



SANDY SPRINGS

GEORGIA

Public Facilities Authority

Rusty Paul, Chairperson
John Paulson
Steve Soteres
Chris Burnett
Jody Reichel
Tibby DeJulio
Andy Bauman

Tuesday, October 6, 2020

Public Facilities Authority

6:00 p.m.

The October 6, 2020 City Council Meetings will be held virtually.

Live-stream:

Sandy Springs Facebook: <https://www.facebook.com/SandySpringsGA/>

Zoom Webinar: <http://spr.gs/mcc1062020>

Teleconference:

Dial Options (for higher quality, dial a number based on your current location):

- 1 312 626 6799
- 1 646 558 8656
- 1 301 715 8592
- 1 346 248 7799
- 1 669 900 9128
- 1 253 215 8782

Webinar ID: 890 6387 4768

1. **PFA2020-28 Invocation** – Canton Beth Schafer, Temple Sinai
2. **PFA2020-29 CALL TO ORDER** – Chairperson Rusty Paul
3. **PFA2020-30 ROLL CALL** – Secretary Lia Jones
4. **PFA2020-31 APPROVAL OF MEETING AGENDA**
5. **PFA2020-32 Approval of the September 15, 2020 Public Facilities Authority Meeting Minutes**

NEW BUSINESS



SANDY SPRINGS

GEORGIA

6. **PFA2020-33** Consideration of a Resolution of the City of Sandy Springs Public Facilities Authority to Accept the Transfer of Funds From the General Fund of the City of Sandy Springs to the City of Sandy Springs Public Facilities Authority and Other Budget Line Adjustments
7. **PFA2020-34 ADJOURNMENT**



SANDY SPRINGS

GEORGIA

TO: Mayor and City Council Members
Members of the City of Sandy Springs Public Facilities Authority ("PFA")

FROM: Andrea Surratt, City Manager and General Manager of the PFA

DATE: October 1, 2020

ITEM: Approval of a Budget Amendment for the Public Safety Facilities Property Purchase

Recommendation:

Staff recommends the PFA approve the transfers and budget amendment presented and authorize the resolution presented.

Background:

Since its incorporation, the City of Sandy Springs has provided a full range of municipal services for citizens of the City, including public safety and municipal court services. SSPD and Municipal Court have leased office space at the Morgan Falls office complex at 7840 Roswell Road since 2011, but it has been a priority of the Mayor and City Council since the City's inception to identify and plan a permanent space to adequately accommodate the needs of SSPD and Municipal Court.

At the City Council Retreat on January 24, 2020, City Council identified Public Safety as one of its top ten priorities for the year. During the FY2021 Budget workshops, staff proposed and Council adopted a budget that included a strong fund balance to preserve funds for the possibility of acquiring an appropriate site for a public safety facility if it could be purchased at an advantageous price.

Discussion:

On August 28, 2020, Mayor and City Council resolved to authorize the City Manager and the City Attorney to negotiate the purchase of the property located at 620 Morgan Falls Road, Sandy Springs, for the purpose of locating a public safety building and to take such other action as necessary to effectuate the purpose of the resolution. To accomplish this directive, a budget amendment is necessary to move such funds from the General Fund fund balance to the Public Facilities Authority fund.

The contracted purchase price for the property was reduced from \$11,025,000 to \$10,990,000 following the inspection period. \$300,000 has already been paid to the seller, which leaves \$10,690,000 due. This ordinance will also replenish an additional \$500,000 which was previously reallocated from Contingency funding within the PFA. The remainder of the purchase price plus the replenishment equals \$11,190,000.

Alternatives:

If the PFA does not vote to make this amendment to accept the transfer of funds from the City Council, staff would then request an amendment to use fund balance for the City to purchase the building directly.

Financial Impact:

The Resolution will accept the transfer of \$11,190,000 from the City, \$10,690,000 to be used to purchase the Property and \$500,000 to replenish the Contingency that was previously allocated to effect this purchase.

