

CITY OF  
ATLANTA



FISCAL YEAR 2015

KASIM REED  
MAYOR

# FIVE YEAR FINANCIAL PLAN



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## FIVE YEAR PLAN

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# PREFACE

CITY OFFICIALS

CITY ORGANIZATIONAL STRUCTURE

READER'S GUIDE

PURPOSE

FIVE YEAR PLAN



# CITY OFFICIALS



**Kasim Reed**  
*Mayor*

**Michael J. Geisler**  
*Interim Chief Operating Officer*

**Candace L. Byrd**  
*Chief of Staff*

**J. Anthony Beard**  
*Chief Financial Officer*

**Cathy Hampton**  
*City Attorney*

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## MEMBERS OF CITY COUNCIL

**Ceasar Mitchell**  
*Council President*

**Carla Smith**  
*District 1*

**Kwanza Hall**  
*District 2*

**Ivory Lee Young, Jr.**  
*District 3*

**Cleta Winslow**  
*District 4*

**Natalyn Mosby Archibong**  
*District 5*

**Alex Wan**  
*District 6*

**Howard Shook**  
*District 7*

**Yolanda Adrean**  
*District 8*

**Felicia Moore**  
*District 9*

**C.T. Martin**  
*District 10*

**Keisha Lance Bottoms**  
*District 11*

**Joyce M. Sheperd**  
*District 12*

**Michael Julian Bond**  
*Post 1, At-Large*

**Mary Norwood**  
*Post 2, At-Large*

**Andre Dickens**  
*Post 3, At-Large*

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**Rhonda Dauphin-Johnson**  
*Municipal Clerk*

## JUDICIAL OFFICERS

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**COURT OPERATIONS**

Herman L. Sloan  
*Chief Judge*

**PUBLIC DEFENDER**

Rosalie Joy  
*Interim Public Defender*

**SOLICITOR**

Raines F. Carter  
*City Solicitor*

## BOARD OFFICERS

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**ATLANTA CITIZENS REVIEW DIRECTOR**

Samuel Lee Reid II  
*Executive Director*

**ETHICS OFFICER**

Nina Hickson  
*Ethics Officer*

**CITY INTERNAL AUDITOR**

Leslie Ward  
*City Auditor*

## DEPARTMENT OFFICERS

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**AVIATION**

Miguel Southwell  
*Interim General Manager*

**CORRECTIONS**

Patrick Labat  
*Corrections Chief*

**FINANCE**

J. Anthony Beard  
*Chief Financial Officer*

**FIRE & RESCUE SERVICES**

Kelvin J. Cochran  
*Fire Chief*

**HUMAN RESOURCES**

Yvonne Yancy  
*Commissioner*

**INFORMATION TECHNOLOGY**

Michael Dogan  
*Interim Chief Information Officer*

**LAW**

Cathy Hampton  
*City Attorney*

**PARKS, RECREATION & CULTURAL AFFAIRS**

George Dusenbury  
*Commissioner*

**PLANNING & COMMUNITY DEVELOPMENT**

James E. Shelby  
*Commissioner*

**POLICE SERVICES**

George N. Turner  
*Police Chief*

**PROCUREMENT**

Adam L. Smith  
*Chief Procurement Officer*

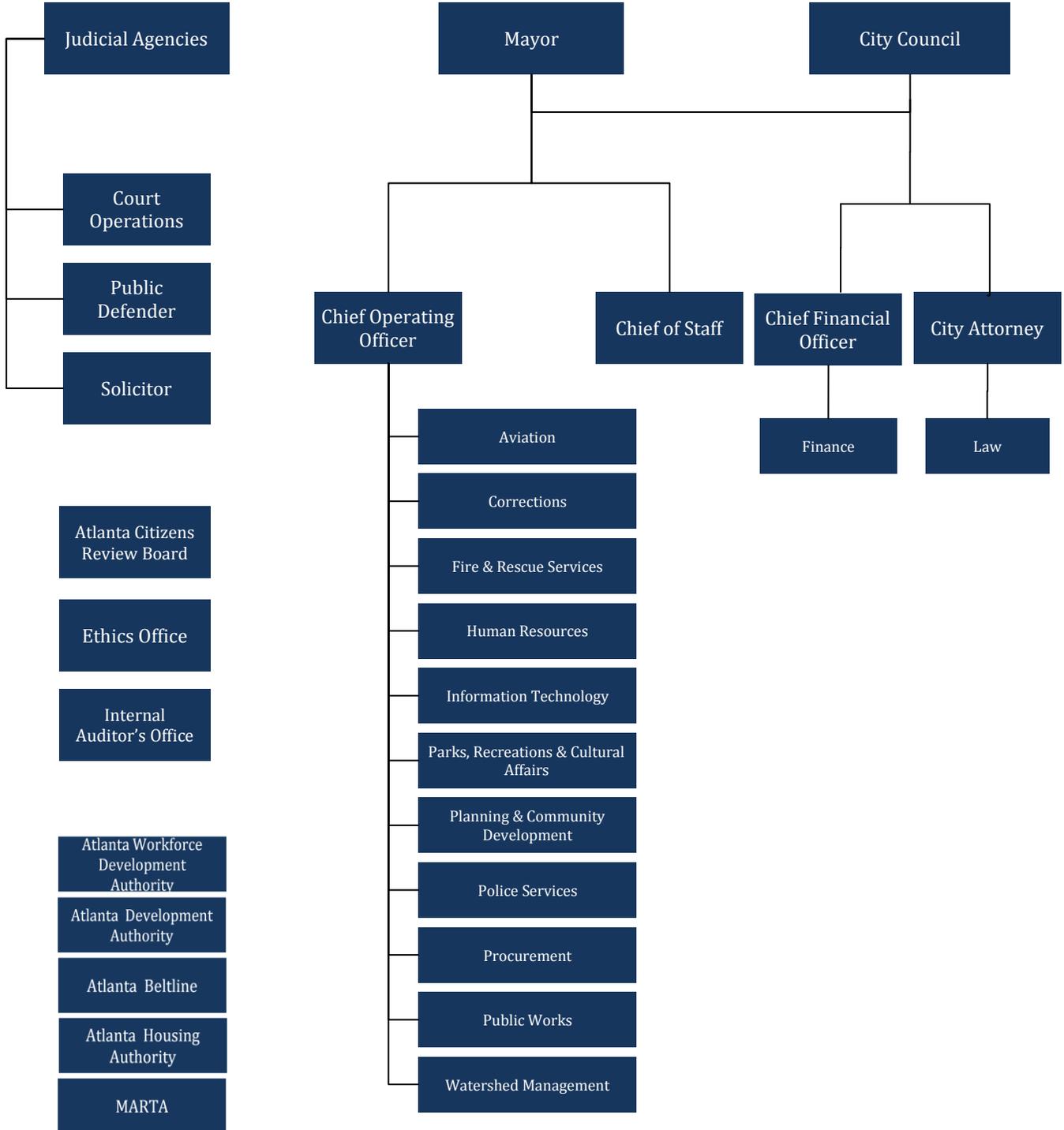
**PUBLIC WORKS**

Richard Mendoza  
*Commissioner*

**WATERSHED MANAGEMENT**

Jo Ann J. Macrina  
*Commissioner*

# CITY ORGANIZATIONAL STRUCTURE





## READER'S GUIDE

The City of Atlanta's Five Year Plan document is intended to provide information in such a manner that the lay reader can understand the operations of the City. The **Reader's Guide** describes the structure of the FY2015 City of Atlanta's Five Year Plan and outlines its contents. The FY2015 Five Year Plan has overview sections and detail on the overall financial data of the City of Atlanta. The entire document will be posted on the City's website at [www.atlantaga.gov](http://www.atlantaga.gov) after it is confirmed by City Council.

- **The Preface** – provides an overview of the City officials, organizational structure, and purpose.
- **Introduction**- provides the Mayor's and CFO's transmittal letter, which presents the framework for the City operations and services for the next five years.
- **Five Year Revenue Overview and Projections** – Includes detailed information on the City's economic outlook, which provides the basis for revenue projections and methodology as well as historical trends, account details of major revenue sources.
- **Five Year Expenditure Overview and Projections** - provides expense budget summaries for all operating funds and key performance plans for the next five years.
- **Fund Balances**- includes the audited and projected fund balances of the various operating funds. It also includes a summary of fund balance and net position as well as the City's plan to address deficit fund balances.
- **Debt Management** - provides a summary for the City's general debt obligations, bond ratings and debt coverage ratios.
- **Appendix** – includes legislation and other essential information.

## PURPOSE

The City's introduction of a five year planning process allows the City to identify future revenue and expense trends and proactively identify ways to improve financial viability. A five-year plan is a critical forecasting tool for the City. The refinement of assumptions, historical trends and policy decisions will have a direct impact on the City's ability to address volatile economic conditions.

Ordinance 09-0-1406 was adopted on September 21, 2009, and it codifies the requirement to complete a five-year stabilization plan that is updated annually. The Ordinance directs the City to consider and present specific financial issues that are critical to the City's financial future by October 15 of each year. It further requires that in subsequent years, the City Council will formally adopt a plan by the 3<sup>rd</sup> Monday in January.

The legislation was updated (11-0-1415) to allow the Chief Financial Officer to consider information from the prior year closeout and auditor's recommendations.

The Mayor shall present to the governing body by February 15 of each year a five-year financial stabilization plan consisting of the following elements:

- (1) A five-year projection of general fund revenues broken down by major category; the projection shall identify the economic trends and assumptions upon which such projection is based.
- (2) A five-year projection of total general fund expenses on a departmental level; Such expense projection shall assume the continuation of department operations as they exist in the current general fund budget and shall take into account the following:
  - i. The effect of inflation on general fund budgeted costs
  - ii. A projection of pension costs as provided by the city's actuaries
  - iii. Costs occurring in future years that the city is legally obligated to pay
- (3) A calculation of the surplus or deficit produced by the projected revenues and expenditures described in (1) and (2) above
- (4) A cost estimate of long-term initiatives of the city; such initiatives shall include, but are not limited to: long-term operating infrastructure and capital infrastructure needs and the elimination of deficit positions in funds that are subsidized or have historically been subsidized by the general fund. At any time the governing body of the city may, by resolution request specific long-term initiatives to be included in the five-year financial stabilization plan.
- (5) A comprehensive list of revenue initiatives the city may pursue during the five years covered by the financial stabilization plan, including an estimate of the revenues to be produced by such initiatives.
- (6) A comprehensive list of cost saving initiatives the city may pursue during the five years covered by the financial stabilization plan, including an estimate of costs saved by such initiatives.

The governing body shall adopt the financial stabilization plan by April 30 of each year. In no event shall the governing body adopt the budget for the upcoming fiscal year prior to consideration of the financial stabilization plan.

# INTRODUCTION

MAYOR'S LETTER

CFO'S LETTER

STRATEGIC INITIATIVES

FIVE YEAR PLAN





## CITY OF ATLANTA

KASIM REED  
MAYOR

55 TRINITY AVENUE, S.W.  
ATLANTA, GEORGIA 30303-0300  
TEL (404) 330-6100

February 24, 2014

The Honorable Ceasar C. Mitchell, President  
Members of City Council  
Atlanta City Council  
55 Trinity Ave. SE  
Atlanta, GA 30303

Dear President Mitchell and Members of the Atlanta City Council:

I have the honor to transmit to you the *Five Year Plan of the City of Atlanta for Fiscal Years 2015 to 2019*. I am pleased that this five-year spending plan continues my Administration's commitment to the strategic vision established for the City of Atlanta. Over the past four years, we have instituted several initiatives that continue to redefine our fundamental areas of responsibility and restore fiscal stability to the City of Atlanta.

Through an ongoing effort to initiate intelligent policing practices and enhance emergency preparedness measures, the City is on target to meet our goal of increasing the level of **Public Safety**. We will continue to monitor and measure **Fiscal Stability** and implement and track innovative, cost effective strategies. **Youth Development** will continue to be a core focus area. By launching a data-driven approach for the youth programs in our recreation centers, we will be able to focus our efforts on the programs that most positively impact our youth. I believe that a vibrant economy is fundamental to Atlanta's position as both a leading American and global city. This can only be accomplished through a continuous investment in **Economic Development**. Together with our partners at Invest Atlanta, we are focused on attracting and growing diverse industries, creating well-paying jobs, catalyzing local innovation, and retaining and supporting the many great businesses that already call Atlanta home. By focusing on our **City Infrastructure**, from the launch of our comprehensive Sustainability Campaign to the continuous efforts underway to address the backlog of investments for our aging transportation and water infrastructure, we are working to meet the current and future needs of our customers. Over the next five years, I will also focus on staff training and recognizing employee performance in an effort to continue making great strides in **Customer Service**.

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The Honorable Ceasar C. Mitchell, President  
and Members of Council

The five-year plan promotes a focus on the long-term health of the City, allowing us to better predict financial challenges and persevere through the unexpected. My administration continues to look for opportunities to identify further savings and grow revenue. We will work with the various departments to ensure that we submit a balanced budget that builds a strong foundation for Atlanta's future.

My Administration appreciates the open dialogue we have had with you, and we look forward to continuing to work together to move our city forward.

Sincerely,



Kasim Reed



CITY OF ATLANTA  
55 TRINITY AVE S.W.  
ATLANTA, GEORGIA 30335-0300  
TEL (404) 330-6100

February 15, 2014

The Honorable Ceasar C. Mitchell, President  
Members of City Council  
Atlanta City Council  
55 Trinity Ave. SE  
Atlanta, GA 30303

Dear President Mitchell and Members of the Atlanta City Council:

Attached is the Five Year Financial Plan for the City of Atlanta. This fulfills the requirements set forth in City Ordinance 11-O-1415. More important, it lays out the City's financial trajectory and recommends key actions to continue on a path of financial stability.

The City has made significant progress in the past several years and the financial position of the City is much improved. However, continued progress will not occur without fiscal discipline. Improving the City's financial position is a long-term strategy requiring proactive decisions and actions over multiple years.

The City's goal to address key financial stabilization priorities is modeled in this plan. The baseline financials include making significant progress on establishing a general fund balance of \$100MM. I am pleased to report that the general fund balance has grown to \$138.2MM at fiscal year-end 2013. This was up from \$126.7MM in FY 2012 and was accomplished through an effort of cost containment as well as optimizing the collection of revenue. The increase in fund balance can help the City preserve through unexpected challenges. It is also a key measure that external bond rating agencies review and a factor in the City's credit worthiness.

The baseline financial plan indicates moderate revenue growth indicative of a stronger U.S., State and local economy. A review of the S&P Case-Shiller index supports continued 2014 tax digest growth consistent with the 2013 tax digest. Property tax accounts for one-third of General Fund revenues. The FY 2015 forecast assumes a rollback of tax revenues attributed to positive reassessment which is estimated at \$5 million. The Property tax law allows the City to benefit from construction related growth which is estimated at \$1.7 million. Despite Citywide cost reductions over the past four years, there continues to be a structural imbalance between the City's baseline revenues and costs.

To stabilize its finances, the City should continue to keep its expenses tightly managed while moving rapidly on new revenue opportunities. This includes revenue initiatives such as Revenue Discovery that will continue to be a focal point of the next five years.

Last year, the City implemented the Hyperion Planning and Budgeting Tool for five-year plan development. The Hyperion Planning and Budgeting Tool is a planning, budgeting and forecasting tool that integrates the financial and operational planning process and improves business predictability. The City will continue to utilize the tool which benefits include (1) improved accuracy with forecasting and modeling capability; (2) reduced plan development time; and (3) real time information with significant reporting capabilities.

This year's plan also includes an analysis of the Affordable Health Care Act that will provide an opportunity for millions of uninsured Americans to gain access to medical coverage. This analysis projects how this mandate will affect the City of Atlanta over the next five years.

Financial stabilization will require fiscal discipline. A well-aligned portfolio of revenue growth and expense reduction initiatives should be pursued to make the City structurally sound. My summary recommendations are to:

1. Continue to thoroughly plan for City costs and revenues to avoid surprises.
2. Continue to question every dollar of expense as to its benefit.
3. Accumulate restricted reserves to build a strong general fund and correct other fund deficit positions.
4. Take action on new revenue opportunities.
5. Pursue revenue expansion at the state and federal level.
6. Invest in the City's employees.
7. Continue to leverage technology and automation, higher value work, and improve service delivery.

As is common with long-term planning efforts, the resulting forecast should be viewed as directional in nature. We received input from external and City subject matter experts to develop the financial projections included. This plan is a snapshot in time based on the information available during the development of the report. Please keep in mind it is a living document and subject to change.

The City should continue to have a comprehensive multi-year, financial planning process each year. It promotes a focus on the long-term health of the City, allowing the City to better predict financial challenges and persevere through the unexpected.

Sincerely,



J. Anthony Beard, Chief Financial Officer

# STRATEGIC INITIATIVES

Over the past four years, Mayor Kasim Reed in collaboration with the City Council has initiated several initiatives. The following descriptions describe how these initiatives are addressed in the five year plan.

## **Public Safety**

The Five Year Plan includes continued funding for the additional Police officers that were allocated funding in FY2014. These additional officers increased the police force to 2,000 officers, which is the largest police force in the City of Atlanta's history. To date, these efforts have resulted in an 18% drop in crime.

In February 2011, the Federal Emergency Management Agency "FEMA" awarded the Atlanta Fire Department a Staffing for Adequate Fire & Emergency Response "SAFER" grant in the amount of \$9.8MM. The Atlanta Fire Department hired 75 new firefighters, ensuring all fire response teams are fully staffed with four firefighters. The Five Year Plan includes continued funding for the additional firefighters.

## **Fiscal Stability**

The baseline financial plan includes progress on eliminating deficit positions and cash pool borrowing. The baseline financial plan includes a funding source to repay the City's General Fund water obligations per the terms of the memoranda of understanding. This transaction is now accounted for as a balance sheet transaction and does not impact expenditures, and therefore is not an item included as expenditure in the Five Year Plan.

While significant progress has been made, the initial projections included in the financial model does not reflect complete correction of all deficit positions in the next five years. However, it is the City of Atlanta's commitment to maintain fiscal discipline to correct deficit positions (See Fund Balance section). In some cases, this may take more than five years to accomplish.

The baseline financials include significant progress on establishing a general fund balance of over \$100M. The general fund balance grew to over \$138.2MM at the end of FY 2013. This was up from \$126.7MM in FY 2012 and was accomplished by containing costs as well as optimizing the collection of revenue.

## **Youth Development**

Previously, financial constraints caused the City to close 16 recreation centers and pools. Currently, all recreation centers and pools are open (6 of which are funded through public/private partnerships). Continued funding is included in the annual budget for City of Atlanta youth programs and the conversion of a number of recreation centers to Centers of Hope. Through its partnership with the Boys and Girls Club of Atlanta, the City plans to open six (6) more centers.

## **Economic Development**

Invest Atlanta is the official economic development authority for the City of Atlanta. Its purpose is to strengthen Atlanta's economy and global competitiveness in order to create increased opportunity and prosperity for the people of Atlanta. Invest Atlanta is governed by a 9-member board of directors, chaired by the Mayor of Atlanta. In FY 2014, the City invested \$4.8MM in Invest Atlanta and will include an additional investment in FY 2015 to Invest Atlanta's programs and initiatives that focus on fostering public-private partnerships to accelerate job creation/economic growth, neighborhood revitalization/investment and innovation/ entrepreneurship.

In assuming our responsibility for the future, the City of Atlanta expanded economic opportunities for our city and our state. The business community has responded to our stewardship: the Coca-Cola Company is moving its Atlanta IT center downtown; AT&T is moving its Foundry to the Georgia Tech campus; PulteGroup, one of the nation's largest homebuilders moved to Buckhead; Athena Health, Inc. is moving to Ponce City Market in Midtown; and Porsche Cars North America is moving south to One Porsche Drive on the Aerotropolis Campus. With the opening of the Maynard H. Jackson Jr. International Terminal and the strength of Delta Airlines, Hartsfield-Jackson Atlanta International Airport remains the number one passenger airport in the world. We are also now among the top ten (10) cargo airports in America. Working with Arthur Blank and the Atlanta Falcons organization, we will soon break ground on a world class \$1.2 billion dollar stadium that will keep the Falcons in downtown for another thirty (30) years. All of these decisions mean that thousands of jobs are coming back into the city.

Beginning in 2014, the Atlanta Beltline will be expanding westward with an \$18 million dollar investment from President Barack Obama's administration, along with the \$47 million dollar grant previously awarded from the U.S. Department of Transportation for the Atlanta Streetcar. These investments will help the City expand its capability to host the 42 million guests who visited in 2012, the largest number of visitors ever recorded and just 10 million less than the City of New York. The City of Atlanta will also see the opening of the National Center for Civil and Human Rights and the College Football Hall of Fame in 2014.

## **City Infrastructure**

As with virtually every other major U.S. city, Atlanta has significant infrastructure requirements with very limited funding options. The City's infrastructure needs include roads, bridges, sidewalks, traffic signals and facilities. The City's ongoing review of its infrastructure requirements and financing opportunities has resulted in identifying long-term bond financing as the optimum financing tool. The issuance of long-term debt allows the City to match the useful life of the asset over the amortization period of the debt. The issuance of General Obligation debt is an attractive financing tool because it is backed by the full faith, credit, and ad valorem taxing powers of the City. General Obligation debt backed by City ad valorem taxes allows the City to achieve a favorable interest rate given the City's substantial tax base.

Recognizing the significant infrastructure challenges the City of Atlanta faces; the Mayor is committed to ensuring the City establishes a viable path to making the necessary investments. It is expected that the City will issue approximately \$250MM in GO bonds in fiscal year 2015 to finance a portion of the approximate \$1 billion in capital improvement needs. In addition, the City is also committed to ensuring available, ongoing funding for the City's water and sewer systems. In all endeavors, the City is focused on optimizing existing resources to maintain existing infrastructure.

## **Customer Service & Excellence**

The Department of Human Resources is committed to attracting, retaining, and developing a diverse and competent workforce that enables City departments to achieve business needs. The City's ongoing effort to review its pay structure will lead to further strides in employee recognition and performance during the five-year plan period.

The Courtesy and Respectful Everyday "CARE" initiative focused on improving customer service. Ninety-five percent of the City's staff was trained. The purpose of the initiative is as follows:

"All Atlanta residents and visitors should expect and receive best-in-class customer service every time they interact with the City. My administration's new customer service initiatives challenge and encourage City of Atlanta employees to be more efficient, courteous and professional. The City's workforce of more than 7,500 employees is Atlanta's ambassadors. When they take pride in their work, we all benefit." - Mayor Kasim Reed



ECONOMIC OUTLOOK  
REVENUE FORECAST SUMMARY

1

FIVE-YEAR  
REVENUE  
OVERVIEW AND  
PROJECTIONS

FIVE YEAR PLAN



## ECONOMIC OUTLOOK

The 2014 US economic forecast indicates that the economic recovery that began in the second half of 2009 will be sustained. The rate of 2014 GDP growth – 2.5 percent – will be higher than in 2013 – 1.8 percent, but below the economy’s average annual growth of the last 50 years – 3.1 percent. The US is well positioned for slight acceleration in the pace of growth courtesy of extensive restructuring of the private sector, including the cleanup of the financial sector, the aggressive write off of bad debts, deleveraging by consumers, and a more favorable balance of supply and demand for residential and non-residential properties.

With the year-over-year rate of 2014 US GDP growth predicted at only 2.5 percent the US economy remains vulnerable to economic shocks and/or policy mistakes. Also, due to self-inflicted wounds from Washington there will be only moderate economic momentum exiting from 2013. The primary risks likely to trigger a new recession remain very familiar: (1) mistakes in federal fiscal and/or monetary policies, (2) oil price shocks, and (3) contagion of financial panics. Nonetheless, the probability of recession is 20 percent, which is half the 40 percent recession probability estimated at this time last year.

In 2014, private final domestic demand rather than fiscal stimulus or net exports will be the primary driver of US GDP growth. Indeed, the government sector will subtract from – rather than add – to US GDP growth. Since federal fiscal policy will be restrictive, the Federal Reserve’s monetary policy will remain supportive of growth in private demand by maintaining a monetary policy stance that is simulative – characterized by near zero short-term policy interest rates. Nonetheless, the Federal Reserve will continue to wind down its

purchases of treasuries and mortgage-backed securities – QE3 – in 2014. Meanwhile, the federal government has yet to effectively address its massive structural budget problems, which is what is needed to move the US economy from its sub-par growth trajectory to an average, or above average, growth trajectory.

Another reason US GDP growth will be subpar rather than vibrant is that we are going to see restraint in spending by U.S. consumers. Real consumer spending will rise by 2.4 percent in 2014. Spending on homes and automobiles will make significant positive contributions to US GDP growth. Many people are not too confident in either the current situation or the future and therefore will remain cautious. Moreover, many households will still be deleveraging, and will be reluctant to take on risk. Deleveraging means that money that people might have spent on goods and services will go to paying down debt, which will limit consumers contribution to 2014 GDP growth.

GDP growth of our major trading partners will strengthen in 2014, which will raise the rate of growth of US exports. The pace of import growth will accelerate even faster, however. Net exports therefore will subtract slightly from US GDP growth in 2014. One problem is that even though the EU’s recession is winding down, its banking and sovereign wealth problems are still far from having been resolved. While the situation in the EU is unlikely to cause a major financial panic in 2014, its growth prospects do not look good. The historical correlation between US GDP growth and EU GDP growth is extremely high, implying that little, or slow, growth in the EU will limit US GDP growth in 2014. A second problem is that there has been a significant deceleration of growth of many emerging markets,

especially in countries that delayed major structural reforms. The deceleration of emerging market growth, which is due to both structural and cyclical factors, reduces prospects for US manufacturers to export goods to the developing world in 2014.

Spending on business structures will be a positive factor in terms of GDP growth, with spending on structures related to mining and petroleum posting the largest year-over-year gains. Due to weaker than expected growth of end markets, spending on inventories is expected to subtract slightly from 2014 US GDP growth. Meanwhile, the fiscal drag from state and local governments will dissipate in 2014.

## **HOUSING**

Housing will be a strong tailwind for US GDP growth. That's primarily due to cyclical factors, but it's also true that the demographic trends are more favorable. This traditional driver of economic growth finally got traction in 2012 and it gained momentum in 2013. In 2014, the number of single-family home starts for new construction will increase by about 25 percent.

As predicted, existing home prices stabilized in 2012 and rose substantially in 2013. Existing home prices will rise by about 5 percent in 2014. Any remaining pockets of home price depreciation will be very spotty, reflecting local imbalances rather than overall macroeconomic conditions. In most markets, home price appreciation therefore will bolster the psyche of the consumer and homeowners' ability to spend.

As the record of home price appreciation lengthens, potential homebuyers who have been waiting on the sidelines for even lower prices will increasingly opt to become homeowners. Rising rents will strongly reinforce this trend. Many investors pulled the trigger on home purchases in late 2011 or in 2012, but people who buy homes to live in them did so in increasing numbers in 2013. In 2014, the share of homes sold to people who live in

them will rise rapidly and the share sold to investors will decline sharply.

Both the single- and multi-unit residential construction subsectors will contribute to GDP growth. This broadly based upturn in housing activity will add 0.5 percentage points to US GDP in 2014. That's significantly more than the 0.3 percentage point contributions in both 2012 and 2013. Residential construction was a neutral factor in 2011. These contributions are noteworthy given that residential construction subtracted 0.5 percent from U.S. GDP growth in 2006, 1.1 percent in 2007, 1.1 percent in 2008, 0.7 percent in 2009, 0.1 percent in 2010.

Mortgage rates will remain a tremendous bargain, but rates have risen above their recent historic lows and will move higher in 2014. That will occur as the Federal Reserve winds down its purchases of treasuries and mortgage-backed securities – QE3. Home mortgages also should be somewhat easier to obtain. Credit conditions will ease due to the stabilization of home values in most markets – as well as due to slowly improving macroeconomic conditions. Despite overall improvement, credit will remain extremely tight for riskier loans. Although lending standards for new home construction and new residential developments will get a bit easier, credit lines and money to builders will still be somewhat scarce, restricting the supply of newly built homes. Also, low – perhaps overly conservative – appraised values will stymie conventional lending as well as housing turnover.

A potentially powerful demand side support for homebuilding is the rebound in the rate of household formation, which was quite depressed in 2008-2012. Job growth will be the key to unlocking the pent-up demand for housing that built up as young adults opted to stay a home a bit longer. Moreover, improving job prospects will partially reverse the recent surge in college enrollment and might also slow the rate at which student loan debt is piling up. Indeed, record breaking levels of student loan debt is one reason why young adults are likely to

delay moving out on their own, get married, have children, and buy a starter house.

#### **NONRESIDENTIAL CONSTRUCTION**

Although higher interest rates are a headwind, private spending for new nonresidential construction will increase in 2014, continuing the up cycle that began in the second quarter of 2013. Credit conditions will ease slightly for those looking to build nonresidential structures, but will remain very tight in markets with high vacancy rates. Employment and population growth gradually will generate gains in net occupancy. Tenants will still have the upper hand in lease negotiations, but to a lesser degree than they did in 2009-2013. Meanwhile, foreign investors will be keen to take advantage of a buyer's market for US real estate. These trends imply that the current up cycle in the nonresidential real estate will gain traction, but also will lack vigor.

Office and retail vacancy rates will remain elevated, but will improve due to limited deliveries of space as well as less sublease space coming onto the market. Demand for new office space will increase the most in markets that benefit from growth of high technology and energy industries. Retail construction will continue to be limited by abundant supplies of existing space as well as online competition, but pockets of new retail development will appear in the most desirable locations. Industrial development will continue to benefit from rising levels of industrial production and capacity utilization, with new development focused on locations with logistical advantages.

Less positively, spending for publicly funded structures will remain close to recessionary lows in many jurisdictions. The primary problem is that weak real estate markets have led to downward – or at least slowed upward – adjustments in assessed property values. Typically such adjustments lag movements in market prices by a year or more. Thus, for another year, property tax bases will not be very supportive of revenue collections and in turn spending for publically funded construction projects.

#### **CONSUMER SPENDING**

Consumers' inflation-adjusted contribution to GDP growth will be positive, and slightly larger in 2014 than it was in 2013. The deleveraging process – which already is quite advanced – will continue to be gradual rather than abrupt. But, uncertainties regarding federal fiscal and tax policies will continue to limit the push to GDP growth from consumer spending.

At this juncture, job creation – and the income growth that accompanies it – is absolutely vital to the outlook for both consumer spending and the overall economy. The forecast anticipates that the nation's job machine will remain in second gear in 2014, however. Job growth will be adequate to sustain US GDP growth, but inadequate to raise the rate of GDP growth to its long-term average of 3.1 percent. With recent losses in household wealth and a focus on savings, increases in inflation-adjusted disposable personal income must account for virtually the entire projected rise in consumers' spending. The upturn in both the number of jobs and the number of hours worked per job are two factors that will support this income growth.

In 2014, consumers' inflation-adjusted spending for goods will increase much faster than spending for services, with spending for durable goods growing more than twice as fast as spending for nondurable goods. Among durables, outlays for information processing equipment will increase very rapidly. Outlays for new motor vehicles and recreational goods also will grow quickly. Spending on nondurables such as food, clothing, pharmaceuticals, and other medical products will rise moderately, but spending for tobacco will decline. Among services, spending on vehicle leasing will increase the fastest. Providers of public transportation, recreational services, and financial services will see above average growth in spending. In contrast, consumers' outlays for restaurants, insurance, and utilities will grow relatively slowly.

## **LABOR MARKETS**

On an annual average basis total nonfarm employment will increase by 1.7 percent in 2014, which is about the same as the 1.6 percent gain estimated for 2013. Courtesy of the upturn in housing, job growth will be very broadly based. Companies will hire as domestic demand for goods and services expands, but progress will be limited because domestic demand will increase moderately. Meanwhile, global demand for U.S. exports also will expand, but slowly. On the plus side, venture capital – which fuels job creation – will be more available than it was in 2008-13. Moreover, most businesses long ago shed their redundant staff and are very lean relative to their actual staffing needs. Indeed, the rate of job destruction in the private sector will be quite low. Even 2.5 percent GDP growth therefore will generate 1.7 percent job growth. Also, GDP growth will outpace productivity growth in 2014, which will push firms to hire additional staff as end markets slowly expand. The faster pace of GDP growth will sustain job growth, but job growth will not accelerate too much.

In 2014, construction companies will post the fastest rate of employment growth. Professional and business services will see the second fastest rate of job growth. Natural resources and mining will see the third fastest rate of job growth. And, transportation and warehousing will see the fourth fastest rate of job growth. Education, health services, leisure and hospitality, and wholesale trade subsectors also will see solid employment gains. Providers of financial activities will see limited, but positive employment growth. Information is not expected to lose or gain significant numbers of jobs, but within this broad sector wireless telecommunications firms will be hiring even as wired carriers and publishers are reducing their staffing levels. The Federal government and utilities are the only major sectors expected to lose jobs.

US manufacturers will continue to hire, primarily due to cyclical factors such as consumers' and businesses' growing demand for durable goods rather than long-term

structural shifts in competitiveness. For example, the up-cycle for housing will provide a strong tailwind to US manufacturers. Nonetheless, because the economies of EU and Japan have performed poorly, manufacturers who want, or need, to locate in developed economies increasingly will opt for locations in North America. The US ranks very high in manufacturing competitiveness in terms of talent-based innovation, the legal system, property rights, and physical infrastructure. China outranks the US in terms of both its low costs and its high levels of government investment in manufacturing/innovation focused research and development. Appreciation of China's currency, the tightening of its labor markets, and low US natural gas prices are helping to shrink the cost advantage of manufacturing in China, but overall progress will be very slow as such gains will be significantly offset by rising regulatory and health care costs in the US.

## **CORPORATE PROFITS**

After-tax corporate profits are already at very high levels, but should eke out low single digit percentage point gains in 2014. Excellent expense management, low debt burdens, and more broadly-based – albeit moderate – growth in demand for goods and services will be the primary factors supporting profit growth. In 2014, financing also should be somewhat easier to obtain, albeit somewhat more expensive. Nonetheless, continued easing of lending conditions improves prospects for profits earned by smaller companies. The upturn in the housing market will be the primary factor contributing to the broadening of the base of profit growth. Growth in spending for business equipment bodes well for profits earned by technology-oriented companies. The upturn in housing markets will generate profits for many home-related industries. Productivity growth is likely to be stronger in 2014 than it was in 2013, which is a panacea for profits as well as the overall economy. It also bears keeping in mind that profit growth is very sensitive to movements in GDP. The

Terry College expects the pace of US GDP growth to accelerate slightly in 2014, which augers well for domestically generated corporate profits.

On the negative side, the year-over-year comparisons will be tough to beat. Businesses' pricing power is not expected to firm too much. Finally, it's important to recognize that financial institutions' profit margins will be sensitive to problems stemming from Europe's sovereign debt crisis as well as slightly higher long-term interest rates. Indeed, the slow expansion of foreign GDP – especially the lackluster performance of the EU – will limit sales prospects for many export-oriented companies.

#### **BUSINESS SPENDING**

Due to faster growth in end markets, the year-over-year percentage increases in business spending for equipment and software will be larger in 2014 than in 2013. Such spending will grow much faster than GDP, reflecting the need to replace equipment, to improve productivity, and to become less labor intensive. Strong cash flows and easier credit – albeit somewhat more expensive – will fuel such spending. It also helps that corporate discipline with respect to capital outlays over the course of the 2001-2013 was excellent. Plus, for many companies cash flows will be adequate relative to the amount of funds they need for investment, lessening the impact of lingering credit constraints or higher interest rates. Business spending for computers and peripherals will post the largest year-over-year percentage gains. Substantially higher spending also is expected for industrial and communication equipment. Spending for transportation equipment and intellectual property will increase modestly in 2014.

Below average levels of capacity utilization will be a headwind for business spending for equipment and software. Of course, much of the excess capacity is either in the wrong location or in the wrong industry. The rate of capacity utilization in all industries was 77.6 percent in mid-2013, which is up considerably from 66.9 percent in

mid-2009. But, the long-run (1972-2012) average rate of capacity utilization for all industries in the U.S. is 80.2 percent. Capacity utilization varies dramatically by industry. In mid-2013, capacity utilization for industries producing crude products was 87.4 percent, which is above its long-run average and therefore should spur capacity additions. For goods at the finished stage, capacity utilization was 75.6 percent, a rate only 1.5 percentage points below its long-run average. In contrast, capacity utilization for goods at the primary and semi-finished stages of production was 75.5 percent, a rate 5.5 percentage points below its long-run average.

#### **INFLATION**

If oil prices remain relatively steady, consumer price inflation will increase by 2.0 percent in 2014, compared to 1.5 percent in 2013. Of course, inflation will be even lower should energy prices tumble, or should the economy experience a recession. There are no signs that inflation is or will soon be a problem, and the usual drivers of inflation will not be much more intense in 2014 than in 2013. For example, the pace of 2014 GDP growth will be well below average and only slightly higher than in 2013. Also, consumer spending and employment will both grow moderately. Plus, there is still excess capacity in a large number of economic sectors, illustrated by the elevated unemployment rate.

Once U.S. economic growth builds up some steam, the Federal Reserve will move to take back some of its rate cuts. As long as the Federal Reserve does not keep rates too low for too long, the risk of stagflation remains very low. The Terry College expects the Federal Reserve to keep rates on hold in 2014. The precise timing and magnitude of the future rate increases by the Federal Reserve also will depend on both the magnitude and perceived durability of the expansion. Based on the Terry College's forecast of lackluster – albeit sustained – US GDP growth and a sluggish global economy, the Federal Reserve will begin increasing short-term policy interest rates in 2015. Any

increase in rates in 2014 will be investor-driven rather than Fed-driven and therefore will be dependent on the pace of economic growth. Thus, interest rates will only rise slightly in 2014.

The outlook for inflation beyond 2015 is considerably less sanguine. Because inflation is a monetary phenomenon, the magnitude of recent monetary stimulus increases the risk of inflation. Also, the federal debt has skyrocketed in absolute terms as well as in terms of its percentage of GDP. That creates pressure to monetize the debt. Over the next decade it's likely that inflation will exceed the 3 percent average of the last 30 years. Also, despite the lack of a good substitute, the US dollar could gradually lose some of its status as a reserve currency or safe haven. China and others with large foreign currency holdings may choose to gradually diversify their portfolios away from US dollar assets. Of course, the mushrooming federal debt does not have to produce more inflation; it may instead simply force US interest rates higher to attract the needed capital. Either way, outsized budget deficits cannot be sustained for more than a few years without doing significant damage to the US economy and its prospects for growth. Over the long term, keeping inflation in check means fully embracing sound federal fiscal policy.

## The Georgia Outlook for 2014

By Jeffrey M. Humphreys, Terry College of Business, University of Georgia,  
*Revised 01/06/2014*

In 2014, Georgia's economy will continue to recover from the Great Recession. The pace of growth will be modest, but significantly faster than in 2013. The risk of recession is the same for Georgia as for the nation – 20 percent. The 2014 forecast calls for Georgia's inflation-adjusted GDP to increase by 3.3 percent, which exceeds the 2.5 percent growth estimated for 2013. Georgia's 2014 GDP growth rate will be 0.8 percent higher than the 2.5 percent rate estimated for US GDP. The positive differential reflects (1) the housing recovery, (2) strategic shifts in the state's economic development strategy, and (3) more supportive demographic forces. The state's nominal personal income will grow by 5.4 percent in 2014, which is higher than the 4.6 percent gain expected for the US. Georgia's nonfarm employment will rise by 2.2 percent in 2013, which exceeds the 1.7 percent gain estimated for the US. Two headwinds will hold Georgia back in 2014: (1) federal government spending cuts and (2) changes in Federal Reserve policy. In 2014, federal policymakers are likely to address imbalances in federal government financing and the credit markets in ways that do more damage to Georgia than to the nation as a whole.

Georgia suffered disproportionate job losses during the "Great Recession" and so far, has recovered more slowly. Georgia lost 340,000 jobs, or 8.1 percent of the state's pre-recession employment peak. In contrast, the country lost 6.3 percent of its jobs. By November 2013, Georgia had recovered only 69% of those lost jobs. Compare this with our nation having replaced 85% of its lost jobs. So, 4 years into the economic recovery and Georgia is still down 106,000 jobs. Fortunately, Georgia's employment will grow by almost 2.2% in 2014. If that rate of growth is sustained, Georgia will replace the jobs it lost by mid-2015. The US will replace its lost

jobs by mid-2014, or about one year ahead of Georgia.

Private sector job growth will be very balanced in 2014. The fastest job growth will occur in construction, followed by professional and business services, and mining and logging. Education and health services, information, and leisure and hospitality will see above-average gains. Below-average job growth is expected for trade, transportation, utilities, and manufacturing. Positive, but slow job growth is projected for financial activities. In contrast, job losses will continue in the government sector, which is the only major economic sector expected to lose jobs in 2014.

### **PROSPECTS FOR MANUFACTURING IN 2014**

Since the turn of the millennium, Georgia has lost 204 thousand – or four out of every ten – manufacturing jobs. The purge ended in 2010. In 2012 and 2013, we've seen many major project announcements, bolstering prospects for job growth in aircraft, automobile, construction equipment, and flooring manufacturing. Many of these promised jobs will be filled in late 2013 or in 2014. Cyclical economic recovery in combination with more competitive economic development incentives will help Georgia attract manufacturers in 2014. But, don't get too excited. The incoming data shows that manufacturing jobs are not coming back too quickly. The state added 5,600 manufacturing jobs in 2011, 4,000 jobs in 2012, and an estimated 400 jobs in 2013. Manufacturing employment will rise by 5,600 jobs in 2014. That will sustain the cyclical recovery in manufacturing, but at that pace it would take over 30 years to replace the manufacturing jobs that were lost. The bottom line is that talk of a manufacturing renaissance is overdone. To become a state where manufacturing activity truly is

concentrated, Georgia will need to develop a better educated and more highly skilled blue-collar workforce. That's because the minimum skill requirements for factory workers are rising rapidly in the types of factories that are getting built in the US.

#### **PRIVATE-SECTOR RESTRUCTURING**

The main reason why Georgia got hit harder than the nation by the Great Recession – and underperformed during the first three years of the recovery – was our state's heavy dependence on the in-migration of new residents and new businesses to establish yet another round of new development that was based in part on servicing the previous round of new development. Not enough of our economic growth was based on educating our own people, promoting innovation, courting emerging high-tech industries, and fostering the growth of in-state capital markets. The financial crisis and the bursting of the housing bubble caused the inflows of people and businesses to end very abruptly. The sudden drought of new construction and the dearth of new residents precipitated a large and painful restructuring of Georgia's economy. The restructuring process was extremely drawn out due to the weakness of the national economy. Plus, it takes a long time to deleverage.

Georgia also suffered from restructuring in areas unrelated to the bursting of the property bubble. For example, the state's information industry – which is heavily concentrated in Atlanta – began restructuring and losing jobs back in 2001 when the technology bubble burst. A decade later, in 2011, one-third of Georgia's information jobs were gone. Although the wired telecommunications subsector will remain in secular decline, employment in Georgia's overall information industry began to recover in 2012, expanded vigorously in 2013, and is poised for another year of above-average job growth in 2014. The much anticipated recovery reflects three factors: surging demand for newer innovative wireless services and high-volume data applications; Atlanta's deep and broad pools of IT-savvy

workers – often young college graduates; and media jobs in film and television that reflect generous economic development incentives as well as Atlanta's long established cluster of television jobs. Most of the growth of the film industry is taking place in either the Atlanta MSA or the Savannah MSA.

As the direct and indirect effects of restructuring and the real estate bubble fade, Georgia's sub-par pace of economic recovery caught up and eventually paced that of the nation. For example, in 2012, Georgia's rate of GDP growth fell short of the rate of US GDP growth by 0.7 percentage points – 2.1 percent growth in Georgia's GDP versus 2.8 percent growth in US GDP. In 2013, Georgia's economy performed better than the U.S. economy. In 2014, the 3.3 percent advance in Georgia's GDP will exceed the 2.5 percent advance projected for US GDP by 0.8 percentage points.

#### **HOUSING RECOVERY**

Housing and real estate development is one of the main factors that will better position Georgia's economy to outperform the nation's economy in 2014. Georgia gets a two for one from the housing recovery because (1) home builders and realtors benefit directly and (2) demand increases or goods produced by our large building materials and forestry industries. In 2014, the number of single-family housing starts for new construction will rise by 29 percent. US housing starts will rise by 25 percent. Georgia's housing market is responding to a more favorable balance of supply and demand. Increased demand for housing will come mostly from 2.2% job growth. Those new jobs, and slightly bigger paychecks – plus appreciating home values – will give more people the wherewithal, and the confidence, to buy homes. That will sustain the housing market's recovery. Mortgage rates will remain a tremendous bargain from a historical perspective, but mortgage rates have risen above their recent historic lows and will continue to move higher as the Federal Reserve winds down its purchases of mortgage backed securities and treasuries.

Supplies of new homes are still constrained by years of underbuilding. Plus, there's a scarcity of listings of existing homes. That's partially because so many of Georgia's homeowners are underwater on their mortgages and are therefore unlikely to put their homes up for sale. It's especially troubling that the negative equity is concentrated in the low price, or starter home segment of the market. That hurts the trade up market. Also, many homeowners realize they will not qualify for a new mortgage. So, lots of homeowners will stay put.

In Georgia, another reason why listings are scarce is that many homeowners are simply unwilling to accept today's depressed home prices. Georgia's homeowners saw very steep declines in home prices in the wake of the housing bust, but did not see a run up in home prices during the housing boom. For long-time homeowners, today's prices mean real losses rather than the paper losses incurred in states where home prices surged during the housing boom.

So, despite the fact that Georgia home prices have recently risen very quickly, listings are still somewhat scarce. Nonetheless, the current housing situation does not resemble anything close to a true "sellers" market. Listings are scarce mostly because home prices are still well below the levels needed to get homeowners who would like to sell to consider putting their homes on the market. For example, even after factoring in recent home price gains, Georgia home prices have only recovered to where they stood at the turn of the millennium. Once home prices rise above reservation prices, existing homes will come onto the market in very large numbers, preventing a true "sellers" market from developing. The Terry College suspects there's a huge pent up demand to sell, but not at today's depressed prices. So, this is still a buyer's market.

One reason home prices are rebounding is that the huge inventory of distressed homes is dissipating. There are two reasons why distressed inventory disappeared so quickly – Georgia is a non-judicial foreclosure state, which allows for

faster resolution. Second, investors have been especially keen to purchase distressed properties in the Atlanta MSA. Investors are drawn to Atlanta because the home price declines here were way overdone.

It comes as no surprise that the recent rebound in home prices is causing credit conditions to ease. But, appraised values lag market values. So, low appraised values will continue to hold back conventional lending as well as housing turnover.

Another restraint on housing activity is that many of Georgia's homeowners with mortgages still owe more on their mortgages than their homes are worth. That severely limits the availability of financing. And, even more Georgia households with mortgages can't absorb the transactions costs involved in selling their homes, much less make a down payment. These homeowners are stuck in their current homes. So, the trade-up market for homes is not functioning normally, but its improving.

Existing single-family home prices will rise by 8% in Georgia in 2014. Lower priced homes will appreciate the fastest. That's partially because the lowest tier has the most ground to make up and remains the farthest from full price recovery. But, it also reflects investors' interest in purchasing inexpensive single-family homes for use as rental properties. In contrast, price appreciation for upper tier homes will depend mostly on the trade up market, which is still not functioning normally.

As potential homebuyers see a record of price appreciation, more will opt to become homeowners. Rising rents will reinforce this trend. In 2012, investors were the main force behind home sales. In 2013, people buying homes to live in them joined investors to become a second major force powering home sales. But, as home prices rise and the number of distressed properties shrinks, home sales to investors almost certainly will drop. Sustaining the recovery of the housing market through 2014 means that trade-up buyers and first-time buyers must become more active.

## **ECONOMIC DEVELOPMENT**

Due to cost, logistics, and tax advantages, Georgia is very competitive with other states when it comes to getting short listed for major economic development projects, but all too often Georgia was just not able to close the deal. In 2012, Georgia's leaders passed key economic development legislation designed to make Georgia more competitive, including the creation of a large deal closing fund and sales tax exemptions for energy used in manufacturing. It looks like the 2012 legislative session was a game changer.

Because we've got better economic development incentives, we've seen an increased number of relocation and expansion projects that will provide a tailwind to Georgia's economic growth in 2014. Examples include Baxter International's facility near Covington that will bring 1,500 biotechnology jobs; GM's IT-innovation center in Roswell that will bring 1,000 high-tech jobs, and Engineered Floors' manufacturing and distribution facilities in NW Georgia that will bring over 2,000 jobs. We've also seen project announcements that will deliver substantial numbers of high-quality jobs at headquarters operations, including PulteGroup, Air Watch, Porsche, Carter's, Spanx, and Mitsubishi Electric. IT companies have announced major projects, including Ernst & Young, CBS Corporation, and Infosys. It looks like healthcare IT (and life sciences more generally) is an emerging industry that promises to create thousands of high-paying jobs in Georgia over the next decade, assuming our people have the skills they need to perform such jobs.

Of course, Georgia's leaders must use good judgment in their use of economic development incentives to close the right deals. Otherwise we will not be able to sustain Georgia's growth without offering larger and larger incentives. It's very encouraging that the Terry College's review of recent economic development announcements issued by the Office of the Governor and the Georgia Department of Economic Development shows that we are closing many deals in industries in which

Georgia has the ability to produce at a low opportunity and marginal costs. Specialization in activities where Georgia has comparative advantage bodes extremely well for sustained success of the companies that received discretionary incentives thereby enhancing the prospects for Georgia's long-term economic growth. Logistics, transportation, distribution, warehousing, information technology, transactions processing, headquarters operations, and several professional and business services are good examples of industries where Georgia competes effectively.

## **FAVORABLE DEMOGRAPHICS**

Demographic forces are a third factor behind Georgia's improving economic performance. For decades, Georgia depended on a growth model that was based on high levels of in-migration. That growth model stopped working during the Great Recession and was slow to restart in the recession's wake. In fact, household formation dropped to its lowest levels since the 1940s. Due to job growth and the housing recovery, geographic mobility will increase in 2014. In-migration will begin to rebound strongly. Also, the birth rate will rise as households become more confident in the current situation and their expectation for the future. Population growth therefore will be a much stronger driver of the state's GDP in 2014 than it was in 2008-2013, but it will be less powerful than in prior decades.

In 2013, Georgia's population will grow at a pace that exceeds the national average - 1.3 percent for Georgia versus 0.9 percent for the U.S. So, the differential in the annual rates of the state's and the nation's population growth will be 0.4 percent. The higher rate of population growth reflects a rise in net migration to the state to about 61,000 people in 2014, up from only 29,000 in 2009. Nonetheless, prior to the Great Recession Georgia's annual rate of population growth was about a full percentage point above the national average, which translates into about 100,000 new net migrants each year. The differential will widen as Georgia begins to

generate jobs at a pace that is significantly above the national average. Jobs will attract young adults who will be more mobile than they were prior to the housing bust.

#### **FEDERAL SPENDING CUTS**

One of the two main challenges to Georgia's growth in 2014 will be cuts in federal spending. Our analysis shows that Georgia's economy will be vulnerable to the restructuring of our federal government. The headwind from restructuring our federal government will remain strong for at least a decade.

Federal spending accounts for 6.9 percent of Georgia's GDP, which exceeds the US average – 5.3 percent. But, it's important to understand that Georgia's over dependence on federal spending is due solely to the presence of many large military bases – defense spending accounts for 5.2 percent of Georgia's GDP compared to only 3.5 percent of US GDP. In contrast, nondefense spending accounts for only 1.7 percent of Georgia's GDP, which is significantly below the US average. Communities within Georgia that depend economically on military bases got hit hard by the default budget cuts mandated by the federal spending sequester.

Going forward, the damage to Georgia will depend on what lawmakers decide to cut. For example, Georgia will continue to get hit very hard if the federal spending cuts continue to be skewed towards defense spending, or towards other discretionary areas of the federal budget such as the CDC. If the cuts will continue to focus on discretionary spending and especially on defense spending, it's going to be tough on Georgia's economy. In contrast, Georgia would take a below average hit if the focus of federal restructuring were to shift from the agency budgets towards the entitlement programs. After all, it is well established that the major federal budget busters are Social Security, Medicare, and Medicaid rather than the federal agency budgets. Ultimately, federal lawmakers will focus on restructuring on these very popular entitlement programs, but that's not going to happen in 2014.

#### **FEDERAL RESERVE POLICY**

A second factor that will be a slightly stronger headwind for Georgia than for the nation as a whole is that the Federal Reserve will continue to let up on the gas pedal in 2014. There will not be an actual hike in short-term policy interest rates, but the Fed will continue to reduce its purchases of mortgage backed securities and treasuries, which is often referred to as quantitative easing. That, plus a slight investor-driven increase in interest rates constitutes a slightly stronger headwind here than for many other states because Georgians carry relatively more debt and have relatively less savings. Plus, interest-sensitive economic sectors such as housing will have a relatively greater impact on Georgia's overall growth than the nation's overall growth.

Georgia is making progress. It helps that the nation is continuing its economic recovery, even if it's slow. It helps that the Georgia's political leaders enacted some changes to make our state more competitive. We are landing big economic development projects again. Georgia will outperform the nation in 2014. But, to outperform the average state by the large margins that we got used to in the 1970s, 80s, and 90s, we need to improve Georgia's competitiveness by improving education, encouraging innovation, fostering the development of high-tech industries, and growing in-state capital markets. That will go a long ways towards assuring that Georgia's performance is once again among the best in the country and towards raising our standard of living.

#### **COMMENTS SPECIFIC TO ATLANTA**

A revival of population growth and the housing recovery will strongly underpin Atlanta's ongoing economic recovery. A high concentration of college-educated workers will continue to attract high technology companies in life sciences, research & development, IT, professional and business services, and high-tech manufacturing. Compared to other large metropolitan areas with strong links to global markets the costs of living and doing business in the Atlanta

MSA are low. The pool of talent also is large and deep for occupations that do not require college degrees. Businesses also are attracted by Atlanta's extensive multi-modal transportation and distribution system.

On an annual average basis, the Atlanta MSA will add 67,500 jobs in 2014, a year-over-year increase of 2.8 percent. Atlanta therefore will account for 77 percent of the state's net job growth. Atlanta's high concentration of service producing industries, IT companies, distribution companies, institutions of higher education, health care providers, life sciences companies and headquarters operations will keep Atlanta's job machine in forward gear. Atlanta's outsized information industry will benefit from expanding film and television production as well as surging demand for more sophisticated wireless services. Also, many of the larger projects recently announced by the Georgia Department of Economic Development were located in the 28-county metropolitan area.

Major improvements at Hartsfield-Jackson International Airport bode well for

Atlanta's growth, especially the completion of the new international terminal. The airport makes the Atlanta area an ideal location to operate corporate headquarters or facilities that produce highly perishable biomedical products. The airport improvements also will help Atlanta to become even more popular as a destination for tourists, persons attending business meetings & conventions, trade shows, as well as sporting/cultural events.

One major plus for Atlanta in this new era of federal fiscal austerity is that the metro area is not too dependent on federal jobs. Only 4.0 percent of the Atlanta's area's nonfarm earnings come from federal employment versus 7.7 percent for the state as a whole. Atlanta is not the home of a major military base. State and local government accounts for only 8.9 percent of earnings in metro Atlanta versus 11.4 percent for the state. So, public restructuring will be less problematic for Atlanta's growth than for growth elsewhere in Georgia or for the nation as a whole.

### UNITED STATES BASELINE FORECAST 2013-2014

| United States                          | 2009     | 2010     | 2011     | 2012     | 2013     | 2014     |
|--|----------|----------|----------|----------|----------|----------|
| Gross Domestic Product, Bil. of 2009\$ | 14,417.9 | 14,779.4 | 15,052.4 | 15,470.7 | 15,749.2 | 16,142.9 |
| Percent change                         | -2.8     | 2.5      | 1.9      | 2.8      | 1.8      | 2.5      |
| Nonfarm Employment (Mil.)              | 130.9    | 129.9    | 131.5    | 133.7    | 135.9    | 138.2    |
| Percent change                         | -4.4     | -0.7     | 1.2      | 1.7      | 1.6      | 1.7      |
| Personal Income, Bil. of 2009\$        | 12,082.1 | 12,232.9 | 12,673.5 | 12,964.7 | 13,195.6 | 13,598.6 |
| Percent change                         | -2.7     | 1.2      | 6.1      | 2.3      | 1.8      | 3.1      |
| Personal Income, Bil. of \$            | 12,082.1 | 12,435.2 | 13,191.3 | 13,743.8 | 14,142.4 | 14,792.9 |
| Percent change                         | -2.8     | 2.9      | 3.6      | 4.2      | 2.9      | 4.6      |
| Civilian Unemployment Rate (%)         | 9.3      | 9.6      | 8.9      | 8.1      | 7.4      | 6.6      |
| CPI-U, Ann. % Chg.                     | -0.4     | 1.6      | 3.2      | 2.1      | 1.5      | 2.0      |

Source: The Selig Center for Economic Growth, Terry College of Business, University of Georgia.

### UNITED STATES BASELINE FORECAST 2014-2019

| United States                          | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     |
|--|----------|----------|----------|----------|----------|----------|
| Gross Domestic Product, Bil. of 2009\$ | 16,142.9 | 16,562.6 | 16,976.7 | 17,401.1 | 17,853.5 | 18,282.0 |
| Percent change                         | 2.5      | 2.6      | 2.5      | 2.5      | 2.6      | 2.4      |
| Nonfarm Employment (Mil.)              | 138.2    | 140.5    | 142.8    | 144.9    | 147.1    | 149.2    |
| Percent change                         | 1.7      | 1.7      | 1.6      | 1.5      | 1.5      | 1.4      |
| Personal Income, Bil. of 2009\$        | 13,598.6 | 13,944.9 | 14,272.7 | 14,622.2 | 14,994.5 | 15,347.0 |
| Percent change                         | 3.1      | 2.5      | 2.4      | 2.4      | 2.5      | 2.4      |
| Personal Income, Bil. of \$            | 14,792.9 | 15,488.2 | 16,185.2 | 16,929.7 | 17,725.4 | 18,523.0 |
| Percent change                         | 4.6      | 4.7      | 4.5      | 4.6      | 4.7      | 4.5      |
| Civilian Unemployment Rate (%)         | 6.6      | 6.2      | 5.8      | 5.5      | 5.5      | 5.4      |
| CPI-U, Ann. % Chg.                     | 2.0      | 1.7      | 2.1      | 2.4      | 2.9      | 3.1      |

Source: The Selig Center for Economic Growth, Terry College of Business, University of Georgia.



## REVENUE FORECAST SUMMARY

### FORECAST METHODOLOGY

The City's Department of Finance-Office of Revenue continues a solid partnership with the Selig Center for Economic Growth at the University of Georgia. The City began its partnership with the Selig Center at the peak of the Great Recession. This six-year partnership has enabled City management to gain important independent economic analyses and metrics which are integrated into our multi-year revenue model. Key metrics are S&P Case-Shiller Index, Atlanta Gross Metro Product, Atlanta Unemployment rate, Manufacturing Shipments, Building Permits, Construction Activity, Cushman and Wakefield Office Vacancy Rates, PKF Hotel Occupancy Rates and Revenue Per Available Rooms, Georgia Housing Starts for Single Family and Multifamily, Atlanta Personal Income, Wages and Salary, U.S. Consumer Price Index (% Annualized), Georgia Disposable Income, and Georgia State Product by Sector. The City Office of Revenue uses Muni Cast Financial modeling software by inputting the aforementioned key metrics in the tool as further enhancement in our multi-year forecasting.

### CITY CHARTER REQUIREMENT

The responsibility for revenue anticipations and specified appropriations is fixed by law through the Budget Commission. The Budget Commission members approve revenue anticipations for all City operating funds in June of each year.

### REVENUE ANTICIPATIONS

The FY 2014 General Fund Revenue forecast is \$534 million and is on target with the revenue amount adopted by the Budget Commission in June 2013. The FY 2015 General Fund Revenue Anticipation is \$544 million. The 2014 tax digest should be stable and is the most significant economic driver for overall General Fund revenues. As of the

date of this Five Year Plan, there is no available estimate from the tax assessor's office on the 2014 tax digest. Therefore, the City relies on other independent economic data including the Case-Shiller Index, which is a national housing price index.

The City's property tax base is a primary component of City General Fund revenues accounting for one-third of General Fund revenues. Property tax revenues have started to increase due to an improved housing market. The City has demonstrated a measured response by continuing to budget property tax revenue conservatively.

More discussion on Property Tax revenue assumptions is provided later in the trend narrative. Sales tax revenue is the next largest share of General Fund revenues accounting for nearly 20% of General Fund anticipations. Sales tax revenue is highly elastic and demonstrates significant peak and troughs in revenues due to changes in economic performance associated with Gross Metro Product indexes, disposable income and unemployment levels. The lodging market, which is the driver for hotel/motel tax revenues are expected to be another important contributor to the City's economic recovery. PKF Consulting Research provides additional insight under the hotel/motel forecast narrative section.

The FY 2015 General Fund Revenue Anticipations are consistent with the City Charter requirements and the City team continues to exercise fiscal discipline in the revenue forecast.

Furthermore, City senior management monitors budget versus actual performance on a monthly basis and makes timely forecast revisions as deemed appropriate.

## GENERAL FUND

### Property Tax

The City of Atlanta imposes a tax on real and personal property. Revenues are derived from the millage rate and the tax digest assessed values. The city tax digest peaked in 2008 at \$27.6 billion. The 2013 tax digest represented the first year of tax digest growth in five years following the Great Recession. The 2013 tax digest increased by 3% with a net tax digest of \$22 billion compared to \$21.3 billion in 2012. The 2014 tax digest is expected to continue a positive trend, however, the City does not receive material tax digest data from the County tax assessor's at the date of publication of the Five Year Plan. The City utilizes real estate data from the S&P Case-Shiller Index data to support our property tax forecast.

| Major Revenue Category | FY 2015       | FY 2016       | FY 2017       | FY 2018       | FY 2019       |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| Current Property Tax   | \$173,604,524 | \$175,340,571 | \$177,093,975 | \$178,864,915 | \$180,653,564 |

#### *FY 2015-19 Forecast:*

The City property tax forecast reflects a rollback of property taxes due to positive reassessment. The projected positive reassessment tax digest growth is estimated at a 1.9% compounded annual growth rate (CAGR). Property tax revenue is projected to increase due to estimated new construction tax digest growth of 1% (CAGR). The 1999 Taxpayers Bill of Rights allows municipalities to retain new construction growth without any additional public hearing and tax notice requirements. The collection rate assumption is 98% and is consistent with historical collection rates. According to the Selig Center Economic Outlook, "Georgia's housing market is responding to a more favorable balance of supply and demand. Increased demand for housing will come mostly from 2.2% job growth." The report forecasts that existing single-family home prices will rise 8% in Georgia in 2014. The S&P Case-Shiller Atlanta Home Price Index as of October 2013 is 113.72 as compared to 95.6 as of October 2012, which represents a 16% year-over-year increase. Over the Pre-Recession to Recovery horizon, the Atlanta Case-Shiller Index peaked at 136.47 in July 2007 while the Great Recession low was 82.54 in March 2012. The residential base accounts for 46% and non-residential accounts for 54% of the City's tax digest.

### Local Option Sales Tax (LOST)

Local option sales tax (1%) is imposed on the purchase, sale, rental, storage, use, or consumption on tangible personal property and related services. Proceeds from this tax are collected by the Georgia Department of Revenue and disbursed to the county and municipalities based on a negotiated allocation between Fulton County and the cities within the county. The City of Atlanta's share of the 1% LOST is 40.43%.

| Major Revenue Category | FY 2015       | FY 2016       | FY 2017       | FY 2018       | FY 2019       |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| Local Option Sales Tax | \$100,052,197 | \$101,052,719 | \$102,063,247 | \$103,083,879 | \$104,114,718 |

#### *FY 2015-19 Forecast:*

Sales tax is one of the most economically sensitive government revenue sources with a close correlation to the Atlanta Gross Metropolitan Product, employment, and personal income levels.

Sales tax revenue over the forecast period is projected at 1% CAGR. The Selig report indicates “On an annual average basis, the Atlanta MSA will add 67,500 jobs in 2014, a year-over-year increase of 2.8% percent. Atlanta therefore will account for 77 percent of the state’s net job growth.” Real personal income is projected to increase 4.1% in 2014.

**Hotel/Motel Tax**

The Hotel/Motel Tax Fund revenue is derived from an 8% rate on rent for occupancy of a guestroom in a hotel in the City. The tax is shared between the City, Atlanta Conventions & Visitors Bureau, Georgia World Congress Center, and the Georgia Dome. The City’s allocated share of the hotel/motel tax is 24.99%, with the remaining 75.01% distributed by the City to the aforementioned parties.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Hotel/Motel Tax        | \$13,861,453 | \$14,000,068 | \$14,140,069 | \$14,560,551 | \$14,706,156 |

*FY 2015-19 Forecast:*

The Selig Economic Outlook indicates “Hartsfield-Jackson International Airport improvements will help Atlanta to become even more popular as a destination for tourists, business meetings and conventions, trade shows, as well as sporting/cultural events.” PKF Consulting / Hospitality Research (PKF-HR) is the industry leader in hospitality research econometrics. Its data is one of the primary resources used in developing the City’s hotel/motel forecast. PKF manages an extensive database of hotel property income statements and sale prices. Occupancy Rates, Average Daily Room Rates, and Rev-Par Index (defined as Revenue per Available Room) are all key metrics used in developing the forecast. PKF is projecting modest increases in FY 2014 (3.9% increase in Rev-PAR growth). The lower-priced segment is projecting Rev-PAR growth of (positive 4.4%) and is better than in the upper-priced segment (positive 3.4%). Atlanta market occupancy levels are expected to range from 62.1% to 64.3% during the five year hotel forecast period.”

A PKF Consulting excerpt states “Travel and tourism activity continued to exceed expectations. Key indicators of demand and profitability were positive and steadily rising. In spite of increases in accommodation rates, demand remained strong with advanced bookings for the next three to six months increasing to levels above those from a year ago. With strong convention and group meeting activity planned for the remainder of 2013 and positive lead volume for 2014, District hospitality contacts anticipate the positive momentum of 2013 to continue in 2014.”

Note : In November 2011, the Hotel Motel Tax rate increased from 7% to 8%.

**Public Utility Franchise Fee**

This category includes franchise fee assessments for electric, gas, cable and telecommunication companies. Georgia Power remits an annual payment in January of each year and its fee is based on 5% of gross receipts. The Telecommunications Act of 2008 (O.C.G.A. 46-5-1) invalidated existing municipal franchise agreements as of December 31, 2012 and streamlined the required compensation for a municipal authority from a percentage of gross receipts to a cap of 3% of actual local service revenues which reduced the City’s revenue stream in this category. The Georgia Public Service Commission (PSC) voted to approve a plan that increased Georgia Power's base rates about 10 percent beginning Jan. 1, 2011. Due to current population trends and utility rate increases, this revenue category has not been adversely impacted.

| Major Revenue Category       | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Public Utility Franchise Fee | \$48,553,328 | \$49,184,521 | \$49,823,920 | \$50,471,631 | \$51,127,762 |

*FY 2015-19 Forecast:*

This revenue source correlates with Atlanta per capita trends. As the population grows, the demand for public utilities increases which generates additional franchise revenue. The most recent population data forecasts a 1.2% increase in new residents.

**Indirect Cost Recovery**

The City allocates a portion of general services costs such as purchasing, accounting, budgeting, personnel administration, and certain other indirect costs based on allocation methodology determined by an independent cost allocation plan.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Indirect Cost Recovery | \$29,035,355 | \$29,761,239 | \$30,505,270 | \$31,267,902 | \$32,049,599 |

*FY 2015-19 Forecast:*

The forecast is predicated on the City's cost allocation plan.

**General Business/License Tax**

The general business/license tax also known as the occupational tax is levied on all entities conducting business in the City. The general business/license tax is computed on two separate criteria 1) estimated gross revenue and 2) number of employees. The estimated gross revenue amount filed in the prior year is adjusted by the actual gross amount when filing for the next year's business/license tax. The general business/license tax is closely tied to corporate income and employment levels.

| Major Revenue Category       | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| General Business/License Tax | \$41,175,339 | \$41,587,093 | \$42,002,964 | \$42,422,994 | \$42,847,223 |

*FY 2015-19 Forecast:*

The forecast for general business/license tax revenue is based on a CAGR of 2% in Gross Metro Product. Improvements in employment levels and consumer demand as discussed earlier in this section are key metrics for the five year forecast in this category. The Selig report indicates, "On an annual average basis, the Atlanta MSA will add 67,500 jobs in 2014, a year-over-year increase of 2.8%. Atlanta therefore will account for 77 percent of the state's net job growth." Real personal income is projected to increase 4.1% in 2014; this is expected to provide support for corporate revenue growth, which is a driver of general business/license tax revenues.

**Insurance Premium Tax**

The insurance premium tax is levied to every insurance company, domestic, or foreign operating within the State of Georgia. Each insurance company is assessed a tax at the rate of 2.25% on the gross direct premiums. The insurance premium tax is remitted to the Georgia Department of Insurance. The City’s share is based on the population of the City relative to all incorporated cities and the State population.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Insurance Premium Tax  | \$21,945,924 | \$22,231,221 | \$22,520,227 | \$22,812,990 | \$23,109,559 |

*FY 2015-19 Forecast:*

The forecast is stable at a 1.3% CAGR because the insurance premium tax is less susceptible to shifts in the economy than other corporate income derived taxes. This revenue stream has a positive correlation with population. As the population increases, the demand for insurance coverage increases which generates additional revenue. The most recent Econometric Report predicts a 1.2% increase in new residents from 2012 to 2014. According to the Office of Planning’s CDP, Atlanta will experience a growth rate of 6.14% from 2010 to 2015.

**Other Licenses/Permits**

This category is primarily comprised of Alcohol related licenses and permits for Police, Fire and Public Works (right-of-way, sidewalk closure and driveway aprons).

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Other Licenses/Permits | \$18,662,498 | \$19,129,061 | \$19,607,287 | \$20,097,469 | \$20,599,906 |

*FY 2015-19 Forecast:*

The forecast metric has been revised to reflect Gross Metro Product of 2%. The other licenses/permits category is correlated to infrastructure investments and the hospitality related sectors.

**Alcohol Tax**

Alcohol taxes are levied on wholesale distributors at the rate of .22 cents per liter. A 3% tax-by-the-drink is also assessed on patrons of eating and drinking alcohol establishments within the City limits.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Alcohol Tax            | \$16,184,951 | \$16,379,171 | \$16,575,721 | \$16,774,629 | \$16,975,925 |

*FY 2015-19 Forecast:*

The forecast reflects a 1.2% CAGR which is tied to taxable sales from food and drinking establishments. Alcohol consumption has tended to be inelastic and recession resilient.

### Fines & Forfeitures

Fines and forfeitures are comprised primarily of traffic fines and forfeitures. Fines and forfeitures are administered through the City Municipal Court and the Park Atlanta contract guarantee. Case filing histories and trends is one of the key metrics in developing the City's annual forecast. Case statistics are captured monthly by the corresponding case types.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Fines/Foreitures       | \$24,106,342 | \$24,419,725 | \$24,737,182 | \$25,058,765 | \$25,384,529 |

#### *FY 2015-19 Forecast:*

The forecast reflects a 1.3% CAGR that is tied to per capita trends and the predicted continuation of strong enforcement of traffic violations through increased Police ticketing issuance. Municipal Court data indicates that cases have remained stable reflecting population and transportation trends indicated in the narrative. The City receives a revenue guarantee from Park Atlanta as part of the current outsourcing of the parking enforcement program.

### Intangible Recording Taxes

The intangible recording tax is due and payable on each instrument securing one or more long-term notes at the rate of \$1.50 per each \$500 or fraction thereof of the face amount of all notes secured by real property. The maximum tax on a single instrument is \$25,000. Examples include mortgages, deeds to secure debt bonds for title, or any other real estate security instrument that gives the lender a resource to be used if the principal obligation is not paid.

| Major Revenue Category   | FY 2015     | FY 2016     | FY 2017     | FY 2018     | FY 2019     |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| Intangible Recording Tax | \$4,210,650 | \$4,252,757 | \$4,295,284 | \$4,338,237 | \$4,381,620 |

### Real Estate Transfer Tax

The real estate transfer tax is levied on the sale or transfer of real estate located in Atlanta. The tax is at the rate of \$1 for the first \$1,000 or fractional part of \$1,000 and at the rate of 10 cents for each additional \$100 or fractional part of \$100 on each deed, instrument, or other writing by which any lands, tenements, or other realty sold is granted assigned, transferred, or otherwise conveyed to or vested in the purchaser(s). A transfer tax raises the price paid by real estate buyers and lowers the price received by real estate sellers. As a result, the overall level of real estate market activity is reduced. Ordinary property and sales taxes are paid by property owners and consumers. In contrast, only the buyers and sellers of real estate pay a transfer tax. For most arms length transactions, the tax is based on the actual price or consideration agreed to by the parties.

| Major Revenue Category   | FY 2015     | FY 2016     | FY 2017     | FY 2018     | FY 2019     |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| Real Estate Transfer Tax | \$1,611,299 | \$1,627,412 | \$1,643,686 | \$1,660,123 | \$1,676,724 |

*FY 2015-19 Forecast (Intangible Recording and Real Estate Transfer):*

These revenue categories are impacted by trends in the housing market. According to the Selig Center Economic Outlook, “Georgia’s housing market is responding to a more favorable balance of supply and demand. Increased demand for housing will come mostly from 2.2% job growth.” The report forecasts that existing single-family home prices will rise 8% in Georgia in 2014. The S&P Case-Shiller Atlanta Home Price Index as of October 2013 is 113.72 as compared to 95.6 as of October 2012, which represents a 16% year-over-year increase. Over the Pre-Recession to Recovery horizon, the Atlanta Index peaked at 136.47 in July 2007 while the Great Recession low was 82.54 in March 2012.

**Land and Building Rentals**

Land and building rentals consist of revenue received from cell towers, various parks and recreation rentals, and corrections revenue from housing inmates.

| Major Revenue Category | FY 2015     | FY 2016     | FY 2017     | FY 2018     | FY 2019     |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Land/Building Rentals  | \$5,991,463 | \$6,069,352 | \$6,148,253 | \$6,228,182 | \$6,309,147 |

*FY 2015-19 Forecast:*

Revenue from this category is heavily dependent on disposable income. Based on the Selig Center Economic Report, personal income is estimated to increase from 5.0% in FY14 to 6.9% in 2018. However, a conservative fiscal position is warranted for this category because economists at the Federal Reserve predict that consumers will continue to “deleverage” or lower their debt to income ratios, resulting in consumption growth to expand only modestly. According to the Blue Chip panel, real personal consumption expenditures (PCE) should grow 2.3% in 2014 and 2015.

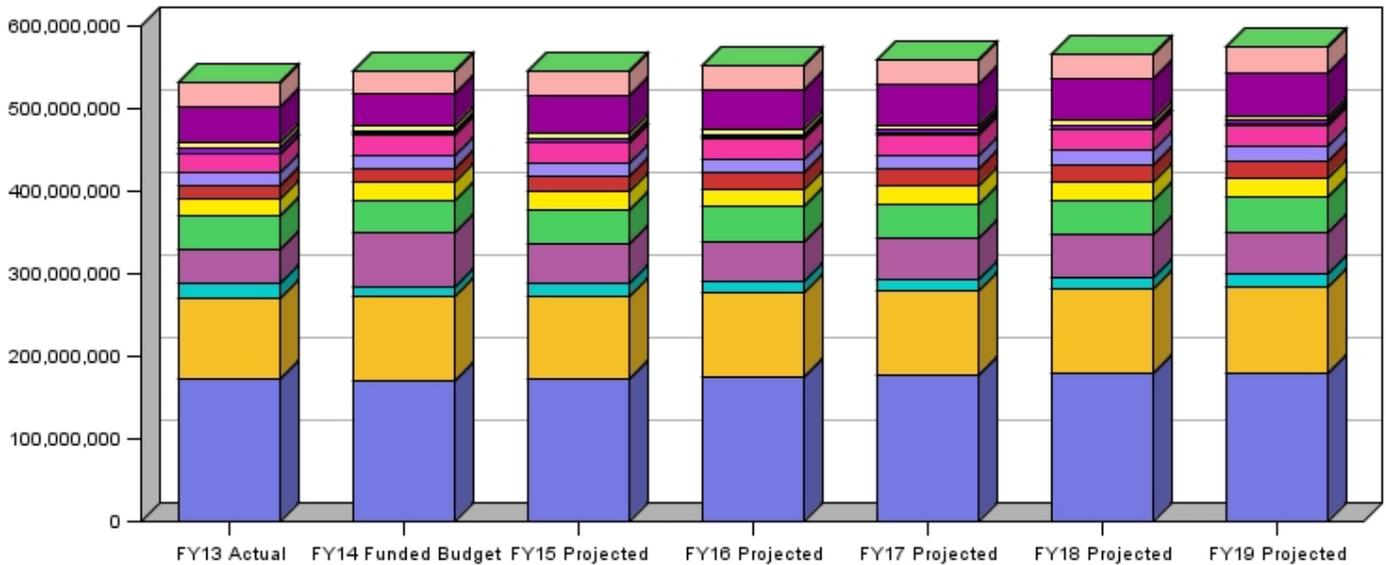
**OVERALL GENERAL FUND FORECAST**

The Fiscal Year 2015 General Fund revenue budget statutorily referred to as revenue anticipation is based on moderate tax digest growth and rollback of the current millage rate of 10.05 mills. The property tax revenue base accounts for one-third of General Fund revenues hence the emphasis on this important City revenue stream. The Muni Cast financial model and the Selig Center economic report has enabled the City team to more clearly ascertain, understand, and respond to the underlying economic drivers of City revenues. The improving Atlanta Gross Metro Product and the S&P Case-Shiller Index all support a General Fund Revenue forecast of moderate growth. The City team continues to monitor revenue budget versus actual on a monthly basis and makes forecast revisions as deemed appropriate. In summary, fiscal discipline continues to be a core principle of the City’s revenue forecasting policy. This is further demonstrated by the City’s revenue budget versus actual performance.

# PROJECTED REVENUES BY MAJOR CATEGORY

## General Fund

|                                   | FY13<br>Actual       | FY14<br>Funded Budget | FY15<br>Projected    | FY16<br>Projected    | FY17<br>Projected    | FY18<br>Projected    | FY19<br>Projected    |
|-----------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Property Tax Revenue              | 171,660,192          | 169,474,226           | 173,604,524          | 175,340,571          | 177,093,975          | 178,864,915          | 180,653,564          |
| Local Option Sales Tax Revenue    | 99,871,620           | 102,981,779           | 100,052,197          | 101,052,719          | 102,063,247          | 103,083,879          | 104,114,718          |
| Hotel/Motel Tax Revenue           | 16,864,459           | 12,506,122            | 13,861,453           | 14,000,068           | 14,140,069           | 14,560,551           | 14,706,156           |
| Public Utility Franchise Revenue  | 42,127,576           | 64,052,051            | 48,553,328           | 49,184,521           | 49,823,920           | 50,471,631           | 51,127,762           |
| Business License Revenue          | 38,816,566           | 40,441,291            | 41,175,339           | 41,587,093           | 42,002,964           | 42,422,994           | 42,847,223           |
| Insurance Premium Revenue         | 20,924,594           | 21,442,504            | 21,945,924           | 22,231,221           | 22,520,227           | 22,812,990           | 23,109,559           |
| Other License/Permits Revenue     | 16,827,418           | 16,380,845            | 18,662,499           | 19,129,058           | 19,607,289           | 20,097,468           | 20,599,903           |
| Alcohol Revenue                   | 15,498,569           | 16,780,238            | 16,184,951           | 16,379,171           | 16,575,721           | 16,774,629           | 16,975,925           |
| Fines/Forfeitures Revenue         | 22,201,686           | 24,173,284            | 24,106,342           | 24,419,725           | 24,737,182           | 25,058,765           | 25,384,529           |
| Real Estate Transfer Revenue      | 1,608,321            | 1,215,749             | 1,611,299            | 1,627,412            | 1,643,686            | 1,660,123            | 1,676,724            |
| Intangible Recording Revenue      | 4,953,485            | 3,332,377             | 4,210,650            | 4,252,757            | 4,295,284            | 4,338,237            | 4,381,620            |
| Land and Building Rentals Revenue | 6,600,080            | 5,641,279             | 5,991,463            | 6,069,352            | 6,148,253            | 6,228,182            | 6,309,147            |
| Other Revenue                     | 44,531,700           | 38,781,368            | 45,727,699           | 46,870,887           | 48,042,661           | 49,243,722           | 50,474,820           |
| Indirect Costs                    | 30,048,172           | 28,863,900            | 29,035,355           | 29,761,239           | 30,505,270           | 31,267,902           | 32,049,599           |
| Remaining Revenues                | 412                  | -                     | -                    | -                    | -                    | -                    | -                    |
| <b>Total</b>                      | <b>\$532,534,851</b> | <b>\$546,067,013</b>  | <b>\$544,723,024</b> | <b>\$551,905,795</b> | <b>\$559,199,748</b> | <b>\$566,885,988</b> | <b>\$574,411,249</b> |



- Property Tax Revenue
- Local Option Sales Tax Revenue
- Hotel/Motel Tax Revenue
- Public Utility Franchise Revenue
- Business License Revenue
- Insurance Premium Revenue
- Other License/Permits Revenue
- Alcohol Revenue
- Fines/Forfeitures Revenue
- Real Estate Transfer Revenue
- Intangible Recording Revenue
- Land and Building Rentals Revenue
- Other Revenue
- Indirect Costs
- Remaining Revenues

## Emergency Telephone System Fund

The E-911 Fund supports the E-911 call center operation.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| E-911 Revenue          | \$17,139,890 | \$17,308,290 | \$17,450,675 | \$17,598,810 | \$17,765,572 |

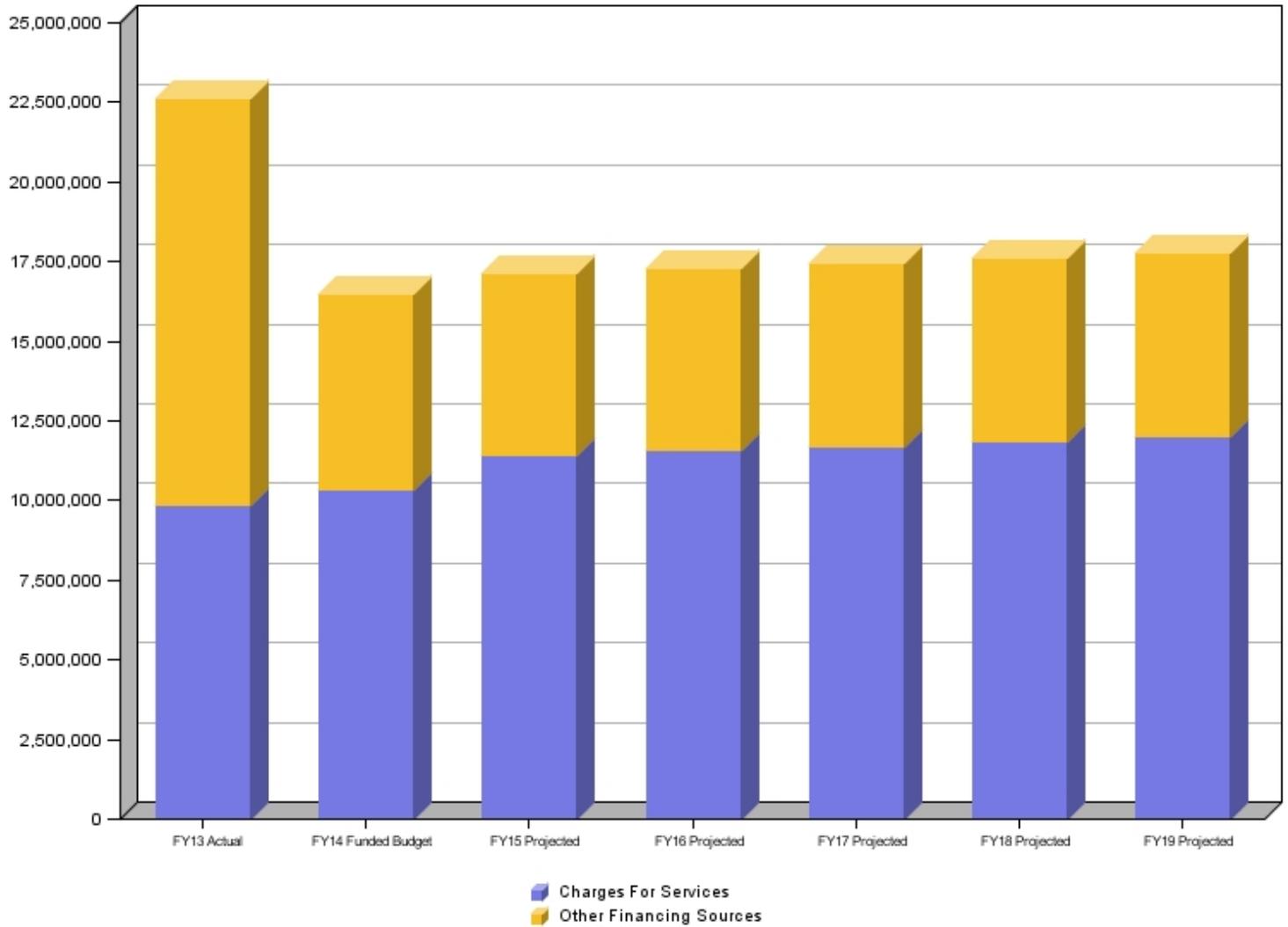
### *FY 2015-19 Forecast:*

This fund operates in a deficit position of approximately \$6 million annually due to insufficient landline and wireless fees to cover operating expenses. The deficit is cured by an annual operating transfer from the General Fund. The City E-911 revenue forecast correlates to per capita and telecommunication subscriber trends. The City continues to pursue State Legislative authority to modify the current rate structure.

# PROJECTED REVENUE BY MAJOR CATEGORY

## Emergency Telephone System

|                         | FY13<br>Actual      | FY14<br>Funded Budget | FY15<br>Projected   | FY16<br>Projected   | FY17<br>Projected   | FY18<br>Projected   | FY19<br>Projected   |
|-------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Charges For Services    | 9,867,766           | 10,340,602            | 11,415,700          | 11,564,103          | 11,714,436          | 11,866,725          | 12,020,991          |
| Other Financing Sources | 12,775,265          | 6,162,801             | 5,724,190           | 5,744,187           | 5,736,239           | 5,732,085           | 5,744,581           |
| <b>Revenues</b>         | <b>\$22,643,031</b> | <b>\$16,503,403</b>   | <b>\$17,139,890</b> | <b>\$17,308,290</b> | <b>\$17,450,675</b> | <b>\$17,598,810</b> | <b>\$17,765,572</b> |



### Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund revenue is derived from an 8% rate on rent for occupancy of a guestroom in a hotel in the City. The tax is shared between the City, Atlanta Conventions & Visitors Bureau, Georgia World Congress Center, and the Georgia Dome. The City's allocated share of the hotel/motel tax is 24.99%, with the remaining 75.01% distributed by the City to the aforementioned parties.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Hotel/Motel Tax        | \$55,445,813 | \$56,000,271 | \$56,560,273 | \$57,125,876 | \$57,697,135 |

#### *FY 2015-19 Forecast:*

The Selig Economic Outlook indicates “Hartsfield-Jackson International Airport improvements will help Atlanta to become even more popular as a destination for tourists, business meetings and conventions, trade shows, as well as sporting/cultural events.” PKF Consulting / Hospitality Research (PKF-HR) is the industry leader in hospitality research econometrics. Its data is one of the primary resources used in developing the City’s hotel/motel forecast. PKF manages an extensive database of hotel property income statements and sale prices. Occupancy Rates, Average Daily Room Rates, and Rev-Par Index (defined as Revenue per Available Room) are all key metrics used in developing the forecast. PKF is projecting modest increases in FY 2014 (3.9% increase in Rev-PAR growth). The lower-priced segment is projecting Rev-PAR growth of (positive 4.4%) and is better than in the upper-priced segment (positive 3.4%). Atlanta market occupancy levels are expected to range from 62.1% to 64.3% during the five year hotel forecast period.”

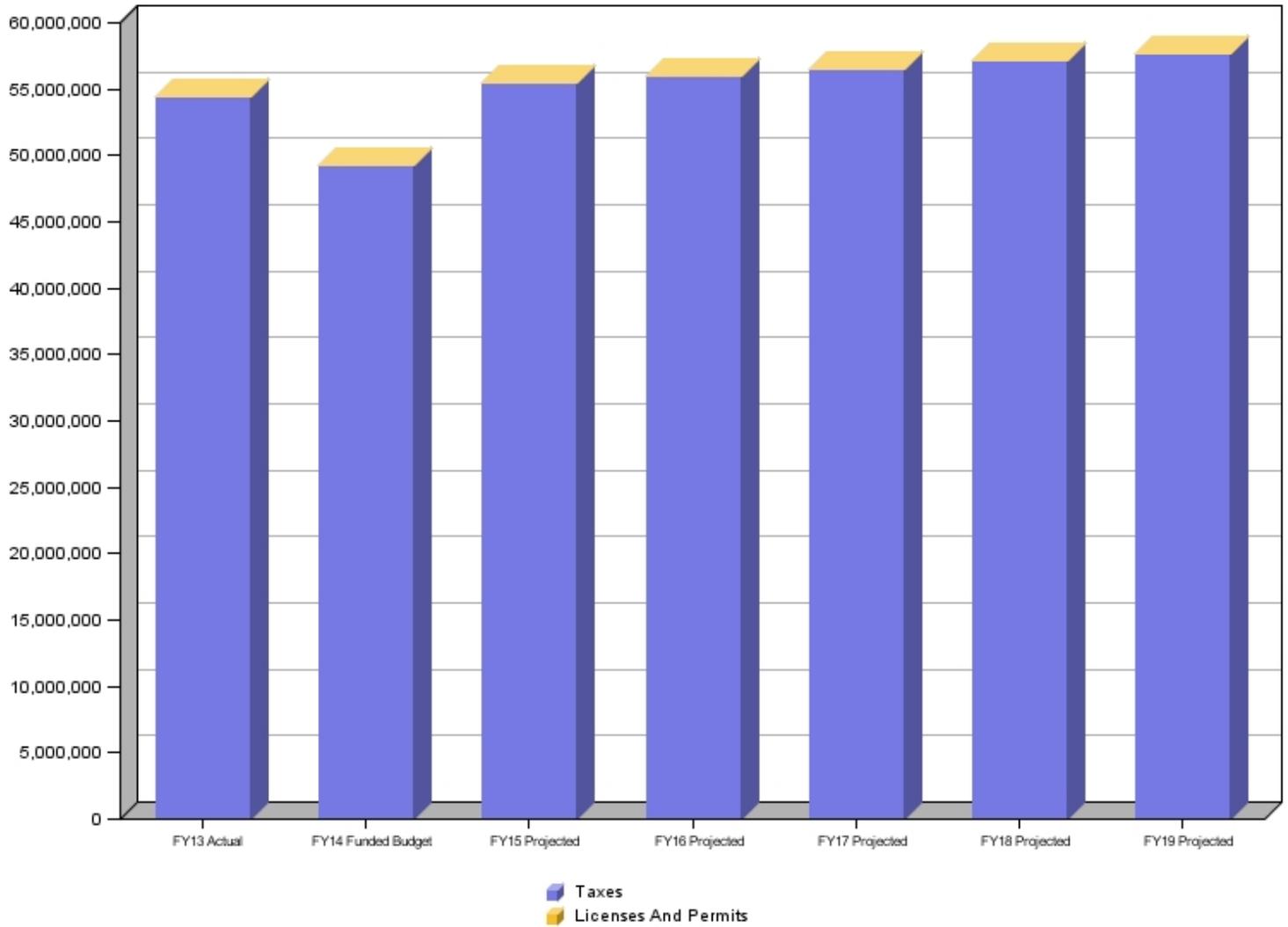
A PKF Consulting excerpt states “Travel and tourism activity continued to exceed expectations. Key indicators of demand and profitability were positive and steadily rising. In spite of increases in accommodation rates, demand remained strong with advanced bookings for the next three to six months increasing to levels above those from a year ago. With strong convention and group meeting activity planned for the remainder of 2013 and positive lead volume for 2014, District hospitality contacts anticipate the positive momentum of 2013 to continue in 2014.”

Note : In November 2011, the Hotel Motel Tax rate increased from 7% to 8%.

