



## **FINANCE COMMITTEE MEETING AGENDA**

Commission Chambers

Tuesday, February 28, 2023

1:05 PM

### **FINANCE**

- 1.** Motion to approve funding of operating, capital & encumbrance carryovers.
- 2.** Update of fund balance policy and goals.
- 3.** Motion to approve the minutes of the Finance Committee held on February 14, 2023.
- 4.** Request to approve a Bond and Fiscal Health work session with Augusta's Financial advisor, Davenport & Company, on March 20, 2023 at 2:00pm in the Linda Beazley Room of the Municipal Building.



## Finance Committee

Meeting Date: February 28, 2023

### Approve Funding of Capital, Operating & Encumbrance Carryovers

<b>Department:</b>	Finance														
<b>Presenter:</b>	Donna B. Williams, CGFM														
<b>Caption:</b>	Motion to approve funding of operating, capital & encumbrance carryovers														
<b>Background:</b>	Operational appropriations are encumbered as a result of purchase orders, contracts or other forms of legal commitments. Encumbrances outstanding at year end are reported as a reservation of fund balance. Operational appropriations lapse at year end while capital projects typically extend over several years and may require budget amendments; however, reappropriations of amounts to cover significant encumbrances are made by the Commission during the subsequent fiscal year as an amendment to the budget.														
<b>Analysis:</b>	Several projects, programs and large contracts for services were approved and awarded in 2022; funding for these contracts and projects/programs was appropriated in 2022. In accordance with budgetary policy, Commission approval is required to carry over funding from prior years. Approval will allow the programs to continue without any disruption of service.														
<b>Financial Impact:</b>	Funding is available in related funds' fund balance.														
<b>Alternatives:</b>	Require use of current year's funding														
<b>Recommendation:</b>	Approve use of fund balance for carryovers														
<b>Funds are available in the following accounts:</b>	<table> <tr> <td>101-00-0000/39-52110</td><td>\$157,500</td></tr> <tr> <td>217-00-0000/39-52110</td><td>\$117,120</td></tr> <tr> <td>274-00-0000/39-52110</td><td>\$561,910</td></tr> <tr> <td>276-00-0000/39-52110</td><td>\$23,470</td></tr> <tr> <td>541-00-0000/39-52110</td><td>\$7,018,050</td></tr> <tr> <td>542-00-0000/39-52110</td><td>\$276,050</td></tr> <tr> <td>581-00-0000/39-52110</td><td>\$1,529,190</td></tr> </table>	101-00-0000/39-52110	\$157,500	217-00-0000/39-52110	\$117,120	274-00-0000/39-52110	\$561,910	276-00-0000/39-52110	\$23,470	541-00-0000/39-52110	\$7,018,050	542-00-0000/39-52110	\$276,050	581-00-0000/39-52110	\$1,529,190
101-00-0000/39-52110	\$157,500														
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542-00-0000/39-52110	\$276,050														
581-00-0000/39-52110	\$1,529,190														
<b><u>REVIEWED AND APPROVED BY:</u></b>	N/A														

