Work Session Meeting of the Sandy Springs City Council was held on Tuesday, December 17, 2019 at ~~6:01~~ p.m., Mayor Rusty Paul presiding.
6:58 pm

Invocation – Rabbi Ellen Nemhauser, Union for Reform Judaism

Council Members present: Council Members: John Paulson, Chris Burnett, Jody Reichel, Andy Bauman, Steve Soteres and Tibby DeJulio.

STAFF DISCUSSION ITEMS

Fire

1. **19-422** Fire Station No. 2 Design

Fire Chief Keith Sanders presented Hussey Gay & Bell, the architects that have helped with the Design of Fire Station No. 2, which will replace the fire station currently at the corner of Johnson Ferry and Sandy Springs Circle. Council approved the funding for this project in the 2020-2021 budget. Chief Sanders thanked Ginger Sottile, the Community Development team and Assistant City Manager, Jim Tolbert, for helping to ensure that we are in compliance with the Development Code. He introduced Chris Caudle, principal architect and John Pickens, engineer to give a brief presentation. John Pickens, engineer, spoke to the actual site. The intent is to pull the building closer to Sandy Springs Circle and Johnson Ferry Road, which will open the back portion of the lot. The proposed site will have water quality, channel protection and impermeable pavers to help clean the water prior to release. There are currently utilities on site; water, sewer, gas and power are all on the site. The infrastructure for power, communications, and some of the gas, is along the ROWs of Sandy Springs Circle and Johnson Ferry. Chris Caudle discussed the buildings. Beginning with the truck bays, there is a 'hot zone.' When returning from an incident, firefighters will go into the Decon Room, ventilated to the outside, so it does not contaminate the bay and the living areas for the fire fighters. They can wash and shower; wash all their gear and prep for the next mission on that side of the fire house. What is shown in yellow is the front door, where the public can come in; there is a display area there for the fire fighters to display things they are proud of or fallen or wounded fire fighters, a way to remember them. A restroom is up front; then a meeting room that can be used by both the fire fighters and the public as well. What is shown in green is just for the fire fighters. The first floor is composed of the kitchen, the day room, the family room or a living room, to keep it bright and open to the outside. They will have some courtyard space where they can have a grill and spend some time outside. There are stairs at each end of the wing. One of them is a training stairs that they can use, while they are on-site, in their down time. The second floor, there are dorms, the Battalion Chief's Office and two Lieutenants' offices, men's and women's sleeping rooms, showers, and laundry for use of convenience. Also, on the 2nd floor is a large fitness room and a study room. This is at a schematic design level; moving into design development with bidding for the construction next year.

Council Member Paulson questioned if this has been sized to accommodate the next 50 years.

Fire Chief Sanders stated that the site has been maximized to meet the needs for the future for that location. This station carries about 6500 calls a year. We are not losing anything; we are maintaining what we have and looking to future locations to expand further there as well. Chief Sanders stated that he has experienced the vacuum system to the vehicles. They are expensive and get stolen sometimes. We have gone to a no-spoke device that actually attaches to the muffler system, we have a PO out, and will add it to each one of our units that sit in those bays to protect our folks. This is also the reason for the design of the 'hot zone.' We are taking every type of precaution that we can to ensure that our fire fighters are protected. Later in this meeting, I will be bringing to Council's attention a purchase of an apparatus for housing and storing a lot of decon equipment. We are having to decon them on the scene now. 1 out of every 3 fire fighters have been diagnosed with some form of cancer due to the carcinogens, so we are taking it extremely seriously. We feel like we have a good plan moving forward. We plan to include our rescue boat, as well as the PD's

Date Approved: January 7, 2020.

Russell K. Paul, Mayor

Coty Thigpen, City Clerk

The Regular Meeting of the Sandy Springs City Council was Tuesday, December 17, 2019, at 6:18 p.m., Mayor Rusty Paul presiding.

CALL TO ORDER

Mayor Rusty Paul called the meeting to order at 6:18 p.m.

City Clerk Coty Thigpen reminded everyone to silence all electronic devices at this time. Additionally, those wishing to provide public comment are required to complete a public comment card. Public Comment Cards are available online and at the Chamber entrance and submitted to the City Clerk before the meeting begins.

City Clerk Thigpen called the roll.

Mayor: Mayor Rusty Paul - present.

Council Members: Council Member John Paulson, Council Member Chris Burnett, Council Member Jody Reichel, Council Member Tibby DeJulio, Council Member Steve Soteres and Council Member Andy Bauman.

PLEDGE OF ALLEGIANCE

Mayor Rusty Paul led the Pledge of Allegiance.

PUBLIC COMMENT

City Clerk Coty Thigpen stated there are one public comment card.

Theodore Davis, III, 5230 Green Oak Court, Sandy Springs GA. Spoke to request that the City Council and Mayor exercise increased transparency in governing. He noted various meetings. He also requested that the Council Agenda be published prior to the Friday before the meeting. He also spoke to live streaming the Mayor / City Council meetings.

Mayor Paul closed the Public Comment Period.

APPROVAL OF MEETING AGENDA

1. **19-424** Add or remove items from agenda

Motion and Vote: Council Member DeJulio moved that the meeting agenda be approved for Tuesday, December 17, 2019. Council Member Reichel seconded.

Vote on the Motion: The motion carried unanimously.

CONSENT AGENDA

2. **19-425** Meeting Minutes
   1. December 3, 2019 Regular Meeting
      (Coty Thigpen, City Clerk)

Motion and Vote: Council Member Bauman moved that we adopt the consent agenda for Tuesday, December 17, 2019. Council Member Burnett seconded.

Vote on the Motion: The motion carried unanimously.

PRESENTATIONS

3. **19-426** FY2019 Comprehensive Annual Financial Report (CAFR) – Mauldin & Jenkins, LLC

Finance Director Karen Ellis stated we have Adam Fraley here tonight to give the presentation for year ending June 30, 2019 Comprehensive Annual Financial Report.

Adam Fraley, Mauldin & Jenkins, LLC presented the Audit FY2019 Comprehensive Annual Financial Report (CAFR) along with the ***Auditor's Discussion & Analysis***, which is the summary of the financials for the year for the City, as well as, a summary of our audit results. He mentioned that, again, the City of Sandy Springs received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the CAFR FY2018. Mr. Fraley noted that under Management's Discussion and Analysis for YE June 30, 2019, is where they would normally note any findings related to the audit cited; he reported that they did not have any findings that the Auditing Standards requires to report this year.

Council Member Burnett questioned was there anything in the materiality at all in the items; he stated that he saw no footnotes in there about materiality. He asked about any potential recommendations for the City in 2020 and beyond.

Council Member Bauman asked Mr. Fraley to elaborate about being around during the course of the year. For the current fiscal year, there have been big changes by bringing contracted employees in-house, so the HR and payroll numbers have increased over last year. Being that this is an important year of transition, he asked about any comments for Council about what might be on the interim statements that are being yielded between now and the first year. He asked if his firm was who the City called when considering the transition from some of the contracts with outside providers, particularly the staffing contracts. Council Member Bauman wanted to reiterate that there is no policy that would prevent staff from reaching out to the auditing firm during the course of the year, if a question arises on how to account for a particular transaction or if, in fact, a question is raised like it was during our budgeting process by Council. The Mayor and Council review the monthly financials typically without a whole lot of comment. Council Member Bauman stated he is usually looking for variances or things that might pop out on the monthly, but certainly not doing an audit of it. The City relies heavily on this document; and, will read it intently when this night is through. In the coming year, the audit will be particularly significant given that there are some anticipated expenditures, versus what might have otherwise been spent under those out-sourcing contracts. He asked if there are any recommendations on how the City might want to monitor that in the interim, during the coming year.

Finance Director Karen Ellis confirmed that there is no policy that would prevent staff from reaching out to the auditing firm. She mentioned that is especially true for the Arts Center, which is a new fund for the City. How we transition that from a special revenue fund to what we are going to create now, which is an enterprise fund. The hope is that it will be more of a business oriented fund, so that was something that was consulted with the auditors to make sure it is accounted for and when the audit comes around, it is in the right place. Finance Director Ellis said that she had spoken with Interim City Manager Peggy Merriss, that she is keeping a tally on this. She stated that she could, at any time, get anyone up to speed on the transition. There was a recent budget amendment to make sure everything is 'trued up,' but the City has some amount of savings when it comes to the transition period. Right now, the City is trending normal or it would have been brought to Council's attention.

UNFINISHED BUSINESS

4. **19-427** Request for Mayor and City Council Consideration of a Revised 2020 Planning Commission Meeting Schedule

Community Development Director Ginger Sottile presented that typically the Planning Commission meets on the 4th Tuesday. The recommendation is that the meetings be moved to the Wednesday, immediately following the second Mayor and City Council meeting. By rearranging the Planning Commission schedule, it will open up the Studio Theatre for more programing opportunities. The notices and all are reflected on the table provided in the Council package and on the City's website.

Mayor Rusty Paul stated that one of the challenges in using this room (Studio Theatre) for things other than City events is because of the particular schedule. Shaun Albrechtson has been working with particular staff to see if we can alter the schedules a little bit to open this up for more utilization by the community and other things he has planned for this. This is a good move that will help activate this space, which has been underutilized.

Motion and Vote: Council Member Reichel moved to approve Agenda Item 19-427, Request for Mayor and City Council Consideration of a Revised 2020 Planning Commission Meeting Schedule. Council Member Paulson seconded the motion.

Vote on the Motion: The motion carried unanimously.

RESOLUTION NO.2019-12-166

NEW BUSINESS

5. **19-428** Request for Mayor and City Council Consideration of a Contract with American Facility Services

Facilities Director Dave Wells presented this is a request to approve a contract with American Facilities Services (AFS) for a city-wide housekeeping contract. In January 2019, the Facilities Department temporarily took over the management of housekeeping services for the City Hall and the Arts Center, when the management contract with Spectra was terminated. Working with Purchasing, the City engaged a replacement housekeeping contractor as soon as possible. Staff utilized the City of Alpharetta's Procurement Award to AFS through statewide-authorized piggybacking contract. On January 28, City Manager signed a five (5) month contract with AFS for $114,750.00. After contracting with AFS for five months to assess the results, the City wants to expand the contract to include both police buildings at Morgan Falls, the Tactical Training Center, Simulation House, Municipal Court, Trowbridge Warehouse and the Recreation Park facilities. The new monthly contract amount is $36,525.00 per month. Previous contracts were negotiated in a piecemeal fashion and having all facilities under one contract would provide efficiencies. Under the new contract, the revised monthly amount is reduced to $33,633.00, as shown in Exhibit "A," with a total budget impact for the duration of fiscal year 2020 of $201,798.00. Staff recommends the Mayor and City Council approve the contract with American Facilities Services in the amount of $201,798.00, for the period of January 1, 2020 through June 30, 2020, subject to Legal and Finance Departments review and approval. Director Wells stated that the contract will go out to the end of the fiscal year, and then it can be awarded every year for up to 3 years, depending on their services. Initially, the five (5) month contract was a piggyback contract, because of the short timeframe that we had to fill that position. The company, hired from Alpharetta's contract is doing a phenomenal job. We started extending it out to other departments; everyone is happy with them.

