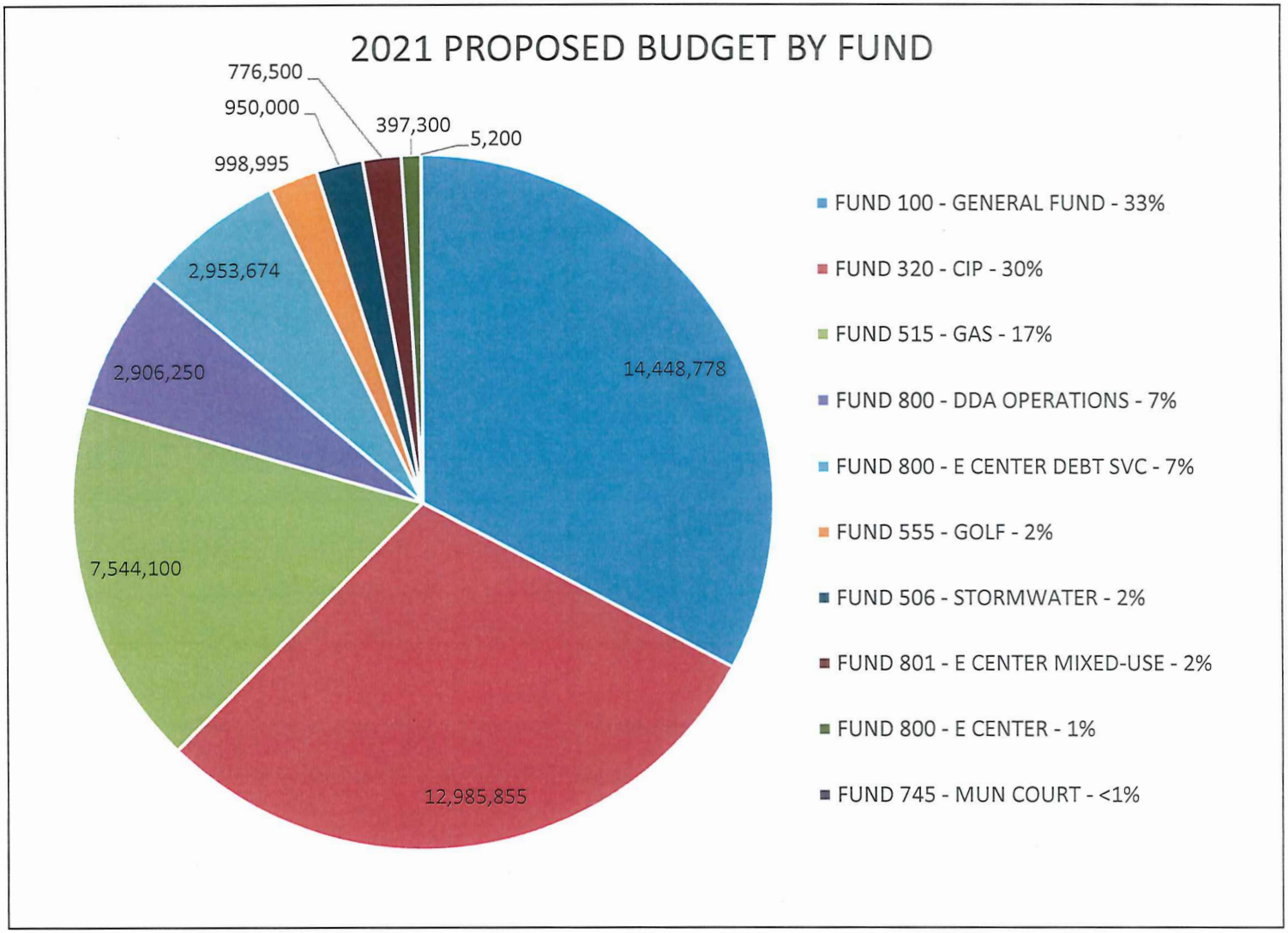
Sugar Hill

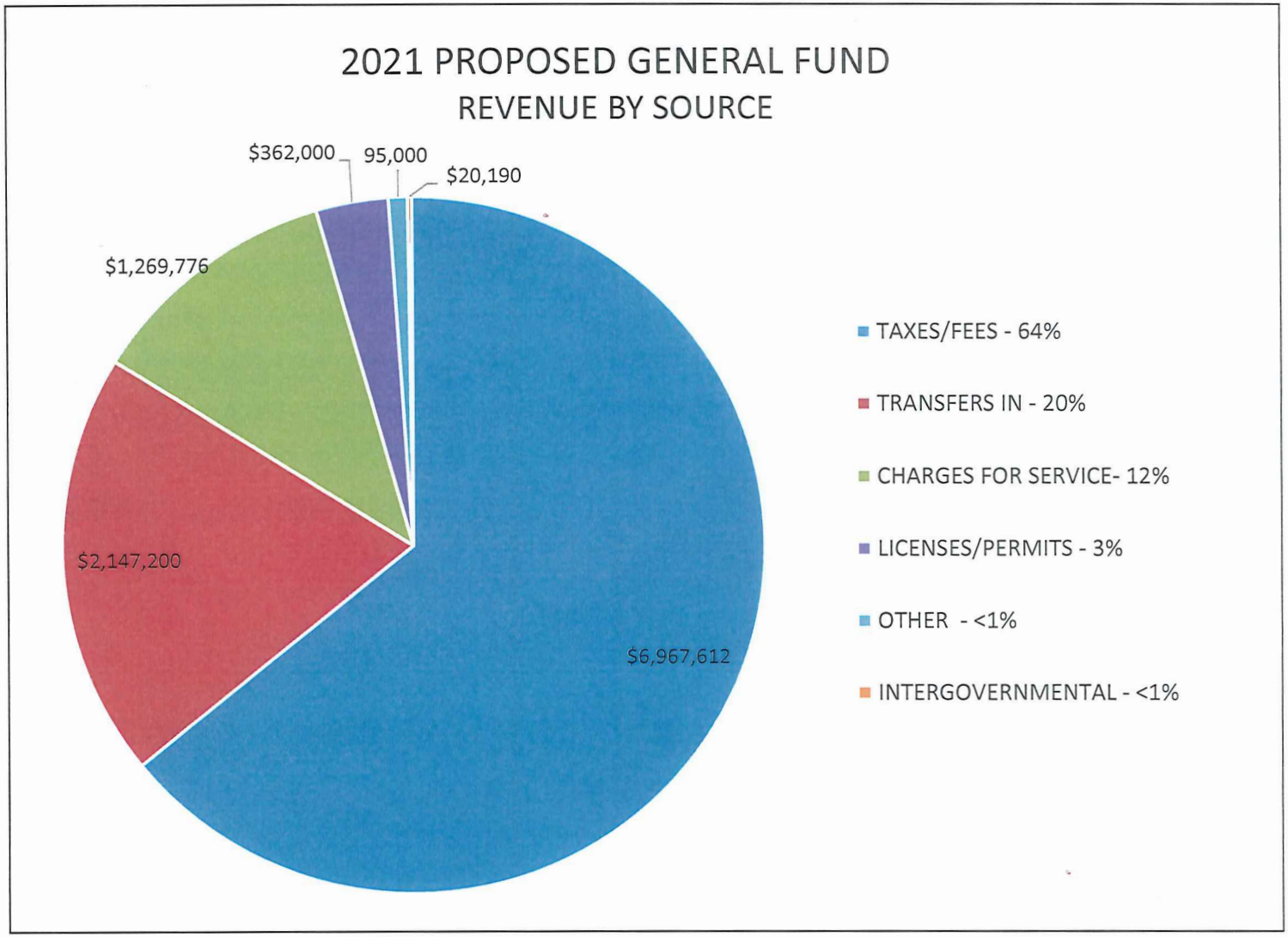
APPROVED - City of Sugar Hill Budget Summary ~ Fiscal Year: 2021

