

**Budget Work Session following the Special Called Meeting of the Mayor and City Council on Tuesday, January 10, 2006, 7:00 PM, Mayor Eva Galambos presiding.**

**Mayor Eva Galambos presiding**

**Councilmembers present:** Councilmember Dianne Fries, Councilmember Dave Greenspan, Councilmember Ashley Jenkins, Councilmember Rusty Paul, Councilmember Tibby DeJulio, Councilmember Karen Meinzen McEnery

Mayor Galambos called the Budget Work Session to order.

Councilmember Greenspan stated that there are so many hypothetical situations. In looking through the cumulative fund balance at the lowest point, which will be in August, the fund balance will be \$303,000. He has identified another \$370,000 but is hopeful that they can get the number up to \$1 million. He stated that he would like to see the \$150,000 in the General Operations Professional Services Studies eliminated. He also questioned what the \$10,000 per line item under Finance-Contractual Services and Technical Services was for.

**Finance Director Steve Rapson** stated that he would go through each line item budgeted under General Operations-Professional Services-Studies. This money was budgeted priority studies.

**Assistant City Manager Al Crace** explained that some of these are impact fee studies and traffic studies. Councilmember Greenspan stated that in his experience, if you put money in the budget, it is spent. However, if it is a contingency, then it would be less likely to be spent. He stated that he is concerned that the City will be caught in August with no money.

Mayor Galambos stated that at the end of this fiscal year on June 30<sup>th</sup>, the City would have a fund balance of \$350,000. She stated that is mighty thin even though there is a contingency to fall back on. She further stated that the City does not want to go back to the bank to borrow money and Councilmember Greenspan is trying to do something to beef up the contingency. Mayor Galambos stated that it does not have to be done tonight but staff could be directed to put more in the contingency.

Councilmember DeJulio stated that if a line item for a traffic study has \$150,000 then everyone knows how much can be spent. However, if it is in the contingency fund then it does not put as much discipline on the Mayor and Council.

Councilmember Greenspan stated that the \$150,000 could still be for traffic study in the contingency. He would like to focus on the services the City must have to manage until June 30<sup>th</sup> when we have a handle on the revenues and expenditures.

Councilmember DeJulio stated that staff has always tried to underestimate revenues and overestimate expenses. He questioned if there are things in the budget that are not absolutely necessary. Finance Director Rapson stated that some items like professional studies would be at the City Council's discretion. He wants to make sure that the Council is comfortable with the budget that staff is proposing. If no contingency is spent and no commitments are made to the capital allocation, this pushes the fund balance to a balance just over \$5 million. This number would continue to drop until October when the tax revenues come in. Finance Director Rapson explained that the revenues from Local Option Sales Tax (LOST) and insurance premiums would come in the beginning next year, but the City still needs to be conservative to get through August and September of this year.

Mayor Galambos suggested that the capital expenditures be postponed until after July. Finance Director Rapson commented at that point, there would then be some history for tracking revenue.

Councilmember Greenspan stated that the SPLOST should come to the City in April but this is not guaranteed and the TAN must be paid back this calendar year. He stated that it was his understanding that the City could only have one outstanding loan per calendar year. Discussion followed regarding municipal indebtedness.

Mayor Galambos questioned if Councilmember Greenspan would feel more comfortable if the dollar amount for capital improvements was reduced in this seven month budget. Councilmember Greenspan stated that he could not answer that question at this moment and would have to review the information prior to answering.

Mayor Galambos questioned if this needed to be decided prior to the next budget work session. Councilmember Paul requested that staff gather reaction from Council regarding Councilmember Greenspan's concerns. Councilmember Fries

requested that monthly reports be submitted to Council also. Finance Director Rapson stated that he had them ready for Council.

Councilmember DeJulio stated that he felt that it was great for the citizens to see what the Council has to go through during the budget process and the decisions that need to be made. He stated that some projects may have to be delayed due to cash flow timing. One of our priorities is eliminating crime and getting the Police Department on board and on the streets.

Councilmember Paul stated this is a start up operation and the money will be here, but not until October 2006. He stated that if you look around, the City is cleaner and things are happening. He explained that they will just take some time.

Mayor Galambos stated that the City will be receiving \$18-20 million annually from LOST, but it takes time for the State Revenue Department to get the paperwork done. That is the reason the money will not be here until April. The last items on the list of capital projects for the LCI grants were funded by the last LCI grants. She questioned the need for another LCI grant right away. Councilmember DeJulio stated that he suggested including the funding on behalf of the development community and to see the strategic planning of what the Roswell Road Corridor could look like.

Councilmember Paul questioned what the dollar amount in the Scope of Service with CH2M HILL was to be used for. Assistant City Manager Crace stated that money was to get the existing transportation system upgraded. Councilmember Paul questioned if a list of the monies for transportation included in the contract could be provided. Acting City Manager Bovos stated that the ultimate goal is for the Scope of Service to merge with the City's budget. He stated that this is proprietary information for CH2M HILL. When it is given to the City, it becomes a public document. He stated that would violate the terms of the agreement.

Assistant City Manager Crace stated that the information provided is for capital projects. Councilmember Paul questioned if he understood Assistant City Manager Crace when he said that 70% of the City's traffic controls were defective. Assistant City Manager Crace stated that was the report he was provided. Councilmember Paul questioned who conducted the inventory of these traffic controls. Assistant City Manager Crace stated that whoever was in control of the signals on December 1<sup>st</sup> turned the information over to them.

Councilmember Meinzen McEnery questioned if in the next work session, the discussion could include the SSRI, Morgan Falls, and Big Trees.

Mayor Galambos stated that the City is very appreciative of the non-profit agencies. She stated that they have raised a great deal of funds on their own.

Councilmember Fries stated that she had been notified that the County is going to stop providing the crossing guards in both South and North Fulton. She stated that the Board of Education does not seem concerned whether there are crossing guards or not. She stated that the issue is whether or not crossing guards are being paid for in the IGA. Councilmember Greenspan stated that the schools in Sandy Springs affected are Highpoint Elementary, Heard's Ferry, and Woodland Elementary. Mayor Galambos questioned why there are only crossing guards at certain schools. It was explained that only schools in high-traffic areas had crossing guards. Councilmember Greenspan stated that Fulton County had agreed to pay these crossing guards through the end of January so there is some time to review this issue. He stated that the cost is approximately \$5,600 per guard per year. Councilmember DeJulio questioned if this was a responsibility of the City or the Board of Education. Mayor Galambos requested that staff check with the Cities of Alpharetta and Roswell to see what they do. Acting City Manager Bovos stated that both cities allocate money to pay crossing guards. Mayor Galambos commented that she could remember when this was done by volunteers. Councilmember Fries requested that staff check the original IGA to see if the wording states whether or not this was included. Councilmember Meinzen McEnery stated that she would be in support of \$15,000 annually for the protection of our children.

**Adjournment**

**Motion and Vote:** Councilmember Jenkins moved to adjourn the meeting. Councilmember Meinzen McEnerny seconded the motion. There was no further Council discussion. The motion passed unanimously.

After no further business, the meeting adjourned at 8:39 PM.

**Date Approved:** February 21, 2006

  
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Jeanette R. Marchiafava, City Clerk

  
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Eva Galambos, Mayor

