

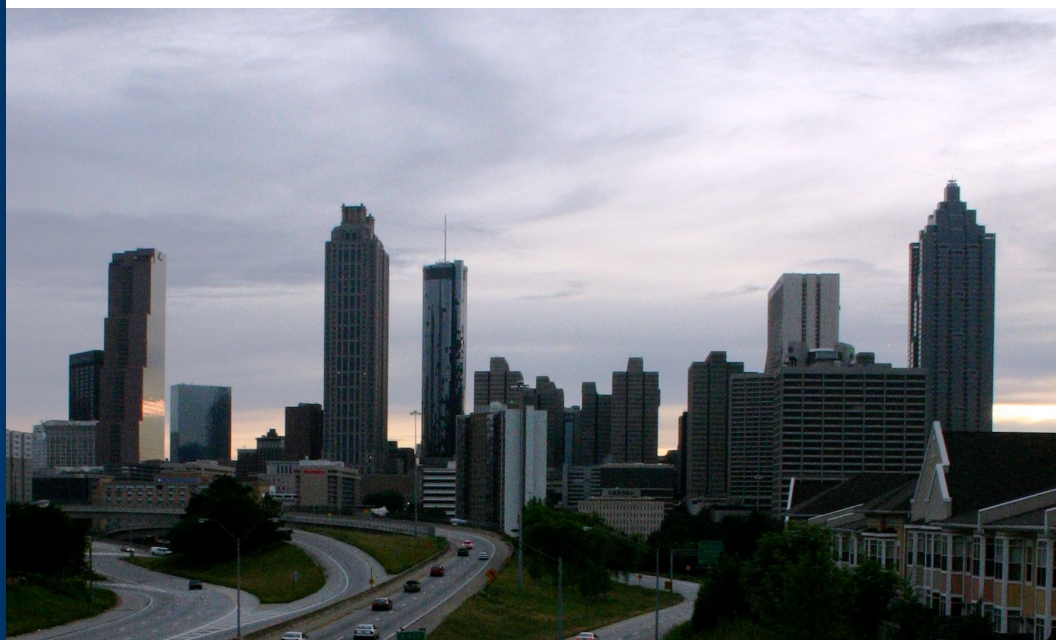
CITY OF  
ATLANTA



FISCAL YEAR 2014

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

**Duriya M. Farooqui**  
Chief Operating Officer

**Candace L. Byrd**  
Chief of Staff

**J. Anthony Beard**  
Chief Financial Officer

**Cathy Hampton**  
City Attorney

---

## MEMBERS OF CITY COUNCIL

**Cesar 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

**Aaron Watson**  
Post 2, At-Large

**H. Lamar Willis**  
Post 3, At-Large

---

**Rhonda Dauphin-Johnson**  
Municipal Clerk



## JUDICIAL OFFICERS

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COURT OPERATIONS

**Crystal A. Gaines**  
*Chief Judge*

PUBLIC DEFENDER

**Rosalie Joy**  
*Interim Public Defender*

SOLICITOR

**Raines F. Carter**  
*City Solicitor*

## BOARD OFFICERS

---

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

---

AVIATION

**Louis E. Miller**  
*General Manager*

CORRECTIONS

**Patrick Labat**  
*Corrections Chief*

FINANCE

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

FIRE & RESCUE SERVICES

**Kelvin J. Cochran**  
*Fire Chief*

HUMAN RESOURCES

**Yvonne Yancy**  
*Commissioner*

INFORMATION TECHNOLOGY

**Michael Dogan**  
*Interim Chief Information Officer*

LAW

**Cathy Hampton**  
*City Attorney*

PARKS, RECREATION & CULTURAL AFFAIRS

**George Dusenbury**  
*Commissioner*

PLANNING & COMMUNITY DEVELOPMENT

**James E. Shelby**  
*Commissioner*

POLICE SERVICES

**George N. Turner**  
*Police Chief*

PROCUREMENT

**Adam L. Smith**  
*Chief Procurement Officer*

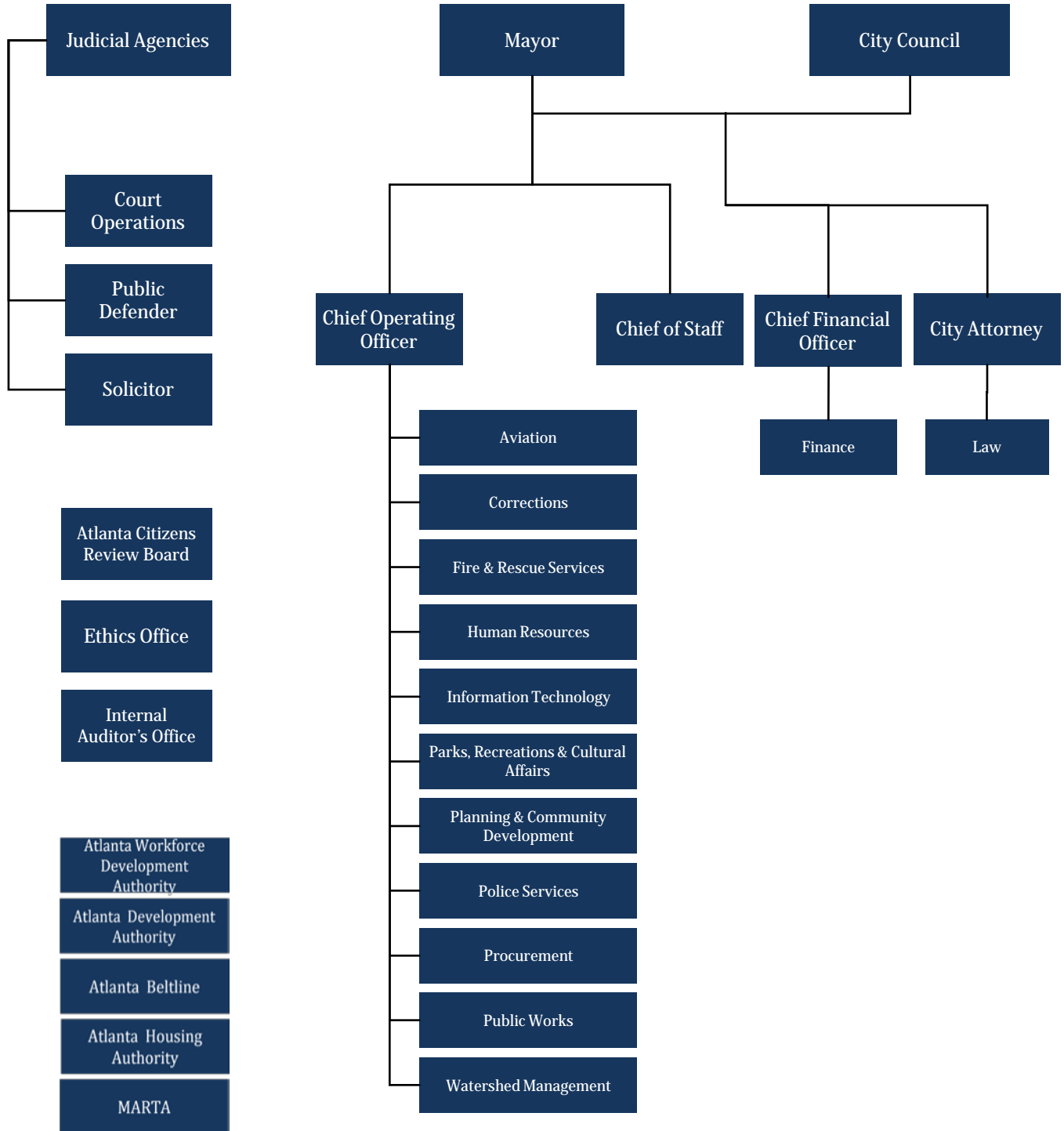
PUBLIC WORKS

**Richard Mendoza**  
*Commissioner*

WATERSHED MANAGEMENT

**Jo Ann J. Macrina**  
*Commissioner*

# CITY ORGANIZATIONAL STRUCTURE





## READER'S GUIDE

The City of Atlanta's Five Year Plan document is intended to provide information in such a manner that the lay reader can understand the operations of the City. The Reader's Guide describes the structure of the FY2014 City of Atlanta Five Year Plan and outlines its contents. The FY2014 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

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

February 25, 2013

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

Dear President Mitchell and Members of the Atlanta City Council:

I have the honor to transmit to you the *Five Year Plan of the City of Atlanta for Fiscal Years 2014 to 2018*. I am pleased that this five-year spending plan continues my Administration's commitment to the strategic vision established for the City of Atlanta. Over the past three years, we have instituted several initiatives that strengthen our fundamental areas of responsibility and restore fiscal stability to the City of Atlanta.

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

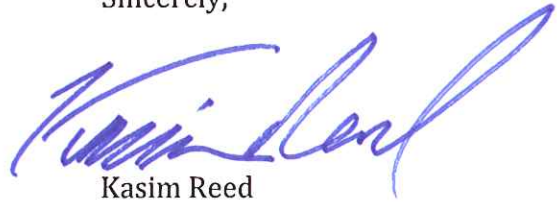
The five-year plan promotes a focus on the long-term health of the City, allowing us to better predict financial challenges and persevere through the unexpected. My administration continues to look for opportunities to identify further savings and grow revenue. We will work



with the various departments to ensure that we submit a balanced budget that builds a strong foundation for Atlanta's future.

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

Sincerely,

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

Kasim Reed



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

February 15, 2013

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

Dear President Mitchell and Members of the Atlanta City Council:

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

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

The City's goal to address key financial stabilization priorities is modeled in this plan. The baseline financials include the goal of establishing a general fund balance of \$100MM. I am pleased to report that the general fund balance grew to \$126.7MM at the end of FY 2012. This was up from \$94.4MM in FY 2011 and was accomplished by containing costs as well as optimizing the collection of revenue. The increase in fund balance can help the City navigate unexpected challenges. It is also a key measure that external bond rating agencies review and a factor in the City's credit worthiness.

The concerning news is that the baseline financial plan shows declining property tax revenues for FY 2014 and slow revenue growth thereafter. Despite citywide cost reductions over the past four years, there continues to be a structural imbalance between the City's baseline revenues and costs. Initial projections show a deficit in each category for the next five years.

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

A major change the City has undertaken in this year's process is the implementation of the Hyperion Planning and Budgeting Tool. The Hyperion Planning and Budgeting tool is a planning, budgeting, and forecasting tool that integrates the financial and operational planning process and

improves business predictability. Some of the benefits provided by the tool include: (1) improved accuracy with forecasting and modeling capability; (2) reduced plan development time; and (3) real-time information with significant reporting capabilities. This year's Five Year Plan was generated directly from the Hyperion Planning and Budgeting Tool. Next year's Plan will expand upon the capabilities of the planning tool by incorporating a capital budget component and integrating the Citywide Capital Improvement Plan.

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

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

THE FOLLOWING DESCRIPTIONS DESCRIBE HOW THESE INITIATIVES ARE ADDRESSED IN THE FIVE YEAR PLAN.

### Public Safety

The Mayor has included in the Five Year Plan several initiatives that address his commitment to these priorities including hiring 41 additional officers totaling \$1.3MM (\$1.6MM including associated operating supplies). These additional officers will increase the police force to 2,000 officers, which will be the largest police force in the City of Atlanta's history. The incremental funding for the officers has been included in the Five Year Plan. The Five Year Plan also includes incremental funding for 50 police officers who are currently funded by the Community Oriented Policing Services "COPS" grant.

In February 2011, the Federal Emergency Management Agency "FEMA" awarded the Atlanta Fire Department a Staffing for Adequate Fire & Emergency Response "SAFER" grant in the amount of \$9.8MM. The Atlanta Fire Department hired 75 new firefighters, ensuring all fire response teams are fully staffed with four fire fighters. Over the same period, both EMS and Fire response times have shown significant improvement. The grant will end in FY 2013, and continued funding for the 75 firefighters has been included in the Five Year Plan.

### 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 an expenditure in the Five Year Plan. The proposed amortization schedule has been included in the appendix and considers a lower interest rate.

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

The baseline financials include significant progress on establishing a general fund balance of \$100M. The general fund balance grew to \$126.7MM at the end of FY 2012. This was up from \$94.4MM in FY 2011 and was accomplished by containing costs as well as optimizing the collection of revenue.

## Youth Development

Previously, financial constraints caused the City to close 16 recreation centers and pools. Currently, all recreation centers and pools are open (6 of which are funded through public/private partnerships). In FY 2011, \$3.7MM was appropriated to re-open the recreation centers that were previously closed. Continued funding is included in the annual budget for City of Atlanta youth programs and the conversion of a number of recreation centers to Centers of Hope.

## Economic Development

Invest Atlanta is the official economic development authority for the City of Atlanta. Its purpose is to strengthen Atlanta's economy and global competitiveness in order to create increased opportunity and prosperity for the people of Atlanta. Invest Atlanta is governed by a 9-member board of directors, chaired by the Mayor of Atlanta. In FY 2013, the City invested \$1.1MM in Invest Atlanta and will include an additional investment in FY 2014 to Invest Atlanta's programs and initiatives that focus on fostering public-private partnerships to accelerate job creation/economic growth, neighborhood revitalization/investment and innovation/ entrepreneurship.

During his first year in office, Mayor Kasim Reed set the goal for Atlanta to become one of the top ten sustainable cities in the nation. Achieving this goal will improve the quality of life for Atlanta's citizens by enhancing the environment, while simultaneously supporting job creation and long-term economic growth. Mayor Reed has committed to continual improvement in sustainability practices and to lead by example through the development and implementation of policies and activities that support environmental sustainability. In an effort to support the City's commitment to long-term economic and environmental sustainability for Atlanta, the Mayor will continue to provide \$950K to the Office of Sustainability. This funding has replaced the previous grant funding that supported this initiative.

## City Infrastructure

Once fund balance has reached 20% of revenues, the additional funds could be used to issue long-term debt to address the City's 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. The City has issued General Obligation bonds pursuant to referenda approved by the voters to address its long-term capital needs. The credit markets and bondholders are familiar with this financing tool and its reliable track record of repaying long-term debt.

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 by exploring funding to support investment in a \$250MM transportation backlog. 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 construction of the Maynard H. Jackson International Terminal (MHJIT) began in 2008 and opened in the spring of 2012. The 1.2MM square foot facility includes several enhancements including new 12-gate concourse, which will generate new domestic and international business opportunities.

## 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 first phase of this process was to address the City's current salary and grade structure based on a Pay and Class study conducted by the Department of Human Resources. As a result, there were several positions that, based on the new structure, required an adjustment in salary in order to move the employee to the minimum of the new pay grade. The City's ongoing effort to review its pay structure will lead to further strides in employee recognition and performance during the five-year plan period.

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

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



ECONOMIC OUTLOOK  
REVENUE FORECAST SUMMARY

FIVE-YEAR  
REVENUE  
OVERVIEW AND  
PROJECTIONS

FIVE YEAR PLAN





## ECONOMIC OUTLOOK

In this section, a detailed review of the U.S., State of Georgia and local economy is discussed in tandem with a projection of overall revenues for each of the next five fiscal years, as well as a discussion of the City's primary revenue sources including property and sales tax revenues. The City continues its partnership with the Terry College of Business, University of Georgia, Selig Center for Economic Growth led by economist Dr. Jeffrey M. Humphreys.

### The National Outlook

The 2013 baseline US economic forecast indicates that the economic recovery that began in the second half of 2009 will be sustained, but the rate of 2013 GDP growth will be very low – 1.8 percent. The forecast assumes that the worst aspects of the fiscal cliff are avoided. The long-term rate of GDP growth is also likely to remain close to 2 percent. With the year-over-year rate of US GDP growth at or below 2 percent, the economy will be extremely vulnerable to economic shocks and/or policy mistakes for the remainder of the decade. The anemic rate of GDP growth reflects the expectation of tighter federal fiscal policy, reduced spending by many state and local governments, the lagged effects of the property bust, disciplined spending by consumers, and turmoil in the European Union. It also appears that there will be very little momentum exiting from 2012.

Uncertainty regarding the sustainability of the US economic expansion – and the anxiety that goes along with it – will remain high. For example, in 2013, the risk of recession is 40 percent. In order, the three most likely recession triggers are (1) going off the fiscal cliff, (2) a major oil supply interruption due to political events in the

Middle East or North Africa, and (3) a financial panic in the EU that precipitates a global financial crisis. The baseline economic forecast assumes that these risks are avoided in 2013.

In 2013, private final domestic demand rather than fiscal stimulus or net exports will be the primary driver of U.S. GDP growth. Indeed, the government sector will subtract from – rather than add – to GDP growth. Since fiscal policy will be quite restrictive through the end of the decade, the Federal Reserve will be unusually supportive of growth in private demand by maintaining a monetary policy stance that is very stimulative – characterized by near zero short-term policy interest rates into 2015. In order to reduce the stresses associated with widespread domestic deleveraging, the Federal Reserve will strive to keep inflation-adjusted interest rates negative and inflation expectations positive – albeit not too high. One side effect of massive quantitative easing is that yields on many types of financial assets have been and will remain quite low. The Federal Reserve has kept both deflation and another recession at bay, but the marginal benefits of each additional round of quantitative easing has diminished. That is partially because much of the new money created simply is held as cash (or near cash equivalents) and is not put to work in the economy. Meanwhile, the federal government has yet to effectively address its massive structural budget problems. That is a prerequisite to moving from a sub-par growth trajectory to an average – or above average – growth trajectory.

A fundamental reason US GDP growth will be subdued rather than vibrant is that we are going to see restraint in spending by U.S.

consumers. People lack confidence in both the current and the future economic situation and therefore will remain very cautious. Moreover, many households will still be deleveraging, and will be especially reluctant to take on risk. Deleveraging means that money that people might have spent on goods and services will go to paying down debt, which will limit consumers contribution to GDP growth. Housing will make a positive contribution to US GDP growth, however. GDP growth of our major trading partners will be slow in 2013, which will limit the rate of growth of US exports. The pace of import growth also will be moderate. Net exports therefore will not contribute significantly to US GDP growth in 2013. Spending on business structures will be neutral factor in terms of GDP growth. Due to weaker than expected growth of end markets, spending on inventories is expected to subtract slightly from GDP growth.

Despite ample liquidity, the US banking system is not completely fixed. We will continue to feel the aftershocks of the financial panic that seized up the credit markets in September 2008. Europe's banking and sovereign wealth problems are still far from having been resolved, and could precipitate a full-blown financial crisis that would spread quickly to US financial markets. The historical correlation between US GDP growth and EU GDP growth is extremely high, implying that a significant deepening of the ongoing recession in the EU will push the US economy into recession. Meanwhile, due to disappointing revenue collections and depleted reserves, many state and local governments will reduce spending in 2013-15, creating substantial fiscal drag.

On an annual average basis, inflation-adjusted GDP will expand by 1.8 percent in 2013, which is below the 2.0 percent growth estimated for 2012, and far below the long-term trend rate of growth of approximately 2.6 percent. Meanwhile, the labor market is recovering much more slowly than production. It will be 2015 before the US

replaces the 8.8 million jobs lost during the period leading up to, during, and in the immediate wake of the recession.

#### The Housing Market

Housing will be a strengthening tailwind for US GDP growth. Nonetheless, the underlying demand for housing remains quite weak despite record low mortgage rates and substantially reduced home prices. In 2013, the number of single-family home starts for new construction will increase by about 15 percent. The gain in single-family housing starts will pale in comparison to the peak-to-trough plunge in activity that occurred.

As predicted, existing home prices stabilized in 2012. The huge inventory of unsold homes will limit home price appreciation for several years and shadow inventory will be a huge problem, especially in foreclosure-ridden markets. Nonetheless, existing home prices will rise by about 5 percent in 2013. Any remaining pockets of home price depreciation will be very spotty, reflected local imbalances rather than overall macroeconomic conditions. In most markets home price depreciation therefore will weigh less heavily on the psyche of the consumer and on their ability to spend.

#### Non Residential Construction

Private spending for new nonresidential construction will increase in 2013, marking the beginning of a new up cycle. Partially due to the large amount of debt that will mature in 2013, credit conditions will remain tight for those looking to build nonresidential structures. This constitutes a primary headwind, especially for markets with high vacancy rates. Employment and population growth gradually will generate gains in net occupancy. Vacancy rates will remain elevated, but should improve due to fewer deliveries of space and less sublease space coming onto the market. Tenants will have the upper hand in lease negotiations, but to a slightly lesser degree than they did in 2009-2012.

## Consumer Spending

Consumers' inflation-adjusted contribution GDP growth will be positive, but slightly smaller in 2013 than it was in 2012. Consumers' tightfisted attitudes reflect many factors, including the lagged impact of a broad-based deterioration in household finances, heavy job losses, the housing recession, capital losses in real estate, the credit crunch, high debt levels, and limited household savings. Going forward, the deleveraging process – which already is quite advanced – will continue to be gradual rather than abrupt. Even if the fiscal cliff is avoided, uncertainties regarding federal fiscal and tax policies are likely to diminish the push to GDP growth from consumer spending for several years.

In 2013, modest job creation coupled with a limited amount of wage and salary growth will help to slowly repair household balance sheets. The drag on consumer spending from still tight credit conditions and recent declines in households' net worth will be limiting factors. The gain in inflation-adjusted consumer spending therefore will be about 1.9 percent, which is low from a historical perspective, but is about the same as the 2.0 percent gain estimated for 2012.

In 2013, consumers' inflation-adjusted spending for goods will increase much faster than spending for services, with spending for durable goods growing more than twice as fast as spending for nondurable goods. Among durables, outlays for information processing equipment will increase very rapidly. Outlays for used motor vehicles and recreational goods also will grow quickly. Spending on nondurables such as food, pharmaceuticals, and other medical products will rise moderately, but spending for clothing and shoes will rise only slightly. Consumers will spend less on tobacco. Among services, spending on vehicle leasing will increase the fastest. Providers of public transportation, recreational services, and financial services will see above average growth in spending. In contrast, consumers'

outlays for restaurants and utilities will grow relatively slowly.

## The Labor Market

On an annual average basis, total nonfarm employment will increase by 1.3 percent in 2013, which will be about the same as the 1.2 percent gain estimated for 2012. Companies will hire as domestic demand for goods and services expands, but progress will be limited because domestic demand will increase slowly. Meanwhile, global demand for U.S. exports also will expand, but very slowly. Venture capital – which fuels job creation – will be more available than it was in 2008-12. 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 1.8 percent GDP growth therefore will generate 1.3 percent job growth. Moreover, GDP growth will substantially outpace productivity growth in 2013, which will push firms to hire additional staff. Low productivity gains coupled with the steady pace of GDP growth will sustain job growth, but job growth will not accelerate.

In 2013, other professional and business services companies will post the fastest rate of employment growth. Transportation and warehousing will see the second fastest rate of job growth. Education, health services, the arts, entertainment, recreation, construction, and information subsectors will see solid employment gains. Government, utilities, and mining jobs will be on the decline rather than on the rise, however. Meanwhile, U.S. manufacturing will continue to hire, largely due to consumers' and businesses' growing demand for durable goods. Durable goods manufacturing sub-sectors with the best immediate prospects for job growth include wood products, primary metals, fabricated metal products, transportation equipment, computer and electronic products, and machinery. In contrast, manufacturers of nondurable goods will be subtracting from their workforces, but at a very modest rate.

Among nondurables subsectors, only food manufacturers will see positive job growth. Jobs will be lost in the leather, textile, printing, paper, apparel, and chemicals industries.

#### Business Spending

After decreasing sharply in 2008-09, nonresidential fixed investment was a major driver of GDP growth in 2011-2012, with expenditures for computers and peripherals and transportation equipment increasing dramatically. Due to slower growth in both corporate profits and end markets, the year-over-year percentage increases in business spending for equipment and software will be smaller in 2013 than in 2012. Such spending will still grow much faster than GDP, reflecting the need to replace equipment, to improve productivity, and to become less labor intensive. Strong cash flows rather than credit will fuel such spending. The main drag on business spending will be the economic situation in the EU.

It helps that corporate discipline with respect to capital outlays over the course of the 2001-2012 was excellent. Lending standards will continue to ease – albeit not very dramatically – in 2013. 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. Although after-tax corporate profits will grow much more slowly in 2013 than in 2012, profits are already at relatively high levels. Spending for computers and peripherals will post the largest year-over-year percentage gains. Substantially higher spending also is expected for industrial and communication equipment. As was the case in 2011-12, spending for transportation equipment – with the notable exception of aircraft – will increase substantially in 2013.

#### International Trade

In 2013, both real exports and imports are expected to grow about twice as fast as US GDP, reflecting the ongoing

globalization of input and product markets. Since exports will rise only slightly faster than imports, the trade gap will not narrow appreciably in 2013. Hence, net exports will be an essentially neutral factor in terms of its contribution to U.S. GDP growth. In 2013, the main obstacle to faster US export growth will be the economic and political turmoil in the Eurozone, but China and many other emerging market countries also will grow more slowly than in recent years. Two more reasons why imports will not grow strongly in 2013 will be the slow growth of domestic consumer spending and the slow pace of inventory accumulation. These developments imply more moderate growth in imports of raw materials and/or finished goods.

In 2013, U.S. export growth will be broadly based, and increasingly growth will be in emerging-market or commodity-based economies rather than in developed economies. With the exception of foods and beverages, increases are expected for all of the major categories of goods and services. Exports of goods will grow much faster than exports of services, however. Growth will be fastest for capital goods. Emerging-market countries in particular are expected to spend heavily on equipment and infrastructure. Industrial materials, consumer goods, and tourism will see more moderate gains. Exports of food will decline slightly, however. It should be noted that the broad-based quality of U.S. export growth reduces the chances that export growth will stall in 2013.

US dollar depreciation will not boost U.S. exports very much in 2013. That's because from a historical perspective the U.S. dollar's value is already quite low, and slight additional depreciation will not cause our exports to soar. The additional US dollar depreciation will be against emerging-market or commodity-based currencies rather than against major currencies. The amount of US dollar depreciation against emerging market currencies will be determined primarily by how quickly China allows its currency to appreciate. The US dollar will remain strong

against the euro, reflecting the Eurozone's debt problems.

### Inflation

If oil prices remain relatively steady, consumer price inflation will increase by 1.5 percent in 2013, compared to 2 percent in 2012. Of course, inflation will be even lower should energy prices tumble, or should the economy experience a recession. There are no signs that inflation will be a problem in 2013. The usual drivers of inflation will not be more intense in 2013 than in 2012. For example, the pace of 2013 GDP growth will be well below average and slightly lower than in 2012. Consumer spending and employment will both grow very slowly. Additionally, there is still excess capacity in a large number of economic sectors, illustrated by the elevated unemployment rate.

Once U.S. economic growth builds up some steam, the Federal Reserve will 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 low. The Federal Reserve will keep rates on hold into 2015. The precise timing and magnitude of the future rate increases will depend on both the magnitude and perceived durability of the expansion. Based on the forecast of lackluster – albeit sustained – US GDP growth and a sluggish global economy, the Federal Reserve will probably begin increasing short-term policy interest rates in the second quarter of 2015.

The outlook for inflation beyond 2014 is considerably less sanguine, however. The magnitude of recent fiscal and monetary stimuli increases the risk of inflation. The federal debt has skyrocketed in absolute terms as well as in terms of its percentage of GDP. That will create pressure to monetize the debt. Also, despite the lack of a good substitute, the U.S. dollar could gradually lose some of its status as a reserve currency or safe haven. China and others with large foreign currency holdings may choose to gradually diversify their portfolios away from

U.S. dollar assets. Of course, the mushrooming federal debt does not have to produce more inflation; it may instead simply force interest rates higher to attract the needed capital. Either way, oversized budget deficits cannot be sustained for more than a few years without doing significant damage to the U.S. economy and its prospects for growth. Over the long term, keeping inflation in check means fully embracing sound federal fiscal policy.

### The Economic Outlook for Georgia & Atlanta

Georgia's and Atlanta's economies will continue to recover from the Great Recession, but the pace of growth will be modest. For example, Georgia's GDP will increase by 2.1 percent, which is close to the 2.0 percent increase estimated for 2012. Atlanta's real gross metro product will expand by 2.3 percent in 2013. Because the pace of growth in both Georgia and the Atlanta MSA will be barely above stall speed, both the state's and the Atlanta MSA's economies will be vulnerable to a major domestic policy mistake or a big shock. The most likely shock is going off the fiscal cliff in early 2013. This baseline economic forecast assumes that a recession is avoided.

Considering that Georgia's economy has underperformed the US economy for over a decade, it is encouraging to note that Georgia's 2.1 percent GDP growth rate in 2013 will be slightly higher than the 1.8 percent rate estimated for US GDP. Georgia's nominal personal income will grow by 3.6 percent in 2013, which also is slightly higher than the 3.4 percent gain expected for the US. Georgia's nonfarm employment will rise by 1.4 percent in 2013, which is about the same as the 1.3 percent gain expected for the nation. Atlanta's nonfarm employment will grow by 1.6 percent, outpacing both the state and the nation.

Georgia's and Atlanta's slight edge over the US economy in 2013 reflects several favorable developments: First, the massive

restructuring of the private-sector is complete. Second, recent shifts in the economic development strategies make Georgia and Atlanta more competitive with other states when it comes to closing the deal on major projects. Third, housing is recovering. Fourth, for the first time since the technology bust that occurred over a decade ago, the number of jobs in Georgia outsized information industry – which is focused on Atlanta – will be growing.

The main recession risks are the same as those cited for the US: (1) the fiscal cliff, (2) a major oil supply interruption, and (3) a financial panic in the EU. The risk of recession therefore is no higher for Georgia or Atlanta than it is for the nation as a whole. That contrasts with the situation in 2010-12, when there was a heightened risk of recession in Georgia and Atlanta due primarily to our overdependence on housing, real estate development and closely related industries. Fortunately, the housing downturn is over and the next up cycle has begun.

As noted above, one reason for the improving relative performance of Georgia's and the Atlanta MSA's economies is that the massive restructuring of the private-sector has run its course. Additionally, over-priced property type assets have been fully re-priced. As the direct and indirect effects of private-sector restructuring and the real estate bubble fade, Georgia's and Atlanta's sub-par pace of economic recovery caught up and will outpace that of the nation. For example, in 2012, Georgia's rate of GDP growth fell short of the rate of US GDP growth by only 0.1 percentage points. In 2013, Georgia's economy will perform slightly better than the U.S. economy, but the differential in the rates GDP growth will be small – 30 basis points, or 0.3 percentage points.

Aside from restructuring, the most important reason why Georgia and Atlanta are poised to outperform the nation is that

many of the large relocation and expansion projects announced by the Georgia Department of Economic Development in 2012 will provide a tailwind to economic growth. Examples, include Caterpillar's plans to create 1,400 jobs in the Athens area, Baxter International's plans to create 1,500 jobs near Covington, State Farm Insurance's plans to create 500 jobs near Perimeter Mall, and Academy Sports plans to create 250 jobs in Jeffersonville.

Due to cost, logistics, and tax advantages, Georgia remains very competitive with other states when it comes to landing many types of major economic development projects, and this advantage began to bear more fruit in 2012. That's partially because Georgia made several strategic shifts in its economic development strategy, including the creation of an over \$100 million deal closing fund. The 2012 economic development legislation makes Georgia and Atlanta much more competitive, but our leaders will have to be very aggressive with respect to offering generous discretionary deal closing incentives for major projects that are in play. After all, most mass job relocations are not to other counties, but are from one state to another.

Demographic forces also explain recent shifts in relative economic performance. Population growth and household formation both dropped dramatically in the immediate wake of the Great Recession. In fact, household formation dropped to its lowest levels since the 1940s. The number of Georgia households with heads 44 years old or younger was smaller in 2011 than in 2007. The long, severe recession and the jobless recovery caused many people to delay moving out on their own and caused others to move back in with family or friends. Household sharing was not limited to young adults. According to the US Census Bureau, the number of adults aged 25 to 34 who lived in someone else's household increased by 18 percent and the number age 35 to 64

increased by 10 percent between 2007 and 2010.

The housing bust also locked many households into their current homes. That in itself does not reduce the overall number of households living in the U.S., but it delays moves to states like Georgia that traditionally benefit from – and have come to depend economically upon – large net inflows of domestic migrants seeking warm weather, low costs of living, and jobs. Net migration to Georgia over 2008-2012 was only about two-fifths what it was over 2004-2007. Thus, one fundamental step towards closing the gap in economic growth between GA and the US are increases in net domestic migration.

Due to both job growth and the beginning of a new up cycle in housing, population growth will be a significantly stronger driver of the state's GDP in 2013 than in 2012, but it will still be much less powerful than in prior decades. In 2013, Georgia's population will grow at a pace that exceeds the national average – 1.3 percent for Georgia versus 0.9 percent for the U.S. So, the differential in the annual rates of the state's and the nation's population growth will be 0.4 percent. The higher rate of population growth reflects a rise in net migration to the state to about 61,000 people in 2013, up from only 29,000 in 2009. Nonetheless, prior to the Great Recession Georgia's annual rate of population growth was about a full percentage point above the national average, which translates into about 150,000 new net migrants each year. The differential will not widen too dramatically unless Georgia begins to generate jobs at a pace that is significantly above the national average. Jobs will attract young adults who will be more mobile than they were prior to the housing bust.

Another force that will help Georgia to match or exceed the pace of US GDP growth in 2013 is the upturn in information jobs that began in mid-2012. Georgia's information industry lost jobs for 11-consecutive years, 2001 through 2011, amounting to a

cumulative loss of 34% of GA's information jobs. The shift from headwind to a tailwind reflects our growing dependence on mobile devices, especially households' and businesses' growing purchases of high volume data applications. Demand for smart phones, broadband, pre-paid phones, tablets, e-readers and cloud computing will be the information industry's primary drivers. Spending on information services will grow much faster than GDP in 2013. One potential problem is whether or not the internet's backbone will become overwhelmed with the upsurge in traffic. Its capacity is not infinite. Congestion on the net could lead to deterioration in the quality of service such that users for which reliability is critical (health care or security) will switch back to wired services, or will simply do not make the switch to wireless services. As broadband and network capacities become much more fully utilized the need to invest more will intensify, generating jobs for those who make, install, and service the new capacity.

#### The Employment Market

In 2013, Georgia's employment will grow by 1.4%, up from the 1.0% rate estimated for 2012. That means 53 thousand jobs will be added which will exceed the 37 thousand jobs added in 2012. However, at the 2013 pace of job creation, full recovery of the 341 thousand jobs Georgia lost to the Great Recession will not occur before mid-2016. As of mid-2012, Georgia had replaced only 115 thousand – 34 percent – of the jobs lost to the Great Recession. The nation had replaced 46 percent of the jobs that it lost. In Georgia, the peak-to-trough percentage decline in nonagricultural employment was 8.2 percent compared to 6.4 percent for the US.

The state's unemployment rate for 2013 will average 8.8 percent, or about 0.4 percentage points lower than the 9.2 percent rate estimated for 2012. Nonetheless, the unemployment rate would be about 5 percentage points higher (over 14%) if labor force participation had remained where it was prior to the Great Recession. The main



reason the unemployment will remain high is the slow pace of economic growth, but it's also true that many of the new jobs that businesses need to create do not match the skill sets of the unemployed. Of course, structural unemployment stemming from labor force immobility will diminish as housing markets improve. However, structural unemployment due to a fundamental skills mismatch almost certainly will worsen due to deep cuts in state spending for Technical Colleges and the University System.

In 2013, GA's fastest job growth will occur in professional and business services, followed by leisure and hospitality, and manufacturing. Education and health services will see average gains. Additionally, Georgia's information industry will be hiring for the first time in over a decade. Another new development is that after plunging by 38 percent construction employment will be rising due to the new up cycle in residential construction. Positive, but slow job growth is projected for financial activities. In contrast, job losses will continue in the government sector, which is the only major economic sector expected to lose jobs in 2013.

One underappreciated reason why job growth will continue to be slow is that the large wealth loss that accompanied the Great Recession dramatically reduced the amount of funds available to launch, or expand, small businesses. Furthermore, it is new companies that typically create almost all net new jobs. In contrast, existing companies are typically net job destroyers and, it is personal wealth – mostly in the form of home equity – not credit – that is the primary source of funding for entrepreneurs who start new businesses. Since home price declines were much steeper in Georgia than in the US as a whole, households' recent wealth losses will do more to hold back job growth in GA than in the US.

## Housing

The prolonged free fall in single-family homebuilding is over and a new up-cycle is underway. This traditional driver of GDP growth finally got traction in Georgia in 2012 and it will gain momentum in 2013. The number of single-family home starts for new construction will increase by about 19 percent.

The performance of GA's housing market will depend primarily on the performance of the labor market. Modest employment and income growth are expected. Those new jobs, and slightly bigger paychecks – plus slowly appreciating home values – will give a more people both the wherewithal and the confidence to buy homes. That will sustain the housing market's recovery. Mortgage rates probably were at their lowest levels in 2012, but will remain very attractive through at least 2015. The stabilization of home values in most markets is causing credit conditions to ease. But, low – and perhaps overly conservative – appraised values will continue to hold back conventional lending as well as housing turnover. In 2013, that will continue to sap some of the vigor from this up-cycle.

Another restraint on housing activity in 2013 is that about 36% of Georgia households with mortgages owe more on their mortgages than their homes are worth. That severely limits the availability of financing, especially for those with lower credit scores. Additionally, another 6% of GA homeowners with mortgages are in near negative equity situations. Thus, 42% of GA households with mortgages will not be able to absorb the transactions costs involved in selling their homes, much less make a significant down payment. These homeowners are essentially stuck in their current homes, unable to trade up or trade down.

The incoming home price data suggest that truly dramatic home price declines have become very rare. In most markets, the price

of existing homes stabilized in 2012. Any remaining pockets of home price depreciation will be very spotty, reflected very localized factors. Existing home prices will rise by 5 percent in 2013. As home price depreciation gives way to home price appreciation, potential homebuyers who have been waiting on the sidelines for even lower prices will opt to become homeowners. Rising rents will strongly reinforce this trend. Many investors began to pull the trigger on home purchases in late 2011 and investors were a major force behind home sales in 2012. But, people who buy homes to live in them will be the driving force (market makers) in 2013.

#### Government

The restructuring of Georgia's private sector is complete, but much restructuring lies ahead for the public sector. State, local, and federal government employment will decline for the remainder of the decade. Public sector restructuring constitutes the strongest remaining headwind for Georgia's economy.

Of all levels of government, state government has made the most progress in terms of adjusting its spending and staffing levels to reflect its ability to produce revenue. Although this headwind is weakening, it will continue to slow the pace of economic growth in 2013. The biggest remaining challenge for state government is uncertainty regarding federal funding for mandated programs such as Medicaid. Pension liabilities and retiree health care costs will be the second biggest challenge to state government financing, but those problems are unlikely to lead to major spending cuts or layoffs over the next few years. Still, more full-time state government positions will get replaced by part timers. Additionally, changes in benefit and retirement plans will shift costs and risks from taxpayers to employees. The bottom line is that the government restructuring process is fairly advanced at the state level, but it far from complete and fraught with uncertainties regarding future federal funding.

Similar to state government, local governments will struggle with less funding from the federal government, pension liabilities, and retiree health care costs. Plus, state government is likely to provide less funding to local governments, especially if the state receives less funding from the federal government. On top of those challenges, many local governments have yet to truly reconcile their reduced ability to generate revenue with their spending and staffing levels. That's mostly because local governments are extremely dependent on the value of their property tax digests to generate revenue. The property bust decimated both residential and commercial property values. And, assessed property values almost always severely lag market values. Thus, in many jurisdictions, property tax digests will continue to contract for at least two more years. The bottom line is that many local governments will need to make additional cuts in 2013, 2014 and 2015.

Restructuring is only just beginning with respect to federal government. Areas of our state with high proportions of federal government workers will be vulnerable to federal budget cuts. Over the next decade, there will be substantial cuts in both federal spending and federal jobs, and the pattern of those cuts, which has yet to be decided, will be a significant determinate of statewide economic performance.

At the thirty-thousand foot level, Georgia appears slightly better positioned in this regard than are the vast majority of states. For example, Georgia ranks 10th among the states in terms of federal government expenditures received. That's in line with the size of Georgia's economy. Georgia has 3.1% of the US population, but gets only 2.8% of federal government expenditures. Even though these statistics suggest that Georgia is not overly dependent on federal spending, future cuts could do a lot of damage depending upon what federal lawmakers decide to cut. For example, Georgia could get hit very hard if the federal cuts are skewed towards domestic military bases, or towards

the CDC. Georgia ranks 3rd among the states in terms of Department of Defense expenditures received. Georgia ranks 2nd among the states in terms of spending by the Department of Health and Human Services, mostly due to the presence of the CDC in Atlanta.

#### Prospects for Service Producing Industries

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 – did not participate and continued to cut jobs. The forecast for 2013 indicates that all Georgia's major categories of service-related businesses will expand in 2013, with the broader base of growth reflecting the upturn in housing markets and growing demand for wireless services. Services businesses that either lower costs or provide necessities, such as health services, will do better than those that provide luxuries or are easily deferred. After all, the population of persons with multiple chronic health conditions that require medical care continues to grow rapidly regardless of the ups and downs of the business cycle or the uncertainties created by healthcare reforms.

Some business categories, such as educational services, will benefit from strong secular trends which will be reinforced by the cyclical upswing of Georgia's economy. Recent and continuing increases in spending for new equipment and software will underpin higher demand for computer services for businesses. Because higher than normal proportions of people and organizations will continue to repair rather than replace durable goods, repair services are expected remain busy during the coming year. The economic recovery will bring relief to many consulting firms, but disappointing revenue collections by state and local governments will limit the gains for firms with many public-sector clients.

In general, budgetary problems will lessen demand for business services that are

purchased by government, but those very same financial pressures will create opportunities for agile companies that are able to take advantage of outsourcing, or privatization, of activities that are traditionally performed by governments. Additionally, a significant reduction in both the range and the quantity of services provided by state and local governments should create new opportunities for service businesses that move into abandoned niches by providing roughly similar services.

#### Prospects for Goods Producing Industries

Since peaking in mid-1999, Georgia has lost 272 thousand jobs in goods producing industries, which includes manufacturing, construction, natural resources, and mining. This amounts to the loss of over one third of the state's goods-producing jobs. Fortunately, the purge is over. The state will add 7,600 good producing jobs in 2013: Manufacturing employment will rise by 1.6 percent, or 6,000 jobs; construction employment will rise by 1.1 percent, or 1,600; and mining and logging will neither add nor lose jobs.

In 2013, the job gains in construction will stem primarily from residential construction rather than non-residential construction. That is a very positive development. Conditions in the nonresidential construction industry will improve slightly in 2013. Activity in virtually all nonresidential construction subsectors will have contracted dramatically as the pipeline of projects in development emptied out and as the number of new projects declined. In many jurisdictions, spending for publicly-funded structures will decrease. Despite low interest rates, the political climate will discourage many state and local governments from taking on additional debt to fund construction projects. The bottom line is that nonresidential construction will technically no longer be in recession in 2013, but it also will not make a significant contribution to the growth of the state's GDP. In Georgia, industrial production will advance by about

2.5 percent in 2013, and manufacturing employment will rise by 1.7 percent. Production of durable goods will advance more quickly than production of nondurable goods. Furthermore, production of business inputs and capital goods will grow faster than production of consumer goods.

#### Comments Specific to Atlanta

The revival of the housing market will strongly reinforce Atlanta's ongoing economic recovery. On an annual average basis, the 28-county Atlanta MSA will add 37,400 jobs in 2013, a year-over-year increase of 1.6 percent. Atlanta therefore will account for 70 percent of the state's net job growth. The area's high concentration of service producing industries, distribution companies, and institutions of higher education, health care providers, and life sciences companies will keep Atlanta's job machine in forward gear. Atlanta's outsized information industry will benefit from expanding demand for wireless services and will add jobs for the first time in many years. Several of the projects recently announced by the Georgia Department of Economic Development were in the 28-county metropolitan areas. Major improvements at Hartsfield-Jackson International Airport bode well for Atlanta's growth, especially the completion of the new international terminal. Atlanta is becoming more popular as a tourist destination.

One big plus for Atlanta is that it is not overly 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. State and local government accounts for only 8.9 percent of earnings in metro Atlanta versus 11.4 percent for the state. Therefore, public restructuring will be somewhat less problematic for Atlanta's growth than for growth elsewhere in Georgia or for the nation as a whole.

The lagged effects of the massive restructuring of homebuilding and allied

industries will restrain Atlanta's overall growth. Atlanta was especially hard hit by the collapse of the housing bubble, and its adverse effects will linger for many years. The home price declines were severe and a lot of household wealth was lost and will not be recovered quickly. This lost home equity also will be a major restraint on small business formation and small business expansion. That is because home equity is a primary source of capital that entrepreneurs depend upon to form or expand their businesses.

Atlanta may be less adversely affected than other parts of Georgia by the lower pace of retiree migration because so many of the retirees who move to Atlanta do so to be closer to their children rather than because of natural amenities such as lakes, mountains, or the ocean. Additionally, moving closer to family members may make even more sense in an era of greater self-reliance and less dependency on federal entitlement programs or pensions. Due to its relatively high percentage of foreign-born and non-US citizens, Atlanta's economy will be sensitive to shifts in US immigration policies.

## REVENUE FORECAST SUMMARY

### FORECAST METHODOLOGY

The City's Department of Finance 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 five-year partnership has enabled City management to gain important independent economic analyses as part of our multi-year revenue forecasting. Key metrics include Atlanta Unemployment rate, Manufacturing Shipments, Building Permits, Construction Activity, Case-Shiller Index, 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 has incorporated Muni Cast Financial modeling 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 may not anticipate in any year an amount in excess of 99% of the normal revenues of the City actually collected during the previous year with the following exceptions for tax rate or fee increases plus any accumulated cash surplus carried forward from the previous year.

### REVENUE ANTICIPATIONS

The FY 2013 General Fund Revenue forecast is \$528 million and remains unchanged from the Anticipation amount adopted by the Budget Commission in June 2012. The FY 2014 General Fund Revenue Anticipation is \$512 million primarily attributed to continued decline in Property Tax Digest. The FY 2014 General Fund

Revenue Anticipations are consistent with the City Charter requirements. As indicated earlier, the FY 2014 General Fund Revenue Anticipations includes a rigorous review and analysis of state, local economic trends, and financial modeling utilizing key input economic variables that affect revenues.

The City's property tax base is a primary component of City General Fund revenues accounting for nearly one-third of General Fund revenues. Property tax revenues have continued to experience declines associated with recent changes in assessment procedures and continued weakness in the housing market. The City has demonstrated a measured response by continuing to budget property tax revenue conservatively. The property tax revenue metric that best captures the dramatic shifts in the City's property tax base is the dollar value of one mill. The dollar value of one mill in FY 2010 was \$20.5 million compared to an estimate of \$15.6 million in FY 2014.

More discussion on Property Tax revenue assumptions is provided later in this narrative. Sales tax revenue is the next largest share of General Fund revenues accounting for nearly 20% of General Fund anticipations. Sales tax revenue is highly elastic and demonstrates significant peak and troughs in revenues due to changes in economic performance associated with disposable income and unemployment levels. The Local Option Sales Tax (LOST) is based on a previous negotiated percentage of 42.87% per the last U.S. Census (2000). The current LOST negotiation is in progress and this forecast is subject to revision based on the outcome of the City's percent allocation.

LOST revenue has consistently been lower than the Municipal Option Sales Tax (MOST), which is based on point of sales and use transactions within the corporate limits of the City of Atlanta.

The FY2010 Property tax revenue reflects an increase in the millage rate from 7.12 mills in FY2009 to 10.24 mills in FY2010. The subsequent property tax revenue decline from FY2011 through FY2013 reflects decreases in the residential tax base, negative reassessments and successful tax appeals. The FY2014 millage rate remains at 10.24 mills and assumes a 96% collection rate.

The FY2014 Revenue Anticipations continues to exercise fiscal discipline and a conservative approach in the City's revenue forecasting while including additional financial modeling. The City will monitor the FY2013 anticipations and provide timely monthly revenue report updates to ensure management response as dictated by economic conditions.

The five-year plan includes key legislative changes from HB 386 tax reform legislation which passed the General Assembly in 2012 most notably the impact on Motor Vehicle ad valorem tax forecast.

# GENERAL FUND REVENUE SUMMARY

## GENERAL FUND

	Audited FY 2011	Audited FY 2012	FORECAST FY 2013	Budget FY 2014
<b>Taxes</b>				
Current Year Property Tax	\$189,845,959	\$176,934,294	\$170,000,000	\$160,000,000
Prior Year Property Tax	(3,535,869)	3,550,018		-
Public Utility Tax	6,732,361	7,045,859	6,500,000	5,843,280
Intangible Recording Tax	3,127,567	3,620,015	3,400,000	3,400,000
Real Estate Transfer Tax	924,899	1,317,399	1,500,000	1,500,000
Penalties and Interest	971,973	-	-	-
Sub-Total Taxes	198,066,890	192,467,585	181,400,000	170,743,280
<b>Other Taxes</b>				
Sales Tax	93,912,214	97,399,863	101,000,000	102,000,000
Public Utility Franchise tax	72,420,079	63,327,346	63,400,000	64,500,000
Insurance Premium Tax	22,408,403	19,699,905	20,924,594	19,995,500
Wholesale Alcohol Tax	10,302,308	9,674,274	10,617,806	10,617,806
Hotel/Motel Tax	12,260,561	12,084,745	12,100,000	12,300,000
Alcohol Tax-By-The Drink	5,133,878	5,651,357	5,482,194	5,482,194
Motor Vehicle Tax	8,153,908	10,144,859	8,000,000	8,000,000
Other taxes	396,230	-	-	-
Sub-Total Other Taxes	224,987,581	217,982,349	221,524,594	222,895,500
<b>Licenses and Permits</b>				
General Business Licenses	38,968,264	41,755,682	39,000,000	40,000,000
Building Permits	4,331,325	-	-	-
Alcohol Licenses	7,574,382	7,707,247	7,437,647	7,478,290
Other Licenses and Permits	12,918,400	10,106,784	10,862,353	10,921,710
Sub-Total Licenses and Permits	63,792,371	59,569,713	57,300,000	58,400,000
<b>Charges for Services</b>				
Indirect Cost Recovery	32,154,304	32,052,668	32,400,000	27,000,000
Other Charges for Services	4,931,321	4,713,427	4,986,324	3,998,862
Sub-Total Charges for Services	37,085,625	36,766,095	37,386,324	30,998,862
<b>Fines and Forfeitures</b>				
	20,236,671	22,090,730	22,300,002	22,750,000
<b>Miscellaneous Revenue</b>				
Land and Building Rentals	2,457,954	3,550,040	3,600,000	3,600,000
INS Inmate Lease	3,702,294	3,074,851	800,000	800,000
US Marshall Lease	115,380	62,820	-	-
Recoveries	1,131,575	1,230,641	1,400,000	1,116,224
Other Miscellaneous Revenue	377,437	630,920	164,707	494,263
Sub-Total Miscellaneous Revenue	7,784,640	8,549,272	5,964,707	6,010,487
<b>Other Financing Sources</b>				
Interest Earnings	2,378,951	1,443,879	2,250,000	231,169
Operating Transfers	4,712,783	2,171,392	-	-
City Hall East Proceeds	-	13,733,114	-	-
Other Financing Sources	31,098	890,347	200,000	-
Sub-Total Other Financing Sources	7,122,832	18,238,732	2,450,000	231,169
<b>GRAND TOTAL</b>	<b>\$559,076,610</b>	<b>\$555,664,476</b>	<b>\$528,325,627</b>	<b>\$512,029,298</b>

## 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's millage rate has remained 10.24 mills since 2010 and the historical collection rate has ranged from 96% - 98%.

Revenues by Major Category	FY 2009	FY 2010	FY 2011	FY 2012
Current Property Tax Revenues	\$ 144,134,889	\$ 209,507,639	\$ 189,845,959	\$ 176,934,294

### FY 2014 Forecast:

Property tax revenue is significantly impacted by the housing market. According to the Selig Center Economic Outlook, the housing market is recovering and "the housing downturn is over and the next up cycle has begun." The report forecasts a 5% increase in existing home prices and the number of single-family home starts for new construction will increase by about 15% in 2013, which are strong indicators of a housing market recovery. The Case-Shiller September 2012 Index for Atlanta shows a .27% (non-seasonally adjusted) increase in home values from August 2012, which is the 6<sup>th</sup> month in a row of positive results. Property tax revenue is forecasted at a modest 1% annual growth rate.

## 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 42.87%.

Revenues by Major Category	FY 2009	FY 2010	FY 2011	FY 2012
Local Option Sales Tax	\$ 87,789,288	\$ 92,954,728	\$ 93,912,214	\$ 97,399,863

### FY 2014 Forecast:

Sales tax is one of the most economically sensitive revenue sources with a close correlation to employment and personal income. Sales tax revenue as reported by Fulton County Commodity Report has increased from 1% to 6% from FY 2010 to FY 2012. The U.S. Bureau of Labor Statistics reported that, in November 2012, total nonfarm employment for the Atlanta MSA increased by 33,900 jobs or 1.5% from one year ago. Additionally, the Atlanta area has recorded over-the-year employment gains each month for nearly two and a half years. Sales tax revenue is forecasted at 1.5% annual growth rate.

## 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. In November 2011, the Hotel Motel Tax rate increased to 8% from 7% on rent for occupancy of a guestroom in a hotel in the City.



Revenues by Major Category	FY 2009	FY 2010	FY 2011	FY 2012
Hotel/Motel Tax	\$ 11,456,838	\$ 11,042,738	\$ 12,260,561	\$ 12,084,745

**FY 2014 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 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 2013 (4% increase in Rev-P, 3.3% Increase in ADR, & .7% increase in Occupancy). Based on this research, hotel/motel revenue is forecasted to grow by 4.0% from FY 2014 to FY 2018 based on an increased demand as the economic recovery begins to impact occupancy levels and business travel. According to the Selig Center Economic Outlook report, major improvements at Hartsfield-Jackson International Airport also bode well for growth, as the City becomes a more popular tourist destination. Hotel/motel tax revenue is forecasted at a 1.7% annual growth rate.

**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 their fee is based on 5% of gross receipts. The Telecommunications Act of 2008 (O.C.G.A. 46-5-1) invalidated existing municipal franchise agreements as of December 31, 2012 and streamlined the required compensation for a municipal authority from a percentage of gross receipts to a cap of 3% of actual local service revenues which reduced the City's revenue stream in this category. The Georgia Public Service Commission (PSC) voted to approve a plan that increased Georgia Power's base rates about 10 percent beginning Jan. 1, 2011. Due to population trends and utility rate increases, the impact of this legislation has not adversely affected this category.

Revenues by Major Category	FY 2009	FY 2010	FY 2011	FY 2012
Public Utility Franchise	\$ 52,516,427	\$ 54,311,741	\$ 72,420,079	\$ 63,327,346

**FY 2014 Forecast:**

This revenue source has a positive correlation with population. As the population grows, the demand for public utilities increases which generates additional revenue. The most recent Econometric Report forecasts a 1.2% increase in new residents from 2012 to 2014. According to the Office of Planning's 2011 CDP, Atlanta will experience a growth rate of 6.1% from 2010 to 2015.

**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.

**FY 2014 Forecast:**

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

### General Business Tax

The general business tax also known as the occupational tax is levied on all entities conducting business in the City. The business 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 tax. The business tax is closely tied to corporate income and employment levels.

Revenues by Major Category	FY 2009	FY 2010	FY 2011	FY 2012
General Business License	\$ 38,018,271	\$ 34,141,843	\$ 38,968,264	\$ 41,755,682

#### FY 2014 Forecast:

The Selig Center Economic Outlook report finds that Atlanta was especially hard hit by the collapse of the housing bubble. The home price declines were severe and this lost home equity will continue to be a major restraint on small business formation. Home equity is a primary source of capital that entrepreneurs depend upon to form or expand their businesses. Job creation has a positive correlation with consumer spending and a business' gross receipts. The Selig Center Economic Outlook report forecasts that Atlanta will add 37,400 jobs in 2013 and personal income will increase from 5.0% in 2014 to 6.9% in 2018. Similarly, Georgia State University's Economic Forecasting Center predicts that Atlanta's overall employment in 2013 will increase by 40,900 jobs (1.5% annual growth) and will strengthen in 2014 with Atlanta's total employment expected to rise again at a stronger 2.1% annual growth. Business tax is forecasted to grow 4.06% from FY 2014 to FY 2018.

### 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 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.

Revenues by Major Category	FY 2009	FY 2010	FY 2011	FY 2012
Insurance Premium	\$ 23,297,721	\$ 23,079,134	\$ 22,408,403	\$ 19,699,905

#### FY 2014 Forecast:

The forecast is stable at a 1.5% annual growth since the insurance premium tax is less susceptible to shifts in the economy than other corporate income derived taxes. This revenue stream has a positive correlation with population. As the population increases, the demand for insurance coverage increases which generates additional revenue. The most recent Econometric Report predicts a 1.2% increase in new residents from 2012 to 2014. According to the Office of Planning's 2011 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).

Revenues by Major Category	FY 2009	FY 2010	FY 2011	FY 2012
Other License/Permits	\$ 24,485,126	\$ 23,988,042	\$ 24,824,107	\$ 17,814,031

**FY 2014 Forecast:**

The forecast reflects a 0.5% annual growth increase in various licenses / permits fees as the customer base strengthens from the downturn of the economic recession. This revenue type is strongly correlated to infrastructure investments and 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.

Revenues by Major Category	FY 2009	FY 2010	FY 2011	FY 2012
Alcohol	\$ 14,591,220	\$ 14,165,201	\$ 15,436,186	\$ 15,325,631

**FY 2014 Forecast:**

The forecast reflects an increase in various Alcohol license fees of a 0.5% average annual growth. A recent Gallup Poll indicates that during a recession, consumers may opt for cheaper wines, liquors, and beers. Thus, flat sales could mean higher volume. Gallup finds no major changes in the percentage of consumers who drink alcohol, in how much drinkers consume, or in their preferred drink. Alcohol consumption is typically recession resilient and can be considered a counter-cyclical good.

**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 type (Traffic, DUI, Criminal, Parking, & Red-light).

Revenues by Major Category	FY 2009	FY 2010	FY 2011	FY 2012
Fines/Forfeitures	\$ 12,631,044	\$ 13,020,006	\$ 20,236,671	\$ 22,090,730

**FY 2014 Forecast:**

The forecast reflects a 2% annual growth rate that is predicted on a continuation of strong enforcement of traffic violations through increased Police ticketing issuance. Municipal Court data indicates that cases have remained relatively flat when comparing the first half of 2012 to 2013 at 144,284 to 141,334 respectively. The City receives a revenue guarantee from Park Atlanta as part of the 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 are mortgages, deeds to secure debt bonds for title, or any other real estate security instrument that give the lender a resource to be used if the principal obligation is not paid.

### 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.

Revenues by Major Category	FY 2009	FY 2010	FY 2011	FY 2012
Intangible Recording Taxes	\$ 3,307,974	\$ 3,129,736	\$ 3,127,567	\$ 3,620,015
Real Estate Transfer	\$ 966,753	\$ 794,919	\$ 924,899	\$ 1,317,399

### FY 2014 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, the housing market is recovering and that “thehousing downturn is over and the next up cycle has begun.” The report forecasts a 5% increase in existing home prices and the number of single-family home starts for new construction will increase by about 15% in 2013, which are strong indicators of a housing market recovery. The Case-Shiller September 2012 Index for Atlanta shows a .27% (non-seasonally adjusted) increase in home values from August 2012, which is the 6<sup>th</sup> month in a row of positive results. Georgia State University’s Economic Forecasting Center predicts the Atlanta’s housing recovery will strengthen in 2014 with construction payrolls rising by 3,000 jobs (2.5% annual growth).

### Land and Building Rentals

Land and Building rentals consist of revenue received from cell towers, various parks and recreations rentals. Additionally, revenue is received for housing inmates from the US Immigration and Customs. Revenue from Nextel is received for rental of the Atlanta Police Department’s radio equipment by internal and external agencies.

Revenues by Major Category	FY 2009	FY 2010	FY 2011	FY 2012
Land and Building Rentals	\$ 18,295,299	\$ 8,339,458	\$ 6,275,628	\$ 6,687,711

**FY 2014 Forecast:**

Revenue from the category is heavily dependent on disposable income. Based on the Selig Center Economic Report, personal income is estimated to increase from 5.0% in FY14 to 6.9% in 2018. However, a conservative fiscal position is warranted for this category because economists at the Federal Reserve predict that consumers will continue to “deleverage” or lower their debt to income ratios, resulting in consumption growth to expand only modestly. According to the Blue Chip panel, real personal consumption expenditures (PCE) should grow 2% in 2013 (fourth quarter over fourth quarter) and 2.3% in 2014 and 2015.

**Motor Vehicle (HB 386)**

Beginning March 1, 2013, the sales tax and ad valorem tax on automobiles will be replaced with a one-time title tax fee of 6.5% in 2013, 6.75 in 2014, and 7% in 2015 when titling an automobile. The premise of this provision is to eliminate the ad valorem tax on vehicles and capture revenue from the casual sale of automobiles.

**FY 2014 Forecast:**

Analysis performed by the Georgia State University Fiscal Research Center indicated that local governments in the aggregate should realize an increase in revenue statewide in the first 2 years of the title tax fee system. This reform will increase revenue by extending motor vehicle taxes to two types of vehicles not currently subject to Georgia’s sales tax: (1) vehicles sold between individuals “casual sales” and (2) autos purchased out of state.

