



***City of Holly Springs***

***Adopted Budget***

*[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, 2015**

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, 2015. 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***  
***FY2016 Adopted Budget***  
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*Timothy B. Downing*  
*Mayor*



*Michael R. Zenchuk II*  
*Mayor Pro-Tem*

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

*Councilmembers  
From top to bottom:*

*Karen Barnett  
Jeremy Smith  
Dee Phillips  
Kyle Whitaker*



# ***City of Holly Springs, Georgia***



Approved Annual Budget

for the Fiscal Year

January 1, 2016 – December 31, 2016

## ***City Council***

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

## ***City Manager***

Robert H. Logan

## ***Budget Development Team***

Robert H. Logan, City Manager/Finance Director  
Nancy Moon, Community Development Director  
Erin H. Logan, Main Street Director  
Ron Carter, IT and Facilities Manager  
Denise Lamazares, Accounting Specialist

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

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

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

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

***City Council Meetings***

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

***Downtown Development Authority Meetings***

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

***Planning and Zoning Commission Meetings***

Second Thursday of each month, 6:00 pm in the Council Chambers

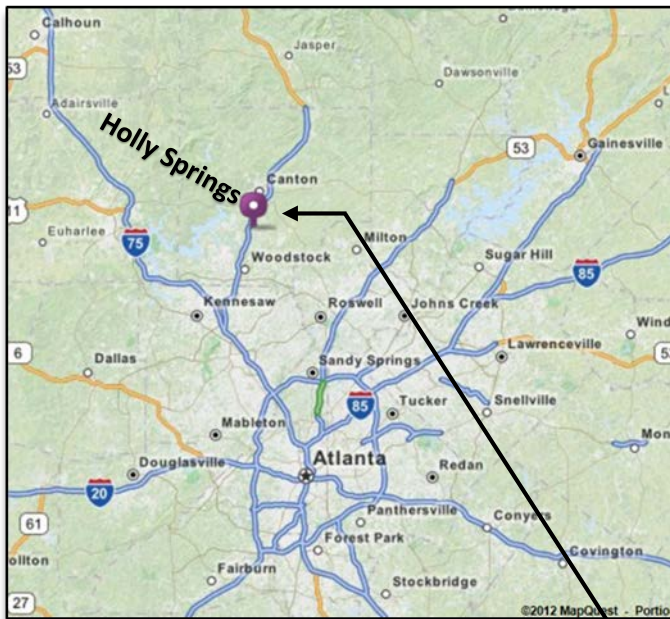
***Board of Appeals***

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

***Main Street Board***

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





# *The City of Holly Springs Cherokee County*



***The City of Holly Springs is located 35 miles northwest of Atlanta, 58 miles south of Blue Ridge, and 21 miles northwest of Roswell. The City is 6.91 square miles and located in Cherokee County.***

# Community Profile

## Location

In Northwest Georgia between Woodstock and Canton in Cherokee County.

## City Square Miles

6.91

## Climate in Farenheit (January 1930-December 2015)

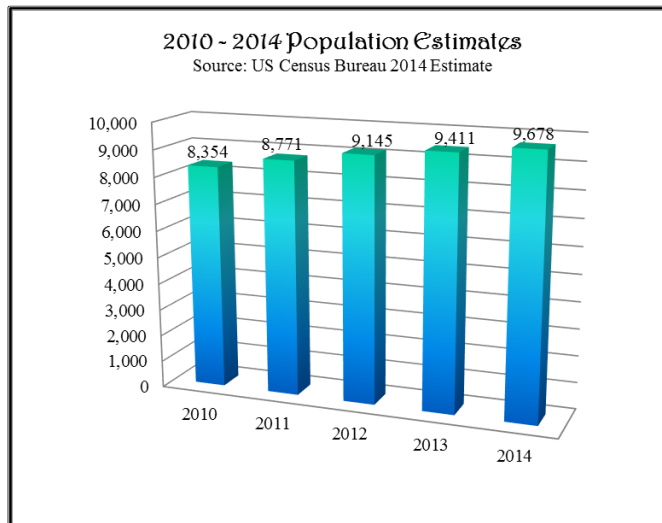
Source: Southeast Regional Climate Center (for Atlanta)

Average minimum temperature (F)	53.2
Average maximum temperature (F)	71.9
Average total precipitation (in.) since 1930	49.74
Average total snow fall (in.) (through Dec 2012)	0

## Racial Composition

Source: 2014 ACS 5-year Population Estimate

White	8,401	86.81%
Black or African American	723	7.47%
Asian	148	1.53%
American Indian or Alaskan Native	28	0.29%
Other	378	3.91%
	9,678	100.00%



## Median Age

33.2

Source: 2014 ACS 5-year Population Estimate

## Average Household (persons)

2.87

Source: 2014 ACS 5-year Population Estimate

## Gender Composition

Source: 2014 ACS 5-year Population Estimate

Male	4,596	47.49%
Female	5,082	52.51%
	9,678	100.00%

## Age Composition

Source: 2014 ACS 5-year Population Estimate

Under 5 years of age	817	8.44%
5 - 14 years	1,861	19.23%
15 - 19 years	724	7.48%
20 - 24 years	257	2.66%
25 - 34 years	1,672	17.28%
35 - 44 years	1,980	20.46%
45 - 54 years	887	9.17%
55 - 64 years	1,049	10.84%
65 + years	431	4.45%
	9,678	100.00%

## Household Tenure (Occupied Housing Unit)

Source: 2014 ACS 5-year Population Estimate

Owner-occupied	79.11%	2,726
Renter-occupied	20.89%	720
	100.00%	3,446

## Educational Attainment

Source: 2014 ACS 5-year Population Estimate

Less than High School Diploma	4.20%
High School Diploma	16.90%
Some college, no degree	25.20%
Associates Degree	10.40%
Bachelor's Degree	31.80%
Graduate or Professional Degree	11.50%
	100.00%

## Household Income

Source: 2014 ACS 5-year Population Estimate

Less than \$24,999	12.1%	493
\$25,000 - \$49,000	24.1%	652
\$50,000 - \$74,999	26.9%	771
\$75,000 - \$99,999	17.7%	561
\$100,000 +	19.2%	969
Median Household Income		\$ 65,189

## Income Per Capita

Source: 2014 ACS 5-year Population Estimate

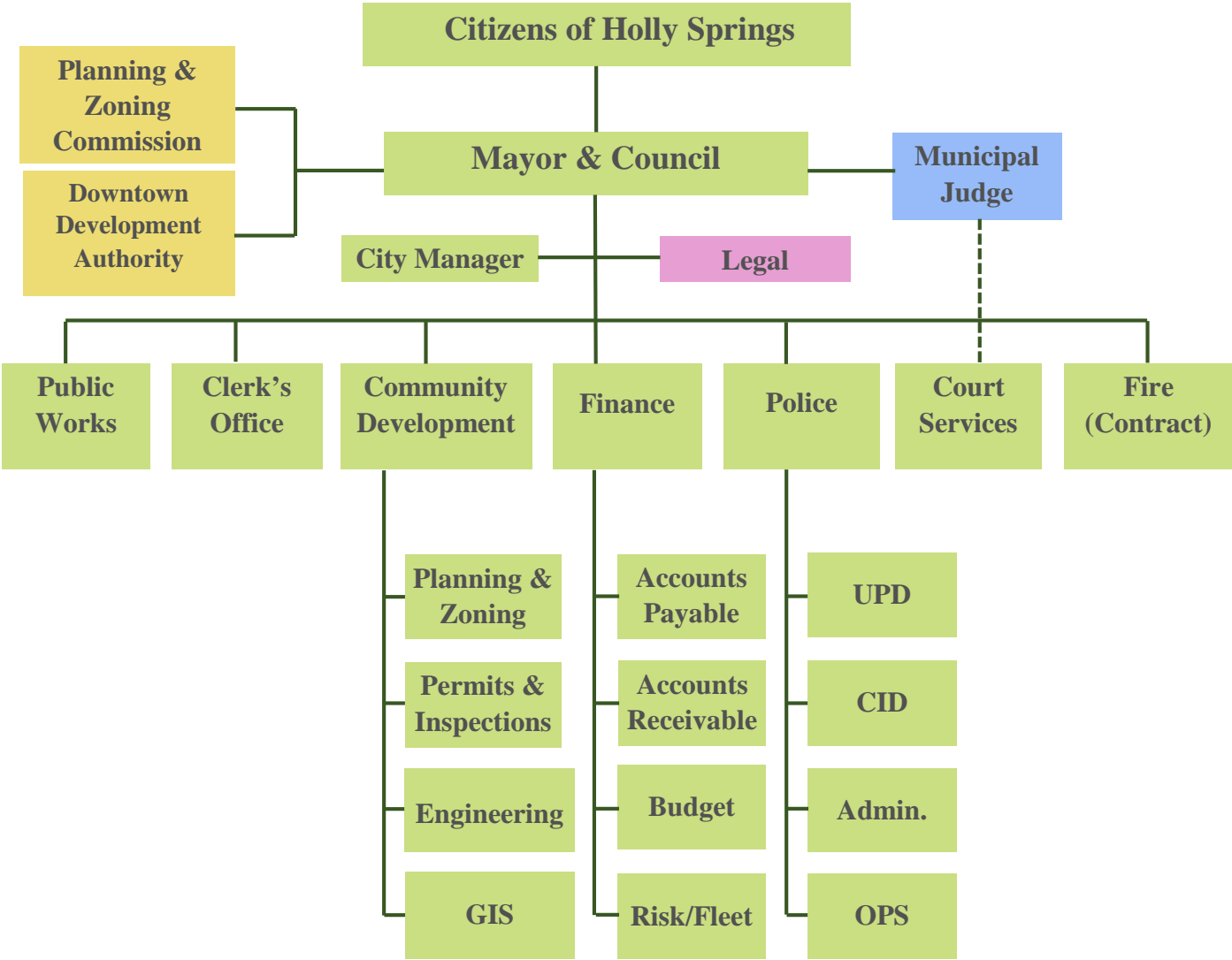
2013	(American Community Survey)	\$ 27,019
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## Unemployment Rate (%)

Source: Georgia Dept. of Labor for Cherokee County

as of December 2015	5.0%
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# Organizational Chart



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



2016  
Holly Springs  
1906

***City of Holly Springs***

***Budget Message***



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



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

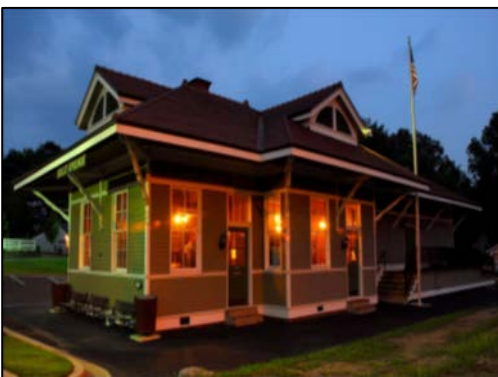
Mayor and Council  
City of Holly Springs  
Dear Mayor and City Councilmembers,

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

We are pleased to present the Annual Operating and Capital Project budget for Fiscal Year 2016 of the City of Holly Springs, Georgia. We continue to operate the City of Holly Springs as efficiently as possible while still providing the level of service required by our citizens.

### **Holly Springs at a Glance**

Located just north of Atlanta in fast-growing Cherokee County, the City of Holly Springs is a 6.91 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 the Georgia Northeastern Railway). That depot, now the Holly Springs Community Center, was painstakingly restored by the City in the late 1990's and is a source of immense civic pride for our 9,678 local residents. For more information about the City of Holly Springs, visit [www.hollyspringsga.us](http://www.hollyspringsga.us).



Holly Springs is easily accessible via two interstates; Interstate 575 and Interstate 75. The City has an abundant supply of land available for new office and retail development as well as a number of sites already prepared for such development. Details on local economic development opportunities are available through the City's Community Development Department.



The City's property tax digest is comprised of 65.29% residential, 20.71% commercial, and 1.71% utility franchises 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 \$183,300 and has a household income of \$65,189.

### **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.

### **Budget Objective**

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

### **Current Economic Conditions**

Throughout the last several years, local governments have been severely impacted by the economic recession. Property values and assessments across the United States have decreased at a rapid rate. However, the City of Holly Springs experienced a resurgence in growth during 2014. The gross digest which includes real and personal property, motor vehicles, and mobile homes is 12.66% greater than the prior year. This source of revenue greatly contributes to the annual operating budget. However, the annual operating budget also relies on other sources of revenue from the Community Development Department, Court Services, and the Recreation and Parks Department. In the past, with the growth in development, we were able to enhance services to meet the demand using the additional revenues that were being generated from these other sources. These sources of revenues have increased and have placed the City in a better position to make some changes in operations to continue meeting the demands of our citizens and business community.

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

***Budget Development Guidelines***

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

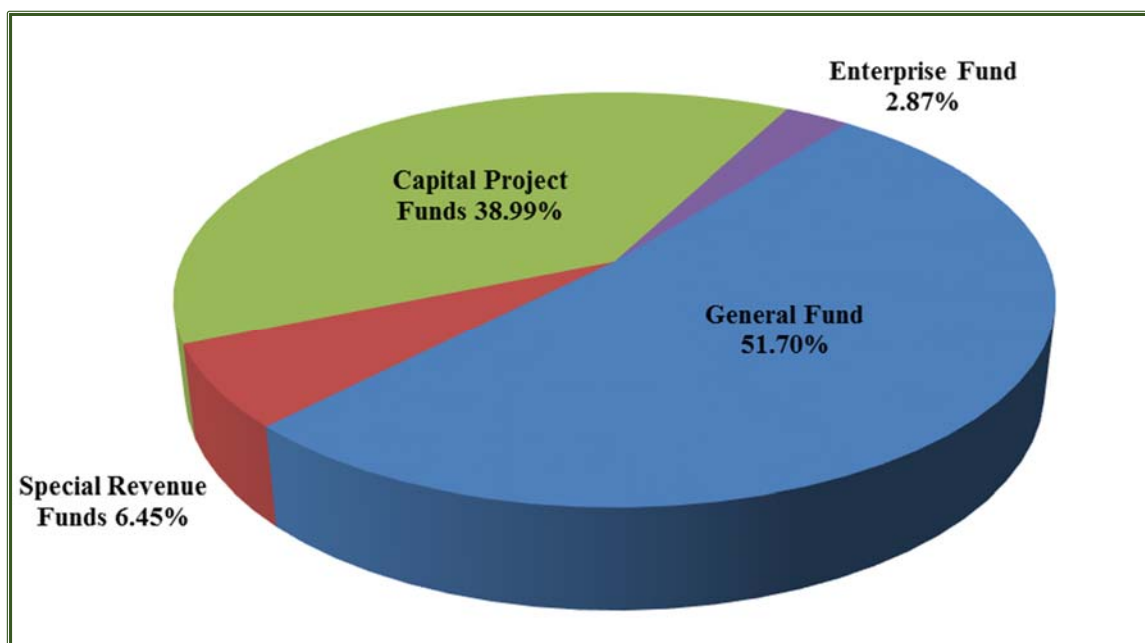
The balanced budget being presented to you carefully weighed these principles in its development. The total budget for FY2016 presented to Council for approval is \$10,465,150.

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**

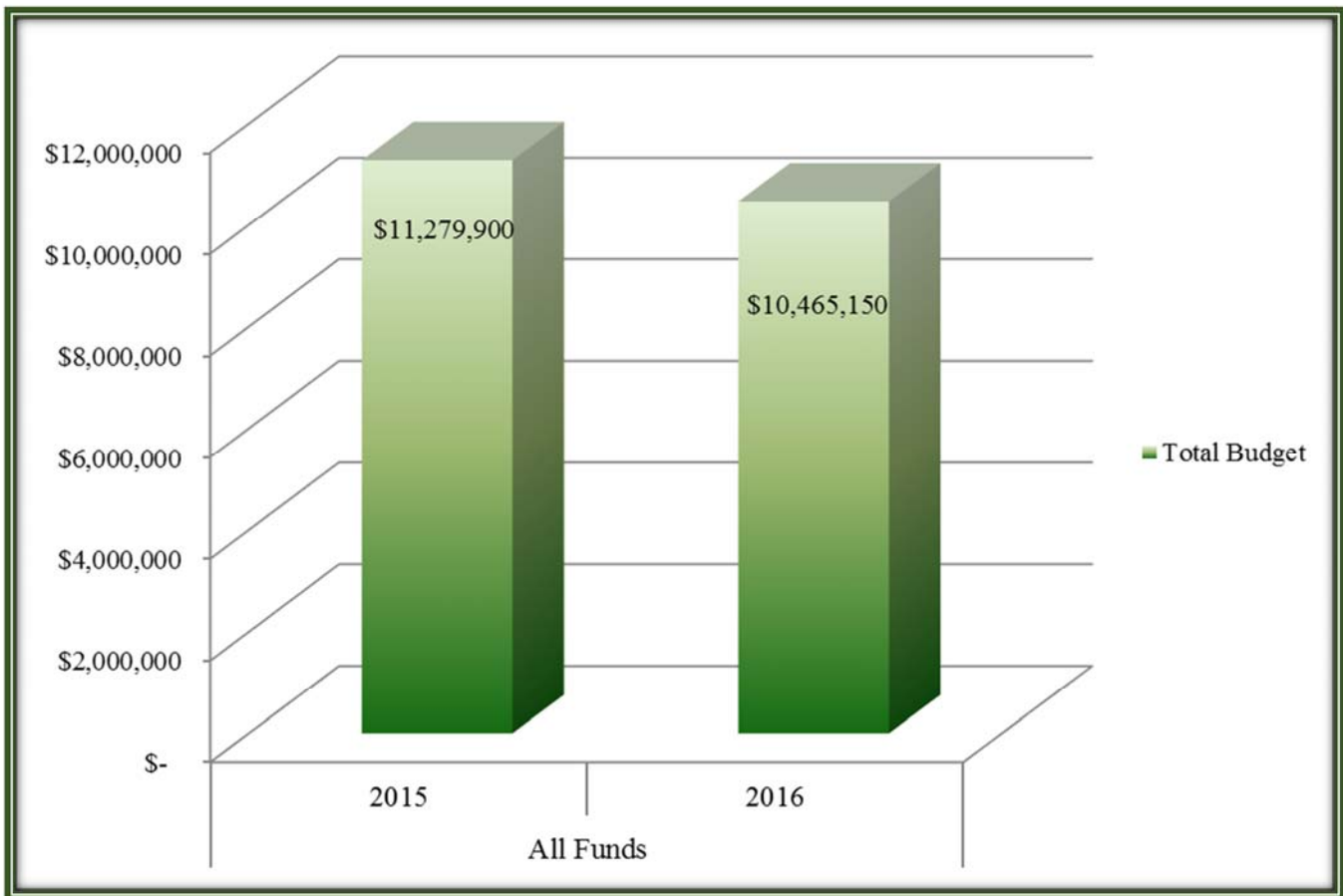
The City of Holly Springs' budget provides a detailed fiscal operating plan that identifies estimated revenues and expenditures. This balanced budget reflects each department's priorities and represents a process through which policy decisions are made, implemented and controlled. Funding for our City 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 2016 fiscal year is \$10,465,150; a 7.22% decrease from last year.

## ***Budgets by Fund*** ***\$10,465,150***



<i><b>Fund</b></i>	<i><b>FY2016 Adopted Budget</b></i>
<i>General Fund</i>	\$ 5,410,000
<i>Special Revenue Funds</i>	\$ 675,000
<i>Capital Project Funds</i>	\$ 4,080,150
<i>Enterprise Fund</i>	\$ 300,000
<i><b>Total</b></i>	<i><b>\$ 10,465,150</b></i>

## Budget Comparison FY2015 to FY2016



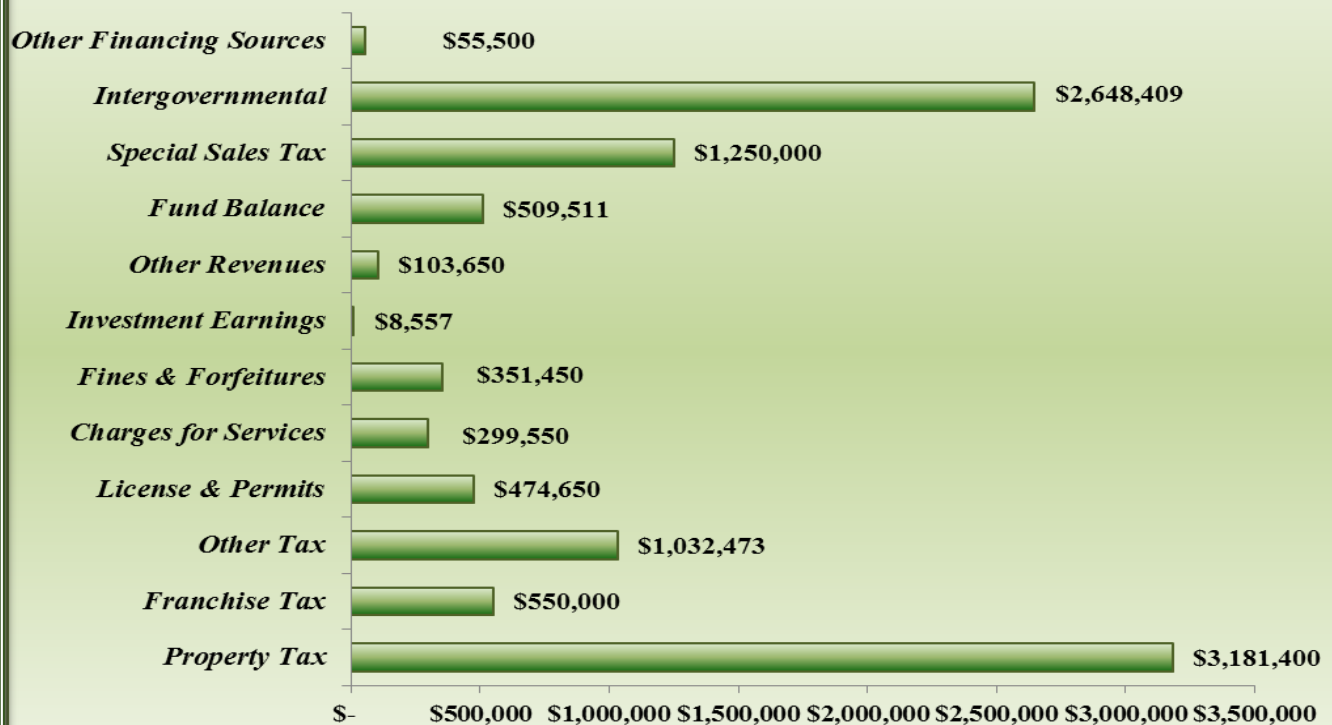
Fund	Adopted Budget		Change from FY2015 to FY2016	
	FY2015	FY2016	\$ (+/-)	% (+/-)
General Fund	\$ 4,705,050	\$ 5,410,000	\$ 704,950	14.98%
Special Revenue Funds	\$ 614,600	\$ 675,000	\$ 60,400	9.83%
Capital Project Funds	\$ 5,664,750	\$ 4,080,150	\$ (1,584,600)	-27.97%
Enterprise Fund	\$ 295,500	\$ 300,000	\$ 4,500	1.52%
<b>Total</b>	<b>\$ 11,279,900</b>	<b>\$ 10,465,150</b>	<b>\$ (814,750)</b>	<b>-7.22%</b>

## ***Basis of Revenue Estimates***

### ***\$10,465,150***

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

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



Revenues	Funds				
	General	Special Revenue	Capital Project	Enterprise	Total
Property Tax	\$ 3,181,400	\$ -	\$ -	\$ -	\$ 3,181,400
Franchise Tax	\$ 550,000	\$ -	\$ -	\$ -	\$ 550,000
Other Tax	\$ 705,550	\$ 304,995	\$ 21,928	\$ -	\$ 1,032,473
License & Permits	\$ 474,650	\$ -	\$ -	\$ -	\$ 474,650
Charges for Services	\$ 50	\$ -	\$ -	\$ 299,500	\$ 299,550
Fines & Forfeitures	\$ 351,450	\$ -	\$ -	\$ -	\$ 351,450
Investment Earnings	\$ 6,500	\$ 755	\$ 802	\$ 500	\$ 8,557
Other Revenues	\$ 84,400	\$ 19,250	\$ -	\$ -	\$ 103,650
Fund Balance	\$ -	\$ -	\$ 509,511	\$ -	\$ 509,511
Special Sales Tax	\$ -	\$ -	\$ 1,250,000	\$ -	\$ 1,250,000
Intergovernmental	\$ 500	\$ 350,000	\$ 2,297,909	\$ -	\$ 2,648,409
Other Financing Sources	\$ 55,500	\$ -	\$ -	\$ -	\$ 55,500
<b>Total Revenues</b>	<b>\$ 5,410,000</b>	<b>\$ 675,000</b>	<b>\$ 4,080,150</b>	<b>\$ 300,000</b>	<b>\$ 10,465,150</b>



## ***Basis of Expenditure Estimates*** ***\$10,465,150***

### **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 Department calculates the personnel cost based on the staffing requested by each department.

#### **Significant Assumptions**

The personnel services budget is based on the following assumptions:

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

### **Operating Expenditures**

#### **Description**

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

#### **Significant Assumptions**

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

## **Capital Outlay**

### **Description**

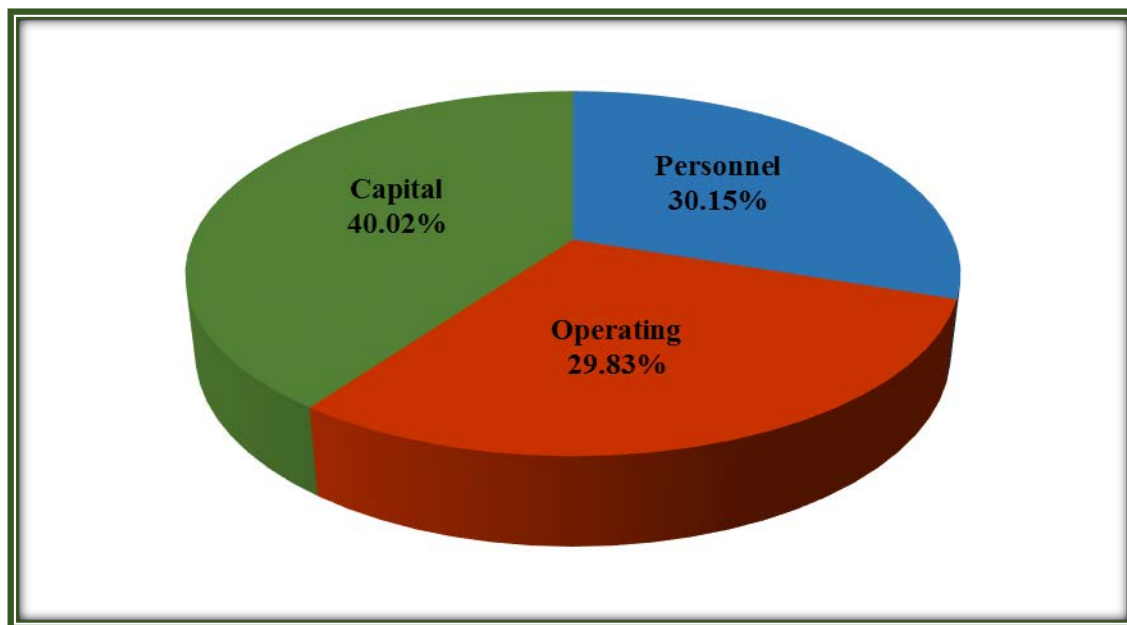
Effective October 1, 2004, this category includes expenditures for capital items, with an initial individual cost of \$5,000 or more, and an estimated useful life in excess of one year.

### **Significant Assumptions**

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

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

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



Funds	Personnel	Operating	Capital	Total
<i>General</i>	\$ 3,011,332	\$ 2,391,168	\$ 7,500	\$ 5,410,000
<i>Enterprise</i>	\$ 87,600	\$ 212,400	\$ -	\$ 300,000
<i>Special Revenue</i>	\$ 56,595	\$ 518,405	\$ 100,000	\$ 675,000
<i>Capital Projects</i>	\$ -	\$ -	\$ 4,080,150	\$ 4,080,150
<b>Total</b>	<b>\$ 3,155,527</b>	<b>\$ 3,121,973</b>	<b>\$ 4,187,650</b>	<b>\$ 10,465,150</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 of these components of economic development are equally important in achieving the long-term goals and objectives of the City as outlined in the following table:

### **Overall Long-term Municipal Goals**

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

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

## **Our Future: 2016-2020**

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

### **Downtown Holly Springs Redevelopment Project**

The City of Holly Springs in conjunction with the Holly Springs Downtown Development Authority has been assembling and acquiring blighted property within the Town Center District since 2008. The Downtown Development Authority issued backdoor general obligation bonds to finance the acquisition of the property. The City of Holly Springs retired all of the outstanding debt on this property in FY2013. In FY2015, the City of Holly Springs in partnership with the Cherokee County Water and Sewerage Authority constructed a sanitary sewer system to serve this area along with the Hickory Springs Industrial Park. This project totals \$1,505,845 and is 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 is \$750,000 and is funded from the SPLOST IV Fund. Upon completion, the Cherokee County Water and Sewerage Authority will accept and maintain this 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 started in early 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 redevelopment project will provide for the following:

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

**Harmony on the Lakes Fire Station**

In 2014, the City of Holly Springs initiated talks with the Cherokee County Fire and Emergency Services to construct a replacement fire station for Cherokee County Station #3. The City of Holly Springs agreed to enter into a 50 year ground lease with Cherokee County for the construction of the new fire station on property owned by the City in Harmony on the Lakes. The fire station is anticipated to cost \$1.2 million and will be funded by Cherokee County. In addition, Cherokee County Fire and Emergency Services will construct a redundant E911 center within the new fire station. This will provide continuity of E911 services in the event of a natural or man-made disaster at the current Cherokee County E911 center. Construction of the new facility is anticipated to begin in the spring of 2016 with completion scheduled for late 2017. All maintenance and operation costs will be the responsibility of Cherokee County. The addition of this fire station will serve as a benefit to the residents of Holly Springs as well as the residents of the County. The development of this project will provide for the following:

- Improve continuity of E911 services
- Reduce insurance costs to our residents
- Improve response time to emergencies

**Cagle Family Farm Park Project**

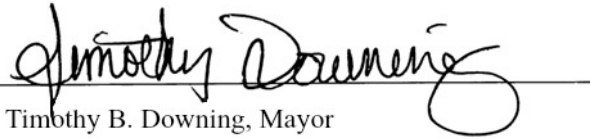
In an effort to provide additional parks and recreation opportunities for our residents, the elected officials and management of the City of Holly Springs has sought property for parks for several years. In the fall of 2014, the City entered into negotiations with the owners of the Cagle Family Farm 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 \$100,000 in the Parks and Recreation Fund for the acquisition of land from the Cagle Family Farm for the development of a future active/passive park in the 2016 budget. The City will appropriate \$100,000 per year in 2017 and 2018 for the acquisition of additional land from the Cagle Family Farm. The City Council plans to include an appropriation of \$3.5 million in the 2019 SPLOST referendum for the acquisition of the remainder of the Cagle Family Farm. The total acreage of the new active/passive park will approximate 60 acres. City Council plans to use backdoor general obligation bonds, SPLOST funds, Parks and Recreation fund revenues and donations from the private sector to develop the park. The development of this project will provide for the following:

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

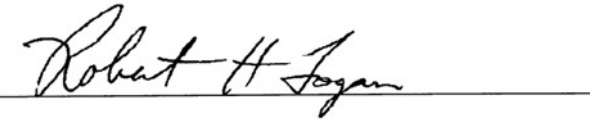


On behalf of the Mayor and your professional staff, I appreciate the City Council's support and leadership despite the many demands on your time and interests in providing the City staff with the necessary resources, funding, trust and confidence to meet our citizens' needs and allowing us all to live,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

Respectfully Submitted,

A handwritten signature in black ink, reading "Timothy B. Downing", written over a horizontal line.

Timothy B. Downing, Mayor

A handwritten signature in black ink, reading "Robert H. Logan", written over a horizontal line.

Robert H. Logan, City Manager/Finance Director



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

JANUARY						
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**July 2015**

- 1 Calendar prepared & distributed
- 6 Property Tax Digest & Millage Rate discussed at Council Work Session

**August 2015**

- 3 Updated Property Tax Digest & Millage Rate discussed
- 10 City Manager meets to discuss anticipated revenues with staff
- 17 Public Hearing to discuss and set Millage Rate
- 17 Millage Rate recommended and approved
- 24 Budget preparation forms made available on "P" drive for Department Directors

**September 2015**

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

**October 2015**

- 5 Expenditure estimates are made and returned to City Manager
- 12 Budget requests summarized
- 19 Requests analyzed and adjusted  
Proposed expenditure plan is assembled

**November 2015**

- 1, 8 Budget adoption meeting advertised
- 2 Work Session to propose 2016 budget

- 16 Public hearing on budget is held  
Budget adopted  
Appropriation Ordinance adopted  
Revenue Ordinance adopted

**January 2016**

- 4 2016 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 Department 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 line item.

### **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 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 outstanding encumbrances and expenditures with budgeted amounts. Variances are researched by the finance department staff and corrections are made as necessary.



### ***Capital Budget Process***

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. 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 will be budgeted in the Capital Project Funds with all available resources. With the involvement of the responsible departments, the Finance Department will prepare 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, 2016, thereby being the Fiscal Year 2016 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 Department.

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 will adopt budgets for enterprise funds in order to monitor revenues and control expenses. The City will use 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.

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 and two years projection of expenditures. 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 Finance Department 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 shall include “performance” budget information. A performance budget provides information of 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 shall strive to minimize and reduce, if possible, staffing levels required to accomplish its service delivery.

✓ **BUDGET PREPARATION CATEGORIES**

Each department shall submit 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 will include 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 will be 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 shall maintain a system of budgetary control reports to ensure adherence to the budget. The City will prepare and distribute to departments, timely monthly financial reports comparing actual revenues, and outstanding encumbrances and expenditures with budgeted amounts.



**FUND BALANCE (RESERVE) POLICY**

The City shall establish 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 by 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 Department 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 PROJECT IMPROVEMENT PLAN POLICY**

The City will prepare a five-year capital project 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 building/infrastructure construction, park improvements, streetscapes, computer systems, land acquisitions, trucks, and vehicles.

Major capital projects will be budgeted in the Capital Project Funds with all available resources. With the involvement of the responsible departments, the Finance Department 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 shall strive 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 Department 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 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 City of Holly Springs' Finance Department.

✓ **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 investments are 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 Department 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 Department, 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 Department is responsible for accounting for grant transactions according to the Accounting, Auditing, and Financial Reporting 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 Department shall comply with all local, state, and federal requirements with respect to the auditing of information as they pertain 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 Mayor and City Council. 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 nor 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 Department receives the proper documentation from the incurring departments, the execution of payment shall occur. The Finance Department 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 Department 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 Department recommendations for changes (e.g., travel issues, cellular phone use). In the event the department does not agree with the Finance Department'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 FY2016, the legal debt limit for the City of Holly Springs is \$38,451,126.

✓ **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 issuances.

✓ **OTHER POLICIES**

All bond issue requests shall be coordinated by the Finance Department. 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 Department.

**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 1996 (and any future) amendments to the Single Audit Act.



***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>Foster and Maintain Regional Partnerships</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>Sustain and Protect Natural Resources</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>Promote a Well-Planned City</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>Insist Upon Responsive Service Delivery</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						

<i><b>Departmental Objectives</b></i>	<i><b>Performance Measures</b></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	FT employee turnover rate within one year of employment
Manage City finances to ensure financial benchmarks are met.	Unassigned Fund Balances as a % of annual budget
Maintain high levels of professional accounting and reporting standards worthy of the Government Finance Officers Association (GFOA) awards.	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.	Percent of successful transmissions to the Department of Driver Services
Accommodate first-time offenders with diversion program.	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.

### **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 Waleska and Ball Ground) 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, Livable Centers Initiative (LCI) funds or Congestion Mitigation and Air Quality (CMAQ) funds.

#### ***Town Center***

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

#### ***Corridor Design Overlay***

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

### ***Parking***

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

### ***Streetscape Improvement Standards***

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

### ***Connectivity of Open Spaces***

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

## **INSIST UPON RESPONSIVE SERVICE DELIVERY**

### **Level of Service Standards**

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

### **Police Protection**

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

### **Fire Services**

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

### **Fire Hydrants and Fire Flow**

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

### **Municipal Parks and Recreation Department**

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

### **Parkland Designation**

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

### **Multi-use Trails**

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

### **Library**

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

### **Solid Waste Management**

Implement the City's comprehensive solid waste management plan.

### **Location Policy 1**

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

### **Location Policy 2**

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

### **Public-Private Delivery**

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

### **Local Street Improvements**

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

### **Downtown Public Parking**

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

### **Context-Sensitive Design**

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

### **Pedestrian/Sidewalk System**

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

### **Bike Paths and Bikeways**

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

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

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

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

### **Traffic Calming**

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

### **No Truck Routes**

Designate routes for truck prohibition where needed.

### **Public Transportation**

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

### **Connectivity**

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

## **Objectives Underway**

- ❖ Complete utility relocations within the Livable Centers Initiative (LCI) study area along Holly Springs Parkway and Hickory Road. Start construction of the project in the winter of 2016.
- ❖ Acquire the rights-of way and construction easements for the sidewalk project on Holly Springs Parkway north to Pine Crest Road.
- ❖ Obtain tax allocation district (TAD) approval for the redevelopment of the Town Center District in the downtown core of the City of Holly Springs from the Cherokee County Board of Commissioners and the Cherokee County Board of Education in 2016.
- ❖ Acquire additional property from the Cagle Family Farm on Stringer Road for the development of a future passive/active park area in FY's 2016 - 2020.





***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 Funds; 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), 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.

The major categories funded include; road repair, city hall construction, and capital outlay.

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

The City does not currently have a Debt Service Fund.

### **Proprietary Funds**

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

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

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

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

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

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

The City does not currently have an Internal Service Fund.

## **Fiduciary Funds**

Fiduciary Funds are used to account for assets held in a trustee or agency capacity for others. There are four types of fiduciary funds; Pension (and other employee benefit) 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 state for the members and beneficiaries of defined benefit pension plans, defined contribution pension plans, and other employee benefit plans.

