

**Budget Presentation of the Sandy Springs City Council was held Tuesday, May 22, 2012, at 4:00 p.m.**

Mayor Eva Galambos called the meeting to order at 4:05 p.m.

**Mayor:** Mayor Eva Galambos present.

**Councilmembers:** Councilmember Chip Collins, Councilmember Gabriel Sterling, Councilmember Tibby DeJulio, and Councilmember Karen Meinzen McEnery present. Councilmember John Paulson and Councilmember Dianne Fries arrived later.

**(Agenda Item No. 12-125)**

**EXECUTIVE SESSION - Litigation**

**Motion and Vote:** Councilmember DeJulio moved to enter into Executive Session to discuss pending or potential litigation with Attorney Laurel Henderson included. Councilmember Sterling seconded the motion. The motion carried unanimously, with Councilmember Collins, Councilmember Sterling, Councilmember DeJulio, and Councilmember Meinzen McEnery voting in favor of the motion. Executive Session began at 4:06 p.m.

Councilmember Fries joined the meeting at 4:08 p.m. Councilmember Paulson joined the meeting at 4:27 p.m.

**Motion and Vote:** Councilmember DeJulio moved to adjourn Executive Session. Councilmember Sterling seconded the motion. The motion carried unanimously, with Councilmember Paulson, Councilmember Fries, Councilmember Collins, Councilmember Sterling, Councilmember DeJulio, and Councilmember Meinzen McEnery voting in favor of the motion. Executive session adjourned at 4:39 p.m.

**(Agenda Item No. 12-126)**

**FY 2013 BUDGET PRESENTATION to CITY COUNCIL**

The FY2013 Budget Presentation to the Mayor and City Council began at 4:40 p.m.

**Director of Recreation and Parks Ronnie Young** stated staff is working on getting the contracts signed for the six pieces of playable art plus the fall zones that will be installed. Once staff receives the contracts back with the design and dimensions of each piece of art work, staff will be able to figure out the exact cost for the installation of the fall zones. The estimate, based on the fall zone for the swings, is \$14,000, with an additional \$10,000 for the cement and earth work. The cost of installing the seven swings will be about \$24,000. The six pieces of playable art to be installed will have a total cost of about \$150,000 to \$200,000.

**Mayor Eva Galambos** asked if the money to install the playable art is in the City budget.

Director of Recreation and Parks Young responded yes.

**City Manager John McDonough** gave the following presentation.

**FY2013 Budget Presentation**

## FY13 Budget Calendar

March – April	Departmental Budget Hearings/Finance Review Phase
April – May	Senior Management/Mayor Review Phase
May 1	Budget Workshop #1
May 8	Budget Workshop #2
May 22	City Council Budget Presentation (Proposed Budget)
June 5	1 <sup>st</sup> Public Hearing on FY13 Budget and Discussion
June 19	Final Public Hearing and Adoption by City Council

## Workshop Goals

- Receive feedback and direction from City Council as we develop the FY13 Budget
- Review and validate FY13 planning assumptions
- Understand public safety, public works, community development and parks priorities as part of an overall Citywide service delivery and capital program

## Budget Principles

- Conservatively determine revenue and expenses.
  - Solid estimating effectively neutralizes pressures to inflate revenue estimates to cope with budgeting pressures.
- Do not use one-time revenue sources for ongoing expenses.
  - When a non-recurring source of revenue is used to fund an ongoing expense, an "automatic unfunded increase" is built into the budget for the following year.

## Adopted Priorities



## Budget Highlights for FY13

- No tax or fee increases
- Fund balance reserve of \$20,024,925 (30.29% of operating/debt expenditures)
- Funding for payoff of Fire Rescue debt \$2,049,070
- Continued funding for CIP-T/P programs \$12,570,000

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- Continued funding for City Hall land acquisition \$5,000,000
- Funding for Downtown Property Acquisition/Infrastructure Improvements \$4,000,000
- Continued funding for Stormwater Infrastructure Improvements \$2,500,000
- Funding for Public Safety Radio System \$2,000,000
- Fixed Cost of General Government Services Contracts \$12,363,550
- Renewal of subcontractor agreements at same rate \$5,125,000
- E-911 Center operation \$900,000
- Continued EMS subsidy for enhanced service \$450,000
- Continued funding for Police Fleet Replacement Program \$703,500
- Vehicle Acquisition Costs \$135,000 (2 Fire, 2 CD)
- Continued funding for Community Events/Non-profits \$280,000
- Funding for Recycling Program/Hazardous Waste \$130,000