Motion and Vote: Council Member Paulson moved to approve Agenda Item 19-428, Request for Mayor and City Council Consideration of a Contract with American Facility Services. Council Member DeJulio seconded the motion.

Council Member Paulson reiterated that this contract is for the next six (6) months, and then what happens. So, the decision here was not to put this out for competitive bids, but to piggyback on the City of Alpharetta.

Vote on the Motion: The motion carried unanimously.

RESOLUTION NO.2019-12-160

6. **19-429** Request for Mayor and City Council Consideration of a Contract Award to Construct Synthetic Turf Infield Areas at Morgan Falls Athletic Complex and Fund Transfer

Recreation and Parks Director Mike Perry presented that earlier this year funds were allocated to do some synthetic replacement of ballfields at Morgan Falls Athletic Complex. After that, staff came back to Mayor and Council and asked rather than turfing just Field 5, if those funds could be used to replace the infields on five (5) of the fields and it was agreed to and voted. Staff used a state-vetted, state-initiated collaborative of groups that do this type of business. Staff requested quotes from three (3) of the most prominent members of that collaborative; three of the largest synthetic turf manufacturers installers in the country, all with offices or operations here in Georgia. The City received two (2) quotes, with the lowest being from Advanced Sports Group, a subsidiary of Shaw Sports Turfs, for a total of $680,187.00The budget was $600,000.00. Staff is asking to move forward with the low bidder, as well as a transfer of $100,000.00, to finish out the project with the understanding that any dollars that are left will be put back into the Capital Contingency Fund. Director Perry stated that they do not do concrete bases anymore. They will do an aggregate that starts larger and gets smaller as you go up toward the top. It will have drainage in it. Once this contract is approved, it is kind of a design build project to some extent. They are going to come in after a contract award and provide the exact design that is needed. Staff has already provided the geotechnical information, as well as the topographical information. That has to go through the City and into the state for approval since the area impacted is over one (1) acre. It is going to be a bit of a lengthy process. Again, it is the rock and then it is the carpet, with certain pile. The pile can be 3-4" and then they come in with a crumb rubber mix to give it the softness. Director Perry stated that they have different qualities of turf; they will have different grades and on the thickness, the pile height, the monofilament. This is a good product; a higher-end product. The warranty is eight (8) years.

Council Member Burnett wanted to understand that this included infields only, correct? On the infields, they will pull up the existing turf and put a concrete slab foundation with gravel on top of that and then the turf, with drainage included. Is this including the whole package, gravel, drainage and turf. Council Member Burnett stated that he knows that Shaw has been testing some turf at the Lake Pointe Sports, is this the new Shaw turf or is this an older model? He wanted to reiterate that this will include the 'chewed' rubber pellets, which has had some carcinogenic concerns in the past. What is the expected useful life on this turf?

Council Member Paulson wanted to say that just for the record, he agrees that it is better to do all five (5) of these and spend the extra money, than your original, which was to do four (4) and then one at a later date. This would stay more closely to the budget; better to do them all at one time.

Mayor Rusty Paul stated that he had met with the leadership of the youth sports program this week. They are extremely excited about this; they think it is going to be a great improvement to the fields. They are very happy with the relationship that they have with Director of Recreation and Parks, Mike Perry, and his team. They are also delighted that the recommendation is for all the fields at once. It was a very positive meeting. They love working with Michael and his team and are very appreciative of the investment that the City has made in those facilities.

Motion and Vote: Council Member Soteres moved to approve Agenda Item 19-429, Request for Mayor and City Council Consideration of a Contract Award to Construct Synthetic Turf Infield Areas at Morgan Falls Athletic Complex and Fund Transfer. Council Member Paulson seconded the motion.

Vote on the Motion: The motion carried unanimously.

RESOLUTION NO.2019-12-161

7. **19-430** Request for Mayor and City Council Consideration of a Contract Award to Construct Crooked Creek Park Trail ("Project") – Budgeted Project Number POO20.

Recreation and Parks Director Mike Perry stated that this is an item I have been looking forward to bringing to the Council since I began here three (3) years ago. I can even remember before I started, I had conversations with Pond Company, who was doing another project with my former employer, trying to check the City out a little bit to see what you had going on. One of the items that he mentioned was that the City was looking to put this park behind this apartment complex over near Holcomb Bridge Road. I was excited about that, and started working here. You are familiar with Crooked Creek Park; it is over near Holcomb Bridge near Spalding at River Exchange. Council purchased the additional land behind the apartment complex that was needed. The trail will start on our corner, go behind the apartment complex, to the Holcomb Bridge unit of the Chattahoochee River National Recreation area, and make a loop about a mile long. We bid it out and had great participation from the business community. We received six (6) bids. The low bid was $157,247.00 from Steel and Associates and I would offer that as a recommendation. In response to Council Member Paulson's question about expanding to ten (10) parking space, he said he would look into that; that he felt sure it could be done. There should be land on that plateau. They are little foot bridges, back through the park. There are creeks that go there that feed the Chattahoochee; some of those small creeks, approximately 1-2' high. There are just little foot bridges.

Motion and Vote: Council Member Paulson moved to approve Agenda Item 19-430, Request for Mayor and City Council Consideration of a Contract Award to Construct Crooked Creek Park Trail ("Project") – Budgeted Project Number POO20. Council Member Soteres seconded the motion.

Vote on the Motion: The motion carried unanimously.

RESOLUTION NO.2019-12-162

8. **19-431** Request for Mayor and City Council Consideration of Approval of a Contract to Design the Dalrymple Road Sidewalk Project from Princeton Way to Duncourtney Drive (TS168).

Public Works Director Marty Martin presented this TSPLOST funded sidewalk project design is located on Dalrymple Road connecting Brandon Mill and Roswell Roads. This project also considers a mid-block crossing as part of the design, since the majority of the existing sidewalk to the east end of Dalrymple at Roswell Road is on the north side of the road and the majority to the western boundary of this project is on the south side of the road connecting Brandon Mill and Dalrymple. The elements at work in this project at approximately 1400 linear feet and includes: 1. Survey and Concept Design; 2. Preliminary and Final Design; 3. Utility Coordination; 4. Right of Way Coordination; 5. Retaining Wall Design including Geotechnical Services; 6. Storm Drainage Design; 7. Post Design Services including preparing Bid Documents; and 8. Miscellaneous Services. This also includes the traffic study along with the mid-block crossing. In response to the requirements outlined in the RFQ, KCI Technologies provided the most responsive and responsible proposal for the project design at a cost of $126,955.00. The lowest bidder, Heath & Lineback, is considered non-responsive for this solicitation since the bid schedule was manipulated and the pricing for geotechnical services was left out. Staff found that KCI Technologies provided the most responsive and responsible proposal, closely reflecting the staff estimate of $120,000.00 for the projected design cost for the project.

Motion and Vote: Council Member Soteres moved to approve Agenda Item 19-431, Request for Mayor and City Council Consideration of Approval of a Contract to KCI Technologies, Inc. for the Design the Dalrymple Road Sidewalk Project from Princeton Way to Duncourtney Drive (TS168). Council Member Burnett seconded the motion.

Vote on the Motion: The motion carried unanimously.

RESOLUTION NO.2019-12-163

9. **19-423** Request for Mayor and Council Consideration to Authorize the Purchase of New Equipment for the City of Sandy Springs Fire Department

Fire Chief Keith Sanders presented consideration to approve the purchase with Impact Fees of a Pierce air/light rehab ENCORE command rescue, Aluminum Kenworth T370, 4x2 Single Axle ("Command Rescue"), manufactured by Pierce Manufacturing, Inc. ("Pierce"), together with appurtenant equipment ("Equipment"), will satisfy identified needs. The Command Rescue and Equipment conform to the Department's specifications and meet the NFPA 1500, Standard on Fire Department Health and Safety Program. The Command Rescue will provide an on-scene light tower, 40 KW generator power source, storage for 20, 60-minute SCBA bottles, a 4 SCBA bottle replenishing air station, restroom, exterior decontamination shower, interior command module with a situational awareness, weather station, and a tethered drone to manage large scale working incidents. In addition, the Command Rescue unit will provide awnings, coolers, misting fans, tables, hydration, food, and medical evaluation support to on-scene personnel. Pierce has been the single source provider of fire apparatus to the City since its inception. Pricing for the quoted Command Rescue is in accordance with the competitively bid contract number VH11276 (Fire Apparatus) awarded to Pierce by the Public Procurement Authority (PPA). Contract number VH11276 became effective July 25, 2019 and is valid until August 13, 2020. Under the City's purchasing policies, the City is authorized to utilize competitively procured contracts provided through other governmental entities. Ten-8 and Pierce representatives have stated that the pricing under this contract is the most competitive and forms the basis of what would be provided to the City under a stand-alone bid scenario. The cost of the Command Rescue and Equipment is $816,400.

Chief Sanders replied that this truck is the same size as one of the fire engines, perhaps a little longer because it is on a Kenworth chassis. It still has a single wheelbase on the rear of the truck. It has not been decided whether it will be housed at Station No. 2 (Johnson Ferry at Sandy Springs Circle) or Station No. 3 (Heards Ferry Road). Chief Sanders replied that this vehicle will deploy 8 – 10 times per month. He further went on to say that he is very proud of the fire corps members, their dedication, level of training and the equipment with which they are familiar and can respond to multiple situations.

Motion and Vote: Council Member Reichel moved to approve Agenda Item 19-432, Request for Mayor and Council Consideration to Authorize the Purchase of New Equipment for the City of Sandy Springs Fire Department. Council Member Soteres seconded the motion.

Council Member Reichel questioned if the truck was the same size as a regular fire truck and would it be housed at the new Fire Station No. 2.

Council Member Bauman questioned how often would this vehicle be used for calls.

Vote on the Motion: The motion carried unanimously.