# PROJECTED REVENUE BY MAJOR CATEGORY

## Hotel/Motel Tax Fund

|                      | FY13<br>Actual      | FY14<br>Funded Budget | FY15<br>Projected   | FY16<br>Projected   | FY17<br>Projected   | FY18<br>Projected   | FY19<br>Projected   |
|----------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Taxes                | 54,419,048          | 49,324,534            | 55,445,813          | 56,000,271          | 56,560,273          | 57,125,876          | 57,697,135          |
| Licenses And Permits | 370                 | -                     | -                   | -                   | -                   | -                   | -                   |
| <b>Revenues</b>      | <b>\$54,419,419</b> | <b>\$49,324,534</b>   | <b>\$55,445,813</b> | <b>\$56,000,271</b> | <b>\$56,560,273</b> | <b>\$57,125,876</b> | <b>\$57,697,135</b> |



### **Rental/Motor Vehicle Tax Fund**

The Rental/Motor Vehicle Fund contains revenue from transactions associated with a 3% excise tax levied on Car Rental Facilities within the City corporate limits. This Fund operates as a pass through fund with all of the revenues remitted to a Bank Trustee for debt service payments pursuant to the trust indenture.

| Major Revenue Category   | FY 2015   | FY 2016     | FY 2017     | FY 2018     | FY 2019     |
|--------------------------|-----------|-------------|-------------|-------------|-------------|
| Rental/Motor Vehicle Tax | \$964,579 | \$1,061,037 | \$1,167,141 | \$1,283,855 | \$1,412,241 |

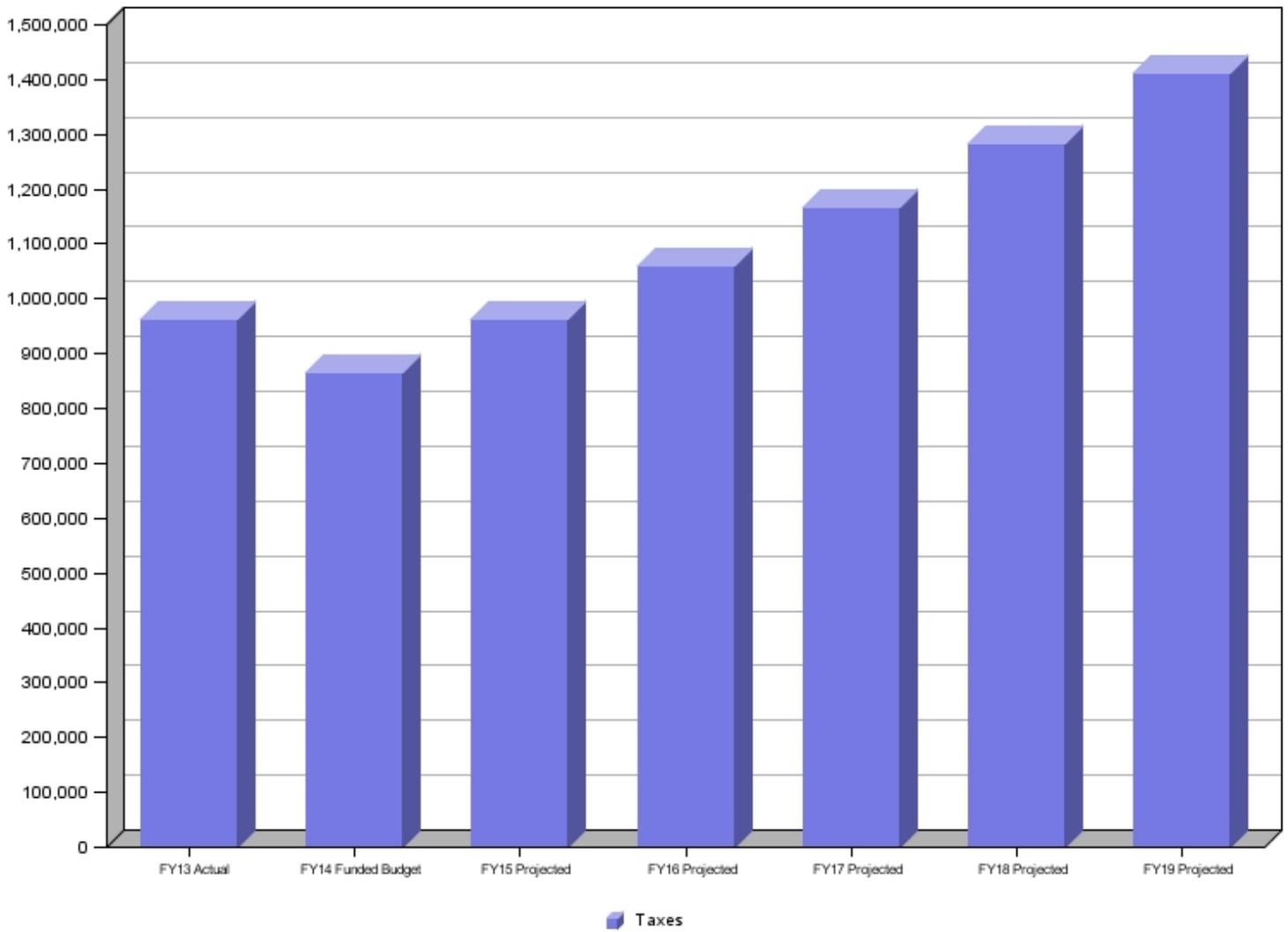
*FY 2015-19 Forecast:*

The Car Rental Tax Fund revenues correlate with travel and tourism activity. The Atlanta convention forecast indicates sustained visitor activity, which has been factored into the forecast trend for the fund.

# PROJECTED REVENUE BY MAJOR CATEGORY

## Rental/Motor Vehicle Tax Fund

|                 | FY13<br>Actual   | FY14<br>Funded Budget | FY15<br>Projected | FY16<br>Projected  | FY17<br>Projected  | FY18<br>Projected  | FY19<br>Projected  |
|-----------------|------------------|-----------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| Taxes           | 963,628          | 866,908               | 964,579           | 1,061,037          | 1,167,141          | 1,283,855          | 1,412,241          |
| <b>Revenues</b> | <b>\$963,628</b> | <b>\$866,908</b>      | <b>\$964,579</b>  | <b>\$1,061,037</b> | <b>\$1,167,141</b> | <b>\$1,283,855</b> | <b>\$1,412,241</b> |



### Water and Wastewater Revenue Fund

The Water & Wastewater Revenue Fund was established to account for transactions associated with the operation, development, and maintenance of the City’s expansive water and wastewater infrastructure system. The system’s operations are financed primarily by user charges for water and wastewater services and Municipal Option Sales Tax. The Department of Watershed Management has implemented a department wide reorganization, which has streamlined operations and aligned similar functions. The departmental reorganization was executed with an overall goal of reducing operations and maintenance expenses.

### Water and Sewer Service Revenue

This category includes Water and Wastewater Service Charges.

| Major Revenue Category          | FY 2015       | FY 2016       | FY 2017       | FY 2018       | FY 2019       |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Water and Sewer Service Revenue | \$414,131,017 | \$403,119,673 | \$393,765,023 | \$383,497,764 | \$373,568,418 |

#### *FY 2015-19 Forecast:*

Projected revenue of \$414.1M for FY 2015 is \$23.7M lower than the FY 2014 Budget of \$437.8M. The decrease is due primarily to an expected reduction in the anticipated customer consumption. The Department does not plan to increase its water and sewer rates in FY 2015.

### Charges for Services

This category includes Inter-jurisdictional revenue, industrial waste, inspections and reviews, as well as other selected revenue accounts.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Charges for Services   | \$25,197,030 | \$24,945,060 | \$24,695,611 | \$24,448,655 | \$24,204,167 |

#### *FY 2015-19 Forecast:*

The FY 2015 projection of \$25.1M is \$3.5M lower than the FY2014 Budget of \$28.4M. The decrease is due primarily to an anticipated reduction in fees collected from inter-jurisdictional customers and miscellaneous fees charged to government, commercial and residential customers.

### Intergovernmental Revenues

| Major Revenue Category    | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| Intergovernmental Revenue | \$72,682,498 | \$73,409,323 | \$74,143,416 | \$74,884,850 | \$75,633,699 |

*FY 2015-19 Forecast:*

The FY 2015 anticipated revenues from the Municipal Option Sales Tax is \$121M, which is the greater than the amount anticipated in FY 2014. For FY15 \$72.7M of the total will be allocated in the Waste & Wastewater Revenue Fund and \$48.4M in the Water & Wastewater Renewal & Extension Fund.

The Municipal Option Sales Tax (MOST) was established under authorizing legislation by the State and was initially placed in effect for a four-year term beginning on October 1, 2004. In March 2008 and again in March 2012, respectively, City of Atlanta voters elected to renew the MOST for an additional four-year term.

**Investment Income**

This category is for interest earned as a result of the Department's Fund equity in the Cash Pool. The Department does earn interest on its Fund 5052 equity in the Investment in Cash Pool and as a result of the Cash Pool MOU.

| Major Revenue Category | FY 2015  | FY 2016  | FY 2017  | FY 2018  | FY 2019  |
|------------------------|----------|----------|----------|----------|----------|
| Investment Income      | \$71,959 | \$73,039 | \$74,134 | \$75,246 | \$76,375 |

*FY 2015-19 Forecast:*

A nominal increase is projected for FY 2015-19 for this revenue category.

**Other Financing Sources**

This category includes the administrative fee charged to Fulton County for collecting the County's sewer payments. Per Article IX Section 9.0 of the agreement the County agrees to pay the City a monthly fee calculated at 8% of the total County monthly collections.

| Major Revenue Category  | FY 2015     | FY 2016     | FY 2017     | FY 2018     | FY 2019     |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Other Financing Sources | \$2,486,875 | \$2,462,007 | \$2,437,387 | \$2,413,013 | \$2,388,883 |

*FY 2015-19 Forecast:*

The FY 2015 fee of, \$2.5M, is an 11% increase from the amount budgeted for FY 2014.

**Miscellaneous Revenues**

This category includes revenue for recoveries of prior year delinquent accounts/arrearages. For FY15 the convenience fees collected for credit card payments are also included in this category.

| Major Revenue Category | FY 2015  | FY 2016  | FY 2017  | FY 2018  | FY 2019  |
|------------------------|----------|----------|----------|----------|----------|
| Miscellaneous Revenues | \$81,102 | \$80,291 | \$79,488 | \$78,693 | \$76,375 |

*FY 2015-19 Forecast:*

The FY 2015 Budget of \$957.4K reflects substantial increase of \$597.6K over FY 2014 due to expected revenue from convenience fees paid by customers. The Department based its estimate on revenues generated in prior fiscal years.

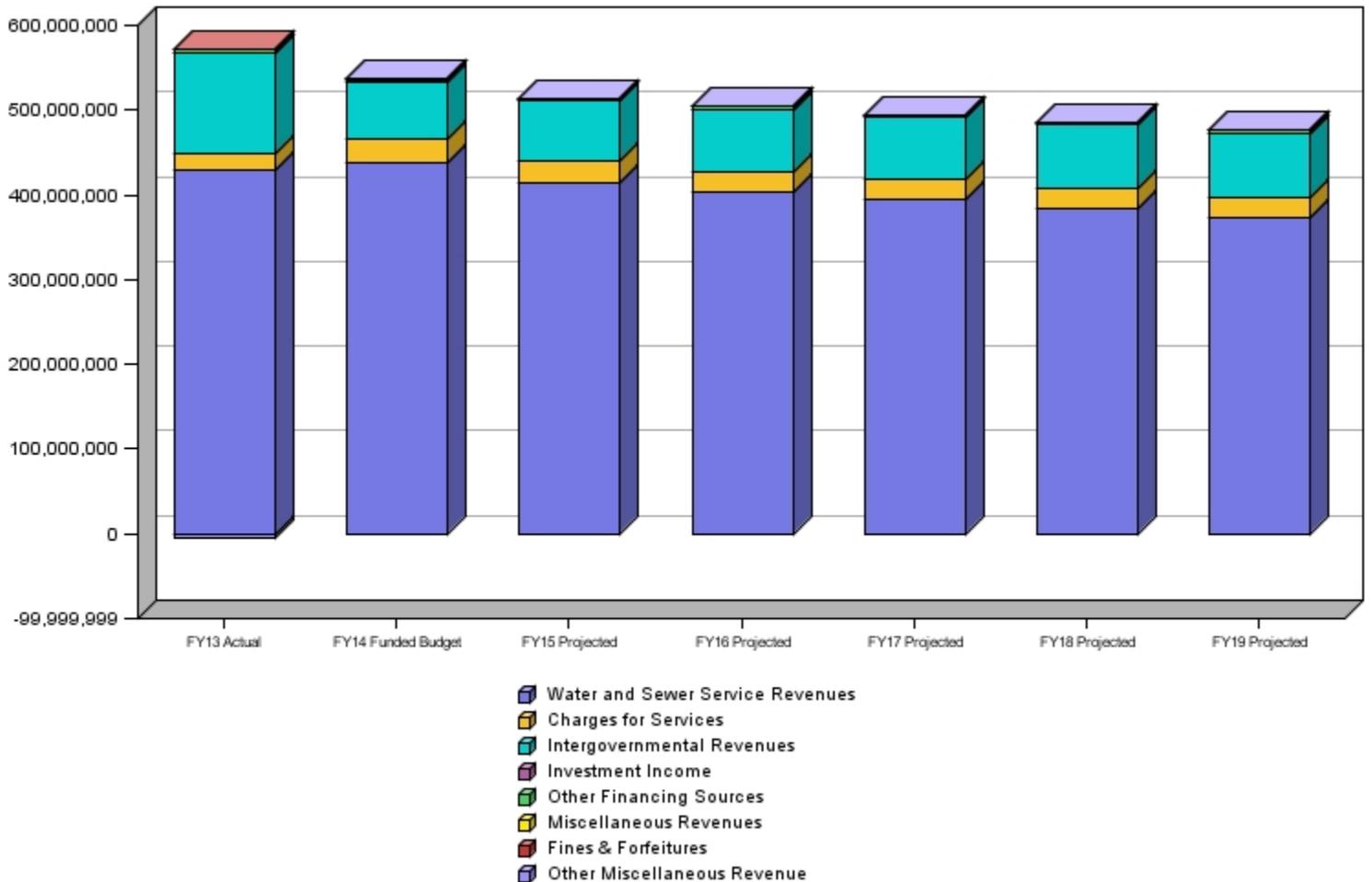
**OVERALL WATER AND WASTEWATER REVENUE FUND FORECAST**

Overall Water and Wastewater Revenue Fund revenue is projected to decrease from fiscal years 2015 through 2019, which the Department has attributed to a projected decline in consumption.

# PROJECTED REVENUE BY MAJOR CATEGORY

## Water & Wastewater Revenue Fund

|                                  | FY13<br>Actual       | FY14<br>Funded Budget | FY15<br>Projected    | FY16<br>Projected    | FY17<br>Projected    | FY18<br>Projected    | FY19<br>Projected    |
|----------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Water and Sewer Service Revenues | 430,151,853          | 437,810,598           | 414,131,017          | 403,119,673          | 393,765,023          | 383,497,764          | 373,568,418          |
| Charges for Services             | 18,754,893           | 28,464,380            | 25,197,030           | 24,945,060           | 24,695,611           | 24,448,655           | 24,204,167           |
| Intergovernmental Revenues       | 119,364,341          | 66,758,400            | 72,682,498           | 73,409,323           | 74,143,416           | 74,884,850           | 75,633,699           |
| Investment Income                | 71,613               | 1,221,624             | 71,959               | 73,039               | 74,134               | 75,246               | 76,375               |
| Other Financing Sources          | 2,537,370            | 2,237,304             | 2,486,875            | 2,462,007            | 2,437,387            | 2,413,013            | 2,388,883            |
| Miscellaneous Revenues           | 17,910               | 41,192                | 81,102               | 80,291               | 79,488               | 78,693               | 76,375               |
| Fines & Forfeitures              | -                    | 79,452                | -                    | -                    | -                    | -                    | -                    |
| Other Miscellaneous Revenue      | (4,251,042)          | -                     | -                    | -                    | -                    | -                    | -                    |
| <b>Total</b>                     | <b>\$566,646,938</b> | <b>\$536,612,950</b>  | <b>\$514,650,481</b> | <b>\$504,089,393</b> | <b>\$495,195,059</b> | <b>\$485,398,221</b> | <b>\$475,947,917</b> |



### Solid Waste Services Revenue Fund

The Solid Waste Services Revenue Fund supports the operation of sanitary services activities, including collection and disposal of solid waste, recycling, yard waste and bulk rubbish, street sweeping, de-littering, debris removal, right-of-way-cutting, dead animal removal, education and enforcement. It also includes land post-closure management and city-wide emergency response operations. Revenue is generated from user fees or charges for the aforementioned services.

| Major Revenue Category       | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Solid Waste Services Revenue | \$52,872,547 | \$53,131,910 | \$53,392,570 | \$53,654,533 | \$53,917,805 |

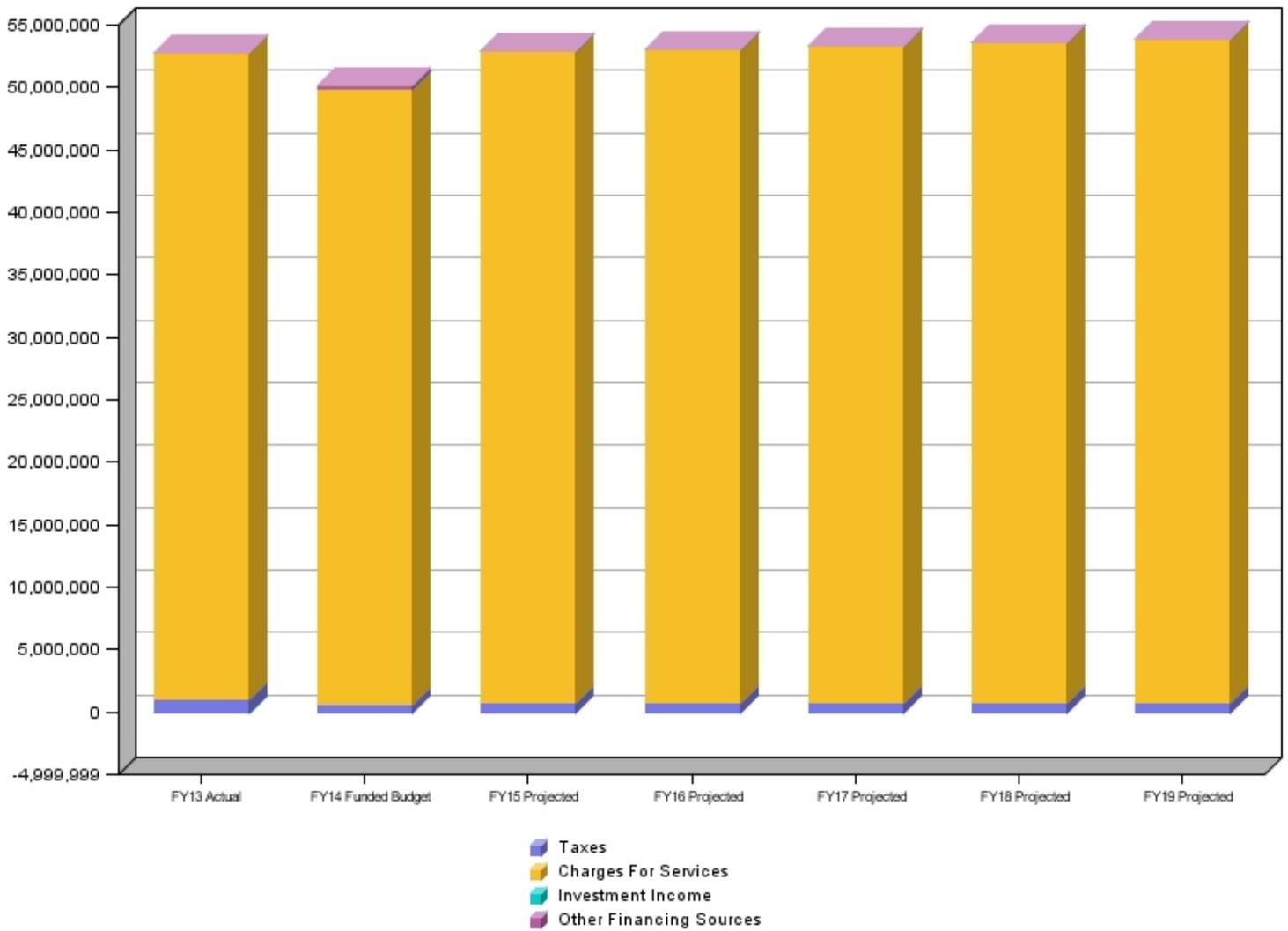
*FY 2015-19 Forecast:*

Solid Waste Fund revenues are comprised of user fees to cover the cost of operations. A CAGR of .5% is forecasted and reflects a modest trend in new construction and redevelopment within the service area.

# PROJECTED REVENUE BY MAJOR CATEGORY

## Solid Waste Services Revenue Fund

|                         | FY13<br>Actual      | FY14<br>Funded Budget | FY15<br>Projected   | FY16<br>Projected   | FY17<br>Projected   | FY18<br>Projected   | FY19<br>Projected   |
|-------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Taxes                   | 1,109,629           | 591,000               | 750,000             | 750,000             | 750,000             | 750,000             | 750,000             |
| Charges For Services    | 51,755,337          | 49,368,365            | 52,122,547          | 52,381,910          | 52,642,570          | 52,904,533          | 53,167,805          |
| Investment Income       | (16,979)            | -                     | -                   | -                   | -                   | -                   | -                   |
| Other Financing Sources | -                   | 197,000               | -                   | -                   | -                   | -                   | -                   |
| <b>Revenues</b>         | <b>\$52,847,986</b> | <b>\$50,156,365</b>   | <b>\$52,872,547</b> | <b>\$53,131,910</b> | <b>\$53,392,570</b> | <b>\$53,654,533</b> | <b>\$53,917,805</b> |



## Aviation Revenue Fund

This Department of Aviation was established to operate and maintain Hartsfield-Jackson Atlanta International Airport (ATL). Its mission is to provide the Atlanta region a safe, secure and cost-competitive gateway to the world that drives economic development and operates with the highest level of efficiency while exercising fiscal and environmental responsibility. The Department classifies its revenues into two general categories: Aeronautical and Non-Aeronautical.

### Aeronautical

#### Landing Fees

The Department of Aviation collects landing fees from two different sources: 1) basic landing fees and 2) Airfield Improvement Program (AIP) landing fees. The basic landing fee for signatory airlines at ATL is \$0.16 per 1,000 pounds of landed weight and is intended to recover the cost of operating and maintaining the airfield. AIP landing fees are imposed as cost recovery for certain airfield capital improvements and are collected at a fixed rate and for a fixed duration.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Landing Fees           | \$47,877,920 | \$47,651,946 | \$44,777,915 | \$44,894,197 | \$45,010,479 |

#### *FY 2015-19 Forecast:*

Landing Fees are expected to decrease in FY15. Enplaned passenger traffic is expected to increase slightly; but overall aircraft operations are trending downward as airlines move to larger aircraft and increased efficiency. AIP 16 ended in FY14 and DOA does not anticipate adding other AIP's.

#### Central Passenger Terminal Complex (CPTC) Rentals, (net of Concession Credits)

The Department of Aviation charges each of its airline tenants rent for space occupied within the Central Passenger Terminal Complex (CPTC). These rents are for the recovery of capital costs associated with the construction and upgrade of the CPTC's numerous facilities.

| Major Revenue Category | FY 2015       | FY 2016       | FY 2017       | FY 2018       | FY 2019       |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| CPTC Rentals           | \$149,854,182 | \$157,964,572 | \$157,846,886 | \$157,113,556 | \$156,986,137 |

#### *FY 2015-19 Forecast:*

DOA will continue to experience growth in the CPTC Rentals category. Per our agreement with the airlines, supplemental rents will decrease by \$3 million in FY15 and will end at the conclusion of FY16. This decrease will be offset by increases in airline Tenant Finishes. The Airport completes improvement projects on behalf of the airlines and is reimbursed over a period of time for such projects. Six major projects are expected to be completed in FY15 for a total cost of \$23 million and are expected to be collected over several years.

### Airside Rentals

Airside rentals are rental revenues collected for space occupied by the Airport's numerous airline and airline-support tenants.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Airside Rentals        | \$24,589,791 | \$24,632,373 | \$25,191,307 | \$25,489,523 | \$27,922,811 |

#### *FY 2015-19 Forecast:*

This revenue stream will remain flat. All leased space at North Cargo expired in December 2013 and are currently being rented on a month-to-month basis. DOA expects some tenants to sign new agreements; however, some will either rent other spaces or consolidate with other tenants. The Airport's property business unit is in the process of obtaining real estate appraisals, and developing a new leasing policy. Once this process is complete, all rentals will be based on this appraisal fair market value rate.

### CPTC Cost Recoveries

The Airport incurs certain costs related to the maintenance and operation of the overall facility that are recovered (in total or in part) from the Airlines. Police, Fire, Security and Maintenance are major components of these recoveries, along with costs to operate the Automatic People Mover between concourses.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| CPTC Cost Recoveries   | \$36,855,990 | \$40,927,742 | \$42,643,589 | \$44,388,568 | \$46,161,701 |

#### *FY 2015-19 Forecast:*

This category will increase during the next five years. This is due to the anticipated increase in the cost of operations and maintenance related to APM, fire and police personnel costs. Operating and maintenance expenses are projected to increase by 3% for inflation.

## Non-Aeronautical

### Landside Rentals

Landside rentals are revenues collected for space occupied in any of the Airport's off-airfield or landside properties.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Landside Rentals       | \$16,419,325 | \$17,147,783 | \$17,480,400 | \$17,628,364 | \$17,925,436 |

#### *FY 2015-19 Forecast:*

The current projections reflect no substantive growth. The base rent for some leases will experience standard escalations based on the lease; however, this will have minimal impact on revenues.

### Public Parking

These are revenues generated from the Airport's parking facilities. The Airport provides various parking options including covered and park and ride at the international and domestic terminals. A third party vendor is responsible for the day-to-day management of these facilities.

| Major Revenue Category | FY 2015       | FY 2016       | FY 2017       | FY 2018       | FY 2019       |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| Public Parking         | \$122,478,870 | \$125,420,000 | \$128,141,000 | \$130,544,000 | \$132,656,000 |

#### *FY 2015-19 Forecast:*

This revenue stream will continue to show small increases over the next five years as the airport reaches capacity for its parking operations. Although parking revenue per originating passenger is projected to remain flat, most of the increase will come from utilization of existing capacity at the international terminal. Work is being done to address the capacity constraints however; no substantive changes in capacity are included in this five-year plan.

### Inside Concessions

These revenues are collected from the Airport's various food & beverage, retail, service, duty-free, and advertising outlets.

| Major Revenue Category | FY 2015      | FY 2016       | FY 2017       | FY 2018       | FY 2019       |
|------------------------|--------------|---------------|---------------|---------------|---------------|
| Inside Concessions     | \$98,031,399 | \$100,004,498 | \$104,883,709 | \$109,888,154 | \$115,100,019 |

#### *FY 2015-19 Forecast:*

Inside concession, revenue will continue to increase over the next 5 years. FY15 reflects an increase over FY14 as 19 more outlets are expected to open in FY15. The new agreements are expected to increase the rental rates of the Airport's food & beverage outlets. Subtle increases in enplanements and the total passengers will continue to have a positive impact on concessions.

### Rental Car

The Airport maintains a consolidated Rental Cars Center (RCC) which houses 13 rental car companies and 8,700 parking spaces. Each of the rental car companies pays the Department of Aviation 10% of annual gross sales in return for occupying RCC space. Like the Airport's concessionaires, the rental car companies are subject to MAG and they reimburse the Airport for utilities.

| Major Revenue Category | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Rental Car             | \$36,018,000 | \$36,924,640 | \$38,699,614 | \$40,429,362 | \$42,228,066 |

#### *FY 2015-19 Forecast:*

The Airport is anticipating growth in the future years including an increase in originating/destination passengers, which will result in an increase in car rental revenue.

### Ground Transportation

This category captures revenues related to the Airport's numerous off-airport parking shuttles, limousine services, hotel shuttle services, and other ground transportation venues.

| Major Revenue Category | FY 2015     | FY 2016     | FY 2017     | FY 2018     | FY 2019     |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Ground Transportation  | \$2,034,353 | \$2,142,379 | \$2,183,497 | \$2,219,370 | \$2,255,521 |

#### *FY 2015-19 Forecast:*

Without increases in the rates, the revenues collected from ground transportation services will experience gradual increases over time in line with overall passenger traffic. The Downtown Shuttle agreement, Atlanta's agreements with major hotels in downtown Atlanta; is expected to increase revenue slightly in FY15.

### Other Commercial Revenues

Included in this category are revenues collected from WIFI offerings to customers and vendors, and public telephone facilities.

| Major Revenue Category    | FY 2015     | FY 2016     | FY 2017     | FY 2018     | FY 2019     |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| Other Commercial Revenues | \$3,419,354 | \$3,527,380 | \$3,568,498 | \$3,604,371 | \$3,640,522 |

#### *FY 2015-19 Forecast:*

WIFI will soon be available to our customers free of charge and we will no longer generate revenues from public telephones.

**Cost Recoveries: Non-Airline**

Included in this category are rents collected from the rental car companies and charges to rental car customers in the form of a Customer Facility Charge (CFC). They are collected as reimbursement for the operation and maintenance of the 67.5 acre Rental Car Center (RCC). This facility opened in December of 2009. These payments are set such that the Department is reimbursed for 100% of its RCC operating and maintenance expenses.

| Major Revenue Category       | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Cost Recoveries: Non-Airline | \$13,650,275 | \$14,346,187 | \$15,035,810 | \$15,707,862 | \$16,406,705 |

*FY 2015-19 Forecast:*

Utilities have increased slightly, especially water and sewer; which is provided by the City of College Park; this will increase revenue generated in this category; since utilities are 100% reimbursable.

**Miscellaneous Revenues**

This category contains revenue streams from a multitude of sources, most of which produce revenue streams of less than \$1 million per year. It also contains any one-time collections from disputed billings and legal settlements.

| Major Revenue Category | FY 2015  | FY 2016  | FY 2017  | FY 2018  | FY 2019  |
|------------------------|----------|----------|----------|----------|----------|
| Miscellaneous Revenues | \$32,000 | \$32,960 | \$33,949 | \$34,967 | \$36,016 |

*FY 2015-19 Forecast:*

Revenues from this category will be minimal.

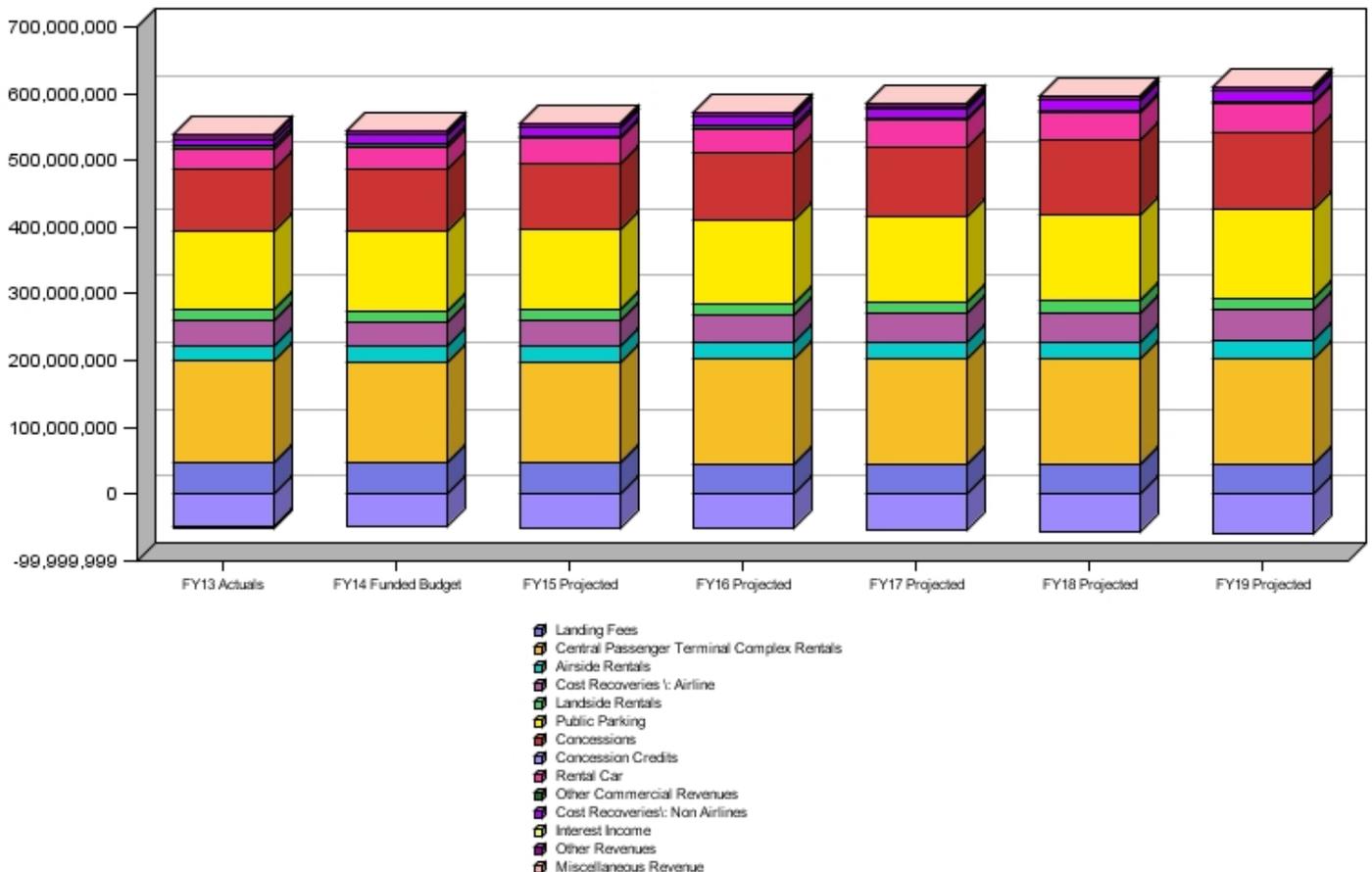
**OVERALL AIRPORT REVENUE FUND FORECAST**

Overall Airport Revenue Fund revenue is projected to increase from fiscal years 2015 through 2019. This is attributed to an increase in Tenant Finish projects and the additional opening of Concessions outlets. Airport also expects CPTC Cost Recoveries to increase due to inflation and personnel cost.

# PROJECTED REVENUE BY MAJOR CATEGORY

## Airport Revenue Fund

|  | FY13<br>Actuals      | FY14<br>Funded Budget | FY15<br>Projected    | FY16<br>Projected    | FY17<br>Projected    | FY18<br>Projected    | FY19<br>Projected    |
|--|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Aeronautical Revenues</b>               |                      |                       |                      |                      |                      |                      |                      |
| Landing Fees                               | 47,416,163           | 47,976,664            | 47,877,920           | 44,651,946           | 44,777,915           | 44,894,197           | 45,010,479           |
| Central Passenger Terminal Complex Rentals | 153,353,980          | 150,162,608           | 149,854,182          | 157,964,572          | 157,846,886          | 157,113,556          | 156,986,137          |
| Airside Rentals                            | 22,598,606           | 23,561,178            | 24,589,791           | 24,632,373           | 25,191,307           | 25,489,523           | 27,922,811           |
| Cost Recoveries : Airline                  | 36,262,845           | 36,424,256            | 36,855,990           | 40,927,742           | 42,643,589           | 44,388,568           | 46,161,701           |
| <b>Sup-Total Aeronautical Revenues</b>     | <b>259,631,593</b>   | <b>258,124,706</b>    | <b>259,177,883</b>   | <b>268,176,633</b>   | <b>270,459,697</b>   | <b>271,885,844</b>   | <b>276,081,128</b>   |
| <b>Non-Aeronautical Revenues</b>           |                      |                       |                      |                      |                      |                      |                      |
| Landside Rentals                           | 16,086,584           | 16,864,822            | 16,419,325           | 17,147,783           | 17,480,400           | 17,628,364           | 17,925,436           |
| Public Parking                             | 117,424,935          | 118,476,402           | 122,478,870          | 125,420,000          | 128,141,000          | 130,544,000          | 132,656,000          |
| Concessions                                | 93,189,492           | 94,310,508            | 98,031,399           | 100,004,498          | 104,883,709          | 109,888,154          | 115,100,019          |
| Concession Credits                         | (49,146,522)         | (47,155,254)          | (49,497,877)         | (50,484,426)         | (52,924,031)         | (55,426,254)         | (58,032,186)         |
| Rental Car                                 | 31,765,198           | 32,922,484            | 36,018,000           | 36,924,640           | 38,699,614           | 40,429,362           | 42,228,066           |
| Other Commercial Revenues                  | 4,213,236            | 4,533,190             | 3,419,354            | 3,527,380            | 3,568,498            | 3,604,371            | 3,640,522            |
| Cost Recoveries: Non Airlines              | 9,137,845            | 12,477,166            | 13,650,275           | 14,346,187           | 15,035,810           | 15,707,862           | 16,406,705           |
| Interest Income                            | (464,443)            | 420,000               | 986,852              | 986,852              | 986,852              | 986,852              | 986,852              |
| Other Revenues                             | 8,209,911            | 6,720,000             | 5,106,714            | 5,150,429            | 5,156,629            | 5,162,961            | 5,169,426            |
| Miscellaneous Revenue                      | -                    | -                     | 32,000               | 32,960               | 33,949               | 34,967               | 36,016               |
| <b>Sub-Total Non-Aeronautical Revenues</b> | <b>230,416,235</b>   | <b>239,569,318</b>    | <b>246,612,913</b>   | <b>253,023,344</b>   | <b>261,028,482</b>   | <b>268,525,673</b>   | <b>276,080,841</b>   |
| <b>Total</b>                               | <b>\$490,047,829</b> | <b>\$497,694,024</b>  | <b>\$505,822,796</b> | <b>\$521,232,937</b> | <b>\$531,522,129</b> | <b>\$540,446,485</b> | <b>\$552,197,986</b> |



### **Parks Facilities Revenue Fund**

The Parks Facilities Revenue Fund was created to support the Cyclorama restoration project, and is supported by ticket and attraction user fees.

| Major Revenue Category | FY 2015   | FY 2016   | FY 2017   | FY 2018   | FY 2019   |
|------------------------|-----------|-----------|-----------|-----------|-----------|
| Parks Facilities Fees  | \$496,017 | \$499,241 | \$502,486 | \$505,752 | \$509,040 |

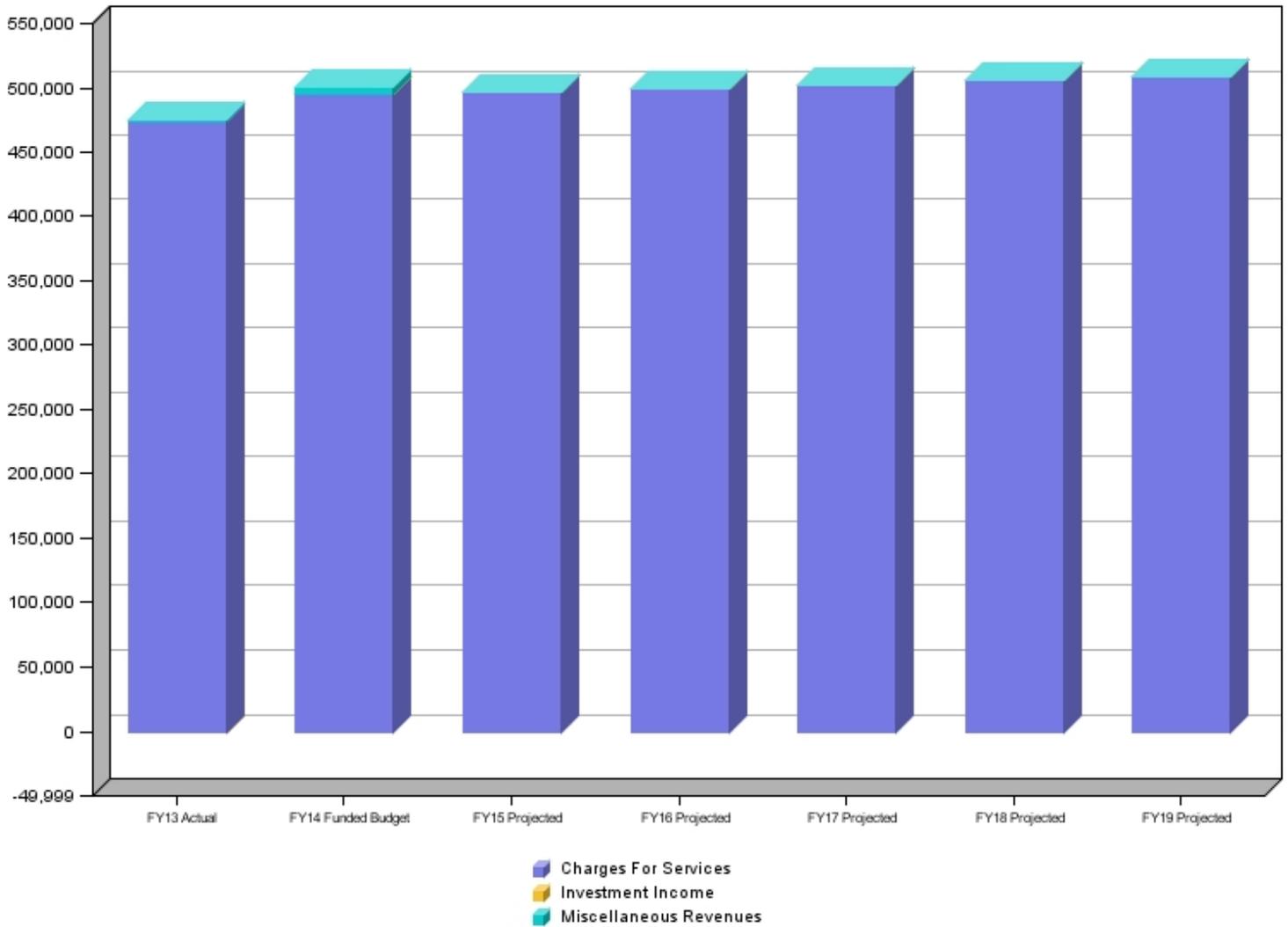
*FY 2015-19 Forecast:*

Park Facility revenue has averaged \$485 thousand over the prior four fiscal years. Parks Facilities management anticipates an increase in visitors during the second half of FY15 due to the 150<sup>th</sup> anniversary of the Civil War and Battle of Atlanta, which results in a CAGR of .65%.

# PROJECTED REVENUE BY MAJOR CATEGORY

## Parks Facilities Revenue Fund

|                        | FY13<br>Actual   | FY14<br>Funded Budget | FY15<br>Projected | FY16<br>Projected | FY17<br>Projected | FY18<br>Projected | FY19<br>Projected |
|------------------------|------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Charges For Services   | 473,705          | 495,977               | 496,017           | 499,241           | 502,486           | 505,752           | 509,040           |
| Investment Income      | (8)              | -                     | -                 | -                 | -                 | -                 | -                 |
| Miscellaneous Revenues | 1,499            | 5,000                 | -                 | -                 | -                 | -                 | -                 |
| <b>Revenues</b>        | <b>\$475,195</b> | <b>\$500,977</b>      | <b>\$496,017</b>  | <b>\$499,241</b>  | <b>\$502,486</b>  | <b>\$505,752</b>  | <b>\$509,040</b>  |



## Underground Atlanta Fund

The Underground Atlanta Fund was established in 1989 to account for transactions associated with the public operations of the Underground Atlanta facilities and parking decks. This fund is supported by parking revenues, user fees and a General Fund subsidy.

| Major Revenue Category   | FY 2015      | FY 2016      | FY 2017      | FY 2018     | FY 2019     |
|--------------------------|--------------|--------------|--------------|-------------|-------------|
| Underground Atlanta Fees | \$11,109,555 | \$10,959,517 | \$10,814,213 | \$2,009,043 | \$2,051,233 |

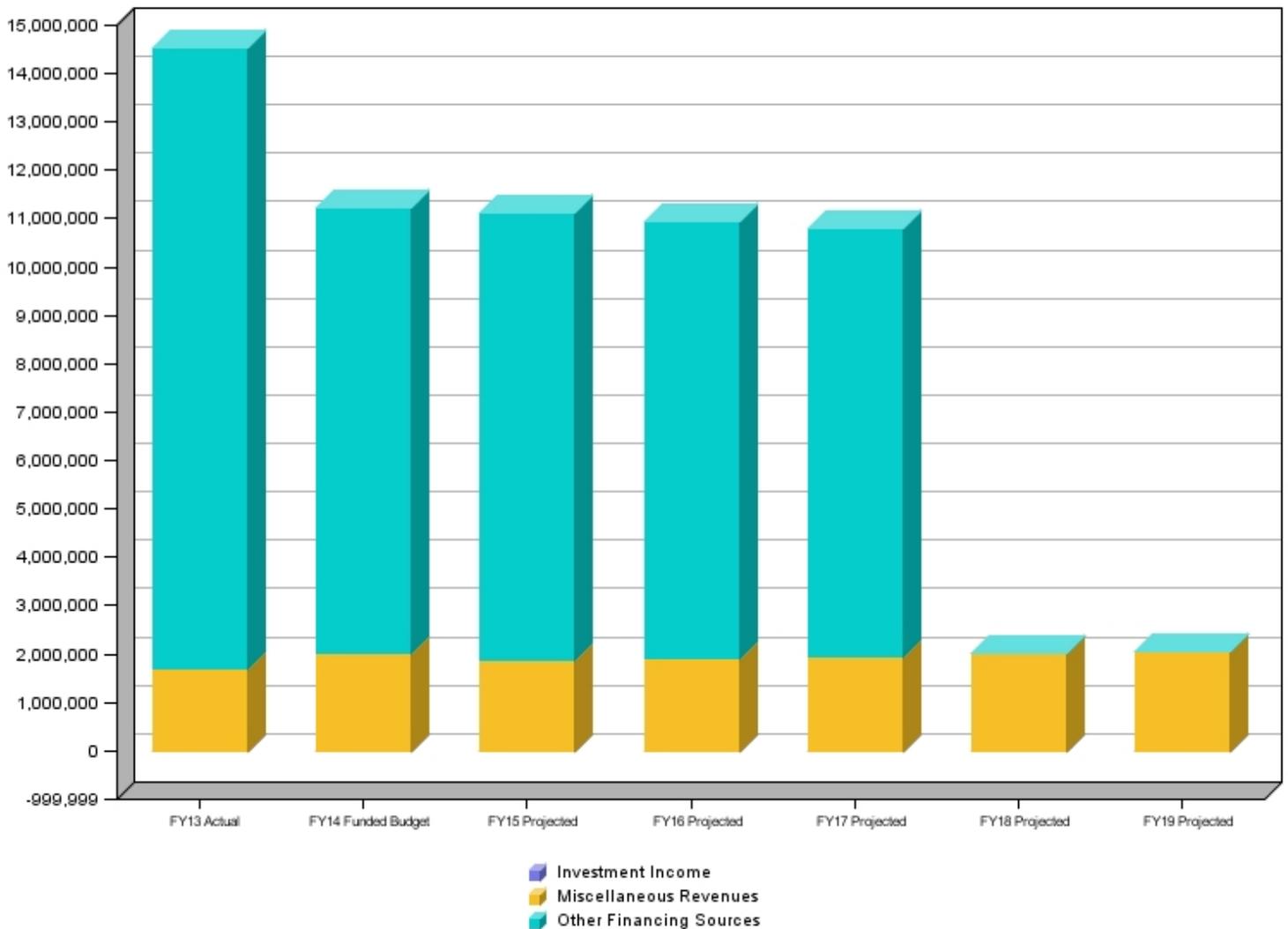
### *FY 2014-19 Forecast:*

Underground Atlanta revenue continues to be impacted by limited national brand name retailers and a decline in visitors attributed to the World of Coke relocating near the Georgia Aquarium. Underground Atlanta's sources of income, including the General Fund subsidy, have approximated \$11 million. The General Fund subsidy accounts for 80% of revenue to this fund. The non-General Fund subsidy revenue items account for the remaining 20% of the revenue to this fund. The Underground Atlanta Fund's non-General Fund revenue (parking revenues and user fees) correlate with a 2.1% CAGR tied to Atlanta Gross Metro Product. The Underground Atlanta revenue forecast reflects an overall decline due to a corresponding reduction in the General Fund subsidy, which as indicated represents the primary source of income.

# PROJECTED REVENUE BY MAJOR CATEGORY

## Underground Atl Facil Revenue Fund

|                         | FY13<br>Actual      | FY14<br>Funded Budget | FY15<br>Projected   | FY16<br>Projected   | FY17<br>Projected   | FY18<br>Projected  | FY19<br>Projected  |
|-------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|--------------------|--------------------|
| Investment Income       | (11,890)            | -                     | -                   | -                   | -                   | -                  | -                  |
| Miscellaneous Revenues  | 1,707,083           | 2,032,980             | 1,887,609           | 1,927,249           | 1,967,721           | 2,009,043          | 2,051,233          |
| Other Financing Sources | 12,843,234          | 9,196,742             | 9,221,946           | 9,032,268           | 8,846,492           | -                  | -                  |
| <b>Revenues</b>         | <b>\$14,538,427</b> | <b>\$11,229,722</b>   | <b>\$11,109,555</b> | <b>\$10,959,517</b> | <b>\$10,814,213</b> | <b>\$2,009,043</b> | <b>\$2,051,233</b> |



## Building Permits Fund

The Building Permits Fund accounts for the collection of income and disbursement of funds associated with the operation of all building permitting activity. The Building Permits Fund was established in November 2011 as an enterprise fund.

| Major Revenue Category   | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| Building Permits Revenue | \$18,648,639 | \$18,835,125 | \$19,023,476 | \$19,213,712 | \$19,405,850 |

### *FY 2015-19 Forecast:*

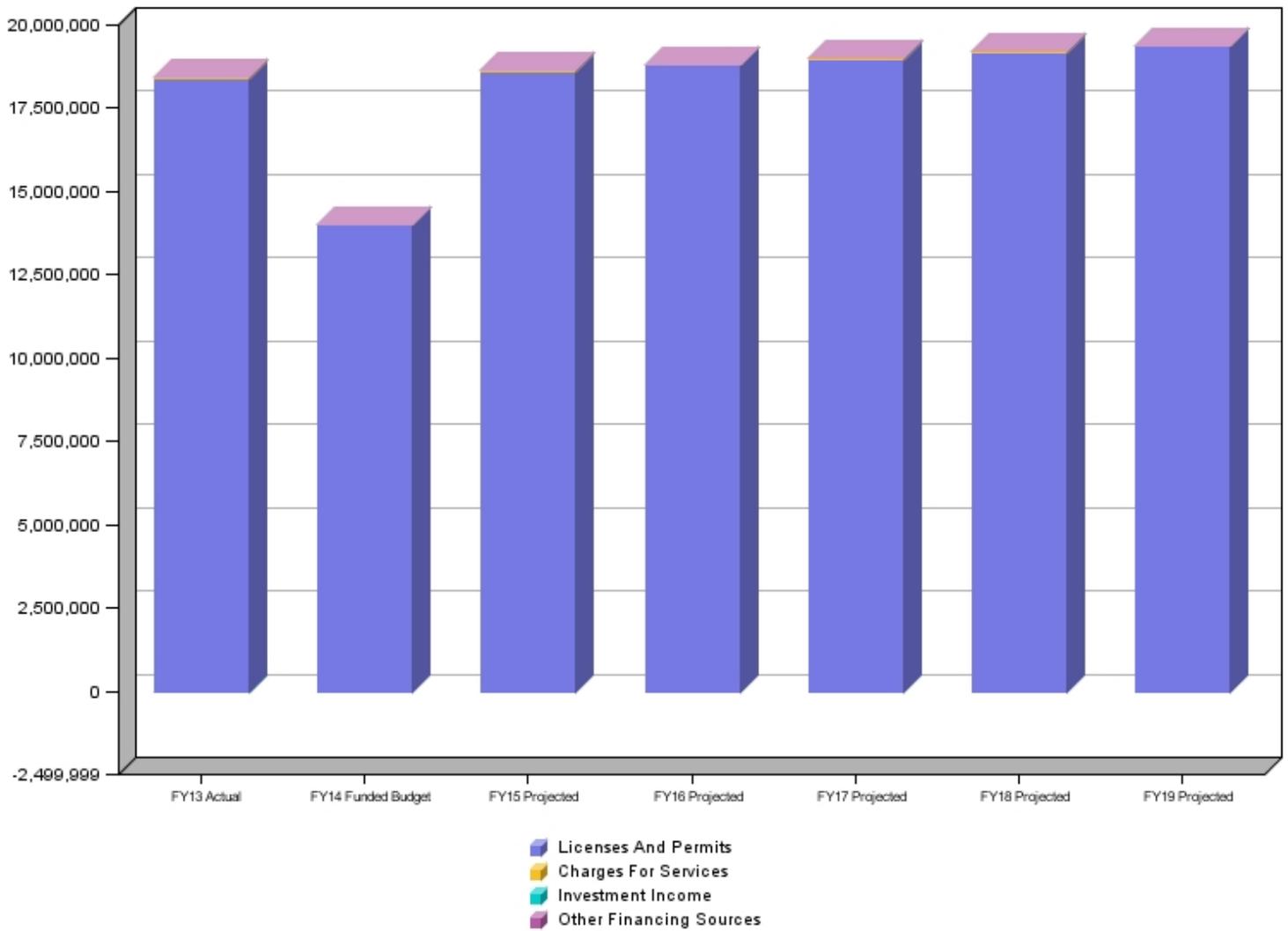
Building Permits Fund revenues correlate with the construction sector and are highly elastic with economic cycles and construction related growth. The construction sector employment is forecasted to continue to increase due to recovery in the housing market and resumption of commercial activity as credit conditions ease.

The Selig economic report indicates, "Office and retail vacancy rates will remain elevated, but will improve due to limited deliveries of space as well as less sublease space coming onto the market. Demand for new office space will increase the most in markets that benefit from growth of high technology and energy industries. Retail construction will continue to be limited by abundant supplies of existing space as well as online competition, but pockets of new retail development will appear in the most desirable locations. Industrial development will continue to benefit from rising levels of industrial production and capacity utilization, with new development focused on locations with logistical advantages."

# PROJECTED REVENUE BY MAJOR CATEGORY

## Building Permits Fund

|                         | FY13<br>Actual      | FY14<br>Funded Budget | FY15<br>Projected   | FY16<br>Projected   | FY17<br>Projected   | FY18<br>Projected   | FY19<br>Projected   |
|-------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Licenses And Permits    | 18,416,604          | 14,037,018            | 18,603,306          | 18,789,338          | 18,977,231          | 19,167,004          | 19,358,676          |
| Charges For Services    | 46,644              | -                     | 45,333              | 45,787              | 46,245              | 46,708              | 47,174              |
| Investment Income       | (48,308)            | -                     | -                   | -                   | -                   | -                   | -                   |
| Other Financing Sources | 3,250               | -                     | -                   | -                   | -                   | -                   | -                   |
| <b>Revenues</b>         | <b>\$18,418,190</b> | <b>\$14,037,018</b>   | <b>\$18,648,639</b> | <b>\$18,835,125</b> | <b>\$19,023,476</b> | <b>\$19,213,712</b> | <b>\$19,405,850</b> |



### **Atlanta Civic Center Fund**

The Civic Center Fund accounts for the collection of income associated with the operation of the Boisfeuillet Jones Atlanta Civic Center. These funds are derived from income generated primarily from ticket sales (surcharges), building and land rentals.

| <b>Major Revenue Category</b> | <b>FY 2015</b> | <b>FY 2016</b> | <b>FY 2017</b> | <b>FY 2018</b> | <b>FY 2019</b> |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Civic Center Fees             | \$1,697,611    | \$1,697,611    | \$1,697,611    | \$1,697,611    | \$1,697,611    |

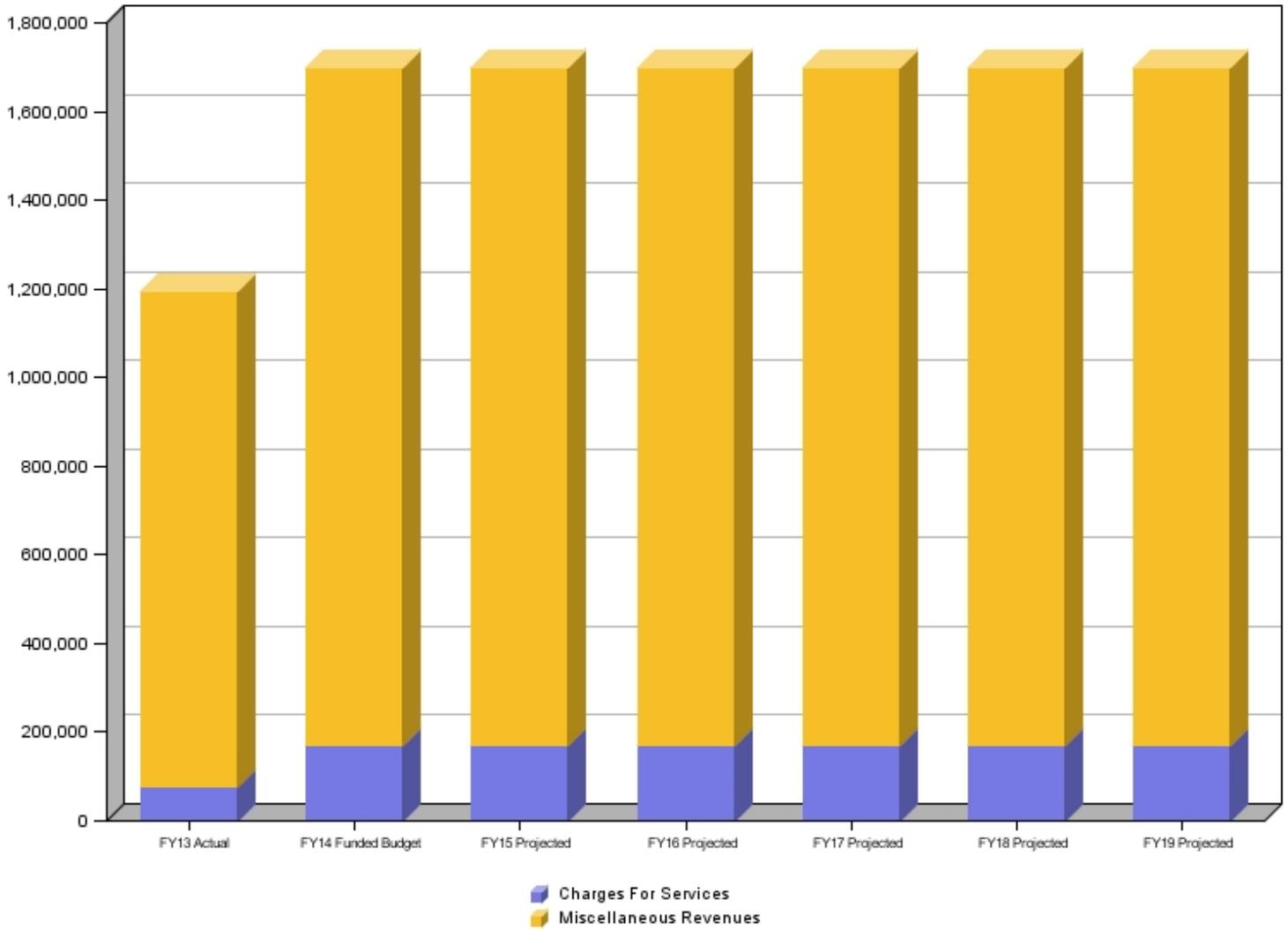
*FY 2014-19 Forecast:*

The Civic Center Fund has exhibited declining revenues due to competition from other private venues. Civic Center Fund revenue has averaged approximately \$1.5 million and is forecasted to remain flat at approximately \$1.6 million over the 5 year forecasted period.

# PROJECTED REVENUE BY MAJOR CATEGORY

## Civic Center Revenue Fund

|                        | FY13<br>Actual     | FY14<br>Funded Budget | FY15<br>Projected  | FY16<br>Projected  | FY17<br>Projected  | FY18<br>Projected  | FY19<br>Projected  |
|------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Charges For Services   | 78,439             | 172,560               | 172,560            | 172,560            | 172,560            | 172,560            | 172,560            |
| Miscellaneous Revenues | 1,117,650          | 1,525,051             | 1,525,051          | 1,525,051          | 1,525,051          | 1,525,051          | 1,525,051          |
| <b>Revenues</b>        | <b>\$1,196,089</b> | <b>\$1,697,611</b>    | <b>\$1,697,611</b> | <b>\$1,697,611</b> | <b>\$1,697,611</b> | <b>\$1,697,611</b> | <b>\$1,697,611</b> |



### **Fleet Services Fund**

The Fleet Services Fund was established for accounting for the operations and maintenance of the City of Atlanta's fleet of vehicles and motorized equipment. The Fleet Services Fund supports fuel and maintenance services to City departments.

| <b>Major Revenue Category</b> | <b>FY 2015</b> | <b>FY 2016</b> | <b>FY 2017</b> | <b>FY 2018</b> | <b>FY 2019</b> |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Fleet Services Revenue        | \$26,187,859   | \$26,187,859   | \$26,187,859   | \$26,187,859   | \$26,187,859   |

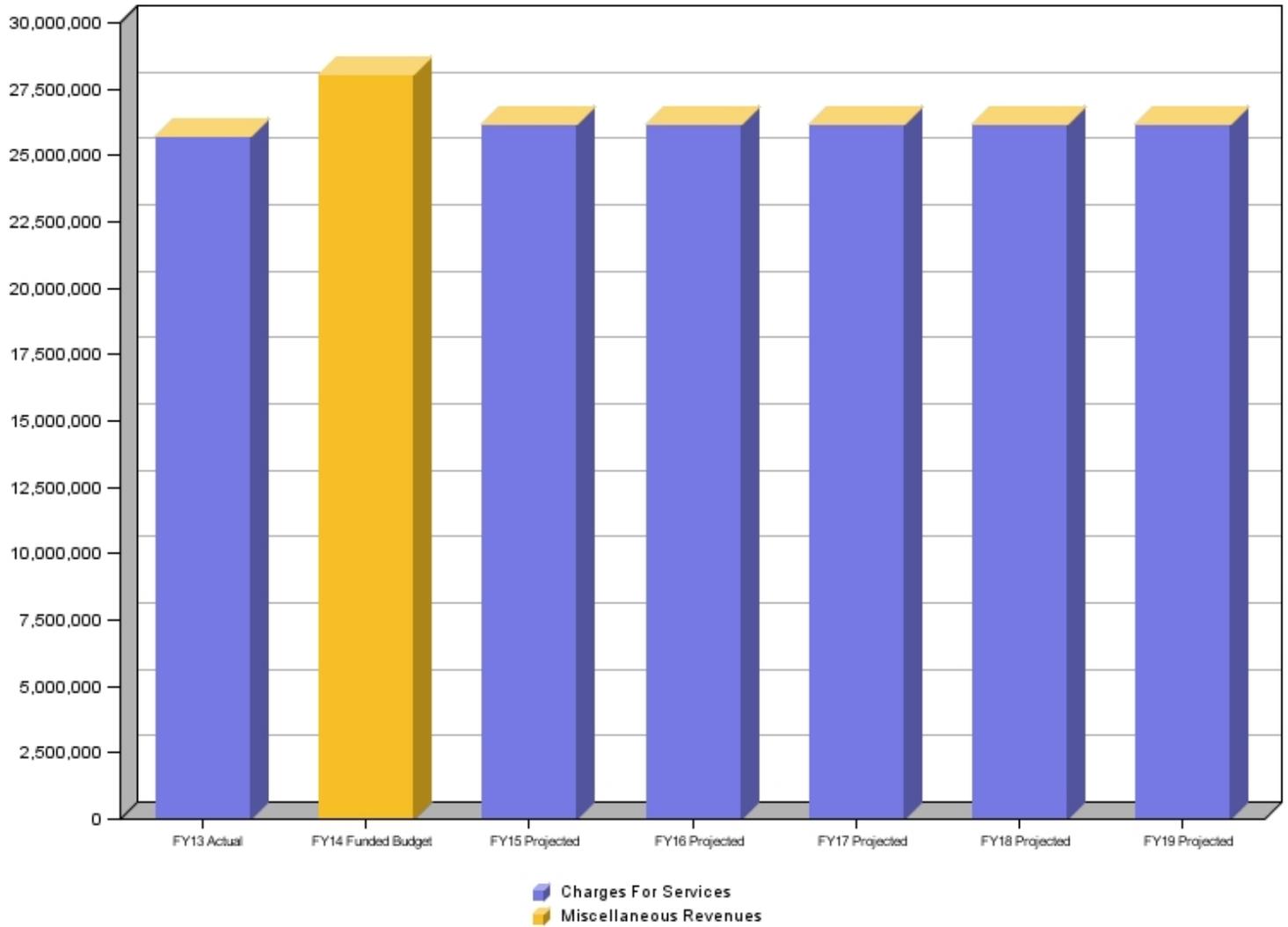
*FY 2015-19 Forecast:*

The Fleet Services Fund source of income is derived from charge-back recovery to the participating City departments. The forecast is stable which coincides with the projected trend in expenditures. Current efforts are underway to address the structural deficit.

# PROJECTED REVENUE BY MAJOR CATEGORY

## Fleet Service Fund

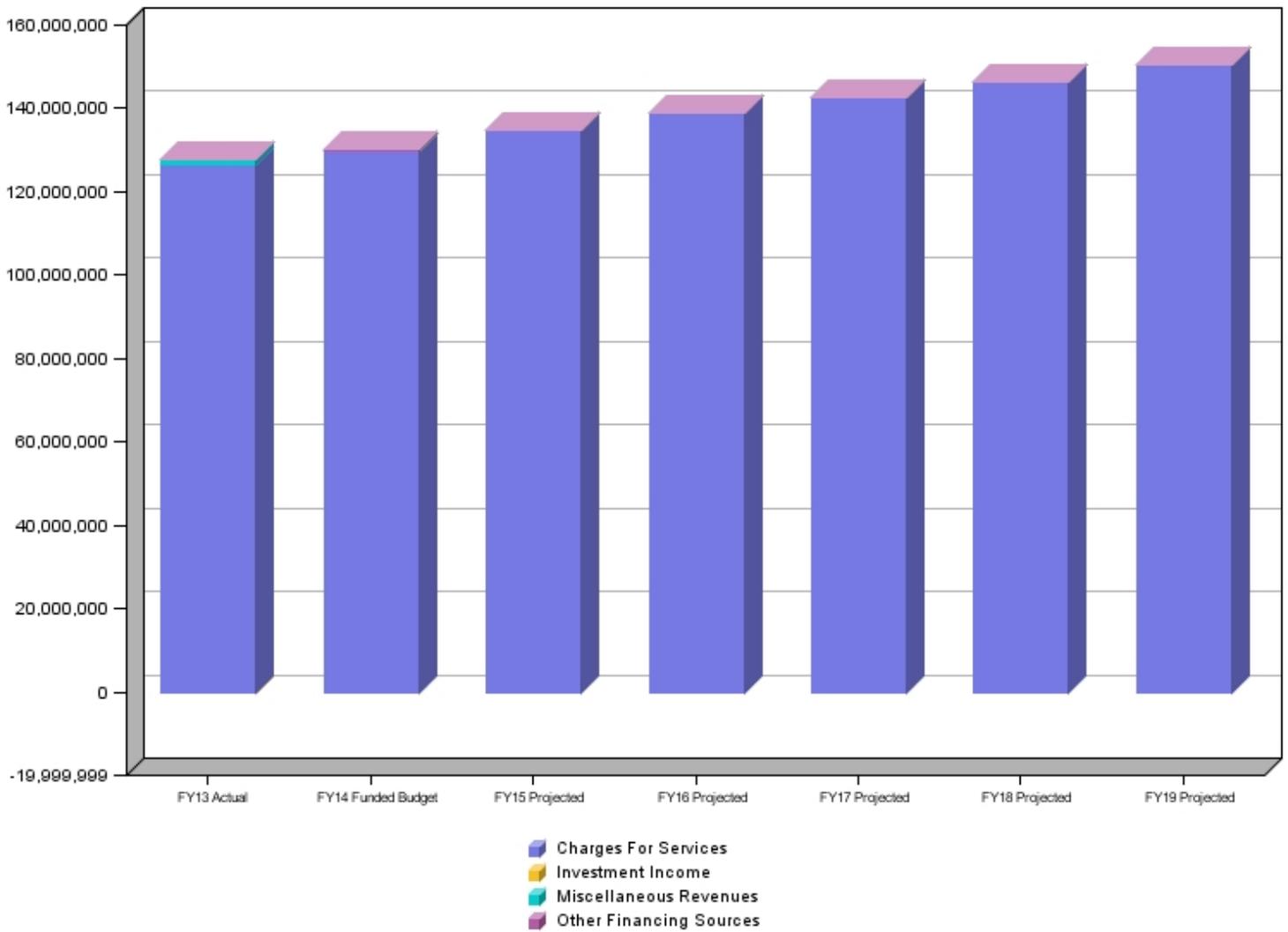
|                        | FY13<br>Actual      | FY14<br>Funded Budget | FY15<br>Projected   | FY16<br>Projected   | FY17<br>Projected   | FY18<br>Projected   | FY19<br>Projected   |
|------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Charges For Services   | 25,721,869          | -                     | 26,187,859          | 26,187,859          | 26,187,859          | 26,187,859          | 26,187,859          |
| Miscellaneous Revenues | -                   | 28,073,061            | -                   | -                   | -                   | -                   | -                   |
| <b>Revenues</b>        | <b>\$25,721,869</b> | <b>\$28,073,061</b>   | <b>\$26,187,859</b> | <b>\$26,187,859</b> | <b>\$26,187,859</b> | <b>\$26,187,859</b> | <b>\$26,187,859</b> |



# PROJECTED REVENUE BY MAJOR CATEGORY

## Group Insurance Fund

|                         | FY13<br>Actual       | FY14<br>Funded Budget | FY15<br>Projected    | FY16<br>Projected    | FY17<br>Projected    | FY18<br>Projected    | FY19<br>Projected    |
|-------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Charges For Services    | 126,500,256          | 130,001,811           | 134,934,133          | 138,757,002          | 142,551,634          | 146,336,810          | 150,575,367          |
| Investment Income       | (20,124)             | -                     | 0                    | 0                    | 0                    | 0                    | 0                    |
| Miscellaneous Revenues  | 1,481,885            | -                     | 0                    | 0                    | 0                    | 0                    | 0                    |
| Other Financing Sources | -                    | 173,264               | 31,965               | 31,965               | 31,965               | 31,965               | 31,965               |
| <b>Revenues</b>         | <b>\$127,962,016</b> | <b>\$130,175,075</b>  | <b>\$134,966,098</b> | <b>\$138,788,967</b> | <b>\$142,583,599</b> | <b>\$146,368,775</b> | <b>\$150,607,332</b> |





FIVE-YEAR  
EXPENDITURE  
OVERVIEW AND  
PROJECTIONS

FUND AND DEPARTMENTAL PROJECTIONS  
EXPENDITURE ASSUMPTIONS AND FORECAST

FIVE YEAR PLAN



# FUND AND DEPARTMENTAL PROJECTIONS

Although the five year plan requires five-year projections for the general fund only, fund-wide projections have been included for the following operating funds:

## **GENERAL FUND**

- City Council
- Executive Offices
- Information Technology
- Law
- Corrections
- Finance
- Procurement
- Public Works
- Parks, Recreation & Cultural Affairs
- Judicial – Municipal Court Operations
- Non-Departmental
- Human Resources
- Fire & Rescue
- Police Services
- Planning and Community Development
- Judicial – Solicitor
- Board Officers – Ethics Officer
- Board Officers - Atlanta Citizens Review Board Director
- Board Officers – Internal Auditor
- Judicial – Public Defender

## **ENTERPRISE AND OTHER FUNDS**

Emergency 911 Fund  
Hotel/Motel Tax Fund  
Rental/Motor Vehicle Tax Fund (Car Rental)  
Water & Wastewater Revenue Fund  
Solid Waste Fund  
Aviation Revenue Fund  
Parks Facilities (Cyclorama) Fund  
Underground Atlanta Fund  
Building Permits Fund  
Civic Center Fund  
Fleet Services Fund  
Group Insurance Fund



# EXPENDITURE ASSUMPTIONS AND FORECAST

As mandated in 09-0-1406, expenditures in the five-year plan become the current services budget, which then serves as the baseline for the subsequent years. However, projections for FY2015 to FY2019 were based on actual expenditures through the month of November and the FY2014 budget for the months of December to June. By doing so includes a cost savings initiative in each departmental budget, mainly in personnel costs, and reflects the impact of vacancies, attrition as well as savings in other line items.

Listed below are the five year plan assumptions. All rates will be revisited during FY2015 budget development after receiving more up-to-date information. It is important to note that the five year plan funds current service levels based on FY2014 actual expenses through November and budget for the months of December to June.

- In an effort to comply with the newly enacted **healthcare** law (Affordable Care Act) that will provide an opportunity for millions of uninsured Americans to gain access to medical coverage, the City of Atlanta is enthusiastically playing its part in this historic event. As a result, the City's contribution increased citywide by \$4.2M from the FY2014 Adopted budget amount of \$57.6M to \$61.8M, and increases by 5% each year thereafter. This increase will provide healthcare coverage for those who were not previously covered.
- Citywide, the **pension** rates were adjusted for all Defined Benefit Plans to account for the Annual Required Contribution (ARC). The contributions are based on adjusted discount rates of 7.50 for Defined Benefit (General), and 7.75 for Defined Benefit (Police and Fire).

| Plan                      | FY13 ARC       | FY14 ARC       | FY15 ARC        | YOY INCR       |
|---------------------------|----------------|----------------|-----------------|----------------|
| Defined Benefit (General) | \$38.7M        | \$42.1M        | \$53.3M         | \$11.2M        |
| Defined Benefit (Police)  | \$26.5M        | \$30.2M        | \$31.4M         | \$ 1.2M        |
| Defined Benefit (Fire)    | \$17.5M        | \$20.7M        | \$21.5M         | \$ 0.8M        |
| <b>Total</b>              | <b>\$82.7M</b> | <b>\$93.0M</b> | <b>\$106.2M</b> | <b>\$13.2M</b> |

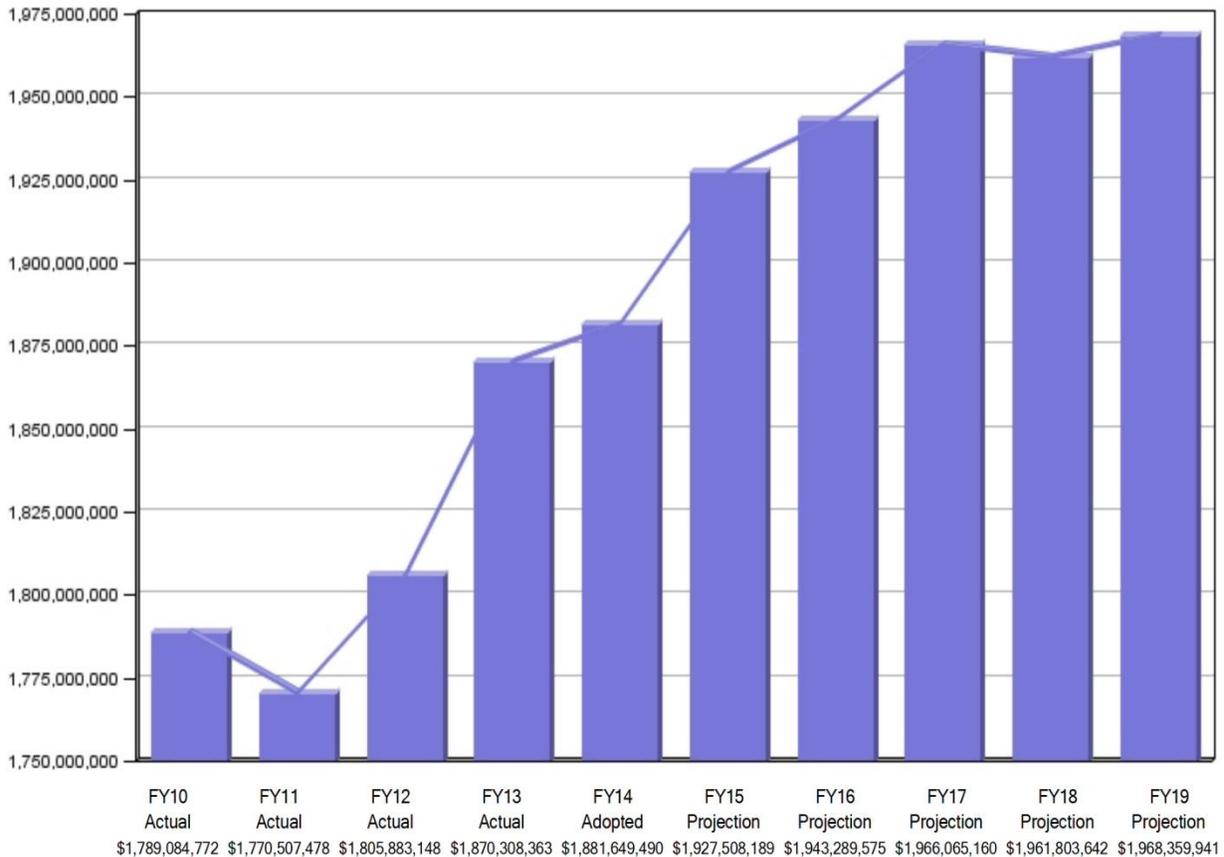
- Citywide, the **workers' compensation** requirement remained at the FY2014 adopted level of \$12.3MM and increases by approximately 2% each year thereafter. The City will continue its effort in safety programs and other citywide initiatives, and monitor the impact on the number of projected workers' compensation claims.
- Citywide, **utilities** (electricity and natural gas) increased by 1%, and electricity by 1.2% based on the total FY2013 utilization. Traffic signals and street lights budgets will remain flat for FY2015 through FY2019, and there are no rate increases proposed in the five year plan.
- FY2015, **Water and Sewer** budget increased by 11% based on the total FY2013 utilization (no rate increase), and increased by 2% each year thereafter. An adjustment was made for Department of Parks and Recreation, which accounts for seasonality, and aligns its budget with the projected expenditures.

- **Fuel and maintenance** projections are based on FY2013 utilization, which totaled \$26.2M. The FY2015 projection for fuel increased by 1%, and maintenance increased by 2.5%. No increases are projected for fiscal years 2016 to 2019 as the Department determines how it can gain efficiencies through fleet replacement and quantity reductions.
- According to the Selig Center for Economic Growth, led by economist Dr. Jeffrey M. Humphreys, the **consumer price inflation** (CPI) will increase by 1.7% in FY2015 and increases to 3.10% in FY2019.

### TOTAL OPERATING FUNDS EXPENDITURE PROJECTION

The chart below is a depiction of the total operating budget, which includes the assumptions previously listed. The five year plan includes new initiatives and a continuation of previous initiatives such as fully funding 75 SAFER positions and 50 COPS grant positions added to the City's budget in previous years. In addition, the five year addresses the debt payment required for the proposed \$250MM infrastructure bond which provides a funding mechanism to address the City's infrastructure challenges.

**TOTAL EXPENDITURE PROJECTION GRAPH**  
Operating



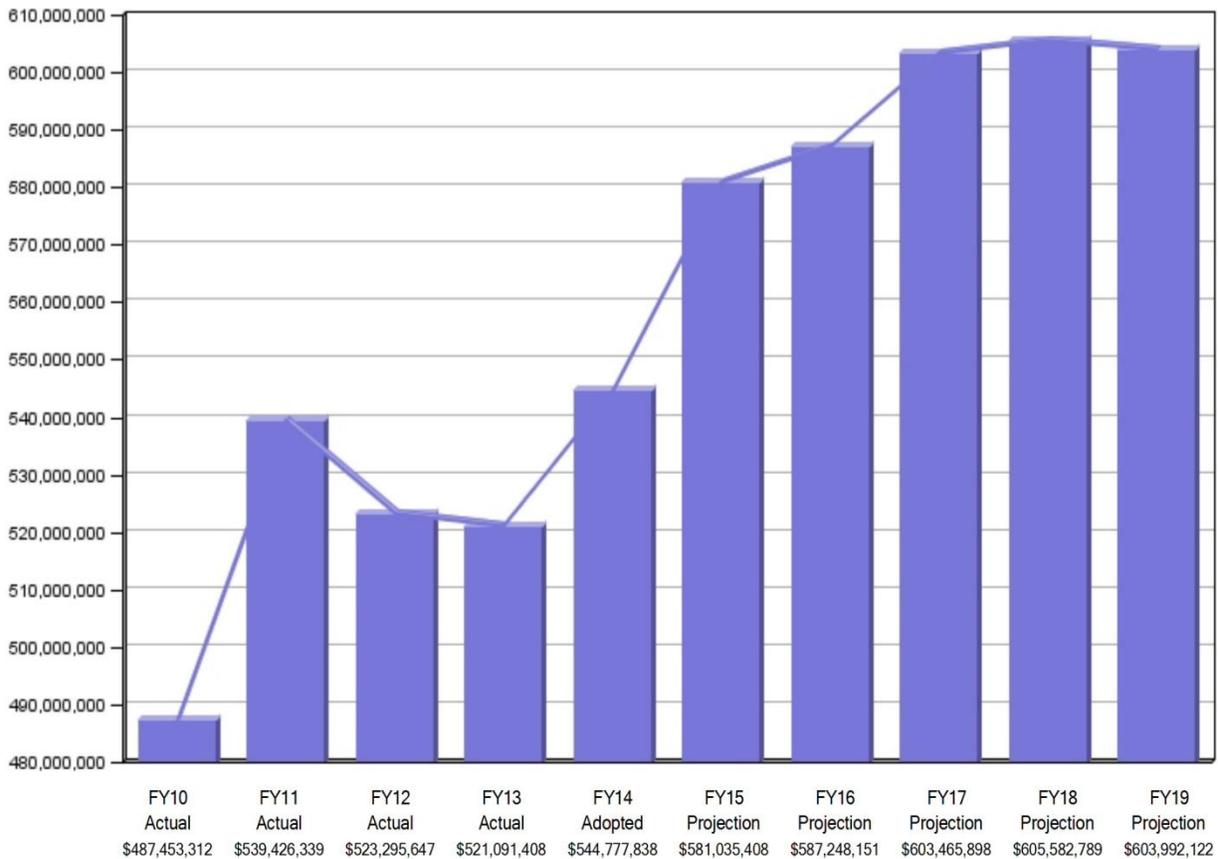
## TOTAL GENERAL FUNDS EXPENDITURE PROJECTION

The five year plan includes a 1% budgeted restricted reserve each year and totals \$5.4MM in FY2015. The purpose of budgeting for a reserve was to build general fund balance to at least \$100MM (general fund reserves totals \$138.2M as of June 30, 2013) and resolve the capital fund deficit. The Capital Finance Fund was established to centralize all governmental capital purchases. An example of capital purchases would include vehicles for Public Safety, Public Works, and Parks & Recreation, and funding of the City's ERP solution.

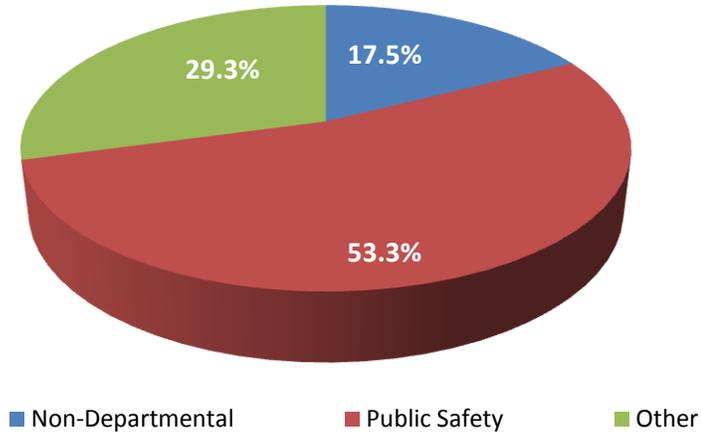
The five year plan also includes a subsidy to E911, one of the City of Atlanta's deficit funds. The subsidy for FY2015 is \$5.7MM which provides support to E911 operations and efforts to address the fund's deficit.

Other items in the FY2015 budget include support for Invest Atlanta, an increased budgeted amount for Other Post Employment Benefits (OPEB), the Affordable Care Act, and the operating impact of new capital projects.

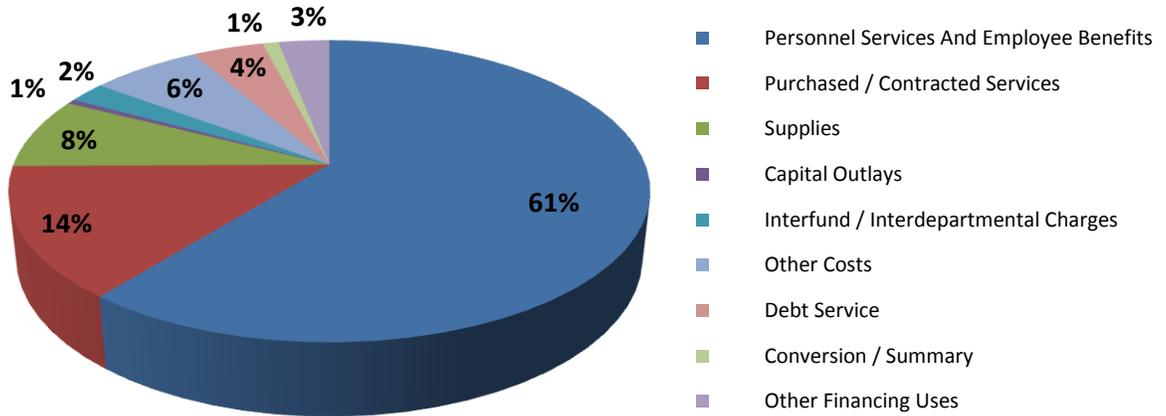
**TOTAL EXPENDITURE PROJECTION GRAPH**  
General Fund



**GENERAL FUND FY2015 BASELINE EXPENDITURE PROJECTION  
BY MAJOR DEPARTMENTAL CATEGORY**

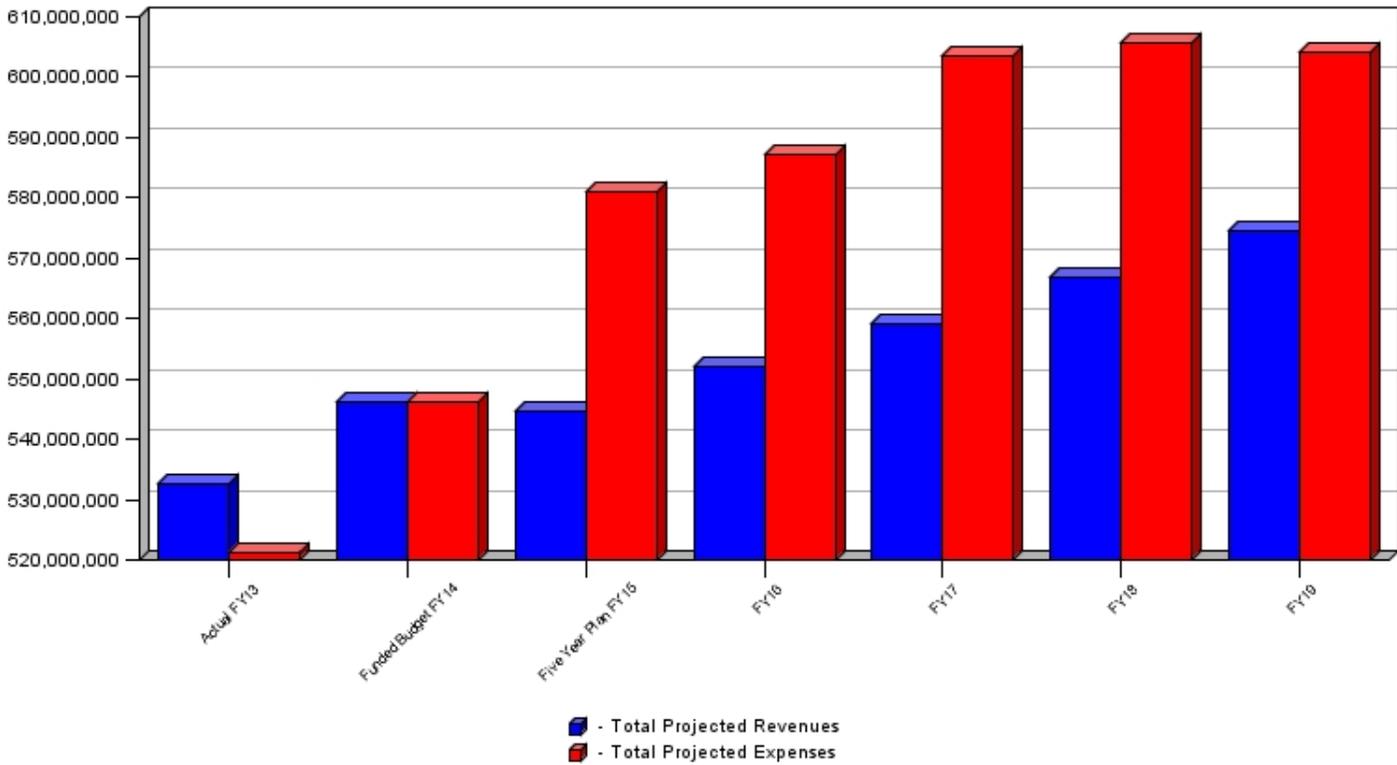


Seventy percent or 70.8% of the general fund costs are attributable to Public Safety and Non-Departmental, which includes debt service and other required obligations that must be funded irrespective of the number of staff employed. All other activities of City government such as public works, parks, code enforcement, planning, technology, and the support departments are funded with the remaining 29.3%.



Sixty-one percent or 61% of the budget is comprised of Personnel expenses, of which Police Services is 44% and Fire & Rescue Services is 19% of the total. In addition to salaries, a large portion of the personnel expenses is health insurance as well as the **Defined Benefit pension plan** and other benefits paid by the City on behalf of the employees. The Defined Benefit pension plan was overhauled during the FY2012 budget adoption for general, sworn police and firefighter employees to address the growing pension crisis that had impacted the City's fiscal stability.

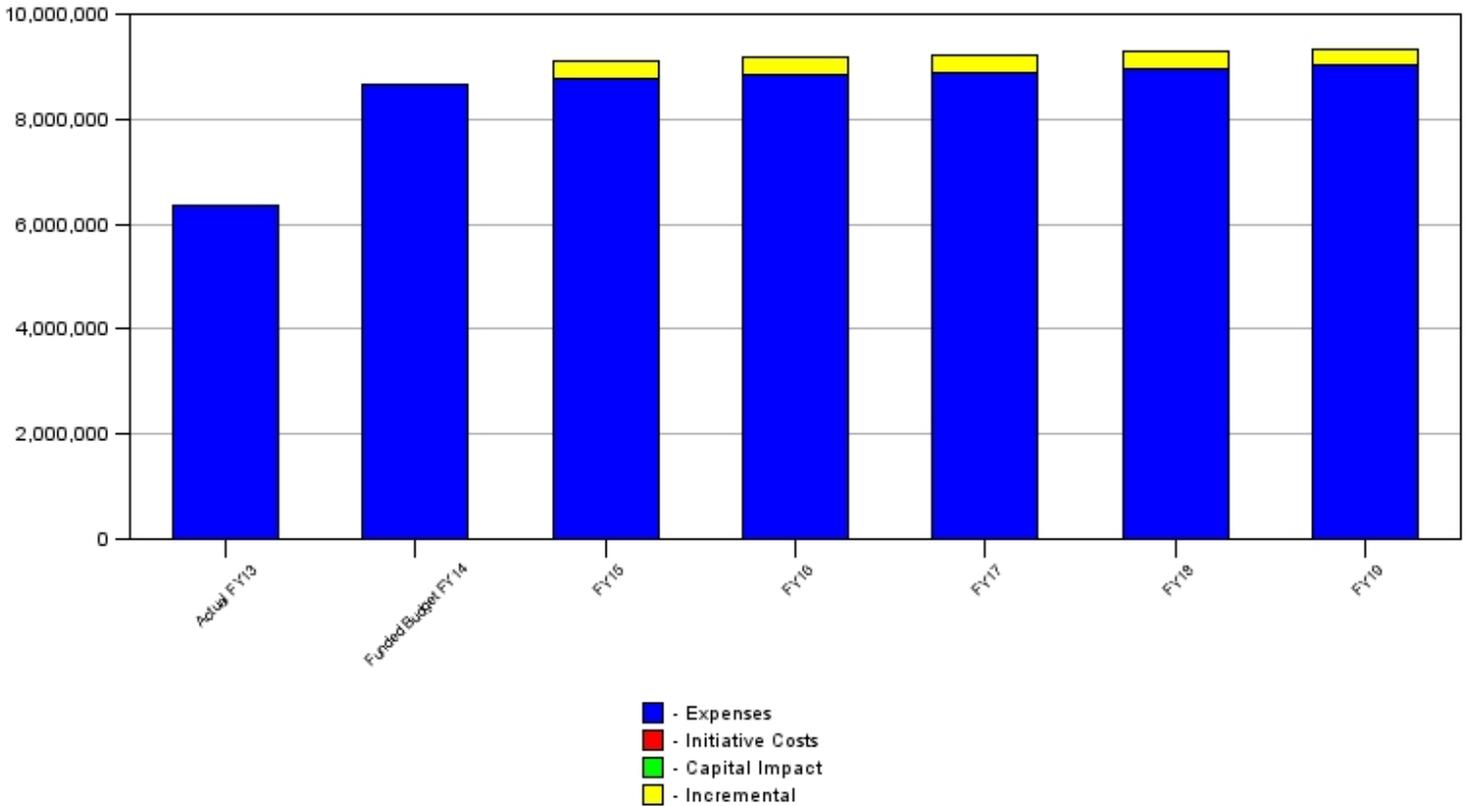
**CITY OF ATLANTA**  
**General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15           | FY16           | Five Year Plan |                |                | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| Total Projected Revenues      | \$532,534,851  | \$546,067,013         | \$544,723,024  | \$551,905,795  | \$559,199,748  | \$566,885,988  | \$574,411,249  | \$2,797,125,804     |
| Expenses                      | \$521,091,408  | \$546,066,813         | \$540,358,965  | \$551,114,002  | \$566,188,621  | \$564,064,831  | \$557,743,275  | \$2,779,469,694     |
| Initiative Costs              | \$0            | \$0                   | \$13,560,441   | \$11,866,159   | \$12,278,255   | \$12,173,944   | \$12,352,252   | \$62,231,051        |
| Capital Impact                | \$0            | \$0                   | \$5,721,175    | \$2,910,300    | \$3,067,300    | \$7,372,995    | \$11,735,800   | \$30,807,570        |
| Incremental                   | \$0            | \$0                   | \$21,394,827   | \$21,357,689   | \$21,931,722   | \$21,971,019   | \$22,160,795   | \$108,816,052       |
| Total Projected Expenses      | \$521,091,408  | \$546,066,813         | \$581,035,408  | \$587,248,151  | \$603,465,898  | \$605,582,789  | \$603,992,122  | \$2,981,324,368     |
| Revenues Over(Under) Expenses | \$11,443,444   | \$200                 | (\$36,312,384) | (\$35,342,356) | (\$44,266,150) | (\$38,696,801) | (\$29,580,873) | (\$184,198,564)     |
| Variance %                    | 2%             | 0%                    | (7%)           | (6%)           | (8%)           | (7%)           | (5%)           | (7%)                |

The General Fund is the City's primary operating fund. It accounts for all financial transactions of the City, except those required to be accounted for in another fund. The City's property tax base represents one-third of General Fund revenues. Property tax revenues have started to increase due to an improved housing market. The FY2015 General Fund Revenue Anticipation is \$544 million. The 2014 tax digest should be stable and is the most significant economic driver for overall General Fund revenues. FY2015 General Fund projected expenditures are \$581 million. This includes, but is not limited to: capital impact cost to address the City's infrastructure backlog through the proposed \$250MM bond issuance; initiative amounts to ensure all recreation centers and pools are open, to fund programming for City of Atlanta's youth and transform a number of recreation centers to Centers of Hope; and incremental amounts for COPS and SAFER grants that will expire and be absorbed by the City over the five year plan period.