**OVERALL GENERAL FUND FORECAST**

The Fiscal Year 2014 General Fund revenue forecast (anticipation) is based on continued property tax digest decline. The addition of the Muni Cast financial tool provides an important forecasting model in view of the slower post-recession revenue growth while focusing on key economic drivers for the City. The City has exercised heightened levels of due diligence in selecting the most appropriate input variables to determine an accurate forecast. The overall General Fund revenue forecast mirrors the economic paradigm in other Atlanta metropolitan governments and large U.S. cities with a similar revenue composition as the City.

**REVENUE INITIATIVES**

Revenue Discovery will continue to be a focal point over the next five years. Revenue Discovery is the ability to identify and collect unpaid taxes and/or fees from undocumented businesses and individuals discovered to owe revenue to the City by virtue of non-compliance with state and local laws and regulations.

# REVENUES BY MAJOR CATEGORY

Revenues by Major Category	FY2013 Projected	FY2014 Projected	FY 2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected
Current Property Tax Revenues	\$ 170,000,000	\$ 160,000,000	\$ 161,600,000	\$ 163,216,000	\$ 164,848,160	\$ 166,496,642
Local Option Sales Tax	\$ 101,000,000	\$ 102,000,000	\$ 103,530,000	\$ 105,082,950	\$ 106,659,194	\$ 108,259,082
Hotel/Motel Tax	\$ 12,100,000	\$ 12,300,000	\$ 12,503,306	\$ 12,709,972	\$ 12,920,054	\$ 13,133,609
Public Utility Franchise	\$ 63,400,000	\$ 64,500,000	\$ 65,145,000	\$ 65,470,725	\$ 65,798,079	\$ 66,127,069
Indirect Cost Recovery	\$ 32,400,000	\$ 27,000,000	\$ 27,135,000	\$ 27,270,675	\$ 27,407,028	\$ 27,544,064
General Business License	\$ 39,000,000	\$ 40,000,000	\$ 40,600,000	\$ 41,209,000	\$ 41,415,045	\$ 41,622,120
Insurance Premium	\$ 20,924,594	\$ 19,995,500	\$ 20,295,433	\$ 20,599,864	\$ 20,908,862	\$ 21,222,495
Other License/Permits	\$ 18,300,000	\$ 18,400,000	\$ 18,492,000	\$ 18,584,460	\$ 18,677,382	\$ 18,770,769
Building Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alcohol	\$ 16,100,000	\$ 16,100,000	\$ 16,180,500	\$ 16,261,403	\$ 16,342,710	\$ 16,424,423
Fines/Forfeitures	\$ 22,300,002	\$ 22,750,000	\$ 23,205,000	\$ 23,669,100	\$ 24,142,482	\$ 24,625,332
Intangible Recording Taxes	\$ 3,400,000	\$ 3,400,000	\$ 3,434,000	\$ 3,468,340	\$ 3,503,023	\$ 3,538,054
Land and Building Rentals	\$ 4,400,000	\$ 4,400,000	\$ 4,444,000	\$ 4,488,440	\$ 4,533,325	\$ 4,578,657
Real Estate Transfer	\$ 1,500,000	\$ 1,500,000	\$ 1,515,000	\$ 1,530,150	\$ 1,545,452	\$ 1,560,906
Remaining Revenues	\$ 23,501,032	\$ 19,683,798	\$ 19,880,636	\$ 20,079,773	\$ 20,280,237	\$ 20,483,039
<b>Total</b>	<b>\$ 528,325,627</b>	<b>\$ 512,029,298</b>	<b>\$ 517,959,875</b>	<b>\$ 523,640,852</b>	<b>\$528,981,033</b>	<b>\$ 534,386,261</b>

## REMAINING REVENUES DETAIL

Remaining Revenues by Major Category	FY 2013 Projected	FY2014 Projected	FY 2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected
Prior Year Property Taxes (Including Penalties and Interest)	-	-	-	-	-	-
Public Utility Current Year	6,500,000	5,843,280	5,901,713	5,960,730	6,020,338	6,080,541
Public Utility Prior Year	-	45,758	46,216	46,678	47,145	47,616
Penalties & Interest on Hotel & Alcohol and other taxes	-	3,617	3,653	3,690	3,727	3,764
Motor Vehicle	8,000,000	8,000,000	8,080,000	8,160,800	8,242,408	8,324,832
Other Charges for Services	4,986,324	3,998,862	4,038,851	4,079,240	4,120,032	4,161,232
Non Recurring Revenue	-	67,022	67,692	68,369	69,052	69,743
Recoveries	1,400,000	1,116,224	1,127,386	1,138,660	1,150,046	1,161,547
Other Miscellaneous Revenue	164,708	377,866	381,645	385,461	389,316	393,209
Interest Earnings	2,250,000	231,169	233,480	235,815	238,173	240,555
Other Financing Sources	200,000	-	-	-	-	-
<b>Total</b>	<b>23,501,032</b>	<b>19,683,798</b>	<b>19,880,636</b>	<b>20,079,443</b>	<b>20,280,237</b>	<b>20,483,039</b>

## WATER AND WASTEWATER FUND REVENUE SUMMARY

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 \$437.8M for FY 2014 is \$4.3M higher than the FY 2013 Budget of \$433.5M. The increase is due primarily

to an expected 1% growth in customer base, and higher than anticipated consumption. The Department does not plan to increase its water and sewer rates in FY 2014.

### Charges for Services

This category includes Inter-jurisdictional revenue, industrial waste, and other selected revenue accounts. The FY 2014 projection of \$28.1M is \$671K lower than the FY2013 Budget of \$28.8M. The decrease is due primarily to an anticipated reduction in fees collected for sale of sludge and industrial waste.

Revenue	FY2013 Budget	FY2014 Budget	\$Increase / Decrease	%Increase/ Decrease
Water and Sewer Service Revenues	\$433,475,832	\$437,810,598	\$4,334,766	1.0%
Charges for Service	\$28,816,320	\$28,145,768	(\$670,552)	-2.3%
Intergovernmental Revenues	\$71,813,146	\$66,758,400	(\$5,054,746)	-7.0%
Investment Income	\$1,221,624	\$1,221,624	\$0	0.0%
Other Financing Sources	\$2,237,304	\$2,237,304	\$0	0.0%
Miscellaneous Revenues	\$41,192	\$359,804	\$318,612	773.5%
Fines & Forfeitures	\$79,452	\$79,452	\$0	0.0%
<b>Total</b>	<b>\$537,684,870</b>	<b>\$536,612,950</b>	<b>(\$1,071,920)</b>	<b>-0.2%</b>



### Intergovernmental Revenues

The FY 2014 anticipated revenues from the Municipal Option Sales Tax is \$113M, which is consistent with the amount anticipated in FY 2013. For FY14 \$66.7M of the total will be allocated in the Waste & Wastewater Revenue Fund and \$46.3M in the Water & Wastewater Renewal & Extension Fund.

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

### Investment Income

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

### 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 2014 fee of \$2.2M, is consistent with the amount budgeted for FY 2013.

### Miscellaneous Revenues

This category includes revenue for recoveries of prior year delinquent accounts/arrearages. For FY2014 the convenience fees collected for credit card payments are also included in this category. The FY 2014 Budget of \$359.8K, reflects substantial increase of \$41.1K over FY 2013 due to expected revenue from convenience fees paid by customers. The Department based its estimate on revenues generated in prior fiscal years.

### Fines & Forfeitures

This category is primarily for Revenue associated with Erosion and Sedimentary Control fines. The FY 2014 anticipation, \$79.5K, is the same as the FY 2013 anticipation. The Department based its estimate on FY 2013 projections.

## AVIATION REVENUE FUND REVENUE SUMMARY

The Department of Aviation was established to operate and maintain Hartsfield-Jackson Atlanta International Airport. 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.

Revenues	FY 2013	FY 2014	\$Increase/ Decrease	%Increase/ Decrease
<b>Aeronautical Revenues:</b>				
Landing Fees	48,407,806	50,072,000	1,664,194	3%
Central Passenger Terminal Complex Rentals	104,622,894	98,714,000	(5,908,894)	-6%
Airside Rentals	22,433,439	22,505,000	71,561	0%
Cost Recoveries: Airline	34,094,538	38,449,000	4,354,462	13%
<b>Non-Aeronautical Revenues:</b>				
Landside Rentals	16,103,264	16,178,000	74,736	0%
Public Parking	114,175,764	124,410,000	10,234,236	9%
Inside Concessions	88,930,206	89,831,000	900,794	1%
Rental Car	31,644,825	34,300,000	2,655,175	8%
Ground Transportation	1,876,476	1,897,000	20,524	1%
Other Commercial Revenues	4,196,000	4,351,000	155,000	4%
Cost Recoveries: Non-Airlines	11,780,975	12,512,000	731,025	6%
Miscellaneous Revenues	5,241,172	4,269,000	(972,172)	-19%
<b>Total</b>	<b>\$483,507,359</b>	<b>\$497,488,000</b>	<b>\$13,980,641</b>	<b>3%</b>

\* Graphs have been updated with the corrections.

### 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 Hartsfield-Jackson 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. The Airport expects to experience a 2% growth in passengers in FY2014 and basic landing fees are expected to increase slightly as a result. In fiscal year 2012, amortization of certain AIP revenues ended, most significantly the Fifth Runway, resulting in lower landing fees when compared to fiscal year 2011. Enplaned passenger traffic is expected to increase in FY2013 by approximately 3%; however, actual flight operations may remain flat as airlines better utilize their fleets to transport passengers. This is causing the estimated landing fees in FY2013 to remain flat with FY2012.

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

The Department of Aviation charges each of its airline tenants rent for space occupied within the Central Passenger Terminal Complex (CPTC). These rents are for the recovery of capital costs associated with the construction and upgrade of the CPTC's numerous facilities. In September of 2010, the bonds associated with the original construction of Atlanta's airport were defeased.

In accordance with the original CPTC lease, and the 2010 CPTC lease extension, the rental charges associated with these capital costs ceased. The amount of these charges was \$20.1 million per year. This reduction was only realized for 9 months in FY2011, and thus the addition of 3 additional months in FY2012 represents a significant decline. For FY2013 CPTC Rentals will increase by approximately \$57.0 million with the opening of the Maynard H. Jackson, Jr. International Terminal. The decrease in FY 2014 is primarily attributed to a \$4 million reduction in the annual supplemental rent.

### Airside Rentals

Airside rentals are rental revenue collected for space occupied by the Airport's numerous airline and airline-support tenants. The Airport experienced, and is projecting, minimal growth in revenue resulting from incremental rate increases

for occupied space, and new agreements being finalized in FY2011 and FY2012. The Airlines continue to monitor these costs in an effort to hold operating costs.

### Cost Recoveries

The Airport incurs certain costs related to the maintenance and operation of the overall facility that are recovered (in total or in part) from the Airlines. Police, Fire, Security and Maintenance are major components of these recoveries, along with costs to operate the Automatic People Mover between concourses. For FY2010 and FY2011 these recoveries had little change. The new International Terminal opened in May 2012 and added maintenance and operation costs in FY2013 not experienced in previous years, which attributed to the change between FY2012 and FY2013. An increase in FY2014 is anticipated as a result of additional APM and maintenance charges related to the International Terminal.

### Landside Rentals

Landside rentals are revenues collected for space occupied in any of the Airport's off-airfield or landside properties. Many of these leases will had escalations effective in FY2012, which resulted in an increase over FY 2011. Although the Airport continues to search for new revenue initiatives, the current projections for FY 2013 and FY 2014 reflect no substantive growth.

### Public Parking

Revenue was relatively flat for FY2012 due to changes in traffic patterns and individual habits after the parking rates increased in FY 2011. Projections for FY2013 are still conservative with flat performance versus FY2012; however, we hope to see increases in overall parking due to increased capacity with the opening of the parking decks at the International Terminal. A significant increase of approximately 9% is projected for FY2014 as we anticipate patterns and habits of travelers will be altered as they shift from off-airport parking to Airport parking with the increased capacity.

### Inside Concessions

FY2012 incremental increases in inside concessions revenues. These revenues are collected from the Airport's various food & beverage, retail, service, duty-free, and advertising outlets. The opening of MHJT in the spring of 2012 certainly has a positive impact on these revenues, as new stores opened and additional

international passengers pass through the airport. FY2013 reflects an increase over FY2012 as the international terminal will have been in service for the full year. Additionally, new leases signed with concessionaires resulting from the recent RFP process are expected to increase the rental rates of the Airport's food & beverage outlets. These outlets account for approximately half of the Airport's inside concessions revenues. FY 2014 will experience growth in overall concession revenue; however, this growth will be offset by reductions due to closures for concourse construction and remodels.

#### Rental Car

For FY2012 and FY2013, the year over year change in rental car revenue will be negligible. The Airport is anticipating growth in destination passengers in FY 2014, which was reflected in an approximate 8% revenue growth.

#### 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. Without increases in the rates, the revenues collected from ground transportation services will experience gradual increases over time in line with overall passenger traffic.

#### Other Commercial Revenues

Included in this category are revenues collected from WiFi offerings to customers and vendors, Executive Conference Center (ECC) services and public telephone facilities. The majority of revenues in this category are now coming from WiFi services. The spike in revenue for FY 2012 resulted from one-item cost recover arrangements related to our cellular technology.

#### Cost Recoveries: Non-Airline

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

#### Miscellaneous Revenues

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



**FIVE-YEAR  
EXPENDITURE  
OVERVIEW AND  
PROJECTIONS**

**EXPENDITURE AND FORECAST SUMMARY  
FUND AND DEPARTMENTAL PROJECTIONS**

**FIVE YEAR PLAN**



# EXPENDITURE ASSUMPTIONS AND FORECAST

As mandated in 09-0-1406, expenditures in the five-year plan become the current services budget, which then serves as the baseline for the subsequent years. However, projections for FY2014 to FY2018 were based on actual expenditures through the month of November and the FY2013 budget for the months of December to June. By doing so includes a cost savings initiative in each departmental budget, mainly in personnel costs, and reflects the impact of vacancies, attrition as well as savings in other line items.

Listed below are the five year plan assumptions. All rates will be revisited during FY2014 budget development after receiving more up-to-date information.

The incremental amounts required for the following items have been included in the general fund five year plan:

- |                             |         |
|-----------------------------|---------|
| ○ SAFR Grant Firefighters   | \$4.7MM |
| ○ COPS Police Officers      | \$1.6MM |
| ○ Forty-one Police Officers | \$1.3MM |
| ○ Total Incremental Costs   | \$7.6MM |

Citywide, the health rate decreased by \$3.9MM from the FY13 Adopted budget amount of \$60.5MM to \$56.6MM. The FY2014 amount is based on FY13 projected expenses, which includes savings from the newly negotiated rates. Each subsequent year has been increased by 2%.

Citywide, the pension rates were adjusted for all Defined Benefit plans to account for the Annual Required Contribution (ARC) and increased by \$20.4MM, and up to 8% each year thereafter. The projected pension contribution amounts for FY2014 are the best estimates until the July 1, 2012 valuations are finalized. The FY2014 General DB contribution amount assumes the assumption changes outlined (mainly lowering the investment return from 7.75%/8.00% to 7.50%) will be phased in; budgeted payroll assumed to increase ~2.5% from FY2013; and annual investment return of 8.0% for July 1, 2012 thru June 30, 2013 and then 7.50% (or 7.75%) thereafter.

Plan	FY13 Adopted	FY13 ARC	FY14 est.
○ Defined Benefit (General)	\$34.8MM	\$38.7MM	\$42.0MM
○ Defined Benefit (Police)	\$32.3MM	\$26.5MM	\$36.4MM
○ Defined Benefit (Fire)	\$22.8MM	\$17.5MM	\$24.7MM
Total Defined Benefit	\$89.9MM	\$82.7MM	\$103.1MM

Citywide, the workers' compensation budget remained at the FY2013 projected level or \$12.3MM and was not increased in the future years. It is assumed that the safety programs and other citywide initiatives would negate the need to increase the projected workers' compensation claims citywide.

Citywide, based on the FY2012 utilization rates, natural gas increased by approximately 10% in FY2014 and in each subsequent year (until FY2017). Electricity (including substations) increased



by 20% in FY2014 and increased another 5% in FY2018. In addition, there are no rate increases proposed in the five year plan.

Traffic signals and street lights budgets were increased by 5% from FY2012 to ensure the budget is appropriately aligned with expenses.

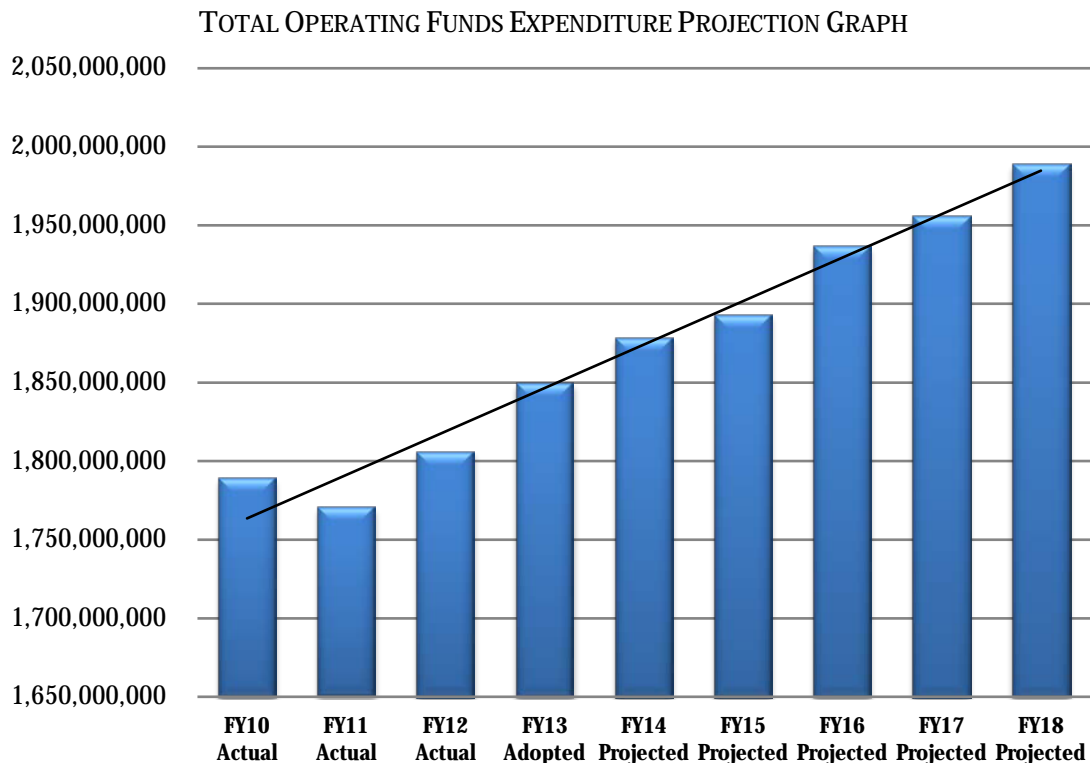
When compared to the FY2013 adopted budget, the Water and Sewer budget increased by 15% or \$2.4MM in FY2014. This estimate was provided by the Department of Watershed and takes into account the amount paid on behalf of Grady Hospital. In addition, there are no Water and Sewer rate increases proposed in the five year plan.

Currently, there is not a maintenance increase included in the five year plan; however, fuel increases each year by at least 10%. There will be more information forthcoming regarding utilization, which also impacts the fuel and maintenance rates included in the FY2014 budget.

According to the Selig Center for Economic Growth, led by economist Dr. Jeffrey M. Humphreys, the consumer price inflation will increase by 1.5% in 2013, compared to 2 percent in 2012. Also, the outlook for the CPI is that it will remain on hold until the second quarter of 2015 (COA FY16). Therefore, a 1.5% increase is assumed in the second quarter of 2015 and increased by .2% each fiscal year thereafter.

**TOTAL OPERATING FUNDS EXPENDITURE PROJECTION**

The chart below is a depiction of the total operating budget, which includes the assumptions previously listed. It does not include new initiatives; however, it does include a continuation of previous initiatives and the operating impact of potential capital projects. In addition, there are no provisions for new staff or enhancements to high priority areas other than the incremental amounts required to fund the SAFR and COPS grants as well as fully funding the 41 police officers added to the budget in FY2013.



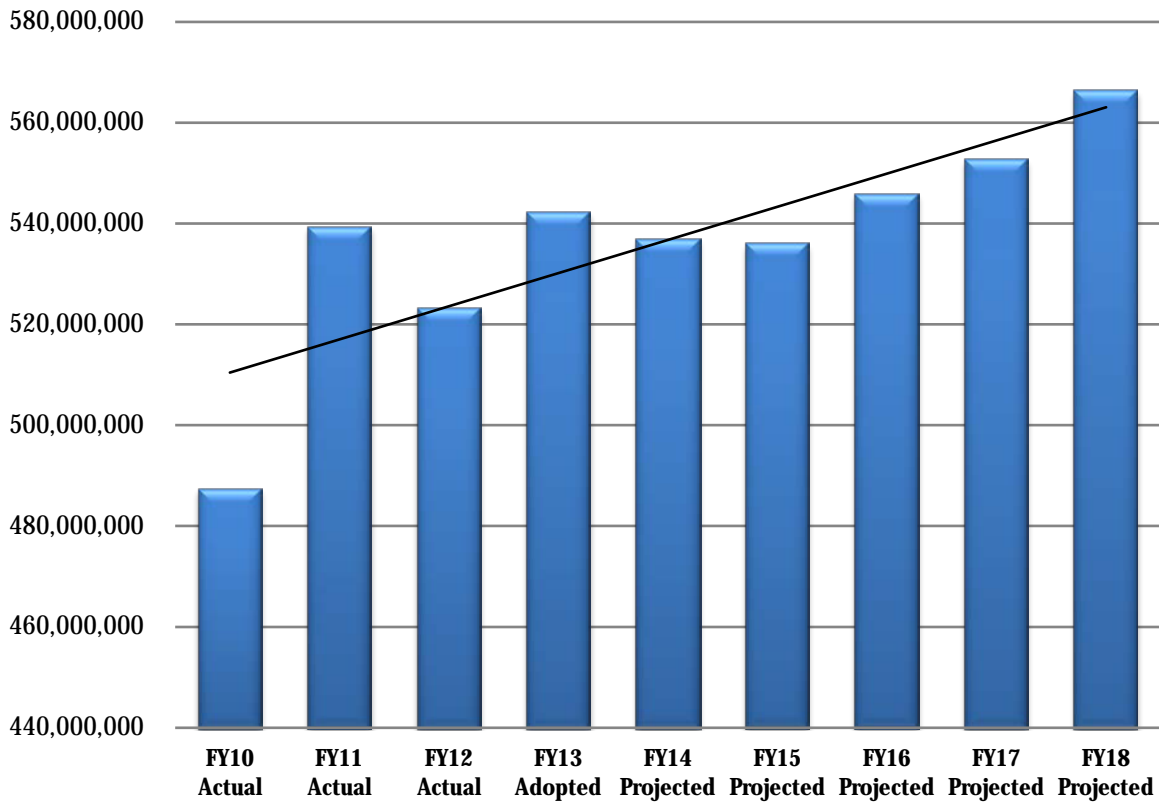
**TOTAL GENERAL FUND EXPENDITURE PROJECTION**

The FY2014 general fund budget depicted below includes fully funding 100 police officers that were partially funded in FY2012, along with fully funding the 41 officer positions that were added to the FY2013 budget. The five year plan also includes a 1% budgeted restricted reserve each year and totals \$5.1MM in FY2014. The purpose of budgeting for a reserve was to build general fund balance to at least \$100MM (general fund reserves totals \$126.7MM as of June 30, 2012) and resolve the capital fund deficit. The Capital Finance Fund was established to centralize all governmental capital purchases. An example of capital purchases would include vehicles for Public Safety, Public Works, and Parks & Recreation, and funding of the City’s ERP solution. As of the close of FY 2012 the amount due to the general fund is \$5MM, a reduction of \$8M from the previous year. A proposed allocation of the Oracle ERP implementation costs to enterprise funds would eliminate any remaining fund deficit in this fund.

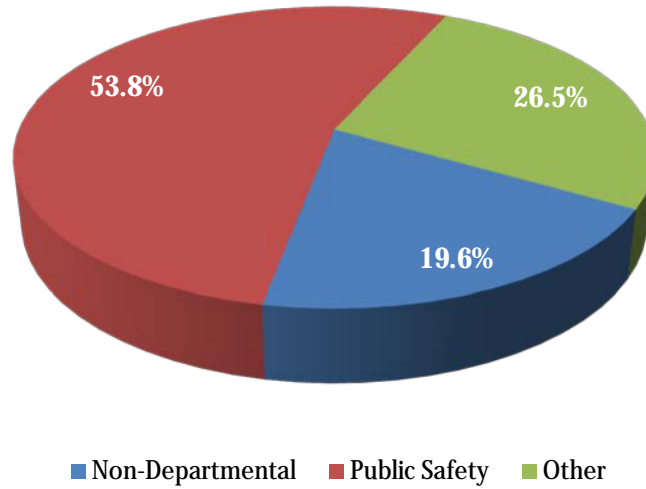
The five year plan also includes a subsidy to E911, one of the City of Atlanta’s deficit funds. If a new rate increase of \$4.00 is passed by the State General Assembly, it will fully support its operations and begin to address the fund’s deficit. However, if the rate does not pass, the general fund subsidy has been included in the FY2014 general fund budget plan totaling \$6.1MM.

Other items included in FY14 budget are election costs, an increased budgeted amount for OPEB, and the operating impacts of new Capital projects.

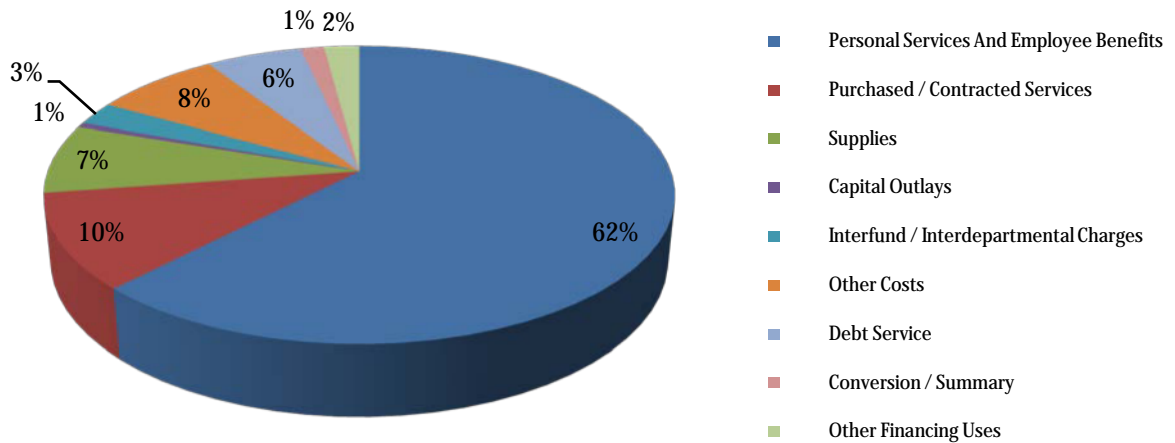
**TOTAL GENERAL FUND EXPENDITURE PROJECTION GRAPH**



**GENERAL FUND FY2014 BASELINE EXPENDITURE PROJECTION  
BY MAJOR DEPARTMENTAL CATEGORY**



Seventy-three percent or 73.4% 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 26.5%.



Sixty-two percent of the budget is comprised of Personnel expenses, of which Police Services is 46% and Fire & Rescue services is 21% of the total. In addition to salaries, a large portion of the personnel expenses is the *Defined Benefit pension plan* and other benefits paid by the City on behalf of the employees. During the FY2012 budget adoption process, the City of Atlanta overhauled its *Defined Benefit pension plan* for general, sworn police and firefighter employees and addressed the growing pension crisis that had impacted the City's fiscal stability. The City voted unanimously to approve comprehensive changes which will address the \$1.5B unfunded liability and reduce its ARC contribution by approximately \$20.4MM as compared to what it would have been without reform.

# 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

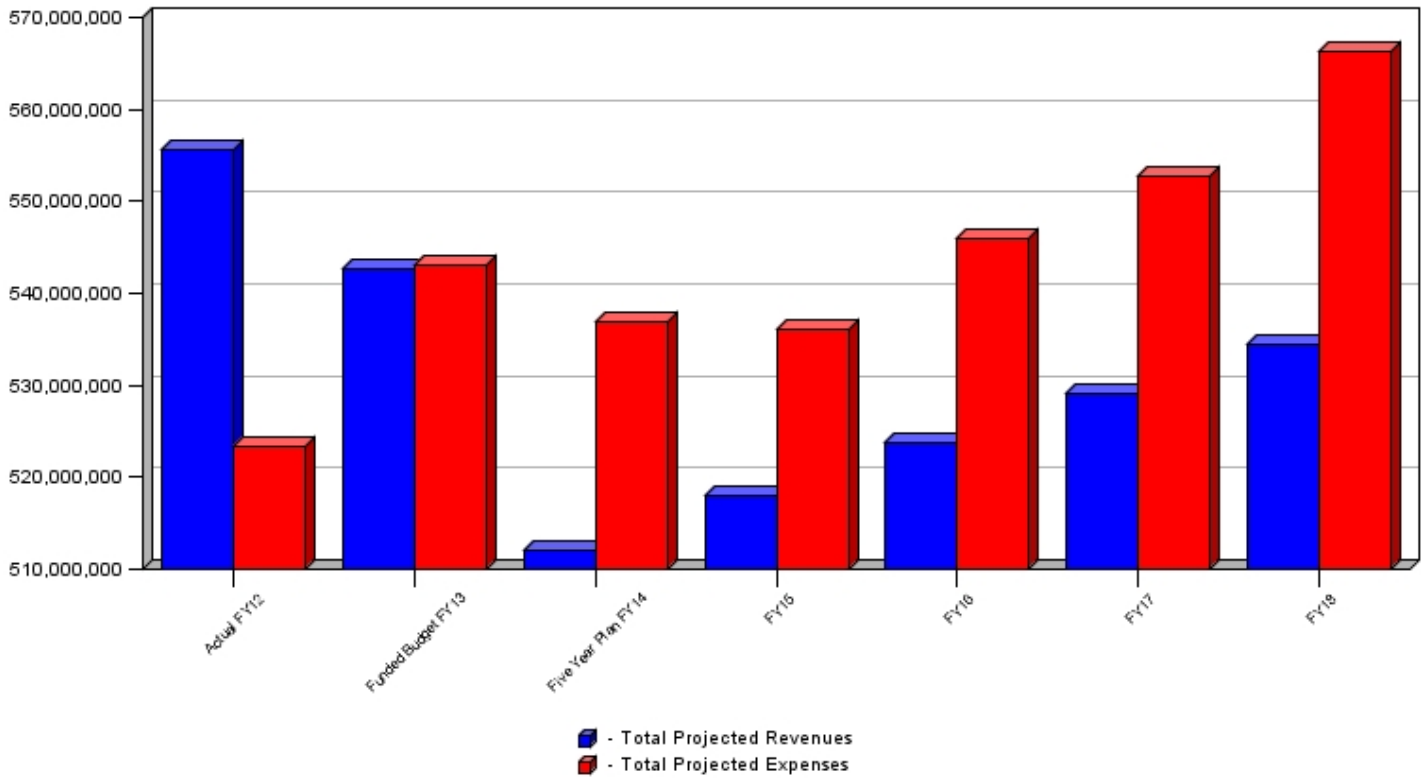
- City Council
- Executive Offices
- Information Technology
- Law
- Corrections
- Finance
- Procurement
- Public Works
- Parks, Recreation & Cultural Affairs
- Judicial –Municipal Court Operations
- Non-Departmental
- Human Resources
- Fire & Rescue
- Police Services
- Planning and Community Development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



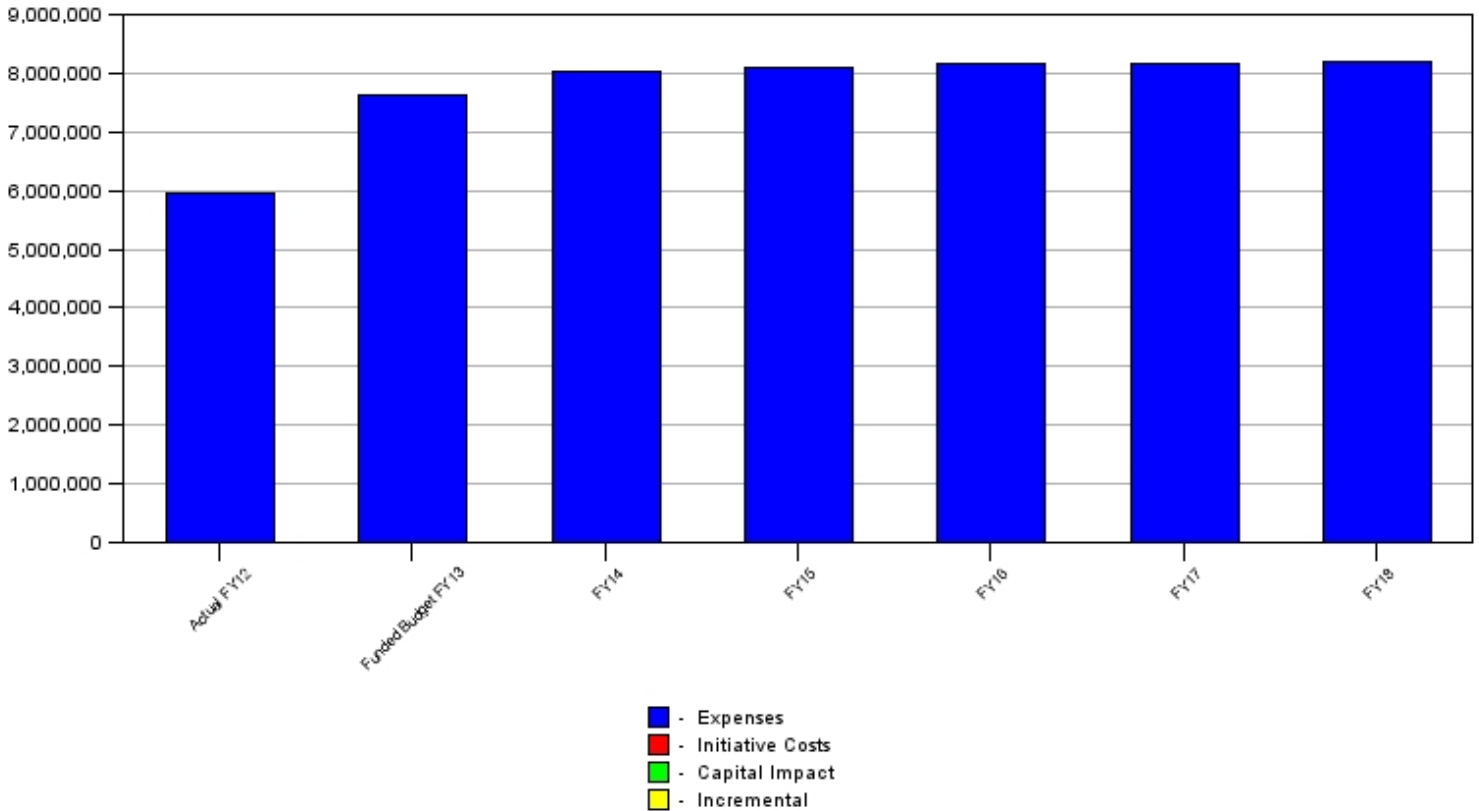
**CITY OF ATLANTA**  
**General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan			Total Plan Years
Total Projected Revenues	\$555,664,135	\$542,583,270	\$512,092,482	\$518,026,374	\$523,710,382	\$529,054,304	\$534,462,989	\$2,617,346,530
Expenses	\$523,295,647	\$543,176,419	\$526,892,283	\$528,295,815	\$538,194,364	\$544,879,389	\$553,676,768	\$2,691,938,621
Initiative Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact		\$0	\$2,500,000	\$100,380	\$101,700	\$101,900	\$4,997,795	\$7,801,775
Incremental		\$0	\$7,607,257	\$7,624,877	\$7,686,084	\$7,695,358	\$7,704,632	\$38,318,208
Total Projected Expenses	\$523,295,647	\$543,176,419	\$536,999,540	\$536,021,072	\$545,982,149	\$552,676,647	\$566,379,195	\$2,738,058,604
Revenues Over(Under) Expenses	\$32,368,489	(\$593,149)	(\$24,907,059)	(\$17,994,699)	(\$22,271,767)	(\$23,622,343)	(\$31,916,206)	(\$120,712,074)
Variance %	6%	0%	(5%)	(3%)	(4%)	(4%)	(6%)	(5%)

The General Fund is the City's primary operating fund. It accounts for all financial transactions of the City, except those required to be accounted for in another fund. The City's property tax base represents one-third of General Fund revenues. Property tax revenue continues to be budgeted conservatively as the reassessment effects of Senate Bill 346 and the overall weakness in both the residential and commercial sectors of the tax digest. The Fiscal Year 2014 General Fund revenue forecast is based on continued property tax digest decline. The overall General Fund revenue forecast mirrors the economic paradigm in other Atlanta metropolitan government and large U.S. cities. Incremental amounts required for 75 SAFER Grant Firefighters, 50 COPS Grant Police officers, and 41 additional officers are included in the General Fund Five Year Plan.

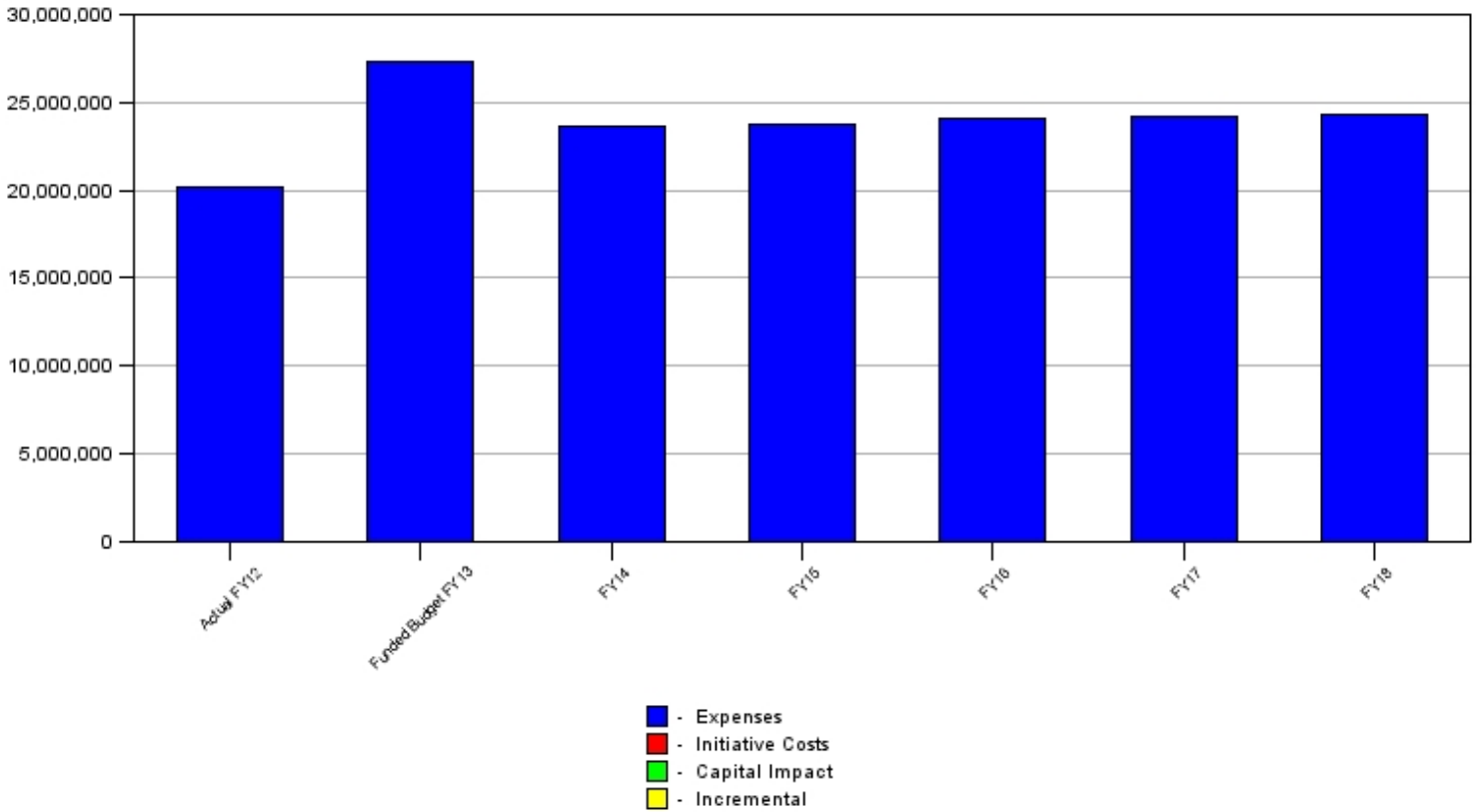
**CITY OF ATLANTA**  
**City Council - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$5,949,712	\$7,624,377	\$8,039,926	\$8,090,259	\$8,158,454	\$8,179,957	\$8,213,436	\$40,682,032
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$5,949,712</b>	<b>\$7,624,377</b>	<b>\$8,039,926</b>	<b>\$8,090,259</b>	<b>\$8,158,454</b>	<b>\$8,179,957</b>	<b>\$8,213,436</b>	<b>\$40,682,032</b>

City Council pay increases are incorporated in accordance with approved legislation.

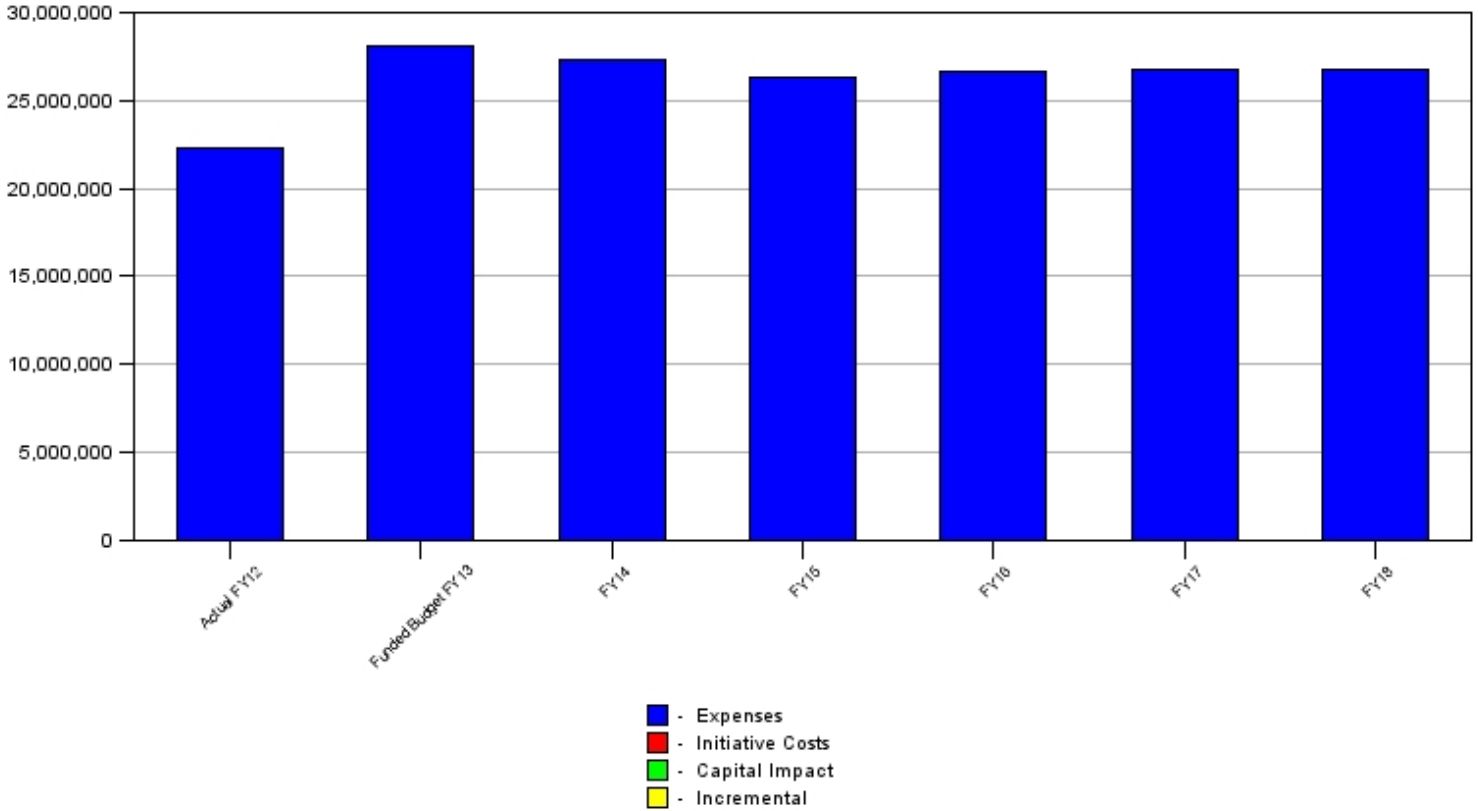
**CITY OF ATLANTA**  
**Executive Offices - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$20,167,729	\$27,324,042	\$23,610,271	\$23,757,371	\$24,052,243	\$24,246,935	\$24,334,726	\$120,001,546
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$20,167,729</b>	<b>\$27,324,042</b>	<b>\$23,610,271</b>	<b>\$23,757,371</b>	<b>\$24,052,243</b>	<b>\$24,246,935</b>	<b>\$24,334,726</b>	<b>\$120,001,546</b>

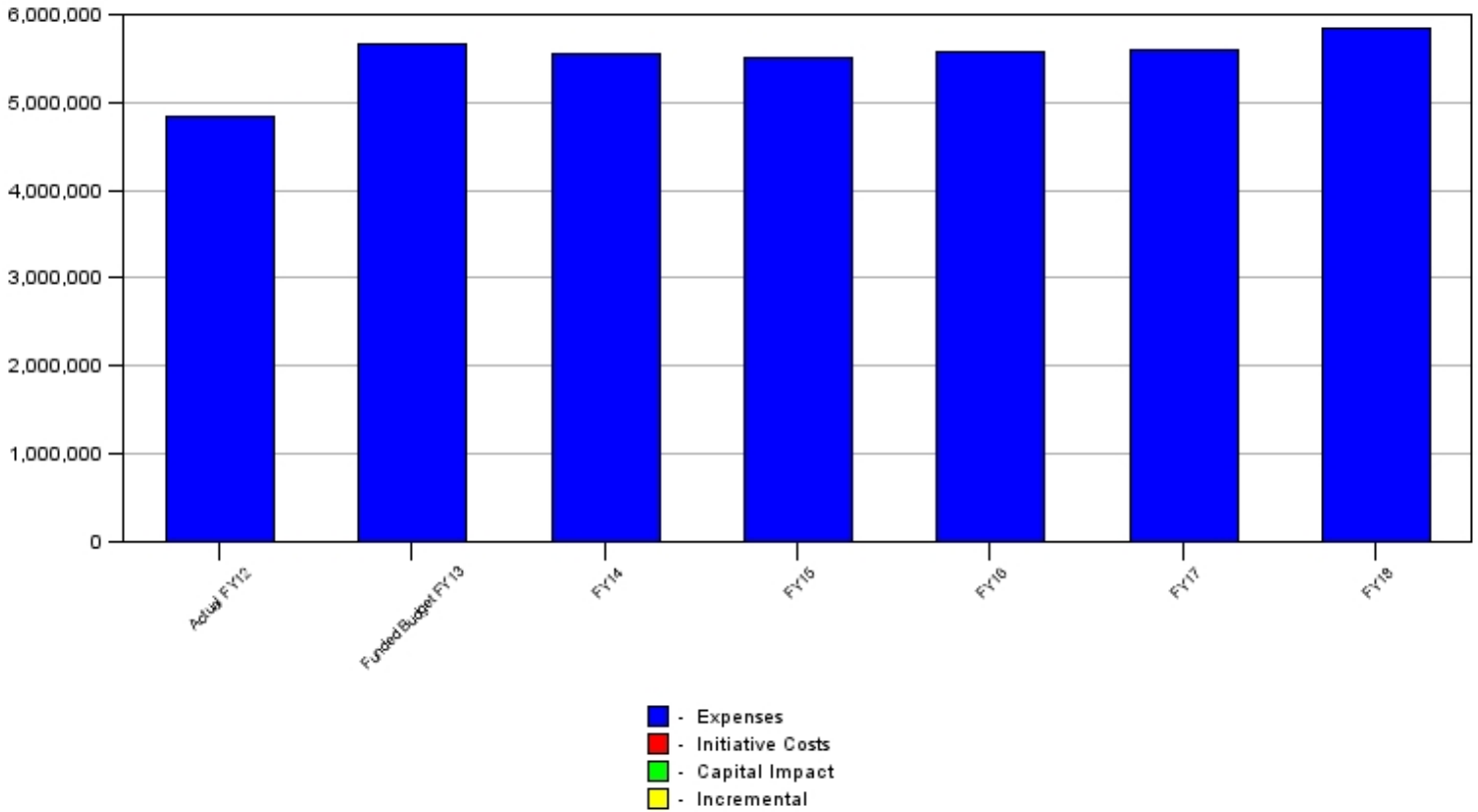


**CITY OF ATLANTA**  
**Department Of Information Technology - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



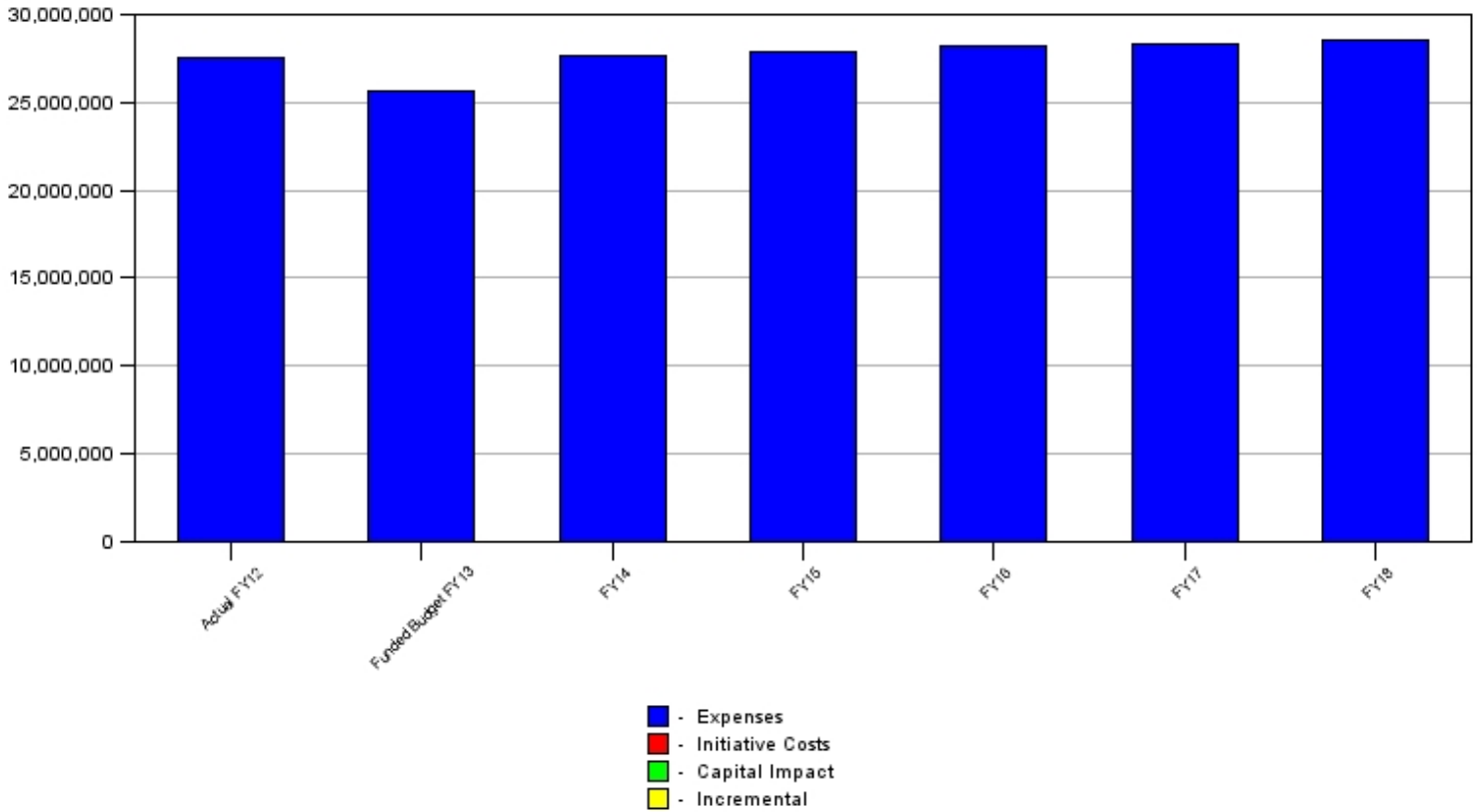
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$22,312,969	\$28,089,783	\$27,378,621	\$26,315,800	\$26,663,539	\$26,732,961	\$26,814,954	\$133,905,875
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$22,312,969</b>	<b>\$28,089,783</b>	<b>\$27,378,621</b>	<b>\$26,315,800</b>	<b>\$26,663,539</b>	<b>\$26,732,961</b>	<b>\$26,814,954</b>	<b>\$133,905,875</b>

**CITY OF ATLANTA**  
**Department Of Law - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$4,846,679	\$5,674,062	\$5,556,605	\$5,505,188	\$5,576,050	\$5,594,385	\$5,841,925	\$28,074,152
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$4,846,679</b>	<b>\$5,674,062</b>	<b>\$5,556,605</b>	<b>\$5,505,188</b>	<b>\$5,576,050</b>	<b>\$5,594,385</b>	<b>\$5,841,925</b>	<b>\$28,074,152</b>

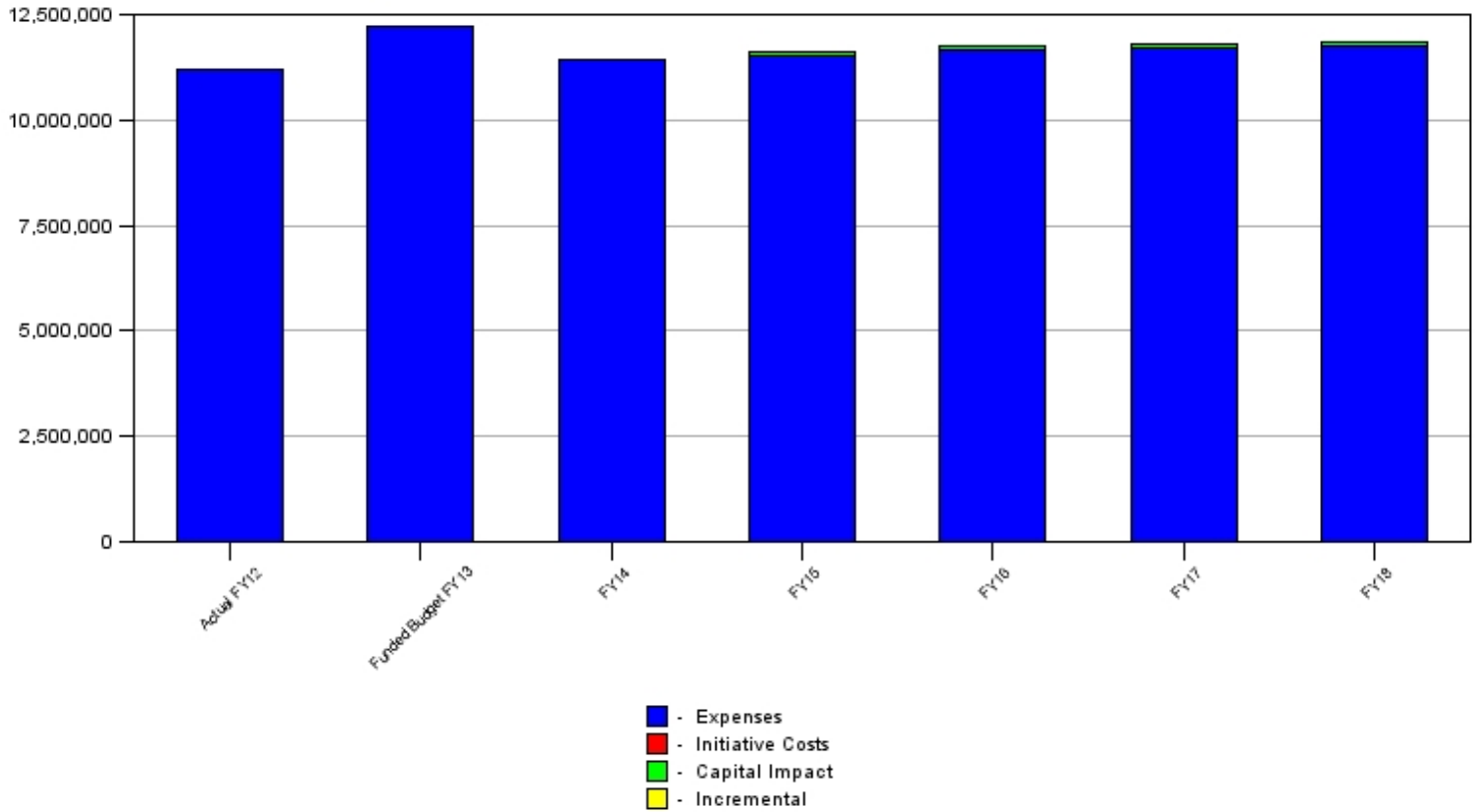
**CITY OF ATLANTA**  
**Department Of Corrections - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$27,495,373	\$25,605,509	\$27,623,274	\$27,895,605	\$28,187,467	\$28,364,711	\$28,540,141	\$140,611,198
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$27,495,373</b>	<b>\$25,605,509</b>	<b>\$27,623,274</b>	<b>\$27,895,605</b>	<b>\$28,187,467</b>	<b>\$28,364,711</b>	<b>\$28,540,141</b>	<b>\$140,611,198</b>

Increase is due to additional accounts for Water/Sewer at Grady locations (Butler Street and Edgewood).

