compensation	45,336	47,500	47,482	94,382	98.70%
100-3200-521200	Professional Services	500	1,000	825	-	-100.00%
100-3200-522110	Garbage	434	750	581	-	-100.00%
100-3200-522150	Pest Control	360	500	360	1,000	100.00%
100-3200-522200	Repair & Maintenance	12,443	10,000	10,098	5,000	-50.00%
100-3200-522210	Repair & Maintenance-Vehicle	42,115	55,000	56,381	50,000	-9.09%
100-3200-523100	Insurance	27,056	27,600	27,548	-	-100.00%
100-3200-523200	Communications	18,574	18,000	18,619	21,000	16.67%
100-3200-523300	Advertising	160	500	346	-	-100.00%
100-3200-523500	Travel	10,940	12,000	7,565	6,500	-45.83%
100-3200-523600	Dues and Fees	2,216	3,500	3,321	4,700	34.29%
100-3200-523700	Education and Training	12,173	15,000	10,724	24,000	60.00%
100-3200-523710	Education and Training-PD Auxiliary	-	1,000	-	-	-100.00%
100-3200-523850	Contract Labor	675	1,000	600	-	-100.00%
100-3200-523900	Other Expenditures	12,628	7,500	4,824	5,000	-33.33%
100-3200-531100	General Supplies and Materials	9,955	10,000	10,593	20,500	105.00%
100-3200-531110	Weapon Supplies and Ammunition	16,642	30,000	17,789	36,500	21.67%
100-3200-531120	General Supplies-Postage	44	250	126	-	-100.00%
100-3200-531210	Water/Sewer	2,487	2,500	2,506	2,500	0.00%
100-3200-531230	Electricity	12,972	13,500	12,129	10,000	-25.93%
100-3200-531270	Gasoline/Diesel	51,856	65,000	64,230	60,750	-6.54%
100-3200-531600	Small Equipment	26,052	25,000	12,227	8,800	-64.80%
100-3200-531610	Small Equipment-Computer	-	2,500	-	-	-100.00%
100-3200-531620	Small Equipment-PD Forfeitures	-	1,000	-	-	-100.00%
100-3200-531630	Software	12,656	7,500	5,345	-	-100.00%
100-3200-531700	Other Supplies-Uniforms	27,185	40,000	27,313	30,000	-25.00%
100-3200-541100	Capital Outlay-Machinery & Equip	19,962	3,000	-	-	-100.00%
<b>Total Police Department</b>		<b>\$ 2,148,705</b>	<b>\$ 2,289,223</b>	<b>\$ 2,178,550</b>	<b>\$ 2,733,308</b>	<b>19.40%</b>
<b>Fire Services</b>						
100-3500-571000	Intergovernmental-Fire Services	1,264,841	1,406,978	1,406,978	1,489,822	5.89%
<b>Total Fire Services</b>		<b>\$ 1,264,841</b>	<b>\$ 1,406,978</b>	<b>\$ 1,406,978</b>	<b>\$ 1,489,822</b>	<b>5.89%</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 3,413,546</b>	<b>\$ 3,696,201</b>	<b>\$ 3,585,528</b>	<b>\$ 4,223,130</b>	<b>14.26%</b>



❖ **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 \$560,688 (all expenditures shown are for operating costs). This is a 4.53% decrease in expenditures from \$587,306 in 2017.



## **Personnel**

The Public Works Department will not have personnel allocated in the FY2018 budget.

<b>Summary Table of Personnel</b>								
	<b>FY2016</b>		<b>FY2017</b>		<b>+/-</b>		<b>FY2018</b>	
<b>Department</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>
Public Works	3.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>3.00</b>	<b>2.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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.

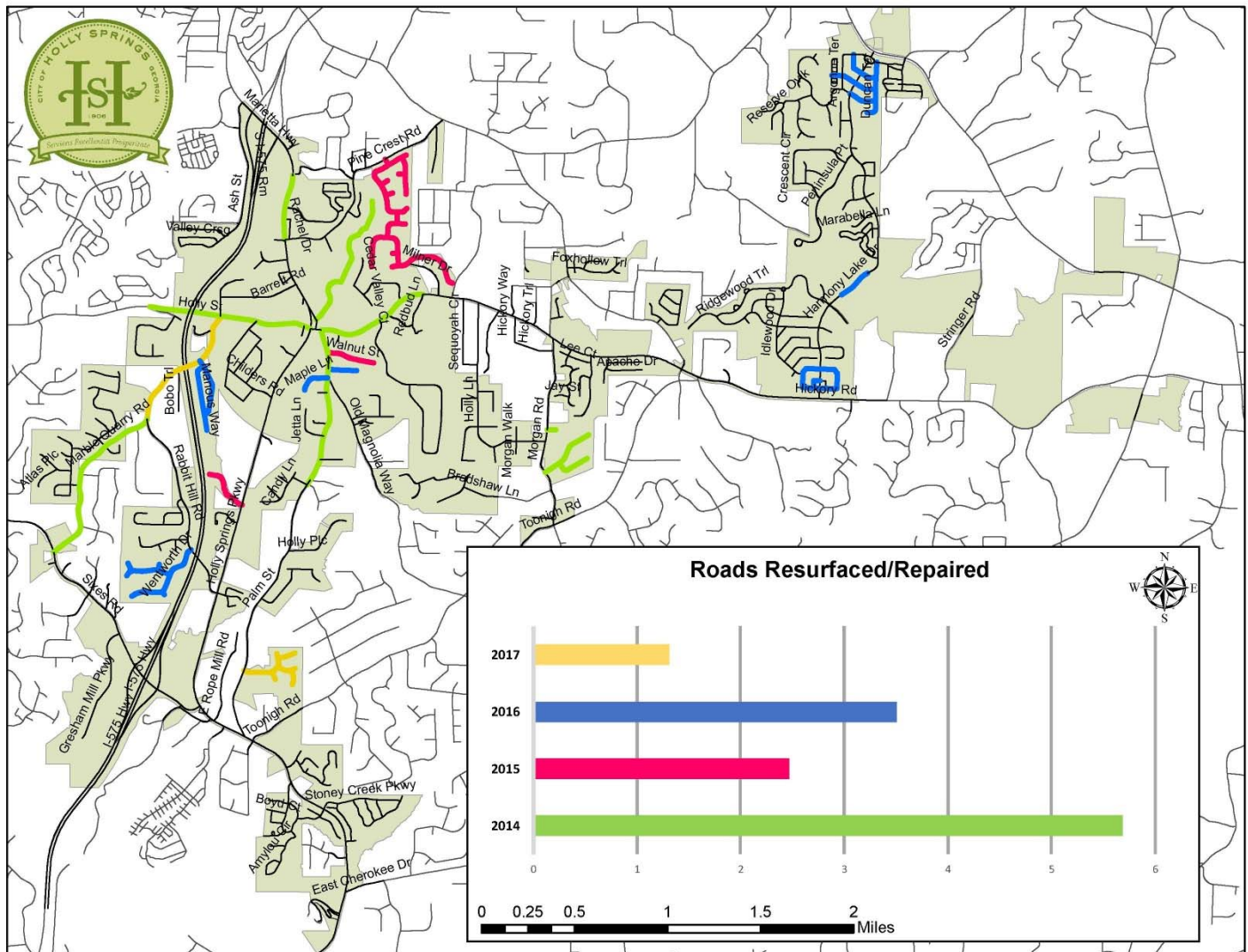
Goal:

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.

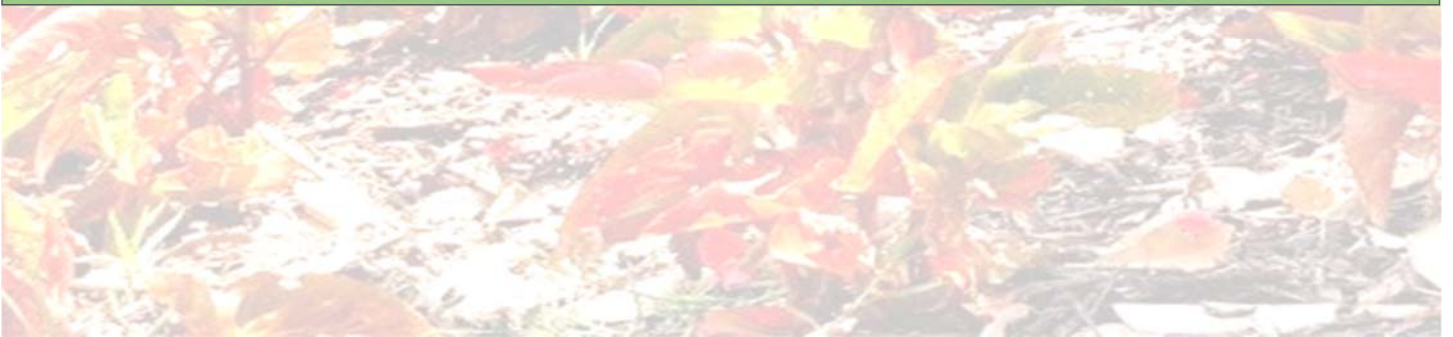
Performance Measures	FY2016 Actual	FY2017 Budget	FY2017 Actual	FY2018 Budget
<b>Output</b>				
# of miles of roads resurfaced	3.51	.43	1.31	2.29
# of re-landscaped sites	1	0	0	1
<b>Effectiveness</b>				
Percent of hazardous street conditions (potholes) repaired	100%	100%	100%	100%
<b>Efficiency</b>				
Average number of days to complete work order	3	3	3	3



Fiscal Year 2018						
Public Works Expenditure Detail		FY 2016 Actual (audited)	FY2017 Budget	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
<b>Highways and Streets</b>						
100-4200-512100	Employee Benefits-Medical	558	-	-	-	
100-4200-512120	Employee Benefits-ADD Life	25	-	-	-	
100-4200-512130	Employee Benefits-Disability	41	-	-	-	
100-4200-512700	Workers' Compensation	7,640	-	-	-	
100-4200-521220	Professional Services-Engineering	13,497	5,000	6,000	7,500	50.00%
100-4200-522110	Disposal-Garbage/Recycling	1,228	2,500	979	2,500	0.00%
100-4200-522140	Lawn Care	517	1,000	400	1,000	0.00%
100-4200-522150	Pest Control	480	750	480	1,000	33.33%
100-4200-522200	Repairs & Maintenance	29,822	50,000	28,991	30,000	-40.00%
100-4200-522210	Repairs & Maintenance-Vehicles	8,085	7,500	4,197	5,000	-33.33%
100-4200-522320	Rental of Equipment	739	1,500	957	1,500	0.00%
100-4200-523100	Insurance	8,728	10,500	11,330	-	-100.00%
100-4200-523200	Communications	1,307	1,500	1,361	-	-100.00%
100-4200-523850	Contract Labor	251,439	394,056	390,396	401,938	2.00%
100-4200-523900	Other Expenditures	27	250	-	250	0.00%
100-4200-531100	General Supplies and Materials	1,087	1,500	2,652	1,500	0.00%
100-4200-531210	Water/Sewer	50	250	-	-	-100.00%
100-4200-531230	Electricity	6,950	7,500	7,739	-	-100.00%
100-4200-531270	Gasoline/Diesel	11,191	10,000	8,461	10,000	0.00%
100-4200-531600	Small Equipment	230	1,000	975	6,000	500.00%
<b>Total Highways and Streets</b>		<b>\$ 343,641</b>	<b>\$ 494,806</b>	<b>\$ 464,918</b>	<b>\$ 468,188</b>	<b>-5.38%</b>
<b>Street Lights</b>						
100-4260-523850	Contract Labor	18,527	-	-	-	
100-4260-531230	Electricity-Street Lights	79,580	90,000	93,013	90,000	0.00%
<b>Total Street Lights</b>		<b>\$ 98,107</b>	<b>\$ 90,000</b>	<b>\$ 93,013</b>	<b>\$ 90,000</b>	<b>0.00%</b>
<b>Traffic Lights</b>						
100-4270-531230	Electricity-Traffic Lights	1,210	2,500	1,152	2,500	0.00%
<b>Total Traffic Lights</b>		<b>\$ 1,210</b>	<b>\$ 2,500</b>	<b>\$ 1,152</b>	<b>\$ 2,500</b>	<b>0.00%</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 442,958</b>	<b>\$ 587,306</b>	<b>\$ 559,083</b>	<b>\$ 560,688</b>	<b>-4.53%</b>



## ***Special Revenue Funds***



# *Budget Overview*

## *Special Revenue Funds*

	Adopted Budget <u>2017</u>	Adopted Budget <u>2018</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Total Cost	\$704,075	\$707,500	\$3,425	0.49%

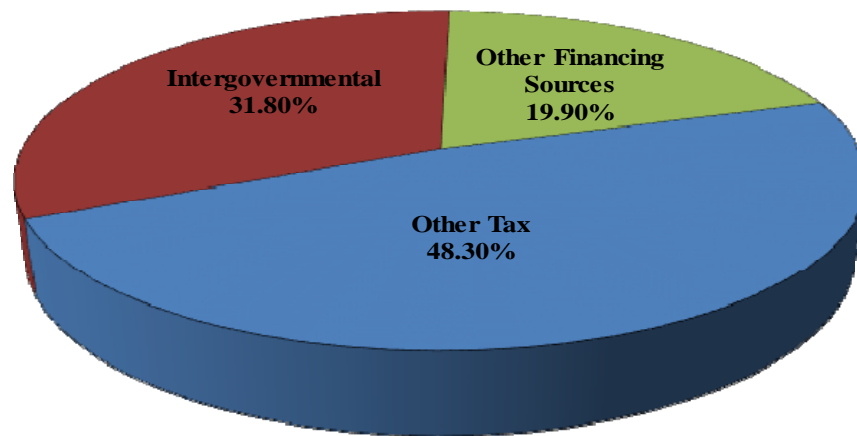
Revenues by Department & Category				
	<u>Other Tax</u>	<u>Intergovernmental</u>	<u>Other</u>	Total
Parks and Recreation	\$ 335,200	\$ -	\$ 140,800	\$ 476,000
Hotel/Motel Tax	6,495	-	5	6,500
Operating Grant	-	224,995	5	225,000
Total	<u>\$ 341,695</u>	<u>\$ 224,995</u>	<u>\$ 140,810</u>	<u>\$ 707,500</u>

Expenditures by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	Total
Parks and Recreation	\$ -	\$ 476,000	\$ -	\$ 476,000
Hotel/Motel Tax	-	6,500	-	6,500
Operating Grant	-	225,000	-	225,000
Total	<u>\$ -</u>	<u>\$ 707,500</u>	<u>\$ -</u>	<u>\$ 707,500</u>

