

**MINUTES
CITY COUNCIL REGULAR MEETING
JUNE 2, 2014
5:00 P.M.**

CALL TO ORDER: Mayor W. James Grogan called the meeting to order at 5:02 p.m.

ROLL CALL: Present were Mayor James Grogan, Councilmember Mike Sosebee, Councilmember Jason Power, Councilmember Angie Smith, Councilmember Chris Gaines, City Attorney Dana Miles, City Clerk Bonnie Warne, Public Works Director Gary Barr, City Staff: Trampas Hansard, Russ Chambers, Jacob Barr, and Nalita Copeland.

INVOCATION AND PLEDGE: Invocation and pledge was led by Jason Power.

AGENDA: Motion to approve the agenda by: J. Power/C. Gaines. Vote unanimous in favor.

MINUTES: Motion to approve all the minutes of the regular meeting May 5, 2014 and the work session May 19, 2014 and the special called meeting with the County on SPLOST May 21, 2014: M. Sosebee/J. Power. Motion carried unanimously.

NEW BUSINESS:

Proclamation for Keith Porter: Mayor Grogan read the proclamation for Keith Porter. Exhibit "A"

Revitalization Update – Emily Mason/Premier Landscape: Emily Mason presented a conceptual streetscape drawing "Exhibit B" and will be creating the construction plans next.

DDA Member: DDA recommendation for Cindy Elliott to become a member of the DDA. Motion to appoint Cindy Elliott to the DDA by: M. Sosebee/J. Power. Motion carried unanimously.

Fireworks Sponsorship: Mayor Grogan stated that the DDA will be putting on the July 4th Fireworks Display at AMP and asked the City for \$7500. Motion made to amend the budget for \$7500 for DDA towards the fireworks; second by C. Gaines. Motion carried unanimously in favor.

Land Acquisition next to City Hall for Main St. Park: Attorney Miles stated that Council previously approved the contract to purchase the tract of land behind city hall contingent upon a survey, which showed 14.2 acres, an appraisal that came in at/under \$34,000/acre, and the title is clear of liens. The contingencies are satisfied so the Council may proceed. Motion made authorizing the City, through the DDA, to purchase the adjacent 14.2 acre tract at \$34K/acre and finance it through UCB and to execute all legal documents by: A. Smith/J. Power. Motion carried unanimously.

Bids for Water Meter Hand Held Readers: Russ Chambers presented 3 bids on the purchase of the handheld meter reader hardware, software, training and annual fee by: Sensus \$33,700; Mueller \$16,792; and Zenner Fortline \$24,366. Motion to approve the bid by Mueller for \$16,792 by: M. Sosebee/C. Gaines. Motion carried unanimously in favor. (Capital Funds) Exhibit "C"

Resolution - Financial Policy: Attorney Miles presented the financial policy with all of the revisions. Motion to approve by: J. Power/A. Smith. Motion carried unanimously in favor. Exhibit "D"

Sign Ordinance Amendment: Attorney Miles presented the first reading of the sign ordinance amendment to the Council and stated that a public hearing will be held on June 16th.

PUBLIC HEARINGS:

Lien And Tax Collection Ordinance: An Ordinance By The Mayor And City Council For The City Of Dawsonville To Provide For Collection Of Municipal Liens And Delinquent Taxes, To Amend And Correct Two References Made In The Dilapidated Structures And Premises Maintenance Ordinance; To Provide For Severability; To Provide An Effective Date; To Repeal All Ordinances And Parts Of Ordinances In Conflict Herewith; And For Other Purposes

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Motion to open the public hearing was unanimous in favor: A. Smith/C. Gaines. Attorney Dana Miles presented the second reading of the ordinance. Nobody spoke in favor or opposition. C. Gaines/A. Smith motioned to close the public hearing and the meeting was turned over to the Mayor. Motion made to approve the ordinance by M. Sosebee/A. Smith. Vote was unanimous in favor. Exhibit "E"

Budget FY 2014-15: First Reading – Motion to open the public hearing was unanimous in favor: C. Gaines/A. Smith. Attorney Dana Miles presented the first reading of the City of Dawsonville Proposed Budget for Fiscal Year 2014-2015. Nobody spoke in favor or opposition. M. Sosebee/J. Power motioned to close the public hearing. The second hearing is set for June 16th.

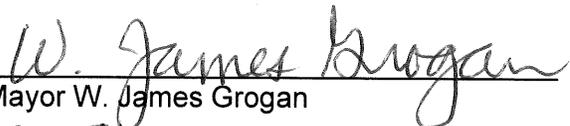
Staff Reports: City Clerk Bonnie Warne reported that all of the financial reports for April 2014 are balanced and in good standing and the revenue and expenditures are within budget. Public Works Director Gary Barr stated that all is going good. Trampas Hansard reported that the County is restriping the roads downtown.

Mayor Report: Mayor Grogan stated that the Work Session scheduled for June 16th is changed to a Special Called Meeting Monday, June 16th at 4:00 p.m. for the Budget and Sign Ordinance. Mayor Grogan reported that the City has been awarded the Qualified Local Government status by DCA and the GMRC held the annual Legislative Appreciation Dinner. The Mayor also handed out award certificates to: City Clerk Bonnie Warne for completing the Finance Officer Program 1, and to Trampas Hansard and Nalita Copeland for completing the Code Enforcement Level 1 Program.

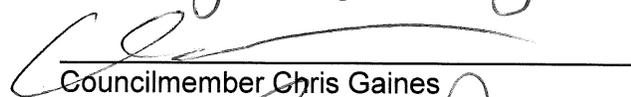
Council Reports: Angie Smith mentioned the Celebrity Waiter breakfast is Friday June 6, and that she met Emily Mason and local citizens on the downtown streetscape plan. Chris Gaines mentioned the Chamber is promoting tourism in the City and Colleen Simrell of DDA will meet C> Haynes at the Chamber on tourism in the City.

EXECUTIVE SESSION: At 6:17 p.m. the Council motioned to go close regular session and go into executive session for the purpose of potential litigation; the motion carried unanimously; J. Power/M. Sosebee. At 6:38 p.m. the Council motioned to close executive session and to reconvene the regular meeting; the motion carried unanimously; A. Smith/M. Sosebee.

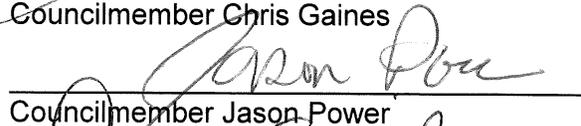
ADJOURNMENT: With there being no further business to attend to the regular meeting closed and adjourned at 6:38 p.m. The motion carried unanimously; A. Smith/M. Sosebee.



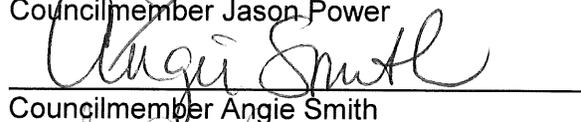
Mayor W. James Grogan



Councilmember Chris Gaines



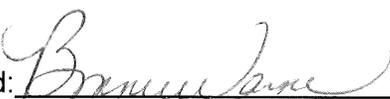
Councilmember Jason Power



Councilmember Angie Smith



Councilmember Mike Sosebee

Attested: 

Bonnie Warne, City Clerk

STATE OF GEORGIA
COUNTY OF DAWSON

AFFIDAVIT OF THE CITY OF DAWSONVILLE MAYOR AND COUNCIL

Mayor W. James Grogan, Council Member Chris Gaines, Council Member Angie Smith, Councilmember Jason Power and Council Member Mike Sosebee; being duly sworn, state under oath that the following is true and accurate to the best of their knowledge and belief:

1. The City of Dawsonville Council met in a duly advertised called meeting on the June 2, 2014.
2. During such meeting, the Board voted to go into closed session.
3. The executive session was called to order at 6:17 p.m.
- 4.

The subject matter of the closed portion of the meeting was devoted to the following matter(s) within the exceptions provided in the open meetings law:

- √ Consultation with the City Attorney or other legal counsel to discuss pending or potential litigation, settlement, claims, administrative proceedings, or other judicial actions brought or to be brought by or against the City or any officer or employee or in which the City or any officer or employee may be directly involved as provided in O.C.G.A. § 50-14-2(1);
- Discussion of tax matters made confidential by state law as provided by O.C.G.A. § 50-14-2(2) and _____;
- Discussion of future acquisition of real estate as provided by O.C.G.A. § 50-14-3(4);
- Discussion or deliberation on the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a City officer or employee as provided in O.C.G.A. § 50-14-3(6);
- Other _____ as provided in: _____.

This 2nd day of June, 2014; By the City of Dawsonville, Mayor and Council:

W. James Grogan
W. James Grogan, Mayor

Chris Gaines
Chris Gaines, Council Member

Jason Power
Jason Power, Council Member

Angie Smith
Angie Smith, Council Member

Mike Sosebee
Mike Sosebee, Council Member

Sworn to and subscribed before me this
 2 day of June , 2014.