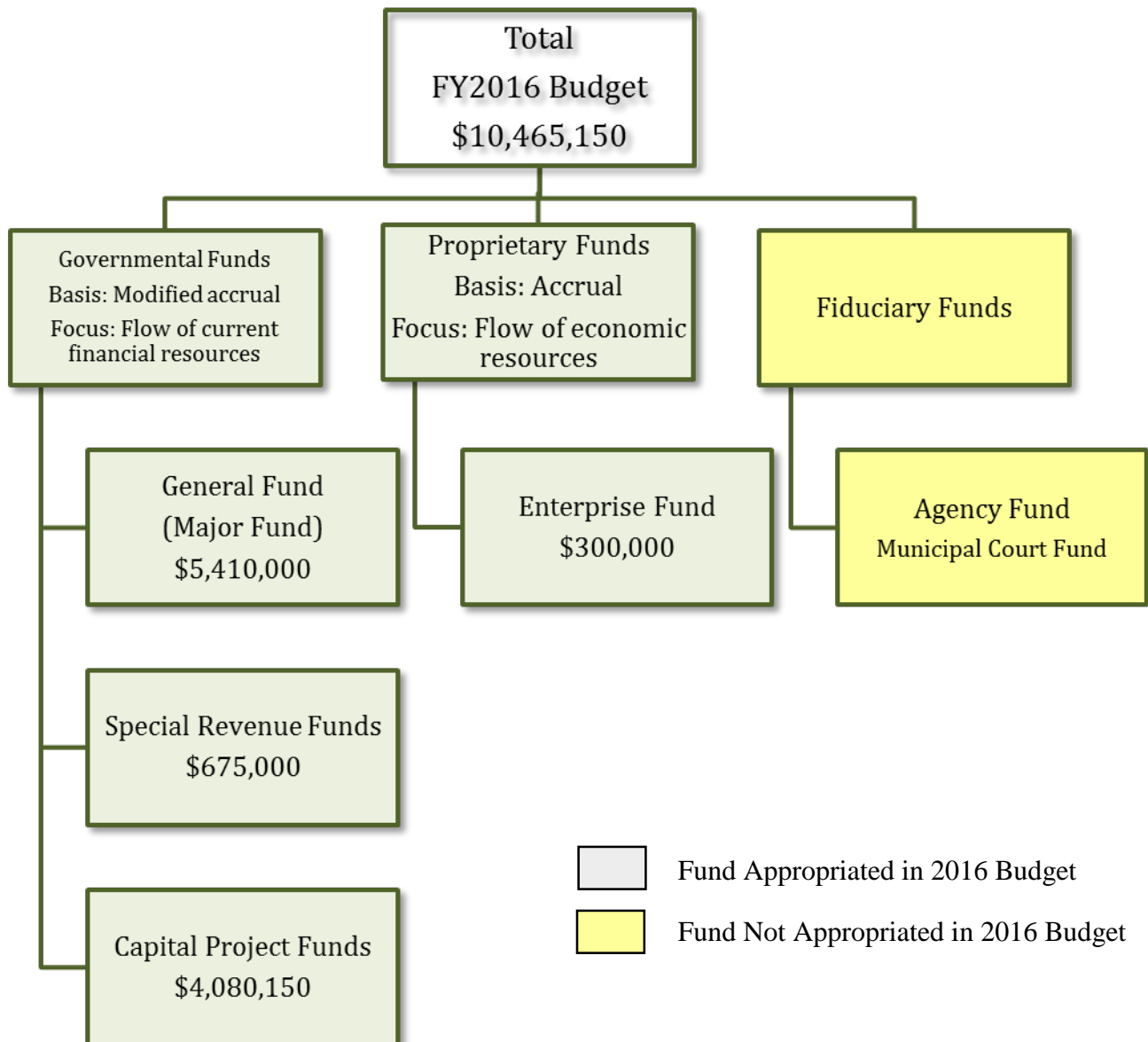
*Investment Trust Fund:* The Investment Trust Fund is used to report the external portion of the Local Government Investment Pool, which is reported by the state as the sponsoring government.

*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 state 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. The 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.





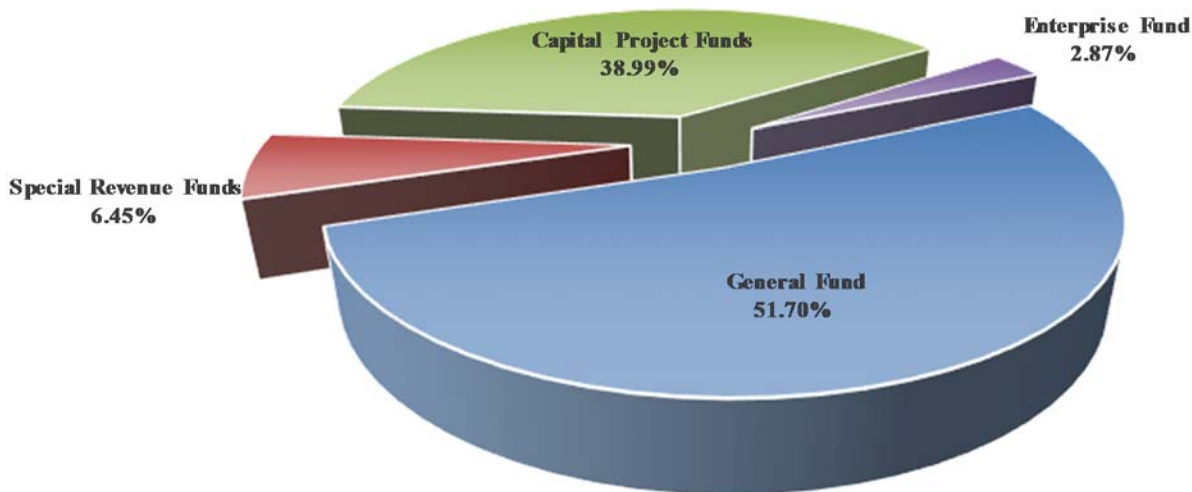
***City of Holly Springs***

***Fund Summaries***

## Summary of Budgets by Fund

Fund	FY2015 Adopted Budget	% of Total Budget	FY2016 Adopted Budget	% of Total Budget	\$ Change from FY2015 to FY2016	% Change from FY2015 to FY2016
General Fund	\$ 4,705,050	41.71%	\$ 5,410,000	51.70%	\$ 704,950	14.98%
Special Revenue Funds	\$ 614,600	5.45%	\$ 675,000	6.45%	\$ 60,400	9.83%
Capital Project Funds	\$ 5,664,750	50.22%	\$ 4,080,150	38.99%	\$ (1,584,600)	-27.97%
Enterprise Fund	\$ 295,500	2.62%	\$ 300,000	2.87%	\$ 4,500	1.52%
Total	\$ 11,279,900	100.00%	\$ 10,465,150	100.00%	\$ (814,750)	-7.22%

## Percent of Budgets by Fund



# City of Holly Springs

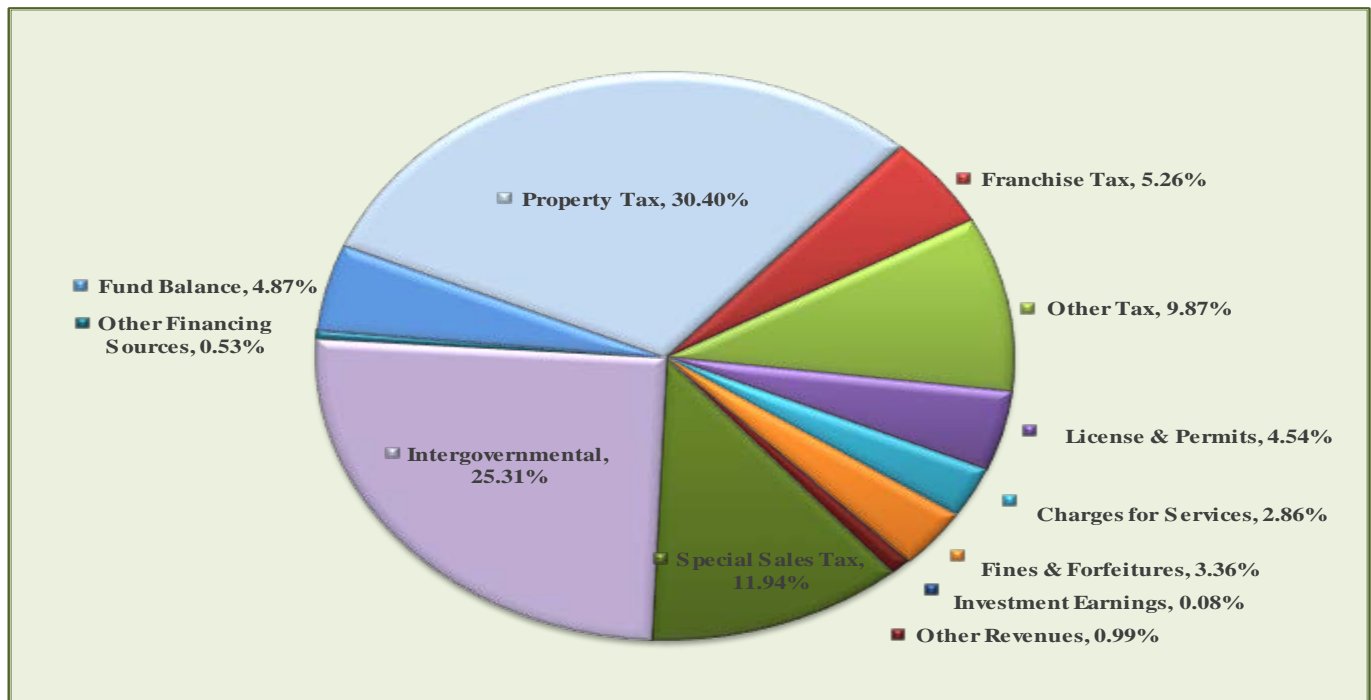
## Budget Summary (all funds)

### \$10,465,150

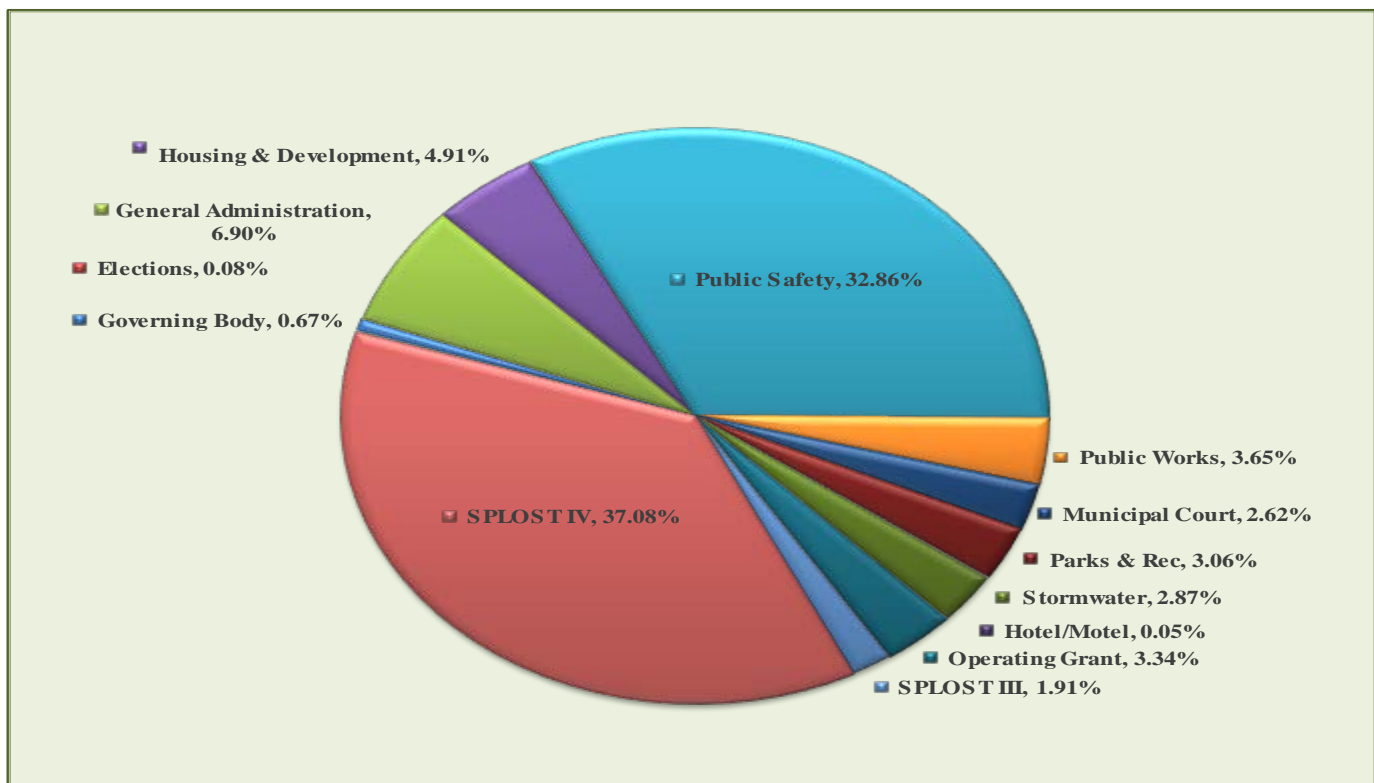
	Funds				
	General	Special Revenue	Capital Project	Enterprise	Total
<b>Beginning Fund Balance/Net Assets</b>	<b>\$ 4,386,803</b>	<b>\$ 668,406</b>	<b>\$ 1,136,566</b>	<b>\$ 3,120,599</b>	<b>\$ 9,312,374</b>
<b>Estimated Revenues</b>					
Property Tax	3,181,400	-	-	-	3,181,400
Franchise Tax	550,000	-	-	-	550,000
Other Tax	705,550	304,995	21,928	-	1,032,473
License & Permits	474,650	-	-	-	474,650
Charges for Services	50	-	-	299,500	299,550
Fines & Forfeitures	351,450	-	-	-	351,450
Investment Earnings	6,500	755	802	500	8,557
Other Revenues	84,400	19,250	-	-	103,650
Fund Balance	-	-	509,511	-	509,511
Net Assets	-	-	-	-	-
Special Sales Tax	-	-	1,250,000	-	1,250,000
Intergovernmental	500	350,000	2,297,909	-	2,648,409
Other Financing Sources	55,500	-	-	-	55,500
	<b>\$ 5,410,000</b>	<b>\$ 675,000</b>	<b>\$ 4,080,150</b>	<b>\$ 300,000</b>	<b>\$ 10,465,150</b>
<b>Estimated Expenditures/Expenses</b>					
Governing Body	69,805	-	-	-	69,805
General Administration	730,268	-	-	-	730,268
Housing and Development	514,046	-	-	-	514,046
Public Safety	3,439,059	-	-	-	3,439,059
Public Works	382,447	-	-	-	382,447
Municipal Court	274,375	-	-	-	274,375
Parks & Recreation	-	320,000	-	-	320,000
Stormwater Management	-	-	-	300,000	300,000
Capital Improvements	-	-	4,080,150	-	4,080,150
Operating Transfers Out	-	350,000	-	-	350,000
Hotel/Motel	-	5,000	-	-	5,000
	<b>\$ 5,410,000</b>	<b>\$ 675,000</b>	<b>\$ 4,080,150</b>	<b>\$ 300,000</b>	<b>\$ 10,465,150</b>
<b>Ending Fund Balance/Net Assets</b>	<b>\$ 4,386,803</b>	<b>\$ 668,406</b>	<b>\$ 1,136,566</b>	<b>\$ 3,120,599</b>	<b>\$ 9,312,374</b>

# ***FY2016 Budget Summaries (all funds)***

## ***Revenues By Source***



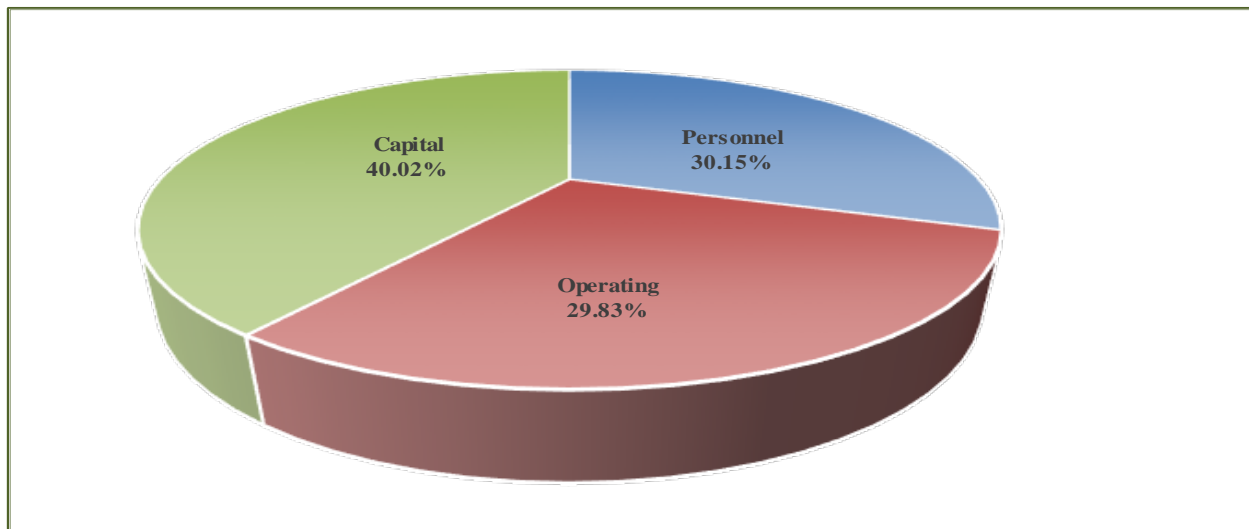
## ***Expenditures/Expenses by Department***



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

Funds	Personnel	Operating	Capital	Total
<b>General</b>				
Governing Board	\$ 64,655	\$ 5,150	\$ -	\$ 69,805
General Administration	\$ 428,017	\$ 302,251	\$ -	\$ 730,268
Housing & Development	\$ 364,961	\$ 141,585	\$ 7,500	\$ 514,046
Public Safety	\$ 1,838,552	\$ 1,600,507	\$ -	\$ 3,439,059
Public Works	\$ 172,647	\$ 209,800	\$ -	\$ 382,447
Municipal Court	\$ 142,500	\$ 131,875	\$ -	\$ 274,375
Total	\$ 3,011,332	\$ 2,391,168	\$ 7,500	\$ 5,410,000
<b>Enterprise</b>				
Stormwater Management	\$ 87,600	\$ 212,400	\$ -	\$ 300,000
<b>Special Revenue</b>				
Parks & Recreation	\$ 56,595	\$ 163,405	\$ 100,000	\$ 320,000
Hotel/Motel Tax Fund	\$ -	\$ 5,000	\$ -	\$ 5,000
Operating Grant	\$ -	\$ 350,000	\$ -	\$ 350,000
Total	\$ 56,595	\$ 518,405	\$ 100,000	\$ 675,000
<b>Capital Project</b>				
SPLOST III	\$ -	\$ -	\$ 200,000	\$ 200,000
SPLOST IV	\$ -	\$ -	\$ 3,880,150	\$ 3,880,150
Total	\$ -	\$ -	\$ 4,080,150	\$ 4,080,150
Total	\$ 3,155,527	\$ 3,121,973	\$ 4,187,650	\$ 10,465,150

## ***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**

	FY2013 Actual (audited)	FY2014 Actual (audited)	FY2015 Budget	FY2016 Budget	% of Total	% Change from FY 15 to FY 16
<b>Beginning Fund Balance</b>	<b>\$ 5,990,165</b>	<b>\$ 8,341,639</b>	<b>\$ 9,312,375</b>	<b>\$ 9,312,375</b>		
<b>Revenues</b>						
Property taxes	2,849,113	2,911,695	2,838,500	3,181,400	32.13%	12.08%
Franchise taxes	528,764	578,242	500,000	550,000	5.56%	10.00%
Other taxes	824,155	612,157	923,245	1,010,545	10.21%	9.46%
Special Tax	1,098,690	-	1,150,000	1,250,000	12.63%	8.70%
Intergovernmental	345,505	1,664,757	2,523,950	2,648,409	26.75%	4.93%
License and permits	649,394	692,844	259,750	474,650	4.79%	82.73%
Charges for services	328,890	374,967	300,800	307,050	3.10%	2.08%
Donations from Provate Sources	22,559	15,181	-	6,500	0.07%	
Fines and forfeitures	427,464	411,035	402,250	351,450	3.55%	-12.63%
Investment Earnings	9,225	9,261	9,143	8,557	0.09%	-6.41%
Other Revenues	70,900	358,739	73,565	112,078	1.13%	52.35%
<b>Total revenues</b>	<b>7,154,659</b>	<b>7,628,878</b>	<b>8,981,203</b>	<b>9,900,639</b>	<b>100.00%</b>	<b>10.24%</b>
<b>Expenditures/Expenses</b>						
<b>Current:</b>						
General Government	693,305	678,717	775,914	800,073	7.68%	3.11%
Health and Welfare	346,519	303,938	320,100	350,000	3.36%	9.34%
Culture and Recreation	70,858	130,547	180,000	170,000	1.63%	-5.56%
Municipal Court	222,251	211,556	251,362	274,375	2.63%	9.16%
Public Safety	2,343,040	2,518,284	2,984,304	3,439,059	33.02%	15.24%
Public Works	392,156	573,246	650,601	682,447	6.55%	4.89%
Housing & Development	1,076,180	298,874	342,869	511,546	4.91%	49.20%
<b>Capital outlay:</b>						
Public Safety	253,357	400,225	194,846	249,422	2.39%	28.01%
Public Works	433,359	790,147	3,158,047	3,697,262	35.50%	17.07%
Culture and Recreation	46,766	144,602	110,000	100,000	0.96%	-9.09%
Housing & Development	-	153,413	-	7,500	0.07%	
General Government	50,751	462,002	-	-	0.00%	
<b>Debt Service:</b>						
Principal	530,848	138,944	182,561	129,848	1.25%	-28.87%
Interest	15,911	6,558	9,296	3,618	0.03%	-61.08%
<b>Total expenditures</b>	<b>6,475,301</b>	<b>6,811,053</b>	<b>9,159,900</b>	<b>10,415,150</b>	<b>100.00%</b>	<b>13.70%</b>
Excess of revenues over (under) expenditures/expenses	679,358	817,825	(178,697)	(514,511)		
<b>Other financing sources (uses):</b>						
Proceeds from Sale of Capital Assets	29,328	19,358	7,500	5,000	0.97%	-33.33%
Proceeds from Issuance of Capital Leases	250,829	133,553	-	-	0.00%	
Fund Balance	-	-	171,197	509,511	99.03%	197.62%
Transfers in	650,189	94,670	2,120,000	50,000	9.72%	-97.64%
Transfers out	(650,189)	(94,670)	(2,120,000)	(50,000)	-9.72%	-97.64%
Capital assets contributed by private sources	1,391,959	-	-	-	0.00%	
<b>Total other financing sources (uses)</b>	<b>1,672,116</b>	<b>152,911</b>	<b>178,697</b>	<b>514,511</b>	<b>100.00%</b>	<b>187.92%</b>
Net change in fund balance/net assets	2,351,474	970,736	-	-		
<b>Fund balances/net assets (deficit), end of year</b>	<b>\$ 8,341,639</b>	<b>\$ 9,312,375</b>	<b>\$ 9,312,375</b>	<b>\$ 9,312,375</b>		

**General Fund**

	FY2013 Actual (audited)	FY2014 Actual (audited)	FY2015 Budget	FY2016 Budget	% of Total	% Change from FY15 to FY16
<b>Beginning Fund Balance</b>	<b>\$ 2,664,712</b>	<b>\$ 3,632,243</b>	<b>\$ 4,386,803</b>	<b>\$ 4,386,803</b>		
<b>Revenues</b>						
Property taxes	2,849,113	2,911,695	2,838,500	3,181,400	59.41%	12.08%
Franchise taxes	528,764	578,242	500,000	550,000	10.27%	10.00%
Other taxes	561,690	612,157	637,000	705,550	13.18%	10.76%
Intergovernmental	637	1,200	1,000	500	0.01%	-50.00%
License and permits	649,394	642,420	259,750	474,650	8.86%	82.73%
Charges for services	23,281	42,773	50	50	0.00%	0.00%
Fines and forfeitures	427,464	411,035	402,250	351,450	6.56%	-12.63%
Investment Earnings	7,017	7,061	7,550	6,500	0.12%	-13.91%
Donations from private sources	8,809	13,031	-	-	0.00%	
Other Revenues	44,085	58,898	51,450	84,900	1.59%	65.01%
<b>Total revenues</b>	<b>5,100,254</b>	<b>5,278,512</b>	<b>4,697,550</b>	<b>5,355,000</b>	<b>100.00%</b>	<b>14.00%</b>
<b>Expenditures</b>						
<b>Current:</b>						
General Government	693,305	678,717	763,914	800,073	14.79%	4.73%
Municipal Court	222,251	211,556	251,362	274,375	5.07%	9.16%
Public Safety	2,343,040	2,518,284	2,984,304	3,439,059	63.57%	15.24%
Public Works	236,884	370,357	355,101	382,447	7.07%	7.70%
Culture and Recreation	-	4,000	-	-	0.00%	
Housing & Development	251,382	292,479	348,369	506,546	9.36%	45.41%
<b>Capital outlay:</b>						
General Government	-	462,002	2,000	-	0.00%	-100.00%
Public Works	-	5,915	-	-	0.00%	
Housing & Development	-	-	-	7,500	0.14%	
<b>Total expenditures</b>	<b>3,746,862</b>	<b>4,543,310</b>	<b>4,705,050</b>	<b>5,410,000</b>	<b>100.00%</b>	<b>14.98%</b>
Excess of revenues over (under) expenditures	1,353,392	735,202	(7,500)	(55,000)		
<b>Other financing sources (uses):</b>						
Proceeds from Sale of Capital Assets	29,328	19,358	7,500	5,000	9.09%	-33.33%
Transfers in	-	-	-	50,000	90.91%	
Transfers out	(415,189)	-	-	-	0.00%	
Total other financing sources (uses)	(385,861)	19,358	7,500	55,000	100.00%	633.33%
Net change in fund balance	967,531	754,560	-	-		
<b>Fund balances (deficit), end of year</b>	<b>\$ 3,632,243</b>	<b>\$ 4,386,803</b>	<b>\$ 4,386,803</b>	<b>\$ 4,386,803</b>		

## **Explanation of General Fund Variances**

- Housing and Development increased 45.41% in 2016 over 2015 due to the addition of a building inspector, main street director and related costs in the 2016 budget due to growth in the City of Holly Springs over the past year.
- Public Safety increased 15.24% in 2016 over 2015 due to the addition of two police officers and related costs as well as an increase in fees paid to Cherokee County for fire services.

**Special Revenue Funds**

	FY2013 Actual (audited)	FY2014 Actual (audited)	FY2015 Budget	FY2016 Budget	% of Total	% Change from FY15 to FY16
<b>Beginning Fund Balance</b>	<b>\$468,643</b>	<b>\$634,054</b>	<b>\$ 668,407</b>	<b>\$ 668,407</b>		
<b>Revenues</b>						
Other taxes	262,465	297,484	286,245	304,995	45.18%	6.55%
Intergovernmental	345,505	303,716	320,000	350,000	51.85%	9.38%
Investment Earnings	35	553	105	755	0.11%	619.05%
Charges for Services	7,075	9,575	5,750	7,500	1.11%	30.43%
Donations from Private Sources	13,750	2,150	250	6,500	0.96%	2500.00%
Other Revenues	1,878	2,357	2,250	5,250	0.78%	133.33%
<b>Total revenues</b>	<b>630,708</b>	<b>615,835</b>	<b>614,600</b>	<b>675,000</b>	<b>100.00%</b>	<b>9.83%</b>
<b>Expenditures</b>						
<b>Current:</b>						
Health and welfare	346,519	303,938	320,100	350,000	56.00%	9.34%
Housing and Development	1,154	6,395	4,500	5,000	0.80%	11.11%
Culture and recreation	70,858	126,547	180,000	170,000	27.20%	-5.56%
<b>Capital Outlay:</b>						
Culture and recreation	46,766	144,602	110,000	100,000	16.00%	-9.09%
<b>Total expenditures</b>	<b>465,297</b>	<b>581,482</b>	<b>614,600</b>	<b>625,000</b>	<b>100.00%</b>	<b>1.69%</b>
Excess of revenues over (under) expenditures	165,411	34,353	-	50,000		
<b>Other financing sources (uses):</b>						
Transfers out	-	-	-	(50,000)	0.00%	
Total other financing sources (uses)	-	-	-	(50,000)	0.00%	
Net change in fund balance	165,411	34,353	-	-		
<b>Fund balances (deficit), end of year</b>	<b>\$634,054</b>	<b>\$668,407</b>	<b>\$ 668,407</b>	<b>\$ 668,407</b>		

**Explanation of Special Revenue Funds Variances**

- Housing and Development increased 11.11% in 2016 over 2015 due to an increase in budgeted expenditures for advertising and promotions in the Hotel/Motel Tax Fund in 2016.
- Other Financing Sources (Uses) increased 100% in 2016 over 2015 due to the provision for a \$50,000 transfer from the Parks and Recreation Fund to cover costs in the Main Street Program in 2016.

**Capital Project Funds**

	FY2013 Actual (audited)	FY2014 Actual (audited)	FY2015 Budget	FY2016 Budget	% of Total	% Change from FY15 to FY16
<b>Beginning Fund Balance</b>	<b>\$ 1,391,952</b>	<b>\$ 1,075,006</b>	<b>\$ 1,136,566</b>	<b>\$ 1,136,566</b>		
<b>Revenues</b>						
Special Tax	1,098,053	-	1,150,000	1,250,000	35.01%	8.70%
Intergovernmental	-	1,359,841	2,202,950	2,297,909	64.36%	4.31%
Licenses and Permits	-	50,424	-	-	0.00%	
Investment Earnings	1,916	1,114	988	802	0.02%	-18.83%
Other Revenues	24,937	-	19,615	21,928	0.61%	11.79%
<b>Total revenues</b>	<b>1,124,906</b>	<b>1,411,379</b>	<b>3,373,553</b>	<b>3,570,639</b>	<b>100.00%</b>	<b>5.84%</b>
<b>Expenditures</b>						
<b>Current:</b>						
Housing and Development	823,644	-	-	-	0.00%	
<b>Capital expenditures</b>						
General Government	50,751	-	-	-	0.00%	
Public Safety	253,357	400,225	194,846	249,422	6.11%	28.01%
Housing and Development	-	153,413	-	-	0.00%	
Public Works	433,359	784,232	3,158,047	3,697,262	90.62%	17.07%
<b>Debt Service</b>						
Principal	530,848	138,944	182,561	129,848	3.18%	-28.87%
Interest	15,911	6,558	9,296	3,618	0.09%	-61.08%
<b>Total expenditures</b>	<b>2,107,870</b>	<b>1,483,372</b>	<b>3,544,750</b>	<b>4,080,150</b>	<b>100.00%</b>	<b>15.10%</b>
Excess of revenues over (under) expenditures	(982,964)	(71,993)	(171,197)	(509,511)	-	
<b>Other financing sources (uses):</b>						
Proceeds from Issuance of Capital Leases	250,829	133,553	-	-	0.00%	
Fund Balance	-	-	171,197	509,511	100.00%	197.62%
Transfers in	650,189	94,670	2,120,000	-	1238.34%	-100.00%
Transfers out	(235,000)	(94,670)	(2,120,000)	-	-1238.34%	-100.00%
<b>Total other financing sources (uses)</b>	<b>666,018</b>	<b>133,553</b>	<b>171,197</b>	<b>509,511</b>	<b>100.00%</b>	<b>197.62%</b>
Net change in fund balance	(316,946)	61,560	-	-		
Fund balances (deficit), end of year	<b>\$ 1,075,006</b>	<b>\$ 1,136,566</b>	<b>\$ 1,136,566</b>	<b>\$ 1,136,566</b>		



**Explanation of Capital Project Funds Variances**

- Other Financing Sources (Uses) increased by 197.62% because the City utilized \$171,197 of Prior Year Fund Balance in 2015 and will require \$509,511 in the 2016 budget to fund capital projects. In addition, transfers in/out were eliminated in the 2016 budget due to the consolidation of the SPLOST IV Fund and the Capital Grant Fund.
- Public Safety expenditures increased 28.01% in 2016 over 2015 for the acquisition of additional police vehicles in the 2016 budget.
- Public Works expenditures increased 17.07% in 2016 over 2015 for budgeted expenditures for the Palm Street Sidewalk project.
- Debt Service decreased 89.95% in the 2016 budget from 2015 due to the retirement of a capital lease in 2015.

**Enterprise Fund**

	FY2013 Actual (audited)	FY2014 Actual (audited)	FY2015 Budget	FY2016 Budget	% of Total	% Change from FY15 to FY16
<b>Beginning Net Assets</b>	<b>\$ 1,464,858</b>	<b>\$ 3,000,336</b>	<b>\$ 3,120,599</b>	<b>\$ 3,120,599</b>		
<b>Revenues</b>						
Charges for services	298,534	322,619	295,000	299,500	99.83%	1.53%
Investment Earnings	257	533	500	500	0.17%	0.00%
<b>Total revenues</b>	<b>298,791</b>	<b>323,152</b>	<b>295,500</b>	<b>300,000</b>	<b>100.00%</b>	<b>1.52%</b>
<b>Expenses</b>						
<b>Current:</b>						
Public Works	155,272	202,889	295,500	300,000	100.00%	1.52%
<b>Capital outlay</b>						
Public Works	-	-	-	-	0.00%	
<b>Total expenses</b>	<b>155,272</b>	<b>202,889</b>	<b>295,500</b>	<b>300,000</b>	<b>100.00%</b>	<b>1.52%</b>
 Excess of revenues over (under) expenses	 143,519	 120,263	 -	 -		
 Other financing sources (uses):						
Transfers in	-	-	-	-		
Capital assets contributed by private sources	1,391,959	-	-	-		
<b>Total other financing sources (uses)</b>	<b>1,391,959</b>	<b>-</b>	<b>-</b>	<b>-</b>		
 Net change in net assets	 1,535,478	 120,263	 -	 -		
<b>Net assets (deficit), end of year</b>	<b>\$ 3,000,336</b>	<b>\$ 3,120,599</b>	<b>\$ 3,120,599</b>	<b>\$ 3,120,599</b>		

**Explanation of Enterprise Fund Variances**

- There were no significant variances between the 2015 and 2016 operating budgets in the Stormwater Utility Management Fund.



***City of Holly Springs***

***Revenues***

## **REVENUES**

On August 17, 2015, the Mayor and Council approved the millage rate of 5.315 for municipal operations. There is an increase of \$227,886 in net taxes levied (\$2,857,230 in FY2015 to \$3,085,116 in FY2016) 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.

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 2010.

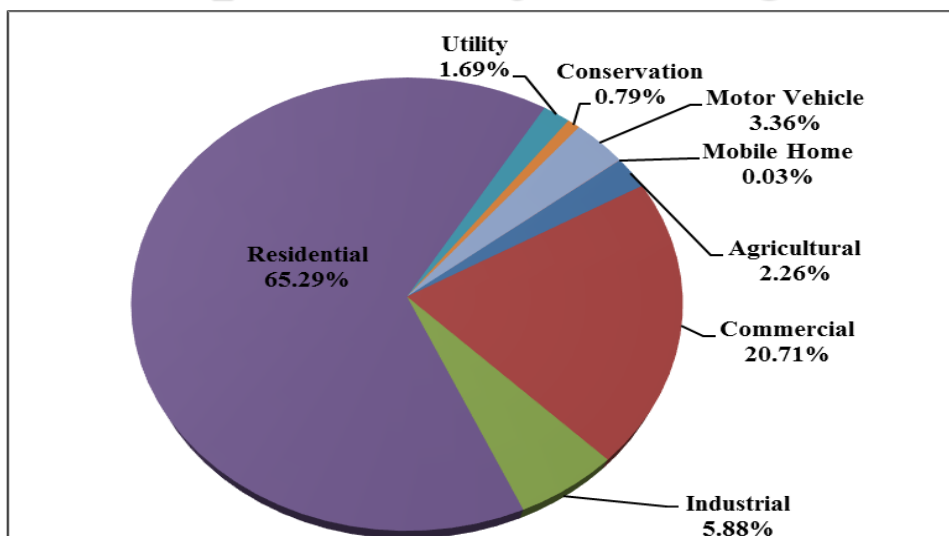
The recommended millage rate of 5.315 plus the Fire Tax millage set by the County of 3.436 for a total of 8.751 would be a decrease of .185 mills (-2.07%) from the previous year. The millage rate is split to fund both operations and fire service requirements as the table below details.

### **Millage Rate History from 2010-2016**

<b>Fiscal Year</b>	<b>City Operations</b>	<b>Fire</b>	<b>Total</b>
<b><i>Adopted FY16</i></b>	<b><i>5.315</i></b>	<b><i>3.436</i></b>	<b><i>8.751</i></b>
FY15	5.500	3.436	8.936
FY14	6.000	3.373	9.373
FY13	6.055	3.394	9.449
FY12	5.469	3.129	8.598
FY11	5.148	2.950	8.098
FY10	4.865	2.742	7.607

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



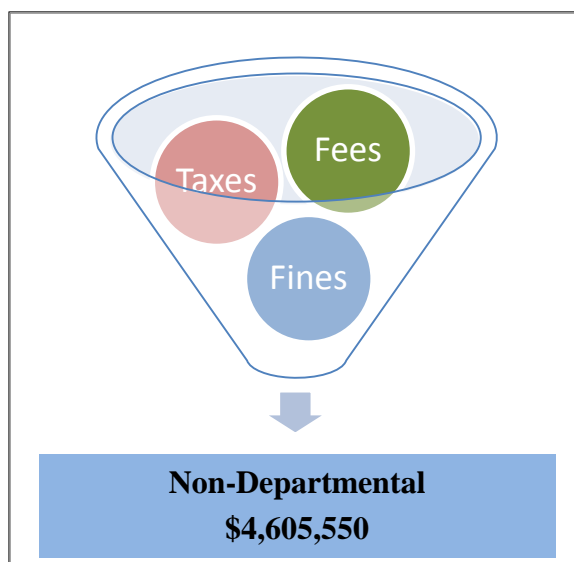
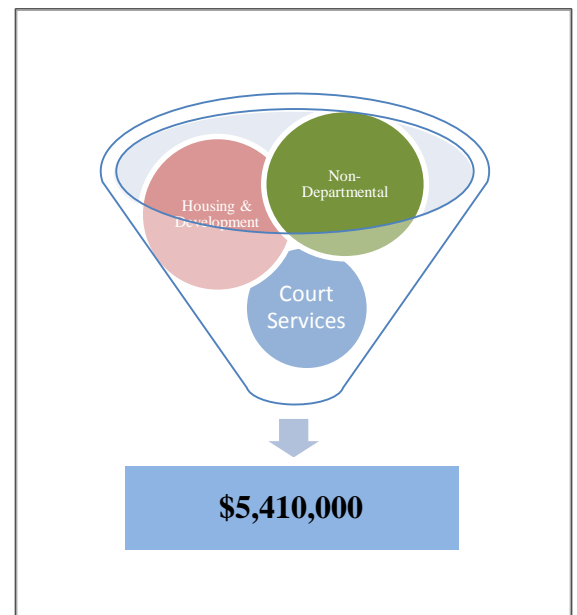


## **General Fund**

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 FY2016, the City is budgeting \$5,410,000 in General Fund revenues. Of this amount, \$3,162,900 is derived from real and personal property taxes, with \$1,264,841 being directly allocated to the Cherokee County Board of Commissioners to pay the Fire Tax (3.436 mils). After remitting these Fire Taxes to the County, we anticipate \$1,898,059 in real and personal property taxes to be used in the General Fund. The gross amount collected for FY2015 for real and personal property taxes was \$3,395,292 with \$1,140,000 being directly allocated to the Cherokee County Board of Commissioners to pay the Fire Tax (3.436 mils). The total net taxes collected for FY2015 was \$2,255,292.