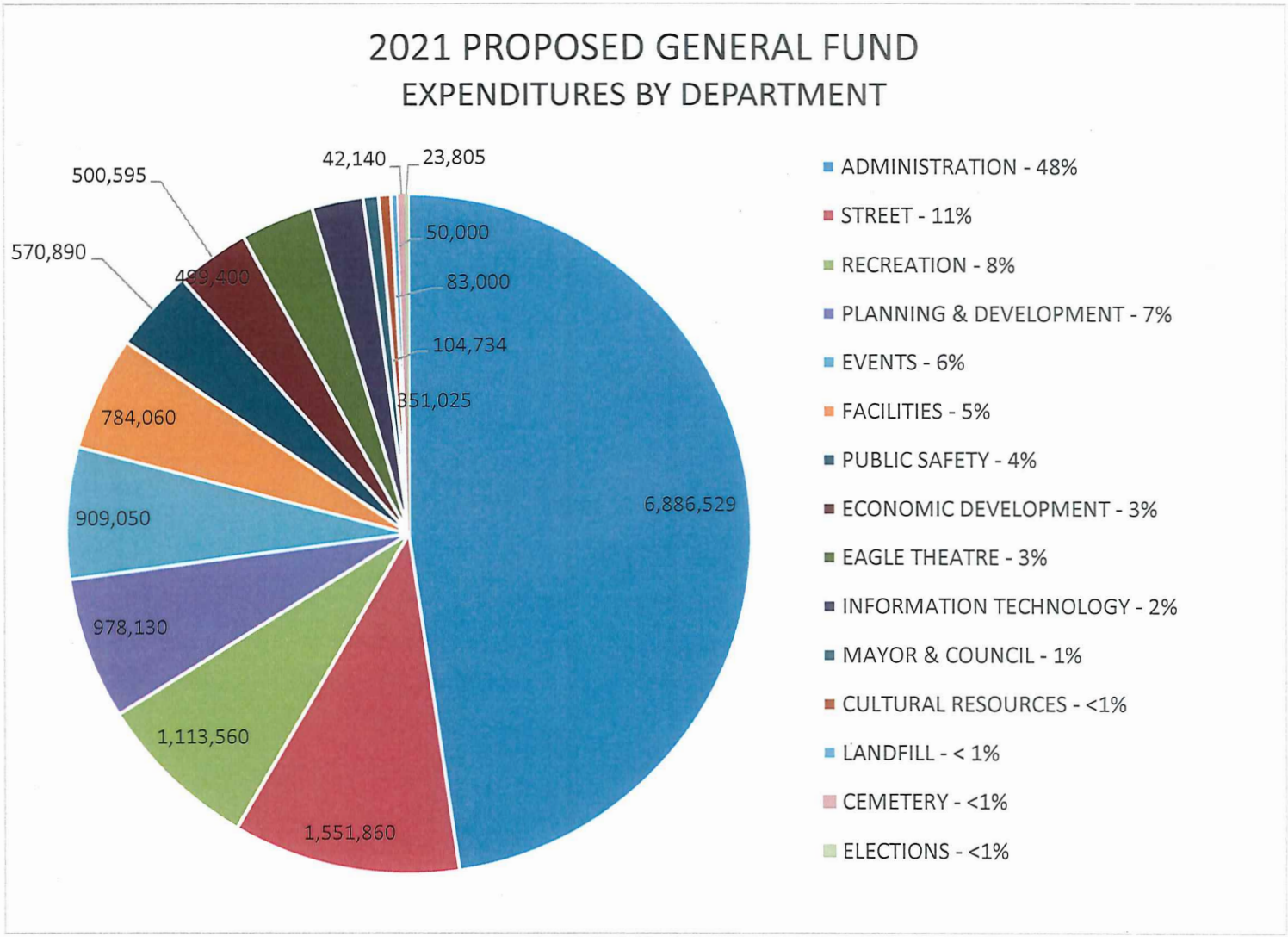
GENERAL FUND - 100 Department	2021 Approved
MAYOR & COUNCIL	104,734
ELECTIONS	23,805
ADMINISTRATION	6,886,529
INFORMATION TECHNOLOGY	351,025
FACILITIES - NEW DEPARTMENT	784,060
PUBLIC SAFETY	570,890
STREET	1,551,860
LANDFILL	50,000
CEMETERY	42,140
RECREATION	1,113,560
CULTURAL RESOURCES/COMMUNITY ENGAGEMENT	83,000
EAGLE THEATER	499,400
BOWL/PLAZA EVENTS	909,050
PLANNING & DEVELOPMENT	978,130
ECONOMIC DEVELOPMENT	500,595
	$14,448,778
OTHER FUNDS & CAPITAL IMPROVEMENT BUDGET	**2021 Approved**
FUND 320 - CAPITAL IMPROVEMENT PROJECTS	12,985,855
FUND 515 - GAS	7,544,100
FUND 555 - GOLF	998,995
FUND 560 - STORMWATER	950,000
FUND 745 - MUNICIPAL COURT	5,200
FUND 800 - DDA OPERATIONS	2,906,250
FUND 800 - DDA E CENTER	397,300
FUND 800 - DDA E CENTER DEBT SERVICE	2,953,674
FUND 801 - DDA E CENTER MIXED-USE	776,500
	$29,517,874

BUDGET TOTAL:	**$43,966,652**

December 14, 2020


2021 PROPOSED BUDGET BY FUND
776,500
950,000
397,300
5,200
998,995
2,953,674
2,906,250
14,448,778
7,544,100
12,985,855
FUND 100 - GENERAL FUND - 33%
FUND 320 - CIP - 30%
FUND 515 - GAS - 17%
FUND 800 - DDA OPERATIONS - 7%
FUND 800 - E CENTER DEBT SVC - 7%
FUND 555 - GOLF - 2%
FUND 506 - STORMWATER - 2%
FUND 801 - E CENTER MIXED-USE - 2%
FUND 800 - E CENTER - 1%
FUND 745 - MUN COURT - <1%