Augusta Richmond County  
Operating/Encumbrance Carryover Requests  
2023

Fund	Org Key	Object	Description	Department	Carryover Amount Requested	Recommended		Total	Notes
						Encumbrance Carryover (3951110)	Operating/Capital Carryover (3951120)		
101	101-01-1310	5234110	Printing & Binding	Clerk of Commission	27,240	27,240	-	27,240	P443481 MCCI and P443304 PF Pettibone & Co electronic/digitalizing scanning project of permanent public records for RC and City
	101-01-6223	5319120	R&M Building	B&G Craig Houghton	64,240	-	64,240	64,240	Servpro of Augusta - mold remediation
	101-02-1112	5316150	Furniture under \$5,000	Circuit Court	2,020	2,020	-	2,020	P442333 Weinberger's - Judge's chair
	101-02-2611	5422110	Vehicles	Marshal's Forfeiture Account	22,100	22,100	-	22,100	P443469 Thomson Motor Center
	101-04-1710	5319160	R&M Pavement	Traffic Engineering	41,900	41,900	-	41,900	22ENG175 Beam's Pavement Co - speed humps
				<b>General Fund Total</b>	<b>157,500</b>	<b>93,260</b>	<b>64,240</b>	<b>157,500</b>	
217	217-07-2210	5213110	Data Processing	Building Inspections	54,720	54,720	-	54,720	P442247 MCCI - scanning historical building plans
	217-07-2210	5422110	Vehicles		62,400	62,400	-	62,400	P439663 Allan Virgil Ford - F150 pickup
				<b>Building Inspections Fund</b>	<b>117,120</b>	<b>117,120</b>	<b>-</b>	<b>117,120</b>	
274	274-03-4110	5422110	Vehicles	Fire-Administration	40,000	-	40,000	40,000	vehicles budgeted in 2022, but not available per Fleet
		5422210	Trucks, All Sizes		330,000	-	330,000	330,000	2022 funds for air truck but insufficient; will be used to
		5426120	Safety Equipment		51,480	-	51,480	51,480	increase 2023 budgeted funds
	274-03-5120	5319140	R&M Vehicles	Fire-Vehicle Maintenance	140,430	140,430	-	140,430	thermal imaging cameras
				<b>Fire Protection Total</b>	<b>561,910</b>	<b>140,430</b>	<b>421,480</b>	<b>561,910</b>	P439111 ETR - Med 4 repairs
276	276-04-1610	5311640	Replacement Lights	Street Lighting	23,470	23,470	-	23,470	22ENG161 McCord Design, P443004 GEXPRO infrastructure and LED lights
				<b>Street Lights Fund</b>	<b>23,470</b>	<b>23,470</b>	<b>-</b>	<b>23,470</b>	
541	541-04-4210	5211120	Contract Services	Solid Waste Disposal	2,203,180	-	2,203,180	2,203,180	
		5212115	Engineering		715,430	450,690	264,740	715,430	ten (10) POs make up the encumbrance carryover
		5422510	Heavy Equipment		2,515,310	2,038,230	477,080	2,515,310	three (3) POs for excavator & compactor make up the
		5432221	2C Closure Post Closure		1,584,130	1,584,130	-	1,584,130	encumbrance carryover
				<b>Waste Management Fund</b>	<b>7,018,050</b>	<b>4,073,050</b>	<b>2,945,000</b>	<b>7,018,050</b>	20ENG197 SCS Engineers & P417430 Morgan Corp
542	542-04-4110	5213119	Other Technical Services	Garbage Collection	64,660	64,660	-	64,660	22LFL089 SCS Engineers
		5222110	Garbage		134,390	134,390	-	134,390	P422930 & P430752 Coleman Sanitation
		5239110	Contract Labor		77,000	77,000	-	77,000	22ENG135 SCS Engineers & P393614 Augusta Quality LLC
				<b>Garbage Collection</b>	<b>276,050</b>	<b>276,050</b>	<b>-</b>	<b>276,050</b>	

Augusta Richmond County

Operating/Encumbrance Carryover Requests

2023

Fund	Org Key	Object	Description	Department	Carryover Amount Requested	Recommended		Total	Notes
						Encumbrance Carryover (3951110)	Operating/Capital Carryover (3951120)		
581	581-04-4320	5211120	Contractual Services	Stormwater Utility	929,490	929,490	-	929,490	nineteen (19) various purchase orders 19ENG796 Alfred Benesch & Co - drainage study 21ENG137 MOU Stormwater Program Phinizy Center match mowers bucket truck enQuesta software updates
		5212115	Engineering		8,600	8,600	-	8,600	
		5212999	Other Professional Services		124,800	124,800	-	124,800	
		5421110	Machinery/Equipment		175,300	-	175,300	175,300	
		5422210	Trucks, All Sizes		178,000	-	178,000	178,000	
		5424120	Software		113,000	-	113,000	113,000	
				Stormwater Utility	1,529,190	1,062,890	466,300	1,529,190	