**Fund Balance Reserve**

- Adopted as part of the approved Budgetary Policy
- Fund Balance is the cash reserve and working capital to cover the following:
  - Expenditures caused by unforeseen emergencies
  - Shortfalls caused by revenue decline
  - Eliminate short-term borrowing for cash flow purposes
  - Reserve policy calls for no less than three (3) months of operating and debt expenditures (25%)

**Projected Undesignated Fund Balance**

June 30, 2012 Projected Fund Balance	31,193,131
Less: Fund Balance Reserve (30.29%)	(20,024,925)
<b>YEAR END UNDESIGNATED FUND BALANCE</b>	<b>\$ 11,168,204</b>

**Revenue FY2012 vs. FY2013**

	2012 Projected Actual	2012 Budget	2013 Budget	Budget Variance
Property Taxes	\$27,223,621	26,600,000	27,048,000	448,000
Local Option Sales Tax	21,403,616	19,500,000	20,800,000	1,300,000
Business & Occupational Tax	7,688,408	7,600,000	7,600,000	-
Franchise Fees	9,650,016	8,400,000	9,250,000	850,000
Insurance Premium Taxes	4,402,100	4,800,000	4,200,000	(600,000)
Other Revenues*	10,720,123	9,586,500	21,087,088	11,500,588
<b>Total Revenues</b>	<b>\$ 81,087,884</b>	<b>\$ 76,486,500</b>	<b>\$89,985,088</b>	<b>\$ 13,498,588</b>

**Councilmember Karen Meinzen McEnerny** asked if staff has received more information from the Fulton County Tax Assessor's office regarding the tax digest.

**City Manager John McDonough** responded yes. Staff received a preliminary tax digest two weeks ago. The digest showed a decrease of not the 10% that was originally projected, but instead only 3.4%

Councilmember Meinzen McEnery asked if the franchise fees include any onetime numbers in the 2012 projected actual that would have caused the numbers to be higher than what is budgeted for 2013. There is a \$400,000 difference between what is projected to be received in 2012 and the budgeted number for 2013.

City Manager McDonough stated there was a big increase in the Georgia Power franchise fee. The budget for other revenues includes \$11.1 million from the prior year's funding.

**Councilmember Chip Collins** asked how much money was carried forward from 2012.

**Finance Director Karen Ellis** responded for this fiscal year it was only \$250,000, but from inception the cumulative number is \$1.4 million.

**Councilmember Tibby DeJulio** asked if the City's only outstanding debt is for the fire trucks.

City Manager McDonough stated the City's only short term debt is \$500,000 for the police fleet. If the City does not take on any more debt or lease any new police cars, all debt will be paid off in November 2013. The City has no other long term debt and the only short term debt is \$500,000.

**Councilmember Gabriel Sterling** asked about the length of time for the fire truck debt.

Finance Director Ellis stated the pay schedule will continue until December 2016. The police vehicle debt will be paid off in November 2013.

**Expenditures FY2012 vs. FY2013**

	2012 Projected Actual	2012 Budget	Under/Over Budget	2013 Budget	Budget to Budget Variance
City Council	140,713	157,364	16,651	158,691	0.84%
City Manager	624,908	812,339	187,431	808,307	-0.50%
City Clerk	124,750	148,830	24,080	181,859	22.19%
Finance	2,144,379	2,200,364	55,985	2,198,684	-0.08%
City Attorney	749,000	808,000	59,000	808,000	0.00%
Information Services	1,542,422	1,655,295	112,873	1,691,215	2.17%
Facilities Management	1,648,110	1,625,800	(22,310)	1,332,682	-18.03%
Communications	1,347,663	1,423,913	76,250	1,600,436	12.40%
General Administration	1,970,562	3,026,000	1,055,438	2,388,443	-21.07%
Municipal Court	1,368,951	1,527,041	158,090	1,665,585	9.07%
Police	17,260,952	18,521,820	1,260,868	19,084,302	3.04%
Fire	10,802,724	11,082,562	279,838	10,918,295	-1.48%
Emergency Services	1,511,631	1,553,700	42,069	1,553,700	0.00%
Public Works	9,568,865	9,836,705	267,840	9,978,765	1.44%
Recreation and Parks	2,571,988	2,989,608	417,620	2,999,742	0.34%
Community Development	2,618,907	3,096,401	477,494	3,602,312	16.34%
Contingency	-	520,560	520,560	450,000	-13.55%
Matching Grants	2,500	150,000	147,500	150,000	0.00%
Retirement of Fire Debt	-	-	-	2,049,070	-
Transfers to Other Funds	15,350,198	15,350,198	0	26,365,000	71.76%
<b>Total General Fund:</b>	<b>71,287,906</b>	<b>76,486,500</b>	<b>5,137,277</b>	<b>89,985,088</b>	<b>14.97%</b>

