



May 22, 2012

Dear Mayor, City Council and Citizens of Sandy Springs,

The Fiscal Year 2013 proposed budget was prepared based on established priorities and defined rankings developed from a series of budget workshops held with City Council in May 2012. This FY2013 proposed budget is submitted to the Sandy Springs City Council in compliance with State Law (O.C.G.A. § 36-81-2 et seq.) that provides the budget requirements for Georgia local governments.

The FY2013 Budget provides for the same millage rate of 4.731 mills as last year and maintains adequate reserves in the fund balance to ensure sound fiscal integrity of the City in addition to meeting the criteria of credit rating agencies. The FY2013 Budget includes resources that will allow the City to provide a high level of public safety services to the citizens of Sandy Springs. This proposed budget also provides capital funding to address a significant backlog of existing infrastructure deficiencies.

During budget workshops, Council received briefings about economic conditions and the short-term economic outlook, budget planning assumptions, public safety needs and challenges and capital programs. After reviewing a number of potential options, this budget includes \$9 million for long-term facility needs, \$2 million for Public Safety radio investment, \$2.5 million for park projects, \$10.2 million for transportation infrastructure and \$2.5 million for stormwater infrastructure.

This proposed budget was developed following the Mayor and City Council's established priorities including: Commitment to Outstanding Customer Service, Public Safety Services, Transportation Improvements, Recreation and Community Appearance, Economic Development, Stormwater and Downtown Redevelopment.

The 2013 General Fund Budget provides the following contributions to the Capital Fund according to the priorities outlined by the Mayor and City Council:

1. City Hall Project	F0001	\$5,000,000
2. Downtown Infrastructure	F0001	4,000,000
3. Public Safety Radios	F0003	2,000,000
4. Abernathy Greenway	P0002	750,000
5. Lost Corner	P0015	200,000
6. Old Riverside Drive Property	P0019	1,500,000
7. Roswell Road Streetscape (Long Island to City Limit)	T0019	1,600,000
8. Northridge Road at GA 400 Beautification	T0037	500,000
9. Spalding Drive and Mount Vernon Road	T0039	750,000
10. Glenridge Drive Widening	T0040	150,000
11. Riverside Drive Slope Repair	T0041	300,000
12. City Gateway Beautification	T0042	1,000,000
13. Glenridge Drive at Roswell Road Intersection	T0043	1,000,000
14. Plan 2040	T0044	\$270,000
15. Pavement Management	T3000	3,000,000

16. Sidewalk Program	T6000	500,000
17. Intersection and Operational	T7000	500,000
18. Traffic Management Program	T9500	550,000
	TOTAL	<u>\$23,570,000</u>

The budget development process included an assessment to determine the quality of services delivered and projected operational needs. The City Manager and Finance Director met with departments to assess projected goals and to discuss resources needed to meet these goals. Guidance and direction were also obtained through City Council workshops and City Council meetings.

Public hearings are scheduled to gain citizen input and enable all members of the City Council to better understand the needs of the entire community prior to budget adoption. The budget can be revised during the public hearings by the City Council. The Final budget is scheduled to be adopted by the City Council on June 19, 2012.

The proposed budget for all operating, capital and special revenue funds total \$178.7 million. The City's General Fund provides for general government operations of the City and maintains adequate working capital necessary for the City's financial health and stability. This fund accounts for most of Sandy Springs' operations and has a budget of \$89.9 million. The remaining funds include: Anne Frank Exhibit, Confiscated Assets, E-911, Community Development Block Grant, Federal Grant, Donations Fund, Hotel/Motel Fund, Impact Fee Fund, Capital Projects Fund, Impact Fee Fund and Stormwater Maintenance Fund. The Capital Project Fund and the Stormwater Maintenance Fund, both capital construction funds, adopt project budgets for each of its capital projects. These adopted appropriations do not lapse at the end of a fiscal year; rather they remain in effect until project completion or re-appropriation by City Council.

The 2013 General Fund Budget provides for \$12.4 million for the general government contracts for city services; \$14.9 million for personnel and related benefits; and \$23.6 million capital improvement program. All eligible Sandy Springs employees may receive up to a 2.0% salary increase effective January 1, 2013 if they meet certain standards and are eligible for an additional bonus based on job performance.