## Finance Committee

Meeting Date: 2/28/2023

### Fund Balance Policy

<b>Department:</b>	Finance
<b>Presenter:</b>	Donna B. Williams, Finance Director
<b>Caption:</b>	Approved revised fund balance and cash reserve policies
<b>Background:</b>	<p>The current General Fund fund balance policy was adopted on June 5, 2012. Unassigned fund balance was recommended to be maintained between 90 and 120 days of operations. At the budget planning workshop in 2021 the commission revised the goal to 180 days of operations. There was no formal action taken and subsequent discussion indicated that there was opportunity for further discussion. This item was postponed from a December 2022 meeting.</p>
<b>Analysis:</b>	<p>While there are general industry wide goals and practices in setting fund balance levels, the level of fund balance needed is unique to each government and each fund within that government.</p> <p>Using operational requirements, industry best practices and matrices developed by bond rating firm, fund balance policies are being presented for:</p> <p><b>General Fund</b></p> <ul style="list-style-type: none"> <li>✚ Operating and Emergency Reserve Policy</li> </ul> <p><b>Special Revenue Funds</b></p> <ul style="list-style-type: none"> <li>- Fire</li> <li>- Streetlights</li> <li>- E911</li> </ul> <p>Fund balance – Cash Reserve policies are being presented for:</p> <p><b>Enterprise Funds</b></p> <ul style="list-style-type: none"> <li>- Water &amp; Sewer</li> <li>- Augusta Regional Airport</li> <li>- Landfill</li> <li>- Garbage Collection</li> <li>- Stormwater Utility</li> </ul>
<b>Financial Impact:</b>	No immediate budgetary impact. Periodic review and updating of fund balance policies is viewed as a positive management practice by bond rating firms.

**Alternatives:** N/A

**Recommendation:** Approve as presented

**Funds are available N/A  
in the following  
accounts:**

**REVIEWED AND N/A  
APPROVED BY:**

## Augusta Georgia Fund Balance Policy

Current policy was updated and adopted on June 5, 2012. Unassigned fund balance was recommended to be maintained at a level between 90 and 120 days of operations. At the budget planning workshop in 2021 the commission revised the goal to 180 of operations.

For Governmental General Funds Bond rating agencies use a methodology of Operating (Unassigned) fund balance as a % of Operating Revenues:

Moody's Thresholds	Percent Equivalent in Days in Months			
AAA - > 30%	100%	equals	365 Days	12 Months
AA1 – 30% > N > 15%	75%	equals	274 Days	9 Months
AA2 – 15% > n > 5%	50%	equals	182 Days	6 Months
AA3 – 5% > n > 0%	42%	equals	150 Days	5 Months
A1 – 0% > n > -2.5%	33%	equals	120 Days	4 Months
A2 - < -2.85%	25%	equals	90 Days	3 Months

*General Fund Unassigned Fund Balance at 12-31-2021 - \$40,980,125*

*# of Days – 103 days*

### Recommendations:

- A. Conditions for Use of Reserves** - It is the intent of the Government to limit use of General Fund Operating Reserve to address unanticipated, Non-Recurring (one-time) needs. Reserves shall not normally be applied to recurring annual operating expenditures. Reserves may, however, be used to allow time for the Government to restructure its operations in a deliberate manner (as might be required in an economic downturn or an emergency), but such use will only take place in the context of an adopted financial recovery plan.

The Economic Uncertainty/Emergency Reserve may be used at the discretion of the Board of Commissions to:

- Provide resources to meet emergency expenditures in the case of flood, fire, tornado or other natural disaster.
- Provide resources to make up for temporary decreased revenues resulting from loss of major revenue sources.

**GOAL :** maintain the current AA2 bond rating, implement process to achieve AAA bond rating

Recommendation: set minimum days of fund balance at 120 days of operations with a targeted goal of 150 days of operations.

