1991 BUDGET
CITY OF ATLANTA, GEORGIA

MAYNARD JACKSON, MAYOR

Compiled by
DEPARTMENT OF FINANCE

RICHARD J. ANDERSON
CHIEF FINANCIAL OFFICER

FINANCE COMMITTEE
ATLANTA CITY COUNCIL

Myrtle Davis, Chairman
Barbara Asher
Carolyn Long Banks
Thomas Cuffie
Debby McCarty
Robb Pitts
Dozier Smith

BUDGET COMMISSION

Maynard Jackson, Mayor, Chairman
Myrtle Davis Chairman of Finance Committee, Atlanta City Council
Debby McCarty, Member of Council
Thomas Cuffie, Member of Council
Richard J. Anderson, Secretary

COVER: On September 18, 1990, the International Olympic Committee selected the City of Atlanta as host city of the 1996 Summer Olympiad. This picture captures the celebration at Underground Atlanta of the selection moments following the announcement. Underground Atlanta is a shopping and entertainment complex in the historic heart of downtown Atlanta. Photograph by Sue Ross.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Atlanta,

Georgia

For the Fiscal Year Beginning

January 1, 1990

President | Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Atlanta for its annual budget for the fiscal year beginning January 1, 1990.

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 communications medium.

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 GFOA to determine its eligibility for another award.

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CITY OF ATLANTA OFFICIALS

EXECUTIVE

Mayor ..... **Maynard Jackson**

LEGISLATIVE

City Council (Elected)

President of Council ..... **Marvin Arrington**

Members of Council

District 1 - Debby McCarty
District 2 - Bill Campbell
District 3 - Jabari Simama
District 4 - Thomas Cuffie
District 5 - Davetta Johnson
District 6 - Mary Davis
District 7 - D. L.(Buddy) Fowlkes
District 8 - Clair Muller
District 9 - Jared Samples
District 10 - C. T. Martin
District 11 - Jim Maddox
District 12 - Dozier Smith

Members of Council-At-Large

City Council-At-Large - Post 13 - Robert (Robb) Pitts

City Council-At-Large - Post 14 - Carolyn Long Banks

City Council-At-Large - Post 15 - Sheila Brown

City Council-At-Large - Post 16 - Barbara Asher

City Council-At-Large - Post 17 - Myrtle Davis

City Council-At-Large - Post 18 - Morris Finley

ADMINISTRATIVE

(Appointed)

Chief of Staff ..... Cecelia Corbin Hunter
Director, City Council Staff ..... Robert Barger
Municipal Clerk ..... Olivia Parks
Chief Financial Officer ..... Richard Anderson
City Attorney ..... Michael Coleman
Executive Officer, Development & Administration ..... John Reid
Executive Officer, Operations ..... Shirley Franklin
Commissioner of Administrative Services ..... Aaron Turpeau
Commissioner of Aviation ..... Ira Jackson
Commissioner of Housing ..... Scott Carlson
Commissioner of Parks, Recreation and Cultural Affairs ..... Harold Morgan
Commissioner of Planning and Development ..... Leon Eplan
Commissioner of Public Works ..... Michael Pack
Commissioner of Water and Pollution Control ..... Carolyn Olsen
Fire Chief ..... David Chamberlin
Police Chief ..... Eldrin Bell
Chief Judge, Municipal Court ..... Andrew Mickle
Chief Judge, Traffic Court ..... Joe Browne
Tax Assessors ..... William S. McGinnis
Webster Pope
Otis Thorpe

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CITY OF ATLANTA
1991 BUDGET

INTRODUCTION

The 1991 budget document is structured on a programmatic basis, presenting budgets for budget entities (organizations, capital projects, and grant projects) across fund lines. Traditional fund presentations are retained, but are at summary rather than detail level for expenditures and appropriations. Revenues are shown at detail level within funds.

The organization of this document is as follows:

Section 1: Departmental Operating Budgets
This section contains the operating budget for each organizational unit of city government. The operating budget is defined as 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 specific projects, and other activities of a non-recurring nature. This section contains financial data, integrated to show all funding sources for the operating budget, staffing, and programmatic data.

Section 2: Capital Project Budgets
This section contains the 1991 budgets for each funded capital project, and expenditures for the past two years for all projects funded in 1989 or 1990. Capital projects represent additions of or improvements to fixed assets of the city. These budgets are arranged by project and are integrated to show all funding sources.

Section 3: Grant and Non-Capital Projects Budgets
This section contains the 1991 budgets and expenditures for the past two years for all projects funded in 1989 or 1990 which are not capital in nature. (Capital projects funded in whole or in part from grant funds are shown in the Capital Projects Section.) Budgets for current year debt service requirements are shown in this section.

Section 4: Fund Budgets
This section contains the budgets and prior two years data for each fund and fund group. This section includes fund or fund group narratives, as well as detail revenue and summary expenditure and summary appropriations data for each fund.

