

Balancing a city's needs, wants and wishes in the budget

No one likes to talk about budgets. Working on a family budget is a challenge because there is usually not enough money to do what we would really like to do. Believe it or not, it's the same with the city's budget.

A family budget is obviously created by determining annual income and anticipating annual expenses and including a certain amount for unanticipated expenses. Sometimes no matter how carefully you plan, those unanticipated items can significantly affect your overall budget. It is the same with the city budget.

St. Marys is now in the midst of its annual budget planning process. For those who would really like to learn how we make the difficult choices when we encounter unanticipated expenses, I invite you to attend our open session on budget planning that starts at 9 a.m. Tuesday, April 21, at city hall in council chambers. You are encouraged to observe the work session to see



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how your tax dollar spending plans are created.

Most people are familiar with our general fund budget because that is where most expenses for city services are applied and where your taxes are recognized as revenue. Last year that general fund budget was approximately \$9 million and we are striving to keep it near that level for the coming year.

We also expect our anticipated revenue to be similar with almost \$2.6 million from property taxes, \$3 million in sales taxes, \$1 million from franchise fees and the

remainder from a variety of sources such as interest, fines and miscellaneous income. (Of course these numbers are subject to adjustment prior to the council vote in June on the final budget for 2016.)

Almost 80 percent of general fund expenditures are dedicated to provide the basic services citizens expect: protective services from fire and police and quality of life services from public works. We do not anticipate a major change in the level of services or the expenses in the coming year. The same is true for other service units within the city.

However, when we look at our capital budget, it is a different story. In previous years, we have been able to rely on SPLOST (Special Purpose Local Option Sales Tax) funding for infrastructure and capital projects.

In this coming fiscal year, the landscape is very different. Rather than the \$2.1 million we have been able to apply to those improvements in the past, we will have only

\$350,000 in the coming year. Why? Because the city made a conscious decision, supported by the citizens of St. Marys, to dedicate the majority of SPLOST 7 funds to pay down the water and sewer debt and we are honoring that prior commitment.

The downside of that reality presents a problem for our capital items budget in the coming year. Here is one example. Two of our fire trucks are more than 25 years old. When a repair is required, many times parts are no longer available making it necessary to custom make parts, which is an expensive outlay, leaving the city vulnerable to equipment downtime.

Candidly, these two engines are near the end of their service life. The only way to replace them would be to fund the purchase with a loan and to pay the loan fee out of the general fund. That impacts whatever wiggle room we may have had for other services. Yes, we have other funds but they

are equally restrictive in how funds can be expended.

How we continue to finance vital city services with limited resources continues to be a challenge for the city council. We must respect and live with the decisions of the past, recognize the needs of today and still look down the road to anticipate the needs of the future. We are faced with new constraints we did not have in the last few years. We can no longer utilize SPLOST funds for infrastructure, maintenance and capital as expansively as we did in the past. That has reduced our flexibility with respect to project financing.

Fire trucks, pavements, sidewalks, lights and hundreds of other elements of our infrastructure do not last a lifetime. Even with careful and routine maintenance, at some point they have to be replaced. Those anticipated and unanticipated expenses must be included in our budgeting process. We cannot simply ignore them. These needs will/could add an additional increase to the gen-

eral fund budget for 2016.

The budget will also see renewed pressure from the health care sector as we anticipate another increase in health costs much as we have all seen in our private lives.

A phrase I hear often is that "we should just cut expenses." Payroll is the bulk of our expenditure because we are a service providing entity. We continue to operate with a lean staff. We are only one person deep in many areas and cross training for backup has been critical and mandatory. Our cut options are extremely limited. If you attend the budget work sessions, you will see firsthand what our options are for continuing to provide services with our newly limited revenue.

I am confident that we will find a way, but I welcome all citizens of St. Marys to join us in these work sessions to understand the challenge and how we balance needs and resources.

John Morrissey is the mayor of St. Marys.