

Sec. 2-5-3 FISCAL YEAR AND BUDGETING.

- (a) Fiscal Year, Budgeting, Appropriations. The fiscal year for The City of Williamson shall begin on 1 January and end on 31 December. An annual budget and an appropriations ordinance shall be adopted by the Mayor and council prior to the first day of the fiscal year. However, if for good and sufficient reasons the budget cannot be adopted by the first day of the fiscal year, the budget shall be adopted not later than 45 days subsequent to the beginning of the fiscal year. If the budget and the appropriations ordinance are not adopted prior to the beginning of the fiscal year, this section automatically authorizes the continuation of necessary and essential expenditures to operate the City. The budget as adopted shall be a balanced budget with anticipated revenues (including appropriated unencumbered surplus) equal to appropriated expenditures. All funds within the budget shall also be balanced.

State Law Reference: Local government financial management standards and procedures, O.C.G.A., Sec. 36-81-1 et seq.

(b) General Budget Policies

1. The City of Williamson shall strive to finance all current expenditures with current revenues thereby maintaining a balanced budget. The City of Williamson shall endeavor to not use short term borrowing to finance current operational requirements but is not prohibited by this policy from using short-term borrowing to meet operating budget requirements.
2. All governmental funds, except Capital Project funds, are subject to the annual budget process. Capital Projects will be subject to project length budgets.
3. All budgets will be adopted on a basis of accounting consistent with Generally Accepted Accounting Principles (GAAP). Revenues will be recognized when they become measurable and available and expenditures are charged against the budget when they become measurable, a liability has been incurred, and the liability will be liquidated with current resources. Revenues will be recognized as available at the end of the year using the sixty-day rule. Expenditures will be recognized at the end of the fiscal year if incurred during the fiscal year and paid with current resources. All expenditures for the purchase of inventory will be recognized using the purchase method. If The City of Williamson establishes a proprietary fund, that fund shall use the consumption and FIFO method of expenditure recognition for inventories.
4. 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 for each fund covered by the budget. Amendments to the budget must be approved by resolution. 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 services needs, receipt of unbudgeted revenues and for unanticipated expenditures.

5. The budget must be balanced for all budgeted funds. Total anticipated revenues and other resources available including unreserved fund balance must equal total estimated expenditures for each fund.
6. All operating budget appropriations will lapse at year-end. Encumbrances can be re-appropriated in the next fiscal year by a budget amendment. Capital Budget appropriations under the Capital Improvement Program shall be appropriated with project-length balanced budget for major projects.
7. The operating budget will provide for adequate maintenance and operation of capital equipment and facilities and allocate funds to the Capital Budget for their orderly replacement.
8. The City of Williamson shall strive to establish a fund balance reserve for the general fund to pay expenditures caused by unforeseen emergencies, for revenue shortfalls and to eliminate short-term borrowing for cash flow purposes or because of the schedule of tax collections. The City shall strive to maintain an amount that represents no less than \$100,000.00 or three months of operating expenditures whichever is greater.
9. The City shall strive to include a contingency amount in the general fund budget for unforeseen or emergency operating expenditures. The amount of the contingency shall be no more than ten percent of the operating budget. The City of Williamson will endeavor to fund contingencies from the unreserved fund balance but may use general fund appropriations until sufficient fund balance has been accrued.
10. The budget shall be adopted at the legal level of budgetary control that is the fund/department level. Transfers of appropriations within a department shall require only the approval of the Budgeting Officer. Transfers between departments or funds, an increase of a personal services appropriation, or an increase in the level of authorized positions shall require the approval of the City of Williamson Mayor and City Council. Department heads and elected officials are directed to operate within budget limitations to prevent "emergency" situations.
11. Budget Amendments- The City of Williamson Mayor and City Council may authorize new projects or expenditures during the budget year by adopting a Budget Resolution that includes the project cost and revenue source. Each Budget Resolution must be balanced. The City Council may adopt on a quarterly basis a budget amendment that incorporates all of the budget resolutions for the previous quarter.
12. The Mayor is designated as the Budget Officer for The City of Williamson. The Mayor shall prepare a budget calendar, a balanced budget proposal and a budget resolution to be presented to the City Council. A revenue plan itemizing all anticipated City revenues shall be prepared and presented to the City Council. The Budget Officer shall be responsible for the preparation, administration and fiscal control of the budget.
13. The Budget Officer shall utilize a decentralized budget process that gives City Council Members and any Department Heads the opportunity to provide input into the budget process.
14. The Budget Officer is charged with insuring that The City of Williamson shall comply with all state laws applicable to budget hearings, public notices, public inspection, and budget adoption.
15. The City shall pay bills weekly on Thursdays. Department heads and elected officials are