RESOLUTION NO.2019-12-164

10. **19-433** Request for Mayor and City Council Consideration of the Purchase of Certain Property Rights and Interests Located at 6025 Sandy Springs Circle

City Attorney Dan Lee presented this is a re-review of a piece of property that is included in the Sandy Springs Circle Streetscape project; this is the widening of the sidewalk for the W.A.G. Sandy Springs shopping center. The previous presentation, there was an offer of $495,000.00. This is a $465,000.00 offer to sell and settle the pending condemnation. This is 4,184 sq. ft. of a Fee Simple taking, a Temporary Easement of almost 3,000, with some complications involved of a Steep Slope Easement that will be added to this property that is somewhat of a taking of the property, but a bit more complicated. We would mention that there is a GDOT preliminary budget for ROW acquisition of $2,160,000.00, of which $627,000.00 has been used. This number fits within the budget and up to 80% of it would be funded by the grant from the GDOT. According to our appraisal, the breakdown of this is $104,000.00 for the 4,184 sq. ft.; $41,000.00 for the 2,455 sq. ft. of Temporary Construction Easement. Added to this, are site improvements of $18,000.00; a Cost of Cure of $45,000.00, which is a replacement of a playground for a day care center; damage to improvements $18,000.00; Interim Rent Loss of $63,000; for a total of $290,000.00, originally. City Attorney Lee stated that the Loss of Rent was included by our appraiser. City Attorney Lee stated that, saddled with the appraisal that we have, this is what needs doing. In a trial, we could potentially pay much more. Their appraisal was in excess of $790,000.00. He stated that we can get up to 80% of this or, because we are in condemnation, the staff believes that DOT's audit would pay 100%, especially since we are under the budget. This is the quirk of this process, you draw the DOT scrutiny, unless it is in condemnation, and then leeway is given to settle at 100%. In this case, the City Attorney confirmed there was no street front parking.

Motion and Vote: Council Member Burnett moved to approve Agenda Item 19-433, Request for Mayor and City Council Consideration of the Purchase of Certain Property Rights and Interests Located at 6025 Sandy Springs Circle. Council Member Soteres seconded the motion.

Council Member Burnett wanted to know if the City Attorney had the notes before him regarding the 4,184 sq. ft. versus the value being paid for the Temporary Construction Easement. He further questioned if that is where the City came up with the original offer of $280,000.00. He questioned if there was supporting evidence for the Loss of Rent. He further elaborated that, at this point, the offer is only $30,000.00 under what was originally offered but, in the original offering, it was so far apart just in a percentage basis. He clarified that, in the opinion of the City Attorney, this is what the City needs to do. He further questioned that since this is 80% federally funded, do we need to get their approval for this price or is this within the confines of the existing budget. He also questioned was there any street front parking.

Council Member Bauman, in clarification of this process, stated that the City owns this property, has acquired this property, and made a deposit in the Court, took title through eminent domain, now it is just a question of whether the City pays by agreement or roll the dice at a court case.

Vote on the Motion: The motion carried unanimously.

RESOLUTION NO.2019-12-165

11. **19-439** Request for Mayor and City Council Consideration of an Easement, Encroachment and Indemnification Agreement for the Property at 1110 Hammond Drive

City Attorney Dan Lee presented that the City was contacted by the property owners at Peachtree Dunwoody and Hammond Drive, the Hanover Perimeter Apartments. The apartments are being sold and in the title evaluation of the property, it was discovered that the City has a drainage easement there, which is more than needed and is in the way of this sale. In addition, the construction of the apartments encroaches on that drainage. They need this Release to continue this encroachment. We have negotiated a payment of Three Hundred Thousand Dollars ($300,000.00) by Perimeter Project Owner, LLC to the City for the release of these property rights. The property sold before the apartments went up for $12,000,000.00, and if you extrapolate the amount of the easement that we would be releasing, it comes to approximately $149,000.00. This is twice that number, which comes to the City.

Motion and Vote: Council Member Burnett moved to approve Agenda Item No. 19-439, Request for Mayor and City Council Consideration of an Easement, Encroachment and Indemnification Agreement for the Property at 1110 Hammond Drive. Council Member Reichel seconded the motion.

Vote on the Motion: The motion carried unanimously.

RESOLUTION NO.2019-12-167

12. **19-440** Request for Mayor and City Council Consideration of a Purchase and Sale Agreement for the Property at 6189 Roswell Road

City Attorney Dan Lee presented that this is the Enterprise Rent-A-Car property across the street. As discussed previously, this is to complete the purchase of the property needed for the road improvement there and an area that will house a temporary fire station, while Fire Station No. 2 is under construction. Staff has worked diligently at this, and has had some issues with the title, issues with Phase I, and now Phase II study of the property. The negotiated price is $1,200,000.00. City Attorney Lee added that because of the one-way nature of the roads that intersect with Roswell Road at the Enterprises Rent-A-Car location, and the fact that it will be housing a fire engine and that fire engine may need to go north, south, east or west, the billboards will need to be removed during the pendency of the appeal. He further stated that there will have to be some preparation of the ground below those billboards in order for the fire engine and emergency vehicles to traverse the intersecting streets there, Johnson Ferry and Mount Vernon, onto Roswell Road. This is included in the cost that Fire Chief Sanders mentioned earlier. It is an integral part of removing the billboards. City Attorney Lee confirmed that the size of the property is .317 tenths of an acre. The discussion has been that there are two (2) uses for the property for the City; one is the temporary fire station and that part of that property will be needed for the massive road project that is going through there.

Motion and Vote: Council Member Burnett moved to approve Agenda Item No. 19-440, Request for Mayor and City Council Consideration of a Purchase and Sale Agreement for the Property at 6189 Roswell Road. Council Member Reichel seconded the motion.

Council Member Burnett questioned that, because this is for a temporary fire station, how much more over and above the purchase price will be spent on the temporary fire station. He questioned the number of engines that can be housed on this site. He further clarified that the other firemen stationed in Station No. 2 will be disbursed out. He questioned if there is a possibility that all four traffic lights could be held at red so that the fire engine can take a left-hand turn to get right out onto Roswell Road. He stated that a little south of this location, the Wendy's property that was ¾ of an acre, was sold for $4,000,000.00 just over 2 – 3 years ago. If you look at comps, real estate is red hot right now.

Fire Chief Keith Sanders responded that the City will spend approximately $200,000.00, on the renovation of the existing building and getting it ready to function as a fire station. The architects are doing the design work on the interior now and he anticipates having a better answer in the next couple of weeks. Chief Sanders responded that there will only be one engine housed on the inside of the existing building. There will be a minimum of three (3) personnel assigned to that engine 24/7. The City is in the process of designing and will rent a modular unit that will sit behind the building on the property where they will live. He further stated that the ladder truck will be housed at Fire Station No. 3 on Heards Ferry Road. Staff should be in the temporary location through March of 2021. He stated that there is an enhanced contract with AMR, and they will be posting additional units in this area to ensure that we have adequate coverage for ambulance service. Staff has tracked response time with Fire Station No. 4, on Wieuca to ensure good response into this area. The one engine should be adequate. I-285 / SR400 keeps staff very busy, fortunately we can get access from Heards Ferry quickly. Chief Sanders responded that it is too hazardous at the one-way of Mount Vernon; they will be working with Public Works to configure this area in a manner that will not affect the lights and messing with the traffic management system to have all lights go red when the fire engine is deployed. The first thing that needs to be done is to put a 12' asphalt roadway so we can make that access. The goal is to have this temporary station up and running by March 2020, and one of the first things to be done is the removal of the billboards and the installation of the road.

Council Member DeJulio questioned about the size of the property and that the prices are getting astronomical. Which makes it $3.5 million dollars per acre. He clarified that this was not appraised price, but was a negotiated purchase price.

Council Member Bauman questioned if the City is paying a premium because of our need for this property or are we paying a negotiated deal; this is a property for a T11 project. He further stated that this is a necessary bonus, he said that he did not feel that we were paying an extorted price for the fact that we need a place to house the fire truck. He stated that the value is dictated, there are other people out there that could use this property for commercial use. He further stated that he felt that we were getting a 'two for' here, albeit at a very high price, and are taking care of our first responsibility, the public safety response.

Vote on the Motion: The motion carried unanimously.

RESOLUTION NO.2019-12-168

REPORTS

Mayor and Council Reports

Mayor Rusty Paul mentioned that he met with the youth sports organization here in Sandy Springs. I am in the process of meeting with a number of the non-profit groups around town, they are going into their budget phase; trying to meet with some of the groups that we partner with. As mentioned earlier, the meeting with the youth sports group was a great meeting, absolutely wonderful people who manage that for us. They are really committed to that program, to the facilities and the kids in the community.

Saturday night (December 14), speaking of the Fire Department, I was invited to attend the 1st Annual Awards and Commendations Dinner here in Sandy Springs. I have never seen a group of firefighters, their wives and spouses, so dressed up. It was a great evening. We know what our firefighters and first responders do on a daily basis; what we often do not know, and don't pay enough attention to, is when they go above and beyond and put their lives truly at risk to save others. That is what part of this was about; situations where our first responders really put their lives at risk to help save somebody else and Chief Sanders and the whole leadership team, I commend you for recognizing that and putting on a phenomenal event. I was honored to be there.

One other thing that we have done since we last met, we had the 1st Annual Sparkle Sandy Springs parade. My predecessor, Eva (Galambos) always wanted to have a parade. She didn't want to have one on the 4th of July because that was Dunwoody's parade. They were so good to us through those years of when we were trying to become incorporated, by giving us a slot to march down Mount Vernon in their parade, to highlight our cause. So this year, we put together a parade. When we started down this particular road, and when we first left I was unsure of the participation but as we got closer to this facility, it was packed. The comments that I have gotten from so many of our citizens since then, I think there was more excitement about the parade than some of the concerts we've done around here. They were just delighted. Sharon Kraun, Anna Nickolas and their team, did a great job of pulling things together with not a lot of notice. We sat down in mid-fall time and started working on it. I raised a little bit of money to try to pay the cost; I think Council Member Paulson gave most of it. It was phenomenal. We are going to get an earlier start this coming year and make it even better. Sharon and her team deserve a lot of credit for pulling it off without a lot of budget and without a lot of notice.

Mayor Paul stated that we began the process of art on the walls while we were still under construction here, and I'm absolutely delighted that we are finally there and it is going to be an ongoing process where we'll highlight local artists primarily. We have a huge art community here and the ability to bring some attention to that, to promote it and encourage it is one of the great things about this particular facility.

Communications Director Sharon Kraun reported on the reception to open our first City Hall gallery display. The reception will be Thursday, December 19. The gallery is highlighting works by Sandy Springs artist Gary Bodner. The exhibits in the City Hall lobby are planned to change quarterly.

Council Member DeJulio stated that this is something we have been waiting a long time to do, is to get the utilization of the empty walls here. Gary Bodner, is a local OB-GYN retired, who is now an artist and his works on display here; it is in the lobby.

