

Meeting of the Sandy Springs City Council was held on Tuesday, January 4, 2022 following the City Council Work Session, Mayor Rusty Paul presiding.

I. Call to Order

Mayor Rusty Paul called the meeting to order at 6:57 p.m.

II. Roll Call and General Announcements

Members Present: Mayor Rusty Paul, Councilmember John Paulson, Councilmember Melody Kelley, Councilmember Melissa Mular, Councilmember Jody Reichel, Councilmember Tibby DeJulio, Councilmember Andrew Bauman

III. Public Comment

1. Sandra Burchardt, Sandy Springs - voting

IV. Approval of Meeting Agenda

Motion and vote. A motion was made by Councilmember Tibby DeJulio, seconded by Councilmember Jody Reichel, to approve the meeting agenda. The motion carried by unanimous vote.

V. Consent Agenda

Motion and vote. A motion was made by Councilmember Jody Reichel, seconded by Councilmember John Paulson, to approve the Consent Agenda. The motion carried by unanimous vote.

- A. **2022-01** Meeting Minutes
December 21, 2021 City Council Meeting

VI. Presentations

- A. **2022-02** Presentation of the 2021 Annual Comprehensive Annual Financial Report

Toni Jo Howard, Finance Director introduced Adam Fraley of Mauldin & Jenkins.

Adam Fraley, Auditor presented the 2021 Audit Results. The City's 2021 Basic Financial Statements received an unmodified ("clean") opinion. The auditor's responsibility does not extend beyond financial information contained in our report. The significant accounting policies used by the City are in accordance with generally accepted accounting principles and similar government organizations, with no significant new policies or qualitative aspects of its policies. The City is not involved in any controversial or emerging issues for which guidance is not available. The auditing team received full cooperation from the City's management, staff, and others. There were no disagreements with management on accounting issues or financial reporting matters. 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. There were three findings, which were all of an accounting nature. All findings were adjusted and reviewed by management:

- I. During testing of debt, an adjustment in the amount of \$2,958,011 was required to record the proceeds and related capital outlay from a new financed purchase agreement, which had been initiated during fiscal year 2021. The misstatement was likely caused by the agreement being initiated by the City during a time when the City was experiencing significant turnover in its staff. An adjustment of \$2,958,011 was required to correctly report proceeds from the financed purchase and capital outlay as of the fiscal year ended June 30, 2021.
- II. During testing of revenue and receivables, audit adjustments of \$282,454 in the E-911 Fund, \$1,217,623 in the CDBG Fund, and \$278,106 in the Capital Projects Fund were required to properly record revenue and receivables as of June 30, 2021. Adjustments of \$1,778,183 were required as detailed above as of the fiscal year ended June 30, 2021.
- III. During our testing of expenditures, an audit adjustment of \$502,315 in the Public Facilities Authority Fund was required to properly record expenditures and liabilities as of June 30, 2021. An adjustment of \$502,315 was required as detailed above for the fiscal year ended June 30, 2021

Councilmember Jody Reichel asked were the proper controls put in place based on the noted findings? The dollar amounts seem significant.

Auditor Fraley stated the City is required to respond with a plan to address the noted findings, which management did. They are not significant findings. The funds were recorded, but there was a timing issue.

Councilmember Andy Bauman asked if there was anything missing from the City's scope of services for the audit request.

Auditor Fraley replied no. The auditor's responsibility is to ensure that the financial statements are materially correct. Findings are noted as they are identified.

VII. Public Hearing

There were no public hearings.

VIII. New Business

- A. **2022-03** Request for Mayor and City Council Consideration of a Second Amendment ("Second Amendment") to Agreement for Services ("Agreement") - Hammond Gymnastics Center Operation Services between Phoenix Gymnastics, LLC ("Phoenix") and the City of Sandy Springs ("Agreement")

Michael Perry, Recreation and Parks Director presented the second amendment to the Hammond Gymnastics Center Operation Services contract. The COVID Pandemic has significantly impacted Phoenix's ability to provide its gymnastics program and is therefore prohibiting Phoenix from generating sufficient income to pay fees to the City for use of the Center under the Agreement. The extraordinary circumstances caused by the Pandemic have continued to challenge indoor programming, and Phoenix approached City staff with a request to further revise the fee schedule. The proposed fee schedule modifications include changes to Fiscal Year 2022. The proposed Second Amendment will waive the Center rental fee for Year 3, for the period of July 1, 2021 through December 31, 2021. Beginning January

1, 2022 through June 30, 2022, Phoenix will pay the City \$2,400 per month. In years 4 and 5, Phoenix will pay the City the contracted amount of \$7,500 per month, or \$90,000 annually.

