



CITY OF DUNWOODY

BUDGET COMMITTEE

SPECIAL CALLED MEETING

MARCH 5, 2018

John Heneghan, Council
Member
Jim Riticher, Council
Member

Pam Tallmadge, Council
Member

AGENDA

CITY OF DUNWOODY
CM CONFERENCE ROOM
4800 ASHFORD DUNWOODY ROAD
DUNWOODY, GA 30338

March 5, 2018
12:30 PM

A. CALL TO ORDER

B. PUBLIC COMMENT - Public Comment allows the City Council the opportunity to listen to the public (3 minutes per speaker/30 minutes total).

C. CONSENT AGENDA

1. September 14, 2017 Budget Committee Special Called Meeting Minutes.
2. September 18, 2017 Budget Committee Special Called Meeting Minutes.

D. DISCUSSION ITEMS

1. Appropriation of 2017 Budget Surplus and Carryover.
2. Review and Discussion of Budget Policy Draft.

E. PUBLIC COMMENT - Public Comment allows the City Council the opportunity to listen to the public (3 minutes per speaker).

F. COMMITTEE COMMENT

G. ADJOURN

CITY OF DUNWOODY
September 14, 2017
BUDGET COMMITTEE
SPECIAL CALLED MEETING MINUTES

The Budget Committee of the City of Dunwoody held a Special Called Meeting on September 14, 2017 at 9:30 AM. The meeting was held in the City of Dunwoody City Hall, 41 Perimeter Center East, Suite 250, Dunwoody, Georgia 30346. Present for the meeting were the following:

Voting Members: Lynn Deutsch, Council Member
Pam Tallmadge, Council Member
Doug Thompson, Council Member

Also Present: Eric Linton, City Manager
Jessica Guinn, Assistant City Manager
Chris Pike, Finance Director
Amy King, Accounting Manager
Britney Davis, Assistant to the City Clerk

A. CALL TO ORDER

Chris Pike called the meeting to order.

B. CONSENT AGENDA

C. DISCUSSION ITEMS

1. Review of the Proposed Fiscal Year 2018 Budget. (Chris Pike)

Chris Pike presented the proposed Fiscal Year 2018 budget and answered questions of the Committee.

2. Review of the Proposed Fiscal Year 2017 Budget Amendment. (Chris Pike)

Chris Pike presented the proposed Fiscal Year 2017 Budget Amendment and answered questions of the Committee.

D. ADJOURN

Doug Thompson moved to adjourn. Lynn Deutsch seconded.

The motion was voted and passed: For: 3; Against: 0; Abstain: 0; Absent: 0

CITY OF DUNWOODY
September 18, 2017
BUDGET COMMITTEE
SPECIAL CALLED MEETING MINUTES

The Budget Committee of the City of Dunwoody held a Special Called Meeting on September 18, 2017 at 9:00 AM. The meeting was held in the City of Dunwoody City Hall, 41 Perimeter Center East, C.M. Conference Room, Dunwoody, Georgia 30346. Present for the meeting were the following:

Voting Members: Lynn Deutsch, Council Member
 Pam Tallmadge, Council Member
 Doug Thompson, Council Member

Also Present: Eric Linton, City Manager
 Jessica Guinn, Assistant City Manager
 Chris Pike, Finance Director
 Amy King, Accounting Manager

A. CALL TO ORDER

Chris Pike called the meeting to order.

B. CONSENT AGENDA

C. DISCUSSION ITEMS

1. Review of the Proposed Fiscal Year 2018 Budget. (Chris Pike)

Discussion was had on the ranking of projects from most important to least important to fund with the 2017 amendment and the best fit to allocate the \$15.7 million available cash resources to those projects. The Committee also discussed the amounts to leave in General Fund Operating Reserves, HOST Reserves, and Park Settlement Funds.

D. ADJOURN

The meeting was adjourned.