directed to submit payment requests within this timeframe. The City Clerk shall, however, have the authority to issue special checks up to a maximum of \$500.00.

16. The City of Williamson will strive to integrate performance measurement and objectives and productivity indicators within the budget.
17. The City of Williamson will maintain a budgetary control system to ensure adherence to the budget and will prepare timely financial reports comparing actual revenues expenditures and encumbrances with budgeted amounts.

(c) Capital Budget Policies

1. Intent. Capital projects will be undertaken to preserve infrastructure and public facilities; promote economic development and enhance the quality of life; improve the delivery of services; preserve community assets; and improve economically depressed areas.
2. Capital Improvement Program. The City of Williamson will seek to develop and maintain a five year Capital Improvement Program (CIP) annually to direct the financing of and appropriations for all capital projects. The City of Williamson defines a capital project for inclusion in the CIP as any asset or project in excess of \$50,000.00 with an estimated useful life of five or more years.

The City of Williamson will coordinate the development of the Capital Improvement Program with the development of the operating budget to insure that future operating costs are projected and included in the operating budget where appropriate.

3. Vehicle Replacement. The City of Williamson will develop a program to replace authorized vehicles and equipment without significant impact to the capital budget. This is to include a budgeted capital replacement allocation from the departmental section of the General Fund to replace assigned vehicles. This section shall authorize the establishment of a local resource Capital Project fund for the acquisition of vehicles.
4. Authorization To Seek Grant Funds. The City of Williamson will seek public and private grants, contracts, and other outside sources of revenue to fund projects included in the Capital Improvement Program.
5. Budget Length. Budgets for Capital projects shall not lapse at the end of a fiscal year. They shall be adopted in a project length budget and remain in effect until project completion.
6. Capital Asset Threshold. The threshold for recording capital assets in the General Fixed Asset Account Group (GFAAG) shall be a cost of \$50,000.00 and an estimated useful life of five or more years.

Sec. 2-5-4 PURCHASING AND BID POLICIES

It is the intent of the Mayor and Council of the City of Williamson to establish regulations and procedures to provide for an efficient and fiscally responsible system for the purchase of materials and services necessary for the effective operations of the City and to ensure the

administration of such purchasing and bidding system is in accordance with the highest ethical and fiscal standards and applicable laws.

(a) Applicability. These provisions related to the purchase of materials and services, and the related bid requirements, shall apply to all aspects of the City of Williamson, except as may be otherwise specifically set forth herein or otherwise directed by the Mayor and Council of Williamson.

(b) Designation of purchasing authority and purchasing agent. The Mayor and Council of Williamson shall be the Purchasing Authority of the City. The Mayor and Council may designate a Purchasing Agent to conduct the purchasing and bidding requirements set forth by this policy or as specifically directed by the Mayor and Council. The Mayor and Council may designate the Mayor, a councilmember, or the city clerk as the Purchasing Agent for a specific purchase and/or bid process.

(c) Lowest and/or Best Bid. The Mayor and Council intend to purchase or procure materials, supplies, equipment, and contractual services from the "lowest" and/or "best" bid by a responsive and responsible bidder that meets the bid specifications.

(1) The City will not be required to award purchases and/or procurements to the lowest bidder. Specifically, The City reserves the right to exercise discretion concerning such award, taking into consideration local vendors, previous dealings, and other reasonable considerations.