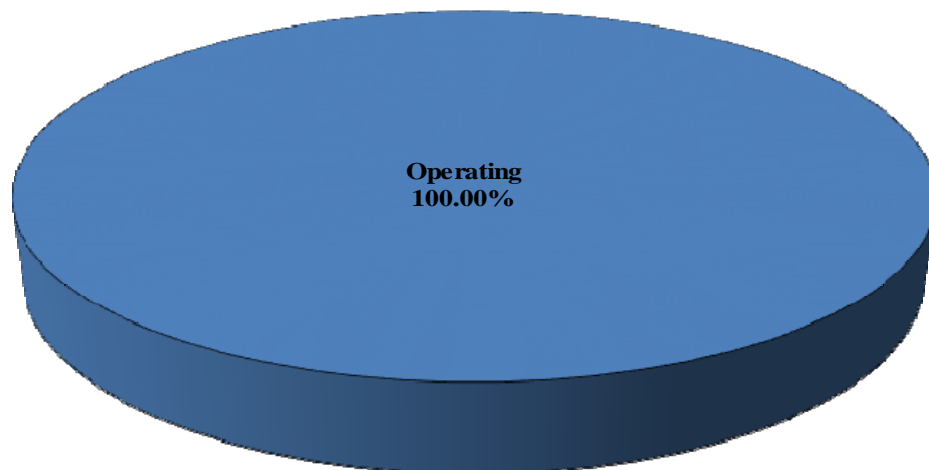


# ***Budget Overview Special Revenue Funds***

## ***Revenues By Source***



## ***Expenditures By Category***





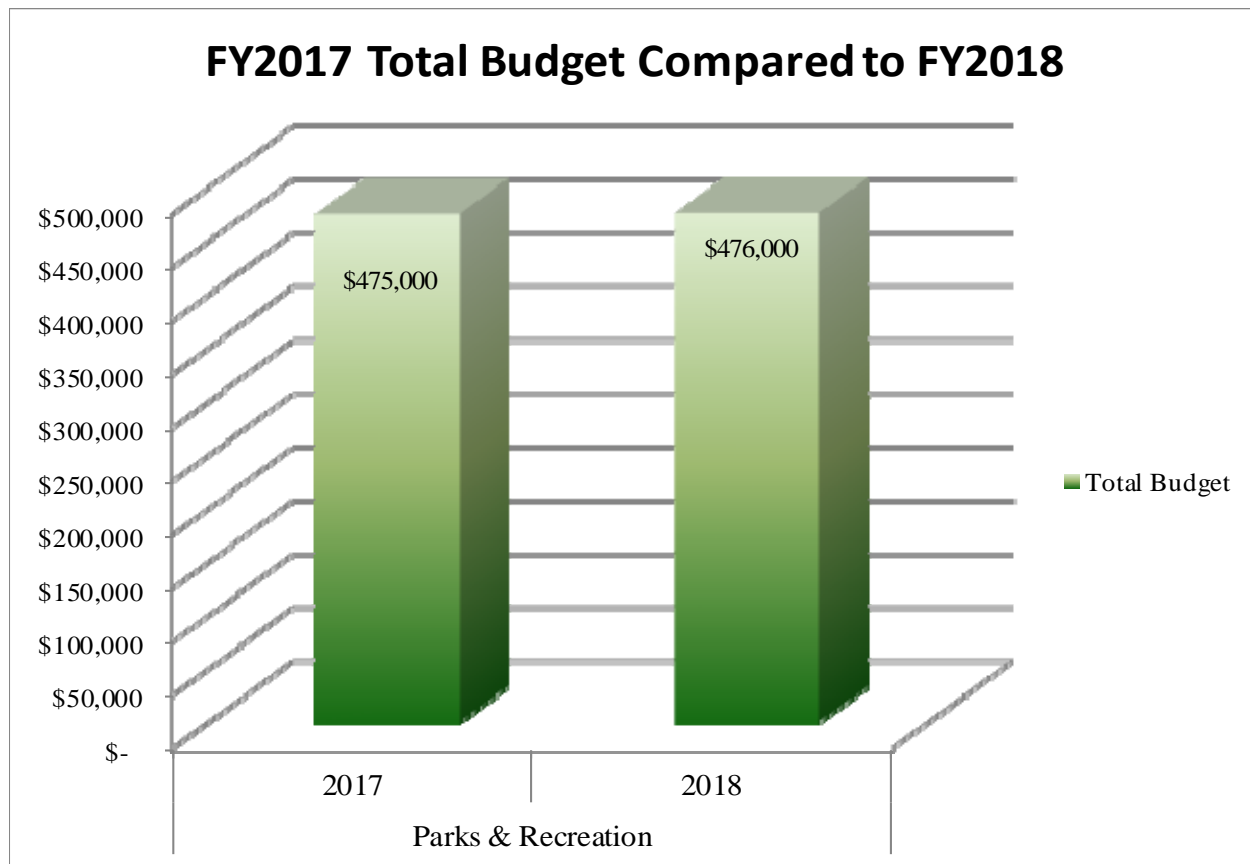
## **Special Revenue Funds**

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 \$476,000. This is a .21% increase in expenditures from \$475,000 in 2017.



## **Personnel**

The Parks and Recreation Department will not have personnel allocated in the FY2018 budget.

Summary Table of Personnel											
	FY2016			FY2017			+/-			FY2018	
Department	F/T	P/T		F/T	P/T		F/T	P/T		F/T	P/T
Parks and Recreation	0.00	1.00		0.00	0.00		0.00	0.00		0.00	0.00
Total	0.00	1.00		0.00	0.00		0.00	0.00		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.

<b>Performance Measures</b>	<b>FY2016 Actual</b>	<b>FY2017 Budget</b>	<b>FY2017 Actual</b>	<b>FY2018 Budget</b>
<b>Output</b>				
# of acres of land set aside for new park construction	55.01	0	0	0
# of acres of developed park land per 1,000 city residents	.0461	.0461	.0444	.0461
<b>Effectiveness</b>				
% 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%
<b>Efficiency</b>				
Average operating cost per resident - parks	\$8.85	\$8.03	\$8.78	\$9.88
Average operating cost per resident - community center	\$.84	\$2.40	\$1.21	\$1.45

\*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.

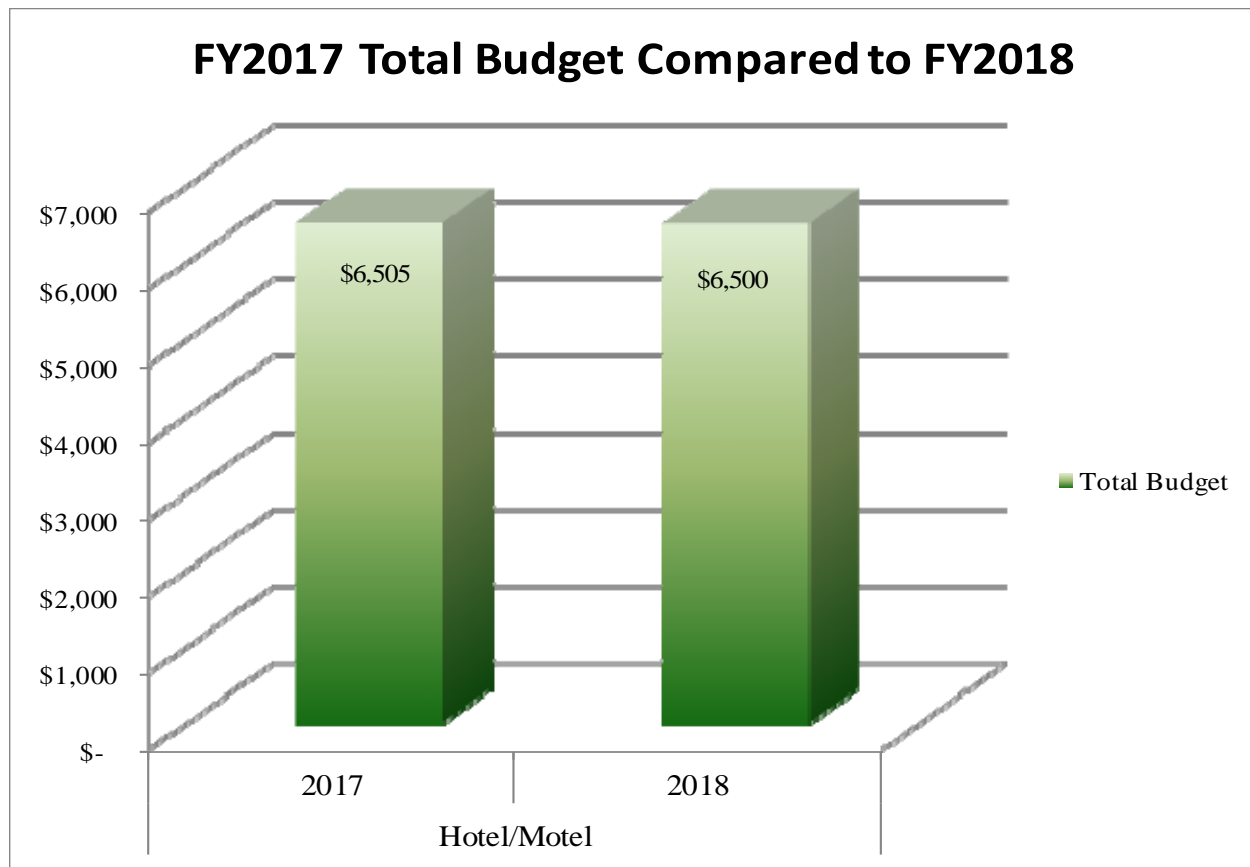


Fiscal Year 2018						
Parks and Recreation Revenue & Expenditure Detail		FY 2016 Actual (audited)	FY2017 Budget	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
<b>Revenues</b>						
270-0000-314200	Alcoholic Beverage Excise Tax-Beer	\$ 295,228	\$ 230,000	\$ 232,591	\$ 235,000	2.17%
270-0000-314210	Alcoholic Beverage Excise Tax-Liquor	-	62,000	67,409	65,000	4.84%
270-0000-314300	Local Option Mixed Drink Tax	32,921	35,000	36,043	35,000	0.00%
270-0000-361000	Interest Earnings	517	50	46	50	0.00%
270-0000-319100	Penalties & Interest	37	175	148	200	14.29%
270-0000-380000	Miscellaneous Revenue	187	-	-	100	
270-0000-381000	Rents and Royalties	10,395	15,000	16,029	15,000	0.00%
270-0000-134000	Prior Year Fund Balance	-	132,775	-	125,650	-5.37%
270-0000-393000	General Long-Term Debt Issued	-	-	-	-	
<b>TOTAL REVENUES</b>		<b>\$ 339,284</b>	<b>\$ 475,000</b>	<b>\$ 352,266</b>	<b>\$ 476,000</b>	<b>0.21%</b>
<b>Expenditures</b>						
270-5530-522110	Disposal - Garbage Depot	\$ 677	\$ 700	\$ 550	\$ 1,000	42.86%
270-5530-522150	Pest Control - Depot	480	500	480	740	48.00%
270-5530-522200	Repairs & Maintenance - Depot	1,673	5,000	3,941	5,000	0.00%
270-5530-523200	Communications	305	1,000	844	1,000	0.00%
270-5530-531210	Water/Sewer - Depot	114	750	734	750	0.00%
270-5530-531220	Natural Gas - Depot	1,399	1,500	1,441	1,500	0.00%
270-5530-531230	Electricity - Depot	3,738	4,500	3,728	4,500	0.00%
270-5530-531600	Small Equipment - Depot	-	500	311	500	0.00%
270-6175-531100	General Supplies - Christmas	88	-	-	-	
270-6176-531100	General Supplies - Special Events	189	-	-	-	
270-6220-521200	Professional Services	340	-	-	-	
270-6220-522110	Disposal - Garbage Parks	1,019	749	550	749	0.00%
270-6220-522140	Lawn Care	5,940	7,500	6,230	8,000	6.67%
270-6220-522150	Pest Control - Parks	360	500	360	400	-20.00%
270-6220-522200	Repairs & Maintenance - Parks	62,118	30,000	20,221	35,000	16.67%
270-6220-522310	Rental of Land-Brackett Plaza	-	400	303	125	-68.75%
270-6220-522320	Rental of Equipment	836	1,750	1,117	2,000	14.29%
270-6220-523600	Dues and Fees	380	400	341	500	25.00%
270-6220-523610	Bank Service Fees	250	-	-	-	
270-6220-523850	Contract Labor	153,766	50,000	45,033	45,000	-10.00%
270-6220-531100	General Supplies & Materials - Parks	3,547	2,500	2,455	2,500	0.00%
270-6220-531210	Water/Sewer - Parks	10,875	5,000	8,947	5,000	0.00%
270-6220-531230	Electricity - Parks	1,347	1,515	1,305	1,500	-0.99%
270-6220-531600	Small Equipment - Parks	1,605	1,500	773	1,500	0.00%
270-9000-611000	Transfer to Other Funds	-	-	3,043	-	
270-9000-611000	Transfer to P&R Authority	371,079	358,736	358,736	358,736	0.00%
<b>TOTAL EXPENDITURES</b>		<b>\$ 622,127</b>	<b>\$ 475,000</b>	<b>\$ 461,444</b>	<b>\$ 476,000</b>	<b>0.21%</b>

❖ **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 for the Hotel/Motel Tax Fund are anticipated to be \$6,500. This is a .08% decrease in expenditures from \$6,505 in 2017.



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.