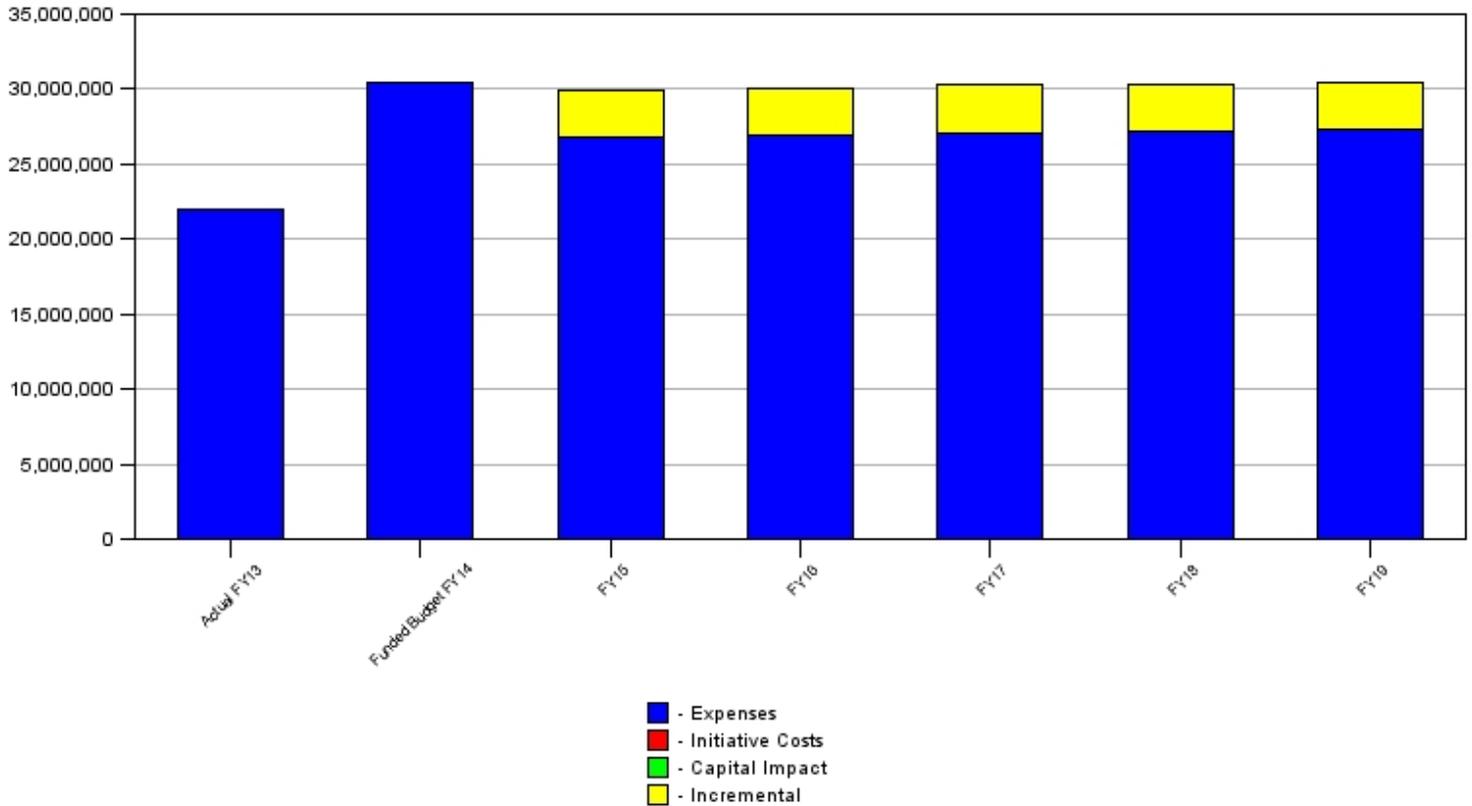
**CITY OF ATLANTA**  
**City Council - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$6,367,249        | \$8,670,485           | \$8,788,664        | \$8,849,583        | \$8,901,422        | \$8,955,389        | \$9,014,928        | \$44,509,986        |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$333,405          | \$333,405          | \$313,405          | \$333,405          | \$333,405          | \$1,647,025         |
| <b>Total Projected Expenses</b> | <b>\$6,367,249</b> | <b>\$8,670,485</b>    | <b>\$9,122,069</b> | <b>\$9,182,988</b> | <b>\$9,214,827</b> | <b>\$9,288,794</b> | <b>\$9,348,333</b> | <b>\$46,157,011</b> |

The Atlanta City Council's mission is to enact all laws designed to protect the public health, safety and welfare of the citizens of Atlanta and its visitors. The City Council by statute serves as one of the three branches of government, that being the legislative branch. The legislative body is comprised of fifteen (15 voting) members and is presided over by the President of the Council. The President votes only in the event of a tie vote. The Council adopts ordinances to establish city policy, law, and resolutions to express legislative intent. The Atlanta City Council has seven (7) standing committees to oversee city operations. They include the following: Committee on Council, Finance/Executive Committee, Zoning Committee, Public Safety and Legal Administration Committee, Community Development and Human Resources Committee, City Utilities Committee and Transportation Committee. Incremental includes amount for City Council salary increase, per code.

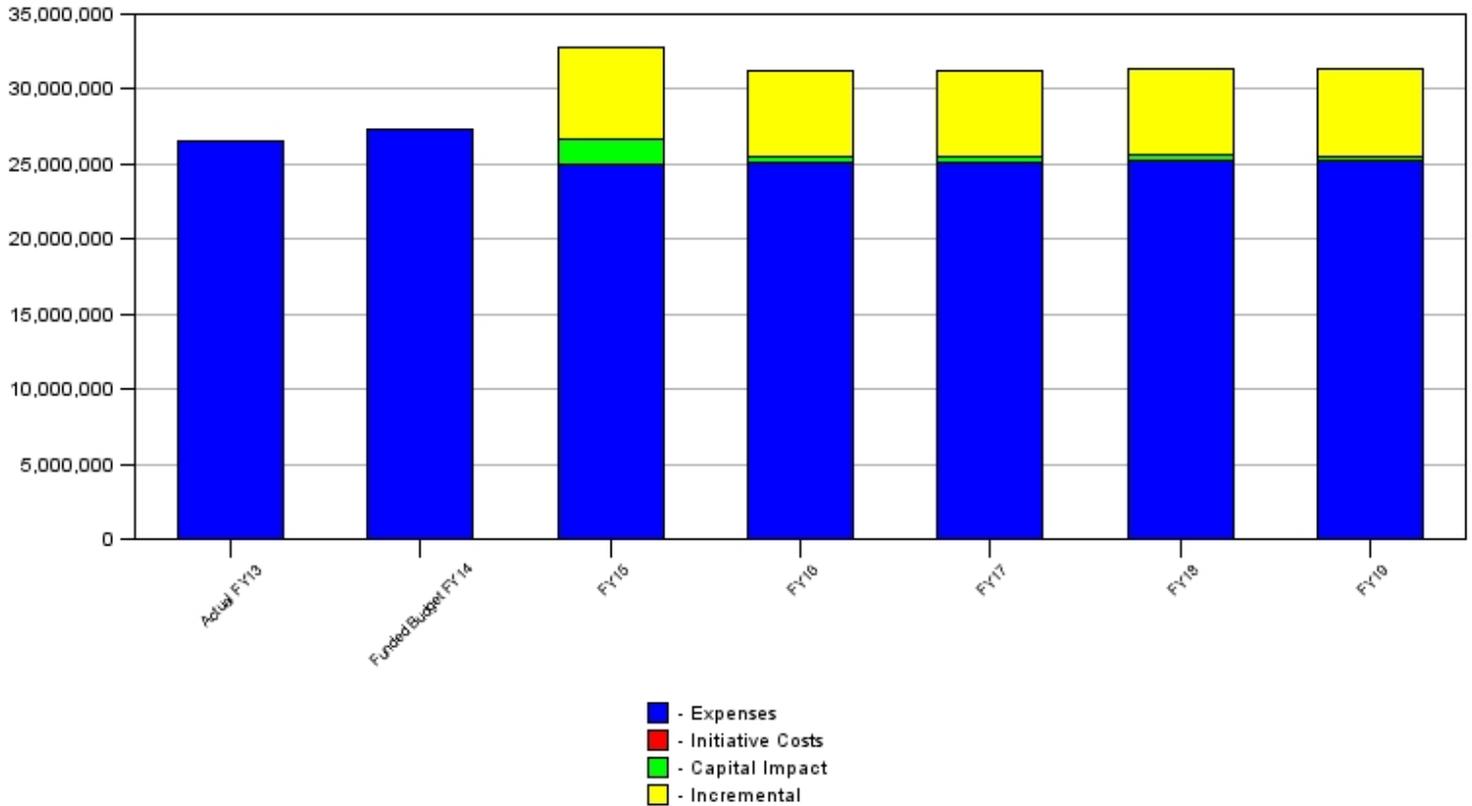
**CITY OF ATLANTA**  
**Executive Offices - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years  |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Expenses                        | \$22,021,068        | \$30,462,334          | \$26,781,951        | \$26,942,176        | \$27,073,457        | \$27,203,910        | \$27,349,161        | \$135,350,655        |
| Initiative Costs                | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Capital Impact                  | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Incremental                     | \$0                 | \$0                   | \$3,154,055         | \$3,154,055         | \$3,178,303         | \$3,154,055         | \$3,154,025         | \$15,794,495         |
| <b>Total Projected Expenses</b> | <b>\$22,021,068</b> | <b>\$30,462,334</b>   | <b>\$29,936,007</b> | <b>\$30,096,231</b> | <b>\$30,251,761</b> | <b>\$30,357,966</b> | <b>\$30,503,186</b> | <b>\$151,145,150</b> |

The Department of Executive Offices is comprised of three major offices: The Office of the Mayor, the Office of the Chief of Staff and the Office of the Chief Operating Officer. These offices include Divisions that provide operational support for various activities. Changes in funding levels over FY2013 and FY2014 are due to the addition of three new divisions within the Executive Offices; Cultural Affairs, Entertainment and Film and 311 Call Center. It also includes the expansion of the International Affairs division. The \$3.1MM in incremental appropriations is due to vacant positions expected to be filled. Additionally, the division of Cultural Affairs includes funding for contracts for the Art Services Program. Finally, the Office of Enterprise Assets Management has the second payment for 20 Kiosks that were acquired by the city and the 72 Marietta fuel spill remediation that will carry over into FY2015. There are also several citywide contracts that are due for renewal in FY2015.

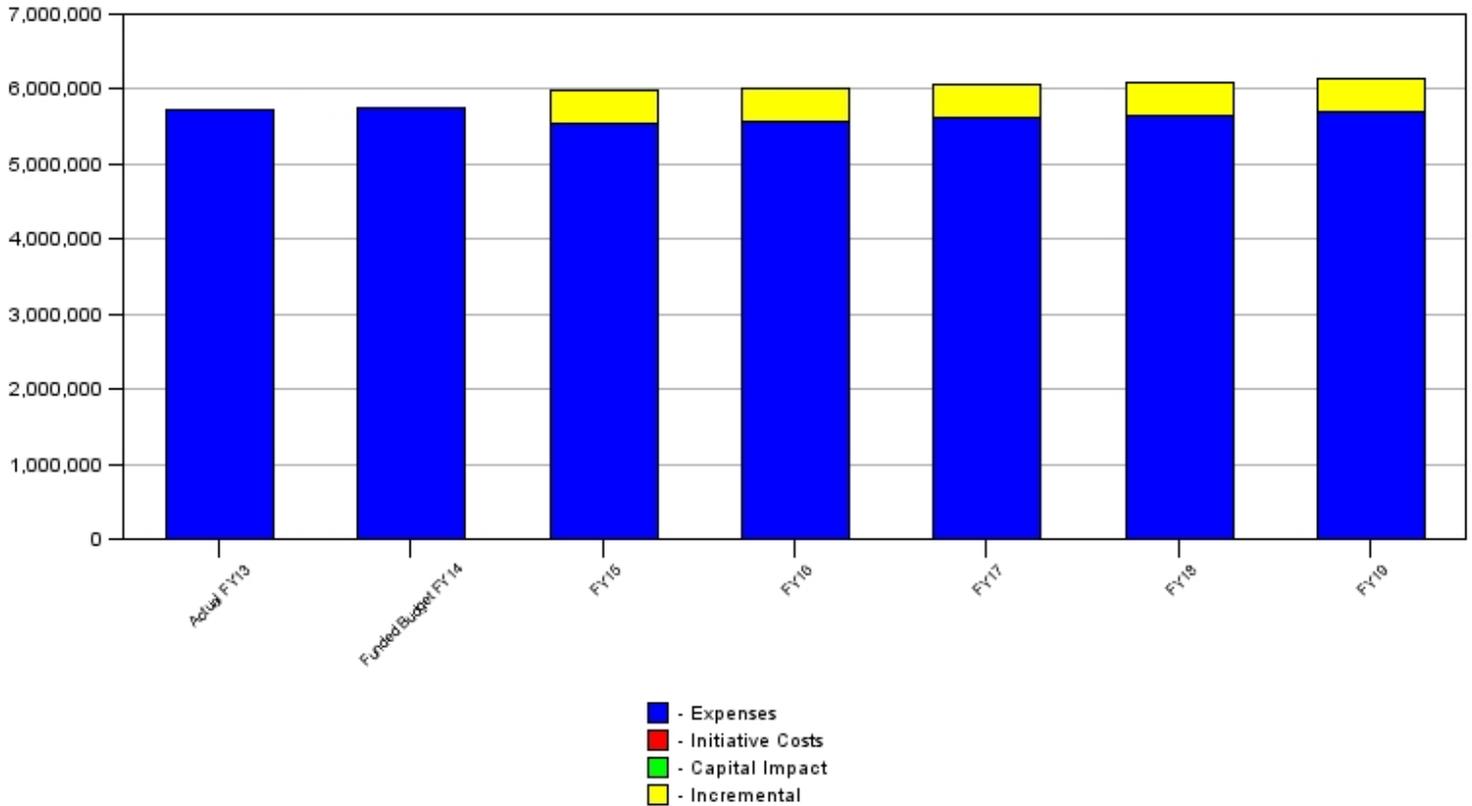
**CITY OF ATLANTA**  
**Department Of Information Technology - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years  |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Expenses                        | \$26,588,252        | \$27,271,068          | \$24,993,963        | \$25,070,402        | \$25,138,771        | \$25,209,609        | \$25,288,764        | \$125,701,510        |
| Initiative Costs                | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Capital Impact                  | \$0                 | \$0                   | \$1,714,175         | \$396,300           | \$396,300           | \$396,300           | \$254,800           | \$3,157,875          |
| Incremental                     | \$0                 | \$0                   | \$6,143,381         | \$5,759,101         | \$5,736,812         | \$5,744,808         | \$5,753,103         | \$29,137,205         |
| <b>Total Projected Expenses</b> | <b>\$26,588,252</b> | <b>\$27,271,068</b>   | <b>\$32,851,520</b> | <b>\$31,225,803</b> | <b>\$31,271,882</b> | <b>\$31,350,717</b> | <b>\$31,296,667</b> | <b>\$157,996,590</b> |

The Department of Information Technology was created to support the City of Atlanta departments in their technology needs and is quickly growing to be the one-stop shop for all the City's needs. The Department of Information Technology in its entirety is made up of three arms: General Fund, Watershed and Aviation. While these groups are supported by funds independently, they work as one team led by the Chief Information Officer of the Department of Information Technology. The endeavors within this five year plan are to consolidate all services and contracts; strengthen our infrastructure; reduce costs; while continuing to support the City's ongoing initiatives. The Capital Impact request includes Oracle R12 Upgrade, Citywide PC Refresh, and Network Infrastructure and Hardware Upgrade. The Incremental request includes approximately \$5MM of contracts (i.e.: WiFi in the Park, EDiscovery, Microsoft, Dell).

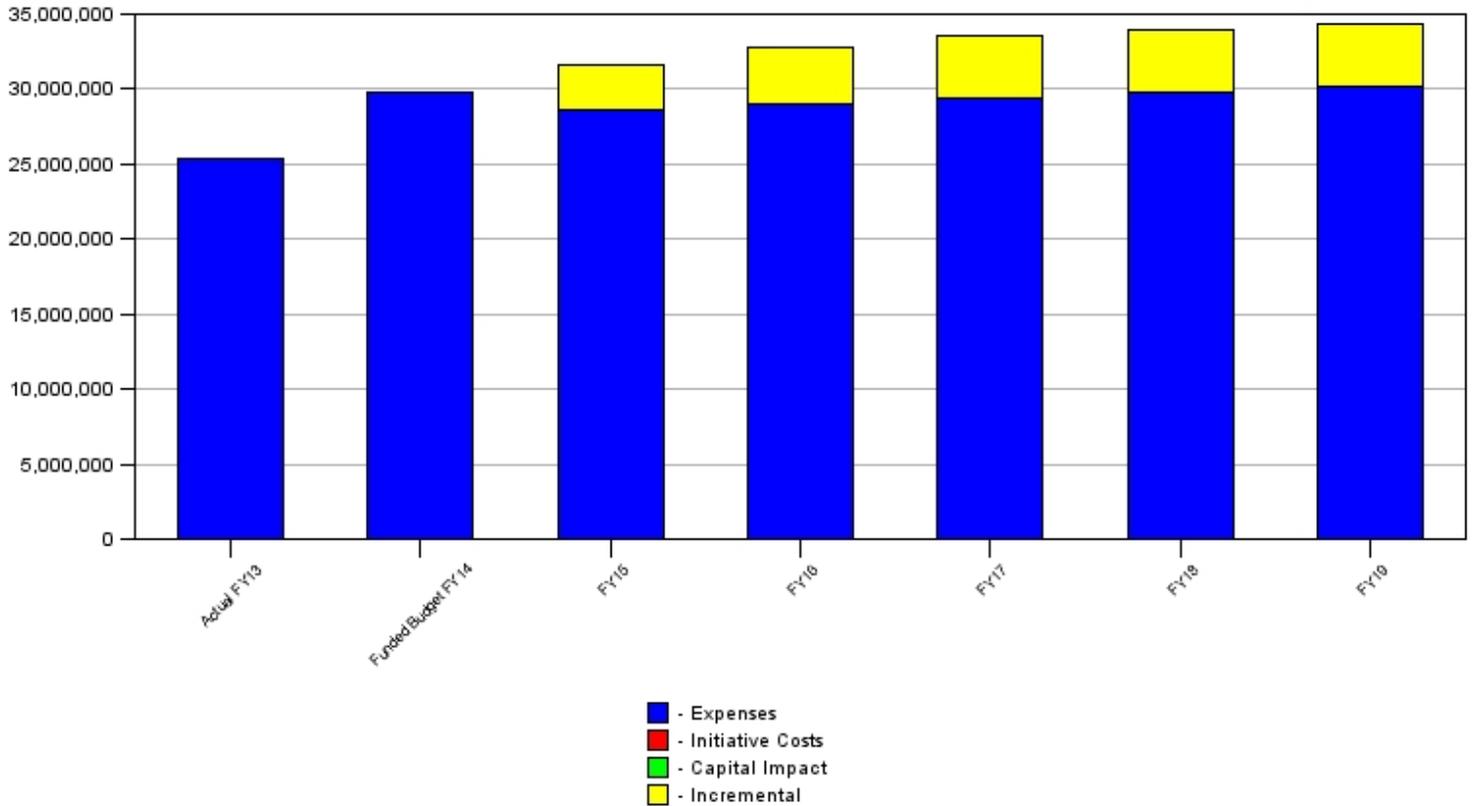
**CITY OF ATLANTA**  
**Department Of Law - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$5,736,879        | \$5,761,039           | \$5,533,851        | \$5,575,819        | \$5,613,035        | \$5,651,697        | \$5,694,613        | \$28,069,015        |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$439,586          | \$439,586          | \$439,586          | \$439,586          | \$439,586          | \$2,197,930         |
| <b>Total Projected Expenses</b> | <b>\$5,736,879</b> | <b>\$5,761,039</b>    | <b>\$5,973,437</b> | <b>\$6,015,405</b> | <b>\$6,052,621</b> | <b>\$6,091,283</b> | <b>\$6,134,199</b> | <b>\$30,266,945</b> |

The Law Department is a team of professionals committed to providing best in-class legal representation to the City of Atlanta. In addition to defending the City in all types of civil litigation, we work proactively to prevent legal challenges by delivering sound advice, legislation and training. Incremental funding is required for continuing legal education. There are 29 attorneys in the General Fund. The State Bar requires active lawyers to keep current on the law by attending a minimum of 12 hours of education each year. Of these, at least one must be in ethics, one must be in professionalism, and for trial attorneys three must be in litigation. Additional funding is for professional services, litigation expenses and to bring funded positions back in line to properly reflect budgeted salaries over the next five years.

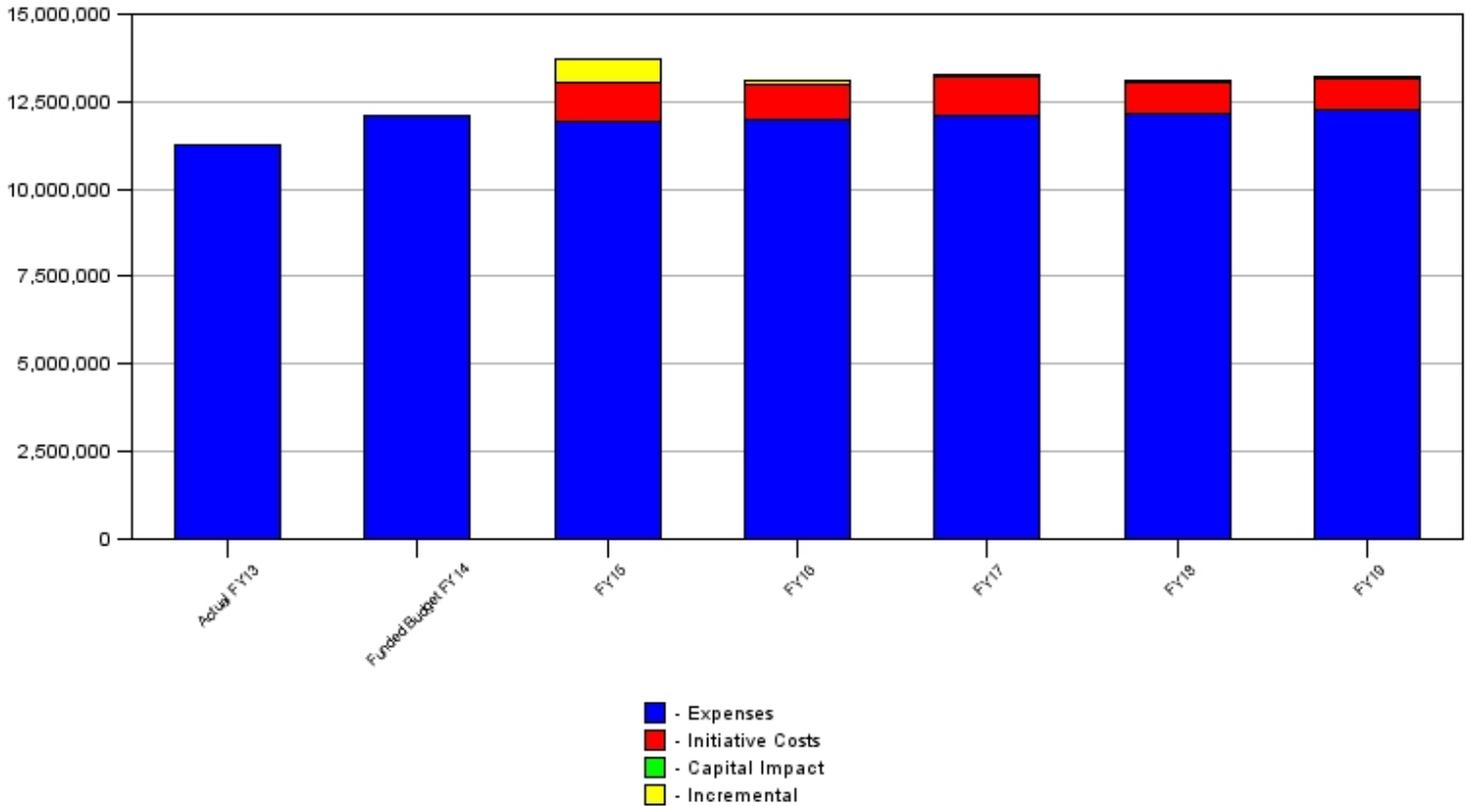
**CITY OF ATLANTA**  
**Department Of Corrections - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years  |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Expenses                        | \$25,310,650        | \$29,810,492          | \$28,575,303        | \$29,023,264        | \$29,414,944        | \$29,803,838        | \$30,134,001        | \$146,951,350        |
| Initiative Costs                | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Capital Impact                  | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Incremental                     | \$0                 | \$0                   | \$3,099,012         | \$3,702,344         | \$4,152,344         | \$4,152,344         | \$4,152,344         | \$19,258,388         |
| <b>Total Projected Expenses</b> | <b>\$25,310,650</b> | <b>\$29,810,492</b>   | <b>\$31,674,315</b> | <b>\$32,725,608</b> | <b>\$33,567,288</b> | <b>\$33,956,182</b> | <b>\$34,286,345</b> | <b>\$166,209,738</b> |

The City of Atlanta Department of Corrections' mission is to provide a safe and secure correctional environment; enhance public safety through partnerships with the community and law enforcement. Over the next five years, Corrections will focus on improving operations by staffing additional positions. The incremental cost includes \$1.7MM to increase staffing levels by an additional 31 positions. The additional staffing level is due to an increase in the US Marshall inmates. In additional \$1.1MM is due to inmate-food service contract to move from the Trust Fund to the General Fund.

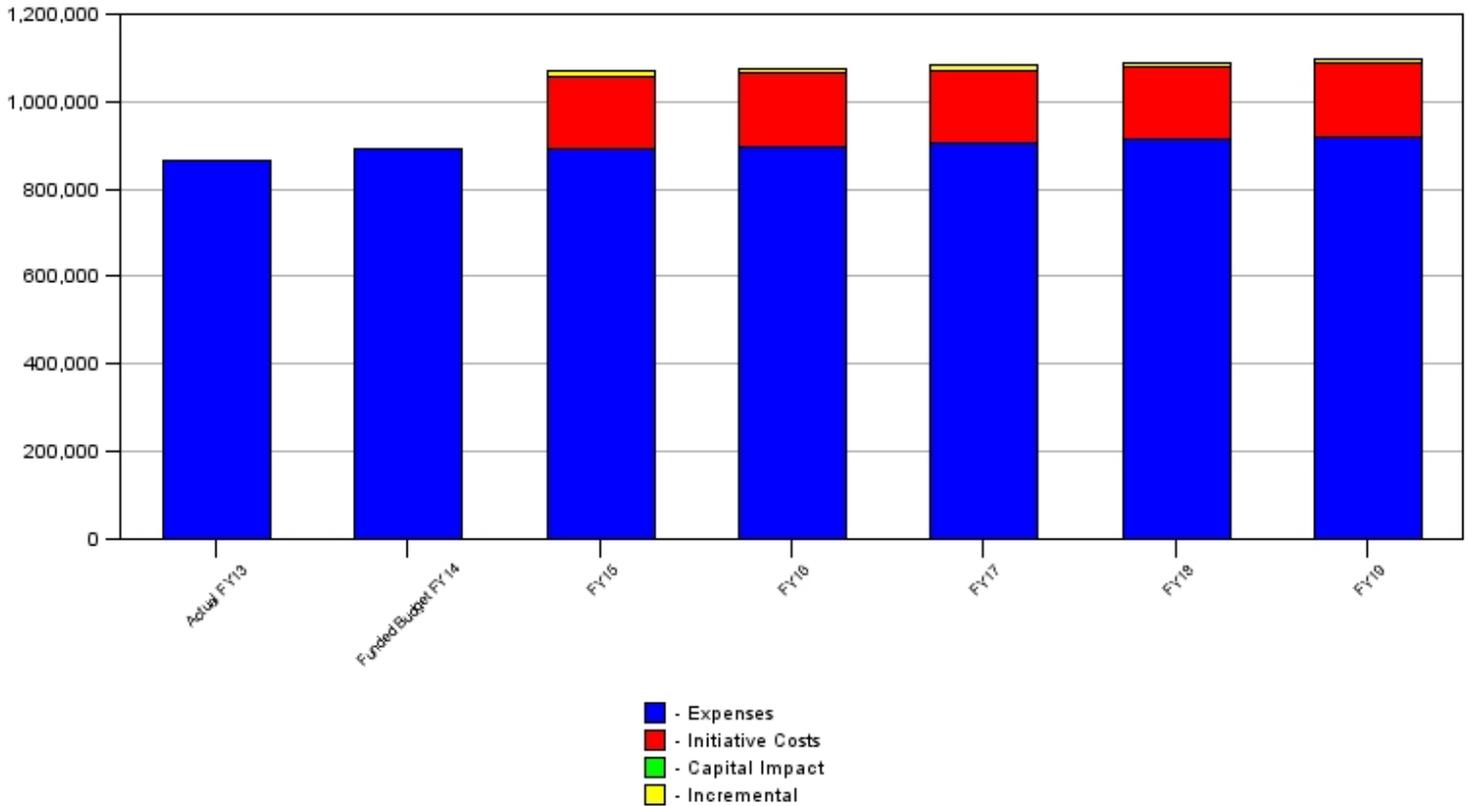
**CITY OF ATLANTA**  
**Department Of Finance - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses                        | \$11,279,222        | \$12,077,099          | \$11,926,311        | \$12,013,979        | \$12,092,989        | \$12,174,693        | \$12,266,194        | \$60,474,166        |
| Initiative Costs                | \$0                 | \$0                   | \$1,134,974         | \$995,506           | \$1,117,374         | \$873,063           | \$879,652           | \$5,000,569         |
| Capital Impact                  | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Incremental                     | \$0                 | \$0                   | \$647,485           | \$100,587           | \$80,587            | \$80,587            | \$80,587            | \$989,833           |
| <b>Total Projected Expenses</b> | <b>\$11,279,222</b> | <b>\$12,077,099</b>   | <b>\$13,708,769</b> | <b>\$13,110,072</b> | <b>\$13,290,951</b> | <b>\$13,128,343</b> | <b>\$13,226,432</b> | <b>\$66,464,568</b> |

The Department of Finance manages and accounts for the City's financial resources. This department prepares and monitors the annual budget, invests city funds to protect assets, maintains fiscal liquidity and maximizes income in compliance with all governing financial and accounting laws. Incremental costs cover copier printer, Hyperion maintenance, One way FDM Data integration from Oracle Business suite, MRA process, to build additional reports in HR/OBFP, performance tuning, decision packages and Blackline user licenses. The fiscal stability initiative covers various Financial Service System software updates. The customer service and excellence initiative cover a telephone System for the City's 311 Center. The public safety initiative covers the department's Drive Cam-Risk Management Initiative.

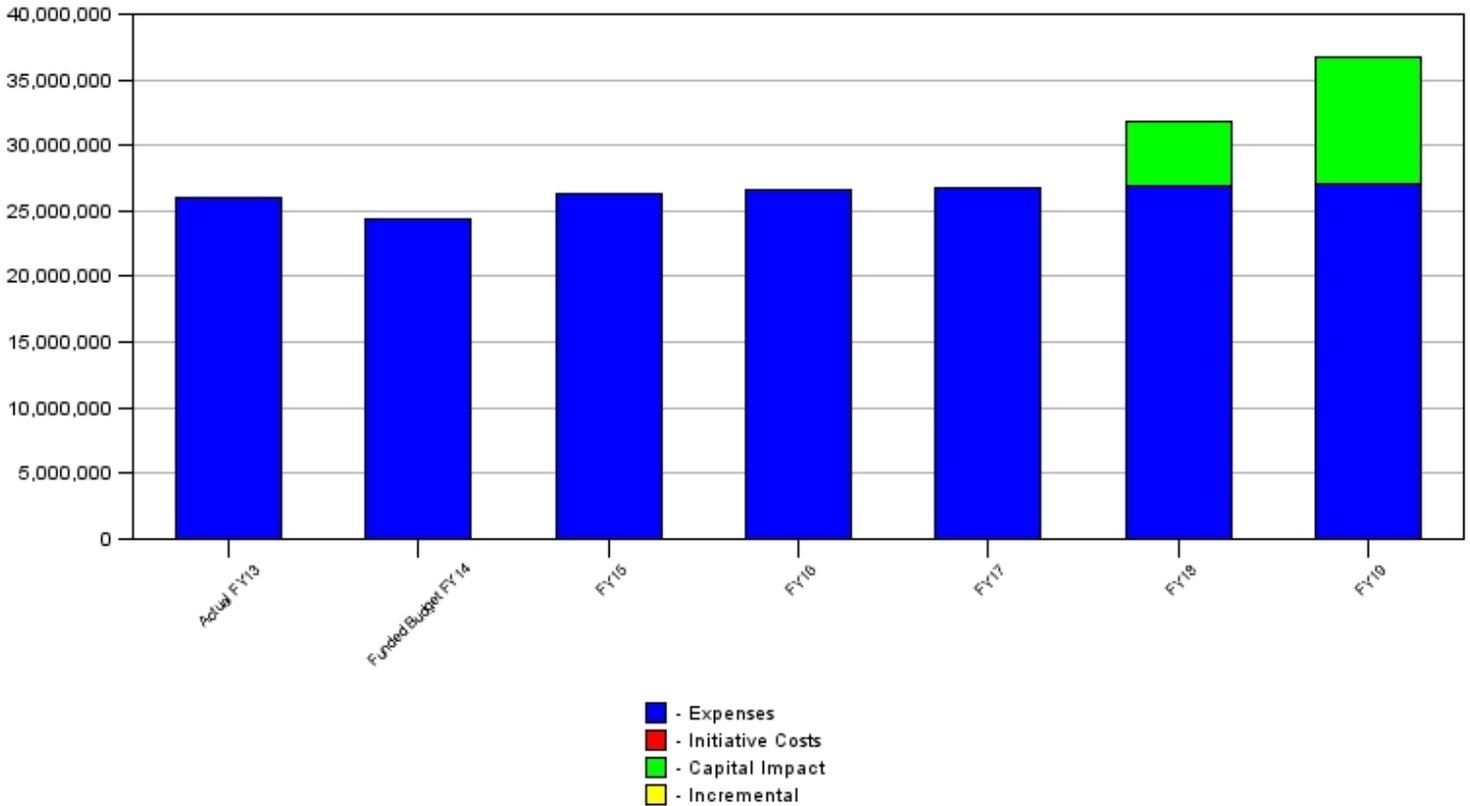
**CITY OF ATLANTA**  
**Department Of Procurement - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$866,086        | \$890,609             | \$891,612          | \$898,846          | \$905,629          | \$912,532          | \$920,421          | \$4,529,041         |
| Initiative Costs                | \$0              | \$0                   | \$166,667          | \$166,667          | \$166,667          | \$166,667          | \$166,667          | \$833,335           |
| Capital Impact                  | \$0              | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0              | \$0                   | \$10,251           | \$10,251           | \$10,251           | \$10,251           | \$10,251           | \$51,255            |
| <b>Total Projected Expenses</b> | <b>\$866,086</b> | <b>\$890,609</b>      | <b>\$1,068,530</b> | <b>\$1,075,764</b> | <b>\$1,082,547</b> | <b>\$1,089,450</b> | <b>\$1,097,339</b> | <b>\$5,413,631</b>  |

The Department of Procurement is responsible for providing guidance in the purchasing of all goods and services according to the City Code of Ordinances. Within the next five years the Department of Procurement will continue to provide purchasing support to aid all user agencies in fulfilling their goals, plans and initiatives while being fiscally responsible. The Incremental funding will allow DOP to support positions which perform the various tasks assisting user agencies. The initiative funding outlined in the budget will allow DOP to support six positions for the City's Federal Transit Administration (FTA) initiative otherwise known as the streetcar initiative. The amount outlined in the initiative above represents the general fund's portion.

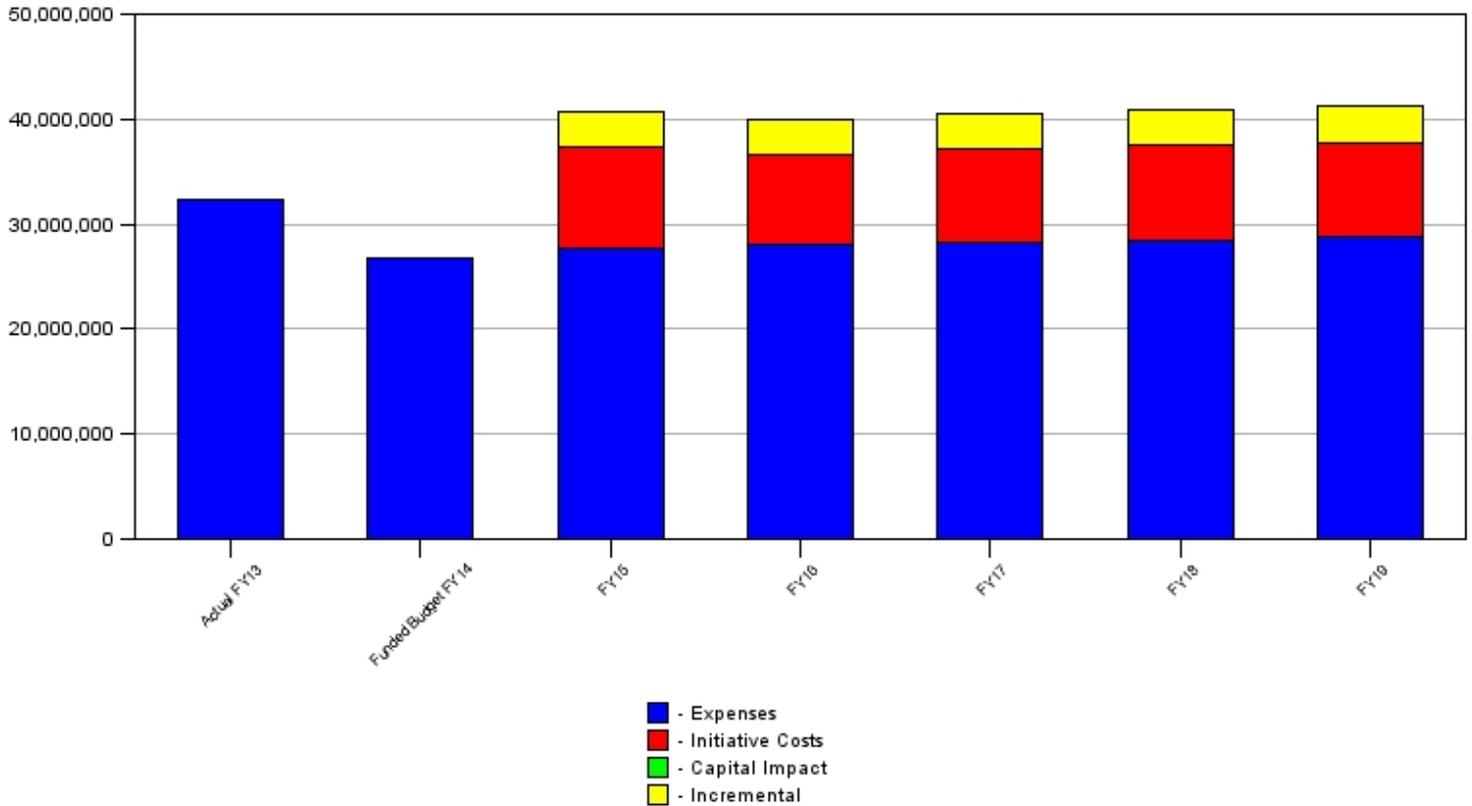
**CITY OF ATLANTA**  
**Department Of Public Works - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years  |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Expenses                        | \$26,088,985        | \$24,454,454          | \$26,390,770        | \$26,586,790        | \$26,757,695        | \$26,923,961        | \$27,111,812        | \$133,771,029        |
| Initiative Costs                | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Capital Impact                  | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$4,895,695         | \$9,600,000         | \$14,495,695         |
| Incremental                     | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| <b>Total Projected Expenses</b> | <b>\$26,088,985</b> | <b>\$24,454,454</b>   | <b>\$26,390,770</b> | <b>\$26,586,790</b> | <b>\$26,757,695</b> | <b>\$31,819,656</b> | <b>\$36,711,812</b> | <b>\$148,266,724</b> |

The Department of Public Works manages the City's public right of way and handles some of the most commonly reported issues such as traffic signals, street signs, street striping and potholes. Over the next five years, the Department of Public Works is projecting a slight increase primarily attributable to Storm water charges and Street-lights from FY2015 through FY2019. The Capital Impact of \$14.5MM for Consulting Services for FY2018 – FY2019 is due to \$250MM proposed infrastructure projects.

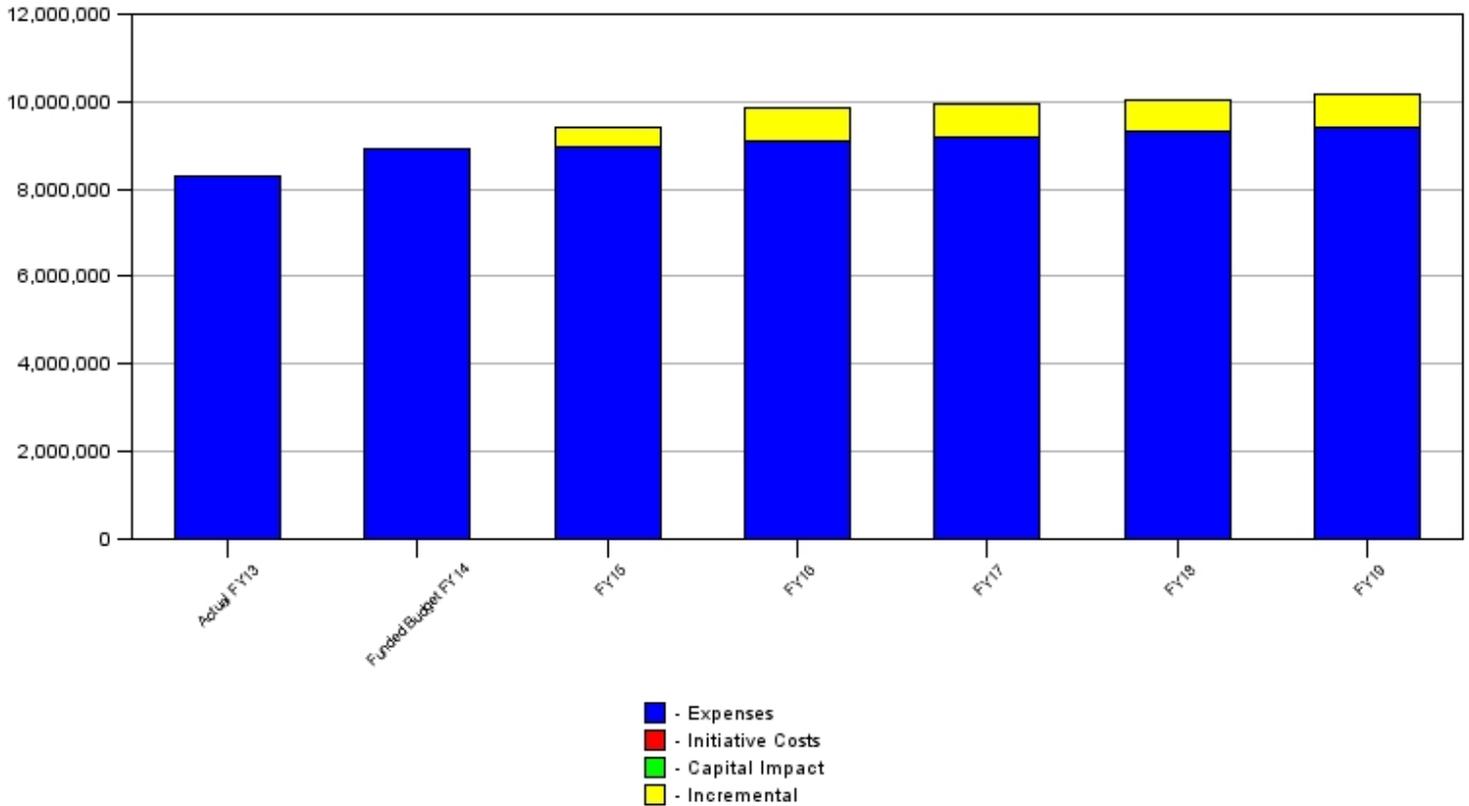
**CITY OF ATLANTA**  
**Dept Of Parks & Recreation - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years  |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Expenses                        | \$32,276,566        | \$26,853,987          | \$27,722,011        | \$28,022,776        | \$28,273,445        | \$28,505,501        | \$28,796,306        | \$141,320,038        |
| Initiative Costs                | \$0                 | \$0                   | \$9,714,668         | \$8,679,668         | \$8,863,472         | \$9,003,472         | \$9,028,472         | \$45,289,752         |
| Capital Impact                  | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Incremental                     | \$0                 | \$0                   | \$3,346,264         | \$3,346,264         | \$3,346,264         | \$3,346,264         | \$3,346,264         | \$16,731,320         |
| <b>Total Projected Expenses</b> | <b>\$32,276,566</b> | <b>\$26,853,987</b>   | <b>\$40,782,943</b> | <b>\$40,048,708</b> | <b>\$40,483,181</b> | <b>\$40,855,237</b> | <b>\$41,171,042</b> | <b>\$203,341,110</b> |

In the last four years, the Department of Parks and Recreation has acquired 171 acres of parkland, expanding existing parks and creating 14 new ones, most of which will come on line in calendar year 2014. In FY2014, DPR also will assume maintenance for the Atlanta BeltLine East Side Trail, Historic Fourth Ward Park and the 50-acre North Woods in Piedmont Park. DPR has opened all recreation centers, enhanced programming opportunities, expanded hours and increased participation. DPR also has reopened five pools, is attacking a decades-long backlog of deferred maintenance and repairing significant damage due to copper theft. Initiative amount includes an increase in park maintenance, expand skilled services and create a professional custodial team. DPR also seeks to invest in safety and security through creating a Parks Patrol, funding to comply with Americans with Disabilities Act concerns and more security cameras. The 5-Year Capital Plan addresses the high priority needs of an aging park and recreation system that includes 33 recreation centers, 5 tennis courts, 6 golf courses, 6 maintenance facilities, a greenhouse, and Arts Center, two stand-alone natatoria, and emergency shelter and 13 outdoor pools - not to mention hundreds of parks totaling more than 3900 acres. Incremental amount reflects funding for positions and supplies that were paid out from various trust funds in FY2014, extra help, building lease and employee parking.

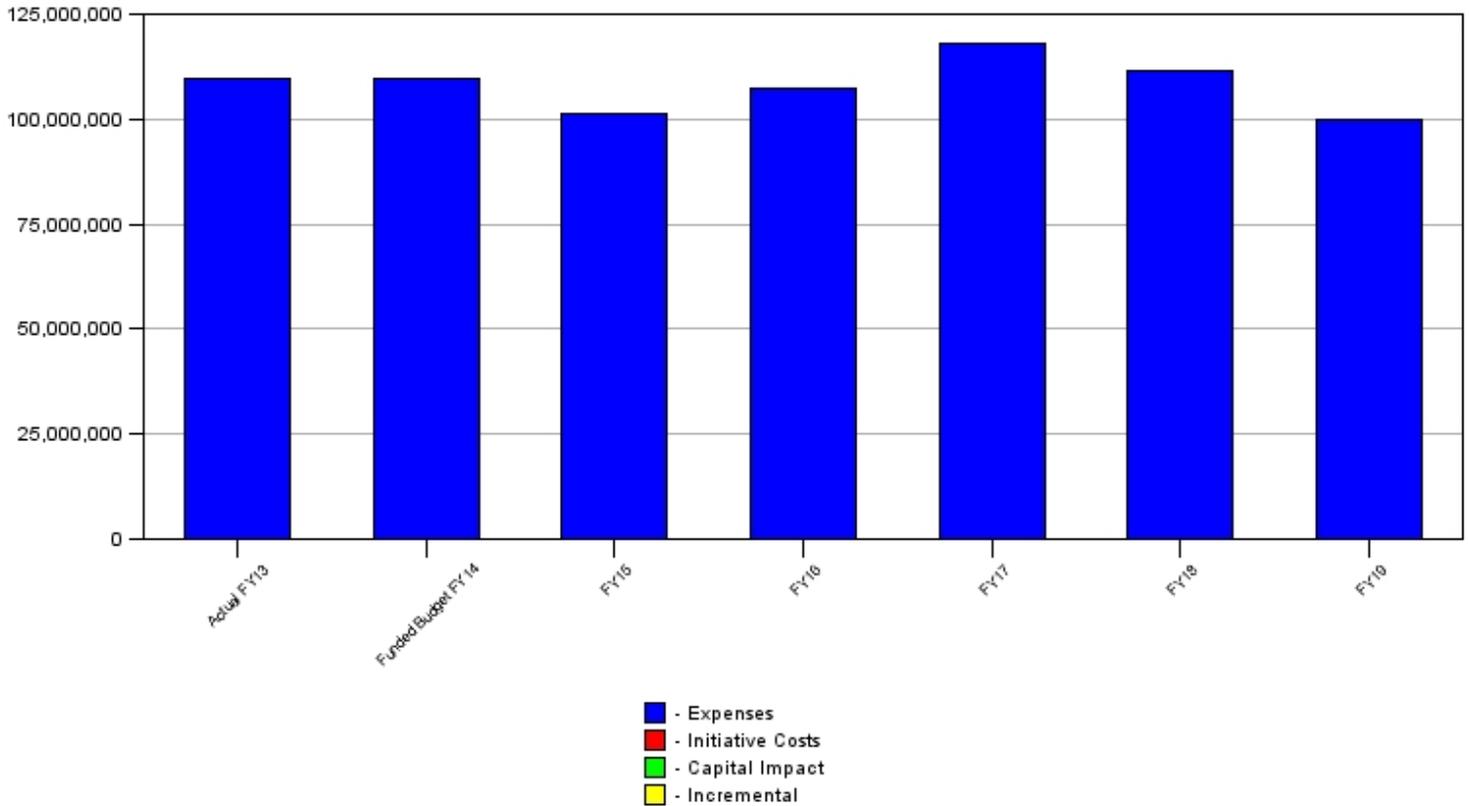
**CITY OF ATLANTA**  
**Judicial Agencies - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18                | FY19                | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Expenses                        | \$8,313,683        | \$8,917,408           | \$8,985,456        | \$9,102,893        | \$9,204,973        | \$9,310,734         | \$9,419,930         | \$46,023,986        |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 |
| Incremental                     | \$0                | \$0                   | \$440,487          | \$741,230          | \$741,830          | \$742,430           | \$743,230           | \$3,409,207         |
| <b>Total Projected Expenses</b> | <b>\$8,313,683</b> | <b>\$8,917,408</b>    | <b>\$9,425,943</b> | <b>\$9,844,123</b> | <b>\$9,946,803</b> | <b>\$10,053,164</b> | <b>\$10,163,160</b> | <b>\$49,433,193</b> |

The City of Atlanta Municipal Court was created in 2004 through the consolidation of the Municipal Court and the City Court. The goal was to reduce operating costs while dispensing justice, equality, and fairness in an effective manner. Today, the Municipal Court still stands committed to seek improved methods to provide excellent customer service in a safe and secure environment while continuing to dispose of cases in an expeditious manner. Over the next five years, the Courts will continue to train staff and provide new technology that will benefit the citizens of Atlanta. The Incremental request includes funding to cover contracts for Norred Security, CourtSmart, Senior Judges, and anticipated maintenance costs for the new case management system (beginning in FY2016).

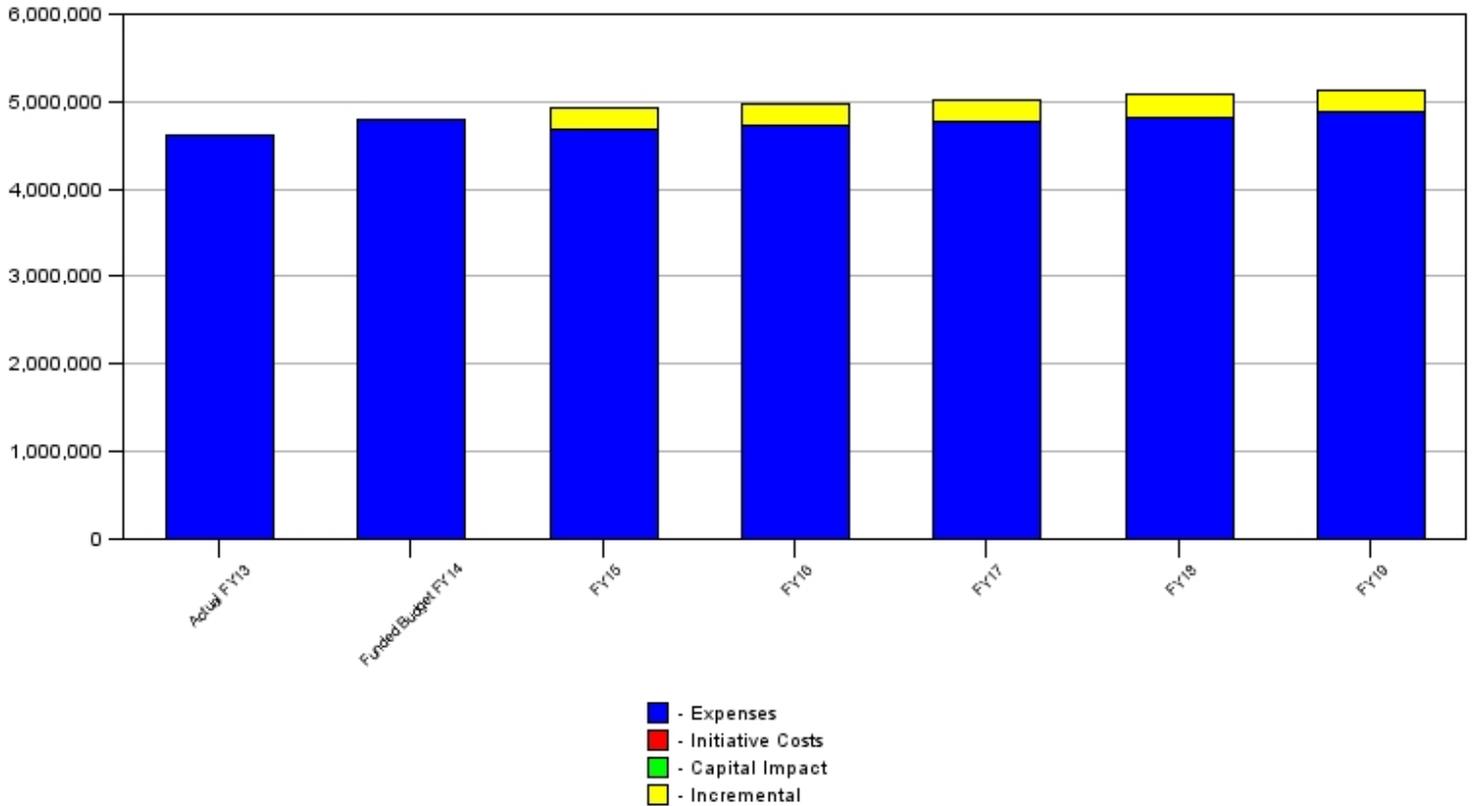
**CITY OF ATLANTA**  
**Non-Departmental - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13       | Funded Budget<br>FY14 | FY15                 | FY16                 | FY17                 | FY18                 | FY19                 | Total<br>Plan Years  |
|---------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses                        | \$109,464,298        | \$109,605,569         | \$101,468,279        | \$107,511,236        | \$118,036,787        | \$111,402,822        | \$100,097,034        | \$538,516,159        |
| Initiative Costs                | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Capital Impact                  | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Incremental                     | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Total Projected Expenses</b> | <b>\$109,464,298</b> | <b>\$109,605,569</b>  | <b>\$101,468,279</b> | <b>\$107,511,236</b> | <b>\$118,036,787</b> | <b>\$111,402,822</b> | <b>\$100,097,034</b> | <b>\$538,516,159</b> |

The purpose of Non-Departmental is to provide funding for a variety of expenditures that generally are not specific to any one department. The General Fund Non-Departmental budget includes payments that do not fall under any particular City Department, including Debt Service, Workers' Compensation, OPEB (Other Post Employee Benefits), Insurance, Unemployment Compensation, and Animal Control. Over the next five years, the City will continue to make annual debt payments. In addition, the City will seek voter approval to issue General Obligation (GO) bonds to finance a majority of the improvements. Of the total amount required, it is anticipated that the City will issue approximately \$250 million in GO bonds by the 1st quarter fiscal year 2015 with the first interest payment due in FY2016.

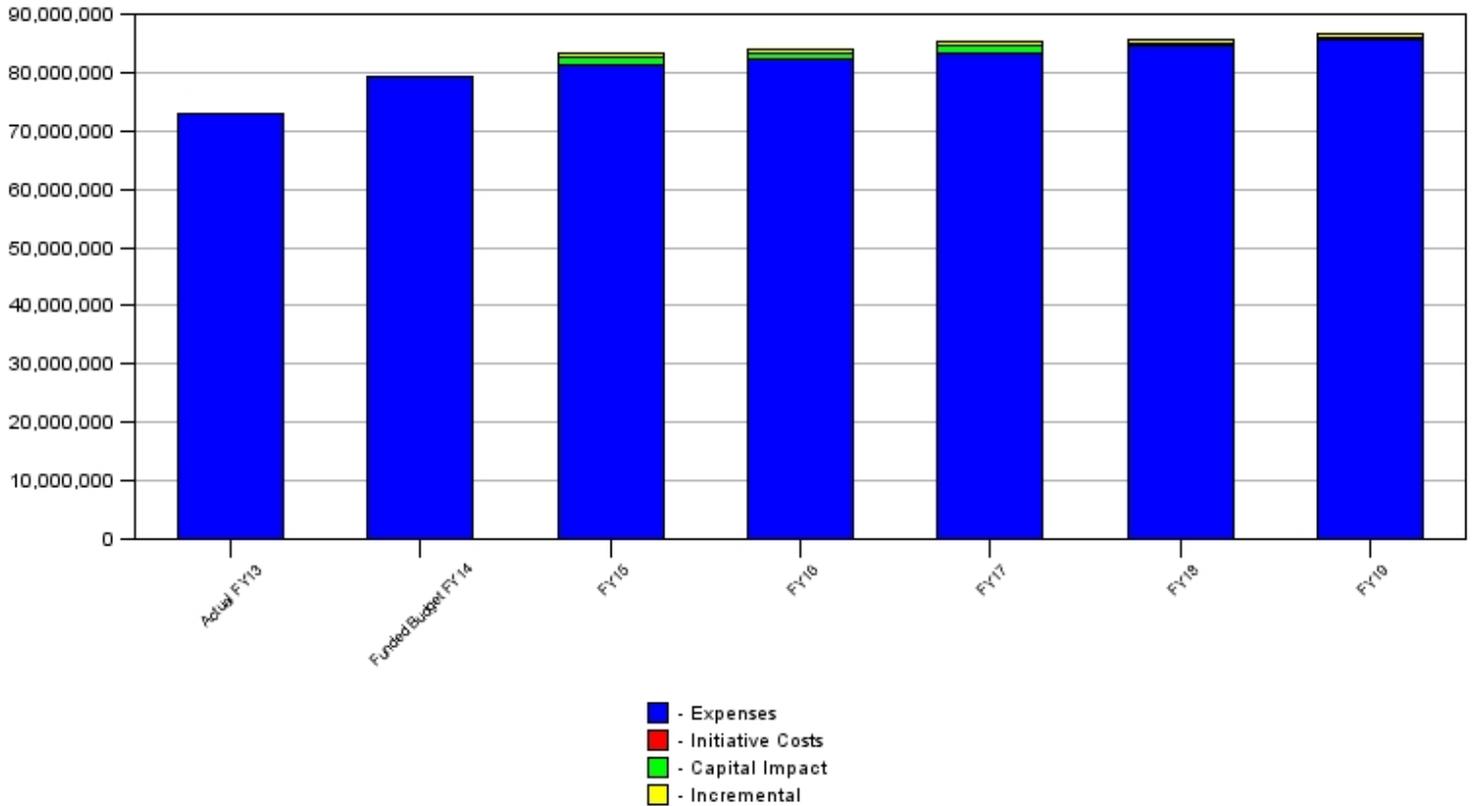
**CITY OF ATLANTA**  
**Department Of Human Resources - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$4,624,925        | \$4,806,406           | \$4,685,888        | \$4,736,796        | \$4,781,310        | \$4,827,598        | \$4,879,058        | \$23,910,650        |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$247,751          | \$247,752          | \$247,752          | \$247,752          | \$247,751          | \$1,238,758         |
| <b>Total Projected Expenses</b> | <b>\$4,624,925</b> | <b>\$4,806,406</b>    | <b>\$4,933,639</b> | <b>\$4,984,548</b> | <b>\$5,029,062</b> | <b>\$5,075,349</b> | <b>\$5,126,809</b> | <b>\$25,149,408</b> |

The Department of Human Resources is committed to attracting, retaining and developing a diverse and competent workforce that enables City agencies to achieve their business needs. DHR plans to offer support for its staffed positions in this fund within the next five years. The incremental changes are to cover various contracts, i.e. EAP and Pre-Employment Physicals and staffing needs of the department. This will allow the department to continue supporting the strategic and administrative initiatives of the City of Atlanta.

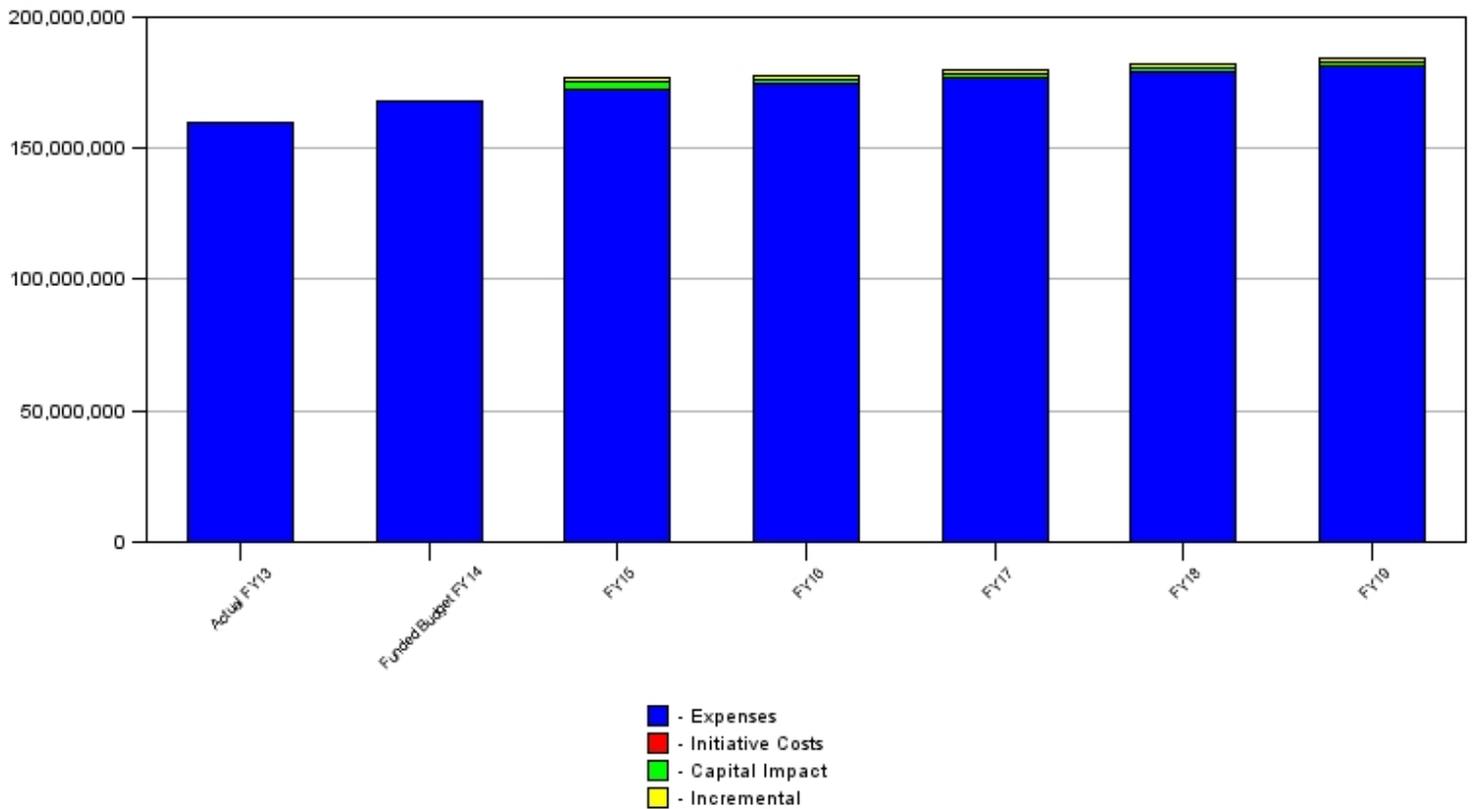
**CITY OF ATLANTA**  
**Department Of Fire Services - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years  |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Expenses                        | \$72,809,129        | \$79,200,010          | \$81,349,737        | \$82,378,038        | \$83,435,821        | \$84,484,501        | \$85,652,123        | \$417,300,221        |
| Initiative Costs                | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Capital Impact                  | \$0                 | \$0                   | \$1,400,000         | \$1,050,000         | \$1,050,000         | \$350,000           | \$300,000           | \$4,150,000          |
| Incremental                     | \$0                 | \$0                   | \$669,943           | \$669,943           | \$669,943           | \$669,943           | \$669,943           | \$3,349,715          |
| <b>Total Projected Expenses</b> | <b>\$72,809,129</b> | <b>\$79,200,010</b>   | <b>\$83,419,680</b> | <b>\$84,097,981</b> | <b>\$85,155,764</b> | <b>\$85,504,444</b> | <b>\$86,622,066</b> | <b>\$424,799,936</b> |

Atlanta Fire Rescue is a modern, all-hazards fire department. It has four divisions of labor, including the Offices of the Chief of Staff, Support Services, Field Operations and Airport Operations. Atlanta Fire Rescue provides prompt quality services to our stakeholders that promote safety, security, enhances sustainability, and enriches the quality of life through professional development and dedication to service. Over the next five years, the Atlanta Fire Rescue will strive for excellence in emergency preparedness and response, to enhance our customer focused, innovative role as industry leaders, while overcoming expanding risks. Capital Impact includes the Facility Renovations and Replacement Strategic Planning Initiatives which are to improve all current facility conditions for Fire Services in the City of Atlanta by 2018. Incremental Costs include cost to fully fund various vacant positions that are planned to be filled.

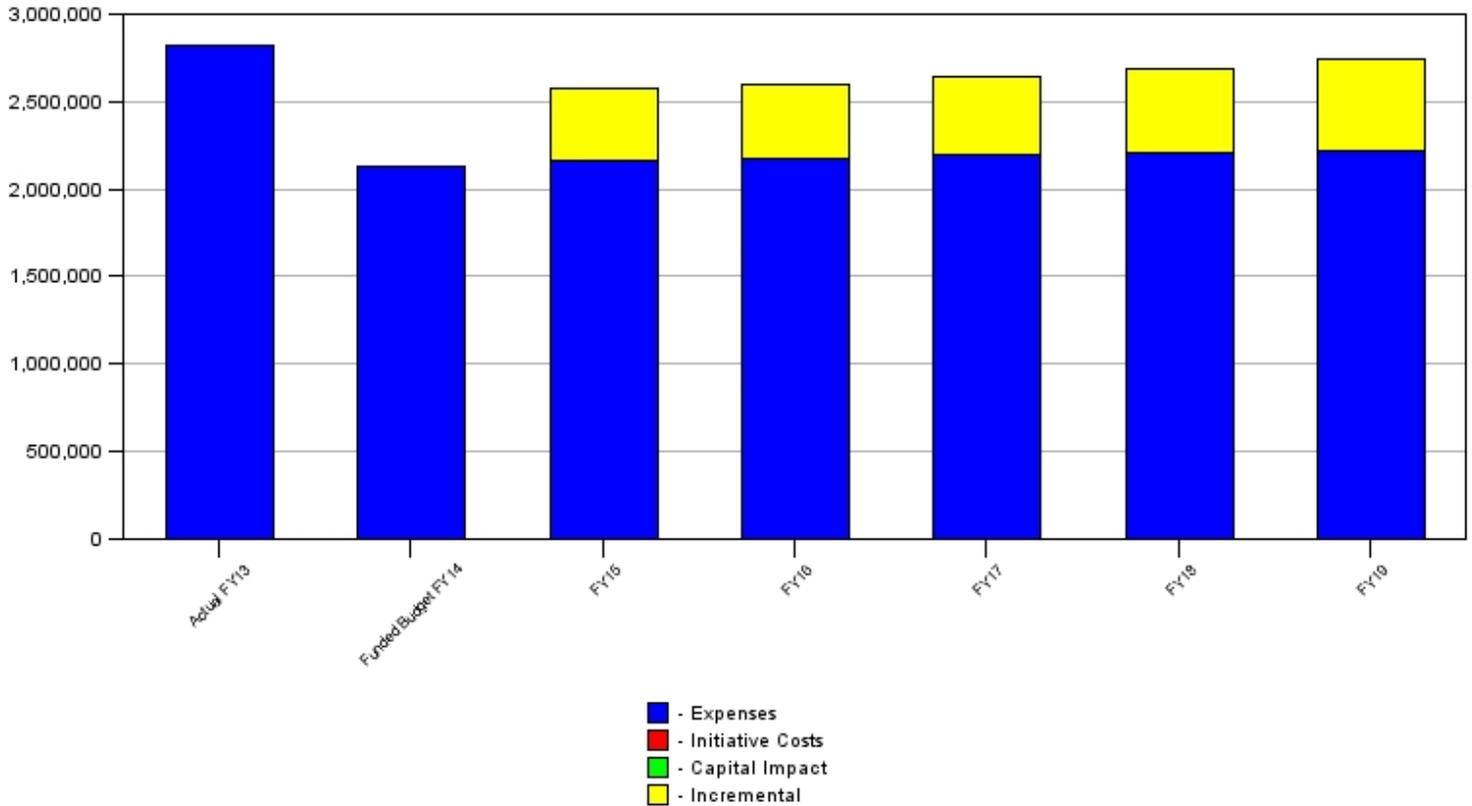
**CITY OF ATLANTA**  
**Department Of Police Services - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13       | Funded Budget<br>FY14 | FY15                 | FY16                 | FY17                 | FY18                 | FY19                 | Total<br>Plan Years  |
|---------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses                        | \$159,942,916        | \$168,005,716         | \$172,733,223        | \$174,793,692        | \$176,881,631        | \$178,953,919        | \$181,299,548        | \$884,662,013        |
| Initiative Costs                | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Capital Impact                  | \$0                  | \$0                   | \$2,607,000          | \$1,464,000          | \$1,621,000          | \$1,731,000          | \$1,581,000          | \$9,004,000          |
| Incremental                     | \$0                  | \$0                   | \$1,622,588          | \$1,621,756          | \$1,623,178          | \$1,624,451          | \$1,625,263          | \$8,117,236          |
| <b>Total Projected Expenses</b> | <b>\$159,942,916</b> | <b>\$168,005,716</b>  | <b>\$176,962,811</b> | <b>\$177,879,448</b> | <b>\$180,125,809</b> | <b>\$182,309,370</b> | <b>\$184,505,810</b> | <b>\$901,783,249</b> |

The City of Atlanta Police Department mission is to create a safer Atlanta by reducing crime, ensuring the safety of the citizens and building trust in partnership with the communities. Over the next five years, Atlanta Police Department will focus to improve operations which includes hiring additional staff and purchase of new facilities. Total impact of \$2.6MM consist of Video Integration, Helicopter Hanger, and five Precinct Zone replacements. The incremental cost of \$1.6MM is to fully fund 50 COPS.

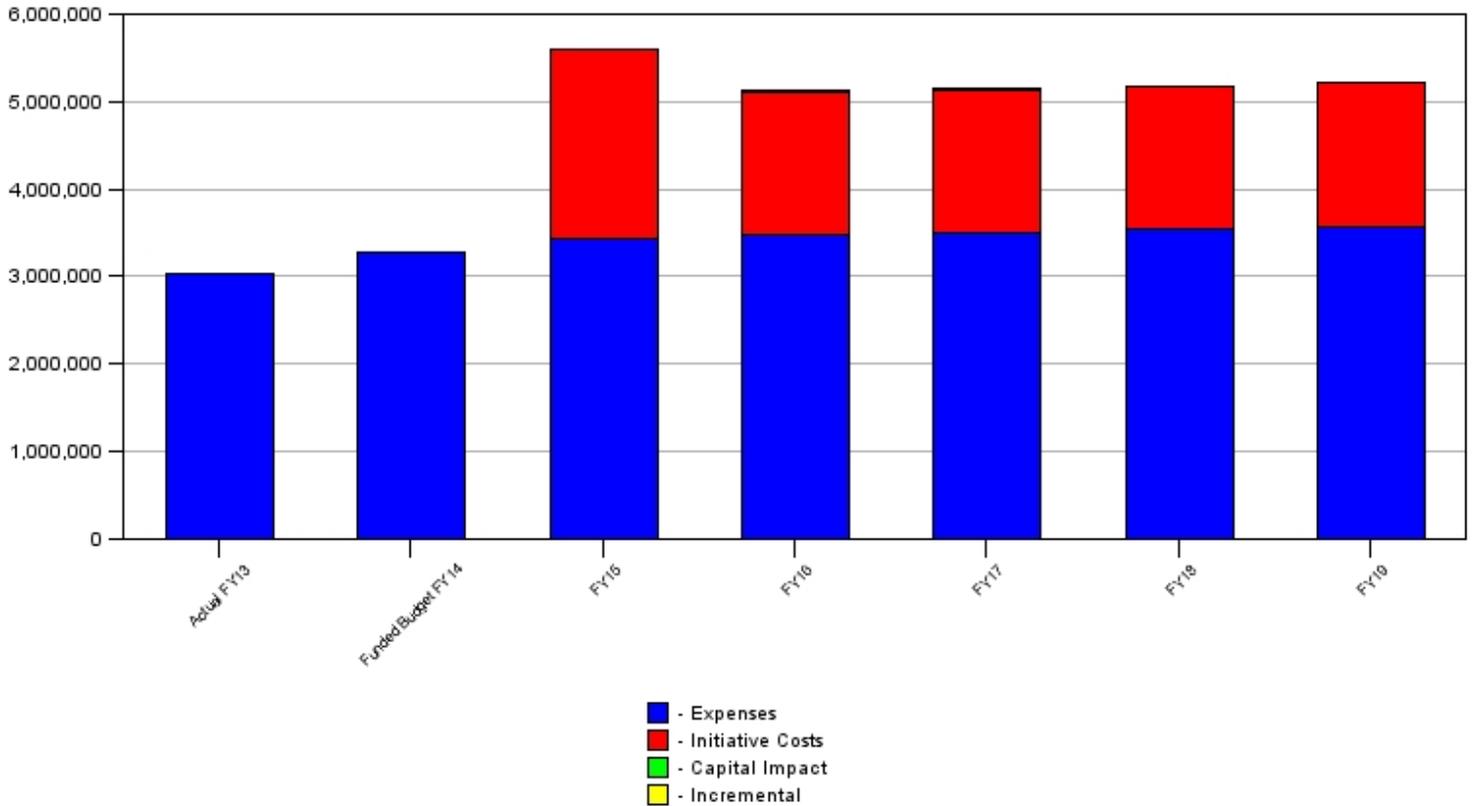
**CITY OF ATLANTA**  
**Dept Of Planning & Community Development - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$2,825,033        | \$2,131,009           | \$2,162,292        | \$2,178,491        | \$2,192,791        | \$2,203,977        | \$2,219,999        | \$10,957,550        |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$408,921          | \$418,559          | \$451,650          | \$484,741          | \$524,351          | \$2,288,222         |
| <b>Total Projected Expenses</b> | <b>\$2,825,033</b> | <b>\$2,131,009</b>    | <b>\$2,571,213</b> | <b>\$2,597,050</b> | <b>\$2,644,441</b> | <b>\$2,688,718</b> | <b>\$2,744,350</b> | <b>\$13,245,772</b> |

The Department of Plannings objective is to guide the development of the City through effective measures of planning, design, review, construction plan approval, and housing preservation and assistance. Over the next five years, the department plans to increase its personal funding and staffing level. The increase in incremental cost is related to the request for additional staff members.

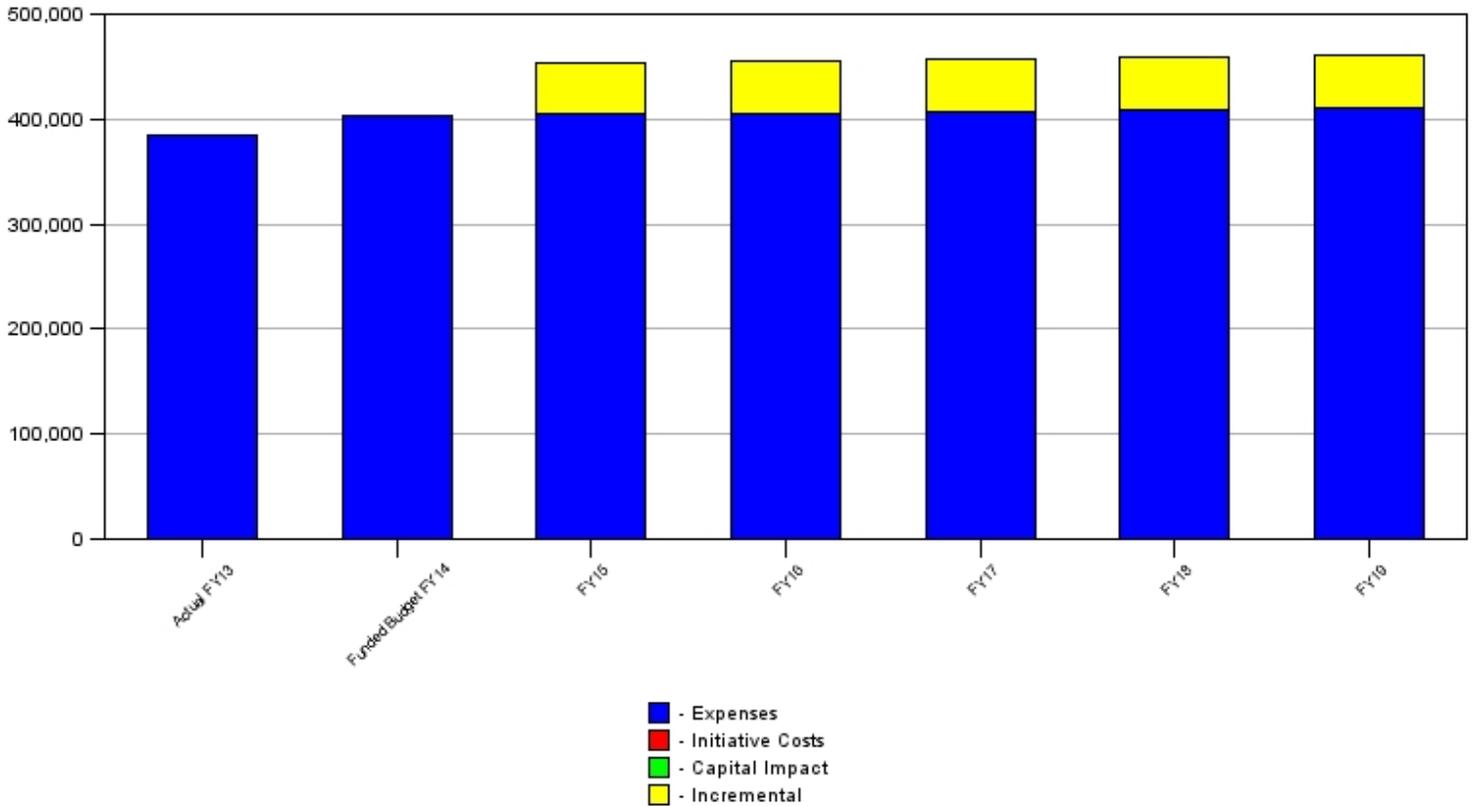
**CITY OF ATLANTA**  
**Department Of The Solicitor - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$3,023,774        | \$3,271,861           | \$3,444,654        | \$3,479,963        | \$3,512,051        | \$3,545,113        | \$3,579,665        | \$17,561,447        |
| Initiative Costs                | \$0                | \$0                   | \$2,148,734        | \$1,628,920        | \$1,628,920        | \$1,628,920        | \$1,628,920        | \$8,664,414         |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$10,476           | \$10,476           | \$10,476           | \$10,476           | \$10,476           | \$52,380            |
| <b>Total Projected Expenses</b> | <b>\$3,023,774</b> | <b>\$3,271,861</b>    | <b>\$5,603,864</b> | <b>\$5,119,359</b> | <b>\$5,151,447</b> | <b>\$5,184,509</b> | <b>\$5,219,061</b> | <b>\$26,278,241</b> |

The Solicitor's Office is mandated to prosecute all cases brought before Atlanta Municipal Court. In carrying out this mandate effectively, efficiently and in a fiscally responsible manner, the Office has implemented alternative prosecution programs (i.e.: Pre-Trial Intervention Program) and processes to review citations in advance to improve case management and reduce the City's potential liability (i.e.: Warrant Services). Also, O.C.G.A. 15-18-67 provides for the compensation adjustments mandated for municipal prosecuting attorneys by the governing authority of such municipality in the absence of local legislation. Over the next five years, the Office plans to fully implement Warrant Services and enhance the use of Pre-trial Intervention programs in order to improve the efficient processing of cases in Municipal Court. Along with costs associated with Warrant Services and Pre-Trial Diversion, initiative costs include funds to address the Municipal Court Solicitor's compensation.

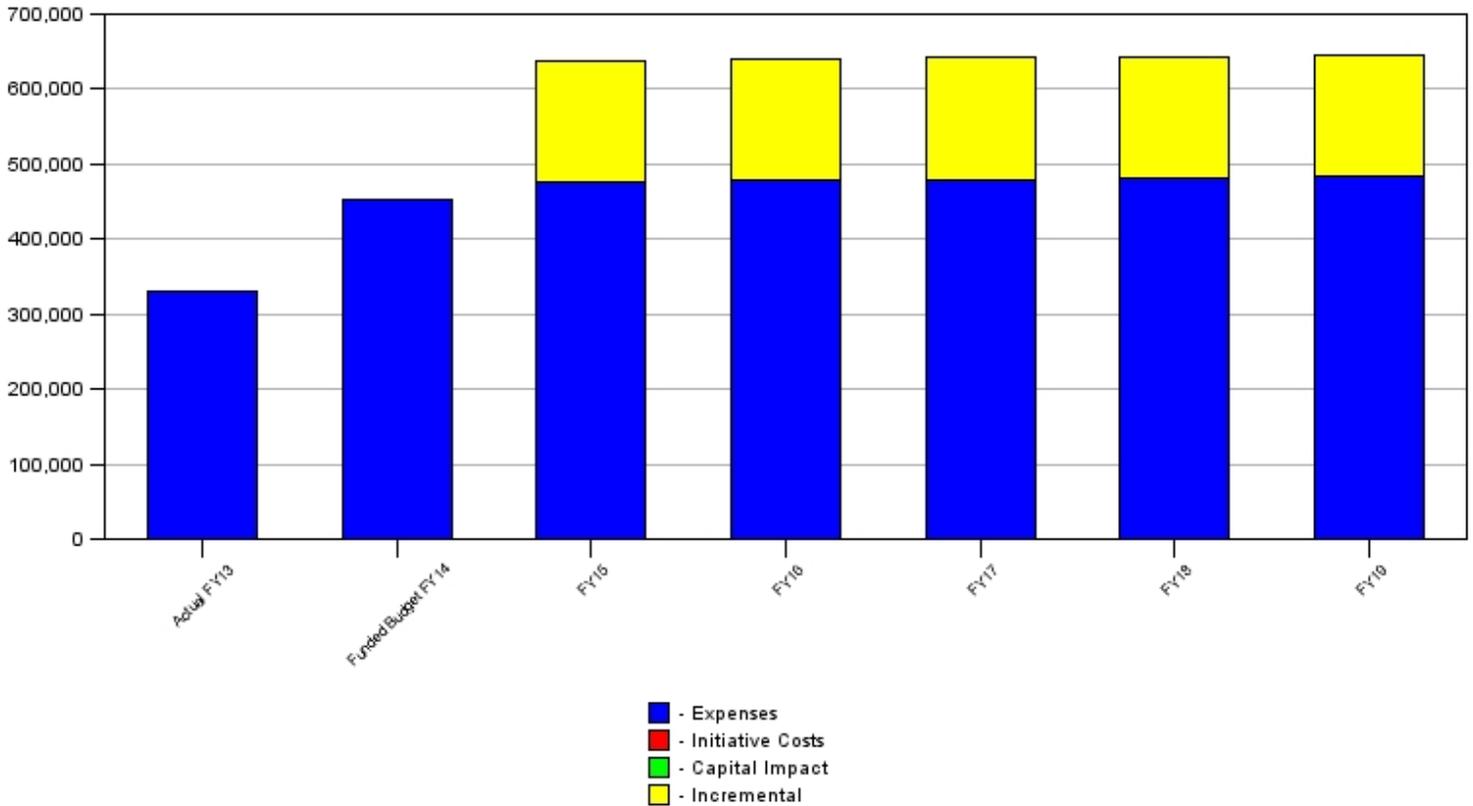
**CITY OF ATLANTA**  
**Department Of Ethics - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$385,610        | \$403,561             | \$404,359        | \$405,899        | \$407,496        | \$409,092        | \$410,948        | \$2,037,795         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$49,149         | \$49,149         | \$49,149         | \$49,149         | \$49,149         | \$245,745           |
| <b>Total Projected Expenses</b> | <b>\$385,610</b> | <b>\$403,561</b>      | <b>\$453,508</b> | <b>\$455,048</b> | <b>\$456,645</b> | <b>\$458,241</b> | <b>\$460,097</b> | <b>\$2,283,540</b>  |

The Ethics Office provides education about the City's Ethics Code using various media outlets. The activity of the Ethics office within the next five years is commensurate with the incremental totals. During this time the Ethics Office anticipates an increase in services related to the Integrity Line, the purchase of Adobe software and implementation of a copier lease. Additionally, the office plans to issue a written publication in recognition of the 10th anniversary of the office. The office will also send at least one representative to its national conference.

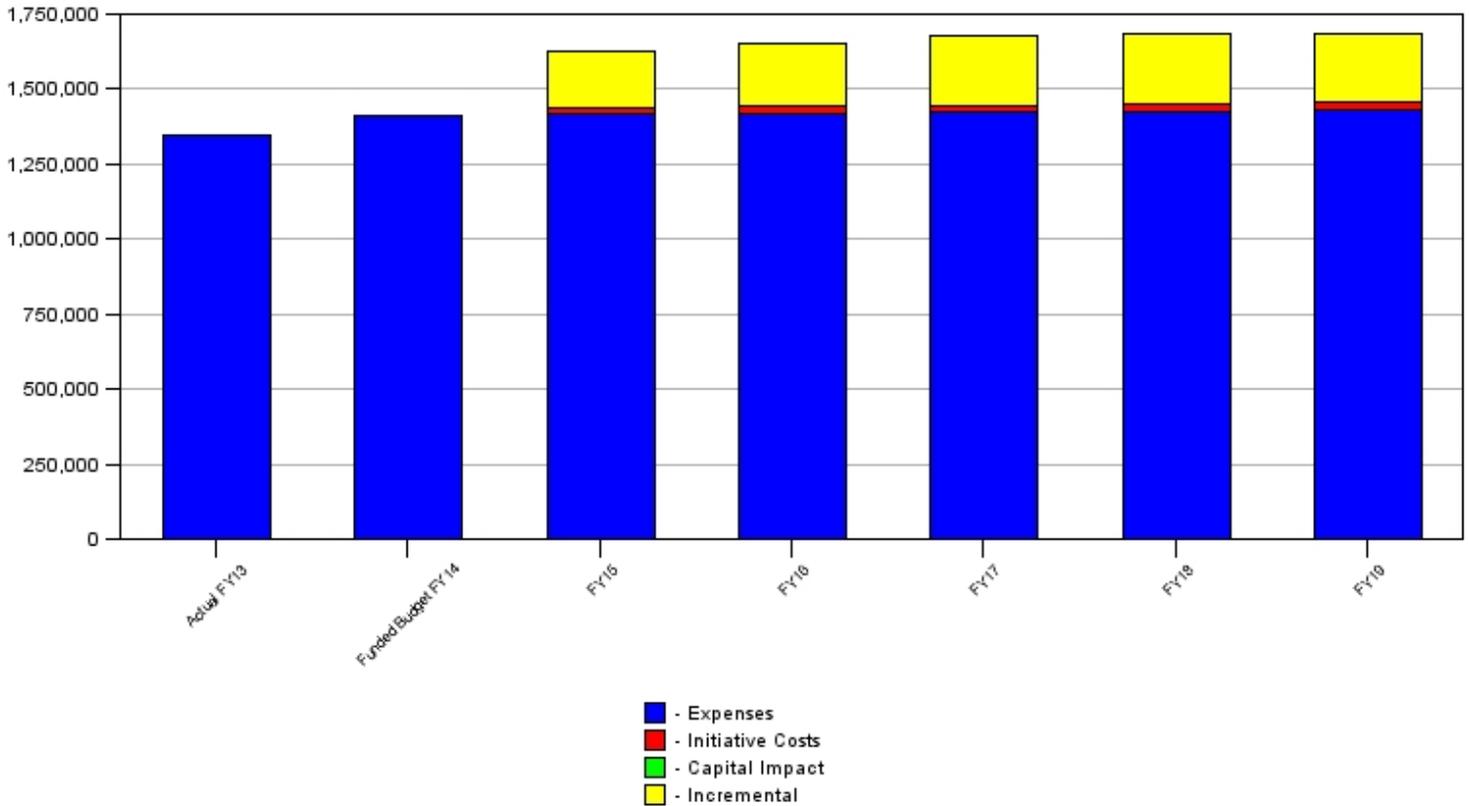
**CITY OF ATLANTA**  
**Atlanta Citizens Review Board - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$329,639        | \$452,355             | \$475,615        | \$477,663        | \$479,630        | \$481,633        | \$483,912        | \$2,398,453         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$162,198        | \$162,198        | \$162,198        | \$162,198        | \$162,198        | \$810,990           |
| <b>Total Projected Expenses</b> | <b>\$329,639</b> | <b>\$452,355</b>      | <b>\$637,813</b> | <b>\$639,861</b> | <b>\$641,828</b> | <b>\$643,831</b> | <b>\$646,110</b> | <b>\$3,209,443</b>  |

The Atlanta Citizen Review Board (ACRB) was established in 2007 to independently investigate citizen allegations against Atlanta police and corrections officers. Over the next five years as the agency transitions from its initial set-up stage, the ACRB will continue to investigate citizen complaints, expand its community outreach and education to citizens and officers, and continue to assist the City's law enforcement departments and law department in reducing the liability associated with prohibited officer behavior and actions. Incremental increases are due to additional funding to invest in staff expansion to efficiently accomplish the intended purpose of the ACRB ordinance. ACRB will need a mediation coordinator (to support the mediation program), a community outreach specialist (to consistently provide education and awareness) and an additional investigator (to reduce the ratio of sworn officers to ACRB investigators, which is currently 1 investigator to 1,000 sworn officers).

