



January 9, 2012

WORK SESSION
Taylor Conference Room
12000 Findley Road, Suite 300
www.JohnsCreekGA.gov

5:00 PM

A) PLEDGE OF ALLEGIANCE

B) OPENING COMMENTS-Mayor Bodker

C) DEPARTMENTAL UPDATES

Public Works •Review of DNR Grant Opportunity for Shakerag Park Trail
 •Review of Bid Award for the Resurfacing of State Bridge Road
 •Update on Flashing Yellow Light Signage

Finance Director •Presentation of Fund Balance Policy in Accordance with GASB 54

D) EXECUTIVE SESSION

E) ADJOURNMENT



AGENDA REPORT

To: Honorable Mayor and City Council Members
From: John Kachmar, City Manager
By: Tom Black, Director of Public Works
Date: January 5, 2012
Agenda: January 9, 2012 Work Session Agenda Item: DNR Grant Application for Shakerag Park Trails

Recommendation: To approve a resolution authorizing the Recreation & Parks Division to apply for the Recreation Trails Grant from the Department of Natural Resources.

Issue: City Council has already allocated funds for the construction of the trail at Shakerag Park; securing this grant would free up funds for additional park improvements.

Financial Impact: This grant will fund up to 80% of the Shakerag Park Trail Project (approximately \$35,000.00).

Background: The future trail project has already been authorized by the City Council and is part of the overall renovation project at Shakerag Park.

Alternative Approaches: None recommended.

Concurrent Review: Buzz Boehm, Deputy City Manager
Scott Hastey, Assistant City Attorney
Robby Newton, Parks Manager

Attachment(s): None



AGENDA REPORT

To: Honorable Mayor and City Council

From: John Kachmar, City Manager

By: Tom Black, Director of Public Works

Date: January 5, 2012

Agenda: January 9, 2012 WORK SESSION AGENDA ITEM: State Bridge Road Resurfacing Bid Award

Issue: Approval of bid award for the resurfacing of State Bridge Road from Medlock Bridge Road to the Chattahoochee River.

Recommendation: Award the contract to the low bidder, CW Matthews, in the amount of \$700,802.54.

Financial Impact: Approximately \$269,968 will be funded from GDOT's Local Maintenance Infrastructure Grant (LMIG) program. \$255,618 will be funded from the FY2012 resurfacing budget. The remaining \$175,000 will be funded from reserves for previous resurfacing budgets.

Background: The City applied for LMIG funding for State Bridge Road east of Medlock Bridge Road as this is the worst rated major arterial in the City. Four bids were received with CW Matthews being the low bid. Council has previously approved the LMIG contract with GDOT.

Alternative Approaches:

- Apply the LMIG money to another project.
- Delay or cancel this resurfacing.

Concurrent Review: Purchasing Manager

Attachment(s): Purchasing Manager Memo



AGENDA REPORT

To: Honorable Mayor and City Council Members

From: John Kachmar, City Manager

By: Tom Black, Director of Public Works

Date: Thursday, January 5, 2012

Agenda: Monday, January 9, 2012 WORK SESSION Agenda Item: Flashing Yellow Arrow – Left Turn Lane

Recommendation: Install Flashing Yellow Arrow signals at six locations on State Bridge Road and McGinnis Ferry Road.

Issue: the Flashing Yellow Arrow is seeing widespread adoption throughout the country. It offers a clearer and safer alternative to the current "Yield on green" signals being used today. The City of Johns Creek would be the first municipality in the state of Georgia to adopt the Flashing Yellow Arrow.

Financial Impact: Initial costs will be borne by the annual signal maintenance contract.

Background: National Cooperative Highway Research Program (NCHRP) Report 493 (Evaluation of Traffic Signal Displays for Protected/Permissive Left Turn Control) was prompted by safety concerns with using circular green for permissive left turn movements. NCHRP 493 performed driver comprehension studies using driving simulators, video conflict studies as well as crash analyses on a wide variety of potential displays for permissive left turns.

NCHRP Report 493 recommended the use of a "flashing yellow arrow" indication as the desired permissive indication. The report cited that the "flashing yellow arrow" had a high level of driver comprehension, overcame many of the human factors issues with permissive left-turns, and was shown to have the most versatile characteristics of all the permissive displays studied. Furthermore, the "flashing yellow arrow" had an important safety characteristic; **drivers who did not understand the meaning of the "flashing yellow arrow" tended to yield, which is a desirable failure outcome compared to the circular green indication which many interpret as a 'go' and 'right-of-way' message.**

Interim approval for optional use of "flashing yellow arrow" for permissive left turns was given by Federal Highway Administration in March 2006. Subsequently, "flashing yellow arrow" was included in the 2009 Manual on Uniform Traffic Control Devices as one of the permissive left turn indications.