Revenues for the General Fund in the amount of \$5,410,000 are derived from three major divisions: (1) Non-Departmental/City-Wide (\$4,605,550), (2) Housing and Development (\$451,650), and (3) Municipal Court Services (\$352,800).

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 \$4,605,550, 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 \$451,650, 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 \$352,800, is mostly from fines for misdemeanor traffic offenses. In 2009, the City embarked on a 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' record 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	2014 Actual (audited)	2015 Budget	2015 Actual (uaudited)	2015		2016 Budget	FY15-FY16 Budget
				Budget vs. Actual			
City-Wide/Non-Departmental				\$ (+/-)	% of budget collected (+/-)		% (+/-)
Property Tax Revenue	\$ 2,400,702	\$ 2,400,000	\$ 2,968,997	\$ (568,997)	123.71%	\$ 2,800,000	16.67%
Motor Vehicle Tax	142,199	165,000	86,826	78,174	52.62%	112,000	-32.12%
Motor Vehicle Title Ad Valorem	306,577	250,000	338,533	(88,533)	135.41%	250,000	0.00%
Mobile Home Tax	1,026	1,500	937	563	62.47%	900	-40.00%
Intangible Tax	51,597	50,000	58,600	(8,600)	117.20%	60,000	20.00%
RR Car Tax	541	500	582	(82)	116.40%	550	10.00%
Real Estate Transfer Tax	9,051	7,500	11,534	(4,034)	153.79%	10,000	33.33%
Franchise Tax	578,242	500,000	593,644	(93,644)	118.73%	550,000	10.00%
Business & Occupational Tax	108,029	90,000	104,508	(14,508)	116.12%	100,000	11.11%
Insurance Premium Tax	495,553	480,500	529,417	(48,917)	110.18%	525,000	9.26%
Financial Inst. Tax	8,575	8,500	10,108	(1,608)	118.92%	10,000	17.65%
Penalties & Interest	21,675	20,000	11,695	8,305	58.48%	15,000	-25.00%
FIFA Fees	3,546	2,000	4,174	(2,174)	208.70%	3,500	75.00%
Alcohol Beverages License Fees	65,993	20,000	67,335	(47,335)	336.68%	20,000	0.00%
Pouring Permit Fees	3,720	3,000	3,355	(355)	111.83%	3,000	0.00%
Printing & Duplication	594	500	1,198	(698)	239.60%	1,000	100.00%
Election Qualifying Fees	360	-	-	-		1,000	
Advertising Fees	8,748	1,000	840	160	84.00%	1,000	0.00%
Convenience Fee	188	50	-	50	0.00%	50	0.00%
Wrecker Service	9,875	12,000	10,300	1,700	85.83%	12,000	0.00%
Bad Check Fees	25	100	50	50	50.00%	100	0.00%
Insurance Reimbursements	8,103	-	-	-		-	
Proceeds - Sale of ConfAssets	2,869	500	-	500	0.00%	500	0.00%
Other Fines & Forfeitures	-	250	-	250	0.00%	200	-20.00%
Auxillary Revenue	-	1,500	-	1,500	0.00%	750	-50.00%
Interest Revenue	7,061	7,550	8,093	(543)	107.19%	6,500	-13.91%
Misc. Revenue	22,705	10,000	27,876	(17,876)	278.76%	9,000	-10.00%
Donations from Private Sources	13,031	-	-	-		-	
Rents & Royalties	27,480	25,000	63,910	(38,910)	255.64%	58,000	132.00%
Transfer from Parks & Recreation	-	-	-	-		50,000	
Proceeds From Sale of Assets	19,358	7,500	6,000	1,500	80.00%	5,000	-33.33%
Column Total:	\$ 4,317,423	\$ 4,064,450	\$ 4,908,512	\$ (844,062)	120.77%	\$ 4,605,050	13.30%

Continued on next page

## General Fund Revenues Cont'd

Line Item	2014 Actual (audited)	2015 Budget	2015 Actual (unaudited)	2015		2016 Budget	FY15-FY16 Budget
				Budget vs. Actual			
Community Development				\$ (+/-)	% of budget collected (+/-)		% (+/-)
<i>Zoning and Land Use Fees</i>	18,522	5,000	29,085	(24,085)	581.70%	10,000	100.00%
<i>Sign Permits</i>	3,281	1,000	2,916	(1,916)	291.60%	2,650	165.00%
<i>Other Licenses &amp; Permits</i>	616	250	100	150	40.00%	500	100.00%
<i>Building Permit Revenue</i>	414,461	175,000	588,531	(413,531)	336.30%	335,000	91.43%
<i>CO Fees</i>	98,285	50,000	104,500	(54,500)	209.00%	85,000	70.00%
<i>Development/Plan Review</i>	6,019	5,000	792	4,208	15.84%	1,000	-80.00%
<i>Fire Plan Review</i>	24,323	500	55,524	(55,024)	11104.80%	17,500	3400.00%
Column Total:	\$ 565,506	\$ 236,750	\$ 781,448	\$ (544,698)	330.07%	\$ 451,650	90.77%
Public Safety							
<i>Grant Revenue</i>	1,200	1,000	-	1,000	0.00%	500	-50.00%
Column Total:	\$ 1,200	\$ 1,000	\$ -	\$ 1,000	0.00%	\$ 500	-50.00%
Municipal Court Services							
<i>Accident/Incident Reports</i>	1,174	1,200	824	376	68.67%	700	-41.67%
<i>Expungements</i>	150	150	25	125	16.67%	100	-33.33%
<i>Background Checks</i>	1,380	1,000	1,660	(660)	166.00%	1,500	50.00%
<i>Municipal Court Fines</i>	411,035	400,000	395,262	4,738	98.82%	350,000	-12.50%
<i>Forfeitures</i>	-	500	500	-	100.00%	500	0.00%
Column Total:	\$ 413,739	\$ 402,850	\$ 398,271	\$ 4,579	98.86%	\$ 352,800	-12.42%
Total GF Revenues:	\$ 5,297,868	\$ 4,705,050	\$ 6,088,231	\$ (1,383,181)	129.40%	\$ 5,410,000	14.98%

### Explanation of variances greater than 10%

- City-Wide/Non-Departmental's increase of 13.30% is primarily due to growth in the City's tax digest.
- Community Development's increase of 90.77% is due to the explosive growth in the construction of single family homes as well as commercial buildings in the city.
- Public Safety's decrease in grant revenues of 50% is due to a reduction in the bullet proof grant proceeds from the U.S. Justice Department.

Note: FY2015 Year to Date (YTD) actuals are unaudited through December 31, 2015

Based on current estimates, by adopting a millage rate of 8.751, the City did not need to advertise a "Property Tax Increase" as described by the Georgia Taxpayer Bill of Rights.

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Parks and Recreation	\$ 50,000
		<u>\$ 50,000</u>

## **General Fund Major Revenue Sources:**

### Property Tax

2012	2013	2014	2015	2016
Actual	Actual	Actual	Budget	Budget
\$2,671,658	\$2,355,400	\$2,400,702	\$2,400,000	\$2,800,000

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

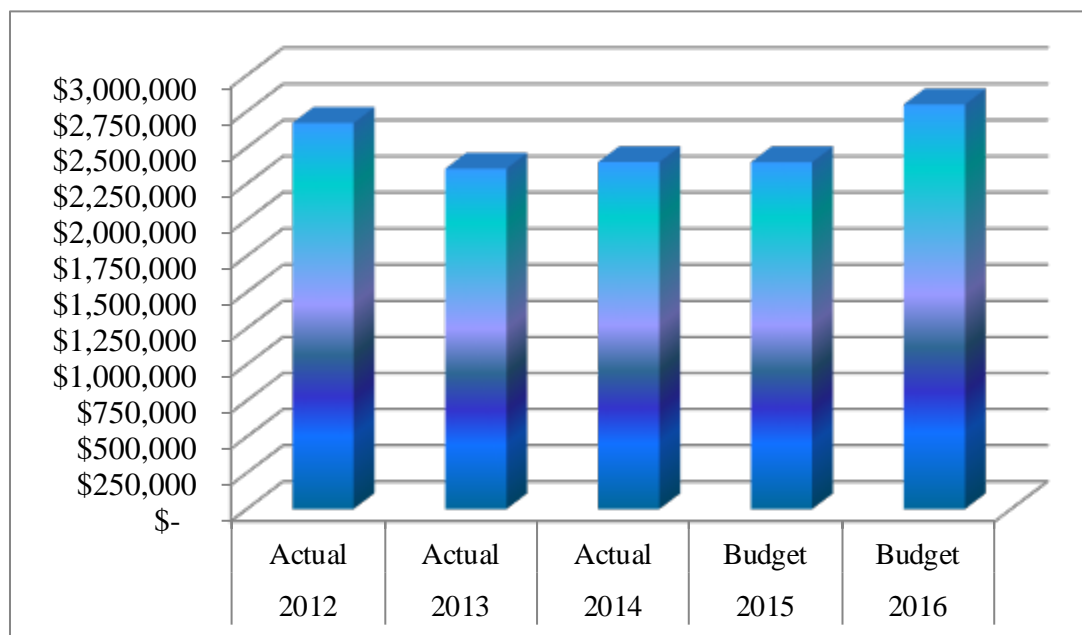
A tax on property paid by owners of real and personal property within the city. The tax is based on an assessment by the Cherokee County Property Appraiser of the market value of property and improvements. This revenue source is found in the General Fund for the operating millage.

The Property Taxes billed to the citizens of Holly Springs includes Fire Tax that is remitted to Cherokee County. The Fire Tax equals \$1,264,841 for this budget year.

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

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

The operating millage of 5.315 multiplied by the taxable value, less an allowance of 10% for possible adjustments to assessed values and/or non-collection.



## Motor Vehicle/Title Ad Valorem Tax

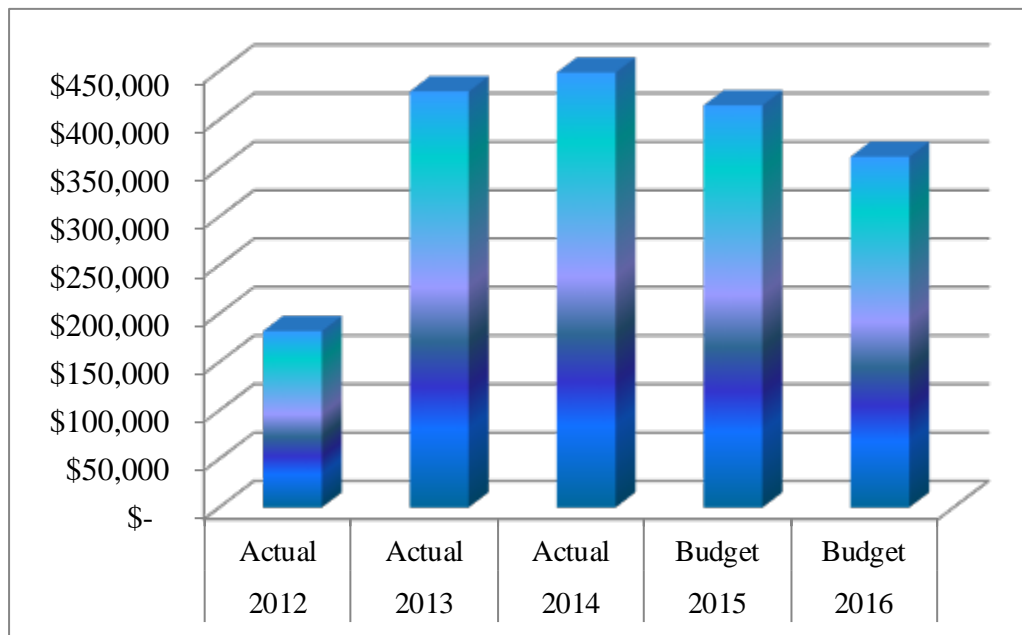
2012	2013	2014	2015	2016
Actual	Actual	Actual	Budget	Budget
\$ 182,093	\$ 429,375	\$ 448,776	\$ 415,000	\$ 362,000

### Description:

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

### Forecast Methodology:

The operating millage of 5.315 multiplied by the taxable value, less an allowance of 10% for possible adjustments to assessed values and/or non-collection.





## Franchise Tax

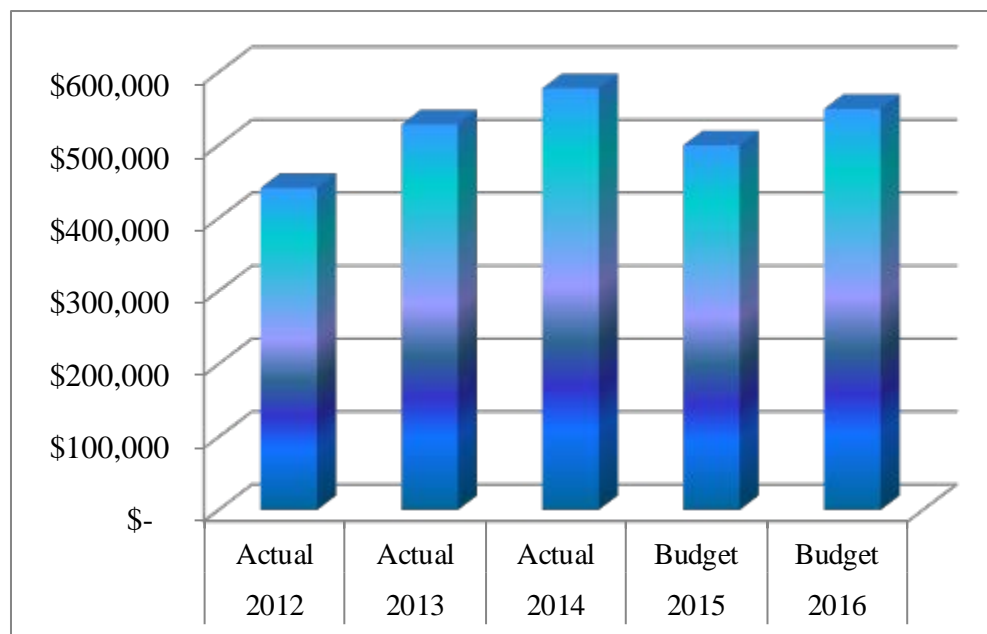
2012	2013	2014	2015	2016
Actual	Actual	Actual	Budget	Budget
\$ 441,571	\$ 528,764	\$ 578,242	\$ 500,000	\$ 550,000

### Description:

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

### Forecast Methodology:

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



## Insurance Premium Tax

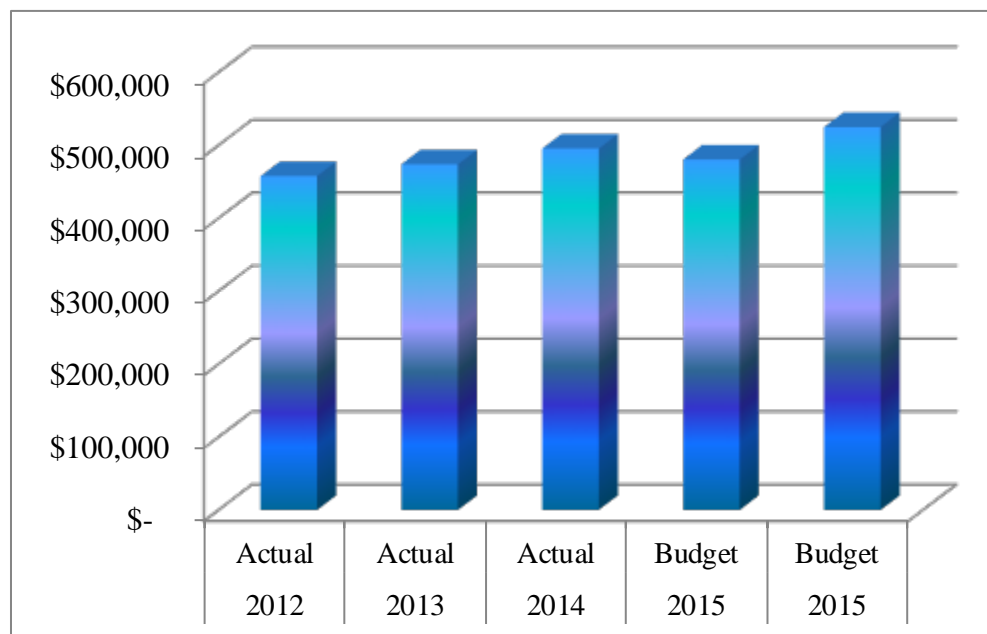
2012	2013	2014	2015	2015
Actual	Actual	Actual	Budget	Budget
\$ 457,797	\$ 474,005	\$ 495,553	\$ 480,500	\$ 525,000

***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

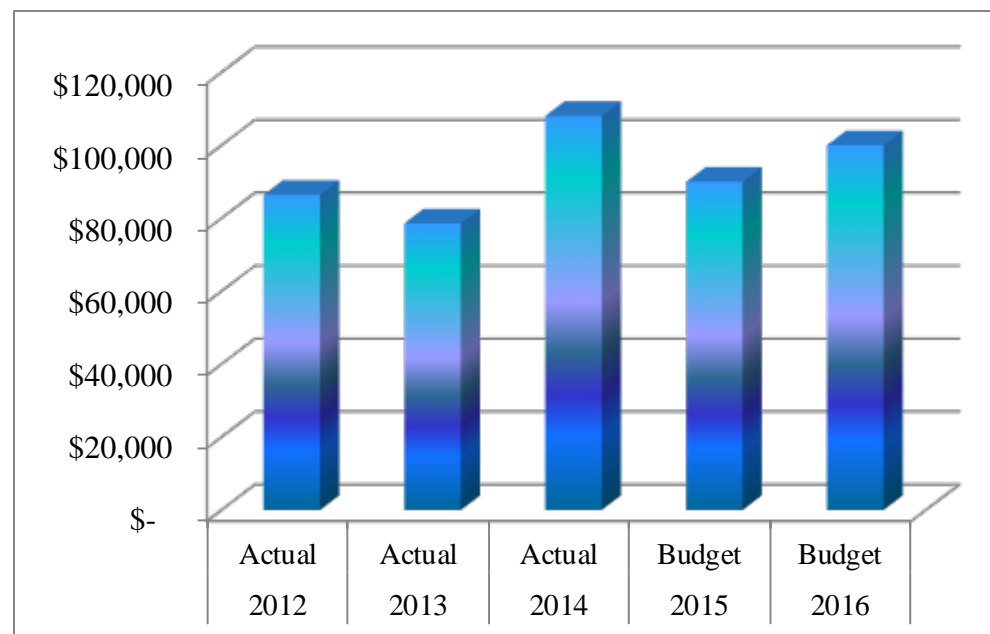
2012	2013	2014	2015	2016
Actual	Actual	Actual	Budget	Budget
\$ 86,427	\$ 78,588	\$ 108,029	\$ 90,000	\$ 100,000

### Description:

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

### Forecast Methodology:

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



## Building Permits

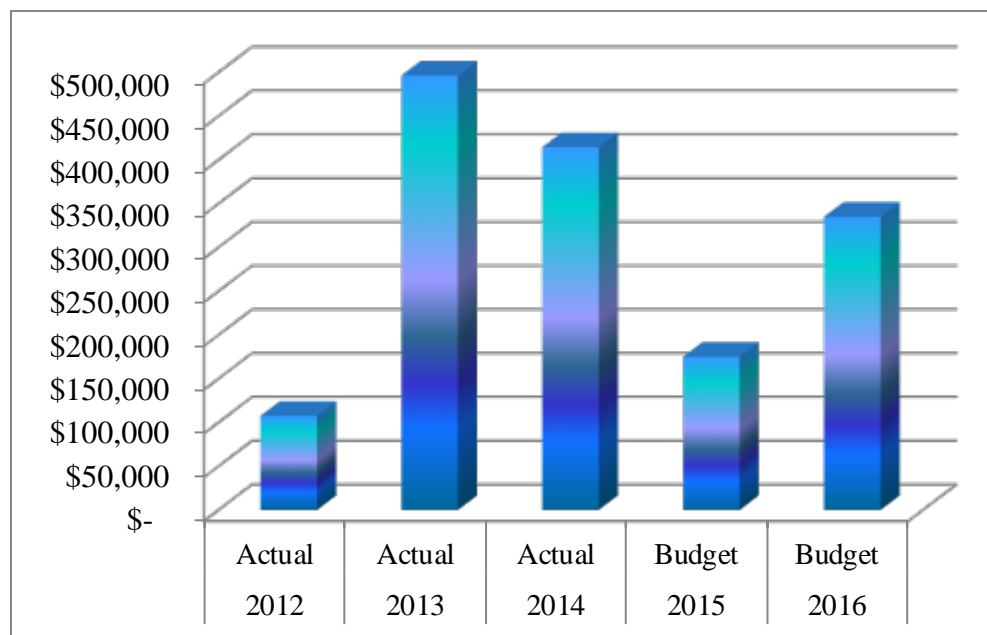
2012	2013	2014	2015	2016
Actual	Actual	Actual	Budget	Budget
\$ 107,531	\$ 496,297	\$ 414,461	\$ 175,000	\$ 335,000

### Description:

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

### Forecast Methodology:

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



## Court Fines

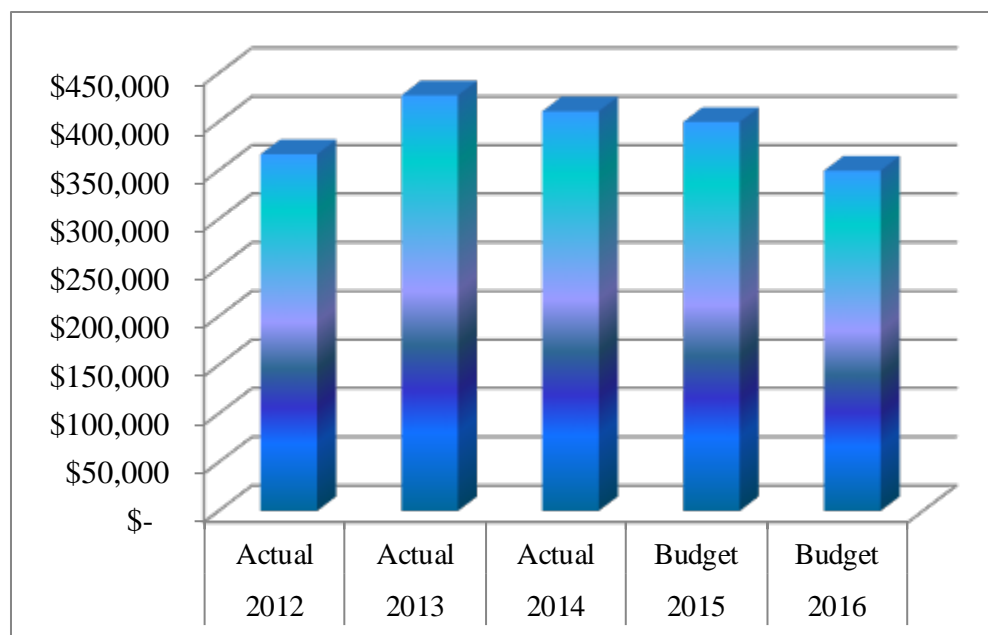
2012	2013	2014	2015	2016
Actual	Actual	Actual	Budget	Budget
\$ 366,864	\$ 427,464	\$ 411,035	\$ 400,000	\$ 350,000

***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	2014 Actual (audited)	2015 Budget	2015 Actual (unaudited)	2015		2016 Budget	FY15-FY16 Budget
				Budget vs. Actual			
Parks & Recreation				\$ (+/-)	% of budget collected (+/-)		% (+/-)
Alcoholic Beverage Tax	\$ 270,495	\$ 260,500	\$ 285,921	\$ (25,421)	109.76%	\$ 275,000	5.57%
Local Option Mixed Drink Tax	21,905	21,250	27,654	\$ (6,404)	130.14%	25,000	17.65%
Penalties & Interest	528	250	659	\$ (409)	263.60%	750	200.00%
Donations from Private Sources	2,150	250	6,075	\$ (5,825)	2430.00%	6,500	2500.00%
Misc Revenue	2,356	2,000	4,750	\$ (2,750)	237.50%	5,250	162.50%
Rents & Royalties	9,575	5,750	9,620	\$ (3,870)	167.30%	7,500	30.43%
Operating Transfers from Other Funds	-	-	12,872	\$ (12,872)		-	
Column Total:	\$ 307,010	\$ 290,000	\$ 347,551	\$ (57,551)	119.85%	\$ 320,000	10.34%
Hotel/Motel							
Hotel/Motel Tax	5,083	4,495	6,522	(2,027)	145.09%	4,995	11.12%
Interest	7	5	7	(2)	140.00%	5	0.00%
Column Total:	\$ 5,091	\$ 4,500	\$ 6,529	\$ (2,029)	145.09%	\$ 5,000	11.11%
Operating Grant							
ARC Grant	303,716	320,000	346,038	(26,038)	108.14%	350,000	9.38%
Interest	18	100	16	84	16.00%	-	-100.00%
Column Total:	\$ 303,734	\$ 320,100	\$ 346,054	\$ (25,954)	108.11%	\$ 350,000	9.34%
Total Special Revenues:	\$ 615,835	\$ 614,600	\$ 700,134	\$ (85,534)	113.92%	\$ 675,000	9.83%

Note: FY2015 Year to Date (YTD) actuals are unaudited through December 31, 2015

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

- The Parks and Recreation Fund increase of 10.34% from the previous year is due to of an increase in alcohol excise tax and local option mixed drink tax as a result of an increase in retail businesses and restaurants in the City of Holly Springs in 2015.
- The Hotel/Motel Fund increase of 11.11% is due to an increase in occupancy in the City's only local motel during 2015.



## **Capital Project Funds**

Line Item	2014 Actual (audited)	2015 Budget	2015 Actual (unaudited)	2015		2016 Budget	FY15-FY16 Budget
				Budget vs. Actual			
Capital Grants							
Grant Income	\$ -	\$ 2,120,000	\$ -	\$ 2,120,000	0.00%	\$ -	-100.00%
Interest	56	50	26	24	52.00%	-	-100.00%
Column Total:	\$ 56	\$ 2,120,050	\$ 26	\$ 2,120,024	0.00%	\$ -	-100.00%
SPLOST III							
Special Assessment Crestmont	20,874	9,615	11,928	(2,313)	124.06%	11,928	24.06%
Fund Balance	-	171,197	-	171,197	0.00%	188,000	9.82%
Interest	193	188	198	(10)	105.32%	72	-61.70%
Column Total:	\$ 21,067	\$ 181,000	\$ 12,126	\$ 168,874	6.70%	\$ 200,000	10.50%
SPLOST IV							
SPLOST IV	1,187,628	1,150,000	1,261,916	(111,916)	109.73%	1,250,000	8.70%
Grant Income	172,213	2,202,950	66,565	2,136,385	3.02%	2,297,909	4.31%
Proceeds from Issuance N/P	133,553	-	-	-		-	
Interest	864	750	914	(164)	121.87%	730	-2.67%
Special Assessment	29,550	10,000	-	10,000	0.00%	10,000	0.00%
Fund Balance	-	-	-	-		321,511	
Transfer from Other Funds	94,670	-	-	-		-	
Column Total:	\$ 1,618,479	\$ 3,363,700	\$ 1,329,395	\$ 2,034,305	39.52%	\$ 3,880,150	15.35%
Total Capital Projects:	\$ 1,639,601	\$ 5,664,750	\$ 1,341,547	\$ 4,323,203	23.68%	\$ 4,080,150	-27.97%

Note: FY2015 Year to Date (YTD) actuals are unaudited through December 31, 2015

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

- The Capital Grant Fund decrease of 100% from the previous year is attributable to the consolidation of the Capital Grant Fund and the SPLOST IV Fund for 2016.
- The SPLOST III Fund increase of 10.50% is due to the increase in building in the Crestmont subdivision which yields additional assessment fees.
- The SPLOST IV Fund increase of 15.35% is primarily due to an increase in Special Purpose Local Option Sales Tax attributable to the opening of an outlet mall and other retail stores in Cherokee County in 2015.

**Enterprise Fund**

Line Item	2014 Actual (audited)	2015 Budget	2015 Actual (unaudited)	2015		2016 Budget	FY15-FY16 Budget
				Budget vs. Actual			
Stormwater Utility Management				\$ (+/-)	% of budget collected (+/-)		% (+/-)
Utility Fee	\$ 322,619	\$ 295,000	\$ 303,908	\$ (8,908)	103.02%	\$ 299,500	1.53%
Interest	533	500	518	(18)	103.60%	500	0.00%
Column Total:	\$ 323,152	\$ 295,500	\$ 304,426	\$ (8,926)	103.02%	\$ 300,000	1.52%
Total Enterprise Fund:	\$ 323,152	\$ 295,500	\$ 304,426	\$ (8,926)	103.02%	\$ 300,000	1.52%

*Note: FY2015 Year to Date (YTD) actuals are unaudited through December 31, 2015*

**Explanation of variances greater than 10%**

- There were no significant variances between 2015 and 2016 revenue budgets in the Stormwater Utility Management Fund.



***City of Holly Springs***

***Expenditures***

## **EXPENDITURES**

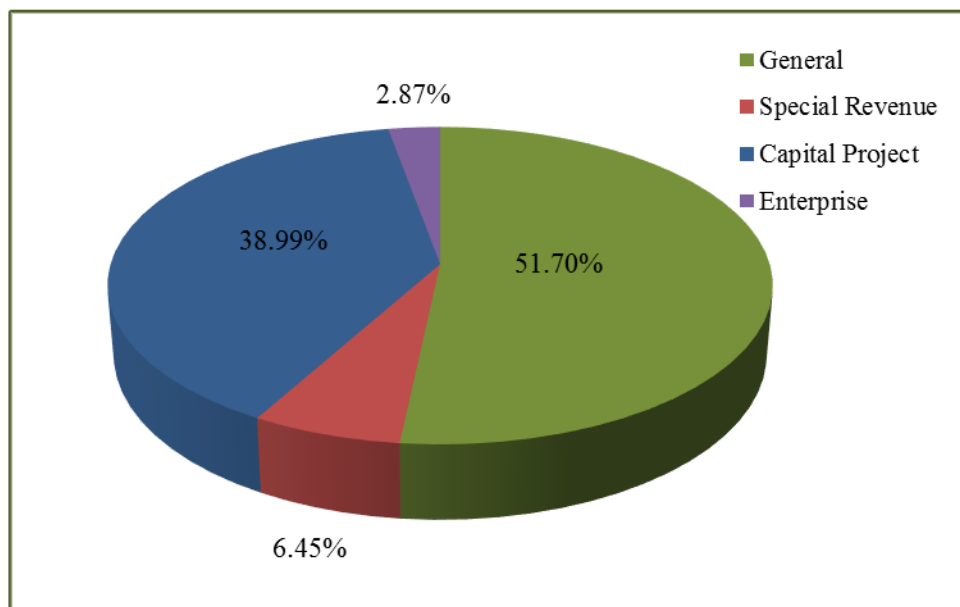
As with most local governmental entities that provide services for the public good, a majority of the expenditures are allocated to operations, specifically salaries and benefits.

Out of the \$5,410,000 anticipated in revenues in the General Fund, the City Manager's office is recommending \$3,011,332 for salaries and benefits. This equates to 55.66% 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 FY2016.

