

City of Richmond Hill, Georgia

2022 APPROVED BUDGET AND CAPITAL IMPROVEMENT PLAN



City of Richmond Hill, Georgia

**2022 Approved Budget and
Capital Improvement Plan**





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GUIDE TO THE BUDGET

The FY 2022 budget document is organized into the following nine sections:

1. **Introduction and Overview:** This section starts with the City History, Demographics and Statistics, defining Richmond Hill's Council-Manager form of government and organizational chart. In addition, City Council's Strategic Plan is presented from which the budget is developed. Finally, it includes the City Manager's budget message, which communicates the City Council's Strategic Plan as it relates to the budget development process. The budget message highlights major changes and key initiatives in the approved budget.
2. **Financial Process, Structure, and Policy:** Building the Budget and City-Wide Financial Management Policies.
 - a. **Building the Budget-** Provides the reader a brief synopsis of the budget process. This includes a discussion on the relationship between the 5-Year Forecast, Capital Improvements Plan, and Operating Budget.
 - b. **City-Wide Financial Management Policies-** This includes the financial policies outlined in Richmond Hill's City Code of Ordinances Part I – Charter, as well as other financial policies adopted by Council.
3. **Financial Summaries:** Fiscal Year Operating Budget Summary, Revenue Estimates, and Long-Term Budget Planning.
 - a. **Fiscal Year Operating Budget Summary-** This subsection summarizes the entire fiscal year budget for all funds excluding the capital projects funds. It provides details on major changes from the previous fiscal year. .
 - b. **Fund Summaries –** This subsection provides summary data at the fund level for all governmental and enterprise funds.
 - c. **Long-Term Budget Planning-** There are many factors that can influence a city's capital and operating budget. This subsection provides a brief overview of the more pertinent accounts that can influence Richmond Hill's budget into the future.
4. **Capital Budget and Debt Summary:** This section includes the Capital Improvements Plan for the fiscal year as well as a debt position analysis.
5. **Appendix:** This is the final section of the operating budget book. Within this section, there is one appendix as listed below.
 - a. **Appendix A-** Includes the budget resolution for both the operating budget and capital plan. The City Council is required by law to vote on this resolution. A budget resolution is an act of setting aside money for a specific purpose.

INTRODUCTION AND OVERVIEW



HISTORY, DEMOGRAPHICS AND STATISTICS

The City of Richmond Hill is located in the southern area of Bryan County. Richmond Hill is just 17 miles from the Savannah International Airport, and just 20 miles from downtown Savannah.

The history of Richmond Hill goes back to the earliest days of the Georgia colony when, in 1733, General James Oglethorpe built Fort Argyle near the confluence of the Ogeechee and Canoochee Rivers to protect the western approaches to Savannah. The availability of highly cultivable agricultural bottom land along the Ogeechee River led to rapid settlement in lower St. Phillip Parish (Bryan Neck) through the issuance of crown land grants prior to the Revolution. In 1793, Bryan County was created from Chatham and Effingham counties, being named in honor of Colonial planter and Revolutionary patriot Jonathan Bryan (1708-1788).

In 1856, the Savannah, Albany & Gulf R.R. was built across the nearby Ogeechee River into Bryan County. Near this site a train depot was built, which came to be known as “Ways No. 1 ½” for William J Way, the first station master and a local rice planter on lands through which the railroad passed. A settlement grew up in the section between the railroad tracks and the Crossroads just to the west. It came to be called Ways Station, a designation that lasted until 1941 when the name of the community was changed to Richmond Hill.

Richmond Hill also has a historical connection to industrialist Henry Ford. Ford used the town, formerly known as Ways Station, as a winter home and philanthropic social experiment, building the complex known as the Ford Farms along the Ogeechee River in the 1930s. After just one visit he chose this area as his winter home. Ford’s dwelling was built on the site of Richmond Plantation, which was burned by elements of General William T. Sherman’s army at the conclusion of the “March to the Sea”. Ford’s holdings eventually totaled 85,000 acres of agricultural and timber lands, most of which is now owned by the State of Georgia or ITT Rayonier, a timber company. Ford was also responsible for the construction of a number of public buildings, including a kindergarten, which now house the museum of the Richmond Hill Historical Society, and a chapel which now houses St. Anne’s Catholic Church. Both are located on Georgia S.R. 144, also known as Ford Avenue within the Richmond Hill city limits. The Ford Plantation has now been redeveloped as a luxury resort, with vacation cottages, a clubhouse, tennis and golf. When it was suggested that the town be renamed “Ford”, he declined, and instead Ways Station was renamed “Richmond Hill” after the site of Ford’s home on the banks of the Ogeechee River. Richmond Hill was incorporated as a city in 1962.

The City of Richmond Hill now is home to more than 15,157 people and a wide array of small local businesses, restaurants, grocery stores, gas stations and industrial businesses. The City has a council-manager form of government which allows Richmond Hill to effectively administer services it provides.

Public services, infrastructure and great potential for quality residential and business development abound in what began as a small stop along a turn-of-the-century railroad line. By focusing on the incorporation of both hometown traditions and progressive yet balanced growth, the City of Richmond Hill makes its community more than just a great place to work and live. It makes Richmond Hill a great place to call home.

INTRODUCTION AND OVERVIEW

About the City of Richmond Hill – Information at a Glance

General Information

Established	1962
Government	City Council - City Manager
Municipalities	Richmond Hill, Pembroke
Area	23.5 square miles
Density	643.70 per square mile

Demographics

Population estimate 2020	15,157
Population estimate 2010	9,281
Population, percent change	63.31%
Population Distribution	
White alone, 70.40%; Black or African American alone, 17.96%; Asian alone, 2.79%; other races 3.66%, Two or more races, 4.44%.	
Median age	32.4
Median household income	\$ 71,438
Unemployment rate	6.10%
Owner-occupied housing unit rate	52.40%
Median value of owner-occupied housing units	\$ 210,700

Source: U.S. Census

Education

Public Schools (Bryan County School District)	High Schools in District	2
	Middle Schools in District	2
	Elementary Schools in District	6
Public School Enrollment		7,679
Public Library	Statesboro Regional Library System	2

Public Recreation

Recreational Areas	JF Gregory Park, Sterling Creek Park, Boles Park, Blueberry Park and Richmond Heights Community	5
Athletic fields*		26
Tennis Courts*		4
Gymnasiums*		2

* - Owned and operated by Bryan County.

INTRODUCTION AND OVERVIEW

Regional Economy

Regional Assets:

- Port of Savannah is the 4th largest and fastest growing container port in the nation.
- Savannah-Hilton Head International Airport offers daily direct flights to over 20 U.S. cities.
- Gulfstream
- Home to Fort Stewart & Hunter Army Airfield – 20,000 soldiers.
- Part of the Savannah MSA – 500,000+ area population.
- Savannah region boasts 18 distinguished colleges and universities.

Local Assets:

- Bryan County is recognized for its top performing public school system, and Richmond Hill is ranked in the top 5 best cities for young families to live in Georgia.
- Belfast Commerce Park: Adjacent to Interstate 95; less than 30 minutes from the Port of Savannah and Savannah/Hilton Head International Airport; Georgia Ready for Accelerated Development (GRAD) certified; and CSX Select Site.
- In the Richmond Hill area, there are numerous doctors specializing in a wide array of medical practices. Richmond Hill also has St. Joseph's/Candler Primary Care and ExperCARE Urgent Care available in the City as well as being minutes from St. Joseph's/Candler and Memorial Health (Level 1 Trauma Center) in Savannah.

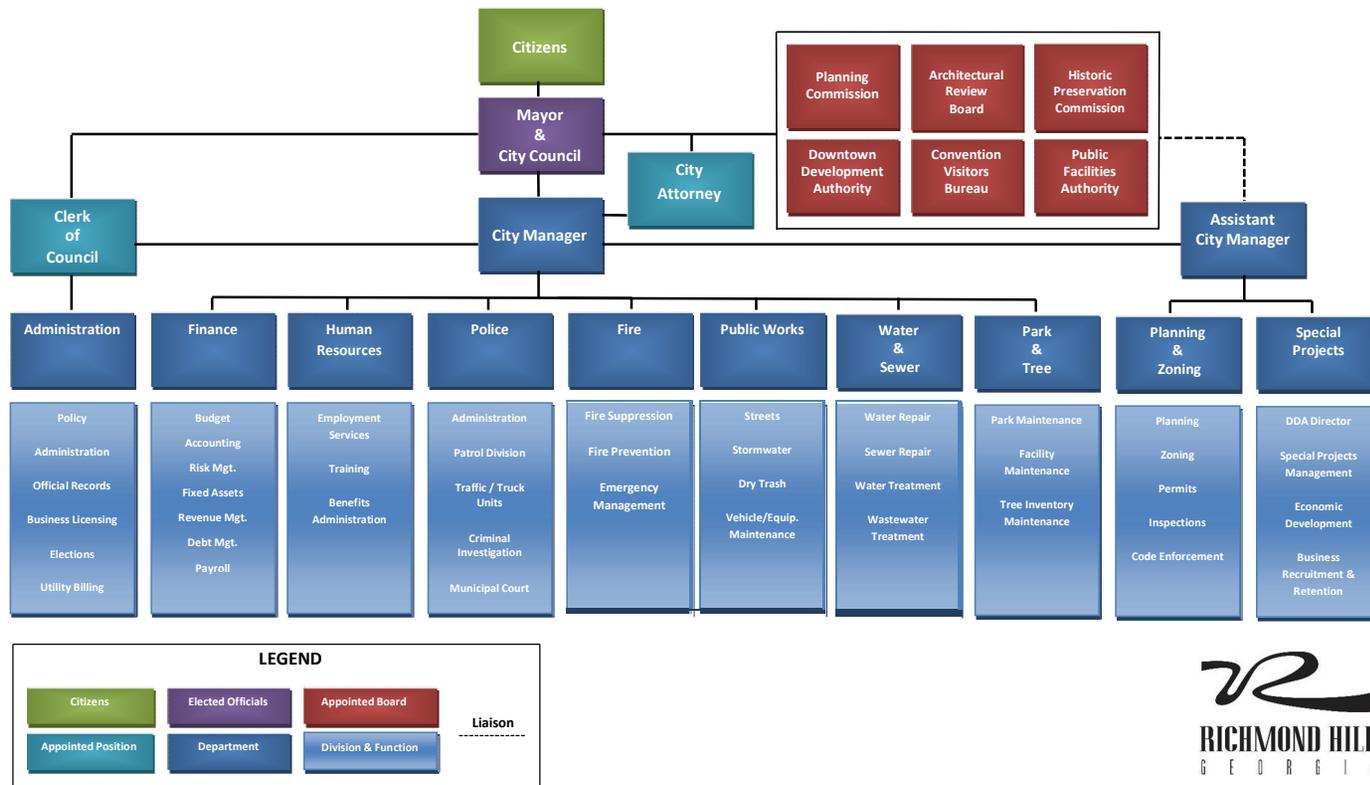
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GOVERNMENT STRUCTURE

Council-Manager Form of Government

The City of Richmond Hill is governed by a Council-Manager form of government, in accordance with its City Charter. Administrative authority of the City is vested in the City Manager subject to legislative decisions of a 5-member City Council. Council terms are staggered four-year terms. The City Manager supervises and directs the administration of all municipal departments.

City of Richmond Hill
Organizational Chart by Department /Function



INTRODUCTION AND OVERVIEW

Elected Officials

Mayor

Russ Carpenter

Mayor Pro Tem/Post 1

Kristi Cox

Councilmember Post 2

Robbie Ward

Councilmember Post 3

Les Fussell

Councilmember Post 4

Steve Scholar

Appointed Officials and Department Directors

City Manager

Chris Lovell

**Assistant City Manager/
Planning & Zoning Director**

Scott Allison

City Clerk

Dawnne Greene

City Attorney

Ray Smith

Finance Director

Derrick Cowart

Police Chief

Mitch Shores

Fire Chief

Brendon Greene

Park and Tree Director

Harvey Lashley

CITY COUNCIL STRATEGIC PLAN

MISSION STATEMENT

The City of Richmond Hill government exists to serve our citizens, businesses and visitors in an open, honest, efficient and fiscally responsible manner. Public service is at our core and our mission is to provide the highest quality services possible while continuously improving the services provided. We believe in a first-rate school system for our children, safe neighborhoods, sound economic development, an impressive quality of life and a low tax burden for our residents.

Guiding Principles We believe...

- **Ethics and Integrity** - We believe that ethics and integrity are the foundation of public trust and confidence and that all meaningful relationships are built on these values.
- **Financial Responsibility** - We believe that fiscal responsibility and prudent stewardship of public funds, both short term and long term, are essential for citizen confidence in government.
- **Open and Honest Communication** - We believe that open and honest communication is paramount for an involved citizenry and fosters a positive working environment for employees.
- **Visionary Leadership and Planning** - We believe that the very essence of leadership is to be visionary and innovative while planning for our future.
- **Excellence and Quality in the Delivery of Services** - We believe that service to our residents is our reason for being and commit to delivering services in a
 - professional, cost effective, and efficient manner.
- **Respect for the Individual**- We believe that citizens we serve are to be treated with the utmost respect and deserve the best treatment the city can provide.
- **Thoughtful Long-Range Community Planning** - We believe in the development of our community through thoughtful, careful planning that is communicated in a positive manner.
- **Professionalism** - We believe that continuous staff improvement and innovation is the mark of a professional organization, and we are committed to applying this principle to the services we offer and to the development of employees to be the best they can be.

Strategic Priorities

We have identified a single goal and several strategies in six priority areas. For each, it is understood that the City Council will formulate and enact policy, the City Manager and staff will implement and manage programs to achieve the policy goals, and the City Council and City Manager will communicate frequently to ensure accountability to the residents of the City of Richmond Hill. The City Council and City Manager will meet periodically to review progress on meeting the goals laid out in this Strategic Plan and identify areas of the Strategic Plan that require more attention.



Shaped like a wheel, the strategic plan diagram shows Quality of Life at the hub, surrounded by six priority areas: Public Safety, Parks, Economic Development and Comprehensive Planning, financial Accountability, Infrastructure and Good Government. These areas function like lug nuts, securing a high quality of life for Richmond Hill residents regardless of circumstances beyond their control (or “bumps in the road”). Finance supports and protects the wheel like a tire – if it deflates, any or all areas may be compromised.

INTRODUCTION AND OVERVIEW

Financial Accountability

Goal: Approve a viable financial plan for meeting the operational and capital needs of the City with a balanced budget that includes rigorous budget monitoring, cost savings for residents, maintaining reserves, and aggressively pursuing outside revenue (grant) dollars.

Public Safety

Goal: Promote the protection of health, safety, and welfare of our community by maintaining a high quality of life for all City residents, businesses and visitors.

Parks

Goal: To provide exceptional recreational opportunities to every segment of our community in a safe and holistic way.

Infrastructure

Goal: Rincon's future stability depends on funding and implementing a safe and sound infrastructure. Our City's streets, sidewalks, drainage, sewerage and facilities are our public investments in our City and are a reflection of who we are and the pride we take in our community. Deferring maintenance to our infrastructure places an unfair and burdensome responsibility to future generations and threaten the fiscal stability of our City.

Economic Development/Comprehensive Planning

Goal: The City Council is committed to support and grow a vibrant economy with a diversity of businesses, organizations and services.

Good Government

Goal: To provide exceptional customer services in an open and transparent way. The City of Rincon is committed to creating a culture focused on results for customers and ensuring the community receives exceptional public service.

CITY MANAGER'S 2022 BUDGET MESSAGE

To the Honorable Mayor and City Council:

Staff and I respectfully submit for your consideration the City of Richmond Hill's approved balanced budget and capital plan for calendar year 2022. The past twenty months has confronted us with unprecedented challenges due to the COVID-19 public health emergency. The recommend budget is designed to achieve our strategic priorities established by City Council. These strategic priorities leads to the consideration and ultimate adoption of the Calendar Year 2022 Budget on December 7, 2021.

This policy document represents our continued commitment to prudent fiscal management, to effective service delivery and to supporting an affordable quality of life for our citizens. The budget establishes the direction for all City government programs and services for the coming year. It represents the consensus of Council direction and staff recommendations on how to best accomplish Council goals and respond to the highest priorities of community needs. Council's policies and budget principles below also guided budget preparation:

- Implementation of Council's priorities;
- Balance current revenues and current expenditures;
- Minimize impacts of any fee increases on citizens of the City;
- Make decisions in the 2022 budget that create a foundation to maintain a balanced budget in future years; and
- Maintain the highest quality of services.

2021 Accomplishments

As discussed above, the City has faced unprecedented challenges due to the COVID-19 public health emergency. Even with these challenges, the City has accomplished many of its objectives during the 2021 fiscal year. The Interchange at I-95 and Belfast Keller Road was opened. This has allowed another access to I-95 for citizens in the southern area of the City and County. The project demonstrates the accomplishments that can occur when various governmental agencies (State, City and County) work together for a common goal. We also cannot forget that the citizens of Bryan County voting to implement a transportation special purpose local option sales tax (TSPLOST) provided partial funding for this project. Also, through TSPLOST the Great Ogeechee Parkway is nearing completion and should be open prior to the end of 2021.

Public/Private Partnerships have also contributed to the development of the south portion of the City annexed in 2017. During the year, water, sewer and reuse lines have been installed and the final phase of the overall project is expected to be completed in 2022. The City's corporate partner in this project will assist with the debt service payments on this project.

