

DeKalb County 2021 Millage Rate & Mid-Year Budget Update

Public Hearing
Tuesday, June 22, 2021
10:00 AM



DeKalb County
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- The Thurmond Administration and the Board of Commissioners prepared the FY2020 budget in expectation that the economy would slow down or contract. Revenue projections were more conservative than in recent years, which helped the county adjust and respond when the pandemic began.
- The FY2020 mid-year budget lowered both revenues and expenditures in response to the economic shocks caused by the coronavirus pandemic.
- Despite these reductions, critical county services were maintained with minimal disruption and enabled the county government to successfully manage the economic and public health challenges brought on by COVID-19.
- The county also avoided layoffs or furloughs of county employees or the use of the rainy-day fund.

Steady, As She Goes



- Due to the uncertain outlook for FY2021, the FY2021 budget recommendation stayed the course established in the FY2020 mid-year budget.
- FY2021 property tax revenue forecast assumed the county-wide net tax digest essentially remaining flat.
- Most other revenue estimates assumed a continuation of trends experienced over the last nine months of FY2020.

Steady, As She Goes



- Most operating line items in the recommended FY2021 budget stayed at the same level as FY2020.
- The budgets for employee salaries and benefits were based on filled positions as of late November 2020.
- The FY2021 budget added virtually no new spending.
- The goal was to maintain the county's strong financial position throughout the pandemic and make strategic investments to assure DeKalb County emerges stronger than before.

The Reopening



- DeKalb County is proactively preparing for the post-pandemic future.
- The proposed FY21 mid-year budget funds critical investments in
 - Public Safety and Violence Interruption
 - Parks
 - Infrastructure
 - Resources to allow the county to safely reopen and address remaining challenges related to the pandemic
 - Non-discretionary charges for workers compensation, health insurance, vehicle maintenance, and litigation costs.

The Reopening



- Tax fund revenues excluding EHOST increase by \$39.6 million compared to the original FY21 budget.
- You will note that no American Rescue Plan spending is included in this FY21 mid-year budget proposal.
- The bulk of our reopening and infrastructure spending will come from ARP funding which we will present at a future meeting.

Non-discretionary Expenses



The pandemic had a negative effect on several of the county's funds due to increased costs, lower revenues, or a combination of both. The mid-year budget increases the internal charges to the operating departments to ensure that these funds remain solvent.

- Charges for the Risk Management Fund increase for health insurance costs (**\$1.7 million**) and litigation costs (**\$3.7 million**).
- Increased Workers Compensation charges (**\$7.5 million**).
- Increased Vehicle Maintenance charges (**\$2.5 million**).

One of the most unfortunate byproducts of the pandemic has been an increase in violent crime in surrounding jurisdictions. The mid-year budget provides \$3.4 million for a multi-pronged strategy to combat and prevent violent crime that includes training for law enforcement, personnel, new equipment, diversion programs, and the Police Athletic League (PAL).

- Training, personnel, and equipment for the Police Department (**\$1.8 million**).
- New standalone building, furnishing and equipment, transport van, and support personnel for PAL (**\$472,925**).
- Additional personnel for the Solicitor's Office to combat the rise in domestic violence cases (**\$330,984**).

- Project Pinnacle, a mandatory, one year in-court program offered by Superior Court for first-time, non-violent offenders between age 17 and 25 **(\$250,000)**.
- School-Justice Partnership with Juvenile Court and the DeKalb County School System to interrupt the school to prison pipeline **(\$250,000)**.
- Violence interruption initiatives for the District Attorney's Office **(\$250,000)**.
- Other public safety recommendations **(\$4.1 million)**.

For the first time ever, DeKalb Recreation, Parks and Cultural Affairs recently received accreditation through the Commission for Accreditation of Park and Recreation Agencies (CAPRA) and the National Recreation and Park Association (NRPA). Parks and recreation activities are an important service for quality of life, and they also support our crime prevention goals by providing an alternative outlet for young people.

The mid-year budget funds a variety of projects, enhanced maintenance and services, and increased security to keep our parks and recreational facilities safe and clean.

