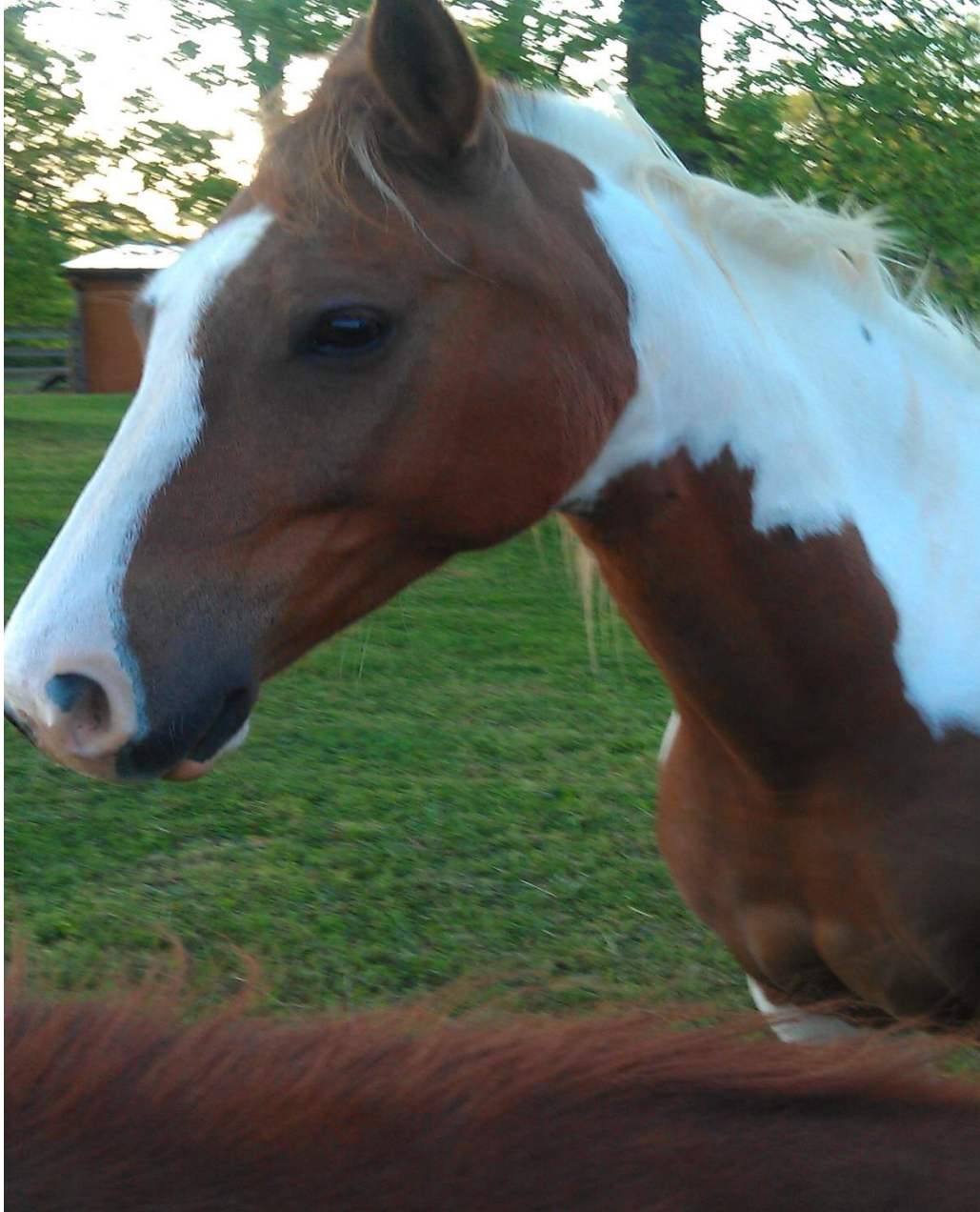




CITY OF PENDERGRASS GEORGIA
2025 FISCAL YEAR BUDGET





August 01,2024

Citizens of Pendergrass,

The proposed Fiscal Year (FY) 2025 Budget is submitted to the Pendergrass City Council in compliance with State Law O.C.G.A. § 36-81-2 et seq. This budget was developed based on priorities including Customer Service, Public Safety, and Community Appearance.

The FY2025 Budget provides for a millage rate of 4.50 mills to ensure sound fiscal integrity for the City of Pendergrass. The FY2025 Budget includes financial resources that will allow the City to provide a high level of public safety and general government services to the citizens of Pendergrass.

