



## CITY OF STONECREST, GEORGIA

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*Honorable Mayor Jason Lary, Sr.*

*Council Member Jimmy Clanton, Jr. – District 1*

*Council Member Rob Turner- District 2*

*Council Member Jazzmin Cobble – District 3*

*Council Member George Turner- District 4*

*Council Member Diane Adoma – District 5*

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### CITY COUNCIL WORK SESSION

November 19, 2018

6:00P.M.

3120 Stonecrest Blvd. Suite 190  
Stonecrest, Georgia

- I. CALL TO ORDER:** Mayor Jason Lary
  
- II. AGENDA ITEMS:**
  1. Presentation of 2019 Service Delivery Strategy
  2. Discussion on Purchasing /Credit Card Policy Ordinance
  3. Discussion on Fund Balance Policy
  
- III. ADJOURNMENT:**



**CITY COUNCIL AGENDA ITEM**

**SUBJECT: 2019 Service Delivery Strategy**

- |  |                                     |   |
|--|-------------------------------------|---|
| <input type="checkbox"/> ORDINANCE       | <input type="checkbox"/> POLICY     | <input type="checkbox"/> STATUS REPORT    |
| <input type="checkbox"/> DISCUSSION ONLY | <input type="checkbox"/> RESOLUTION | <input checked="" type="checkbox"/> OTHER |

**Work Session: 11/07/2018**

**Work Session: 11/19/2018**

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**SUBMITTED BY: Plez Joyner**

**PURPOSE:**

Mr. Cedric Hudson of DeKalb Planning & Sustainability Department and a representative from Georgia Department of Community Affairs will give a presentation on the 2019 Service Delivery Strategy that the City of Stonecrest must develop for submission to DeKalb County and the State of Georgia.

**HISTORY:**

**FACTS AND ISSUES:**

**OPTIONS:**

**RECOMMENDED ACTION:**



**CITY COUNCIL AGENDA ITEM**

**SUBJECT: Purchasing Card/Credit Card Ordinance for Elected Officials and Designated Personnel**

- ORDINANCE**                       **POLICY**                                       **STATUS REPORT**  
 **DISCUSSION ONLY**               **RESOLUTION**                                       **OTHER**

**Work Session: 11/07/2018**

**Work Session: 11/19/2018**

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**SUBMITTED BY: City Attorney**

**PURPOSE:**

**HISTORY:**

**FACTS AND ISSUES:**

**OPTIONS:**

**RECOMMENDED ACTION:**

**Exhibit "A"**

**PURCHASING CARD AND CREDIT CARD ORDINANCE FOR ELECTED  
OFFICIALS AND DESIGNATED PERSONNEL OF THE CITY OF STONECREST,  
GEORGIA**

**Sec. \_\_\_\_\_ - Definitions.**

*Authorized elected official* means an elected official designated by public vote of the governing authority of the city to receive a city issued purchasing card or credit card.

*Card administrator* means the purchasing card and credit card administrator designated by the governing authority of the city.

*City* means the City of Stonecrest.

*City purchasing card or city credit card* means a financial transaction card issued by any business organization, financial institution or any duly authorized agent of such organization or institution, used by a city official to purchase goods, services and other things of value on behalf of the city.

*Designated personnel* means any employee of the city designated by resolution of the governing authority of the city as an authorized user of a city purchasing card or city credit card.

*Financial transaction card* means an instrument or device as the term is defined in O.C.G.A. Section 16-9-30(5) as may be amended.

*Governing authority* shall mean the mayor and city council of the City of Stonecrest, Georgia.

**Sec. \_\_\_\_\_ - Purpose.**

The purpose of this policy is to set requirements and standards for the City of Stonecrest Purchasing Card Program. The policy is not intended to replace current State of Georgia statutes but is intended to comply with such state laws and establish more efficient guidelines for elected officials and designated personnel using such city purchasing cards or city credit cards. At no time should a city purchasing card or city credit card be used for personal purchases regardless of the circumstances. Utilizing the city purchasing card or city credit card for personal use or for any item or service not directly related to such elected official's or designated personnel's public duty may result in disciplinary action including, but not limited to, felony criminal prosecution. All purchases utilizing a city purchasing card or city credit card must be in accordance with these guidelines and with state law.

