

CITY OF  
ATLANTA



FISCAL YEAR 2016

KASIM REED  
MAYOR

# FIVE YEAR FINANCIAL PLAN



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# PREFACE

CITY OFFICIALS

CITY ORGANIZATIONAL STRUCTURE

READER'S GUIDE

PURPOSE

FIVE YEAR PLAN



# CITY OFFICIALS



**Kasim Reed**  
*Mayor*

**Michael Geisler**  
*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 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 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  
*General Manager*

**CORRECTIONS**

Patrick Labat  
*Corrections Chief*

**FINANCE**

J. Anthony Beard  
*Chief Financial Officer*

**FIRE & RESCUE SERVICES**

Joel Baker  
*Interim Fire Chief*

**HUMAN RESOURCES**

Yvonne Yancy  
*Commissioner*

**INFORMATION TECHNOLOGY**

Samir Saini  
*Chief Information Officer*

**LAW**

Cathy Hampton  
*City Attorney*

**PARKS, RECREATION & CULTURAL AFFAIRS**

Amy Phuong  
*Commissioner*

**PLANNING & COMMUNITY DEVELOPMENT**

Michael Geisler  
*Interim Commissioner*

**POLICE SERVICES**

George N. Turner  
*Police Chief*

**PROCUREMENT**

Adam L. Smith  
*Chief Procurement Officer*

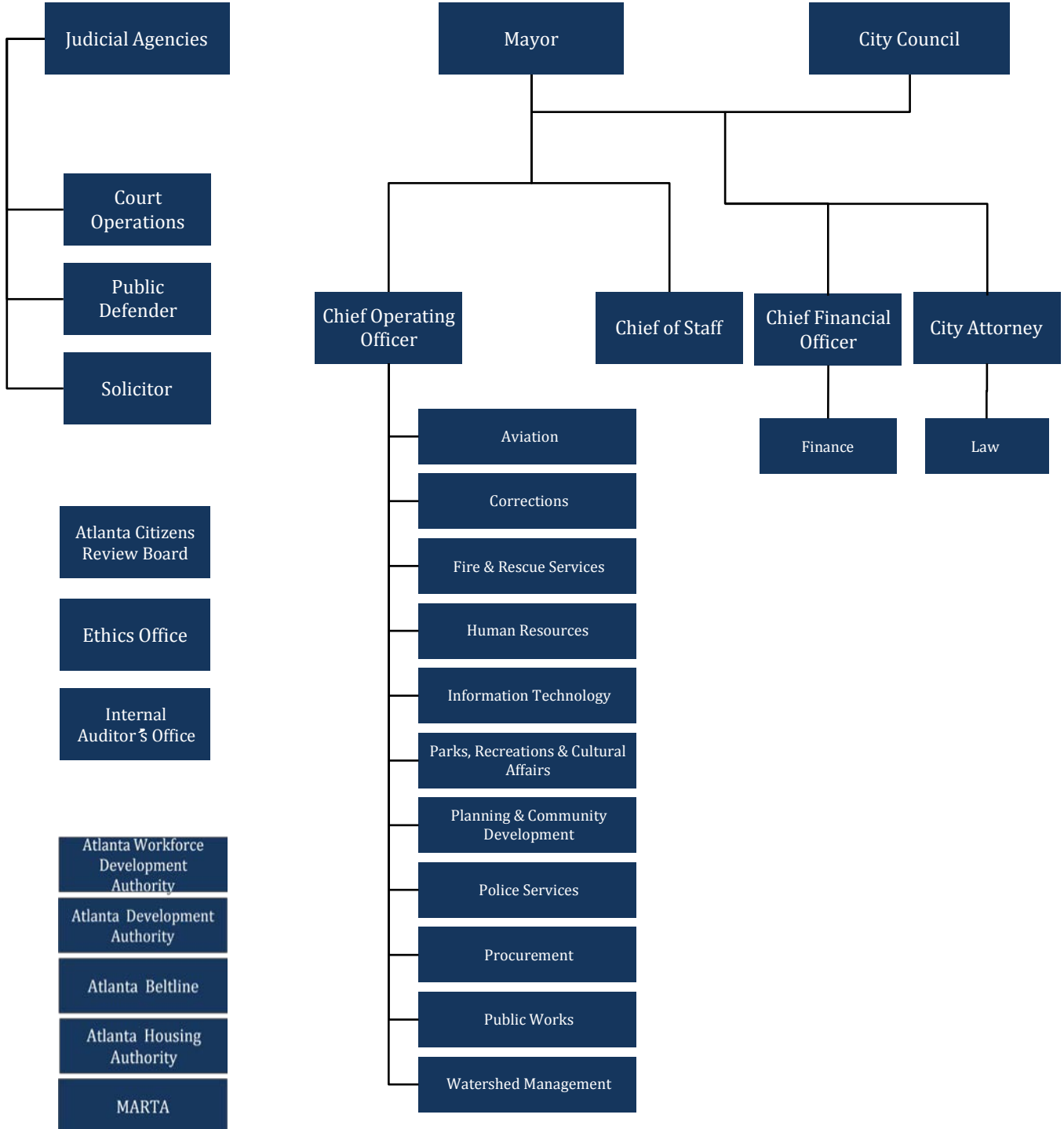
**PUBLIC WORKS**

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 FY2016 City of Atlanta Five Year Plan and outlines its contents. The FY2016 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 adopted 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** –It 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.
- 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 4, 2015

The Honorable Caesar 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 2016 to 2020*.

I am pleased that this five-year spending plan continues my Administration's commitment to the strategic vision established for the City of Atlanta. We have made investments in public safety, youth development, restored fiscal stability, and expanded economic opportunities. These achievements have been accomplished while increasing the City General Fund reserves from fiscal years 2010 through 2014.

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 call Atlanta home. Through the launch of our comprehensive Sustainability Campaign and the issuance of the Renew Atlanta 2015 Infrastructure Bond we are working to meet the current and future needs of our residents and visitors by focusing on our city infrastructure. We have accomplished a great deal, however there is still much more that needs to be done.

I have committed to a \$250 million bond offering to address the city's \$900 million infrastructure backlog. This bond referendum will expand our green spaces and improve our roads, bridges, and sidewalks. I appointed a 16-member Commission on Waste & Efficiency in Government to identify potential cost savings so that we may achieve this goal without the need for a tax increase. The results of the Commission's work will be instrumental in proceeding with the bond referendum. The investment in infrastructure will further stimulate economic activity and make Atlanta more accommodating to traditional and alternative modes of transportation.

The Honorable Ceasar C. Mitchell  
February 4, 2015  
Page 2

My Administration and I appreciate the open dialogue we have had with you and look forward to working together to approve a FY 2016-2020 spending plan that meets the needs of our residents and business owners and moves our city forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Kasim Reed", written in a cursive style.

Kasim Reed



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

February 10, 2015

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:

It is with great pleasure that I submit to you the City of Atlanta's FY2016 Five Year Plan for Fiscal Years 2016 to 2020. This year's plan continues to build on the momentum we have set forth in embracing revitalization, remaining at the forefront of economic development, and continuing on a path of financial stability.

Our efforts to create a thriving environment and position Atlanta as a destination city for social and economic development, technology and innovation, and transportation will not occur without fiscal discipline. Over the past several years, we have made significant progress in improving the City's financial position and I am pleased to say that we are healthier more than ever. Sustaining our financial position is a long-term strategy requiring proactive decisions and actions over multiple years.

The City continues to build on a strong financial position as evidenced by the general fund balance increasing from \$138.2MM to \$141.9MM as of the fiscal year ending June 30, 2014. The improvement in the City's financial position is attributed to a commitment to conservative budgeting practices. General fund revenues have exceeded general expenditures the past five fiscal years (FY 2010 through FY 2014). The City's goal to address key financial stabilization priorities is continued in this plan. The City has included cost recovery fees and traffic fine adjustments consistent with a fiscal policy which correlates service delivery with commensurate user fee increase where applicable.

The baseline financial plan is indicative of local economy growth spurred by resumption in both commercial construction activity and a continued rebound in the housing market. The University of Georgia Selig Center economic report states that existing single-family home prices will rise 6% in Georgia in 2015. The S&P Case-Shiller index as of October 2014 is 118.8 as compared to 95.6 as of October 2012 which represents a 19.5% year-over-year increase. The FY 2016 revenue forecast assumes a rollback of property tax revenues for real estate market appreciation growth but assumes a modest 1.2% in new construction growth.



The City senior management team continues to actively pursue both revenue opportunities and cost containment measures as indicated by various Blue Ribbon Commission (BRC) projects included in this plan. The BRC identified new savings and revenues through projects focused on: Real Estate Portfolio Rationalization; Workforce Strategy; Comprehensive Fees and Fines Analysis; Municipal Court Efficiency Optimization; Managed Competition for Fleet Services; and Municipal Asset Activation. The efficiency benefits that we expect these projects to deliver has allowed us to anticipate reduced operating needs across the organization.

Among the initiatives that we need to make allowances for in the coming budget is the Mayor's commitment to address the city's pressing infrastructure challenges. The City of Atlanta faces an infrastructure backlog of more than \$900 million. The City is proposing to issue \$250M of public improvement bonds to be presented to voters in March 2015. This citywide infrastructure investment would likely add at least \$13M of annual debt service costs that we must factor into our budget plans.

Financial stabilization will require fiscal discipline. A well-aligned portfolio of revenue growth and expense reduction initiatives should continuously be pursued to make the City structurally sound. In summary, the 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. Retain reserves to withstand economic fluctuations.
4. Correct remaining deficit positions in certain funds.
5. Take action on new revenue opportunities.
6. Pursue revenue expansion at the state and federal level.
7. Invest in the City's employees.
8. 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 five 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 the continued commitment to fund over 2,000 sworn officers, the Atlanta Police Department is the largest law enforcement agency in the State of Georgia. A full-service police agency, the Department has adopted a community oriented philosophy and relies heavily upon community input and collaborative problem-solving strategies.

The Atlanta Fire Rescue Department (AFRD) staffs 35 fire stations, including five stations at Hartsfield-Jackson Atlanta International Airport. It has more than 1,000 employees, sworn and civilians, serving an area of 132 square miles within the city limits of Atlanta. Over the next five years, funding is in place for continued support for hiring 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.

The General Fund revenue base continues to be on an upward trajectory as evidenced by General fund operating revenues exceeding expenditures the past five years resulting in a significant improvement in the City's financial position. The FY2016 revenues are expected to increase as well. Furthermore, the City has embarked on a Comprehensive Fees and Fines Study which is expected to add \$4 million in new sources of income. The property tax base remains the most significant economic driver for General Fund revenues accounting for approximately one-third of all General Fund revenues. There is no available estimate from the tax assessor's office on the FY2016 tax digest. However, General Fund revenues are projected to increase over the FY2015 adopted budget of \$564MM (excluding fund balance appropriation) in FY2016. The property tax millage rate of 9.75 mills is projected to be rolled back due to positive reassessment in the tax digest.

The sale of Underground Atlanta for \$25.8 million will result in a sufficient annual cost savings for the City.

## **Youth Development**

In his first year in office, Mayor Kasim Reed fulfilled his campaign promise for the Department of Parks and Recreation (DPR) to re-open all 33 of Atlanta's recreation centers and turn them into safe havens where the city's young people could receive academic enrichment, engage in physical fitness activities and learn character-building skills. Of the 33 recreation centers, the City of Atlanta has created 10 Centers of Hope, a high-performing recreation center with enhanced youth development. More than 90 percent of young people in the city live within 2.5 miles of a Center of Hope or the Chastain Arts Center.

DPR has earned the distinction of being accredited by the National Recreation and Parks Association (NRPA). This national accreditation by the NRPA is the highest honor that can be bestowed on a parks system and sets it apart from thousands of other parks systems throughout the nation.

### **Economic Development**

Since Mayor Reed's first inauguration in January 2009, economic development has been a key priority for his Administration. The City has focused on creating a thriving environment for technology and innovation, supporting world-class attractions and developments, engaging with global communities, and expanding opportunities for Atlanta's young people that will result in a thriving, educated workforce for years to come.

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. 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 December 2014, Mayor Kasim Reed and the Atlanta Committee for Progress (ACP) announced Board of Westside Future Fund. The board members of the Westside Future Fund, includes an independent, private, non-profit entity. Richard J. Dugas, Jr. will serve as chairman of the nine-member board. The board will work in collaboration with the City, community partners, non-profits, foundations and corporations to ensure the continued stable and cohesive development of the West Atlanta community.

The Fund will provide more than \$30 million in direct investment. The Westside Future Fund will be vital to the future development of the Martin Luther King Jr. Drive corridor and West Atlanta community. In partnership with The Arthur M. Blank Family Foundation and Invest Atlanta, the fund will work to secure a stronger, healthier future and spur job creation, civic engagement and business investment for the historic neighborhoods of Vine City, English Avenue, and Castleberry Hill.

As part of the coordinated effort to revitalize the Martin Luther King, Jr. Drive corridor and surrounding neighborhoods of the new Atlanta stadium, the Westside Future Fund was created to help be a catalyst for philanthropic and corporate support to accelerate improvements in the health, education and welfare of current residents; address equity and social justice issues associated with new residential and commercial development, and attract new investment, new jobs and new residents.

January 6, 2015 the Mayor welcomed the Mercedes-Benz to Georgia. The company has chosen to relocate its headquarters to the metropolitan Atlanta region.

Worldpay has chosen to relocate its U.S. Headquarters to the City of Atlanta. Worldpay is one of the world's leading payments technology companies. The company offers payment solutions to merchants, partners and developers across the entire payment value chain, including transaction capturing, merchant acquiring and transaction processing. The Atlanta City Council approved \$1.5 million from the Invest Atlanta Economic Opportunity Fund to assist with relocation. The relocation is expected to create an estimated 1,266 new jobs for the city.

NCR Corporation, the global leader in consumer transaction technologies, has entered into an agreement to build a new world headquarters campus in midtown Atlanta. The new location will enable the company to continue to attract talent from across the metropolitan Atlanta region to support its hardware-enabled, software-driven business. The new global headquarters will bring 3,600 jobs to the City, and construction of the headquarters will drive additional economic development, adding more vibrancy to a City already buzzing with energy. The new headquarters in midtown Atlanta will be ready in late 2017 or early in 2018.

## **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.

The Mayor's emphasis on securing Atlanta's water supply for the next 100 years, created the single largest water infrastructure project in the City's history. Atlanta's original raw water pipelines, installed between 1893 and 1924, are still in service. However, the aging infrastructure must be renewed to maintain current and future service levels. The new Water Supply Program will include a new 2.4 billion gallon water facility at the current site of the Bellwood Quarry, as well as a 5,000-foot tunnel and pump station. The new facility will provide Atlanta with up to 30 days of water reserves.

## **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. 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



FIVE-YEAR  
REVENUE  
NARRATIVE AND  
ESTIMATES

ECONOMIC OUTLOOK  
REVENUE FORECAST SUMMARY

FIVE YEAR PLAN

## ECONOMIC OUTLOOK

The 2015 US economic forecast indicates that the economic recovery that began in the second half of 2009 will be sustained. The rate of 2015 GDP growth – 2.8 percent – will be higher than in 2014 – 2.2 percent, but below the average of the last 50 years – 3.1 percent. The US is well positioned for faster growth courtesy of extensive restructuring of the private sector – including the cleanup of the financial sector, deleveraging by consumers, a more favorable balance of supply and demand for residential and non-residential properties, and a sharp drop in oil and gas prices. Also, most state and local governments have adjusted their spending and staffing to reflect their ability to generate revenue.

With the year-over-year rate of 2015, US GDP growth predicted at 2.8 percent, the US economy will be less vulnerable to economic shocks and/or policy mistakes. The two main risks to economic growth are the same in 2015 as in 2014: (1) mistakes in US fiscal or monetary policy and (2) financial panics – potentially originating in the EU. The probability of recession is only 25 percent, which is smaller than the 30 percent recession probability estimated at this time last year.

In 2015, private final domestic demand and gross private domestic investment rather than federal fiscal stimulus, net exports, or changes in private inventories will be the drivers of US GDP growth. The Federal Reserve's monetary policy stance will shift from stimulative to restrictive when it begins to raise short-term policy interest rates – mid 2015 or later. 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 above average growth trajectory.

One reason US GDP growth will be higher in 2015 than in 2014 is that we are going to see more vigorous spending by US consumers. Real consumer spending will rise by 2.8 percent in 2015 compared to 2.4 percent in 2014. Spending on nondurable goods and services will make larger percentage point contributions to GDP growth in 2015. The contribution due to spending on durable goods will be about the same as in 2014. Similarly, investment spending on new home construction and intellectual property rights will make larger percentage point contributions to GDP growth in 2015, but the contribution due to spending on nonresidential structures will hold steady.

One reason consumer spending will rise faster is that people are more confident in the economic situation and therefore will be less cautious in their spending. The improving performance of the labor market also will support consumer spending. Fewer households will be deleveraging. Deleveraging means that money that people might have spent on goods and services will go to paying down debt, which heretofore has limited consumers' contribution to GDP growth.

Compared to US GDP growth, the GDP growth of our major currency trading partners will strengthen only slightly in 2015, which implies that the pace of export growth will grow much more slowly than the pace of import growth. Net exports therefore will subtract from US GDP growth in 2015. One problem is that the EU's 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 2015, 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 2015 – mainly due to fewer export opportunities. Another problem is that the US dollar is relatively strong, which will make our exports more expensive in many foreign markets.

Businesses' spending for equipment will make a positive contribution to US GDP growth in 2015. Spending on inventories will subtract slightly from US GDP growth, however. Because most state and local governments have adjusted their spending and staffing to reflect available resources, their spending will contribute to GDP growth, but the fiscal drag from the federal government will restrain GDP growth.

As was the case in 2010-14, the expectation that economic growth will be sustained depends on several positive developments. First, sales of both new and existing homes as well as spending on new home construction will increase. Second, credit markets will continue to thaw. Third, new jobs – and slightly higher wages – will be created in the private sector, which will boost consumers' inflation-adjusted buying power. Fourth, businesses' spending for new equipment and software will continue to expand. Moreover, increasingly such spending will be motivated by a need to expand capacity rather than to improve efficiency. Fifth, crude oil and gasoline prices will remain at very depressed levels throughout 2015. Finally, very limited inflation should reassure the bond markets and the Federal Reserve. If most of these expectations are realized and major federal fiscal policy mistakes or external shocks are avoided, then the US economy will experience faster economic growth in 2015 than 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 gradually becoming more favorable. This traditional driver of economic growth finally got traction in 2012, and gathered momentum in 2013-14, but improvements in housing activity have been uneven both temporally and geographically.

In 2015, the number of single-family home starts for new construction will increase by about 25 percent. That large percentage gain in single-family housing starts pales in comparison to the peak-to-trough plunge in activity that occurred. As predicted, existing home prices stabilized in 2012 and rose substantially in 2013-14. Existing home prices will continue to rise, but at a rate that is very modest – about 4 percent in 2015. The remaining pockets of home price depreciation are spotty, reflected local imbalances rather than overall macroeconomic conditions. In most markets, home price appreciation therefore will continue to bolster the psyche of the consumer, households' net worth, 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 2013-14. In 2015, 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 broad-based upturn in housing activity will add 0.5 percentage points to US GDP in 2015. That's significantly



more than the 0.3, 0.3, and 0.1 percentage point contributions in 2012, 2013, and 2014, respectively. 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.

Going forward, the performance of the housing market will depend primarily on the performance of the labor market, mortgage rates, and credit conditions. Employment and personal income growth are expected in 2015. Those new jobs, and bigger paychecks – plus appreciating home values – will give a more people the wherewithal and the confidence to buy homes, ensuring the sustainability of the housing market's recovery. A rising proportion of high paying jobs will help bolster housing activity.

Mortgage rates will remain a tremendous bargain, but will move higher by about 50 basis points in 2015. Home mortgages should be somewhat easier to obtain, however. Credit conditions will ease due to improving home values in most markets. Despite overall improvement, credit will remain 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 scarcity of developed lots also will slow recovery of the housing market.

Despite recent home price gains, many households owe more on their mortgages than their homes are worth, which limits the availability of financing, especially for those with lower credit scores. Additionally, many more homeowners are in near negative equity situations. These households will not be able to absorb the transactions costs involved in selling their homes, make a significant down payment, or qualify for a

new mortgage. These homeowners are stuck in their current homes, unable to trade up or trade down.

A potentially powerful demand side support for homebuilding is the rebound in the rate of household formation, which was quite depressed in 2008-2013. 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 delaying moving out on their own, getting married, having children, and buying a starter house.

#### **NONRESIDENTIAL CONSTRUCTION**

Although slightly higher interest rates will be a mild headwind, spending for new nonresidential construction will increase modestly in 2015, continuing the weak up cycle that began in the second quarter of 2013. Credit conditions will ease 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 2009-2014. There will be some negative trends: There will be less spending on power plants as well as oil and gas exploration. Public spending on nonresidential construction also will be weak due to lagging revenue collections. 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 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 several years. Additionally, property tax bases are only just beginning to respond to the upturn in home prices.

## **CONSUMER SPENDING**

Consumers' inflation-adjusted contribution to GDP growth will be positive, and larger in 2015 than it was in 2014. The deleveraging process – which already is quite advanced among US households – will continue to be gradual rather than abrupt. In 2015, steady, albeit moderate, job creation coupled with a limited amount of wage and salary growth will help to repair household balance sheets. Some additional loosening of still tighter than normal credit conditions also will support consumer spending in 2015. The gain in inflation-adjusted consumer spending therefore will be about 2.8 percent, which is higher than the 2.4 percent gain estimated for 2014.

One reason why consumer spending will continue to grow is that household finances are improving. Going into the recession, household finances were in terrible shape. US consumers were heavily indebted and very short on savings. Indeed, by almost any measure households were extremely overextended. For example, the household

debt service ratio – debt payments divided by after-tax income – stood at an all-time high of nearly 14% in 2005-2008. If you add in other financial obligations, such as automobile lease payments, rental payments on tenant-occupied property, homeowner's insurance, and property tax payments, you get a financial obligation ratio that was nearly 19 percent. That's also an all-time high.

A depressed household savings rate also reflected consumers' largess. The household savings rate fell to the lowest levels experienced since the Great Depression. Essentially, households opted to boost current spending by extracting more and more wealth from their homes – this, of course, was facilitated by lax credit standards. The house became the ATM.

In 2015, homes prices will continue to rise, albeit much more gradually. Credit conditions will continue to loosen. Equity prices also will be on the increase, but further gains will come much more slowly than in recent years.

As households shifted their priorities from spending to savings, the savings rate has risen from its cyclical trough of only 2 percent in 2005 to 5 percent in 2014. It will hold steady at 5 percent in 2015. So, a higher savings rate will not be a headwind in 2015. But, over the long term, many households will find that level of savings will be inadequate to maintain current living standards in retirement. The household savings rate therefore needs to rise to 7 or 8 percent by 2020. That's quite attainable – a 9 percent savings rate prevailed from 1961-1990. In short, a rising savings rate will be a secular headwind for consumer spending that will intensify through the end of the decade, but it will not intensify in 2015.

The restoration of the discipline of saving represents an overdue return to normalcy that is helping households unwind some of the imbalances that developed in their balance sheets. For example, the household

financial obligation ratio was over 250 basis points lower in 2014 than it was in 2007. In fact, the household financial obligation ratio has returned to the levels that prevailed in the early-1980s and the early-1990s. A lower financial obligation – or debt service – ratio not only frees up spending, but it also allows households to more easily service their debt. Similarly, outstanding mortgage debt has fallen from 107 percent of disposable personal income in 2007 to 76 percent in 2014. It will decline to 75 percent of disposable personal income in 2015. Prior to the housing boom, the ratio of outstanding mortgage debt to disposable personal income was about 80 percent.

The protracted period of household deleveraging has been painful, but it is also necessary. The statistics show that deleveraging is well advanced. One concern is that continued volatility in the financial markets may cause jittery consumers to push up the household savings rate very sharply in 2015, which would precipitate a recession. Fortunately, that scenario is not very likely.

One factor behind deleveraging was the unprecedented cycle of wealth destruction that erased 19 percent – \$13.3 trillion – of households' net worth. That's a huge number. Households' net worth began to recover in the second quarter of 2009, which lessened one of the pressures that caused consumers to pull back sharply on spending. In the third quarter of 2012, households finally recovered all of their nominal losses, but on an inflation-adjusted basis net worth was still 8 percent (\$4.4 billion) below its pre-recession peak. On an inflation-adjusted basis, full recovery of the wealth that was lost did not occur until the third quarter of 2013. As of mid-2014, households' inflation-adjusted net worth was 7 percent above its pre-recession peak. On a nominal basis, households' net worth exceeded the pre-recession peak by 20 percent.

The large wealth losses that accompanied the Great Recession not only crippled

consumer spending but also dramatically reduced the amount of funds available to launch, or expand, small businesses. Personal wealth – not the credit markets – is the primary source of funding for new small businesses. Demographic trends (e.g. an aging population tends to become more risk adverse), more business regulations, and the failure of many small community banks also are behind the extremely low levels of new business formation prevailing in the wake of the Great Recession.

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 2015, however. Job growth therefore will be adequate to boost US GDP growth from 2.2 percent to 2.8 percent, but inadequate to raise the rate of GDP growth above its long-term average of 3.1 percent. Growth in both the number of jobs and the number of hours worked per job are two factors that will support this income growth. The proportion of high paying jobs created also is likely to rise slightly.

In 2015, consumers' spending for durable goods will increase faster than spending for nondurable goods and services. Among durables, outlays for motor vehicles will increase very rapidly. Outlays for information processing equipment and recreational goods also will grow quickly. Spending on nondurables such as pharmaceuticals and other medical products will rise briskly, but spending for food & beverages and clothing & footwear will rise moderately. Among services, spending on vehicle leasing will increase the fastest. Providers of health care, food services, and insurance will see above average growth in spending. In contrast, consumers' outlays for utilities will grow relatively slowly.

## LABOR MARKETS

On an annual average basis, total nonfarm employment will increase by 1.8 percent in 2015, which is the same as the 1.8 percent gain estimated for 2014. Courtesy of the upturn in housing, job growth will be very broadly based. Companies will hire as domestic demand for goods and services expands. Meanwhile, venture capital – which fuels job creation – will be more available than it was in 2008-14. Additionally, 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 2.8 percent GDP growth therefore will generate 1.8 percent job growth. Moreover, GDP growth will outpace productivity growth in 2015, which will push firms to hire additional staff as end markets expand. The faster pace of GDP growth will sustain job growth, but job growth will not accelerate. Net job creation will be strong enough to slowly reduce the elevated unemployment rate, which will drop from 6.3 percent to 5.8 percent on an annual average basis.

Although net hiring will expand, several factors will limit the gains. First, below average GDP growth limits the impetus to hire. Second, the U.S. economy has exhibited extreme volatility, which will cause employers to hesitate before adding to permanent staff. Third, the outsourcing of US jobs to developing countries will continue to spread from blue-collar occupations in manufacturing to white-collar occupations in high tech and service industries. Fourth, uncertainties regarding federal fiscal, tax, and regulatory policies will restrain hiring. Fifth, the federal government will be downsizing its workforces, and this restructuring will be permanent rather than cyclical. Sixth, the Federal Reserve will begin to tighten monetary policy. Finally, some of the new jobs that businesses will need to create will not match the skill sets of the unemployed. Fortunately, structural unemployment stemming from labor force immobility will diminish as housing markets improve. But, structural unemployment due to the skills mismatch is unlikely to

diminish and probably will worsen due to recent cuts in spending by many state and local government for adult/technical education and training.

In the coming year, 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. Additionally, 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.

Durable goods manufacturing sub-sectors with the best immediate prospects for job growth include wood products, machinery, furniture, and fabricated metal products. In contrast, manufacturers of nondurable goods will be subtracting from their workforces, but at a very modest rate. Among nondurables subsectors, only food, chemicals, and plastics/rubber manufacturers will see positive job growth. Jobs will be lost in the textile, apparel, paper, and printing industries.

### **CORPORATE PROFITS**

After-tax corporate profits are already at very high levels, but should eke out low single digit percentage point gains in 2015. 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 2015, financing also should be somewhat easier to obtain, albeit 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 2015 than it was in 2014, 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 pace of US GDP growth will accelerate in 2015, which augers well for domestically generated corporate profits.

On the negative side, the year-over-year comparisons will be extremely tough to beat. Businesses' pricing power is not expected to firm significantly. Moreover, 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 higher interest rates. Indeed, the strong US dollar as well as slow expansion of foreign GDP – especially the lackluster performance of the EU – will limit sales prospects for many export-oriented companies.

### **BUSINESS SPENDING**

After dropping sharply in 2008-09, nonresidential fixed investment was a major driver of GDP growth in 2010-2014. Due to slightly faster growth in both corporate profits and end markets, the year-over-year percentage increases in business spending for equipment will be larger in 2015 than in 2014. Such spending will grow almost three times 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 helps that corporate discipline with respect to capital outlays over the course of the 2001-2014 was excellent. Additionally, lending standards will continue to ease in 2015. In addition, 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. But, after-tax corporate profits will grow more slowly in 2015 than in 2014, partially because profits are already at high levels relative to the overall size of the economy.

Business spending for communications equipment will post the largest year-over-year percentage gains. Substantially higher spending also is expected for industrial equipment as well as computers and

peripherals. Spending for transportation equipment will increase only slightly in 2015.

Slightly below average levels of capacity utilization will be a mild – ebbing – headwind for business spending for equipment and software. The US economy is not quite at the point where strong GDP growth generates more GDP growth because inadequate capacity begins to encourage more capital spending. However, if much of the excess capacity is either in the wrong location or in the wrong industry, then the push to GDP growth could be larger than expected. The rate of capacity utilization in all industries was 79.2 percent in mid-2014, 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 US is 80.1 percent. Capacity utilization varies dramatically by industry. In mid-2014, capacity utilization for industries producing crude products was 87.0 percent, which is above its long-run average and therefore should spur capacity additions. For goods at the finished stage, capacity utilization was 77.6 percent, a rate that's also above its long-run average. In contrast, capacity utilization for goods at the primary and semi-finished stages of production was only 77.4 percent, a rate 3.4 percentage points below its long-run average.

## **INTERNATIONAL TRADE**

In 2015, both real exports and imports are expected to grow almost twice as fast as US GDP, reflecting the ongoing globalization of input and product markets. Since imports will rise faster than exports, the trade gap will widen in 2015. Hence, net exports will be a negative factor in terms of its contribution to 2015 US GDP growth. The main obstacles to faster US export growth will be the strength of the US dollar and economic weakness in the Eurozone. In contrast, many emerging market countries will grow faster in 2015 than in 2014. One reason why imports will grow strongly in 2015 will be faster growth of domestic consumer spending, which implies

faster growth of imports of finished goods as well as more outbound US tourists.

In 2015, US export growth will be broadly based, and growth will be faster in emerging-market economies than in developed economies. Increases are expected for all of the major categories of goods and services. Exports of goods will grow at about the same pace as exports of services. Export growth will be fastest for vehicles & parts and industrial materials and supplies. Export growth will be slowest for foods, feeds, and beverages. Emerging-market countries in particular are expected to spend more on equipment and infrastructure. Industrial materials, foods, consumer goods, and inbound tourism will see more moderate gains. It should be noted that the broad-based quality of US export growth reduces the chances that export growth will stall in 2015.

## **INFLATION**

If oil prices remain depressed, consumer price inflation will rise by only 0.4 percent in 2015, compared to 1.6 percent in 2014. That's well below the range that the Federal Reserve appears to be targeting – 2 percent. Higher housing prices – rents – and higher medical prices will drive the increase. There are no signs that inflation will soon be a problem, and the usual drivers of inflation will not be much more intense in 2015 than in 2014. For example, the pace of 2015 GDP growth will be below average and only 0.6 percent higher than in 2014. In addition, consumer spending and employment will both grow moderately and there is still excess capacity in a large number of economic sectors, illustrated by the elevated unemployment rate.

Once US 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 Federal Reserve is likely to

keep rates on hold until mid-2015. 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.

It does not appear that the employment situation has improved to the point where labor market conditions will support accelerating inflation. Heightened competition for jobs from both domestic and foreign workers also will help to keep the lid on US wages and benefits by dampening workers expectations even as consumer prices rise.

The outlook for inflation beyond 2015 is less sanguine, however. Because inflation is a monetary phenomenon, the magnitude of recent monetary stimulus increases the risk of inflation. Additionally, 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, inflation could exceed the 3 percent average of the last 30 years. In addition, despite the lack of a good substitute, the US dollar may 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 federal debt does not have to produce more inflation; it may instead simply force US interest rates higher to attract the needed capital. Over the long term, keeping inflation and interest rates in check means fully embracing sound federal fiscal policy.

## **THE GEORGIA ECONOMIC OUTLOOK FOR 2015**

In 2015, Georgia's economy will continue to recover from the Great Recession. The pace of growth will be moderate, but significantly faster than in 2014. Because the massive restructuring of Georgia's private sector is complete, the risk of another recession will be lower in 2015 – 25 percent – than in 2014. The two main risks likely to trigger a new recession are mistakes in fiscal and/or monetary policies and contagion of financial panics originating overseas. The risk of recession is the same for Georgia as for the nation.

The 2015 baseline forecast calls for Georgia's inflation-adjusted GDP to increase by 3.3 percent, which exceeds the 2.5 percent growth estimated for 2014. Georgia's 2015 GDP growth rate will be 0.5 percentage points higher than the 2.8 percent rate estimated for US GDP. The positive differential reflects (1) projects in the economic development pipeline, (2) strategic shifts in the state's economic development strategy, (3) leverage from the housing recovery, (4) slightly more supportive demographic forces, and (5) low oil and gas prices. The state's nominal personal income will grow by 5 percent in 2015, which is higher than the 4.1 percent gain expected for the US. Georgia's nonfarm employment will rise by 2.4 percent in 2015, which exceeds the 1.8 percent gain estimated for the US. It also exceeds the 2.0 percent job gain estimated for Georgia in 2014. One headwind facing Georgia in 2015 is federal fiscal austerity, especially cuts in federal defense spending. Another headwind – albeit weak – will be a gradual shift in the stance of monetary policy from accommodative to restrictive.

Georgia suffered disproportionately greater 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 mid-2014, Georgia had recovered 76% of those lost jobs. Compare this with our nation having replaced 100% of its lost jobs. Five years into the economic recovery and Georgia was still down 83,000 jobs. Fortunately, Georgia's employment will grow by 2.4% in 2015. If that rate of growth is realized, Georgia will replace all the jobs lost to the "Great Recession" by mid-2015, or only about one year behind the US.

The lack of new business formation is one underappreciated reason why Georgia's job recovery has been slow. It is new companies that typically create almost all net new jobs. Business formation requires cash. The typical entrepreneur often obtains the funds needed to start, or expand, their business by borrowing, using their home as collateral. That's been a problem for Georgia's entrepreneurs because (1) home price depreciation was much more intense here than it was nationally and (2) Georgia led the nation in bank failures. Federal Housing Finance Agency data show that the peak-to-trough home price decline was 28 percent in Georgia compared to 21 percent nationally. Consequently, much of the home equity that people traditionally use to start a business evaporated. Meanwhile, Georgia's relatively high number of bank failures further restricted relationship-based lending to small businesses and entrepreneurs, especially outside the core of the Atlanta area. The good news is that Georgia's home prices are on the upswing – up about 27 percent (as of mid-2014) from their lowest point. But, the lag between the market value of people's homes and their appraised values will continue to restrain lending to Georgia's entrepreneurs.

Georgia's unemployment rate for 2015 will average 6.5 percent, or about 0.8 percentage points lower than the 7.3 percent rate estimated for 2014. Private sector job growth will be very balanced in 2015. The



fastest job growth will occur in construction, followed by professional and business services, and mining and logging. Education and health services will see above-average gains. Below-average job growth is expected for leisure and hospitality and manufacturing. Positive, but slow job growth is projected for financial activities and information. In contrast, job losses will continue in the government sector, which is the only major economic sector expected to lose jobs in 2015.

### **PROSPECTS FOR SERVICE PRODUCING INDUSTRIES IN 2015**

Service producing businesses led the upturn in Georgia's economy that began in mid-2009, but some major service industry subsectors – financial activities and information – initially did not participate and continued to cut jobs. The 2015 forecast indicates that all Georgia's major categories of service-related businesses will expand, with the broader base of growth reflecting the upturn in housing markets, growing demand for information and high technology services, and more competitive economic development incentives. Improving economic conditions – especially the up cycle in real estate – and improving demographic trends will help Georgia's beleaguered financial institutions, but the compliance costs of re-regulations and less mortgage refinancing will be headwinds.

Recent project announcements have brought, or will soon bring, substantial job gains at headquarters operations – Beaulier International Group, Dasan Machineries, Halyard Health, Bainbridge Manufacturing, Arab Shipping Company, Aalto Scientific, PulteGroup, Air Watch, Porsche, Carter's Incorporated, and Mitsubishi Electric. IT companies also have announced major projects, including Ernst & Young, CBS Corporation, Infosys. Healthcare IT is an emerging industry that promises to create thousands of high-paying jobs over the next decade. Transactions processing, cyber

security, and development of software and mobile apps also will see job growth. For example, Fiserv has announced plans to add 500 jobs to its operations in Alpharetta.

Services businesses that either lower costs or provide necessities should do well. The outlook for health services is excellent. After all, the population of persons with multiple chronic health conditions that require medical care continues to grow rapidly regardless of the peaks and troughs of the business cycle or the uncertainties created by healthcare reforms. Recent and continuing increases in spending for new equipment and software will underpin higher demand for computer services for businesses.

Upturns in residential and nonresidential development will spur demand for architects and engineers. Georgia's strong transportation and logistics infrastructure coupled with cyclical increases in economic activity will spur job growth in the logistics and distribution industry. Recent announcements include: Total Quality Logistics, United Arab Shipping Company, and Ollie's new Southeast distribution center. The growth advanced manufacturing will create opportunities for firms that provide very specialized services (e.g., West Penn Testing Group). The faster pace of economic growth will bring relief to many consulting firms, but tight government budgets will limit the gains for firms with many public-sector clients.

### **PROSPECTS FOR MANUFACTURING IN 2015**

In the first decade of the new millennium, Georgia has lost nearly 200 thousand – or four out of every ten – manufacturing jobs. The purge ended in 2010. Over the last four years there have been many major project announcements in Georgia, bolstering prospects for job growth in aircraft (e.g., Gulfstream), automobile (e.g., KIA & its growing roster of in-state suppliers, construction equipment (Caterpillar), flooring (e.g., Engineered Floors, Beaulieu International Group, Surya), chemical (e.g.,

Southern Ionics, Otsuka Chemical), and appliance (e.g., Keurig Green Mountain) manufacturing. In 2015, Georgia will see substantial increases in advanced manufacturing activity and employment, including Topper Print Co, Dasan Machineries, Aalto Scientific, and Gerresheimer.

Cyclical economic recovery, low domestic natural gas prices, rising production costs in China – and other overseas locations – are some of the factors behind the expected increases in manufacturing activity. Concerns about product quality and management of the risks associated with increasingly complex – time-sensitive – supply chains also make domestic manufacturing more attractive than manufacturing overseas. Additional factors that will help Georgia attract manufacturers include a superior transportation, logistics, and distribution infrastructure, low costs of doing business relative to other regions, a favorable tax structure, and very competitive economic development incentives.

Manufacturers' contribution to Georgia's GDP will rise rapidly in 2015, but the incoming employment data imply that manufacturing jobs are not coming back too quickly. The state added 5,600 manufacturing jobs in 2011, 4,000 jobs in 2012, 2,600 jobs in 2013, and an estimated 5,700 jobs in 2014. Manufacturing employment will rise by only 6,500 jobs in 2015. That will sustain the cyclical recovery in manufacturing employment, but at that pace it will take about three decades to replace the manufacturing jobs that were lost. In terms of factory jobs, the talk of a manufacturing renaissance in Georgia is overdone, but the sector's output is growing much faster than its employment. Additionally, the multiplier effects of factory jobs are often higher than jobs in most non-manufacturing industries.

To become a state where manufacturing activity – as well as jobs – truly concentrates

Georgia will need to: (1) develop a better educated, more highly skilled, and more productive manufacturing workforce that can use the newest technologies; (2) become a more fertile ground for developing and quickly adopting innovative productivity-enhancing technologies. In developed economies, the manufacturers that thrive will be extremely capital intensive, not very labor intensive, and very productive. The minimum skill requirements for factory workers therefore will rise rapidly as manufacturers utilize much more sophisticated manufacturing technologies. And, that's especially true for the types of factories that will be built in the US, or other highly development economies. The construction of the Georgia BioScience Training Center, which will support training for Baxter International's new facility, is a good example of providing much needed skills to Georgia's workers while simultaneously incentivizing life sciences companies.

#### **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 the state's heavy dependence on real estate development and homebuilding as well as closely allied industries such as building materials manufacturing and real estate financing. Prior to the housing bust, Georgia – like many other Sunbelt states – had become very dependent on a the in-migration of new residents and new businesses to beget yet another round of new development that was based in part on servicing the previous round of new development. Not enough of Georgia's economic growth was based on educating its own people, innovation, courting emerging high-tech industries, and promoting 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. In addition, it takes a long time to deleverage.

The financial crisis and the real estate bust did more damage to Georgia's financial activities sector than to the nation's financial sector. For example, the peak-to-trough drop in statewide employment in financial activities was 12 percent compared to a drop of 9.6 percent for the US. The outsized job losses in financial activities reflected overexposure to construction, land development, and commercial real estate loans, which caused Georgia to lead the nation in the number of failed banks. The large number of bank failures also slowed Georgia's economic recovery because they reduced relationship-based lending to small businesses and entrepreneurs. Net job losses in Georgia's financial activities industry ended in 2010, with the sector adding jobs in 2011-14. Financial activities will see 1.6 percent job growth in 2015.

Georgia 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 and expanded modestly in 2013-14. Despite massive cutbacks at Turner Broadcasting, Georgia's information industry is likely to see another year of modest job growth in 2015. The gains reflect 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.

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 0.8 percentage points – 1.5 percent growth in Georgia's GDP versus 2.3 percent growth in US GDP. In 2013, the differential shrunk to only 0.4 percentage points – 1.8 percent Growth in Georgia's GDP versus 2.2 percent growth in US GDP. In 2014, Georgia's economy performed slightly better than the U.S. economy – 2.5 percent growth in Georgia's GDP versus 2.2 percent growth in US GDP. In 2015, a 3.3 percent advance in Georgia's GDP will exceed the 2.8 percent advance projected for US GDP by 0.5 percentage points.

#### **PUBLIC-SECTOR RESTRUCTURING**

The last remaining large imbalance – “bubble” – is hard to miss – its government spending. The restructuring of Georgia's private sector is complete, but the public sector still needs a lot of work. Public sector restructuring constitutes the strongest remaining headwind for Georgia's economy. The challenges are immense, especially at the federal level. In 2013, governments at all levels accounted for 17.2 percent of statewide employment, exceeding the US average of 16.4 percent.

Of the three levels of government, GA's state government has made the most progress adjusting its spending and staffing to reflect available revenue. The biggest remaining challenge for state government is uncertainty regarding federal funding for mandated programs such Medicaid. Pension liabilities and retiree health care costs will be the second and third biggest challenges. Similar to state government, local

governments will struggle with reductions in federal and state funding; pension liabilities; and retiree health care costs. But, on top of those challenges, some local governments have yet to fully reconcile their reduced ability to generate revenue with their spending and staffing levels. That's mostly because local governments are extremely dependent on property taxes for revenue. The property bust decimated both residential and commercial property values. Although real estate prices are now rising, assessed property values always lag market values – often by 2 or 3 years. Nonetheless, the headwind to the economy from restructuring local government has almost died away.

A new era of federal fiscal austerity is just beginning. The restructuring of our federal government is a headwind for Georgia's economy that will remain strong for at least a decade. Fortunately, Georgia is not overly exposed to federal fiscal austerity. Data for 2013 indicates that Federal spending accounts for only 11.3 percent of Georgia's GDP, which is below the US average – 16.2 percent (these percentages do not include interest on the debt and other spending that is not easily allocated to individual states). Nonetheless, regions of the state with large military bases are quite dependent on federal spending. Location quotients, which measure the relative importance of an industry to GDP puts the federal government's military impact in Georgia at nearly twice the US average.

Going forward, the damage to Georgia's economy will depend on what lawmakers decide to cut. If the cuts continue to focus on defense spending, it's going to be tough on those Georgia communities that are very dependent economically on large military bases. In contrast, Georgia would only take an average or below average hit if the focus of federal restructuring were to shift from the federal agency budgets towards the specific entitlement programs that are the root causes of the budget problems. After all, the major federal budget busters are Social Security, Medicare, and Medicaid rather than the

federal agency budgets. Ultimately our federal lawmakers will have to focus on these very popular entitlement programs rather than discretionary spending, but that's unlikely to happen in either 2015 or 2016.

### **FEDERAL RESERVE POLICY**

Federal Reserve actions to increase short-term policy interest rates – 2015 or later – will be a slightly stronger headwind for Georgia than for the nation as a whole. The shift in Federal Reserve policy from an accommodative to a restrictive stance will create more economic drag in Georgia than in many other states. That's because Georgians carry relatively more debt and have relatively less savings. Additionally, interest-sensitive economic sectors (e.g. construction, real estate development, building materials manufacturing, forestry) have a greater impact on Georgia's overall growth than on the nation's overall growth. Of course, to some extent the Federal Reserve will just be ratifying the investor driven increases in interest rates that began a couple of years ago.

### **HOUSING RECOVERY**

Home building and real estate development have long been extremely important to GA's economy. This traditional driver of growth finally got traction in 2012 and continued to recover in 2013-14. Housing and real estate development will be a powerful tailwind for Georgia's economy in 2015, helping the state's economy to outperform the nation's economy. The number of single-family home starts for new construction will increase by 20%. Georgia gets a three for one from the housing recovery because (1) home builders and realtors benefit directly and (2) demand increases for goods produced by Georgia's large floor covering, building materials, and forestry industries. Plus, (3) our large transportation and logistics industry benefits from higher levels of activity in construction – a very transportation intensive activity.

Georgia's housing market is responding to a more favorable balance of supply and demand. Increased demand for housing will come mostly from 2.3% 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. Furthermore, rent affordability is at an all-time low. Meanwhile, mortgage rates 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 reverses its easing policies.

Supplies of new homes are still constrained by years of underbuilding. Additionally, there's a scarcity of listings of existing homes, and it is especially acute in for homes in the bottom value tier. That's partially because almost 30 percent 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 extremely 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 even though negative equity is receding.

In Georgia, another reason why listings are scarce is that many homeowners are simply unwilling to accept today's depressed home prices. 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. The current housing situation does not resemble anything close to a true "sellers" market. Listings are scarce mostly because home prices are still below the levels needed to get homeowners who would like to sell to consider putting their homes on the market. As of mid-2014, Georgia existing single-family home prices were still 8 percent below their

pre-recession levels. 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. There's a huge pent up demand to sell, but not at today's depressed prices. So, this is still a buyer's market.

It comes as no surprise that the recent rebound in home prices is causing credit conditions to ease. However, appraised values lag market values. Therefore, 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. Additionally, 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 6% in Georgia in 2015. Lower priced homes will appreciate the fastest. That is 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 2013-14, people who buy homes to live in them joined investors to become a second major force powering home sales. However, as home prices rise and the number of distressed properties shrinks, home sales to investors are dropping.

Sustaining the recovery of the housing market through 2015 means that trade-up buyers and first-time buyers must become more active. That up cycle has begun, but it's not too vigorous. In essence, a huge pent-up supply of household formation is accumulating because high levels of student-loan debt, low income growth, and job insecurity are causing more young people to opt to live in doubled up households rather than striking out on the own.

There are still a lot of negative forces for housing, several of which already were discussed. One additional negative is that the image of housing as an investment has been damaged and will not be repaired quickly. Yet, another problem is that more federal regulation will keep credit tighter and more expensive that might otherwise have been the case. Of course, the biggest negative impacts of Dodd-Frank and qualified mortgage regulations will not be felt for a number of years.

## **ECONOMIC DEVELOPMENT**

In 2012, Georgia's leaders passed key economic development legislation that made Georgia more competitive. The result is an increased number of large relocation and expansion projects announced 2012-14 that will provide a tailwind to Georgia's economic growth in 2015. Examples of these projects include Baxter International's new facility that will add 1,500 biotechnology jobs; GM's IT-innovation center in Roswell that will bring 1,000 high-tech jobs, several floor covering manufacturers have announced expansion plans that will bring up to 3,000 jobs, Caterpillar's new facility adds 1,400 jobs in the Athens area, Ernst & Young's new global IT center in Alpharetta creates 400 new high-tech jobs, Chime Solutions will open a call center in Morrow that will create over 1,100 jobs. Keurig will create 550 new jobs in Douglas County. Fiserv will add 500 jobs at a new location in Alpharetta. In addition, Georgia continues to attract automobile parts suppliers: Inalfa Roof Systems will add 100

new jobs to the 300 that it had already announced at its manufacturing plant in Cherokee County.

Due to cost, logistics, and tax advantages, Georgia is very competitive with other states when it comes to landing economic development projects. As noted above, these advantages began to bear more fruit in 2012-14. That is partially because Georgia made several strategic shifts in its economic development strategy, including the creation of a large deal closing fund and the elimination of sales and use taxes on energy used in manufacturing. Legislation passed in 2012 made Georgia more competitive, but Georgia will have to be very aggressive in closing the right deals. Georgia should target industries that expand the economic base and have good potential for long-term growth. Georgia must invest strategically and grow clusters in areas ranging from bio-technology to advanced manufacturing. The focus should be on innovation-based companies. Of course, Georgia must also make sure that its statutory incentives remain competitive – the statutory incentives help to get Georgia short-listed by site selection professionals. Then, only after Georgia is short listed, do those critical deal closing incentives come into play.

A review of economic development announcements issued by the Office of the Governor and the Georgia Department of Economic Development indicates that economic developers are closing many deals in industries in which the state has the ability to produce at a low opportunity and marginal costs – comparative advantage. Specialization in activities where Georgia has comparative advantage bodes well for sustained success of the companies that received incentives thereby enhancing the prospect for long-term economic growth. Logistics, transportation, distribution, warehousing, information technology, transactions processing, floor coverings, headquarters operations, and several professional and business services are good

examples of industries where Georgia competes effectively.

### **EDUCATIONAL ACHIEVEMENT**

To fully leverage Georgia's new economic development policies, its restructured private-sector economy, and manufacturers' renewed interest in producing domestically Georgia needs to adjust its priorities to put much greater emphasis on educational achievement. That will be critical in terms of improving Georgia's competitiveness, which ultimately determines our standard of living. Success in recruiting new business and industry and retaining existing industry increasingly will be determined by the availability of labor that is qualified to utilize the latest advanced technologies.

The challenge is immense: Georgia trails many other states when it comes to educating its children. According to the National Center for Education Statistics, Georgia's eighth graders rank 40<sup>th</sup> among the states in math, 34<sup>th</sup> in reading, 31<sup>st</sup> in science, and 27<sup>th</sup> in writing.

Ultimately, in a flat world a failure to educate our children lowers Georgian's relative standard of living. That's definitely showing up in the incoming data. After rising for decades, per capita person income in Georgia peaked at 95% of the US average in 1996. Since then we've seen an almost continuous slide of per capita income in Georgia relative to the US. The data for 2012 per capita person income in Georgia is at only 86 percent of the national average, a level last seen in 1989. We dropped 15 places in the national rankings from 25<sup>th</sup> highest per capita personal income in 1996 to 40<sup>th</sup> in 2012.

For Georgia's economy to outperform the average state's economy by the large margins that we got use to in the 1970s, 80s, and 90s, we need to improve Georgia's competitiveness by improving educational achievement. That will go a long way

towards assuring that Georgia's economic performance is once again among the best in the nation.

### **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 due to a dysfunctional housing market, the weak labor market, and high levels of student loan debt. In fact, household formation dropped to its lowest levels since the 1940s. Even as Georgia's economic developers achieved greater success in terms of recruiting new industry, net migration of people to Georgia did not bottom out until 2013. Indeed, net migration to Georgia over 2008-2014 was only about one-fifth what it was over 2001-2007 – less than 100,000 in the eight years since the Great Recession began compared to almost 500,000 in the eight years preceding the recession.

Due to job growth and the housing recovery, geographic mobility will increase in 2015, and this increased mobility will increase net domestic and net international migration to Georgia. Jobs will attract young adults who will be more mobile than they were prior to the housing bust. Georgia's population will grow at a pace that exceeds the national average in 2015 – 1.0 percent for Georgia versus 0.8 percent for the US. Net domestic migration will rise to about 5,000 people in 2014, up from a net loss of 6,347 people in 2013. Domestic net migration will rise to about 15,000 people in 2015 and 20,000 in 2016. Nonetheless, Georgia's higher rate of population growth will become even more dependent on net international migration of about 25,000 people in 2014 and 30,000 in 2015. Georgia's population growth also will benefit from a slight increase in number of births as households become more confident in the current situation and their

expectations for the future. Population growth therefore will be a stronger driver of the state's GDP in 2015 than in 2008-2014, but it will be far less powerful than in prior decades.

## **RETIREEES**

Prior to the Great Recession, the stars were aligned for Georgia's retiree industry. It was widely recognized that the nation's elderly population would grow much faster than the total population, increasing the economic importance of the elderly. Freed from the geographic constraints of living near their jobs, many retiring baby boomers are expected to move to places more suited to a leisurely lifestyle. In addition, compared to recent generations of retirees, baby boomers are well traveled and highly educated, two factors strongly associated with retiree migration. Another factor promoting mobility is that at age 65, many baby boomers will retire in relatively good health and can reasonably expect to live another two decades. A high proportion of the oldest baby boomers would be able to draw upon traditional pensions as well as Social Security and Medicare. In addition, by 2007, household net worth reached an all-time high.

The financial crisis and the bursting of bubbles in the nation's property markets abruptly choked off the inflow of retirees to Georgia (and elsewhere). For primarily economic reasons, people stopped moving. The Selig Center estimates that 68 percent of the decrease in the nation's overall mobility rate was due to economic conditions and only 32 percent was due to continuing long-term trends.

Despite the sharp drop in mobility, the state-to-state migration data for the period 2007-2011 indicates that Georgia remained very competitive in attracting the shrinking number of retirees who did move. As the U.S. economy recovers from the recession, mobility will almost certainly increase. The next up-cycle of state-to-state

retiree migration probably started in 2014, and it should gain momentum in 2015. The oldest baby boomers turned 65 in 2011, but the state-to-state migration data show that comparatively few have moved to a new home. As economic conditions improve and housing markets normalize, retirees who stayed put will opt to move to places better suited to a more relaxed lifestyle. Georgia's will be in a good position to attract this pent-up supply of retirees who would prefer to move in search of the amenities they desire in their retirement years. Moreover, new census projections show that from 2015 to 2030, the US population over 65 will grow by 53 percent compared to only 3 percent for the population 18 to 64 years. So barring a major pandemic, economic catastrophe, or a dramatic increase in traditional retirement age, the prospects are excellent for retiree-based economic development.



## PROSPECTS FOR ATLANTA IN 2015

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 advanced manufacturing. New high tech (e.g., healthcare IT and mobile apps) is growing rapidly in Atlanta. 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 28-county Atlanta MSA will add 69,100 jobs in 2015, a year-over-year increase of 2.8 percent. Atlanta therefore will account for 71 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 the job machine in forward gear. Many of the larger projects recently announced by the Georgia Department of Economic Development were located in the 28-county metropolitan area. Atlanta's outsized information industry will benefit from expanding film and television production as well as surging demand for more sophisticated wireless services, but Turner's downsizing will sharply limit overall sectorial job growth in 2015.

Major improvements at Hartsfield-Jackson International Airport bode well for Atlanta's growth, especially the completion of the new international terminal. Fewer operations by Southwest Airlines – in the

wake of its merger with AirTran – will continue to be a headwind. 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.

Gross Domestic Product, Bil. of 2009	\$14,783.8	15,020.6	15,369.2	15,710.3	16,055.9	16,505.5
Percent change	2.5	1.6	2.3	2.2	2.2	2.8
Nonfarm Employment (Mil.)	130.3	131.8	134.1	136.4	138.8	141.5
Percent change	-0.7	1.2	1.7	1.7	1.8	1.9
Personal Income, Bil. of 2009	\$12,227.2	12,676.1	13,093.9	13,211.9	13,524.6	13,995.1
Percent change	1.2	3.7	3.3	0.9	2.4	3.5
Personal Income, Bil. of	\$ 12,429.3	13,202.0	13,887.7	14,166.9	14,705.2	15,308.2
Percent change	2.8	6.2	5.2	2.0	3.8	4.1
Civilian Unemployment Rate (%)	9.6	8.9	8.1	7.4	6.3	5.8
CPI-U, Ann. % Chg.	1.6	3.2	2.1	1.5	1.6	0.4

Source: The Selig Center for Economic Growth, Terry College of Business, University of Georgia, 12/15/2014.

#### UNITED STATES BASELINE FORECAST 2015-2020

United States	2015	2016	2017	2018	2019	2020
Gross Domestic Product, Bil. of 2009	\$16,505.5	16,967.6	17,425.8	17,844.0	18,254.4	18,656.0
Percent change	2.8	2.8	2.7	2.4	2.3	2.2
Nonfarm Employment (Mil.)	141.5	143.7	145.9	147.5	148.8	150.0
Percent change	1.9	1.6	1.5	1.1	0.9	0.8
Personal Income, Bil. of 2009	\$13,995.1	14,379.3	14,744.7	15,075.6	15,428.6	15,759.4
Percent change	3.5	2.7	2.5	2.2	2.3	2.1
Personal Income, Bil. of	\$15,308.2	16,042.9	16,829.1	17,636.8	18,501.1	19,389.1
Percent change	4.1	4.8	4.9	4.8	4.9	4.8
Civilian Unemployment Rate (%)	5.8	5.5	5.3	5.3	5.2	5.0
CPI-U, Ann. % Chg.	0.4	2.1	2.2	2.4	2.5	2.7

Source: The Selig Center for Economic Growth, Terry College of Business, University of Georgia, 12/15/2014.

### GEORGIA BASELINE FORECAST, 2014-2015

<b>Georgia</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Gross Domestic Product, Bil of 2009\$	407.0	410.8	416.9	424.6	435.2	449.6
Percent change	0.7	0.9	1.5	1.8	2.5	3.3
Nonfarm Employment (thousands)	3861.2	3901.4	3954.9	4033.4	4114.5	4212.0
Percent change	-1.0	1.0	1.4	2.0	2.0	2.4
Personal Income, Bil of \$	333.6	357.3	369.1	378.2	394.8	414.5
Percent change	0.9	7.1	3.3	2.4	4.4	5.0
Housing Permits, Total	17,265	18,493	24,350	35,600	37,517	45,134
Percent change	-5.3	7.1	31.7	46.2	5.4	20.3
Unemployment Rate (percent)	10.2	9.9	9.0	8.2	7.3	6.5

Source: The Selig Center for Economic Growth, Terry College of Business, The University of Georgia, 12/15/2014.

### GEORGIA BASELINE FORECAST, 2015-2020

<b>Georgia</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Gross Domestic Product, Bil of 2009\$	\$449.6	464.4	477.9	490.3	503.1	515.6
Percent change	3.3	3.3	2.9	2.6	2.6	2.5
Nonfarm Employment (thousands)	\$4212.0	4308.8	4399.3	4474.1	4545.7	4613.9
Percent change	2.4	2.3	2.1	1.7	1.6	1.5
Personal Income, Bil of \$	\$414.5	437.3	461.8	486.3	513.0	540.2
Percent change	5.0	5.5	5.6	5.3	5.5	5.3
Housing Permits, Total	45,134	50,271	53,107	54,864	56,318	57,642
Percent change	20.3	11.4	5.6	3.3	2.7	2.4
Unemployment Rate (percent)	6.5	6.0	5.5	5.2	5.0	4.9

Source: The Selig Center for Economic Growth, Terry College of Business, The University of Georgia, 12/15/2014.

Real Gross Metro Product, Bil of 2009	\$274.9	278.3	282.5	288.2	296.5	307.8
Percent change	0.8	1.2	1.5	2.0	2.9	3.8
Nonfarm Employment (thousands)	2270.5	2306.0	2349.9	2411.0	2468.9	2538.0
Percent change	-0.9	1.6	1.9	2.6	2.4	2.8
Personal Income, Bil of	\$198.9	214.0	222.2	228.1	239.3	252.4
Percent change	0.4	7.6	3.8	2.7	4.9	5.5
Housing Permits, Total	7575	8634	14380	24300	25,709	31,648
Percent change	15.9	14.0	66.6	69.0	5.8	23.1
Unemployment Rate (percent)	10.1	9.8	8.8	7.9	7.1	6.3

Source: The Selig Center for Economic Growth, Terry College of Business, The University of Georgia, 12/15/2014.

### ATLANTA MSA BASELINE FORECAST, 2015-2020

<b>Atlanta, MSA</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Real Gross Metro Product, Bil of 2005\$	307.8	319.2	329.7	339.6	349.1	358.5
Percent change	3.8	3.7	3.3	3.0	2.8	2.7
Nonfarm Employment (thousands)	2538.0	2606.5	2671.7	2727.8	2782.4	2832.4
Percent change	2.8	2.7	2.5	2.1	2.0	1.8
Personal Income, Bil of \$	252.4	267.3	283.4	299.5	316.6	334.0
Percent change	5.5	5.9	6.0	5.7	5.7	5.5
Housing Permits, Total	31,648	35,414	37,575	38,890	40,018	41,018
Percent change	23.1	11.9	6.1	3.5	2.9	2.5
Unemployment Rate (percent)	6.3	5.8	5.4	5.0	4.8	4.7

Source: The Selig Center for Economic Growth, Terry College of Business, The University of Georgia, 12/15/2014.

# 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 seven-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 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 2015 General Fund Revenue forecast, as of the date of this Five Year Plan,

is \$565 million and is on target with the revenue amount adopted by the Budget Commission in June of 2014. The FY 2016 General Fund Revenue Anticipation is \$588 million. The increased Revenue Anticipation includes \$5.9 million in new sources of income derived from a Blue Ribbon Commission Fees and Fines study. An additional \$8 million is attributed to a proposed increase in Traffic fines (See Further Discussion in Narrative). The City Finance team expects that the overall 2015 tax digest will continue to grow at a rate of 3% with 1.2% of the growth being attributed to new construction and the remainder attributed to positive inflation growth from market value appreciation. As of publication of the Five Year Plan, there is no available estimate from the Tax Assessor's office on the 2015 tax digest. Therefore, the City relies on historic and other independent economic data including the Case-Shiller Index, which is a national housing price index, to determine City property valuation trends and estimates.

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 continued the increase, which began in 2014 due to an improved housing market. The City continues to demonstrate a measured response by continuing to estimate property tax revenue growth 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 17% 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 is 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 Finance team continues to exercise fiscal discipline in the revenue forecast. It is important to note, that General Fund Revenues have exceeded General Fund Expenditures the past 5 fiscal years (FY 2010 through FY 2014).

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 continued the positive trend, and the net digest increased to \$22.4 billion. The 2014 tax base is broken down by the following, 47% for residential accounts and 53% for non-residential accounts on the City’s tax digest.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Current Property Tax	\$178,566,595	\$180,745,107	\$182,950,198	\$185,182,190	\$187,441,413

### *FY 2016-20 Forecast:*

The City property tax forecast currently assumes a rollback of property taxes due to positive reassessment. The projected positive reassessment tax digest growth is estimated at 1.8%. The projected new construction tax digest growth is estimated at 1.2% over the 5 year horizon. 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 2.3% job growth.” The report forecasts that existing single-family home prices will rise by 6% in Georgia in 2015. The S&P Case-Shiller Atlanta Home Price Index as of October 2014 is 118.8 as compared to 95.6 as of October 2012, which represents a 19.5% 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.

## 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Local Option Sales Tax	\$101,516,578	\$102,673,867	\$103,844,349	\$105,028,175	\$106,225,496

### *FY 2016-20 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 1.1%. The Selig report indicates “On an annual average basis, the 28-county Atlanta MSA will add 69,100 jobs in 2015, a year-over-year

increase of 2.8% percent. Atlanta therefore will account for 71 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 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 20<sup>th</sup> 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.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Hotel/Motel Tax	\$14,531,390	\$14,676,703	\$14,823,471	\$14,971,705	\$15,121,422

*FY 2016-20 Forecast:*

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 robust increases in FY 2016 (lower priced 5.3% increase and upper priced 6.1% increase in Rev-PAR growth. PKF Consulting indicates “Looking towards 2015, Atlanta RevPAR is expected to grow 6%. Atlanta market occupancy levels are expected to range from 66.5% to 67% during the 5 year hotel forecast period.”

PKF Consulting and Federal Reserve Bank Beige Book excerpt states “The development of various new entertainment venues has increased demand for leisure travel and business travel has been solid to date. Overall, hospitality contacts maintain a positive outlook.”

**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 the 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. Due to current population trends and utility rate increases, this revenue category has not been adversely impacted.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Public Utility Franchise Fee	\$49,029,151	\$49,509,637	\$49,994,831	\$50,484,781	\$50,979,531

*FY 2016-20 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Indirect Cost Recovery	\$32,476,225	\$33,161,474	\$33,861,181	\$34,575,652	\$35,305,198

#### *FY 2016-20 Forecast:*

The forecast is based 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
General Business/License Tax	\$43,600,245	\$43,768,750	\$44,266,871	\$44,770,669	\$45,280,211

#### *FY 2016-20 Forecast:*

The forecast for general business/license tax revenue is based on 1.1% growth in Gross Metro Product. Improvements in employment levels and consumer demand as discussed earlier in this section are key metrics for the 5 year forecast in this category. Businesses also are attracted by Atlanta's extensive multi-modal transportation and distribution system. According to the Selig Center, "the Atlanta MSA will add 69,100 jobs in 2015, a year-over-year increase of 2.8 percent. Atlanta therefore will account for 71 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 the job machine in forward gear."

### 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Insurance Premium Tax	\$22,889,796	\$23,114,116	\$23,340,635	\$23,569,373	\$23,800,353

*FY 2016-20 Forecast:*

The forecast is stable at a 1% 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 1.4% increase in new residents. 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Other Licenses/Permits	\$23,612,941	\$22,036,172	\$22,251,835	\$22,469,956	\$22,690,564

*FY 2016-20 Forecast:*

The forecast metric has been revised to reflect Gross Metro Product growth of 1.1%. 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Alcohol Tax	\$16,776,607	\$17,055,099	\$17,338,214	\$17,626,028	\$17,918,620

*FY 2016-20 Forecast:*

The forecast reflects a 1.7%, 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Fines/Forfeitures	\$38,768,020	\$39,142,204	\$39,520,071	\$39,901,657	\$40,287,000

*FY 2016-20 Forecast:*

The forecast reflects \$8 million in additional Traffic fines due to an increase in the fine penalty. A study by the City Office of Revenue has determined that a significant number of City Traffic fines are below Fulton County and other surrounding jurisdictions. The forecast also assumes a strong enforcement of traffic violations through increased Police ticketing issuance. Municipal Court data indicates that cases have remained stable reflecting population and transportation trends. 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Intangible Recording Tax	\$4,262,020	\$4,314,017	\$4,366,648	\$4,419,921	\$4,473,844

**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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Real Estate Transfer Tax	\$1,612,750	\$1,632,425	\$1,652,341	\$1,672,500	\$1,692,904

*FY 2016-20 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 2.3% job growth." The

report forecasts that existing single-family home prices will rise 6% in Georgia in 2015. 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Land/Building Rentals	\$10,076,784	\$10,230,959	\$10,387,492	\$10,546,421	\$10,707,781

#### *FY 2016-20 Forecast:*

Revenue from this category is heavily dependent on disposable income. Based on the Selig Center Economic Report “Spending for new nonresidential construction will increase modestly in 2015, continuing the weak up cycle that began in the second quarter of 2013. Credit conditions will ease for those looking to build nonresidential structures, but will remain very tight in markets with high vacancy rates.” Overall vacancy rates have trended down exhibiting a 1.4% decline over 1Q2013 versus 1Q2014.

### Office of Revenue Comprehensive Fee Study

In July 2014, the City Office of Revenue and the Mayor’s Office of Innovation Delivery & Performance implemented a Comprehensive Fees Cost Recovery Program. The program scope includes a full review of Appendix B (Fees and Fines) of the City Code of Ordinance.

As a result, the Office of Revenue identified \$5.9 million in additional General Fund revenues from the Comprehensive Fee Study:

Sale of Certificates of Public Necessity	\$1.8 million (Non-recurring)
Commercial Parking Permit	\$1.8 million
Towing/Wrecker Fee Increase	\$1 million
Parking Lots and Garage Fee	\$513 thousand
Fire Inspection Fee Increase	\$501 thousand
Right-of-Way Permit	\$250 thousand
<b>Total</b>	<b>\$5.9 million</b>

### Office of Revenue Traffic Fine Study

The City Office of Revenue completed a Traffic Fine Study that compared certain City Fines with Fulton County and other jurisdictions. This study determined that there were a significant number of City Traffic infraction fines, which were below Fulton County. The City fines and penalties when aligned with Fulton County results in an additional \$8 million in City fines.

### FY 2016 Revenue Package

A portion of the aforementioned items will be included in the City’s Legislative Cycle 7 (Revenue Package) which aligns with FY 2016 Budget Calendar. The City Revenue team continues to hold Revenue Roundtable meetings with departments to ensure that standard operating procedures are updated to achieve these revenue objectives.

**OVERALL GENERAL FUND FORECAST**

The improving local economy as indicated by Atlanta Gross Metro Product forecasted at 3.4% and an increasing S&P Case-Shiller Index all support a General Fund Revenue forecast growth rate of 4%. The Fiscal Year 2016 General Fund revenue budget statutorily referred to as Revenue Anticipation is based on 1.2% new construction tax digest growth and rollback of the current millage rate of 9.75 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 better understand, and respond to the underlying economic drivers of City revenues.

## Emergency Telephone System Fund

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

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
E-911 Revenue	\$16,671,303	\$16,971,303	\$16,340,522	\$16,500,659	\$16,662,365

*FY 2016-20 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.

## 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Parks Facilities Fees	\$225,000	\$0	\$0	\$0	\$0

*FY 2016-20 Forecast:*

Park Facility revenue has averaged \$485 thousand in prior fiscal years. It is forecasted to receive only \$225 thousand in FY16 due to a pending sale of the facility, which is currently up for bid.

## 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 and lease revenues.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Underground Atlanta Fees	\$570,000	\$0	\$0	\$0	\$0

*FY 2016-20 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 parking and lease income has averaged about \$2 million annually, and included an annual General Fund subsidy of approximately \$9 million. Revenue projections are estimated at \$570,000 and will cease following the sale in early FY16.



## 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.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Civic Center Fees	\$500,000	\$0	\$0	\$0	\$0

*FY 2016-20 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 in prior years and is forecasted to receive only \$500 thousand in FY16 due to a pending sale of the facility which is currently up for bid.

## 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Hotel/Motel Tax	\$58,148,818	\$58,730,306	\$59,317,609	\$59,910,785	\$60,509,893

*FY 2016-20 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 5 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%.

## 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Solid Waste Services Revenue	\$55,316,071	\$55,744,275	\$56,175,070	\$56,608,478	\$57,044,522

*FY 2016-20 Forecast:*

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

## 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Rental/Motor Vehicle Tax	\$955,703	\$969,560	\$983,619	\$997,881	\$1,012,351

*FY 2016-20 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.

## 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Building Permits Revenue	\$21,700,226	\$21,914,838	\$21,131,596	\$22,350,521	\$22,571,637

*FY 2016-20 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.

Based on the Selig Center Economic Report "Spending for new nonresidential construction will increase modestly in 2015, continuing the weak up cycle that began in the second quarter of 2013. Credit conditions will ease for those looking to build nonresidential structures, but will remain very tight in markets with high vacancy rates." Overall vacancy rates have trended down exhibiting a 1.4% decline over 1Q2013 versus 1Q2014.

## Fleet Services Fund

The Fleet Services Fund was established for accounting 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.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Fleet Services Revenue	\$34,021,502	\$34,000,355	\$33,954,641	\$33,994,876	\$34,036,875

*FY 2016-20 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.

## WATER AND WASTEWATER FUND

The Water and Wastewater Fund was established to account for all transactions associated with the operation, development, and maintenance of the City's expansive water and wastewater infrastructure system. The system is financed by user charges for water and wastewater services and the Municipal Option Sales Tax.