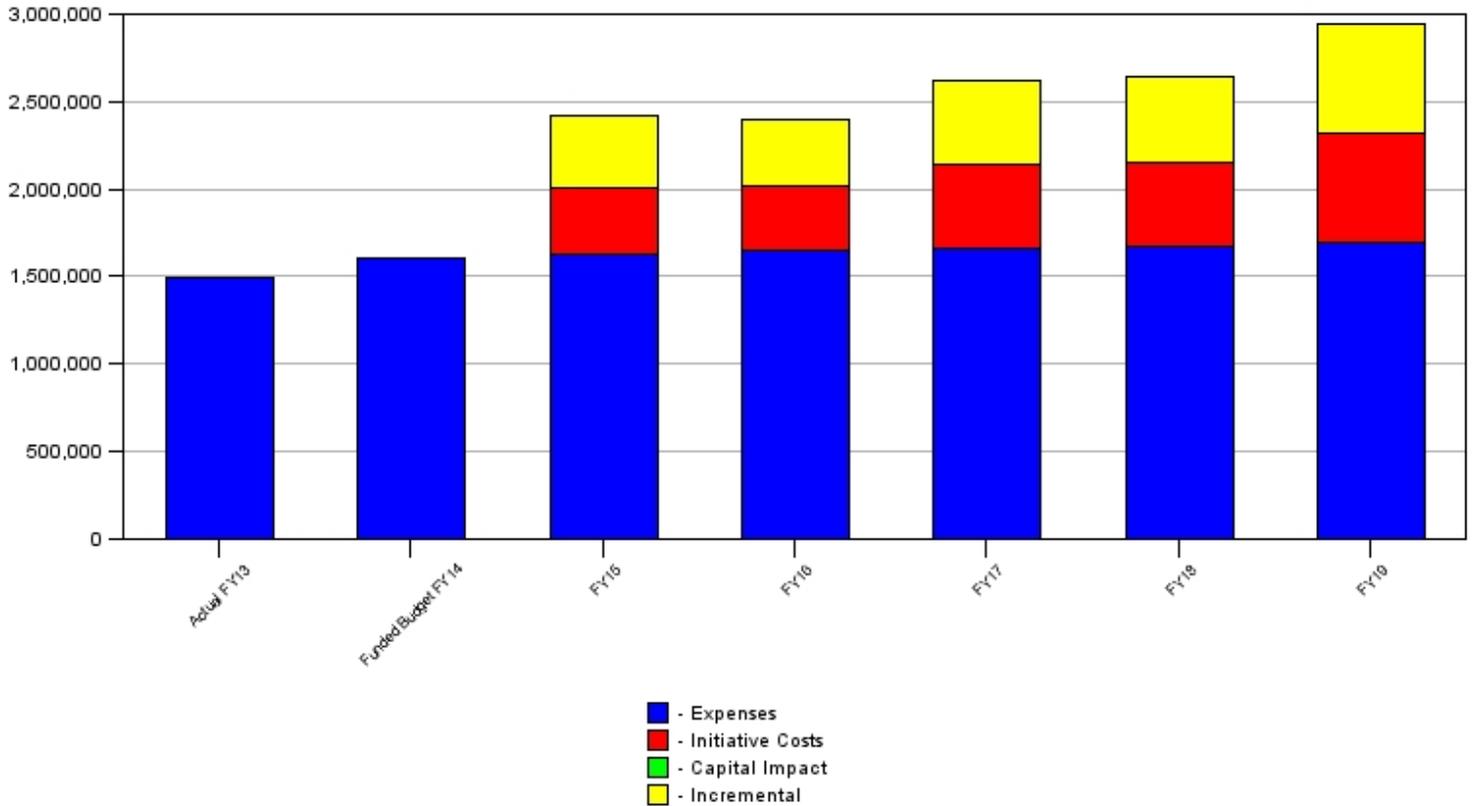
**CITY OF ATLANTA**  
**Department Of Audit - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$1,344,945        | \$1,413,941           | \$1,415,517        | \$1,419,635        | \$1,423,716        | \$1,427,834        | \$1,432,584        | \$7,119,286         |
| Initiative Costs                | \$0                | \$0                   | \$22,610           | \$22,610           | \$22,610           | \$22,610           | \$22,610           | \$113,050           |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$188,386          | \$210,818          | \$232,039          | \$232,039          | \$232,039          | \$1,095,321         |
| <b>Total Projected Expenses</b> | <b>\$1,344,945</b> | <b>\$1,413,941</b>    | <b>\$1,626,513</b> | <b>\$1,653,063</b> | <b>\$1,678,365</b> | <b>\$1,682,483</b> | <b>\$1,687,233</b> | <b>\$8,327,657</b>  |

The City Auditor's Office continues its efforts to strengthen the City's fiscal stability and control environment through incremental improvements in previously established priorities and implementation of one new initiative. Incremental Improvements: Continue to recruit and retain talent by rewarding staff who achieve professional certifications related to audit, accounting, information systems, and fraud examination; expand the use of interns to support audit staff and to develop recruitment pathways; and budget appropriately for the City's annual financial audit and other audits requiring specialized expertise. Initiative: Develop department's capability to conduct financial investigations that grow out of Integrity Line complaints and the Continuous Audit analysis. The City Auditor's Office will hire an investigation manager to review and investigate complaints with financial implications and continuous audit results that indicate risk of fraud, waste, or abuse.

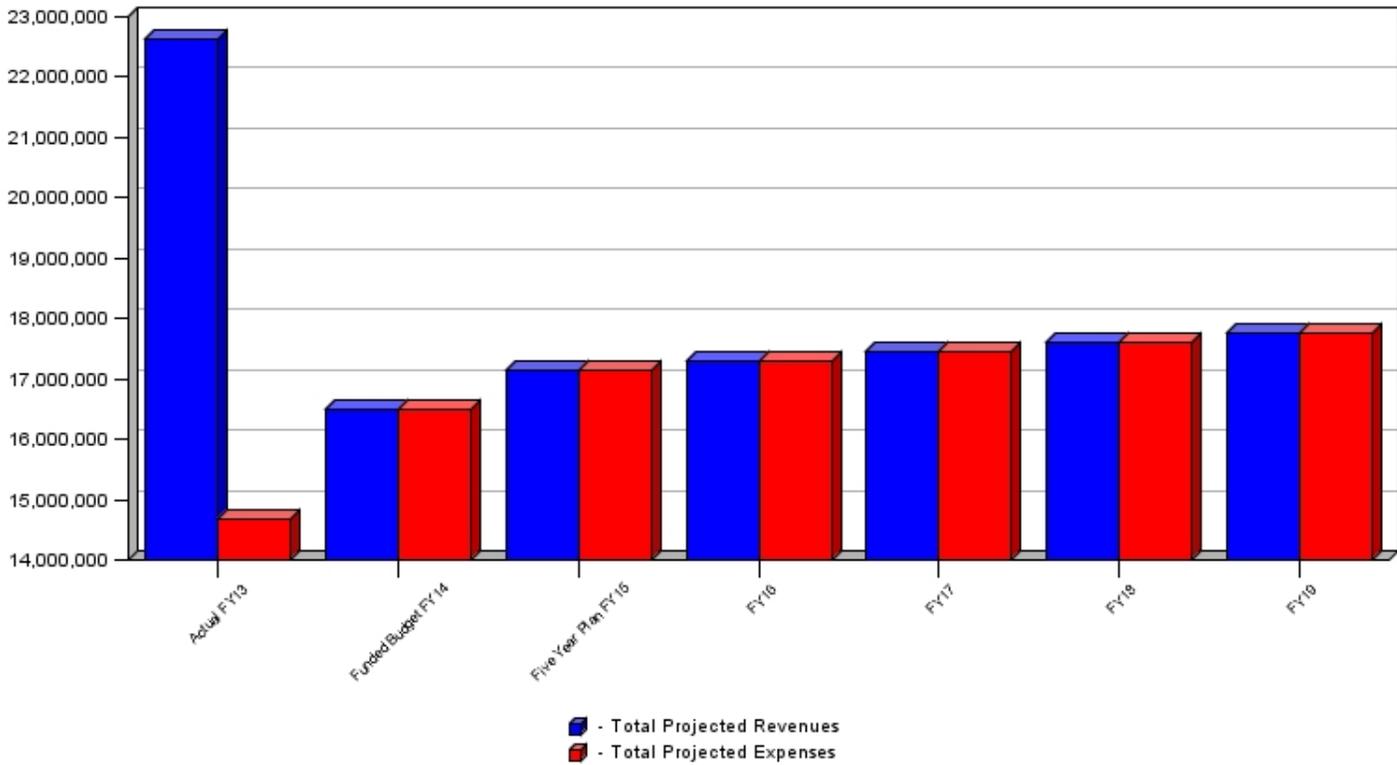
**CITY OF ATLANTA**  
**Department Of Public Defender - General Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$1,492,331        | \$1,607,410           | \$1,629,506        | \$1,646,058        | \$1,661,027        | \$1,676,478        | \$1,692,275        | \$8,305,344         |
| Initiative Costs                | \$0                | \$0                   | \$372,788          | \$372,788          | \$479,212          | \$479,212          | \$625,931          | \$2,329,931         |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$421,488          | \$380,215          | \$485,955          | \$486,540          | \$626,830          | \$2,401,028         |
| <b>Total Projected Expenses</b> | <b>\$1,492,331</b> | <b>\$1,607,410</b>    | <b>\$2,423,782</b> | <b>\$2,399,061</b> | <b>\$2,626,194</b> | <b>\$2,642,230</b> | <b>\$2,945,036</b> | <b>\$13,036,303</b> |

The Public Defender's Office is constitutionally mandated to provide criminal defense for indigent clients facing charges in the Atlanta Municipal Court. Over the next five years, the department will continue to transition from "criminal charge" centered advocacy to the interdisciplinary model of public defense that will support Public Safety Initiatives. Incremental Costs include costs to execute the holistic advocacy model. Within this model are programs to reduce homelessness, street prostitution, drug addiction, unmanaged mental illness and other human conditions that if addressed, can reduce recidivism and improve the vitality of Atlanta's communities. The holistic, client centered model of public defense representation will confront the criminal charges but also, the underlying reasons that drive criminal conduct. Impoverished clients will receive advocacy in the courtroom and in the community. Atlanta's Public Defender Office thinks and advocates holistically; seeking sustainable solutions to end the cycle of criminal conduct in a community that truly cares about its people and is known worldwide.

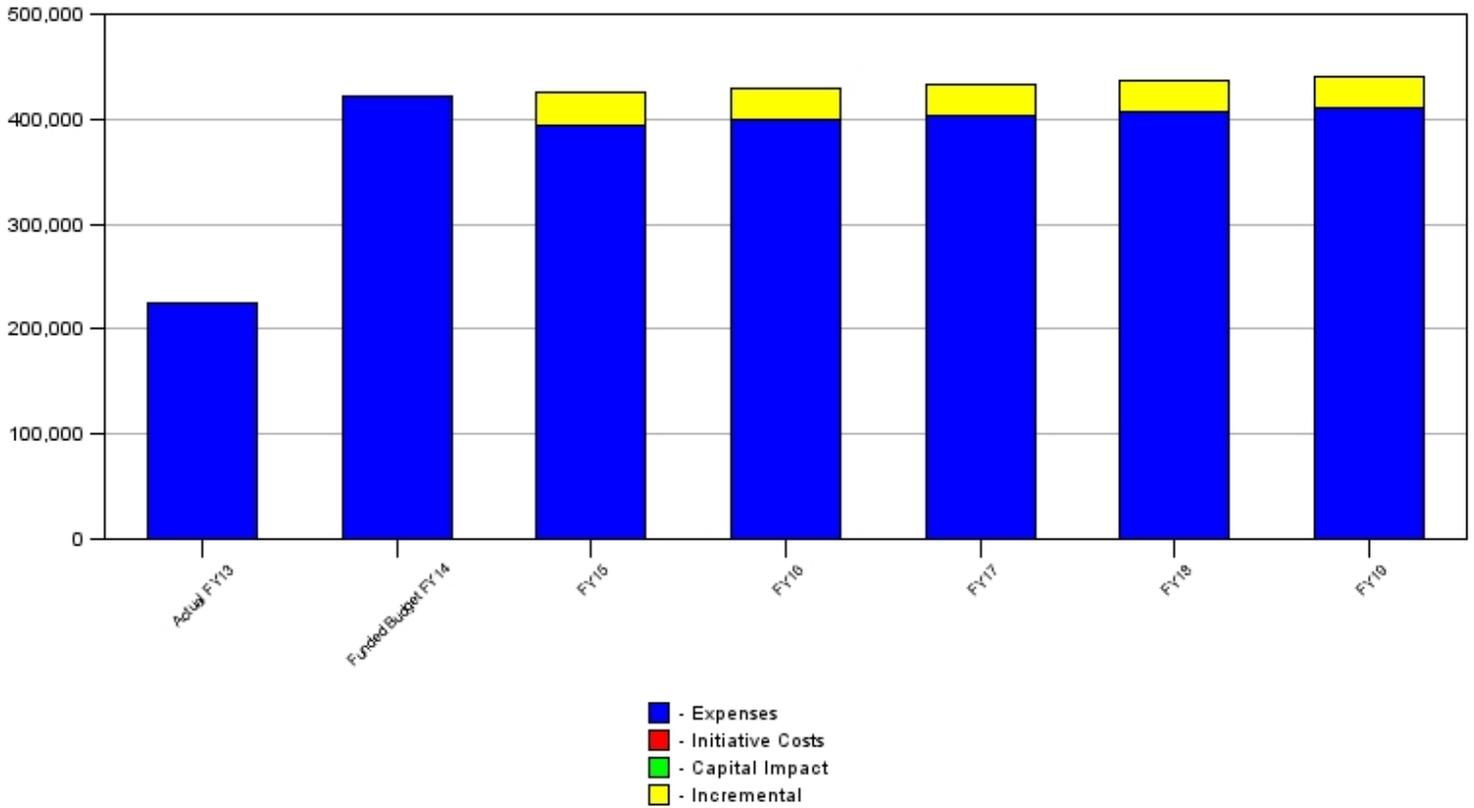
**CITY OF ATLANTA**  
**Emergency Telephone System - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15         | FY16         | Five Year Plan |              |              | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|--------------|--------------|----------------|--------------|--------------|---------------------|
| Total Projected Revenues      | \$22,643,031   | \$16,503,403          | \$17,139,890 | \$17,308,290 | \$17,450,675   | \$17,598,810 | \$17,765,572 | \$87,263,237        |
| Expenses                      | \$14,684,057   | \$16,503,403          | \$16,856,397 | \$17,024,797 | \$17,167,182   | \$17,315,317 | \$17,482,079 | \$85,845,772        |
| Initiative Costs              | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$0                 |
| Capital Impact                | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$0                 |
| Incremental                   | \$0            | \$0                   | \$283,493    | \$283,493    | \$283,493      | \$283,493    | \$283,493    | \$1,417,466         |
| Total Projected Expenses      | \$14,684,057   | \$16,503,403          | \$17,139,890 | \$17,308,290 | \$17,450,675   | \$17,598,810 | \$17,765,572 | \$87,263,238        |
| Revenues Over(Under) Expenses | \$7,958,974    | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | (\$1)               |
| Variance %                    | 35%            | 0%                    | 0%           | 0%           | 0%             | 0%           | 0%           | 0%                  |

The 911 Communication Center receives, classifies and prioritizes calls from the public and dispatches the calls that require police response and transfers and/or direct calls that do not require police response to the proper agency/unit. Over the next five years, E911 will need to determine how to fully support its operational needs based on expenses. Incremental cost of \$283K includes new contracts, increasing to existing contracts and personnel (SouthernLinc, Everbridge, Way Wireless, Personnel, and membership fees). This fund continues to operate at a deficit of approximately \$4MM to \$6MM loss since fees collected do not fully support the operating expenses to this fund. The expected revenue for FY2015 is \$11.4MM and projected subsidy of \$5.2MM from the General Fund.

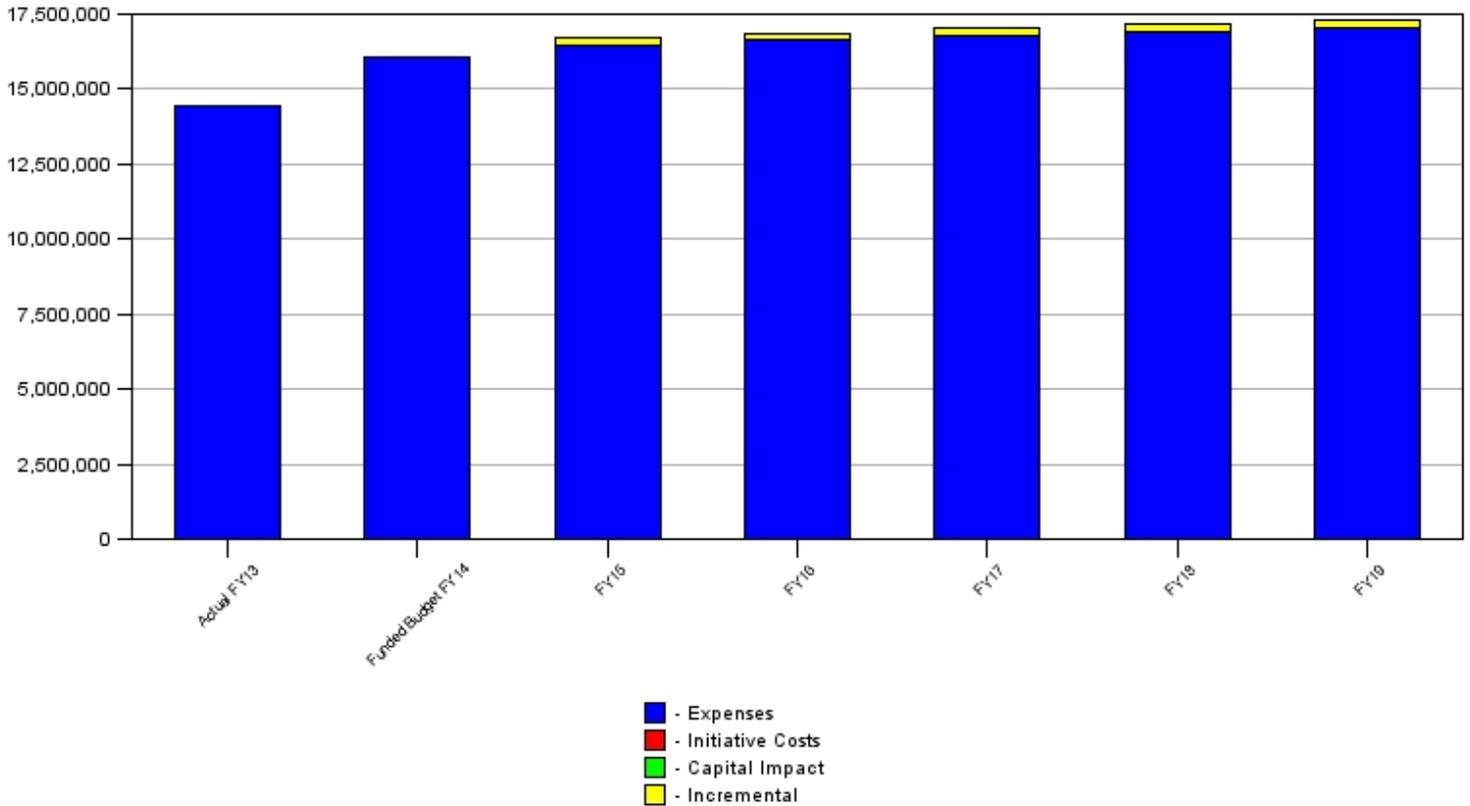
**CITY OF ATLANTA**  
**Department Of Information Technology - Emergency Telephone System -**  
**Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$224,577        | \$421,887             | \$394,534        | \$398,724        | \$402,498        | \$406,395        | \$410,784        | \$2,012,935         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$30,586         | \$30,586         | \$30,586         | \$30,586         | \$30,586         | \$152,931           |
| <b>Total Projected Expenses</b> | <b>\$224,577</b> | <b>\$421,887</b>      | <b>\$425,120</b> | <b>\$429,310</b> | <b>\$433,084</b> | <b>\$436,982</b> | <b>\$441,370</b> | <b>\$2,165,866</b>  |

The Emergency Telephone System Fund under the Department of Information Technology is currently being used to support the E-911 Center/APD. As per the five year plan, the funds are used for personnel that support the E-911 Center, VIC and Public Safety endeavors. The Incremental request is to ensure full funding for a vacant position that is scheduled to be filled.

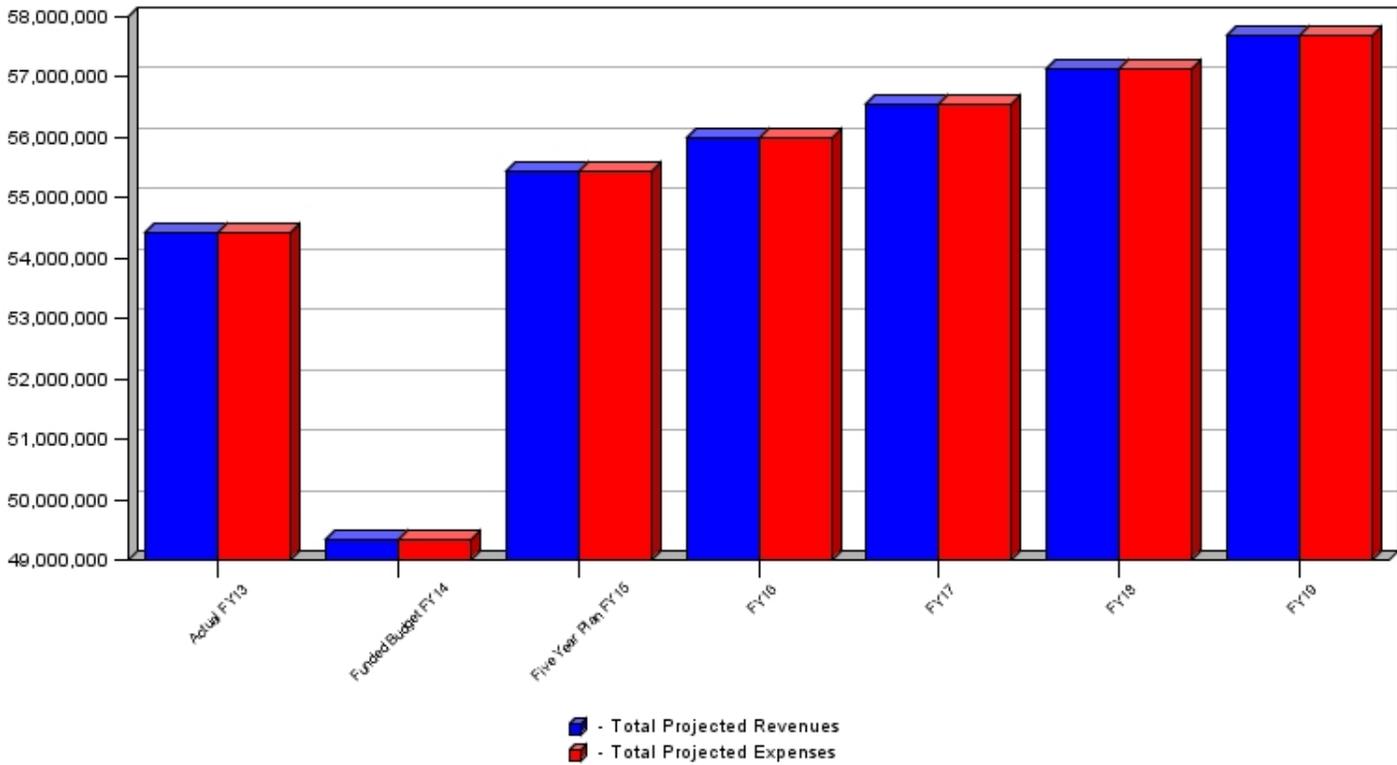
**CITY OF ATLANTA**  
**Department Of Police Services - Emergency Telephone System - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses                        | \$14,459,480        | \$16,081,516          | \$16,461,863        | \$16,626,073        | \$16,764,685        | \$16,908,922        | \$17,071,295        | \$83,832,838        |
| Initiative Costs                | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Capital Impact                  | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Incremental                     | \$0                 | \$0                   | \$252,907           | \$252,907           | \$252,907           | \$252,907           | \$252,907           | \$1,264,535         |
| <b>Total Projected Expenses</b> | <b>\$14,459,480</b> | <b>\$16,081,516</b>   | <b>\$16,714,770</b> | <b>\$16,878,980</b> | <b>\$17,017,592</b> | <b>\$17,161,829</b> | <b>\$17,324,202</b> | <b>\$85,097,373</b> |

The 911 Communication Center receives, classifies and prioritizes calls from the public and dispatches the calls that require police response and transfers and/or direct calls that do not require police response to the proper agency/unit. The incremental cost of \$252K includes new contracts and increases to existing contracts (SouthernLinc, Everbridge, Rent, Way Wireless and membership fees).

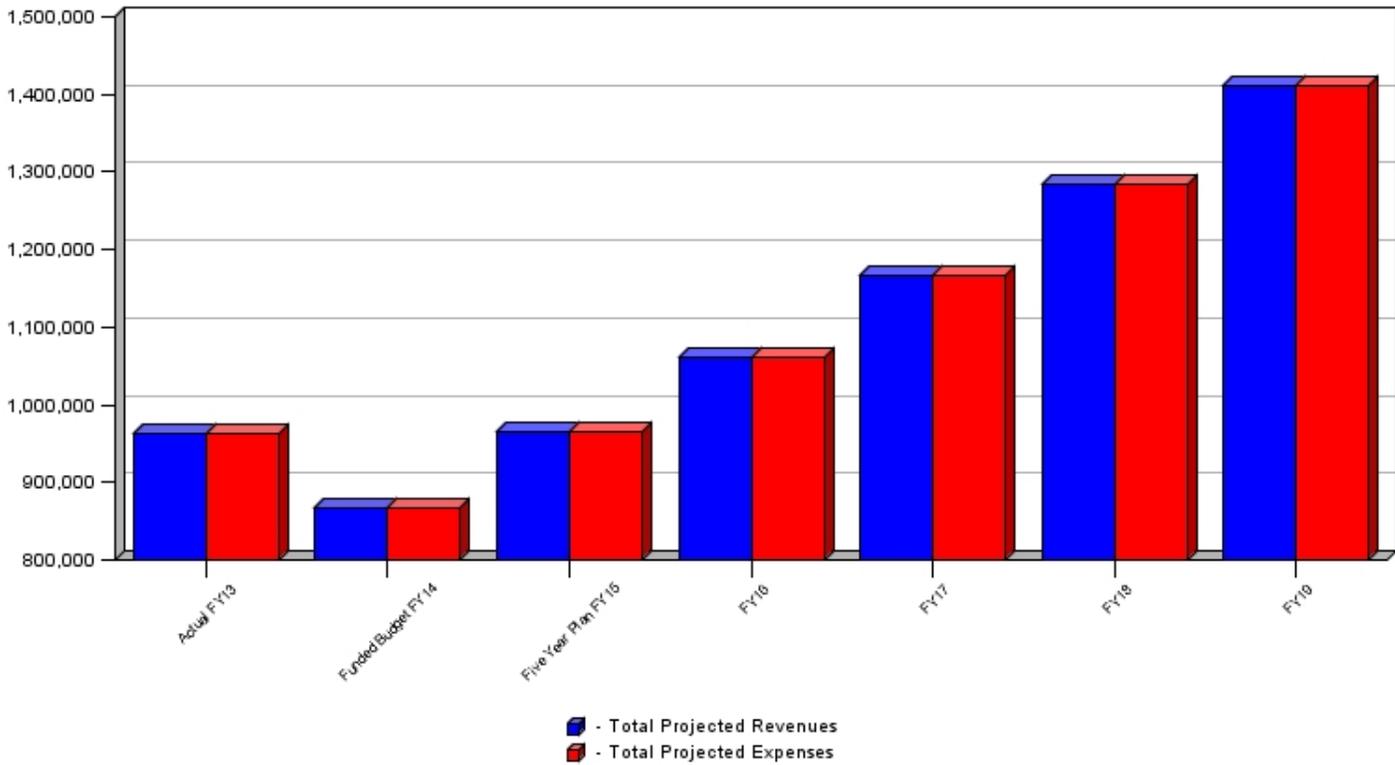
**CITY OF ATLANTA**  
**Hotel/Motel Tax Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15         | FY16         | Five Year Plan |              |              | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|--------------|--------------|----------------|--------------|--------------|---------------------|
| Total Projected Revenues      | \$54,419,419   | \$49,324,534          | \$55,445,813 | \$56,000,271 | \$56,560,273   | \$57,125,876 | \$57,697,135 | \$282,829,368       |
| Expenses                      | \$54,419,419   | \$49,324,534          | \$55,445,813 | \$56,000,271 | \$56,560,273   | \$57,125,876 | \$57,697,135 | \$282,829,368       |
| Initiative Costs              | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$0                 |
| Capital Impact                | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$0                 |
| Incremental                   | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$0                 |
| Total Projected Expenses      | \$54,419,419   | \$49,324,534          | \$55,445,813 | \$56,000,271 | \$56,560,273   | \$57,125,876 | \$57,697,135 | \$282,829,368       |
| Revenues Over(Under) Expenses | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$0                 |
| Variance %                    | 0%             | 0%                    | 0%           | 0%           | 0%             | 0%           | 0%           | 0%                  |

The hotel/motel tax is shared between the City, Atlanta Conventions Visitors Bureau, Georgia World Congress, and the Georgia Dome. The City's allocated share of the hotel/motel tax is 24.99%, with the remaining 75.01% distributed by the City to the aforementioned entities. This tax is collected on the 20th day of every month by the City. The Hotel Motel Tax rate is 8% on rent for occupancy of a guestroom in a hotel in the City.

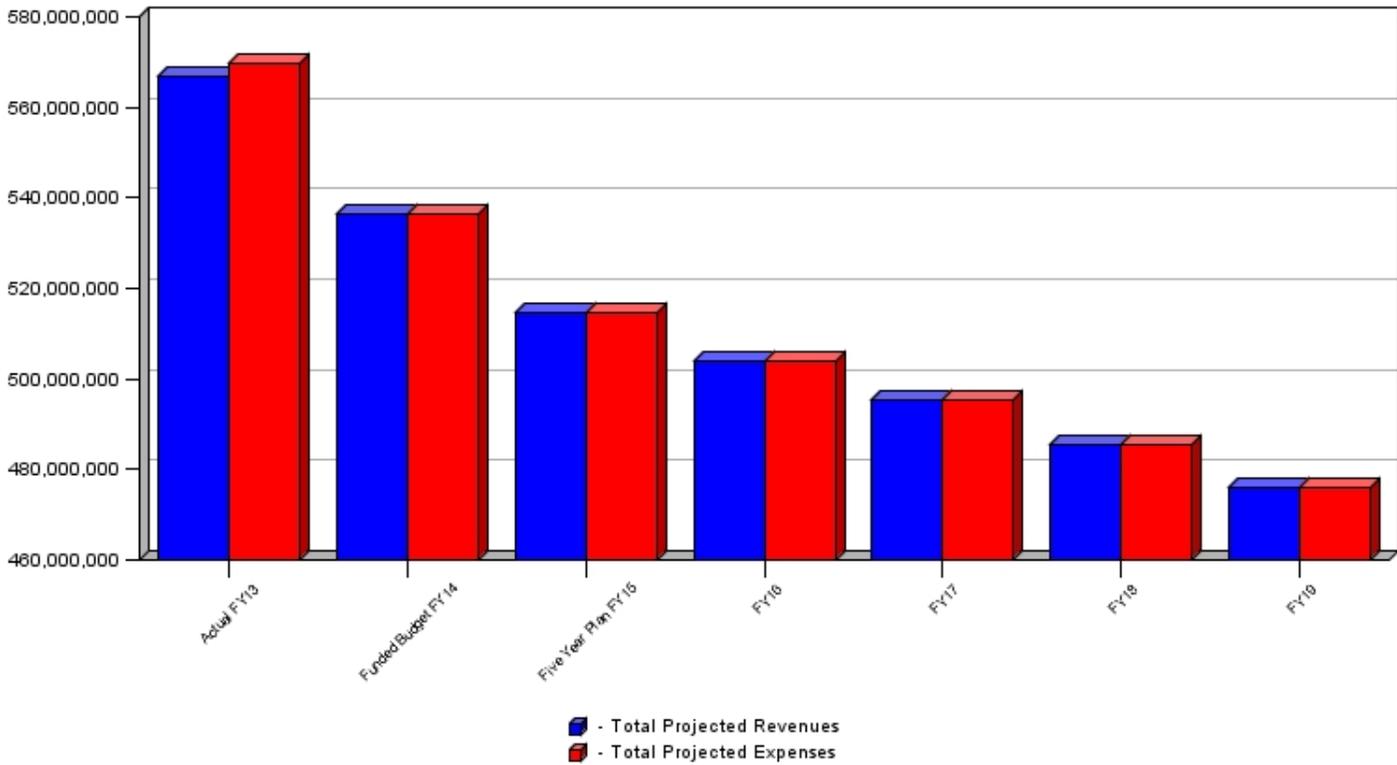
**CITY OF ATLANTA**  
**Rental/Motor Vehicle Tax Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15      | FY16        | Five Year Plan |             |             | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|-----------|-------------|----------------|-------------|-------------|---------------------|
| Total Projected Revenues      | \$963,628      | \$866,908             | \$964,579 | \$1,061,037 | \$1,167,141    | \$1,283,855 | \$1,412,241 | \$5,888,853         |
| Expenses                      | \$963,628      | \$866,908             | \$964,579 | \$1,061,037 | \$1,167,141    | \$1,283,855 | \$1,412,241 | \$5,888,855         |
| Initiative Costs              | \$0            | \$0                   | \$0       | \$0         | \$0            | \$0         | \$0         | \$0                 |
| Capital Impact                | \$0            | \$0                   | \$0       | \$0         | \$0            | \$0         | \$0         | \$0                 |
| Incremental                   | \$0            | \$0                   | \$0       | \$0         | \$0            | \$0         | \$0         | \$0                 |
| Total Projected Expenses      | \$963,628      | \$866,908             | \$964,579 | \$1,061,037 | \$1,167,141    | \$1,283,855 | \$1,412,241 | \$5,888,855         |
| Revenues Over(Under) Expenses | \$0            | \$0                   | \$0       | \$0         | \$0            | \$0         | \$0         | (\$2)               |
| Variance %                    | 0%             | 0%                    | 0%        | 0%          | 0%             | 0%          | 0%          | 0%                  |

The Rental/Motor Vehicle Fund contains revenue from transactions associated with a 3% excise tax levied on Car Rental Facilities within the City corporate limits. This Fund operates as a pass through fund with all of the revenues remitted to a Bank Trustee for expenses associated with debt service payments. The Car Rental Tax Fund revenues correlate with travel and tourism activity. The Atlanta convention forecast indicates sustained visitor activity, which has been factored into the forecast trend for the fund.

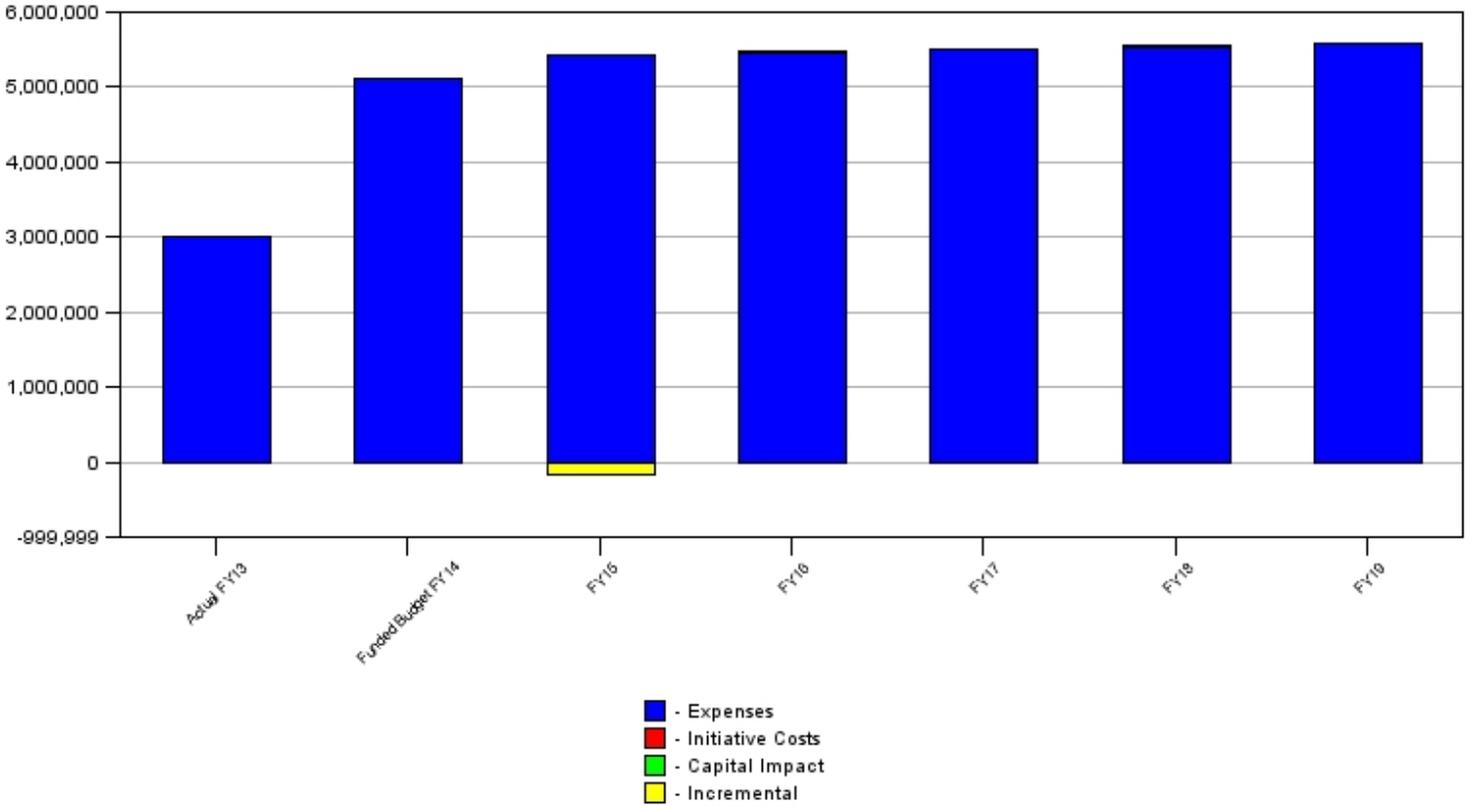
**CITY OF ATLANTA**  
**Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15           | FY16           | Five Year Plan |                |                | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| Total Projected Revenues      | \$566,646,938  | \$536,612,950         | \$514,650,481  | \$504,089,393  | \$495,195,059  | \$485,398,221  | \$475,947,917  | \$2,475,281,071     |
| Expenses                      | \$569,554,580  | \$536,612,950         | \$536,567,603  | \$536,991,438  | \$537,347,551  | \$537,613,513  | \$537,935,076  | \$2,686,455,181     |
| Initiative Costs              | \$0            | \$0                   | \$189,277      | \$189,277      | \$189,277      | \$189,277      | \$188,677      | \$945,785           |
| Capital Impact                | \$0            | \$0                   | \$0            | \$10,000       | \$10,000       | \$10,000       | \$0            | \$30,000            |
| Incremental                   | \$0            | \$0                   | (\$22,106,399) | (\$33,101,321) | (\$42,351,769) | (\$52,414,569) | (\$62,175,835) | (\$212,149,895)     |
| Total Projected Expenses      | \$569,554,580  | \$536,612,950         | \$514,650,481  | \$504,089,393  | \$495,195,059  | \$485,398,221  | \$475,947,917  | \$2,475,281,071     |
| Revenues Over(Under) Expenses | (\$2,907,642)  | \$0                   | \$0            | \$0            | \$0            | \$0            | \$0            | \$0                 |
| Variance %                    | (1%)           | 0%                    | 0%             | 0%             | 0%             | 0%             | 0%             | 0%                  |

The Water & Wastewater Revenue Fund was established to account for transactions associated with the operation, development, and maintenance of the City's expansive water and wastewater infrastructure system. The system's operations are financed primarily by user charges for water and wastewater services and Municipal Option Sales Tax. The Department of Watershed Management has implemented a department wide reorganization, which has streamlined operations and aligned similar functions. The departmental reorganization was executed with an overall goal of reducing operations and maintenance expenses. The variance is due to decreasing revenues from fiscal years 2015 through 2019, which the Department has attributed to a projected decline in consumption.

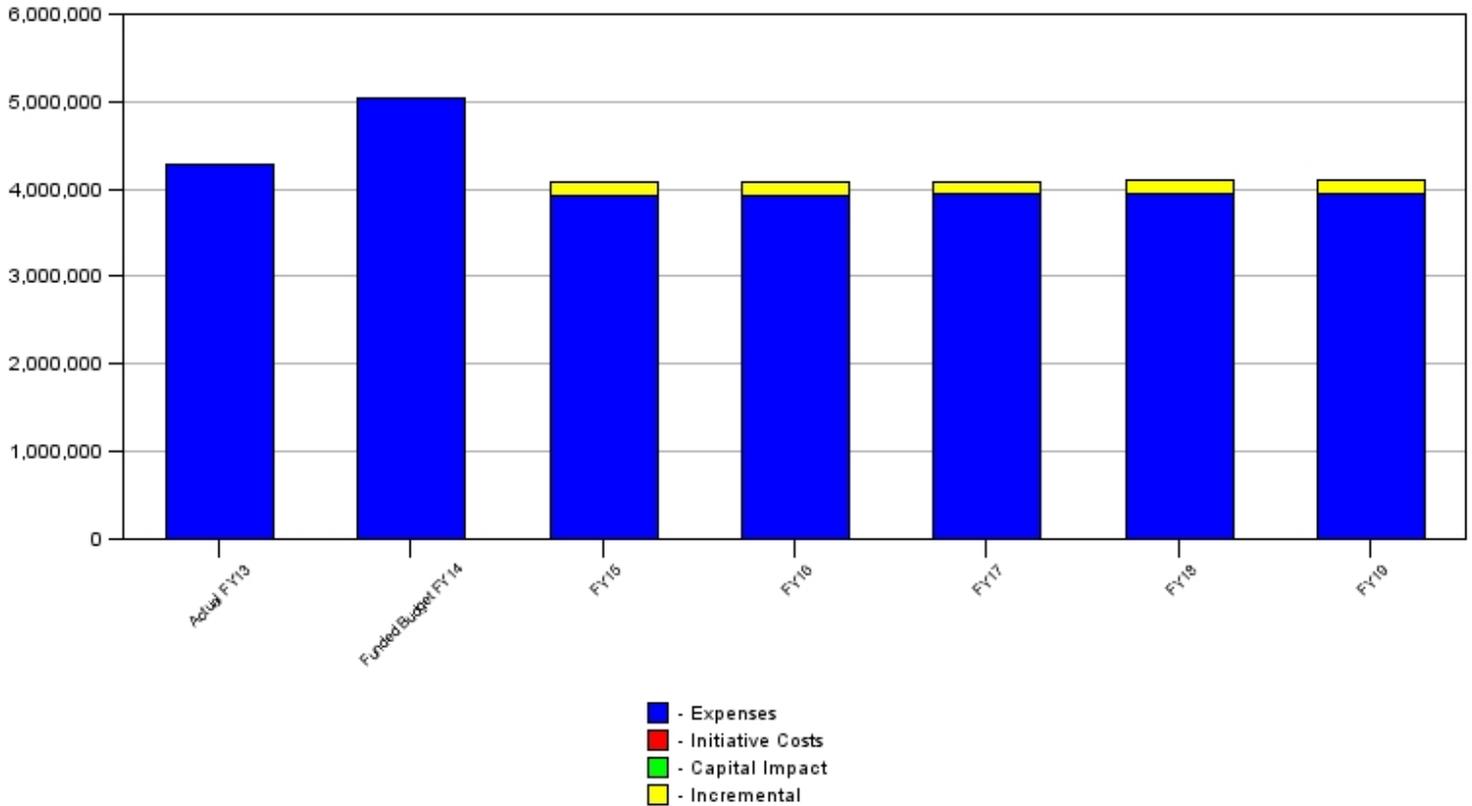
**CITY OF ATLANTA**  
**Executive Offices - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$2,998,887        | \$5,111,281           | \$5,420,027        | \$5,461,203        | \$5,496,451        | \$5,533,409        | \$5,574,118        | \$27,485,208        |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | (\$155,082)        | \$14,308           | \$14,308           | \$14,308           | \$14,308           | (\$97,850)          |
| <b>Total Projected Expenses</b> | <b>\$2,998,887</b> | <b>\$5,111,281</b>    | <b>\$5,264,945</b> | <b>\$5,475,511</b> | <b>\$5,510,759</b> | <b>\$5,547,717</b> | <b>\$5,588,426</b> | <b>\$27,387,358</b> |

The Water & Wastewater Revenue Fund provides funding to divisions within the Executive Offices that service departments within the Department of Watershed. Also, the fund is used to pay for certain Department of Watershed expenses related to City agreements. The department of Watershed pays the City a yearly lease payment for the use of 72 Marietta Street. Currently, the divisions within the Executives offices that provide service support to the Department of Watershed are the new 311 Call Center and FORATLANTA. These divisions currently have full-time positions that are funded at various percentages within the Water & Wastewater Revenue Fund. Adjustment to this percentage was necessary to bring funded position back in line to properly reflect salaries and benefits for the FY2015 budget.

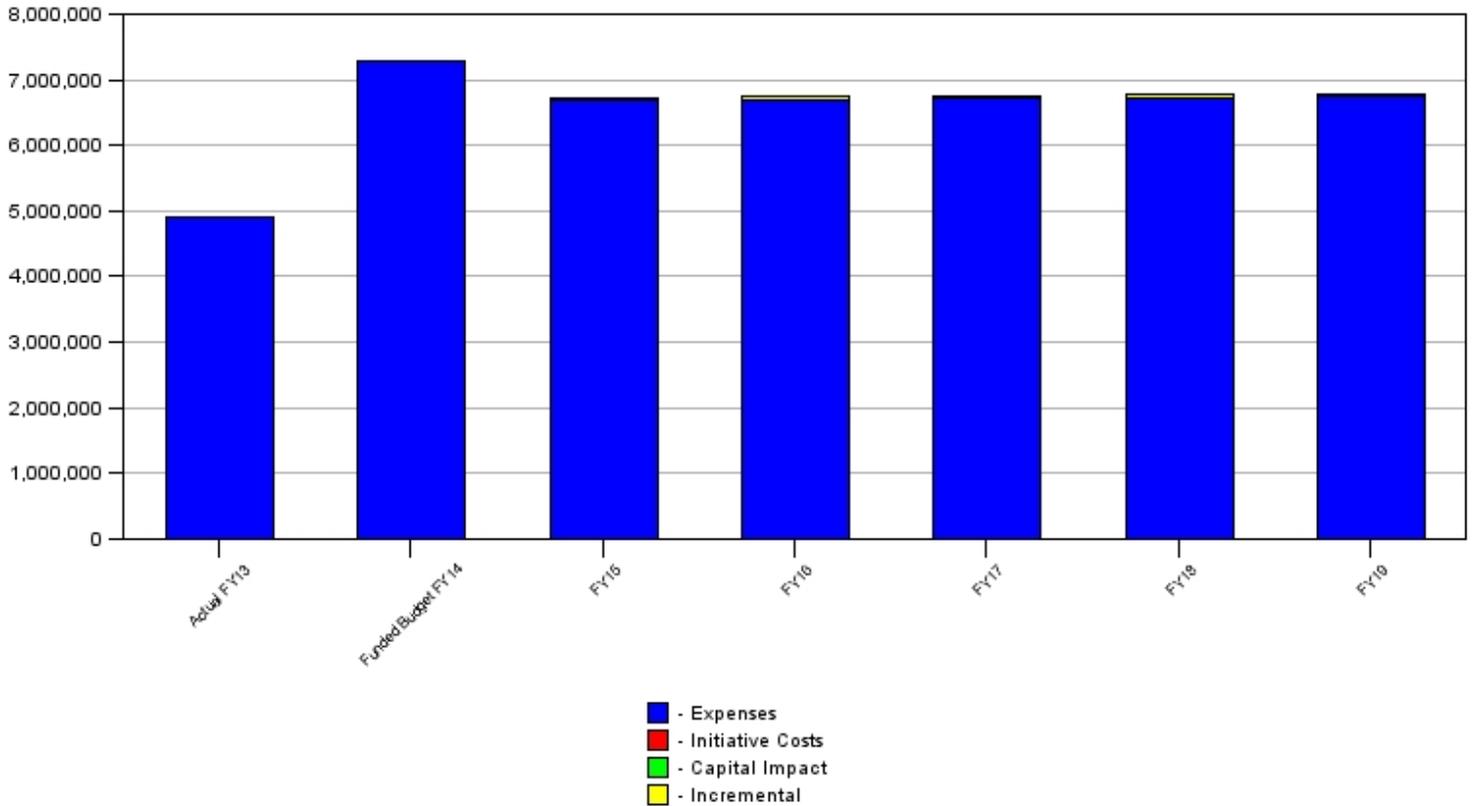
**CITY OF ATLANTA**  
**Department Of Information Technology - Water & Wastewater Revenue Fund -**  
**Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$4,290,932        | \$5,035,212           | \$3,931,925        | \$3,935,191        | \$3,938,085        | \$3,941,089        | \$3,944,448        | \$19,690,738        |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$152,702          | \$152,702          | \$152,702          | \$152,702          | \$152,702          | \$763,510           |
| <b>Total Projected Expenses</b> | <b>\$4,290,932</b> | <b>\$5,035,212</b>    | <b>\$4,084,627</b> | <b>\$4,087,893</b> | <b>\$4,090,787</b> | <b>\$4,093,791</b> | <b>\$4,097,150</b> | <b>\$20,454,248</b> |

The Water and Wastewater Revenue Fund under the Department of Information Technology is currently being used to support the inception of the 311 Center and E-Discovery Tool for the City of Atlanta. Over the next five years the funds will be used to support personnel for these projects. Incremental Cost includes full funding for vacant positions as well a Special Project Manager position.

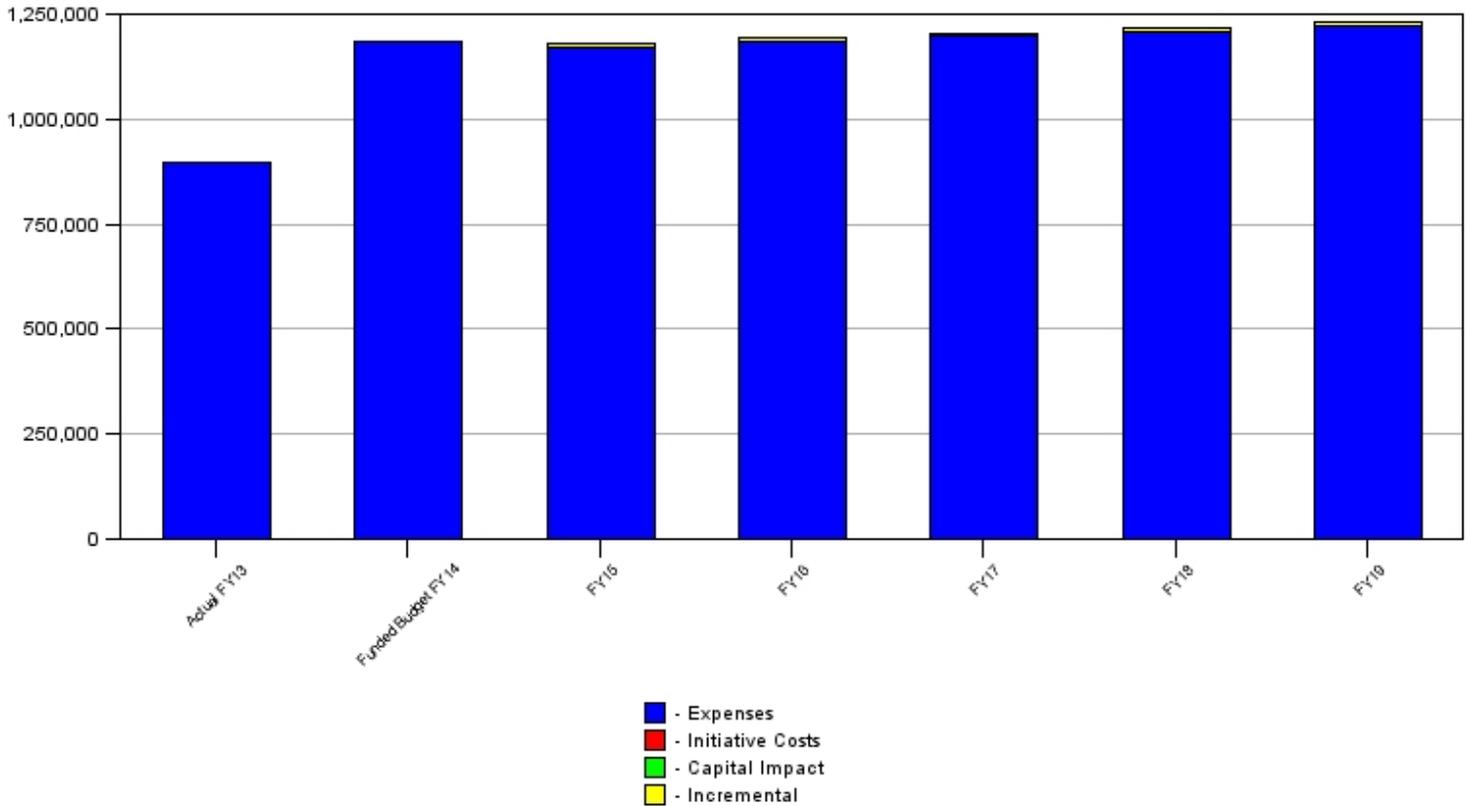
**CITY OF ATLANTA**  
**Department Of Law - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$4,899,695        | \$7,283,969           | \$6,681,488        | \$6,699,875        | \$6,716,281        | \$6,733,299        | \$6,752,259        | \$33,583,202        |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$43,009           | \$43,009           | \$43,009           | \$43,009           | \$43,009           | \$215,043           |
| <b>Total Projected Expenses</b> | <b>\$4,899,695</b> | <b>\$7,283,969</b>    | <b>\$6,724,497</b> | <b>\$6,742,883</b> | <b>\$6,759,289</b> | <b>\$6,776,308</b> | <b>\$6,795,268</b> | <b>\$33,798,245</b> |

The Law Department is a team of professionals committed to providing best in-class legal representation to the City of Atlanta. In addition to defending the City in all types of civil litigation, the Law Department will work proactively to prevent legal challenges by delivering sound advice, legislation and training. Incremental amount necessary to bring funded positions back in line to properly reflect budgeted salaries over the next five years.

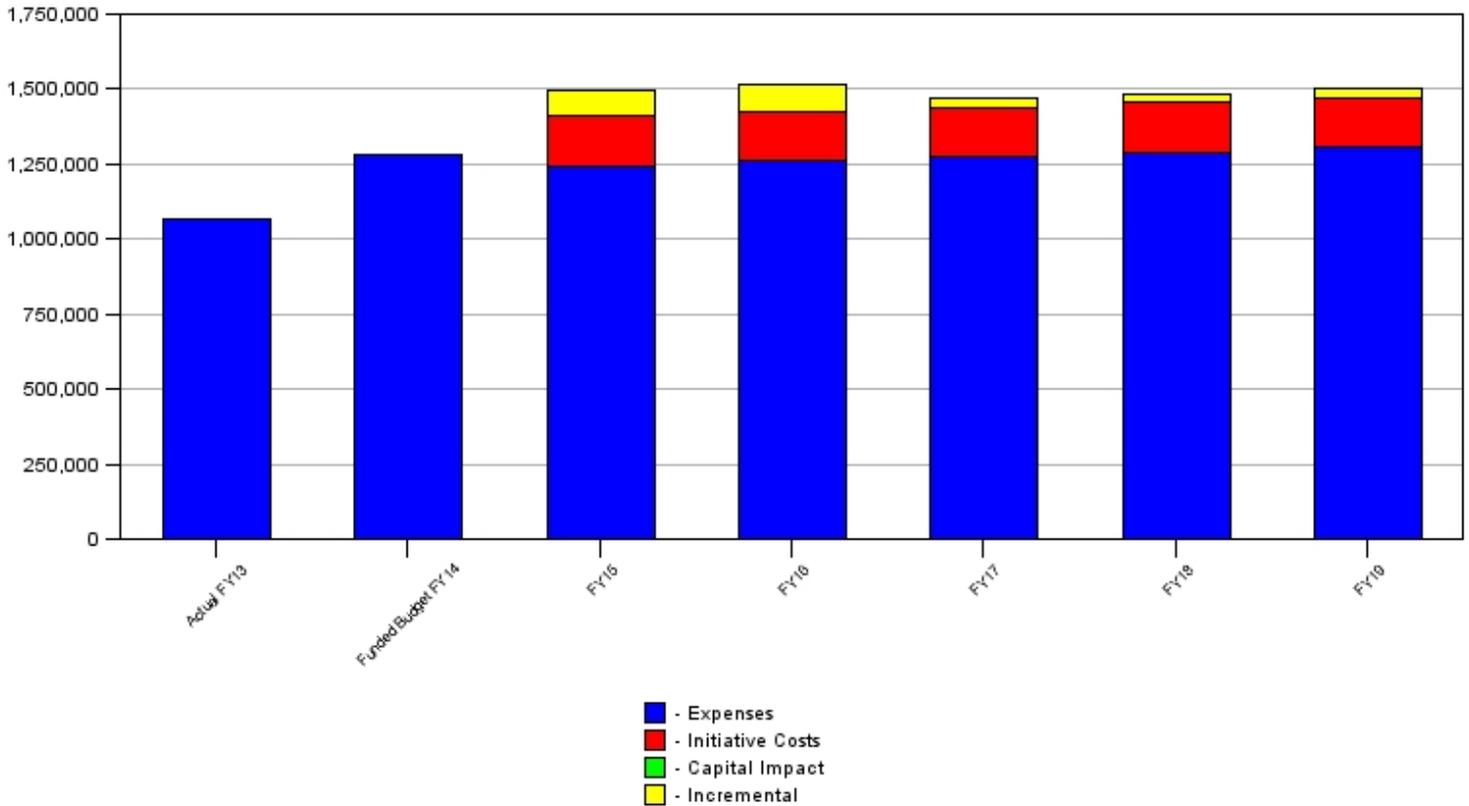
**CITY OF ATLANTA**  
**Department Of Finance - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$898,217        | \$1,185,290           | \$1,171,558        | \$1,185,627        | \$1,197,718        | \$1,210,382        | \$1,224,350        | \$5,989,635         |
| Initiative Costs                | \$0              | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0              | \$0                   | \$10,362           | \$7,417            | \$7,417            | \$7,417            | \$7,417            | \$40,030            |
| <b>Total Projected Expenses</b> | <b>\$898,217</b> | <b>\$1,185,290</b>    | <b>\$1,181,920</b> | <b>\$1,193,044</b> | <b>\$1,205,135</b> | <b>\$1,217,799</b> | <b>\$1,231,767</b> | <b>\$6,029,665</b>  |

The Department of Finance manages and accounts for the City's financial resources. This department prepares and monitors the annual budget, invests city funds to protect assets, maintains fiscal liquidity and maximizes income in compliance with all governing financial and accounting laws. Incremental changes such as upgrades and maintenance to DBC, SymPro and Bloomberg software will drive process improvement within the department and increase efficiency, which will also benefit Citywide processes.

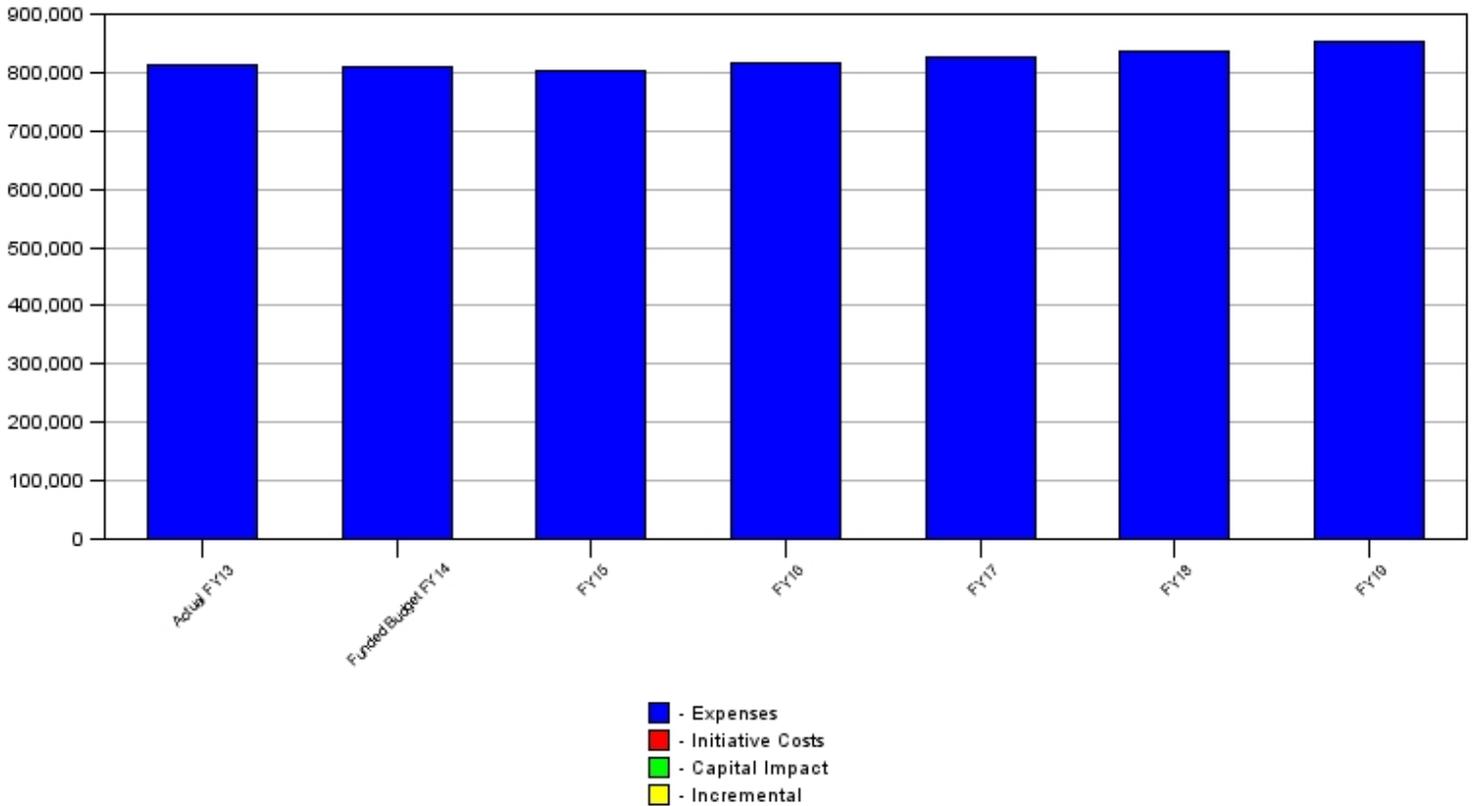
**CITY OF ATLANTA**  
**Department Of Procurement - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$1,066,466        | \$1,283,697           | \$1,242,342        | \$1,259,102        | \$1,273,559        | \$1,288,692        | \$1,305,379        | \$6,369,073         |
| Initiative Costs                | \$0                | \$0                   | \$166,667          | \$166,667          | \$166,667          | \$166,667          | \$166,667          | \$833,335           |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$89,848           | \$89,848           | \$30,073           | \$30,073           | \$30,073           | \$269,915           |
| <b>Total Projected Expenses</b> | <b>\$1,066,466</b> | <b>\$1,283,697</b>    | <b>\$1,498,857</b> | <b>\$1,515,617</b> | <b>\$1,470,299</b> | <b>\$1,485,432</b> | <b>\$1,502,119</b> | <b>\$7,472,323</b>  |

The Department of Procurement is responsible for providing guidance in the purchasing of all goods and services according to the City Code of Ordinances. Within the next five years the Department of Procurement will continue to provide purchasing support to aid all user agencies in fulfilling their goals, plans and initiatives while being fiscally responsible. The Incremental funding will allow DOP to support positions which perform the various tasks assisting user agencies. The initiative funding outlined in the budget will allow DOP to support six positions for the City's Federal Transit Administration (FTA) initiative otherwise known as the streetcar initiative. The amount outlined in the initiative above represents the Water and Wastewater and Revenue Fund's portion.

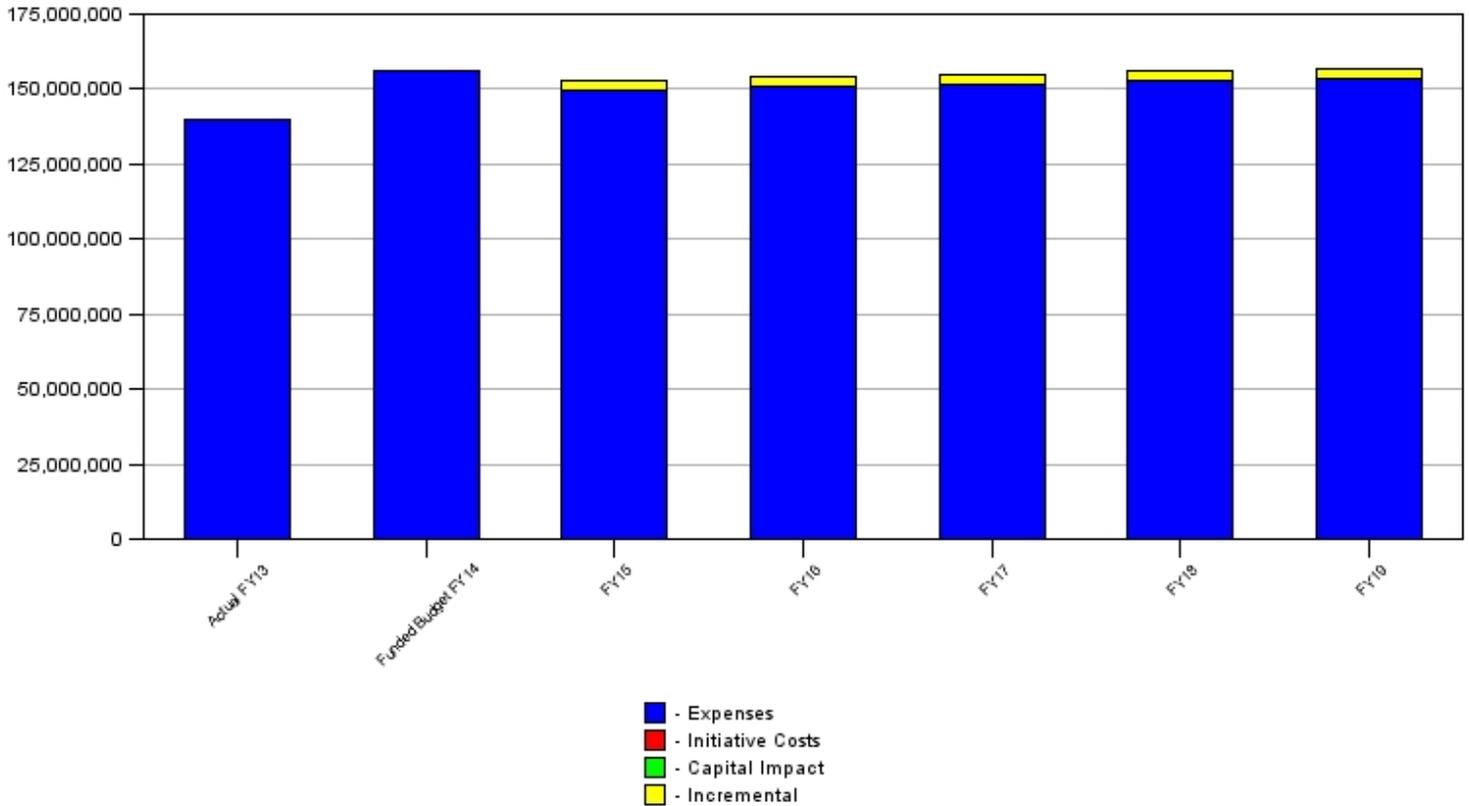
**CITY OF ATLANTA**  
**Department Of Public Works - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$813,443        | \$808,387             | \$801,832        | \$815,501        | \$827,463        | \$837,862        | \$851,566        | \$4,134,225         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| <b>Total Projected Expenses</b> | <b>\$813,443</b> | <b>\$808,387</b>      | <b>\$801,832</b> | <b>\$815,501</b> | <b>\$827,463</b> | <b>\$837,862</b> | <b>\$851,566</b> | <b>\$4,134,225</b>  |

The Department of Public Works is responsible for waste reduction and recycling; landfill post-closure management; solid waste management and assisting the city-wide emergency operations. Operating expenses are projected to slightly increase over the next five years and is related to personnel.

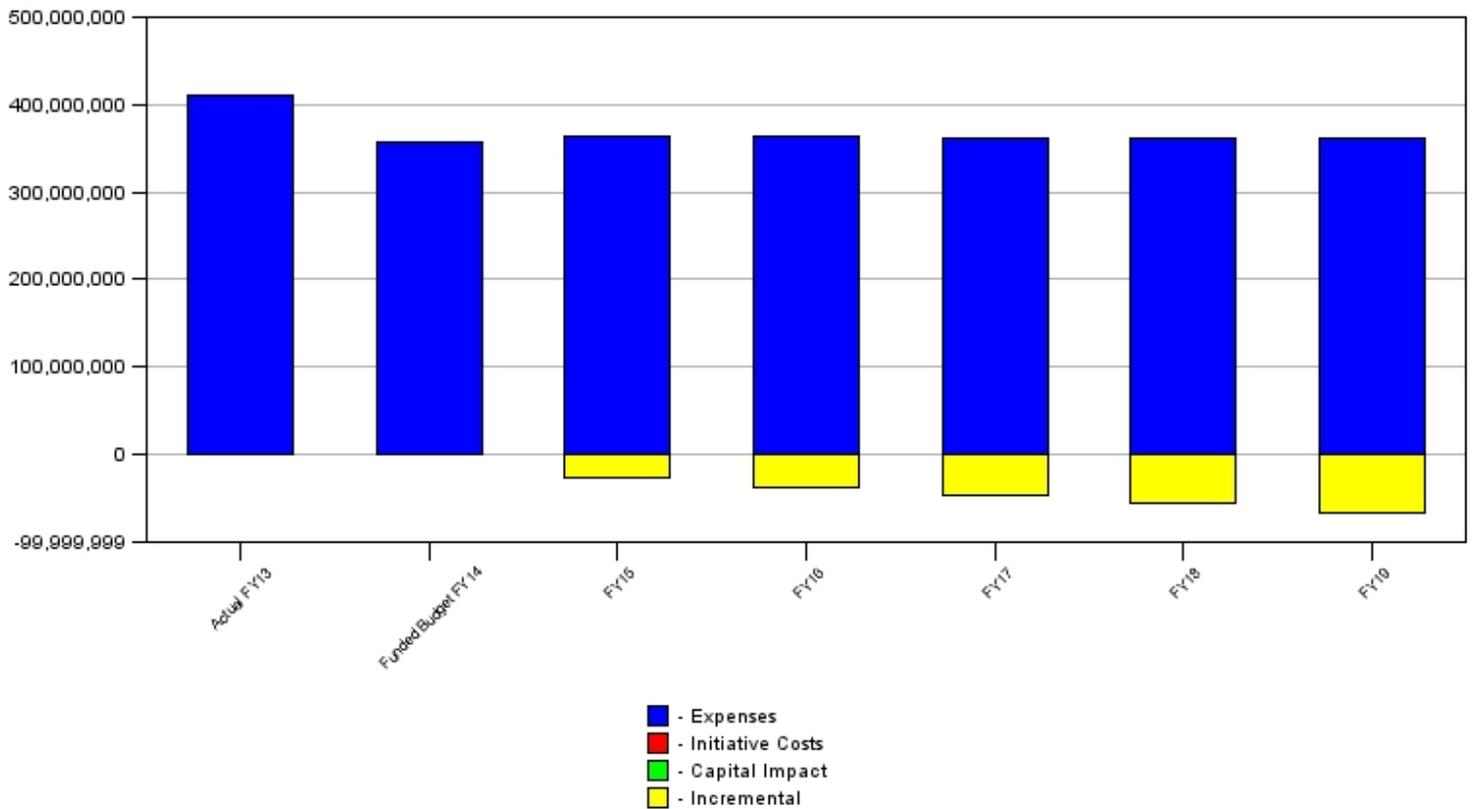
**CITY OF ATLANTA**  
**Department Of Watershed Management - Water & Wastewater Revenue Fund -**  
**Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13       | Funded Budget<br>FY14 | FY15                 | FY16                 | FY17                 | FY18                 | FY19                 | Total<br>Plan Years  |
|---------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses                        | \$139,665,543        | \$155,921,614         | \$149,672,193        | \$150,845,646        | \$151,787,130        | \$152,735,612        | \$153,749,830        | \$758,790,410        |
| Initiative Costs                | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Capital Impact                  | \$0                  | \$0                   | \$0                  | \$10,000             | \$10,000             | \$10,000             | \$0                  | \$30,000             |
| Incremental                     | \$0                  | \$0                   | \$3,189,179          | \$3,189,179          | \$3,189,179          | \$3,189,179          | \$3,189,179          | \$15,945,895         |
| <b>Total Projected Expenses</b> | <b>\$139,665,543</b> | <b>\$155,921,614</b>  | <b>\$152,861,372</b> | <b>\$154,044,825</b> | <b>\$154,986,309</b> | <b>\$155,934,791</b> | <b>\$156,939,009</b> | <b>\$774,766,305</b> |

The Water & Wastewater Revenue Fund was established to account for transactions associated with the operation, development, and maintenance of the City's expansive water and wastewater infrastructure system. The system's operations are financed primarily by user charges for water and wastewater services and Municipal Option Sales Tax. The Department of Watershed Management has implemented a department wide reorganization, which has streamlined operations and aligned similar functions. The departmental reorganization was executed with an overall goal of reducing operations and maintenance expenses. The variance is due to decreasing revenues from fiscal years 2015 through 2019, which the Department has attributed to a projected decline in consumption. Capital Impact amount is to provide funding for Streambank Project. Incremental funding is amount for contingencies per Department of Law.

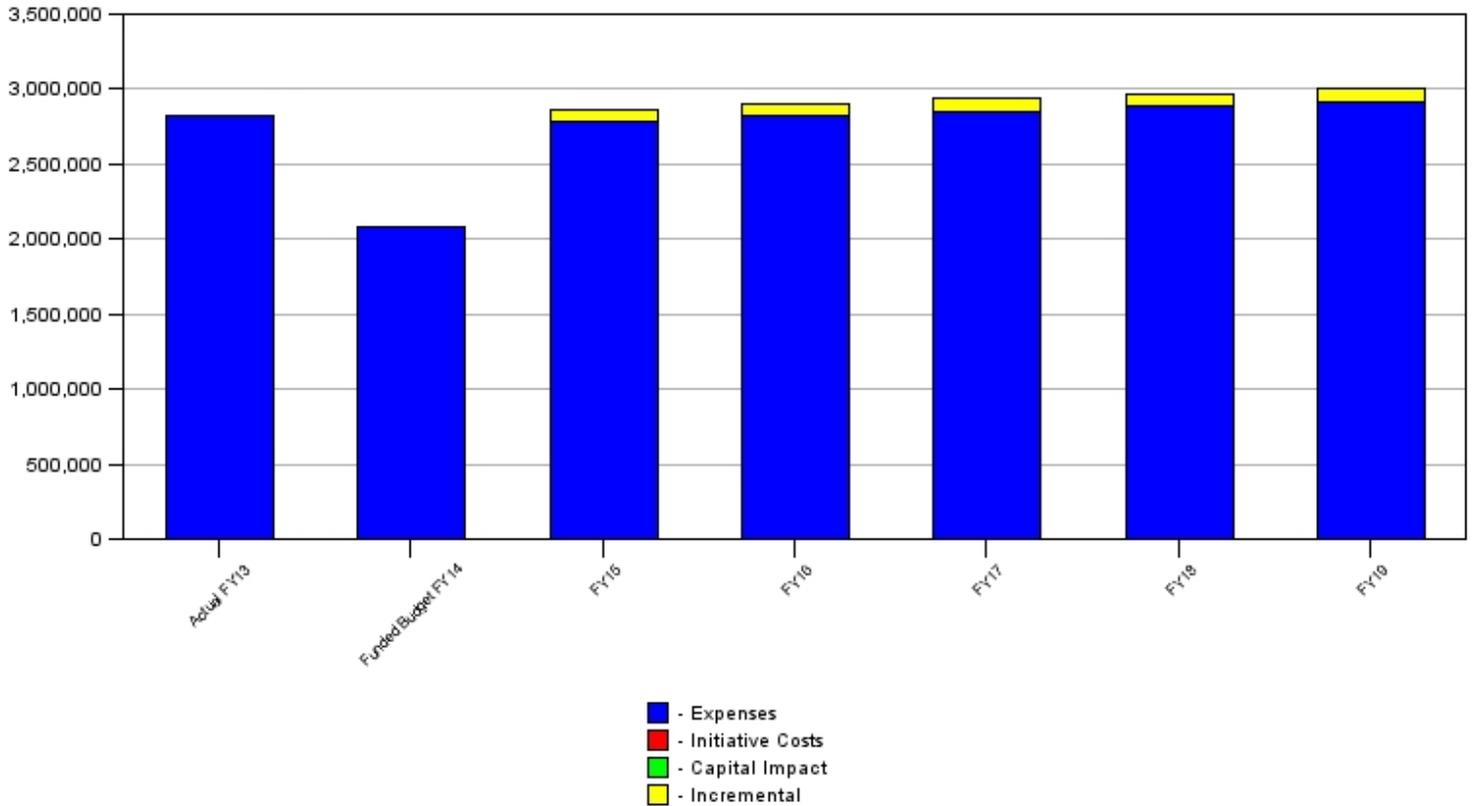
**CITY OF ATLANTA**  
**Non-Departmental - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13       | Funded Budget<br>FY14 | FY15                 | FY16                 | FY17                 | FY18                 | FY19                 | Total<br>Plan Years    |
|---------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| Expenses                        | \$411,406,555        | \$356,999,654         | \$363,963,014        | \$363,069,243        | \$362,359,155        | \$361,548,300        | \$360,711,707        | \$1,811,651,419        |
| Initiative Costs                | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                    |
| Capital Impact                  | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                    |
| Incremental                     | \$0                  | \$0                   | (\$25,532,467)       | (\$36,712,189)       | (\$45,919,884)       | (\$55,982,684)       | (\$65,743,950)       | (\$229,891,174)        |
| <b>Total Projected Expenses</b> | <b>\$411,406,555</b> | <b>\$356,999,654</b>  | <b>\$338,430,547</b> | <b>\$326,357,054</b> | <b>\$316,439,271</b> | <b>\$305,565,616</b> | <b>\$294,967,757</b> | <b>\$1,581,760,245</b> |

The FY15 Water & Wastewater Revenue Fund Non-Departmental budget of \$338M includes funding for expenditures not directly associated with the operations and maintenance of the department such as debt service on bonds and loans, fund-wide reserve, retiree benefits and payments to other governments. This reflects a \$19M or 6% decrease from FY14 due primarily to a reduction in fund-wide reserves.

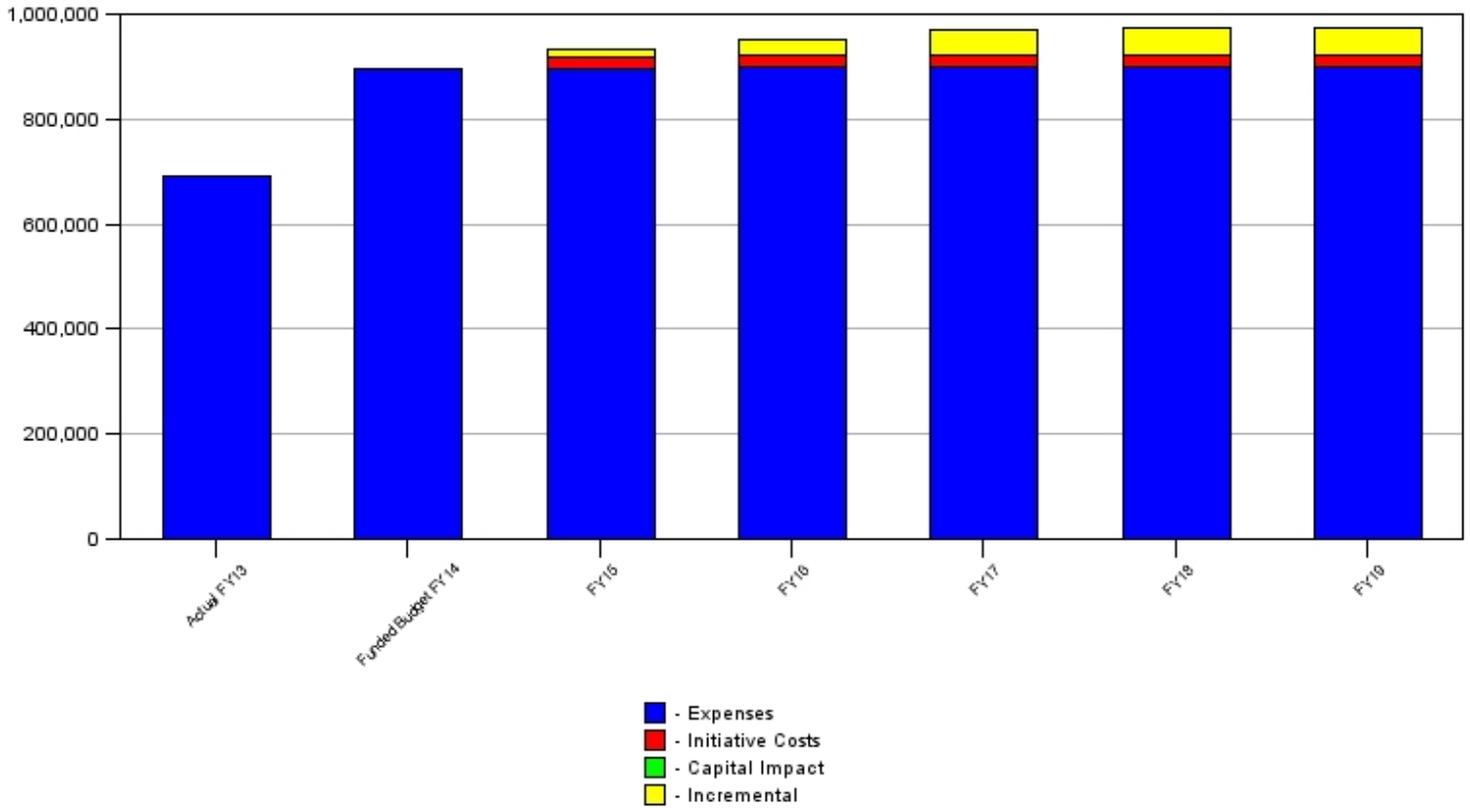
**CITY OF ATLANTA**  
**Department Of Human Resources - Water & Wastewater Revenue Fund -**  
**Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$2,823,435        | \$2,087,299           | \$2,786,270        | \$2,822,035        | \$2,852,641        | \$2,884,741        | \$2,920,069        | \$14,265,756        |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$81,959           | \$81,959           | \$81,959           | \$81,959           | \$81,959           | \$409,795           |
| <b>Total Projected Expenses</b> | <b>\$2,823,435</b> | <b>\$2,087,299</b>    | <b>\$2,868,229</b> | <b>\$2,903,994</b> | <b>\$2,934,600</b> | <b>\$2,966,700</b> | <b>\$3,002,028</b> | <b>\$14,675,551</b> |

The Department of Human Resources is committed to attracting, retaining and developing a diverse and competent workforce that enables City agencies to achieve their business needs. A portion of operating cost for Department of Human Resources is supported by the Water & Wastewater Revenue Fund. Within the next five years DHR plans to offer support for its staffed positions in this fund. The current five year plan is to keep these positions fully funded. This will allow the Department of Human Resources to continue supporting the strategic and administrative initiatives of Watershed. The incremental costs will cover Caduceus medical contract expenses and various HR related positions in fund.

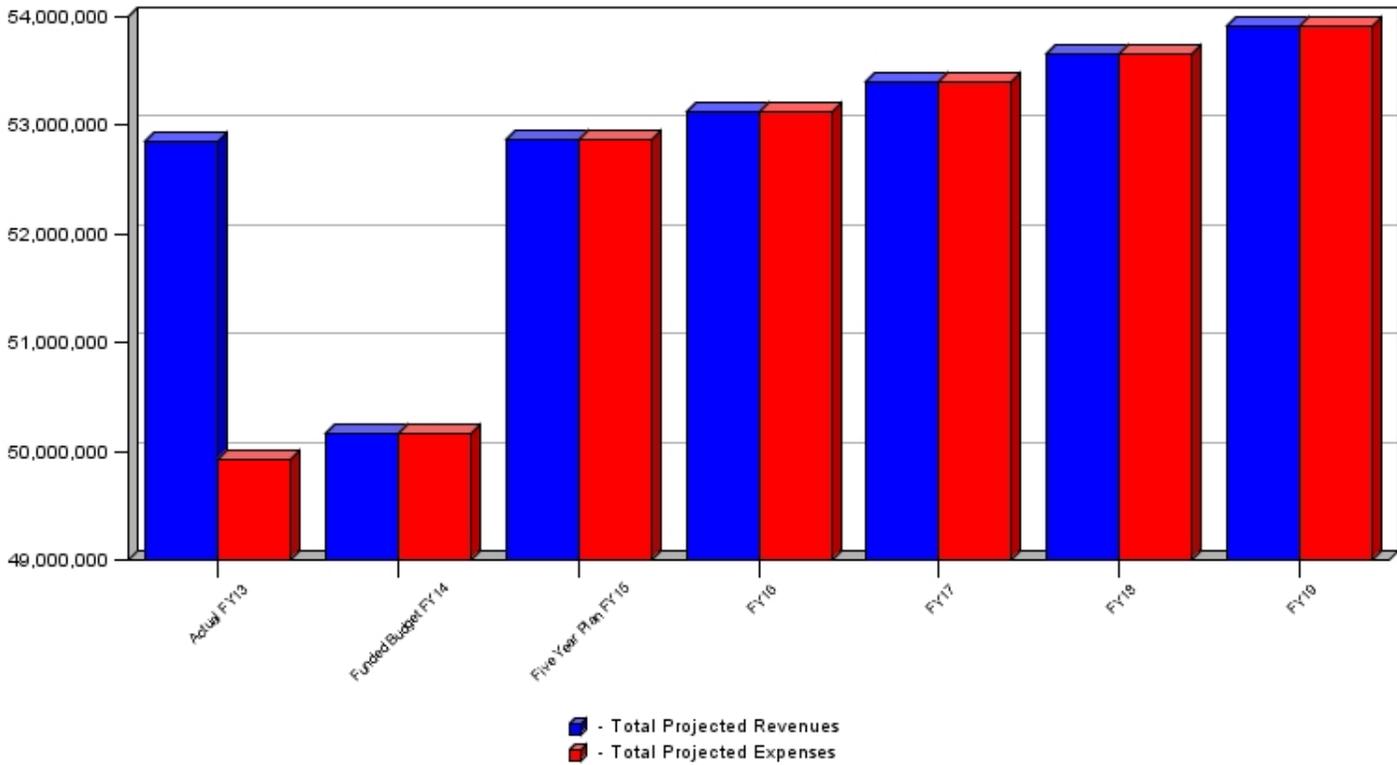
**CITY OF ATLANTA**  
**Department Of Audit - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$691,755        | \$896,547             | \$896,955        | \$898,016        | \$899,067        | \$900,127        | \$901,351        | \$4,495,515         |
| Initiative Costs                | \$0              | \$0                   | \$22,610         | \$22,610         | \$22,610         | \$22,610         | \$22,010         | \$112,450           |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$14,091         | \$32,446         | \$49,468         | \$49,468         | \$49,468         | \$194,941           |
| <b>Total Projected Expenses</b> | <b>\$691,755</b> | <b>\$896,547</b>      | <b>\$933,656</b> | <b>\$953,072</b> | <b>\$971,145</b> | <b>\$972,205</b> | <b>\$972,829</b> | <b>\$4,802,906</b>  |

The City Auditor's Office continues its efforts to strengthen the City's fiscal stability and control environment through incremental improvements in previously established priorities and implementation of one new initiative. Incremental Improvements: Continue to recruit and retain talent by rewarding staff who achieve professional certifications related to audit, accounting, information systems, and fraud examination; expand the use of interns to support audit staff and to develop recruitment pathways; and budget appropriately for the City's annual financial audit and other audits requiring specialized expertise. Initiative: Develop department's capability to conduct financial investigations that grow out of Integrity Line complaints and the Continuous Audit analysis. The City Auditor's Office will hire an investigation manager to review and investigate complaints with financial implications and continuous audit results that indicate risk of fraud, waste, or abuse.

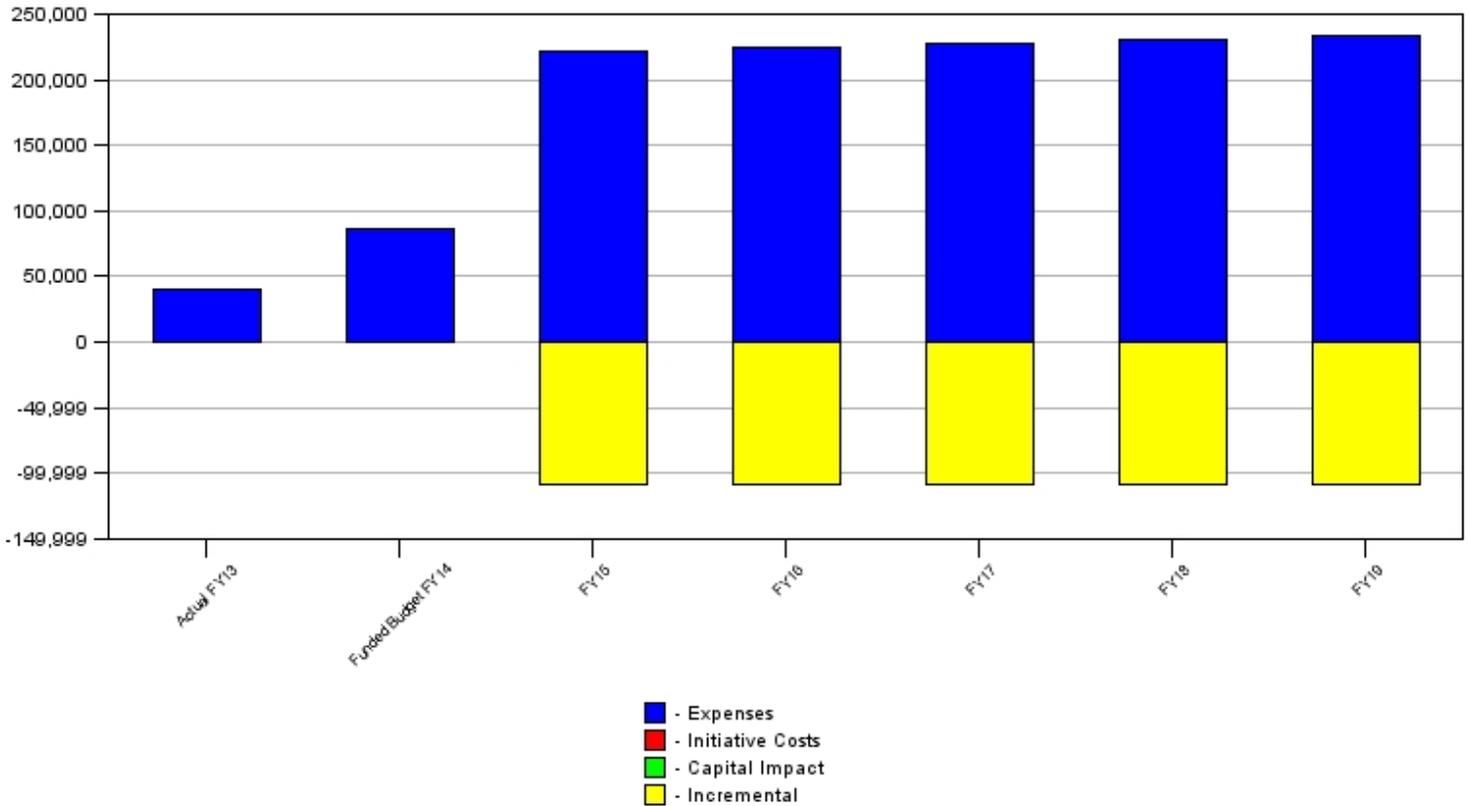
**CITY OF ATLANTA**  
**Solid Waste Services Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15         | FY16         | Five Year Plan |              |              | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|--------------|--------------|----------------|--------------|--------------|---------------------|
| Total Projected Revenues      | \$52,847,986   | \$50,156,365          | \$52,872,547 | \$53,131,910 | \$53,392,570   | \$53,654,533 | \$53,917,805 | \$266,969,365       |
| Expenses                      | \$49,916,228   | \$50,156,365          | \$52,949,514 | \$53,208,877 | \$53,469,539   | \$53,731,501 | \$53,994,773 | \$267,354,204       |
| Initiative Costs              | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$0                 |
| Capital Impact                | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$0                 |
| Incremental                   | \$0            | \$0                   | (\$76,968)   | (\$76,968)   | (\$76,968)     | (\$76,968)   | (\$76,968)   | (\$384,840)         |
| Total Projected Expenses      | \$49,916,228   | \$50,156,365          | \$52,872,546 | \$53,131,909 | \$53,392,571   | \$53,654,533 | \$53,917,805 | \$266,969,364       |
| Revenues Over(Under) Expenses | \$2,931,758    | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$1                 |
| Variance %                    | 6%             | 0%                    | 0%           | 0%           | 0%             | 0%           | 0%           | 0%                  |

The primary services provided by Solid Waste Services are refuse collection and disposal, residential recycling, yard trimmings, bulk rubbish collection, and street sweeping. Solid Waste is responsible for the collection and disposal management of solid waste within the City of Atlanta. Over the next five years revenues are anticipated to increase slightly. Incremental cost decrease is mainly related to personnel adjustments for split funded positions not allocated properly in the five year period for the Executive Office.

