

Budget Workshop #2 of the Sandy Springs City Council was held Tuesday, May 11, 2010, at 5:00 p.m.

City Manager John McDonough gave the following presentation.

Agenda for Budget Workshop #2

- Review & Validate Planning Assumptions
- Review of YTD FY10 Financials
- Review of FY10 Revenue/Expenditure Projections
- Review of Undesignated Fund Balance
- Review Capital Project Ranking Exercise

FY11 Budget Calendar

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| • March – April | Departmental Budget Hearings/Finance Review Phase |
| • April – May | Senior Management/Mayor Review Phase |
| • May 4 | Budget Workshop #1 |
| • May 11 – 5 p.m. | Budget Workshop #2 |
| • May 25 | City Council Budget Presentation (Proposed Budget) |
| • June 1 | 1 st Public Hearing & Budget Workshop |
| • June 8 | 2 nd Public Hearing & Budget Workshop |
| • June 15 – 6 p.m. | Final Public Hearing & Adoption, City Council |

Budget Workshop Goals

- Receive feedback and direction from City Council as we develop the FY11 Budget
- Review and validate FY11 planning assumptions
- Understand public safety, public works, community development and parks priorities as part of an overall Citywide service delivery and capital program

Budget Principles

- Conservatively determine revenue and expenses.
 - Solid estimation effectively neutralizes pressures to inflate revenue estimates to cope with budgeting pressures.
- Do not use one-time revenue sources for ongoing expenses.
 - When a non-recurring source of revenue is used to fund an ongoing expense, an “automatic unfunded increase” is built into the budget for the following year.
- Balance current year revenue with current year expenses.
 - Using fund balance to finance a program creates a “built-in increase” in the future. It is not unlike the idea of using one-time funding for ongoing expenses.
- Compliance with adopted Budgetary Policies
- Economic impact on revenues during a recession (Sales Tax, Business License, Building Permits)
- Sandy Springs legislated restrictions:
 - 4.731 Legislative Millage Rate cap
 - 3% Residential growth cap

Planning Assumptions

- Significant decline in operation revenues
- Continue CIP-T/P/F programs \$10-\$12.5M
- City facilities land acquisition \$4M
- Capital contingency \$2.5M
- E-911 Center operation \$915k
- Police Fleet Replacement Program \$880k

- Citywide Software Acquisition \$500k
- Continued EMS subsidy for enhanced service \$450k
- Community Appearance Program \$225k
- Park Facility Maintenance Program \$200k

Review of FY10 YTD Financials

Fund Balance Reserve

- Adopted as part of the approved Budgetary Policy
- Fund Balance is the cash reserve and working capital to cover the following
 - Expenditures caused by unforeseen emergencies
 - Shortfalls caused by revenue decline
 - Eliminate short-term borrowing for cash flow purposes
 - Reserve policy calls for no less than three (3) months of operation and debt expenditures (25%)

Anticipated Amount for FY11 Capital

June 30, 2009 Fund Balance	24,946,264
Add: Projected FY10 Revenue	86,290,905
Less: Projected FY10 Expenditures	(85,577,583)
Less: Target Fund Balance (25%)	(20,000,000)
UNDESIGNATED FUND BALANCE	5,659,586
Add: Amount in 2011 Projected for Capital	11,000,000
TOTAL AMOUNT AVAILABLE FOR CAPITAL¹	16,659,586
Less: Land Acquisition	(4,000,000)
Less: Capital Contingency	(2,500,000)
TOTAL AVAILABLE FOR ALLOCATION	10,159,586

¹Anticipates using \$1M of \$1,681,474 in Capital Fund Reserve

Review of Council's Adopted Priorities – Citywide Capital Projects (Consolidated Rankings)

1. RANK CATEGORIES (1-16)
2. Rank Projects Within Each Category

PRIORITY		Rank	Est. Allocation
1	Pavement Management/Resurfacing	(Rank 1 -2)	2,000,000
	Resurfacing	1	
	Reconstruction	2	
2	Stormwater Maintenance Program		1,500,000
3	Sidewalk Program	(Rank 1-2)	1,500,000
	Continue Gap Fill and Extension (Collector and Arterial)	1	
	Neighborhood Sidewalk Program	2	
4	Morgan Falls Road Concept Design/Construction		1,500,000
5	Abernathy Linear Park Phase III (P-0002)		500,000
6	Heritage Bluestone Building		1,340,000
7	Intersection Improvement Program		500,000
8*	Traffic Management System		250,000
8*	Bridge Maintenance Program		500,000
10	Lost Corner Preserve		200,000
11	Second Gymnastics Facility		500,000

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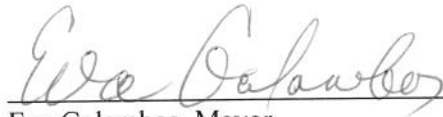
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12	Chattahoochee River Bridge /Roswell Road	360,000
13*	Cliftwood/Carpenter at Roswell	250,000
13*	Spalding Drive at Mt. Vernon Road Intersection	500,000
15*	Roswell Road; Glenridge to Abernathy Access Management Study	50,000
15*	John Ripley Forbes Big Trees Forest Preserve	100,000
*Equal Averages		11,550,000

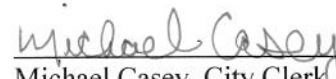
Updated Planning Assumptions

- Consensus on original assumptions plus:
 - Undesignated Fund Balance Allocation
 - Capital Priorities

Date Approved: August 3, 2010



Eva Galambos, Mayor



Michael Casey, City Clerk