Alternative Approaches: Do nothing

Concurrent Review:

Attachment(s): PowerPoint for Flashing Yellow Arrow – Left Turn Lane

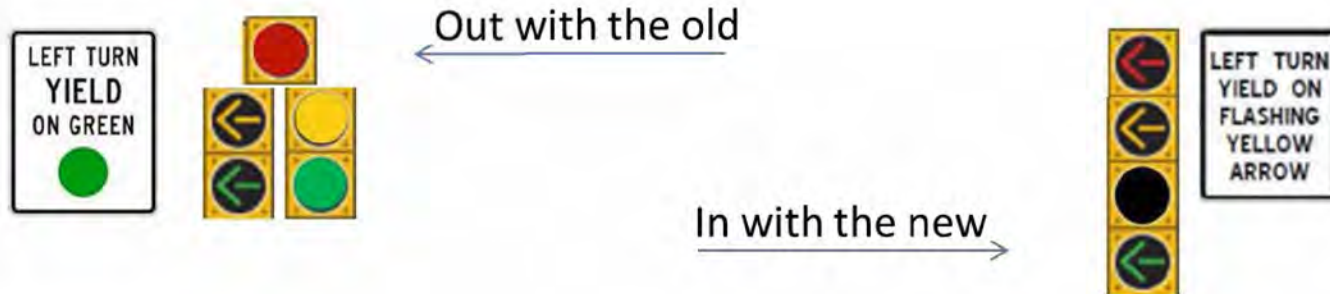


City Council Work Session

Flashing Yellow Arrow Left Turn Signal

Tom Black, Director of Public Works
Monday, January 9, 2012

Flashing Yellow Arrow Left Turn Signal



Flashing Yellow Arrow Left-Turn Signal

Remember:

A flashing yellow arrow = Turn with caution



How will it work?

- In most locations, the flashing yellow arrow will be part of a four-arrow signal.
- [See how the new signal works \(below\).](#)



Red: STOP.



Steady yellow arrow: The left-turn signal is about to change to red; prepare to stop, or prepare to complete your left turn if you are within the intersection.



Flashing yellow arrow: Left turns permitted. Yield to oncoming traffic and pedestrians. [Oncoming traffic has a green light.]



Green arrow: Safe to turn left. [Oncoming traffic must stop.]



Why the change?

This change is the result of a national study conducted for the Federal Highway Administration, which demonstrated that the new signals:

- *help to prevent crashes*
- *move more traffic through an intersection*
- *and provide additional traffic management flexibility.*



Why is it a better left-turn signal?

- **It's safer.**
 - A national study demonstrated that drivers made fewer mistakes with the new signals than with traditional left-turn arrow signals.
- **It's more efficient.**
 - The new signals provide traffic engineers with more options to handle variable traffic volumes.
- **It's more consistent.**
 - You'll see the same signals in every state because the new signals are being introduced throughout the U.S.
- In coming years, this type of signal will replace all protected/permissive left-turn signals.



Proposed locations





AGENDA REPORT

To: Honorable Mayor and City Council Members

From: John Kachmar, City Manager

By: Monte Vavra, Finance Director

Date: January 05, 2012

Agenda: January 9, 2012 WORK SESSION AGENDA ITEM: Fund Balance Policy in accordance with GASB 54

Recommendation: For City Council to adopt the attached Fund Balance Policy in accordance with GASB 54

Issue: The Governmental Standards Board (GASB) has instituted new standards for reporting governmental fund balance. To remain in compliance with GASB, state reporting requirements, and to obtain an unqualified audit opinion the City will need to adopt a new fund balance policy.

Basis for Recommendation: GASB requirements, state reporting requirements

Financial Impact: No direct financial impact.

Alternative Approaches: None

Attachment(s): Proposed policy

**A RESOLUTION TO ADOPT AND APPROVE A FUND BALANCE POLICY IN
ACCORDANCE WITH GASB 54 FOR THE CITY OF JOHNS CREEK**

WHEREAS, it is prudent to establish sound financial management policies and practices for the City; and

WHEREAS, the Government Accounting Standards Board (GASB) has issued new standards for reporting fund balance;

WHEREAS, proper management of fund balance contributes in an integral manner to the financial soundness of the City of Johns Creek; and

WHEREAS, the Mayor and Council of the City of Johns Creek wish to clearly delineate the guidelines that will be applied to accounting and reporting of fund balance for the City; and

WHEREAS, the fund balance policy in accordance with GASB 54 that has been presented addresses the major considerations associated with good fund balance practices for local government.

NOW, THEREFORE, BE IT SO RESOLVED by the Mayor and Council of the City of Johns Creek, Georgia while in session on January 23, 2012 to take action as follows:

SECTION 1: That the Resolution for adoption of the Fund Balance Policy for the City of Johns Creek is hereby adopted and approved, said policy attached hereto as if fully set forth herein and

SECTION 2: That this Resolution and the Fund Balance Policy in accordance with GASB 54 shall be effective immediately upon its adoption.

SO RESOLVED AND EFFECTIVE, this the 23rd day of January 2012.