Process: until targeted number of days goal is reached a minimum of \$1,000,000 budget increase in unassigned fund balance will be included in annual budget. Increases to fund balance to be allocated 80% to unassigned, 20% to emergency reserve.

Once the targeted number of days goal has been reached, excess fund balance shall be allocated as follows:

**B. Excess of Reserves** - In the event Reserves exceed the minimum balance requirements, at the end of each fiscal year, any excess Reserves may be used in the following ways:

- a) Fund accrued liabilities, including but not limited to debt service, workers' compensation benefits, pension, employee health benefits and other post-employment benefits as directed and approved within the long-term financial plan and the annual budget resolution. Priority will be given to those items that relieve budget or financial operating pressure in future periods.
- b) Appropriated to lower the amount of outstanding general obligation bonds, temporary notes or contributions needed to fund capital projects in the Governments' CMIP.
- c) One-time expenditures that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs; or
- d) Start-up expenditures for new programs, provided that such action is approved by the Board of Commissioners and is considered in the context of multi-year projections of revenue and expenditures as prepared by the Finance Department.
- e) Property tax mill rate and/or charges for services fee reductions. These actions may happen only following a full evaluation of impact to rollback rates and tax cap implications from a mill rates reduction.



**Augusta Georgia Enterprise Funds  
Fund Balance / Cash on Hand**

For Enterprise funds a more meaningful metric is Number of Days of Cash on Hand. This metric determines how many days the system(s) can operate with no cash inflows from operations.

**Recommendations**

**Water & Sewer Funds**

Minimum: meet bond requirements

Goal – 250 days

**Augusta Regional Airport**

Minimum: meet bond requirements

Goal – 400 days

**Landfill**

Minimum: meet bond requirements

Goal – 250 days

**Garbage Collection**

Minimum: meet bond requirements

Goal – 300 days –

Higher requirement due to billing cycle of fees. Fees are billed annually on Property tax statements. Cash is needed to fund operations until 4<sup>th</sup> quarter.

**Stormwater Utility**

Minimum: meet bond requirements

Goal – 90 days

## Augusta Georgia Special Revenue Funds Fund Balance

As special revenue funds typically do not issue debt, there are no rating agency metric to use as guides. Fund balance requirements are based on operational needs, which are determined by the government and address specific circumstances related to operational levels.

### Fire Department

Fund Balance – 300 days

Since the measurement date occurs when the resources are at peak level, the need for a higher balance is due to timing for receipt of the two main revenue sources of the fund: Ad Valorem Taxes and Insurance Premium Tax. Both revenues are received in the 4<sup>th</sup> Quarter of the year. Cash is needed for operations until current year Revenues are received.

Unassigned Fund balance in excess of 300 days should be allocated to an assigned fund balance for capital needs.

12-31-2021 Fund balance: \$24,941,877

# of Days operations - 295

### Streetlights *need to fix the fee structure first*

Fund Balance – 300 days

Since the measurement date occurs when the resources are at peak level, the need for a higher balance is due to timing for receipt of the main revenue source of the fund: Ad Valorem Taxes. Revenue is received in the 4<sup>th</sup> Quarter of the year. Cash is needed for operations until current year revenues is received.

12-31-2021 Fund balance: \$235,894

# of Days operations - 32

### E911

Fund Balance – 210 days

Revenue is received throughout the year. Reserve will allow for continued essential service operations should there be a significant economic downturn.

Unassigned Fund balance in excess of 210 days should be allocated to an assigned fund balance for capital needs.

12-31-2021 Fund balance: \$3,479,683

# of Days operations – 269

## General Fund Operating and Emergency Reserve Policy

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### I. **Authority:**

The Mayor and the Board of Commissioners are responsible for legislation, policy formulation, and overall direction setting of the government. This includes the approval of financial policies which establish and direct the operations of Government. The Administrator is responsible for carrying out the policy directives of the Board of Commissioners and managing the day-to-day operations of the executive departments, including the Finance Department. This policy shall be administered on behalf of the Administrator by the Finance Director.