### ***Total FY2016 Expenditures- All Funds*** ***\$10,465,150***

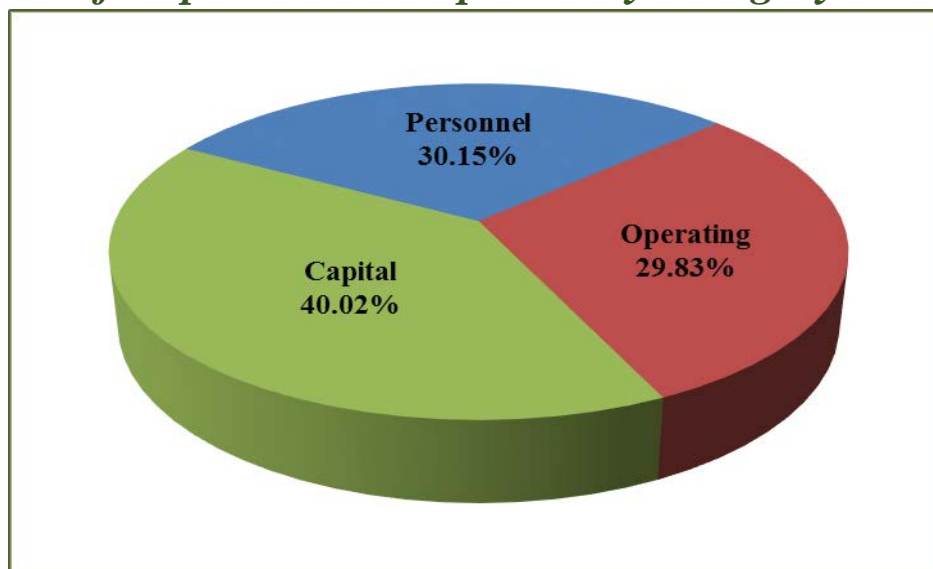


Line Item	2014 Actual (audited)	2015 Budget	2015 Actual (unaudited)	2015		2016 Budget	FY15-FY16 Budget
				Budget vs. Actual			
Fund				\$ (+/-)	% of budget used (+/-)		% (+/-)
General	\$ 4,543,310	\$ 4,705,050	\$ 4,956,944	\$ (251,894)	105.35%	\$ 5,410,000	14.98%
Special Revenue	581,482	614,600	627,659	(13,059)	102.12%	675,000	9.83%
Capital Project	1,578,042	5,664,750	1,594,999	4,069,751	28.16%	4,080,150	-27.97%
Enterprise	202,890	295,500	208,359	87,141	70.51%	300,000	1.52%
Column Total:	\$ 6,905,724	\$11,279,900	\$ 7,387,961	\$ 3,891,939	65.50%	\$10,465,150	-7.22%

### Total Expenditures/Expenses by Category – All Funds

Line Item	2014 Actual (audited)	2015 Budget	2015 Actual (unaudited)	2015		2016 Budget	FY15-FY16 Budget
				Budget vs. Actual			
<b>General Fund</b>				\$ (+/-)	% of budget used (+/-)		% (+/-)
Personnel	\$ 2,179,007	\$ 2,545,463	\$ 2,767,499	\$ (222,036)	108.72%	\$ 3,011,332	18.30%
Operating	1,896,386	2,157,587	2,181,168	(23,581)	101.09%	2,391,168	10.83%
Capital	467,918	2,000	8,276	(6,276)	413.80%	7,500	275.00%
Column Total:	\$ 4,543,310	\$ 4,705,050	\$ 4,956,944	\$ (251,894)	105.35%	\$ 5,410,000	14.98%
<b>Special Revenue Fund</b>							
Personnel	\$ -	\$ 61,430	\$ 36,606	\$ 24,824	59.59%	\$ 56,595	-7.87%
Operating	436,880	443,170	488,053	(44,883)	110.13%	518,405	16.98%
Capital	144,602	110,000	103,000	7,000	93.64%	100,000	-9.09%
Column Total:	\$ 581,482	\$ 614,600	\$ 627,659	\$ (13,059)	102.12%	\$ 675,000	9.83%
<b>Capital Project Fund</b>							
Capital	1,578,042	5,664,750	1,594,999	4,069,751	28.16%	4,080,150	-27.97%
Column Total:	\$ 1,578,042	\$ 5,664,750	\$ 1,594,999	\$ 4,069,751	28.16%	\$ 4,080,150	-27.97%
<b>Enterprise Fund</b>							
Personnel	74,391	77,565	81,028	(3,463)	104.46%	87,600	12.94%
Operating	128,499	217,935	127,331	90,604	58.43%	212,400	-2.54%
Column Total:	\$ 202,890	\$ 295,500	\$ 208,359	\$ 87,141	70.51%	\$ 300,000	1.52%
Total Expendures:	\$ 6,905,724	\$11,279,900	\$ 7,387,961	\$ 3,891,939	65.50%	\$10,465,150	-7.22%

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

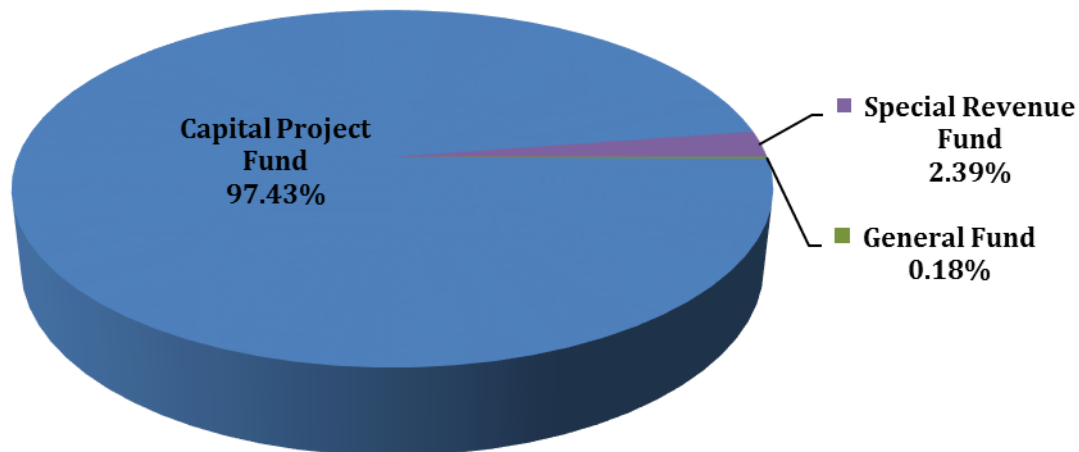


## ***Capital Expenditures***

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 routine (*furniture and fixtures*) and non-routine (*drainage pipes and headwalls, engineering expenditures, acquisition of vehicles and equipment, acquisition of land, lease payments, capital lease payments, sidewalks, and resurfacing streets*) capital expenditures in the amount of \$4,187,650 are being funded. This year's routine capital expenditures will not significantly impact the city's operating budget as these expenditures are for the replacement of furniture. 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 167-175 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	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500
Non-routine	\$ -	\$ 4,080,150	\$ -	\$ 100,000	\$ 4,180,150
<b>Total</b>	<b>\$ 7,500</b>	<b>\$ 4,080,150</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ 4,187,650</b>

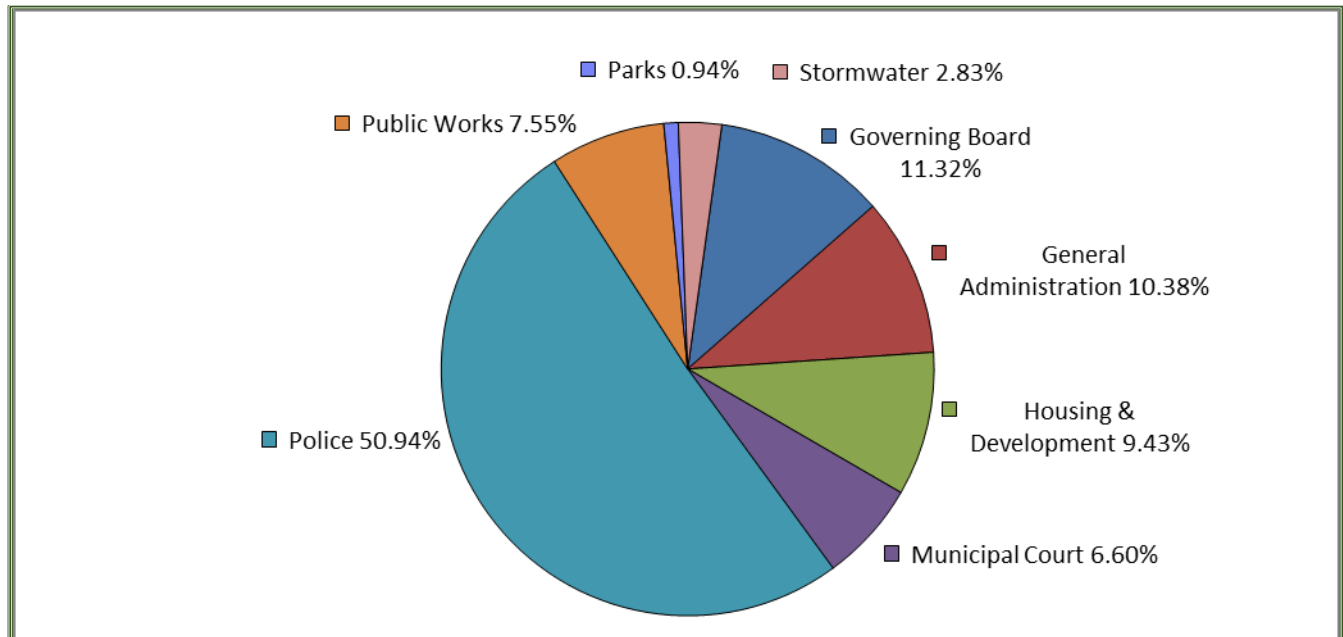
### ***Percent of Capital Expenditures/Expenses by Fund***





**FY2016 Personnel Allocation**

***Percent of Personnel by Department***



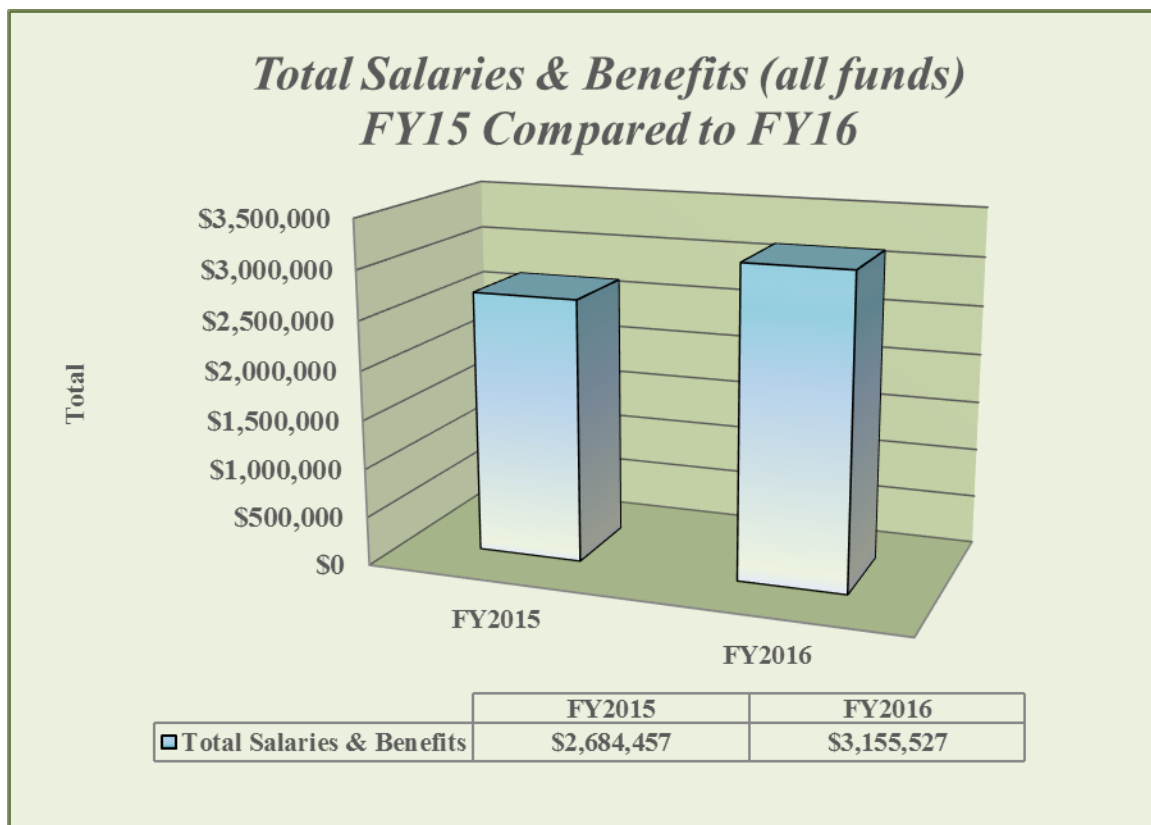
***Summary Table of Personnel***

	<b>FY2014</b>		<b>FY2015</b>		<b>+/-</b>		<b>FY2016</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	0.00	5.00	1.00	0.00	0.00	5.00	1.00
Housing & Development	4.00	1.00	3.67	1.00	1.33	-1.00	5.00	0.00
Municipal Court	2.00	1.00	2.00	3.00	0.00	0.00	2.00	3.00
Public Safety	21.00	0.00	20.00	1.00	7.00	-1.00	27.00	0.00
Public Works	1.00	3.00	2.50	2.00	0.50	0.00	3.00	2.00
Parks and Recreation	0.00	0.00	0.50	1.00	-0.50	0.00	0.00	1.00
Stormwater Utility Management	1.00	2.00	1.33	0.00	-0.33	1.00	1.00	1.00
<b>Total</b>	<b>40.00</b>	<b>7.00</b>	<b>41.00</b>	<b>9.00</b>	<b>8.00</b>	<b>-1.00</b>	<b>49.00</b>	<b>8.00</b>

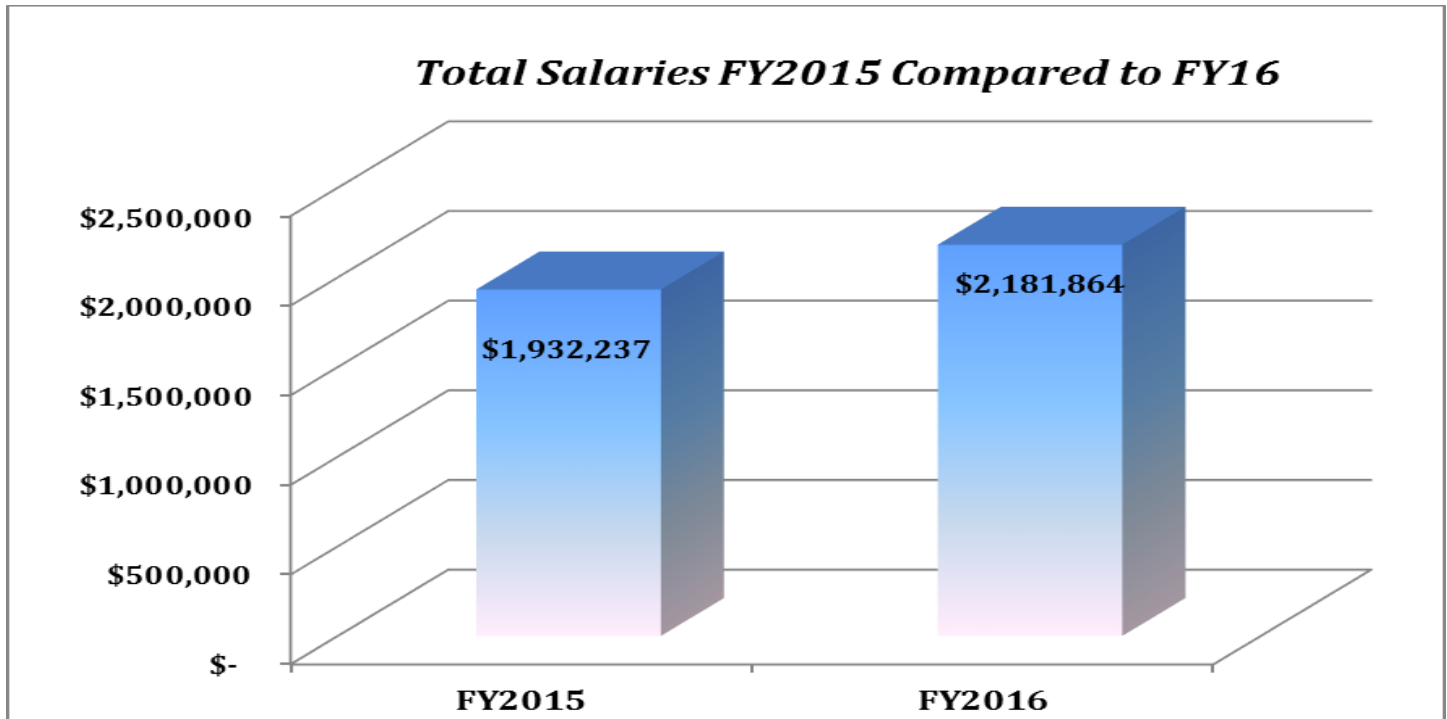
In FY2015, the City employed 50 people, six (6) of whom are the Mayor and five (5) Councilmembers. Including the Mayor and Council, full-time and part-time employees, the City will have an employment base of 53 full-time equivalent employees (49 full-time and 8 part-time) in FY2016. This equates to a 16.48% increase in workforce.

### Explanation of changes in personnel

- **Housing and Development** – The Community Development Director will no longer be split with Stormwater Utility Management and the Code Enforcement Officer will only be charged to the Public Safety department. The part-time Administrative Assistant was eliminated.
- **Public Safety** – Elimination of one (1) part-time Evidence Clerk and the addition of one (1) Probation Officer, one (1) Lieutenant and (5) Uniform Patrol Officer positions.
- **Public Works** – Addition of one half (.50) of a Public Works Supervisor. This position will no longer be split with Parks and Recreation.
- **Parks and Recreation** – Elimination of one half (.50) of a Parks and Recreation Supervisor.
- **Stormwater Utility Management**- Elimination of the Community Development Director and addition of one (1) part-time Stormwater Technician I positions.



For FY2016, the combined total for salaries and benefits equals \$3,155,527; \$2,233,304 has been budgeted for salaries and \$922,223 for benefits. Total benefits are 29.23% of the total personnel budget. The total salary and benefits budgeted equates to 30.15% of the City's total budget. For comparison, in FY2015, \$1,932,237 was budgeted for salaries and \$752,220 for benefits making benefits 28.02% of the total personnel budget. The combined salary and benefits totals for FY2015 were \$2,684,457 with the total being 23.80% of the City's total budget.



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

<i>Total Salaries &amp; Benefits</i>							
	<i>FY2014</i>	<i>FY2015</i>		<i>FY2016</i>	<i>FY2015 Budget Compared to FY2016</i>		<i>FY2016</i>
<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 Budet</b>
<i>Regular Salaries</i>	\$ 1,662,042	\$ 1,932,237	\$ 1,940,666	\$ 2,181,864	\$ 249,627	12.92%	69.14%
<i>Overtime</i>	43,746	43,000	48,818	51,440	8,440	19.63%	1.63%
<i>FICA</i>	101,683	122,395	120,034	138,045	15,650	12.79%	4.37%
<i>Medicare</i>	23,446	28,625	27,415	32,286	3,661	12.79%	1.02%
<i>Health Insurance</i>	227,585	337,448	282,142	403,305	65,857	19.52%	12.78%
<i>Dental Insurance</i>	17,988	26,848	20,567	29,929	3,081	11.48%	0.95%
<i>Unemployment</i>	6,462	4,983	3,660	3,928	(1,055)	-21.17%	0.12%
<i>Life Insurance</i>	4,917	5,131	6,100	6,910	1,779	34.67%	0.22%
<i>Short term Disability</i>	9,471	11,005	13,246	14,887	3,882	35.27%	0.47%
<i>Workers Compensation</i>	52,599	55,460	50,669	63,713	8,253	14.88%	2.02%
<i>Pension (GMEBS)</i>	99,362	115,525	369,924	227,420	111,895	96.86%	7.21%
<i>Flexible Benefits</i>	4,096	1,800	1,891	1,800	-	0.00%	0.06%
<b>Totals:</b>	<b>\$ 2,253,397</b>	<b>\$ 2,684,457</b>	<b>\$ 2,885,133</b>	<b>\$ 3,155,527</b>	<b>\$ 471,070</b>	<b>17.55%</b>	

## Health Insurance

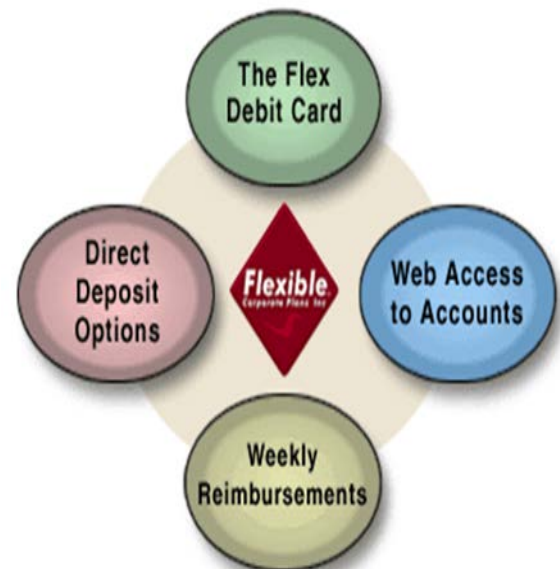
In December of 2015, the City, with assistance from our brokers, MSI Benefits Group, entered into a new agreement with Humana Employers Health Plan of Georgia, Inc. This that is in effect until November 30, 2016. The actual cost for FY2015 for Health insurance was \$282,142. Although the City shares some of the costs with employees such that they pay 30% of the premiums for family coverage while the City pays 70% of the premiums, we are anticipating an increase of \$121,163 from the prior year actual expense or a total cost to the City of approximately \$403,305.

Humana Employers Health Plan	FY2013 Actual	FY2014 Actual	FY2015 Budget	FY2015 Actual	FY2016 Budget	% (+/-) FY15 to FY16
<b>Health Insurance</b>						
<i>General Administration</i>	\$ 38,090	\$ 43,161	\$ 63,114	\$ 52,477	\$ 47,813	-24.24%
<i>Housing &amp; Development</i>	\$ 24,283	\$ 28,980	\$ 30,176	\$ 28,706	\$ 57,432	90.32%
<i>Public Safety</i>	\$ 110,284	\$ 123,922	\$ 182,825	\$ 154,277	\$ 242,966	32.90%
<i>Public Works</i>	\$ 12,079	\$ 12,551	\$ 23,091	\$ 8,056	\$ 19,954	-13.59%
<i>Municipal Court</i>	\$ 8,004	\$ 12,495	\$ 18,888	\$ 23,910	\$ 21,417	13.39%
<i>Stormwater Utility Management</i>	\$ 6,760	\$ 6,475	\$ 7,250	\$ 11,796	\$ 6,227	-14.11%
<i>Parks &amp; Recreation</i>	\$ -	\$ -	\$ 12,104	\$ 2,920	\$ 7,496	-38.07%
<b>Total:</b>	<b>\$ 199,500</b>	<b>\$ 227,584</b>	<b>\$ 337,448</b>	<b>\$ 282,142</b>	<b>\$ 403,305</b>	<b>19.52%</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 \$1,800 to Flexible Corporate Plans, Inc. to administer the plan. Additionally, this plan requires a \$5.00 fee per participant per month with a minimum of \$150 per month (which equates to 30 employees enrolled). It is recommended that we budget \$1,800 in total per year for the FSA Administration fee. This will cover the minimum and up to 30 enrollees. Having 49 eligible employees, the worst case scenario could be \$2,940 for the FSA Administration fee.

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



### Pension

The City of Holly Springs is a member of the Georgia Municipal Employee Benefits System (GMEBS) administered through the Georgia Municipal Association. The City will be applying 10.81% of employees' salaries towards the pension fund. Our total contribution to GMEBS in 2016 will be \$227,420.

Georgia Municipal Association	FY2013 Actual	FY2014 Actual	FY2015 Budget	FY2015 Actual	FY2016 Budget	% (+/-) FY15 to FY16
<b>Pension</b>						
General Administration	\$ 16,821	\$ 20,318	\$ 17,104	\$ 62,634	\$ 37,647	120.11%
Housing & Development	\$ 6,911	\$ 4,546	\$ 16,624	\$ 46,268	\$ 26,735	60.82%
Public Safety	\$ 44,753	\$ 53,316	\$ 53,031	\$ 192,666	\$ 136,738	157.85%
Public Works	\$ 5,078	\$ 10,687	\$ 8,945	\$ 26,529	\$ 10,052	12.38%
Municipal Court	\$ 5,467	\$ 5,995	\$ 11,567	\$ 33,573	\$ 8,692	-24.86%
Stormwater Utility Management	\$ 2,409	\$ 4,500	\$ 4,516	\$ 4,516	\$ 4,853	7.46%
Parks & Recreation	\$ -	\$ -	\$ 3,738	\$ 3,738	\$ 2,703	-27.69%
<b>Total:</b>	<b>\$ 81,439</b>	<b>\$ 99,362</b>	<b>\$ 115,525</b>	<b>\$ 369,924</b>	<b>\$ 227,420</b>	<b>96.86%</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 FY2016 for the period of May 1, 2015 to May 1, 2016 is \$50,400. This is a 3.38% increase from FY2015 budgeted expenditures of \$48,750 for property and casualty insurance.

Georgia Interlocal Risk Management Agency	FY2013 Actual	FY2014 Actual	FY2015 Budget	FY2015 Actual	FY2016 Budget	% (+/-) FY15 to FY16
<b>Property and Casualty Insurance</b>						
General Administration	\$ 36,595	\$ 12,113	\$ 13,000	\$ 16,284	\$ 12,900	-0.77%
Housing & Development	\$ 4,098	\$ 5,441	\$ 5,000	\$ 6,477	\$ 5,000	0.00%
Public Safety	\$ 21,388	\$ 29,484	\$ 20,000	\$ 29,332	\$ 20,000	0.00%
Public Works	\$ 3,074	\$ 6,607	\$ 5,750	\$ 8,915	\$ 7,500	30.43%
Municipal Court	\$ 2,561	\$ 4,672	\$ 5,000	\$ 6,477	\$ 5,000	0.00%
<b>Total:</b>	<b>\$ 67,716</b>	<b>\$ 58,317</b>	<b>\$ 48,750</b>	<b>\$ 67,485</b>	<b>\$ 50,400</b>	<b>3.38%</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 FY2015 were \$55,460. The FY2016 budget is 14.88% more than FY2015. An audit of our workers compensation coverage was completed to more accurately represent our exposure to claims.

Georgia Municipal Association	FY2013 Actual	FY2014 Actual	FY2015 Budget	FY2015 Actual	FY2016 Budget	% (+/-) FY15 to FY16
<b>Workers Compensation</b>						
General Administration	\$ 4,871	\$ 5,208	\$ 2,989	\$ 2,979	\$ 3,130	4.72%
Housing & Development	\$ 554	\$ 1,141	\$ 4,535	\$ 2,867	\$ 7,683	69.42%
Public Safety	\$ 19,778	\$ 32,696	\$ 34,025	\$ 33,479	\$ 37,649	10.65%
Public Works	\$ 1,126	\$ 10,606	\$ 8,426	\$ 5,863	\$ 8,056	-4.39%
Municipal Court	\$ 1,645	\$ 1,542	\$ 1,293	\$ 1,289	\$ 1,418	9.67%
Stormwater Utility Management	\$ 1,204	\$ 1,406	\$ 1,656	\$ 1,656	\$ 3,118	88.29%
Parks & Recreation	\$ -	\$ -	\$ 2,536	\$ 2,536	\$ 2,659	4.85%
<b>Total:</b>	<b>\$ 29,179</b>	<b>\$ 52,599</b>	<b>\$ 55,460</b>	<b>\$ 50,669</b>	<b>\$ 63,713</b>	<b>14.88%</b>

**General Fund Expenditure Detail**

<b>General Fund</b>	<b>2014</b>	<b>2015</b>		<b>2015 Budget vs Actual</b>		<b>2016</b>	<b>2015-2016</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>	\$ 21,256	\$ 20,750	\$ 18,140	\$ 2,610	87.42%	\$ 22,750	9.64%
<i>Books and Periodicals-Code Books</i>	4,838	750	570	180	76.00%	1,000	33.33%
<i>Capital Outlay - Sites</i>	455,037	2,000	1,800	200	90.00%	-	-100.00%
<i>Capital Outlay - Site Improvements</i>	6,965	-	-	-		-	
<i>Capital Outlay-Furniture &amp; Fixtures</i>	-	-	-	-		7,500	
<i>Capital Outlay-Machinery &amp; Equipment</i>	5,915	-	6,476	(6,476)		-	
<i>Communications</i>	23,903	26,250	27,519	(1,269)	104.83%	39,426	50.19%
<i>Contingency</i>	-	50,000	-	50,000	0.00%	55,000	10.00%
<i>Contract Labor</i>	9,566	2,950	5,175	(2,225)	175.42%	7,950	169.49%
<i>Disposal-Garbage/Recycling</i>	2,478	2,500	2,338	162	93.52%	4,000	60.00%
<i>Dues and Fees</i>	32,468	26,500	33,898	(7,398)	127.92%	29,500	11.32%
<i>Dues and Fees-Bank Service Fees</i>	53	5,872	1,963	3,909	33.43%	2,500	-57.43%
<i>Dues and Fees-Direct Deposit</i>	2,876	-	-	-		-	
<i>Education and Training</i>	13,869	25,500	20,935	4,565	82.10%	37,110	45.53%
<i>Education and Training-PD Auxiliary</i>	-	1,000	-	1,000	0.00%	1,000	0.00%
<i>Electricity</i>	101,844	113,424	123,243	(9,819)	108.66%	119,500	5.36%
<i>Employee Benefits-ADD Life</i>	4,767	4,809	5,834	(1,025)	121.31%	6,689	39.09%
<i>Employee Benefits-Dental</i>	17,613	25,555	19,966	5,589	78.13%	29,039	13.63%
<i>Employee Benefits-Disability</i>	9,106	10,258	12,588	(2,330)	122.71%	14,392	40.30%
<i>Employee Benefits-Medical</i>	221,110	318,094	267,426	50,668	84.07%	389,582	22.47%
<i>Employee Benefits-Retirement</i>	94,862	107,271	361,670	(254,399)	337.16%	219,864	104.96%
<i>FICA</i>	98,186	116,386	114,919	1,467	98.74%	131,769	13.22%
<i>Flexible Benefits</i>	4,096	1,800	1,891	(91)	105.06%	1,800	0.00%
<i>Food Supplies</i>	1,996	2,500	3,102	(602)	124.08%	2,750	10.00%
<i>Gasoline/Diesel</i>	100,609	93,750	68,009	25,741	72.54%	84,750	-9.60%
<i>General Supplies and Materials</i>	53,055	54,578	45,872	8,706	84.05%	56,500	3.52%
<i>General Supplies-Postage</i>	6,478	6,163	6,617	(454)	107.37%	6,248	1.38%
<i>Insurance</i>	58,317	48,750	67,485	(18,735)	138.43%	50,400	3.38%
<i>Intergovernmental-Cherokee Office</i>	-	10,000	10,000	-	100.00%	10,000	0.00%
<i>Intergovernmental-Elections</i>	-	-	-	-		8,500	
<i>Intergovernmental-Fire Services</i>	960,796	1,140,000	1,128,875	11,125	99.02%	1,264,841	10.95%
<i>Intergovernmental-Sequoyah</i>	4,000	4,000	4,000	-	100.00%	4,000	0.00%
<i>Lawn Care</i>	400	1,000	400	600	40.00%	1,000	0.00%
<i>Medicare</i>	22,628	27,220	26,218	1,002	96.32%	30,818	13.22%

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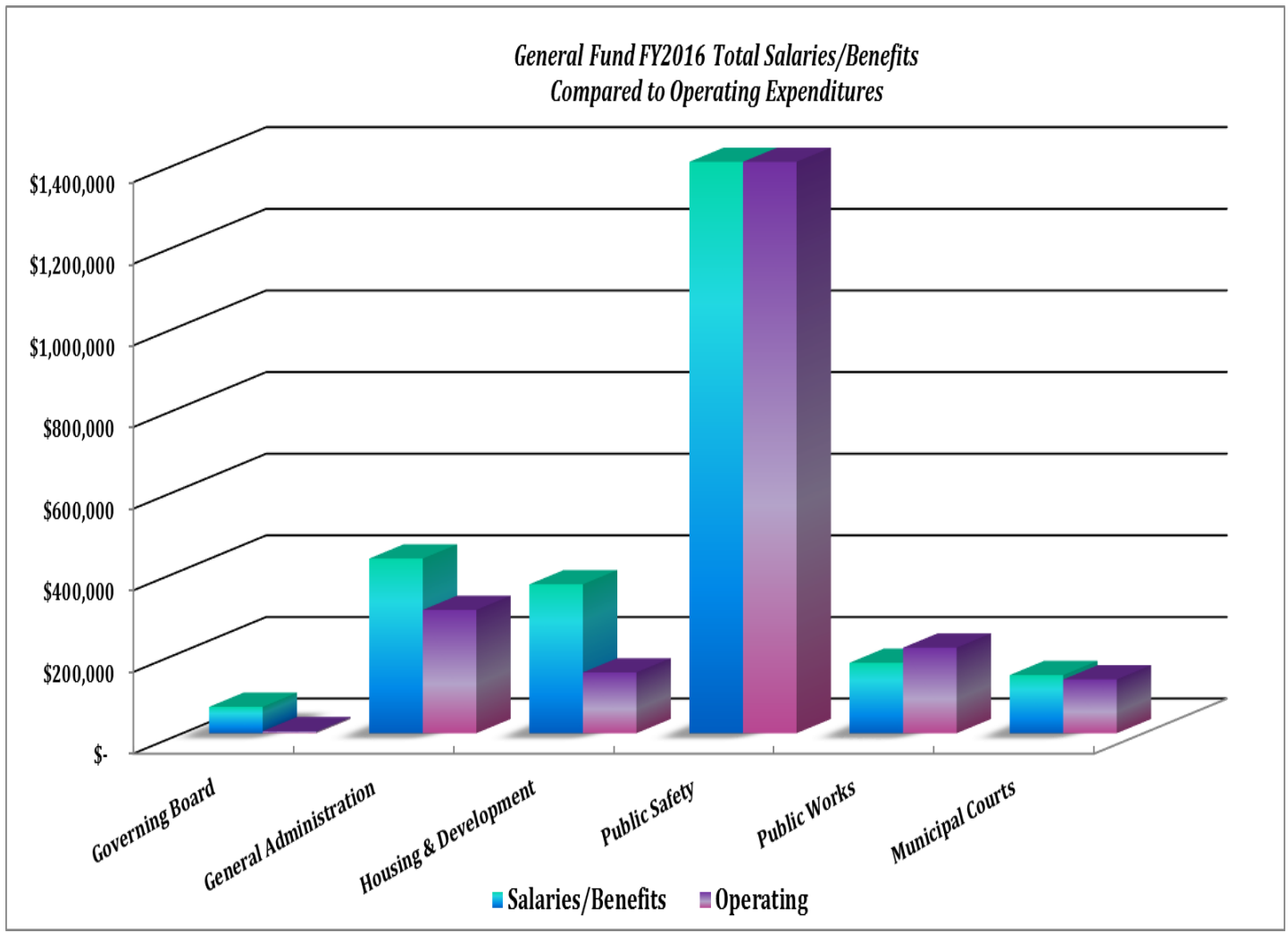


**General Fund Expenditure Detail Cont'd**

General Fund	2014	2015		2015 Budget vs Actual		2016	2015-2016
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
Natural Gas	\$ 52	\$ -	\$ -	\$ -		\$ -	
Other Expenditures	8,877	7,950	14,563	(6,613)	183.18%	9,500	19.50%
Other Services-Map Update	-	1,000	-	1,000	0.00%	1,000	0.00%
Other Supplies-Uniforms	21,703	32,400	36,549	(4,149)	112.81%	32,650	0.77%
Payments to Other Agencies	500	750	-	750	0.00%	500	-33.33%
Pest Control	2,088	2,750	1,995	755	72.55%	3,000	9.09%
Planning & Zoning Meetings	2,205	3,000	2,695	305	89.83%	3,000	0.00%
Printing and Binding	3,308	1,500	1,818	(318)	121.20%	1,750	16.67%
Professional Services	32,531	76,000	159,622	(83,622)	210.03%	86,000	13.16%
Professional Services-Audit	26,000	67,500	-	67,500	0.00%	75,000	11.11%
Professional Services-Engineering	26,396	25,000	16,417	8,583	65.67%	15,000	-40.00%
Professional Services-Legal	60,820	15,000	15,960	(960)	106.40%	23,500	56.67%
Rental of Equipment	948	500	597	(97)	119.40%	750	50.00%
Repairs & Maintenance	95,744	69,500	106,041	(36,541)	152.58%	97,000	39.57%
Repair & Maintenance-Vehicle	64,037	40,000	59,553	(19,553)	148.88%	52,500	31.25%
Salaries & Wages	1,605,642	1,835,306	1,858,164	(22,858)	101.25%	2,077,331	13.19%
Salaries & Wages-Overtime	43,746	43,000	48,818	(5,818)	113.53%	48,440	12.65%
Small Equipment	39,561	66,000	57,219	8,781	86.70%	63,000	-4.55%
Small Equipment-Computer	-	5,000	2,964	2,036	59.28%	5,000	0.00%
Small Equipment-PD Forfeitures	-	1,000	-	1,000	0.00%	1,000	0.00%
Software	36,027	32,500	75,748	(43,248)	233.07%	34,543	6.29%
Supplies - Special Events	-	-	-	-		10,000	
Technical Services-Planning	34,809	25,000	13,545	11,455	54.18%	15,000	-40.00%
Transfer to Other Funds	-	-	12,872	(12,872)		-	
Travel	16,769	17,500	12,879	4,621	73.59%	18,000	2.86%
Unemployment	6,057	4,496	3,527	969	78.45%	3,672	-18.33%
Water/Sewer	10,195	7,500	7,220	280	96.27%	7,750	3.33%
Weapon Supplies and Ammunition	15,015	24,000	14,772	9,228	61.55%	27,000	12.50%
Workers' Compensation	51,193	51,268	46,477	4,791	90.65%	57,936	13.01%
<b>Total General Fund Expenditures</b>	<b>\$ 4,543,310</b>	<b>\$ 4,705,050</b>	<b>\$ 4,956,944</b>	<b>\$ (251,894)</b>	<b>105.35%</b>	<b>\$ 5,410,000</b>	<b>14.98%</b>

**Explanation of variances greater than 10%**

- The General Fund increase of 14.98% from the previous year is attributable to an increase in staffing levels in the 2016 budget over 2015 and related costs as well as an increase in the GMEBS pension benefit factor that was approved by City Council in 2015.



General Fund 2016 Budget				
Department	Salaries/Benefits		Operating	
Governing Board	\$	64,655	\$	5,150
General Administration	\$	428,017	\$	302,251
Housing & Development	\$	364,961	\$	149,085
Public Safety	\$	1,838,552	\$	1,600,507
Public Works	\$	172,647	\$	209,800
Municipal Courts	\$	142,500	\$	131,875
<b>Total</b>	<b>\$</b>	<b>3,011,332</b>	<b>\$</b>	<b>2,398,668</b>
			<b>\$</b>	<b>5,410,000</b>

### **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 FY2016, the legal debt limit for the City of Holly Springs is \$38,451,126. The City is the guarantor of debt issued by the Holly Springs DDA as shown below.

The capital lease contract for the purchase of vehicles and equipment is collateralized by vehicles with a book value of \$150,058 at December 31, 2014. The contract terms require principal and interest payments until maturity as follows:

	<u><b>Interest</b></u>	<u><b>Principal</b></u>	<u><b>Total</b></u>
2/25/2016	\$ 1,775	\$ 85,337	\$ 87,112
	<u>\$ 1,775</u>	<u>\$ 85,337</u>	<u>\$ 87,112</u>

The capital lease contract for the purchase of vehicles and equipment is collateralized by vehicles with a book value of \$111,295 at December 31, 2014. The contract terms require principal and interest payments until maturity as follows:

	<u><b>Interest</b></u>	<u><b>Principal</b></u>	<u><b>Total</b></u>
1/20/2016	\$ 1,844	\$ 44,512	\$ 46,355
1/20/2017	\$ 931	\$ 45,424	\$ 46,355
	<u>\$ 2,775</u>	<u>\$ 89,936</u>	<u>\$ 92,711</u>

**Special Revenue Funds Expenditure Detail**

<i>Special Revenue Funds</i>	2014	2015		2015 Budget vs Actual		2016	2015-2016
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
<i>Advertising/Promotions</i>	\$ 6,395	\$ 4,500	\$ 8,137	\$ (3,637)	180.82%	\$ 5,000	11.11%
<i>Capital Outlay-Machinery &amp; Equipment</i>	32,710	10,000	3,000	7,000	30.00%	-	-100.00%
<i>Capital Outlay-Site Improvement</i>	11,892	-	-	-		-	
<i>Capital Outlay-Sites</i>	100,000	100,000	100,000	-	100.00%	100,000	0.00%
<i>Communications</i>	1,208	1,500	1,203	297	80.20%	1,730	15.33%
<i>Contract Labor</i>	15,075	25,000	13,013	11,987	52.05%	30,000	20.00%
<i>Disposal-Garbage/Recycling</i>	1,892	3,500	1,774	1,726	50.69%	4,500	28.57%
<i>Dues and Fees</i>	347	1,100	347	753	31.55%	550	-50.00%
<i>Electricity</i>	4,960	18,000	5,012	12,988	27.84%	13,000	-27.78%
<i>Employee Benefits-ADD Life</i>	-	172	73	99	42.44%	74	-56.98%
<i>Employee Benefits-Dental</i>	-	888	200	688	22.52%	485	-45.38%
<i>Employee Benefits-Disability</i>	-	361	189	172	52.35%	189	-47.65%
<i>Employee Benefits-Medical</i>	-	12,104	2,920	9,184	24.12%	7,496	-38.07%
<i>Employee Benefits-Retirement</i>	-	3,738	3,738	-	100.00%	2,703	-27.69%
<i>FICA</i>	-	2,383	1,550	833	65.04%	2,498	4.83%
<i>General Supplies-Christmas</i>	2,138	2,500	4,254	(1,754)	170.16%	-	-100.00%
<i>General Supplies-Special Events</i>	7,824	7,500	12,136	(4,636)	161.81%	-	-100.00%
<i>General Supplies &amp; Materials</i>	3,809	2,570	3,782	(1,212)	147.16%	5,000	94.55%
<i>Lawn Care</i>	2,660	4,500	3,320	1,180	73.78%	4,500	0.00%
<i>Medicare</i>	-	557	363	194	65.17%	584	4.85%
<i>Natural Gas</i>	2,052	2,500	1,690	810	67.60%	2,500	0.00%
<i>Overtime</i>	-	-	-	-		1,000	
<i>Payments to Other Agencies</i>	303,924	320,000	374,602	(54,602)	117.06%	350,000	9.38%
<i>Pest Control</i>	840	2,500	840	1,660	33.60%	2,500	0.00%
<i>Rental of Equipment</i>	1,197	2,000	-	2,000	0.00%	2,000	0.00%
<i>Rental of Land-Brackett Park</i>	320	125	-	125	0.00%	125	0.00%
<i>Repairs &amp; Maintenance</i>	72,972	38,375	51,679	(13,304)	134.67%	40,000	4.23%
<i>Salaries &amp; Wages</i>	-	38,431	25,000	13,431	65.05%	38,797	0.95%
<i>Small Equipment</i>	6,296	2,500	999	1,501	39.96%	2,500	0.00%
<i>Transfer to General Fund</i>	-	-	-	-		50,000	
<i>Unemployment</i>	-	260	37	223	14.23%	110	-57.69%
<i>Water/Sewer</i>	2,971	4,500	5,265	(765)	117.00%	4,500	0.00%
<i>Workers' Compensation</i>	-	2,536	2,536	-	100.00%	2,659	4.85%
<b>Total Special Revenue Funds Expenditures</b>	<b>\$ 581,482</b>	<b>\$ 614,600</b>	<b>\$ 627,659</b>	<b>\$ (13,059)</b>	<b>102.12%</b>	<b>\$ 675,000</b>	<b>9.83%</b>

**Explanation of variances greater than 10%**

- There were no significant variances between the 2015 and 2016 operating budgets in the Special Revenue Funds.

