

Questions from Transition team

OPERATIONS

Structure – What is the current structure of the finance department as it relates to the SSD?

Accounting and Financial Reporting - The general ledger, financial statements and reports are under this section. How many FTE's provide each of those services for the SSD? What are their titles and tasks? What is the salary and benefits cost for each of those services?

The Accounting division (General Accounting) has 4 FTEs that provides services to all funds/departments including those within the SSD. There aren't any FTEs specific to the SSD, they all are paid from the General Fund, and the costs associated with working on SSD duties are captured through indirect cost allocation.

What accounting software does Finance use for its accounting system?

Fulton County uses the integrated ERP package and uses the Financial system by CGI (formerly AMS). The financial system includes several comprehensive modules such as General Accounting, Treasury Management, Budgeting, Accounts Payable, Purchasing, Travel Card Administration, Purchasing Card Administration, Cash Receipting, Fixed Assets, Invoicing and Payments, Ordering and Receiving (to name a few).

Accounts Payable – How does this section distinguish SSD payables from General Fund payables? How many FTES provide service for the SSD? What are their titles and tasks? What is the total cost of their salary and benefits?

SSD payable are distinguished by the funding line. The Accounts Payable division has 22 FTEs budgeted in this section. There aren't any FTEs specific to the SSD, they all are paid from the General Fund, and the costs associated with working on SSD duties are captured either through indirect cost allocation or a portion of payroll expenditures budgeted.

Accounts Receivable – Describe the system used to capture receivables for the SSD? How many FTES provide this service for the SSD? What are their titles and tasks? What is the total cost of their salary and benefits? What is the total amount of SSD property taxes receivable and any other receivables as of 12/31/16?

Business Licenses – This service is solely devoted to the SSD. **Yes** How many FTEs are there?
3 What are their titles and tasks?

Accounting Associate:

Assists customers with applying for Business Occupational Tax Certificates: answers phone calls and serves walk-in customers; explains requirements for obtaining a Business License and obtaining permits issued by the Business Tax Division; reviews applications, presents to zoning for approval, notarizes required documents, verifies calculation of fees, and makes copies of all paperwork; performs Save Program procedures for non-US citizens for

verification when applying for business licenses; prepares and mails to RDS for processing and distribution of a business license; and researches issuance status as requested.
Collect business license and permit payments

Administrative Technician:

Assists customers with applying for Business Occupational Tax Certificates: answers phone calls and serves walk-in customers; explains requirements for obtaining a Business License and obtaining permits issued by the Business Tax Division; reviews applications, presents to zoning for approval, notarizes required documents, verifies calculation of fees, and makes copies of all paperwork; performs Save Program procedures for non-US citizens for verification when applying for business licenses; prepares and mails to RDS for processing and distribution of a business license; and researches issuance status as requested.
Collect business license and permit payments

Business Tax Specialist:

Inspect new and existing businesses for compliance with county requirements for business license operations. Issue delinquency violation notifications to businesses that are not in compliance and schedule appointment dates for compliance. Respond to questions or concerns regarding cited violations. Respond to citizens' complaints to Fulton County regarding businesses.

Initiate collections for past due business occupation taxes by visiting businesses listed on the RDS Delinquency list, as well as independent citations. Schedule appointments with cited taxpayers for completion of appropriate forms and collect fees. Handle incoming calls and walk-ins regarding requirements for obtaining a Business License as well as give direction for obtaining permits issued by the Business Tax Division.

What is the total cost of their salary and benefits? \$150K What service does the third party contractor provide and what is the cost? The total amount for services for each budget year is not to exceed \$108K Why is the service used rather than performing it in-house? A cost benefit analysis was performed and it was determined that the cost would be 200K more with an in-house system vs. a blend of internal Personnel with the outside vendor.

Pension Administration – What service is provided in-house and what are the number of FTEs, tasks, titles and the total cost of salary and benefits.

Risk Management – What service does this section provide for the SSD? How many FTE's are there? What are their tasks? What is the total cost of their salary and benefits?

What service does this section provide for the SSD? *Risk Management/Workers Compensation administers the County's Insurance and Self-Funded Programs. Activities include but are not limited to claims administration/resolution, procurement of insurance policies, contract/document review, third party recovery/subrogation, determination of insurance requirements (bids and solicitations), and collaboration with Legal regarding litigation. *How

many FTE's are there? Risk Management/Workers Compensation Division has 12 FTE positions. *What are their tasks? See above

How does the County handle insurance for assets such as real property, equipment and vehicles for the SSD? The County maintains a Commercial Property Insurance policy covering County Building and Contents. County does not procure or maintain an automobile physical damage insurance policy. How will they transition to the City? The City will need to procure its own insurance for properties transferred from the County, along with coverage for employees.

Employee Benefits – Provide detail for the benefits employees receive who provide service for the SSD, the type and dollar amount. Also, provide specific detail for uncompensated benefits that the SSD will be responsible for assuming in terms of dollar amount, timing, number of employees, titles, tasks, etc. See separate document.