Bonnie M. Warne
Notary Public
My Commission expires:

BONNIE M WARNE
NOTARY PUBLIC
DAWSON COUNTY, GEORGIA

MY COMMISSION EXPIRES:
JULY 24, 2017



Proclamation

Keith Porter Day

May 18, 2014



Whereas, Keith Porter was born to proud parents, Gene and Vicki Porter, and is a native citizen of Dawson County; and

Whereas, Keith married Donna Smith on August 11, 1984; together they have raised two children, Holly and Logan; and

Whereas, he was a graduate of DCHS in 1980 and subsequently furthered his education by attending Gainesville Junior College in 1982, where he was awarded his ASED; the University of Georgia, receiving his BSED in 1984; North Georgia College receiving his MSED in 1990; and the University of Georgia for his SPED in 1997; and

Whereas, Keith has been a faithful and dedicated servant in public education for 30 years, serving as teacher, assistant principal, principal, curriculum director, Executive Director of Curriculum and Instruction, Assistant Superintendent of Curriculum and Instruction, Associate Superintendent and finally as Superintendent; and

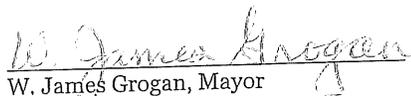
Whereas, over the course of his career, Keith has been an active participant and avid supporter of sports, having been the varsity boys basketball, varsity softball and varsity baseball coach; and

Whereas, due to his commitment to excellence in education he has received numerous awards over the course of his career; Cum Laude Graduate of the University of Georgia, DCHS Athletic Hall of Fame, Rotary Club Leadership Award, Dawson County Coach of the Year (5 times in 7 years), 2007 Georgia Curriculum and Instruction Association Educator of the Year, 2014, Dawson County School System, one of the first 14 school systems in Georgia to achieve Charter System status, Selected to Board of Directors GACIS, President of GACIS, Board of Directors of GSSA, GSBA Superintendent Advisory Board; and

Whereas, Keith plays an active role in the community, serving on the Dawson County Department of Community Health Board, Chairperson for Family Connection, Dawson County Chamber of Commerce Board, Rotary Club, member of Coal Mountain Baptist Church and Chairman of Deacons Board and Preschool Board; and

Now, therefore, I, W. James Grogan, Mayor of the City of Dawsonville, do hereby proclaim May 18th, 2014 as Keith Porter Day and recognize Keith as both a professional and leader in our community who diligently worked to improve our educational system. It is fitting that at his retirement that he be honored for the significant role he has had as a community leader and educator; I further encourage all the citizens of Dawsonville to observe and participate in his retirement celebration as a tribute to his dedication to the many students he has impacted throughout his career.

In Witness Whereof, I have hereunto set my hand and caused the seal of the City of Dawsonville to be affixed this 18th day of May, 2014.


W. James Grogan, Mayor

Attest:

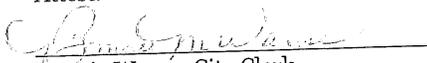
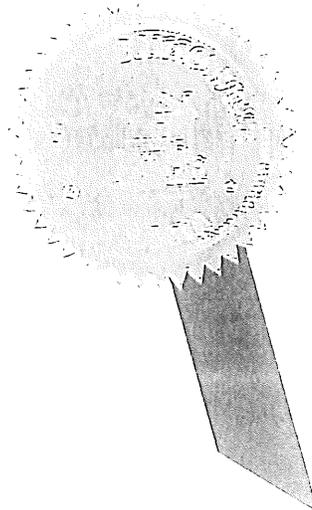
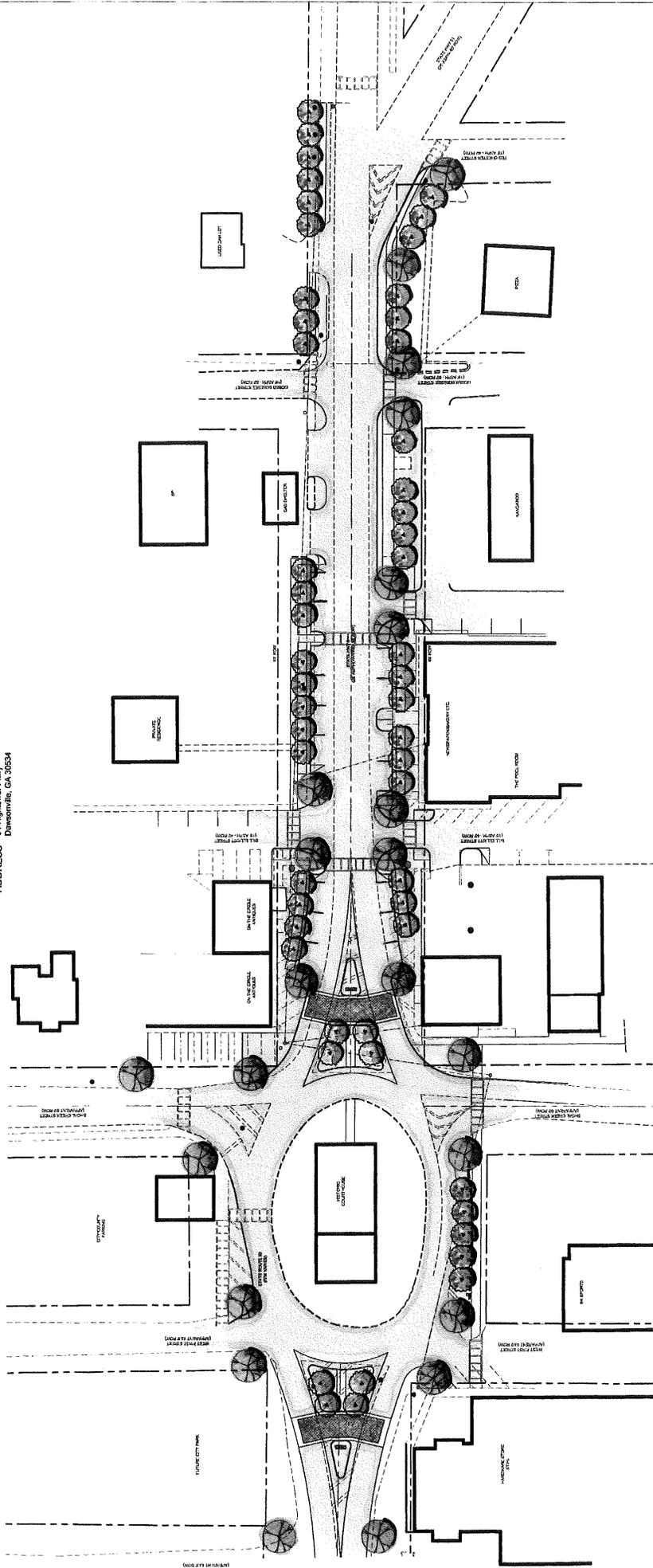

Bonnie Warné, City Clerk

EXHIBIT "A"





OFFICE (706) 214-9892
INTERNET premierlandcare.com
ADDRESS 91 Highway Flow
Dawsonville, GA 30534



THE CITY OF DAWSONVILLE STREETSCAPE IMPROVEMENTS PLANS

DAWSONVILLE, GA
SCALE: 1" = 30'

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EXHIBIT "B"

#2

Request for Proposals

The City of Dawsonville requests proposals for furnishing the following equipment, software and training to improve our meter reading and to input into our computer billing system.

Each proposal should include a detailed breakdown as follows:

<i>Item No.</i>	<i>Quantity</i>	<i>Description</i>	<i>Unit Price</i>	<i>Total Price</i>
1.	3	Handheld meter reading input device complete with charging stand	\$ 3,424.00	\$ 10,272.00
2.	1	Software required for converting input from handheld meter reader to City's existing billing system (CSI)	\$ 5,320.00	\$ 5,320.00
3.	1	Installation of software and training for both meter reading input and output to computer system	\$ 1,200.00	\$ 1,200.00

Total Price for System Complete: \$ 16,792.00

The installation and training will be for a minimum of two (2) days. In addition, the supplier should provide below a lump sum price for annual support fee for the handheld meter reading system.

\$ 500.00

The City of Dawsonville will accept proposals up to February 28, 2014 at 3:00 P.M. at the Dawsonville City Hall. Proposals should be enclosed in a sealed envelope to the attention of Mr. Gary Barr, Director of Public Works.

Bob McWhorter
 Ferguson Waterworks
 4655 Buford Hwy
 Norcross GA 30071
 404-978-3154
 Bob.McWhorter@ferguson.com

Mueller Systems
 PSION Walk about Pro 3
 AMR Link Software
 EZ reader route manager Software

**A RESOLUTION OF THE CITY OF DAWSONVILLE, GEORGIA,
ADOPTING THE FINANCIAL POLICY MANUAL**

WHEREAS, the City of Dawsonville, Georgia has prepared a Financial Policy Manual; and

WHEREAS, the City of Dawsonville has a responsibility to manage municipal finances wisely and sound financial policies are essential to that process.

