



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Chatham County
Georgia**

For the Fiscal Year Beginning

July 1, 2009

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to Chatham County, Georgia for its annual budget for the fiscal year beginning July 1, 2009.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

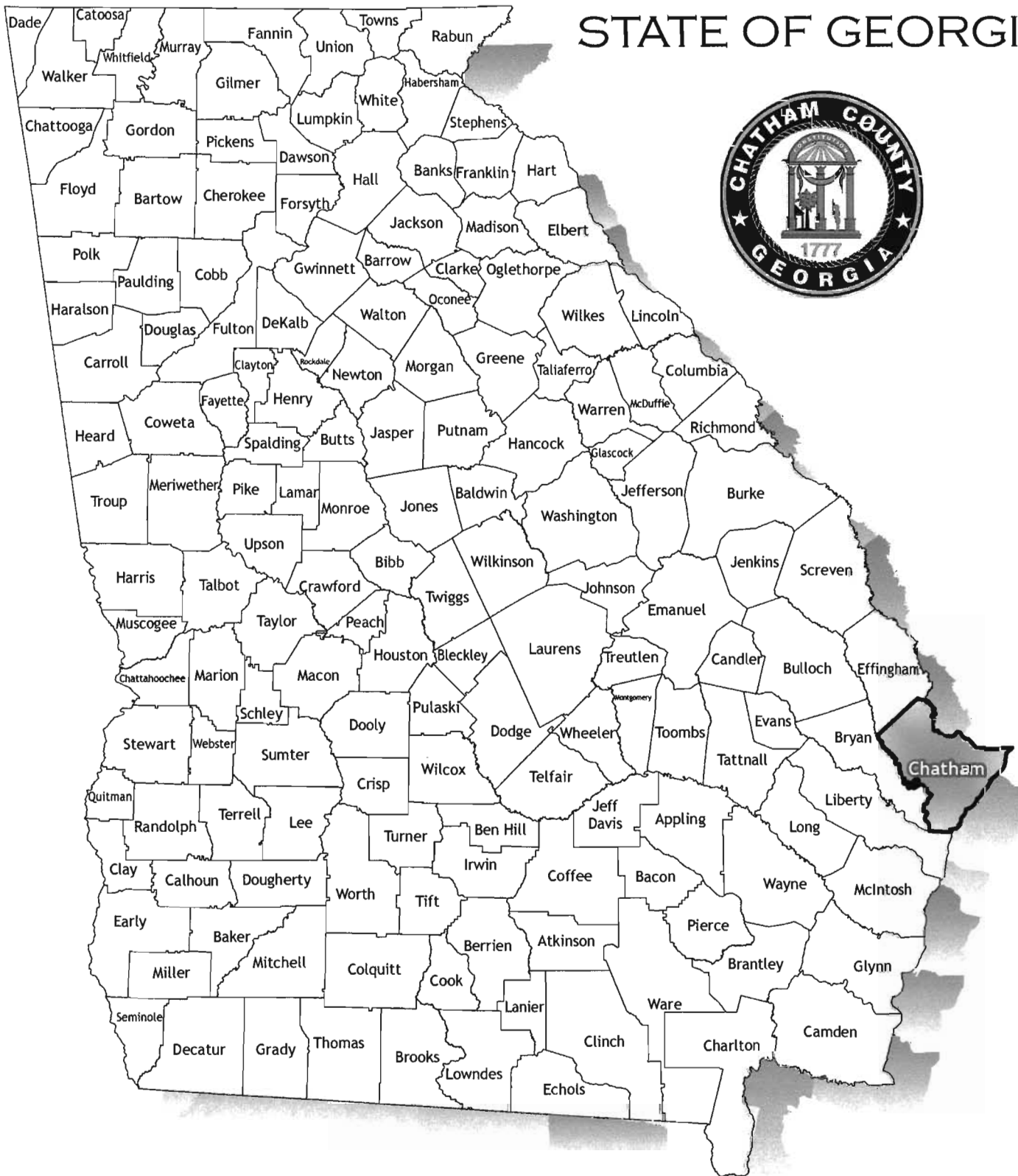


CHATHAM COUNTY

STATE OF GEORGIA



A-3



CHATHAM COUNTY, GEORGIA
ADOPTED ANNUAL BUDGET - FISCAL YEAR 2010 / 2011
BOARD OF COMMISSIONERS
2009 - 2012

CHAIRMAN
Pete Liakakis

VICE-CHAIRMAN
Dr. Priscilla D. Thomas

CHAIRMAN PRO-TEM
Dean Kicklighter

COMMISSIONERS

Helen L. Stone
Patrick O. Shay
James J. Holmes
Patrick K. Farrell

Harris Odell, Jr.
Dean Kicklighter
David Gellatly
Dr. Priscilla D. Thomas

COUNTY MANAGER
Russell E. Abolt

ASSISTANT COUNTY MANAGERS
Patrick Monahan
Michael Kaigler

COUNTY CLERK
Sybil E. Tillman

COUNTY ATTORNEYS
R. Jonathan Hart
Lisa G. Colbert

COMPILED BY - CHATHAM COUNTY FINANCE STAFF

Linda Cramer, Finance Director
Read DeHaven, Budget Officer
Estelle Brown, Assistant Budget Officer
Tom Drane, Senior Project Analyst
Christopher Morris, Senior Budget & Management Analyst
Rushedha Adeshina, Senior Budget & Management Analyst
Gloria Saugh, Senior Budget & Management Analyst
Delores Stokes, Administrative Assistant

CHATHAM COUNTY COMMISSIONERS



Commission
Chairman
Pete Liakakis



Commissioner
1st District
Helen L. Stone



Commissioner
2nd District
James J. Holmes



Commissioner
3rd District
Patrick Shay



Commissioner
4th District
Patrick K. Farrell



Commissioner
5th District
Harrisd Odell, Jr.



