

**BUDGET GUIDE**

The 2024 - 2025 Annual Budget is divided into twelve (12) sections whose contents are explained below. This Budget Guide is provided to summarize the information contained in each section and to assist the reader in finding information.

**Section I - City Manager’s Message**

This section includes the City Manager’s transmittal letter, the strategic plan, and the adopted budget ordinance. Also included in this section are the revenue and expenditure recaps for the General Fund, Special Funds, Self-Sustaining Enterprise Funds, Supplemented Enterprise Funds, and the Utility Internal Service Fund.

**Section II - Policies and Procedures**

This section outlines the policies used to guide the preparation and management of the City’s annual budget. This section also provides detailed information on budget development, budget adoption, the accounting policies and procedures for Fund Accounting, Governmental Funds, Debt Services, Procurement, and Revenue and Expenditure policies. In addition, this section includes the FY 25 budget calendar.

**Section III - Revenue and Expenditures / Expenses**

This section begins with a chart showing the relationship between funds, in addition to a chart showing the percentages of expenditures as it relates to personnel services, operating expenses, cost of goods sold, and capital improvement. Included in this section is a summary of the General Fund revenue sources and expenditure/expense categories for the 2024 - 2025 budget. This information is categorized by the following fund accounts:

- General Fund
- Special Funds
- Self-Sustaining Enterprise Funds
- Supplemented Enterprise Funds
- Utility Internal Service Fund

**Section IV - Supplemental Information**

In this section pertinent information is reported on the budget that analyzes trends and outlines the recent policy decisions that have impacted the City’s budget, and its financial position. This section provides the reader with an overview of revenues/expenditures, debt and tax digest information, and personnel information.

**Section V - General Fund Expenditure Detail**

The General Fund is the City’s major operating fund. It accounts for all financial resources and expenditures that are not accounted for in specific purpose funds. The General Fund finances most of the regular day-to-day operations and accounts for approximately 24% or \$76,233,218 of the budgeted appropriation. It consists of the following departments: City Clerk’s Office, City Manager’s Office, City Attorney’s Office, Municipal Court, Human Resources, Finance,

Technology & Communication, Planning & Development, Police, Fire, Code Enforcement, Engineering, Recreation, and Facilities Management. It also contains appropriations to independent agencies. The General Fund depends on revenues generated from such sources as property taxes, sales taxes, utility transfers, service charges, business licenses and permits, insurance taxes, and other revenue to cover its operating costs.

## **Section VI - Special Funds Expenditure Detail**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. About 16% or \$52,639,523 of the FY 25 Budget is allocated to Special Fund activities. Included in the Special Funds are Community & Economic Development, CAD 911, Hotel/Motel, Capital Improvement, Tax Allocation District (TAD), Job Investment, R3M, SPLOST, TSPLOST, and Grant Funds. The Albany Convention and Visitors Bureau will receive \$800 thousand of current year's actual Hotel/Motel tax revenue to promote tourism and growth in Albany.

Also included under Special Funds is the Debt Fund. However, the City does not have any active General Obligation Bonds that require repayment. Therefore, only the Capital Improvement Fund is financed through revenues received from the General Fund.

To encourage development in the Albany Riverfront and Gateway Development Plan the Commission established a Tax Allocation District (TAD) for that area. A TAD allows the City to sell bonds to finance infrastructure and other redevelopment costs within the designated district.

The Job Investment Fund was created to provide monies to companies that meet established criteria that are considered to be long term investments in the City of Albany.

R3M (Renovate, Repair, & Replace) Fund is designed to maintain and upgrade facilities & infrastructure maintained by the City. The expenditures within this fund do not meet the capital criteria.

The Special Purpose Local Option Sales Tax (SPLOST) VIII is a referendum approved by voters in November 2022 that allows for an extra penny in sales tax to fund a diverse list of community projects. It is not a separate tax; Georgia law allows local jurisdictions to use SPLOST proceeds to fund capital improvement projects that would otherwise be paid for with General Fund and property tax revenues. SPLOST VIII expenditures for FY 2025 are projected to be \$6,400,000. In addition to the SPLOST VIII expenditures, the City is continuing to push forward on SPLOST VII projects with an expected budget impact of \$8,303,446, which totals to \$14,703,446 in SPLOST expenditures budgeted in FY25.

Similarly, Transportation Special Purpose Local Option Sales Tax (TSPLOST) is a referendum approved by voters in March 2019 that allows for an extra penny in sales tax to fund a diverse list of community projects. It is not a separate tax. TSPLOST expenditures for FY 2025 are projected to be \$13,024,503.

Grant Fund is a Special Fund that has been established to carry out projects or programs that are not funded through the normal operating & capital budget process. These funds are used to account for resources received from outside agencies and are restricted for a specific purpose.

**Section VII - Self-Sustaining Enterprise Funds (Utility Funds)**

The Self-Sustaining Enterprise Funds consist of the Utility Funds maintained by the City of Albany. The Utility Funds charges for services are used serve the infrastructure and distribution needs of the City. About 53% or \$167,537,074 of the FY 25 Budget is attributed to the Utility Fund activities. Included in the Utility Funds are Light, Gas, Sanitary Sewer, Water, Solid Waste, Stormwater, and Telecom Fund. The Cost of Goods Sold makes up the majority of the budgeted expenses for FY 2025 in the amount of \$72,659,966 or 43%.