### II. **Purpose:**

The Government desires to maintain a prudent level of financial resources to guard its stakeholders against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures. In addition, this policy is intended to document the appropriate Reserve level to protect the Government's credit worthiness. The General Fund Operating and Emergency Reserves are accumulated and maintained to provide stability and flexibility in response to unexpected adversity and/or opportunities. The Government desires to maintain a prudent level of financial resources to guard against services disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures in the General Fund. This policy serves as framework to provide the capacity to:

- 1) Provide sufficient cash flow for daily financial needs
- 2) Provide funds for unforeseen expenditures
- 3) Offset significant economic downturns and revenue shortfalls
- 4) Maintain stable tax/fee rates
- 5) Provide for renewal and replacement of long-lived assets, and
- 6) Secure and maintain investment grade credit ratings.

This policy establishes amounts the Government will strive to maintain in its General Fund Operating and Emergency Reserves, how the Reserves will be funded, and the conditions under which Reserves may be used.

### III. **Applicability and Scope:**

This policy shall apply to the Augusta Georgia General Fund referred to combined as the "General Fund".

### IV. **Policy:**

**A. Reserve Levels** - The Government seeks to maintain a minimum level of Unrestricted Fund Balance (per the annual comprehensive financial report (ACFR) on a modified accrual basis of accounting) in the General Fund equivalent to Five months of regular, on-going operating expenditures (including transfers out). Of this

five-month reserve, four-months will be maintained to meet general operating needs and to allow for budgetary uncertainty (named as the “Operating Reserve”) and one-month may be targeted to be assigned to provide resources during economic downturns or to address vulnerabilities to extreme events, and emergencies impacting public safety concerns (named the “Emergency Reserve”).

The two reserve categories are represented below as a percentage of regular, on-going operating expenditures (including transfers out):

- Operating Reserve: 33% (four-months)
- Emergency Reserve: 8% (one-month)
- Total Reserve Level 43% (five-months)

- B. Compliance** - The Government will measure its compliance with this policy as of December 31st each year, as soon as practical after final year-end account information becomes available as part of the annual financial audit. During the course of the year the Finance Department shall closely monitor the Government’s revenues and expenditures to ensure the Operating Reserve is not used beyond any planned. For the purposes of this policy, current year's actual expenditures will exclude significant Non-Recurring (one-time) Items. The Emergency Reserve is a target the Commission seeks to accumulate in the future 10 years.

If, based on staff’s analysis and forecasting, the target level of Operating Reserve is not being met or likely to not be met at some point within a ten-year time horizon, then during the annual budget process, Fund Balance levels will be provided to the Mayor and Board of Commissioners. Should the projected year-end Fund Balance be below the Operating Reserve amount established by this policy, a minimum of \$1,000,000 increase in unassigned fund balance will be included in the annual budget. Increases to fund balance will be allocated 80% to Operating Reserve and 20% to Emergency Reserve until reserves are in compliance with policy.

- C. Cash Balance** - To provide liquidity adequate to meet the demands of government service provision including budgetary uncertainty, unanticipated reductions in revenues or unplanned expenditure increases, Cash Balances will be maintained and managed through the Pooled Cash method in such a way as to minimize short-term borrowing. This reduces overall cost to taxpayers by minimizing interest expense. The four-month Operating Reserve is intended to support this effort and counterbalance the tax collection cycle.

- D. Funding the Reserves** - Funding of General Fund Reserve targets will generally come from excess revenues over expenditures or one-time revenues. The reserve will be funded in the following priority order: Operating Reserve followed by the Emergency Reserve.