### Water and Sewer Service Revenue

This category includes Water and Wastewater Service Charges. Projected revenue of \$405M for FY 2016 is \$9.1M lower than the FY 2015 Budget of \$414.1M. The decrease is due primarily to an expected decrease in anticipated customer consumption. The Department does not plan to increase its water and sewer rates in FY 2016.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Water and Sewer Service Revenue	\$405,032,907	\$407,030,738	\$409,035,151	\$411,046,728	\$413,141,962

### Charges for Services

This category includes Inter-jurisdictional revenue, industrial waste, inspections and reviews, as well as other selected revenue accounts. The FY 2016 projection of \$18.8M is lower than the FY2015 Budget of \$25.1M. 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.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Charges for Services	\$18,801,288	\$18,948,311	\$19,096,607	\$19,244,779	\$19,397,044

### Intergovernmental Revenues

The FY 2016 anticipated revenues from the Municipal Option Sales Tax are \$122M, which is slightly greater than the amount anticipated in FY 2015. For FY16 \$85.4M of the total will be allocated in the Waste & Wastewater Revenue Fund and \$36.6M 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.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Intergovernmental Revenue	\$85,400,000	\$85,400,000	\$85,400,000	\$85,400,000	\$85,400,000

**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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Investment Income	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000

**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. The FY 2016 fee of, \$2.4M, remained the same from the amount budgeted for FY 2015.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Other Financing Sources	\$2,486,875	\$2,499,309	\$2,511,806	\$2,524,365	\$2,536,987

**Miscellaneous Revenues**

This category includes revenue for recoveries of prior year delinquent accounts/arrearages. For FY16 the convenience fees collected for credit card payments will be eliminated citywide. The Department based its estimate on revenues generated in prior fiscal years.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Miscellaneous Revenues	\$81,102	\$81,508	\$81,915	\$82,325	\$82,736



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.

## AVIATION REVENUE FUND REVENUE SUMMARY

The 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Landing Fees	\$47,251,106	\$46,782,000	\$46,904,000	\$47,026,000	\$47,148,000

#### *FY16 Forecast*

Landing Fees are expected to remain flat through FY20. Enplaned passenger traffic is expected to increase; but overall aircraft operations are trending down as airlines move to larger aircraft and increase efficiency.

#### Central Passenger Terminal Complex (CPTC) Rentals

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 2016	FY 2017	FY 2018	FY 2019	FY 2020
CPTC Rentals	\$158,226,233	\$158,759,000	\$157,607,000	\$156,119,000	156,075,000

*FY16 Forecast*

We will continue to experience growth in the CPTC Rentals category. This is due to the addition of 16 new Tenant Finish projects to be completed in FY16 generating approximately \$15 million annually.

**Airside Rentals**

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

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Airside Rentals	\$30,011,767	\$30,162,000	\$30,313,000	\$30,464,000	\$30,617,000

*FY16 Forecast*

This revenue stream will remain flat. All leases for space at North Cargo have expired and are currently being rented on a month-to-month basis. We expect 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 appraised 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 Plane Train between concourses.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
CPTC Cost Recoveries	\$35,190,658	\$38,461,000	\$40,027,000	\$41,653,000	\$43,340,000

*FY16 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 the Plane Train and fire and police personnel cost. 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Landside Rentals	\$16,419,325	\$17,484,000	\$17,562,000	\$17,839,000	\$18,040,000

#### *FY16 Forecast*

The current projections reflect no substantive growth. The base rent for some leases will experience standard escalations based on the lease agreement; 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, park and ride at both the international and domestic terminal. A third party vendor is responsible for the day-to-day management of these facilities.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Public Parking	\$122,288,000	\$123,701,000	\$125,144,000	\$126,587,000	\$128,030,000

#### *FY16 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Inside Concessions	\$105,922,000	\$110,938,000	\$116,160,000	\$121,598,000	\$127,259,000

#### *FY16 Forecast*

Inside concession revenue will continue to increase over the next 5 years. FY16 reflects an increase over FY15 as all outlets are expected to be open in FY16. The new agreements increased the rental rates of the Airport's food & beverage outlets. The projected increase of 3.5% in enplanements as well as O & D will continue to have a positive impact on concessions.

### Inside Concessions Credit

Fifty percent of all concession revenues are shared with the contracting airlines.

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Inside Concessions Cr.	(\$50,989,000)	(\$53,508,000)	(\$56,131,000)	(\$58,862,000)	(\$61,705,000)

#### *FY16 Forecast*

This credit will reflect changes in direct correlation to Inside Concessions.

## Rental Car

The Airport maintains a consolidated rental car 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Rental Car	\$33,689,000	\$35,109,000	\$36,584,000	\$38,116,000	\$39,707,000

### *FY16 Forecast*

The Airport is anticipating growth in the future years; including a projected increase in originating/destination passengers of 5.9%. The origination and destination metric is a main driver in the anticipated revenue increase.

## 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Ground Transportation	\$2,064,000	\$2,088,000	\$2,112,000	\$2,137,000	\$2,161,000

### *FY16 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, ATL's agreement with major hotels in downtown Atlanta, was signed in FY15 and will generate additional revenues in FY16.

**Other Commercial Revenues**

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

Major Revenue Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Other Commercial Revenues	\$5,688,001	\$5,722,000	\$5,758,000	\$5,794,000	\$5,832,000

*FY16 Forecast*

This category is expected to remain flat since WIFI is now free to our passengers. We only recover the operating and maintenance cost from the cell phone providers. We no longer generate revenues from public telephones and there are no expected increases in Security charges; which comprises most of this category.

**Cost Recoveries: Non-Airline**

Included in this category are reimbursements received from rental car companies and the Customer Facility Charge Fund for operation and maintenance costs of the 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
Cost Recoveries: Non-Airline	\$12,443,000	\$12,969,000	\$13,514,000	\$14,079,000	\$14,665,000

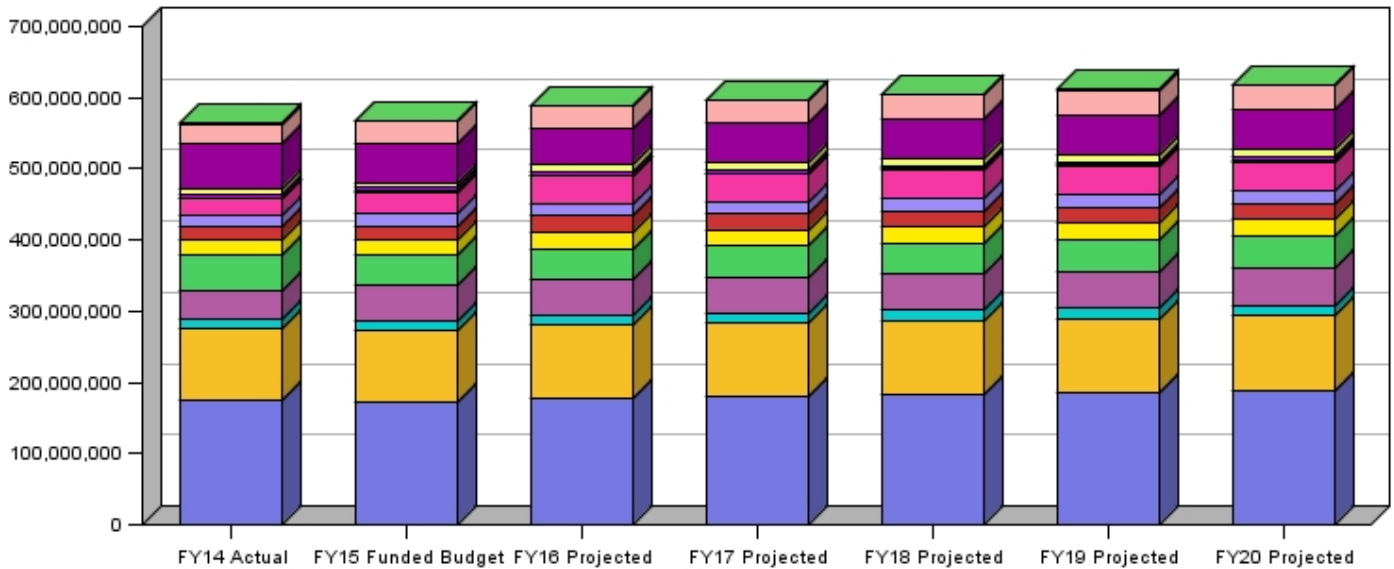
*FY16 Projection*

We continue to experience an increase in utilities, especially water and sewer, which is provided by the City of College Park. This increased cost translates to additional revenue since utilities are 100% reimbursable. In addition, the old GICC is currently being rented by a filming company, and per their agreement; we are able to recover the utility cost from the tenant.

# PROJECTED REVENUES BY MAJOR CATEGORY

## General Fund

	FY14 Actual	FY15 Funded Budget	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected
Property Tax Revenue	174,755,563	173,604,522	178,566,595	180,745,107	182,950,198	185,182,190	187,441,413
Local Option Sales Tax Revenue	99,708,269	100,052,197	101,516,578	102,673,867	103,844,349	105,028,175	106,225,496
Hotel/Motel Tax Revenue	14,744,351	13,861,453	14,531,390	14,676,703	14,823,471	14,971,705	15,121,422
Public Utility Franchise Revenue	40,124,533	48,553,328	49,029,151	49,509,637	49,994,831	50,484,781	50,979,531
Business License Revenue	48,563,631	43,575,339	43,600,245	43,768,750	44,266,871	44,770,669	45,280,211
Insurance Premium Revenue	21,664,289	21,945,924	22,889,796	23,114,116	23,340,635	23,569,373	23,800,353
Other License/Permits Revenue	18,513,226	18,662,499	23,612,941	22,036,172	22,251,835	22,469,956	22,690,564
Alcohol Revenue	16,079,598	16,184,951	16,776,607	17,055,099	17,338,214	17,626,028	17,918,620
Fines/Forfeitures Revenue	24,206,481	31,106,342	38,768,020	39,142,204	39,520,071	39,901,657	40,287,000
Real Estate Transfer Revenue	1,564,433	1,611,299	1,612,750	1,632,425	1,652,341	1,672,500	1,692,904
Intangible Recording Revenue	3,923,598	4,210,650	4,262,020	4,314,017	4,366,648	4,419,921	4,473,844
Land and Building Rentals Revenue	7,035,645	6,491,463	10,076,784	10,230,958	10,387,492	10,546,421	10,707,782
Other Revenue	64,518,314	56,273,701	50,680,808	54,965,230	55,454,398	55,948,361	56,447,165
Indirect Costs	27,885,580	31,805,137	32,476,225	33,161,474	33,861,181	34,575,652	35,305,198
Remaining Revenues	2,650,055	-	21,470	21,681	21,893	22,108	22,324
<b>Total</b>	<b>\$565,937,565</b>	<b>\$567,938,805</b>	<b>\$588,421,381</b>	<b>\$597,047,441</b>	<b>\$604,074,427</b>	<b>\$611,189,497</b>	<b>\$618,393,828</b>



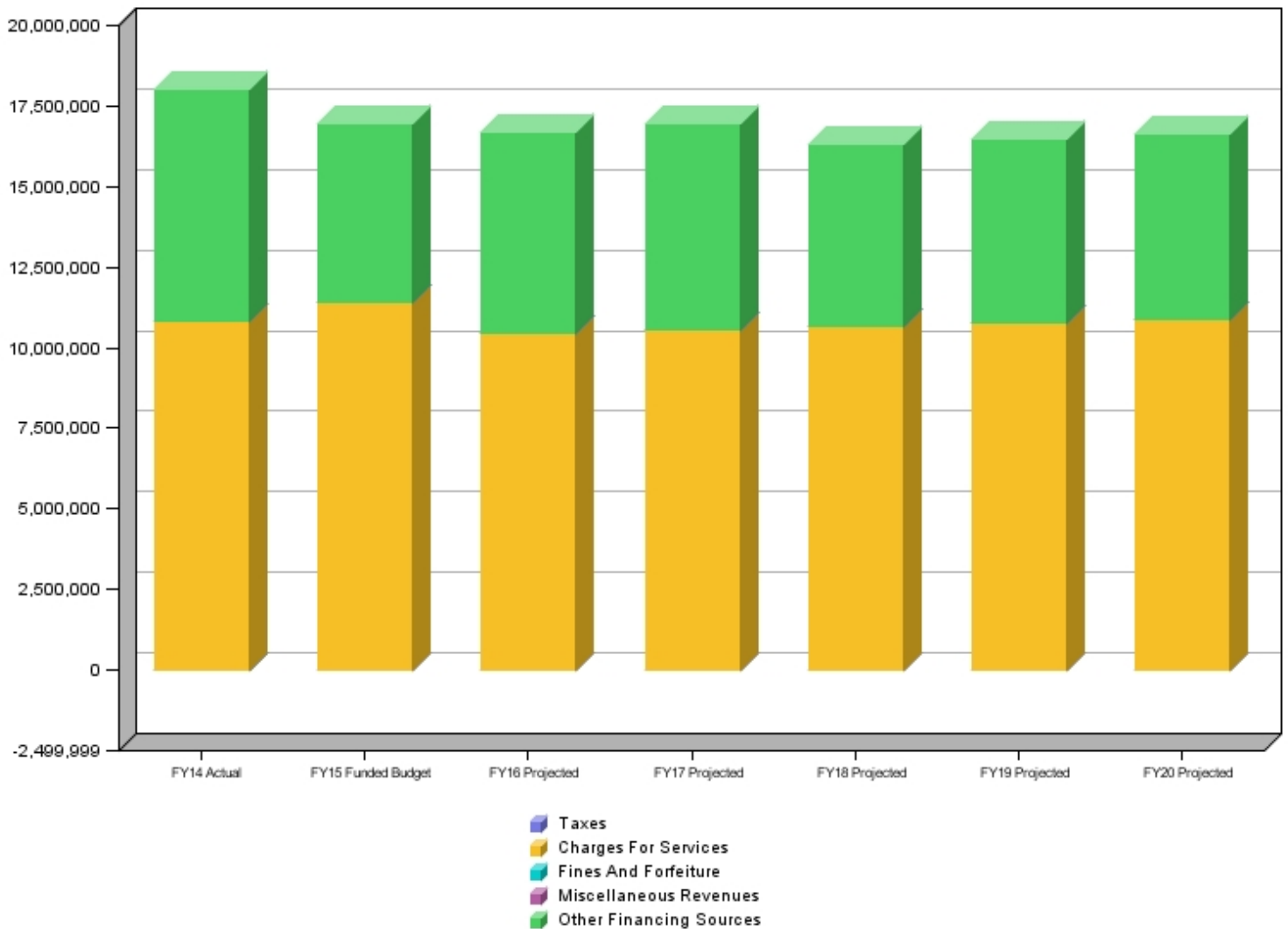
- Property Tax Revenue
- Local Option Sales Tax Revenue
- Hotel/Motel Tax Revenue
- Public Utility Franchise Revenue
- Business License Revenue
- Insurance Premium Revenue
- Other License/Permits Revenue
- Alcohol Revenue
- Fines/Forfeitures Revenue
- Real Estate Transfer Revenue
- Intangible Recording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



# PROJECTED REVENUE BY MAJOR CATEGORY

## Emergency Telephone System

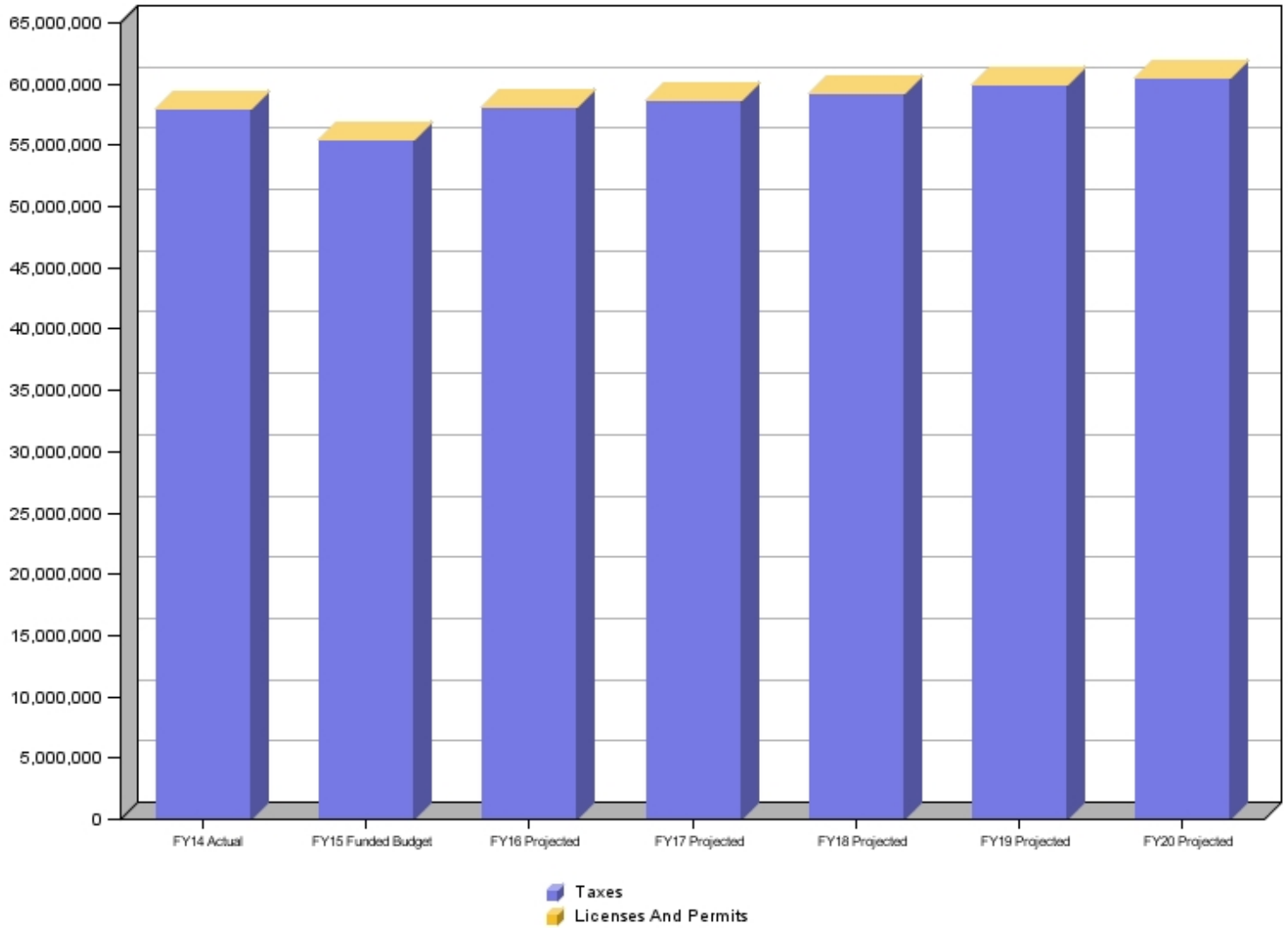
	FY14 Actual	FY15 Funded Budget	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected
Taxes	(1)	-	-	-	-	-	-
Charges For Services	10,852,769	11,415,700	10,455,820	10,558,287	10,661,758	10,766,243	10,871,752
Fines And Forfeiture	(83)	-	-	-	-	-	-
Miscellaneous Revenues	-	22,028	-	-	-	-	-
Other Financing Sources	7,162,801	5,515,028	6,215,483	6,413,016	5,678,764	5,734,416	5,790,613
<b>Revenues</b>	<b>\$18,015,487</b>	<b>\$16,952,756</b>	<b>\$16,671,303</b>	<b>\$16,971,303</b>	<b>\$16,340,522</b>	<b>\$16,500,659</b>	<b>\$16,662,365</b>



# PROJECTED REVENUE BY MAJOR CATEGORY

## Hotel/Motel Tax Fund

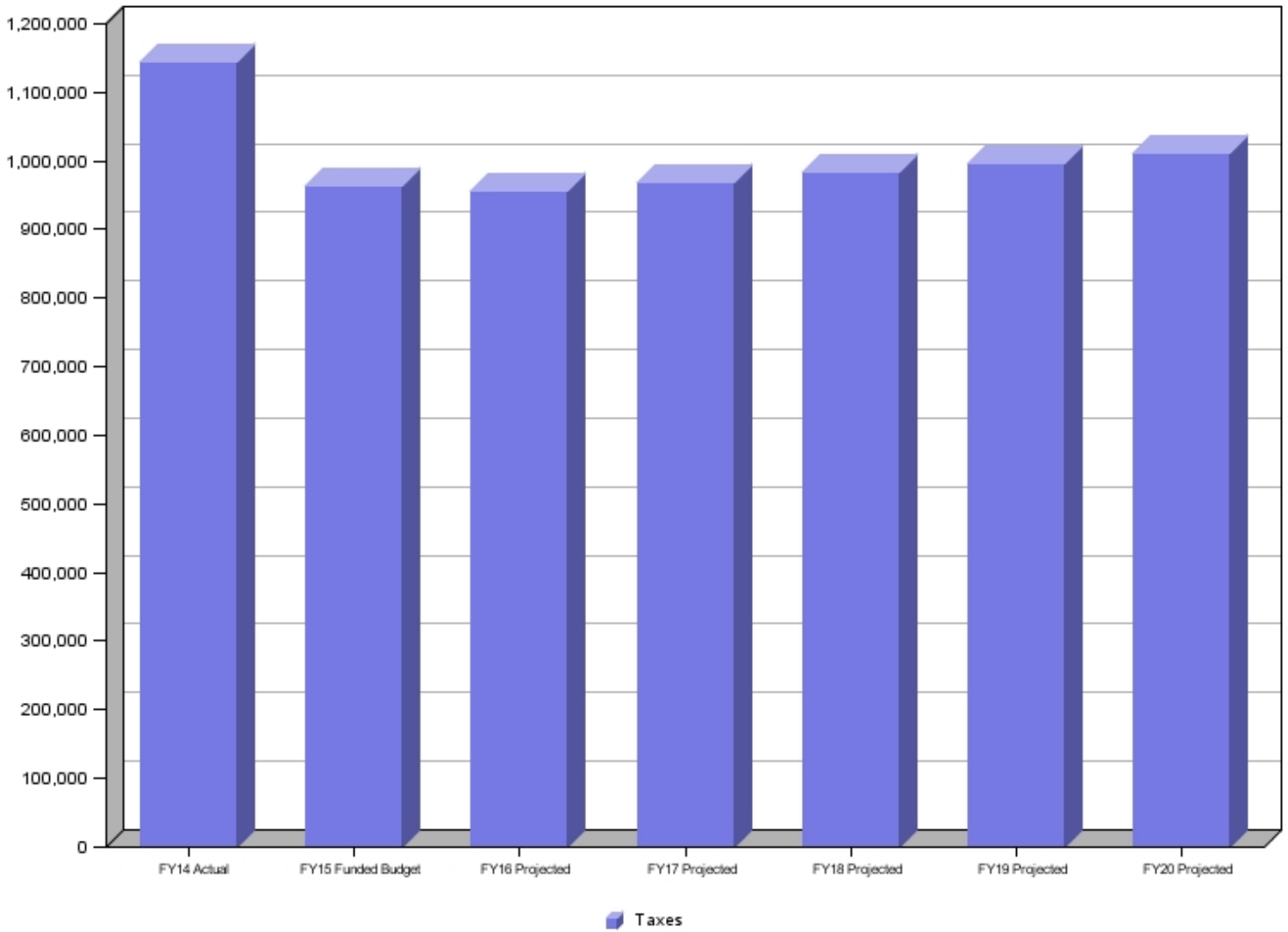
	FY14 Actual	FY15 Funded Budget	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected
Taxes	58,013,339	55,445,813	58,148,818	58,730,306	59,317,609	59,910,785	60,509,893
Licenses And Permits	370	-	-	-	-	-	-
<b>Revenues</b>	<b>\$58,013,709</b>	<b>\$55,445,813</b>	<b>\$58,148,818</b>	<b>\$58,730,306</b>	<b>\$59,317,609</b>	<b>\$59,910,785</b>	<b>\$60,509,893</b>



# PROJECTED REVENUE BY MAJOR CATEGORY

## Rental/Motor Vehicle Tax Fund

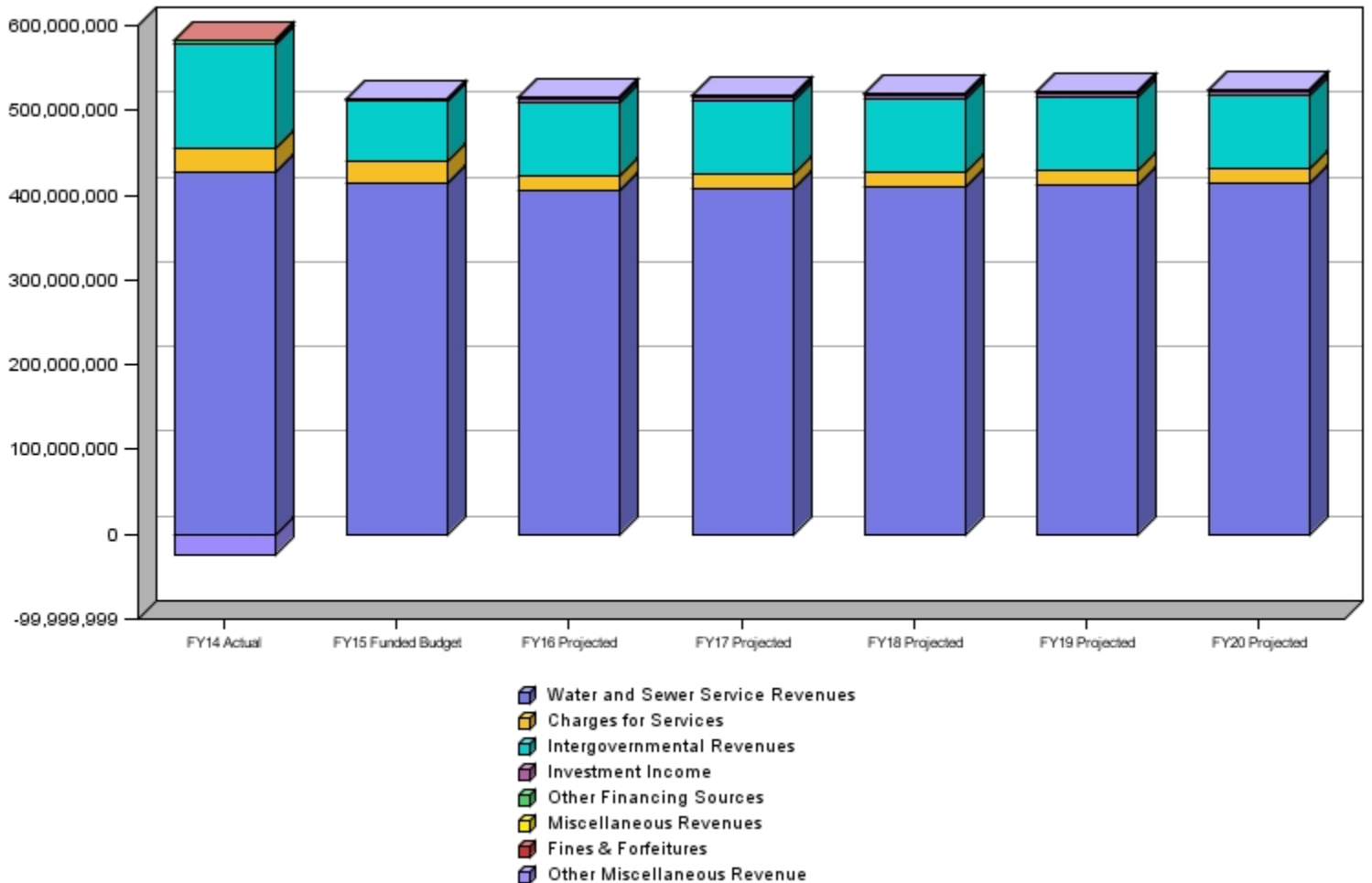
	FY14 Actual	FY15 Funded Budget	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected
Taxes	1,145,976	964,579	955,703	969,560	983,619	997,881	1,012,351
<b>Revenues</b>	<b>\$1,145,976</b>	<b>\$964,579</b>	<b>\$955,703</b>	<b>\$969,560</b>	<b>\$983,619</b>	<b>\$997,881</b>	<b>\$1,012,351</b>



# PROJECTED REVENUE BY MAJOR CATEGORY

## Water & Wastewater Revenue Fund

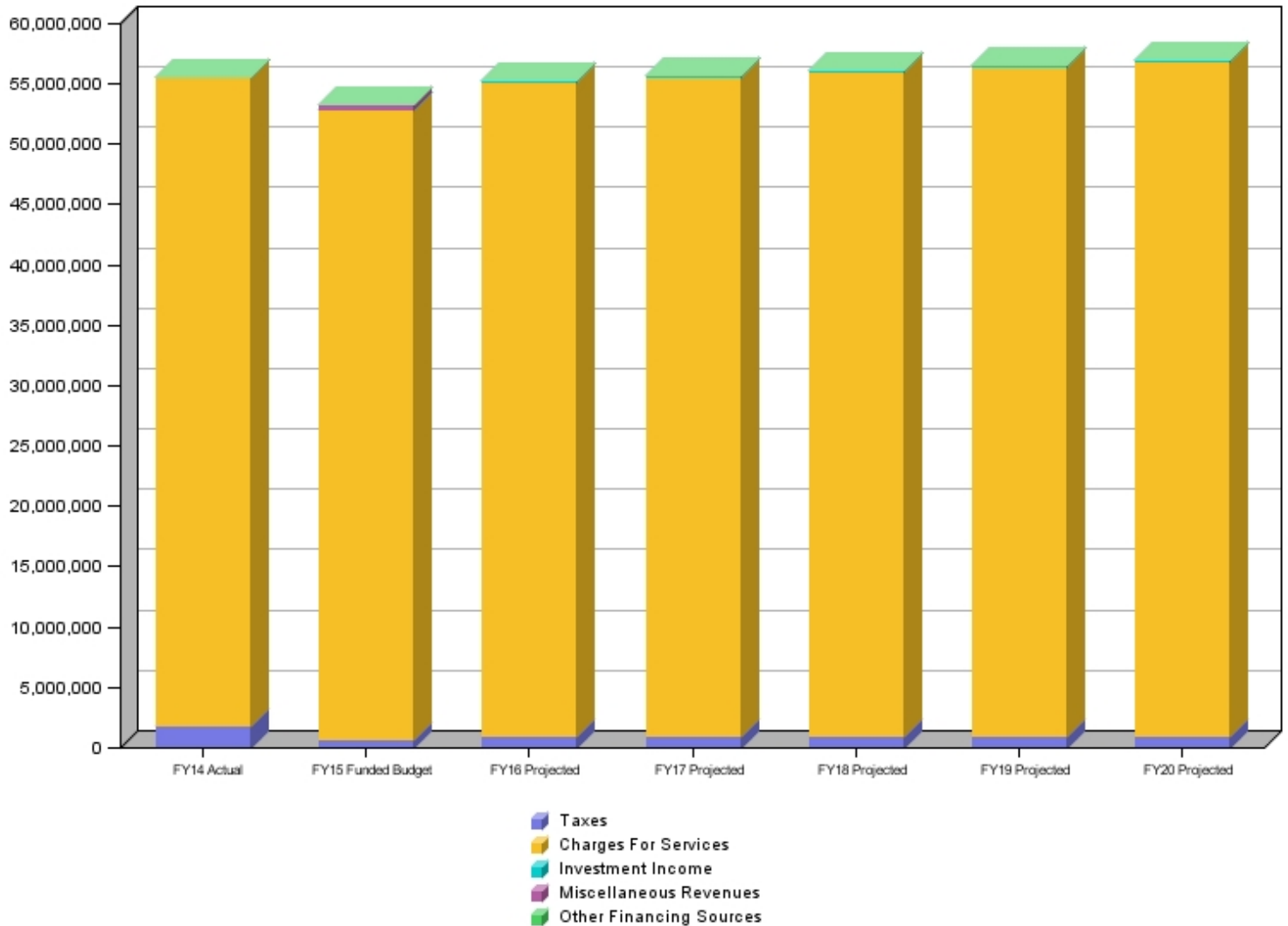
	FY14 Actual	FY15 Funded Budget	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected
Water and Sewer Service Revenues	427,877,359	414,131,017	405,032,907	407,030,738	409,035,151	411,046,728	413,141,962
Charges for Services	27,152,700	25,197,030	18,801,288	18,948,311	19,096,607	19,244,779	19,397,044
Intergovernmental Revenues	124,267,717	72,682,498	85,400,000	85,400,000	85,400,000	85,400,000	85,400,000
Investment Income	20,117	71,959	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Other Financing Sources	2,540,411	2,486,875	2,486,875	2,499,309	2,511,806	2,524,365	2,536,987
Miscellaneous Revenues	57,130	81,102	81,102	81,508	81,915	82,325	82,736
Fines & Forfeitures	-	-	-	-	-	-	-
Other Miscellaneous Revenue	(25,093,848)	-	201,460	201,460	201,460	201,460	201,460
<b>Total</b>	<b>\$556,821,587</b>	<b>\$514,650,481</b>	<b>\$516,003,632</b>	<b>\$518,161,327</b>	<b>\$520,326,940</b>	<b>\$522,499,658</b>	<b>\$524,760,190</b>



# PROJECTED REVENUE BY MAJOR CATEGORY

## Solid Waste Services Revenue Fund

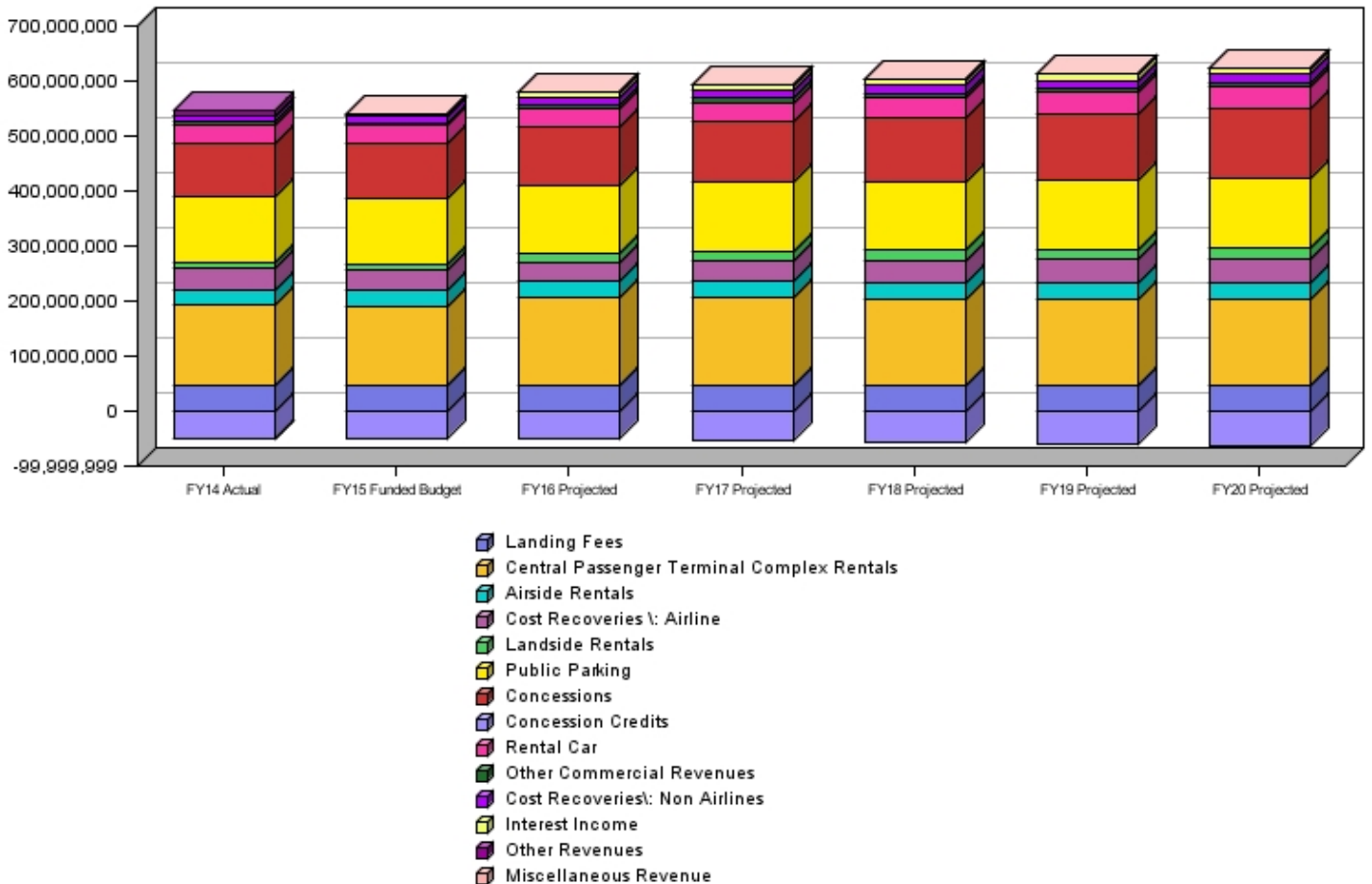
	FY14 Actual	FY15 Funded Budget	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected
Taxes	1,805,511	750,000	954,747	973,842	993,319	1,013,186	1,033,449
Charges For Services	53,760,351	52,122,546	54,258,340	54,665,389	55,074,607	55,486,005	55,899,600
Investment Income	25,689	-	102,984	105,043	107,144	109,287	111,473
Miscellaneous Revenues	-	490,480	-	-	-	-	-
Other Financing Sources	4,927	-	-	-	-	-	-
<b>Revenues</b>	<b>\$55,596,478</b>	<b>\$53,363,026</b>	<b>\$55,316,071</b>	<b>\$55,744,275</b>	<b>\$56,175,070</b>	<b>\$56,608,478</b>	<b>\$57,044,522</b>



# PROJECTED REVENUE BY MAJOR CATEGORY

## Airport Revenue Fund

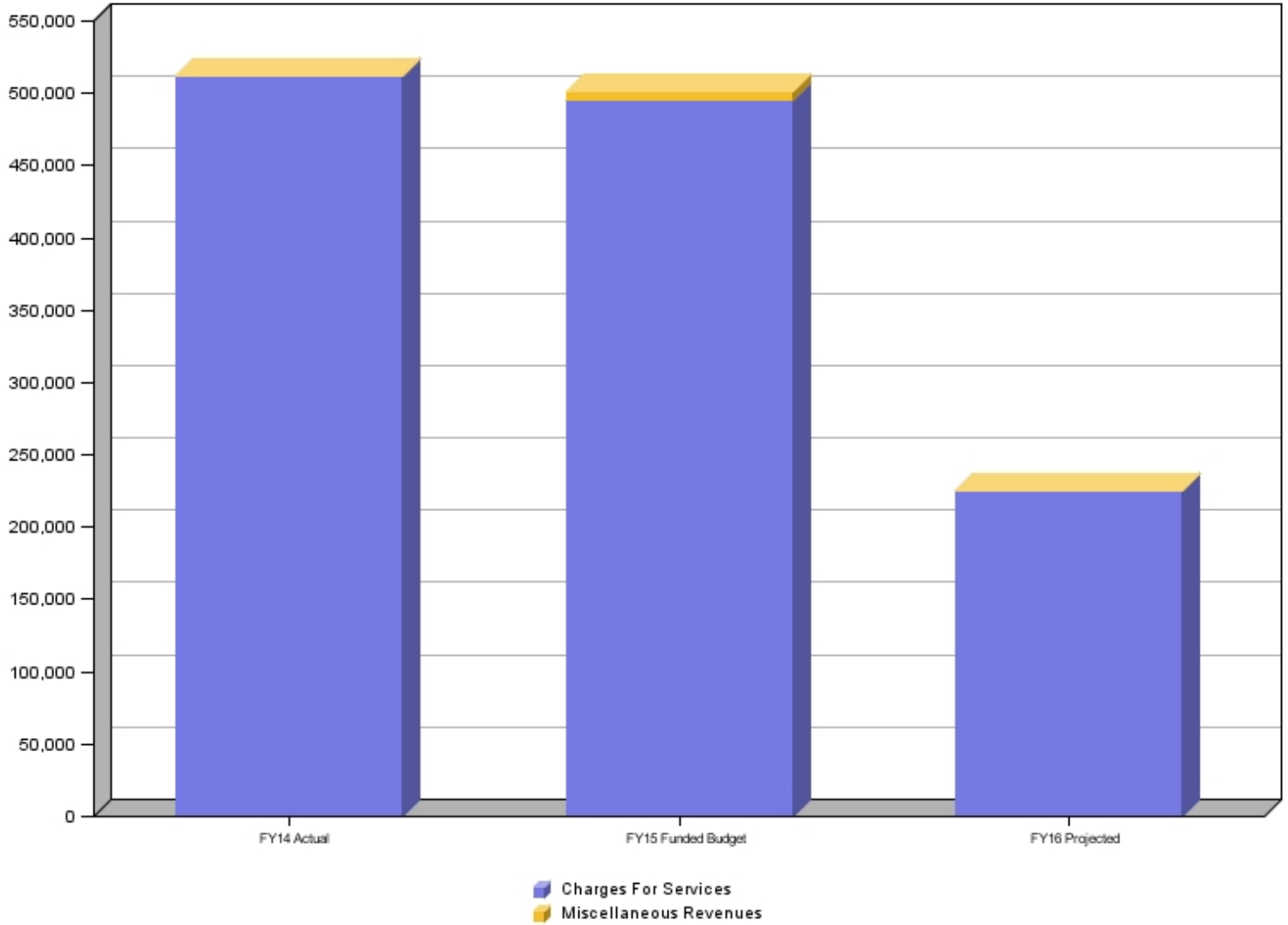
	FY14 Actual	FY15 Funded Budget	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected
<b>Aeronautical Revenues</b>							
Landing Fees	47,084,092	47,044,416	47,251,106	46,782,000	46,904,000	47,026,000	47,148,000
Central Passenger Terminal Complex Rentals	145,737,965	144,358,896	158,226,233	158,759,000	157,607,000	156,119,000	156,075,000
Airside Rentals	28,748,011	27,829,656	30,011,767	30,162,000	30,313,000	30,464,000	30,617,000
Cost Recoveries : Airline	37,753,656	36,581,208	35,190,658	38,461,000	40,027,000	41,653,000	43,340,000
<b>Sup-Total Aeronautical Revenues</b>	<b>259,323,725</b>	<b>255,814,176</b>	<b>270,679,764</b>	<b>274,164,000</b>	<b>274,851,000</b>	<b>275,262,000</b>	<b>277,180,000</b>
<b>Non-Aeronautical Revenues</b>							
Landside Rentals	11,844,599	12,042,324	16,419,325	17,484,000	17,562,000	17,839,000	18,040,000
Public Parking	118,461,572	120,007,260	122,288,000	123,701,000	125,144,000	126,587,000	128,030,000
Concessions	97,874,188	100,254,833	105,922,000	110,938,000	116,160,000	121,598,000	127,259,000
Concession Credits	-49,728,130	-51,129,965	-50,989,000	-53,508,000	-56,131,000	-58,862,000	-61,705,000
Rental Car	32,380,185	32,321,969	33,689,000	35,109,000	36,584,000	38,116,000	39,707,000
Other Commercial Revenues	5,285,720	3,319,300	7,752,001	7,810,000	7,870,000	7,931,000	7,993,000
Cost Recoveries: Non Airlines	11,865,816	11,937,924	12,443,000	12,969,000	13,514,000	14,079,000	14,665,000
Interest Income	864,652	-	10,194,000	10,395,000	10,603,000	10,819,000	11,043,000
Other Revenues	9,382,724	4,763,193	-	0	0	0	0
Miscellaneous Revenue	-420	-	-	-	-	-	-
<b>Sup-Total Non-Aeronautical Revenues</b>	<b>238,230,908</b>	<b>233,516,838</b>	<b>257,718,326</b>	<b>264,898,000</b>	<b>271,306,000</b>	<b>278,107,000</b>	<b>285,032,000</b>
<b>Revenues</b>	<b>497,554,632</b>	<b>489,331,014</b>	<b>528,398,090</b>	<b>539,062,000</b>	<b>546,157,000</b>	<b>553,369,000</b>	<b>562,212,000</b>



# PROJECTED REVENUE BY MAJOR CATEGORY

## Parks Facilities Revenue Fund

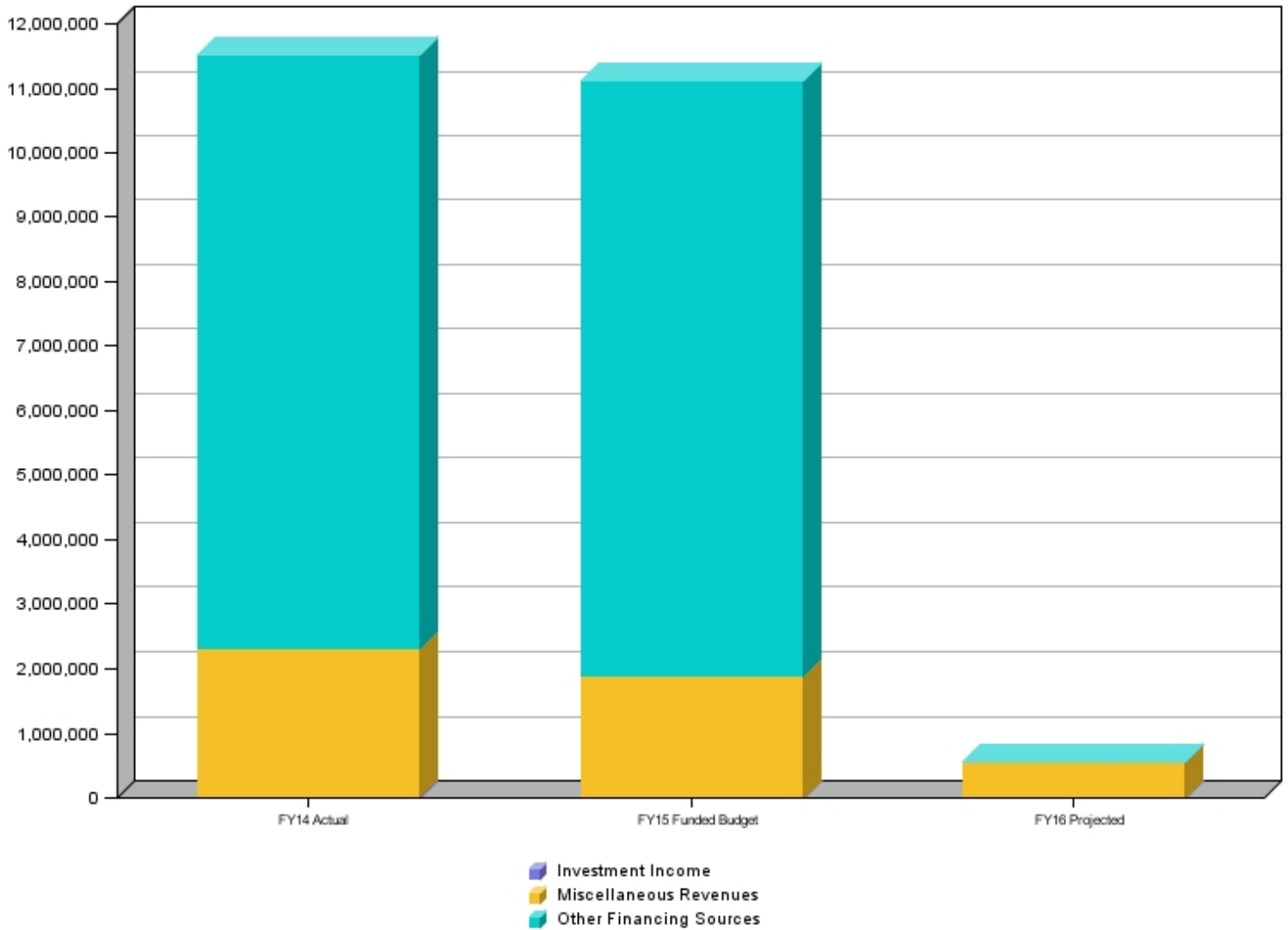
	FY14 Actual	FY15 Funded Budget	FY16 Projected
Charges For Services	512,630	496,017	225,000
Miscellaneous Revenues	-	5,837	-
<b>Revenues</b>	<b>\$512,630</b>	<b>\$501,854</b>	<b>\$225,000</b>



# PROJECTED REVENUE BY MAJOR CATEGORY

## Underground Atl Facil Revenue Fund

	FY14 Actual	FY15 Funded Budget	FY16 Projected
Investment Income	24,046	-	-
Miscellaneous Revenues	2,309,199	1,887,608	570,000
Other Financing Sources	9,196,742	9,221,946	-
<b>Revenues</b>	<b>\$11,529,987</b>	<b>\$11,109,554</b>	<b>\$570,000</b>

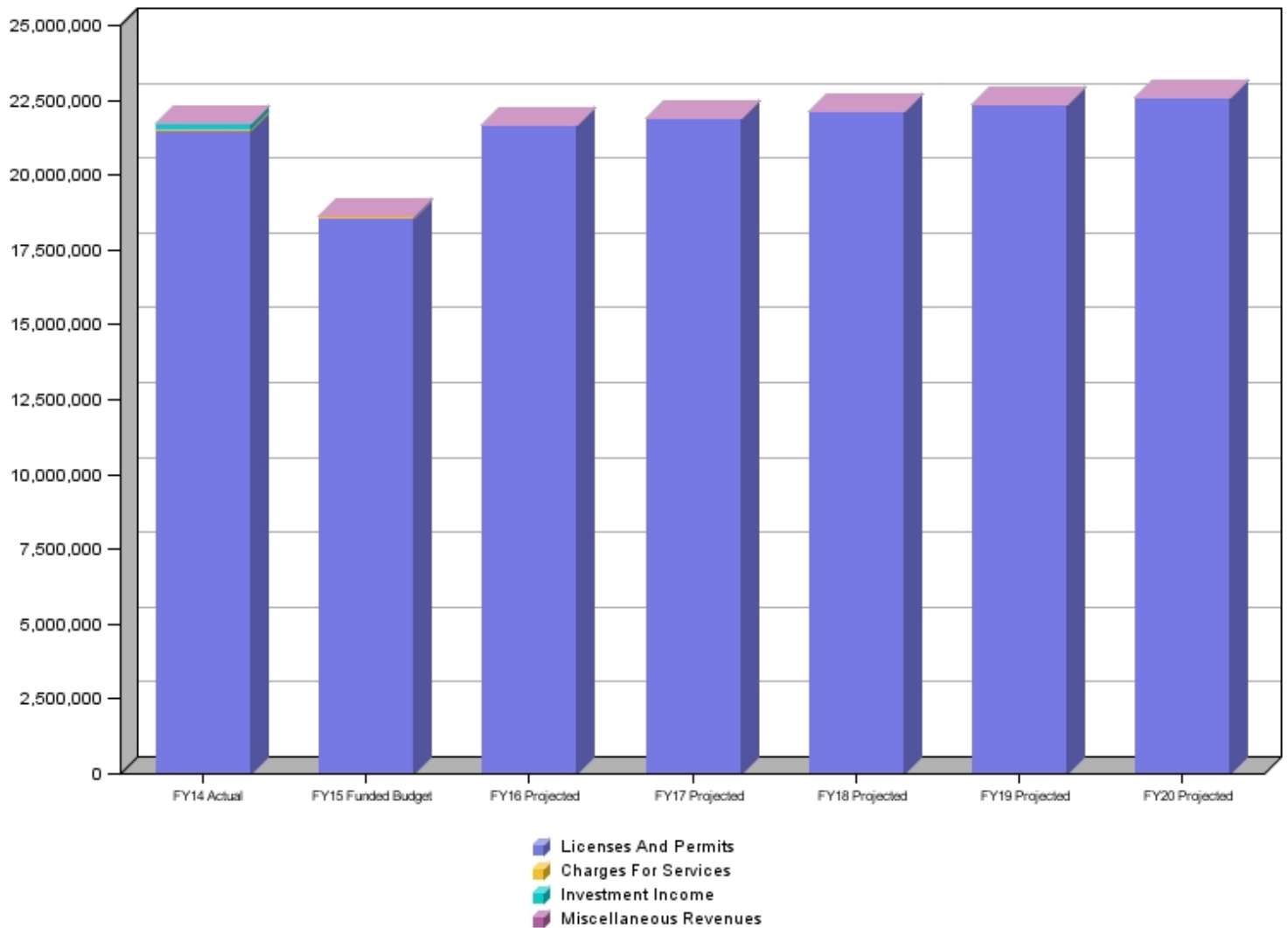




# PROJECTED REVENUE BY MAJOR CATEGORY

## Building Permits Fund

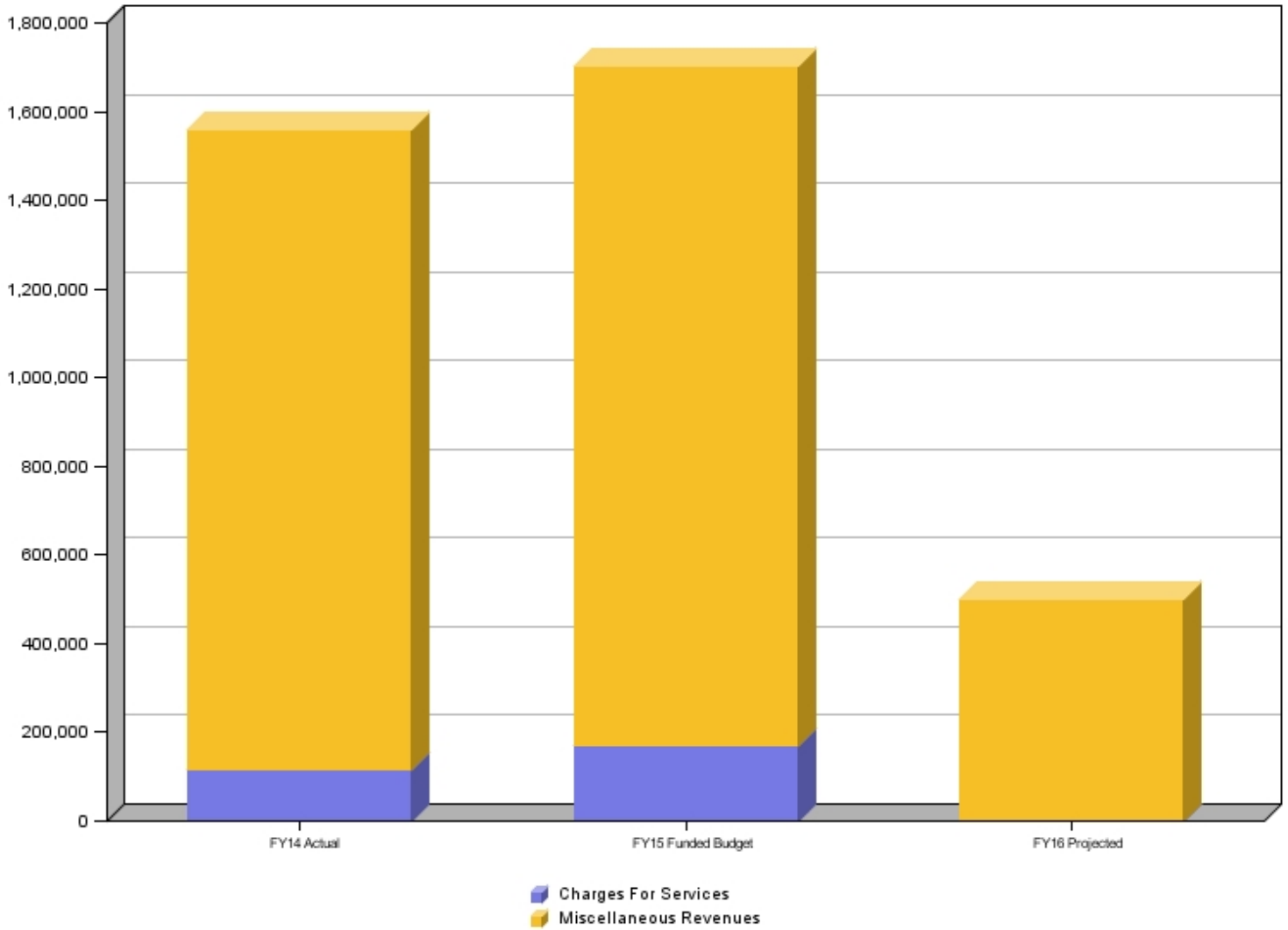
	FY14 Actual	FY15 Funded Budget	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected
Licenses And Permits	21,483,990	18,603,306	21,698,831	21,913,429	22,130,173	22,349,084	22,570,186
Charges For Services	57,005	45,333	1,395	1,409	1,423	1,437	1,451
Investment Income	215,841	-	-	-	-	-	-
Miscellaneous Revenues	-	12,588	-	-	-	-	-
<b>Revenues</b>	<b>\$21,756,836</b>	<b>\$18,661,227</b>	<b>\$21,700,226</b>	<b>\$21,914,838</b>	<b>\$22,131,596</b>	<b>\$22,350,521</b>	<b>\$22,571,637</b>



# PROJECTED REVENUE BY MAJOR CATEGORY

## Civic Center Revenue Fund

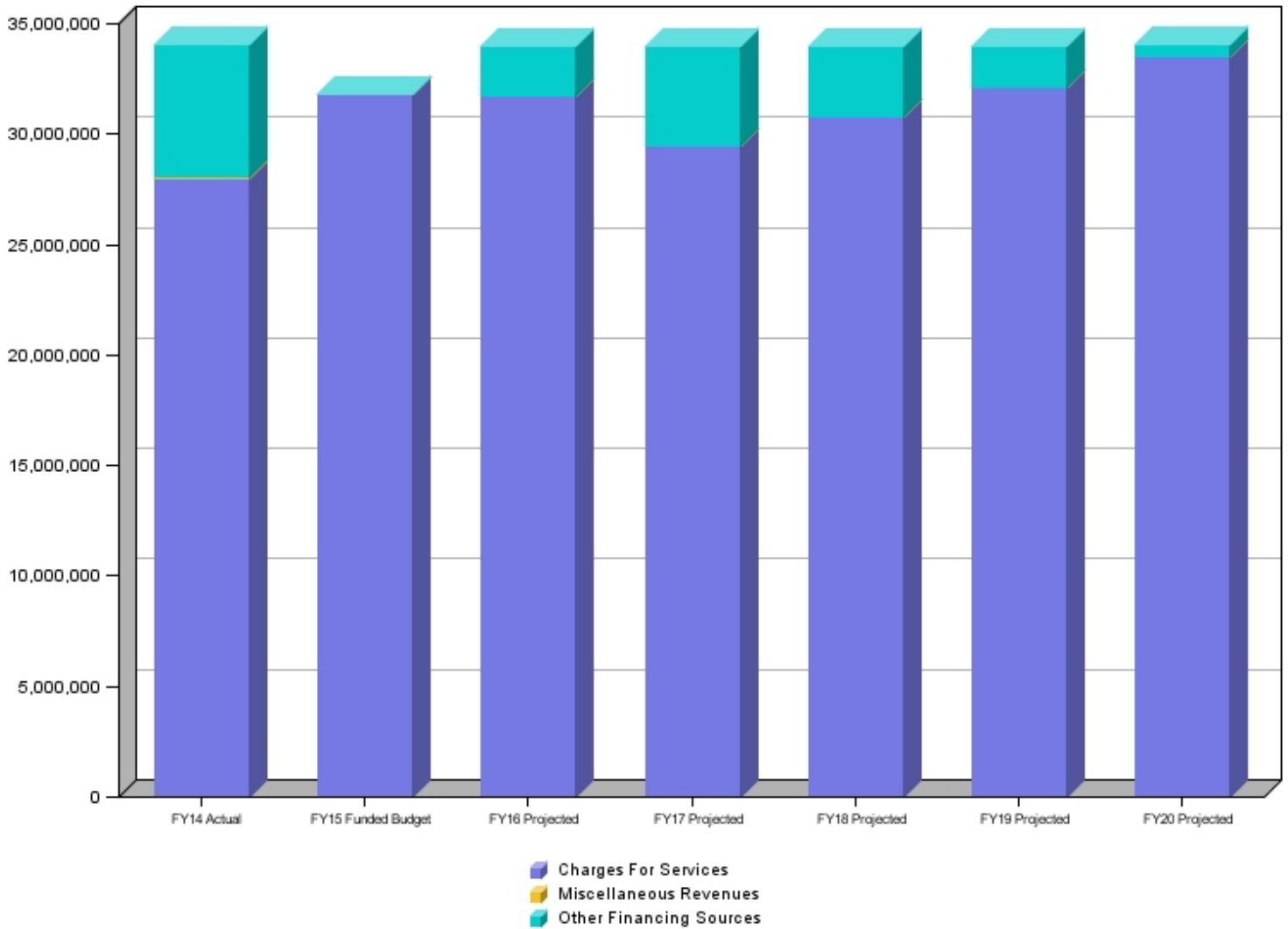
	FY14 Actual	FY15 Funded Budget	FY16 Projected
Charges For Services	115,548	172,560	-
Miscellaneous Revenues	1,444,782	1,530,145	500,000
<b>Revenues</b>	<b>\$1,560,330</b>	<b>\$1,702,705</b>	<b>\$500,000</b>



# PROJECTED REVENUE BY MAJOR CATEGORY

## Fleet Service Fund

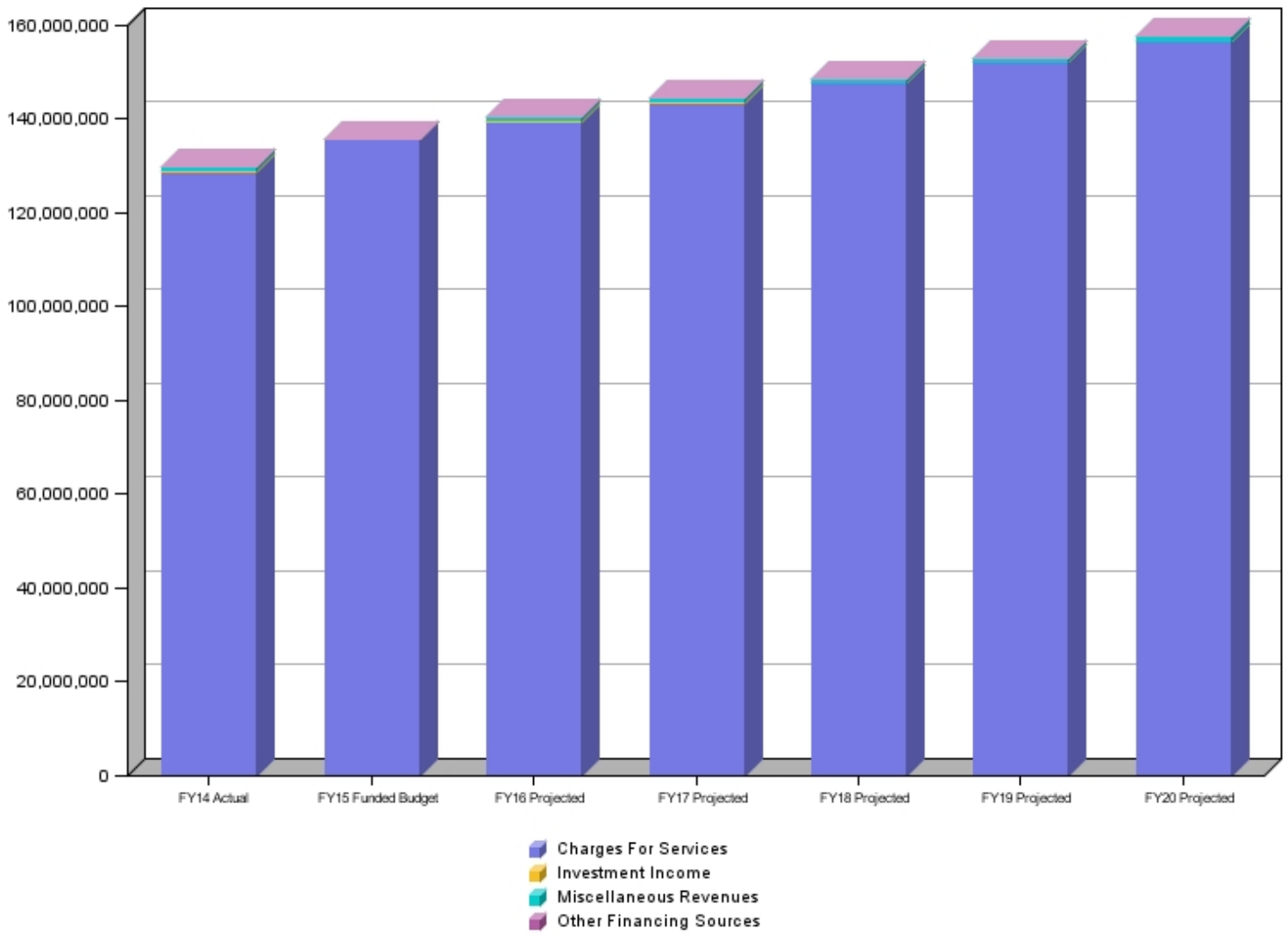
	FY14 Actual	FY15 Funded Budget	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected
Charges For Services	28,032,485	31,820,970	31,727,719	29,476,209	30,773,390	32,121,160	33,521,492
Miscellaneous Revenues	21,947	4,428	-	-	-	-	-
Other Financing Sources	6,000,000	-	2,293,783	4,524,146	3,181,251	1,873,716	515,383
<b>Revenues</b>	<b>\$34,054,432</b>	<b>\$31,825,398</b>	<b>\$34,021,502</b>	<b>\$34,000,355</b>	<b>\$33,954,641</b>	<b>\$33,994,876</b>	<b>\$34,036,875</b>



# PROJECTED REVENUE BY MAJOR CATEGORY

## Group Insurance Fund

	FY14 Actual	FY15 Funded Budget	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected
Charges For Services	128,898,318	135,606,366	139,632,591	143,582,800	147,780,145	152,167,293	156,753,223
Investment Income	113,668	-	99,148	99,148	99,148	99,148	99,148
Miscellaneous Revenues	889,072	3,086	886,762	886,762	886,762	886,762	886,762
Other Financing Sources	0	31,967	33,563	33,563	33,563	33,563	33,563
<b>Revenues</b>	<b>\$129,901,058</b>	<b>\$135,641,419</b>	<b>\$140,652,064</b>	<b>\$144,602,273</b>	<b>\$148,799,618</b>	<b>\$153,186,766</b>	<b>\$157,772,696</b>





FIVE-YEAR  
EXPENDITURE  
OVERVIEW AND  
PROJECTIONS

EXPENDITURE AND FORECAST SUMMARY

FUND AND DEPARTMENTAL PROJECTIONS

PROPOSED INFRASTRUCTURE BOND

FIVE YEAR PLAN

# EXPENDITURE ASSUMPTIONS AND FORECAST

As mandated in Ordinance 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 FY2016 to FY2020 were based on actual expenditures through the month of December and the FY2015 budget for the months of January 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 FY2016 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 FY2015 actual expenses through December and budget for the months of January 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 from the FY2015 Adopted budget amount of \$61.8M to \$64.8M, 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).

Plan	FY14 ARC	FY15 ARC	FY16 ARC	YOY INCR
Defined Benefit (General)	\$42.1M	\$53.3M	\$58.4M	\$5.1M
Defined Benefit (Police)	\$30.2M	\$31.4M	\$32.6M	\$ 1.2M
Defined Benefit (Fire)	\$20.7M	\$21.5M	\$22.3M	\$ 0.8M
<b>Total</b>	<b>\$93.0M</b>	<b>\$106.2M</b>	<b>\$113.3M</b>	<b>\$7.1M</b>

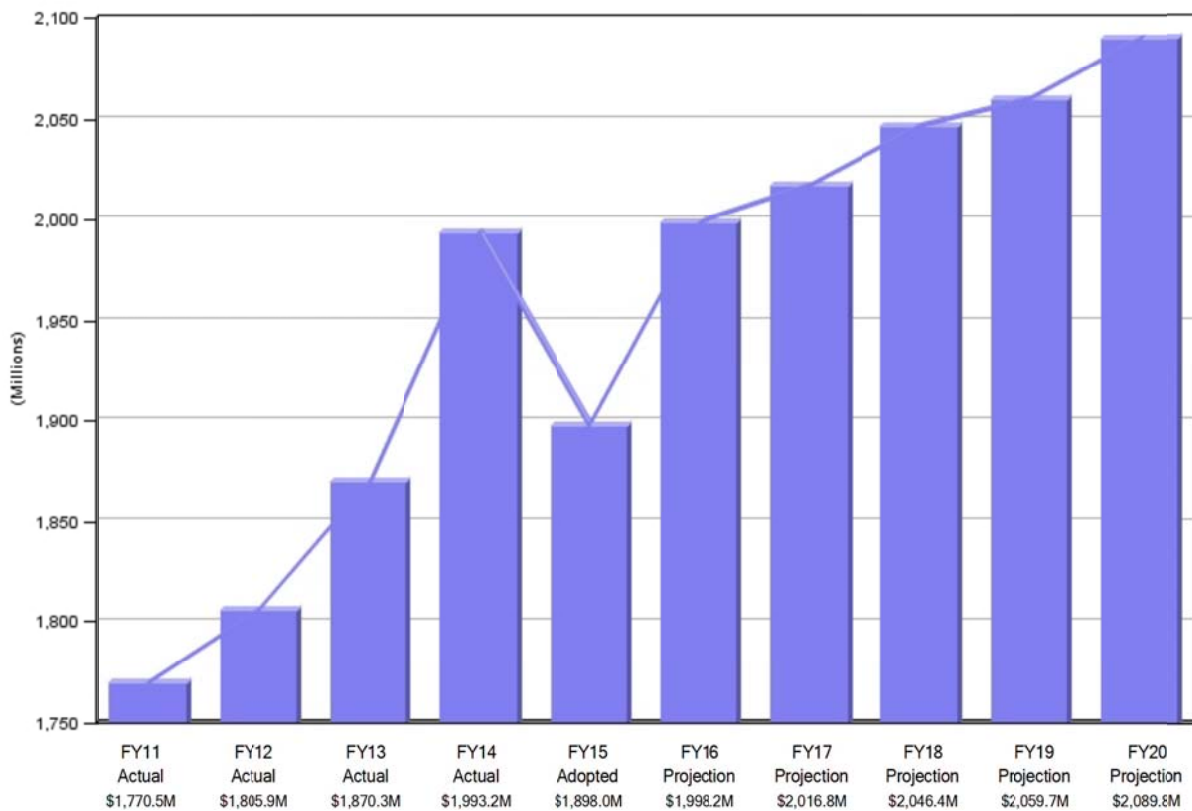
- Citywide, the **workers' compensation** requirement is projected to decrease beginning in FY2017 due to efforts initiated under the Blue Ribbon Commission. The City will continue its effort in safety programs and other citywide initiatives, and monitor the impact on the number of projected workers' compensation claims.
- Citywide, **utilities** (natural gas and electricity) are projected to increase by 1.1% and 2.1% for FY2016 based on the total FY2014 utilization. Traffic signals and street lights budgets are projected to increase by 2.1% for FY2016 with slight increases FY2017 to FY2020.
- FY2016, **Water and Sewer** budget is projected to remain at the same levels as the total FY2014 utilization (no rate increase). No increases are projected for fiscal years 2017 to 2020.

- Fuel and maintenance** projections are based on FY2014 utilization. The FY2016 projection for fuel increased by 10%, and maintenance increased by 15%. No increases are projected for fiscal years 2017 to 2020 as the Department determines how it can gain efficiencies through fleet replacement and quantity reductions.

**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 funding to address the City’s infrastructure, demolition, 1% pay increases, and continued funding for public safety.

