



Interoffice Memorandum

TO: Members, Board of Commissioners

FROM: Fulton County Budget Commission
John Eaves, Chairman, Board of Commissioners
Zachary L. Williams, County Manager
Patrick O'Connor, Finance Director

JHE/ENS
Patrick J. O'Connor

DATE: November 14, 2008

SUBJECT: FY2009 Proposed Budget

Please find attached the FY2009 Proposed Budget. The proposed General Fund operating budget is \$634.9 million and the proposed South Fulton operating budget is \$42.5 million. This represents a \$36.5 million expenditure decrease from FY2008 for the General Fund and a \$6.2 million expenditure decrease for South Fulton. Achieving these reductions required a slight reduction in force and the abolishment of some programs and services. However, the Budget Commission in concert with County departments sought to minimize impact on service delivery.

The Budget Commission's recommendations regarding the FY2009 budget directly support our goal to "simultaneously deliver quality programs and services, outstanding customer value, and sound financial performance." Achieving this goal goes beyond the budget process to the strategic management of overall organizational performance. As such, the FY2009 Proposed Budget focuses on the **alignment of revenues and expenditures**; funding a **multi-year capital program**; achieving **organizational efficiencies**; and **performance management**.

➤ **Alignment of Revenues and Expenditures**

At the beginning of FY2008, Fulton County Government faced an anticipated recurring deficit of \$20.2 million. As such we were forced to use non-recurring funds to make up the shortfall. This gap is closed in the proposed 2009 budget. As the national and local economies continue to decline, we expect our revenues to be further reduced at least through FY2010.

In order to mitigate the current recessionary climate and reduce expected deficits in the future, the FY2009 Proposed Budget aligns recurring expenses to recurring revenues and non-recurring expenses to non-recurring revenues.

The following are highlighted initiatives proposed for FY2009 using non-recurring funds:

- **Organization-wide operational assessment** – Examination of County government structure, policies, practices, systems, and processes to identify opportunities for increased efficiency and effectiveness
- **Comprehensive fee analysis** – Evaluation of current fee and fine structures to ensure we are recovering our costs
- **Recruiting effort** – Hiring a firm to fill key leadership vacancies throughout the organization
- **Staff training initiative** – Launching a training campaign to ensure all staff are equipped with the skills to support and manage a complex, 21st century organization

To facilitate a structural alignment of our budget, the recurring General Fund budget was reduced by more than \$22.3 million for FY2009. Finally, the Proposed Budget increases the budget reserves from the 8.33% required by Commission resolution to 9.33%, which represents an additional \$6.4 million.

➤ **Multi-Year Capital Program**

Using \$20 million in non-recurring funds, the FY2009 Proposed Budget also creates a formal multi-year capital program to maintain and plan for current and future infrastructure needs. The County Manager is reestablishing a capital planning process that will facilitate the selection, prioritization, and completion of capital projects related to construction, maintenance, and technology. This process will ensure that projects are funded in accordance with policy priorities and help contain costs by protecting our infrastructure investments.

➤ **Organizational Efficiencies**

In order to operate within our restricted budget, we are recommending approaches that will increase collaboration and reduce administrative overhead and redundancies. This will include reaching out to constitutional offices and other organizations to combine efforts and create comprehensive solutions in areas such as the justice system, public health, and human services. In some cases, it will also include reorganizing County government to consolidate like activities, as well as centralizing certain functions to increase accountability and consistency.

Following are the major reorganization efforts that we will examine as part of the FY2009 Budget and recommend as appropriate for the FY2010 budget:

- **Combine Health & Wellness and Mental Health Departments**
 - Health & Wellness
 - Mental Health
 - Ryan White
 - Business Administration Division (billing, grants management, evaluation, and support functions)
- **Combine General Services, Public Works, and Environment & Community Development**
 - General Services (facilities, fleet, fuel, real estate, asset management, and airport functions)
 - Public Works (planning and zoning, transportation, construction management, and capital planning functions)
 - Water & Sewer (all water systems)
 - Business Administration Division

Other organizational restructuring changes will include:

- **Human Services Department**
 - Add Cooperative Extension
- **Personnel Department**
 - Change to Human Resources Department
 - Add Benefits Division (from Finance Department)
- **Office of Equal Employment Opportunity (County Manager)**
 - Add ADA function (from Human Services)
 - Add Employee Relations (from Personnel Department)
 - Create Professional Standards function
- **Office of Community Relations (County Manager)**
 - Change to Office of Communications
 - Create Director of Communications/Chief Media Officer position
 - Centralize graphics and public affairs staff

As these changes are instituted, we expect they will result in both significant long-term cost savings and improved service delivery.

➤ **Performance Management**

A major key to ensuring the long-term financial health of Fulton County Government is performance management. The introduction of this approach will allow us to contain costs and achieve intended outcomes for the communities and customer groups that we serve through:

- **Outcome Budgeting** – This approach was instituted for the first time in Fulton County with the FY2009 budget and focuses on aligning

budgets with policy priorities and continually examining how programs and services are performing.

- **Strategic Management** – The application of quality tools and proven management approaches such as performance measurement, comparative analysis, business planning, process improvement, and organizational assessment will help ensure that the County is providing effective programs and services.
- **Performance Auditing** – The introduction of a performance audit program will allow proactive and regular evaluation of the efficiency, economy, and effectiveness of our various operations. Among other things, performance auditing will:
 - Assess the soundness of policies and procedures
 - Assess compliance with policies and procedures
 - Evaluate program performance against industry benchmarks
 - Evaluate operational cost effectiveness
 - Make performance improvement recommendations

The Budget Commission believes that by presenting a structurally balanced budget, achieving organizational efficiencies, and applying proven management approaches, we are ensuring our financial soundness and positioning Fulton County Government as a leader in the Metro Atlanta area and throughout the Southeast.

JE/ZW/PO/dl

Attachments:

FY2009 Budget Message

FY2009 Proposed Budget



FULTON COUNTY

2009

PROPOSED BUDGET

Presented

to the

Board of Commissioners

November 15, 2008

BOARD OF COMMISSIONERS OF FULTON COUNTY

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County Manager
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FULTON COUNTY
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November 15, 2008

To the Honorable Board of County Commissioners and Citizens of Fulton County:

In accordance with Fulton County Budget Law, the Budget Commission hereby submits the FY2009 Proposed Budget for your review and approval. This document takes into account the actions of the Board of Commissioners in FY2008, concerns of Fulton County citizens, and the operational needs of County departments. The Proposed Budget represents the first of three major phases in the County budget process. The second phase, the Tentative Budget, is scheduled for acceptance by the Board of Commissioners on December 17, 2008. The third phase, the Final Budget, is scheduled for adoption on January 21, 2009. In accordance with state law, the deadline for adoption of the final budget is January 31, 2009.

The Proposed Budget is a working document and is subject to revision as additional information and input are received from citizens, Commissioners, and County staff. Modifications of the Proposed, Tentative, and Final Budgets may be made at any public meeting of the Board of Commissioners prior to the final adoption of the budget by the end of January 2009. By law, total expenditures may not exceed the combined total of anticipated revenues and available fund balance.

Budget Development Process:

It is the responsibility of the Budget Commission to present a balanced budget that considers the goals of the County Commission and the requests of the departments versus available County resources to meet these requests. In doing so, the Budget Commission recognizes the importance of adhering to Board of Commissioners policies to continue meeting service delivery standards, particularly in the core service areas of public safety, criminal justice, human services, health and mental health services, and infrastructure improvements.

The process of preparing the County budget has been more challenging this year because of the national recessionary economic forces which are hampering the ability of every level of government throughout the nation, including Fulton County, to maintain adequate level of services to their citizens. Every national and local economic forecast we see continues to project difficult financial issues in future years to come. Faced with the challenges of limited tax revenues, increasing expenditures, as well as a host of other challenges; the Budget Commission took a fresh look at all County services to determine whether the right programs and services are being provided to County citizens efficiently and effectively with desired results, using a process which is based on modified version of the **Outcome Budgeting** approach. This process builds on March 2008 Board of Commissioners' retreat that led to four focus areas and specific goals within each focus area that the Board of Commissioners identified as the basis for FY2009 budget decisions. The Outcome Budgeting approach allows department budgets to be properly aligned with defined Board of Commissioners and Budget Commission goals to achieve specific objectives which can be measured against results. This is in contrast to the County's past practice of incremental budgeting approach which relied on adjusting department target budgets with inflation. Furthermore, the new process allows for realignment of various revenues and expenses of programs and services to be accounted for appropriately in the Funds they belong. The modified outcome budgeting approach is being proposed for FY2009 because the County does not have the data structure needed to engage a holistic outcome-driven budgeting approach at the present time; the County Administration will be working with departments to develop more data that could be used to make data-driven decisions in future budgets.

The Board of Commissioners' focus areas and goals in which funding decisions for FY2009 are based:

HEALTH & HUMAN SERVICES

- 1) Collaborate with the justice system and community partners in providing health and social services.
- 2) Enhance the quality of life Fulton County citizens by providing prevention programs to needy and at risk populations.

CHILDREN & YOUTH SERVICES

- 1) Coordination of children and youth services in collaboration with the juvenile justice system, schools, libraries, and community partners.
- 2) Support programs that enhance the development of families, children, and youth.

JUVENILE JUSTICE

- 1) Provide services that support diversion programs, restoration boards, and involvement of families.

CRIMINAL JUSTICE

- 1) Coordinate criminal justice through a unified, collaborative approach with courts, public safety, and community partners.

In addition to the above focus areas and goals, the Budget Commission has identified the following areas of funding priority for internal services departments and South Fulton Tax District which are not included in the Board of Commissioners' goals:

SPECIAL SERVICES DISTRICT

- 1) Provision of cost-effective municipal type services to sustain the quality of life for the residents of South Fulton Tax District.

INTERNAL SERVICES

- 1) Provide programs and services that contribute to and enhance employee health, safety, professional development, and overall job satisfaction.
- 2) Provide support services that enable the timely, cost-effective, and equitable delivery of programs and products to Fulton County citizens.
- 3) Provide services that promote accessibility, transparency, and citizen engagement.

As part of the Outcome Budgeting approach used to prepare the FY2009 budget, in July 2008 the departments were requested to submit a detailed review of their programs including full descriptions; applicable County, Federal and/or State laws, if any, that mandated their establishment; and their relationships to the Board of Commissioners stated goals and policies for FY2009.

The information received from departments was reviewed by a working group established by the County Manager to determine their effectiveness as it relates to providing desired service levels for Fulton County citizens, and make recommendations to the Budget Commission on the merit of continuing any of the programs in support of the Board of Commissioners' goals. This effort resulted in reduction of over **\$22.3 million** or **3.3%** in the FY2009 budget which will be fully discussed later in this message.

Each department was given a "target" allocation before their enhancement requests were submitted to the Budget Commission. The departments' targets for FY2009 reflects FY2008 approved budget reduced for funding for the 27th pay-period included in all departments FY2008 budgets. In the case of Registration and Elections Department, additional reduction was made for the one time funding for 2008 primary and general elections. The salaries and benefits budgets were adjusted for full funding in their target budget before the Budget Commission review. The Budget Commission completed an initial review of budget requests by meeting with the department representatives to assess their anticipated financial needs. Public hearings were conducted simultaneously to solicit citizen input and to advise the Board of Commissioners of community needs.

More than ever before, there were challenges in developing the FY2009 General Fund and South Fulton Tax District Fund Proposed Budgets. Each of these challenges is fully discussed in the ensuing sections of this message.

GENERAL FUND

Overview

The following are highlights of the Budget Commission's FY2009 General Fund Proposed Budget:

- Reduction of over **\$22.3 million** as a result of Outcome Budgeting approach which encompassed full review of department programs and services.
- Potential revenue loss of **\$12 million** in State of Georgia Homestead Tax Relief Grant.
- Loss of **\$1.8 million** in State of Georgia funding for various County programs.
- Loss of **\$10 million** in revenues due to recently voter-approved referenda for three-year phase-in increase of homestead exemption to \$30,000; and full homestead exemption from County ad valorem taxes in the amount of fifty percent (50%) for seniors that are 65 years of age or older (HB1190 and HB1205 respectively).
- Transfer of the Internal Audit Division from the Finance Department to the County Manager's Office along with the annual budget of **\$629,178**.
- Transfer of Employee Training Division from the Personnel Department to the County Manager's Office including the annual budget of **\$367,791**.
- Increase in health insurance cost of **\$8 million** in General Fund for continuing the 80/20 split of County/employee share of the premium.
- Temporary Court Order pending approval of the County Tax Digest which limits the tax billing of parcels under appeal in the current year and prior years.
- Reduction of **\$3 million** expected in FY2008 Local Option Sales Tax collection and additional \$2 million reduction in FY2009.
- Funding of County contribution to Grady Health System in the amount of **\$76,500,000**.
- The Proposed Budget reflects a decrease in expenditures of **\$36.5 million** or **5.44%** when compared to the FY2008 approved budget. The decrease in expenditures results from items that are both recurring and non-recurring in nature and operating efficiency in the amount of **\$22.3 million**. The non-recurring expenditures include funding for the 2008 presidential elections and one additional pay-period (the 27th) for salaries and benefits. FY2009 Proposed Recurring Revenues are estimated at \$634.9 million with recurring expenditures proposed at \$634.9 million, leaving a proposed required Reserve Fund of **9.4%** or **\$62.7 million**.
- Estimated 1% growth in Tax Digest as a result of new construction and commercial property.
- **\$10 million** appropriation for jail bed outsourcing in the Non-Agency Budget.
- Use of **\$2 million** from the Health and Wellness Transfer fund balance to balance the Health Department budget.
- Funding of Nonrecurring operating expenditures in the amount of **\$11 million** and Nonrecurring capital budget in the amount of **\$20 million**.

Each of the items listed above is discussed below in detail.

Major Items in FY2009 Budget

- **County Contribution to Grady Memorial Hospital** – through the end of FY2007, **\$3.5 million** of the annual County contribution from the General Fund to the Grady Health System was for ambulance subsidy, with an additional **\$3.2 million** from a separate Emergency Services appropriation. In FY2008 the Board of Commissioners ended County ambulance subsidy to all locales including Grady Hospital on June 30, 2008, and contributed only fifty percent (50%) of the annual subsidy towards the service. However, an additional **\$1.75 million** of the General Fund contribution was paid to the hospital to alleviate their operating budget shortfall. For FY2009, the Budget Commission is recommending that **\$3.5 million** be reduced from County contribution to the hospital for a total amount of **\$76.5 million**. The recommended reduction represents the fifty percent (50%) ambulance subsidy of **\$1.75 million** and additional contribution of **\$1.75 million** to the operating budget.
- **Funding of FY2008 Board of Commissioners Enhancements** – the FY2009 Proposed Budget includes continued funding for the following enhancements approved by the Board of Commissioners in the last two fiscal years.