Approved:

Michael E. Bodker, Mayor

Attest:

Joan C. Jones, City Clerk

(SEAL)

**CITY OF JOHNS CREEK
FINANCIAL MANAGEMENT PROGRAM**

***FUND BALANCE POLICY IN ACCORDANCE
WITH GASB 54***

Developed under the Authority of the City Council by the
Department of Finance, and approved by Resolution

FUND BALANCE POLICY IN ACCORDANCE WITH GASB 54

Purpose: The following policy has been adopted by the City Council in order to address the implications of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*. The policy is created in consideration of unanticipated events that could adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. This policy will ensure that the City maintains adequate fund balances and reserves in order to:

- a.) Provide sufficient cash flow for daily financial needs,
- b.) Secure and maintain investment grade bond ratings,
- c.) Offset significant economic downturns or revenue shortfalls, and
- d.) Provide funds for unforeseen expenditures related to emergencies.

This policy and the procedures promulgated under it supersede all previous regulations regarding the City's fund balance and reserve policies.

Fund Type Definitions: The following definitions will be used in reporting activity in governmental funds across the City. The City may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

General Fund is used to account for all financial resources accounted for and reported in another fund.

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt services or capital projects.

Debt Service Funds are used to account for all financial resources restricted, committed or assigned to expenditure for principal and interest.

Capital Project Funds are used to account for all financial resources restricted, committed or assigned to expenditure for the acquisition or construction of capital assets.

Permanent Funds are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's purposes.

Fund balance reporting in governmental funds: Fund balance will be reported in governmental funds under the following categories using the definitions provided by GASB Statement No. 54:

Non-spendable fund balance – Includes amounts that cannot be spent because they are either -- a.) Not in spendable form or b.) Legally or contractually required to be maintained intact. Non-spendable amounts will be determined before all other classifications and consist of the following items (as applicable in any given fiscal year):

- The City will maintain a fund balance equal to the balance of any long-term outstanding balances due from others (including other funds of the City)
- The City will maintain a fund balance equal to the value of inventory balances and prepaid items (to the extent that such balances are not offset with liabilities and actually result in fund balance)

- The City will maintain a fund balance equal to the corpus (principal) of any permanent funds that are legally or contractually required to be maintained intact.
- The City will maintain a fund balance equal to the balance of any land or other non-financial assets held for sale.

Restricted fund balance – Includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed fund balance – Includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. Commitments will only be used for specific purposes pursuant to a formal action of the City Council. A majority vote is required to approve or remove a commitment.

Assigned fund balance – Includes amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City Council delegates the Finance Director the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned fund balance – Includes the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Operational guidelines: The following guidelines address the classification and use of fund balance in governmental funds:

Classifying fund balance amounts – Fund balance classifications depict the nature of the net resources that are reported in a governmental fund. An individual governmental fund may include non-spendable resources and amounts that are restricted, committed, or assigned, or any combination of those classifications. The general fund may also include an unassigned amount.

Encumbrance reporting – Encumbering amounts for specific purposes for which resources have already been restricted, committed or assigned should not result in separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed or assigned, will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth in GASB Statement No. 54.

Prioritization of fund balance use – When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the City to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City that the committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Minimum unassigned fund balance – The City will maintain a minimum unassigned fund balance in its General Fund of 25% of the subsequent year's budgeted expenditures and outgoing transfers. This minimum fund balance is to protect against cash flow

shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment.

Replenishing deficiencies – When fund balance falls below the minimum 25%, the City will replenish shortages/deficiencies using the budget strategies and timeframes described below.

- The City will reduce recurring expenditures to eliminate any structural deficit or,
- The City will increase revenues or pursue other fund sources, or,
- A combination of the two options above.

Minimum fund balance deficiencies shall be replenished within the following time periods:

- A deficiency resulting in a minimum fund balance between 25% and 15% of the subsequent year's budgeted expenditures and outgoing transfers shall be replenished over a period not to exceed one year.
- A deficiency resulting in a minimum fund balance between 15% and 10% of the subsequent year's budgeted expenditures and outgoing transfers shall be replenished over a period not to exceed three years.
- A deficiency resulting in a minimum fund balance between 10% and 5% of the subsequent year's budgeted expenditures and outgoing transfers shall be replenished over a period not to exceed five years.

Surplus fund balance – Fund balance will be considered a surplus if over 50% of the subsequent year's budgeted expenditures and outgoing transfers for two consecutive years. Should unassigned fund balance of the General Fund ever exceed 50% for two consecutive years, the City Council will consider such fund balance surpluses for one-time expenditures that are non-recurring in nature and which will not require additional future expense outlays for maintenance, additional staffing or other recurring expenditures.

Implementation and review: Upon adoption of this policy the City Council authorizes the Finance Department to establish any standards and procedures which may be necessary for its implementation. The Finance Department shall review this policy at least annually and make any recommendations for changes to the City Council.