Through our special purpose local option sales tax (SPLOST) program, the City has completed Fire Station 3 on Belfast Keller Road that will provide emergency services to the businesses and residents in the south area of the City. Also, the City's SPLOST program has completed a major drainage project in Richmond Heights that will alleviate the drainage issues in this area. In conjunction with this project, a study is being conducted to determine if flood gates are a viable solution to control flooding in various basins of the City.

INTRODUCTION AND OVERVIEW

Revenue Highlights

The approved 2022 budget is based on a property tax millage rate of 4.132 mills which remains the same as the 2021 tax millage rate. Due to the extraordinary increase in home prices, staff has projected an 8% growth in the property tax digest resulting in an increase in budgeted revenues of over \$350,000. Excluding capital projects funds, city-wide revenues totaled \$25,439,061 which is a decrease of \$2.8 million from the projected 2021 revenues. The primary decrease is due to a decrease in projected debt issuance of \$3.9 million. If debt issuance is excluded, the city-wide revenue increase would be a 4.5% increase from 2021. Other revenue streams impacting 2022 budget are approved rate increases for sanitation (garbage pickup) and fire fees.

Sanitation rates were increased \$3 for residential and commercial. Extra recycle carts for residential also increased \$3 where extra recycle carts for commercial increased \$6 per cart. The new rates are expected to increase revenues \$148,000. The increase is necessary due to contractor price increases for the past 2 years. In 2021, the general fund had to subsidize sanitation by approximately \$100,000.

In order to fund the cost of Station 3 and maintain the general fund subsidy to the fire fund approximately the same as the prior year, the fire fee will require an increased to \$300.00/\$600.00 for commercial and \$112.50/\$225.00 for residential. This will result in an increase of approximately \$372,000 in revenues to fund fire operations of the City.

Fines and forfeitures projections have an increase of 9%. The police department will begin patrolling I-95 within the City limits and anticipate additional revenues from fines. The police department does expect to decrease the number of accidents due to the increased patrols.

This budget does not recommend an increase in water and sewer rates or stormwater fees. However, the rates will have to be reviewed next year since sufficient funds are not accumulating to replace deteriorating water and sewer infrastructure in the future. Stormwater fees are not sufficient to fund projects to improve drainage in the City; however, sufficient funds are currently available to maintain the current drainage infrastructure.

Expenditure Highlights

Key expenditure highlights include:

- Personnel services, which include salaries and wages for City employees as well as fringe benefit costs associated with City employment, represent approximately 31% of City-wide expenditures of the operating funds. There is an increase of approximately 8% which is primarily due to adding 4 new police officer positions and fully funding firefighter positions. Due to significant inflation in 2021, the budget includes a 3% cost of living adjustment merit increase of 1.75%. Most benefits remained approximately the same as the prior year; however, health insurance increased 8% and was included in the budget.
- Purchased/contracted services, which include contractor payments for streets, water and sewer, garbage pickup and stormwater, represent 37% of City-wide expenditures. Contract amount for streets increased 5%, water and sewer increased 9.2% and amount for garbage pickup increased 4%.
- Capital improvement projects new for 2022 are included in the capital improvement plan section of this report. The total amount of new projects is \$3,766,783 of which \$2,123,300 is for water and sewer projects. The City is currently analyzing water and sewer projects for funding by the American Rescue Plan Act (ARPA) grant funds as well as applying for state funding for these projects.

INTRODUCTION AND OVERVIEW

As the City continues to grow at a rapid rate, the demand for services will only increase. At times the growth and need for services will outpace our tax base resulting in difficult choices on how to fund the needs of our citizens. Staff will continue to review fees currently charged and search for other revenue streams primarily from grants in order to address these challenges.

On behalf of City staff, we look forward to working with you on this budget plan to maintain our financial strength and provide the citizens of Richmond Hill with the quality of life that is expected.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Chris Lovell', is positioned above the printed name.

Chris Lovell
City Manager



FINANCIAL PROCESS, STRUCTURE, AND POLICY



BUDGET PROCESS

OVERVIEW

The Charter of the City of Richmond Hill specifies that a approved Operating Budget and a Capital Budget will be provided to Mayor and Council no later than 60 days prior to the beginning of the ensuing fiscal year. The City’s operating budget process is generally a three month process begins in September and ends at the beginning of December. The City Council, management, departments, and the public have opportunities to participate in the preparation of the budget at various stages in the process. Throughout the process, the City Manager presents reports delineating particular areas of concern to the City Council, which then provides direction. The development of the annual operating and capital budgets involve a multi-faceted approach, which includes the examination of several documents and the monitoring of federal, state, and local economic factors.

Budget Preparation Schedule:

DATE(s) / TIMELINE	ACTIVITY
August 16	2022 Budget Request worksheets, instructions and guidelines are distributed to department heads.
August 30 - September 3	Revenue estimates are completed by Finance Director and reviewed by City Manager
September 7	2022 Budget Request are completed and turned into Finance with any supporting documentation including capital budget requests.
September 8 - September 17	City Manager and Finance Director review departmental budget requests and capital requests.
September 20 - September 24	City Manager and Finance Director hold conferences with department heads as necessary to finalize any changes to department budgets and capital requests.
September 27 - October 1	Finance Director assembles budget requests, compares with revenue estimates, and compiles budget document.
October 19	Budget workshop at 5:30 p.m. will be held with Mayor and Council to discuss the budget and incorporate any changes into the budget document.
November 2	Present Proposed 2022 Operating Budget and Capital Plan to Mayor and Council.
November 4	Advertise budget information and date of public hearing.
November 16	First public hearing on Fiscal Year 2022 Operating Budget and Capital Plan Budget at 5:00 pm.
December 7	2022 Budget - Final review and revision. Adopt 2022 Resolution.
December 8 - December 31	Prepare final 2022 Budget document.
January 1, 2022	2022 Budget is in effect.

FINANCIAL PROCESS, STRUCTURE, AND POLICY

Basis of Budgeting

Pursuant to Georgia Code Title 36. Local Governments § 36-81-2, the City adopts an annual operating budget for the general fund, fire fund, confiscated assets fund, hotel/motel tax fund, city center fund, and downtown development fund for which the level of expenditure may not legally exceed appropriations for each department or undertaking. Though not required by Georgia Code, the City also adopts an annual operating budget for the water and sewer fund and the stormwater fund.

The City's governmental and enterprise fund budgets are prepared on a modified accrual basis of accounting. Generally accepted accounting principles require the accrual basis of accounting for enterprise funds. The major differences between the modified and accrual basis of accounting are that:

1. Depreciation is recorded as an expense under the accrual basis and is not under the modified accrual basis of accounting.
2. Cash disbursements for capital assets are recorded as an expenditure under the modified accrual basis and capitalized under the accrual basis.
3. Cash disbursements for debt service is recorded as an expenditure under the modified accrual basis and principal is applied to the note or bond payable under the accrual basis.

The approved appropriations for all departments and operation of the City are prepared under the direction of the City Manager. The City Manager may recommend additional budget amendments as are deemed necessary. City Council approval is required when changing the total appropriations of a department.

Definition of a Balanced Budget

Every year the City prepares a balanced budget. A balance budget occurs under one of three scenarios:

1. Revenues exceed expenditures.
2. Revenues equal expenditures.
3. Revenues plus appropriated fund balance equal expenditures. The appropriation of fund balance cannot exceed total fund balance.

The City's FY 2022 operating budgets are balanced.

Implementation of the Approved Budget and Amendments to the Budget

Upon adoption of the budget, staff updates the approved operating and capital budgets, incorporating all changes from the approved budget. The approved budget is published in late December. Pursuant to the City Charter, the City Manager may make certain changes within each department. The City Council may, by ordinance, amend the budget to decrease, increase, or transfer appropriations among departments. If at any time during the fiscal year, the City Manager determines that available revenues will be less than total appropriations for the year, he will revise departmental work programs and

FINANCIAL PROCESS, STRUCTURE, AND POLICY

appropriations to ensure that available revenues are not exceeded, and presents the amended appropriations to the City Council for their approval. Supplemental appropriations are provided for emergencies if they arise. Towards the end of the fiscal year, departments have the opportunity to request transfers in their budgets if deemed necessary.

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FINANCIAL PROCESS, STRUCTURE, AND POLICY

FINANCIAL FUND STRUCTURE

The City's financial records are organized within several different fund types. Funds requiring the annual appropriation process include the General Fund, Fire Fund, Confiscated Assets Fund, Hotel/Motel Tax Fund, City Center Fund, Downtown Development Fund, and all Enterprise Funds. All other funds are to account for certain receipts and their subsequent expenditure in accordance with Federal or State law, granting agency requirements or donor requirements. All capital program appropriations are accounted for within the Capital Projects Fund. The following list includes all funds utilized by the City with a brief description for each one.

General Fund	<p>This is the main operating fund of the City. All resources are credited to this fund unless they are specifically required to go elsewhere. This is where a majority of the City's services are provided from including general administration, financial administration, municipal court, police, streets, sanitation, park and tree, and planning and zoning.</p> <p>Requires annual appropriation by City Council.</p>
Fire Fund	<p>This fund is funded by a special user charge for fire protection services and supplemental transfer from the general fund. Fire protection operating costs are charged to this fund.</p> <p>Requires annual appropriation by City Council.</p>
Confiscated Assets Fund	<p>This fund accounts for receipt and expenditure of condemned funds awarded to the City by court order or by the federal government. These funds are to be used for law enforcement purposes.</p> <p>Requires annual appropriation by City Council.</p>
Hotel/Motel Tax Fund	<p>This fund accounts for the receipt and expenditure of the City's hotel/motel tax. The City charges a 7% hotel/motel tax of which 3% is transferred to the general fund and 2% is provided to the Richmond Hill Convention and Visitors Bureau and 2% to the City Center Fund.</p> <p>Requires annual appropriation by City Council.</p>
City Center Fund	<p>The primary funding source of this fund is provided by the Hotel/Motel Tax Fund as noted above. Expenditures are for the operations and capital improvements of the City Center which provides for conventions and trade shows.</p> <p>Requires annual appropriation by City Council.</p>
Downtown Development Authority	<p>This fund accounts for the blended component unit activity related to services and benefits for the community.</p> <p>Requires annual appropriation by City Council.</p>
Capital Projects Fund	<p>These funds account for financial resources that are restricted to expenditures for capital outlays including the acquisition, renovation, construction of major capital projects, such as buildings, parks, streets, and other City facilities, infrastructure and equipment and payment of debt.</p> <p>These funds are used to track the annual capital improvement program of the City. Project budgets are approved by Mayor and Council.</p>
Water and Sewer Fund	<p>This fund accounts for the operations and maintenance of the water and sewer distribution system and the waste water treatment plant owned by the City.</p> <p>Annual budgets are reviewed by Mayor and Council.</p>
Stormwater Fund	<p>This fund accounts for the collection of fees for upgrades to the stormwater infrastructure and the operations and maintenance of the stormwater system.</p> <p>Annual budgets are reviewed by Mayor and Council.</p>

FINANCIAL PROCESS, STRUCTURE, AND POLICY

DEPARTMENT AND FUND RELATIONSHIP

Department	General Fund	Fire Fund	Confiscated Assets Fund	Hotel/Motel Tax Fund	City Center Fund	Downtown Development Authority	SPLOST Fund	TSPLOST Fund	Water and Sewer Fund	Stormwater Fund
Mayor	X	X	X	X	X		X	X	X	X
City council	X	X	X	X	X		X	X	X	X
General administration	X	X	X			X	X	X	X	X
Financial administration	X	X	X	X	X	X	X	X	X	X
Court	X									
Police	X		X				X			
Fire		X					X			
Streets	X						X			
Water and sewer									X	
Waste Water Treatment Plant									X	
Sanitation	X									
Stormwater										X
Park and Tree	X						X			
Planning and zoning	X					X	X	X	X	X

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FINANCIAL POLICIES

Overview

The City's Annual Operating Budget is a fiscal plan which presents the programs and services to be provided to the community and describes the resources needed to perform those activities. The overall goal of the budget is to establish and maintain effective management of the City's financial resources. Revenues that support municipal services are derived from four sources: current revenue charges, increases in existing revenue charges, new revenue sources and unallocated reserves carried forward from prior years. Various policies and processes are used to guide maintenance of the City's financial resources.

Under the City's organizational plan, policy making in response to the needs of the community is entrusted to the Mayor and Councilmembers. Administrative or executive authority is vested in the City Manager to develop, implement and execute programs and policies established by City Council. The annual budget is prepared under the direction and guidance of the City Manager. State law and local ordinances also impacts the development of the annual budget.

Policies

The City of Richmond Hill operates under the Council-Manager form of government. Under this organizational plan, the legislative responsibility for municipal government is entrusted to a City Council. The Richmond Hill City Council consists of the Mayor and four Councilmembers. City Council levies taxes, enacts ordinances, adopts the annual budget and performs many other legislative functions. The City Council is also responsible for setting priorities through the City's strategic planning process.

The City Manager is appointed by the Mayor and Councilmember to manage the government through the development, implementation and execution of programs and policies established by City Council. The City Manager recommends the annual operation budgets and capital improvement plan in addition to advising City Council on policy and legislative matters.

Various policies are used to guide the maintenance and use of the City's financial resources. They are described as follows:

Financial Accounting Policies

In developing and evaluating the City's accounting system, consideration is given to the effective implementation of financial accounting policies, specifically to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding safeguarding assets against loss from unauthorized use or disposition, reliability of financial records for preparing financial statements and maintenance of accountability for assets. As a recipient of Federal and State assistance, the City is responsible for ensuring that an adequate internal control structure is in place to secure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

FINANCIAL PROCESS, STRUCTURE, AND POLICY

Investment Policy Objectives: The primary policy objective is safety of principal. Secondary objectives include adequate liquidity to provide cash as needed and rate of return on investments.

Allowable Investments: It is the policy of the City of Richmond Hill to limit investments to certificates of deposits; however, Georgia law permits the City to invest in: Obligations of the State of Georgia or of any other states; Obligations of the United States Government; Obligations fully insured or guaranteed by the United States Government or Government agency; Obligations of any corporation of the United States Government; Prime bankers' acceptances; State of Georgia local government investment pool (i.e., Georgia Fund I); and Repurchase agreements.

Risk Controls: To ensure liquidity and reduce market risks, investments have maturity dates on or prior to the date cash is projected to be required to meet disbursement needs.

Collateralization: Collateralization is used to:

- Secure Certificates of Deposit
- Secure Repurchase Agreements
- Secure Demand Deposits

Pooled Cash Fund: The Pooled Cash Fund is an agency fund which is the owning fund for all City investments. Accrued interest is distributed to funds participating in the Pooled Cash Fund based on their average equity balance for the month.

Revenue Policies

The City's revenue programs are administered by the Finance Department. These programs strictly adhere to principles which balance the City's need for revenue and the community's ability to provide the necessary financial resources. Revenue policies which guide the City are outlined below:

- In order to fulfill funding needs without any dependence on property taxes, the City will attempt to enlarge the revenue base by seeking new revenue sources. Efforts will be made to work individually as well as with statewide groups to encourage the State of Georgia to adopt legislation which will enhance local government revenues.
- The City will implement user fees in all areas where feasible and productive, as well as set fees at levels related to the costs of providing the services. Moreover, user fees will be reviewed annually as part of the budget process and will be adjusted accordingly to maintain or move incrementally closer to full coverage.
- As deemed appropriate, the City will establish self-supporting enterprise funds where the relationship between operating costs and revenues will be clearly identified.
- The City will limit the designation of General Fund revenues for specified purposes in order to maximize flexibility in budgeting and utilize revenues more efficiently.
- The City will maintain effective collection systems and implement aggressive enforcement

FINANCIAL PROCESS, STRUCTURE, AND POLICY

strategies in order to maximize revenues from available sources.

- Revenues will be projected conservatively in order to ensure that actual revenues at the fund level will consistently equal or exceed budgeted revenues.

Debt Policies

The City of Richmond Hill is authorized to issue general obligation bonds equivalent to 10 percent of assessed taxable values within the City. As of December 31, 2021, the City had no outstanding general obligation bonded debt. The following debt policies are in place:

- I. **Conditions for Using Debt:** Debt financing of capital improvements and equipment will be done only when one or more of the following four conditions exist:
 - i. When non-continuous projects (those not requiring continuous annual appropriations) are desired;
 - ii. When it can be determined that future users will receive a benefit from the improvement;
 - iii. When it is necessary to provide basic services to residents and taxpayers;
 - iv. When total debt, including that issued by overlapping government entities, does not constitute an unreasonable burden to residents and taxpayers.

- II. **Sound Financing of Debt:** When the City utilizes debt financing, it will ensure that the debt is soundly financed by:
 - i. Taking a prudent and cautious stance toward debt, incurring debt only when necessary;
 - ii. Conservatively projecting the revenue sources that will be used to pay the debt;
 - iii. Insuring that the term of any long-term debt incurred by the City shall not exceed the expected useful life of the asset for which the debt is incurred and shall be limited to capital improvements only;
 - iv. Determining that the benefits of the improvements exceed the costs, including interest costs;
 - v. Maintain a debt service coverage ratio which ensures that combined debt service requirements will not exceed revenues pledged for the payment of debt;
 - vi. Analyzing the impact of debt service on total annual fixed costs before bonded long-term debt is issued; and,
 - vii. Maintaining total debt service for general obligation debt that does not exceed 10 percent of the net operating revenues. *Net operating revenues are all general fund revenues available after accounting for transfers between other City funds.*

FINANCIAL PROCESS, STRUCTURE, AND POLICY

Capital Expenditure Policies

Preparation for the City's capital budget is guided by the following policies:

- A five-year program for capital infrastructure improvements is updated annually. The program identifies anticipated funding sources and allocates those funds to capital projects over five years. Funding allocations for each year are determined by: priorities established by City Council, available funding and the immediate need to address critical infrastructure projects.
- Capital projects financed through the issuance of bonds will be financed for a period not to exceed the useful life of the project.
- The City will coordinate the development of the capital budget with the development of the operating budget. Future operating costs associated with new capital projects will be included in operating budget forecasts.
- The City will preserve its assets at a level adequate to protect capital investment while minimizing future maintenance and replacement costs.
- The City will establish an appropriate distribution of bonded debt and cash financing in the funding of capital projects.