**Councilmember Gabriel Sterling** asked about the budget expenditure increase for the City Clerk's office.

**City Manager John McDonough** stated the increase is for the new agenda preparation software. For the general administration budget, the property liability insurance was less than anticipated.

Councilmember Sterling asked about the \$400,000 increase for general administration over the 2012 projected actual.

City Manager McDonough stated this is money that was not spent in 2012.

**Councilmember Karen Meinzen McEnery** asked about the projected actual in general administration of \$1.97 million and why the amount is being increased in the 2013 budget.

**Finance Director Karen Ellis** stated there are a lot of savings in many of the line items. When looking at the numbers from budget to budget there is a decrease. The money was not spent, but the budget numbers were kept the same.

Councilmember Meinzen McEnery stated the City is very conservative in the revenue estimates. The City has almost a 13% positive variance in revenues versus expenses. In determining the budget, she would use the best numbers, which would be the 2012 projected actual. The best number for general administration would be around \$2 million.

**Councilmember Chip Collins** stated \$350,000 was budgeted for the operating supplies, but only \$150,000 was spent. He asked if the City can now budget \$150,000 for that expense.

Finance Director Ellis stated that number came in under what was budgeted. Staff does not want to under budget the numbers in case a scenario comes up where more money is needed.

City Manager McDonough stated the budget numbers are based on historical information and what may happen in the future. Staff does look at the projected numbers and gives the best estimate for the budget.

**Councilmember John Paulson** stated the City spent \$5 million less than what was originally budgeted. He asked if there is something that caused the budget for this year to be so much greater than the actual amount spent in some of the categories.

City Manager McDonough stated staff takes a conservative approach when figuring the numbers. The budget provides \$23 million for the capital programs. The budget also allows the City to provide state of the art first class services to the citizens and businesses of the community.

### Service Enhancements

#### **Police Department**

- Vehicle replacement for 20 vehicles
  - Includes Laptop refresh
  - LP Gas Conversion Cost
- Move Allied Barton security from Facilities to PD
- Technology Upgrades
  - Coordinated with Public Works

#### **Fire Department**

- Cardiac Monitoring Equipment Upgrade

- Current equipment discontinued
- Replacement of 2 Staff Vehicles
  - Replaced vehicles have 100K miles
- Upgrading 35 sets of Firefighter Gear
  - Current gear is older and worn down
- EMT class for 15 fulltime employees
  - Continuing education for higher EMS services

### Communications and Call Center

- Communications Department
  - Website enhancements, CRM implementation
  - Advertising for economic development and city branding
- Call Center:
  - Increasing allocated time of IT support (from 10% to 20%)
  - Increasing allocation of manager's time to 16%
  - Staff training

### Community Development

- Two new vehicles
- 1.0 FTE Code Enforcement Officer II; .6 FTE Site Inspector for 6 months, evaluate
- Increase in advertising for public notices
- Large document scanning

### Public Works and Facilities

- Add 1.0 FTE Traffic Engineer
- Expansion and improvement of Traffic Management System

**Councilmember Karen Meinzen McEnerny** asked about the \$450,000 for the general fund expenditures contingency.

**City Manager John McDonough** stated the contingency amount represents \$300,000 for the Police Department and \$150,000 for the City Manager line items.