2021 PROPOSED GENERAL FUND
REVENUE BY SOURCE
$362,000
95,000
$20,190
$1,269,776
$2,147,200
$6,967,612
TAXES/FEES - 64%
TRANSFERS IN - 20%
CHARGES FOR SERVICE- 12%
LICENSES/PERMITS - 3%
OTHER - <1%
INTERGOVERNMENTAL - <1%


2021 PROPOSED GENERAL FUND
EXPENDITURES BY DEPARTMENT
6,886,529
1,551,860
1,113,560
978,130
909,050
784,060
570,890
500,595
489,400
42,140
23,805
50,000
83,000
104,734
351,025
ADMINISTRATION - 48%
STREET - 11%
RECREATION - 8%
PLANNING & DEVELOPMENT - 7%
EVENTS - 6%
FACILITIES - 5%
PUBLIC SAFETY - 4%
ECONOMIC DEVELOPMENT - 3%
EAGLE THEATRE - 3%
INFORMATION TECHNOLOGY - 2%
MAYOR & COUNCIL - 1%
CULTURAL RESOURCES - <1%
LANDFILL - < 1%
CEMETERY - <1%
ELECTIONS - <1%

Sugar Hill

CAPITAL IMPROVEMENT BUDGET

2021 - 2025

Type	Project	Five Year Total	External Funding	Source	Local Funding	Source	YEAR					
							2021	2021	2022	2023	2024	2025
T	SUGAR LOOP - GREENWAY TRAIL PROGRAM (**PHASE 1**)	5,942,855	5,942,855	SPJT/SP-T17			5,402,855	☑	☑			
T	LMIG - ROAD RESURFACING	2,750,000	2,201,765	SP-T17,GDOT	548,235	GF	900,000	☑		☑		☑
T	LEVEL CREEK RD/ALTON TUCKER BLVD EXTENSION	1,675,000	1,675,000	SP-T17			1,675,000	☑				
T	S/W IMPROVEMENTS - WHITEHEAD NORTH, SYCAMORE	350,000	350,000	SP-JT/T17			350,000	☑				
R	GARY PIRKLE PARK IMPROVEMENTS	1,225,000	1,225,000	SP-R17			1,225,000	☑				
R	22 AC. PARK	2,100,000	1,200,000	SP-R17	900,000	GF	1,200,000	☑			☑	
C	GOLD MINE PARK	1,075,000	1,075,000	SP-C17			1,075,000	☑				
C	CEMETERY SIGNAGE AND FENCING	150,000	0		150,000	GF	150,000	☑				
ED	GATEWAY IMPROVEMENTS / WAYFARING SIGNAGE	340,000	150,000	GT	190,000	GF	95,000	☑	☑	☑		
ED	DOWNTOWN ACTIVATION AND ACCESSORIES	300,000	0		300,000	GF	150,000	☑	☑			
T	HIGHWAY 20 PEDESTRIAN BRIDGE	6,250,000	5,000,000	GT	1,250,000	GF	100,000	☑	☑	☑	☑	☑
T	HIGHWAY 20 EAST WIDENING - DESIGN EHANCEMENTS[1]	1,100,000	500,000	SP-JT/T17	600,000	GF	500,000	☑	☑			
AM	CITY HALL PARKING DECK RESURFACING	163,000	0		163,000	GF	163,000	☑				
C	BOWL IMPROVEMENTS PH. 4 (STAGE IMPRV. / ADD SEATING)	6,840,000	6,840,000	SP-C23						☑	☑	☑
R	E CENTER REC - PHASE II	5,000,000	5,000,000	SP-R17							☑	☑
R	PROPERTY ACQUISITION - PARKS/GREENSPACE/DEV	1,250,647	340,647	SP-R17	910,000	GF			☑		☑	
T	HIGHWAY 20 STREETSCAPE LANDSCAPING UPGRADES	1,000,000	850,000	GT/LCI	150,000	GF			☑	☑		
T	DOWNTOWN STREETSCAPE UPGRADES - INTERSECTION	2,252,406	1,000,000	SP-T17	1,252,406	GF			☑	☑	☑	☑
C	RETREAT AT ORRS FERRY	1,600,000	750,000	GT	850,000	GF			☑	☑	☑	
C	DOWNTOWN INTERACTIVE IMPROVEMENTS	100,000	100,000	GT					☑			
T	TRANSPORTATION IMPROVEMENTS - BAILEY, SPRING HILL	2,300,000	2,300,000	SP-T23						☑	☑	☑
T	WHITEHEAD ROAD ROUNDABOUT IMPROVEMENTS	1,075,000	500,000	SP-T17	575,000	GF				☑	☑	☑
T	SUGAR LOOP - GREENWAY TRAIL PROGRAM (**FUTURE**)	11,995,000	9,596,000	SP-T23	2,399,000	GF				☑	☑	☑
ED	GATEWAY MONUMENT SIGN: HIGHWAY 20 AT RIVER	450,000	150,000	GT	300,000	GF						☑

SUMMARY	TOTAL	EXTERNAL		LOCAL			2021	2022	2023	2024	2025
	$57,283,908	$46,746,266		$10,537,641			$12,985,855	$3,025,647	$7,792,406	$17,268,000	$16,212,000