The proposed Budget for the General Operating Fund totals \$2,624,953.50. The City's General Fund provides for general government operations of the City and maintains adequate working capital necessary for the City's financial health and stability. This fund accounts for all of the City's general operations.

The FY2025 General Fund Budget provides for \$ for personnel and related benefits (%); \$ for operations and equipment (%) and \$ towards debt service (city hall mortgage) (%) and a capital improvement street improvement project.

The City's goal is to adopt an operating budget where current revenues equal anticipated expenditures. The budget is a dynamic rather than a static plan, which allows for adjustments and amendments as circumstances change.

The FY2025 Budget was developed with the following objectives:

- Continue to enhance Public Safety capabilities
- Continue to be the local government employer of choice through competitive pay and benefits for all employees.
- Ensure financial stability

The City of Pendergrass has made dramatic strides in providing effective and efficient services to residents over the past few years. Our City is a demographically diverse community and continues to be one of the fastest growing cities in the State of Georgia. It is a city to be proud of.

It is my great privilege to serve as your Mayor.
As always, my door is open to all.

Nick Geiman
Mayor, City of Pendergrass, Ga.



Georgia Economic Overview

Georgia has made notable gains in income growth and poverty reduction over the past decade. Poverty (measured by the USD 6.85 poverty line in 2017 PPP) declined from 70.6 percent in 2010 to an estimated 47.7 percent in 2022. Nevertheless, statewide, structural challenges persist, notably weak productivity and limited high-quality job creation. About a third of workers remain engaged in low-productivity agriculture, and Georgia also has a large share of self-employed people in other job sectors. Access to finance remains a major obstacle for businesses, while skills mismatches are reported to be an impediment for most firms. Due to its high degree of trade openness and dependence on tourism, Georgia is vulnerable to external shocks.

Growth is expected to ease to 5.2 percent in 2024 as a result of tight monetary policy, a slow-down among trading partners, and heightened geopolitical risks. Growth is projected to stabilize at around 5 percent of GDP for 2025-2026 as Georgia benefits from the gradual recovery among its trading partners. The poverty rate is expected to keep declining gradually. Inflation is expected to converge to its 3 percent target by the end of 2024. Monetary policy is expected to continue easing gradually in 2024. Despite dwindling money transfers, the current account deficit should remain well below pre-COVID-19 levels in the medium term. Revenue and tax collection are projected to continue their solid performance in 2024, with additional profit tax revenues in the financial sector and higher taxation. Current expenses are set to increase by 0.8 percentage points, to 23.0 percent of GDP, to be offset by a slight decline in public investment (to 8 percent of GDP). There are substantial risks to the outlook, reflecting uncertainties. A more rapid reversal in money in flows, weaker tourism revenues, and an increase in global commodity prices could hinder growth and increase debt levels and financing needs. Other risks include tighter global financial conditions and climate change-related risks. An adequate monetary and fiscal policy stance by the State Government with adequate buffers is expected to help cushion potential shocks while exchange rate flexibility should help shield reserve levels by supporting an adjustment in imports.



HOUSING MARKET OUTLOOK

Millennials are having children later, they are getting married later, and they are forming households later. That has been a big problem for the housing market, because household formation is historically one of the biggest drivers of homeownership. Since 2005, there have been about 7 million new households formed – an extremely slow rate compared to previous decades. The nation's homeownership rate is currently at a 50-year low. The good news is that household formation is expected to rise dramatically over the next 10 years. A market analysis puts growth at about 12.5 million net new households over the next 10 years. However, despite the growth, homeownership is not expected to rebound. The rate is expected to fall even further. The report read: "We believe a larger percentage of households than ever before will opt to raise their family in a professionally managed, detached rental home."

The construction industry is currently facing a crippling labor shortage. Some say it is because during the crash a large number of construction workers found more lucrative opportunities in the energy sector and now, they have no good reason to come back – which is partly true. But another reason, and why the shortage is going to extend to other industries over the next 10 years, is because the labor pool is shrinking. Historically, the workforce population has grown annually by 1.5 million people. But by 2022, that rate is expected to drop below 500,000 – and stay there through "at least 2025," the report read. The drop will likely stunt economic growth, which will damage the overall real estate market.

From 2010 to 2015, it was all about urban growth. Urban households grew by 13 percentage points from the decade prior, while suburban growth dropped by 6 percentage points. It is one of the reasons the rental market has performed so well

and why urban home prices have seen such strong appreciation. But many analysts expect that trend to reverse over the next decade. Seventy-nine percent of overall household growth is expected to occur in the suburban markets, compared to only 15 percent in urban ones.