- E. Conditions for Use of Reserves** - It is the intent of the Government to limit use of General Fund Operating Reserve to address unanticipated, Non-Recurring (one-

time) needs. Reserves shall not normally be applied to recurring annual operating expenditures. Reserves may, however, be used to allow time for the Government to restructure its operations in a deliberate manner (as might be required in an economic downturn or an emergency), but such use will only take place in the context of an adopted long-term financial plan.

The Emergency Reserve may be used at the discretion of the Board of Commissions to:

- Provide resources to meet emergency expenditures in the case of flood, fire, tornado or other natural disaster.
- Provide resources to make up for temporary decreased revenues resulting from loss of major revenue sources or economic uncertainties.

**F. Authority over Reserves** - The Board of Commissioners may authorize the use of Reserves.

**G. Fund Balance Classification** - The Government desires to establish a fund balance classification policy consistent with the needs of the Government, and in a manner consistent with governmental accounting standards. The following classifications serve to enhance the usefulness of fund balance information. It shall be the policy to reduce restricted fund balance first, followed by unrestricted fund balance. For unrestricted fund balance, committed amounts should be reduced first, followed by assigned amounts, followed by unassigned amounts.

*Restricted Fund Balance*

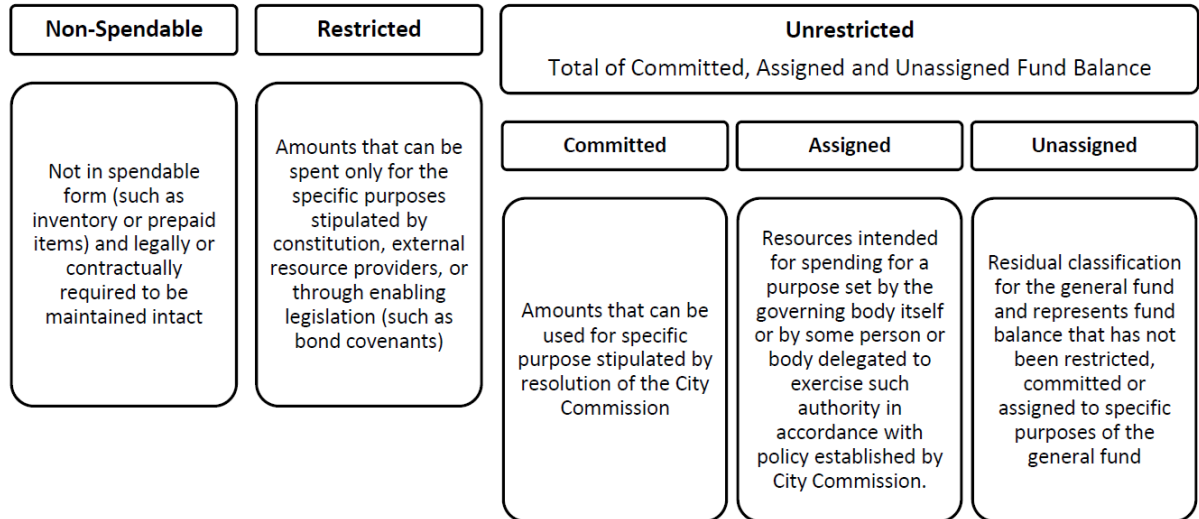
- a) *Non-spendable Balance*: Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- b) *Restricted Balance*: Assets with externally imposed constraints, such as those mandated by creditors, grantors and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.

*Unrestricted Fund Balance*

- c) *Committed*: Assets with a purpose formally imposed by resolution by the Governing Body of the Government, binding unless modified or rescinded by the Governing Body.
- d) *Assigned*: Assets constrained by the government's intent as expressed by the Governing Body, Administrator or designee. Encumbrances shall be considered as assigned, unless they specifically meet the requirements to be committed or restricted.
- e) *Unassigned*: All amounts not included in other fund balance classifications.

## Fund Balance

As defined by the Governmental Accounting, Auditing and Financial Reporting of the Government Finance Officers Association, fund balance is "The difference between assets and liabilities reported in a governmental fund."