WHEREAS, the purpose of following financial policies is to enable the City of Dawsonville to exemplify its values of fiscal integrity, planning, and accountability.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Dawsonville, Georgia that the Financial Policy Manual attached hereto as Exhibit "A" is hereby approved, effective and adopted on this 2nd day of June, 2014.

CITY OF DAWSONVILLE

By: W. James Grogan
W. James Grogan, Mayor

Chris Gaines
Councilmember Chris Gaines

Jason Power
Councilmember Jason Power

Angie Smith
Councilmember Angie Smith

Mike Sosebee
Councilmember Mike Sosebee

Attested to:

Bonnie Warne
Bonnie Warne
City Clerk, City of Dawsonville

I. Purpose and Objective

The City of Dawsonville has a responsibility to carefully account for public funds, to manage municipal finances wisely, and to plan for the provision of public services. Sound financial policies are necessary to carry out these objectives responsibly and efficiently.

The City of Dawsonville's financial policies set forth below are the basic framework for its overall financial management. These policies incorporate long-standing principles and traditions that have served the City well in maintaining a sound and stable financial condition.

The broad purpose of the following financial policies is to enable the City of Dawsonville to achieve and maintain a long-term positive financial condition. The key values of the City's financial management include fiscal integrity, prudence, planning, accountability, honesty, and openness. Specifically, the purpose is to provide guidelines for planning, directing, and maintaining day-to-day financial affairs.

II. Fiscal Planning

A. Operating Budget

Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The "operating budget" is the City's annual financial operating plan. The annual budget includes the operating departments of the general fund, special revenue fund, debt service fund, capital project fund, enterprise funds, and other approved funds that may be established as needed. The budget encompasses a fiscal year that begins on July 1 and ends on June 30. The budget is prepared by the City Clerk with the cooperation of all City departments, on a basis that is consistent with generally accepted accounting principles.

1. Proposed Budget – A proposed budget shall be prepared annually by the City Clerk with participation of all Departments consistent with provisions of the City Charter and state budget laws.

(a). The budget review process shall include a public hearing. At the time the proposed budget is transmitted to the Mayor and members of the City Council by the City Clerk, a copy will be made available for public inspection at City Hall. No earlier than seven days after the proposed budget is transmitted to the City Council and at least seven days in advance of budget adoption, a public hearing will take place to give the public an opportunity to comment on the proposed budget. Notice of the public hearing must be advertised at least seven days in advance of the public hearing.

(b). The City Council, prior to the first day of the fiscal year, will adopt an annual budget at a public meeting. The proposed budget is prepared by the City Clerk and transmitted to members of the City Council for its review with sufficient time given for the City Council to address policy and fiscal issues.

2. Adoption – The budget shall be adopted by the approval of a budget resolution that specifies the anticipated revenues by appropriate categories, the proposed expenditure totals for each department, each non-departmental expense, and each fund covered by the budget. Amendments to the budget must be approved at a City Council meeting and recorded in the minutes. The budget shall be adopted at the fund/department level, which is the legal level of budgetary control. The current year's budget may be adjusted to reflect changes in local economy, changes in priorities or service needs, receipt of unbudgeted revenues and for unanticipated expenditures.

B. Balanced Budget

The operating budget will be balanced with anticipated revenues, including appropriated unencumbered surplus, equal to proposed expenditures. All funds within the budget shall also be balanced. For budgets that are not balanced, reserves from the fund balance may be used to balance, especially for the water and sewer budgets, with Council approval. Prior to the fiscal year end, the budget shall be balanced by the Council between proposed and actual with any excess revenue being placed in reserves for the upcoming fiscal year.

C. Planning

All departments will be given an opportunity to participate in the budget process and submit funding requests to the City Clerk. All funding requests must be submitted to the City Clerk no later than April 1 of each year. All budgets are entered into the accounting software by the City Clerk.

D. Reporting

Periodic financial reports will be prepared and distributed to the Department Heads to monitor and control the budget. Summary financial and budgetary reports shall be presented by the City Clerk to the Mayor and City Council monthly.

E. Control and Accountability

Each Department Head is responsible for ensuring that his/her department expenditures do not exceed budgeted funds. Departments cannot exceed appropriations described in the budget. Failure to achieve budgetary control will be evaluated and investigated.

III. Fund Balance/Net Position

For increased financial stability, the City will maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unexpected one-time expenditures. The intent of this policy is to maintain compliance with GASB Statement 54, Statement 34 and Statement 63

Fund balance is the cumulative difference between revenues and expenditures at the end of the City's fiscal year. It is also understood to be the difference between assets and liabilities on the balance sheet.

A. Policy

Each fund should maintain a fund balance at a level which will provide for a positive cash balance throughout the fiscal year.

If the necessity arises to draw down a fund balance below the minimum requirements, a plan to replenish the minimum fund balances will be presented to the City Council for approval.

Adequate insurance or fund reserves will be maintained to not jeopardize the financial position of the City in the event of a major unplanned occurrence.

The total compensated employee personal leave days are accrued as a liability and should be funded in an amount that equals the total expected payout for terminating employees.

One-time revenue sources, which are substantial in nature, will be held in reserve until such time as the Council approves a specific use for the funds.

B. Fund Balance/Net Position Classifications

In accordance with the Governmental Accounting Standards Board (GASB) Statement 54 and Statement 63, the City recognizes the following five classifications of fund balance for financial reporting in the Governmental Funds

1. Non-spendable: includes fund balances that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. Non-spendable would include, but not be limited to, Prepaids and Inventory.

2. Restricted: includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

3. Committed: includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Council and do not lapse at year-end.

4. Assigned: includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the Mayor and City Council.

5. Unassigned: includes positive fund balance with the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds. In accordance with the Governmental Accounting Standards Board (GASB) Statement 34 and Statement 63, the City recognizes the following three classifications of net position for financial reporting in the Proprietary Funds (Water and Sewer) and the Government Wide Financial Statements.

1. Net Investments in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets in the proprietary fund represent cash, cash equivalents and certificates of deposit set aside for repayment of deposits less the customer deposit payable to utility customers and cash funds required to be maintained by a bond, note, mortgage or bond sinking fund.
3. Unrestricted component of net position is the net amounts of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position

C. Spending Prioritizations

When an expense is incurred for which both a restricted and unrestricted net position is available, the City is to apply restricted position first.

D. Minimum Fund Balance Policy

1. Minimum Level of Unassigned Fund Balance – General Fund

The general fund unassigned fund balance will be maintained at a level sufficient to provide for the required resources to meet operating costs, to allow for unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from fluctuations of revenue resources. The City of Dawsonville will maintain at least six (6) months of prior year general fund operating and non-operating expenses in the unassigned fund balance of the general fund.

The City of Dawsonville will use restricted/committed amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing so, as in grant agreements that require matching dollar spending. Additionally, the City will use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

2. Minimum Level of Unrestricted Net Position – Proprietary Funds (Water & Sewer Fund)

The water and sewer unrestricted net position (fund balance) will be maintained at a level sufficient to provide for the required resources to meeting personal, supplies and service expenses. The City of Dawsonville will maintain at least six (6) months prior year water and sewer operating and non-operating expenses in the unrestricted net position of the proprietary fund.

Establishing adequate fund balances and reserves for the general fund and water and sewer fund will ensure the City of Dawsonville 1) provides funds for unforeseen expenditures or emergencies, 2) offsets significant economic downturns or revenue shortfalls, 3) secures and maintains investment grade bond rating, and 4) provides sufficient cash flow for daily financial needs.

IV. Capital Budget and Capital Improvement Plan (CIP)

A. Scope

A capital projects plan known as a Capital Improvement Plan ("CIP") will be developed and updated annually by the Mayor and approved by the City Council. A five-year CIP will assist in the planning, acquisition, and financing of capital projects. A major capital project is generally defined as a non-recurring capital expenditure that has an expected useful life of more than 5 years and an estimated total cost of \$5,000 or more. Examples include infrastructure, streetscapes, vehicles, heavy equipment, real estate acquisition for future projects and expansion of facilities.

The Comprehensive Plan Short-Term Work Program (STWP) shall be updated and approved by the City Council.

B. Control

All capital expenditures must be approved by the City Council as part of each department budget or in the Capital Improvement Fund. Before department heads may commit to or contract for a capital improvement project, the City Clerk must verify fund availability. To the extent required by state law, capital projects shall be bid out.

C. Planning

The capital budget provides annual funding for long-term capital projects identified in the CIP. Capital outlay is generally defined as an individual item in excess of \$5,000 with a life expectancy of more than one year.

D. Timing

At the beginning of the fiscal year, the Department Heads will meet with the Mayor and City Clerk to schedule the appropriate timing of capital purchases to ensure the availability of funds.

E. Reporting

Periodic financial reports will be provided to enable the Department Heads to manage their capital budgets.

V. Debt

A. Policy Statement

The City of Dawsonville recognizes that to maintain flexibility in responding to changing service priorities, revenue inflows, and cost structures, a debt management strategy is required. The City strives to balance service demands and the amount of debt incurred. The City realizes that failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that too much debt may have detrimental effects as well.