**TOTAL EXPENDITURE PROJECTION GRAPH**  
Operating





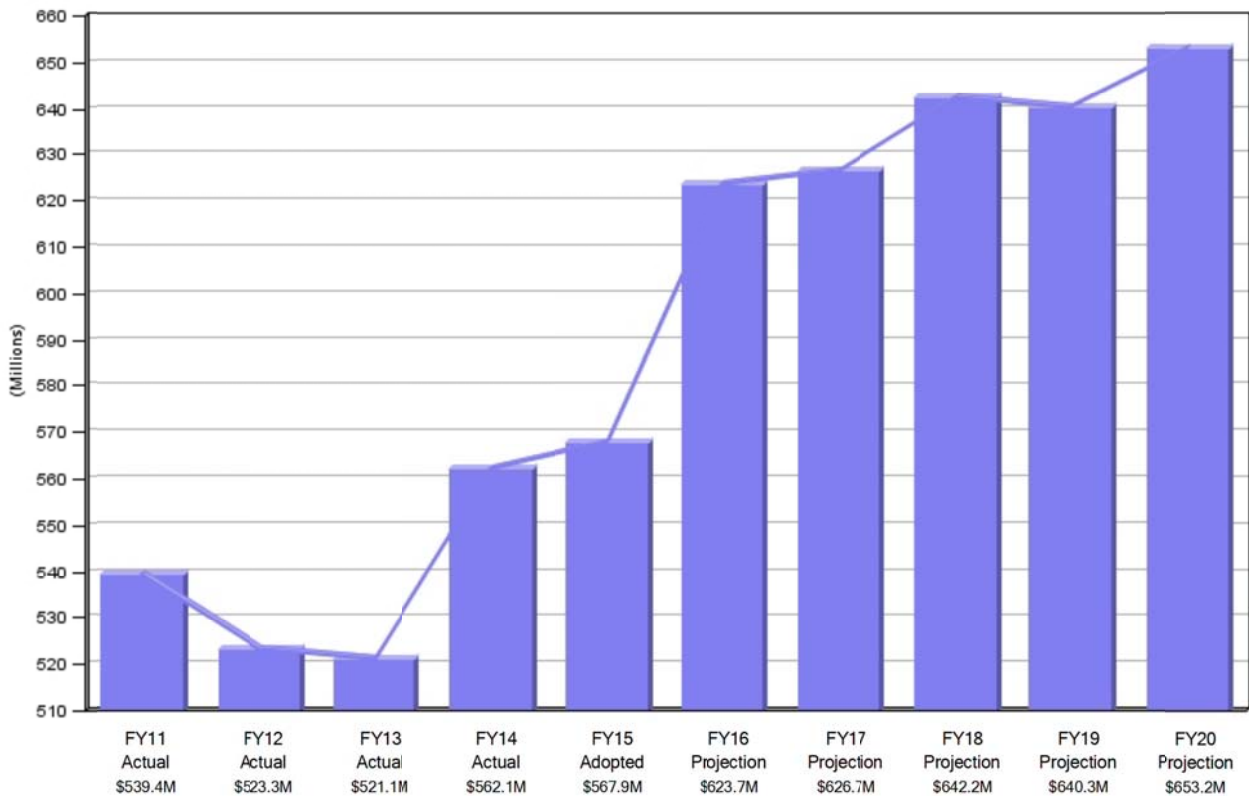
## TOTAL GENERAL FUNDS EXPENDITURE PROJECTION

The purpose of budgeting for a reserve was to build general fund balance to at least \$100MM and resolve the capital fund deficit. While the goal of the general fund reserve target has been surpassed, (as of June 30, 2014, the general fund reserves totaled \$142MM), efforts remain to address 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.

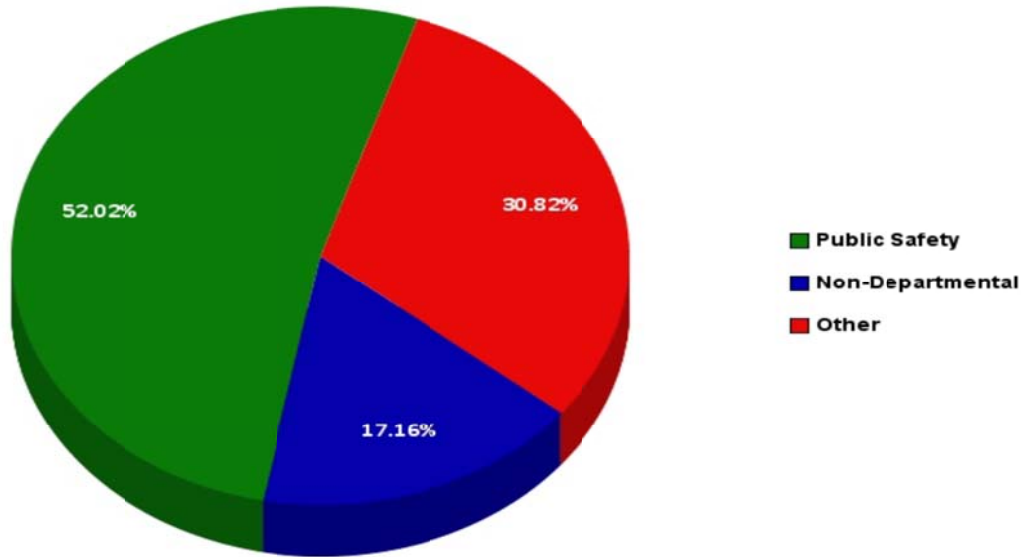
The five year plan also includes a subsidy to E911, one of the City of Atlanta's deficit funds. The subsidy for FY2016 is \$6.2MM which provides support to E911 operations and efforts to address the fund's deficit.

Other items in the FY2016 budget include support for Invest Atlanta, an increased budgeted amount for Other Post Employment Benefits (OPEB), and the Affordable Care Act.

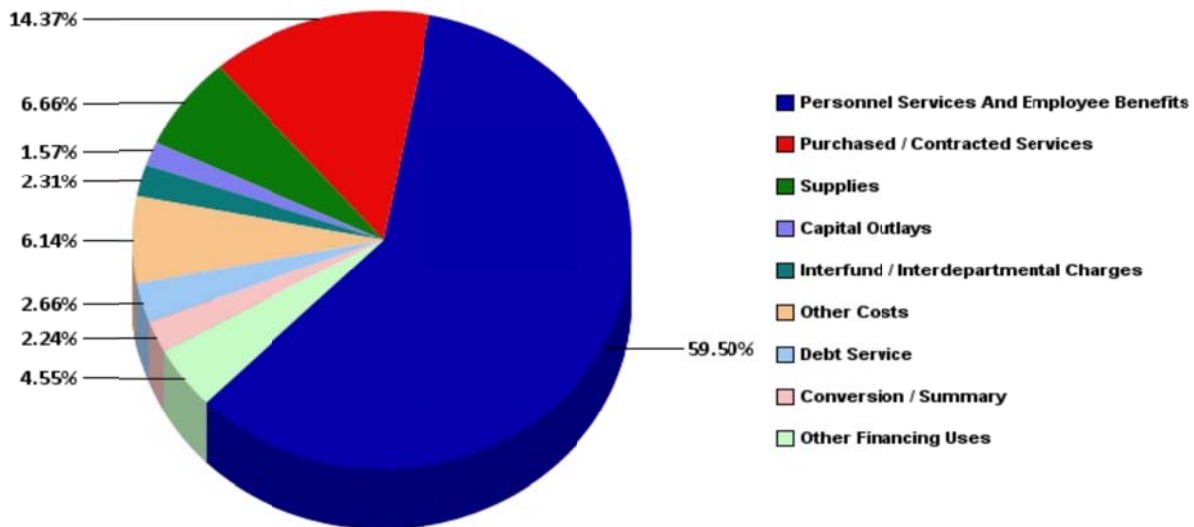
**TOTAL EXPENDITURE PROJECTION GRAPH**  
General Fund



**GENERAL FUND FY2016 BASELINE EXPENDITURE PROJECTION  
BY MAJOR DEPARTMENTAL CATEGORY**



Sixty-nine percent or 69.18% 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 31%.



Sixty percent or 59.5% of the general fund budget is comprised of Personnel expenses, of which Police Services is 43% and Fire & Rescue Services is 20% 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.



# 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**

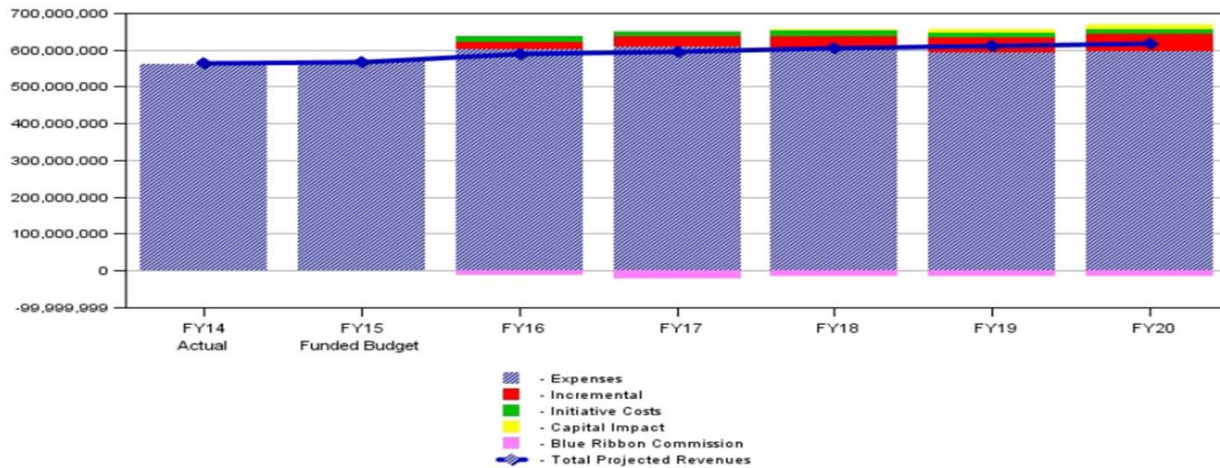
- City Council
- Executive Offices
- Information Technology
- Law
- Corrections
- Finance
- Procurement
- Public Works
- Parks, Recreation & Cultural Affairs
- Judicial – Municipal Court Operations
- Non-Departmental
- Human Resources
- Fire & Rescue
- Police Services
- Planning and Community Development
- 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 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

### General Fund - Five Year Plan

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.



	Actual	Budget	FY16	FY17	FY18	FY19	FY20	Plan Years
<b>Total Projected Revenues</b>	\$565,937,565	\$567,938,805	\$588,421,381	\$597,047,441	\$604,074,427	\$611,189,497	\$618,393,828	\$3,019,126,575
Expenses	\$562,116,165	\$567,938,802	\$601,240,274	\$609,325,985	\$605,235,806	\$593,614,107	\$595,071,799	\$3,004,487,971
<b>Projected Revenues Over(Under) Expenses</b>	<b>\$3,821,400</b>	<b>\$3</b>	<b>(\$12,818,893)</b>	<b>(\$12,278,544)</b>	<b>(\$1,161,379)</b>	<b>\$17,575,390</b>	<b>\$23,322,029</b>	<b>\$14,638,604</b>
<b>Incremental</b>								
Executive - Retired Officers, Cafeteria Maint.	-	-	\$783,964	\$783,964	\$783,964	\$468,964	\$468,964	\$3,289,820
Information Technology - New maintenance	-	-	\$3,577,274	\$3,577,274	\$3,577,274	\$3,877,274	\$3,877,274	\$18,486,370
Law- Computer upgrades & prof. development	-	-	\$334,860	\$334,860	\$334,860	\$334,860	\$334,860	\$1,674,300
Corrections -Inmate Commissary Services contrac	-	-	\$751,243	\$1,182,896	\$1,182,896	\$1,212,896	\$1,182,896	\$5,512,827
Finance - Origami, Blackline and CAFR/PAFR	-	-	\$100,480	\$100,480	\$100,480	\$100,480	\$100,480	\$502,400
Public Works - Infrastructure Maintenance	-	-	\$5,855,726	\$8,730,288	\$11,781,814	\$14,906,270	\$21,236,809	\$62,510,907
Parks - Printer lease, security cameras, HVAC	-	-	\$2,763,789	\$2,763,789	\$2,763,789	\$2,763,789	\$2,763,789	\$13,818,945
Courts - 3 additional positions, video system	-	-	\$449,033	\$199,033	\$199,033	\$199,033	\$199,033	\$1,245,165
Nondepartmental -1% Increase Pay Raise	-	-	\$2,493,712	\$4,999,774	\$7,518,248	\$10,049,195	\$12,592,678	\$37,653,607
HR - pre -employment, LinkedIn	-	-	\$5,827	\$5,827	\$5,827	\$5,827	\$5,827	\$29,135
Fire - Wellness Program & Sworn officers	-	-	\$728,679	\$728,679	\$728,679	\$728,679	\$728,679	\$3,643,395
Police - Demolition	-	-	\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000	\$15,000,000
Solicitor's Office - positions, supplies, postage	-	-	\$344,586	\$344,586	\$344,586	\$344,586	\$344,586	\$1,722,930
Ethics - new position & salary increase	-	-	\$112,084	\$131,090	\$150,857	\$171,414	\$192,794	\$758,239
Audit - audit work & investigative work	-	-	\$72,889	\$90,054	\$96,007	\$107,769	\$107,340	\$468,059
Public Defender - lease for new space & increase	-	-	\$167,574	\$167,574	\$167,574	\$167,574	\$167,574	\$837,870
<b>Total Incremental</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,541,720</b>	<b>\$26,140,168</b>	<b>\$32,735,888</b>	<b>\$39,432,610</b>	<b>\$49,303,583</b>	<b>\$167,153,968</b>
<b>Initiative Costs</b>								
Executive - City Re-stacking plans	-	-	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
IT - network, hardware, telephone, fiber optics	-	-	\$8,030,668	\$8,030,666	\$8,030,666	\$6,464,000	\$6,164,000	\$36,720,000
Corrections - Inmate Clean & Close Detail	-	-	\$442,000	\$442,000	\$442,000	\$322,000	\$322,000	\$1,970,000
Public Works - Milling program	-	-	\$1,218,310	\$1,218,310	\$1,218,310	\$1,218,310	\$1,218,310	\$6,091,550
Parks - Afterschool program	-	-	\$1,137,000	\$1,137,000	\$1,137,000	\$1,137,000	\$1,137,000	\$5,685,000
Fire - EMS service & defibrillators	-	-	\$3,886,493	\$2,396,318	\$2,396,318	\$2,396,318	\$2,396,318	\$13,471,765
Solicitor- Daily Duty Solicitor's Unit	-	-	\$460,000	\$460,000	\$460,000	\$460,000	\$460,000	\$2,300,000
<b>Total Initiative Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,374,471</b>	<b>\$13,884,294</b>	<b>\$13,884,294</b>	<b>\$12,197,628</b>	<b>\$11,897,628</b>	<b>\$67,238,317</b>
Capital Impact	\$0	\$0	\$0	\$0	\$4,895,965	\$9,600,000	\$11,450,000	\$25,945,965
Blue Ribbon Commission	\$0	\$0	(\$12,471,497)	(\$22,663,689)	(\$14,513,747)	(\$14,513,658)	(\$14,513,658)	(\$78,676,248)
<b>Total Projected Expenses</b>	<b>\$562,116,165</b>	<b>\$567,938,802</b>	<b>\$623,684,969</b>	<b>\$626,686,758</b>	<b>\$642,238,206</b>	<b>\$640,330,688</b>	<b>\$653,209,352</b>	<b>\$3,186,149,972</b>
<b>Revenues Over(Under) Expenses</b>	<b>\$3,821,399</b>	<b>\$3</b>	<b>(\$35,263,587)</b>	<b>(\$29,639,317)</b>	<b>(\$38,163,779)</b>	<b>(\$29,141,190)</b>	<b>(\$34,815,524)</b>	<b>(\$167,023,397)</b>
<b>Variance %</b>	<b>1%</b>	<b>0%</b>	<b>(6%)</b>	<b>(5%)</b>	<b>(6%)</b>	<b>(5%)</b>	<b>(6%)</b>	<b>(6%)</b>

**Revenue Overview:**

The FY2016 General Fund Revenue Anticipation is \$588MM. This amount includes \$573MM in normal General Fund revenues and \$15MM related to Blue Ribbon Commission revenue-generating projects.

**Expense Overview:**

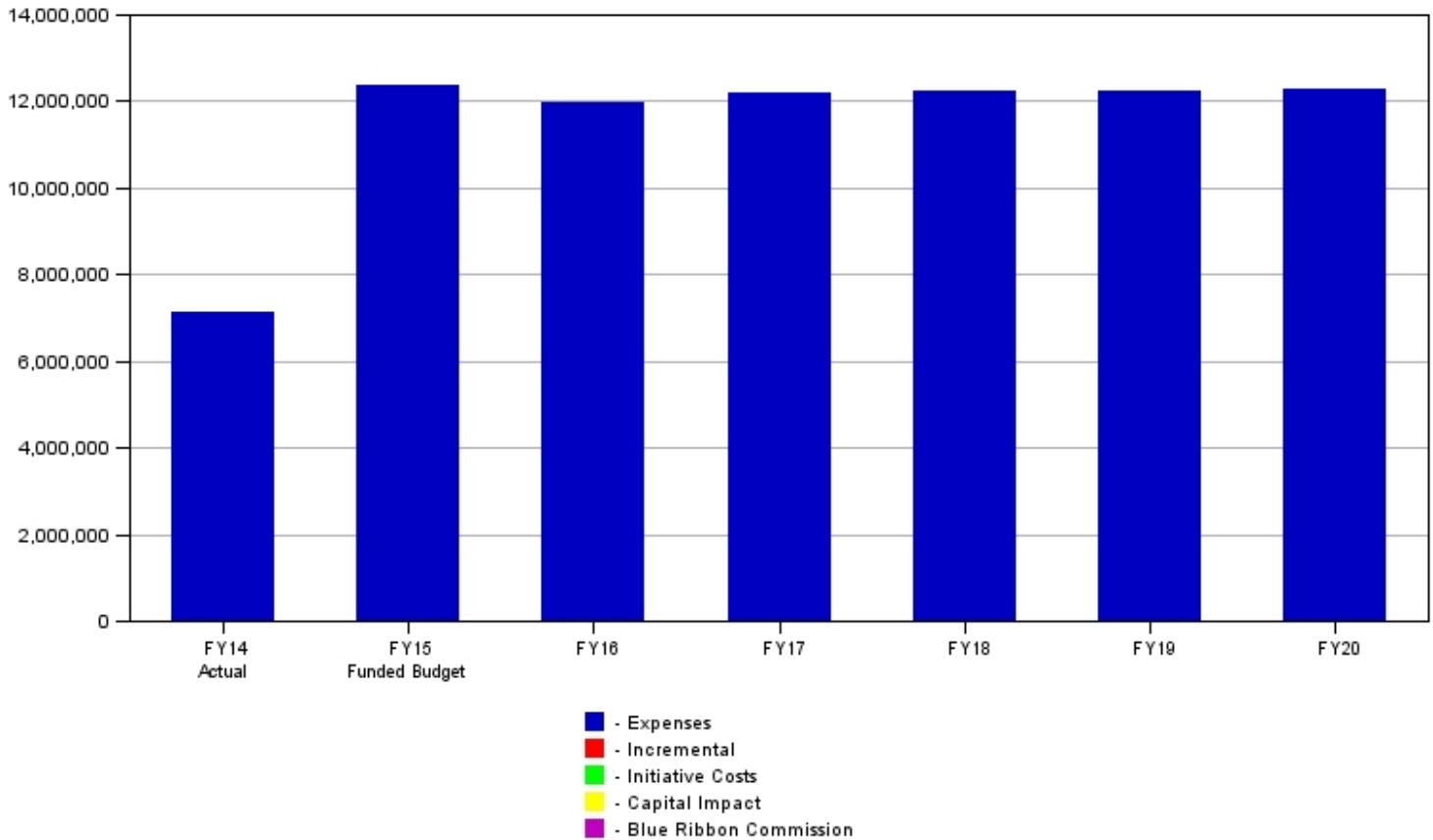
The FY2016 General Fund projected expenses are \$624MM. This includes: Savings related to the Blue Ribbon Commission Study; capital impact cost to address the City infrastructure backlog through the proposed \$250MM bond issuance; and a 1% salary increase.

**Incremental** - Known items that needed to be included to ensure appropriate funding and increases in items that were previously budgeted.

**Initiatives** - Includes costs related to the Mayor's six strategic initiatives.

## General Fund - City Council

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.

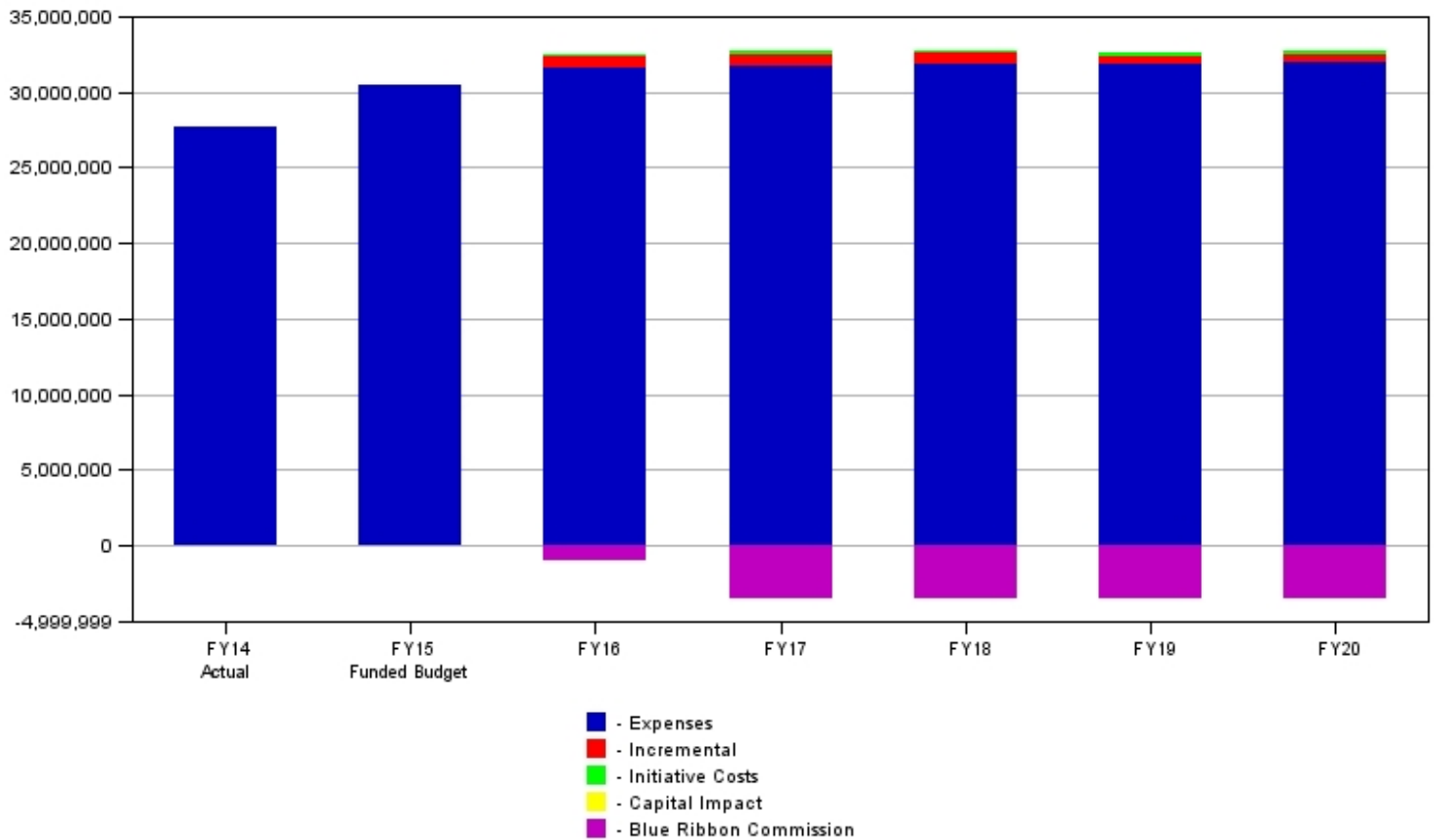


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$7,147,416	\$12,384,572	\$11,985,008	\$12,211,109	\$12,228,891	\$12,247,996	\$12,285,349	\$60,958,354
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$7,147,416</b>	<b>\$12,384,572</b>	<b>\$11,985,008</b>	<b>\$12,211,109</b>	<b>\$12,228,891</b>	<b>\$12,247,996</b>	<b>\$12,285,349</b>	<b>\$60,958,354</b>

- Expenses** - Expenditures reflect salaries per legislation, postage and councilmember expenses per code, and Council Carry Forward within each Council District Office.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## General Fund - Executive Offices

The Department of Executive Offices mission is to communicate and implement the policy and program agenda of the Mayor. The Offices are responsible for providing leadership with City government to effectively accomplish and execute the laws of the City.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$27,643,441	\$30,502,953	\$31,562,433	\$31,744,492	\$31,814,163	\$31,890,990	\$32,005,254	\$159,017,331
Incremental	\$0	\$0	\$783,964	\$783,964	\$783,964	\$468,964	\$468,964	\$3,289,820
Initiative Costs	\$0	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$938,959)	(\$3,438,408)	(\$3,438,279)	(\$3,438,280)	(\$3,438,280)	(\$14,692,206)
<b>Total Projected Expenses</b>	<b>\$27,643,441</b>	<b>\$30,502,953</b>	<b>\$31,607,438</b>	<b>\$29,290,048</b>	<b>\$29,359,848</b>	<b>\$29,121,674</b>	<b>\$29,235,937</b>	<b>\$148,614,945</b>

**Expenses**

- Expenses over the next five years include amounts related to salary adjustments, Drive Cam devices and contract related items.

**Incremental**

- The incremental amount includes additional funding for Hansen Maintenance, Rycars Roofing, Retired APD Officers, City Hall Cafeteria maintenance cost.

**Initiative Costs**

- Initiative includes cost related to the City Re-stacking plan.

**Capital Impact**

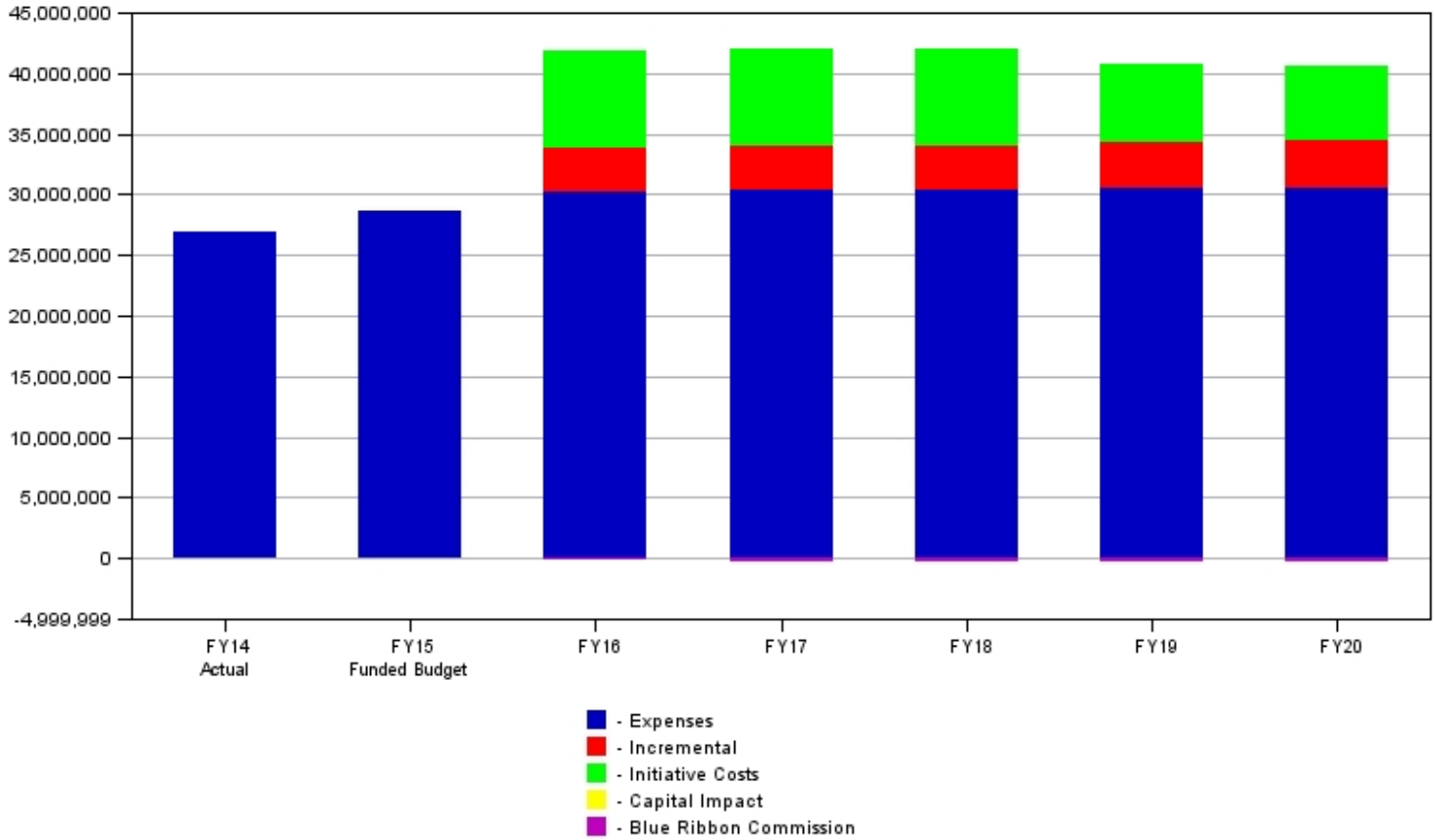
- N/A

**Blue Ribbon Commission**

- Blue Ribbon Commission includes savings related to the hiring freeze, workers' comp, Healthcare Optimization, fuel, utilities, maintenance and supplies cost.

## General Fund - Department Of Information Technology

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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$26,874,889	\$28,654,255	\$30,237,655	\$30,362,678	\$30,411,143	\$30,462,407	\$30,531,939	\$152,005,823
Incremental	\$0	\$0	\$3,577,274	\$3,577,274	\$3,577,274	\$3,877,274	\$3,877,274	\$18,486,370
Initiative Costs	\$0	\$0	\$8,030,668	\$8,030,666	\$8,030,666	\$6,464,000	\$6,164,000	\$36,720,000
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$136,668)	(\$210,356)	(\$210,293)	(\$210,293)	(\$210,293)	(\$977,902)
<b>Total Projected Expenses</b>	<b>\$26,874,889</b>	<b>\$28,654,255</b>	<b>\$41,708,929</b>	<b>\$41,760,263</b>	<b>\$41,808,790</b>	<b>\$40,593,389</b>	<b>\$40,362,921</b>	<b>\$206,234,291</b>

**Expenses**

- Over the next five years, the endeavors within this five year plan are to consolidate services, contracts and strengthen the City's technology framework.

**Incremental**

- Incremental request includes new position requests and ongoing maintenance related to the Identity Management and Telephone upgrade initiatives.

**Initiative Costs**

- This amount includes costs related to network, hardware, telephone network, and fiber optic upgrades. Also included in this amount are costs related to PC refresh among General Fund departments.

**Capital Impact**

- N/A

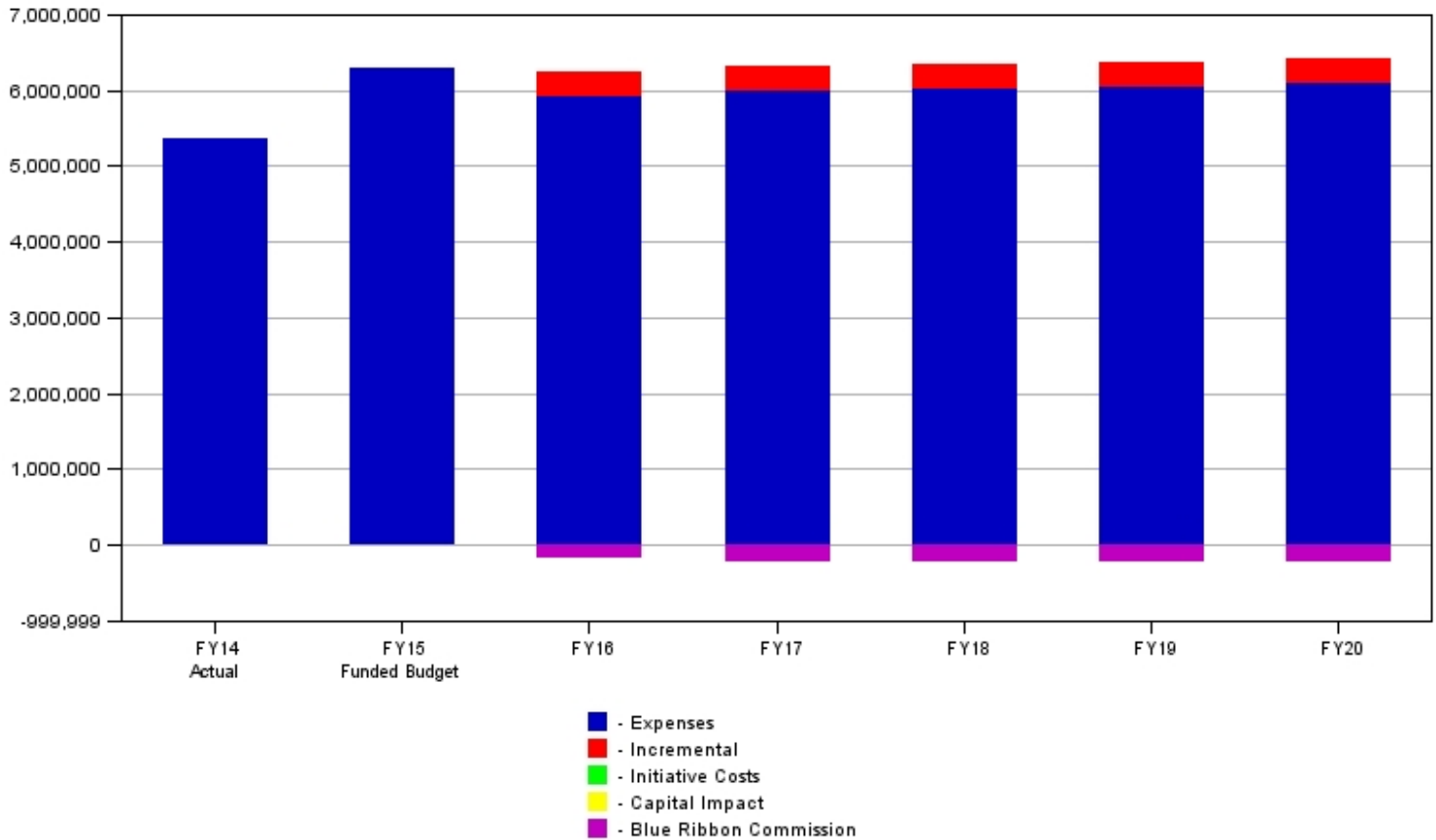
**Blue Ribbon Commission**

- This amount represents savings related to the hiring freeze, workers' compensation costs, and Healthcare Optimization.



## General Fund - Department Of Law

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 Department works proactively to prevent legal challenges by delivering sound advice, legislation and training.

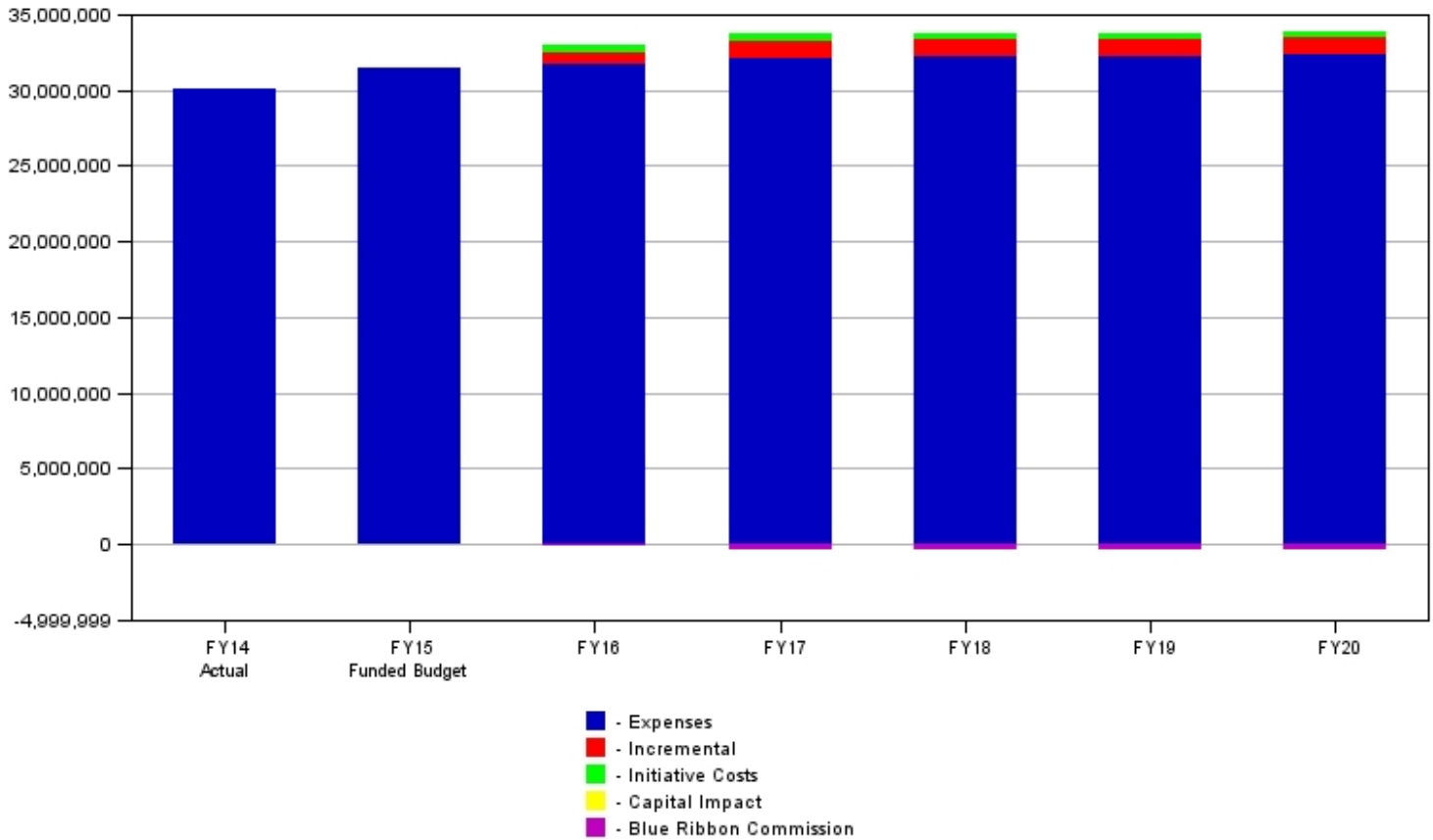


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$5,360,830	\$6,306,645	\$5,917,532	\$5,993,387	\$6,019,664	\$6,047,425	\$6,085,302	\$30,063,310
Incremental	\$0	\$0	\$334,860	\$334,860	\$334,860	\$334,860	\$334,860	\$1,674,300
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$173,021)	(\$208,593)	(\$208,560)	(\$208,560)	(\$208,560)	(\$1,007,294)
<b>Total Projected Expenses</b>	<b>\$5,360,830</b>	<b>\$6,306,645</b>	<b>\$6,079,371</b>	<b>\$6,119,654</b>	<b>\$6,145,964</b>	<b>\$6,173,725</b>	<b>\$6,211,602</b>	<b>\$30,730,316</b>

- Expenses** - The General Fund Expense over the next five years includes funding related to technology upgrades, Continuing Legal Education and outside counsel.
- Incremental** - Incremental funding is required for computer upgrades, professional development and professional services.
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - Blue Ribbon Commission includes savings related to the hiring freeze, Healthcare Optimization and supply cost.

## General Fund - Department Of Corrections

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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$30,140,360	\$31,529,988	\$31,745,923	\$32,087,198	\$32,177,162	\$32,178,235	\$32,333,335	\$160,521,853
Incremental	\$0	\$0	\$751,243	\$1,182,896	\$1,182,896	\$1,212,896	\$1,182,896	\$5,512,827
Initiative Costs	\$0	\$0	\$442,000	\$442,000	\$442,000	\$322,000	\$322,000	\$1,970,000
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$92,254)	(\$288,090)	(\$287,963)	(\$287,963)	(\$287,963)	(\$1,244,232)
<b>Total Projected Expenses</b>	<b>\$30,140,360</b>	<b>\$31,529,988</b>	<b>\$32,846,913</b>	<b>\$33,424,004</b>	<b>\$33,514,095</b>	<b>\$33,425,168</b>	<b>\$33,550,268</b>	<b>\$166,760,447</b>

**Expenses**

- Increases over the next five years includes the Citywide Security Guard services contract which moved from the Trust Fund to the General Fund.

**Incremental**

- Funding to meet mandates of the Prison Rape Elimination Act (PREA) and Inmate Commissary Services Contract moved to General Fund from Jail Trust Fund.

**Initiative Costs**

- Lease for the relocation of the Office of Professional Standards, replacement of 50 hand held radios, expansion of Inmate Clean and Close Detail, maintenance and data storage fees for body worn cameras.
- Development, maintenance and hosting of a Department of Corrections website, in order to aid stakeholders and the 311 Center in obtaining information on individuals being detained in the facility.

**Capital Impact**

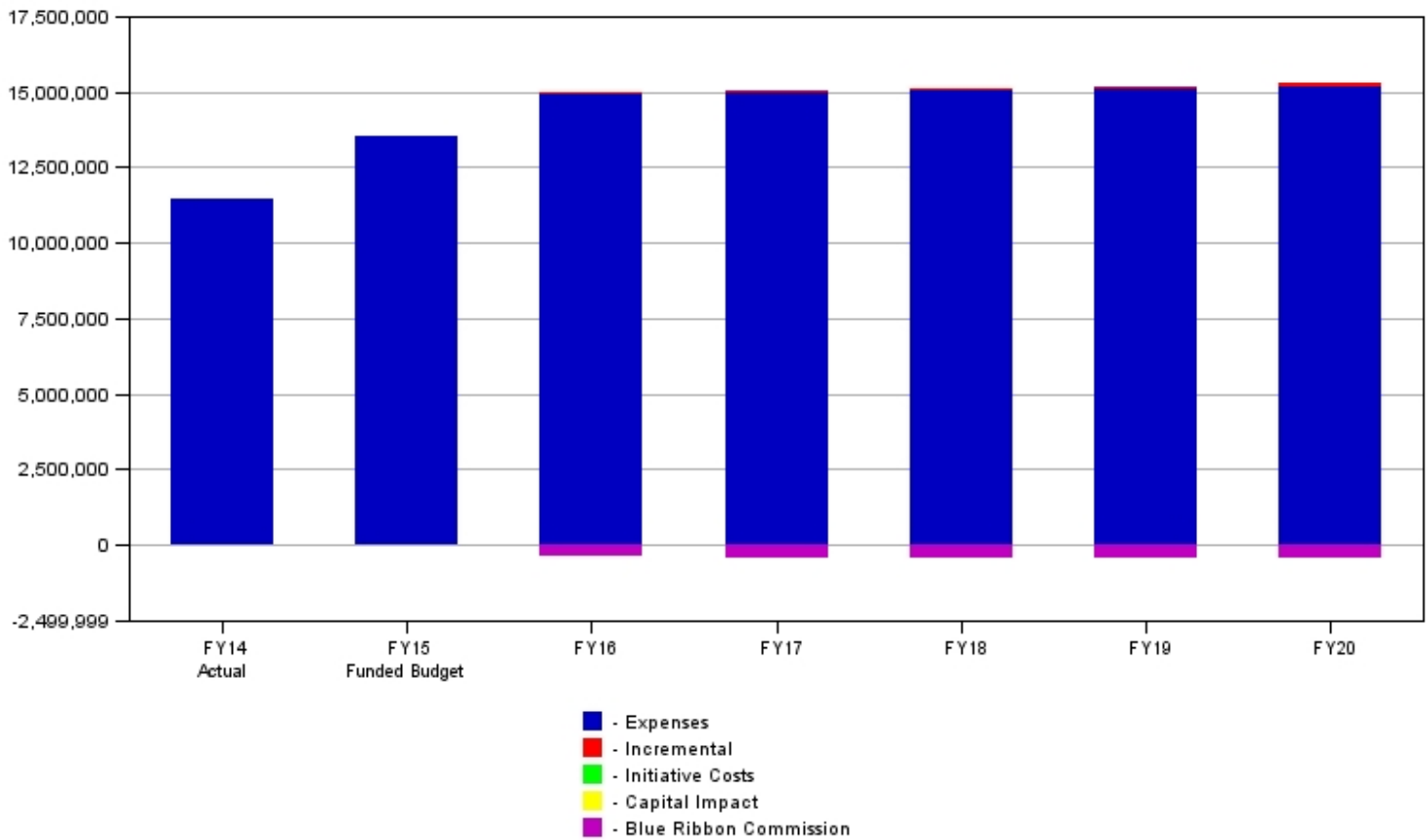
- N/A

**Blue Ribbon Commission**

- This amount represents savings from Workers' Comp, Healthcare Optimization, and motor and fuel.

## General Fund - Department Of Finance

The Department of Finance's mission is to provide leading practice financial management services and leadership to achieve City of Atlanta goals and objectives.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$11,471,936	\$13,529,822	\$14,891,467	\$14,965,779	\$15,025,399	\$15,088,254	\$15,168,366	\$75,139,265
Incremental	\$0	\$0	\$100,480	\$100,480	\$100,480	\$100,480	\$100,480	\$502,400
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$333,800)	(\$413,335)	(\$413,262)	(\$413,262)	(\$413,262)	(\$1,986,921)
<b>Total Projected Expenses</b>	<b>\$11,471,936</b>	<b>\$13,529,822</b>	<b>\$14,658,147</b>	<b>\$14,652,924</b>	<b>\$14,712,617</b>	<b>\$14,775,472</b>	<b>\$14,855,584</b>	<b>\$73,654,744</b>

**Expenses**

- Expenses over the next five years represent all contracts and services (i.e., Sympro Service Agreement, Financial Advisory Services, Arbitrage Rebate Consulting, Bond Dissemination Agent, DBC Software and Bloomberg Terminal).

**Incremental**

- This category represents approximately \$100K increase with existing contracts (i.e., BlackLine, CAFR/PAFR, Implementation of Pay Card Solution).

**Initiative Costs**

- N/A

**Capital Impact**

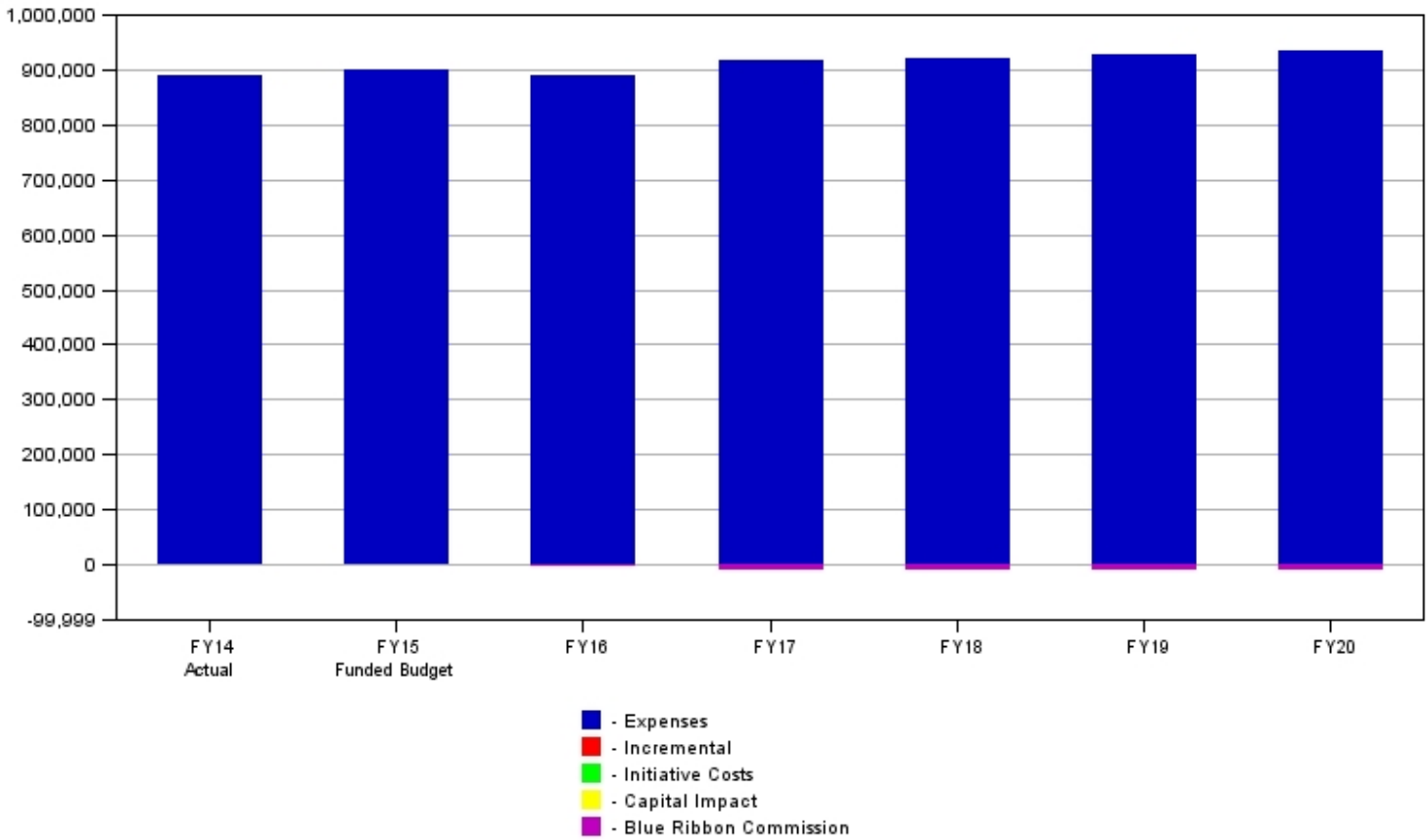
- N/A

**Blue Ribbon Commission**

- This amount represents savings from Workers' Comp, Healthcare Optimization.

## General Fund - Department Of Procurement

The Department of Procurement is responsible for providing guidance in the purchasing of all goods and services according to the City Code of Ordinances. The goal is to model best practices in public purchasing while promoting equity, fairness and economic inclusion.

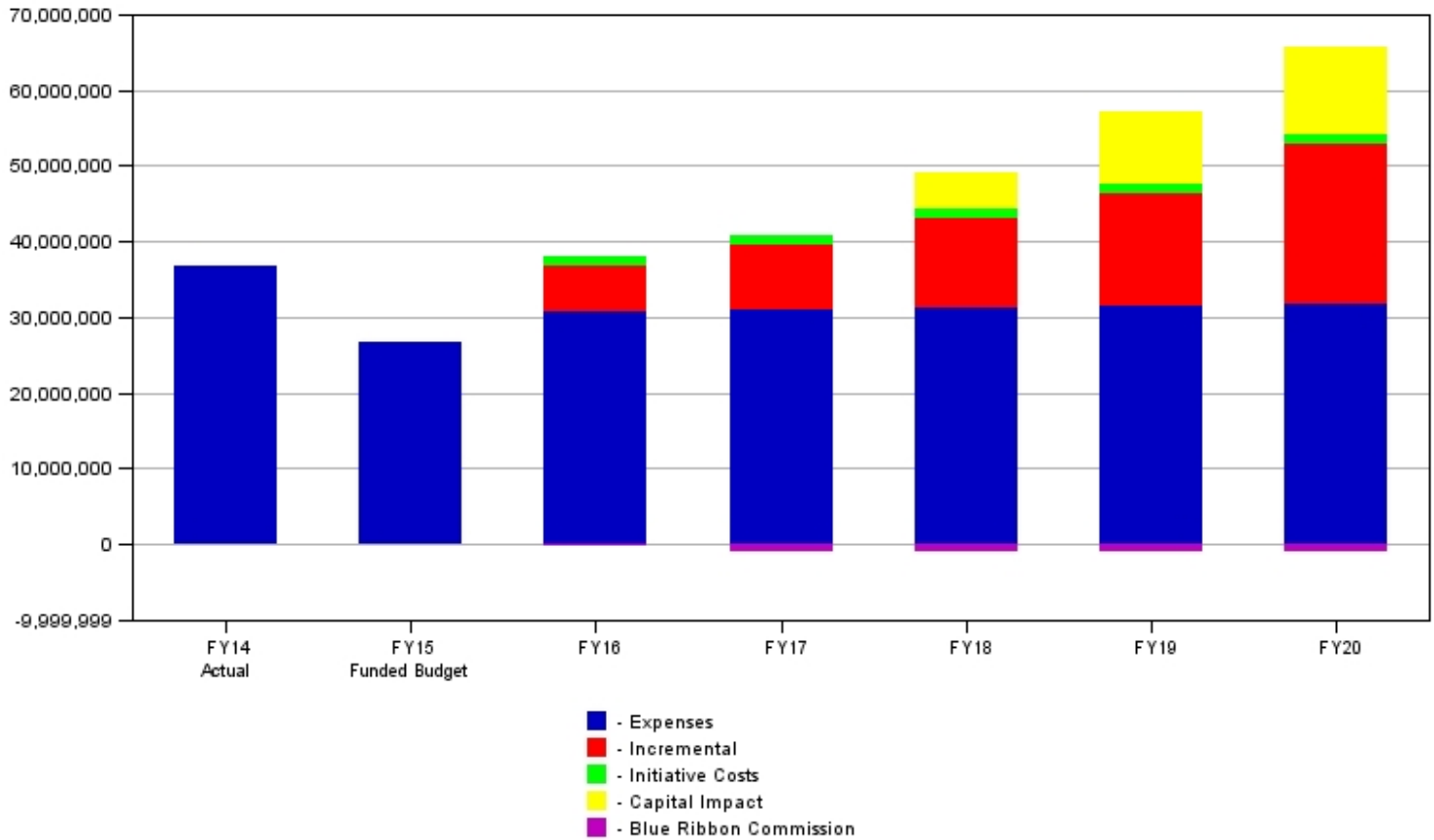


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$889,518	\$901,058	\$889,268	\$915,538	\$921,023	\$926,799	\$934,127	\$4,586,755
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$3,630)	(\$10,468)	(\$10,461)	(\$10,461)	(\$10,461)	(\$45,481)
<b>Total Projected Expenses</b>	<b>\$889,518</b>	<b>\$901,058</b>	<b>\$885,638</b>	<b>\$905,070</b>	<b>\$910,562</b>	<b>\$916,338</b>	<b>\$923,666</b>	<b>\$4,541,274</b>

- Expenses** - Expenses over the next five years includes the City's Technology Intergration Group copier contract, personnel and operating expenses to support 12 positions.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - This total represents savings identified by the Blue Ribbon Commission in consumable supplies.

## General Fund - Department Of Public Works

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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$36,787,246	\$26,791,303	\$30,871,389	\$30,935,160	\$31,327,710	\$31,443,640	\$31,752,408	\$156,330,307
Incremental	\$0	\$0	\$5,855,726	\$8,730,288	\$11,781,814	\$14,906,271	\$21,236,809	\$62,510,908
Initiative Costs	\$0	\$0	\$1,218,310	\$1,218,310	\$1,218,310	\$1,218,310	\$1,218,310	\$6,091,550
Capital Impact	\$0	\$0	\$0	\$0	\$4,895,965	\$9,600,000	\$11,450,000	\$25,945,965
Blue Ribbon Commission	\$0	\$0	(\$265,268)	(\$931,007)	(\$930,915)	(\$930,915)	(\$930,915)	(\$3,989,021)
<b>Total Projected Expenses</b>	<b>\$36,787,246</b>	<b>\$26,791,303</b>	<b>\$37,680,158</b>	<b>\$39,952,750</b>	<b>\$48,292,884</b>	<b>\$56,237,306</b>	<b>\$64,726,611</b>	<b>\$246,889,709</b>

**Expenses**

- Over the next five years, the Department of Public Works is projecting a slight increase primarily attributable to Storm water charges and Street-lights.

**Incremental**

- Incremental cost relates to the infrastructure maintenance backlog to be phased in over the five year period at the rate of 1% for FY2016, 1.5% for FY2017, 2% for FY2018, 2.5% for FY2019 and 3% for FY2020.

**Initiative Costs**

- Initiative cost relates to the continued outsourcing of the Local Maintenance Improvement Grant milling program.

**Capital Impact**

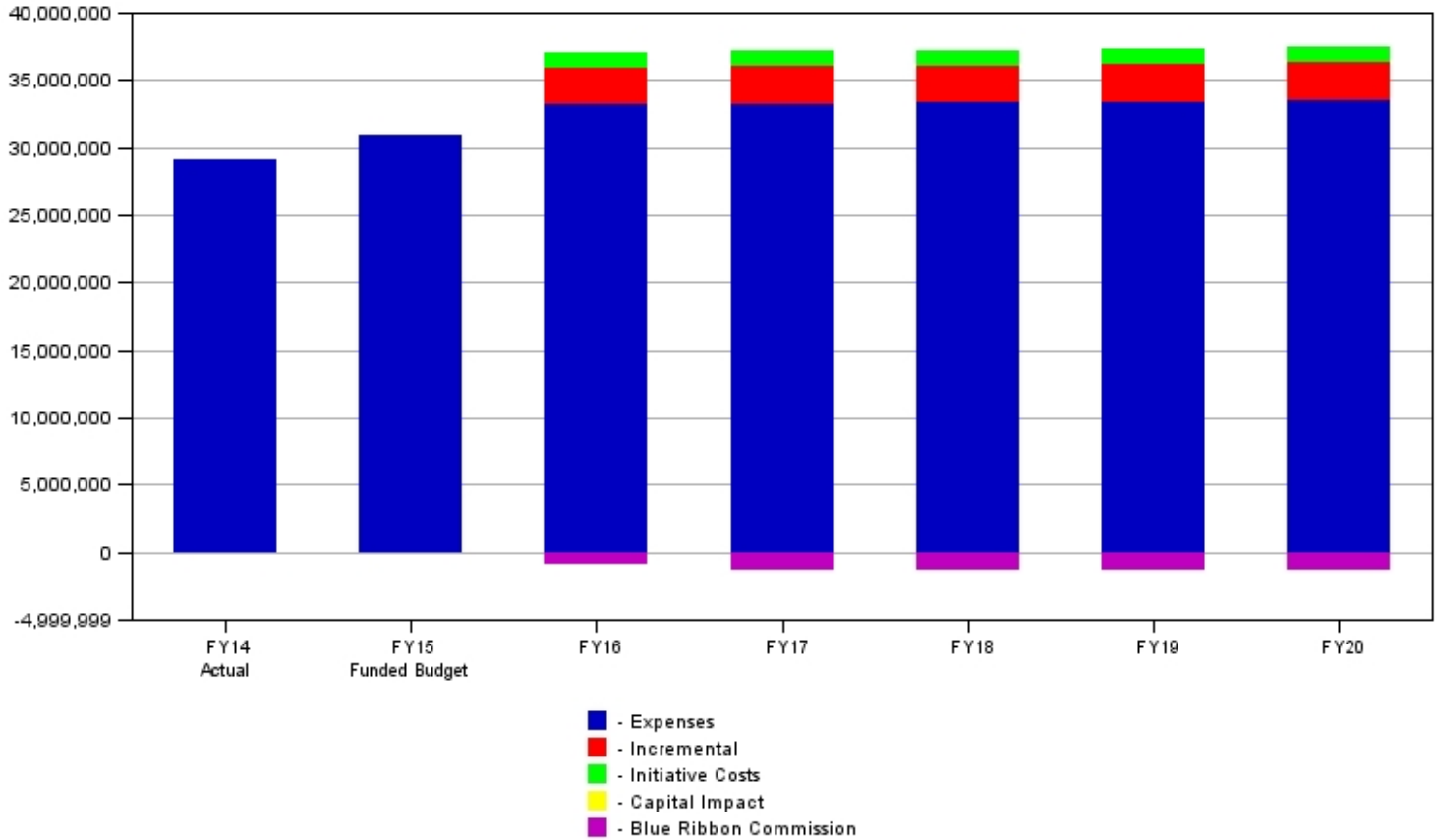
- Capital Impact relates to the New Infrastructure Bond Maintenance (\$250MM) operational cost beginning in FY2018.

**Blue Ribbon Commission**

- This amount represents savings related to workers' compensation, Healthcare Optimization and motor/fuel.

## General Fund - Dept Of Parks & Recreation

The Department of Parks and Recreation is committed to building strong communities and a vibrant economy by providing safe and exceptional parks, facilities and programs through effective leadership, collaboration and innovative thinking.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$29,049,850	\$30,887,077	\$33,190,138	\$33,252,258	\$33,309,812	\$33,403,706	\$33,524,080	\$166,679,994
Incremental	\$0	\$0	\$2,763,789	\$2,763,789	\$2,763,789	\$2,763,789	\$2,763,789	\$13,818,945
Initiative Costs	\$0	\$0	\$1,137,000	\$1,137,000	\$1,137,000	\$1,137,000	\$1,137,000	\$5,685,000
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$831,190)	(\$1,269,656)	(\$1,269,540)	(\$1,269,540)	(\$1,269,540)	(\$5,909,465)
<b>Total Projected Expenses</b>	<b>\$29,049,850</b>	<b>\$30,887,077</b>	<b>\$36,259,737</b>	<b>\$35,883,392</b>	<b>\$35,941,061</b>	<b>\$36,034,955</b>	<b>\$36,155,329</b>	<b>\$180,274,474</b>

**Expenses**

- Expenses over the next five years includes the Center of Hope Afterschool Program, DPR's Lease/Rent, Printer Leasing, Dashboard Cameras, Custodial Services, and the security cameras at recreational facilities.

**Incremental**

- Incremental amount includes additional amount for printer lease, security cameras. Also, includes cost associated with Camp Best Friends, and Skilled Services.

**Initiative Costs**

- Initiative includes funding for Enrichment Vendors for Afterschool program, Hot Meals and Healthy Snacks Program, Security Services and Officials for Athletic Programming.

**Capital Impact**

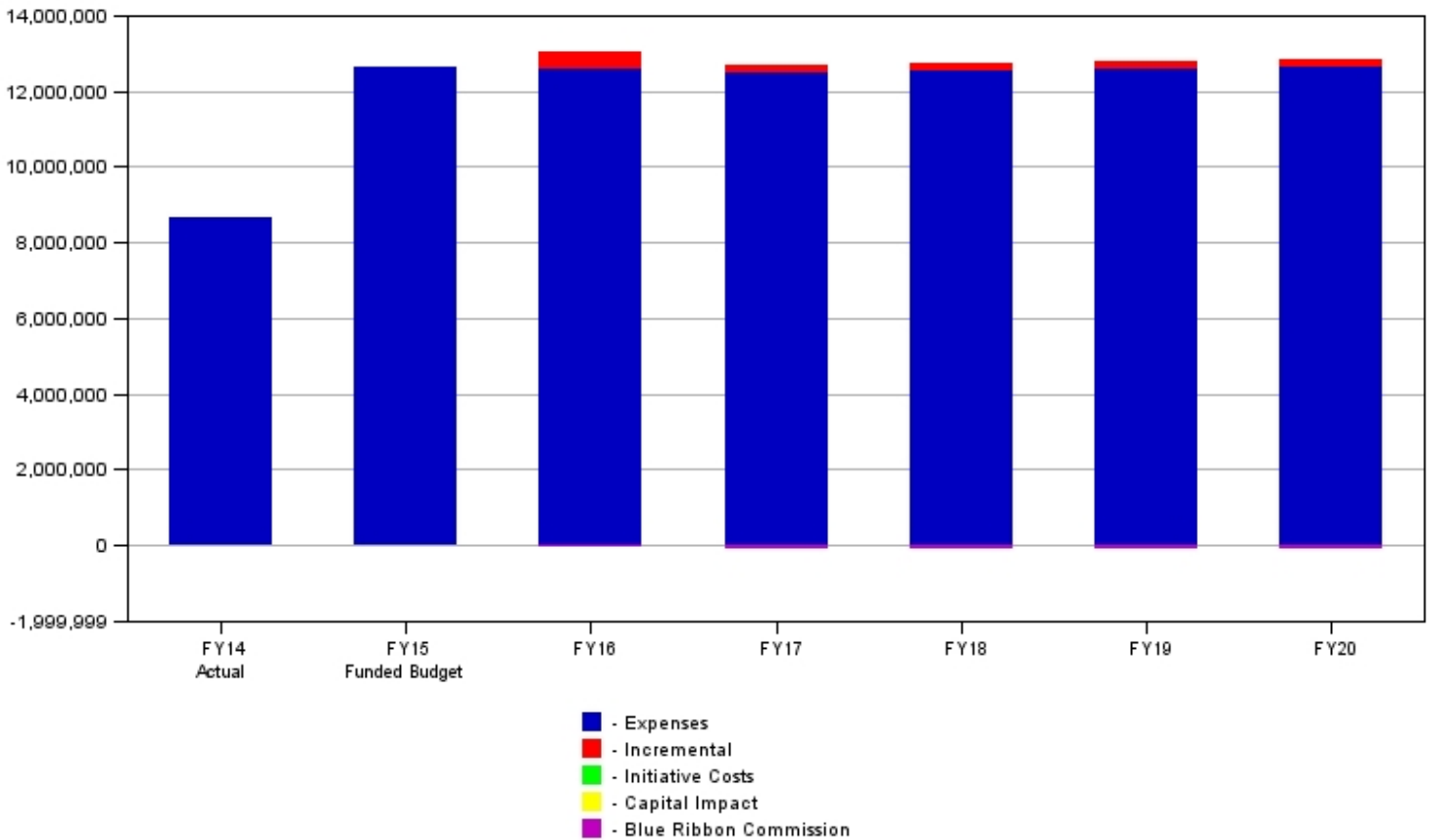
- N/A

**Blue Ribbon Commission**

- Blue Ribbon Commission includes savings related to the hiring freeze, workers' comp, supplies, motor fuel costs and repairs.

## General Fund - Judicial Agencies

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.

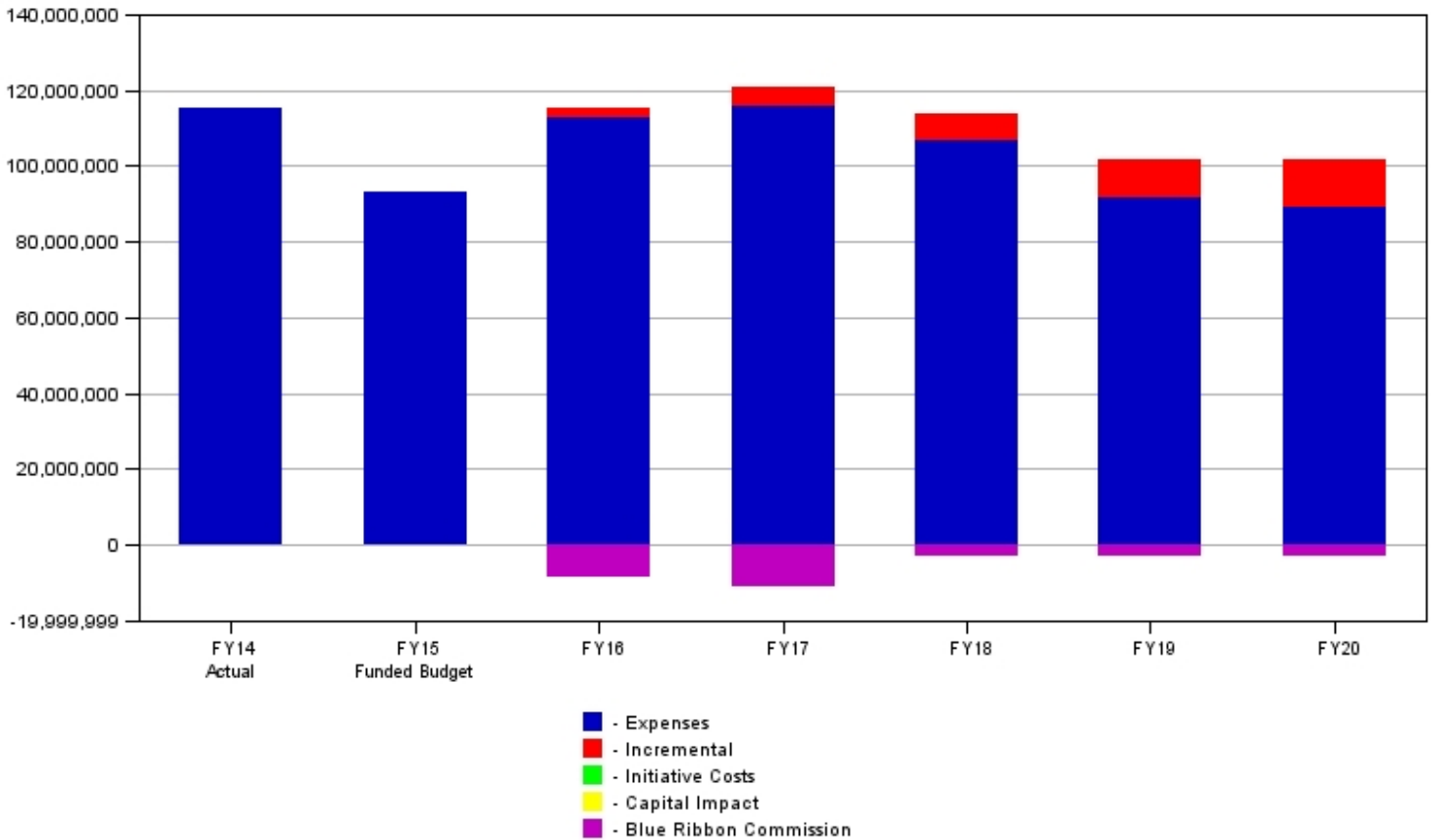


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$8,661,403	\$12,639,950	\$12,586,021	\$12,490,075	\$12,529,269	\$12,571,508	\$12,654,663	\$62,831,535
Incremental	\$0	\$0	\$449,033	\$199,033	\$199,033	\$199,033	\$199,033	\$1,245,165
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$18,845)	(\$99,474)	(\$99,403)	(\$99,403)	(\$99,403)	(\$416,529)
<b>Total Projected Expenses</b>	<b>\$8,661,403</b>	<b>\$12,639,950</b>	<b>\$13,016,209</b>	<b>\$12,589,634</b>	<b>\$12,628,899</b>	<b>\$12,671,137</b>	<b>\$12,754,292</b>	<b>\$63,660,171</b>

- Expenses** - Over the next five years, the Court will continue to provide mandatory training for judges, managers and staff and provide new technology that will benefit the citizens of Atlanta.
- Incremental** - The Incremental request include 3 additional positions, records retention system and video arraignment upgrade.
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - This amount represents savings in supplies and workers' compensation costs.

## General Fund - Non-Departmental

The General Fund Non-Departmental budget is to provide funding for a variety of expenditures that generally are not specific to any particular City Department, including Debt Service, Workers' Compensation, OPEB (Other Post Employee Benefits), Insurance, Unemployment Compensation, and Animal Control.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$115,326,005	\$93,198,546	\$112,807,263	\$115,769,123	\$106,551,091	\$91,659,861	\$89,005,670	\$515,793,007
Incremental	\$0	\$0	\$2,493,712	\$4,999,774	\$7,518,248	\$10,049,195	\$12,592,678	\$37,653,607
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$8,295,753)	(\$11,108,942)	(\$2,961,067)	(\$2,961,067)	(\$2,961,067)	(\$28,287,897)
<b>Total Projected Expenses</b>	<b>\$115,326,005</b>	<b>\$93,198,546</b>	<b>\$107,005,221</b>	<b>\$109,659,955</b>	<b>\$111,108,271</b>	<b>\$98,747,989</b>	<b>\$98,637,281</b>	<b>\$525,158,717</b>

**Expenses**

- The base budget includes funding for Debt Services, Restricted Reserves, Retiree benefits, payments to other governments and election expenses in FY18

**Incremental**

- Incremental cost relates to the estimated cost of 1% pay raises.

