



To: Honorable City Council
From: John Bradberry, Mayor
Date: September 12, 2023
Subject: **Fiscal Year 2024 Budget**

The Fiscal Year 2024 Budget was initially presented to Council and the Public for review and consideration on July 11, 2023 in a Council Work Session. Copies of the proposed FY2024 Budget were made available at City Hall and on the City's Website. Feedback from our residents was encouraged via the city's website, e-mail, and social media. Work Sessions were held during the months of July and August as well as a Public Hearing on August 18 2023. A second Public Hearing will be conducted on September 12, 2023.

The proposed FY2024 Budget is focused on fundamentals and on the fulfillment of plans and initiatives important to the success of our community. It does this through the implementation of the City's top strategic priorities as outlined by City Council. It will also help make sure that we are living within our means without increasing taxes on residents, thus continuing to show ourselves as reliable stewards of the taxpayers' money. This budget continues to add to our accruals and unassigned fund balance. In turn, this will enable the City to make strategic investments and seize critical opportunities as they might arise.

The proposed budget upholds the City's commitment to preserving the safety and quality of life for residents and businesses. The budget is focused on the fundamentals of delivering quality City services, strengthening public safety, and improving our infrastructure. The budget invests in our community's future through the further development of our public amenities, improvements in city services through technology, and advancing the Town Center.

Highlights

- Total General Fund revenues and expenditures are balanced at \$78,858,052.
- Largest General Fund revenue streams are Local Option Sales Tax (38% of budgeted revenues) and Property Taxes (29% of budgeted revenues) based on a 3.646 millage rate in FY2024.
- Personnel costs (which now include a full-service Recreation and Parks Department) are 63% of General Fund operating expenditures, while operational expenditures make up 37% for a total operating Budget of \$57.7 million.
- \$21.1 million (or 27%) of total General Fund revenue is transferred to accruals (including the Infrastructure Maintenance Accrual, the Vehicle Replacement Accrual, and the Equipment Accrual) towards expenditure on current and future maintenance and replacement needs of critical assets and infrastructure as well as new capital/enhancement projects.
- Stormwater Utility Fund provides for expenditures of \$3.8M to address stormwater needs.

Addressing Our Community's Strategic Priorities

The FY2024 Budget is focused on the fundamentals and directly supports the Council-identified strategic priorities. The FY2024 Budget has four important pillars which elevate and protect our community. The proposed budget fully funds all of our core services and needed personnel and also allocates funds for Creekside Park, which is an integral part of our Town Center. The projects highlighted below are evidence of the critical components of a strong and connected community. The services and assets funded within the budget are targeted at helping to build our community physically, economically, and socially. We are a premier community of health, wellness, and innovation and will flourish as we continue to move our community forward.

Investing in Our Community's Parks, Streets, and Infrastructure

In 2022 the City finalized its Town Center Vision and Plan, which established a blueprint for phased development of the Town Center area. The Town Center is a core component of the Council's Strategic Priorities, and the City is seeking to breathe life into the project to improve mobility and create connections through sidewalks, trails, and other transportation improvements. An anchor of the Town Center is the future Creekside Park, the City's most visible implementation of the Town Center Plan, which the FY2024 Budget will help to fund. Other critical infrastructure projects included in the FY2024 Budget are funded by the Transportation Special Purpose Local Options Sales Tax II (TSPLOST II) funds which voters approved as part of the November 2021 election.

- Creekside Park – Creekside Park is a 21-acre area anchored by two in-line stormwater retention ponds, including the north pond behind City Hall. In 2022, Council adopted a conceptual design for the park and authorized engineering, set aside TSPLOST I funds for the trail through the south pond area, and TSPLOST II funds for finishing the loop of the trail around the north pond and connecting up to East Johns Crossing. The FY2023 Budget continued the effort to fund the park with \$1.5 million for right-of-way acquisition necessary to propel the park to the construction phase in FY2024. In the FY2024 Budget, the City is confirming its commitment to fully funding the construction of Creekside Park with funding for the construction of a signature amphitheater which consists of a bandshell with a 40x40 foot stage and angled roof and the terraced seating between the stage and City Hall.
- TSPLOST II Projects - TSPLOST II revenues anticipated within the FY2024 Budget include \$5.1 million for pedestrian and bicycle improvements, \$4.4 million to address traffic congestion relief, \$2 million for operations and safety improvements, and \$1 million for repair/replacement of bridges. The adopted projects list for TSPLOST II has more than 26 projects at various stages of development, with some in active construction, several in right-of-way acquisition, and others in the engineering phase.
- Infrastructure Maintenance - The FY2024 Budget invests \$3.6 million into resurfacing neighborhood and main roads and roadway patching, along with \$1.4 million for park maintenance and improvement projects. Overall, the FY2024 Budget invests over \$7 million in the Infrastructure Maintenance Accrual Fund to maintain the quality of our sidewalks, traffic signal system, bridges, fire stations, and City Hall.
- Stormwater Repairs and Maintenance - The FY2024 Budget for the Stormwater Utility Fund provides \$3.8 million for repair and maintenance of stormwater assets and infrastructure. The provided funding includes the anticipated \$3.0 million of Stormwater Utility fees to be collected in FY2024 and \$800,000 from Stormwater Utility reserves to maintain the accelerated pace of repairs the team has been implementing since the activation of the Utility in July 2021.