Staff Reports

13. **19-435** Public Works Construction Update

Public Works Director Marty Martin presented a PowerPoint presentation showing fifteen (15) completed projects ranging from Johnson Ferry Road Streetscape, Hammond Drive at Roswell Sidewalk Gap Fill, to guardrail safety improvements. Eleven (11) projects under construction from Sandy Springs Pedestrian Enhancement, to Roswell Road at Glenridge Drive Intersection, ATMS (Advanced Traffic Management System) 4 SCOOT Intersections in the Perimeter Area, Brandon Mill Road – Marsh Creek to Lost Forest Drive, etc. Six (6) projects at bid and awarded from Mt. Vernon to Hilderbrand Multi-Use Path, CDBG Sidewalk / Streetscape – Phase I, Spalding Drive at Dalrymple Road Spalding Drive – Spalding Lake Court to Holcomb Bridge Road, etc. Twenty-one (21) projects under design ranging from Mt. Vernon Sidewalk Gap Fill (Blue Stone to Sandy Springs Circle), CDBG Sidewalk / Streetscape – Phase 2, MARTA Roswell Road Streetscape, Roswell Road at Grogans Ferry Road, Dalrymple Road – Princeton Way to Duncourtney Drive, Mt. Vernon Highway corridor, Hammond Drive corridor and SR 400 Multi-Use Trail. Beautification projects – EB Johnson Ferry – Chattahoochee River to Abernathy Greenway; SB Roswell Road – North city limits - Chattahoochee River; State Routes / Interstate Wildflower Project. Sidewalk Maintenance / Trip Hazard Removal; Johnson Ferry Road at Riverside Drive improvements; 8909 Roberts Drive replacement; 5758 Riverside Drive rehabilitation; 5280 N Power Ferry Road restoration. He reported on the TSPLOST Projects: three (3) completed; four (4) under construction; three (3) in Bid & Award; fifteen (15) projects in design. The complete report can be found on the City's website.

14. **19-436** October 2019 Financials

Finance Director Karen Ellis presented that we are at 1/3 of the year; revenues are at about 47.25%; we are over budget – one big component of that is the insurance premium tax that came in during October. We budgeted more than we did last year, and we still came in over budget. Expenditures are under budget at about 25%, some of that is pertaining to the transition. We have had savings in all departments where the transition is occurring.

EXECUTIVE SESSION

Motion and Vote: Council Member Paulson moved to suspend regular order and move into Executive Session for the purposes of discussing real estate and litigation. Council Member DeJulio seconded the motion.

Vote on the Motion: The motion carried unanimously.

15. **19-437** 1. Real Estate & Litigation

Executive Session began at 7:50 pm

Motion and Vote: Council Member Paulson moved to adjourn Executive Session. Council Member Soteres seconded the motion.

Vote on the Motion: The motion carried unanimously.

Executive Session adjourned at 9:03 pm

16. **19-438** Adjournment

Motion: Council Member DeJulio moved to adjourn. Council Member Paulson seconded the motion.

Vote on the Motion: The motion carried unanimously.

The meeting adjourned at 9:03 p.m.

Date Approved: January 7, 2020.

Russell K. Paul, Mayor

Coty Thigpen, City Clerk

City of Sandy Springs, Georgia

Auditor's Discussion & Analysis
June 30, 2019

Presentation to City Council

Presented by:

Adam M. Fraley, CPA

MAULDIN & JENKINS

CITY OF SANDY SPRINGS, GEORGIA

Annual Audit Agenda

June 30, 2019

PURPOSE OF ANNUAL AUDIT AGENDA

- Engagement Team.

- Overview of:

  - Independent Auditor's Report;
  - Financial Statements, Footnotes and Supplementary Information; and
  - Compliance Report.

- Required Communications under Government Auditing Standards.

- Accounting Recommendations and Related Matters.

- Answer Questions.

MAULDIN & JENKINS – GOVERNMENTAL PRACTICE

General Information:

- Founded in 1918.
- Large regional firm serving the Southeastern United States.
- Offices located in Macon, Atlanta, Albany, Savannah, Chattanooga, TN, Bradenton, FL, Columbia, SC and Birmingham, AL with firm governmental leadership positioned in Atlanta.
- Approximately 300 personnel are employed at Mauldin & Jenkins.

Governmental Sector:

- Largest specific industry niche served by Firm representing 28% of Firm practice.
- Serve more governmental entities in Georgia than any other certified public accounting firm requiring over 100,000 hours of service on an annual basis.
- Approximately 100 professional staff persons with current governmental experience.
- In the past three (3) years, have served approx. 450 governments in the Southeast, including:
  - ✓ 115 cities;
  - ✓ 55 counties;
  - ✓ 55 school systems and 40 charter schools;
  - ✓ 40 state entities;
  - ✓ 95 special purpose entities (stand-alone entities: water/sewer, transit, gas, electric. Airports, housing, development, other educational, retirement, libraries, etc.); and
  - ✓ Inclusive of the above, we serve approximately 115 governments receiving the GFOA and/or ASBO Certificate of Achievement for Excellence in Financial Reporting.
- Experience auditing a substantial part of the State of Georgia including: approximately 30% of the State’s general fund, and a substantial number of the State of Georgia’s component units.
- Experience performing forensic audit services and information technology consultations.
- Experience performing municipal bond debt issuance attestation services serving clients with over $11.0 billion in aggregate publicly issued debt instruments.
- Experience conducting an aggregation of Single Audits in excess of $8.0 billion annually.

Engagement Team Leaders for Sandy Springs, Georgia Include:

- Adam Fraley, Engagement Partner – 20+ years experience, 100% governmental.
- James Bence, Quality Review Partner– 15 years experience, 100% governmental.

MAULDIN & JENKINS – ADDITIONAL INFORMATION

Other Industries & Services by Mauldin & Jenkins:

Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

Industries Served: Over the years our partners have developed expertise in certain industries representative of a cross section of the Georgia economy, including:

- Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities)
- SEC Registrants
- Wholesale Distribution
- Agri-Businesses
- Manufacturing
- Professional Services
- Employee Benefit Plans
- Financial Institutions (community banks, savings & loans, thrifts, credit unions, mortgage companies, and finance companies)
- Non-Profit Organizations
- Retail Businesses
- Long-term Healthcare
- Construction & Development
- Individuals, Estates and Trusts
- Real Estate Management

Services Provided: This diversity of practice enables our personnel to experience a wide variety of business, accounting and tax situations. We provide the traditional and not-so-traditional services such as:

- Financial Audit/Review/Compilation
- Compliance Audits & Single Audits
- Agreed-Upon Procedures
- Forensic Audits
- Bond Issuance Services
- Performance Audits
- State Sales Tax Matters
- International Tax Matters
- Business & Strategic Planning
- Profitability Consulting
- Budgeting
- Business Valuations
- Income Tax Planning & Preparation
- Multi-State Income Tax Issues
- Information Systems Consulting
- Cost Accounting Analysis
- Healthcare Cost Reimbursement
- Outsourced Billing Services
- Fixed Asset Inventories
- Succession & Exit Strategy Consulting
- Estate Planning
- Management Information Systems
- Employee Benefit Plan Administration
- Merger/Acquisition Financing

INDEPENDENT AUDITOR'S REPORT

The standard independent auditor's report for governmental units has specific sections of significance to readers of the financial report.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of the City of Sandy Springs' (the "City") management and Council Members.

Auditor's Responsibility

Our responsibility, as external auditors, is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We planned and performed our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Opinion

We have issued an unmodified audit report (i.e. "clean opinion"). The financial statements of the City are considered to present fairly the financial position and results of operations as of, and for the year ended June 30, 2019.

Other Matters

Certain required supplementary information and other information is included in the financial report, and as directed by relevant auditing standards, we have not expressed an opinion or provided any assurance on the respective information.

Other Reporting

Government Auditing Standards require auditors to issue a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. We have issued such a report and reference to this report is included in the independent auditor's report.

REVIEW OF COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

General Information About the CAFR

For some time, the City has elected to accept the offer from Mauldin & Jenkins to prepare a Comprehensive Annual Financial Report.

A Comprehensive Annual Financial Report (CAFR) goes beyond the normal financial reporting required by accounting principles generally accepted in the United States. A CAFR includes at a minimum the following elements/sections:

- **Introductory Section:** general information on the City's structure and the services it provides.
  - Letter of Transmittal
  - Organizational Chart
  - Directory of Officials
  - Certificate of Achievement for Excellence in Financial Reporting

- **Financial Section:** basic financial statements, footnotes and required supplementary information along with the auditor's report.
  - Independent Auditor's Report
  - Management Discussion & Analysis (MD&A)
  - Financial Statements and Footnotes

- **Statistical Section:** broad range of financial, demographic information useful in assessing the City's economic condition, and this information covers multiple years.
  - Financial Trends Information
  - Revenue Capacity Information
  - Debt Capacity Information
  - Operating Information

In the end, a CAFR goes far beyond the basic requirements of annual financial reporting, and the City should be commended for going beyond the minimum and providing such a report each year.

REVIEW OF COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Recognition and Award

Once completed, the fiscal year 2018 CAFR was submitted to the Government Finance Officers Association (GFOA) for determination if the report would merit the GFOA's Certificate of Achievement for Excellence in Financial Reporting. We are happy to inform everyone that the GFOA did indeed review the CAFR and awarded the City with the sought after Certificate.

The GFOA Certificate has been made a part of the City's 2019 fiscal year CAFR, and is included in the Introductory Section.

It should be noted that the City is one of the few local governments in the State of Georgia to obtain the GFOA Certificate of Achievement for Excellence in Financial Reporting. Most local governments do not attempt to report at such a high level.

