HOW THE BUDGET IS PREPARED

The annual operating and capital budgets of the City are developed in accordance with the annual Comprehensive Development Plan (CDP), which is adopted each July for the succeeding calendar year. The CDP is developed utilizing citizen input through the Neighborhood Planning Unit (NPU) process, and public hearings are held in communities on a regional basis to solicit input into the plan. The chart on page 378 indicates the relationship of the various segments of the planning and budgeting cycle. In addition to the hearings conducted by the executive branch described above, a legislative hearing is conducted by the council prior to final adoption of the CDP. The council Finance Committee holds at least one public hearing during the time it is deliberating the budget.

The City of Atlanta utilizes an executive budget process, in which all departments submit budget requests to the Mayor, who proposes a budget to the City Council. Council then may modify that proposed budget, and formally adopts the budget by Ordinance. Under the City Charter, budget adoption must take place by the second council meeting in the second month of the fiscal year (February). The Mayor has eight days following council adoption to approve, veto (including line-item power of veto), or allow the ordinance to become law without his signature.

The Mayor and council are restricted in budget making to using the estimates of revenue availability set by the Budget Commission of the city. The Budget Commission is made up of the Mayor, the Chairman of the council Finance Committee, the Commissioner of Finance, and two councilmembers appointed by the Mayor. In the absence of any rate change, the Budget Commission is restricted to setting revenue estimates no higher than ninety-nine percent (99%) of the prior year's actual receipts in each revenue category. Additionally, Budget Commission members are personally liable for any revenue shortfall.

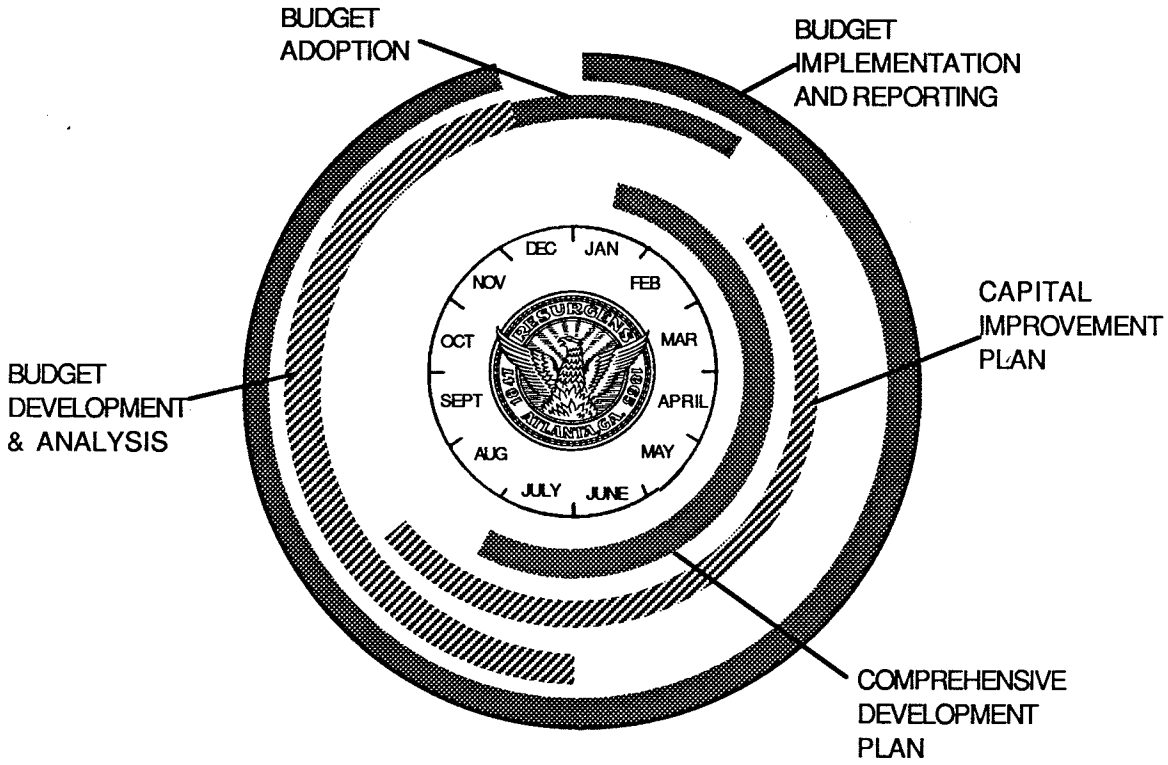
The general calendar for budget preparation is as follows:

Budget Action	Action By	Time
1. Prepare and distribute budget calendar, forms and instructions	Dept of Finance	July
2. Prepare Phase I of budget request (requests for new programs and reorganization)	City Departments	July-August
3. Hold review sessions and finalize recommendations on new programs	Executive Officer	September
4. Prepare Phase II budget requests (line item and work program data)	City Departments	Sept-Oct
5. Staff reviews of budget requests	Dept. of Finance/City Departments	Oct-Nov
6. Hold review sessions and finalize budget recommendations	Executive Officer/ Chief Financial Officer	Nov-Dec
7. Submit executive budget recommendations to City Council	Mayor	December
8. Review Mayor's recommended budget	Council Finance Comm	Dec-Feb
9. Hold Public Hearing	Council Finance Comm.	Dec-Feb
10. Establish official revenue estimates and debt service allocations	Budget Commission	January

HOW THE BUDGET IS PREPARED (Continued)

Budget Action	Action By	Time
11. Prepare Budget Ordinance for Council consideration	Dept. of Finance	January
12. Submit Budget Ordinance to full City Council	Council Finance Comm.	February
13. Adopt Budget Ordinance	Council	February
14. Executive review and approval of budget ordinance	Mayor	February

BUDGET & PLANNING CYCLE



CITY OF ATLANTA

MAYNARD JACKSON
MAYOR

CITY HALL
55 TRINITY AVENUE, S.W.
ATLANTA, GEORGIA 30335-0300
(404) 330-6100

16 January 1991

The Honorable Marvin S. Arrington, President
and Members of the Atlanta City Council
Atlanta, Georgia

Dear President Arrington and members of the Atlanta City Council:

As we enter this year of economic uncertainty, Atlanta is experiencing the same severe revenue and cost pressures affecting other major American cities, the State of Georgia and MARTA. Our 1991 Budget is the most difficult and challenging budget in my memory, and our major theme is cost-cutting and sacrifice.

