



FY2012 Budget Workshop #2

May 10, 2011



John McDonough City Manager

Agenda for Budget Workshop #2

- Review of Budget Principles and Goals
- Tax Digest Update – Burt Manning
- Review and Validate Planning Assumptions
- Review of Undesignated Fund Balance
- Review of YTD FY11 Financials
- Review of FY12 Revenue/Expenditure Projections
- Review Capital Project Ranking Exercise



FY12 Budget Calendar

- **March – April** **Departmental Budget Hearings/Finance Review Phase**
- **April – May** **Senior Management/Mayor Review Phase**
- **May 3** **Budget Workshop #1**
- **May 10** **Budget Workshop #2**
- **May 24** **City Council Budget Presentation (Proposed Budget)**
- **June 7** **1st Public/Millage Rate Hearing & Budget Workshop**
- **June 14** **2nd Public/Millage Rate Hearing & Budget Workshop**
- **June 21** **Final Public Hearing & Adoption, City Council**



Budget Workshop Goals

- **Receive feedback and direction from City Council as we develop the FY12 Budget**
- **Review and validate FY12 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.



Budget Principles

- **Compliance with adopted Budgetary Policies**

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

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





Tax Digest Update

Burt Manning

Fulton County Tax Assessor

Planning Assumptions for FY12 Budget

- Decline in operating revenues TBD
- Increased fuel costs
- Increased general liability insurance costs \$200K
- General Government Services Contracts
- Assumption of subcontractor agreements
- E-911 Center operation
- Continued EMS subsidy for enhanced service \$450K
- Funding for Economic Development Study
- Funding for Municipal Complex master plan
- Continued funding for CIP-T/P/F programs
- Continued funding for City Hall land acquisition
- Continued funding for Police Fleet Replacement Program \$703K
- Funding for Community Events
- Funding for Recycling Program
- Transition Contingency



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 Undesignated Fund Balance

June 30, 2011 Fund Balance	\$ 21,203,357
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Add: Projected FY11 Revenue	80,128,593
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Less: Projected FY11 Expenditures	(82,970,207)
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YEAR END UNDESIGNATED FUND BALANCE	\$ 18,361,743
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Review of FY11 YTD Financials



Revenue FY2011 vs. FY2012

	2011 Projected Actual	2012 Budget	Variance
Property Taxes	\$28,325,001	26,600,000	(1,725,001)
Local Option Sales Tax	19,905,012	20,000,000	94,988
Business & Occupational Tax	7,773,410	7,000,000	(773,410)
Franchise Fees	8,422,965	8,850,000	427,035
Insurance Premium Taxes	4,800,505	4,650,000	(150,505)
Other Revenues	10,901,700	10,126,000	(775,700)
Total Revenues	\$80,128,593	\$77,226,000	(\$2,902,593)



Expenditures FY2011 vs. FY2012

	2011 Projected Actual	2012 Budget
City Council	152,789	157,364
City Manager	673,927	708,339
Transition Contingency	0	TBD
General Operating	3,974,116	3,450,000
Finance	931,596	852,938
Legal	633,000	708,000
Facilities & Buildings	1,485,300	1,625,800
City Clerk	141,555	148,830
Municipal Court	689,465	804,555
Police	18,191,200	17,846,300
Fire	9,895,058	10,582,562
Emergency Management	1,682,600	1,553,700
Public Works	1,988,500	7,608,000
Recreation	1,369,500	2,386,439
Community Development	25,700	127,000
Other Direct Costs	100,000	7,701,882
Capital Investment	16,850,000	TBD
Government Services Contracts	24,239,901	TBD
Total General Fund:	82,970,207	TBD



OTHER DIRECT COSTS



Other Direct Costs

Item	Amount
Public Works Subcontractors	\$5,133,882
Recreation	1,000,000
Software Licenses (ESRI)	305,000
Transition Contingency	TBD
Community Events & Programs	200,000
Operating*	300,000
Call Center	763,000
TOTAL	\$ 7,701,882

*Operating includes postage, coffee, water, general office supplies, gasoline, vehicle maintenance and janitorial service.