Appendix
This section contains general statistical and financial data about the City of Atlanta, as well as a glossary of terms found in this document or used in the budget process.

Several technical notes are important to facilitate the use of this document. These are:

1. The city's budget is a cash budget. Revenue anticipations are based upon prior year's actual cash receipts and an estimation of current year cash receipts. Budgets are set to cover projected cash expenditures.

2. Some totals may not add exactly due to rounding.

3. Position counts shown as part of departmental budgets are for authorized permanent, full time positions unless otherwise noted. The change from the past year represents a comparison with the previous year's adopted budget staffing level.

4. The notation "NA" in Workload Measure Sections indicates that the appropriate prior year statistics are not available. This can mean that the measure was not relevant to the prior period or that statistics were not kept in the prior period.

5. A "Non-Departmental" category exists to account for expenses or appropriations which are not allocated to departmental budgets. Due to the unique nature of items funded in this category in the General Fund, the Non-Departmental category of the General Fund Budget is included in the Departmental Operating Budgets section. Non-Departmental categories appearing in other funds consist primarily of items reimbursed to General Fund, reserves, and debt service.

CITY OF ATLANTA

MAYNARD JACKSON
MAYOR

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DEPARTMENT OF FINANCE

RICHARD J. ANDERSON
Chief Financial Officer

IRENE A. WREEN
Deputy
Chief Financial Officer

March 15, 1991

Dear Budget Reader:

The 1991 City of Atlanta budget represents a combination of sacrifice and cost cutting by most city departments and agencies and additions for critical public safety needs. The process of arriving at the adopted budget was lengthy, arduous, sometimes cantankerous, and involved basic and significant policy decisions. In the final analysis, the adopted budget included significant reductions, some program changes, primarily in the public safety areas, a modest property tax millage increase, and a significant reduction in fund balance (also known as cash carryforward or cash reserve) through the use of reserves in lieu of additional revenue to cover budgeted 1991 expenses.

1991 Budget Background and Process

In both 1989 and 1990 the city had an operating deficit, meaning that current year expenses in each of these years exceeded current year revenues on a cash basis, and in fact these negative operating results have occurred in five of the last seven years. These results have drawn down the general fund balance available for rebudgeting in the succeeding year substantially, which when combined with sluggish or nonexistent revenue growth, have resulted in a tightening of fund availability for the General Fund. Fund balance available for budgeting has decreased from $35.9 million on January 1, 1989 to $30.7 million on January 1, 1990 to $25.7 million on January 1, 1991. This draw down of fund balance directly reduced funds available for the 1991 Budget. Combined with poor performance in various revenue sources, this reduction placed severe constraints on the development of the 1991 Budget.

Mayor Jackson originally recommended to council a General Fund Budget of $352.9 million which would have required a property tax millage rate increase of 2.20 mills. The Mayor's transmittal letter for this budget proposal can be found on pages A3-A8. Over the course of discussions and negotiations with council, the Mayor made two formal amendments to his recommendations, the last of which represented what became the adopted budget. The transmittal letter for these amendments can be found on pages A9-A14.

Throughout both the executive branch budget deliberations and council budget work sessions, many options were explored for balancing the budget without any tax increase and with minimal impact on service delivery. These included employee unpaid furloughs, steep reductions in programs and service levels, and major deferrals of capital items. In the final analysis, the budget adopted represented a compromise among many conflicting objectives and choices of lesser of evils.

Summary of 1991 General Fund Base Budget

The 1991 General Fund Budget totals $346,392,985, which is 3.4% greater than the 1990 Budget. Of this amount, some $339.1 million represents "base budget" funding of the continuance of service levels and programs included in the 1990 Budget of $335 million. For the base budget to have been adequately funded, a requirement of over $348 million was necessary. However, due to overall budgetary constraints, reductions of over $10.3 million were made from base budget. These reductions included departmental cuts of $5.6 million, or roughly 4.3% of the budget of each department other than public safety agencies. These reductions include the elimination of several nonessential programs such as downtown commercial solid waste collection and reductions in workload levels for various other activities. Included in these reductions were across-the-board elimination of additional equipment, a reduction of 40% of travel and training budgets in all non-public safety budgets, and a targeted 5% reduction in motor fuel expenses.

In addition to the 4.3% departmental reductions, most departments also experienced the loss of a number of vacant positions with a value of $2.4 million. A total of 166 positions were eliminated from this year's budget as a result of the 4.3% departmental reductions and the abolition of vacant positions.

Program changes totaling $7.3 million were added to the net base budget of $339.1 million. The majority of these program changes, and virtually all of the associated costs, were in the Departments of Police and Fire, the Office of Corrections, and the judicial agencies. In the Police Department, an additional 100 positions were funded for $2.2 million. There are 27 additional positions for Fire Services budgeted at $.57 million to provide for full staffing for all stations, including Station 5, set to open in 1991. The budget also includes a reserve of nearly $3.0 million for the acquisition of the Sears Roebuck property on Ponce de Leon Avenue, to be used primarily as police and fire headquarters. In addition, funding of $600,000 is provided for furnishings and additional staff for the new Municipal Court Building scheduled to open in the latter half of the year. Additional staffing for the Office of Corrections and modular units for expansion of the Key Road Correctional facility are to come from a dedicated Jail Fund court fines surcharge.