The goal of the City's debt policy is to maintain a sound fiscal position and to protect the credit rating of the City. When the City of Dawsonville utilizes debt financing, it will ensure the debt is financed soundly and conservatively whether by inter-governmental loans, traditional bank financing or bonded indebtedness. All new debt shall be approved by City Council.

B. Conditions for Using Debt

Debt financing of capital improvements and equipment will be done only when one or more of the following four conditions exist:

1. When non-continuous projects (those not requiring continuous annual appropriations) are desired;
2. When it can be determined that future users will receive a benefit from the improvement;
3. When it is necessary to provide basic services to City residents;
4. When the City's total debt does not constitute an unreasonable burden to the City residents or negatively impact the financial viability of the City.

C. Sound Financing of Debt

When the City utilizes debt financing, it will ensure that the debt is soundly financed by:

1. Taking a prudent and cautious stance toward debt, incurring debt only when necessary;
2. Conservatively projecting the revenue sources that will be used to pay the debt;
3. Insuring that the term of any long-term debt incurred by the City shall not exceed the expected useful life of the asset for which the debt is incurred and shall be limited to capital improvements only;
4. Determining that the benefits of the improvement exceed the costs, including interest costs;
5. Maintaining a debt service coverage ratio which ensures that combined debt service requirements will not exceed revenues allocated for the payment of debt;
6. Analyzing the impact of debt service on total annual fixed costs before bonded long-term debt is issued.

VI. Accounting, Audits, and Financial Reporting

The City shall maintain a system of financial monitoring, control, and reporting for all operations and funds, including component units such as the Downtown Development Authority, in order to provide effective means of ensuring that overall City goals and objectives are met.

A. Accounting Records and Reporting

The City will maintain its accounting records in accordance with state and federal laws and regulations and in a manner to facilitate an efficient audit process. The City will report its financial condition and results of operations in accordance with state regulations and Generally Accepted Accounting Principles (GAAP) described in Governmental Accounting, Auditing, and Financial Reporting (GAAFR). The City's accounts shall be kept in such a manner as to show fully the financial conditions of the City. In addition, the books shall be open to the public during business hours upon request and reasonable notice of records requested in accordance with the Georgia Open Records Act.

The City will maintain a Chart of Accounts that complies with requirements of the State of Georgia and is in accordance with generally accepted accounting principles.

B. Auditing

An independent auditor or auditing firm will annually perform the City's financial audit. The auditor must be a Certified Public Accountant (CPA) that can demonstrate that s/he has the capability to conduct the City's audit in accordance with generally accepted auditing standards. The City Auditor will be selected annually

at the January Council meeting to perform the work for the upcoming fiscal year beginning on July 1. A copy of the audit will be sent to the State Auditor who will respond with comments regarding compliance. The City Auditor is responsible for completing the Local Government Finances Report for the Department of Community Affairs. The City Clerk is responsible for uploading the report to the Carl Vinson Institute. Results of the annual audit shall be provided to the City Council in a timely manner. The City Clerk is responsible for working with the Auditor and completing the Auditor's request list and preparing all necessary year-end adjustments and audit schedules. The City Clerk is responsible for preparing the Comprehensive Annual Financial Report (CAFR), Management Discussion and Analysis (MD&A) and overseeing any non-attest services done by the auditor.

C. Simplified Fund Structure

The City will attempt to minimize the number of funds. Funds will be categorized in accordance with generally accepted accounting principles (GAAP) for reporting purposes.

D. Financial Reporting

Internal financial reports are prepared from the accounting software by the City Clerk. These reports are essential to plan, monitor, and control the City's financial affairs. Accounting reports are provided to the Mayor, City Council and Department Heads for review prior to the regular monthly Council meetings. The reports provided at the Council meetings are 2 months behind because the meeting is at the first of the month and the reports are on a cash basis. Financial reports are available any time to the Mayor and Council and are meant to transmit information regarding the financial situation of the City. Bank reconciliations are completed by the City Clerk and approved by the Mayor. Non-routine journal entries are done on the accounting software by the City Clerk and approved by the Mayor. Routing journal entries include payroll, accruals, etc.

E. Month End – Year End

All bank accounts are reconciled monthly by the City Clerk. The City Clerk shall prepare a financial report of all funds and provide it to the Mayor and City Council at the monthly council meeting.

The City's fiscal year is July 1 to June 30. An annual external audit is scheduled to prepare the financial statement of the City of Dawsonville and shall be presented to the Council for review and approval no later than the November Council meeting. The audit may be responded to by the Council and the Council will review with the Auditor any management comments. The audit will be presented to the State of Georgia no later than December 31.

VII. Revenues

A. Characteristics

The City shall strive for the following characteristics in its revenue structure:

1. Simplicity – The City shall strive to maintain a simple revenue structure in order to reduce compliance costs for the citizen and/or service recipient.
2. Equity – The City shall make every effort to maintain equity in its revenue system. The City shall seek to minimize subsidization between entities, funds, service, customer classes, and utilities.
3. Adequacy – The City shall require that a balance in the revenue system be achieved. The revenue structure's base shall have the characteristics of fairness and neutrality as it applies to cost of service.
4. Administration – The benefits of a revenue source shall exceed the cost of levying and collecting that revenue. The price of collection shall be reviewed periodically for effectiveness as a part of the indirect cost of service analysis.
5. Diversification and Stability – The City shall maintain a diversified and stable revenue structure to shelter

it from short-term fluctuations in any single revenue source. The revenue mix shall combine elastic and inelastic revenue sources to minimize the effect of economic downturns.

6. Conservative Estimates – Revenues will be estimated realistically and prudently. Revenues of a volatile nature will be estimated conservatively. Conservative revenue estimates based on prior year collections may be used for revenue projections.

7. Aggressive Collection Policy – The City will aggressively collect all revenues and related penalties and interest outstanding in all departments as authorized by City ordinances and Georgia law. Services shall be terminated for non-payment, as approved by the Mayor. Adjustments to a balance due may be approved by the Mayor or City Clerk for good cause shown. Bad debt write offs shall be approved by the City Council. City Clerk and the Mayor with assistance from the Auditor and prior year financials will establish the allowance for uncollectible accounts if needed.

B. Issues

The following considerations and issues will guide the City in its revenue policies concerning specific sources of funds:

1. Non-Recurring Revenues – One-time or non-recurring revenues shall not be used to finance current ongoing operations. Non-recurring revenues should be used only for non-recurring expenditures and will not be used for budget balancing purposes.
2. Ad Valorem Tax Revenues – The City Council shall decide to levy ad valorem property taxes in the City or to roll back the millage rate to zero in their discretion as the annual budget is prepared. The State Millage Rate Certification Form shall be completed yearly.
3. LOST Revenues - The percentage of Local Option Sales Tax (LOST) proceeds are negotiated with the County every 10 years and should in general be budgeted based upon the prior year's collections absent significant reason for upward or downward adjustment or based upon a change in the percentage split agreement with the County.
4. SPLOST Revenues – The percentage of Special Purpose Local Option Sales Tax (SPLOST) proceeds are negotiated every 5 to 6 years and should be budgeted based upon the prior year's collections absent significant reason for upward or downward adjustment or based upon a change in the percentage split agreement with the County. SPLOST proceeds may only be expended upon the specific projects approved by the SPLOST vote in accordance with state law. SPLOST proceeds may be bonded in order to fund approved projects and in such case all necessary funds shall be first used to make the bond payments.
5. User-Based Fees and Service Charges – For services associated with a user fee or charge, the direct and indirect costs of that service shall be offset by a fee where possible. There will be an annual review of fees and charges to ensure that the fees provide adequate coverage of cost. The City Council shall set schedules of fees and charges.
6. Intergovernmental Revenues (Federal/State/Local) – These revenue sources will be expended only for the intended purpose of grant aid. It must be clearly understood that operational requirements set up as a result of a grant or aid could be discontinued once the term and conditions of the project have terminated.
7. Revenue Monitoring – Revenues received shall be compared to budgeted revenues. Significant variances will be investigated by the City Clerk and reported to the Mayor and Council as soon as possible.

VIII. Expenditures

The City will pay all current expenditures with current revenue or reserves.

Annual appropriations will be made for the adequate maintenance of capital equipment.

A plan should be devised and funded which provides for the orderly replacement of equipment. This plan should be included within the CIP.

The City will not use long term debt for current operations.

Revenue sharing funds will be used only for capital projects or items determined to be "one-time-only" in nature.

IX. Purchasing

A. Intent

The purpose of this policy is to provide guidance for the procurement of goods and services in compliance with procurement provisions of the City and the State of Georgia. The goal of this policy is to establish, foster, and maintain the following principles:

1. To consider the best interests of the City in all transactions;
2. To purchase without prejudice, seeking to obtain the maximum value for each dollar expenditure with maximum quality standards;
3. To subscribe to and work for honesty and truth in buying.