Other

What additional resources/personnel are needed to sustain the service the SSD is receiving currently? Are there any areas where additional personnel, tasks, etc., are critically needed? What is the estimated cost? See enhancement list of items received from departments.

Provide a list of all vacant positions that would have provided SSD services as of 12/31/16 and the total cost of personnel savings. How were those savings used? Some of the savings used for capital acquisition and remainder dropped to the fund balance/ Are there any vacant SSD positions in the 2017 budget? Yes, but they are being filled by departments as needed. What are the positions and the estimated personnel savings? See separate document

FINANCE

Cash– Does the County use a lockbox system to receive checks and if so is bank reconciliation Included in this system. No. How is the cash associated with SSD revenue distinguished from General Fund revenue? The revenue is separated in the accounting system by utilizing specific Accounting Lines for SSD. Is there a separate bank account for the SSD. No If not, the city will need a bank account on May 1st. What recommendations do you have to make a smooth transition for the City's banking needs?

1. Establish armored car service for deposit pickups
2. Setup a depository account for the receipt of revenue
3. Setup up a ZBA banking structure for your Payroll and Controlled Disbursement accounts. The accounts should be funded by the main depository account.

Liabilities – Provide a list of all of the liabilities for the SSD including what they are and dollar amount separated by long term and short term debt.

1. Lease financed with TD Equipment for Fire Engine trucks. This lease has a quarterly debt service payment of \$99,271 with the final payment due September 1, 2020. The total amount owed is \$1,914,770

2. Lease financed with Banc of America Public Capital Corp for the Police Department RMS. This lease is scheduled to be closed by May 30, 2017. After closing, the quarterly debt service payment will be due quarterly at approximately \$71,640. The final payment will be due June 1, 2021. The total amount owed is \$1,432,815

Partial - \$216k in Encumbrances for 2017 (Short term); approximately \$1500 in credit card charges for January 2017; Leases; Compensated Absences

Were there any interfund receivables and payables between the SSD and the General Fund as of 12/31/16? Please explain in detail what they were and the dollar amount **NONE**

Investments – Does the SSD have any investments in the County’s investment portfolio? **No.** If so provide detail in terms of dollar amount, what they are, term and how they are distinguished from the County’s investments.

Revenue, Cost and Financial Reports

What is the County’s criteria and method to calculate cost allocation for the SSD? What are the revenue and cost tracking processes associated with this activity?

Open for Ray

What are the County’s processes to track revenue and costs associated with land use planning, engineering and surveying, building and safety permits and inspection services, road and traffic signal services, local drainage, landscape services and emergency medical services?

Revenues and expenditures are reviewed at least on a monthly basis through the County’s internal and external financial production process. The review of financial information is performed at the department level and in aggregate. The Finance Department holds a standing meeting on the second week of every month and discusses variances and investigates discrepancies. The County Manager, the Executive Team and the Director of Finance hold a standing meeting every month where they review the monthly results.

Provide an SSD 2016 ytd budget report that includes budget, actual and variances. Explain the variances and whether or not the strategic performance priority areas were achieved? Make sure budget and actual revenue, expenses and fund balance for the **FID** is excluded from the SSD and there’s a separate financial report for it.

The FIB budget has never been managed separately from the SFSSD regular budget. Only in FY2017 the budget was created separately as a result of the incorporation of the new city. The information below provides expenditure actuals vs budget for 2015 and 2016.

301 Summary - Expenditure Analysis December 2016 vs 2015							
	A	B	A/B	C	D	C/D	(C/D)-(A/B)
Fund - Department	Actual 2015	2015 Budget	%	Actual 2016	2016 Budget	%	% Change
301 - South Fulton							
County Manager	-	-	0%	29,789	72,217	41%	41%
Finance	226,035	312,102	72%	310,604	358,362	87%	14%
Fire	12,602,541	12,847,453	98%	14,729,616	15,275,243	96%	-2%
DREAM	181,153	187,000	97%	186,225	187,000	100%	3%
Information Technology	28,522	37,460	76%	84,279	84,500	100%	24%
Non-Agency	14,767,766	16,493,555	90%	14,239,649	14,930,510	95%	6%
Parks & Recreation	3,200,115	3,335,057	96%	4,196,066	4,377,667	96%	0%
Personnel	51,233	70,658	73%	135,498	153,094	89%	16%
Planning and Community Services	2,095,239	2,752,678	76%	2,507,028	2,772,699	90%	14%
Police	13,334,344	14,747,193	90%	16,694,060	17,028,193	98%	8%
301 - South Fulton Total	46,486,948	50,783,156	92%	53,112,813	55,239,485	96%	5%

As of 12/31/16, how much of the \$36,048M LOST fund were used for SSD projects. How has the remaining funds been prorated and rolled over under the SSD budget as of 1/1/17

There are both direct and indirect effects of the LOST revenue on the SFSSD budget.

