



SAVANNAH

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PROPOSED

# BUDGET-in-BRIEF



ONE CITY. ONE DIRECTION: FORWARD



# City Manager's Budget Message

December 7, 2017

To: Mayor and Members of City Council

There is a saying that a goal without a plan is just a wish. Throughout 2017, City Council worked collaboratively with staff and the community to develop some big plans, which will lead to significant change within our organization in 2018 and well into the future. Together, we:

- Developed a strategic plan, [SAVANNAH FORWARD](#), which establishes new priorities, defines what success will look like over the next seven years, and creates concrete strategies on how to get there.
- Created a plan to restructure the City organization, the first major reorganization in recent history, to help us meet goals laid out in [SAVANNAH FORWARD](#).
- Adopted the Parking Matters study, which lays out strategies for improving parking downtown.
- Completed a conceptual vision for the new Arena Development District, which when completed will redefine what we consider downtown Savannah.
- Finalized a plan for the re-establishment of the Savannah Police Department, which will allow us to focus exclusively on public safety needs.
- Developed a fire services fee as a way to more equitably fund fire services in our community.

The 2018 Proposed Budget for the City of Savannah provides the necessary resources for putting these and other plans into action.

This \$408 million spending plan funds a new unit to expedite development of the arena and surrounding Canal District. It creates a department to coordinate the logistics of special events and tourism, the number of which continue to grow rapidly in Savannah. This budget brings all of our code enforcement officers – currently spread across multiple departments – under one roof, allowing us to cross train, make better use of resources, and better address compliance. This budget also puts a stronger focus on creating business opportunities for all of our residents, and launches a new unit designed to measure progress and ensure we stay on track.

City Council courageously addressed a projected funding imbalance by authorizing a fire services fee, which will cover 70 percent of our fire department's funding needs. The fire services fee treats fire protection just like we treat water, sewer and sanitation services – everyone pays for the services or benefits they receive, including nonprofits, government and educational institutions. It costs a tremendous amount of money to train, equip and then position the men and women who stand ready to respond to any emergency 24 hours a day, 365 days a year. Whether or not a property owner has been lucky enough to never need the services of Savannah Fire Rescue, the cost of providing that service remains the same to the City.

With adoption of the fire services fee of \$256 per billing unit, we are able to reduce our property tax rate by 8 percent, from the current 12.48 mills to 11.48 mills, which would make it the lowest millage rate in Savannah since 1988. If approved, Savannah City Council will have driven down its property tax rate by 34 percent over the past two decades.

By taking pressure off the City's General Fund, we can continue our progress in reducing crime city-wide, City Council's top priority. This budget adds 23 police officer positions to the City's police department. That's on top of the 18 grant-funded positions we added in 2017.

The 2018 Budget contains funding for the continuation of existing services and initiatives. It also includes funding to address City Council Strategic Priorities or service enhancements:

### Public Safety

- Anticipates \$2,285,365 from Chatham County for operation of the E-911/Public Safety Communications Center.
- Funds \$2,175,870 for police service enhancements including 23 additional police officers, permanent funding for the Cold Case Investigative Unit, and an information systems analyst position.
- Opens four new police service locations: Downtown, Eastside, Southwest/New Hampstead substation and Savannah Highlands/Northwest substation.
- Funds two new fire engines replacing apparatus that are 12 and 13 years old.

### Infrastructure

- Allocates \$500,000 to replace the control system at the DeRenne Avenue Pump Station, allowing personnel to more rapidly and efficiently respond to changing stormwater conditions.
- Provides \$800,000 for increased tree pruning, and tree and stump removal to help reduce the backlog of tree pruning and removal requests, including more than 500 stumps awaiting removal.
- Increases funding by \$1 million for landscaping maintenance services for rights of way and public property to help beautify public areas, key corridors, and neighborhoods.
- Continues needed storm-sewer rehabilitation by providing \$500,000 to repair and upgrade significantly aged infrastructure.
- Identifies \$597,000 for bridge maintenance and road resurfacing projects.
- Provides a grant match for Benton Boulevard at Spring Lakes school/intersection improvements.

