

To: Members  
Dunwoody City Council

From: Richard Platto, Finance Director

Re: Budget Amendment for General Fund Revenue Adjustments

Date: July 10, 2023

### **Action**

To approve a resolution authorizing the mayor, city manager, or designee to execute all documents necessary and proper to amend the Fiscal Year 2023 Revenue Budget within the General Fund.

### **Summary**

Due to the uncertainty about the financial impact COVID could have, the City elected to budget General Fund revenue ultra-conservatively starting in 2020. Even though the city budgeted a use of fund balance, it never had to use it. This allowed for a focus on keeping service levels the same and increasing compensation particularly police pay, during this time.

The current economic climate has shifted and there is less need for such a low revenue projection for the General Fund. Staff has the following recommendations to increase five categories to more normal, though still slightly conservative levels.

### **Detail**

Staff recommends the following 2023 Revenue Budget Adjustments within the General Fund:

2023 General Fund Budget		
		2023
		Budget
<b>Starting Fund Balance</b>		<b>23,909,628</b>
2023 Approved Revenue Budget		28,108,250
Proposed Budget Adjustments:		
Digest Change	357,000	(1)
Motor Vehicle True Up	375,000	(2)
Alcohol Beverage Tax	107,000	(3)
Insurance Premium	111,000	(4)
Hotel/Motel Fund	500,000	(5)
Investment Income	60,000	(6)
<b>Total Budget Adjustments</b>	<b>1,510,000</b>	
2023 Budgeted Gain/(Use) of Fund Balance	(2,018,838)	
<b>Total Budget Adjustments</b>	<b>1,510,000</b>	
2023 Adjusted Gain/(Use) of Fund Balance	(508,838)	
<b>Ending Fund Balance</b>		<b>23,400,790</b>

A brief description of each adjustment is noted below:

- (1) Digest Change - increase from \$10,580,000 to \$10,937,000 – the preliminary tax digest for the city received from the DeKalb County Tax Commissioner’s Office shows an increase in the Net Digest for the City of 6.2%. The FY2023 revenue budget was built on a 3% increase in the Net Digest, so this adjustment reflects the additional revenue expected to be received.
- (2) Motor Vehicle True Up - increase from \$665,000 to \$1,040,000 – increase in the Motor Vehicle Title Ad Valorem Tax True Up expected to be received this year, based on current year activity and prior year results.
- (3) Alcohol Beverage Tax – increase from \$518,000 to \$625,000 – increase in Alcoholic Beverage Excise Tax expected to be received this year, based on current year activity and prior year results.
- (4) Insurance Premium – increase from \$3,750,000 to \$3,861,000 – increase in Insurance Premium Tax expected to be received this year, based on current year activity and prior year results.
- (5) Hotel/Motel Fund – increase from \$1,493,250 to \$1,993,250 – due to increased Hotel/Motel revenue, this represents an increase in the portion the City expects to collect, based on current year activity and prior year results.
- (6) Investment Income – increase from \$40,000 to \$100,000 – due to higher interest rates on investments, this represents the additional income the city expects to receive during the current fiscal year.

**Recommendation**

To approve a resolution authorizing the mayor, city manager, or designee to execute all documents necessary and proper to amend the Fiscal Year 2023 Revenue Budget within the General Fund.

**RESOLUTION 2023-07-XX**

**A RESOLUTION AMENDING THE BUDGET FOR THE FISCAL YEAR 2023 FOR THE GENERAL FUND OF THE CITY OF DUNWOODY, GEORGIA, PURSUANT TO ARTICLE V, SECTION 5 OF THE CHARTER OF THE CITY, BEGINNING JANUARY 1, 2023, AND ENDING DECEMBER 31, 2023, 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 Fund 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 2023.

**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 2023, said budget amendments being described below in Exhibit A.

Section 2. That any increase or decrease in appropriations of the General Fund 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 10th day of July, 2023.

Approved:

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Lynn P. Deutsch, Mayor

Attest:

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Sharon Lowery, City Clerk  
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Approved as to Form and Content

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City Attorney

<b>City of Dunwoody</b> Fiscal Year 2023 Budget Amendments - General Fund	<b>EXHIBIT A</b>
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FUND	Department	Account	Account Name	Proposed Budget Change
<b>SOURCE - Revenue</b>				
General Fund (100)	Real Property Tax	311100.00	Real Property Tax	(\$347,000)
General Fund (100)	Personal Property Tax	311300.00	Personal Property Tax	(\$6,000)
General Fund (100)	Motor Vehicle	311310.00	Motor Vehicle	(\$4,000)
General Fund (100)	MV Title Ad Valorem Tx True Up	311315.02	MV Title Ad Valorem Tx True Up	(\$375,000)
General Fund (100)	Alcoholic Beverage Excise Tax	314200.00	Alcoholic Beverage Excise Tax	(\$107,000)
General Fund (100)	Insurance Premium Tax	316200.00	Insurance Premium Tax	(\$111,000)
General Fund (100)	Interest Revenue	361000.00	Interest Revenue	(\$60,000)
General Fund (100)	Transfers In-Hotel/Motel Fund	391200.06	Transfers In-Hotel/Motel Fund	(\$500,000)
<b>Total SOURCE - Revenue</b>				<b>(\$1,510,000)</b>