B. Vendors

The City will make every effort to obtain high quality goods and services as economically as possible. All procurement procedures will be conducted in a fair and impartial manner with avoidance of any impropriety. All qualified vendors have access to City business. No bidder will be arbitrarily or capriciously excluded. It is the intent of the City that competition be sought to the greatest practical degree. The conditions of the contract shall be made clear in advance of the competition. Specifications shall reflect the needs of the City.

C. Purchasing of Goods

1. Each Department Head shall have the authority to purchase individual goods/services costing less than \$1,000 each as long as costs remain within the approved budget. Each department head is responsible to ensure that internal control procedures are followed.
2. Purchases for individual goods/services costing more than \$1,000 and less than \$5,000 each can be authorized by the Mayor as long as costs remain within the approved budget. The department shall make every effort to solicit a minimum of three competitive prices. These purchases are considered small purchases and can be handled using telephone quotes.
3. Purchases for individual goods/services costing more than \$5,000 and less than \$25,000 are generally bid through an informal bid process. These purchases are handled by written quotes/bids. An invitation to bid is the solicitation of written offers and/or pricing based on specification of the required equipment, material, and/or general service. These are neither publicly advertised in the newspaper nor opened publicly, but must be approved by the Mayor and City Council.
4. Purchases for individual goods/services costing more than \$25,000 are considered as formal sealed bids. They are advertised for a minimum of two (2) weeks prior to bid opening and the contract award must be approved by the City Council. Bids are advertised in the legal organ and posted on the City's web site. A public bid opening is required for formal sealed bids. Department Heads shall document the process.
5. Construction services are processed under the competitive bid process described for purchases of \$25,000 or more. Construction bidders are required to post performance and payment bonds in an amount

equal to the contract award unless the contract is under \$40,000. Construction bidders are also required to post a 5% bid bond at the time of bid submission if the projected budget for the work exceeds \$40,000. Evidence of liability insurance equal to or exceeding the then current liability limits held by the City and workmen's compensation insurance is required prior to bid award. Any waiver of bid, performance or payment bonds will be noted clearly in the solicitation to bid.

6. Although authority may be delegated, the ultimate responsibility rests with the City Clerk. Purchases must be monitored to assure compliance with City policy.

7. No contract of the City involving the expenditure of public funds shall be in violation of the City's "Ethics Ordinance."

8. Bids are awarded by the City Council to the bid that conforms in all material respects to the needs of the City. The Council shall consider the capability of the bidder to perform the requirements, past experience with the bidder, whether the bid award will contribute to or generate economic growth or jobs in the City or County and such other factors as the Council deems necessary depending upon the type of bid involved.

9. The City of Dawsonville will provide an equal opportunity for all businesses to participate in City contracts regardless of sex, race, color, religion, national origin, political affiliation, age, handicapped status, sexual orientation, sexual preference, or transgender status.

10. Ineligible Vendors – Any person, firm, or corporation who is in arrears to the City for taxes, or otherwise, will not be qualified to bid on any purchase until their debt to the City has been cleared. No purchase order will be approved for such vendors.

11. State Contracts – The City is authorized to use state contracts in lieu of issuing bids to vendors or buying locally when it is to the economic advantage of the City or deemed appropriate by the Mayor. The state contract price may be used to establish the maximum price for a good or service.

12. Back-up Policy and Emergency Purchases – In cases of emergency, a contract may be awarded without competitive bidding, but the procurement shall be made with as much competition as the circumstances allow (i.e., informal quotes). An emergency is defined as a threat to life or property, an inability to comply with the formal bid procedures in a timely manner to prevent further damage or destruction, or an unforeseen situation that curtails or greatly diminishes an essential service as determined by the Mayor. In the event of an emergency, the Mayor shall be contacted and shall declare the emergency for the City.

D. Purchase Order (PO)

A "Purchase Order" (PO) cannot be issued unless sufficient funds are available in the budget.

The following is the established City procedures for use of purchase orders:

1. An item or service is required and sufficient funds exist in the approved budget to cover the cost of the item or service. PO's are not required for recurring invoices, ie utilities, telephone, engineers, accountant, attorney. Those invoices are approved by Mayor, City Clerk and/or Department Head
2. A PO is prepared by the Department Head or his/her designee. The City Clerk must certify that funds are available to cover the cost of the purchase. The PO contains the general ledger code and the fund the expense is allocated to.
3. If the PO is over \$1000, the Mayor must approve the item or service before it is ordered by the department.
4. Once the item or service is received and verified by the department, the City is invoiced by the vendor for the required item or service.
5. Each invoice shall have a completed coding/payment approval stamp on it.

6. The invoice and signed PO are reviewed by the City Clerk, and payment to the vendor is generated.

7. City checks will require two authorized signatures, which may not be the person that generates the checks. There shall be up to four authorized signatories, two of which shall be the Mayor and the Clerk. The remaining two authorized signatories shall be designated by the Mayor.

E. City Credit Cards

The City credit card is to be used for *City business only* to purchase goods, services, or for specific expenditures incurred under approved conditions and with sufficient funds available in the budget. There will be only two credit cards obtained: one for general fund purchases and one for enterprise fund purposes. The two credit cards shall be maintained by the Clerk and given to other employees/officials only when necessary. It is the preference of the City that employees/officials obtain checks when needed or use their own credit card and obtain reimbursement from the City for City business needs.

The following is the established City procedures for use of the City credit cards:

1. The credit card user is responsible for documentation and safekeeping of the credit card during the employee's/official's use.
2. A receipt for each transaction must be obtained when a purchase is made using the City credit card.
3. Credit card documentation shall indicate the department to be charged for this purchase written on it and signature of who purchased it.
4. The credit card holder must submit on a timely basis documentation of credit card purchases to reconcile the credit card bill.
5. Credit card reconciliation will be done on a spreadsheet showing departments to be charged and the payment approval stamp on it.
6. Failure of an employee or elected official to follow these credit card procedures may result in the charge being deducted from the employee's/official's salary and/or disciplinary action up to and including termination or removal from office.

F. Travel Expenses

Employees/Officials should whenever possible submit charges for City related travel reservations in advance for payment directly by the City. To the extent that is not possible or practical, employees/officials should present receipts for travel expenses incurred and reimbursement will occur by the City to the employee/official in ten (10) days or less. The following is a list of travel expenses that are subject to reimbursement:

1. Mileage for personal vehicle use at the then prevailing federal rate of reimbursement;
2. Meal cost associated with City required travel days, City approved seminars or meetings or similar functions;
3. Lodging cost associated with City required travel days, City approved seminars or meetings or similar functions;
4. Airfare associated with travel required by the City and approved as necessary by the Mayor; and
5. Meeting registration and activity fees associated with City approved travel;

Any submitted expense that does not fall within one of the above categories shall not be eligible for reimbursement. In incurring travel expenses, employees/officials shall keep in mind that they are using public funds and that reasonableness and sound fiscal policy should be used.

Employees will be paid their usual daily rate for all travel days on behalf of the City. Officials shall be paid a daily per diem in accord with the City's ordinance for all travel days on behalf of the City.

The Clerk shall provide a travel expense reimbursement form to each employee/official engaging in City travel and shall maintain all travel expense records for the period of time required by the City's document retention policy.

G. Payroll Policy

The employee/official payroll shall be submitted to the payroll service selected by the Mayor each pay period by the Clerk. The City Clerk and a backup employee assigned by the Mayor only shall have access to the payroll software. The Mayor shall approve in writing the payroll submitted and any changes therein will be initialed by both the Clerk and the Mayor. Time cards are to be signed by the employee and approved by management. Overtime must be approved by the department head and Mayor. Approved time cards need to be submitted timely to the City Clerk in order for payroll to be processed. The City Clerk is responsible for posting the payroll register from the payroll service company into the financial software. The City Clerk is responsible for updating and reconciling the paid time off schedule for all the employees.

H. EFT Payments/Bank Transfers

All direct debits or other electronic funds transfers ("EFT") shall be initiated by one employee and approved by a supervisory employee. A printout of the same with the signatures or initials of the employee and the supervisor shall be kept by the Clerk for the period of time required by the City's document retention policy.

I. Computer Backup

All City financial records shall be maintained to the extent possible on the City's computer system. The City's computer system shall be backed up off-site or through a web-based backup on a daily basis so that the same may easily be restored in the event of a computer failure or other disaster. The City Clerk shall maintain the list of passwords for the accounting software, access to programs and data and is responsible for reliable systems that include appropriated data backup and recovery processes.

J. Shared Expenditures

Insurance, payroll, rent, utilities and other shared expenditures will be allocated among the governmental funds and proprietary funds by the City Clerk and approved by the Mayor.

X. Investments

A. Scope

This investment policy applies to all funds under the City of Dawsonville's control. The policy excludes retirement funds held by a third party.