(2) The City reserves the right to purchase materials, supplies, equipment, and contractual services due to emergency/exigent circumstances. The approval of such emergency/exigent purchases and/or awards may be done through means of communication, oral or otherwise, but the Mayor and Council shall consider the ratification of any such emergency purchase and/or award at the next available Council meeting.

(d) The City shall maintain an up-to-date list of all vendors known to the City who are reputable and responsible vendors of materials, supplies, and services regularly used by the City. The vendor list shall include descriptions of vendor's materials, goods, or services; and, said list shall identify pricing and discounts as may be made available by the vendors.

(e) Purchase Orders, Requisitions, Invoices. Except as otherwise provided herein, all purchases for materials, supplies, and services for the City shall be via an official purchase order, requisition, or invoice as may be approved by the City. Purchase orders, requisitions, and invoices are considered specific to each vendor and cannot be reassigned without the written approval of the Mayor and Council.

(f) Source Selection through quotes and bids. It is the intent of the City to provide a general procedure for the purchases for materials, supplies, equipment, or services based on the anticipated cost of said materials, supplies, equipment, or services. For the purposes of interpreting this provision, the cost of the materials, supplies, equipment, or services shall not be divided or separated based solely on avoiding the application of the respective provisions set forth below based on the various cost thresholds so identified. The intent of

these provisions is to ensure competitive pricing and bidding.

(1) Sealed bids. For the purchase of materials, supplies, equipment, or services estimated to cost over \$250,000.00, the City shall use competitive bidding or proposal procedures. These procedures include formal advertising, written contracts, preparation of bid specifications by the City, sealed bids, public opening, bid deposits and performance bonds. The City of Williamson reserves the right to reject bids, waive technicalities and make awards in the best interest of the County and in compliance with state law.

(2) Written Quotes or Estimates. For the purchase of materials, supplies, equipment, or services with an estimated cost between \$10,000.00 and \$249,999.99, The City shall award such purchase/procurement based upon written competitive quotes/estimates from at least three reputable vendors if available, without regard for formal advertising.

(3) Verbal Quotes or Estimates. For the purchase of materials, supplies, equipment, or services estimated to cost between \$2,000.00 and \$9,999.99, the City shall award such purchase/procurement based upon verbal quotes/estimates from at least three reputable vendors if available.

(4) Standing Authority for Designated Purchasing Agent Within Budgetary Allocations. For the purchase of materials, supplies, equipment, or services under \$2,000.00 the Purchasing Agent designated by the Mayor and Council shall have the standing authority to make such purchase(s)/procurement(s) contingent upon said purchase(s)/procurement(s) being within the approved budget allocations for the specific purchase/procurement. Any purchase/procurement made by the designated Purchasing Agent exceeding \$1,999.00 will require the immediate notification to the Mayor and Council with a copy to the City Clerk.

(g) Sole Source Purchases/Procurements. Sole source purchases or procurement may be allowed when only one source is able to fill the requirements for the intended use. In addition, sole source acquisition may also be used by the City for compatibility with equipment for repair purposes or to continue standardization. The Mayor and Council shall approve all sole source purchases/procurements that exceed \$1,999.00.

(h) Emergency purchases shall be allowed when there is a threat to the health, safety, or welfare of citizens of the City of Williamson or when the City is faced with the loss of an essential governmental service. Competitive purchasing shall be resumed as soon as practical. The Mayor and Council must authorize the initiation of this procedure as described above, which will require ratification by the Mayor and Council at the next available Council meeting.

(i) Local Preference. The City reserves the right to award purchases and/or procurements to local vendors that contribute to the local tax base. This local preference policy does not apply to any purchases of materials, equipment or services that requires the competitive sealed bid process

(j) Exceptions to the bid requirements. The City may be exempt from the above purchasing and bidding policies when said purchase(s)/procurement(s) involve equipment

purchases from the Georgia Department of Administrative Services surplus. In addition, if the City is making use of State of Georgia D.O.A.S. contracts, and if in the best interest of the City, or if the City is using the Georgia Correctional Industries Administration, Pike County, or other state entity as a vendor, then said purchase(s)/procurement(s) may be authorized without having to adhere to these purchasing and bidding policies.

