



CITY OF FORT BRAGG

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COUNCIL COMMITTEE ITEM SUMMARY REPORT

MEETING DATE: MAY 8, 2024
TO: FINANCE AND ADMINISTRATION DEPT.
FROM: ISAAC WHIPPY
AGENDA ITEM TITLE: Receive Recommendation to Update Chapter 3.20.050
Procedures for Purchases of Less than or Equal to
\$45,000

BACKGROUND AND OVERVIEW:

The evolution of business practices, particularly with the rise of technology and online transactions, has prompted the City of Fort Bragg to adapt its policies accordingly. Recognizing the need for flexibility and efficiency in procurement processes, the City has designated certain employees to hold credit cards as an alternative method of payment for goods and services. This approach reflects the City's trust in these employees to responsibly manage and protect its assets.

However, the existing policy, as outlined in the Procedures for Purchases of Less than or Equal to \$45,000, sets a limit of \$2,000 for purchases made on credit cards. This limitation has posed challenges, particularly when employees attend conferences or training sessions that entail registration fees, travel expenses, and hotel costs. With the ever-increasing costs of goods and services, this cap is being reached more frequently, hindering the ability of employees to fulfill necessary obligations.

In response to these challenges and in line with the City's commitment to continually improve its financial policies, there is a proposal to revise the credit card limit to \$5,000. This adjustment aims to provide greater flexibility for employees while ensuring prudent financial management and adherence to internal controls. By periodically reviewing and updating its policies, the City seeks to address emerging needs, reflect industry best practices, and enhance operational efficiency.

RECOMMENDATION:

Following the Committee's thorough review and discussion, Staff recommends forwarding this item to the City Council for final approval or potential revisions and updates to Chapter 3.20.050, specifically addressing Procedures for Purchases equal to or less than \$45,000. The proposed revisions aim to update the credit card limit for a single purchase to \$5,000.

Additionally, these suggested revisions would encompass updates to the existing Credit Card Policy to ensure alignment with current practices and regulations.

ALTERNATIVES:

1. Propose alternatives and not to revise the chapter.

ATTACHMENTS:

1. Municipal Code 3.20.050 – Redline
2. Administrative Regulation No. C-5 – Redline