

To: Mayor and Members of
Dunwoody City Council

From: Richard Platto, Finance Director

Re: Fiscal Year 2022 Budget Amendment

Date: February 27, 2023

Action

To approve a resolution and authorize the mayor, city manager, or designee to execute all documents necessary and proper to amend the Fiscal Year 2022 Budget.

Summary

The attached resolution is the final amendment to the budget for FY 2022. The resolution reflects current unaudited final revenue numbers along with budget amendments reflecting current expenditure and/or previously passed Council actions.

Overall, the anticipated revenues are increasing \$3.7 million (14%) over the current budget and expenses are increasing \$2.6 million (9%) over the current budget. Most of the increase in revenue is due to final tax digest numbers and building permits figures. Over 76% of the increase in expenditures is in one-time costs associated with the Arts Center and Nature Center already approved by Council. Taking that into account, expenditures increased only 2%.

These changes mean that the previous budgeted use of fund balance of \$2.4 million will now be reduced to \$1.3 million. Currently budgeted actual expenses are projected to fall into the 93% range after this budget amendment, meaning that unreserved fund balance should grow by \$1.1 million bringing the city to 7.5 months of fund balance. Please note that all numbers are unaudited and subject to change.

At a subsequent Council meeting, staff plans to bring an amendment to adjust revenues to reflect newer projections for FY23. While revenues have exceeded current budgetary projections, staff wants a chance to review details, in case the increased numbers from FY22 are not sustainable.

Detail

Budget Adjustments to revenue for the General Fund are as follows (as shown in Exhibit A):

- 1) Increase of \$1,100,000 in Real Property Tax revenue based upon the most current receivables.
- 2) The following revenue sources exceeded budgeted projections.
 - o Increase of \$800,000 in Motor Vehicle Ad Valorem Tax True Up
 - o Increase of \$250,000 in Alcoholic Beverage Excise Tax
 - o Increase of \$100,000 in Excise Tax on Energy
 - o Increase of \$600,000 in Business & Occupation Tax.

- Increase of \$600,000 in Insurance Premium Tax due
 - Increase of \$100,000 in Alcoholic Beverage Licenses
 - Increase of \$900,000 in Building Structures and Equipment Fees
 - Increase of \$65,000 in Streetlight Fees
 - Increase of \$679,000 in the Hotel/Motel Taxes.
- 3) Decrease of \$1,500,000 from the original budgeted ARP transfer as a direct subsidy. That action had been previously approved by Council, but is codified here.

Budget Adjustments to expenditures for the General Fund are as follows (as shown in Exhibit A):

- A) \$30,000 increase in Legal.
- B) \$2,000,000 in Transfer-Out - Capital within Parks & Recreation to fund construction at the Dunwoody Nature Center and Spruill Arts Center. This was approved by Council during the year, but is codified in this resolution.
- C) \$550,000 increase in the contract costs of our Community Development service provider due to the increase in permitting activity. By contract, 65% of fees go to this firm.

Budget Adjustments for other funds are as follows (as shown in Exhibit A):

- D) Budget Adjustments for the State Confiscated Fund were \$8,100, in order to align actual expenditures with budget for the current fiscal year.
- E) Budget Adjustments are needed in the amount of \$15,973 from the HIDTA State and Local Task Force, for reimbursing overtime costs and repairs and maintenance.
- F) The City was awarded a \$10,000 Safety Grant from GMA's Safety and Liability Management Grant Program. Budget adjustments are needed to account for the revenue and corresponding expenditures related to this grant.
- G) In July 2021, the Criminal Justice Coordinating Council (CJCC) awarded the City a total of \$58,206 for the period of 06/01/2021 to 06/30/2022 for the purchase of Training equipment, of which \$49,013 has already been budgeted and expended. Additionally, the CJCC awarded the City a total of \$38,935 for the period of 01/01/2022 to 12/30/2022 for the purchase of more Training equipment. Budget adjustments are needed to account for the revenue and corresponding expenditures related to this grant.
- H) The Georgetown Gateway project is a grant with GDOT where the funds are spent and then reimbursed. The City uses Lewallen as the contractor and will receive 80% of the funds spent as reimbursement for the expenses.
- I) The Chamblee Dunwoody Road Village is a \$250,000 grant with GDOT where the funds are spent and then 80% is reimbursed to the City. In previous fiscal years, \$174,779 has been received by the City, and this budget adjustment is needed to reflect the current year activity, which will close the grant out.
- J) This is part of the Community Development Assistance Program (CDAP) Grant from the Atlanta Regional Commission (ARC) to assist the Economic Development and Community Development Departments in creating a Blueprint for future economic growth in the Perimeter Dunwoody Market, which the City refers to as Edge City 2.0. The Grant is \$120,000 from ARC and \$30,000 from the City.
- K) Due to the City collecting more Hotel/Motel funds than expected so far this fiscal year, revenue Budget Adjustments of \$1,871,000 are included within that fund as well. The difference will be distributed to the General Fund (\$701,625) and Discover Dunwoody (\$818,563), with a percentage staying within the Hotel/Motel Fund.
- L) Budget Adjustments for the Motor Vehicle Excise Tax Fund of \$5,000 are due to higher than expected collections.