The Executive Branch's 1991 Budget for operating funds of the City of Atlanta is enclosed. This budget reflects my Administration's "Five for the Future" priorities defined in 1990, each of which is important already, but each of which becomes even more important as we begin to prepare for the international opportunities and attention which Atlanta will receive when we host the 1996 Olympic Games.

The number of new budget initiatives we are proposing for 1991 will be limited only to those which are critical to our city's soundness and well-being. Still, severe budget cuts and a temporary, small millage increase will be necessary.

Background on Funds Available for 1991 Budget:

All major revenue sources for the city of Atlanta were sluggish in 1990. The only growth was in two categories: ad valorem taxes and sanitary service fees.

Unfortunately, in the case of ad valorem taxes, a 9.1% growth in the rate has generated only an 8.6% increase in revenues due to a drop in collections from 92.2% to 90.6%. This drop in the collection rate is largely a reflection of general economic trends; bankruptcies and partial payments are at higher levels than at any time in recent memory. Likewise, an increase of 12.7% in sanitary service fees has generated only an 11.4% increase in revenues, with the difference resulting from a lower collection rate.

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The 1990 Hotel-Motel Tax increased by 17% over 1989, but these additional revenues are committed to the Georgia Dome and the Vine City Housing Trust Fund.

All other significant revenue categories show either a decline or an increase lower than inflation in 1991. Sales tax receipts for two of the last three months of 1990 were lower than the corresponding months in 1989, and the net sales tax growth for 1990 over 1989 was only 2.3%. This is the lowest sales tax annual increase ever. Business license fees show a small increase of 2.6%.

Major items with actual declines include traffic and parking fines, down 2.7%, and interest earnings, which declined steeply due to lower cash balances and lower interest rates.

Year-end cash carry over available for budget purposes in 1991, $25.7 million, is also less than in recent years ($30.7 million in 1990 and $35.9 million in 1989). This reduction is largely the result of lower employee vacancy rates and past budgeting practices which have allowed the City to spend more than it takes in while balancing the budget by drawing from cash reserves intended to meet unforeseen expenses and cash flow needs.

Without an increase in revenue, such as a millage adjustment, anticipated revenue for 1991 will be $312.5 million, only 2.7% higher than the $304.3 million anticipated in 1990. This low level of revenue growth is coupled with inflationary increases in all operating costs. For example, already costly health insurance for employees is up $2.8 million; pension costs are up $2.1 million; and fuel costs are up by $1.1 million. Covering these costs will require an increase in revenues, drastic cuts in City services or a combination of these two options.

In preparation of the 1991 budget, it is my policy to be very conservative in our revenue anticipations, consistent with my belief and the advice of the Mayor's Council of Economic Advisors that we are in a recession which will have a continued negative impact on the sales tax and property tax growth rates. A war will only make a bad economy worse.

In addition, we have made extremely difficult choices with regard to planned expenses, cutting deeply even in areas where increased resources are greatly needed.

Our recommended budget for 1991 is $352.9 million, which is 3.6% or $12.4 million above actual 1990 General Fund expenditures of $340.5 million. This budget includes a deeply cut base budget and very limited program improvements, primarily

in public safety. Without the significant cuts we are proposing, our base budget plus the essential program improvements would have required a 6.2% or $21.2 million increase above the 1990 expenditure level of $340.5 million.

In order to cut the 1991 base budget, we are implementing a 4.3% across-the-board cut in all departments except Police, Fire, Corrections and Judicial Agencies. This includes the Mayor's Office and the City Council. We are cutting automotive expenses by cutting and curtailing use of City-owned cars. We are eliminating needed new equipment budgets. We are reducing financial support of outside agencies. We are reducing travel and training expenses by curtailing out-of-state travel for training and conferences. We are continuing and broadening the hiring freeze currently in effect so that salary costs can be minimized wherever possible. We are not recommending a pay increase for City employees, as funding said increase would require such significant additional budget cuts that layoffs would be inevitable. And, further, we are recommending a four-day furlough program for all employees.

Our overall budget strategy is to cut back on base budget expenditures in order to afford critically-needed new programs. Therefore, we are proposing a base budget reduction of $9 million in order to afford $7.5 million in critically needed program changes.

