LAWRENCEVILLE
GEORGIA

FINANCIAL REVIEW CITIZEN COMMITTEE

AGENDA

Thursday, March 03, 2022	City Hall 3rd Floor Conference Room
6:00 PM	70 S. Clayton St, GA 30046

Entrance to City Hall for all City meetings is through the lower level doors accessible from Church Street

Call to Order

Discussion Items

1. Budget Overview

Adjournment

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AGENDA REPORT
MEETING: FINANCIAL REVIEW CITIZEN COMMITTEE
AGENDA CATEGORY: DISCUSSION

Item:	Budget Overview
Department:	Finance
Date of Meeting:	Thursday, March 3, 2022
Fiscal Impact:	N/A
Presented By:	Keith Lee, Finance Director
Action Requested:	N/A

Summary: Fiscal Year 2023 budget discussion

Attachments/Exhibits:
Committee PowerPoint

Budget Overview

March 3, 2022

Agenda

- What is Government Budgeting
  - City Process
- Funds
  - Types of funds
  - City's Funds
- City Structure
  - Departments
  - Functions
  - Accounts

What is Government Budgeting

- Government budgeting is the critical exercise of allocating revenues and borrowed funds to attain the economic and social goals of the city.
- The management of government expenditures in such a way that will create the most economic impact from the production and delivery of goods.
- Supports a healthy fiscal position.

What is Government Budgeting

- Budgeting is important because it enables the City to plan and manage its financial resources to support the implementation of various programs and projects.
- Through the budget, the City can prioritize and put into action its plans, programs and policies within the constraints of its financial capability as dictated by economic conditions.
- Budgeting for the City involves four (4) distinct processes:
  - budget preparation, (Current Phase)
  - budget authorization, (City Council)
  - budget execution and (City Management and Departments)
  - accountability. (Audit)

City Process

- Sets the stage for the upcoming budget.
  - Meetings are held communicating to all departments the citywide concerns, issues, and goals, which the coming year's budget addresses.
  - Concurrently, a goal-setting retreat is held, helping all departments to think strategically about what is to be accomplished in the coming year.

City Process

- Department Requests and Review
  - Brings the individual departments to the table, allowing each to present anticipated capital purchases to the budget team, including City Management, the Finance Officer, and Budget Officer.
  - After receiving to department requests, and having the opportunity to ask questions, the budget team independently reviews the presented materials, makes careful adjustments, and other changes.

City Process

- Council Presentation
  - Presents the budget team's recommendations of the budget to Council and fields questions they may have.
  - After Council has many opportunities to comment and question, the budget team again takes the document and reworks it, based on Council input, to a "balanced" condition, meaning simply that revenues equal or exceed expenditures.

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City Process

- Council Adoption
  - Encompasses the legally mandated part of the budget process, including the required public budget meeting, as well as the mandatory reading of the millage rate.
  - Finally, City Council votes upon the proposed budget after the mandatory public comment meeting.

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City Process

January -March 2022
Meet with each Department Director to go over operational needs, business plan and review 5-year capital budget.

Wednesday, February 9, 2022- (Work Session 5:00pm)
Discuss Capital with Mayor and Council.

Friday, February 18, 2022
Budgets due from Departments.

Friday, March 4, 2022
Provide Management with Preliminary Budget Document.

March 9-April 6, 2022
Meetings with Management and Departments to review Budget submissions.

February 28-April 1, 2022
Meetings with Citizens Finance Committee to review Department Requests.

April 13, 2022 (Work Session 5:00pm)
Submit Budget to Council.

