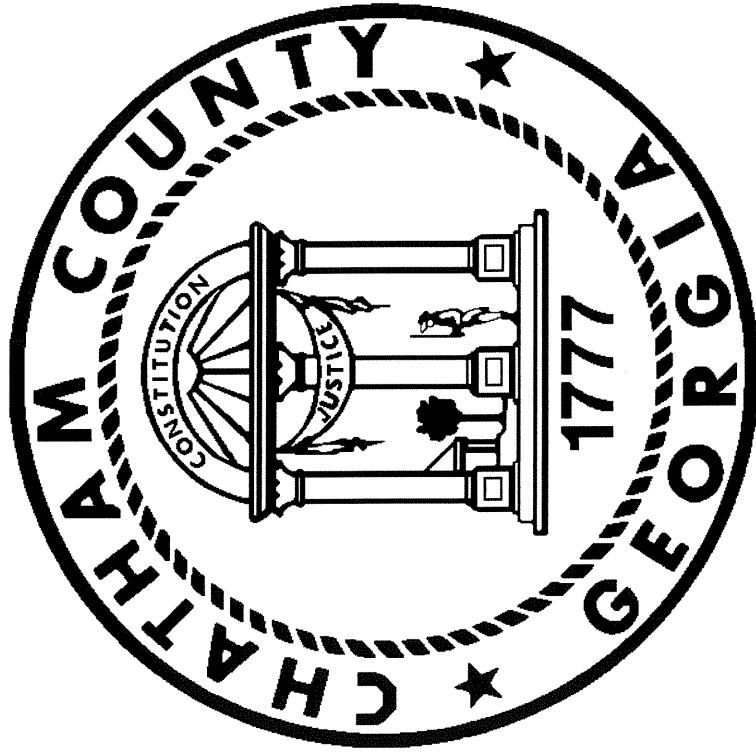


The County Manager's message highlights the adopted budget.



COMMISSIONERS OF CHATHAM COUNTY

CHATHAM COUNTY COURTHOUSE

124 BULL STREET

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Vice Chairman

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Chairman Pro Tem

JAMES J. HOLMES
District 2

TONY CENTER
District 3

PATRICK K. FARRELL
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YUSUF K. SHABAZZ
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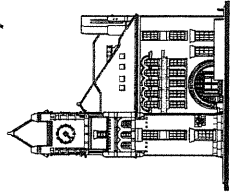
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District 6

DEAN KICKLIGHTER
District 7

LEE SMITH
County Manager

R. JONATHAN HART
County Attorney

JANICE E. BOCOOK
County Clerk



September 3, 2014

The Chairman and Members
Board of County Commissioners
Chatham County, Georgia

Herewith is contained the 2014-2015 budget as adopted June 27, 2014, at the regular meeting of the Board of Commissioners. This budget was compiled using the process of zero based budgeting, which requires departments to begin with zero and build accounts by justifying needs for operations and capital.

The two main operating funds, the General Fund and the Special Service District, are balanced without the need to increase taxes. The millage rate in the General Fund, including a one-time repurposing of SPLOST funds of .224 mills, is 11.543 mills. The Special Service District millage rate is 4.13 mills.

Below is a summary by fund type of the fiscal year 2015 budget:

General Fund	Special Services District	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Total



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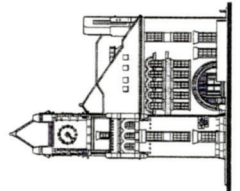
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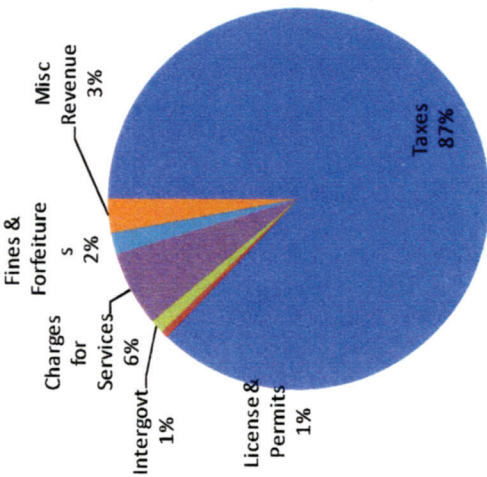
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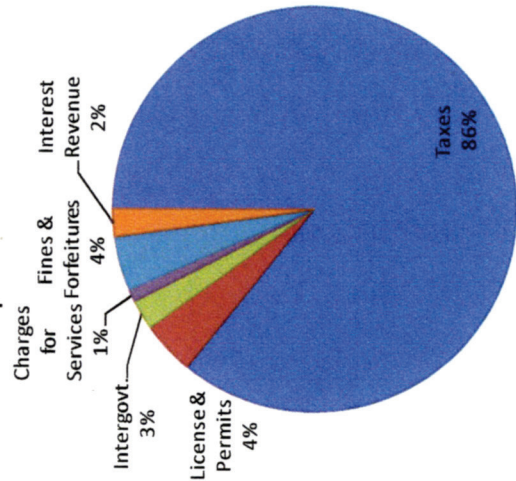