Recommended Base Budget Cuts: $9.0 million

Across the Board Cuts: Reduce all departmental budgets, excepting *public safety agencies, by 4.3%.	$ 4,641,384
Four furlough days: Give all employees four furlough days. without pay during 1991.	2,640,000
New Equipment: Eliminate all funding for new equipment, except in public safety agencies.	777,008
Fire Re-allocation: Eliminate fire ladder truck replacement by transferring personnel from Ladder Co. #4 to new station.	410,000

Travel and Training: Reduce all Travel, Convention and Training accounts by 40% and eliminate all out-of-state travel except in defined circumstances for all departments except public safety agencies.	243,105
Outside Agencies: Reduce funding for "Service Grants" agencies, by 19%.	186,053
Fuel: Reduce motor vehicle fuel consumption by 5%.	122,450
TOTAL BUDGET CUTS	$ 9,020,000

* Police, Fire, Corrections and Judicial Agencies

Recommended Program Changes: $7.5 million

A Safer Atlanta -- We are recommending $2.2 million to provide 65 additional police officers to patrol Atlanta's street. In addition, $3.0 million provides for new Police and Fire headquarters in the Sears Building, which we are in the process of purchasing. This facility will provide for other uses as well. A third initiative for a Safer Atlanta is in the Fire Department, where we are recommending $900,000. This provides for 27 additional fire fighters which, in combination with the reallocation of existing staff, will provide full staffing for all active fire stations. Lastly, we are providing $600,000 for furnishings and additional staff at the new Municipal Court Building. The total program change for public safety purposes computed by adding all of the initiatives above - is $6.7 million. Public Safety initiatives represent almost 90% of the total recommended initiatives. In addition to these General Funded items, funding will be provided from the court fine surcharge for detention facility capital and operating expenses to provide improvements in the Bureau of Corrections. These include the installation of portable units providing 248 beds at Key Road and additional staff in the Bureau.

A better housed Atlanta -- no program changes are recommended in this transmittal, but we expect to provide for new initiatives here in the upcoming CDBG reprogramming.

A more economically developed Atlanta -- we are recommending $350,000 additional funding for the Atlanta Economic Development Corporation (AEDC) for jobs creation in the City. While not as much as needed, this amount provide $150,000 that was not funded from CDBG this year ($300,000 was funded this year, $450,000 was funded last year). It also provide $200,000 for new initiatives in the areas of Southtowne, International Economic Development, Olympic Neighborhood Improvement Program (ONIP) and other areas. In addition to $350,000 to AEDC, $162,000 is recommended to allow contract compliance to implement the upcoming new MBE and WBE program.

A better managed city government -- Our City Attorney has recommended additional staffing and computerization in the Law Department which will cost $90,000. We are convinced that these initiatives, while small, will result in litigation savings significantly greater than this cost.

A higher quality of life -- We are in need of additional planning in key areas so that more jobs will be attracted to low-income areas. $200,000 is recommended to add badly needed planners who can ensure this. In addition, $92,000 is recommended for staffing the new Cleveland Avenue Recreation Center on the Southside of our City.

It is important to note that almost 90% of the recommended program changes are directed toward the first priority of the "Five for the Future" initiatives, "Fighting Drugs and Crime."

The budget I am recommending this year is designed with sound financial management policies in mind: We will spend no more money than we receive. We will establish a new Capital Fund with an initial balance of $3.8 to begin to provide for the City's basic infrastructure and long-term capital facilities needs. We will build into the budget adequate appropriations for expenditure items, such as unavoidable "overtime," which historically have not been budgeted at sufficient levels. And we will be uncompromising in our fight against drugs and crime.

Consistent with the foregoing, I am recommending a 2.20 mill adjustment to the current operating millage rate of 10.68, for a new rate of 12.88. This new rate will be reevaluated when a new tax digest is certified this coming June. If, as expected, the new tax digest is significantly greater than the current tax digest, the final millage required to meet the City's 1991 budget needs will be significantly less than 12.88.

It should be emphasized that City of Atlanta ad valorem taxes account only for 20% of the ad valorem tax bill Atlanta taxpayers pay. The remaining 80% comes from the Board of Education (50%) and Fulton County (30%).

The Executive Branch has struggled long and hard to balance our City's needs and our revenues. In our proposed 1991 General Fund Budget, we have been very conservative in revenue estimates, we have avoided a significant tax increase by cutting deeply most departmental budgets without impairing our ability to deliver essential City services and we have maintained our commitment to a safer Atlanta for everyone.

I respectfully submit these budget recommendations for your consideration.

Yours for Atlanta,

Maynard Jackson

CITY OF ATLANTA

MAYNARD JACKSON
MAYOR

14 February 1991

The Honorable Marvin S. Arrington, President
Finance Committee Chair Myrtle Davis
Executive Committee Chair Clair Muller
and Members of the Atlanta City Council

Dear President Arrington, Chairwoman Davis, Chairwoman Muller and Members of the Atlanta City Council:

The General Fund Budget I proposed to the Atlanta City Council on January 16, 1991, was the most difficult and challenging budget in my memory. That budget proposal called for cost-cutting and sacrifice, and represented a hard-nosed attempt to live within our means, to deal with the realities of lower revenues and higher costs, to maintain our commitment to public safety and to continue to provide quality City services.

Clearly, our proposed budget contains elements that are not acceptable to some members of the Atlanta City Council. Consistent with my pledge of compromise to you on Thursday, January 24, and in a spirit of cooperation, therefore, I have indicated our willingness to look again at our initial proposal and to come back to the City Council with a Revised 1991 Budget Proposal that takes into account City Council concerns as well as changing circumstances such as the deepening national recession and the outbreak of war in Iraq.

We now have prepared a Revised 1991 Budget Proposal which eliminates all the employee furloughs, adds 35 police positions to the 65 already proposed and makes some additional cuts in certain budget categories. However, I must emphasize that this budget continues to reflect my steadfast commitment to public safety, economic development (jobs), our anti-poverty agenda (Housing, Education, Employment and Training), better managed government and my determination to ensure that we will not cut so deeply as to <u>cripple</u> the quality of life in Atlanta.

This Revised 1991 Budget Proposal reduces our original budget proposal of $352.9 million by $2.934 million for a new total of $349,966,000.