### General Fund Expenditures – Contingency Detail

Description	2013 Budget
Fire Department	200,000
Police Department	200,000
Recreation	51,770
City Manager Contingency	150,000
General Contingency	300,000
Grand Total	\$901,770

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**Task Order Analysis**

Firm/Work Package	NTE Escalator	Actual Escalator	FY12 Amount	FY13 Amount	Difference
Finance/ST Services	2.50%	2.50%	\$1,593,201.00	\$1,633,011.00	2.50%
Information Services/InterDev	5.25%	3.50%	1,136,751.00	1,176,537.49	3.50%
Communications/Collaborative	2.20%	2.20%	594,413.00	502,200.00	(15.51%)
Municipal Court/Jacobs	3.00%	1.00%	932,986.40	1,082,368.00	16.01%
Call Center/CH2MHill	n/a	3.50%	765,252.00	792,036.00	3.50%
Public Works/URS	4.00%	3.50%	3,086,205.21	3,318,265.00	7.52%
Recreation/Jacobs	3.00%	1.00%	1,013,438	1,023,571.00	1.00%
Community Development/Collaborative	2.20%	2.20%	2,452,225.00	2,835,562.00	15.63%
<b>Total</b>	<b>3.14%</b>	<b>3.14%</b>	<b>\$11,574,471.61</b>	<b>\$12,363,550.49</b>	<b>6.82%</b>

**FY13 Capital Priority Projects**

Pavement Management/Resurfacing	\$3,000,000	23.87%
Major Capital Projects	5,570,000	44.31%
<i>Glenridge Drive at Roswell Road</i>	1,000,000	7.96%
<i>City Gateway Beautification</i>	1,000,000	7.96%
<i>Northridge Interchange Beautification</i>	500,000	3.98%
<i>Roswell Road Streetscape (City Limit north to Long Island)</i>	1,600,000	12.73%
<i>Glenridge Drive Widening with Trail</i>	150,000	1.19%
<i>Plan 2040</i>	270,000	2.15%
<i>Spalding Drive at Mount Vernon Road ROW</i>	750,000	5.97%
Old Riverside Drive Park Property	1,500,000	11.93%
Intersection Improvement Program	500,000	3.98%
Sidewalk Program	500,000	3.98%
Abernathy Greenway Park	750,000	5.97%
Traffic Management System	550,000	4.38%
Lost Corner Preserve	200,000	1.59%
<b>Total</b>	<b>\$12,570,000</b>	<b>100%</b>

**City Manager John McDonough** stated the only change from the previous workshop is the funding for the Lost Corner Preserve to stabilize the house on the property.

**Councilmember Karen Meinzen McEnery** thanked staff for this change to the budget.

**Infrastructure Improvements**

- Since incorporation:
  - 106.2 miles of roads paved
  - 13.9 miles of fiber installed (traffic)
  - 50 Signals controlled by Traffic Management Center

- 9.6 miles of sidewalk installed
- 697 stormwater repairs
- 42 intersection improvement projects
- Over \$100 million in funded Capital Projects
- \$18 million in Recreation facilities

**Councilmember Karen Meinzen McEnerny** asked how much money has been spent for the 697 stormwater repairs.

**Finance Director Karen Ellis** responded the amount of money spent on stormwater is over \$4.5 million.

### FY13 Other Funds

	FY11 Actual Revenues	FY12 Projected Revenues	FY13 Budgeted Revenues
Confiscated Assets Fund	169,854	120,030	175,000
Anne Frank Fund	94,983	73,455	85,000
Innovations Fund	0	500,000	225,000
Emergency 911 Fund	2,794,944	2,534,215	2,552,210
Multiple Grant Fund	1,854,325	3,207,930	4,016,745
Community Development Block Grant	601,423	300,581	1,412,105
Donations Fund	18,754	61,116	25,000
Hotel/Motel Fund	3,536,794	3,609,550	3,515,000
Capital Projects Fund	15,913,735	12,864,557	23,570,000
Impact Fee Fund	191,078	1,364,709	182,350
Stormwater Management Fund	1,800,000	2,500,000	2,500,000