Attachments:

1. Budget Adjustment Entry
2. PFA Budget Amendment Resolution



Finance Department
Budget Adjustment Entry

Purpose: Transfer unassigned GenFund fund balance to PFA for Public Safety Building purchase

Effective Date: 8/28/2020

Period: 2

Posting Date:

Fiscal Year: 2021

Description	Org	Object	Proj	Debit	Credit
Buildings PFA	3603100	541300		10,690,000	
Contingencies PFA	3606220	579000		500,000	
Transfers-In from GenFund PFA	36010	391100			11,190,000
Transfers-Out to PFA GenFund	1009000	611360		11,190,000	
This will be the income-statement transfer, which will move pooled cash between GenFund and PFA (no bank transfer needed).					
On August 28, 2020, Mayor and City Council authorized City Manager and City Attorney to negotiate the purchase of the property located at 620 Morgan Falls Road in Sandy Springs, for the amount of \$11,025,000.00 for a public safety building, and to take such other action as necessary to effectuate this purpose. In order to accomplish this directive, this budget amendment is necessary to move funds from unassigned General Fund fund balance to the Public Facilities Authority.					
unbalanced entry OK (using Fund Balance) ----->				22,380,000	11,190,000
Prepared By: Michael Val Hietter	DocuSigned by: Michael Hietter			9/22/2020	
Department Head Approved: Dave Wells	DocuSigned by: Dave Wells			9/23/2020	
Finance Director Approved: Toni Carlisle	DocuSigned by: Toni Carlisle			9/23/2020	
City Manager Approved: Andrea Surratt	DocuSigned by: Andrea Surratt			9/23/2020	

City of Sandy Springs
Available General Fund Balance AND
Transfer to Public Facilities Authority
For the Fiscal Year Ending June 30, 2021
Prepared by Michael Val Hietter, CPA

Item	Notes	Amounts
<u>Computation of Available GenFund Fund Balance:</u>		
FYE2021 Starting Fund Balance	"A"	\$ 45,833,887.39
Less: FYE2020 Prepaids	"A"	(298,490.85)
Less: FYE2021 Budgeted Use of Fund Balance		(2,567,555.00)
Total FYE2020 Expenses	"B"	\$ 106,622,681.99
3-month factor (3/12)		25%
Less: Reserve for 3-months' Expenses		(26,655,670.50)
Available Unassigned Fund Balance		\$ 16,312,171.04
Total Transfer to PFA Needed		(11,190,000.00)
Excess Fund Balance		5,122,171.04
adjustment margin factor	"C"	125%
FYE2020 Audit Adjustment Margin	"C"	\$ 4,097,736.83

Computation of Transfer Needed:

Original Purchase Price		\$ 11,025,000.00
Less: Change from Amendment		(35,000.00)
Amended Purchase Price		10,990,000.00
Initial Deposit	\$	100,000.00
Subsequent Deposit		200,000.00
Less: Total Deposits Paid or To Be Paid		(300,000.00)
Remaining Purchase Price Needed		10,690,000.00
Plus: Replenish Contingency	"D"	500,000.00
Total Transfer to PFA Needed		\$ 11,190,000.00

NOTES:

"A" - Amounts are as of 09/21/20 and are subject to change with audit adjustments

"B" - Amount was the greater of budgeted FYE2021 expenditures OR actual FYE2020 expenses as of 09/21/20.

"C" - Audit adjustment margin represents the amount of additional FYE2020 expenses that could be absorbed without reducing the amount available for transfer below the needed amount; this margin is computed as the amount when multiplied by 125% (to represent reduced starting FYE2021 fund balance AND an increase in the 3-months expenses computation).

