

Mayor Chokwe Antar Lumumba's FY19 Budget Presentation

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and the Department of Administration



FY19 Budget Overview

Mayor Lumumba's proposed FY19 budget does the following:

- Maintains the tax rate at its FY18 level
- Invests in the people that work for the City through a 2% cost-of-living adjustment
- Invests in training for the people that work for the City
- Invests in technology to create efficiencies and growth
- Invests in public safety with new classes of police & fire recruits
- Invests in transportation infrastructure to stimulate growth
- Invests in planning (capital, financial and strategic) to stimulate growth
- Invests in our youth through the expansion of youth summer employment
- Invests in our community through competitive opportunities to bring our citizens together

Order of Presentation

- Debt Service
- Property Valuations/Tax Millage/Tax Revenue/Tax Rate
- Revenue Detail
- Sanitation/Water/Sewer Financial Position
- Reserve Target/Position
- Questions

Debt Service

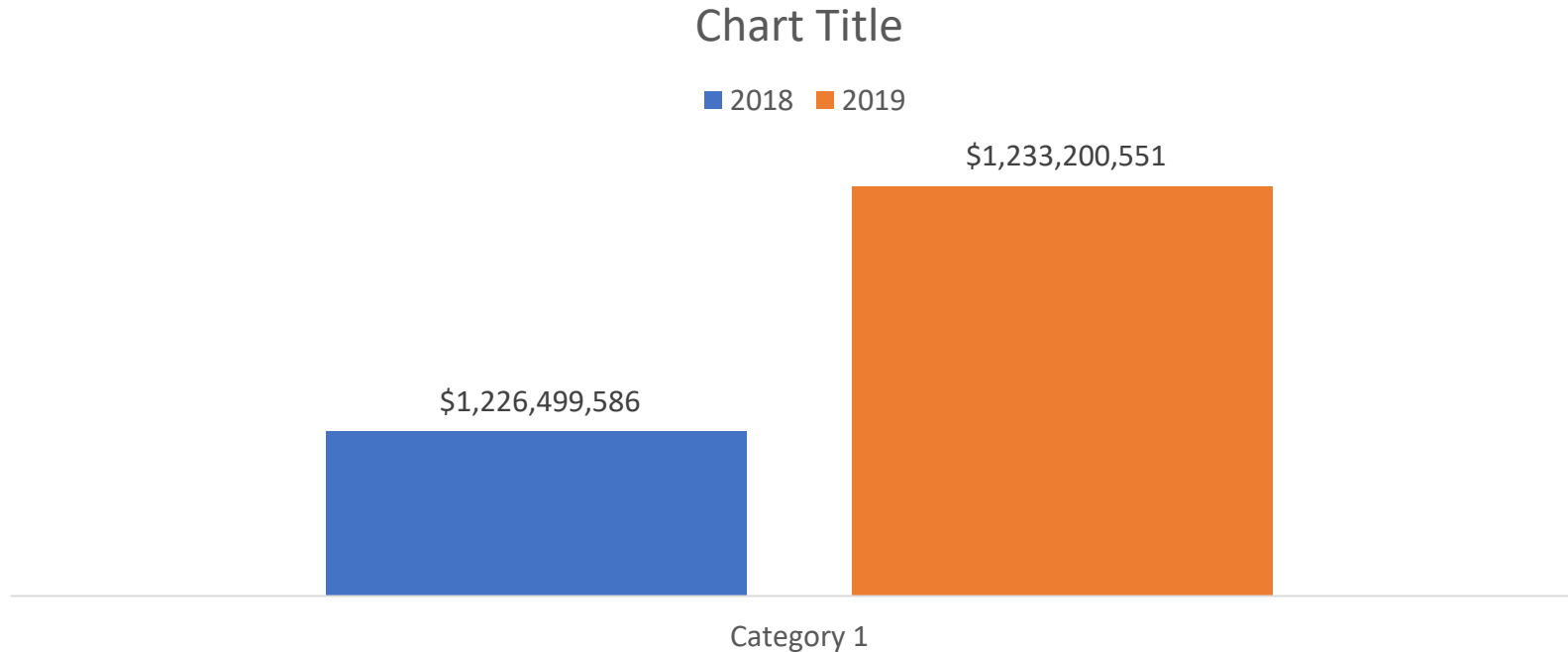
Debt service payments will increase by 38% (\$3,283,661) over FY18. Total debt service for FY18 was \$8,611,511. In FY19, debt service will be \$11,895,212.