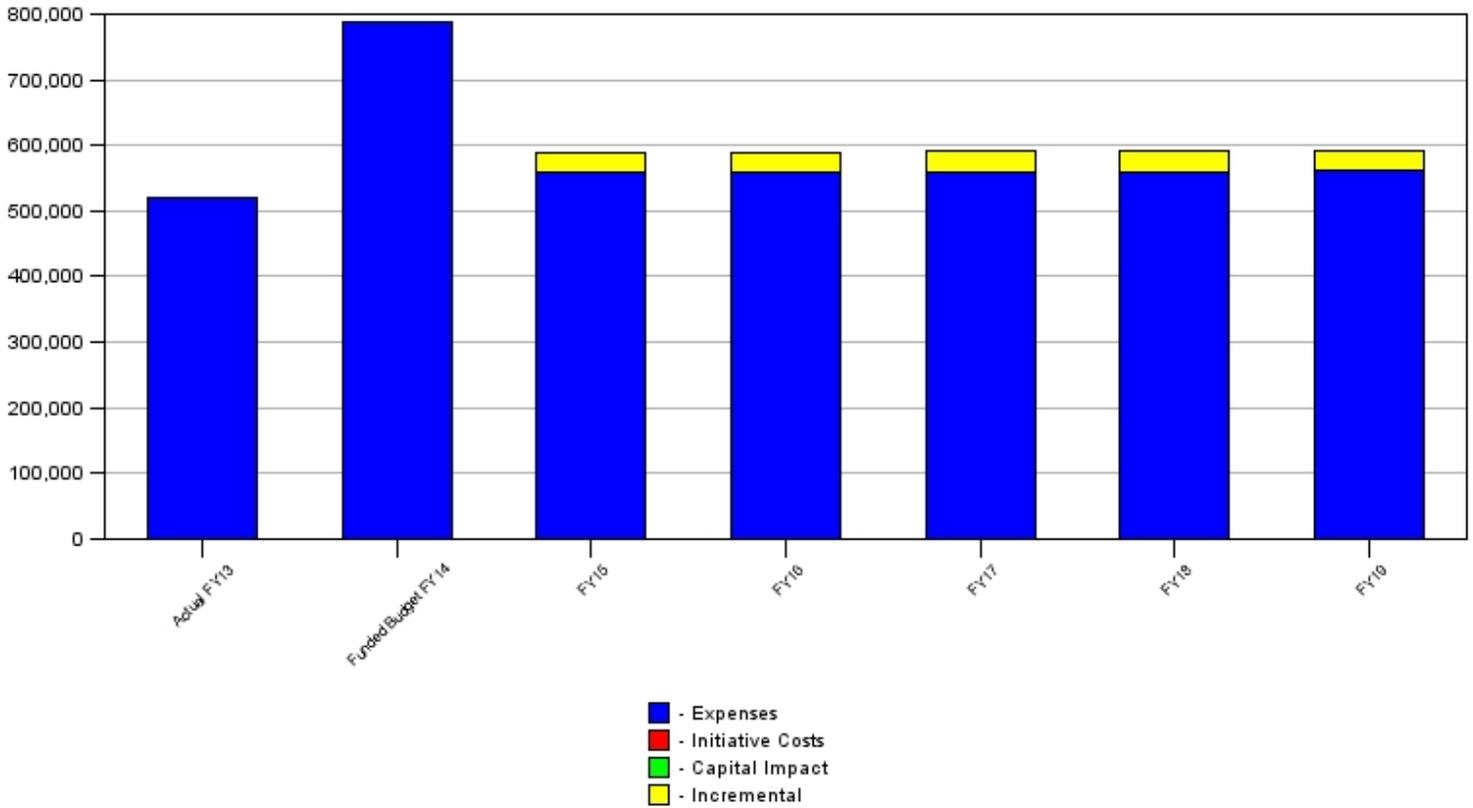
**CITY OF ATLANTA**  
**Executive Offices - Solid Waste Services Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13  | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|-----------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$40,653        | \$87,030              | \$222,099        | \$225,401        | \$228,175        | \$231,102        | \$234,289        | \$1,141,066         |
| Initiative Costs                | \$0             | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0             | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0             | \$0                   | (\$107,714)      | (\$107,714)      | (\$107,714)      | (\$107,714)      | (\$107,714)      | (\$538,570)         |
| <b>Total Projected Expenses</b> | <b>\$40,653</b> | <b>\$87,030</b>       | <b>\$114,385</b> | <b>\$117,687</b> | <b>\$120,461</b> | <b>\$123,388</b> | <b>\$126,575</b> | <b>\$602,496</b>    |

The Solid Waste Service Revenue Fund provides funding to divisions within the Executive Offices that service departments within Solid Waste. The 311 Call Center currently has fulltime positions that are funded at a certain percentage within the Solid Waste Service Revenue Fund. Adjustment to this percentage was necessary to bring funded positions back in line to properly reflect salaries and benefits for the FY 2015 budget.

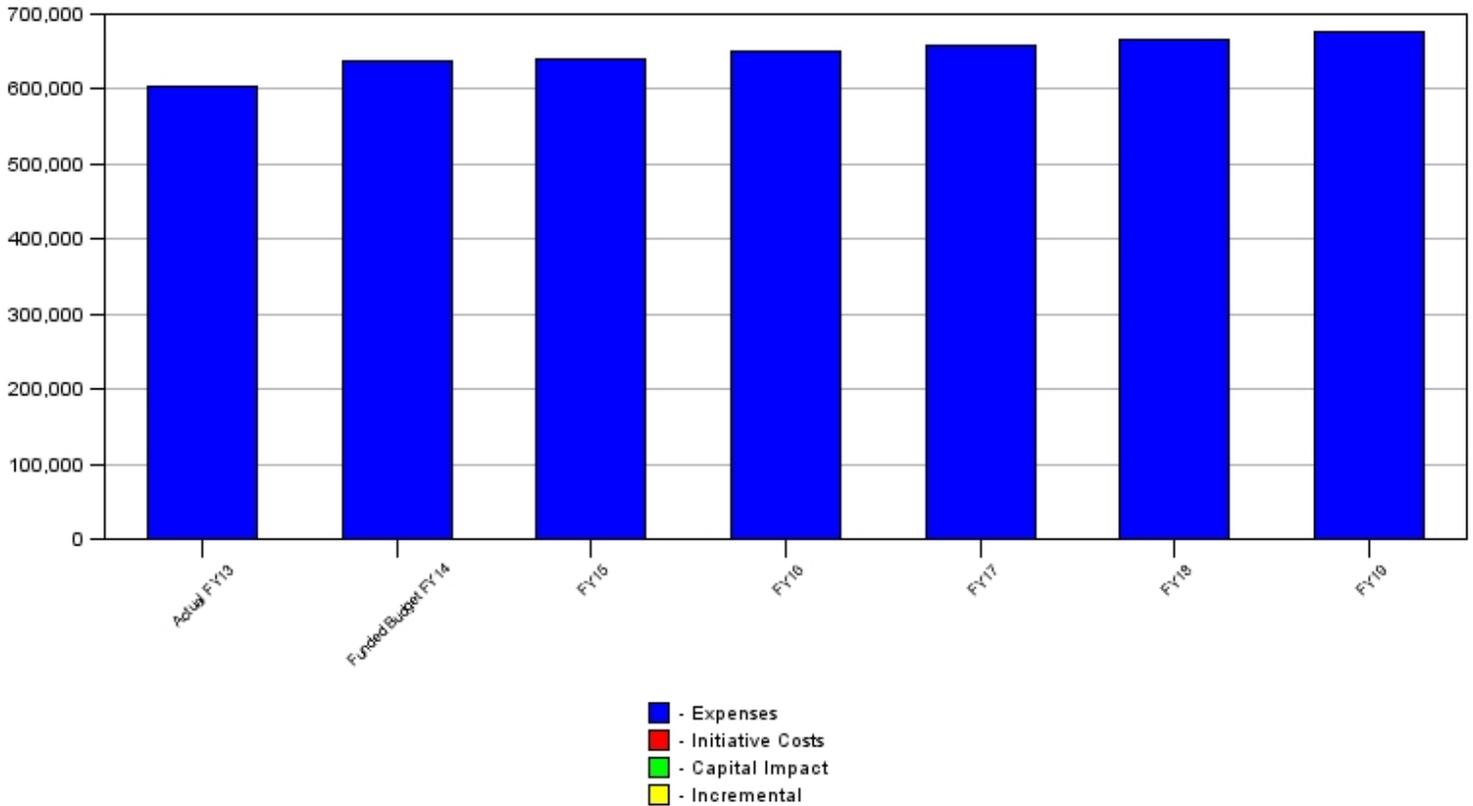
**CITY OF ATLANTA**  
**Department Of Information Technology - Solid Waste Services Revenue Fund -**  
**Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$521,228        | \$787,932             | \$558,312        | \$559,139        | \$559,849        | \$560,593        | \$561,413        | \$2,799,307         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$30,746         | \$30,746         | \$30,746         | \$30,746         | \$30,746         | \$153,730           |
| <b>Total Projected Expenses</b> | <b>\$521,228</b> | <b>\$787,932</b>      | <b>\$589,058</b> | <b>\$589,885</b> | <b>\$590,595</b> | <b>\$591,339</b> | <b>\$592,159</b> | <b>\$2,953,037</b>  |

The Solid Waste Services Revenue Fund under the Department of Information Technology is currently being used to support the inception of the 311 Center and E-Discovery Tool for the City of Atlanta. As per the five year plan, the funds will be used for personnel that will support the 311 Center. Incremental Costs include full funding for vacant position that is planned to be filled.

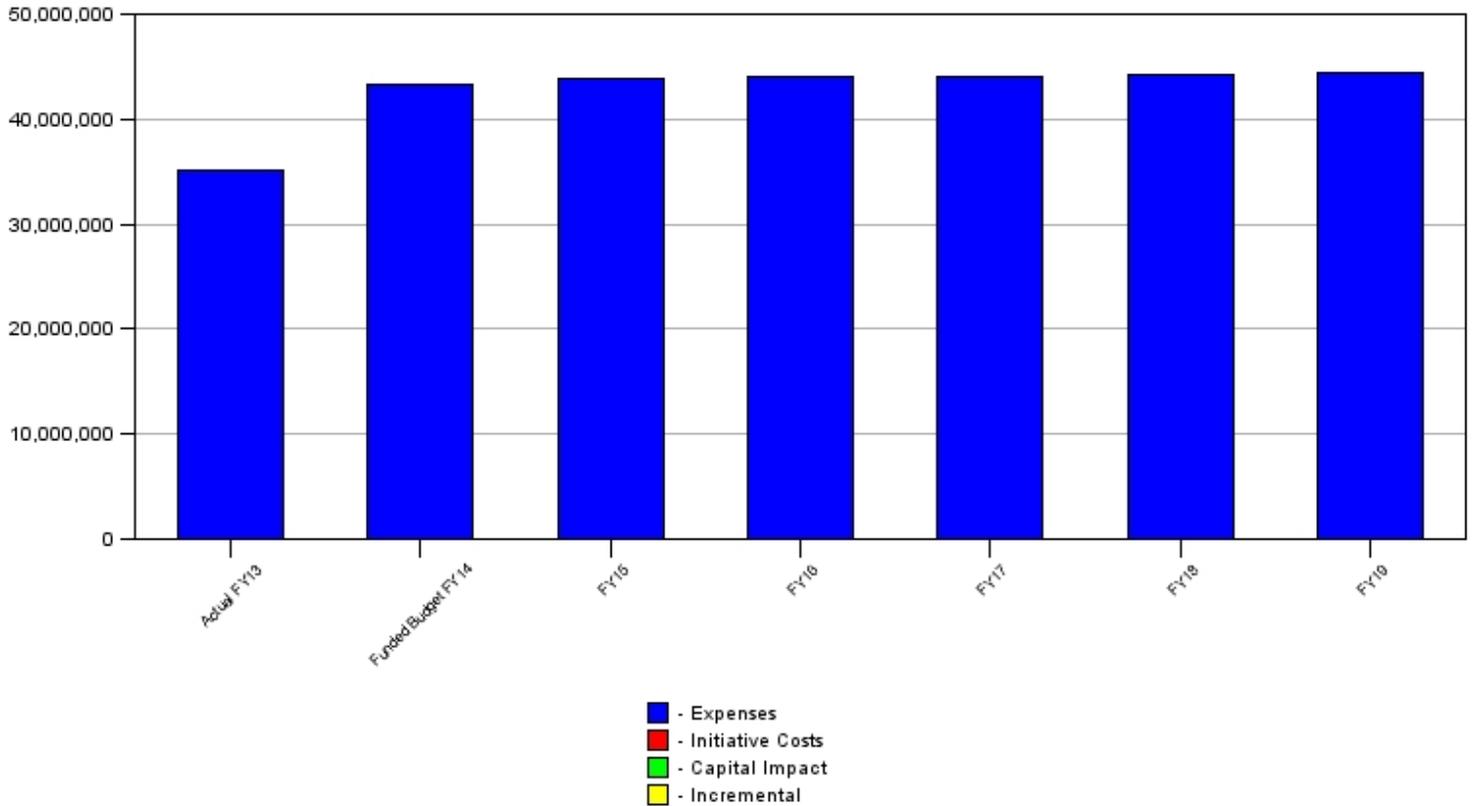
**CITY OF ATLANTA**  
**Department Of Finance - Solid Waste Services Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$603,984        | \$636,899             | \$639,838        | \$649,748        | \$658,230        | \$667,116        | \$676,939        | \$3,291,870         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| <b>Total Projected Expenses</b> | <b>\$603,984</b> | <b>\$636,899</b>      | <b>\$639,838</b> | <b>\$649,748</b> | <b>\$658,230</b> | <b>\$667,116</b> | <b>\$676,939</b> | <b>\$3,291,870</b>  |

The Department of Finance manages and accounts for the City's financial resources. This department prepares and monitors the annual budget, invests city funds to protect assets, maintains fiscal liquidity and maximizes income in compliance with all governing financial and accounting laws. The operational expenses cover daily activities.

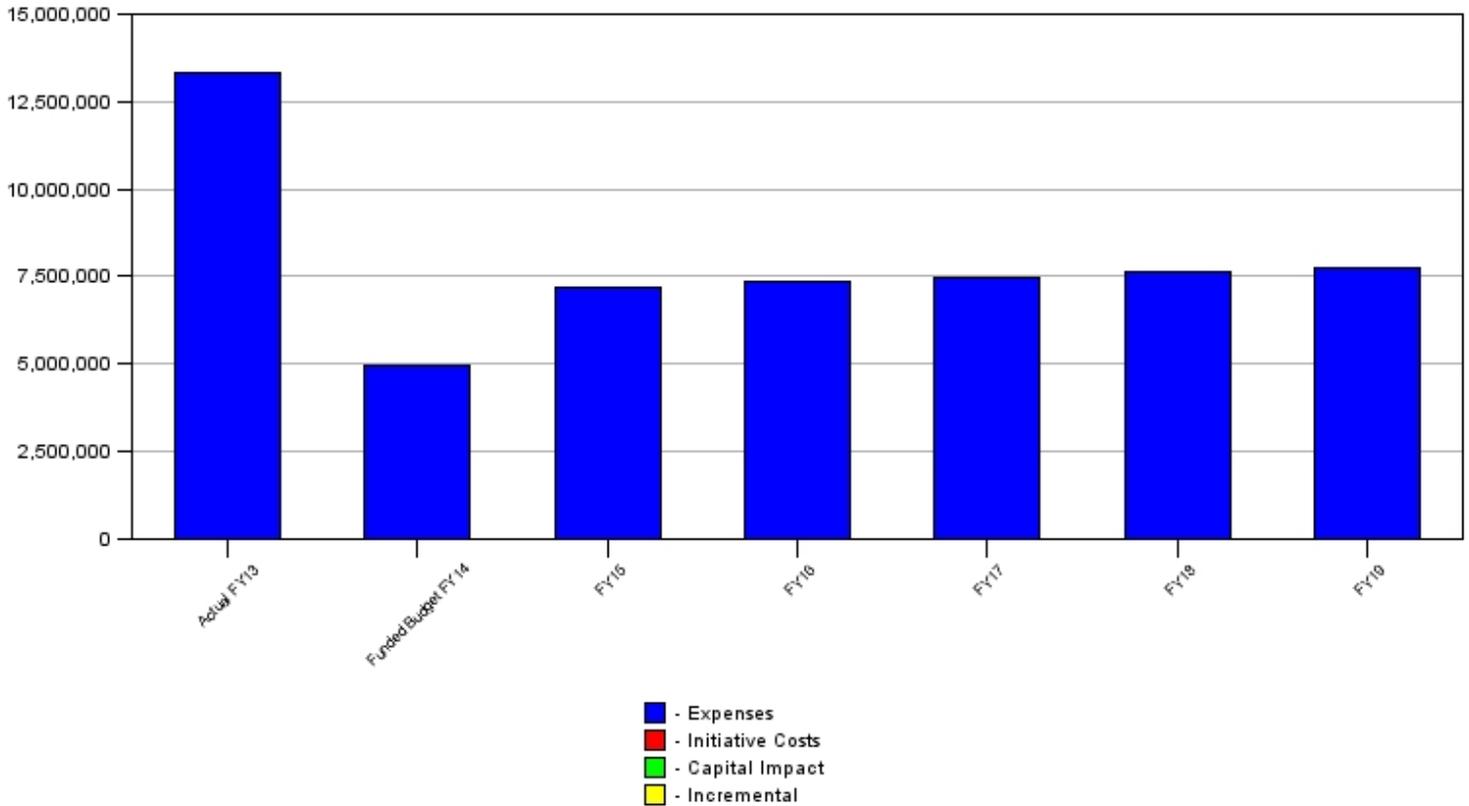
**CITY OF ATLANTA**  
**Department Of Public Works - Solid Waste Services Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years  |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Expenses                        | \$35,190,041        | \$43,227,639          | \$43,919,341        | \$44,021,943        | \$44,124,534        | \$44,250,826        | \$44,346,684        | \$220,663,327        |
| Initiative Costs                | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Capital Impact                  | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Incremental                     | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| <b>Total Projected Expenses</b> | <b>\$35,190,041</b> | <b>\$43,227,639</b>   | <b>\$43,919,341</b> | <b>\$44,021,943</b> | <b>\$44,124,534</b> | <b>\$44,250,826</b> | <b>\$44,346,684</b> | <b>\$220,663,327</b> |

The Department of Public Works is responsible for waste reduction and recycling; landfill post-closure management; solid waste management and assisting with city-wide emergency operations. Operating expenses are projected to slightly increase over the next five years.

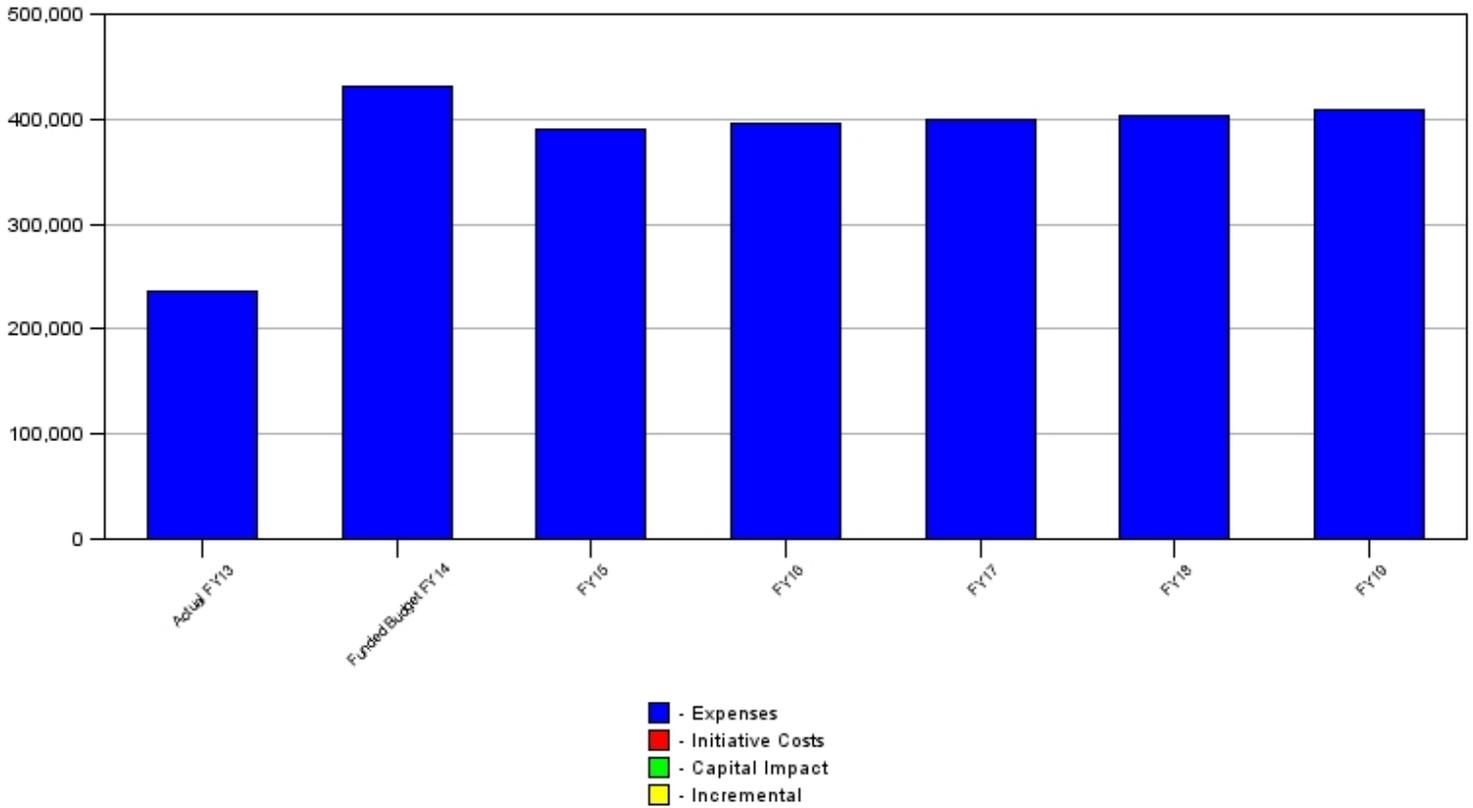
**CITY OF ATLANTA**  
**Non-Departmental - Solid Waste Services Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$13,324,890        | \$4,984,731           | \$7,218,897        | \$7,356,957        | \$7,498,859        | \$7,617,630        | \$7,766,333        | \$37,458,674        |
| Initiative Costs                | \$0                 | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                 | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                 | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| <b>Total Projected Expenses</b> | <b>\$13,324,890</b> | <b>\$4,984,731</b>    | <b>\$7,218,897</b> | <b>\$7,356,957</b> | <b>\$7,498,859</b> | <b>\$7,617,630</b> | <b>\$7,766,333</b> | <b>\$37,458,674</b> |

Non-Departmental Solid Waste is used to account for expenditures not directly associated with the operations and maintenance of the department such as debt service on bonds and loans, fund-wide reserve, retiree benefits and payments to other governments. The increase over the next five years is due to rising indirect costs and fund wide reserves.

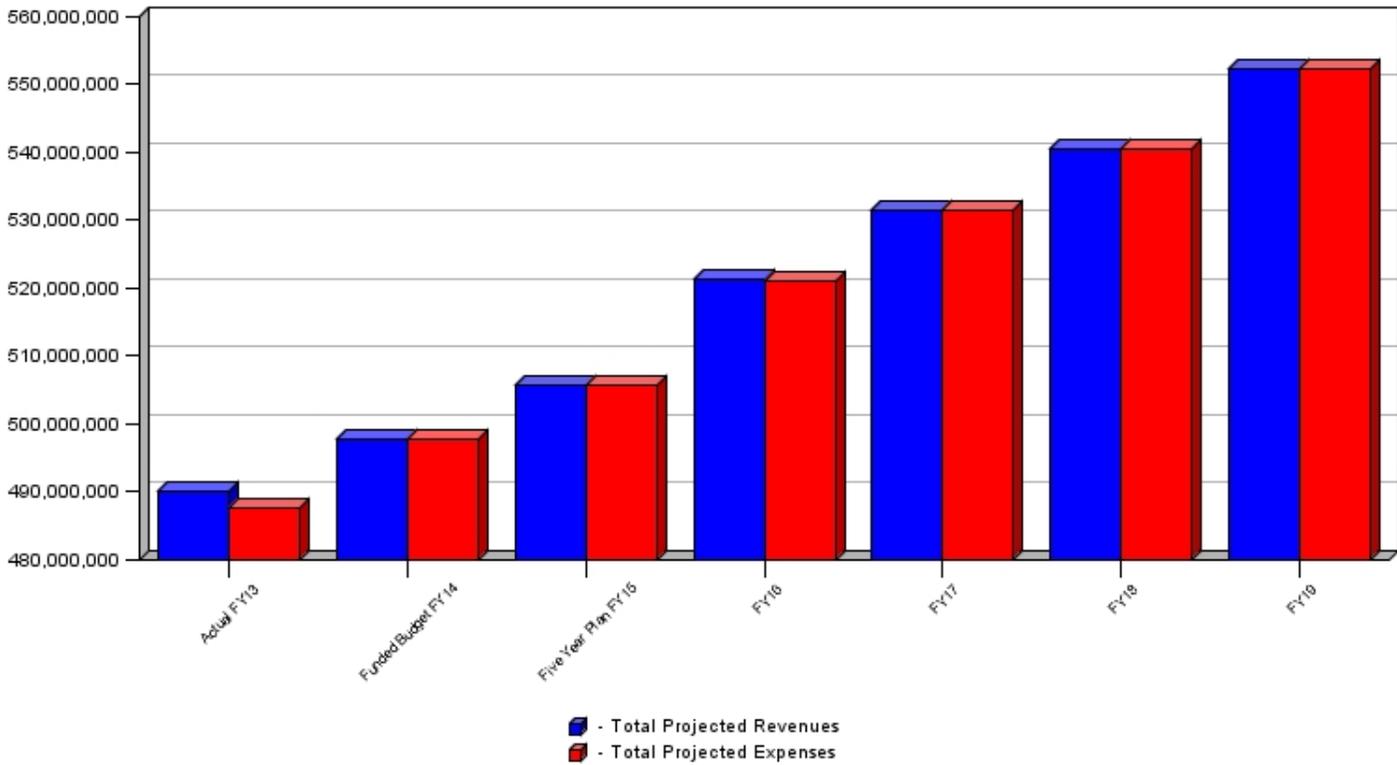
**CITY OF ATLANTA**  
**Department Of Human Resources - Solid Waste Services Revenue Fund -**  
**Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$235,431        | \$432,134             | \$391,029        | \$395,690        | \$399,893        | \$404,234        | \$409,114        | \$1,999,960         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| <b>Total Projected Expenses</b> | <b>\$235,431</b> | <b>\$432,134</b>      | <b>\$391,029</b> | <b>\$395,690</b> | <b>\$399,893</b> | <b>\$404,234</b> | <b>\$409,114</b> | <b>\$1,999,960</b>  |

The Department of Human Resources is committed to attracting, retaining and developing a diverse and competent workforce that enables City agencies to achieve their business needs. A portion of operating cost for Department of Human Resources is supported by the Solid Waste Services Fund. Within the next five years DHR plans to offer support for its staffed positions in this fund. The objective is to keep these positions fully funded with benefits.

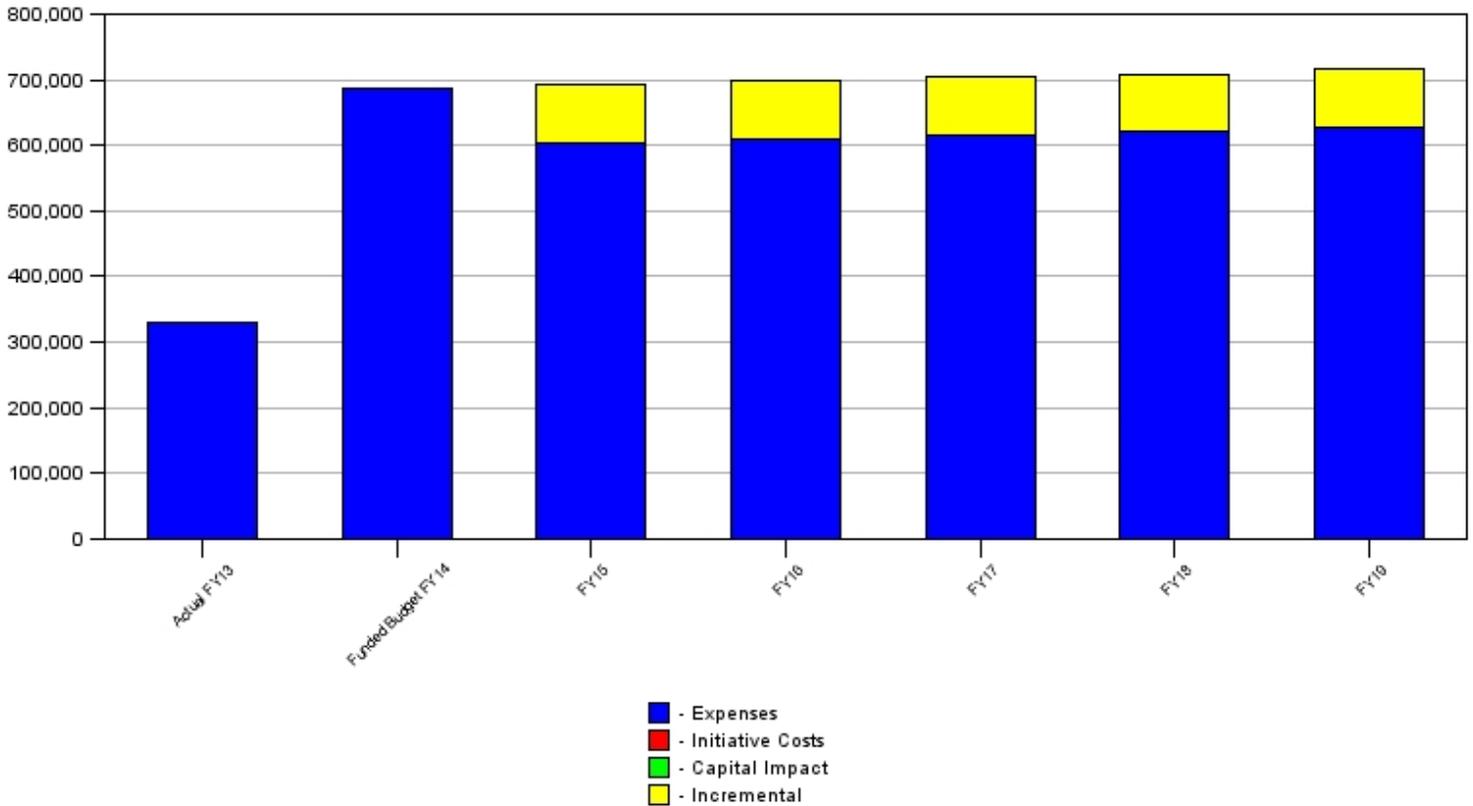
**CITY OF ATLANTA**  
**Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15          | FY16          | Five Year Plan |               |               | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|---------------|---------------|----------------|---------------|---------------|---------------------|
| Total Projected Revenues      | \$490,047,829  | \$497,694,024         | \$505,822,796 | \$521,232,937 | \$531,522,129  | \$540,446,485 | \$552,197,986 | \$2,651,222,332     |
| Expenses                      | \$487,707,423  | \$497,694,024         | \$495,313,411 | \$495,483,912 | \$495,617,955  | \$495,741,832 | \$495,867,773 | \$2,478,024,882     |
| Initiative Costs              | \$0            | \$0                   | \$189,277     | \$189,277     | \$189,277      | \$188,977     | \$189,277     | \$946,085           |
| Capital Impact                | \$0            | \$0                   | \$0           | \$0           | \$0            | \$0           | \$0           | \$0                 |
| Incremental                   | \$0            | \$0                   | \$10,319,742  | \$25,559,381  | \$35,714,530   | \$44,515,309  | \$56,140,569  | \$172,249,531       |
| Total Projected Expenses      | \$487,707,423  | \$497,694,024         | \$505,822,430 | \$521,232,570 | \$531,521,762  | \$540,446,118 | \$552,197,619 | \$2,651,220,498     |
| Revenues Over(Under) Expenses | \$2,340,406    | \$0                   | \$367         | \$367         | \$367          | \$367         | \$367         | \$1,835             |
| Variance %                    | 0%             | 0%                    | 0%            | 0%            | 0%             | 0%            | 0%            | 0%                  |

Hartsfield-Jackson Atlanta International Airport's mission is to provide the Atlanta region a safe, secure and cost-competitive gateway to the world that drives economic development, operates with the highest level of efficiency, and exercises fiscal and environmental responsibility. The Airport Revenue Fund will increase 10% over the five year period. Overall, operating expenses will remain virtually flat and reserves are forecasted to be 20% of projected budgets with an average increase of 2% per year. Incremental cost (\$172MM) relates to additional personnel and contractual service (\$96MM) for the Department of Aviation, Interest payments (\$69MM) related to General Airport Revenue Bond (GARB) and potential legal challenges (\$6MM) related to Advertising Services bids. Initiative cost for the Departments of Procurement and Audit, outlined in the five year plan allows for additional supportive personnel positions.

**CITY OF ATLANTA**  
**Executive Offices - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**

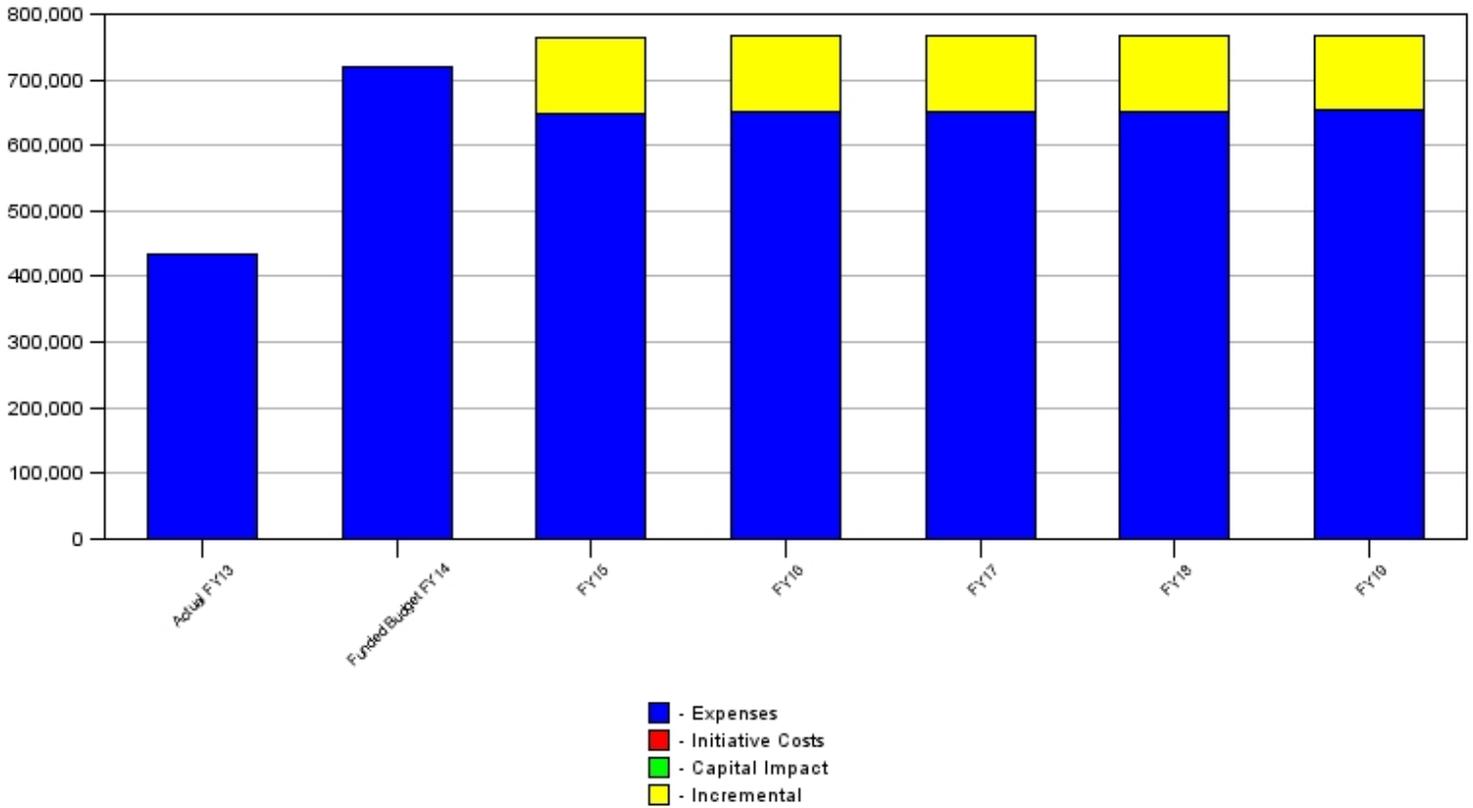


|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$329,809        | \$688,202             | \$603,613        | \$609,712        | \$615,344        | \$621,119        | \$627,691        | \$3,077,480         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$88,147         | \$88,147         | \$88,147         | \$88,147         | \$88,147         | \$440,735           |
| <b>Total Projected Expenses</b> | <b>\$329,809</b> | <b>\$688,202</b>      | <b>\$691,760</b> | <b>\$697,859</b> | <b>\$703,491</b> | <b>\$709,266</b> | <b>\$715,838</b> | <b>\$3,518,215</b>  |

The Airport Revenue Fund provides funding to divisions within the Executive Offices that service departments within the Department of Aviation. Currently the divisions within the Executives offices that provide service support to the Department of Aviation are the new 311 Call Center and Contract Compliance. These divisions currently have full-time positions that are funded at various percentages within the Airport Revenue Fund. Adjustments to these percentages are necessary to bring funded positions back in line to properly reflect salaries and benefits for the FY2015 budget.

# CITY OF ATLANTA

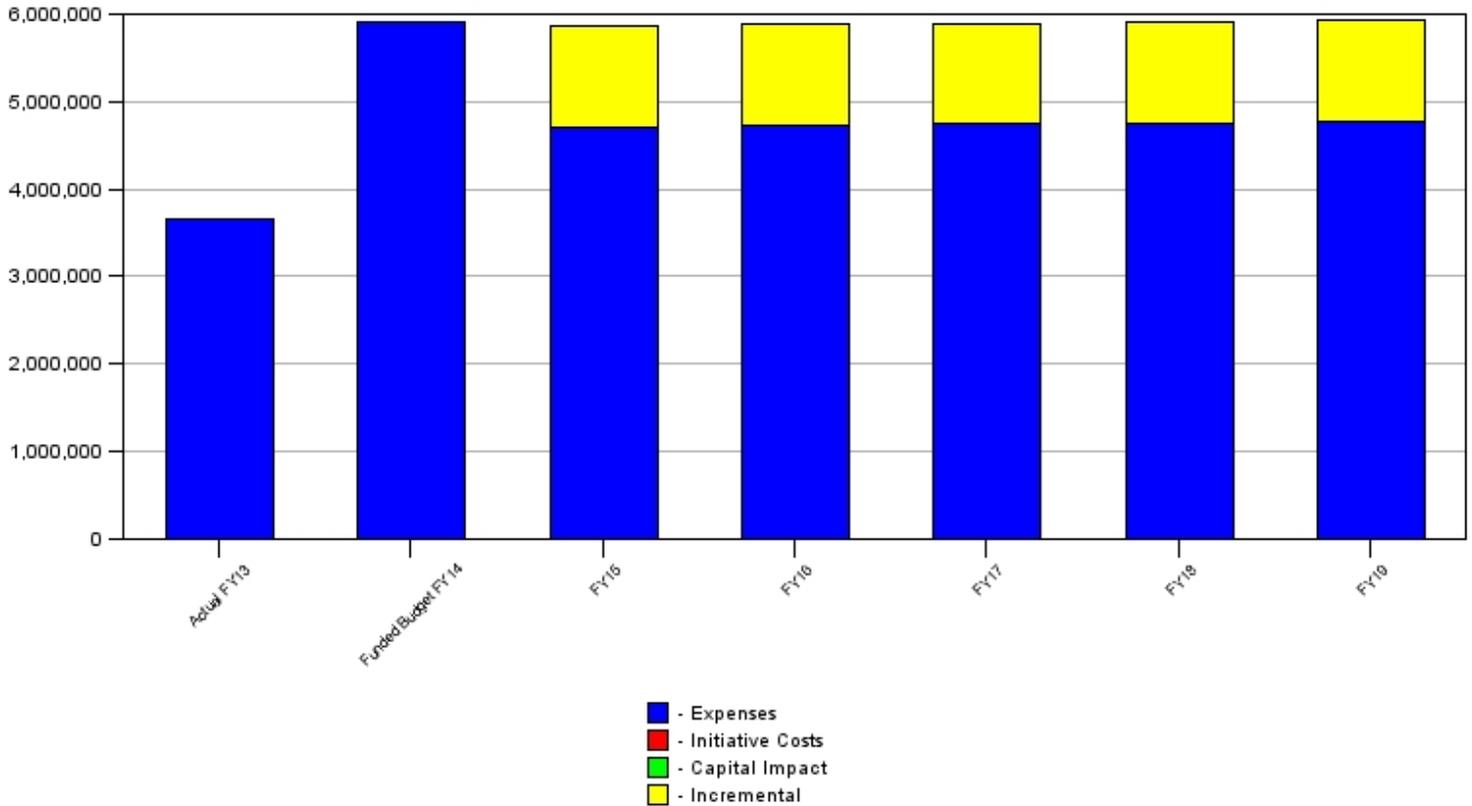
## Department Of Information Technology - Airport Revenue Fund - Five Year Plan Fiscal Years FY15 - FY19



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$434,813        | \$719,337             | \$649,675        | \$650,564        | \$651,387        | \$652,231        | \$653,190        | \$3,257,047         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$115,263        | \$115,263        | \$115,263        | \$115,263        | \$115,263        | \$576,315           |
| <b>Total Projected Expenses</b> | <b>\$434,813</b> | <b>\$719,337</b>      | <b>\$764,938</b> | <b>\$765,827</b> | <b>\$766,650</b> | <b>\$767,494</b> | <b>\$768,453</b> | <b>\$3,833,362</b>  |

The Airport Revenue Fund under the Department of Information Technology is currently being used to support the inception of the 311 Center and E-Discovery Tool for the City of Atlanta. As per the five year plan, the funds will be used for personnel that will support the 311 Center. The Incremental Costs include full funding for vacant position that is planned to be filled as well as the new Public Relations Manager position.

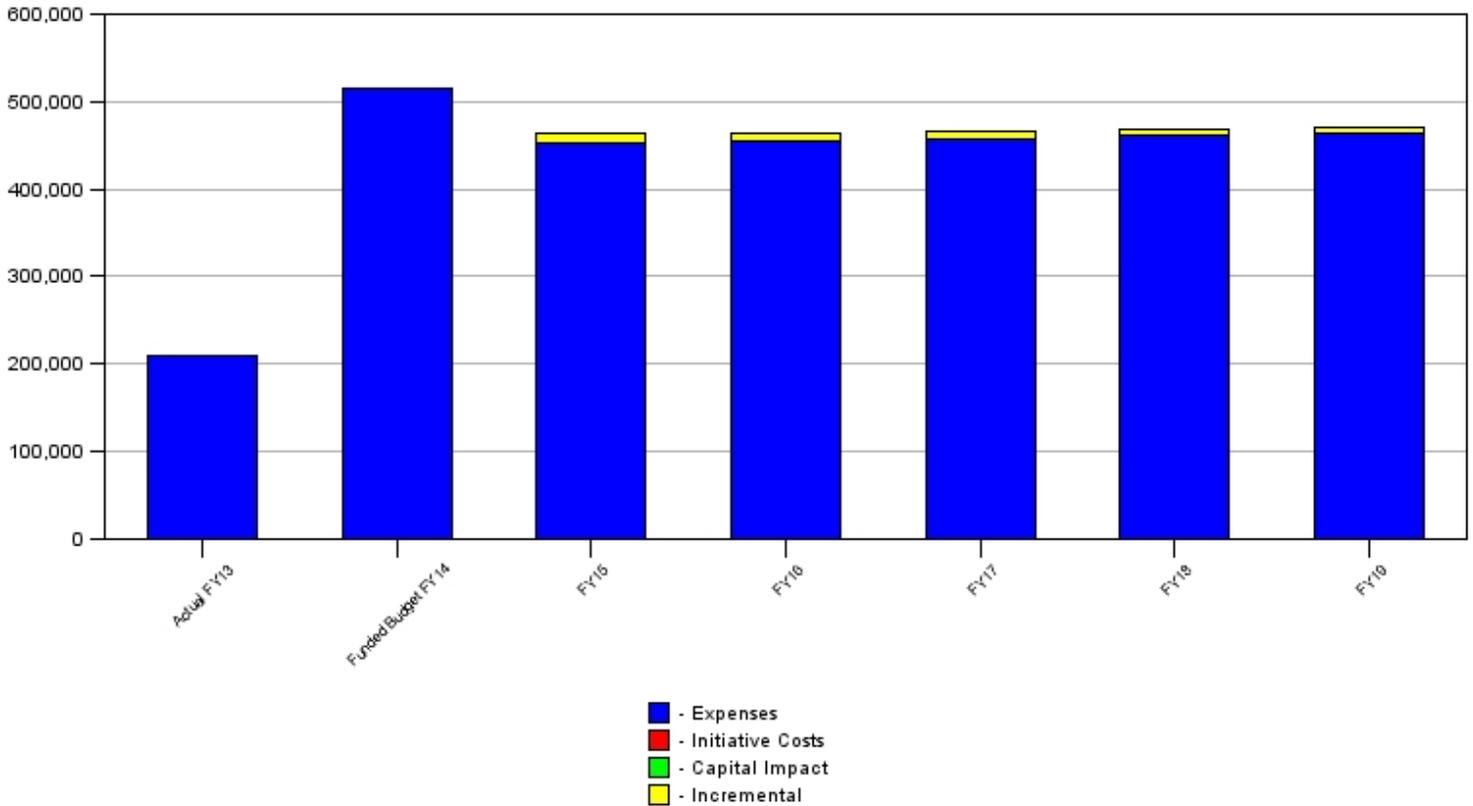
**CITY OF ATLANTA**  
**Department Of Law - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$3,650,526        | \$5,915,180           | \$4,714,700        | \$4,729,638        | \$4,742,867        | \$4,756,616        | \$4,771,908        | \$23,715,729        |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$1,151,061        | \$1,151,061        | \$1,151,061        | \$1,151,061        | \$1,151,061        | \$5,755,305         |
| <b>Total Projected Expenses</b> | <b>\$3,650,526</b> | <b>\$5,915,180</b>    | <b>\$5,865,761</b> | <b>\$5,880,699</b> | <b>\$5,893,928</b> | <b>\$5,907,677</b> | <b>\$5,922,969</b> | <b>\$29,471,034</b> |

The Law Department is a team of professionals committed to providing best in-class legal representation to the City of Atlanta. In addition to defending the City in all types of civil litigation, we work proactively to prevent legal challenges by delivering sound advice, legislation and training. The Department of Aviation will seek bids from qualified bidders for advertising services and additional airport concession offerings. As a result, incremental funding is necessary to defend the City and to bring funded positions back in line to properly reflect budgeted salaries over the next five years.

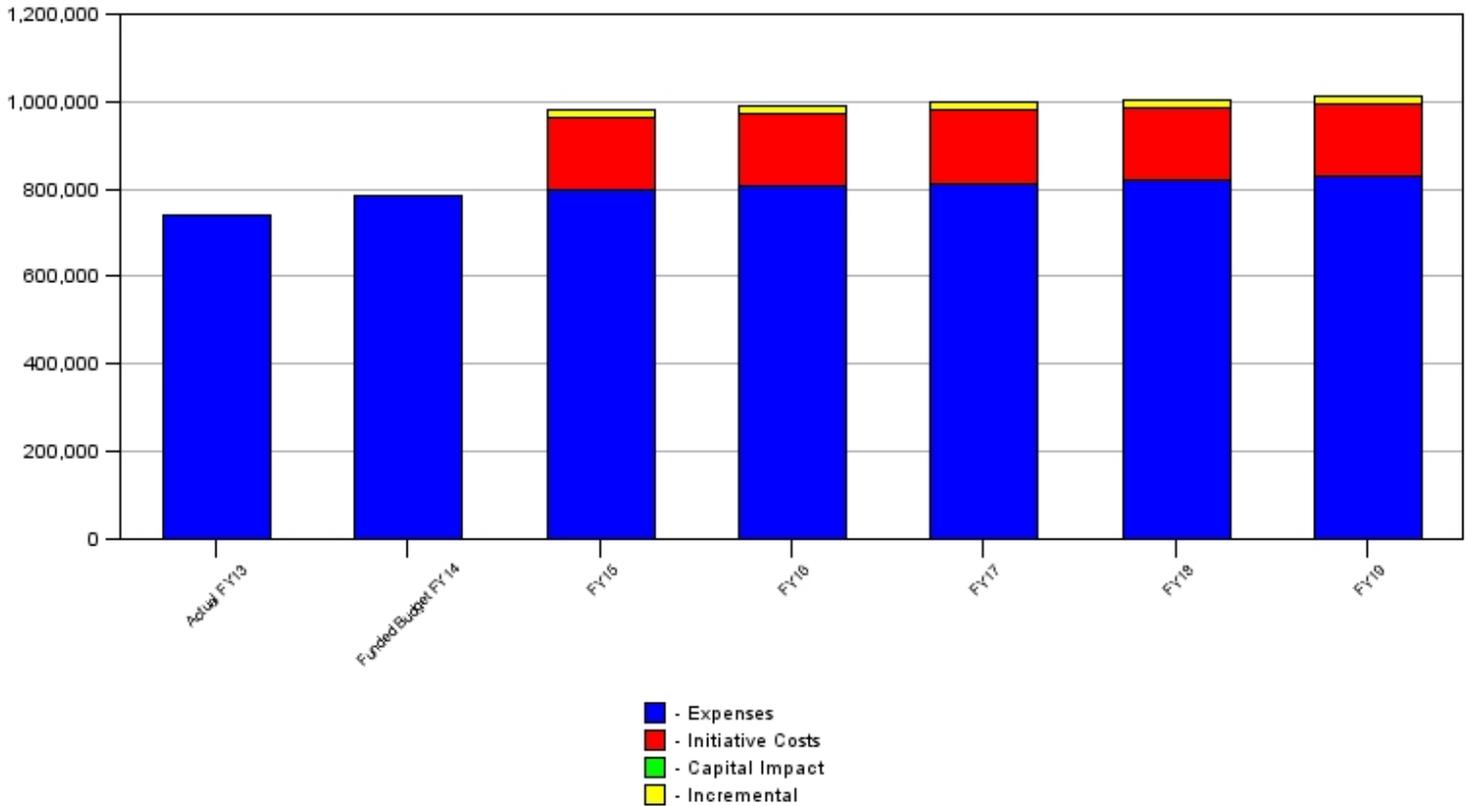
**CITY OF ATLANTA**  
**Department Of Finance - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$210,142        | \$516,265             | \$452,714        | \$455,638        | \$458,218        | \$460,899        | \$463,889        | \$2,291,359         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$10,362         | \$7,417          | \$7,417          | \$7,417          | \$7,417          | \$40,030            |
| <b>Total Projected Expenses</b> | <b>\$210,142</b> | <b>\$516,265</b>      | <b>\$463,076</b> | <b>\$463,055</b> | <b>\$465,635</b> | <b>\$468,316</b> | <b>\$471,306</b> | <b>\$2,331,389</b>  |

The Department of Finance manages and accounts for the City's financial resources. This department prepares and monitors the annual budget, invests city funds to protect assets, maintains fiscal liquidity and maximizes income in compliance with all governing financial and accounting laws. Incremental changes such as upgrades and maintenance to DBC, SymPro and Bloomberg software will drive process improvement within the department and increase efficiency, which will also benefit Citywide processes.

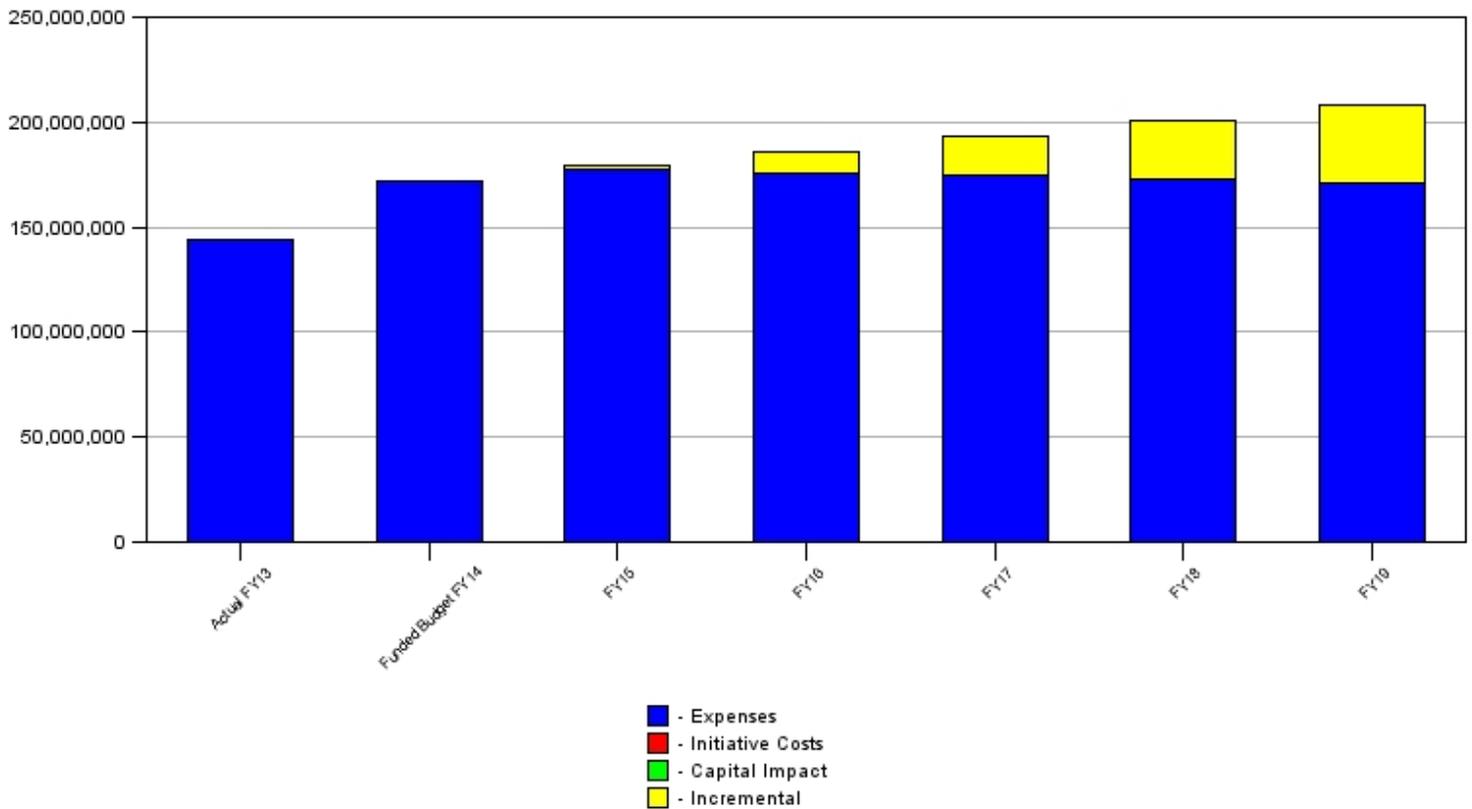
**CITY OF ATLANTA**  
**Department Of Procurement - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$739,995        | \$783,438             | \$797,437        | \$806,043        | \$813,841        | \$820,706          | \$829,638          | \$4,067,666         |
| Initiative Costs                | \$0              | \$0                   | \$166,667        | \$166,667        | \$166,667        | \$166,667          | \$166,667          | \$833,335           |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0                | \$0                | \$0                 |
| Incremental                     | \$0              | \$0                   | \$18,376         | \$18,376         | \$18,376         | \$18,376           | \$18,376           | \$91,880            |
| <b>Total Projected Expenses</b> | <b>\$739,995</b> | <b>\$783,438</b>      | <b>\$982,480</b> | <b>\$991,086</b> | <b>\$998,884</b> | <b>\$1,005,749</b> | <b>\$1,014,681</b> | <b>\$4,992,881</b>  |

The Department of Procurement is responsible for providing guidance in the purchasing of all goods and services according to the City Code of Ordinances. Within the next five years the Department of Procurement will continue to provide purchasing support to aid all user agencies in fulfilling their goals, plans and initiatives while being fiscally responsible. The Incremental funding will allow DOP to support positions which perform the various tasks assisting user agencies. The initiative funding outlined in the budget will allow DOP to support six positions for the City's Federal Transit Administration (FTA) initiative otherwise known as the streetcar initiative. The amount outlined in the initiative above represents the Airport Revenue Fund's portion.

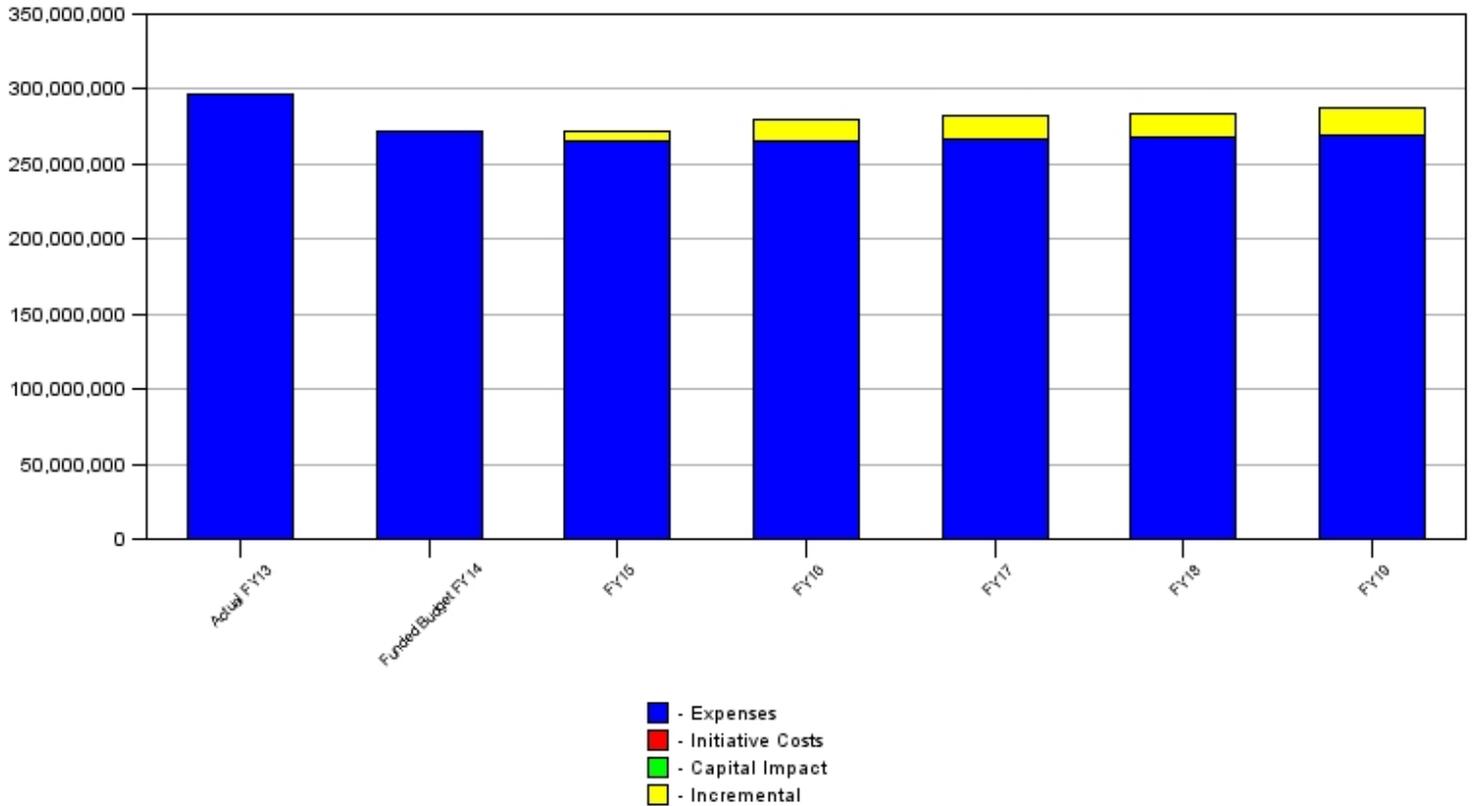
**CITY OF ATLANTA**  
**Department Of Aviation - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13       | Funded Budget<br>FY14 | FY15                 | FY16                 | FY17                 | FY18                 | FY19                 | Total<br>Plan Years  |
|---------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses                        | \$143,873,292        | \$172,201,857         | \$177,304,587        | \$176,003,842        | \$174,312,039        | \$172,603,644        | \$170,716,341        | \$870,940,453        |
| Initiative Costs                | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Capital Impact                  | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Incremental                     | \$0                  | \$0                   | \$1,678,383          | \$10,071,989         | \$18,925,813         | \$27,926,918         | \$37,385,855         | \$95,988,958         |
| <b>Total Projected Expenses</b> | <b>\$143,873,292</b> | <b>\$172,201,857</b>  | <b>\$178,982,970</b> | <b>\$186,075,831</b> | <b>\$193,237,852</b> | <b>\$200,530,562</b> | <b>\$208,102,196</b> | <b>\$966,929,411</b> |

Aviation expenses in the Airport Revenue Fund are projected to increase \$27.3 million (15.37%) from 2015 to 2019. The increase is principally driven by an average \$3.8 million or 4.1% a year in Personnel expenses. A second key factor is the growth in Contracting Services during the period which is expected to increase an average \$3.2 million a year or 3.9%. Incremental cost relates to additional personnel and contractual service (\$96MM) for the Department.

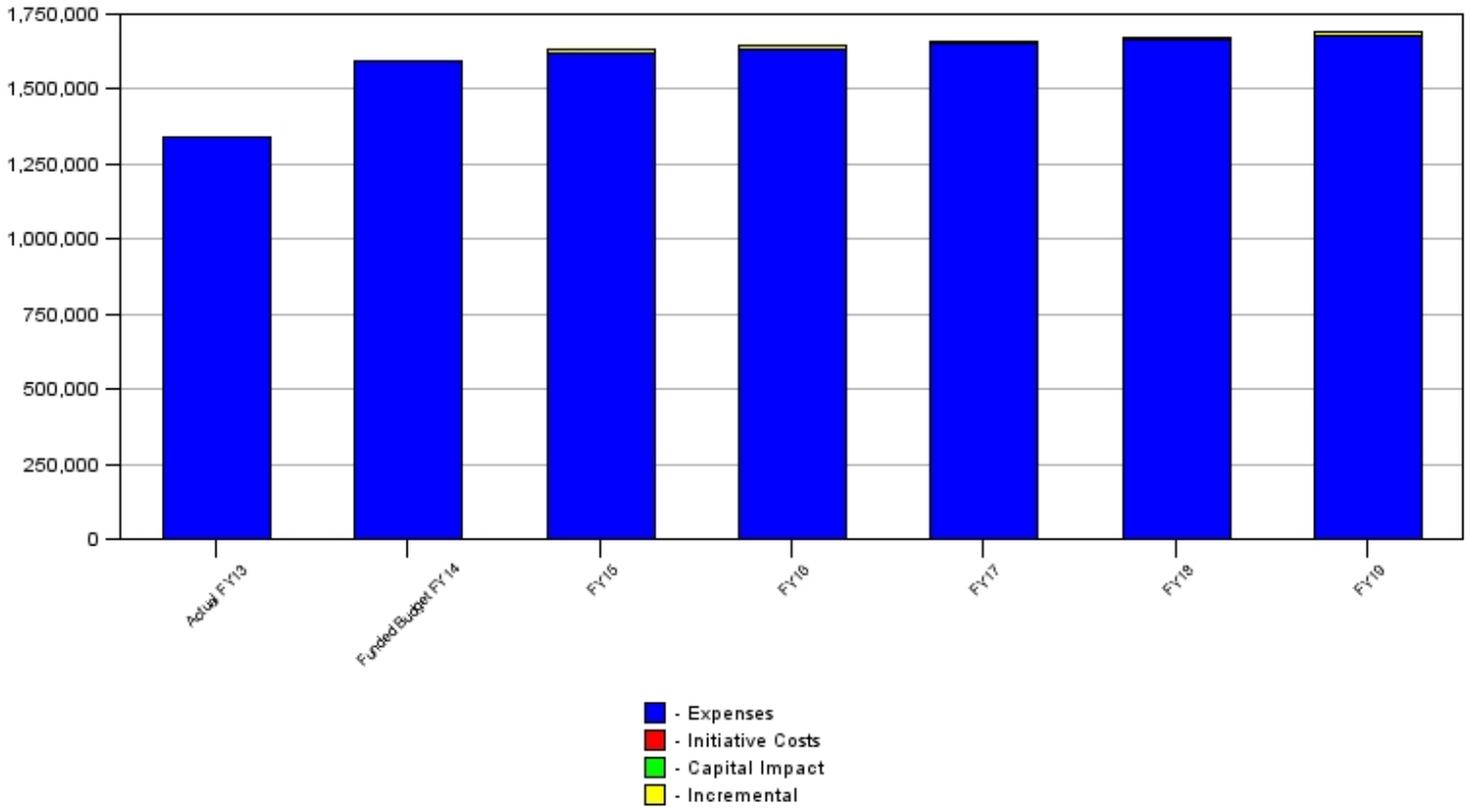
**CITY OF ATLANTA**  
**Non-Departmental - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13       | Funded Budget<br>FY14 | FY15                 | FY16                 | FY17                 | FY18                 | FY19                 | Total<br>Plan Years    |
|---------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| Expenses                        | \$297,241,122        | \$272,083,839         | \$265,021,275        | \$265,930,394        | \$267,188,096        | \$268,447,453        | \$269,822,545        | \$1,336,409,762        |
| Initiative Costs                | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                    |
| Capital Impact                  | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                    |
| Incremental                     | \$0                  | \$0                   | \$7,206,964          | \$14,036,660         | \$15,320,008         | \$15,119,682         | \$17,286,005         | \$68,969,319           |
| <b>Total Projected Expenses</b> | <b>\$297,241,122</b> | <b>\$272,083,839</b>  | <b>\$272,228,239</b> | <b>\$279,967,054</b> | <b>\$282,508,104</b> | <b>\$283,567,135</b> | <b>\$287,108,550</b> | <b>\$1,405,379,081</b> |

Non- Departmental, Aviation Revenue Fund Operating expenses are projected to increase 1% from FY2015 through FY2019. Incremental cost are related to interest payments (\$69M) for the General Airport Revenue Bond (GARB).

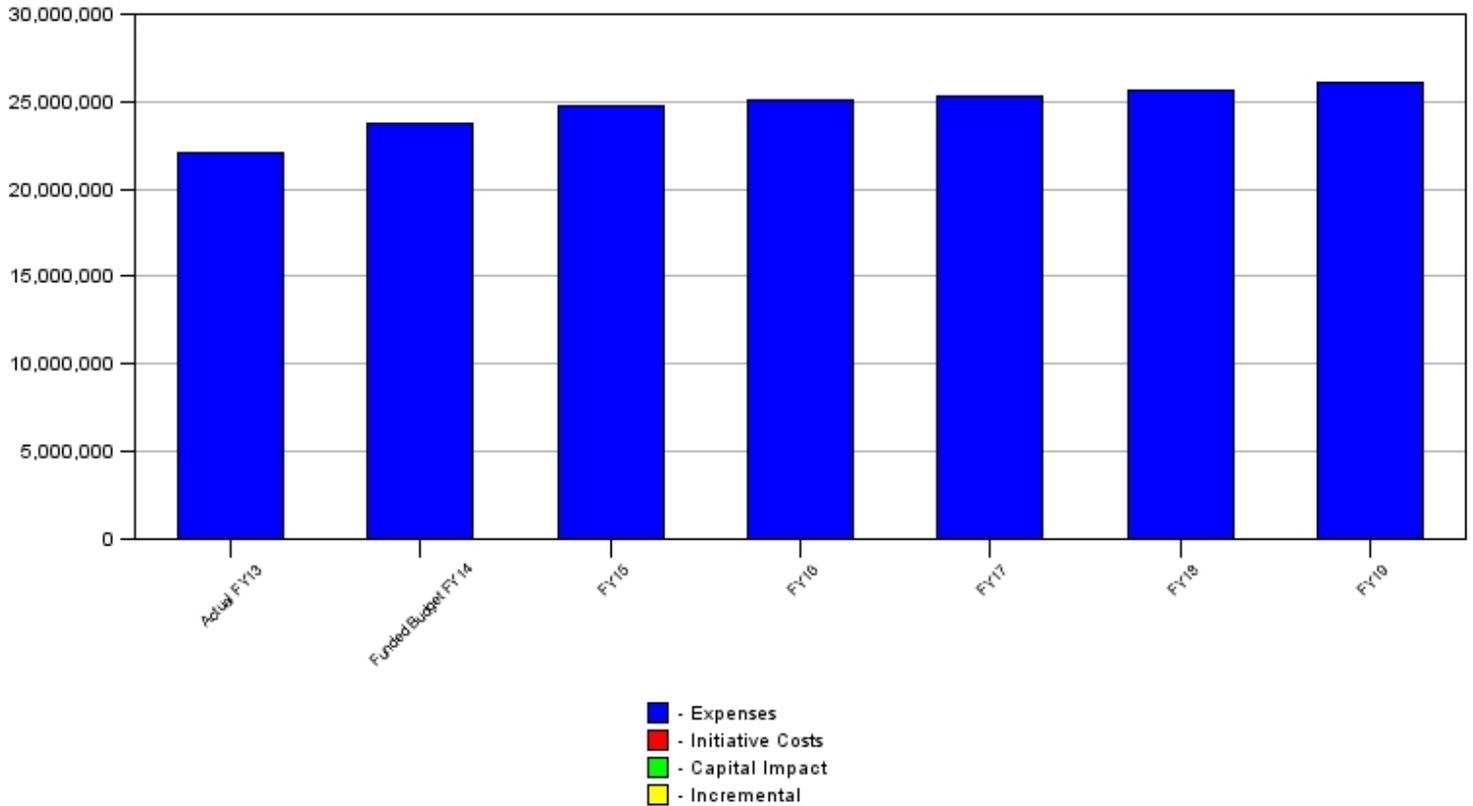
**CITY OF ATLANTA**  
**Department Of Human Resources - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$1,339,367        | \$1,591,122           | \$1,620,051        | \$1,635,850        | \$1,650,014        | \$1,664,680        | \$1,681,086        | \$8,251,681         |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$9,834            | \$9,834            | \$9,834            | \$9,834            | \$9,834            | \$49,170            |
| <b>Total Projected Expenses</b> | <b>\$1,339,367</b> | <b>\$1,591,122</b>    | <b>\$1,629,885</b> | <b>\$1,645,684</b> | <b>\$1,659,848</b> | <b>\$1,674,514</b> | <b>\$1,690,920</b> | <b>\$8,300,851</b>  |

The Department of Human Resources is committed to attracting, retaining and developing a diverse and competent workforce that enables City agencies to achieve their business needs. DHR plans to offer support for its staffed positions in this fund to support the world's busiest airport within the next five years. The intent is to keep DHR's cost the same for Aviation Fund over the next five years. The incremental costs will cover Caduceus medical contract expenses.

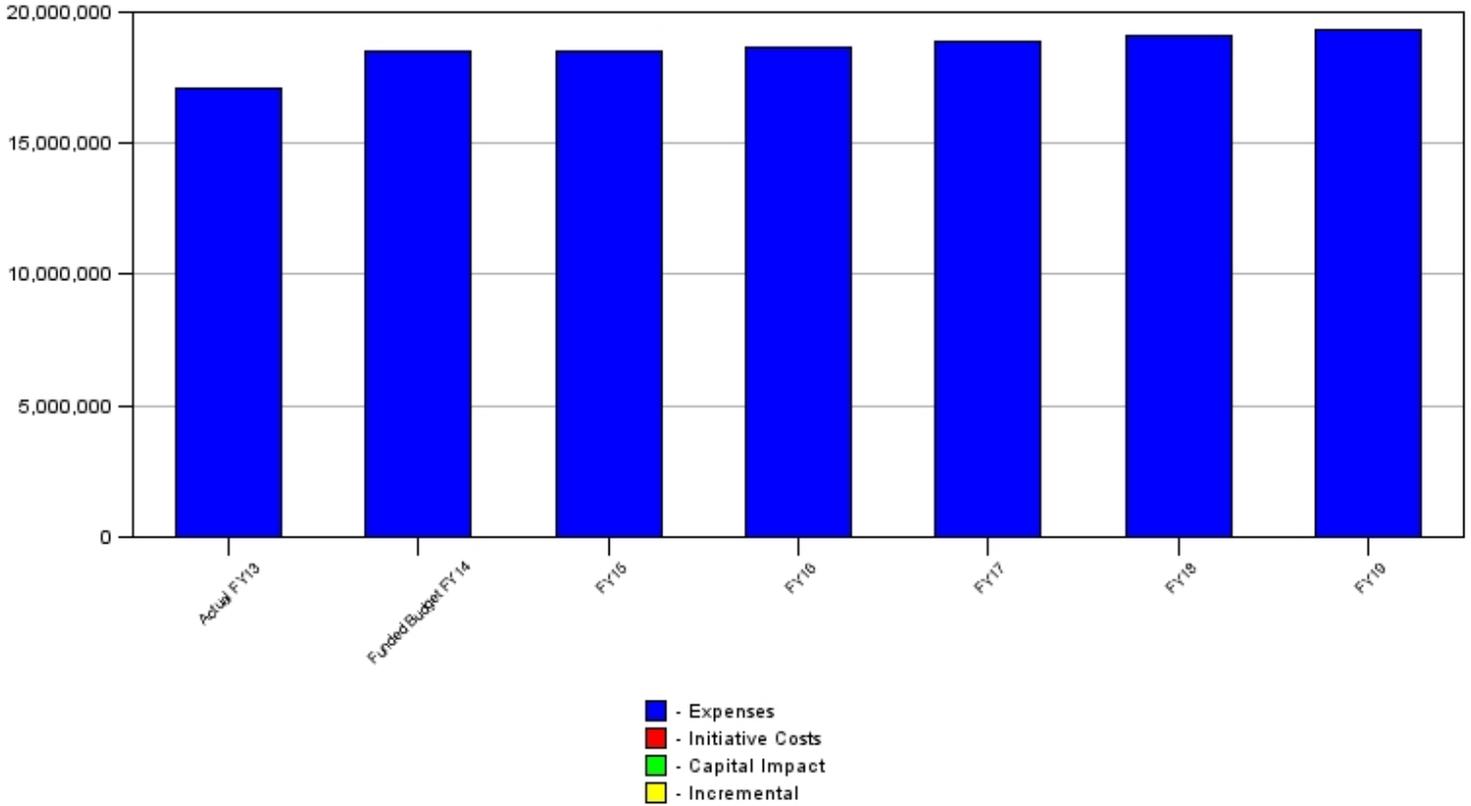
**CITY OF ATLANTA**  
**Department Of Fire Services - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years  |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Expenses                        | \$22,098,843        | \$23,778,928          | \$24,738,846        | \$25,049,510        | \$25,367,947        | \$25,687,422        | \$26,042,526        | \$126,886,250        |
| Initiative Costs                | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Capital Impact                  | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Incremental                     | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| <b>Total Projected Expenses</b> | <b>\$22,098,843</b> | <b>\$23,778,928</b>   | <b>\$24,738,846</b> | <b>\$25,049,510</b> | <b>\$25,367,947</b> | <b>\$25,687,422</b> | <b>\$26,042,526</b> | <b>\$126,886,250</b> |

Annually, the Airport Revenue Fund includes a full budget for Fire operations and personnel. It is anticipated that the needs of Airport Fire will increase from \$23.8MM in FY2014 to \$26MM in FY2019. This represents an average annual growth of 1% per year through FY2019. Fire's budget is expected to increase minimally from FY2015 through FY2019 with average growth 1%. The overall growth is primarily attributed to personnel costs. Fire expects to fill all vacancies and see modest growth in overtime.

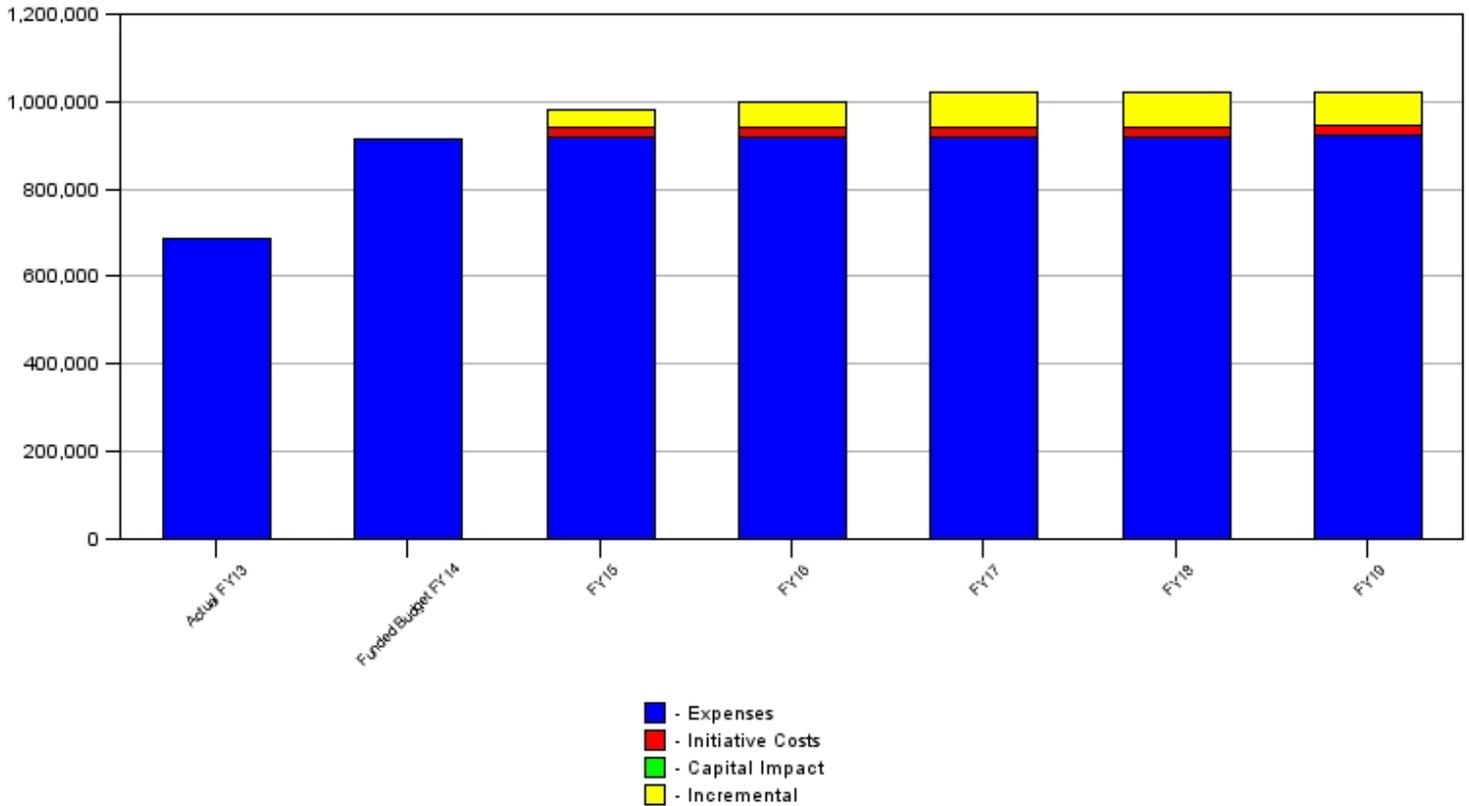
**CITY OF ATLANTA**  
**Department Of Police Services - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses                        | \$17,100,739        | \$18,499,280          | \$18,493,528        | \$18,694,675        | \$18,899,104        | \$19,106,903        | \$19,337,578        | \$94,531,789        |
| Initiative Costs                | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Capital Impact                  | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Incremental                     | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Total Projected Expenses</b> | <b>\$17,100,739</b> | <b>\$18,499,280</b>   | <b>\$18,493,528</b> | <b>\$18,694,675</b> | <b>\$18,899,104</b> | <b>\$19,106,903</b> | <b>\$19,337,578</b> | <b>\$94,531,789</b> |

Annually, the Airport Revenue Fund includes a full budget for Police operations and personnel. It is anticipated that the needs of Airport Police will increase from \$18.5MM in FY2014 to \$19.3MM in FY2019. This represents an average annual growth of 1% per year through FY2019. The projected growth is attributed to annual increases in employee benefits most notably the Police Pension contributions.

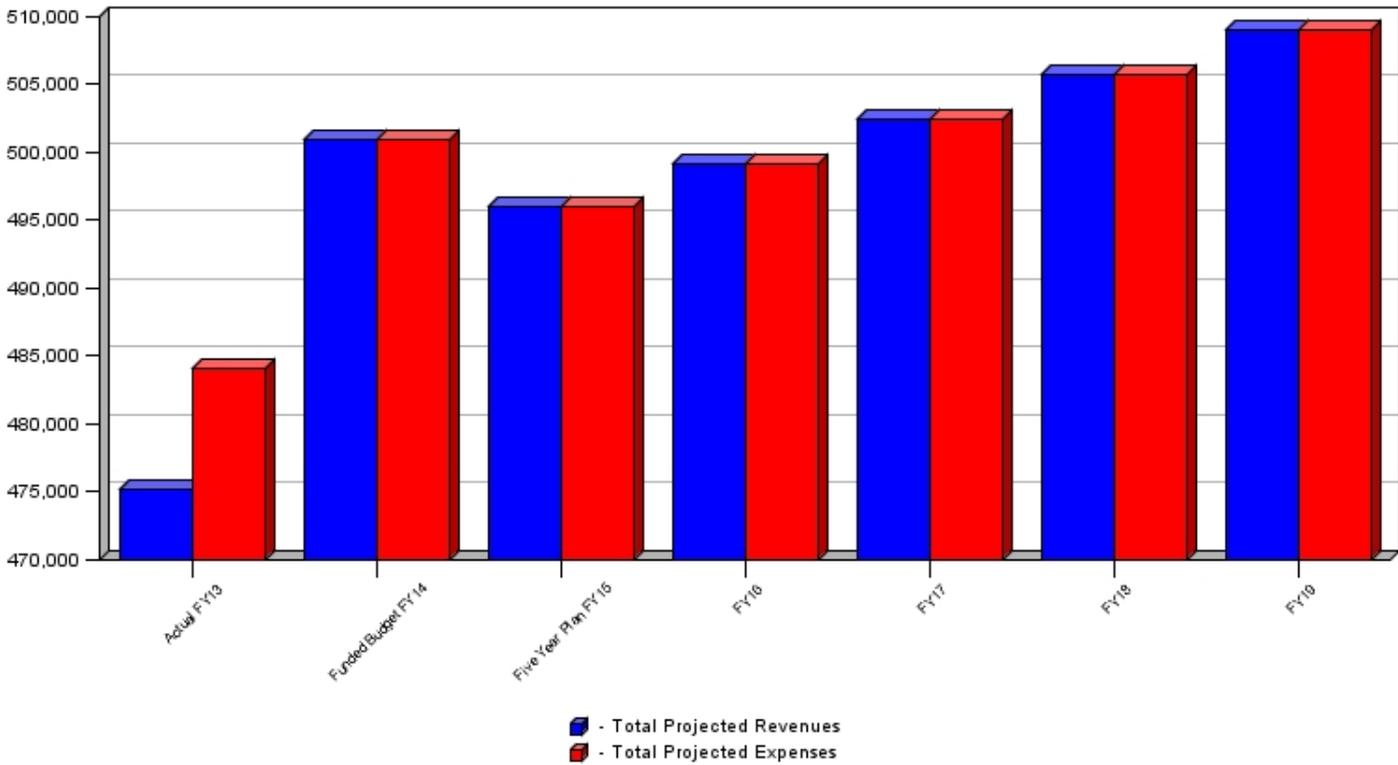
**CITY OF ATLANTA**  
**Department Of Audit - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$688,775        | \$916,576             | \$916,985        | \$918,045          | \$919,096          | \$920,157          | \$921,381          | \$4,595,664         |
| Initiative Costs                | \$0              | \$0                   | \$22,610         | \$22,610           | \$22,610           | \$22,310           | \$22,610           | \$112,750           |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0              | \$0                   | \$41,352         | \$60,634           | \$78,611           | \$78,611           | \$78,611           | \$337,819           |
| <b>Total Projected Expenses</b> | <b>\$688,775</b> | <b>\$916,576</b>      | <b>\$980,947</b> | <b>\$1,001,289</b> | <b>\$1,020,317</b> | <b>\$1,021,078</b> | <b>\$1,022,602</b> | <b>\$5,046,233</b>  |

The City Auditor's Office continues its efforts to strengthen the City's fiscal stability and control environment through incremental improvements in previously established priorities and implementation of one new initiative. Incremental Improvements: Continue to recruit and retain talent by rewarding staff who achieve professional certifications related to audit, accounting, information systems, and fraud examination; expand the use of interns to support audit staff and to develop recruitment pathways; and budget appropriately for the City's annual financial audit and other audits requiring specialized expertise. Initiative: Develop department's capability to conduct financial investigations that grow out of Integrity Line complaints and the Continuous Audit analysis. The City Auditor's Office will hire an investigation manager to review and investigate complaints with financial implications and continuous audit results that indicate risk of fraud, waste, or abuse.

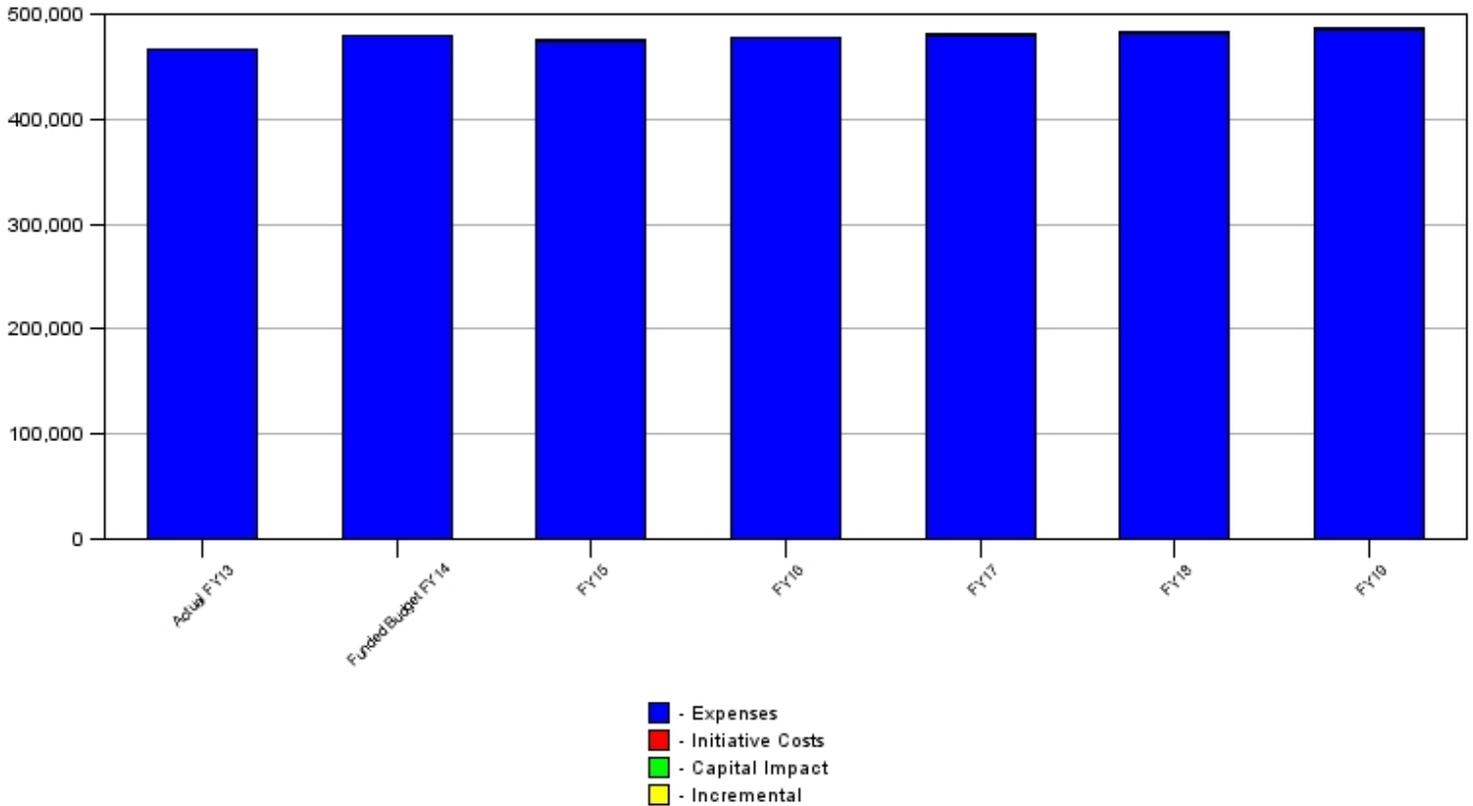
**CITY OF ATLANTA**  
**Parks Facilities Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15      | FY16      | Five Year Plan |           |           | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|-----------|-----------|----------------|-----------|-----------|---------------------|
| Total Projected Revenues      | \$475,195      | \$500,977             | \$496,017 | \$499,241 | \$502,486      | \$505,752 | \$509,040 | \$2,512,536         |
| Expenses                      | \$484,061      | \$500,977             | \$494,880 | \$498,104 | \$501,349      | \$504,615 | \$507,903 | \$2,506,852         |
| Initiative Costs              | \$0            | \$0                   | \$0       | \$0       | \$0            | \$0       | \$0       | \$0                 |
| Capital Impact                | \$0            | \$0                   | \$0       | \$0       | \$0            | \$0       | \$0       | \$0                 |
| Incremental                   | \$0            | \$0                   | \$1,137   | \$1,137   | \$1,137        | \$1,137   | \$1,137   | \$5,685             |
| Total Projected Expenses      | \$484,061      | \$500,977             | \$496,017 | \$499,241 | \$502,486      | \$505,752 | \$509,040 | \$2,512,537         |
| Revenues Over(Under) Expenses | (\$8,866)      | \$0                   | \$0       | \$0       | \$0            | \$0       | \$0       | (\$1)               |
| Variance %                    | (2%)           | 0%                    | 0%        | 0%        | 0%             | 0%        | 0%        | 0%                  |

The Parks Facilities Revenue Fund was created to support the operations of the Atlanta Cyclorama and Civil War Museum and is supported by user fees. Last year, the facility hosted guided tours for 49,000+ visitors and aiming to meet attendance goals for FY2014. In fiscal years 2013 and 2014, the department embarked upon capital improvements at the facility and completed the following improvements: roof replacement, front facade and terrace repairs, digital conversion of "The Atlanta Campaign" film and audio/visual equipment, new heating ventilation and air conditioner (HVAC) equipment and upgrades, two boilers, 50-ton condensing air conditioning unit, upgrades to heating ventilation and air conditioner (HVAC) controls, other heating ventilation and air conditioner (HVAC) maintenance, sprinkler system repairs to correct deficiencies, and installed a chair lift. There are other capital improvements needed at the facility including American Disability Act (ADA) compliance improvements, bathroom improvements, painting, carpet replacement, and auditorium seating. Funding level expected to remain flat over the next five years.