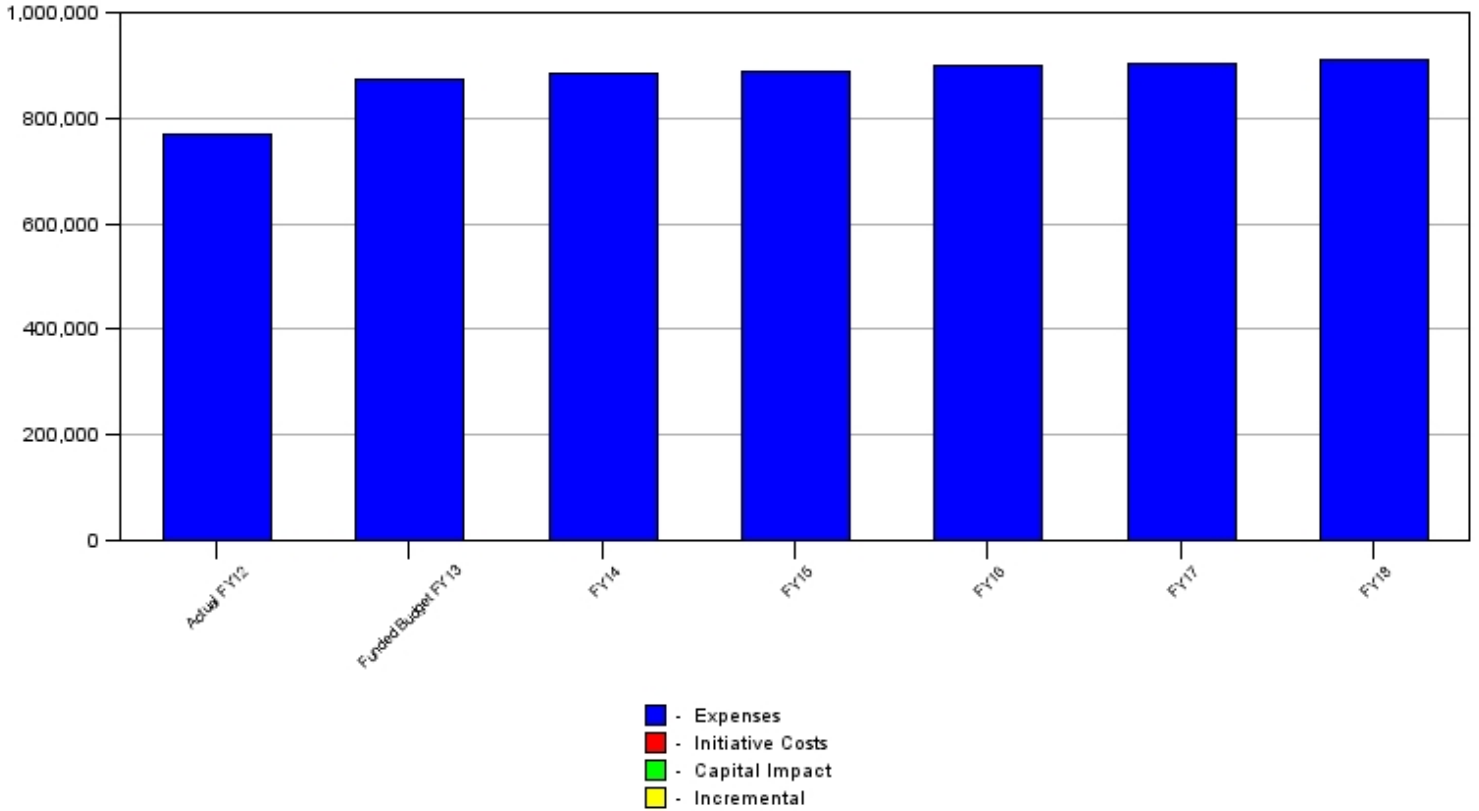
**CITY OF ATLANTA**  
**Department Of Finance - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$11,212,885	\$12,242,767	\$11,431,543	\$11,518,146	\$11,670,839	\$11,713,282	\$11,770,570	\$58,104,379
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$100,380	\$101,700	\$101,900	\$102,100	\$406,080
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$11,212,885</b>	<b>\$12,242,767</b>	<b>\$11,431,543</b>	<b>\$11,618,526</b>	<b>\$11,772,539</b>	<b>\$11,815,182</b>	<b>\$11,872,670</b>	<b>\$58,510,459</b>

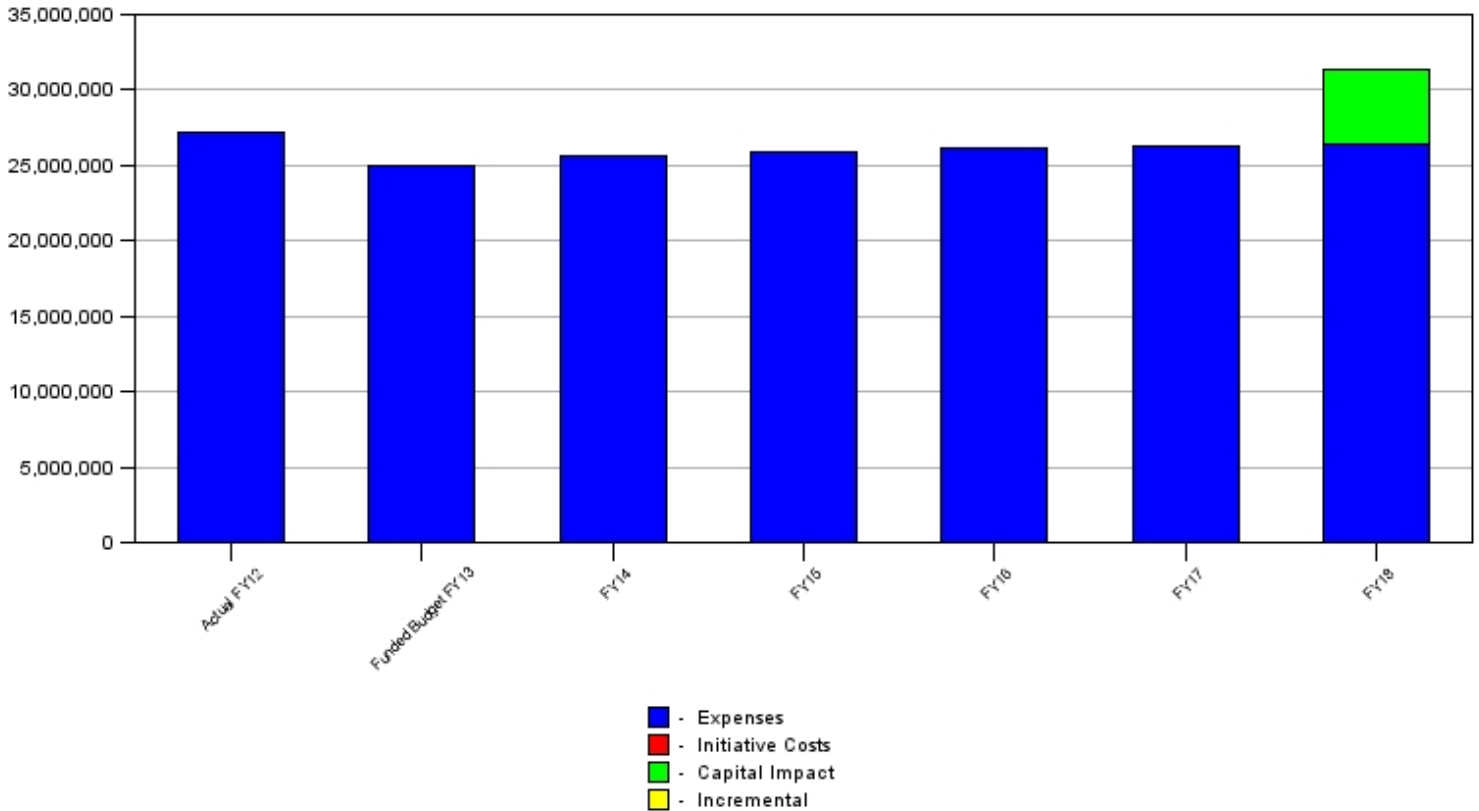
The Department of Finance will purchase new Business License Software. The annual maintenance on this contract will be \$100,380 beginning in fiscal year 2015.

**CITY OF ATLANTA**  
**Department Of Procurement - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$768,079	\$872,234	\$883,163	\$889,531	\$901,184	\$904,681	\$909,055	\$4,487,614
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$768,079</b>	<b>\$872,234</b>	<b>\$883,163</b>	<b>\$889,531</b>	<b>\$901,184</b>	<b>\$904,681</b>	<b>\$909,055</b>	<b>\$4,487,614</b>

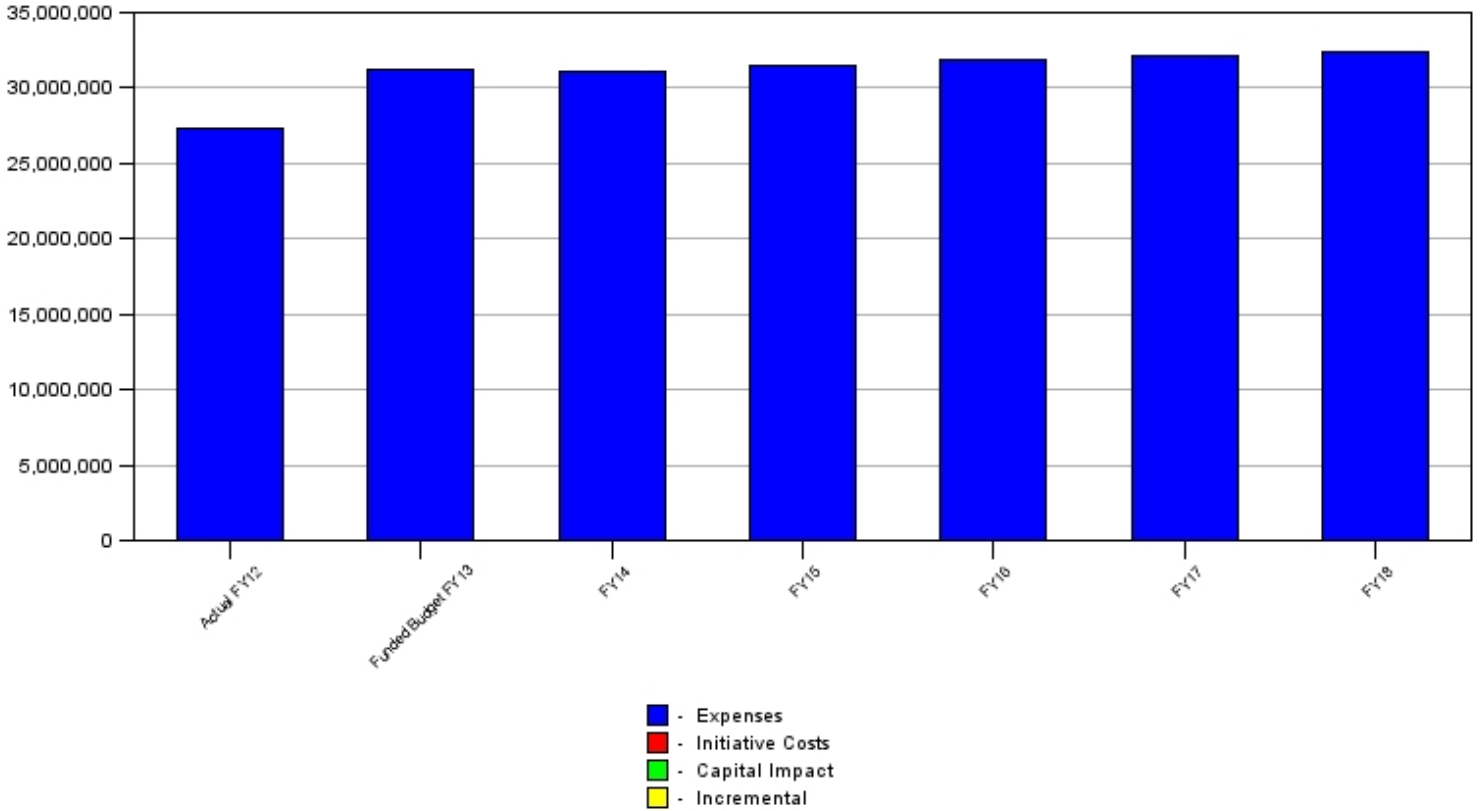
**CITY OF ATLANTA**  
**Department Of Public Works - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$27,209,660	\$24,963,924	\$25,635,198	\$25,886,256	\$26,145,010	\$26,280,750	\$26,446,725	\$130,393,940
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$4,895,695	\$4,895,695
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$27,209,660</b>	<b>\$24,963,924</b>	<b>\$25,635,198</b>	<b>\$25,886,256</b>	<b>\$26,145,010</b>	<b>\$26,280,750</b>	<b>\$31,342,420</b>	<b>\$135,289,635</b>

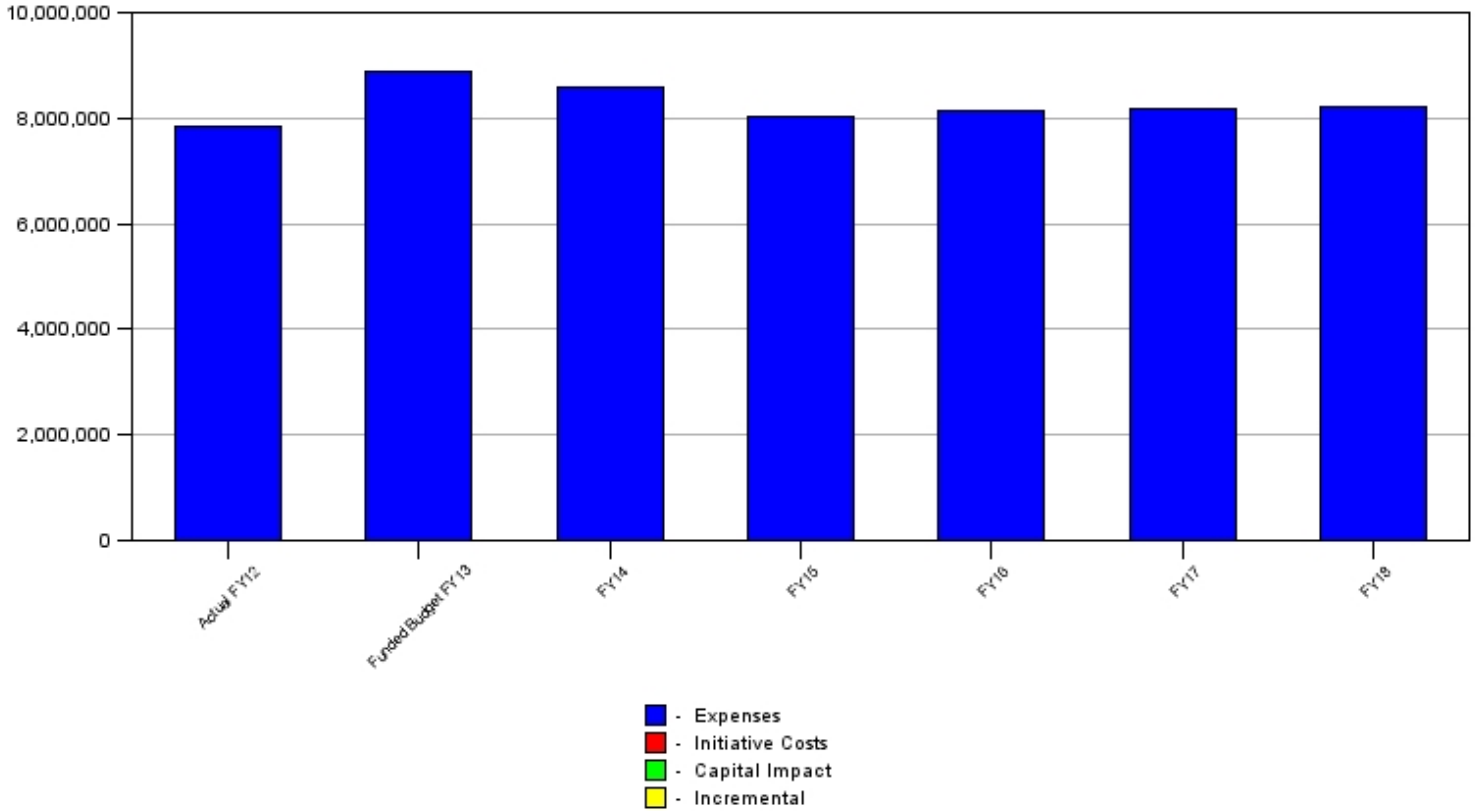
The Capital Impact of \$4.9MM for Consulting Services for FY18 is due to \$250MM proposed infrastructure projects.

**CITY OF ATLANTA**  
**Dept Of Parks, Recreation & Cultural Aff - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$27,333,046	\$31,192,536	\$31,056,803	\$31,444,422	\$31,882,281	\$32,162,429	\$32,395,140	\$158,941,074
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$27,333,046</b>	<b>\$31,192,536</b>	<b>\$31,056,803</b>	<b>\$31,444,422</b>	<b>\$31,882,281</b>	<b>\$32,162,429</b>	<b>\$32,395,140</b>	<b>\$158,941,074</b>

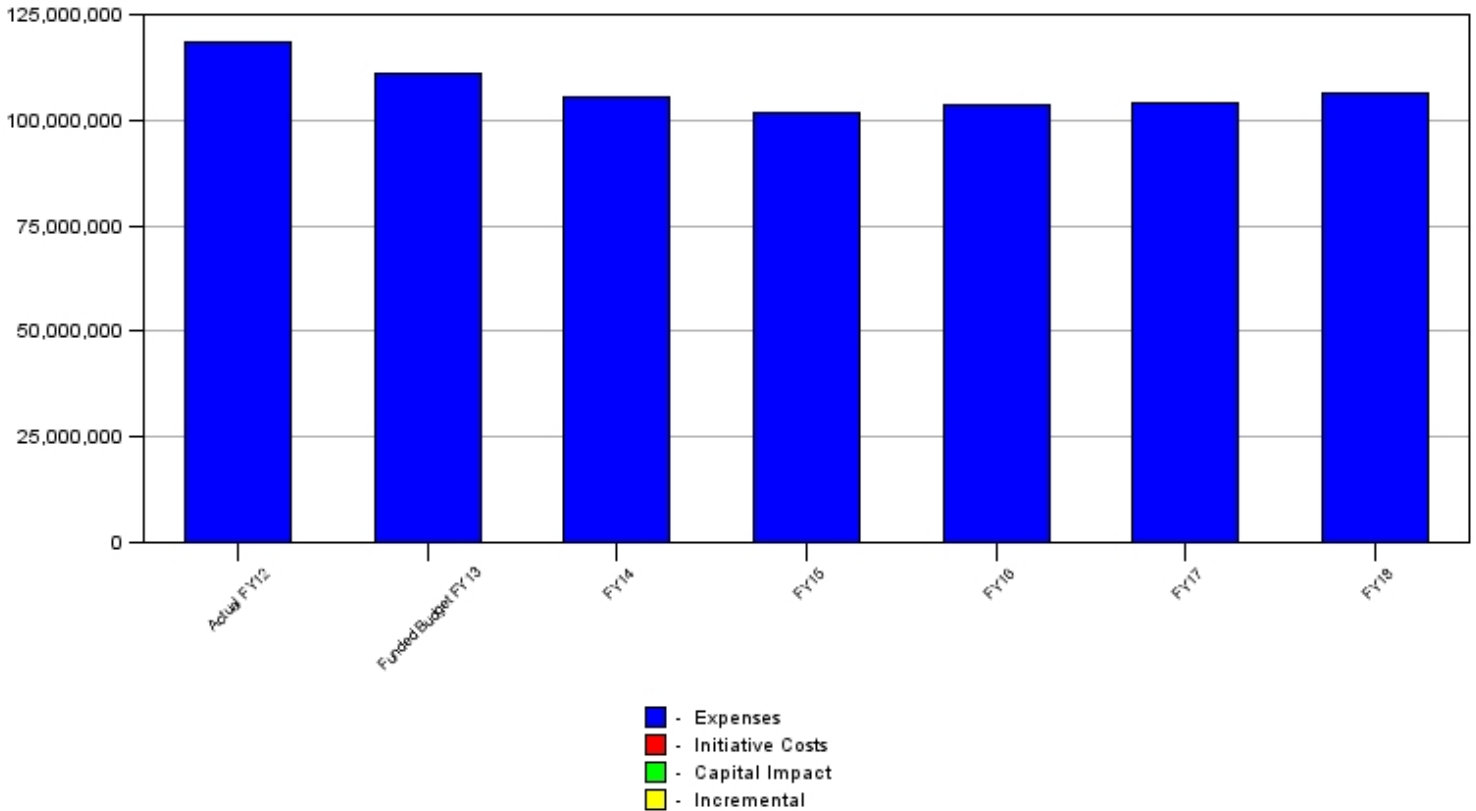
**CITY OF ATLANTA**  
**Judicial Agencies - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$7,860,847	\$8,885,215	\$8,579,545	\$8,032,846	\$8,136,608	\$8,172,967	\$8,231,035	\$41,153,001
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$7,860,847</b>	<b>\$8,885,215</b>	<b>\$8,579,545</b>	<b>\$8,032,846</b>	<b>\$8,136,608</b>	<b>\$8,172,967</b>	<b>\$8,231,035</b>	<b>\$41,153,001</b>



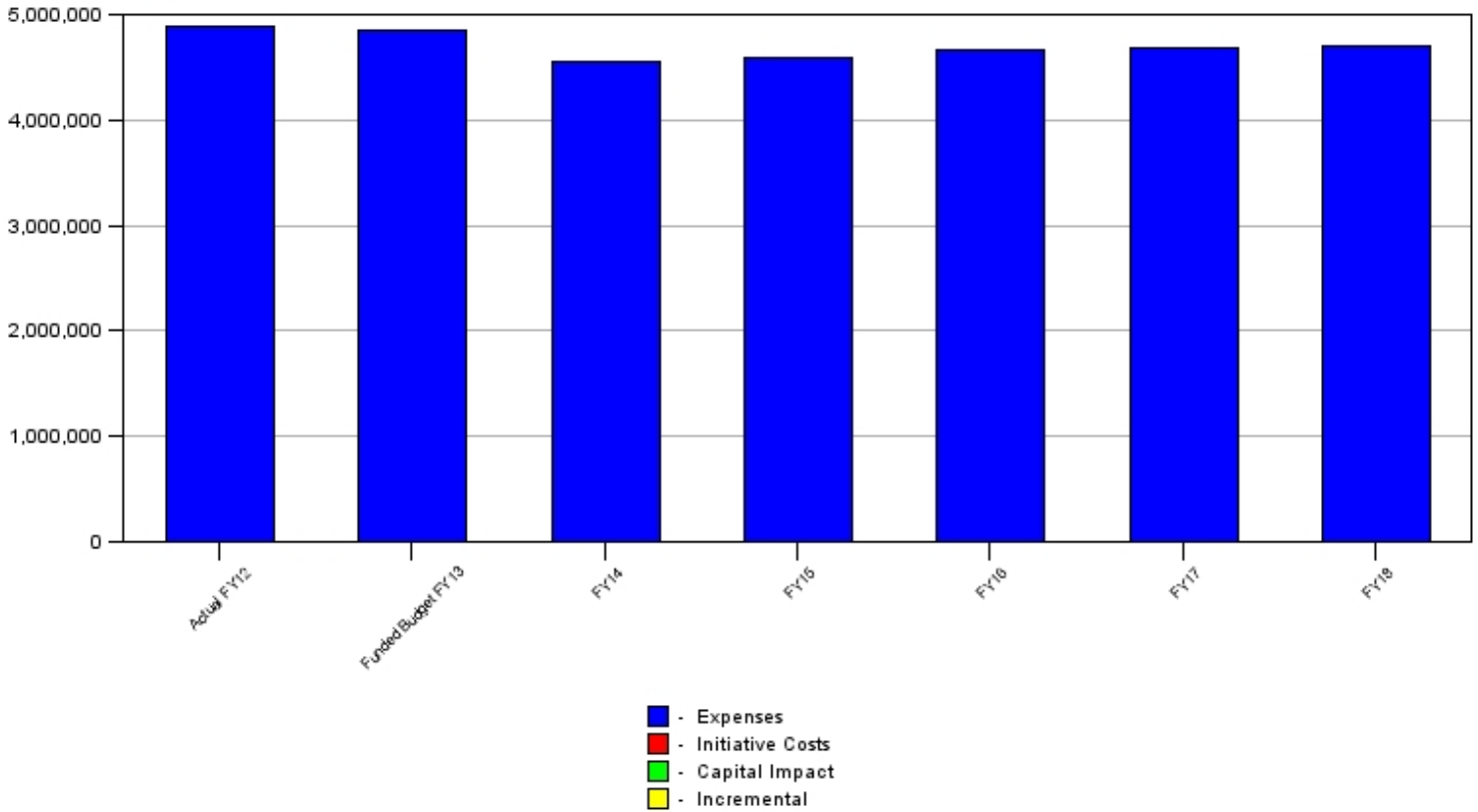
**CITY OF ATLANTA**  
**Non-Departmental - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$118,629,812	\$111,205,224	\$105,500,508	\$101,978,063	\$103,455,560	\$104,198,992	\$106,570,255	\$521,703,378
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$118,629,812</b>	<b>\$111,205,224</b>	<b>\$105,500,508</b>	<b>\$101,978,063</b>	<b>\$103,455,560</b>	<b>\$104,198,992</b>	<b>\$106,570,255</b>	<b>\$521,703,378</b>

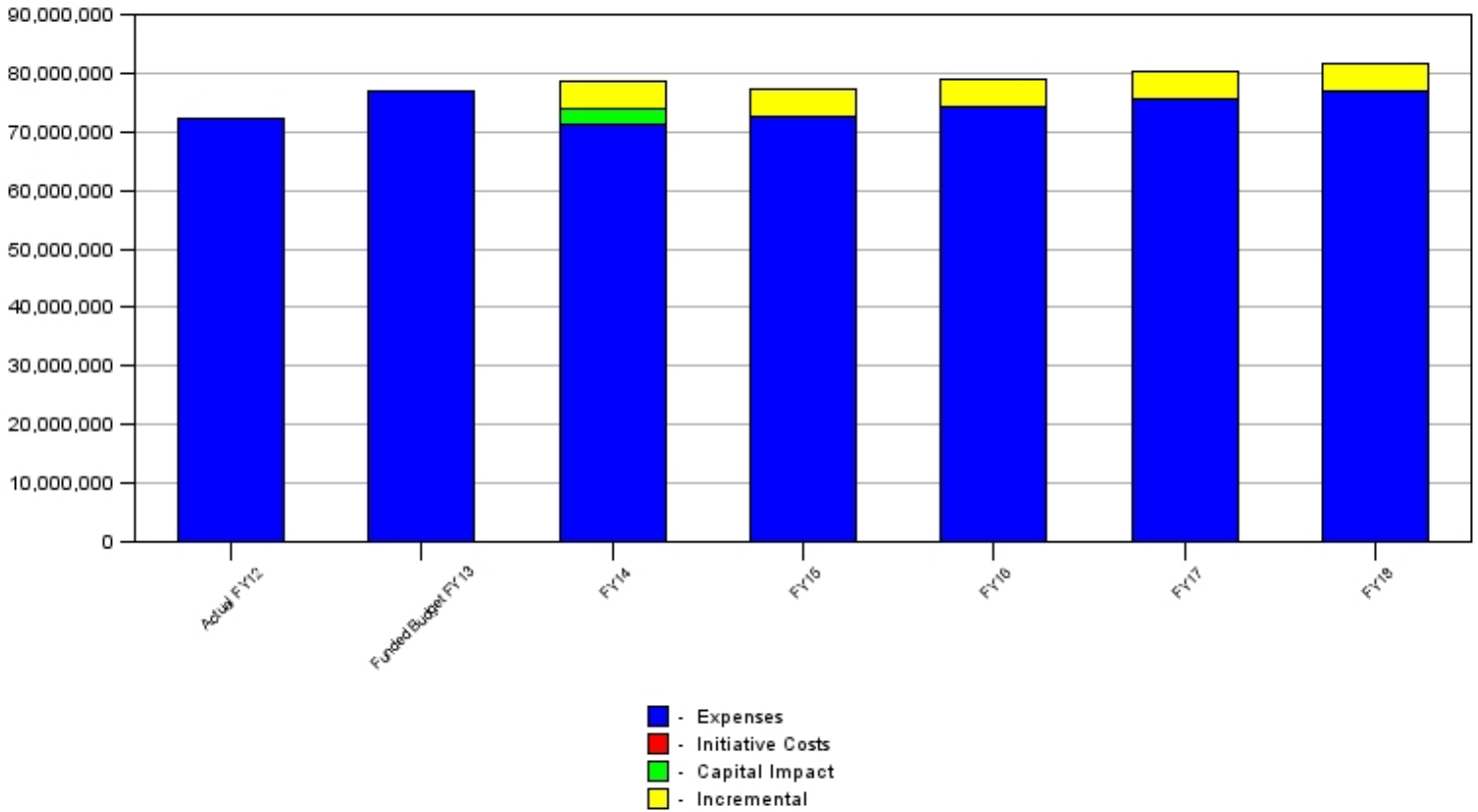
Nondepartmental decrease from FY2014 to FY2015 of \$3.5MM is due mainly to \$2.4MM election expenses needed for FY2014 and not needed for FY2015 and \$1.1MM MOU interest payments decrease.

**CITY OF ATLANTA**  
**Department Of Human Resources - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$4,887,023	\$4,845,689	\$4,550,824	\$4,597,976	\$4,657,984	\$4,678,210	\$4,709,966	\$23,194,960
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$4,887,023</b>	<b>\$4,845,689</b>	<b>\$4,550,824</b>	<b>\$4,597,976</b>	<b>\$4,657,984</b>	<b>\$4,678,210</b>	<b>\$4,709,966</b>	<b>\$23,194,960</b>

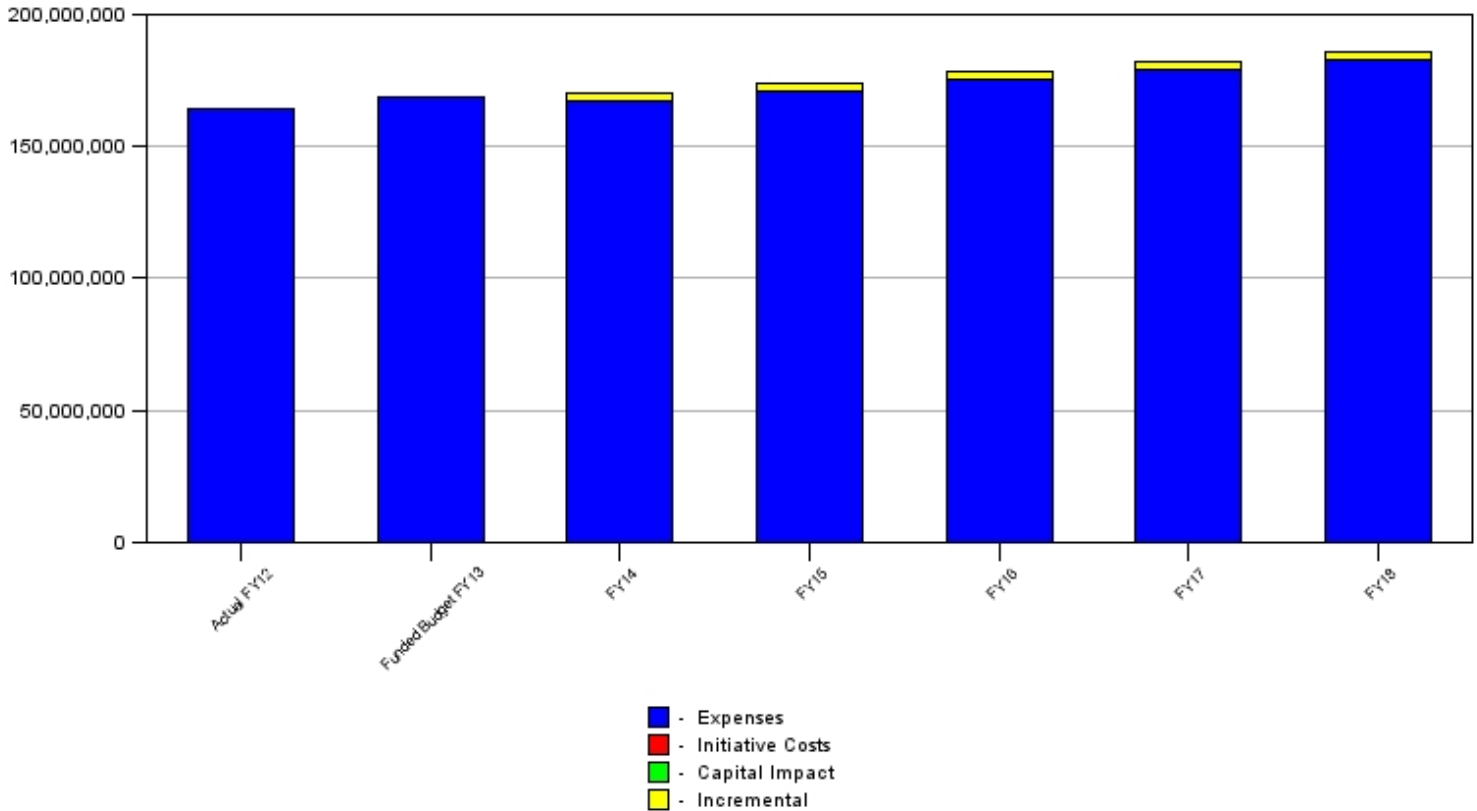
**CITY OF ATLANTA**  
**Department Of Fire Services - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$72,119,456	\$76,810,408	\$71,328,064	\$72,676,828	\$74,332,331	\$75,613,781	\$76,931,478	\$370,882,483
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$2,500,000	\$0	\$0	\$0	\$0	\$2,500,000
Incremental	\$0	\$0	\$4,701,365	\$4,711,852	\$4,748,279	\$4,753,799	\$4,759,318	\$23,674,613
<b>Total Projected Expenses</b>	<b>\$72,119,456</b>	<b>\$76,810,408</b>	<b>\$78,529,429</b>	<b>\$77,388,680</b>	<b>\$79,080,611</b>	<b>\$80,367,580</b>	<b>\$81,690,797</b>	<b>\$397,057,096</b>

Total Capital Impact of \$2.5MM for FY14 is due to Fire Station #7 renovation.  
 Total Incremental of \$4.7MM is due to 75 S.A.F.E.R. positions that are fully funded for FY14-FY18.

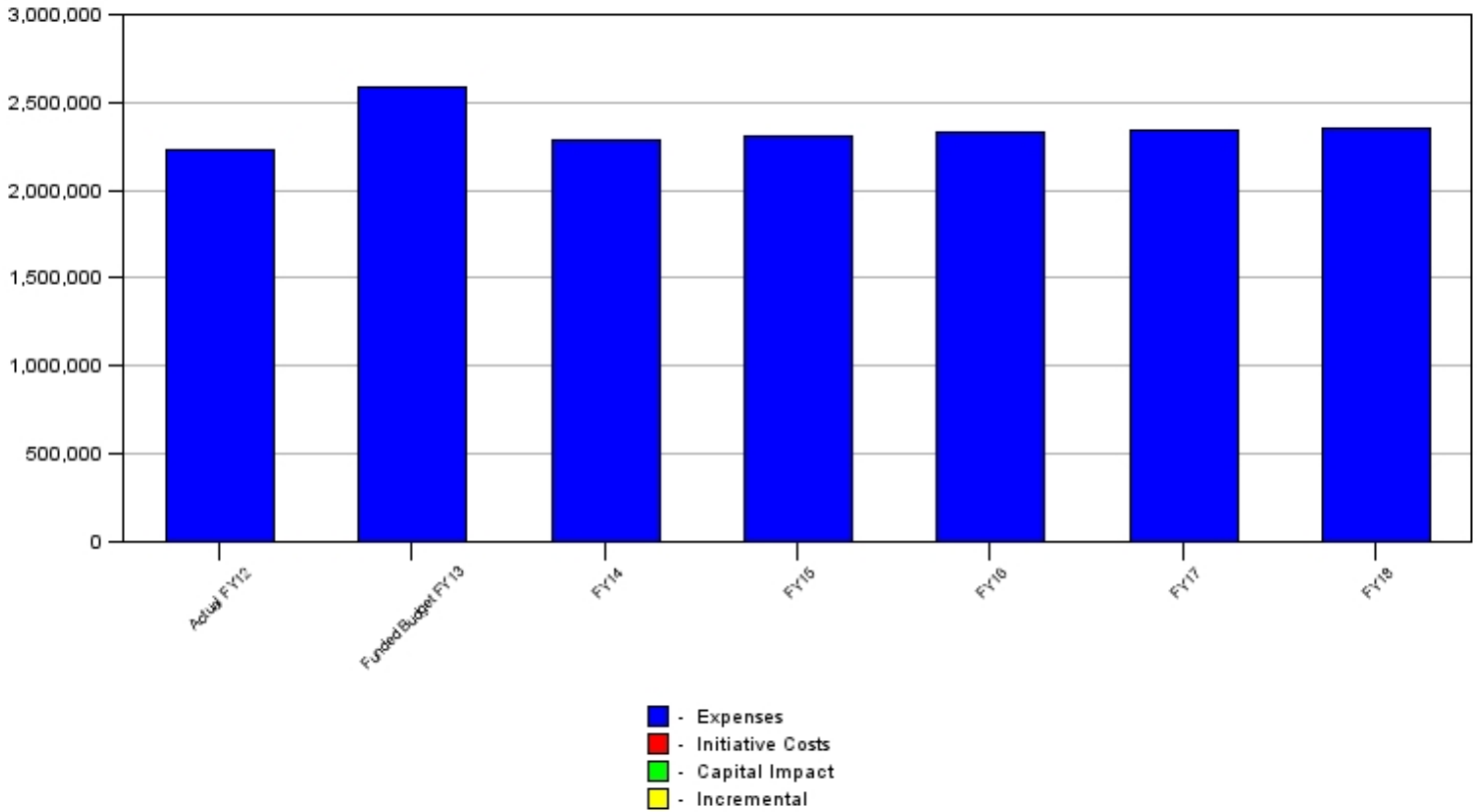
**CITY OF ATLANTA**  
**Department Of Police Services - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$164,257,407	\$168,651,480	\$167,031,401	\$170,957,897	\$175,513,305	\$179,142,292	\$183,032,494	\$875,677,390
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$2,905,892	\$2,913,025	\$2,937,805	\$2,941,559	\$2,945,314	\$14,643,595
<b>Total Projected Expenses</b>	<b>\$164,257,407</b>	<b>\$168,651,480</b>	<b>\$169,937,293</b>	<b>\$173,870,923</b>	<b>\$178,451,110</b>	<b>\$182,083,851</b>	<b>\$185,977,808</b>	<b>\$890,320,984</b>

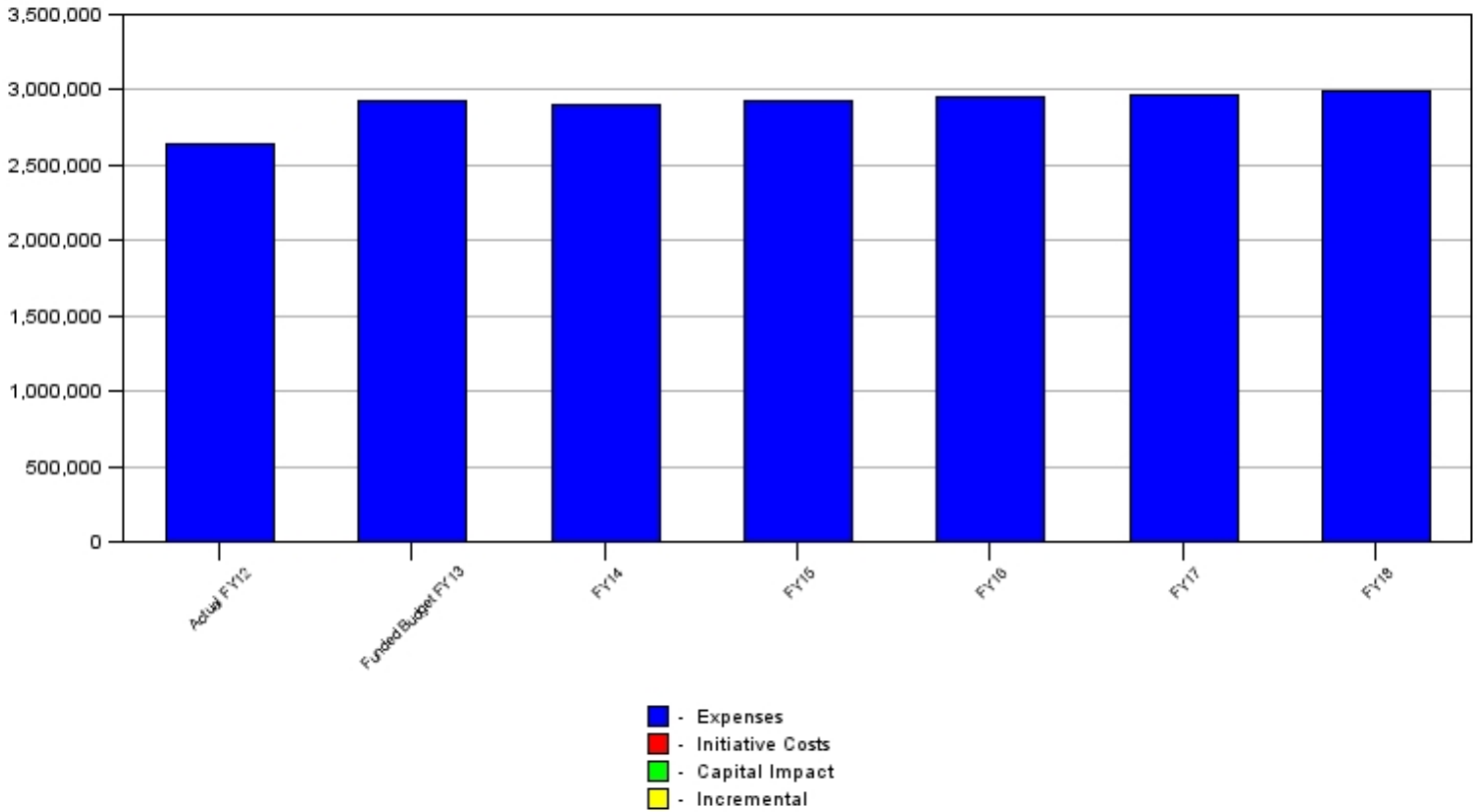
Total incremental increase of \$2.9MM is due to \$1.6MM of COPS Grant Funding that will end December 31, 2013 and \$1.3MM of incremental cost for 41 Officers fully funded for FY2014.

**CITY OF ATLANTA**  
**Dept Of Planning & Community Development - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



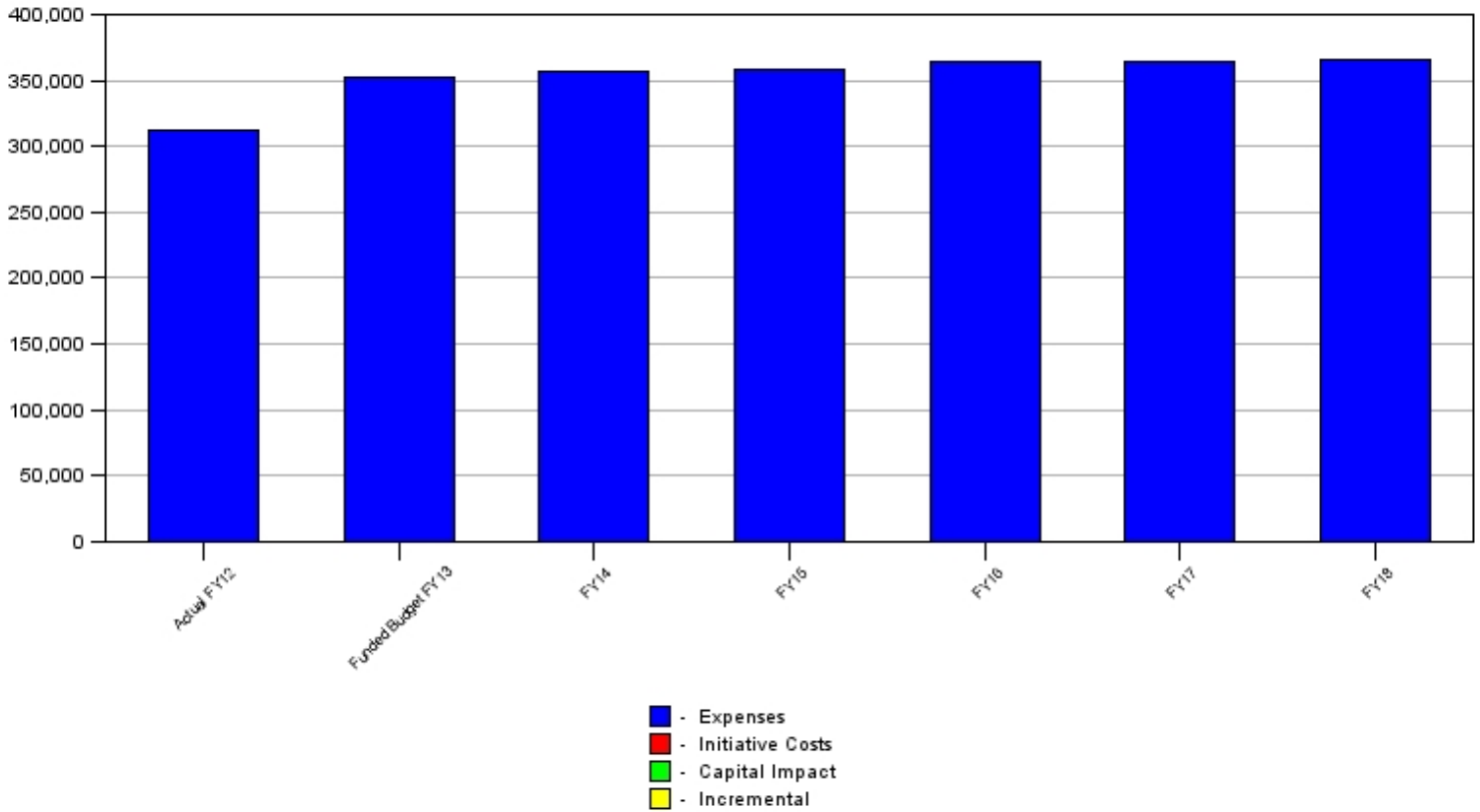
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$2,233,543	\$2,587,757	\$2,287,656	\$2,303,661	\$2,333,312	\$2,341,102	\$2,351,656	\$11,617,386
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$2,233,543</b>	<b>\$2,587,757</b>	<b>\$2,287,656</b>	<b>\$2,303,661</b>	<b>\$2,333,312</b>	<b>\$2,341,102</b>	<b>\$2,351,656</b>	<b>\$11,617,386</b>

**CITY OF ATLANTA**  
**Department Of The Solicitor - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



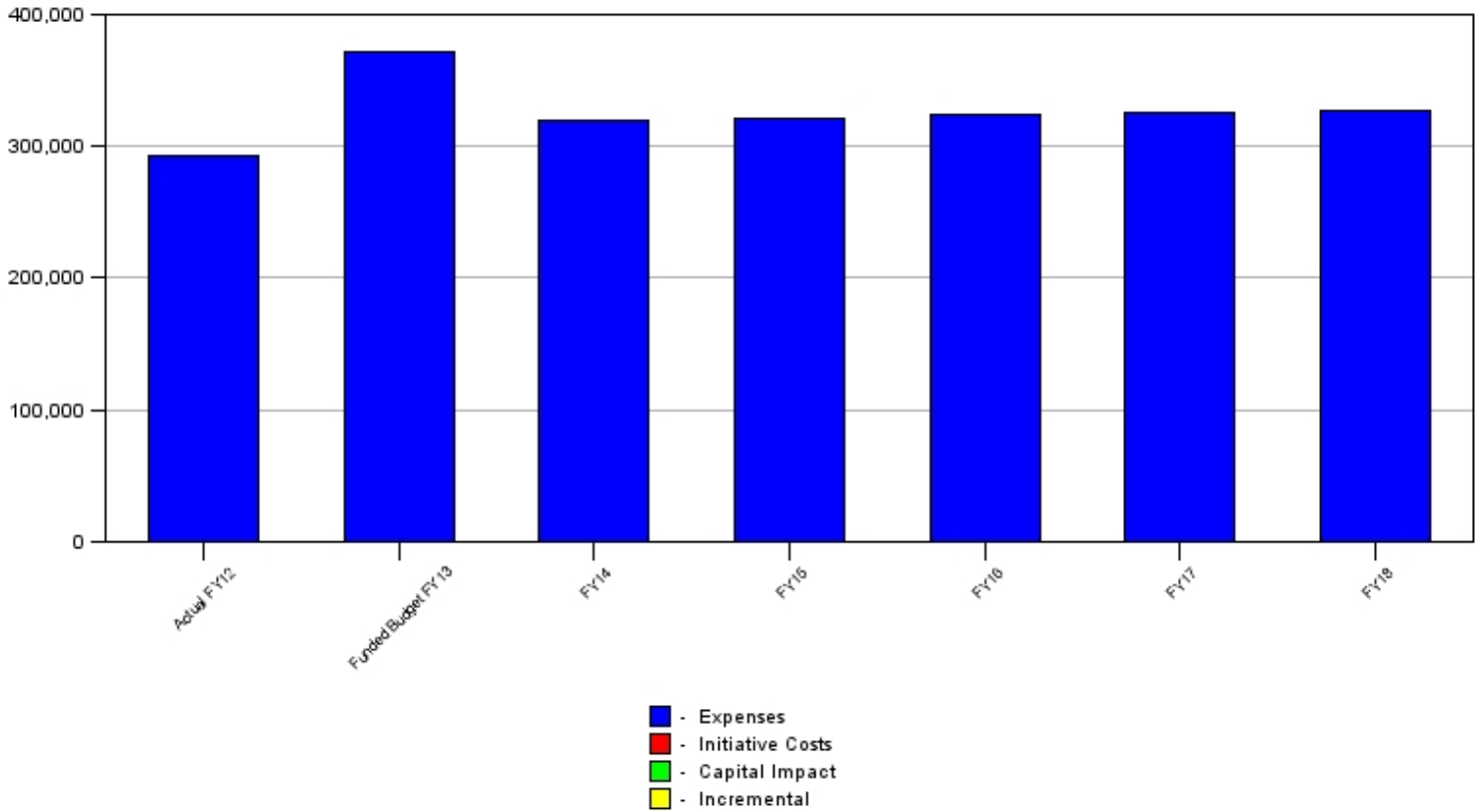
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$2,641,757	\$2,932,943	\$2,896,912	\$2,922,280	\$2,959,032	\$2,971,220	\$2,988,416	\$14,737,861
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$2,641,757</b>	<b>\$2,932,943</b>	<b>\$2,896,912</b>	<b>\$2,922,280</b>	<b>\$2,959,032</b>	<b>\$2,971,220</b>	<b>\$2,988,416</b>	<b>\$14,737,861</b>

**CITY OF ATLANTA**  
**Department Of Ethics - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$311,966	\$351,741	\$357,392	\$359,066	\$363,704	\$364,809	\$365,915	\$1,810,885
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$311,966</b>	<b>\$351,741</b>	<b>\$357,392</b>	<b>\$359,066</b>	<b>\$363,704</b>	<b>\$364,809</b>	<b>\$365,915</b>	<b>\$1,810,885</b>

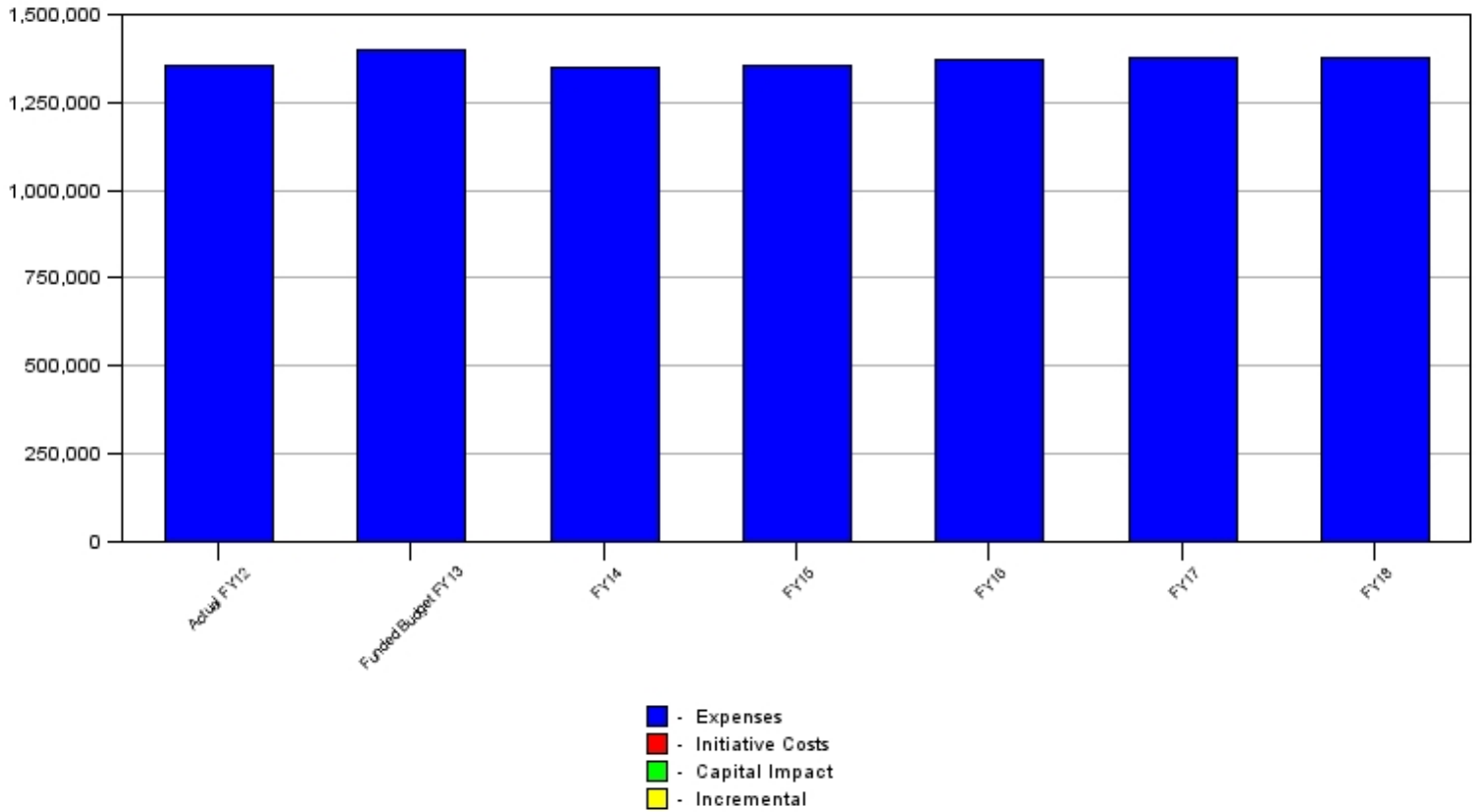
**CITY OF ATLANTA**  
**Atlanta Citizens Review Board - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$292,582	\$371,490	\$319,030	\$320,513	\$324,661	\$325,633	\$326,604	\$1,616,441
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$292,582</b>	<b>\$371,490</b>	<b>\$319,030</b>	<b>\$320,513</b>	<b>\$324,661</b>	<b>\$325,633</b>	<b>\$326,604</b>	<b>\$1,616,441</b>

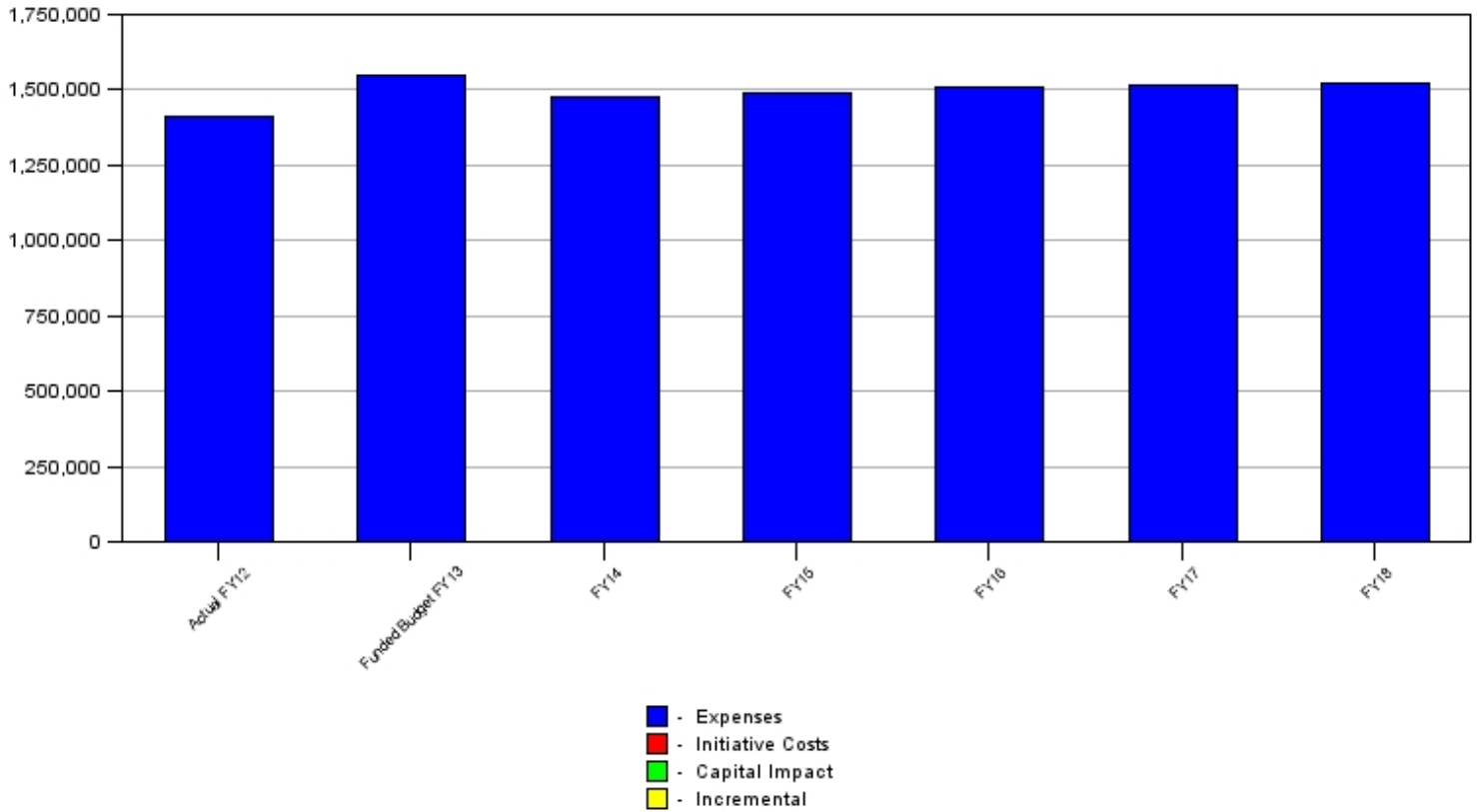


**CITY OF ATLANTA**  
**Department Of Audit - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



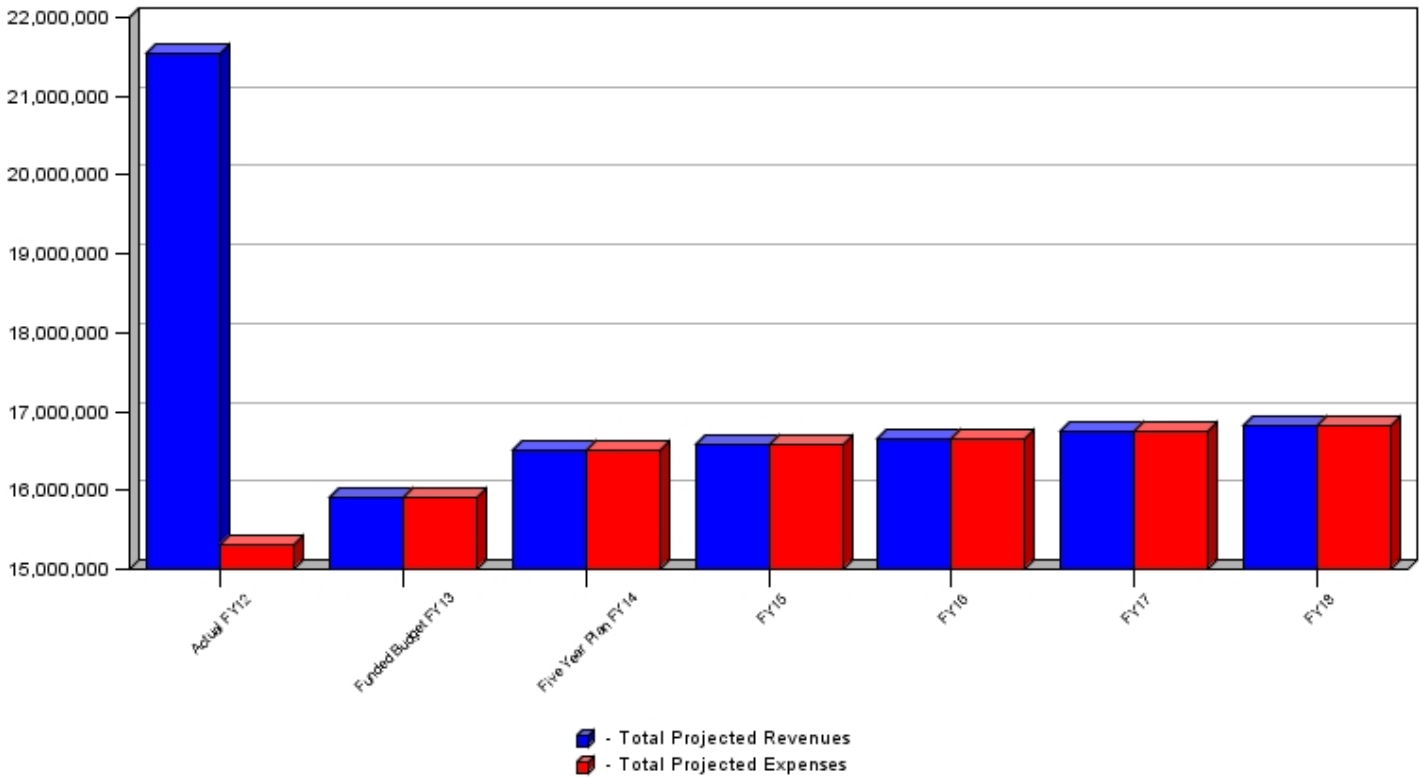
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$1,354,807	\$1,399,541	\$1,346,939	\$1,353,478	\$1,370,997	\$1,374,668	\$1,378,553	\$6,824,636
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$1,354,807</b>	<b>\$1,399,541</b>	<b>\$1,346,939</b>	<b>\$1,353,478</b>	<b>\$1,370,997</b>	<b>\$1,374,668</b>	<b>\$1,378,553</b>	<b>\$6,824,636</b>

**CITY OF ATLANTA**  
**Department Of Public Defender - General Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$1,410,315	\$1,545,697	\$1,478,608	\$1,490,630	\$1,509,805	\$1,515,625	\$1,523,723	\$7,518,391
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$1,410,315</b>	<b>\$1,545,697</b>	<b>\$1,478,608</b>	<b>\$1,490,630</b>	<b>\$1,509,805</b>	<b>\$1,515,625</b>	<b>\$1,523,723</b>	<b>\$7,518,391</b>

**CITY OF ATLANTA**  
**Emergency Telephone System - Five Year Plan**  
**Fiscal Years FY14 - FY18**

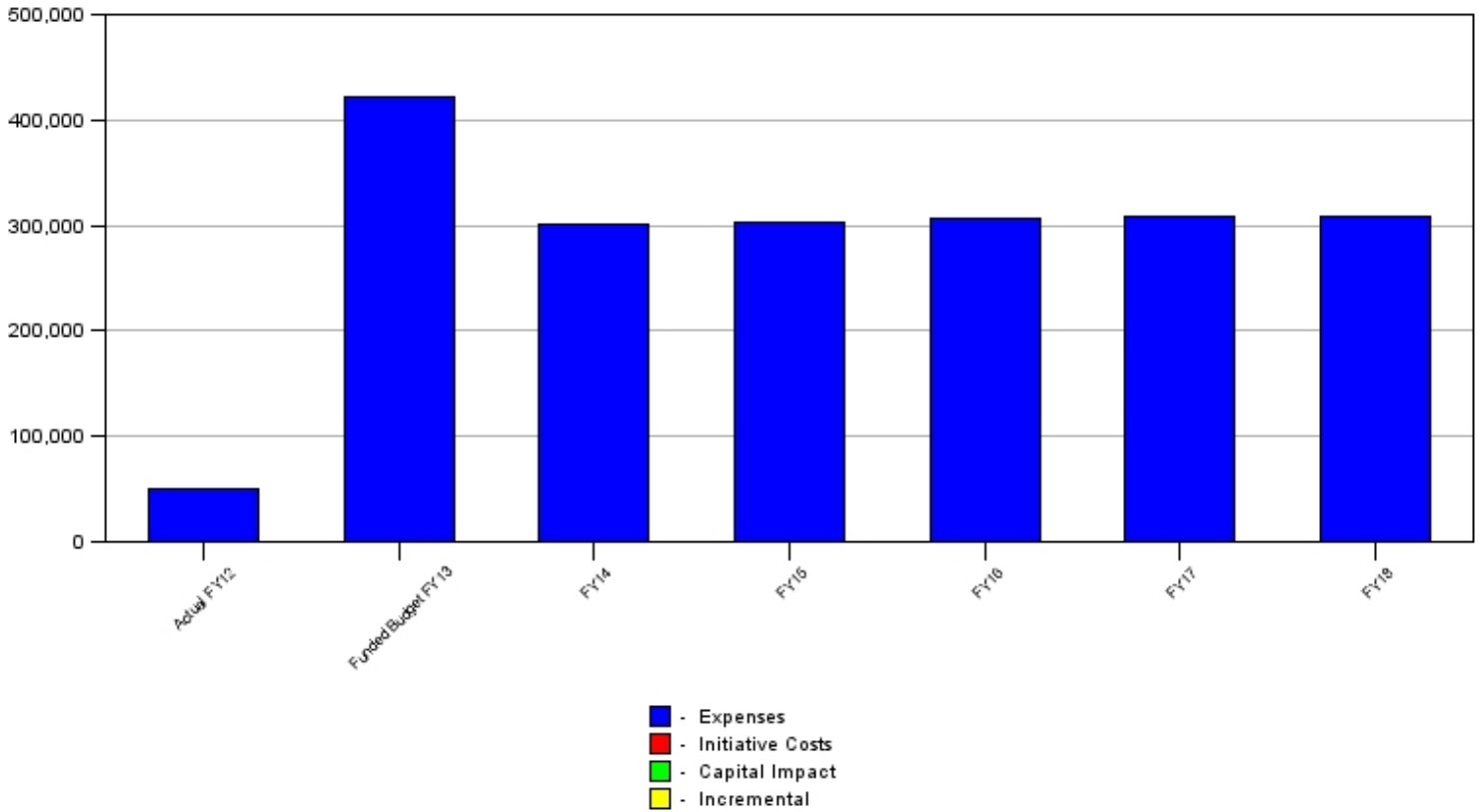


	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan			Total Plan Years
Total Projected Revenues	\$21,535,855	\$15,922,500	\$16,503,403	\$16,582,497	\$16,663,250	\$16,745,712	\$16,829,933	\$83,324,795
Expenses	\$15,323,118	\$15,922,500	\$16,503,404	\$16,582,497	\$16,663,250	\$16,745,711	\$16,829,934	\$83,324,795
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$15,323,118	\$15,922,500	\$16,503,404	\$16,582,497	\$16,663,250	\$16,745,711	\$16,829,934	\$83,324,795
Revenues Over(Under) Expenses	\$6,212,738	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variance %	29%	0%	0%	0%	0%	0%	0%	0%

The 911 Communication Center receives, classifies and prioritizes calls from the public and dispatches the calls that require police response and transfers and/or direct calls that do not require police response to the proper agency/unit. This fund continues to operate at a deficit of approximately \$4MM to \$6MM loss since fees collected do not fully support the operating expenses of this fund. The expected revenue for FY14 is \$10.4MM and projected subsidy of \$6.1MM from the General Fund.

