



4800 Ashford Dunwoody Road  
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To: Mayor and City Council  
 City of Dunwoody

From: J. Jay Vinicki  
 Assistant City Manager

Linda Nabers  
 Finance Director

Thru: Eric Linton  
 City Manager

Date: 11 May 2020

Subject: SPLOST Update

Last week, Mayor and Council were given an update on capital funding for the City. Staff recommended proceeding as if the FY2020 SPLOST earnings were at 75% of the current budget or \$5.1 instead of \$6.8 million with actual Mayor and Council action to be at a later meeting.

The first pandemic influenced SPLOST distribution to the City from the Georgia Department of Revenue has been received. It was for \$494,892 or roughly 84% of the previous year's April distribution. In general, it represents March sales that could be considered bifurcated between pandemic influenced purchases and non-pandemic influenced.

As a note, SPLOST does not include sales of groceries, so the shifting of purchases in the middle of the month to food on the shelves would not mitigate this decrease. DeKalb's countywide HOST amount seems to have decreased less significantly due to this shift.

That being said, this is only one data point, but using it as a bellwether, staff has created three scenarios to show adjusted possible trends in 2020. Scenario A, basically, assumes the data point as the change throughout the year. This would result in a year-end figure of \$6.1 million or 90% of budget. As the April distribution was a split month,



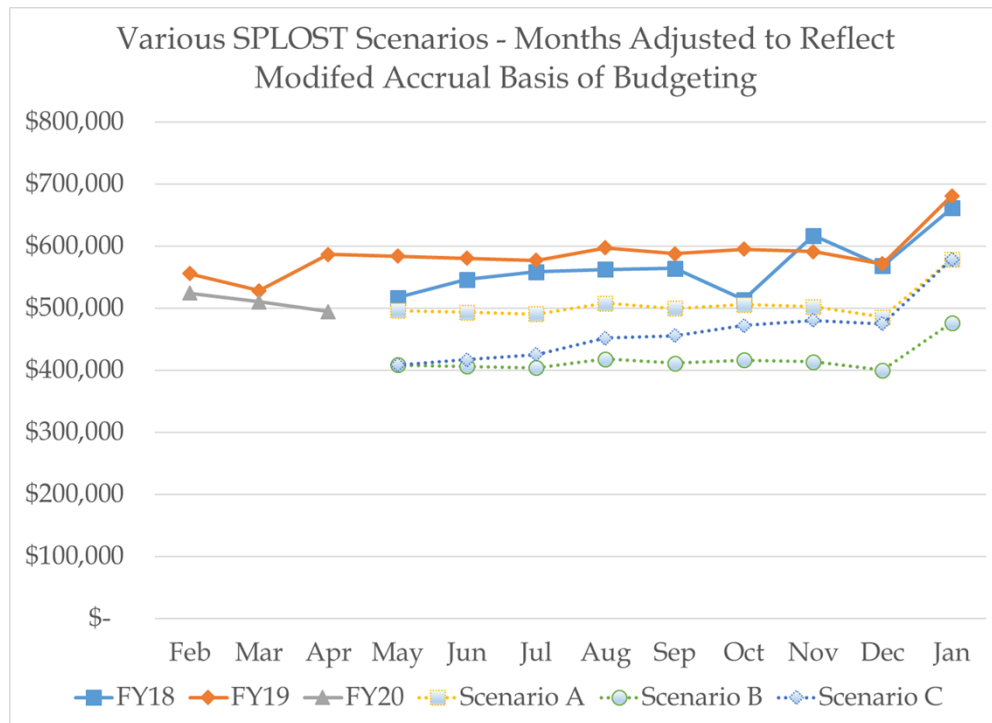
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this scenario is somewhat unrealistic. However, it should work as a reference point for the other scenarios.

Scenario B assumes roughly twice as much monthly impact of 30% starting with the next distribution and not improving at all throughout the year, a very conservative scenario. This still comes in at a value of \$5.3 million, which is above the \$5.1 million discussion point last week.

Scenario C blends the two previous scenarios starting at a 30% drop next month, though improving slightly each month for the rest of the year but never going above a 15% drop for the last month's collection. This gives a figure of \$5.7 million.

As a note, the recession of 2008 had a five percent drop year over year for two straight years. There is no existing data whatsoever to indicate the length of this current economic situation, however even the worst case above is six times the impact in the first year. Therefore, at the current time, staff recommends staying focused on a 25% reduction in budget for SPLOST projections for FY2020, which is still below all others presented above. We will revisit this and other indicators regularly.



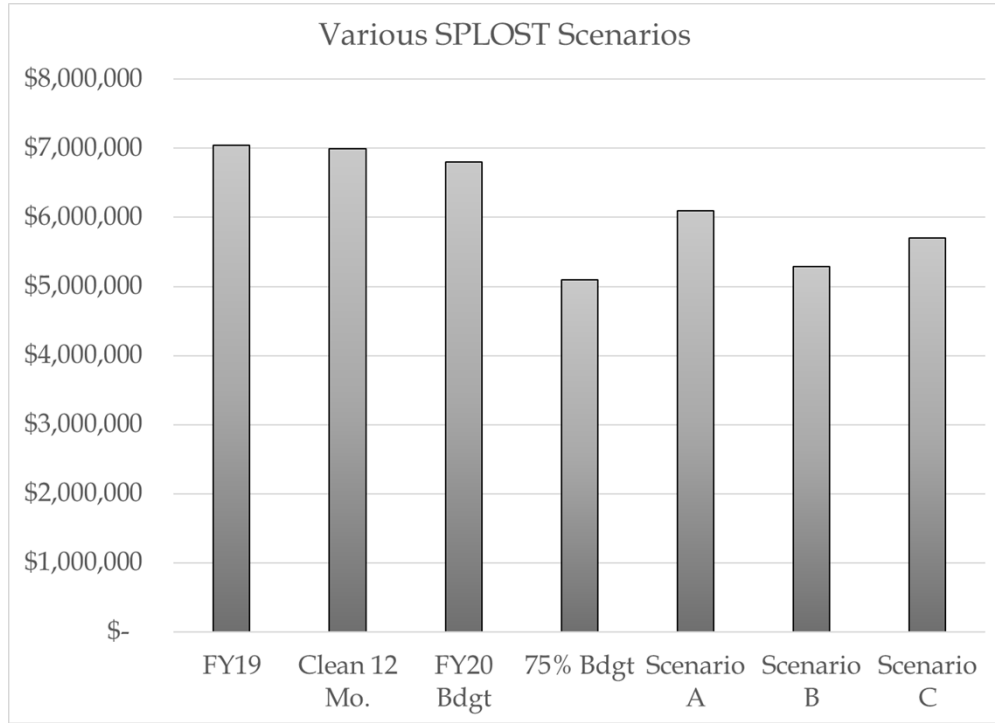
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Eric Linton, ICMA-CM City Manager  
Sharon Lowery, CMC City Clerk

Pam Tallmadge City Council Post 1  
Jim Riticher City Council Post 2  
Tom Lambert City Council Post 3

Stacey Harris City Council Post 4  
Joe Seconder City Council Post 5  
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