- M) Budget Adjustments for the Municipal Court Fund were needed to reflect the activity within the fund for FY2022. The Court funds should have been budgeted in the custodial fund for the receipt of all court funds. The funds will then be disbursed to the General Fund, State Agency Funds and the payment of the bonds when adjudicated.

Recommendation

Staff recommends approval of the Fiscal Year 2022 Budget Amendments.

RESOLUTION 2023-02-XX

A RESOLUTION AMENDING THE BUDGET FOR THE FISCAL YEAR 2022 FOR THE GENERAL, STATE CONFISCATED, GRANT, HOTEL/MOTEL, MOTOR VEHICLE, AND MUNICIPAL COURT FUNDS, OF THE CITY OF DUNWOODY, GEORGIA, PURSUANT TO ARTICLE V, SECTION 5 OF THE CHARTER OF THE CITY, BEGINNING JANUARY 1, 2022, AND ENDING DECEMBER 31, 2022, APPROPRIATING THE AMOUNTS SHOWN IN EACH BUDGET AS EXPENDITURES, ADOPTING THE ITEM OF ANTICIPATED FUNDING SOURCES, PROHIBITING EXPENDITURES TO EXCEED APPROPRIATIONS, AND PROHIBITING EXPENDITURES FROM EXCEEDING ACTUAL FUNDING SOURCES

WHEREAS, a proposed amended budget for the General, State Confiscated, Grant, Hotel Motel, Motor Vehicle, and Municipal Court Funds of the City has been presented to the Mayor and City Council; and

WHEREAS, the Mayor and City Council have reviewed the proposed amendment; and

WHEREAS, the fund has a balanced budget, such that anticipated funding sources equal or exceed proposed expenditures; and

WHEREAS, This Budget Amendment and the Budget Message pursuant to Section 5.03(a) of the City Charter have been filed in the office of the City Clerk and open for public inspection; and

WHEREAS, the Mayor and City Council intend to amend the annual budget for the Fiscal Year 2022.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Dunwoody, pursuant to their authority, as follows:

Section 1. That the City of Dunwoody, Georgia hereby amends the budget for the Fiscal Year 2022, said budget amendments being described below in Exhibit A.

Section 2. That any increase or decrease in appropriations of the General, State Confiscated, Grant, Hotel Motel, Motor Vehicle, and Municipal Court funds for any department; other than those exceptions provided for herein, shall require approval of the City Council; and

Section 3. That the City Manager and his/her designee may promulgate all necessary internal rules, regulations, and policies to ensure that this Budget Resolution is followed.

SO RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DUNWOODY, GEORGIA this the 27th day of February, 2023.

Approved:

Lynn P. Deutsch, Mayor

Attest:

Sharon Lowery, City Clerk
Seal

Approved as to Form and Content

City Attorney

City of Dunwoody				EXHIBIT A
Fiscal Year 2022 Budget Amendments - General Fund, State Confiscated, Grant Fund, Hotel Motel, Motor Vehicle, and Municipal Court Fund				