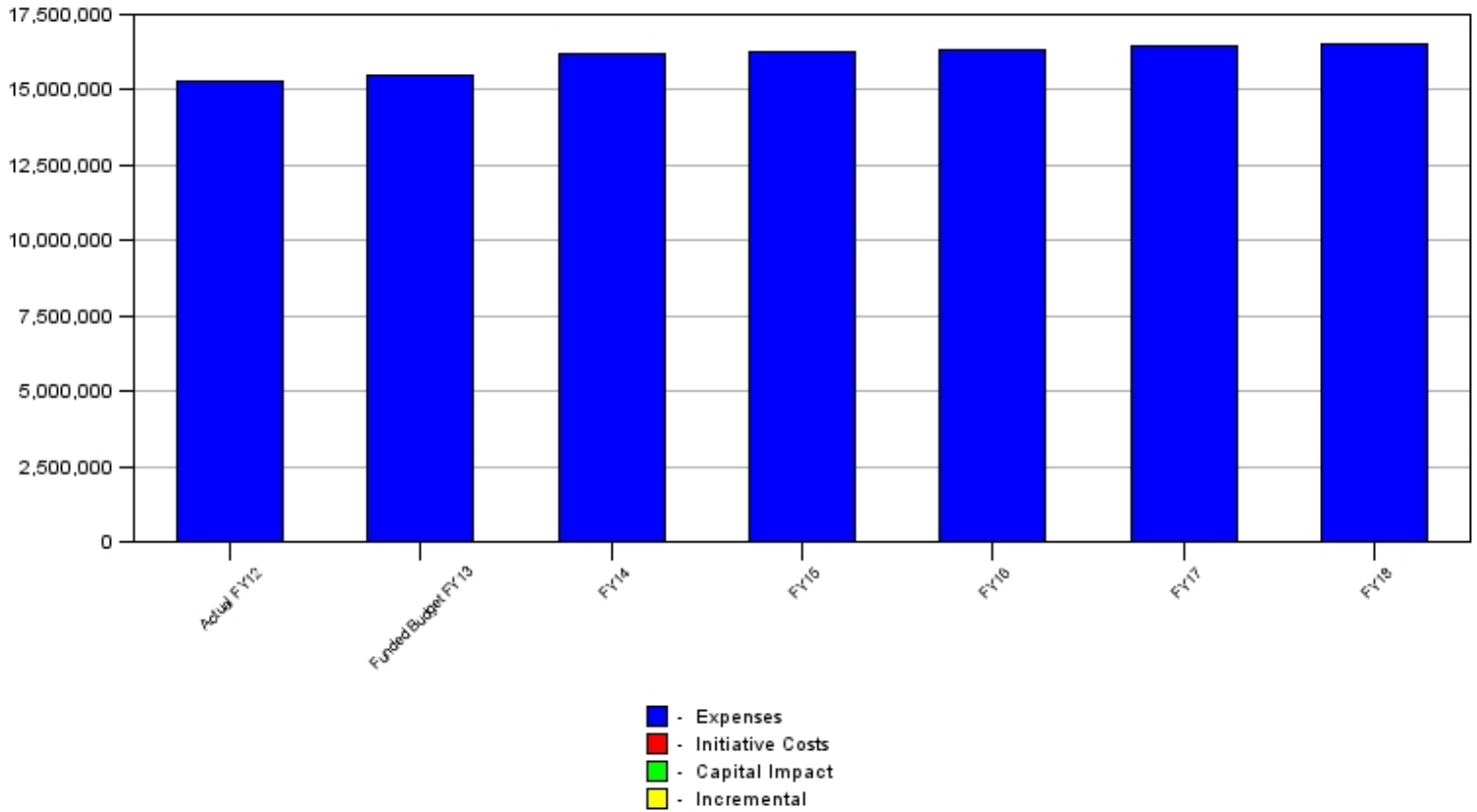
**CITY OF ATLANTA**  
**Department Of Information Technology - Emergency Telephone System - Five Year**  
**Plan**

**Fiscal Years FY14 - FY18**



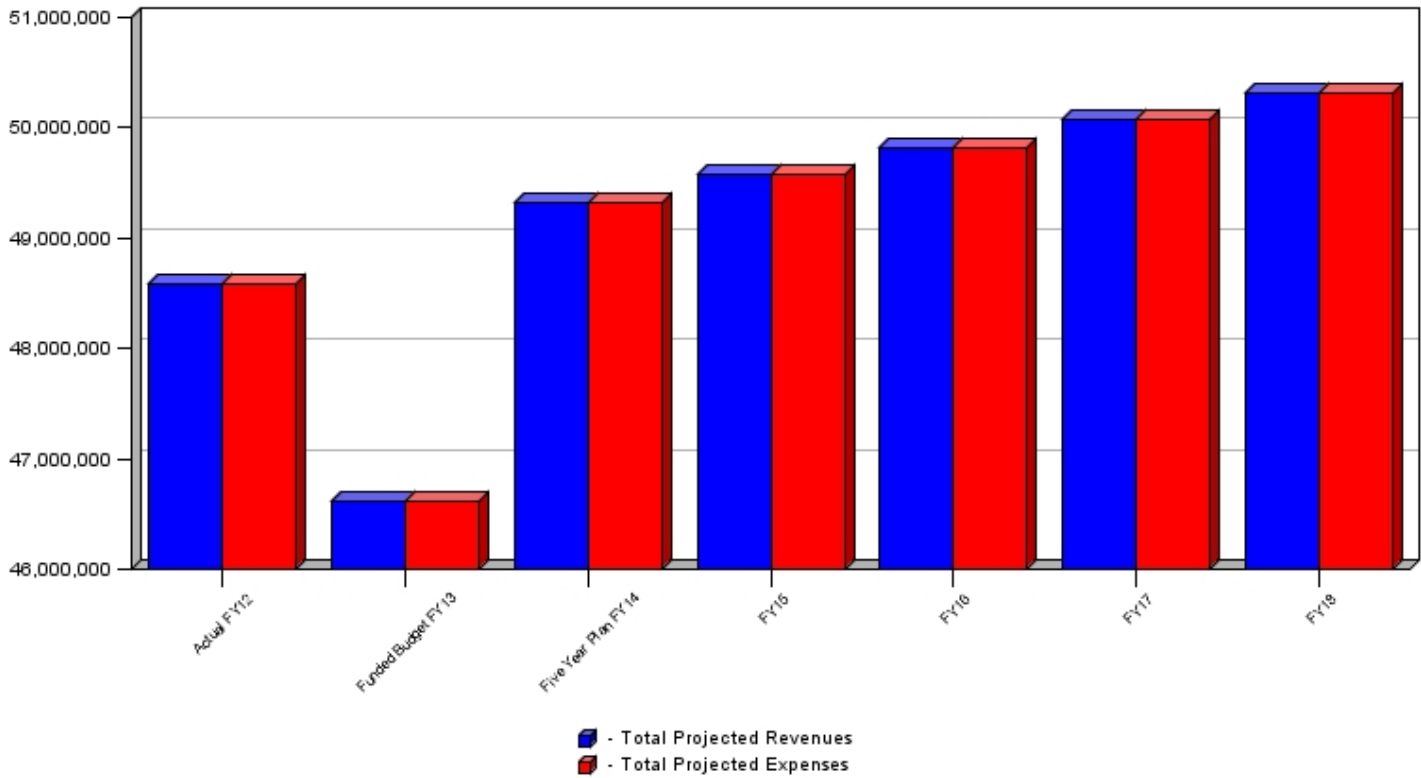
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$49,577	\$421,773	\$301,831	\$303,361	\$307,298	\$308,368	\$309,438	\$1,530,296
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$49,577</b>	<b>\$421,773</b>	<b>\$301,831</b>	<b>\$303,361</b>	<b>\$307,298</b>	<b>\$308,368</b>	<b>\$309,438</b>	<b>\$1,530,296</b>

**CITY OF ATLANTA**  
**Department Of Police Services - Emergency Telephone System - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$15,273,541	\$15,500,727	\$16,201,573	\$16,279,135	\$16,355,952	\$16,437,343	\$16,520,496	\$81,794,499
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$15,273,541</b>	<b>\$15,500,727</b>	<b>\$16,201,573</b>	<b>\$16,279,135</b>	<b>\$16,355,952</b>	<b>\$16,437,343</b>	<b>\$16,520,496</b>	<b>\$81,794,499</b>

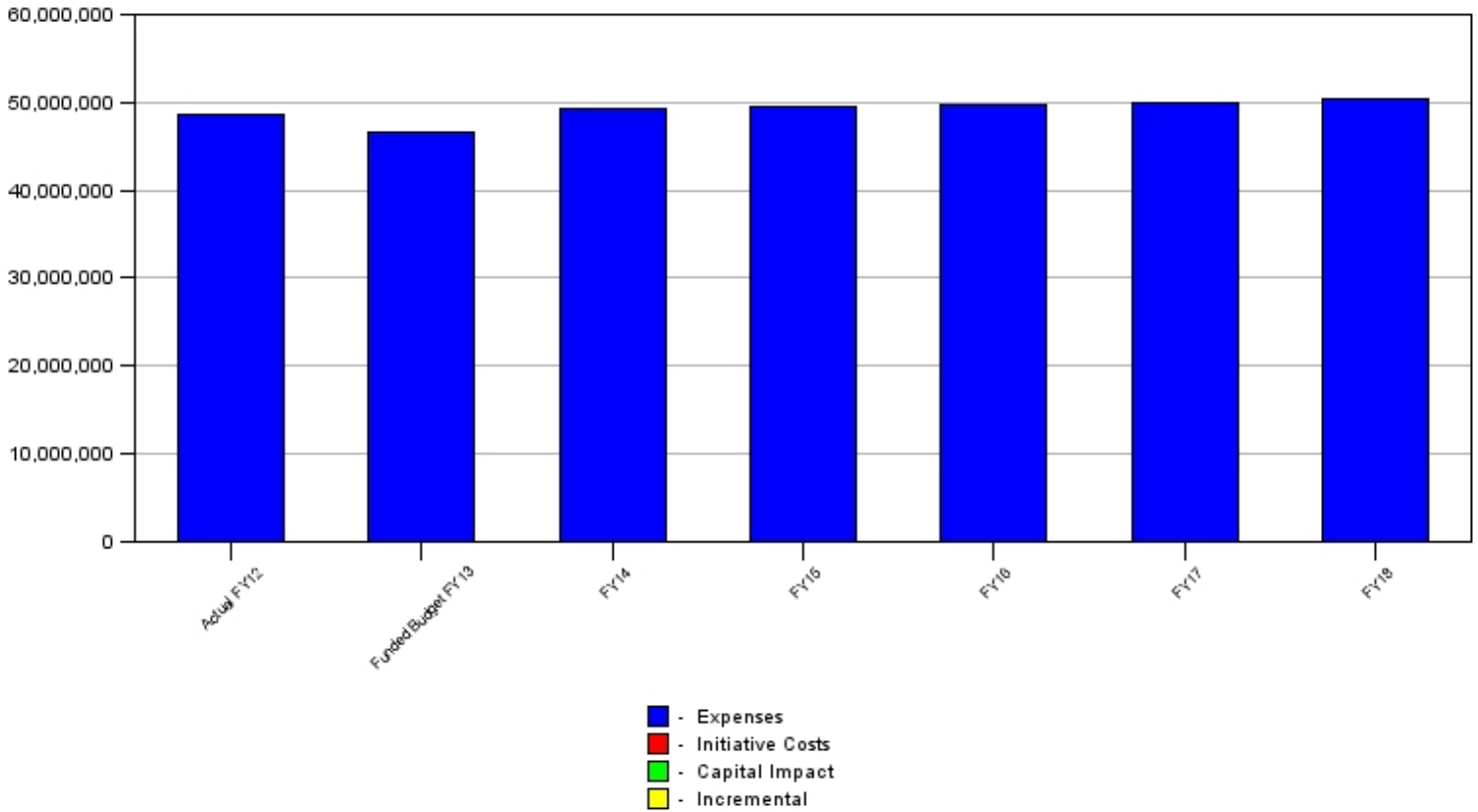
**CITY OF ATLANTA**  
**Hotel/Motel Tax Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan			Total Plan Years
Total Projected Revenues	\$48,577,842	\$46,618,647	\$49,324,534	\$49,571,157	\$49,819,013	\$50,068,107	\$50,318,448	\$249,101,259
Expenses	\$48,583,260	\$46,618,647	\$49,324,534	\$49,571,157	\$49,819,013	\$50,068,107	\$50,318,448	\$249,101,260
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$48,583,260	\$46,618,647	\$49,324,534	\$49,571,157	\$49,819,013	\$50,068,107	\$50,318,448	\$249,101,260
Revenues Over(Under) Expenses	(\$5,418)	\$0	\$0	\$0	\$0	\$0	\$0	(\$1)
Variance %	0%	0%	0%	0%	0%	0%	0%	0%

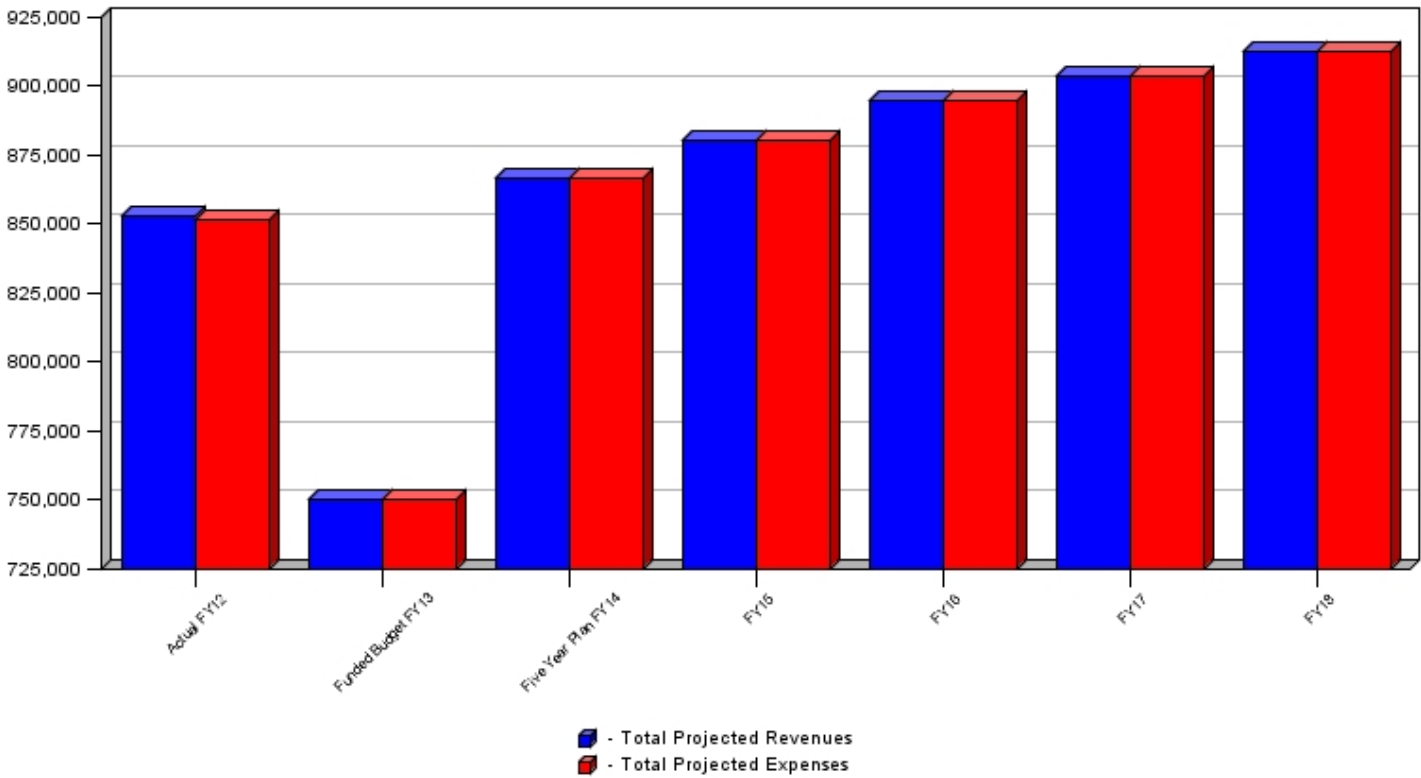
The hotel/motel tax is shared between the City, Atlanta Conventions Visitors Bureau, Georgia World Congress, and the Georgia Dome. The City's allocated share of the hotel/motel tax is 24.99%, with the remaining 75.01% distributed by the City to the aforementioned entities. This tax is collected on the 20<sup>th</sup> day of every month by the City. The City's Hotel/motel tax revenue is forecasted at a 1.7% annual growth rate.

**CITY OF ATLANTA**  
**Non-Departmental - Hotel/Motel Tax Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$48,583,260	\$46,618,647	\$49,324,534	\$49,571,157	\$49,819,013	\$50,068,107	\$50,318,448	\$249,101,260
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$48,583,260</b>	<b>\$46,618,647</b>	<b>\$49,324,534</b>	<b>\$49,571,157</b>	<b>\$49,819,013</b>	<b>\$50,068,107</b>	<b>\$50,318,448</b>	<b>\$249,101,260</b>

**CITY OF ATLANTA**  
**Rental/Motor Vehicle Tax Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**

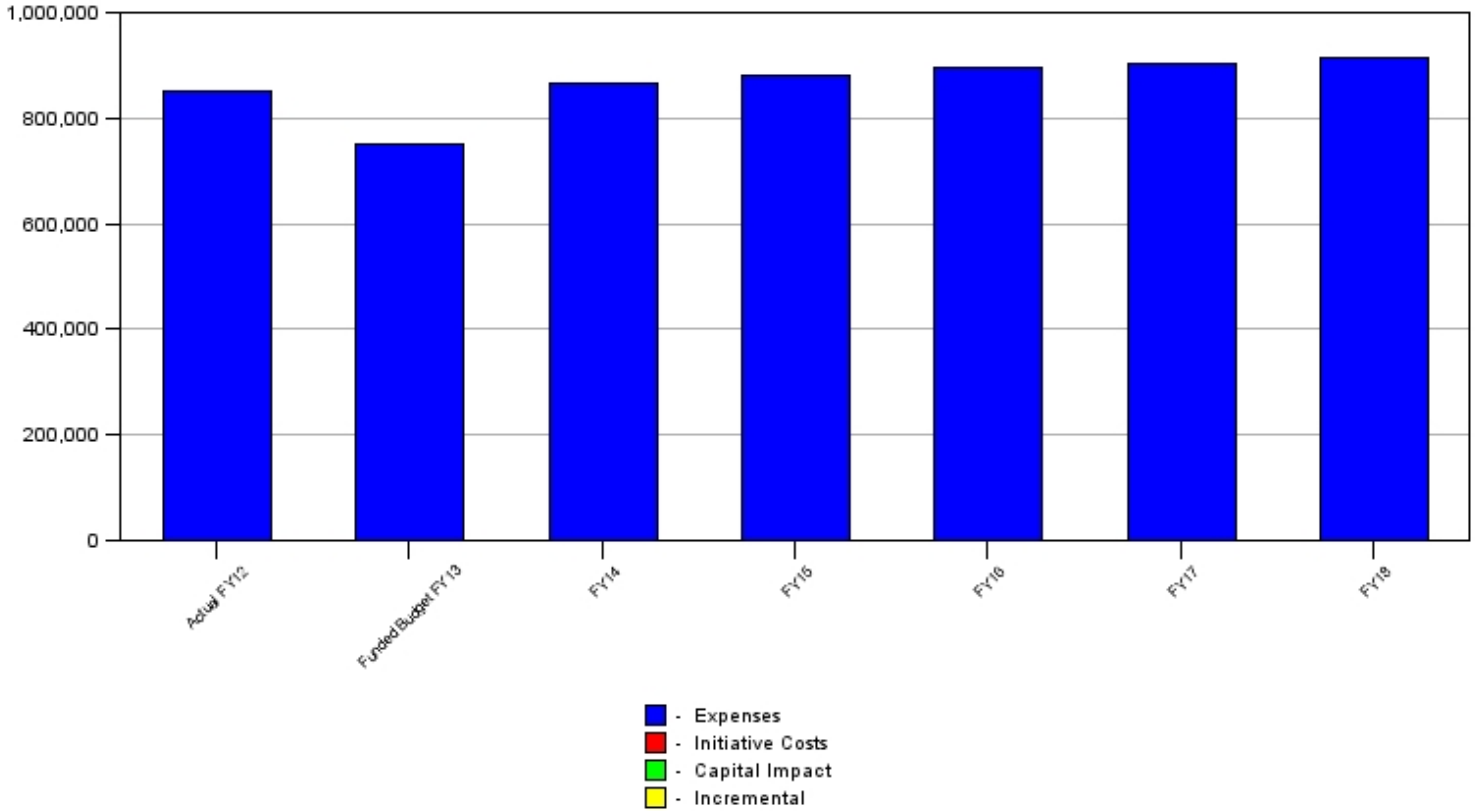


	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan		FY18	Total Plan Years
Total Projected Revenues	\$853,256	\$750,000	\$866,908	\$880,779	\$894,871	\$903,820	\$912,858	\$4,459,236
Expenses	\$851,551	\$750,000	\$866,908	\$880,779	\$894,871	\$903,820	\$912,858	\$4,459,235
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$851,551	\$750,000	\$866,908	\$880,779	\$894,871	\$903,820	\$912,858	\$4,459,235
Revenues Over(Under) Expenses	\$1,705	\$0	\$0	\$0	\$0	\$0	\$0	\$1
Variance %	0%	0%	0%	0%	0%	0%	0%	0%

The Car Rental Tax is a 3% excise tax levied on Car Rental Facilities within the City corporate limits. Beginning March 1, 2013, the sales tax and ad valorem tax on automobiles will be replaced with a one-time title tax fee of 6.5% in 2013, 6.75 in 2014, and 7% in 2015 when titling an automobile. The premise of this provision is to eliminate the ad valorem tax on vehicles and capture revenue from the casual sale of automobiles. Analysis performed by the Georgia State University Fiscal Research Center indicated that local governments in the aggregate should realize an increase in revenue statewide in the first 2 years of the title tax free system.

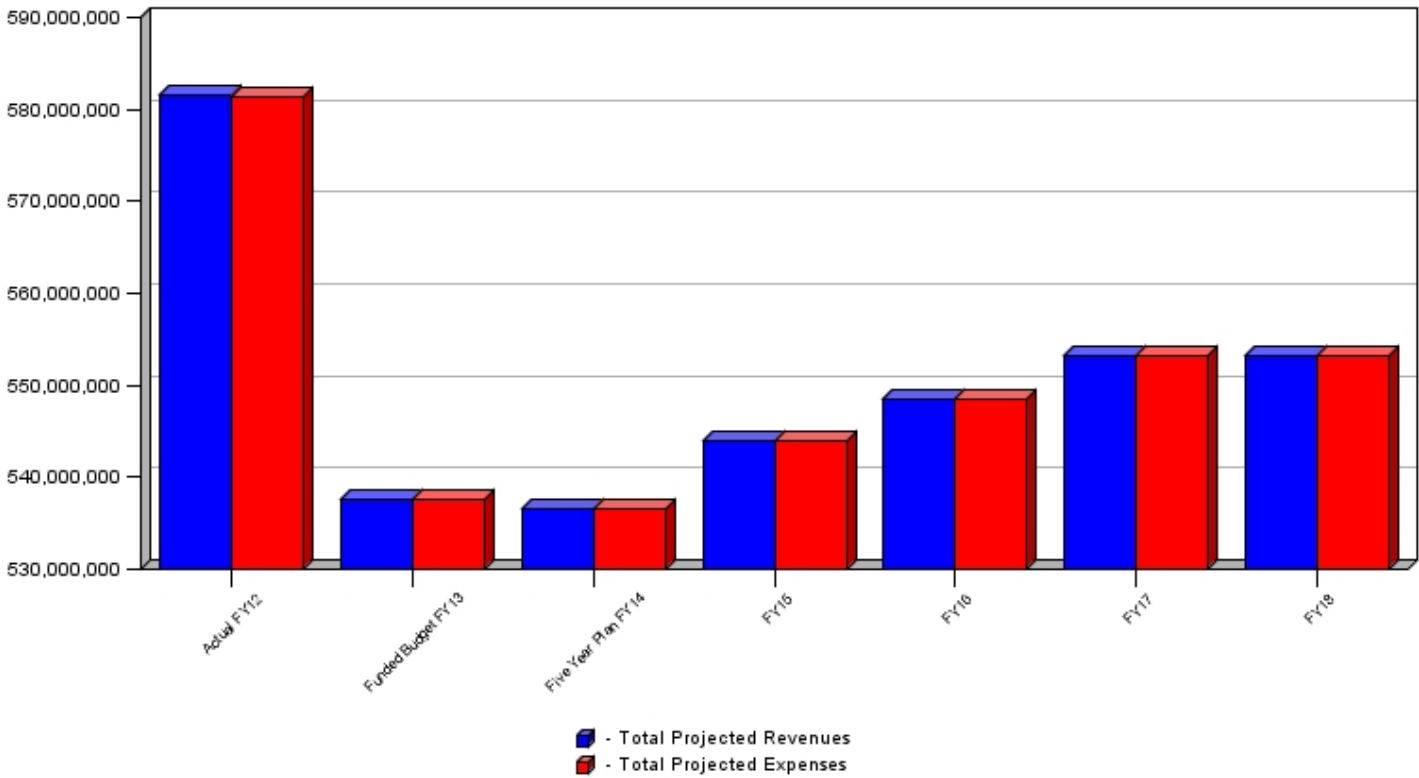


**CITY OF ATLANTA**  
**Non-Departmental - Rental/Motor Vehicle Tax Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$851,551	\$750,000	\$866,908	\$880,779	\$894,871	\$903,820	\$912,858	\$4,459,235
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$851,551</b>	<b>\$750,000</b>	<b>\$866,908</b>	<b>\$880,779</b>	<b>\$894,871</b>	<b>\$903,820</b>	<b>\$912,858</b>	<b>\$4,459,235</b>

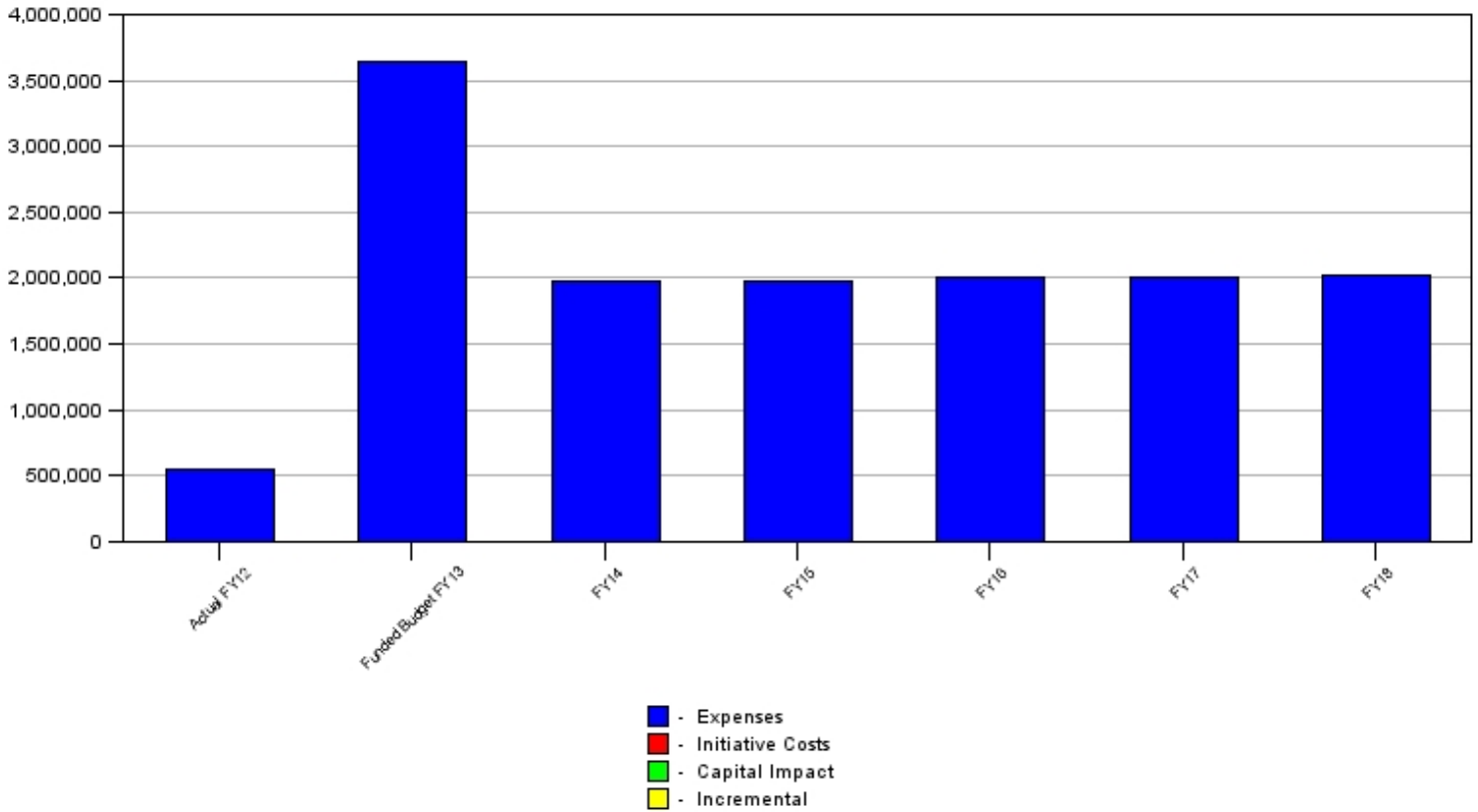
**CITY OF ATLANTA**  
**Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan			Total Plan Years
Total Projected Revenues	\$581,636,241	\$537,684,870	\$536,612,951	\$543,953,197	\$548,557,430	\$553,207,705	\$553,207,705	\$2,735,538,989
Expenses	\$581,369,818	\$537,684,870	\$536,612,952	\$543,953,197	\$548,557,430	\$553,207,705	\$553,207,705	\$2,735,538,989
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$581,369,818	\$537,684,870	\$536,612,952	\$543,953,197	\$548,557,430	\$553,207,705	\$553,207,705	\$2,735,538,989
Revenues Over(Under) Expenses	\$266,423	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variance %	0%	0%	0%	0%	0%	0%	0%	0%

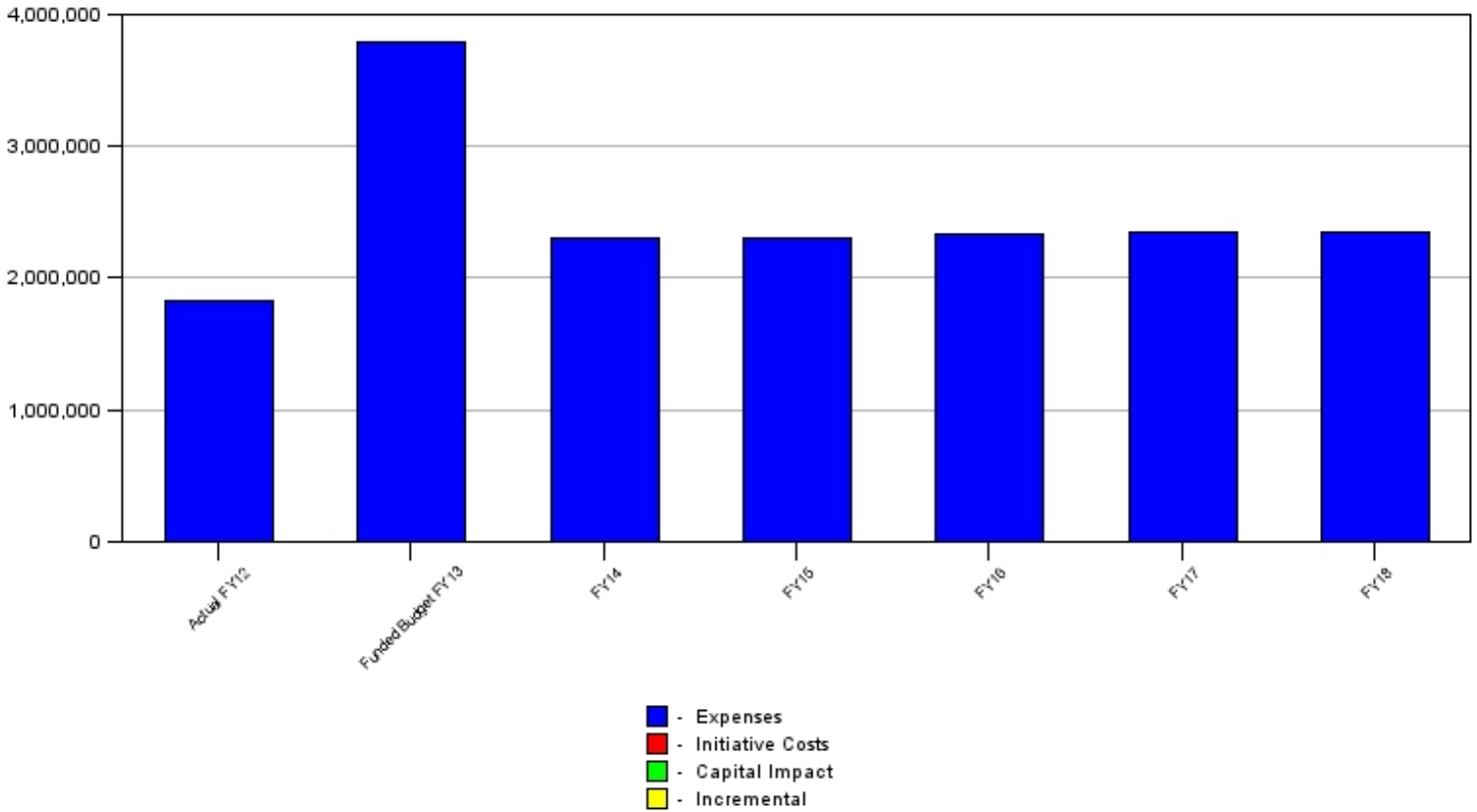
The Water & Wastewater Fund was established to account for all transactions associated with the operation, development, and maintenance of the City's expansive water and wastewater infrastructure system. The system is financed by user charges for water and wastewater services and Municipal Option Sales Tax. The Department of Watershed Management is planning a department wide reorganization which will streamline operations and coordinate similar operations in an effort to reduce operations and maintenance expenses. The variance is due to increasing revenues from FY2014 to FY2018 and an increase in fund wide reserves.

**CITY OF ATLANTA**  
**Executive Offices - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



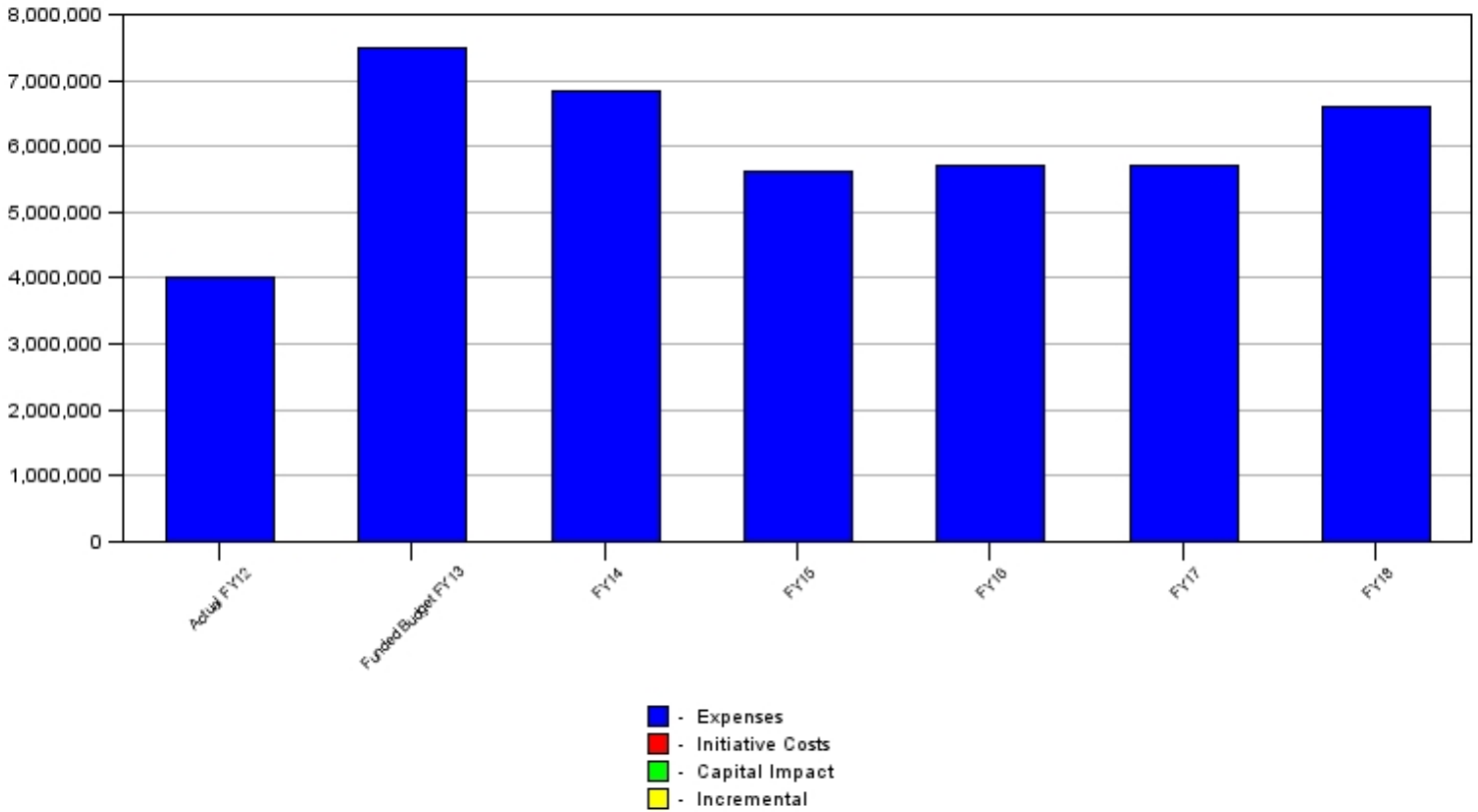
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$550,308	\$3,640,000	\$1,974,335	\$1,981,838	\$2,007,899	\$2,011,848	\$2,015,796	\$9,991,716
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$550,308</b>	<b>\$3,640,000</b>	<b>\$1,974,335</b>	<b>\$1,981,838</b>	<b>\$2,007,899</b>	<b>\$2,011,848</b>	<b>\$2,015,796</b>	<b>\$9,991,716</b>

**CITY OF ATLANTA**  
**Department Of Information Technology - Water & Wastewater Revenue Fund - Five**  
**Year Plan**  
**Fiscal Years FY14 - FY18**



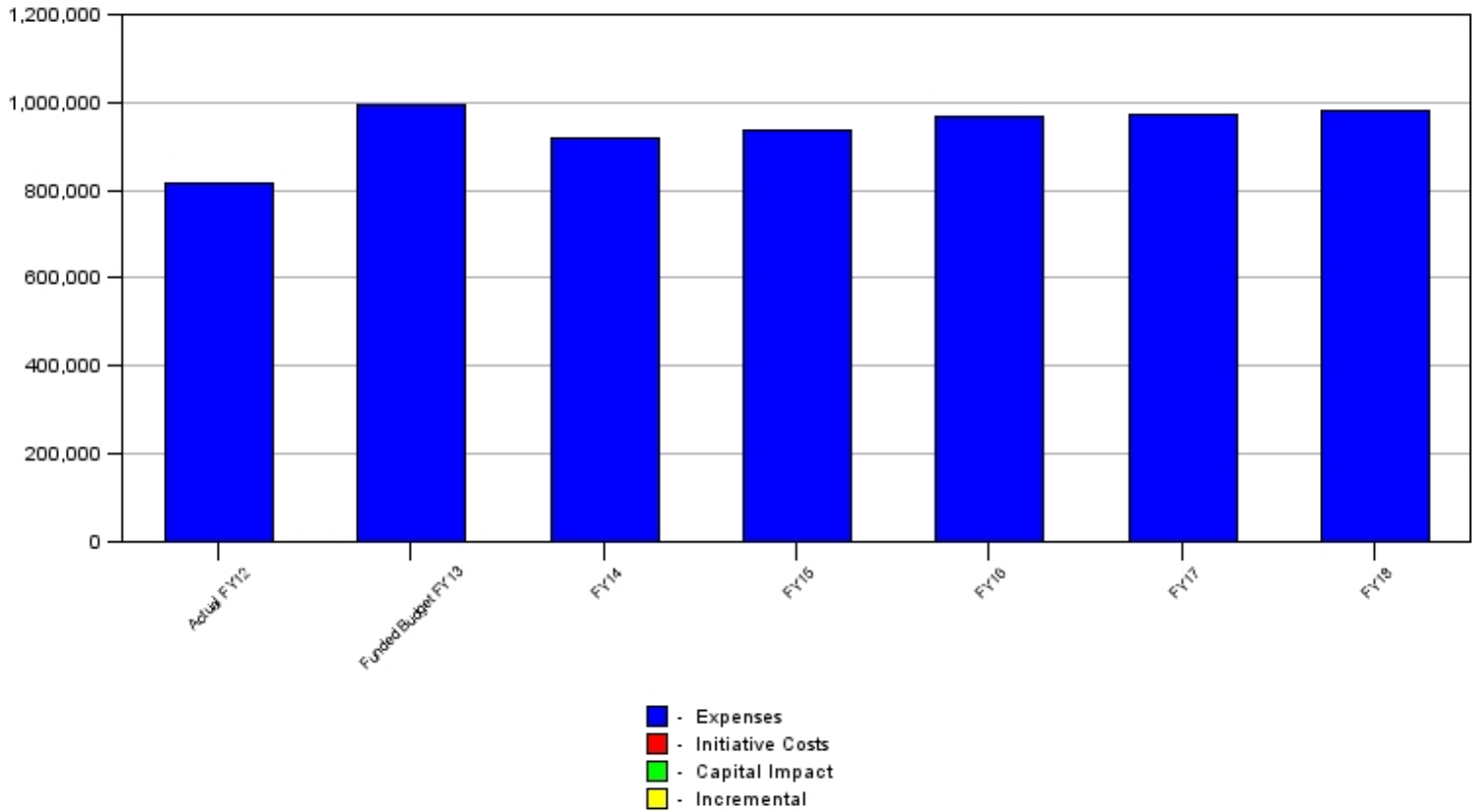
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$1,827,283	\$3,791,695	\$2,301,986	\$2,311,273	\$2,341,957	\$2,346,623	\$2,351,468	\$11,653,306
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$1,827,283</b>	<b>\$3,791,695</b>	<b>\$2,301,986</b>	<b>\$2,311,273</b>	<b>\$2,341,957</b>	<b>\$2,346,623</b>	<b>\$2,351,468</b>	<b>\$11,653,306</b>

**CITY OF ATLANTA**  
**Department Of Law - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



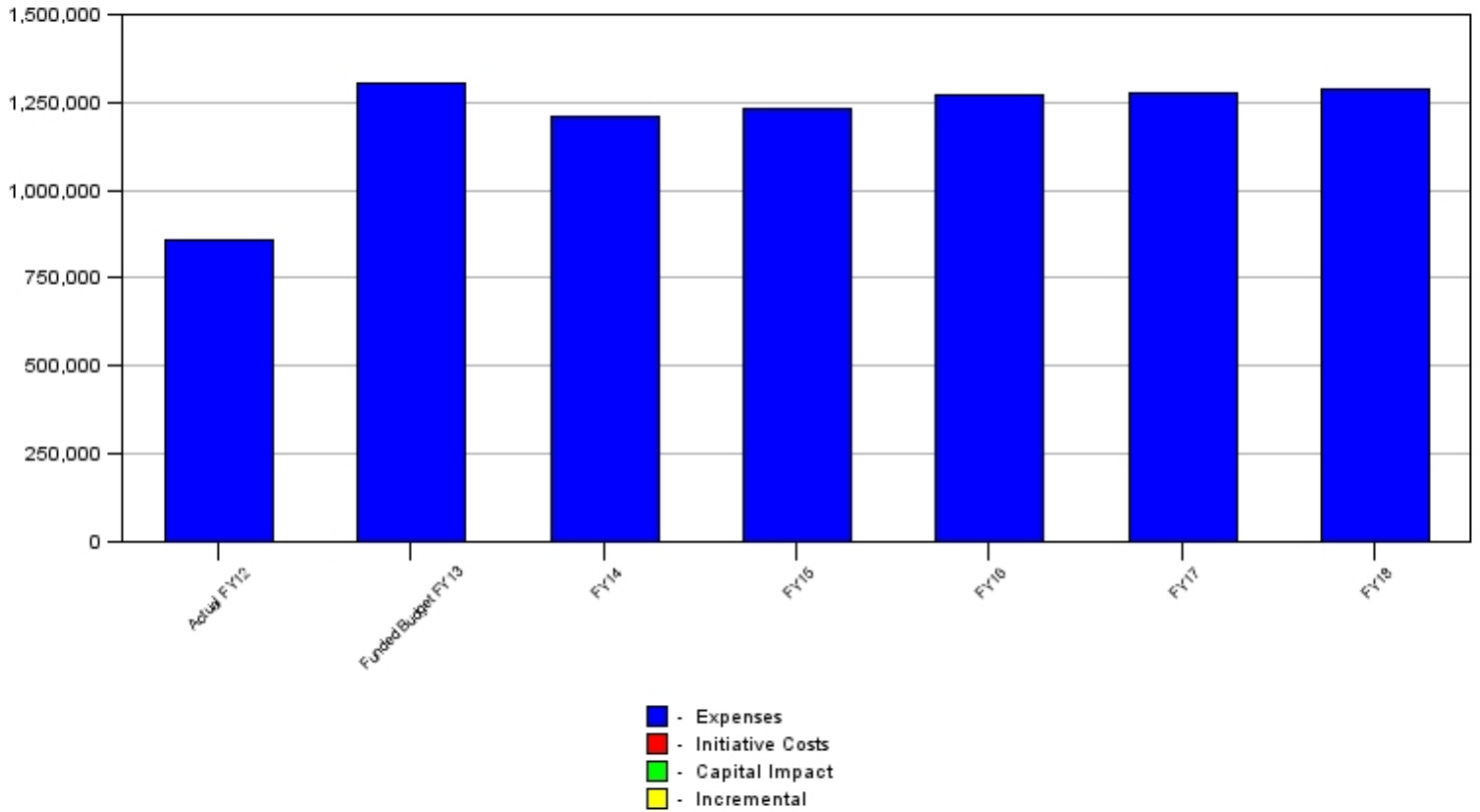
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$4,008,814	\$7,487,283	\$6,842,315	\$5,610,458	\$5,704,387	\$5,719,184	\$6,596,315	\$30,472,658
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$4,008,814</b>	<b>\$7,487,283</b>	<b>\$6,842,315</b>	<b>\$5,610,458</b>	<b>\$5,704,387</b>	<b>\$5,719,184</b>	<b>\$6,596,315</b>	<b>\$30,472,658</b>

**CITY OF ATLANTA**  
**Department Of Finance - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



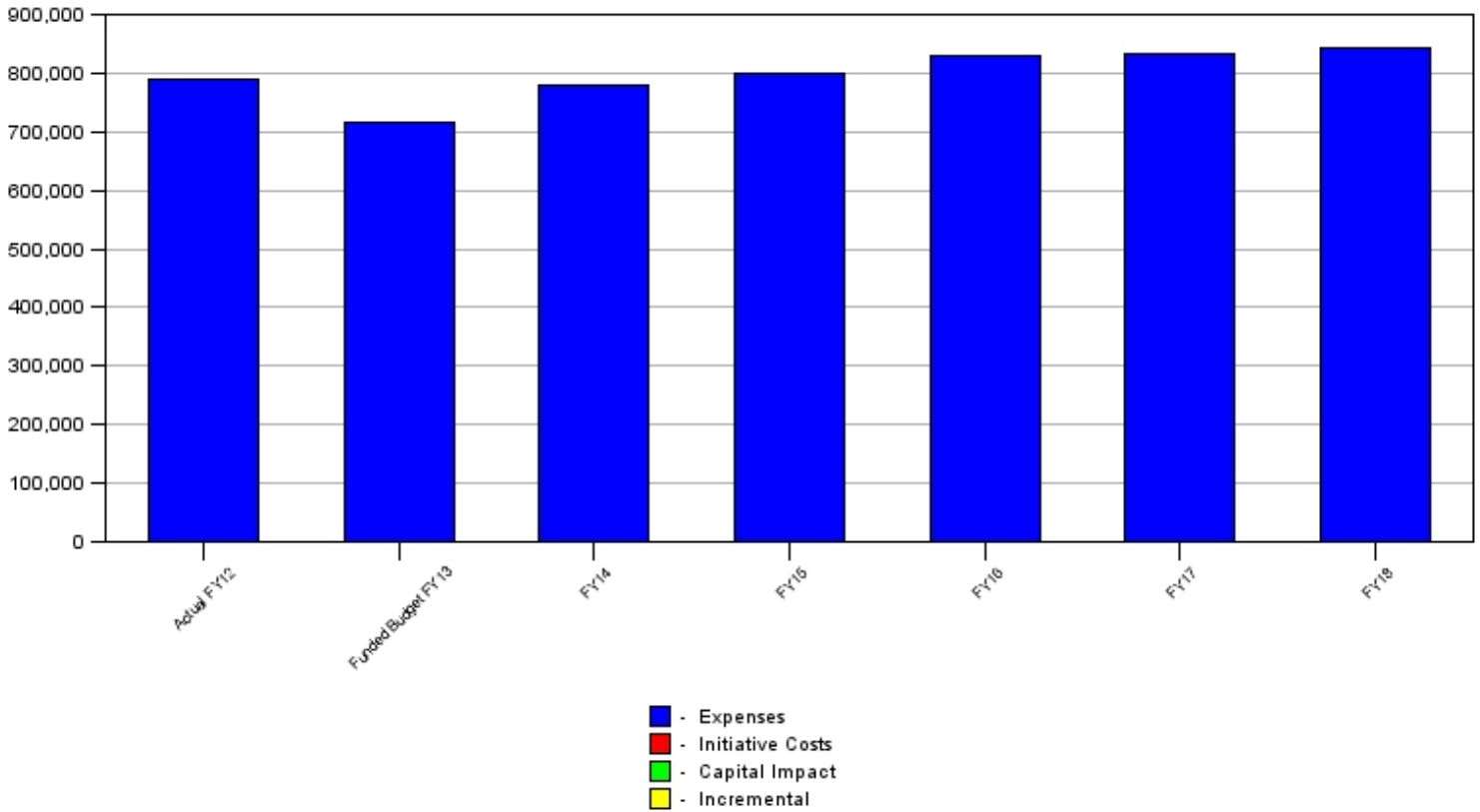
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$816,196	\$995,386	\$920,604	\$937,860	\$969,830	\$974,689	\$982,832	\$4,785,816
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$816,196</b>	<b>\$995,386</b>	<b>\$920,604</b>	<b>\$937,860</b>	<b>\$969,830</b>	<b>\$974,689</b>	<b>\$982,832</b>	<b>\$4,785,816</b>

**CITY OF ATLANTA**  
**Department Of Procurement - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$856,988	\$1,304,103	\$1,210,140	\$1,231,658	\$1,271,896	\$1,278,090	\$1,288,308	\$6,280,092
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$856,988</b>	<b>\$1,304,103</b>	<b>\$1,210,140</b>	<b>\$1,231,658</b>	<b>\$1,271,896</b>	<b>\$1,278,090</b>	<b>\$1,288,308</b>	<b>\$6,280,092</b>

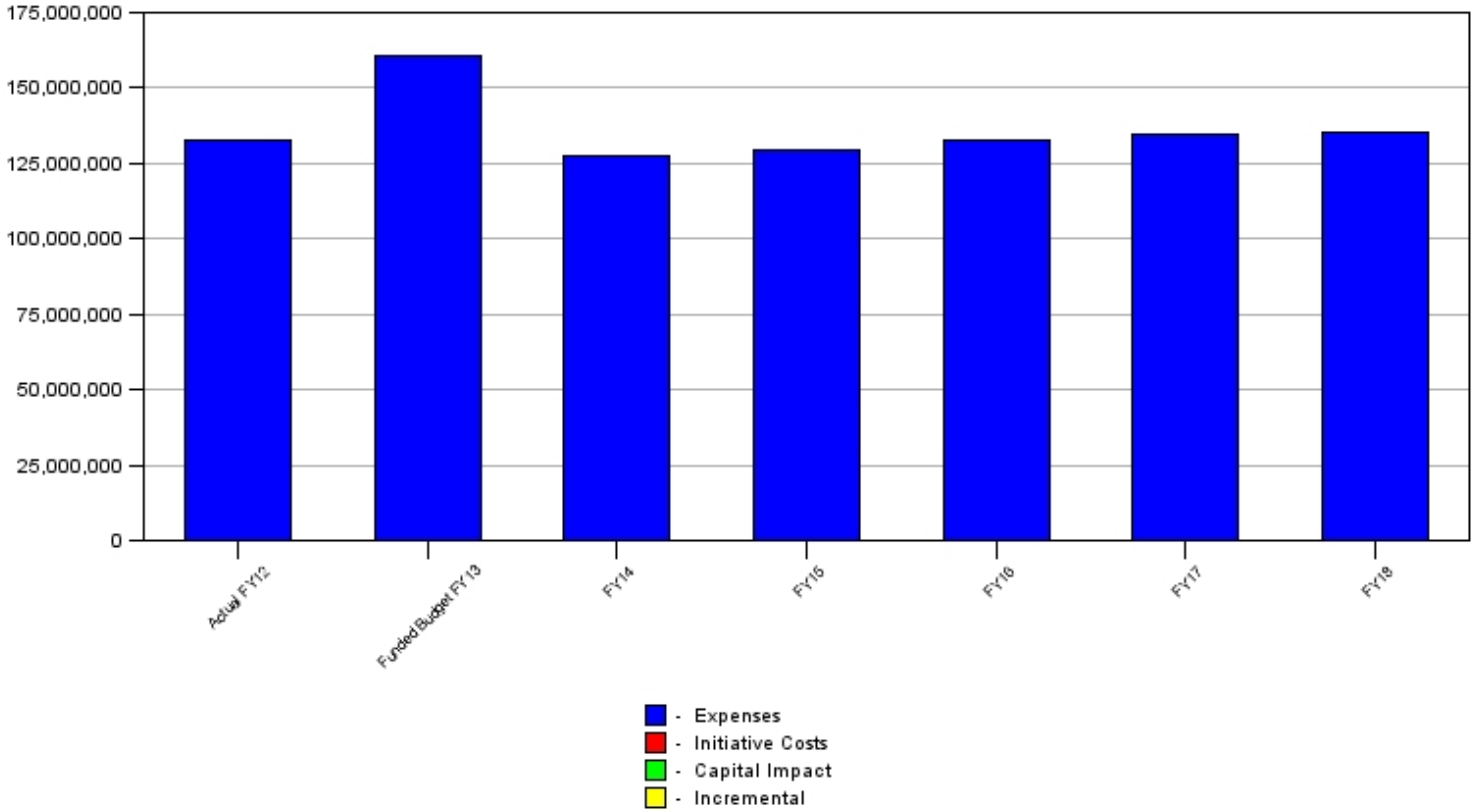
**CITY OF ATLANTA**  
**Department Of Public Works - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$789,561	\$716,183	\$780,909	\$798,424	\$829,236	\$834,014	\$842,286	\$4,084,870
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$789,561</b>	<b>\$716,183</b>	<b>\$780,909</b>	<b>\$798,424</b>	<b>\$829,236</b>	<b>\$834,014</b>	<b>\$842,286</b>	<b>\$4,084,870</b>



**CITY OF ATLANTA**  
**Department Of Watershed Management - Water & Wastewater Revenue Fund - Five**  
**Year Plan**  
**Fiscal Years FY14 - FY18**