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Parks and Recreation	\$ 50,000
		<u>\$ 50,000</u>

**Capital Project Funds Expenditure Detail**

<i>Capital Project Funds</i>	2014	2015		2015 Budget vs Actual		2016	2015-2016
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
<i>Capital Outlay - CDBG Sidewalk</i>	\$ -	\$ -	\$ -	\$ -		\$ 900,000	
<i>Capital Outlay - Equipment</i>	22,736	54,250	3,884	50,366	7.16%	52,500	-3.23%
<i>Capital Outlay - Infrastructure</i>	-	181,000	-	181,000	0.00%	200,000	10.50%
<i>Capital Outlay - LCI Sidewalk Project</i>	153,414	2,120,000	235,432	1,884,568	11.11%	2,453,987	15.75%
<i>Capital Outlay - Road Infrastructure</i>	702,685	356,997	382,651	(25,654)	107.19%	143,275	-59.87%
<i>Capital Outlay - Site Improvements</i>	207,475	-	-	-		-	
<i>Capital Outlay - Vehicles</i>	170,014	140,596	171,006	(30,410)	121.63%	196,922	40.06%
<i>Capital Outlay-Sewer Infrastructure</i>	81,546	500,000	668,559	(168,559)	133.71%	-	-100.00%
<i>Dues and Fees</i>	-	50	-	50	0.00%	-	-100.00%
<i>Interest - Capital Lease</i>	6,558	9,296	6,252	3,044	67.25%	3,618	-61.08%
<i>Principal - Capital Lease</i>	138,944	182,561	127,215	55,346	69.68%	129,848	-28.87%
<i>Transfer to Other Funds</i>	94,670	2,120,000	-	2,120,000	0.00%	-	-100.00%
<b>Total Capital Project Funds Expenditures</b>	<b>\$1,578,042</b>	<b>\$5,664,750</b>	<b>\$1,594,999</b>	<b>\$4,069,751</b>	<b>28.16%</b>	<b>\$4,080,150</b>	<b>-27.97%</b>

**Explanation of variances greater than 10%**

- The Capital Project Funds decrease of 27.97% from the previous year is primarily attributable to the completion of the Downtown Holly Springs Sanitary Sewer Project in 2015 as well as a reduction in budgeted costs for street resurfacing in 2016.

### Enterprise Fund Expense Detail

<i>Enterprise Fund</i>	2014	2015		2015 Budget vs Actual		2016	2015-2016
	Actual (audited)	Budget	Actual (unaudited)	\$ (+/-)	% of budget used	Budget	% (+/-)
<i>Contingency</i>	\$ -	\$ 5,000	\$ -	\$ 5,000	0.00%	\$ 6,000	20.00%
<i>Contract Labor</i>	2,875	-	4,150	(4,150)		-	
<i>Depreciation</i>	56,906	-	-	-		-	
<i>Dues and Fees</i>	1,531	-	-	-		-	
<i>Employee Benefits - ADD Life</i>	150	150	193	(43)	128.67%	147	-2.00%
<i>Employee Benefits - Dental</i>	375	405	401	4	99.01%	405	0.00%
<i>Employee Benefits - Disability</i>	365	386	469	(83)	121.50%	306	-20.73%
<i>Employee Benefits - Medical Insurance</i>	6,475	7,250	11,796	(4,546)	162.70%	6,227	-14.11%
<i>Employee Benefits - Retirement</i>	4,500	4,516	4,516	-	100.00%	4,853	7.46%
<i>FICA</i>	3,497	3,626	3,565	61	98.32%	3,778	4.19%
<i>Gasoline/Diesel</i>	-	-	1,389	(1,389)		-	
<i>Insurance</i>	158	-	-	-		-	
<i>Legal &amp; Professional Services</i>	-	5,000	530	4,470	10.60%	5,000	0.00%
<i>Maintenance &amp; Cleaning</i>	28,701	70,000	58,752	11,248	83.93%	60,000	-14.29%
<i>Medicare</i>	818	848	834	14	98.35%	884	4.25%
<i>Office Supplies</i>	30	675	730	(55)	108.15%	750	11.11%
<i>Overtime</i>	-	-	-	-		2,000	
<i>Pollution Prevention</i>	54	2,000	350	1,650	17.50%	2,500	25.00%
<i>Postage</i>	701	100	439	(339)	439.00%	500	400.00%
<i>Printing &amp; Binding</i>	40	-	40	(40)		-	
<i>Regional Stormwater</i>	7,577	5,000	-	5,000	0.00%	5,000	0.00%
<i>Salaries &amp; Wages</i>	56,400	58,500	57,502	998	98.29%	65,736	12.37%
<i>Small Equipment</i>	375	-	-	-		-	
<i>Structural Upgrades</i>	28,789	125,000	58,097	66,903	46.48%	125,000	0.00%
<i>Training/Education &amp; Public Awareness</i>	762	4,500	206	4,294	4.58%	7,000	55.56%
<i>Unemployment</i>	405	228	96	132	42.11%	146	-35.96%
<i>Water/Sewer</i>	-	-	2,648	(2,648)		-	
<i>Watershed Planning</i>	-	660	-	660	0.00%	650	-1.52%
<i>Workers Comp Insurance</i>	1,406	1,656	1,656	-	100.00%	3,118	88.29%
<b>Total Enterprise Fund Expenditures</b>	<b>\$ 202,890</b>	<b>\$ 295,500</b>	<b>\$ 208,359</b>	<b>\$ 87,141</b>	<b>70.51%</b>	<b>\$ 300,000</b>	<b>1.52%</b>

#### Explanation of variances greater than 10%

- There were no significant variances between the 2015 and 2016 operating budgets in the Stormwater Utility Management Fund.





***City of Holly Springs***

***Governmental Funds***



# ***General Fund***

# Budget Overview

## General Fund

	Adopted Budget <u>2015</u>	Adopted Budget <u>2016</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Total Cost	\$4,705,050	\$5,410,000	\$704,950	14.98%

Revenues by Department & Category				
	<u>Taxes</u>	<u>Fees &amp; Fines</u>	<u>Other Revenue</u>	<u>Total</u>
Non-Departmental	\$ 4,436,950	\$ 200	\$167,150	\$ 4,604,300
Housing & Development	\$ -	\$ -	\$451,650	\$ 451,650
Public Safety	\$ -	\$ 750	\$ 500	\$ 1,250
Public Works	\$ -	\$ -	\$ -	\$ -
Municipal Court	\$ -	\$ 350,500	\$ 2,300	\$ 352,800
Total	<u>\$ 4,436,950</u>	<u>\$ 351,450</u>	<u>\$621,600</u>	<u>\$ 5,410,000</u>

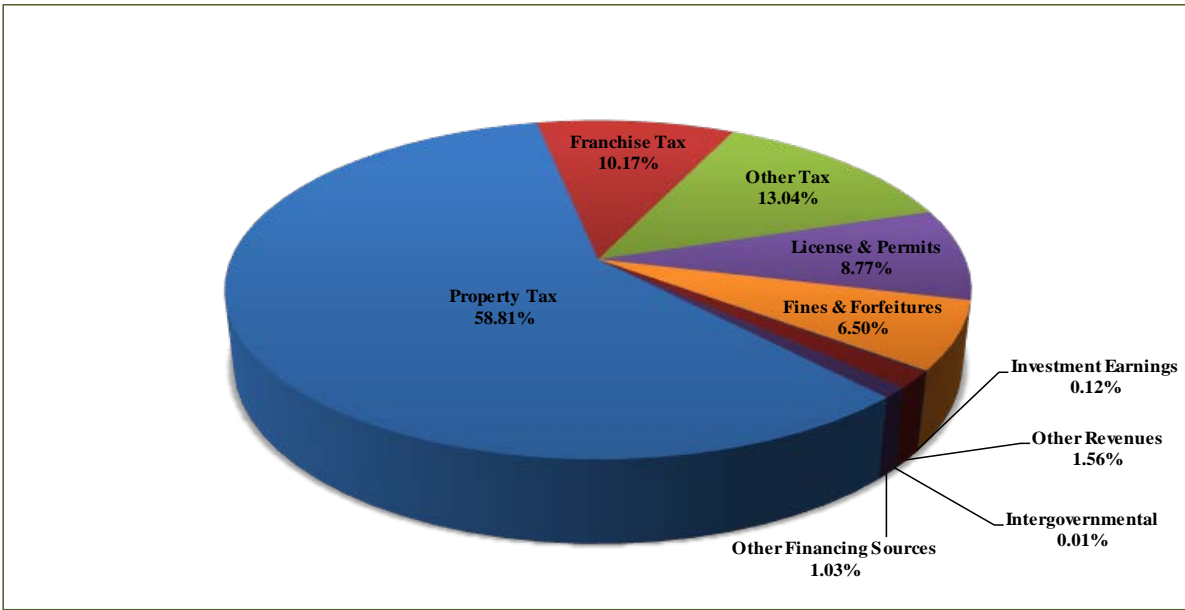
Expenditures by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Governing Body	\$ 64,655	\$ 5,150	\$ -	\$ 69,805
General Administration	\$ 428,017	\$ 302,251	\$ -	\$ 730,268
Housing & Development	\$ 364,961	\$ 149,085	\$ -	\$ 514,046
Public Safety	\$ 1,838,552	\$ 1,600,507	\$ -	\$ 3,439,059
Public Works	\$ 172,647	\$ 209,800	\$ -	\$ 382,447
Municipal Court	\$ 142,500	\$ 131,875	\$ -	\$ 274,375
Total	<u>\$ 3,011,332</u>	<u>\$ 2,398,668</u>	<u>\$ -</u>	<u>\$ 5,410,000</u>

Explanation of Major Variances
Budgeted expenditures in the General Fund increased 14.98% over 2015 primarily due to the addition of personnel for 2016. The City also increased the funding percentage for the pension plan for 2016 which resulted in an increase in monthly remittances to GMEBS.

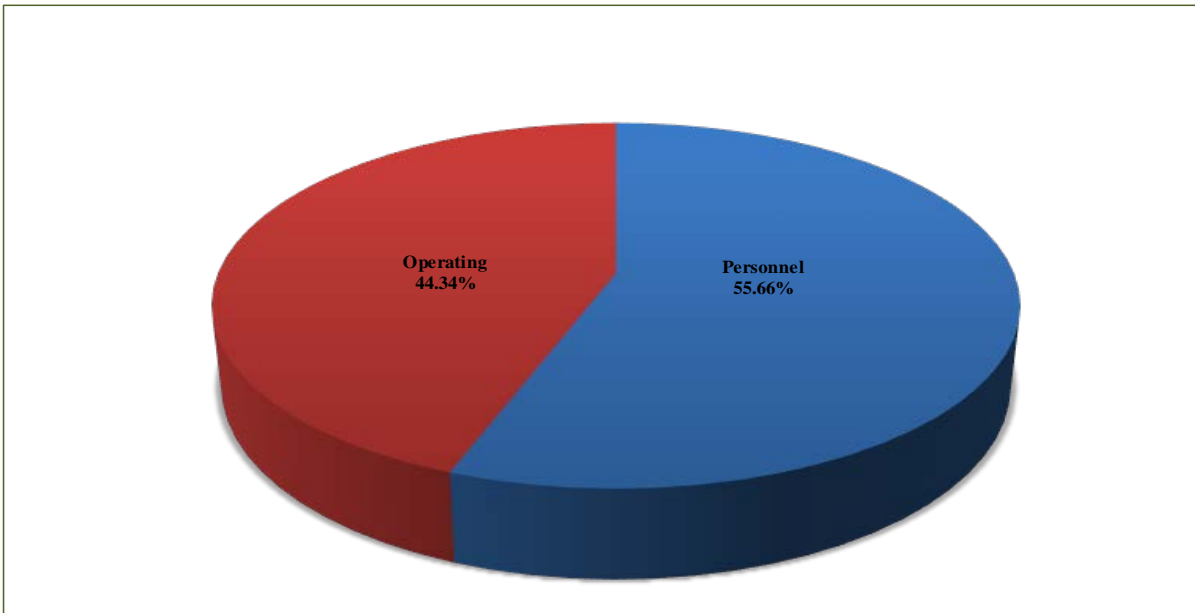
Operating Millage 2015	Operating Millage 2016	Percent Decrease
5.500	5.315	-3.36%

# Budget Overview General Fund

## Revenues By Source



## Expenditures By Category



## **General Fund**

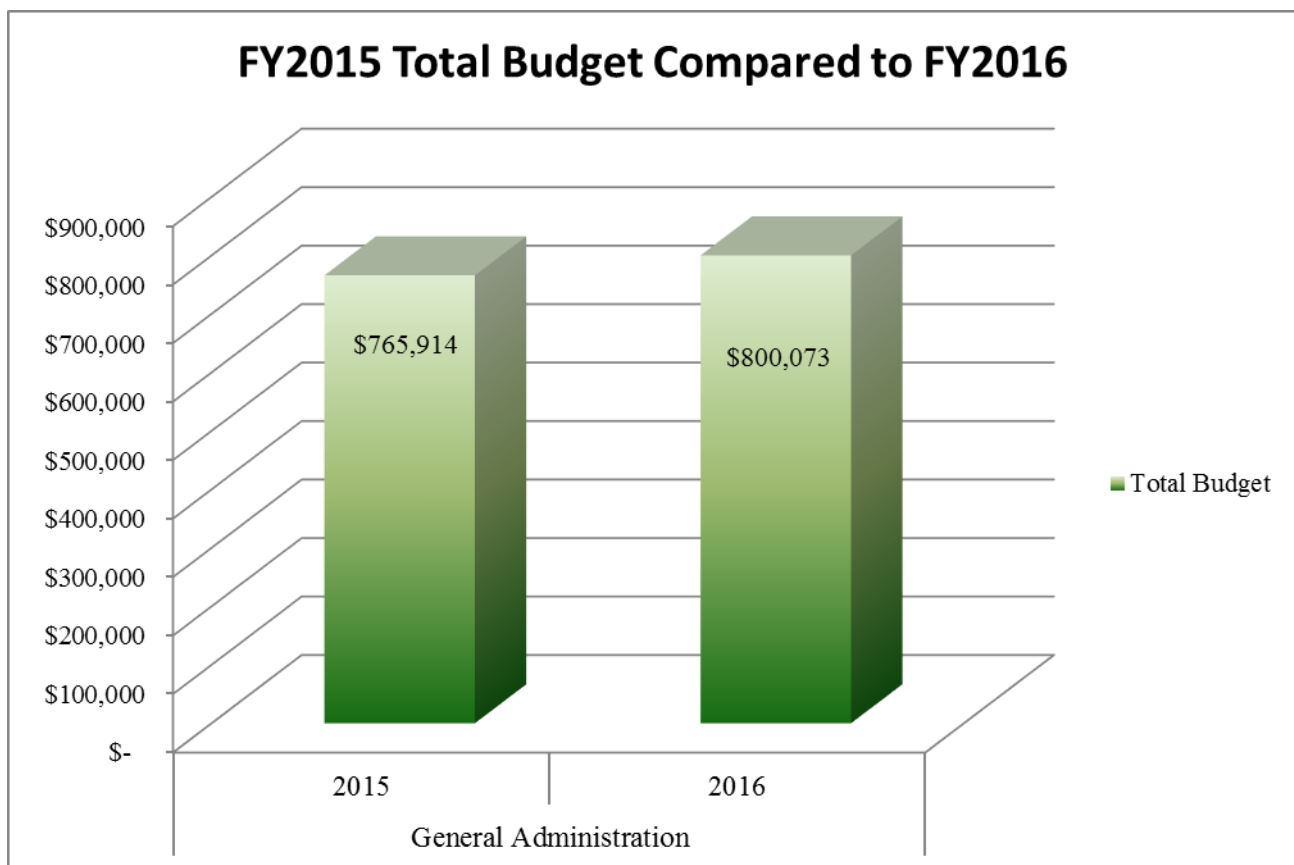
The General Fund of a governmental unit serves as the primary reporting fund for current government operations. The primary sources of revenue for the General Fund include property and franchise taxes. The major departments include General Administration, Municipal Court Services, Public Safety, and 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 \$800,073 (\$492,672 for salaries and benefits and \$307,401 for operating). This is a 4.46% increase in expenditures from \$765,914 in 2015.



The FY2016 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
Administrative Assistant	One (1) PT

One part-time Administrative Assistant was transferred from Municipal Court Services to General Administration for the 2015 budget.

Summary Table of Personnel											
	FY2014			FY2015			+/-			FY2016	
Department	F/T	P/T		F/T	P/T		F/T	P/T		F/T	P/T
Governing Board	6.00	0.00		6.00	0.00		0.00	0.00		6.00	0.00
General Administration	5.00	0.00		5.00	1.00		0.00	0.00		5.00	1.00
Total	11.00	0.00		11.00	1.00		0.00	0.00		11.00	1.00

### **Goals, Objectives and Performance Measures**

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



The goals of the General Administration Department are:

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

Objectives:

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

<b>Performance Measures</b>	<b>FY2014 Actual</b>	<b>FY2015 Budget</b>	<b>FY2015 Actual</b>	<b>FY2016 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)	16	17	17	18
% change over operating roll-back millage rate	.04%	.04%	.04%	.05%
FT employee turnover rate within one year of employment	7%	5%	3%	4%
# of years GFOA Certificate of Achievement for Excellence in Financial Reporting has been received*	3	4	*	5
# of years GFOA Distinguished Budget Award received	5	6	6	7
# of audit findings*	0	0	*	0
<b>Efficiency</b>				
Unassigned Fund Balances as a % of annual budget	85.69%	85.69%	96.68%	96.68%
Average number of days to complete routine public open records requests	3 days	3 days	3 days	3 days

\* FY 2015 audit will be completed and submitted in June 2016

Fiscal Year 2016						
Governing Body & General Administration Expenditure Detail		FY2014 Actual (audited)	FY2015 Budget	FY2015 Actual (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<b>Governing Body</b>						
100-1110-511100	Salaries & Wages-Council	\$ 42,000	\$ 42,000	\$ 42,125	\$ 42,000	0.00%
100-1110-512100	Employee Benefits-Medical	16,642	24,209	19,304	12,459	-48.54%
100-1110-512110	Employee Benefits-Dental	1,335	1,755	1,270	810	-53.85%
100-1110-512120	Employee Benefits-ADD Life	807	684	882	735	7.46%
100-1110-512150	Flexible Benefits	-	-	250	-	
100-1110-512200	FICA	1,729	2,604	1,719	2,604	0.00%
100-1110-512300	Medicare	404	609	402	609	0.00%
100-1110-512400	Employee Benefits-Retirement	2,445	2,472	8,510	4,540	83.66%
100-1110-512600	Unemployment	420	541	229	304	-43.81%
100-1110-512700	Workers Comp Insurance	618	594	592	594	0.00%
100-1110-523100	Insurance	1,488	1,000	1,417	900	-10.00%
100-1110-523200	Communications	-	250	-	250	0.00%
100-1110-523500	Travel	-	500	60	500	0.00%
100-1110-523700	Education and Training	-	5,000	-	2,500	-50.00%
100-1110-531100	General Supplies and Materials	32	500	-	500	0.00%
100-1110-572000	Payments to Other Agencies	500	750	-	500	-33.33%
<b>Total Governing Body</b>		<b>\$ 68,420</b>	<b>\$ 83,468</b>	<b>\$ 76,760</b>	<b>\$ 69,805</b>	<b>-16.37%</b>
<b>Elections</b>						
100-1400-523300	Advertising	\$ 328	\$ -	\$ -	\$ -	
100-1400-571000	Intergovernmental-Elections	-	-	-	8,500	
<b>Total Elections</b>		<b>\$ 328</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,500</b>	
<b>General Administration</b>						
100-1500-511100	Salaries & Wages	\$ 295,114	\$ 317,958	\$ 312,609	\$ 323,765	1.83%
100-1500-511300	Overtime	-	1,000	451	440	-56.00%
100-1500-512100	Employee Benefits-Medical	26,519	38,905	33,173	35,354	-9.13%
100-1500-512110	Employee Benefits-Dental	2,356	3,148	2,571	2,587	-17.82%
100-1500-512120	Employee Benefits-ADD Life	577	570	735	735	28.95%
100-1500-512130	Employee Benefits-Disability	1,760	1,907	2,363	2,447	28.32%
100-1500-512150	Flexible Benefits	4,096	1,800	1,641	1,800	0.00%
100-1500-512200	FICA	18,114	19,775	19,409	20,104	1.66%
100-1500-512300	Medicare	4,284	4,625	4,539	4,702	1.66%
100-1500-512400	Employee Benefits-Retirement	17,873	14,632	54,124	33,107	126.26%
100-1500-512600	Unemployment	944	781	502	440	-43.66%
100-1500-512700	Workers' Comp. Insurance	4,590	2,395	2,387	2,536	5.89%
100-1500-521200	Professional Services	27,755	-	104,840	-	
100-1500-521210	Professional Services-Audit	26,000	67,500	-	75,000	11.11%
100-1500-521220	Professional Services-Engineering	3,330	-	-	-	
100-1500-521230	Professional Services-Legal	5,658	7,500	4,244	8,500	13.33%
100-1500-522110	Disposal-Garbage/Recycling	513	500	474	1,000	100.00%

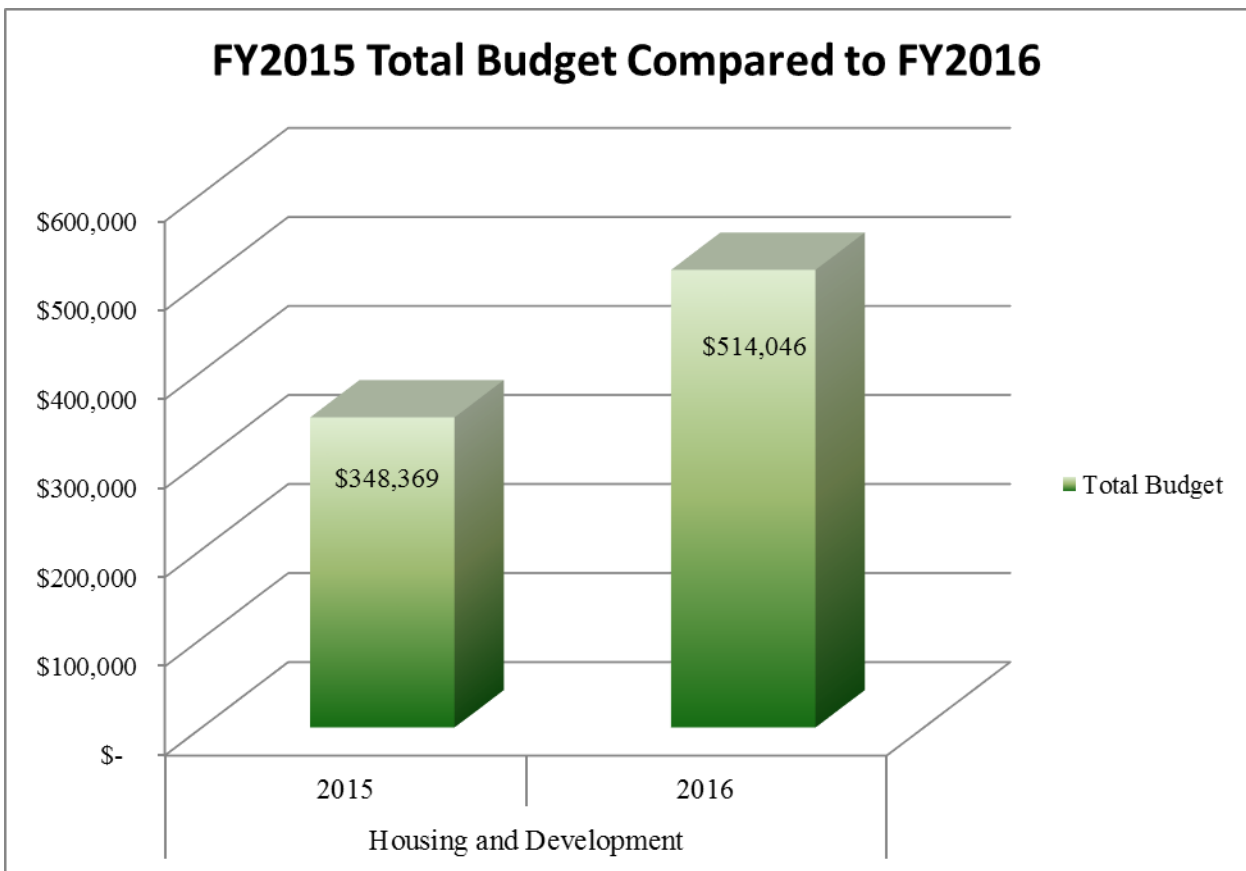
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Fiscal Year 2016						
Governing Body & General Administration Expenditure Detail		FY2014 Actual (audited)	FY2015 Budget	FY2015 Actual (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
100-1500-522150	Pest Control	528	500	435	500	0.00%
100-1500-522200	Repairs & Maintenance	32,645	20,000	18,979	20,000	0.00%
100-1500-523100	Insurance	10,625	12,000	14,867	12,000	0.00%
100-1500-523200	Communications	5,534	6,000	6,594	19,176	219.60%
100-1500-523300	Advertising/Promotions	2,193	1,000	2,234	1,500	50.00%
100-1500-523400	Printing and Binding	1,434	1,000	1,214	1,250	25.00%
100-1500-523500	Travel	3,803	3,000	3,639	3,500	16.67%
100-1500-523600	Dues and Fees	27,707	20,000	24,171	20,000	
100-1500-523610	Dues and Fees-Bank Service Fees	53	5,872	1,963	2,500	-57.43%
100-1500-523620	Dues and Fees-Direct Deposit	2,876	-	-	-	
100-1500-523700	Education and Training	3,061	2,500	5,531	3,000	20.00%
100-1500-523850	Contract Labor	8,175	-	-	-	
100-1500-523900	Other Expenditures	2,984	2,000	6,183	2,500	25.00%
100-1500-531100	General Supplies and Materials	19,750	23,078	25,897	25,000	8.33%
100-1500-531120	General Supplies-Postage	6,213	5,000	6,379	5,000	0.00%
100-1500-531210	Water/Sewer	4,604	1,000	1,270	1,250	25.00%
100-1500-531220	Natural Gas	52	-	-	-	
100-1500-531230	Electricity	2,845	4,000	3,058	4,000	0.00%
100-1500-531270	Gasoline/Diesel	447	1,000	688	1,000	0.00%
100-1500-531300	Food Supplies	247	500	861	750	50.00%
100-1500-531400	Books and Periodicals-Code Books	3,839	-	-	-	
100-1500-531600	Small Equipment	15,199	20,000	16,070	15,000	-25.00%
100-1500-531630	Software	13,182	15,000	23,427	12,325	-17.83%
100-1500-531700	Other Supplies	2,492	-	-	-	
100-1500-541100	Capital Outlay - Sites	455,037	2,000	1,800	-	-100.00%
100-1500-541200	Capital Outlay - Site Improvements	6,965	-	-	-	
100-1500-579000	Contingency	-	50,000	-	55,000	10.00%
100-6500-571000	Intergovernmental-Sequoyah	4,000	4,000	4,000	4,000	0.00%
100-9000-611000	Transfer to Other Funds	-	-	12,872	-	
<b>Total General Administration</b>		<b>\$ 1,075,972</b>	<b>\$ 682,446</b>	<b>\$ 726,194</b>	<b>\$ 721,768</b>	<b>5.76%</b>
<b>TOTAL GENERAL GOVERNMENT</b>		<b>\$ 1,144,719</b>	<b>\$ 765,914</b>	<b>\$ 802,954</b>	<b>\$ 800,073</b>	<b>4.46%</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 \$514,046 (\$364,961 for salaries and benefits and \$149,085 for operating). This is a 47.56% increase in expenditures from \$348,369 in 2015.



**Personnel**

The FY2016 personnel allocation recommendation in the Housing and Development Department is as follows:

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

The Community Development Director will no longer be split with Stormwater Utility Management and the Code Enforcement Officer will only be charged to the Public Safety department. In addition, the part-time Administrative Assistant was eliminated for FY2016

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>FY2014</b>		<b>FY2015</b>		<b>+/-</b>		<b>FY2016</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	4.00	1.00	3.67	1.00	1.33	-1.00	5.00	0.00	
<b>Total</b>	<b>4.00</b>	<b>1.00</b>	<b>3.67</b>	<b>1.00</b>	<b>1.33</b>	<b>-1.00</b>	<b>5.00</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>FY2014 Actual</b>	<b>FY2015 Budget</b>	<b>FY2015 Actual</b>	<b>FY2016 Budget</b>
<b>Output</b>				
# of acres successfully annexed into the City	0	21.2	98.538	86
# of acres of greenspace added	30.89	4.00	14.781	12.9
# of new businesses opened in the City	81	75	72	75
<b>Effectiveness</b>				
% of buildings that meet fire safety code requirements	97%	100%	100%	100%
<b>Efficiency</b>				
Average # of days to complete inspection requests	1	1	1	1



Fiscal Year 2016						
Housing & Development Revenue & Expenditure Detail		FY 2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<b>Revenues</b>						
100-0000-322210	Zoning & Land Use Fees	\$ 18,522	\$ 5,000	\$ 29,085	\$ 10,000	100.00%
100-0000-322230	Sign Permits	3,281	1,000	2,916	2,650	165.00%
100-0000-322990	Other Licenses & Permits	616	250	100	500	100.00%
100-0000-323120	Building Permit Revenue	414,461	175,000	588,531	335,000	91.43%
100-0000-323125	Certificate of Occupancy Fees	98,285	50,000	104,500	85,000	70.00%
100-0000-341300	Planning & Development Fees	6,019	5,000	792	1,000	-80.00%
100-0000-341305	Fire Plan Review	24,323	500	55,524	17,500	3400.00%
<b>Total Revenues</b>		<b>\$ 565,506</b>	<b>\$ 236,750</b>	<b>\$ 781,448</b>	<b>\$ 451,650</b>	<b>90.77%</b>
<b>Expenditures</b>						
100-7200-511100	Salaries & Wages	\$ 136,267	\$ 154,911	\$ 187,833	\$ 199,424	28.73%
100-7200-511300	Overtime	43	-	-	1,500	
100-7200-512100	Employee Benefits-Medical	28,980	30,176	28,706	51,203	69.68%
100-7200-512110	Employee Benefits-Dental	1,876	1,933	2,742	2,900	50.03%
100-7200-512120	Employee Benefits-ADD Life	343	306	517	588	92.16%
100-7200-512130	Employee Benefits-Disability	835	860	1,344	1,565	81.98%
100-7200-512200	FICA	8,536	9,604	11,643	12,457	29.71%
100-7200-512300	Medicare	1,409	2,246	2,065	2,913	29.70%
100-7200-512400	Employee Benefits-Retirement	4,546	16,624	46,268	21,720	30.65%
100-7200-512600	Unemployment	103	424	270	293	-30.90%
100-7200-512700	Workers' Compensation	1,141	4,535	2,867	7,590	67.36%
100-7200-521220	Professional Services-Engineering	17,066	20,000	13,511	10,000	-50.00%
100-7200-521230	Professional Services-Legal	5,513	7,500	11,716	15,000	100.00%
100-7200-521300	Technical Services-Planning	34,809	25,000	13,545	15,000	-40.00%
100-7200-522150	Pest Control	360	500	360	500	0.00%
100-7200-522200	Repairs & Maintenance	3,165	5,000	4,350	7,500	50.00%
100-7200-523000	Other Services-Map Update	-	1,000	-	1,000	0.00%
100-7200-523100	Insurance	5,441	5,000	6,477	5,000	0.00%
100-7200-523200	Communication	3,662	5,000	4,735	5,000	0.00%
100-7200-523300	Advertising/Promotions	18,105	18,000	14,721	17,000	-5.56%
100-7200-523310	Advertising	-	1,000	-	1,000	0.00%
100-7200-523400	Printing and Binding	509	500	604	500	0.00%

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Fiscal Year 2016						
Housing & Development Revenue & Expenditure Detail		FY 2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
100-7200-523500	Travel	577	2,500	540	2,500	0.00%
100-7200-523600	Dues and Fees	3,107	5,000	3,436	5,000	0.00%
100-7200-523700	Education and Training	3,782	5,000	3,635	5,000	0.00%
100-7200-523850	Contract Labor	-	1,500	-	1,500	0.00%
100-7200-523860	Planning & Zoning Meetings	2,205	3,000	2,695	3,000	0.00%
100-7200-523900	Other Expenditures	167	500	618	500	0.00%
100-7200-531100	General Supplies and Materials	1,362	2,500	139	2,500	0.00%
100-7200-531120	General Supplies-Postage	7	500	97	585	17.00%
100-7200-531210	Water/Sewer	560	750	1,295	750	0.00%
100-7200-531230	Electricity	4,010	3,500	4,205	4,500	28.57%
100-7200-531270	Gasoline/Diesel	3,028	2,500	2,358	3,500	40.00%
100-7200-531400	Books and Periodicals-Code Books	500	500	570	750	50.00%
100-7200-531600	Small Equipment	465	500	1,472	2,500	400.00%
100-7200-542300	Capital Outlay-Furniture & Fixtures		-	-	7,500	
100-7520-571000	Intergovernmental-Cherokee Office	-	10,000	10,000	10,000	0.00%
100-7550-511100	Salaries & Wages	-	-	-	45,890	
100-7550-511300	Overtime	-	-	-	500	
100-7550-512100	Employee Benefits-Medical	-	-	-	6,229	
100-7550-512110	Employee Benefits-Dental	-	-	-	967	
100-7550-512120	Employee Benefits-ADD Life	-	-	-	147	
100-7550-512130	Employee Benefits-Disability	-	-	-	345	
100-7550-512200	FICA	-	-	-	2,876	
100-7550-512300	Medicare	-	-	-	673	
100-7550-512400	Employee Benefits-Retirement	-	-	-	5,015	
100-7550-512600	Unemployment	-	-	-	73	
100-7550-512700	Workers' Compensation	-	-	-	93	
100-7550-523310	Advertising	-	-	-	2,500	
100-7550-523600	Dues and Fees	-	-	-	2,500	
100-7550-523700	Education and Training	-	-	-	1,500	
100-7550-523850	Contract Labor	-	-	-	5,000	
100-7550-531100	Supplies - Special Events	-	-	-	10,000	
<b>Total Expenditures</b>		<b>\$ 292,479</b>	<b>\$ 348,369</b>	<b>\$ 385,336</b>	<b>\$ 514,046</b>	<b>47.56%</b>

***Routine Capital Expenditures***

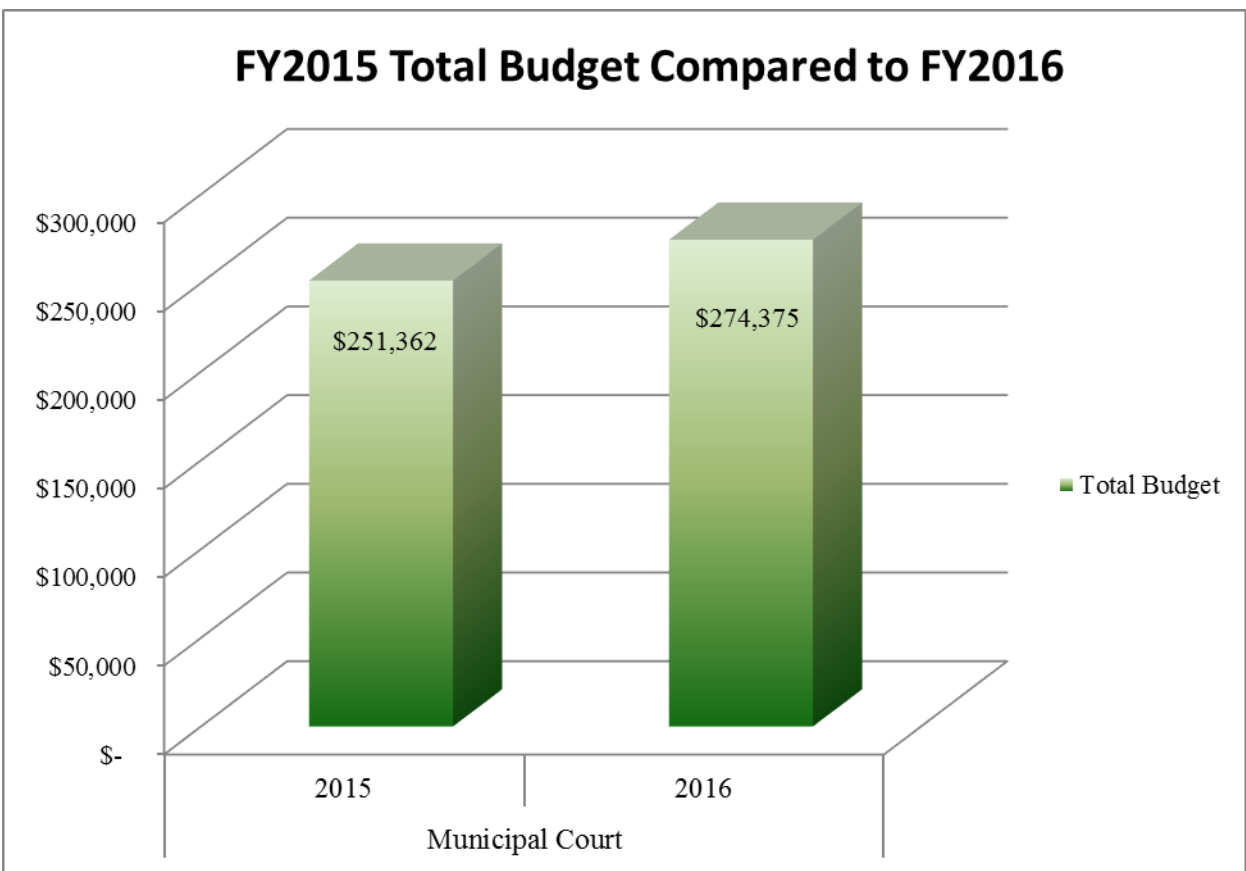
<i>Device / Product</i>	<i>Amount</i>	<i>Notes</i>
Furniture & Fixtures	7,500	Replace existing furniture
	<u>\$ 7,500</u>	

***Impact on operating budget : these expenditures will not impact the operating budget in future budget years.***

❖ **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 \$274,375 (\$142,500 for salaries and benefits and \$131,875 for operating). This is a 9.16% increase in expenditures from \$251,362 in 2015.