Sec. 2-5-5 INVESTMENTS

- (a) Purpose. To insure the safety and liquidity of the investment, to insure the highest possible return on investments and to maximize the utilization of excess City funds
- (b) Scope. This investment policy applies to all funds under the control of The City of Williamson and accounted for in or annual financial report and includes:
 - 1. General Fund
 - 2. Special Revenue Fund
 - 3. Capital Project Fund
 - 4. Other funds as may be created
- (c) Investment Criteria. The Mayor and City Council of The City of Williamson shall establish the overall investment policies for The City of Williamson. The Mayor is designated as the investment director for the City and authorized to make all appropriate investment decisions within the scope of those policies. The Mayor shall maintain a standard of prudence in accord with the “prudent person rule” that all investment decisions will be made with the judgment and care a person of intelligence and prudence would exercise in the administration of their own affairs.

The City of Williamson’s investment criteria in order of priority are:

- 1. Safety – Preservation of principal shall always be the foremost objective in any investment transaction involving City funds. Those individuals 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.

- (d) Allocation of Interest. All interest earned from investments unless otherwise indicated by action of the Mayor and City Council shall be retained within the fund generating the interest.
- (e) Cash and Investments. The City of Williamson shall require pledges of collateral for all cash deposits and investments from depository institutions as required by the O.C.G.A. §36-83-5.

Sec. 2-5-6 DEBT MANAGEMENT

- (a) Purpose of Debt Issuance. The City of Williamson will utilize long-term debt only for capital improvement projects that are too expensive to be financed from current revenue sources. The City of Williamson will not use long-term debt to finance current or on-going operations of the City.
- (b) Debt Limitations. The City of Williamson is authorized by the Constitution and laws of the State of Georgia to issue general obligation bonds not in excess of 10% of the assessed values of all taxable property within the City and for a period of time not to exceed thirty years. However, The City of Williamson will remain cognizant of the millage assessed for repayment of general government debt and will strive to maintain a stable millage in the debt service area for the benefit of its taxpayers. Where feasible, special assessment, revenue, and other self-supporting bonds, will be utilized instead of general obligation bonds.

When issuing General Obligation bonds, the City must assess and collect annual taxes sufficient to pay the principle and interest of the debt within thirty years.

(c) Types of Debt

1. The City of Williamson is permitted to issue any form of debt that does not contradict the existing Constitution and laws of the State of Georgia. These include, but are not limited to:
 - a. General Obligation Bonds
 - b. Revenue Bonds for The City of Williamson Proprietary Funds
 - c. Intergovernmental Contracts
 - d. Lease Purchases
 - e. Certificates of Participation
 - f. Temporary Loans
2. Tax anticipation notes or any other revenue anticipation borrowing will be avoided if possible. In the event such borrowing occurs on an emergency basis, the debt will be retired in full by the end of the calendar year in which it is incurred.

(d) Debt Features

1. Maturity of Debt. When The City of Williamson utilizes long-term financing, the City shall pay back the debt within a period of time that does not exceed the life of the project financed. The City will seek level or declining debt repayment schedules and will avoid the use of balloon principal payments at the end of the term of the borrowing.
2. Redemption Provisions. Where cost effective, the City will incorporate early call or

prepayment features into the structured debt.

3. Rates. Due to the higher volatility of variable rate debt, The City of Williamson will examine each variable rate borrowing closely on a case-by-case basis before issuance.

