



STRATEGIC PERFORMANCE REPORT

SPECIAL EDITION: BUDGET MODIFICATIONS

APRIL 2025



Honorable Mayor and Council Members,

I am pleased to submit for your review and consideration a special edition of the Strategic Performance Report with this third installment entirely devoted to budget modifications of the Fiscal Year 2025 Adopted Budget. I'd like to begin with a financial review of the City's General Fund.

GENERAL FUND FINANCIAL REVIEW

As we prepare for the first quarter review and amendment of the Fiscal Year 2025 Adopted Budget, it has been important for me to conduct a deeper dive into the City's financial [funds] structure, policies and net position. I refer to it as my financial thesis only begun and far from finished. As I am incrementally writing and sharing my thesis, I hope it will assist in guiding budget recommendations, deliberations, and tough decisions ahead balancing critical needs of the community with limited financial resources including the upcoming annual setting of the property tax millage rate.

The General Fund is the chief operating fund of the City supporting the bulk of services and operations as authorized by the charter such as public safety, development, parks and recreation, roads and streets, inspections and engineering services, and various general administrative services on behalf of the residents of the City.

Correspondingly, those services require a supporting revenue base. For the Fiscal Year 2025 Adopted Budget, taxes accounted for 87 percent of revenues for the General Fund. Fines and forfeitures, primarily for court related revenues, make up the next highest percentage at just over 8 percent. These two categories represent 95 percent of the total revenue budget.

Fund Balance Policy: Best Practices

The Government Finance Officers Association (GFOA), founded in 1906, represents public finance officials throughout the United States and Canada. The association's more than 20,000 members are federal, state/provincial, and local finance officials deeply involved in planning, financing, and implementing thousands of governmental operations in each of their jurisdictions. GFOA's mission is to advance excellence in public finance.

For its members, it has established "Best Practices" for various financial policies and procedures including "Fund Balance Guidelines for the General Fund." Governments should establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for generally accepted accounting principles (GAAP) and budgetary purposes.

GAAP financial statements report up to five separate categories of fund balance based on the type and source of constraints placed on how resources can be spent (presented in descending order from most constraining to least constraining): *nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance*. The total of the amounts in these last three categories (where the only constraint on spending, if any, is imposed by the government itself) is termed unrestricted fund balance.

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (for example, revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.

The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance.

GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two month [16.6%] of regular general fund operating revenues or regular general fund operating expenditures.

City of Pine Lake Fund Balance (General Fund)

At the end of Fiscal Year 2023, the General Fund had an unassigned fund balance of \$660,646 while the total fund balance totaled \$675,843. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 57.6% of the total general fund expenditures, while total fund balance represents 58.9% of that same amount.



BUDGET MODIFICATIONS

For this important exercise, Department Directors are expected to assess functional responsibilities for improving services on behalf of Pine Lake's constituents. This exercise for Fiscal Year 2025 is abbreviated to only those most urgent issues that were not approved as part of the adopted budget.

Departmental expertise and insight as well as best practices' benchmarking are critical to determining appropriate resources and processes for building better community. Budget modification requests must be justified by meeting at least one of the following criteria: service improvement; revenue generating; program mandated; cost reduction; or a workload change.

After identifying the basis of justification above, departments composed a narrative for each budget modification similar to topics developed for the normal strategic performance report: a topical title followed by description that is concise in nature and accented with an image for more relatable reading.

Budget modifications apply to revenue projections as well as staffing, operating, and capital expenditure requests for Fiscal Year 2025.

Taxes



The original 2025 budgeted revenue for real estate ad valorem taxes is \$790,595 based on the 2024 adopted millage rate of 19.4 mills and modest increase to the City's overall value of taxable real and personal property value projected at \$46,041,056. The actual collection in 2024 was \$802,264. Factoring a status quo millage rate and three percent valuation increase, it is recommended that the budgeted ad valorem tax revenue for 2025 is modified to \$826,300.

The original 2024 budgeted revenue for personal property taxes was 29,000; actual receipts totaled \$46,450. For 2023, actual receipts totaled 34,821. For 2025, revenue for personal property taxes is budgeted at \$27,000; a budget modification to \$40,000 is recommended.

Fines and Forfeitures



Revenue categories include court receipts, probation, and court-assessed add-on fees. 2023 collections totaled \$85,266 while 2024 collections jumped to \$110,492. A budget modification to \$103,450 is recommended to the 2025 original projection of \$94,950.