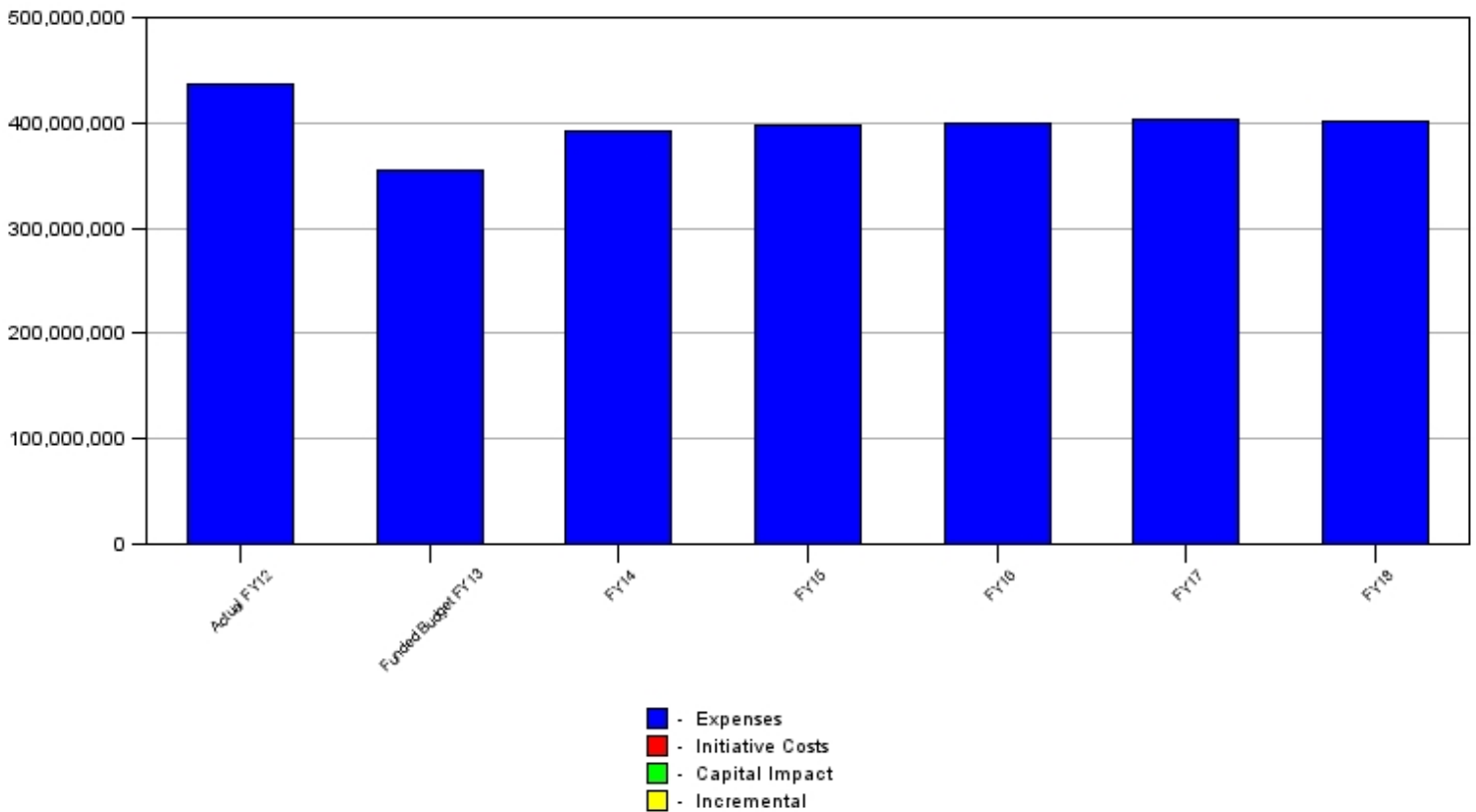


	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$132,388,705	\$160,565,585	\$127,484,521	\$129,673,690	\$132,972,337	\$134,512,763	\$135,553,963	\$660,197,275
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$132,388,705</b>	<b>\$160,565,585</b>	<b>\$127,484,521</b>	<b>\$129,673,690</b>	<b>\$132,972,337</b>	<b>\$134,512,763</b>	<b>\$135,553,963</b>	<b>\$660,197,275</b>

# CITY OF ATLANTA

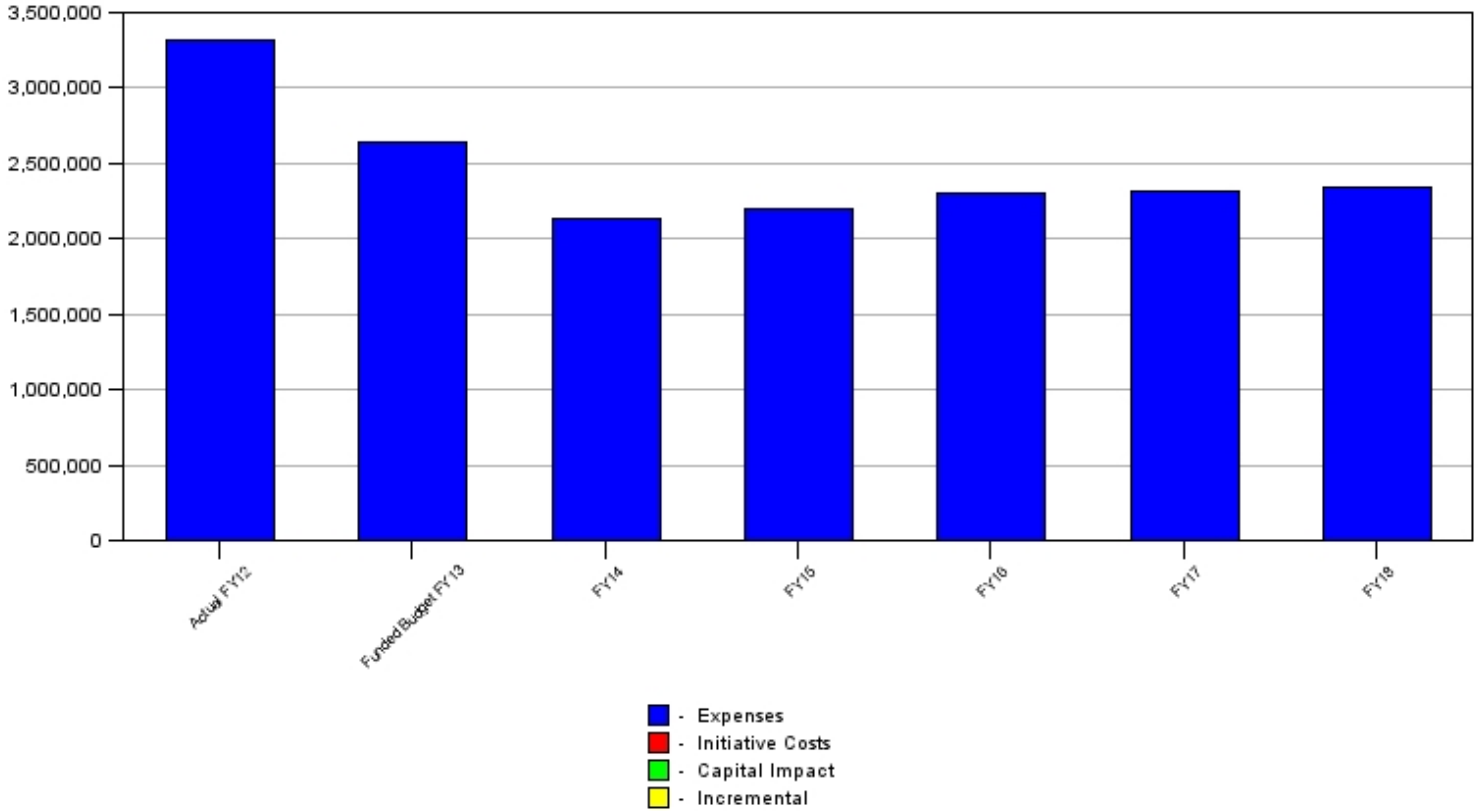
## Non-Departmental - Water & Wastewater Revenue Fund - Five Year Plan

### Fiscal Years FY14 - FY18



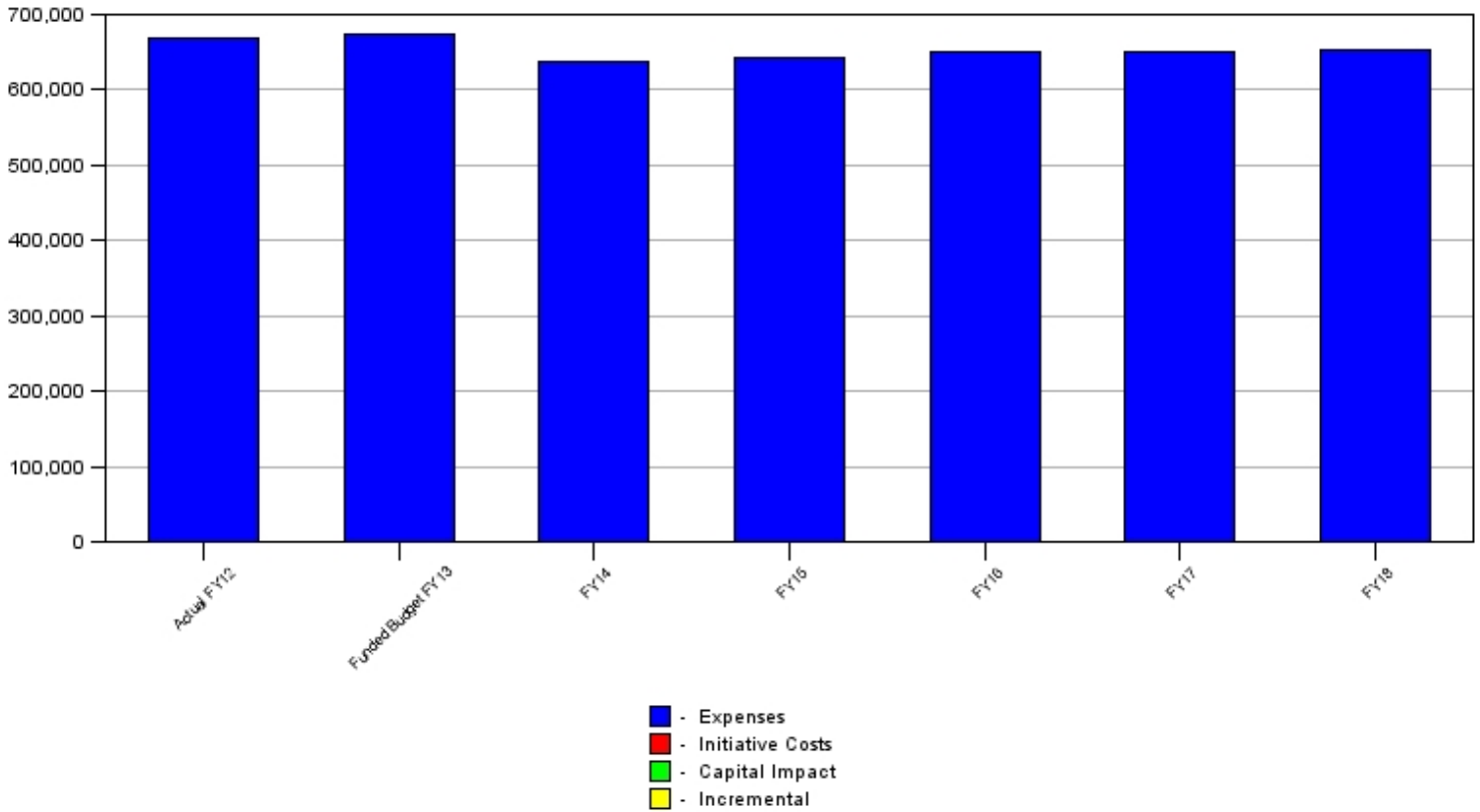
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$436,147,182	\$355,872,972	\$392,321,193	\$398,570,424	\$399,505,888	\$402,558,534	\$400,575,852	\$1,993,531,890
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$436,147,182</b>	<b>\$355,872,972</b>	<b>\$392,321,193</b>	<b>\$398,570,424</b>	<b>\$399,505,888</b>	<b>\$402,558,534</b>	<b>\$400,575,852</b>	<b>\$1,993,531,890</b>

**CITY OF ATLANTA**  
**Department Of Human Resources - Water & Wastewater Revenue Fund - Five Year**  
**Plan**  
**Fiscal Years FY14 - FY18**



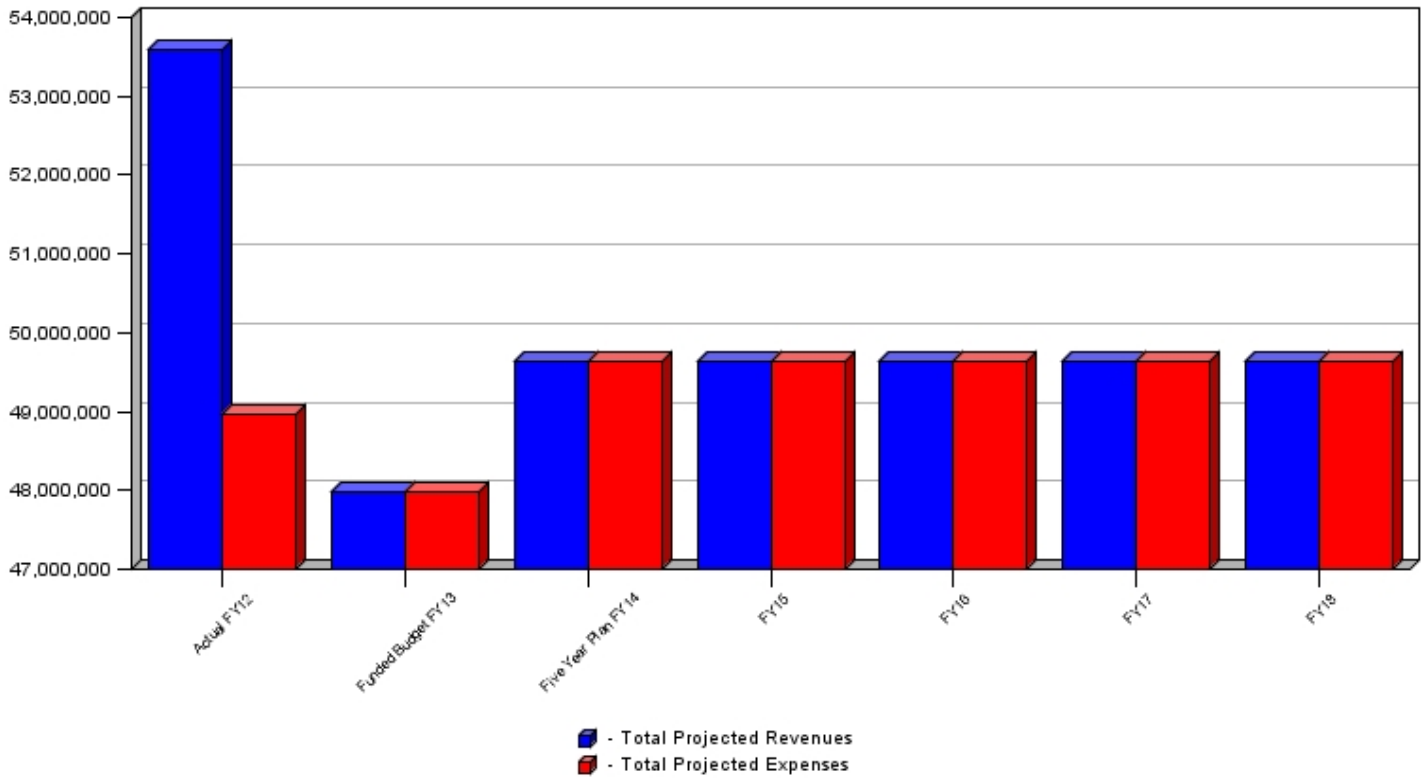
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$3,315,307	\$2,637,957	\$2,138,276	\$2,196,066	\$2,303,819	\$2,320,257	\$2,347,591	\$11,306,010
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$3,315,307</b>	<b>\$2,637,957</b>	<b>\$2,138,276</b>	<b>\$2,196,066</b>	<b>\$2,303,819</b>	<b>\$2,320,257</b>	<b>\$2,347,591</b>	<b>\$11,306,010</b>

**CITY OF ATLANTA**  
**Department Of Audit - Water & Wastewater Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$669,427	\$673,706	\$638,672	\$641,506	\$650,180	\$651,704	\$653,293	\$3,235,356
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$669,427</b>	<b>\$673,706</b>	<b>\$638,672</b>	<b>\$641,506</b>	<b>\$650,180</b>	<b>\$651,704</b>	<b>\$653,293</b>	<b>\$3,235,356</b>

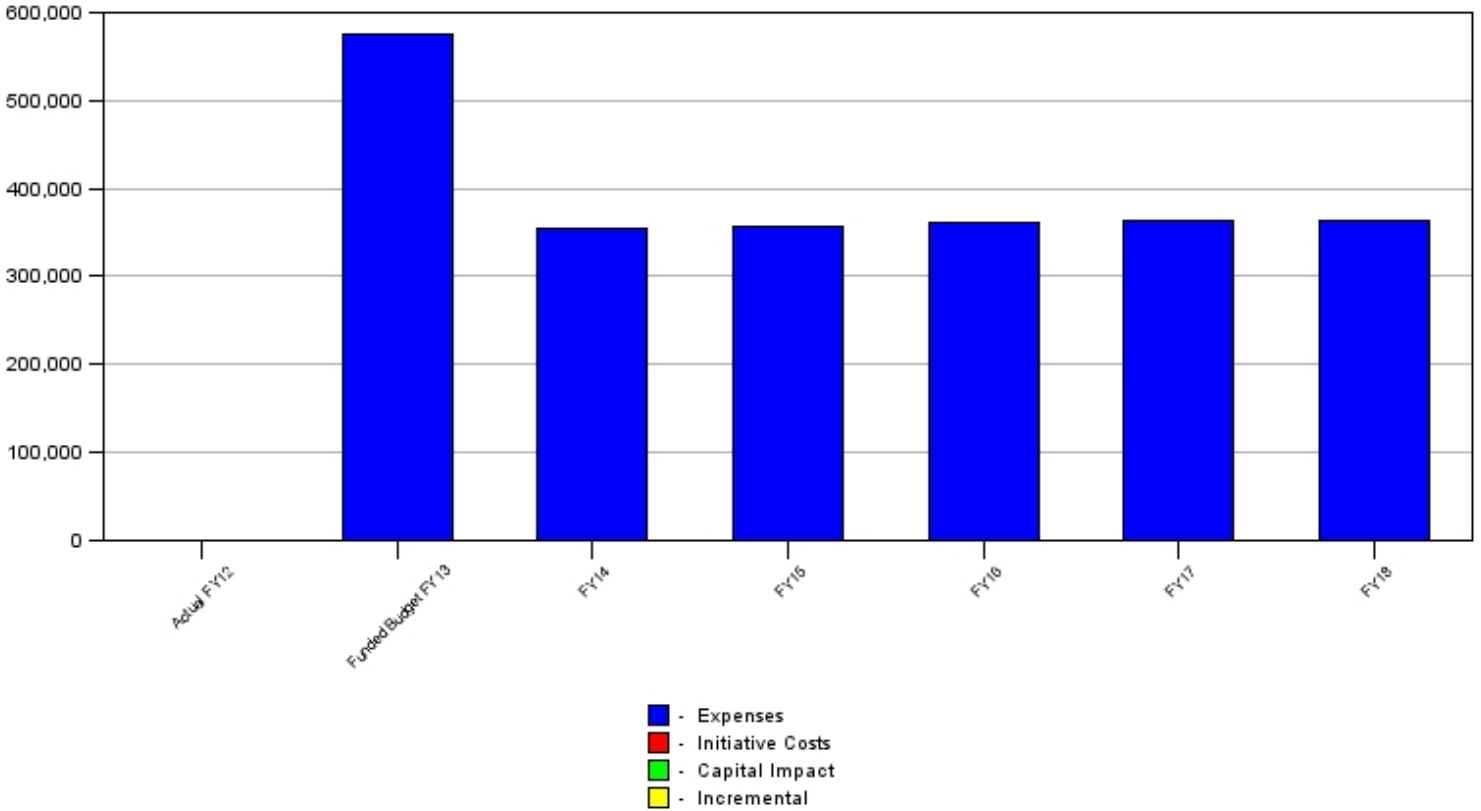
**CITY OF ATLANTA**  
**Solid Waste Services Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan			Total Plan Years
Total Projected Revenues	\$53,587,318	\$47,992,189	\$49,628,639	\$49,632,579	\$49,636,539	\$49,640,519	\$49,640,519	\$248,178,795
Expenses	\$48,961,897	\$47,992,189	\$49,628,640	\$49,632,580	\$49,636,539	\$49,640,519	\$49,640,518	\$248,178,795
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$48,961,897	\$47,992,189	\$49,628,640	\$49,632,580	\$49,636,539	\$49,640,519	\$49,640,518	\$248,178,795
Revenues Over(Under) Expenses	\$4,625,420	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variance %	9%	0%	0%	0%	0%	0%	0%	0%

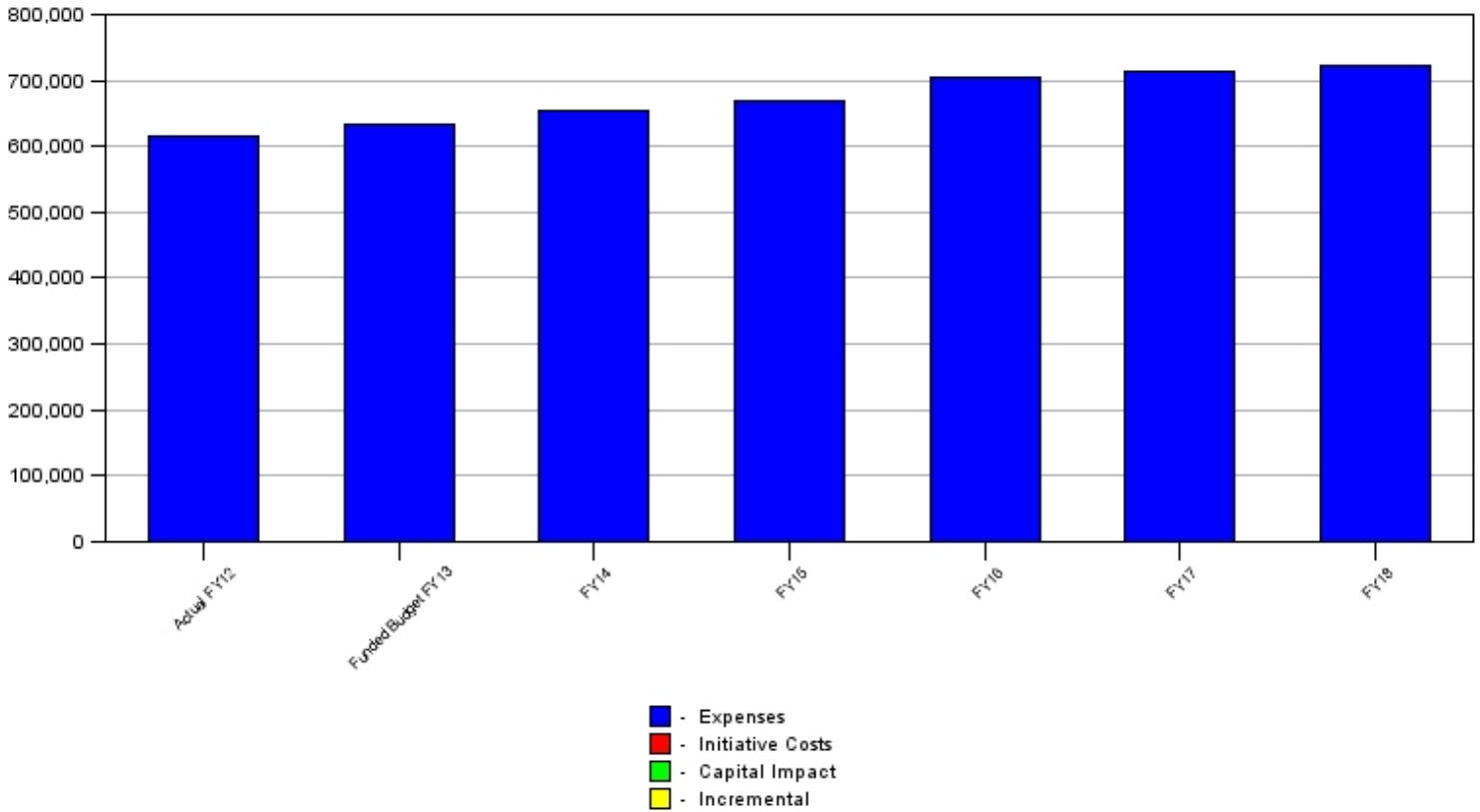
Revenues generated from Solid Waste services are from user fees or charges for specific services provided. The primary source of revenue are garbage pick-up/disposal, recycling, street sweeping and rubbish collection. Revenues are expected to be in line with FY2014 budget in Solid Waste fund. The revenues also include a recycling fee rate increase from \$30 to \$88 adopted by City Council and will cover the cost to continue this service.

**CITY OF ATLANTA**  
**Department Of Information Technology - Solid Waste Services Revenue Fund - Five**  
**Year Plan**  
**Fiscal Years FY14 - FY18**



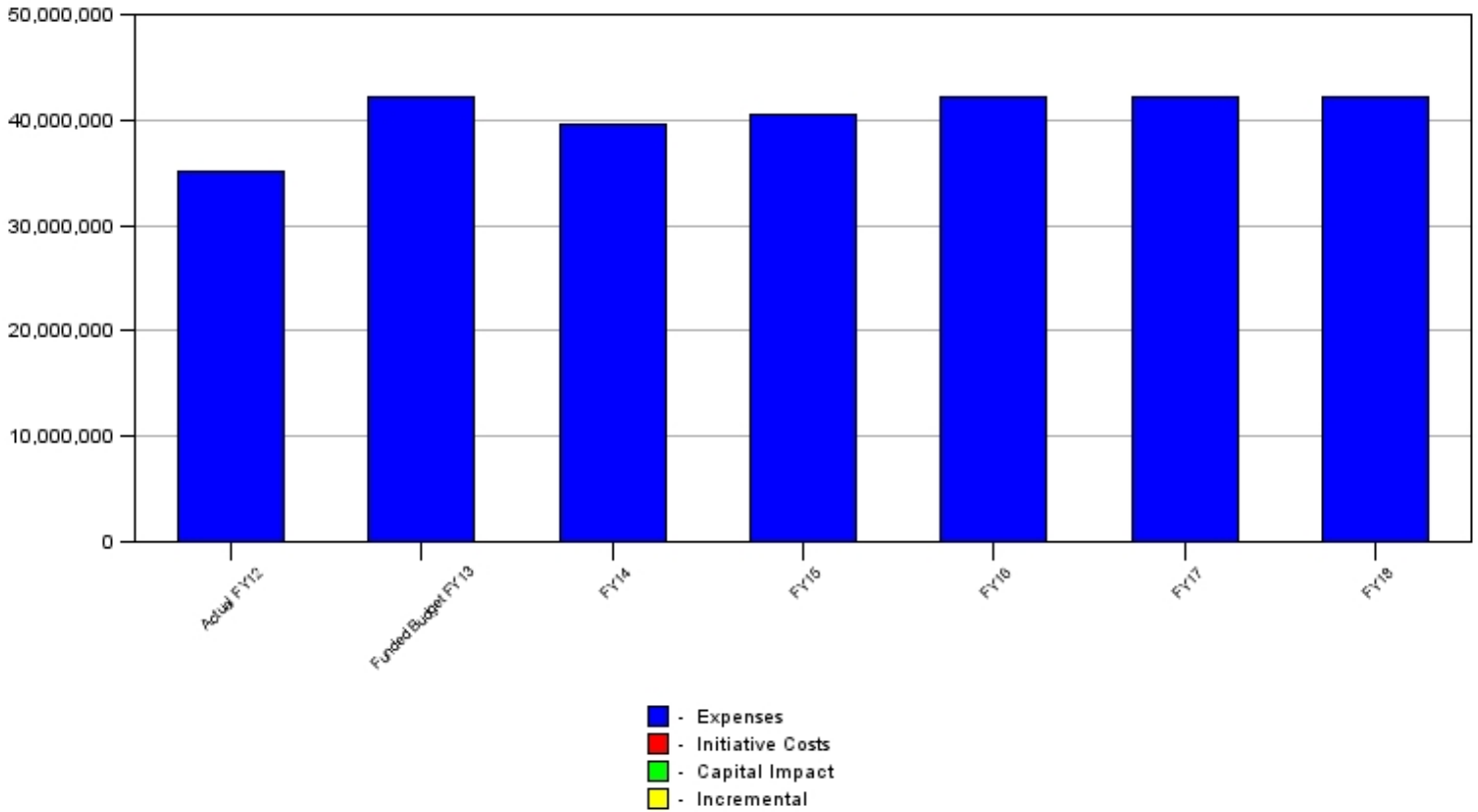
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$0	\$574,500	\$355,704	\$357,232	\$362,323	\$363,173	\$363,964	\$1,802,395
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$0</b>	<b>\$574,500</b>	<b>\$355,704</b>	<b>\$357,232</b>	<b>\$362,323</b>	<b>\$363,173</b>	<b>\$363,964</b>	<b>\$1,802,395</b>

**CITY OF ATLANTA**  
**Department Of Finance - Solid Waste Services Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$615,485	\$634,081	\$653,996	\$668,012	\$705,360	\$715,154	\$722,193	\$3,464,715
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$615,485</b>	<b>\$634,081</b>	<b>\$653,996</b>	<b>\$668,012</b>	<b>\$705,360</b>	<b>\$715,154</b>	<b>\$722,193</b>	<b>\$3,464,715</b>

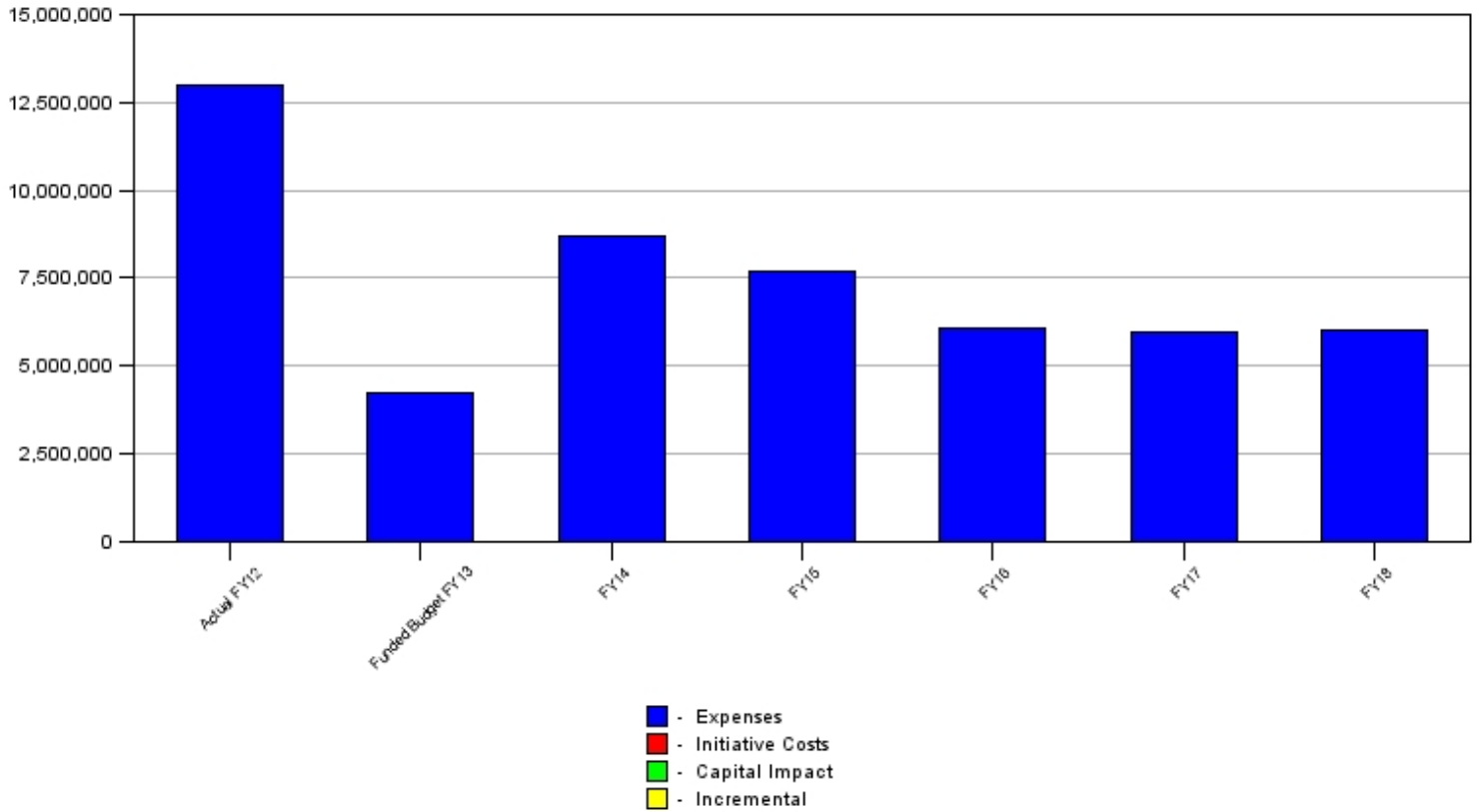
**CITY OF ATLANTA**  
**Department Of Public Works - Solid Waste Services Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$35,092,690	\$42,151,709	\$39,561,422	\$40,578,790	\$42,155,321	\$42,221,353	\$42,164,305	\$206,681,192
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$35,092,690</b>	<b>\$42,151,709</b>	<b>\$39,561,422</b>	<b>\$40,578,790</b>	<b>\$42,155,321</b>	<b>\$42,221,353</b>	<b>\$42,164,305</b>	<b>\$206,681,192</b>



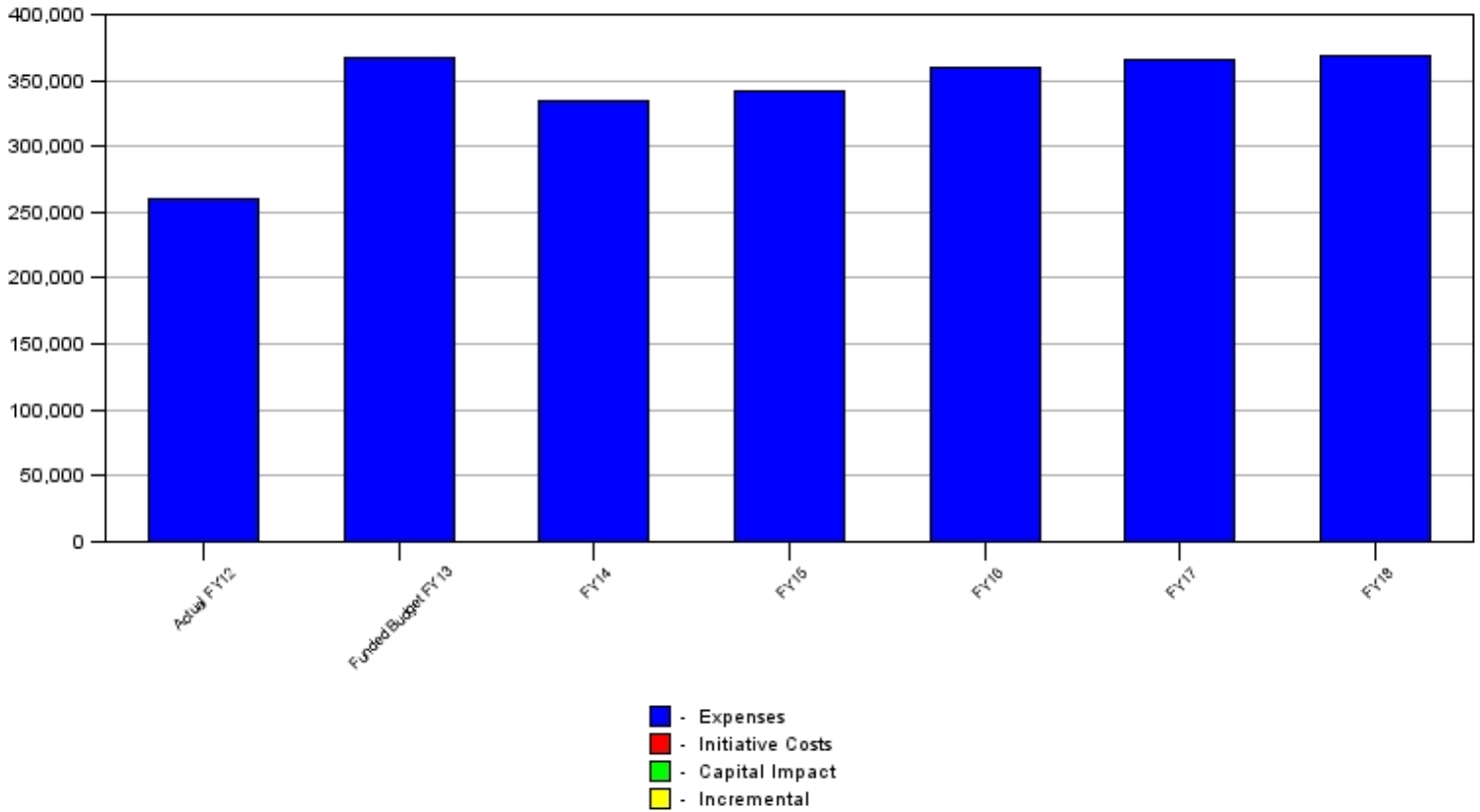
**CITY OF ATLANTA**  
**Non-Departmental - Solid Waste Services Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$12,992,967	\$4,264,791	\$8,723,338	\$7,687,140	\$6,053,003	\$5,975,234	\$6,020,800	\$34,459,514
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$12,992,967</b>	<b>\$4,264,791</b>	<b>\$8,723,338</b>	<b>\$7,687,140</b>	<b>\$6,053,003</b>	<b>\$5,975,234</b>	<b>\$6,020,800</b>	<b>\$34,459,514</b>

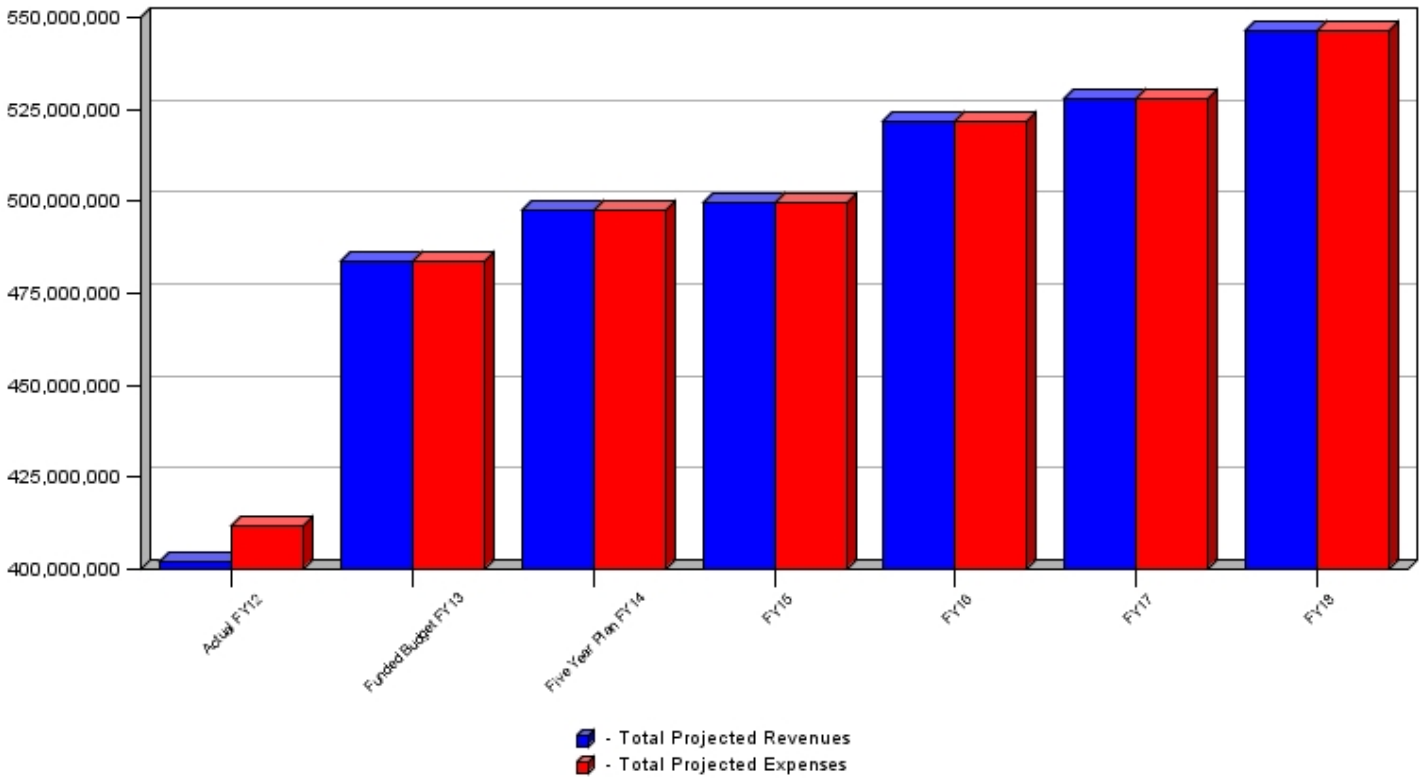
**CITY OF ATLANTA**  
**Department Of Human Resources - Solid Waste Services Revenue Fund - Five Year**  
**Plan**

**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$260,755	\$367,108	\$334,180	\$341,406	\$360,531	\$365,605	\$369,257	\$1,770,979
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$260,755</b>	<b>\$367,108</b>	<b>\$334,180</b>	<b>\$341,406</b>	<b>\$360,531</b>	<b>\$365,605</b>	<b>\$369,257</b>	<b>\$1,770,979</b>

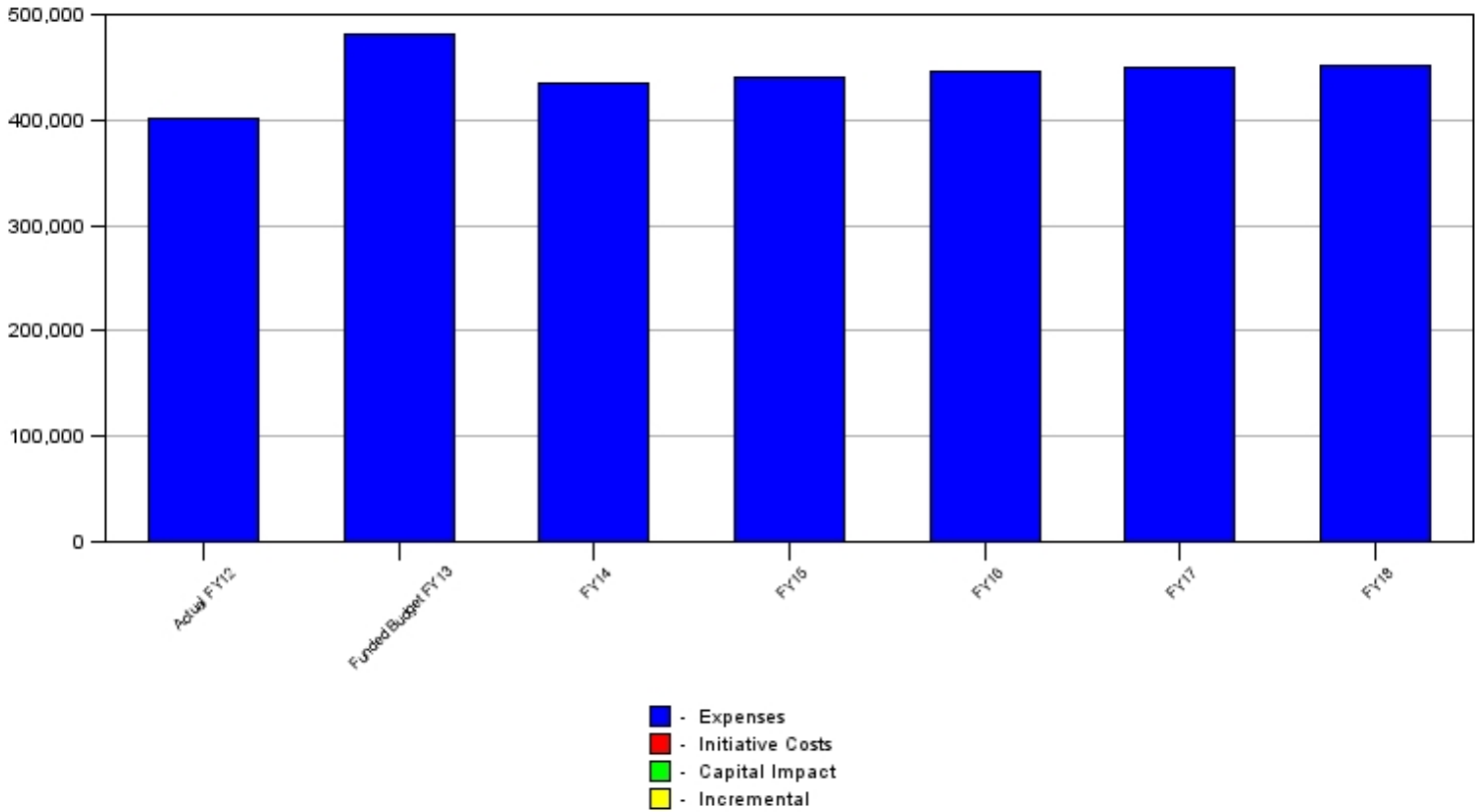
**CITY OF ATLANTA**  
**Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan		FY18	Total Plan Years
Total Projected Revenues	\$401,970,773	\$483,507,357	\$497,488,001	\$499,850,001	\$521,557,000	\$527,785,000	\$546,487,000	\$2,593,167,002
Expenses	\$411,715,378	\$483,507,357	\$497,488,000	\$499,850,001	\$521,557,000	\$527,785,001	\$546,487,000	\$2,593,167,002
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$411,715,378	\$483,507,357	\$497,488,000	\$499,850,001	\$521,557,000	\$527,785,001	\$546,487,000	\$2,593,167,002
Revenues Over(Under) Expenses	(\$9,744,604)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variance %	(2%)	0%	0%	0%	0%	0%	0%	0%

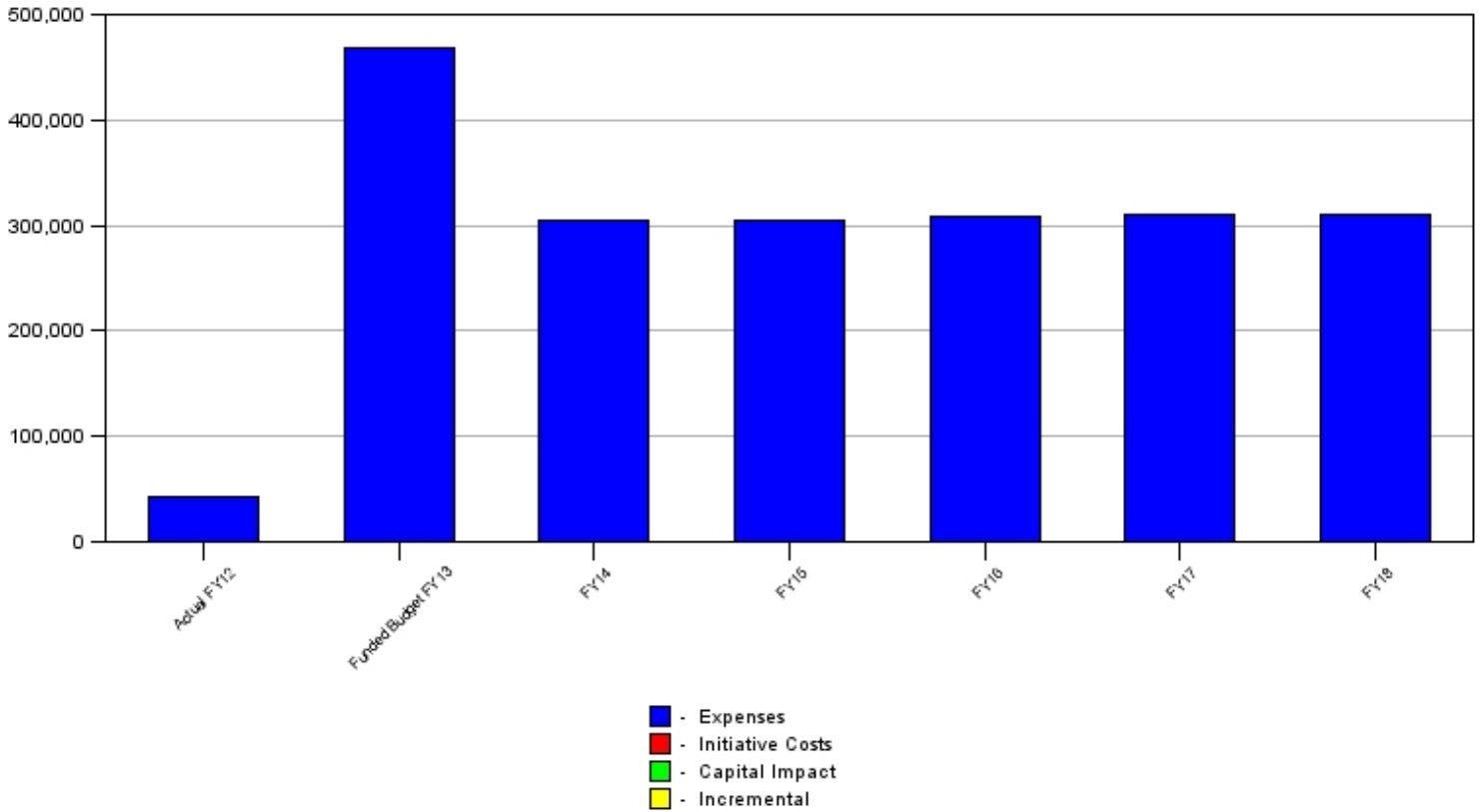
Hartsfield-Jackson Atlanta International Airport's mission is to provide the Atlanta region a safe, secure and cost-competitive gateway to the world that drives economic development, operates with the highest level of efficiency, and exercises fiscal and environmental responsibility. The Aviation Revenue Fund will increase an average of 4% over the next five years. Operating expenses will remain flat, but annual reserves amounts averaging at 26% of projected budget, will increase an average of 8% from FY2014 through FY2018.

**CITY OF ATLANTA**  
**Executive Offices - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



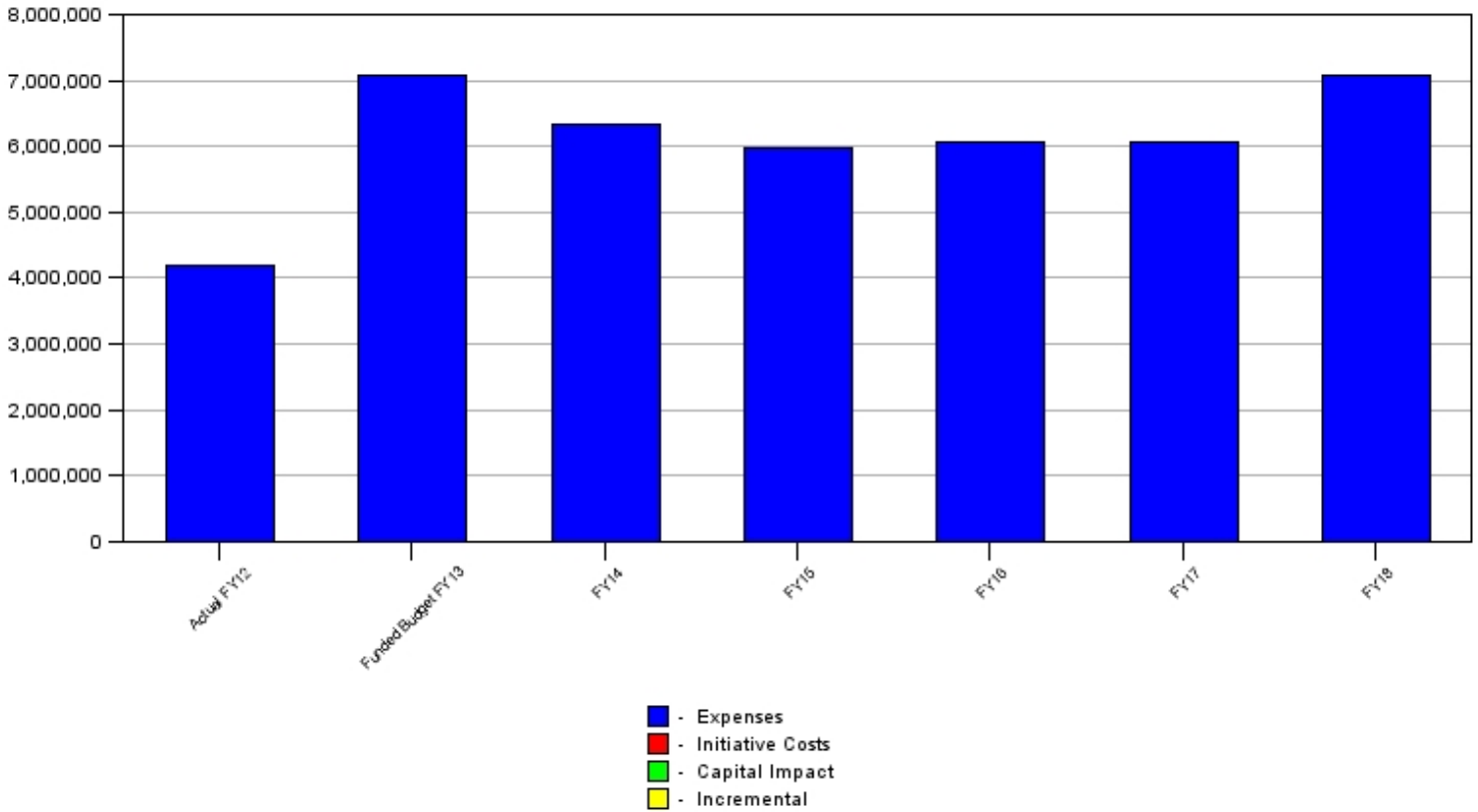
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$400,764	\$481,449	\$434,567	\$440,834	\$446,921	\$449,109	\$452,187	\$2,223,618
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$400,764</b>	<b>\$481,449</b>	<b>\$434,567</b>	<b>\$440,834</b>	<b>\$446,921</b>	<b>\$449,109</b>	<b>\$452,187</b>	<b>\$2,223,618</b>

**CITY OF ATLANTA**  
**Department Of Information Technology - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



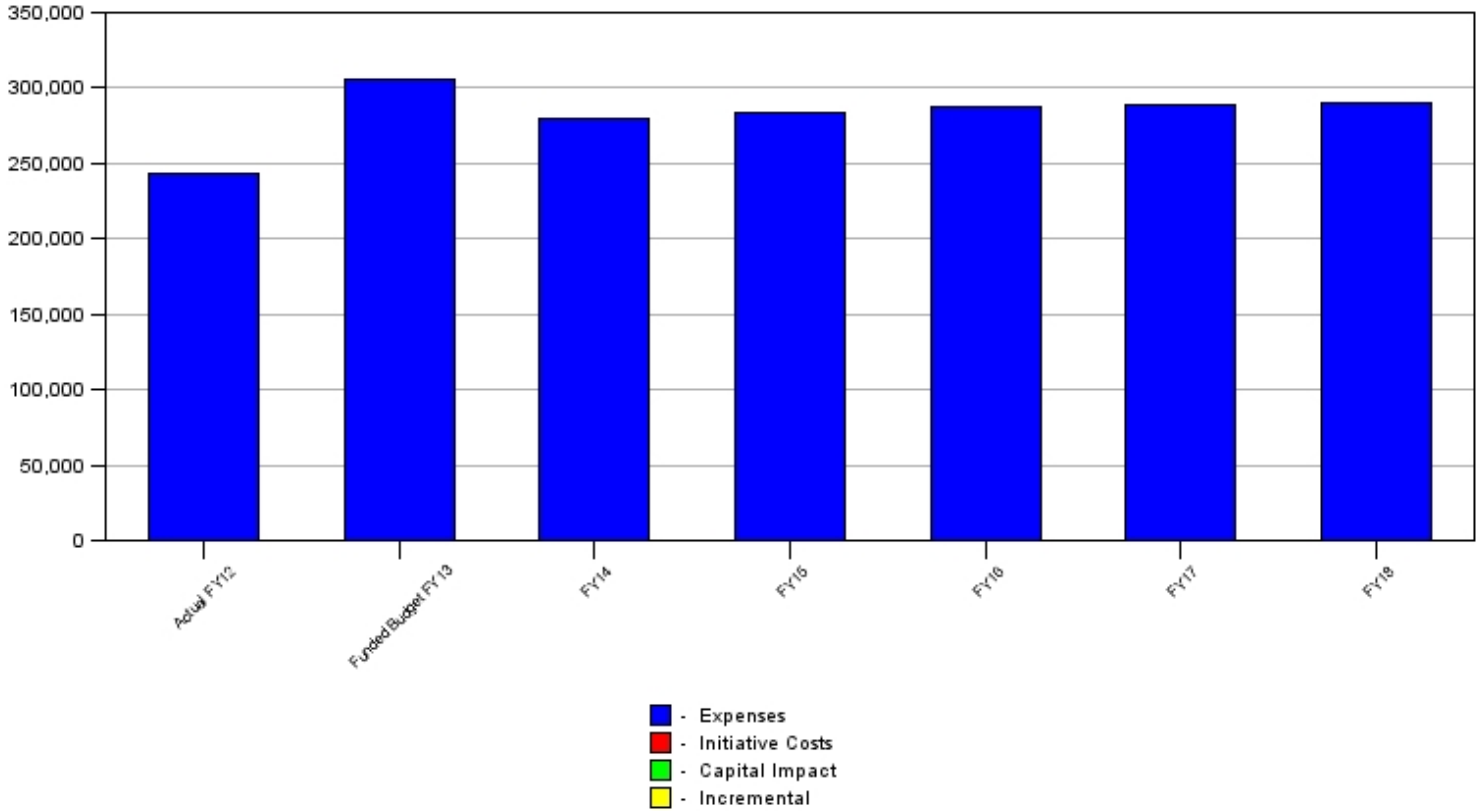
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$42,394	\$467,495	\$303,993	\$305,283	\$309,119	\$309,774	\$310,461	\$1,538,630
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$42,394</b>	<b>\$467,495</b>	<b>\$303,993</b>	<b>\$305,283</b>	<b>\$309,119</b>	<b>\$309,774</b>	<b>\$310,461</b>	<b>\$1,538,630</b>

**CITY OF ATLANTA**  
**Department Of Law - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



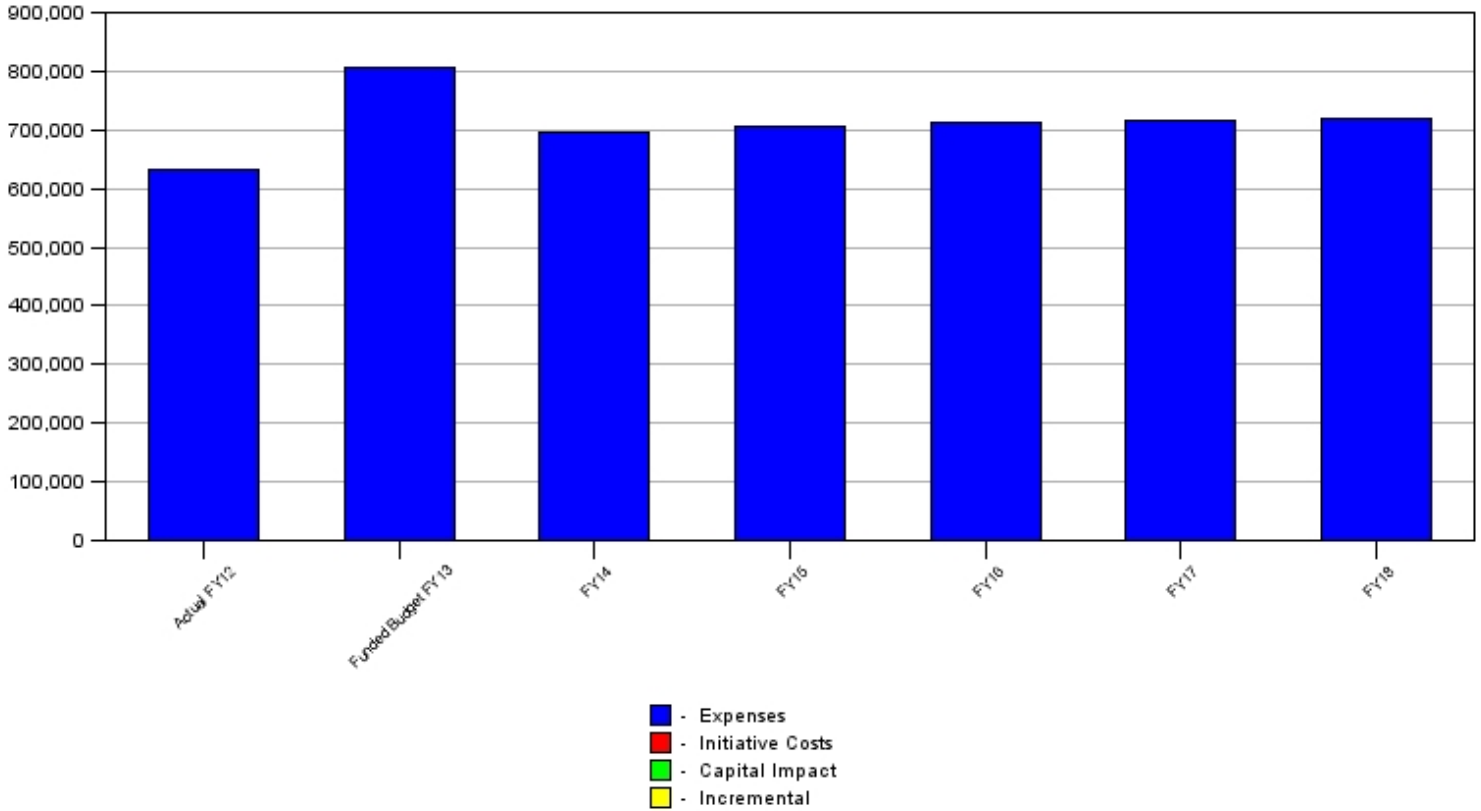
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$4,178,458	\$7,071,367	\$6,338,858	\$5,974,747	\$6,053,160	\$6,068,198	\$7,090,895	\$31,525,859
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$4,178,458</b>	<b>\$7,071,367</b>	<b>\$6,338,858</b>	<b>\$5,974,747</b>	<b>\$6,053,160</b>	<b>\$6,068,198</b>	<b>\$7,090,895</b>	<b>\$31,525,859</b>