Commissioner
6th District
David M. Gellatly



Commissioner
7th District
Dean Kicklighter

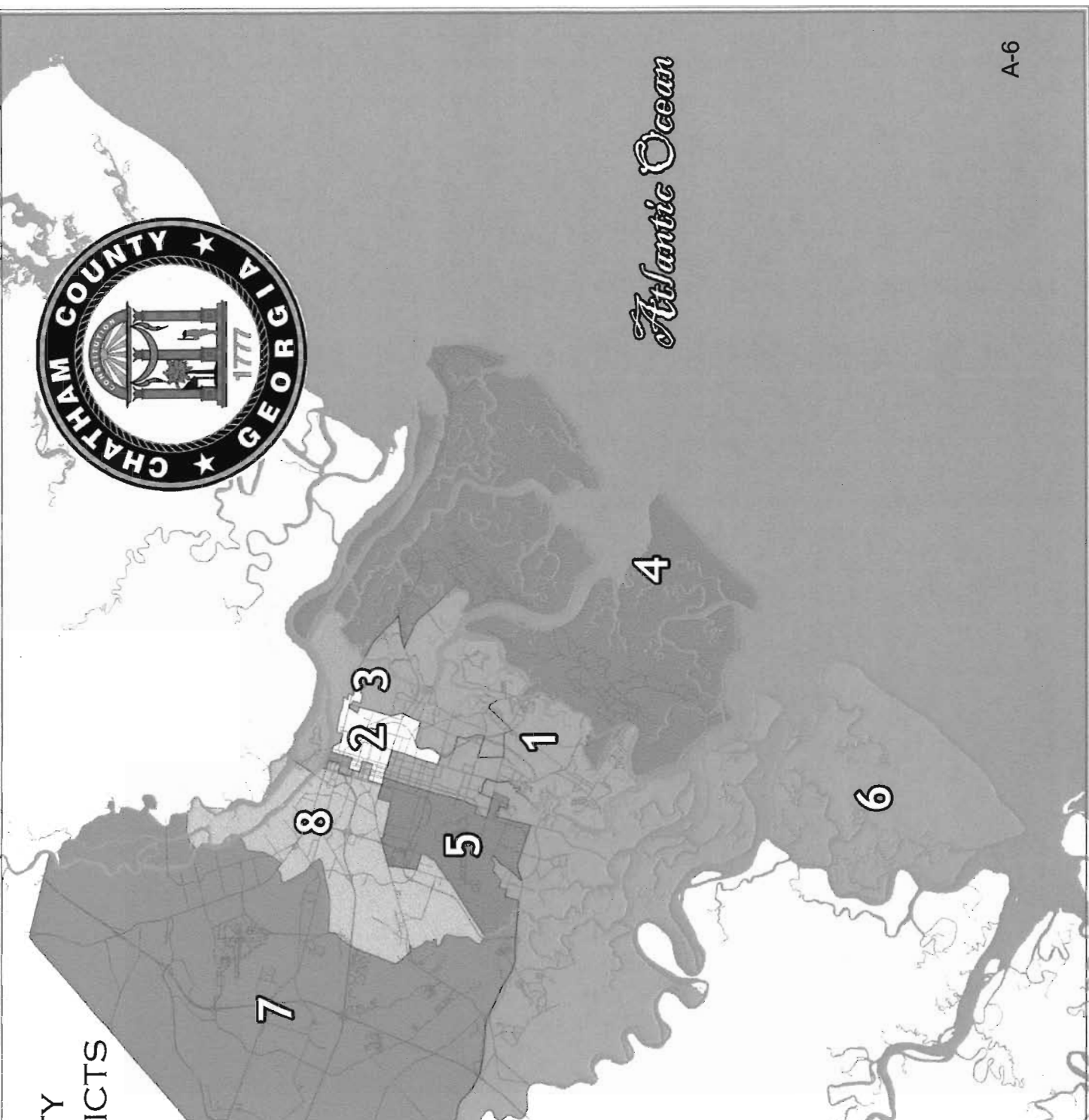


Commissioner
8th District
Priscilla D. Thomas

CHATHAM COUNTY COMMISSION DISTRICTS



Atlantic Ocean



LEGEND	
[Dark Gray Box]	1 - HELEN L. STONE
[White Box]	2 - JAMES J. HOLMES
[Medium Gray Box]	3 - PATRICK SHAY
[Dark Gray Box]	4 - PATRICK K. FARRELL
[Dark Gray Box]	5 - HARRIS ODELL, JR.
[Dark Gray Box]	6 - DAVID M. GELLATLY
[Dark Gray Box]	7 - DEAN KICKLIGHTER
[Light Gray Box]	8 - PRISCILLA D. THOMAS
[Line]	ROAD
[Blue Box]	WATER

Chatham County Background Information

Chatham County's unique history as well as its coastal location provide economic benefits to the region. Data on the County is presented herein:

History of Chatham County



Old Chatham County Courthouse

Chatham County is the nucleus from which the present great State of Georgia has grown. Savannah was the first settlement recognized by the English government in colonial days. At Savannah, on February 12, 1733, with 116 settlers, the colony of Georgia was founded by James Edward Oglethorpe, a member of the English Parliament. In 1741, the Trustees divided the new colony into two colonies - the Savannah Colony and the Frederica Colony. In 1743, Oglethorpe departed for England leaving William Stephens, the first President of Georgia, over the government made up of the two colonies.

In 1758, the province was divided into eight parishes, one being Christ Church, which later formed most of the territory of Chatham County. In 1777, the first regular Constitution of the State was promulgated and at this time, parishes were abolished and counties named in their place. The County is named for William Pitt, the Earl of Chatham, an English nobleman. In 1786, the Chatham Artillery, the nation's oldest active military organization, was organized.

Chatham County is the sixth largest of the State's 159 counties. The County encompasses 438 square miles and still has its early boundaries as laid down in the Revolution. The County is bounded on the north by the Savannah River and South Carolina, on the east by the Atlantic Ocean, the south by the Ogeechee River and Bryan County, and on the west by Effingham County. It is the most easterly county in the State, and has many winding estuaries, rivers, and sea islands. It has as its county seat the main port of the State, the historic City of Savannah.