FY2008 Budget:

- ✓ \$136,500 for Community Prosecutor's office.
- ✓ \$200,000 for reorganization of Juvenile Division and Gang Unit of the District Attorney's office.
- ✓ \$150,000 increase in temporary employees account line for court support services in the Public Defender's office.
- ✓ \$75,175 funding for a new Transforming the Lives of Children (TLC) program established in the Mental Health Department.
- ✓ \$415,000 for Southwest Arts Center operating budget.
- ✓ \$100,000 for additional security hours for the libraries
- ✓ \$250,000 to continue funding the REACH program after the funding was terminated by the federal government.
- ✓ \$400,000 for senior citizens home repair program
- ✓ \$250,000 for adult day care program.

A total of **\$1,976,675** of FY2008 Board of Commissioners approved enhancements, and enhancements plus applicable increases for full year operations, is included in the FY2009 Budget.

- **Funding for FY2009 Budget Commission Recommended Enhancements** – the Budget Commission has approved a total of **\$3,274,455** as enhancements for **FY2009**.
- **Inmate Outsourcing and Other Requirements of the Federal Court Order** – because of the federal court order which necessitates the ongoing \$54 million

improvements to the Fulton County jail, the Budget Commission has approved the Sheriff's request for the fourth year in a row to continue relocation of some of the inmates from the jail to other locations in the surrounding vicinity. Funding in the amount of **\$10 million** is provided in the Non Agency Budget to relocate an average of 500 to 700 inmates per month next year. Relocation of these inmates will permit continued improvements to the building and relieve overcrowding.

- **\$22.3 million Reduction due to Programs and Services Review (Outcome Budgeting)** - after full review of department programs and budgets, it's been determined that reductions can be made in several department budgets without negatively impacting the Board of Commissioners goals for FY2009. Accordingly, the Budget Commission is recommending the following reductions to be made in FY2009:

Arts Council	- 2 Temp positions for a total of \$103,046 - Contracts for services in the amount of \$334,132
Board of Commissioners	- Operating budget for a total of \$15,820 - 2 Permanent positions totaling \$122,764
Clerk to the Commission	- 1 Permanent position and 1 Temp position for a total of \$101,761
Cooperative Extension	- Operating budget of \$17,279
County Attorney	- Operating budget of \$9,438 - 2 Permanent positions and 1 Temp position for \$205,472
County Manager	- Operating budget of \$52,700 - 3 Permanent positions for a total of \$185,932
DFACS	- Professional services contract in the amount of \$1,046,317
Finance	- Operating budget of \$9,000 - 4 Permanent positions and 3 temp positions including overtime for \$296,708
General Services	- Operating budget of \$1,219,815 - 19 Permanent positions and 2 temp positions for \$1,013,696
Grady	- Ambulance Subsidy for \$3,500,000
Housing & Comm. Dev.	- Operating budget of \$1,060,000

Information Technology	- Operating budget of \$505,601 - 3 Permanent positions and 5 temp positions for \$296,864
Justice Agencies	- \$3,500,000
Library	- 11 Permanent positions and 11 temp positions for \$1,176,297
Mental Health	- JSAP and DUI for \$1,500,000
Non Agency	- Contingency reductions of \$5,000,000
Personnel	- Operating budget of \$27,007 - 5 Permanent positions for \$234,362
Public Works	- Operating budget of \$51,278 - 12 Permanent positions for \$602,615
Registration & Elections	- Operating budget of \$22,616 - 1 Permanent position, 1 temp position and temp administrative aides for \$200,071

- **Funding of salaries and benefits** – the Budget Commission is recommending that a targeted two percent (2%) to six percent (6%) personnel turnover ratio be maintained in 15 County departments which have had a historical high turnover rate in the last few years without disruption or reduction to their levels of service to our citizens. It is estimated that this will generate additional savings of \$6 million in FY2009 budget.
- **Loss of State Funding for County Programs** – because of the ongoing budget woes, the State of Georgia has decided to reduce funding assistance for some County programs by almost \$1.8 million. The bulk of the funding reduction affects the Mental Health and Health and Wellness Departments programs listed below:

Program: Health and Wellness Department General Public Health Grant

Reduction Amount: Reduced by 5.32% or \$381,204

Impact: Discontinuance of mosquito control outsourcing, and longer wait times in some County health centers

Program: Health and Wellness Department General Expanded Family Planning

Reduction Amount: Reduced by 100% or \$475,896

Impact: Elimination of family planning contract with Planned Parenthood and impacting 7,000 clients

Program: Health and Wellness Department Family Planning

Reduction Amount: Reduced by 47.56% or \$261,000

Impact: Reduction in staff along with potential decline in health outcomes for mothers and babies. A total of 6,637 clients are expected to be impacted and longer wait times could be expected as well

Program: Health and Wellness Department Teen Pregnancy Prevention

Reduction Amount: Reduced by 100% or \$250,280

Impact: Consolidation of teen clinics into family planning services and reduction of staff. Longer wait times as well as potential increase in teen pregnancy could be expected. We have estimated that a total of 3,057 clients will be impacted.

Program: Health and Wellness Department Adolescent Health Outreach (Enrollment of teens in Medicaid/Peach-Care)

Reduction Amount: Reduced by 100% or \$27,936

Impact: Reduction in staff and fewer youths enrolled in Medicaid

Program: Mental Health Department services for Temporary Assistance Needy Families (TANF)

Reduction Amount: Reduced by 100% or \$200,000

Impact: Complete elimination of the program with 312 clients impacted; and reduction of staff

Program: Mental Health Department Substance Abuse services for Clients under Temporary Assistance to Needy Families

Reduction Amount: Reduced by 48.24% or \$143,400

Impact: Reduction in staff and 550 clients impacted

FY2009 Major New Initiatives and Program Enhancements

GRADY HOSPITAL

Renegotiation of Existing Contract

The County contribution of \$76,500,000 to Grady Hospital represents over 12% of the General Fund budget. The Budget Commission believes that this is a significant portion of the budget that requires better control than we have given it, to ensure that the County is receiving full benefits of its contribution and Fulton County Indigents are receiving adequate level of care as intended in the original contract. To this end, the Budget Commission is recommending that the contract with the hospital be renegotiated to include clear delineation of the type of care to be provided County Indigents; nature of reporting required to be submitted to the County; and hiring of an Auditor to monitor the contract to ensure that it's administered appropriately.

Creation of Pilot Clinics

The County Manager and Public Health Department is exploring the possibility of establishing a pilot clinic in the newly renovated County Neighborhood Union Center to provide some primary care services. It is our hope that all of these efforts would reduce pressure on Grady Hospital emergency room operations.

JUSTICE SYSTEM

Jail Diversion Program

The Budget Commission is recommending expansion of the existing jail diversion program for Superior Court in FY2009. The program involves the release of defendants who are unable to post bail and would be deemed ineligible for release under the existing criteria pending trial or other disposition of the charges against them. The program would be structured to minimize the risk of flight or danger to public safety by the defendants by including requirements that the defendant report in person to the Pretrial Services Office twice weekly; weekly field visits by Pretrial Services staff to the defendant's home or place of employment; participation in a drug treatment program if drug tests indicate that substance abuse is a problem; strict curfew; and use of electronic monitoring devices if necessary.

The proposed budget includes funding in the amount of \$83,000 for the Backlog Judge to continue providing assistance in reducing the existing case backlog.

Purchase or Build a new Jail

The Budget Commission is recommending that the County explore the possibility of acquiring or building a new jail as part of the solution to the current jail overcrowding and consent order. This recommendation would involve financial analysis of acquiring or building a new jail, and how the current annual inmate outsourcing budget of \$10 million could be leveraged for the County to own a facility as opposed to leasing bed spaces in other jurisdictions.

Case Management Improvements/Backlog Reduction

As part of the Capital Improvement Program (CIP) for FY2009, the Budget Commission is recommending funding in the amount of \$6.5 million towards the total budget of \$16 million needed for acquisition of the Unified Case Management System for the Justice System Agencies. The proposed amount represents incremental funding which will be added to the \$4 million previously funded in FY2007 for a total funding of \$10.5 million to date. The anticipation completion date for installation of the system is sometime in FY2010, depending on availability of funding for the final phase. It is expected that, once completed, the system will provide significant improvement in case handling and efficiencies will be created for possibilities of cost reduction.

ADAPT TO CURRENT NATIONAL/LOCAL ECONOMIC CONDITIONS

Structural Changes

The Budget Commission approached preparation of FY2009 Proposed Budget with an eye towards the goal of removing the structural imbalance of **\$20.2 million** in FY2008 budget. The proposed budget fulfills this goal by reducing a total of **\$22.3 million** in recurring expense from various department budgets, while funding the increase of **\$8.1 million** in health insurance premium share to the General Fund. Using the various assumptions indicated in separate section of this message, we estimated our recurring revenue for next year to be **634.9 million**. Additional nonrecurring revenue of **\$34.2 million** has also been identified in the budget, which the Budget Commission is recommending to be expended in nonrecurring capital, non-capital items, and increase of the County fund balance. The County Manager will be providing his recommendations for capital items to the Board of Commissioners during the year for approval. The limited use of nonrecurring revenue in acquisition of nonrecurring capital and noncapital items will ensure that the County does not get into structural imbalance in the future that would require an increase in property taxes.

It should also be noted that the proposed budget anticipates an increase of one percent (1%) to the County fund balance reserve requirements, going from the current reserve amount of **8.33%** of the expenditure budget to **9.33%**.

Consolidations

We will continue to explore opportunities to manage our limited financial resources by being efficient and effective in our program deliveries through consolidations. Additional measures will be employed next year to look for avenues that will result in cost reduction of program and service deliveries to our taxpayers.

Comprehensive Program Evaluation

The Outcome Budgeting approach used in preparing the proposed budget is a modified version because the County does not have the appropriate data structure in place. In order to obtain the necessary data that we could use to measure results of our various programs, the Budget Commission is recommending that the County conduct a detailed operational performance audit of our programs next year. This audit would reveal how well we are performing against established benchmarks and what kind improvements we can institute, if necessary to improve.

Comprehensive Fee Evaluation

The Budget Commission is recommending a comprehensive review of our fee structure to determine whether we are charging appropriate price for our services and if our prices are comparable with the market. The Commission recognizes that some of our fees are controlled by the State of Georgia, and it might require lobbying efforts to get them changed if we can demonstrate through the review that the present costs of providing the services exceed the prices charged to pay for them. For those program fees that are in control of the Board of

Commissioners, the County Manager will provide appropriate justifications, if and when a fee increase is proposed on a program.

Grant Development and Management

The County will continue to look for opportunities to seek more grants and manage them better to ensure that proper indirect cost recovery are being applied to provide additional resources for the County.

Development of the Proposed Budget

Balancing the General Fund

The FY2008 General Fund Approved Budget is projected to have a year-end fund balance of **\$59.5 million** (or **9.3%** of projected expenditures) which meets the **8.33%** cash reserve requirement of **\$53.5 million** and leaves **\$5.98 million** “surplus” heading into FY2009. The baseline amount for FY2009 Proposed Budget is **647.9 million**. It represents the budget amount the County would need to maintain the same level of service, if no efforts are made to manage resources efficiently and effectively to reduce cost. This amount is derived by using the approved amount of **\$671.4 million** for FY2008, reduced by non-recurring expense amount of **\$3.3 million** for ambulance subsidy, and **\$20 million** for the 27th pay-period and the presidential elections in 2008. The Budget Commission realized the structural imbalance in the County General Fund budget with recurring expense exceeding recurring revenue by **\$20.2 million** in FY2008, and exerted all efforts to remove the imbalance in FY2009 budget. The proposed recurring expenditures budget for the County in FY2009 is **\$634.9 million** and the recurring revenue is **\$634.9 million** with a projected ending fund balance of **\$62.7 million**.

FY2008 Approved Budget	\$671,469,078
Less FY2008 Ambulance Subsidy-50% of regular payment through June 30 (\$1.75 million for Grady Hospital and \$1.55 million for Rural Metro and \$62,493 for contracts administration)	(3,362,493)
Less adjustment for non-recurring expense for 27 th pay-period and elections	(20,221,000)
 FY2009 Budget Baseline Amount	 647,885,585
 Add increase for health insurance premium due to 80/20 premium share	 8,100,000
Less FY2009 accepted departments’ reductions due to Outcome Budgeting Program review	(22,320,297)
Less use of fund balance for Health Department’s budget	(2,000,000)
Add Enhancements	3,274,455
 Total Recurring Expenditures	 \$634,939,743

Revenue Discussion:

Because of difficulties in obtaining the necessary relevant data for some of the revenue categories, several assumptions are used by the Budget Commission in projecting the FY2008 revenue and estimating FY2009 revenue. Among the difficulties and assumptions used are the following:

ASSUMPTIONS USED IN ESTIMATING PROPERTY TAXES

The temporary court order issued in July 2008 limits billing amount for all parcels under appeal in the current year and prior years. The majority of parcels affected by the court order are commercial properties which have been revalued as part of recent County commercial properties revaluation efforts.

The total billable value of County General Fund tax digest as of October 31 is **\$43.99 billion** and the outstanding amount in dispute is **\$4.6 billion**. In calculating the FY2008 Current Year Tax Revenue of **\$407 million**, assumption was made that the Tax Commissioner will not be doing any FIFA sales on tax receivables through FY2008, and ninety percent (90%) of the billable amount will be collected in the current year.

For FY2009, using the current rate of the appeal properties value reviewed to the amount billed to-date in FY2008 which is seventy-two percent (72%); the Budget Commission estimated that **\$3.257 billion** of the outstanding amount of **\$4.6 billion** in dispute at the end of FY2008 will be billed next year to generate additional tax revenue of **\$31 million**. When this amount is added to the FY2008 base amount of \$407 million, it will result in gross amount of **\$438 million** next year. This amount is then reduced by **\$10 million** for voters-approved referendums on increase in homestead exemption (HB 1190 and HB 1205 previously discussed above). If the property value in dispute is settled as expected next year, the Tax Commissioner will be able to bill on the same properties for FY2008 taxes thereby generating additional **\$31 million** in revenue.

ASSUMPTIONS USED IN ESTIMATING TAX DIGEST GROWTH RATE

For FY2009, pending receipt of a new Tax Digest growth rate from the Board of Assessors, a tentative Tax Digest growth rate assumption of one percent (1%) on new development is used in preparing the revenue estimate compared to five percent (5%) and three percent (3%) assumptions used in FY2007 and FY2008 respectively. The reason for the reduction is because of the national economic downturn which has grown worst since last year and has resulted in sluggish housing market. Each one percent (1%) loss in revenue equates to **\$4.86 million** in estimated revenue.