Position Classification and Pay Plan Implementation



Section 3.16 of the City Charter provides “The city manager shall be responsible for the preparation of a position classification and pay plan which shall be submitted to the city council for approval.” The study and approval phases will develop, implement, and maintain an equitable classification and pay system that accurately reflects the work performed by City employees and ensures that they are equitably compensated for their services. Market surveys, along with analysis, will be conducted by a third-party expert. A budget modification of \$125,000 is recommended.

Community Development Services



As documented in the Planning Retreat Report from October 2024, the City Council identified four strategic priorities (goals). The fourth goal calls for the revamping of city codes and ordinances with an emphasis on code enforcement on a city-wide basis. Objectives include implementing a robust plan to pursue code enforcement on an immediate basis; define the types of codes desired and focus on updates; research other cities and their code enforcement practices; review downtown boundaries and define a comprehensive plan for conditions, standards, and expectations; and share the vision with the public and downtown businesses to gain input and support.

As the City Council has requested a Special Work Session for June 2025 to discuss their priorities and preferences of a bona fide code compliance and/or enforcement program to be developed with an expectation of sufficient resources to implement, a budget modification placeholder of \$50,000 is recommended for future contracted services.

Administration (composed by Ned Dagenhard)

Other Professional Services

The Administrative “Front Desk” Office facilitates the review of many facets of the City of Pine Lake’s operations. One of the larger areas under the purview of this office involves a series of reviews and inspections required for any development, from residential patio installations to commercial new builds on undeveloped lots. While structural developments require review from our building inspection authority (AKA “Building Official”), *SafeBuilt*, the more complex and prolific reviews and inspections are required by areas of our Municipal code, that of the State of Georgia, and even the Federal Government: Zoning Compliance; and Erosion, Sedimentation, and Pollution Control (“ES&PC”). The field expert contractors assigned to these respective categories are Bill Johnston (*Zoning Mechanics*) and Amanda Corr Russell (*Clark Patterson Lee*).

Not only do these areas require legwork by our contractors, they require the expertise and certification these individuals bear. The law surrounding enforcement of a local zoning ordinance reflects back to the legal foundations of the Country as it relates to private property.



In turn, ES&PC answers to the State of Georgia, as Pine Lake is rife with State-regulated waterways. Additionally, the State Environmental Protection Division and Federal *Clean Water Act* empower the ES&PC “best management practices” enforced by Amanda. In other words, these are both highly consequential but often unnoticed functions of our local government.

Improving Efficiency and Effectiveness



Under previous highly centralized management of planning and permitting, Bill Johnston (our Zoning Administrator) often took on an advisory role. Whether or not that system functioned is moot; it is clear in hindsight it was not sustainable. If Pine Lake sees a future of robust development, maintaining and enhancing community character and abiding its ethos of environmentalism and sustainability, as well as the law, these contractors need to be fully utilized. En lieu of this, a budget

modification of the line item out of which these two contractors—*Zoning Mechanics* and *Clark Patterson Lee*—are paid requires an increase.

It does not appear the any funds have been budgeted to account for the routine inspections performed by *Clark Patterson Lee* and required by the State of Georgia. This line-item adjustment will require a contract with an engineering firm, negotiated fee based on the routine requirement, that will hopefully result in an **increase of no more than approximately \$24,000** (which takes the low-end round number average of monthly invoices received by *Clark Patterson Lee* in fiscal year (FY) 2025 multiplied out for the year).



The current budgeted amount for *Zoning Mechanics* is \$3,600. A review of FY2025 invoices received found this to be insufficient by about 55%. The average invoice received by *Zoning Mechanics* is \$660. Multiplied out for the year, this results in an approximate total across the year of \$7,920, requiring an **increase of approximately \$4,320**.

Lining It All Up

In addition to accounting for additional utilization of our planning contractors, appropriation is also required for another consequential department paid out of the *Other Professional Services* Administrative line item: our Finance Director, Danny Lamonte (*Municipal Central*). Danny himself has predicted that his current 30-hour weekly dedication to Pine Lake will likely be eligible for reduction following this massive undertaking—implementation of the City’s FY2025 Budget modification. As we enter the second quarter of the fiscal year, Danny predicts he will be able to sufficiently meet his contractual obligations in 20 hours weekly. This requires that **an additional \$87,750** be added to the *Other Professional Services* line item.