**Initiative Costs**

- N/A

**Capital Impact**

- N/A

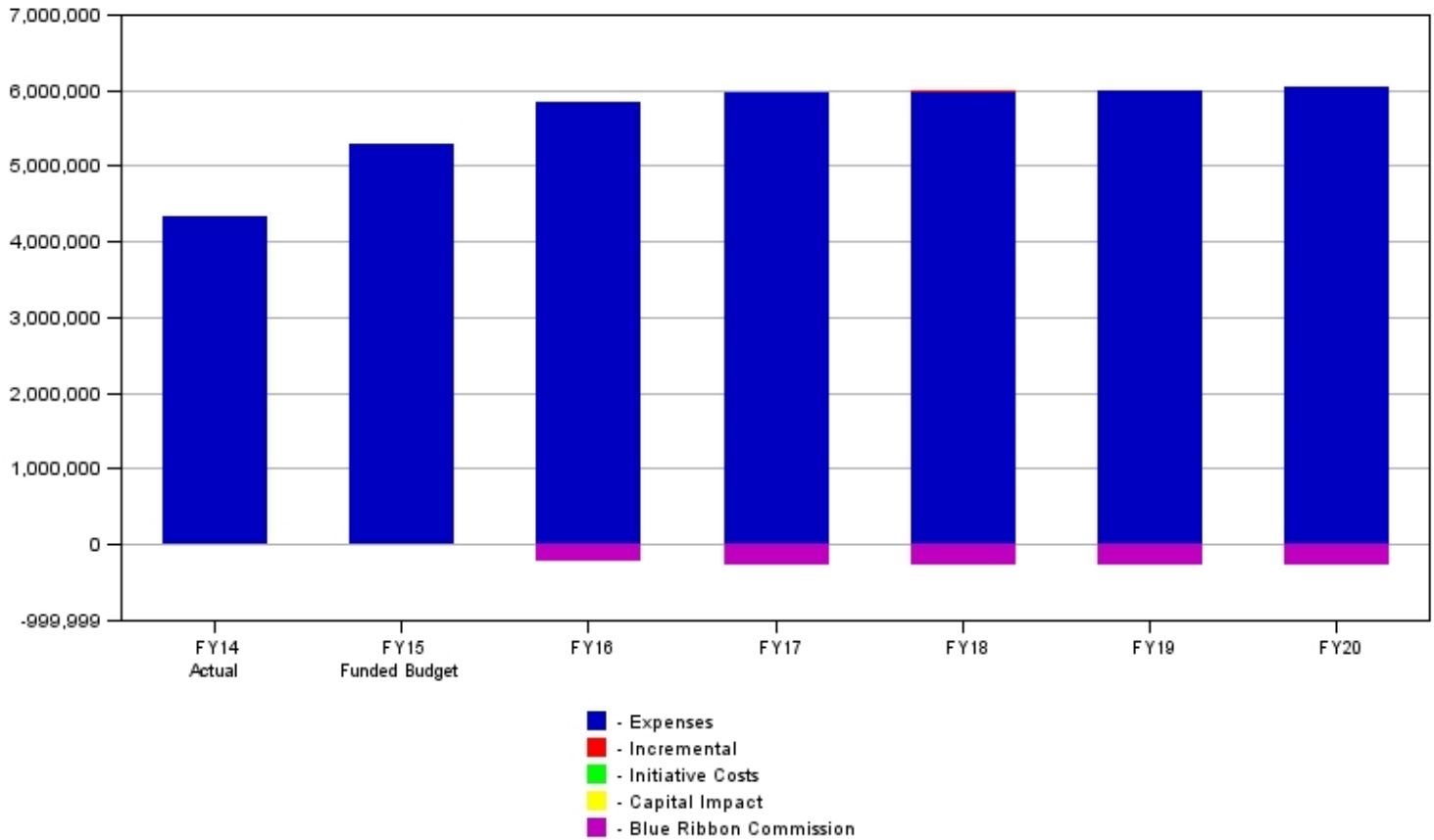
**Blue Ribbon Commission**

- Blue Ribbon Commission includes savings related to Workers' Compensation cost, Healthcare Optimization for Retirees and Operating transfer out to Fund 2151 – E911



## General Fund - Department Of Human Resources

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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$4,330,064	\$5,288,193	\$5,841,385	\$5,960,426	\$5,978,590	\$5,998,011	\$6,032,243	\$29,810,654
Incremental	\$0	\$0	\$5,827	\$5,827	\$5,827	\$5,827	\$5,827	\$29,135
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$229,701)	(\$261,025)	(\$260,997)	(\$260,997)	(\$260,997)	(\$1,273,718)
<b>Total Projected Expenses</b>	<b>\$4,330,064</b>	<b>\$5,288,193</b>	<b>\$5,617,511</b>	<b>\$5,705,228</b>	<b>\$5,723,420</b>	<b>\$5,742,840</b>	<b>\$5,777,073</b>	<b>\$28,566,071</b>

**Expenses**

- Expenses over the next five years represent DHR expenditures related to salaries & benefits, court reporting, background services, civil service board hearings, professional membership fees, lease of copiers, printing & binding and wireless service

**Incremental**

- This amount represents the incremental costs associated with Pre-Employment and Hazmat Physicals, LinkedIn and TweetMy Job contracts managed by DHR.

**Initiative Costs**

- N/A

**Capital Impact**

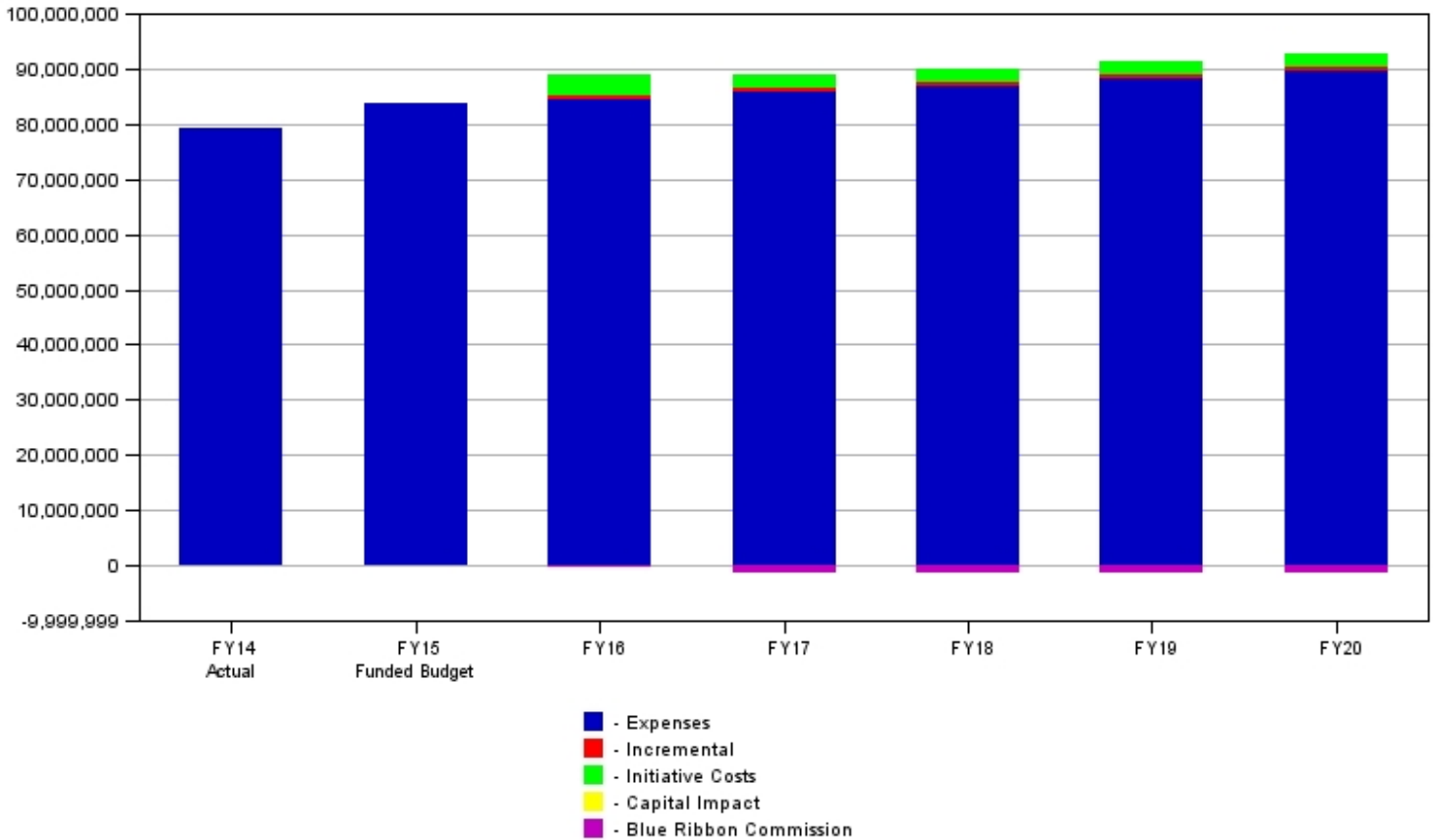
- N/A

**Blue Ribbon Commission**

- This total represents savings identified by the Blue Ribbon Commission related to the hiring freeze and Healthcare Optimization.

## General Fund - Department Of Fire Services

Atlanta Fire Rescue is a modern, all-hazards fire department comprised of five divisions of labor: Office of the Fire Chief, Field Operations, Support Services, Technical Services and Airport Operations. Atlanta Fire Rescue provides prompt quality services to our stakeholders that promote safety, security, enhance sustainability and enrich the quality of life through professional development and dedication to service.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$79,099,365	\$83,881,221	\$84,321,539	\$85,730,544	\$86,965,269	\$88,339,736	\$89,718,014	\$435,075,103
Incremental	\$0	\$0	\$728,679	\$728,679	\$728,679	\$728,679	\$728,679	\$3,643,395
Initiative Costs	\$0	\$0	\$3,886,493	\$2,396,318	\$2,396,318	\$2,396,318	\$2,396,318	\$13,471,767
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$253,020)	(\$1,344,330)	(\$1,343,939)	(\$1,343,939)	(\$1,343,939)	(\$5,629,167)
<b>Total Projected Expenses</b>	<b>\$79,099,365</b>	<b>\$83,881,221</b>	<b>\$88,683,691</b>	<b>\$87,511,212</b>	<b>\$88,746,327</b>	<b>\$90,120,794</b>	<b>\$91,499,072</b>	<b>\$446,561,097</b>

**Expenses**

- Over the next five years, the Atlanta Fire Rescue Department will continue efficiency programs and maintain its strategy of maximizing all funding sources while enhancing current service levels and performances in emergency preparedness and response.

**Incremental**

- Incremental Costs include funding to maintain the employee Wellness Program in addition to costs to fully fund various sworn and non-sworn positions that have been historically Extra Help positions.

**Initiative Costs**

- Through the Public Safety Initiative, the Department seeks to enhance our Technology and Communications as well as enhance delivery of Emergency Medical Services (EMS) by increasing QIC resources and replacing out-of-lifecycle defibrillators.

**Capital Impact**

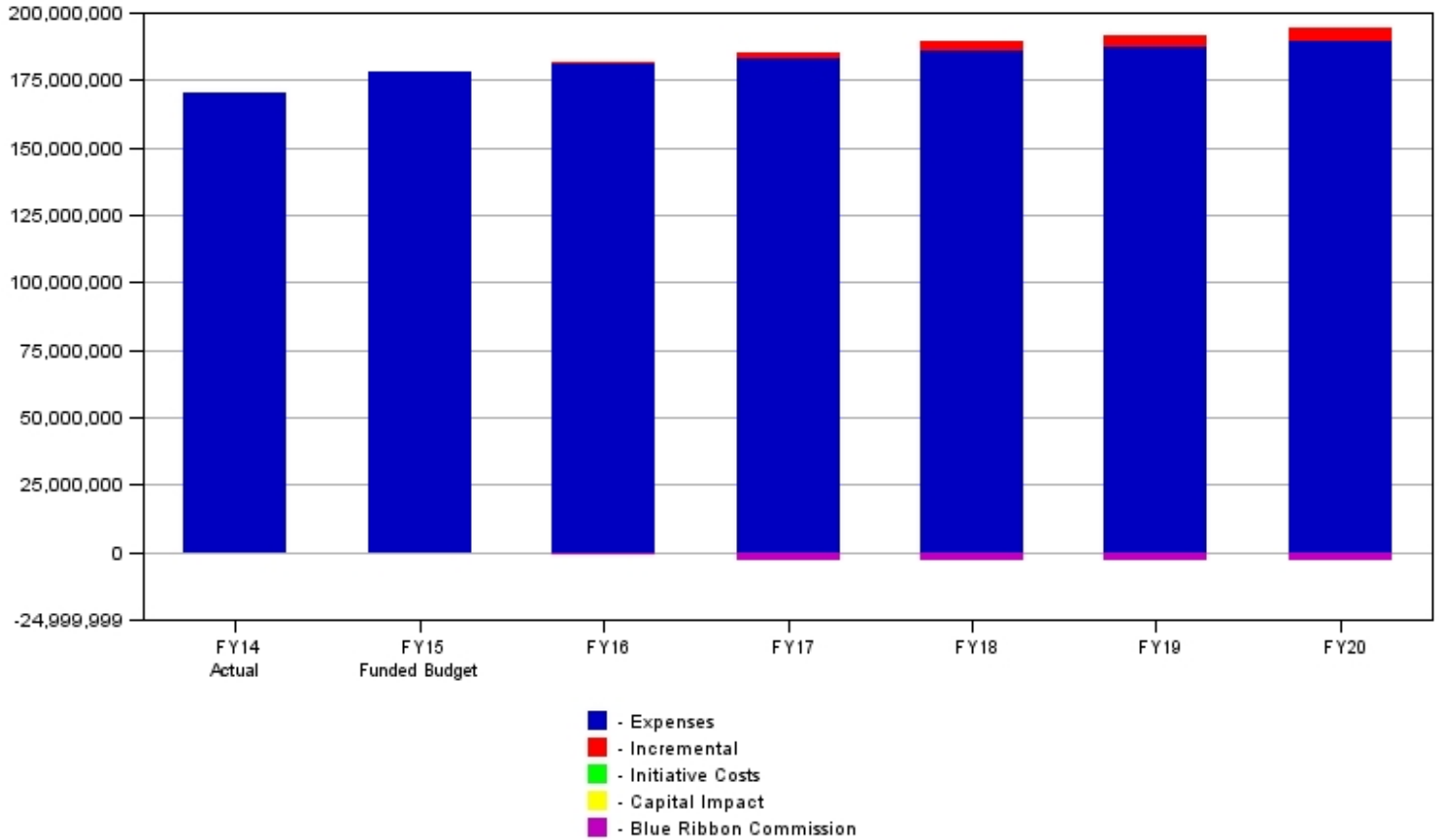
- N/A

**Blue Ribbon Commission**

- Blue Ribbon Commission includes savings in office supplies, uniforms, fuel, and Healthcare Optimization.

## General Fund - Department Of Police Services

The City of Atlanta Police Department mission is to create a safer Atlanta by reducing crime, ensuring the safety of our citizens and building trust in partnership with our communities.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$170,251,844	\$178,291,109	\$180,634,899	\$183,152,132	\$186,159,840	\$187,474,629	\$189,074,412	\$926,495,913
Incremental	\$0	\$0	\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000	\$15,000,000
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$818,016)	(\$2,898,508)	(\$2,897,646)	(\$2,897,556)	(\$2,897,556)	(\$12,409,283)
<b>Total Projected Expenses</b>	<b>\$170,251,844</b>	<b>\$178,291,109</b>	<b>\$180,816,883</b>	<b>\$182,253,624</b>	<b>\$186,262,194</b>	<b>\$188,577,073</b>	<b>\$191,176,856</b>	<b>\$929,086,630</b>

**Expenses**

- The increase over the next five years includes increases to VIC Integration maintenance and various contracts (i.e., Formulytics, ARS Mechanical, Crystal Springs and American Facility Services) and new officers being outfitted for new uniforms.

**Incremental**

- The category includes demolition.

**Initiative Costs**

- N/A

**Capital Impact**

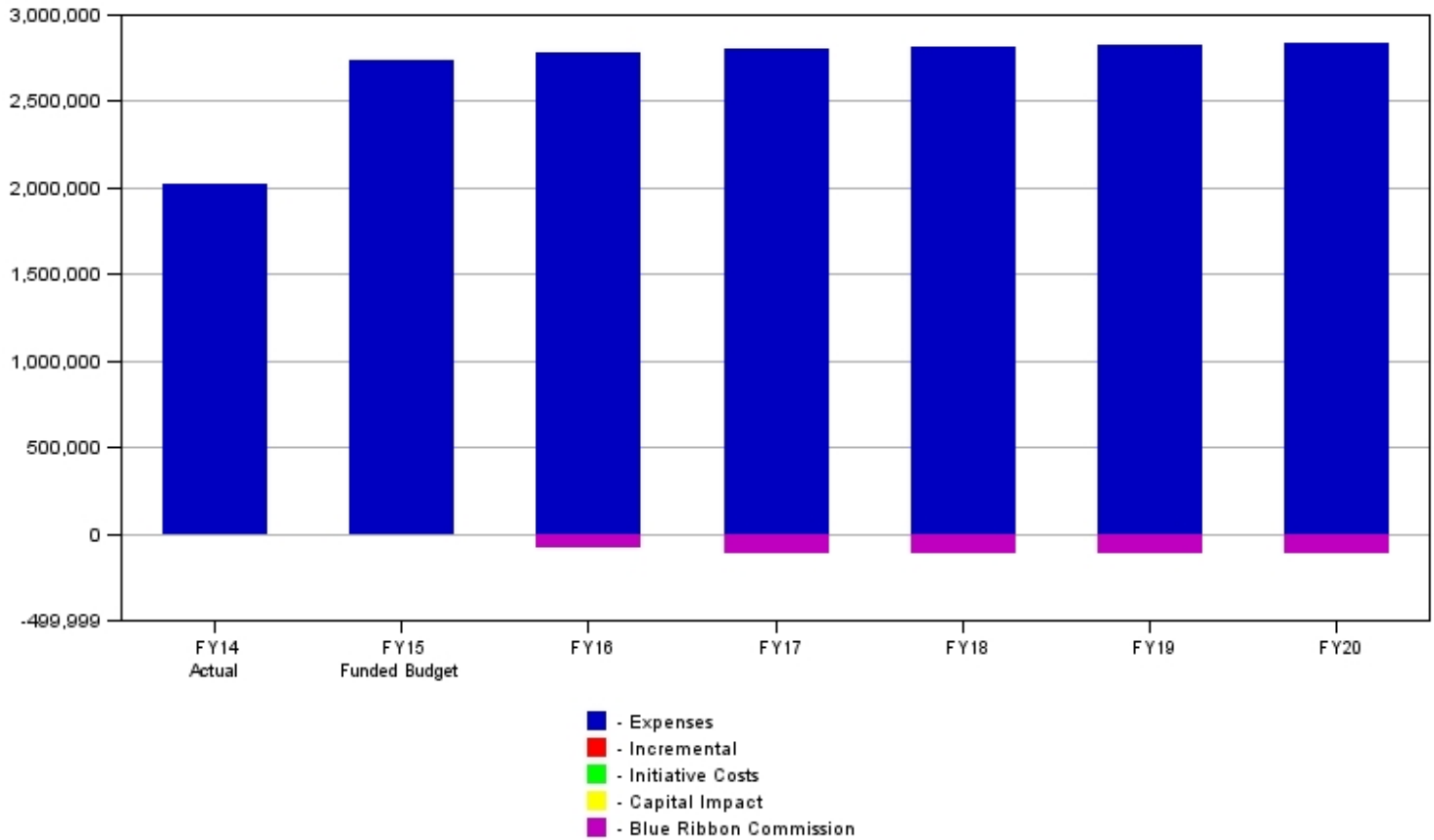
- N/A

**Blue Ribbon Commission**

- This amount represents savings from Workers' Comp, Healthcare Optimization, and motor and fuel.

## General Fund - Dept Of Planning & Community Development

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.

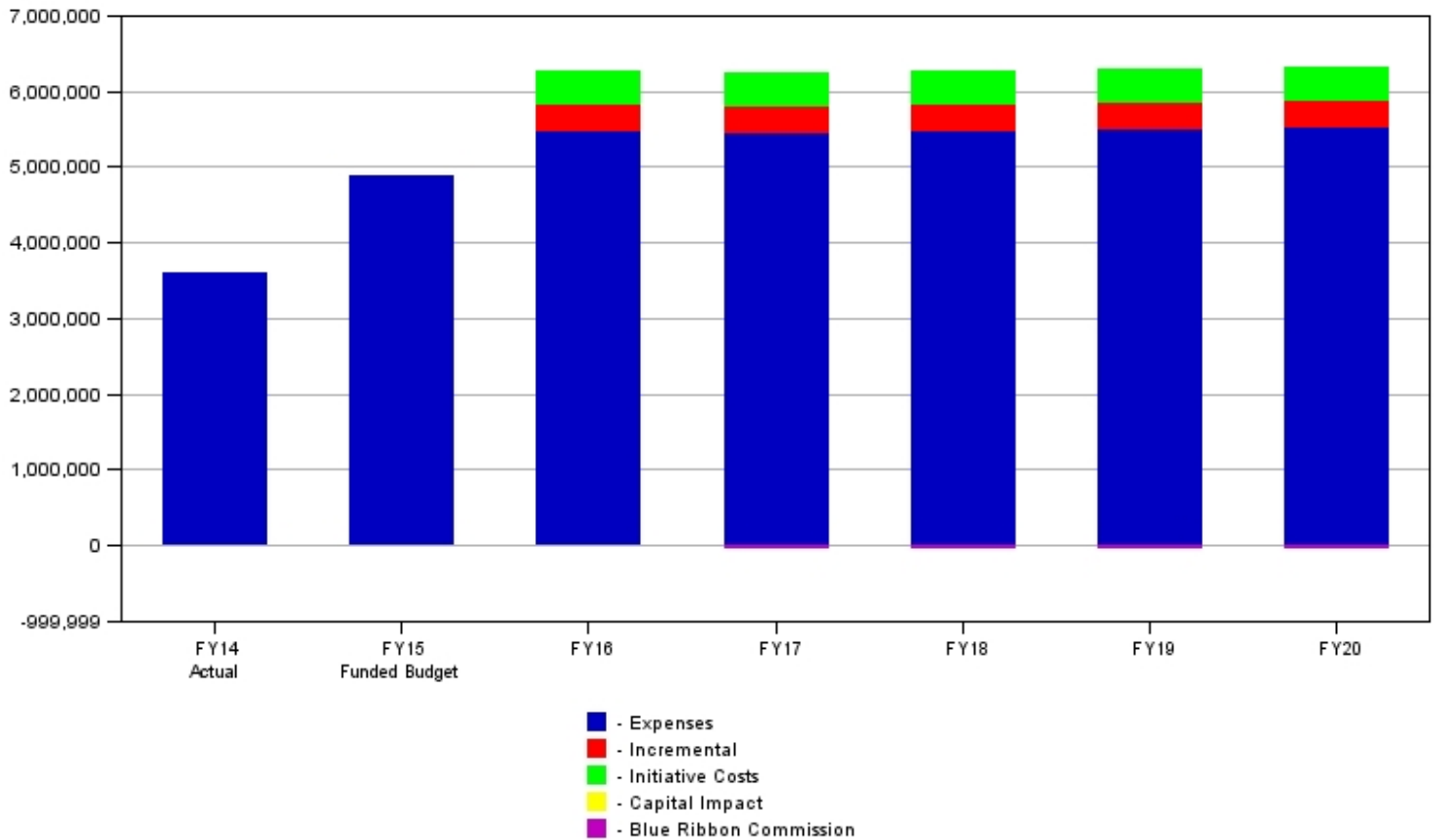


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$2,021,582	\$2,733,752	\$2,779,318	\$2,802,768	\$2,811,890	\$2,821,552	\$2,835,515	\$14,051,042
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$81,373)	(\$111,170)	(\$111,158)	(\$111,158)	(\$111,158)	(\$526,018)
<b>Total Projected Expenses</b>	<b>\$2,021,582</b>	<b>\$2,733,752</b>	<b>\$2,697,945</b>	<b>\$2,691,598</b>	<b>\$2,700,732</b>	<b>\$2,710,393</b>	<b>\$2,724,356</b>	<b>\$13,525,024</b>

- Expenses** - Over the next five years, the department expenses relate to salaries, printing, and supplies.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - Blue Ribbon Commission includes savings related to the hiring freeze and Healthcare Optimization.

## General Fund - Department Of The Solicitor

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, such as Pre-Trial Intervention Program, and processes to review citations in advance to improve case management and reduce the City's potential liability.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$3,607,200	\$4,895,160	\$5,462,861	\$5,439,970	\$5,464,114	\$5,489,744	\$5,526,905	\$27,383,594
Incremental	\$0	\$0	\$344,586	\$344,586	\$344,586	\$344,586	\$344,586	\$1,722,930
Initiative Costs	\$0	\$0	\$460,000	\$460,000	\$460,000	\$460,000	\$460,000	\$2,300,000
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	(\$36,389)	(\$36,355)	(\$36,355)	(\$36,355)	(\$145,453)
<b>Total Projected Expenses</b>	<b>\$3,607,200</b>	<b>\$4,895,160</b>	<b>\$6,267,447</b>	<b>\$6,208,167</b>	<b>\$6,232,345</b>	<b>\$6,257,975</b>	<b>\$6,295,136</b>	<b>\$31,261,071</b>

**Expenses**

- Over the next five years, the Solicitor's Office plans to fully implement Case Screening/Warrant Services and enhance the use of Pre-trial Intervention programs in order to improve the efficient processing of cases in Municipal Court.

**Incremental**

- This amount includes personnel costs related to authorized salary adjustments per Personnel Paper 14-O-1584, increases in supply and technology needs.

**Initiative Costs**

- This amount includes costs to establish a daily duty solicitor unit dedicated to providing case information and the expeditious resolution of cases through screening and disposition of cases before the Court.

**Capital Impact**

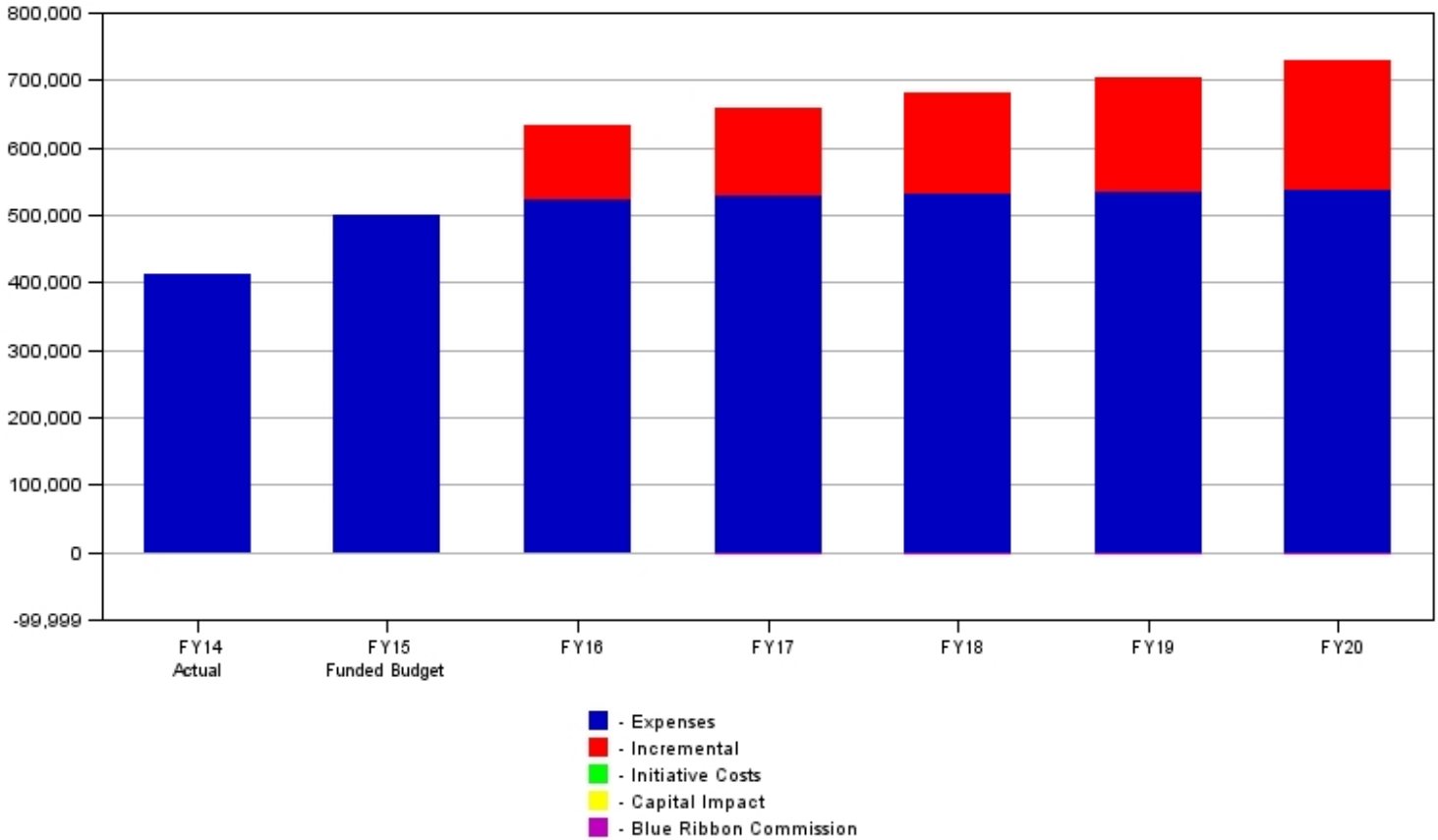
- N/A

**Blue Ribbon Commission**

- This amount includes savings related to Healthcare Optimization.

## General Fund - Department Of Ethics

The Board of Ethics seeks to protect the integrity of government and promote the public trust by bringing the City into compliance with the Atlanta Code of Ethics and instilling a culture of ethics in city government.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$412,533	\$500,636	\$521,341	\$527,082	\$530,015	\$533,082	\$536,295	\$2,647,815
Incremental	\$0	\$0	\$112,084	\$131,090	\$150,857	\$171,414	\$192,794	\$758,239
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	(\$3,142)	(\$3,139)	(\$3,139)	(\$3,139)	(\$12,561)
<b>Total Projected Expenses</b>	<b>\$412,533</b>	<b>\$500,636</b>	<b>\$633,425</b>	<b>\$655,030</b>	<b>\$677,733</b>	<b>\$701,357</b>	<b>\$725,949</b>	<b>\$3,393,493</b>

**Expenses**

- Expenses over the next five years represent professional training for staff members, purchasing additional training materials and media for broader outreach to City officials and employees

**Incremental**

- The increase over the next five years includes adding a new full-time position and cost of living increases for current staff members.

**Initiative Costs**

- N/A

**Capital Impact**

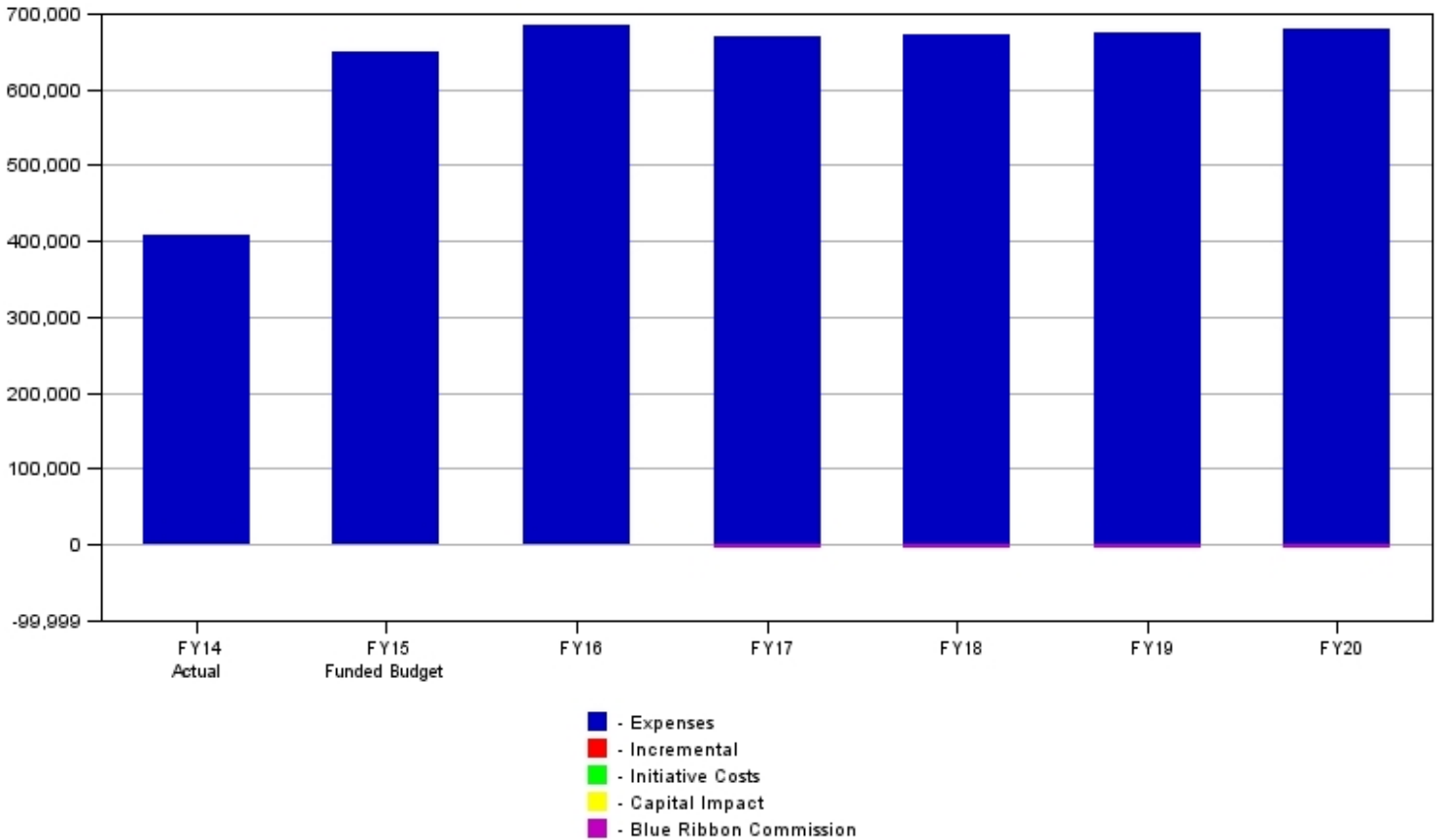
- N/A

**Blue Ribbon Commission**

- This amount represents savings related to the Healthcare Optimization.

## General Fund - Atlanta Citizens Review Board

The Atlanta Citizen Review Board (ACRB) is a separate and independent agency investigating complaints and accusation against law enforcement officers. It is also designed to promote public confidence and lessens the possibility of future urban unrest, and to reduce the amount of money needed to satisfy judgments and settlements based on allegations of police misconduct.

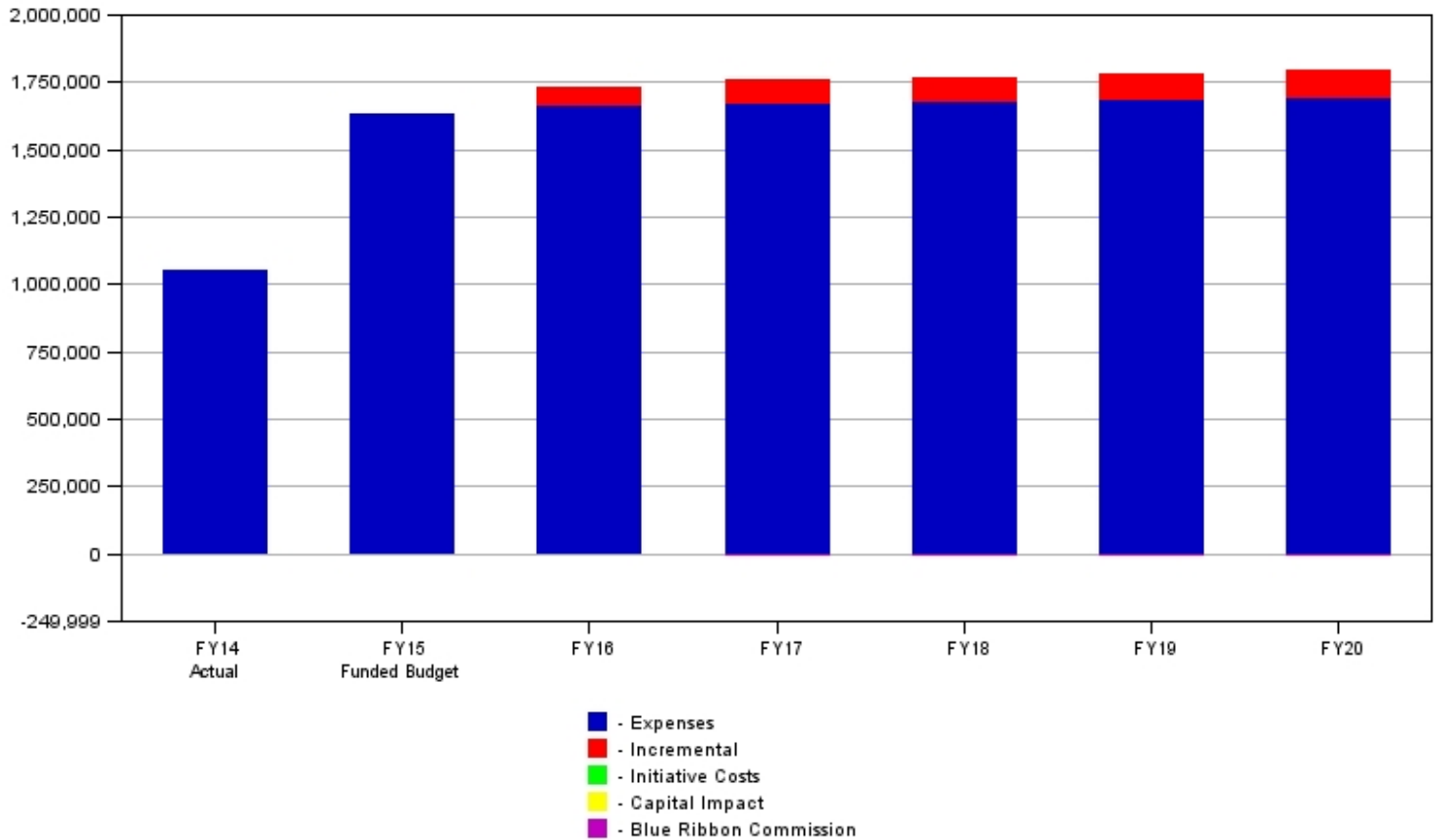


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$407,299	\$649,121	\$685,907	\$668,708	\$672,255	\$675,978	\$680,198	\$3,383,045
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	(\$4,208)	(\$4,204)	(\$4,204)	(\$4,204)	(\$16,819)
<b>Total Projected Expenses</b>	<b>\$407,299</b>	<b>\$649,121</b>	<b>\$685,907</b>	<b>\$664,500</b>	<b>\$668,051</b>	<b>\$671,774</b>	<b>\$675,994</b>	<b>\$3,366,226</b>

- Expenses** - Over the next five years, ACRB will continue to investigate citizen complaints and expand its Community Outreach program.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - Blue Ribbon Commission includes savings related to the Healthcare Optimization.

## General Fund - Department Of Audit

The City Auditor's Office promotes honesty, efficiency, effectiveness, and accountability in city government by conducting audits to support legislative oversight and public accountability. The general fund supports audits and investigations in the general government, including programs supported by other government funds.



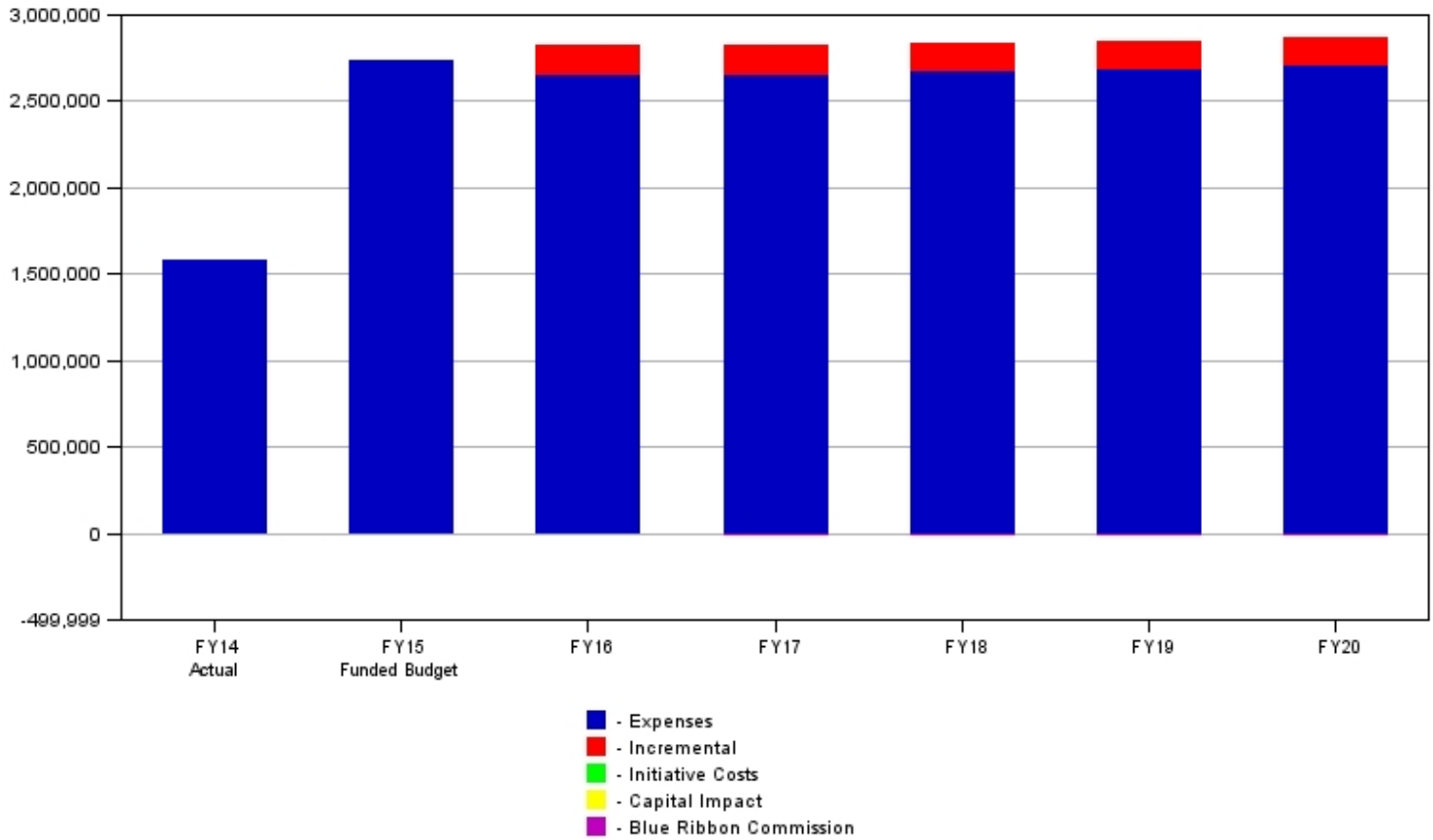
	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$1,050,153	\$1,634,398	\$1,657,848	\$1,665,905	\$1,672,378	\$1,679,162	\$1,686,554	\$8,361,848
Incremental	\$0	\$0	\$72,889	\$90,054	\$96,007	\$101,769	\$107,340	\$468,058
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	(\$7,414)	(\$7,407)	(\$7,407)	(\$7,407)	(\$29,634)
<b>Total Projected Expenses</b>	<b>\$1,050,153</b>	<b>\$1,634,398</b>	<b>\$1,730,737</b>	<b>\$1,748,546</b>	<b>\$1,760,978</b>	<b>\$1,773,524</b>	<b>\$1,786,488</b>	<b>\$8,800,272</b>

- Expenses** - Expenses over the next five years support one fully funded position and 12 split funded positions, provide support for audits and investigations that focus on or include general government operations and activities.
- Incremental** - Incremental funding will provide support for additional audit and investigative work in this fund, gradually increasing to 12 positions by FY2020.
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - This total represents savings identified by the Blue Ribbon Commission related to Healthcare Optimization.



## General Fund - Department Of Public Defender

The Public Defender's Office is constitutionally mandated to provide criminal defense for indigent clients facing charges in the Atlanta Municipal Court. 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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$1,583,232	\$2,735,262	\$2,651,079	\$2,651,653	\$2,666,128	\$2,681,393	\$2,701,169	\$13,351,422
Incremental	\$0	\$0	\$167,574	\$167,574	\$167,574	\$167,574	\$167,574	\$837,869
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	(\$19,175)	(\$19,158)	(\$19,158)	(\$19,158)	(\$76,648)
<b>Total Projected Expenses</b>	<b>\$1,583,232</b>	<b>\$2,735,262</b>	<b>\$2,818,653</b>	<b>\$2,800,052</b>	<b>\$2,814,544</b>	<b>\$2,829,810</b>	<b>\$2,849,585</b>	<b>\$14,112,643</b>

**Expenses**

- Over the next five years, the Public Defender's Office will continue to transition from "criminal charge" centered advocacy to the interdisciplinary model of public defense that will support Public Safety Initiatives

**Incremental**

- Incremental includes anticipated lease for new office space as well as increased court dockets, judges, indigent clients and the programs needed to reduce homeless, mental illness, drug addiction and other criminal conduct drivers.

**Initiative Costs**

- N/A

**Capital Impact**

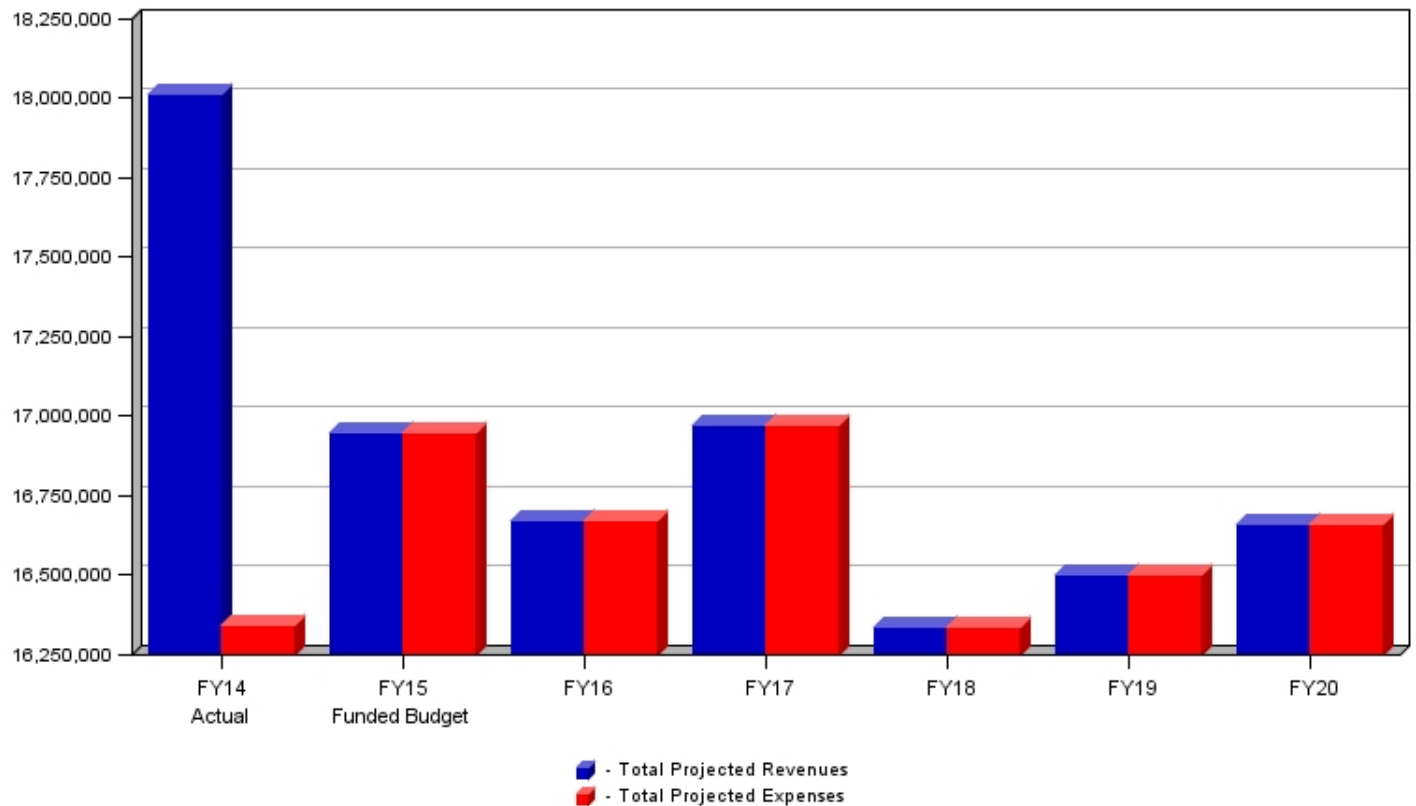
- N/A

**Blue Ribbon Commission**

- This amount includes savings related to Healthcare Optimization.

## Emergency Telephone System - Five Year Plan

The 911 Communication Center receives, classifies and prioritize 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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$18,015,487	\$16,952,756	\$16,671,303	\$16,971,303	\$16,340,522	\$16,500,659	\$16,662,365	\$83,146,152
Expenses	\$16,341,495	\$16,952,756	\$16,671,303	\$16,971,303	\$16,340,522	\$16,500,659	\$16,662,365	\$83,146,152
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	\$16,341,495	\$16,952,756	\$16,671,303	\$16,971,303	\$16,340,522	\$16,500,659	\$16,662,365	\$83,146,152
<b>Revenues Over(Under) Expenses</b>	\$1,673,992	\$0	\$0	\$0	\$0	\$0	\$0	(\$1)
<b>Variance %</b>	9%	0%	0%	0%	0%	0%	0%	0%

**Revenue Overview:**

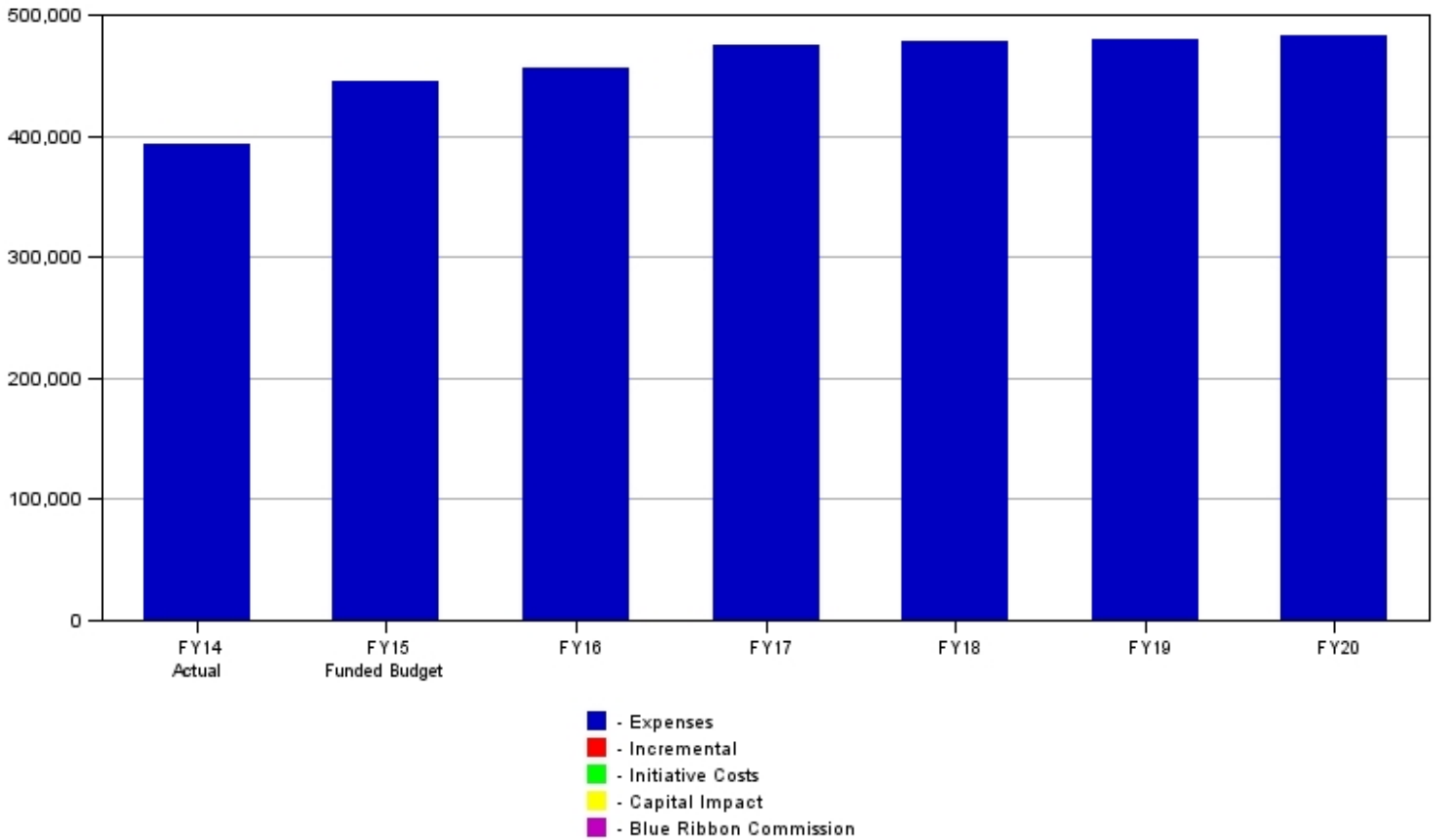
This fund continues to operate at a deficit of \$4MM to \$6MM annually since fees collected do not fully support the operating expenses for this fund. The expected revenue for FY16 is \$10.4MM and projected subsidy of \$6.2MM from the General Fund.

**Expense Overview:**

The expenses are attributed to contracts and professional services that support the E911 system (i.e., Everbridge, Northrop Grumman, PSSI CAD, and Sewall).

## Emergency Telephone System - Department Of Information Technology

The Emergency Telephone System Fund under the Department of Information Technology is currently being used to support the E-911 Center/APD.

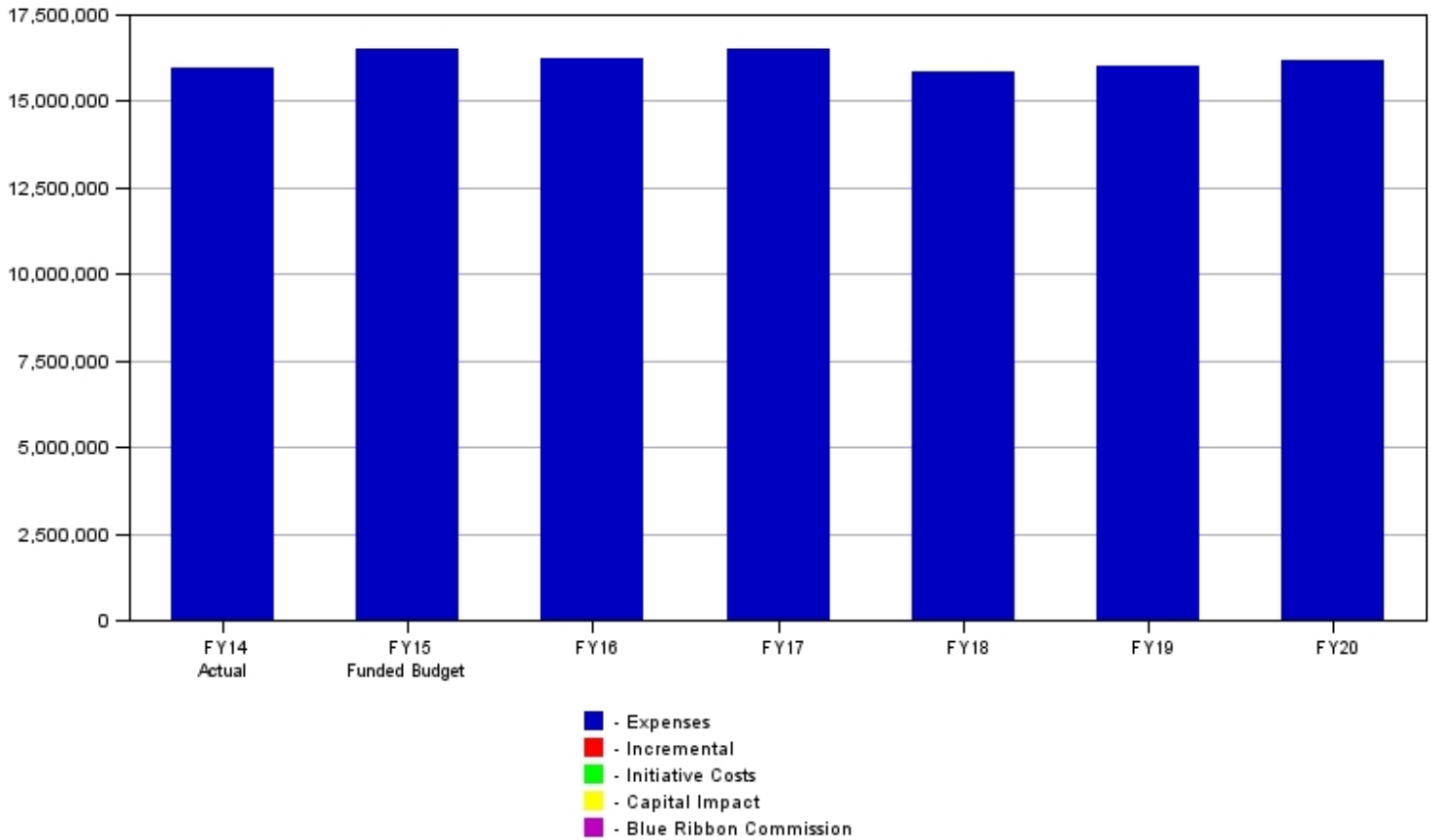


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$393,479	\$445,574	\$455,412	\$475,397	\$477,301	\$479,348	\$483,427	\$2,370,885
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$393,479</b>	<b>\$445,574</b>	<b>\$455,412</b>	<b>\$475,397</b>	<b>\$477,301</b>	<b>\$479,348</b>	<b>\$483,427</b>	<b>\$2,370,885</b>

- Expenses** - This operational expense is for personnel to support APD/E-911.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Emergency Telephone System - Department Of Police Services

The 911 Communication Center receives, classifies and prioritize 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.

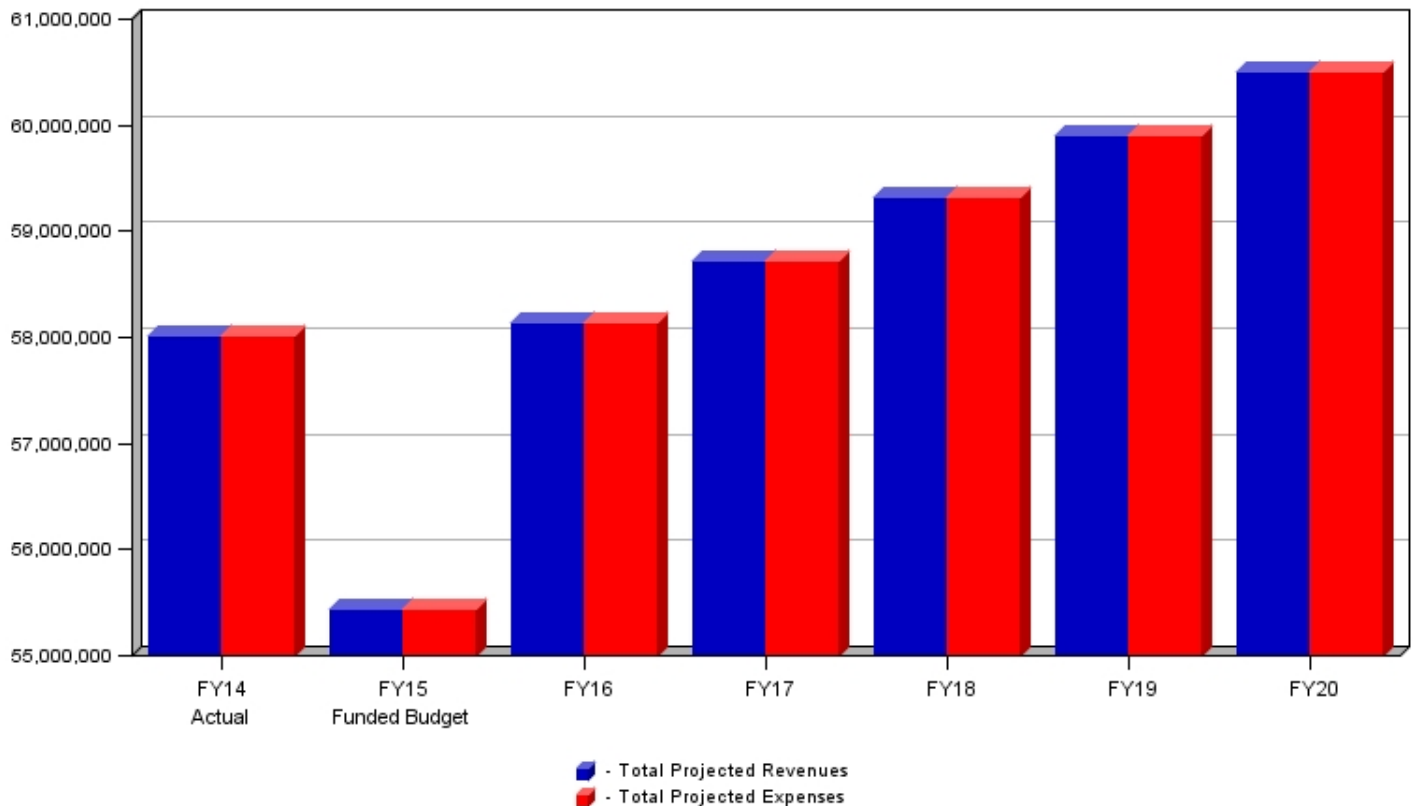


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$15,948,016	\$16,507,182	\$16,215,891	\$16,495,906	\$15,863,221	\$16,021,310	\$16,178,939	\$80,775,267
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$15,948,016</b>	<b>\$16,507,182</b>	<b>\$16,215,891</b>	<b>\$16,495,906</b>	<b>\$15,863,221</b>	<b>\$16,021,310</b>	<b>\$16,178,939</b>	<b>\$80,775,267</b>

- Expenses** - The fluctuating expenses over the next five years is due to a reduction in contracts (i.e. Northrop Grumman and PSSI Cad).
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Hotel/Motel Tax Fund - Five Year Plan

The Hotel/Motel Tax is shared between the City, Atlanta Convention Visitors Bureau, Georgia World Congress, and the Georgia Dome.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$58,013,709	\$55,445,813	\$58,148,818	\$58,730,306	\$59,317,609	\$59,910,785	\$60,509,893	\$296,617,411
Expenses	\$58,013,709	\$55,445,813	\$58,148,818	\$58,730,306	\$59,317,609	\$59,910,785	\$60,509,893	\$296,617,411
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	\$58,013,709	\$55,445,813	\$58,148,818	\$58,730,306	\$59,317,609	\$59,910,785	\$60,509,893	\$296,617,411
<b>Revenues Over(Under) Expenses</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Variance %</b>	0%	0%	0%	0%	0%	0%	0%	0%

**Revenue Overview:**

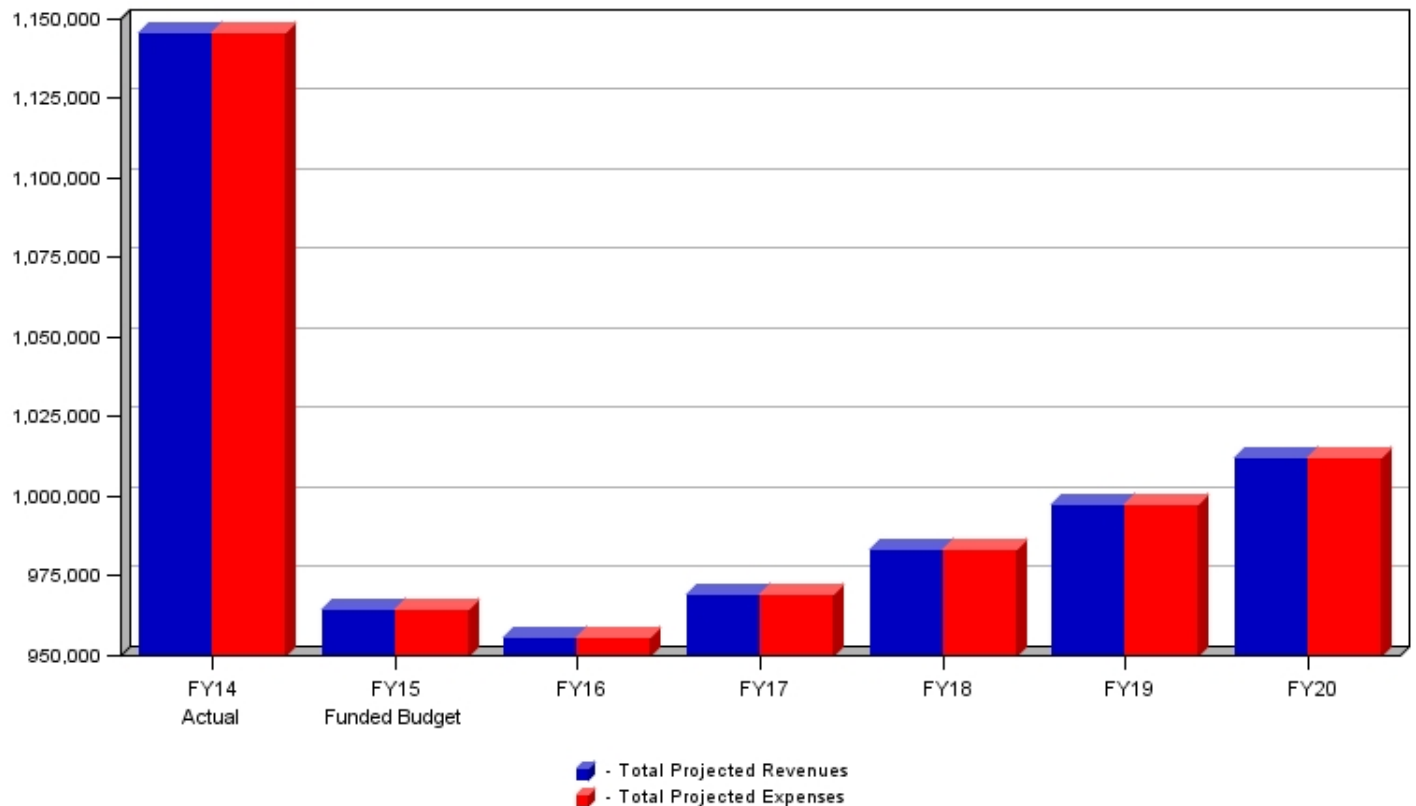
The Hotel/Motel Tax Fund revenue is derived from an 8% rate on rent for occupancy of a guestroom in a hotel in the City. The tax is shared between the City, Atlanta Conventions & Visitors.

**Expense Overview:**

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.

## Rental/Motor Vehicle Tax Fund - Five Year Plan

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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$1,145,976	\$964,579	\$955,703	\$969,560	\$983,619	\$997,881	\$1,012,351	\$4,919,114
Expenses	\$1,145,976	\$964,579	\$955,703	\$969,560	\$983,619	\$997,881	\$1,012,351	\$4,919,114
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	\$1,145,976	\$964,579	\$955,703	\$969,560	\$983,619	\$997,881	\$1,012,351	\$4,919,114
<b>Revenues Over(Under) Expenses</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Variance %</b>	0%	0%	0%	0%	0%	0%	0%	0%

### Revenue Overview:

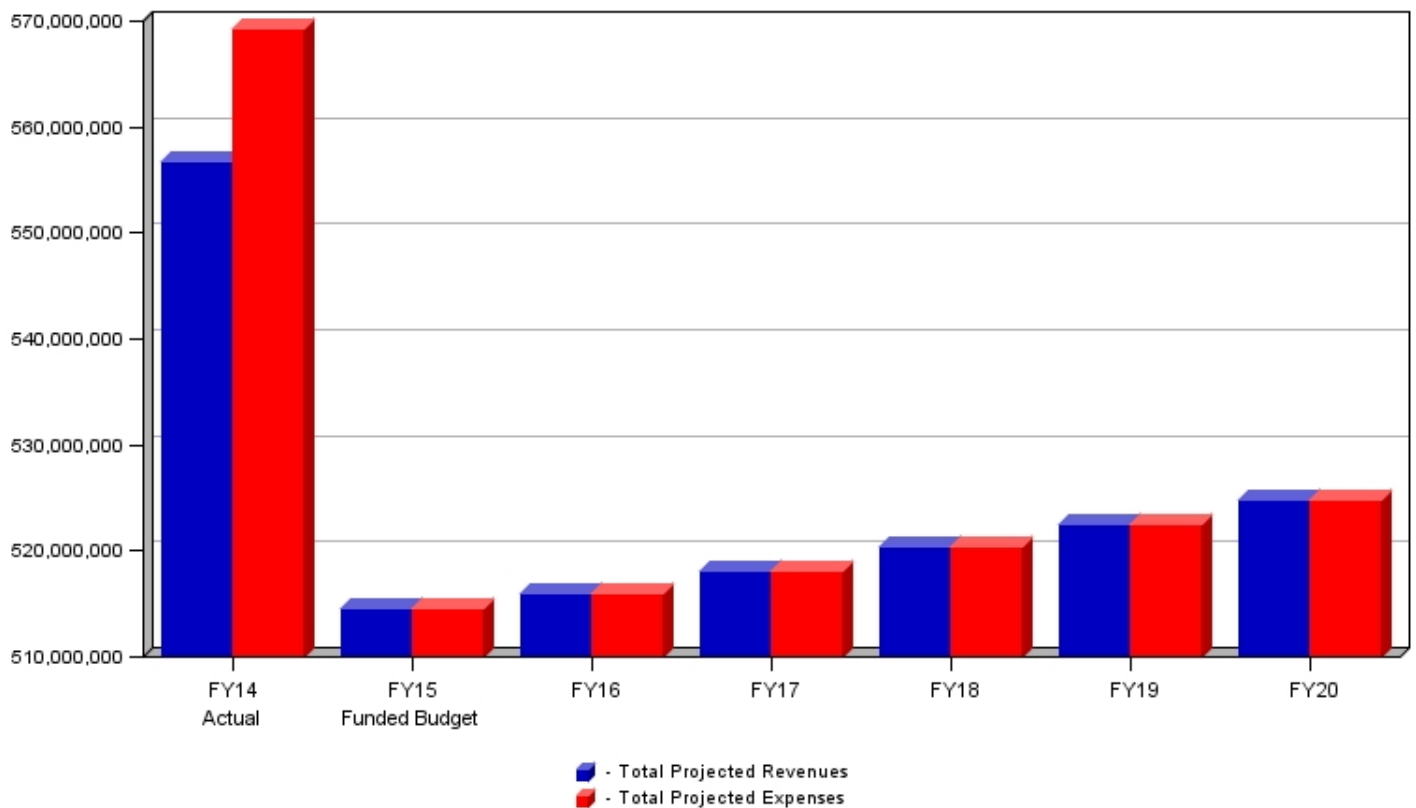
The Car Rental Tax Fund revenues correlate with travel and tourism activity.

### Expense Overview:

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.