It should be noted that the Budget Commission prepares the FY2009 Budget with the assumption that the total next year taxable value will at least equal the value for the current year. Any negative deviation from this assumption will require increase in millage rate to obtain the same tax revenue being projected to balance the budget. Under the State of Georgia Taxpayer's Bill of Rights, this would not be considered a tax increase, and it is in accordance with rollback provision of the State

ASSUMPTIONS USED IN ESTIMATING HOMESTEAD TAX CREDIT

In the past few years, Fulton County, as well as other Counties in the State of Georgia, have been reimbursed in the form of a grant for additional State of Georgia homestead tax relief extended to residential taxpayers. Because of the recent State budget shortfall, the County has been informed that the State of Georgia is withholding the expected \$12.7 million for FY2008 until next year when the State Legislature will reconvene to deliberate on budget reduction measures that will be instituted to cover the gap. In light of the uncertainty surrounding this issue, the Budget Commission has taken a conservative approach to assume that the State of Georgia will be terminating the tax relief resulting in no more future reimbursement from the State and the Tax Commissioner will be billing Fulton County taxpayers for the homestead tax credit already extended in FY2008 tax bills.

ASSUMPTIONS USED IN ESTIMATING LOCAL OPTION SALES TAX

The Budget Commission assumed that the current national economic recession which was mild at the beginning of FY2008 will be severe in FY2009. This is expected to slowdown the retail business resulting in lower sales tax revenue. For this reason, the projected local option sales tax proceed for FY2008 is expected to be \$3 million lower than the budget amount of \$38 million and further reduced to \$33 million in FY2009.

The FY2008 General Fund revised revenue projection is **\$601.7 million** compared to the approved budget amount of **\$627.7 million**. The main reason for this reduction is because of timing delay in receiving the expected revenue as explained above.

The County General Fund revenue estimates continue to be constrained by the State laws, specifically Senate Bill 610 and more recently HB1190. Senate Bill 610 limits the increase (to the lesser of the rate of inflation or 3%) in the Tax Digest for change in value of existing residential homestead properties due to revaluation. It does not affect the growth of the Tax Digest that results from property improvements or new construction. For next year, we are expecting the lowest growth compared to any other previous years, one percent (1%) in this category of the County Tax Digest. HB 1190 increases the amount of homestead exemption extended to residential homeowners within the County over a three-year period. This law was approved in 2008 and it's limited to Fulton County only.

The County continues to experience slow growth in residential real estate market and our revenues are expected to be impacted for the foreseeable future. According to National Association of Realtors, sales of existing homes fell in August to an annual pace of 4.91 million nationwide, down from 2.2% from July reading of 5.02 million. This represents the ninth month in a year in which the home sales pace fell. Year to year, the August sales number was down 10.7% from a year earlier. Median prices of existing homes declined at an average of 9.5% compared to the same period a year ago. Home prices fell in every region of the country, with the Southern region experiencing a dip of 3.4% in the same month. Relative to this negative trend in the housing market, every decline in sales of homes translates to a loss of potential revenue to the County in two revenue categories: "Current Year Intangible Recordings" and "State of Georgia Real Estate

Transfer Tax.” The Budget Commission has projected a reduction of \$4.86 million to the County revenue from these categories for FY2009.

Finally, adherence to the County Budget Law prevents the Budget Commission from recommending FY2009 General Fund revenues that exceed projected collection for FY2008 unless a new source of revenue is identified. However, because of the temporary court order which limits the billing of parcels that are being appealed in FY2008, some tax revenues that would have been collected in FY2008 would be delayed till FY2009 thereby artificially inflating the revenue projection for next year. Furthermore, the withholding of the FY2008 Homestead Tax Relief Grant by the State of Georgia would have the same effect on our revenue total for FY2009. Currently, the FY2008 General Fund revenue projection is **\$601.7 million**, and with the expected collection of FY2008 revenue in FY2009 due to the timing delay, the FY2009 recurring revenue is projected to be **\$634.9 million**.

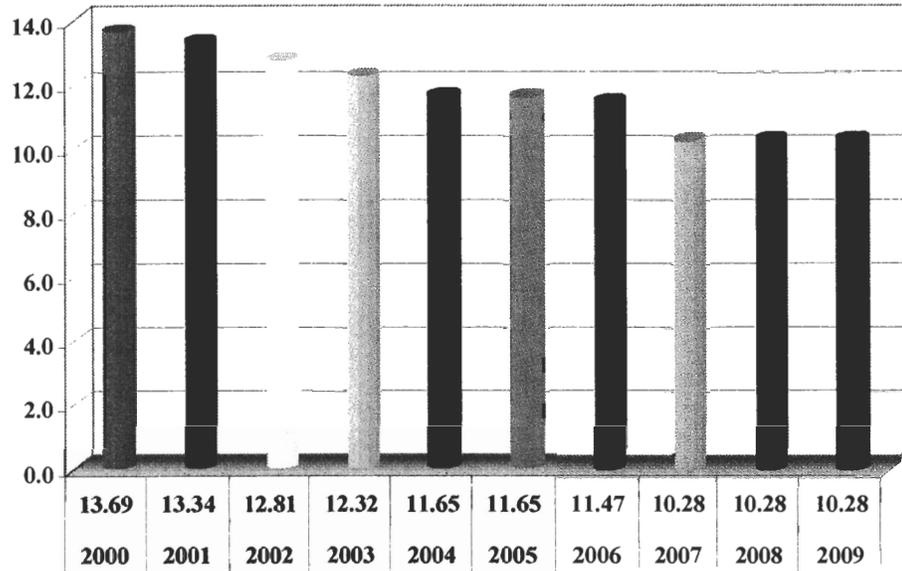
In summary, as depicted in the revenue chart below, Fulton County is heavily reliant on real estate taxes (77.7%) to provide services to its residents. Any negative action that affects the real estate market is bound to directly affect the County revenue stream. Conversely, the County benefits from any positive trend in the real estate market, as was experienced in the last few years, resulting in a significant reduction in tax rates for County taxpayers as illustrated in the millage table and chart below.

ILLUSTRATION OF FULTON COUNTY MILLAGE RATES IN THE LAST 10 YEARS

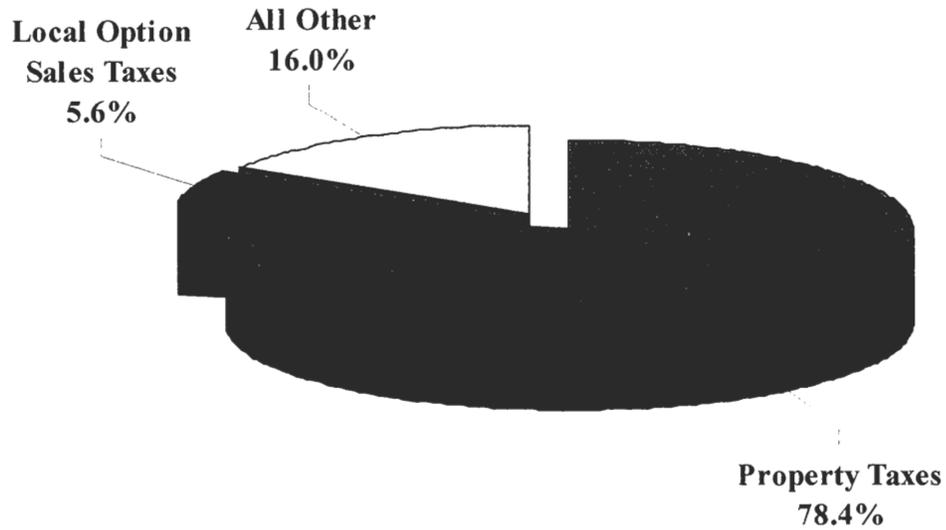
<u>FISCAL YEAR</u>	<u>GENERAL FUND MILLAGE RATE</u>	<u>BOND MILLAGE RATE</u>	<u>COMBINED MILLAGE RATE</u>
2000	13.31	.38	13.69
2001	13.04	.30	13.34
2002	12.53	.28	12.81
2003	12.05	.27	12.32
2004	11.58	.07	11.65
2005	11.58	.07	11.65
2006	11.41	.06	11.47
2007	10.28	.00	10.28
2008	10.28	.00	10.28
2009	10.28	.00	10.28

Fulton County 10-Year Property Tax Millage Rates

Millage



General Fund Revenues FY 2009



Expenditure Discussion:

In formulating the FY2009 Proposed Budget, the Budget Commission considered the expenditure outlook for the County with a view toward allocating County resources to achieve specific objectives based on Board of Commissioners and Budget Commission goals and measured results.

The proposed FY2009 recurring expenditure budget of \$634.9 million reflects continuation of funding for enhancements from the FY2007 and FY2008 budgets; reduction of FY2008 one time funding for 27th pay-period and elections, and expected savings from implementation of Outcome Budgeting approach.

Factors Affecting the Expenditure Budget

The Budget Commission recognizes the fact that the ongoing downturn in the housing market, which negatively impacts one main source of County revenue (property taxes), limits the level of growth in expenditure budgets that may be recommended for next year. It also limits the County's ability to allocate resources to other much needed program areas. This constraint, along with others enumerated in this section below, is incorporated into budget planning.

Fulton County has a significant need for Health and Human Services. Imbedded in the Health and Human Services area is the County's annual contribution to the Fulton-DeKalb Hospital Authority (Grady Memorial Hospital). Although the Budget Commission is recommending for the annual contribution to the hospital be reduced by \$3,500,000 in FY2009 because of the ambulance subsidy program that ended in FY2008, the County contribution has grown over the years as the hospital's revenue remains flat and the level of the uninsured using the facility increases. Fulton and DeKalb Counties are the only counties in Georgia that subsidize Grady Hospital, even though the hospital provides services for patients from the entire Atlanta region and the State.

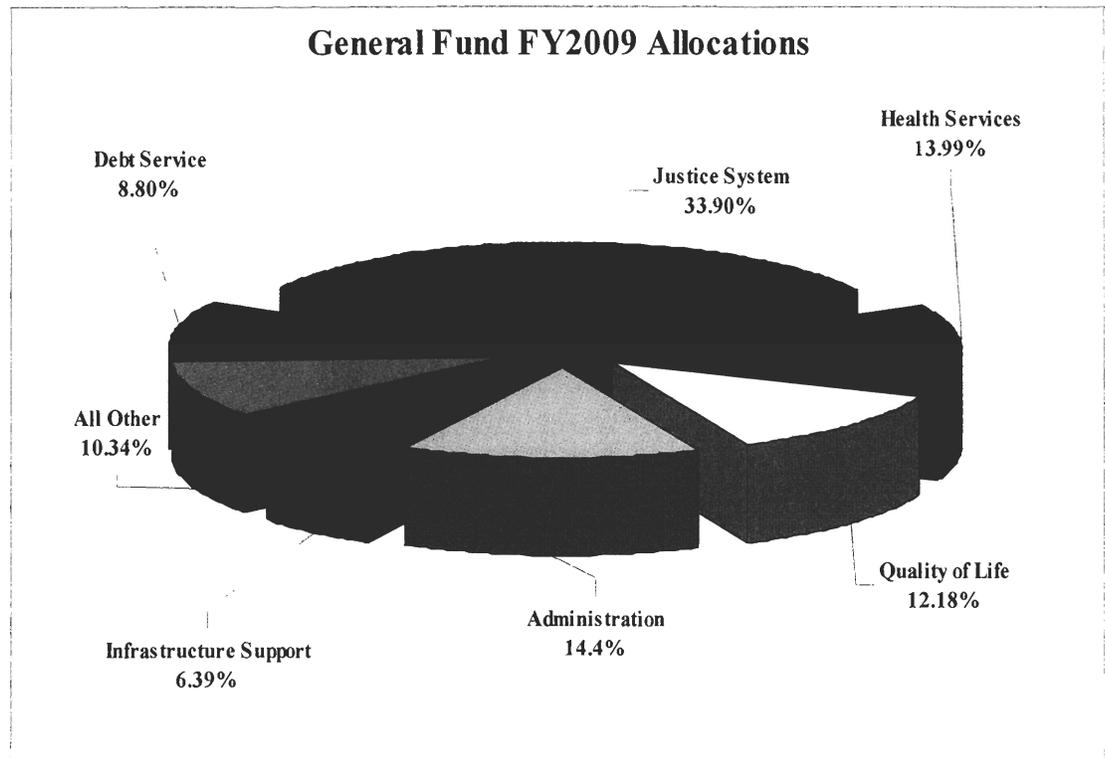
The Justice System is a mandatory function that continues to be dramatically impacted by the unfunded mandate of the state's "two strikes laws," which require the County to funnel significant resources to meet state requirements. Additionally, the County Jail continues to operate under the watchful eye of the federal court with regard to inmate population.

The existing Federal Consent Order established some of the parameters under which the County Jail is presently operating. As part of the Consent Order, the improvements to the plumbing system and mechanical and engineering structure of the jail are continuing, and are scheduled to be completed in 2009. In the meantime, inmates are being relocated to alleviate the overcrowding problem and to make room for the needed improvements. There is a \$4.3 million appropriation in the FY2009 Proposed Budget for the debt service on the \$54 million jail improvements loan, and \$10 million for relocation of inmates.

Fulton County does not have access to a Special Local Option Sales Tax (SPLOST) due to the 1% sales tax dedicated for MARTA. This 1% sales tax generates annual revenue of over \$200 million, and the loss of this entire sales tax revenue has a significant negative impact on the County's revenue position to support the expenditure budget. As such, the County's ability to

leverage County funds into state and federal funded capital projects similar to the programs underway in surrounding counties of Cobb and Gwinnett is virtually nonexistent.