The FY2016 personnel allocation recommendation for the Municipal Court Services is as follows:

Court Clerk	One (1) FT
Deputy Court Clerk	One (1) FT
Bailiff/Court Security	Three (3) PT

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

<i>Summary Table of Personnel</i>									
	<i>FY2014</i>		<i>FY2015</i>		<i>+/-</i>		<i>FY2016</i>		
<i>Department</i>	<i>F/T</i>	<i>P/T</i>	<i>F/T</i>	<i>P/T</i>	<i>F/T</i>	<i>P/T</i>	<i>F/T</i>	<i>P/T</i>	
Municipal Court	2.00	1.00	2.00	3.00	0.00	0.00	2.00	3.00	
<b>Total</b>	<b>2.00</b>	<b>1.00</b>	<b>2.00</b>	<b>3.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.00</b>	<b>3.00</b>	

Judicial Designation	FY2015 Budgeted Expenditures (24 sessions)	Proposed Compensation	FY2016 Budgeted Expenditures (24 sessions)
Judge (1)	\$23,680	\$1,250 per session	\$31,250
Associate Judge (1)	\$4,800	\$1,250 per session	\$10,000
Chief Solicitor (1)	\$20,020	\$1,000 per session	\$24,000
Public Defender (2.5)	\$23,500	\$300 per session	\$16,750
Translator (1)	\$3,000	\$125 per session	\$3,000
<b>Totals:</b>	<b>\$75,000</b>		<b>\$85,000</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>FY2014 Actual</b>	<b>FY2015 Budget</b>	<b>FY2015 Actual</b>	<b>FY2016 Budget</b>
<b>Output</b>				
#of pre-trial diversions	44	50	48	50
<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%	3%
<b>Efficiency</b>				
Average number of court hours per session - arraignments	6	6	6	6
Average number of court hours per session - trials	5	5	5	5

Fiscal Year 2016						
Municipal Court Revenue & Expenditure Detail		FY2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<b>Revenues</b>						
100-0000-342120	Accident/Incident Reports	\$ 1,174	\$ 1,200	\$ 824	\$ 700	-41.67%
100-0000-342900	Expungements	150	150	25	100	-33.33%
100-0000-346400	Background Checks	1,380	1,000	1,660	1,500	50.00%
100-0000-351170	Municipal Court Fees	411,035	400,000	395,262	350,000	-12.50%
100-0000-351320	Forfeitures	-	500	500	500	0.00%
<b>Total Revenues</b>		<b>\$ 413,739</b>	<b>\$ 402,850</b>	<b>\$ 398,271</b>	<b>\$ 352,800</b>	<b>-12.42%</b>
<b>Expenditures</b>						
100-2650-511100	Salaries & Wages	\$ 87,904	\$ 91,346	\$ 122,834	\$ 100,243	9.74%
100-2650-511300	Overtime	3,297	-	-	-	
100-2650-512100	Employee Benefits-Medical	12,495	18,888	23,910	21,417	13.39%
100-2650-512110	Employee Benefits-Dental	1,045	1,933	1,201	1,933	0.00%
100-2650-512120	Employee Benefits-ADD Life	224	228	400	294	28.95%
100-2650-512130	Employee Benefits-Disability	411	404	810	615	52.23%
100-2650-512200	FICA	5,133	5,663	6,281	6,215	9.75%
100-2650-512300	Medicare	1,214	1,325	1,469	1,454	9.74%
100-2650-512400	Employee Benefits-Retirement	5,995	11,567	33,573	8,692	-24.86%
100-2650-512600	Unemployment	526	390	238	219	-43.85%
100-2650-512700	Workers' Compensation	1,542	1,293	1,289	1,418	9.67%
100-2650-521200	Professional Services	4,086	75,000	54,682	85,000	13.33%
100-2650-521230	Professional Services - Legal	49,650	-	-	-	
100-2650-522150	Pest Control	360	750	360	750	0.00%
100-2650-522200	Repairs & Maintenance	5,517	5,000	2,313	5,000	0.00%
100-2650-523100	Insurance	4,672	5,000	6,477	5,000	0.00%
100-2650-523200	Communications	1,292	1,500	1,261	1,500	0.00%
100-2650-523300	Advertising	50	250	215	250	0.00%
100-2650-523400	Printing & Binding	1,365	-	-	-	
100-2650-523500	Travel	1,314	1,500	1,225	1,500	0.00%
100-2650-523600	Dues and Fees	169	500	478	1,000	100.00%
100-2650-523700	Education and Training	450	2,500	725	2,500	0.00%
100-2650-523900	Other Expenditures	608	200	298	500	150.00%
100-2650-531100	General Supplies and Materials	848	3,500	1,295	3,500	0.00%
100-2650-531120	General Supplies-Postage	74	125	53	125	0.00%
100-2650-531210	Water/Sewer	2,463	3,000	2,278	3,000	0.00%
100-2650-531230	Electricity	4,223	4,000	4,430	4,000	0.00%
100-2650-531270	Gasoline/Diesel	-	250	-	250	0.00%
100-2650-531300	Food Supplies	1,748	2,000	2,241	2,000	0.00%
100-2650-531400	Books and Periodicals-Code Books	500	250	-	250	0.00%
100-2650-531600	Small Equipment	412	5,000	2,108	5,000	0.00%
100-2650-531630	Software	11,444	7,500	11,235	10,000	33.33%
100-2650-531700	Other Supplies-Uniforms	524	500	910	750	50.00%
<b>Total Expenditures</b>		<b>\$ 211,556</b>	<b>\$ 251,362</b>	<b>\$ 284,589</b>	<b>\$ 274,375</b>	<b>9.16%</b>

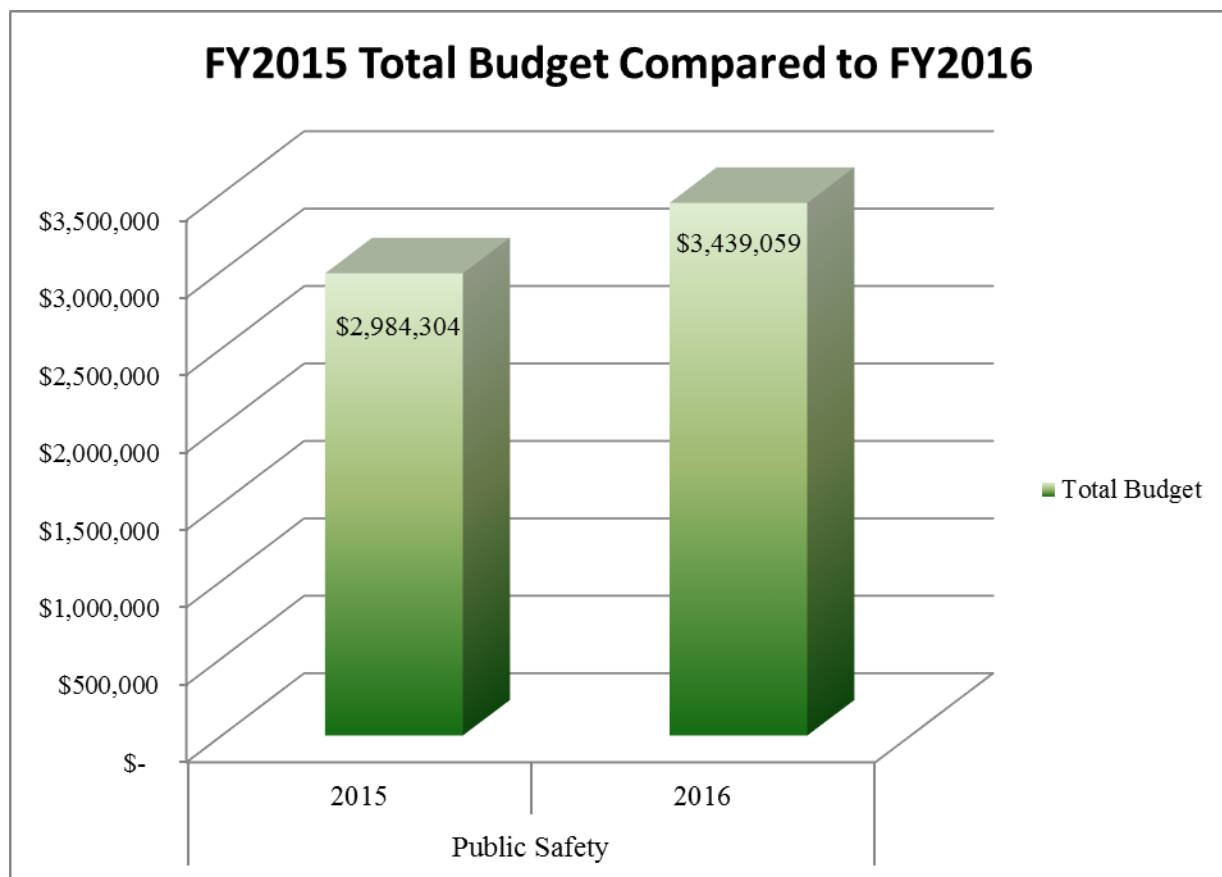


❖ **Public Safety**

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 \$3,439,059 (\$1,838,552 for salaries and benefits and \$1,600,507 for operating). This is a 15.24% increase in expenditures from \$2,984,304 in 2015.

In FY2014, the Holly Springs Mayor and City Council approved the issuance of a capital lease agreement between the City and BB&T for a lease-purchase of 5 police vehicles. The capital lease will be retired over the course of the next three fiscal years with SPLOST funds.



## **Personnel**

The FY2016 personnel allocation recommendation for Public Safety is as follows:

Chief of Police	One (1) FT
Deputy Chief	One (1) FT
Lieutenant Commander UAD	One (1) FT
Lieutenant	One (1) FT
Sergeant	Five (5) FT
Executive Assistant	One (1) FT
Uniform Patrol Officer	Thirteen (13) FT
Detective	Two (2) FT
Code Enforcement Officer	One (1) FT
Probation Officer	One (1) FT

The Police Department eliminated one (1) part-time Evidence Clerk and added one (1) Probation Officer, one (1) Lieutenant and (5) Uniform Patrol Officer positions for FY2016.

<b>Summary Table of Personnel</b>									
	<b>FY2014</b>		<b>FY2015</b>		<b>+/-</b>		<b>FY2016</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 Safety	21.00	0.00	20.00	1.00	7.00	-1.00	27.00	0.00	
<b>Total</b>	<b>21.00</b>	<b>0.00</b>	<b>20.00</b>	<b>1.00</b>	<b>7.00</b>	<b>-1.00</b>	<b>27.00</b>	<b>0.00</b>	

## **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>FY2014 Actual</b>	<b>FY2015 Budget</b>	<b>FY2015 Actual</b>	<b>FY2016 Budget</b>
<b>Output</b>				
# of TRACE meetings conducted	8	10	10	10
# of traffic tickets issued	2,912	3,000	2,520	3,000
<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)	N/A	Yes	Yes	Yes
<b>Efficiency</b>				
Average response time for all calls for service (in minutes)	4	4	4	4

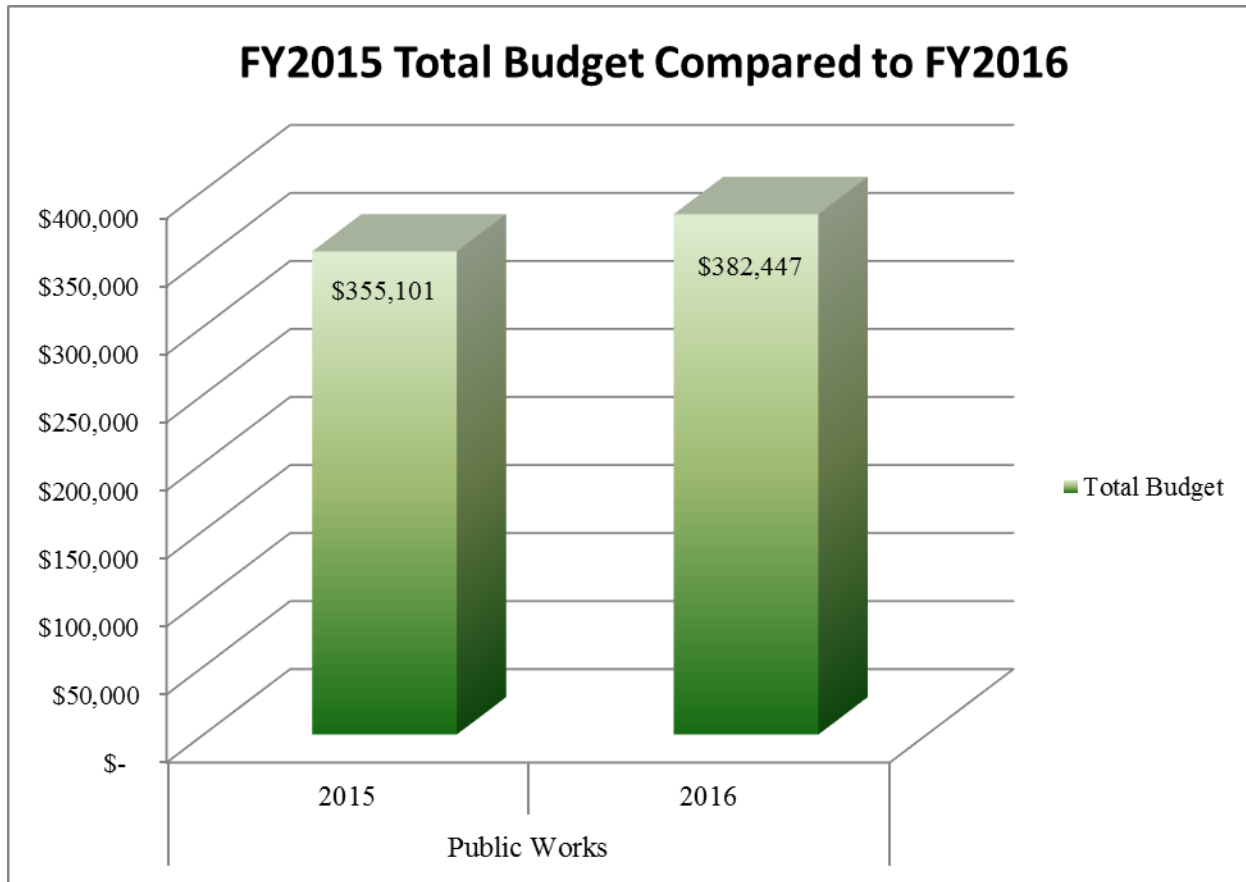
\* During 2014 Cherokee County Fire and Emergency Services called for an ISO inspection. As a result of the inspection, ISO granted Cherokee County a rating of three (3).

Fiscal Year 2016						
Public Safety Revenue & Expenditure Detail		FY 2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<b>Revenues</b>						
100-0000-331000	Grant Revenue	\$ 1,200	\$ 1,000	\$ -	\$ 500	-50.00%
100-0000-351905	Auxillary Revenue	-	1,500	-	750	-50.00%
<b>Total Revenues</b>		<b>\$ 1,200</b>	<b>\$ 2,500</b>	<b>\$ -</b>	<b>\$ 1,250</b>	<b>-50.00%</b>
<b>Expenditures</b>						
<b>Police Department</b>						
100-3200-511100	Salaries & Wages	\$ 912,207	\$ 1,104,907	\$ 1,093,373	\$ 1,247,428	12.90%
100-3200-511300	Salaries & Wages-Overtime	38,302	38,000	47,349	42,000	10.53%
100-3200-512100	Employee Benefits-Medical	123,922	182,825	154,277	242,966	32.90%
100-3200-512110	Employee Benefits-Dental	9,863	15,088	11,191	18,549	22.94%
100-3200-512120	Employee Benefits-ADD Life	2,497	2,622	3,195	3,822	45.77%
100-3200-512130	Employee Benefits-Disability	5,456	6,262	7,411	8,745	39.65%
100-3200-512200	FICA	56,565	70,860	69,699	79,944	12.82%
100-3200-512300	Medicare	13,402	16,572	16,301	18,697	12.82%
100-3200-512400	Employee Benefits-Retirement	53,316	53,031	192,666	136,738	157.85%
100-3200-512600	Unemployment	3,080	1,774	1,857	2,014	13.53%
100-3200-512700	Workers' Compensation	32,696	34,025	33,479	37,649	10.65%
100-3200-521200	Professional Services	690	1,000	100	1,000	0.00%
100-3200-522110	Garbage	513	500	474	500	0.00%
100-3200-522150	Pest Control	360	500	360	500	0.00%
100-3200-522200	Repair & Maintenance	16,937	15,000	19,058	15,000	0.00%
100-3200-522210	Repair & Maintenance-Vehicle	52,041	35,000	52,305	45,000	28.57%
100-3200-523100	Insurance	29,484	20,000	29,332	20,000	0.00%
100-3200-523200	Communications	12,414	12,000	13,813	12,000	0.00%
100-3200-523300	Advertising	425	500	970	500	0.00%
100-3200-523500	Travel	11,060	10,000	7,415	10,000	0.00%
100-3200-523600	Dues and Fees	1,485	500	5,813	500	0.00%
100-3200-523700	Education and Training	6,576	10,000	11,044	22,110	121.10%
100-3200-523710	Education and Training-PD Auxiliary	-	1,000	-	1,000	0.00%
100-3200-523850	Contract Labor	1,391	1,450	1,000	1,450	0.00%
100-3200-523900	Other Expenditures	4,670	5,000	6,627	5,000	0.00%
100-3200-531100	General Supplies and Materials	10,915	10,000	7,493	10,000	0.00%
100-3200-531110	Weapon Supplies and Ammunition	15,015	24,000	14,772	27,000	12.50%
100-3200-531120	General Supplies-Postage	159	488	76	488	0.00%
100-3200-531210	Water/Sewer	2,463	2,500	2,278	2,500	0.00%
100-3200-531230	Electricity	12,531	12,000	13,194	12,000	0.00%
100-3200-531270	Gasoline/Diesel	79,666	75,000	52,599	65,000	-13.33%
100-3200-531600	Small Equipment	17,837	35,500	35,198	35,500	0.00%
100-3200-531610	Small Equipment-Computer	-	5,000	2,964	5,000	0.00%
100-3200-531620	Small Equipment-PD Forfeitures	-	1,000	-	1,000	0.00%
100-3200-531630	Software	11,401	10,000	41,086	12,218	22.18%
100-3200-531700	Other Supplies-Uniforms	18,149	30,400	34,985	30,400	0.00%
<b>Total Police Department</b>		<b>\$ 1,557,488</b>	<b>\$ 1,844,304</b>	<b>\$ 1,983,754</b>	<b>\$ 2,174,218</b>	<b>17.89%</b>
<b>Fire Services</b>						
100-3500-571000	Intergovernmental-Fire Services	960,796	1,140,000	1,128,875	1,264,841	10.95%
<b>Total Fire Services</b>		<b>\$ 960,796</b>	<b>\$ 1,140,000</b>	<b>\$ 1,128,875</b>	<b>\$ 1,264,841</b>	<b>10.95%</b>
<b>TOTAL PUBLIC SAFETY</b>		<b>\$ 2,518,284</b>	<b>\$ 2,984,304</b>	<b>\$ 3,112,629</b>	<b>\$ 3,439,059</b>	<b>15.24%</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 \$382,447 (\$172,647 for salaries and benefits and \$209,800 for operating). This is a 7.7% increase in expenditures from \$355,101 in 2015.



## **Personnel**

The FY2016 personnel allocation recommendation for Public Works is as follows:

Public Works Supervisor	One (1) FT
Public Works Technician	Two (2) FT
Public Works Technician	Two (2) PT

One half (.50) of a Public Works Supervisor will be added for FY2016. This position will no longer be split with Parks and Recreation.

Summary Table of Personnel											
	FY2014			FY2015			+/-			FY2016	
Department	F/T	P/T		F/T	P/T		F/T	P/T		F/T	P/T
Public Works	1.00	3.00		2.50	2.00		0.50	0.00		3.00	2.00
Total	1.00	3.00		2.50	2.00		0.50	0.00		3.00	2.00

In order to continue maintaining grounds, the City has initiated contact with our contracted probation services provider 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.

<b>Performance Measures</b>	<b>FY2014 Actual</b>	<b>FY2015 Budget</b>	<b>FY2015 Actual</b>	<b>FY2016 Budget</b>
<b>Output</b>				
# of miles of roads resurfaced	5.346	2.12	1.79	.97
# of re-landscaped sites	5	3	3	2
<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 2016						
Public Works Expenditure Detail		FY 2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<b>Highways and Streets</b>						
100-4200-511100	Salaries & Wages	\$ 132,150	\$ 124,184	\$ 99,390	\$ 118,581	-4.51%
100-4200-511300	Salaries & Wages-Overtime	2,103	4,000	1,018	4,000	0.00%
100-4200-512100	Employee Benefits-Medical	12,551	23,091	8,056	19,954	-13.59%
100-4200-512110	Employee Benefits-Dental	1,139	1,698	991	1,293	-23.85%
100-4200-512120	Employee Benefits-ADD Life	319	399	105	368	-7.77%
100-4200-512130	Employee Benefits-Disability	645	825	660	675	-18.18%
100-4200-512200	FICA	8,108	7,880	6,168	7,569	-3.95%
100-4200-512300	Medicare	1,914	1,843	1,442	1,770	-3.96%
100-4200-512400	Employee Benefits-Retirement	10,687	8,945	26,529	10,052	12.38%
100-4200-512600	Unemployment	985	586	431	329	-43.86%
100-4200-512700	Workers' Compensation	10,606	8,426	5,863	8,056	-4.39%
100-4200-521220	Professional Services-Engineering	6,000	5,000	2,906	5,000	0.00%
100-4200-522110	Disposal-Garbage/Recycling	1,451	1,500	1,390	2,500	66.67%
100-4200-522140	Lawn Care	400	1,000	400	1,000	0.00%
100-4200-522150	Pest Control	480	500	480	750	50.00%
100-4200-522200	Repairs & Maintenance	37,479	24,500	61,341	49,500	102.04%
100-4200-522210	Repairs & Maintenance-Vehicles	11,996	5,000	7,248	7,500	50.00%
100-4200-522320	Rental of Equipment	948	500	597	750	50.00%
100-4200-523100	Insurance	6,607	5,750	8,915	7,500	30.43%
100-4200-523200	Communications	1,001	1,500	1,116	1,500	0.00%
100-4200-523300	Advertising/Promotions	156	-	-	-	
100-4200-523500	Travel	15	-	-	-	
100-4200-523600	Dues and Fees	-	500	-	500	0.00%
100-4200-523700	Education and Training	-	500		500	0.00%
100-4200-523850	Contract Labor	-	-	4,175	-	
100-4200-523900	Other Expenditures	449	250	833	1,000	300.00%
100-4200-531100	General Supplies and Materials	20,147	15,000	11,048	15,000	0.00%
100-4200-531120	General Supplies-Postage	25	50	12	50	0.00%
100-4200-531210	Water/Sewer	105	250	99	250	0.00%
100-4200-531230	Electricity	4,560	7,424	23,265	7,500	1.02%
100-4200-531270	Gasoline/Diesel	17,468	15,000	12,364	15,000	0.00%
100-4200-531600	Small Equipment	5,649	5,000	2,371	5,000	0.00%
100-4200-531700	Other Supplies-Uniforms	538	1,500	654	1,500	0.00%
100-4200-542100	Capital Outlay-Machinery & Equipment	5,915	-	6,476	-	
<b>Total Highways and Streets</b>		<b>\$ 302,596</b>	<b>\$ 272,601</b>	<b>\$ 296,344</b>	<b>\$ 294,947</b>	<b>8.20%</b>
<b>Street Lights</b>						
100-4260-531230	Electricity-Street Lights	72,254	80,000	73,755	85,000	6.25%
<b>Total Street Lights</b>		<b>\$ 72,254</b>	<b>\$ 80,000</b>	<b>\$ 73,755</b>	<b>\$ 85,000</b>	<b>6.25%</b>
<b>Traffic Lights</b>						
100-4270-531230	Electricity-Traffic Lights	1,422	2,500	1,336	2,500	0.00%
<b>Total Traffic Lights</b>		<b>\$ 1,422</b>	<b>\$ 2,500</b>	<b>\$ 1,336</b>	<b>\$ 2,500</b>	<b>0.00%</b>
<b>TOTAL PUBLIC WORKS</b>		<b>\$ 376,272</b>	<b>\$ 355,101</b>	<b>\$ 371,435</b>	<b>\$ 382,447</b>	<b>7.70%</b>



## ***Special Revenue Funds***

# Budget Overview

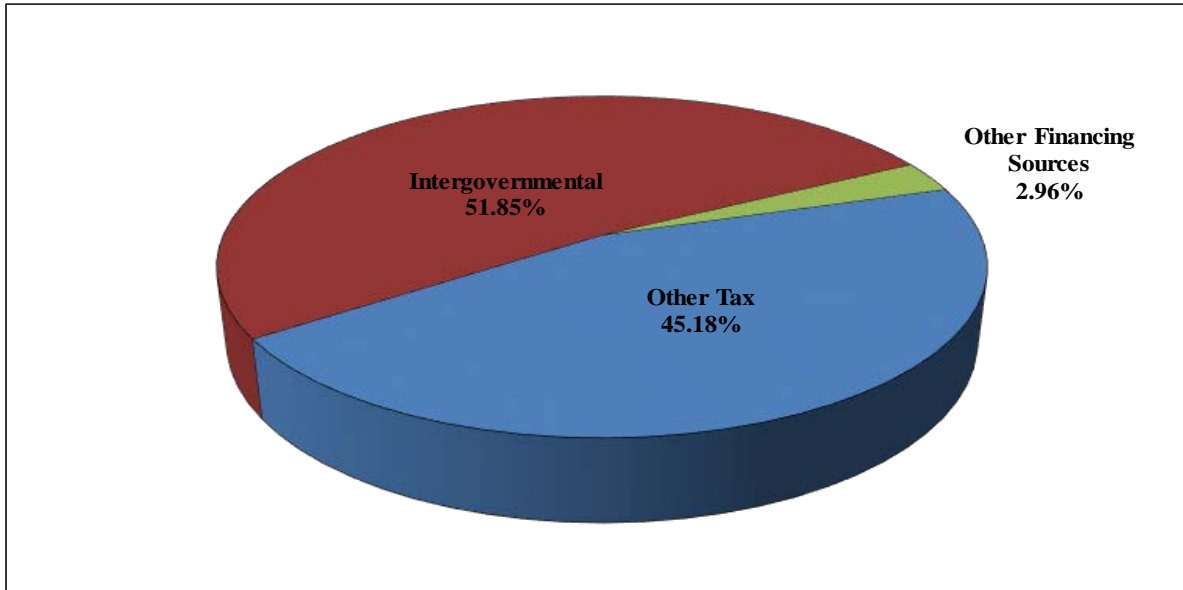
## Special Revenue Funds

	Adopted Budget <u>2015</u>	Adopted Budget <u>2016</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Total Cost	\$614,600	\$675,000	\$60,400	9.83%

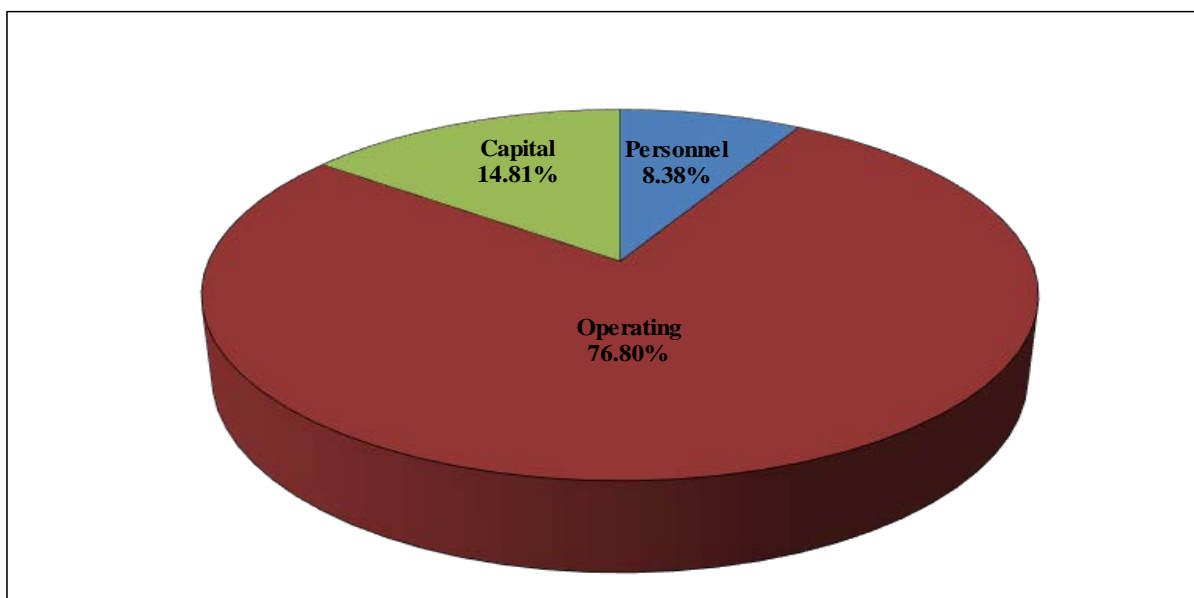
Revenues by Department & Category				
	<u>Other Tax</u>	<u>Intergovernmental</u>	<u>Other</u>	Total
Parks and Recreation	\$ 300,000	\$ -	\$ 20,000	\$ 320,000
Hotel/Motel Tax	\$ 4,995	\$ -	\$ 5	\$ 5,000
Operating Grant	\$ -	\$ 350,000	\$ -	\$ 350,000
Total	<u>\$ 304,995</u>	<u>\$ 350,000</u>	<u>\$ 20,005</u>	<u>\$ 675,000</u>

Expenditures by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	Total
Parks and Recreation	\$ 56,595	\$ 163,405	\$100,000	\$ 320,000
Hotel/Motel Tax	\$ -	\$ 5,000	\$ -	\$ 5,000
Operating Grant	\$ -	\$ 350,000	\$ -	\$ 350,000
Total	<u>\$ 56,595</u>	<u>\$ 518,405</u>	<u>\$100,000</u>	<u>\$ 675,000</u>

## ***Budget Overview Special Revenue Funds Revenues By Source***



## ***Expenditures By Category***



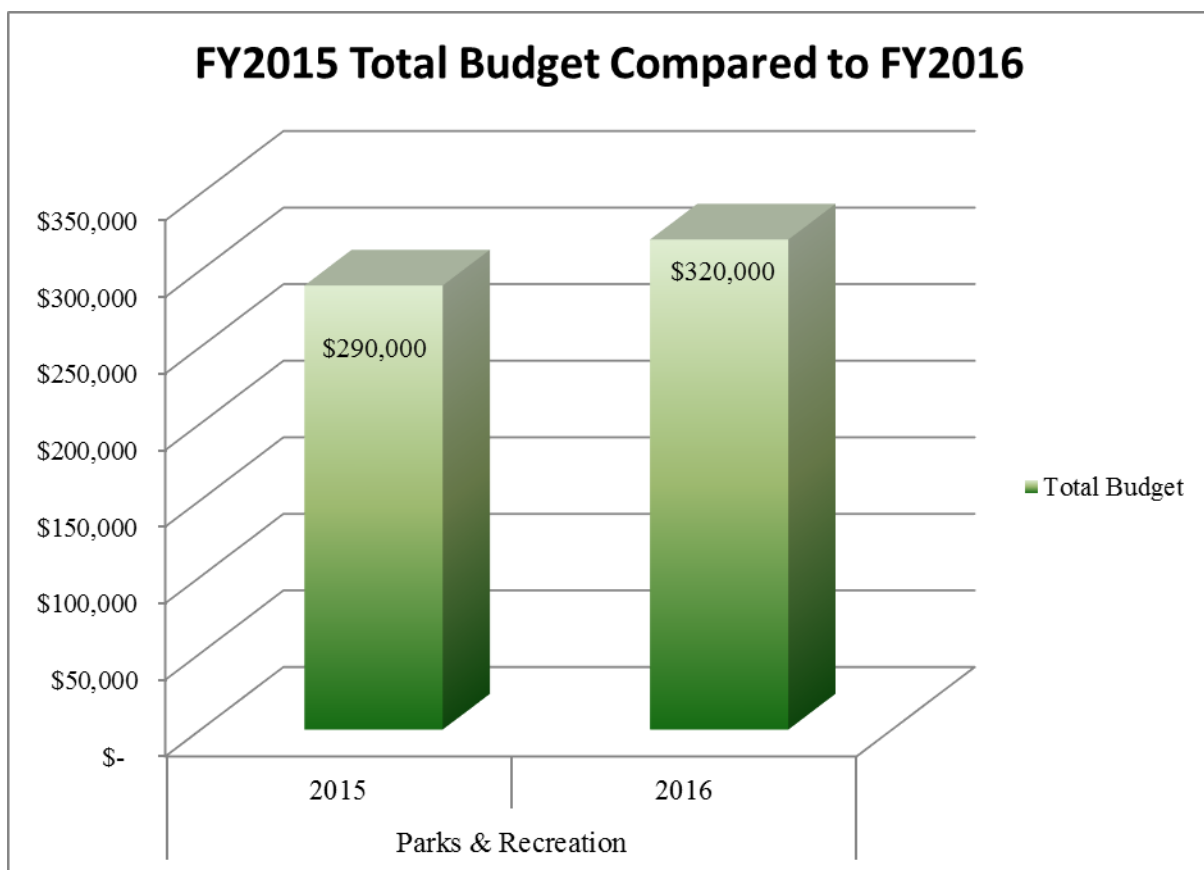
## **Special Revenue Funds**

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 \$320,000. This is a 10.34% increase in expenditures from \$290,000 in 2015. This is due to an increase in budgeted repairs and maintenance expenditures for parks throughout the City.





**Personnel**

The FY2016 personnel allocation recommendation for the Parks and Recreation Department is as follows:

Grounds Maintenance                      One (1) PT

Elimination of one half (.50) of the Parks and Recreation Supervisor.

Summary Table of Personnel											
	FY2014			FY2015			+/-			FY2016	
Department	F/T	P/T		F/T	P/T		F/T	P/T		F/T	P/T
Parks and Recreation	0.00	0.00		0.50	1.00		-0.50	0.00		0.00	1.00
Total	0.00	0.00		0.50	1.00		-0.50	0.00		0.00	1.00

Public Works staff provides maintenance of the area parks and facilities related to park operations; therefore, staff 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 2014, the City of Holly Springs started construction on J. B. Owens Park. The park is a 33 acre passive park with walking trails, a playground, pavilions and an open field. The park is funded from an allocation of park bond money from Cherokee County. All expenditures and project management the responsibility of the Cherokee Recreation & Parks Agency. The City of Holly Springs will incur no expenditures as a result of this project. The park opened to our residents in late 2015.

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>FY2014 Actual</b>	<b>FY2015 Budget</b>	<b>FY2015 Actual</b>	<b>FY2016 Budget</b>
<b>Output</b>				
# of acres of land set aside for new park construction	33	34.67	1.67*	3.34
# of acres of developed park land per 1,000 city residents	4.35	4.33	4.76	4.76
<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	\$14.91	\$12.23	\$11.78	\$11.37
Average operating cost per resident - community center	\$1.74	\$6.82	\$1.22	\$2.64

\*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.