## Water & Wastewater Revenue Fund - Five Year Plan

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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$556,821,587	\$514,650,481	\$516,003,632	\$518,161,327	\$520,326,940	\$522,499,658	\$524,760,190	\$2,601,751,747
Expenses	\$569,227,730	\$514,650,482	\$502,657,156	\$504,634,823	\$505,936,784	\$507,240,207	\$508,625,729	\$2,529,094,700
Incremental	\$0	\$0	\$13,440,104	\$14,298,177	\$15,161,829	\$16,031,124	\$16,906,135	\$75,837,368
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$93,628)	(\$771,673)	(\$771,673)	(\$771,673)	(\$771,673)	(\$3,180,322)
<b>Total Projected Expenses</b>	\$569,227,730	\$514,650,482	\$516,003,633	\$518,161,327	\$520,326,940	\$522,499,658	\$524,760,190	\$2,601,751,747
<b>Revenues Over(Under) Expenses</b>	(\$12,406,143)	(\$1)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Variance %</b>	(2%)	0%	0%	0%	0%	0%	0%	0%

**Revenue Overview:**

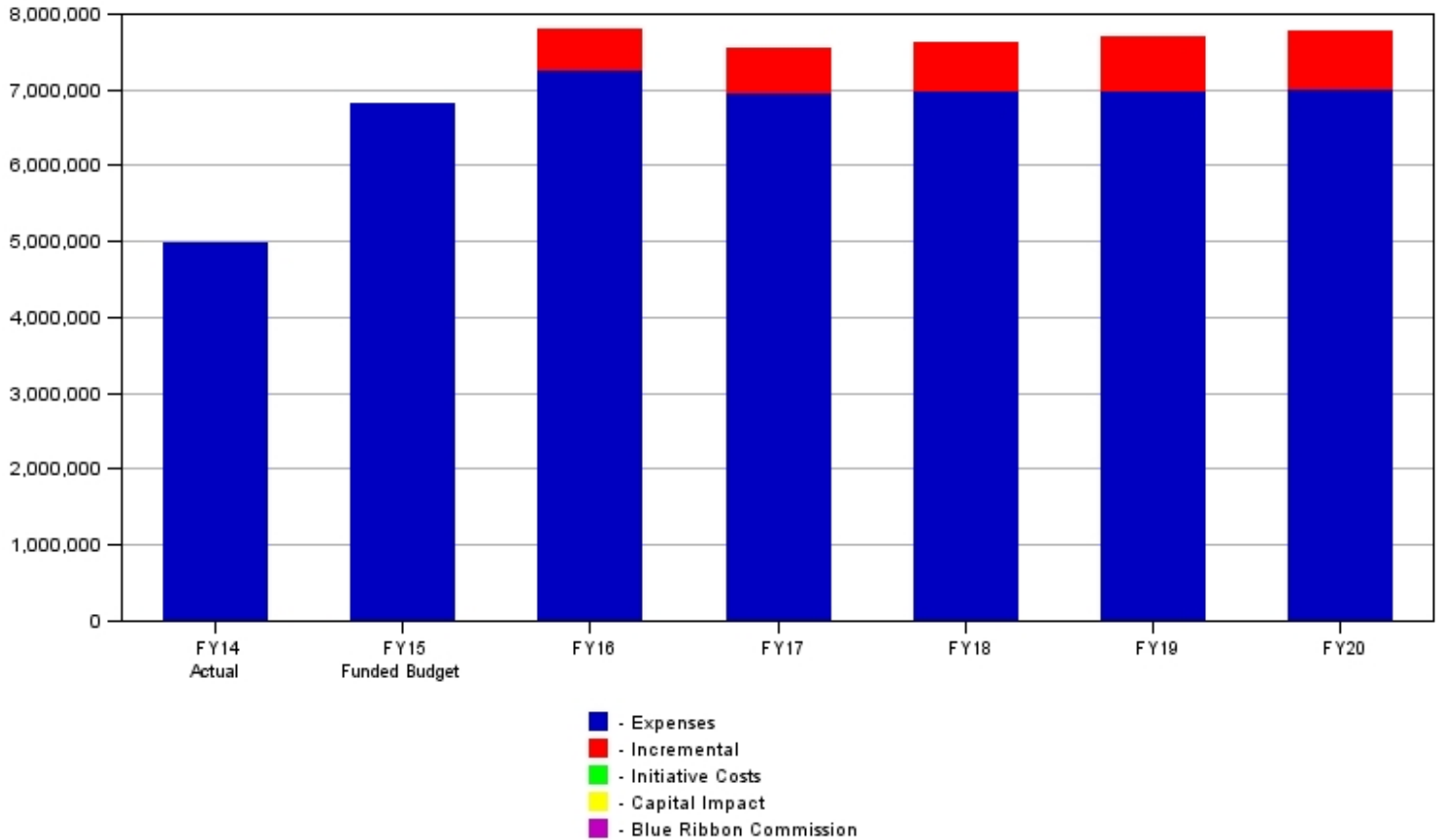
Represents annually anticipated increases in Water/ Sewer Service revenue due to consumption.

**Expense Overview:**

Expenditures for Departmental Operations and Maintenance, Debt Service, Fund-wide reserves and funding of City departments that provide services on behalf of the Department of Watershed Management.

## Water & Wastewater Revenue Fund - Executive Offices

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 Watershed department 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.



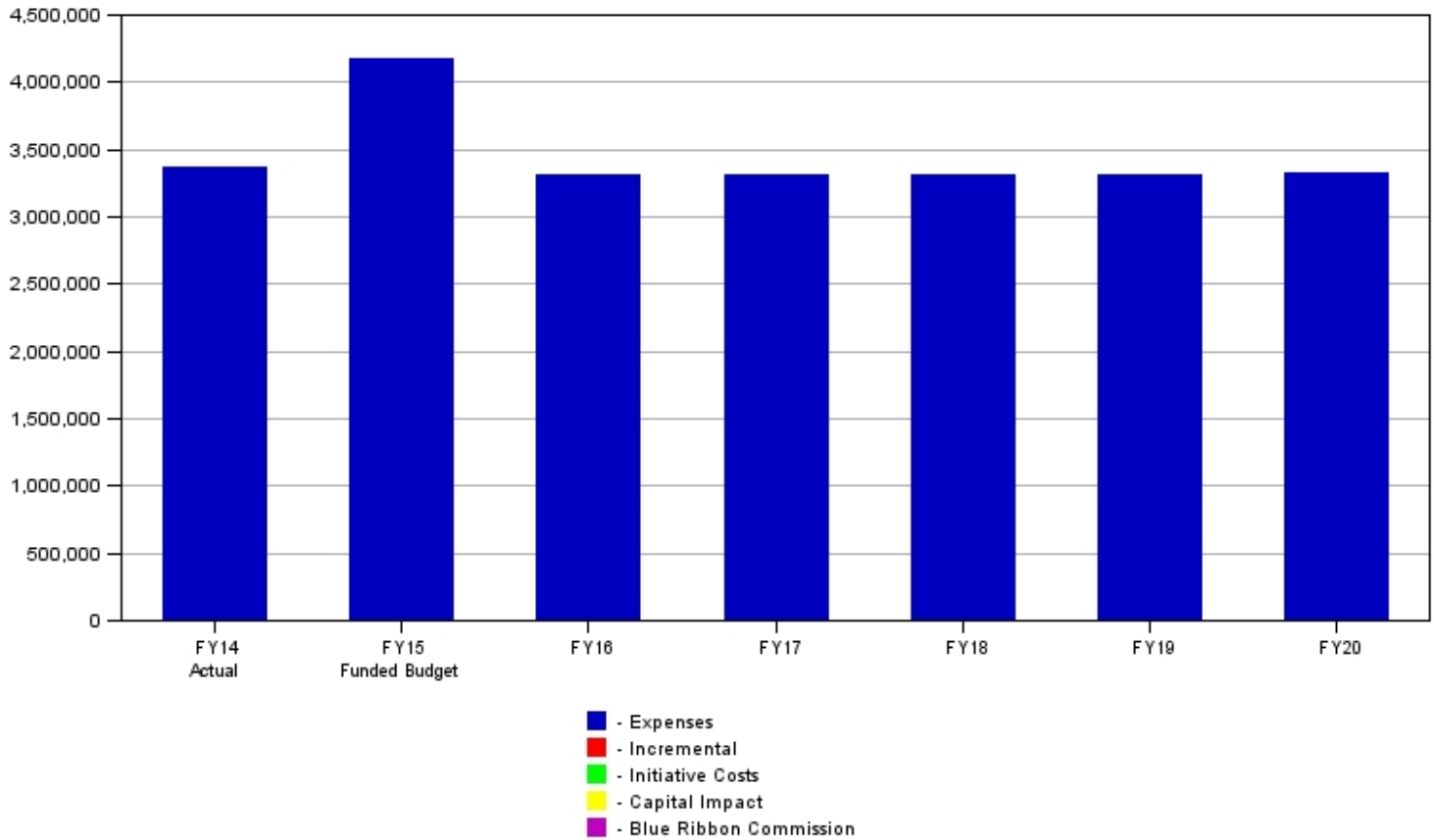
	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$4,979,342	\$6,816,675	\$7,248,772	\$6,938,762	\$6,956,025	\$6,974,430	\$7,004,186	\$35,122,175
Incremental	\$0	\$0	\$553,667	\$606,529	\$660,978	\$717,060	\$774,825	\$3,313,059
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$4,979,342</b>	<b>\$6,816,675</b>	<b>\$7,802,439</b>	<b>\$7,545,291</b>	<b>\$7,617,003</b>	<b>\$7,691,490</b>	<b>\$7,779,011</b>	<b>\$38,435,234</b>

- Expenses** - The Water and Wastewater Revenue Fund provides funding for certain expenses related to 311 Call Center and the Innovative Delivery Team department.
- Incremental** - Incremental amount includes the following funding for 72 Marietta St: Building repairs, Building lease, and Parking leases.
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A



## Water & Wastewater Revenue Fund - Department Of Information Technology

The Water and Wastewater Revenue Fund under the Department of Information Technology is used for the department and support of 311 Center, Hyperion and E Business Suite (EBS).

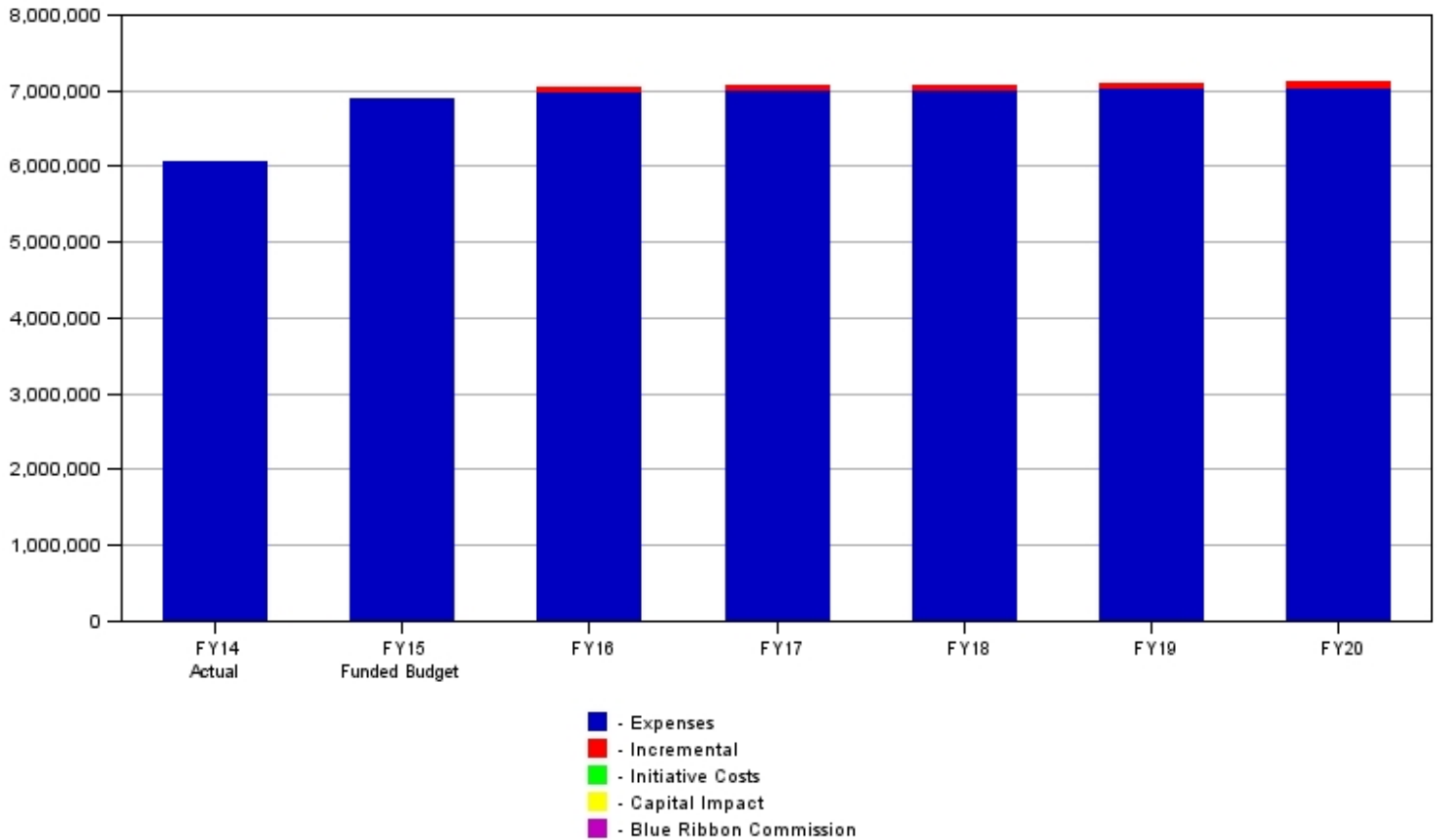


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$3,362,926	\$4,180,483	\$3,307,679	\$3,311,331	\$3,314,159	\$3,317,125	\$3,320,378	\$16,570,671
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$3,362,926</b>	<b>\$4,180,483</b>	<b>\$3,307,679</b>	<b>\$3,311,331</b>	<b>\$3,314,159</b>	<b>\$3,317,125</b>	<b>\$3,320,378</b>	<b>\$16,570,671</b>

- Expenses** - Over the next five years, the endeavors within this five year plan are to consolidate services, contracts and strengthen the City's technology framework.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Water & Wastewater Revenue Fund - Department Of Law

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 Department works proactively to prevent legal challenges by delivering sound advice, legislation and training.

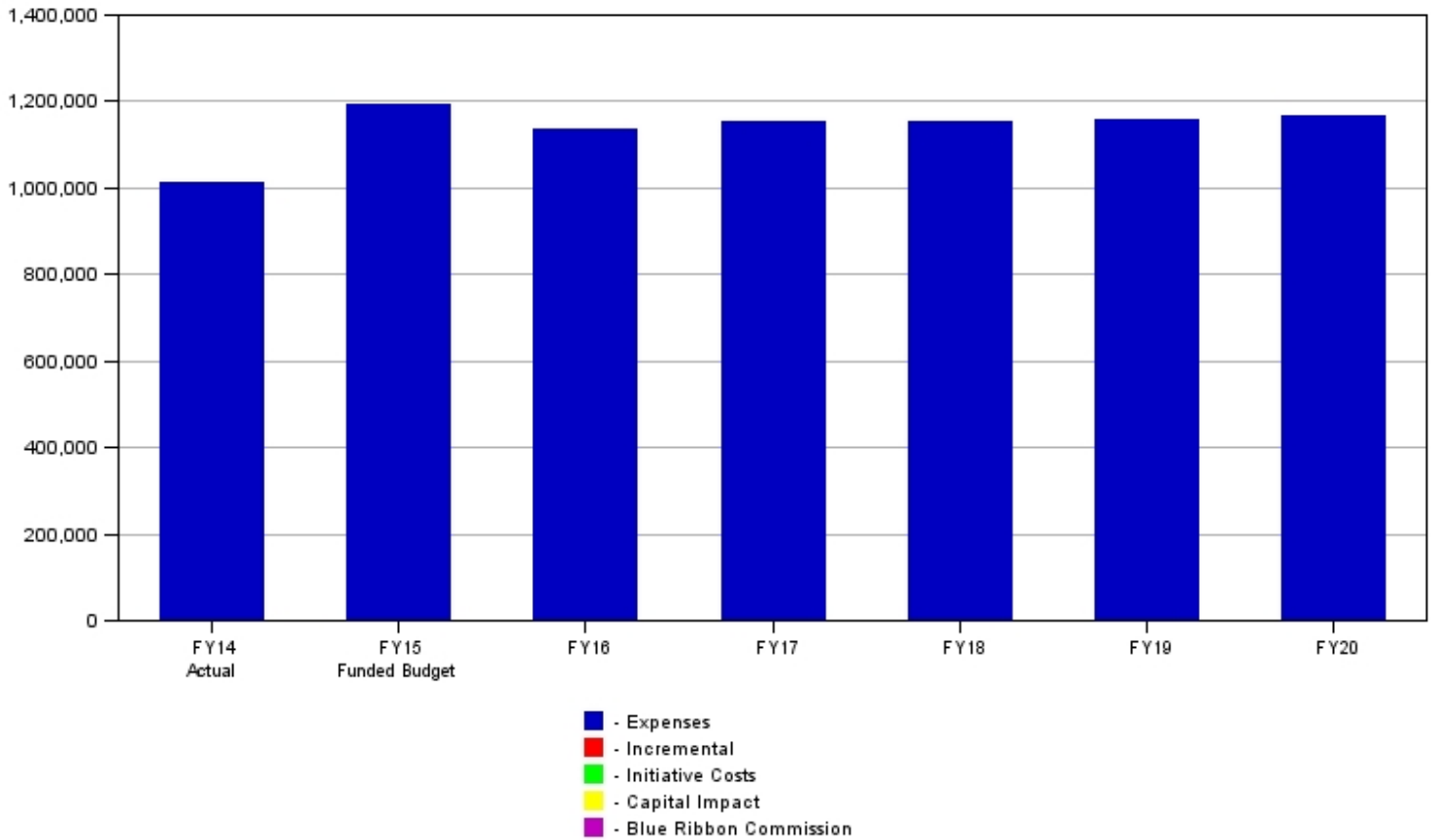


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$6,067,388	\$6,888,083	\$6,963,469	\$6,981,151	\$6,994,109	\$7,007,800	\$7,026,515	\$34,973,044
Incremental	\$0	\$0	\$80,667	\$80,667	\$80,667	\$80,667	\$80,667	\$403,335
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$6,067,388</b>	<b>\$6,888,083</b>	<b>\$7,044,136</b>	<b>\$7,061,818</b>	<b>\$7,074,776</b>	<b>\$7,088,467</b>	<b>\$7,107,182</b>	<b>\$35,376,379</b>

- Expenses** - The Water Fund increase over the next five years includes funding related to technology upgrades and Continuing Legal Education.
- Incremental** - Incremental funding is required for computer upgrades and professional development.
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Water & Wastewater Revenue Fund - Department Of Finance

The Department of Finance mission is to provide leading practice financial management services and leadership to achieve City of Atlanta goals and objectives.

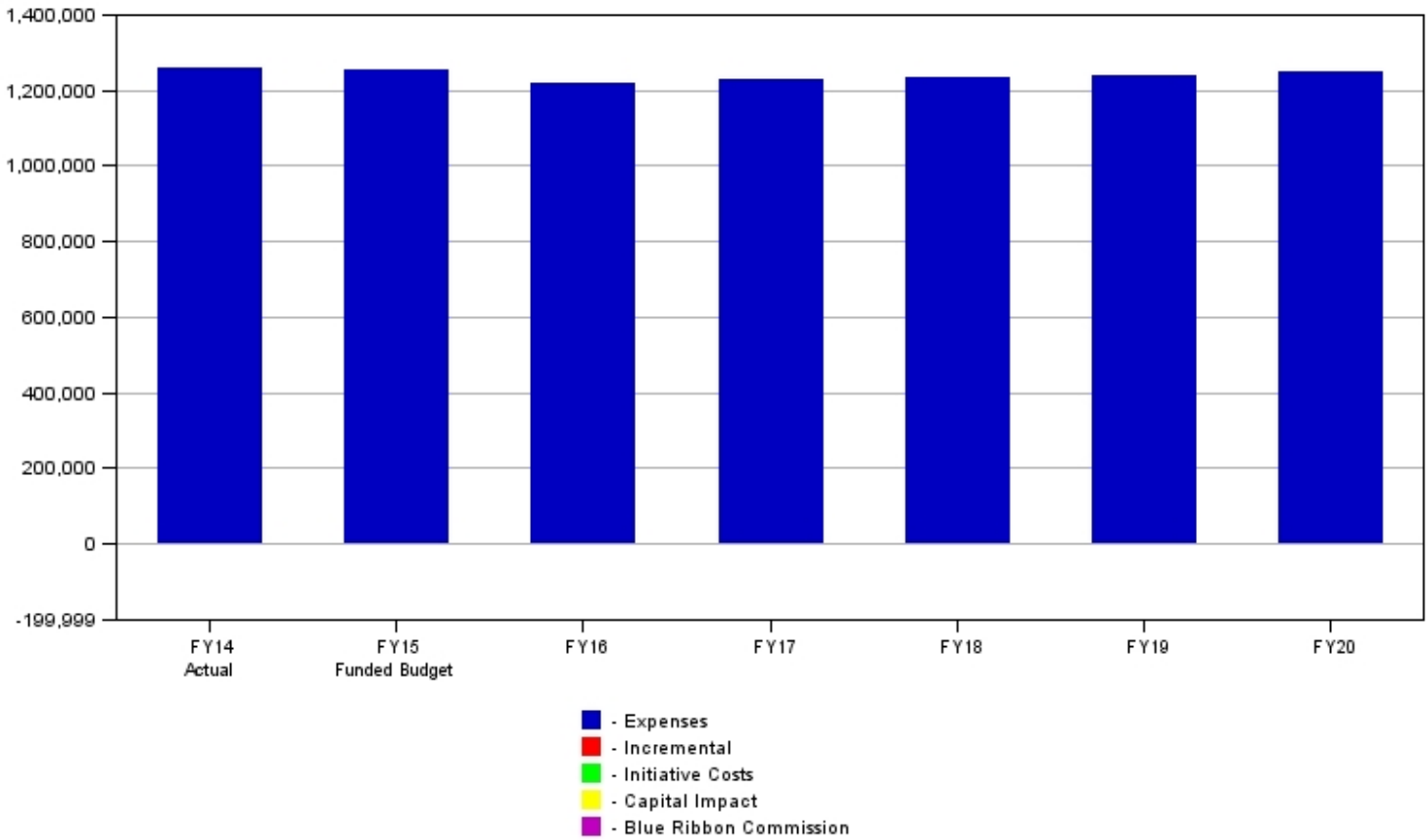


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$1,010,644	\$1,191,726	\$1,137,775	\$1,152,212	\$1,155,126	\$1,158,296	\$1,165,577	\$5,768,985
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$1,010,644</b>	<b>\$1,191,726</b>	<b>\$1,137,775</b>	<b>\$1,152,212</b>	<b>\$1,155,126</b>	<b>\$1,158,296</b>	<b>\$1,165,577</b>	<b>\$5,768,985</b>

- Expenses** - The expenses are mainly due to standard contracts (i.e., Treasury contract fees, Sympro, DBC, and Bloomberg) and bank fees.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Water & Wastewater Revenue Fund - Department Of Procurement

The Department of Procurement is responsible for providing guidance in the purchasing of all goods and services according to the City Code of Ordinances. The goal is to model best practices in public purchasing while promoting equity, fairness and economic inclusion.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$1,260,683	\$1,254,226	\$1,220,250	\$1,226,964	\$1,232,299	\$1,237,994	\$1,247,642	\$6,165,149
Incremental	\$0	\$0	\$987	\$987	\$987	\$987	\$987	\$4,935
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$85)	(\$149)	(\$149)	(\$149)	(\$149)	(\$679)
<b>Total Projected Expenses</b>	<b>\$1,260,683</b>	<b>\$1,254,226</b>	<b>\$1,221,152</b>	<b>\$1,227,802</b>	<b>\$1,233,138</b>	<b>\$1,238,833</b>	<b>\$1,248,480</b>	<b>\$6,169,405</b>

**Expenses**

- Expenses over the next five years include personnel expense, Technology Integration Group copier lease, maintenance, office supplies, training/travel, wireless devices and printing.

**Incremental**

- Incremental costs to cover Technology Integration Group copier/printer lease.

**Initiative Costs**

- N/A

**Capital Impact**

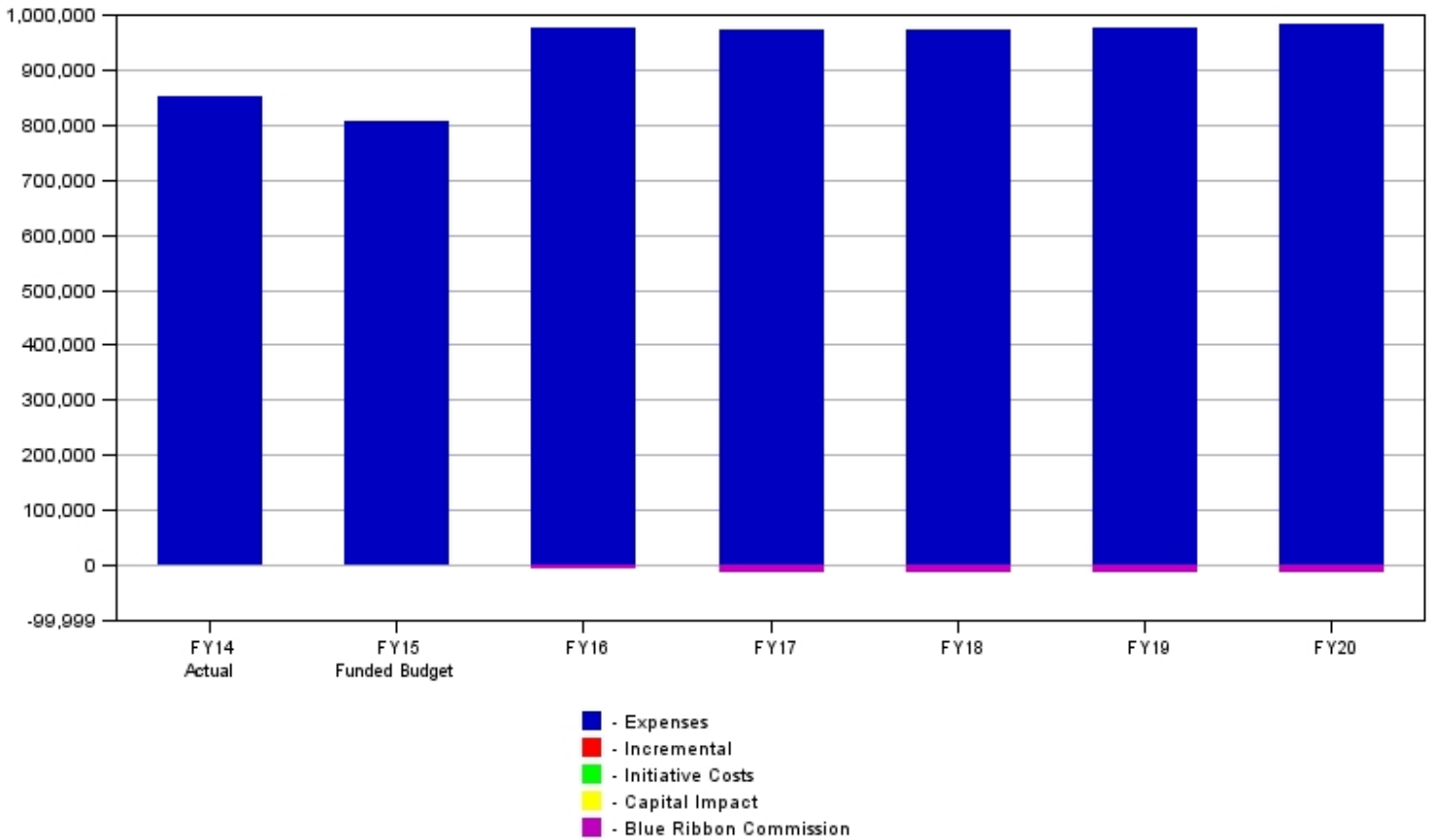
- N/A

**Blue Ribbon Commission**

- This total represents savings identified by the Blue Ribbon Commission related to workers' compensation costs and Healthcare Optimization.

## Water & Wastewater Revenue Fund - Department Of Public Works

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.

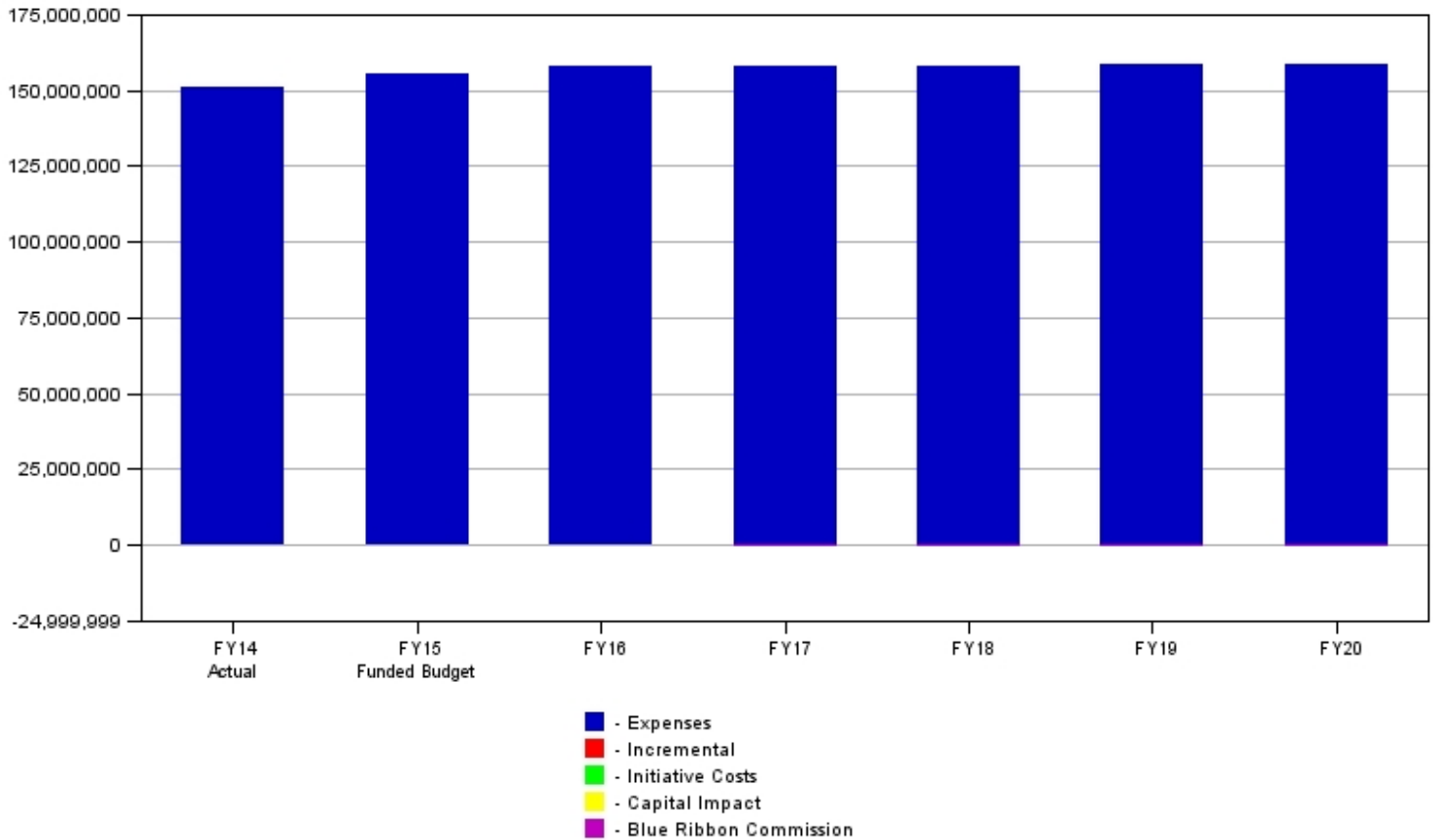


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$850,238	\$805,261	\$974,948	\$971,915	\$973,663	\$975,601	\$981,231	\$4,877,359
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$5,992)	(\$13,178)	(\$13,178)	(\$13,178)	(\$13,178)	(\$58,705)
<b>Total Projected Expenses</b>	<b>\$850,238</b>	<b>\$805,261</b>	<b>\$968,956</b>	<b>\$958,737</b>	<b>\$960,485</b>	<b>\$962,423</b>	<b>\$968,053</b>	<b>\$4,818,654</b>

- Expenses** - Over the next five years operating expenses are projected to slightly increase due to salaries and benefits.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - This amount represents savings related to workers' compensation and Healthcare Optimization

## Water & Wastewater Revenue Fund - Department Of Watershed Management

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. The system's operations are financed primarily by user charges for water and wastewater services and Municipal Option Sales Tax.

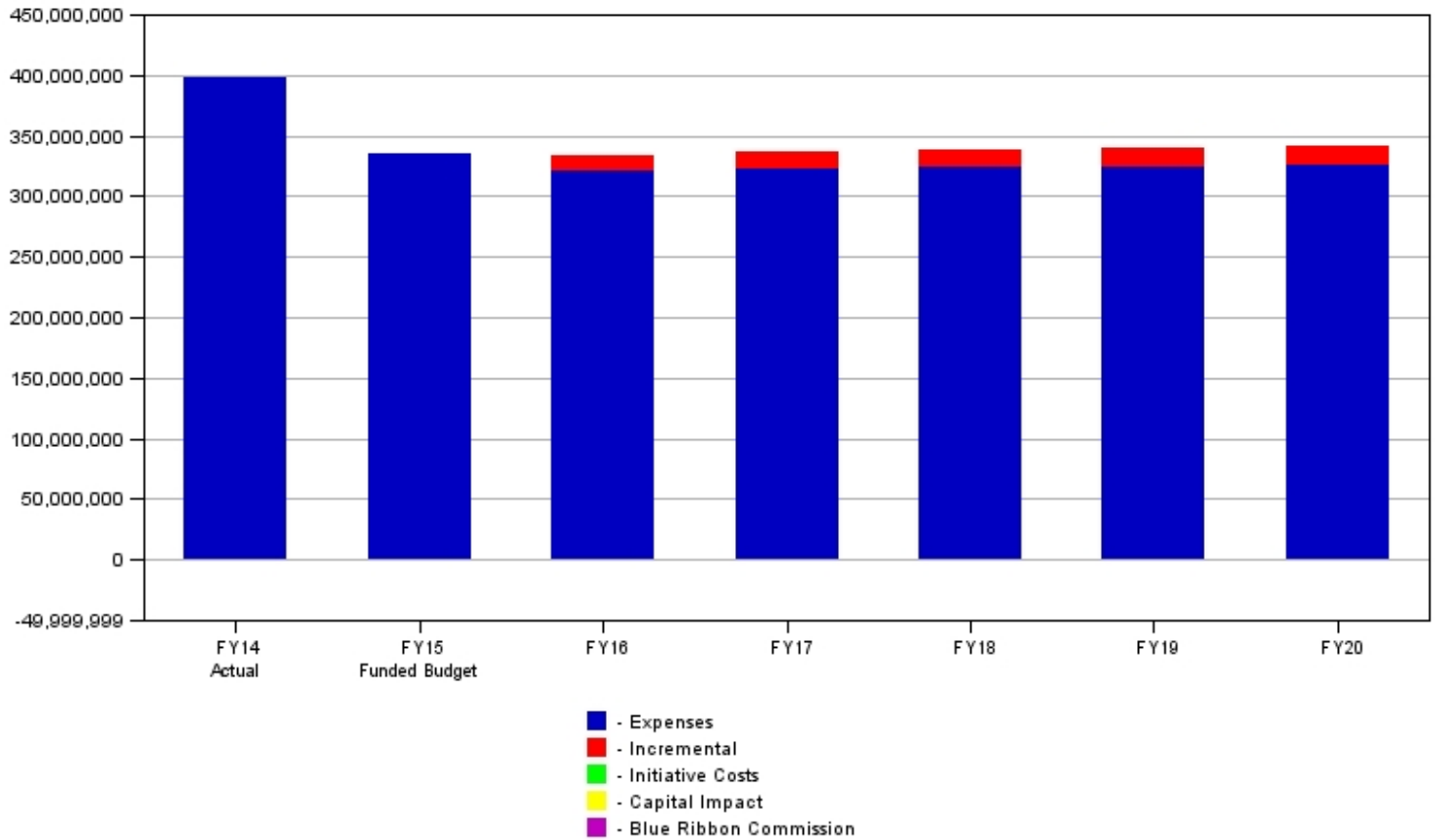


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$151,388,841	\$155,401,980	\$157,767,562	\$157,983,847	\$158,099,066	\$158,377,186	\$158,716,623	\$790,944,285
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$73,730)	(\$733,612)	(\$733,612)	(\$733,612)	(\$733,612)	(\$3,008,179)
<b>Total Projected Expenses</b>	<b>\$151,388,841</b>	<b>\$155,401,980</b>	<b>\$157,693,832</b>	<b>\$157,250,235</b>	<b>\$157,365,454</b>	<b>\$157,643,574</b>	<b>\$157,983,011</b>	<b>\$787,936,107</b>

- Expenses** - Budget represents the efforts and impact of the Department-wide reorganization which streamlined operations, aligned similar functions and reduction of the Operations and Maintenance budget from previous years.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - Blue Ribbon Commission includes savings in workers' comp and Healthcare Optimization.

## Water & Wastewater Revenue Fund - Non-Departmental

The Water & Wastewater Revenue Fund Non-Departmental budget includes funding for expenditures directly associated with debt service on bonds and loans, fund-wide reserve, retiree benefits and payments to other governments.

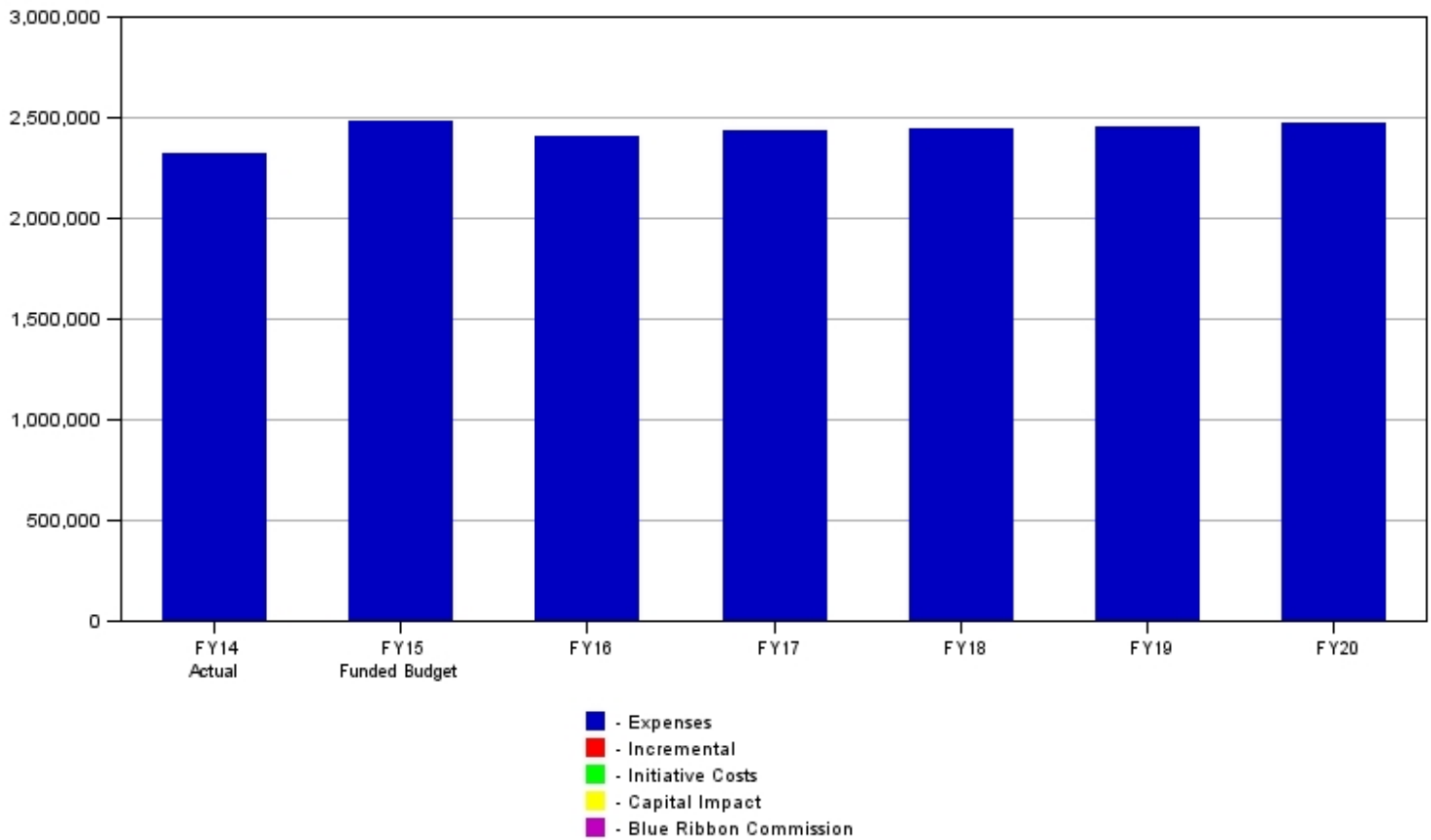


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$397,359,471	\$334,683,747	\$320,674,244	\$322,670,859	\$323,804,289	\$324,772,701	\$325,723,720	\$1,617,645,815
Incremental	\$0	\$0	\$12,729,734	\$13,472,074	\$14,218,092	\$14,967,805	\$15,721,234	\$71,108,939
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$13,820)	(\$24,735)	(\$24,735)	(\$24,735)	(\$24,735)	(\$112,759)
<b>Total Projected Expenses</b>	<b>\$397,359,471</b>	<b>\$334,683,747</b>	<b>\$333,390,158</b>	<b>\$336,118,199</b>	<b>\$337,997,647</b>	<b>\$339,715,772</b>	<b>\$341,420,220</b>	<b>\$1,688,641,995</b>

- Expenses** - The Base budget includes funding for debt service on bonds and loans, fund-wide reserve, retiree benefits and payments to other governments.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - Blue Ribbon Commission includes savings in workers' comp.

## Water & Wastewater Revenue Fund - Department Of Human Resources

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.



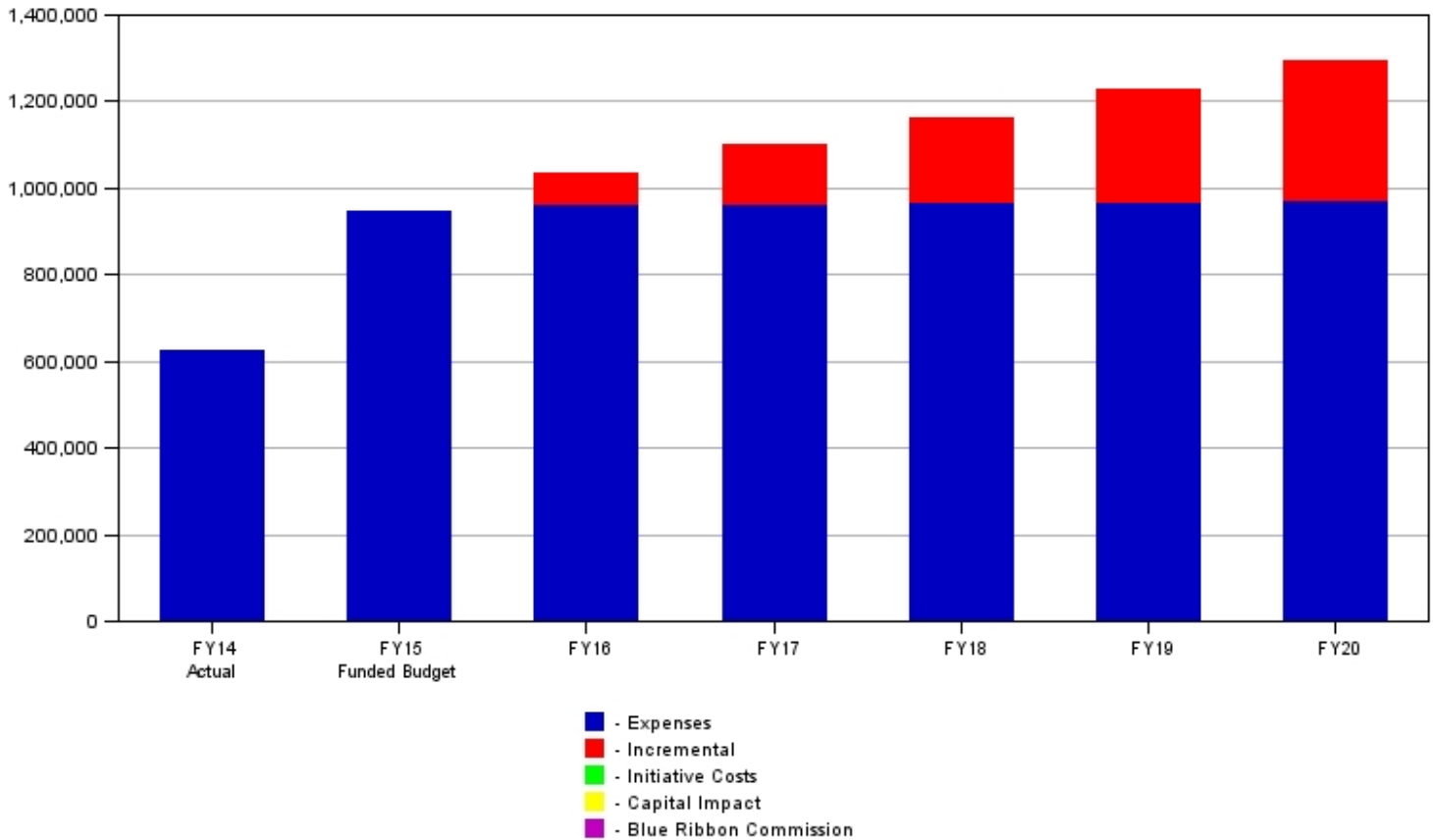
	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$2,324,214	\$2,478,091	\$2,403,147	\$2,436,723	\$2,445,328	\$2,454,612	\$2,473,495	\$12,213,305
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$2,324,214</b>	<b>\$2,478,091</b>	<b>\$2,403,147</b>	<b>\$2,436,723</b>	<b>\$2,445,328</b>	<b>\$2,454,612</b>	<b>\$2,473,495</b>	<b>\$12,213,305</b>

- Expenses** - Expenses over the next Five Years include DHR expenditures related to personnel, Civil Service Board Hearings and other daily operational expenses.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A



## Water & Wastewater Revenue Fund - Department Of Audit

The City Auditor's Office promotes honesty, efficiency, effectiveness, and accountability in city government by conducting audits to support legislative oversight and public accountability. The Water & Wastewater Revenue Fund supports audits and investigations in the Department of Watershed Management and related activities.

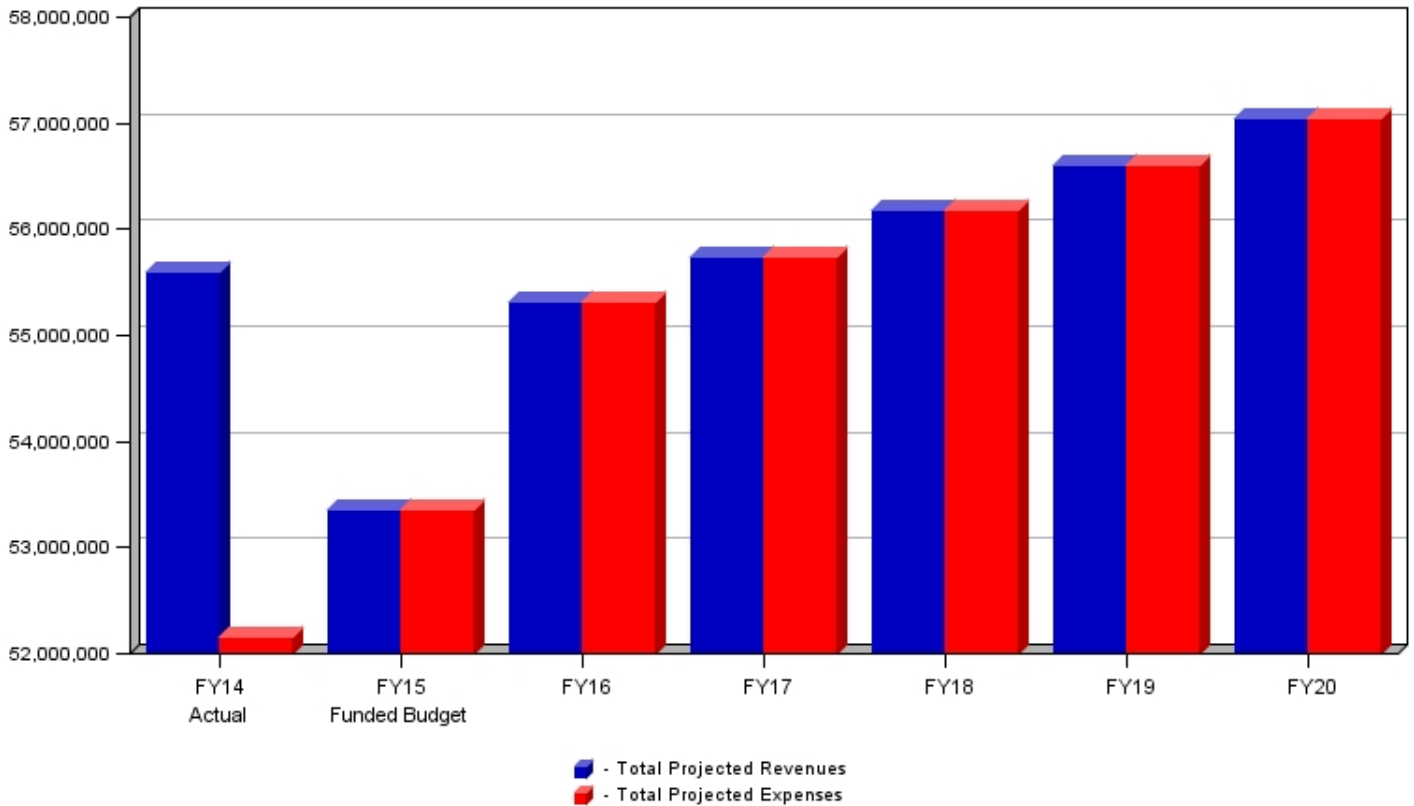


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$623,983	\$944,572	\$959,311	\$961,058	\$962,720	\$964,462	\$966,361	\$4,813,913
Incremental	\$0	\$0	\$75,049	\$137,920	\$201,105	\$264,605	\$328,422	\$1,007,100
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$623,983</b>	<b>\$944,572</b>	<b>\$1,034,360</b>	<b>\$1,098,978</b>	<b>\$1,163,825</b>	<b>\$1,229,067</b>	<b>\$1,294,783</b>	<b>\$5,821,014</b>

- Expenses** - The base budget provides split funding for 12 positions, providing support for audits and investigations that focus on or include the Department of Watershed Management and related activities.
- Incremental** - Incremental funding will provide support for additional audit and investigative work in this fund, gradually increasing to about five positions by FY2020.
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Solid Waste Services Revenue Fund - Five Year Plan

The primary services provided by Solid Waste Services are refuse collection and disposal, residential recycling, yard trimmings, bulk rubbish collection, and street sweeping.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$55,596,478	\$53,363,026	\$55,316,071	\$55,744,275	\$56,175,070	\$56,608,478	\$57,044,522	\$280,888,416
Expenses	\$52,164,833	\$53,363,026	\$55,336,330	\$56,385,477	\$56,686,750	\$56,990,005	\$57,295,264	\$282,693,827
Incremental	\$0	\$0	\$128,271	\$257,167	\$386,689	\$516,842	\$647,628	\$1,936,597
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$148,530)	(\$898,369)	(\$898,369)	(\$898,369)	(\$898,369)	(\$3,742,007)
<b>Total Projected Expenses</b>	\$52,164,833	\$53,363,026	\$55,316,072	\$55,744,275	\$56,175,070	\$56,608,478	\$57,044,522	\$280,888,416
<b>Revenues Over(Under) Expenses</b>	\$3,431,645	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Variance %</b>	6%	0%	0%	0%	0%	0%	0%	0%

**Revenue Overview:**

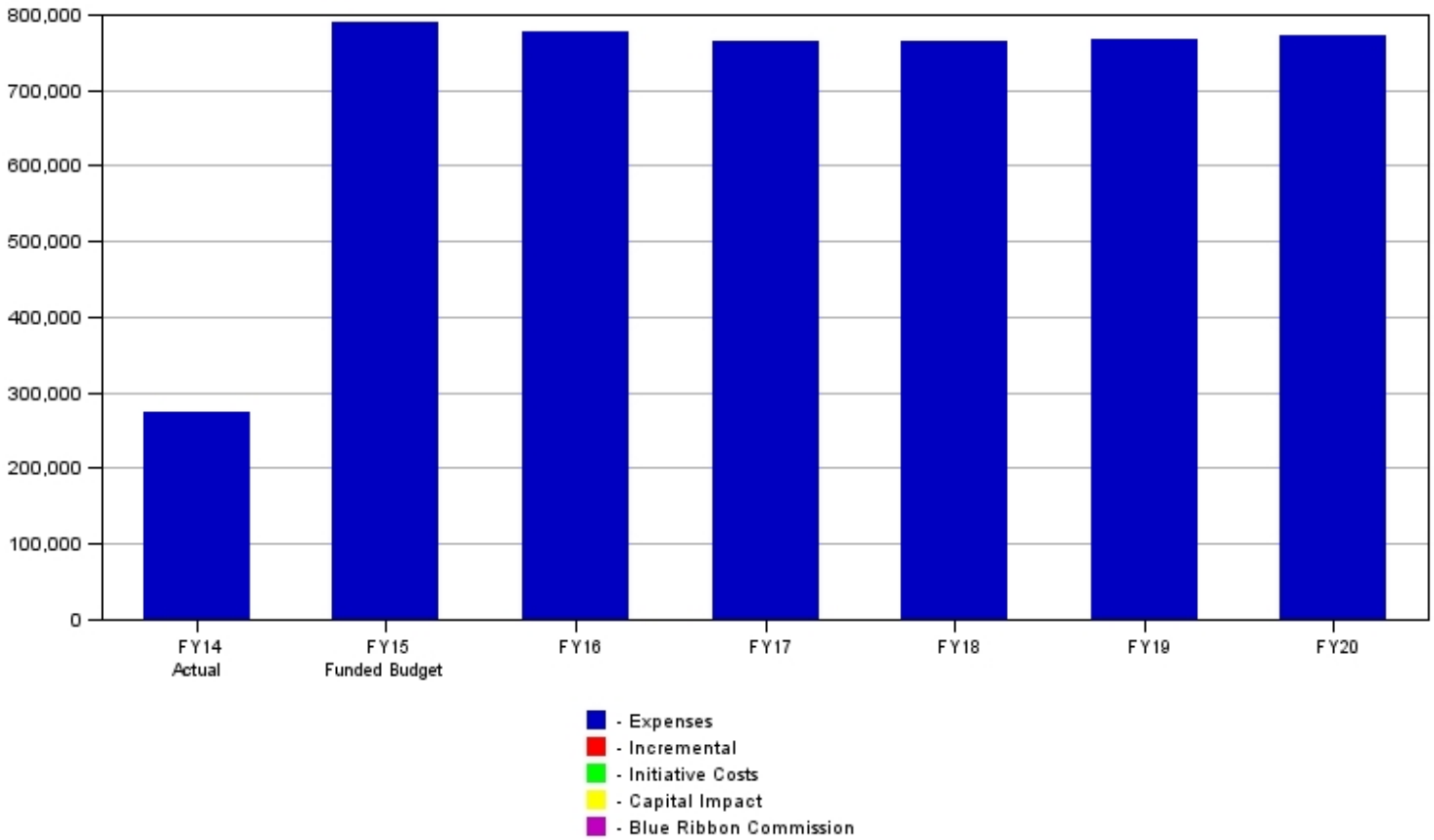
Solid Waste Fund revenues are comprised of user fees to cover the cost of operations. Revenues are projected to increase by five percent due to new construction and redevelopment within the service area.

**Expense Overview:**

Operating expenses are projected increase over the next five years due to higher indirect cost allocations and repairing and replacing aging equipment.

## Solid Waste Services Revenue Fund - Executive Offices

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 full-time positions that are funded at a certain percentage within the Solid Waste Service Revenue Fund.

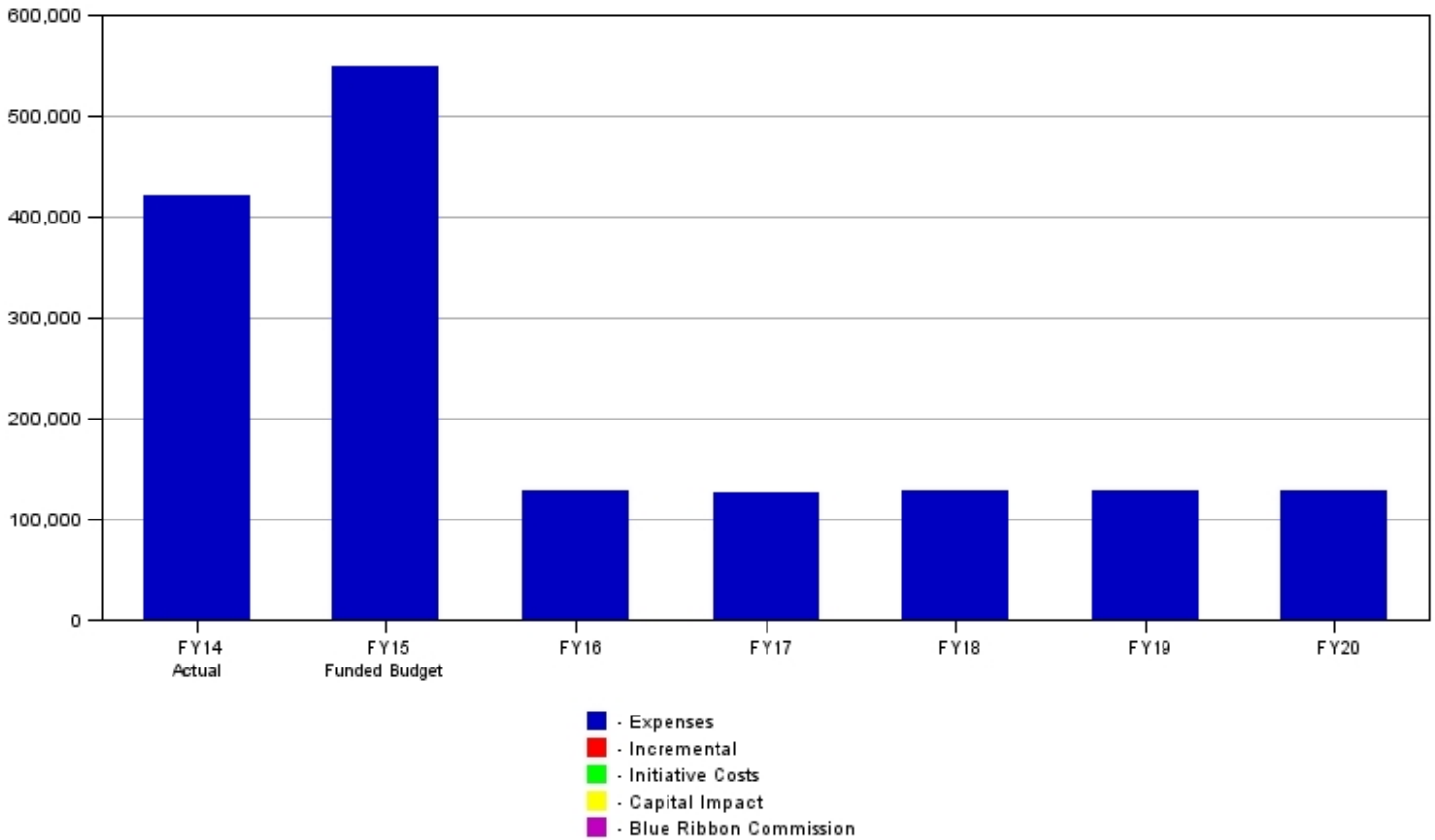


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$275,405	\$789,862	\$776,168	\$763,974	\$765,802	\$767,765	\$771,429	\$3,845,138
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$275,405</b>	<b>\$789,862</b>	<b>\$776,168</b>	<b>\$763,974</b>	<b>\$765,802</b>	<b>\$767,765</b>	<b>\$771,429</b>	<b>\$3,845,138</b>

- Expenses** - The Solid Waste Fund provides funding for expenses related to the 311 Call Center.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Solid Waste Services Revenue Fund - Department Of Information

The Solid Waste Services Revenue Fund under the Department of Information Technology is used for ongoing support of 311 Center and Hyperion.

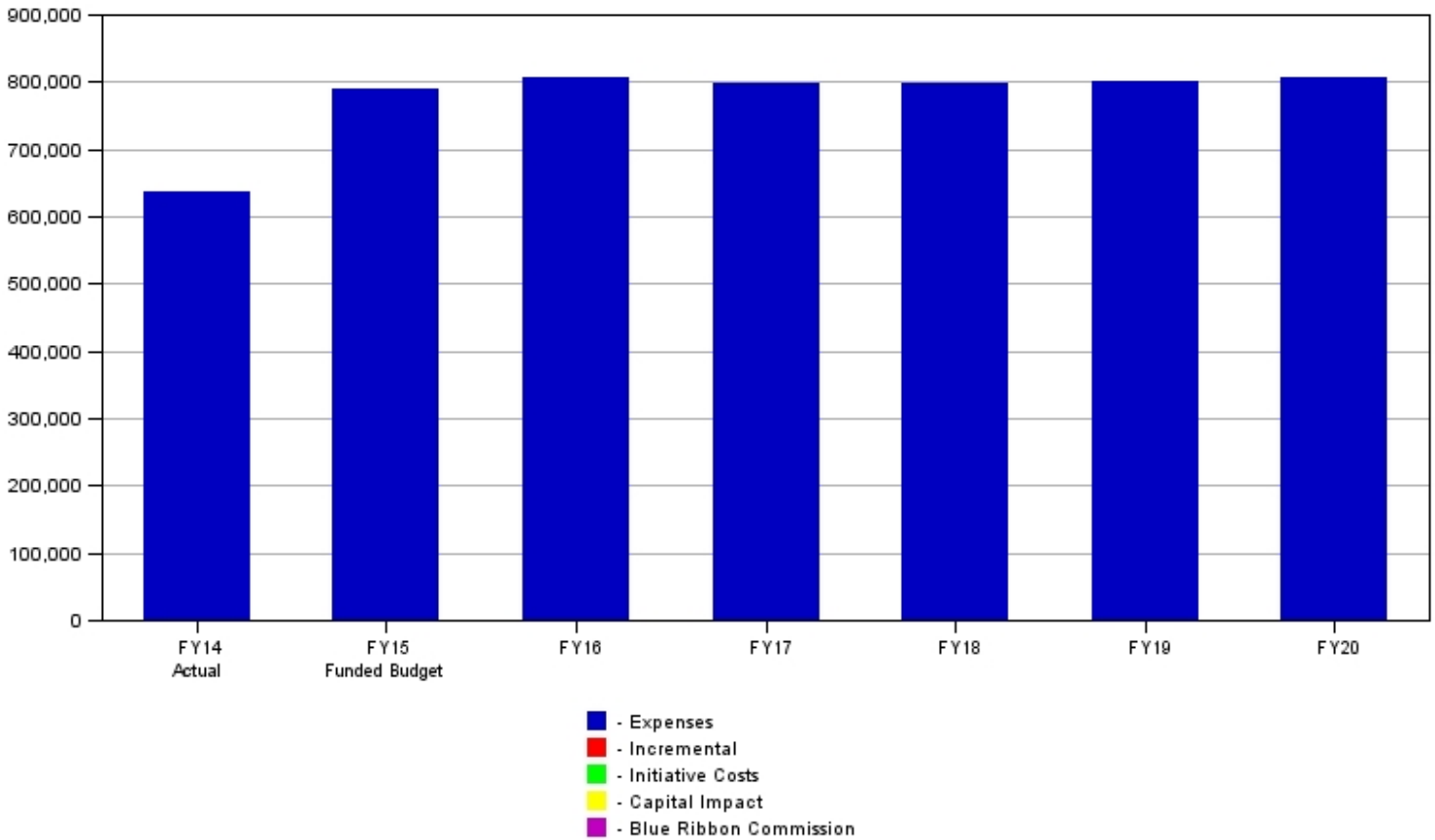


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$420,361	\$548,799	\$127,437	\$126,941	\$127,434	\$127,950	\$128,491	\$638,252
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$420,361</b>	<b>\$548,799</b>	<b>\$127,437</b>	<b>\$126,941</b>	<b>\$127,434</b>	<b>\$127,950</b>	<b>\$128,491</b>	<b>\$638,252</b>

- Expenses** - The cost over the next five years include spit-funded positions for 311 and GIS as well as contract costs for Hyperion and the 311 Call Center.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Solid Waste Services Revenue Fund - Department Of Finance

The Department of Finance mission is to provide leading practice financial management services and leadership to achieve City of Atlanta goals and objectives.

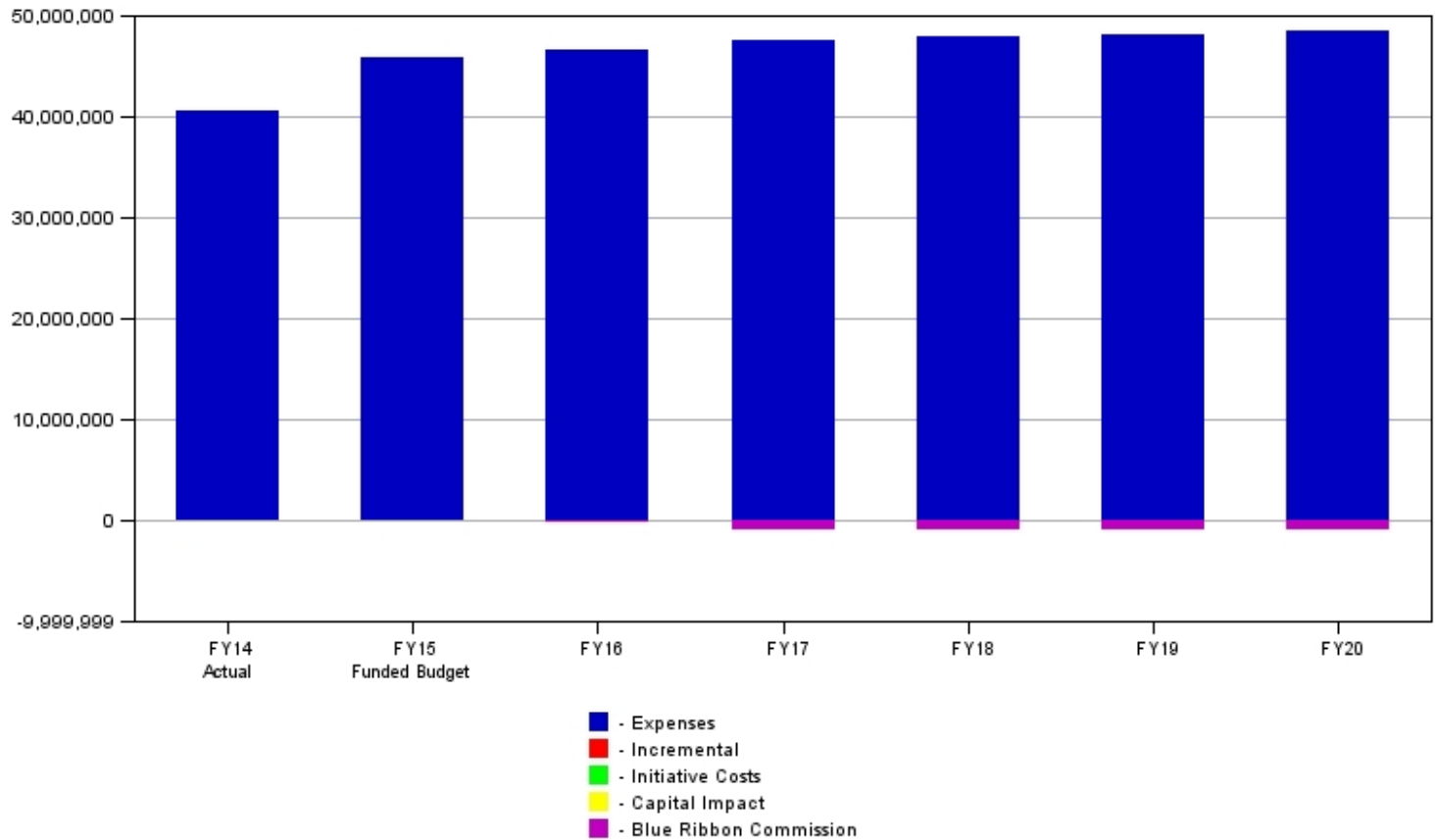


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$636,313	\$790,937	\$806,396	\$797,141	\$798,945	\$800,910	\$805,426	\$4,008,819
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$636,313</b>	<b>\$790,937</b>	<b>\$806,396</b>	<b>\$797,141</b>	<b>\$798,945</b>	<b>\$800,910</b>	<b>\$805,426</b>	<b>\$4,008,819</b>

- Expenses** - The cost over the next five years includes Solid Waste Billing system and bank fees.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Solid Waste Services Revenue Fund - Department Of Public Works

The Department of Public Works is responsible for the collection and disposal management of solid waste within the City of Atlanta. This office is also responsible for waste reduction and recycling; landfill post-closure management; solid waste management and analysis; education and enforcement; street sweeping and cleaning; dead animal removal; facilitating the Keep Atlanta Beautiful program, and assisting with city-wide emergency operations.

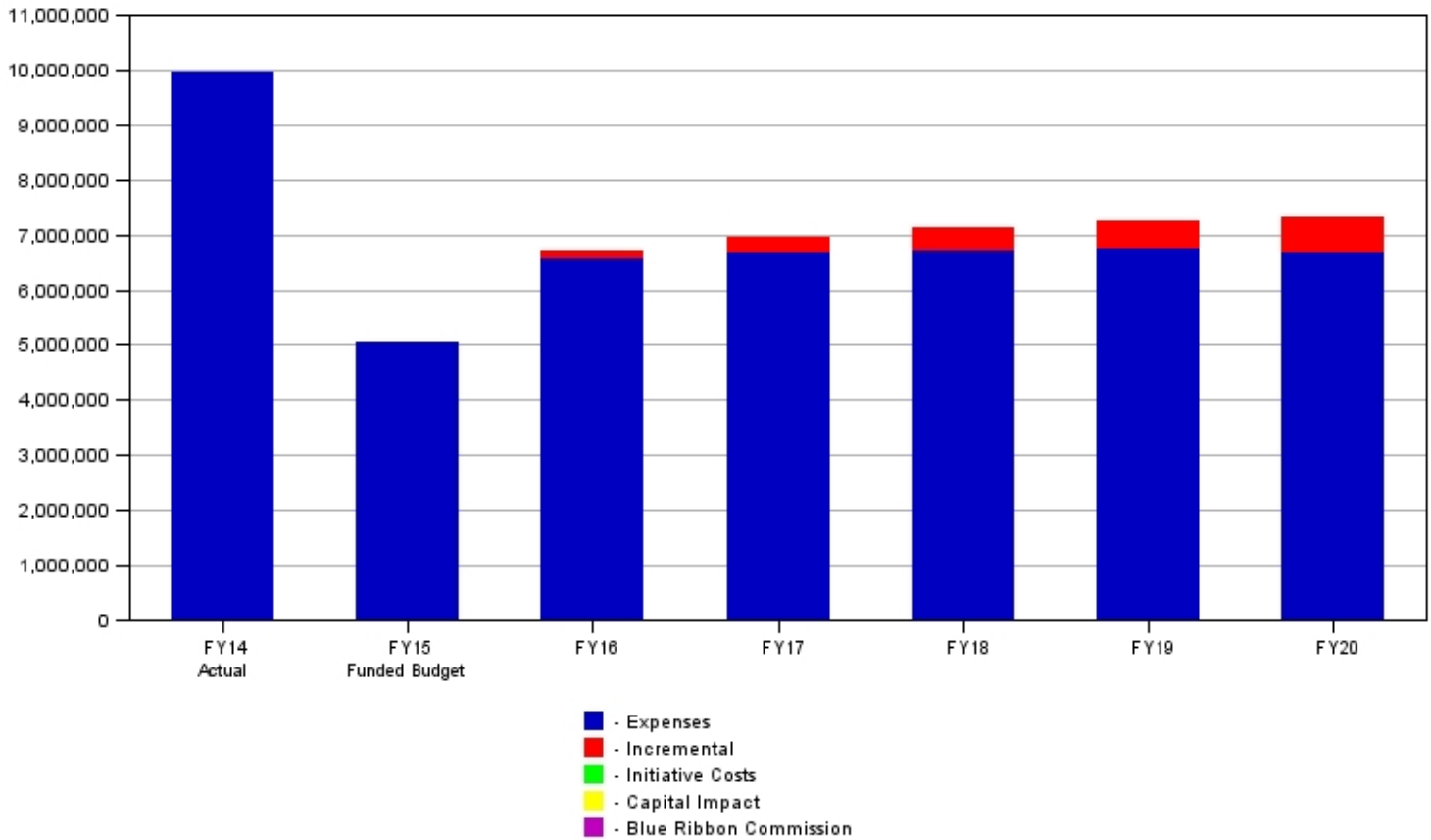


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$40,539,444	\$45,790,442	\$46,631,196	\$47,578,765	\$47,844,248	\$48,116,098	\$48,484,023	\$238,654,330
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$148,530)	(\$898,369)	(\$898,369)	(\$898,369)	(\$898,369)	(\$3,742,007)
<b>Total Projected Expenses</b>	<b>\$40,539,444</b>	<b>\$45,790,442</b>	<b>\$46,482,666</b>	<b>\$46,680,396</b>	<b>\$46,945,879</b>	<b>\$47,217,729</b>	<b>\$47,585,653</b>	<b>\$234,912,323</b>

- Expenses** - Over the next five years operating expenses are projected to slightly increase due to repairing and replacing aged equipment.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - This amount represents savings related to workers' compensation and Healthcare Optimization.