OVERVIEW OF FINANCIAL STATEMENTS (in thousands)

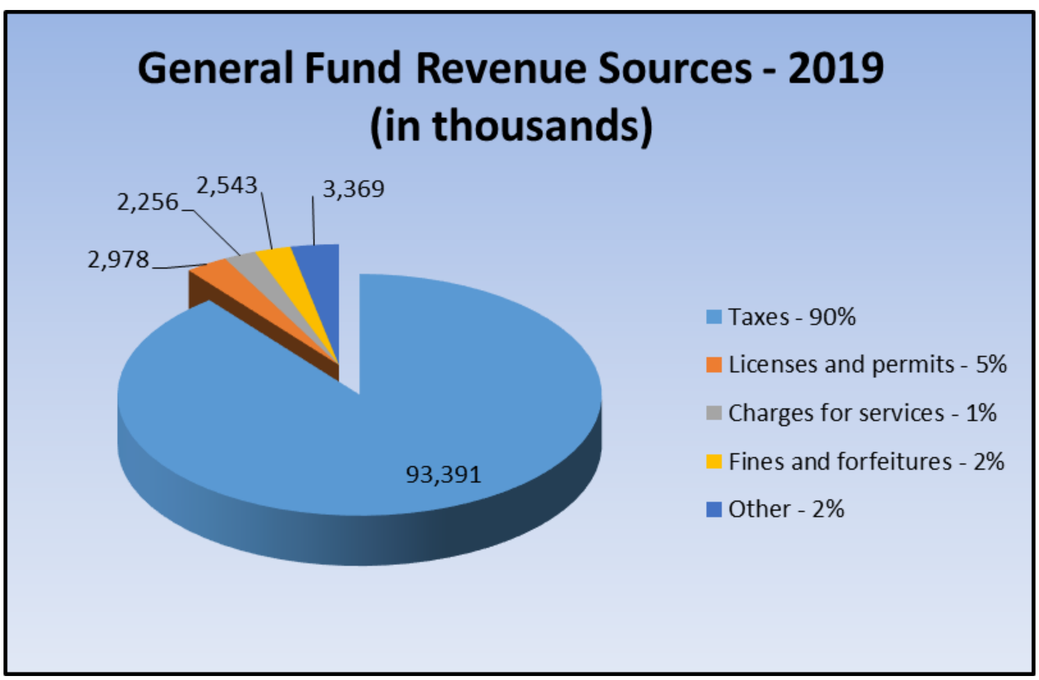
The City's basic financial statements include three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements.

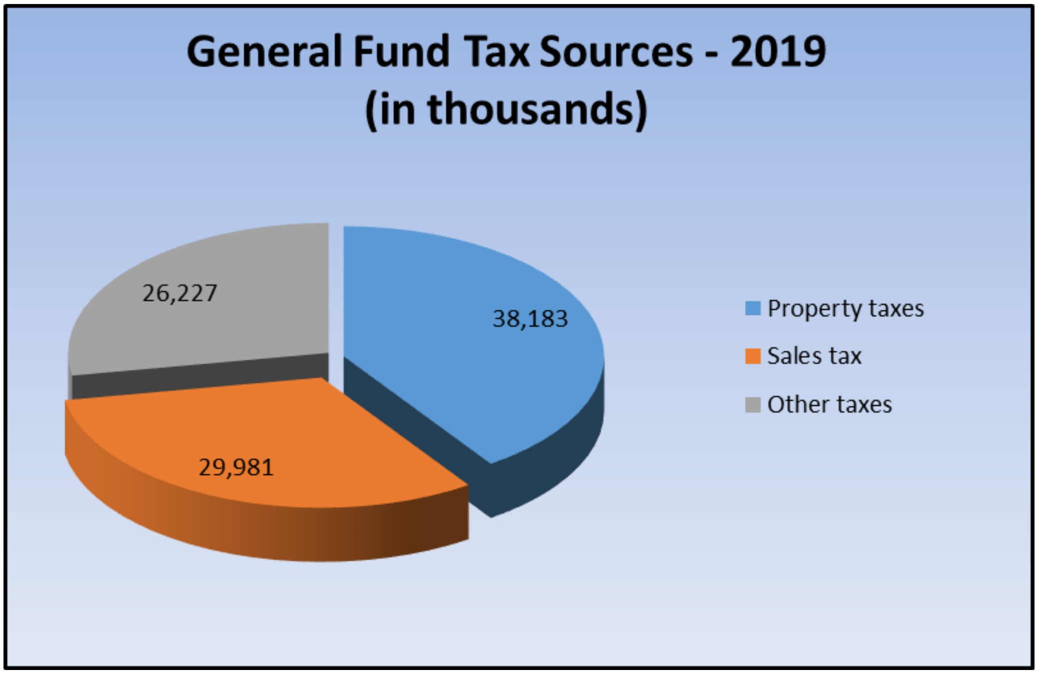
The **government-wide financial statements** provide a broad overview of all of the City's funds, as well as its discretely presented component units – Sandy Springs Hospitality Board and the Development Authority. The *Statement of Net Position* presents information on all assets and liabilities of the City, with the difference between the two reported as net position. The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. Revenues are categorized as program revenues or general revenues. Expenses are categorized by function.

The **fund financial statements** more closely resemble the financial statements as presented prior to the adoption of GASB Statement No. 34. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

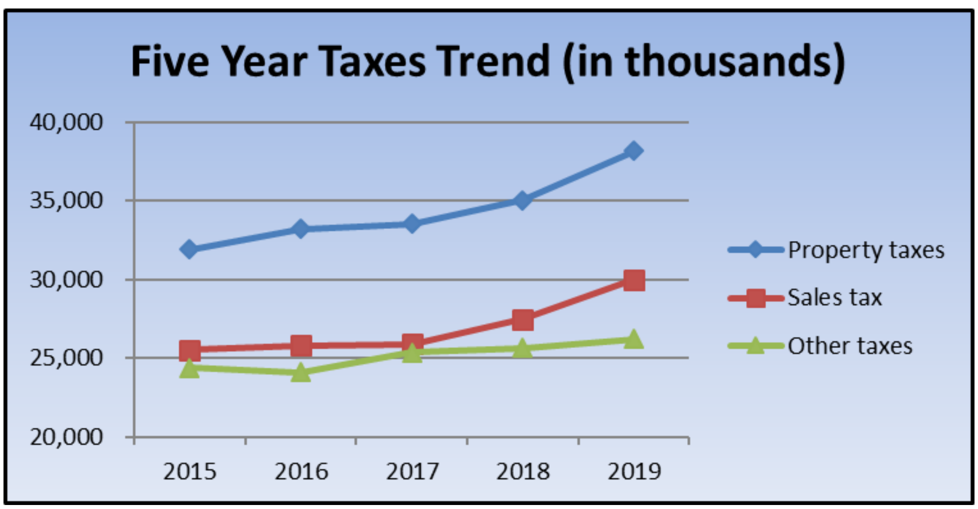
General Fund

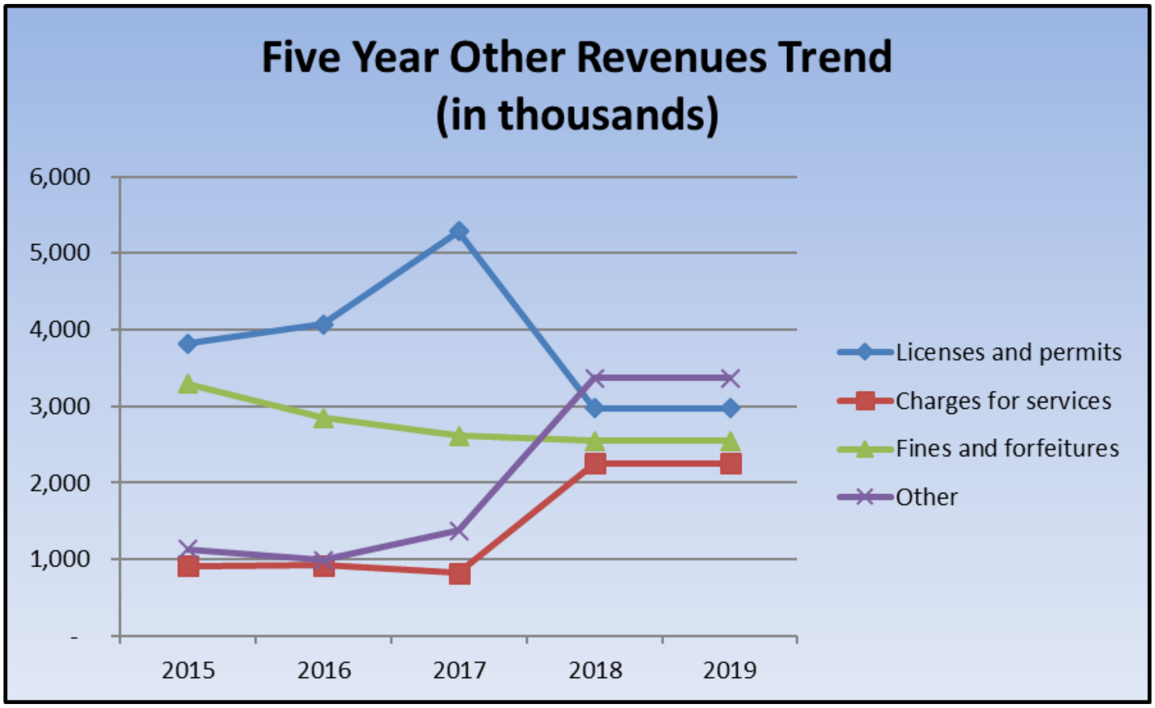
Of primary interest to the City is the **General Fund**, which accounts for the majority of revenues received and funds expended in the operations of the City, including general government activities, judicial, public safety, public works, culture and recreation, and housing and development. The following charts present the sources of revenues and the expenditures of the General Fund for the fiscal year ended June 30, 2019:

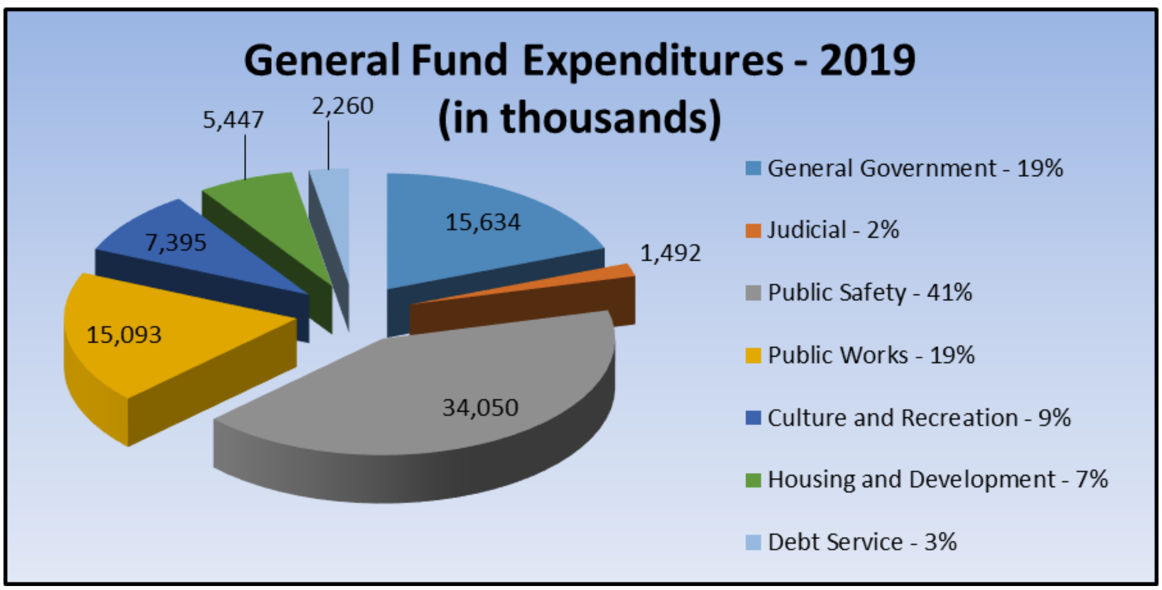




Total General Fund revenues for the fiscal year ended June 30, 2019 were $104,553. Revenues of the prior year were $99,046. The most significant variance was an increase in tax revenue of $3,163. Below is a trending of the City's General Fund revenues over the past five (5) years.