PROJECT CATEGORIES

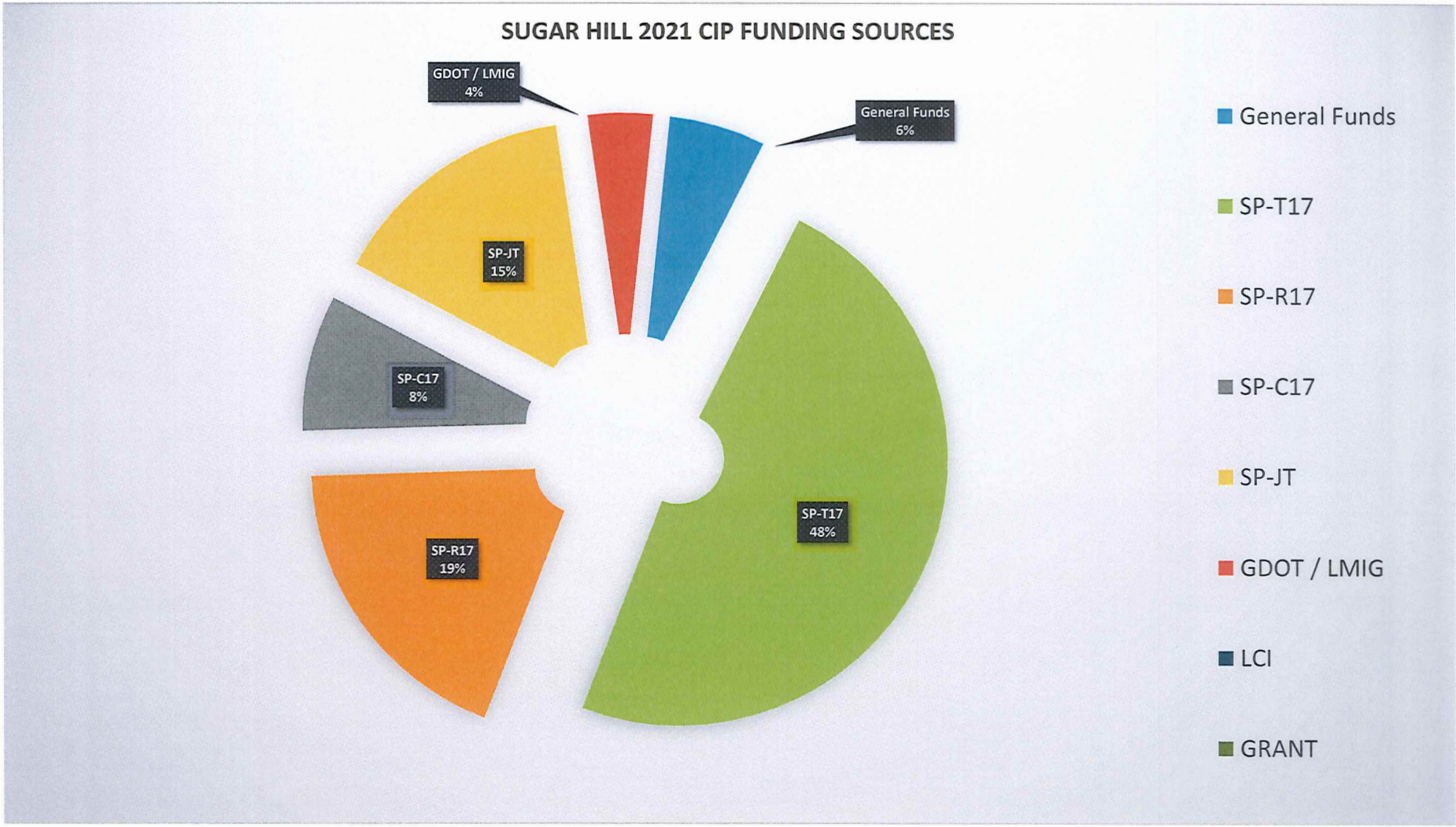
- T TRANSPORTATION
- R RECREATION
- C CULTURAL PROGRAMMING / RESOURCES
- ED ECONOMIC DEVELOPMENT
- AM ASSET MANAGEMENT

SOURCES OF FUNDS

- GF: GENERAL FUND
- SP-**17: SPLOST17 - TRANSPORTATION, CULTURAL, REC.
- SP-JT: SPLOST17 - JOINT TRANSPORTATION (COUNTY 81%/CITY 19%)
- GDOT: LOCAL MAINT. IMPROVEMENT GRANT (LMIG) ANNUAL FUNDS - OR OTHER GDOT PROG.
- GT: GRANT
- LCI: LIVABLE CENTERS INITIATIVE GRANT PROGRAM
- SP-**23: FUTURE SPLOST ISSUE - 2023

NOTES

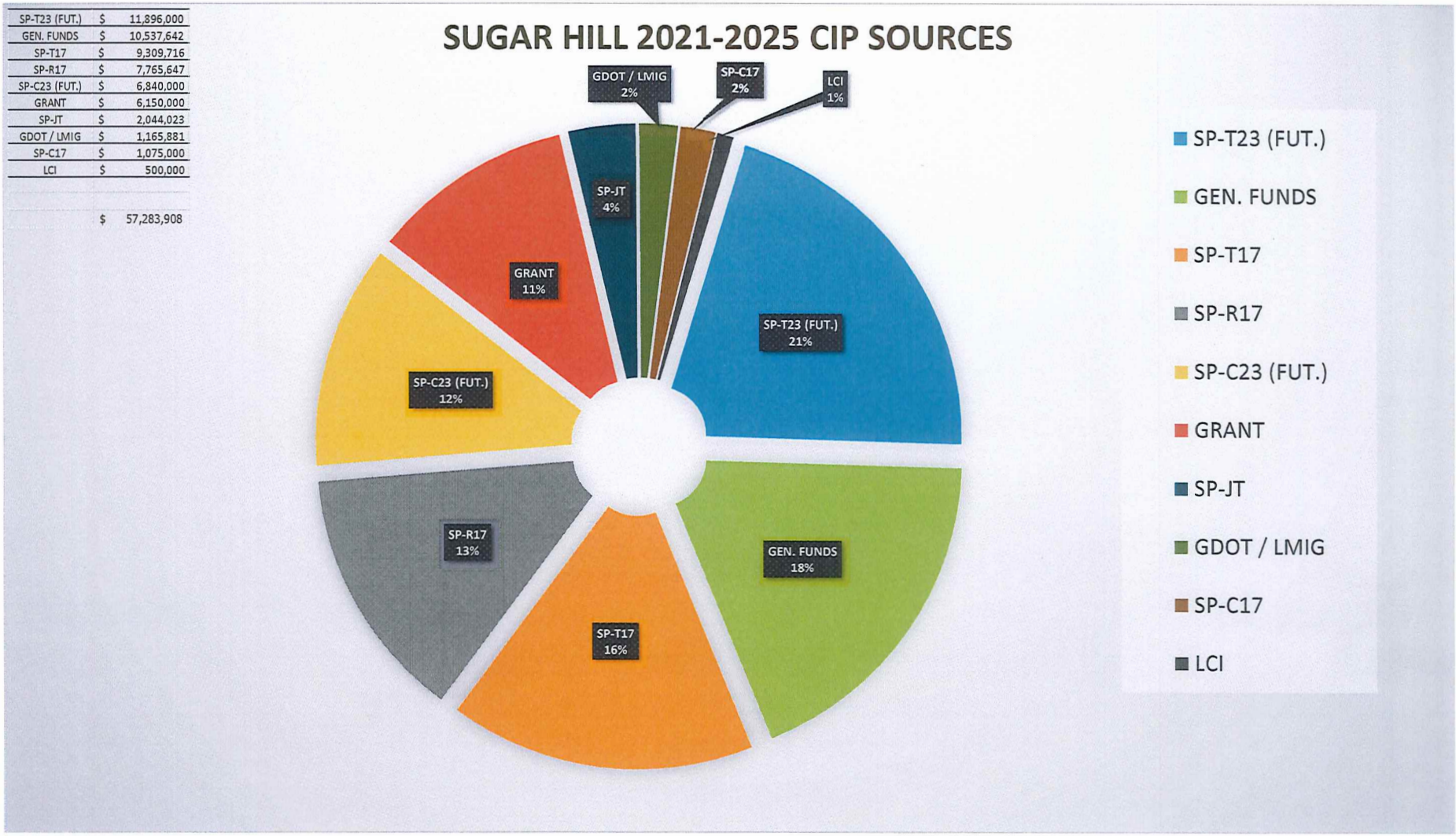
1 HWY 20 - Ped bridge over RR Ave, Trail to SH Station from PIB


