

MEMORANDUM

To: Mayor and City Council
From: Chris Pike, Finance Director
Date: March 10, 2014
Subject: **Discussion of Final 2013 Annual Budget Amendment**

ITEM DESCRIPTION

Discussion of Final 2013 Annual Budget Amendment

BACKGROUND

During 2013, several events have occurred that require the City to amend its 2013 budget.

- The City received and spent certain grant funds totaling \$2.1 million;
- The Motor Vehicle and Hotel Excise Tax Funds exceeded the revenues budgeted causing a higher expense out of those funds (transfer to General Fund) in the amount of \$183,000;
- The City paid off its startup lease ahead of schedule causing the Police Department, E911 and Court to be over budget by the \$303,500 allocation of the debt payment to that department;
- The City incurred E911 development costs approved by Council but not previously budgeted for about \$75,000;
- Police Department Confiscation Assets were used to acquire goods and services in the amount of \$29,000 as provided by Georgia law;
- Extension of turn lane to add bike lane at Mt. Vernon and Vermack Approved by Council 08-26-2013 for \$11,000;
- Georgetown Park Additional Contract Contingency Approved by Council 08-26-2013 for \$75,000;
- Georgetown Park Contract Contingency Approved 02-25-2013 But Not Previously Budgeted for \$50,000;
- Georgetown Park Contract In Excess of Budget Approved by Council 07-23-2012 for \$6,500;
- Peachford easement costs for Phase 3A of the Multi-Use Trail Approved by Council 08-26-2013 for \$15,000;
- Due Diligence for Phase 3B of the Multi-Use Trail Approved by Council 08-26-2013 for \$15,000

In addition to the items above, Council approved the contract for Phase 2 of the Multi-Use Trail on December 9, 2013. At that time, a funding source was not readily identifiable so staff suggested and Council agreed to temporarily use the Phase 3A costs for the project. By the end of the year and upon closing the 2013 accounting records, it was evident funds



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existed from current revenues to cover the contract for Phase 2 without using the Phase 3A budgeted funds. This resolution reflects using current year revenues instead of diverting from Phase 3A for \$325,600. This will leave the previously approved budget for Phase 3A instead of having to redirect those funds back into Phase 3A at a later date.

For all contracts approved but not previously budgeted, including the Phase 2 contract amount, the following revenue sources were increased. The resulting budget balance will still be below what was actually received; maintaining both an overall budget surplus as well as a surplus for each of those accounts.

•	Motor Vehicle TAVT	\$205,600
•	Hotel Motel Taxes	\$52,000
•	Motor Rental Vehicle Excise Taxes	\$8,000
•	Insurance Premiums Tax	\$200,000
•	Building Structures Permits	\$250,000
•	Interest Income	\$5,000

Lastly, the timing of a debt service payment in 2012 (for 1/2013 due date) caused a surplus in 2012 that will be used in 2013 for \$395,000. This is an accounting issue only to address the timing of the payment and did not alter our debt payments in any way.

ALTERNATIVES

Council may choose to deny the recommendation and leave the existing budget in place. This will result in some expenses exceeding budget resulting in a Georgia Department of Audits comment for violating state budget laws. Council may also choose to divert funds from Phase 3A to Phase 2 for the multi-use trail contract as previously discussed resulting in a need to reallocate funds at a later date.

RECOMMENDED ACTION

Staff recommends Council approve the resolution to amend the 2013 budget.

RESOLUTION 2014-03-XX

A RESOLUTION AMENDING THE BUDGET FOR THE FISCAL YEAR 2013 FOR EACH FUND OF THE CITY OF DUNWOODY, GEORGIA, PURSUANT TO ARTICLE V, SECTION 5 OF THE CHARTER OF THE CITY, BEGINNING JANUARY 1, 2013, AND ENDING DECEMBER 31, 2013, 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 each of the various 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, each of the funds 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 2013.

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

STATE OF GEORGIA
CITY OF DUNWOODY

Section 1. That the City of Dunwoody, Georgia hereby amends the budget for the Fiscal Year 2013, said budget being described below;

REVENUES

SOURCE	ADJUSTMENT
Motor Vehicle TAVT	\$ 205,600
Hotel Motel Taxes	52,000
Motor Rental Vehicle Excise Taxes	8,000
Insurance Premiums Tax	200,000
Building Structures Permits	250,000
Interest Income	5,000
Confiscated Asset Revenues - Federal	17,000
Confiscated Asset Revenues - State	12,000
E911 Fee Revenues	155,689
Grant Fund Revenues - Public Safety	675,000
Grant Fund Revenues - Public Works	1,271,000
Grant Fund Revenues - Parks	171,000
Hotel Motel Excise Taxes	175,000
Motor Vehicle Excise Taxes	8,000
Capital Projects Revenue Transferred from General Fund	498,100
Debt Fund Transfers From General Fund	222,500
Debt Fund Transfers From E911 Fund	81,000
Debt Service Prior Carryover of 2012 budget for 2013 Payment	395,000

EXPENDITURES

EXPENDITURE	ADJUSTMENT
Court - Transfer to Debt Service Fund	\$ 22,500
Police - Transfer to Debt Service Fund	200,000
Public Works Transfer to Capital	157,500
Parks Transfer to Capital	340,600
Confiscated Asset Expenditures - Federal	17,000
Confiscated Asset Expenditures - State	12,000
E911 Communications	74,689
Transfers Out - Debt Service	81,000
Police Grant Fund Expenditures	675,000
Public Works Grant Fund Expenditures	1,271,000
Parks Grant Fund Expenditures	171,000
Hotel Fund Transfer to General Fund	105,000
Hotel Fund Transfer to CVBD	70,000
Motor Vehicle Fund Transfer to General Fund	8,000
Capital Infrastructure	157,500
Capital Infrastructure	340,600
Debt Service Expense	698,500

Section 2. That any increase or decrease in appropriations or revenue of any fund or for any department; the establishment of new capital projects; or the establishment of new grant projects other than those exceptions provided for herein, shall require approval of the City Council; and

STATE OF GEORGIA
CITY OF DUNWOODY

Section 3. That this amended budget maintains the number of established Dunwoody full-time positions for 2013. This number may only be increased or decreased through approval of the Mayor and City Council; and

Section 4. 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 24th day of March, 2013.

Approved:

Michael G. Davis, Mayor

Attest:

Sharon Lowery, City Clerk
Seal

Approved as to Form and Content

City Attorney