The changes in our Revised 1991 Budget Proposal are as follows:

* by eliminating all furlough days, we add to the budget $2.6 million;

* by adding 35 police positions to the 65 already proposed, we add to the budget $1.2 million;

* by abolishing 103 vacant positions we subtract $2.434 million;

* by reducing our proposed reserves, we subtract $1.5 million;

* by reducing our proposed Capital Fund, we subtract $1.9 million;

* by delaying the opening of Fire Station 5, we subtract $900,000.

Thus, as stated, the net effect of these changes is to lower our original proposed budget by $2.934 million.

Please understand that, other than these changes, our **"Protect Atlanta"** budget proposal submitted to the City Council on January 16, 1991, remains intact. This Revised 1991 Budget Proposal will require a 1.81 mill increase, **ALL OF WHICH IS FOR PUBLIC SAFETY.** As of this date, a 1.81 mill increase should produce an additional $11.8 million in revenue. Such funds would be applied as follows:

100 additional police	$ 3.4 million
Courts Complex staffing	0.6 million
New Police Headquarters, Police Academy and Fire Headquarters (SEARS)	3.0 million
Other Public Safety program changes (see attachment)	4.8 million
TOTAL PUBLIC SAFETY-RELATED INCREASES	$ 11.8 MILLION

I believe that this Revised 1991 Budget Proposal achieves many of the goals that we share. It eliminates the employee furloughs, it preserves our City's quality of life, it allows us to continue initiatives such as the acquisition of the new Police Headquarters, Police Academy and Fire Headquarters and it emphasizes our continuing commitment to public safety.

I trust you will give this proposal your most serious and thoughtful consideration and I urge your vote and support for the Revised 1991 Budget Proposal.

Yours for Atlanta,

Maynard Jackson

Maynard Jackson

Attachment

REVISED 1991 BUDGET PROPOSAL
2/14/91

Base Revenue Budget*	**$ 338,200,000**
Public Safety Increases	
100 Additional Police**	$ + 3,400,000
Courts Staffing	+ 600,000
New Police, Fire HQ (Sears)	+ 3,000,000
Other Public Safety Dept. Changes***	+ 4,766,000
Total Public Safety Increase	**$ +11,766,000**
Revised Budget Proposal**	**$ 349,966,000**

*Anticipations of $312,500,000 plus cash carry forward of $25,700,000.

**Proposed budget dated January 16, 1991, included 65 additional police positions. Total shown includes costs for 100 additional police.

***Includes most of base budget increases such as salary increment, pension, health insurance.

****Eliminates furlough days for all employees. Assumes all budget items remain as submitted on January 16, 1991, with $6.4 million of budget cuts.

Total public safety millage increase required: 1.81.

CITY OF ATLANTA

MAYNARD JACKSON
MAYOR

28 February 1991

President Marvin S. Arrington
and Members of the Atlanta City Council

Dear Colleagues:

We talked at length Tuesday night and we challenged each other to find further responsible compromise positions on the budget. Well, we have done exactly what you asked. My third compromise is proposed on the attached sheet.

Please note my attempts to reach out to you and to find a compromise that is good for our citizens:

January 16	$352.9 million	2.2 mills
February 14	$349.9 million	1.81 mills
February 27	$346.4 million	0.96 mills.

Here are the important points on this very small 0.96 mills proposed increased:

1. The effect on a $50,000 house will be about 4 cents a day, about 29 cents a week, about $15.00 (fifteen) per year.
2. It is 100% for public safety.
3. I propose that it be rolled back as far as is feasible when the reappraised revenues can be anticipated.

Please stand up for an Atlanta that will be able to respond caringly to those most in need of crime-free neighborhoods and better (not worse) city services. I respectfully request that I be allowed to speak to you on February 28, 1991, during the Council meeting.

Thank you.

Yours for Atlanta,

Maynard

Maynard Jackson

MHJ/ch

MAYOR'S COMPROMISE BUDGET SUMMARY
(27 FEBRUARY 1991)

Mayor's Revised Budget Proposal (14 Feb. 1991)		**$ 351,866,605**
Reduction in Appropriations Payable (AP)		**($2,513,619)**
Less Other Reductions:		
Eliminate Reserves for:		
Sick Leave Bonus	($800,000)	
Micro-computer Program	($100,000)	
Commercial Drivers Training	($100,000)	
		($1,000,000)
Reduction in Motor Equipment Chargebacks		($1,300,000)
Reduction of Additional Police Funding From 12 months to 8 months		($1,234,200)
Add Funding for 27 Fire Position (8 months)		$574,198
Subtotal Other Reductions		**($2,960,002)**
MAYOR'S COMPROMISE BUDGET PROPOSAL (27 Feb. 1991)		**$346,392,984**
Funded from Transfer from Capital Fund		**($1,953,603)**
Funded from Millage Increase of .96 mill		**($6,240,000)**
Finance Committee Proposed Budget		**$338,199,381**

FINANCIAL MANAGEMENT POLICIES

ORDINANCE ADOPTED FEBRUARY, 1987

WHEREAS, the City of Atlanta financial standing and reputation has been and continues to be excellent; and

WHEREAS, this successful financial management excellence has been achieved despite the absence of formal, adopted City financial management policies; and

WHEREAS, as the City continues to face ever more complex financial conditions, it becomes more appropriate for formal, City policies governing financial management to be adopted:

THEREFORE, BE AND IT IS HEREBY ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, as follows:

SECTION 1: That the following Financial Management Policies be and are hereby adopted to guide certain aspects of the financial management of the City of Atlanta:

1. The operating budget shall be developed with a sharp focus on long-term solvency. Long-term financial commitments to continuing outlays shall be avoided unless sustained revenue growth is assured (or) official actions taken to increase existing revenues or authorize new ones sufficient to maintain the commitment.

2. Current expenditures shall in all cases be supported by current revenues, and debt shall not be used for current expenses.