## Solid Waste Services Revenue Fund - Non-Departmental

Non-Departmental 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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$9,951,036	\$5,043,112	\$6,579,982	\$6,693,236	\$6,723,080	\$6,748,099	\$6,673,588	\$33,417,987
Incremental	\$0	\$0	\$128,271	\$257,167	\$386,689	\$516,842	\$647,628	\$1,936,597
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$9,951,036</b>	<b>\$5,043,112</b>	<b>\$6,708,254</b>	<b>\$6,950,403</b>	<b>\$7,109,770</b>	<b>\$7,264,941</b>	<b>\$7,321,216</b>	<b>\$35,354,584</b>

**Expenses**

- Operating expenses are projected to slightly increase over the next five years due to higher indirect cost allocations.

**Incremental**

- Incremental cost relates to one percent employee pay increase.

**Initiative Costs**

- N/A

**Capital Impact**

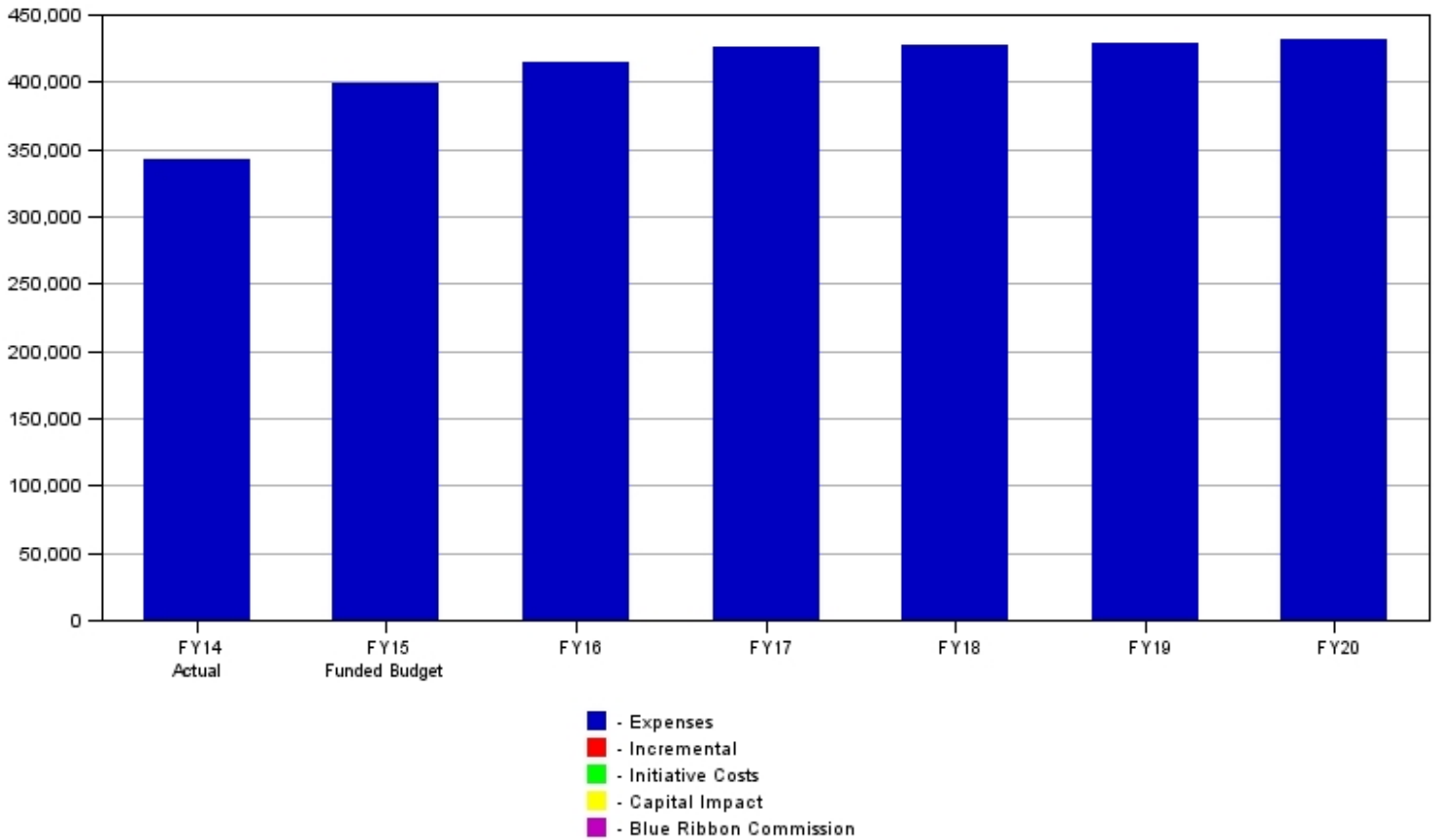
- N/A

**Blue Ribbon Commission**

- N/A

## Solid Waste Services Revenue Fund - Department Of Human Resources

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.



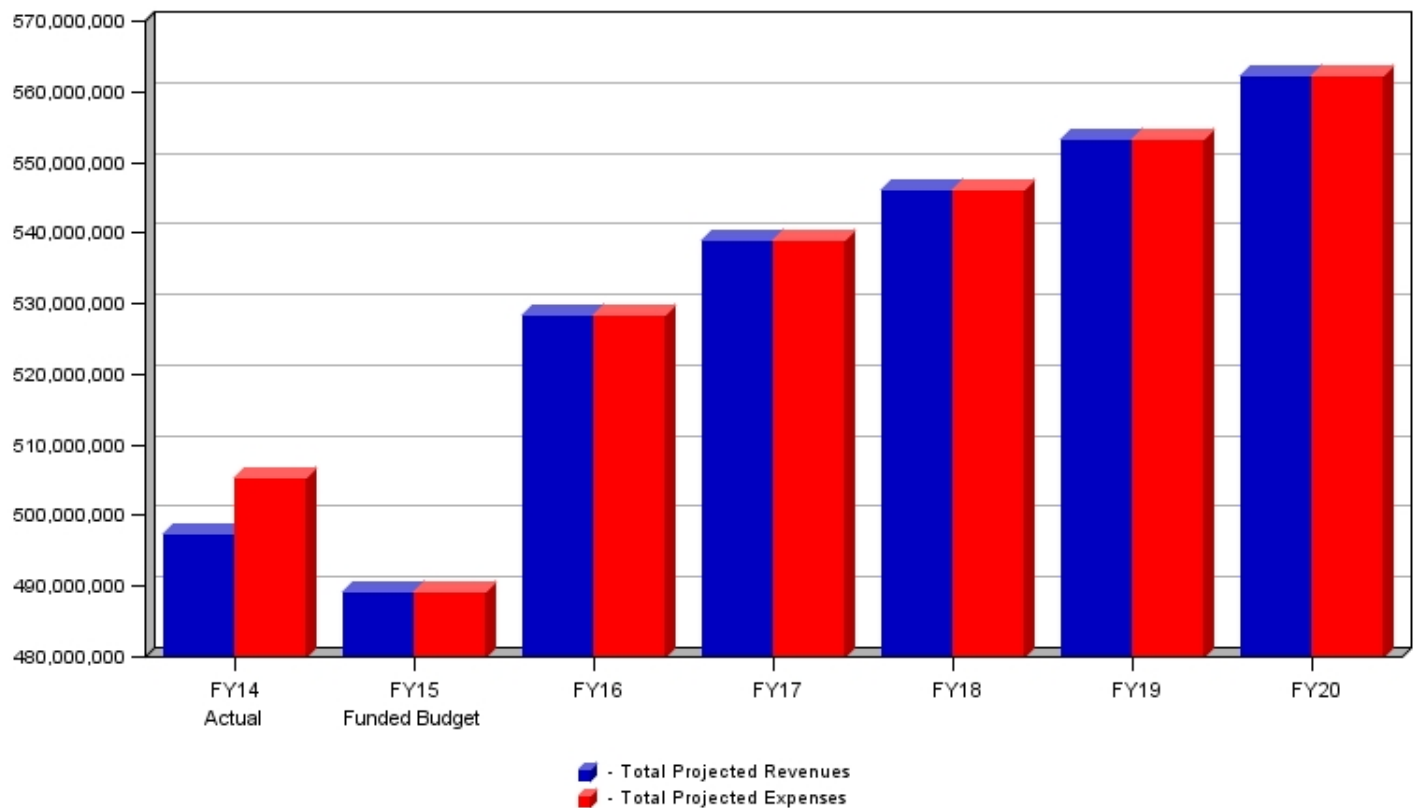
	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$342,275	\$398,787	\$415,151	\$425,419	\$427,241	\$429,182	\$432,307	\$2,129,299
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$342,275</b>	<b>\$398,787</b>	<b>\$415,151</b>	<b>\$425,419</b>	<b>\$427,241</b>	<b>\$429,182</b>	<b>\$432,307</b>	<b>\$2,129,299</b>

- Expenses** - This amount over the next five years represents salary and benefits for DHR personnel.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A



## Airport Revenue Fund - Five Year Plan

Hartsfield-Jackson Atlanta International Airport's mission is to provide a safe, secure and cost-competitive gateway to the world that drives economic development, the highest level of efficiency, and exercises fiscal and environmental responsibility.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$497,554,632	\$489,331,014	\$528,398,090	\$539,062,000	\$546,157,000	\$553,369,000	\$562,212,000	\$2,729,198,092
Expenses	\$505,279,574	\$489,331,015	\$527,020,486	\$537,319,217	\$543,818,024	\$550,430,917	\$558,671,887	\$2,717,260,531
Incremental	\$0	\$0	\$1,413,456	\$2,021,712	\$2,617,865	\$3,216,930	\$3,818,919	\$13,088,882
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$35,852)	(\$280,245)	(\$280,245)	(\$280,245)	(\$280,245)	(\$1,156,830)
<b>Total Projected Expenses</b>	\$505,279,574	\$489,331,015	\$528,398,090	\$539,060,684	\$546,155,644	\$553,367,603	\$562,210,562	\$2,729,192,583
<b>Revenues Over(Under) Expenses</b>	(\$7,724,942)	(\$1)	\$0	\$1,317	\$1,356	\$1,398	\$1,439	\$5,509
<b>Variance %</b>	(2%)	0%	0%	0%	0%	0%	0%	0%

### Revenue Overview:

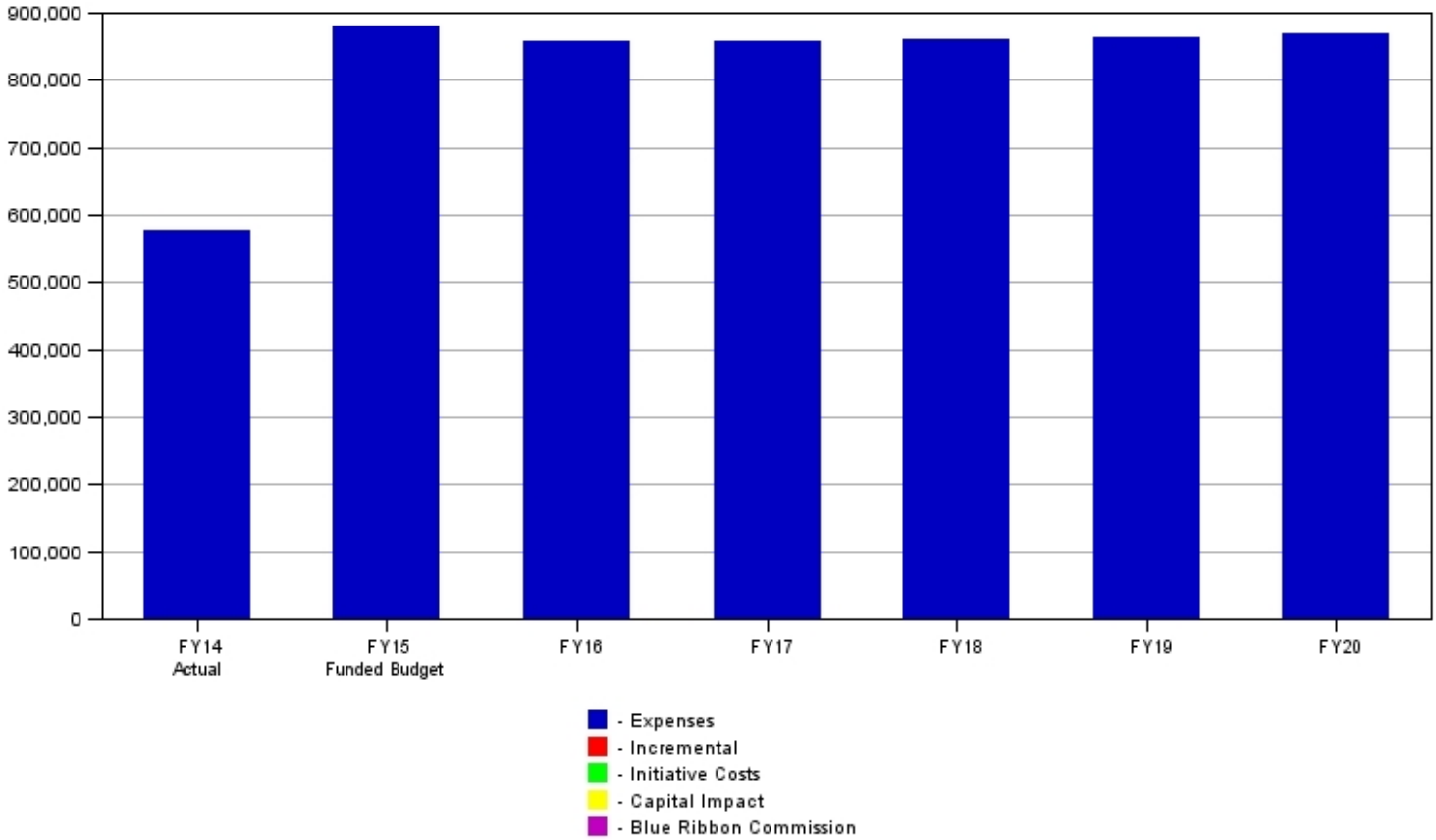
Revenues are projected to increase an average of 5% over the next five years primarily due to airline tenant rental, inside concessions, car rentals and ground transportation.

### Expense Overview:

Expenses are projected to remain flat in FY16 and escalate an average of 5.3% each year for the remaining years due to contractual services. Incremental funding is to provide support for additional audits, investigative work and increase in personnel.

## Airport Revenue Fund - Executive Offices

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.

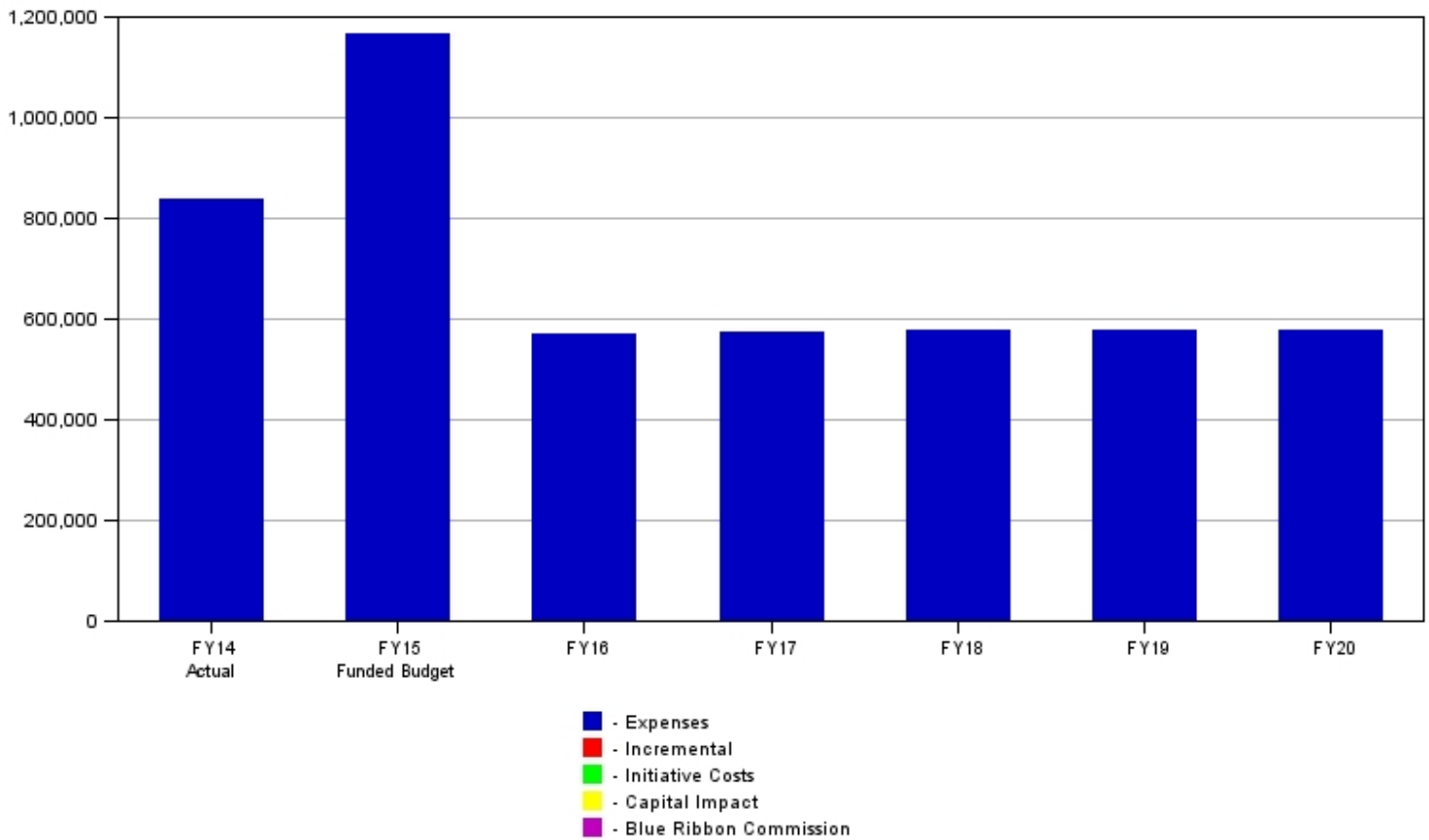


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$576,435	\$879,181	\$856,442	\$858,484	\$861,138	\$863,980	\$869,103	\$4,309,147
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$576,435</b>	<b>\$879,181</b>	<b>\$856,442</b>	<b>\$858,484</b>	<b>\$861,138</b>	<b>\$863,980</b>	<b>\$869,103</b>	<b>\$4,309,147</b>

- Expenses** - The Aviation Revenue Fund provides funding for certain expenses related to 311 Call Center and the Office of Contract Compliance.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Airport Revenue Fund - Department Of Information Technology

The Airport Revenue Fund under the Department of Information Technology is used to support activities within the department and 311, Hyperion and, EBS.

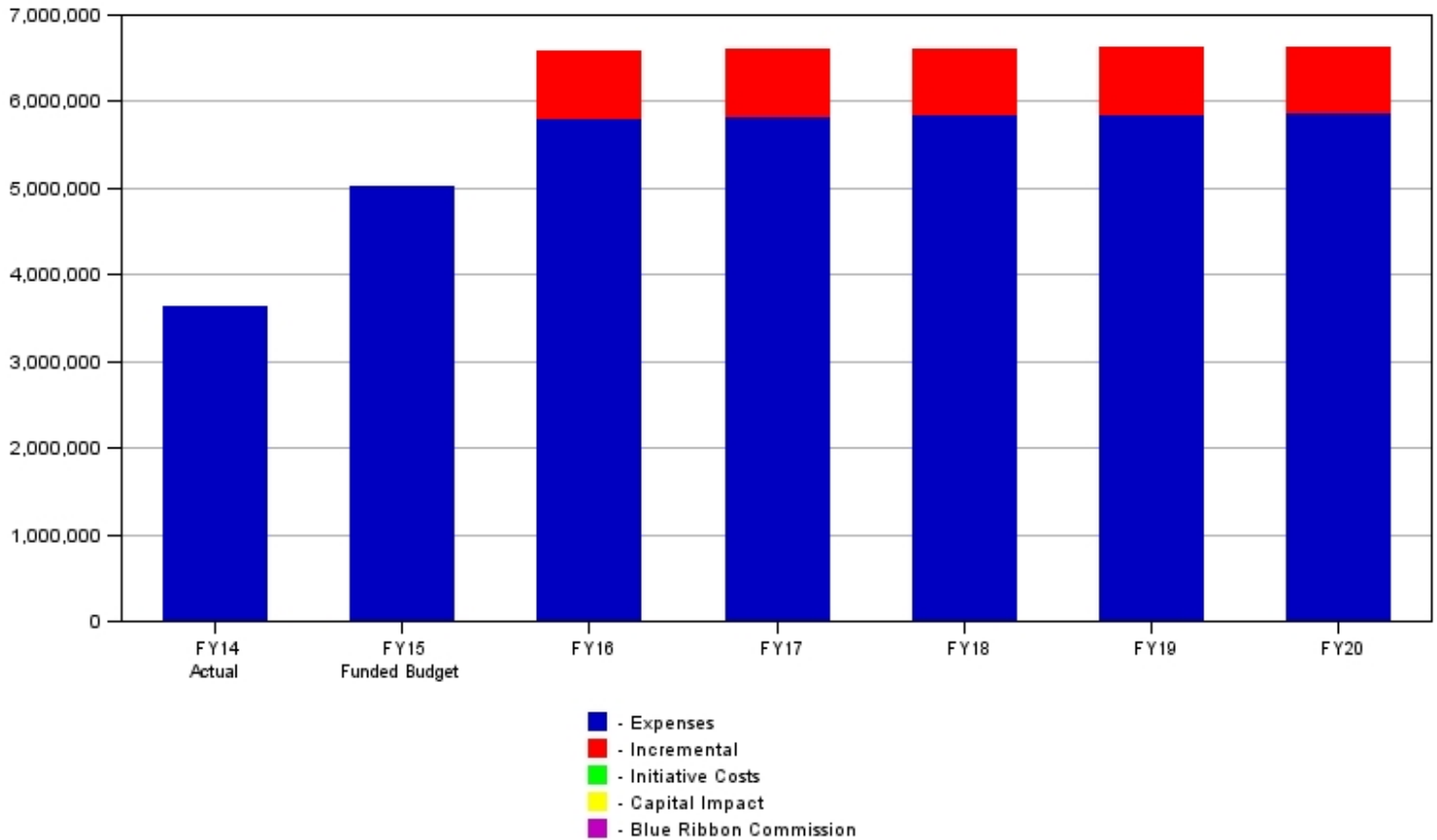


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$836,425	\$1,164,572	\$569,979	\$574,888	\$576,025	\$577,219	\$578,609	\$2,876,719
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$836,425</b>	<b>\$1,164,572</b>	<b>\$569,979</b>	<b>\$574,888</b>	<b>\$576,025</b>	<b>\$577,219</b>	<b>\$578,609</b>	<b>\$2,876,719</b>

- Expenses** - Over the next five years, the endeavors within this five year plan are to consolidate services, contracts and strengthen the City's technology framework.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Airport Revenue Fund - Department Of Law

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 Department works proactively to prevent legal challenges by delivering sound advice, legislation and training.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$3,634,142	\$5,025,988	\$5,798,908	\$5,821,303	\$5,830,570	\$5,840,404	\$5,855,114	\$29,146,298
Incremental	\$0	\$0	\$776,673	\$776,673	\$776,673	\$776,673	\$776,673	\$3,883,365
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$3,634,142</b>	<b>\$5,025,988</b>	<b>\$6,575,581</b>	<b>\$6,597,976</b>	<b>\$6,607,243</b>	<b>\$6,617,077</b>	<b>\$6,631,787</b>	<b>\$33,029,663</b>

**Expenses**

- The Aviation Fund increase over the next five years includes funding related to outside counsel for the negotiation of the Central Passenger Terminal Complex lease and for Continuing Legal Education.

**Incremental**

- Incremental funding is required for professional development and to defend against airport noise litigation and litigation and protests related to airport concession offerings on concourses A, B, E and F.

**Initiative Costs**

- N/A

**Capital Impact**

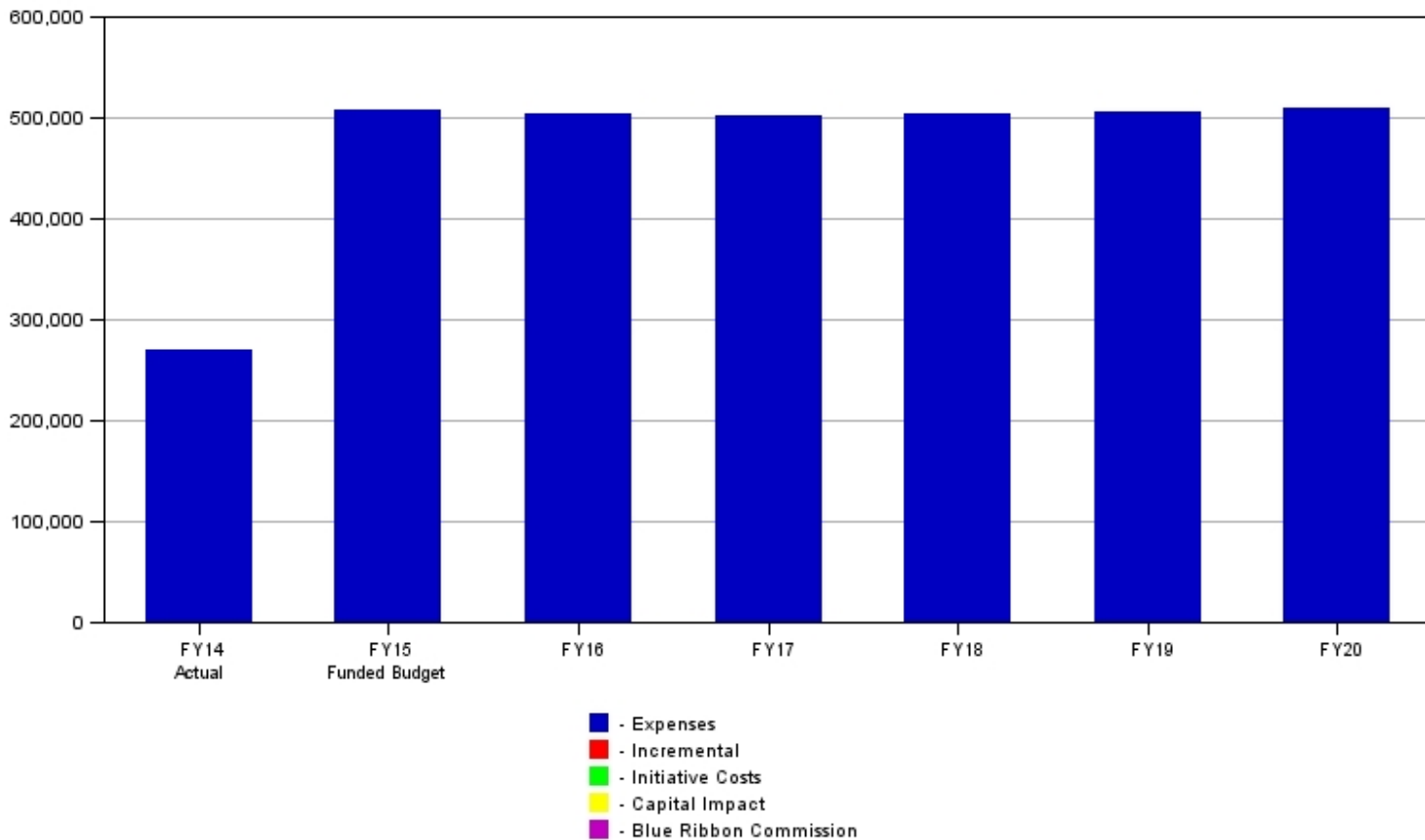
- N/A

**Blue Ribbon Commission**

- N/A

## Airport Revenue Fund - Department Of Finance

The Department of Finance's mission is to provide leading practice financial management services and leadership to achieve City of Atlanta goals and objectives.

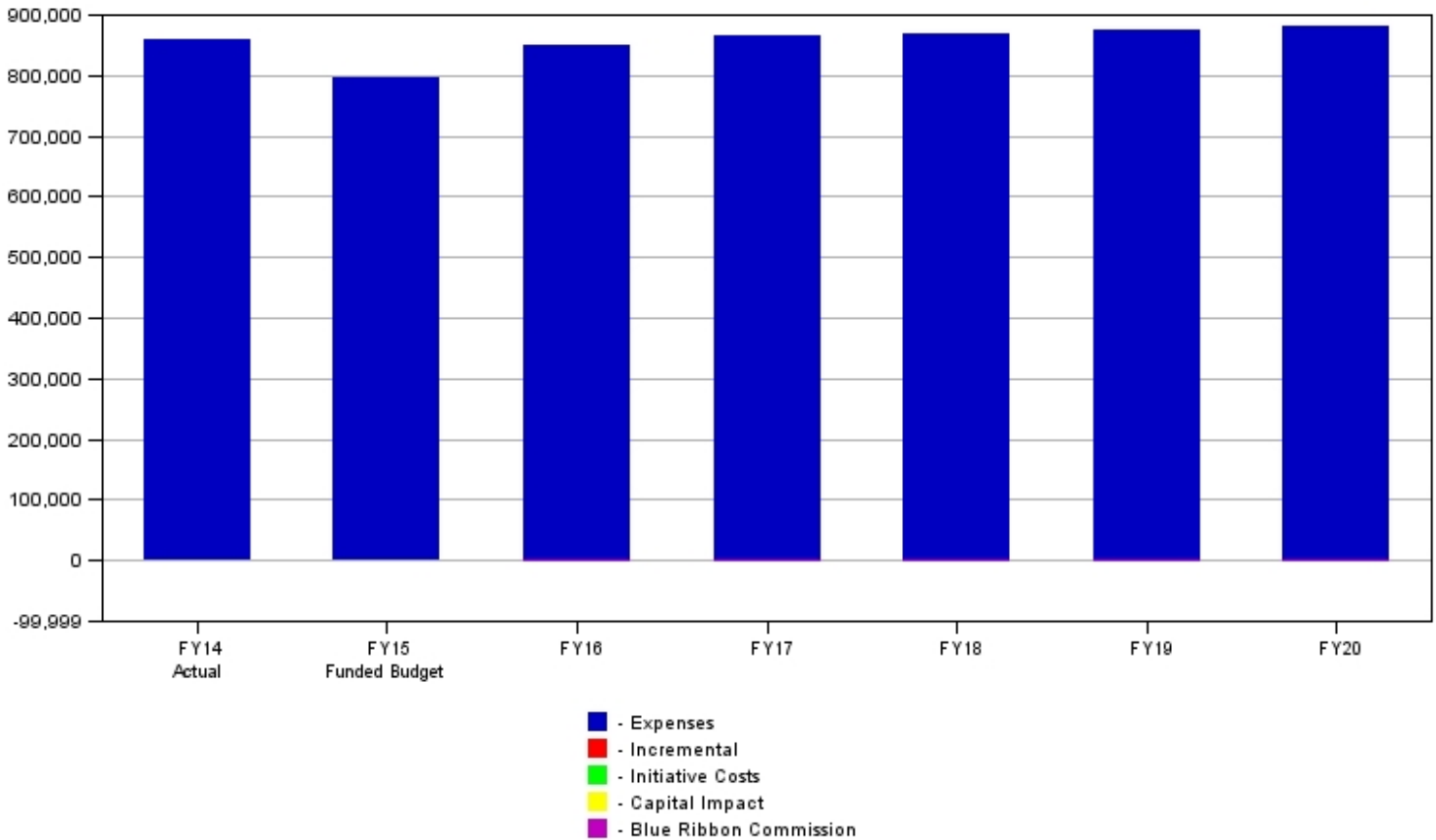


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$269,170	\$507,815	\$503,237	\$502,552	\$504,525	\$506,593	\$508,761	\$2,525,667
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$269,170</b>	<b>\$507,815</b>	<b>\$503,237</b>	<b>\$502,552</b>	<b>\$504,525</b>	<b>\$506,593</b>	<b>\$508,761</b>	<b>\$2,525,667</b>

- Expenses** - The cost over the next five years includes Sympro, DBC and Bloomberg and bank fees.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Airport Revenue Fund - Department Of Procurement

The Department of Procurement is responsible for providing guidance in the purchasing of all goods and services according to the City Code of Ordinances. The goal is to model best practices in public purchasing while promoting equity, fairness and economic inclusion

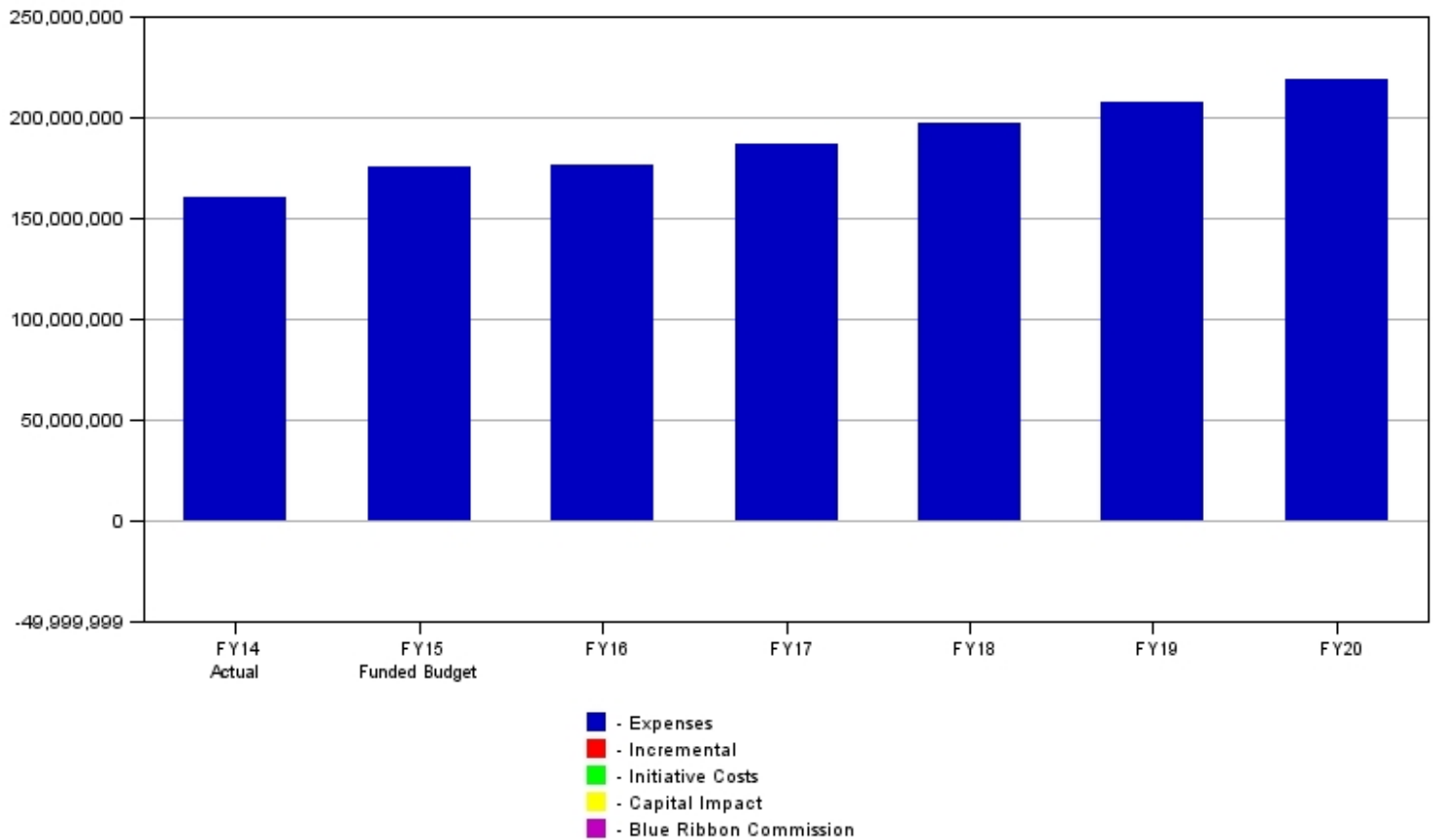


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$859,768	\$796,004	\$848,267	\$864,583	\$869,135	\$873,955	\$881,002	\$4,336,943
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$1,234)	(\$2,153)	(\$2,153)	(\$2,153)	(\$2,153)	(\$9,848)
<b>Total Projected Expenses</b>	<b>\$859,768</b>	<b>\$796,004</b>	<b>\$847,033</b>	<b>\$862,430</b>	<b>\$866,981</b>	<b>\$871,802</b>	<b>\$878,848</b>	<b>\$4,327,095</b>

- Expenses** - Expenses over the next five years include salaries and benefits, increases in workers' compensation, TIG copier lease and daily operational supplies.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - This total represents savings identified by the Blue Ribbon Commission in workers' compensation costs.

## Airport Revenue Fund - Department Of Aviation

The Department of Aviation manages the operating revenue and expenses that result from the ongoing operations at Hartsfield-Jackson Atlanta International Airport. Operating revenue is principally derived from agreements relating to the use of Airport Facilities, landing fees, concessions such as parking lots, car rental agencies, etc.

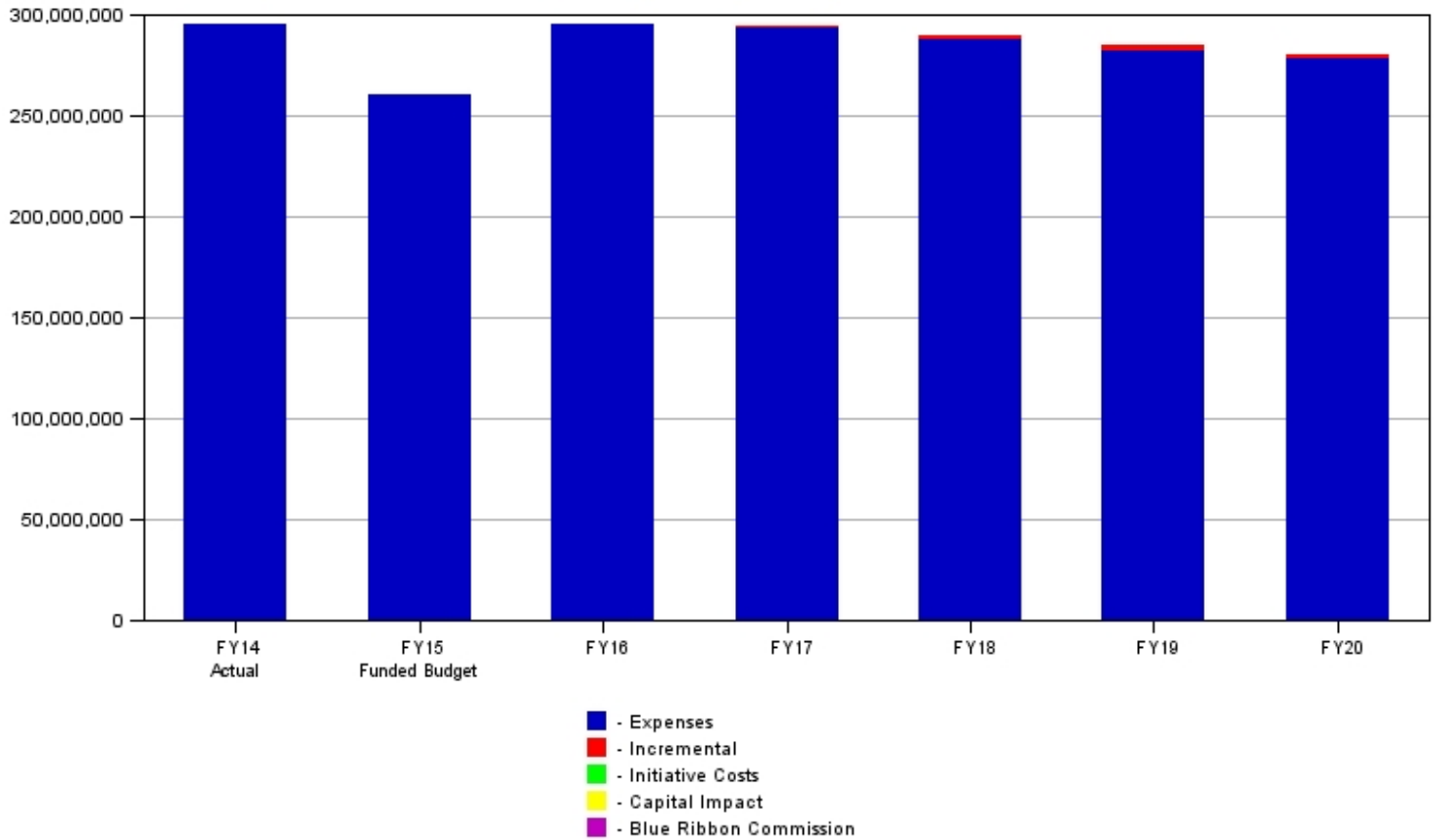


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$160,664,545	\$175,234,283	\$176,571,896	\$186,871,699	\$197,060,216	\$207,506,278	\$218,487,365	\$986,497,454
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$15,364)	(\$244,486)	(\$244,486)	(\$244,486)	(\$244,486)	(\$993,307)
<b>Total Projected Expenses</b>	<b>\$160,664,545</b>	<b>\$175,234,283</b>	<b>\$176,556,532</b>	<b>\$186,627,213</b>	<b>\$196,815,730</b>	<b>\$207,261,793</b>	<b>\$218,242,879</b>	<b>\$985,504,147</b>

- Expenses** - The Department of Aviation's operating expenses are projected to increase due to personnel and contractual services.
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - This amount represents savings related to workers' compensation and Healthcare Optimization.

## Airport Revenue Fund - Non-Departmental

Non-Departmental 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.



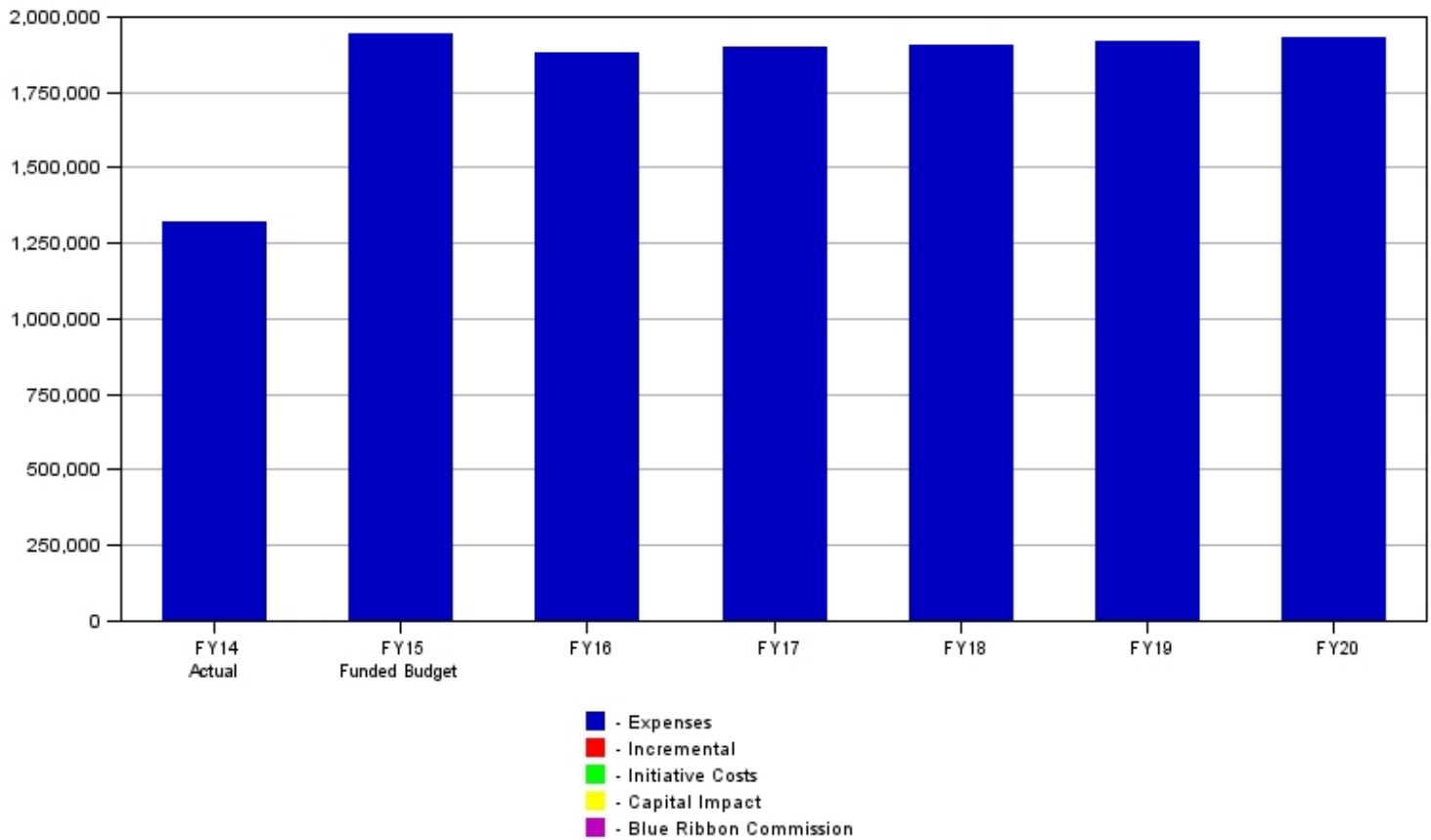
	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$295,248,857	\$260,191,659	\$295,092,112	\$293,442,003	\$288,067,312	\$282,516,453	\$277,963,561	\$1,437,081,439
Incremental	\$0	\$0	\$520,230	\$1,043,031	\$1,568,416	\$2,096,397	\$2,626,988	\$7,855,063
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$295,248,857</b>	<b>\$260,191,659</b>	<b>\$295,612,342</b>	<b>\$294,485,034</b>	<b>\$289,635,728</b>	<b>\$284,612,850</b>	<b>\$280,590,549</b>	<b>\$1,444,936,502</b>

- Expenses** - Non- Departmental, Aviation Revenue Fund Operating expenses include sinking fund requirements and reserves.
- Incremental** - Incremental cost relates to one percent employee pay increase.
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A



## Airport Revenue Fund - Department Of Human Resources

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.

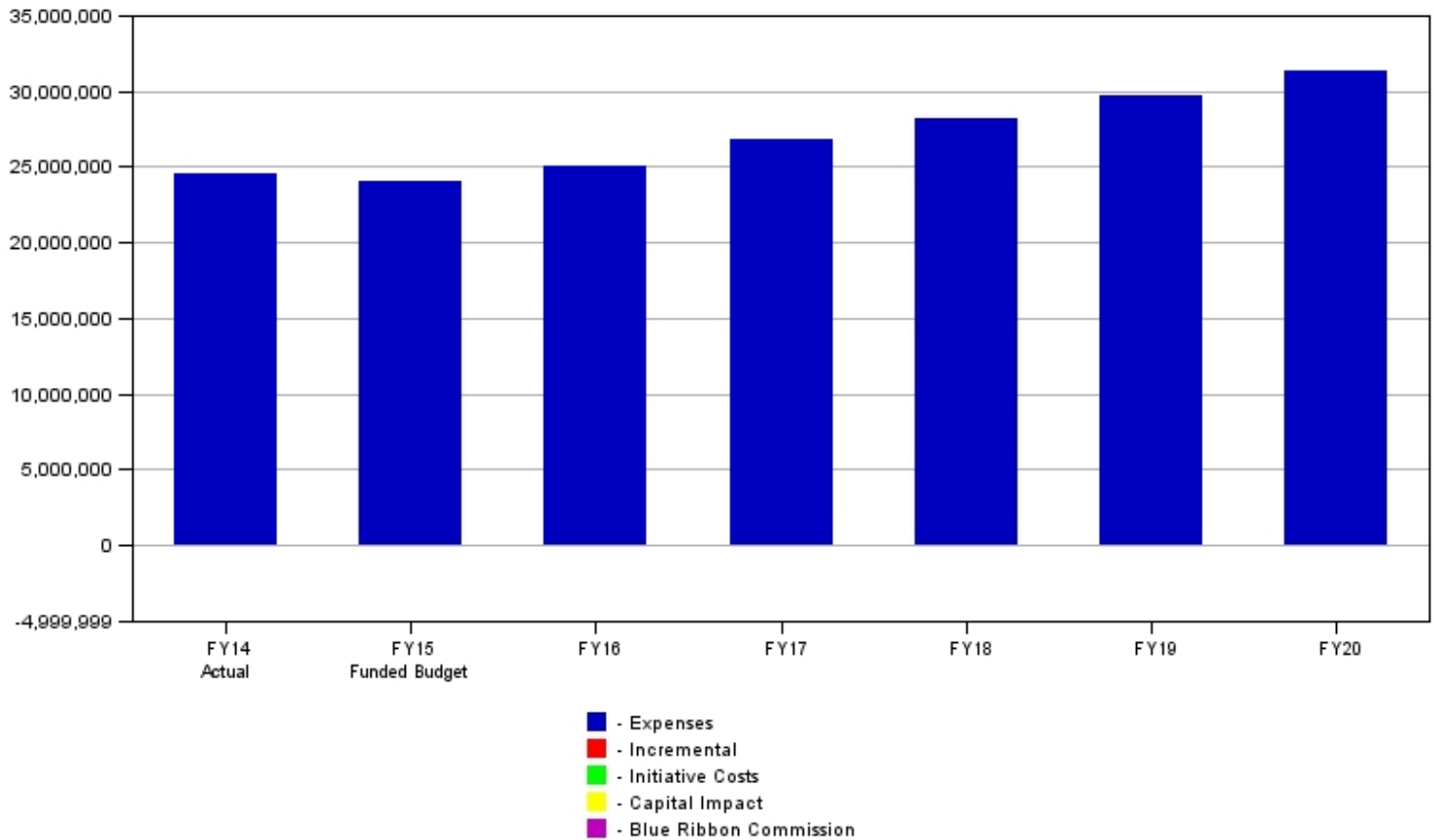


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$1,323,056	\$1,945,927	\$1,883,108	\$1,896,986	\$1,906,291	\$1,916,154	\$1,930,505	\$9,533,044
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$1,323,056</b>	<b>\$1,945,927</b>	<b>\$1,883,108</b>	<b>\$1,896,986</b>	<b>\$1,906,291</b>	<b>\$1,916,154</b>	<b>\$1,930,505</b>	<b>\$9,533,044</b>

- Expenses** - Expenses over the next five years represents expenses for salaries, benefits and Purchased/Contract Services
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Airport Revenue Fund - Department Of Fire Services

The Atlanta Fire Rescue Department serves an area of 132.6 square miles with a population of over 500,000 residents, responding to over sixty miles of interstate highways, twenty-three miles of rapid rail and protects Hartsfield-Jackson International Airport. In Addition, AFRD provides services to over one million workers, visitors, and tourists and the businesses to which they work and play.

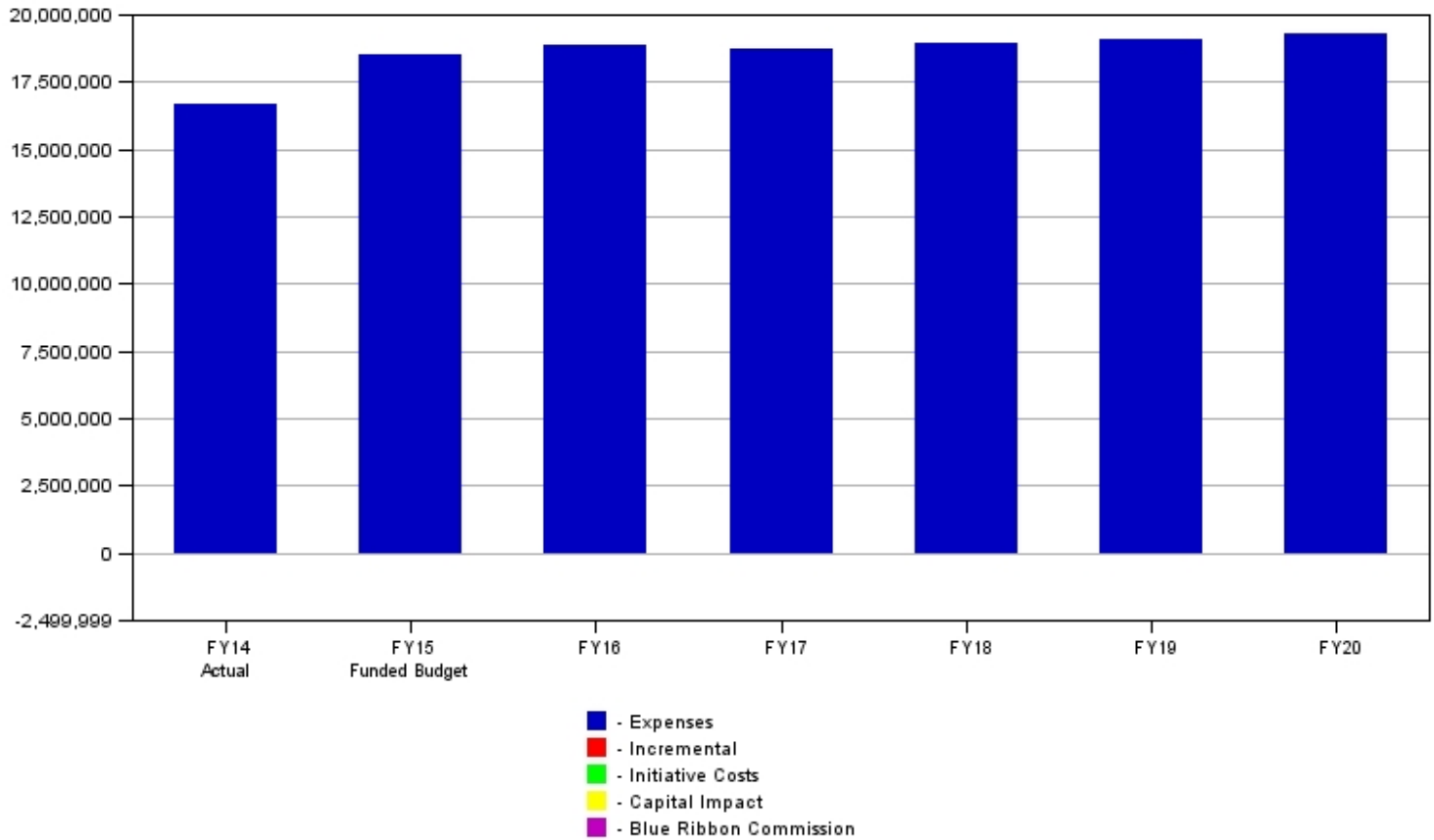


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$24,506,448	\$24,091,045	\$25,072,555	\$26,799,935	\$28,262,709	\$29,747,742	\$31,296,185	\$141,179,126
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$11,555)	(\$20,168)	(\$20,168)	(\$20,168)	(\$20,168)	(\$92,225)
<b>Total Projected Expenses</b>	<b>\$24,506,448</b>	<b>\$24,091,045</b>	<b>\$25,061,000</b>	<b>\$26,779,768</b>	<b>\$28,242,541</b>	<b>\$29,727,575</b>	<b>\$31,276,017</b>	<b>\$141,086,901</b>

- Expenses** - Over the next five years, Fire Rescue Services' operating expenses are projected to escalate.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - This amount represents savings identified by the Blue Ribbon Commission for workers' comp. related costs.

## Airport Revenue Fund - Department Of Police Services

The City of Atlanta Police Department mission is to create a safer Atlanta by reducing crime, ensuring the safety of our citizens and building trust in partnership with our communities.

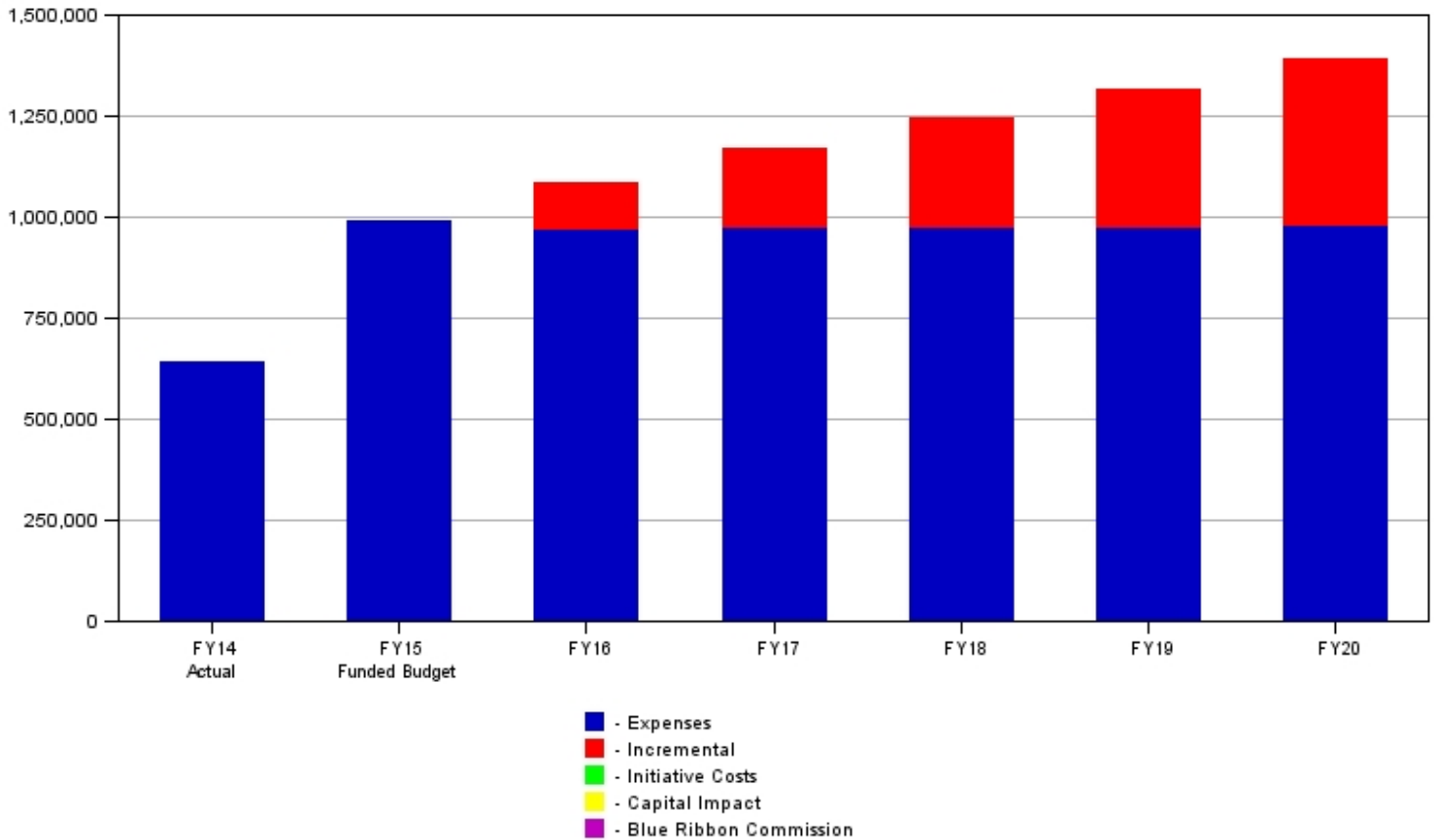


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$16,689,078	\$18,505,010	\$18,857,220	\$18,717,180	\$18,909,079	\$19,109,626	\$19,327,538	\$94,920,643
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$7,699)	(\$13,438)	(\$13,438)	(\$13,438)	(\$13,438)	(\$61,451)
<b>Total Projected Expenses</b>	<b>\$16,689,078</b>	<b>\$18,505,010</b>	<b>\$18,849,521</b>	<b>\$18,703,742</b>	<b>\$18,895,641</b>	<b>\$19,096,188</b>	<b>\$19,314,100</b>	<b>\$94,859,192</b>

- Expenses** - The trending budget over the next five years includes all positions, police contracts and services for operational needs.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - This amount represents savings related Workers' Comp.

## Airport Revenue Fund - Department Of Audit

The City Auditor's Office promotes honesty, efficiency, effectiveness, and accountability in city government by conducting audits to support legislative oversight and public accountability. The Airport Revenue Fund supports audits and investigations in the Department of Aviation and related activities.

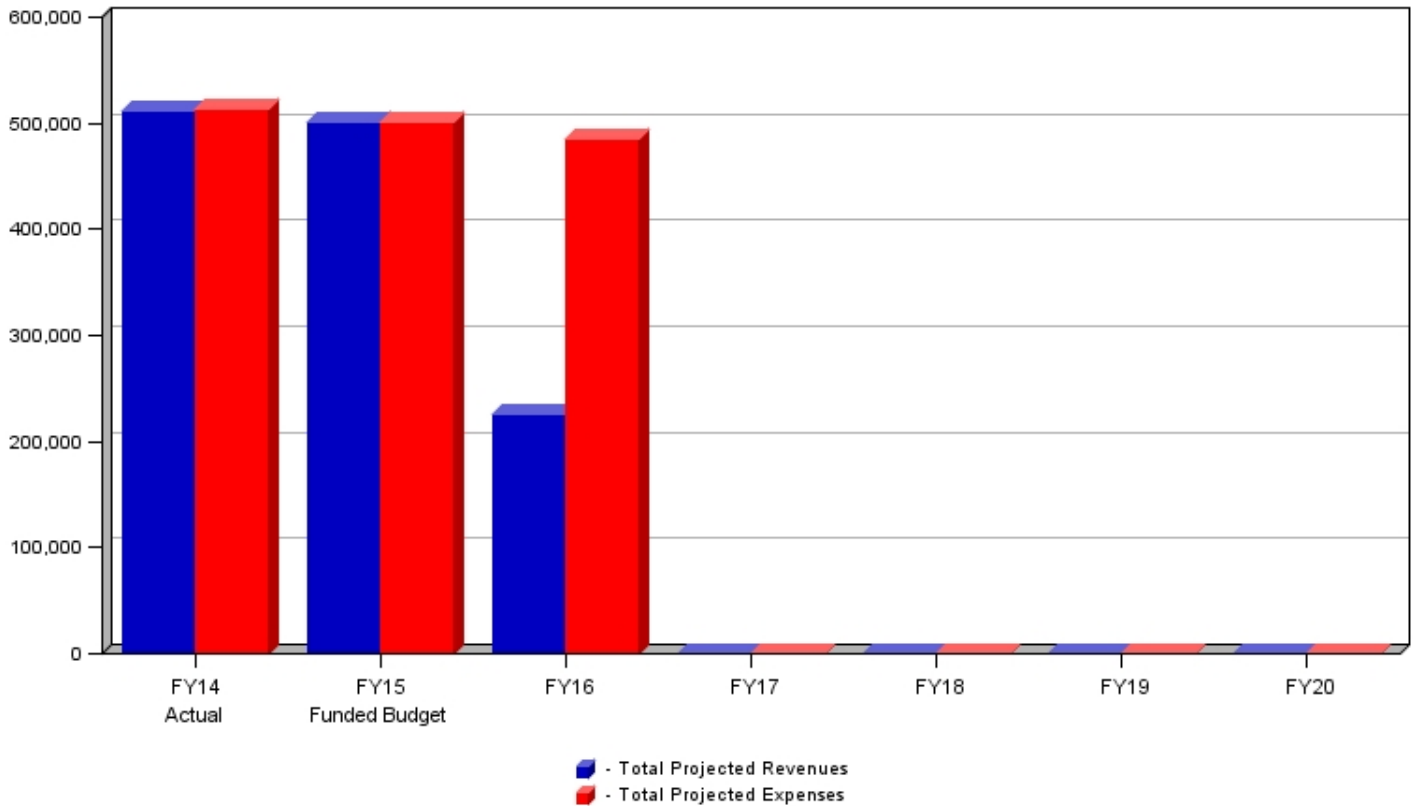


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$643,749	\$988,898	\$966,763	\$969,604	\$971,025	\$972,513	\$974,146	\$4,854,051
Incremental	\$0	\$0	\$116,553	\$202,007	\$272,776	\$343,860	\$415,258	\$1,350,454
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$643,749</b>	<b>\$988,898</b>	<b>\$1,083,316</b>	<b>\$1,171,612</b>	<b>\$1,243,801</b>	<b>\$1,316,373</b>	<b>\$1,389,403</b>	<b>\$6,204,506</b>

- Expenses** - The base budget contains split funding for 11 positions, providing support for audits and investigations that focus on or include the Department of Aviation and related activities.
- Incremental** - Incremental funding will provide support for additional audit and investigative work in this fund, gradually increasing to about five positions by FY2020.
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Parks Facilities Revenue Fund - Five Year Plan

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



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$512,630	\$501,854	\$225,000	\$0	\$0	\$0	\$0	\$225,000
Expenses	\$513,515	\$501,854	\$485,093	\$0	\$0	\$0	\$0	\$485,093
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	\$513,515	\$501,854	\$485,093	\$0	\$0	\$0	\$0	\$485,093
<b>Revenues Over(Under) Expenses</b>	(\$885)	\$0	(\$260,093)	\$0	\$0	\$0	\$0	(\$260,093)
<b>Variance %</b>	0%	0%	(116%)	0%	0%	0%	0%	(116%)

**Revenue Overview:**

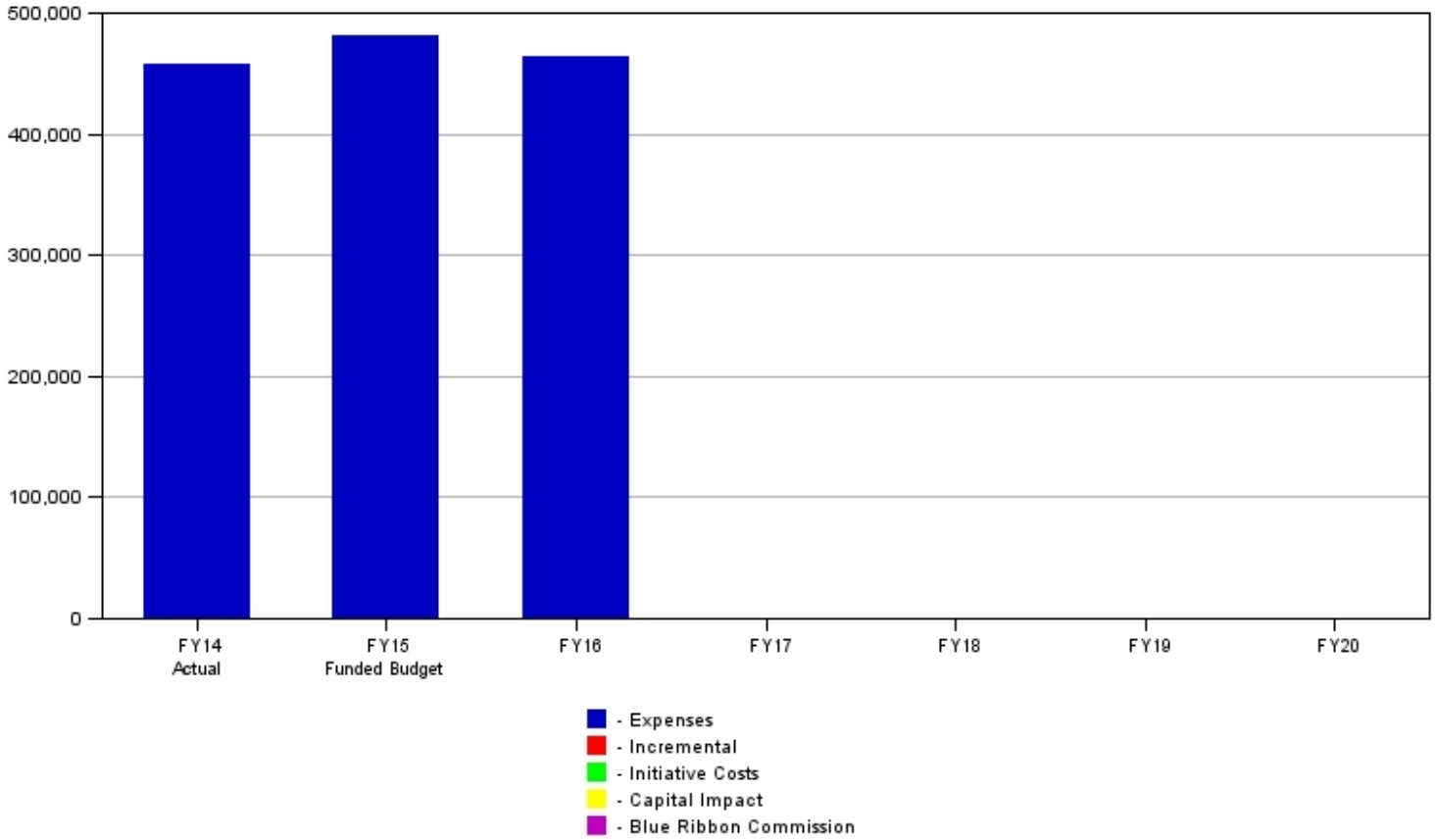
Park Facility revenue has averaged \$485,000 in prior fiscal years. It is forecasted to receive only \$225,000 in FY16 due to a pending sale of the facility, which is currently up for bid.

**Expense Overview:**

Park Facility expense for FY16 includes amount for OPEB cost and maintenance of the facility.

## Parks Facilities Revenue Fund - Dept Of Parks & Recreation

The Parks Facilities Revenue Fund supports the operations of the Atlanta Cyclorama and Civil War Museum and is supported by user fees.