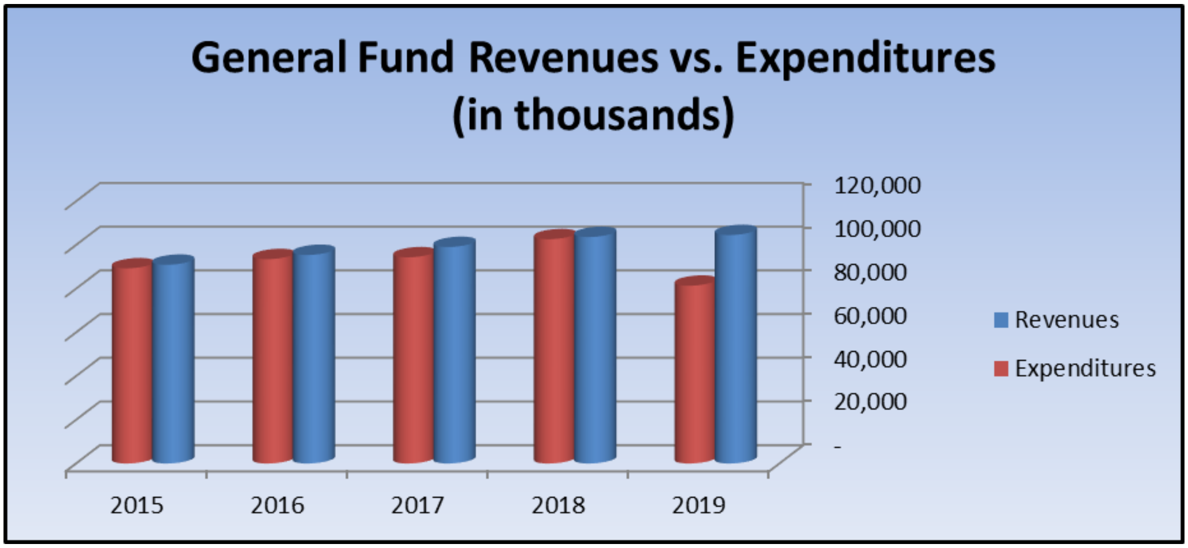




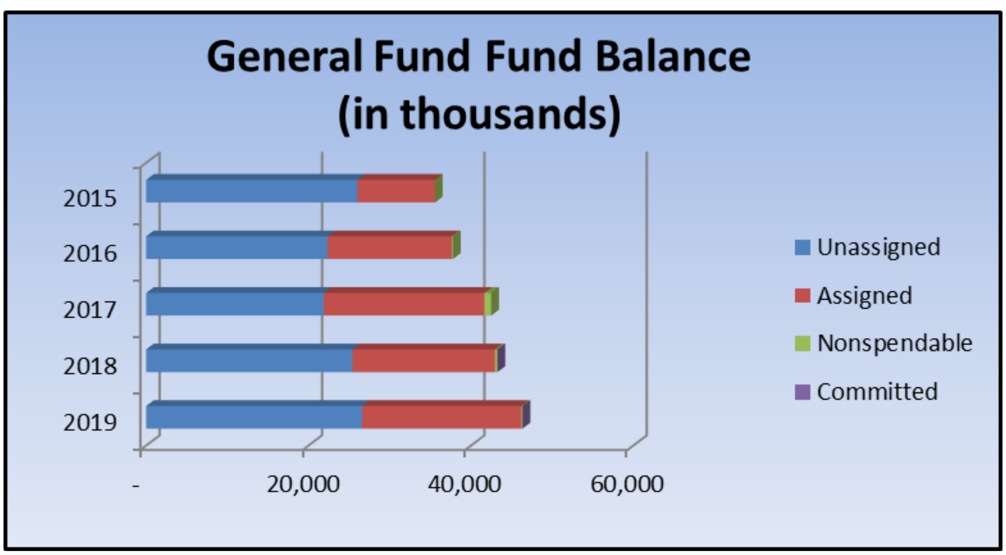


Total expenditures during the year ended June 30, 2019 were $81,371. Expenditures of the prior year were $73,511. This was an increase of $7,860.

More detailed explanations of variances can be found in the Management's Discussion and Analysis section of the financial statements. An analysis of General Fund revenues and expenditures for each of the last five fiscal years is as follows.



Fund balance of the General Fund at June 30, 2019 was $46,371, an increase from the prior year of $3,110. It is important to note that fund balance does not necessarily equate to funds on hand available to spend. Fund balance is the difference between assets and liabilities, only some of which is cash and investments. A portion of fund balance (0.71%) is nonspendable because it consists of items that are not in spendable form. Additionally, certain amounts of fund balance are assigned by the City for specific purposes (40.60%). This leaves the remaining 58.69% of the City's fund balance at June 30, 2019 was available for spending.



Other Governmental Funds

The City also maintains eight (8) *special revenue funds*. These funds account for revenues derived from specific sources which are legally restricted to finance particular functions or activities. The City also maintains four (4) *Capital projects funds* to be used to account for revenues and expenditures related to the renovation and/or construction of major capital assets.

Fiduciary Funds

The City also maintains the following *agency fund* - Municipal Court Fund – which is used to account for the collection and disbursement of funds by the City on behalf of other governments and individuals.

REVIEW OF FINANCIAL STATEMENTS & FOOTNOTES

Statement of Net Position (in thousands)

Assets:

The City's assets recognized an increase during the year ended June 30, 2019. Assets increased approximately $28,065 or 4.7% from approximately $595,892, to approximately $623,957. This increase can be attributed to the increase in capital assets.

Liabilities:

The City's liabilities decreased during the year ended June 30, 2019. Total liabilities went from approximately $205,158 to $199,789. The decrease is primarily attributed to large accounts and retainage payable balances in the prior year related to the City Center project that was completed this year.

Net Position:

The City's equity position increased from approximately $390,254 to $423,808. This increase is reconciled on the City's "Statement of Revenues, Expenses and Changes in Net Position". It should be noted that a very large portion of the City's net position is invested in capital assets net of related debt. While the City is reflecting approximately $423,808 in net position (or equity), only $63,907 is unrestricted and considered available for operations. In the end, the statement of net position reflects the fact that the City has invested heavily in itself over the history of the organization.

Statement of Activities (in thousands)

Total revenues of the City decreased from approximately $141,656 to $138,384. This represents a decline of 2%. Total expenses of the City increased from approximately $100,404 to $104,829. This represents an increase of 4.4%.

Footnotes

Note 1 – Accounting Policies

This footnote discusses the overall organization of the City and the nature of its operations. This note also discloses pertinent information regarding the governing body of the City.

This footnote continues by sharing with a reader of the financial statements the significant accounting policies and principles utilized in the preparation of the financial statements.

Note 2 – Reconciliation of Government-wide Financial Statements and Fund Financial Statements

This footnote provides additional detailed information that is not already shown within the financial statements themselves, on the differences between the City's fund level financial statements and its government-wide financial statements.

Note 3 – Legal Compliance - Budgets

This footnote discloses the City's procedures in establishing its annual budget and discloses the City's excesses of actual expenditures over appropriations for the year.

Note 4 – Deposits and Investments

The Governmental Accounting Standards Board (GASB) issued Statement No. 40, Deposit and Investment Risk Disclosure, an amendment of GASB Statement No. 3, which significantly changed the disclosure in the financial statements of the City related to deposits and investments. The disclosure addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. In addition, this footnote presents the fair value information related to the City's investments required by GASB 72.

Note 5 – Receivables

This footnote discloses the City's property tax calendar and detailed information on various receivable (and allowances for doubtful receivables) balances.

Note 6 – Capital Assets

This footnote discloses the City's capital asset activity and its related accumulated depreciation for the year.

Note 7 – Long-Term Debt

This footnote discloses the City's long-term debt activity for the year, and other information and maturities for this long-term debt.

Note 8 – Interfund Receivables, Payables, and Transfers

This footnote discloses detailed information on the City's interfund balances and transfers and the purpose of these balances and transactions.

Note 9 – Commitments and Contingent Liabilities

This footnote discloses the contingencies from potential litigation, claims, and assessments filed against the City and significant contractual commitments of the City at year-end.

Note 10 – Defined Contribution Pension Plan

This footnote discloses the details of the City's Deferred Compensation Plan.

Note 11 – Joint Venture and Related Organizations

This footnote discloses the City's relationship with the Atlanta Regional Commission, the Chattahoochee River 911 Authority, and the North Fulton Regional Radio System Authority.

Note 12 – Hotel/Motel Lodging Tax

This footnote discloses the City's tax rate for hotel/motel taxes, along with the amounts and nature of these revenues and expenditures.

Note 13 – Motor Vehicle Excise Tax

This footnote discloses the City's tax rate for the rental of motor vehicles, along with the amounts and nature of these revenues and expenditures.

Note 14 – Risk Management

This footnote discloses the City's various risks of loss and the measures the City has taken to mitigate those potential losses.

Note 15 – Change in Reporting Entity

This footnote discloses the change in the City's reporting related to the Sandy Springs Foundation that no longer meets the definition of a component unit of the City.

COMPLIANCE REPORT

The financial report package contains one (2) compliance reports.

Yellow Book Report - This compliance report is a report on our tests of the City's internal controls and compliance with laws, regulations, etc. The tests of internal controls were those we determined to be required as a basis for designing our financial statement auditing procedures. Such tests also considered the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. In accordance with the respective standards, the report is **not** intended to provide an opinion, but to provide a form of negative assurance as to the City's internal controls and compliance with applicable rules and regulations.

Single Audit Report - The second compliance report is a report on our tests of the City's internal controls and compliance with laws, regulations, etc. relative to certain Federal grant programs and the respective expenditures. In accordance with the respective standards, we did provide an unqualified (or positive) opinion on the City's compliance based on our audit. However, we were not required to provide an opinion on the relevant internal controls, but to provide a form of negative assurance on such controls.