3. Non-recurring revenue and resources shall not be used to finance continuing operations.

4. Each enterprise operation of the City shall maintain revenues which support the full (direct and indirect) cost of the individual operation.

5. Operating fund balance shall be maintained at levels sufficient to absorb unpredictable revenue shortfalls and to insure desired cash flow levels. If fund balances are truly "surplus", they should be committed first to capital needs. With regard to the General Fund, cash balances available at year-end shall, in combination with new revenues, be sufficient to preclude any requirement for short-term debt to sustain City operations.

6. The City shall establish and maintain a high level of accounting practice. Accounting systems and standards shall conform to General Accepted Accounting Principles (GAAP) for governments as promulgated by the Governmental Accounting Standards Board (GASB).

7. An annual audit shall be performed by an independent public accounting firm with the subsequent issue of a Comprehensive Annual Financial Report (CASFR) that includes audited general purpose financial statements and audited individual fund statements with both introductory and statistical sections, by the end of the sixth month after the close of the fiscal year. The Report shall be prepared in conformity with Generally Accepted Accounting Principles (GAAP) for governments.

8. Full disclosure shall be provided in the Comprehensive Annual Financial Report and bond representations.

9. Financial systems shall be maintained to monitor expenditures, revenues, and performance of all municipal programs on an ongoing basis.

10. The City shall develop capital budgets and capital programs that facilitate advance planning for capital purposes. All capital expenditure commitments shall be made with the full knowledge of current and future operating requirements necessary to accompany the capital expenditure. Official commitment to fund necessary operating requirements must precede the commitment of capital funding.

11. Capital plans shall include replacement schedules that anticipate the inevitable aging and obsolescence of facilities and equipment. These depreciable assets should be financed through internal funds whenever feasible.

12. Any capital project financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project.

13. Competitive sales should be used to market debt whenever feasible. In negotiated underwritings, procedures should be implemented to insure that underwriter profits are reasonable and that costs to the public are minimized.

14. All funds not immediately required for expenditure shall be invested by the Commissioner of Finance prudently in those securities authorized by State statutes and the City Code. The security of public deposits and investments shall be assumed through such measures as proper collateralization, credit analysis, and professional evaluation of the risk-return relationship.

15. Revenues and expenditures shall be projected annually for at least three years beyond the current fiscal year.

16. The City's overall revenue structure shall be reviewed periodically to determine its stability, equity, efficiency, and capacity to finance future operations. Where possible under Federal and State statutes, the City of Atlanta shall strive to diversify its sources of revenue so as not to be solely dependent on any one revenue source.

17. User charges shall be utilized whenever practical, especially if a particular service can be directly identified as benefiting one individual or entity.

18. All retirement systems will be financed in a manner to systematically fund liabilities. The City shall assure that sufficient funds are provided to pay current service plus interest on unfunded liabilities plus amortization of the unfunded liabilities over a programmed period.

SECTION 2: That these Financial Management Policies shall become effective upon adoption by the Council and approval by the Mayor or through action of law, and shall remain in effect until amended or specifically repealed.

SECTION 3: That all ordinances and parts of ordinances in conflict herewith be and are hereby repealed.

CITY OF ATLANTA

Property Tax Rates and Tax Levies
1980-1990

	CITY				SCHOOL				
	General Fund Operations*	Debt Service	Park Improvements	Total City Levy	City Support	Operating	Debt	Total School Levy	GRAND TOTAL
	Tax Rates Per $1,000 Assessed Value								
1980	13.00	2.40	.50	15.90	n/a	24.25	3.00	27.25	43.15
1981	12.00	2.25	.50	14.75	n/a	23.75	2.80	26.55	41.30
1982	14.95	2.40	.50	17.85	n/a	25.75	3.00	28.75	46.60
1983	14.95	2.25	.50	17.70	n/a	26.00	2.80	28.80	46.50
1984	7.51	1.70	.50	9.71	n/a	26.00	2.50	28.50	38.21
1985	6.96	1.69	.50	9.15	2.64	22.49	2.53	27.66	36.81
1986	7.63	1.69	.50	9.82	2.64	22.10	2.53	27.27	37.09
1987	8.49	1.41	.50	10.40	2.48	21.52	2.15	26.15	36.55
1988	9.51	.76	.50	10.77	2.48	22.11	1.36	25.95	36.72
1989	9.51	.76	.50	10.77	2.48	22.11	1.36	25.95	36.72
1990	10.67	.24	.50	11.41	2.41	22.68	.79	25.88	37.29
1991	11.55	.24	.50	12.29	2.49	22.68**	.79	25.96	38.25

* Excludes millage levy for sales tax revenues shared with Board of Education.
**Based on 1990 millage levy; 1991 levy not yet adopted.

Tax Levies

	Schools	General Fund Operations	Debt Service	Park Improvements	Total
1980	81,478,213	43,685,107	19,804,335	1,680,200	146,647,855
1981	87,289,352	44,265,448	20,181,641	1,835,872	153,572,313
1982	101,391,383	58,469,319	22,950,170	1,977,856	184,788,728
1983	104,370,251	60,056,063	21,928,415	2,008,562	188,363,291
1984	121,838,511	37,206,881	21,231,824	2,343,395	182,620,611(1)
1985	115,836,533	47,676,204	23,859,211	2,664,768	190,036,716(1)
1986	127,376,514	58,858,207	25,801,351	2,888,113	214,924,185(1)
1987	143,871,900	72,967,535	25,274,463	3,338,673	245,452,571(1)
1988	157,320,070	85,054,376	16,481,824	3,564,917	262,421,187(1)
1989	164,830,070	89,436,294	16,553,291	3,729,353	274,549,008(1)
1990	173,096,490	99,583,051	8,715,092	3,823,978	285,218,611(1)

(1) These totals do not include the Levy for the Special Tax District in that part of the City in DeKalb County. That levy is transferred to Fulton County to be used for Library Operations. These totals do not include intangible tax.