Public Works		
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Description	Original Request	Revised Request	Request Unfunded
Roberts Drive Improvements for New Austin Elementary (originally pushed to 2019)	\$ 1,100,000.00	\$ -	\$ 1,100,000.00
NEW Georgetown Gateway (grant matching funds)		\$ -	\$ 2,000,000.00
2018 Road Resurfacing	\$ 3,718,607.00	\$ 3,300,000.00	\$ 418,607.00
Tilly Mill Road Sidewalk- North Peachtree to Womack (push to 2019 to complete ROW acquisition)	\$ 500,000.00	\$ -	\$ 500,000.00
Crosswalk Improvements- Tilly Mill at Andover and Chamblee Dunwoody at Georgetown Park (Budgeted Rapid Flashing Beacons only)	\$ 100,000.00	\$ 20,000.00	\$ 80,000.00
Traffic Calming	\$ 50,000.00	\$ -	\$ 50,000.00
Total	\$ 5,468,607.00	\$ 3,320,000.00	\$ 4,148,607.00

Parks		
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Description	Original Request	Revised Request	Request Unfunded
BRP Playground Resurfacing	\$ 250,000.00	\$ -	\$ 250,000.00
Total	\$ 250,000.00	\$ -	\$ 250,000.00

Finance & Administration - Facilities		
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Description	Original Request	Revised Request	Request Unfunded
Accountant II - New Position (budgeted hire 7-1-2018, change to 4-1-18)	\$ 97,214.00	\$ 48,607.00	\$ 24,303.50
2017 Carryover - New Building Repairs and "outfitting" not spent in 2017		\$ -	\$ 210,000.00
NEW Renovation & Buildout North Shallowford (Cost Unknown)		\$ -	\$ 700,000.00
Marketing - Carryover of 2017 Project Funds (branding supplies, nonprofit partnering)		\$ -	\$ 13,000.00
NEW Establish and partial fund balloon payment on City Hall debt (1/13 of Balloon)		\$ -	\$ 52,222.48
Total	\$ 97,214.00	\$ 48,607.00	\$ 999,525.98

Economic Development		
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Description	Original Request	Revised Request	Request Unfunded
NEW Dunwoody Redevelopment Fund		\$ -	\$ 150,000.00

Total	\$	-	\$	-	\$	150,000.00
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Police Department				
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Description	Original Request	Revised Request	Request Unfunded
NEW Study to Optimize Radio Coverage (particularly in east near Gwinnett)		\$ -	\$ 7,000.00
NEW Radio Coverage improvements (completed based on study - cost unknown but estimated in \$500k to \$1mm & rest paid with SPLOST)		\$ -	\$ 850,000.00
NEW Expand Video Surveillance System (estimate only)		\$ -	\$ 300,000.00
NEW In-Car Camera System Replacement (\$90k/yr @ 5 yrs)		\$ -	\$ 450,000.00
Carryover from 2017 Budget - Sgt Assessment Testing & Small Equipment		\$ -	\$ 49,900.00
New Position: Detective (budgeted hire 5-1-2018, change to 4-1-2018)	\$ 72,836.92	\$ 48,557.95	\$ 6,069.74
New Position: Patrol Officer (2) (budgeted hire 5-1-18, change to 4-1-18)	\$ 145,673.84	\$ 97,115.89	\$ 12,139.49
Total	\$ 218,510.76	\$ 145,673.84	\$ 1,675,109.23

\$ 7,223,242.21

CITY OF DUNWOODY
FINANCIAL MANAGEMENT POLICIES

BUDGET POLICY

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Developed under the Authority of the
City Council by the Department of
Finance, and approved by resolution

SECTION I. GENERAL BUDGET POLICIES

Georgia law (e.g., O.C.G.A. 36-81-2 et seq.) provides the budget requirements for Georgia local governments. The information below provides an outline of the City's application of those laws.

The City's goal will be to adopt operating budgets where current revenues equal or exceed anticipated expenditures. All departments supported by the resources of this City must function within the limits of the financial resources identified or available specifically to them. A balance must be struck between revenues and expenditures, so that the public can realize the benefits of a strong and stable government. It is important to understand that this policy is applied to budget entities over periods of time which extend beyond current appropriations. By law, budgets cannot exceed available resources, defined as revenues generated in the current period added to balances carried forward from prior years. Temporary shortages, or operating deficits, can and do occur, but they are not tolerated as extended trends.

A. SCOPE

This policy applies to all budgeted funds, which are the responsibility, and under the management of the City of Dunwoody and its Department of Finance.

B. FINANCING CURRENT COSTS

Current costs shall be financed with current revenues, including the use of authorized fund balances. The City shall strive to avoid short-term borrowing to meet cash flow requirements. However, the City may enter into short-term borrowing should a need arise.

C. BUDGET OBJECTIVE BY TYPE OF FUND

The following budget objectives are established for the different City operating funds below:

1. **General Fund** – The annual budget for the General Fund shall provide for general government operations of the City and maintain working capital necessary for the City's financial health and stability.
2. **Special Revenue Fund(s)** – The City adopts annual budgets for each special revenue fund that demonstrates any legally restricted revenue

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sources are used consistent with the applicable laws and/or regulations (i.e. Emergency 911 Fund, SPLOST, HOST, etc.).