### Neighborhood Revitalization

- Secures \$410,000 for Joe Tribble Park improvements, including a pond aeration system, paved parking and security enhancements. Expands funding by \$1,681,840 for the Savannah Shines neighborhood improvement project under way in Edgemere/Sackville to construct new sidewalks, crosswalks, decorative lighting, landscaping, and a bike path along Cedar Street, in addition to new curb and gutter between E. 52<sup>nd</sup> and E. 56<sup>th</sup> streets, and pedestrian safety improvements at high-volume areas along Waters Avenue.

- Provides \$500,000 in additional funding for next phase of the Waters Avenue Streetscape Enhancement Project from Anderson Street to Wheaton Street, which includes improved sidewalks, decorative crosswalks, ADA compliance ramps, enhanced landscaping, and ornamental lighting fixtures.

#### Economic Strength and Poverty Reduction

- Establishes a Fire Services Fee Financial Hardship program to assist low-income property owners with paying the costs of the new fire services fee.
- Invests \$643,177 through the City's Community Partnerships Investment Program to fund 31 programs and services provided by 24 nonprofit agencies targeting poverty in Savannah.
- Purchases \$680,400 worth of cultural and arts programming from 12 organizations to enhance tourism and enrich the quality of life for our residents.
- Allocates \$210,000 toward special events, sponsorships and community celebrations.
- Provides \$2,201,600 for a new initiative – Savannah Renaissance Project – with Savannah Chatham County Public Schools to provide early childhood education; family support services; mental health, physical health and nutrition services; and early assessment and services for children with special needs or developmental delays.

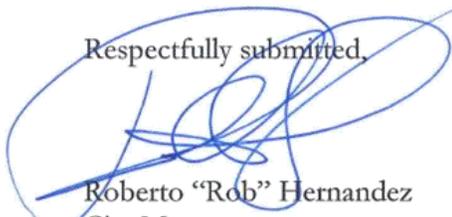
#### Good Government

- Replaces Budget and Performance Tracking Software System to align the budget, programs and service outcomes with the Strategic Plan.
- Allocates \$1,649,199 to provide for a 2% general wage increase with an additional 1% to be considered mid-year to make the City more competitive in attracting and retaining employees.
- Closes the Broughton Municipal and Gamble Buildings and relocates services to the new Chatham Parkway Service Center.
- Funds \$345,000 in technology-related improvements.

While the Proposed Budget makes progress in addressing Strategic Priorities and closing the gap between resource availability and needs, it does so with some cost. This budget includes elimination of one fire engine, one fire boat and 18 vacancies within the Fire Rescue Department, in addition to 27 other positions across the City organization. It also imposes a partial hiring freeze, while reducing operational contingency funds.

We have much work ahead, and this proposed budget doesn't meet all of our needs. But it is a start, and sets several of our major plans into motion, a path that I am confident will lead to Savannah becoming the best community our size in America.

Respectfully submitted,



Roberto "Rob" Hernandez  
City Manager

# CITY-WIDE ALL FUNDS SUMMARY REVENUES



<u>Revenue Source</u>	<u>2018 PROPOSED</u>
<u>Taxes</u>	
Property Taxes	\$ 62,760,191
Sales Tax	41,979,600
Other Taxes	50,093,650
Subtotal	\$ 154,833,441
<u>User Fees</u>	
Leisure Services Fees	\$ 902,150
Inspection Fees	3,193,000
Fees for Other Services - General Fund	27,635,914
9-1-1 Fees	5,170,000
Haz-Mat Services	274,000
Water Services	25,103,613
Sewer Services	42,318,358
I & D Services	6,545,931
Sanitation Services	21,962,200
Mobility and Parking Services	12,360,035
Civic Center Services	1,474,400
Subtotal	\$ 146,939,601
<u>Interfund Revenues</u>	
Interfund Services	\$ 30,152,178
Internal Service Charges	13,187,933
General Fund Contribution	21,827,864
Subtotal	\$ 65,167,975
Licenses & Permits	\$ 16,325,450
Fines, Forfeits, & Penalties	\$ 7,073,983
Grant Revenues	\$ 14,064,547
Interest Earned	\$ 453,900
Other Revenues	\$ 3,176,244
<b>TOTAL</b>	<b>\$ 408,035,141</b>