The following chart depicts General Fund spending by major category and provides insight into where the General Fund allocations are distributed:



BREAKDOWN OF FY2008 GENERAL FUND EXPENSES BY SERVICE TYPE

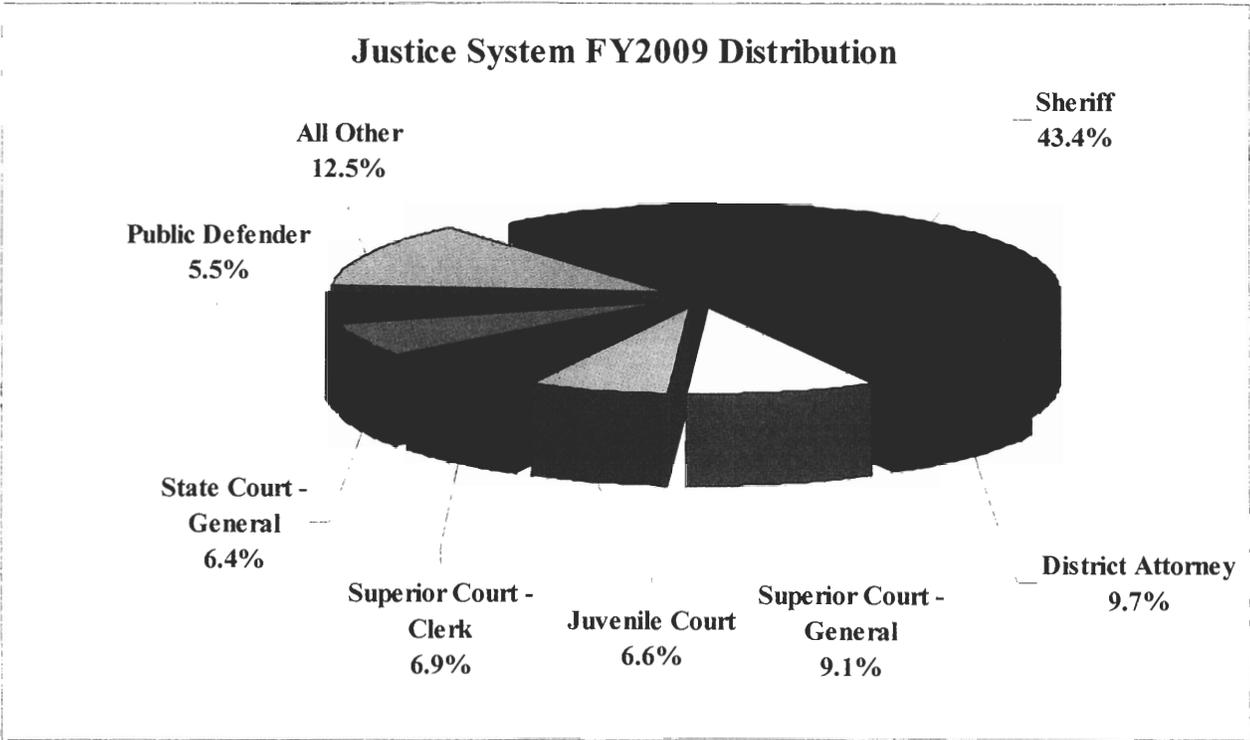
Service Type	FY2009 Allocations	FY2009 % Share	FY2008 Allocations	Difference
Justice System	\$215,250,374	33.90%	\$223,482,849	(\$8,232,475)
Health Services	88,814,589	13.99%	97,901,903	(9,087,314)
Quality of Life	76,825,394	12.18%	81,251,371	(4,425,977)
Administration	91,434,307	14.40%	105,900,588	(14,466,281)
Infrastructure Support	40,555,255	6.39%	44,612,908	(4,057,653)
All Other	65,656,742	10.34%	62,457,365	3,199,377
Debt Service	56,403,081	8.80%	55,862,094	540,987
Total	\$634,939,742	100%	\$671,469,078	(36,529,336)

The table above indicates the amount of budget allocation to each of the area of services provided to County citizens.

The largest percentage of the General Fund budget is allocated to the **Justice System** (33.9% in FY2009). Most of this appropriation is controlled by Constitutional Officers. A Justice System budget of \$215.2 million is being recommended in FY2009. Compared to FY2008 appropriation of \$223.4 million, this amount is less by \$8.2 million. The decrease in the proposed budget results from recommended reduction of the Budget Commission after review of the Justice Agencies budget for efficiency, and the one time appropriation for 27th pay-period funding previously included in the budget for FY2008. The Jail Inmate Outsourcing funding of \$10 million is funded out of Non Agency and not included in the Justice System budget.

The FY2009 allocation also provides enhancement for Superior Court Intensive Supervision Program, a Backlog Judge, and a Business Court Judge. The Budget Commission has also recommended enhancement in the amount of \$440,000 for the State Court to fund the Atlanta Traffic Court cases which the City of Atlanta stopped paying the County for in June 2008. The Public Defender and the District Attorney are approved for enhancement in the amounts of \$549,000 and \$148,000 respectively to cover the annual leases of locations the Agencies used for their operations.

The chart below shows distribution of Justice System overall FY2009 Proposed Budget.



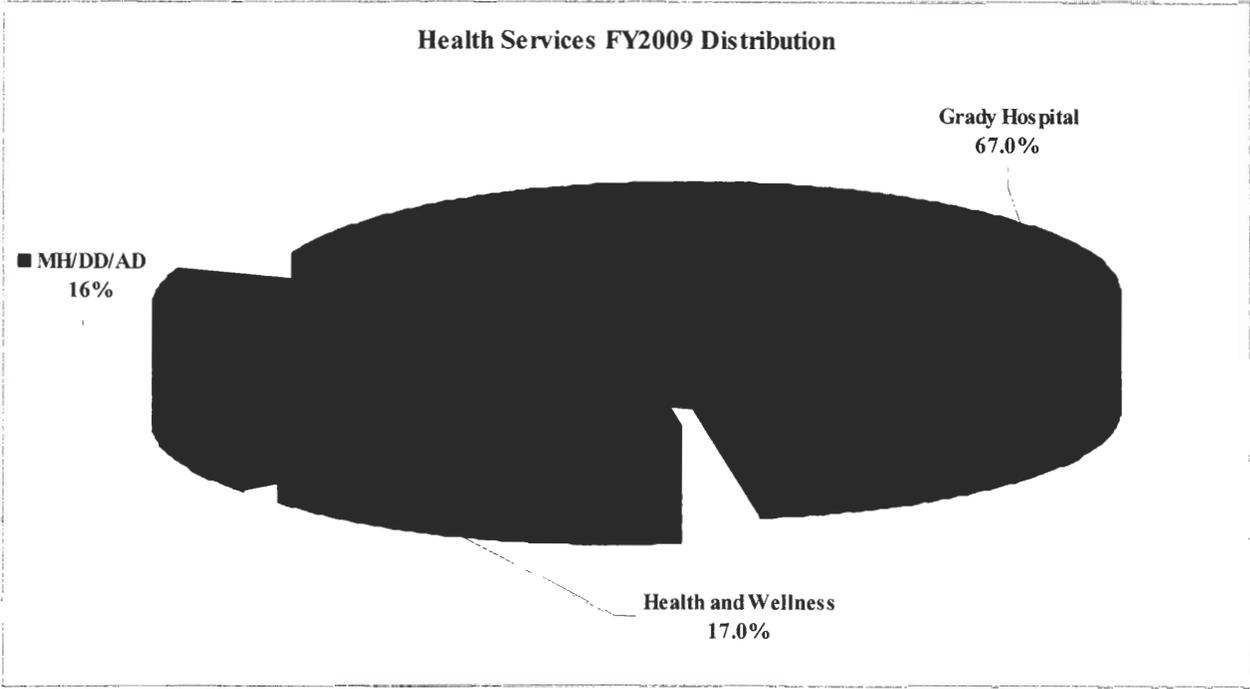
Health Services provided to the residents of Fulton County through Grady Hospital, the Department of Health and Wellness and the Department of Mental Health, Development Disabilities and Addictive Diseases consume 13.99% of the General Fund budget. The Budget Commission is proposing a FY2009 appropriation of \$88.8 million for these services, a decrease

of \$9 million under FY2008. The decrease arise from the use of \$2.6 million of Health Fund Balance for operations in the Health and Wellness Department; reduction of \$2.2 million in Mental Health Department's budget for efficiency, and reduction of \$3.5 million form Grady Hospital's funding due to termination of ambulance subsidy by the County in June 2008.

The State of Georgia has reduced its funding for some of the programs administered by the County Mental Health and Health and Wellness Departments' budget as part of solutions to their current budget problems. The impact of this action is enumerated in another section of this message above.

Enhancement amount of \$1,100,000 is recommended for the Mental Health Department. \$750,000 of this amount will be used to establish the Jail Mental Health Adjudication Release Program to help decriminalize acts that result from mental illness. This is expected to reduce the jail population by providing alternative program to incarceration. The remaining amount of \$350,000 will be used to acquire electronic health record software system which will be used to reduce risk management issues, improve efficiency, accuracy and clarity of medical records and billing.

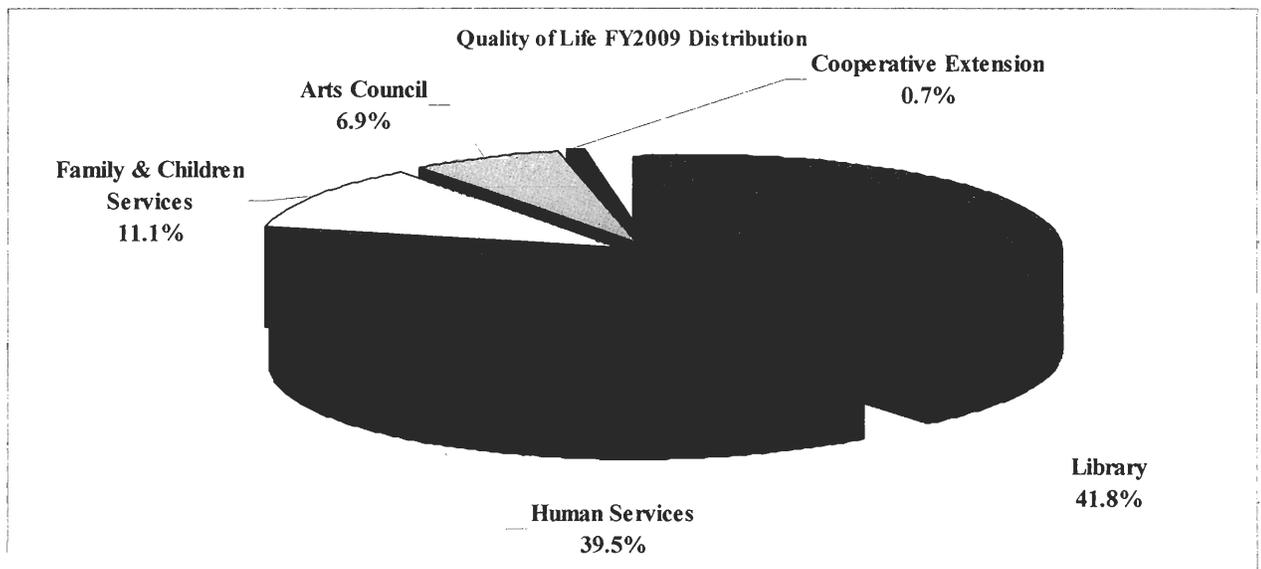
The remaining Health Services allocation will provide for continued operation of 12 health centers and continuation of the REACH Cardiovascular Disease Prevention initiative.



Quality of Life, which includes the Atlanta-Fulton County Library System, Human Services, Department of Family and Children’s Services, Arts Council, and Cooperative Extension, comprise 12.18% of the General Fund budget. The Budget Commission is recommending \$77.4 million for a decrease of \$3.9 million from the FY2008 appropriation. The decrease is due to FY2008 funding for 27th pay-period that is not included in FY2009 Proposed Budget and reduction that was taken from some of the departments in the group for efficiency from the County Manager Working Group programs and services review.

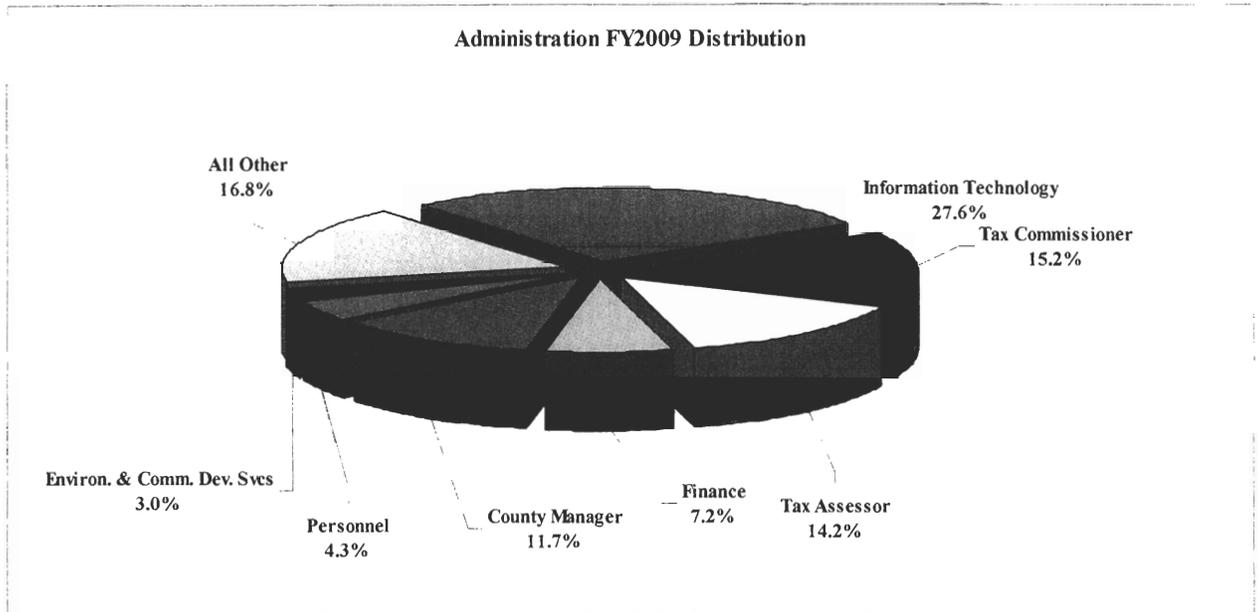
The Arts Department budget includes full funding for recently opened Southwest Arts Center annual operations next year. The remaining recommended funding level will provide for continued operation of 32 branches of the Public Library System, 4 Multipurpose Senior Centers, and 16 Neighborhood Senior Centers, 2 Arts Centers and programs in support of the aging, homeless, and at-risk youth as well as services provided through the State Department of Family and Children’s Services.

The County \$200 million Library Bond for construction and improvements was recently approved by the voters and promises to rejuvenate our library programs in future years to come.