The City's goal is to adopt an operating budget where current revenues equal anticipated expenditures. All departments supported by the resources of the City must function within the limits of the financial resources identified or available specifically to them. Budgets cannot exceed available resources, defined as revenues generated in the current period added to balances carried forward from prior years.

The budget is a dynamic rather than static plan which requires adjustments and formal budget amendments as circumstances change. The City Council must approve all increases in total departmental appropriations. Department Heads must submit budget amendment requests transferring appropriations from one line item to another within the specific department appropriation and obtain approval by the Finance Director and the City Manager.

The City's fund balance is maintained at or above 25% of operating expenditures and debt service. The purpose of fund balance is to provide adequate cash flow and cover the cost of expenditures caused by unforeseen emergencies, cover shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes.

The 2013 Budget was developed with the following objectives:

- Continue to enhance Public Safety capabilities
- Ensure financial stability
- Address capital deficiencies that exist city-wide by investing in transportation, parks and facilities capital improvement program
- Continue to leverage the flexibility of the public private partnership model by scaling resources to meet projected demand for services

The focus on the 2013 Budget is to provide best-in-class services to our citizens and business customers and to continue to allocate significant resources dedicated to improving the City's quality of life.

Innovations Fund

This fund is funded from the General Fund. Amounts are used to further enhance the City's state of the art programs and services that have made the City of Sandy Springs the leader in the public-private partnership arena.

Confiscated Assets Fund

This fund is used to account for amounts seized by the police department from narcotics arrests in conjunction with other state and federal agencies. These funds are used by the police department to augment their general fund budget and can only be spent on law enforcement programs or activities. Generally, seizures can vary greatly from one year to the next and are not easily budgeted. However, using conservative figures for incoming funding plus the amounts that have remained unspent from previous years, the 2013 budget has been set at \$175,000.

E911 Fund

This fund accounts for the revenues received from the 911 surcharge on telephone bills. The City of Sandy Springs participates in a joint venture with the City of Johns Creek for their E911 operations. All money collected in this fund is dedicated to this separate operating authority - Chattahoochee River Emergency Telephone Authority. The amounts estimated to be collected for the 2013 budget is \$2.5 million.

Multiple Grant Fund

This grant fund accounts for numerous grants received by the City. Currently, we have nine grants accounted for in this fund with a total 2013 budget of \$4.0 million.

Community Development Block Grant Fund (CDBG)

The CDBG fund is an on-going specific grant for construction of infrastructure (primarily sidewalks) in the city. We are currently accounting for four awards: 2009, 2010, 2011 and 2012. Total 2013 budget is \$1.4 million.

Private Donations Fund

Donations from the public for specific projects in recreation, police and fire are accounted for in this fund. The 2013 budget amount is \$25,000.

Hotel/Motel Fund

Taxes collected by the area hotels and motels to help fund conventions and tourism within the City limits are accounted for in this fund. These funds are distributed to the General Fund (28.56%), the Sandy Springs Hospitality Board (32.14%) and the Georgia World Congress (39.3%). The anticipated taxes budgeted for 2013 are \$3.5 million.

Capital Projects Fund

This fund accounts for all facilities, parks, vehicles and infrastructure construction in the City. Funds are derived from contributions from the General Fund (\$23.6 million in the 2013 budget) as well as other grants and funding sources. The appropriations in this fund do not lapse at year-end, but rather, unspent amounts are carried forward to future periods until the individual projects are completed. The total 2013 budget for this fund is \$72.8 million.

Impact Fee Funds

Impact fees are amounts assessed on construction development projects to offset the anticipated cost of additional infrastructure needed as a result of the new development. These funds, although collected in this fund, are dedicated to capital projects which are accounted for in the Capital Projects Fund. The amount expected to be collected in the 2013 budget is \$182,350.

Stormwater Maintenance Fund

This fund accounts for construction projects on stormwater drainage. Currently, the General Fund is the sole source of revenues for this fund. The 2013 budget for this fund is \$3.75 million, which is comprised of both a carry forward from prior periods and a current contribution from the General Fund of \$2.5 million.

Sandy Spring's 2013 Budget is a sound fiscal document. The policies and procedures are in place to ensure a well-run City government to meet the needs of citizens now and in the future.

Respectfully Submitted,



John McDonough
City Manager



Karen Ellis
Finance Director