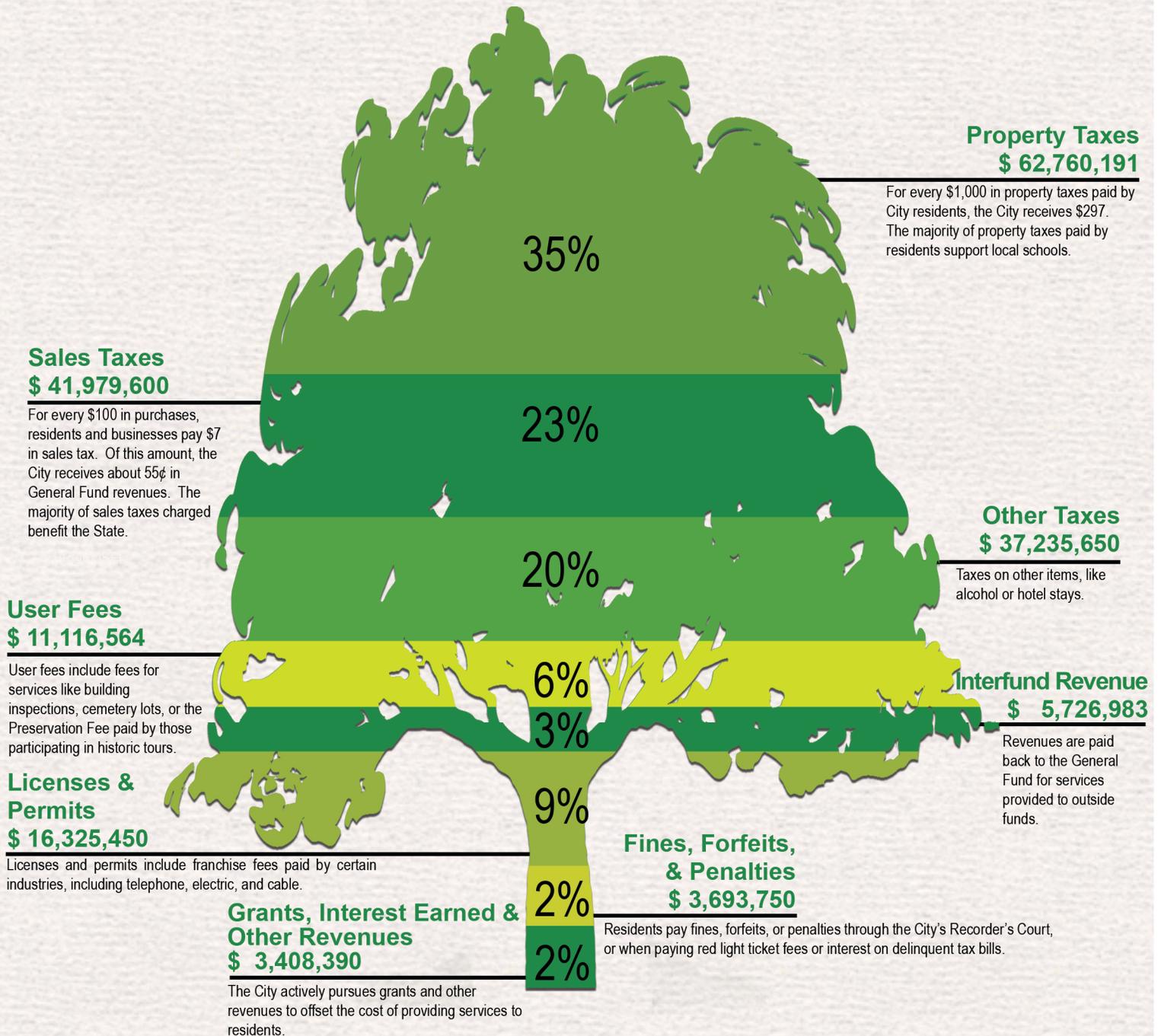
# CITY-WIDE ALL FUNDS SUMMARY EXPENSES

<u>Expenses By Fund</u>	<u>2018 PROPOSED</u>
General Fund	\$ 182,246,578
 <u>Special Revenue Funds</u>	
Hazardous Material Team	\$ 464,735
Grants	7,873,206
Community Development	8,272,238
Public Safety Communications	7,455,365
Hotel Motel Tax	10,693,809
Subtotal	\$ 34,759,353
 <u>Enterprise Funds</u>	
Sanitation	\$ 29,336,159
Civic Center	3,773,591
Water	28,298,761
Sewer	42,728,209
I & D Water	6,696,200
Mobility and Parking Services	16,570,636
Subtotal	\$ 127,403,556
 <u>Internal Services Funds</u>	
Internal Services	\$ 13,187,933
Computer Purchase	721,295
Radio Replacement	630,000
Recorder's Court Technology	70,000
Vehicle Purchase	12,379,185
Fire Rescue	32,637,241
Subtotal	\$ 59,625,654
Contribution to Fire Fee Stabilization Reserve	\$ 4,000,000
 <b>Subtotal</b>	 <b>\$ 408,035,141</b>
Less Transfers Between Funds	\$ (52,654,268)
 <b>TOTAL</b>	 <b>\$ 355,380,873</b>



# General Fund Revenues

**WHERE DO YOUR TAX DOLLARS AND FEE PAYMENTS GO?