Additional program changes address other key objectives of the administration. The budget provides for nearly $338,000 in additional general funds for the Atlanta Economic Development Corporation (AEDC) needed to replace a reduction in Community Development Block Grant (CDBG) funding. A reserve of $162,000 was included to allow the Office of Contract Compliance to implement the upcoming new Minority Business Employment (MBE) and Women Business Employment (WBE) programs. A $200,000 commitment was made to additional personnel resources in the Bureau of Planning, and the Law Department received an additional $90,000 for computerization. Additionally, $90,000 is added to the recreation budget for the opening of the new Cleveland Avenue Recreation Center.

The 1991 Budget also eliminates various general fund reserves. The sick leave bonus program is eliminated ($800,000) along with the microcomputer program ($100,000) and funding set aside as a contingency for the commercial drivers license examinations ($100,000).

Projected 1991 revenues were not sufficient to fund the budget of $346.4 million. In addition to the .96 mill tax increase, expected to generate $6.24 million, a reprogramming of prior years' appropriations payable (AP's) resulted in $2.4 million being diverted from reserve status to cover 1991 budgeted expenses. Additionally, a transfer of funds from the General Government Capital Outlay Fund added $1.9 million in funds available for the budget.

General Fund Taxes and Revenue

General Fund revenues are discussed in detail beginning on pages 4-15. In summary, no new revenue sources became available to the city for the 1991 Budget beyond the property tax millage increase, which resulted in the property tax levy for city government operations going from 10.67 mills to 11.55 mills, for a total of 14.04 including the 2.49 mills representing the sales tax revenues shared with the Atlanta Board of Education. These millage rates are subject to adjustment pending the outcome and final impact upon property tax digest values of the mass reappraisal project being conducted by the Joint City-County Board of Tax Assessors.

Most general fund revenues performed sluggishly in 1990. For example, the local option sales tax, which from 1984-1988 had an average annual growth rate of over 6% grew at a rate of 2.6% in 1989 and 2.3% in 1990. Due to the city's restriction to setting budget revenue estimates (anticipations) to no more than ninety-nine percent (99%) of the prior year's actual receipts, this has a "double whammy" effect of both reducing collections above anticipations, thereby reducing contribution to fund balance, as well reducing the growth in anticipations for the following budget year. Sluggish growth in other revenue items also has the same effect. Budget anticipations for 1991 excluding the anticipated revenue from the tax increase were $312.6 million, just 2.7% above the 1990 anticipations of $304.2 million.

Other Funds Budgets

Budgets for capital and other governmental funds for 1991 consist mainly of carryforward amounts of funds initially appropriated in 1990 or prior years. A new general governmental capital fund was established in an amount of $1.8 million, to provide additional funds for general government infrastructure and capital needs beyond the $4 million General Obligation Bonds (Annual Bonds). Grant program receipts were generally consistent with prior years, although continuing recent trends of declining significance of such funds. Summaries of the budgets for these funds are contained in the appropriate fund sections.

Budgets for proprietary operations and fiduciary activities are also contained in this document and are presented in each section as appropriate. Summaries of the financial operations of each proprietary entity are contained in the respective fund sections; summaries of the organizational units funded through proprietary functions are contained in the operating budgets sections.

Reorganization of City Government

A significant reorganization of city government was enacted in 1990. This reorganization resulted in a number of operating units being reconstituted within their departmental configuration, and several new departments being formed. All 1990 data are presented in this document in the appropriate new departmental structure.

Other Issues and Summation

The city continues to face a number of short-term financial challenges. The effects of a recessionary economy are being felt in the city budget. At the same time, demands for city services are increasing, particularly in public safety areas.

The composition of the adopted budget is a continuing concern. The use of significant reserves and other one-time available monies to balance the 1991 Budget leads to another projected cash deficit position, absent further budget reductions or unexpected revenue increases. The use of one-time monies in the budget is exacerbated by losses of anticipated revenues built into the 1991 Budget. Primary among this category is the State Aid to Municipalities program, which has been eliminated from the recently adopted state budget and represents a loss of revenue to the city of over $2 million. In aggregate, current projections indicate a cash operating loss of up to $15 million for 1991. This will further reduce fund balance and create a serious shortfall going into the 1992 Budget.

We in the Department of Finance would like to express our appreciation to elected officials, appointed officials, and staff of city departments and agencies who participated in the 1991 Budget process for their efforts, dedication, and cooperation.

Sincerely,

Richard Anderson
Chief Financial Officer

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