Motion and vote. A motion was made by Councilmember John Paulson, seconded by Councilmember Tibby DeJulio, to approve the Second Amendment to the Agreement for Services - Hammond Gymnastics Center Operation Services between Phoenix Gymnastics, LLC and the City of Sandy Springs. The motion carried by unanimous vote.

Resolution No. 2022-01-01

- B. **2022-04** Request for Mayor and City Council Consideration of the Election of the Sandy Springs City Council Mayor Pro Tempore

Mayor Rusty Paul advised the Mayor Pro Tempore serves in the absence of the Mayor. The role sometimes serves as a liaison between staff and the Mayor. Only the Council nominate.

Councilmember Tibby DeJulio nominated Councilmember John Paulson to serve as Mayor Pro Tempore. **Councilmember Jody Reichel** seconded the nomination. Councilmember John Paulson was elected Mayor Pro Tempore by acclamation.

- C. **2022-05** Request for Mayor and City Council Consideration of an Appointment to the Fulton County Citizen Oversight Council for TSPLOST 2022 - 2027 Program (Chris Burnett)

Mayor Rusty Paul nominated Chris Burnett to serve on the Fulton County Citizen Oversight Council for TSPLOST 2022-2027. This job requires someone with a financial background. Mr. Burnett is detail oriented and financially savvy. Every municipality and the County have representation on the committee. The committee meets twice a year.

Motion and second. A motion was made by Councilmember Tibby DeJulio, seconded by Councilmember John Paulson, to appoint Chris Burnett to the Fulton County Citizen Oversight Council for TSPLOST 2022 - 2027 Program.

Councilmember Tibby DeJulio asked will Mr. Burnett also oversee the remaining work with TSPLOST 1, since it has not yet complete.

Mayor Paul replied the revenue portion of TSPLOST 1 would end in April, 2022. But, this appointment is to oversee the current TSPLOST.

Councilmember Jody Reichel asked will Mr. Burnett report regularly to the Council.

Mayor Paul replied yes, maybe twice a year.

Vote on the motion. The motion carried by unanimous vote.

Resolution No. 2022-01-002

IX. Reports

A. 2022-06 Mayor and Council Report

Mayor Rusty Paul reported the new City Manager is due to begin on Monday, January 17, but may start a few days early. She is excited to get started. The City Council Retreat is February 3, 2022.

Councilmember Melissa Mular thanked staff for the New Councilmember Orientation.

B. 2022-07 Staff Reports

There were no staff reports.

X. Executive Session

Motion and vote. A motion was made by Councilmember John Paulson, seconded by Councilmember Tibby DeJulio, to recess regular order and enter executive session for the purposes of real estate discussions. The motion carried by unanimous vote.

The Executive Session began at 7:38 p.m.

Motion and vote. A motion was made by Councilmember John Paulson, seconded by Councilmember Tibby DeJulio, to return to regular order. The motion carried by unanimous vote.

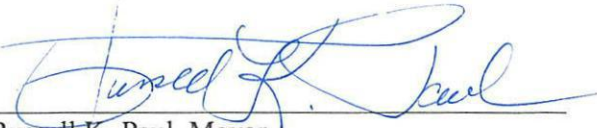
The Executive Session ended at 7:43 p.m.

XI. Adjournment

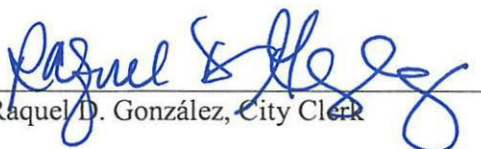
Motion and vote. A motion was made by Councilmember Tibby DeJulio, seconded by Councilmember John Paulson, to adjourn the meeting. The motion carried by unanimous vote.

The meeting adjourned at 7:44 p.m.

Approved: January 18, 2022



Russell K. Paul, Mayor



Raquel D. González, City Clerk