FY21 Preliminary Revenue Projections

June 15, 2021

Office of Management & Budget
The Ants and the Grasshopper

- The Thurmond Administration 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.
Tax Digest vs. Projections (Millions $)

- Gross M&O Tax Digest
  - 2020 Certified Digest: 35,825
  - Original 2021 Projection: 36,200
  - 5/25/21 Digest: 38,999

- Net M&O Tax Digest
  - 2020 Certified Digest: 30,711
  - Original 2021 Projection: 30,793
  - 5/25/21 Digest: 32,937
Tax Funds Revenue Trend, 2017 - 2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17 Actual</td>
<td>604,633,371</td>
</tr>
<tr>
<td>FY18 Actual</td>
<td>631,887,109</td>
</tr>
<tr>
<td>FY19 Actual</td>
<td>650,015,448</td>
</tr>
<tr>
<td>FY20 Actual*</td>
<td>647,785,346</td>
</tr>
<tr>
<td>FY21 Projected</td>
<td>692,761,517</td>
</tr>
</tbody>
</table>
## Adopted Tax Fund Revenue vs. Projected

<table>
<thead>
<tr>
<th>Revenue Categories</th>
<th>FY17 Actual</th>
<th>FY18 Actual</th>
<th>FY19 Actual</th>
<th>FY20 Actual*</th>
<th>FY21 Adopted</th>
<th>FY21 Projected</th>
<th>FY21 Projected vs. Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Taxes</td>
<td>57,299,439</td>
<td>58,683,895</td>
<td>56,951,589</td>
<td>52,538,874</td>
<td>54,093,594</td>
<td>56,869,372</td>
<td>2,775,778</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>51,412,143</td>
<td>52,693,228</td>
<td>51,253,219</td>
<td>51,367,971</td>
<td>52,484,461</td>
<td>51,860,135</td>
<td>(624,326)</td>
</tr>
<tr>
<td>Motor Vehicle Title Taxes</td>
<td>18,907,938</td>
<td>22,241,532</td>
<td>24,643,519</td>
<td>24,214,458</td>
<td>22,763,392</td>
<td>23,787,437</td>
<td>1,024,045</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>19,494,473</td>
<td>18,626,092</td>
<td>18,593,328</td>
<td>12,264,594</td>
<td>13,427,158</td>
<td>13,872,219</td>
<td>445,061</td>
</tr>
<tr>
<td>General Business License</td>
<td>7,673,073</td>
<td>8,060,815</td>
<td>7,453,250</td>
<td>6,875,247</td>
<td>6,691,961</td>
<td>6,691,961</td>
<td>-</td>
</tr>
<tr>
<td>Other Financing Sources</td>
<td>13,807,800</td>
<td>7,331,580</td>
<td>8,373,295</td>
<td>4,666,091</td>
<td>6,746,733</td>
<td>5,747,252</td>
<td>(999,481)</td>
</tr>
<tr>
<td>Cable TV Franchise Fees</td>
<td>10,114,232</td>
<td>5,340,890</td>
<td>6,607,386</td>
<td>6,085,623</td>
<td>6,085,624</td>
<td>6,085,624</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>6,348,706</td>
<td>10,174,994</td>
<td>5,498,142</td>
<td>2,488,893</td>
<td>2,938,306</td>
<td>3,203,034</td>
<td>264,728</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>833,105</td>
<td>1,581,208</td>
<td>1,722,931</td>
<td>1,665,755</td>
<td>1,720,000</td>
<td>2,249,474</td>
<td>529,474</td>
</tr>
<tr>
<td>Other Licenses and Permits</td>
<td>919,639</td>
<td>1,387,739</td>
<td>1,378,697</td>
<td>891,441</td>
<td>861,353</td>
<td>545,796</td>
<td>(315,557)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>(530,094)</td>
<td>1,005,494</td>
<td>947,784</td>
<td>473,654</td>
<td>474,934</td>
<td>84,173</td>
<td>(390,761)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>510,197,635</strong></td>
<td><strong>511,670,649</strong></td>
<td><strong>522,355,382</strong></td>
<td><strong>518,040,398</strong></td>
<td><strong>527,089,541</strong></td>
<td><strong>558,196,343</strong></td>
<td><strong>31,106,802</strong></td>
</tr>
</tbody>
</table>

| HOST/ EHOST                      | 94,435,736  | 120,216,460 | 127,660,066 | 129,744,948  | 128,203,111  | 134,565,174    | 6,362,063                 |
| **Total**                        | **604,633,371** | **631,887,109** | **650,015,448** | **647,785,346** | **655,292,652** | **692,761,517** | **37,468,865** |

*As of 6/13/2021; may not include all audit adjustments*
Adopted FY21 Tax Fund Revenue

Tax Fund Revenue by Source, FY2021 Budget

- **Ad Valorem Taxes - Current Year, 358,802,025, 55%**
- **EHOST, 128,203,111, 20%**
- **Other Taxes, 52,484,461, 8%**
- **Charges for Services, 54,093,594, 8%**
- **Motor Vehicle Title Taxes, 22,763,392, 4%**
- **Fines and Forfeitures, 13,427,158, 2%**
- **General Business License, 6,691,961, 1%**
- **Other Financing Sources, 6,746,733, 1%**
- **Other Licenses and Permits, 861,353, 0%**
- **Intergovernmental, 1,720,000, 0%**
- **Cable TV Franchise Fees, 6,085,624, 1%**
- **Miscellaneous, 2,938,306, 0%**
- **Investment Income, 474,934, 0%**

6/17/2021
Projected FY21 Tax Fund Revenue

Tax Fund Revenue by Source, FY2021 Projected

- Ad Valorem Taxes - Current Year, 387,199,866, 56%
- EHOST, 134,565,174, 19%
- Other Taxes, 56,869,372, 8%
- Charges for Services, 51,860,135, 8%
- Motor Vehicle Title Taxes, 23,787,437, 3%
- Cable TV Franchise Fees, 6,085,624...
- Fines and Forfeitures, 13,872,21...
- Other Financing Sources, 5,747,252, 1%
- General Business License, 6,691,961, 1%
- Miscellaneous, 3,203,034, 1%
- Intergovernmental, 2,249,474, 0%
- Other Licenses and Permits, 861,353, 0%
Millage Rates

• Counties are required by state law to annually calculate a “rollback rate.”
• 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 2021 rollback rate for the two millage rates levied countywide (General and Hospital Fund) was calculated as 9.464 mills.
• The proposed 2021 combined millage rate for General and Hospital Fund is 9.426, which is 0.038 mills below the rollback rate.
Potential Mid-Year Needs

• Potential funding needs:
  – Additional Internal Service Charges - $8.8M
    • Health Insurance
    • Litigation Costs
    • Vehicle Maintenance Charges
    • Workers Compensation
  – Sheriff requests – $8.7M
  – Retention Bonuses for non-public safety personnel - $5.8M
  – COVID Backlog - $2.2M
  – Violence Interruption - $2.0M
  – Other requests - $4.2M
Fiscally Strong

DeKalb County is stronger because of our unwavering commitment to fiscal integrity and accountability.

✓ Bond rating upgrade of Aa2, up from Aa3.
✓ FY2021 millage rate for unincorporated DeKalb remains 20.810 mills.
✓ Maintained the county’s high standard of delivering core services residents depend on during the COVID pandemic.
✓ Two-month rainy-day fund.
✓ No furloughs or reduction in force.
✓ DeKalb’s strong financial position allows funding from the American Rescue Plan (ARP) to be channeled to infrastructure and other investments rather than supplementing the annual budget.

6/17/2021
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