**Chatham County
Background Information**

Economic and Financial Condition



Fountain located downtown Savannah in beautiful Forsyth Park

Chatham County represents the major metropolitan area in the Southeast Georgia region; ranks sixth in population in the state and is noted for having a stable economy. Savannah area employers expect to hire at a respectable pace during the fourth quarter of 2009, according to the Manpower Employment Outlook Survey. Among survey participants, the Savannah area employment outlook is the fifth best in the nation.

The County's dual personality - that of a major tourist attraction and an extraordinarily successful port - gives it a vibrancy that few other places can match. The city of Savannah also is a premier destination for national conventions and trade shows..

Population

The County's population together with the population trends for the Savannah Metropolitan Area Counties are presented below. The population of the County has grown approximately 14.9% during a 20 year period from 1980 to 2000, from 202,226 residents in 1980 to 232,347 residents in 2000. This compares with the State's total population growth of 49.9% during the same 20 year period. Current US Census Bureau estimates (2009) indicate that this figure has grown to 256,992.

Year	City of Savannah		Chatham County		Effingham County		Bryan County		Total Metro Area	
	Savannah	Chatham County	Chatham County	Effingham County	Effingham County	Bryan County	Bryan County	Total Metro Area	Total Metro Area	
1970	118,349	187,816	187,816	13,632	13,632	6,539	6,539	207,387	207,387	
1980	141,651	202,226	202,226	18,727	18,727	10,175	10,175	231,128	231,128	
1990	137,560	216,774	216,774	25,687	25,687	15,438	15,438	257,899	257,899	
2000	132,985	232,347	232,347	37,535	37,535	23,417	23,417	293,299	293,299	

SOURCES: U.S. Department of Commerce, Bureau of the Census

Chatham County
Background Information

Labor Force / Employment

Chatham County's unemployment rate has generally trended below the United State's unemployment rate. The following table presents data for in employment and unemployment in Chatham County, Georgia, and the United States.

EMPLOYMENT DATA - CHATHAM COUNTY, GEORGIA

Year	Total Labor Force	Employed Civilian Force	Labor	Chatham County		State of GA		United States	
				% Rate Unemployment	% Rate Unemployment	% Rate Unemployment	% Rate Unemployment		
2001	107,963	104,963		3.3	4.0	4.7			
2002	111,134	106,396		4.3	5.1	5.8			
2003	115,900	111,252		4.1	4.7	6.0			
2004	120,261	114,535		4.8	5.0	5.6			
2005	126,300	113,898		4.2	4.6	5.5			
2006	130,060	124,828		4.6	5.0	4.8			
2007	134,471	128,818		4.2	4.7	4.7			
2008	134,283	128,047		6.2	8.1	7.2			
2009	132,383	120,805		8.7	10.1	9.5			
2010	130,791	119,049		9.0	9.5	10.0			

SOURCES: State of Georgia Departments of Labor, Labor Information Systems

Income

Throughout the last nine years, per capita income in Chatham County has grown steadily, keeping pace with growth in U.S. per capita income. Trends in per capita income are shown in the table that follows:

PER CAPITA INCOME

Year	Chatham County		United States		Chatham County as a % of US
	Chatham County	Georgia	United States	United States	
2001	\$28,524	\$28,675	\$30,575	\$30,575	93.29%
2002	\$29,115	\$28,689	\$30,804	\$30,804	94.52%
2003	\$30,022	\$29,000	\$31,472	\$31,472	95.39%
2004	\$31,691	\$29,782	\$33,050	\$33,050	95.89%
2005	\$34,053	\$31,121	\$34,471	\$34,471	98.79%
2006	\$34,476	\$31,891	\$36,276	\$36,276	95.04%
2007	\$36,052	\$33,499	\$38,611	\$38,611	93.37%
2008	\$37,850	\$33,975	\$39,751	\$39,751	95.22%
2009	\$37,752	\$33,786	\$39,138	\$39,138	96.46%

SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Accounts Data.