**H. Assigning Fund Balance** - The Administrator and Finance Director, collectively, are hereby authorized to assign Fund Balance for specific purposes in accordance with the intent of the Administration and actions of the Board of Commissioners. This policy expresses the intent to assign one-month of regular, on-going operating expenditures (including transfers out) for the "Emergency Reserve" to address vulnerabilities to extreme events, emergencies impacting public safety concerns or to temporarily offset unanticipated reduced revenues during economic downturns.

**I. Replenishment of Reserves** - In the event that Reserves are used resulting in a balance below the four-months minimum, a plan will be developed and included in the formulation of the five-year forecast presented during the annual budget process.

**J. Excess of Reserves** - In the event Reserves exceed the minimum balance requirements, at the end of each fiscal year, any excess Reserves may be used in the following ways:

- a) Fund accrued liabilities, including but not limited to debt service, workers' compensation benefits, pension, employee health benefits and other post-employment benefits as directed and approved within the long-term financial plan and the annual budget resolution. Priority will be given to those items that relieve budget or financial operating pressure in future periods;

- b) Appropriated to lower the amount of outstanding general obligation bonds, temporary notes or contributions needed to fund capital projects in the Governments' CMIP;
- c) One-time expenditures that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs; or
- d) Start-up expenditures for new programs, provided that such action is approved by the Board of Commissioners and is considered in the context of multi-year projections of revenue and expenditures as prepared by the Finance Department.
- e) Property tax mill rate and/or charges for services fee reductions.

**K. Periodic Review of the Targets** - Compliance with this section will be reviewed in conjunction with the annual budget process. At a minimum, during the annual budget process staff shall review the current and five-year projected Reserves to ensure they are appropriate given the economic and financial risk factors to which the Government is subject.

**V. Quality Control and Quality Assurance:**

It is the responsibility of the Finance Director to ensure the presence of procedures that provide sufficient guidance to affected Government personnel to fulfill the intent of this policy.

These policies will be reviewed at least annually and updated on an as-needed basis.

**VI. Metrics:**

To be developed and managed accordingly.

**VII. Definitions and Acronyms:**

A. Capital Maintenance and Improvement Plan (CMIP) - A plan that describes the capital projects and associated funding sources the Government intends to undertake in the current year plus five additional future years, including the acquisition or construction of capital facilities, equipment and assets, and the maintenance thereof.

B. Cash Balance - The sum of cash and Cash Equivalents of an accounting fund.

- C. Cash Equivalent - In the context of cash flows reporting, short-term, highly liquid investments that are both 1) readily convertible to known amounts of cash and 2) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For this purpose, "original maturity" means maturity as of the date the investment is acquired.
- D. Fund Balance - Fund Balance is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in a governmental fund as reported in the Annual Comprehensive Financial Report (ACFR).
- E. Fund Balance (Budgetary) – Fund Balance for Budgetary Purposes begins with the beginning of the year unencumbered fund balance as reported in the ACFR's Schedule of Budgetary Accounts, Budget and Actual Budgetary Basis (non-GAAP) for the respective fund, plus revenues less all expenditures recorded on a cash basis for the respective fiscal year.
- F. General Fund - One of five governmental fund types. The General Fund typically serves as the chief operating fund of a government. The General Fund is used to account for all financial resources not accounted for in some other fund.
- G. Non-Recurring Item - An expenditure that has not occurred in the previous two years and is not expected to occur in the following year.
- H. Pooled Cash - The sum of unrestricted cash and investments of several accounting funds that are consolidated for cash management and investment purposes. Investment income or expenditure is allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
- I. Reserve - Reserve refers only to the portion of Fund Balance that is intended to provide stability and respond to unplanned events or opportunities.
- J. Unrestricted Fund Balance - The difference between total Fund Balance in a governmental fund and its nonspendable and restricted components.