General Obligation Bonds	Original Amount	Outstanding Principal	2018 Annual Payment	2019 Annual Payment	2020 Annual Payment	2021 Annual Payment	2022 Annual Payment	2023 Annual Payment	Termination Year
GOB 2003*	\$20,000,000	\$5,690,000	\$298,725	\$298,725	\$1,584,075	\$1,578,069	\$1,573,519	\$1,570,163	2023
GOB 2009* (***)	\$26,210,000	\$635,000	\$1,297,213	\$652,463	\$0	\$0	\$0	\$0	2019
GOB 2010a	\$16,655,000	\$16,655,000	\$685,750	\$2,872,450	\$2,883,425	\$2,886,950	\$2,901,950	\$2,905,075	2024
GOB 2010b	\$7,010,000	\$7,010,000	\$306,337	\$1,328,504	\$1,326,854	\$1,328,129	\$1,327,218	\$1,329,013	2024
GOB 2015a	\$17,465,000	\$17,465,000	\$702,913	\$702,913	\$712,913	\$882,613	\$877,213	\$871,813	2036
GOB 2015b	\$170,000	\$170,000	\$5,015	\$5,015	\$175,015	\$0	\$0	\$0	2020
GOB 2016a	\$12,384,000	\$11,827,000	\$514,086	\$514,498	\$2,445,052	\$2,443,324	\$2,436,662	\$2,432,075	2024
Subtotal	\$99,894,000	\$59,452,000	\$3,810,039	\$6,374,568	\$9,127,334	\$9,119,085	\$9,116,561	\$9,108,138	
GOB 2013 (1)	\$64,940,000	\$63,445,000	\$4,107,313	\$4,193,438	\$4,276,188	\$4,360,187	\$4,449,813	\$4,539,438	2036
Subtotal	\$64,940,000	\$63,445,000	\$4,107,313	\$4,193,438	\$4,276,188	\$4,360,187	\$4,449,813	\$4,539,438	
Total	\$164,834,000	\$122,897,000	\$7,917,352	\$10,568,006	\$13,403,522	\$13,479,272	\$13,566,374	\$13,647,576	

Tax Increment Obligation Bonds	Original Amount	Outstanding Principal	2018 Annual Payment	2019 Annual Payment	2020 Annual Payment	2021 Annual Payment	2022 Annual Payment	2023 Annual Payment	Termination Year
TILOB 2007	\$2,270,000	\$490,000	\$257,044	\$261,427	\$250,476	\$0	\$0	\$0	2020
TILOB 2009	\$407,000	\$199,000	\$36,946	\$37,728	\$37,447	\$37,124	\$37,738	\$37,289	2024
TILOB 2009	\$1,600,000	\$590,000	\$169,438	\$168,025	\$166,375	\$164,487	\$162,363	\$0	2022
TILOB 2010	\$2,800,000	\$1,539,561	\$208,192	\$210,794	\$213,429	\$216,097	\$218,798	\$221,533	2030
TILOB 2018				\$218,454					
TILOB 2018				\$412,328					
Total	\$7,077,000	\$2,818,561	\$671,620	\$1,308,756	\$667,727	\$417,708	\$418,899	\$258,822	

Assessed Valuations

The City of Jackson experienced slow growth in property valuations in 2018. The preliminary assessed values show 0.5% growth.



Tax Millage

Slow growth, coupled with a 38% increase in debt service for FY19 yields less millage for the General Fund. However, this proposed budget **does not** include an increase in the tax rate.

Tax Millage	FY18	FY19	Difference	% Change
General Fund	50.94	48.55	-2.39	-5%
Parks Fund	2.0	2.0	0	0
Bond and Interest Fund	3.83	6.63	+2.80	+73%
Disability & Relief Fund	4.46	4.10	-0.36	-8%
Library	1.80	1.75	-0.05	-3%
Landscape District	0	0	0	0
TOTAL TAX MILLAGE	63.03	63.03	0	0

Tax Revenue

Based on the millage calculations, there will be less property tax revenue available for the General Fund in FY19.