SUGAR HILL 2021 CIP FUNDING SOURCES
GDOT / LMIG 4%
General Funds 6%
SP-JT 15%
SP-C17 8%
SP-R17 19%
SP-T17 48%
General Funds
SP-T17
SP-R17
SP-C17
SP-JT
GDOT / LMIG
LCI
GRANT

Sugar Hill 2021 CIP Funding Sources

PROJECT NAME	Annual Tot.	General Funds	SP-T17	SP-R17	SP-C17	SP-JT	GDOT / LMIG	LCI	GRANT
SUGAR LOOP - GREENWAY TRAIL PROGRAM (PHASE 1)	$5,402,855	$0	$3,959,399	$0	$0	$1,443,457	$0	$0	$0
LMIG - ROAD RESURFACING	$900,000	$92,000	$300,000	$0	$0	$0	$508,000	$0	$0
LEVEL CREEK RD/ALTON TUCKER BLVD EXTENSION	$1,675,000	$0	$1,458,000	$0	$0	$217,000	$0	$0	$0
S/W IMPROVEMENTS - WHITEHEAD NORTH, SYCAMORE	$350,000	$0	$66,500	$0	$0	$283,500	$0	$0	$0
GARY PIRKLE PARK IMPROVEMENTS	$1,225,000	$0	$0	$1,225,000	$0	$0	$0	$0	$0
22 AC. PARK	$1,200,000	$0	$0	$1,200,000	$0	$0	$0	$0	$0
GOLD MINE PARK	$1,075,000	$0	$0	$0	$1,075,000	$0	$0	$0	$0
CEMETERY SIGNAGE AND FENCING	$150,000	$150,000	$0	$0	$0	$0	$0	$0	$0
GATEWAY IMPROVEMENTS / WAYFARING SIGNAGE	$95,000	$95,000	$0	$0	$0	$0	$0	$0	$0
DOWNTOWN ACTIVATION AND ACCESSORIES	$150,000	$150,000	$0	$0	$0	$0	$0	$0	$0
HIGHWAY 20 PEDESTRIAN BRIDGE	$100,000	$100,000	$0	$0	$0	$0	$0	$0	$0
HIGHWAY 20 EAST WIDENING - DESIGN EHANCEMENTS1	$500,000	$0	$500,000	$0	$0	$0	$0	$0	$0
CITY HALL PARKING DECK RESURFACING	$163,000	$163,000	$0	$0	$0	$0	$0	$0	$0
TOTALS:	$12,985,855	$750,000	$6,283,899	$2,425,000	$1,075,000	$1,943,957	$508,000	$0	$0

SP-T23 (FUT.)	$	11,896,000
GEN. FUNDS	$	10,537,642
SP-T17	$	9,309,716
SP-R17	$	7,765,647
SP-C23 (FUT.)	$	6,840,000
GRANT	$	6,150,000
SP-JT	$	2,044,023
GDOT / LMIG	$	1,165,881
SP-C17	$	1,075,000
LCI	$	500,000
	$	57,283,908



Proposed
2021 Operating Budget
2021 Capital Improvement Budget
The Budget At-A-Glance

November 20, 2020

Background and Legal Requirements

State law requires and the Official Code of Ordinances of the City of Sugar Hill directs the City Manager to annually submit to the Mayor and City Council a proposed balanced operating budget as well as a proposed capital improvement budget with recommendations as to the means of financing the proposed improvements for the ensuing fiscal year.

In accordance with State law and the City of Sugar Hill's Official Code of Ordinances, I hereby submit the proposed **2021 Operating and Capital Improvement Budgets** for your consideration.

State law also requires that the proposed operating and capital improvement budgets be advertised and made available for public inspection.

The notice of availability of the proposed 2021 Operating and Capital Improvement budgets appeared in the Gwinnett Daily Post on Wednesday, November 18, 2020, and will appear again on Wednesday, November 25, 2020.

The budgets will be available for public inspection on Friday, November 20, 2020, in the Office of the City Clerk and on the City of Sugar Hill's web site.

This same notice also notified the public of the dates of the two required public hearings (December 7, 2020 and December 14, 2020) prior to adoption of the budgets by the Mayor and Council at their December 14, 2020, regular council meeting.

A Look Back at 2020
What a Year!

This has been one of the most challenging years for the city, its employees and our elected leadership as we have all had to pivot and focus our attention on how to operate under the evolving COVID-19 instructions from Washington and the Governor's Office. First, we had to put a plan in place to continue to provide essential services to our residents while also making sure our valued employees were trained and protected as they delivered services and interacted with the public.

The country, the state, Gwinnett County and Sugar Hill all felt the tension and frustration swirling around social injustice and racism that ultimately manifested itself into marches, demonstrations and protests. The deaths of George Floyd, Breonna Taylor and Ahmaud Arbery, as well as many more across the country, elevated tensions and informed many dialogues, all in the middle of the deadliest worldwide pandemic since 1918. Fueling much of the experience was the looming election consuming much of the conversation as it related to the federal, state and local law enforcement, a contentious presidential race, state, county, and local races that pulled at the fabric of our culture and society.

The pandemic has changed how all of us interact, whether that be at home, in our neighborhoods, schools, businesses or office buildings. When the Governor ordered the "shutdown" of the state last spring, we all had to adjust. City council quickly moved to declare a local Public Health State of Emergency and moved to close city hall to all outside guests, except by appointment. I am proud that our staff continued to work and provide the services our residents expect. Our public works staff continued to work every day with chipping, yard debris pick-up, stormwater management and providing the lowest cost gas service to our 11,600 gas customers.

While our facilities were closed, including City Hall, Gary Pirkle Park, the Eagle Theatre, the E Center, and the Bowl, we quickly began a methodical daily cleaning and maintenance program for all our public assets. We had staff on site, working remotely and in the field, and we worked diligently to make sure they had cleaning materials as well as the personal protective equipment they needed to operate safely. Sound, light and sight-line improvements were made to the Eagle Theatre to accommodate expected pandemic guidelines. Flooring improvements were also made to the entire E center complex and Eagle Theatre gallery. At the Public Works Facility, we adjusted seating to ensure social distancing and added to our rolling stock to provide safety to employees as they traveled to and from job sites. At City Hall, we installed temporary and then permanent transaction windows at the Post Office, Customer Service and Planning and Development. The Council Chamber has also been retrofitted and modified to provide proper social distancing and personal protection between council members. For several months, our city council, boards and commissions and staff held virtual meetings via various platforms ranging from Teams, WebEx to Zoom. We extend our thanks to our small but very capable Information Technology staff for assisting us through this process.