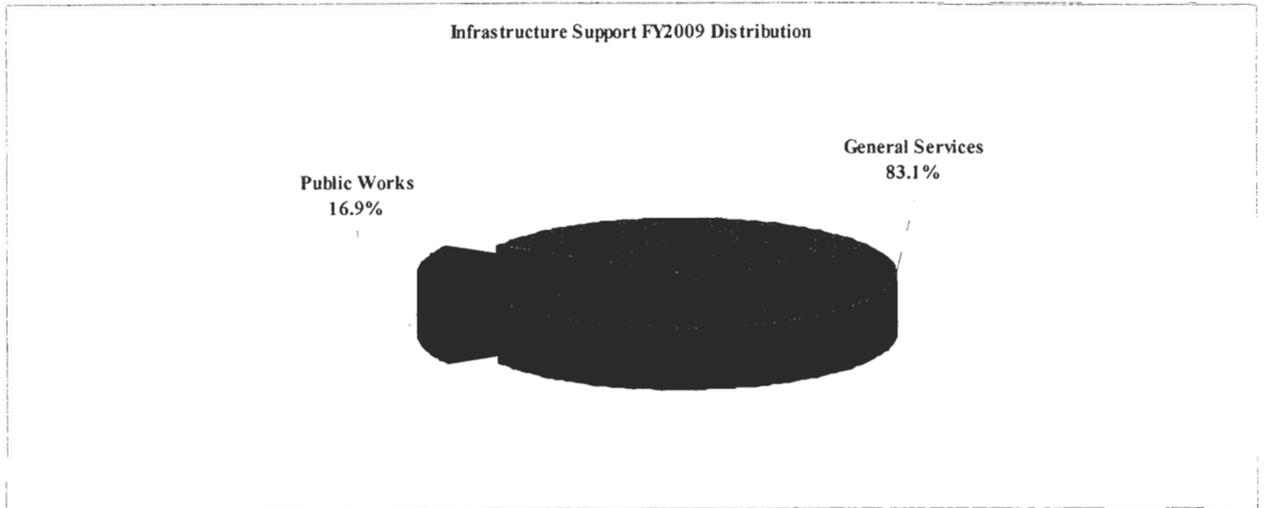
Administration services comprise 14.4% of the General Fund budget. Departments funded in this category are Information Technology, Tax Commissioner, Tax Assessor, Finance, Personnel, Purchasing, Environment and Community Development, Economic Development, County Manager, Clerk to Commission, Board of Commissioners and Registration and Elections. The Budget Commission is proposing a \$91.4 million appropriation which reflects adjustments for efficiency and one time funding for 27th pay-period. The County Manager’s budget includes appropriation of over \$900,000 for the Internal Audit Division and Employee Training Division transferred from the Finance and Personnel Departments respectively. The County Manager’s budget includes funding for enhancement of the County employees training and performance programs. Many of our employees lack the basic tools to perform efficiently on their jobs; in order

to expand their capacities; the Employee Training Division will be organizing different training programs that would be available to any deficient employee to attend as part of the training initiatives. Capital Improvement Program funding for continuation of a pictometry system for the Tax Assessor's Office to improve approval process.

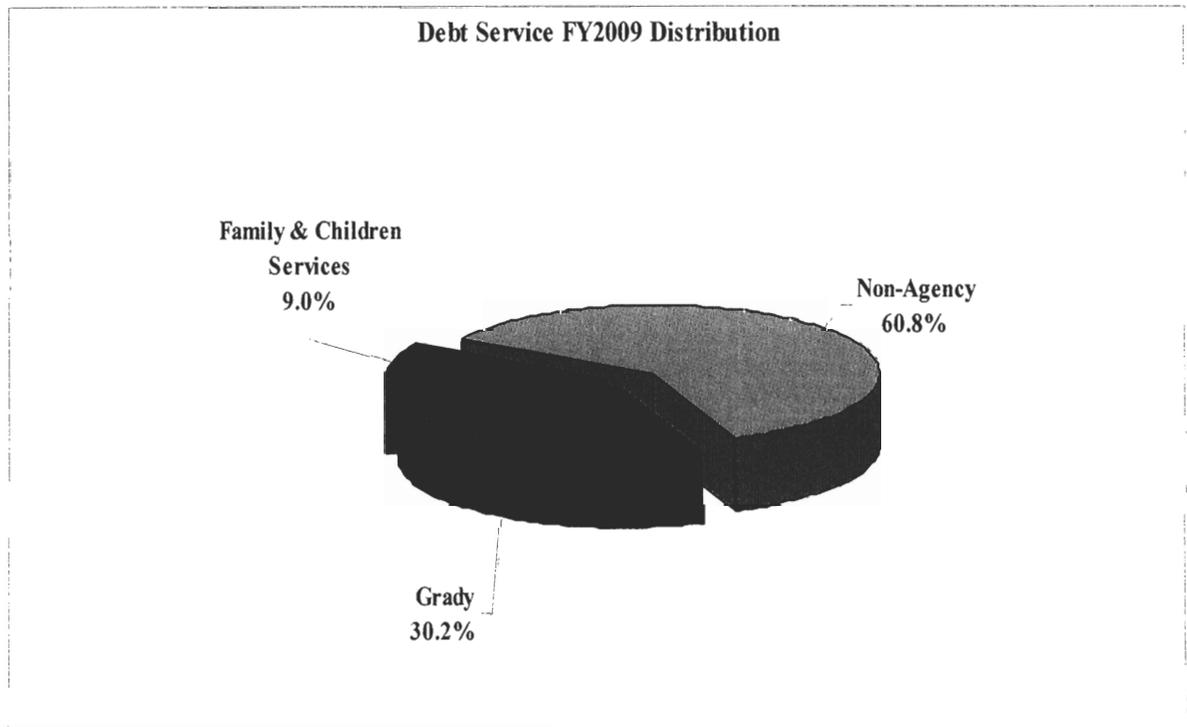


Infrastructure Support services represent 6.39% of the General Fund Budget. Departments funded in this category include Public Works and General Services. Public Works' primary functions include systematic planning, construction, maintenance and operation of the County transportation system and storm-water management in unincorporated Fulton County. The department provides management of the County's infrastructure; ensures compliance with federal, state, and county regulatory requirements; and designs, constructs and maintains County roads, drainage systems, and bridges. General Service's functions include providing facility management; print, reprographics and mail services; building construction and energy management; facility construction, engineering, and facility maintenance. Contractual obligations managed or provided include material management, maintenance services, commodity contracts, elevator and escalator maintenance and repair contracts, locksmith and welding shop services, Government Center Atrium management, building electronics and alarms, evacuation plans, and parking lots.

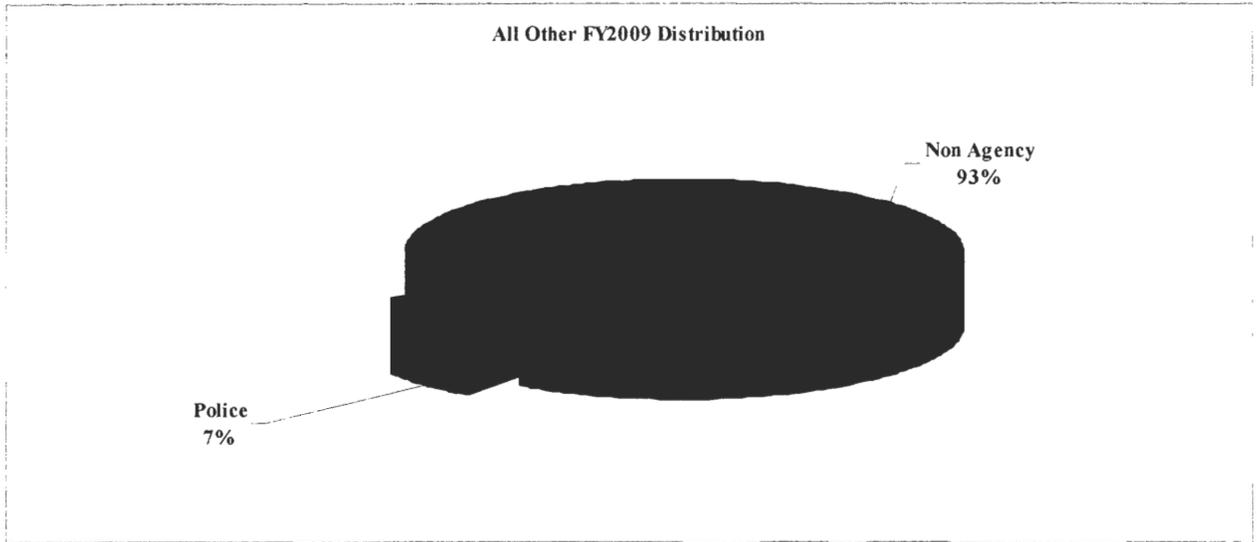
The Budget Commission recommends \$44.6 million for Infrastructure Support in FY2009. The General Services Department budget includes funding for Fuel Management System, Fixed Asset Management, and Transportation System. The budget is reduced by \$3.3 million for 27th pay-period adjustment; expected attrition savings of 6%, reductions taken as part of countywide review of programs and services for efficiency, and transfer of rent for the Alpharetta Tax Center location from the Tax Commissioner's budget. The Public Works Department's budget reflects adjustment for FY2008 27th pay-period funding and efficiency reduction that is expected to be generated from the review of programs and services.



Debt Service is 8.8% of the General Fund budget. The funds are used to pay the contractual obligations of the County for debt service/lease payments on various County facilities, including Grady Hospital's facilities. The Budget Commission is recommending \$56.4 million for FY2009 which includes funding needed to meet the lease payments to the Fulton County Building Authority and \$4.3 million payments on the Jail Mechanical Engineering and Plumbing (MEP) project. The \$546,000 million increase in total debt payment scheduled for FY2009 compared to FY2008 is due to the payoff amount needed acquire the SW DFACS building next year.



All Other accounts for 10.34% of the General Fund budget and includes payment for security services provided through the Fulton County Police Department for various County facilities, and all other costs not directly associated with an agency (i.e., Non Agency) such as utilities, animal control contract, pension and insurance payments, professional services, transfer to capital and contingency funds. Compared to FY2008, the proposed Non Agency budget is increased partially because of the increase in health insurance premium.



SPECIAL SERVICES DISTRICT FUND

Development and Balancing of the Proposed South Fulton Tax District Budget

The FY2008 South Fulton Tax District budget is structurally imbalanced with a shortfall of **\$12.6 million**, which was partially funded with the beginning fund balance of **\$7.4 million** and one time transfer of **\$6 million** from the old Special Services District (SSD) Fund. From the most recent monthly financial report of the district, it is projected that \$46.6 million will be expended in FY2008 against revenue amount of \$35 million leaving a projected ending fund balance of **\$1.9 million**.

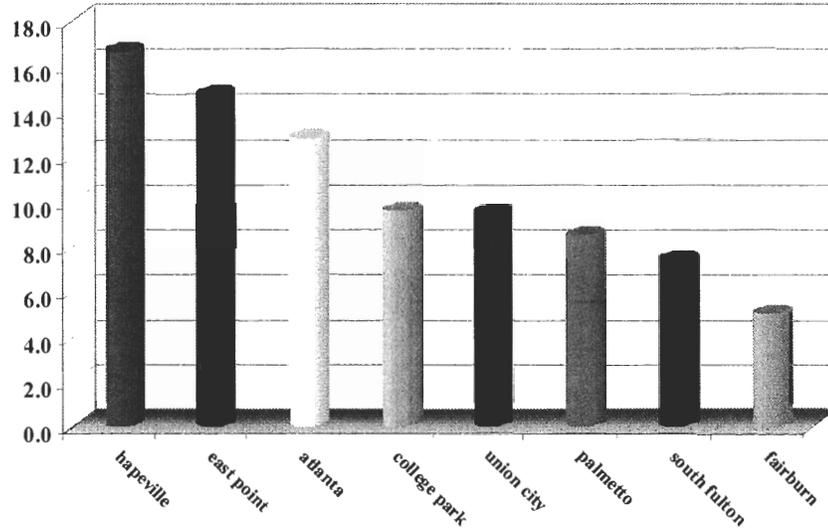
The FY2009 Proposed Budget of the district was prepared applying the same Outcome Budgeting approach used for General Fund. The departments in the district's budget were required to provide information on their programs and services which was then reviewed by the County Manager Selected Working Group for recommendations to the Budget Commission. The efforts resulted in budget savings of **6.2 million**. The items recommended for reduction are listed below and reflected in the departments initial target budget.

EC&D	- Operating budget of \$23,866 - 23 Permanent positions, 2 contract positions and 1 temp position for a total of \$1,409,497
Finance	- Temp funding of \$36,403
Fire	- Total reduction of \$1,944,000
Police	- 13 Permanent positions for \$1,359,113

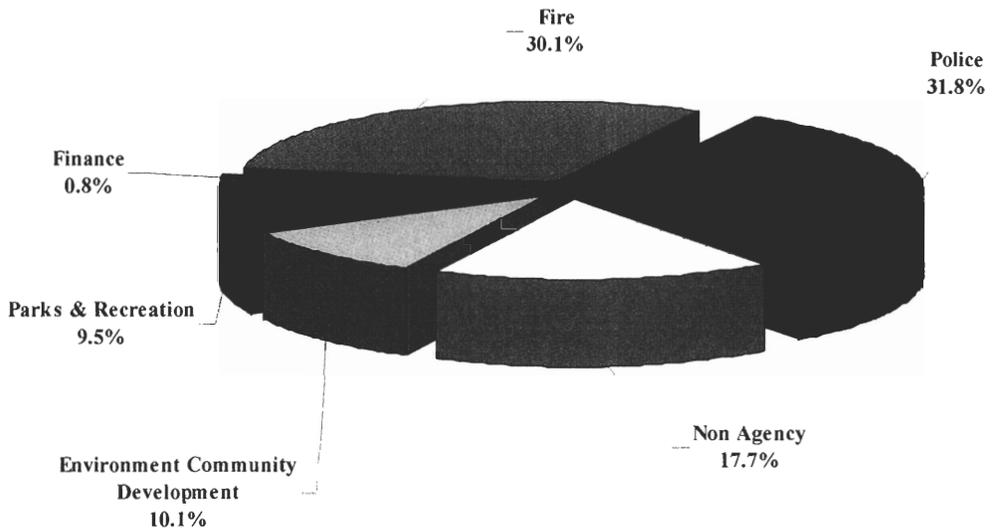
The non recurring funding sources of \$12.6 million used to balance FY2008 budget made it impossible to balance FY2009 Proposed budget and provide the same level of service without increasing the millage rate. As such, in preparing the FY2009, the Budget Commission is using a balanced approach between providing adequate level of service to the residents; closing the budget gap created from FY2008; and reality of the current economic situation which limits the extent a higher tax increase could be imposed on the taxpayers.