REQUIRED COMMUNICATIONS

The Auditor's Responsibility Under *Government Auditing Standards* and Auditing Standards Generally Accepted in the United States of America

Our audit of the financial statements of the City of Sandy Springs for the year ended June 30, 2019 was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

In accordance with *Government Auditing Standards*, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the City's internal control or compliance with laws and regulations.

Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. There are several new accounting standards which will be required to be implemented in the coming years. These are discussed later in this document.

In considering the qualitative aspects of the City's accounting policies, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The City's policies relative to the timing of recording of transactions are consistent with GAAP and typical government organizations.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. We considered this information and the qualitative aspects of management's calculations in evaluating the City's significant accounting policies. Estimates significant to the financial statements include such items the depreciation of capital assets.

Financial Statement Disclosures

The footnote disclosures to the financial statements are also an integral part of the financial statements. The process used by management to accumulate the information included in the disclosures was the same process used in accumulating the financial statements and the accounting policies described above are included in those disclosures. The overall neutrality, consistency, and clarity of the disclosures was considered as part our audit and in forming our opinion on the financial statements.

Significant Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Audit Adjustments

During our audit of the City's basic financial statements as of and for the year ended June 30, 2019, we recorded certain audit adjustments. These audit adjustments have been delivered to and discussed with management. Additionally, we have provided these adjustments as an attachment to this document for your review and discussion.

Uncorrected Misstatements

There were no uncorrected misstatements noted.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Representation from Management

We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us, during the audit. Management provided those written representations without a problem.

Management's Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements. We are not aware of any consultations management had with us or other accountants about accounting or auditing matters. No major issues were discussed with management prior to our retention to perform the aforementioned audit.

Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the City.

Independence

We are independent of the City, and all related organizations, in accordance with auditing standards promulgated by the American Institute of Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

ACCOUNTING RECOMMENDATIONS AND RELATED MATTERS

Recommendations for Improvement

During our audit of the financial statements as of and for the year ended June 30, 2019, we noted several areas within the accounting and internal control systems that we believe can be improved. Additionally, we noted certain items management should consider as part of its decision making process. Our recommendations (also commonly referred to as management points) are presented in the following paragraphs. We believe consideration of these recommendations will help provide proper control over financial activities, and add effectiveness and efficiency to overall operations.

Management Points for Communication to the Board

1) During our testing of the Municipal Court's detail listing of liabilities, we noted a total of fifty-one (51) court cases which have been outstanding for more than one year and some as old as seven years in the detail listing. The total amount of the liability related to these outstanding court cases totaled approximately $67,116. We recommend management, in conjunction with the Municipal Court, review these cases periodically to ensure amounts are properly reported as a liability as well as disbursed to the appropriate parties subsequent to adjudication by the courts.

2) During our testing of revenues in the Tree Fund we noted the special revenue fund was established by the City pursuant to its Tree Conservation Regulations which stipulates that "funds maintained in the Sandy Springs Tree Bank are administered by the director of the department of community development pursuant to the rules and regulations regarding said funds as established by the Sandy Springs City Council for the purposes of replacing tree canopy/canopy preservation amounts." We noted this portion of the City's code was established several years ago and needs to be updated to bring the reporting of this fund into compliance with Governmental Accounting Standards Board (GASB) Statement No. 54 which defines the requirements of special revenue funds. We recommend the City take formal action to commit the revenue stream in the Tree Fund in accordance with its fund balance policy so that the intent of the City code is updated to comply with the requirements of GASB Statement No. 54 for special revenue funds. As noted, the intent of the City's code is to commit these funds for expenditure for Tree Replacement; but, as the ordinance was established prior to the existence of GASB 54, we are merely recommending that the City update the wording to comply with the accounting standard so that the fund is reported in accordance with GAAP.

Other Matters for Communication to the Board and Management

During our audit of the financial statements as of and for the year ended June 30, 2019, we noted other matters which we wish to communicate to you in an effort to keep the City abreast of accounting matters that could present challenges in financial reporting in future periods.

1) New Governmental Accounting Standards Board (GASB) Pronouncements

GASB
Governmental Accounting Standards Board

As has been the case for the past 10 years, GASB has issued several other new pronouncements which will be effective in future years. The following is a brief summary of the new standards:

a) Statement No. 87, *Leases* was issued in June 2017 and is effective for the first reporting period beginning after December 15, 2019. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Definition of a Lease: A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Lease Term: The lease term is defined as the period during which a lessee has a non-cancelable right to use an underlying asset, plus the following periods, if applicable:

- Periods covered by a lessee's option to extend the lease if it is reasonably certain, based on all relevant factors, that the lessee will exercise that option;
- Periods covered by a lessee's option to terminate the lease if it is reasonably certain, based on all relevant factors, that the lessee will not exercise that option;
- Periods covered by a lessor's option to extend the lease if it is reasonably certain, based on all relevant factors, that the lessor will exercise that option;
- Periods covered by a lessor's option to terminate the lease if it is reasonably certain, based on all relevant factors, that the lessor will not exercise that option.

A fiscal funding or cancellation clause should affect the lease term only when it is reasonably certain that the clause will be exercised. Lessees and lessors should reassess the lease term only if one or more of the following occur:

- The lessee or lessor elects to exercise an option even though it was previously determined that it was reasonably certain that the lessee or lessor would not exercise that option;
- The lessee or lessor elects not to exercise an option even though it was previously determined that it was reasonably certain that the lessee or lessor would exercise that option;
- An event specified in the lease contract that requires an extension or termination of the lease takes place.

Short-Term Leases: A short-term lease is defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract.

Lessee Accounting: A *lessee* should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

A *lessee* should reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to financial statements should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

Lessor Accounting: A *lessor* should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

A lessor should recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The notes to financial statements should include a description of leasing arrangements and the total amount of inflows of resources recognized from leases.

Contracts with multiple Components and Contract Combinations: Generally, a government should account for the lease and non-lease components of a lease as separate contracts. If a lease involves multiple underlying assets, lessees and lessors in certain cases should account for each underlying asset as a separate lease contract. To allocate the contract price to different components, lessees and lessors should use contract prices for individual components as long as they do not appear to be unreasonable based on professional judgment, or use professional judgment to determine their best estimate if there are no stated prices or if stated prices appear to be unreasonable. If determining a best estimate is not practicable, multiple components in a lease contract should be accounted for as a single lease unit. Contracts that are entered into at or near the same time with the same counterparty and that meet certain criteria should be considered part of the same lease contract and should be evaluated in accordance with the guidance for contracts with multiple components.

Lease Modifications and Terminations: An *amendment* to a lease contract should be considered a lease modification, unless the lessee's right to use the underlying asset decreases, in which case it would be a partial or full lease termination. A lease termination should be accounted for by reducing the carrying values of the lease liability and lease asset by a lessee, or the lease receivable and deferred inflows of resources by the lessor, with any difference being recognized as a gain or loss. A lease modification that does not qualify as a separate lease should be accounted for by re-measuring the lease liability and adjusting the related lease asset by a lessee and re-measuring the lease receivable and adjusting the related deferred inflows of resources by a lessor.

Subleases and Leaseback Transactions: Subleases should be treated as transactions separate from the original lease. The original lessee that becomes the lessor in a sublease should account for the original lease and the sublease as separate transactions, as a lessee and lessor, respectively.

A transaction qualifies for sale-leaseback accounting only if it includes a sale. Otherwise, it is a borrowing. The sale and lease portions of a transaction should be accounted for as separate sale and lease transactions, except that any difference between the carrying value of the capital asset that was sold and the net proceeds from the sale should be reported as a deferred inflow of resources or a deferred outflow of resources and recognized over the term of the lease.

A lease-leaseback transaction should be accounted for as a net transaction. The gross amounts of each portion of the transaction should be disclosed.

b) **Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*** was issued in June 2018 and is effective for reporting periods beginning after December 15, 2019 (meaning June 30, 2021). This standard eliminates the requirement/ability to capitalize construction period interest costs as part of the cost of a capital asset in enterprise funds. This standard should be applied prospectively with no restatement.

c) **Statement 90, *Majority Equity Interests – An Amendment of GASB's No. 14 and 61*** was issued in August 2018, and is effective for reporting periods beginning after December 15, 2018 (meaning June 30, 2020). Under this standard, an equity interest is: a) a financial interest in a legally separate organization by the ownership shares of the organization's stock; or, b) by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if: a) the government has a present or future claim to the net resources of the entity, and b) the method for measuring the government's share of the entity's net resources is determinable.

d) **Other Pending or Current GASB Projects.** As noted by the numerous pronouncements issued by GASB over the past decade, the GASB continues to research various projects of interest to governmental units. Subjects of note include:

- **Re-Examination of the Financial Reporting Model.** GASB has added this project to its technical agenda to make improvements to the existing financial reporting model (established via GASB 34). Improvements are meant to enhance the effectiveness of the model in providing information for decision-making and assessing a government's accountability. GASB anticipates issuing an initial due process document on this project by the end of 2018 with a final standard expected in early 2022.
- **Conceptual Framework** is a constant matter being looked at by GASB. Current measurement focus statements (for governmental funds) to change to near-term financial resources measurement. May dictate a period (such as 60 days) for revenue and expenditure recognition. May expense things such as supplies and prepaid assets at acquisition. Will look into which balances (at all statement levels) are measured at acquisition and which need to be re-measured at year-end. Final standard is expected in 2021.
- **Revenue and Expense Recognition** is another long-term project where the GASB is working to develop a comprehensive application model for recognition of revenues and expenses from non-exchange, exchange, and exchange-like transactions. The final standard is expected in 2023.

- **Conduit Debt**. The GASB is looking at improving the definition of conduit debt and determining whether a liability should be reported for these transactions. Additionally, they are reviewing what information should be disclosed by government issuers.

Summations of Thoughts Noted Above

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures.