** - The City's General Fund revenue portfolio is quite diversified. About 78% of all annual revenues are from taxes such as Property Tax, Sales Tax, or Other Taxes. The remaining revenue sources include fees and charges from residents and businesses, charges to other funds for services provided, and outside funding, like grants.



## TOTAL \$182,246,578

All numbers indicated above are in \$ millions

# General Fund Expenses

## COMMUNITY SERVICES - CSO

CSO Admin Office	\$ 410,748
Human Services	\$ 685,885
Arts, Culture & Historical Resources	\$ 1,145,946
Code Compliance Department	\$ 3,713,354
Housing & Neighborhood Services Department	\$ 2,500
Parks & Recreation Department	\$ 9,550,391

9%

COMMUNITY SERVICES

20%

INFRASTRUCTURE & DEVELOPMENT

## INFRASTRUCTURE & DEVELOPMENT

CIDO Admin Office	\$ 1,881,423
Mobility Services Dept.	\$ 10,529,722
Development Services Dept.	\$ 4,021,061
Public Works & Water Resources Dept.	\$ 19,363,223

9%

MUNICIPAL OPERATIONS

## MUNICIPAL OPERATIONS

COO Admin Office	\$ 1,548,718
Financial Services Dept.	\$ 4,680,267
Human Resources Dept	\$ 1,706,805
Real Estate Services Dept.	\$ 7,618,645
Recorder's Court Administration Dept.	\$ 2,296,216

3%

GOVERNANCE & STRATEGIC SERVICES

## PUBLIC SAFETY

Fire Rescue Dept. Emergency Mgmt	\$ 193,299
Police Department	\$ 58,070,771
Transfer to Fire Fund	\$ 16,022,741