Monday, April 25, 2022
1st Council Budget work Day **(5:00 pm before Council Meeting)**

Wednesday May 11, 2022
Advertise Public Hearings on Budget

Wednesday, May 11, 2022
2nd Council Budget work Day **(3:00 pm prior to Work Session)**

Wednesday, May 11, 2022 (Work Session 5:00pm)
Discuss Millage as necessary

Monday, May 23, 2022
1st Public Hearing on Budget (7:00pm)

Wednesday, May 25, 2022
Advertise 2nd Public Hearing on Budget

Wednesday, June 8, 2022
3rd Council Budget work Day (3:00 pm prior to Work Session)

Wednesday, June 8, 2022-(Work Session, 5:00pm)

2nd Public Hearing on Budget

Mid-June 2022 (Projected)
Anticipated date for digest from the County

Monday, June 20, 2022
Adopt Budget at regular Council Meeting (7:00pm)

Funds – Budget Organization

- Governments need to be accountable in terms of the funds they receive since these funds are technically generated from public collections, and therefore, they are accountable for it.
- Therefore, governmental accounting and fund management is considered to be a highly integral part of organizations.
- Governmental Fund Types
  - General
  - Special Revenue
  - Capital Projects
  - Enterprise (Proprietary)
  - Internal Service

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Funds – Budget Organization

- General Fund
  - Used to account for and report all financial resources not accounted for and reported in another fund.
  - Although the City reports only one general fund and includes the following activities:
    - City Management
    - Information Technology
    - Human Resources
    - Police
    - Streets
    - Others

Funds – Budget Organization

- Special Revenue
  - Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.
    - Restricted revenues are resources externally restricted by creditors, grantors, contributors or restricted by law through constitutional provisions or enabling legislation.
    - Committed revenues are resources with limitations imposed by the City Council, and where the limitations can be removed only by City Council.
    - 911 Fund
    - Hotel Tax Fund
    - Motor Vehicle Rental Fund

Funds – Budget Organization

- Capital Projects
  - Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or other capital assets.
  - Capital outlays financed from general obligation bond proceeds are accounted for through specific capital projects funds.
  - The City has capital project funds for the General Operations and each Enterprise Funds. Additionally, the City has several capital project funds for bond proceeds

Funds – Budget Organization

- Enterprise
  - Used to report any activity for which a fee is charged to external users for goods or services. Enterprise funds are required for any activity whose principal revenue sources meet any of the following criteria:
    - Debt backed solely by a pledge of the net revenues from fees and charges.
    - An enterprise fund is required to be used if the cost of providing services for an activity including capital costs (such as depreciation or debt service) must be legally recovered through fees or charges.
    - Policy decision to recover cost. It is necessary to use an enterprise fund if the government's policy is to establish activity fees or charges designed to recover the cost, including capital costs.
    - Electric
    - Gas
    - Stormwater

Funds – Budget Organization

- Internal Service
  - Used to report any activity that provides goods or services to other funds, departments or agencies of the government, or to other governments, on a cost-reimbursement basis.
  - Internal service funds should be used only if the City is the predominant participant in the activity. Otherwise, the activity should be reported in an enterprise fund.
    - Group Health
    - Risk
    - Worker's Compensation
    - Fleet Services