**CITY OF ATLANTA**  
**Department Of Finance - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$242,827	\$305,442	\$279,987	\$283,796	\$287,612	\$288,804	\$290,562	\$1,430,762
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$242,827</b>	<b>\$305,442</b>	<b>\$279,987</b>	<b>\$283,796</b>	<b>\$287,612</b>	<b>\$288,804</b>	<b>\$290,562</b>	<b>\$1,430,762</b>

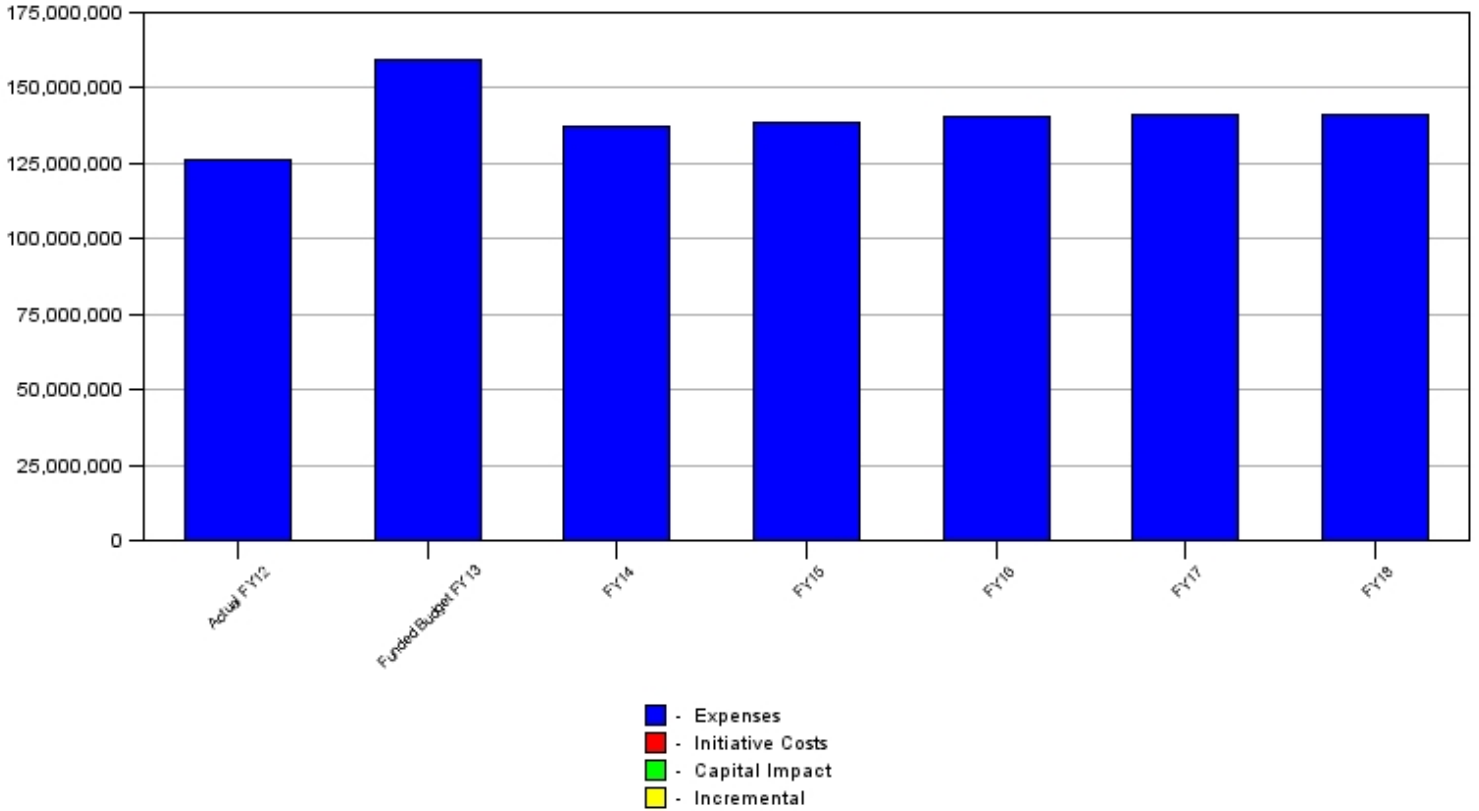
**CITY OF ATLANTA**  
**Department Of Procurement - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$631,328	\$806,808	\$697,408	\$704,595	\$713,946	\$716,957	\$720,782	\$3,553,687
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$631,328</b>	<b>\$806,808</b>	<b>\$697,408</b>	<b>\$704,595</b>	<b>\$713,946</b>	<b>\$716,957</b>	<b>\$720,782</b>	<b>\$3,553,687</b>

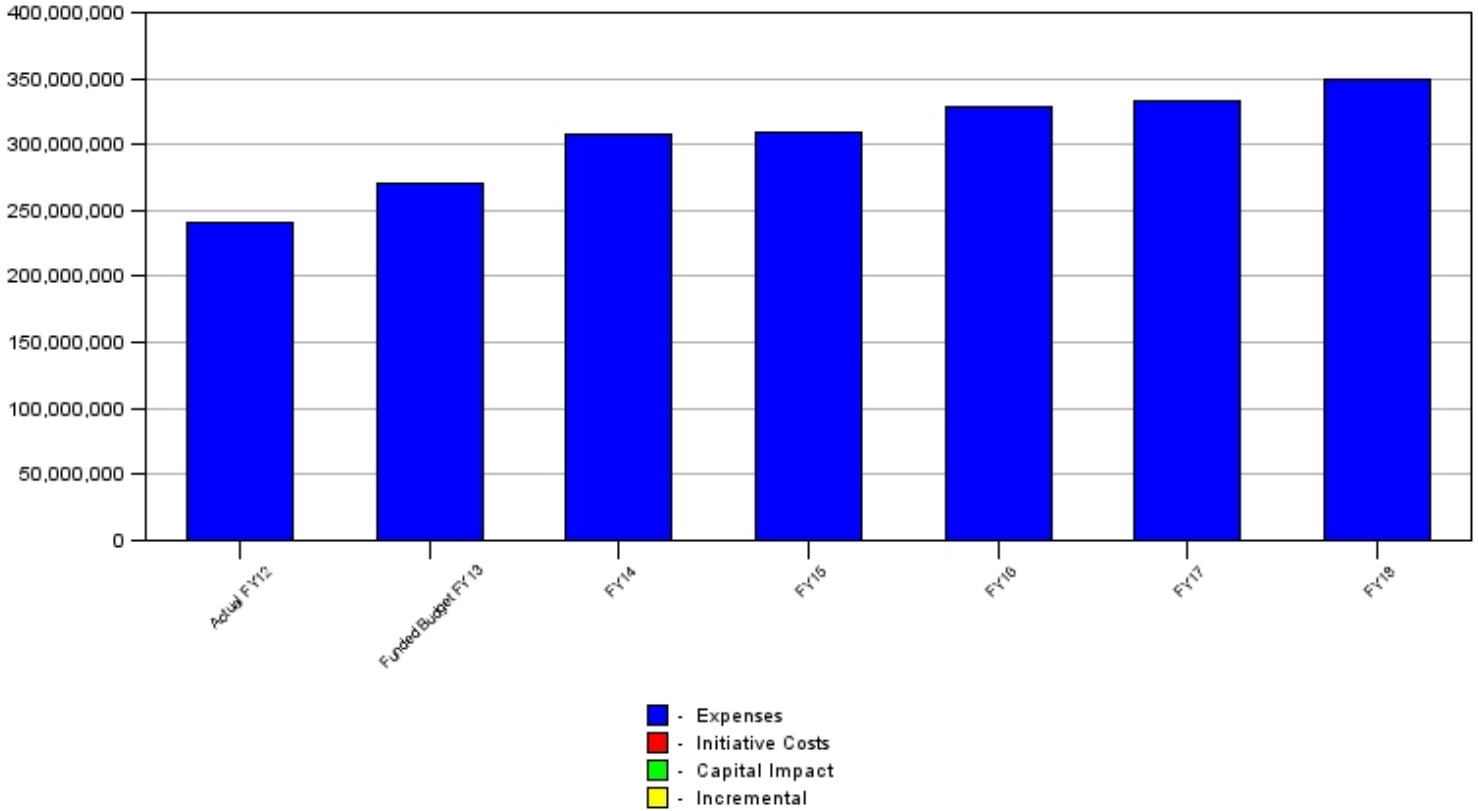


**CITY OF ATLANTA**  
**Department Of Aviation - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



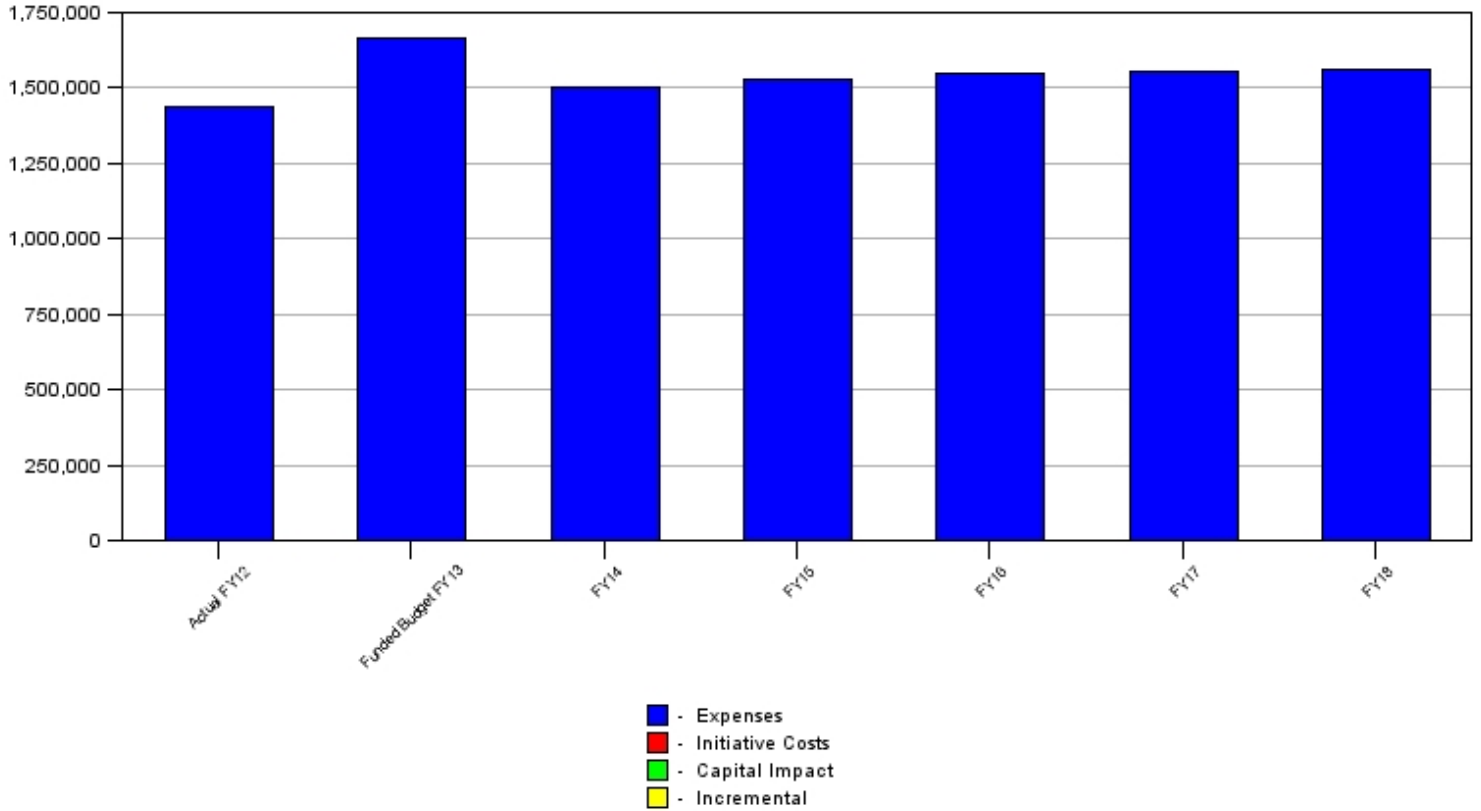
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$125,966,659	\$159,388,504	\$137,336,930	\$138,411,641	\$140,221,014	\$140,880,273	\$141,385,532	\$698,235,389
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$125,966,659</b>	<b>\$159,388,504</b>	<b>\$137,336,930</b>	<b>\$138,411,641</b>	<b>\$140,221,014</b>	<b>\$140,880,273</b>	<b>\$141,385,532</b>	<b>\$698,235,389</b>

**CITY OF ATLANTA**  
**Non-Departmental - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



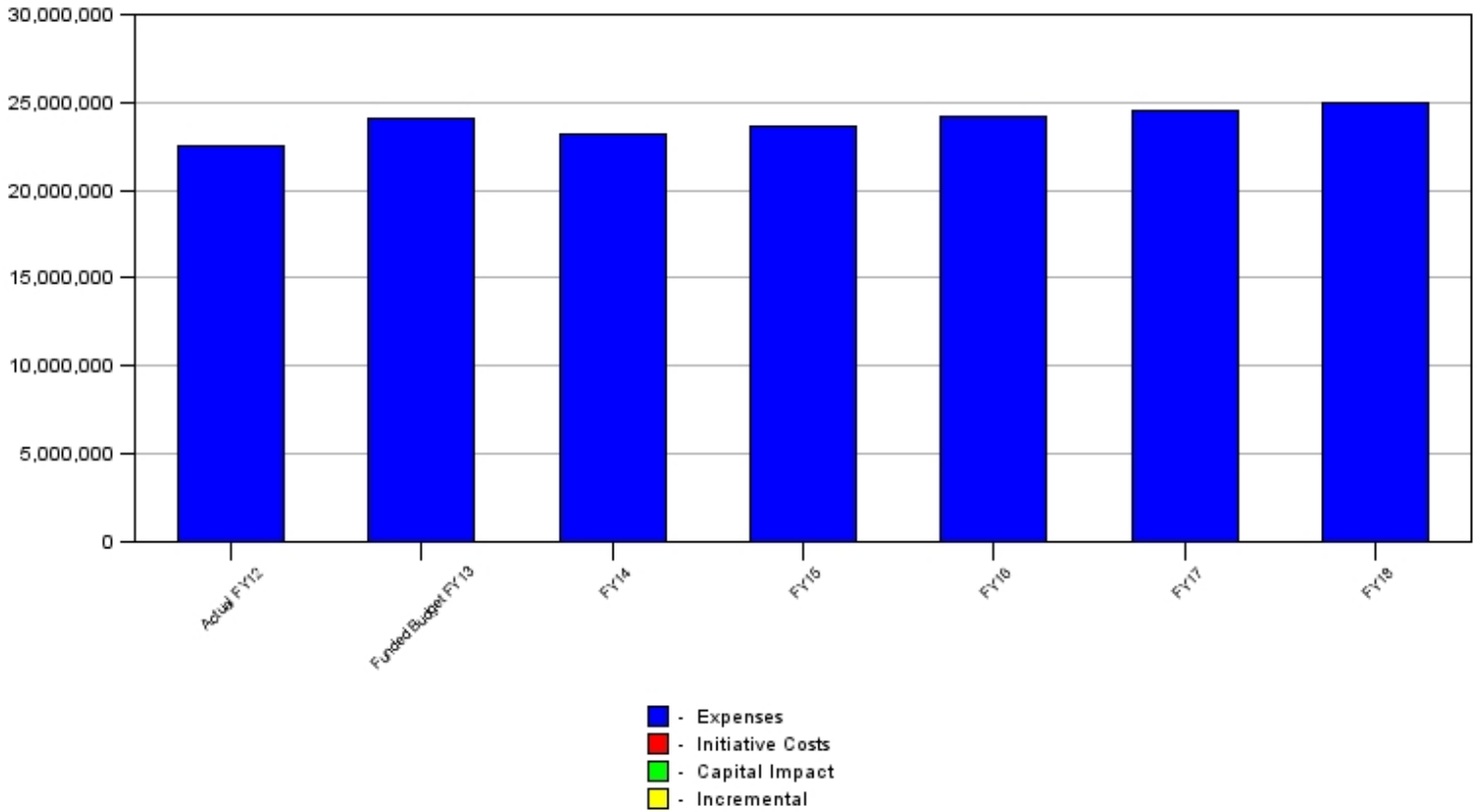
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$241,027,929	\$270,023,475	\$308,304,281	\$309,088,408	\$327,896,421	\$332,697,241	\$349,080,844	\$1,627,067,196
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$241,027,929</b>	<b>\$270,023,475</b>	<b>\$308,304,281</b>	<b>\$309,088,408</b>	<b>\$327,896,421</b>	<b>\$332,697,241</b>	<b>\$349,080,844</b>	<b>\$1,627,067,196</b>

**CITY OF ATLANTA**  
**Department Of Human Resources - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



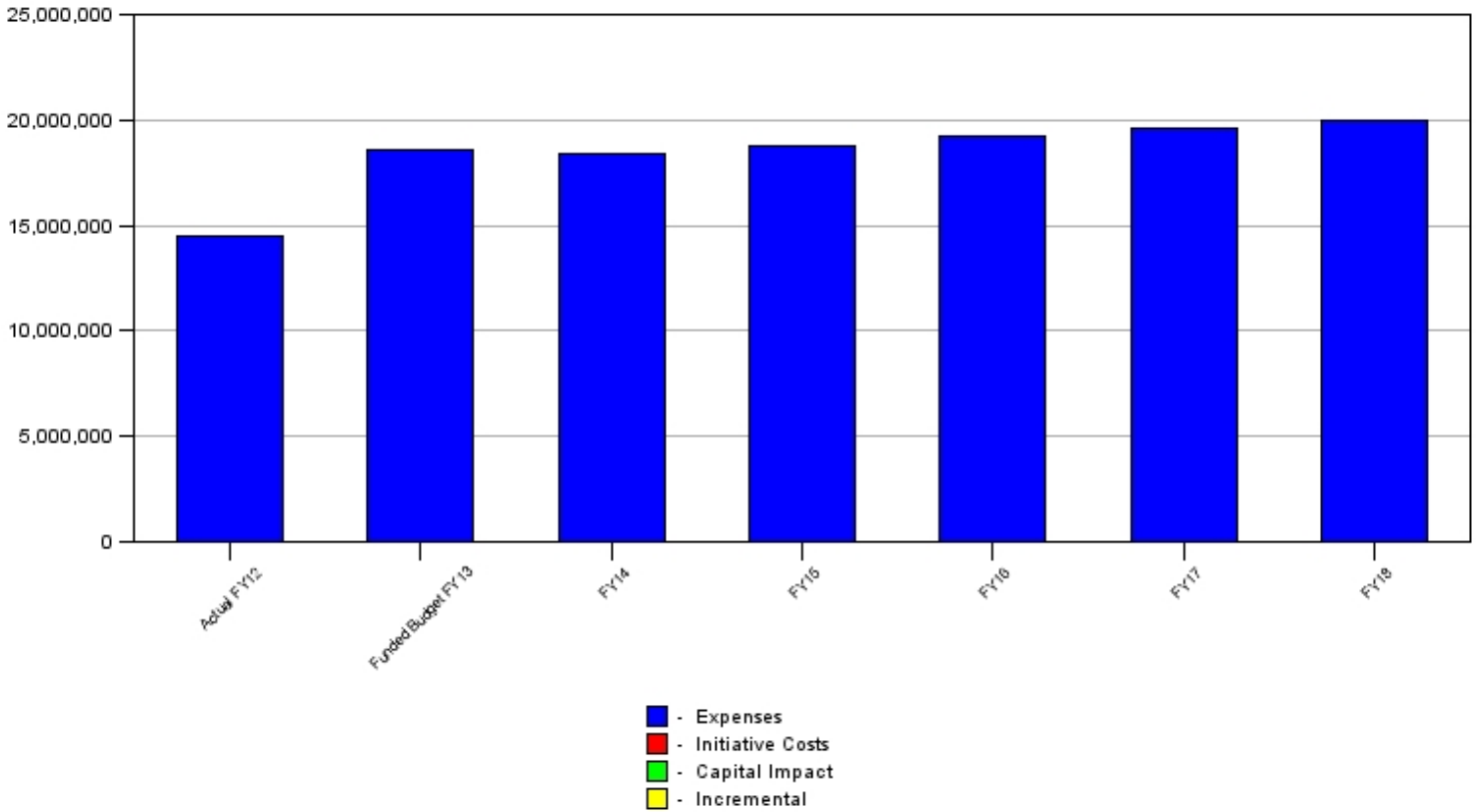
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$1,437,074	\$1,663,647	\$1,504,018	\$1,525,610	\$1,546,099	\$1,552,803	\$1,562,771	\$7,691,301
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$1,437,074</b>	<b>\$1,663,647</b>	<b>\$1,504,018</b>	<b>\$1,525,610</b>	<b>\$1,546,099</b>	<b>\$1,552,803</b>	<b>\$1,562,771</b>	<b>\$7,691,301</b>

**CITY OF ATLANTA**  
**Department Of Fire Services - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



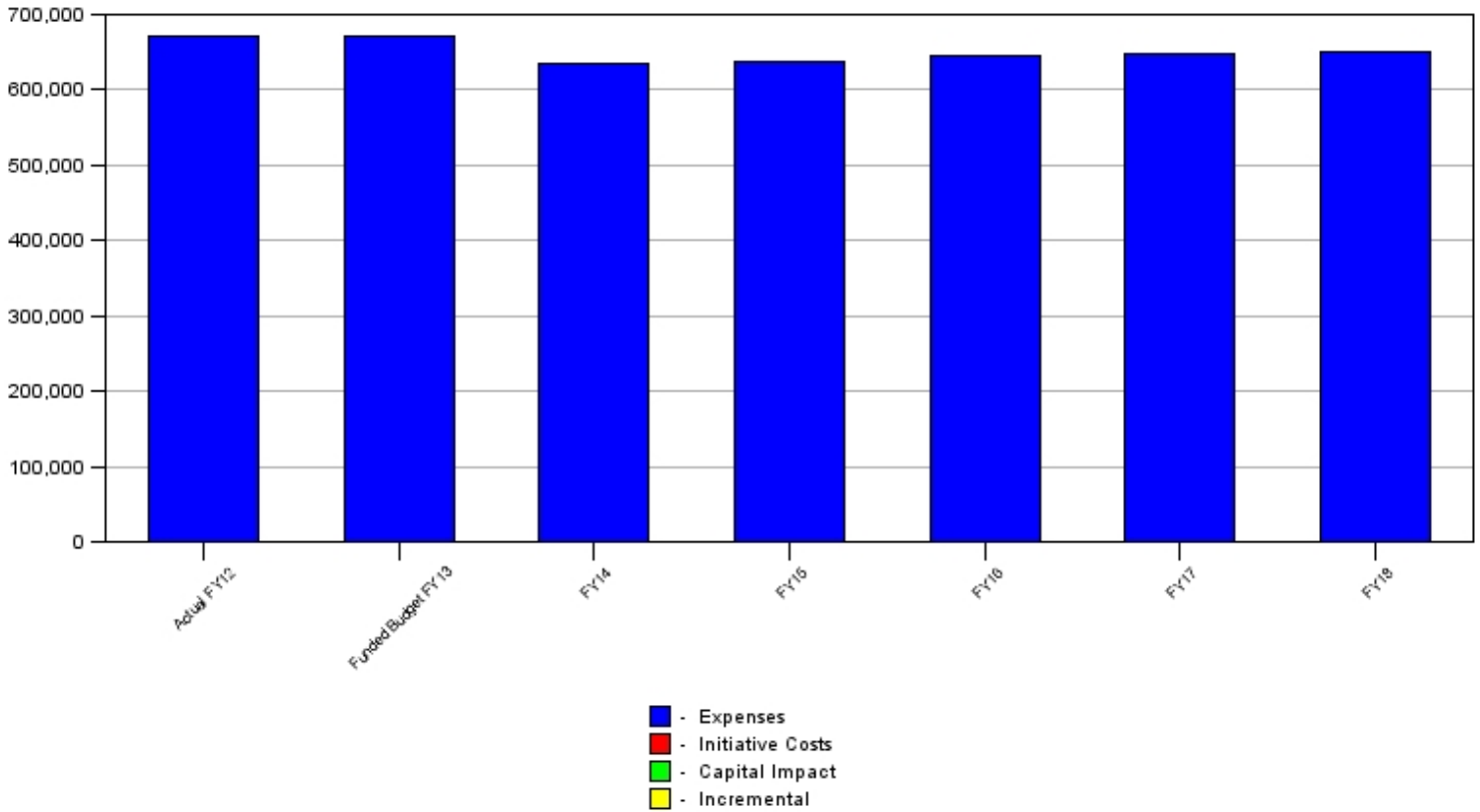
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$22,582,772	\$24,059,477	\$23,205,841	\$23,666,970	\$24,186,293	\$24,590,708	\$25,000,943	\$120,650,755
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$22,582,772</b>	<b>\$24,059,477</b>	<b>\$23,205,841</b>	<b>\$23,666,970</b>	<b>\$24,186,293</b>	<b>\$24,590,708</b>	<b>\$25,000,943</b>	<b>\$120,650,755</b>

**CITY OF ATLANTA**  
**Department Of Police Services - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



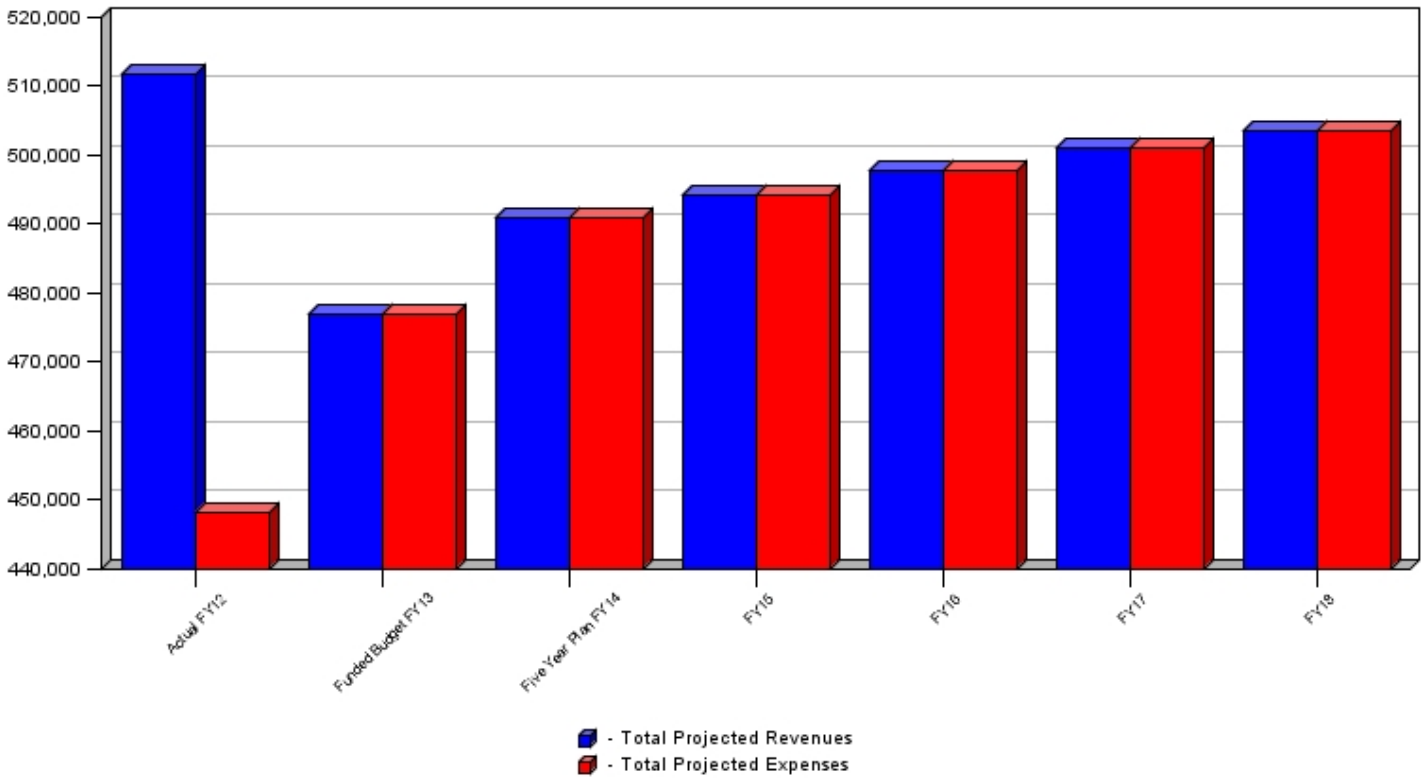
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$14,535,080	\$18,569,583	\$18,446,750	\$18,809,915	\$19,249,960	\$19,583,195	\$19,942,475	\$96,032,294
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$14,535,080</b>	<b>\$18,569,583</b>	<b>\$18,446,750</b>	<b>\$18,809,915</b>	<b>\$19,249,960</b>	<b>\$19,583,195</b>	<b>\$19,942,475</b>	<b>\$96,032,294</b>

**CITY OF ATLANTA**  
**Department Of Audit - Airport Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$670,093	\$670,110	\$635,368	\$638,201	\$646,457	\$647,938	\$649,547	\$3,217,511
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$670,093</b>	<b>\$670,110</b>	<b>\$635,368</b>	<b>\$638,201</b>	<b>\$646,457</b>	<b>\$647,938</b>	<b>\$649,547</b>	<b>\$3,217,511</b>

**CITY OF ATLANTA**  
**Parks Facilities Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**

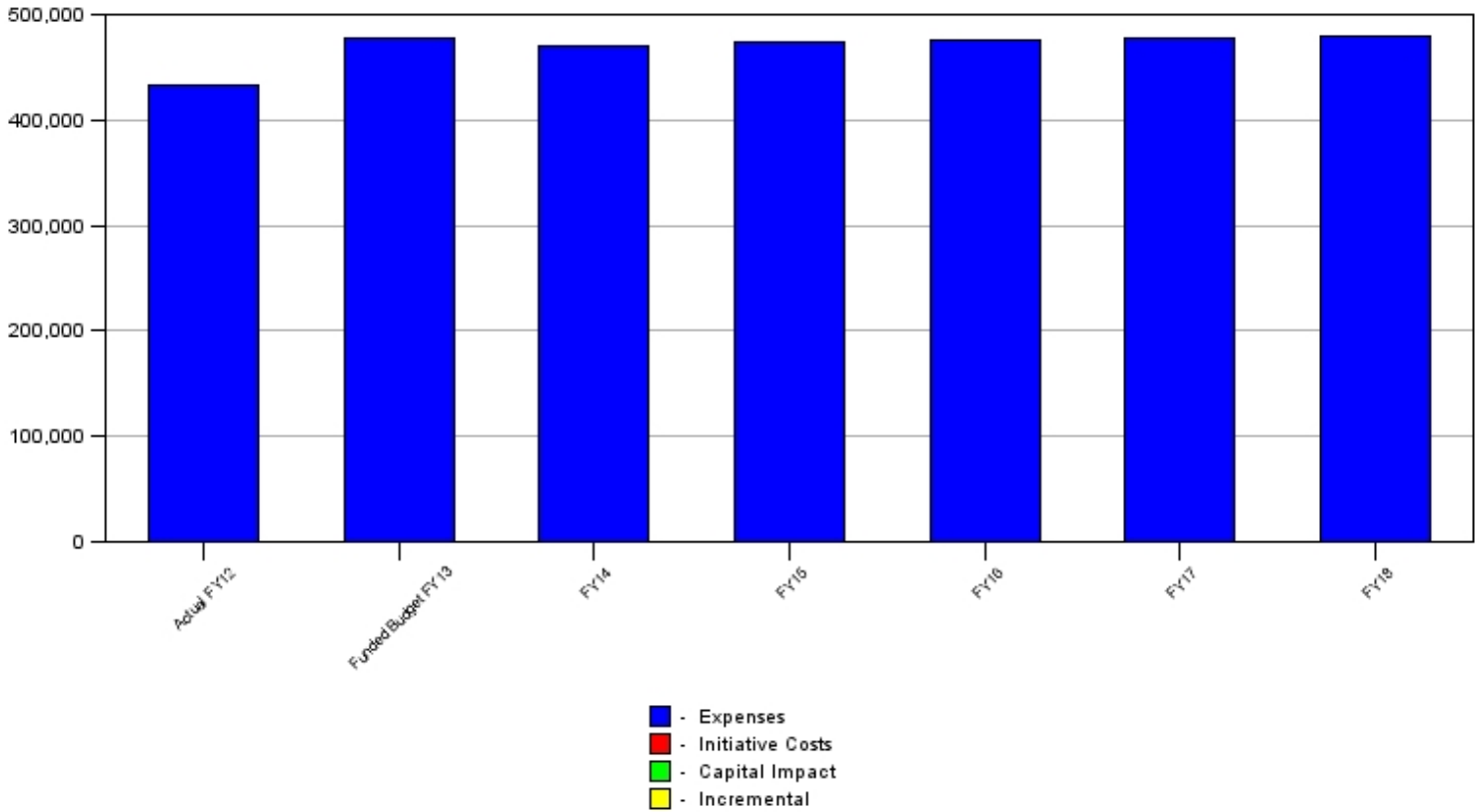


	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan			Total Plan Years
Total Projected Revenues	\$511,836	\$476,953	\$490,977	\$494,354	\$497,755	\$501,181	\$503,634	\$2,487,901
Expenses	\$448,173	\$476,953	\$490,977	\$494,354	\$497,755	\$501,181	\$503,634	\$2,487,901
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$448,173	\$476,953	\$490,977	\$494,354	\$497,755	\$501,181	\$503,634	\$2,487,901
Revenues Over(Under) Expenses	\$63,663	\$0	\$0	\$0	\$0	\$0	\$0	(\$1)
Variance %	12%	0%	0%	0%	0%	0%	0%	0%

The Parks Facilities Revenue Fund was created to support the Cyclorama restoration project and is supported by user fees. In May 2012, the Taskforce convened to resolve issues facing the Atlanta Cyclorama and presented recommendations to Mayor Reed. The Taskforce recommended three options related to the location of the Atlanta Cyclorama & Civil War Museum. However, there are no anticipated changes before 2014. Currently, the department is in the process of replacing the roof and converting the audio/visual equipment digital technology. There are other capital improvements needed at the facility including repairs to exterior facade and terrace, improved auditorium seating, bathroom improvements, painting, carpet, and ADA compliance improvements. This year, the department expanded its programming to include specific adult and children's program opportunities. During Summer 2013, the department will continue the Summer series of programs and events in commemoration of the 150<sup>th</sup> Anniversary of the Civil War.

**CITY OF ATLANTA**  
**Dept Of Parks, Recreation & Cultural Aff - Parks Facilities Revenue Fund - Five Year**  
**Plan**

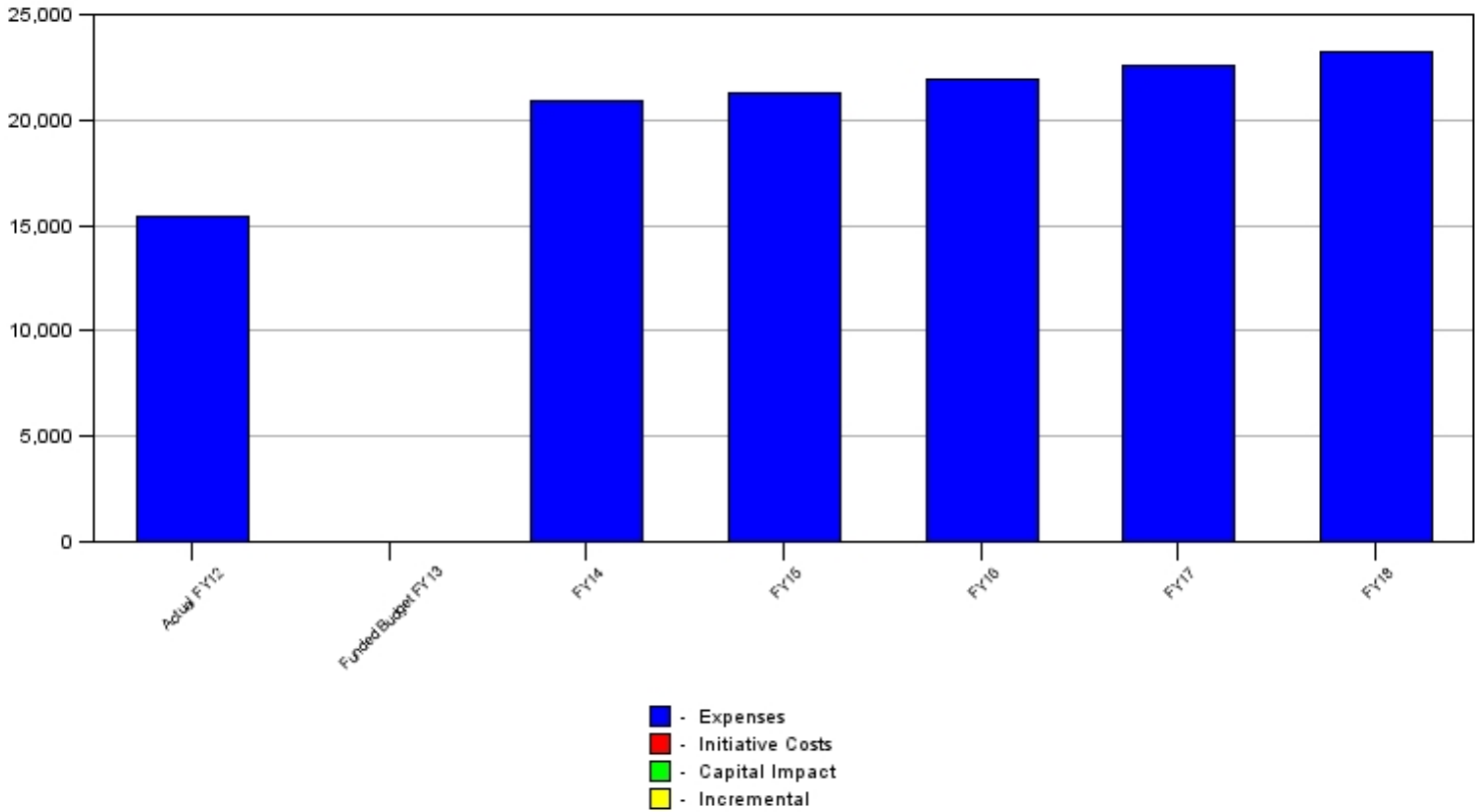
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$432,786	\$476,953	\$470,102	\$473,063	\$475,830	\$478,602	\$480,384	\$2,377,979
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$432,786</b>	<b>\$476,953</b>	<b>\$470,102</b>	<b>\$473,063</b>	<b>\$475,830</b>	<b>\$478,602</b>	<b>\$480,384</b>	<b>\$2,377,979</b>

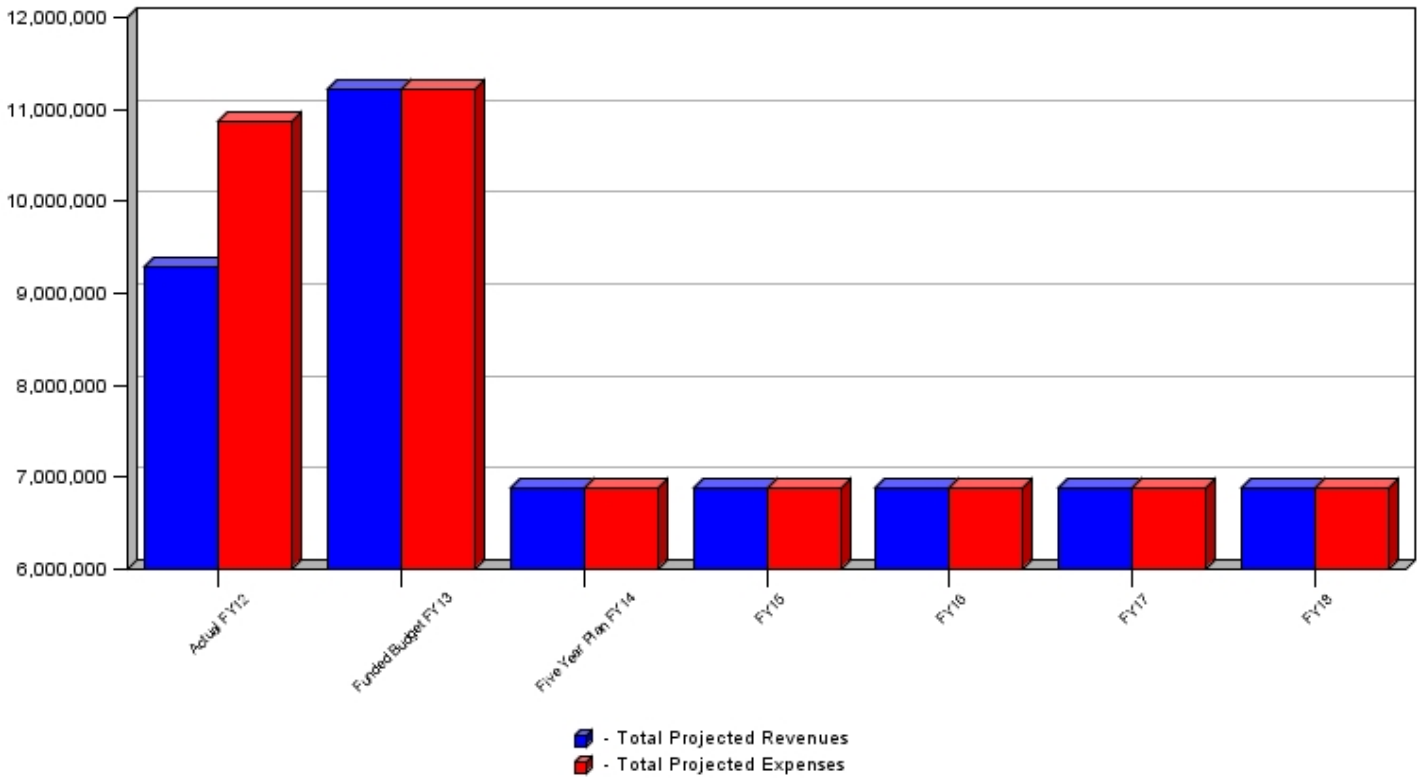


**CITY OF ATLANTA**  
**Non-Departmental - Parks Facilities Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$15,387	\$0	\$20,876	\$21,291	\$21,926	\$22,579	\$23,250	\$109,922
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$15,387</b>	<b>\$0</b>	<b>\$20,876</b>	<b>\$21,291</b>	<b>\$21,926</b>	<b>\$22,579</b>	<b>\$23,250</b>	<b>\$109,922</b>

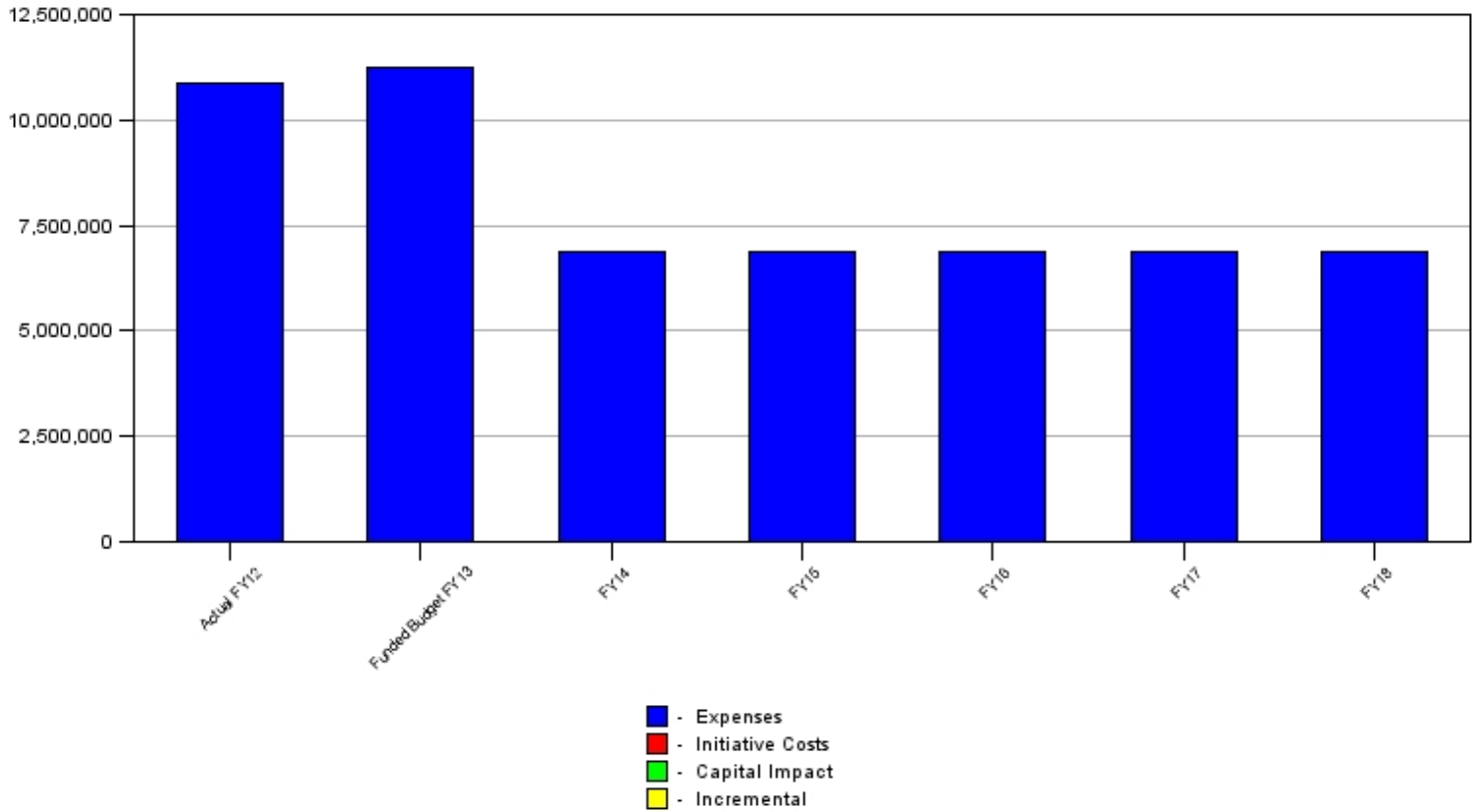
**CITY OF ATLANTA**  
**Underground Atl Facil Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan			Total Plan Years
Total Projected Revenues	\$9,280,002	\$11,223,117	\$6,882,168	\$6,884,477	\$6,877,671	\$6,881,786	\$6,880,050	\$34,406,152
Expenses	\$10,868,065	\$11,223,117	\$6,882,168	\$6,884,477	\$6,877,671	\$6,881,786	\$6,880,050	\$34,406,152
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$10,868,065	\$11,223,117	\$6,882,168	\$6,884,477	\$6,877,671	\$6,881,786	\$6,880,050	\$34,406,152
Revenues Over(Under) Expenses	(\$1,588,063)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variance %	(17%)	0%	0%	0%	0%	0%	0%	0%

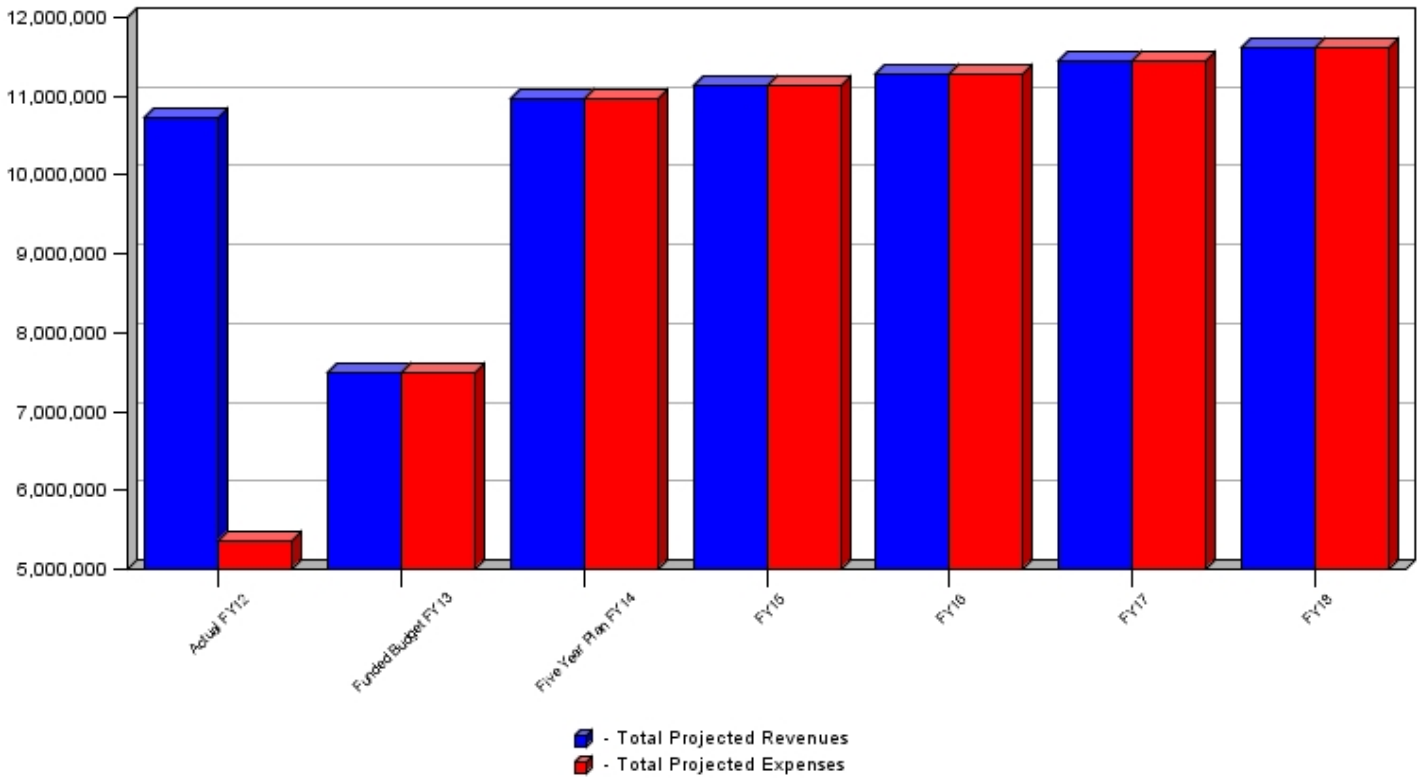
The Underground Atlanta Fund was established in 1989 to account for transactions associated with the public operations of the Underground Atlanta facilities and parking decks. The fund is supported by user fees, parking revenues and a general fund subsidy. Underground Atlanta has been adversely affected by the economy due to the lack of national brand name retailers and the loss of potential customers after the World of Coke relocated near the Georgia Aquarium. The loss of retailers and customers has had an effect on the funding needed to support repairs of the parking facilities. The Office of Enterprise Asset Management will need to determine what needs to be done to attract more business/entertainment for Underground Atlanta. Beginning in FY2014, proposed refinancing of existing debt for Underground Atlanta will reduce debt service payments from \$8.1M to \$4.8M.

**CITY OF ATLANTA**  
**Non-Departmental - Underground Atl Facil Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$10,868,065	\$11,223,117	\$6,882,168	\$6,884,477	\$6,877,671	\$6,881,786	\$6,880,050	\$34,406,152
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$10,868,065</b>	<b>\$11,223,117</b>	<b>\$6,882,168</b>	<b>\$6,884,477</b>	<b>\$6,877,671</b>	<b>\$6,881,786</b>	<b>\$6,880,050</b>	<b>\$34,406,152</b>

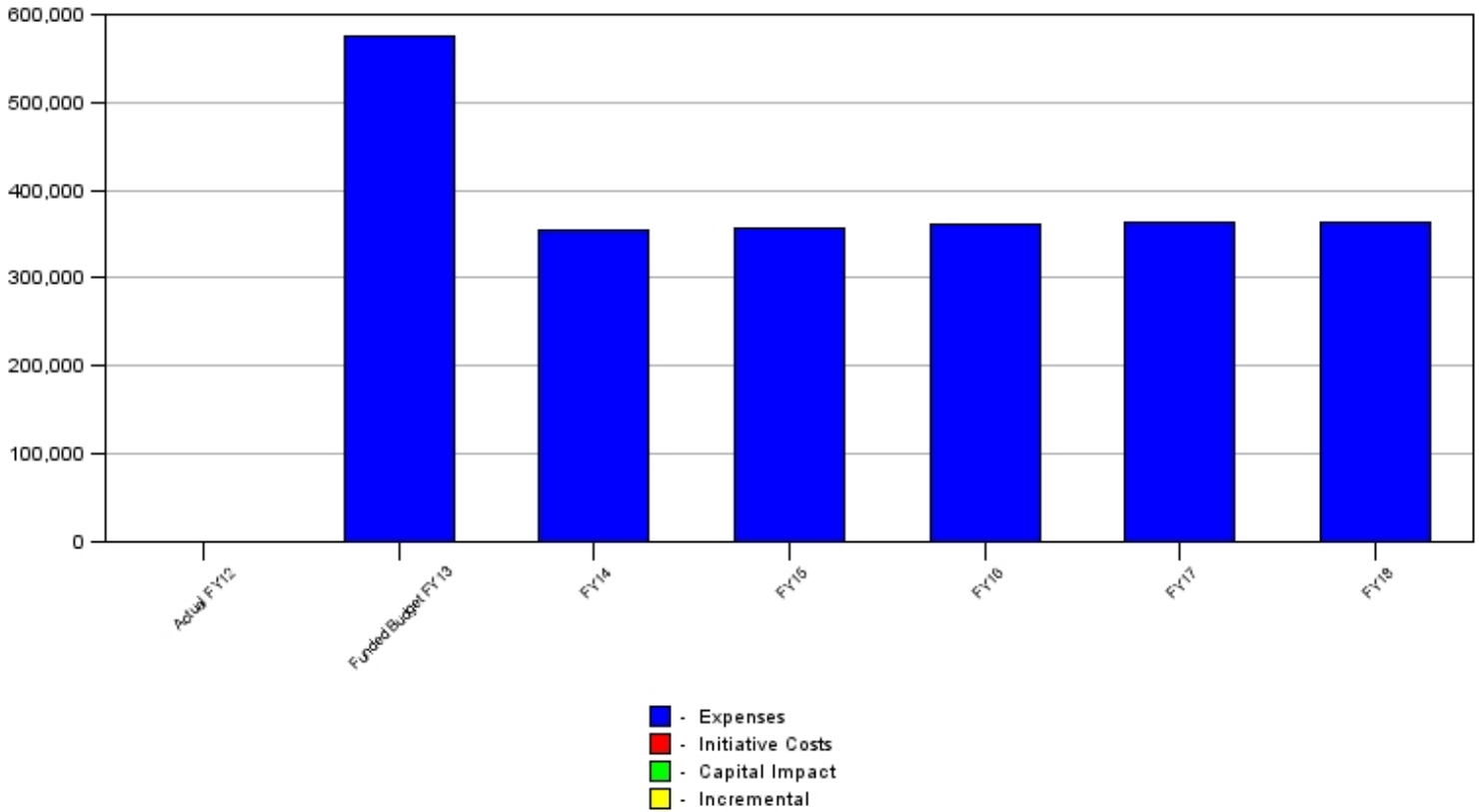
**CITY OF ATLANTA**  
**Building Permits Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan			Total Plan Years
Total Projected Revenues	\$10,732,563	\$7,501,420	\$10,976,889	\$11,131,225	\$11,288,289	\$11,448,106	\$11,617,338	\$56,461,848
Expenses	\$5,354,140	\$7,501,420	\$10,976,889	\$11,131,225	\$11,288,289	\$11,448,106	\$11,617,338	\$56,461,848
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$5,354,140	\$7,501,420	\$10,976,889	\$11,131,225	\$11,288,289	\$11,448,106	\$11,617,338	\$56,461,848
Revenues Over(Under) Expenses	\$5,378,423	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variance %	50%	0%	0%	0%	0%	0%	0%	0%

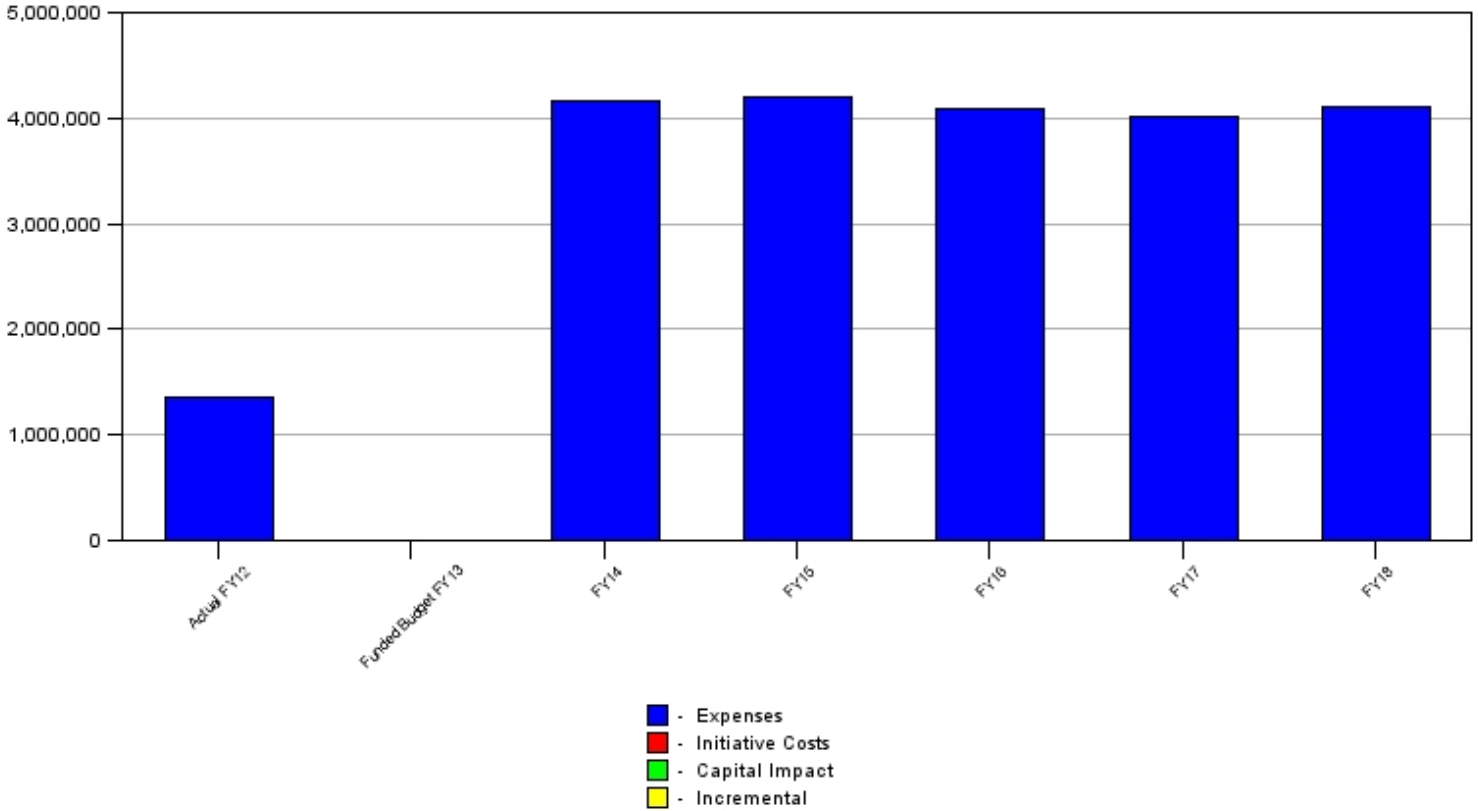
The Building Permits Fund accounts for the collection of income and disbursement of funds associated with the operation of the building permitting function. The Building Permits Fund was established in November 2011 as an enterprise fund. The variance is attributed to the current permitting fee structure (fee increases in FY12), and an increase in Commercial Inspections.