With projected revenues of \$100,399,186, the Light Fund it is easily the largest revenue generating enterprise fund for the City of Albany. Expenses are projected to be \$92,807,313, resulting in net income of \$7,591,873. This fund represents about 29% of the total budget. Its over 37,000 customers include residential, commercial, and industrial.

The Gas Fund is projected to generate \$16,671,650 in revenue through charges for service and incur \$18,541,571 in expenses, resulting in a net income of \$732,566. The fund represents about 6% of the total budget. It provides natural gas services to approximately 13,000 customers in Dougherty and Lee Counties.

The Sanitary Sewer Fund is projected to generate \$19,274,137 in revenue primarily through user fees and incur \$18,541,571 in expenses resulting in a net income of \$732,566. This fund represents about 6% of the total budget. Included under the Sanitary Sewer Fund are Wastewater Treatment, Wastewater Treatment/Lift Stations, Wastewater Sampling, and Sanitary Sewer Maintenance. This Division of Public Works is responsible for the treatment of the City's wastewater and for disposal of sewage sludge in accordance with Environmental Protection Division's guidelines. This division is also responsible for the maintenance of all sanitary sewers and for the installation of new taps and sewer extensions within the city limits of Albany.

The list of self-sustaining enterprise funds continues with the Water Fund. It is expected to generate \$14,791,514 in revenue and incur \$14,599,480 in expenses, resulting in net income of \$192,033. The fund represents about 5% of the total budget. The fund provides 14 million gallons of water per day to over 35,000 customers. While Water Distribution is responsible for these figures, the fund also includes Water Production. This department is capable of producing 36 million gallons per day from 39 dry wells. This is a vital resource for future economic development.

The Solid Waste Fund is expected to generate \$14,132,924 in revenue through service charges and incur \$14,053,582 in expenses, resulting in a net income of \$79,342. This fund represents about 4% of the total budget. Included under the Solid Waste Fund are Solid Waste Administration, Solid Waste Removal-Residential, Solid Waste Removal-Commercial and Special Services. This division is responsible for collecting and properly disposing of solid waste and recyclables generated by both residential and commercial customers. This division serves approximately 23,000 residential customers with a private contractor. The division also serves over 1,300 commercial customers.

The Stormwater Fund is projected to generate \$6,650,212 in revenue through user fees, while partially being supported through Sewer Fees in the amount of \$1,335,740 totaling \$7,985,952.

Budgeted expenses from the Stormwater fund are scheduled for \$7,983,823 during fiscal year 2025. The budget net income for fiscal year 2025 is \$2,128. The Stormwater Fund represents about 3% of the total budget. Engineering Stormwater, Street Sweeping, Asphalt/Concrete, Grading/Construction and Storm Maintenance are included in this fund. The responsibility of the Stormwater Fund is to provide stormwater management services to include drainage system operation and maintenance of ditches, canals and ponds, and stormwater pump stations, and to provide street sweeping services necessary for the collection and disposal of stormwater-related debris. Other functions include maintenance of existing stormwater infrastructure and installation of new stormwater conveyance systems.

The Telecommunication Fund is the last of the self-sustaining enterprise funds. Revenue is expected to be \$3,547,914 and expenses are projected to be \$3,542,753, resulting in net income of \$5,161. The fund represents approximately 1% of the total budget. Telecom provides excellent fiber optic-based services to businesses in Albany and Dougherty County. The fund serves approximately over 1,000 connections to their customers.

### **Section VIII - Supplemented Enterprise Funds**

The approved program and expense plan is recorded in this section for the Supplemented Enterprise Funds which include the following: Airport, Flint River Entertainment Complex, and the Transit System. Because these funds are not self-sustaining, they are budgeted to receive subsidies from the General Fund in the amounts of \$1,355,617, \$969,997, and \$1,976,418, respectively.

### **Section IX - Utility Internal Service Fund**

The Utility Internal Service Fund provides support for all of the utility enterprise funds (Light, Sewer, Gas, Water, Solid Waste, Stormwater, and Telecom). It is comprised of eight (8) departments: Utility Management and Board, Investigations, Engineering, Marketing, HDD, Energy Control/ Techs, Vegetation Management, and Customer Service. The projected budget for this fund is \$17,663,213 in FY 2025.

### **Section X - Capital Improvement Program**

This section includes all of the approved FY 2025 Capital Outlay/Improvement requests for the General Fund, Special Funds, Utility Internal Service Fund, and the Enterprise Funds. The capital outlay expenditure plan is listed by Department/Division. General Fund expenditures are budgeted to be \$9,564,008 while the Utility Internal Service Fund and Enterprise Funds are expected to have \$97,818 and \$42,085,470 in capital expenses, respectively. Also included in this section are the Georgia Municipal Association Lease Pool (GMA) capital requests.

### **Section XI – Fleet Fund**

This section contains the Fleet Internal Service Fund which provides support for all the maintenance and assistance in purchasing all rolling stock utilized by the City. The projected budget for this fund is \$4,125,774 in FY 2025.

**Section XII - Appendix**

This section contains a glossary of terms that may be useful in assisting the individual to interpret the budget.