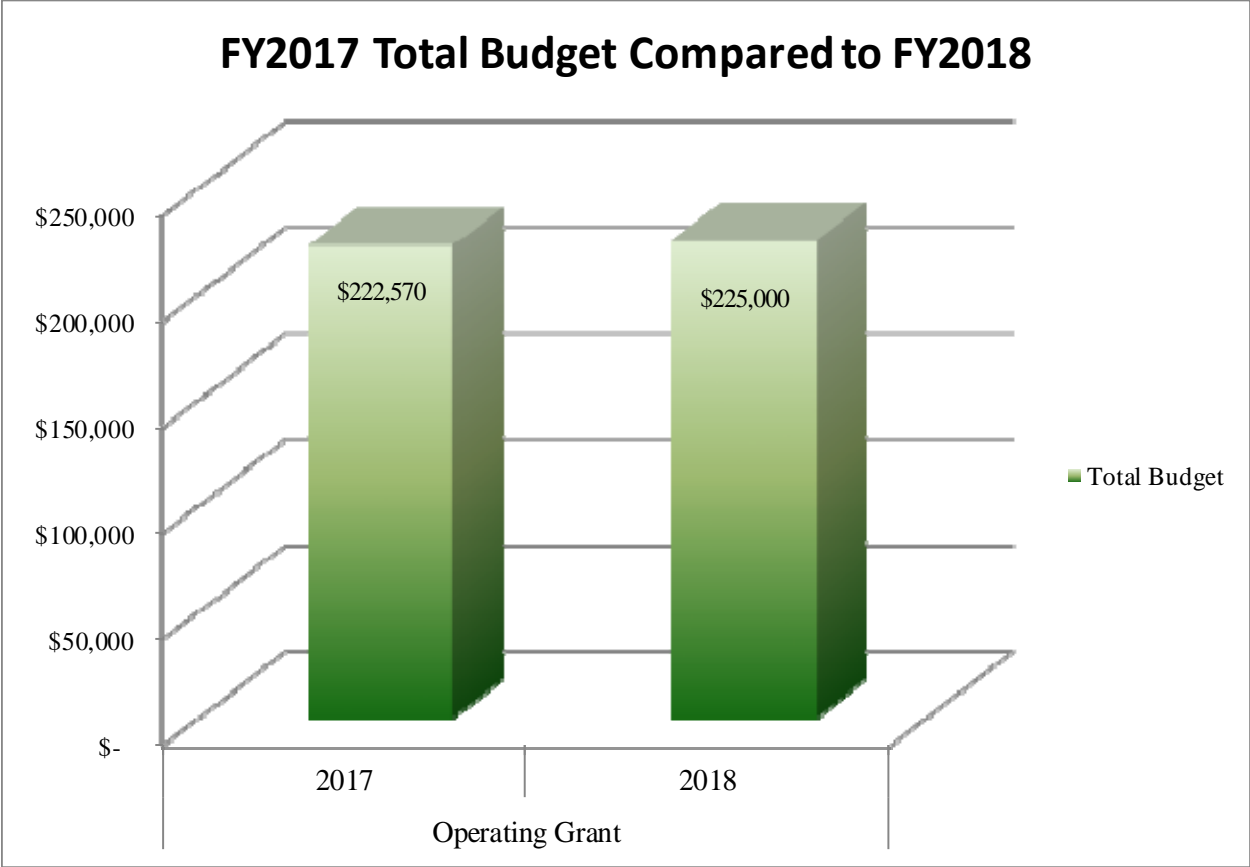
Fiscal Year 2018						
Hotel/Motel Revenue & Expenditure Detail		FY 2016 Actual (audited)	FY2017 Budget	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
<i>Revenues</i>						
275-0000-314100	Hotel/Motel Taxes	\$ 5,999	\$ 6,500	\$ 6,664	\$ 6,495	-0.08%
275-0000-361000	Interest Revenue	6	5	1	5	0.00%
<b>TOTAL REVENUES</b>		<b>\$ 6,005</b>	<b>\$ 6,505</b>	<b>\$ 6,665</b>	<b>\$ 6,500</b>	<b>-0.08%</b>
<i>Expenditures</i>						
275-7540-523300	Advertising/Promotions	\$ 5,175	\$ 6,505	\$ 5,161	\$ 6,500	-0.08%
<b>TOTAL EXPENDITURES</b>		<b>\$ 5,175</b>	<b>\$ 6,505</b>	<b>\$ 5,161</b>	<b>\$ 6,500</b>	<b>-0.08%</b>



❖ ***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 FY2018, we have budgeted \$225,000 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.

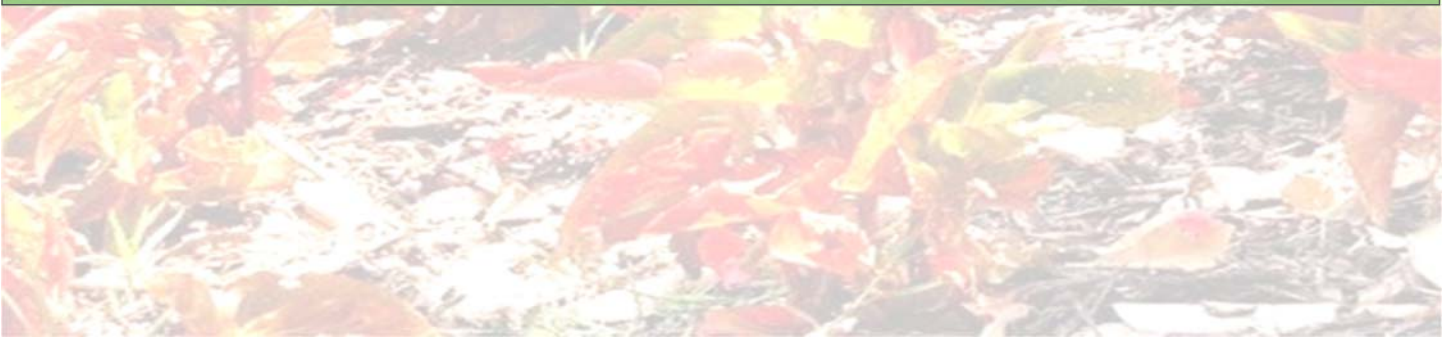


Fiscal Year 2018						
Operating Grant Revenue & Expenditure Detail		FY 2016 Actual (audited)	FY2017 Budget	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
Revenues						
250-0000-331000	Grant Revenue	\$ 224,873	\$ 222,565	\$ 179,060	\$ 224,995	1.09%
250-0000-361000	Interest Revenue	14	5	2	5	0.00%
TOTAL REVENUES		\$ 224,887	\$ 222,570	\$ 179,062	\$ 225,000	1.09%
Expenditures						
250-7640-572000	Payments to Other Agencies	224,872	222,570	179,061	225,000	1.09%
TOTAL EXPENDITURES		\$ 224,872	\$ 222,570	\$ 179,061	\$ 225,000	1.09%





## ***Capital Project Funds***



# *Budget Overview*

## *Capital Project Funds*

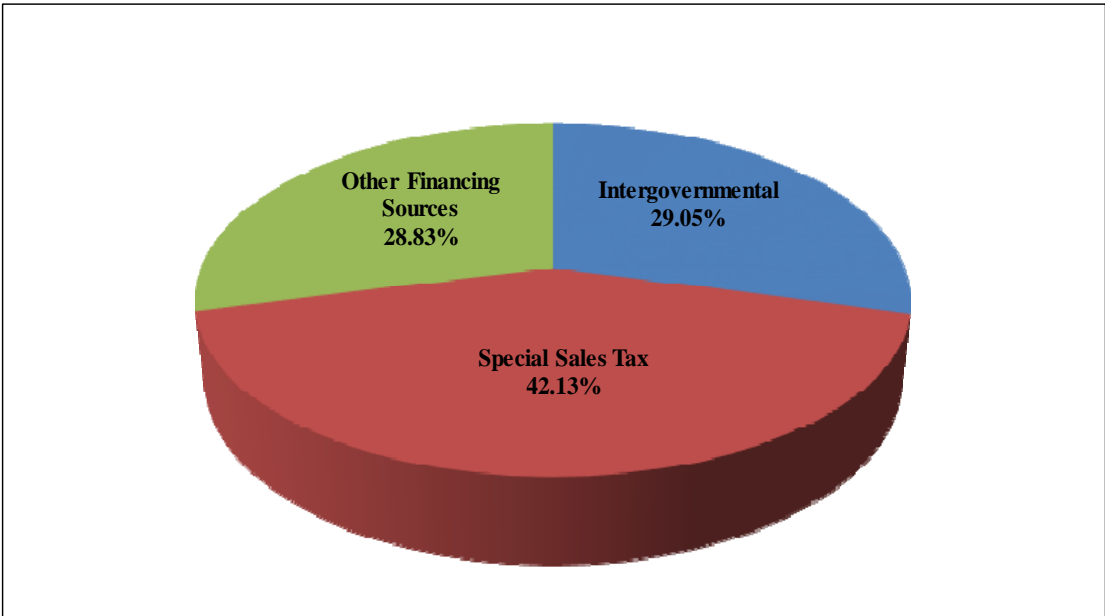
	Adopted Budget <u>2017</u>	Adopted Budget <u>2018</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Total Cost	\$2,925,000	\$3,145,000	\$220,000	7.52%

Revenues by Department & Category				
	<u>Special Tax</u>	<u>Intergovernmental</u>	<u>Other</u>	<u>Total</u>
SPLOST III	\$ -	\$ -	\$ 200,000	\$ 200,000
SPLOST IV	675,000	913,500	356,500	1,945,000
SPLOST V	649,900	-	350,100	1,000,000
Total	<u>\$ 1,324,900</u>	<u>\$ 913,500</u>	<u>\$ 906,600</u>	<u>\$ 3,145,000</u>

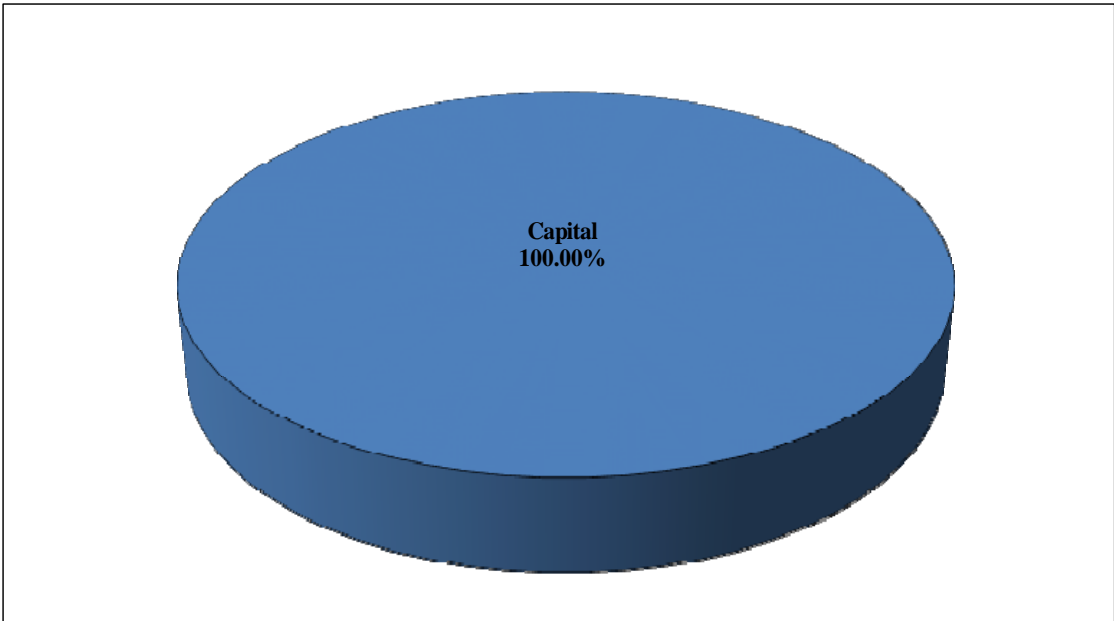
Expenditures by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
SPLOST III	\$ -	\$ -	\$ 200,000	\$ 200,000
SPLOST IV	-	-	1,945,000	1,945,000
SPLOST V	-	-	1,000,000	1,000,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,145,000</u>	<u>\$ 3,145,000</u>

*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**

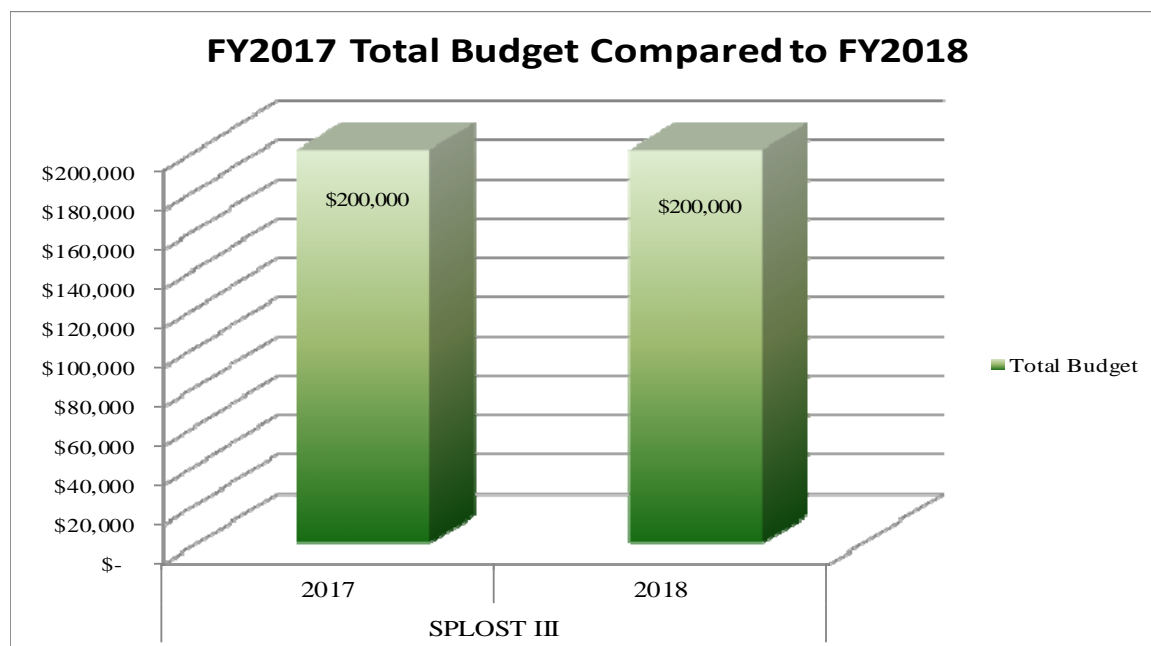
#### ❖ ***SPLOST III (Special Purpose Local Option Sales Tax) Fund***

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 FY2018 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 2018						
SPLOST III Revenue & Expenditure Detail		FY2016 Actual (audited)	FY2017 Budget	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
<i>Revenues</i>						
320-0000-134000	Fund Balance	\$ -	\$ 188,052	\$ -	\$ 188,052	0.00%
320-0000-343200	Special Assessment - Crestmont	14,910	11,928	11,928	11,928	0.00%
320-0000-361000	Interest Revenue	162	20	22	20	0.00%
<b>TOTAL REVENUES</b>		<b>\$ 15,072</b>	<b>\$ 200,000</b>	<b>\$ 11,950</b>	<b>\$ 200,000</b>	<b>0.00%</b>
<i>Expenditures</i>						
320-4224-541400	Capital Outlay - Infrastructure	\$ -	\$ 200,000	\$ -	\$ 200,000	0.00%
<b>TOTAL EXPENDITURES</b>		<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>0.00%</b>

