# City of McRae-Helena

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To: Mayor and Council

Re: Proposed FY2021 Budget

May 22, 2020

Attached for Mayor and Council review is the proposed 2021 balanced budget as required by Georgia statue. The budget contains a summary of revenues and expenditures for the General Fund and budgets for three other funds. A tax increase is not recommended in this budget, nor is the use of General Fund Balance (reserves) utilized as a source of revenue.

As shown in the following chart, the proposed FY 2021 budget, comprised of the City's four funds total $5,215,361.52, a decrease of $75,860.48, or 1.4 percent, below the prior fiscal year.

| | Adopted FY 2019-2020 Budget | Proposed FY 2020-2021 Budget | Net Change | Percentage Increase (Decrease) |
|---|---|---|---|---|
| **General Fund** | $3,650,810 | $3,606,215 | $(44,595) | -1.2% |
| **Grant Fund** | $114,000 | $121,590.52 | $7,590.52 | 6.7% |
| **T-SPLOST Fund** | $75,000 | $70,000 | $(5,000) | -6.7% |
| **Water/Sewer Fund** | $1,452,412 | $1,418,556 | $(33,856) | -2.3% |
| **Total** | $5,292,222 | $5,216,361.52 | $(75,860.48) | -1.4% |

**Key Points in the FY2021 Budget:**

- For the fifth year in a row, the property tax millage rate will remain 10.915 mills.
- The Water/Sewer Fund includes $45,000 for a leachate disposal program that will start at the beginning of the fiscal year. This program can generate up to $200,000; however, with it being a new program a more conservative figure was used for the budget.
- The proposed budget allows for a 21% increase in medical/dental/life. This is a significant increase from the previous fiscal year as a true increase was not captured with previous figures.
- An 8.7% decrease of premium for workman's compensation is expected for the fiscal year.
- The contribution for retirement increased to $195,815, from $172,968. This increase represents 13.11% of the expected payroll of covered employees, versus 11.27% at the previous valuation.
- This budget includes 36 full-time positions and one part-time authorized position, a decrease of 3 positions compared to the current authorized level. A review of the budget