**CITY OF ATLANTA**  
**Department Of Information Technology - Building Permits Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$0	\$574,500	\$355,647	\$357,169	\$362,118	\$363,412	\$364,245	\$1,802,591
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$0</b>	<b>\$574,500</b>	<b>\$355,647</b>	<b>\$357,169</b>	<b>\$362,118</b>	<b>\$363,412</b>	<b>\$364,245</b>	<b>\$1,802,591</b>

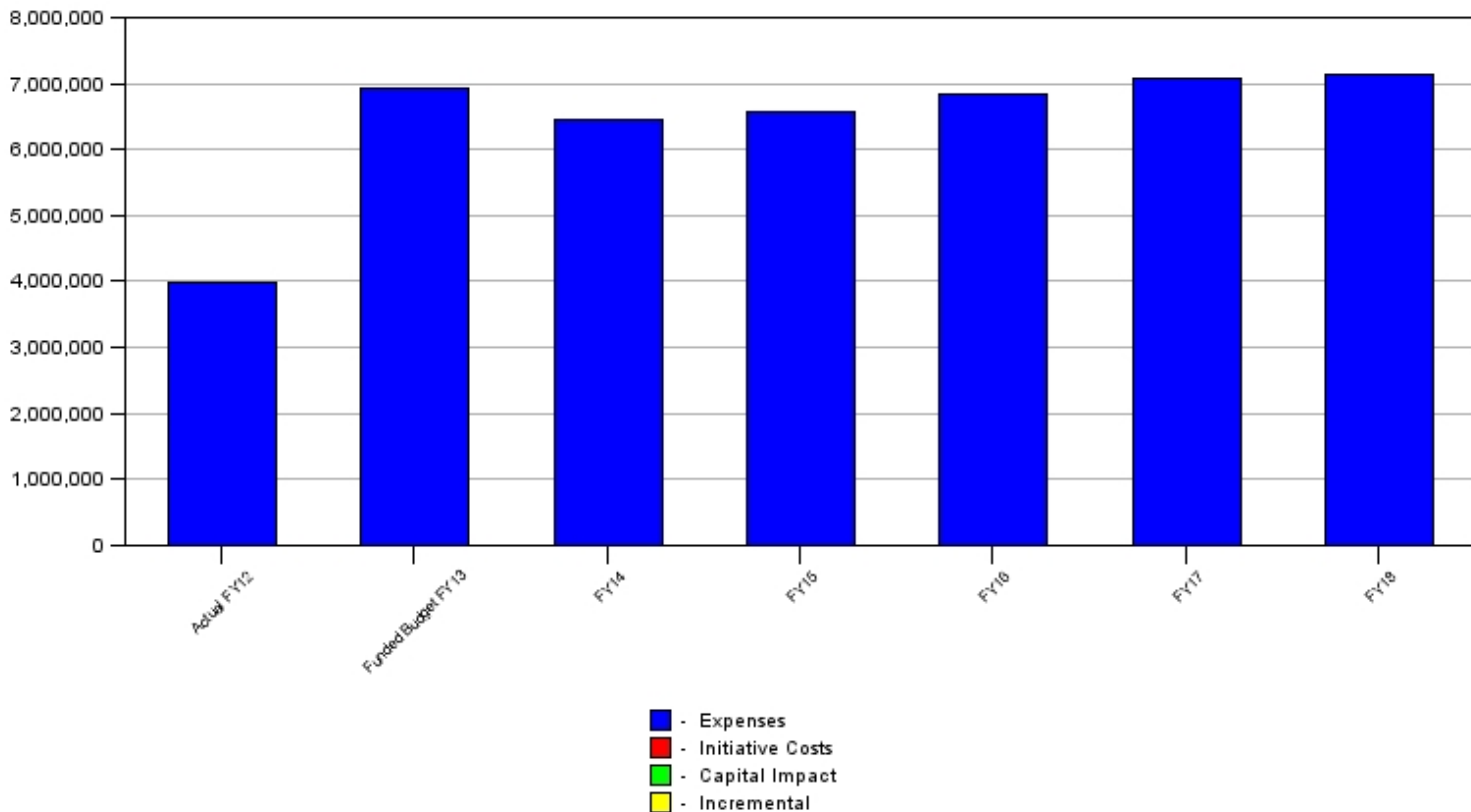
**CITY OF ATLANTA**  
**Non-Departmental - Building Permits Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$1,363,386	\$0	\$4,162,241	\$4,199,964	\$4,097,483	\$4,019,348	\$4,107,583	\$20,586,619
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$1,363,386</b>	<b>\$0</b>	<b>\$4,162,241</b>	<b>\$4,199,964</b>	<b>\$4,097,483</b>	<b>\$4,019,348</b>	<b>\$4,107,583</b>	<b>\$20,586,619</b>

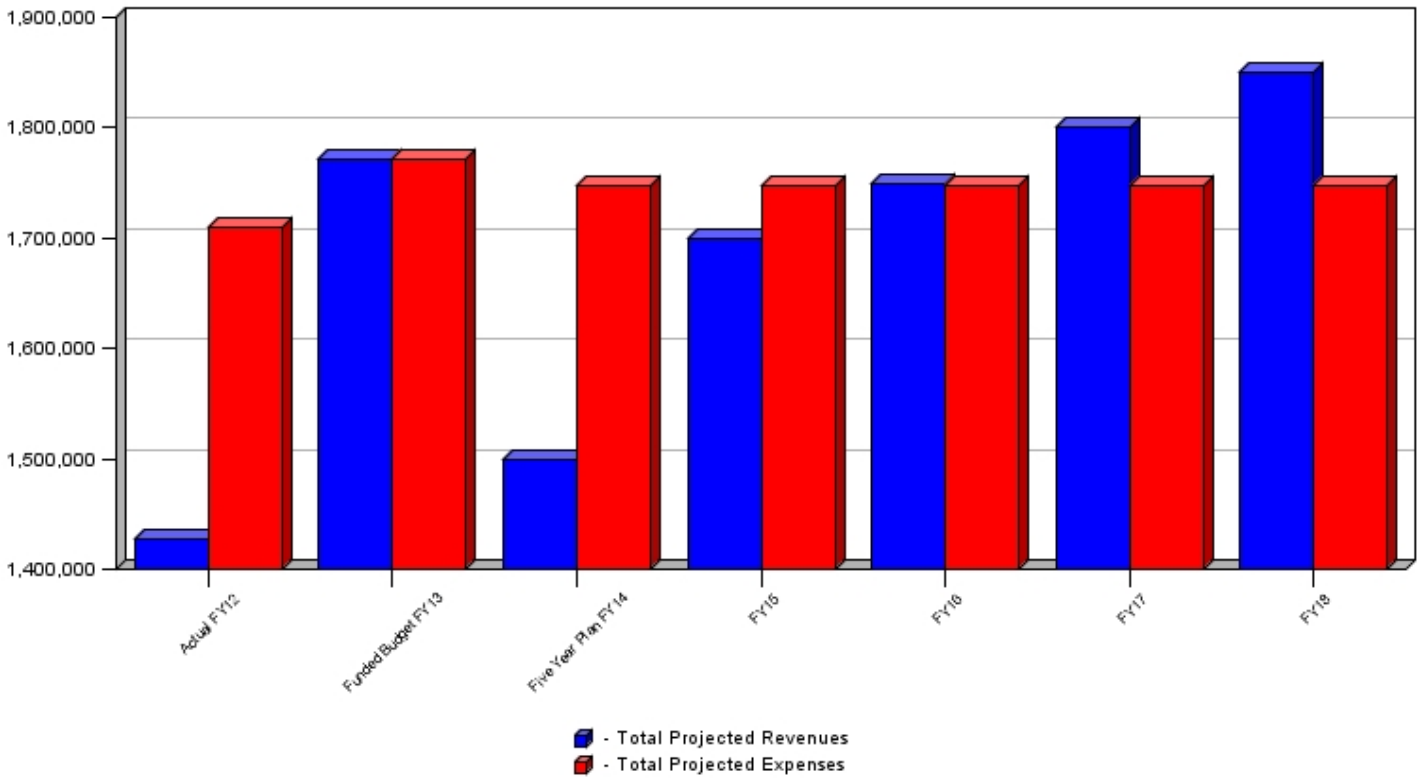
**CITY OF ATLANTA**  
**Dept Of Planning & Community Development - Building Permits Fund - Five Year Plan**

**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$3,990,754	\$6,926,920	\$6,459,001	\$6,574,093	\$6,828,688	\$7,065,347	\$7,145,510	\$34,072,638
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$3,990,754</b>	<b>\$6,926,920</b>	<b>\$6,459,001</b>	<b>\$6,574,093</b>	<b>\$6,828,688</b>	<b>\$7,065,347</b>	<b>\$7,145,510</b>	<b>\$34,072,638</b>

**CITY OF ATLANTA**  
**Civic Center Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



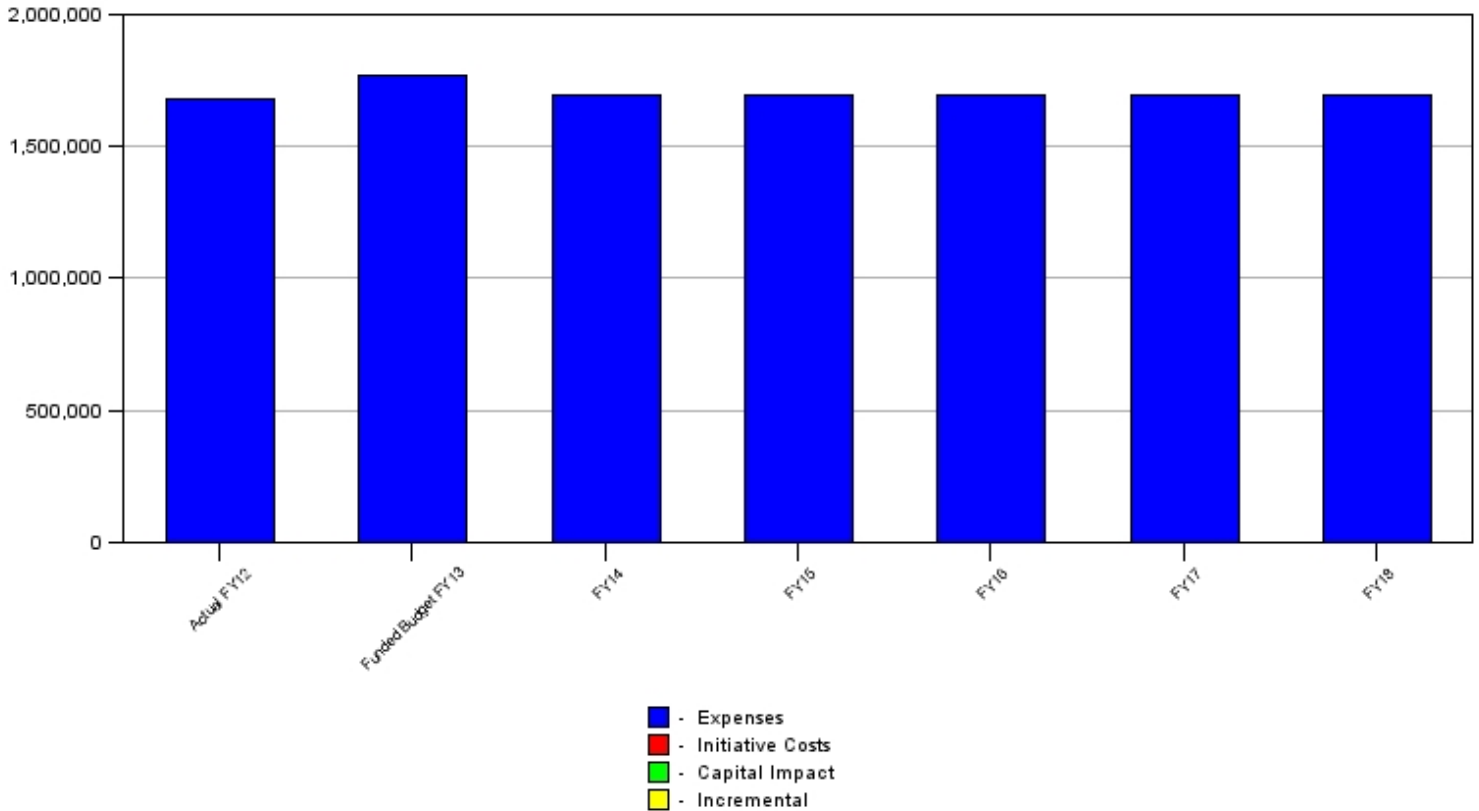
	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan			Total Plan Years
Total Projected Revenues	\$1,427,889	\$1,770,884	\$1,500,000	\$1,700,000	\$1,750,000	\$1,800,000	\$1,850,000	\$8,600,000
Expenses	\$1,710,124	\$1,770,884	\$1,748,110	\$1,748,110	\$1,748,110	\$1,748,110	\$1,748,110	\$8,740,550
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$1,710,124	\$1,770,884	\$1,748,110	\$1,748,110	\$1,748,110	\$1,748,110	\$1,748,110	\$8,740,550
Revenues Over(Under) Expenses	(\$282,235)	\$0	(\$248,110)	(\$48,110)	\$1,890	\$51,890	\$101,890	(\$140,550)
Variance %	(20%)	0%	(17%)	(3%)	0%	3%	6%	(2%)

The Civic Center Fund accounts for the collection of income and disbursement of funds associated with the operation of the Boisfeuillet Jones Atlanta Civic Center. These funds generate income primarily from ticket sales (surcharges), building and land rentals. The feasibility study for the Civic Center is completed and is currently being reviewed by Administration. The study will highlight strengths, weaknesses and opportunities to make the facility more functional and competitive with other venues in the Atlanta area. The facility is antiquated and requires many upgrades to continue to be a great asset for the City of Atlanta. The study may also point out the need for the City of Atlanta to invest into the facility to help make it more competitive.



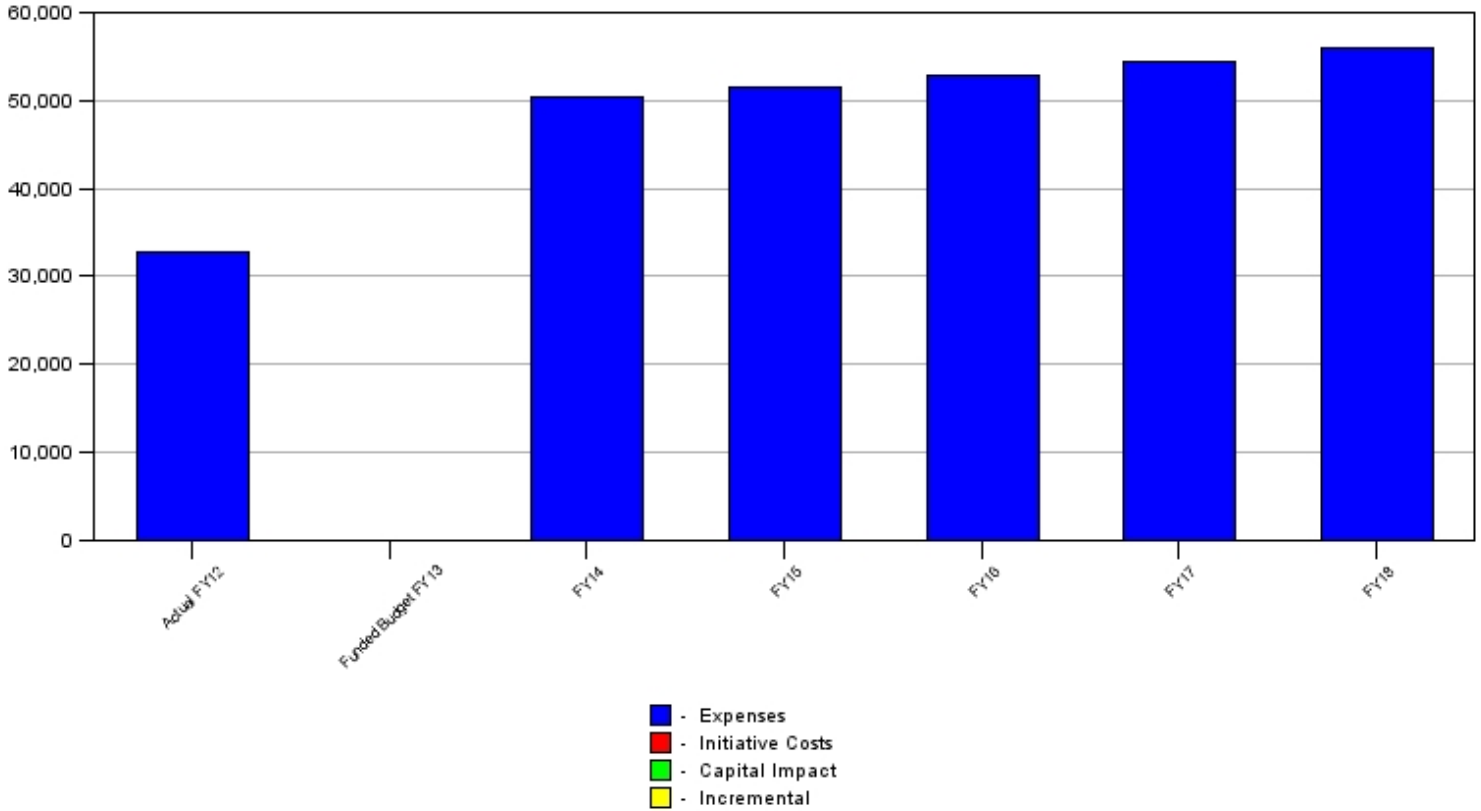
**CITY OF ATLANTA**  
**Dept Of Parks, Recreation & Cultural Aff - Civic Center Revenue Fund - Five Year Plan**

**Fiscal Years FY14 - FY18**



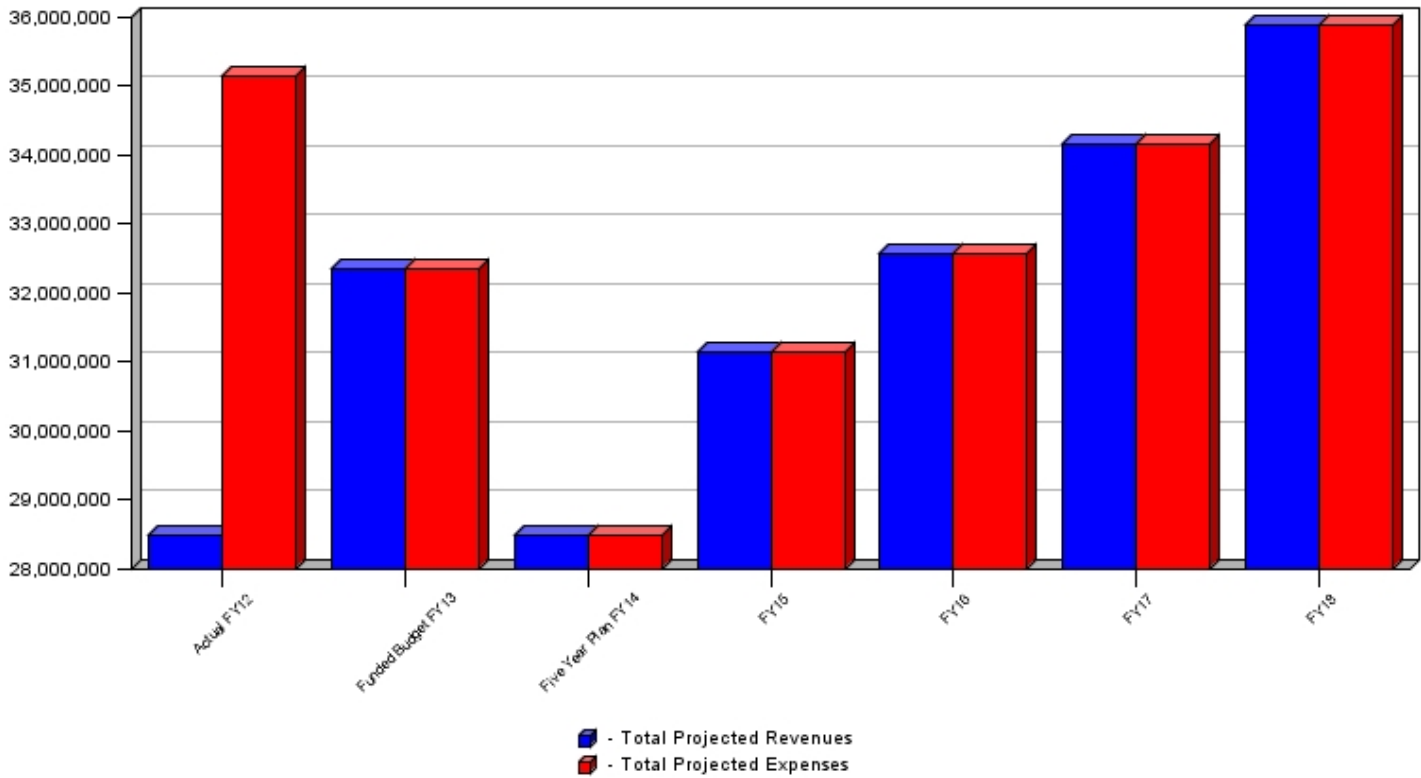
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$1,677,438	\$1,770,884	\$1,697,611	\$1,696,644	\$1,695,145	\$1,693,631	\$1,692,072	\$8,475,102
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$1,677,438</b>	<b>\$1,770,884</b>	<b>\$1,697,611</b>	<b>\$1,696,644</b>	<b>\$1,695,145</b>	<b>\$1,693,631</b>	<b>\$1,692,072</b>	<b>\$8,475,102</b>

**CITY OF ATLANTA**  
**Non-Departmental - Civic Center Revenue Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$32,687	\$0	\$50,499	\$51,466	\$52,965	\$54,479	\$56,038	\$265,448
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$32,687</b>	<b>\$0</b>	<b>\$50,499</b>	<b>\$51,466</b>	<b>\$52,965</b>	<b>\$54,479</b>	<b>\$56,038</b>	<b>\$265,448</b>

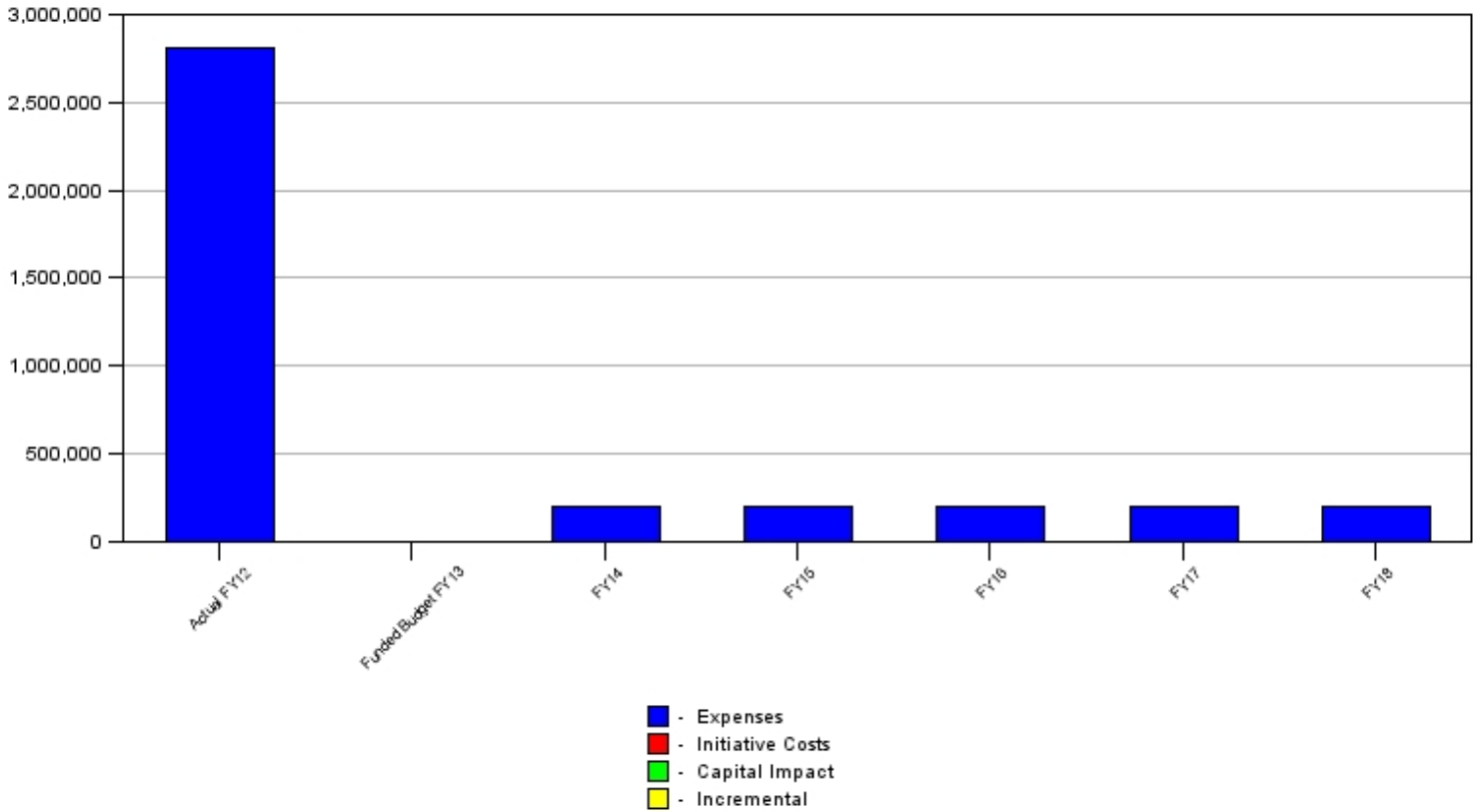
**CITY OF ATLANTA**  
**Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan			Total Plan Years
Total Projected Revenues	\$28,500,357	\$32,368,886	\$28,491,590	\$31,152,719	\$32,580,503	\$34,151,057	\$35,878,680	\$162,254,549
Expenses	\$35,152,387	\$32,368,886	\$28,491,590	\$31,152,718	\$32,580,503	\$34,151,057	\$35,878,680	\$162,254,548
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$35,152,387	\$32,368,886	\$28,491,590	\$31,152,718	\$32,580,503	\$34,151,057	\$35,878,680	\$162,254,548
Revenues Over(Under) Expenses	(\$6,652,030)	\$0	\$0	\$0	\$0	\$0	\$0	\$1
Variance %	(23%)	0%	0%	0%	0%	0%	0%	0%

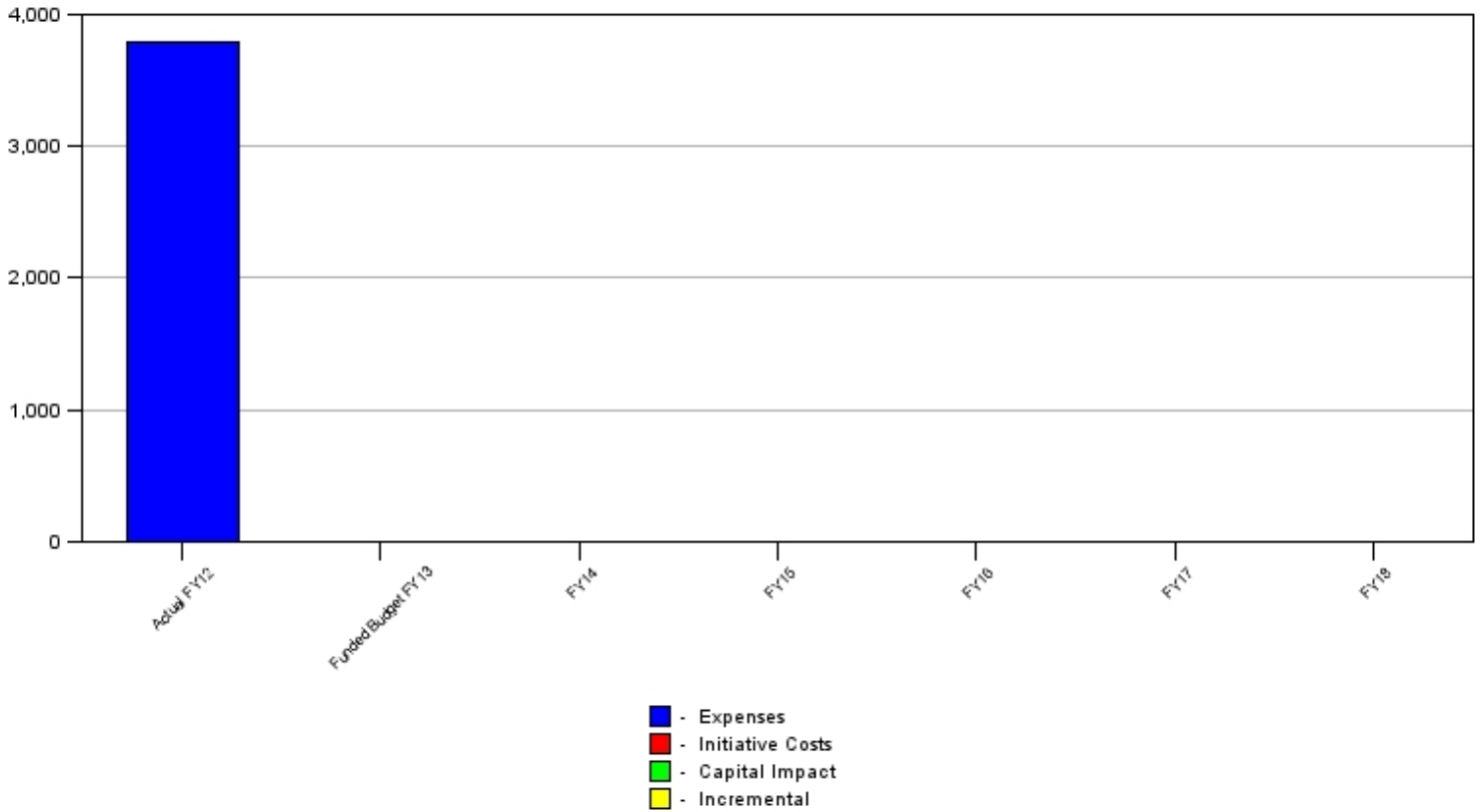
Fleet Management fund is established for maintaining the City of Atlanta's fleet of vehicles and motorized equipment. Fleet Management department provides fuel and maintenance services to City departments. Additionally, this office partners with other City departments in the delivery of critical City services.

**CITY OF ATLANTA**  
**Executive Offices - Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



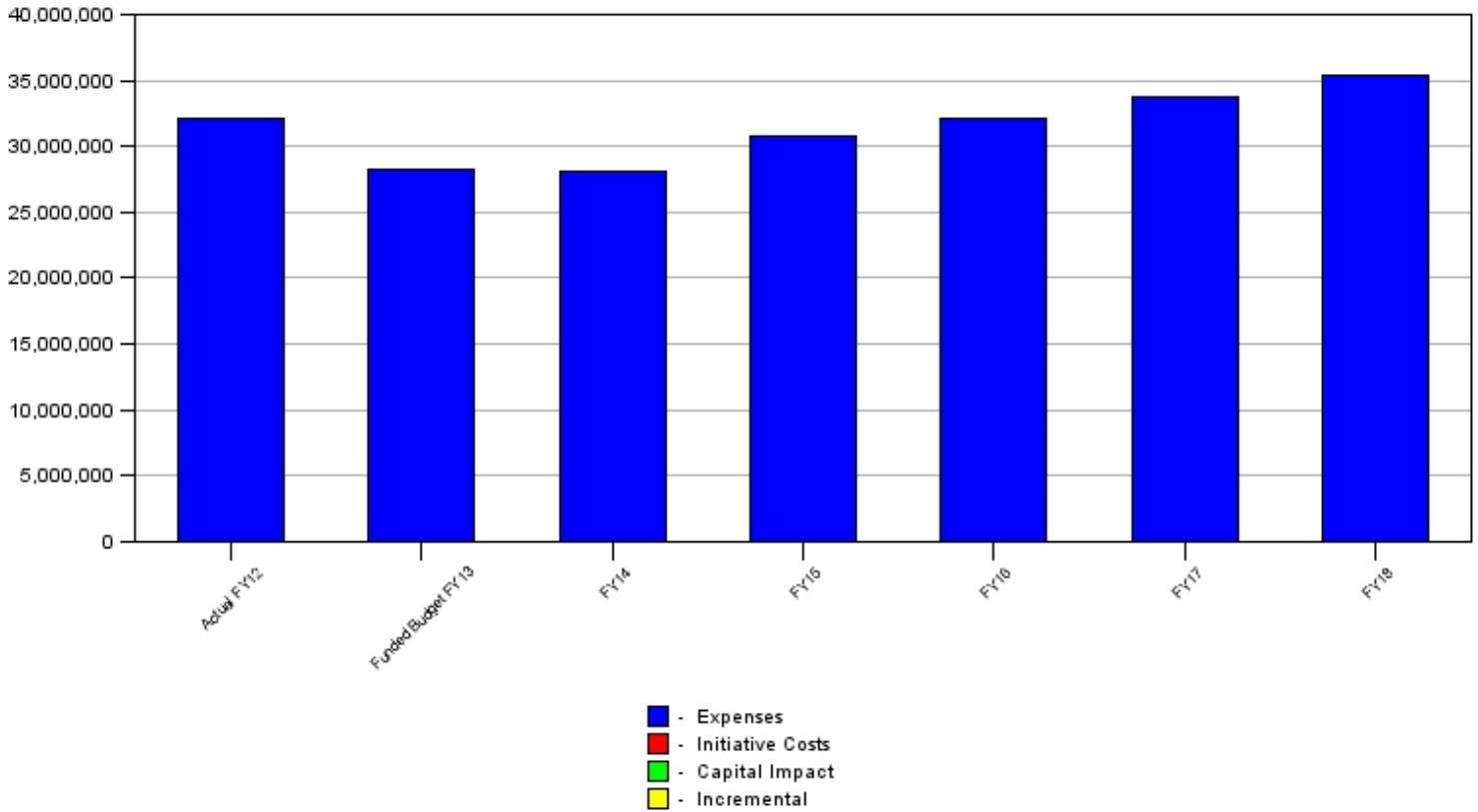
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$2,811,777	\$0	\$202,006	\$202,006	\$202,006	\$202,006	\$202,006	\$1,010,032
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$2,811,777</b>	<b>\$0</b>	<b>\$202,006</b>	<b>\$202,006</b>	<b>\$202,006</b>	<b>\$202,006</b>	<b>\$202,006</b>	<b>\$1,010,032</b>

**CITY OF ATLANTA**  
**Department Of Information Technology - Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



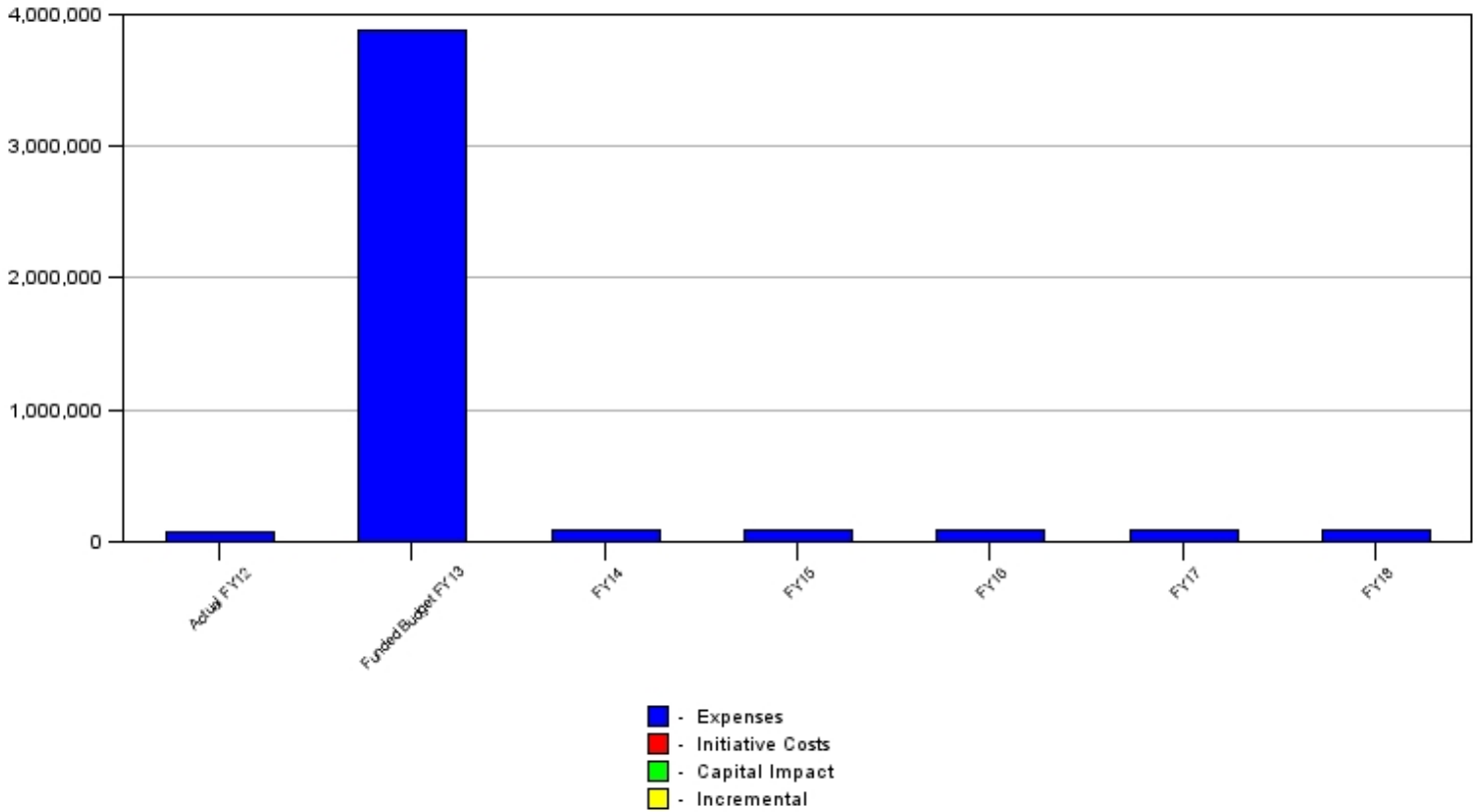
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$3,790	\$0	\$0	\$0	\$0	\$0	\$0	(\$1)
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$3,790</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1)</b>

**CITY OF ATLANTA**  
**Department Of Public Works - Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$32,128,327	\$28,312,625	\$28,057,278	\$30,715,115	\$32,135,183	\$33,699,195	\$35,424,673	\$160,031,444
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$32,128,327</b>	<b>\$28,312,625</b>	<b>\$28,057,278</b>	<b>\$30,715,115</b>	<b>\$32,135,183</b>	<b>\$33,699,195</b>	<b>\$35,424,673</b>	<b>\$160,031,444</b>

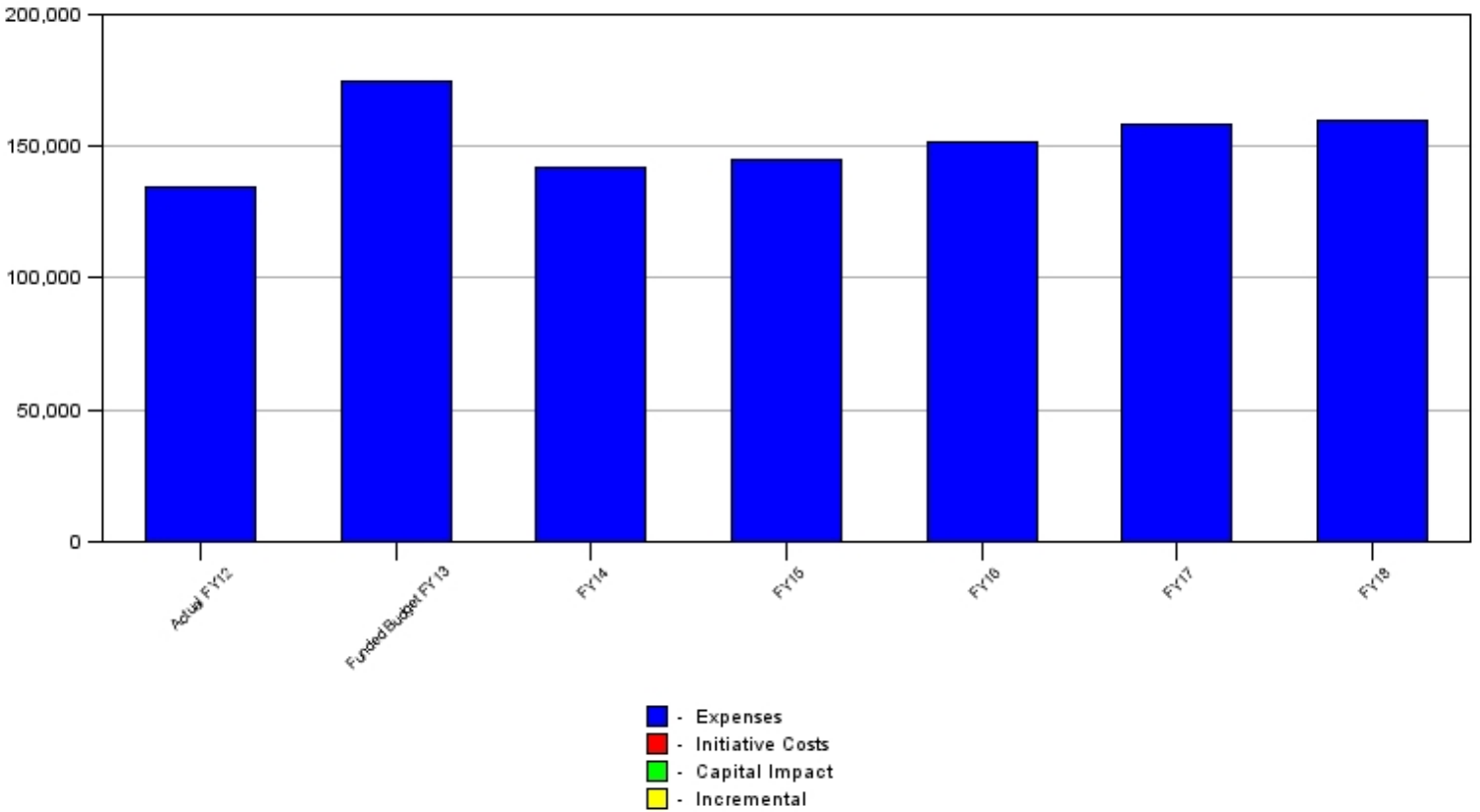
**CITY OF ATLANTA**  
**Non-Departmental - Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$74,003	\$3,881,803	\$90,005	\$90,347	\$91,535	\$91,715	\$91,895	\$455,499
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$74,003</b>	<b>\$3,881,803</b>	<b>\$90,005</b>	<b>\$90,347</b>	<b>\$91,535</b>	<b>\$91,715</b>	<b>\$91,895</b>	<b>\$455,499</b>

Decrease is due to Indirect Cost not being charged to the fund.

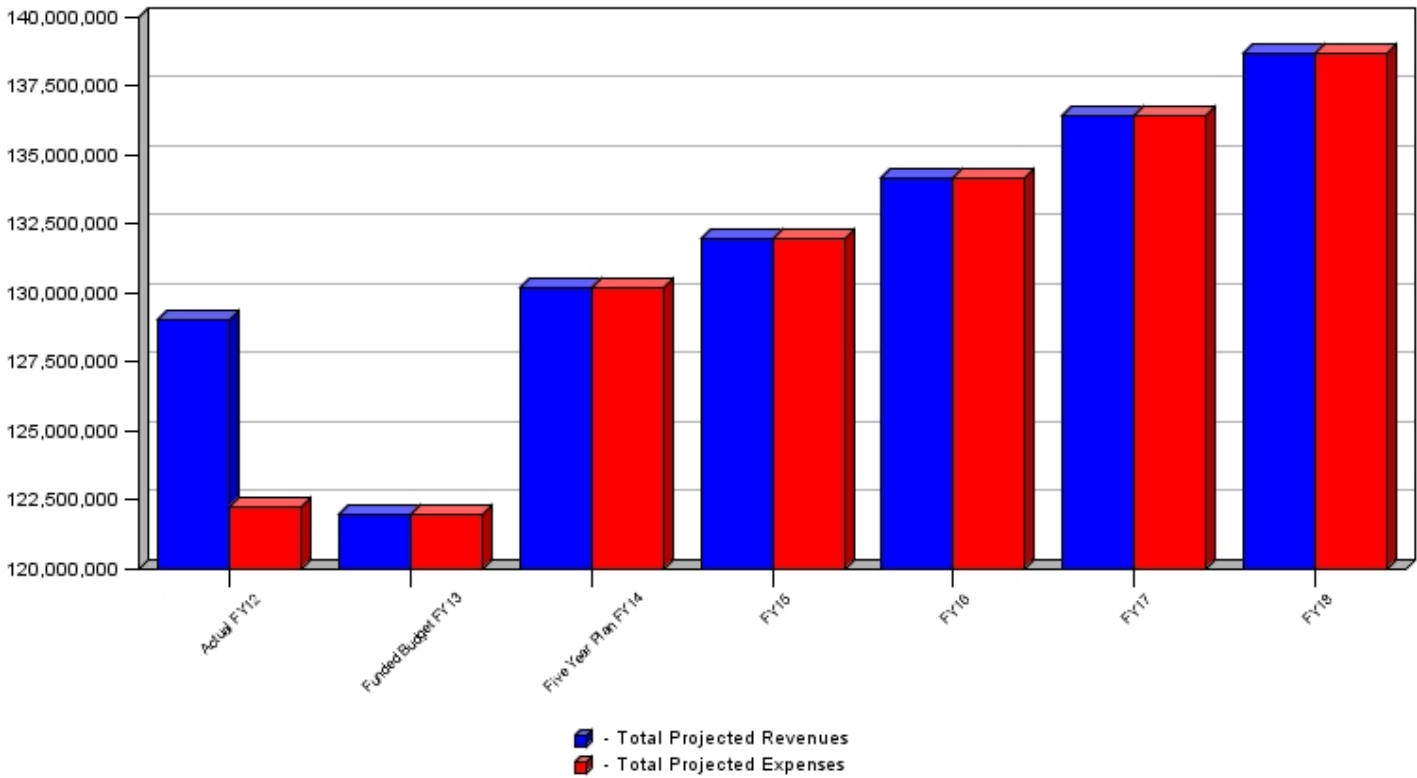
**CITY OF ATLANTA**  
**Department Of Human Resources - Fleet Service Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$134,490	\$174,458	\$142,301	\$145,250	\$151,778	\$158,140	\$160,105	\$757,574
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$134,490</b>	<b>\$174,458</b>	<b>\$142,301</b>	<b>\$145,250</b>	<b>\$151,778</b>	<b>\$158,140</b>	<b>\$160,105</b>	<b>\$757,574</b>



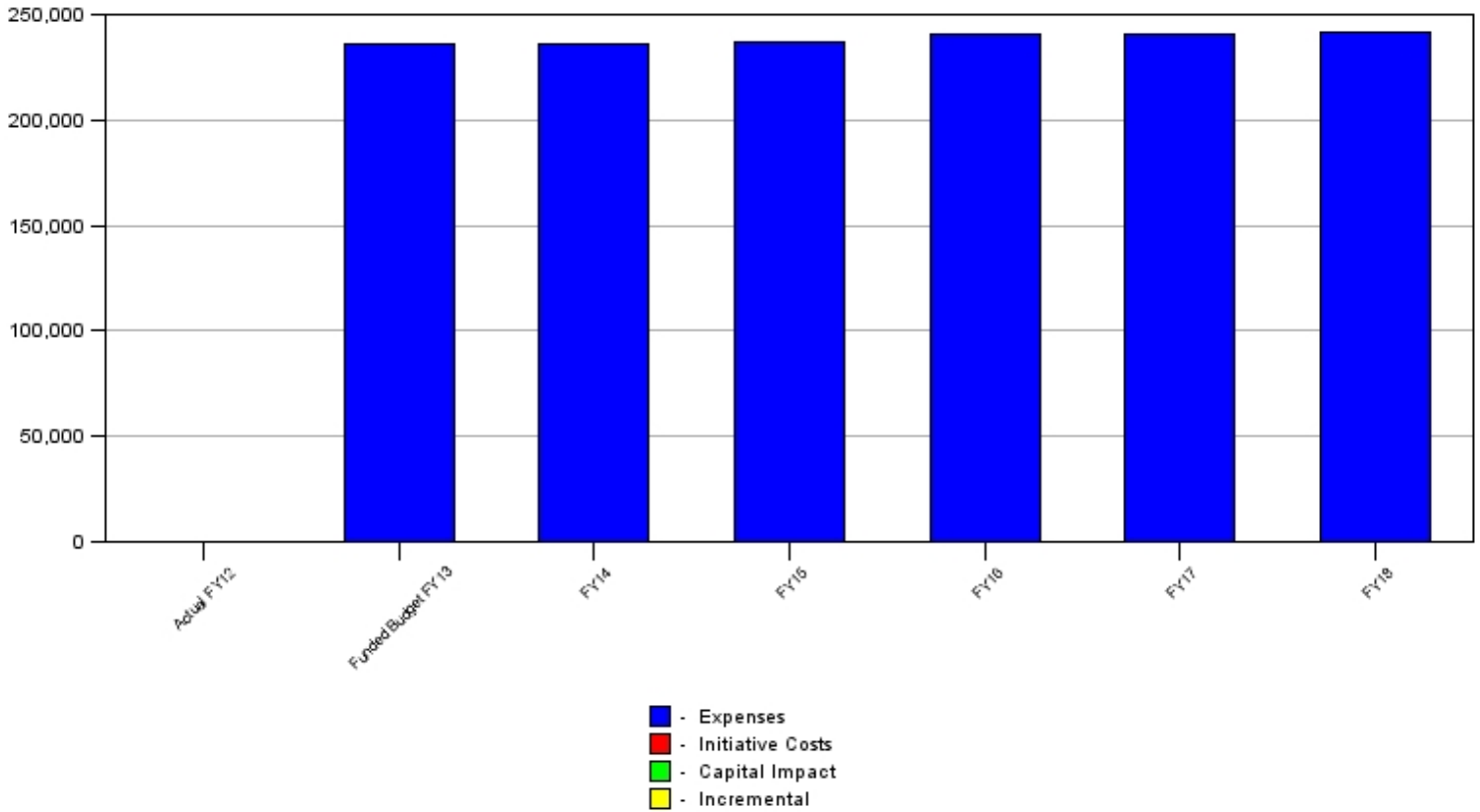
**CITY OF ATLANTA**  
**Group Insurance Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	Five Year Plan			Total Plan Years
Total Projected Revenues	\$129,015,161	\$121,977,062	\$130,175,075	\$132,011,516	\$134,204,155	\$136,427,642	\$138,682,901	\$671,501,289
Expenses	\$122,249,589	\$121,977,062	\$130,175,075	\$132,011,516	\$134,204,155	\$136,427,642	\$138,682,901	\$671,501,288
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Expenses	\$122,249,589	\$121,977,062	\$130,175,075	\$132,011,516	\$134,204,155	\$136,427,642	\$138,682,901	\$671,501,288
Revenues Over(Under) Expenses	\$6,765,572	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variance %	5%	0%	0%	0%	0%	0%	0%	0%

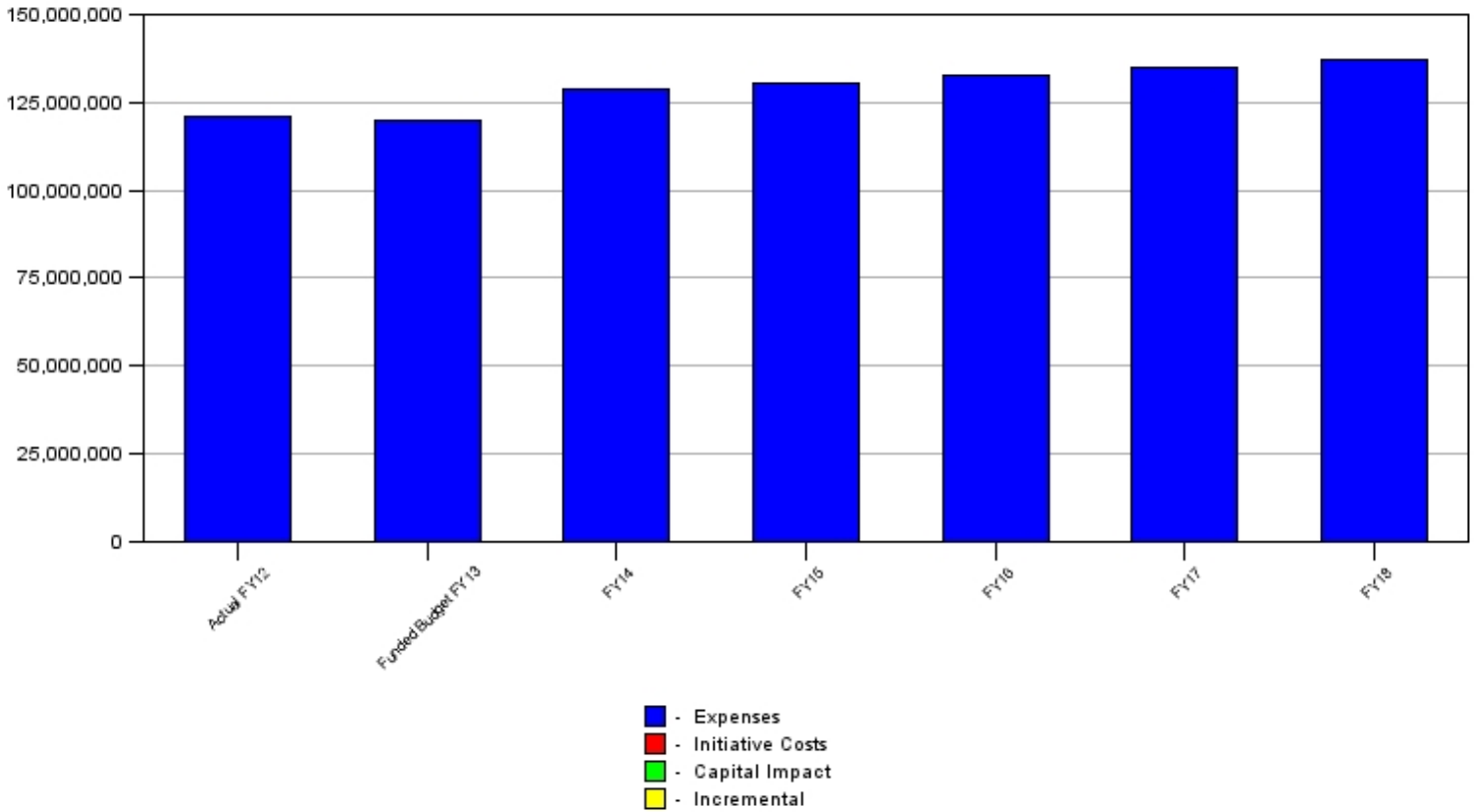
The Group Insurance Fund is established through employer and employee contributions; it is used for the sole purpose of paying active and retired employees and their dependents medical, dental, vision, life, and voluntary insurance premiums and expenses. Group Insurance is projected to increase by 3.5% year over year in addition to CPI as follows: FY15 - .38%; FY16 - 1.7%; FY17 - 1.9%; and FY18 - 2.1%. This is the result of aggressive efforts towards cost savings with the City's various insurance providers.

**CITY OF ATLANTA**  
**Department Of Finance - Group Insurance Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



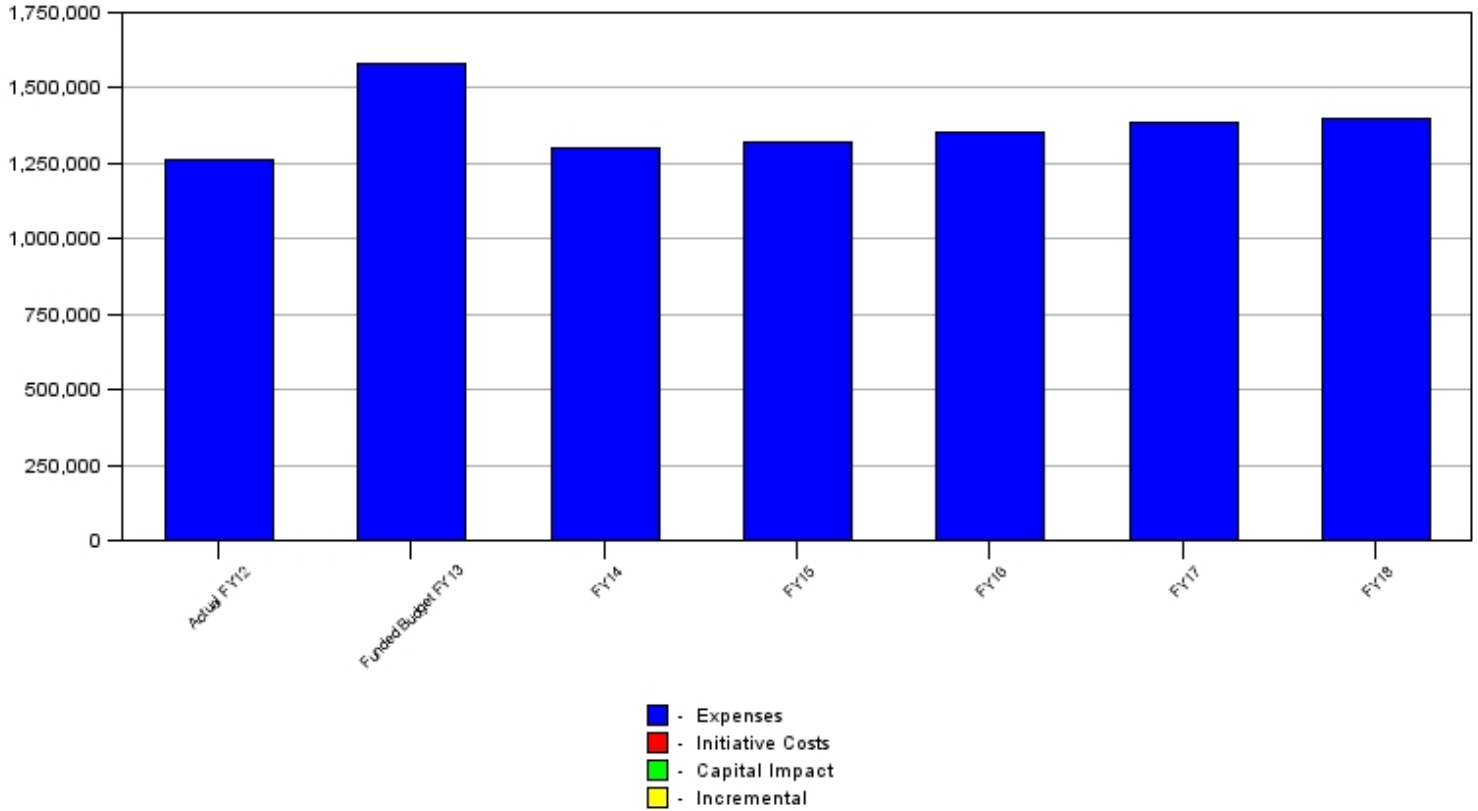
	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$0	\$236,236	\$236,236	\$237,134	\$240,252	\$240,724	\$241,197	\$1,195,543
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$0</b>	<b>\$236,236</b>	<b>\$236,236</b>	<b>\$237,134</b>	<b>\$240,252</b>	<b>\$240,724</b>	<b>\$241,197</b>	<b>\$1,195,543</b>

**CITY OF ATLANTA**  
**Non-Departmental - Group Insurance Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$120,986,388	\$120,159,755	\$128,635,802	\$130,455,169	\$132,607,887	\$134,801,536	\$137,045,797	\$663,546,191
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$120,986,388</b>	<b>\$120,159,755</b>	<b>\$128,635,802</b>	<b>\$130,455,169</b>	<b>\$132,607,887</b>	<b>\$134,801,536</b>	<b>\$137,045,797</b>	<b>\$663,546,191</b>

**CITY OF ATLANTA**  
**Department Of Human Resources - Group Insurance Fund - Five Year Plan**  
**Fiscal Years FY14 - FY18**



	Actual FY12	Funded Budget FY13	FY14	FY15	FY16	FY17	FY18	Total Plan Years
Expenses	\$1,263,201	\$1,581,071	\$1,303,037	\$1,319,213	\$1,356,016	\$1,385,381	\$1,395,907	\$6,759,554
Initiative Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incremental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Expenses</b>	<b>\$1,263,201</b>	<b>\$1,581,071</b>	<b>\$1,303,037</b>	<b>\$1,319,213</b>	<b>\$1,356,016</b>	<b>\$1,385,381</b>	<b>\$1,395,907</b>	<b>\$6,759,554</b>



FUND  
BALANCES

GENERAL FUND BALANCE AND PROJECTIONS

THE PLAN TO ADDRESS DEFICIT FUND  
BALANCES

FIVE YEAR PLAN



## GENERAL FUND BALANCE

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

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

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

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

Fund Balance at June 30, 2009	7,393
FY 2010 Surplus	<u>65,040</u>
Fund Balance at June 30, 2010	72,433
FY 2011 Surplus	<u>21,917</u>
Fund Balance at June 30, 2011	94,350
FY 2012 Surplus	<u>32,370</u>
Fund Balance at June 30, 2012	126,720

The following is the Fund Balance as of June 30, 2012, as presented in the format required by GASB 54.