B. Objectives

The following investment objectives shall be met with this policy:

1. Safety – Preservation of principal shall always be the foremost objective in any investment transaction involving City funds. Those investing funds on the City's behalf must first ensure that capital losses are avoided by limiting credit and interest risk. Credit risk is the risk of loss due to the failure of the security issues or backer. Interest risk is the risk that market value portfolios will fall due to an increase in general

interest rates.

2. Liquidity – The second objective shall be the maintenance of sufficient liquidity within the investment portfolio. The City's investment portfolio shall be structured such that securities mature at the time when cash is needed to meet anticipated demands (static liquidity). Additionally, since all possible cash demands cannot be anticipated, the portfolio should maintain some securities with active secondary or resale markets (dynamic liquidity).

3. Return on Investment – The third objective shall be the realization of competitive investment rates, relative to the risk being assumed. However, yield on the City's investment portfolio is of secondary importance compared to the safety and liquidity objectives described above.

C. Delegation of Authority

Investment decisions shall be approved by the Mayor and City Council. Management of the investment program is the responsibility of the City Clerk, acting on behalf of the Mayor and City Council. The overall responsibility for the daily investment activities will be assigned to the City Clerk. The City Clerk may designate an employee or employees to assist with the management and implementation of the City's investment program.

Responsibilities to fulfill this authority include: opening accounts with banks, brokers, and dealers; arranging for the safekeeping of securities; and executing necessary documents. The controls are designed to prevent losses of public funds arising from fraud, error, misrepresentation by third parties, unanticipated changes in financial markets, and/or imprudent action by staff and City officials. No person may engage in an investment transaction except as provided for under the terms of the policy.

D. Authorized Investments

All investment activity is required to be in compliance with Chapter 83 of Title 36 of the Official Code of Georgia, which establishes guidelines for local government investment procedures.

The City of Dawsonville may invest funds subject to its control and jurisdiction in only such investment instruments permitted by State of Georgia law for local governments including the following:

1. Certificates of Deposit (CD's) issued by banks insured by the Federal Deposit Insurance Corporation (FDIC). Deposits in excess of FDIC coverage must be collateralized by securities with a market value equal to at least 110% of the deposit. Only those securities described in Georgia Code §50-17-59 can be pledged as collateral;
2. Certificates of Deposit (CD's) issued by savings and loans associations issued by the Federal Savings and Loan Insurance Corporation (FSLIC). Deposits in excess of the FSLIC coverage must be collateralized by securities equal to at least 110% of the deposit. Only those securities described in Georgia Code §50-17-59 can be pledged as collateral;
3. Obligations issued by the United States government;
4. Obligations fully insured or guaranteed by the United States government or a United States government agency;
5. Obligation of any corporation of the United States government;
6. Obligation of the State of Georgia or of other states;
7. Obligation of other political subdivision of the State of Georgia;
8. The Local Government Investment Pool of the State of Georgia managed by the State Department of Administrative Services, Fiscal Division;

E. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Under the "prudent person" standard, investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable revenue to be gained.

The City Clerk and all designees acting in accordance with 1) written procedures, 2) this investment policy, and 3) exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse development.

F. Diversification and Maturity Limitations

It is the goal of the City of Dawsonville to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities.

To achieve the aforementioned objective of adequate liquidity within City's portfolio, the City shall attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk.

G. Safekeeping and Custody

All investment securities purchased by the City of Dawsonville shall be delivered against payment and shall be held in a third-party safekeeping account by the trust department of a bank insured by the Federal Deposit Insurance Corporation. The Mayor or City Clerk shall be responsible for the selection of a financial institution for this purpose, as well as the execution of a written safekeeping agreement with the trustee.

H. Ethics and Conflicts of Interest

Officers and employees involved in the investment process will refrain from personal business activity that would conflict with proper execution of the investment program, or which would impair their ability to make impartial investment decisions. Employees and investment officials will disclose to the City Clerk any material financial interests in financial institutions that conduct business with the City, and they will further disclose any large personal financial/investment positions that would be related to the performance of the City's portfolio. Employees and investment officials will subordinate their personal investment transactions to those of the City particularly with regard to the time of purchases and sales.

I. Relationships with Banks and Brokers

The City of Dawsonville will select depositories through the City's banking services procurement process – including formal requests for proposals issued as needed. The City shall seek competitive investment rates within its safety criteria. Maximum opportunity shall be provided to all local financial institutions to bid and compete for City investments due to the importance of the financial institutions to the local economy.

J. Performance Evaluation

The City Clerk, or his/her designees, will seek to achieve a market average rate of return on the City's portfolio. Given the special safety and liquidity needs of the City, the basis used to determine whether market yields are being achieved shall be the six-month Treasury Bill.

XI. Grants

A. Scope

The purpose of this policy is to provide direction in the application, acceptance and administration of funds awarded through grants to the City from other local governments, the state or federal government, non-profit agencies, philanthropic organizations and the private sector.

B. Application and Acceptance of Grants.

1. The City staff and officials may research and apply for grants.
2. The City Council must approve the acceptance of any grants.
3. The City will assess the merits of a particular program as if it were funded with local tax dollars. Local tax dollars will not be used to make up for losses of intergovernmental aid without first reviewing the program and its merits as a budgetary increment. Therefore, no grant will be accepted that will incur management and reporting costs greater than the grant amount.

C. Grant Administration.

1. Each department must notify the City Clerk upon acceptance of any grant. Prior to the receipt or expenditure of grant revenues, the City Clerk must be provided with the following information prior to receiving grant revenues or making purchases against the grant:

- (a). Copy of grant application;
- (b). Notification of grant award;
- (c). Financial reporting and accounting requirements including separate account codes and/or bank accounts;
- (d). Schedule of grant payments.

2. The City Clerk is responsible for the management of its grant funds, periodic reporting, and Schedule of Federal Awards

XII. Capital Assets

A. Capital Asset Criteria

A capital / fixed asset is defined as a financial resource meeting all of the following criteria:

1. It is tangible in nature.
2. It has a useful life of greater than one year.
3. It is not a repair part or supply item.
4. It has a value equal to, or greater than, the capitalization threshold of \$5,000.

Keeping an accurate record of the City's capital assets is important for a myriad of reasons. Some of the most important reasons that the City needs to keep good records are: for financial statement information, for insurable values, for control and accountability, for maintenance scheduling and cost analysis, for estimating and accounting for depreciation, for preparation of capital and operating budgets, and for debt management.

B. General Policy

1. Each Department Head is ultimately responsible for the proper recording, acquisition, transfer, and disposal of all assets within their Department. City property may not be acquired, transferred, or disposed of without first providing proper documentation.

2. Recording of Capital Assets

Unless otherwise approved by the City Clerk, all recordable capital assets must be recorded within 30 calendar days after receipt and acceptance of the asset.

Assets will be capitalized at acquisition cost, including expenses incurred in preparing the asset for use.

Donated assets shall be recorded at fair market value as determined by the Department Head. Fair market value may be defined as, but is not limited to, an average of documented prices for equivalent items from three separate vendors.

The City will recognize acquisition costs based on individual unit prices. Assets should not be grouped. (For example, in acquiring equipment, if three personal computers (PC) were acquired simultaneously at \$2,000 each, this would not be an asset of \$6,000 consisting of 3 PCs, it would be 3 separate acquisitions of \$2,000)

For equipment purchases, title is considered to pass at the date the equipment is received. Similarly, for donated assets, title is considered to pass when the asset is available for the City's use and when the City assumes responsibility for maintaining the asset.

Constructed assets are transferred from the construction in progress account to the related building, improvements other than buildings, or equipment accounts when they become operational. Constructed buildings, for example, are assumed to be operational when an authorization to occupy the building is issued, regardless of whether or not final payments have been made on all the construction contracts.

All reported capital assets are depreciated except for land, artifacts, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation shall be based upon the following ranges:

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Buildings & Improvements	20-50 years	20-50 years
Machinery & Equipment	5-10 years	5-10 years
Vehicles	5-7 years	5-7 years
Infrastructure	15-40 years	25-65 years
Water/Sewer System/Plant		25-50 years

3. Acquisition of Capital Assets - There are various methods by which assets can be acquired. The asset acquisition method determines the basis for valuing the asset. Capital assets may be acquired in the following ways:

- New purchases
- Donations
- Transfers from other City/County departments or State agencies
- City surplus
- Internal/external construction
- Lease purchases
- Trade-in
- Forfeiture or condemnation

4. Lease-Purchase Assets may be lease-purchased through installment purchases or through lease financing arrangements (an agreement in which title may or may not pass).

5. Transfer of Capital Assets

An asset transfer between departments usually represents the sale of an item by one department to another and may be treated as a new purchase. A transfer between related departments under the same control may, if desired, be treated as a transfer rather than sale. That is, the asset is recorded under the new Department with original acquired date and funding amount.

6. Sale of Capital Assets

Sale of capital assets by a department must be to the highest, responsible bidder and must be conducted by sealed bid or by auction. The sale must be publicized in accordance with state laws.