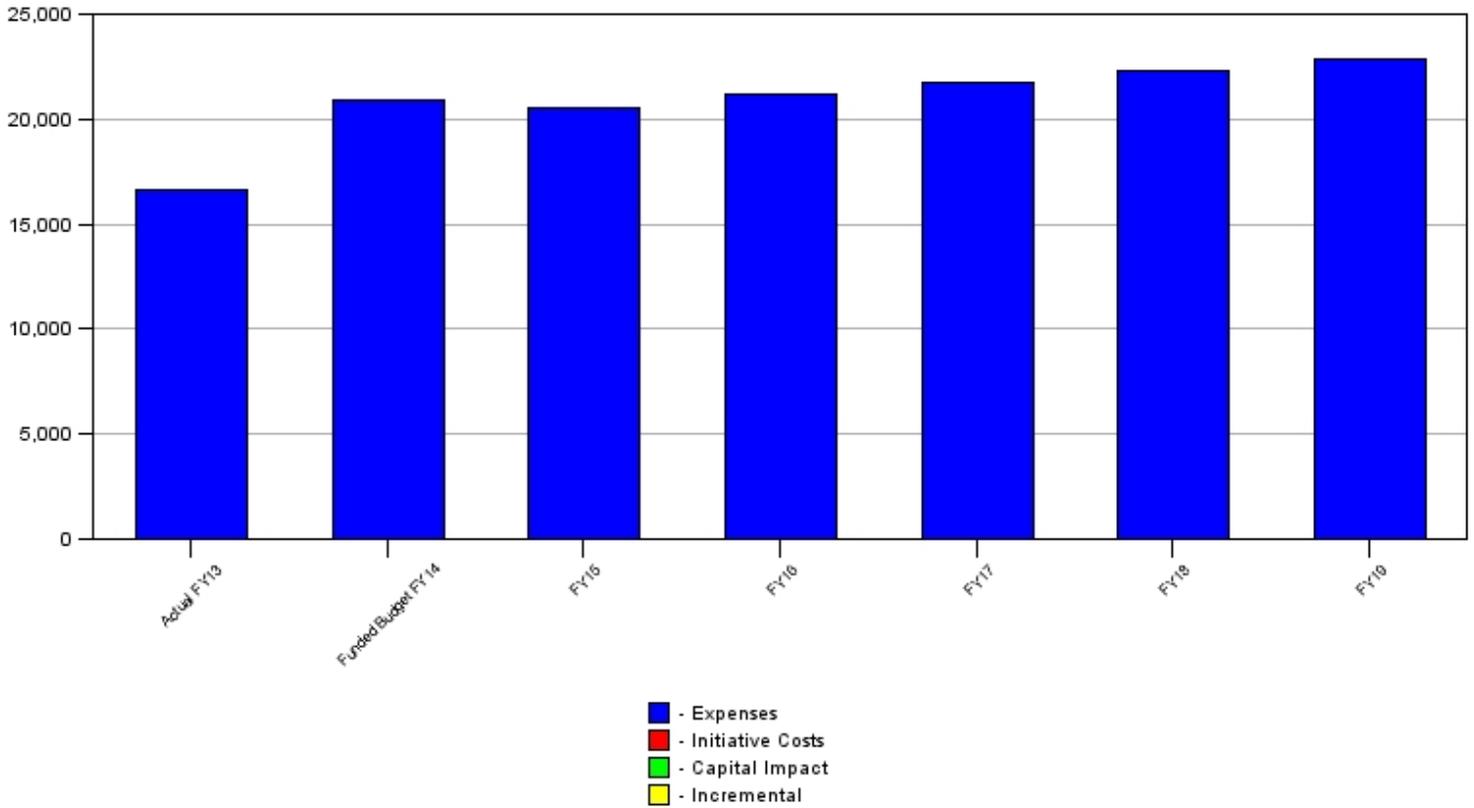
**CITY OF ATLANTA**  
**Dept Of Parks & Recreation - Parks Facilities Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$467,420        | \$480,101             | \$474,338        | \$476,912        | \$479,592        | \$482,276        | \$485,080        | \$2,398,198         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$1,137          | \$1,137          | \$1,137          | \$1,137          | \$1,137          | \$5,685             |
| <b>Total Projected Expenses</b> | <b>\$467,420</b> | <b>\$480,101</b>      | <b>\$475,475</b> | <b>\$478,049</b> | <b>\$480,729</b> | <b>\$483,413</b> | <b>\$486,217</b> | <b>\$2,403,883</b>  |

The remainder of FY2014 and the first and second quarters of FY2015, the department will culminate its four-year long commemoration of the 150th anniversary of the Civil War/Battle of Atlanta and celebration of Atlanta's role in this significant event in American History with a series of programs and events. Funding level expected to remain constant over the next five years. Incremental amount reflects the estimate for credit card charges.

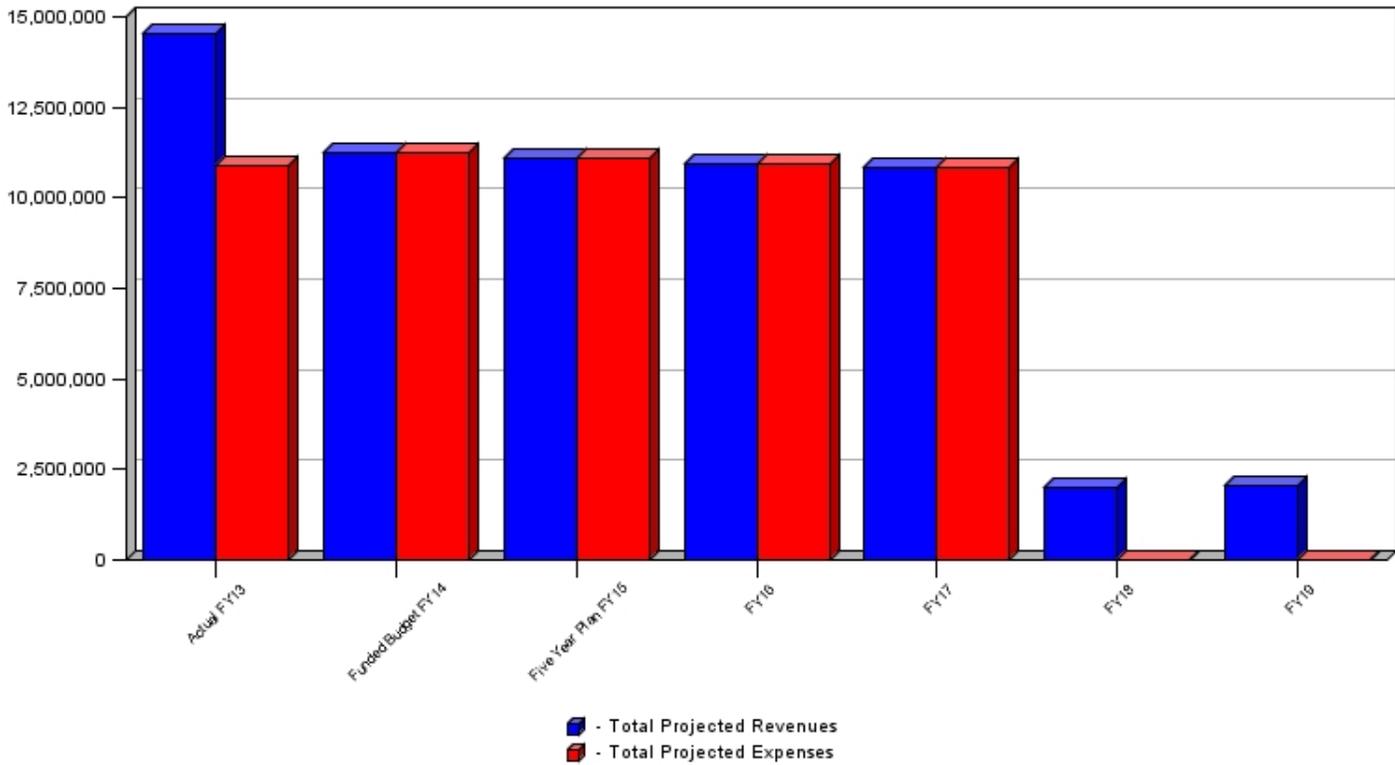
**CITY OF ATLANTA**  
**Non-Departmental - Parks Facilities Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13  | Funded Budget<br>FY14 | FY15            | FY16            | FY17            | FY18            | FY19            | Total<br>Plan Years |
|---------------------------------|-----------------|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| Expenses                        | \$16,641        | \$20,876              | \$20,542        | \$21,192        | \$21,757        | \$22,339        | \$22,824        | \$108,654           |
| Initiative Costs                | \$0             | \$0                   | \$0             | \$0             | \$0             | \$0             | \$0             | \$0                 |
| Capital Impact                  | \$0             | \$0                   | \$0             | \$0             | \$0             | \$0             | \$0             | \$0                 |
| Incremental                     | \$0             | \$0                   | \$0             | \$0             | \$0             | \$0             | \$0             | \$0                 |
| <b>Total Projected Expenses</b> | <b>\$16,641</b> | <b>\$20,876</b>       | <b>\$20,542</b> | <b>\$21,192</b> | <b>\$21,757</b> | <b>\$22,339</b> | <b>\$22,824</b> | <b>\$108,654</b>    |

The purpose of the Non-department is to provide funding for the life and health cost for retirees (OPEB).

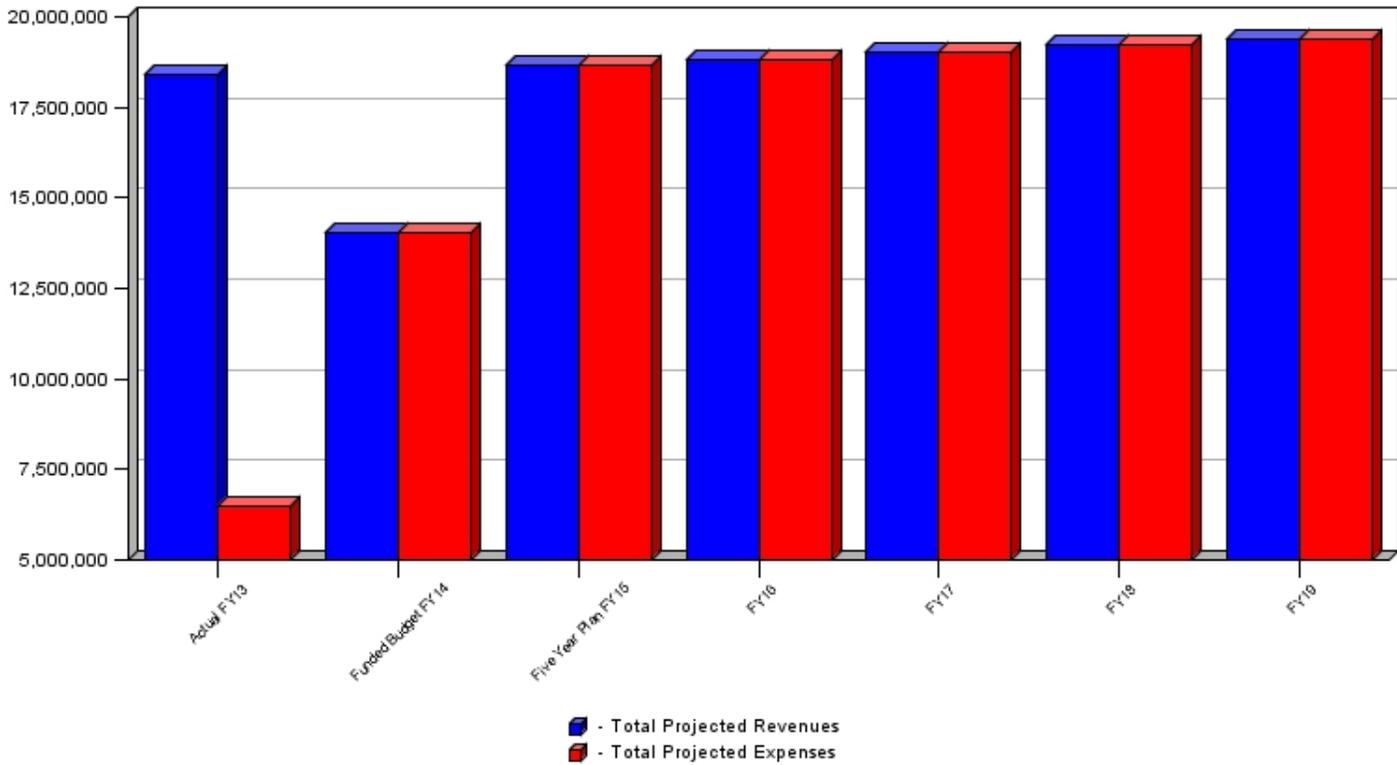
**CITY OF ATLANTA**  
**Underground Atl Facil Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15         | FY16         | Five Year Plan |             |             | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|--------------|--------------|----------------|-------------|-------------|---------------------|
| Total Projected Revenues      | \$14,538,427   | \$11,229,722          | \$11,109,555 | \$10,959,517 | \$10,814,213   | \$2,009,043 | \$2,051,233 | \$36,943,561        |
| Expenses                      | \$10,892,451   | \$11,229,722          | \$11,109,555 | \$10,959,517 | \$10,814,213   | \$0         | \$0         | \$32,883,285        |
| Initiative Costs              | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0         | \$0         | \$0                 |
| Capital Impact                | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0         | \$0         | \$0                 |
| Incremental                   | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0         | \$0         | \$0                 |
| Total Projected Expenses      | \$10,892,451   | \$11,229,722          | \$11,109,555 | \$10,959,517 | \$10,814,213   | \$0         | \$0         | \$32,883,285        |
| Revenues Over(Under) Expenses | \$3,645,976    | \$0                   | \$0          | \$0          | \$0            | \$2,009,043 | \$2,051,233 | \$4,060,276         |
| Variance %                    | 25%            | 0%                    | 0%           | 0%           | 0%             | 100%        | 100%        | 11%                 |

The Underground Atlanta Fund was established in 1989 to account for transactions associated with the public operations of the Underground Atlanta facilities and parking decks. This fund is supported by parking revenues, user fees and a General Fund subsidy. The debt service is scheduled to be paid by FY2017.

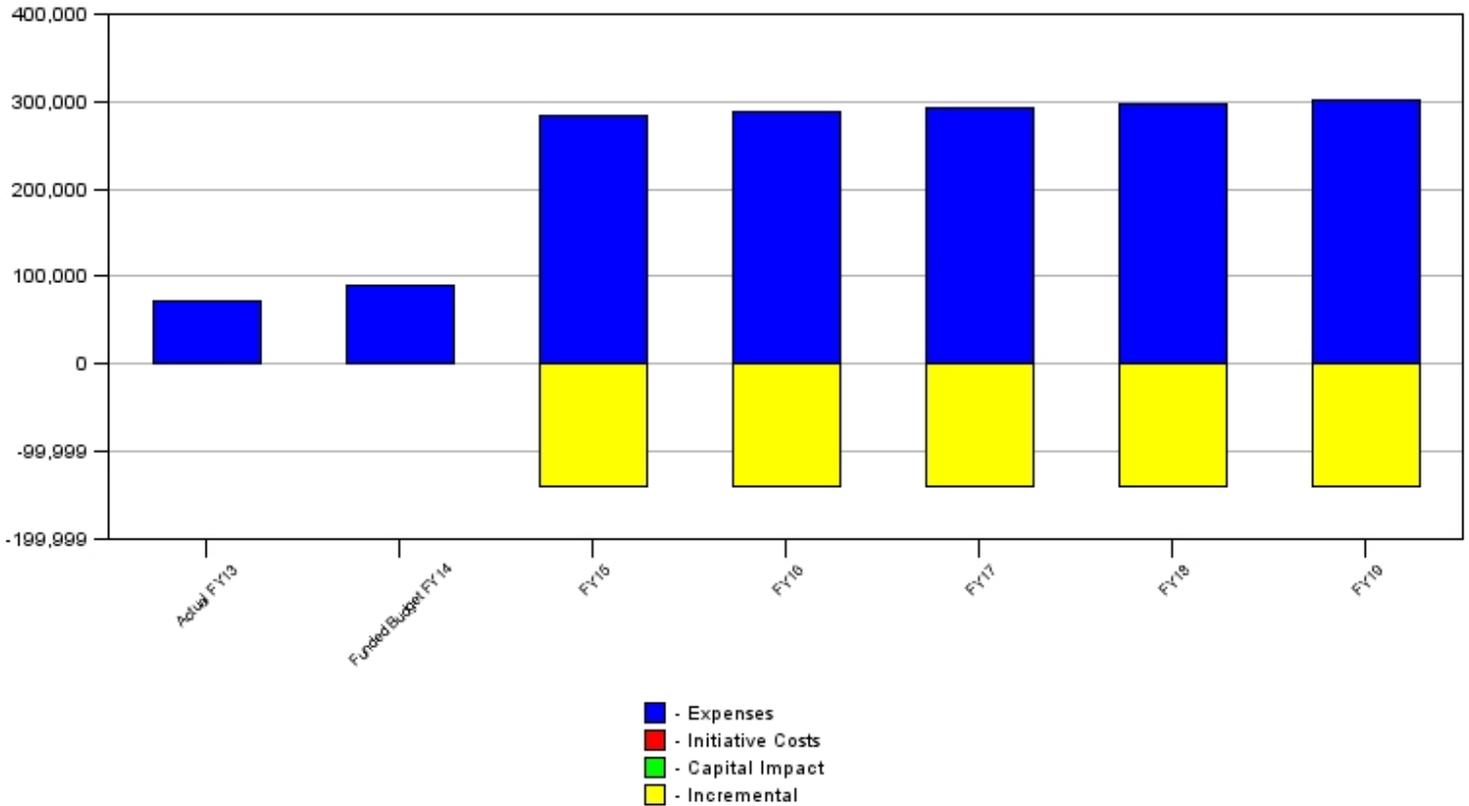
**CITY OF ATLANTA**  
**Building Permits Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15         | FY16         | Five Year Plan |              |              | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|--------------|--------------|----------------|--------------|--------------|---------------------|
| Total Projected Revenues      | \$18,418,190   | \$14,037,018          | \$18,648,639 | \$18,835,125 | \$19,023,476   | \$19,213,712 | \$19,405,850 | \$95,126,802        |
| Expenses                      | \$6,507,898    | \$14,037,018          | \$16,044,350 | \$16,230,836 | \$16,419,187   | \$16,609,423 | \$16,801,561 | \$82,105,357        |
| Initiative Costs              | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$0                 |
| Capital Impact                | \$0            | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$0                 |
| Incremental                   | \$0            | \$0                   | \$2,604,289  | \$2,604,289  | \$2,604,289    | \$2,604,289  | \$2,604,289  | \$13,021,445        |
| Total Projected Expenses      | \$6,507,898    | \$14,037,018          | \$18,648,639 | \$18,835,125 | \$19,023,476   | \$19,213,712 | \$19,405,850 | \$95,126,802        |
| Revenues Over(Under) Expenses | \$11,910,293   | \$0                   | \$0          | \$0          | \$0            | \$0          | \$0          | \$0                 |
| Variance %                    | 65%            | 0%                    | 0%           | 0%           | 0%             | 0%           | 0%           | 0%                  |

The Building Permits Fund accounts for the collection of income and disbursement of funds associated with the operation of the building permitting function. The Building Permits Fund was established in November 2011 as an enterprise fund. Over the next five years, the revenue will continue to increase due to the recovery in the housing market. Incremental increases are due to additional funding for personnel/staff to carry out the mission of the Building Permits Fund.

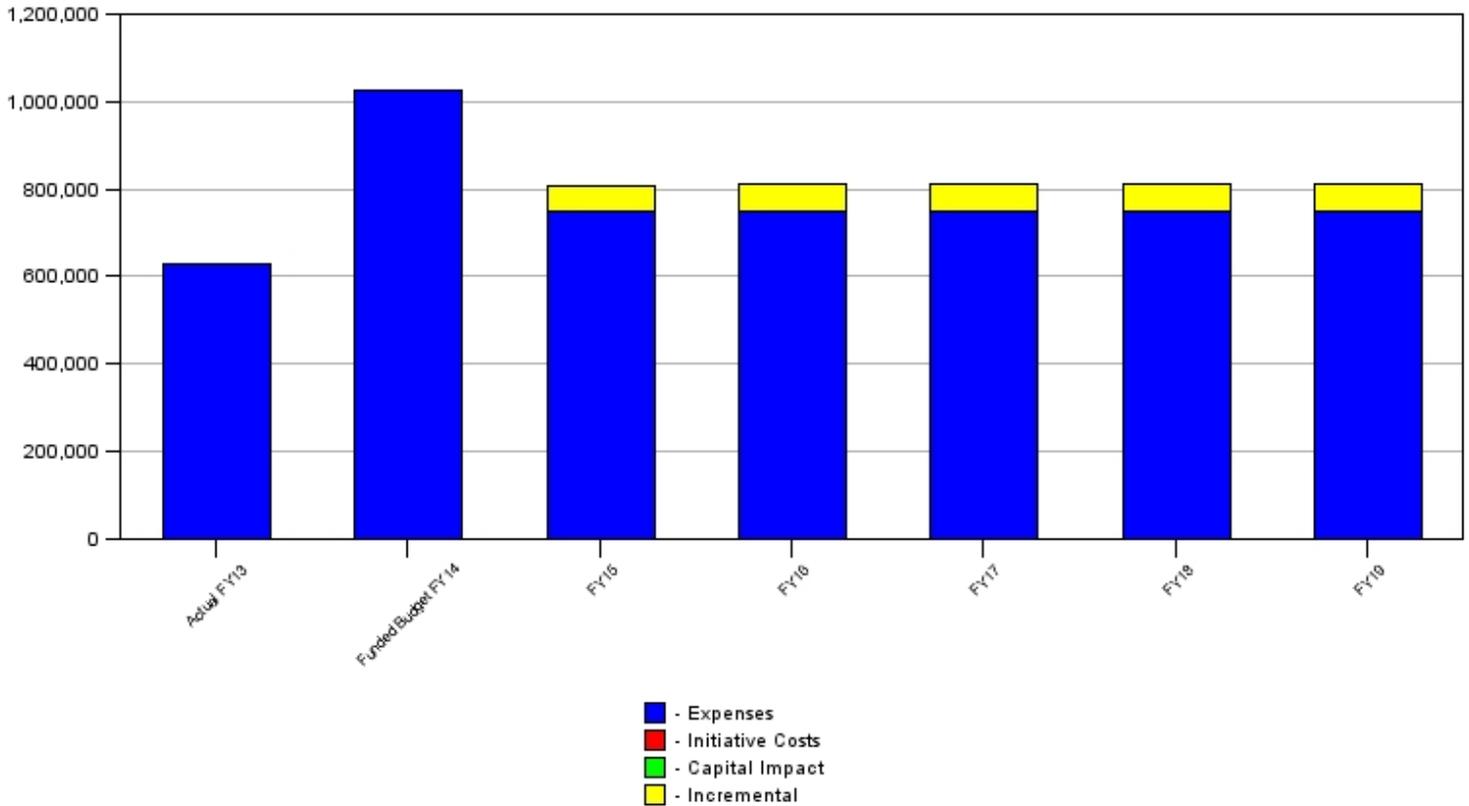
**CITY OF ATLANTA**  
**Executive Offices - Building Permits Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13  | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|-----------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$72,632        | \$89,192              | \$283,361        | \$288,381        | \$292,568        | \$296,994        | \$301,806        | \$1,463,109         |
| Initiative Costs                | \$0             | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0             | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0             | \$0                   | (\$139,567)      | (\$139,567)      | (\$139,567)      | (\$139,567)      | (\$139,567)      | (\$697,835)         |
| <b>Total Projected Expenses</b> | <b>\$72,632</b> | <b>\$89,192</b>       | <b>\$143,794</b> | <b>\$148,814</b> | <b>\$153,001</b> | <b>\$157,427</b> | <b>\$162,239</b> | <b>\$765,274</b>    |

The Building Permits Fund provides funding to divisions within the Executive Offices that service departments within the Building Fund. The 311 Call Center currently has fulltime positions that are funded at a certain percentage within the Building Fund. Adjustment to this percentage was necessary to bring funded positions back in line to properly reflect salaries and benefits for the FY 2015 budget.

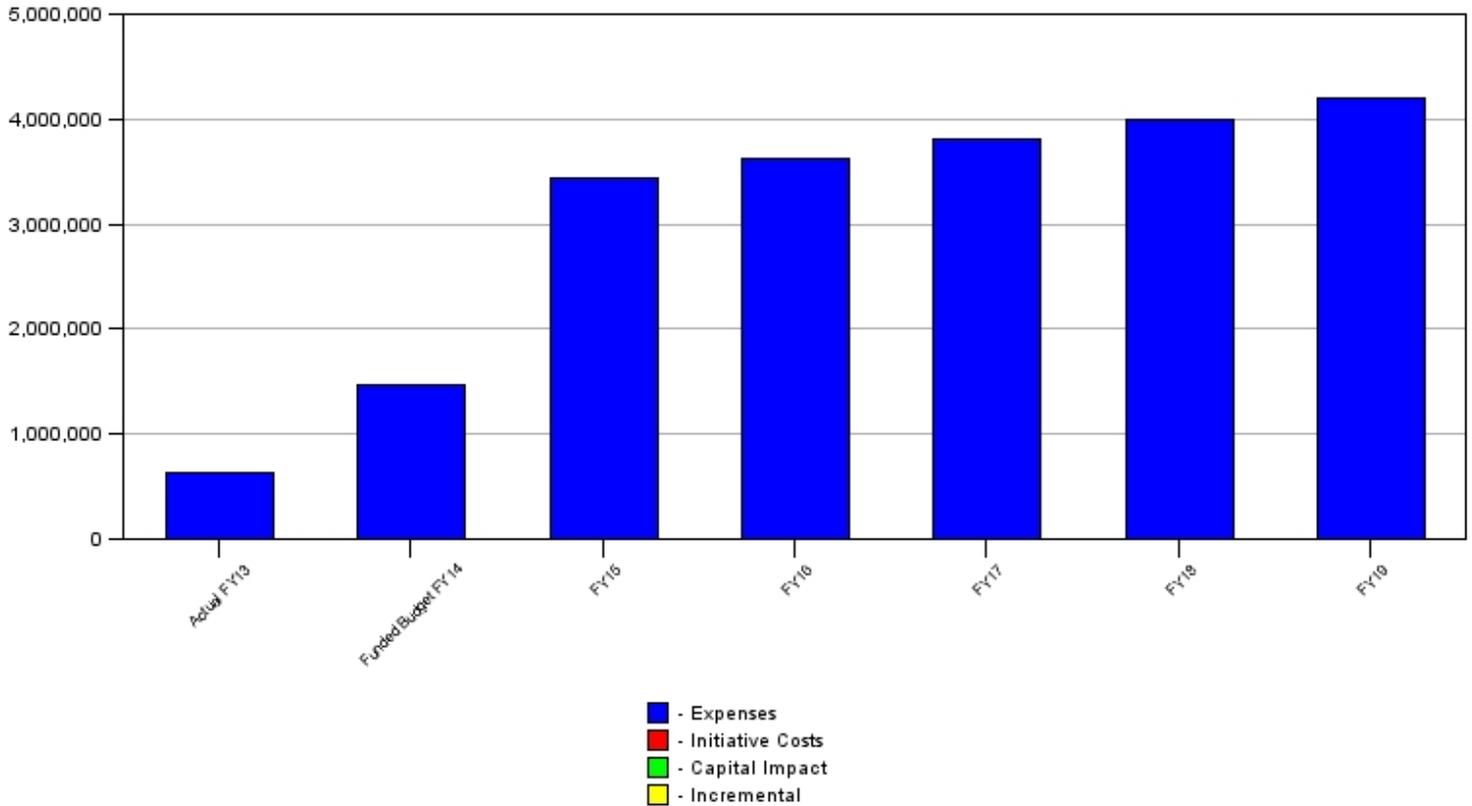
**CITY OF ATLANTA**  
**Department Of Information Technology - Building Permits Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$627,637        | \$1,025,237           | \$747,365        | \$748,444        | \$749,420        | \$750,426        | \$751,562        | \$3,747,217         |
| Initiative Costs                | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0              | \$0                   | \$61,648         | \$61,648         | \$61,648         | \$61,648         | \$61,648         | \$308,240           |
| <b>Total Projected Expenses</b> | <b>\$627,637</b> | <b>\$1,025,237</b>    | <b>\$809,013</b> | <b>\$810,092</b> | <b>\$811,068</b> | <b>\$812,074</b> | <b>\$813,210</b> | <b>\$4,055,457</b>  |

The Building Permits Fund under the Department of Information Technology is currently being used to support the inception of the 311 Center for the City of Atlanta. As per the five year plan, the funds will be used for personnel that will support the 311 Center. Incremental Costs include full funding for vacant positions that are planned to be filled.

**CITY OF ATLANTA**  
**Non-Departmental - Building Permits Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**

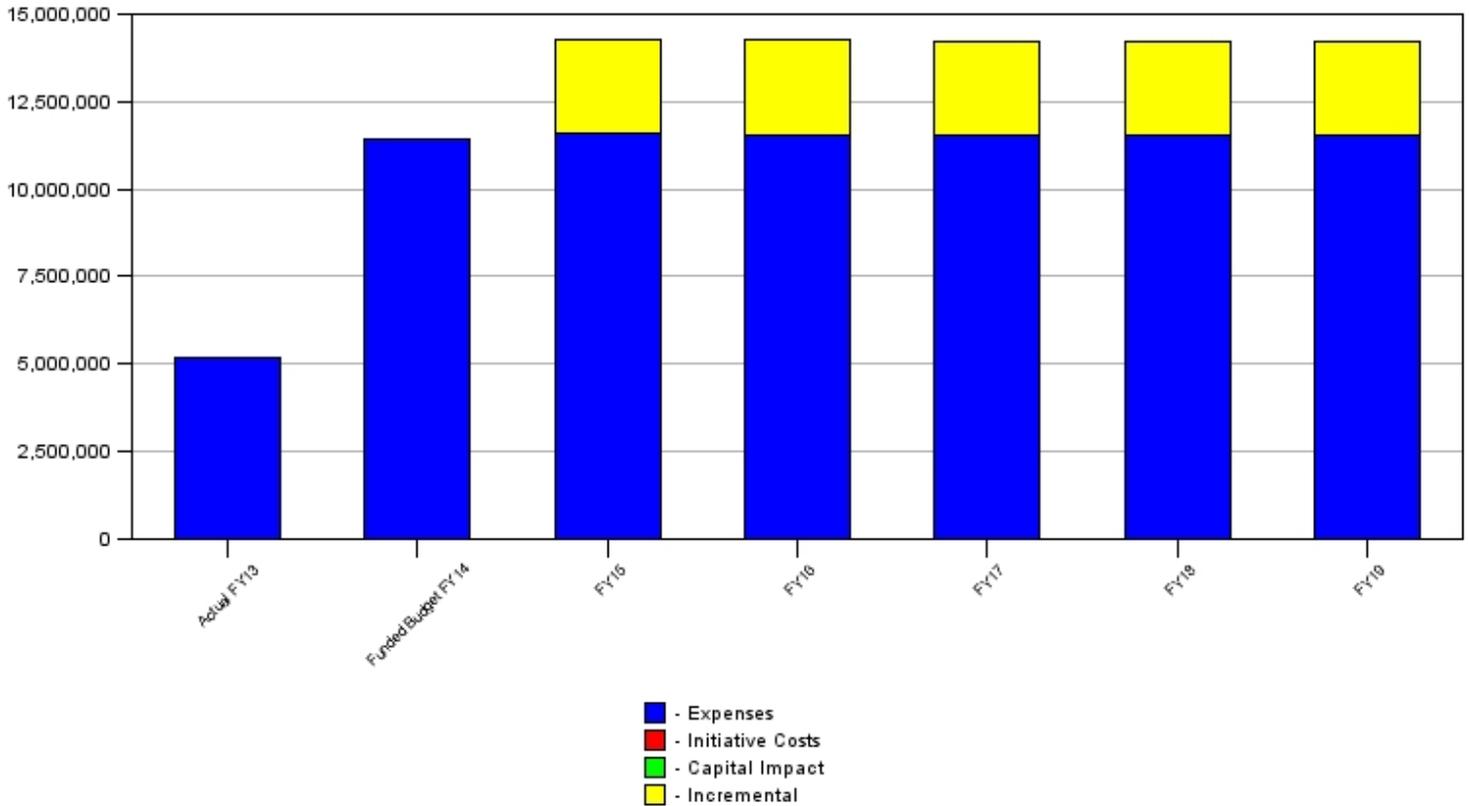


|                                 | Actual<br>FY13   | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$629,563        | \$1,469,468           | \$3,441,571        | \$3,626,846        | \$3,813,583        | \$4,001,235        | \$4,193,373        | \$19,076,606        |
| Initiative Costs                | \$0              | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0              | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0              | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| <b>Total Projected Expenses</b> | <b>\$629,563</b> | <b>\$1,469,468</b>    | <b>\$3,441,571</b> | <b>\$3,626,846</b> | <b>\$3,813,583</b> | <b>\$4,001,235</b> | <b>\$4,193,373</b> | <b>\$19,076,606</b> |

The purpose of Non-Departmental Building Permits Fund is to provide funding for a variety of expenditures that generally are not specific to any department within the Building Permit Fund. Non-Departmental expenses increase from FY2015 through FY2019 as a result of an increase in fund wide reserves. The department anticipates spending approximately \$15MM and anticipates setting aside funds in reserves of approximately \$3MM to \$4MM each year.

**CITY OF ATLANTA**  
**Dept Of Planning & Community Development - Building Permits Fund - Five Year Plan**

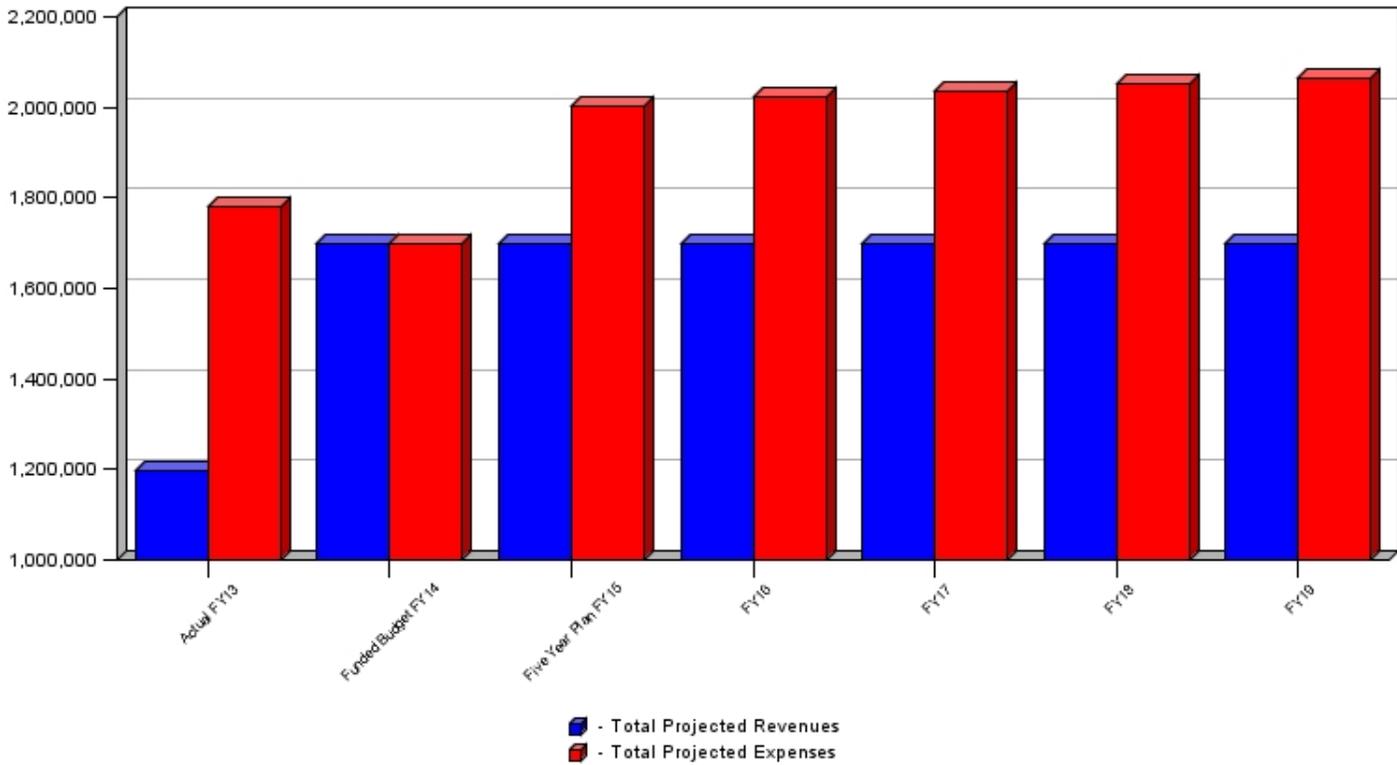
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses                        | \$5,178,066        | \$11,453,121          | \$11,572,054        | \$11,567,165        | \$11,563,617        | \$11,560,769        | \$11,554,820        | \$57,818,425        |
| Initiative Costs                | \$0                | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Incremental                     | \$0                | \$0                   | \$2,682,208         | \$2,682,208         | \$2,682,208         | \$2,682,208         | \$2,682,208         | \$13,411,040        |
| <b>Total Projected Expenses</b> | <b>\$5,178,066</b> | <b>\$11,453,121</b>   | <b>\$14,254,262</b> | <b>\$14,249,373</b> | <b>\$14,245,825</b> | <b>\$14,242,977</b> | <b>\$14,237,028</b> | <b>\$71,229,465</b> |

The Building Permits Fund accounts for the collection of income and disbursement of funds associated with the operation of the building permitting function. The Building Permits Fund was established in November 2011 as an enterprise fund. Over the next five years, the revenue will continue to increase due to the recovery in the housing market. Incremental increases are due to additional funding for personnel/staff to carry out the mission of the Department of Planning and Community Development.

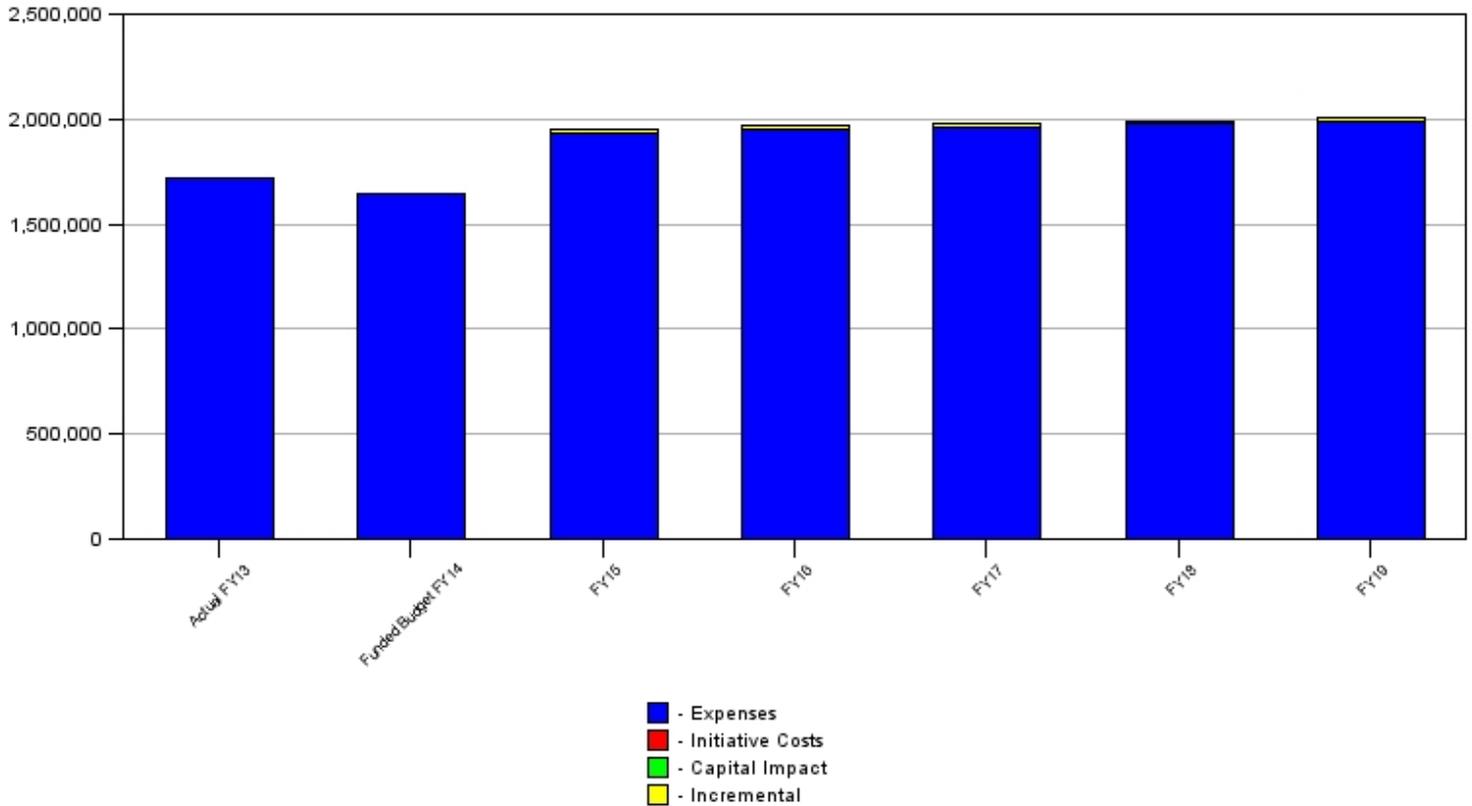
**CITY OF ATLANTA**  
**Civic Center Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15        | FY16        | Five Year Plan |             |             | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|-------------|-------------|----------------|-------------|-------------|---------------------|
| Total Projected Revenues      | \$1,196,089    | \$1,697,611           | \$1,697,611 | \$1,697,611 | \$1,697,611    | \$1,697,611 | \$1,697,611 | \$8,488,055         |
| Expenses                      | \$1,782,812    | \$1,697,611           | \$1,984,760 | \$2,003,588 | \$2,017,372    | \$2,032,340 | \$2,047,660 | \$10,085,720        |
| Initiative Costs              | \$0            | \$0                   | \$0         | \$0         | \$0            | \$0         | \$0         | \$0                 |
| Capital Impact                | \$0            | \$0                   | \$0         | \$0         | \$0            | \$0         | \$0         | \$0                 |
| Incremental                   | \$0            | \$0                   | \$17,966    | \$17,966    | \$17,966       | \$17,966    | \$17,966    | \$89,830            |
| Total Projected Expenses      | \$1,782,812    | \$1,697,611           | \$2,002,726 | \$2,021,554 | \$2,035,338    | \$2,050,306 | \$2,065,626 | \$10,175,550        |
| Revenues Over(Under) Expenses | (\$586,723)    | \$0                   | (\$305,115) | (\$323,943) | (\$337,727)    | (\$352,695) | (\$368,015) | (\$1,687,495)       |
| Variance %                    | (49%)          | 0%                    | (18%)       | (19%)       | (20%)          | (21%)       | (22%)       | (20%)               |

The Civic Center Fund accounts are for the collection of income and disbursement of funds associated with the operation of the Boisfeuillet Jones Atlanta Civic Center without any supplemental resources from the City of Atlanta. These funds generate income primarily from ticket sales, building and land rentals. Recently a feasibility study was conducted and completed to highlight the strengths, weaknesses and opportunities to make the facility more functional and competitive with comparable venues in the Atlanta area. As a result, the City is preparing plans for the Civic Center.

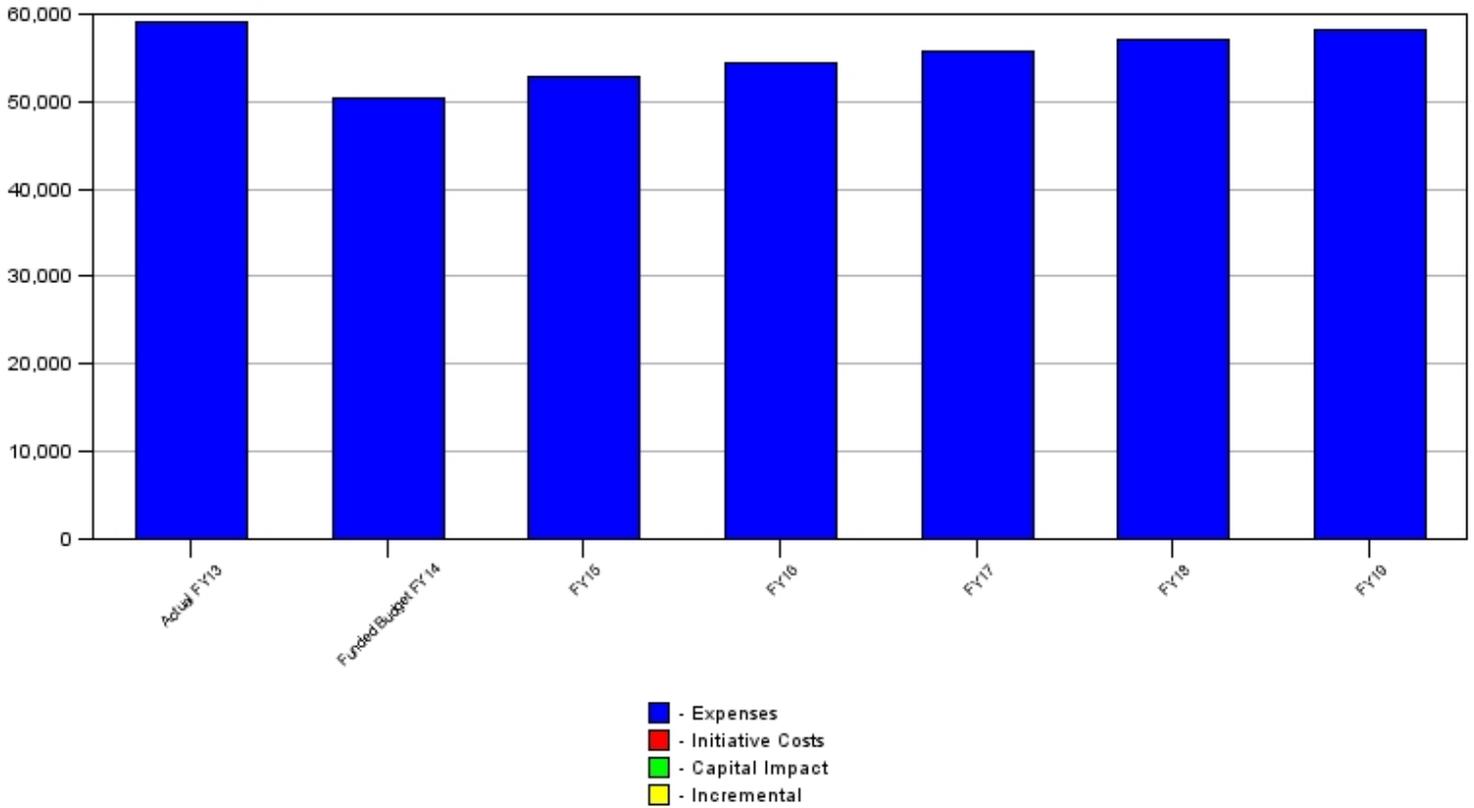
**CITY OF ATLANTA**  
**Dept Of Parks & Recreation - Civic Center Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$1,723,792        | \$1,647,112           | \$1,931,839        | \$1,949,164        | \$1,961,639        | \$1,975,264        | \$1,989,460        | \$9,807,367         |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$17,966           | \$17,966           | \$17,966           | \$17,966           | \$17,966           | \$89,830            |
| <b>Total Projected Expenses</b> | <b>\$1,723,792</b> | <b>\$1,647,112</b>    | <b>\$1,949,805</b> | <b>\$1,967,130</b> | <b>\$1,979,605</b> | <b>\$1,993,230</b> | <b>\$2,007,426</b> | <b>\$9,897,197</b>  |

The Civic Center Fund accounts are for the collection of income and disbursement of funds associated with the operation of the Boisfeuillet Jones Atlanta Civic Center without any supplemental resources from the City of Atlanta. These funds generate income primarily from ticket sales, building and land rentals. Recently a feasibility study was conducted and completed to highlight the strengths, weaknesses and opportunities to make the facility more functional and competitive with comparable venues in the Atlanta area. Increase due to utility expenses and ongoing maintenance to the facility over the next five years. Incremental funding is necessary for repairs and maintenance to the building.

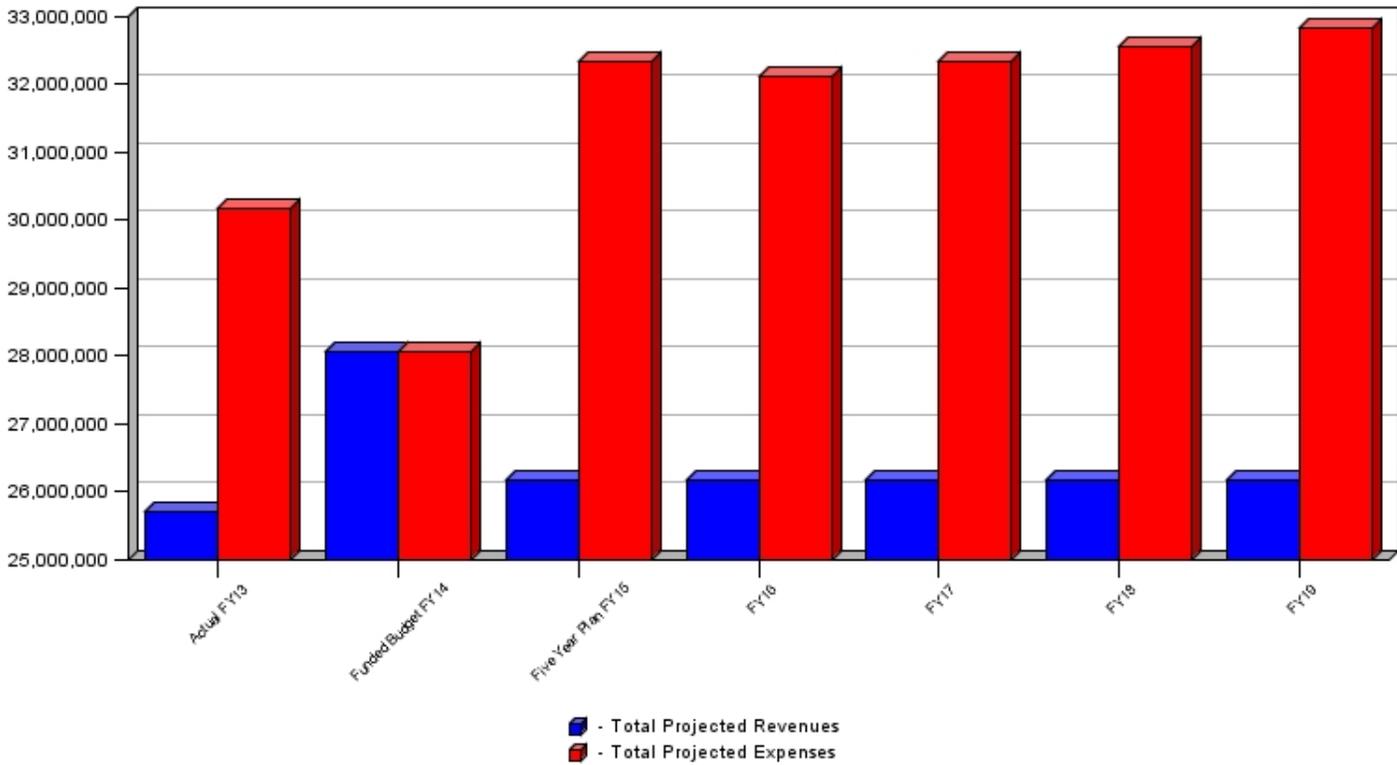
**CITY OF ATLANTA**  
**Non-Departmental - Civic Center Revenue Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13  | Funded Budget<br>FY14 | FY15            | FY16            | FY17            | FY18            | FY19            | Total<br>Plan Years |
|---------------------------------|-----------------|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| Expenses                        | \$59,020        | \$50,499              | \$52,922        | \$54,425        | \$55,733        | \$57,076        | \$58,200        | \$278,354           |
| Initiative Costs                | \$0             | \$0                   | \$0             | \$0             | \$0             | \$0             | \$0             | \$0                 |
| Capital Impact                  | \$0             | \$0                   | \$0             | \$0             | \$0             | \$0             | \$0             | \$0                 |
| Incremental                     | \$0             | \$0                   | \$0             | \$0             | \$0             | \$0             | \$0             | \$0                 |
| <b>Total Projected Expenses</b> | <b>\$59,020</b> | <b>\$50,499</b>       | <b>\$52,922</b> | <b>\$54,425</b> | <b>\$55,733</b> | <b>\$57,076</b> | <b>\$58,200</b> | <b>\$278,354</b>    |

The purpose of the Non-department is to provide funding for the life and health cost for retirees (OPEB).

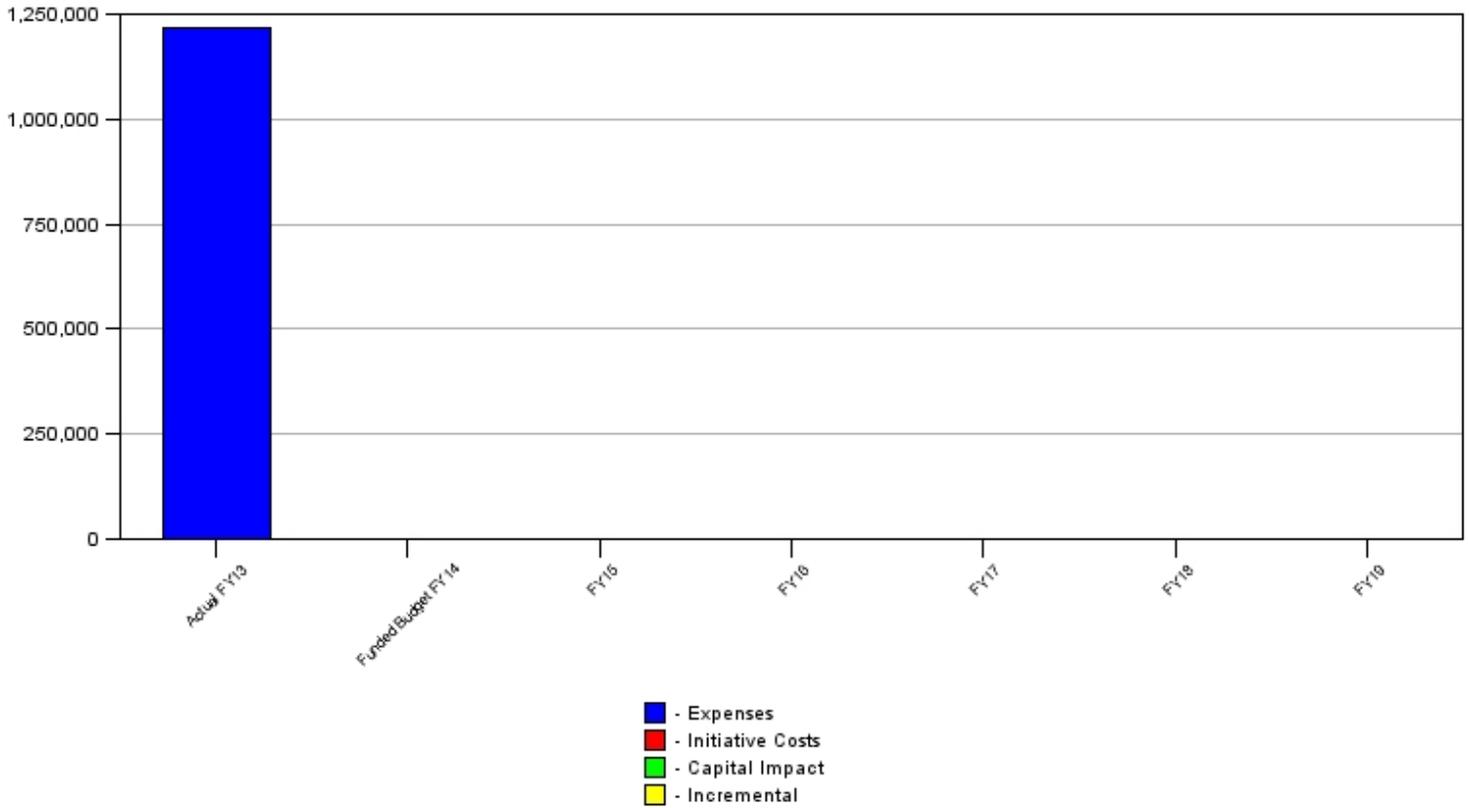
**CITY OF ATLANTA**  
**Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15          | FY16          | Five Year Plan |               |               | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|---------------|---------------|----------------|---------------|---------------|---------------------|
| Total Projected Revenues      | \$25,721,869   | \$28,073,061          | \$26,187,859  | \$26,187,859  | \$26,187,859   | \$26,187,859  | \$26,187,859  | \$130,939,295       |
| Expenses                      | \$30,178,248   | \$28,073,061          | \$31,747,388  | \$32,006,934  | \$32,246,060   | \$32,468,295  | \$32,735,084  | \$161,203,761       |
| Initiative Costs              | \$0            | \$0                   | \$500,000     | \$0           | \$0            | \$0           | \$0           | \$500,000           |
| Capital Impact                | \$0            | \$0                   | \$0           | \$0           | \$0            | \$0           | \$0           | \$0                 |
| Incremental                   | \$0            | \$0                   | \$106,584     | \$106,584     | \$106,584      | \$106,584     | \$106,584     | \$532,920           |
| Total Projected Expenses      | \$30,178,248   | \$28,073,061          | \$32,353,972  | \$32,113,518  | \$32,352,644   | \$32,574,879  | \$32,841,668  | \$162,236,681       |
| Revenues Over(Under) Expenses | (\$4,456,379)  | \$0                   | (\$6,166,113) | (\$5,925,659) | (\$6,164,785)  | (\$6,387,020) | (\$6,653,809) | (\$31,297,386)      |
| Variance %                    | (17%)          | 0%                    | (24%)         | (23%)         | (24%)          | (24%)         | (25%)         | (24%)               |

Fleet Management fund is established for maintaining the City of Atlanta's fleet of vehicles and motorized equipment. Fleet Management department provides fuel and maintenance services to City departments. Additionally, this office partners with other City departments in the delivery of critical City services, including the servicing and maintenance of vehicles. The Initiative cost during the five year period relates to the contractual services for security upgrades. The Incremental cost is for two additional positions to support Fleet- Human Resources.

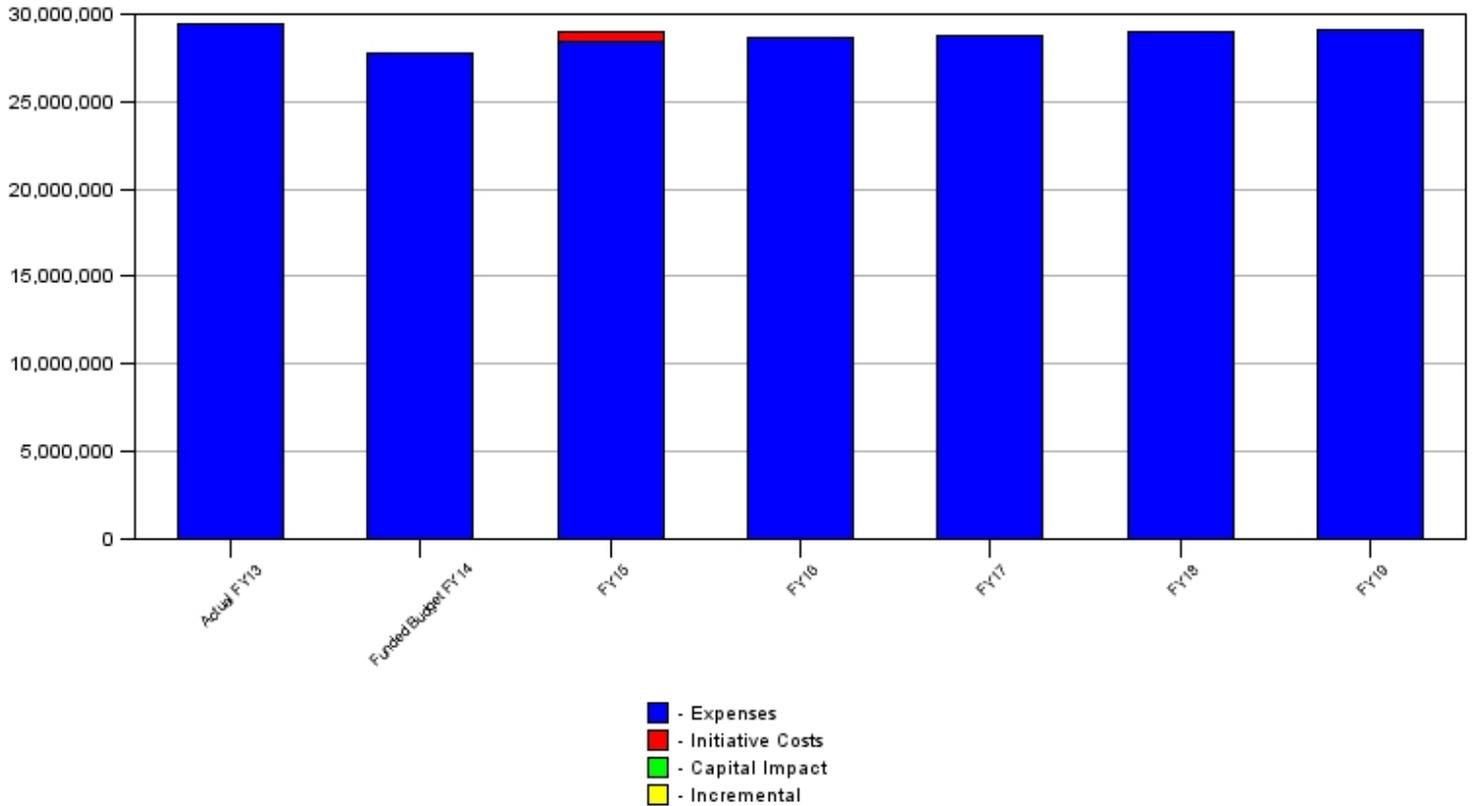
**CITY OF ATLANTA**  
**Executive Offices - Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15       | FY16       | FY17       | FY18       | FY19       | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|------------|------------|------------|------------|------------|---------------------|
| Expenses                        | \$1,217,840        | \$0                   | \$0        | \$0        | \$0        | \$0        | \$0        | (\$1)               |
| Initiative Costs                | \$0                | \$0                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0                 |
| Incremental                     | \$0                | \$0                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0                 |
| <b>Total Projected Expenses</b> | <b>\$1,217,840</b> | <b>\$0</b>            | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>(\$1)</b>        |

Expenses for FY2013 is due to incorrect coding for worker's compensation expenses which has been corrected for the outer years.

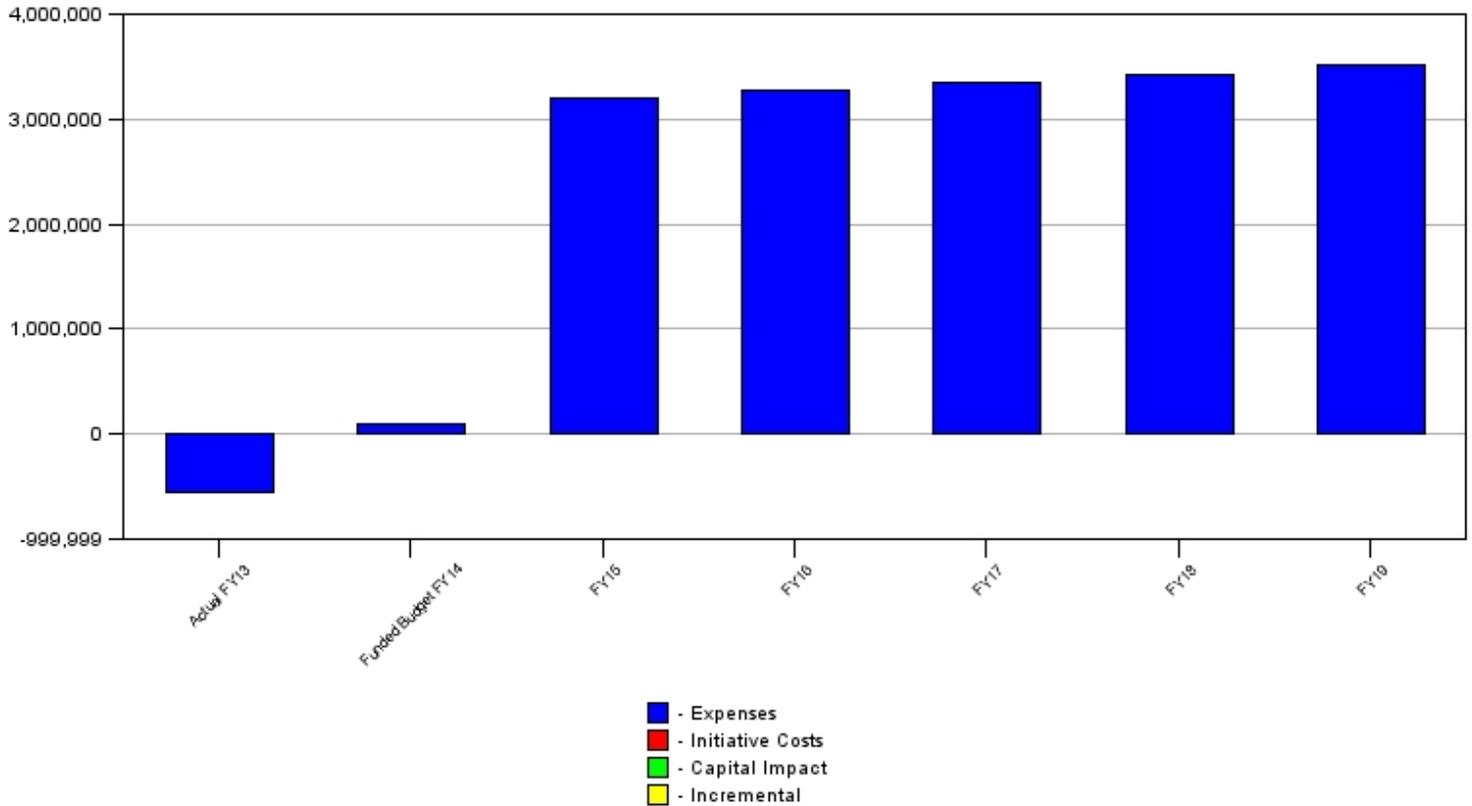
**CITY OF ATLANTA**  
**Department Of Public Works - Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13      | Funded Budget<br>FY14 | FY15                | FY16                | FY17                | FY18                | FY19                | Total<br>Plan Years  |
|---------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Expenses                        | \$29,482,911        | \$27,798,965          | \$28,488,040        | \$28,671,150        | \$28,825,823        | \$28,979,610        | \$29,156,855        | \$144,121,479        |
| Initiative Costs                | \$0                 | \$0                   | \$500,000           | \$0                 | \$0                 | \$0                 | \$0                 | \$500,000            |
| Capital Impact                  | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| Incremental                     | \$0                 | \$0                   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                  |
| <b>Total Projected Expenses</b> | <b>\$29,482,911</b> | <b>\$27,798,965</b>   | <b>\$28,988,040</b> | <b>\$28,671,150</b> | <b>\$28,825,823</b> | <b>\$28,979,610</b> | <b>\$29,156,855</b> | <b>\$144,621,479</b> |

The Department of Public Works, Fleet Management Operating expenses is projecting a slight increase from FY2015 through FY2019. Initiative cost for the five year period relates to contractual services for the Fiscal Stability initiative for security upgrades.

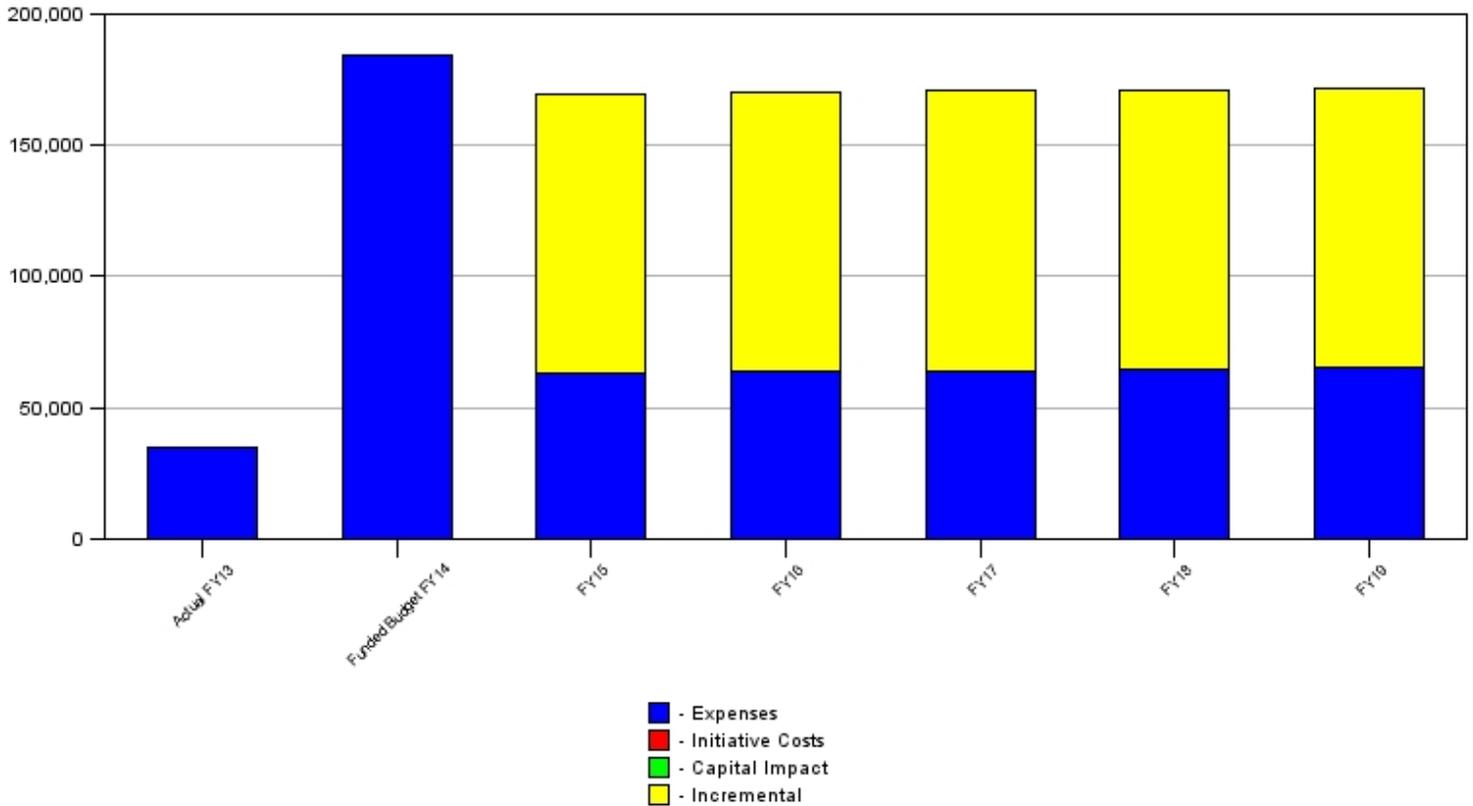
**CITY OF ATLANTA**  
**Non-Departmental - Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | (\$559,298)        | \$90,005              | \$3,196,098        | \$3,272,098        | \$3,356,098        | \$3,424,098        | \$3,513,098        | \$16,761,489        |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| <b>Total Projected Expenses</b> | <b>(\$559,298)</b> | <b>\$90,005</b>       | <b>\$3,196,098</b> | <b>\$3,272,098</b> | <b>\$3,356,098</b> | <b>\$3,424,098</b> | <b>\$3,513,098</b> | <b>\$16,761,489</b> |

Non-Departmental will increase during the five year period as a result of escalating pension costs, OPEB adjustments and indirect cost increases. However, operating expenses are projected to incrementally increase 1% during the 5-year period.

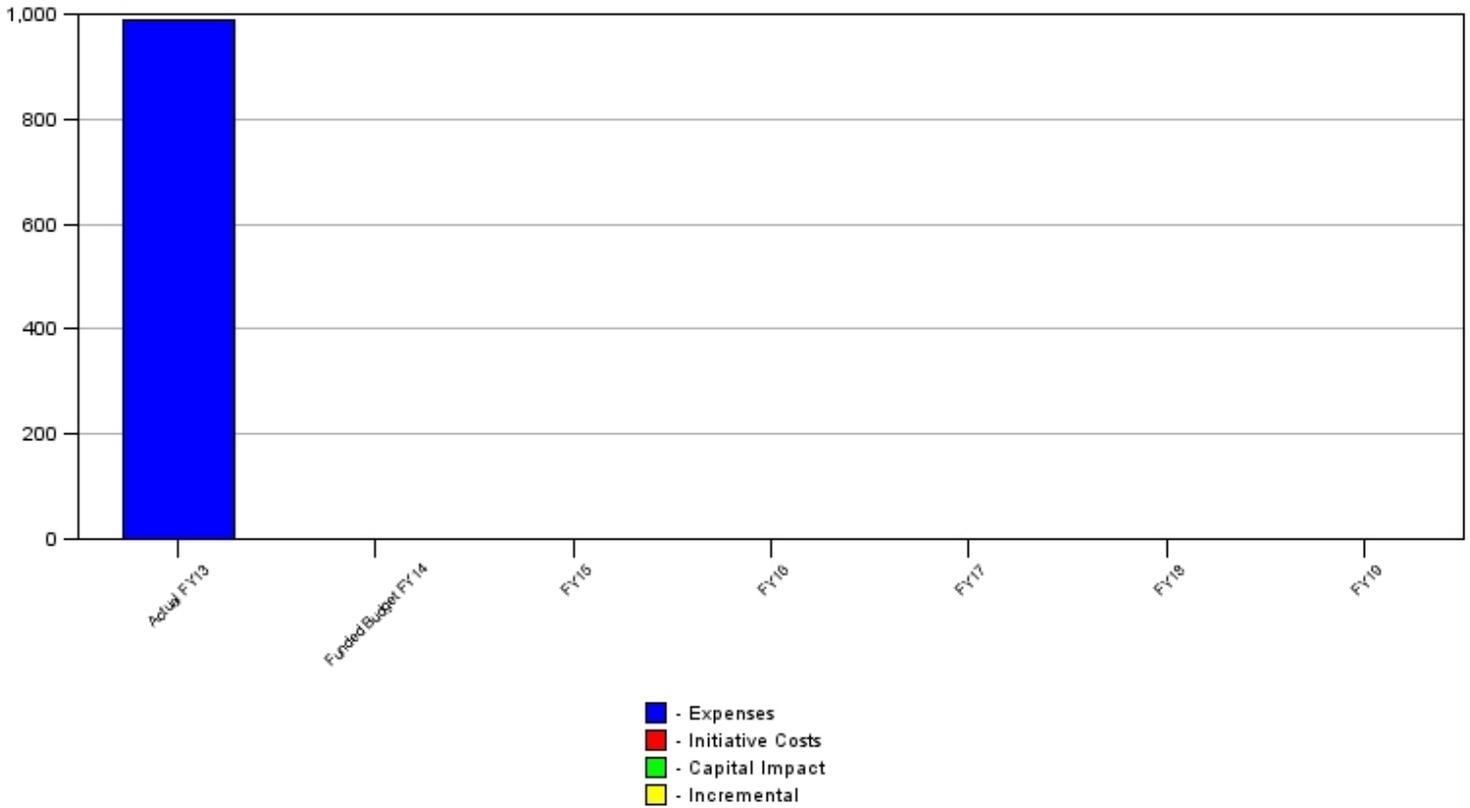
**CITY OF ATLANTA**  
**Department Of Human Resources - Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13  | Funded Budget<br>FY14 | FY15             | FY16             | FY17             | FY18             | FY19             | Total<br>Plan Years |
|---------------------------------|-----------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Expenses                        | \$35,002        | \$184,091             | \$63,250         | \$63,686         | \$64,139         | \$64,587         | \$65,130         | \$320,793           |
| Initiative Costs                | \$0             | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Capital Impact                  | \$0             | \$0                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                 |
| Incremental                     | \$0             | \$0                   | \$106,584        | \$106,584        | \$106,584        | \$106,584        | \$106,584        | \$532,920           |
| <b>Total Projected Expenses</b> | <b>\$35,002</b> | <b>\$184,091</b>      | <b>\$169,834</b> | <b>\$170,270</b> | <b>\$170,723</b> | <b>\$171,171</b> | <b>\$171,714</b> | <b>\$853,713</b>    |

The Department of Human Resources is committed to attracting, retaining and developing a diverse and competent workforce that enables City agencies to achieve their business needs. DHR plans to offer support for its staffed positions that support the HR needs of DPW. The goal is to keep them fully funded over the next five years. Incremental funds are to fully fund various positions within the fleet service fund.

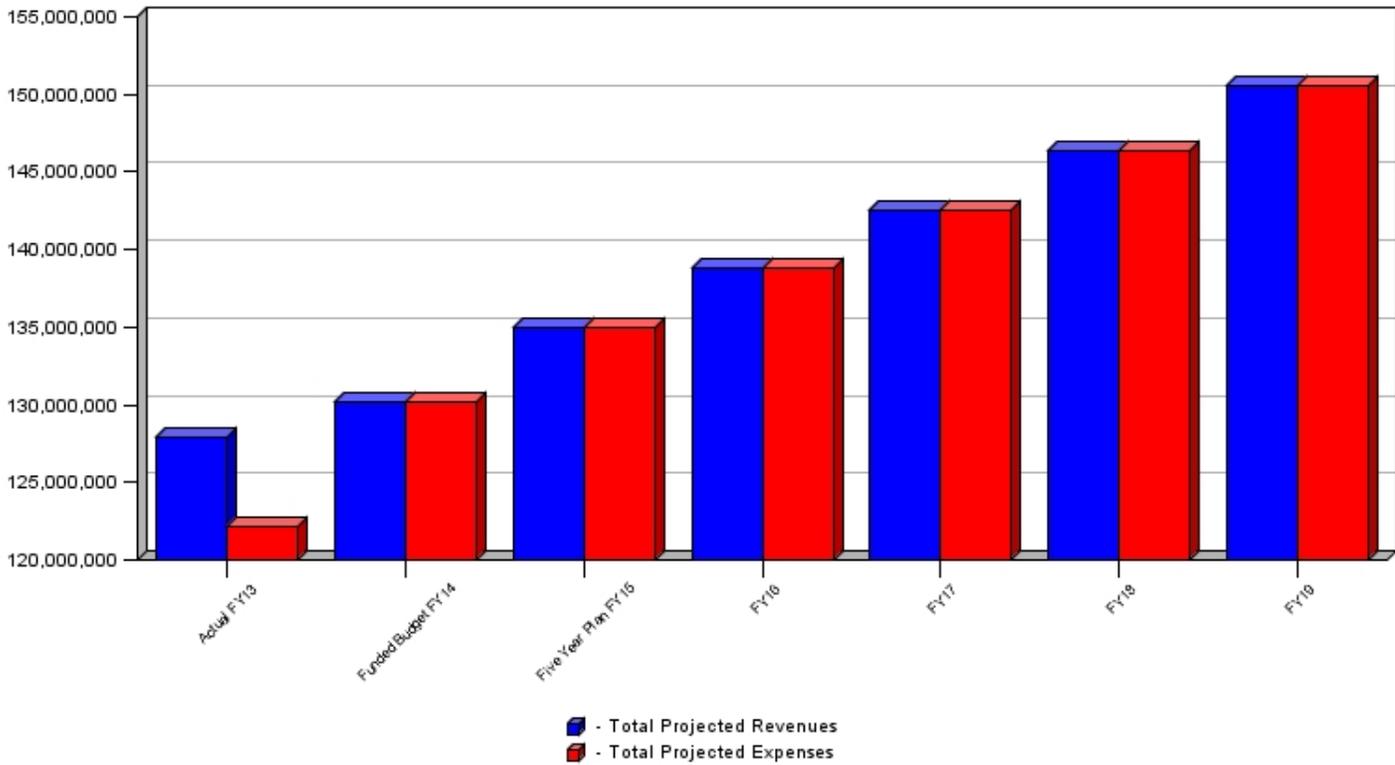
**CITY OF ATLANTA**  
**Department Of Police Services - Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13 | Funded Budget<br>FY14 | FY15       | FY16       | FY17       | FY18       | FY19       | Total<br>Plan Years |
|---------------------------------|----------------|-----------------------|------------|------------|------------|------------|------------|---------------------|
| Expenses                        | \$989          | \$0                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$1                 |
| Initiative Costs                | \$0            | \$0                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0                 |
| Capital Impact                  | \$0            | \$0                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0                 |
| Incremental                     | \$0            | \$0                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0                 |
| <b>Total Projected Expenses</b> | <b>\$989</b>   | <b>\$0</b>            | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$1</b>          |

Expenses for FY2013 is due to incorrect coding for motor and fuel charges.

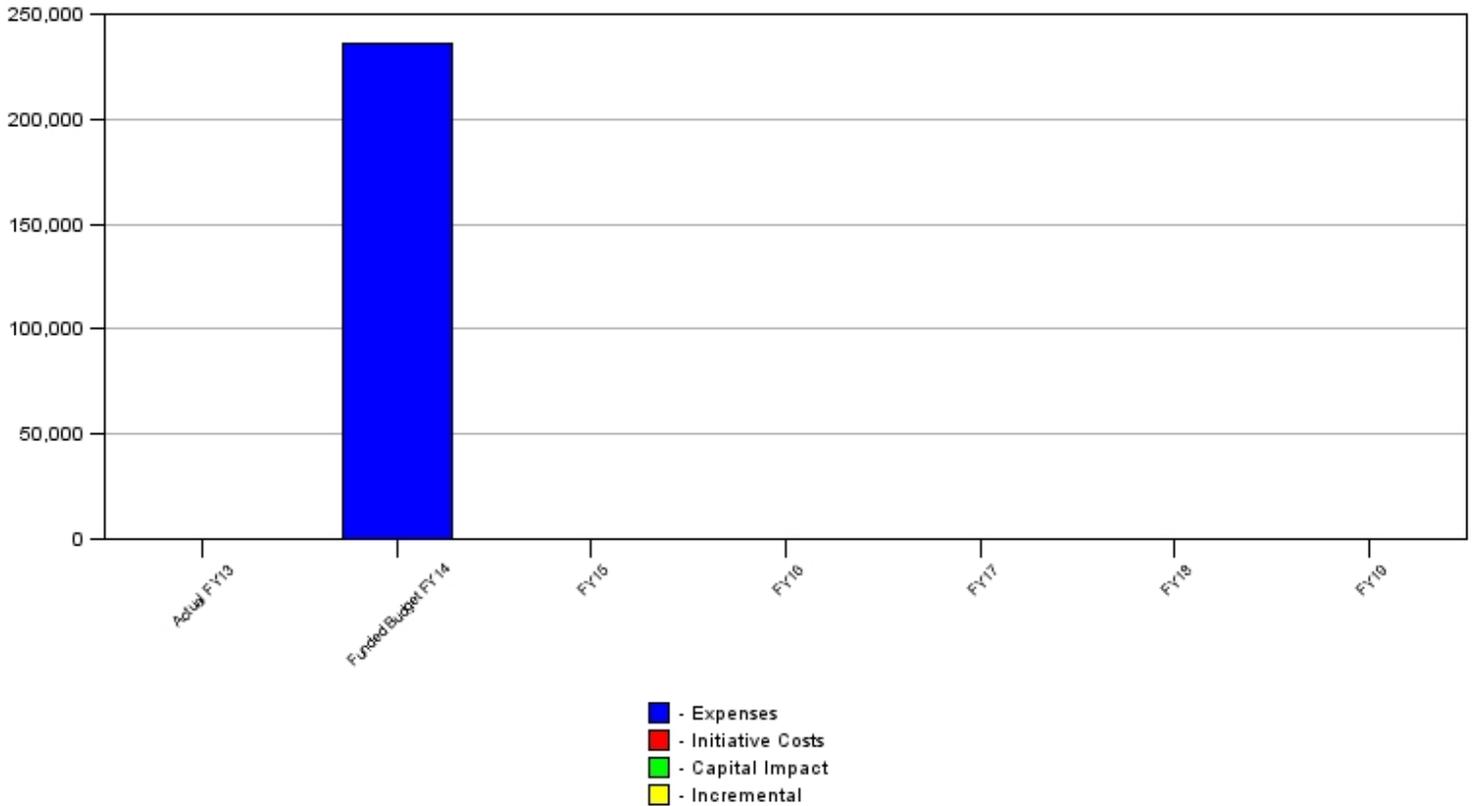
**CITY OF ATLANTA**  
**Group Insurance Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                               | Actual<br>FY13 | Funded Budget<br>FY14 | FY15          | FY16          | Five Year Plan |               |               | Total<br>Plan Years |
|-------------------------------|----------------|-----------------------|---------------|---------------|----------------|---------------|---------------|---------------------|
| Total Projected Revenues      | \$127,962,016  | \$130,175,075         | \$134,966,098 | \$138,788,967 | \$142,583,599  | \$146,368,775 | \$150,607,332 | \$713,314,770       |
| Expenses                      | \$122,126,150  | \$130,175,075         | \$125,360,632 | \$129,183,502 | \$132,978,133  | \$136,763,309 | \$141,001,866 | \$665,287,443       |
| Initiative Costs              | \$0            | \$0                   | \$0           | \$0           | \$0            | \$0           | \$0           | \$0                 |
| Capital Impact                | \$0            | \$0                   | \$0           | \$0           | \$0            | \$0           | \$0           | \$0                 |
| Incremental                   | \$0            | \$0                   | \$9,605,465   | \$9,605,465   | \$9,605,465    | \$9,605,465   | \$9,605,465   | \$48,027,327        |
| Total Projected Expenses      | \$122,126,150  | \$130,175,075         | \$134,966,097 | \$138,788,968 | \$142,583,599  | \$146,368,774 | \$150,607,331 | \$713,314,769       |
| Revenues Over(Under) Expenses | \$5,835,866    | \$0                   | \$0           | \$0           | \$0            | \$0           | \$0           | \$0                 |
| Variance %                    | 5%             | 0%                    | 0%            | 0%            | 0%             | 0%            | 0%            | 0%                  |

The Group Insurance Fund is established through employer and employee contributions; it is used for the sole purpose of paying active and retired employees and their dependents medical, dental, vision, life, and voluntary insurance premiums and expenses. Incremental Costs include the projected healthcare cost increases year over year as well as costs related to the Affordable Healthcare Act.

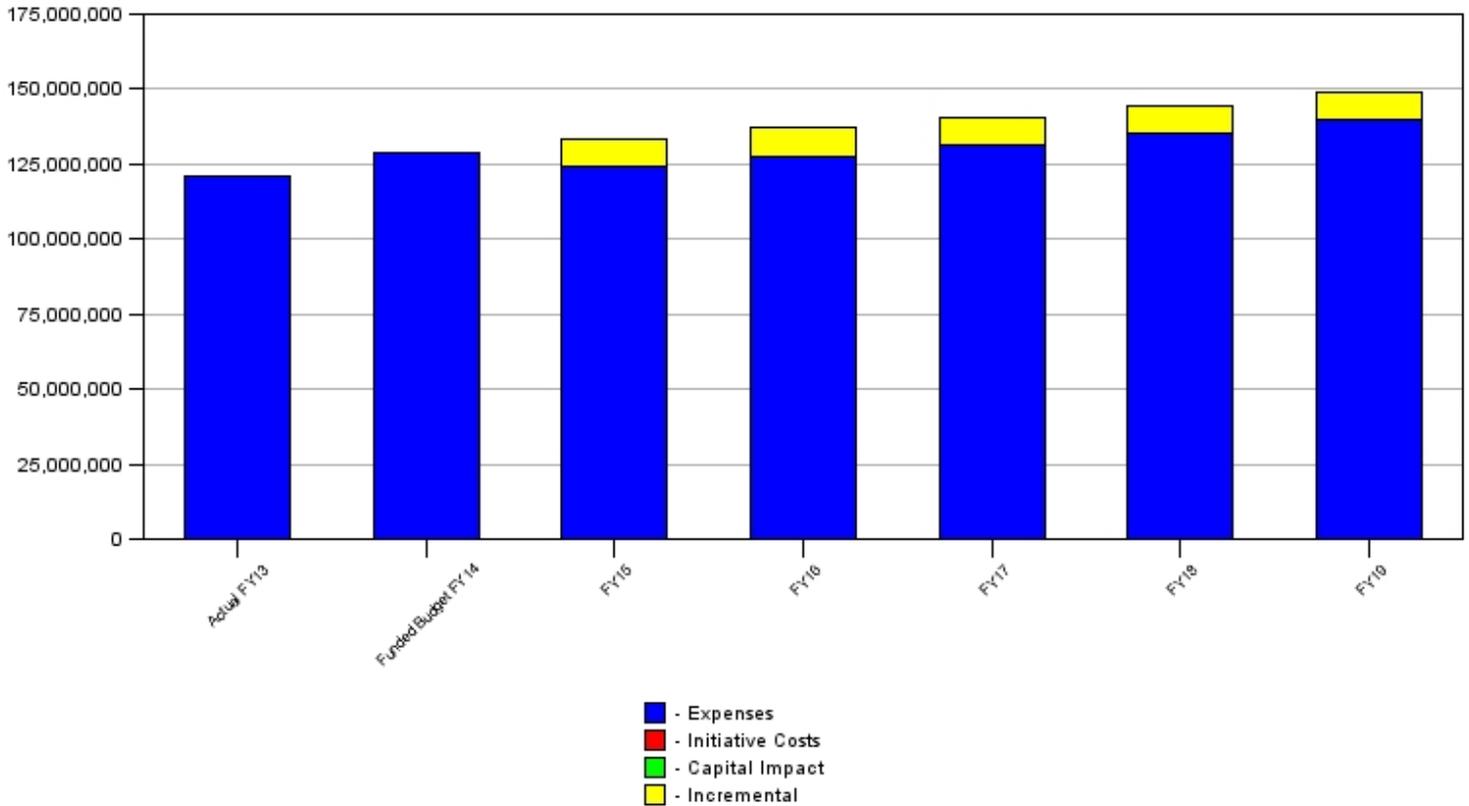
**CITY OF ATLANTA**  
**Department Of Finance - Group Insurance Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13 | Funded Budget<br>FY14 | FY15       | FY16       | FY17       | FY18       | FY19       | Total<br>Plan Years |
|---------------------------------|----------------|-----------------------|------------|------------|------------|------------|------------|---------------------|
| Expenses                        | \$0            | \$236,236             | \$0        | \$0        | \$0        | \$0        | \$0        | \$1                 |
| Initiative Costs                | \$0            | \$0                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0                 |
| Capital Impact                  | \$0            | \$0                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0                 |
| Incremental                     | \$0            | \$0                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0                 |
| <b>Total Projected Expenses</b> | <b>\$0</b>     | <b>\$236,236</b>      | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$1</b>          |

The Department of Finance manages and accounts for the City's financial resources. This department prepares and monitors the annual budget, invests city funds to protect assets, maintains fiscal liquidity and maximizes income in compliance with all governing financial and accounting laws. Beginning FY15, funds are moved to Group Insurance-Department of Human Resources to pay for the administration of the City's Insurance program.