FUND	Department	Account	Account Name	Proposed Budget Change
SOURCE - Revenue				
General Fund (100)	Real Property Tax	311100.00	Real Property Tax	1 (\$1,100,000)
General Fund (100)	MV Title Ad Valorem Tax True Up	311315.02	MV Title Ad Valorem Tax True Up	2 (\$800,000)
General Fund (100)	Alcoholic Beverage Excise Tax	314200.00	Alcoholic Beverage Excise Tax	2 (\$250,000)
General Fund (100)	Excise Tax on Energy	314500.00	Excise Tax on Energy	2 (\$100,000)
General Fund (100)	Business & Occupation Tax	316100.00	Business & Occupation Tax	2 (\$600,000)
General Fund (100)	Insurance Premium Tax	316200.00	Insurance Premium Tax	2 (\$600,000)
General Fund (100)	Alcoholic Beverage Licenses	321100.00	Alcoholic Beverage Licenses	2 (\$100,000)
General Fund (100)	Building Structures & Equipment	323100.00	Building Structures & Equipment	2 (\$900,000)
General Fund (100)	Streetlight Fees	344300.00	Streetlight Fees	2 (\$65,000)
General Fund (100)	Transfer In - Hotel/Motel	391200.06	Transfer In - Hotel/Motel	2 (\$679,000)
General Fund (100)	Residual Equity Transfer	391300.00	Residual Equity Transfer	3 \$1,500,000
	Fund Balance			\$1,114,000
	Total SOURCE - Revenue			(\$2,580,000)
USE - Expenditure				
General Fund (100)	1530 - Legal	521200.01	Professional Services - Legal	A \$30,000
General Fund (100)	6200 - Parks and Recreation	611000.01	Transfer Out - Capital	B \$2,000,000
General Fund (100)	7000 - Community Development	521100.01	Official / Admin Services	C \$550,000
	Total USE - Expenditure			\$2,580,000
State Confiscated (212)	3200 - Police	351320.00	Cash Confiscation	D (\$8,100)
	Total SOURCE - Revenue			(\$8,100)
State Confiscated (212)	3200 - Police	522200.02	R&M - Vehicle	D \$8,100
	Total USE - Expenditure			\$8,100
Grant Fund (250)	3001 - Police	331100.15	HIDTA - Overtime	E (\$15,972)
Grant Fund (250)	3003 - Police	336000.15	Local - GMA Safety Grant	F (\$10,000)
Grant Fund (250)	3007 - Police	334110.21	CJCC Training	G (\$19,505)
Grant Fund (250)	4002 - Public Works	331300.21	Georgetown Gateway	H (\$1,182,080)
Grant Fund (250)	4008 - Public Works	331304.17	Chamblee Dunwoody Road Village	I (\$25,551)
Grant Fund (250)	7500 - Economic Development	336000.00	ARC - Edge City	J (\$119,954)
	Total SOURCE - Revenue			(\$1,373,062)
Grant Fund (250)	3001 - Police	511300.15	HIDTA - Overtime	E \$10,973
Grant Fund (250)	3001 - Police	522200.15	HIDTA - Repairs & Maintenance	E \$5,000
Grant Fund (250)	3003 - Police	531610.15	GMA Safety - Small Equipment	F \$10,000
Grant Fund (250)	3007 - Police	523700.21	CJCC Training	G \$19,505
Grant Fund (250)	4002 - Public Works	541400.21	Georgetown Gateway	H \$1,182,080
Grant Fund (250)	4008 - Public Works	541407.17	Chamblee Dunwoody Road Village	I \$25,551
Grant Fund (250)	7500 - Economic Development	521200.00	ARC - Edge City	J \$119,954
	Total USE - Expenditure			\$1,373,062

City of Dunwoody				EXHIBIT A
Fiscal Year 2022 Budget Amendments - General Fund, State Confiscated, Grant Fund, Hotel Motel, Motor Vehicle, and Municipal Court Fund				

FUND	Department	Account	Account Name	Proposed Budget Change
Hotel / Motel (275)	Hotel Tax Revenue	314100.00	Hotel Tax Revenue	K (\$1,640,000)
Hotel / Motel (275)	Hotel Tax Revenue	314100.01	Short Term Vacation Rental	K (\$231,000)
Total SOURCE - Revenue				(\$1,871,000)
Hotel / Motel (275)	1511 - Transfer Out to General Fund	611000.02	General Fund	K \$701,625
Hotel / Motel (275)	1511 - Transfer Out to Component Unit	612000.00	Component Unit	K \$818,563
Hotel / Motel (275)	6200 - Parks and Recreation	541200.00	Site Improvements	K \$19,000
Total USE - Expenditure				\$1,539,188
Motor Vehicle Fund (280)	Motor Vehicle Tax Revenue	314400.00	Motor Vehicle Tax Revenue	L (\$5,000)
Total SOURCE - Revenue				(\$5,000)
Motor Vehicle Fund (280)	1511 - Transfer Out to General Fund	611000.02	General Fund	L \$5,000
Total USE - Expenditure				\$5,000
Municipal Court Fund (745)	Fines and Fees	351170.00	Fines and Fees	M \$1,677,685
Total SOURCE - Revenue				\$1,677,685
Municipal Court Fund (745)	2650 - Municipal Court	571000.00	Payments to the General Fund	M \$1,090,195
Municipal Court Fund (745)	2650 - Municipal Court	572000.00	Payments to State Agencies	M \$418,990
Municipal Court Fund (745)	2650 - Municipal Court	573000.00	Jail Bond Payments	M \$168,500
Total USE - Expenditure				\$1,677,685