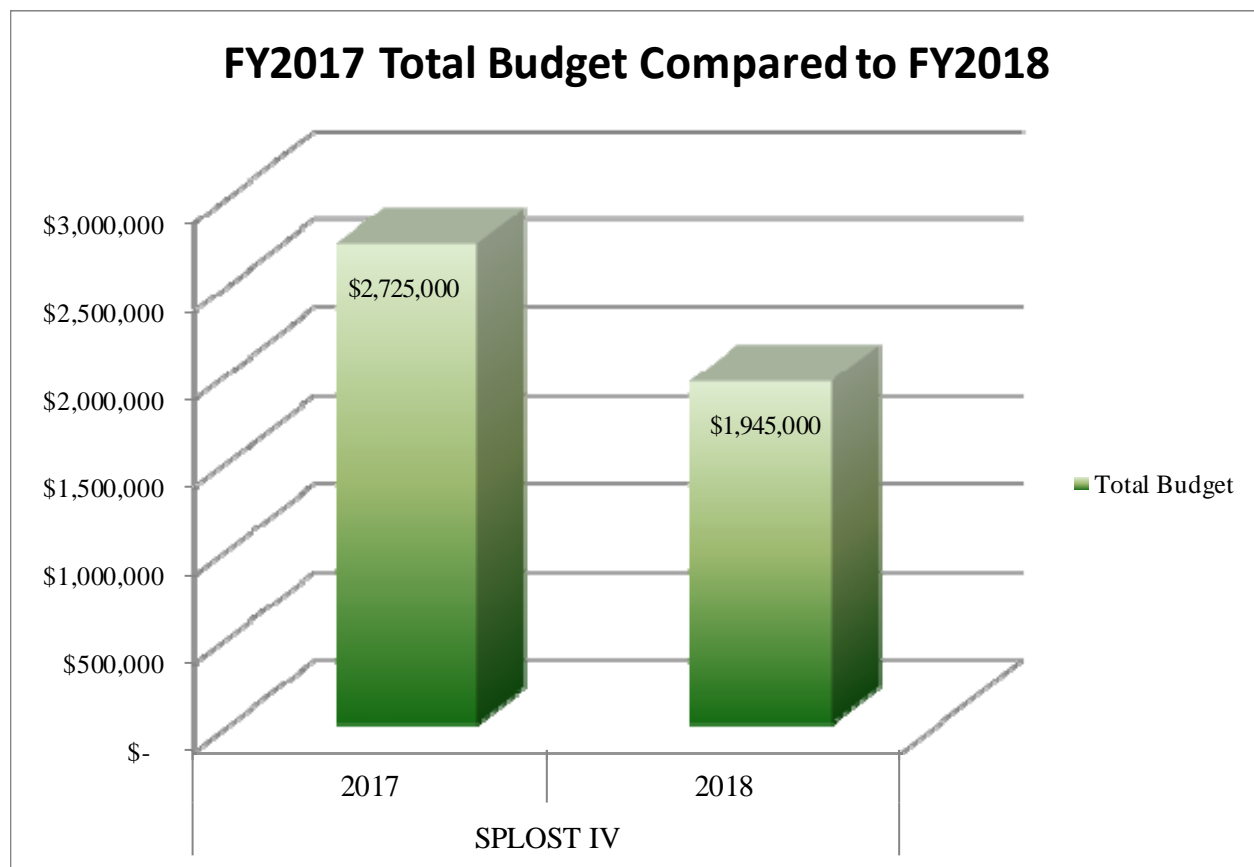
<i>Non-Routine Capital Expenditures</i>		
<i>Description</i>	<i>Amount</i>	<i>Notes</i>
City-wide	\$ 200,000	Streetscapes
	<u>\$ 200,000</u>	
<i>Impact on operating budget : these expenditures will not initially impact the City's operating budget as these are special purpose projects approved by the 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 \$675,000 in SPLOST revenues for FY2018. We are budgeting for an average monthly revenue collection of \$56,250 in FY2018.





Fiscal Year 2018						
SPLOST IV Revenue & Expenditure Detail		FY2016 Actual (audited)	FY2017 Budget	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
<b>Revenues</b>						
325-0000-134000	Fund Balance	\$ -	\$ 221,832	\$ -	\$ 356,450	60.68%
325-0000-313200	SPLOST IV Revenue	1,322,407	1,350,000	1,358,140	675,000	-50.00%
325-0000-331001	Grant Revenue - LMIG	171,078	113,118	113,118	113,500	0.34%
325-0000-331002	Grant Revenue - GDOT Scoping	-	110,000	136,236	50,000	-54.55%
325-0000-331003	Grant Revenue - LCI Phase I	1,859,182	625,000	626,947	-	-100.00%
325-0000-331004	Grant Revenue - LCI Phase II	-	75,000	44,119	750,000	900.00%
325-0000-331005	Grant Revenue - CDBG Palm Street	215,289	220,000	222,676	-	-100.00%
325-0000-343200	Special Assessments - Topping Fees	72,382	10,000	-	-	-100.00%
325-0000-361000	Interest Revenue	394	50	59	50	0.00%
325-0000-391000	Transfer from Capital Grant	11,627	-	-	-	
<b>TOTAL REVENUES</b>		<b>\$ 3,652,357</b>	<b>\$ 2,725,000</b>	<b>\$ 2,501,296</b>	<b>\$ 1,945,000</b>	<b>-28.62%</b>
<b>Expenditures</b>						
325-1500-542200	Capital Outlay - Vehicles	\$ 42,372	\$ -	\$ -	\$ -	
325-3200-542100	Capital Outlay - Equipment	212,979	255,000	251,951	151,090	-40.75%
325-3200-542200	Capital Outlay - Vehicles	-	105,000	104,686	426,450	306.14%
325-3500-542100	Capital Outlay - Equipment	48,935	-	-	-	
325-3500-542200	Capital Outlay - Vehicles	35,811	-	-	-	
325-4200-541400	Capital Outlay - Road Infrastructure	470,937	250,000	301,531	436,105	74.44%
325-4200-541410	Capital Outlay - Ind. Connector	-	138,645	178,901	61,355	-55.75%
325-4200-541420	Capital Outlay - Rickman Extension	238,176	800,000	792,402	-	-100.00%
325-4200-541430	Capital Outlay - HS Pkwy Widening	-	200,000	79,799	-	-100.00%
325-4224-541400	Capital Outlay - LCI Sidewalk Project	2,477,105	235,000	233,863	-	-100.00%
325-4224-541410	Capital Outlay - Palm Sidewalk	634,554	515,000	514,434	-	-100.00%
325-4224-541420	Capital Outlay - LCIPH2 Sidewalk	76,799	165,000	138,888	835,000	406.06%
325-4224-541430	Capital Outlay - HS Pkwy Sidewalk	-	15,000	13,987	-	-100.00%
325-7200-542200	Capital Outlay - Vehicles	-	-	-	35,000	
325-8000-581200	Principal - Capital Lease	129,849	43,617	43,617	-	-100.00%
325-8000-582200	Interest - Capital Lease	3,618	2,738	2,738	-	-100.00%
<b>TOTAL EXPENDITURES</b>		<b>\$ 4,371,135</b>	<b>\$ 2,725,000</b>	<b>\$ 2,656,798</b>	<b>\$ 1,945,000</b>	<b>-28.62%</b>

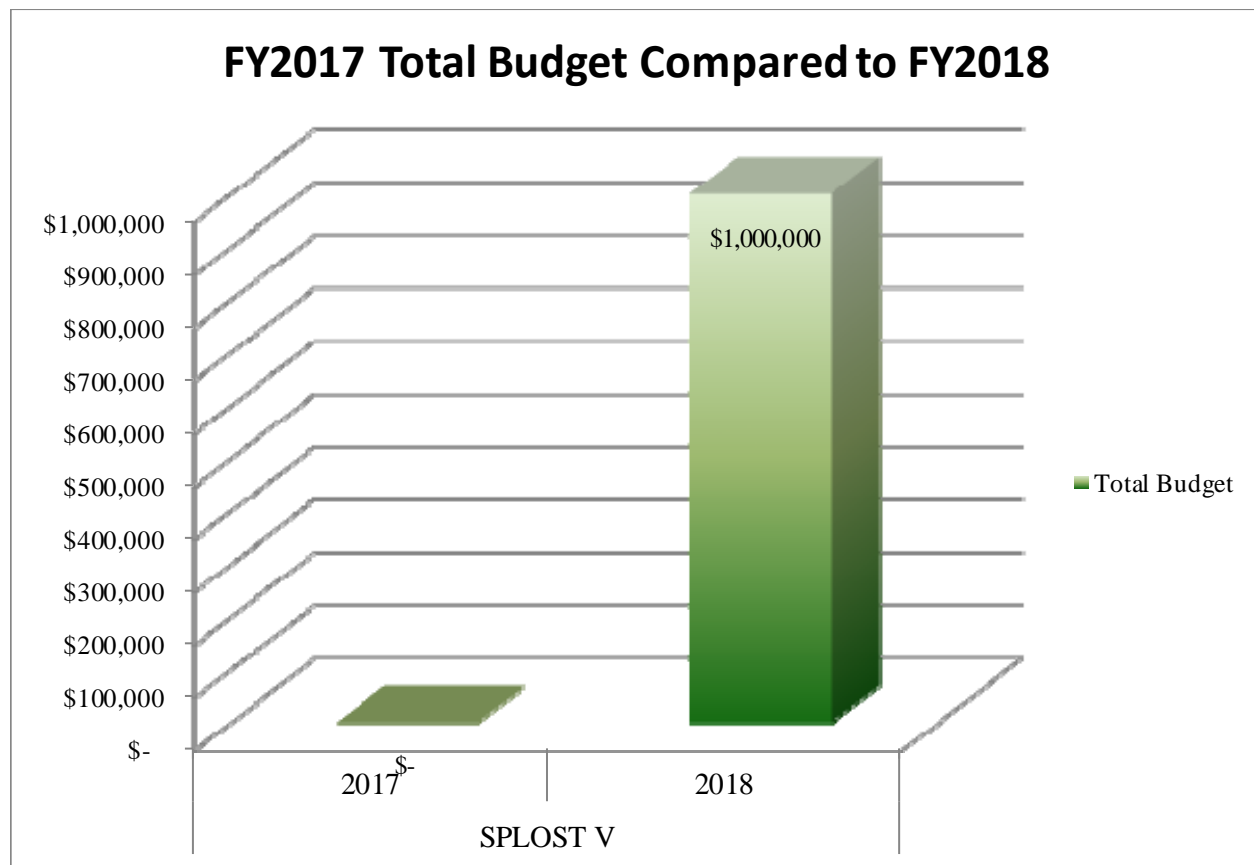
Non-Routine Capital Expenditures		
Description	Amount	Notes
Streets and sidewalks	\$1,332,460	New roads throughout the City and resurfacing city streets and construction of the LCI Phase II Project
Police equipment	\$ 151,090	Cameras, radios and equipment for police cars
Police vehicles	\$ 426,450	Four (4) police vehicles
Community Development vehicle	\$ 35,000	One (1) vehicle
	<u>\$1,945,000</u>	
<i>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.</i>		

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

The City of Holly Springs will start receiving SPLOST V funds on July 1, 2018. Voters in Cherokee County approved the referendum for SPLOST V in November of 2017. The duration of SPLOST V spans six (6) years and includes the following approved projects and/or capital expenditures:

- Transportation facilities, improvements and related debt
- Public Safety vehicles, equipment and related debt
- Emergency communications systems improvements and equipment
- Parks and Recreation facilities and related debt
- Public Works and fleet vehicles and equipment
- General Government buildings and related debt

The City is budgeting \$649,900 in SPLOST revenues for FY2018. We are budgeting for an average monthly revenue collection of \$54,158 in FY2018.



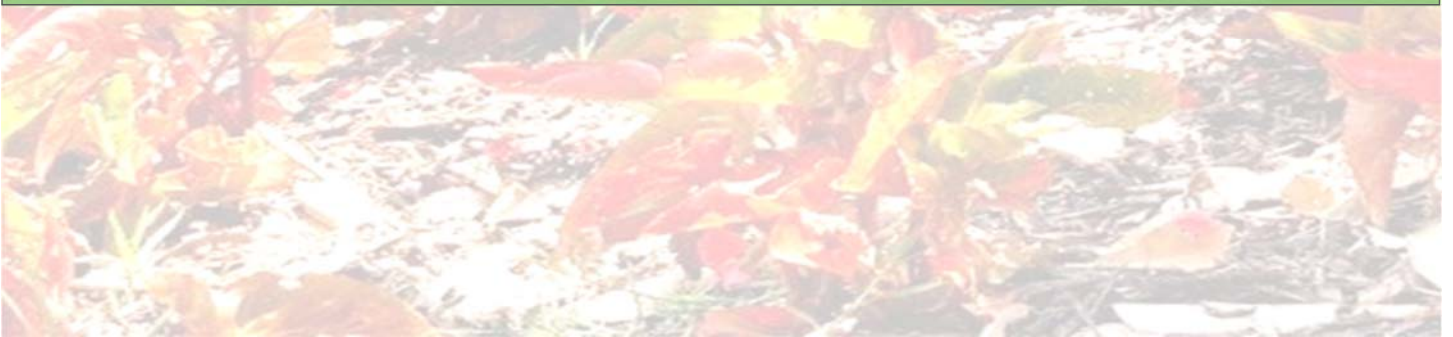
Fiscal Year 2018		
SPLOST V Revenue & Expenditure Detail		*FY2018 Budget
<i>Revenues</i>		
326-0000-313200	SPLOST V Revenue	\$ 649,900
326-0000-343200	Special Assessments	350,000
326-0000-361000	Interest Revenue	100
<b>TOTAL REVENUES</b>		<b>\$ 1,000,000</b>
<i>Expenditures</i>		
326-4200-541430	Capital Outlay-HS Parkway	\$ 1,000,000
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,000,000</b>

\*FY2018 will be the first year the City will start receiving SPLOST V funds

<i>Non-Routine Capital Expenditures</i>		
<i>Description</i>	<i>Amount</i>	<i>Notes</i>
Streets and sidewalks	\$ 1,000,000	Holly Springs Parkway widening project
	<u>\$ 1,000,000</u>	
<i>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.</i>		



## ***Debt Service Fund***



# Budget Overview

## Debt Service Fund

	Adopted Budget <u>2017</u>	Adopted Budget <u>2018</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Total Cost	\$358,736	\$358,736	\$0	0.00%

Revenues by Department & Category		
	<u>Other Financing Sources</u>	Total
Debt Service	\$ 358,736	\$ 358,736
Total	<u>\$ 358,736</u>	<u>\$ 358,736</u>