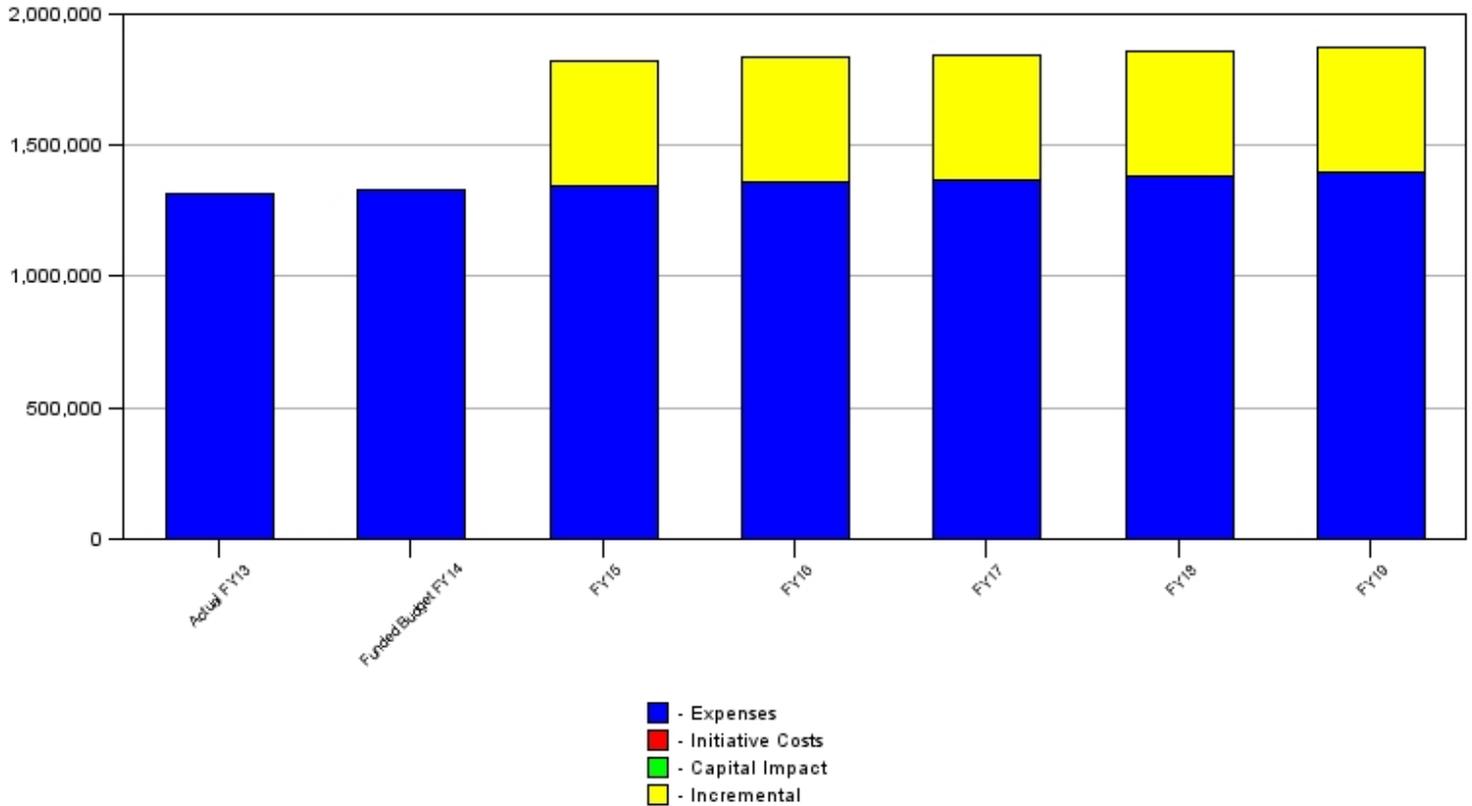
**CITY OF ATLANTA**  
**Non-Departmental - Group Insurance Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13       | Funded Budget<br>FY14 | FY15                 | FY16                 | FY17                 | FY18                 | FY19                 | Total<br>Plan Years  |
|---------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses                        | \$120,806,822        | \$128,610,932         | \$124,013,479        | \$127,823,785        | \$131,607,320        | \$135,380,955        | \$139,606,691        | \$658,432,230        |
| Initiative Costs                | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Capital Impact                  | \$0                  | \$0                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Incremental                     | \$0                  | \$0                   | \$9,130,509          | \$9,130,509          | \$9,130,509          | \$9,130,509          | \$9,130,509          | \$45,652,545         |
| <b>Total Projected Expenses</b> | <b>\$120,806,822</b> | <b>\$128,610,932</b>  | <b>\$133,143,988</b> | <b>\$136,954,294</b> | <b>\$140,737,829</b> | <b>\$144,511,464</b> | <b>\$148,737,200</b> | <b>\$704,084,775</b> |

The purpose of Non-Departmental Group Insurance is to provide funding for a variety of expenditures that generally are not specific to any one department within Group Insurance. Over the next five years the City of Atlanta like most employers will be faced with significant challenges as it relates to the funding of health insurances for its employers/retirees and their dependents. Incremental Costs include increases in projected expenses such as costs related to the Affordable Care Act.

**CITY OF ATLANTA**  
**Department Of Human Resources - Group Insurance Fund - Five Year Plan**  
**Fiscal Years FY15 - FY19**



|                                 | Actual<br>FY13     | Funded Budget<br>FY14 | FY15               | FY16               | FY17               | FY18               | FY19               | Total<br>Plan Years |
|---------------------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Expenses                        | \$1,319,329        | \$1,327,907           | \$1,347,153        | \$1,359,717        | \$1,370,813        | \$1,382,354        | \$1,395,175        | \$6,855,212         |
| Initiative Costs                | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Capital Impact                  | \$0                | \$0                   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                 |
| Incremental                     | \$0                | \$0                   | \$474,956          | \$474,956          | \$474,956          | \$474,956          | \$474,956          | \$2,374,781         |
| <b>Total Projected Expenses</b> | <b>\$1,319,329</b> | <b>\$1,327,907</b>    | <b>\$1,822,110</b> | <b>\$1,834,673</b> | <b>\$1,845,769</b> | <b>\$1,857,310</b> | <b>\$1,870,131</b> | <b>\$9,229,994</b>  |

The Department of Human Resources is committed to attracting, retaining and developing a diverse and competent workforce that enables City agencies to achieve their business needs. The Group insurance fund is funded via employee and employer contributions to pay for medical, dental vision, and life premiums and expenses. Within the next five years DHR plans to offer support for its staffed positions in Group Insurance that support employee benefit needs city wide. The incremental increase will cover consulting needs and production cost of the various mailers and pamphlets sent to all city employees and retirees.

# FUND BALANCES

GENERAL FUND BALANCE AND PROJECTIONS

SUMMARY OF FUND BALANCE AND  
NET POSITION

THE PLAN TO ADDRESS DEFICIT FUND  
BALANCES

FIVE YEAR PLAN



## GENERAL FUND BALANCE

According to GFOA, the adequacy of unassigned fund balance in the general fund should be assessed based upon a government's specific circumstances. Nevertheless, the GFOA recommends, at a minimum, that general-purpose governments, regardless of size, incorporate in its financial policies that unrestricted fund balance in their general fund be no less than two months (16.7%) of or regular general fund operating expenditures.

During fiscal 2012 the City adopted a fund balance policy which calls for unrestricted fund balance in the General Fund to range from no less than 15% to 20% of the subsequent year's budgeted expenditures and outgoing transfers. At any time the unrestricted fund balance is within the range of 15% to 20% of the subsequent year's budgeted expenditures and outgoing transfers, upon recommendation by the Chief Financial Officer, the City Council may authorize additional transfers to a fund at its discretion, up to a maximum of 5% per year of the subsequent year's budgeted revenues in preparation for adoption of the upcoming years' budget.

If the unrestricted fund balance falls below the minimum 15% of the subsequent year's budgeted expenditures and outgoing transfers, replenishment of shortages/deficiencies will be made within specified time periods and upon the recommendation of the Chief Financial Officer.

Should the unrestricted fund balance of the General Fund exceed the maximum of 20%, such surplus fund balance may be considered for transfer to deficit balances in other funds and for one-time expenditures that are nonrecurring. At least 50% of surplus fund balance must be used to reduce any deficit fund balance prior to allocation for any one-time expenditure.

|                                      |                      |
|--------------------------------------|----------------------|
| <b>Fund Balance at June 30, 2009</b> | <b>7,393</b>         |
| <b>FY 2010 Surplus</b>               | <b><u>65,040</u></b> |
| <b>Fund Balance at June 30, 2010</b> | <b>72,433</b>        |
| <b>FY 2011 Surplus</b>               | <b><u>21,917</u></b> |
| <b>Fund Balance at June 30, 2011</b> | <b>94,350</b>        |
| <b>FY 2012 Surplus</b>               | <b><u>32,370</u></b> |
| <b>Fund Balance at June 30, 2012</b> | <b>126,720</b>       |
| <b>FY 2013 Surplus</b>               | <b><u>11,444</u></b> |
| <b>Fund Balance at June 30, 2013</b> | <b>138,164</b>       |

The following is the Fund Balance as of June 30, 2013, as presented in the format required by GASB 54.

| GASB54 Category | Amount         |
|-----------------|----------------|
| Nonspendable    | 4,972          |
| Restricted      | 14,159         |
| Assigned        | 20,516         |
| Unassigned      | 98,517         |
| <b>Total</b>    | <b>138,164</b> |

**Projected Fund Balance Change during FY14**

|  |                |                       |
|--|----------------|-----------------------|
| FY 2014 Revenues Approved by City Council  | 546,066        |                       |
| Less: GF revenue projection variance       | <u>(9,331)</u> |                       |
| Net Projected Revenues as of 6/30/2014     |                | 536,735               |
| FY 2014 Expenses Approved by Council       | 546,066        |                       |
| Less: GF department projection variance    | <u>(6,275)</u> |                       |
| Net Projected Expenses as of 6/30/2014     |                | <u>539,791</u>        |
| Net Estimated FY14 Deficit from Operations |                | <u>(3,056)</u>        |
| <b>Projected General Fund Balance</b>      |                | <b><u>135,108</u></b> |

At the end of the fiscal year, unspent reserves and any other surplus funds will increase fund balance.

The following is the Fund Balance Projection as of June 30, 2014, as presented in the format required by GASB

| <b>GASB54 Category</b> | <b>Amount</b>  |
|------------------------|----------------|
| Nonspendable           | 5,747          |
| Restricted             | 15,895         |
| Committed              | 0              |
| Assigned               | 18,865         |
| Unassigned             | 94,601         |
| <b>Total</b>           | <b>135,108</b> |
| Unrestricted           | <b>113,466</b> |

## SUMMARY OF FUND BALANCE

|   | <u>Beginning<br/>Fund Balance</u> | <u>Other</u>       |                      |                                | <u>FY13 Net</u>     | <u>Audited</u>      | <u>% Change in<br/>Fund<br/>Balance</u> |
|---|-----------------------------------|--------------------|----------------------|--------------------------------|---------------------|---------------------|---|
|   |                                   |                    |                      |                                | <u>Change in</u>    | <u>Ending Fund</u>  |   |
|   |                                   | <u>Revenues</u>    | <u>Expenditures</u>  | <u>financing<br/>resources</u> | <u>Fund Balance</u> | <u>Balance 2013</u> |   |
| General Fund                              | 126,720,000                       | 469,262,157        | (453,925,689)        | (3,893,024)                    | 11,443,444          | 138,163,444         | 9.03%                                   |
| <b>Special Revenue Funds</b>              |                                   |                    |                      |                                |                     |                     |   |
| Community Development Block Grant Fund    | 2,268,000                         | 14,373,068         | (16,723,468)         | 171,053                        | (2,179,347)         | 88,653              | -96.09%                                 |
| Emergency 911 Fund                        | (22,448,876)                      | 9,867,766          | (14,684,057)         | 12,775,265                     | 7,958,974           | (14,489,901)        | -35.45%                                 |
| Intergovernmental Grant Fund              | 1,915,402                         | 48,356,326         | (48,653,987)         | 322,708                        | 25,047              | 1,940,449           | 1.31%                                   |
| Empowerment Zone Fund                     | 230,603                           | 37,234             | (217,051)            | -                              | (179,818)           | 50,785              | -77.98%                                 |
| Job Training Grant Fund                   | (2,085,004)                       | 7,346,582          | (4,824,103)          | -                              | 2,522,479           | 437,474             | -120.98%                                |
| Home Investment Partnerships Program Fund | 499,816                           | 3,698,994          | (3,636,123)          | 410,838                        | 473,710             | 973,526             | 94.78%                                  |
| Rental Rehabilitation Fund                | 603                               | -                  | -                    | -                              | -                   | 603                 | 0.00%                                   |
| Sec 108 Loan Trust Fund                   | 6,988,000                         | 2,865              | (679,535)            | (171,053)                      | (847,724)           | 6,140,276           | -12.13%                                 |
| Atlantic Station TAD Fund                 | 37,292,000                        | 14,638,168         | (20,927,032)         | -                              | (6,288,863)         | 31,003,137          | -16.86%                                 |
| Westside TAD Fund                         | 100,065,000                       | 13,815,116         | (7,131,615)          | -                              | 6,683,501           | 106,748,501         | 6.68%                                   |
| NW Atlanta TAD Fund                       | 13,078,910                        | 2,533,817          | (3,267,322)          | -                              | (733,506)           | 12,345,404          | -5.61%                                  |
| Princeton Lakes TAD Fund                  | 3,849,167                         | 1,708,387          | (773,117)            | -                              | 935,270             | 4,784,437           | 24.30%                                  |
| Eastside TAD Fund                         | 52,513,000                        | 10,896,019         | (4,228,594)          | -                              | 6,667,425           | 59,180,425          | 12.70%                                  |
| Atlanta Beltline TAD                      | 24,307,000                        | 18,357,737         | (18,928,439)         | -                              | (570,703)           | 23,736,297          | -2.35%                                  |
| Campbellton Road TAD Fund                 | 2,197,000                         | 324,503            | (77,772)             | -                              | 246,731             | 2,443,731           | 11.23%                                  |
| Hollowell/M.L. King TAD Fund              | 1,602,511                         | 347,165            | (76,766)             | -                              | 270,399             | 1,872,910           | 16.87%                                  |
| Metropolitan Parkway TAD Fund             | 1,153,557                         | 172,162            | (139,087)            | -                              | 33,075              | 1,186,633           | 2.87%                                   |
| Stadium Neighborhoods TAD Fund            | 165,656                           | 1,250              | (77,728)             | -                              | (76,478)            | 89,178              | -46.17%                                 |
| Rental/Motor Vehicle Tax                  | -                                 | 963,628            | (963,628)            | -                              | -                   | -                   | 0.00%                                   |
| Hotel/Motel Tax Fund                      | -                                 | 54,419,419         | (40,891,049)         | (13,528,369)                   | -                   | -                   | 0.00%                                   |
| Special 1% Sales And Use Tax Fund         | -                                 | 118,750,610        | -                    | (118,750,610)                  | -                   | -                   | 0.00%                                   |
| Trust Fund                                | 41,760,000                        | 15,237,892         | (19,608,850)         | 99,806                         | (4,271,153)         | 37,488,847          | -10.23%                                 |
| <b>Special Revenue Total</b>              | <b>265,352,344</b>                | <b>335,848,708</b> | <b>(206,509,325)</b> | <b>8,344,632</b>               | <b>(13,111,155)</b> | <b>276,021,365</b>  | <b>-253.12%</b>                         |
| <b>Capital Projects Fund</b>              |                                   |                    |                      |                                |                     |                     |   |
| Annual Bond Fund                          | 337,756                           | (212)              | -                    | -                              | (212)               | 337,544             | -0.06%                                  |
| 1993 School Improvement Bond              | 20,087                            | 31                 | -                    | -                              | 31                  | 20,118              | 0.16%                                   |
| 1994 Referendum G.O. Bond Fund            | 1,672,414                         | 2,680              | (15,014)             | -                              | (12,334)            | 1,660,081           | -0.74%                                  |
| 1996 G.O. Public Improvement Bond Part B  | 861,785                           | 1,334              | (30,942)             | -                              | (29,608)            | 832,177             | -3.44%                                  |
| 1997 G.O. Public Improvement Bond Fund    | 610,872                           | 955                | 1,496                | -                              | 2,451               | 613,323             | 0.40%                                   |
| 2000 Park Improvement Bond Fund           | 11,858                            | 19                 | -                    | -                              | 19                  | 11,877              | 0.16%                                   |
| 2001 Quality Of Life Fund                 | 666,195                           | 336                | -                    | -                              | 336                 | 666,531             | 0.05%                                   |
| 2004 Quality Of Life Fund                 | 1,418,958                         | 1,211              | 9                    | -                              | 1,220               | 1,420,179           | 0.09%                                   |
| 2005 B Go Project Fund                    | -                                 | -                  | (9,069)              | -                              | (9,069)             | (9,069)             | 0.00%                                   |
| 2005A Park Improvement Bond Fund          | 12,758,560                        | 1,666              | (1,112,375)          | -                              | (1,110,710)         | 11,647,851          | -8.71%                                  |
| Public Safety Facility Fund               | (6)                               | 1                  | -                    | 8                              | 9                   | 2                   | -134.53%                                |
| 2008A Quality Of Life Improvement         | 3,010,070                         | 810                | (306,068)            | -                              | (305,258)           | 2,704,812           | -10.14%                                 |
| Capital Finance Fund                      | (4,154,391)                       | 113,617            | (6,037,171)          | 3,430,329                      | (2,493,225)         | (6,647,616)         | 60.01%                                  |
| Special Assessment Fund                   | 2,634,317                         | 90,775             | -                    | -                              | 90,775              | 2,725,092           | 3.45%                                   |
| Solid Waste Management Fac Const Fund     | 2,666,849                         | 3,568              | (2,195,469)          | -                              | (2,191,901)         | 474,948             | -82.19%                                 |
| Capital Asset - Finance Fund              | 6,697                             | -                  | (5,725,802)          | 4,914,295                      | (811,507)           | (804,810)           | -12117.20%                              |
| Capital Finance - Recovery                | -                                 | -                  | (3,053,241)          | -                              | (3,053,241)         | (3,053,241)         | 0.00%                                   |
| General Government Capital Fund           | 26,323,000                        | 3,574,495          | (3,758,664)          | -                              | (184,169)           | 26,138,831          | -0.70%                                  |
| Park Improvement Fund                     | 9,931,000                         | 9,497,552          | (12,502,556)         | -                              | (3,005,004)         | 6,925,996           | -30.26%                                 |
| 2002 Traffic Court Facility Bond          | 187,464                           | 243                | -                    | -                              | 243                 | 187,707             | 0.13%                                   |
| <b>Sub - Total</b>                        | <b>58,963,486</b>                 | <b>13,289,080</b>  | <b>(34,744,867)</b>  | <b>8,344,632</b>               | <b>(13,111,155)</b> | <b>45,852,331</b>   | <b>-12323.52%</b>                       |
| <b>Debt Service Fund</b>                  |                                   |                    |                      |                                |                     |                     |   |
| Bond Sinking Fund                         | 59,150,000                        | 29,186,662         | (25,841,325)         | -                              | 3,345,338           | 62,495,338          | 5.66%                                   |

## SUMMARY OF NET POSITION

|   | <u>Beginning<br/>Net Position</u> |                 |                     |                  |                  | <u>FY13 Net</u>     | <u>Audited Ending</u> | <u>% Change in<br/>Net Position</u> |
|---|-----------------------------------|-----------------|---------------------|------------------|------------------|---------------------|-----------------------|-------------------------------------|
|   |                                   |                 |                     | <u>Non</u>       | <u>Other</u>     | <u>Change in</u>    | <u>Net Position</u>   |                                     |
|   |                                   | <u>Revenues</u> | <u>Expenditures</u> | <u>Operating</u> | <u>financing</u> | <u>Net Position</u> | <u>2013</u>           |                                     |
|   |                                   |                 | <u>revenues</u>     | <u>resources</u> |                  |                     |                       |                                     |
| DWM                                     | 4,468,586,945                     | 490,388,328     | (440,673,595)       | 68,993,429       | 33,306,675       | 152,014,837         | 4,620,601,782         | 3.40%                               |
| DOA                                     | 2,381,617,175                     | 448,166,687     | (296,514,914)       | (99,449,287)     | 122,848,069      | 175,050,555         | 2,556,667,730         | 7.35%                               |
| <b>Nonmajor proprietary funds</b>       |                                   |                 |                     |                  |                  |                     |                       |                                     |
| Sanitation                              | (9,624,951)                       | 54,071,127      | (46,432,846)        | (47,547)         | (2,039,756)      | 5,550,978           | (4,073,973)           | -57.67%                             |
| Parks and Recreational Facilities       | (152,195)                         | 475,203         | (554,026)           | (1,392)          | -                | (80,214)            | (232,410)             | 52.71%                              |
| Underground Atlanta                     | (5,780,000)                       | 1,707,083       | (5,446,929)         | (1,523,127)      | 16,967,234       | 11,704,261          | 5,924,261             | -202.50%                            |
| Parking Deck                            | 1,369,000                         | 804,018         | (471,483)           | (942,970)        | (75,640)         | (686,076)           | 682,924               | -50.12%                             |
| Building Permits Fund                   | 4,777,000                         | 18,463,248      | (6,610,411)         | (45,058)         | -                | 11,807,779          | 16,584,779            | 247.18%                             |
| Civic Center                            | 9,260                             | 1,196,089       | (2,034,110)         | (12,561)         | -                | (850,582)           | (841,322)             | -9185.44%                           |
| <b>Total nonmajor proprietary funds</b> |                                   |                 |                     |                  |                  |                     |                       |                                     |
| <b>Internal Services funds</b>          |                                   |                 |                     |                  |                  |                     |                       |                                     |
| Fleet services                          | (31,797,343)                      | 25,721,869      | (30,024,532)        | (332,841)        | (499)            | (4,636,004)         | (36,433,347)          | 14.58%                              |
| Group insurance                         | 8,477,000                         | 127,982,140     | (122,119,454)       | (20,124)         | -                | 5,842,563           | 14,319,563            | 68.92%                              |
| <b>Total internal services funds</b>    |                                   |                 |                     |                  |                  |                     |                       |                                     |
|   | (23,320,343)                      | 153,704,009     | (152,143,986)       | (352,965)        | (499)            | 1,206,559           | (22,113,784)          | 83.50%                              |

# THE PLAN TO ADDRESS DEFICIT FUND BALANCES

As of the FY2013 CAFR, the City has seven funds that are operating in a deficit position:

- E911 – Emergency Telephone System,
- Capital Finance Fund,
- Solid Waste Fund,
- Underground Atlanta Fund,
- Civic Center Fund, and
- Fleet Services Fund.

The legislation driving this five year plan has included as an objective that each of these funds are addressed. Specifically, the legislation states the need to “eliminate any deficits in funds supported by the General Fund”.

Listed below is a description of each fund with their respective FY2013 deficits and possible solutions to reduce or eliminate the balances.

## **E911 – EMERGENCY TELEPHONE SYSTEM**

The Emergency Telephone System Fund consists of collections of an Enhanced 911 (E911) fee levied against telephone subsidies beginning in 1991. Until 1993, the collections of these fees were accounted for in the General Fund in Revenue from Charges for Services category. The current rate structure mandated by the Georgia General Assembly does not adequately cover the costs of operating this function. Since 2011, the general fund has transferred over \$29M to this fund, including \$13M in FY 2013. As of the close of FY2013 the amount due to the general fund is \$14.5MM, a decrease of \$6.5MM from FY 2012.

The City has submitted a fee increase request to the General Assembly to increase the E911 fee from \$1.50 to \$4.00 in FY 2014. This budget does not assume a rate increase that will cover the cost of operations. However, if the full rate increase of \$4.00 is passed, then the additional funds will be used to continue to address the existing fund balance deficit.

## **CAPITAL FINANCE FUND**

Capital Finance Fund (CFF) was established to centralize all governmental capital purchases. Examples of capital purchases include infrastructure and vehicles for Public Safety, Public Works, and Parks & Recreation. The CFF was also used to capture the costs of the Oracle ERP system. However, specific funding was not identified for this project and these costs contributed significantly to the deficit. In 2011, the General Fund transferred \$29 million from reserves to the CFF. As of the close of FY 2013 the amount due to the general fund is \$6 million. However, this amount includes unspent project proceeds of a \$6 million which puts the true deficit at \$12 million. A proposed allocation of the Oracle ERP implementation costs to enterprise funds will help reduce this deficit.

## **SOLID WASTE FUND**

Solid Waste Collection Fund consists of collections of fees for: garbage, recycling, yard waste and bulk rubbish, street sweeping, de-littering, debris removal, right-of-way-cutting, dead animal removal, education and enforcement. It also includes land post-closure management and responding to city-wide emergency operations. In FY2010, the rates were increased to cover the costs for providing these services. As a result, this fund has been covering its operating costs and funding its capital needs. As of the close of FY2013 the amount due to the general fund was \$19 million, a \$2 million decrease from the FY2012.

Since raising the recycling fee from \$30 to \$88, the Solid Waste fund has realized a surplus. A renewal and extension fund was created to address capital needs, and will be funded by 50% of the annual surplus. The remaining 50% will

remain in the fund balance to eliminate the deficit fund balance. Only after the following fiscal year that the Solid Waste fund balance reflects a positive fund balance, 100% of all net revenues will flow to its renewal and extension fund following each year-end close.

### **UNDERGROUND ATLANTA FUND**

The Underground Atlanta Fund was established in 1989 to account for transactions associated with the public operations of the Underground Atlanta facilities and the parking decks. The City has a master lease agreement with the tenant to lease the structure until 2086. The fund is supported by user fees, parking revenues and a general fund subsidy because revenues from Underground have not been sufficient to cover operating expenses. Since 2009, annual operating deficits have ranged from \$1-2 million. As of the close of FY2012 the accumulated deficit was \$8 million. During FY2013, the General Fund transferred \$7 million to the Underground Fund towards deficit reduction and the deficit at the close of FY2013 was \$1million.

### **CIVIC CENTER FUND**

The Civic Center will require significant capital investments in order to continue to attract events that result in revenues that will cover operating expenses. At the close of FY 2013, the Civic Center fund had an accumulated deficit of \$841K. The City is currently weighing the options on this property including increasing event revenue, cost containment and sale of the property.

### **FLEET SERVICES FUND**

The Fleet Services fund is an internal service fund that provides fuel and maintenance services to internal COA departments. Over time internal service funds should break-even; all costs incurred by the fund should be recouped via charges to the user departments. The Fleet Services Fund has not been recovering costs, and as of the close of FY 2013 had an accumulated deficit of \$36.4 million, an increase of \$4.6 million from FY 2012. A review of the Fleet Services operations revealed that a significant number of man hours are not being captured or billed out. Additionally, the billing rates lack the sophistication to capture multiple types of work being performed, or to recover overhead costs.

Fleet Services is currently reviewing its rate structure and the utilization of fleet inventory. A new director has been hired to assess the current state and to provide a solution going forward that would address the fund deficit as well as the fleet maintenance, replacement and research any incentive programs.

# 5

## DEBT MANAGEMENT

OVERVIEW

MUNICIPAL BOND RATINGS

DEBT FORECAST SUMMARIES

FIVE YEAR PLAN



# OVERVIEW

The City of Atlanta, Department of Finance is tasked with the responsibility of executing sound financial management practices to address the ongoing needs and functions of the City, as governed by the Mayor and City Council members. The Office of Debt & Investments operates under the umbrella of the Department of Finance and is primarily responsible for the management of the City's cash, investment and debt portfolio functions. Specifically, where debt management is concerned, the office:

- Assists in the administration of the City's bond program through the planning and coordination of bond sales and is a key contributor to strategic planning for debt structuring and issuance, and ongoing portfolio management
- Makes recommendations that identify long term financing instruments: general obligation bonds, revenue bonds, obligations issued through state level authorities, and other obligations including lease purchase agreements and appropriation backed securities such as Certificates of Participations (COPS)
- Leads in the development of debt policies, capital improvement plans and debt capacity studies
- Manages outside consultants and agencies, including financial advisors, investment bankers, bond counsel and ratings agencies
- Apprises City of Atlanta leadership of debt position and transactions which includes members of the Administration and City Council, as required

This document provides an overview of the City's debt management program under the purview of the Office of Debt and Investments as well as outlines the methodology of the office's debt management practices.

## **Debt Management Objectives**

- Maintain cost-effective access to the capital markets through prudent policies
- Maintain moderate debt and debt service payments with effective planning and coordination with the City's departments
- Meet significant capital demands through debt financing and alternative financing mechanisms
- Define the acceptable parameters and structure for each type of debt, and;
- Achieve and maintain the highest possible credit ratings within the context of the City's capital needs and financing capabilities

# MUNICIPAL BOND RATINGS

| CITY OF ATLANTA  |               |                   |       |
|--|---------------|-------------------|-------|
| BONDS TYPE   | CREDIT RATING |                   |       |
|  | Moody's       | Standard & Poor's | Fitch |
| General Obligation Bonds<br><i>Underlying Rating</i>   | Aa2           | A                 | --    |
| Water and Wastewater Revenue Bonds<br><i>Underlying Rating</i>   | Aa3           | A+                | A+    |
| Hartsfield Atlanta International Airport Revenue Bonds - Senior Lien / GARBs<br><i>Underlying Rating</i> | A1            | A+                | A+    |
| Hartsfield Atlanta International Airport Revenue Bonds GARBs/PFC<br><i>Underlying Rating</i>             | A1            | A                 | A     |
| Atlanta Development Authority<br><i>Underlying Rating</i>  | A2            | A                 | --    |
| Downtown Development Authority<br><i>Underlying Rating</i>   | Aa2           | A                 | --    |
| Solid Waste Management Authority<br><i>Underlying Rating</i>   | Aa2           | A                 | --    |
| Atlanta Fulton County Recreation Authority<br><i>Underlying Rating</i>                                   | Aa2           | A                 | --    |
| Atlanta Urban Residential Finance Authority<br><i>Underlying Rating</i>                                  | Aa2           | A                 | --    |
| Tax Allocation Districts<br><i>Underlying Rating</i>   | Baa3          | BBB               | --    |

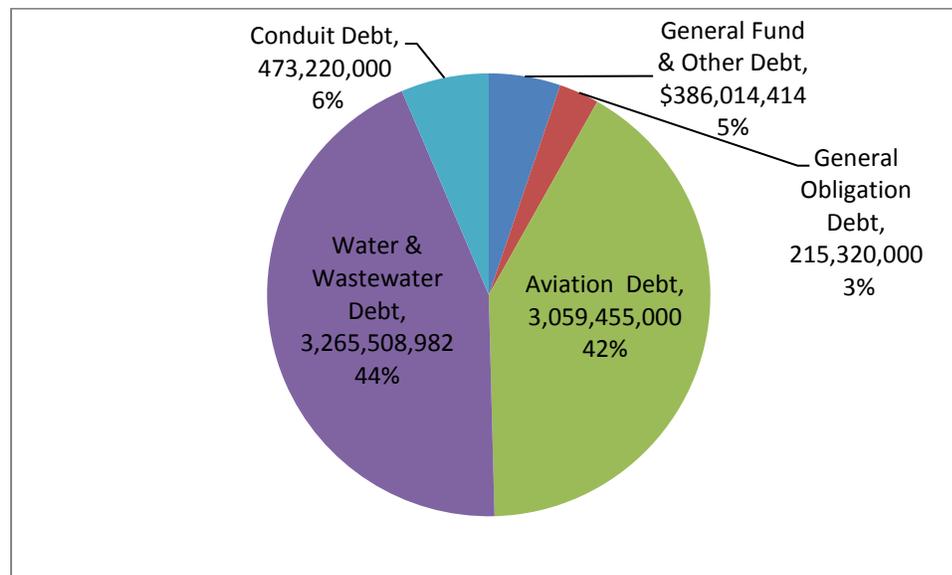
## Total Debt Outstanding

The City of Atlanta's outstanding debt totaled \$7.4 billion as of June 30, 2013.

Total debt consists of \$1.10 billion in General Obligation and other debt (General Fund, TAD, Capital Leases, Other); \$3.06 billion in Aviation Revenue Bonds; and \$3.27 billion in Water and Wastewater Revenue Bonds. Total debt from fiscal year 2013 decreased by \$104.7 million or 1% over fiscal year 2012.

Currently, the City estimates approximately \$1.0 billion in capital improvement needs and will seek voter approval to issue General Obligation (GO) bonds to finance a majority of the improvements. Of the total amount required, it is anticipated that the City will issue approximately \$250 million in GO bonds by the 1<sup>st</sup> quarter fiscal year 2015. The annual debt service payments for this issuance are included in the GO 5 year plan.

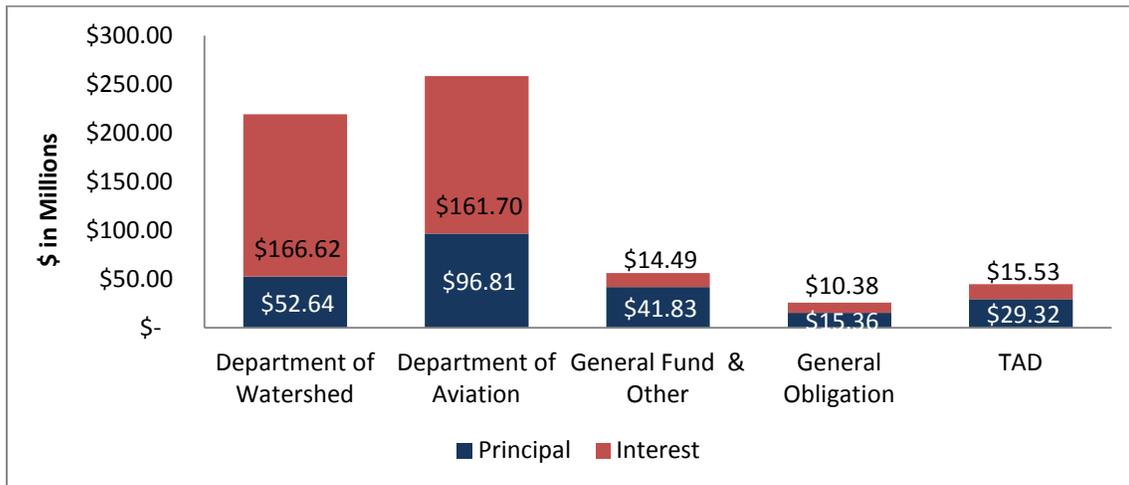
Overall, the City continues to generate enough cash from various revenue streams to cover its operating costs, make payments on outstanding debt obligations and build future reserves.



## FY2013 Principal and Interest Payments

In fiscal year 2013, approximately \$604.6 million in revenues were used to service the outstanding long-term debt obligations of the City. \$236.0 million of this total was spent on principal and \$368.7 million on interest payments. The total debt payments by issue category are as follows:

| Water / Wastewater | Aviation | General Fund & Other | TADs    | General Obligation |
|--------------------|----------|----------------------|---------|--------------------|
| \$219.3M           | \$258.5M | \$56.3M              | \$44.8M | \$25.7             |



## Debt Comparison

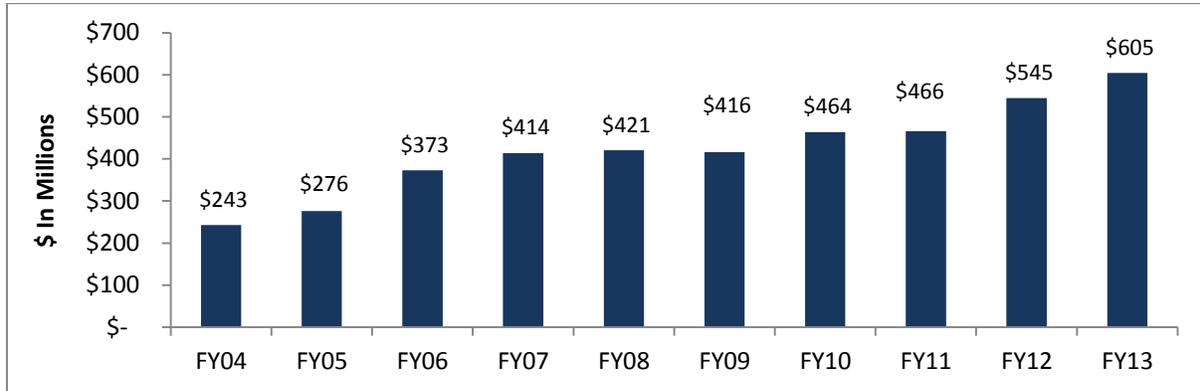
At the end of fiscal year 2013, the City's total debt outstanding was \$7.4 billion. This represents a 1% or \$104.7 million decrease over the previous year's total of \$7.5 billion.



Note: General Fund and Other debt outstanding as of 6/30/12 excluded Capital Lease obligations but is now included in 6/30/13 figures.

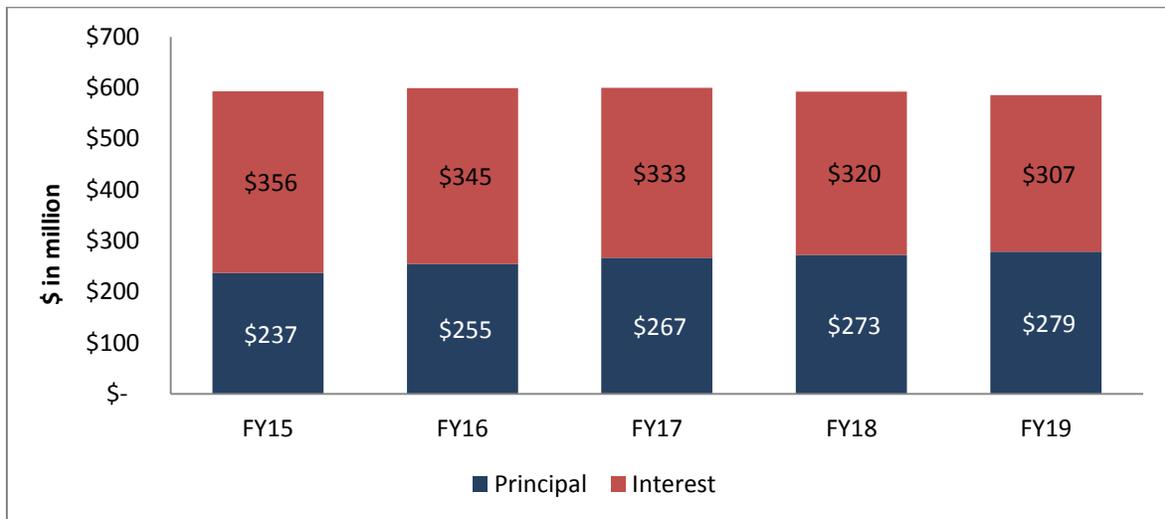
### All Long Term Debt - Historical Payments

During the last 10 years, from 2004 to 2013, the City has spent \$4.2 billion in principal and interest payments on all of its long term debt obligations. The payments were for the GO bonds, Conduit bonds, General Fund bonds, Capital Leases, Aviation bonds, and Water and Wastewater bonds. The overall annual debt payment has increased approximately 2.5 times from \$242.7 million in 2004 to \$604.7 million in 2013.



### All Debt - 5 Year Outlook Principal & Interest Payments

At the end of fiscal year 2013, the City had a total of 7.4 billion in long-term debt outstanding. It is expected that the City will spend approximately \$1.66 billion in interest payments over the next five years on these bonds; this averages out to \$332.0 million annually.



# GENERAL FUND & OTHER

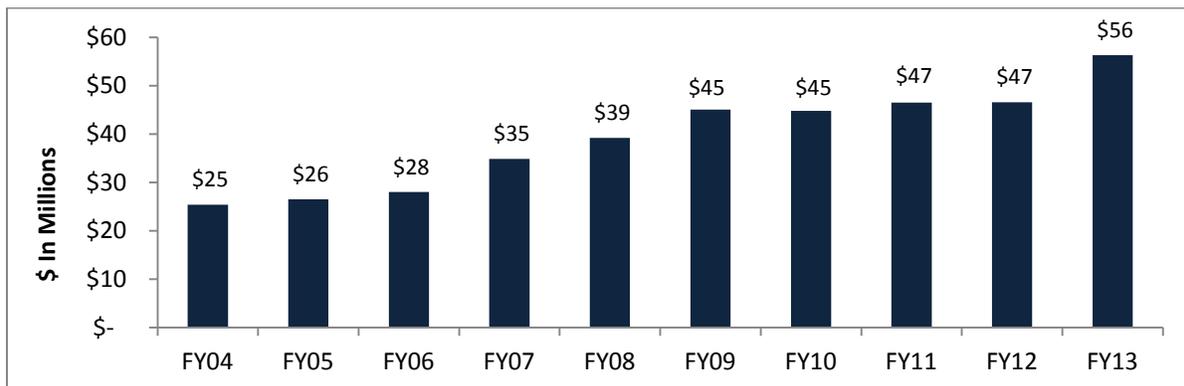
## General Fund Outstanding Debt

The General Fund and Other debt obligations of the City consists of bonds issued for various purposes , and Capital Lease agreements. For the fiscal year ended 2013, \$386.0 million of these bonds and leases remained outstanding.



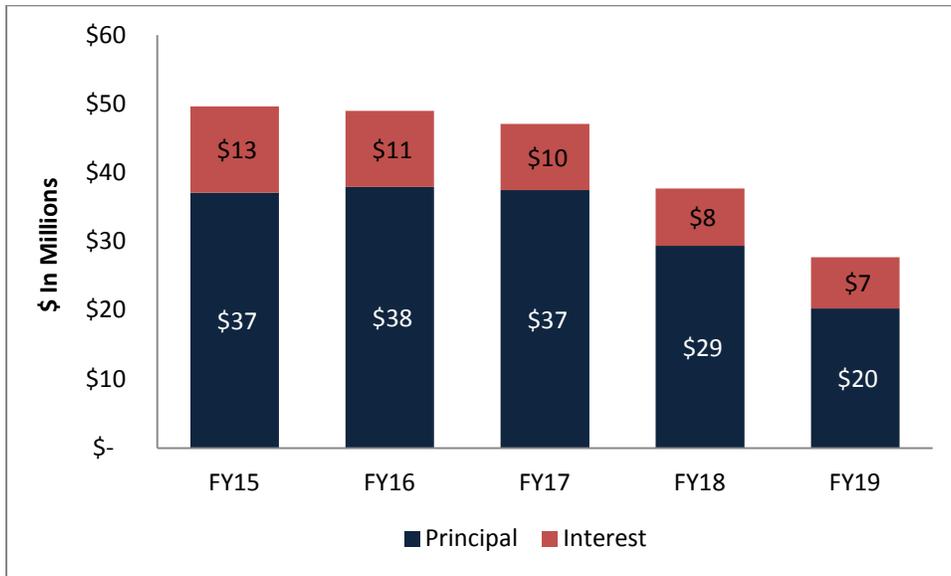
## General Fund - Historical Payments

Between 2004 and 2013 the City has paid \$393.0 million on principal and interest on its general fund and other debt outstanding. During this period the debt payments has increased from \$25.3 million in 2004 to \$56.3 million annually.



### General Fund - 5 Year Outlook - Principal & Interest Payments

In the next 5 years, it is expected that \$211.1 million of General Fund and Other revenues will be used to make annual debt service payments. The payments include Inter-governmental agreements that the City has with other authorities. \$162.1 million of the total amount will be used to make principal payments and \$49.0 million for interest payments.

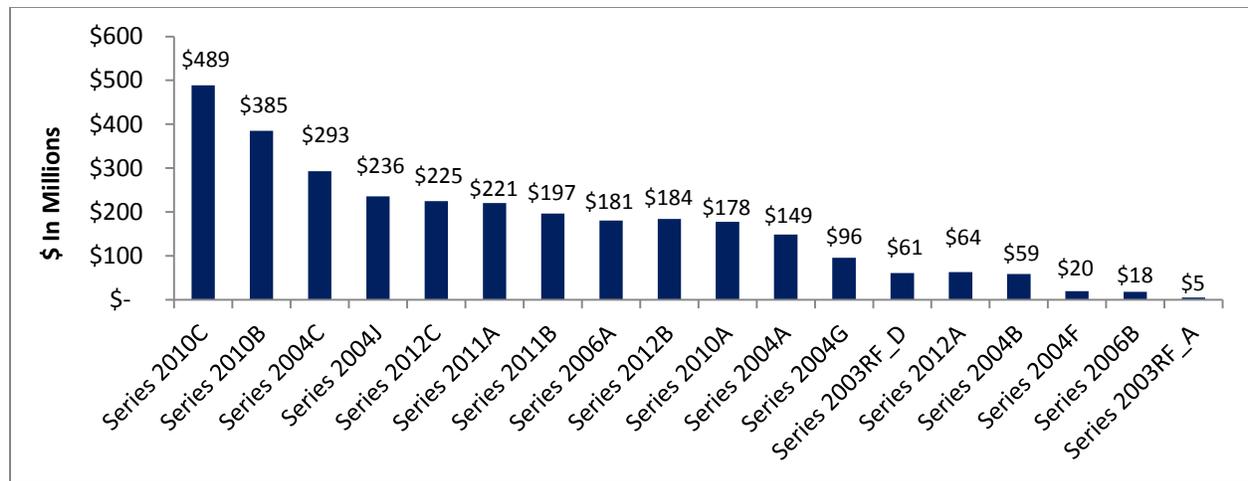


# DEPARTMENT OF AVIATION

## Department of Aviation – Outstanding Debt

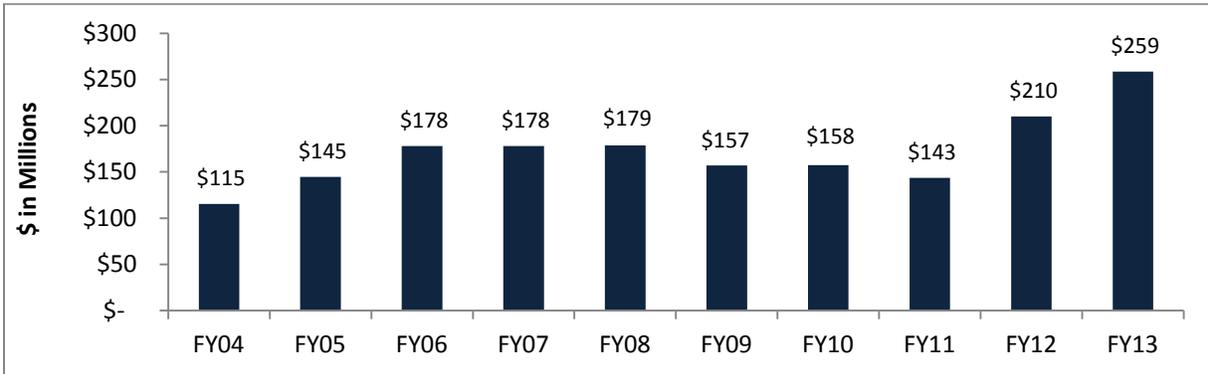
The City of Atlanta is one of 4 cities in the nation that owns and operates a World Class International airport. To maintain its position, the City issues bonds for ongoing capital improvement projects which are pledged against its revenues and have equal lien parity. Revenues pledged against the bonds issued are either General revenues, Passenger Facility Charges or Customer Facility Charges revenues.

At the end of fiscal year end 2013, the Department of Aviation had \$3.1 billion in outstanding long term debt that consist of General Airport Revenue Bonds (13), Passenger Facility Charge Bonds (3), and Customer Facility Charge Bonds (2). These bonds were either issued as Alternative Minimum Tax (AMT) or Non-Alternative Minimum Tax (Non-AMT).



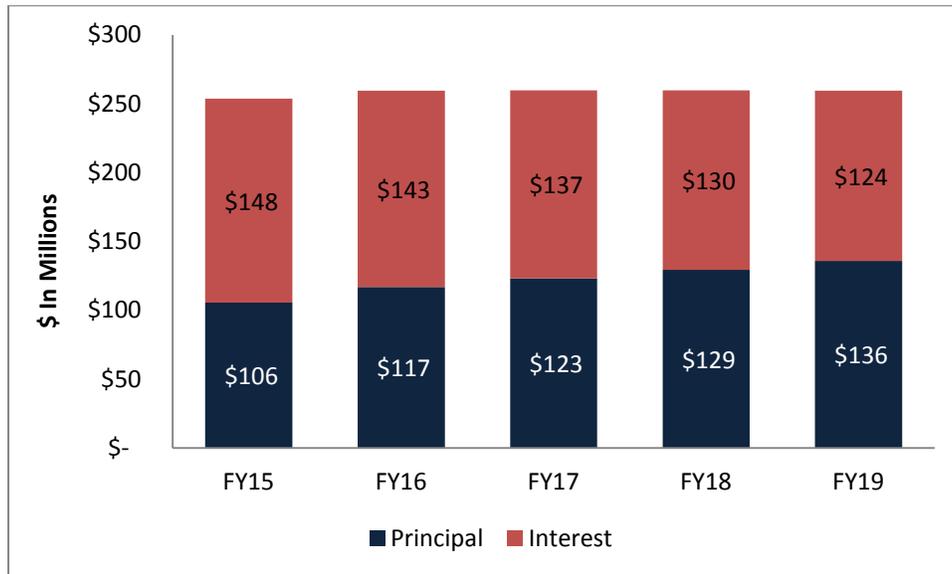
### Department of Aviation - Historical Payments

During the last 10 years from 2004 to 2013 the City’s department of Aviation has paid \$1.7 billion on principal and interest on all its revenue bonds obligations. The average annual debt service for the last 5 years is \$185.3 million. It is expected that average annual debt service will be approximately \$258.4 million over the next 5 years.



### Department of Aviation – 5 Year Outlook - Principal & Interest Payments

In the next 5 years, the Department of Aviation is expected to spend \$1.3 billion of revenues to make annual principal and interest payments on current outstanding debt obligations. 47.3% or \$610.4 million of the total will be used to make principal payments, and \$68.3 million or 52.7% for interest.

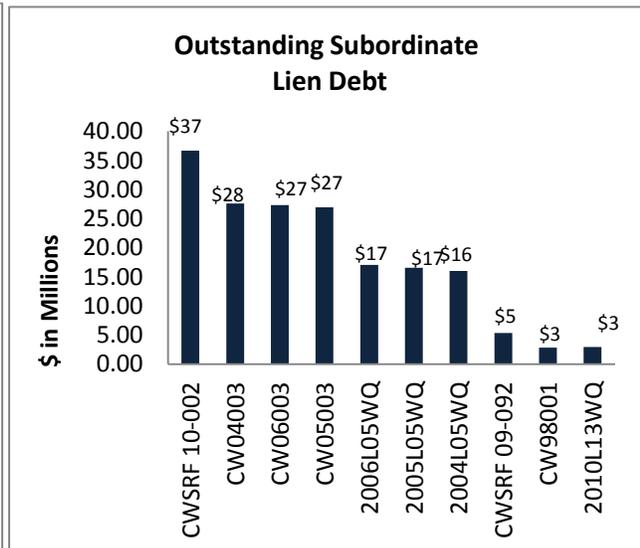
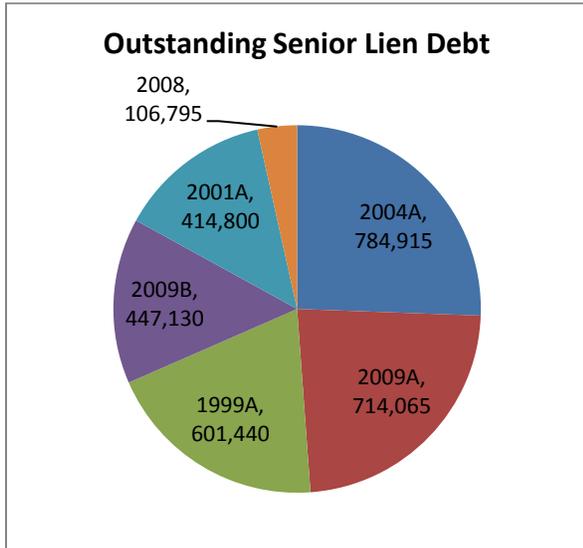


# DEPARTMENT OF WATERSHED MANAGEMENT

## Department of Watershed Management – Outstanding Debt

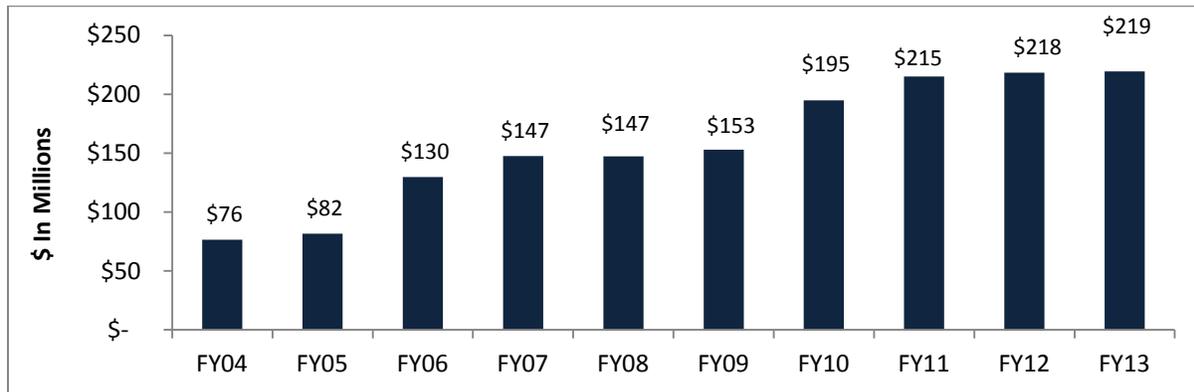
The Department of Watershed Management is responsible for operating and maintaining the City’s Water and Wastewater system in compliance with federal and state regulations. The department has issued long-term bonds and state revolving loans to provide funding for its capital improvement projects. The bonds and loans issued are pledged against the revenues generated by the system.

For fiscal year 2013, the department had \$3.24 billion of long-term outstanding which consisted of \$3.1 billion of senior lien debt and \$179 million subordinate lien debt.



### Department of Watershed Management Debt - Historical Payments

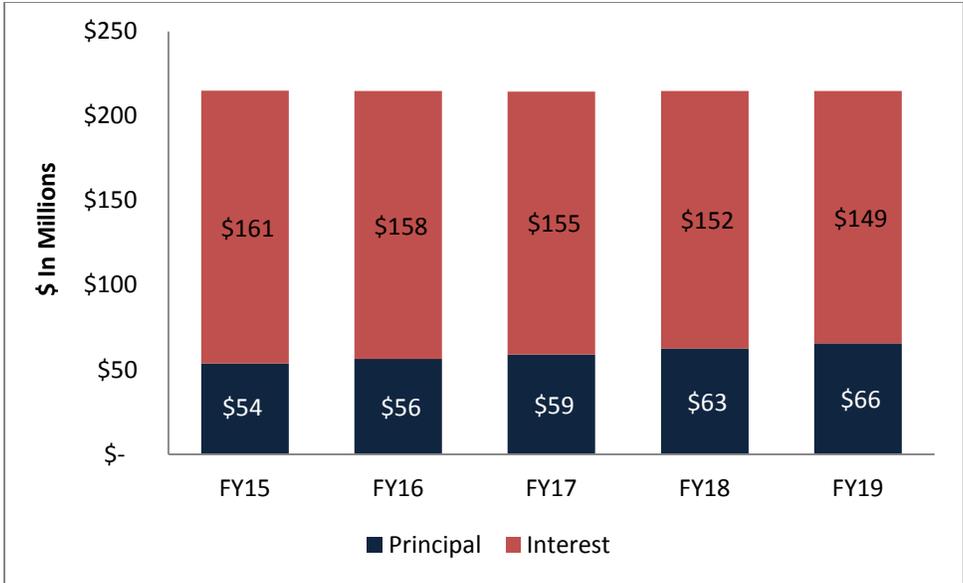
During the last 10 years from 2004 to 2013, the City's Department of Watershed Management (DWM) has paid \$1.6 billion in principal and interest on all its revenue bonds obligations. The annual debt has increased from \$76.4 million in 2004 to \$219.2 million in 2013. The average annual debt for the last 5 years is \$200.0 million. It is expected that overall annual debt will be approximately \$223.9 million over the next 5 years. The increase in annual debt for the department is the result of Consent Orders issued by the federal government concerning the overhaul of the City's water and wastewater system. These orders have led to major capital improvement projects.



### Department of Watershed Management - 5 Year Outlook - Principal & Interest Payments

The Department of Watershed is expected to make \$5.9 billion in total principal and interest payments on the current outstanding bonds. This represents an average of approximately \$190.9 million annually. \$3.0 billion or 51.7% of the total amount will be used to make annual principal payments and \$2.9 or \$48.3% in interest.

During September 2013, DWM issued Water and Wastewater Revenue Refunding Bonds Series 2013A and Series 2013B for \$328,735,000 and \$200,140,000 respectively. The Series 2013A bonds were comprised of \$178,735,000 sold to the public market, and \$150,000,000 of directly purchased bonds. The Series 2013A bonds were issued for the purpose of refunding portions of the Department's outstanding Water and Wastewater Revenue Bonds, Series 1999A and Series 2001A bonds. The Series 2013B Bonds were also issued for the purpose of refunding portions of the Department's outstanding Water and Wastewater Revenue Bonds, Series 2001A and Series 2004 Bonds.



# GENERAL OBLIGATION

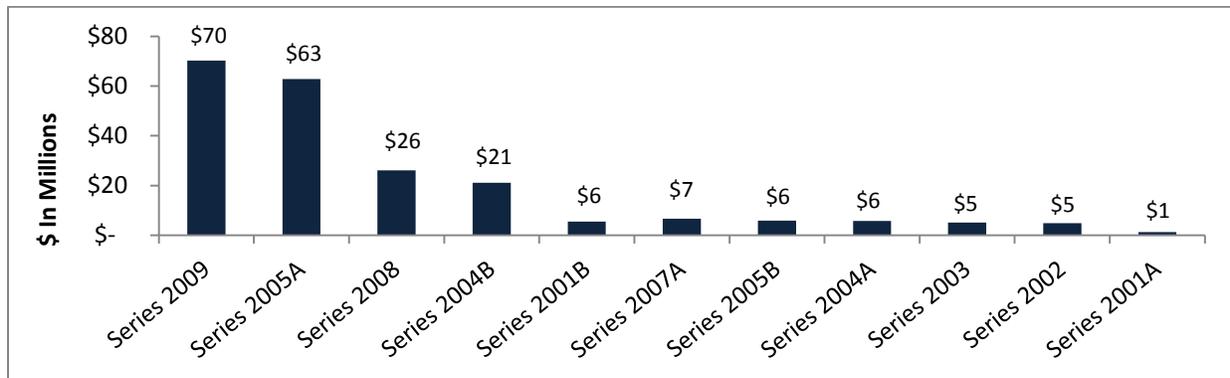
## General Obligation – Outstanding Debt

As needed, the City issues \$8 million General Obligation bonds to fund capital improvement projects that enhance the quality of life of its taxpayers. Uses of the bond proceeds are appropriated in the following manner:

- \$4M towards acquiring site and constructing/equipping new municipal buildings and related facilities
- \$4M towards renovating, improving, adding to, and equipping existing school buildings and facilities, or acquiring, constructing, and equipping new school buildings and facilities

The City's General Obligation Public Improvement Bonds are used for sidewalk design and construction throughout the City, including sidewalk installations in various public housing development and for streetscape and intersection improvements throughout the City. It is expected that the City will issue approximately \$250 million in GO bonds in fiscal year 2015 to finance a portion of the approximate \$1 billion in capital improvement needs.

For the fiscal year ended June 30, 2013, the City had eleven (11) General Obligation debt outstanding totaling \$215.3 million. The City used \$25.7 million of collected tax revenues to make annual principal and interest payment for the fiscal year. As a result of the principal payments, total General Obligation bonds outstanding decreased by \$15.3 million for the fiscal year.



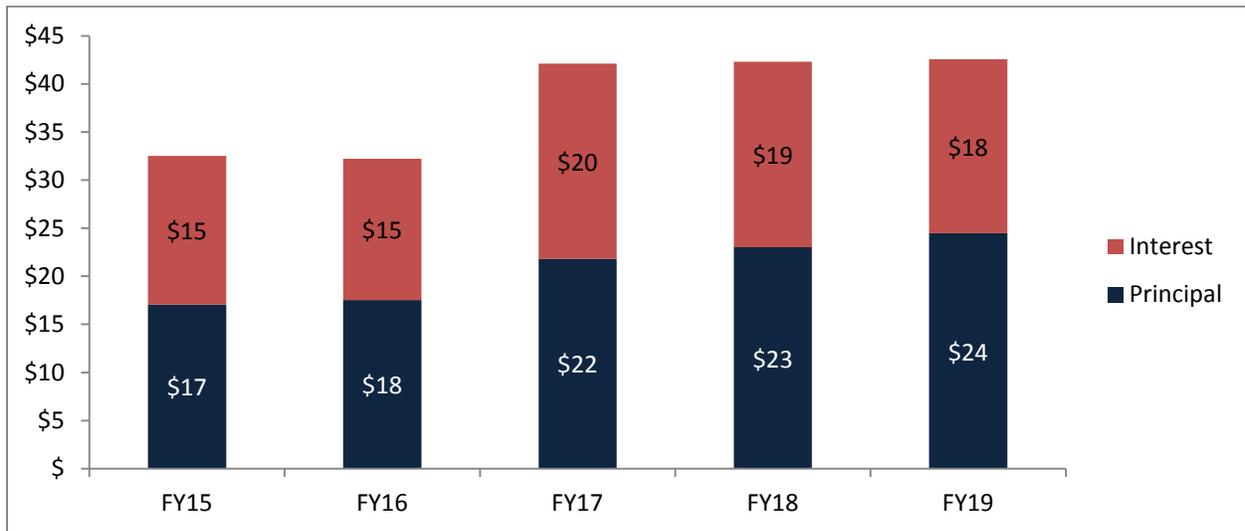
### General Obligation - Historical Payments

During the last 10 years from 2004 to 2013 the City has spent \$260.2 million in principal and interest payments on its GO bond debt. During this period GO annual debt payments has grown from \$18.8 million to \$25.7 million



### General Obligation Debt - 5 Year Outlook - Principal & Interest Payments

\$191.7 million in total tax revenues will be used to make principal and interest payments on the City's General Obligation debt outstanding in the next 5 years. \$103.9 million or 54% of the total amount will be used for principal payments and \$87.8 million or 46% for interest.



# TAX ALLOCATION DISTRICTS (TADs)

## TADs - Outstanding Debt

The City has issued bonds to fund various Capital Improvement Projects (CIP) in specially designated tax districts; these bond issuances are deemed as conduit debt obligations of the City. Tax receipts from the designated districts are used to make annual debt service payments when due.

For the fiscal year ended 2013, the City had fourteen (14) TAD bonds outstanding with a total value of \$473.2 million. During this period, \$38.9 million in tax receipts was used to make annual principal and interest payments



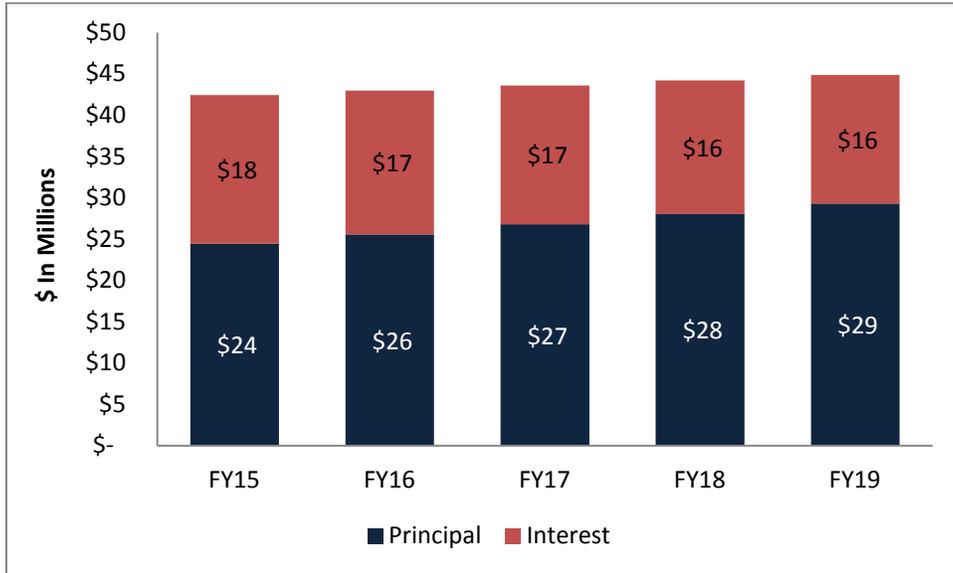
## TAD - Historical Payments

Between 2004 and 2013 the City has spent \$248.9 million on principal and interest payments on its conduit debt outstanding. During this period the debt payment has increased from \$6.7 million in 2004 to \$38.8 million annually. This represents an 476% increase in conduit payments.



### TADs - 5 Year Outlook - Principal & Interest Payments

In the next 5 years it is expected that the City will make \$218.1 million in principal and interest payments on its outstanding Conduit debt. \$134.1 million or 62% of the total amount will be used to make annual principal payments and \$84.0 million or 38% in interest.



LEGISLATION  
AFFORDABLE CARE ACT  
DEBT SERVICE ON INFRASTRUCTURE BOND  
REVENUE PROJECTION GRAPHS  
GLOSSARY

## APPENDIX

FIVE YEAR PLAN





AN ORDINANCE

BY COUNCILMEMBERS *Felicia A. Moore* *Joyce M. Sheperd*  
 HOWARD SHOOK, *Clair Muller* *Carla Smith* *C.T. Martin*  
 MARY NORWOOD, *Ivory Lee Young, Jr.* *Anne Falver*  
 CEASAR MITCHELL, *Kwanza Hall* *H. L. Mar Willis*

*Jim Maddox* *Natalyn Mosby Archibong* *Cleta Winslow*  
 JIM MADDOX AND NATALYN MOSBY ARCHIBONG CLETA WINSLOW

AN ORDINANCE TO AMEND THE CHARTER OF THE CITY OF ATLANTA, GEORGIA, 1996 GA LAWS P. 4469, ET SEQ., UNDER AND BY VIRTUE OF THE AUTHORITY OF THE MUNICIPAL HOME RULE ACT OF 1965, O.C.G.A. SECTION 36-35-1, ET SEQ., AS AMENDED, BY AMENDING PART 1, SUBPART A, ARTICLE VI (REVENUE AND FUND ADMINISTRATION), CHAPTER III (FISCAL CONTROL) TO CREATE A NEW SECTION WHICH SHALL BE SECTION 6-312 TO BE ENTITLED FINANCIAL STABILIZATION PLAN, WHICH NEW SECTION 6-312 SHALL PROVIDE FOR THE DEVELOPMENT AND ADOPTION OF AN ANNUAL FINANCIAL STABILIZATION PLAN COVERING A PERIOD OF FIVE YEARS; TO REPEAL CONFLICTING ORDINANCES; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (the "City") is facing unprecedented short and long-term budget challenges; and

WHEREAS, the Chief Financial Officer for the Department of Finance has stated that the City's financial recovery will span several years and that priorities will need to be established and considered before the City undertakes any new spending, which statements have been supported by recent audits and assessments and actions of the part of rating agencies; and

WHEREAS, on April 1, 2008, the City's Internal Auditor submitted a performance audit report on the 2008 General Fund Budget process, which, among other things, called for the establishment of policies to guide long and short-term financial planning and monitoring, including the maintenance of fund balances, the use of non-recurring and surplus revenues, the development of five-year financial forecasts and interim financial reporting; and



**WHEREAS**, in January 2009, Deloitte Consulting conducted a pro-bono assessment of the Department of Finance and provided recommendations for improvement of business processes; and

**WHEREAS**, in March 2009, Moody's Investor Service downgraded the City's general obligation rating from "A1" to "Aa3", which downgrade was based on the diminished financial position of the City's general fund, including the decline in fund balance levels, the prolonged trend of structural imbalance and the indefinite resolution of inter-fund receivables related to accumulated deficits in other operating funds; and

**WHEREAS**, in March 2009, Standard and Poor's Rating Service also lowered its standard long-term and underlying rating on the City's general obligation debt to "A" from "AA-" based on a trend of operating deficits and declining revenues during a period of strong economic growth, which has left the City with diminished revenues and a lack of financial flexibility as it enters the current economic downturn; and

**WHEREAS**, to address these issues the Council of the City of Atlanta desires to establish guidelines and priorities for long-term financial planning through the development of a comprehensive annual Financial Stabilization Plan; and

**WHEREAS**, the Charter of the City of Atlanta, Georgia, 1996 Ga. Laws P. 4469, et seq., Part I, Subpart A, Article VI, Chapter III entitled Fiscal Control sets forth certain provisions governing the budgetary process and other fiscal control policies of the City; and

**WHEREAS**, the Council of the City of Atlanta now desires to amend Part I, Subpart A, Article VI, Chapter III of the Charter of the City of Atlanta to provide for a new section 6-312 to be entitled "Financial Stabilization Plan"; and

**WHEREAS**, such new Section 6-312 shall provide for the annual preparation by the Mayor of a five-year Financial Stabilization Plan, which shall project general fund revenues and general fund expenses and shall provide a calculation of the surplus or deficit produced by the projected revenues and expenditures, a cost estimate of long term initiatives, a list of revenue initiatives, and a list of cost saving initiatives;

**THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY ORDAINS:**

**SECTION 1:** That Part I, Subpart A, Article VI, Chapter III of the Charter of the City of Atlanta, Georgia, 1996 Ga. Laws P. 4469, et seq., be amended to add a new section 6-312, which shall read as follows:

**Section 6-312. Financial Stabilization Plan**

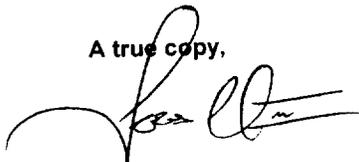
(a) The Mayor shall present to the governing body by October 15 of each year a five-year Financial Stabilization Plan consisting of the following elements:



- (1) A five-year projection of general fund revenues broken down by major category. The projection shall identify the economic trends and assumptions upon which such projection is based.
  - (2) A five-year projection of total general fund expenses on a departmental level. Such expense projection shall assume the continuation of department operations as they exist in the current general fund budget and shall take into account the following:
    - i. The effect of inflation on general fund budgeted costs;
    - ii. A projection of pension costs as provided by the City's actuaries; and
    - iii. Costs occurring in future years that the City is legally obligated to pay.
  - (3) A calculation of the surplus or deficit produced by the projected revenues and expenditures described in (1) and (2) above.
  - (4) A cost estimate of long-term initiatives of the City. Such initiatives shall include, but are not limited to, long-term operating infrastructure and capital infrastructure needs and the elimination of deficit positions in funds that are subsidized or have historically been subsidized by the general fund. At any time the governing body of the City may, by resolution, request specific long-term initiatives to be included in the five-year Financial Stabilization Plan.
  - (5) A comprehensive list of revenue initiatives the City may pursue during the five years covered by the Financial Stabilization Plan, including an estimate of the revenues to be produced by such initiatives.
  - (6) A comprehensive list of cost saving initiatives the City may pursue during the five years covered by the Financial Stabilization Plan, including an estimate of costs saved by such initiatives.
- (b) The governing body shall adopt the Financial Stabilization Plan by December 31 of each year.

**SECTION 2.** That a copy of this proposed amendment to the Charter of the City of Atlanta, Georgia, 1996 Ga. Laws P. 4469, et seq., as amended, shall be filed in the Office of the Municipal Clerk of the City of Atlanta and in the Offices of the Clerk of the Superior Courts of Fulton and DeKalb Counties and that the "Notice of Proposed Amendment to the Charter of the City of Atlanta, Georgia" attached hereto as Exhibit "A" and hereby made a part of this ordinance, be published in the official organ of the county of the legal situs of the City of Atlanta or in a newspaper of general circulation in the City of Atlanta once a week for three weeks within a period of 60 days immediately preceding the final adoption of this ordinance, and that a copy of said advertisement be attached to this ordinance prior to its final adoption by the Council of the City of Atlanta.

**SECTION 3.** That all ordinances and parts of ordinances in conflict herewith are hereby waived to the extent of the conflict.

A true copy,  
  
Deputy Clerk

ADOPTED by the Atlanta City Council  
APPROVED by Mayor Shirley Franklin

SEP 21, 2009  
SEP 25, 2009

RCS# 3297  
9/21/09  
2:59 PM

Atlanta City Council

REGULAR SESSION

09-O-1406            AMEND PART1 SUBPART A ART.VI CHAPT.III  
                         TO CREATE NEW SEC.6-312  
                         FINAL ADOPT

YEAS: 12  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 3  
EXCUSED: 0  
ABSENT 1

|           |             |           |             |
|-----------|-------------|-----------|-------------|
| Y Smith   | Y Archibong | Y Moore   | NV Mitchell |
| Y Hall    | Y Fauver    | Y Martin  | Y Norwood   |
| NV Young  | Y Shook     | B Maddox  | Y Willis    |
| Y Winslow | Y Muller    | Y Sheperd | NV Borders  |

09-O-1406

RCS# 3268  
9/08/09  
5:51 PM

Atlanta City Council

REGULAR SESSION

09-O-1406            AMEND CITY CHARTER TO CREATE NEW SECTION  
                         6-312 ENTITLED STABILIZATION PLAN  
                         ADOPT/REFER

YEAS: 14  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 2  
EXCUSED: 0  
ABSENT 0

|           |             |           |            |
|-----------|-------------|-----------|------------|
| Y Smith   | Y Archibong | Y Moore   | Y Mitchell |
| Y Hall    | Y Fauver    | Y Martin  | NV Norwood |
| Y Young   | Y Shook     | Y Maddox  | Y Willis   |
| Y Winslow | Y Muller    | Y Sheperd | NV Borders |

09-O-1406

- (1) A five-year projection of general fund revenues broken down by major category. The projection shall identify the economic trends and assumptions upon which such projection is based.
  - (2) A five-year projection of total general fund expenses on a departmental level. Such expense projection shall assume the continuation of department operations as they exist in the current general fund budget and shall take into account the following:
    - i. The effect of inflation on general fund budgeted costs;
    - ii. A projection of pension costs as provided by the City's actuaries; and
    - iii. Costs occurring in future years that the City is legally obligated to pay.
  - (3) A calculation of the surplus or deficit produced by the projected revenues and expenditures described in (1) and (2) above.
  - (4) A cost estimate of long-term initiatives of the City. Such initiatives shall include, but are not limited to, long-term operating infrastructure and capital infrastructure needs and the elimination of deficit positions in funds that are subsidized or have historically been subsidized by the general fund. At any time the governing body of the City may, by resolution, request specific long-term initiatives to be included in the five-year Financial Stabilization Plan.
  - (5) A comprehensive list of revenue initiatives the City may pursue during the five years covered by the Financial Stabilization Plan, including an estimate of the revenues to be produced by such initiatives.
  - (6) A comprehensive list of cost saving initiatives the City may pursue during the five years covered by the Financial Stabilization Plan, including an estimate of costs saved by such initiatives.
- (b) The governing body shall adopt the Financial Stabilization Plan by December 31 of each year.

**SECTION 2.** That a copy of this proposed amendment to the Charter of the City of Atlanta, Georgia, 1996 Ga. Laws P. 4469, et seq., as amended, shall be filed in the Office of the Municipal Clerk of the City of Atlanta and in the Offices of the Clerk of the Superior Courts of Fulton and DeKalb Counties and that the "Notice of Proposed Amendment to the Charter of the City of Atlanta, Georgia" attached hereto as Exhibit "A" and hereby made a part of this ordinance, be published in the official organ of the county of the legal situs of the City of Atlanta or in a newspaper of general circulation in the City of Atlanta once a week for three weeks within a period of 60 days immediately preceding the final adoption of this ordinance, and that a copy of said advertisement be attached to this ordinance prior to its final adoption by the Council of the City of Atlanta.

**SECTION 3.** That all ordinances and parts of ordinances in conflict herewith are hereby waived to the extent of the conflict.

#8

09-0 -1406  
(Do Not Write Above This Line)

AN ORDINANCE  
BY COUNCILMEMBERS FELICIA A. MOORE,  
JOYCE SHEPHERD, HOWARD SHOOK,  
CLAIR MULLER, CARLA SMITH,  
C.T. MARTIN, MARY NORWOOD,  
IVORY LEE YOUNG, JR., ANNE FAUVER,  
CEASAR MITCHELL, KWANZA HALL,  
H. LAMAR WILLIS, JIM MADDOX  
AND NATALYN MOSBY ARCHIBONG

AN ORDINANCE TO AMEND THE CHARTER OF THE CITY OF ATLANTA, GEORGIA, 1996 GA LAWS P. 4469, ET SEQ, UNDER AND BY VIRTUE OF THE AUTHORITY OF THE MUNICIPAL HOME RULE ACT OF 1965, O.C.G.A. SECTION 36-35-1, ET SEQ., AS AMENDED, BY AMENDING PART 1, SUBPART A, ARTICLE VI (REVENUE AND FUND ADMINISTRATION), CHAPTER III (FISCAL CONTROL) TO CREATE A NEW SECTION WHICH SHALL BE SECTION 6-312 TO BE ENTITLED FINANCIAL STABILIZATION PLAN, WHICH NEW SECTION 6-312 SHALL PROVIDE FOR THE FINANCIAL STABILIZATION PLAN COVERING A PERIOD OF FIVE YEARS; TO REPEAL CONFLICTING ORDINANCES; AND FOR OTHER PURPOSES.

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER 1st

Date Referred 08/17/07 reading  
 Referred To: Finance / Exec  
 Date Referred 09/08/2009  
 Referred To: Finance / Exec  
 Date Referred SEP 21 2009  
 Referred To: COUNCIL

Final adoption -

First Reading

Committee \_\_\_\_\_  
 Date \_\_\_\_\_  
 Chair \_\_\_\_\_  
 Referred To \_\_\_\_\_

Committee Finance / Executive  
 Date 9/2/09  
 Chair Clair Muller  
 Action Fav, Adv, Hold (see rev. side)  
 Other 2nd Reading 13. 1st Reading  
 Members Carla Smith, Felicia Moore, Clair Muller, Howard Shook  
 Refer To \_\_\_\_\_

Committee Finance / Exec  
 Date 9-10-09  
 Chair Clair Muller  
 Action Fav, Adv, Hold (see rev. side)  
 Other 3rd Reading Final Adoption  
 Members Carla Smith, Felicia Moore, Clair Muller  
 Refer To \_\_\_\_\_

- FINAL COUNCIL ACTION
- 2nd
  - 1st & 2nd
  - 3rd
  - Consent
  - V Vote
  - RC Vote

CERTIFIED

SEP 21 2009

CERTIFIED  
SEP 21 2009

Rhonda Davidson Johnson  
MUNICIPAL CLERK

APPROVED

SEP 21 2009  
Clair Muller  
MAYOR

#11

11-0-1415

(Do Not Write Above This Line)

*Felicia Moore Yolanda Adrean*  
AN ORDINANCE AND CHARTER AMENDMENT BY COUNCILMEMBERS FELICIA MOORE AND YOLANDA ADREAN

AN ORDINANCE AND CHARTER AMENDMENT TO AMEND THE CHARTER OF THE CITY OF ATLANTA, GEORGIA, 1996 GA LAWS P. 4469, ET SEQ., ADOPTED UNDER AND BY VIRTUE OF THE AUTHORITY OF THE MUNICIPAL HOME RULE ACT OF 1965, O.C.G.A. SECTION 36-35-1 ET SEQ., AS AMENDED, BY AMENDING PART 1 (CHARTER AND RELATED LAWS), SUBPART A (CHARTER), ARTICLE VI (REVENUE AND FUND ADMINISTRATION), CHAPTER 3 (FISCAL CONTROL), SECTION 6-312 (FINANCIAL STABILIZATION PLAN), SO AS TO CHANGE THE DATES BY WHICH THE CITY'S FINANCIAL STABILIZATION PLAN MUST BE PRESENTED TO AND ADOPTED BY CITY COUNCIL; AND FOR OTHER PURPOSES.

ADOPTED BY

NOV 07 2011

COUNCIL

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER

Date Referred *09/19/2011*

Referred To: *Finance/Exec*

Date Referred *10/3/11*

Referred To: *Finance/Exec*

Date Referred

Referred To:

First Reading

Committee \_\_\_\_\_  
Date \_\_\_\_\_  
Chair \_\_\_\_\_  
Referred To \_\_\_\_\_

Committee *Finance/Executive*

Date *9/28/11*

Chair *Yolanda Adrean*

Action

Fav, Adv, Hold (see rev. side)

Other

*2nd Read, 1st Adop*

Members

*[Signatures]*

*[Signatures]*

*Felicia G. Moore*

*[Signature]*

*[Signature]*

Refer To

Committee *Finance/Executive*

Date *11/2/11*

Chair *Yolanda Adrean*

Action

Fav, Adv, Hold (see rev. side)

Other

*3rd Read*

Members

*[Signatures]*

*[Signatures]*

*Felicia G. Moore*

*[Signature]*

*[Signature]*

Refer To

Committee *Finance/Executive*

Date *10/12/11*

Chair *Yolanda Adrean*

Action

Fav, Adv, Hold (see rev. side)

Other

Members

Refer To

Committee

Date

Chair

Action

Fav, Adv, Hold (see rev. side)

Other

Members

Refer To

FINAL COUNCIL ACTION

- 2nd
- 1st & 2nd
- 3rd
- Readings
- Consent
- V Vote
- RC Vote

CERTIFIED

CERTIFIED  
NOV 07 2011  
ATLANTA CITY COUNCIL PRESIDENT  
*[Signature]*

CERTIFIED  
NOV 07 2011  
*Ronda Daughlin Johnson*  
MUNICIPAL CLERK

MAYOR'S ACTION

APPROVED  
NOV 16 2011  
WITHOUT SIGNATURE  
BY OPERATION OF LAW



*Felicia G. Moore*

*Yadreaan*

11-0-1415

**AN ORDINANCE AND CHARTER AMENDMENT  
BY COUNCILMEMBERS FELICIA MOORE AND YOLANDA ADREAN**

**AN ORDINANCE AND CHARTER AMENDMENT TO AMEND THE CHARTER OF THE CITY OF ATLANTA, GEORGIA, 1996 GA LAWS P. 4469, ET SEQ., ADOPTED UNDER AND BY VIRTUE OF THE AUTHORITY OF THE MUNICIPAL HOME RULE ACT OF 1965, O.C.G.A. SECTION 36-35-1 ET SEQ., AS AMENDED, BY AMENDING PART 1 (CHARTER AND RELATED LAWS), SUBPART A (CHARTER), ARTICLE VI (REVENUE AND FUND ADMINISTRATION), CHAPTER 3 (FISCAL CONTROL), SECTION 6-312 (FINANCIAL STABILIZATION PLAN), SO AS TO CHANGE THE DATES BY WHICH THE CITY'S FINANCIAL STABILIZATION PLAN MUST BE PRESENTED TO AND ADOPTED BY CITY COUNCIL; AND FOR OTHER PURPOSES.**

**WHEREAS**, Section 6-312(a) of the Charter of the City of Atlanta, Georgia, 1996 Ga. Laws P. 4469, et seq. ("Charter") requires that the Mayor present a five-year financial stabilization plan to the City Council of the City of Atlanta ("City Council") by October 15 of each year; and

**WHEREAS**, Section 6-312(b) of the Charter requires that City Council adopt a financial stabilization plan by December 31 of each year; and

**WHEREAS**, by October 15 of each year, the Chief Financial Officer has not completed the necessary accounting adjustments for close-out purposes of the prior fiscal year; and

**WHEREAS**, by October 15 of each year, the City's external auditor has not presented the City with its findings and recommendations for the prior fiscal year; and

**WHEREAS**, information from the close-out of the prior fiscal year and the external auditor's recommendations should be utilized in the preparation of the City's financial stabilization plan; and

**WHEREAS**, in order to present a more comprehensive financial stabilization plan, it is the desire of the City to amend Section 6-312 (a) to change the deadline for presentation of the City's financial stabilization plan from October 15 of each year to February 15 of each year; and

**WHEREAS**, it is the desire of the City to amend Section 6-312 (b) to change the deadline for adoption of the City's financial stabilization plan from December 31 of each year to April 30 of each year.

**WHEREAS**, it is the desire of the City to amend Section 6-312 (b) to require that City Council consider the financial stabilization plan prior to adoption of the budget for the upcoming fiscal year.



**THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA HEREBY ORDAINS  
AS FOLLOWS:**

**SECTION 1:** That Part I, Subpart A, Article VI, Chapter 3, Section 6-312 of the Charter of the City of Atlanta, Georgia, Georgia, 1996 Ga. Laws P. 4469, et seq., which currently reads:

**Sec. 6-312.** – Financial stabilization plan.

**(a)** The Mayor shall present to the governing body by October 15 of each year a five-year financial stabilization plan consisting of the following elements:

**(1)** A five-year projection of general fund revenues broken down by major category. The projection shall identify the economic trends and assumptions upon which such projection is based.

**(2)** A five-year projection of total general fund expenses on a departmental level. Such expense projection shall assume the continuation of department operations as they exist in the current general fund budget and shall take into account the following:

- i.** The effect of inflation on general fund budgeted costs;
- ii.** A projection of pension costs as provided by the city's actuaries; and
- iii.** Costs occurring in future years that the city is legally obligated to pay.

**(3)** A calculation of the surplus or deficit produced by the projected revenues and expenditures described in (1) and (2) above.

**(4)** A cost estimate of long-term initiatives of the city. Such initiatives shall include, but are not limited to, long-term operating infrastructure and capital infrastructure needs and the elimination of deficit positions in funds that are subsidized or have historically been subsidized by the general fund. At any time the governing body of the city may, by resolution, request specific long-term initiatives to be included in the five-year financial stabilization plan.

**(5)** A comprehensive list of revenue initiatives the city may pursue during the five years covered by the financial stabilization plan, including an estimate of the revenues to be produced by such initiatives.

**(6)** A comprehensive list of cost saving initiatives the city may pursue during the five years covered by the financial stabilization plan, including an estimate of costs saved by such initiatives.

**(b)** The governing body shall adopt the financial stabilization plan by December 31 of each year.



be amended to make the following deletions and insertions, such that Part I, Subpart A, Article VI, Chapter 3, Section 6-312 of the Charter of the City of Atlanta, Georgia, Georgia, 1996 Ga. Laws P. 4469, et seq., shall read as follows:

**Sec. 6-312.** – Financial stabilization plan.

(a) The Mayor shall present to the governing body by February 15 ~~October 15~~ of each year a five-year financial stabilization plan consisting of the following elements:

(1) A five-year projection of general fund revenues broken down by major category. The projection shall identify the economic trends and assumptions upon which such projection is based.

(2) A five-year projection of total general fund expenses on a departmental level. Such expense projection shall assume the continuation of department operations as they exist in the current general fund budget and shall take into account the following:

i. The effect of inflation on general fund budgeted costs;

ii. A projection of pension costs as provided by the city's actuaries; and

iii. Costs occurring in future years that the city is legally obligated to pay.

(3) A calculation of the surplus or deficit produced by the projected revenues and expenditures described in (1) and (2) above.

(4) A cost estimate of long-term initiatives of the city. Such initiatives shall include, but are not limited to, long-term operating infrastructure and capital infrastructure needs and the elimination of deficit positions in funds that are subsidized or have historically been subsidized by the general fund. At any time the governing body of the city may, by resolution, request specific long-term initiatives to be included in the five-year financial stabilization plan.

(5) A comprehensive list of revenue initiatives the city may pursue during the five years covered by the financial stabilization plan, including an estimate of the revenues to be produced by such initiatives.

(6) A comprehensive list of cost saving initiatives the city may pursue during the five years covered by the financial stabilization plan, including an estimate of costs saved by such initiatives.

(b) The governing body shall adopt the financial stabilization plan by April 30 ~~December 31~~ of each year. In no event shall the governing body adopt the budget for the upcoming fiscal year prior to consideration of the financial stabilization plan.



Exhibit "A"

**NOTICE OF PROPOSED AMENDMENT  
TO THE CHARTER OF THE CITY OF ATLANTA**

Notice is hereby given that an Ordinance has been introduced to amend the Charter of the City of Atlanta (Ga. Laws, 1996, p. 4469, et seq.) approved April 15, 1996, as amended, said Ordinance being captioned as follows:

**AN ORDINANCE AND CHARTER AMENDMENT TO AMEND THE CHARTER OF THE CITY OF ATLANTA, GEORGIA, 1996 GA LAWS P. 4469, ET SEQ., ADOPTED UNDER AND BY VIRTUE OF THE AUTHORITY OF THE MUNICIPAL HOME RULE ACT OF 1965, O.C.G.A. SECTION 36-35-1 ET SEQ., AS AMENDED, BY AMENDING PART 1 (CHARTER AND RELATED LAWS), SUBPART A (CHARTER), ARTICLE VI (REVENUE AND FUND ADMINISTRATION), CHAPTER 3 (FISCAL CONTROL), SECTION 6-312 (FINANCIAL STABILIZATION PLAN), SO AS TO CHANGE THE DATES BY WHICH THE CITY'S FINANCIAL STABILIZATION PLAN MUST BE PRESENTED TO AND ADOPTED BY CITY COUNCIL; AND FOR OTHER PURPOSES.**

A copy of the proposed Ordinance and Charter Amendment is on file in the Office of the Municipal Clerk of the City of Atlanta and in the Offices of the clerks of the Superior Courts of Fulton and DeKalb Counties, Georgia for the purpose of examination and inspection by the public.

This \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Rhonda Dauphin Johnson  
Municipal Clerk  
City of Atlanta



**Section 2:** That a copy of this proposed amendment to the Charter of the City of Atlanta, Georgia 1996 Ga. Laws P. 4496 et seq., as amended, shall be filed in the Office of the Municipal Clerk of the City of Atlanta and in the Offices of the Clerks of the Superior Courts of Fulton and DeKalb Counties and that a "Notice of Proposed Amendment to the Charter of the City of Atlanta, Georgia," attached hereto and marked "Exhibit A" and made a part of this ordinance, be published in the official organ of the county of the legal situs of the City of Atlanta or in a newspaper of general circulation in the City of Atlanta once a week for three weeks within a period of 60 days immediately preceding its final adoption, and that a copy of said advertisement be attached to this ordinance prior to its final adoption by the Council of the City of Atlanta.

**Section 3:** That all ordinances and parts of ordinances in conflict herewith are hereby waived to the extent of the conflict.

A true copy,

Deputy Municipal Clerk

ADOPTED by the Atlanta City Council  
APPROVED as per City Charter Section 2-403

Nov. 07, 2011  
Nov. 16, 2011

RCS# 1531  
11/07/11  
4:01 PM

Atlanta City Council

REGULAR SESSION

11-O-1415                    AMEND COA CHARTER PART IA/ART VI/CH3  
                                  SEC 6-312/CHANGE DATES FOR FSP  
                                  ADOPT

YEAS: 11  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 1  
EXCUSED: 2  
ABSENT 2

|           |             |           |             |
|-----------|-------------|-----------|-------------|
| Y Smith   | Y Archibong | Y Moore   | Y Bond      |
| Y Hall    | Y Wan       | Y Martin  | E Watson    |
| B Young   | Y Shook     | B Bottoms | Y Willis    |
| Y Winslow | Y Adrean    | E Sheperd | NV Mitchell |

11-O-1415

RCS# 1456  
10/03/11  
2:59 PM

Atlanta City Council

REGULAR SESSION

11-O-1415

AMENDING CHARTER AND RELATED LAWS PART 1  
ARTICLE IV, CH.3, SECTION 6-312  
ADOPT

YEAS: 15  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 1  
EXCUSED: 0  
ABSENT 0

|           |             |           |             |
|-----------|-------------|-----------|-------------|
| Y Smith   | Y Archibong | Y Moore   | Y Bond      |
| Y Hall    | Y Wan       | Y Martin  | Y Watson    |
| Y Young   | Y Shook     | Y Bottoms | Y Willis    |
| Y Winslow | Y Adrean    | Y Sheperd | NV Mitchell |

11-O-1415



# AFFORDABLE CARE ACT

**The Affordable Care Act (ACA) Health Reform Affordable Care Act (ACA) Health Reform Legislation was initially passed on March 23, 2010. The law started making changes in the way health care was offered in America.**

## **Significant Points of the Health Reform Legislation-(ACA)**

- Citizens and legal immigrants were extended access to health insurance coverage and were imposed an individual mandate requiring them to have coverage or pay a tax penalty
- The legislation mandates and established reporting requirements on insurers and employer sponsoring health benefits
- Established equal access requirements for women as it relates to preventive health, medical exams, screenings and counseling that had not been made available in the past
- Creates new virtual marketplaces to buy coverage (the Exchanges)
  - Provides subsidies for low-income individuals to buy Exchange coverage
- Expanded Medicare benefits
- Expanded Medicaid eligibility
  - To individuals under 65 with income under 133% of the Federal Poverty Level (FPL)

## **Employer Mandates Already in Effect as of 2013**

- Age 26 coverage extension
- No lifetime dollars limits
- No annual dollar limits
- No preexisting condition exclusions for children
- No preexisting condition exclusions
- No cost for preventive care/immunizations; expanded Emergency Room Services
- No coverage waiting period over 90 days
- Summary of Benefits and Coverage must be provided by Employer
- W-2 reporting of health benefits costs
- Comparative Effectiveness Research Fees
- Uniform information disclosure
- Medical loss ratio rebates for insured plans

## **The most significant part of the legislation is the establishment of the Health Insurance Marketplace (Exchange).**

- Starting on October 1, 2013, all Americans will have access to a Health Insurance Marketplace (Exchange). The Open Enrollment Period will run from October 1, 2013 through March 31, 2014 with benefits starting on January 1, 2014

## **Impact on the City of Atlanta**

**In an effort to comply with the newly enacted health-care law that will provide an opportunity for millions of uninsured Americans to gain access to medical coverage, the City of Atlanta is enthusiastically playing our part in this historic event.**

**As a result, the Affordable Care Act has two key areas for us to focus on.**

- 1. Employer taxes**
- 2. Expansion of coverage for employees previously not offered health benefits.**

### **EMPLOYER TAXES**

- Federal premium tax on group plans to fund comparative effectiveness research program-\$2 per enrollee for plan years ending September 30, 2014  
**Estimated cost-FY15 \$23,000**
- Health Insurance Premium Tax  
This tax only applies to fully insured plan (Kaiser) plan. The estimated tax is 3% of total Kaiser HMO premiums in the FY 13 Plan Year-(\$1.4 million dollars). Under the current contributions levels for the City/Employee & Retirees (70/30). **Estimated City contribution is \$1 million dollars.**

The current agreement with Kaiser HMO has one remaining contract renewal. During the next Benefits RFP Process, the City will need to determine if we will continue offering both a fully insured product and self- funded benefit plans and be subject to the ACA Health Insurance Premium Tax, or take on full financial responsibility for claims payment by only offering a self-funded products.