To recapitulate, **the recommended total budget increase for other professional services is \$116,070.**

Legal Expenses



My second recommendation involves increasing the line item for *Legal Expenses*, as the current budgeted amount will likely be exhausted by next month. This would result in increasing this line item from \$22,000 to approximately \$60,000. As the City desires to ensure lawful compliance in facilitation of commercial development, capital improvements, code enforcement, and the inevitable updates to its ordinance likely required by all of these ventures, this increase in utilization appears to be imperative.

Court (composed by Stephanie Capers)**Constitutional Rights of Defendants in Municipal Court**

A municipal court must ensure that defendants are able to exercise a number of different constitutional rights. If the defendant is unable to exercise one of these Rights, the municipal court and the city could be subject to lawsuits.

Public Defenders

A public defender is an attorney who is paid by public funds to represent indigent people in criminal cases.

The municipal court shall have a procedure and forms consistent with state law to determine indigence and to appoint counsel to defendants who apply and qualify for appointed counsel. (RULE 21 of the Uniform Rules of Municipal Court).

Attorney Ansley Sluss has been approved for 12 court sessions at a rate of \$300.00 per session, a budget amendment is therefore requested for a total annual cost of \$3600 for 2025.

Interpreters

Municipal courts are required by law to provide interpreters and other language services to any defendant who has limited English proficiency and to those who are deaf or hard of hearing at no cost to the defendant. (RULE 14 of the Uniform Rules of Municipal Court).

An estimate of 1 interpreter for 12 court sessions at an average invoice of \$250 would result in a request for a budget amendment of at least \$3000 for 2025.

Police (composed by Sarai Y’Hudah-Green)**Body-worn Cameras**

Body-worn cameras and dash cameras are critical tools for improving transparency and accountability in law enforcement activities. These cameras serve as objective records of interactions between officers and the public, which can provide essential evidence for investigations, support public trust, and enhance officer safety.

Currently, the Pine Lake agency is facing challenges with outdated equipment or insufficient coverage. After assessing the needs, it is determined that the purchase of a body cameras system is necessary to maintain the efficiency and effectiveness of our operations.

The proposed budget adjustment will cover the costs of purchasing the required cameras, ongoing maintenance, software for storage and data management, and training for staff on proper usage and legal compliance.

The adjustment will be funded by funds made available by the Special Purpose Local Option Sales Tax (SPLOST I) Program. The investment is expected to result in increased accountability, safety, or operational efficiency. The budget modification request is \$20,000.

Police Patrol Vehicle

The Pine Lake Police Department has a current fleet of six vehicles (1- unmarked chiefs vehicle and 5-patrol vehicles). We recently decommissioned and surplused two that are pending sale via govedeals. The fleet vehicles that remain are the 2021, Dodge Charger, the 2014 Dodge Charger/donated by Sandy Springs Police Department PD and the 2014 Ford Explorer also donated by the Sandy Springs PD. These vehicles also need significant work (one of which is currently at the dealership pending repair for the lifters and the heating and cooling system). It is

especially important to ensure that each vehicle is in good working condition, since they are essential for the department's operations.

It is cost prohibitive to continue repairing vehicles in poor condition. A new patrol vehicle will significantly cut the cost of maintenance and repair. Additionally, time is of the essence as the cost of these vehicles have risen 2 thousand dollars since initial research for a new vehicle. There is also concern with the current market and the impact of newly imposed tariffs on imports.

The purchase of a new patrol vehicle for the Police Department could use the funds available from the SPLOST Program. The budget modification is \$45,000.

Public Works (composed by Bernard Kendrick)

BUDGET MODIFICATIONS



Public Works Equipment Replacement

Public works departments are responsible for maintaining critical infrastructure, including roads, water systems, and public buildings. Proper equipment ensures these services remain functional and efficient.

Equipment reliability ensures public safety by keeping roads clear and reducing hazards, proper management of trucks and maintenance equipment prevent health risks and environmental concerns. Up-to-date equipment ensures compliance with local, state, and federal regulations.

Investing in modern, reliable equipment reduces downtime, repair costs, and inefficiencies associated with outdated machinery. Newer equipment often has better fuel efficiency, lower emissions, and lower operational costs. Automated or technologically advanced equipment increases productivity.

