A Special Called Meeting of the Sandy Springs City Council was held on May 24, 2022 at 4:00 P.M., Mayor Rusty Paul presiding.

I. FY2023 Proposed Budget Presentation

A. **2022-132** FY2023 Budget Presentation

Mayor Rusty Paul called the meeting to order at 4:00 p.m.

Eden Freeman, City Manager, reviewed the FY 2023 Budget Calendar, Budget Principles, City Council's 2022 Adopted Priorities, FY 2023 Operating Budget Assumptions, FY 2023 Capital Budget Assumptions - Infrastructure Fund, FY 2023 Capital Budget Assumptions - Fleet Fund, and FY 2023 Capital Budget Assumptions, as had been presented at the previous budget workshop. Staff continues to recommend the elimination of the Infrastructure Fund after the FY 2023 appropriations, and after consultation with the City's financial advisors, Staff will bring forward a discussion about recommendations for a rainy-day fund for capital expenses.

City Manager Freeman reviewed the Service Enhancements for each department, as originally presented at the May 3, 2022 Budget Workshop 1.

Sandy Springs Police Department (SSPD)

- Replace aging SWAT equipment and supplies
- Upgrading CSI equipment and technology
- Capital Improvements
  - K9 Replacement
  - Ballistic Helmet Replacement
  - Recon Scout Throwbot
  - Sumuri Talino KA-301 Forensic Workstation
  - Kustom Signals Speed Trailers
- 1 FTE – Victim Advocate

Sandy Springs Fire and Rescue Department (SSFR)

- EMS Medical Supplies - DuoDote Injectors (State Requirement - Purchase Every 5 years)
- Technical Services - WestNet
- Education/Training - Blue Card Training and Cadaver Lab (Every Other Year)
- Computer Equipment - First Arriving/iPads
- Contractual Services -Carl Vinson Institute of Government - CVIOG (Promotional Testing Process – Every 2 Years)
- Capital Request: Replace Two Fire Engines Age/Mileage (Scheduled Replacement Plan); Turnout Gear/PPE; Monitor Defibrillators; Technical Rescue Tools Equipment; LUCAS Devices (8); Fire Hose Equipment Replacement; Knox Company, Inc. (KnoxBox Replacement); Replace Two Fire Engines Age/Mileage (Scheduled Replacement Plan); Turnout Gear/PPE; Monitor Defibrillators; Technical Rescue Tools Equipment; LUCAS

Devices (8); Fire Hose Equipment Replacement; Knox Company, Inc. (KnoxBox Replacement)

City Clerk's Office

- 1 FTE - Assistant City Clerk - Public Meetings

Information Technology

- Multifactor Authentication
- IT Suite with Asset Management
- Microsoft Teams Phone System Integration
- 1 FTE - Enterprise Application Administrator

Facilities

- New Plantings around City Springs
- Security/Card Access Replacement and New Security Server
- Adding Electrical Power pedestals on Bluestone Road
- Irrigation Repairs
- Capital Improvement Requests - City Green Artificial Turf Replacement

Public Works

- Streetlights - 2% Back-up Inventory
- Technical Services - Solarwinds/Sinec NMS
- Machinery and Equipment - Portable Changeable Signs and Spreader Maintenance Repair
- Capital Improvements Requests - Stormwater Repair and Maintenance and Stormwater Capital Improvements
- 2 FTEs: TSPLOST - Utility Coordinator Field Superintendent and TSPLOST - Right-of-way Coordinator

Recreation and Parks

- Program and Supplies - Adding Seven New Programs/Camps
- Machinery and Equipment - Purchase Equipment for Maintenance and Cameras for Four Parks
- Site Improvements - Park Wayfinding Signage
- Capital Improvements - Nancy Creek Improvement at Windsor Meadows (Partial Grant)
- 1 FTE - Urban Forest Coordinator (Tree Fund)

Community Development

- Capital Improvement Program - City Springs Master Plan Additional Funding and Zoning Code Review

- 4 FTEs: Building Plan Reviewer, Civil Plan Reviewer, Zoning Plan Reviewer, and Arborist

Economic Development

- Restaurant Week Sponsorship
- Completion of Retail Strategy

Arts Center

- Site Improvements - Upgraded Concessions Point of Sales and Byers' Theatre Production Stage Risers
- Furniture and Fixtures - Replacement of Outdoor Tables/Chairs for Entertainment Law and Tent System for Farmers Market
- 2 FTEs: Special Events Coordinator and Development Manager

City Manager Freeman presented the Projected Undesignated Fund Balance and the General Fund Revenues, Approved FY 2022 vs Proposed FY 2023, as was presented at the May 17, 2022 Budget Workshop 2.

City Manager Freeman presented the General Fund Expenditures - FY 2022 vs Proposed FY 2023 and the Public Works Contractor Analysis, as was presented at the May 17, 2022 Budget Workshop 2.

