



CITY OF DUNWOODY

400 Northridge Road
Suite 1250
Dunwoody, GA 30350
Phone: 678.382.6700 • Fax: 678.382.6701
www.dunwoodyga.gov

MEMORANDUM

To: City Council
From: Warren Hutmacher
Date: February 23, 2009
Item: Supplemental Lease

Staff Recommendation:

Staff recommends that the City Manager establish a supplemental five (5) year lease with GMA in the amount of \$600,000 at an interest rate not to exceed 3.25%. This is a draw down lease; therefore we would not pay interest on any funds not expended.

Background:

The City of Dunwoody must establish an additional lease with GMA to finance certain start up costs not originally funded in the adopted budget.

Discussion:

The recommended amount will allow us to fully pay for City Hall build-out costs not covered by the tenant improvement allowance. It will include the following:

1. Server/IT Equipment
2. VOIP
3. Software Applications
4. Audio Video System for City Hall
5. 24 x 7 Chiller

Alternatives:

1. Finance each component separately at a significantly higher interest rate.
2. Finance through a bank at a higher interest rate.
3. Allocate the budgeted rent funds directly to the build-out costs and use contingency funds to purchase the necessary systems.



CITY OF DUNWOODY

400 Northridge Road

Suite 1250

Dunwoody, GA 30350

Phone: 678.382.6700 • Fax: 678.382.6701

www.dunwoodyga.gov

Financial Impact:

The total interest for the five (5) year lease is estimated at \$51,600.

Attachments:

City of Dunwoody Equipment Schedule

City of Dunwoody Debt Service Schedule

Boyken Build-out Budget Summary

City of Dunwoody Equipment Schedule

February 12, 2009

Amount Requested : \$ 600,000

	Total Cost
City IT	
Servers/IT equipment	165,000
Telephone System	115,000
Network Equipment	106,819
Software and applications	83,181
City Hall	
Audio Video System for City Hall	30,000
Chiller	100,000
Total Equipment Leased	<u>\$ 600,000</u>

**City of Dunwoody 5 Year Lease
GMA Supplemental Lease**

Description	Quantity	Budget	Extended
Servers/IT equipment	1.00	160,000.00	165,000.00
Telephone System	1.00	115,000.00	115,000.00
Network Equipment	1.00	106,819.21	106,819.21
Software and applications	1.00	209,180.79	83,180.79
Audio Video System	1.00	30,000.00	30,000.00
Chiller	1.00	100,000.00	100,000.00
Total			\$600,000

Payment Timeline

Budget Year	Months per Fiscal Year	Debt Service
FY2009	9 Months	97,737.75
FY2010	12 Months	130,317.00
FY2011	12 Months	130,317.00
FY2012	12 Months	130,317.00
FY2013	12 Months	130,317.00
FY2014	3 Months	32,579.25
Total		651,585.00

\$651,585 Total Payments over 5 Years
 \$600,000 Total Principal Financed
\$51,585 Cost of funds

Boyken Buildout Budget Summary

	Current Budget	Projected Cost
Construction		775,405.73
Tenant Improvement Allowance	660,827.59	
FF&E/OS&E		124,265.00
City Budget - Furniture (GMA Lease)	300,000.00	
Police Department Buildout		183,899.26
Police Budget - Furniture (GMA Lease)	120,000.00	
City Budget - Equipment	12,000.00	
Other Tenant Costs		46,000.00
Design - Architect Fee		46,000.00
Non-GC Special Construction - Security & V/D Cabling		60,000.00
Non-GC A/V Systems		30,000.00
Total Construction, FF&E/OS&E and Other Tenant Costs	<u>1,092,827.59</u>	<u>1,219,569.99</u>
Other Sources of Funding		
City Hall Budgeted Rent		
Police Department Budgeted Rent		
GMA Supplemental Lease	<u>130,000.00</u>	
Subtotal Other Sources of Funding	130,000.00	-
Grand Total	<u>1,222,827.59</u>	<u>1,219,569.99</u>
Surplus Budget over Projected Cost		<u>3,257.60</u>

City of Dunwoody
Requested Budget Amendment
February 23, 2009

Amendment Description	Requested Amendment
City Manager	2,500
Professional Services-Other	
City Clerk	8,000
Regular Salaries	20,000
Professional Services-Other	
Police	28,200
Communications	
Non-Departmental	65,100
Professional Services-Legal	55,000
Professional Services-Lobbyist	31,320
Equipment Rental	17,100
Communications	
Total Requested Reallocation	227,220

Source of Reallocated Funds By Department/Line Item	
Police-Vehicles	(165,000)
Police-Rent	(62,220)
City Hall Rent	(227,220)

Adjusted Budget Totals By Department			
Department	Approved Budget	Requested Amendment	Amended Budget
City Council	149,231	-	149,231
City Manager	213,673	2,500	216,173
City Clerk	146,899	28,000	174,899
Community Development	1,900,500	-	1,900,500
Finance and Administration	2,070,928	-	2,070,928
Municipal Court Clerk	227,927	-	227,927
Police	5,731,804	(136,800)	5,595,004
Public Works	1,889,889	-	1,889,889
Non-Departmental	1,743,050	106,300	1,849,350
	<u>14,073,901</u>	<u>-</u>	<u>14,073,901</u>