As cities grow, public works departments need additional or upgraded equipment to handle increased demand for services. Investment in equipment supports economic development by ensuring roads, utilities, and public spaces are maintained.

2025 Mid-Size Truck

A mid-size truck is a practical and cost-effective solution for various operational needs. Below are key justifications for acquiring one:

Versatility & Functionality, Cost Efficiency, Improved Accessibility & Maneuverability, Sufficient Towing & Payload Capacity, Employee Productivity & Safety, Sustainability & Fleet Efficiency

BUDGET IMPACT \$30,000

Club Car Utility Vehicle

A utility club cart is a versatile, cost-effective vehicle used for transportation and light-duty hauling in various operational environments. Below are key justifications for its acquisition:

Cost Efficiency, Fuel Savings – Available in electric or gas-powered models, Improved Mobility & Accessibility, Off-Road Capability, Versatile Utility & Hauling Capacity, and reduces reliance on larger trucks for short-distance hauling, freeing up heavier vehicles for more demanding tasks, Increased Productivity & Employee Efficiency, Safety & Environmental Benefits, Electric Models Reduce Emissions, augments Security & Patrols, Hospitality & Events.

Conclusion

A utility club cart enhances efficiency, reduces costs, and improves operational effectiveness, making it a smart investment for our operations.

BUDGET IMPACT \$12,000

Mid-Size Skid Steer

A skid steer is a highly versatile, compact piece of equipment used across various industries, including construction, landscaping, agriculture, and public works. Its ability to handle multiple tasks with interchangeable attachments makes it a valuable investment.

A skid steer offers the following operational justifications

Versatility & Multi-Functionality, Interchangeable Attachments, All-Terrain Capability:

Designed to operate on various terrains, including mud, gravel, and snow, Compact Size & Maneuverability, Cost Efficiency & Return on Investment, Reduces the Need for Multiple Machines, Lower Maintenance Costs, Fuel Efficiency, Increased Productivity & Labor Savings
Faster Job Completion, Safety & Accessibility

Improved Stability: Designed for safe operation on uneven surfaces.

Conclusion

A skid steer is a cost-effective, versatile, and highly efficient piece of equipment that enhances productivity and reduces operational costs. Its ability to perform multiple tasks with minimal labor makes it an essential asset for many industries.

BUDGET IMPACT \$55,000

1 Year HVAC Maintenance Agreement

An HVAC maintenance agreement is a service contract between the city and a HVAC service provider that ensures regular maintenance of heating, ventilation, and air conditioning systems. The value of such an agreement lies in its benefits, which include:

Cost Savings

- Prevents Expensive Repairs: Regular maintenance helps identify and address small issues before they turn into costly repairs.
- Increases Energy Efficiency: A well-maintained system runs more efficiently, reducing energy bills.
- Discounted Service Rates: Many agreements offer discounts on repairs and parts, saving money over time.

Extended Equipment Lifespan

- Routine servicing reduces wear and tear, prolonging the life of HVAC units and delaying costly replacements.

Improved System Performance

- Proper maintenance ensures optimal heating and cooling performance, maintaining comfort levels throughout the year.
- Reduces system downtime and unexpected failures.

Priority Service & Convenience

- Many agreements include priority scheduling, and ensuring faster service when issues arise.
- Eliminates the hassle of remembering maintenance schedules, as service providers handle scheduling.

Compliance & Warranty Protection

- Some HVAC manufacturers require routine maintenance to keep warranties valid.

- Ensures compliance with safety and environmental regulations.

Better Air Quality & Safety

- Clean filters and ducts help improve indoor air quality, reducing allergens and pollutants.
- Regular inspections detect potential safety hazards, such as gas leaks or carbon monoxide issues.

Conclusion

An HVAC maintenance agreement provides long-term cost savings, system reliability, and peace of mind. For businesses and homeowners alike, it ensures HVAC systems operate efficiently and safely year-round.

BUDGET IMPACT \$1,000

Community Investment Projects (CIP) (composed by Bernard Kendrick)

2025 CAPITAL WORK PLAN BUDGET MODIFICATIONS

PINE LAKE DAM DESIGN PINE LAKE DESIGN PINE LAKE WETLANDS DESIGN



Comprehensive project to modify the existing Army Corp of Engineers Nationwide 3 permit. This project will integrate all aspects of the system to fully address the functionality from headwaters to discharge.