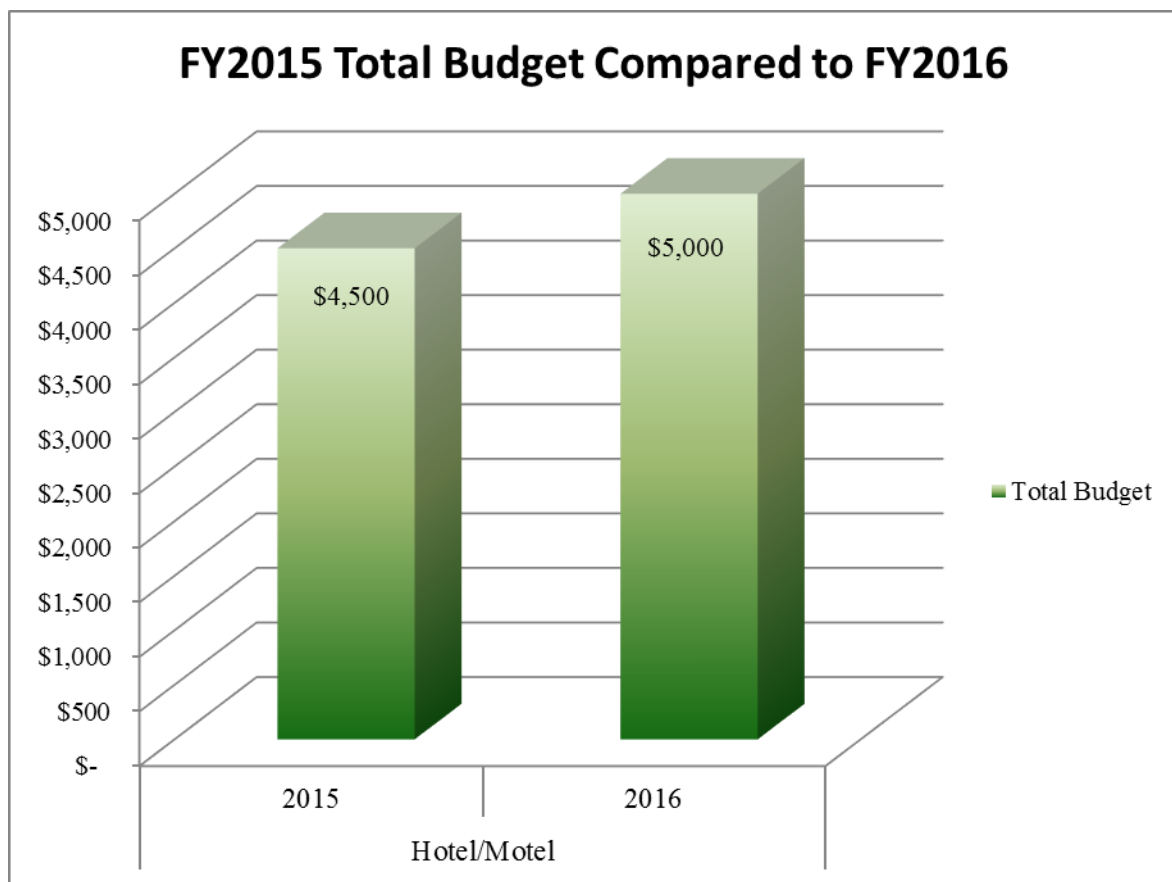
Fiscal Year 2016						
Parks and Recreation Revenue & Expenditure Detail		FY 2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<b>Revenues</b>						
270-0000-314200	Alcoholic Beverage Excise Tax	\$ 270,495	\$ 260,500	\$ 285,921	\$ 275,000	5.57%
270-0000-314300	Local Option Mixed Drink Tax	21,905	21,250	27,654	25,000	17.65%
270-0000-319100	Penalties & Interest	528	250	659	750	200.00%
270-0000-371000	Donations from Private Sources	2,150	250	6,075	6,500	2500.00%
270-0000-380000	Miscellaneous Revenue	2,356	2,000	4,750	5,250	162.50%
270-0000-381000	Rents and Royalties	9,575	5,750	9,620	7,500	30.43%
270-0000-391200	Operating Transfers In	-	-	12,872	-	
<b>Total Revenues</b>		<b>\$ 307,010</b>	<b>\$ 290,000</b>	<b>\$ 347,551</b>	<b>\$ 320,000</b>	<b>10.34%</b>
<b>Expenditures</b>						
270-5530-522110	Disposal - Garbage Depot	\$ 963	\$ 1,500	\$ 903	\$ 1,500	0.00%
270-5530-522150	Pest Control - Depot	480	1,000	480	1,000	0.00%
270-5530-522200	Repairs & Maintenance - Depot	7,893	25,000	3,390	10,000	-60.00%
270-5530-523200	Communications	1,208	1,500	1,203	1,730	15.33%
270-5530-531210	Water/Sewer - Depot	599	1,500	471	1,500	0.00%
270-5530-531220	Natural Gas - Depot	2,052	2,500	1,690	2,500	0.00%
270-5530-531230	Electricity - Depot	3,660	8,000	3,684	8,000	0.00%
270-6175-531100	General Supplies - Christmas	2,138	2,500	4,254	-	-100.00%
270-6176-531100	General Supplies - Special Events	7,824	7,500	12,136	-	-100.00%
270-6220-511100	Salaries & Wages	-	38,431	25,000	38,797	0.95%
270-6220-511300	Overtime	-	-	-	1,000	
270-6220-512100	Employee Benefits-Medical Insurance	-	12,104	2,920	7,496	-38.07%
270-6220-512110	Employee Benefits-Dental Insurance	-	888	200	485	-45.38%
270-6220-512125	Employee Benefits-Disability Insurance	-	361	189	189	-47.65%
270-6220-512150	Employee Benefits-Addtl Life Insurance	-	172	73	74	-56.98%
270-6220-512200	FICA	-	2,383	1,550	2,498	4.83%
270-6220-512300	Medicare	-	557	363	584	4.85%
270-6220-512400	Employee Benefits-Retirement	-	3,738	3,738	2,703	-27.69%
270-6220-512600	Unemployment	-	260	37	110	-57.69%
270-6220-512700	Workers Compensation Insurance	-	2,536	2,536	2,659	4.85%
270-6220-522110	Disposal - Garbage Parks	929	2,000	871	3,000	50.00%
270-6220-522140	Lawn Care	2,660	4,500	3,320	4,500	0.00%
270-6220-522150	Pest Control - Parks	360	1,500	360	1,500	0.00%
270-6220-522200	Repairs & Maintenance - Parks	65,079	13,375	48,289	30,000	124.30%
270-6220-522310	Rental of Land-Brackett Plaza	320	125	-	125	0.00%
270-6220-522320	Rental of Equipment	1,197	2,000	-	2,000	0.00%
270-6220-523600	Dues and Fees	333	1,000	347	550	-45.00%
270-6220-523850	Contract Labor	15,075	25,000	13,013	30,000	20.00%
270-6220-531100	General Supplies & Materials - Parks	3,809	2,570	3,782	5,000	94.55%
270-6220-531210	Water/Sewer - Parks	2,372	3,000	4,794	3,000	0.00%
270-6220-531230	Electricity - Parks	1,300	10,000	1,328	5,000	-50.00%
270-6220-531600	Small Equipment - Parks	6,296	2,500	999	2,500	0.00%
270-6220-541100	Capital Outlay - Sites	100,000	100,000	100,000	100,000	0.00%
270-6220-541200	Capital Outlay - Site Improvement	11,892	-	-	-	
270-6220-542100	Capital Outlay - Machinery	32,710	10,000	3,000	-	-100.00%
270-9000-611000	Transfer to the General Fund	-	-	-	50,000	
<b>Total Expenditures</b>		<b>\$ 271,149</b>	<b>\$ 290,000</b>	<b>\$ 244,920</b>	<b>\$ 320,000</b>	<b>10.34%</b>

Product	Non-Routine Capital Expenditure Amount	Notes
Park Land	\$ 100,000	Acquisition of property for the development of a future passive/active city park
	<u>\$ 100,000</u>	
<b>Impact on operating budget :</b> these expenditures will not initially impact the City's operating budget, however, with these additional assets comes the potential for future repairs and replacement costs.		

❖ **Hotel/Motel Tax Fund**

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

The total expenditures allocated for appropriation in this fund are anticipated to be \$5,000. This is an 11.11% increase in expenditures from \$4,500 in 2015.



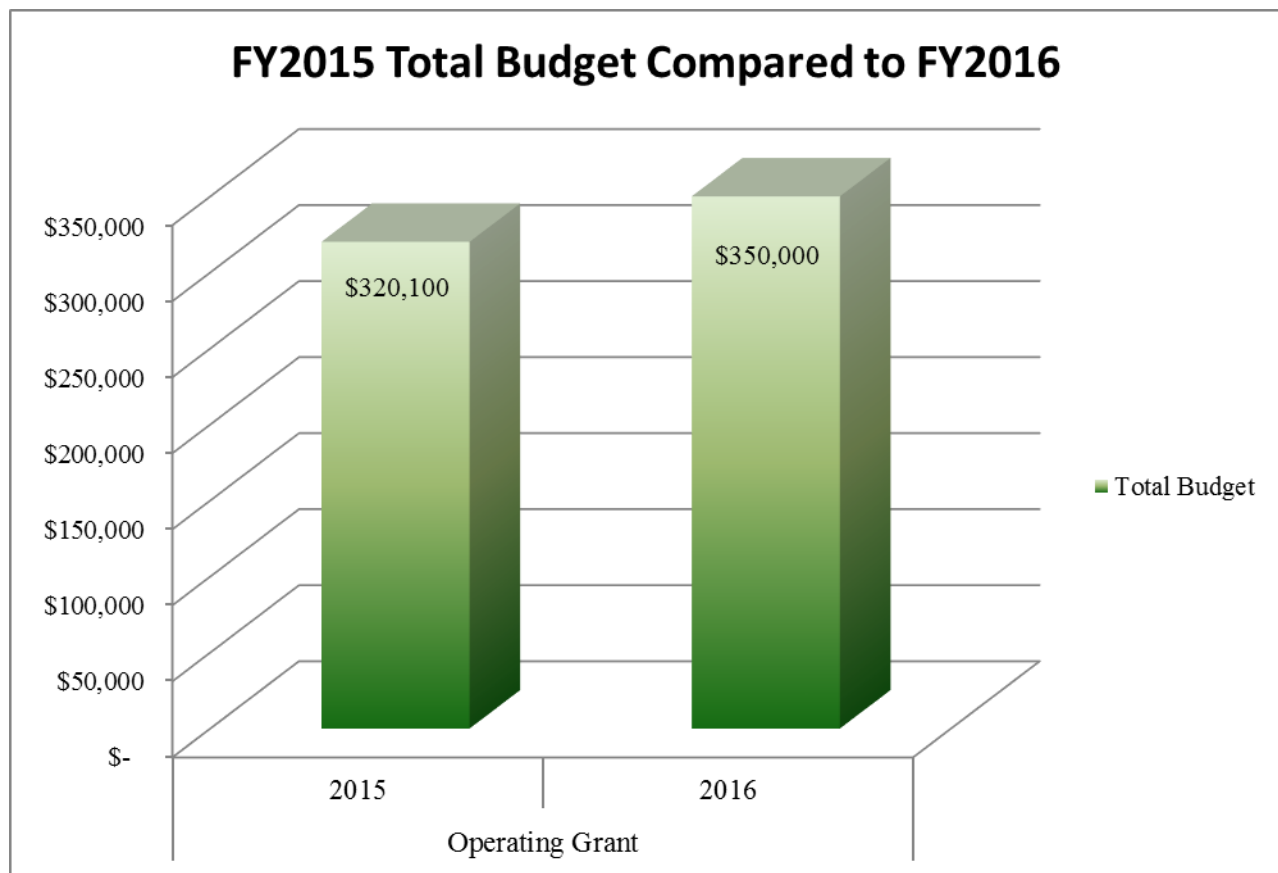
According to Georgia Code (O.C.G.A. 48-13-51), these monies can only be used to advance tourism and promote the City. The City is using Hotel/Motel tax revenues in the amount of \$5,000 to promote the City's activities and events that attract visitors.

Fiscal Year 2016						
Hotel/Motel Revenue & Expenditure Detail		FY 2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<i>Revenues</i>						
275-0000-314100	Hotel/Motel Taxes	\$ 5,083	\$ 4,495	\$ 6,522	\$ 4,995	11.12%
275-0000-361000	Interest Revenue	7	5	7	5	0.00%
<b>Total Revenues</b>		<b>\$ 5,091</b>	<b>\$ 4,500</b>	<b>\$ 6,529</b>	<b>\$ 5,000</b>	<b>11.11%</b>
<i>Expenditures</i>						
275-7540-523300	Advertising/Promotions	\$ 6,395	\$ 4,500	\$ 8,137	\$ 5,000	11.11%
<b>Total Expenditures</b>		<b>\$ 6,395</b>	<b>\$ 4,500</b>	<b>\$ 8,137</b>	<b>\$ 5,000</b>	<b>11.11%</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 FY2016, we have budgeted \$350,000 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., we still must budget accordingly for these expenditures as we are the pass-through entity.

Fiscal Year 2016						
Operating Grant Revenue & Expenditure Detail		FY 2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<i>Revenues</i>						
250-0000-331000	Grant Revenue	\$ 303,716	\$ 320,000	\$ 346,038	\$ 350,000	9.38%
250-0000-361000	Interest Revenue	18	100	16	-	-100.00%
<b>Total Revenues</b>		<b>\$ 303,734</b>	<b>\$ 320,100</b>	<b>\$ 346,054</b>	<b>\$ 350,000</b>	<b>9.34%</b>
<i>Expenditures</i>						
250-7640-523600	Dues and Fees	\$ 15	\$ 100	\$ -	\$ -	-100.00%
250-7640-572000	Payments to Other Agencies	303,924	320,000	374,602	350,000	9.38%
<b>Total Expenditures</b>		<b>\$ 303,938</b>	<b>\$ 320,100</b>	<b>\$ 374,602</b>	<b>\$ 350,000</b>	<b>9.34%</b>





# ***Capital Project Funds***

# *Budget Overview*

## *Capital Project Funds*

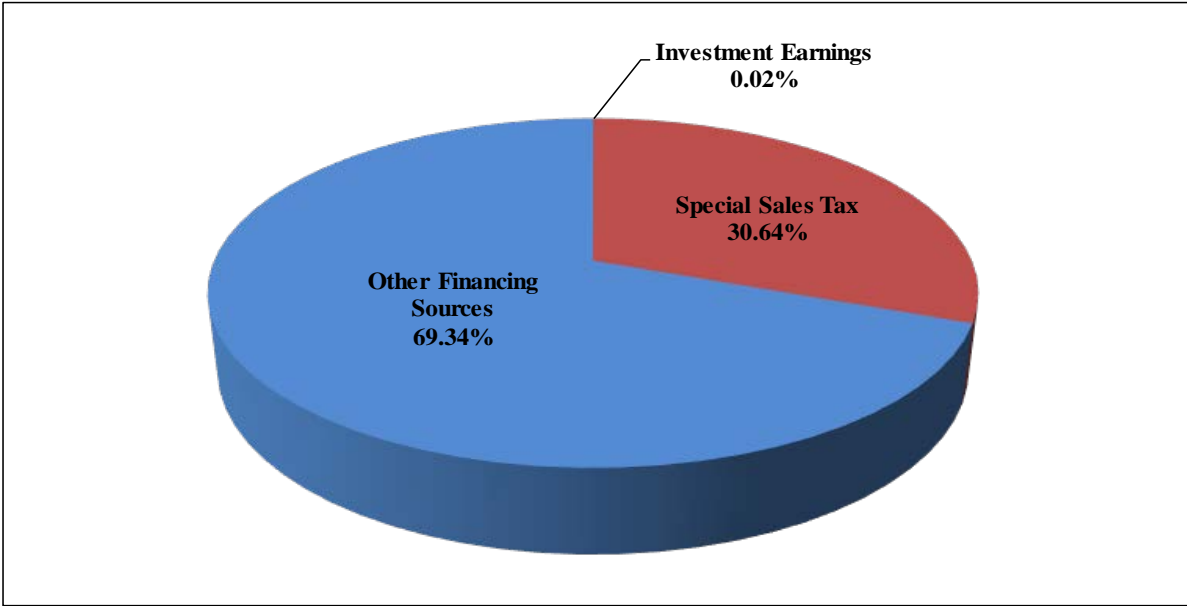
	Adopted Budget 2015	Adopted Budget 2016	Dollar Change	Percent Change
Total Cost	\$5,664,750	\$4,080,150	(\$1,584,600)	-27.97%

Revenues by Department & Category				
	<u>Special Tax</u>	<u>Investment Earnings</u>	<u>Other</u>	<u>Total</u>
SPLOST III	\$ -	\$ 72	\$ 199,928	\$ 200,000
SPLOST IV	\$ 1,250,000	\$ 730	\$ 2,629,420	\$ 3,880,150
Total	<u>\$ 1,250,000</u>	<u>\$ 802</u>	<u>\$ 2,829,348</u>	<u>\$ 4,080,150</u>

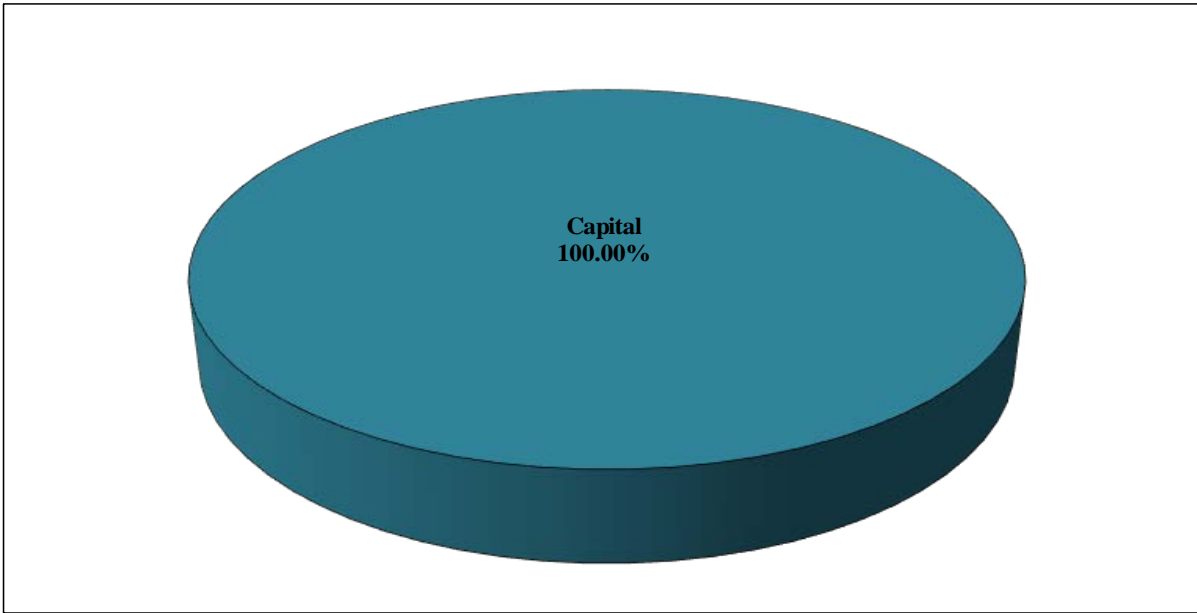
Expenditures by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
SPLOST III	\$ -	\$ -	\$ 200,000	\$ 200,000
SPLOST IV	\$ -	\$ -	\$ 3,880,150	\$ 3,880,150
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,080,150</u>	<u>\$ 4,080,150</u>

Explanation of Major Variances
The Downtown Holly Springs Sanitary Sewer Project was completed in 2015. Therefore, no provision for this project was included in the 2016 SPLOST IV budget.

*Budget Overview*  
*Capital Project Funds*  
*Revenues By Source*



*Expenditures By Category*



## **Capital Project Funds**

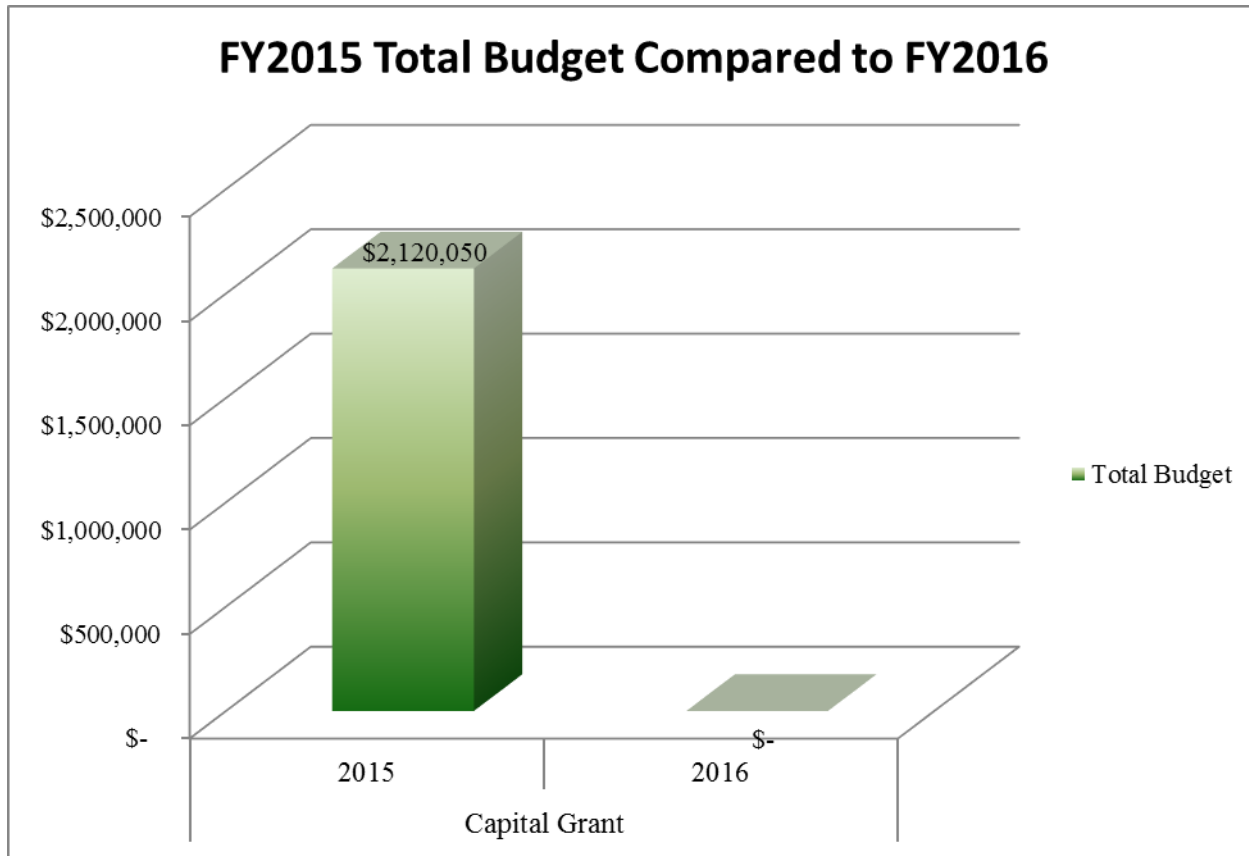
Capital Project Funds are used to account for major capital construction or acquisition. The City has three Capital Project Funds at this time which account for general capital projects and fleet acquisition. Capital Project Funds use the modified accrual basis of accounting and budgeting.

### **Fund Highlights**

#### **❖ *Capital Grant Fund***

In prior years, this fund tracked capital projects as they relate to grant awards from the federal and state government with the City matching funds for these grant projects.

In the 2016 budget, the Capital Grant Fund has been consolidated with the SPLOST IV Fund.



Fiscal Year 2016						
Capital Grant Revenue & Expenditure Detail		FY2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<i>Revenues</i>						
340-0000-134000	Fund Balance	\$ -	\$ -	\$ -	\$ -	
340-0000-331000	Grant Revenue-STP Urban	-	2,120,000	-	-	-100.00%
340-0000-361000	Interest Revenue	56	50	26	-	-100.00%
340-0000-391000	Operating Transfers In From Other Funds	-	-	-	-	
<b>Total Revenues</b>		<b>\$ 56.42</b>	<b>\$ 2,120,050</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>-100.00%</b>
<i>Expenditures</i>						
340-4224-523600	Dues and Fees	-	50	-	-	-100.00%
340-9000-611000	Transfer to Other Funds	94,670	2,120,000	-	-	-100.00%
<b>Total Expenditures</b>		<b>\$ 94,670</b>	<b>\$ 2,120,050</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-100.00%</b>

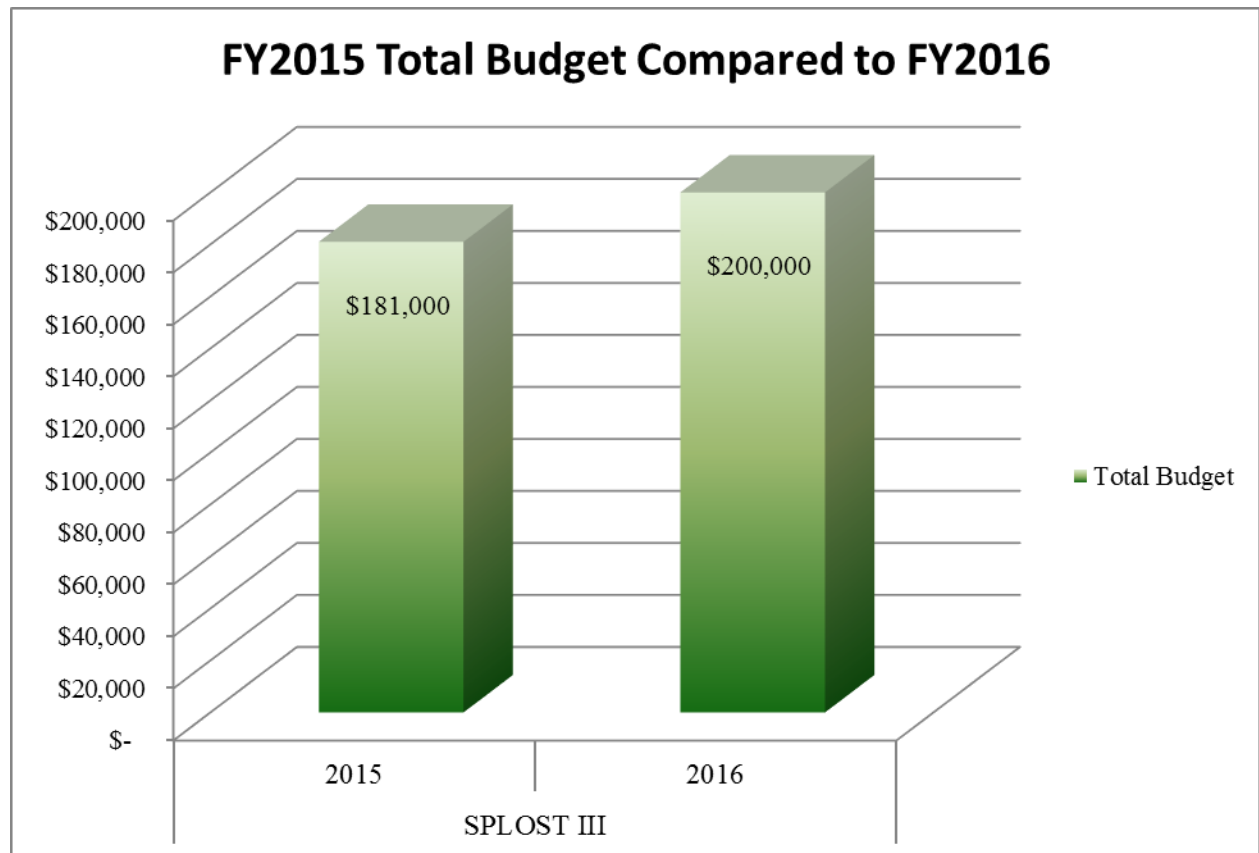
❖ **SPLOST III (Special Purpose Local Option Sales Tax) Fund**

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 FY2016 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 2016						
SPLOST III Revenue & Expenditure Detail		FY2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<b>Revenues</b>						
320-0000-134000	Fund Balance	\$ -	\$ 171,197	\$ -	\$ 188,000	9.82%
320-0000-343200	Special Assessment - Crestmont	20,874	9,615	11,928	11,928	24.06%
320-0000-361000	Interest Revenue	193	188	198	72	-61.70%
<b>Total Revenues</b>		<b>\$ 21,067</b>	<b>\$ 181,000</b>	<b>\$ 12,126</b>	<b>\$ 200,000</b>	<b>10.50%</b>
<b>Expenditures</b>						
320-4224-541400	Capital Outlay - Infrastructure	\$ -	\$ 181,000	\$ -	\$ 200,000	10.50%
<b>Total Expenditures</b>		<b>\$ -</b>	<b>\$ 181,000</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>10.50%</b>

<b>Non-Routine Capital Expenditures</b>		
<b>Description</b>	<b>Amount</b>	<b>Notes</b>
City-wide	\$ 200,000	Streetscapes
	<u>\$ 200,000</u>	
<b>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.</b>		

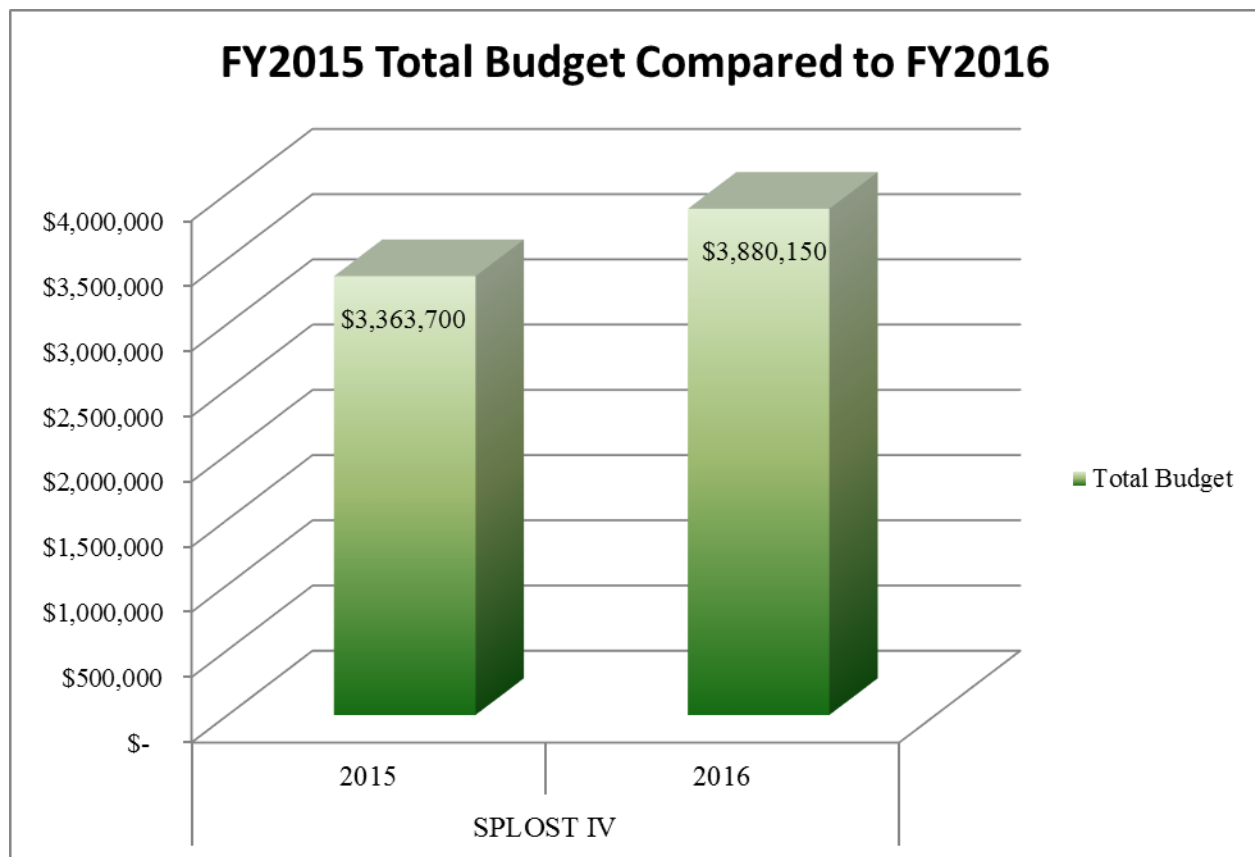


❖ ***SPLOST IV (Special Purpose Local Option Sales Tax) Fund***

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

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

The City is budgeting \$1,250,000 in SPLOST revenues for FY2016. We are budgeting for an average monthly revenue collection of \$104,166 in FY2016.



Fiscal Year 2016						
SPLOST IV Revenue & Expenditure Detail		FY2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<b>Revenues</b>						
325-0000-134000	Fund Balance	\$ -	\$ -	\$ -	\$ 321,511	
325-0000-313200	SPLOST IV Revenue	1,187,628	1,150,000	1,261,916	1,250,000	8.70%
325-0000-331000	Grant Revenue - LMIG	172,213	82,950	66,565	84,720	2.13%
325-0000-331000	Grant Revenue - CDBG		-		250,000	
325-0000-343200	Special Assessments - Topping Fees	29,550	10,000	-	10,000	0.00%
325-0000-361000	Interest Revenue	864	750	914	730	-2.67%
325-0000-391000	Transfer from Capital Grant Fund	94,670	2,120,000	-	1,963,189	-7.40%
325-0000-393000	Proceeds from Issuance of N/P	133,553	-	-	-	
<b>Total Revenues</b>		<b>\$ 1,618,479</b>	<b>\$ 3,363,700</b>	<b>\$ 1,329,395</b>	<b>\$ 3,880,150</b>	<b>15.35%</b>
<b>Expenditures</b>						
325-3200-541200	Capital Outlay - Site Improvements	207,475	-	-	-	
325-3200-542100	Capital Outlay - Equipment	22,736	54,250	3,883	52,500	-3.23%
325-3200-542200	Capital Outlay - Vehicles	170,014	140,596	171,006	196,922	40.06%
325-4200-541400	Capital Outlay - Road Infrastructure	702,685	356,997	382,651	143,275	-59.87%
325-4224-541400	Capital Outlay - LCI Sidewalk Project	153,413	2,120,000	235,432	2,453,987	15.75%
325-4224-541410	Capital Outlay - CDBG Sidewalk	-	-	-	900,000	
325-4300-541400	Capital Outlay-Sewer Infrastructure	81,546	500,000	668,559	-	-100.00%
325-8000-581200	Principal - Capital Lease	138,944	182,561	127,215	129,848	-28.87%
325-8000-582200	Interest - Capital Lease	6,558	9,296	6,252	3,618	-61.08%
<b>Total Expenditures</b>		<b>\$ 1,483,372</b>	<b>\$ 3,363,700</b>	<b>\$ 1,594,999</b>	<b>\$ 3,880,150</b>	<b>15.35%</b>

<b>Non-Routine Capital Expenditures</b>		
<b>Description</b>	<b>Amount</b>	<b>Notes</b>
Streets and sidewalks	\$3,497,262	New roads throughout the City and resurfacing city streets and construction of the LCI Project
Police equipment	\$ 52,500	Cameras, radios and equipment for police cars
Police vehicles	\$ 196,922	Four (4) police vehicles
Capital lease payment	\$ 133,466	Lease payments on four police and one public works vehicle
	<u>\$3,880,150</u>	
<b>Impact on operating budget</b> : these expenditures will not initially impact the City's operating budget as these are special purpose local option sales tax projects approved by the voters and paid for by an additional 1% sales tax on consumables.		



***City of Holly Springs***

***Proprietary Fund***



# ***Enterprise Fund***

# Budget Overview

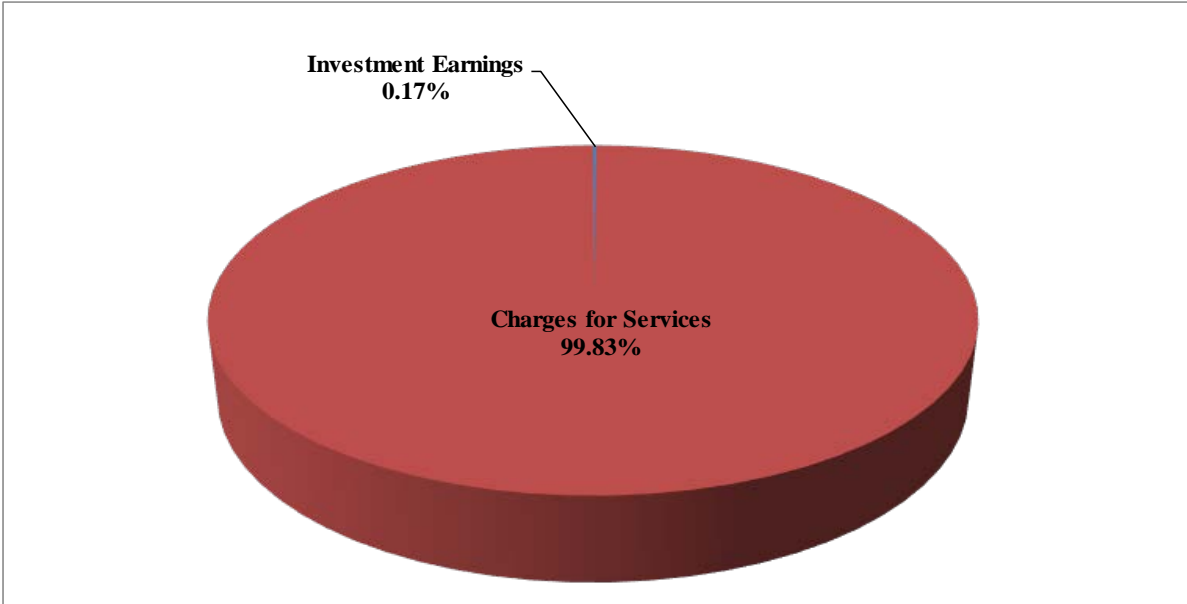
## Enterprise Fund

	Adopted Budget <u>2015</u>	Adopted Budget <u>2016</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Total Cost	\$295,500	\$300,000	\$4,500	1.52%

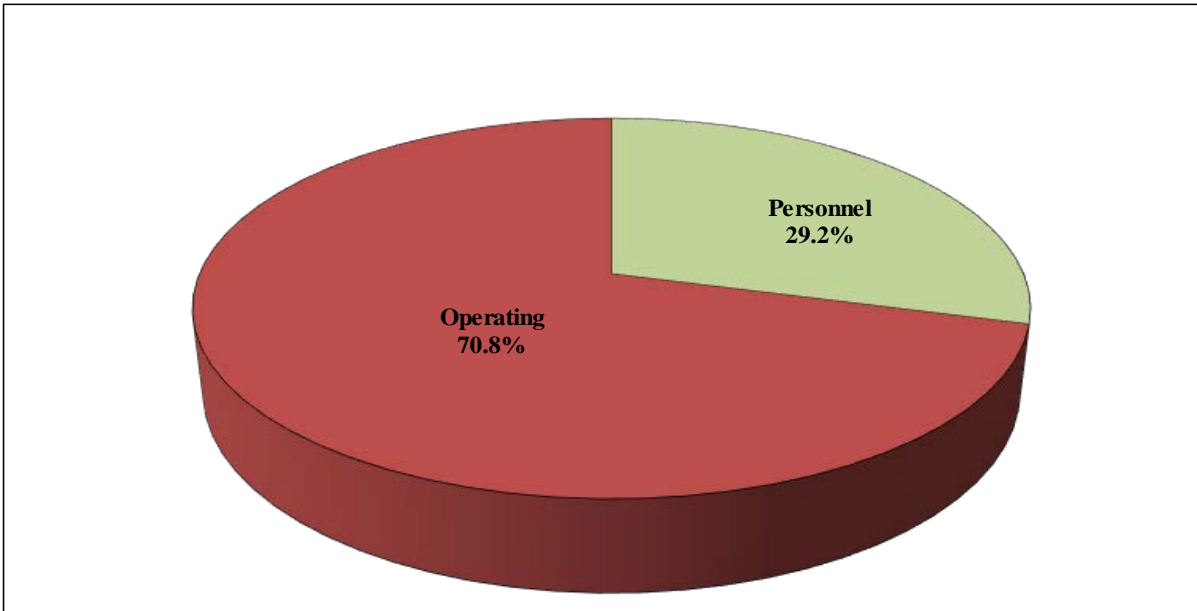
Revenues by Department & Category				
	<u>Charges for Services</u>	<u>Investment Earnings</u>	<u>Net Assets</u>	<u>Total</u>
Stormwater	\$ 299,500	\$ 500	\$ -	\$ 300,000
Total	<u>\$ 299,500</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 300,000</u>

Expenses by Department & Category				
	<u>Personnel</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Stormwater	\$ 87,600	\$ 212,400	\$ -	\$ 300,000
Total	<u>\$ 87,600</u>	<u>\$ 212,400</u>	<u>\$ -</u>	<u>\$ 300,000</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**

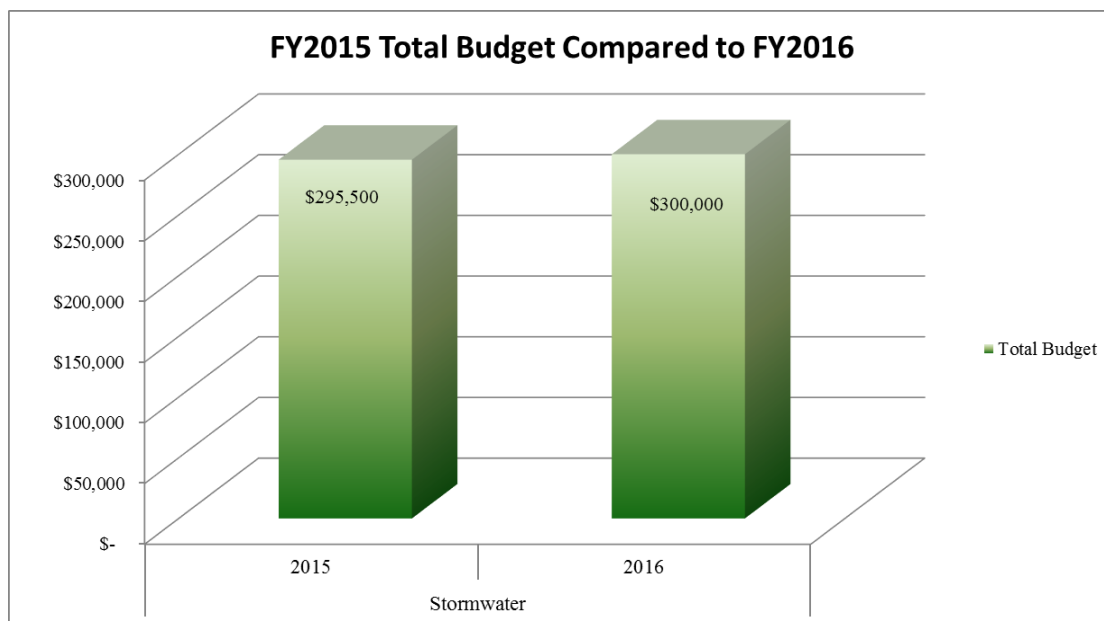
#### **❖ Stormwater Utility Management**

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 FY2016 are estimated to be \$300,000. The expenses budgeted commensurate with the revenues of \$300,000 and are broken down in the following table.