Expenditures by Department & Category		
	<u>Debt Service</u>	Total
Debt Service	\$ 358,736	\$ 358,736
Total	<u>\$ 358,736</u>	<u>\$ 358,736</u>

*Budget Overview*  
*Debt Service Fund*  
*Revenues By Source*



*Expenditures By Category*





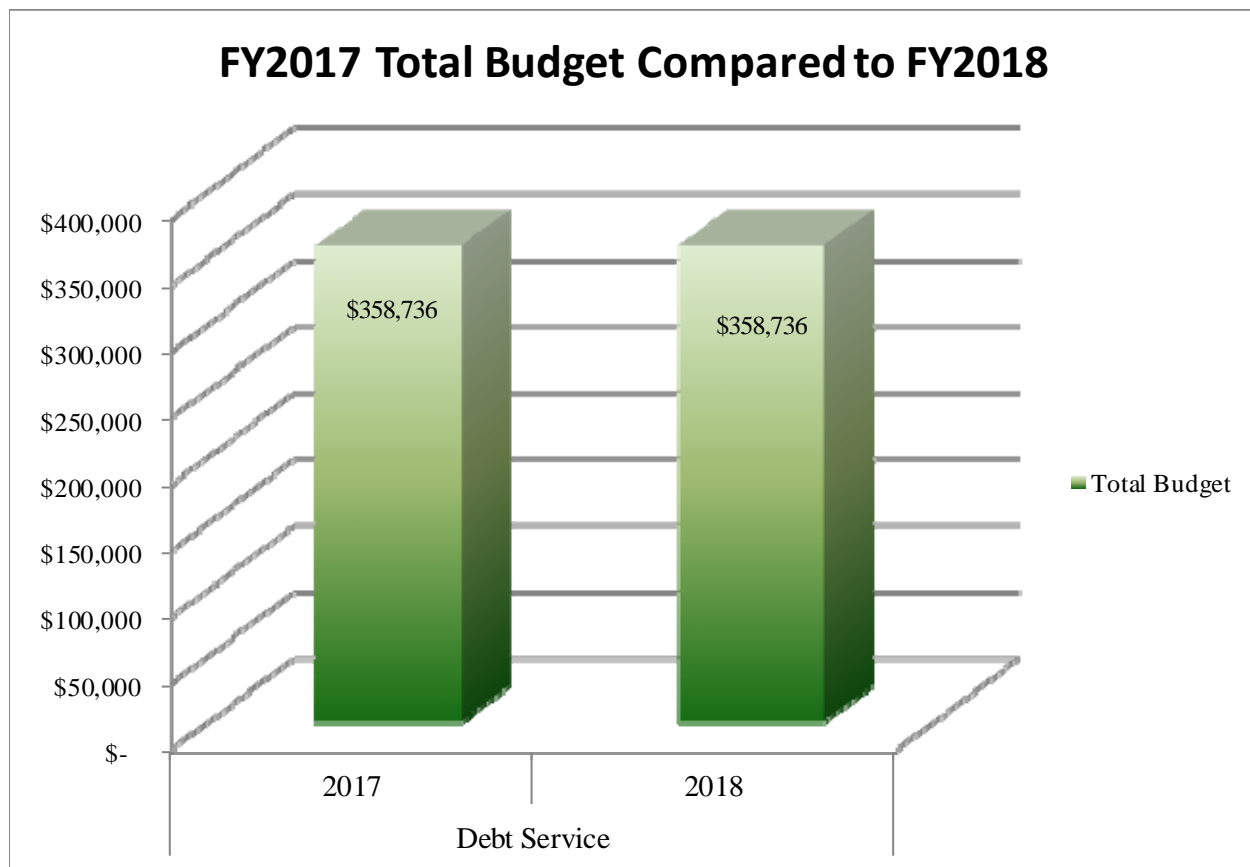
## **Debt Service Fund**

Debt Service Funds are used to account for specific revenue sources that can be legitimately spent for designated purposes only. All debt service 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 one Debt Service Fund.

### **Fund Highlights**

#### ❖ *Debt Service Fund*

The total expenditures allocated for appropriation in the Debt Service Fund are anticipated to be \$358,736. This is the same amount that was budgeted in 2017.



## **Goals and Objectives**

The Debt Service Fund is responsible for optimizing City resources in obtaining funds for City projects.

Goal:

To finance projects and refund existing debts utilizing the most cost-effective methods, while minimizing the restrictions that would hinder the future borrowing capacity of the City.

Objectives:

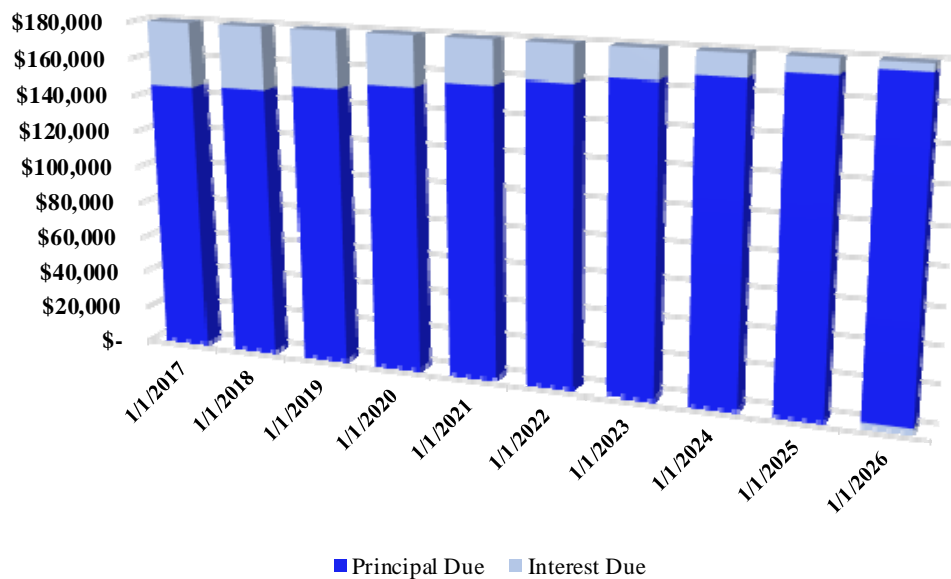
- To account for the servicing of general long-term debt.
- To maintain the highest possible bond ratings for the marketability of the City's debt.

Fiscal Year 2018					
Debt Service Fund Revenue & Expenditure Detail		FY2017 Budget*	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
<i>Revenues</i>					
400-0000-391000	Transfer from Parks & Recreation Fund	358,736	358,736	358,736	0.00%
<b>TOTAL REVENUES</b>		<b>\$ 358,736</b>	<b>\$ 358,736</b>	<b>\$ 358,736</b>	<b>0.00%</b>
<i>Expenditures</i>					
400-8000-581100	Debt Service-Bond Principal HSPRA	296,450	290,860	297,533	0.37%
400-8000-582100	Debt Service-Bond Interest HSPRA	62,286	67,876	61,203	-1.74%
<b>TOTAL EXPENDITURES</b>		<b>\$ 358,736</b>	<b>\$ 358,736</b>	<b>\$ 358,736</b>	<b>0.00%</b>

\*FY2017 was the first year the City had a Debt Service Fund

<b>Date</b>	<b>Principal Due</b>	<b>Interest Due</b>	<b>Principal Balance</b>	<b>Payment Amount</b>	<b>Balloon</b>
8/15/16			\$ 3,200,000.00		
1/1/2017	\$ 151,567.87	\$ 27,800.00	\$ 3,048,432.13	\$ 179,367.87	\$ 3,227,800.00
7/1/2017	\$ 144,882.48	\$ 34,485.39	\$ 2,903,549.65	\$ 179,367.87	\$ 3,082,917.52
1/1/2018	\$ 145,977.05	\$ 33,390.82	\$ 2,757,572.60	\$ 179,367.87	\$ 2,936,940.47
7/1/2018	\$ 148,172.83	\$ 31,195.04	\$ 2,609,399.77	\$ 179,367.87	\$ 2,788,767.64
1/1/2019	\$ 149,359.77	\$ 30,008.10	\$ 2,460,040.00	\$ 179,367.87	\$ 2,639,407.87
7/1/2019	\$ 151,538.66	\$ 27,829.20	\$ 2,308,501.34	\$ 179,367.86	\$ 2,487,869.20
1/1/2020	\$ 152,820.10	\$ 26,547.77	\$ 2,155,681.24	\$ 179,367.87	\$ 2,335,049.11
7/1/2020	\$ 154,846.99	\$ 24,520.87	\$ 2,000,834.25	\$ 179,367.86	\$ 2,180,202.11
1/1/2021	\$ 156,358.27	\$ 23,009.59	\$ 1,844,475.98	\$ 179,367.86	\$ 2,023,843.84
7/1/2021	\$ 158,502.23	\$ 20,865.63	\$ 1,685,973.75	\$ 179,367.86	\$ 1,865,341.61
1/1/2022	\$ 159,979.17	\$ 19,388.70	\$ 1,525,994.58	\$ 179,367.87	\$ 1,705,362.45
7/1/2022	\$ 162,105.05	\$ 17,262.81	\$ 1,363,889.53	\$ 179,367.86	\$ 1,543,257.39
1/1/2023	\$ 163,683.14	\$ 15,684.73	\$ 1,200,206.39	\$ 179,367.87	\$ 1,379,574.26
7/1/2023	\$ 165,790.53	\$ 13,577.33	\$ 1,034,415.86	\$ 179,367.86	\$ 1,213,783.72
1/1/2024	\$ 167,472.08	\$ 11,895.78	\$ 866,943.78	\$ 179,367.86	\$ 1,046,311.64
7/1/2024	\$ 169,506.38	\$ 9,861.49	\$ 697,437.40	\$ 179,367.87	\$ 876,805.27
1/1/2025	\$ 171,347.34	\$ 8,020.53	\$ 526,090.06	\$ 179,367.87	\$ 705,457.93
7/1/2025	\$ 173,416.47	\$ 5,951.39	\$ 352,673.59	\$ 179,367.86	\$ 532,041.45
1/1/2026	\$ 175,312.12	\$ 4,055.75	\$ 177,361.47	\$ 179,367.87	\$ 356,729.34
7/1/2026		\$ 2,006.40			\$ 179,367.87

**Annual Principal and Interest Payments  
2017-2026**





***City of Holly Springs***

***Proprietary Fund***





## ***Enterprise Fund***





# Budget Overview

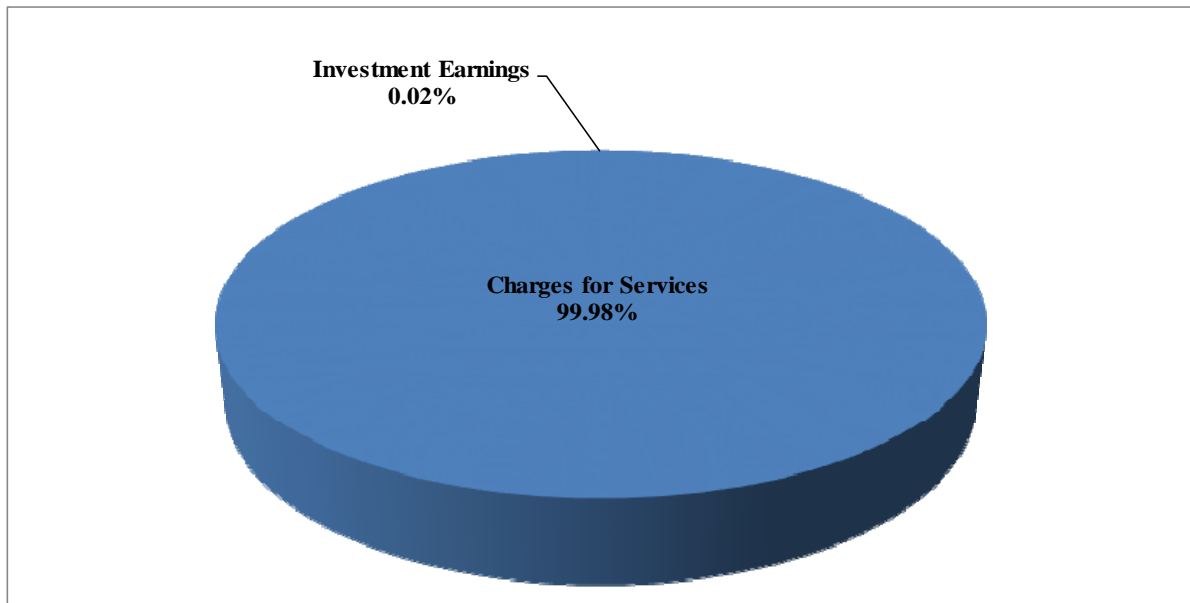
## Enterprise Fund

	Adopted Budget <u>2017</u>	Adopted Budget <u>2018</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Total Cost	\$310,000	\$325,000	\$15,000	4.84%

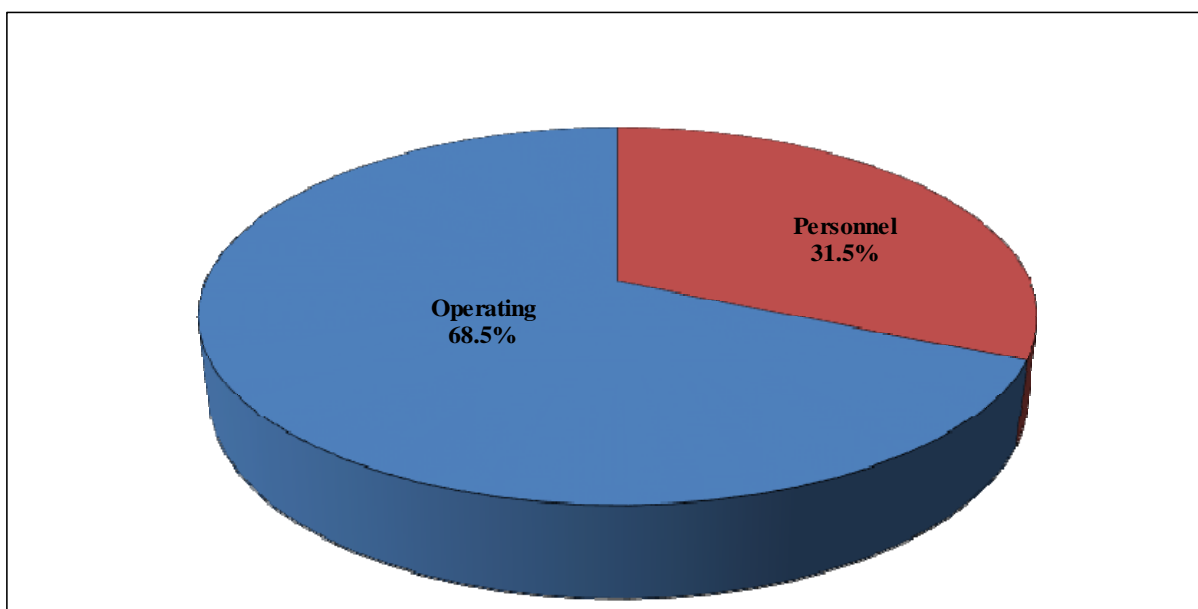
Revenues by Department & Category				
	<u>Charges for Services</u>	<u>Investment Earnings</u>	<u>Net Assets</u>	<u>Total</u>
Stormwater	\$ 324,950	\$ 50	\$ -	\$ 325,000
Total	<u>\$ 324,950</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 325,000</u>