BUDGET IMPACT \$45,000

TREE CANOPY MANAGEMENT



A Tree Canopy Management Program is a structured approach to maintaining and enhancing urban and natural forest canopies. It ensures the long-term health, sustainability, and benefits of trees in a given area. The key elements of such a program include:

Canopy Assessment & Inventory

Tree inventory to document species, health, and location.

Prioritizing areas for canopy expansion, maintenance, and preservation.

Tree Maintenance & Health Care

Enforcing tree protection ordinances and regulations.

Community Engagement & Education

BUDGET IMPACT \$25,000

AMERICAN WITH DISABILITIES ACT (ADA) CONCERNS



An Americans with Disabilities Act (ADA) Program ensures compliance with the ADA and promotes accessibility, inclusion, and equal opportunities for individuals with disabilities. The key elements of an effective ADA program as it pertains to Pine Lake include:

- Establishing a clear organizational commitment to ADA compliance.
- Defining accessibility policies and procedures.
- Conducting a thorough assessment of facilities and impacted resources.
- Identifying barriers to access in physical locations
- Documenting findings and creating a corrective action plan.
- Developing a transition plan to address identified accessibility issues.
- Setting priorities, timelines, and funding strategies for improvements.
- Ensuring ongoing updates as accessibility needs evolve.
- Ongoing Monitoring & Program Updates
- Regularly reviewing and updating ADA policies and procedures.
- Keeping up with legal updates and best practices in accessibility.
- Engaging with people with disabilities for feedback and continuous improvement.

BUDGET IMPACTS \$25,000

STREET PAVING AND IMPROVEMENTS



Resurfacing and repairing existing roadways within the city limits of Pine Lake

BUDGET IMPACTS \$317,760

TRIBUTARY 16 CHANNEL IMPROVEMENTS



Provide for a preliminary investigation by procuring an Alta Survey. An Alta Survey is a comprehensive land survey that provides detailed information about a property beyond what a typical boundary survey would show. The survey includes information on property boundaries, improvements, easements, encroachments, and other features that could impact the property's use or value. It also includes information on zoning regulations, flood zones, and topographic features of the land. All of this information is compiled into a report that can be used by buyers and lenders to make informed decisions about the property

BUDGET IMPACT \$25,000

STREET SWEEPING PROJECT



Project will provide for an intensive removal of compacted sediments that reside within the curb areas of all citywide streets. The compacted sediments will be removed so as not to further impact deposition of the storm sewer system and adjacent drainage ways.

BUDGET IMPACT \$25,000

MS4 REPORTING AND LAND DEVELOPMENT



Project will provide continued support of the Municipal Separate Storm Sewer Permit reporting and additional inspections of land disturbance activities within the city limits

BUDGET IMPACT \$30,000

TENNIS COURT REHABILITATION PROJECT



This project supports the rehabilitation and upgrade of the existing tennis facility into a combination tennis/pickleball court.

BUDGET IMPACT \$30,000

MONUMENT SIGNAGE



This project upgrades the locational signage used for wayfinding and branding

BUDGET IMPACT \$30,000

POLE BANNERS



Pole banners are vertical banners typically attached to poles along streets, parks, or other public areas. They are designed to be eye-catching and are often used for various purposes. Here are the primary uses for pole banners: Event Promotion, Branding and Business Advertising, Seasonal or Holiday Decorations, Wayfinding and Directional Signage, Public Awareness & Advocacy Campaigns, Community or Neighborhood Identity, Sponsorship & Partner Advertising, Street and City Beautification

Cities use pole banners to enhance public spaces and make streets look more welcoming, often in downtown areas or tourist destinations. They can showcase local art, culture, or architecture, contributing to a visually appealing environment.

BUDGET IMPACT \$5,000

GENERATORS



This project will construct emergency generators at the Clubhouse and Courthouse for emergency declarations.

BUDGET IMPACT \$50,000

ROOF REPLACEMENTS AND REPAIRS



This project will replace roofs, gutters, and insulation of all city owned buildings.

BUDGET IMPACTS \$50,000

BUILDING RENOVATIONS-OLD CITY HALL



This project will renovate and upgrade the existing building to accommodate public works and the municipal court services operations. This project will also provide additional climate-controlled storage for records retention.

BUDGET IMPACT \$90,000

Very truly yours,

Stanley D Hawthorne

City Manager

stanleyhawthorne@pinelakega.net

404.999.4901