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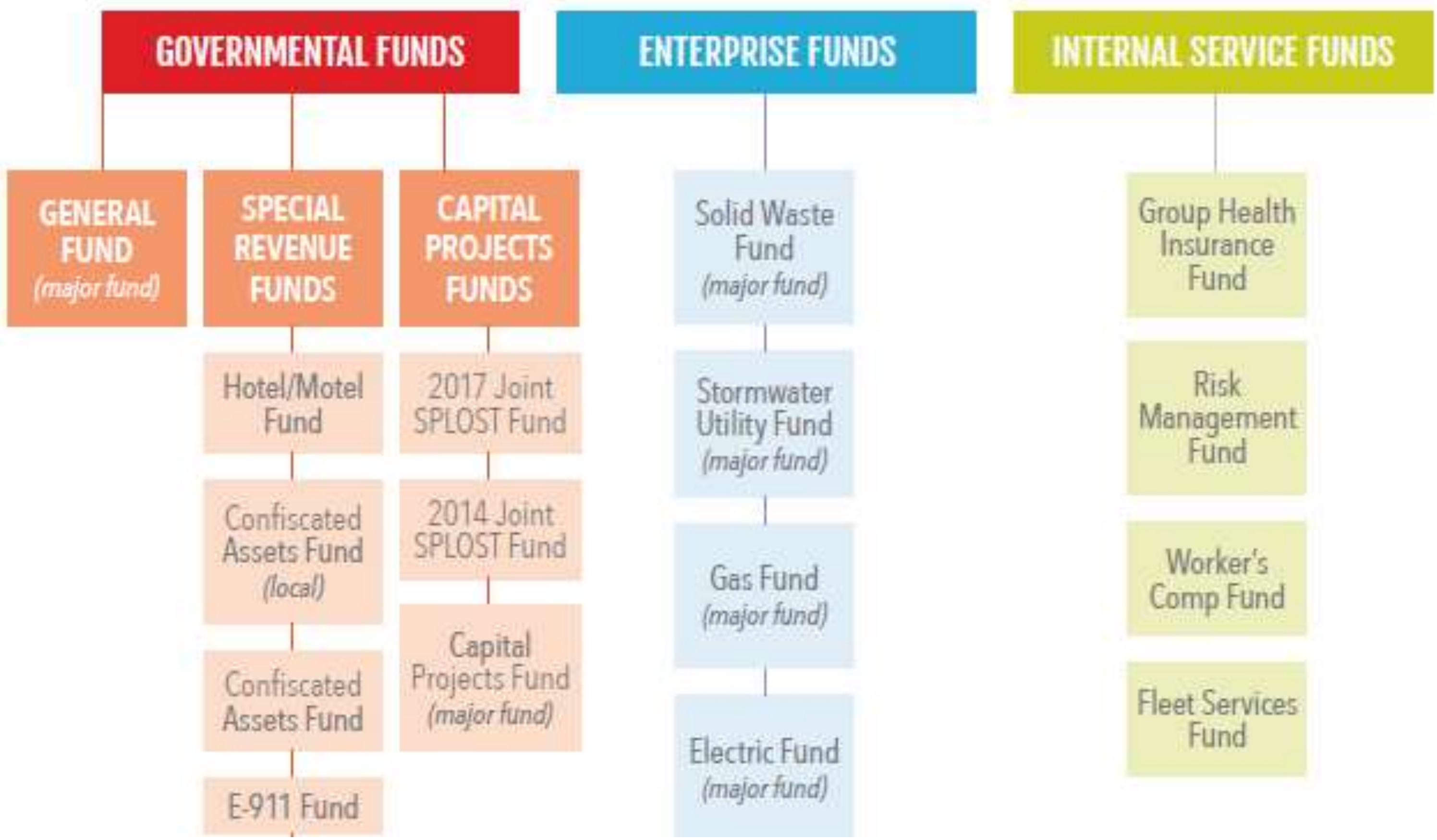
1.

Funds – Budget Organization



Departments – Budget Organization

- The City is organized into various Departments which identify the service categories provided by the City.
- Some Departments are accounted for in the General Funds, as their operations are not supported by a specific revenue source.
- General Fund Departments are supported by taxes and other general revenue types such as fines, fees, and licenses
  - City Management
  - Information Technology
  - Human Resources
  - Police
  - Streets
  - Others