Expenses by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Stormwater	\$ 102,395	\$ 222,605	\$ -	\$ 325,000
Total	<u>\$ 102,395</u>	<u>\$ 222,605</u>	<u>\$ -</u>	<u>\$ 325,000</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**

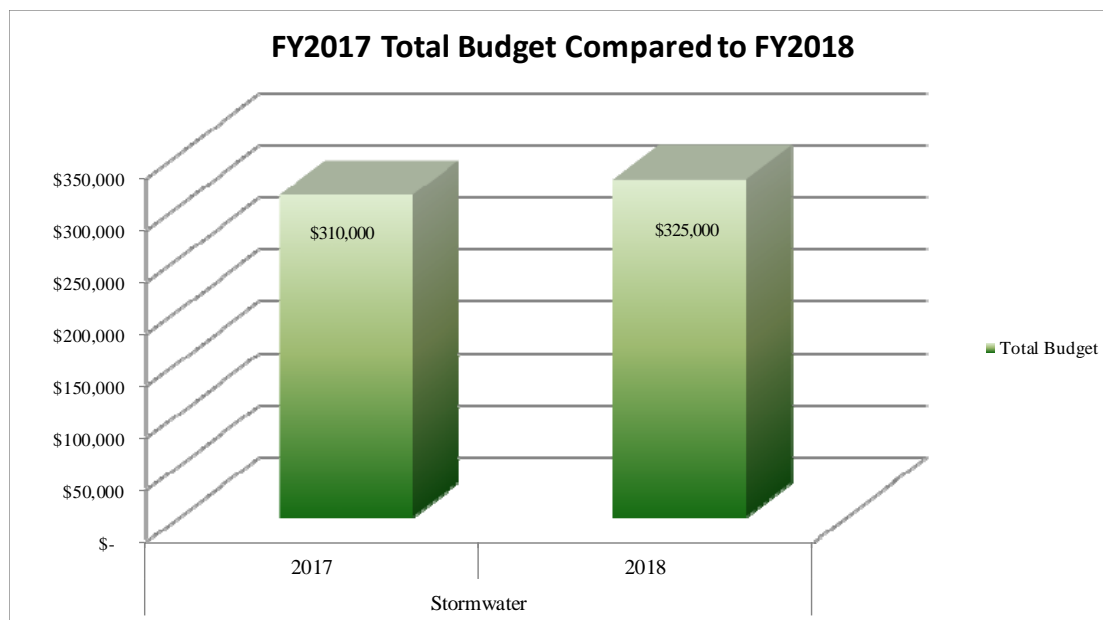
#### **❖ Stormwater Utility Management**

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 FY2018 are estimated to be \$325,000. The expenses budgeted commensurate with the revenues of \$325,000 and are broken down in the following table.



The primary effort for 2018 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 FY2018 personnel allocation recommendation for the Stormwater Utility Management Department is as follows:

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

The Stormwater Utility Management Department eliminated one (1) part-time GIS Technician position. This position was converted to full-time and transferred to the Housing and Development department.

Summary Table of Personnel											
	FY2016			FY2017			+/-			FY2018	
Department	F/T	P/T		F/T	P/T		F/T	P/T		F/T	P/T
Stormwater Utility Management	1.00	1.00		1.00	2.00		0.00	-1.00		1.00	1.00
Total	1.00	1.00		1.00	2.00		0.00	-1.00		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.

<b>Performance Measures</b>	<b>FY2016 Actual</b>	<b>FY2017 Budget</b>	<b>FY2017 Actual</b>	<b>FY2018 Budget</b>
<b>Output</b>				
# of new stormwater outfall structures, catch basins, and detention facilities	10	15	73	50
# of structures inspected	601	550	674	724
# of water samples conducted pursuant to the North Georgia Water Planning District requirements	14	14	14	14
<b>Effectiveness</b>				
% of stormwater structures inspected	20%	25%	20%	20%
<b>Efficiency</b>				
Average number of days to respond to stormwater complaints	1	3	1	3

Fiscal Year 2018						
Stormwater Utility Management Revenue & Expense Detail		FY2016 Actual (audited)	FY2017 Budget	FY2017 Actuals (unaudited)	FY2018 Budget	% (+/-) FY2017 to FY2018
<b>Revenues</b>						
560-0000-344260	Stormwater Utility Fees	\$ 362,889	\$ 309,950	\$ 317,200	\$ 324,950	4.84%
560-0000-361000	Interest Revenue	242	50	25	50	0.00%
<b>TOTAL REVENUES</b>		<b>\$ 363,131</b>	<b>\$ 310,000</b>	<b>\$ 317,226</b>	<b>\$ 325,000</b>	<b>4.84%</b>
<b>Expenses</b>						
560-4320-511100	Salaries & Wages	\$ 72,857	\$ 67,781	\$ 67,714	\$ 69,107	1.96%
560-4320-511300	Overtime	-	2,000	-	2,000	0.00%
560-4320-512100	Employee Benefits - Medical Insurance	6,227	6,230	1,055	13,952	123.95%
560-4320-512110	Employee Benefits - Dental	405	405	405	401	-0.99%
560-4320-512125	Employee Benefits - Disability	306	306	306	369	20.59%
560-4320-512150	Employee Benefits - ADD Life	147	147	147	147	0.00%
560-4320-512200	FICA	4,531	4,202	4,090	4,409	4.93%
560-4320-512300	Medicare	1,000	983	957	1,031	4.88%
560-4320-512400	Employee Benefits - Retirement	3,931	4,857	4,857	5,710	17.56%
560-4320-512600	Unemployment	157	146	146	99	-32.19%
560-4320-512700	Workers Comp Insurance	3,118	3,118	3,118	5,170	65.81%
560-4320-521200	Legal & Professional Services	13,422	7,500	-	4,000	-46.67%
560-4320-521300	Regional Stormwater	-	5,000	-	2,500	-50.00%
560-4320-521325	Pollution Prevention	-	2,500	-	1,500	-40.00%
560-4320-521350	Watershed Planning	5,340	700	-	500	-28.57%
560-4320-522100	Maintenance & Cleaning	41,773	90,000	66,185	100,000	11.11%
560-4320-522200	Repairs & Maintenance	17,745	89,000	34,453	95,000	6.74%
560-4320-523200	Communications	2,150	3,000	2,416	2,750	-8.33%
560-4320-523600	Dues and Fees	6,025	500	100	300	-40.00%
560-4320-523700	Training/Education & Public Awareness	187	6,000	340	2,000	-66.67%
560-4320-523850	Contract Labor	4,400	2,500	-	500	-80.00%
560-4320-531100	Office Supplies	1,069	1,275	315	1,250	-1.96%
560-4320-531120	Postage	67	250	25	55	-78.00%
560-4320-531210	Water/Sewer	2,344	3,000	2,467	3,000	0.00%
560-4320-531270	Gasoline/Diesel	4,091	4,000	4,830	4,500	12.50%
560-4320-531700	Other Supplies	580	-	364	-	
560-4320-531600	Small Equipment	948	1,500	-	1,500	0.00%
560-4320-561000	Depreciation	69,013	-	-	-	
560-4320-579000	Contingency	-	3,100	-	3,250	4.84%
<b>TOTAL EXPENSES</b>		<b>\$ 261,832</b>	<b>\$ 310,000</b>	<b>\$ 194,292</b>	<b>\$ 325,000</b>	<b>4.84%</b>





***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.

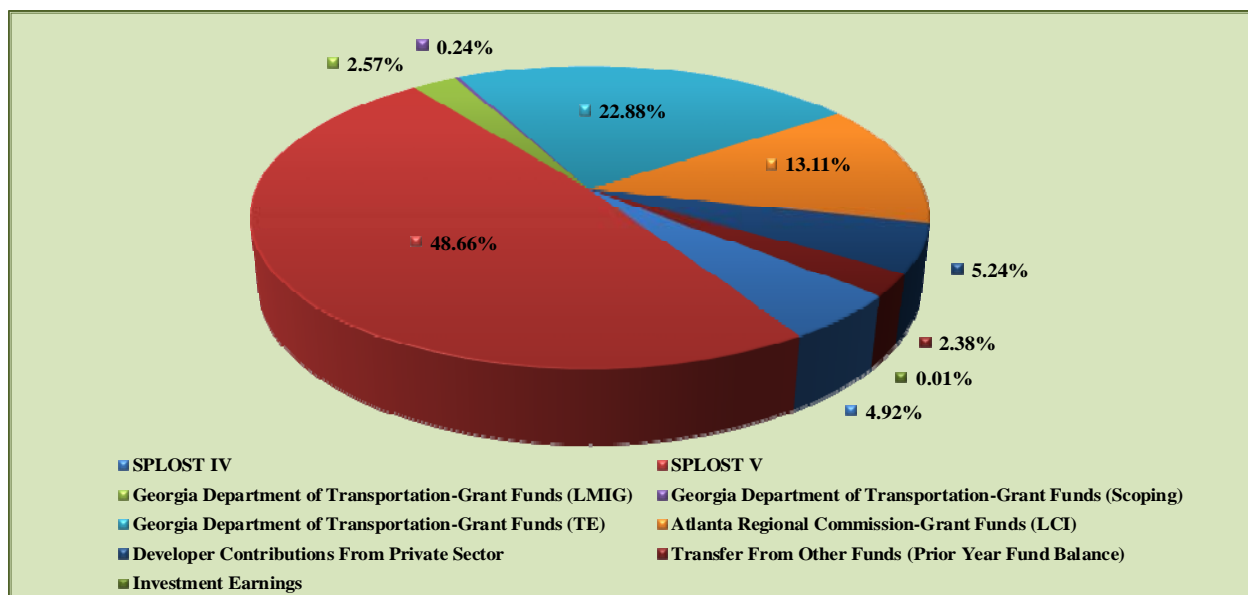
## **5 Year Capital Improvement Plan**

*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 \$20,982,943. Funding from SPLOST V revenue will be provided from FY2018-FY2023 to fund projects totaling \$1,031,450. In addition to SPLOST revenue, grant funds totaling \$19,601,343 from the Atlanta Regional Commission (ARC), Cherokee County and Georgia Department of Transportation (GDOT) will be used to fund LMIG, and LCI projects. Special assessments and interest in the amount of \$350,150 will also be used to fund capital projects. Major capital projects totaling \$20,982,943 are listed on the following pages:*

### **Capital Costs by Funding Source 2018 – 2022**

<b>Funding Source</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>Total</b>
SPLOST IV	\$ 1,031,450	\$ -	\$ -	\$ -	\$ -	\$ 1,031,450
SPLOST V	649,900	1,000,864	2,691,446	2,797,494	3,070,805	\$ 10,210,509
Georgia Department of Transportation-Grant Funds (LMIG)	113,500	-	155,755	132,851	137,435	\$ 539,541
Georgia Department of Transportation-Grant Funds (Scoping)	50,000	-	-	-	-	\$ 50,000
Georgia Department of Transportation-Grant Funds (TE)	-	-	-	-	4,800,000	\$ 4,800,000
Atlanta Regional Commission-Grant Funds (LCI)	750,000	-	829,645	-	1,170,355	\$ 2,750,000
Developer Contributions From Private Sector	350,000	750,000	-	-	-	\$ 1,100,000
Transfer From Other Funds (Prior Year Fund Balance)	-	-	500,000	-	-	\$ 500,000
Investment Earnings	150	300	315	331	347	\$ 1,443
<b>Total</b>	<b>\$ 2,945,000</b>	<b>\$ 1,751,164</b>	<b>\$ 4,177,161</b>	<b>\$ 2,930,676</b>	<b>\$ 9,178,942</b>	<b>\$ 20,982,943</b>

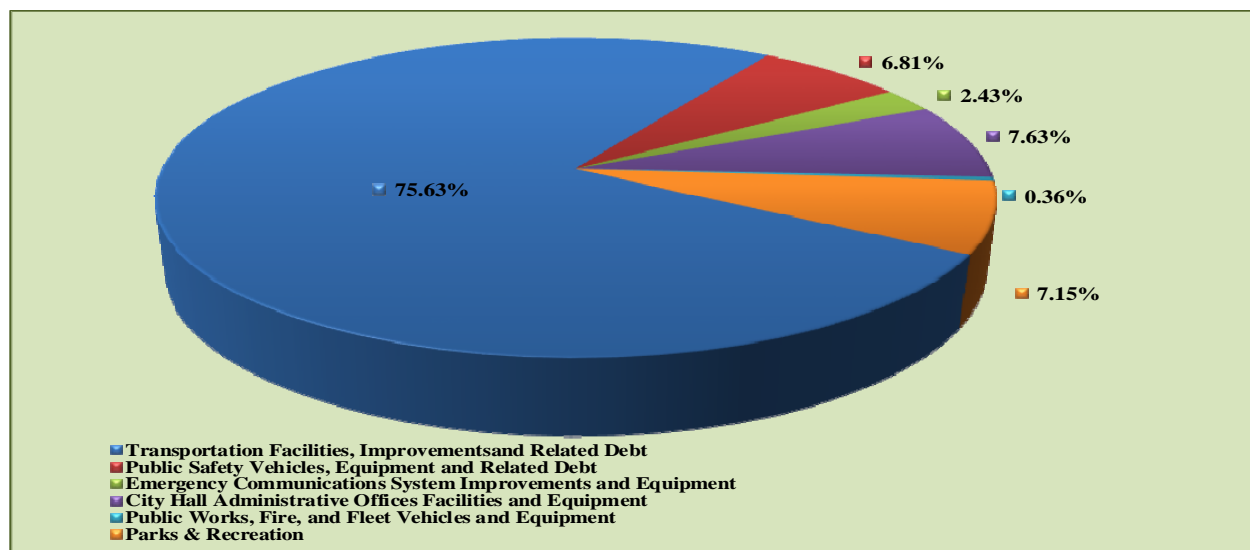
### **Percent of Capital Costs by Funding Source**



