



SANDY SPRINGS

GEORGIA

June 1, 2022

Dear Mayor and City Council,

The proposed Fiscal Year (FY) 2023 Budget is submitted to the Sandy Springs City Council in compliance with State Law (O.C.G.A. § 36-81-2 et seq.). This budget was developed based on the priorities adopted by City Council in February 2022, including Customer Service and Citizen Engagement, Public Safety, Transportation Accessibility and Community Appearance, Recreational and Cultural Enrichment, Sustainable Growth and Environmental Stewardship, Economic Development and the North End, and Water Reliability.

The FY2023 Budget provides for the same millage rate of 4.731 mills as last year and maintains adequate reserves in the fund balance to ensure sound fiscal integrity of the City of Sandy Springs (City). The FY2023 Budget includes resources that will allow the City to provide a high level of public safety and general government services to the citizens of Sandy Springs. This proposed budget also provides capital funding to continue addressing a backlog of infrastructure needs.

The budget process included an assessment to determine the quality of services delivered and projected operational needs. The City Manager and Interim Finance Director met with departments to assess projected goals and to discuss resources needed to meet these goals. Guidance and direction were also obtained through City Council Budget Workshops. During these Budget Workshops, Council received briefings about economic conditions and short-term economic outlook, budget planning assumptions, public safety needs, operating department requests for resources, and capital programs.

Public hearings are scheduled to gain citizen input and enable all members of the City Council to better understand the needs of the entire community prior to budget adoption. The final budget is scheduled to be adopted by the City Council on June 21, 2022.

The proposed budgets for all operating, capital, and special revenue funds total \$995,347,649. The City's General Fund provides for general government operations of the City and maintains adequate working capital necessary for the City's financial health and stability. This fund accounts for most of Sandy Springs' operations and has a budget of \$130,619,972. The remaining funds include Confiscated Assets, Emergency 911, Tree Fund, Impact Fee Fund, Community Development Block Grant Fund, Hotel/Motel Tax Fund, Rental Motor Vehicle Excise Tax Fund, TSPLOST (2016) Fund, TSPLOST (2021) Fund, Capital Projects Fund, Public Facilities Authority Fund, Performing Arts Center Fund, Stormwater Management Fund, and Development Authority Fund. The Capital Project Fund, Public Facilities Authority Fund, and the Stormwater Fund (all capital construction funds) adopt project budgets where the adopted appropriations do not lapse at the end of a fiscal year; they remain in effect until project completion or re-appropriation by City Council.

The FY2023 General Fund Budget provides for \$57,372,490 for personnel and related benefits; \$34,538,155 for operations and equipment; \$24,113,780 for capital improvement programs; and



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\$14,595,546 towards debt service. All eligible City employees may receive a 5% salary increase and are eligible for an additional bonus based on job performance if they meet certain standards.

The City's goal is to adopt an operating budget where current revenues equal anticipated expenditures. All departments supported by the resources of the City must function within the limits of the financial resources identified or available specifically to them. Budgets cannot exceed available resources, defined as revenues generated in the current period added to balances carried forward from prior years.

The budget is a dynamic rather than static plan, which allows for adjustments and amendments as circumstances change. The City Council must approve all increases in total fund appropriations. Amounts in this budget may be reallocated within funds by approval of the City Manager as long as the total budgeted amounts do not exceed these appropriations by fund. Department Heads submit budget amendment requests transferring appropriations from one line item to another within the specific department appropriation with approval by the Finance Director and the City Manager.

Under the City's adopted financial policies, the City's fund balance is maintained at or above \$20.5 million, or 25% of operating expenditures. The purpose of fund balance is to provide adequate cash flow, to cover the cost of expenditures caused by unforeseen emergencies, to cover shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes.

The FY2023 Budget was developed with the following objectives:

- Continue to enhance Public Safety capabilities
- Ensure financial stability
- Address capital needs that exist citywide by investing in transportation, parks, and facilities
- Continue to leverage the flexibility of the public private partnership model by scaling resources to meet projected demand for services

The focus of the FY2023 Budget is to provide excellent services to our citizens and business customers and to continue to allocate significant resources dedicated to improving the City's quality of life.

Confiscated Assets Fund

This fund is used to account for amounts seized by the police department from narcotics arrests in conjunction with other state and federal agencies. These funds are used by the police department to augment their general fund budget and can only be spent on law enforcement programs or activities. Generally, seizures can vary greatly from one year to the next and are not easily budgeted. However, using conservative figures for incoming funding plus the amounts that have remained unspent from previous years, the FY2023 budget has been set at \$184,500.



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E-911 Fund

This fund accounts for the revenues received from the 911 surcharge on telephone bills. The City participates in a joint venture with the City of Johns Creek for E-911 operations. All taxes collected in this fund are dedicated to a separate operating authority – Chattahoochee River 911 Authority. The amount estimated for the FY2023 budget is \$3,000,000.