GASB54 Category	Amount
Nonspendable	4,377
Restricted	15,231
Assigned	26,877
Unassigned	80,235
<b>Total</b>	<b>126,720</b>



Projected Fund Balance Change during FY13

FY 2013 Revenues Approved by City Council	542,280	
Less: Prior Year Fund Balance	<u>(15,633)</u>	
Net Projected Revenues as of 6/30/2013		526,647
FY 2012 Expenses Approved by Council	542,280	
Less: GF department projection variance	<u>(21,285)</u>	
Net Projected Expenses as of 6/30/2013		<u>522,359</u>
Net Estimated FY12 Surplus from Operations		<u>4,288</u>
Projected General Fund Balance at June 30, 2013		<u>131,008</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, 2013, as presented in the format required by GASB

GASB54 Category	Amount
Nonspendable	4,893
Restricted	14,250
Committed	0
Assigned	26,877
Unassigned	84,988
Total	131,008
Unrestricted	111,865

## THE PLAN TO ADDRESS DEFICIT FUND BALANCES

As of the FY2012 CAFR, the City has seven funds that are operating in a deficit position:

- Capital Finance Fund,
- Civic Center Fund,
- E911 – Emergency Telephone System,
- Fleet Services Fund,
- Parks Facilities Fund (Cyclorama),
- Solid Waste Fund, and
- Underground Atlanta 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 FY2012 fund balances and possible solutions to reduce or eliminate their negative balances.

### CAPITAL FINANCE FUND

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. As of the close of FY 2012 the amount due to the general fund is \$5MM, a reduction of \$8M from the previous year. A proposed allocation of the Oracle ERP implementation costs to enterprise funds would eliminate any remaining fund deficit in this fund.

### CIVIC CENTER FUND

The Civic Center will require capital investments in order to continue to attract events that result in revenues that will cover operating expenses. The FY 2012 annual deficit was \$283K and the total amount due to the general fund is \$721K, which is an increase of \$226K from FY 2011. The Commissioner of Parks, Recreation, and Cultural Affairs is currently researching the options of increased events and cost containment in order to address the recurring operating deficit.

### 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 2008, the general fund has transferred over \$37M to this fund, including \$12M in FY 2012. As of the close of FY2012 the amount due to the general fund is \$23MM, a decrease of \$7M from FY 2011.

The City has submitted a fee increase request to the General Assembly to increase the E911 fee from \$1.50 to \$4.00 in FY 2014. This budget assumes a rate increase that will cover the cost of operations, or \$2.25. However, if the full rate increase of \$4.00 is passed, then the additional funds will be used to continue to address the existing fund balance deficit.

### FLEET SERVICES FUND

The Fleet Services fund is an internal service fund that provides fuel and maintenance services to internal COA departments. Users of the services are assessed charges that are designed to cover service costs. The fleet services fund has been assessed an indirect cost, which has not been captured in the rates charged to the user departments. Therefore, the fund does not recoup the indirect costs. As of the close of FY 2012, the annual deficit was \$6.6M and the amount due to the general fund is \$30M, an increase of \$5M from FY 2011.

### FLEET SERVICES FUND (CONT'D)

Fleet Services is currently reviewing its rate structure and the utilization of fleet inventory. A new director has been hired to assess the current state and to provide a solution going forward that would address the fund deficit as well as the fleet maintenance, replacement and research any incentive programs. The CFO will also research the possibility of utilizing a financing vehicle that may normalize the cost of fuel, and whether it is appropriate to charge indirect costs to this fund.

### PARKS FACILITIES FUND (CYCLORAMA)

The Parks Facilities fund was created to account for activity associated with the Cyclorama facility and is supported by user fees. As of the close of FY2012 the amount due to the general fund is \$126K, which is a decrease of \$32K from the previous period. The Commissioner of Parks, Recreation, and Cultural Affairs is currently researching the options of increased revenues and cost containment in order to continue to address the operating deficit.

### SOLID WASTE FUND

Solid Waste Collection Fund consists of collections of fees for: garbage, recycling, yard waste and bulk rubbish, street sweeping, de-littering, debris removal, right-of-way-cutting, dead animal removal, education and enforcement. It also includes land post-closure management and responding to city-wide emergency operations. In FY2010, the rates were increased to cover the costs for providing these services. As a result, this fund has been covering its operating costs and funding its capital needs. As of the close of FY2012 the amount due to the general fund is \$21M, which is a \$3M decrease from the FY2011.

Since raising the recycling fee from \$30 to \$88, the Solid Waste fund has realized a surplus. A renewal and extension fund was created to address capital needs, and will be funded by 50% of the annual surplus. The remaining 50% will remain in the fund balance to eliminate the deficit fund balance. Only after the following fiscal year that the Solid Waste fund balance reflects a positive fund balance, 100% of all net revenues will flow to its renewal and extension fund following each year-end close.

### UNDERGROUND ATLANTA FUND

The Underground Atlanta Fund was established in 1989 to account for transactions associated with the public operations of the Underground Atlanta facilities and the parking decks. The City has a master lease agreement with the tenant to lease the structure until 2086. The fund is supported by user fees, parking revenues and a general fund subsidy because revenues from Underground have not been sufficient to cover operating expenses. As of the close of FY2012 the annual deficit was \$1.6M and the total fund balance deficit is \$8.5M, an increase of \$400K from the previous fiscal year.

The Underground Atlanta fund was reviewed during the FY2013 budget process to ensure the amount of the general fund subsidy is sufficient to cover annual operating deficits. Therefore, the annual operating deficit should not be significant nor grow the current fund balance deficit. The proposed restructuring of debt will change the maturity date until 2023. A portion of those funds can then be used to address the current fund balance deficit.

# 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	A	--
Water and Wastewater Revenue Bonds <i>Underlying Rating</i>	A1	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

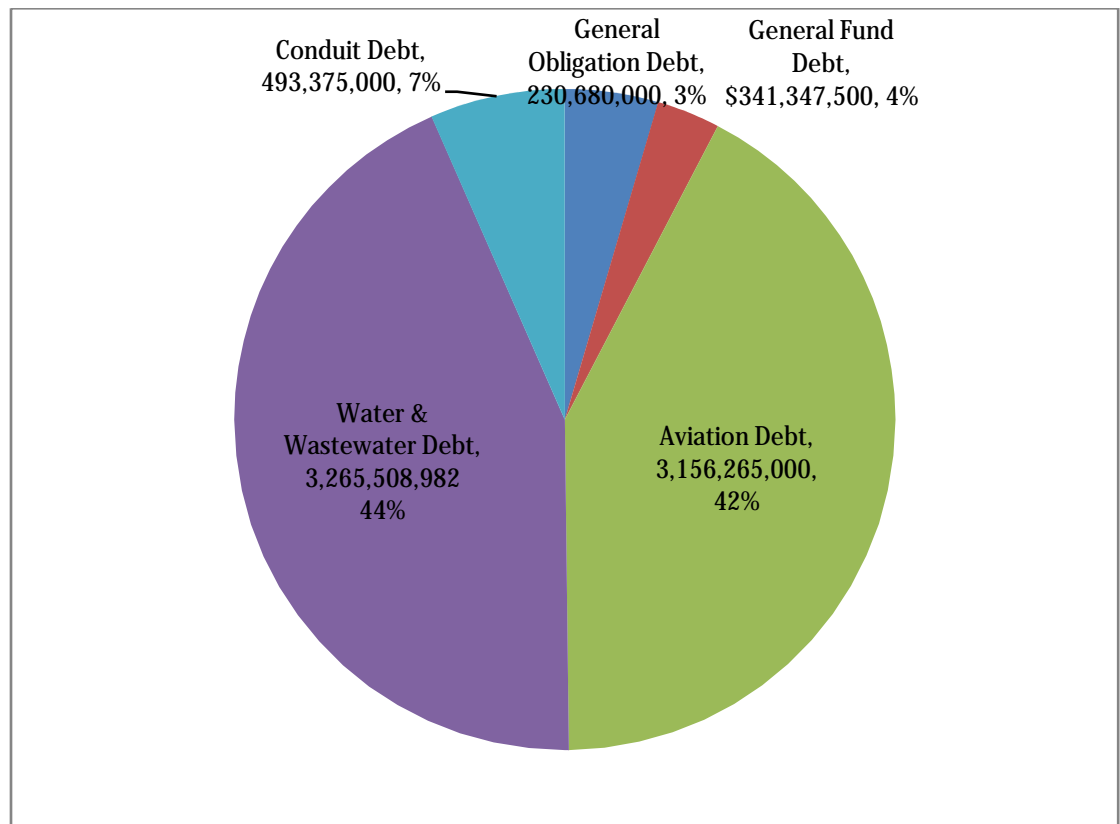
The City of Atlanta's outstanding debt totaled \$7.5 billion as of June 30, 2012.

Total debt consists of \$1.11 billion in General Obligation and other debt (General Fund, TAD and other); \$3.2 billion in Aviation Revenue Bonds; \$3.30 billion in Water and Wastewater Revenue Bonds and other obligations, and \$57.6 million in capital lease obligations (non major funds).

During fiscal year 2012, the City paid approximately \$544.7 million in principal and interest on outstanding debt.

Total debt from fiscal year 2012 increased by \$256 million, or 3.3%, resulting from the issuance of the Aviation Revenue Bonds, Series 2012 in the aggregate total of \$474.1 million. During the same period, there were modest decreases in the debt outstanding for Water and Wastewater of \$40 million and GO, General Fund, and Conduit of \$68.7million.

Overall, the City continues to generate enough revenues to cover its operating costs and make all of its outstanding debt obligation payments.

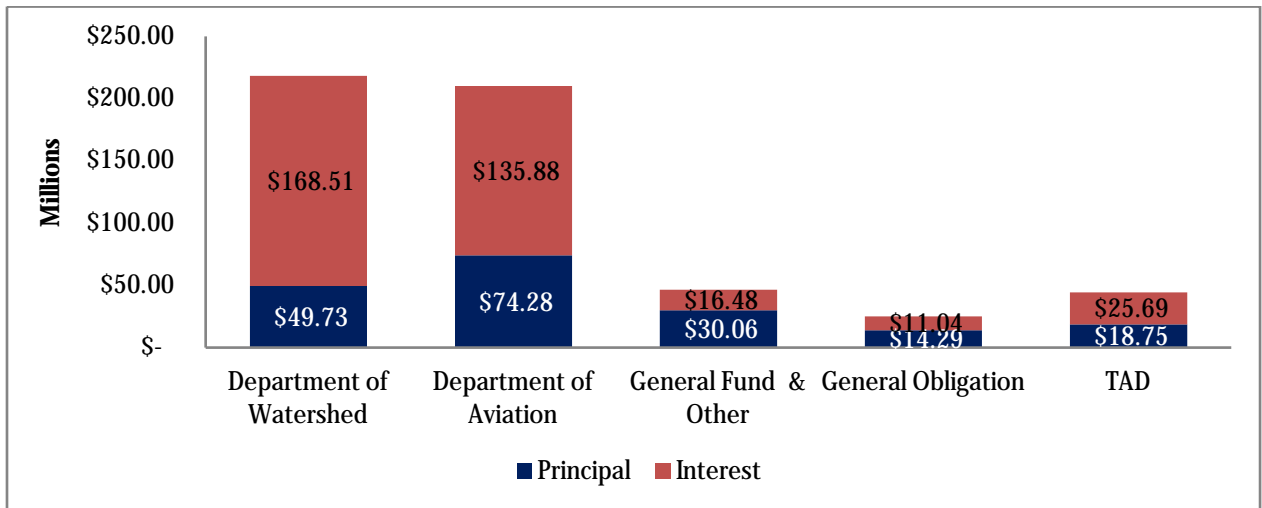




## FY2012 Principal and Interest Payments

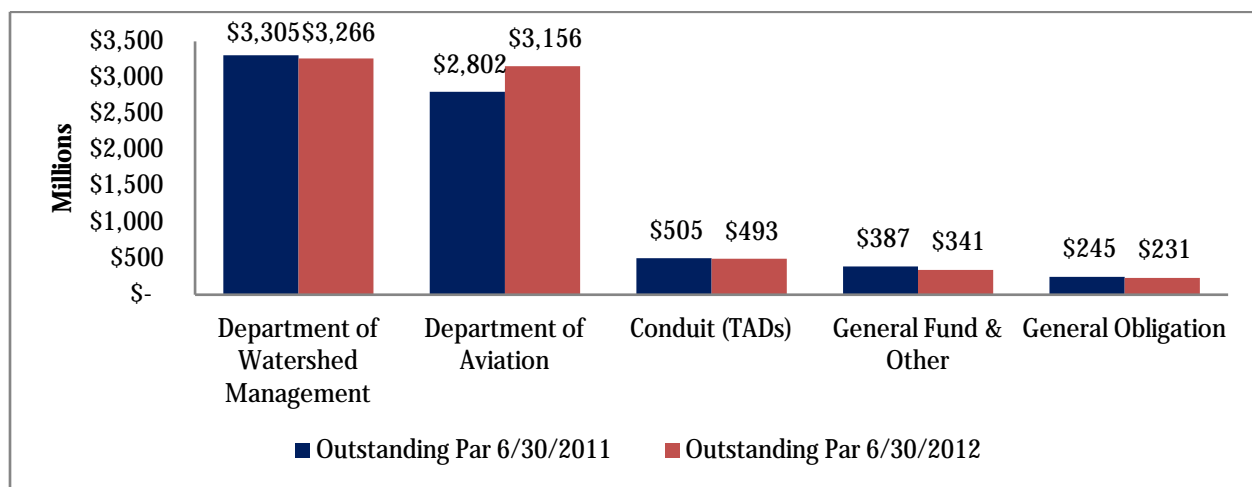
In fiscal year 2012, \$544.7 million in revenues and receipts were used to service the outstanding long-term debt obligations of the City. \$187.1 million of this total was spent on principal and \$357.7 million on interest payments. The total debt payments by issue category are as follows:

Water / Wastewater	Aviation	General Fund	TADs	General Obligation
\$218.2M	\$210.1M	\$46.5M	\$44.4M	\$25.3M



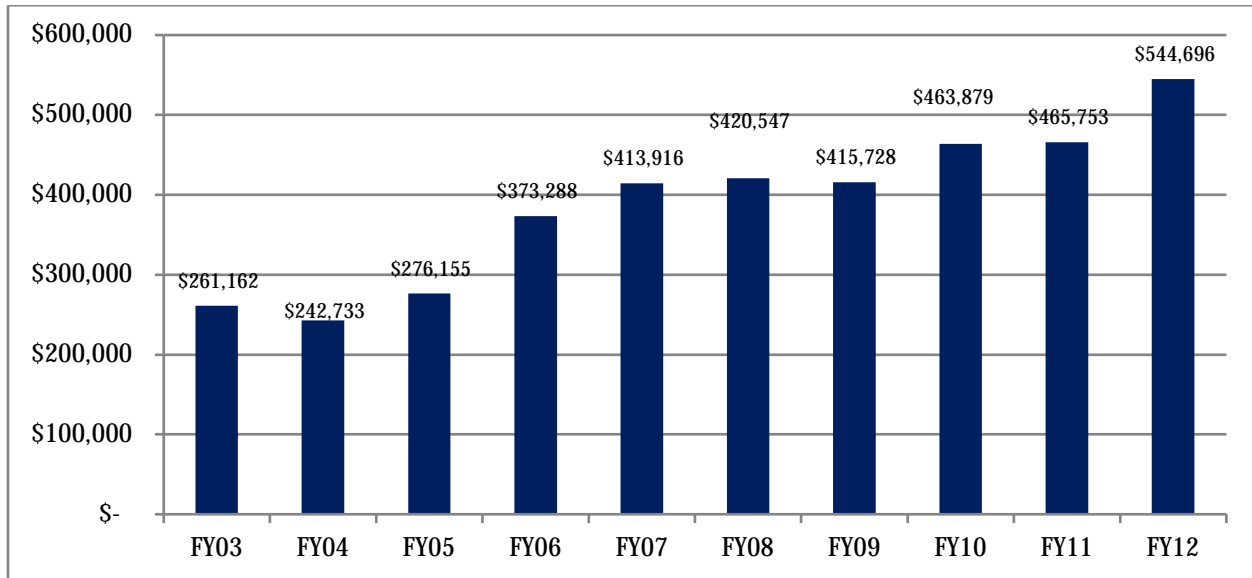
## Debt Comparison

At the end of fiscal year 2012, the City's total debt outstanding was \$7.5 billion. This represents a 3.4% or a \$243 million increase over the previous year's total of \$7.2 billion. The increase was the result of three (3) revenue bonds issued by the Department of Aviation totaling \$474 million.



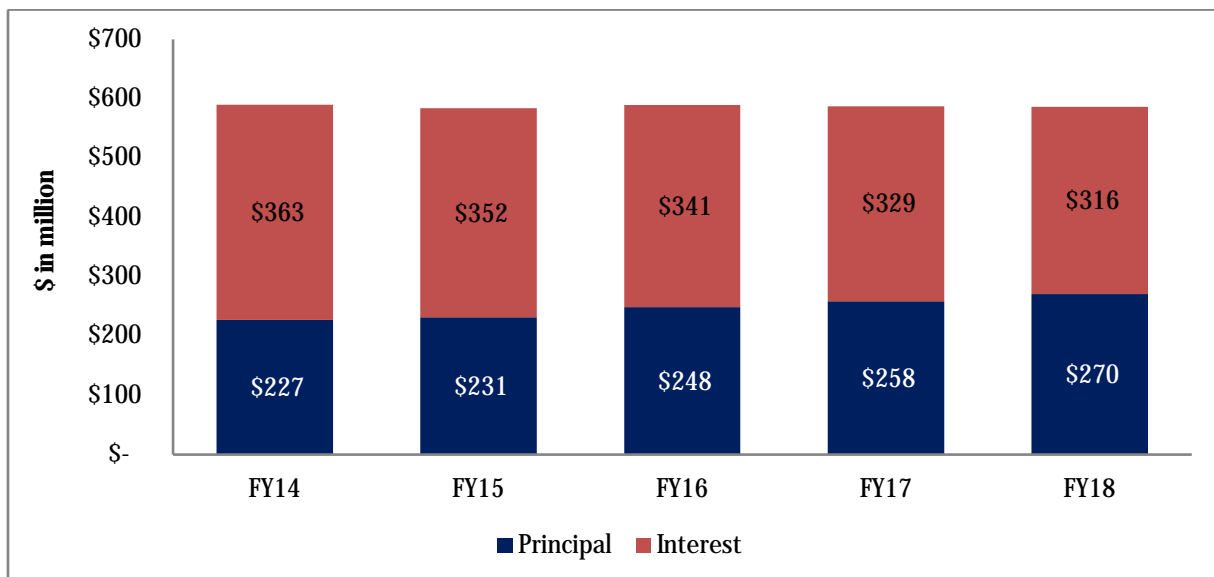
### All Long Term Debt – Historical Payments

During the last 10 years, from 2003 to 2012, the City has spent \$3.8 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, Aviation bonds and Water and Wastewater bonds. The overall annual debt has almost doubled from \$261 million in 2003 to \$544.7 million in 2012.



### All Debt - 5Yr Outlook Principal & Interest

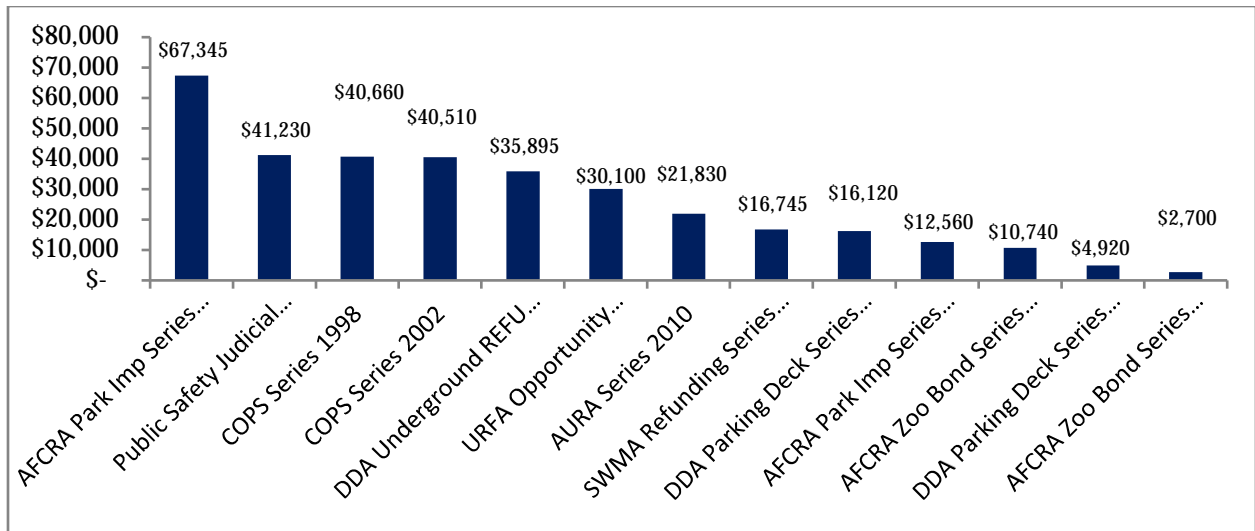
At the end of fiscal year 2012, the City had a total of 7.5 billion in long-term debt outstanding. It is expected that the City will spend approximately \$1.7 billion in interest payments over the next five years on these bonds; this averages out to \$340.1 million annually.



# General Fund

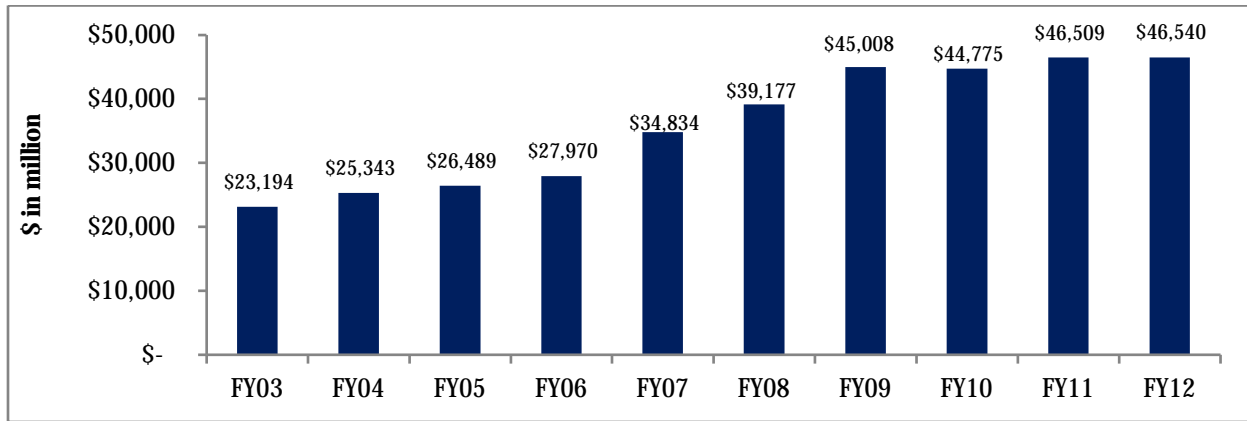
## General Fund Outstanding Debt

The General Fund debt obligations of the City consists of various bonds issued for various purposes. For the fiscal year ended 2012, \$341.3 million of these bonds remained outstanding. This represents a \$28.4 million decrease over fiscal year 2011.



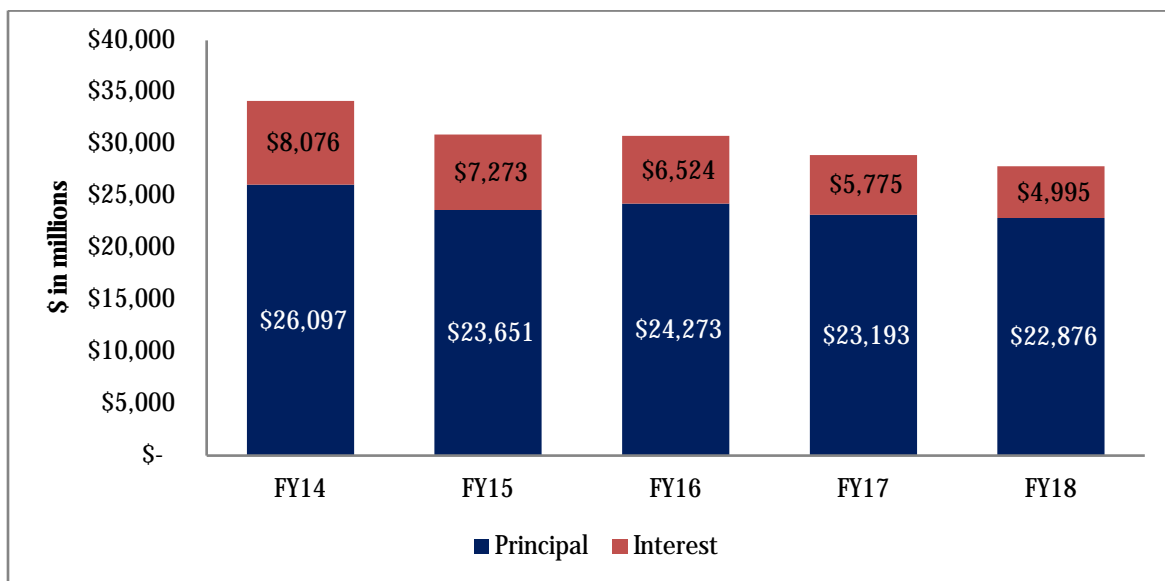
### General Fund - Historical Payments

Between 2003 and 2012 the City has paid \$359 million on principal and interest on its general fund debt outstanding. During this period debt service has increased from \$26 million in 2002 to \$46 million annually in 2012.



### General Fund - 5Yr Outlook – Principal & Interest Payments

In the next 5 years, it is expected that \$153 million of General Fund revenues will be used to make annual debt service payments on inter-governmental agreements that the City has with other authorities. \$120 million of the total amount will be used to make principal payments and \$33 million for interest payments. It is expected that the City will spend approximately \$35.4 million in total interest payments over the next 5 years while these bonds remain outstanding.

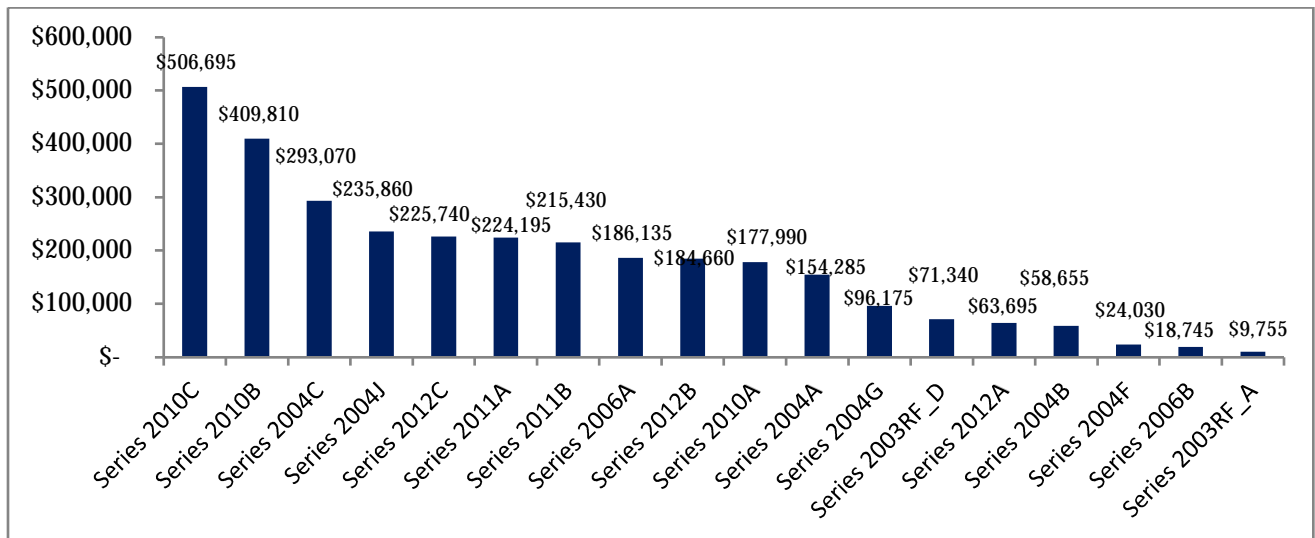


# Department of Aviation

## Department of Aviation – Outstanding Debt

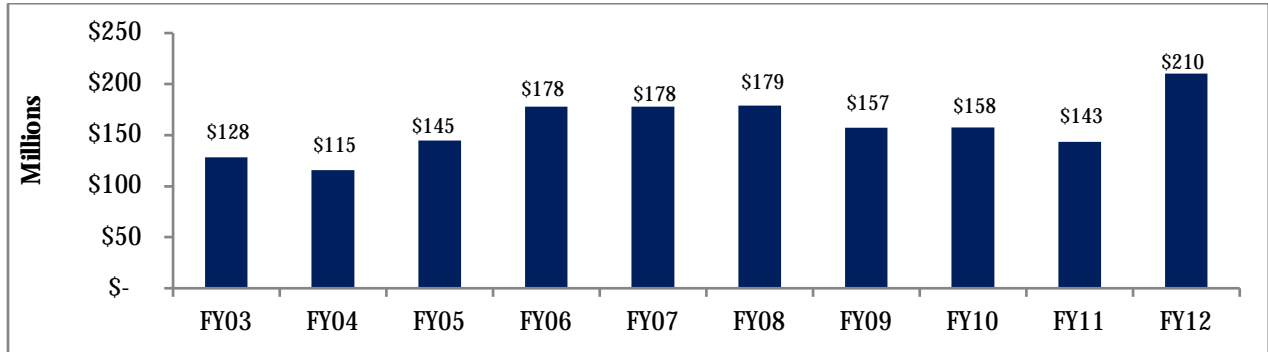
The City of Atlanta is one of 4 cities in the nation that owns and operates a World Class International airport. To maintain its position, the City issues bonds for ongoing capital improvement projects which are pledged against its revenues and have equal lien parity. Revenues pledged against the bonds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

At the end of fiscal year end 2012, the Department of Aviation had \$3.2 billion in outstanding long term debt that consist of General Airport Revenue Bonds, Passenger Facility Charge Bonds, and Customer Facility Charge Bonds. These bond were either issued as Alternative Minimum Tax (AMT) or Non-Alternative Minimum Tax (Non-AMT). The department issued the Series 2012 A/B/C General Airport Revenue bonds in the aggregate amount \$474.1 million in May of 2012.



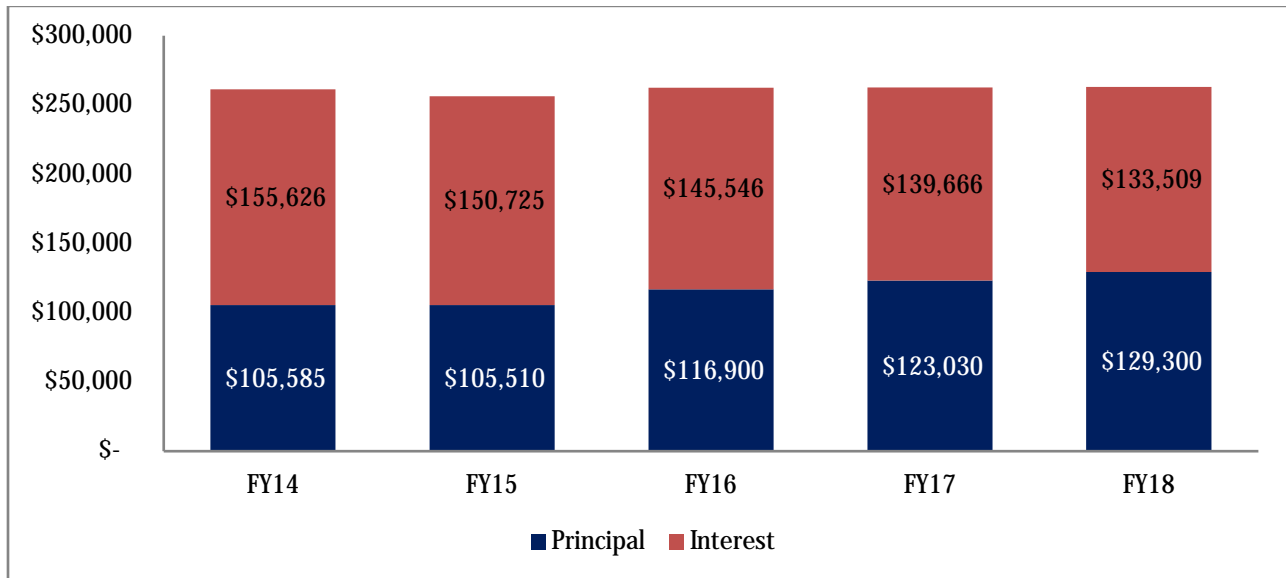
### Department of Aviation - Historical Payments

During the last 10 years from 2003 to 2012 the City's department of Aviation has paid \$1.6 billion on principal and interest in all its revenue bonds obligations. The average annual debt service for the last 5 years is \$169 million. It is expected that average annual debt service will be approximately \$258 million over the next 5 years.



### Department of Aviation - 5Yr 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. 44.6% or \$580 million of the total will be used to make principal payments, and \$725 million or 55.4% for interest.

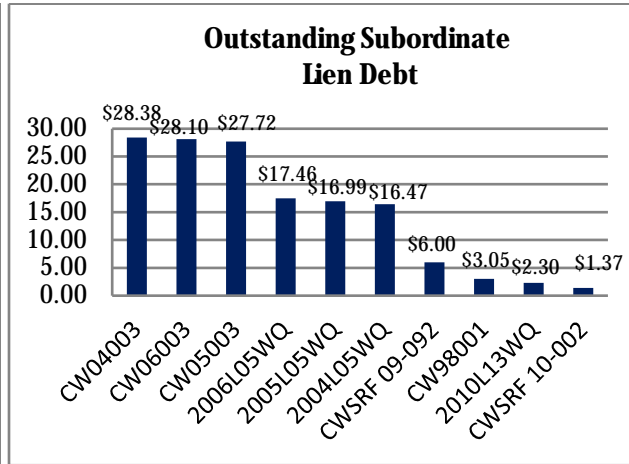
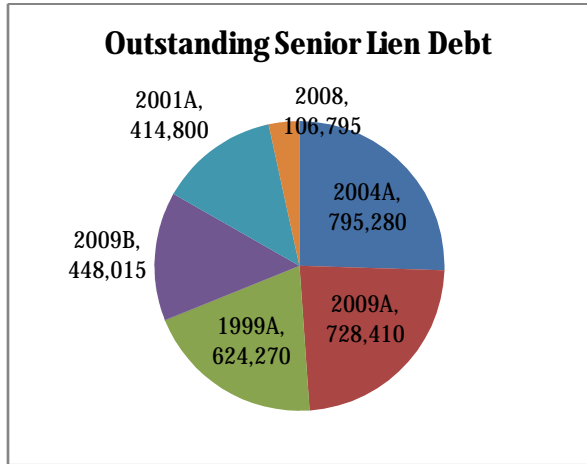


# Department of Watershed Management

## Department of Watershed Management – Outstanding Debt

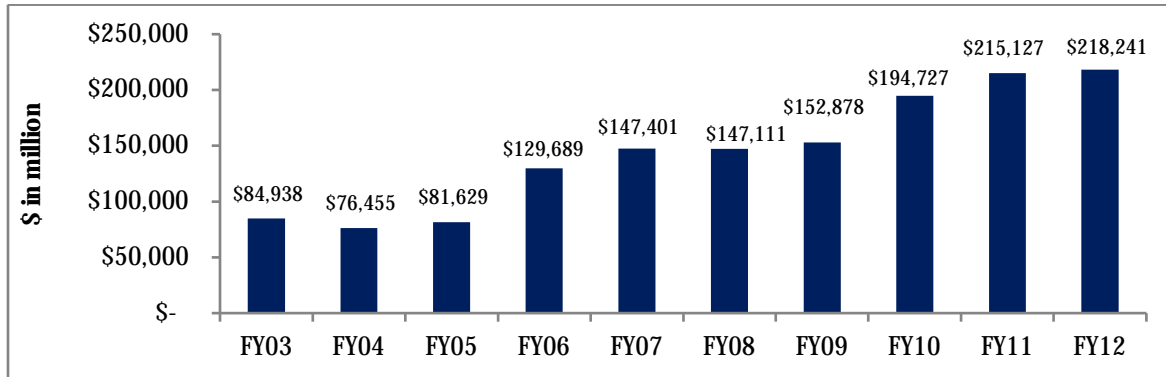
The Department of Watershed Management is responsible for operating and maintaining the City's Water and Wastewater system in compliance with federal and state regulations. The department has issued long-term bonds and state revolving loans to provide funding for its capital improvement projects. The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

For fiscal year 2012, the department had \$3.3 billion of long-term outstanding which consisted of \$3.2 billion of senior lien debt and \$145 million subordinate lien debt.



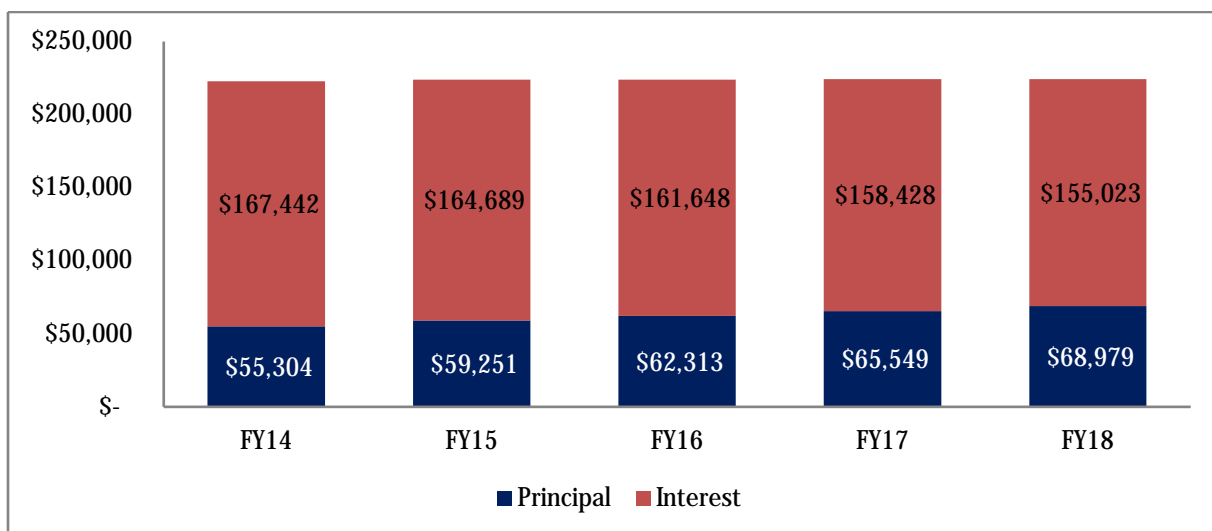
### Department of Watershed Management Debt - Historical Payments

During the last 10 years --from 2003 to 2012 --the City's Department of Watershed Management has paid \$1.4 billion in principal and interest on all its revenue bonds obligations. The annual debt has increased from \$85 million in 2003 to \$218.2million in 2012. The average annual debt for the last 5 years is \$186 million. It is expected that overall annual debt will be approximately \$223.7 million over the next 5 years. The increase in annual debt for the department is the result of Consent Orders issued by the federal government concerning the overhaul of the City's water and wastewater system. These orders have led to major capital improvement projects.



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

The Department of Watershed is expected to make \$1.1 billion in total principal and interest payments on the current outstanding debt. This averages to \$224 million annually. \$311 million or 28% of the total amount will be used to make annual principal payments and \$807 million or 72% in interest.





# General Obligation

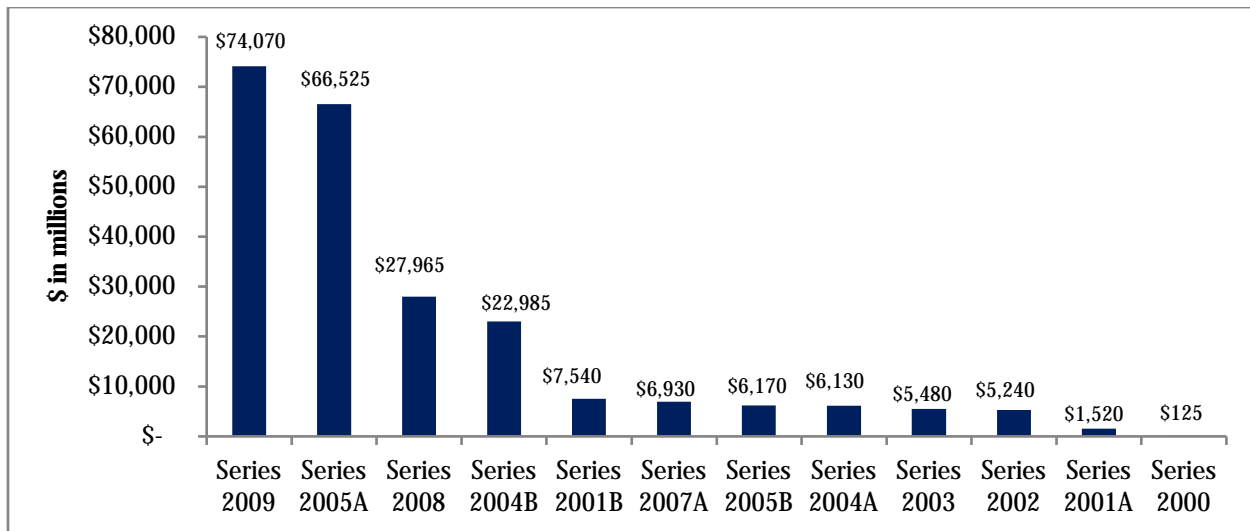
## General Obligation – Outstanding Debt

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 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

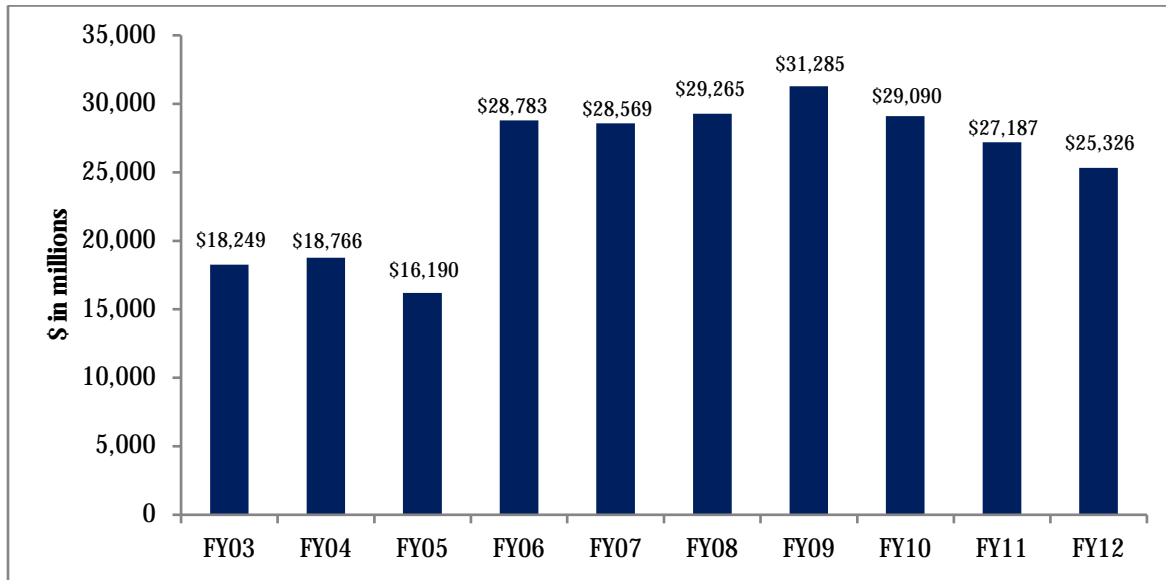
The City’s General Obligation Public Improvement Bonds are used for sidewalk design and construction throughout the City, including sidewalk installations in various public housing development and for streetscape and intersection improvements throughout the City

For the fiscal year ended June 30, 2012, the City had twelve (12) General Obligation debt outstanding totaling \$230 million. The City used \$25.3 million of collected tax revenues to make annual principal and interest payment for the fiscal year. As a result of the principal payments, total General Obligation bonds outstanding decreased by \$15.0 million for the fiscal year.



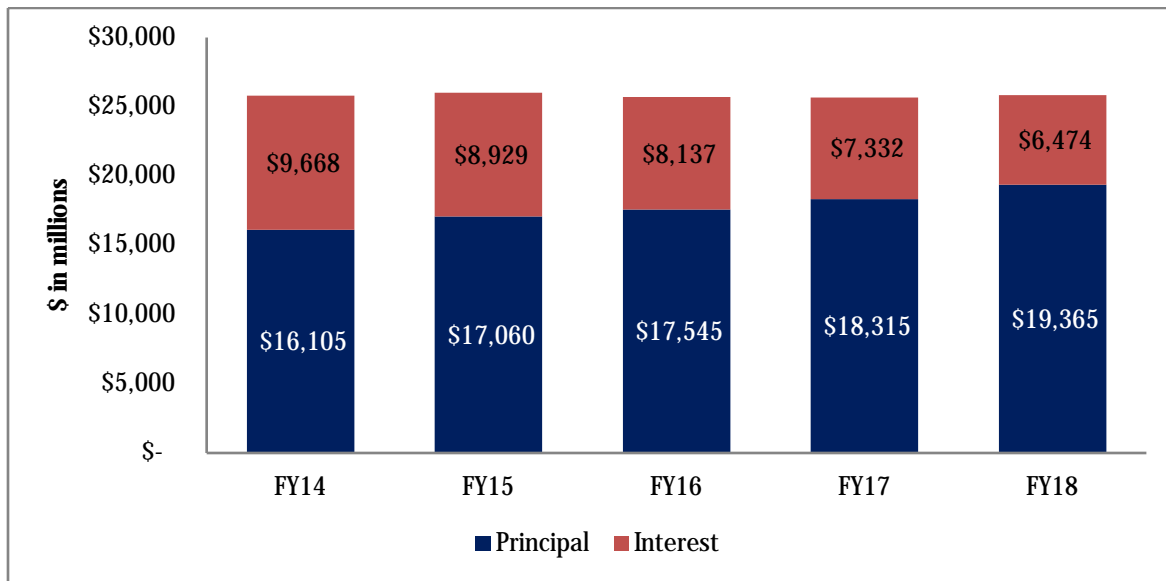
### General Obligation – Historical Payments

During the last 10 years from 2003 to 2012 the City has spent \$253 million in principal and interest payments on its GO bond debt. During this period GO annual debt has grown from \$18.2 million to \$25.3 million



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

\$129 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. \$88 million or 68% of the total amount will be used for principal payments and \$41 million or 32% for interest.

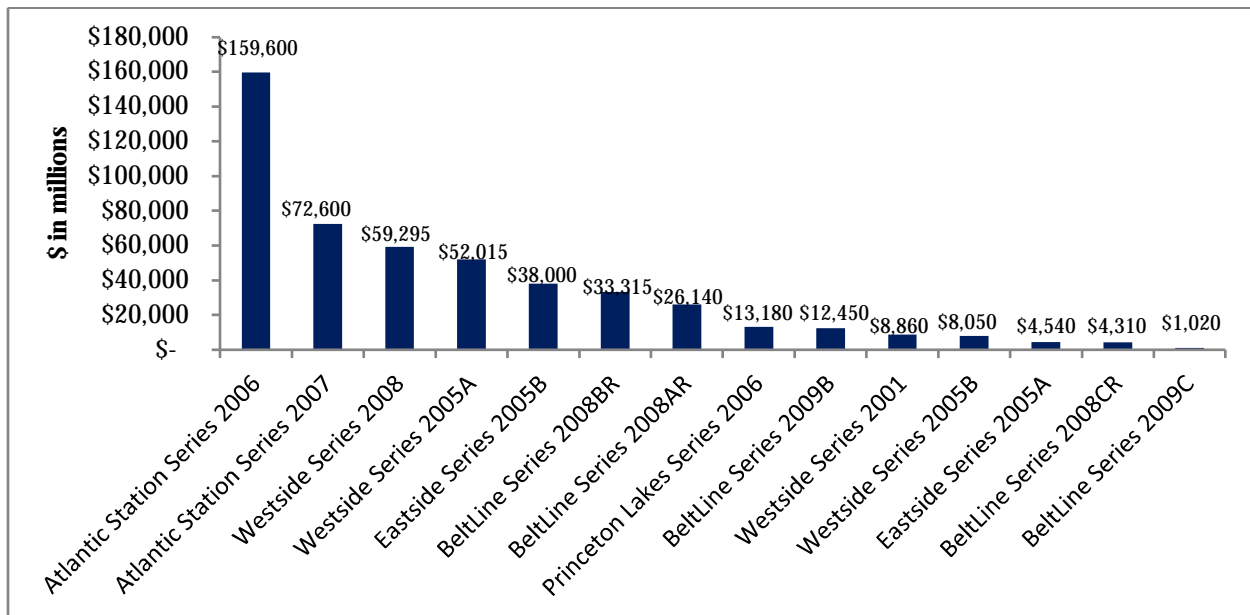


# Tax Allocation Districts (TADs)

## TADs – Outstanding Debt

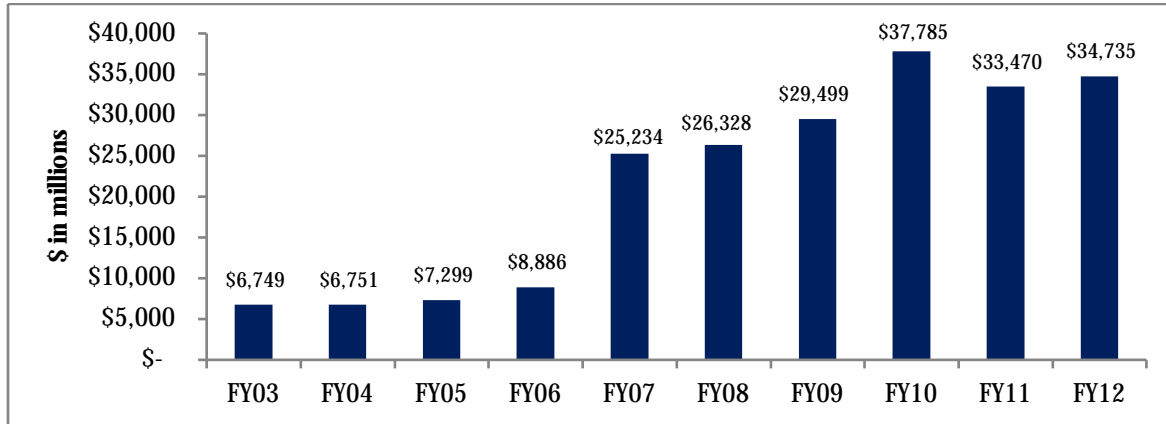
The City has issued bonds to fund various Capital Improvement Projects (CIP) in specially designated tax districts; these bond issuances are deemed as conduit debt obligations of the City. Tax receipts from the designated districts are used to make annual debt service payments when due.

For the fiscal year ended 2012, the City had fourteen (14) TAD bonds outstanding with a total value of \$493 million. During this period, \$34.7 million in tax receipts was used to make annual principal and interest payments



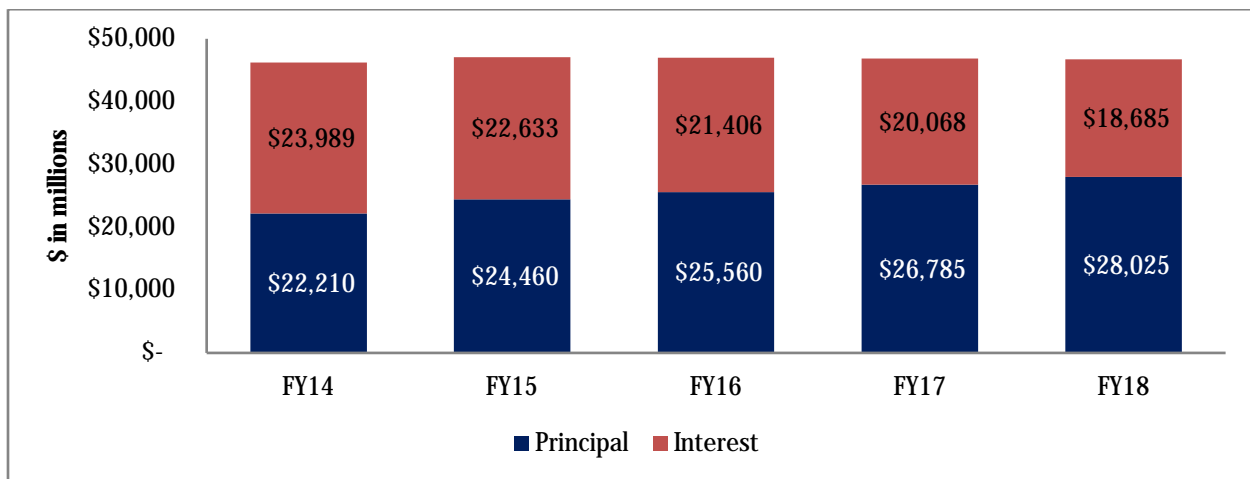
### TAD –Historical Payments

Between 2003 and 2012 the City has spent \$216 million on principal and interest payments on its conduit debt outstanding. During this period the debt payment has increased from \$6.7 million in 2003 to \$34.7 million annually. This represents an 415% increase in conduit payments.



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

In the next 5 years it is expected that the City will make \$233 million in principal and interest payments on its outstanding Conduit debt. \$127 million or 54% of the total amount will be used to make annual principal payments and \$107 million or 46% in interest.





LEGISLATION

UNDERGROUND ATLANTA AMORTIZATION SCHEDULE

MOU AMORTIZATION SCHEDULE

GLOSSARY

APPENDIX

FIVE YEAR PLAN





AN ORDINANCE

BY COUNCIL MEMBERS *Felicia A. Moore* *Joyce M. Sheperd*  
*Howard Shook* *Clair Muller* *Carla Smith* *C.T. Martin*  
 HOWARD SHOOK, CLAIR MULLER, CARLA SMITH, C.T. MARTIN,  
*Mary Norwood* *Ivory Lee Young, Jr.* *Anne Falver*  
 MARY NORWOOD, IVORY LEE YOUNG, JR., ANNE FALVER,  
*Cesar Mitchell* *Kwanza Hall* *H.L. Mar Willis*  
 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**

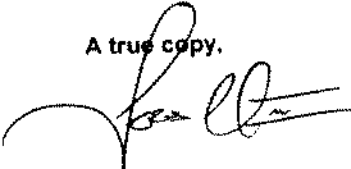
(a) The Mayor shall present to the governing body by October 15 of each year a five-year Financial Stabilization Plan consisting of the following elements:



- (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

09-0-1406            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

09-0-1406

- (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 K. MOORE, JOYCESHEPERD, 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 / Spec  
 Date Referred: 9/08/2009 ADOPTED BY  
 Referred To: Finance / Spec  
 Date Referred: SEP 21 2009

Referred To: COUNCIL

Final Adoption -

First Reading

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

Committee

Finance / Spec  
 Date 9/21/09  
 Chair A. Shook

Action

Fav. Adv. Hold (see rev. side)  
 Other 2nd Reading

Members

Clair Muller  
 Felicia K. Moore  
 Joycesheperd  
 Howard Shook  
 Caryn Muller  
 Natalie Mosby Archibong

Refer To

Finance / Spec

9-1 Date 2009

Chair

A. Shook

Action

Fav. Adv. Hold (see rev. side)  
 Other 3rd Reading

Members

Clair Muller  
 Felicia K. Moore  
 Joycesheperd  
 Howard Shook  
 Caryn Muller  
 Natalie Mosby Archibong

Refer To

Committee

Date

Chair

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  
 Consent  V Vote  FC Vote

CERTIFIED

SEP 21 2009

CLERK  
 SEP 21 2009  
 Ronald Blanton Johnson  
 MUNICIPAL CLERK

APPROVED  
 SEP 21 2009  
 Mayor's Office  
 MAYOR

#11

11-0-1415

(Do Not Write Above This Line)

First Reading

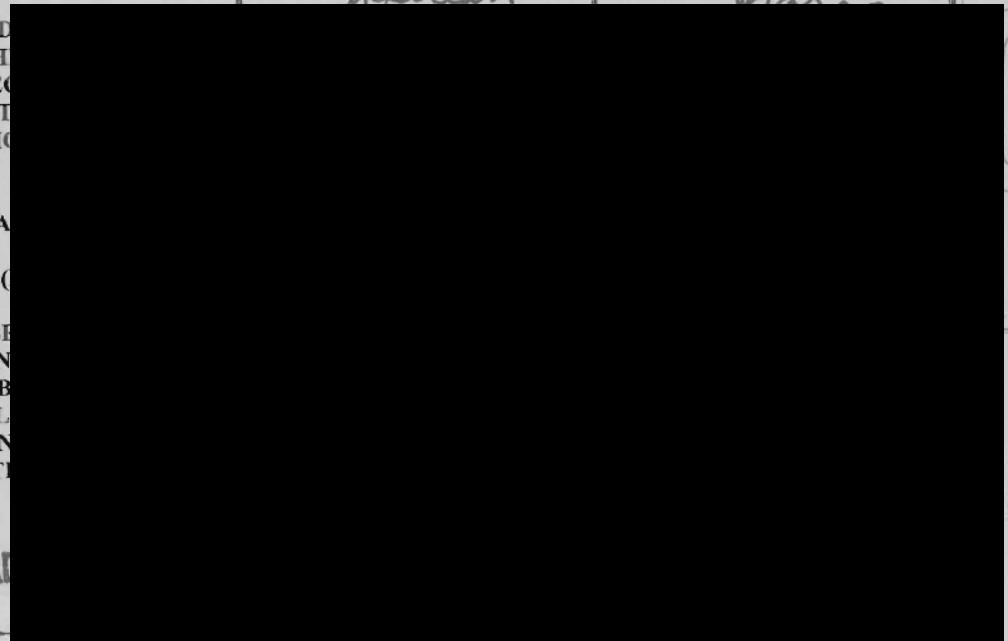
Committee \_\_\_\_\_  
Date \_\_\_\_\_  
Chair \_\_\_\_\_  
Referred To \_\_\_\_\_

FINAL COUNCIL ACTION

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

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

AN ORDINANCE AND AMENDMENT TO AMEND THE CHARTER OF THE CITY OF ATLANTA, GEORGIA, LAWS P. 4469, ET SEQ., ADOPTED BY VIRTUE OF THE AUTHORITY GRANTED BY MUNICIPAL HOME RULE ACT, O.C.G.A. SECTION 36-35-1, AS AMENDED, BY AMENDING PARTS AND RELATED LAWS), (CHARTER), ARTICLE VI (MUNICIPAL FINANCE ADMINISTRATION), (FISCAL CONTROL), SECTION 10 (FINANCIAL STABILIZATION) TO CHANGE THE DATES BY WHICH THE CITY'S FINANCIAL STABILIZATION PLAN MUST BE PRESENTED TO AN ORDINARY MEETING OF THE CITY COUNCIL; AND FOR OTHER PURPOSES.



CERTIFIED

CERTIFIED  
NOV 07 2011  
RESIDENT

CERTIFIED

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

COUNCIL

Chair Adrean  
Action  
Fav, Adv, Hold (see rev. side)  
Other

Chair \_\_\_\_\_  
Action  
Fav, Adv, Hold (see rev. side)  
Other

Members

Members

MAYOR'S ACTION

APPROVED

NOV 16 2011

WITHOUT SIGNATURE  
OF LAWYER

Date Referred

Referred To:

Date Referred

Referred To:

Date Referred

Referred To:

Refer To

Refer To

170

4701871

**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.



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

**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

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  
ABSENCES: 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

UNDERGROUND ATLANTA AMORTIZATION SCHEDULE

Date	Refunded Debt Service	Refunding Debt Service	Debt Service Savings
6/30/2014	8,110,500	3,797,946	4,312,554
6/30/2015	8,111,250	3,801,005	4,310,245
6/30/2016	8,114,000	3,796,949	4,317,051
6/30/2017	8,112,875	3,799,939	4,312,936
6/30/2018	-	3,798,203	<b>(3,798,203)</b>
6/30/2019	-	3,801,355	<b>(3,801,355)</b>
6/30/2020	-	3,797,853	<b>(3,797,853)</b>
6/30/2021	-	3,799,645	<b>(3,799,645)</b>
6/30/2022	-	3,797,315	<b>(3,797,315)</b>
6/30/2023	-	3,797,880	<b>(3,797,880)</b>
	<u>32,448,625</u>	<u>37,988,089</u>	<u><b>(5,539,464)</b></u>

MEMORANDA OF UNDERSTANDING (MOU)  
AMORTIZATION SCHEDULE

(Rounded)

Interest per annum: 1.02%	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Total Annual Payment (2) (3)</u>	<u>Outstanding Balance</u>
Total Amount Payable as of 7/1/2012 (1)				\$ 76,199,000
July 1, 2013	\$ 1,766,166	\$ 10,000,000	\$ 11,766,166	\$ 66,199,000
July 1, 2014	675,230	10,000,000	10,675,230	56,199,000
July 1, 2015	573,230	10,000,000	10,573,230	46,199,000
July 1, 2016	471,230	10,000,000	10,471,230	36,199,000
July 1, 2017	369,230	10,000,000	10,369,230	26,199,000
July 1, 2018	267,230	10,000,000	10,267,230	16,199,000
July 1, 2019	165,230	10,000,000	10,165,230	6,199,000
July 1, 2020	63,230	6,199,000	6,262,230	-



## GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

