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Final Powder Springs Budget Expects Larger Tax Drop

Property taxes were previously predicted to fall 7 percent—a number that increased to 9.5 as the City Council gave 4-0 approval of the \$13.55 million budget on Monday.

By [Michael Stone](#) | [Email the author](#) | June 19, 2012

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Powder Springs is anticipating a bigger drop in property tax revenue than previously predicted.

With Councilman Chriz Wizner absent, the City Council on Monday gave the thumbs up, 4-0, on the second and final reading of fiscal 2013's \$13.55 million budget, which includes the water/sewer fund, the sanitation fund, [the newly created stormwater fund](#), and the general fund.

The city's biggest revenue source—property taxes—was expected to drop 7 percent based on declining property values for a loss of \$171,700. When that was coupled with a \$172,000 loss in fines and forfeitures for a total drop of \$283,700, [the general fund was set at \\$6.8 million](#).

But a new predicted property tax loss of 9.5 percent, presented Monday by interim City Manager Brad Hulsey, takes the general fund down to \$6.58 million. Property tax revenues won't be exactly known until they're collected in the fall.

The current general fund budget, fiscal 2012, [was set at \\$6.71 million](#), and fiscal 2011 was \$7.06 million.

Fiscal 2013 will see four full-time employees laid off for \$225,000-plus in annual savings.

Hulsey said he couldn't immediately comment on the positions because they're personnel matters, but said the cuts are being made as outsourcing and automation increase efficiency.

There were no layoffs in the current budget, but fiscal 2011 saw five full-time and nine part-time employees let go.

During Monday's meeting, the council also approved four fully equipped Dodge Chargers for the [Police Department](#) for \$133,000, to come from the current fiscal 2012 budget.

Mayor Pat Vaughn said an area newspaper was incorrect by saying the mayor's budget had an increase of \$13,000. She said the current budget has \$35,258 budgeted, and fiscal 2013 will be raised to \$38,220 for an increase of \$2,962.

The increase comes from escalating costs of health insurance, dental insurance, and the "health reimbursement account," she said.

During the public hearing portion of the budget, the lone speaker was former Councilman Tom Bevirt. He asked if the \$1,178,000 budgeted for revenue from garbage collection anticipates customers outside the city limits leaving.

That customer base—which pays \$20.50 a month as compared to the \$18.50 that is mandatory of residents within the city limits—[has gone from as high as 1,500 to 643.](#)

"The council has been discussing this for quite some time," Vaughn said to Bevirt. "This is nothing new."

Hulseley said the budget does include the 643 customers. He said the service is "just like a business" and that the city will address the issue if they do leave.

"We have no indication as to these 643 customers leaving," he said. "We're just doing what we can do to provide them with the best service possible so they'll stay with us."

Fiscal 2013, which runs from July 1 to June 30, 2013, also has a little more than \$3 million in SPLOST funds budgeted.

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4:51 pm on Friday, June 22, 2012

From the 6.21.2012 AJC's Cobb section an article by reporter Carolyn Cunningham,

Headline: "Powder Springs Keeps a Big Rainy Day Fund".

"Powder Springs has been maintaining a rainy day fund of 45 percent, said the city's new finance director Amy Davis.

"I've never seen it over 25 percent, Davis told Mayor Pat Vaughn and City Council members during a recent work session. "Citizens might be wondering why you're saving so much money and not using it in the community."

Councilman Al Thurman said, "I totally agree. We keep saying we're broke, but we're saving all this money."

Davis said the city should have \$1.7 million instead of \$2.7 million in the fund."

Do we have money or don't we? Looking forward to the spin from City Hall on this one. Suggestion to Council: How about a tax rebate?

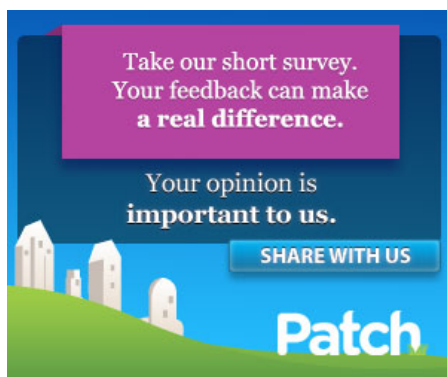
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