Tree Fund

This fund accounts for revenues received from development that reduces tree canopy below mandated minimums. All revenues collected in this fund are used to enhance tree canopy on Right of Way and in public parks. The amount estimated to be spent for the FY2023 budget has been set for \$559,099.

Impact Fee Fund

Impact fees are amounts assessed on construction development projects to offset the anticipated cost of additional infrastructure needed as a result of the new development. These funds, although collected in this fund, are dedicated to capital projects, which are accounted for in the Capital Projects Fund. The amount expected to be collected in the FY2023 budget is \$1,275,000.

Community Development Block Grant (CDBG) Fund

The CDBG Fund is used to account for funds received through an entitlement award as a result of federal congressional appropriations. The City's adopted plan directs that the awards be used for construction of infrastructure (primarily sidewalks) in the City. The City recently participated in the Section 108 Loan program in order to advance larger projects. The Total FY2023 budget is \$1,756,541.

Hotel/Motel Fund

The room taxes imposed upon hotels and motels located within the City are accounted for in this fund. A portion of these funds can be retained by the City and a portion is expended for a narrow range of projects and activities established by State Law (O.C.G.A. § 48-13-51). These funds are currently distributed as follows: the City General Fund - 28.56%, the Sandy Springs Hospitality Board - 32.14%, and the City General Fund for benefit of the City Springs Performing Arts Center - 39.30%. The anticipated taxes budgeted for FY2023 is \$3,500,000.

Rental Motor Vehicle Excise Tax Fund

The excise taxes levied upon each rental charge collected by any rental motor vehicle concern located within the City are accounted for in this fund (O.C.G.A. § 48-13-93). The anticipated taxes budgeted for FY2023 is \$75,000.



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TSPLOST (2016) Projects Fund

This fund accounts for all capital projects under the Transportation Special Purpose Local Option Sales Tax approved by referendum in November 2016. Funds are derived from the collections to be received through March 31, 2022. The appropriations in this fund do not lapse at year-end, but rather, unspent amounts are carried forward to future periods until the individual projects are completed. The total added funding for this fund in the FY2023 budget is \$102,851,298.

TSPLOST (2021) Projects Fund

This fund accounts for all capital projects under the Transportation Special Purpose Local Option Sales Tax approved by referendum in November 2021. Funds are derived from the collections to be received through March 31, 2027. The appropriations in this fund do not lapse at year-end, but rather, unspent amounts are carried forward to future periods until the individual projects are completed. The total added funding for this fund in the FY2023 budget is \$114,680,913.

Capital Projects Fund

This fund accounts for all facilities, parks, and infrastructure construction in the City. Funds are derived from contributions from the General Fund as well as other grants and funding sources. The appropriations in this fund do not lapse at year-end, but rather, unspent amounts are carried forward to future periods until the individual projects are completed. The FY2023 budget for this fund is \$84,564,505.

Public Facilities Authority Fund

This fund accounts for major capital construction projects and their resulting debt service, including City Springs, a new Public Safety Complex (Police Headquarters and Municipal Court Complex), Fire Station #2, Fire Station #5, additions to Fire Station #3, Fleet Maintenance Center, and contingency. Funds are derived from contributions from the General Fund, bond proceeds, the sale of City assets, and other funding sources. The appropriations in this fund do not lapse at year-end, but rather, unspent amounts are carried forward to future periods. The current construction budget is \$542,560,874. The operations appropriations for the City Springs and other projects, which includes debt service related to the bond issuance for the projects, will continue once construction is complete. The total funding for debt service in the FY2023 budget is \$12,620,739.

Performing Arts Center Fund

This fund is used to account for activities, staffing, and operations within the City Springs Performing Arts Center. These funds are currently used to operate the performing arts center and are estimated for the FY2023 budget at \$7,297,147.



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Stormwater Maintenance Fund

This fund accounts for construction projects related to stormwater infrastructure improvements. Currently, the General Fund is the sole source of revenues for this fund. The FY2023 budget for this fund is \$2,240,100.

Development Authority Fund

This fund accounts for revenues and expenditures related to ongoing development projects within the City. The FY2023 budget for this fund is \$185,200.

The City of Sandy Springs FY2023 Budget is the culmination of the City's Priority Driven Programming process that reflects Council's established priorities and significant citizen engagement and feedback throughout the previous fiscal year. This budget provides the needed resources to services and projects that meet the needs of citizens now and in the future.

Finally, our sincere appreciation should be expressed to the staff and department heads for the amount of work and effort expended in this process under tremendous time pressures.

Respectfully Submitted,

Eden E. Freeman
City Manager

Toni Carlisle
Interim Finance Director