**Capital Cost by Project Category 2018 – 2022**

<b>Project Category</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>Total</b>
Transportation Facilities, Improvements and Related Debt	\$ 2,332,460	\$ 1,297,738	\$ 3,397,635	\$ 1,152,539	\$ 7,688,895	\$ 15,869,267
Public Safety Vehicles, Equipment and Related Debt	577,540	198,138	254,238	228,137	170,047	1,428,100
Emergency Communications System Improvements and Equipment	-	255,288	255,288	-	-	510,576
City Hall Administrative Offices Facilities and Equipment	-	-	-	800,000	800,000	1,600,000
Public Works, Fire, and Fleet Vehicles and Equipment	35,000	-	20,000	-	20,000	75,000
Parks & Recreation	-	-	250,000	750,000	500,000	1,500,000
<b>Total</b>	<b>\$ 2,945,000</b>	<b>\$ 1,751,164</b>	<b>\$ 4,177,161</b>	<b>\$ 2,930,676</b>	<b>\$ 9,178,942</b>	<b>\$ 20,982,943</b>

**Percent of Total Capital by Project Category**



**CIP Impact on the Operating Budget**

The \$20,982,943 expenditure plan consists of \$11,241,959 of projects to be financed internally through the use of Special Purpose Local Option Sales Tax proceeds, \$2,750,000 will be funded from the ARC for the LCI Project, \$1,100,000 from Developer Contributions, \$500,000 from Fund Balance, and \$5,389,541 will come from Georgia Department of Transportation. 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, Improvements and Related Debt** - 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:** \$15,869,267

**Project Status:** Began in FY2018 and scheduled to end in FY2022

**Funding Source:** SPLOST IV (Special Purpose Local Option Sales Tax) 2012-2018, SPLOST V (Special Purpose Local Option Sales Tax) 2018-2023, Atlanta Regional Commission, Cherokee County and Georgia Department of Transportation

<b><i>Transportation Facilities, Improvements and Related Debt</i></b>						
<b><i>Project</i></b>	<b><i>Total</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
Childers Academic Circle	\$ 10,545	\$ -	\$ -	\$ -	\$ -	\$ 10,545
Harmony Lake Drive (North Village)	235,080	235,080	-	-	-	-
Hickory Road	594,528	-	-	-	-	594,528
Hickory Road Sidewalk Project (LCI)	638,055	-	-	-	-	638,055
Hickory Springs Industrial Park Drive	277,446	-	-	277,446	-	-
Holly Springs Parkway (Downtown)	297,264	-	-	-	297,264	-
Holly Springs Parkway Widening Project	2,214,506	1,000,000	750,000	464,506	-	-
Holly Street Sidewalk Project (LCI)	1,170,145	-	-	-	-	1,170,145
Industrial Connector Road	6,000,000	-	200,000	500,000	500,000	4,800,000
Industrial Connector Scoping Project	61,355	61,355	-	-	-	-
LCI Pedestrian Improvement Project Phase II	835,000	835,000	-	-	-	-
Morgan Road	245,990	-	-	-	245,990	-
Palm Street	373,883	-	-	373,883	-	-
Palm Street Sidewalk Project (LCI)	1,281,800	-	-	1,281,800	-	-
Pine Crest Road	201,025	201,025	-	-	-	-
Rabbit Hill Road	847,738	-	347,738	500,000	-	-
Sixes Road	475,622	-	-	-	-	475,622
Other Transportation Improvement Projects	109,285	-	-	-	109,285	-
<b>Total</b>	<b>\$ 15,869,267</b>	<b>\$ 2,332,460</b>	<b>\$ 1,297,738</b>	<b>\$ 3,397,635</b>	<b>\$ 1,152,539</b>	<b>\$ 7,688,895</b>

**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:

<b><i>Expenditures</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
Repairs and Maintenance	\$ 2,500	\$ 5,000	\$ 7,500	\$ 10,000	\$ 12,500
<b>Total Expenditures</b>	<b>\$ 2,500</b>	<b>\$ 5,000</b>	<b>\$ 7,500</b>	<b>\$ 10,000</b>	<b>\$ 12,500</b>

**Project: Public Safety Vehicles, Equipment and Related Debt** - Funds will be used to purchase police vehicles and equipment.

**Project Total:** \$1,428,100

**Project Status:** Began in FY2018 and scheduled to end in FY2022

**Funding Source:** SPLOST IV (Special Purpose Local Option Sales Tax) 2012-2018 and SPLOST V (Special Purpose Local Option Sales Tax) 2018-2023

<b><i>Public Safety Vehicles, Equipment and Related Debt</i></b>						
<b><i>Project</i></b>	<b><i>Total</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
Police Vehicles	\$ 1,250,910	\$426,450	\$198,138	\$228,138	\$228,137	\$170,047
Other Vehicles, Equipment and Facilities	177,190	151,090	-	26,100	-	-
<b>Total</b>	<b>\$ 1,428,100</b>	<b>\$577,540</b>	<b>\$198,138</b>	<b>\$254,238</b>	<b>\$228,137</b>	<b>\$170,047</b>

**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:

<b><i>Expenditures</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
Gasoline	1,500	1,545	1,591	1,639	1,688
Repairs and Maintenance	3,000	5,000	7,500	10,000	12,500
<b>Total Expenditures</b>	<b>\$ 4,500</b>	<b>\$ 6,545</b>	<b>\$ 9,091</b>	<b>\$ 11,639</b>	<b>\$ 14,188</b>

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

**Project: Emergency Communications System Improvements and Equipment** - Funds will be used to purchase emergency communication system equipment.

**Project Total:** \$510,576

**Project Status:** Begin in FY2019 and scheduled to end in FY2020

**Funding Source:** SPLOST V (Special Purpose Local Option Sales Tax) 2018-2023

<b><i>Emergency Communications System Improvements and Equipment</i></b>						
<b><i>Project</i></b>	<b><i>Total</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
Other Equipment	\$ 510,576	\$ -	\$255,288	\$255,288	\$ -	\$ -
<b>Total</b>	<b>\$ 510,576</b>	<b>\$ -</b>	<b>\$255,288</b>	<b>\$255,288</b>	<b>\$ -</b>	<b>\$ -</b>

**Impact on the Operating Budget**

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

<b><i>Expenditures</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
Repairs and Maintenance	\$ -	\$ 3,000	\$ 3,150	\$ 3,308	\$ 3,473
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 3,000</b>	<b>\$ 3,150</b>	<b>\$ 3,308</b>	<b>\$ 3,473</b>



**Project: General Government Buildings and Related Debt** - 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:** \$1,600,000

**Project Status:** Scheduled to begin in FY2021

**Funding Source:** SPLOST IV (Special Purpose Local Option Sales Tax) 2012-2018 and SPLOST V (Special Purpose Local Option Sales Tax) 2018-2023

<b><i>General Government Buildings and Related Debt</i></b>						
<b><i>Project</i></b>	<b><i>Total</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
General Government Buildings	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 800,000	\$ 800,000
<b>Total</b>	<b>\$ 1,600,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 800,000</b>	<b>\$ 800,000</b>

**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.

<b><i>Expenditures</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
Repairs and Maintenance	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,575
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,500</b>	<b>\$ 2,575</b>

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

**Project Total:** \$75,000

**Project Status:** Scheduled to begin in FY2018 and end in FY2022

**Funding Source:** SPLOST IV (Special Purpose Local Option Sales Tax) 2012-2018 and SPLOST V (Special Purpose Local Option Sales Tax) 2018-2023

<b><i>Public Works Fleet Vehicles and Equipment</i></b>						
<b><i>Project</i></b>	<b><i>Total</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
Community Development Vehicles	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ -	\$ -
Public Works Equipment	40,000	-	-	20,000	-	20,000
<b>Total</b>	<b>\$ 75,000</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 20,000</b>

**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.

<b><i>Expenditures</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
Repairs and Maintenance	\$ 2,500	\$ 4,000	\$ 5,000	\$ 5,305	\$ 5,464
Gasoline/Diesel	1,000	1,020	1,051	1,093	1,126
<b>Total Expenditures</b>	<b>\$ 3,500</b>	<b>\$ 5,020</b>	<b>\$ 6,051</b>	<b>\$ 6,398</b>	<b>\$ 6,590</b>

***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 \$1,500,000.***

**Project: Parks and Recreation Facilities and Related Debt** – This project includes the construction of active and passive recreational use facilities to include playgrounds, ball fields, trails and pavilions.

**Project Total:** \$1,500,000

**Project Status:** The master plan will begin in 2021 with construction anticipated to start in 2022. The projected completion date will be in 2023.

**Funding Source:** SPLOST V (Special Purpose Local Option Sales Tax) 2018-2023

<b><i>Parks and Recreation Facilities and Related Debt</i></b>						
<b><i>Project</i></b>	<b><i>Total</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
Cagle Family Farm Park Project	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Other Park and Recreation Facilities	500,000	-	-	250,000	250,000	-
<b>Total</b>	<b>\$ 1,500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 250,000</b>	<b>\$ 750,000</b>	<b>\$ 500,000</b>

**Impact on the Operating Budget**

The \$1,500,000 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:

<b><i>Expenditures</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>	<b><i>FY2021</i></b>	<b><i>FY2022</i></b>
Disposal - Garbage	\$ -	\$ -	\$ -	\$ -	\$ 2,000
Lawn Care	-	-	-	-	3,500
Pest Control	-	-	-	-	1,500
Repairs and Maintenance	-	-	-	-	3,000
Water/Sewer	-	-	-	-	5,000
Electricity	-	-	-	-	10,000
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>

## 5 Year Capital Improvement Plan

Project	Total	2018	2019	2020	2021	2022
<b>Transportation Facilities, Improvements and Related Debt</b>						
	<b>\$ 15,869,267</b>					
Childers Academic Circle	10,545	-	-	-	-	10,545
Harmony Lake Drive (North Village)	235,080	235,080	-	-	-	-
Hickory Road	594,528	-	-	-	-	594,528
Hickory Road Sidewalk Project (LCI)	638,055	-	-	-	-	638,055
Hickory Springs Industrial Park Drive	277,446	-	-	277,446	-	-
Holly Springs Parkway (Downtown)	297,264	-	-	-	297,264	-
Holly Springs Parkway Widening Project	2,214,506	1,000,000	750,000	464,506	-	-
Holly Street Sidewalk Project (LCI)	1,170,145	-	-	-	-	1,170,145
Industrial Connector Road	6,000,000	-	200,000	500,000	500,000	4,800,000
Industrial Connector Scoping Project	61,355	61,355	-	-	-	-
LCI Pedestrian Improvement Project Phase II	835,000	835,000	-	-	-	-
Morgan Road	245,990	-	-	-	245,990	-
Palm Street	373,883	-	-	373,883	-	-
Palm Street Sidewalk Project (LCI)	1,281,800	-	-	1,281,800	-	-
Pine Crest Road	201,025	201,025	-	-	-	-
Rabbit Hill Road	847,738	-	347,738	500,000	-	-
Sixes Road	475,622	-	-	-	-	475,622
Other Transportation Improvement Projects	109,285	-	-	-	109,285	-
<b>Total</b>	<b>15,869,267</b>	<b>2,332,460</b>	<b>1,297,738</b>	<b>3,397,635</b>	<b>1,152,539</b>	<b>7,688,895</b>
<b>Public Safety Vehicles, Equipment and Related Debt</b>						
	<b>\$ 1,428,100</b>					
Police Vehicles	1,250,910	426,450	198,138	228,138	228,137	170,047
Other Vehicles, Equipment and Facilities	177,190	151,090	-	26,100	-	-
<b>Total</b>	<b>1,428,100</b>	<b>577,540</b>	<b>198,138</b>	<b>254,238</b>	<b>228,137</b>	<b>170,047</b>
<b>Emergency Communications System Improvements and Equipment</b>						
	<b>\$ 510,576</b>					
Other Equipment	510,576	-	255,288	255,288	-	-
<b>Total</b>	<b>510,576</b>	<b>-</b>	<b>255,288</b>	<b>255,288</b>	<b>-</b>	<b>-</b>
<b>General Government Buildings and Related Debt</b>						
	<b>\$ 1,600,000</b>					
General Government Buildings	1,600,000	-	-	-	800,000	800,000
<b>Total</b>	<b>1,600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>800,000</b>	<b>800,000</b>
<b>Public Works Fleet Vehicles and Equipment</b>						
	<b>\$ 75,000</b>					
Community Development Vehicles	35,000	35,000	-	-	-	-
Public Works Equipment	40,000	-	-	20,000	-	20,000
<b>Total</b>	<b>75,000</b>	<b>35,000</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>
<b>Parks and Recreation Facilities and Related Debt</b>						
	<b>\$ 1,500,000</b>					
Cagle Family Farm Park Project	1,000,000	-	-	-	500,000	500,000
Other Park and Recreation Facilities	500,000	-	-	250,000	250,000	-
<b>Total</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>250,000</b>	<b>750,000</b>	<b>500,000</b>
<b>Total</b>	<b>\$ 20,982,943</b>	<b>\$ 2,945,000</b>	<b>\$ 1,751,164</b>	<b>\$ 4,177,161</b>	<b>\$ 2,930,676</b>	<b>\$ 9,178,942</b>



***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 1<sup>st</sup> to December 31<sup>st</sup>.

**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.



***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
TE	Transportation Enhancement
TRACE	Teamwork Results Accountability Communication Enforcement
UPD	Uniform Patrol Division



City of Holly Springs  
City Council Regular Meeting Minutes  
August 28, 2017

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

Staff Present: City Attorney Robert M. “Bobby” Dyer, City Manager Robert H. Logan, City Clerk Karen Norred, Chief Michael Carswell, Information Technology Manager Ron Carter, and Lt. Steve Cohen.

Mayor Miller called the meeting to order.

Mayor Miller presented the Military Banner Program.

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

Will Sheehan, Project Manager with AECOM, gave a brief presentation with the results of the Public Information Open House meeting regarding the Alignment comparisons (also known as Alternatives). Mr. Sheehan said AECOM’s Engineering recommends Alignment 1 (also known as Alternative 1) due to the low property impact, environmental impact, and lower construction costs. Mr. Sheehan stated AECOM will submit the concept report to Georgia Department of Transportation (GDOT) on September 20, 2017 and expects to have it approved by December 31, 2017. Laura Dawood, National Environment Policy Act (NEPA) Project Manager with AECOM, explained the environmental impacts for each Alignment comparison (also known as Alternatives). Ms. Dawood stated Alignment 1 (also known as Alternative 1) has the fewest environmental impacts on the streams and residential properties compared to the other Alignments (also known as Alternatives).