FISCAL YEAR 2025

Budget Guide

The city's charter requires the City Mayor to prepare an annual budget. The budget document is the result of months of planning. The budget allocates the city's limited financial resources to provide services based on organizational and community priorities. The resulting document becomes the plan that guides Departments' operations throughout the fiscal year. The budget period is the city's fiscal year which begins on January 1 and ends on December 31. While budgeting is an ongoing process, departments officially submit budget requests to the City Administrator during the Spring each year. A detailed budget schedule is attached. Georgia state law requires that the operating budget be balanced with current revenues and other financing sources, including unreserved fund balance.

Budgetary Funds

The City's accounts are organized by fund groups, each of which is treated as a separate accounting entity. Annual operating budgets are approved for the following funds:

General Fund: The general operating fund of the city. It accounts for resources traditionally associated with government that are not required to be accounted for in another fund.

SPLOST Fund: Established to account for the receipt and expenditures of money from the Special Purpose Local Option Sales Tax (SPLOST) that was approved by voters.

Basis of Budgeting

All fund budgets described above are prepared on a modified accrual basis meaning that expenditures are budgeted if the obligation will be incurred that fiscal year, and revenues are budgeted if they are measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the budgeted fiscal period or soon enough thereafter to pay liabilities of that fiscal period. For example, real property tax bills that are billed in the summer and due in December are budgeted as revenue in the billing year. The remaining funds are enterprise funds which are budgeted on a fully accrual basis. Expenditures are recognized when a commitment is made, and revenues are recognized when they are obligated to the city. The basis of accounting refers to the time at which revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. In the city, the basis of budgeting and the basis of accounting are the same.



Strategic Planning

The City recognizes six core principles in operating and managing the City:

- A. Manage growth while retaining character
- B. Maintain a high level of customer service for all residents
- C. Provide quality services within fiscal limits
- D. Prevent crime and enforce the law through problem solving partnerships and provide the highest level of police services with highly trained, caring personnel.
- E. Invest our resources to improve and maintain roads, sidewalks, traffic management, and stormwater infrastructure for the betterment of the community.
- F. Provide the Necessary Support within City Government to Achieve the Vision and Goals of the Community.

FY 2025 City Council Strategic Priorities

- A. Promote a Well-Planned City**
- B. Sustain a Well-Planned Quality of Life Program**
- C. Advance our Commitment to Public Safety**
- D. Expand Economic Development Efforts**



The following revenue sources make up the City's revenue portfolio:

Taxes on Property:

Ad Valorem Tax

The ad valorem tax (or property tax) is an important component of municipal revenue. It provides a stable source of revenue for the City. Residents and non-resident taxpayers received a direct benefit for paying property tax. The City uses the tax revenue to fund its General Fund activities such as public safety, street maintenance and repair, parks and recreation, transportation enhancement projects, community development projects, and storm drain systems.

Taxation of Motor Vehicles

As allowed by the Georgia Constitution, motor vehicles are taxed in a manner that is different than the taxation of other property. The “birthday day” or annual ad valorem tax for motor vehicles was exempted in 2012 legislation and was implemented as a one-time tax that is imposed on the fair market value of the vehicle.

Alcoholic Beverage Excise Taxes

Taxes levied on distilled spirits (up to \$.22 per liter on packaged sales and 3% of the sale price on sales by the drink), wine (up to \$.22 per liter), and malt beverages (up to \$6.00 per bulk container and up to \$.05 per 12-ounce bottle, can, or other container).

Insurance Premium Taxes and License Fees

Insurance premium tax is a levy of 1% on life insurance companies based on gross premium on policies of persons living within the City’s jurisdiction. The City can levy a gross premium tax of no more than 2.5% on all other types of insurance companies. This tax is collected by the Georgia Commissioner of Insurance and is remitted to the City on an annual basis in October of every year. The City also imposed and collects license fees on insurance companies doing business within the City’s limits. By state statute, and through submission of the City’s ordinance adopting the imposition of insurance license fees, the City can impose a \$25.00 fee on insurance companies. The fee is based on population.

Business and Occupation Taxes

The City levies and collects business and occupation taxes on businesses and practitioners with offices or locations within the City. Some types of business are exempt from this tax (i.e., non-profits). The City uses the “number of employees” method of taxation.