3. **Capital Project Fund(s)** – The City adopts project budgets for each of its capital project funds. These adopted appropriations do not lapse at the end of a fiscal year; rather they remain in effect until project completion or re-appropriation by City Council.
4. **Debt Service Fund(s)** – The City adopts annual budgets for its debt service funds. Any remaining fund balances from prior years plus current years projected revenues shall be sufficient to meet all annual debt service requirements.
5. **Enterprise Fund(s)** - Although generally accepted accounting principles (GAAP) and Georgia statutes do not require the City to adopt budgets for enterprise funds, the City does adopt budgets for its enterprise fund (Stormwater) in order to monitor revenues and control expenses. The City uses a business approach when budgeting enterprise funds. Enterprise funds shall be self-supporting whenever possible and subsidized losses will be minimized when break-even is not possible. Rates supporting the enterprise fund should be maintained in such a way to cover expenditures and avoid the use of transfers from other funds as to not unbalance those paying for the services and receiving benefits for those services.

SECTION II. OPERATING BUDGET

The operating budget shall be prepared on an annual basis and include those funds detailed in Section I that are subject to annual appropriation (all funds excluding the Capital Project Funds). Prior year budget appropriations and prior year actual data will be provided as reference data, with the current year appropriation and projection of expenditures. At a minimum, the City shall adopt annual balanced budgets for the general fund, each special revenue fund, and each debt service fund in accordance with O.C.G.A. 36-81-3.

A. DEPARTMENTAL APPROPRIATIONS

The budget shall be developed based upon "line-item" expenditures within each department. This type of budget focuses on categories of expenditures such as personal services, contractual services, supplies, equipment, etc. within each department. At a minimum, each department's appropriation in each fund shall be detailed within the budget document. (O.C.G.A. 36-81-3 and 36-81-5).

B. COUNCIL APPROPRIATIONS

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The Mayor and each councilmember shall be provided an annual expense allowance as provided pursuant to the City Charter (SECTION 2.07.) for the reimbursement of expenses actually and necessarily incurred by the Mayor and Council members in carrying out their duties as elected officials of the city.

C. BUDGET PREPARATION CATEGORIES

Each department shall submit budget requests for current services necessary to provide the same level of service for the upcoming year that is currently being provided and expanded services associated with new services, additional personnel or new capital projects/equipment.

C. BALANCED BUDGET

The budget shall be balanced for each budgeted fund. Total anticipated revenues plus that portion of fund balance in excess of total anticipated revenues (see operating budget policy G below) that is designated as a budget-funding source shall equal total estimated expenditures for each fund. Pursuant to the City Charter, Beginning in the third year of the city's operation, the city manager and mayor are required to present to the city council a budget which is balanced in projected spending and revenues.

D. BASIS OF BUDGETING

Neither GAAP nor Georgia statutes address a required budgetary basis of budgeting; however, the City shall adopt budgets in conformity with GAAP for all budgeted funds. All governmental funds shall use the modified accrual basis of accounting and proprietary funds shall use the accrual basis of accounting for budgeting purposes.

E. LEVEL OF BUDGET ADOPTION AND CONTROL

All budgets shall be adopted at the legal level of budgetary control, which is the department level within each individual fund. See policy J below for amending the budget.

F. BUDGET STABILIZATION RESOURCES

The City shall establish a fund balance in all operating funds (listed in Section I.C of this policy) for working capital. The purpose of working capital is to cover the cost of expenditures caused by unforeseen emergencies, cover shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes. This fund balance shall accumulate and then be maintained at an amount, which represents no less than four (4) months of operating and debt

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expenditures (approximately one-third of annual budgeted expenditures) and no more than (6) months based on the lowest level of fund reserves.

G. UTILIZATION OF PRIOR YEAR'S FUND BALANCE IN BUDGET

If necessary, the City may use fund balance for working capital (see budget policy F above) as a funding source for that fund's budget in any given year. The amount of unreserved fund balance shall be estimated conservatively, taking into consideration future year needs. The minimum requirement for working capital, equal to four (4) months of operating and debt expenditures, must first be met before utilizing the excess fund balance as a funding source for the budget except as provided for in policy H below. The utilization of fund balance shall be deemed a use of one-time revenues for budgeting purposes.

