



Fulton County Board of Commissioners  
**Agenda Item Summary**

**# 19-1128**

**BOC Meeting Date**  
**12/18/2019**

**Requesting Agency**

Finance

**Commission Districts Affected**

All Districts

**Requested Action** *(Identify appropriate Action or Motion, purpose, cost, timeframe, etc.)*

Approval of FY2020 Water and Sewer Budget

**Requirement for Board Action** *(Cite specific Board policy, statute or code requirement)*

Approve budget to comply with bond provisions

**Is this Item related to a Strategic Priority Area?** *(If yes, note strategic priority area below)*

Yes All People trust government is efficient, effective, and fiscally sound

**Is this a purchasing item?**

No

**Summary & Background**

*(First sentence includes Agency recommendation. Provide an executive summary of the action that gives an overview of the relevant details for the item.)*

In accordance with the provisions of the Water and Sewer Bonds, we are required to approve the Water and Sewer Budget by 12/31 of each year. As such, the FY2020 Water and Sewer Budgets have been submitted for your final approval.

Attached for your approval is the FY2020 Final Budget for the following funds:

Water & Sewer Revenue Fund\*

Water & Sewer Renewal and Extension Fund

\*The revenue budget for FY2020 reflects a 5% rate increase approved by the Board of Commissioners on December 4, 2019.

**Contract & Compliance Information**

*(Provide Contractor and Subcontractor details.)*

**Agency Director Approval**

**Typed Name and Title**

Hakeem K. Oshikoya – Finance Director

**Phone**

404-612-7641

**Signature**

**Date**

**County Manager's  
Approval**

| Agency Director Approval                                      |                       | County Manager's Approval |
|---|-----------------------|---------------------------|
| Typed Name and Title<br>Hakeem K. Oshikoya – Finance Director | Phone<br>404-612-7641 |                           |
| Signature   | Date                  |                           |

Revised 03/12/09 (Previous versions are obsolete)

|  |  |            |            |              |
|--|--|------------|------------|--------------|
| <b>Solicitation Information</b>              | <b>NON-MFBE</b>  | <b>MBE</b> | <b>FBE</b> | <b>TOTAL</b> |
| No. Bid Notices Sent:                        |  |            |            |              |
| No. Bids Received:                           |  |            |            |              |
|  |  |            |            |              |
| <b>Total Contract Value</b>                  | .  |            |            |              |
| <b>Total M/FBE Values</b>                    | .  |            |            |              |
| <b>Total Prime Value</b>                     | .  |            |            |              |
|  |  |            |            |              |
| <b>Fiscal Impact / Funding Source</b>        | (Include projected cost, approved budget amount and account number, source of funds, and any future funding requirements.) |            |            |              |
| .  |  |            |            |              |
| <b>Exhibits Attached</b>                     | (Provide copies of originals, number exhibits consecutively, and label all exhibits in the upper right corner.)            |            |            |              |
| FY2020 Water and Sewer Budget Fund Schedules |  |            |            |              |
| <b>Source of Additional Information</b>      | (Type Name, Title, Agency and Phone)   |            |            |              |
|  |  |            |            |              |

|  |                              |                                  |
|--|------------------------------|----------------------------------|
| <b>Agency Director Approval</b>                                      |                              | <b>County Manager's Approval</b> |
| <b>Typed Name and Title</b><br>Hakeem K. Oshikoya – Finance Director | <b>Phone</b><br>404-612-7641 |                                  |
| <b>Signature</b>   | <b>Date</b>                  |                                  |

Revised 03/12/09 (Previous versions are obsolete)

**Procurement****Contract Attached:****Previous Contracts:****Solicitation Number:****Submitting Agency:****Staff Contact:****Contact Phone:****Description:.****FINANCIAL SUMMARY****Total Contract Value:**

Original Approved Amount: .

Previous Adjustments: .

This Request: .

TOTAL: .

**MBE/FBE Participation:**

Amount: . %: .

Amount: . %: .

Amount: . %: .

Amount: . %: .

**Grant Information Summary:**

Amount Requested: .

Match Required: .

Start Date: .

End Date: .

Match Account \$: .