We put in place – following CDC and the National Coronavirus Task Force pronouncements – guidelines and protocols for reporting any direct or indirect contact with someone who had been tested positive for COVID-19 and subsequent isolation, quarantine or testing. With City Council approval and in compliance with federal 'CARES Act' regulations, we put in place a special category of leave (80 hours for full time

employees and 40 hours for regular part-time employees) to provide comfort for a wide range of COVID-19 impacts, including child care, members of their family that have immune system deficiencies, employee experiencing COVID-19 symptoms or family members coming in contract with someone that tested positive or the employee or family member testing positive. I am extremely proud of our record and our collective efforts of keeping each other safe.

Weather challenges also hit us hard in 2020. Back to back record-breaking rain and wind events caused by Tropical Storms Delta and Zeta wreaked havoc on our infrastructure. Gary Pirkle park experienced heavy flooding, covering the bridges and playing surfaces with water and silt west of the main creek channel. Less than two weeks later, tropical storm Zeta raced through the city, toppling trees and pulling down power lines in a brief, but dangerous four hours in October. The signature turf fields at Gary Pirkle Park experienced a total loss and the FY2021 Capital Improvement Budget will show a significant investment to replace the subsurface and turf fields this spring.

One bright spot in the weird year that is 2020, is the performance of the Sugar Hill Golf Club. We saw record play this year with relatively warmer weather and good playing conditions, despite the record-setting rainfall of October. We made special arrangements early on the retrofit the golf course to have contactless flags, individual carts and eliminated all prepared foods in the snack bar and only having grab and go items.

Our entertainment venues, like all other entertainment venues around the country, also went dark early this spring. Except for private rentals of the Eagle and Bowl, our venues have been quiet with many of the artists that we had lined up very reluctant to travel and risk exposure. All Players Guild performances were cancelled and rescheduled to 2021; all other city events in the Eagle were also cancelled or will be rescheduled for 2021; and the entire 2020 Sweet Life Concert Series was cancelled and is being rebooked for early summer and fall of 2021, salvaging our deposits with our artists.

Despite the pandemic and social unrest, 2020 has seen a remarkable transformation of our downtown. The Broadstone by Alliance is fully immersed in leasing with ninety-one (91) units occupied as of mid-November. Occupancy is at 29% with 39% of the units pre-leased. Tenants range for first apartment with roommates to middle-aged professional to career professionals downsizing. The Cadence by Prestwick at the northwestern corner of Hillcrest and Highway 20 is quickly taking shape. They expect to start leasing the “Big Houses” in May 2021 and all buildings with be in lease-up by the end of the year or early 2022. Directly across Highway 20 from the Cadence is the new Holbrook by Solomon, a luxury senior living facility that includes 130 units of assisted living and memory care. Despite the unusually wet fall, the Holbrook should show signs of going vertical by the end of the year.

These three private sector developments are investing over $180 million in our downtown. In addition to our market, each of them would tell you that they were willing to put that much money on the line to be in Sugar Hill for three reasons – the city’s well thought-out downtown and city-wide master plan; a city council and staff committed to the vision articulated in the plan; and most importantly, the willingness of the city and the community to invest in its own vision with the E Center, Eagle Theatre and Bowl.

In November, the city council agreed to sell 2.6 acres of property on Hillcrest and West Broad to Kittle Homes of Athens for the eventual construction of 25-30 fee simple Brownstones, adding an important

housing element to our downtown. The city has also assembled the entire 4.5-acre site beside City Hall bordered by Temple on the east, Highway 20 on the north, Hillcrest on the west and West Broad on the south. The expectation is for a 2021 redevelopment of this assemblage, including a parking deck for use by the public daily and concert events.

The Dawn P. Gober Community Plaza was, for the seventh year in a row, transformed in October for the start of the 2020/2021 version of the Ice Rink at Sugar Hill. The ice rink opened on November 12th and hosted a big Friday the 13th event on November 13th. All patrons are required to wear masks and practice social distancing. Its first week of operation has seen significant attendance of over four hundred skaters and close to five hundred visitors to our downtown.

While 2020 has seen its share of economic volatility, the 2017 SPLOST receipts continue to remain strong, notably with the state's correction to its practice of collecting online purchases. In 2019 and 2020, we completed about a mile of the popular Sugar Hill Greenway trail project, with another four and a half miles of new trail segments currently under contract. So, these trails, new parks, trailheads and improvements at Gary Pirkle Park are in solid shape given the strong performance of the SPLOST program. Road improvements, Bowl improvements and sidewalk construction - connecting the community to schools, churches and downtown - are also on our radar and the proposed Five-Year Capital Improvement Budget reflects these priorities.

The city's municipal gas system maintains its position as the second lowest 12-month average cost to the consumer of any municipal system or private marketer in the state, according to the Georgia Public Service Commission. In fact, Sugar Hill natural gas customers pay approximately 50% to 150% less than any private gas marketer in the state. Sugar Hill natural gas is a cost effective and highly competitive energy source, and we are proud of our safety and customer service record. This year saw the addition of some 2,300 new automated meters, continuing the program to transition to a new electronic meter-reading system (AMR). At the conclusion of 2020, staff will have installed, calibrated, and initiated automatic remote reading for 50% of our system. The goal is to convert all active meters to the new AMR system over a five-year period. For the 12 months ending 10/31/20, the gas department handled 7,180 locates (3% increase over 2019), installed 212 new services, investigated 278 leak inquiries, and responded to an additional 732 other system work orders.

Amid the challenges of the pandemic, construction activity maintained momentum among the 25 projects initiated for 2020, including, building renovation and improvement, sidewalk and trail construction, park construction, as well as stormwater improvements in three neighborhoods in the city. Closing out in early 2020 was the SPLOST-funded sidewalk project on Whitehead and Suwanee Dam Roads, construction of our new Veterans Memorial Plaza, as well as construction of a new concession building in the Bowl. Through the year we also were able to complete the installation of two new gateway monument signs, a mile of new greenway trail on Peachtree Industrial Boulevard and on Whitehead Road, complete four stormwater culvert improvement projects using cured in place methods, as well as make modifications to our facilities responding to the changes brought about by the pandemic.

The city's street department has also had to make some adjustments during this year with many of our vendors, suppliers, and sub-contractors unable to be responsive to our needs for regular support. We continued to maintain the city's 82 acres of right-of-way as well as providing maintenance on 73 miles of

city streets. The department has three crews responsible for the collection and disposal of bagged grass clippings, leaves, and yard debris from residents with 1,264 loads of bags picked up, resulting in 286 trips to the transfer or disposal sites. This part of our service function also means we provided 133 loads of mulch to residents as well. We were able to keep a regular collection schedule during the height of the pandemic despite a brief period of interruption, an impressive task given the increased demand and shortage of human resources. Staff is also responsible for maintenance and monitoring of the city's closed landfill along with all record-keeping and compliance reporting.