- PATH Boardwalk repairs or replacement at Arabia Mountain, Mason Mill, Medlock, Hidden Acres, and Constitution Lakes **(\$795,000)**.
- Additional funding for Sugar Creek ground maintenance **(\$227,000)**.
- Funding for additional tree trimming **(\$200,000)**.
- Kittredge pool pump and filter system repair **(\$112,647)**.
- Replace playground surface at Mason Mill Recreation Center **(\$65,000)**.

The county must maintain and modernize its aging infrastructure to take advantage of growth and development opportunities and keep pace with increased service demand.

These needs exist across several departments including Watershed Management, Sanitation, Stormwater, Roads & Drainage, Transportation, and Parks.

The mid-year budget includes a transfer of \$8.1 million from the General Fund to the Sanitation Fund to support critical investments at Seminole Landfill, which is one of the most essential assets that provides service for our entire county as well as surrounding areas. This transfer supports both current capital projects and offsets capital expenses incurred in previous years.

- Gas collection and control system upgrades for Seminole Landfill (**\$2.7 million**).
- Funding for 27,000 95-gallon roll-carts to continue Sanitation's Rolling Forward to One initiative (**\$1.0 million**).
- Funding for the Stormwater Master Plan (**\$572,180**).

Court Caseload Backlog



The county court system has been largely shut down for over a year, which has created a large backlog of cases to adjudicate. This backlog affects multiple departments including the courts, District Attorney, Solicitor, and Public Defender.

The mid-year budget includes **\$2 million** of funding for time-limited positions and other programs to help these departments work through the case backlog.

- The Equalized Homestead Option Sales Tax (EHOST) will provide **\$129 million** in property tax in 2021, which will give qualified homesteaded property owners a 100% credit for the county-wide millage rates levied for the General and Hospital Funds.
- This EHOST tax relief will provide estimated savings of \$850 for homeowners with a house with a fair market value of \$250,000.

- Counties are required by state law to annually calculate a “rollback rate.”
- The 2021 rollback rate for the two millage rates levied countywide (General and Hospital Fund) was calculated as 9.464 mills. State law requires the county to publish a notice of property tax increase if the proposed millage rate exceeds the rollback rate and hold three public hearings on the proposed millage rate increase.
- The proposed millage rate for General and Hospital is 9.464, the same as the rollback rate, so a notice of property tax increase was not published for 2021.

- DeKalb County has a total of seven property tax millage rates. Only two of those rates (the general and hospital funds) are used in the required calculation for the rollback rate.
- The other millage rates (police, fire, designated, and two bond funds), when combined with the general and hospital rates, produce the same combined millage rate of 20.810 mills from last year.
- The individual millage rates fluctuate from year to year, but the benchmark millage rate has remained 20.810 since 2015.

- The FY21 mid-year budget makes critical investments to address negative effects of the pandemic including the increase in violent crime, return the county to normal operations, and prepare for future growth.
- In addition to these investments, the mid-year budget ensures that there are adequate resources for workers compensation, health insurance, vehicle maintenance, and litigation costs.
- The rainy-day fund for the Tax Funds is maintained at two months of recurring expenditures.
- The benchmark millage rate for unincorporated remains 20.810, which is the same as every year since 2015.

Mid-Year Budget Timeline



- June 22: First public hearing via Zoom at 10:00 AM at BOC Regular Meeting; second public hearing at 6:00 PM
- July 1: 5-YR Millage Rate and Tax Digest History published in the Champion newspaper
- July 13: Third public hearing at 10:00 AM via Zoom at BOC Regular Meeting; adoption of mid-year budget and millage rates
- July 27 (tentative): Tax digest is submitted to the Department of Revenue for certification



Tonight's presentation and other information about the proposed budget will be available online at this address:

<https://www.dekalbcountyga.gov/budget-office/budget-information>

Information about property values can be found on the Property Appraisal website:

<https://www.dekalbcountyga.gov/property-appraisal/welcome>



Information about property tax payments and available exemptions can be found on the Tax Commissioner website:

<https://dekalbtax.org/>

Additional questions can be emailed to T. J. Sigler, Director, Office of Management & Budget

tjsigler@dekalbcountyga.gov

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