

To: Members
Dunwoody City Council

From: Richard Platto, Finance Director

Re: North Shallowford Road Properties Budget Allocation

Date: April 24, 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 Budget incorporating the proceeds from the sale of the North Shallowford Properties

Summary

On March 15, 2023, the City closed on the sale of two properties: 4553 and 4555 North Shallowford Road. After paying all the related closing costs, the net proceeds the City received was \$7,407,988. Once all the costs that the City incurred related to the two properties above and beyond the closing costs were taken into account, the proceeds available for allocation is \$7,287,233.

During the City Council Retreat held March 22 and 23, 2023, a discussion was held by Council and staff to determine the most efficient and effective manner to best utilize the proceeds from the sale. It was determined that funding for current and future capital maintenance at all City facilities, plus significant one-time capital projects would be the most appropriate way to utilize the funds.

Detail

Based on the schedule below, staff is recommending the following projects be established within the Capital Projects Fund (Fund 350), with the associated year the spending is currently forecasted to occur:

| Shallowford Funding | | | | | | | |
|--------------------------------|-------------|--------------------|--------------------|-------------------|-------------------|------------------|--------------------|
| Fund 350 - Capital Projects | | | | | | | |
| Funds Carried Forward | \$ - | \$ - | \$3,150,000 | \$1,800,000 | \$1,200,000 | \$600,000 | \$ - |
| Revenue | Prior Years | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | Total |
| Shallowford Sale | \$ - | \$7,407,988 | \$ - | \$ - | \$ - | \$ - | \$7,407,988 |
| Expenses for Sales | \$ - | \$ (120,755) | \$ - | \$ - | \$ - | \$ - | \$ (120,755) |
| Total Revenue | \$ - | \$7,287,233 | \$ - | \$ - | \$ - | \$ - | \$7,287,233 |
| Projects | Prior Years | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | Total |
| Peachtree Middle School Turf | \$ - | \$1,000,000 | \$ - | \$ - | \$ - | \$ - | \$1,000,000 |
| Brook Run Maintenance Building | \$ - | \$ 750,000 | \$ 750,000 | \$ - | \$ - | \$ - | \$1,500,000 |
| Future Capital Maintenance | \$ - | \$ 600,000 | \$ 600,000 | \$ 600,000 | \$ 600,000 | \$600,000 | \$3,000,000 |
| Unallocated Capital | \$ - | \$1,787,233 | \$ - | \$ - | \$ - | \$ - | \$1,787,233 |
| Total Expenditures | \$ - | \$4,137,233 | \$1,350,000 | \$ 600,000 | \$ 600,000 | \$600,000 | \$7,287,233 |

A brief description of each project is noted below:

- Peachtree Middle School Turf (\$1.0M total) – due to heavy usage and drainage issues with the current grass field at Peachtree Middle School, installing an artificial turf field would mean that PMS could accommodate the heavy demand and resolve any drainage issues that may exist. It is noted that the agreement between the City and the school would also need to be amended.
- Brook Run Maintenance Building (\$1.5M total) – Building a new parks maintenance facility has been a long term need of the City and is identified in the Brook Run Park Master Plan. This building would provide the necessary storage space for their current needs and future growth.
- Future Capital Maintenance (\$3.0M total) - \$600,000 per year over the next 5 years (starting in FY2023) would be set aside to address any current and future significant capital repairs needed at any City-owned facilities.
- Unallocated Capital (approx. \$1.8M total) – funds available for future one-time capital projects as they are identified.

Recommendation

Staff recommends approval of the Fiscal Year 2023 Budget Amendment for the allocation of the proceeds from the sale of the North Shallowford Road properties.

RESOLUTION 2023-04-XX

A RESOLUTION AMENDING THE BUDGET FOR THE FISCAL YEAR 2023 FOR THE GENERAL AND CAPITAL PROJECTS FUNDS 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 and Capital Projects 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 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 and Capital Projects 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 24th day of April, 2023.

Approved:

Lynn P. Deutsch, Mayor

Attest:

Sharon Lowery, City Clerk
Seal

Approved as to Form and Content

City Attorney

| | |
|---|------------------|
| City of Dunwoody Fiscal Year 2023 Budget Amendments - General Fund and Capital Project Fund | EXHIBIT A |
|---|------------------|

| FUND | Department | Account | Account Name | Proposed Budget Change |
|--------------------------------|------------------------------------|-----------|------------------------------------|---------------------------|
| SOURCE - Revenue | | | | |
| General Fund (100) | Proceeds from the Sale of Property | 311100.00 | Proceeds from the Sale of Property | □ (\$7,407,988) |
| Total SOURCE - Revenue | | | | (\$7,407,988) |
| USE - Expenditure | | | | |
| General Fund (100) | 1511 - Finance | 521200.00 | Professional Services | □ \$100,000 |
| General Fund (100) | 1530 - Legal | 521200.01 | Professional Services - Legal | □ \$16,244 |
| General Fund (100) | 6200 - Parks and Recreation | 522200.00 | Repairs and Maintenance | □ \$4,511 |
| General Fund (100) | 6200 - Parks and Recreation | 611000.01 | Transfer Out - Capital | □ \$7,287,233 |
| Total USE - Expenditure | | | | \$7,407,988 |
| Capital Project Fund (350) | Transfers In - Fund 100 | 391000.00 | Transfers In - Fund 100 | □ (\$7,287,233) |
| Total SOURCE - Revenue | | | | (\$7,287,233) |
| Capital Project Fund (350) | 6200 - Parks and Recreation | 541200.00 | Site Improvements | □ \$1,000,000 |
| Capital Project Fund (350) | 6200 - Parks and Recreation | 541300.00 | Buildings | □ \$1,500,000 |
| Capital Project Fund (350) | 6200 - Parks and Recreation | 522200.00 | Repairs and Maintenance | □ \$3,000,000 |
| Capital Project Fund (350) | Fund Balance | | | □ \$1,787,233 |
| Total USE - Expenditure | | | | \$7,287,233 |