Operating Budget Policies

Preparation of the City's operating budget is guided by the following policies:

- All governmental funds are required to balance. As such, total anticipated revenues and use of fund balance must equal the sum of budgeted expenditures for each fund in order for the budget to be considered balanced.
- All requests for allocations are considered in conjunction with measurable performance criteria and the Strategic Priority they primarily support. Expenditures are approved or rejected on the basis of planned levels of performance.
- Expenditure budgets for enterprise operations (i.e., Water, Sewer and Stormwater) must be funded either exclusively or primarily by user fee revenues. Self-sufficiency remains a long-range objective for these funds.
- Allocations from the General Fund are based on a long-range financial plan which includes an unassigned fund balance. At the end of 2020, the unassigned fund balance totaled \$7.6 million. This reserve protects the City against catastrophic revenue losses and major emergency expenditures and contributes to the City's ability to obtain capital financing at favorable interest rates.
- Ongoing expenses are never funded by a non-recurring or one-time revenue source. Future and current funding sources are identified for all new programs, services and expansions.



FINANCIAL SUMMARIES



Financial Summaries

ALL FUNDS SUMMARY

The tables below provide a summary of 2020 actual, 2021 projected, and 2022 approved revenues and expenses.

City operating funds approved revenues for 2022 total \$25,224,561. This is a decrease of \$2.8 million or 10.0 percent under the 2021 projected amount.

Revenues by Source	Actual 2020	Projected 2021	Approved 2022	Change FY 21-22	Percentage Change
Taxes	\$ 8,880,231	\$ 8,925,000	\$ 9,400,590	\$ 475,590	5.06%
Licenses and permits	538,407	475,000	475,000	-	0.00%
Intergovernmental	1,251,945	391,143	224,588	(166,555)	-74.16%
Charges for services	9,730,323	9,879,000	10,428,500	549,500	5.27%
Fines and forfeitures	523,245	825,000	994,475	169,475	17.04%
Investment income	95,796	105,000	29,500	(75,500)	-255.93%
Miscellaneous	341,610	388,910	319,000	(69,910)	-21.92%
Capital contributions	1,891,338	1,500,000	1,692,000	192,000	11.35%
Capital contributions - developers	6,103,015	-	-	-	0.00%
Transfers in	1,260,437	1,851,324	1,875,408	24,084	1.28%
Debt issuance	2,655,864	3,914,856	-	(3,914,856)	-100.00%
Total resources	\$ 33,272,211	\$ 28,255,233	\$ 25,439,061	\$ (2,816,172)	-9.97%

This table only includes operating funds of the City. The capital projects funds are discussed in Part V of this document.

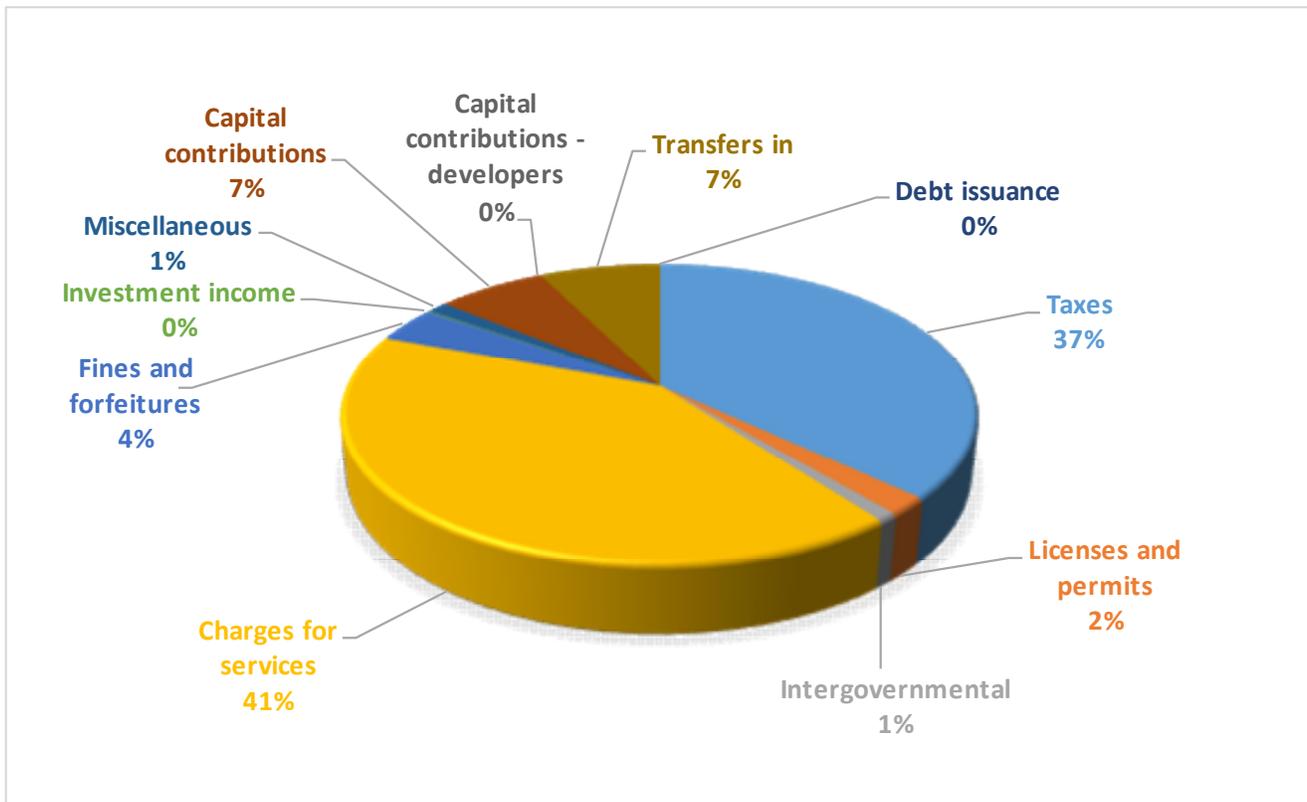
Total approved expenditures for 2022 are \$28,539,061. This is a decrease of \$2.7 million or 9.7 percent under the 2021 projected expenditures.

Expenditures by Type	Actual 2020	Projected 2021	Approved 2022	Change FY 21-22	Percentage Change
Personnel services	\$ 6,833,678	\$ 7,304,651	\$ 7,975,001	\$ 670,350	8.41%
Purchased/contracted services	12,482,635	9,004,111	9,453,118	449,007	4.75%
Supplies	1,622,791	1,460,987	1,546,420	85,433	5.52%
Capital outlay	336,491	6,385,566	2,332,264	(4,053,302)	-173.79%
Debt service	1,072,026	2,271,000	2,356,850	85,850	3.64%
Transfers out	1,259,911	1,851,324	1,875,408	24,084	1.28%
Total	\$ 23,607,532	\$ 28,277,639	\$ 25,539,061	\$ (2,738,578)	-9.68%

This table only includes operating funds of the City. The capital projects funds are discussed in Part V of this document.

All Funds Revenues and Overview

The graph below presents a breakdown by category of total revenues for 2022. **Taxes** (Property, Sales, Franchise Fees, Insurance Premium, Hotel/Motel Taxes, and Other Taxes). **User Fees** are made up of the following: Water and Sewer Fees, Fire Fees, Sanitation Fees, and Fees for Other Services. **Intergovernmental** includes grants from other governmental agencies. **Fines and forfeitures** are primarily from traffic violations. **Capital contributions** are from connection to the City’s water and sewer systems.



The City of Richmond Hill is a multi-faceted municipal operation, and its revenue sources reflect the several businesses that make up City operations. City-wide revenue totals \$25,439,061 for 2022, a decrease of \$2.8 million or 9.9 percent over 2021 projections. City revenue sources are divided into the following categories with major changes highlighted below:

- **Taxes** represent a significant portion of the City’s revenue stream, consisting of 37 percent of total budgeted revenue. This funding source aids in supporting the City’s operations, maintenance, and debt service. Tax revenue includes \$2.9 million in property tax, \$2.6 million from sales tax, \$600,000 TAVT, \$750,000 insurance premium tax, \$919,000 from franchise fees, \$345,000 from taxes assessed on alcoholic beverages, \$400,000 business and occupation tax, \$750,000 in hotel/motel taxes, and other taxes as mandated through state laws and local ordinances.
- **User Fees** are received for specific services provided by the City and represent 41 percent of revenue. Approximately, 99 percent of user fee revenue is generated by fire, stormwater, water, sewer, and sanitation services. Rate increases are planned for sanitation fees in 2022 to fund the increase in fees charged by the sanitation vendor. Rates for residential and commercial sanitation charges will increase by \$3. There will also be a \$3 increase for residential extra recycle carts and a \$6 increase for extra commercial recycle carts. Also, the City increase the fire fee for residential to \$225 per parcel with a structure and \$112.50 for vacant lots. The commercial fire fee will increase to \$600 per parcel with a structure and \$300 per parcel without a structure.

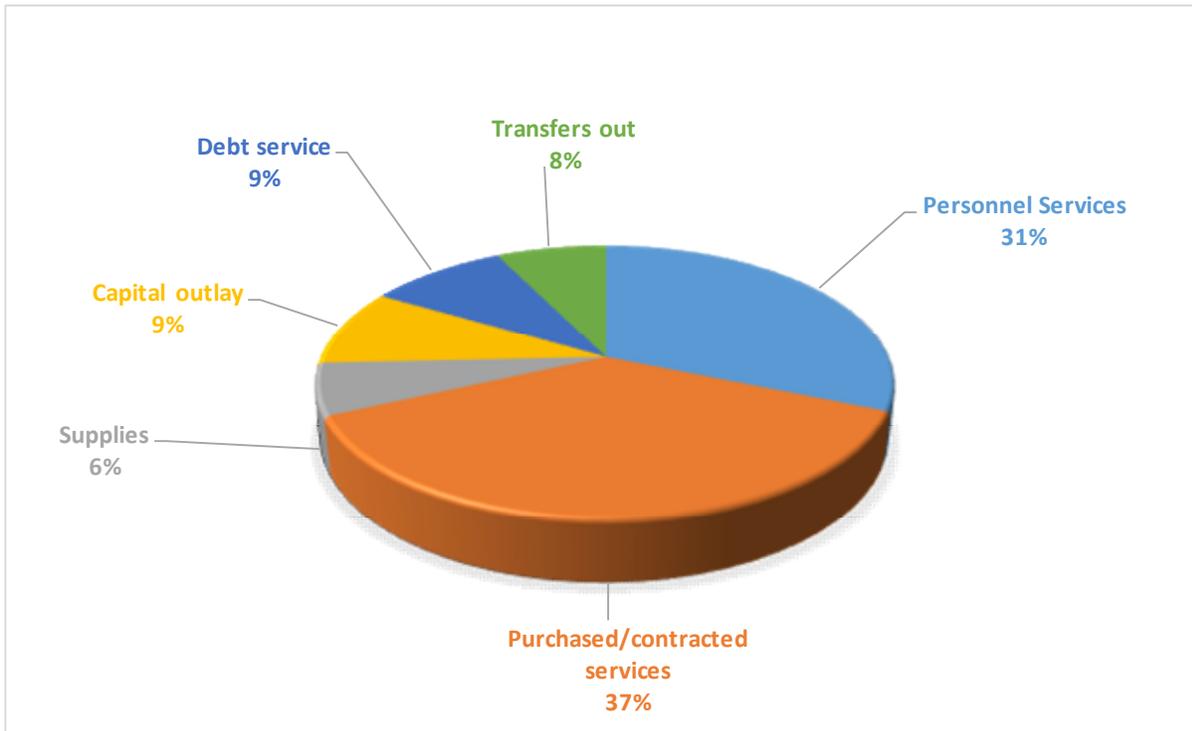
Financial Summaries

- **Intergovernmental Revenues** are funds received from grants for various City projects. This revenue decreased significantly from 2021 due to completing projects partially funded by onetime grants.
- **Licenses and Permits** revenue is derived from such sources as alcoholic beverage licenses and building permits. Total revenue within this category is projected to remain level in 2021.
- **Fines, Forfeits, and Penalties** consist primarily of Municipal Court fines. In 2022, fines revenue is forecast to increase 17 percent. Four new police officers were approved in the 2022 budget with the condition that more patrols will be conducted on I-95. With the increase in patrols, the City anticipates collections of speeding fines to increase in 2022.
- **Interest Earned** revenue comes from City investments. Revenue generated from this source is expected to decrease significantly in 2022. This funding stream is extremely volatile, thus conservative budgeting practices are implemented when estimating revenues annually.
- **Miscellaneous Revenues** consist of various revenue sources. This revenue is projected to decrease by 21.9%.
- **Contributions** are primarily water and sewer connection fees. This revenue source is projected to increase 11.4% in 2022.

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All Funds Expenditures and Overview

The graph below presents total expenditures by major category for 2021. Within the total funds budgeted, **Purchased/Contracted Services** is the largest expenditure category. This category supports professional services, contracted sanitation services, contracted water, sewer, stormwater and streets services, repairs and maintenance and other services. **Personnel services** benefits represent the second largest expenditure category. This category supports salaries and various benefits including health, dental and disability insurance, workers’s comp insurance and retirement benefits for City employees. Funding for **Supplies** and **Capital Outlay** are used to provide direct services to citizens.



City-wide operating funds expenditures total \$25,539,061, which is 17.3 percent under 2021 projected expenditures. City expenditures are divided into six major categories, with significant changes in each highlighted below:

- **PERSONNEL SERVICES** represent 31 percent of City expenditures and are comprised primarily of funding for salaries and wages for employees and a comprehensive benefits program for employees and their dependents. This category increased \$670,350 or 8.4 percent above 2021 projected expenditures. Major changes are described as follows:

The 2022 workforce budget was increased five and a half positions in the general fund and fire fund. Four positions were added to the police department in the general fund and three firefighter positions were funded for the entire year (these positions were funded for six months in 2021). Also, all budgeted positions were provided a 3% cost of living increase as well as amounts budgeted for step increases in accordance with the City’s compensation plan.

Financial Summaries

The budget continues to provide medical benefits plan to employees. Health insurance is projected to increase an average of approximately 5% in 2022 for the 3 plan options provided by the City; however, the plan with the majority of employees is projected to increase 8%. The City also contributes to a pension plan for employees.

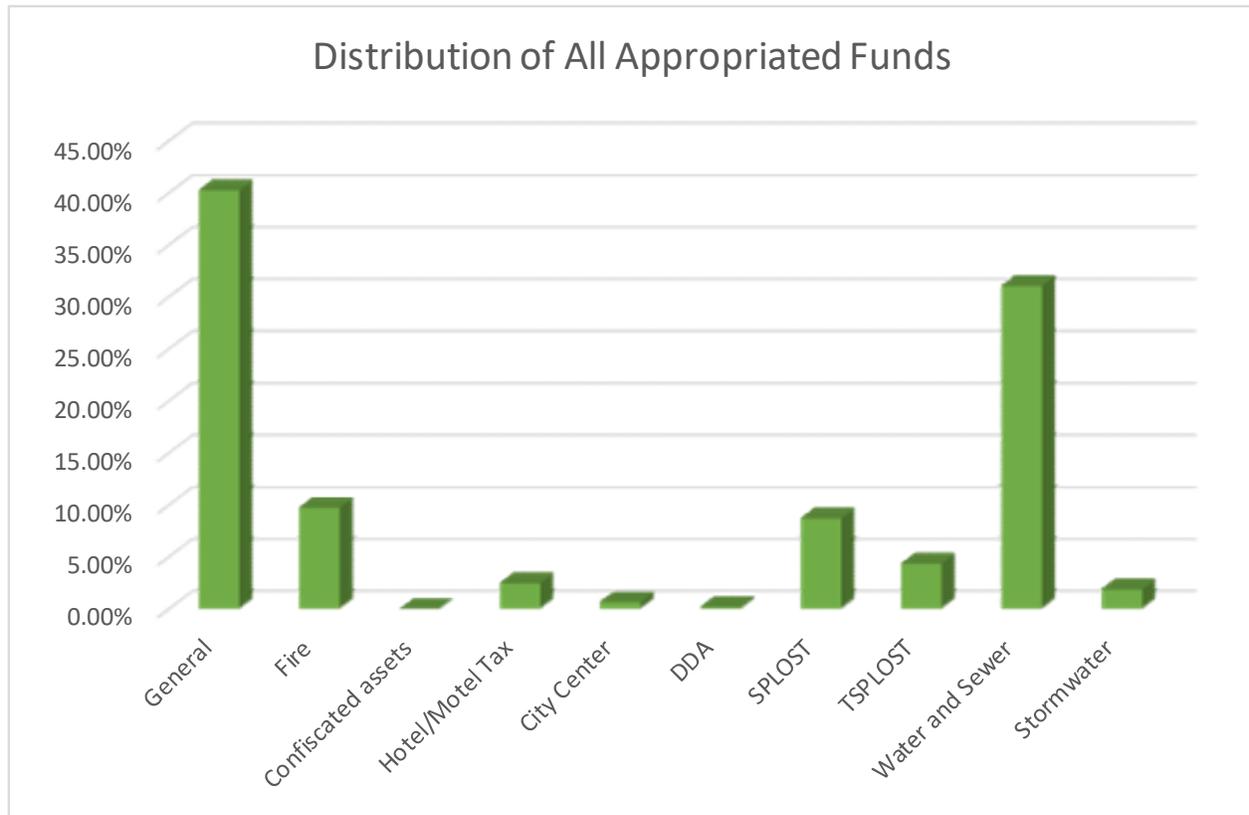
- **PURCHASED / CONTRACTED SERVICES** are services the City receives primarily from outside companies and represents 37 percent of expenditures. Contractual services for garbage pick-up, operations of the water, sewer, waste water treatment plant, stormwater and streets as well as engineering services make up a majority of the expenditures in this category. In addition, repairs and maintenance expenditures are another significant part of this category. Overall, funding for services in this category increased \$449,007 or 4.75 percent above 2021 projected expenditures.
- **SUPPLIES** are items which are consumed or show material change in physical condition and are generally of limited value after use. Overall, this expenditure category increased \$85,433 or 5.5 percent compared to 2021 projected expenditures.
- **CAPITAL OUTLAY** includes items costing more than \$5,000 each and having a useful life of more than one year. This category decreased \$6,655,775 or 285.4 percent under the 2021 projected budget. The decrease is due to significant water and sewer projects in the newly annexed area of the City coming to completion or in progress in 2021.
- **DEBT SERVICE** accounts for payments of principal and interest to lenders or creditors on outstanding debt. This area increased \$85,850 or 3.6 percent from 2021 projected expenditures based on debt service requirements. The increase included the debt service required upon the closing of two loans still in construction phase.
- **INTERFUND TRANSFERS** are amounts transferred from one fund to another to pay for such items as debt requirements and services performed by one department for another as well as subsidies to cover budgetary shortfalls to other funds. Expenditures in this category increased \$24,084 or 1.3% from the 2021 projected budget.