The Street Department's one-person fleet maintenance program is responsible for the city's inventory of 50-plus vehicles and heavy equipment. The whole team within the department, when called upon serves as first responders and provides support to important infrastructure repairs during and after all storms, whether arctic or tropical. The team also assists other city departments with construction projects, property acquisition and assimilation, demolition work, fencing, and cleanup, saving taxpayers a significant amount of money by using in-house resources.

In early November, the city and the Sugar Hill Downtown Development Authority "refunded" the outstanding balance of the Series 16 A Tax-Exempt bond issued for the E Center. This option was available to the city because the city priced to 2016 bonds with a 5-year call provision. Given the market, the cash savings to the city was $3.8 million for the remaining term of the bonds. The 2016 Series B Taxable Bonds will be retired at the end of 2021. To refund the bonds, the city went back to Wall Street for an updated rating. Standard and Poor's reaffirmed the city's AA+ rating with a stable assessment.

The FY2019 Audit was completed by the city's auditor in September. For the seventh year in a row, the city received an "unqualified audit report", which means the audit report issued by the city's independent audit firm is issued without qualification and is free of any encumbrances or conditional statements. The audit also showed a strong fiscal position with an addition to the city's fund balance and unrestricted reserves. In mid-November, the city received notification from the State Department of Audits that the FY2019 Audit had been accepted and approved. We are proud of our finance staff and the entire management team that work hard throughout the year to follow established procedures and maintain integrity and transparency in everything we do. We take our responsibilities seriously in managing the resources provided to us by city council and Sugar Hill taxpayers.

The city's tax digest continued to grow reflecting private sector confidence in the Sugar Hill market and the significant new investments. Property values have grown as well with the FY2020 net digest exceeding $1.067 billion. The city's digest is still below the digests of our neighbors – Buford, Suwanee and Duluth – but we are growing at a healthy rate.

Another positive metric is the ratio of residential to commercial property, which is also trending in a positive direction, with nearly 20% of the city's digest now commercial. This is a strong indicator of the continued confidence in the Sugar Hill market. All indicators of growth are positive - building permits, business locations and expansions, traffic counts, population growth and median household income - all point to a healthy and growing economy. Equally exciting is the enthusiasm generally shared by residents and the development community regarding the city's investments in downtown and our highly respected and award-winning placemaking initiatives. The vision of creating a 16-hour destination downtown is coming true. The 2020 Census has also wrapped up and we expect to see significant growth in our

population. The City of Sugar Hill had one of the highest rates of participation in the Census of any city or county in the state.

Fiscally, the city remains in excellent financial shape, both in liquid (cash on hand assets) as well substantial real estate holdings to accommodate planned development/redevelopment opportunities, parks and greenspace. The city's financial policy is to maintain at least 20% of the annual budget in reserve with a recommended level of 30% for "unbudgeted reserves" for emergencies, Capital Improvement Budget (CIP) and any undefined projects. The approved 2020 General Fund budget was $14,843,913. Thirty percent (30%) of this calculates to $4,453,174. As of the writing of this report, the "Unreserved General Fund Balance" exceeds this amount. We anticipate ending FY2020 with over $16 million cash on hand. The city also continues to maintain a Gas Utility Fund reserve, currently at $516,378.

The city's cash position remains strong, despite continued investment in strategic real estate acquisitions over the past five years. While we have used cash reserves to strategically and tactically purchase properties downtown, we are now selling some of those real estate investments and reinvesting the proceeds back into cash reserves or other projects important to the city's continued growth and quality of life. The city council and staff have been able to make these investments while keeping service levels high and the millage rate the same for 17 straight years.

The budget reflects our commitment to service delivery in all facets of city government, continued investments in our award-winning downtown, building new parks and staying true to our destination city and placemaking vision without ever losing sight of our fiduciary responsibility to protect the city's fiscal stability.

The budget and city operations have remained organizationally stable as we have evolved as a staff, except for the previously authorized onboarding of the city's public safety efforts to include the new Department of Public Safety. Overall, the 2021 Operating Budget **does not include any new full-time or part-time positions**.

The city is blessed with an intelligent, hard-working, and vision-focused mayor and council as well as dedicated members of the city's various boards and commissions, including the youth council and youth ambassadors. I am proud of our professional and customer-oriented city staff and the hundreds of community volunteers who invest personally of their time and talents to make this city even better.

In summary, 2020 remains a blur to many of us as our lives, lifestyles and view of the world has been altered forever. But we are a resilient people and I believe city management and city council have a glass half full attitude and look forward to continuing to serve our residents and make our city even better in 2021 and beyond.

2021 Operating Budget

The **2021 General Fund Operating Budget** represents an **2.7% decrease** compared to the 2020 budget. Staff has conservatively forecasted revenues as well as reduced operating expenses in key categories without affecting important services such as street maintenance, chipping/yard debris pick up, parks,

customer service and facility maintenance. The COVID-19 pandemic has obviously had a major influence on all of us and this budget is no exception.

One of the most notable changes in the 2021 budget is the creation of a new "Facilities Department." This reflects our commitment to maintaining our facilities to the safest and highest level of care. After several attempts to outsource, we have found that our in-house personnel take much more pride and provide significantly more attention to detail in maintaining our facilities than outsourced contractors. In previous budgets, facility-related expenses were spread out among the various General Fund departments. This consolidation of staff and all maintenance and support expenses into a new department affords more flexibility and allows us to better tract the true costs of maintaining our assets.

GENERAL FUND

The decrease for the **Mayor and Council** reflects reduced travel, dues and fees and education and training attributed to fewer in-person conferences and continuing education through the Carl Vinson Institute of Government of the University of Georgia due to COVID-19 constraints. Otherwise there are no major changes to this department.

We have budgeted for a city **Election** in the FY2021 budget. This cost in estimated to be **$23,805**. There was an unbudgeted cost of **$4,568** for a special election in 2020 to fill the seat vacated by former Council Member Curtis Northrup and now occupied by Nic Greene.

The **Administration** Department budget shows a reduction of **$322,644** due to the removal of certain staff and expenses related to facilities that are captured in the new **Facilities** Department.

Information Technology shows an increase of **$28,510** that includes new server technology and licensing fees. I am proud that our entire 75-member full-time and 33 part-time staff that manage and deliver our gas, stormwater, streets, recreation and parks, events, economic development, golf, facilities and administration services each day are supported by two full-time dedicated information technology staff. A third position is vacant and will be filled during FY2021.

The largest new (reallocated expense) **($784,060)** is the creation of a new **Facilities Department**. Facilities-related costs, including personnel, that have been previously appropriated to various departments in the General Fund have been consolidated in the new Facilities Department.