**Sec. \_\_\_\_\_ - Authorized users.**

The governing authority of the city, in its discretion, may authorize specific city elected officials or designated personnel to use a city purchasing card or city credit card by adoption of a resolution in a public meeting.

No authorized elected official or designated personnel may use a city purchasing card or city credit card until he or she has executed the city's purchasing card and credit card user agreement.

The below list of elected officials who have been authorized by the governing authority of the city to use such city purchasing cards or city credit cards and must abide by all of the applicable state laws and this purchasing card policy.

1. Mayor
2. City Councilmembers

**Sec. \_\_\_\_\_ - Receipts and documentation.**

Receipts, invoices and other supporting documentation of all purchases made with a city purchasing card or city credit card shall be obtained and maintained by the authorized city elected official or designated personnel for five (5) years or as otherwise provided by the city's record retention policy. If an original or duplicate cannot be produced, a sworn affidavit of the authorized elected official or designated personnel may be substituted. The documentation must include the supplier or merchant information, quantity, description, unit price, total price, price paid without sales tax and an explanation of the purchase sufficient to show that the expense was in the performance of official city duties.

**Sec. \_\_\_\_\_ - Public records.**

Any documents related to purchases using city purchasing cards or city credit cards are public records and subject to the requirements of O.C.G.A. Section 50-18-70 et seq.

**Sec. \_\_\_\_\_ - Transaction limits.**

Transaction limits are hereby established to insure compliance with state purchasing laws, maintain proper budgetary controls, and to minimize excessive use of any individual credit line. Individual monthly card limits cannot exceed those established by the city governing authority. The transaction limits for each city purchasing card or city credit card are as follows:

|                 |          |
|-----------------|----------|
| Per transaction | \$500.00 |
|-----------------|----------|

Per month                      \$1,500.00

Any exceptions to the standardized limits must have express written approval by the city's governing authority and must be added to this policy by amendment or addendum.

**Sec. \_\_\_\_ - Purchasing restrictions.**

1. City authorized elected officials or designated personnel may not use a city purchasing card or city credit card for the following:
  - a. Any purchases of items for personal use.
  - b. Cash refunds or advances.
  - c. Any transaction amount greater than the transaction limits set forth by this policy.
  - d. Items specifically restricted by this policy, unless a special exemption is granted by the city governing authority.
  - e. Alcohol or liquor of any kind. Such purchases should not be made with the city purchasing card or city credit card and may not be reimbursed by the city.
  - f. Purchases or transactions made with the intent to circumvent the city purchasing policy, transactional limits, or state law.
  - g. To purchase goods or services that are not approved in the city's budget.
2. City purchasing cards or city credit cards may be used to purchase goods and/or services directly related to the public duties of the authorized elected official or designated personnel and which are not prohibited by this policy or state law. Such purchases include, but are not limited to:
  - a. Purchases of items for official city use which fall within the transactional restrictions of this policy.
  - b. Purchase of lodging, fuel, food, non-alcoholic beverages, or education and training materials while on city business.
  - c. Emergency purchases necessary to protect city property.
3. Only authorized elected officials and designated personnel may use a city purchasing card or city credit card for purchases or payments. The cards, and use

of the cards, are not transferrable to employees not designated by resolution of the governing authority of the city.

**Sec. \_\_\_\_ - Card administrator.**

The city designates the office of \_\_\_\_\_, as the program administrator of city purchasing cards or city credit cards. Such administrator shall:

1. Serve as a liaison between the city's cardholders and the issuers of such cards.
2. Maintain the cardholder agreement for all cardholders.
3. Serve as the main point of contact for all city purchasing card and city credit card issues.
4. Provide instruction, training, and assistance to cardholders.
5. Maintain account information and secure all cardholder information.
6. Keep cardholders up-to-date on new or changing information.
7. Upon receipt of information indicating fraudulent use or lost/stolen cards immediately report it to appropriate parties, including the issuer.
8. Ensure all card accounts are being utilized properly as set forth by state law and this policy.
9. Define the city's policy and procedures for proper documentation and storage of receipts, logs, and approvals required under this policy.
10. Identify any changes to named persons authorized to use a city purchasing card or city credit cards.
11. Develop procedures to ensure timely payment of cards.
12. Document internal controls, audits and other measures to prevent and detect misuse or abuse of the city purchasing cards and city credit cards.
13. Audit and reconcile transactions monthly.
14. Any other duties assigned by the city governing authority.