7. Disposal of Capital Assets

When an asset is disposed of, its value is removed from the financial balances reported and from inventory reports. However, the asset record, including disposal information, remains on the master file for three years, in the City Clerk's Office, after which time it is purged from the system according to general accepted accounting principles. This preserves an audit trail for disposed items, and facilitates departmental comparisons between actual or historical useful life information with useful life guidelines. Such comparisons permit a more precise definition of an asset's useful life than those provided by the Internal Revenue Service (IRS) or other guidelines initially used.

A disposal action is appropriate only when certain conditions occur resulting in an asset no longer being in the possession of the agency. Assets no longer in use, which remains in the possession of the department, are considered surplus property and not a disposal.

Capital assets may be disposed of in any one of six ways:

- a. Sale or trade-in
- b. Abandonment/Retirement
- c. Lost or stolen
- d. Transfer
- e. Cannibalization (taking parts and employing them for like uses within the department, such as is often the practice in computer or vehicle maintenance)
- f. Casualty loss

Only when the asset is no longer in possession of the department, due to one of the six reasons listed above, is disposal action appropriate.

Assets are "abandoned" or "retired" when there is no longer any use for them in the Department, they are of no use to any other City department, they cannot be repaired, transferred, cannibalized, sold, or traded-in. Thus meaning that, there is no safe and appropriate use for the abandoned goods to the City or for others.

Stolen items must be reported to Dawson County Sheriff Department and a police report filed. A copy of this report must accompany the disposal record.

Casualty losses must be documented within 24 hours of loss and reported to the City Clerk immediately for follow-up with the City's insurance carrier.

Cannibalized items are considered surplus and are disposed of by noting cannibalization on the disposal record. Ideally, this method will allow departments to look at cannibalized items on the disposal report and

assess what surplus parts may be available. Departments will send documentation of items cannibalized to the City Clerk's Office, and all remaining costs and accumulated depreciation will be removed from appropriate asset accounts in the general fixed asset fund.

All assets no longer in the possession of the department, due to one of these six qualifying conditions and after submission of all appropriate documentation to the City Clerk's Office, will be removed from the master departmental asset file and considered disposed.

Department management is responsible for reviewing disposal reports, evaluating causes and trends leading to disposals, and implementing procedures to more effectively manage and control disposals when the dispositions represent problems, inefficiencies, and/or the incurrence of unnecessary cost.

8. Physical Inventory

An annual physical inventory of all capital assets will be performed by Department Heads no later than prior to the March Council meeting. In this manner, the current capital asset inventory (less depreciation) may be considered in the budget process for the upcoming fiscal year. The inventory will be conducted with the least amount of interruption possible to the department's daily operation. A full report of the results of the inventory will be sent to the Mayor and City Clerk upon completion.

XIII. Internal Control

Internal control, or a system of internal controls, is the integration of activities, plans, attitudes, policies, and efforts of the people in an organization working together to provide reasonable assurance that the organization will achieve its goals and objectives.

1. The City will maintain a system of internal controls in order to maintain accountability to the citizens of the City and the Council, meet established goals and objectives, promote adherence to laws and regulations, encourage sound financial and operational practices, develop and maintain accurate, reliable and timely financial and management data, safeguard assets/resources, prevent, detect and deter fraud, and facilitate both internal and external audits.

2. The City will comply with Generally Accepted Accounting Principles (GAAP) in its accounting and financial reporting, as contained in the following publications:

(a). *Codification and Pronouncements of Governmental Accounting and Financial Reporting Standards*, issued by the Governmental Accounting Standards Board (GASB).

(b). *Codification and Pronouncements of Accounting and Financial Reporting Standards*, issued by the Financial Accounting Standards Board, (FASB).

(c). *Governmental Accounting, Auditing, and Financial Reporting* (GAFFR), issued by the Government Finance Officers Association (GFOA) of the United States and Canada.

(d). *Financial reporting guidelines* issued by the Georgia Department of Audits and Accounts (DOAA).

(e). *State and Local Governments – Audit and Accounting Guide*, an industry guide published by the American Institute of Certified Public Accounts (AICPA).

(f). *Government Accounting Standards*, issued by the Comptroller General of the United States.

3. The City will contract for an independent auditor to conduct an annual audit and prepare a financial statement and to express an opinion of the City of Dawsonville's finances.

4. Internal control procedures should be formally documented and reviewed annually by the Mayor, staff and the City Auditor as part of the annual audit process.

XIV. Fraud and Corruption

The City of Dawsonville recognizes a zero tolerance policy regarding fraud and corruption. It requires all City employees and officers to act honestly and with integrity and to safeguard the public resources at all times for which they are responsible. All matters raised by any source will be taken seriously and properly investigated. The City is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level through internal controls in an effort to deter, prevent, and detect fraud and corruption.

A. Fraud: an intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity. Some examples of fraud include, but are not limited to:

1. Falsification of expenses and invoices;
2. Theft of cash or fixed assets;
3. Alteration or falsification of records;
4. Failure to account for monies collected;
5. Knowingly providing false information on applications and requests for funding.

B. Corruption: the offering, giving, soliciting, or accepting of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include, but are not limited to:

1. Bribery;
2. Conspiracy;
3. Extortion.

C. Reporting

All employees and officers have a duty to report concerns of possible fraudulent or corrupt activity in association with the City.

The City will ensure that, if fraud or corruption is reported, a vigorous and prompt investigation with appropriate disciplinary and legal action, where justified, will take place without regard to position held or length of service.

XV. Cash

A. Cash Payment Processing

The following is the City's procedure for maintaining a cash drawer:

1. Cash drawers maintain a balance of \$200.00.
2. The drawers are balanced daily and audited monthly at random by the City Clerk.
3. Deposits of cash and checks are taken to the bank daily for deposit into the City's accounts. The City will make every effort to ensure the employee that prepares the cash deposit doesn't take it to the bank.
4. At the end of each day, the cash drawers will be locked in the safe in the employee's assigned vault.

B. Credit Card Payment Processing

The following is the City's procedure for balancing credit card payments:

1. Credit Card payments are processed through a third party gateway that batches payments to the City's bank account daily.
2. Deposits are balanced daily to the payments made in the utility billing software.

C. Customer Security Deposits

An applicant/customer seeking water, sewer, and or garbage service, shall be required to provide the City of Dawsonville a security deposit. Only one security deposit shall be required from each customer. The security deposit amount shall be determined by the City Council.

A separate bank account shall maintain the amount required for repayment of deposits to utility customers, with reconciliation of the account to ensure sufficient funds.

D. Cash Accounts

Cash accounts in excess of FDIC insurance must be collateralized by the financial institution in accordance with state law

XVI. Bond Compliance Procedures

The following procedures have been adopted by the Dawsonville City Council to assure compliance of Tax-Exempt Bonds issued from time to time for the benefit of the City with applicable federal tax requirements. When compliance issues arise, the City will consult with bond counsel as to whether compliance is threatened and appropriate remedial actions; the procedures may be varied with the written advice of bond counsel. Responsibility for implementation of these compliance procedures shall be with the City Clerk.

1. Timely Expenditure of Bond Proceeds.

(a). For these purposes, bond proceeds will include the net sale proceeds of the bonds, after funding any debt service reserve fund, and investment earnings on such proceeds. "Construction Fund" shall mean the construction fund or other similar fund or funds in which such proceeds are deposited.

(b). At each 6-month interval from the date of the issuance of the bonds, the City will examine the account records of the Construction Fund to ensure that at least 85% of such proceeds have been expended for the projects within three years from the date of the issuance of the bonds.

(c). If 100% of such proceeds have not been expended for the projects within such three year period or if the projects funded by the bonds shall be completed and the Construction Fund not be fully expended, the City will consult with bond counsel concerning appropriate remedial steps to be taken.

2. Calculation of Available Project Proceeds.

When all of the issuance costs of the bonds have been paid (which shall occur no later than six months from the date of issuance of the bonds), the City shall determine the amount of the proceeds of the sale of the bonds applied to such costs (including underwriter's discount), and shall subtract the amount of such issuance costs from the proceeds of the sale of the bonds to determine the Available Project Proceeds. The City shall ensure that the Available Project Proceeds are applied to the projects financed by the bonds, in accordance with procedure 1 above.

3. Use of 100% of Available Project Proceeds For Capital Expenditures.

As part of the semiannual review of the records of the Construction Fund referred to in procedure 1 above, the City will determine that Available Project Proceeds (determined under procedure 2 above), other than any amounts deposited to a reasonably required reserve fund, are properly accounted for as capital expenditures for the projects financed with the bonds and are properly so reflected on the City's records.

4. Arbitrage Yield Restriction and Rebate.

The City will abide by arbitrage yield restrictions and rebate requirements for the bonds, as required under Section 148 of Internal Revenue Code of 1986, as amended (the "Code") and the regulations thereunder, and as described in the Tax and Non-Arbitrage Certificate executed by the City in connection with the issuance of the bonds. In particular, the City will restrict yield on any remaining funds in a Construction Fund three years after the date of issuance of the bonds, and will determine if rebates must be computed and paid at each five-year interval from the date of issuance of the bonds and within 60 days after the bonds are paid in full.