**Chatham County
Background Information**

Manufacturing.

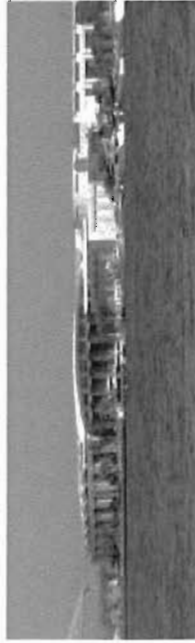
Savannah's manufacturing sector generates an annual economy of over \$2.29 billion. Three hundred companies employ some 16,264 workers. Listed below is a brief profile of the County's largest manufacturing enterprises.

MAJOR MANUFACTURING EMPLOYERS IN THE CHATHAM COUNTY AREA

<u>Firm</u>	<u>Product</u>	<u>Employment</u>
Gulfstream Areospace	Jet aircraft	6,024
Georgia Pacific Corporation	Paper products	1,200
International Paper Corporation	Paper products	617
J.C. Bamford	Construction equipment	400
Imperial Sugar	Refined sugar	350
Derst Baking Company	Food products	295
Colonial Group	Petroleum products	285
Brasseler USA	Dental equipment	185

SOURCE: Savannah Area Chamber of Commerce

Tourism



View of Savannah International Trade & Convention Center from the Savannah River

The preservation and restoration of Savannah's downtown historic district and the riverfront has served as the anchor for tourism in the area. Complementing the tourism sector is convention trade. Savannah's Civic Center includes a 2,566 seat theater, an arena with a capacity of 9,600, a ballroom with a capacity of 550 and over 25,000 square feet of exhibit space. In addition, the Savannah International Trade & Convention Center has allowed Savannah to compete for larger conventions, meetings and events.

Chatham County has over 13,890 hotel/motel rooms and a variety of restaurants in the downtown area and throughout the Metropolitan Area. During the past ten years, the growth in retail trade and service sectors is attributable to increased tourism and reflects its importance to the County's income.

**Chatham County
Background Information**

Travel to Savannah remains strong as the readers of *Travel & Leisure Magazine* ranked Savannah among the "Top Cities in the US and Canada" (July 2008).. Over six million, one hundred thousand people visited the area in 2008. Direct travel expenditures were over \$1.18 billion dollars. Increases in traveler expenditures are directly related to jobs. The Savannah Area Chamber of Commerce estimates nearly 21,000 area jobs were supported by tourism in 2008.

Year	Number of Hotel rooms	Overnight visitor stays	Room Taxes - 6% City of Savannah & Unincorporated Area	Total Direct Visitor Spending
2001	10,486	2,444,000	\$9,200,000	\$1,059,000,000
2002	11,157	2,555,000	\$9,460,000	\$1,032,000,000
2003	11,153	2,714,000	\$10,440,000	\$1,208,000,000
2004	11,085	2,867,000	\$11,480,000	\$1,213,000,000
2005	11,721	2,845,000	\$12,610,000	\$1,385,000,000
2006	12,448	2,807,000	\$13,190,000	\$1,800,000,000
2007	13,110	2,886,000	\$14,410,000	\$1,980,000,000
2008	13,898	2,805,000	\$14,040,000	\$1,940,000,000
2009	14,797	2,810,000	\$13,899,840	\$1,600,000,000

SOURCES: Savannah Area Chamber of Commerce

Transportation

Logistics Today has rated this area "the most logistics friendly city in the nation" for the last three years - recognizing the area as a superior transportation hub. Here are some of the reasons for the honor:

- Savannah is only a few miles from Interstate 95, as well as at the eastern terminus of Interstate 16 - which gives the residents speedy access to Atlanta.
- Savannah is only two hours away from the burgeoning Florida market, yet has the cost and business advantages of a Georgia location.
- The area enjoys a strategic location on the East coast, but is far more westerly than other coastal cities; located 647 miles due south of Cleveland, Ohio.
- The taxpayers understand the importance of quality infrastructure and improvements by the continued approval of Special Purpose Local Option Sales Taxes (SPLOST).