The primary effort for 2016 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 (vacuum truck rental), 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 FY2016 personnel allocation recommendation for the Stormwater Utility Management Department is as follows:

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

The Community Development Director will no longer be split between Housing and Development and the Stormwater Utility Management Fund and there is an addition of one (1) part-time Stormwater Technician I position in FY2016

Summary Table of Personnel											
	FY2014			FY2015			+/-			FY2016	
Department	F/T	P/T		F/T	P/T		F/T	P/T		F/T	P/T
Stormwater Utility Management	1.00	2.00		1.33	0.00		-0.33	1.00		1.00	1.00
Total	1.00	2.00		1.33	0.00		-0.33	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>FY2014 Actual</b>	<b>FY2015 Budget</b>	<b>FY2015 Actual</b>	<b>FY2016 Budget</b>
<b>Output</b>				
# of new stormwater outfall structures, catch basins, and detention facilities	0	6	16	15
# of facilities inspected	572	500	591	550
# of water samples conducted pursuant to the North Georgia Water Planning District requirements	12	10	13	14
<b>Effectiveness</b>				
% of stormwater structures inspected	21%	25%	20%	25%
<b>Efficiency</b>				
Average number of days to respond to stormwater complaints	1	3	1	3

Fiscal Year 2016						
Stormwater Utility Management Revenue & Expense Detail		FY2014 Actual (audited)	FY2015 Budget	FY2015 Actuals (unaudited)	FY2016 Budget	% (+/-) FY2015 to FY2016
<b>Revenues</b>						
560-0000-344260	Stormwater Utility Fees	\$ 322,619	\$ 295,000	\$ 303,908	\$ 299,500	1.53%
560-0000-361000	Interest Revenue	533	500	518	500	0.00%
560-0000-371000	Contributions from Private Sources		-			
<b>Total Revenues</b>		<b>\$ 323,152</b>	<b>\$ 295,500</b>	<b>\$ 304,426</b>	<b>\$ 300,000</b>	<b>1.52%</b>
<b>Expenses</b>						
560-4320-511100	Salaries & Wages	\$ 56,400	\$ 58,500	\$ 57,502	\$ 65,736	12.37%
560-4320-511300	Overtime	-	-	-	2,000	
560-4320-512100	Employee Benefits - Medical Insurance	6,475	7,250	11,796	6,227	-14.11%
560-4320-512110	Employee Benefits - Dental	375	405	401	405	0.00%
560-4320-512125	Employee Benefits - Disability	365	386	469	306	-20.73%
560-4320-512150	Employee Benefits - ADD Life	150	150	193	147	-2.00%
560-4320-512200	FICA	3,497	3,626	3,565	3,778	4.19%
560-4320-512300	Medicare	818	848	834	884	4.25%
560-4320-512400	Employee Benefits - Retirement	4,500	4,516	4,516	4,853	7.46%
560-4320-512600	Unemployment	405	228	96	146	-35.96%
560-4320-512700	Workers Comp Insurance	1,406	1,656	1,656	3,118	88.29%
560-4320-521200	Legal & Professional Services	-	5,000	530	5,000	0.00%
560-4320-521300	Regional Stormwater	7,577	5,000	-	5,000	0.00%
560-4320-521325	Pollution Prevention	54	2,000	350	2,500	25.00%
560-4320-521350	Watershed Planning	-	660	-	650	-1.52%
560-4320-522100	Maintenance & Cleaning	28,701	70,000	58,751	60,000	-14.29%
560-4320-522200	Structural Upgrades	28,789	125,000	58,097	125,000	0.00%
560-4320-523100	Insurance	158	-	-	-	
560-4320-523400	Printing & Binding	40	-	40	-	
560-4320-523600	Dues and Fees	1,531	-	-	-	
560-4320-523700	Training/Education & Public Awareness	762	4,500	206	7,000	55.56%
560-4320-523850	Contract Labor	2,875	-	4,150	-	
560-4320-531100	Office Supplies	30	675	730	750	11.11%
560-4320-531120	Postage	701	100	439	500	400.00%
560-4320-531210	Water/Sewer	-	-	2,648	-	
560-4320-531270	Gasoline/Diesel	-	-	1,389	-	
560-4320-531600	Small Equipment	375	-	-	-	
560-4320-561000	Depreciation	56,906	-	-	-	
560-4320-579000	Contingency	-	5,000	-	6,000	20.00%
<b>Total Expenses</b>		<b>\$ 202,890</b>	<b>\$ 295,500</b>	<b>\$ 208,359</b>	<b>\$ 300,000</b>	<b>1.52%</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.

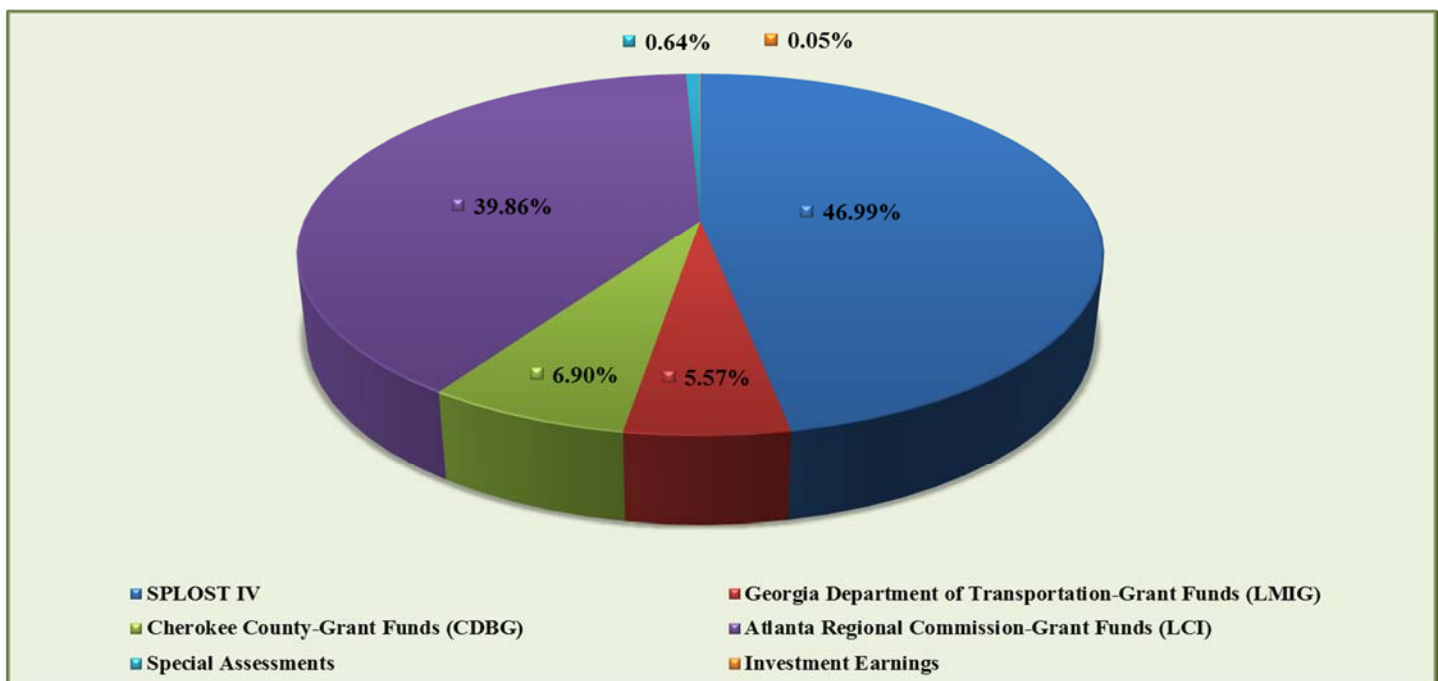
## **5 Year Capital Improvement Plan**

*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 \$3,676,139 and grant funds totaling \$4,093,573 from the Atlanta Regional Commission (ARC), Cherokee County and Georgia Department of Transportation (GDOT) will be used to fund LMIG, CDBG and LCI projects. Special assessments and interest in the amount of \$53,799 will also be used to fund capital projects. Major capital projects totaling \$7,823,511 are listed on the following pages:*

### **Capital Costs by Funding Source 2016 – 2020**

<b>Funding Source</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>Total</b>
SPLOST IV	\$ 1,571,510	\$ 1,150,000	\$ 954,629	\$ -	\$ -	\$ 3,676,139
Georgia Department of Transportation-Grant Funds (LMIG)	84,720	87,820	87,720	87,720	87,720	435,700
Cherokee County-Grant Funds (CDBG)	250,000	289,683	-	-	-	539,683
Atlanta Regional Commission-Grant Funds (LCI)	1,963,190	105,000	175,000	350,000	525,000	3,118,190
Special Assessments	10,000	10,000	10,000	10,000	10,000	50,000
Investment Earnings	730	745	759	775	790	3,799
<b>Total</b>	<b>\$ 3,880,150</b>	<b>\$ 1,643,248</b>	<b>\$ 1,228,108</b>	<b>\$ 448,495</b>	<b>\$ 623,510</b>	<b>\$ 7,823,511</b>

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

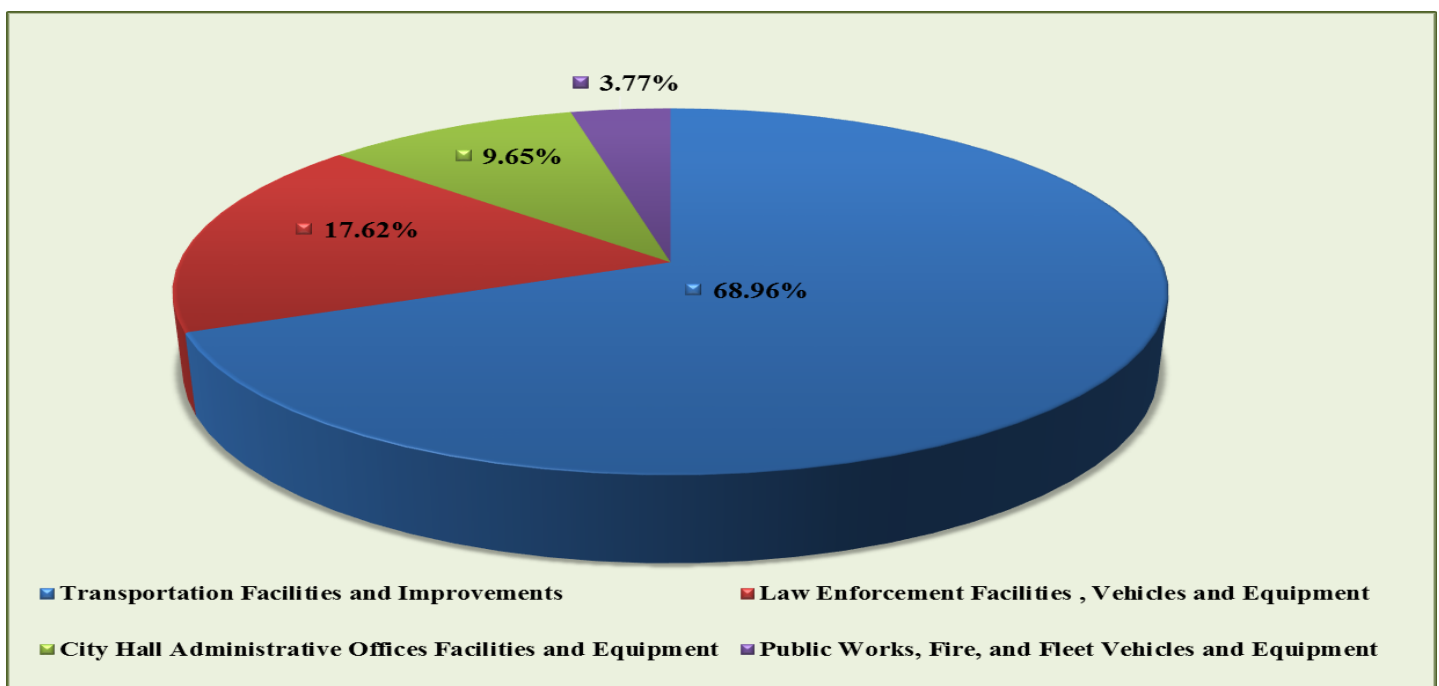




**Capital Cost by Project Category 2016 – 2020**

<b>Project Category</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>Total</b>
Transportation Facilities and Improvements	\$ 3,497,262	\$ 212,872	\$ 341,010	\$ 593,950	\$ 750,000	\$ 5,395,094
Law Enforcement Facilities , Vehicles and Equipment	382,888	261,893	230,501	244,248	258,686	1,378,217
City Hall Administrative Offices Facilities and Equipment	-	251,667	251,667	251,666	-	755,000
Public Works, Fire, and Fleet Vehicles and Equipment	-	75,067	110,067	110,066	-	295,200
<b>Total</b>	<b>\$ 3,880,150</b>	<b>\$ 801,499</b>	<b>\$ 933,245</b>	<b>\$ 1,199,930</b>	<b>\$ 1,008,686</b>	<b>\$ 7,823,511</b>

**Percent of Total Capital by Project Category**



**CIP Impact on the Operating Budget**

The \$7,823,511 expenditure plan consists of \$3,676,139 of projects to be financed internally through the use of Special Purpose Local Option Sales Tax proceeds, \$435,700 will be funded from the ARC for the LCI Project, \$539,683 will be funded from Cherokee County for the CDBG project and \$3,118,190 will come from Georgia Department of Transportation for the LCI project. The capital improvement plan is mainly comprised of road resurfacing projects, law enforcement vehicles and equipment, sanitary sewer facilities, and replacement of items such as motor vehicles. These items will improve but not expand the level of service the City provides and the associated operating impact is negligible. The estimated impact on the operating budget relative to each project is detailed on the following pages.



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

**Project Total:** \$5,395,094

**Project Status:** Began in FY2016 and scheduled to end in FY2020

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

<b><u>Transportation Facilities and Improvements</u></b>						
<b><i>Project</i></b>	<b><i>Total</i></b>	<b><i>FY2016</i></b>	<b><i>FY2017</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>
Abbey Court	11,721	-	11,721	-	-	-
Argyle Court	5,232	-	5,232	-	-	-
Bay Ridge Drive	3,987	-	-	3,987	-	-
Burma Court	2,962	2,962	-	-	-	-
CDBG Sidewalk & Drainage Project	900,000	900,000	-	-	-	-
Childers Road	22,862	-	-	22,862	-	-
Cryder Lane	2,285	-	-	2,285	-	-
Duncan Terrace	8,446	-	8,446	-	-	-
Durham Court	15,027	-	15,027	-	-	-
Harmony on the Lakes Drive (925' across dam)	10,851	-	10,851	-	-	-
Hickory Springs Industrial Park	93,950	-	-	-	93,950	-
Industrial Connector Road	1,650,000	-	150,000	250,000	500,000	750,000
Jacee Circle	11,275	-	-	11,275	-	-
Kimberly Road	12,667	-	-	12,667	-	-
LCI Pedestrian Improvement Project	2,453,987	2,453,987	-	-	-	-
Mansfield Drive	4,917	-	-	4,917	-	-
Maple Lane	23,161	23,161	-	-	-	-
Palm Lake Drive	13,679	-	-	13,679	-	-
Park West	5,344	-	5,344	-	-	-
Ridge Hill Circle	5,358	-	-	5,358	-	-
Royal Lytham Court	7,767	7,767	-	-	-	-
Sherwood Court	4,834	4,834	-	-	-	-
South Village Square	6,251	-	6,251	-	-	-
Sweet Gum Circle	13,980	-	-	13,980	-	-
Wentworth Court	37,132	37,132	-	-	-	-
Wentworth Drive	67,419	67,419	-	-	-	-
<b>Total</b>	<b>\$ 5,395,094</b>	<b>\$ 3,497,262</b>	<b>\$ 212,872</b>	<b>\$ 341,010</b>	<b>\$ 593,950</b>	<b>\$ 750,000</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>FY2016</i></b>	<b><i>FY2017</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</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: Law Enforcement Facilities, Vehicles and Equipment** - Funds will be used to purchase police vehicles and equipment.

**Project Total:** \$1,378,217

**Project Status:** Began in FY2016 and scheduled to end in FY2020

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

<b><i>Law Enforcement Facilities, Vehicles and Equipment</i></b>						
<b><i>Project</i></b>	<b><i>Total</i></b>	<b><i>FY2016</i></b>	<b><i>FY2017</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>
Police Vehicles	\$ 1,088,122	\$330,388	\$206,768	\$172,621	\$183,473	\$194,871
Other Vehicles, Equipment and Facilities	290,095	52,500	55,125	57,880	60,775	63,815
<b>Total</b>	<b>\$ 1,378,217</b>	<b>\$382,888</b>	<b>\$261,893</b>	<b>\$230,501</b>	<b>\$244,248</b>	<b>\$258,686</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>FY2016</i></b>	<b><i>FY2017</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>
Gasoline	1,200	1,236	1,273	1,311	1,351
Repairs and Maintenance	2,500	5,000	7,500	10,000	12,500
<b>Total Expenditures</b>	<b>\$ 3,700</b>	<b>\$ 6,236</b>	<b>\$ 8,773</b>	<b>\$ 11,311</b>	<b>\$ 13,851</b>

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

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

**Project Total:** \$755,000

**Project Status:** Scheduled to begin in FY2017

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

<b><i>City Hall Administrative Offices Facilities and Equipment</i></b>						
<b><i>Project</i></b>	<b><i>Total</i></b>	<b><i>FY2016</i></b>	<b><i>FY2017</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>
Technology Systems, Facilities & Services	\$ 755,000	\$ -	\$ 251,667	\$ 251,667	\$ 251,666	\$ -
<b>Total</b>	<b>\$ 755,000</b>	<b>\$ -</b>	<b>\$ 251,667</b>	<b>\$ 251,667</b>	<b>\$ 251,666</b>	<b>\$ -</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>FY2016</i></b>	<b><i>FY2017</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>
Repairs and Maintenance	\$ -	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 2,060</b>	<b>\$ 2,122</b>	<b>\$ 2,185</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:** \$295,200

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

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

<b><i>Public Works, Fleet Vehicles and Equipment</i></b>						
<b><i>Project</i></b>	<b><i>Total</i></b>	<b><i>FY2016</i></b>	<b><i>FY2017</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>
Public Works Vehicles	\$ 145,000	\$ -	\$ 25,000	\$ 60,000	\$ 60,000	\$ -
Lawn and Fleet Equipment	150,200	-	50,067	50,067	50,066	
<b>Total</b>	<b>\$ 295,200</b>	<b>\$ -</b>	<b>\$ 75,067</b>	<b>\$ 110,067</b>	<b>\$ 110,066</b>	<b>\$ -</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>FY2016</i></b>	<b><i>FY2017</i></b>	<b><i>FY2018</i></b>	<b><i>FY2019</i></b>	<b><i>FY2020</i></b>
Repairs and Maintenance	\$ -	\$ 2,500	\$ 5,000	\$ 5,305	\$ 5,464
Gasoline/Diesel	-	1,000	1,030	1,093	1,126
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 3,500</b>	<b>\$ 6,030</b>	<b>\$ 6,398</b>	<b>\$ 6,590</b>

**5 Year Capital Improvement Plan**

<b>Project</b>	<b>Total</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Transportation Facilities and Improvements</b>	<b>\$ 5,395,094</b>					
Abbey Court	11,721	-	11,721	-	-	-
Argyle Court	5,232	-	5,232	-	-	-
Bay Ridge Drive	3,987	-	-	3,987	-	-
Burma Court	2,962	2,962	-	-	-	-
CDBG Sidewalk & Drainage Project	900,000	900,000	-	-	-	-
Childers Road	22,862	-	-	22,862	-	-
Cryder Lane	2,285	-	-	2,285	-	-
Duncan Terrace	8,446	-	8,446	-	-	-
Durham Court	15,027	-	15,027	-	-	-
Harmony on the Lakes Drive (925' across dam)	10,851	-	10,851	-	-	-
Hickory Springs Industrial Park	93,950	-	-	-	93,950	-
Industrial Connector Road	1,650,000	-	150,000	250,000	500,000	750,000
Jacee Circle	11,275	-	-	11,275	-	-
Kimberly Road	12,667	-	-	12,667	-	-
LCI Pedestrian Improvement Project	2,453,987	2,453,987	-	-	-	-
Mansfield Drive	4,917	-	-	4,917	-	-
Maple Lane	23,161	23,161	-	-	-	-
Palm Lake Drive	13,679	-	-	13,679	-	-
Park West	5,344	-	5,344	-	-	-
Ridge Hill Circle	5,358	-	-	5,358	-	-
Royal Lytham Court	7,767	7,767	-	-	-	-
Sherwood Court	4,834	4,834	-	-	-	-
South Village Square	6,251	-	6,251	-	-	-
Sweet Gum Circle	13,980	-	-	13,980	-	-
Wentworth Court	37,132	37,132	-	-	-	-
Wentworth Drive	67,419	67,419	-	-	-	-
<b>Total</b>	<b>5,395,094</b>	<b>3,497,262</b>	<b>212,872</b>	<b>341,010</b>	<b>593,950</b>	<b>750,000</b>
<b>Law Enforcement Facilities , Vehicles and Equipment</b>	<b>\$ 1,378,217</b>					
Police Vehicles	1,088,122	330,388	206,768	172,621	183,473	194,871
Other Vehicles, Equipment and Facilities	290,095	52,500	55,125	57,880	60,775	63,815
<b>Total</b>	<b>1,378,217</b>	<b>382,888</b>	<b>261,893</b>	<b>230,501</b>	<b>244,248</b>	<b>258,686</b>
<b>City Hall Administrative Offices Facilities and Equipment</b>	<b>\$ 755,000</b>					
Technology Systems, Facilities & Services	755,000	-	251,667	251,667	251,666	-
<b>Total</b>	<b>755,000</b>	<b>-</b>	<b>251,667</b>	<b>251,667</b>	<b>251,666</b>	<b>-</b>
<b>Public Works, Fire, and Fleet Vehicles and Equipment</b>	<b>\$ 295,200</b>					
Public Works Vehicles	145,000	-	25,000	60,000	60,000	-
Lawn and Fleet Equipment	150,200	-	50,067	50,067	50,066	-
<b>Total</b>	<b>295,200</b>	<b>-</b>	<b>75,067</b>	<b>110,067</b>	<b>110,066</b>	<b>-</b>
<b>Total</b>	<b>\$ 7,823,511</b>	<b>\$ 3,880,150</b>	<b>\$ 801,499</b>	<b>\$ 933,245</b>	<b>\$ 1,199,930</b>	<b>\$ 1,008,686</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.





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***City of Holly Springs***

***Appendix***



**Abbreviations & Acronyms**

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

City of Holly Springs  
Council Work Session Minutes  
August 17, 2015  
6:30 p.m.

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

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

Mayor Downing called the work session to order.

Holly Springs' resident, Roger McIver, requested that Council consider his written comments in regard to Cases MA-15, 16, 17, 18-2015.

Holly Springs' resident, Dan Asperger, spoke in opposition of Cases MA-15, 16, 17, 18-2015. His concerns include traffic, off-street parking and a road to connect Harmony on the Lakes and the Gardens of Harmony through a 15' undistributed buffer.

Cherokee County resident, Al Clary, spoke in opposition of Cases A-10-2015 & A-11-2015 Chatham-Vaughn Road. His concerns include the density of the development, the appropriateness of the PDR zoning classification, and screening buffers.

No action was taken.

Meeting Adjourned.

City of Holly Springs  
Millage Rate  
Public Hearing Minutes  
August 17, 2015  
7:00 p.m.

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

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

Mayor Downing called the public hearing to order.

Rob Logan presented the millage rate for the 2015 tax digest at the reduced rate of 5.315 mills.

Mr. Logan opened the floor up for public comments. No one spoke in favor of or against setting the millage rate for the 2015 tax digest at the reduced rate of 5.315 mills.

Mayor Downing closed the millage rate public hearing.

City of Holly Springs  
City Council Regular Meeting Minutes  
August 17, 2015  
At approximately 7:05 p.m.

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

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

Mayor Downing called the meeting to order.

Councilmember Zenchuk moved to amend the agenda to remove Item 17: A-10-2015, applicant requests annexation of 1.60+/- acres, parcel 141B pt., tax plat 15N26E, located off of Owens Farm Lane, Cherokee County, Item 18: MA-19-2015, applicant requests rezoning of 1.60+/- acres, tax parcel 141B pt, tax plat 15N26E, located off of Owens Farm Lane, Holly Springs, GA from RZL, Single Family Residential(County), to TND, Traditional Neighborhood Development, Item 19: A-11-2015, applicant requests annexation of 21.20+/- acres, parcel 138, tax plat 15N26, located on Vaughn Road, Cherokee County, Item 20: MA-20-2015, applicant requests rezoning of 21.20+/- acres, tax parcel 138, tax plat 15N26, located on Vaughn Road, Holly Springs, GA from R-80, Estate Residential(County), to TND, Traditional Neighborhood Residential. Councilmember Barnett seconded the motion. Motion carried 5-0.

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

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

Councilmember Smith moved to enter back into the Regular Business Meeting. Councilmember Phillips seconded the motion. Motion carried 5-0.

Consent Agenda

1. July 6, 2015 Council Meeting Minutes
2. July 20, 2015 Council Meeting Minutes
3. Resolution adopting the Revised Holly Springs Downtown Master Plan
4. MA-22-2015, applicant requests rezoning of 16.38+/- acres, tax parcels 001, 002, 002A, 002B, and 005 of tax plat 15N14D, and tax parcels 043 and 044 of tax plat 93N01, located on Holly Springs Parkway, Holly Springs, GA from RM, Multifamily Residential, to GC, General Commercial

5. MA-23-2015, applicant requests rezoning of 0.55+/- acres, tax parcel 003 of tax plat 15N14D, located on Holly Springs Parkway, Holly Springs, GA from RM, Multifamily Residential, to LI, Light Industrial
6. MA-24-2015, applicant requests rezoning of 22.13+/- acres, tax parcels 016, 016A, 016B, 017, 018, 018A, 019, 020, and 021, of tax plat 15N14D, and tax parcels 025, 025C, 045, 046, 047, 048, 049, 050, 051, and 052 of tax plat 93N01, located on Palm Street and Jetta Lane, Holly Springs, GA from RM, Multifamily Residential, to RD-20, Single Family and Duplex Residential
7. Set the 2015 Millage Rate at 5.315
8. Resolution to surplus and donation of a K-9 car insert to the City of Nelson
9. Acquire a new Police Department Record Management System (RMS) from Synergistic Software, Inc. in the amount of \$29,995
10. License Agreement # 100340 between Synergistic Software, Inc. and the City of Holly Springs with an annual maintenance fee of \$3,599

Councilmember Smith moved to approve the Consent Agenda for August 17, 2015.

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

Councilmember Smith moved to approve Items 11 and 12:

- Item 11: A-12-2015, applicant requests annexation of 11.998+/- acres, parcel 026, tax plat 15N26, located on Hickory Road, Cherokee County
- Item 12: MA-21-2015, applicant requests rezoning of 11.998+/- acres, tax parcel 026, tax plat 15N26, located on Hickory Road, Holly Springs, GA from AG, Agricultural (County), to PDR, Planned Development Residential with Planning Commission and staff stipulations.

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

Councilmember Smith moved to approve Items 13-16:

- Item 13: MA-15-2015, applicant requests rezoning of 71.66+/- acres, tax parcel 014A, tax plat 15N26, located off of Harmony Lake Drive and Stringer Road, Holly Springs, GA from RD-3, Single Family Residential, to PDR, Planned Development Residential with Planning Commission and staff stipulations.
- Item 14: MA-16-2015, applicant requests rezoning of 7.56+/- acres, tax parcel 018B, tax plat 15N26, located on Stringer Road, Holly Springs, GA from RD-3, Single Family Residential, to PDR, Planned Development Residential with Planning Commission and staff stipulations.
- Item 15: MA-17-2015, applicant requests rezoning of 7.56+/- acres, tax parcel 018D, tax plat 15N26, located on Stringer Road, Holly Springs, GA from RD-3, Single Family Residential, to PDR, Planned Development Residential with Planning Commission and staff stipulations.
- Item 16: MA-18-2015, applicant requests rezoning of 4.55+/- acres, tax parcels 019 and 020, tax plat 15N26, located on Stringer Road, Holly Springs, GA from RD-3, Single Family Residential, to PDR, Planned Development Residential with Planning Commission and staff stipulations.

Councilmember Barnett seconded the motion. Motion carried 3-2. Councilmember Zenchuk and Councilmember Phillips were opposed.



Councilmember Zenchuk moved to approve the Job Classification and Compensation Plan and Job Descriptions as prepared by Condrey & Associates, Inc. with staff changes. Councilmember Barnett seconded the motion. Motion carried 5-0.

Councilmember Whitaker moved to approve a land use agreement among Cherokee County, the City of Holly Springs and Bethany Properties Group, LLC. Councilmember Zenchuk seconded the motion. Motion carried 5-0.

Councilmember Zenchuk moved to approve the third amendment (No. WD1410.3) to the Workforce Investment Act Contract between the Atlanta Regional Commission and the City of Holly Springs. Councilmember Barnett seconded the motion. Motion carried 5-0.

Councilmember Zenchuk moved to approve the allocation of up to \$15,000 to the Cherokee County Board of Commissioners from the Parks & Recreation Fund for the expansion of the parking lot at J. B. Owens Park. Councilmember Barnett seconded the motion. Motion carried 5-0.

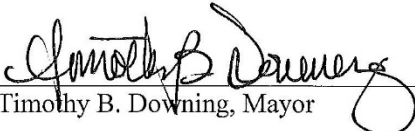
Department Reports:

- Rob Logan announced that the July Financial Report was in the agenda packet and he was available to answer any questions.
- Nancy Moon announced that the City received notice from the Georgia Department of Transportation to proceed with the LCI sidewalk project.
- Michael Zenchuk asked everyone to keep the family of a long-time resident of Taylor's Farm who passed away in their prayers.

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

Meeting adjourned.

Respectfully Submitted

  
Timothy B. Downing, Mayor

City of Holly Springs  
Council Work Session Minutes  
November 16, 2015  
6:30 p.m.

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

Elected Officials Absent: Councilwoman Dee Phillips.

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

Mayor Downing called the work session to order.

Holly Springs' resident, Dave Konwick, spoke in concern of adding apartments to the Tax Allocation District (TAD).

Holly Springs' resident, Roger McIver, spoke in favor of a design waiver but cautioned elected officials since the design waiver procedure had been recently amended.

Ken Bleakly with the Bleakly Advisory Group gave a brief overview of the Tax Allocation District (TAD).

No action was taken.

Councilmember Barnett moved to enter into Executive Session for the purposes of Real Estate and Litigation. Councilmember Whitaker seconded the motion. Motion carried 4-0.

Councilmember Barnett moved to enter back into the meeting. Councilmember Zenchuk seconded the motion. Motion carried 4-0.

Meeting Adjourned.



City of Holly Springs  
2016 Budget  
Public Hearing Minute  
November 16, 2015  
7:00 p.m.

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

Elected Officials Absent: Councilwoman Dee Phillips.

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

Mayor Downing called the public hearing to order.

Rob Logan presented the Fiscal Year 2016 Budget and the five-year Capital Improvement Plan.

Mr. Logan opened the floor up for public comments. No one spoke in favor or against the Fiscal Year 2016 Budget and the five-year Capital Improvement Plan.

Mayor Downing closed the public hearing.

City of Holly Springs  
City Council Regular Meeting Minutes  
November 16, 2015  
Immediately following the Public Hearing

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

Elected Officials Absent: Councilwoman Dee Phillips.

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

Mayor Downing called the meeting to order.

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

Consent Agenda

1. October 5, 2015 Council Meeting Minutes
2. October 19, 2015 Council Meeting Minutes
3. Fiscal Year 2016 Budget Ordinance
4. Five-year Capital Improvement Plan 2016-2020 Ordinance
5. Agreement between 8A Translations LLC and the City of Holly Springs
6. Automatic Rollover IRA Agreement between the Variable Annuity Life Insurance Company (VALIC) and the City of Holly Springs
7. 2016 Meeting Dates
8. Resolution to appoint members to the Main Street Board for 2016
9. Resolution to appoint members to the Board of Appeals and Planning & Zoning Commission for 2016
10. MA-33-2015, to amend the stipulations for zoning ordinance MA-03-2014, for tax parcel 037, tax plat 15N26, Holly Springs, GA
11. MA-34-2015, to amend the stipulations for zoning ordinance MA-02-03, for Pod A-Phase 1 and Phase 2 and Pod B-Phase 2 of Harmony on the Lakes Subdivision, Holly Springs, GA
12. ORD-11-2015, text amendment to the Holly Springs Zoning Ordinance, Article 18, Tree Preservation and Landscaping, specifically to amend the regulations
13. A Comcast Enterprise Services Sales Order and Master Services Agreement (MSA) between Comcast Cable Communications Management LLC and the City of Holly Springs in the monthly amount of \$1,098

Councilmember Zenchuk moved to approve the Consent Agenda for November 16, 2015. Councilmember Smith seconded the motion. Motion carried 4-0.

Councilmember Zenchuk moved to deny CUP-01-2015, applicant requests conditional use permit for a self-storage establishment at 2615 Holly Springs Parkway, tax parcel 007, tax plat 93N02, Holly Springs, GA. Councilmember Whitaker seconded the motion. Motion carried 4-0.

Councilmember Whitaker moved to ratify the revised Ash Street light project between the City of Holly Springs and the Georgia Power Company in the amount of \$18,527 with a monthly maintenance amount of \$301 and authorize the Mayor to execute the final agreement. Councilmember Barnett seconded the motion. Motion carried 4-0.

Councilmember Whitaker moved to ratify awarding the South Village Square at Harmony Lake Drive Storm Drain repair project to Barry S. Schmidt, Inc. in the amount of \$10,825. Councilmember Zenchuk seconded the motion. Motion carried 4-0.

Councilmember Barnett moved to award the Gutter Guard proposal for the Public Safety Building located at 3235 Holly Springs Pkwy to Mastershield KTL Home Imp. LLC in the amount of \$4,825. Councilmember Whitaker seconded the motion. Motion carried 4-0.

Councilmember Zenchuk moved to approve the Palm Street from Amanda Lane to the City Limits paving repairs project proposal to Asphalt Restoration Company, LLC in the amount of \$6,950. Councilmember Smith seconded the motion. Motion carried 4-0.


Department Reports:

- Rob Logan announced that the October Financial Report was in the agenda packet and he was available to answer any questions.
- Councilmember Zenchuk thanked staff for attending the town hall meeting in Harmony on the Lakes.
- Councilmember Barnett reminded everyone that the Christmas Parade is Saturday, December 5<sup>th</sup>.

Councilmember Zenchuk moved to adjourn. Councilmember Barnett seconded the motion. Motion carried 4-0.

Meeting adjourned.

Respectfully Submitted

  
Timothy B. Downing, Mayor

ORD-13-2015

AN ORDINANCE OF THE CITY OF HOLLY SPRINGS APPROVING APPROPRIATIONS FOR THE YEAR 2016 GENERAL FUND, HOTEL/MOTEL TAX FUND, OPERATING GRANT FUND, PARKS AND RECREATION FUND, SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST) III FUND, SPLOST IV FUND, AND STORMWATER FUND

**WHEREAS**, the Mayor and City Council of the City of Holly Springs have prepared budgets for fiscal year 2016; and

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

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

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and City Council of the City of Holly Springs, do hereby officially approve the following appropriations for the purpose of implementing the 2016 fiscal year budget:

GENERAL FUND	\$ 5,410,000
HOTEL/MOTEL TAX FUND	\$ 5,000
OPERATING GRANT FUND	\$ 350,000
PARKS AND RECREATION FUND	\$ 320,000
SPLOST III FUND	\$ 200,000
SPLOST IV FUND	\$ 3,880,150
STORMWATER FUND	\$ 300,000

SO ORDAINED, THIS 16<sup>th</sup> DAY OF NOVEMBER, 2015 BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HOLLY SPRINGS, GEORGIA.

CITY OF HOLLY SPRINGS

Attest:

  
Karen Norred, City Clerk  
(Seal)

  
Timothy B. Downing, Mayor

## **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.