Advancing Technology and Service Delivery Innovation

Several critical Information Technology systems and safeguards are included in the FY2024 Budget in order to allow for accurate and efficient access to secure records and files. These information technology advancements are aimed at improving customer service across all City departments to help connect data, processes, and people to help make the community safe and responsive to the needs of residents and businesses.

- Expansion of Multi-Factor Authentication – Protecting and securing the City’s sensitive data, resources, and network is imperative. The FY2024 Budget helps to fund important network security and supporting hardware maintenance and operations, which also includes the addition of Tyler Continuing Education for staff on-boarding and an expansion of comprehensive training programs.
- Information Technology/Police Evidence Fire Suppression Systems – City Hall was originally equipped with standard water fire sprinklers. Because water poses a significant threat to critical Information Technology and Police evidence, the existing system needs replacement with one that will not corrupt nor danger existing files and evidence, important for the efficient research, cataloging, and safeguarding of vital records.
- Migration to Advanced Content Management System – The FY2024 Budget funds the purchase of Tyler's Content Manager, which will allow the City staff to streamline the flow of digital information throughout the organization and easily automate select processes. The new software centralizes all documents, regardless of type, in a single location, securely accessible to all. This enables the City to effectively move to a more robust digital document collection and securely store records, and expand content management to many offices and departments.

Strengthening Our People and Teams

Quality and efficiency of service come from people dedicated to improving daily efforts and doing so with an opportunity for professional development and advancement. This puts the City in a strong position to recruit and retain the people we need to sustain the high quality of services our residents have come to expect. In FY2023, the City conducted a Compensation and Classification Study to help guide the City as to how to appropriately compensate City employees and improve our ability to retain and recruit employees. With the results of that study implemented in 2023, the City is identifying additional avenues aimed at staff enrichment.

- First Responder Education and Training – Public safety training and professional development are cornerstones of a well-prepared and knowledgeable team. In FY2024, three of the City’s firefighters are enrolling to attend Paramedic School, which adds to the capabilities of the Fire response teams.
- Health Insurance Preventative Care Incentive Credits – In an effort to promote preventative care in the City, the FY2024 Budget adds \$162,500 in funding for a wellness program aimed at helping to decrease overall healthcare costs and assisting to reduce the City’s loss ratio which in turn will result in the opportunity to seek more competitive premium rates in the future.
- Training program of LinkedIn Learning - All employees and teams benefit from education and training opportunities and help better prepare staff to address daily tasks and professionally respond to the needs of residents and businesses. For this reason, the FY2024 Budget includes funds for LinkedIn

Learning to be offered to all city employees which will provide personalized learning paths for employees based on their current skills, skill gaps, career ambitions, and personal interests.

Enhancing Our Public Safety Framework

Essential to the quality of life in Johns Creek is the fortitude and service of our first responders. The FY2024 Budget continues to emphasize the significance of the safety and security of our residents by fully funding the operational needs of the Fire and Police Departments. The FY2024 Budget adds essential equipment upgrades and replacements and replaces aging vehicles.

- **Police and Fire Department Equipment** - The FY2024 Budget adds support for significant Public Safety equipment, which is best accounted for and addressed through the Equipment Accrual Fund. Components of the Public Safety expenditures include the replacement of radios, the AXON Officer Safety plan apparatuses, Fire Department personal protective equipment, and a generator replacement for Station #62, among other needed expenditures.
- **Fire Station Repairs and Maintenance** - The FY2024 Budget seeks to provide for incidental repairs needed at all four of the City's fire stations. The repairs, being funded from the Infrastructure Maintenance Accrual fund, include work on plumbing, electrical, HVAC, structural, and mechanical systems to maintain the functionality of these buildings. Additional funding is included to address much-needed repairs to the roof at Fire Station #61 and a complete resealing of the entire roof system.
- **Public Safety Vehicles** - The FY2024 Budget replaces key public safety fleet vehicles, including the replacement of six Fire Department vehicles (trucks and 4x4s) as well as 14 Police vehicles.

The FY2024 Budget anticipates that revenues will fully fund all the General Fund expenditures and investments in the accruals. By taking a fiscally conservative approach to budgeting, the City positions itself as prepared to address and withstand any potential economic fluctuations which may unexpectedly occur while achieving the primary goal of enhancing the quality of life for residents and businesses throughout Johns Creek.