Review of Potential FY12 Citywide Capital Projects

Citywide Capital Projects (Consolidated Rankings)

1. RANK CATEGORIES			
2. Rank Projects Within Each Category			
PRIORITY		Rank	Est. Allocation
	Abernathy Linear Park Phase III (P-0002)		500,000
	Big Trees Forest Preserve		150,000
	Bridge Maintenance Program		250,000
	CIP Candidate Projects	<i>(Rank 1 - 6)</i>	
	Sandy Springs Circle Phase 1 Streetscape Lighting		115,000
	Roswell Road Streetscape (Carpenter to Hammond) ROW Match & Utilities		260,000
	Roswell Road Streetscape (Johnson Ferry to Abernathy) ROW Match & Utilities		840,000
	Sandy Springs Circle Phase 2/3 Streetscape		500,000
	Roswell Road Streetscape (Windsor Parkway to Long Island)		750,000
	Glenridge Drive Widening and Streetscape (Royervista East to High Point)		250,000
	Intersection Improvement Program		500,000
	Lost Corner Preserve		250,000
	Major Intersections Concept Design	<i>(Rank 1 - 2)</i>	
	Cliftwood/Carpenter at Roswell Road		100,000
	Glenridge at Roswell Road		100,000
	Major Intersections Full Design	<i>(Rank 1 - 3)</i>	
	Peachtree Dunwoody at Abernathy (Phase 2)		150,000
	Spalding at Mt. Vernon		150,000
	Mt. Paran at Powers Ferry		150,000
	Old Riverside Drive Property		100,000
	Pavement Management/Resurfacing		2,500,000
	Sidewalk Program	<i>(Rank 1-2)</i>	250,000
	Continue Gap Fill and Extension		
	Design Some Segments for FY13 Construction		
	Stormwater Maintenance Program		2,500,000
	Traffic Management System		250,000



Review of Council's Adopted Priorities

Citywide Capital Projects (Consolidated Rankings)

1. RANK CATEGORIES				
2. Rank Projects Within Each Category				
AVERAGE	PRIORITY RANK		Rank	Est. Allocation
2.86	1	Stormwater Maintenance Program		2,500,000
4.00	2	Pavement Management/Resurfacing		2,500,000
4.29	3	CIP Candidate Projects	(Rank 1 - 6)	
1.57		Roswell Road Streetscape (Carpenter to Hammond) ROW Match & Utilities	1	260,000
3.14		Glenridge Drive Widening and Streetscape (Royervista East to High Point)	2	250,000
3.71		Sandy Springs Circle Phase 1 Streetscape Lighting	3	115,000
3.86		Roswell Road Streetscape (Windsor Parkway to Long Island)	4	750,000
4.29		Sandy Springs Circle Phase 2/3 Streetscape	5	500,000
4.43		Roswell Road Streetscape (Johnson Ferry to Abernathy) ROW Match & Utilities	6	840,000
6.29	4	Traffic Management System		250,000
6.86	5*	Intersection Improvement Program		500,000
6.86	5*	Major Intersections Full Design	(Rank 1 - 3)	
1.29		Peachtree Dunwoody at Abernathy (Phase 2)	1	150,000
2.29		Spalding at Mt. Vernon	2	150,000
2.43		Mt. Paran at Powers Ferry	3	150,000
7.14	6	Old Riverside Drive Property		100,000
7.43	7	Abernathy Linear Park Phase III (P-0002)		500,000
7.57	8	Sidewalk Program	(Rank 1-2)	250,000
1.00		Continue Gap Fill and Extension	1	
2.00		Design Some Segments for FY13 Construction	2	
7.71	9	Bridge Maintenance Program		250,000
8.57	10	Major Intersections Concept Design	(Rank 1 - 2)	
1.29		Cliftwood/Carpenter at Roswell Road	1	100,000
1.71		Glenridge at Roswell Road	2	100,000
10.57	11	Lost Corner Preserve		250,000
10.86	12	Big Trees Forest Preserve		150,000

* Same average score





Discussion