"D" - \$500,000 of budgeted Contingency for the City Springs project was shifted to the Public Safety Building expense budget in order to effect immediately the two preliminary earnest money deposits for the purchase (and add budget for some pre-purchase costs) before the amount available from General Fund fund balance could be determined; this amount should be replenished in the City Springs project budget

Hietter, Michael

From: Williams, Kathy
Sent: Monday, September 21, 2020 2:47 PM
To: Hietter, Michael; Carlisle, Toni
Cc: Surratt, Andrea; Dulac, Samantha
Subject: RE: Amendment

Michael,

The budget amendment should read something to the effect that “On August 28, 2020, Mayor and City Council resolved to authorize the City Manager and the City Attorney to negotiate the purchase of the property located at 620 Morgan Falls Road, Sandy Springs, in the amount of \$11,025,000.00 for the purpose of locating a public safety building and to take such other action as necessary to effectuate the purpose of the resolution. In order to accomplish this directive, a budget amendment is necessary to move such funds from” etc.

From: Hietter, Michael <MHietter@SandySpringsga.gov>
Sent: Monday, September 21, 2020 2:26 PM
To: Williams, Kathy <kwilliams@sandyspringsga.gov>; Carlisle, Toni <TCarlisle@SandySpringsga.gov>
Cc: Surratt, Andrea <ASurratt@SandySpringsga.gov>; Dulac, Samantha <SDulac@sandyspringsga.gov>; Dan Lee <dlee@fmglaw.com>
Subject: RE: Amendment

Thank you for that information, Kathy—I will prepare the budget amendment and send it through DocuSign later this week, then effect the transfer with a “pencil-whip” general journal entry (no bank transfer will be necessary as the PFA shares in the City’s Pooled Cash account). MVH

Michael Val Hietter, CPA

Budget Analyst
City of Sandy Springs

Phone: 770.206.1437 | **Cell:** 770.329.1883

1 Galambos Way, Sandy Springs, Georgia 30328

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From: Williams, Kathy <kwilliams@sandyspringsga.gov>
Sent: Monday, September 21, 2020 2:23 PM
To: Hietter, Michael <MHietter@SandySpringsga.gov>; Carlisle, Toni <TCarlisle@SandySpringsga.gov>
Cc: Surratt, Andrea <ASurratt@SandySpringsga.gov>; Dulac, Samantha <SDulac@sandyspringsga.gov>; Dan Lee <dlee@fmglaw.com>
Subject: RE: Amendment

Michael,

The \$200,000 “subsequent” deposit will be made tomorrow.

Dan agrees that the action you describe below may be taken through executive action and does not need action at a special meeting.

Thank you,

Kathy

From: Hietter, Michael <MHietter@SandySpringsga.gov>
Sent: Monday, September 21, 2020 12:56 PM
To: Williams, Kathy <kwilliams@sandyspringsga.gov>; Carlisle, Toni <TCarlisle@SandySpringsga.gov>
Cc: Surratt, Andrea <ASurratt@SandySpringsga.gov>; Dulac, Samantha <SDulac@sandyspringsga.gov>
Subject: RE: Amendment

Thanks for sending this, Kathy.

If I read this right, we already made the \$100K payment and accelerated the \$200K payment (the “initial” and “subsequent” deposits)—am I correct on that?

If we have made both the scheduled earnest money payments, we need to make an income-statement transfer between the General Fund and the Public Facilities Authority as computed below:

New purchase price.....	\$10,990,000.00
Plus: Replenishment of Contingency.....	500,000.00
Less: Deposits already paid.....	(300,000.00)
Total amount of transfer.....	<u>\$11,190,000.00</u>

Before making that income-statement transfer, we also need two budget amendments (or one amendment with two parts):

- a one-sided budget amendment in the General Fund to budget for the transfer-out “expense” (one-sided, as we will be utilizing accumulated Fund Balance), AND
- a balanced budget amendment in the Public Facilities Authority accepting the transfer-in as a new revenue source, as well as authorizing the spending for the building purchase and replenishing the City Springs Contingency we borrowed (just to make the resource flow a little cleaner when we close out the City Springs project).

Please let me know when we determine if we can accomplish this through City Manager/PFA Executive action with a DocuSign, or if we will need a special Council/PFA meeting to approve this deal.