Tax Revenue	FY18	FY19	Difference	% Change
General Fund	\$58,437,804	\$55,944,227	-\$2,493,577	-4.3%
Parks Fund	\$2,294,378	\$2,304,603	+10,225	+0.4%
Bond and Interest Fund	\$4,441,844	\$7,648,309	+3,206,465	+72%
Disability & Relief Fund	\$5,172,487	\$4,729,723	-\$442,764	-9%
Library	\$2,064,940	\$2,016,527	-\$48,413	-2%
Landscape District	0	0	0	0
TOTAL TAX MILLAGE	\$72,411,453	\$72,643,389	+\$231,936	+0.32%

NOTE: This revenue projection reflects real property, personal property and automobiles.

General Fund Revenue

General Fund revenues are relatively flat due to an anticipated increase in sales tax resulting from online sales tax proceeds and to an infusion from the Fund Balance to assist with the increased debt service payment.

Revenue Category	FY17 Actuals	FY18 Adopted	FY19 Proposed	Difference FY18 to FY19	% Change FY18 to FY19
General Property Taxes	\$ 61,414,413.00	\$ 61,067,227.00	\$ 59,003,823.00	\$ (2,063,404.00)	-3%
Licenses and Permits	\$ 1,411,346.00	\$ 1,610,784.00	\$ 1,526,010.00	\$ (84,774.00)	-5%
Fines and Forfeitures	\$ 2,197,922.00	\$ 2,607,639.00	\$ 1,776,967.00	\$ (830,672.00)	-32%
Intergovernmental-Federal	\$ 31,235.00	\$ 38,503.00	\$ 59,325.00	\$ 20,822.00	54%
Intergovernmental-State	\$ 32,330,368.00	\$ 32,487,253.00	\$ 33,309,161.00	\$ 821,908.00	3%
Intergovernmental-Local	\$ 605,717.00	\$ 592,197.00	\$ 600,873.00	\$ 8,676.00	1%
Admissions, Fees, Rentals	\$ 661,413.00	\$ 615,321.00	\$ 679,943.00	\$ 64,622.00	11%
Interest Earned on Investment	\$ 89,186.00	\$ 44,316.00	\$ 44,316.00	\$ -	0%
Other Revenues	\$ 11,211,619.00	\$ 14,440,881.00	\$ 13,723,567.00	\$ (717,314.00)	-5%
Applied Fund Balance	\$ -	\$ 343,578.00	\$ 2,824,284.00	\$ 2,480,706.00	722%
Operating Transfers In	\$ 1,446,000.00	\$ 1,446,000.00	\$ 1,446,000.00	\$ -	0%
Total Revenues	\$ 111,399,218.00	\$ 114,950,121.00	\$ 114,994,269.00	\$ 44,148.00	0.04%

Technology Fund Revenues

Technology revenues assume an investment of \$4,000,000 in a ERP system that would be funded through a master lease agreement.

Revenue Category	FY17 Actuals	FY18 Adopted	FY19 Proposed	Difference FY18 to FY19	% Change FY18 to FY19
Admissions, Fees, Rentals	\$ 3,948,272.00	\$ 3,818,989.00	\$ 3,984,000.00	\$ 165,011.00	4%
Interest Earned on Investment	\$ 6,162.00	\$ -	\$ -	\$ -	0%
Other Revenues	\$ 32,384.00	\$ 30,707.00	\$ 4,030,707.00	\$ 4,000,000.00	13026%
Applied Fund Balance	\$ -	\$ 510,000.00	\$ 882,459.00	\$ 372,459.00	73%
Operating Transfers In	\$ -	\$ 400,000.00	\$ -	\$ (400,000.00)	-100%
Total Revenues	\$ 3,986,818.00	\$ 4,759,696.00	\$ 8,897,166.00	\$ 4,137,470.00	87%

Parks and Recreation Fund

Revenues from fees and other revenues have been adjusted downward to more closely match actuals from FY18. Strategic investments into the department should yield stronger revenue performance going forward.

