



Office of the Town Manager

Frank Cassidy

# STAFF REPORT

## Warrenton Town Council

Carter Nevill, Mayor

Heather Sutphin, Ward 1

William Semple, Ward 2

Brett Hamby, Ward 3

James Hartman, Ward 4 Vice Mayor

Jay Heroux, Ward 5

Paul Mooney, At Large

David McGuire, At Large

<b>Council Meeting Date:</b>	October 10, 2023
<b>Agenda Title:</b>	Budget Strategic Goals and Policy Updates
<b>Requested Action:</b>	Review the recommendations and provide feedback
<b>Department / Agency Lead:</b>	Finance
<b>Staff Lead:</b>	Stephanie Miller, Finance Director

## EXECUTIVE SUMMARY

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In 2021, the Town Council adopted a set of Comprehensive Fiscal Policies. These policies serve the Town and its citizens by ensuring compliance with applicable laws and regulations, providing straightforward guidance to assist in safeguarding and properly accounting for public funds and other assets, and assuring that sufficient funds are available to meet the needs of its citizens.

The Budget Strategic Goals align with Plan Warrenton 2040 and continue efforts undertaken in the Fiscal Year 2023 budget.

## BACKGROUND

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### POLICIES:

The Town endeavors to review these policies on an annual basis in conjunction with the budget process. In support of that goal, the following policy updates, based on recommended best practices, are suggested:

- Budget and Expenditure Control
  - The addition of any full-time equivalent position (FTE) requires Council approval.
  - The Finance Department shall maintain a master list of all approved positions.
  - The Town Manager is delegated the authority to approve supplemental appropriations for cost recoveries and grants requiring no local match less than \$50,000.
  
- Water & Sewer Cash Balance Policy
  - Included definition of unrestricted cash
  - Conditions for use of cash balance when necessary and with Town Council approval:
    - One-time capital expenditures in the fund
    - Offsetting economic volatility
    - Non-recurring expenditures
    - Providing liquidity in emergency situations

The following new financial policies are provided for consideration:

- Long Term Financial Planning
  - The Finance Department will produce a five-year forecast of revenues and expenditures, taking into account factors such as historical trends, external factors, reserve requirements, and anticipated projects.
- Personnel Action Policies
  - Department supervisors must obtain authorization signature from the Finance Department asserting that the requested personnel action is in line with the adopted budget.
  - All new FTEs require the approval of Council.
- Capital Improvement Program Policy
  - Capital projects will be assessed on criteria such as long-term financial forecasts, project impact, operating and maintenance costs, and legal mandates.
  - It is the policy of the Town to maintain its assets at a level that protects capital investment and reduces future maintenance and replacement costs.
- Grant Application & Acceptance Policy
  - All grant applications require Finance Department review and Town Manager approval.
  - The Town Manager is delegated the authority to appropriate grants less than \$50,000 requiring no local match. All other grants acceptances require Town Council approval.

#### **STRATEGIC GOALS:**

The Strategic Goals below will form the basis for the development of the Fiscal Year 2025 budget. These goals are included in Plan Warrenton 2040 and align with the Town's current identified needs and ongoing priorities.

- ENSURE HEALTHY, SAFE, ADEQUATE WATER AND WASTEWATER SERVICES.
- TO PROVIDE A FISCALLY RESPONSIBLE INFRASTRUCTURE THAT MAINTAINS A HIGH QUALITY OF LIFE FOR RESIDENTS, SUPPORTS CURRENT BUSINESSES, AND ATTRACTS NEW EMPLOYERS WITH A STABLE TAX STRUCTURE.
- THE TOWN OF WARRENTON'S PARKS, OPEN SPACE AND ENVIRONMENT SERVE AS KEY ELEMENTS TO THE TOWN'S PUBLIC HEALTH INFRASTRUCTURE.
- PUBLIC SAFETY SERVICES AND POLICIES ARE VIEWED AS AMONGST THE BEST IN SIMILAR VIRGINIA TOWNS FOR THEIR RESPONSIVENESS, COMMUNITY TRUST, AND EFFECTIVENESS.

#### **Service Level/Policy Impact**

The suggested policy revisions and additions will strengthen the budgetary controls of the Town which serves to create a fiscally healthy and resilient government and community in support of Plan Warrenton 2040.

**Fiscal Impact**

There is no fiscal impact associated with this report.

**Legal Impact**

There is no legal impact associated with this report.

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**ATTACHMENTS**

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