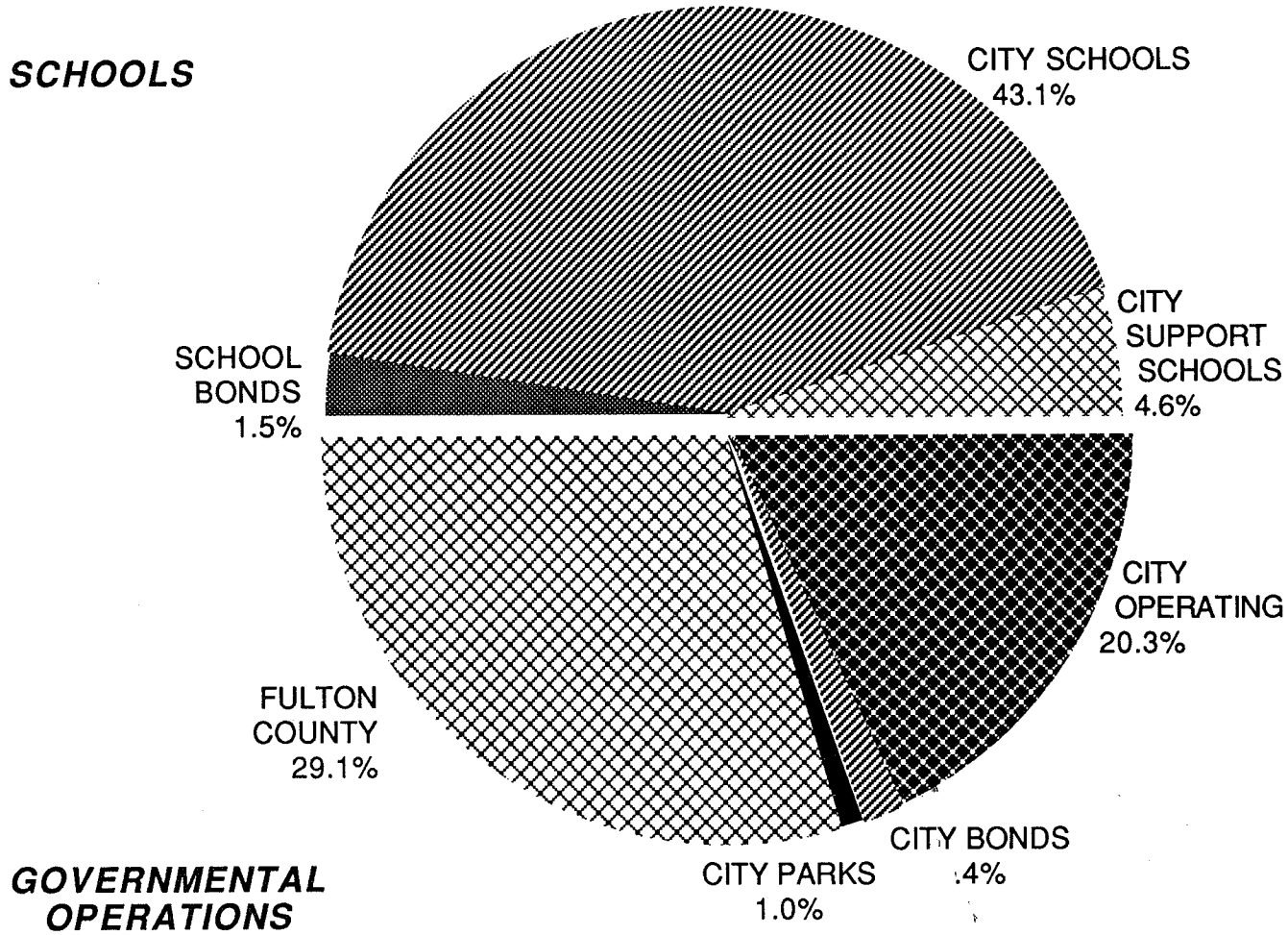
CITY OF ATLANTA
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate		Personal Property and Corporate Franchises		Total		Ratio of Total AssesedTo Total Estimated True Value
	Assessed Value (Gross)	Estimated True Value	Assessed Value (1)	Estimated True Value	Assessed Value(1)	True Value Estimated	
1981	2,628,430,357	6,571,075,893	1,375,048,785	3,437,621,963	4,003,479,142	10,008,697,856	40.0
1982	2,799,006,919	6,997,517,298	1,486,472,054	3,716,180,135	4,285,478,973	10,713,697,433	40.0
1983	2,796,291,260	6,990,728,150	1,549,203,657	3,873,009,143	4,345,494,917	10,863,737,293	40.0
1984	3,442,943,920	8,607,359,800	1,579,368,879	3,948,422,198	5,022,312,799	12,555,781,998	40.0
1985	4,013,117,260	10,032,793,150	1,638,203,586	4,095,508,965	5,651,320,846	14,128,302,115	40.0
1986	4,333,885,080	10,834,712,700	1,809,368,384	4,523,428,968	6,143,253,464	15,358,141,668	40.0
1987	5,050,834,730	12,627,086,825	1,983,081,622	4,957,704,055	7,033,916,352	17,584,790,880	40.0
1988	5,452,371,324	13,630,928,310	2,070,251,382	5,175,628,455	7,522,622,706	18,806,556,765	40.0
1989	5,554,663,330	13,886,658,325	2,284,426,219	5,711,065,547	7,839,089,549	19,597,723,874	40.0
1990	5,687,817,210	14,219,548,025	2,356,897,738	5,892,244,345	8,044,714,948	20,111,787,370	40.0

NOTES: Assessed values are established by the Joint City of Atlanta and Fulton County Board of Tax Assessors on January 1 of each year at 40% of the market (true) value as required by State Law.