Revenue Category	FY17 Actuals	FY18 Adopted	FY19 Proposed	Difference FY18 to FY19	% Change FY18 to FY19
General Property Taxes	\$ 2,366,011.00	\$ 2,311,913.00	\$ 2,321,199.00	\$ 9,286.00	0%
Licenses and Permits	\$ 344.00	\$ 500.00	\$ 500.00	\$ -	0%
Intergovernmental- State	\$ 68,747.00	\$ 65,000.00	\$ 65,000.00	\$ -	0%
Admissions, Fees, Rentals	\$ 233,532.00	\$ 537,150.00	\$ 344,216.00	\$ (192,934.00)	-36%
Interest Earned on Investment	\$ 990.00				
Other Revenues	\$ 62,882.00	\$ 861,000.00	\$ 520,000.00	\$ (341,000.00)	-40%
Applied Fund Balance	\$ -	\$ -	\$ -	\$ -	0%
Operating Transfers In	\$ 2,059,375.00	\$ 1,919,765.00	\$ 3,090,263.00	\$ 1,170,498.00	61%
Total Revenues	\$ 4,791,882.00	\$ 5,695,328.00	\$ 6,341,178.00	\$ 645,850.00	11%

Disability Relief Fund

Revenue Category	FY17 Actuals	FY18 Adopted	FY19 Proposed	Difference FY18 to FY19	% Change FY18 to FY19
General Property Taxes	\$ 5,001,799.00	\$ 5,172,487.00	\$ 4,729,724.00	\$ (442,763.00)	-9%
Licenses and Permits	\$ 727.00	\$ -	\$ -	\$ -	0%
Intergovernmental-State	\$ 145,041.00	\$ 67,508.00	\$ 67,508.00	\$ -	0%
Interest Earned on Investment	\$ 1,159.00	\$ -	\$ -	\$ -	0%
Other Revenues	\$ 2,732.00	\$ -	\$ -	\$ -	0%
Total Revenues	\$ 5,151,458.00	\$ 5,239,995.00	\$ 4,797,232.00	\$ (442,763.00)	-8%

Employers Group Insurance Fund

Our medical benefits program is performing better than the national averages. In FY19, the City of Jackson will experience a REDUCTION in medical benefits costs.

Revenue Category	FY17 Actuals	FY18 Adopted	FY19 Proposed	Difference FY18 to FY19	% Change FY18 to FY19
Interest Earned on Investment	\$ 2,043.00	\$ -	\$ -	\$ -	0%
Contributions-Employee GRP Benefits	\$ 6,958,134.00	\$ 7,003,609.00	\$ 6,805,984.00	\$ (197,625.00)	-3%
Other Revenues	\$ 771,869.00	\$ -	\$ -	\$ -	0%
Operating Transfers In	\$ 9,410,678.00	\$ 11,143,857.00	\$ 9,368,467.00	\$ (1,775,390.00)	-16%
Total Revenues	\$ 17,142,724.00	\$ 18,147,466.00	\$ 16,174,451.00	\$ (1,973,015.00)	-11%

Grand Gulf Emergency Planning Fund

Ten percent of the revenues for this fund have been set aside for the corridor.

Revenue Category	FY17 Actuals	FY18 Adopted	FY19 Proposed	Difference FY18 to FY19	% Change FY18 to FY19
Interest Earned on Investment	\$ 2,625.00	\$ -	\$ -	\$ -	0%
Other Revenues	\$ -	\$ 160,788.00	\$ 321,576.00	\$ 160,788.00	100%
Total Revenues	\$ 2,625.00	\$ 160,788.00	\$ 321,576.00	\$ 160,788.00	100%

Landfill/Sanitation Fund

For the second year, the Landfill/Sanitation Fund has not generated enough revenue to cover expenses. The FY19 budget reduces the revenues based on prior years' performance.