41%

PUBLIC SAFETY

18%

NON-DEPARTMENTAL

## NON-DEPARTMENTAL

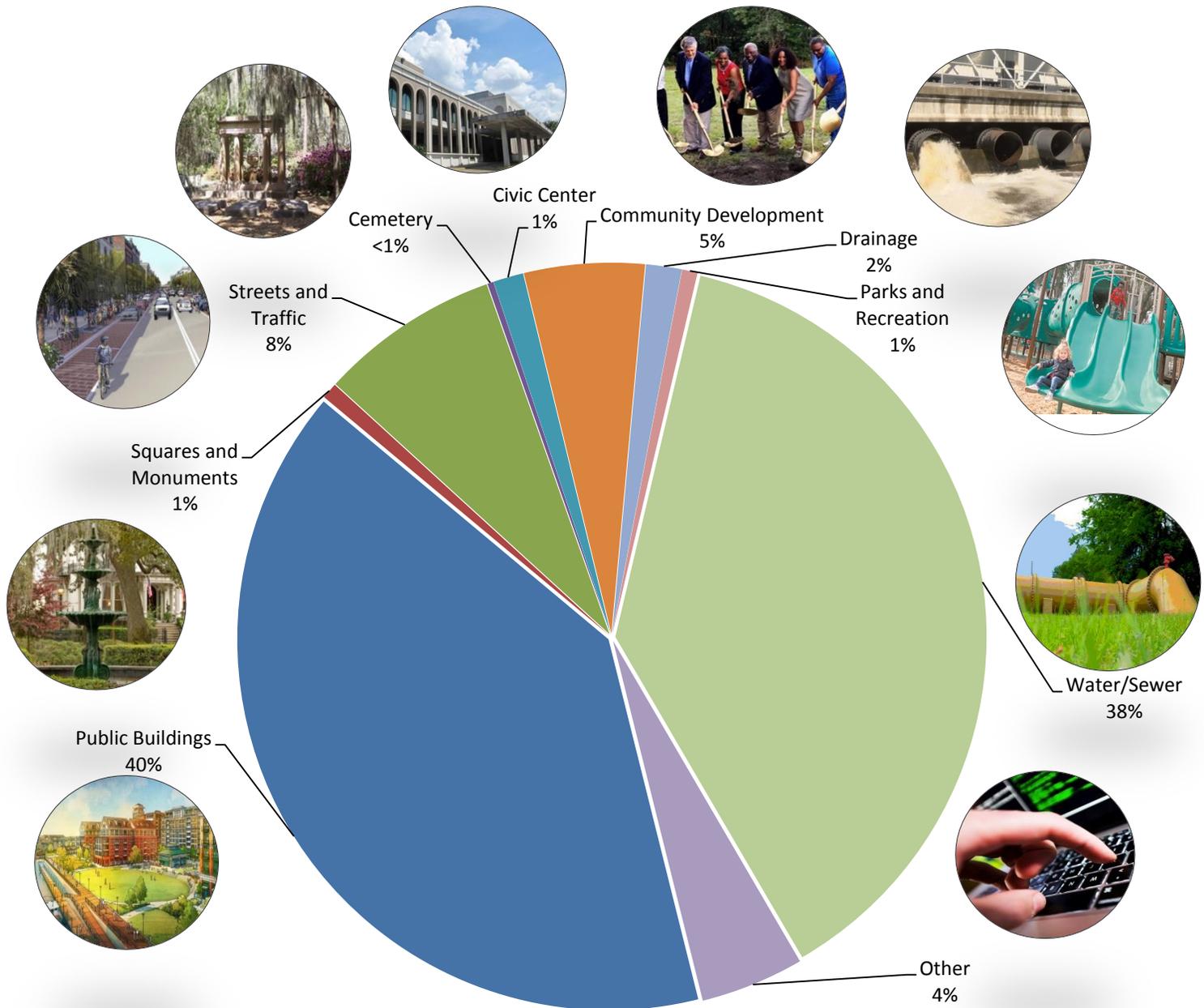
Services to Other Funds	\$ 5,572,912
Transfers to Other Funds	\$ 7,812,835
Transfers to CIP	\$ 7,168,840
Other Expenses	\$ 7,100,899
Outside Entities	\$ 4,369,688
Anticipated Wage Adjustments	\$ (206,149)
Contingency	\$ 1,176,222

## GOVERNANCE & STRATEGIC SERVICES

Mayor & Council Office	\$ 874,748
Clerk of Council	\$ 297,454
City Attorney	\$ 1,040,081
Office of the City Manager	\$ 1,142,919
Arena Development District	\$ 195,607
Office of Management & Budget	\$ 820,974
Office of Business Opportunity	\$ 540,408
Office of Public Communications	\$ 615,823
Office of Performance & Accountability	\$ 281,602

# CAPITAL IMPROVEMENT PLAN

The City's Five-Year Capital Improvements Plan covering FY18 through FY22 totals \$183 million and includes 137 projects across all improvement categories. The first year of the five-year CIP, which is formally adopted by the City Council, totals \$64.2 million for FY18. Below is the breakdown of the FY18 Proposed capital budget by improvement category.