Sec. 2-5-7 CAPITAL ASSETS

- (a) Capital Asset Criteria. A Capital 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 five years.
 3. It is not a repair part or supply item.
 4. It has a value equal to, or greater than, the capitalization threshold of \$50,000.
- (b) Valuation of Capital Assets. All assets shall be valued at original or historic cost. If the historic cost is not available The City of Williamson may use either Standard Costing of a like unit at the estimated date of acquisition or Back Trending to arrive at an estimated cost based on the use of current cost factored by the price index since acquisition. Contributed capital assets shall be valued at fair market value. The City of Williamson will value or retroactively report any existing infrastructure if required under GASBS 34. All new infrastructure as defined by GASBS 34 will be reported subsequent to January 1, 2004.
- (c) Recording of Capital Assets. The Mayor is ultimately responsible for the proper recording, acquisition, transfer, and disposal of all assets within the City. City property may not be acquired, transferred, or disposed of without first providing proper documentation. Unless otherwise approved by the Mayor, all Capital Assets must be recorded within 30 calendar days after receipt and acceptance of the asset. All Capital Assets that meet the capitalization threshold of \$50,000.00 shall be recorded and maintained in the General Fixed Asset Account Group.
- (d) Depreciation Method. The City of Williamson shall use the straight-line method of depreciating capitalized assets. The City of Williamson will depreciate infrastructure and not implement the modified approach for infrastructure. Useful life will be determined following best current practices. Fully depreciated assets that remain in use shall remain in the General Fixed Asset Account Group (GFAAG).
- (e) 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:
 1. New Purchases
 2. Donations
 3. Transfers from other City departments
 4. City surplus
 5. Internal/external construction
 6. Lease purchases
 7. Trade-in
 8. Forfeiture or condemnation

Purchased 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 Mayor. 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 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.

Lease Purchases- Assets may be lease-purchased through installment purchases or through lease financing arrangements. All lease purchases are subject to annual appropriation and must be renewed annually. Title cannot transfer to the City until obligation is settled.

- (f) Transfer of Capital Assets. An asset transfer between departments is recorded under the new Department with original acquired date and funding amount.
- (g) Sale of Capital Assets-Sale of Capital Assets by the City 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.
- (h) 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 Manager'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.

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 remain 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:

1. Sale or trade-in
2. Abandonment/Retirement
3. Lost or stolen
4. Transfer

5. Cannibalization (taking parts and employing them for like uses within the department, such as is often the practice in computer or vehicle maintenance).
6. Casualty loss

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

Stolen items must be reported to the Pike County Sheriff’s Office and a 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 Mayor 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. Departments will send documentation of items cannibalized to the City Clerk, and all remaining costs and accumulated depreciation will be removed from appropriate asset accounts in the general Capital 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, 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.

- (i) Physical Inventory. An annual physical inventory of all Capital Assets will be performed by the City Clerk. Unless otherwise approved by the Mayor, all Capital Assets must be recorded within 30 calendar days after receipt and acceptance of the asset. An inventory control tag must be applied to all Capital Assets. An inventory tag shall be applied to all inventory items with an initial cost of over \$2,000.00.

The inventory will be conducted with the least amount of interruption possible to the City’s daily operation. A full report of the results of the inventory will be sent, within 30 days of completion, to the Mayor and City Council for verification and acceptance.

Sec. 2-5-8 GRANTS

- (a) Purpose. 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. The Mayor is given authority to make application for and accept grants that:

1. Are expected to be \$500,000 or less on an annual basis with no required City match; or,
2. Are expected to be \$50,000 or less on an annual basis with a required match of 20% or less; or,
3. Are expected to be \$10,000 or less on an annual basis with a required match of over 40%.

The City Council must approve the application of and acceptance of any grants in excess of the limits established in Section 1 of this policy.

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

1. Copy of grant application
2. Notification of grant award
3. Financial reporting and accounting requirements including separate account codes and/or bank accounts.
4. Schedule of grant payments

Each Board or Authority is responsible for the management of its grant funds and periodic reporting.

The City of Williamson shall establish two funds for grant disbursements. They shall be a Major Grant fund for all single grants in excess of \$50,000 and a Multiple Grant fund to accumulate by division all grants under \$50,000. These funds shall be subject to audit by the independent auditor and all state grant funds must have annual reports completed and submitted to the State Department of Audits if required.

Effective 4 March 2026