- Re-insurance Premium Program-3year program Effective 2014 – employers are required to pay \$63 per insured member annually -**Estimated cost \$1.3 million dollars for Plan Year FY15. Re-insurance premium tax will decrease to \$45 per insured member in FY 16 and decrease to \$30 per insured member in FY 17**

### **Expansion of Coverage**

The law requires employers to offer benefits to all employees who work 30 or more hours per week.

- Approximately 385 temporary/extra help/part-time employees are not currently receiving insurance benefits from the City. Due to required expansion of coverage law, the City is required to offered healthcare benefits in our 2015 plan year, which will begin in calendar year 2014. **Estimated cost \$3 million dollars.**

### **Health Insurance Budget Challenges**

- Annual healthcare costs increases nationally has been between 7 to 12% for the past 5 years
- Continued increases in medical cost due to:
- Increasing aging population and inability to completely utilize Medicare for retirees aged 65+
- High prevalence of Chronic Diseases within Employee/Retiree/Dependent Population
  - Diabetes
  - Heart Disease
  - Coronary Artery Disease (including circulatory restrictions and strokes)
  - Musculoskeletal Disorders (including lower back pain)
  - Digestive Disorders
- Obesity related conditions continues to have a significant impact on the overall medical costs (FY 13 Plan Year- contributed to over 40% of COA medical cost)
- High financial risk for Catastrophic Claims as a result of high prevalence of chronic disease – (i.e. FY13 Plan Year: 20 Kaiser claims (>\$137,000)-13.3% and 20 BCBS claims (>\$200,00) - 11.1% of overall paid medical claims
- Funding for Affordable Care Act Employer Taxes
- Reduction of the City's long-term OPEB liability



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**\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

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**SOURCES AND USES OF FUNDS**

**\$250,000,000 Infrastructure Improvement Bonds, Series 2015**  
**30 Year Debt Service**  
**Assumes Aa2/A Uninsured Rates as of January 6, 2014 PLUS 25bps**  
**\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

Dated Date            07/01/2015  
 Delivery Date        07/01/2015

**Sources:**

|                       |                |
|-----------------------|----------------|
| <b>Bond Proceeds:</b> |                |
| Par Amount            | 243,070,000.00 |
| Premium               | 11,792,725.35  |
|                       | 254,862,725.35 |

**Uses:**

|                                |                |
|--------------------------------|----------------|
| <b>Project Fund Deposits:</b>  |                |
| Project Fund                   | 250,000,000.00 |
| <b>Delivery Date Expenses:</b> |                |
| Cost of Issuance               | 2,430,700.00   |
| Underwriter's Discount         | 2,430,700.00   |
|                                | 4,861,400.00   |
| <b>Other Uses of Funds:</b>    |                |
| Additional Proceeds            | 1,325.35       |
|                                | 254,862,725.35 |

**BOND DEBT SERVICE**

**\$250,000,000 Infrastructure Improvement Bonds, Series 2015  
30 Year Debt Service**

**Assumes Aa2/A Uninsured Rates as of January 6, 2014 PLUS 25bps**

**\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

| Period Ending | Principal   | Coupon | Interest       | Debt Service   | Annual Debt Service |
|---------------|-------------|--------|----------------|----------------|---------------------|
| 01/01/2016    |             |        | 6,532,212.50   | 6,532,212.50   |                     |
| 07/01/2016    | 3,490,000   | 5.000% | 6,532,212.50   | 10,022,212.50  | 16,554,425.00       |
| 01/01/2017    |             |        | 6,444,962.50   | 6,444,962.50   |                     |
| 07/01/2017    | 3,665,000   | 5.250% | 6,444,962.50   | 10,109,962.50  | 16,554,925.00       |
| 01/01/2018    |             |        | 6,348,756.25   | 6,348,756.25   |                     |
| 07/01/2018    | 3,860,000   | 5.250% | 6,348,756.25   | 10,208,756.25  | 16,557,512.50       |
| 01/01/2019    |             |        | 6,247,431.25   | 6,247,431.25   |                     |
| 07/01/2019    | 4,060,000   | 5.250% | 6,247,431.25   | 10,307,431.25  | 16,554,862.50       |
| 01/01/2020    |             |        | 6,140,856.25   | 6,140,856.25   |                     |
| 07/01/2020    | 4,275,000   | 5.250% | 6,140,856.25   | 10,415,856.25  | 16,556,712.50       |
| 01/01/2021    |             |        | 6,028,637.50   | 6,028,637.50   |                     |
| 07/01/2021    | 4,500,000   | 5.250% | 6,028,637.50   | 10,528,637.50  | 16,557,275.00       |
| 01/01/2022    |             |        | 5,910,512.50   | 5,910,512.50   |                     |
| 07/01/2022    | 4,735,000   | 5.250% | 5,910,512.50   | 10,645,512.50  | 16,556,025.00       |
| 01/01/2023    |             |        | 5,786,218.75   | 5,786,218.75   |                     |
| 07/01/2023    | 4,985,000   | 5.250% | 5,786,218.75   | 10,771,218.75  | 16,557,437.50       |
| 01/01/2024    |             |        | 5,655,362.50   | 5,655,362.50   |                     |
| 07/01/2024    | 5,245,000   | 5.250% | 5,655,362.50   | 10,900,362.50  | 16,555,725.00       |
| 01/01/2025    |             |        | 5,517,681.25   | 5,517,681.25   |                     |
| 07/01/2025    | 5,520,000   | 5.250% | 5,517,681.25   | 11,037,681.25  | 16,555,362.50       |
| 01/01/2026    |             |        | 5,372,781.25   | 5,372,781.25   |                     |
| 07/01/2026    | 5,810,000   | 5.250% | 5,372,781.25   | 11,182,781.25  | 16,555,562.50       |
| 01/01/2027    |             |        | 5,220,268.75   | 5,220,268.75   |                     |
| 07/01/2027    | 6,115,000   | 5.250% | 5,220,268.75   | 11,335,268.75  | 16,555,537.50       |
| 01/01/2028    |             |        | 5,059,750.00   | 5,059,750.00   |                     |
| 07/01/2028    | 6,435,000   | 5.250% | 5,059,750.00   | 11,494,750.00  | 16,554,500.00       |
| 01/01/2029    |             |        | 4,890,831.25   | 4,890,831.25   |                     |
| 07/01/2029    | 6,775,000   | 5.250% | 4,890,831.25   | 11,665,831.25  | 16,556,662.50       |
| 01/01/2030    |             |        | 4,712,987.50   | 4,712,987.50   |                     |
| 07/01/2030    | 7,130,000   | 5.250% | 4,712,987.50   | 11,842,987.50  | 16,555,975.00       |
| 01/01/2031    |             |        | 4,525,825.00   | 4,525,825.00   |                     |
| 07/01/2031    | 7,505,000   | 5.250% | 4,525,825.00   | 12,030,825.00  | 16,556,650.00       |
| 01/01/2032    |             |        | 4,328,818.75   | 4,328,818.75   |                     |
| 07/01/2032    | 7,900,000   | 5.250% | 4,328,818.75   | 12,228,818.75  | 16,557,637.50       |
| 01/01/2033    |             |        | 4,121,443.75   | 4,121,443.75   |                     |
| 07/01/2033    | 8,315,000   | 5.250% | 4,121,443.75   | 12,436,443.75  | 16,557,887.50       |
| 01/01/2034    |             |        | 3,903,175.00   | 3,903,175.00   |                     |
| 07/01/2034    | 8,750,000   | 5.250% | 3,903,175.00   | 12,653,175.00  | 16,556,350.00       |
| 01/01/2035    |             |        | 3,673,487.50   | 3,673,487.50   |                     |
| 07/01/2035    | 9,210,000   | 5.250% | 3,673,487.50   | 12,883,487.50  | 16,556,975.00       |
| 01/01/2036    |             |        | 3,431,725.00   | 3,431,725.00   |                     |
| 07/01/2036    | 9,690,000   | 5.500% | 3,431,725.00   | 13,121,725.00  | 16,553,450.00       |
| 01/01/2037    |             |        | 3,165,250.00   | 3,165,250.00   |                     |
| 07/01/2037    | 10,225,000  | 5.500% | 3,165,250.00   | 13,390,250.00  | 16,555,500.00       |
| 01/01/2038    |             |        | 2,884,062.50   | 2,884,062.50   |                     |
| 07/01/2038    | 10,790,000  | 5.500% | 2,884,062.50   | 13,674,062.50  | 16,558,125.00       |
| 01/01/2039    |             |        | 2,587,337.50   | 2,587,337.50   |                     |
| 07/01/2039    | 11,380,000  | 5.500% | 2,587,337.50   | 13,967,337.50  | 16,554,675.00       |
| 01/01/2040    |             |        | 2,274,387.50   | 2,274,387.50   |                     |
| 07/01/2040    | 12,005,000  | 5.500% | 2,274,387.50   | 14,279,387.50  | 16,553,775.00       |
| 01/01/2041    |             |        | 1,944,250.00   | 1,944,250.00   |                     |
| 07/01/2041    | 12,665,000  | 5.500% | 1,944,250.00   | 14,609,250.00  | 16,553,500.00       |
| 01/01/2042    |             |        | 1,595,962.50   | 1,595,962.50   |                     |
| 07/01/2042    | 13,365,000  | 5.500% | 1,595,962.50   | 14,960,962.50  | 16,556,925.00       |
| 01/01/2043    |             |        | 1,228,425.00   | 1,228,425.00   |                     |
| 07/01/2043    | 14,100,000  | 5.500% | 1,228,425.00   | 15,328,425.00  | 16,556,850.00       |
| 01/01/2044    |             |        | 840,675.00     | 840,675.00     |                     |
| 07/01/2044    | 14,875,000  | 5.500% | 840,675.00     | 15,715,675.00  | 16,556,350.00       |
| 01/01/2045    |             |        | 431,612.50     | 431,612.50     |                     |
| 07/01/2045    | 15,695,000  | 5.500% | 431,612.50     | 16,126,612.50  | 16,558,225.00       |
|               | 243,070,000 |        | 253,611,375.00 | 496,681,375.00 | 496,681,375.00      |

**BOND PRICING**

**\$250,000,000 Infrastructure Improvement Bonds, Series 2015  
30 Year Debt Service  
Assumes Aa2/A Uninsured Rates as of January 6, 2014 PLUS 25bps  
\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

| Bond Component       | Maturity Date | Amount             | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount)  |
|----------------------|---------------|--------------------|--------|--------|-----------|-------------------|------------|------------|----------------------|
| <b>Serial Bonds:</b> |               |                    |        |        |           |                   |            |            |                      |
|                      | 07/01/2016    | 3,490,000          | 5.000% | 0.920% | 104.052   |                   |            |            | 141,414.80           |
|                      | 07/01/2017    | 3,665,000          | 5.250% | 1.200% | 107.979   |                   |            |            | 292,430.35           |
|                      | 07/01/2018    | 3,860,000          | 5.250% | 1.540% | 110.836   |                   |            |            | 418,269.60           |
|                      | 07/01/2019    | 4,060,000          | 5.250% | 1.920% | 112.762   |                   |            |            | 518,137.20           |
|                      | 07/01/2020    | 4,275,000          | 5.250% | 2.370% | 113.504   |                   |            |            | 577,296.00           |
|                      | 07/01/2021    | 4,500,000          | 5.250% | 2.780% | 113.563   |                   |            |            | 610,335.00           |
|                      | 07/01/2022    | 4,735,000          | 5.250% | 3.150% | 113.100   |                   |            |            | 620,285.00           |
|                      | 07/01/2023    | 4,985,000          | 5.250% | 3.440% | 112.564   |                   |            |            | 626,315.40           |
|                      | 07/01/2024    | 5,245,000          | 5.250% | 3.670% | 112.017   |                   |            |            | 630,291.65           |
|                      | 07/01/2025    | 5,520,000          | 5.250% | 3.840% | 111.617   |                   |            |            | 641,258.40           |
|                      | 07/01/2026    | 5,810,000          | 5.250% | 3.980% | 110.393 C | 4.069%            | 07/01/2025 | 100.000    | 603,833.30           |
|                      | 07/01/2027    | 6,115,000          | 5.250% | 4.130% | 109.099 C | 4.273%            | 07/01/2025 | 100.000    | 556,403.85           |
|                      | 07/01/2028    | 6,435,000          | 5.250% | 4.290% | 107.739 C | 4.459%            | 07/01/2025 | 100.000    | 498,004.65           |
|                      | 07/01/2029    | 6,775,000          | 5.250% | 4.430% | 106.567 C | 4.608%            | 07/01/2025 | 100.000    | 444,914.25           |
|                      | 07/01/2030    | 7,130,000          | 5.250% | 4.550% | 105.573 C | 4.727%            | 07/01/2025 | 100.000    | 397,354.90           |
|                      | 07/01/2031    | 7,505,000          | 5.250% | 4.650% | 104.754 C | 4.820%            | 07/01/2025 | 100.000    | 356,787.70           |
|                      | 07/01/2032    | 7,900,000          | 5.250% | 4.740% | 104.024 C | 4.898%            | 07/01/2025 | 100.000    | 317,896.00           |
|                      | 07/01/2033    | 8,315,000          | 5.250% | 4.820% | 103.380 C | 4.964%            | 07/01/2025 | 100.000    | 281,047.00           |
|                      | 07/01/2034    | 8,750,000          | 5.250% | 4.880% | 102.900 C | 5.012%            | 07/01/2025 | 100.000    | 253,750.00           |
|                      | 07/01/2035    | 9,210,000          | 5.250% | 4.940% | 102.423 C | 5.056%            | 07/01/2025 | 100.000    | 223,158.30           |
|                      |               | <u>118,280,000</u> |        |        |           |                   |            |            | <u>9,009,183.35</u>  |
| <b>Term Bond:</b>    |               |                    |        |        |           |                   |            |            |                      |
|                      | 07/01/2036    | 9,690,000          | 5.500% | 5.160% | 102.630 C | 5.309%            | 07/01/2025 | 100.000    | 254,847.00           |
|                      | 07/01/2037    | 10,225,000         | 5.500% | 5.160% | 102.630 C | 5.309%            | 07/01/2025 | 100.000    | 268,917.50           |
|                      | 07/01/2038    | 10,790,000         | 5.500% | 5.160% | 102.630 C | 5.309%            | 07/01/2025 | 100.000    | 283,777.00           |
|                      | 07/01/2039    | 11,380,000         | 5.500% | 5.160% | 102.630 C | 5.309%            | 07/01/2025 | 100.000    | 299,294.00           |
|                      | 07/01/2040    | 12,005,000         | 5.500% | 5.160% | 102.630 C | 5.309%            | 07/01/2025 | 100.000    | 315,731.50           |
|                      |               | <u>54,090,000</u>  |        |        |           |                   |            |            | <u>1,422,567.00</u>  |
| <b>Term Bond:</b>    |               |                    |        |        |           |                   |            |            |                      |
|                      | 07/01/2041    | 12,665,000         | 5.500% | 5.250% | 101.925 C | 5.370%            | 07/01/2025 | 100.000    | 243,801.25           |
|                      | 07/01/2042    | 13,365,000         | 5.500% | 5.250% | 101.925 C | 5.370%            | 07/01/2025 | 100.000    | 257,276.25           |
|                      | 07/01/2043    | 14,100,000         | 5.500% | 5.250% | 101.925 C | 5.370%            | 07/01/2025 | 100.000    | 271,425.00           |
|                      | 07/01/2044    | 14,875,000         | 5.500% | 5.250% | 101.925 C | 5.370%            | 07/01/2025 | 100.000    | 286,343.75           |
|                      | 07/01/2045    | 15,695,000         | 5.500% | 5.250% | 101.925 C | 5.370%            | 07/01/2025 | 100.000    | 302,128.75           |
|                      |               | <u>70,700,000</u>  |        |        |           |                   |            |            | <u>1,360,975.00</u>  |
|                      |               | <u>243,070,000</u> |        |        |           |                   |            |            | <u>11,792,725.35</u> |

|                        |                |             |
|------------------------|----------------|-------------|
| Dated Date             | 07/01/2015     |             |
| Delivery Date          | 07/01/2015     |             |
| First Coupon           | 01/01/2016     |             |
| Par Amount             | 243,070,000.00 |             |
| Premium                | 11,792,725.35  |             |
| Production             | 254,862,725.35 | 104.851576% |
| Underwriter's Discount | -2,430,700.00  | -1.000000%  |
| Purchase Price         | 252,432,025.35 | 103.851576% |
| Accrued Interest       |                |             |
| Net Proceeds           | 252,432,025.35 |             |

**BOND SUMMARY STATISTICS**

**\$250,000,000 Infrastructure Improvement Bonds, Series 2015  
30 Year Debt Service  
Assumes Aa2/A Uninsured Rates as of January 6, 2014 PLUS 25bps  
\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

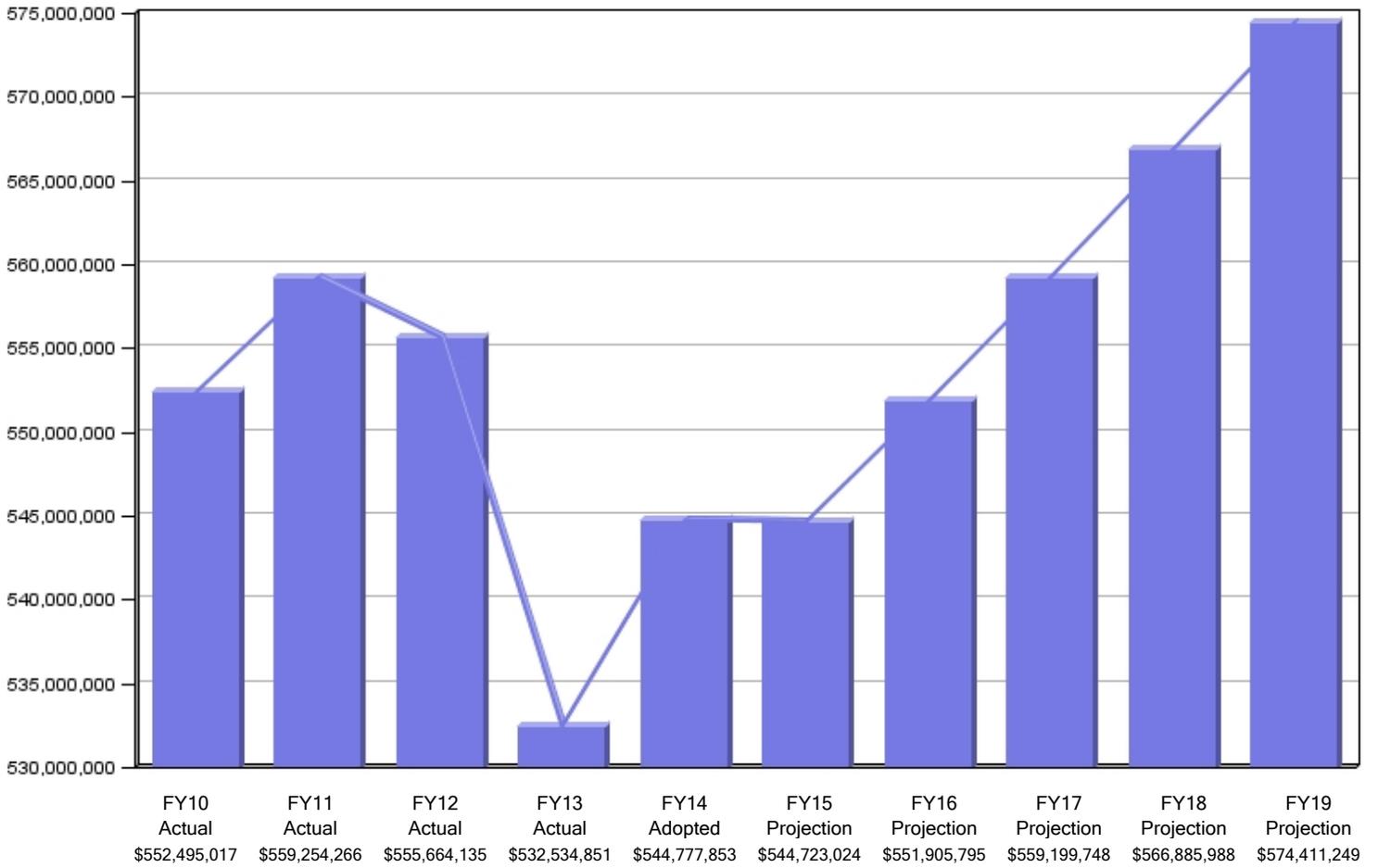
|                                   |                  |
|-----------------------------------|------------------|
| Dated Date                        | 07/01/2015       |
| Delivery Date                     | 07/01/2015       |
| First Coupon                      | 01/01/2016       |
| Last Maturity                     | 07/01/2045       |
| Arbitrage Yield                   | 4.904949%        |
| True Interest Cost (TIC)          | 5.074064%        |
| Net Interest Cost (NIC)           | 5.222669%        |
| All-In TIC                        | 5.159011%        |
| Average Coupon                    | 5.422853%        |
| Average Life (years)              | 19.240           |
| Weighted Average Maturity (years) | 18.980           |
| Duration of Issue (years)         | 11.710           |
| Par Amount                        | 243,070,000.00   |
| Bond Proceeds                     | 254,862,725.35   |
| Total Interest                    | 253,611,375.00   |
| Net Interest                      | 244,249,349.65   |
| Bond Years from Dated Date        | 4,676,715,000.00 |
| Bond Years from Delivery Date     | 4,676,715,000.00 |
| Total Debt Service                | 496,681,375.00   |
| Maximum Annual Debt Service       | 16,558,225.00    |
| Average Annual Debt Service       | 16,556,045.83    |
| Underwriter's Fees (per \$1000)   |                  |
| Average Takedown                  |                  |
| Other Fee                         | 10.000000        |
| Total Underwriter's Discount      | 10.000000        |
| Bid Price                         | 103.851576       |

| Bond Component | Par Value      | Price   | Average Coupon | Average Life | Average Maturity Date |
|----------------|----------------|---------|----------------|--------------|-----------------------|
| Serial Bonds   | 118,280,000.00 | 107.617 | 5.249%         | 12.172       | 09/01/2027            |
| Term Bond      | 54,090,000.00  | 102.630 | 5.500%         | 23.107       | 08/08/2038            |
| Term Bond      | 70,700,000.00  | 101.925 | 5.500%         | 28.107       | 08/09/2043            |
|                | 243,070,000.00 |         |                | 19.240       |                       |

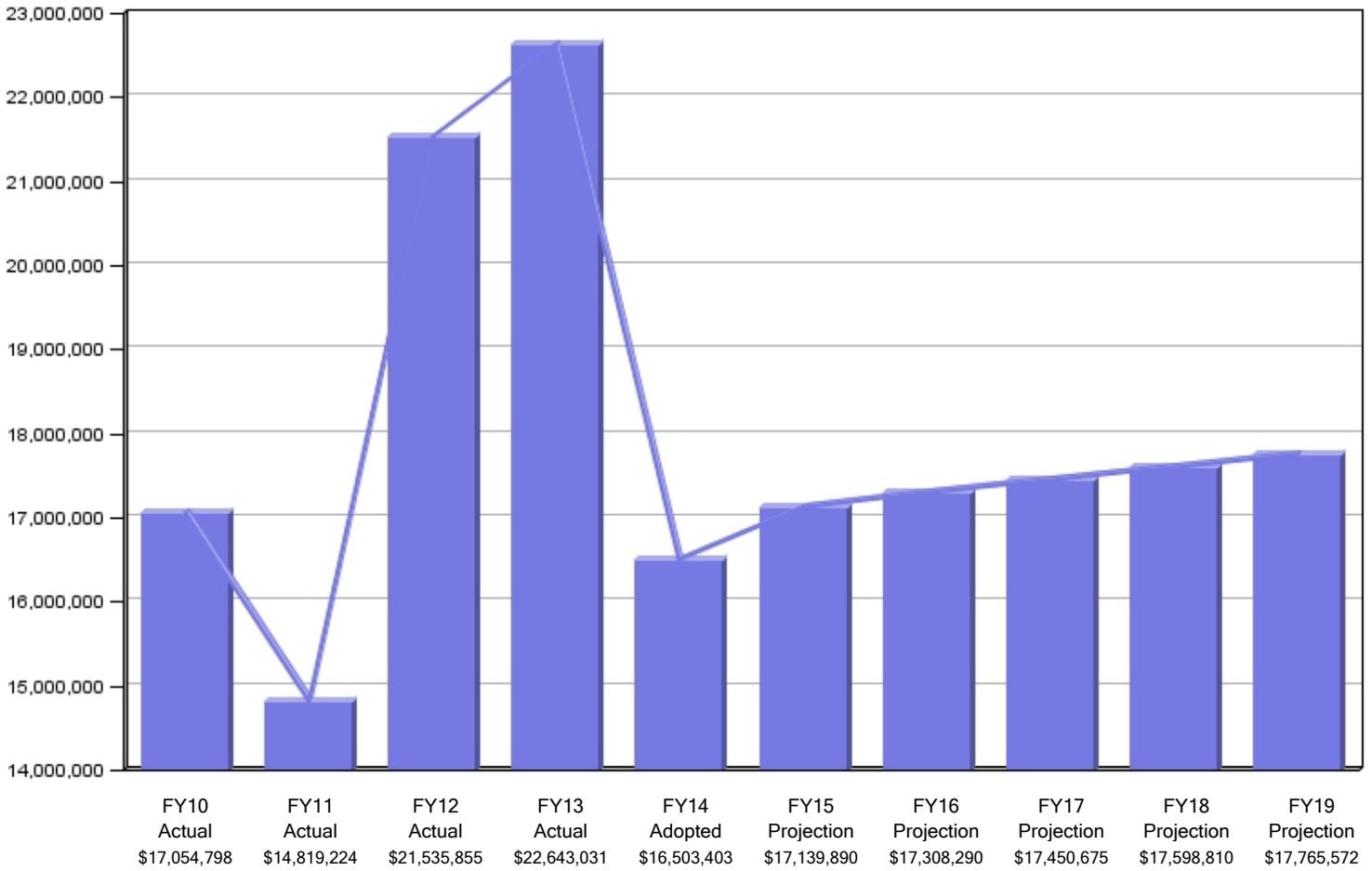
|                            | TIC            | All-In TIC     | Arbitrage Yield |
|----------------------------|----------------|----------------|-----------------|
| Par Value                  | 243,070,000.00 | 243,070,000.00 | 243,070,000.00  |
| + Accrued Interest         |                |                |                 |
| + Premium (Discount)       | 11,792,725.35  | 11,792,725.35  | 11,792,725.35   |
| - Underwriter's Discount   | -2,430,700.00  | -2,430,700.00  |                 |
| - Cost of Issuance Expense |                | -2,430,700.00  |                 |
| - Other Amounts            |                |                |                 |
| Target Value               | 252,432,025.35 | 250,001,325.35 | 254,862,725.35  |
| Target Date                | 07/01/2015     | 07/01/2015     | 07/01/2015      |
| Yield                      | 5.074064%      | 5.159011%      | 4.904949%       |



## TOTAL REVENUE PROJECTION GRAPH General Fund

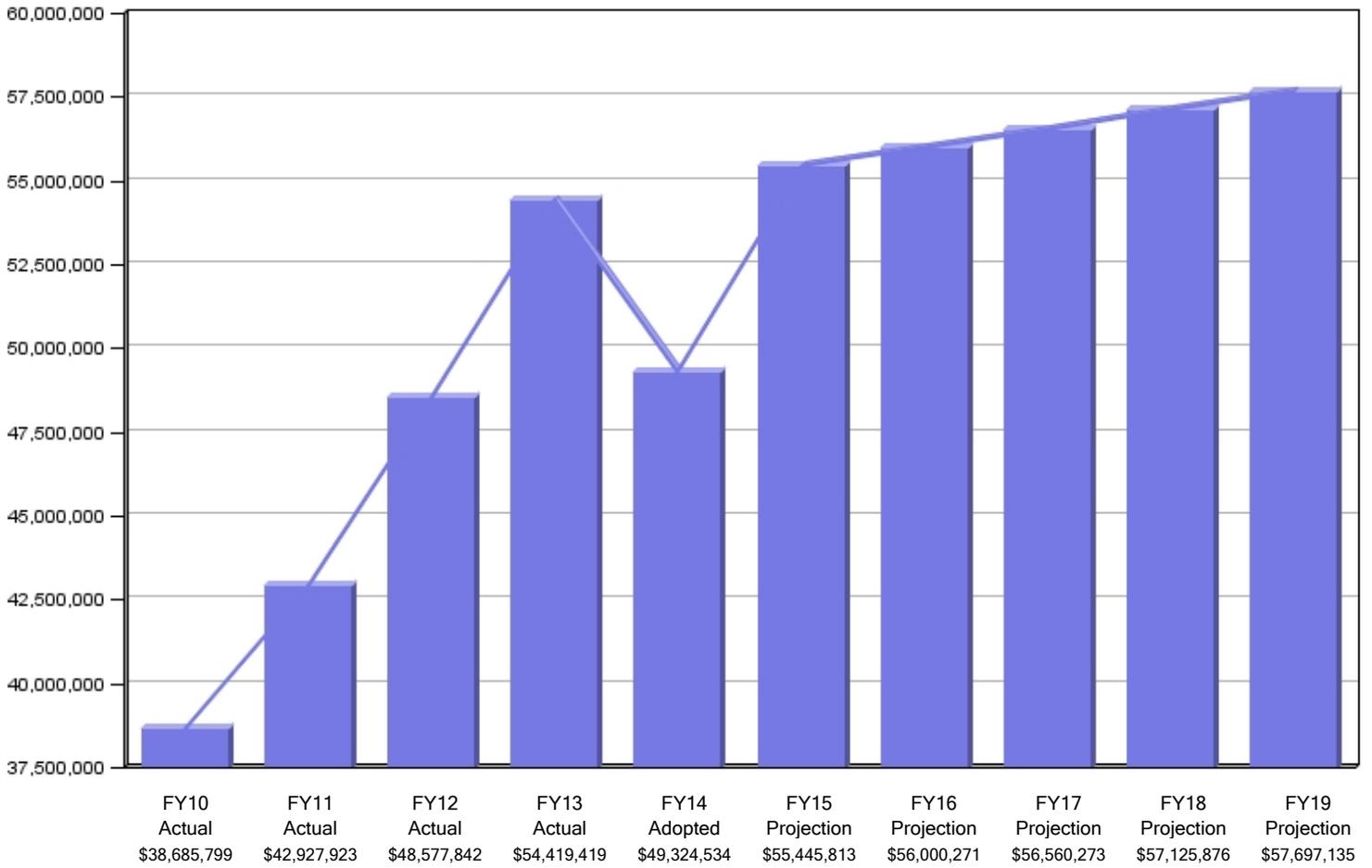


## TOTAL REVENUE PROJECTION GRAPH Emergency Telephone System

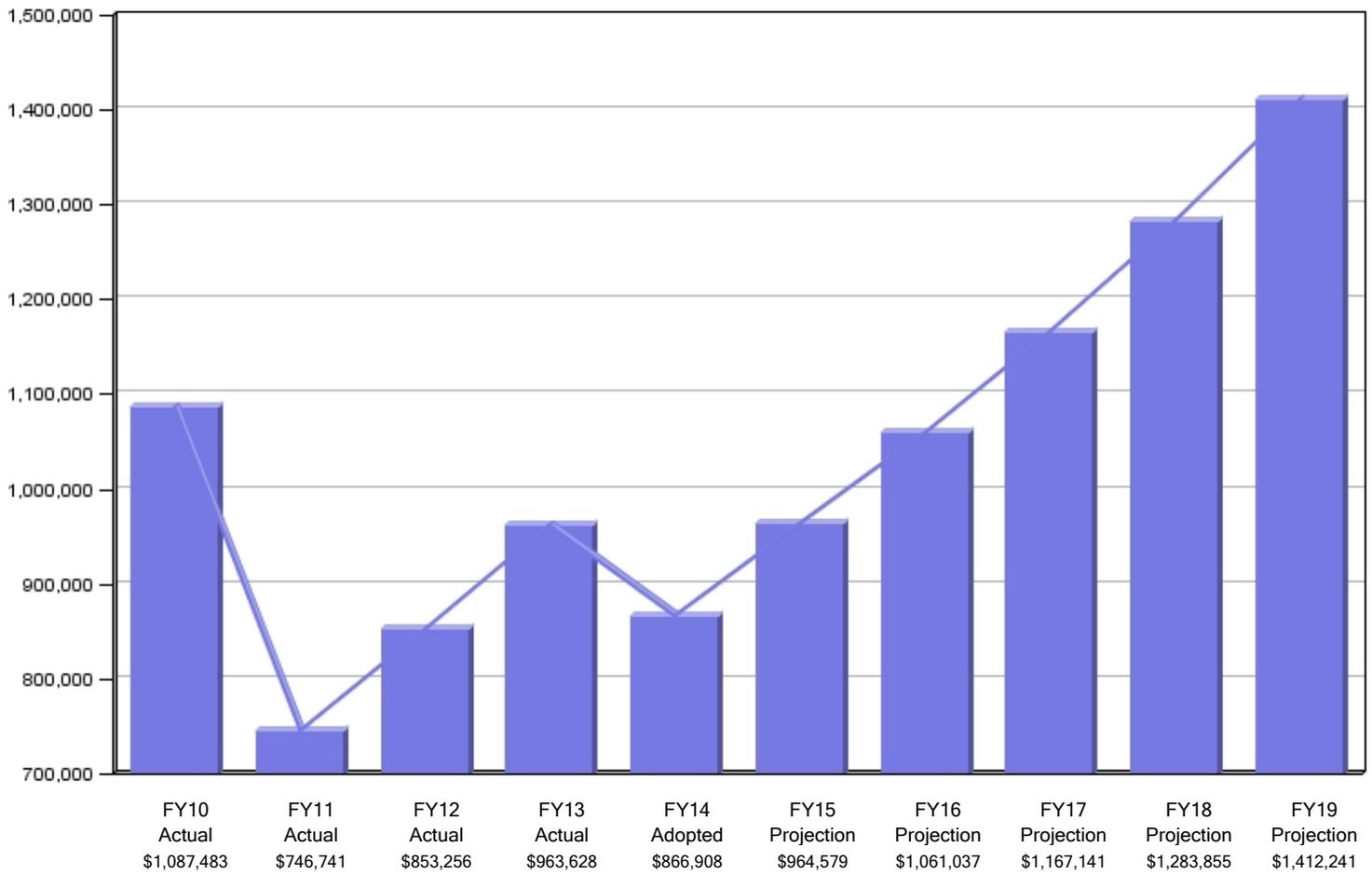


# TOTAL REVENUE PROJECTION GRAPH

## Hotel/Motel Tax Fund

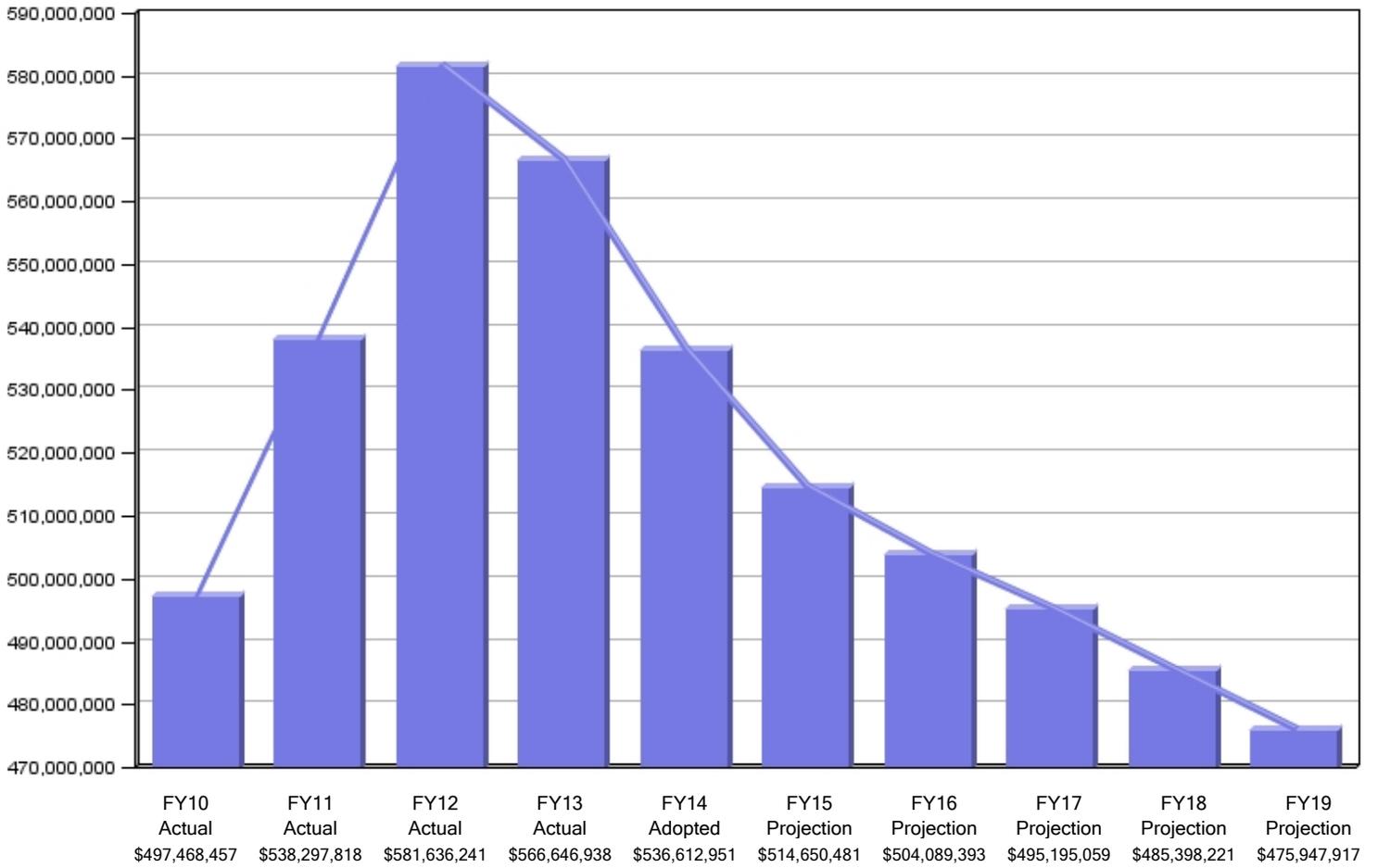


**TOTAL REVENUE PROJECTION GRAPH**  
**Rental/Motor Vehicle Tax Fund**

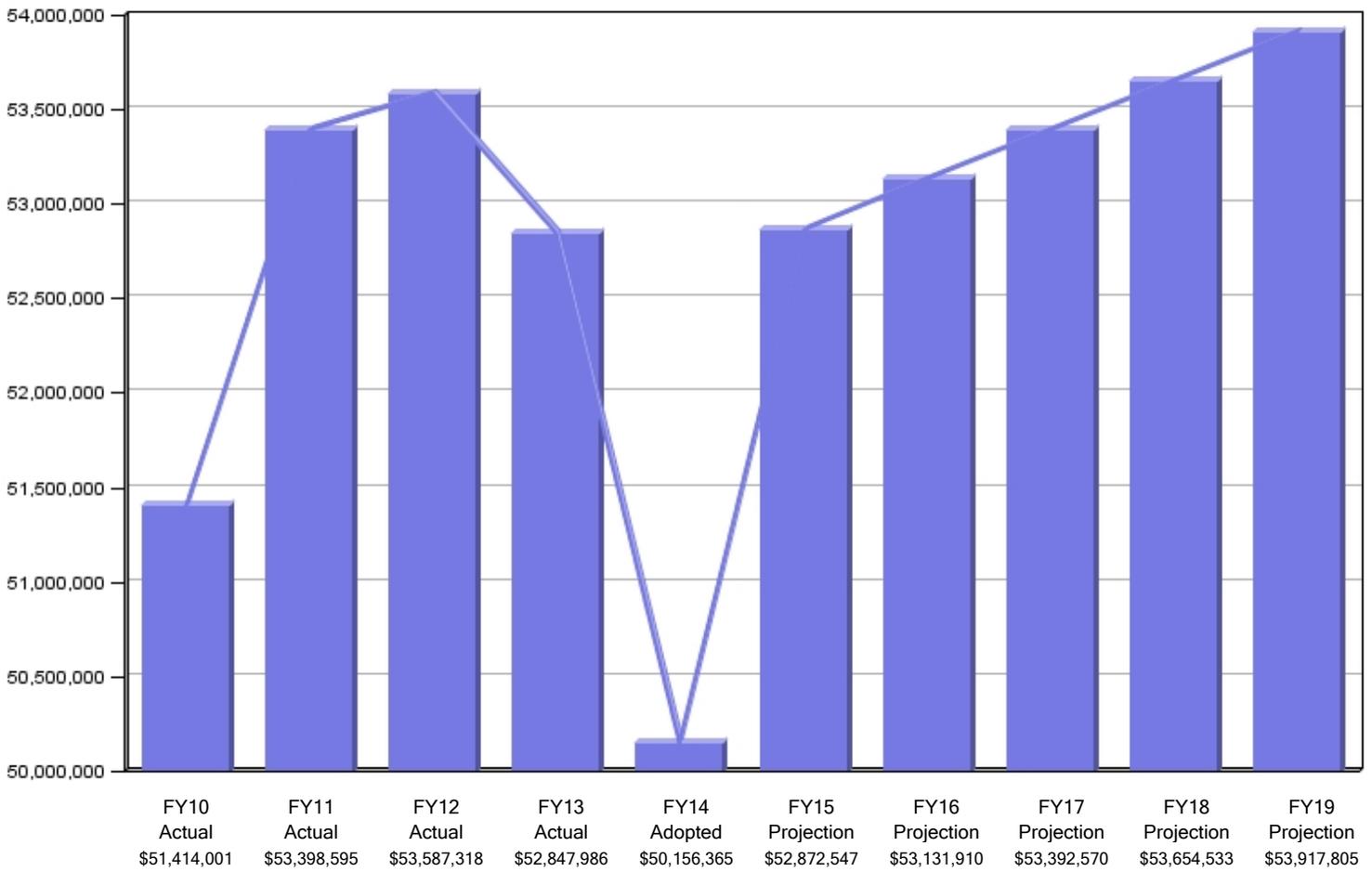


## TOTAL REVENUE PROJECTION GRAPH

### Water & Wastewater Revenue Fund

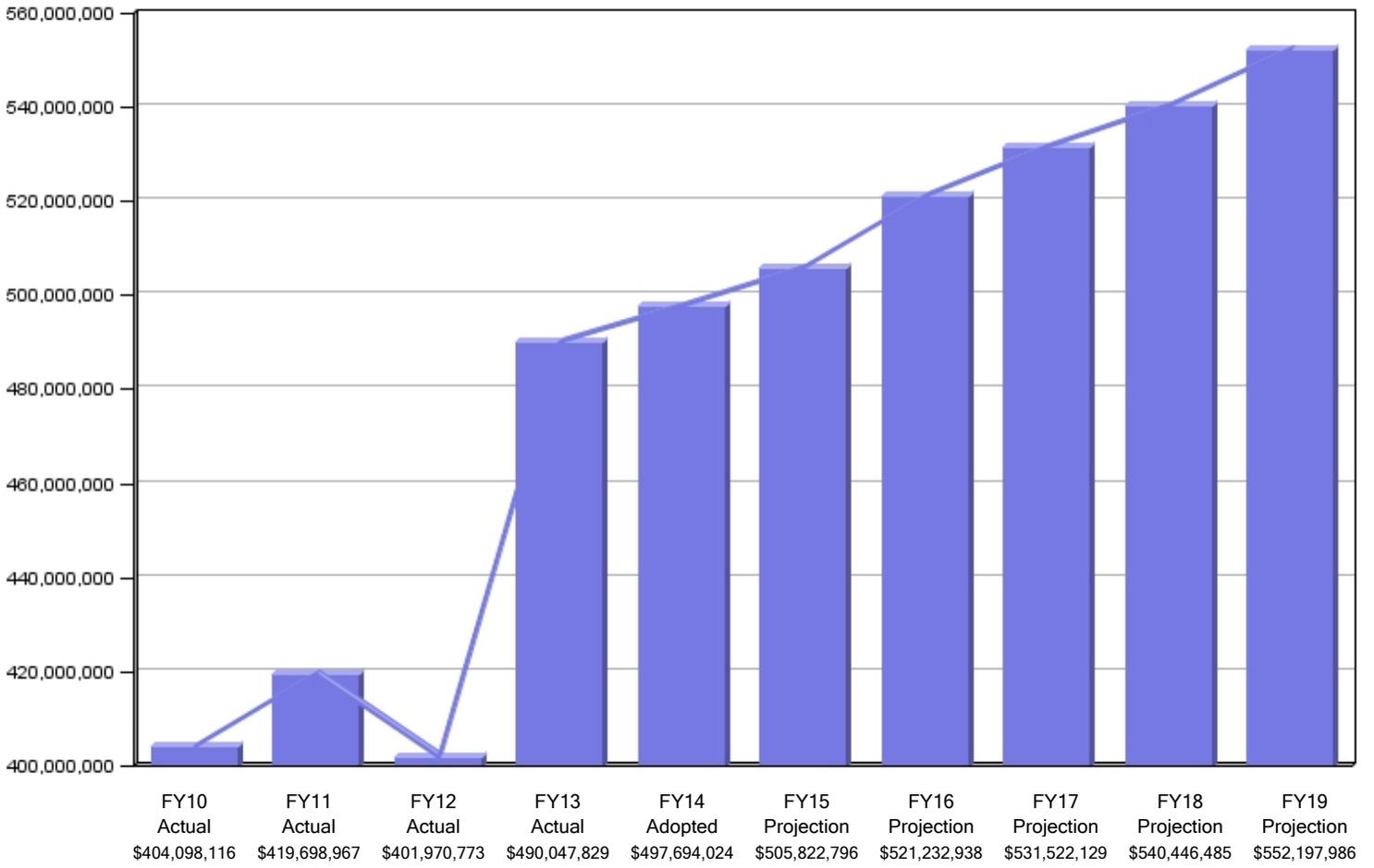


**TOTAL REVENUE PROJECTION GRAPH**  
**Solid Waste Services Revenue Fund**

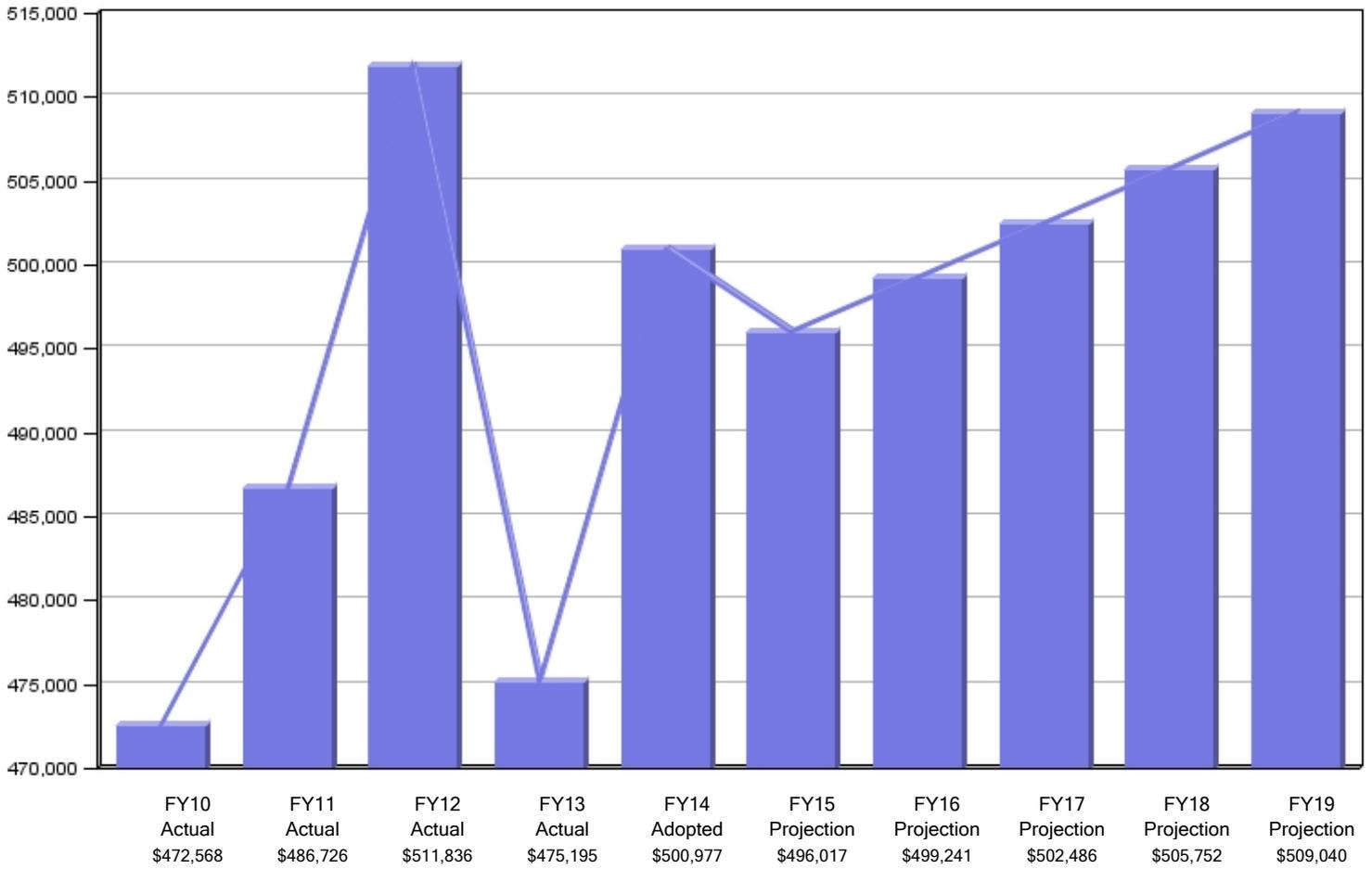


## TOTAL REVENUE PROJECTION GRAPH

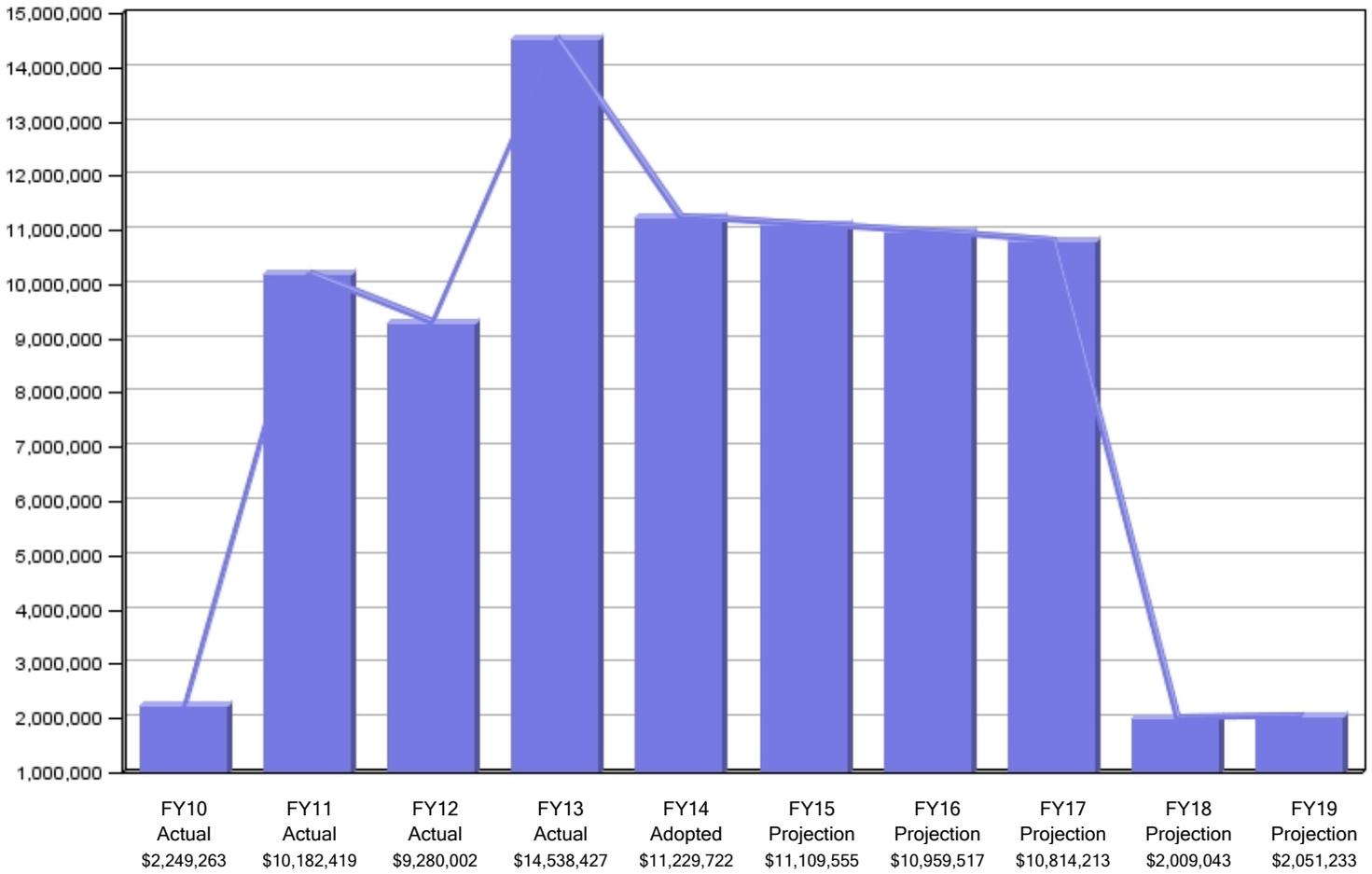
### Airport Revenue Fund



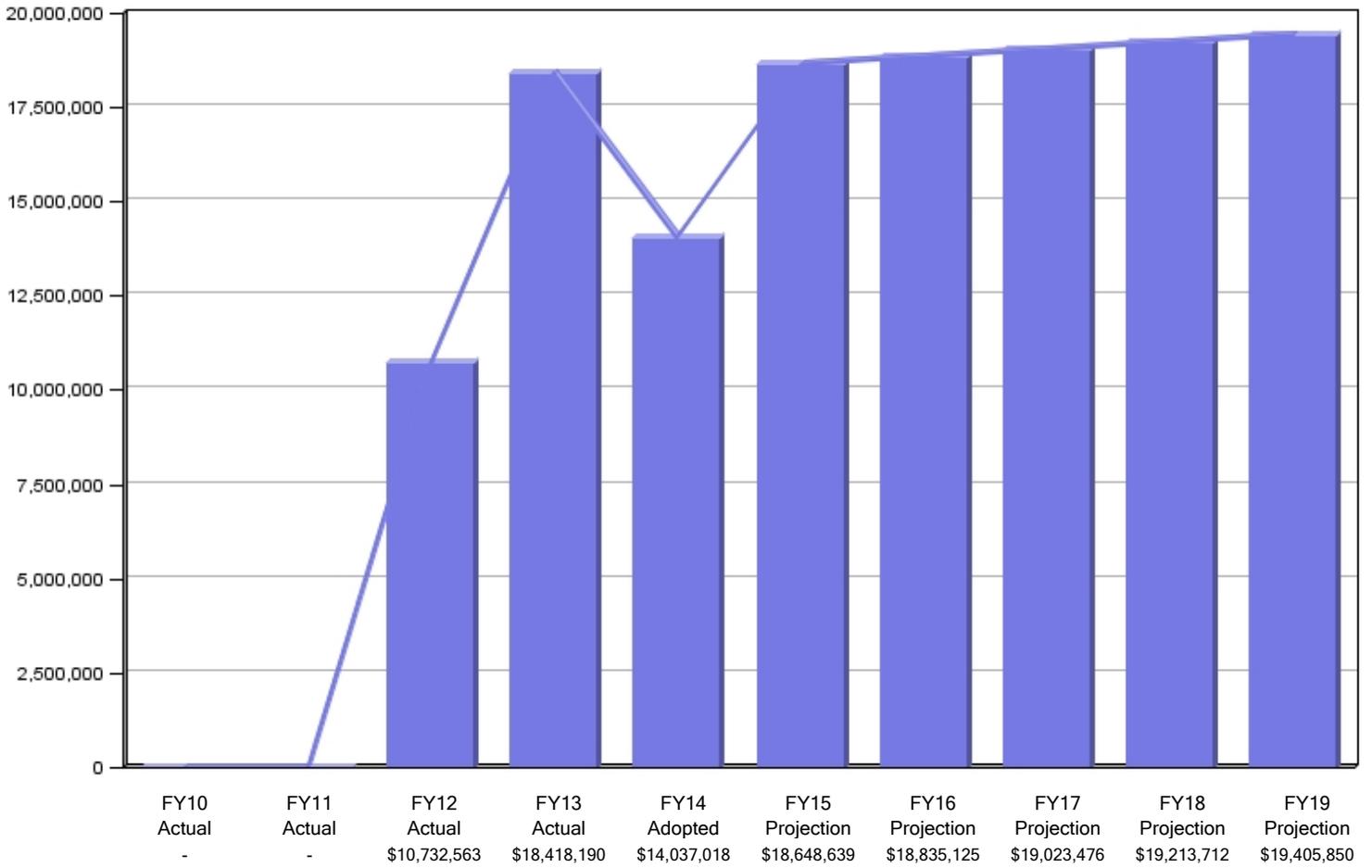
## TOTAL REVENUE PROJECTION GRAPH Parks Facilities Revenue Fund



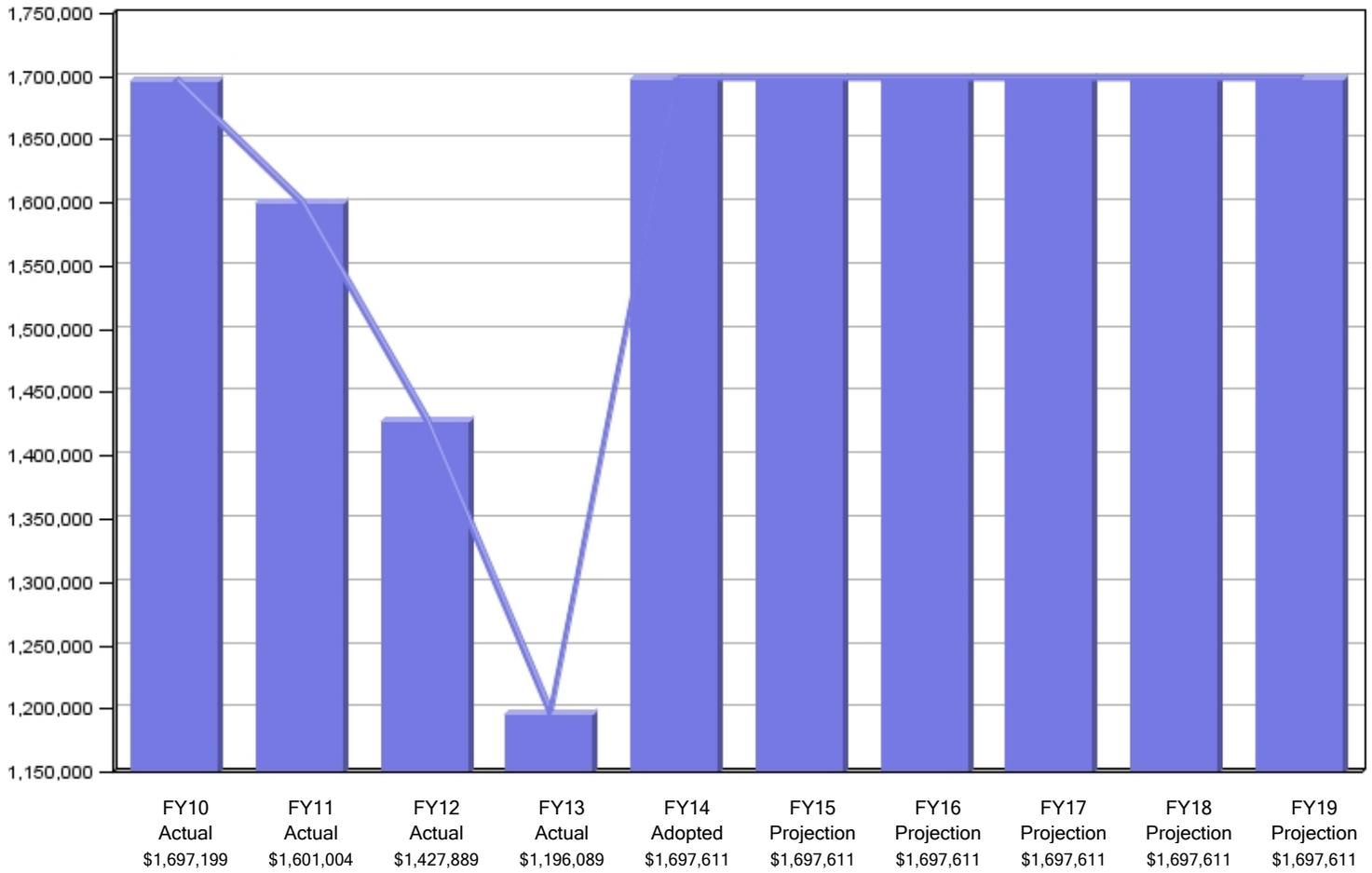
**TOTAL REVENUE PROJECTION GRAPH**  
**Underground Atl Facil Revenue Fund**



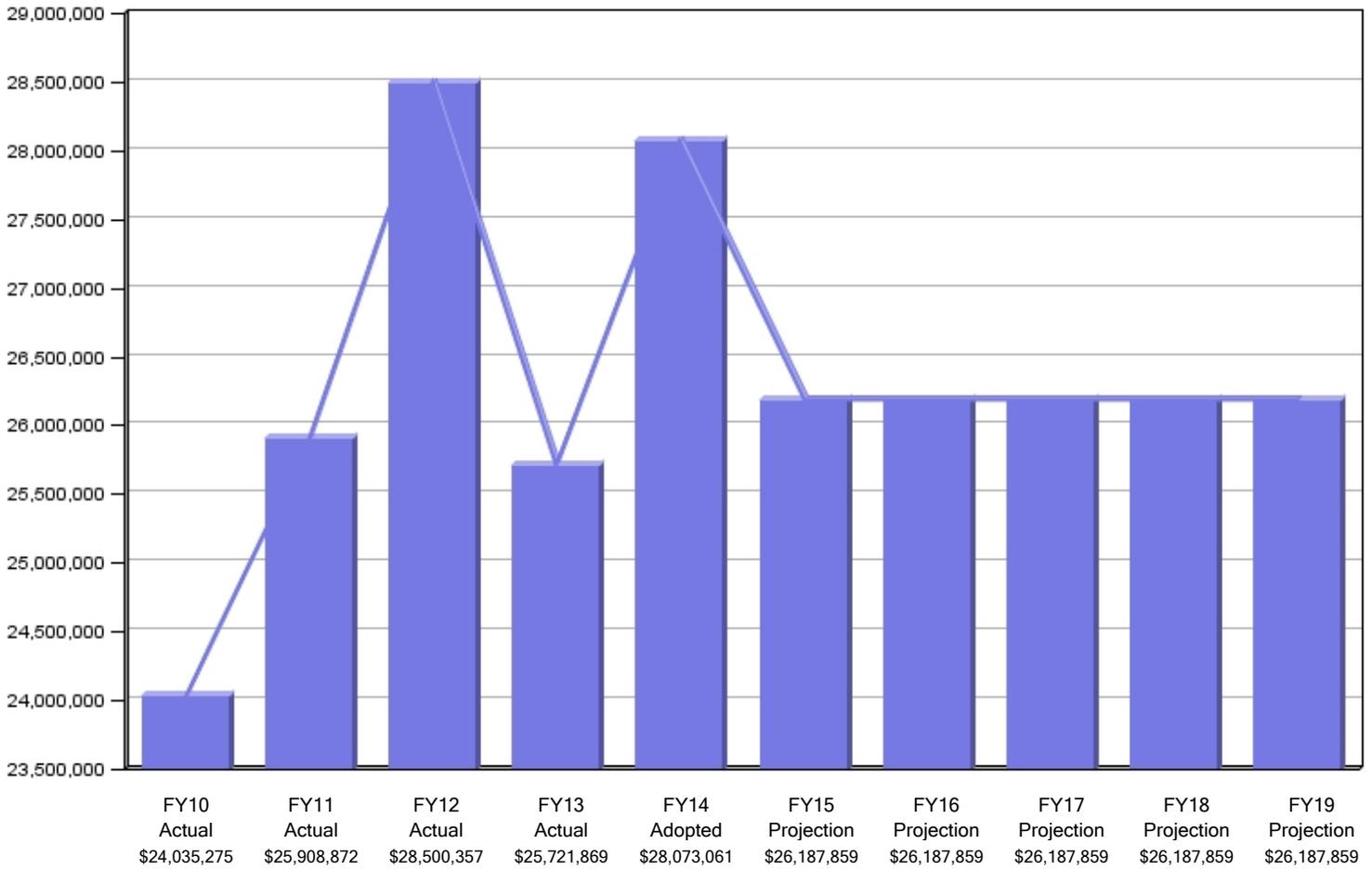
## TOTAL REVENUE PROJECTION GRAPH Building Permits Fund



## TOTAL REVENUE PROJECTION GRAPH Civic Center Revenue Fund

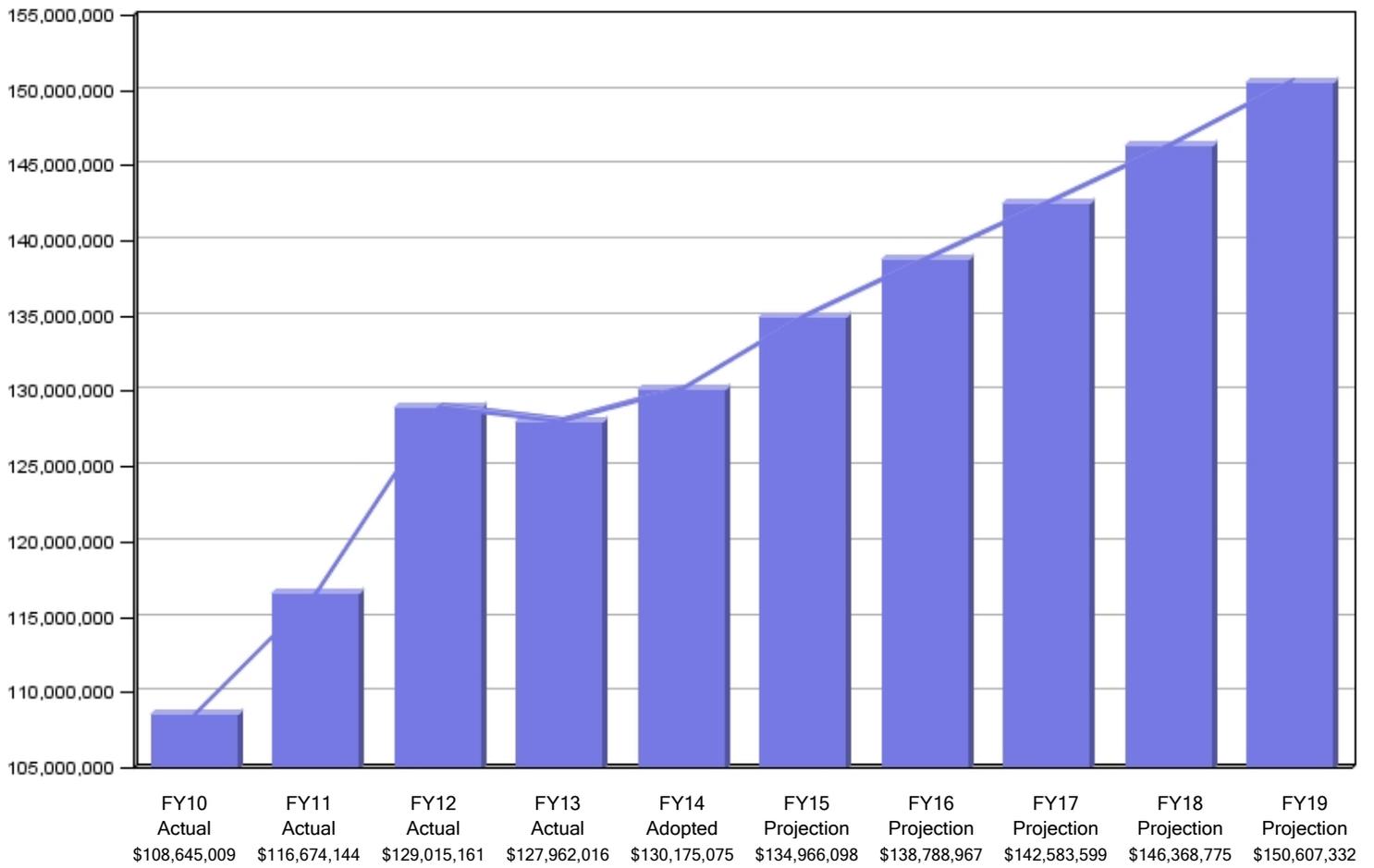


## TOTAL REVENUE PROJECTION GRAPH Fleet Service Fund



# TOTAL REVENUE PROJECTION GRAPH

## Group Insurance Fund







CITY OF ATLANTA

FIVE YEAR FINANCIAL STABILIZATION PLAN

APRIL 30, 2014

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DEPARTMENT OF FINANCE

J. ANTHONY BEARD, CFO

GWENDOLYN SMITH, DCFO



# INTRODUCTION

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- The Five Year Financial Stabilization Plan (Five Year Plan) presentation is a follow up to the Elected Officials training presentation provided to City Council
- Five Year Plan Requirements:
  - Projection of General Fund Revenues
  - Projection of General Fund Expenses
  - Calculation of General Fund Surplus/Deficit
  - Cost Estimation of Long-Term Initiatives
  - Comprehensive List of Revenue Initiatives
  - Comprehensive List of Expenditure Initiatives



# INTRODUCTION

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- Enhancements to the Five Year Plan:
  - Includes Summaries for all Operating Funds
  - Includes Revenue Summaries for all Operating Funds *New!*
  - Includes Hyperion Revenue Reports *New!*
  - Detailed Description of Departmental Requests *New!*
  - Includes Summary of Fund Balance Report *New!*
  - Includes OPEX of CAPEX Projects



# REVENUE OVERVIEW

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- The Office of Revenue provides revenue estimates for the budget in Hyperion for the General Fund and other Operating Funds
  - Emergency Telephone System Fund, Hotel/Motel Tax Fund, Rental/Motor Vehicle Tax Fund, Solid Waste Services Revenue Fund, Parks Facilities Revenue Fund, Underground Atlanta Facility Revenue Fund, Civic Center Revenue Fund, Building Permits Fund and Fleet Service Fund
- The Departments of Aviation and Watershed Management update their revenue information for the budget in Hyperion for the Airport Revenue Fund and Water & Wastewater Revenue Fund
- The Office of Revenue continues to explore viable revenue initiatives for inclusion in the Budget Commission Report of revenue anticipations



# GENERAL FUND REVENUE ASSUMPTIONS

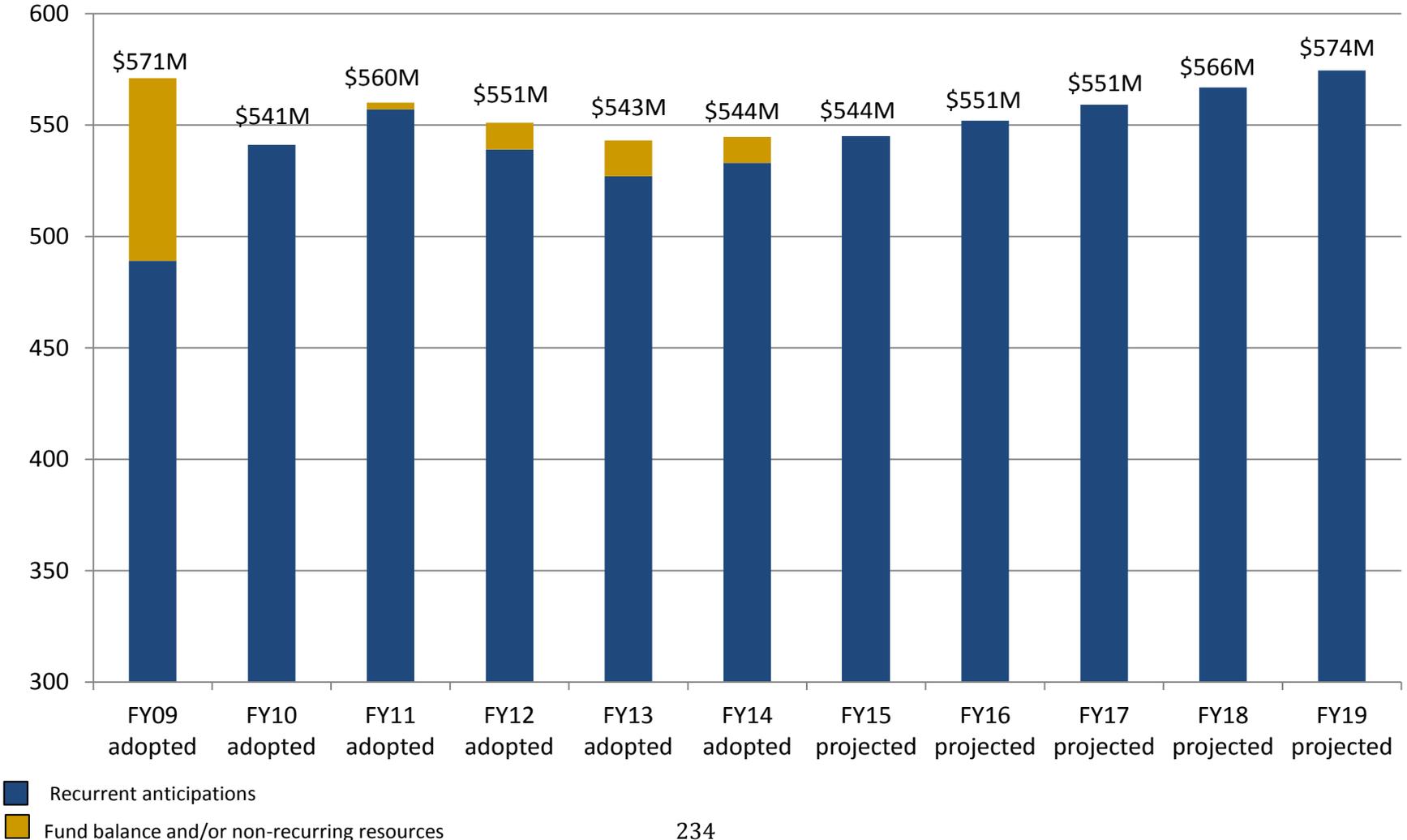
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- The General Fund revenue forecast includes inflation indices for price sensitive revenue streams including sales tax, hotel/motel tax and business occupation tax
- FY15 property tax digest increased by ~1% (new construction) after roll-back for reassessments; this growth is projected from 2015-2019 and correlates with the real estate rebound
- Dollar value of one mill is projected at \$17.2 million in FY15 compared to \$20.5 million in FY10
  - The FY15 millage rate rollback is an estimated \$5 million in foregone property tax revenue
- Sales tax revenue growth is forecasted at 1% per annum and is closely correlated with the gross metro product and personal income trends
- E-911 rate adjustment revenues of \$6 million and revenue projections from proposed initiatives, which are subject to policy directives, are excluded from the FY15 budget



# REVENUE FORECAST OVERVIEW

## Historical Revenues and Five Year Plan Forecast



NOTE: FY 2009-2012 Includes Permit Revenue which beginning in FY13 are now accounted for in Building Permit Fund.



# REVENUE COMPARISON BY CATEGORY

|   | FY2013<br>ACTUALS | FY2014<br>ADOPTED BUDGET | FY2015<br>PROPOSED BUDGET | <i>In Millions</i><br>FY14 ADOPTED vs.<br>FY15<br>PROPOSED BUDGET |
|---|-------------------|--------------------------|---------------------------|---|
| PROPERTY, REAL ESTATE TRANSFER & INTANGIBLE TAXES | \$178.22          | \$174.02                 | \$179.42                  | \$5.40  |
| LOCAL OPTION SALES TAX                            | \$99.87           | \$102.98                 | \$100.05                  | (\$2.93)  |
| ALCOHOL & HOTEL/MOTEL                             | \$32.36           | \$29.28                  | \$30.04                   | \$0.76  |
| PUBLIC UTILITY FRANCHISE                          | \$42.12           | \$64.05                  | \$48.55                   | (\$15.50)   |
| BUSINESS LICENSE                                  | \$38.81           | \$40.44                  | \$41.18                   | \$0.74  |
| INSURANCE PREMIUM                                 | \$20.92           | \$21.44                  | \$21.95                   | \$0.51  |
| LICENSES AND PERMITS                              | \$16.82           | \$16.38                  | \$18.66                   | \$2.28  |
| FINES & FORFEITURES                               | \$22.20           | \$24.17                  | \$24.11                   | (\$0.06)  |
| LAND & BUILDING RENTALS                           | \$6.60            | \$4.35                   | \$5.99                    | \$1.64  |
| OTHER REVENUE                                     | \$44.53           | \$27.15                  | \$45.74                   | \$18.60   |
| INDIRECT COSTS                                    | \$30.04           | \$28.86                  | \$29.03                   | \$0.17  |
| <b>SUBTOTAL</b>                                   | <b>\$532.50</b>   | <b>\$533.12</b>          | <b>\$544.72</b>           | <b>\$11.61</b>  |
| INTRAFUND TRANSFER (FUND BALANCE)                 | \$0.00            | \$11.65                  | \$0.00                    | (\$11.65)   |
| <b>GRAND TOTAL</b>                                | <b>\$532.50</b>   | <b>\$544.75</b>          | <b>\$544.72</b>           | <b>(\$0.04)</b>   |



# EXPENDITURE OVERVIEW

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- The Office of Budget & Fiscal Policy provides initial expenditure estimates for the budget in Hyperion for the General Fund and other Operating Funds
  - The initial budget is “seeded” with five months of actual expenditures and seven months of budget. Doing so aligns the budget with actual departmental spending trends.
  - The Five Year Plan process provides an opportunity to restore and request new items for budget development. Upon completion, the Five Year Plan is submitted by the Mayor to City Council for consideration.
  - The Five Year Plan accounts for the operational impact on the department’s operating budget for new capital projects proposed to begin in the five year plan period.



# GENERAL FUND EXPENDITURE ASSUMPTIONS

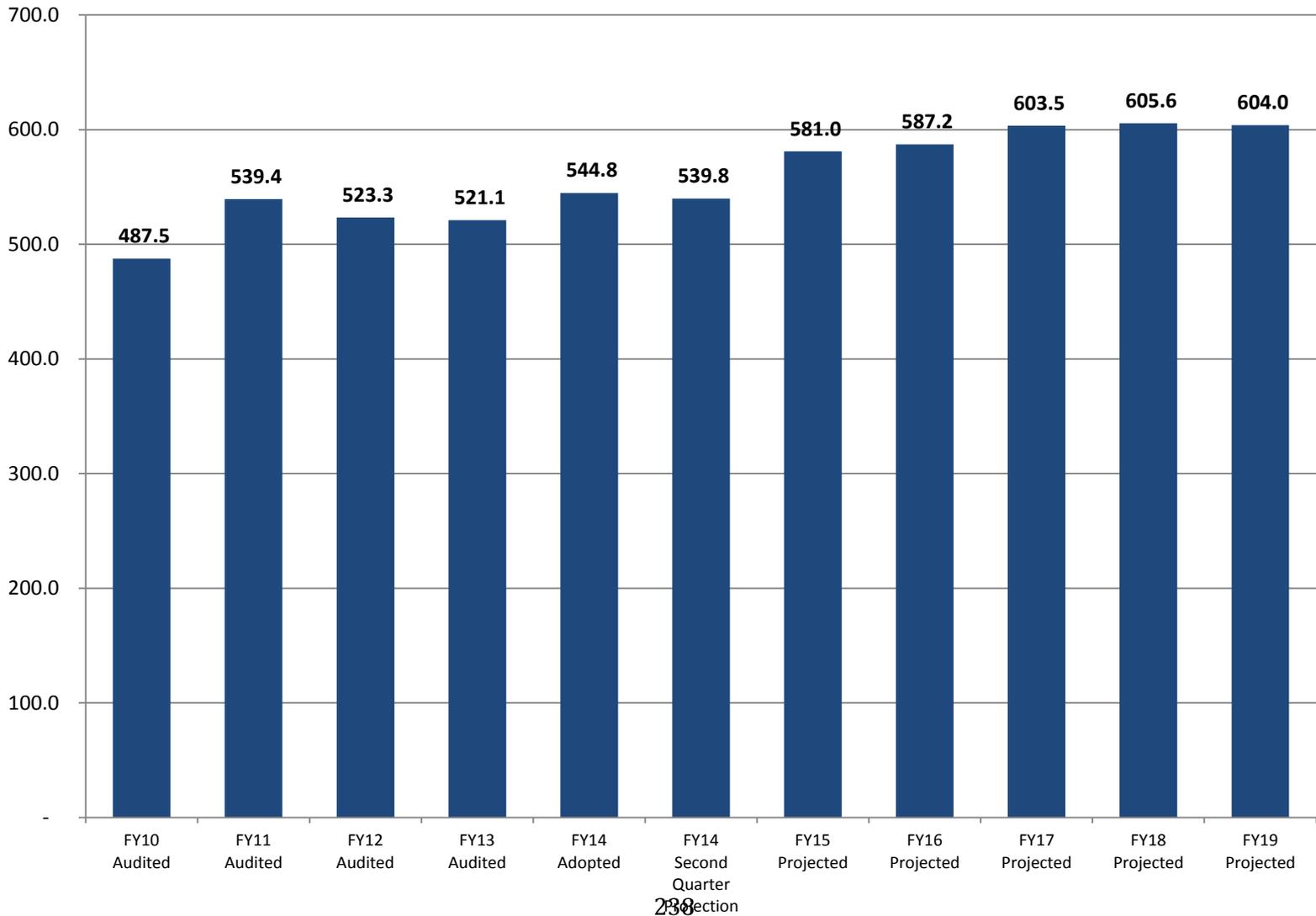
- Funds Current Service Levels based on FY14 expenses from July through November and budgeted data for the period between months of December and June
- **Healthcare** contribution increased citywide by \$4.2M from the FY14 Adopted budget amount of \$57.6M to \$61.8M, and is expected to increase by 5% each year thereafter. This increase takes into consideration healthcare coverage for those who were not previously covered
- **Pension** rates were adjusted for all Defined Benefit plans to account for the Annual Required Contribution (ARC):

| COA Retirement Plan       | FY14 ARC | FY15 5YR Plan Budget | Year-Over-Year Increase |
|---------------------------|----------|----------------------|-------------------------|
| Defined Benefit (General) | 42.1M    | 53.3M                | 11.2M                   |
| Defined Benefit (Police)  | 30.2M    | 31.4M                | 1.2M                    |
| Defined Benefit (Fire)    | 20.7M    | 21.5M                | 0.8M                    |
| Total                     | 93.0M    | 106.2M               | 13.2M                   |

- **Workers' Compensation** requirement remained at the FY14 projected level of \$12.3M and is expected to increase by approximately 2% in future years
- **Utilities** increased by approximately 1% and reflects increased utilization, not rate increases.
- **Fuel and maintenance** projections are based on FY13 utilization, which totaled \$26.2M. The FY15 projection increased by 1%, and maintenance increased by 2.5%. No increases are projected for future fiscal years as the Department determines how it can gain efficiencies through fleet replacement and quantity reductions



# EXPENDITURE FORECAST OVERVIEW





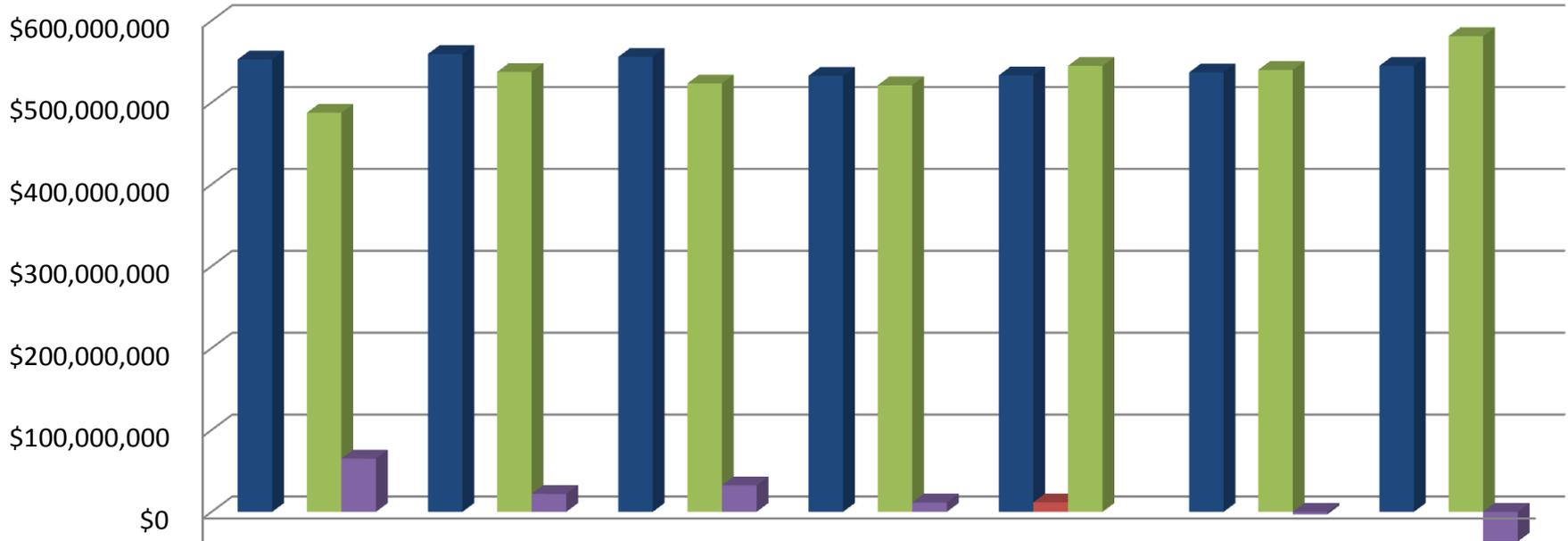
# GENERAL FUND EXPENDITURE COMPARISON BY DEPARTMENT

**DRAFT**

| DEPARTMENT                                     | FY13                 | FY14                 | FY15                  | FY14 ADOPTED vs.           |
|--|----------------------|----------------------|-----------------------|----------------------------|
|  | ACTUALS              | ADOPTED BUDGET       | FIVE YEAR PLAN BUDGET | FY15 FIVE YEAR PLAN BUDGET |
| City Council                                   | 6,367,249            | 8,453,477            | 9,122,069             | \$668,592                  |
| Executive Offices                              | 22,021,068           | 30,462,326           | 29,936,007            | (526,319)                  |
| Department of Information Technology           | 26,588,252           | 27,271,056           | 32,851,520            | 5,580,464                  |
| Department of Law                              | 5,736,879            | 5,761,038            | 5,973,437             | 212,399                    |
| Department of Corrections                      | 25,310,650           | 28,521,324           | 31,674,315            | 3,152,991                  |
| Department of Finance                          | 11,279,222           | 12,077,098           | 13,708,769            | 1,631,671                  |
| Department of Procurement                      | 866,086              | 890,607              | 1,068,530             | 177,923                    |
| Department of Public Works                     | 26,088,985           | 24,390,447           | 26,390,770            | 2,000,323                  |
| Department of Parks, Recreation                | 32,276,566           | 26,853,981           | 40,782,943            | 13,928,962                 |
| Judicial Agencies                              | 8,313,683            | 8,917,407            | 9,425,943             | 508,536                    |
| Non-Departmental                               | 109,464,464          | 109,934,629          | 101,468,279           | (8,466,350)                |
| Department of Human Resources                  | 4,624,925            | 4,806,404            | 4,933,639             | 127,235                    |
| Department of Fire Services                    | 72,809,129           | 79,200,013           | 83,419,680            | 4,219,667                  |
| Department of Police Services                  | 159,942,916          | 167,957,894          | 176,962,811           | 9,004,917                  |
| Department of Planning & Community Development | 2,825,033            | 2,131,008            | 2,571,213             | 440,205                    |
| Solicitor                                      | 3,023,774            | 3,271,862            | 5,603,864             | 2,332,002                  |
| Ethics   | 385,610              | 403,561              | 453,508               | 49,947                     |
| Atlanta Citizens Review Board                  | 329,639              | 452,356              | 637,813               | 185,457                    |
| Audit  | 1,344,945            | 1,413,940            | 1,626,513             | 212,573                    |
| Public Defender                                | 1,492,332            | 1,607,409            | 2,423,782             | 816,373                    |
| <b>TOTAL GENERAL FUND EXPENDITURES</b>         | <b>\$521,091,407</b> | <b>\$544,777,837</b> | <b>\$581,035,405</b>  | <b>\$36,257,568</b>        |



# GENERAL FUND REVENUE AND EXPENDITURE COMPARISON



(\$100,000,000)

|                | FY2010 Actuals | FY2011 Actuals | FY2012 Actuals | FY2013 Actual | FY2014 Adopted | FY2014 Projected* | FY2015 5YR Plan* |
|----------------|----------------|----------------|----------------|---------------|----------------|-------------------|------------------|
| ■ Revenues     | \$552,495,017  | \$559,254,266  | \$555,664,135  | \$532,534,851 | \$533,137,714  | \$536,735,923     | \$544,723,024    |
| ■ Fund Balance |                |                |                |               | \$11,640,124   |                   |                  |
| ■ Expenses     | \$487,453,312  | \$537,340,266  | \$523,295,647  | \$521,091,408 | \$544,777,838  | \$539,791,396     | \$581,035,408    |
| ■ Gap          | 65,041,705     | 21,914,000     | 32,368,489     | 11,443,443    |                | (3,055,473)       | (36,312,384)     |

\*As of Second Quarter FY14



# RECOMMENDATIONS

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A well-aligned portfolio of revenue growth and expense reduction initiatives should be pursued to make the City structurally sound

- Continue to thoroughly plan for City costs and revenues to avoid surprises
- Take action on new revenue opportunities
- Pursue revenue expansion at the state and federal level
- Continue to question every dollar of expense as to its benefit
- Continue to leverage technology and automation, higher value work, and improve service delivery
- Accumulate restricted reserves to build a strong general fund and correct other fund deficit positions
- Invest in the City's employees
- Review debt portfolio for refunding opportunities



## GLOSSARY

**Auction Rate Bond/Security** – An auction rate bond or security is a long term maturity instrument for which interest rates are regularly reset. The reset is normally done by a Dutch auction where the security instrument begins at a high price and is then lowered until an investor is willing to accept the auctioneer's price.

**Bond Insurance** – An insurance policy that guarantees that the insurance company will make principal and interest payments to a bond holder if the issuer cannot. This insurance policy usually broadens the demand of the bond to retail investors.

**Conduit Bond** – A bond issued by a state or local authority on behalf of a non-profit organization and business for projects to boost economic development.

**Fixed Rate Bond** – A fixed rate bond is a long-term debt instrument that carries a predetermined interest rate. The interest rate is known as the coupon rate and is payable at specific dates until the instrument's maturity date/s. Most often fixed rate bonds pay interest semi-annually.

**General Obligation Bonds** – Bond issued by a local government for public purposes and require voter approval. These bonds are secured by the issuer's taxing power.

**Letter of Credit/Standby (LOC)** – Is a guarantee of payment issued by a bank on behalf of a client as payment of last resort should the client fail to fulfill its commitment to a third party. This credit facility is required when issuing auction rate bonds, variable rate bonds and commercial paper notes. This letter is a contract between the bank and the client and usually has a 3 year expiration date. The client is charged a quarterly fee by the bank for this service.

**Municipal Bond** – A debt or obligation of a public agency that bears interest and recognized by specific maturity date/s.

**Refunding Bonds** – Issued to refinance a previous bond issue; usually to achieve a lower rate of interest or restructure for lower payments. It uses the same security as the refunded debt (G.O. Bonds, Revenue Bonds, Leases, etc.)

**Revenue Bond** - A municipal bond supported by revenues from a specific project or enterprise system. Some examples of revenue bonds are water & wastewater bonds, airport bonds, public utility bonds, tolls authority bonds. The fees and charges collected from the enterprise systems are used to make the debt payments.

**Serial Bonds** – A bond issue in which portions of the bonds mature at intervals until eventually all the bonds have matured. Serial bonds pay varying interest based on the yield at which they were sold.

**Term Bond** – An issue of bonds that mature at the same time. The principal or outstanding par amount of the bond becomes due at the same date.

**Variable Rate Bonds** – A method of interest rate assignment where the interest rate is reset after a short period of time (e.g., weekly or 30-90 days). Essentially, the loan rolls over every time the rate is reset and bondholders can request repayment of principal at each reset. In addition, variable rate debt has the advantage of bearing the least expensive rates available in the market, has the disadvantage of having exposure to large scale upward interest rate movements in the market and bear additional costs from Letter of Credit protection and re-marketing fees, as a new buyer may be needed with each reset.