Franchise Fees

The City enters into franchise agreements or contracts with cable, electric, gas and telephone companies doing business in the City. These agreements determine the terms that a public utility company abides by when using the City's right of way. The fee is most often a percentage of the utility's gross receipts within the municipality. The electric franchise fee is remitted to the City annually, while gas, telephone and cable franchise fees are remitted quarterly.

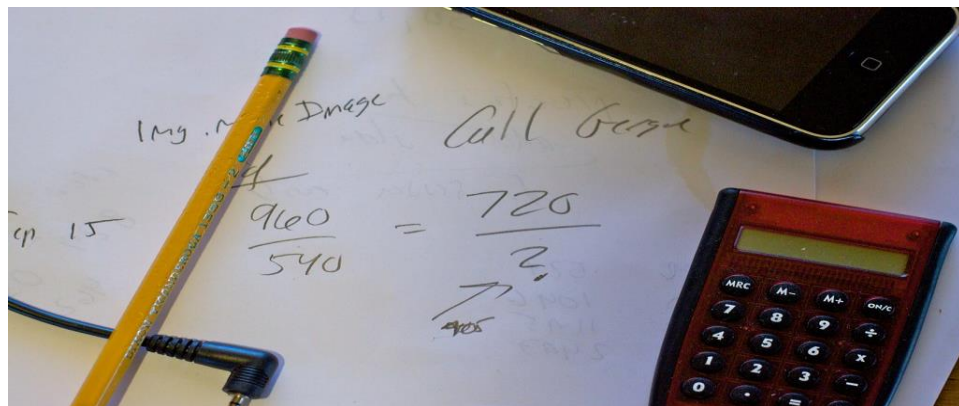
Fines and Forfeitures, Court Fees, and Costs

This revenue includes traffic fines, fines from violations of the City Code, bonds posted to guarantee court appearances, and other court costs.



Alcoholic Beverage Licenses

The City requires that a person or business have a license from the City to sell alcohol, retail or wholesale, within the City. The amount of the fee, by license type, is established by resolution of the Council.



2025 BUDGET OVERVIEW

EXPENSES

COST CENTERS PROJECTED BUDGETS

General Government:

Mayor	\$3,600.00	
Council	\$14,400.00	
City Attorney	\$15,500.00	\$33,500.00

Municipal Court:

Judge, Associate Judge, Court Personnel	\$11,500.00	
Annual Training	\$1,500.00	
CJT court ware service software	\$4,215.00	
Court ware Solutions (Software interface with PD)	\$25,500.00	
Local Victims Assistance Fees	\$15,500.00	
State Court fines and fees payments	\$60,000.00	\$118, 215.00

Public Safety:

Public Safety Salaries (no withholding)	\$677,810.00	
Police Extra Details (Extra duty assignments)	\$15,000.00	
Overtime	\$15,000.00	
Cell Phones	\$3,600.00	
Contract Clerk (state certification/ dept clerk, etc.)	\$35,360.00	
Police Equipment and vehicle repairs and maintenance	\$120,000.00	
Uniforms, equipment	\$15,000.00	
Weapons, ammo, vests	\$30,000.00	
Inmate Housing	\$1,000.00	
Education/Training/Travel	\$18,000.00	
Animal Control	\$2,000.00	\$949,970.00

Environmental Services:

Environmental Services Salaries	\$112,320.00	
Environmental Services General Supplies	\$130,000.00	
Environmental Services Repairs/ Maintenance	\$85,000.00	
Department head phone	\$1,200.00	
Contract Employees	\$95,000.00	\$423,520.00

City Administrator:

City Administrator Salary – no benefits	\$85,000.00	\$85,000.00
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Finance/ Human Resources Department:

Finance/ Human Resources Director Salary - no benefits	\$45,760.00	
Office Supplies/ annual subscriptions, stamps, paper, etc.	\$15,000.00	\$60,760.00

City Hall/Library/ Court Services:

Salaries – Clerk and part time deputy clerk	\$70,000.00	
General Office Supplies (includes computer software)	\$11,000.00	
GMA Annual Training	\$2,500.00	
Phone reimbursement (interpreter for pd at all hours)	\$1,200.00	\$84,700.00

Uncategorized Expenses –

Jackson County Police Radio Equipment Payment	\$20,970.50	
CSX Transportation Land Lease – annual - depot	\$1,900.00	\$22,870.50

<i>Mortgage Payment – City Hall</i>	\$36,000.00	\$36,000.00
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Benefits:

Workers Compensation – All Employees	\$85,000.00	
Health-Dental Vison – All Employees	\$180,500.00 — \$265,200.00	
Retirement – All Employees	\$17,500.00	
Unemployment Insurance	\$5,000.00	
FICA contribution/match (Social Security, Medicare)	\$100,000.00	\$388,000.00

Safety Expenses:

Pest Control (entire city)	\$2,486.00	
Peach State Fire extinguishers (vehicle and bldgs.)	\$2,500.00	\$4,985.00

<i>Gasoline and Diesel – City Wide</i>	\$80,000.00	\$80,000.00
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Communications- City Wide

Land lines/Internet/email address, etc.	\$25,000.00	
Mobile connections for police vehicles	\$8,500.00	\$33,500.00

Electricity

Street Lights	\$15,000.00	
Environmental Services	\$3,000.00	
Police	\$7,500.00	
City Hall/Library	\$10,500.00	
Park Lights	\$4,000.00	\$40,000.00

Water:

Water (entire city usage)	\$19,500.00	
Advertising – Public meetings, hearings, notices, etc.	\$2,500.00	
Annual Dues – GMA -	\$1,206.00	
General Liability Risk Insurance Premium (grounds and vehicles)	\$125,000.00	
Security Alarm Monitoring – Police Dept	\$1,200.00	
Annual Backflow Device Test	\$1500.00	
Audit Service- Annual	\$19,000.00	
Special Events – Christmas, 4 th of July, movies in the park	\$25,000.00	
Technology Fees from State (to use fines and fees portals)	\$6,000.00	
Tax Commissioners Office – Tax collection	\$26,650.50	
Web Page Domain Listing	\$577.00	\$228,133.50

Capital Improvements:

Academy Street drainage – stormwater project	\$35,800.00	\$35,800
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TOTAL EXPENSES PROJECTED IN 2025:**\$2,624,953.50**

INCOME

2025

BUDGET OVERVIEW

REVENUE for the city consists of Property Taxes, County Sales Tax, Franchise Fees, Excise Fees and Other Revenues such as Licenses and Fees, Charge for Services, and Fines.

TOTAL TAXES AND FRANCHISE FEES

- **Property Taxes** – Property Taxes are proposed to generate about \$1,258,471.75. The Jackson County Tax Commissioner sets the 2025 County tax digest.
- **County Sales Tax** – County wide sales tax income is projected to be \$510,000.00. This L.O.S.T. percentage was negotiated with the county in 2024.
- **Alcoholic Beverage Fees** – These fees are projected to be \$51,000.00.
- **Franchise /Utilities/Enterprise Fees** – are projected to generate \$166,000.00
 - Electric \$150,000.00
 - Gas \$10,000.00
 - Cable \$6,000.00
- **Insurance Premium Fees** - are projected to be \$150,000.00 in 2025.
- **Motor Vehicle TAVT Taxes** – projected to be about \$55,000.00 in 2025.

LICENSE AND PERMITS

- **Planning and Building fees** – Planning and Building Inspection fees for 2025 are projected to be about \$144,308.75
- **Signs Permits, Site Approvals, Plan Site Zoning costs** – are projected to generate about \$2000.00 in income for 2025.

MUNICIPAL COURT FINES

- **Fines and Forfeitures from Police Services** – are expected to generate about \$260,000.00 in 2025.

CHARGES FOR SERVICES

- **General Government** fees (fees for services – copying, faxes, and permits) are expected to generate \$4,000.

MISCELLANEOUS

- **Sanitation fees** – projected to be about \$16,173.00.
- **Probation fees** – projected to be about \$2,000.00.
- **Municipal License fees** – projected to be about \$6,000.00.

TOTAL INCOME PROJECTED IN 2025 =

\$2,624,953.50

Vision Statement



*Pendergrass is a progressive
city where we strive to:*

- Promote a high quality of life*
- Create a strong sense of community and place*
- Respect our heritage while guiding our future*
- Be the best place to call home*

Organizational Chart

Pendergrass Citizens

Mayor &
City Council

City Administrator

City Attorney

Municipal Judge

Administration

Operations

Finance

City Clerk

Human Resources

Economic
Development

Budget Officer

Court Clerk

Audit

Police Services

Environmental
Services

Planning & Zoning

In Pendergrass's form of government, the Mayor is the Chief Executive Officer of the City Government and the presiding officer at City Council meetings, and is responsible for the efficient and orderly administration of the City's affairs. The City Council serves as the legislative branch of municipal government. Pendergrass's elected officials and employees are responsible for ensuring that the community's vision for this city is fulfilled and for developing policies and procedures necessary for that community vision.