Where the money comes from:

General Fund Revenue

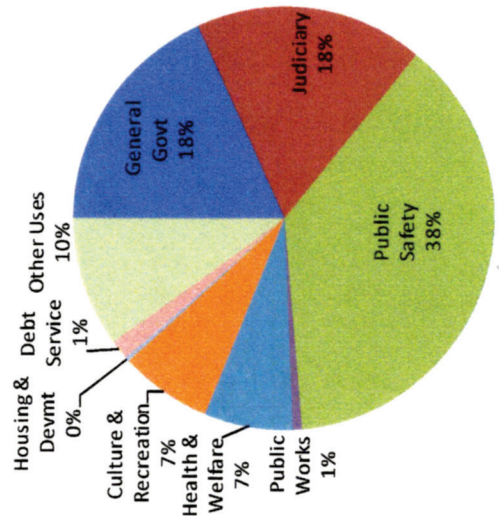


Special Service District

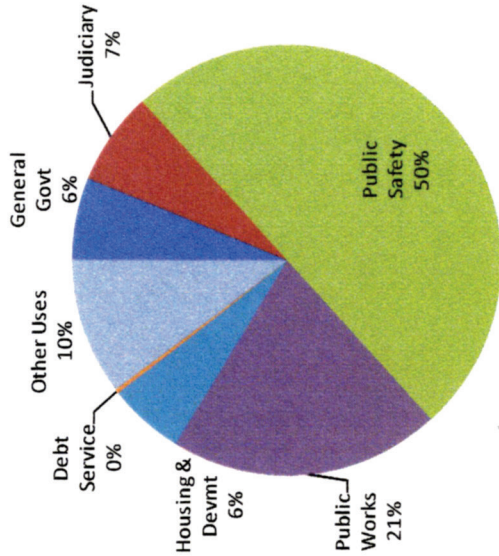


Where the money goes:

General Fund



Special Service District





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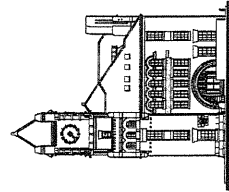
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Significant budget highlights in the General Fund include:

- Repurposing of \$4 million of Special Purpose Local Option Sales Taxes (SPLOST) IV. This translated to a reduction in the millage rate of .224 mills of property taxes.
- A net increase in inmate housing due to a contract with the State Marshal's office of \$210,000.
- A net increase in budgeted revenues of \$1 million due to the vehicle title ad valorem tax.
- Funding for an additional 14 employees to open the new westside library in the amount of \$365,935.
- Funding for an employee merit appraisal plan of \$2 million.
- Contingency funding for courts, public safety and animal control in the amount of \$736,325 as determined by independent evaluations.
- Savings realized on inmate medical costs of \$750,000.
- Savings realized on renegotiated utility contract at the detention center of \$600,000.

Primary cost drivers in the General Fund included:

- Employee healthcare costs increased \$1.16 million, or 6%.
- Retiree healthcare costs increased more than \$230,000 based on claims data provided by the Association of County Commissioners of Georgia.
- Additional personnel included 3 Correction Officers, 1 Indigent Defense Coordinator, 1 Clerical Assistant and 2.5 full-time equivalent employees for Security Guards.
- Contingency funds for courts, public safety and animal control totaling \$736,325.
- Opening of the new Westside Library branch requires 14 additional positions at a cost of \$365,935.
- Operating costs for the new Human Resources building will cost an additional \$57,000 per year.
- The employee merit appraisal process adds an additional \$2 million to the budget.
- Increasing indigent defense costs will increase the General Fund budget \$150,000.
- Funding for a county-wide strategic plan is budgeted at \$250,000.
- Transition costs incurred due to the change in County management.
- Increased costs due to employment changes as a result of the Affordable Care Act.



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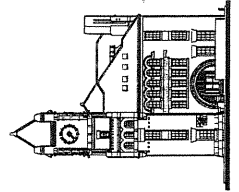
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Cost drivers in the Special Service District include:

- Funding for the employee merit appraisal of \$142,457 is included.
- Debt service payments for lease of heavy equipment.
- Employee healthcare costs increased \$141,500, or 6%.
- Increasing indigent defense costs will increase the budget \$200,000.

Significant highlights in other County Funds

Solid Waste Fund – The curbside trash collection fee will remain at \$43 per unincorporated property. However, the Commission has elected to use 61% of the Special Service District title ad valorem tax which was previously allocated to SPLOST to subsidize the Solid Waste Fund.

Water Sewer Fund – Sewer fees increased 5% to compensate for the increased cost of the sewer treatment fee charged by the City of Savannah.

SPLOST VI Fund was added as a result of the passing referendum in November 2013 in favor to continue this tax.

Employee Healthcare Insurance Fund – Increased \$1.16 million due to increasing claims costs.

Sincerely,

Lee Smith
County Manager