In order to fund streamlined expenditures in the amount of **\$42.5 million** next year, the Budget Commission is recommending a recurring revenue amount of **\$39.8 million**, plus a transfer of nonrecurring amount of \$2 million from the old SSD added to FY2009 beginning fund balance of **\$1.87 million**, ending with a projected fund balance of **\$3.6 million**. In addition to the same assumptions used to prepare General Fund revenue, the Budget Commission assumed that the Building Permits and other construction related revenues will be greatly reduced because of the ongoing housing slump and low construction activities in South Fulton. Furthermore a millage increase of 1.75 mills is proposed to be added to the current millage rate of 5.659 mills, thereby making the new rate for the district to be 7.409 mills in FY2009. The value of 1 mill in the district is equivalent to \$3.6 million, and 1.75 mills is expected to generate \$6.4 million. The proposed millage of 7.409 mills represents the second lowest rate of all municipality millage rates in the southern region of the County. Approval of the proposed millage rate will move the district's budget closer to being structurally balanced. However, depending on future economic conditions, additional measures, including but not limited to reduction in services or additional increase in millage rate might need to be taken in the future to cover the one time transfer of \$2 million from the old SSD to balance the FY2009 Proposed Budget.

Millage Comparison of South Fulton Millage to Selected Municipalities Rates



South Fulton Tax District Expenses FY 2009



Finally, with regard to the existing Special Services District Fund, the Budget Commission recommends appropriating **\$11.2 million** of fund balance to cover the anticipated compensated absence payouts in FY2009 and beyond; one time transfer of **\$2 million** to the South Fulton Tax District, and **\$1.5 million** to the Solid Waste Fund for ongoing post closure remediation efforts at the Morgan Falls and Merk Miles landfill locations. .

EMERGENCY COMMUNICATIONS (911) FUND – FUND #340

The Emergency Communications (911) Fund proposed FY2009 expenditure appropriation is \$8,093,230, an increase of \$1 million, or 14.29% over the FY2008 projected expenditures of \$7,000,000. The proposed funding is to be used for salaries and fringes; service contracts for the 800 MHz Countywide Public Safety Trunked Radio System; CAD System; Mobile Data System; and Dictaphone Recording System. It also includes funding for increase to the maintenance cost for countywide 800 MHz Public Safety Trunked Radio System. The Budget Commission is recommending revenue appropriation of \$6.7 million for FY2009, which is less than projected revenue for FY2008 because the City of Milton ended its service contract with the County in October 2008. The projected shortfall of \$1.393 million will be covered using part of the projected beginning fund balance of \$5.7 million, leaving a fund balance of \$4.3 million, which is 53.5% of the proposed budget. The Emergency Communications (911) Fund Proposed Budget includes funding for 911 services to Cities of Sandy Springs, Johns Creek, and South Fulton Tax District for the full year and collection of the 911 user fees generated from the residents of these areas. It is possible that the Cities of Sandy Springs and Johns Creek might be terminating their contracts for services with the County during next fiscal year; we are presently embarking on efforts to engage a consultant to study the current 911 operation as it relates to revenues and expenses and provide us a report on the potential impact of these Cities terminating their contracts.

WATER & SEWER SYSTEM FUND-FUND #201 & #203

Water and Sewer Rate

Public Works and Finance Departments determine that an adjustment to the current rates beginning February 1, 2009 is necessary to ensure the County's ability to generate net revenues to cover the required bonded debt service coverage ratio of 1.10 and to comply with the required conditions set forth in the Rate Covenant. The proposed rate adjustments is as follows: for retail customers, an increase of \$0.59 for base charge and \$0.50 per 1,000 gallons for water and an increase of \$0.59 for base charge and \$0.98 per 1,000 gallons for sewer; for wholesale customers, an increase of \$0.37 per 1,000 gallons for water, \$0.28 per 1,000 gallons for sewer without capital component and \$0.69 per 1,000 with a capital component for sewer. This is an increase of 17 percent from the current rates. A typical residential customer with 6,000 gallons per month usage will pay a total of \$69.59 per month for a water and sewer bill. Public Works also requests an additional five percent across the board rate increases for water and sewer for 2010 and 2011 beginning January 1st of each year.

This rate increase is solely for the County to meet the bonded debt service coverage ratio. It is anticipated that Public Works will finalize the Capital Improvement Program (CIP) and recommend to the BOC for approval. At such time, additional rate increase will be proposed to fully fund the CIP.

System capacity fees

The system capacity fees have not been adjusted since January 1, 2004. The proposed system capacity fees as shown in the Attachment will have no impact to the existing customers. System capacity fees are charges against new developments to recover a part of capital costs of water and wastewater infrastructure needed to serve the new customers. System capacity fees allow the County to directly collect the costs from customers who benefit from the service, rather than from all customers of the system through monthly user charges.

Ancillary charges

Ancillary charges have not been adjusted since January 1, 2004 and some have not been adjusted since 1990s. Ancillary charges consist of various charges for miscellaneous services and activities performed by the County related to water and wastewater systems. The recommended ancillary charges schedule as shown in the Attachment is to allow the County to properly recover the relevant costs from those benefiting from various services and to prevent these costs from being recovered through rates charged to all customers.

High-strength surcharges

The County provides high-strength wastewater treatment service to a group of 46 industrial customers throughout the County. High-strength wastewater cause the County to incur additional treatment costs, therefore users discharging high strength wastes is allocated a fair share of these expenses as shown in the Attachment.

In light of this fact, the Water & Sewer System Fund FY2009 proposed expenditure is \$130,116,558, an increase of \$32,808,558 or 33.7% over FY2008 projected amount of \$97,308,000. The Water & Sewer System Fund proposed revenue for FY2009 is \$119,382,744, an increase of \$21,402,744 or 21.84% over FY2008 projected revenues of \$97,980,000. The projected retained earnings for the Water and Sewer System Fund is \$10,428,054. The Water and Sewer Renewal and Extension Fund FY2009 expenditures appropriation is \$41,362,678 against appropriated revenue of \$32,200,000. This leaves a projected retained earnings of \$103,386,293 reserved for capital improvements.

STORMWATER MANAGEMENT FUND-FUND #206

The Stormwater Fund was created in 1998 to develop comprehensive surface water basin master plans for the County which is now completed rendering the fund inactive.

The Fund does not have any proposed revenue for FY2009. The plan is to draw down some of the available fund balance of \$974,998 to pay for any expenses that might occur in FY2009, leaving a fund balance of \$624,998 at the end of the year.

SOLID WASTE ENTERPRISE FUND-FUND #210

The Solid Waste Enterprise Fund proposed FY2009 appropriation is \$1,492,023, just slightly less than the amount projected for FY2008 expenditures. The Solid Waste Enterprise Fund proposed FY2009 revenue is \$1,500,000 which is the amount proposed to be transferred from the old Special Services District Fund, leaving a fund balance of \$41,419.

This Fund is used to account for expenses relating to post closure efforts at the County two landfills.

BOND FUND – FUND #600

The Bond Fund proposed FY2009 expenditure appropriation is \$1,955,000. This budget represents the outstanding amount of the bond which we are expecting to pay next year. There is no revenue proposed for this Fund in FY2009 because there are sufficient funds in the Fund Balance that would be used to payoff the outstanding General Obligation Bond balance. The fund is likely to become active again in FY2010 when the bond for the Library construction program is issued.

RISK MANAGEMENT FUND-FUND #725

The Risk Management Fund proposed FY2009 expenditure appropriation is \$28,641,775, an increase of \$14.8 million over FY2008 projected expenditure. The projected expenditure amount is based on the assumptions that majority of the outstanding lawsuits relating to the 2005 Courthouse Shooting will be up for settlement next year. The Risk Management Fund proposed FY2009 revenue is \$12,440,030 a decrease of \$1,694,811 or 11.99% compared to FY2008 projected revenues of \$14,134,841. This decrease in revenue is associated with termination of Fire and Police services contracts by Cities of Milton and Johns Creek in FY2008.

HEALTH FUND-FUND #800

The Health Fund proposed FY2009 expenditure appropriation is \$40,511,101; a decrease of \$2,601,928 or 6% less than the FY2008 approved budget of \$43,113,029. The Health Fund proposed FY2009 revenue is \$37,824,006; a decrease of \$3,552,536 or 8.59% less than the FY2008 approved revenue of \$41,376,542, leaving a fund balance reserve of \$2,358,131 which is 5.82% of the proposed expenditure budget. The reason for the decrease in revenue is because the fund balance is expected to be used to balance the budget in FY2009.

AIRPORT FUND-FUND #200

The Airport Fund (Fulton County Airport-Brown Field) proposed FY2009 expenditure appropriation is \$1,250,000, a decrease of \$38,067, or 2.96% under the FY2008 approved budget of \$1,288,067. The Airport Fund proposed FY2009 revenue is \$1,000,000; an increase of \$150,000 over FY2008 approved budget revenue of \$850,000, leaving a fund balance reserve of \$133,516 which is 10.68% of the Proposed Budget.

SPECIAL APPROPRIATION FUND

The Special Appropriation Fund proposed FY2009 appropriation is \$14,062,058. These are funds that are designated for use for a specific purpose or activity. They are being reported to remain in compliance with OCGA 36-81-3 (b) that requires the adoption of annualized budgets for all special revenue funds, and to ensure eligibility for DCA local assistance grants from the State of Georgia.

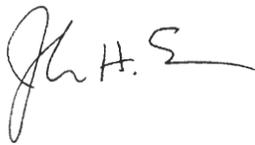
OTHER CONSIDERATIONS

The Budget Commission recommends that upon adoption of the Final Budget, contingency funds be drawn upon through the Budget Law Soundings process and that Budget Sounding requests be required to meet one or more of the following criteria:

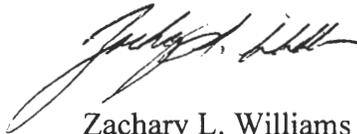
1. Change in law requiring expenditures to take place outside the normal budget process.
2. Reorganizations approved by the Board of Commissioners.
3. Personnel actions (abolishment/establishments) that have been approved by the Personnel Board and the County Manager.
4. An unforeseen emergency that must be rectified immediately.

An emergency is defined as an unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action (*The American Heritage Dictionary*). Furthermore, the matter must pose a clear and immediate danger to the health and safety of Fulton County residents. Normal operating costs and/or items specifically not funded in the budget would not qualify as an emergency.

Respectfully submitted,



John Eaves
Chairman



Zachary L. Williams
County Manager



Patrick J. O'Connor
Finance Director

FUND SYNOPSIS

Fulton County's Budget is structured on the basis of individual funds. Each fund represents a distinct financial entity with its own revenues and expenditures. Listed below is a description of the major operating funds used.

- ✓ The General Fund (Fund 100) is a tax-based fund used to provide and account for costs of services, which are supplied, on a countywide basis, such as court, health, library and welfare services.
- ✓ The Special Taxing District Fund (Fund 300) is a tax-based fund. Taxes are levied only on property in a district composed of the unincorporated portions of the county. Pursuant to House Bill 36 the Special Taxing Districts are broken out into Sub-Districts representing the major non-contiguous areas of unincorporated Fulton County (South Fulton). Each Sub-District will finance the provision of municipal type services from taxes, fees, and assessments levied within the Sub-District.
- ✓ The Communications (911) Fund (Fund 340) was created in 1994. This fund provides for the County's emergency communication operation. It is funded by the "911 surcharge" on county residents' telephone bills and by a supplement from the General Fund.
- ✓ The Water & Sewer Revenue System (Fund 201), which is composed of the Water & Sewer Revenue Fund, and the Water & Sewer Renewal and Extension Fund (Fund 203), is funded principally from fees paid by water and sewer customers for water and sewer services. Taxes are not used as a source of revenue for the system; fees are set at a level to make the system self-supporting.
- ✓ The Stormwater Management Fund (Fund 206) accounts for the County's stormwater activities in the unincorporated area of the county. The goal of this fund is to facilitate the County's effort towards meeting full compliance of the Federal Clean Water Acts National Pollutant Discharge Elimination System (NPDES). Transfers from the Special Taxing District Fund support the fund.
- ✓ The Solid Waste Enterprise Fund (Fund 210) accounts for the County's garbage and trash disposal activities in the unincorporated area of the County. This fund is intended to operate on a self-sustaining basis. However, the Special Taxing District Fund has had to supplement this fund's revenues to offset operating deficits.
- ✓ The Bond Fund (Fund 600) is a taxed-based fund used by Fulton County to provide the capital necessary for major infrastructure improvements and falls into two categories:
 - ✓ Annual Bond – General Obligation Bond (GOB). The entire general tax-base of Fulton County supports debt incurred through an issuance of these bonds. The County is authorized by the State to issue up to \$3,000,000 in (GOB) on an annual basis without a referendum.
 - ✓ Referendum General Obligation Bonds. The entire general tax base of the County supports debt created by issuing this type of bond. State Law requires that a referendum be held before these bonds may be issued.

FULTON COUNTY FUNDS (continued)

- ✓ The Risk Management Fund (Fund 725) was created in 1999 to account for insurance services provided to all agencies in the County. The primary insurance activities financed from this fund include automobile physical damage, automobile liability, employee and Public Officials bonds, building & contents, medical malpractice, general liability, risk management operating expenses, and in 2004 the Workers' Compensation self insurance program.
- ✓ The Health Fund is comprised of the Health & Wellness Department (Fund 818). It receives funds in the form of grants, County contribution and fees for services. The Fulton County General Fund contribution allows for health services above and beyond those supported by the State.
- ✓ The Airport Fund (Fund 200) was created in 2002 to be in compliance with the Government Accounting Standards Board's (GASB) thirty-four (34) reporting requirements that require an Airport to operate and be reported as an Enterprise Fund. The Airport Fund's Budget is balanced using revenues generated from services, rentals and sales, and subsidized if needed by the General Fund.
- ✓ The Special Appropriation Funds (various funds) are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Fulton County Proposed FY2009 Budget General Fund