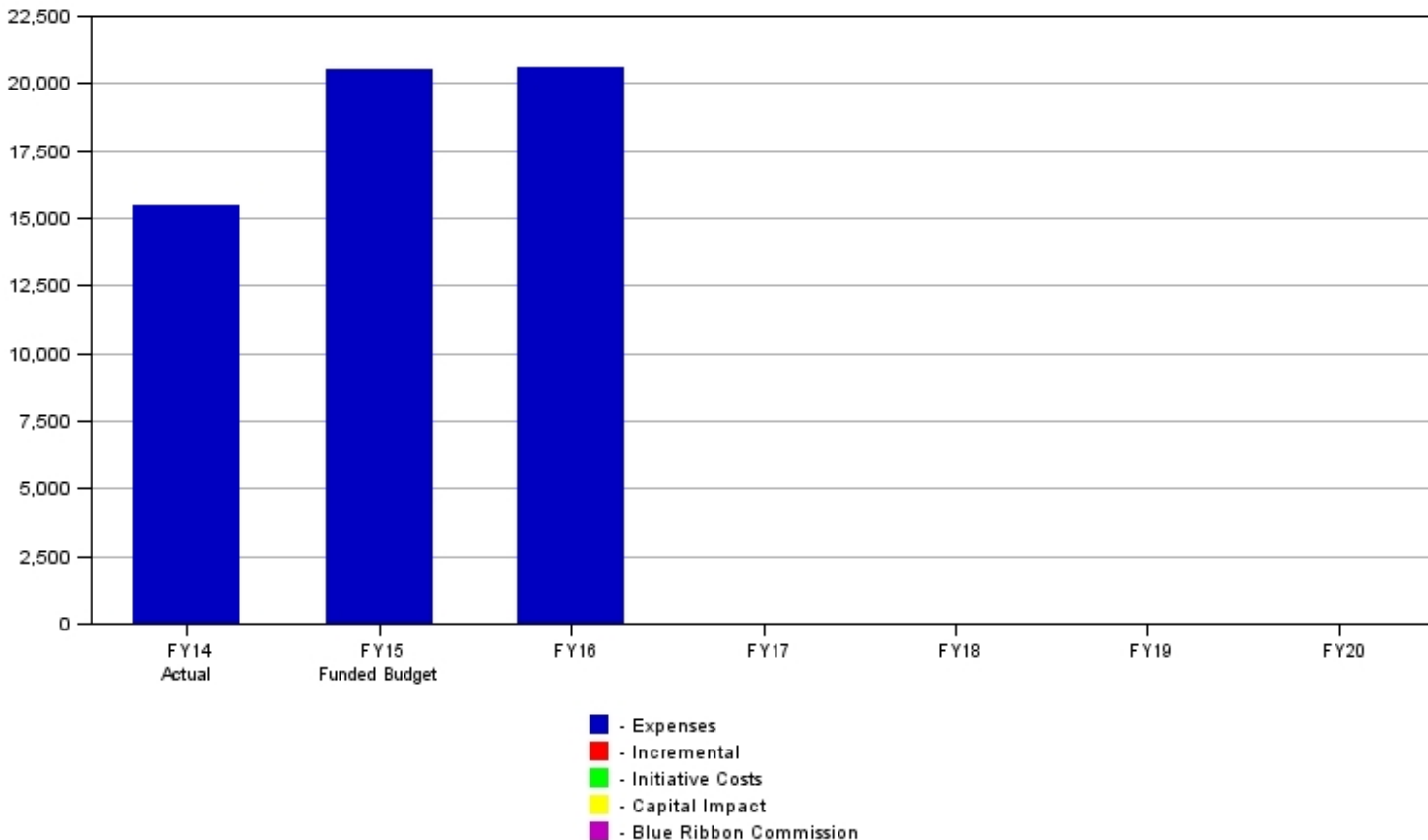


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$458,190	\$481,312	\$464,480	\$0	\$0	\$0	\$0	\$464,480
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$458,190</b>	<b>\$481,312</b>	<b>\$464,480</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$464,480</b>

- Expenses** - Expenses for FY16 include funding for maintenance and security of the facility.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Parks Facilities Revenue Fund - Non-Departmental

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

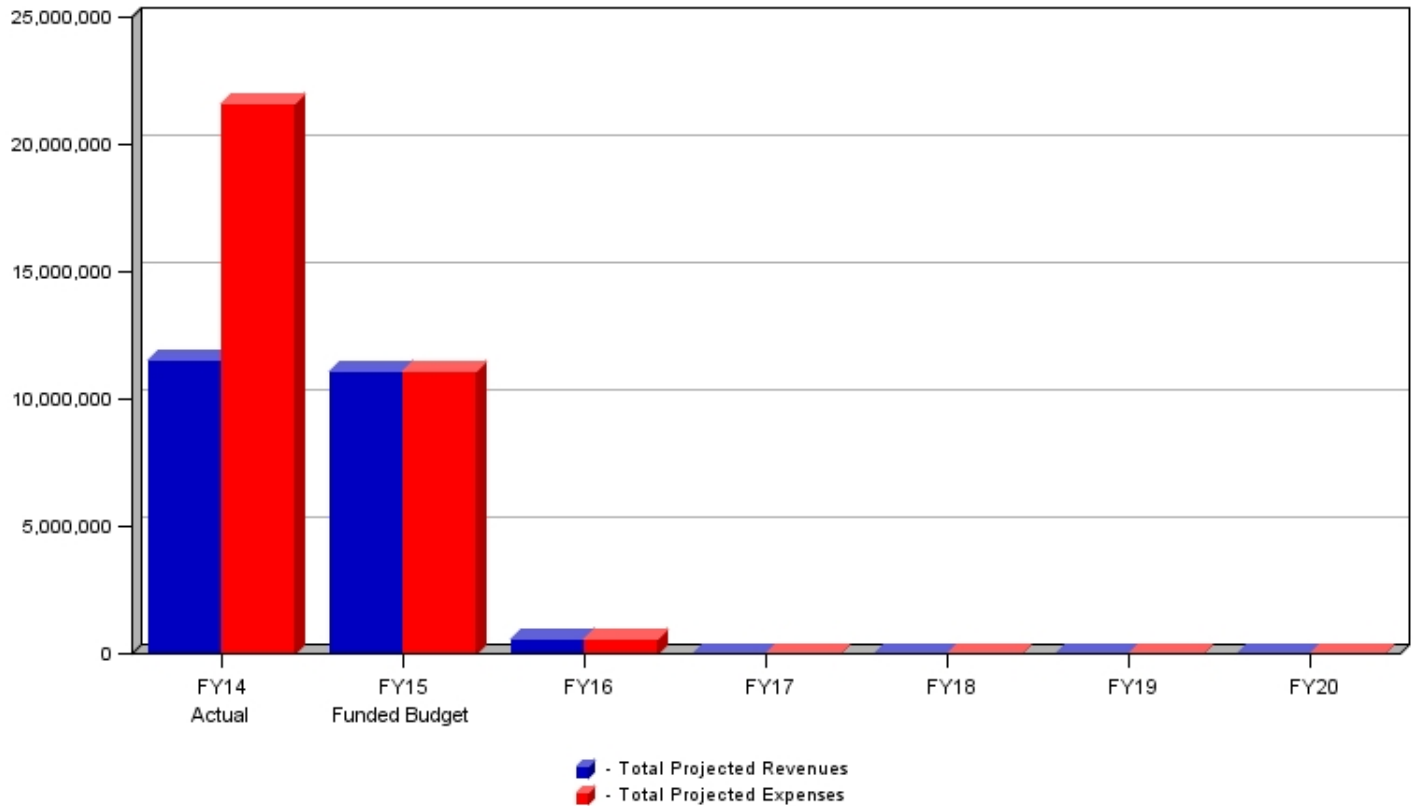


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$15,498	\$20,542	\$20,613	\$0	\$0	\$0	\$0	\$20,613
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$15,498</b>	<b>\$20,542</b>	<b>\$20,613</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,613</b>

- Expenses** - The purpose of the Non-department is to provide funding for the life and health cost for retirees (OPEB).
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Underground Atl Facil Revenue Fund - Five Year Plan

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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$11,529,987	\$11,109,554	\$570,000	\$0	\$0	\$0	\$0	\$570,000
Expenses	\$21,625,347	\$11,109,554	\$8,719,000	\$8,147,875	\$0	\$0	\$0	\$16,866,875
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	(\$8,149,000)	(\$8,147,875)	\$0	\$0	\$0	(\$16,296,875)
<b>Total Projected Expenses</b>	\$21,625,347	\$11,109,554	\$570,000	\$0	\$0	\$0	\$0	\$570,000
<b>Revenues Over(Under) Expenses</b>	(\$10,095,361)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Variance %</b>	(88%)	0%	0%	0%	0%	0%	0%	0%

**Revenue Overview:**

Revenue projections are estimated at \$570,000 and will cease following the sale in early FY16.

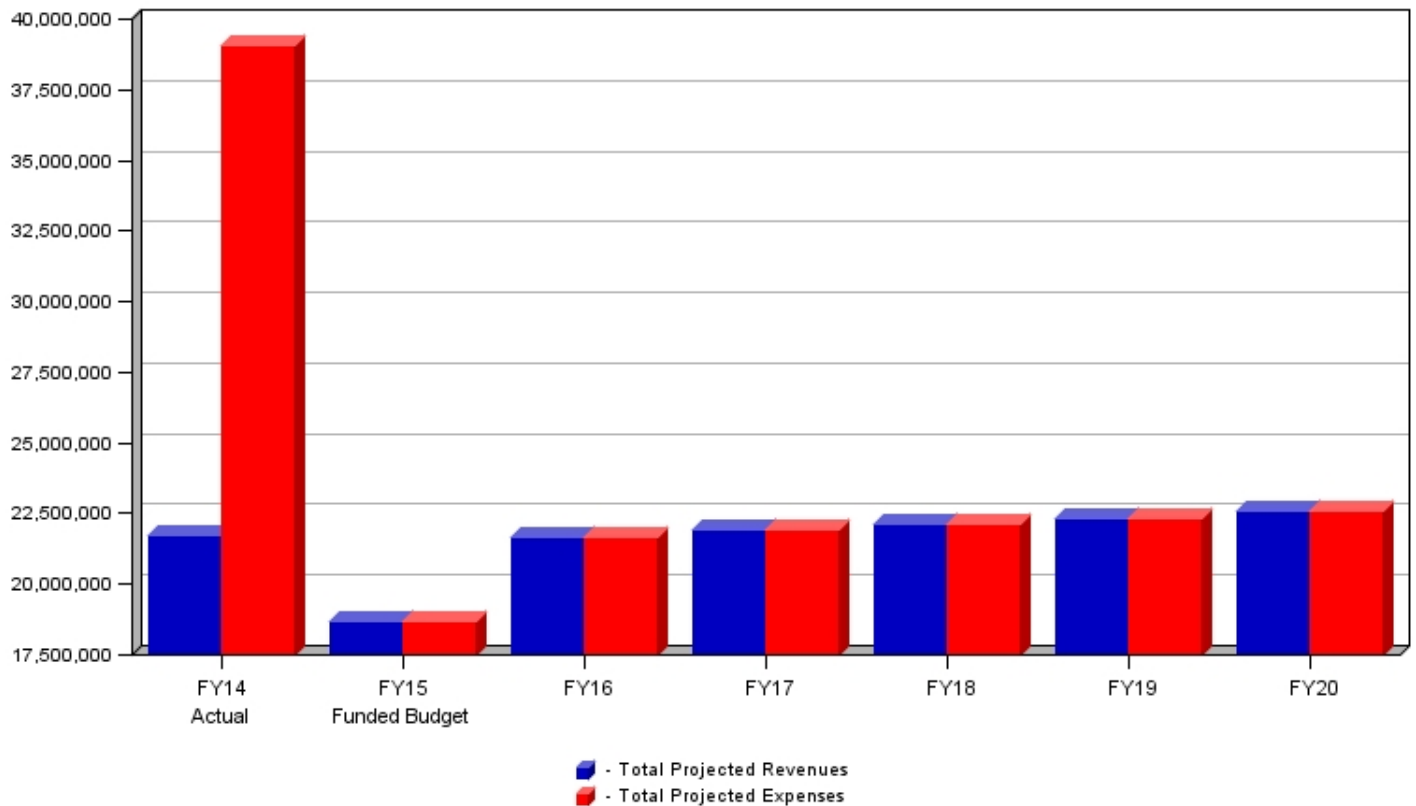
**Expense Overview:**

Expenses for FY16 include three months of maintenance to the facility.



## Building Permits Fund - Five Year Plan

The Building Permit 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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$21,756,836	\$18,661,227	\$21,700,226	\$21,914,838	\$22,131,596	\$22,350,521	\$22,571,637	\$110,668,818
Expenses	\$39,067,461	\$18,661,227	\$21,700,226	\$21,920,081	\$22,136,839	\$22,355,764	\$22,576,880	\$110,689,790
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	(\$5,243)	(\$5,243)	(\$5,243)	(\$5,243)	(\$20,972)
<b>Total Projected Expenses</b>	\$39,067,461	\$18,661,227	\$21,700,226	\$21,914,838	\$22,131,596	\$22,350,521	\$22,571,637	\$110,668,818
<b>Revenues Over(Under) Expenses</b>	(\$17,310,626)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Variance %</b>	(80%)	0%	0%	0%	0%	0%	0%	0%

### Revenue Overview:

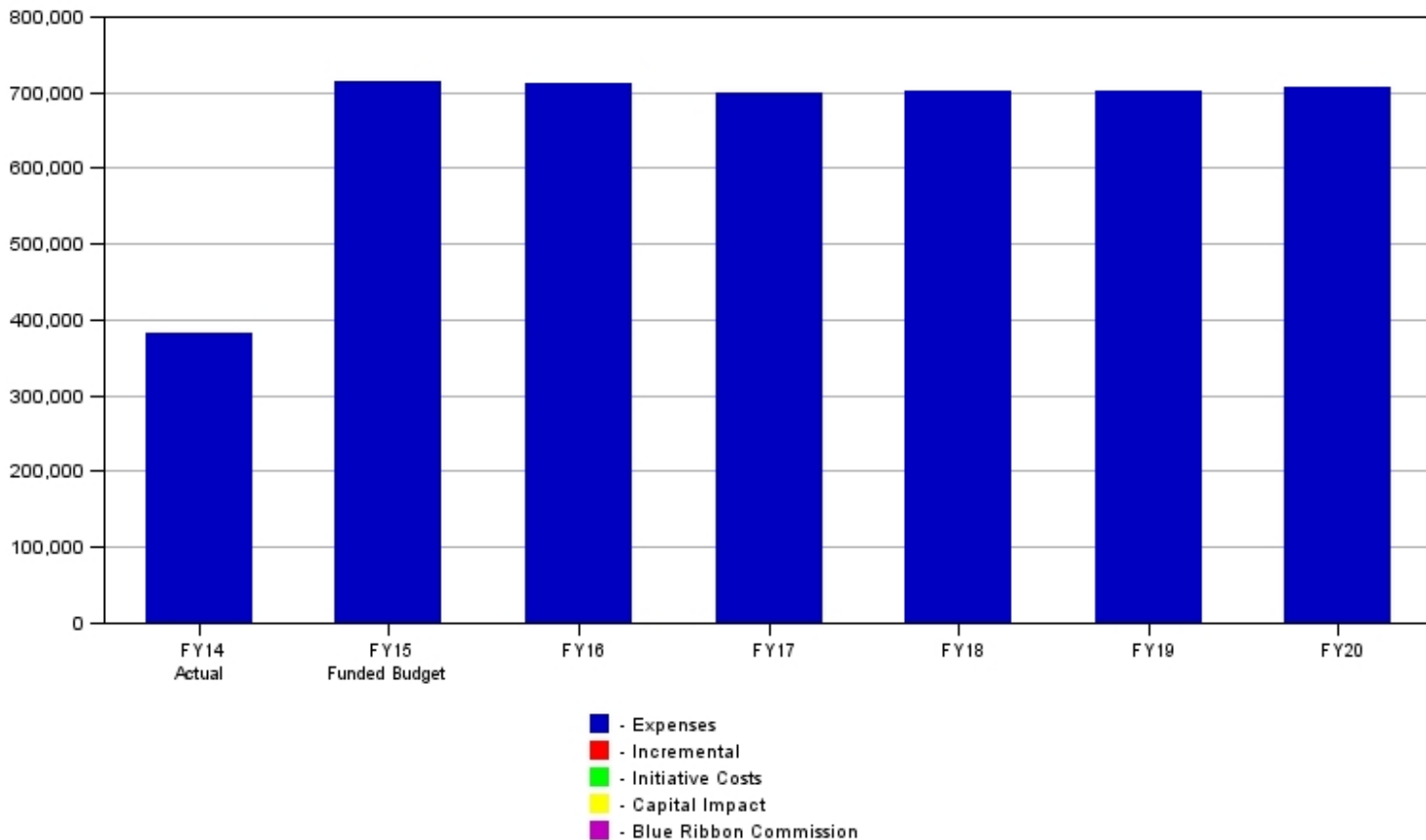
The Building Permit Fund revenues correlate with the construction sector, economic cycles and construction related growth. The construction sector employment is forecasted to continue to increase due to recovery in the housing market.

### Expense Overview:

Over the next five years, the Building Permit Fund is projecting a slight increase in operating expenses, primary due to salaries, benefits and supplies.

## Building Permits Fund - Executive Offices

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 full-time positions that are funded at a certain percentage within the Building Fund.

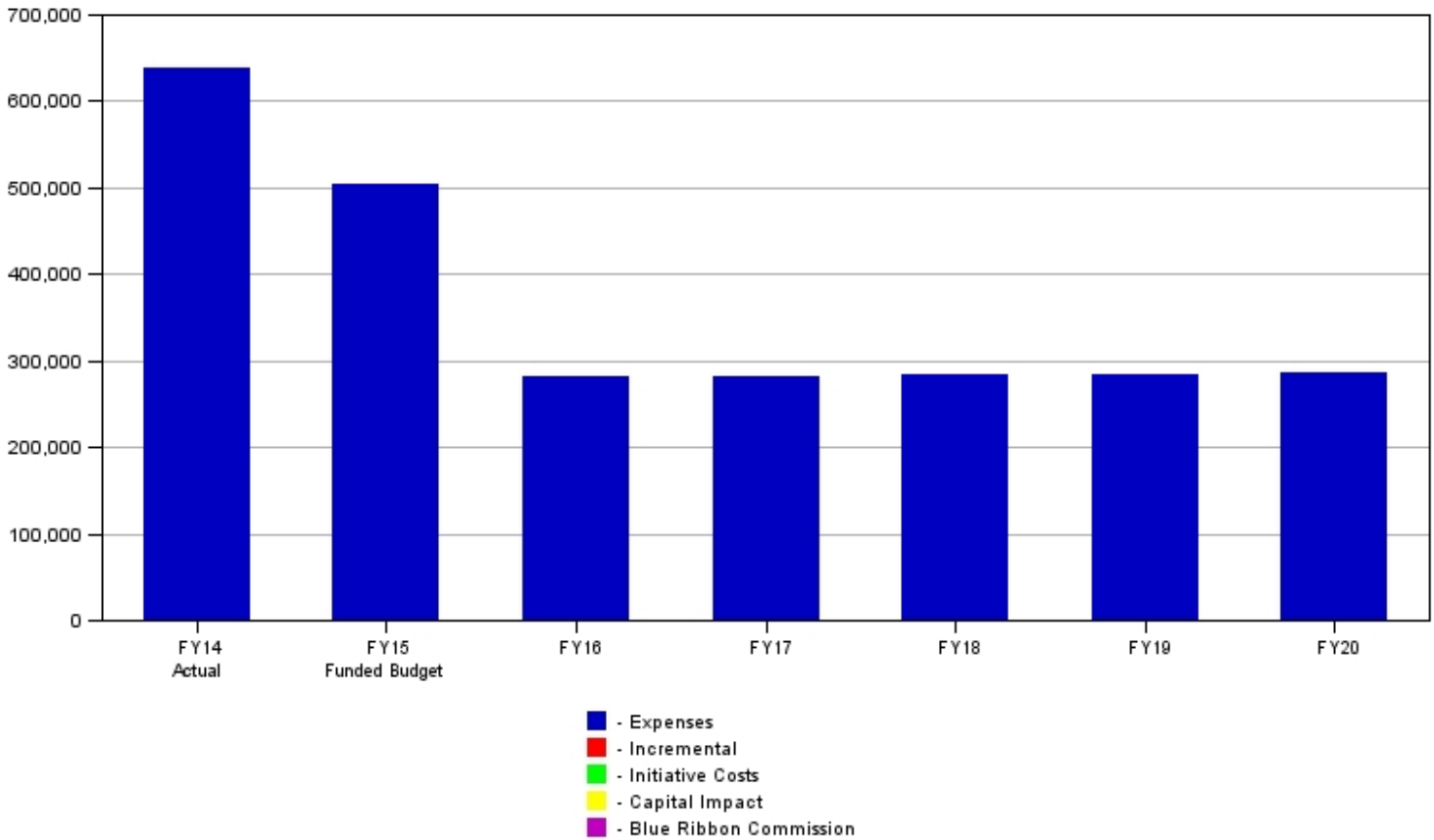


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$383,464	\$715,525	\$711,940	\$699,626	\$701,239	\$702,964	\$705,918	\$3,521,686
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$383,464</b>	<b>\$715,525</b>	<b>\$711,940</b>	<b>\$699,626</b>	<b>\$701,239</b>	<b>\$702,964</b>	<b>\$705,918</b>	<b>\$3,521,686</b>

- Expenses** - The Building Permits Fund provides funding for certain expenses related to 311 Call Center.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Building Permits Fund - Department Of Information Technology

The Building Permit fund under the Department of Information Technology is being used for the ongoing support of Hyperion and 311.

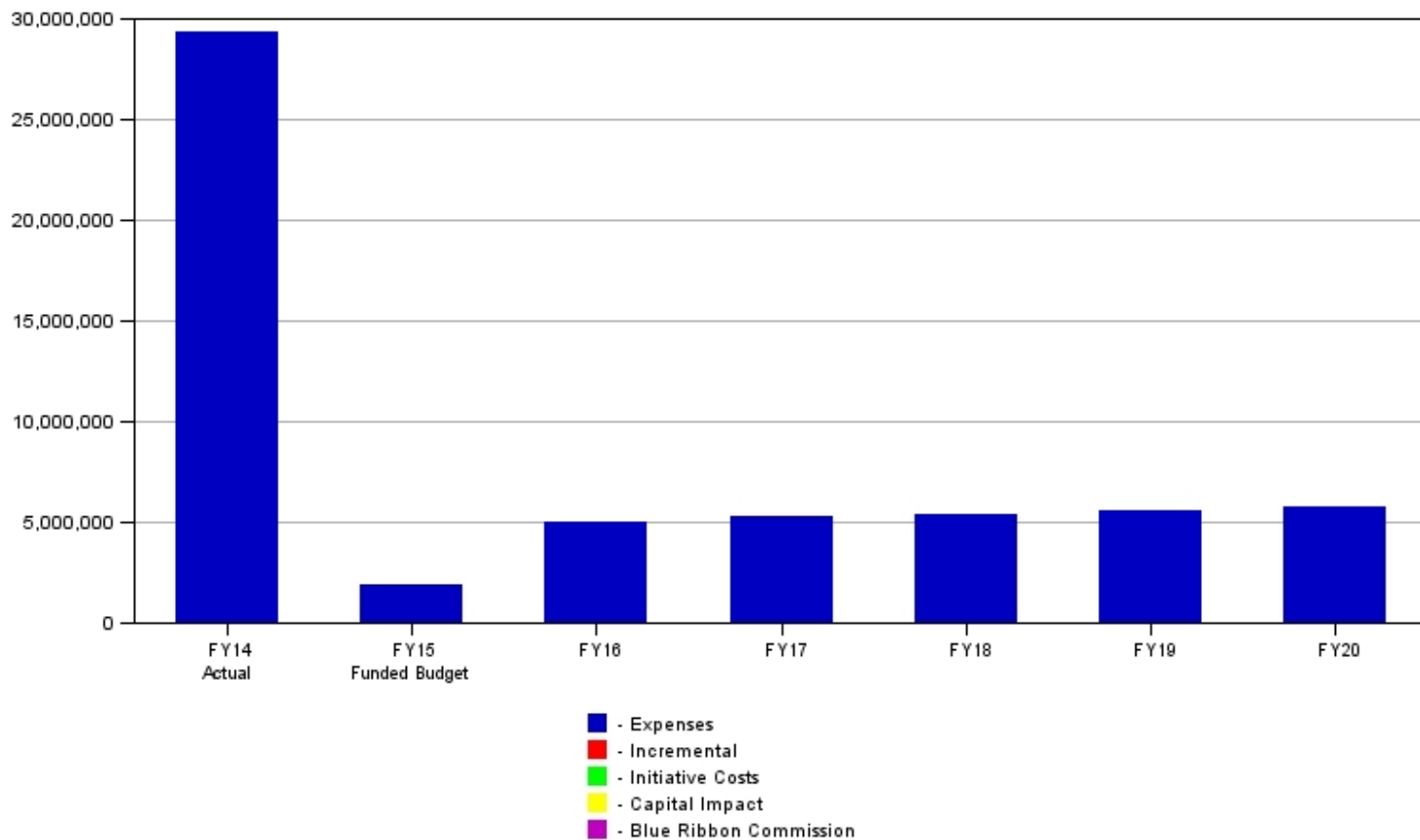


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$637,479	\$503,529	\$282,330	\$281,712	\$283,011	\$284,371	\$285,797	\$1,417,220
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$637,479</b>	<b>\$503,529</b>	<b>\$282,330</b>	<b>\$281,712</b>	<b>\$283,011</b>	<b>\$284,371</b>	<b>\$285,797</b>	<b>\$1,417,220</b>

- Expenses** - The cost over the next five years include split-funded positions for 311 and GIS as well as contract costs for Hyperion and the 311 Call Center.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Building Permits Fund - Non-Departmental

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.

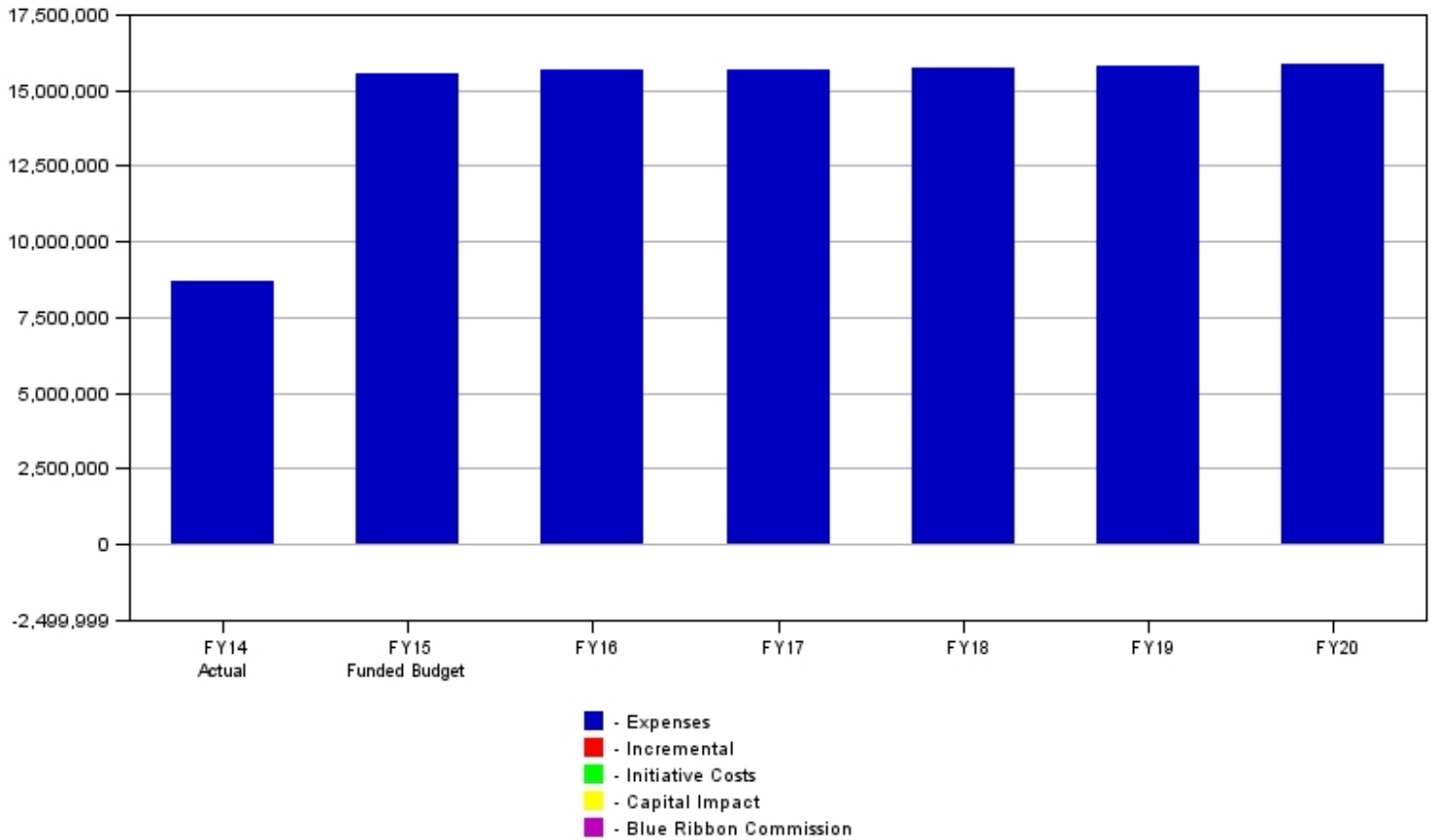


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$29,374,251	\$1,921,159	\$5,022,218	\$5,243,999	\$5,412,833	\$5,575,363	\$5,728,363	\$26,982,776
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$29,374,251</b>	<b>\$1,921,159</b>	<b>\$5,022,218</b>	<b>\$5,243,999</b>	<b>\$5,412,833</b>	<b>\$5,575,363</b>	<b>\$5,728,363</b>	<b>\$26,982,776</b>

- Expenses** - Non-Departmental base budget includes Reserves, Indirect Cost and Retiree benefits.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Building Permits Fund - Dept Of Planning & Community Development

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.

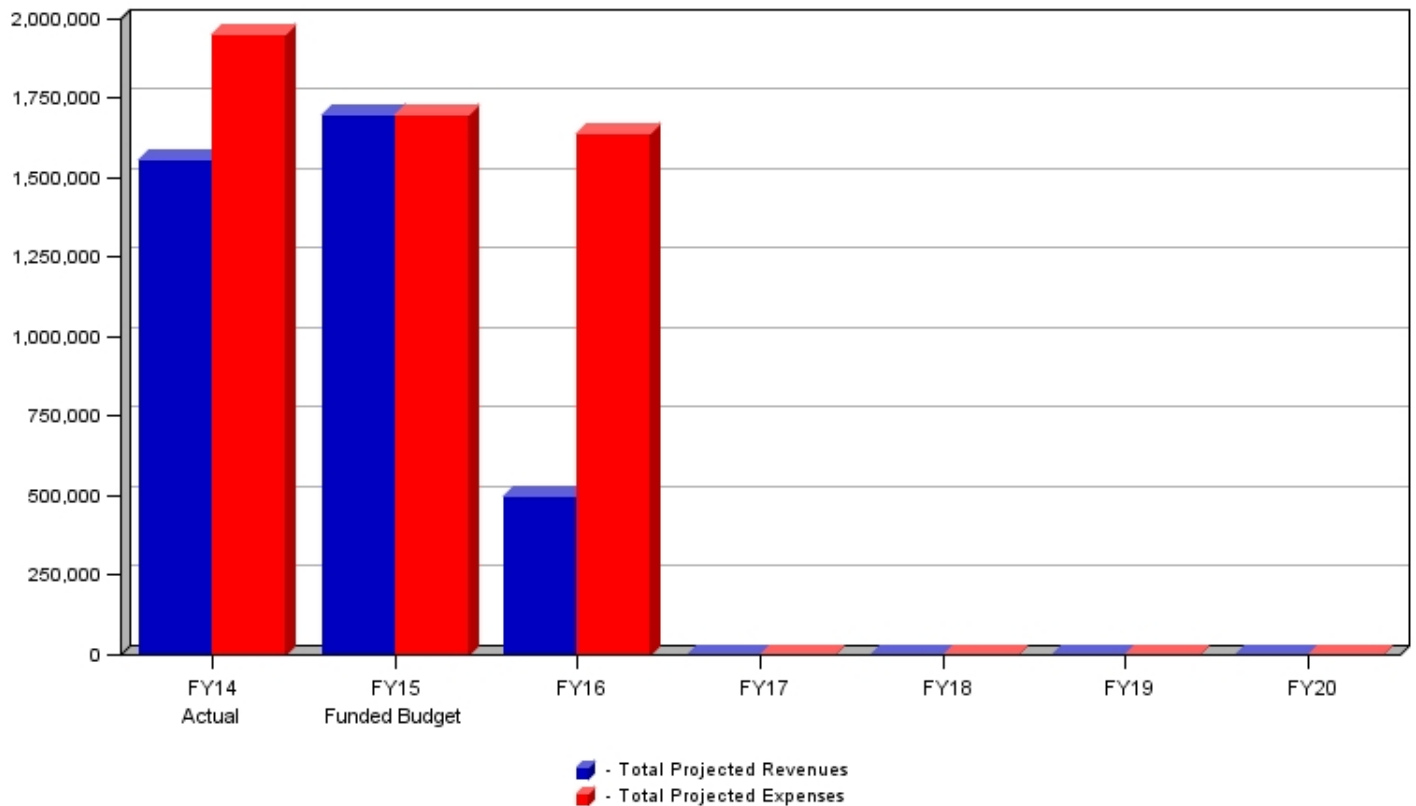


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$8,672,120	\$15,521,014	\$15,683,738	\$15,694,744	\$15,739,757	\$15,793,067	\$15,856,803	\$78,768,108
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	(\$5,243)	(\$5,243)	(\$5,243)	(\$5,243)	(\$20,972)
<b>Total Projected Expenses</b>	<b>\$8,672,120</b>	<b>\$15,521,014</b>	<b>\$15,683,738</b>	<b>\$15,689,501</b>	<b>\$15,734,514</b>	<b>\$15,787,824</b>	<b>\$15,851,560</b>	<b>\$78,747,136</b>

- Expenses** - Over the next five years, operating expenses are projected to slightly increase primary due to salaries, benefits and supplies.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - Blue Ribbon Commission includes savings related to Motor Equipment / Repairs.

## Civic Center Revenue Fund - Five Year Plan

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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$1,560,330	\$1,702,705	\$500,000	\$0	\$0	\$0	\$0	\$500,000
Expenses	\$1,952,324	\$1,702,705	\$1,641,861	\$0	\$0	\$0	\$0	\$1,641,861
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	\$1,952,324	\$1,702,705	\$1,641,861	\$0	\$0	\$0	\$0	\$1,641,861
<b>Revenues Over(Under) Expenses</b>	(\$391,994)	\$0	(\$1,141,861)	\$0	\$0	\$0	\$0	(\$1,141,861)
<b>Variance %</b>	(25%)	0%	(228%)	0%	0%	0%	0%	(228%)

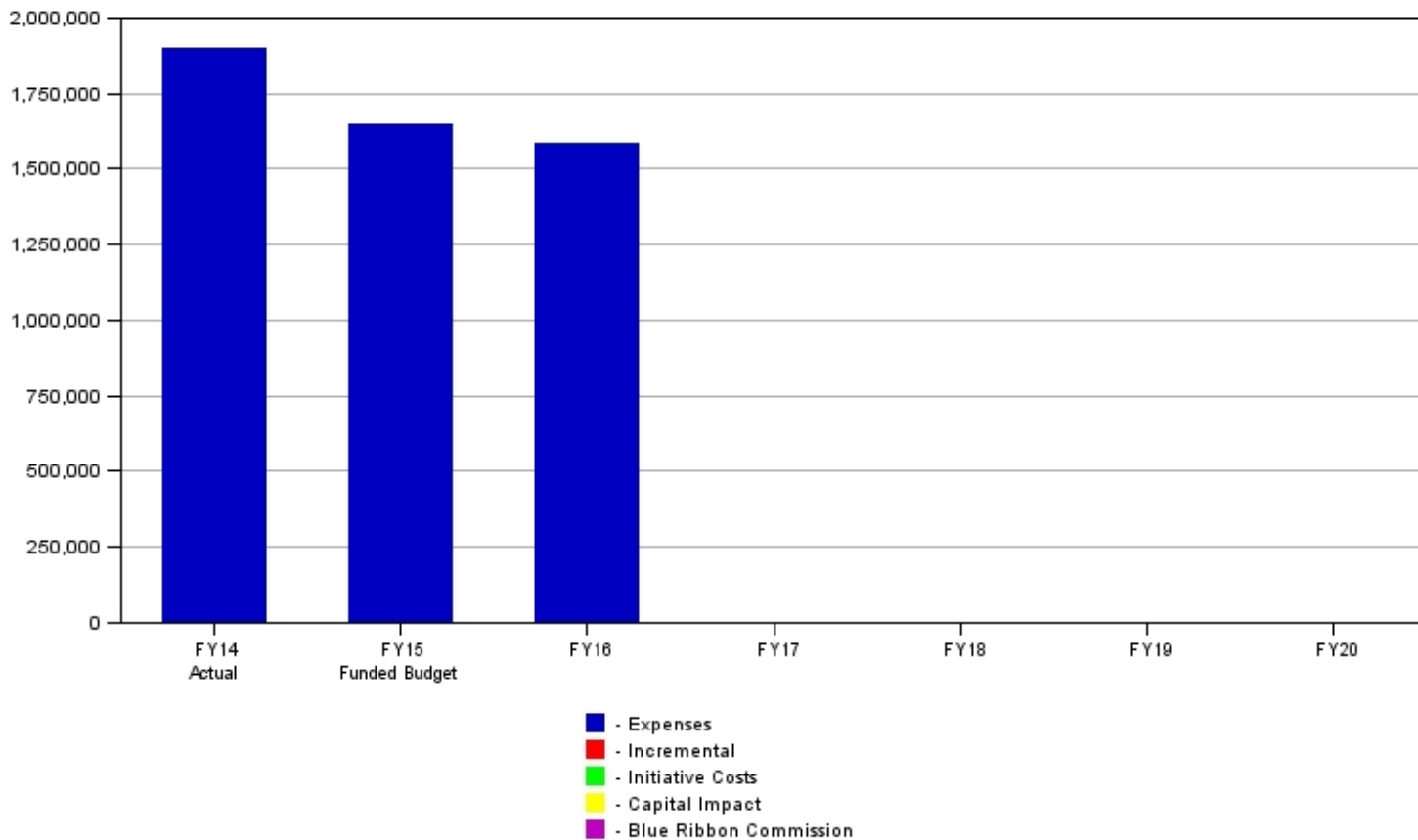
**Revenue Overview:**

The Civic Center Revenue Fund is forecasted to receive \$500,000 in FY16 due to the pending sale of the facility which is currently up for bid.

**Expense Overview:**

The Civic Center expense for FY16 includes amount for OPEB cost and maintenance of the facility.

## Civic Center Revenue Fund - Dept Of Parks & Recreation

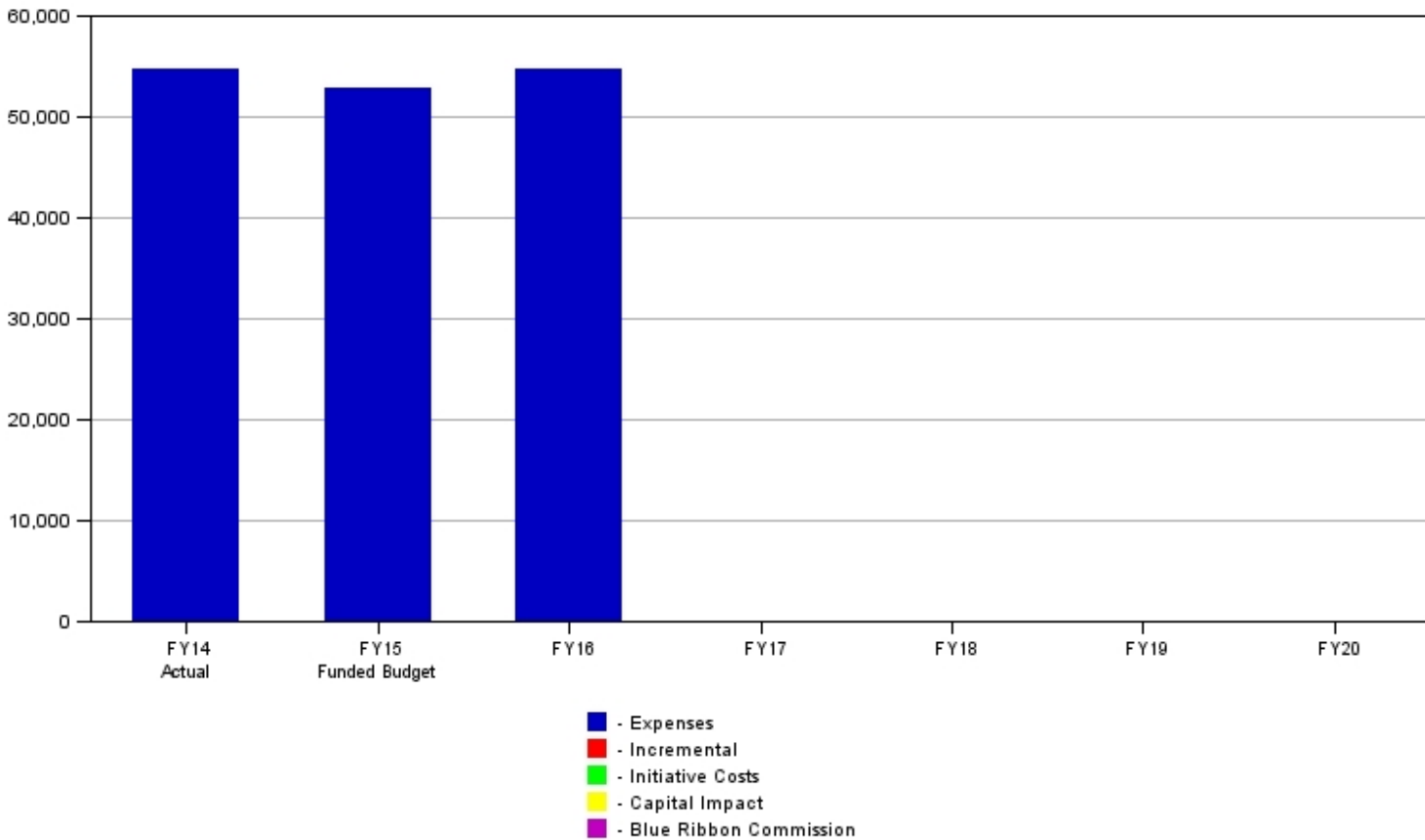


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$1,897,527	\$1,649,784	\$1,587,233	\$0	\$0	\$0	\$0	\$1,587,233
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$1,897,527</b>	<b>\$1,649,784</b>	<b>\$1,587,233</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,587,233</b>

- Expenses** - Expenses for FY16 include funding for maintenance and security of the facility.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Civic Center Revenue Fund - Non-Departmental

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



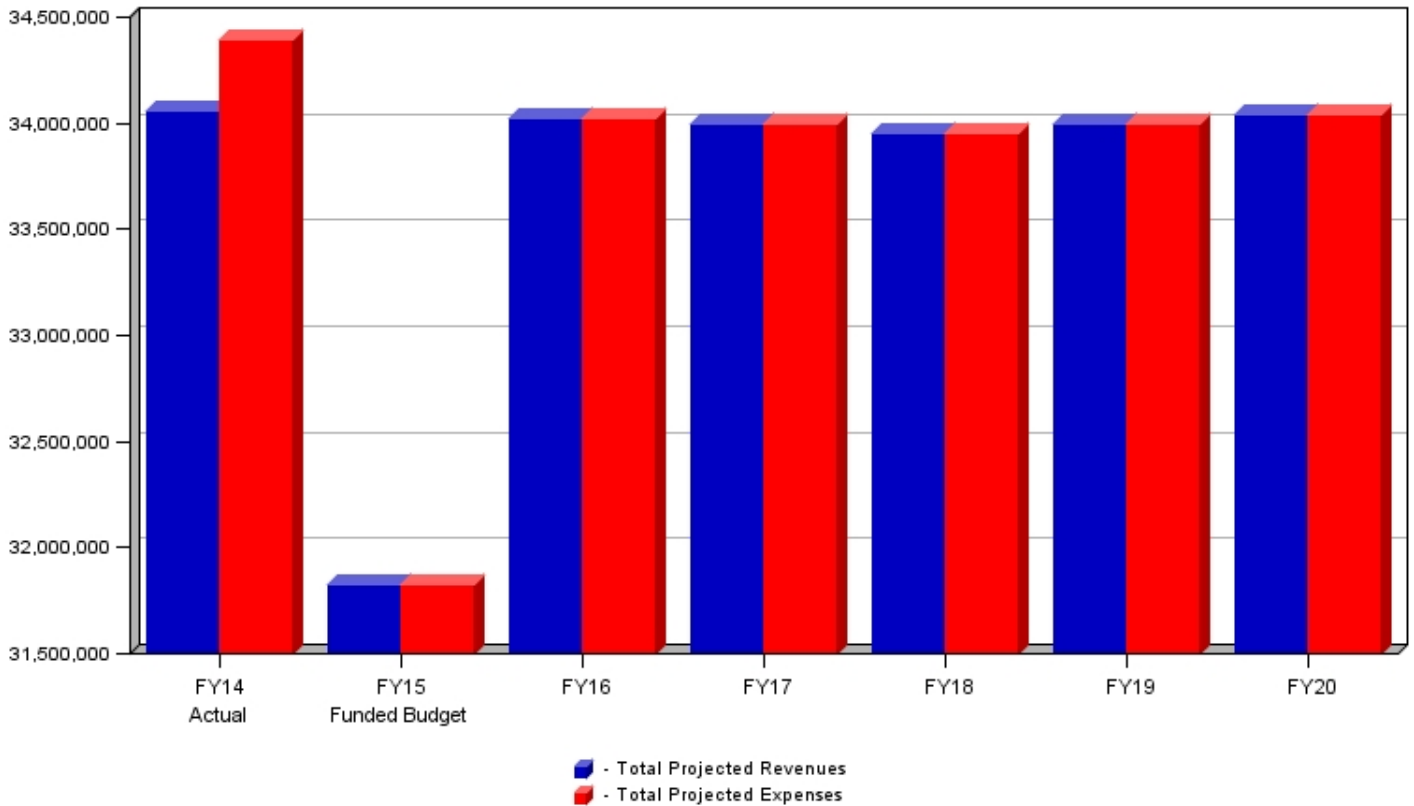
	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$54,797	\$52,921	\$54,628	\$0	\$0	\$0	\$0	\$54,628
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$54,797</b>	<b>\$52,921</b>	<b>\$54,628</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,628</b>

- Expenses** - The purpose of the Non-department is to provide funding for the life and health cost for retirees (OPEB).
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A



## Fleet Service Fund - Five Year Plan

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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$34,054,432	\$31,825,398	\$34,021,502	\$34,000,355	\$33,954,641	\$33,994,876	\$34,036,875	\$170,008,250
Expenses	\$34,396,025	\$31,825,398	\$34,021,502	\$34,000,355	\$33,954,640	\$33,994,876	\$34,036,875	\$170,008,248
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	\$34,396,025	\$31,825,398	\$34,021,502	\$34,000,355	\$33,954,640	\$33,994,876	\$34,036,875	\$170,008,248
<b>Revenues Over(Under) Expenses</b>	(\$341,593)	\$0	\$0	\$0	\$0	\$0	\$0	\$1
<b>Variance %</b>	(1%)	0%	0%	0%	0%	0%	0%	0%

**Revenue Overview:**

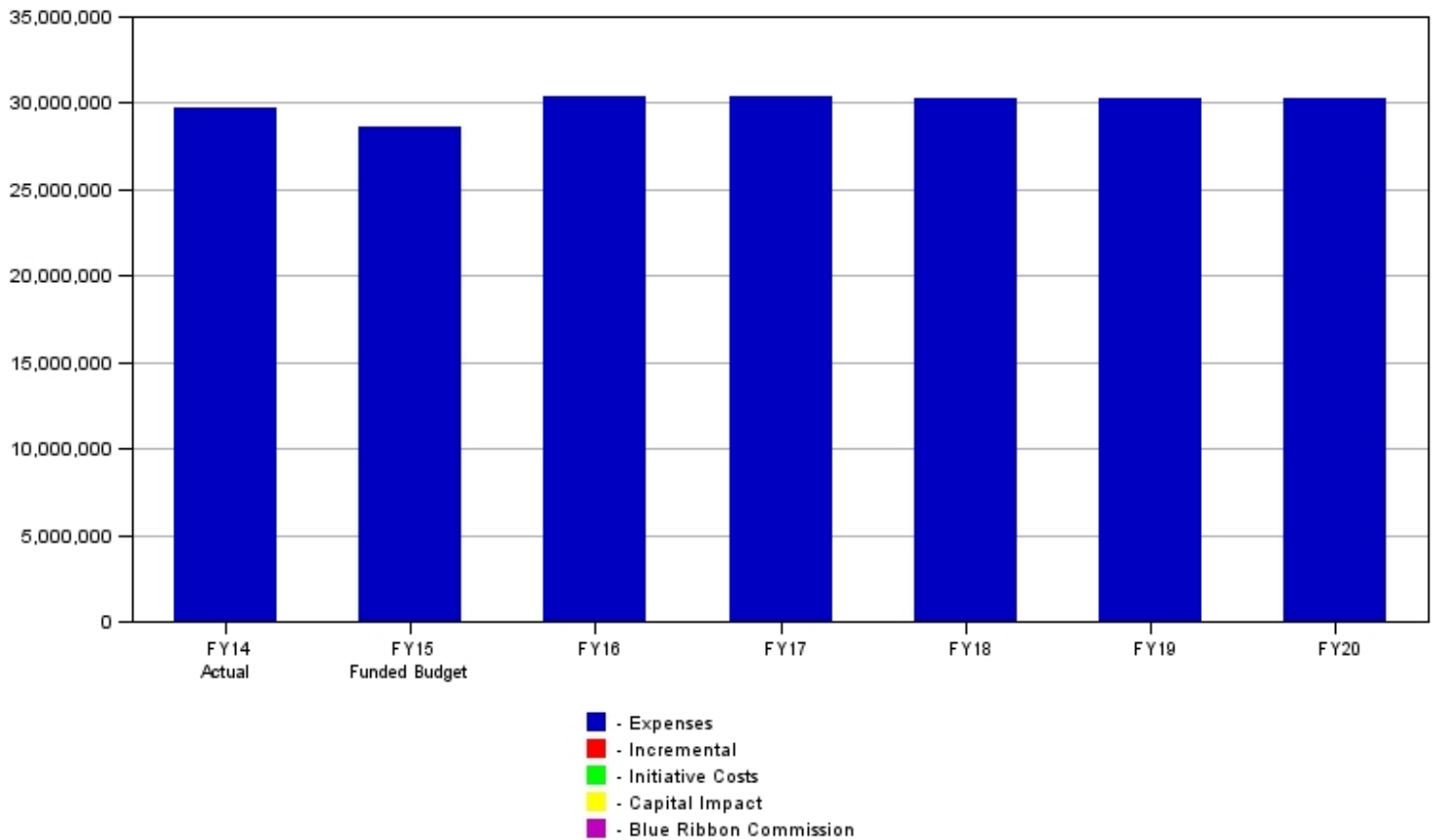
Revenues are derived from charge-back recovery to the participating City departments. The projection is stable which coincides with the projected trend in expenditures.

**Expense Overview:**

Expenses are projected to slightly increase over the next five years primarily due to indirect cost allocations

## Fleet Service Fund - Department Of Public Works

The Department of Public Works is responsible for the acquisition, maintenance and disposal of the City of Atlanta's motorized equipment fleet. This Office is also responsible for the purchasing and dispensing of over three million gallons of fuel annually. Additionally, this office partners with other City departments in the delivery of critical City services.

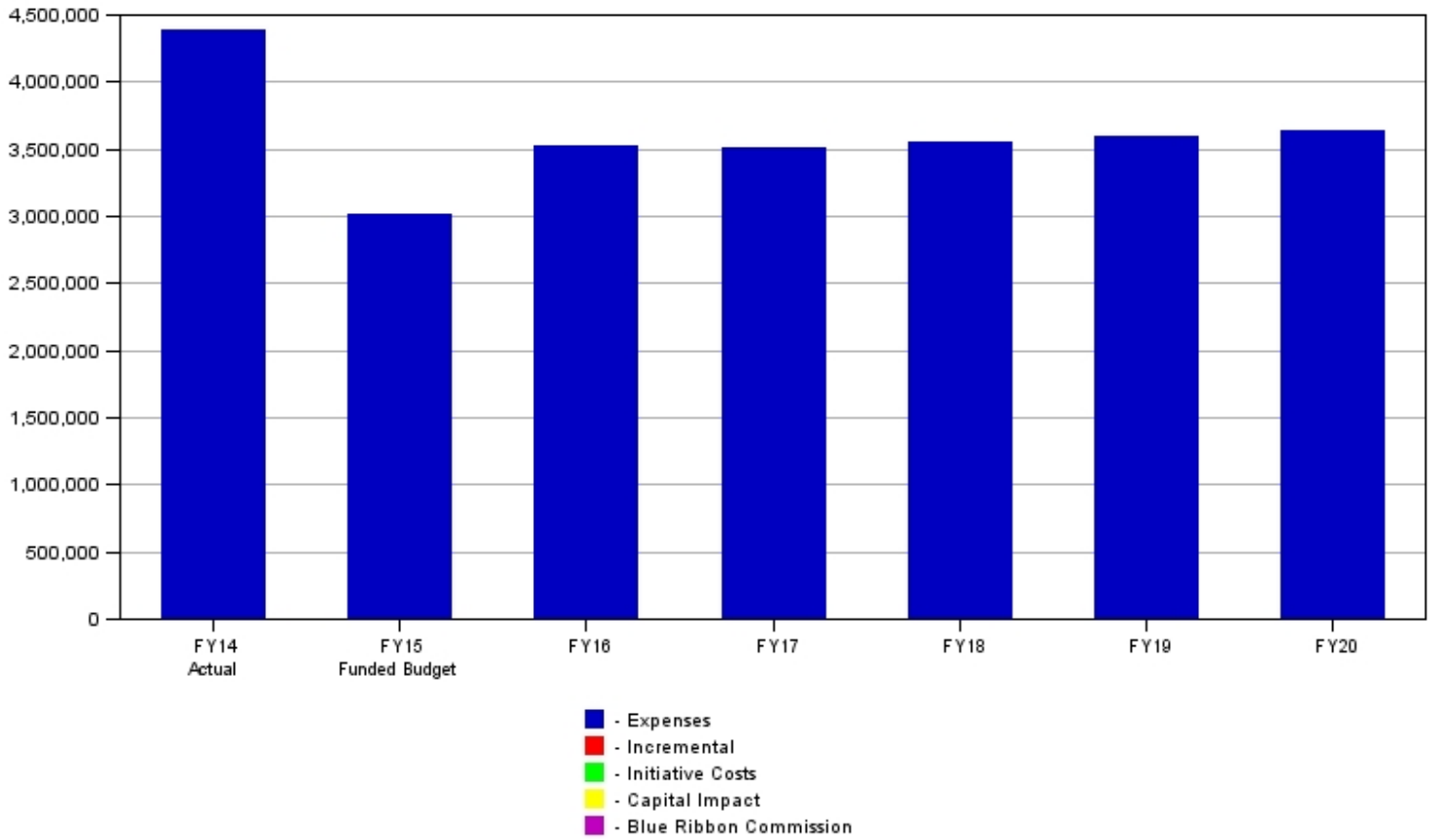


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$29,678,922	\$28,597,009	\$30,325,880	\$30,340,455	\$30,252,982	\$30,251,422	\$30,250,586	\$151,421,325
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$29,678,922</b>	<b>\$28,597,009</b>	<b>\$30,325,880</b>	<b>\$30,340,455</b>	<b>\$30,252,982</b>	<b>\$30,251,422</b>	<b>\$30,250,586</b>	<b>\$151,421,325</b>

- Expenses** - Operating expenses are projecting to increase in FY2016 and projected to remain relatively flat in the remaining years.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Fleet Service Fund - Non-Departmental

Non-Departmental 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.

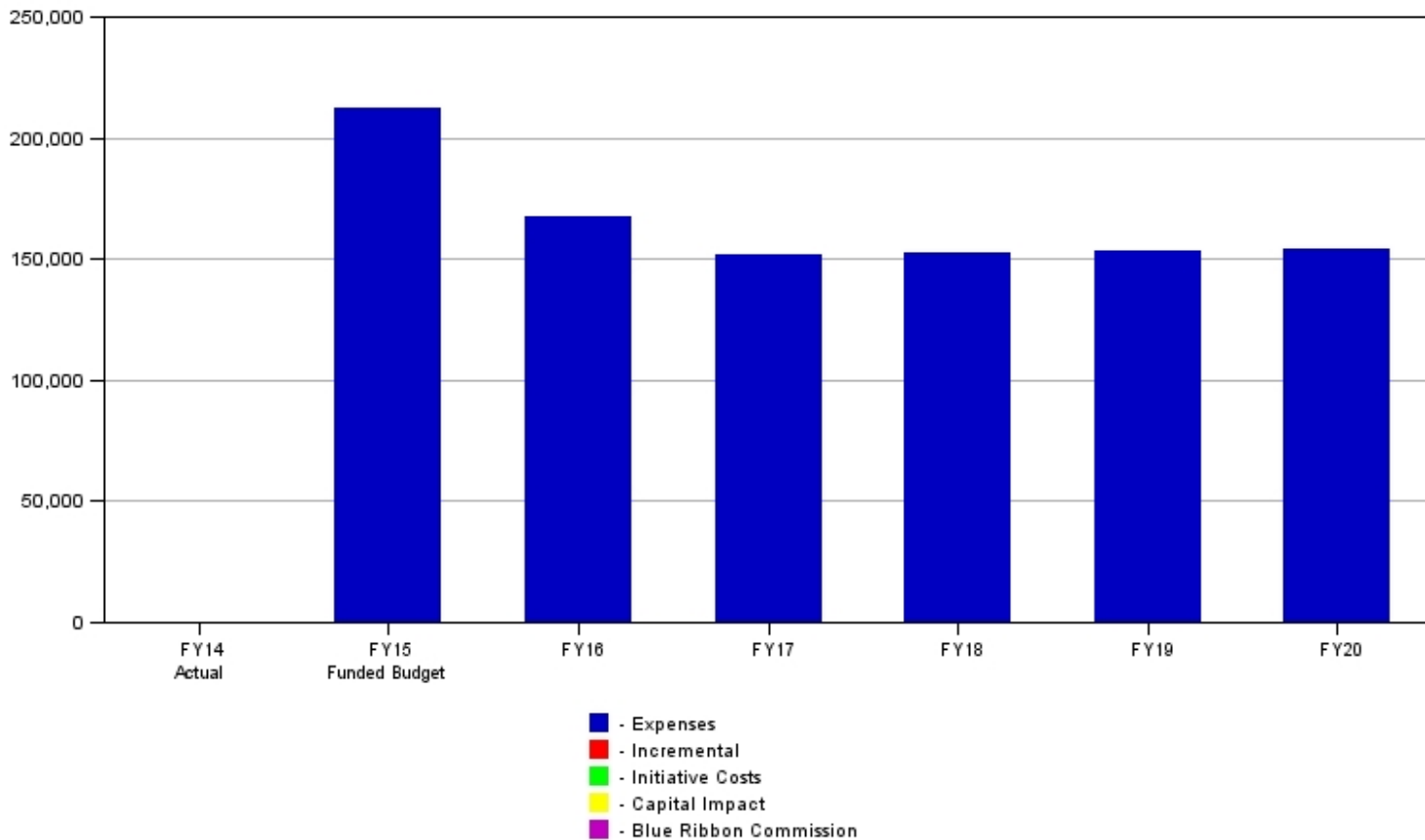


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$4,383,697	\$3,016,252	\$3,527,970	\$3,507,970	\$3,548,970	\$3,589,970	\$3,631,970	\$17,806,850
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$4,383,697</b>	<b>\$3,016,252</b>	<b>\$3,527,970</b>	<b>\$3,507,970</b>	<b>\$3,548,970</b>	<b>\$3,589,970</b>	<b>\$3,631,970</b>	<b>\$17,806,850</b>

- Expenses** - Operating expenses are projected to slightly increase over the next five years primarily due to indirect cost allocations.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Fleet Service Fund - Department Of Human Resources

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.

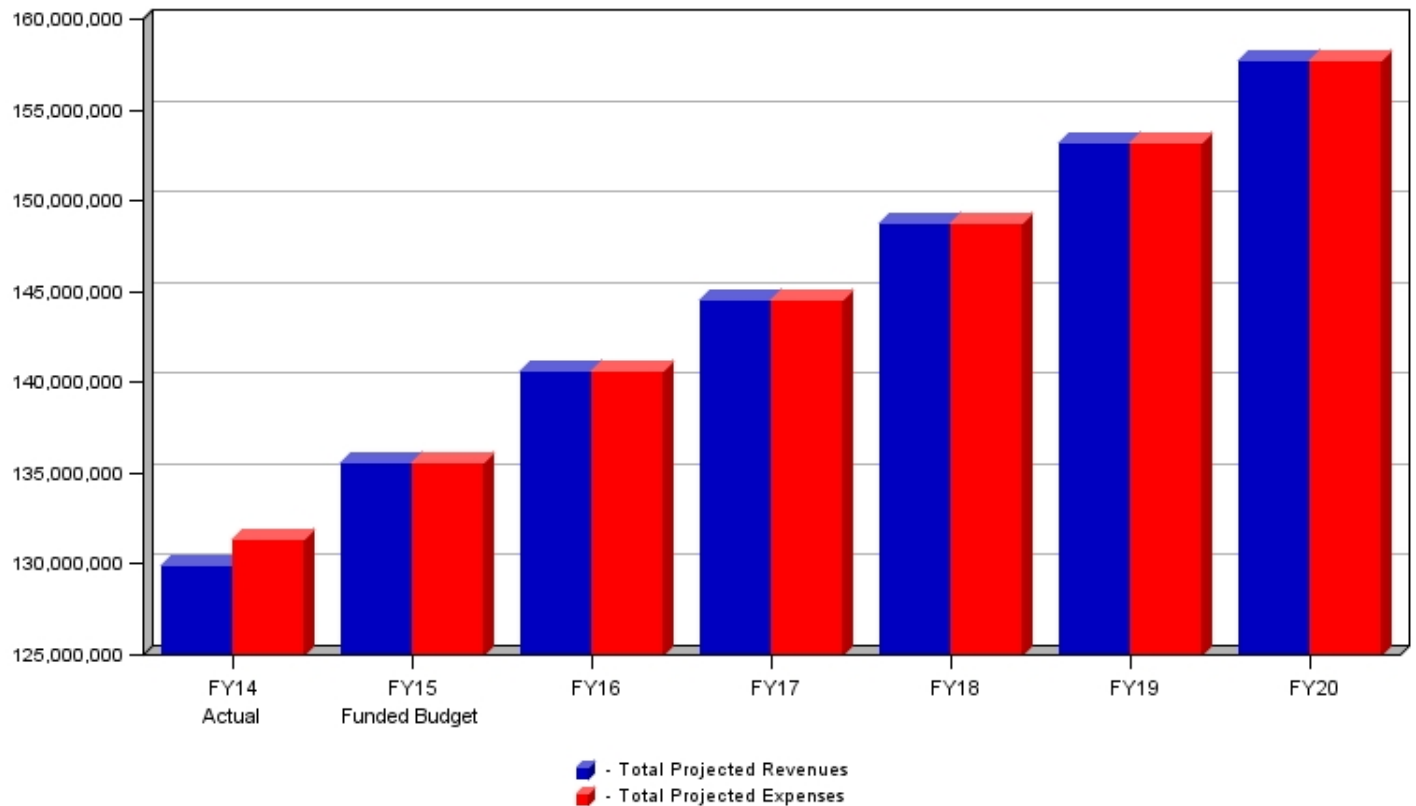


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$0	\$212,137	\$167,652	\$151,930	\$152,688	\$153,483	\$154,319	\$780,073
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$0</b>	<b>\$212,137</b>	<b>\$167,652</b>	<b>\$151,930</b>	<b>\$152,688</b>	<b>\$153,483</b>	<b>\$154,319</b>	<b>\$780,073</b>

- Expenses** - This amount over five years represents salary and benefits for DHR personnel.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Group Insurance Fund - Five Year Plan

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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
<b>Total Projected Revenues</b>	\$129,901,058	\$135,641,419	\$140,652,064	\$144,602,273	\$148,799,618	\$153,186,766	\$157,772,696	\$745,013,416
Expenses	\$131,334,147	\$135,641,419	\$140,629,399	\$144,579,608	\$148,776,953	\$153,164,101	\$157,750,031	\$744,900,091
Incremental	\$0	\$0	\$22,665	\$22,665	\$22,665	\$22,665	\$22,665	\$113,325
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	\$131,334,147	\$135,641,419	\$140,652,064	\$144,602,273	\$148,799,618	\$153,186,766	\$157,772,696	\$745,013,416
<b>Revenues Over(Under) Expenses</b>	(\$1,433,089)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Variance %</b>	(1%)	0%	0%	0%	0%	0%	0%	0%

**Revenue Overview:**

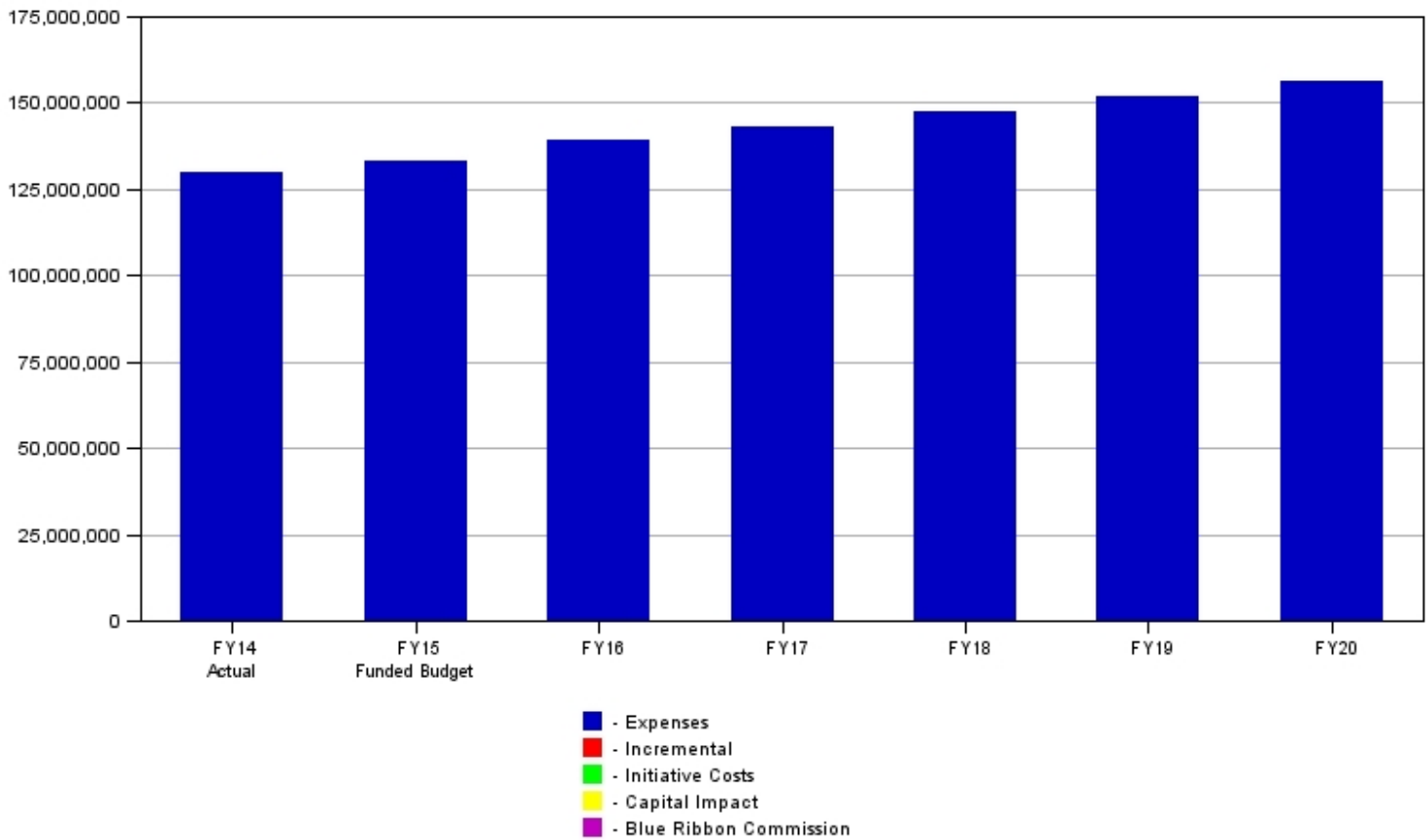
Group Insurance revenues include an initial projected increase of 5%. This amount is adjusted for in FY17-FY20 for the projected savings related to the Optimization of Healthcare costs project.

**Expense Overview:**

Group Insurance expenses include an initial projected increase of 5%. This amount is adjusted for in FY17-FY20 for the projected savings related to the Optimization of Healthcare costs project.

## Group Insurance Fund - Non-Departmental

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.

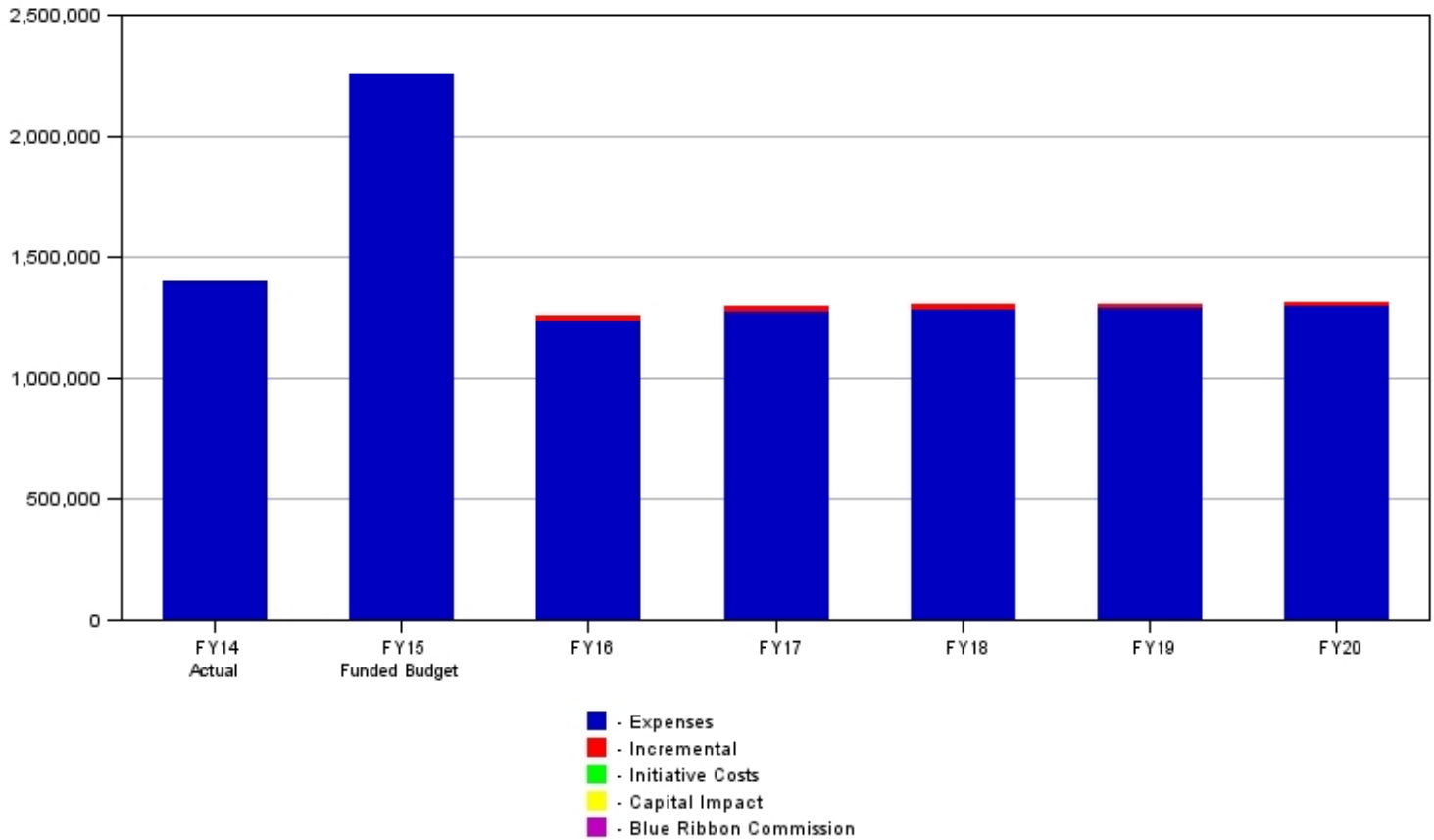


	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$129,931,679	\$133,384,701	\$139,395,844	\$143,303,563	\$147,495,960	\$151,877,833	\$156,455,951	\$738,529,149
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$129,931,679</b>	<b>\$133,384,701</b>	<b>\$139,395,844</b>	<b>\$143,303,563</b>	<b>\$147,495,960</b>	<b>\$151,877,833</b>	<b>\$156,455,951</b>	<b>\$738,529,149</b>

- Expenses** - 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 as well as costs related to the Affordable Care Act.
- Incremental** - N/A
- Initiative Costs** - N/A
- Capital Impact** - N/A
- Blue Ribbon Commission** - N/A

## Group Insurance Fund - Department Of Human Resources

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.



	FY14 Actual	FY15 Funded Budget	FY16	FY17	FY18	FY19	FY20	Total Plan Years
Expenses	\$1,402,418	\$2,256,718	\$1,233,555	\$1,276,045	\$1,280,993	\$1,286,268	\$1,294,080	\$6,370,942
Incremental	\$0	\$0	\$22,665	\$22,665	\$22,665	\$22,665	\$22,665	\$113,325
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blue Ribbon Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$1,402,418</b>	<b>\$2,256,718</b>	<b>\$1,256,220</b>	<b>\$1,298,710</b>	<b>\$1,303,658</b>	<b>\$1,308,933</b>	<b>\$1,316,745</b>	<b>\$6,484,267</b>

**Expenses**

- Over the next five years this amount represents DHR expenditures related to Salaries & Benefits, Consulting & Professional services, Maintenance/Lease of Copiers, Printing & Binding, Wireless Service, and Supplies.

**Incremental**

- This amount represents the incremental costs associated with the Pre-Employment and Hazmat Physical contracts managed by DHR.

**Initiative Costs**

- N/A

**Capital Impact**

- N/A

**Blue Ribbon Commission**

- N/A

## PROPOSED INFRASTRUCTURE BOND

Residents of the City of Atlanta will be asked to vote on an infrastructure bond referendum on Tuesday, March 17, 2015.