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Financial Summaries

	General Fund FY 2022 Budget	Fire Fund FY 2022 Budget	Confiscated Assets Fund FY 2022 Budget	Hotel/Motel Tax Fund FY 2022 Budget	City Center Fund FY 2022 Budget	DDA Fund FY 2022 Budget	SPLOST Capital Projects FY 2022 Budget	TSPLOST Capital Projects FY 2022 Budget	Water and Sewer Fund FY 2022 Budget	Stormwater Fund FY 2022 Budget	Total FY 2022 Budget	Total FY 2021 Budget
RESOURCES:												
Taxes	\$8,650,590	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,400,590	\$ 8,925,000
Licenses and permits	475,000	-	-	-	-	-	-	-	-	-	475,000	475,000
Intergovernmental	120,000	104,588	-	-	-	-	2,765,362	1,833,150	-	-	4,823,100	4,331,143
Charges for services	1,228,000	1,446,000	-	-	-	-	-	7,178,500	576,000	-	10,428,500	9,879,000
Fines and forfeitures	984,475	-	10,000	-	-	-	-	-	-	-	994,475	825,000
Interest earned	15,000	-	-	-	-	-	-	14,500	-	-	29,500	105,000
Miscellaneous	73,000	-	-	-	-	70,000	-	176,000	-	-	319,000	388,910
Contributions	-	-	-	-	-	-	-	1,692,000	-	-	1,692,000	1,500,000
Transfers in	321,000	1,339,908	-	-	214,500	-	-	-	-	-	1,875,408	1,851,324
Debt issuance	-	-	-	-	-	-	-	-	-	-	-	3,914,856
Total Resources	11,867,065	2,890,496	10,000	750,000	214,500	70,000	2,765,362	1,833,150	9,061,000	576,000	30,037,573	32,195,233
APPROPRIATIONS:												
Mayor	12,500	-	-	-	-	-	-	-	-	-	12,500	13,500
Council	94,350	-	-	-	-	-	-	-	-	-	94,350	84,391
General administration	893,471	-	-	-	-	-	-	-	-	-	893,471	941,812
Special projects	80,000	-	-	-	-	-	-	-	-	-	80,000	80,000
Finance	339,650	-	-	-	-	-	-	-	-	-	339,650	343,148
Human Resources	152,112	-	-	-	-	-	-	-	-	-	152,112	149,471
Government buildings	88,500	-	-	-	-	-	-	-	-	-	88,500	91,110
Municipal court	201,182	-	-	-	-	-	-	-	-	-	201,182	196,595
Police department	4,208,389	-	10,000	-	-	-	-	-	-	-	4,218,389	3,819,649
Police department - Tech Fee	30,000	-	-	-	-	-	-	-	-	-	30,000	40,000
Police department - Admin Fee	13,000	-	-	-	-	-	-	-	-	-	13,000	12,000
Prisoner fees	30,000	-	-	-	-	-	-	-	-	-	30,000	30,000
Fire	-	2,890,496	-	-	-	-	-	-	-	-	2,890,496	2,675,473
Streets	1,755,369	-	-	-	-	-	-	-	-	-	1,755,369	1,716,402
Stormwater	-	-	-	-	-	-	-	-	-	542,827	542,827	527,000
Sanitation	1,168,000	-	-	-	-	-	-	-	-	-	1,168,000	1,120,000
Water and sewer	-	-	-	-	-	-	-	4,817,104	-	-	4,817,104	4,448,200
Park and tree	591,274	-	-	-	-	-	-	-	-	-	591,274	550,792
Planning and zoning	753,279	-	-	-	-	-	-	-	-	-	753,279	719,116
City center	-	-	-	-	214,500	-	-	-	-	-	214,500	200,000
Downtown development authority	-	-	-	-	-	70,000	-	-	-	-	70,000	70,000
Convention and visitors bureau	-	-	-	214,500	-	-	-	-	-	-	214,500	200,000
Capital outlay	-	-	-	-	-	-	1,552,483	-	2,058,300	-	3,610,783	8,634,520
Debt service	38,081	-	-	-	-	-	1,031,100	1,300,290	2,285,596	33,173	4,688,240	4,564,390
Transfers out	1,339,908	-	-	535,500	-	-	-	-	-	-	1,875,408	1,851,324
Contingency	78,000	-	-	-	-	-	-	-	-	-	78,000	-
Total Appropriations	11,867,065	2,890,496	10,000	750,000	214,500	70,000	2,583,583	1,300,290	9,161,000	576,000	29,422,934	33,078,893
Excess (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,779	\$ 532,860	\$ (100,000)	\$ -	\$ 614,639	\$ (883,660)

Financial Summaries



Financial Summaries

Projected Changes in Fund Balance

Fund	Beginning Fund Balance 1/1/2020	FY 2020 Excess/ (Deficiency)	Ending Fund Balance 12/31/2020	FY 2021 Projected Excess/ (Deficiency)	FY 2021 Projected Fund Balance 12/31/2021	FY 2022 Resources	FY 2022 Appropriations	FY 2022 Projected Fund Balance 12/31/2022
General	\$ 6,316,073	\$1,514,827	\$ 7,830,900	\$ (13,400)	\$ 7,817,500	\$ 11,867,065	\$ 11,867,065	\$ 7,817,500
Fire	37,618	9,508	47,126	(9,508)	37,618	2,890,496	2,890,496	37,618
Confiscated assets	26,525	(6,366)	20,159	-	20,159	10,000	10,000	20,159
Hotel/Motel Tax	-	-	-	-	-	750,000	750,000	-
City Center	96,758	33,559	130,317	-	130,317	214,500	70,000	274,817
DDA	132,690	46,772	179,462	-	179,462	70,000	70,000	179,462
SPLOST	2,328,624	287,637	2,616,261	(861,254)	1,755,007	2,765,362	2,583,583	1,936,786
TSPLOST	2,257,996	(2,734,311)	(476,315)	-	(476,315)	1,833,150	1,300,290	56,545
Water and Sewer	34,305,054	7,680,134	41,985,188	-	41,985,188	9,061,000	4,817,104	46,229,084
Stormwater	3,666,515	1,034,974	4,701,489	-	4,701,489	576,000	542,827	4,734,662

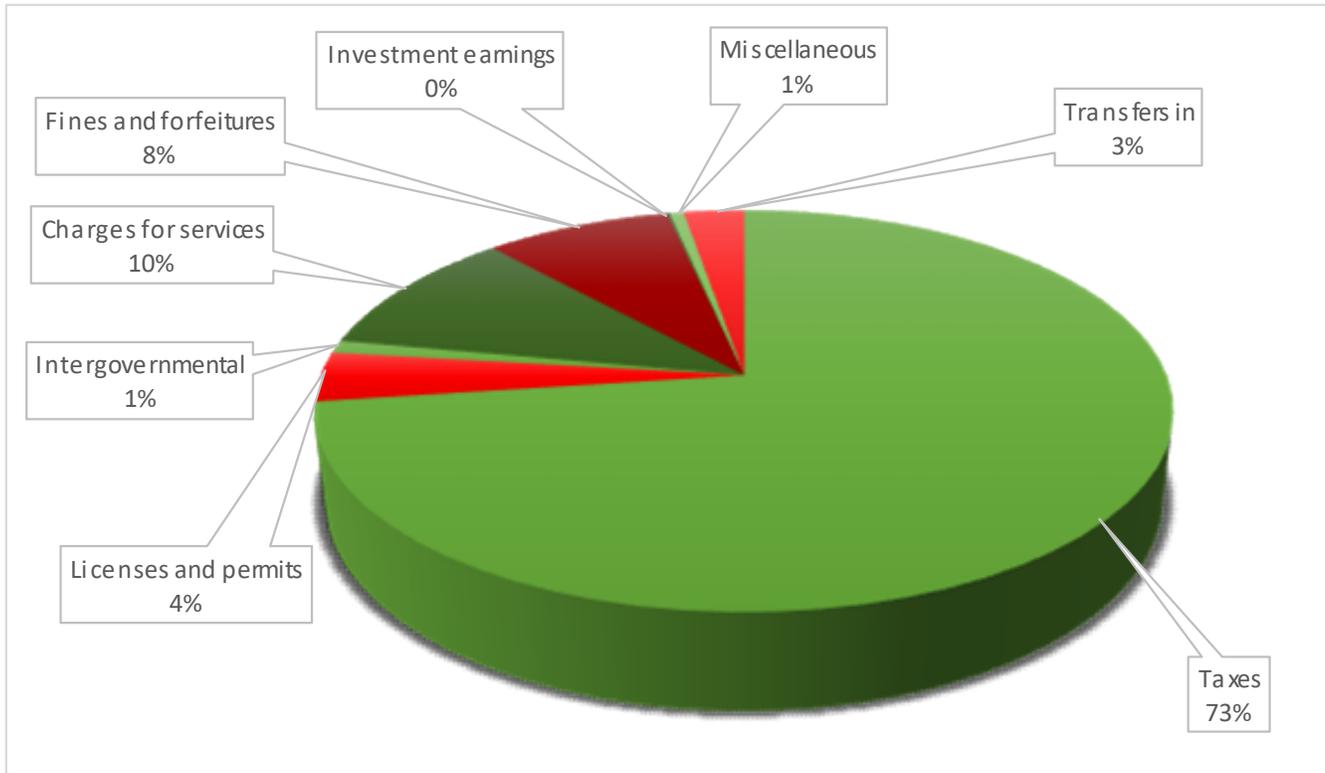
Financial Summaries

General Fund Summary

	Actual 2020	Projected 2021	Approved 2022	Change FY21 - 22	Percentage Change
Resources					
Taxes	\$8,232,919	\$8,225,000	\$8,650,590	\$ 425,590	5.17%
Licenses and permits	538,407	475,000	475,000	-	0.00%
Intergovernmental	1,048,319	150,000	120,000	(30,000)	-20.00%
Charges for services	1,034,780	1,125,000	1,228,000	103,000	9.16%
Fines and forfeitures	508,003	815,000	984,475	169,475	20.79%
Investment income	63,755	85,000	15,000	(70,000)	-82.35%
Miscellaneous	11,530	108,910	73,000	(35,910)	-32.97%
Transfers In	276,458	300,000	321,000	21,000	7.00%
Total Resources	11,714,171	11,283,910	11,867,065	583,155	5.17%
Expenditure Category					
Personnel services	4,615,790	4,742,952	5,207,172	464,220	9.79%
Purchased/contracted services	4,003,644	4,208,179	4,268,595	60,416	1.44%
Supplies	731,310	755,945	812,345	56,400	7.46%
Capital outlay	43,785	200,910	200,964	54	0.03%
Debt service	38,080	38,000	38,081	81	0.21%
Transfers	798,028	1,351,324	1,339,908	(11,416)	0.00%
Total Appropriations	10,230,637	11,297,310	11,867,065	569,755	5.04%
Excess (Deficiency) Modified Accrual Basis	\$1,483,534	\$ (13,400)	\$ (0)	\$ 13,400	-100.00%

Financial Summaries

WHERE DOES THE MONEY COME FROM? – The City’s General Fund revenue portfolio is dependent from various tax sources. Approximately 73% of all annual revenues are from taxes such as property taxes, local option sales tax, franchise fees or other taxes. The remaining significant sources include charges for services primarily included in this category are fees charged to residents and businesses for the collection of household garbage, and fines and forfeitures.

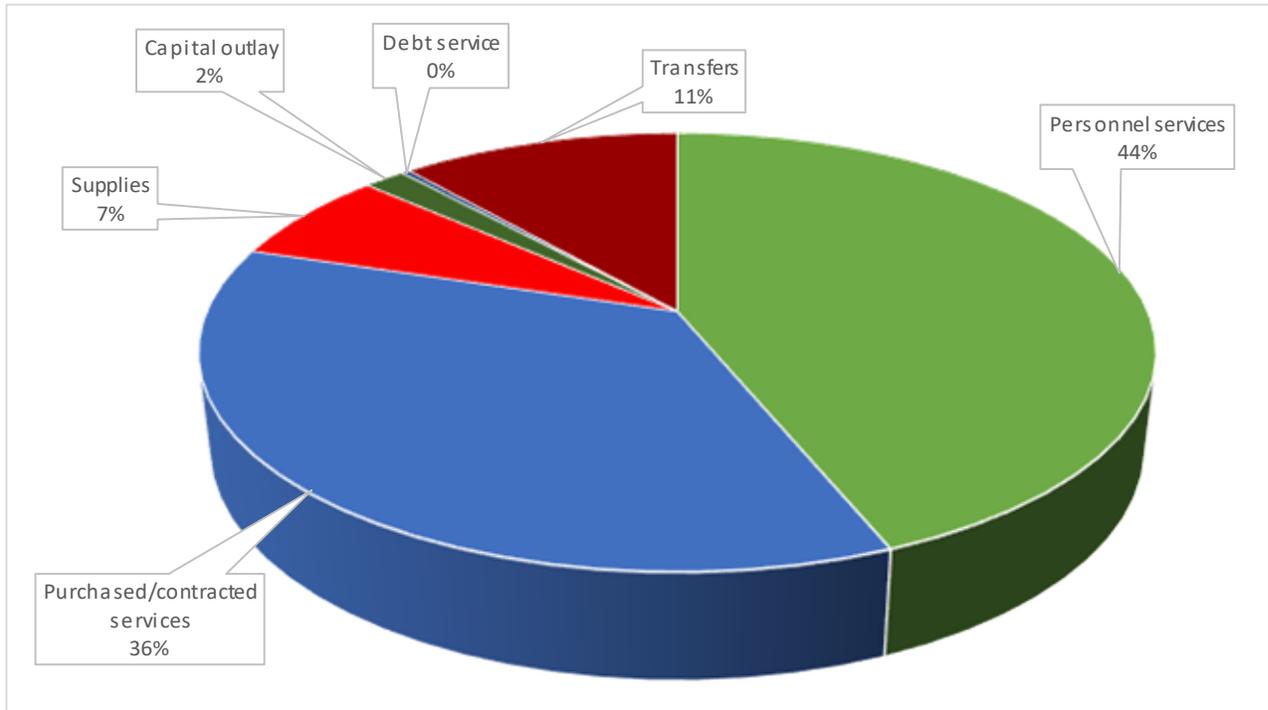


Taxes	\$ 8,650,590	72.9%
Licenses and permits	475,000	4.0%
Intergovernmental	120,000	1.0%
Charges for services	1,228,000	10.3%
Fines and forfeitures	984,475	8.3%
Investment earnings	15,000	0.1%
Miscellaneous	73,000	0.6%
Transfers in	321,000	2.7%

<u>\$ 11,867,065</u>	<u>100.0%</u>
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Financial Summaries

WHERE DOES THE MONEY GO? – Operating expenses supporting general fund municipal services for FY22 is adopted at a \$11,867,065 funding level. The chart below gives a broad overview of the major expenditures for the City’s operating budget. Personnel services, which include salary and benefits for City employees, make up the largest portion of these expenditures. Purchased/contracted services represents a significant portion of the budget. This class includes the cost of the contracted streets and civil engineering cost.