FREE QUARTERLY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

Free Continuing Education. We provide free continuing education (quarterly is the goal and objective) for all of our governmental clients. Each quarter we pick a couple of significant topics tailored to be of interest to governmental entities. In an effort to accommodate our entire governmental client base, we offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking among our governmental clients. We normally see approximately 100 people per quarter. We obtain the input and services of experienced outside speakers along with providing the instruction utilizing our in-house professionals. We hope City staff and officials have been able to participate in this opportunity, and that it has been beneficial to you. Examples of subjects addressed in the past few quarters include:

- Accounting for Debt Issuances
- American Recovery & Reinvestment Act (ARRA) Updates
- Best Budgeting Practices, Policies and Processes
- CAFR Preparation (several times including a two (2) day hands-on course)
- Capital Asset Accounting Processes and Controls
- Collateralization of Deposits and Investments
- Evaluating Financial and Non-Financial Health of a Local Government
- GASB No. 51, Intangible Assets
- GASB No. 54, Governmental Fund Balance (subject addressed twice)
- GASB No. 60, Service Concession Arrangements (webcast)
- GASB No. 61, the Financial Reporting Entity (webcast)
- GASB No.'s 63 & 65, Deferred Inflows and Outflows (webcast)
- GASB No.'s 67 & 68, New Pension Stds. (presented several occasions)
- GASB No. 72, Fair Value Measurement and Application
- GASB No.'s 74 & 75, OPEB
- GASB No. 77, Tax Abatement Disclosures
- GASB Updates (ongoing and several sessions)
- Grant Accounting Processes and Controls
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle
- Internal Revenue Service (IRS) Issues, Primarily Payroll Matters
- Legal Considerations for Debt Issuances & Disclosure Requirements
- Policies and Procedures Manuals
- Segregation of Duties
- Single Audits for Auditees
- Special Purpose Local Option Sales Tax (SPLOST) Accounting, Reporting & Compliance
- Uniform Grant Reporting Requirements and the New Single Audit

Governmental Newsletters. We periodically produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins partners and managers, and are not purchased from an outside agency. The newsletters are intended to keep you informed of current developments in the government finance environment.

Communication. In an effort to better communicate our free continuing education plans and newsletters, please email Paige Vercoe at pvercoe@mjcpa.com (send corresponding copy to AFraley@mjcpa.com), and provide to her individual names, mailing addresses, email addresses and phone numbers of anyone you wish to participate and be included in our database.

CLOSING

If you have any questions regarding any comments, suggestions or recommendations set forth in this memorandum, we will be pleased to discuss it with you at your convenience.

This information is intended solely for the use of the City Council and management, and others within the City's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve the City of Sandy Springs, Georgia and look forward to future engagements. Thank you.

100 years
MAULDIN & JENKINS
a century of success

Client:	***0300989 - City of Sandy Springs, Georgia***
Engagement:	***0300989 - City of Sandy Springs***
Period Ending:	***6/30/2019***
Trial Balance:	***0200.100 - General Fund TB Database***
Workpaper:	***0204.100 - General Fund Adjusting Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		**PBC**		
Entry to adjust First Tennessee FNMA investment to market value.				
100 -0000-00-111330-	FTN-TREASURIES		196,152.04	
100 -0000-90-361000-	INT			196,152.04
Total			**196,152.04**	**196,152.04**
Adjusting Journal Entries JE # 2		**PBC**		
PBC entry to reclass revenue				
100 -0000-00-121306-	GROUP INS-HEALTH PAYABLE		12,121.10	
100 -0000-90-316100-	BO TAX			12,121.10
Total			**12,121.10**	**12,121.10**
Adjusting Journal Entries JE # 3		**PBC**		
Entry to accrue invoice received after year end.				
100 -4100-40-572000-	PMT OTH		43,726.90	
100 -0000-00-121100-	ACCOUNTS PAYABLE			43,726.90
Total			**43,726.90**	**43,726.90**
Adjusting Journal Entries JE # 4		**PBC**		
PBC entry to record transfer from Development Authority				
100 -0000-00-113184-	DUE FROM DEV AUTH (840)		7,554.40	
100 -0000-90-391840-	XFER DEV			7,554.40
Total			**7,554.40**	**7,554.40**
Adjusting Journal Entries JE # 5		**PBC**		
Entry to record payable for electricity bill received after year end				
100 -6110-50-531230-	ELECT		14,758.46	
100 -0000-00-121110-	ACCRUED PAYABLE			14,758.46
Total			**14,758.46**	**14,758.46**
Adjusting Journal Entries JE # 7		**PBC**		
Entry to reclass July 2018 TAVT revenue to proper revenue account.				
100 -0000-90-311310-	MOTOR VEHICLE		103,763.43	
100 -0000-90-311315-	MVTAVT			103,763.43
Total			**103,763.43**	**103,763.43**
Adjusting Journal Entries JE # 8		**PBC**		
Entry to record due from Development Authority in the PAC fund				
100 -0000-00-113184-	DUE FROM DEV AUTH (840)		16,910.00	
110 -0000-50-347900-	EVENT INCOME			16,910.00
Total			**16,910.00**	**16,910.00**
Adjusting Journal Entries JE # 9		**PBC**		
Entry to balance interfund balances between PAC fund and General Fund				
110 -0000-50-389900-	MISCELLANEOUS INCOME		704.65	
110 -6190-00-523200-	COMMUNICATIONS		41.40	
110 -0000-00-113110-	DUE FROM GENERAL FD (100)			746.05
Total			**746.05**	**746.05**

Client: ***0300989 - City of Sandy Springs, Georgia***
Engagement: ***0300989 - City of Sandy Springs***
Period Ending: ***6/30/2019***
Trial Balance: ***0200.245 - CDBG Fund Database***
Workpaper: ***0204.245 - CDBG Fund Combined Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**PBC**		
Entry to record receivable and unavailable revenue for HUD loan issuance costs that will be repaid with CDBG grant funds in future years.				
245 -0000-00-112700-	INTERGOVERNMENTAL REC		79,914.80	
245 -0000-00-124100-	UNAVAILABLE REVENUE			79,914.80
Total			**79,914.80**	**79,914.80**
	Total Adjusting Journal Entries		**79,914.80**	**79,914.80**
	Total All Journal Entries		**79,914.80**	**79,914.80**

Client: ***0300989 - City of Sandy Springs, Georgia***
Engagement: ***0300989 - City of Sandy Springs***
Period Ending: ***6/30/2019***
Trial Balance: ***0200.350 - Capital Projects Database***
Workpaper: ***0204.350 - Capital Projects Adjusting Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**PBC**		
Entry to record revenue and receivable for reimbursement request submitted to City of Atlanta for their portion of Heath and Lineback invoices for the GA-400 Path project				
351 -0000-00-112700-	INTERGOVERNMENTAL RECEIVABLES		16,894.00	
51 -0000-40-336011-T900	COA			16,894.00
Total			**16,894.00**	**16,894.00**
Adjusting Journal Entries JE # 2		**PBC**		
Entry to record revenue and receivable for reimbursement request to City of Atlanta for their portion Autaco invoices for the Dudley Lane Sidewalk Project				
351 -0000-00-112700-	INTERGOVERNMENTAL RECEIVABLES		30,977.00	
51 -4224-40-541400-T600	INFRSTRCT			30,977.00
Total			**30,977.00**	**30,977.00**
Adjusting Journal Entries JE # 3		**PBC**		
Entry to record revenue and receivable for reimbursement requests to City of Atlanta for their portion of right of way acquisitions for the Sandy Springs Circle Streetscape project				
351 -0000-00-112700-	INTERGOVERNMENTAL RECEIVABLES		626,972.09	
51 -0000-40-331100-CC0	FED GRNT			626,972.09
Total			**626,972.09**	**626,972.09**
Adjusting Journal Entries JE # 4		**PBC**		
Entry to accrue payable for invoice received after year end.				
51 -4100-40-541400-T006	INFRSTRCT		30,585.00	
351 -0000-00-121110-	ACCRUED PAYABLE			30,585.00
Total			**30,585.00**	**30,585.00**
	Total Adjusting Journal Entries		**705,428.09**	**705,428.09**
	Total All Journal Entries		**705,428.09**	**705,428.09**

Client: *0300989 - City of Sandy Springs, Georgia*
Engagement: *0300989 - City of Sandy Springs*
Period Ending: *6/30/2019*
Trial Balance: *0200.840 - Development Authority Database*
Workpaper: *0204.840 - Dev Authority Combined Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**PBC**		
To record transfer/ due to GF				
840 -9000-90-611100-	XFER - GF		7,554.40	
840 -0000-00-123100-	DUE TO GENERAL FUND (100)			7,554.40
Total			**7,554.40**	**7,554.40**
Adjusting Journal Entries JE # 2		**PBC**		
To record transfer				
840 -1595-10-521240-	PROF SVCS-NON-PROFITS		16,910.00	
840 -0000-00-123110-	DUE TO PAC (110)			16,910.00
Total			**16,910.00**	**16,910.00**
	Total Adjusting Journal Entries		**24,464.40**	**24,464.40**
	Total All Journal Entries		**24,464.40**	**24,464.40**

Client: ***0300989 - City of Sandy Springs, Georgia***
Engagement: ***0300989 - City of Sandy Springs***
Period Ending: ***6/30/2019***
Trial Balance: ***0200.360 - Public Facilities Authority Database***
Workpaper: ***0204.360 - Public Facilities Authority AJE Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**PBC**		
PBC entry to accrue invoice				
360 -6220-00-541400-	INFRSTRCT		29,225.00	
360 -0000-00-121100-	ACCOUNTS PAYABLE			29,225.00
Total			**29,225.00**	**29,225.00**
Adjusting Journal Entries JE # 2		**PBC**		
PBC entry to accrue invoice				
360 -6220-00-541400-	INFRSTRCT		19,807.80	
360 -0000-00-121100-	ACCOUNTS PAYABLE			19,807.80
Total			**19,807.80**	**19,807.80**
Adjusting Journal Entries JE # 3		**PBC**		
PBC entry to accrue invoice				
360 -6220-00-541400-	INFRSTRCT		10,275.00	
360 -0000-00-121100-	ACCOUNTS PAYABLE			10,275.00
Total			**10,275.00**	**10,275.00**
Adjusting Journal Entries JE # 4		**PBC**		
Entry to accrue FY19 Holder pay applications				
360 -6220-00-541400-	INFRSTRCT		2,231,843.76	
360 -0000-00-121110-	ACCRUED PAYABLE			2,231,843.76
Total			**2,231,843.76**	**2,231,843.76**
Adjusting Journal Entries JE # 5		**PBC**		
PBC entry to adjust Holder payable				
360 -0000-00-121110-	ACCRUED PAYABLE		5,150.00	
360 -6220-00-541400-	INFRSTRCT			5,150.00
Total			**5,150.00**	**5,150.00**
Adjusting Journal Entries JE # 6		**PBC**		
Entry to record receivable for portion of invoice that was double billed.				
360 -0000-0-115100	Other Receivables		5,392.64	
360 -6220-00-521200-	PROF SVCS			5,392.64
Total			**5,392.64**	**5,392.64**
	Total Adjusting Journal Entries		**2,301,694.20**	**2,301,694.20**
	Total All Journal Entries		**2,301,694.20**	**2,301,694.20**