Consent Agenda:

1. July 3, 2017 Meeting Minutes.
2. July 17, 2017 Meeting Minutes.
3. CUP-04-2017, conditional use permit request for a massage therapy establishment for property located on Holly Springs Parkway, Holly Springs, GA, tax parcel 106 of tax plat 15N16, with staff stipulations.
4. A-04-2017, annexation request for 10.033+/- acres for property located on Holly Springs Parkway, Cherokee County, GA, tax parcels 085 (partial), 086 (partial) of tax plat 15N16.
5. MA-06-2017, rezoning request for 11.516+/- acres for property located on Holly Springs Parkway, Cherokee County, GA, tax parcels 085 (partial), 086 (partial) of tax plat 15N16, from R-40 (County), Single Family Residential, and GC (City), General Commercial to TND (City), Traditional Neighborhood Development, with staff stipulations.
6. An ordinance to set the 2017 Millage Rate at 4.850 mills pursuant to Section 6.02 of the City Charter.
7. An ordinance to amend Chapter 6 – Alcoholic Beverages; Article II. – Licenses; Section 6-36. – Location of Business – Districts Where Permitted.
8. Acceptance of bid from Premier Health Care Services in the amount of \$551,000 for the purchase of the property located at 101 Harmony Lake Drive.

Councilmember Zenchuk II moved to approve the Consent Agenda for August 28, 2017. Councilmember Phillips seconded the motion. Motion carried 5-0.

Councilmember Smith moved to deny application MA-07-2017, rezoning request for 20.64+/- acres for property located on Gresham Mill Parkway, Holly Springs, GA, tax parcel 018 (partial) of tax plat 15N10, from LI, Light Industrial to HDMFR, High Density Multi Family Residential, with staff stipulations. Councilmember Whitaker seconded the motion. Motion carried 5-0.

Councilmember Smith moved to table an ordinance to provide for the approval of a temporary one hundred twenty (120) day moratorium on accepting applications for residential zoning permits within one mile of Georgia Highway 140 for 30 days. Councilmember Zenchuk II seconded the motion. Motion carried 5-0.

Councilmember Whitaker moved to approve the Conceptual Alignment 1 (Alternative 1) proposed by AECOM for the Industrial Connector Scoping Project. Councilmember Smith seconded the motion. Motion carried 5-0.

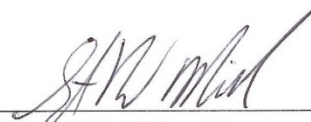
Department Reports:

- Robert H. Logan, City Manager, announced the July Financial Report was in the agenda packet.
- Mayor Miller reminded everyone about the applications for the Military Banner Program.

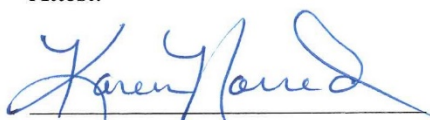
Councilmember Zenchuk II moved to adjourn. Councilmember Barnett seconded the motion. Motion carried 5-0.

Meeting adjourned.

Respectfully Submitted.

  
Steven W. Miller, Mayor

Attest:

  
Karen Norred, City Clerk  
(Seal)

City of Holly Springs  
City Council Special Called Meeting Minutes  
December 4, 2017

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

Elected Officials Absent: Mayor Pro Tem Michael Roy Zenchuk II.

Staff Present: City Attorney Robert “Bobby” M. Dyer, City Manager Robert H. Logan, Community Development Director Nancy Moon, Chief Michael Carswell, Deputy Chief Tommy Keheley, Information Technology Manager Ron Carter, Officer Cori Hubeli, and Assistant City Clerk Donna Sanders.

Mayor Miller called the Special Called meeting to order.

Councilmember Phillips moved to approve an ordinance approving Budget Amendments for the Fiscal Year 2017 Budget for the General Fund, Parks and Recreation Fund, Operating Grant Fund, Hotel/Motel Tax Fund, Stormwater Fund, SPLOST III Fund, SPLOST IV Fund, and Debt Service Fund. Councilmember Barnett seconded the motion. Motion carried 4-0.

Councilmember Barnett moved to approve an ordinance appropriating funds for the Year 2018 General Fund, Hotel/Motel Fund, Operating Grant Fund, Parks and Recreation Fund, Special Purpose Local Option Sales Tax (SPLOST) III Fund, SPLOST IV Fund, SPLOST V Fund, Stormwater Fund, and Debt Service Fund. Councilmember Phillips seconded the motion. Motion carried 4-0.

Councilmember Phillips moved to approve an ordinance appropriating funds for the Five-Year Capital Improvement Plan (CIP) 2018-2022. Councilmember Whitaker seconded the motion. Motion carried 4-0.

Councilmember Phillips moved to adjourn. Councilmember Whitaker seconded the motion. Motion carried 4-0.

Meeting adjourned.



City of Holly Springs  
City Council Work Session Meeting Minutes  
December 4, 2017

Elected Officials Present: Mayor Steven W. Miller, Mayor Pro Tem Michael Roy Zenchuk II (arrived 7:16pm), Councilwoman Karen Barnett, Councilwoman Dee Phillips, Councilman Jeremy Smith, and Councilman Kyle Whitaker.

Staff Present: City Attorney Robert “Bobby” M. Dyer, City Manager Robert H. Logan, Community Development Director Nancy Moon, Chief Michael Carswell, Deputy Chief Tommy Keheley, Information Technology Manager Ron Carter, Main Street Director Erin Honea, Officer Cori Hubeli, Lieutenant Steve Cohen, and Assistant City Clerk Donna Sanders.

Mayor Miller called the Work Session to order.

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

Geoff Koski, President, with Bleakly Advisory Group, presented the market analysis for multi-family rentals in the City of Holly Springs. Mr. Koski stated the demand for the proposed apartments in the City of Holly Springs would come from household growth, owners in turnover, renters in turnover and induced renters. Mr. Koski said with the annual growth rate of 1.9% forecasted for Holly Springs, will drive the demand for new apartments. Mr. Koski concluded the planned apartment deliveries in Holly Springs fall within the range of new apartment demands for the area.

Holly Springs resident, Chris Freeman, spoke in favor of annexation and rezoning applications, A-07-2017 and MA-11-2017. Mr. Freeman expressed his support by stating he wants others to work near where they live to reduce the stress of commuting. Mr. Freeman also said he wants to see the City of Holly Springs grow in a responsible way, with positive change.

Cherokee County resident, Todd Chapman, spoke in favor of annexation and rezoning applications, A-07-2017 and MA-11-2017. Mr. Chapman stated Mr. Brandon Smith, with BASE Lightning Protection, Inc., is a leader in his industry and would help welcome other small business owners to the City of Holly Springs.

Cherokee County resident, Gary Grant, spoke against annexation and rezoning applications, A-07-2017 and MA-11-2017. Mr. Grant expressed concerns about the application being withdrawn from Cherokee County, the GC, General Commercial zoning, and the impacts to the surrounding residential homes.

Holly Springs resident, Kristy Corrigan, spoke in favor of annexation and rezoning applications, A-07-2017 and MA-11-2017. Ms. Corrigan stated she supports small business owners moving into the City of Holly Springs.

Cobb County resident, Randy Hardy, spoke in favor of annexation and rezoning applications, A-07-2017 and MA-11-2017. Mr. Hardy said Mr. Brandon Smith, with BASE Lightning Protection, Inc., is a person who cares about his community, a person of good character, and he wants to live, work and play in Holly Springs.

Miles Hill with Charter Development Company, presented an overview of his proposed project. Mr. Hill said this is a textbook example of where you would put a mixed-use development. Mr. Hill stated the desire for high end restaurants and retail is needed in Holly Springs. Mr. Hill stated the mixed-use development will consist of retail/office space in the front, for sale townhomes and 250 multi-family apartments in the back of the development. Mr. Hill explained this is a critical piece of visible property along the parkway, because it will affect the development on Holly Springs Parkway.

The applicant of annexation and rezoning applications, A-07-2017 and MA-11-2017, Brandon Smith, with BASE Lightning Protection, Inc., presented a presentation of the property he would like to annex and rezone, to move his lightning protection business from Marietta to Holly Springs, where he lives. Mr. Smith said he originally put in an application in the County to rezone, but discovered he could annex into the City of Holly Springs. Mr. Smith stated he would prefer to support the city in which he lives. Mr. Smith said the house would be an office/storage for three (3) employees. Mr. Smith also said the exterior of the house would have minimal changes, the pool and fence would be removed, and landscaping improvements would also be made to the property. Mr. Smith said the deliveries would be received from UPS, FedEx or another common carrier that would deliver the materials in a compact delivery truck. Mr. Smith stated there will be no negative impact to the residential area and considers it an investment.

Mayor Pro Tem Zenchuk motioned to table Item B, 2017 Annual National Pollutant Discharge Elimination System (NPDES) Report, until the next Work Session. Councilmember Phillips seconded the motion. Motion carried 5-0.

Councilmember Whitaker moved to enter into Executive Session for purposes of Litigation and Real Estate. Councilmember Phillips seconded the motion. Motion carried 5-0.

Mayor Pro Tem Zenchuk moved to return from Executive Session. Councilmember Phillips seconded the motion. Motion carried 5-0.


No department reports to discuss.

Mayor Pro Tem Zenchuk complimented everyone for a great job on the Christmas parade.

Mayor Pro Tem Zenchuk moved to adjourn. Councilmember Phillips seconded the motion. Motion carried 5-0.

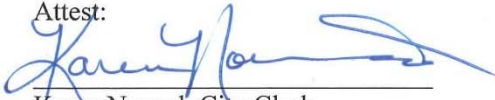
Meeting adjourned.

Respectfully Submitted.



Steven W. Miller, Mayor

Attest:



Karen Norred, City Clerk  
(Seal)

ORD-24-2017

**AN ORDINANCE OF THE CITY OF HOLLY SPRINGS APPROVING APPROPRIATIONS FOR THE YEAR 2018 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, SPLOST V FUND, STORMWATER FUND, AND DEBT SERVICE FUND**

**WHEREAS**, the Mayor and City Council of the City of Holly Springs have prepared budgets for fiscal year 2018; 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, and it is hereby ordained that the following appropriations, and attached detailed line items as shown on "Exhibit A", are approved for the purpose of implementing the 2018 fiscal year budget:

GENERAL FUND	\$ 6,800,000
HOTEL/MOTEL TAX FUND	\$ 6,500
OPERATING GRANT FUND	\$ 225,000
PARKS AND RECREATION FUND	\$ 476,000
SPLOST III FUND	\$ 200,000
SPLOST IV FUND	\$ 1,945,000
SPLOST V FUND	\$ 1,000,000
STORMWATER FUND	\$ 325,000
DEBT SERVICE FUND	\$ 358,736

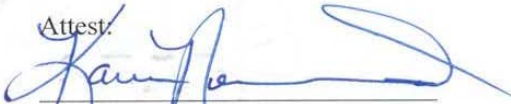
SO ORDAINED, THIS 4<sup>TH</sup> DAY OF DECEMBER, 2017 BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HOLLY SPRINGS, GEORGIA.

CITY OF HOLLY SPRINGS



Steven W. Miller, Mayor

Attest.

  
Karen Norred, City Clerk  
(Seal)



**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF HOLLY SPRINGS, GEORGIA, ADOPTING THE COMMUNITY AGENDA (2006-2026 COMPREHENSIVE PLAN); TO TRANSMIT THE ADOPTED COMMUNITY AGENDA TO THE ARC; TO IMPLEMENT THE ADOPTED PLAN; ESTABLISH THE EFFECTIVE DATE; AND FOR OTHER PURPOSES**

**WHEREAS**, the adoption of a comprehensive plan (AKA “Community Agenda”) is required for municipalities and counties in Georgia to maintain the Qualified Local Government Status; and

**WHEREAS**, in accordance with Rules of the Georgia Department of Community Affairs, Chapter 110-12-1, the City of Holly Springs prepared a Community Assessment and a Community Participation Program; and

**WHEREAS**, the City implemented the Community Participation Program; and

**WHEREAS**, state administrative rules require that the Community Agenda be prepared and submitted for regional and state review prior to adoption locally; and

**WHEREAS**, the Community Agenda was prepared with guidance from the Comprehensive Plan Citizens Advisory Committee, and public input; and

**WHEREAS**, City Council held an advertised public hearing at the regular meeting during September 2007, on the draft Community Agenda, prior to the transmittal of the Community Agenda to the Atlanta Regional Commission for regional and state review; and

**WHEREAS**, notice of said public hearing was given in advance; and

**WHEREAS**, drafts of the Community Agenda were made available to the public on the City’s website; and

**WHEREAS**, a resolution authorizing regional and state review was approved by the City Council, the Community Agenda was submitted for review, and the state review of the Community Agenda was completed on January 2, 2008, with the approval of the Community Agenda with comments and recommended changes; and

**WHEREAS**, the Community Agenda was revised to account for certain if not all comments and recommended changes made in the regional and state review; and

**NOW THEREFORE IT IS HEREBY RESOLVED**, by the City Council of the City of Holly Springs, Georgia, that the Community Agenda, revised and dated February 21, 2008, is hereby adopted for implementation and attached hereto. The Community Agenda specifically

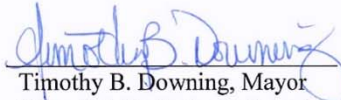
includes the future development (character area) map, the future land use map, policies, and short-term work program; and

**IT IS HEREBY FURTHER RESOLVED**, that the Community Agenda may be revised by City Council from time to time, according to and in conjunction with regional and state regulations. Specifically, it is the intent of City Council to update the future land use map as conditions warrant, and to amend and revise the Community Agenda when appropriate or required to do so. It is the intent of the City Council to consult with the Holly Springs Planning and Zoning Commission in such processes of amending the Community Agenda. The Holly Springs Planning and Zoning Commission is charged with responsibilities to monitor implementation of the Community Agenda and may initiate recommended changes to the Holly Springs City Council for its consideration; and

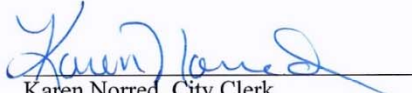
**IT IS HEREBY FURTHER RESOLVED**, that City staff are directed to publish the adopted Community Agenda and make it available for use by the public; and

**IT IS HEREBY FURTHER RESOLVED**, a copy of the approved Community Agenda and this resolution shall be submitted to the Atlanta Regional Commission, upon adoption.

This resolution is adopted this 21<sup>st</sup> day of February, 2008.

  
Timothy B. Downing, Mayor  
City of Holly Springs, Georgia

ATTEST:

  
Karen Norred, City Clerk  
City of Holly Springs, Georgia

**GEORGIA LAW ON LOCAL GOVERNMENT BUDGETS**

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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.