Amtrak provides rail passenger service to the Savannah area. Freight service is provided by CSX, Georgia Central and Norfolk Southern Corporation. Trucking service is provided by over 100 motor freight carriers to the Savannah area.

**Chatham County
Background Information**

Port of Savannah



The County's continued economic progress is based to a large extent on the continuing development of the Port of Savannah. The definition of the Savannah Harbor is "that it comprises the lower 21.3 miles of the Savannah River generally forming a boundary between South Carolina and Georgia and 11.0 miles of bar channel for a total length of 32.3 miles." Savannah is the farthest inland port on the East Coast. This places Savannah within a day's haul over road or rail to many major midwestern markets, thus greatly reducing the cost of shipping, a definite advantage for the Port of Savannah. Although the Port has a large number of private businesses having docking facilities, the Georgia Ports Authority (GPA) has the largest wharfing facilities for handling cargo for both imports and exports on the East Coast.

The Port of Savannah, home to the largest single-terminal container facility of its kind on the U.S. East and Gulf coasts, is comprised of two modern, deepwater terminals: Garden City Terminal and Ocean Terminal. Together, these facilities exemplify the GPA's exacting standards of efficiency and productivity.

The Port of Savannah is the fourth-busiest and fastest-growing container terminal in the United States. In 2009, the Georgia Ports Authority handled more than 2.4 million Twenty-foot Equivalent Unit containers the Port of Savannah, a 10.5 percent decrease and a 12.4 percent decline in total tonnage. However, it was still the second highest container and tonnage volume in the Port's history.

The Garden City Terminal is owned and operated by the Georgia Ports Authority. The Garden City Terminal is a secured, dedicated container facility, the largest of its kind on the U.S. East and Gulf coasts. The 1,200 acre single terminal facility features 9,693 linear feet of continuous berthing and more than 1.2 million square feet of covered storage. The terminal is equipped with fifteen high-speed container cranes (4 super post-panamax and 11 post-panamax) as well as an extensive inventory of yard handling equipment.

The Ocean Terminal is a secured, dedicated breakbulk facility specializing in the rapid and efficient handling of a vast array of forest and solid wood products, steel, RoRo (Roll-on / Roll-off), project shipments and heavy-lift cargoes. The 208-acre (84.2-ha) facility features 6,688 linear feet (2,039 linear meters) of deepwater berthing, approximately 1.5 million square feet (138,164 square meters) of covered storage and 96 acres (38.8 ha) of open, versatile storage. The leading imports were iron and steel, machinery, plywood, cocoa bean, granite, lumber, aluminum, and paper products. Kaolin clay, linerboard, machinery, woodpulp, military ordinance, lumber, and foodstuff were the leading exports.

**Chatham County
Background Information**

The Georgia Ports Authority is in the midst of a multi-million dollar expansion of its Savannah facilities. One of the major items under construction is the Intermodal Container Transfer Facility at the Garden City Container Port. It will be the only one of its kind on the East Coast. Spanning more than 150 acres at final build out, it will include 40,000 feet of rail track and 80 acres dedicated to container storage and marshaling operation.

The port also includes a foreign trade zone which consists of twenty eight acres at the Savannah International Airport and twelve acres at Georgia Ports Authority facilities. It allows imports into the United States to be processed, displayed, or otherwise handled free from duties and taxes. The 2,600 acre Crossroad Business Center was recently made a part of the Zone. Only when cargo leaves the zone to be distributed in the United States is it subject to these charges. If it is exported, these costs are avoided.

Executive Summary

The fiscal year 2011 Budget was adopted by the Board of Commissioners on June 25, 2010. The County Manager submitted a recommended budget proposal to the Board on May 14, 2010 which outlined the County's budget challenges and accomplishments. The County Manager's recommended budget is located after the tab "County Manager's Message" and serves as the basis for the final adopted budget.