5. Determination of the Interest Payable on the Bonds.

Upon the bond sale date, the City shall obtain a debt service schedule for the bonds and confirm the accuracy of the amounts shown as interest payable on each interest payment date according to customary financial calculations and applying an interest rate convention of interest occurring in a year consisting of twelve 30-day months (unless the bonds specify a different convention). Should variable rate bonds be utilized, Treasury Department rules will be consulted to compute interest.

6. Procedures to Ensure Timely Compliance With Tax Requirements.

(a). The Tax and Non-Arbitrage Certificate executed by the City in connection with the issuance of the bonds contains or refers to various federal tax law requirements applicable to the bonds and the City will review, as of each anniversary of the issuance of the bonds, said requirements and its actual practices and records to date to determine that it has complied with such requirements.

(b). If the City takes a "deliberate action" after the issue date that causes the conditions of the private business tests or the private loan financing test to be met as to a bond issue, then such issue could become an issue of private activity bonds. Treasury Regulations Section 1.141-2(d)(3) defines a deliberate action as any action taken by the issuer that is within its control regardless of whether there is intent to violate such tests. Treasury Regulations Section 1.141-12 explains the conditions to taking remedial action that prevent an action that causes a bond issue to meet the private business tests or private loan financing test from being treated as a deliberate action. The City shall timely take remedial action for all nonqualified bonds according to Treasury Regulations Section 1.141-12 or other remedial actions authorized by the Commissioner under Treasury Regulations Section 1.141-12(h).

(c). Should the City, upon such review, ascertain that there are or may be violations, it will consult with bond counsel and, if after the consultation with bond counsel it is necessary, shall take remedial action as described in Treasury Regulations or initiate a process for voluntary closing agreement as described under U.S. Notice 2008-31.

7. Maintenance of Records.

The City will maintain within its records maintenance system the records necessary to support the status of the bonds as qualified to receive the tax-advantaged treatment as Tax-Exempt Bonds, in paper or electronic form as appropriate, for the life of the bonds plus three years. The City generally will comply with IRS records maintenance guidelines as described at the Tax-Exempt Bond FAQs Regarding Record Retention Requirements on the IRS.gov website.

FIRST READING 5/5/2014
SECOND READING 6/2/2014
PUBLICATION DATES 5/14/14, 5/21/14

**COLLECTION OF MUNICIPAL LIENS AND DELINQUENT TAXES ORDINANCE
CITY OF DAWSONVILLE, GEORGIA**

AN ORDINANCE BY THE MAYOR AND CITY COUNCIL FOR THE CITY OF DAWSONVILLE TO PROVIDE FOR COLLECTION OF MUNICIPAL LIENS AND DELINQUENT TAXES, TO AMEND AND CORRECT TWO REFERENCES MADE IN THE DILAPIDATED STRUCTURES AND PREMISES MAINTENANCE ORDINANCE; TO PROVIDE FOR SEVERABILITY; TO PROVIDE AN EFFECTIVE DATE; TO REPEAL ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HERewith; AND FOR OTHER PURPOSES

WHEREAS, the Charter of the City of Dawsonville, Georgia provides in Section 6.18 as follows: "The city council by ordinance may provide generally for the collection of delinquent taxes, fees, or other revenue due the city by whatever reasonable means as are not precluded by general state law. This shall include providing for the dates when the taxes or fees are due, late penalties or interest, issuance and execution of fi.fa.'s, creation and priority of liens, making delinquent taxes and fees personal debts of the persons required to pay the taxes or fees imposed, revoking city licenses for failure to pay any city taxes or fees, allowing exceptions for hardship, and providing for the assignment or transfer of tax executions" and,

WHEREAS, in order to enforce municipal liens in the City of Dawsonville, the Mayor and Council desire to provide by Ordinance a procedure for the issuance and execution of liens as permitted in the City Charter and by the law of the State of Georgia and,

WHEREAS, O.C.G.A. § 48-5-358 provides that each municipality may enforce the collection of any amount due or to become due for paving streets or alleys, laying sewers and drains, or cleaning or repairing privy vaults by execution issued by the municipal finance officer against the persons who owe the debts. The execution may be levied by the marshal on the real property of the owners and, after proceedings as in cases of sales for municipal taxes, the property may be sold at public auction, subject to the statutory right of redemption.

WHEREAS, O.C.G.A. § 48-5-359 provides that the time, place, and manner of municipal tax sales of real and personal property for taxes due municipalities shall be the same as that provided by law for sheriffs' sales for state and county taxes and further provides that the tax sale may be conducted by the marshal or duly authorized officer of the municipality and further provides that each municipality may pass appropriate ordinances to carry said Code section into effect and,

WHEREAS, the Dilapidated Structures and Premises Maintenance Ordinance of the City of Dawsonville, Georgia contains two references, one internal reference and one reference to the Georgia Code, which require updating and correction.

NOW THEREFORE, BE IT ORDAINED by the Mayor and City Council for the City of Dawsonville, Georgia, and it is now, therefore, hereby ordained by the authority of the City Charter and state law as follows:

SECTION 1.

Chapter 11 of the Dawsonville Code of Ordinance, Taxation, Article I is hereby amended to add Section 11-1, Collection of Municipal Liens and Delinquent Taxes, as follows:

- (a) The City Clerk or his designee shall serve as tax collector.
- (b) The City Attorney or his designee shall be the duly authorized officer for the City as to execute the levy and shall be authorized to conduct a sale of any real and personal property. Such sale shall be conducted in the time, place, and manner as provided by law for sheriff's sales for state and county taxes.
- (c) If, during any sale of property by the City for taxes due and after the property has been offered a reasonable time, no one present at the sale bids an amount for the property being sold which is as much as the total amount of the lien or tax due plus the officer's cost due on the sale, then any duly appointed officer or agent of the City may purchase the property for the City. If the City purchases property at a sale, the officer conducting the sale shall make to the City a deed to the property sold and shall deliver the deed to the City Clerk. Title acquired by the City pursuant to this provision shall be deemed as perfect, valid and binding after the period provided for redemption by the owner has elapsed and there is no redemption by the owner, as if purchased by any person other than the City. The officer conducting the sale shall put the City, through the City's designee, in possession of the property so sold.
- (d) Any action required pursuant to this section may be taken in Dawson County Superior Court.

SECTION 2.

Section 102-59 of the Dawsonville Code of Ordinances is hereby amended so that the reference to section "102-54" is deleted and section "102-61" is added in its place.

Section 102-61 (d) (3) of the Dawsonville Code of Ordinances is hereby amended so that the referenced to "O.C.G.A. § 48-14-361" is deleted and "O.C.G.A. §§ 48-5-358 and 48-5-359" is added in its place and a reference to Section 11-1 is added so that the new Section 102-61(d)(3) shall read as follows:

In the event the mayor and council cause a structure or premises to be repaired, altered, improved, or to be vacated and closed or demolished, the cost of such action along with any assessed fines shall be a lien against the real property upon which such cost was incurred. Such lien shall attach to the real property upon the payment of the aforementioned costs by the city. The city shall file a statement of lien on the real estate records of Dawson County and cross-reference the same against the owner's deed. The city may enforce the collection of any amount due on such lien for fines, alteration, repair, removal, or demolition of structures or premises in the same manner as provided in O.C.G.A. §§ 48-5-358 and 48-5-359 and other applicable state statutes along with Section 11-1 of the City code. This procedure shall be subject to the right of redemption by any person having any right, title, or interest in or lien upon such real property, all as provided by O.C.G.A. tit. 48, ch. 4, art. 3, as the same may be amended from time to time.

SECTION 3.

All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed.

SECTION 4.

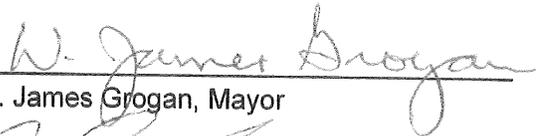
If any section, clause, sentence or phrase of this ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way effect the validity of the remaining portions of this ordinance.

SECTION 5.

This ordinance shall become effective immediately upon its adoption by the City Council.

SO ADOPTED, this 2nd day of June 2014 by the Mayor and Council of the City of Dawsonville, Georgia.

CITY OF DAWSONVILLE



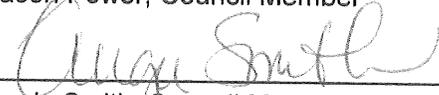
W. James Grogan, Mayor



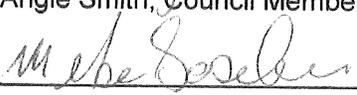
Chris Gaines, Council Member



Jason Power, Council Member

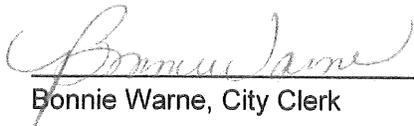


Angie Smith, Council Member



Mike Sosebee, Council Member

ATTESTED TO BY:



Bonnie Warne, City Clerk