H. APPROPRIATION LAPSES AT YEAR END

All operating budget appropriations (including encumbered appropriations) shall lapse at the end of a fiscal year. Purchases encumbered in the current year, but not received until the following year, must be charged against a department's subsequent year appropriation. For projects and other purchases approved, but whose purchase for is not anticipated to occur prior to the fiscal year end, utilization of the budgeted funds may be accounted for in accordance with policy G above.

I. BUDGET CONTROL REPORTS

The City shall maintain a system of budgetary control reports to assure adherence to the budget. The City will prepare and distribute to departments, timely monthly financial reports comparing actual revenues, and outstanding encumbrances and expenditures with budgeted amounts.

J. AUTHORIZATION OF BUDGET ADJUSTMENTS AND AMENDMENTS

The budget is a dynamic rather than static plan, which requires adjustments and formal budget amendments as circumstances change. The City Council must approve all increases in total departmental appropriations.

Department Heads must submit budget amendment requests transferring appropriations from one line item to another within the specific department appropriation and the fund, other than those prohibited above, and obtain approval by the Director of Finance and the City Manager. Adjustments from appropriations that have been obligated, committed, or reserved for a designated purpose shall not be transferred until a formal de-obligation occurs.

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Throughout or subsequent to each year, any necessary budgetary appropriations, including budgets for any projects authorized but not funded during the year, may be appropriated through a supplementary budget amendment. Such supplemental appropriations shall be balanced with additional revenues or reduced expenditures for each fund.

K. CONTINGENCY LINE-ITEM

The City shall establish an appropriated contingency in all operating funds in order to accommodate unexpected operational changes, legislative impacts, or other economic events affecting the City's operations which could not have been reasonably anticipated at the time the budget was prepared. Non-operating funds shall not require a contingency appropriation.

This contingency appropriation will be a separate line item within the budget. This amount shall be subject to annual appropriation. Council approval shall be required for all expenditure requests from the contingency line item(s). However, expenditures from project contingencies for capital purchases shall not require subsequent Council approval.

L. CONTRIBUTIONS

Unless authorized by City Council, outside contributions to programs operated by City departments shall be subject to the City's accounting and budgetary policies. The City welcomes both unrestricted and restricted contributions compatible with the City's programs and objectives. Any material contribution shall be appropriated by City Council prior to expenditure. Material contributions shall be defined as one-time contributions exceeding \$50,000.

M. ADMINISTRATIVE SERVICE FEE/COST ALLOCATION

Whenever feasible, the City may assess an administrative service fee from the General Fund to any other fund, based upon documentation and/or an outside independent study. This assessment will be based upon a percentage of the operating revenues, or services provided to the fund and shall be used to reimburse the General Fund for the administrative and support services provided to the assessed fund.

N. ONE-TIME REVENUE SOURCES

To the extent practical, non-recurring revenues shall be utilized within the appropriate fund for items relating to non-recurring expenses to eliminate the fluctuations in funding operations with non-sustainable resources.

SECTION III. CASH FLOW BUDGET

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For analysis and internal management purposes, the City shall prepare an annual cash flow budget in conjunction with the Operating Budget. The purpose of this document will be to provide the necessary guidelines to ensure that cash will be available to pay budget costs on a timely basis.

Budget allocations (i.e., budget allotments) are used in the operating budget, when needed to manage cash flows. The annual appropriation may be divided into segments in order to ensure that the projected revenue streams will be adequate to fund the appropriated expenditures. The cash flow budget will provide details as to the periods in which the revenues will be collected, and thereby providing for available resources to pay obligations.

SECTION V. SUBMISSION OF THE BUDGETS TO COUNCIL

A. ACTION BY THE CITY MANAGER AND MAYOR TO PRESENT BUDGETS TO COUNCIL

In accordance with Charter Section 3.04(10), the City Manager shall, after "review and comment" with the Mayor, submit all proposed operating and capital budgets to Council by September 1st for the ensuing fiscal year. The submitted budgets will be accompanied by a message containing a statement of the general fiscal policies of the city, the important features of the budget, explanations of major changes recommended for the next fiscal year, a general summary of the budget, and such other comments and information as they may deem pertinent. The operating budget, capital budget, the budget message, and all supporting documents shall be filed in the office of the city clerk and shall be open to public inspection at the same time it is submitted to Council. The budget shall be posted online. A copy of the budget shall also be made available, upon request, to the news media. (OCGA 36-81-5)

B. PUBLIC HEARING AND ANNOUNCEMENT

On the date that the proposed budget is submitted to Council for consideration, a copy of the budget shall be placed with the City Clerk's office (OCGA 36-81-5). Convenient access to the residents during reasonable business hours will be provided as to accord every opportunity to the public to review the budget prior to adoption(OCGA 36-81-5). A statement advising the residents of the City of the availability of the proposed budget shall be published in a newspaper of general circulation during the same week it is made available to Council (OCGA 36-81-5). The statement shall be a prominently displayed advertisement or news article and shall not be placed in that section of the newspaper where legal notices appear (OCGA 36-81-5).

