



COVID-19 Budget Update Budget Committee April 21, 2020



Month in Review

- Dunwoody's Original State of Emergency Declaration was on March 18.
- Mayor and Council were given a written analysis of the City's financial condition on March 21 with a public discussion of that information at the March 23 meeting.
- Based on the guidance from that meeting, staff has been reviewing the approved 2020 budget for recommended changes.
- Today's presentation will focus on SPLOST, Hotel/Motel, Capital, and fund balance usage.

Capital Projects

- Staff finds the first area where Mayor and Council recommendations are warranted is in capital projects.
- Dunwoody basically has three buckets of capital to address:



SPLOST

- SPLOST is the most restrictive capital funding the City has. It is limited to public safety, transportation, and limited general repairs.
- The original FY2020 Budget had \$6.8 million of new SPLOST funding. Since receipts are monthly and are based on all DeKalb sales, not just Dunwoody – any estimate of decreases may be adjusted upwards or downwards at a later date.



SPLOST

SPLOST		FY2020				
Dept	Project	Current Bdgt	Prior Yr Bdgt	Crnt + Prior	Rec'd Chnge	New Rec Bdgt
Police	Vehicle Replacement	298,845	200,000	498,845	-	498,845
Police	Expanded Video Surveillance	-	300,000	300,000	-	300,000
Police	Radio Coverage Improve	-	1,082,000	1,082,000	-	1,082,000
Police	Computer Replacement	195,474	-	195,474	-	195,474
Parks	Parks Repair	100,000	5,000	105,000	-	105,000
Facilities	City Hall Repairs	100,000	50,000	150,000	(50,000)	100,000
Public Works	Traffic Calming	25,000	-	25,000	(25,000)	-
Public Works	Peeler Rd Sidewalk	1,000,000	19,296	1,019,296	130,704	1,150,000
Public Works	Chamblee @ Spalding Inter	1,400,000	187,575	1,587,575	(1,150,000)	437,575
Public Works	Winters Chap Multiuse	100,000	833,679	933,679	(230,704)	702,975
Public Works	Mt Vernon Pl Sidewalk	50,000	-	50,000	-	50,000
Public Works	Mt Vernon Rd Corridor	100,000	-	100,000	(80,000)	20,000
Public Works	Road Resurface	3,180,681	(8,415)	3,172,266	(245,000)	2,927,266
Public Works	Westside Conn	100,000	113,947	213,947	(100,000)	113,947
Public Works	N Shallowford @ Peeler	150,000	-	150,000	50,000	200,000
		6,800,000	2,783,082	9,583,082	(1,700,000)	7,883,082
					Est Avail >>>	7,883,082



Hotel/Motel

- Hotel/Motel's major issue is the drastic decrease in available funding for the current year. Instead of having almost \$800K to work with, new estimates will be slightly under \$200K.
- Some work may continue because there is approximately \$1.1M in previous years collections which can be used for those projects.
- Any discussion of using this funding to bond projects will have to be tabled until the industry recovers.



Hotel/Motel

Hotel/Motel Dept	Project	FY2020		Crnt + Prior	Rec'd Chnge	New Rec Bdgt
		Current Bdgt	Prior Yr Bdgt			
Public Works	Ashford Trail I	500,000	-	500,000	100,000	600,000
Public Works	Ashford Trail II	289,375	-	289,375	(39,375)	250,000
Undesignated	Undesignated	-	1,100,000	1,100,000	(961,500)	138,500
Parks	PCE Demo	-	-	-	36,000	36,000
Parks	PCE Design	-	-	-	102,000	102,000
Parks	PCMS Lighting	-	-	-	170,500	170,500
		789,375	1,100,000	1,889,375	(592,375)	1,297,000
				197,000	Est Avail >>>	1,297,000



General Funded

- These projects' funding sources are very flexible and can be repurposed with Mayor and Council approval.
- The flip side is that there are very few of these projects and all are relatively smaller dollar amounts.



General Funded

General Funded Cap		FY2020				
Dept	Project	Current Bdgt	Prior Yr Bdgt	Crnt + Prior	Rec'd Chnge	New Rec Bdgt
Parks	PCMS Lighting	125,000	-	125,000	(125,000)	-
Parks	PCMS Field House	150,000	-	150,000	(38,000)	112,000
Parks	Undesignated	-	-	-	38,000	38,000
Parks	Waterford Renovations	-	-	-	125,000	125,000
Community Dev	Dunwoody Village Design	-	5,174	5,174	-	5,174
Parks	Arts Master Plan	-	10,625	10,625	-	10,625
IT	Various Equipment	200,000	-	200,000	-	200,000
		475,000	15,799	490,799	-	490,799
					Est Avail >>>	490,799



Questions on Capital?



Annual Budgeting

- The City's General Fund budget is the largest single fund where most activities lie.
- In summary, a year's financials look like:
 - Starting Fund Balance
 - plus Revenues
 - less Expenditures
 - Ending Fund Balance
- City policy has the ending fund balance to be between four and six months of the budgeted expenditures.



FY2020 Fund Balance

- Pre-COVID, the City was reviewing its estimated starting fund balance for FY2020 in conjunction with the process of the closing of the books.
- Preliminary indications were going to necessitate bringing the amount above the six months level to Mayor and Council for one-time appropriations. Normally, capital needs would be addressed by this funding.



FY2020 Fund Balance

	Budget 2020	Scenario 1	Scenario 2
Est Starting FB	\$ 16.8	\$ 16.8	\$ 16.8
Revenue	\$ 25.7	\$ 18.0	\$ 18.0
Expenditures	\$ (25.7)	\$ (24.4)	\$ (23.1)
Est Ending FB	\$ 16.8	\$ 10.4	\$ 11.6
Months	7.8	4.8	5.7

- Given the pandemic's uncertain influence on revenue, the above scenarios show a 30% reduction in total revenue and two alternative of spending at 95% and spending at 90%.
- Both scenarios allow the City to keep an adequate reserve level at the end of 2020.

FY2020 Fund Balance

- Staff has already identified \$849K (3.3%) of expenditures control which have already been implemented by controlling non-essential purchases.
 - \$200K Parks. Already had received lower bids, some program cancellations.
 - \$123K Public Works. Slight reduction to all R&M efforts with minimal service level reductions.
 - \$100K Elimination of Budgeted Contingency.
 - \$91K Police. Primarily travel, training, etc.
 - \$56K Elimination of City Hall Sinking Fund Payment.
 - \$42K Elimination of print edition of Dunwoody Digest.
 - \$278K in all Other Departments.

FY2020 Fund Balance

- This process will continue throughout the state of emergency and increase as better revenue figures come in.
- It should also be noted, that there will be increases to some extent due to the pandemic. e.g. Safety efforts and information technology improvements.

Questions on Operating?



Next Steps

- Staff will continue monitoring all expenditures eliminating non-necessary ones without currently decreasing service delivery levels materially.
- Once real revenue numbers start to come in, the recommendations presented here will be revised and present to Mayor and Council for discussion and approval.