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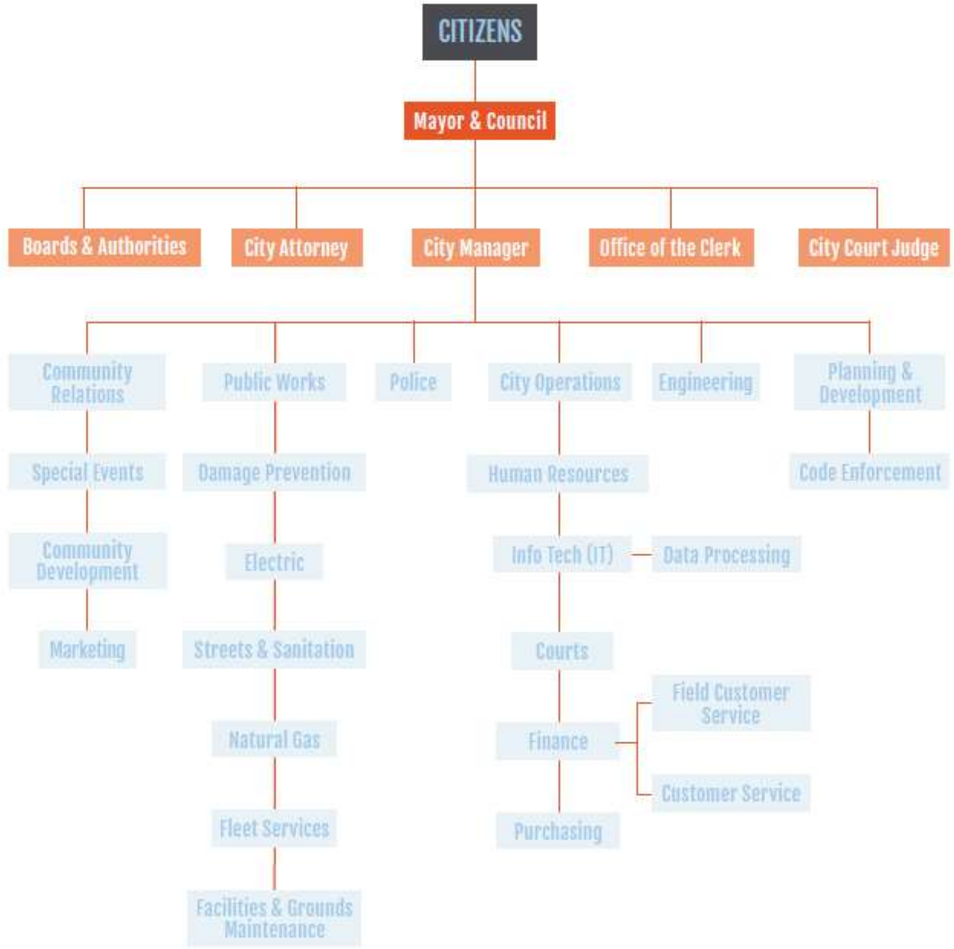
Departments – Budget Organization



Departments – Budget Organization

	GENERAL FUND	CONFISCATED ASSETS FUND	E-911 FUND	HOTEL / MOTELFUND	VEHICLE RENTAL FUND	ELECTRIC FUND	GAS FUND	SOLID WASTE FUND	STORMWATER FUND	HEALTH INSURANCE FUND	WORKER'S COMP FUND	FLEET FUND	RISK MANAGEMENT FUND	CAPITAL IMPROVEMENT FUND
DEPARTMENT	100	210/211	215	275	280	510	515	540	560	610	615	620	625	355
MAYOR & CITY COUNCIL	◉													
CITY MANAGER	◉				◉						◉			◉
COMMUNITY RELATIONS	◉			◉										
COURT	◉													
DAMAGE PREVENTION	◉													
E-911			◉											
ELECTIONS	◉													
ELECTRIC						◉								◉
ENGINEERING	◉													◉
FACILITIES & RISK MANAGEMENT	◉												◉	◉
FINANCIAL SERVICES	◉													◉
FLEET SERVICES												◉		◉
GAS DISTRIBUTION							◉							◉
HUMAN RESOURCES	◉									◉				

Functions – Budget Organization

- Most Departments provide multiple services
- In some cases the service is material or of substantial costs
  - In these cases the city identifies and reports these services on a function level
  - Police Department
    - Uniform Patrol
    - Special Operations
    - Others
  - Gas
    - Support Services
    - Distribution System

Accounts – Budget Organization

- Accounts
  - The City reports revenue and expenses in specific accounts
  - The accounts are organized according to the State's Uniform Chart of Accounts
  - Revenues are reported in the 0000 or non-function account. Revenues below to the fund.
  - Expenses are reported on the Department/Function level
  - Revenues and Expenses are organized according to their type
    - Taxes, Fines, Licenses (revenue)
    - Personnel, Services, Supplies, Capital (Expenses)