The direct effects are;

- 1) Allocations to the Public Works Department in the General Fund, which exclusively pays for transportation services
- 2) Capital expenditures paid from the General Fund for exclusive capital transportation projects.
- 3) Transfer of resources from the General Fund for direct expenditures within the SFSSD fund

The indirect effects are;

- 1) Overhead costs for support type services paid within the General Fund for SFSSD benefit. These may include strategic costs, legislative functions, legal counsel, finance support, personnel support, IT related support among others.

What is included in All Other Revenue that is budgeted for 2017? **To be provided in a separate A203 report.**

In comparing 4 months of the 2016 budget with 4 months of the 2017 budget, there are many variances. Provide an explanation for those variances so we can understand them. Non Agency is a line item rather than a description and a budget for each department under it. Provide a list of departments and their budget.

SFSSD Comparison				
	2016 Budget Estimated 4 Months *	2017 Budget 4 Months	Diff	
County Manager		\$ 38,815	38,815	
Planning and Community Services	948,305	972,924	24,618	
Finance	119,454	121,457	2,003	
Personnel	51,031	52,994	1,963	
Information Technology	28,167	29,034	868	
Fire	5,091,748	4,902,929	(188,819)	A
Police	5,676,064	5,499,971	(176,093)	B
Real Estate and Asset Management	62,333	62,333	-	
Parks & Recreation	1,459,222	1,216,330	(242,892)	C
Non-Agency	4,940,226	8,965,992	4,025,767	D
Total	\$ 18,876,551	\$ 21,862,780		
* Estimated 4 months budget was calculated by prorating the adopted budget for 6 months				
A Fire budget in 2016 included \$approx \$847K in non-recurring equipment needs. This were one time in nature.				
B Police budget in 2016 included \$approx \$975K in non-recurring equipment needs. This were one time in nature.				
C Parks budget in 2016 included \$approx \$430k in non-recurring equipment needs. This were one time in nature.				
D 2017 Non Agency includes \$4M in compensated absences				

How much of the Planning and Community Services budget for 2017 is allocated for Economic Development? **None; economic development is part of the County Manager's budget in SF.**
 How many FTEs are in Economic Development? **1.** What are their titles, tasks, total salaries and benefits? **See separate schedule**

Provide detail for Property Taxes Recovery under revenue in the 2017 budget. **Balance of funds expended on behalf of South Fulton in the first four months not covered by the beginning fund balance and expected revenue from January through April of 2017.**

Provide a definition for the Special Services District Fund? **Special Services District Fund is used to account for financial transactions of the former unincorporated areas of the County including payment of compensated absences hours accrued by County employees working in these areas before incorporation.**

Provide any critical unbudgeted need and cash flow concern that the City should be aware of now and after May 1, 2017. **See a separate schedule. Property taxes not billed and collected until later in the year. County generally issues Tax Anticipation Note (TAN) to cover this period of time.**

There is no contingency line item in the 2017 budget. **There is a small amount of \$105,333 in the budget. Why? This is a prorated amount for 4 months based on the total amount in the budget for 2016.**

When does the County anticipate completing the CAFR for 2016? We are required to complete our CAFR 180 days after the fiscal year.

June 2017 (Ray may have a sooner date – if so, please use his)

FINANCIAL IMPLICATIONS AND NEEDS

Provide a list of all contracts and MOUs, the total amount, services provided and contract dates.

What is the County’s internal system to identify and track revenue and cost for sales and use tax, Occupancy tax, franchise fees, documentary transfer tax, fines and, special assessments? These are services that the City will assume. Understanding how the system works would be beneficial for the City to make a transition decision.

Provide a list of all fees for services that will transfer to the city and the current internal control processes for capturing and recording those fees. –

LICENSE AND PERMIT FEES:

Adult Entertainment Establishments

Businesses and Professional Occupations

Adult Entertainment Employee permits

Background investigation fee	\$55
Employee permit	\$325
Annual employee permit renewal	\$100

Adult Entertainment Business license

Establishment license processing fee	\$6,400 plus advertising
Annual renewal	\$4,300

Business Occupational Tax Certificate

Administrative fee	\$95
Fee per employee	\$13
Gross revenue	
*Up to \$20,000	\$50

Any fees collected internally for Business License are forwarded to RDS. The internal payment log is reconciled to RDS reports to ensure that all payments were received and posted to the customer accounts. RDS will also conduct discovery recovery practices by purchasing business

related data from sites such as Lexis Nexus. The purpose of the practice is the identify business that have not paid their Business Tax in unincorporated Fulton County. All other fees collected will be processed and deposited internally under dual control.

Provide a list of all grants, terms, total amounts for each, agencies and the departments providing the services for SSD activities. [See a separate schedule](#) In there a Grants section in the Finance department or is the activity contracted? [Yes, there is a Grants division in Finance Department](#)

Provide a status report of all projects that are in the planning, permitting and/or inspection processes that will not be completed prior to May 1, 2017. [See separate schedule](#)

Provide a status report of all major capital improvement transportation and other projects that are planned or in progress that will not be completed prior to May 1, 2017. [See separate schedule.](#)