Personnel services	\$ 5,207,172	43.9%
Purchased/contracted sei	4,268,595	36.0%
Supplies	812,345	6.8%
Capital outlay	200,964	1.7%
Debt service	38,081	0.3%
Transfers	1,339,908	11.3%

\$ 11,867,065	100.0%
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Financial Summaries

Revenues by Source

	2020 Actual	2021 Projected	2022 Approved	Increase (Decrease)	%age Increase (Decrease)
Taxes					
Property	\$ 2,569,087	\$ 2,550,000	\$ 2,905,300	\$ 355,300	13.93%
Timber Tax	2,255	-	1,570	1,570	100.00%
Vehicle (Ad Valorem)	21,687	18,000	12,827	(5,173)	-28.74%
Mobile Home Tax	827	-	893	893	100.00%
Intangible	155,780	75,000	100,000	25,000	33.33%
Railroad Car Equipment	1,069	-	-	-	100.00%
Real Estate Transfer	11,411	10,000	15,000	5,000	50.00%
Franchise - Tower	12,815	14,000	14,000	-	0.00%
Franchise - Electric	746,246	700,000	725,000	25,000	3.57%
Franchise - Gas	24,743	30,000	25,000	(5,000)	-16.67%
Franchise - Television Cable	145,152	140,000	140,000	-	0.00%
Franchise - Telephone	13,216	18,000	15,000	(3,000)	-16.67%
Local Option Sales Tax	2,437,245	2,550,000	2,600,000	50,000	1.96%
Local Option TAVT	559,315	600,000	600,000	-	0.00%
Alcoholic Beverage	378,271	345,000	345,000	-	0.00%
Business and Occupation Tax	396,239	425,000	400,000	(25,000)	-5.88%
Gross Insurance Premium	753,000	750,000	750,000	-	0.00%
Interest - Bryan Co Tax Comm	4,536	-	1,000	1,000	100.00%
Pen/Int-Delq Business Tax	24	-	-	-	0.00%
Total Taxes	8,232,919	8,225,000	8,650,590	425,590	5.17%
Licenses and permits					
Alcoholic Beverage License	79,305	75,000	75,000	-	0.00%
Building/Sign Permits	375,828	325,000	325,000	-	0.00%
Miscellaneous Revenues - B/Z	83,274	75,000	75,000	-	0.00%
Total Licenses and permits	538,407	475,000	475,000	-	0.00%
Intergovernmental					
Grant - Funds	1,048,319	150,000	120,000	(30,000)	-20.00%
Total Intergovernmental	1,048,319	150,000	120,000	(30,000)	-20.00%
Charges for services					
Fire Dept Cost Recovery	-	5,000	-	(5,000)	-100.00%
School Resource Officers	79,962	100,000	60,000	(40,000)	-40.00%
Residential Garbage Service	954,818	1,020,000	1,168,000	148,000	14.51%
Total Charges for services	1,034,780	1,125,000	1,228,000	103,000	9.16%

Financial Summaries

	2020 Actual	2021 Projected	2022 Approved	Increase (Decrease)	%age Increase (Decrease)
Fines and Forfeitures					
Fines/Forfeitures	\$ 458,568	\$ 750,000	\$ 941,475	\$ 191,475	25.53%
Fines/Forfeitures - Admin Fee	12,359	15,000	13,000	(2,000)	-13.33%
Fines/Forfeitures-Tech Fee	37,076	50,000	30,000	(20,000)	-40.00%
Total Fines and Forfeitures	<u>508,003</u>	<u>815,000</u>	<u>984,475</u>	<u>169,475</u>	<u>20.79%</u>
Investment income					
Interest on Income	63,755	85,000	15,000	(70,000)	-82.35%
Total Investment Income	<u>63,755</u>	<u>85,000</u>	<u>15,000</u>	<u>(70,000)</u>	<u>-82.35%</u>
Miscellaneous					
Scholarship Fund	5,500	-	-	-	0.00%
Rental Income	30,000	30,000	25,000	(5,000)	-16.67%
Reim. for property damage	13	13,910	-	(13,910)	-100.00%
Misc Revenues - GA	(36,152)	15,000	10,000	(5,000)	-33.33%
Misc Revenues - PD	8,057	5,000	5,000	-	0.00%
Misc Revenues - Bond Ref	(2,175)	-	-	-	0.00%
Misc Revenues - PK	1,505	25,000	18,000	(7,000)	-28.00%
Misc - Special Events	3,500	20,000	15,000	(5,000)	-25.00%
Bank Card Convenience Fee	1,281	-	-	-	0.00%
Total Miscellaneous	<u>11,530</u>	<u>108,910</u>	<u>73,000</u>	<u>(35,910)</u>	<u>-32.97%</u>
Other Financing Sources					
Transfer in Hotel/Motel Tax	276,458	300,000	321,000	21,000	7.00%
Sale Of All City Assets	33,709	-	-	-	0.00%
Total Other Financing Sources	<u>310,167</u>	<u>300,000</u>	<u>321,000</u>	<u>21,000</u>	<u>7.00%</u>
Total Revenues and other financing sources	<u><u>\$ 11,747,880</u></u>	<u><u>\$ 11,283,910</u></u>	<u><u>\$ 11,867,065</u></u>	<u><u>\$ 583,155</u></u>	<u><u>5.17%</u></u>

Financial Summaries

Expenditures by Department

	2020 Actual	2021 Projected	2022 Approved	Increase (Decrease)	%age Increase (Decrease)
Mayor					
Salaries and Benefits	8,074	8,500	8,100	(400)	-4.71%
Operating	-	5,000	4,400	(600)	-12.00%
Capital Outlay	-	-	-	-	0.00%
Total Mayor	8,074	13,500	12,500	(1,000)	-7.41%
Council					
Salaries and Benefits	29,030	29,500	47,700	18,200	61.69%
Operating	28,174	54,891	46,650	(8,241)	-15.01%
Capital Outlay	-	-	-	-	0.00%
Total Council	57,203	84,391	94,350	9,959	11.80%
General Administration					
Salaries and Benefits	318,914	349,500	326,625	(22,875)	-6.55%
Operating	653,511	581,812	553,346	(28,466)	-4.89%
Capital Outlay	6,653	10,500	13,500	3,000	28.57%
Total General Administration	979,078	941,812	893,471	(48,341)	-5.13%
Finance					
Salaries and Benefits	273,529	297,000	277,436	(19,564)	-6.59%
Operating	41,403	45,148	53,250	8,102	17.95%
Capital Outlay	239	1,000	8,964	7,964	796.40%
Total Finance	315,171	343,148	339,650	(3,498)	-1.02%
Human Resources					
Salaries and Benefits	209,429	111,208	115,632	4,424	3.98%
Operating	23,127	38,063	36,280	(1,783)	-4.68%
Capital Outlay	-	200	200	-	0.00%
Total Human Resources	232,556	149,471	152,112	2,641	1.77%
Government Buildings					
Salaries and Benefits	-	-	-	-	0.00%
Operating	32,663	91,110	88,500	(2,610)	-2.86%
Capital Outlay	-	-	-	-	0.00%
Total Government Buildings	32,663	91,110	88,500	(2,610)	-2.86%

Financial Summaries

	2020 Actual	2021 Projected	2022 Approved	Increase (Decrease)	%age Increase (Decrease)
Municipal Court					
Salaries and Benefits	169,759	175,795	183,382	7,587	4.32%
Operating	12,164	20,800	17,800	(3,000)	-14.42%
Capital Outlay	-	-	-	-	0.00%
Total Fleet	181,923	196,595	201,182	4,587	2.33%
Police					
Salaries and Benefits	2,800,903	2,896,425	3,247,454	351,029	12.12%
Operating	698,298	906,424	944,135	37,711	4.16%
Capital Outlay	2,349	16,800	16,800	-	0.00%
Total Police	3,501,551	3,819,649	4,208,389	388,740	10.18%
Police - Technology Fees					
Salaries and Benefits	-	-	-	-	0.00%
Operating	7,302	40,000	30,000	(10,000)	-25.00%
Capital Outlay	-	-	-	-	0.00%
Total Police - Technology Fees	7,302	40,000	30,000	(10,000)	-25.00%
Police - Administrative Fees					
Salaries and Benefits	-	-	-	-	0.00%
Operating	-	12,000	13,000	1,000	8.33%
Capital Outlay	-	-	-	-	0.00%
Total Police - Administrative Fees	-	12,000	13,000	1,000	8.33%
Police - Housing Prisoners Fees					
Salaries and Benefits	-	-	-	-	0.00%
Operating	5,675	30,000	30,000	-	0.00%
Capital Outlay	-	-	-	-	0.00%
Total Police - Housing Prisoners Fees	5,675	30,000	30,000	-	0.00%
Streets					
Salaries and Benefits	-	-	-	-	0.00%
Operating	1,761,877	1,549,492	1,599,369	49,877	3.22%
Capital Outlay	30,000	166,910	156,000	(10,910)	-6.54%
Total Streets	1,791,877	1,716,402	1,755,369	38,967	2.27%

Financial Summaries

	2020 Actual	2021 Projected	2022 Approved	Increase (Decrease)	%age Increase (Decrease)
Sanitation					
Salaries and Benefits	-	-	-	-	0.00%
Operating	1,032,642	1,120,000	1,168,000	48,000	4.29%
Capital Outlay	-	-	-	-	0.00%
Total Sanitation	1,032,642	1,120,000	1,168,000	48,000	4.29%
Park and Tree					
Salaries and Benefits	311,308	357,500	367,824	10,324	2.89%
Operating	198,510	193,292	223,450	30,158	15.60%
Capital Outlay	893	-	-	-	0.00%
Total Park and Tree	510,712	550,792	591,274	40,482	7.35%
Planning and Zoning					
Salaries and Benefits	494,844	517,524	555,019	37,495	7.25%
Operating	194,779	196,092	192,760	(3,332)	-1.70%
Capital Outlay	3,650	5,500	5,500	-	0.00%
Total Planning and Zoning	693,273	719,116	753,279	34,163	4.75%
Special projects					
Salaries and Benefits	-	-	-	-	0.00%
Operating	44,830	80,000	80,000	-	0.00%
Capital Outlay	-	-	-	-	0.00%
Total Special projects	44,830	80,000	80,000	-	0.00%
Debt Service					
Principal	33,496	33,500	35,790	2,290	6.84%
Interest	4,584	4,500	2,291	(2,209)	-49.09%
Total Planning and Zoning	38,080	38,000	38,081	81	0.21%
Other financing uses					
Transfer to SPLOST VI	-	-	-	-	0.00%
Transfer to Fire Fund	798,028	1,351,324	1,339,908	(11,416)	-0.84%
Total other financing uses	798,028	1,351,324	1,339,908	(11,416)	-0.84%
Contingency	-	-	78,000	78,000	100.00%
Total Appropriations	10,230,637	11,297,310	11,867,065	569,755	5.04%

Financial Summaries

Fire Fund Summary

	Actual 2020	Projected 2021	Approved 2022	Change FY21 - 22	Percentage Change
Resources					
Intergovernmental	\$ 203,626	\$ 241,143	\$ 104,588	\$ (136,555)	-56.63%
Charges for services - Fire Fees	1,092,279	1,074,000	1,446,000	372,000	34.64%
Miscellaneous	22,154	-	-	-	0.00%
Transfers in	798,028	1,351,324	1,339,908	(11,416)	-0.84%
Total Resources	2,116,087	2,666,467	2,890,496	224,029	8.40%
Expenditure Category					
Personnel services	1,742,396	2,077,699	2,259,960	182,261	8.77%
Operating expenditures	296,916	524,774	557,536	32,762	6.24%
Capital expenditure	67,267	73,000	73,000	-	0.00%
Total Appropriations	2,106,579	2,675,473	2,890,496	215,023	8.04%
Excess (Deficiency) Modified Accrual Basis	\$ 9,508	\$ (9,006)	\$ -	\$ 9,006	-100.00%

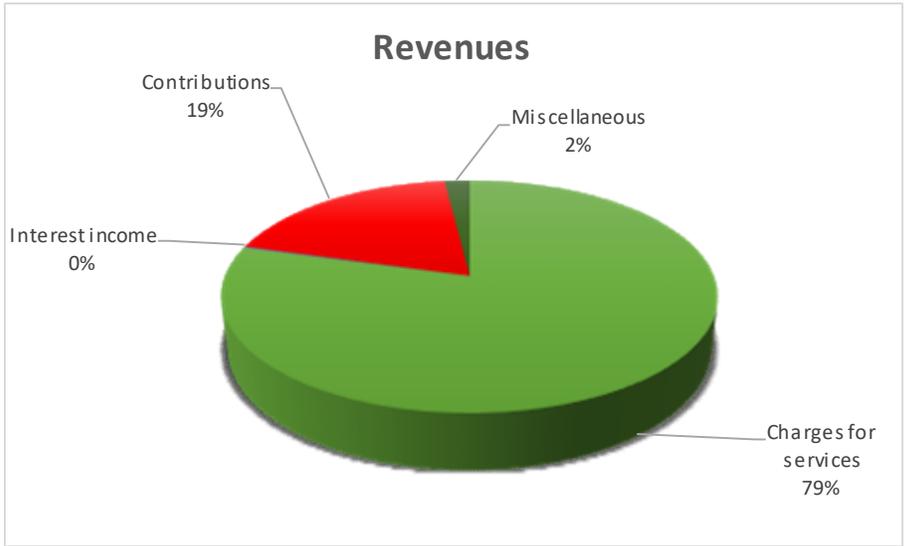
Financial Summaries

Water and Sewer Fund Summary

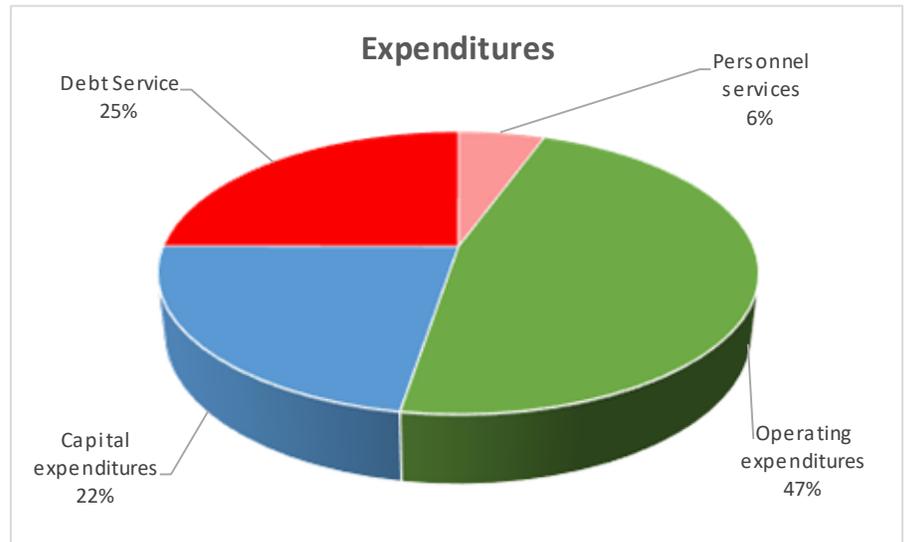
	Actual 2020	Projected 2021	Approved 2022	Change FY21 - 22	Percentage Change
Resources					
Charges for services	\$ 7,033,284	\$ 7,095,000	\$ 7,178,500	\$ 83,500	1.18%
Investment income	31,011	20,000	14,500	(5,500)	-27.50%
Miscellaneous	157,926	205,000	176,000	(29,000)	-14.15%
Contributions - connection fees	1,891,338	1,500,000	1,692,000	192,000	12.80%
Contributions - developers	5,029,222	-	-	-	0.00%
Debt issuance	2,497,864	-	-	-	0.00%
Total Resources	<u>16,640,645</u>	<u>8,820,000</u>	<u>9,061,000</u>	<u>241,000</u>	<u>2.73%</u>
Expenditure Category					
Operating					
Personnel services	475,492	484,000	507,869	23,869	4.93%
Operating expenditures	4,706,538	3,964,200	4,309,235	345,035	8.70%
Capital expenditure	3,444,461	6,086,656	2,058,300	(4,028,356)	-66.18%
Total operating	<u>8,626,491</u>	<u>10,534,856</u>	<u>6,875,404</u>	<u>(3,659,452)</u>	<u>-34.74%</u>
Debt service					
Principal	796,475	1,650,000	1,806,220	156,220	9.47%
Interest	231,942	550,000	479,376	(70,624)	-12.84%
Total debt service	<u>1,028,417</u>	<u>2,200,000</u>	<u>2,285,596</u>	<u>85,596</u>	<u>3.89%</u>
Total appropriations	<u>\$ 9,654,908</u>	<u>\$ 12,734,856</u>	<u>\$ 9,161,000</u>	<u>\$ (3,573,856)</u>	<u>-28.06%</u>
Excess (Deficiency) Modified Accrual Basis	<u>\$ 6,985,737</u>	<u>\$ (3,914,856)</u>	<u>\$ (100,000)</u>	<u>\$ 3,814,856</u>	<u>-97.45%</u>

Financial Summaries

Charges for services	\$ 7,178,500	79.2%
Interest income	14,500	0.2%
Contributions	1,692,000	18.7%
Miscellaneous	176,000	1.9%
	<u>\$ 9,061,000</u>	



Personnel services	\$ 507,869	5.5%
Operating expenditures	4,309,235	47.0%
Capital expenditures	2,058,300	22.5%
Debt Service	2,285,596	24.9%
	<u>\$ 9,161,000</u>	



