

City of Barnesville

BENCHMARK STUDY: GENERAL FUND AND ENTERPRISE TRANSFERS

BY: JONATHAN BUSH, TIFFANY ODEN, CINDY STEINMAN, CORY HALL,
JAMILA NURA, AND DAVID BECK

Purpose and Comparison Cities

Benchmark Barnesville General Fund operations with similarly-sized Georgia cities

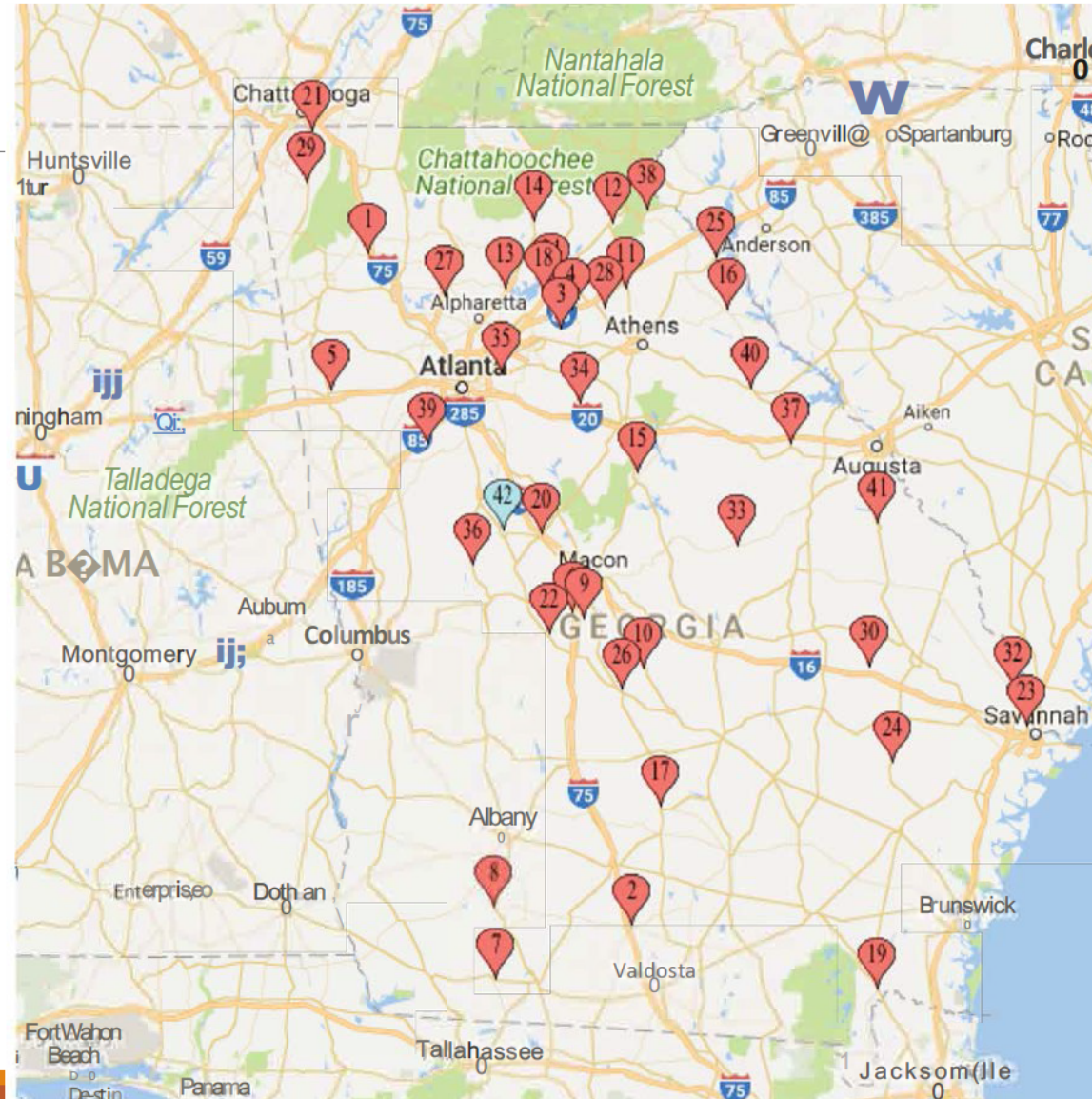
We selected 41 cities with populations between 4,004 and 9,807 (Barnesville population 6,512)

We computed 3-year averages for each data element from the 2013-2015 audited financial statements for analysis purposes

Purpose and Comparison Cities

Enterprise Activities	Barnesville	Comparison Cities
Water/Sewer Utility	Yes	36
Electric Utility	Yes	11
Gas Utility	No	17
Other Enterprise	Yes	28

Barnesville and Comparison Locations



General Fund Analysis - Revenues

Category	Barnesville	Comparison Cities (Avg)	Difference
Taxes	2,014,428	3,021,511	-1,007,083
User Charges	479,849	532,738	-52,889
IGR and Contributions	0	210,739	-210,739
Other Non-Tax Revenue	448,883	404,590	-44,293
Overall Revenue	2,898,867	4,214,159	-1,315,292

General Fund Analysis - Expenditures

Category	Barnesville	Comparison Cities (Avg)	Difference
General Administration	1,168,455	1,059,415	109,040
Public Safety	1,716,626	2,056,665	-340,039
Public Works	741,320	1,367,547	-626,226
Community & Economic Development	0	144,515	-144,515
Other	282,034	140,754	141,280
Total Expenditures	3,908,435	4,768,896	-860,461

General Fund Analysis - Transfers

Category	Barnesville	Comparison Cities (Avg)	Difference
Excess of Revenues over Expenditures	-1,009,568	-554,736	-454,831
Transfers to General Fund, net	896,990	690,237	206,753
Unassigned General Fund Balance - 2015	440,921	2,377,661	-1,936,740
Unassigned General Fund Balance – 2014	1,071,554	2,138,286	-1,066,732
Unassigned General Fund Balance - 2013	1,213,675	1,936,377	-722,702

Revenue Component Analysis (Accrual Basis)

Category	Barnesville	Comparison Cities (Avg)	Difference
Property Taxes	554,457	1,119,529	-565,072
Sales Taxes	621,284	948,947	-327,663
Other Taxes	849,898	1,117,958	-268,060
Non-Tax Revenues	781,748	1,121,248	-339,499
Total Own-Source Governmental Revenue	2,807,387	4,307,682	-1,500,295
Hirschman-Herfindahl Index of Concentration – Revenue Diversification Score	.9864	.9978	
Operating Grants Received	64,776	190,395	-125,619

General Reasons for Transfers

Franchise fees (example: 5% of gross revenue)

To reimburse expenses

Allocation of indirect costs from governmental to enterprise

Transfers for the equivalent of franchise fees and property taxes as if the utility were privately owned

23 different reasons noted in the CAFRs for Georgia municipalities of all sizes

Conclusions

Barnesville has significantly lower revenues than its peers

Barnesville receives significantly less in operating grants than its peers

Barnesville relies on enterprise transfers more so than its peers

Barnesville's enterprise operations are very profitable

Recommendations:

- Formalize a transfer policy
- Consider allocating indirect expenses rather than recording as transfers
- Consider policy justification based on franchise fee and property tax waivers