**Finance Committee****February 28, 2023****Minutes**

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<b>Department:</b>	Clerk of Commission
<b>Presenter:</b>	N/A
<b>Caption:</b>	Motion to approve the minutes of the Finance Committee held on February 14, 2023.
<b>Background:</b>	N/A
<b>Analysis:</b>	N/A
<b>Financial Impact:</b>	N/A
<b>Alternatives:</b>	N/A
<b>Recommendation:</b>	N/A
<b>Funds are available in the following accounts:</b>	N/A
<b><u>REVIEWED AND APPROVED BY:</u></b>	N/A

**FINANCE COMMITTEE MEETING MINUTES**

Commission Chambers

Tuesday, February 14, 2023

1:05 PM

**FINANCE****PRESENT**

Mayor Garnett Johnson

Commissioner Jordan Johnson

Commissioner Wayne Guilfoyle

Commissioner Francine Scott

Commissioner Stacy Pulliam

1. Motion to approve the minutes of the Finance Committee held on January 31, 2023.

Motion to approve.

Motion made by Scott, Seconded by Guilfoyle.

Voting Yea: Johnson, Guilfoyle, Scott, Pulliam

2. Approve Excess Workers' Compensation Insurance with Safety National Casualty with statutory limits and a \$1,000,000 Self Insured Retention (SIR – otherwise known as the deductible) to cover all positions for a premium of \$510,620.

Motion to approve.

Motion made by Scott, Seconded by Guilfoyle.

Voting Yea: Johnson, Guilfoyle, Scott, Pulliam

3. Motion to approve execution of first contract extension with Workers Compensation Provider, CorVel.

Motion to approve.

Motion made by Scott, Seconded by Guilfoyle.

Voting Yea: Johnson, Guilfoyle, Scott, Pulliam

4. Request to approve Augusta Commercial Property Insurance coverage for 2023 offered through Affiliated FM, current carrier, for a premium of \$815,966 for full blanket coverage and limited flood coverage in flood prone areas.

Motion to approve.

Motion made by Scott, Seconded by Guilfoyle.

Voting Yea: Johnson, Guilfoyle, Scott, Pulliam

5. Motion to approve Insurance Brokerage Services for 2023 RFQ item #22-274 offered through Marsh McLennan Agency, to include Commercial Property Insurance (including Boiler and Machinery), Public Officials Liability /Employment Practices Liability (POL/EPL), and maintain the Surety Bond for Augusta, GA and additional services as requested.

Motion to approve.

Motion made by Scott, Seconded by Guilfoyle

Voting Yea: Johnson, Guilfoyle, Scott, Pulliam



## Finance Committee

Meeting Date: 02/28/2023

### Finance Bond Work Session 2023

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<b>Department:</b>	Administration / Finance
<b>Presenter:</b>	N/A
<b>Caption:</b>	Request to approve a Bond and Fiscal Health work session with Augusta's Financial advisor, Davenport & Company, on March 20, 2023 at 2:00pm in the Linda Beazley Room of the Municipal Building.
<b>Background:</b>	<p>Davenport &amp; Company has provided periodic updates to the commission regarding the municipal bond market, Augusta's fiscal health and upcoming bond issuances. This work session will include an update to the commission regarding current market conditions, upcoming bond issuances, Augusta's bond ratings, debt capacity, Augusta's fiscal health and trends in the economy that may influence the bond market.</p> <p>It is anticipated that Augusta will go to the bond market twice in the 2023. This presentation will include a review of the process and is not tied to a specific bond offering. This allows Davenport to present a global picture of Augusta's presence in the bond markets and current market trends.</p>
<b>Analysis:</b>	N/A
<b>Financial Impact:</b>	N/A
<b>Alternatives:</b>	N/A
<b>Recommendation:</b>	Approve a Bond and Fiscal Health work session with Augusta's Financial advisor, Davenport & Company, on March 20, 2023 at 2:00pm in the Linda Beazley Room of the Municipal Building.
<b>Funds are available in the following accounts:</b>	N/A
<b><u>REVIEWED AND APPROVED BY:</u></b>	N/A