11/14/2008:05 PM

	2007 Actual	2008 Revised Projection	2008 Final Budget	2009 Proposed Budget	2008/2009 Budget Variance
REVENUES					
Increase due to Commercial Reval.		8,788,050	13,751,194	0	0
Billable FY08 Property Taxes		0	0	40,359,312	
Property Taxes	441,910,815	466,563,097	468,373,145	466,441,749	0
Local Option Sales Taxes	41,383,592	35,000,000	38,000,000	33,000,000	0
All Other	117,186,425	91,371,214	107,580,127	95,138,681	0
Total Revenues	\$600,480,832	\$601,722,361	\$627,704,466	\$634,939,742	\$0
Billable FY08 State Homestead Tax Credit - Non Recurring				12,700,000	
Billable FY08 State Property Tax - Non Recurring				21,498,294	
Total Non Recurring Revenues	\$0	\$0	\$0	\$34,198,294	\$0
Total Revenues	\$600,480,832	\$601,722,361	\$627,704,466	\$669,138,036	\$0
EXPENDITURES					
Arts Council	5,222,919	5,106,360	5,765,962	5,327,549	-438,413
Board of Commissioners	2,874,563	3,057,998	3,380,026	3,210,344	-169,682
Clerk to the Commission	1,122,689	1,098,913	1,181,335	1,060,201	-121,134
Cooperative Extension	503,920	456,812	526,081	565,369	39,288
County Attorney	3,762,611	3,616,987	4,162,226	3,699,984	-462,242
County Manager	7,824,054	8,925,582	9,388,727	10,713,142	1,324,415
County Marshal	5,247,619	5,782,539	5,784,059	5,510,187	-273,872
District Attorney	19,466,307	21,702,947	21,876,247	20,911,797	-964,450
Emergency - 911	6,669,751	3,375,673	3,375,673	0	-3,375,673
Environ. & Comm. Dev. Svcs	2,884,655	3,432,072	3,746,785	2,720,764	-1,026,021
Family & Children Services	13,419,831	11,557,107	13,625,613	13,120,283	-505,330
Finance	6,775,603	7,389,411	7,709,848	6,549,788	-1,160,060
General Services	32,447,322	34,257,794	37,033,816	33,690,878	-3,342,938
Grady Hospital Transfer	100,638,800	80,000,000	80,000,000	76,500,000	-3,500,000
Health Fund Transfer	29,791,000	18,540,867	18,540,867	15,117,106	-3,423,761
Housing & Comm. Dev.	1,643,502	1,413,129	2,160,207	1,039,299	-1,120,908
Human Services	28,569,001	30,501,959	30,847,623	30,521,741	-325,882
Information Technology	26,289,049	23,285,467	26,490,093	25,250,143	-1,239,950
Juvenile Court	13,524,780	14,907,720	15,020,135	14,307,782	-712,353
Library	31,705,688	33,336,328	35,031,128	32,376,475	-2,654,653
Medical Examiner	3,436,805	3,414,471	3,732,535	3,583,747	-148,788
Mental Health MM/DD/AD	0	12,152,438	16,397,473	14,159,241	-2,238,232
Non Agency	89,188,673	86,012,451	89,163,997	95,487,099	6,323,102
Personnel	4,218,771	4,224,738	4,708,700	3,890,679	-818,021
Police	3,973,339	4,098,559	4,198,316	4,450,264	251,948
Probate Court	2,531,490	2,750,261	2,870,736	2,732,261	-138,475
Public Defender	10,359,623	10,534,942	11,584,169	11,743,460	159,291
Public Works	6,959,498	7,295,043	7,579,092	6,864,377	-714,715
Purchasing	3,312,668	3,416,388	3,951,402	3,750,819	-200,583
Registration & Elections	2,992,221	10,601,989	10,979,084	2,661,156	-8,317,928
Sheriff	90,347,583	97,966,854	98,000,000	93,460,186	-4,539,814
State Court - General	12,857,655	13,651,439	13,823,297	13,702,730	-120,567
State Court - Judges	3,736,164	3,955,465	4,136,659	3,978,355	-158,304
State Court - Solicitor General	5,686,687	5,775,457	6,324,108	6,084,094	-240,014
Superior Court - Clerk	14,074,361	14,602,793	15,300,255	14,792,160	-508,095
Superior Court - General	18,290,374	19,731,683	19,921,077	19,567,131	-353,946
Superior Court - Judges	4,419,214	4,832,545	5,109,572	4,951,163	-158,409
Tax Assessor	12,290,474	12,474,361	13,662,191	12,956,252	-705,939
Tax Commissioner	12,544,457	13,087,704	14,379,964	13,931,736	-448,228
Total Recurring Expenditures	\$641,603,721	\$642,325,246	\$671,469,078	\$634,939,742	-\$36,529,336
Nonrecurring Capital Budget Non Agency				20,000,000	
Nonrecurring Non Capital Budget				11,000,000	
Total Nonrecurring Expenditures	\$0	\$0	\$0	\$31,000,000	
Total Expenditures	\$641,603,721	\$642,325,246	\$671,469,078	\$665,939,742	
Revenues > Expenditures	-\$41,122,889	-\$40,602,885	-\$43,764,612	\$3,198,294	
Fund Balance - Beginning	\$141,218,430	\$100,095,541	\$100,095,541	\$59,492,656	
Fund Balance - Ending	\$100,095,541	\$59,492,656	\$56,330,929	\$62,690,950	
	15.6%	9.3%	8.4%	9.4%	
Fund Balance Reserve Requirement		\$53,505,693	\$55,933,374	\$62,132,178	

Fulton County Proposed FY2009 Budget Special Services District Fund

	2007 Final Budget	2007 Actual	2008 Final Budget	2008 Projection	2009 Proposed Budget
REVENUES					
Property Taxes	0		0	0	0
License & Permits	0		0	0	0
All Other	0	4,188,839	0	1,449,027	0
Total Revenues	\$0	\$4,188,839	\$0	\$1,449,027	\$0
EXPENDITURES					
Economic Development	0		0	0	0
Environ. & Comm. Dev. Svcs	0		0	0	0
Fire	0		0	0	0
Information Technology	0		0	0	0
Non Agency	6,000,000	4,680,158	\$17,393,594	\$4,037,250	11,271,431
Parks & Recreation	0		0	0	0
Police	0		0	0	0
Public Works	0		0	0	0
Tax Commissioner	0		0	0	0
Total Expenditures	\$6,000,000	\$4,680,158	\$17,393,594	\$4,037,250	\$11,271,431
Revenues > Expenditures	-\$6,000,000	-\$491,319	-\$17,393,594	-\$2,588,223	-\$11,271,431
Fund Balance - Unreserved Beginning	\$13,374,225	\$13,374,225	\$7,374,225	\$7,374,225	\$2,823,252
Fund Balance - Reserved Beginning	\$17,800,000	\$17,800,000	\$17,308,681	\$17,308,681	\$13,271,431
Transfer to South Fulton	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$2,000,000
Transfer to Sub-Districts					
Transfer to Solid Waste Fund					\$1,500,000
Reserved for Compensated Absences	\$11,800,000	\$17,308,681	\$1,289,312	\$13,271,431	\$0
Fund Balance-Unreserved - Ending	\$7,374,225	\$7,374,225	\$0	\$2,823,252	\$1,323,252

Fulton County Proposed FY2009 Budget 301- South Fulton Tax District Fund

	2007 Final Budget	2007 Actual	2008 Final Budget	2008 Revised Projection	2009 Proposed Budget
REVENUES					
1.75 mills Property Tax Rate Increase					\$5,748,750
Property Taxes	17,765,007	20,063,716	21,900,000	20,752,668	19,834,690
License & Permits	9,732,920	8,832,987	7,100,000	7,470,058	7,134,717
All Other	10,526,982	11,594,128	7,000,000	6,807,287	7,039,662
Total Revenues	\$38,024,909	\$40,490,831	\$36,000,000	\$35,030,013	\$39,757,819
Billable FY08 State Homestead Tax Credit					\$750,000
Billable FY08 Property Tax					\$1,692,000
Total Non Recurring Revenue	\$0	\$0	\$0	\$0	\$2,442,000
Total Revenues	\$38,024,909	\$40,490,831	\$36,000,000	\$35,030,013	\$42,199,819
EXPENDITURES					
Environ. & Comm. Dev. Svcs	6,334,596	5,476,309	5,912,720	5,700,000	4,275,731
Finance	450,000	153,095	383,878	235,000	342,106
Fire	17,282,772	16,023,685	15,500,000	15,000,000	12,770,590
Non Agency	7,240,377	6,561,980	7,000,000	6,900,000	7,500,000
Parks & Recreation	3,455,257	3,456,544	4,380,000	3,900,000	4,055,000
Police	14,139,227	14,039,294	15,500,000	14,900,000	13,515,886
Total Expenditures	\$48,902,229	\$45,710,907	\$48,676,598	\$46,635,000	\$42,459,313
Revenues > Expenditures	-\$10,877,320	-\$5,220,076	-\$12,676,598	-\$11,604,987	-\$259,494
Fund Balance - Beginning	\$6,697,316	\$6,697,316	\$7,477,240	\$7,477,240	\$1,872,253
Transfer from SSD	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$2,000,000
Fund Balance - Ending	\$1,819,996	\$7,477,240	\$800,642	\$1,872,253	\$3,612,759
	3.7%	16.4%	1.6%	4.0%	8.5%

Fulton County Proposed FY2009 Budget Emergency Communications (911) Fund

	2007 Final Budget	2007 Actual	2008 Final Budget	2008 Projection	2009 Proposed Budget
REVENUES					
User Fees	7,600,000	7,606,407	7,300,000	7,350,000	6,700,000
Transfer from General Fund	0	0	0	0	0
Total Revenues	\$7,600,000	\$7,606,407	\$7,300,000	\$7,350,000	\$6,700,000
EXPENDITURES					
Emergency Communications	8,931,432	6,623,991	9,697,262	7,000,000	8,093,230
Total Expenditures	\$8,931,432	\$6,623,991	\$9,697,262	\$7,000,000	\$8,093,230
Revenues > Expenditures	-\$1,331,432	\$982,416	-\$2,397,262	\$350,000	-\$1,393,230
Fund Balance - Beginning	\$4,391,221	\$4,391,221	\$5,373,637	\$5,373,637	\$5,723,637
Fund Balance - Ending	\$3,059,789	\$5,373,637	\$2,976,375	\$5,723,637	\$4,330,407
	34.3%	81.1%	30.7%	81.8%	53.5%

Fulton County Proposed FY2009 Budget Water Sewer Revenue Fund

	2007 Final Budget	2007 Actual	2008 Final Budget	2008 Projection	2009 Proposed Budget
REVENUES					
Charges for Services	105,000,000	114,593,801	76,300,000	97,000,000	118,732,744
Investment Income	1,250,000	965,158	1,402,340	800,000	500,000
Other	100,000	247,809	100,000	180,000	150,000
Total Revenues	\$106,350,000	\$115,806,768	\$77,802,340	\$97,980,000	\$119,382,744
EXPENDITURES					
Non Agency	50,000	25,000	50,000	15,000	50,000
Transfer to Sinking Fund	38,817,821	37,470,093	38,900,000	38,900,000	39,000,000
Transfer to Renewal & Extension	17,456,179	16,906,179	0	0	22,200,000
Public Works	60,547,533	55,089,461	54,000,000	53,500,000	64,000,000
Finance	3,822,851	3,525,057	4,333,970	3,900,000	3,801,582
Information Technology	14,530	1,570	0	0	0
County Attorney	520,185	484,562	553,266	450,000	550,001
Environ. & Comm. Dev. Svcs	863,876	452,136	599,662	543,000	514,975
Total Expenditures	\$122,092,975	\$113,954,058	\$98,436,898	\$97,308,000	\$130,116,558
Revenues > Expenditures	-\$15,742,975	\$1,852,710	-\$20,634,558	\$672,000	-\$10,733,814
Retained Earnings - Beginning	\$18,637,158	\$18,637,158	\$20,489,868	\$20,489,868	\$21,161,868
Retained Earnings - Ending	\$2,894,183	\$20,489,868	-\$144,690	\$21,161,868	\$10,428,054
	2.4%	18.0%	-0.1%	21.7%	8.0%

Fulton County Proposed FY2009 Budget Water Sewer Renewal and Extension Fund

	2007 Final Budget	2007 Actual	2008 Final Budget	2008 Projection	2009 Proposed Budget
REVENUES					
Assessments	13,700,000	10,246,224	12,000,000	5,750,000	7,000,000
Investment Income	3,675,000	5,444,014	5,500,000	4,400,000	3,000,000
Transfer from W & S Fund	17,456,179	16,906,179	0	0	22,200,000
Other Revenue	0	33,934,327	0	0	0
Total Revenues	\$34,831,179	\$66,530,744	\$17,500,000	\$10,150,000	\$32,200,000
EXPENDITURES					
Public Works	14,870,770	11,285,822	13,536,748	8,600,000	10,372,979
Non Agency	577,089	50,950	577,089	300,000	427,089
Environ. & Comm. Dev. Svcs	484,169	376,245	599,662	400,000	562,610
Multi-year Expenditures	0	24,514,429	0	14,400,000	30,000,000
Total Expenditures	\$15,932,028	\$36,227,446	\$14,713,499	\$23,700,000	\$41,362,678
Revenues > Expenditures	\$18,899,151	\$30,303,298	\$2,786,501	-\$13,550,000	-\$9,162,678
Retained Earnings - Beginning	\$99,722,073	\$99,722,073	\$130,025,371	\$130,025,371	\$112,548,971
Retained Earnings - Ending	\$118,621,224	\$130,025,371	\$132,811,872	\$116,475,371	\$103,386,293
Reserve for Encumbrances		\$2,968,574		\$3,926,400	
Reserve for CIP	\$118,621,224	\$127,056,797	\$132,811,872	\$112,548,971	\$103,386,293

Fulton County Proposed FY2009 Budget Stormwater Management Fund

	2007 Final Budget	2007 Actual	2008 Final Budget	2008 Projection	2009 Proposed Budget
REVENUES					
User Fees/Refunds	0	171,731	0	245,050	0
Transfer from General Fund	0	0	0	0	0
Transfer from Service District	0	0	0	0	0
Total Revenues	\$0	\$171,731	\$0	\$245,050	\$0
EXPENDITURES					
Public Works	3,600,000		500,000	200,000	250,000
Fund Transfers			5,000,000	5,000,000	
Total Expenditures	\$3,600,000	\$0	\$5,500,000	\$5,200,000	\$250,000
Revenues > Expenditures	-\$3,600,000	\$171,731	-\$5,500,000	-\$4,954,950	-\$250,000
Retained Earnings - Beginning	\$5,658,217	\$5,658,217	\$5,829,948	\$5,829,948	\$874,998
Retained Earnings - Ending	\$2,058,217	\$5,829,948	\$329,948	\$874,998	\$624,998

Fulton County Proposed FY2009 Budget Solid Waste Enterprise Fund

	2007 Final Budget	2007 Actual	2008 Final Budget	2008 Projection	2009 Proposed Budget
REVENUES					
User Fees	775,000	303,566	0	0	0
Transfer from Service District	1,000,000	1,000,000	1,257,000	1,257,000	1,500,000
Total Revenues	\$1,775,000	\$1,303,566	\$1,257,000	\$1,257,000	\$1,500,000
EXPENDITURES					
Public Works	2,175,700	1,469,700	1,500,000	1,500,000	1,492,023
Total Expenditures	\$2,175,700	\$1,469,700	\$1,500,000	\$1,500,000	\$1,492,023
Revenues > Expenditures	-\$400,700	-\$166,134	-\$243,000	-\$243,000	\$7,977
Retained Earnings - Beginning	\$442,576	\$442,576	\$276,442	\$276,442	\$33,442
Retained Earnings - Ending	\$41,876	\$276,442	\$33,442	\$33,442	\$41,419