**TOTAL FY18 CAPITAL BUDGET:  
\$64,190,840**

## CIP SUMMARY TABLES

The Five-year Capital Improvement Program revenue sources are projected to total \$183,051,940. The table below provides a breakdown of allocations by year. Revenue changes are as follows:

- General Fund will contribute \$31.5 million.
- Water and Sewer Funds together account for nearly \$108 million
- 2018 includes a Bond Issuances of \$28 million
- Civic Center Fund, Water Fund, and Sewer Fund contributions will include FY18 operating dollars as well as draws from fund and capital reserves

Funding Source	2018	2019	2020	2021	2022	5-Year Total
General Fund	\$ 6,348,840	\$ 6,189,000	\$ 5,690,000	\$ 6,050,800	\$ 7,235,800	\$ 31,514,440
40% Cemetery Fund	170,000	170,000	150,000	150,000	160,000	800,000
Preservation Fee	650,000	645,000	665,000	625,000	500,000	3,085,000
Civic Center Fund	845,000	557,000	1,350,000	1,800,000	1,400,000	5,952,000
Bonds	28,000,000	0	0	0	0	28,000,000
Fire Rescue Fund	150,000	0	150,000	0	250,000	550,000
Parking Fund	3,690,000	550,000	350,000	350,000	350,000	5,290,000
Sewer Fund	13,556,000	17,056,000	16,681,000	14,708,000	10,455,500	72,456,500
Water Fund	10,781,000	7,061,000	8,093,000	5,345,000	4,124,000	35,404,000
<b>Total All Funding Source</b>	<b>\$ 64,190,840</b>	<b>\$ 32,228,000</b>	<b>\$ 33,129,000</b>	<b>\$ 29,028,800</b>	<b>\$ 24,475,300</b>	<b>\$183,051,940</b>

Improvement Category	2018	2019	2020	2021	2022	5-Year Total
Cemetery	\$ 170,000	\$ 170,000	\$ 150,000	\$ 150,000	\$ 160,000	\$ 800,000
Civic Center	845,000	557,000	1,350,000	1,800,000	1,400,000	5,952,000
Community Development	3,366,840	0	500,000	0	0	3,866,840
Drainage	1,000,000	950,000	1,150,000	500,000	525,000	4,125,000
Park and Recreation	435,000	25,000	200,000	326,000	75,000	1,061,000
Public Buildings	25,655,000	500,000	850,000	300,000	4,550,000	31,855,000
Sewer	13,556,000	17,056,000	16,681,000	14,708,000	10,455,500	72,456,500
Squares and Monuments	450,000	595,000	645,000	605,000	500,000	2,795,000
Streets	3,337,000	730,000	1,565,000	1,150,000	1,330,000	8,112,000
Traffic	1,700,000	950,000	1,250,000	3,544,800	655,800	8,100,600
Water	10,781,000	7,061,000	8,093,000	5,345,000	4,124,000	35,404,000
Other	2,895,000	3,634,000	695,000	600,000	700,000	8,524,000
<b>Total by Improvement Category</b>	<b>\$ 64,190,840</b>	<b>\$ 32,228,000</b>	<b>\$ 33,129,000</b>	<b>\$ 29,028,800</b>	<b>\$ 24,475,300</b>	<b>\$183,051,940</b>