Financial Summaries

Stormwater Summary

	Actual 2020	Projected 2021	Approved 2022	Change FY21 - 22	Percentage Change
Resources					
Charges for services - Stormwater fees	\$ 569,980	\$ 585,000	\$ 576,000	\$ (9,000)	-1.54%
Contributions - developers	1,073,793	-	-	-	0.00%
Debt issuance	158,000	-	-	-	0.00%
Total Resources	1,801,773	585,000	576,000	(9,000)	-1.54%
Expenditure Category					
Operating					
Operating expenditures	527,771	527,000	542,827	15,827	3.00%
Capital expenditure	157,580	25,000	-	(25,000)	-100.00%
Total operating	685,351	552,000	542,827	(9,173)	100.00%
Debt service					
Principal	5,024	30,000	31,087	1,087	3.62%
Interest	505	3,000	2,086	(914)	-30.47%
Total debt service	5,529	33,000	33,173	173	0.52%
Total appropriations	690,880	585,000	576,000	(9,000)	-1.54%
Excess (Deficiency) Modified Accrual Basis	\$ 1,110,893	\$ -	\$ -	\$ -	0.00%

Financial Summaries

Other Funds Summary

	Actual 2020	Projected 2021	Approved 2022	Change FY21 - 22	Percentage Change
Confiscated Assets Fund					
Resources					
Fines and forfeitures	\$ 15,242	\$ 10,000	\$ 10,000	\$ -	0.00%
Investment income	515	-	-	-	0.00%
Total Resources	15,757	10,000	10,000	-	0.00%
Expenditure Category					
Operating expenditures	21,607	10,000	10,000	-	0.00%
Total Appropriations	21,607	10,000	10,000	-	0.00%
Excess (Deficiency) Modified Accrual Basis	\$ (5,850)	\$ -	\$ -	\$ -	0.00%
 Hotel/Motel Tax Fund					
Resources					
Taxes	\$ 647,312	\$ 700,000	\$ 750,000	\$ 50,000	7.14%
Total Resources	647,312	700,000	750,000	50,000	7.14%
Expenditure Category					
Operating expenditures	647,312	700,000	750,000	50,000	7.14%
Total Appropriations	647,312	700,000	750,000	50,000	7.14%
Excess (Deficiency) Modified Accrual Basis	\$ -	\$ -	\$ -	\$ -	0.00%
 City Center Fund					
Resources					
Miscellaneous	\$ 185,951	\$ 200,000	\$ 214,500	\$ 14,500	7.25%
Investment income	515	-	-	-	0.00%
Total Resources	186,466	200,000	214,500	14,500	7.25%
Expenditure Category					
Operating expenditures	152,382	200,000	214,500	14,500	7.25%
Total Appropriations	152,382	200,000	214,500	14,500	7.25%
Excess (Deficiency) Modified Accrual Basis	\$ 34,084	\$ -	\$ -	\$ -	0.00%
 Downtown Development Authority					
Resources					
Miscellaneous	\$ 150,000	\$ 75,000	\$ 70,000	\$ (5,000)	-6.67%
Total Resources	150,000	75,000	70,000	(5,000)	-6.67%
Expenditure Category					
Operating expenditures	103,228	75,000	70,000	(5,000)	-6.67%
Total Appropriations	103,228	75,000	70,000	(5,000)	-6.67%
Excess (Deficiency) Modified Accrual Basis	\$ 46,772	\$ -	\$ -	\$ -	0.00%

Long-term Budget Planning

Financial Foundation Principles

The overall goal of financial planning by the City of Richmond Hill is to establish and maintain effective management of the City's financial resources. This continues to be accomplished through the use of financial policies and processes that guide decision-making.

Because the economic environment can change quickly with lasting effects, a snapshot of the City's financial future allows City leadership to identify challenges early and provide information to the Mayor and Council to assist in policy making which is critical in addressing potential problems proactively.

Adoption of policies that will stimulate economic growth, enhance attractiveness of the City and address quality of life issues is an integral part of the financial planning process. The following data present key fiscal and economic indicators to examine trends which may affect the City's financial health.

Particular attention is given to certain areas of the revenue and expense structure contained in the operating budgets in order to maintain a sustainable budget in the years ahead.

Local Option Sales Tax Revenues (LOST)

Additional taxes generated from LOST are estimated to increase gradually over the next few years, as the local economy has remained robust and as the area population increases. However, with any economic downturn, the sales tax is at risk to decrease as there are limited dollars to spend especially on non-essential purchases.

Transportation Special Purpose Local Option Sales Tax Revenues (TSPLOST)

TSPLOST works much like LOST above and is sensitive to economic downturns. These funds will be used to assist in the funding of transportation projects such as roads in the community. This will be a major funding source for the City's capital improvement plan.

Special Purpose Local Option Sales Tax Revenues (SPLOST)

SPLOST works much like LOST and TSPLOST above and is sensitive to economic downturns. This is a revenue source which was approved by referendum by the citizens of Effingham County and has to be renewed every 5 to 6 years. These funds are restricted as to their use for projects approved in the referendum. In the current SPLOST referendum, projects are for water and sewer, fire, police, streets and drainage, waste water treatment plant, and general administration. These funds can be used to construct or purchase vehicles, major machinery and equipment, buildings, land, other facilities, streets, drainage systems, water systems, sewer systems and waste water treatment plant. This revenue source must be approved by the voters in 2021 in order to continue its collection. This revenue source is a major funding source for the City's capital improvement plan.

User Fees

The user fees charged by the City are a significant revenue source. These fees range from fire fee, sanitation fee, and water and sewer fees. The fire and sanitation fees are based on a rates established by City Council. However, the water and sewer fees are impacted not only by rates set by Council but by consumption of water. Weather conditions will have a direct impact on the revenues of the water and sewer fund.

Financial Summaries

Salaries

Salaries are the single largest expense for the City. The City implemented a compensation plan and is making efforts to continue with the plan in future years. Employees are moved to the next step upon a satisfactory evaluation. In order to maintain salaries in line with inflation, the City will make efforts to provide employees with a cost of living adjustment (COLA).

Health Insurance

The City offers health insurance to all full-time employees which paid by the City. The City also offers family coverage for health insurance for employee families that do not have access to other plans. The City contributes 50% of the cost of this benefit. The City is continually looking for other options to reduce the cost of health insurance; however, the City has only had modest increases of 6% in the past two years.

Capital Program

The City has an inventory of over \$98 million in capital assets. This includes land, land improvements, buildings, equipment and machinery, furniture and fixtures, vehicles, trailers, roads, sidewalks, parks, water and sewer systems, and wastewater treatment plant. This inventory of assets requires the City to invest considerable funds to replace or improve the assets over time. City departments have identified in excess of \$35 million dollars of capital needs over the next 5 years. This is more than what the City can immediately provide. However, the City is building reserves to fund future capital projects. The citizens are also asked to approve certain referendums for certain taxes that will used to fund these capital projects. The City will review financing options for significant capital expenditures.



**CAPITAL IMPROVEMENT PLAN
AND
DEBT**



Capital Improvements Plan (CIP) Submissions

Capital Improvement Development

The City updates its five-year capital improvements plan (CIP) on an annual basis. The plan requires every department to look ahead and anticipate their capital needs separate and apart from the operating budget. This includes projects that cost at least \$10,000 and the asset having a useful life of two or more years. Departments submit their requests and senior level management reviews the submission and ranks the projects. The costs of projects submitted exceed the City’s ability to finance them over the next five years so projects must be prioritized and opportunities for grants and other resources are constantly evaluated to assist in addressing this area of the budget. During this process, the City will also review the status of prior capital appropriations to see if there are any remaining fund available due to project savings that could be reauthorized for another purpose.

Submission Cost and Fiscal Year Summary

The capital projects identified by departments in this year’s capital improvements plan process represent a total of \$3,741,783 of requests for 2022, and a combined total of \$35.3 million over a five-year period. Of the \$3.7 million request for 2022, \$1,552,483 million are SPLOST funded requests, \$156,000 are LMIG grant and general fund requests and \$2,058,300 are Water and sewer fund requests.

Projects are distributed by fund as follows:

Fund	Total Estimated Expenditure	2022 Fiscal Year	2023 Fiscal Year	2024 Fiscal Year	2025 Fiscal Year	2026 Fiscal Year
Water and sewer	\$ 17,493,300	\$ 2,123,300	\$ 6,415,000	\$ 1,944,000	\$ 1,287,000	\$ 5,724,000
Stormwater	2,466,000	95,000	859,000	512,000	500,000	500,000
Fire	4,995,000	-	-	-	4,800,000	195,000
General	10,400,663	1,548,483	2,902,590	2,118,590	1,596,000	2,235,000
Total	<u>\$ 35,354,963</u>	<u>\$ 3,766,783</u>	<u>\$ 10,176,590</u>	<u>\$ 4,574,590</u>	<u>\$ 8,183,000</u>	<u>\$ 8,654,000</u>

FY 2022 Capital Improvements Plan Budget

Several factors were taken into consideration when determining which projects to recommend for funding in fiscal year 2022. In addition to considerations by senior management of the City, funding considerations are directed towards projects that had received previous funding; and therefore, are ready for the next stage of development; projects that would contribute to the economic development of the City; projects that would preserve important infrastructure components of the City; projects that improve high usage assets; projects that have outside funding available to offset the costs or can be covered by user fees; and projects that have an important public safety component associated with them.

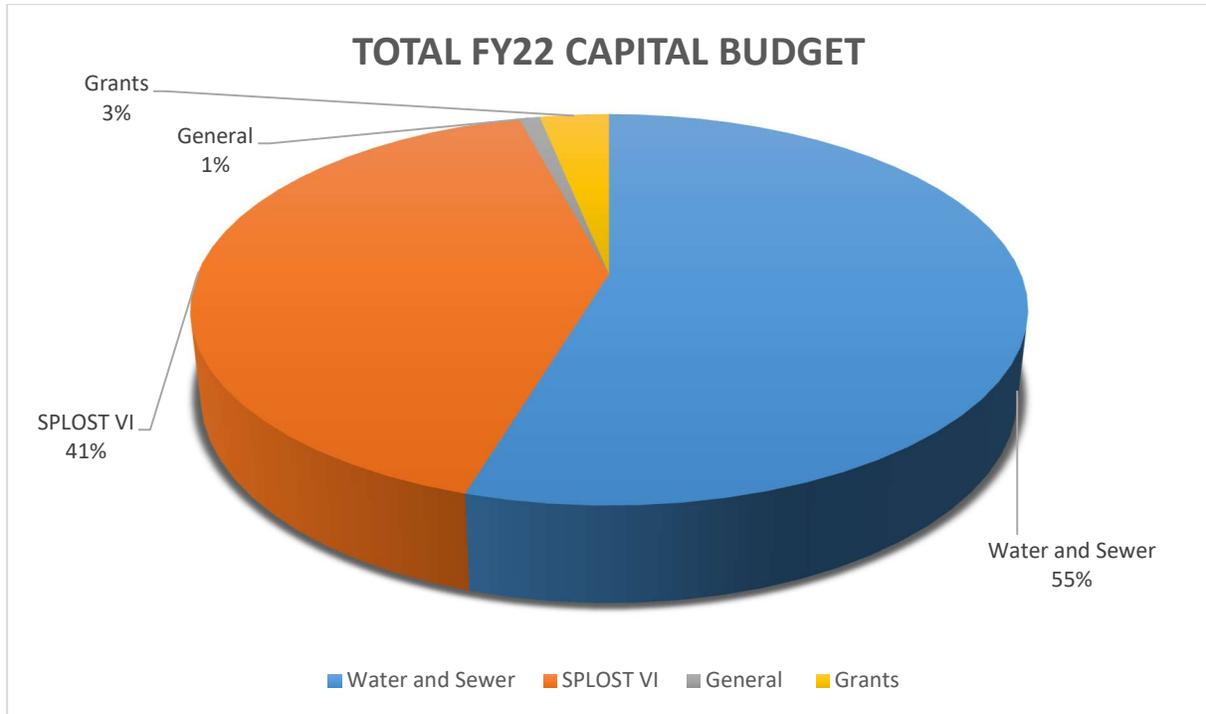
Capital Improvement Plan

2022 Projects and Descriptions

Fund	Project Description	2022 Fiscal Year
Water		
Water and sewer	Well upgrade - Timber Trail	\$ 230,000
Water and sewer	Valve Insertion Project	60,000
Water and sewer	Valve exerciser	7,500
Water and sewer	F250 Pick Up Truck - Replaces unit 806 2011 F250	60,000
Water and sewer	Trench Box	12,000
Water and sewer	Building Ext for Materials Storage	20,000
Water and sewer	Mini-Excavator & Trailer	48,000
Sewer		
Water and sewer	Telephone Regional Lift Station Upgrade	867,000
Water and sewer	Lift Station Pump upgrades	125,000
Water and sewer	Manhole Linings	120,000
Water and sewer	Access road to lift station	200,000
Water and sewer	F250 Pick Up Truck - Replaces unit 904 2007 F250	60,000
Water and sewer	Mini-Excavator & Trailer	48,000
WWTP		
Water and sewer	PLC-I/O cards	12,000
Water and sewer	Recirculating Pump	11,700
Water and sewer	Sludge Pump	17,000
Water and sewer	UV Bulb Replacement Bank C	8,000
Water and sewer	Altivar VFD	9,600
Water and sewer	Switchgear, MCC and panel cleaning	30,000
Water and sewer	WAS programming	2,500
Water and sewer	MBR Blower	35,000
Water and sewer	Pre-aeration actuators	7,000
Water and sewer	SCADA Upgrades	15,000
Water and sewer	Lawnmower	18,000
Water and sewer	Belt press filtrate	5,000
Water and sewer	WWTP/Park Road	30,000
Water and sewer	Sewer Bypass Pump	65,000
General	Road paving - all streets	218,590
General	Road paving - LMIG projects	156,000
General	Police Projects	239,893
General	Park and Tree - Basic Work Truck	30,000
General	Park and Tree - Tractor	25,000
General	Roads - County settlement - City Portion	167,000
General	Roads - County settlement - County portion	500,000
General	Generator for PD and City Hall	35,000
General	P&Z Vehicle	43,000
General	3 Lawnmowers	54,000
General	Service Truck	55,000
General	Golf Carts	25,000
Stormwater	Mini excavator & trailer	95,000
Total		<u>\$ 3,766,783</u>

Capital Improvement Plan

Below is the breakdown of the FY22 capital budget by revenue source. The following pages discuss the highlights of FY22 projects as well as the five-year plan.



2022 Capital Plan Highlights

Funds are allocated to cover a variety of project categories as permitted by revenue source and availability. Project categories align closely with the type of infrastructure or improvement being acquired or constructed

Water, sewer and waste water treatment plant projects account for \$2,123,300 of the total capital projects in the amount of \$3,766,783. SPLOST VI will fund approximately \$65,000 of the cost with the remainder from the Water and Sewer fund. \$1,422,000 is for the rehabilitation of wells and lift stations with the remaining amount for equipment, vehicles, and WWTP component replacements.

Stormwater project is for equipment that will be funded with SPLOST funds.

Streets and fleet comprise \$1,150,590 of planned road resurfacing and improvements throughout the City and equipment purchases. These costs will be funded with SPLOST VI in the amount of \$994,590 and \$120,000 in grant funds. The remaining amount will be funded by the general fund.

Parks, police and planning and zoning equipment make up the remaining capital purchases for FY22. All of these purchases are funded by SPLOST VI funds.

The following pages provide the detail list of projects and project descriptions for 2022 through 2026.