Michael Val

Michael Val Hietter, CPA

Budget Analyst

City of Sandy Springs

Phone: 770.206.1437 | Cell: 770.329.1883

1 Galambos Way, Sandy Springs, Georgia 30328

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From: Williams, Kathy <kwilliams@sandyspringsga.gov>
Sent: Monday, September 21, 2020 11:21 AM
To: Carlisle, Toni <TCarlisle@SandySpringsga.gov>; Hietter, Michael <MHietter@SandySpringsga.gov>
Cc: Surratt, Andrea <ASurratt@SandySpringsga.gov>; Dulac, Samantha <SDulac@sandyspringsga.gov>
Subject: Amendment

FFYI

Kathy Williams

Senior Staff Attorney

City of Sandy Springs

Phone: 770.206.4384 | Cell: 404.791.4134

1 Galambos Way, Sandy Springs, Georgia 30328

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STATE OF GEORGIA
COUNTY OF FULTON

**A RESOLUTION OF THE CITY OF SANDY SPRINGS PUBLIC FACILITIES
AUTHORITY TO ACCEPT THE TRANSFER OF FUNDS FROM THE GENERAL
FUND OF THE CITY OF SANDY SPRINGS TO THE CITY OF SANDY SPRINGS
PUBLIC FACILITIES AUTHORITY AND OTHER BUDGET LINE ADJUSTMENTS**

WHEREAS, the Mayor and Council of the City of Sandy Springs, Georgia, has determined that it is in furtherance of the public good that the City of Sandy Springs, Georgia (“City”), a municipal corporation of the State of Georgia, expend money on the costs of the acquisition, construction and installation of public safety facilities and fire stations (“Projects”); and

WHEREAS, on August 18, 2020, Mayor and City Council approved by resolution (“Resolution”) the purchase by the City of Sandy Springs Public Facilities Authority (“Authority”) of certain property located at 620 Morgan Falls Road, Sandy Springs, Georgia (“Property”) in the amount of \$11,025,000.00 for the purpose of locating a public safety building and to take such other action as necessary to effectuate the purpose of the resolution; and

WHEREAS, the Resolution resolved, among other things, that the City Manager and the City Attorney shall cooperate with and assist the Authority and its authorized representatives to negotiate the terms and conditions of a Purchase and Sale Agreement for the Property and to take such other actions that may be deemed necessary to effectuate the intent of the Resolution; and

WHEREAS, in accordance with the Resolution, a contract has been negotiated by the Authority with assistance of the City for the purchase of the Property that contains, among other provisions, a thirty (30) day inspection period and a closing date within thirty (30) days following the inspection period; and

WHEREAS, subsequent to the inspection period, the contracted purchase price for the Property was reduced by the amount of \$35,000.00 to \$10,990,000; and

WHEREAS, pursuant to the terms of the negotiated contract, \$300,000.00 has been paid to the seller in earnest money deposits, leaving \$10,690,000.00 remaining due under the contract to acquire the Property; and

WHEREAS, an additional amount of \$500,000.00 to assist consummating the Property transaction was previously reallocated from contingency funding within the Authority and now should be replenished; and

WHEREAS, the remainder of the purchase price for the Property plus replenishment of the contingency equals \$11,190,000.00; and

WHEREAS, in order to accomplish the purchase of the Property through the Authority, a budget amendment is necessary a) to receive funds from the City for the purchase, b) to budget the expenditure for the remainder of the purchase price, and c) to replenish the Contingency previously allocated within the Authority; and

WHEREAS, the Authority desires to approve the reception of such funds from the City for the purposes stated in this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY THAT THE FISCAL YEAR 2021 BUDGET IS HEREBY AMENDED AS FOLLOWS:

1. To accept a transfer from the City of \$11,190,000.00; and
2. To increase the budget for the purchase of the Property by \$10,690,000.00; and
3. To replenish the \$500,000.00 from Contingency that was previously allocated towards the purchase of the Property.

APPROVED AND ADOPTED this the 6th day of October, 2020.

Approved:

Russell K. Paul, Chairman

Attest:

Lia Jones, Interim City Clerk

(Seal)