(1) Freeport exemption netted out.

PROPERTY TAX DISTRIBUTION



BASED ON 1990 TAX RATES

CITY OF ATLANTA
DEBT ADMINISTRATION POLICY

The City's fiscal policy for incurred indebtedness depends upon the type of debt issued. Debt associated with Proprietary (Enterprise) Funds is handled differently from General Obligation debt. Enterprise Funds have their own revenue sources (user fees) and are subject to different bond covenants than are General Obligation issues. For enterprise debt, a reserve must be set aside within sixty days of the issuance of debt that will cover the payments for the year in which the highest principal and interest are due. Revenues minus operating expenses must exceed principal and interest payment by 20%. If not, the user fees must be increased to provide extra revenues and cover this margin.

The Georgia Constitutional limit on general obligation bonds is 8% of the assessed property value for general government purposes and 4% for school purposes.

CITY OF ATLANTA
BOND RATINGS

The latest ratings assigned to City of Atlanta debt instruments by the two leading rating services are as follows:

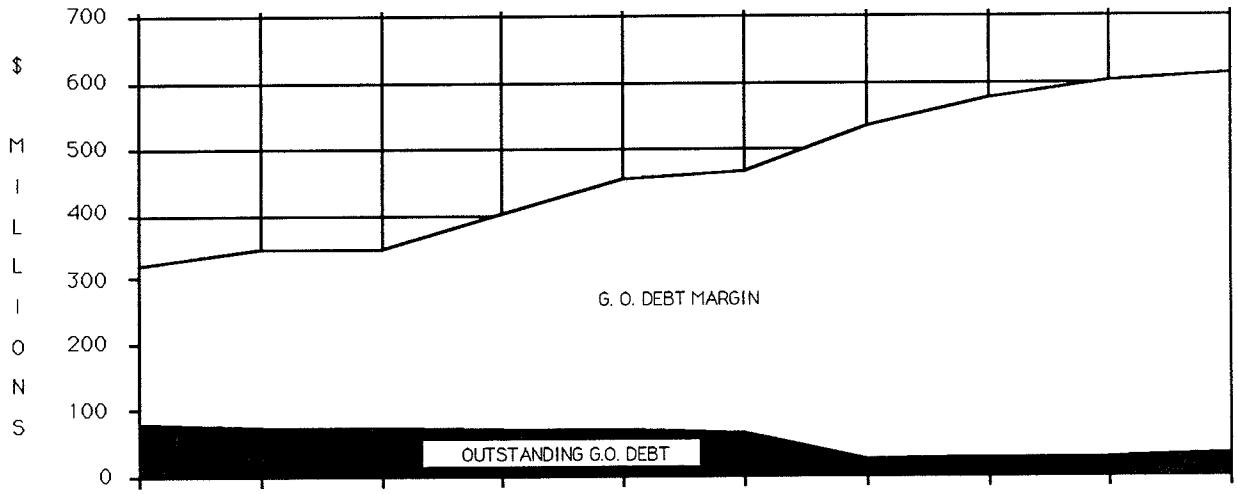
	Moody's Investor Service	Standard and Poor's	Fitch Investor Services
General Obligation	Aa	AA	
1st Defeasance (1969 through 1977)	Aaa	AAA	
2nd Defeasance (1978, 1979, 1982, 1984, 1985, 1986)	Aaa	AAA	
Third Defeasance (1980 & 1983)	Aaa	AAA	
Water and Sewerage System Revenue			
First Lien Revenue Bonds (Escrowed to Maturity)	Aaa	AAA	
Refunding Series, 1985	AA	AA	
Airport Revenue			
First Lien, Series 1956-66 (Defeased)	Aaa	AAA	
First Lien, Series 1967-1975	A1	AA	
Second Lien, Series 1977-1990	A	A	A+

CITY OF ATLANTA

COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 1989

Debt Limit (City General Purpose)	Assessed Value:	$7,672,023,332	
8% of Net Assessed Value			$613,761,867
Total General Obligation Bonded Debt		71,240,000	
Less: School Bonds Outstanding		36,575,000	
Total Amount of General Obligation Debt Applicable to Debt Limit			34,665,000
General Purpose Debt Margin			579,096,867
Debt Limit (School Purpose)	Assessed Value:	7,626,787,939	
4% of Net Assessed Value			305,071,518
Total School Bonded Debt		36,575,000	
Less: School Bonds not subject to constitutional debt limitation		9,000,000	
Total School Bonded Debt			27,575,000
School Purpose Debt Margin			277,496,518
TOTAL LEGAL DEBT MARGIN			$856,593,384

LEGAL DEBT MARGIN (excluding Schools)



CITY OF ATLANTA

Demographic Statistics

Fiscal Year	Population[3]	Median Age[2]	Drop Out Rate[1]	School Enrollment[4]	Unemployment Rate
1980	425,022	28.9	5.9	78,557	8.0
1981	425,000	28.9	5.2	76,797	8.2
1982	422,100	28.9	4.4	68,867	9.3
1983	422,900	28.9	4.0	67,574	9.1
1984	427,000	28.9	5.2	66,380	7.2
1985	430,000	28.9	4.1	65,795	8.1
1986	430,100	28.9	4.4	65,974	7.5
1987	430,500	28.9	4.7	65,030	7.4
1988	431,900	28.9	5.8	63,328	7.5
1989	434,100	28.9	6.0	61,490	7.5
1990	394,017	28.9	4.7	60,118	7.8

