



FY2011 Budget Workshop #2

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May 11, 2010

Agenda for Budget Workshop #2

- **Review & Validate Planning Assumptions**
- **Review of YTD FY10 Financials**
- **Review of FY10 Revenue/Expenditure Projections**
- **Review of Undesignated Fund Balance**
- **Review Capital Project Ranking Exercise**



FY11 Budget Calendar

- **March – April** **Departmental Budget Hearings/Finance Review Phase**
- **April – May** **Senior Management/Mayor Review Phase**
- **May 4** **Budget Workshop #1**
- **May 11 - 5 p.m.** **Budget Workshop #2**
- **May 25** **City Council Budget Presentation (Proposed Budget)**
- **June 1** **1st Public/Millage Rate Hearing & Budget Workshop**
- **June 8** **2nd Public/Millage Rate Hearing & Budget Workshop**
- **June 15 - 6 p.m.** **Final Public Hearing & Adoption, City Council**



Budget Workshop Goals

- **Receive feedback and direction from City Council as we develop the FY11 Budget**
- **Review and validate FY11 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.
- ⇒ **Balance current year revenue with current year expenses.**
 - Using fund balance to finance a program creates a "built-in increase" in the future. It is not unlike the idea of using one-time funding for ongoing expenses.



Budget Principles

- ⇒ **Compliance with adopted Budgetary Policies**

- ⇒ **Economic impact on revenues during a recession (Sales Tax, Business License, Building Permits)**

- ⇒ **Sandy Springs legislated restrictions:**
 - 4.731 Legislative Millage Rate cap
 - 3% Residential growth cap



Planning Assumptions

- Significant decline in operating revenues
- Continue CIP-T/P/F programs \$10-\$12.5M
- City facilities land acquisition \$4M
- Capital contingency \$2.5M
- E-911 Center operation \$915k
- Police Fleet Replacement Program \$880k
- Citywide Software Acquisition \$500k
- Continued EMS subsidy for enhanced service \$450k
- Community Appearance Program \$225k
- Park Facility Maintenance Program \$200k



Review of FY10 YTD Financials



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%)



Anticipated Amount For FY11 Capital

June 30, 2009 Fund Balance	24,946,264
<i>Add:</i> Projected FY10 Revenue	86,290,905
<i>Less:</i> Projected FY10 Expenditures	(85,577,583)
<i>Less:</i> Target Fund Balance (25%)	(20,000,000)
UNDESIGNATED FUND BALANCE	5,659,586
<i>Add:</i> Amount in 2011 Projected for Capital ¹	11,000,000
TOTAL AMOUNT AVAILABLE FOR CAPITAL	16,659,586
<i>Less:</i> Land Acquisition	(4,000,000)
<i>Less:</i> Capital Contingency	(2,500,000)
TOTAL AVAILABLE FOR ALLOCATION	10,159,586

¹ Anticipates using \$1M of \$1,681,474 in Capital Fund Reserve



Review of Council's Adopted Priorities

Citywide Capital Projects (Consolidated Rankings)

1. RANK CATEGORIES (1-16)

2. Rank Projects Within Each Category

PRIORITY		Rank	Est. Allocation
1	Pavement Management/Resurfacing	(Rank 1-2)	2,000,000
	Resurfacing	1	
	Reconstruction	2	
2	Stormwater Maintenance Program		1,500,000
3	Sidewalk Program	(Rank 1-2)	1,500,000
	Continue Gap Fill and Extension (Collector and Arterial)	1	
	Neighborhood Sidewalk Program	2	
4	Morgan Falls Road Concept Design / Construction		1,500,000
5	Abernathy Linear Park Phase III (P-0002)		500,000
6	Heritage Bluestone Building		1,340,000
7	Intersection Improvement Program		500,000
8*	Traffic Management System		250,000
8*	Bridge Maintenance Program		500,000
10	Lost Corner Preserve		200,000
11	Second Gymnastics Facility		500,000
12	Chattahoochee River Bridge / Roswell Road		360,000
13*	Cliftwood / Carpenter at Roswell Road Intersection		250,000
13*	Spalding Drive at Mt. Vernon Road Intersection		500,000
15*	Roswell Road; Glenridge to Abernathy Access Management Study		50,000
15*	John Ripley Forbes Big Trees Forest Preserve		100,000

* Equal Averages

11,550,000



Updated Planning Assumptions

Consensus on original assumptions plus:

➔ **Undesignated Fund Balance Allocation**

➔ **Capital Priorities**