Fulton County Proposed FY2009 Budget Bond Fund

	2007 Final Budget	2007 Actual	2008 Final Budget	2008 Projection	2009 Proposed Budget
REVENUES					
Current Property Tax	2,900,000	0	0	0	0
Prior Year Taxes	0	182,717	0	0	0
Motor Vehicle	145,000	142,249	0	0	0
Intangible Taxes	75,000	63,091	0	0	0
Investments	600,000	556,613	0	0	0
Other General	60,000	34,323	0	0	0
Total Revenues	\$3,780,000	\$978,993	\$0	\$0	\$0
EXPENDITURES					
Non-Agency - Debt Services	5,380,420	5,342,803	5,380,420	3,398,050	3,062,222
Financing costs	100,000	21,268	100,000	100,000	100,000
Total Expenditures	\$5,480,420	\$5,364,071	\$5,480,420	\$3,498,050	\$3,162,222
Revenues > Expenditures	-\$1,700,420	-\$4,385,078	-\$5,480,420	-\$3,498,050	-\$3,162,222
Fund Balance - Beginning	\$11,045,350	\$11,045,350	\$6,660,272	\$6,660,272	\$3,162,222
Fund Balance - Ending	\$9,344,930	\$6,660,272	\$1,179,852	\$3,162,222	\$0

Fulton County Proposed FY2009 Budget Risk Management Insurance Fund

	2007 Final Budget	2007 Actual	2008 Final Budget	2008 Projection	2009 Proposed Budget
REVENUES					
Transfer General Fund	11,425,000	9,912,454	10,963,938	10,398,755	9,281,656
Transfer Special Services Districts	3,200,000	1,512,080	1,535,533	1,382,780	1,279,493
Transfer Health Funds	1,105,000	626,965	545,861	530,813	520,000
Transfer Water & Sewer Revenue Fund	820,000	735,336	754,569	718,340	683,815
Transfer Water & Sewer R & E	250,000	226,885	238,365	230,671	217,129
Transfer Emergency 911	290,000	254,284	261,518	252,484	196,245
Transfer Sanitation Fund	11,000	6,824	7,314	6,824	6,824
Transfer Airport Fund	22,000	19,556	21,394	19,174	19,868
Transfer Water Resource Commission	35,000	25,000	25,000	25,000	25,000
Transfer Pension Fund	10,000	9,327	10,000	10,000	10,000
Transfer Health Stabilization Fund	0	0	0	0	0
Other Revenue	500,000	269,597	50,000	310,000	50,000
Contractual Funds	0	905,282	150,000	250,000	150,000
Total Revenues	\$17,668,000	\$14,503,590	\$14,563,492	\$14,134,841	\$12,440,030
EXPENDITURES					
Non-Agency - Direct Chgs/Settlements	17,997,180	9,835,517	17,979,896	12,700,000	27,326,000
Finance	1,280,349	1,048,090	1,280,349	1,100,000	1,315,886
Total Expenditures	\$19,277,529	\$10,883,607	\$19,260,245	\$13,800,000	\$28,641,886
Revenues > Expenditures	-\$1,609,529	\$3,619,983	-\$4,696,753	\$334,841	-\$16,201,856
Fund Balance - Beginning	\$12,247,032	\$12,247,032	\$15,867,015	\$15,867,015	\$16,201,856
Fund Balance - Ending	\$10,637,503	\$15,867,015	\$11,170,262	\$16,201,856	\$0

Fulton County Proposed FY2009 Budget Health and Wellness Department Fund

	2007 Final Budget	2007 Actual	2008 Final Budget	2008 Actual	2009 Proposed Budget
REVENUES					
Public Health:					
Intergovernmental - State	6,844,847	6,962,815	6,844,847	7,393,440	7,166,008
Transfer from General Fund	15,584,851	15,474,644	16,130,601	14,272,078	12,934,682
Client Fees	6,707,277	6,717,819	6,707,277	7,362,794	7,334,484
Subtotal	29,136,975	29,155,278	29,682,725	29,028,312	27,435,174
Physical Health:					
Intergovernmental - State	8,495,079	8,001,857	8,495,079	8,949,097	8,436,905
Transfer from General Fund	2,706,015	1,715,779	2,706,015	1,956,434	1,625,254
Client Fees	492,723	355,971	492,723	276,155	326,673
Subtotal	11,693,817	10,073,607	11,693,817	11,181,686	10,388,832
Total:					
Intergovernmental - State	15,339,926	14,964,672	15,339,926	16,342,537	15,602,913
Transfer from General Fund	18,290,866	17,190,423	18,836,616	16,228,512	14,559,936
Client Fees	7,200,000	7,073,790	7,200,000	7,638,949	7,661,157
Total Revenues	\$40,830,792	\$39,228,885	\$41,376,542	\$40,209,998	\$37,824,006
EXPENDITURES					
Public Health	31,757,808	27,883,377	32,303,558	28,287,661	29,196,174
Physical Health	10,809,471	10,169,580	10,809,471	11,226,582	11,314,927
Total Expenditures	\$42,567,279	\$38,052,957	\$43,113,029	\$39,514,243	\$40,511,101
Revenues > Expenditures	-\$1,736,487	\$1,175,928	-\$1,736,487	\$695,755	-\$2,687,095
Fund Balance - Beginning	\$3,173,543	\$3,173,543	\$4,349,471	\$4,349,471	\$5,045,226

Fulton County Proposed FY2009 Budget Airport Fund

	2007 Final Budget	2007 Actual	2008 Final Budget	2008 Projection	2009 Proposed Budget
REVENUES					
Rents & Royalties	850,000	836,432	850,000	1,000,000	1,000,000
Total Revenues	\$850,000	\$836,432	\$850,000	\$1,000,000	\$1,000,000
EXPENDITURES					
General Services	1,194,611	1,007,205	1,288,067	1,276,067	1,250,000
Total Expenditures	\$1,194,611	\$1,007,205	\$1,288,067	\$1,276,067	\$1,250,000
Revenues > Expenditures	-\$344,611	-\$170,773	-\$438,067	-\$276,067	-\$250,000
Fund Balance - Beginning	\$830,356	\$830,356	\$659,583	\$659,583	\$383,516
Fund Balance - Ending	\$485,745	\$659,583	\$221,516	\$383,516	\$133,516

Fulton County Proposed FY2009 Budget Special Appropriation Funds

SCHEDULE & TYPE OF FUND	BUDGET
A. General Government Services	\$473,757
B. Law Enforcement & Justice Services	\$4,812,152
C. Social & Cultural Services	\$7,795,541
D. Public Education Government TV	\$605,364
E. Other Capital Projects	\$375,244
Total Special Appropriation Funds	\$14,062,058

Fulton County Proposed FY2009 Budget

Special Appropriation Funds

A. GENERAL GOVERNMENT SERVICES

REVENUES

Anticipated Revenues	\$157,377
Use of Fund Balance	<u>\$316,380</u>
Total Revenues	\$473,757

EXPENDITURES

Anticipated Expenditures	<u>\$473,757</u>
Total Expenditures	\$473,757

Fund Balance - Ending **\$0**

Funds name and description of purpose:

Fund 462, Fitness Center - County employees pay, via payroll deduction, funds that provide for the part-time staffing and operation of a Fitness Center. (100% Employee Paid Dues)

Fund 468, Employee Service Fund - Represents funds received from vending machines and used to fund Fulton County employee appreciation events.

B. LAW ENFORCEMENT & JUSTICE SERVICES

REVENUES

Anticipated Revenues	\$1,376,222
Use of Fund Balance	<u>\$3,435,930</u>
Total Revenues	\$4,812,152

EXPENDITURES

Anticipated Expenditures	<u>\$4,812,152</u>
Total Expenditures	\$4,812,152

Fund Balance - Ending **\$0**

Funds name and description of purpose:

Fund 421, Sheriff's Sale Fund - Funds generated through the sale of tax deeds on the Courthouse steps due outstanding property taxes. Proceeds used to offset the costs associated with the Sheriff's Tax Sale process.

Fund 422, D.A.T.E. Fund - Funds are generated through Judge ordered fines in Drug Court. Offenders are fined and 50% is added to the fine and are used for drug, alcohol, training and education purposes.

Fund 440, Seized Property-Law Enforcement. Funds are received from Federal and State law enforcement agencies when we participate in drug busts or other joint operations. Funds are to be used for law enforcement purposes only.

Fund 441, Restricted Assets - Fines collected from municipal courts and is used to fund part-time staffing and operations of the Victim Witness program.

Fund 442, Federal Equitable Sharing - Joint law enforcement confiscated funds - Fulton County Share.

Fulton County Proposed FY2009 Budget

Special Appropriation Funds

C. SOCIAL & CULTURAL SERVICES

REVENUES

Anticipated Revenues	\$2,698,890
Use of Fund Balance	<u>\$5,096,651</u>
Total Revenues	\$7,795,541

EXPENDITURES

Anticipated Expenditures	<u>\$7,795,541</u>
Total Expenditures	\$7,795,541

Fund Balance - Ending **\$0**

Funds name and description of purpose:

Fund 430, Library Trust Fund - Donated funds for the purchases of books, journals, magazines and other publications.

Fund 453 – Special Revenue Funds – Agency Funds – Represents funds received from private donations for a variety of reasons. i.e., Beat the Odds Program, South Fulton Leadership Conference, Dept Head flowers & retirement gifts, LGSF Conference, Judges Conference and children medical prescriptions.

Fund 455, Tommie Dora Barker Fellow Endowment - Due to the closing of the Emory University School of Library Science, the assets of the Tommie Dora Barker Fellowship Endowment were transferred by Court Order to the Atlanta Fulton Public Library to be used for the purpose of staff development.

Fund 460 – Special Appropriation Grants – Contracts with nonprofit agencies to receive grants and promote and support the arts and human services in Fulton County.

D. PUBLIC EDUCATION GOVERNMENT TV

REVENUES

Anticipated Revenues	\$80,343
Use of Fund Balance	<u>\$525,021</u>
Total Revenues	\$605,364

EXPENDITURES

Anticipated Expenditures	<u>\$605,364</u>
Total Expenditures	\$605,364

Fund Balance - Ending **\$0**

Funds name and description of purpose:

Fund 84C, PEG Fund - Accounts for Public Educational Government (PEG) access television service funding of capital related activities per the Cable franchise agreement.

Fulton County Proposed FY2009 Budget Special Appropriation Funds

E. OTHER CAPITAL PROJECTS

REVENUES

Anticipated Revenues	\$0
Use of Fund Balance	<u>\$375,244</u>
Total Revenues	\$375,244

EXPENDITURES

Anticipated Expenditures	<u>\$375,244</u>
Total Expenditures	\$375,244

Fund Balance - Ending \$0

Funds name and description of purpose:

Fund 473, Tree Preservation Trust Fund - Developer related funding for the replacement of trees and preservation of green space and is held in trust pending final site plan approval.

Fulton County Proposed FY2009 Budget Special Appropriation Funds

GENERAL GOVERNMENT SERVICES

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 462, Fitness Center		
Anticipated Revenues	\$50,202	\$50,202
Use of Fund Balance	\$36,158	\$33,152
Anticipated Expenditures	<u>\$86,360</u>	<u>\$83,354</u>
Ending Fund Balance	\$0	\$0

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 468, Employee Service Fund		
Anticipated Revenues	\$107,175	\$107,177
Use of Fund Balance	\$280,222	\$11,039
Anticipated Expenditures	<u>\$387,397</u>	<u>\$118,215</u>
Ending Fund Balance	\$0	\$0

LAW ENFORCEMENT & JUSTICE

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 421, Sheriff's Sale Fund (MY)		
Anticipated Revenues	\$0	\$0
Use of Fund Balance	\$0	\$0
Anticipated Expenditures	<u>\$0</u>	<u>\$0</u>
Ending Fund Balance	\$0	\$0

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 422, D.A.T.E. Fund		
Anticipated Revenues	\$41,145	\$41,145
Use of Fund Balance	\$50,668	\$49,167
Anticipated Expenditures	<u>\$91,813</u>	<u>\$90,312</u>
Ending Fund Balance	\$0	\$0

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 440, Seized Property-Law Enforcement		
Anticipated Revenues	\$0	\$0
Use of Fund Balance	\$0	\$0
Anticipated Expenditures	<u>\$0</u>	<u>\$0</u>
Ending Fund Balance	\$0	\$0

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 441, Restricted Assets (SY/MY)		
Anticipated Revenues	\$1,264,587	\$1,268,247
Use of Fund Balance	\$2,909,656	\$0
Anticipated Expenditures	<u>\$4,174,243</u>	<u>\$769,034</u>
Ending Fund Balance	\$0	\$499,213

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 442, Federal Equitable Sharing		
Anticipated Revenues	\$70,490	\$70,490
Use of Fund Balance	\$475,606	\$234,929
Anticipated Expenditures	<u>\$546,096</u>	<u>\$305,419</u>
Ending Fund Balance	\$0	\$0

SOCIAL & CULTURAL SERVICES

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 430, Library Trust Fund		
Anticipated Revenues	\$19,356	\$19,356
Use of Fund Balance	\$152,632	\$0
Anticipated Expenditures	<u>\$171,988</u>	<u>\$0</u>
Ending Fund Balance	\$0	\$19,356

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 453 - Special Revenue Funds		
Anticipated Revenues	\$0	\$0
Use of Fund Balance	\$0	\$0
Anticipated Expenditures	<u>\$0</u>	<u>\$0</u>
Ending Fund Balance	\$0	\$0

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 455, Tommie Dora Barker Fellow Endowment		
Anticipated Revenues	\$8,034	\$8,034
Use of Fund Balance	\$240,281	\$0
Anticipated Expenditures	<u>\$248,315</u>	<u>\$4,439</u>
Ending Fund Balance	\$0	\$3,595

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 460 - Special Appropriation Grants		
Anticipated Revenues	\$2,671,500	\$2,671,500
Use of Fund Balance	\$4,703,738	\$5,163,003
Anticipated Expenditures	<u>\$7,375,238</u>	<u>\$7,834,503</u>
Ending Fund Balance	\$0	\$0

PUBLIC EDUCATION GOVERNMENT TV

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 84C, PEG Fund		
Anticipated Revenues	\$80,343	\$80,343
Use of Fund Balance	\$525,021	\$245,866
Anticipated Expenditures	<u>\$605,364</u>	<u>\$326,209</u>
Ending Fund Balance	\$0	\$0

OTHER CAPITAL PROJECTS

	<u>FY 2009</u>	<u>FY 2008</u>
Fund 473, Tree Preservation Trust Fund		
Anticipated Revenues	\$0	\$0
Use of Fund Balance	\$375,244	\$501,787
Anticipated Expenditures	<u>\$375,244</u>	<u>\$501,787</u>
Ending Fund Balance	\$0	\$0