We budgeted funds in FY2020 to begin a new **Public Safety Department** but our efforts were thwarted with a world-wide pandemic that required a complete pivot to protecting our staff and residents that interacted with city staff and facilities. Expenses for FY2020 to date are **$347,506** which includes expanded Plaza Security patrols and the hiring of off-duty Gwinnett County police officers to provide a presence downtown and to allow Plaza to enhance its neighborhood and park patrol activities. Some expenses for the anticipated onboarding of the new Public Safety Department are reflected in FY2020 expenses. The $570,890 budget for FY2021 reflects our continued use of Plaza Security, limited Gwinnett County off-duty police officers as well as the onboarding of the new Public Safety Department personnel - two positions for ten (10) months and two (2) positions for eight (8) months. These personnel **will not be providing speed enforcement.**

The **Street department** budget shows a **$123,000 (7%) decrease** from FY2020, primarily attributable to the purchase of large equipment such as trucks and two new chippers in FY2020 that are not included in the FY2021 budget.

The **Landfill** department remains level. Expenses are all related to monitoring and annual reporting regarding the city's closed landfill.

The **Cemetery** department budget is **less for FY2021** due to a one-time contractual expense in FY2020. The budget reflects the city's ongoing commitment to maintenance and operational efficiency. The city assumed ownership and operation of the Historic Sugar Hill Cemetery in 2018 and has made both significant operational and maintenance investments over the last three years.

The **$400,000** decrease in the **Recreation** department is mostly attributable to a governmental accounting principle and operations savings. The annual "transfer out" from the General Fund to the Golf fund to fill a gap from golf revenue to golf expenses was budgeted in the Recreation department. The golf "transfer" is now budgeted in the Administration department. Additional **savings of $50,000** are operational cost reductions.

The **Cultural Resources/Community Engagement** department remains relatively unchanged from 2020. Base operational funding is provided for the Youth Council, Broad Street Band, Sugar Hill Players Guild, Arts Commission, Historic Preservation Society and Community Garden. Of specific note is the city's ongoing commitment to the purchase of public art **and a one-time $20,000 commitment** to assist with the expansion of the Community Garden at Gary Pirkle Park.

The nearly **$88,000** decrease in the **Eagle Theatre** is the result of our first few years of operational experience and cost containment. The Eagle, like facilities across the country, was hit hard in 2020 because of the COVID-19 pandemic. While the facility is relatively young, lighting, sound and sight-line improvements were made in 2020 in anticipation of ongoing COVID-related operational limitations on overall seating capacity. We are anticipating a full and exciting schedule for FY2021.

The **Bowl/Plaza Events** department is slightly less in FY2021, though we anticipate an aggressive and exciting 2021 concert season as well as activation of the E Center Plaza. During FY2020, safety and lighting improvements were made to the Bowl that included handrails, step lighting and the installation of turf and drainage improvements in the seating areas. Also completed was the construction of a concession and merchandise building in the Bowl Plaza.

The **$170,000** decrease in **Planning and Development** is attributable to fewer anticipated planning grants/contracts and an anticipated slow-down in certain development activities. The budget does reflect our continued commitment to housing outreach, education, and neighborhood improvement.

The **Economic Development** department reflects a **$70,000 decrease** from FY2020, mostly attributable to budget instructions to hold down operational expenses for FY2021. We anticipate an ongoing commitment to our downtown as well as city-wide business development activities.

Finally, **across all departments**, we have incorporated **anticipated increases** for employee and family medical and dental insurance as well as well-deserved compensation adjustments for our most valued asset – our employees. They have worked tirelessly and uninterrupted in 2020 despite the world-wide pandemic and the associated risks. Our residents and utility customers have been served every day. I am inspired by their hard work and sincere desire to provide the best service possible.

OTHER FUNDS

"Other Funds" are comprised of the city's three (3) enterprise funds (Stormwater, Gas and Golf) described below as well as the municipal court, downtown development authority (DDA) operations, and E Center debt service and E Center mixed-use management.

Municipal Court expenses have been reduced to reflect actual FY2020 expenses.

The city has acquired strategic real estate assets over the past 5 years for the sole purpose of redevelopment. Under **DDA Operations**, the budget reflects **$2,906,250** as a total expense. The majority of this will come from the sale by the DDA of city-owned and DDA-owned downtown real estate for approved private sector downtown development investments. The balance is for DDA annual operational expenses. Once the property is closed, the sale proceeds will be transferred back to the city general fund.

We have budgeted **$397,300** in **DDA-E Center** to complete tenant improvements of remaining leasable space and to pay lease commissions. We have budgeted revenue of **$776,500** for **E Center Mixed-Use** lease income, reflecting a positive trend in lease revenues, despite the impact the COVID-19 pandemic has had on businesses and landlords, including the E Center.

ENTERPRISE FUNDS

The three **enterprise funds** have decreased by **13.4%** from the current year. The stormwater and golf funds show small reductions over FY2020.

The largest decrease is a reduction in anticipated gas revenues. It is important to note, however, that according to the standards set by the Georgia Public Service Commission (PSC), Sugar Hill Gas remains one of the lowest **"12-month cost of gas" systems in the state**, 50% below the lowest marketer in the state and 150% less than the major marketers seen and heard advertising on television, radio, flyers and social media.

This budget anticipates slightly **lower expenses** for the **Golf Fund** for 2021 after seeing increased play in FY2020 that projects to reduce the transfer from the General Fund to fill the revenue gap.

CAPITAL IMPROVEMENTS

The **2021 Capital Improvement Budget (CIP)** reflects a **$2,775,000 (27%)** increase over FY2020, reflecting our continued commitment to constant improvement, reinvestment in our assets and emergency repairs to the artificial turf and substructure at Gary Pirkle Park caused by heavy flooding.

The lion's share of the FY2021 Capital Improvement Budget fall into three categories - the Sugar Hill Greenway, new park/existing park improvements and transportation/stormwater improvements. The remaining projects range from cemetery improvements and gateway/wayfaring signage to downtown activation and city hall parking deck resurfacing.

Previously approved and programmed recreation, cultural resources, and transportation SPLOST-17 funds ($11,727,856 million) will finance most of the projects in FY2021. The balance ($1,258,000) will come from local and grant funds.

A detailed FY2021 Capital Improvement Budget is attached to this "Budget at a Glance," outlining all the programmed projects for the year as well as the anticipated funding sources.

SUMMARY

Overall, the **combined 2021 Operating, Other Funds and Capital Improvement budgets** reflect a **2.05% decrease** from FY2020. The city remains in a strong financial position with responsible unrestricted reserves important to a city of our size and service levels.

The actions and policies of city council have placed the city in a strong and resilient position. Despite the pandemic, city services have remained at high levels and in some cases, frequency of service has increased such as yard debris pick-up and chipping. E Center membership continues to grow to around **11,500 members** and we continue to invest in greenspace, new parks, and alternative transportation such as the Sugar Hill Greenway.

Our downtown is growing and thriving, welcoming new residents daily. Sugar Hill is viewed as one of the best places in Georgia to live, work and play and was recently ranked the second-best location in north Georgia to buy a new home.

Sugar Hill is a place for **ALL** ages to grow together.

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