At least one week prior to passage of the budget, Council shall hold a special public hearing at which the budget will be presented and public comment on the

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budget will be solicited (OCGA 36-81-5). The date, time and place of the special public hearing shall be announced no less than 30 days prior to the scheduled date for such hearing (OCGA 36-81-5). At least one week before the budget hearing is held, a notice shall be published in a newspaper of general circulation within the jurisdiction of the City (OCGA 36-81-5). The statement shall be a prominently displayed advertisement or news article and shall not be placed in that section of the newspaper where legal notices appear (OCGA 36-81-5).

C. PASSAGE OF THE BUDGETS

As required by City Charter, Council shall adopt a budget on or before the first day of the eleventh month of the fiscal year currently ending. If Council fails to adopt the budget by the prescribed deadline, the operating budget and capital budget submitted by the City Manager shall be adopted without further action by Council. Any subsequent changes to the budget will be addressed in accordance with amendment procedures previously mentioned.

SECTION VI. BUDGET COMMITTEE

The Budget Committee is a standing committee that reviews the proposed operating and capital budget each fiscal year and makes a recommendation on the budget to the City Council for final enactment as well as the budget's ongoing amendments during the fiscal year.

A. COMPOSITION OF THE BUDGET COMMITTEE

The budget committee shall consist of three council members, not including the mayor.

B. TERM OF COMMITTEE MEMBERS

To budget committee shall balance continuity and experience with differing perspectives and priorities by rotating membership. Each budget committee member shall serve for a term of three budget cycles (three years) so long as they remain on council. Reasonable attempts shall be made to stagger the terms of the committee members so that a member serving a third and final year shall chair the committee, with the remaining two members serving a second year and first year.

In the event a member is unable (including unable due to term expiration) or unwilling to serve for three consecutive years, the mayor shall appoint a replacement to the committee. The outgoing member cannot name a successor or replacement. Such replacement will assume the remaining years of the preceding member and rotate off the committee at which time the preceding member's third year would have lapsed and will serve as chair on the committee the year that would have been the third year of the predecessor.

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C. RESPONSIBILITY OF COMMITTEE MEMBERS

The budget committee is charged with holding one or more meetings for:

1. Receiving the budget message and the budget document;
2. Reviewing the budget message and the budget document to propose a recommendation to the full Council for its adoption either as initial proposed or with changes prior to the deadline for full Council approval;
3. Considering significant but unexpected changes in revenues or expenditures that arise throughout the year to determine if a budget amendment is recommended for full Council consideration;
4. Ensuring policies adopted by full Council are adequately funded in the budget and amendments; and
5. Reviewing the Budget Policy and make recommendations for amendments as needed.

The budget committee is not charged with:

1. Changing staffing levels, salary schedules or negotiate salary contracts beyond recommendations within the budget to be further considered by full Council;
2. Requiring information or directing staff to provide reports, individually or as a whole. The budget committee as a whole may request the City Manager to provide additional reports, information, data or presentations to help the budget committee better understand the budget.
3. Altering revenue projections and estimates to meet a desired program's goal or need. Revenues shall be estimated by the Finance Department and shall be based on reliable data received from other departments and/or outside sources as needed.

The budget recommended for full Council approval as outlined in Section V (C) above shall be the proposed budget described in Section V (A) above, as may be modified by the Budget Committee as charged in Section VI (C)(2). Modifications shall be made in the following manner.

1. When three committee members unanimously agree to leave a budget item in place or make a change to the proposed budget, the budget shall be updated as needed with no further discussion unless specifically requested by any member of the full Council;
2. When only two committee members agree to leave a budget item in place or make a change to the proposed budget, the budget shall be updated as needed to reflect the request. The full Council will be updated to specifically point out the budget item for consideration and approval.
3. When only one committee member agrees to leave a budget item in place or make a change to the proposed budget, the budget shall not

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be updated to reflect the request. The full Council will be updated to specifically point out the budget item for consideration and approval.