



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

Council Meeting Date:	April 9, 2024
Agenda Title:	Initial Presentation of Policy Updates
Requested Action:	Information only
Department / Agency Lead:	Finance Department
Staff Lead:	Brooke Campbell

EXECUTIVE SUMMARY

Town Council has adopted a comprehensive set of fiscal policies that 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 Town reviews these policies as needed in conjunction with the budget process.

BACKGROUND

The Town currently has thirteen approved fiscal policies. Staff recommends updates to two (2) of the current policies as well as the addition of three (3) new policies in line with best practices outlined by the Government Finance Officers Association (GFOA).

Policy Updates

Financial Policy Update Summary - Budget and Expenditure Control		
Subsection	Current	Proposed
Basis of Budgeting	<i>N/A - Creation of new subsection.</i>	The annual budget spanning the fiscal year (July 1 – June 30) is prepared on a basis consistent with generally accepted accounting principles. For proprietary funds, depreciation expense is not budgeted, but is recorded and reported for financial purposes.
Principals for Budgeting	<i>N/A - Creation of new subsection.</i>	The Town Manager will prioritize funding liabilities owed by the Town as well as expenses associated with maintaining existing services. The Town Manager will examine prior spending patterns in the development of the budget.
Strategic Planning	<i>N/A - Creation of new subsection.</i>	The budget process will be coordinated to identify major policy issues for the Town Council. The budget process will be a part of an overall strategic planning process for the Town.

Personnel	"The creation of any full-time position requires Town Council approval since it represents an on-going commitment of funds. All part-time positions are considered temporary and may be approved by the Town Manager."	<p>i. The creation of any new position requires Town Council approval since it represents an on-going commitment of funds.</p> <p>ii. The Finance Department shall maintain one master list of all approved positions, without regard to whether there is an incumbent or not.</p> <p>iii. Filled positions are budgeted at the incumbent's actual salary, vacant positions are budgeted at the midpoint for the position based on the adopted pay scale.</p> <p>iv. If a cost-of-living adjustment (COLA) is adopted in a particular budget year, the adopted pay scale shall also be adjusted by this amount to capture the impact of inflation on the pay scale.</p>
Supplemental Appropriations	"The Town Manager is delegated authority to approve supplemental appropriations for the following: -Insurance recoveries less than \$50,000."	<p>The Town Manager is delegated authority to approve supplemental appropriations for the following:</p> <ul style="list-style-type: none"> -Insurance recoveries less than \$50,000. -Other cost recoveries less than \$50,000. -Grants requiring no local match less than \$50,000.

Financial Policy Update Summary - Water & Sewer Cash Balance Policy

Subsection	Current	Proposed
Policy	<i>N/A - Creation of new subsection.</i>	Unrestricted cash represents cash that's readily available to be spent for any purpose and has not been pledged as collateral for a debt obligation or other purpose
Funding	<i>N/A - Creation of new subsection.</i>	The unrestricted cash reserve is funded by any annual budget surplus in the fund and other unencumbered operating income
Conditions for Use	<i>N/A - Creation of new subsection.</i>	<p>The unrestricted cash reserve shall be drawn upon only as necessary and any use thereof shall be upon the approval of Town Council and limited to:</p> <ol style="list-style-type: none"> 1. One-time capital expenditures. 2. Offsetting economic volatility. 3. Non-recurring expenditures. 4. Providing liquidity in emergency situations

New Policies

Policy Title	Purpose/Summary
Tap Privilege Fee Assessment Policy	This policy serves to define the administration of tap privilege fees for the Town of Warrenton's Water and Sewer Utility. It applies to tap privilege fees for the entire Town of Warrenton Water and Sewer service area and is administered by the Town of Warrenton Water and Sewer Administration department.
Capital Improvement Plan Policy	<p>Infrastructure that is reliable and of good quality is vital for our community to thrive. This policy supports our infrastructure by:</p> <ul style="list-style-type: none"> • Promoting wise investment in new infrastructure. • Protecting the historical investments the Town of Warrenton has made in its infrastructure. <p>Each year, the Town of Warrenton staff will create a long-range capital improvement plan (CIP). The CIP will define and prioritize the capital projects that the Town plans to take on in the next six years. The CIP will consider the current condition of Town assets, the long-term needs of the Town, and which funding strategies are most appropriate for the plan.</p>
Grants Policy	<p>The purpose of the grants policy is:</p> <ul style="list-style-type: none"> • To ensure proper oversight of all funds appropriated to the Town. • To minimize the Town's risk of non-compliance with grant requirements. • To ensure proper administration and accounting of all grants. <p>This policy is applicable to all Town departments preparing and submitting grant applications to agencies outside the Town government for funds, materials, or equipment to be received and administered by the Town. All grant applications will be reviewed by the finance department prior to submittal to the outside agency. The requesting department is responsible for meeting all reporting requirements imposed by grantors. The Town will only apply for grants for capital projects if the project is already included in the adopted CIP.</p>

STAFF RECOMMENDATION

Staff will provide a presentation on the proposed policies.

Service Level/Policy Impact

The proposed policies institutionalize good financial management practices, promote continued long-term and strategic thinking, and comply with established public management best practices as outlined by the GFOA.

Fiscal Impact

None.

Legal Impact

Town Council may elect to adopt the proposed policies in conjunction with the FY 2025 budget.

ATTACHMENTS

Current Comprehensive Fiscal Policies are available at

<https://www.warrentonva.gov/DocumentCenter/View/2100/Comprehensive-Fiscal-Policies-PDF>