Capital Improvement Plan

Department	Project Description	Total Estimated Expenditure	2022 Fiscal Year	2023 Fiscal Year	2024 Fiscal Year	2025 Fiscal Year	2026 Fiscal Year
Water System							
	New systems						
	Second Elevated Tank	\$ 2,800,000		2,800,000			
	Third Elevated Tank	-					
	Rehab/Upgrade Existing Systems						
	Bass Drive Elevated Tank Upgrades	200,000		200,000			
	Well upgrade - Timber Trail	230,000	230,000	-			
	The Bottom Pipe Replacement	606,000		-	606,000		
	Blueberry Pipe Replacement	313,000				313,000	
	Camellia Street Pipe Replacement	180,000		180,000			
	Clark Street Pipe Replacement	154,000				154,000	
	Forest Street Pipe Replacement	179,000		179,000			
	Rosemont Street Pipe Replacement	111,000					111,000
Sewer System							
	New systems						
	Access road to lift station	200,000	200,000				
	Rehab/Upgrade Existing Systems						
	Richmond Hill Plantation Regional Lift Station Upgrade	-					
	Telephone Regional Lift Station Upgrade	867,000	867,000				
	Camellia Street Pipe Rehab - Slip Lining Method	92,000		92,000			
	Clark Street Pipe Rehab - Slip Lining Method	93,000			93,000		
	Forest Street Pipe Rehab - Slip Lining Method	98,000		98,000			
	Hwy 144 Gravity to First Baptist Lift Station Pipe Rehab	117,000		117,000			
	Lift Station Pump upgrades	250,000	125,000				125,000
WWTP							
	New systems						
	WWTP Additional 1 MGD Expansion to 4 MGD total	-					
	Rehab/Upgrade Existing Systems						
	Old WWTP Aeration Basin Draining - Dewatering	1,140,000		1,140,000			
	Replace membranes in Thickening Basin at WWTP	200,000					200,000
	Replace memberants in Bioreactor Basins at WWTP	1,950,000					1,950,000
	Thermal Dryer at WWTP	400,000		400,000			

Capital Improvement Plan

Department	Project Description	Total				
		Estimated Expenditure	2022 Fiscal Year	2023 Fiscal Year	2024 Fiscal Year	2025 Fiscal Year
Reuse System						
	New systems					
	Phase 4 Reuse Main to Belfast Area	1,150,000				1,150,000
	High School Future Reuse	450,000				450,000
	Pessurization of System	850,000				850,000
Water						
	Valve Insertion Project	60,000	60,000			
	Valve exerciser	7,500	7,500			
	F250 Pick Up Truck - Replaces unit 806 2011 F250	60,000	60,000			
	Trench Box	12,000	12,000			
	Building Ext for Materials Storage	20,000	20,000			
	Mini-Excavator & Trailer	48,000	48,000			
	Value Insertion Project	240,000		60,000	60,000	60,000
	Pick up Truck	120,000			60,000	60,000
	Water Line Replacements	900,000		300,000	300,000	150,000
	Lawnmower	15,000				15,000
	Well Upgrade	920,000		230,000	230,000	230,000
	Light Tower	12,000		12,000		
Sewer						
	Manhole Linings	120,000	120,000			
	Sewer Bypass pump	65,000	65,000			
	Odor Elimination System	70,000		70,000		
	Light Tower	12,000		12,000		
	F250 Pick Up Truck - Replaces unit 904 2007 F250	60,000	60,000			
	Mini-Excavator & Trailer	48,000	48,000			
	Manhole/Sewer Line Repairs	600,000		150,000	150,000	150,000
	Pick up Truck	60,000			60,000	
	Lift Station Repairs	275,000		125,000	50,000	50,000
	Crane Truck	130,000			130,000	
	Bypass pump/generator replacement	165,000			65,000	50,000
	Lawnmower	15,000			15,000	

Capital Improvement Plan

Department	Project Description	Total Estimated Expenditure	2022 Fiscal Year	2023 Fiscal Year	2024 Fiscal Year	2025 Fiscal Year	2026 Fiscal Year
WWTP							
	PLC-I/O cards	12,000	12,000				
	Recirculating Pump	11,700	11,700				
	Sludge Pump	17,000	17,000				
	UV Bulb Replacement Bank C	8,000	8,000				
	Altivar VFD	9,600	9,600				
	Switchgear, MCC and panel cleaning	30,000	30,000				
	WAS programming	2,500	2,500				
	MBR Blower	35,000	35,000				
	Pre-aeration actuators	7,000	7,000				
	SCADA Upgrades	15,000	15,000				
	Lawnmower	18,000	18,000				
	Belt press filtrate	5,000	5,000				
	WWTP/Park Road	30,000	30,000				
	WRF Septage Station	50,000		50,000			
	Pumps & Blowers	285,000		65,000	70,000	70,000	80,000
	UV Bank Bulbs	18,000		10,000			8,000
	Electrical Components (Actuators/VFDS/Etc)	120,000		25,000	25,000	35,000	35,000
	Switchgear, MCC and panel cleaning	30,000			30,000		
	Belt Press Repairs	40,000		15,000		25,000	
	SCADA, Controllers, etc	85,000		85,000			
Total Water, Sewer and Wastewater Treatment Plant		17,493,300	2,123,300	6,415,000	1,944,000	1,287,000	5,724,000

Capital Improvement Plan

Department	Project Description	Total Estimated Expenditure	2022 Fiscal Year	2023 Fiscal Year	2024 Fiscal Year	2025 Fiscal Year	2026 Fiscal Year
Stormwater							
	Mini excavator & trailer	95,000	95,000				
	Tractor & bush hog	165,000		165,000			
	Lowboy trailer	32,000		32,000			
	4x4 UTV	24,000		12,000	12,000		
	Various drainage improvements	2,000,000		500,000	500,000	500,000	500,000
	Flood Gates	-		TBD			
	Flood Gates Study	150,000		150,000			
Total Stormwater		2,466,000	95,000	859,000	512,000	500,000	500,000
Fleet							
	Service Truck	55,000	55,000				
	Facility Repairs/Equipment	58,000		23,000	15,000	10,000	10,000
Total Fleet		113,000	55,000	23,000	15,000	10,000	10,000
Streets							
	3 Lawnmowers	162,000	54,000		54,000		54,000
	Dump Trailer	13,000		13,000			
	2 F250 Pick Up Truck	360,000		120,000	120,000		120,000
	Skid Steer	80,000		80,000			
	Mosquito Fogger	10,000		10,000			
	2 Trailer	17,000		17,000			
	Sweeper	180,000		180,000			
	Traffic Barrels	15,000		15,000			
	2 Message Boards	26,000		26,000			
	Lean to / Storage	30,000		30,000			
	Dozier	225,000		225,000			
	Dump Truck	125,000		125,000			
	Loader	150,000			150,000		
	Road paving (EOM)	1,400,000		350,000	350,000	350,000	350,000

Capital Improvement Plan

Department	Project Description	Total Estimated Expenditure	2022 Fiscal Year	2023 Fiscal Year	2024 Fiscal Year	2025 Fiscal Year	2026 Fiscal Year
	LMIG 2022 - TBD	156,000	156,000				
	LMIG 2023 - TBD	156,000		156,000			
	LMIG 2024 - TBD	156,000			156,000		
	LMIG 2025 - TBD	156,000				156,000	
	LMIG 2026 - TBD	156,000					156,000
	Road paving - all streets	655,770	218,590	218,590	218,590		
	Road paving - all streets	450,000				250,000	200,000
	Ponderosa Road	300,000		300,000			
	County Settlement	1,334,000	667,000	667,000	-		
	County Settlement	2,001,000			667,000	667,000	667,000
	Port Royal/SR 144 Intersection Traffic Signal						
	Town Centre Drive/ SR 144 Intersection Traffic Signal						
	US 17/I-95 Interchange North-Side Traffic Signal (China 1 Area)						
	Harris Trail Pedestrian Bridge & Sidewalk						
	Brisbon Road Improvements						
	Exit 90 Beautification						
	Exit 87 Beautification						
Total Streets		8,313,770	1,095,590	2,532,590	1,715,590	1,423,000	1,547,000
Park and Tree							
	Basic work truck	30,000	30,000				
	Basic work truck	32,000		32,000			
	Mowers	69,000			13,000	28,000	28,000
	Transport Van (Prisoners)	45,000		45,000			
	Tractor	25,000	25,000				
	Golf carts	25,000	25,000				
	Sterling Creek Park - Recommendations by insurance carrier	-		TBD			
	Sterling Creek Park - Dock	-		TBD			
Total Park and Tree		226,000	80,000	77,000	13,000	28,000	28,000

Capital Improvement Plan

Department	Project Description	Total Estimated Expenditure	2022 Fiscal Year	2023 Fiscal Year	2024 Fiscal Year	2025 Fiscal Year	2026 Fiscal Year
Police							
	Patrol cars	45,893	45,893				
	Patrol cars (2 officers to patrol I-95)	80,000	80,000				
	Unmarked and Patrol Vehicles (6)	270,000		270,000			
	Unmarked and Patrol Vehicles (18)	970,000		-	275,000	90,000	605,000
	Generator for PD and City Hall	35,000	35,000				
	Parking Lot - Repaving existing	53,000	53,000				
	Parking Lot - Expansion	61,000	61,000				
		-					
Total Police		<u>1,514,893</u>	<u>274,893</u>	<u>270,000</u>	<u>275,000</u>	<u>90,000</u>	<u>605,000</u>
Fire							
	(1) command vehicle w/cascade (replacing 2013)	100,000				100,000	
	Quint (replacing 2002, Housed out of Station 2)	1,000,000				1,000,000	
	GMA brick & mortar program - Station 4	3,000,000				3,000,000	
	Engine (stationed at Station 4, replacing 2001 E-3)	500,000				500,000	
	Equipment for new Engine	100,000				100,000	
	SCBA cylinders (mandatory; replace current bottles)	100,000				100,000	
	Radios	150,000					150,000
	(1) command vehicle (replacing 2011)	45,000					45,000
	Station Vehicle Diesel Exhaust Removers	-					
	Station 1 renovation	-					
Total Fire		<u>4,995,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,800,000</u>	<u>195,000</u>
Planning and Zoning							
	Ford F150	43,000	43,000				
	Ford F150	90,000				45,000	45,000
	Building and parking addition	100,000			100,000		
Total P&Z		<u>233,000</u>	<u>43,000</u>	<u>-</u>	<u>100,000</u>	<u>45,000</u>	<u>45,000</u>
Total Governmental Funds		<u>17,861,663</u>	<u>1,643,483</u>	<u>3,761,590</u>	<u>2,630,590</u>	<u>6,896,000</u>	<u>2,930,000</u>
Total Capital		<u>\$ 35,354,963</u>	<u>\$ 3,766,783</u>	<u>\$ 10,176,590</u>	<u>\$ 4,574,590</u>	<u>\$ 8,183,000</u>	<u>\$ 8,654,000</u>

These amounts do not include projects that already in progress. The funds for these projects will be carried forward to 2022.

Capital Improvement Plan

Special Purpose Sales Tax Fund (2018 Through 2024 Referendum)

Special Purpose Local Option Sales Tax (SPLOST) revenue collection must be approved by voter referendum, have a specific collection period, and can only be applied to approved projects or project categories. The SPLOST Fund collection period began in 2018 and enters its final year in 2024.

The SPLOST resolution includes provisions for revenue allocations for capital projects to the County and municipalities within the County. The allocation method has been the percentage of population based on the census. There are no specific allocations in the referendum to the City's functions. This gives Council flexibility when determining projects to fund. The 2018 referendum will end in 2024. If an additional referendum is not passed in 2023 by the voters of Bryan County, the City will have to explore other options since a majority of capital projects for the City have been historically funded through the SPLOST capital projects fund.

The following schedule represent the amount of funds projected to be received and the amounts spent or committed to various projects for FY22.

	2020 Actual	2021 Projected	2022 Proposed Budget	Increase (Decrease)
Resources				
Intergovernmental - County	\$ 2,464,293	\$ 1,900,000	\$ 2,765,362	\$ 865,362
Investment income	15,358	-	-	-
Other financing sources - debt issuance	864,000	-	-	-
Total resources	3,343,651	1,900,000	2,765,362	865,362
Appropriations				
Projects	2,145,081	1,730,154	1,552,483	(177,671)
Debt service	910,932	1,031,100	1,031,100	-
Total appropriations	3,056,013	2,761,254	2,583,583	(177,671)
Change in fund balance	\$ 287,638	\$ (861,254)	\$ 181,779	\$ 1,043,033
 2022 New Projects				
		Department		
Debt service for 2022		Debt Service	\$ 1,031,100	
Road paving - all streets		Streets	218,590	
Police Projects		Police	239,893	
Basic work truck		Park and Tree	30,000	
Tractor		Park and Tree	25,000	
Roads		Streets	167,000	
Roads		Streets	500,000	
Generator for PD and City Hall		Government Building	35,000	
Vehicle		Planning and zoning	43,000	
3 Lawnmowers		Streets	54,000	
Service truck		Fleet	55,000	
Mini excavator & trailer		Stormwater	95,000	
Sewer Bypass Pump		Water and Sewer	65,000	
Golf Carts		Park and Tree	25,000	
			\$ 2,583,583	

Capital Improvement Plan

Transportation Special Purpose Sales Tax Fund (2018 Through 2023 Referendum)

Transportation Special Purpose Local Option Sales Tax (TSPLOST) revenue collection must be approved by voter referendum, have a specific collection period, and can only be applied to approved projects or project categories. The TSPLOST Fund collection period began in 2018 and enters its final year in 2023.

The TSPLOST resolution includes provisions for revenue allocations for transportation capital projects to the County and municipalities within the County. The allocation method has been the percentage of population based on the census. There are no specific allocations in the referendum to the City’s functions. This gives Council flexibility when determining projects to fund. The 2018 referendum will end in 2023. If an additional referendum is not passed in 2023 by the voters of Bryan County, the City will have to explore other options since a majority of capital projects for the City have been historically funded through the TSPLOST capital projects fund.

The following schedule represent the amount of funds projected to be received and the amounts spent or committed to various projects for FY22.

	2020 Actual	2021 Projected	2022 Approved Budget	Increase (Decrease)
Resources				
Intergovernmental - County	\$ 1,973,834	\$ 2,040,000	\$ 1,833,150	\$ (206,850)
Investment income	12,482	-	-	-
Total resources	<u>1,986,316</u>	<u>2,040,000</u>	<u>1,833,150</u>	<u>(206,850)</u>
Appropriations				
Projects	3,456,441	777,710	-	(777,710)
Debt service	1,264,185	1,262,290	1,300,290	38,000
Total appropriations	<u>4,720,626</u>	<u>2,040,000</u>	<u>1,300,290</u>	<u>(739,710)</u>
Change in fund balance	<u>\$ (2,734,310)</u>	<u>\$ -</u>	<u>\$ 532,860</u>	<u>\$ 532,860</u>

Debt Position Analysis

Type and Purpose of Debt

The City does not have general obligation bonds (G.O.B.). The debt paid with governmental funds are capital leases, revenue bonds, notes payable and an intergovernmental agreement. The City operates two enterprise funds that include a water supply operations and a wastewater treatment facility and a stormwater fund. The Water and Sewer Fund accounts for both the water supply operations and wastewater treatment facility. The Water and Sewer Fund has had to finance major capital improvements that require large cash outlays. Most of this debt are loans through revolving loan funds administered by Georgia Environmental Finance Authority (GEFA). The programs offered by GEFA are at competitive rates. The City has issued Refunding Revenue Bonds (private placement) to refinance debt that had been issued to construct water and sewer systems. The bonds and loans are repaid from revenues generated by the fund. The stormwater fund has equipment financed through a capital lease.

Properly structured municipal debt is tax exempt. This feature is attractive to many investors who, in turn, require less interest than they would from non-tax-exempt investments. Typical rates for municipal bonds over the past several years have been in the 1.0% to 3.5% range. Rates have remained low as the economy is making municipal bonds more attractive for highly rated communities.

Legal Debt Margins

State statutes limit the amount of general obligation bonded debt a governmental entity may issue up to 10 percent of its total assessed valuation. The 2021 debt limitation for the City was \$74,242,326. The City has no outstanding general obligation bonded debt.

Bond Ratings

A bond rating is a measure of a city's ability to repay its debt; as such it is considered a measure of the city's overall financial strength. The city's bond rating is the primary factor in deciding the interest rate that will be paid on debt. As of December 31, 2021, the City has not had a bond rating done by a rating agency. The City has no debt requiring a bond rating.

Debt

Debt Issues

Tables on the following pages summarize outstanding debt issues and annual debt service requirements.

Summary of Outstanding Debt Issues

Issue	Purpose	Department	Original Amount	Issue Date	Final Maturity	Amount Outstanding at 12/31/2021	2022 Debt Service Requirement
Governmental activities							
Capital lease	Grapple truck	Streets	\$ 174,500	3/1/2019	3/1/2024	\$ 82,226	\$ 38,080
Capital lease	Fire truck	Fire	400,000	3/1/2017	3/1/2026	200,364	50,104
Capital lease	Fire truck	Fire	449,998	9/27/2019	9/27/2024	254,008	95,654
Capital lease	Ladder fire truck	Fire	864,000	9/27/2019	3/1/2027	740,571	142,695
Note (Direct Borrowing)	Land and building	Fleet and Streets	810,000	10/9/2013	10/9/2028	421,618	69,681
Intergovernmental	Construction of Great Ogeechee Parkway & fund a portion of interchange at I-95 and Belfast Keller	Streets	4,650,000	5/1/2019	11/1/2023	2,402,000	1,261,825
RHCVB Refunding Revenue Bond, Series 2013	Construction of the City Center		3,847,000	3/5/2013	5/1/2025	1,269,182	395,338
RHPFA Revenue Bond, Series 2017	Purchase of 51 acres and renovation to the Sweet Shop Building		3,500,000	12/11/2019	10/1/2032	2,686,305	288,000
Total governmental activities			<u>14,695,498</u>			<u>8,056,274</u>	<u>2,341,377</u>
Business-type Activities							
Capital lease	Excavator	Stormwater	158,000	10/28/2020	10/28/2025	122,482	33,172
Georgia Environmental Finance Authority (GEFA) "GEFA" - Direct Borrowing	Pump station rehabilitation and force main replacement	Water and Sewer	2,500,000	6/1/2014	12/1/2034	1,765,790	163,300
GEFA - Direct Borrowing	Construction of new wastewater treatment facility - Phase I	Water and Sewer	3,500,000	8/1/2015	1/1/2036	2,673,170	232,931
GEFA - Direct Borrowing	Construction of new wastewater treatment facility - Phase II	Water and Sewer	9,500,000	9/1/2015	2/1/2036	6,998,086	544,875
GEFA - Direct Borrowing	Construction of new wastewater treatment facility - Phase III	Water and Sewer	10,500,000	7/1/2016	12/1/2036	8,069,198	580,803
GEFA - Direct Borrowing	Construction of a master lift station and a force main connection	Water and Sewer	3,000,000	11/1/2021	11/1/2041	2,900,079	178,138
GEFA - Direct Borrowing	Construction of a water main, sewer force main and re-use main	Water and Sewer	2,900,000	12/1/2020	12/1/2040	2,777,816	171,957
GEFA - Direct Borrowing	Construction of a water main, sewer force main, and re-use main	Water and Sewer	2,996,500			1,967,164	(1)
Water and Sewer Refunding Bond, Series 2017	Refund GEFA loans	Water and Sewer	2,135,400	4/1/2017	4/1/2027	1,185,774	240,866
Total Business-type Activities			<u>37,189,900</u>			<u>28,459,559</u>	<u>2,146,042</u>
Grand total			<u>\$51,885,398</u>			<u>\$ 36,515,833</u>	<u>\$ 4,487,419</u>

(1) This loan is in the construction phase and has not been put into repayment status as of the end of the calendar year.