The key difference between the adopted budget and the County Manager's recommended budget was the impact of the decline in the property tax digest. The recommended budget assumed there would be no tax digest growth in the General Fund and the Special Service District. When the tax digest was received in June 2010, net property values had declined 3.02% in the General Fund M&O and 2.36% in the Special Service District. The decrease in tax values equated to reduced property tax revenues of \$3.6 million in the General Fund and \$366,500 in the Special Service District Fund. As shown in the Reconciliation Table, the County employed a combination of recurring spending cuts and debt restructuring to offset the revenue decline. For the second consecutive year, there were no staff compensation increases; however, the County was successful in avoiding staff layoffs and furloughs. Property tax millage rates remained flat at 10.537 mills in the General Fund and 3.475 mills in the Special Service District.

The County entered the 2011 budget process very conservatively. Capital project budgeting began in October 2009, and departments began the operating budget process in February 2010. Due to the declining economy, many revenue categories were decreased from prior year levels. Most department budgets were held at fiscal 2010 levels after allowing for increased pension and medical costs. However, the recommended budget proposal did incorporate new operating costs and staffing needs associated with the opening of three new County facilities.

During the budget process, departments presented a number of decision packages for funding consideration. The Board did not approve any of the decision packages for the 2011 budget.

The Board has expressed concerns that the property tax values will continue their negative trend. As a result, the Board deferred funding in June 2010 for over \$3 million in CIP Fund capital projects. The Board has also instructed staff to convene workshops in the second quarter of fiscal year 2011 to discuss further cost reductions that may be required to offset revenue decreases.

The 2011 Recommended Budget included funding for three CIP projects: ICS Digital Radio Equipment (\$200,000), Golden Sports Complex (\$115,500), and Savannah Chatham Metropolitan Police Department Fleet (\$103,743). Due to fiscal year 2011 funding constraints, the Board utilized the fiscal year 2010 Contingency account as a funding source.

A reconciliation of the County Manager's recommended budget to the adopted budget is shown in the following table:

RECONCILIATION		
Fiscal 2011 Recommended vs. Adopted Budget		
	General Fund M&O	Special Service District
Revenues & Fund Balance Appropriations:		
Manager's recommended	\$ 150,518,535	\$ 27,313,214
Adjustments:		
- Decrease in property tax revenue	(3,605,000)	(366,500)
- Proceeds from interfund loan	1,781,303	166,500
- Increase in fund balance appropriation		
Total adjustments	<u>(1,823,697)</u>	<u>(200,000)</u>
Adopted Revenues & Fund Balance Appropriations	\$ 148,694,838	\$ 27,113,214
Expenditures:		
Manager's recommended	\$ 150,518,535	\$ 27,313,214
Adjustments:		
- Decreases to department budgets	(1,823,697)	(200,000)
Total adjustments	<u>(1,823,697)</u>	<u>(200,000)</u>
Adopted Expenditures	\$ 148,694,838	\$ 27,113,214

The County Commission adopts a set of goals for the upcoming fiscal year in February. The relationship of the adopted budget to the Board's stated goals is summarized below:

Relationship of Goals to Adopted Budget

To provide all citizens the best place to live, work and play:

- By protecting the public safety of everyone
- By providing outstanding recreational services and facilities community-wide
- By stimulating economic growth through cooperative business practices to include predictable permitting
- By establishing and maintaining effective management of the County's resources
- By responding to legislative mandates in the most cost-effective manner

The adopted budget seeks to be responsive to these goals and objectives:

Public Safety

- Increased funding is provided for police activities within the Savannah-Chatham Metropolitan Police Department (SCMPD) under the intergovernmental agreement (\$276,412).
- Increases to the Counter Narcotics Team budget are reflective of increased salaries and benefit costs for municipal officers, cost increases under the SCMPD agreement, and funding for temporary employees (\$304,667).
- Additional officers to provide security for Detention Center construction have been included in the Detention Center's budget (\$338,845).
- Two additional staff are included in the adopted budget for Animal Control (\$89,350).
- The adopted budget assumes continuation of the current Emergency Management Service (EMS) contract. This contract is up for renewal in late 2010.