Revenue Category	FY17 Actuals	FY18 Adopted	FY19 Proposed	Difference FY18 to FY19	% Change FY18 to FY19
Licenses and Permits	\$ 479,421.00	\$ 127,489.00	\$ 127,489.00	\$ -	0%
Intergovernmental-Federal	\$ -	\$ -	\$ -	\$ -	0%
Intergovernmental-State	\$ 68,922.00	\$ 125,000.00	\$ 125,000.00	\$ -	0%
Admissions, Fees, Rentals	\$ 10,946,262.00	\$ 11,162,963.00	\$ 9,950,267.00	\$ (1,212,696.00)	-11%
Interest Earned on Investment	\$ 1,996.00	\$ -	\$ -	\$ -	0%
Sales to Customers	\$ 29,895.00	\$ -	\$ -	\$ -	0%
Other Revenues	\$ 25,980.00	\$ 392,000.00	\$ 15,000.00	\$ (377,000.00)	-96%
Total Revenues	\$ 11,552,475.00	\$ 11,807,452.00	\$ 10,217,756.00	\$ (1,589,696.00)	-13%

Water/Sewer Revenue Fund

Revenues for this fund have been adjusted to align with recent performance trends. Corrective action is underway that should improve performance during FY19.

Revenue Category	FY17 Actuals	FY18 Adopted	FY19 Proposed	Difference FY18 to FY19	% Change FY18 to FY19
Licenses and Permits	\$ 65,227.00	\$ 60,971.00	\$ 60,971.00	\$ -	0%
Interest Earned on Investment	\$ 50,604.00	\$ -	\$ -	\$ -	0%
Sales to Customers	\$ 72,311,820.00	\$ 71,820,880.00	\$ 58,803,142.00	\$ (13,017,738.00)	-18%
Other Revenues	\$ 13,344.00	\$ -	\$ -	\$ -	0%
Total Revenues	\$ 72,440,995.00	\$ 71,881,851.00	\$ 58,864,113.00	\$ (13,017,738.00)	-18%

Water/Sewer Ops & Maintenance Fund

Revenue Category	FY17 Actuals	FY18 Adopted	FY19 Proposed	Difference FY18 to FY19	% Change FY18 to FY19
Intergovernmental-Federal	\$ 264,148.00	\$ -	\$ -	\$ -	0%
Interest Earned on Investment	\$ 8,107.00	\$ -	\$ -	\$ -	0%
Other Revenues	\$ 339,653.00	\$ 11,516,920.00	\$ 8,821,020.00	\$ (2,695,900.00)	-23%
Operating Transfers In	\$ 31,236,268.00	\$ 45,804,736.00	\$ 39,483,889.00	\$ (6,320,847.00)	-14%
Total Revenues	\$ 31,848,176.00	\$ 57,321,656.00	\$ 48,304,909.00	\$ (9,016,747.00)	-16%

Water/Sewer Capital Improvement Fund

Revenue Category	FY17 Actuals	FY18 Adopted	FY19 Proposed	Difference FY18 to FY19	% Change FY18 to FY19
Interest Earned on Investment	\$ 11,006.00	\$ -	\$ -	\$ -	0%
Applied Fund Balance	\$ -	\$ 8,975,114.00	\$ 1,614,313.00	\$ (7,360,801.00)	-82%
Operating Transfers In	\$ 12,253,460.00	\$ 17,560,126.00	\$ 8,821,020.00	\$ (8,739,106.00)	-50%
Total Revenues	\$ 12,264,466.00	\$ 26,535,240.00	\$ 10,435,333.00	\$ (16,099,907.00)	-61%

Revenue Collections thru 3Q18

Total Water Sewer Billings thru 3Q17	\$49,534,609.00
Total Water Sewer Collections thru 3Q17	\$34,278,518.79

The Water/Sewer collection rate has fallen throughout FY2018. On average during the current fiscal year, Water Sewer billed \$5,503,845.54 per month and collected \$3,808,724.31 per month. The collection rate for Water Sewer thru 3Q18 is 69.20%.

Comparative Billing and Collections

	2017	2018
Average Monthly Billing	\$6,036,749	\$5,503,845
Average Monthly Collections	\$5,421,474	\$3,808,724
Delta	-9%	-42%

- Average monthly billing has fallen by 9%
- Average monthly collections have fallen by 42%

FY2018 Budget vs. Actual Revenues

FY2018 Revised Budget Revenues	\$65,183,645.00
Total Water Sewer Collections thru 3Q17	\$34,278,518.79
Collections as a percentage of Budget	52.59%

With 75% of the fiscal year passed, Water Sewer has collected 52.59% of the REVISED projected revenue for FY2018.