## FY18 PROJECT OVERVIEW

Project Name	Improvement Category	FY18 Proposed Budget
Savannah Shines Project	Community Development	\$ 1,681,840
Waters Avenue Streetscape	Community Development	\$ 500,000
Storm Sewer Rehabilitation	Drainage Improvements	\$ 500,000
Stormwater Pump Station Controls	Drainage Improvements	\$ 500,000
Electronic Timekeeping Phase I	Other Improvements	\$ 300,000
Budget and Performance Software	Other Improvements	\$ 700,000
Public Communications Equipment Upgrades	Other Improvements	\$ 45,000
Playground Equipment Reserve	Park and Recreation Improvements	\$ 25,000
Bridge Maintenance	Streets Improvements	\$ 117,000
LMIG Resurfacing	Streets Improvements	\$ 480,000
Repair/Install Curbs	Streets Improvements	\$ 150,000
Sidewalk Repairs	Streets Improvements	\$ 240,000
Joe Tribble Park	Park and Recreation Improvements	\$ 410,000
Benton Blvd @ Spring Lakes Intersection Improvements	Traffic Improvements	\$ 700,000
<b>Total General Fund</b>		<b>\$ 6,348,840</b>
Cemetery Monument Conservation	Cemetery Improvements	\$ 60,000
Colonial Cemetery Lighting	Cemetery Improvements	\$ 20,000
Cemetery Master Plan	Cemetery Improvements	\$ 50,000
Cemetery Kiosk System	Cemetery Improvements	\$ 30,000
Laurel Grove South Old Sections Survey	Cemetery Improvements	\$ 10,000
<b>Total Cemetery (General Fund)</b>		<b>\$ 170,000</b>
Entranceway and Median Improvements	Squares and Monuments	\$ 75,000
Factors Walk Wall Stabilization	Squares and Monuments	\$ 50,000
Fountain Conservation	Squares and Monuments	\$ 80,000
Monument Conservation	Squares and Monuments	\$ 75,000
Park, Square, Median and Irrigation Improvements	Squares and Monuments	\$ 25,000
Public Monument Lighting	Squares and Monuments	\$ 25,000
River Street Ramps Reconstruction	Squares and Monuments	\$ 200,000
Square Lighting Upgrades	Squares and Monuments	\$ 25,000
Square Renovation	Squares and Monuments	\$ 75,000
Square Walkway Repairs	Squares and Monuments	\$ 20,000
<b>Total Preservation Fee (General Fund)</b>		<b>\$ 650,000</b>
Savannah River Landing Parking Garage	Public Buildings Improvements	\$ 24,000,000
Downtown Streetscape Improvements (Broughton, Bay, & River St)	Streets Improvements	\$ 2,000,000
Montgomery Street @ Oglethorpe Intersection Improvements	Traffic Improvements	\$ 1,000,000
Fire Apparatus	Other Improvements	\$ 1,000,000
<b>Total Bond</b>		<b>\$ 28,000,000</b>
Arena Air Handler Replacement	Civic Center Improvements	\$ 425,625
Ballroom Renovations	Civic Center Improvements	\$ 245,000
Theatre House Light Replacement	Civic Center Improvements	\$ 174,375
<b>Total Civic Center Fund</b>		<b>\$ 845,000</b>