Sources:
(1) Atlanta School Board
(2) Estimate of Median Age - Per census Taken Every 10 Years. No Amendment to Date
(3) Atlanta Regional Commission
(4) At end of school year in June

CITY OF ATLANTA

1990 TEN (10) Largest Taxpayers

		Assessed Value(1)	Percent of Total
Southern Bell Telephone & Telegraph Co.	Communication Service	$187,628,144	2.33
International Business Machines	Services & Manufacturing	149,243,250	1.85
Georgia Power Company	Utility Service	125,285,086	1.55
Coca-Cola Company*	Marketing & Manufacturing	89,497,820	1.11
Prudential Insurance Company	Insurance Services	75,208,560	0.93
Georgia Pacific Company	Pulp & Paper Manufacturer	65,917,710	0.82
Atlanta Marriott Marquis, Ltd.	Hotel Service	53,600,000	0.66
Chicago Mill & Lumber Company	Commercial Real Estate	49,218,240	0.61
Atlanta Center, Ltd.	Hotel Service	40,086,700	0.50
John C. Portman, Jr.	Office Space	37,463,290	0.46
TOTAL		$873,148,800	10.82

(1) Gross Assessed Value

*Freeport Exemption Taken Out

GLOSSARY OF TERMS

ANNUAL BUDGET: A budget developed and enacted to apply to a single fiscal year.

ACTIVITY: An action or set of actions directed at a specific purpose or purposes.

ANTICIPATION: See "Estimated Receipts."

APPROPRIATION: The legal authorization given by the City Council to make expenditures and incur obligations using city funds.

BASE (BASIC) BUDGET The budget required to maintain the current level of service in the succeeding fiscal year. During budget development, a distinction is made between the base budget required to fund a continuation of existing service levels and program change requests for additional resources for new activities or changes to service levels.

BUDGET COMMISSION: Established in the Charter of the City of Atlanta, the Budget Commission is composed of the Mayor, Chairman of the Finance Committee, the Commissioner of Finance, and two members of Council, and sets the levels of estimated revenue for budget purposes.

CASH CARRY FORWARD: Remaining fund balance in any given fund at the end of the fiscal year which is rebudgeted in the succeeding year's budget. Cash carry forward is shown in the budget document as cash and securities available January 1.

CDBG: Community Development Block Grant.

COST CENTER: A segregated set of expenditure accounts within a fund, separated for the purpose of identifying specific resources that will be applied toward a specific goal.

DEBT SERVICE: Payment of interest and principal on an obligation resulting from the issuance of bonds.

EFFECTIVENESS: The extent to which the outcome of an action or set of actions produces the desired results or impact.

EFFICIENCY: A ratio between input (resources) and output (production).

ENTERPRISE FUND: A fund which pays for its costs of operations from user fees and does not generally receive property tax support.

ESTIMATED RECEIPTS: The legally authorized level of revenue expected to be received from individual revenue sources, as set by the Budget Commission. Generally, estimated revenues from any source for any given budget year cannot exceed ninety-nine percent (99%) of the actual prior year receipts. Estimated receipts are also referred to as "Anticipations."

FISCAL YEAR: A twelve month period (January 1 through December 31) at the beginning of which the city implements a new budget based on expected revenues and expenditures, and at the end of which the city determines its financial positions and the results of its operations.

FUND: A self-balancing set of accounts set aside and accounted for separately for the purpose of restricting specific revenues that are then spent for a specific set of activities.

INTERNAL SERVICE FUND: A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies, on a cost-reimbursement basis.

MANAGEMENT OBJECTIVE: Specific, measurable things to be accomplished which have the characteristic of being able to be controlled or affected by management decisions and direction.

MEASURE: An absolute indicator of the attainment of an objective. May be simply a determinable result, or may consist of statistical data.

MILL A measure of the rate of ad valorem (property) taxation, representing one ($1) dollar of tax per one thousand ($1,000) dollars of assessed property value.

OBJECTIVE: Specific, measurable things to be accomplished.

OPERATING BUDGET: The annual budget for the routine, ongoing activities and work program of an organizational unit, as opposed to budgets which may also be established for capital projects, grant funded projects, and other activities of a non-permanent nature.

PROGRAM: A set of activities under a specific organizational unit.

PROGRAM CHANGE: A proposed activity which is not presently in an organization's work program, nor funded in it's budget.

PROPRIETARY FUND: A set of segregated revenue and expenditure accounts, set up for the purpose of showing net income, financial position, and changes in financial position. Enterprise Funds and the Internal Service Fund are Proprietary Funds.

RESERVE: An account used to set aside and earmark monies for future use. Monies must be appropriated from the reserve account to an expenditure account for a specific purpose before they can be spent.

REVENUE: The taxes, fees, charges, special assessments, grants, and other funds collected and received by the city in order to support the services provided.

USER FEES: The payment of a fee for direct receipt of a public service by the person benefiting from the service.

WORKLOAD: A measure of quantity produced, processed, handled, or otherwise acted upon or with by an organizational unit. Workload is preferably indicated with respect to a specific, identifiable period of time.

WORK PROGRAM: The detailed set of things to be accomplished, within specified time periods, for an organizational unit.

Prepared by

DEPARTMENT OF FINANCE

Richard Anderson,
Chief Financial Officer

Bureau of Budget and Management Analysis

Juliette Pullom, *Budget Chief Analyst*
Alan Silver, *Budget Chief Analyst*
Bronaugh Bridges, *Budget Analyst*
Sharlene Brown, *Budget Analyst*
Reginald Grant, *Budget Analyst*
Elleni Mulugeta, *Budget Analyst*
Stephen Tam, *Budget Analyst*
Emma Moss, *Administrative Assistant*
Bernadette McKenzie, *Secretary*