Debt

Annual Debt Service Requirements

The table below shows debt funding requirements for the City 2022-2041. Shown are principal and interest based on outstanding debt issues. The debt is paid from SPLOST, TSPLOST and Water and Sewer revenues.

Year	Business-type Activities			
	Revenue Bonds		GEFA Loans	
	Principal	Interest	Principal	Interest
2022	\$ 214,320	\$ 26,547	\$ 1,461,104	\$ 410,901
2023	219,608	21,258	1,485,368	386,636
2024	225,027	15,840	1,510,087	361,917
2025	230,579	10,287	1,535,352	336,352
2026	236,269	4,598	1,561,064	310,940
2027-2031	59,972	245	8,209,468	1,150,553
2032-2036			7,926,200	440,055
2037-2041			1,495,471	68,174
Construction loan			1,967,164	

Year	Note	Governmental Activities				Total		
		Principal	Interest	Intergovernmental	Revenue Bonds			
		Principal	Interest	Principal	Interest			
2022	\$	55,608	\$ 14,073	\$ 1,181,000	\$ 119,290	\$ 573,109	\$ 110,228	\$ 4,166,180
2023		57,580	12,101	1,221,000	80,828	592,113	91,225	4,167,717
2024		59,622	10,058			611,708	71,630	2,865,889
2025		61,737	7,944			399,359	53,365	2,634,975
2026		63,926	5,755			242,607	45,393	2,470,552
2027-2031		123,144	4,604			1,317,039	122,961	10,987,986
2032-2036						219,551	2,565	8,588,371
2037-2041								1,563,645
Construction loan								1,967,164
								<u>\$ 39,412,479</u>

APPENDIX

BUDGET RESOLUTION

A RESOLUTION ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2022 FOR THE VARIOUS GOVERNMENTAL FUNDS OF THE CITY AND TO ADOPT 2022 PROJECTS LISTED IN THE 5 YEAR CAPITAL IMPROVEMENT PROGRAM.

WHEREAS, the Finance Director of Richmond Hill has submitted the Proposed 2022 Budget to the Mayor and Councilmembers on November 2, 2021; and

WHEREAS, the Proposed 2022 Budget was made available for public review on November 3, 2021 and the time and place of the public hearing on the budget was advertised on November 4, 2021; and

WHEREAS, the Mayor and Councilmembers conducted a public hearing on November 16, 2021 to receive citizen input on the proposed budget; and

WHEREAS, the Mayor and Council of Richmond Hill have studied and reviewed the 2022 Proposed Budgets; it is considered in the best interest of the City to adopt the proposed budgets.

THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Richmond Hill, Georgia, that the 2022 proposed budgets, is hereby approved and that:

Section 1. The estimated revenues and appropriations are adopted for the governmental funds attached hereto and made a part hereof for the year beginning January 1, 2022 and ending December 31, 2022.

Section 2. In order to comply with requirements for generally accepted accounting principles regarding expenditure recognition, the appropriations set forth in Section 1 above for year 2022 shall be increased by the amount of any purchase order/contract encumbrances open as of December 31, 2021.

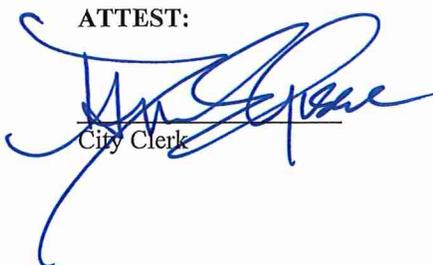
Section 3. Appropriations and estimated revenues for the Capital Improvements Funds are made on a project-length basis, rather than on an annual basis and remain in effect until the project is completed and closed. Appropriations for 2022 projects attached hereto and are made a part hereof the project-length budgets. Annual appropriations for capital improvement projects will be necessary in future annual budgets in order to provide the actual funding for any project.

Section 4. For purposes of administering the budget, the legal level of control is designated to be departments as that term is used in O.C.G.A. 36-81-1 et. Seq.

SO PASSED AND ADOPTED, this 7th day of December, 2021.



Russ Carpenter, Mayor

ATTEST:


City Clerk

12/7/2021

Date

GENERAL FUND

	2020 Actual	2021 Original Budget	2021 Current Budget	2022 Proposed Budget	Increase (Decrease) from 2021 Current Budget
Resources					
Taxes	\$ 8,232,919	\$ 7,925,000	\$ 8,225,000	\$ 8,650,590	\$ 425,590
Licenses and permits	538,407	475,000	475,000	475,000	-
Intergovernmental	1,048,319	150,000	150,000	120,000	(30,000)
Charges for services	1,034,780	1,080,000	1,125,000	1,228,000	103,000
Fines and forfeitures	508,003	815,000	815,000	984,475	169,475
Investment income	63,755	85,000	85,000	15,000	(70,000)
Miscellaneous	11,530	95,000	108,910	73,000	(35,910)
Transfers in	276,458	300,000	300,000	321,000	21,000
Total resources	11,714,171	10,925,000	11,283,910	11,867,065	583,155
Appropriations					
Mayor	8,074	13,500	13,500	12,500	(1,000)
Council	57,203	83,000	84,391	94,350	9,959
General administration	979,078	960,830	941,812	893,471	(48,341)
Special projects	44,830	80,000	80,000	80,000	-
Finance	315,171	341,650	343,148	339,650	(3,498)
Human resources	232,556	148,852	149,471	152,112	2,641
Government buildings	32,663	75,000	91,110	88,500	(2,610)
Municipal court	181,923	196,595	196,595	201,182	4,587
Police department	3,501,551	3,811,525	3,819,649	4,208,389	388,740
Police - technology fees	7,302	40,000	40,000	30,000	(10,000)
Police - administration fees	-	12,000	12,000	13,000	1,000
Prisoner fees	5,675	30,000	30,000	30,000	-
Streets	1,791,877	1,492,000	1,716,402	1,755,369	38,967
Sanitation	1,032,642	975,000	1,120,000	1,168,000	48,000
Park and tree	510,712	553,700	550,792	591,274	40,482
Planning and zoning	693,273	722,024	719,116	753,279	34,163
Debt service	38,080	38,000	38,000	38,081	81
Transfers out - Fire	798,028	1,351,324	1,351,324	1,339,908	(11,416)
Contingency	-	-	-	78,000	78,000
Total appropriations	10,230,637	10,925,000	11,297,310	11,867,065	569,755
Resources over (under) appropriations	\$ 1,483,534	\$ -	\$ (13,400)	\$ (0)	\$ 13,400

Fire Fund

	2020 Actual	2021 Original Budget	2021 Current Budget	2022 Proposed Budget	Increase (Decrease) from 2021 Current Budget
Resources					
Intergovernmental	\$ 203,626	\$ 237,301	\$ 241,143	\$ 104,588	\$ (136,555)
Charges for services	1,092,279	1,074,000	1,074,000	1,446,000	372,000
Miscellaneous	22,154	-	-	-	-
Transfers in	798,028	1,351,324	1,351,324	1,339,908	(11,416)
Total resources	<u>2,116,087</u>	<u>2,662,625</u>	<u>2,666,467</u>	<u>2,890,496</u>	<u>224,029</u>
Appropriations					
Fire Department	2,106,579	2,662,125	2,675,473	2,890,496	215,023
Total appropriations	<u>2,106,579</u>	<u>2,662,125</u>	<u>2,675,473</u>	<u>2,890,496</u>	<u>215,023</u>
Change in fund balance	<u>\$ 9,508</u>	<u>\$ 500</u>	<u>\$ (9,006)</u>	<u>\$ -</u>	<u>\$ 9,006</u>

Confiscated Funds

	2020 Actual	2021 Original Budget	2021 Current Budget	2022 Proposed Budget	Increase (Decrease) from 2021 Current Budget
Resources					
Fines and forfeitures	\$ 15,242	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Investment income	515	-	-	-	-
Total resources	<u>15,757</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Appropriations					
Police - Confiscated Funds	21,607	10,000	10,000	10,000	-
Total appropriations	<u>21,607</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Change in fund balance	<u>\$ (5,850)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hotel Motel Tax Fund

	2020 Actual	2021 Original Budget	2021 Current Budget	2022 Proposed Budget	Increase (Decrease) from 2021 Current Budget
Resources					
Taxes	\$ 647,312	\$ 700,000	\$ 700,000	\$ 750,000	\$ 50,000
Total resources	<u>647,312</u>	<u>700,000</u>	<u>700,000</u>	<u>750,000</u>	<u>50,000</u>
Appropriations					
CVB	185,429	200,000	200,000	214,500	14,500
Transfer to General Fund	276,458	300,000	300,000	321,000	21,000
Transfer to City Center Fund	185,425	200,000	200,000	214,500	14,500
Total appropriations	<u>647,312</u>	<u>700,000</u>	<u>700,000</u>	<u>750,000</u>	<u>50,000</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City Center

	2020 Actual	2021 Original Budget	2021 Current Budget	2022 Proposed Budget	Increase (Decrease) from 2021 Current Budget
Resources					
Investment income	\$ 515	\$ -	\$ -	\$ -	\$ -
Transfers in	185,951	200,000	200,000	214,500	14,500
Total resources	<u>186,466</u>	<u>200,000</u>	<u>200,000</u>	<u>214,500</u>	<u>14,500</u>
Appropriations					
City Center	152,382	200,000	200,000	214,500	14,500
Total appropriations	<u>152,382</u>	<u>200,000</u>	<u>200,000</u>	<u>214,500</u>	<u>14,500</u>
Change in fund balance	<u>\$ 34,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Downtown Development Authority

	2020 Actual	2021 Original Budget	2021 Current Budget	2022 Proposed Budget	Increase (Decrease) from 2021 Current Budget
Resources					
Miscellaneous	\$ 150,000	\$ 75,000	\$ 75,000	\$ 70,000	\$ (5,000)
Total resources	<u>150,515</u>	<u>75,000</u>	<u>75,000</u>	<u>70,000</u>	<u>(5,000)</u>
Appropriations					
Planning and Zoning	103,228	75,000	75,000	70,000	(5,000)
Total appropriations	<u>103,228</u>	<u>75,000</u>	<u>75,000</u>	<u>70,000</u>	<u>(5,000)</u>
Change in fund balance	<u>\$ 47,287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPLOST

	2020 Actual	2021 Original Budget	2021 Current Budget	2022 Proposed Budget	Increase (Decrease) from 2021 Current Budget
Resources					
Intergovernmental - County	\$ 2,464,293	\$ 1,900,000	\$ 1,900,000	\$ 2,765,362	\$ 865,362
Investment income	15,358	-	-	-	-
Other financing sources - debt issuance	864,000	-	-	-	-
Total resources	3,343,651	1,900,000	1,900,000	2,765,362	865,362
Appropriations					
Projects	2,145,081	1,025,000	1,730,154	1,552,483	(177,671)
Debt service	910,932	1,135,000	1,031,100	1,031,100	-
Total appropriations	3,056,013	2,160,000	2,761,254	2,583,583	(177,671)
Change in fund balance	\$ 287,638	\$ (260,000)	\$ (861,254)	\$ 181,779	\$ 1,043,033

2022 New Projects

Debt service for 2022	Debt Service	\$ 1,031,100	Current Project
Road paving - all streets	Streets	218,590	Current Project
Police Projects	Police	239,893	Current Project
Park and Tree - Basic Work Truck	Park and Tree	30,000	New Project
Park and Tree - Tractor	Park and Tree	25,000	New Project
County settlement - City Portion	JF Gregory Park	167,000	New Project
County settlement - County portion	JF Gregory Park	500,000	New funding
Generator for PD and City Hall	Government Bldg	35,000	New Project
P&Z Vehicle	P&Z	43,000	New Project
3 Lawnmowers	Streets	54,000	New Project
Service Truck	Fleet	55,000	New Project
Mini excavator & trailer	Stormwater	95,000	New Project
Sewer Bypass Pump	Water and Sewer	65,000	New Project
Golf Carts	Park	25,000	New Project
		\$ 2,583,583	

TSPLOST

	2020 Actual	2021 Original Budget	2021 Current Budget	2022 Proposed Budget	Increase (Decrease) from 2021 Current Budget
Resources					
Intergovernmental - County	\$ 1,973,834	\$ 2,040,000	\$ 2,040,000	\$ 1,833,150	\$ (206,850)
Investment income	12,482	-	-	-	-
Total resources	<u>1,986,316</u>	<u>2,040,000</u>	<u>2,040,000</u>	<u>1,833,150</u>	<u>(206,850)</u>
Appropriations					
Projects	3,456,441	777,710	777,710	-	(777,710)
Debt service	1,264,185	1,262,290	1,262,290	1,300,290	38,000
Total appropriations	<u>4,720,626</u>	<u>2,040,000</u>	<u>2,040,000</u>	<u>1,300,290</u>	<u>(739,710)</u>
Change in fund balance	<u>\$ (2,734,310)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 532,860</u>	<u>\$ 532,860</u>

Water and Sewer Fund

	2020 Actual	2021 Original Budget	2021 Current Budget	2022 Proposed Budget	Increase (Decrease) from 2021 Current Budget
Resources					
Charges for services	\$ 7,033,284	\$ 7,095,000	\$ 7,095,000	\$ 7,178,500	\$ 83,500
Investment income	31,011	20,000	20,000	14,500	(5,500)
Miscellaneous	157,926	205,000	205,000	176,000	(29,000)
Contributions - Connection Fees	1,891,338	1,500,000	1,500,000	1,692,000	192,000
Contributions - Developers	5,029,222	-	-	-	-
Debt issuance	2,497,864	-	3,914,856	-	(3,914,856)
Total resources	<u>16,640,645</u>	<u>8,820,000</u>	<u>12,734,856</u>	<u>9,061,000</u>	<u>(3,673,856)</u>
Appropriations					
Operations					
General Administration	5,182,030	4,448,200	4,448,200	1,483,369	(2,964,831)
Water	-	-	-	1,257,893	1,257,893
Sewer	-	-	-	1,109,486	1,109,486
Waste Water Treatment Plant	-	-	-	966,356	966,356
Total operations	<u>5,182,030</u>	<u>4,448,200</u>	<u>4,448,200</u>	<u>4,817,104</u>	<u>368,904</u>
Capital Outlay					
General Administration	3,444,461	2,171,800	6,086,656	-	(6,086,656)
Water	-	-	-	437,500	437,500
Sewer	-	-	-	1,420,000	1,420,000
Waste Water Treatment Plant	-	-	-	200,800	200,800
Total capital outlay	<u>3,444,461</u>	<u>2,171,800</u>	<u>6,086,656</u>	<u>2,058,300</u>	<u>(4,028,356)</u>
Debt service	1,028,417	2,200,000	2,200,000	2,285,596	85,596
Total appropriations	<u>9,654,908</u>	<u>8,820,000</u>	<u>12,734,856</u>	<u>9,161,000</u>	<u>(3,573,856)</u>
Change in Fund Balance / Use of Fund Balance	<u>\$ 6,985,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>

Stormwater Fund

	2020 Actual	2021 Original Budget	2021 Current Budget	2022 Proposed Budget	Increase (Decrease) from 2021 Current Budget
Resources					
Charges for services	\$ 569,980	\$ 585,000	\$ 585,000	\$ 576,000	\$ (9,000)
Contributions - Developers	1,073,793	-	-	-	-
Debt issuance	158,000	-	-	-	-
Total resources	<u>1,801,773</u>	<u>585,000</u>	<u>585,000</u>	<u>576,000</u>	<u>(9,000)</u>
Appropriations					
Operations					
General Administration	527,771	34,200	34,200	77,400	43,200
Stormwater - EOM	-	492,800	492,800	465,427	(27,373)
Total operations	<u>527,771</u>	<u>527,000</u>	<u>527,000</u>	<u>542,827</u>	<u>15,827</u>
Capital Outlay					
General Administration	157,580	-	-	-	-
Stormwater - EOM	-	25,000	25,000	-	(25,000)
Total capital outlay	<u>157,580</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Debt service	5,529	33,000	33,000	33,173	173
Total appropriations	<u>690,879</u>	<u>585,000</u>	<u>585,000</u>	<u>576,000</u>	<u>(9,000)</u>
Change in fund balance	<u>\$ 1,110,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Convention and Visitors Bureau

	2020 Actual	2021 Original Budget	2021 Current Budget	2022 Proposed Budget	Increase (Decrease) from 2021 Current Budget
Resources					
Intergovernmental	\$ 185,429	\$ 200,000	\$ 200,000	\$ 214,500	\$ 14,500
Investment income	138	-	-	-	-
Miscellaneous	966	-	-	500	500
Total resources	<u>186,533</u>	<u>200,000</u>	<u>200,000</u>	<u>215,000</u>	<u>15,000</u>
Appropriations					
Convention and Visitors Bureau	249,166	200,000	200,000	215,000	15,000
Total appropriations	<u>249,166</u>	<u>200,000</u>	<u>200,000</u>	<u>215,000</u>	<u>15,000</u>
Change in fund balance	<u>\$ (62,633)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