On Monday, January 5 the Atlanta City Council approved a substitute resolution (Legislative Reference No. 14-R-4374) to regulate and provide for the calling of an election to determine the issuance or non-issuance by the City of Atlanta of General Obligation Public Improvement Bonds in an aggregate amount not to exceed \$252 million including finance costs, to fund up to a combined \$250 million in public improvement capital outlay projects. The resolution was sponsored by Councilmembers C.T. Martin, Michael Julian Bond, Ivory Lee Young, Jr., Alex Wan, Keisha Lance Bottoms, Joyce Sheperd, Cleta Winslow, Carla Smith, Andre Dickens and Kwanza Hall, and approved by a vote of 12-0.

The proposed General Obligation Public Improvement Bonds will consist of:

(1) \$187,945,000 of bonds for the acquisition, construction, reconstruction, renovation, repair, improvement, critical capital maintenance and equipping of public streets and traffic control infrastructure and equipment, curbing, storm water drainage, street name and directional signage, bridges, viaducts and related public improvement including but not limited to streetlights, sidewalks, bicycle lanes, and transit stops so as to improve the pedestrian and transit environment, the cost of compliance with the Americans with Disabilities Act of 1990 for such improvements;

(2) \$64,055,000 of the bonds for the purpose of paying the costs of the acquisition, construction, reconstruction, renovation, repair, improvement, critical maintenance and equipping of municipal facilities, including buildings, recreation centers and other facilities and related public improvements and the cost of compliance with the American with Disabilities Act of 1990 for such facilities and improvements.

Today, the City of Atlanta faces an infrastructure backlog of more than \$900 million. To address the city's most pressing infrastructure challenges, such as improving our city's roads, bridges, sidewalks and upgrade critical public buildings and facilities, the city is proposing an infrastructure bond referendum to pay for these repairs and improvements.

The bond referendum will be held March 17 at regular and established polling places in each precinct in the City. Each polling place will be open from 7 a.m. until 7 p.m.





# FUND BALANCES

GENERAL FUND BALANCE AND  
PROJECTIONS

THE PLAN TO ADDRESS DEFICIT  
FUND BALANCES

SUMMARY OF FUND BALANCE AND NET  
POSITION

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>FY2013 Surplus</b>	<b><u>11,444</u></b>
<b>Fund Balance at June 30, 2013</b>	<b>138,164</b>
<b>FY2014 Surplus</b>	<b><u>3,821</u></b>
<b>Fund Balance at June 30, 2014</b>	<b>141,985</b>

The following is the Fund Balance as of June 30, 2014 as presented in the format required by GASB 54.

GASB54 Category	Amount
Nonspendable	11,101
Restricted	0
Assigned	12,287
Unassigned	118,597
<b>Total</b>	<b>141,985</b>

**Projected Fund Balance Change during FY15**

FY 2015 Revenues Approved by City Council	567,938	
Less: Prior Year Fund Balance	<u>(3,465)</u>	
Net Projected Revenues as of 6/30/2015		564,473
FY 2015 Expenses Approved by Council	567,938	
Less: GF department projection variance	<u>(7,353)</u>	
Net Projected Expenses as of 6/30/2015		<u>560,585</u>
Net Estimated FY15 Surplus from Operations		<u>3,888</u>
<b>Projected General Fund Balance at June 30, 2015</b>		<u><b>145,873</b></u>

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, 2015, as presented in the format required by GASB

<b>GASB54 Category</b>	<b>Amount</b>
Nonspendable	11,101
Restricted	0
Committed	0
Assigned	11,636
Unassigned	123,136
<b>Total</b>	<b>145,873</b>
Unrestricted	134,772

# THE PLAN TO ADDRESS DEFICIT FUND BALANCES

As of the FY2014 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 \$30 million to this fund, including \$13 million in FY 2013 and \$1 million during FY 2014. As of the close of FY2014 the amount due to the general fund is \$13.3 million, a decrease of \$1.2 million from FY 2013. The City continues to pursue a fee increase with the Georgia General Assembly.

## **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. During FY14 Oracle implementation costs attributable to the Enterprise Funds was transferred to the CFF in the amount of \$24.7 million. Of this amount, \$4.9 million went toward reducing the remaining deficit. As of the close of FY 2014 the deficit is \$9 million, accounting for unspent project proceeds.

## **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 FY2014 the amount due to the general fund was \$17.4 million, a \$1.4 million decrease from the FY2013.

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 reduce the deficit balance. Following the 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. 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. During FY2014, \$8.8 million was charged to this fund to purchase the sublease rights in preparation for the eventual sale of the property. It is expected that property sale proceeds would offset any remaining deficit at the time of closing. The deficit balance at the end of FY14 was \$10.2 million.

## **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 2014, the Civic Center fund had an accumulated deficit of \$1.6 million. 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 2014 had an accumulated deficit of \$34.7 million. During FY14 Fleet Services added to the deficit by \$6 million (prior to transfers). During the closeout of FY14, the General Fund transferred \$6m to the Fleet Fund to keep the deficit at the FY13 level. 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.

## SUMMARY OF FUND BALANCE

	Beginning Fund Balance				FY14 Net Change in Fund Balance	Audited Ending Fund Balance 2014	% Change in Fund Balance
		Revenues	Expenditures	Other Financing Resource			
General Fund	138,164,000	498,589,609	(487,089,032)	(7,679,178)	3,821,399	141,985,399	2.77%
<b>Special Revenue Funds</b>							
Community Development Block Grant Fund	88,653	11,289,676	(11,144,815)	-	144,861	233,514	163.40%
Emergency 911 Fund	(14,489,901)	10,852,686	(16,341,495)	7,162,801	1,673,992	(12,815,910)	-11.55%
Intergovernmental Grant Fund	1,940,449	40,948,587	(43,140,949)	504,598	(1,687,764)	252,684	-86.98%
Empowerment Zone Fund	50,785	-	(190,456)	-	(190,456)	(139,670)	-375.02%
Job Training Grant Fund	437,474	5,852,921	(5,892,020)	-	(39,099)	398,375	-8.94%
Home Investment Partnerships Program Fund	973,526	1,550,637	(2,100,691)	-	(550,054)	423,472	-56.50%
Rental Rehabilitation Fund	603	-	-	-	-	603	0.00%
Sec 108 Loan Trust Fund	6,140,276	2,198	(509,697)	-	(507,498)	5,632,778	-8.27%
Atlantic Station TAD Fund	31,003,137	14,696,094	(12,668,875)	-	2,027,219	33,030,356	6.54%
Westside TAD Fund	106,748,000	12,425,459	(40,643,106)	-	(28,217,647)	78,530,353	-26.43%
NW Atlanta TAD Fund	12,345,404	2,566,429	(26,569,802)	21,277,187	(2,726,187)	9,619,218	-22.08%
Princeton Lakes TAD Fund	4,784,437	1,867,079	(772,788)	-	1,094,291	5,878,727	22.87%
Eastside TAD Fund	59,180,425	10,046,412	(4,814,301)	-	5,232,111	64,412,537	8.84%
Atlanta Beltline TAD	23,737,000	18,325,971	(31,135,295)	-	(12,809,324)	10,927,676	-53.96%
Campbellton Road TAD Fund	2,443,731	156,985	(58,916)	-	98,069	2,541,800	4.01%
Hollowell/M.L. King TAD Fund	1,872,910	341,020	(54,104)	-	286,916	2,159,826	15.32%
Metropolitan Parkway TAD Fund	1,186,633	144,996	(96,581)	-	48,415	1,235,048	4.08%
Stadium Neighborhoods TAD Fund	89,178	1,316	(37,269)	-	(35,953)	53,226	-40.32%
Rental/Motor Vehicle Tax	-	1,145,976	(1,145,976)	-	-	-	0.00%
Affordable Housing Fund	7,533,598	3,322,946	(3,794,677)	-	(471,731)	7,061,867	-6.26%
Hotel/Motel Tax Fund	-	58,013,709	(43,516,083)	(14,497,626)	-	-	0.00%
Special 1% Sales And Use Tax Fund	-	124,267,717	-	(124,267,717)	-	-	0.00%
Trust Fund	37,488,000	15,092,081	(17,338,199)	306,186	(1,939,932)	35,548,068	-5.17%
Perpetual Care	-	11,323	-	300,536	311,858	311,858	0.00%
<b>Special Revenue Total</b>	<b>283,554,318</b>	<b>332,922,216</b>	<b>(261,966,095)</b>	<b>(109,214,035)</b>	<b>(38,257,914)</b>	<b>245,296,404</b>	<b>-13.49%</b>
<b>Capital Projects Fund</b>							
Annual Bond Fund	337,544	3,191	-	-	3,191	340,734	0.95%
1993 School Improvement Bond	20,118	24	-	-	24	20,142	0.12%
1994 Referendum G.O. Bond Fund	1,660,081	1,197	-	(1,297,820)	(1,296,623)	363,457	-78.11%
1996 G.O. Public Improvement Bond Part B	832,177	513	(99,643)	(700,763)	(799,893)	32,284	-96.12%
1997 G.O. Public Improvement Bond Fund	613,323	512	-	(364,745)	(364,234)	249,090	-59.39%
2000 Park Improvement Bond Fund	11,877	14	-	-	14	11,891	0.12%
2001 Quality Of Life Fund	666,531	443	-	(645,423)	(644,980)	21,551	-96.77%
2004 Quality Of Life Fund	1,420,179	1,592	(2,653)	(1,220,125)	(1,221,187)	198,992	-85.99%
2005 B Go Project Fund	(9,069)	-	-	-	-	(9,069)	0.00%
2005A Park Improvement Bond Fund	11,647,851	1,394	(2,437,461)	-	(2,436,067)	9,211,784	-20.91%
Public Safety Facility Fund	2	(1)	-	-	(1)	1	-41.44%
2008A Quality Of Life Improvement	2,704,812	2,422	(152,005)	(921,086)	(1,070,669)	1,634,143	-39.58%
Capital Finance Fund	(6,647,616)	52,620	(10,183,616)	30,804,402	20,673,406	14,025,790	-310.99%
Special Assessment Fund	2,725,092	208,777	(529,617)	-	(320,840)	2,404,252	-11.77%
Solid Waste Management Fac Const Fund	2,584,661	2,600	(2,226,129)	2,108,225	(115,304)	2,469,356	-4.46%
Capital Asset - Finance Fund	(804,810)	136,511	3,490,240	23,067,792	26,694,543	25,889,733	-3316.87%
Capital Finance - Recovery	(3,053,241)	6,525,653	(5,542,653)	-	982,999	(2,070,242)	-32.20%
General Government Capital Fund	26,138,831	4,621,228	(1,365,830)	-	3,255,397	29,394,228	12.45%
Park Improvement Fund	6,925,996	9,994,518	(13,899,009)	-	(3,904,492)	3,021,504	-56.37%
2002 Traffic Court Facility Bond	187,707	216	-	-	216	187,923	0.12%
<b>Sub - Total</b>	<b>47,962,044</b>	<b>21,553,421</b>	<b>(32,948,377)</b>	<b>50,830,457</b>	<b>39,435,501</b>	<b>87,397,545</b>	<b>82.22%</b>
<b>Debt Service Fund</b>							
Bond Sinking Fund	62,496,000	30,242,338	(26,091,723)	-	4,150,615	66,646,615	6.64%



## SUMMARY OF NET POSITION

	Beginning Net Position		FY14 Net Change in Fund Balance			Audited Ending Fund Balance 2014	% Change in Fund Balance	
	Revenues	Expenditures	Non operating revenues	Other Financing Resource				
<b>DWM</b>	4,620,601,782	496,251,311	(482,162,368)	70,851,769	4,107,013	89,047,725	4,709,649,507	1.93%
<b>DOA</b>	2,556,667,730	436,644,160	(301,961,313)	(141,046,337)	106,879,853	100,516,363	2,657,184,093	3.93%
<b>Nonmajor proprietary funds</b>								
Sanitation	(4,073,973)	55,565,861	(55,454,144)	102,415	(4,777,987)	(4,563,855)	(8,637,828)	112.02%
Parks and Recreational Facilities	(233,000)	512,630	(585,184)	(1,368)	-	(73,922)	(306,922)	31.73%
Underground Atlanta	5,925,000	2,309,199	(15,133,863)	(1,110,229)	9,196,742	(4,738,151)	1,186,849	-79.97%
Parking Deck	682,924	805,155	(469,600)	(915,262)	907,923	328,216	1,011,140	48.06%
Building Permits Fund	16,584,779	21,540,994	(9,916,953)	215,833	-	11,839,874	28,424,653	71.39%
Civic Center	(843,000)	1,560,330	(2,189,653)	(6,309)	-	(635,632)	(1,478,632)	75.40%
<b>Total nonmajor proprietary</b>	<b>18,042,730</b>	<b>82,294,169</b>	<b>(83,749,397)</b>	<b>(1,714,920)</b>	<b>5,326,678</b>	<b>2,156,530</b>	<b>20,199,260</b>	<b>11.95%</b>
<b>Internal services funds</b>								
Group insurance	14,319,563	129,787,390	(131,383,515)	153,588		(1,442,537)	12,877,026	-10.07%
Fleet services	(36,433,000)	28,054,432	(34,258,000)	(283,546)	6,000,000	(487,114)	(36,920,114)	1.34%
<b>Total internal services funds</b>	<b>(22,113,437)</b>	<b>157,841,822</b>	<b>(165,641,515)</b>	<b>(129,958)</b>	<b>6,000,000</b>	<b>(1,929,651)</b>	<b>(24,043,088)</b>	<b>8.73%</b>

# 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 <i>Underlying Rating</i>	Aa2	AA	--
Water and Wastewater Revenue Bonds <i>Underlying Rating</i>	Aa3	A+	A+
Hartsfield Atlanta International Airport Revenue Bonds - Senior Lien / GARBs <i>Underlying Rating</i>	A1	A+	A+
Hartsfield Atlanta International Airport Revenue Bonds GARBs/PFC <i>Underlying Rating</i>	A1	A	A
Atlanta Development Authority <i>Underlying Rating</i>	A2	A	--
Downtown Development Authority <i>Underlying Rating</i>	Aa2	A	--
Solid Waste Management Authority <i>Underlying Rating</i>	Aa2	A	--
Atlanta Fulton County Recreation Authority <i>Underlying Rating</i>	Aa2	A	--
Atlanta Urban Residential Finance Authority <i>Underlying Rating</i>	Aa2	A	--
Tax Allocation Districts <i>Underlying Rating</i>	Baa3	BBB	--

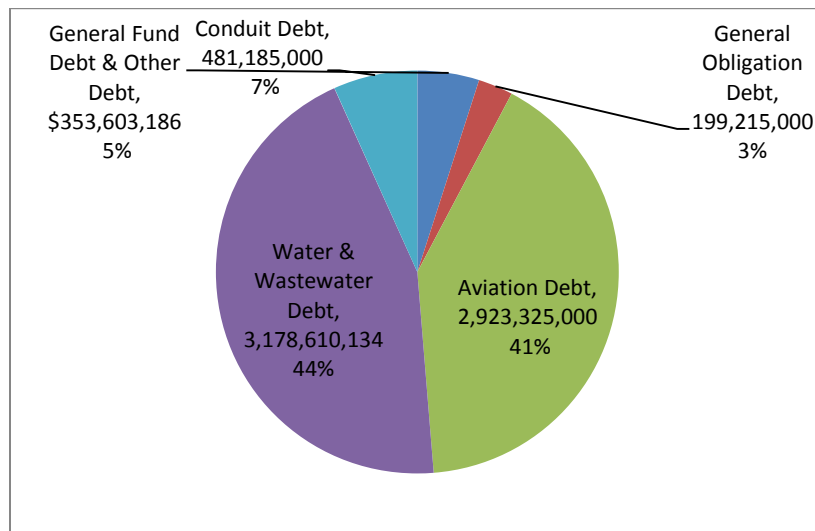
## Total Debt Outstanding

The City of Atlanta's outstanding debt totaled \$7.1 billion as of June 30, 2014.

Total debt consists of \$1.03 billion in General Obligation and other debt (General Fund, TAD, Capital Leases, Other); \$2.92 billion in Aviation Revenue Bonds, and \$3.18 billion in Water and Wastewater Revenue Bonds. Total debt from fiscal year 2014 decreased by \$246.6 million or 3% over fiscal year 2013.

Currently, the City has estimated 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. It is anticipated (voter referendum March 17, 2015) that the City will issue approximately \$252 million in GO Public Improvement bonds by the 4th quarter fiscal year 2015 to begin to finance a portion of these capital improvements. The annual debt service payments for this issuance are included in the GO 5 year plan.

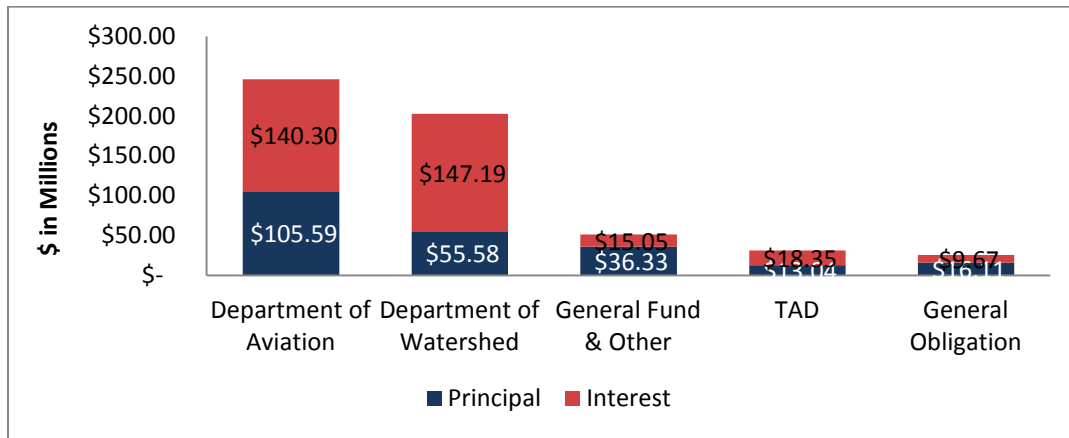
Overall, the City continues to generate enough cash from various revenue streams to cover its operating costs, make payments on outstanding debt obligations and build future reserves.



## FY2014 Principal and Interest Payments

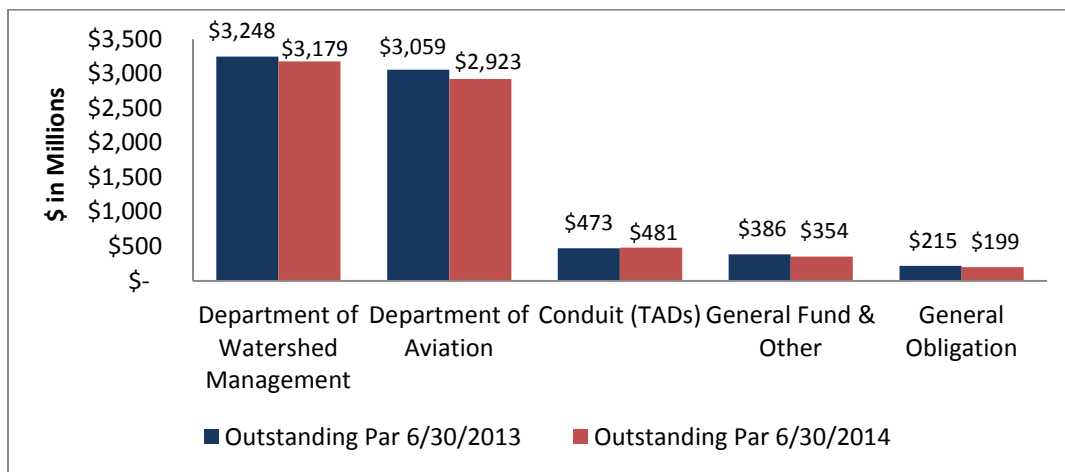
In fiscal year 2014, approximately \$557.2 million in revenues were used to service the outstanding long-term debt obligations of the City. \$226.6 million of this total was spent on principal and \$330.6 million on interest payments. The total debt payments by issue category are as follows:

Water / Wastewater	Aviation	General Fund & Other	TADs	General Obligation
\$202.8M	\$245.9M	\$51.4M	\$31.4M	\$25.7M



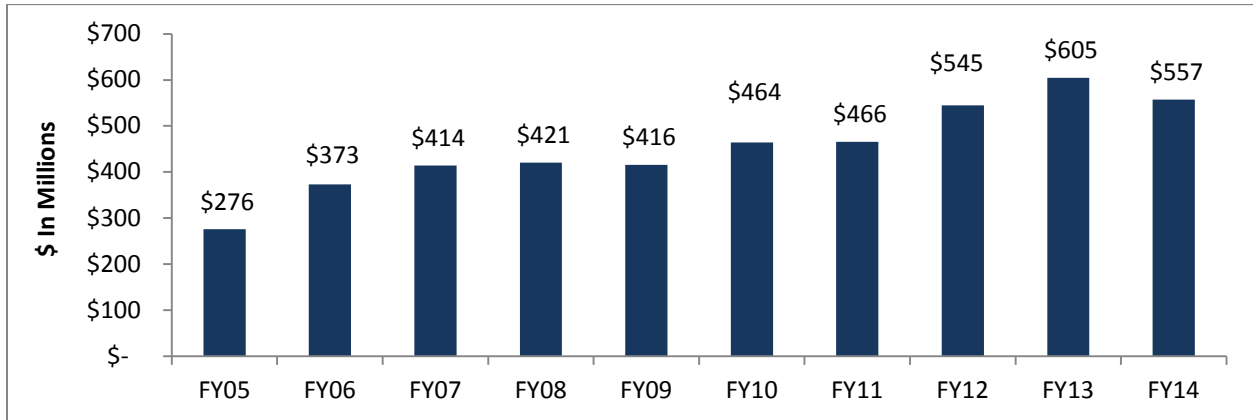
## Debt Comparison

At the end of fiscal year 2014, the City's total debt outstanding was \$7.1 billion. This represents a 3% or approximately \$246.6 million decrease over the previous year's total of \$7.4 billion.



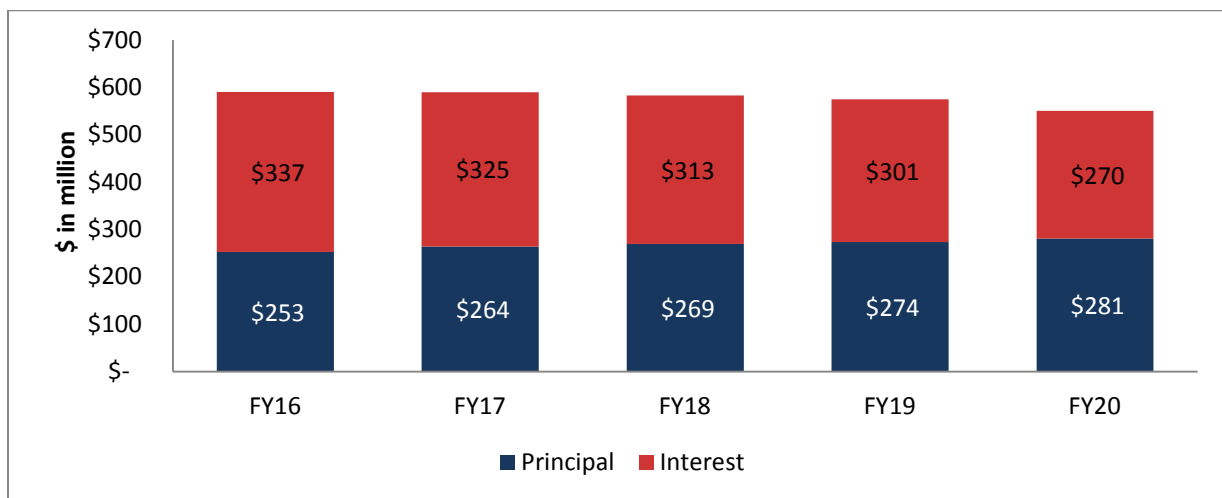
### All Long Term Debt - Historical Payments

During the last 10 years, from 2005 to 2014, the City has spent \$4.5 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 2.0 times from \$276.2 million in 2005 to \$557.1 million in 2014.



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

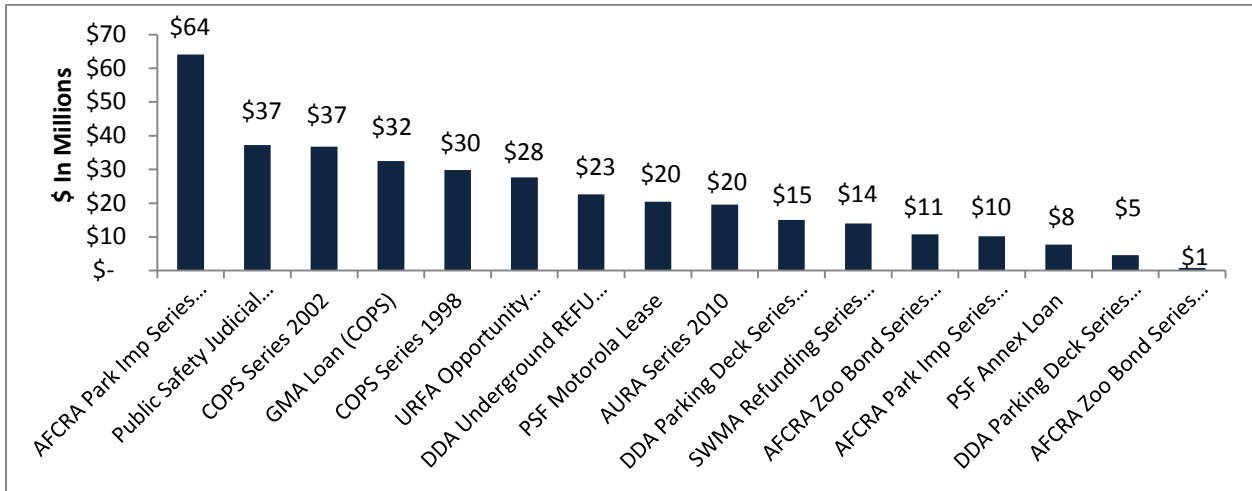
At the end of fiscal year 2014, the City had a total of 7.1 billion in long-term debt outstanding. It is expected that the City will spend approximately \$1.28 billion in interest payments over the next five years on these bonds; this averages out to \$255.4 million annually.



# General Fund & Other

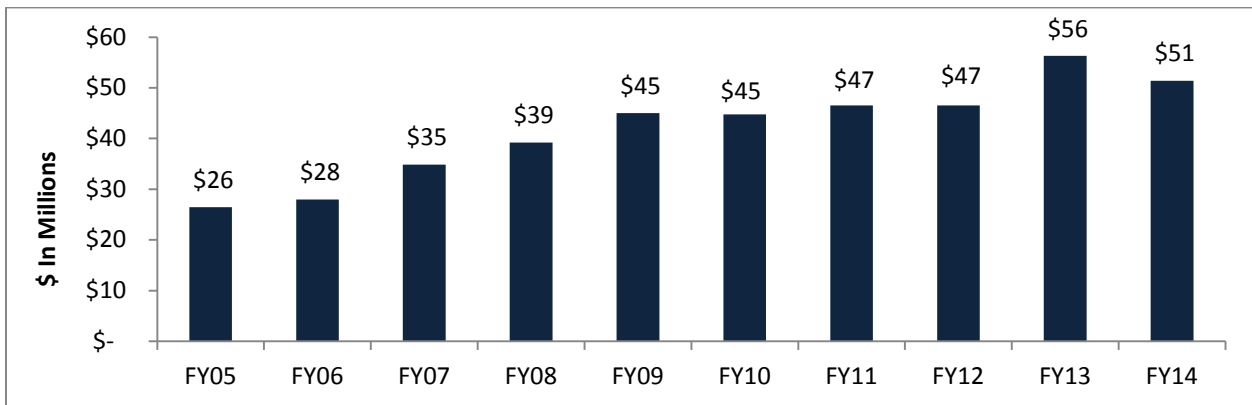
## General Fund Outstanding Debt

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 2014, \$353.6 million of these bonds and leases remained outstanding.



## General Fund - Historical Payments

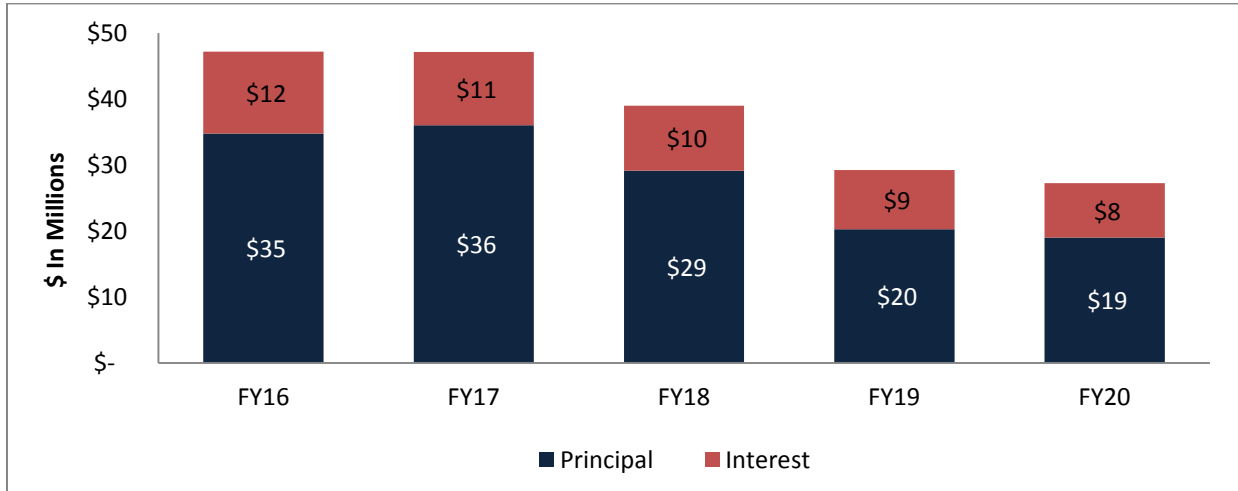
Between 2005 and 2014 the City has paid \$418.9 million on principal and interest on its general fund and other debt outstanding. During this period the debt payments has increased from \$26.4 million in 2005 to \$51.3 million annually.





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

In the next 5 years, it is expected that \$189.8 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. \$139.2 million of the total amount will be used to make principal payments and \$50.6 million for interest payments.

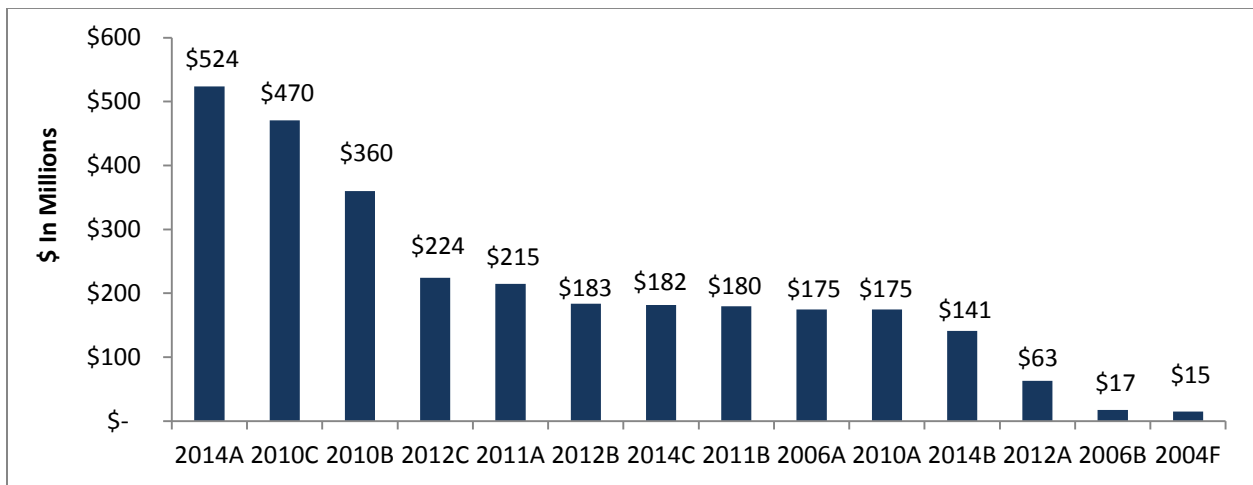


# Department of Aviation

## Department of Aviation – Outstanding Debt

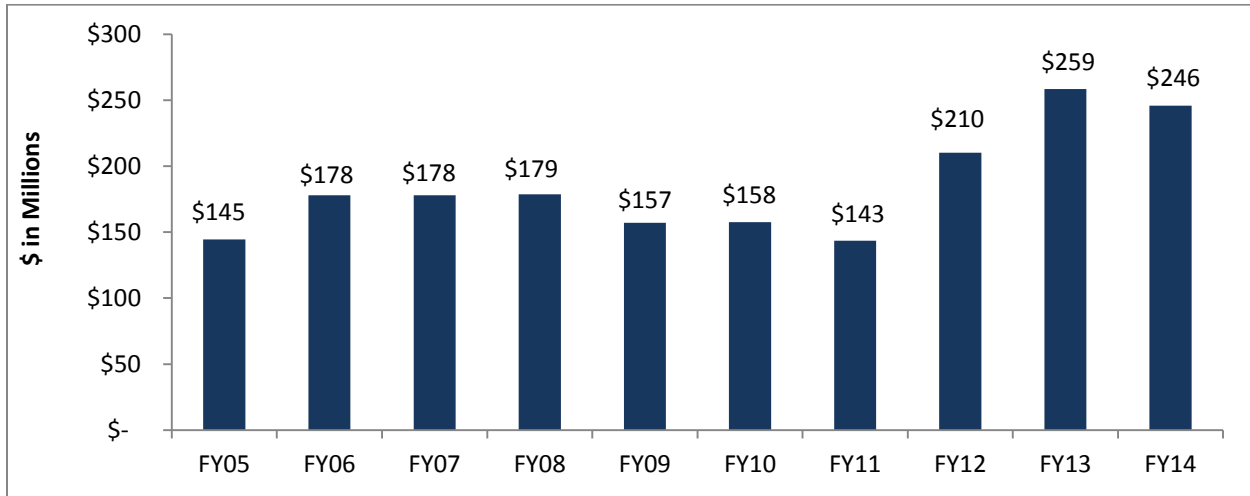
The City of Atlanta is one of 4 cities in the nation that owns and operates a World Class International airport. To maintain its position, the City issues bonds for ongoing capital improvement projects which are pledged against its revenues and have equal lien parity. Revenues pledged against the bonds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

At the end of fiscal year end 2014, the Department of Aviation had \$2.9 billion in outstanding long term debt that consist of General Airport Revenue Bonds (10), Passenger Facility Charge Bonds (2), and Customer Facility Charge Bonds (2). These bonds were either issued as Alternative Minimum Tax (AMT) or Non-Alternative Minimum Tax (Non-AMT).



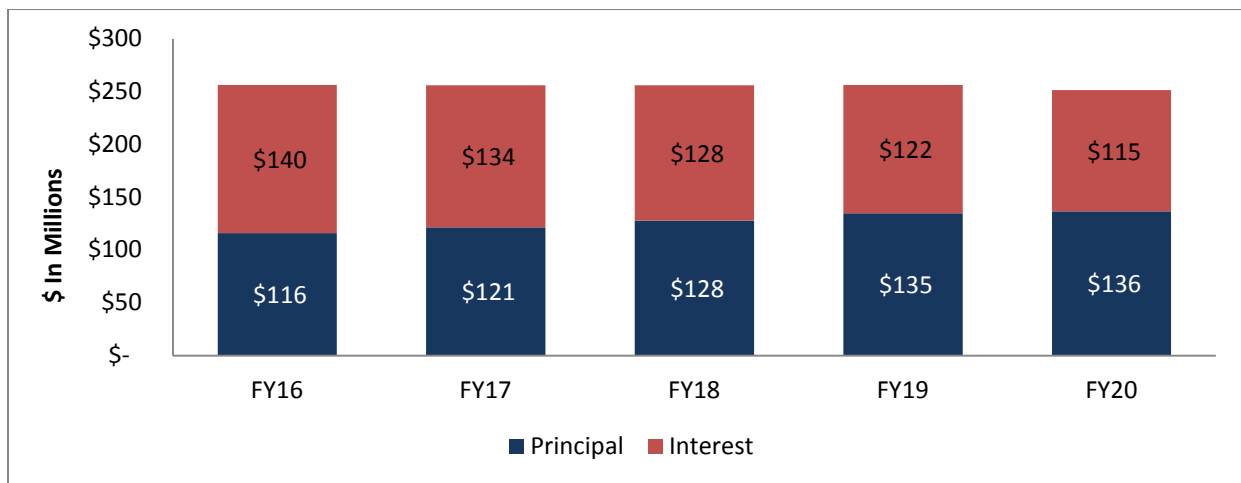
### Department of Aviation - Historical Payments

During the last 10 years from 2005 to 2014 the City’s Department of Aviation has paid \$1.9 billion on principal and interest on all its revenue bonds obligations. The average annual debt service for the last 5 years is \$203.1million. It is expected that average annual debt service will be approximately \$255.1 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. 49.9% or \$636.4 million of the total will be used to make principal payments, and \$639.2 million or 50.1% for interest.

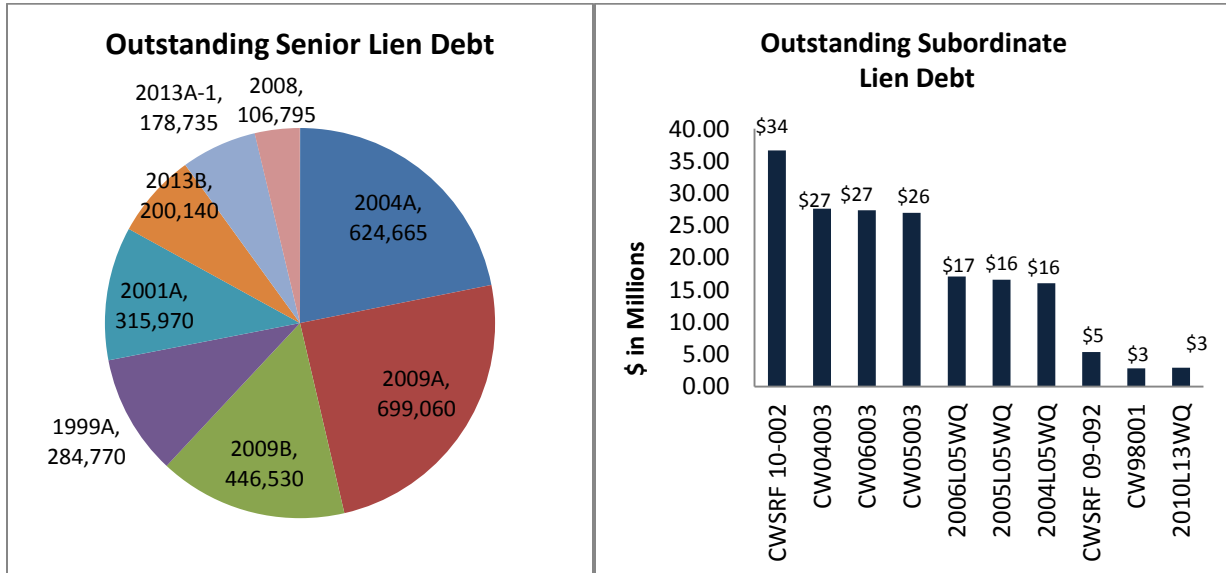


# Department of Watershed Management

## Department of Watershed Management – Outstanding Debt

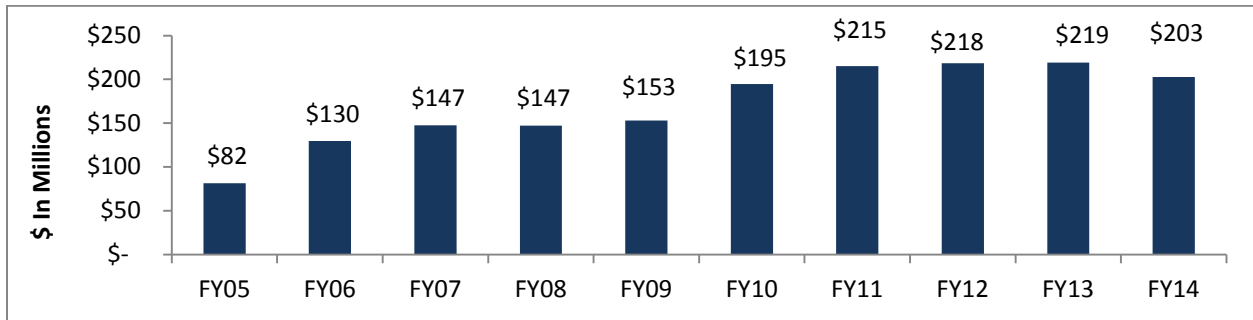
The Department of Watershed Management is responsible for operating and maintaining the City’s Water and Wastewater system in compliance with federal and state regulations. The department has issued long-term bonds and state revolving loans to provide funding for its capital improvement projects. The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

For fiscal year 2014, the department had \$3.18 billion of long-term outstanding which consisted of \$3.01 billion of senior lien debt and \$172 million subordinate lien debt.



### Department of Watershed Management Debt - Historical Payments

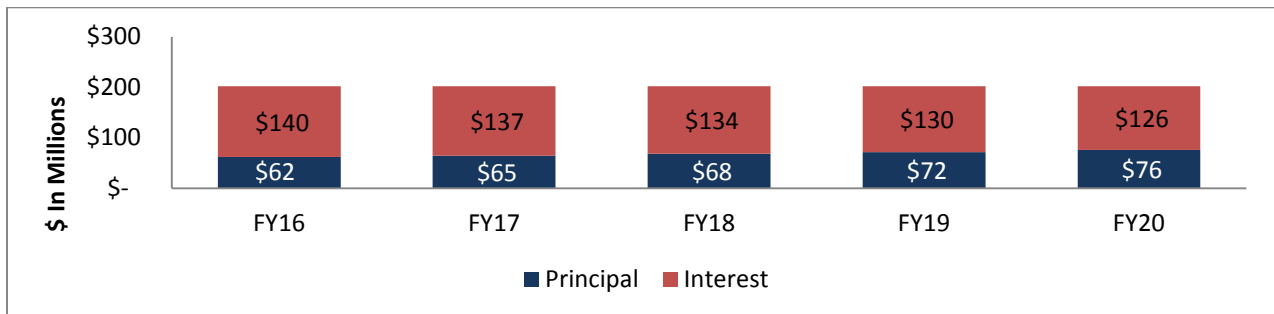
During the last 10 years from 2005 to 2014, the City’s Department of Watershed Management (DWM) has paid \$1.6 billion in principal and interest on all its revenue bonds obligations. The annual debt has increased from \$82 million in 2005 to \$203million in 2014. The average annual debt for the last 5 years is \$210 million. It is expected that overall annual debt will be approximately \$202 million over the next 5 years. The decrease in annual debt for the department is the result Bond Refunding opportunities that the department has executed as a result of the current low interest rate environment. It is expected that forecasted CIP will be paid from available renewal and extension funds.



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

The Department of Watershed is expected to make approximately \$5.7 billion in total principal and interest payments on the current outstanding bonds. This represents an average of approximately \$188.4 million annually. \$3.2 billion or 56.2% of the total amount will be used to make annual principal payments and \$2.5 billion or 43.8% in interest.

It is projected that in March 2015 (FY2015), the department will issue approximately \$1.3 billion of its Series 2015 Revenue Refunding Bonds to refund portions of its outstanding debt and thereby reduce the current annual debt service payments. The estimated savings from this transaction will result with total annual debt service for the next 5 years at approximately \$1.01 billion.



# 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

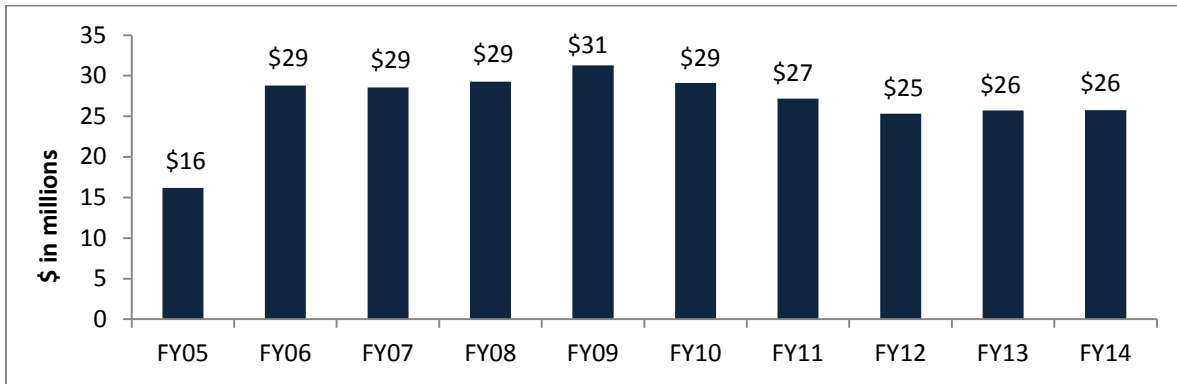
The City's General Obligation Public Improvement Bonds are used for sidewalk design and construction throughout the City, including sidewalk installations in various public housing development and for streetscape and intersection improvements throughout the City. It is expected that the City will issue 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, 2014, the City had eleven (11) General Obligation debt outstanding totaling \$199.2 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 \$16.1 million for the fiscal year.



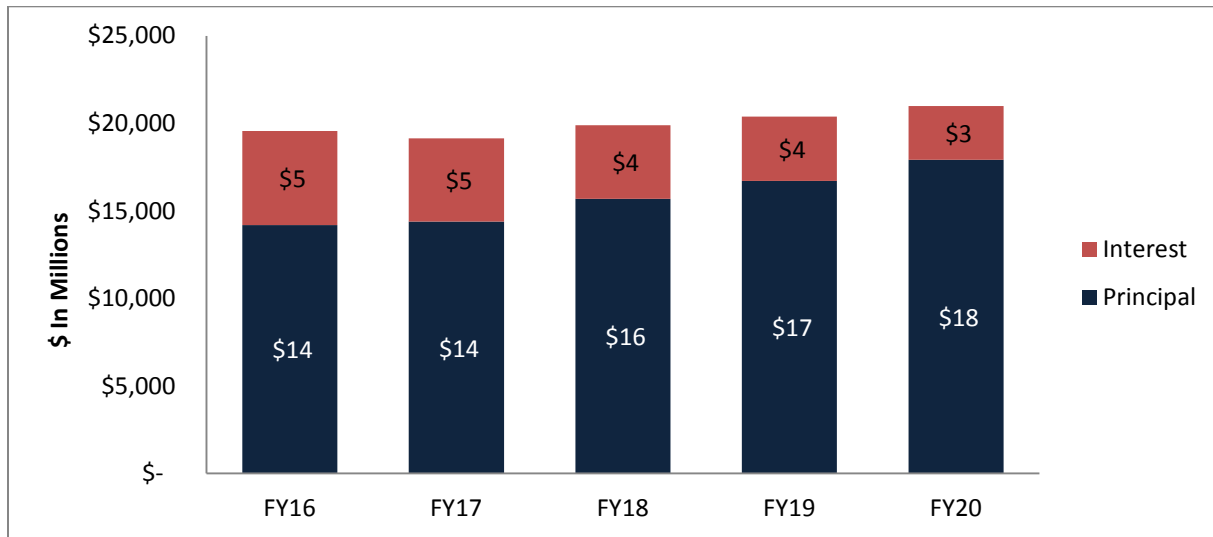
### General Obligation – Historical Payments

During the last 10 years from 2005 to 2014 the City has spent \$267.2 million in principal and interest payments on its GO bond debt. During this period GO annual debt payments has grown from \$16.1 million to \$25.7 million



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

\$99.9 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. \$78.9 million or 0.78% of the total amount will be used for principal payments and \$21.0 million or 0.21% for interest.

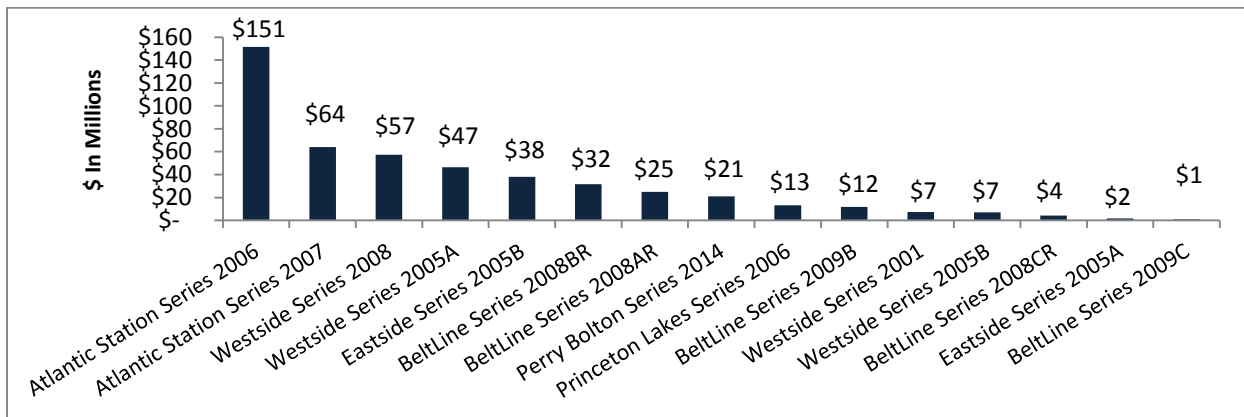


# Tax Allocation Districts (TADs)

## TADs – Outstanding Debt

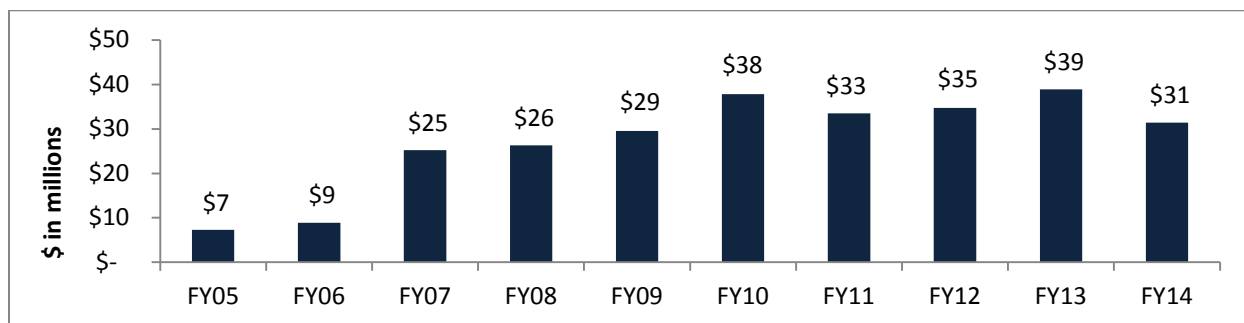
The City has issued bonds to fund various Capital Improvement Projects (CIP) in specially designated tax districts; these bond issuances are deemed as conduit debt obligations of the City. Tax receipts from the designated districts are used to make annual debt service payments when due.

For the fiscal year ended 2014, the City had fourteen (15) TAD bonds outstanding with a total value of \$481.1 million. During this period, \$31.3 million in tax receipts was used to make annual principal and interest payments



## TAD – Historical Payments

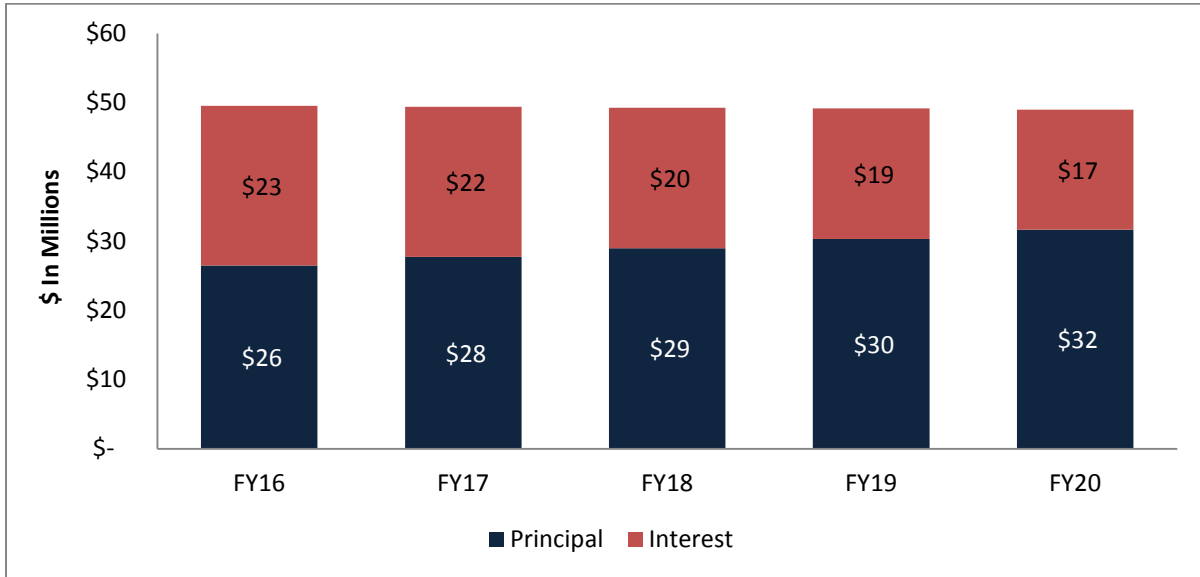
Between 2005 and 2014 the City has spent \$273.4 million on principal and interest payments on its conduit debt outstanding. During this period the debt payment has increased from \$7.2 million in 2005 to \$31.3 million annually. This represents an 330% increase in conduit payments.





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

In the next 5 years it is expected that the City will make \$246.3 million in principal and interest payments on its outstanding Conduit debt. \$145.1 million or 59% of the total amount will be used to make annual principal payments and \$101.0 million or 41% in interest.



LEGISLATION  
AFFORDABLE CARE ACT  
DEBT SERVICE ON INFRASTRUCTURE BOND  
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**

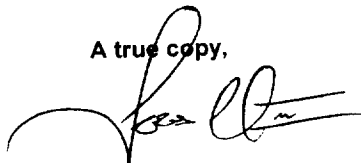
(a) The Mayor shall present to the governing body by October 15 of each year a five-year Financial Stabilization Plan consisting of the following elements:



- (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 DEVELOPMENT AND ADOPTION OF AN ANNUAL 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

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 H. Lamar Willis  
 Action Fav, Adv, Hold (see rev. side)  
 Other 2nd Reading 13. 1st Reading 10.  
 Members Carla Smith, Felicia Moore, Clair Muller, Gladys Henderson  
 Refer To \_\_\_\_\_

Committee Finance / Executive  
 Date 9-10-09  
 Chair H. Lamar Willis  
 Action Fav, Adv, Hold (see rev. side)  
 Other 2nd Reading 13. 1st Reading 10.  
 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

APPROVED  
SEP 21 2009  
Clair Muller

#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

- 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 Adoption*  
 Members *[Signatures]*  
 Refer To \_\_\_\_\_

Committee *Finance/Executive*  
 Date *11/2/11*  
 Chair *Yolanda Adrean*  
 Action *Fav, Adv, Hold (see rev. side)*  
 Other *3rd Read, Final Adoption*  
 Members *[Signatures]*  
 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  
 Rhonda 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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 Public Improvement Bonds, Series 2015  
 Resolution Run at 5.00%

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**SOURCES AND USES OF FUNDS**

**City of Atlanta, Georgia  
Public Improvement Bonds, Series 2015  
Resolution Run at 5.00%**

Dated Date           06/01/2015  
Delivery Date        06/01/2015

Sources:	Municipal Facilities	Traffic Infrastructure	Total
<b>Bond Proceeds:</b>			
Par Amount	64,055,000.00	187,945,000.00	252,000,000.00
	64,055,000.00	187,945,000.00	252,000,000.00
<b>Uses:</b>			
<b>Project Fund Deposits:</b>			
Project Fund	63,543,282.00	186,456,718.00	250,000,000.00
<b>Delivery Date Expenses:</b>			
Cost of Issuance	511,718.00	1,488,282.00	2,000,000.00
	64,055,000.00	187,945,000.00	252,000,000.00

**BOND DEBT SERVICE**

**City of Atlanta, Georgia  
Public Improvement Bonds, Series 2015  
Resolution Run at 5.00%**

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2016			12,600,000	12,600,000
06/30/2017			12,600,000	12,600,000
06/30/2018	8,850,000	5.000%	12,378,750	21,228,750
06/30/2019	9,305,000	5.000%	11,924,875	21,229,875
06/30/2020	9,780,000	5.000%	11,447,750	21,227,750
06/30/2021	10,285,000	5.000%	10,946,125	21,231,125
06/30/2022	10,815,000	5.000%	10,418,625	21,233,625
06/30/2023	11,365,000	5.000%	9,864,125	21,229,125
06/30/2024	11,945,000	5.000%	9,281,375	21,226,375
06/30/2025	12,565,000	5.000%	8,668,625	21,233,625
06/30/2026	13,205,000	5.000%	8,024,375	21,229,375
06/30/2027	13,885,000	5.000%	7,347,125	21,232,125
06/30/2028	14,595,000	5.000%	6,635,125	21,230,125
06/30/2029	15,345,000	5.000%	5,886,625	21,231,625
06/30/2030	16,130,000	5.000%	5,099,750	21,229,750
06/30/2031	16,955,000	5.000%	4,272,625	21,227,625
06/30/2032	17,825,000	5.000%	3,403,125	21,228,125
06/30/2033	18,740,000	5.000%	2,489,000	21,229,000
06/30/2034	19,700,000	5.000%	1,528,000	21,228,000
06/30/2035	20,710,000	5.000%	517,750	21,227,750
	252,000,000		155,333,750	407,333,750

**BOND PRICING**

**City of Atlanta, Georgia  
Public Improvement Bonds, Series 2015  
Resolution Run at 5.00%**

Bond Component	Maturity Date	Amount	Rate	Yield	Price
<b>Serial Bonds:</b>					
	12/01/2017	8,850,000	5.000%	5.000%	100.000
	12/01/2018	9,305,000	5.000%	5.000%	100.000
	12/01/2019	9,780,000	5.000%	5.000%	100.000
	12/01/2020	10,285,000	5.000%	5.000%	100.000
	12/01/2021	10,815,000	5.000%	5.000%	100.000
	12/01/2022	11,365,000	5.000%	5.000%	100.000
	12/01/2023	11,945,000	5.000%	5.000%	100.000
	12/01/2024	12,565,000	5.000%	5.000%	100.000
	12/01/2025	13,205,000	5.000%	5.000%	100.000
	12/01/2026	13,885,000	5.000%	5.000%	100.000
	12/01/2027	14,595,000	5.000%	5.000%	100.000
	12/01/2028	15,345,000	5.000%	5.000%	100.000
	12/01/2029	16,130,000	5.000%	5.000%	100.000
	12/01/2030	16,955,000	5.000%	5.000%	100.000
	12/01/2031	17,825,000	5.000%	5.000%	100.000
	12/01/2032	18,740,000	5.000%	5.000%	100.000
	12/01/2033	19,700,000	5.000%	5.000%	100.000
	12/01/2034	20,710,000	5.000%	5.000%	100.000
		<b>252,000,000</b>			

Dated Date	06/01/2015	
Delivery Date	06/01/2015	
First Coupon	12/01/2015	
Par Amount	252,000,000.00	
Original Issue Discount		
Production	252,000,000.00	100.000000%
Underwriter's Discount		
Purchase Price	252,000,000.00	100.000000%
Accrued Interest		
Net Proceeds	252,000,000.00	

**BOND SUMMARY STATISTICS**

**City of Atlanta, Georgia  
Public Improvement Bonds, Series 2015  
Resolution Run at 5.00%**

Dated Date	06/01/2015
Delivery Date	06/01/2015
First Coupon	12/01/2015
Last Maturity	12/01/2034
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.000000%
Net Interest Cost (NIC)	5.000000%
All-In TIC	5.091066%
Average Coupon	5.000000%
Average Life (years)	12.328
Weighted Average Maturity (years)	12.328
Duration of Issue (years)	8.984
Par Amount	252,000,000.00
Bond Proceeds	252,000,000.00
Total Interest	155,333,750.00
Net Interest	155,333,750.00
Bond Years from Dated Date	3,106,675,000.00
Bond Years from Delivery Date	3,106,675,000.00
Total Debt Service	407,333,750.00
Maximum Annual Debt Service	21,233,625.00
Average Annual Debt Service	20,888,910.26
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date
Serial Bonds	252,000,000.00	100.000	5.000%	12.328	09/28/2027
	252,000,000.00			12.328	

	TIC	All-In TIC	Arbitrage Yield
Par Value	252,000,000.00	252,000,000.00	252,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-2,000,000.00	
- Other Amounts			
Target Value	252,000,000.00	250,000,000.00	252,000,000.00
Target Date	06/01/2015	06/01/2015	06/01/2015
Yield	5.000000%	5.091066%	5.000000%

**SOURCES AND USES OF FUNDS**

**City of Atlanta, Georgia**  
**Public Improvement Bonds, Series 2015**  
**\$63,543,282 Municipal Facilities Allocation**  
**Assumes 5.00% Interest Rate**  
**\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

Dated Date	06/01/2015
Delivery Date	06/01/2015

**Sources:**

<b>Bond Proceeds:</b>	
Par Amount	64,055,000.00
<hr/>	
	64,055,000.00
<hr/>	

**Uses:**

<b>Project Fund Deposits:</b>	
Project Fund	63,543,282.00
<b>Delivery Date Expenses:</b>	
Cost of Issuance	511,718.00
<hr/>	
	64,055,000.00
<hr/>	

**BOND DEBT SERVICE**

**City of Atlanta, Georgia  
Public Improvement Bonds, Series 2015  
\$63,543,282 Municipal Facilities Allocation  
Assumes 5.00% Interest Rate**

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

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2016			3,202,750	3,202,750
06/30/2017			3,202,750	3,202,750
06/30/2018	2,250,000	5.000%	3,146,500	5,396,500
06/30/2019	2,365,000	5.000%	3,031,125	5,396,125
06/30/2020	2,485,000	5.000%	2,909,875	5,394,875
06/30/2021	2,615,000	5.000%	2,782,375	5,397,375
06/30/2022	2,750,000	5.000%	2,648,250	5,398,250
06/30/2023	2,890,000	5.000%	2,507,250	5,397,250
06/30/2024	3,035,000	5.000%	2,359,125	5,394,125
06/30/2025	3,195,000	5.000%	2,203,375	5,398,375
06/30/2026	3,355,000	5.000%	2,039,625	5,394,625
06/30/2027	3,530,000	5.000%	1,867,500	5,397,500
06/30/2028	3,710,000	5.000%	1,686,500	5,396,500
06/30/2029	3,900,000	5.000%	1,496,250	5,396,250
06/30/2030	4,100,000	5.000%	1,296,250	5,396,250
06/30/2031	4,310,000	5.000%	1,086,000	5,396,000
06/30/2032	4,530,000	5.000%	865,000	5,395,000
06/30/2033	4,765,000	5.000%	632,625	5,397,625
06/30/2034	5,005,000	5.000%	388,375	5,393,375
06/30/2035	5,265,000	5.000%	131,625	5,396,625
	<b>64,055,000</b>		<b>39,483,125</b>	<b>103,538,125</b>

**BOND PRICING**

**City of Atlanta, Georgia  
Public Improvement Bonds, Series 2015  
\$63,543,282 Municipal Facilities Allocation  
Assumes 5.00% Interest Rate**

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

Bond Component	Maturity Date	Amount	Rate	Yield	Price
<b>Serial Bonds:</b>					
	12/01/2017	2,250,000	5.000%	5.000%	100.000
	12/01/2018	2,365,000	5.000%	5.000%	100.000
	12/01/2019	2,485,000	5.000%	5.000%	100.000
	12/01/2020	2,615,000	5.000%	5.000%	100.000
	12/01/2021	2,750,000	5.000%	5.000%	100.000
	12/01/2022	2,890,000	5.000%	5.000%	100.000
	12/01/2023	3,035,000	5.000%	5.000%	100.000
	12/01/2024	3,195,000	5.000%	5.000%	100.000
	12/01/2025	3,355,000	5.000%	5.000%	100.000
	12/01/2026	3,530,000	5.000%	5.000%	100.000
	12/01/2027	3,710,000	5.000%	5.000%	100.000
	12/01/2028	3,900,000	5.000%	5.000%	100.000
	12/01/2029	4,100,000	5.000%	5.000%	100.000
	12/01/2030	4,310,000	5.000%	5.000%	100.000
	12/01/2031	4,530,000	5.000%	5.000%	100.000
	12/01/2032	4,765,000	5.000%	5.000%	100.000
	12/01/2033	5,005,000	5.000%	5.000%	100.000
	12/01/2034	5,265,000	5.000%	5.000%	100.000
		<b>64,055,000</b>			

Dated Date	06/01/2015	
Delivery Date	06/01/2015	
First Coupon	12/01/2015	
Par Amount	64,055,000.00	
Original Issue Discount		
Production	64,055,000.00	100.000000%
Underwriter's Discount		
Purchase Price	64,055,000.00	100.000000%
Accrued Interest		
Net Proceeds	64,055,000.00	

**BOND SUMMARY STATISTICS**

**City of Atlanta, Georgia  
Public Improvement Bonds, Series 2015  
\$63,543,282 Municipal Facilities Allocation  
Assumes 5.00% Interest Rate**

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

Dated Date	06/01/2015
Delivery Date	06/01/2015
First Coupon	12/01/2015
Last Maturity	12/01/2034
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.000000%
Net Interest Cost (NIC)	5.000000%
All-In TIC	5.091669%
Average Coupon	5.000000%
Average Life (years)	12.328
Weighted Average Maturity (years)	12.328
Duration of Issue (years)	8.984
Par Amount	64,055,000.00
Bond Proceeds	64,055,000.00
Total Interest	39,483,125.00
Net Interest	39,483,125.00
Bond Years from Dated Date	789,662,500.00
Bond Years from Delivery Date	789,662,500.00
Total Debt Service	103,538,125.00
Maximum Annual Debt Service	5,398,375.00
Average Annual Debt Service	5,309,647.44
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date
Serial Bonds	64,055,000.00	100.000	5.000%	12.328	09/28/2027
	64,055,000.00			12.328	

	TIC	All-In TIC	Arbitrage Yield
Par Value	64,055,000.00	64,055,000.00	64,055,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-511,718.00	
- Other Amounts			
Target Value	64,055,000.00	63,543,282.00	64,055,000.00
Target Date	06/01/2015	06/01/2015	06/01/2015
Yield	5.000000%	5.091669%	5.000000%



**SOURCES AND USES OF FUNDS**

**City of Atlanta, Georgia**  
**Public Improvement Bonds, Series 2015**  
**\$186,456,718 Traffic Infrastructure Allocation**  
**Assumes 5.00% Interest Rate**  
**\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

Dated Date	06/01/2015
Delivery Date	06/01/2015

**Sources:**

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<b>Bond Proceeds:</b>	
Par Amount	187,945,000.00
<hr/>	
	187,945,000.00
<hr/>	

**Uses:**

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<b>Project Fund Deposits:</b>	
Project Fund	186,456,718.00
<b>Delivery Date Expenses:</b>	
Cost of Issuance	1,488,282.00
<hr/>	
	187,945,000.00
<hr/>	

**BOND DEBT SERVICE**

**City of Atlanta, Georgia  
Public Improvement Bonds, Series 2015  
\$186,456,718 Traffic Infrastructure Allocation  
Assumes 5.00% Interest Rate**

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

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2016			9,397,250	9,397,250
06/30/2017			9,397,250	9,397,250
06/30/2018	6,600,000	5.000%	9,232,250	15,832,250
06/30/2019	6,940,000	5.000%	8,893,750	15,833,750
06/30/2020	7,295,000	5.000%	8,537,875	15,832,875
06/30/2021	7,670,000	5.000%	8,163,750	15,833,750
06/30/2022	8,065,000	5.000%	7,770,375	15,835,375
06/30/2023	8,475,000	5.000%	7,356,875	15,831,875
06/30/2024	8,910,000	5.000%	6,922,250	15,832,250
06/30/2025	9,370,000	5.000%	6,465,250	15,835,250
06/30/2026	9,850,000	5.000%	5,984,750	15,834,750
06/30/2027	10,355,000	5.000%	5,479,625	15,834,625
06/30/2028	10,885,000	5.000%	4,948,625	15,833,625
06/30/2029	11,445,000	5.000%	4,390,375	15,835,375
06/30/2030	12,030,000	5.000%	3,803,500	15,833,500
06/30/2031	12,645,000	5.000%	3,186,625	15,831,625
06/30/2032	13,295,000	5.000%	2,538,125	15,833,125
06/30/2033	13,975,000	5.000%	1,856,375	15,831,375
06/30/2034	14,695,000	5.000%	1,139,625	15,834,625
06/30/2035	15,445,000	5.000%	386,125	15,831,125
	<b>187,945,000</b>		<b>115,850,625</b>	<b>303,795,625</b>

**BOND PRICING**

**City of Atlanta, Georgia  
Public Improvement Bonds, Series 2015  
\$186,456,718 Traffic Infrastructure Allocation  
Assumes 5.00% Interest Rate**

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

Bond Component	Maturity Date	Amount	Rate	Yield	Price
<b>Serial Bonds:</b>					
	12/01/2017	6,600,000	5.000%	5.000%	100.000
	12/01/2018	6,940,000	5.000%	5.000%	100.000
	12/01/2019	7,295,000	5.000%	5.000%	100.000
	12/01/2020	7,670,000	5.000%	5.000%	100.000
	12/01/2021	8,065,000	5.000%	5.000%	100.000
	12/01/2022	8,475,000	5.000%	5.000%	100.000
	12/01/2023	8,910,000	5.000%	5.000%	100.000
	12/01/2024	9,370,000	5.000%	5.000%	100.000
	12/01/2025	9,850,000	5.000%	5.000%	100.000
	12/01/2026	10,355,000	5.000%	5.000%	100.000
	12/01/2027	10,885,000	5.000%	5.000%	100.000
	12/01/2028	11,445,000	5.000%	5.000%	100.000
	12/01/2029	12,030,000	5.000%	5.000%	100.000
	12/01/2030	12,645,000	5.000%	5.000%	100.000
	12/01/2031	13,295,000	5.000%	5.000%	100.000
	12/01/2032	13,975,000	5.000%	5.000%	100.000
	12/01/2033	14,695,000	5.000%	5.000%	100.000
	12/01/2034	15,445,000	5.000%	5.000%	100.000
		<b>187,945,000</b>			

Dated Date	06/01/2015	
Delivery Date	06/01/2015	
First Coupon	12/01/2015	
Par Amount	187,945,000.00	
Original Issue Discount		
Production	187,945,000.00	100.000000%
Underwriter's Discount		
Purchase Price	187,945,000.00	100.000000%
Accrued Interest		
Net Proceeds	187,945,000.00	

**BOND SUMMARY STATISTICS**

**City of Atlanta, Georgia  
Public Improvement Bonds, Series 2015  
\$186,456,718 Traffic Infrastructure Allocation  
Assumes 5.00% Interest Rate**

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

Dated Date	06/01/2015
Delivery Date	06/01/2015
First Coupon	12/01/2015
Last Maturity	12/01/2034
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.000000%
Net Interest Cost (NIC)	5.000000%
All-In TIC	5.090860%
Average Coupon	5.000000%
Average Life (years)	12.328
Weighted Average Maturity (years)	12.328
Duration of Issue (years)	8.984
Par Amount	187,945,000.00
Bond Proceeds	187,945,000.00
Total Interest	115,850,625.00
Net Interest	115,850,625.00
Bond Years from Dated Date	2,317,012,500.00
Bond Years from Delivery Date	2,317,012,500.00
Total Debt Service	303,795,625.00
Maximum Annual Debt Service	15,835,375.00
Average Annual Debt Service	15,579,262.82
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date
Serial Bonds	187,945,000.00	100.000	5.000%	12.328	09/28/2027
	187,945,000.00			12.328	

	TIC	All-In TIC	Arbitrage Yield
Par Value	187,945,000.00	187,945,000.00	187,945,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-1,488,282.00	
- Other Amounts			
Target Value	187,945,000.00	186,456,718.00	187,945,000.00
Target Date	06/01/2015	06/01/2015	06/01/2015
Yield	5.000000%	5.090860%	5.000000%



## 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 instruments 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 & waster 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.