**Councilmember Karen Meinzen McEnerny** asked if the hotel/motel fund is being used to fund the Anne Frank Museum.

**Mayor Eva Galambos** responded no.

### Review of Potential FY13 Citywide Capital Projects

**Citywide Capital Projects (Consolidated Rankings)**

1. RANK CATEGORIES			
2. Rank Projects Within Each Category			
PRIORITY		Rank	Est. Allocation
1	Pavement Management/Resurfacing		3,000,000
2	Major Capital Projects	(Rank 1 - 8)	5,570,000
	Glenridge Drive at Roswell Road	1	1,000,000
	City Gateway Beautification	2	1,000,000
	Northridge Interchange Beautification	3	500,000
	Roswell Road Streetscape (City limit north to Long Island)	4	1,600,000
	Glenridge Drive Widening with Trail	5	150,000
	Riverside Drive Shoulder/Slope Repair	6	300,000
	Plan 2040	7	270,000
	Spalding Drive at Mount Vernon Road ROW	8	750,000
3	Old Riverside Drive Property		1,500,000
4	Intersection Improvement Program		500,000
5	Sidewalk Program		500,000
6	Abernathy Greenway Park		750,000
6	Traffic Management System		550,000
8	Bridge and Dam Maintenance Program		200,000
9	Big Trees Forest Preserve		150,000
10	Lost Corner Preserve		200,000
11	Indoor Tennis Court Facility		1,000,000
Total			\$13,920,000

**Recommended FY13 Citywide Capital Projects**

1. RANK CATEGORIES				
2. Rank Projects Within Each Category				
PRIORITY		Rank	Est. Allocation	Amount
1	Pavement Management/Resurfacing		3,000,000	3,000,000
2	Major Capital Projects	(Rank 1 - 8)	5,570,000	5,570,000
	Glenridge Drive at Roswell Road	1	1,000,000	
	City Gateway Beautification	2	1,000,000	
	Northridge Interchange Beautification	3	500,000	
	Roswell Road Streetscape (City limit north to Long Island)	4	1,600,000	
	Glenridge Drive Widening with Trail	5	150,000	
	Riverside Drive Shoulder/Slope Repair	6	300,000	
	Plan 2040	7	270,000	
	Spalding Drive at Mount Vernon Road ROW	8	750,000	
3	Old Riverside Drive Property		1,500,000	1,500,000
4	Intersection Improvement Program		500,000	500,000
5	Sidewalk Program		500,000	500,000
6	Abernathy Greenway Park		750,000	750,000
6	Traffic Management System		550,000	550,000
8	Bridge and Dam Maintenance Program		200,000	
9	Big Trees Forest Preserve		150,000	
10	Lost Corner Preserve		200,000	
11	Indoor Tennis Court Facility		1,000,000	
Total			\$13,920,000	\$12,370,000

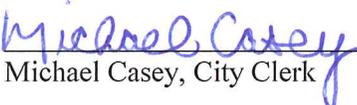
(Agenda Item No. 12-127)

**ADJOURNMENT**

There being no further discussion, the meeting adjourned at 5:45 p.m.

Date Approved: June 5, 2012

  
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 Eva Galambos, Mayor

  
 \_\_\_\_\_  
 Michael Casey, City Clerk

CITY OF SANDY SPRINGS, GA

STATE OF GEORGIA  
FULTON COUNTY

May 22, 2012

AFFIDAVIT FOR EXECUTIVE SESSION

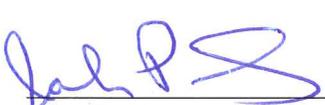
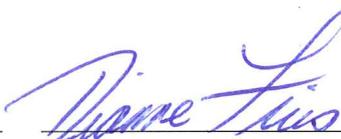
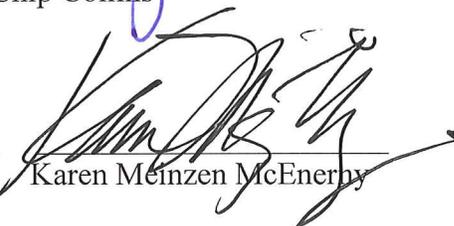
The undersigned Mayor and members of the City Council of the City of Sandy Springs, under oath, certify that to the best of their knowledge and belief, on the 22<sup>nd</sup> day of May, 2012, in the city aforesaid, a meeting of the City Council was closed to the public for the following reason(s):

Attorney/client privilege in order to consult and meet with legal counsel pertaining to pending or potential litigation, settlement, claims, administrative proceedings or other judicial actions brought or to be brought by or against the agency or any officer or employee or in which the agency or any officer or employee may be directly involved.

and that except for the foregoing, no portion of the closed meeting involved discussion, presentation, or action on any other matter.

  
\_\_\_\_\_  
Eva Galambos, Mayor

Councilmembers:

 _____ John Paulson	 _____ Dianne Fries	 _____ Chip Collins
 _____ Gabriel Sterling	 _____ Tiberio DeJulio	 _____ Karen Meinzen McEnergy

Sworn to and subscribed before me,  
this 22<sup>nd</sup> day of May, 2012.

  
\_\_\_\_\_  
Notary public