Anticipated Billing and Revenue Collections FY2018

FY2018 Anticipated Billings	\$71,134,609.87
FY2018 Anticipated Collections	\$45,192,221.79
Anticipated FY2018 Collection Rate	63.60%

Assuming that billing and collections stay at their current levels for 4Q18, Water Sewer should end the year with a 63.60% collection rate. Most importantly, total revenues are projected to be \$45.2M.

Revenue Billing and Collections FY17 and FY18

Total Revenues	2017			2018		
	Billed	Collected	Collection Rate	Billed	Collected	Collection Rate
October	\$ 8,329,298.02	\$ 6,189,129.49	74.31%	\$ 5,678,513.50	\$ 3,965,658.79	69.84%
November	\$ 5,355,089.71	\$ 6,176,321.88	115.34%	\$ 4,938,280.11	\$ 3,783,267.41	76.61%
December	\$ 5,580,316.76	\$ 6,028,223.98	108.03%	\$ 5,086,143.94	\$ 3,321,277.01	65.30%
January	\$ 5,711,809.20	\$ 5,602,597.21	98.09%	\$ 4,555,378.62	\$ 3,799,698.00	83.41%
February	\$ 5,599,076.31	\$ 5,004,392.96	89.38%	\$ 5,192,952.62	\$ 4,463,119.69	85.95%
March	\$ 8,903,363.07	\$ 5,785,122.27	64.98%	\$ 5,044,684.72	\$ 4,622,019.72	91.62%
April	\$ 2,756,497.62	\$ 4,614,005.38	167.39%	\$ 4,828,199.26	\$ 3,063,960.76	63.46%
May	\$ 5,022,162.72	\$ 5,433,676.38	108.19%	\$ 7,017,876.55	\$ 3,471,497.86	49.47%
June	\$ 5,272,794.10	\$ 4,873,602.68	92.43%	\$ 7,192,580.55	\$ 3,788,019.55	52.67%
July	\$ 5,295,671.51	\$ 3,799,500.70	71.75%	\$ 7,127,337.46	\$ 3,913,703.00	54.91%
August	\$ 6,354,317.44	\$ 4,282,106.82	67.39%	\$ 7,200,000.00	\$ 3,500,000.00	48.61%
September	\$ 8,260,598.84	\$ 7,269,009.75	88.00%	\$ 7,200,000.00	\$ 3,500,000.00	48.61%
TOTALS	\$ 72,440,995.30	\$ 65,057,689.50	89.81%	\$ 71,061,947.33	\$ 45,192,221.79	63.60%

Project FY18 Performance for Water/Sewer

FY2018 Collections through July 2018	\$	38,192,221.79
FY2018 Projected Collections as of 8/14/2018	\$	45,192,221.79
FY2018 Expenditures through July 2018	\$	41,897,145.81
FY2018 Projected Expenditures as of 8/5/2018	\$	56,788,413.31
Required Operations & Maintenance Reserves	\$	2,915,700.00
Total Projected Expenditures Plus Sept and Oct	\$	59,704,113.31
Fund Balance	\$	7,756,416.52
Cash on Hand from August 2018 (as of 8/13/18)	\$	1,466,666.67
Shortfall to be borrowed from General Fund	\$	5,288,808.33

Reserve Target

General Fund Reserve	
Fund Balance as of August 14, 2018	\$ 12,308,234.00
Projected Interfund Loan to Water/Sewer	\$ 5,288,808.33
	\$ 7,019,425.67
Projected Interfund Loan to Sanitation	\$ 2,500,000.00
	\$ 4,519,425.67
Applied Fund Balance for FY19 Budget	\$ 2,824,284.00
	\$ 1,695,141.67
Projected General Fund Surplus for FY18	\$ 7,860,691.00
Projected Fund Balance as of October 1, 2018	\$ 9,555,832.67
Required Fund Balance (7.5%)	\$ 8,624,570.18
Projected Balance Above Required	\$ 931,262.49

Questions?