☐

Cash

☐

In-Kind

☐

Approval to Award

☐

Apply &amp; Accept

**Funding Line 1:****Funding Line 2:****Funding Line 3:****Funding Line 4:****KEY CONTRACT TERMS****Start Date:****End Date:****Cost Adjustment:****Renewal/Extension Terms:****ROUTING & APPROVALS**

(Do not edit below this line)

|   |                                      |                  |                 |
|---|--------------------------------------|------------------|-----------------|
| X | Originating Department:              | Oshikoya, Hakeem | Date: 12/5/2019 |
| . | County Attorney:                     | .                | Date: .         |
| . | Purchasing/Contract Compliance:      | .                | Date: .         |
| . | Finance/Budget Analyst/Grants Admin: | .                | Date: .         |
| . | Grants Management:                   | .                | Date: .         |
| X | County Manager:                      | Anderson, Dick   | Date: 12/5/2019 |

## Water and Sewer Revenue and Renewal Fund (201-203)

### 201-Fund

The Water & Sewer Revenue Fund FY20 Adopted Expenditure Budget is \$143 million. The amount is higher than the FY19 expenditures by approximately \$6 million as a result of additional funding set aside for debt service. The debt service is the result of a projected new issuance of Water and Sewer Revenue Bonds for approximately \$300 million in early 2020. The bond funds along with other resources of the system will be dedicated to the expansion of a wastewater treatment plant, for a spill mitigation strategy, pump stations and other related capital projects in the system. The FY20 Adopted Budget also includes a \$23 million contribution to the Water and Sewer Renewal and Extension fund, which provides sufficient resources to support the pay as you go portion of the multi-year water and sewer capital plan.

For FY20 the Public Works Department will receive an enhancement of \$2.5 million (\$2 million recurring and \$500,000 non-recurring). The recurring funding will cover projected additional professional services costs associated with the maintenance of the wastewater facilities and pump stations. The non-recurring funding is associated with the purchase of new vehicles. Funding was also set aside in Non-Agency for \$500,000 (non-recurring) for the “Pay for Performance” initiative, \$574,000 (non-recurring) for the 27 payroll, and \$230,000 (recurring) for the Incremental Compensation Plan (ICS).

The FY20 Adopted Revenue Budget for the fund is \$142 million. This projection includes growth of approximately \$6 million over the projected FY19 revenues. The projected increase is the result of the plan to raise rates by 5 percent annually over the next three years to pay for half a billion dollars in planned improvements to the system.

The higher revenue amount combined with the FY20 beginning retained earnings of \$21.9 million; minus the expenditure budget leaves projected retained earnings at the end of the year of \$20.8 million, which is sufficient to meet the systems standing debt covenant requirements.

### 203-Fund

The Water and Sewer Renewal and Extension Fund FY20 Adopted Expenditure Budget is \$134 million, including \$119 million in Multi-year expenditures. This budget ensures resources are made available to deploy the 2016 to 2025 Water and Wastewater Capital Improvements Program approved by the Board of Commissioners.

Funding was set aside in Non-Agency for \$118,000 (non-recurring) for the “Pay for Performance” initiative, \$132,000 (non-recurring) for the 27 payroll, and \$60,000 (recurring) for the Incremental Compensation Plan (ICS).

The revenue budget is equal to \$31 million, including a transfer of \$23 million from the Water Revenue Fund. The ending retained earnings for FY19 is projected at \$113 million. This amount is the beginning retained earnings in FY20 and when combined with budgeted revenues of \$31 million, total available

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resources equal \$144 million. With budgeted expenditures of \$134 million, the projected ending retained earnings for FY20 is \$10 million.