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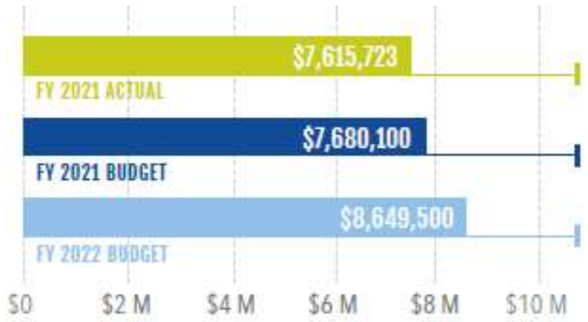
Accounts – Budget Organization

TAXES

Taxes account for 6.69% source of revenue for the City. Revenue projections for FY 2022 total $8.6M which is an increase of almost $1,000,000 from the FY 2021 Approved Budget. FY 2022 property tax revenue projections are based upon an estimated digest from Gwinnett County. Initial indications from the County estimate a slight increase in the digest attributable to growth. Real Property Tax revenues are expected to increase by $638,000. The increase is primarily due to a millage increase to fund new police officer positions and street maintenance staff. Insurance premium tax is estimated to increase $115,000 due to continue population and digest growth.



	FY 2021 ACTUAL	FY 2021 REVISED BUDGET	FY 2022 BUDGET
311790 - Other Franchise Taxes	$0.00	$0.00	$0.00
314000 - Hotel/Motel Tax	$286,390.79	$330,000.00	$275,000.00
314200 - Alcoholic Beverage Excise Tax	$633,143.54	$575,000.00	$600,000.00
314300 - Local Option Mixed Drink Tax	$55,669.56	$60,000.00	$85,000.00
314400 - Excise Tax On Rental Mv	$99,989.55	$92,000.00	$90,000.00
314500 - Excise Tax On Energy	$12,194.76	$14,500.00	$12,500.00
316100 - Occupation Tax	$301,187.75	$325,000.00	$300,000.00
316200 - Insurance Premium Tax	$2,073,758.42	$2,075,000.00	$2,185,000.00)
316300 - Financial Institution Tax	$219,274.00	$240,000.00	$200,000.00
319100 - General Property Tax Penalties	$6,411.00	$7,500.00	$7,000.00
319210 - Hotel/Motel Tax Penalties	$0.00	$0.00	$0.00
319220 - Mixed Drink Tax Penalties	$88.59	$200.00	$150.00
319400 - Occupation Tax Penalties	$0.00	$100.00	[illegible]
31 - TAXES TOTAL	$7,615,722.93	$7,680,100.00	[illegible]

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Accounts – Budget Organization

INVESTIGATIVE SERVICES			
Contracted Services	$19,816	$13,489	$82,998
Other Costs	$1,800	$3,550	$4,000
Personal Services	$845,129	$1,095,819	$1,122,117
Supplies	$15,030	$30,060	$21,000
INVESTIGATIVE SERVICES TOTAL	**$881,775**	**$1,142,918**	**$1,230,115**
UNIFORM SERVICES			
Contracted Services	$25,338	$6,378	$97,078
Personal Services	$2,701,843	$3,446,168	$3,165,187
Supplies	$31,898	$42,438	$46,585
UNIFORM SERVICES TOTAL	**$2,759,080**	**$3,494,984**	**$3,308,850**
SPECIAL OPERATIONS			
Contracted Services	$18,740	$12,753	$73,380
Other Costs	$4,074	$9,525	$9,500
Personal Services	$892,686	$786,394	$709,476
Supplies	$13,819	$41,530	$60,090
SPECIAL OPERATIONS TOTAL	**$929,318**	**$850,202**	**$852,446**

POLICE

The Lawrenceville Police Department serves as one subgroup of the city government within the City of Lawrenceville. The Police enforce laws and ordinances of the City of Lawrenceville, maintain order, prevent crime, and provide community services to citizens, businesses, and those who pass through its borders. The Lawrenceville Police Department is a progressive department and is always looking for new opportunities to improve and develop by staying current on new enforcement strategies, technologies, and policy implementations.

FY 2022 BUDGET	
Contracted Services	$724,805
Debt Service	$0
Interfund Charges	$3,111,378
Other Costs	$13,500
Other Financing Uses	$309,507
Personal Services	$6,321,846
Supplies	$253,465
GRAND TOTAL	**$10,734,501**