The gasoline budget has been increased for several departments, including Police, Fire, Emergency Management, Fleet Management, Recreation and Parks, and Community Development. The City uses 20,000 - 24,000 gallons of gasoline each month. The City will review opportunities to hedge its fuel use. Right now, the City is in an okay position because it does not pay taxes on gasoline purchases. Staff continues to monitor the situation.

City Manager Freeman presented the General Fund Contingency.

General Fund Contingency Detail

Description	Amount
General Administration	$ 300,000
City Manager	150,000
Facilities	100,000
Police	50,000
Fire	50,000
Emergency Management	50,000
Public Works	200,000
Recreation and Parks	50,000
Total	$ 950,000

The FY 2022 Budget pooled all of the contingency funds, but it is important to provide enhanced transparency and put contingency funds back into departments where they are utilized.

Councilmember Melissa Mular asked if Staff can use these contingency funds without Council approval.

City Manager Freeman replied no. The City Manager is required to come to Council for approval for purchases greater than $150,000. And, in any case, when contingency funds were used, the City Manager would share a description of the planned use during a work session or other discussion.

City Manager Freeman presented the FY 2023 Summary of All Funds. TSPLOST I, TSPLOST II, Capital Projects Fund, Public Facilities Authority Fund, and Stormwater Management Fund are each multi-year funds. The City must show the full value to be collected in the ordinance and budget book, per accounting rules. This does not necessarily show what will be spent in the budget year. Council will appropriate the funds as uses are identified. And for TSPLOST, Council must list all of the projects approved by the Council.

For enhanced transparency, this year Staff returned the Capital Projects Fund 351 FY 2023 Approved Budget detail in the Budget Book (pages 40 - 42). The FY 2023 - FY 2017 Five Year Capital Improvement Plan in the Budget Book as well, pages 43 - 45.

Councilmember Andy Bauman asked if the Five Year Capital Plan was formally adopted, and asked City Clerk Raquel González to confirm the plan's adoption.

City Manager Freeman presented the Performing Arts Center Fund, whose FY2023 Proposed Budget includes a beginning balance of $3,176,305, estimated revenues of $5,838,944, estimated expenditures of $7,297,147, and an estimated ending balance of $1,718,102. A transfer from the general fund will be required.

Councilmember Jody Reichel asked why education expenditures decreased.

Shaun Albrechtson, Performing Arts Center, Director, replied there is ongoing education for the arts camps, but those are funded by sponsors. Because of COVID, all but one of the children's events were removed.

Mayor Rusty Paul stated schools have reduced the opportunity for kids to participate in events such as these because of COVID precautions.

City Manager Freeman continued to review budgets for the Confiscated Assets Fund (FY 2023 proposed beginning balance - $1,013,563; revenues - $135,000; expenditures - $184,500; ending balance - $964,063), E911 Fund (FY 2023 proposed beginning balance - $0; revenues - $3M; expenditures - $3M; ending balance - $0), and the Tree Fund (FY 2023 proposed beginning balance - $1,314,700; revenues - $600,000; expenditures - $559,099; ending balance - $1,382,601).

Councilmember Bauman asked that the Council continue to discuss funding the proposed Urban Forest Coordinator position through the Tree Fund. Does that proposed use comply with the authorized specific uses of the Tree Fund? The City Attorney's Office should provide the Tree Fund use-of-funds language for Council's review.

City Manager Freeman continued a review of the Community Development Block Grant (CDBG) Fund Budget (FY 2023 proposed beginning balance - $1,462,016; revenues - $2,500; expenditures - $1,756,541; ending balance - $ (291,025)). At this time, the City does not know its FY 2023 allocation, so revenues for the fund budget will be revised when the numbers are announced.

Councilmember Melody Kelley asked what happens when grants are awarded to the City.

City Manager Freeman explained grants not included as part of the budget process may be brought back to the Council, where Council would adopt a resolution authorizing the Mayor or the City Manager to accept the grant on behalf of the City. At the same time, Council would authorize the appropriation of the grant so the City could begin to spend against it. If there is a grant that requires a certification to submit the application, then Staff would present it to the Council prior to the application submittal. Often, those require a City match requirement. In such cases, the second part of the process is when Council appropriates the awarded grant funds.

City Manager Freeman reviewed the Hotel/Motel Tax Fund Balance (FY 2023 proposed beginning balance - $0; revenues - $4,038,300; expenditures - $4,038,300; ending balance - $0) and the Excise Tax on Rental Motor Vehicles Fund Budget (FY 2023 proposed beginning balance - $0; revenues - $75,000; expenditures - $75,000; ending balance - $0).

City Manager Freeman reviewed the TSPLOST I (2016) Fund Budget (FY 2023 proposed beginning balance - $58,996,138; revenues - $0; expenditures - $59,660,827; ending balance - $ (664,689)) **(47:46)**; the Capital Projects Fund Budget (FY 2023 proposed. beginning balance - $042,170,297; revenues - $47,887,808; expenditures - $35,191,373; ending balance - $54,866,732); the Stormwater Fund Budget (FY 2023 proposed beginning balance - $482,810; revenues - $1,905,000; expenditures - $2,240,100; ending balance - $147,710); and the Capital Projects Funding Summary. The capital projects funding summary does not include the City Springs facility.