**Sec. \_\_\_\_ - Accounting and auditing.**

The card administrator, in an effort to ensure compliance with city policy and state law, will conduct monthly/quarterly reviews and audits of all city purchasing card or city

credit card transactions. The review is designed to ensure compliance, identify non-compliance issues and misuse, and through corrective measures assist the city with improving compliance. The monthly/quarterly review and audit should happen within seven (7) days of the start of a new month/quarter. After completing the monthly/quarterly audit, the card administrator shall notify cardholders of any violations or questions the card administrator has that occurred within that previous month/quarter. Depending on the severity of the violation, the card administrator may suspend or revoke the use of the city purchasing card or city credit card after notification to the cardholder and to the city governing authority, but only after consultation with the city attorney. Any unresolved violations should be reported to the city governing authority and the city attorney in writing within two (2) business days.

**Sec. \_\_\_\_ - Violations.**

The use of a city purchasing card or city credit card may be suspended or revoked when the card administrator, after consultation with the city attorney, determines that the cardholder has violated the approved policies or state law regarding the use of the city purchasing card or city credit card. The city purchasing card or city credit card shall be revoked whenever a cardholder is removed from office or employment with the city and shall be suspended if such elected official or designated employee has been suspended from office.

Nothing in this policy shall preclude any other civil or criminal remedy under any other provision of law.

**Sec. \_\_\_\_ - Agreement.**

Before being issued a city purchasing card or city credit card under this policy and state law, all authorized users of city purchasing cards or city credit cards shall sign and accept an agreement indicating that such user will use such cards only in accordance with the policies of the city and with the requirements of state law.





**CITY COUNCIL AGENDA ITEM**

**SUBJECT: DISCUSSION ON FUND BALANCE POLICY**

- ORDINANCE                       POLICY                                       STATUS REPORT  
 DISCUSSION ONLY               RESOLUTION                               OTHER

**Date Submitted: 11/15/2018**

**Work Session: 11/19/2018**

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**SUBMITTED BY: City Manager Michael Harris**

**PURPOSE:**

**HISTORY:**

**FACTS AND ISSUES:**

**OPTIONS:**

**RECOMMENDED ACTION:**

# Fund Balance Policy

## Developed for GASB 54

### *Purpose*

The Council recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the City and is fiscally advantageous for both the City and the taxpayer. This policy establishes goals and provides guidance concerning the desired level of fund balance maintained by the City to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances.

### *Definitions*

Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each fund.

GASB Statement 54 distinguishes fund balance classified based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, fund balance amounts will be reported in the following categories:

- 1) **Nonspendable fund balance** – amounts that are not in a spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).
- 2) **Restricted fund balance** – amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants or donations).
- 3) **Committed fund balance** – amounts that can be used only for the specific purposes determined by a formal action of the City Council. Commitments may be changed or lifted only by referring to the formal action that imposed the constraint originally (e.g., the Council's commitment in connection with future construction projects).
- 4) **Assigned fund balance** – amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the City Council or by a designee to whom the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- 5) **Unassigned fund balance** – includes all amounts not contained in other classifications and is the residual classification of the general fund only. Unassigned amounts are available for any legal purpose.

### *Policy*

The responsibility for designating funds to specific classifications shall be as follows:

**Committed Fund Balance** – The City Council is the City's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Council.

**Assigned Fund Balance** – The City Council has authorized the City Manager as an official authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

***Minimum Unassigned Fund Balance***

It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund at fiscal year end of not less than       % of        revenues [*or expenditures*]. If the unassigned fund balance at fiscal year end falls below the goal, the City shall develop a restoration plan to achieve and maintain the minimum fund balance.

***Order of Expenditure of Funds***

When multiple categories of fund balance are available for expenditure (e.g., a project is being funded partly by a grant, funds set aside by the Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.