Recreational Services and Facilities

- The adopted budget includes funding for the continuation of the Recreation Action Plan (RAP) program.

Cooperative Business Practices

- Savannah Area Geographic Information System (SAGIS) funding is maintained at fiscal year 2010 levels within the Special Services District (SSD) Fund.
- Construction Apprentice program funding is maintained, including staff.
- Community Outreach project for Detention Center expansion is included.

Management of County Resources

- The adopted budget accommodates the decrease in property tax revenues without loss of services.
- No compensation increases or staff reductions were adopted.

- The adopted budget includes a hiring freeze for Special Service District departments.
- Wellness programs are funded in the Health Insurance Fund.
- Additional maintenance and utility costs are included in the budget related to the Commerce Building, Records Center and new Animal Control facility.
- The adopted budget for Facility Maintenance includes three additional Maintenance Mechanic positions. The positions will assist in maintaining approximately 1,099,663 square feet of office space.
- Additional funding for potentially seven elections is included in the budget.
- The Capital Improvement Program (CIP) Fund adopted budget includes funding for two projects. Funding is included for the Health Department (\$55,000). In addition, the CIP Fund adopted budget includes funding for replacement of the Fleet Maintenance building (\$2.5 million).

Legislative Mandates

- The Adopted Budget continues funding for all mandated activities and programs.

UNFUNDED DECISION PACKAGES - FY 2010/2011 - SUMMARY

Each year departments are provided an opportunity to request additions to their respective base budgets. These requests are submitted as decision packages and prioritized from 1 to 10 with 1 representing the highest priority and 10 representing the lowest priority. The decision packages listed below represent unfunded departmental requests. These requests are not included in the adopted budget.

General Fund M&O

1400	Board of Election	
	Priority # 1 Salaries and Benefits	77,554
	Priority # 2 Other Capital	35,000
1401	Voter Registration	
	Priority # 1 Temporary Labor	43,346
1565	Facilities Maintenance	
	Priority # 1 Facilities Maintenance Analyst	56,330
1567	Fleet Operations	
	Priority # 1 Mechanic IV	84,640
	Priority # 2 Administrative Assistant II	56,390
	Priority # 3 Fuel system upgrade/ fraud prevention software	70,000
2200	District Attorney	
	Priority # 1 ADA I Position	57,693
	Priority # 2 ADA IV Position	88,863
2600	Juvenile Court	
	Priority # 1 Mental Health Clinician	72,117
	Priority # 2 Administrative Assistant III	60,161

UNFUNDED DECISION PACKAGES - FY 2010/2011 - SUMMARY

Special Service District

4100 Public Works		
Priority # 1	Reimbursements	187,000
Priority # 2	Other Purchased Services	301,370
7410 Metropolitan Planning Commission		
Priority # 1	GDOT Funding Reduction	60,000
Priority # 2	Funding Source Policy Review	(109,556)
7412 SAGIS		
Priority # 1	Base Budget Requested Increase	50,000
Priority # 2	Indirect Cost Funding	198,909
Priority # 3	Funding Source Policy Review	(177,500)
9997 Restricted Contingency		
Priority # 1	Merit Pay Plan	261,970
Priority # 2	Cost of Living Adjustment	130,985
Total Special Service District		\$ 903,178
<u>Enterprise Fund</u>		
7210 Building Safety Regulatory Services		
Priority # 1	Repaint Office	12,990
Total Enterprise Fund		\$ 12,990
<u>All Other Funds</u>		
9997 Restricted Contingency		
Priority # 1	Merit Pay Plan	177,214
Priority # 2	Cost of Living Adjustment	88,607
Total All Other Funds		\$ 265,821