



City of Cochran

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Date: May 25, 2020

To: Mayor & Council and interested citizens

From: Richard Newbern, City Manager *Richard Newbern*

Re: FY 2020-21 Budget Summary and Notice concerning budget Public Hearing

Attached is a budget proposal for public inspection for the FY 2020-21 City Budget for the General Fund, Water/Sewer Fund, Natural Gas Fund, and the Solid Waste Fund. **This budget will be discussed at a Public Hearing scheduled for Tuesday, June 2, 2020 at 6:30 p.m. at the City Auditorium located at 102 N. Second Street.** Public comments can be made through a Go-to-Meeting web or Phone Number and Code that will be posted. At this hearing, the Mayor and Council will receive public comments about the proposed Annual Operating and Capital Budget for the City of Cochran, Ga.

The Council is scheduled to adopt the budget at the Tuesday, June 9 regular meeting.

Budget Summary for proposed FY 2020-21 Budget:

	Revenues	Expenditures
General Fund -----	\$3,765,040	\$3,765,040
• Mayor/Council -----		\$ 50,200
• Clerk/Admin.-----		\$ 874,340
• Elections-----		\$ 1,200
• Downtown Development Director--		\$ 58,560
• Municipal Court-----		\$ 87,140
• Police Department---		\$ 988,100
• Animal Control-----		\$ 81,570
• Code Enforcement-----		\$ 105,720
• Fire Department-----		\$ 588,760
• Public Works/Streets-		\$ 737,900
• Airport-----		\$ 27,200
• Outside Agencies-----		\$ 164,350
General Fund Total--	\$3,765,040	\$3,765,040

	<u>Revenues</u>	<u>Expenditures</u>
General Fund --	\$3,765,040	\$3,765,040
Water/Sewer Fund-----	\$1,942,040	\$1,942,040
Natural Gas Fund-----	\$2,308,900	\$2,308,900
Solid Waste Fund-----	<u>\$ 780,000</u>	<u>\$ 780,000</u>
Total =	\$8,795,980	\$8,795,980

The following are budget highlights from the draft:

1. The FY 2020-21 budget figures are listed in the far-right hand column of the attached budget spreadsheet. All columns are up-to-date through May 2, 2020.
2. Millage rate remains at 11.267 mills. Jeffersonville is at 10.765 mills, Centerville is at 11.971 mills, Perry is at 14.050 mills, Ocilla is at 17.05 mills, Eastman is at 7.5 mills, Hawkinsville is at 5.6 mills, Oglethorpe is at 12.5 mills, Vienna is at 13.5 mills, Unadilla is at 11.5 mills, Alma is at 11.667 mills, Wrightsville is at 12.517 mills, Fort Valley is at 15.0 mills, Abbeville is at 11.982 mills.
3. A mill of property tax in Cochran is expected to generate approx. \$83,623.
4. Budgeting during the coronavirus pandemic is very difficult. The City will probably need to amend the budget within the first two or three months of the fiscal year. Revenues are expected to be down, and the Council may have to revisit the budget in August/early September.
5. The budget shows Employee Incentive at each department as \$600 for the year.
6. The budget draft proposes a 2.0% cost-of-living increase to take effect on July 1. Merit pay and Christmas bonuses are budgeted. Employee incentives, such as Employee of the month, are budgeted. Training is budgeted for Council Members and staff.
7. Utility rate adjustments are due to take effect on Thursday, October 1. In this budget, Water/Sewer rates will increase 5% on October 1 to cover the City's debt service obligations. Gas base charges per customer will increase from \$9.50 to \$10.50 per month, and gas volume charges will be adjusted from \$3.75 per MCF gas unit to \$3.95 per MCF. Solid Waste charges needs to go up by 2% because Advanced Disposal is increasing the City's costs by 2%, per contract, on July 1.
8. The "Group Insurance" line items are budgeted for our insurance premium of approx. \$221,000 for FY 2020-21. Worker's Comp. premium of \$56,000 and

property/liability/auto insurance premiums of \$94,600 is allocated to the appropriate departments.

9. The General Fund is \$3,765,040, of which \$2,382,250 (63.27%) is personnel salaries, wages, and benefits such as health insurance and pension.
10. The draft budget includes continued funding for the DDA.
11. The draft budget includes \$10,000 in the Police Department budget for building maintenance at the Municipal Building.
12. The City will postpone major expenses when necessary. Presently, there are no new police cars budgeted in the General Fund for this year, though one is expected to be purchased through SPLOST revenues. If revenues are stronger than expected, the City could choose to finance a police car purchase with General Fund dollars.
13. The City is budgeting a contingency for each fund, but not with as much funds as last year. This proposed budget is very tight due to the present economic uncertainties.
14. If revenues are strong enough after October 1, the City can help finance a Police Corporal position to assist with a community policing initiative. Also, depending on revenues, the City can hire a part-time person devoted to assisting with updating the Cedar Hill cemetery inventory records and maps.
15. A total of \$38,500 is budgeted in the Public Works Department for the women's prison crew. The prison crew is not coming to Cochran due to the pandemic. If their absence continues, the funds could partially be used to hire a part-time mowing position in Public Works.

Let me know if you have questions.