## FY18 PROJECT OVERVIEW (continued)

Project Name	Improvement Category	FY18 Proposed Budget
Fire Building Capital Maintenance	Public Buildings Improvements	\$ 150,000
<b>Total Fire Rescue Fund</b>		<b>\$ 150,000</b>
Public Transportation Circulator	Community Development	\$ 900,000
Track & Infrastructure Work	Community Development	\$ 285,000
Gate Equipment & Software	Other Improvements	\$ 350,000
Recreational Dock Repairs	Other Improvements	\$ 150,000
Riverwalk Dock Repairs	Other Improvements	\$ 150,000
Visitor Center Parking lot	Other Improvements	\$ 150,000
Visitor Wayfinding Signage	Other Improvements	\$ 50,000
Barr Street Parking Lot	Public Buildings Improvements	\$ 125,000
Bryan Street Garage Renovation	Public Buildings Improvements	\$ 300,000
Garage CCTV Upgrade	Public Buildings Improvements	\$ 200,000
Parking Garages Repair and Restoration	Public Buildings Improvements	\$ 700,000
Wiring & Lighting Garage Improvements	Public Buildings Improvements	\$ 180,000
Liberty Wheaton Bike Lane Project	Street Improvements	\$ 150,000
<b>Total Parking Fund</b>		<b>\$ 3,690,000</b>
204 Sewer Extensions	Sewer Improvements	\$ 200,000
Bacon Park Reuse Water System	Sewer Improvements	\$ 500,000
Crossroads WQCP Expansion & Force Main Design	Sewer Improvements	\$ 1,000,000
Developer Oversizing	Sewer Improvements	\$ 125,000
Extension of Sewer Lines	Sewer Improvements	\$ 130,000
Force Main Pigs	Sewer Improvements	\$ 250,000
Georgetown Nutrient Removal	Sewer Improvements	\$ 500,000
Large Tract Infrastructure	Sewer Improvements	\$ 100,000
Lift Station Monitoring	Sewer Improvements	\$ 100,000
Lift Station Rehab	Sewer Improvements	\$ 1,500,000
President Street Generator Upgrade	Sewer Improvements	\$ 500,000
President Street TMDL Improvements	Sewer Improvements	\$ 1,250,000
SCADA Upgrade	Sewer Improvements	\$ 31,000
Sewer Line Rehab	Sewer Improvements	\$ 2,250,000
Sewer Share of Paving	Sewer Improvements	\$ 90,000
Storm Water Separation	Sewer Improvements	\$ 130,000
Treatment Plant Capital Improvements	Sewer Improvements	\$ 500,000
Treatment Plant Capital Maintenance	Sewer Improvements	\$ 350,000
Treatment Plant Expansion - Sinking Fund	Sewer Improvements	\$ 400,000
Turblex Blower Replacement	Sewer Improvements	\$ 500,000
UV Disinfection	Sewer Improvements	\$ 1,000,000
VFD	Sewer Improvements	\$ 150,000
Wilshire EQ Pond Dredging	Sewer Improvements	\$ 1,500,000
Wilshire Nutrient Removal	Sewer Improvements	\$ 500,000
<b>Total Sewer Fund</b>		<b>\$ 13,556,000</b>

**FY18 PROJECT OVERVIEW (continued)**

Project Name	Improvement Category	FY18 Proposed Budget
16" Water Line Extension along West River St.	Water Improvements	\$ 250,000
48" Waterline Replacement	Water Improvements	\$ 2,500,000
Crossroads Booster Upgrade	Water Improvements	\$ 500,000
Dean Forest 24" to New Hampstead	Water Improvements	\$ 250,000
Dean Forest 24" to SPA	Water Improvements	\$ 250,000
Developer Oversizing	Water Improvements	\$ 200,000
East Savannah Water Line Replacement Phase 1	Water Improvements	\$ 1,500,000
Expand I&D Phase II	Water Improvements	\$ 500,000
Extensions to Unserved Areas	Water Improvements	\$ 200,000
Fire Hydrant Replacement Program	Water Improvements	\$ 100,000
Groundwater Reductions	Water Improvements	\$ 1,000,000
Hydro-Pneumatic Tank Replacements	Water Improvements	\$ 50,000
Large Tract Infrastructure	Water Improvements	\$ 400,000
Large Tract Water Supply	Water Improvements	\$ 500,000
Megasite-New Hampstead 24"W	Water Improvements	\$ 500,000
Misc. Water Line Improvements	Water Improvements	\$ 755,000
SCADA Upgrade	Water Improvements	\$ 39,000
Sludge Pond Dredging	Water Improvements	\$ 400,000
Storage Tank Repainting	Water Improvements	\$ 50,000
Valve Replacement Program	Water Improvements	\$ 85,000
Water Share of I&D VFD Upgrade	Water Improvements	\$ 500,000
Water Share of Paving	Water Improvements	\$ 102,000
Well Electrical PM	Water Improvements	\$ 50,000
Well Preventive Maintenance	Water Improvements	\$ 100,000
<b>Total Water Fund</b>		<b>\$ 10,781,000</b>

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