Capital Projects Funding Summary

Fiscal Year	Capital Project Fund	Stormwater Fund	Total
2006			
2007	$6,180,936	$0	6,180,936
2008	15,540,483	450,000	15,990,483
2009	29,152,474	1,800,000	30,952,474
2010	23,647,716	500,000	24,147,716
2011	14,900,001	1,800,000	16,700,001
2012	12,320,198	2,500,000	14,820,198
2013	26,571,822	2,500,000	29,071,822
2014	24,336,631	1,600,000	25,936,631
2015	29,428,429	1,750,000	31,178,429
2016	29,904,824	2,550,000	32,454,824
2017	15,723,455	2,500,000	18,223,455
2018	15,747,490	2,000,000	17,747,490
2019	15,695,325	1,500,000	17,195,325
2020	19,425,000	1,750,000	21,175,000
2021	4,052,500	1,225,000	5,277,500
2022	15,725,971	1,720,000	17,445,971
Total	$298,353,255	$26,145,000	$324,498,255

- *FY 2022 is projected*

City Manager Freeman reviewed the Impact Fee Fund Budget (FY 2023 proposed beginning balance - $4,276,508; revenues - $1,275,000; expenditures - $1,275,000; ending balance - $4,276,508).

Impact Fee Fund Detail

Fund Balance @ 6/30/2021	4,276,508
Projected Revenue for FY 2022	1,275,000
Less: Encumbrances & Required Category Distribution	4,276,508
Total Available for FY 2023	1,275,000
FY 2023 Recommended Projects	
Boylston Rd Streetscape/Hammond Intersection Improvement	1,200,000
Crooked Creek Park Trail Improvements	75,000
Total Recommended Projects	1,275,000
Balance to Allocate	0

City Manager Freeman reviewed the Public Facilities Authority Fund Budget (FY 2023 proposed beginning balance - $50,723,048; revenues - $11,109,292; expenditures - $11,109,292; ending balance - $50,723,048) and the Development Authority Fund Budget (FY 2023 proposed beginning balance - $108,751; revenues - $182,700; expenditures - $185,200; ending balance - $106,251).

Councilmember Bauman asked where is the allocation for next year's audit. When is the next audit engagement? Share the current scope of work for the auditors with the Council.

City Manager Freeman replied the audit allocation can be found on line 1001500 (Finance) 521210 Professional Services - Audit at $70,000. The next audit engagement is at the end of the current fiscal year. Year-end close out is in July, 2022. The auditors will be onsite in September, 2022.

Councilmember John Paulson stated Staff had shared there were unaccounted dollars in the TSPLOST budget. Is there a need for a mid-year auditor to review this?

City Manager Freeman replied the City's audit partner has not indicated there is a need for a mid-year review.

Councilmember Mular asked where can the capital ballot projects be found in the budget detail.

City Manager Freeman replied they are listed in the Five Year CIP. To see what was added throughout this process, you could review materials presented in Budget Workshop 2.

Councilmember Mular asked can the City estimate the proceeds it will receive from the new State tax deductions for police funds?

Mayor Paul advised the Georgia Department of Revenue has not issued regulations on it yet. The City will have to wait until more detail is available. The legislation somewhat defines what the funds can be used for.

Councilmember Reichel asked has the Council already approved the plans for the artificial turf and ice skating rink, detailed in the capital plan.

City Manager Freeman explained these items have been included in all of the estimates Staff has been working from. The goal is to get a sponsor for the ice skating rink. But these items can be removed from the final budget. These items are here in case the Council moves them forward.

Councilmember Paulson stated the Council is only approving the FY 2023 budget of the Five Year CIP.

Councilmember Kelley asked can Staff provide an update on the audit action plan from last year. Also, in the future provide notes to cross reference pages in the budget presentation and pages in the Budget Book.

Councilmember Tibby DeJulio requested the Council and public be provided with a summary of all capital investments, including TSPLOST investments, since the City's inception.

Councilmember Kelley asked why Veterans Park is considered a Facilities project.

City Manager Freeman replied the Facilities Department is overseeing the park's construction. It will be operated under the Recreation and Parks Department.

Mayor Paul noted the park is primarily a road project. The costs for each piece is separated out. The road project is a paid through TSPLOST, and the park portion and paid through the General Fund. All the utilities had to be relocated because of the road project, and they are being buried for the aesthetics of the park.

The City will host public hearings in June for the FY 2023 budget adoption. The vote for the budget is at the close of the second public hearing on June 21, 2022. Council should provide feedback to staff during this entire process.

City Manager Freeman stated at the June 7, 2022 public hearing, the first public hearing, the Council will receive the budget memo and the budget ordinance. Responses to Council questions can be published in the agenda packet.

Mayor Paul asked that responses to Council questions also be shared on the City's website.

There being no further business, the meeting adjourned at 4:59 p.m.

Approved: June 7, 2022

John N. Paulson, Mayor Pro Tempore

Raquel D. González, City Clerk