**Fulton County FY2020 Adopted Budget  
Water and Sewer Revenue Fund**

# 19-1128

|                                 | 2017 Actual           | 2018 Actual           | 2019 Final Adopted<br>Budget | 2019 Mid Year<br>Projection | 2020 Adopted<br>Budget |
|---------------------------------|-----------------------|-----------------------|------------------------------|-----------------------------|------------------------|
| <b>REVENUES</b>                 |                       |                       |                              |                             |                        |
| Charges for Services            | \$ 114,527,310        | \$ 129,457,247        | \$ 129,223,429               | \$ 135,500,000              | \$ 141,597,500         |
| <b>Total Revenues</b>           | <b>\$ 114,527,310</b> | <b>\$ 129,457,247</b> | <b>\$ 129,223,429</b>        | <b>\$ 135,500,000</b>       | <b>\$ 141,597,500</b>  |
| <b>EXPENDITURES</b>             |                       |                       |                              |                             |                        |
| Non Agency                      | \$ 2,987,780          | \$ 2,268,429          | \$ 2,326,293                 | \$ 2,326,293                | \$ 3,438,825           |
| Transfer to Sinking Fund        | 36,773,307            | 36,749,662            | 41,776,950                   | 36,776,950                  | 45,584,300             |
| Transfer to Renewal & Extension | 14,721,606            | 22,275,822            | 24,930,362                   | 24,930,362                  | 22,977,042             |
| Public Works                    | 55,228,472            | 58,456,795            | 62,501,752                   | 59,369,599                  | 65,368,888             |
| Finance                         | 4,019,832             | 3,275,450             | 3,302,160                    | 3,278,300                   | 3,206,496              |
| Human Resources                 | 229,600               | 275,295               | 281,056                      | 281,056                     | 281,056                |
| County Attorney                 | 523,821               | 555,417               | 570,616                      | 570,616                     | 570,616                |
| Information Technology          | 789,308               | 800,483               | 1,069,898                    | 989,265                     | 1,138,920              |
| <b>Total Expenditures</b>       | <b>\$ 115,273,726</b> | <b>\$ 124,657,353</b> | <b>\$ 136,759,087</b>        | <b>\$ 128,522,441</b>       | <b>\$ 142,566,143</b>  |
| <br>Revenues > Expenditures     | <br>\$ (746,416)      | <br>\$ 4,799,894      | <br>\$ (7,535,658)           | <br>\$ 6,977,559            | <br>\$ (968,643)       |
| Retained Earnings - Beginning   | \$ 10,818,760         | \$ 10,072,344         | \$ 14,872,238                | \$ 14,872,238               | \$ 21,849,797          |
| Retained Earnings - Ending      | \$ 10,072,344         | \$ 14,872,238         | \$ 7,336,581                 | \$ 21,849,797               | \$ 20,881,154          |

**Fulton County FY2020 Adopted Budget  
Water and Sewer Revenue Fund**

December 18, 2019

|                               | 2017 Actual          | 2018 Actual          | 2019 Final Adopted<br>Budget | 2019 Mid Year<br>Projection | 2020 Adopted<br>Budget |
|-------------------------------|----------------------|----------------------|------------------------------|-----------------------------|------------------------|
| <b>REVENUES</b>               |                      |                      |                              |                             |                        |
| Assessments                   | \$ 10,741,314        | \$ 8,614,273         | \$ 8,250,000                 | \$ 7,821,312                | \$ 8,212,378           |
| Transfer from W & S Fund      | 14,721,606           | 22,275,822           | 24,930,362                   | 24,930,362                  | 22,977,042             |
| <b>Total Revenues</b>         | <b>\$ 25,462,920</b> | <b>\$ 30,890,095</b> | <b>\$ 33,180,362</b>         | <b>\$ 32,751,674</b>        | <b>\$ 31,189,420</b>   |
| <b>EXPENDITURES</b>           |                      |                      |                              |                             |                        |
| Information Technology        | \$ 60,926            | \$ 17,100            | \$ 98,499                    | \$ 56,006                   | \$ 108,923             |
| Public Works                  | 6,911,701            | 9,949,950            | 12,566,960                   | 10,118,894                  | 12,716,837             |
| Non Agency                    | 789,762              | 789,762              | 1,229,294                    | 1,229,294                   | 1,488,341              |
| Multi-year Expenditures       | 24,255,070           | 32,104,934           | 117,302,571                  | 59,021,913                  | 119,566,494            |
| <b>Total Expenditures</b>     | <b>\$ 32,017,459</b> | <b>\$ 42,861,745</b> | <b>\$ 131,197,324</b>        | <b>\$ 70,426,106</b>        | <b>\$ 133,880,594</b>  |
| <br>Revenues > Expenditures   | <br>\$ (6,554,539)   | <br>\$ (11,971,650)  | <br>\$ (98,016,962)          | <br>\$ (37,674,432)         | <br>\$ (102,691,175)   |
| Retained Earnings - Beginning | \$ 169,284,221       | \$ 162,729,682       | \$ 150,758,031               | \$ 150,758,031              | \$ 113,083,599         |
| Retained Earnings - Ending    | \$ 162,729,682       | \$ 150,758,031       | \$ 52,741,069                | \$ 113,083,599              | \$ 10,392,424          |
| Reserve for CIP               | \$ 162,729,682       | \$ 150,758,031       | \$ 52,741,069                | \$ 113,083,599              | \$ 10,392,424          |