WAYNESBORO, VIRGINIA
CITY COUNCIL BUDGET WORK SESSION MINUTES

Council for the City of Waynesboro, Virginia held a Budget Work Session on Tuesday, April 9, 2019, at 9:00 a.m. in the Council Chambers of the Charles T. Yancey Municipal Building, 503 West Main Street, Waynesboro, Virginia, with Mayor Short presiding and calling the meeting to order:

PRESENT: Council Members: Terry Short, Jr., Mayor
Bruce Allen, Councilman
Bobby Henderson, Vice Mayor
Elzena Anderson, Councilwoman
Sam Hostetter, Councilman

City Staff: Mike Hamp, City Manager
Jim Shaw, Deputy City Manager
Julia Bortle, Clerk of the Council
Cameron McCormick, Finance Director
Alisa King, Assistant Finance Director

ABSENT: None

DISCUSSION OF FISCAL YEAR 2020 BUDGET PREPARATION:

The purpose of the budget work session was to recap key issues, review capital planning, and discuss financial policies, particularly related to debt service and capital improvement planning. A brief question and answer period included a request to include a debt summary update in the budget. A departure from previous budget preparations is the inclusion of budgeting specifically for capital projects instead of waiting until after the CAFR Report and allocating any surplus.

At the conclusion of the question and answer period, Council was presented information on the fiscal year 2020 budget, a copy of which is attached to the official transcript of these minutes (attachment 46-48). The presentation included the overall budget policy, fund balance policy, capital policy, and the capital improvement planning policy.

The Mayor noted there are going to be more immediate capital investment needs in the school system. He would like to explore diverting all or a portion of the Middle River Regional Jail reserve to capital improvement projects to address immediate needs. As part of the fund balance policy, it was suggested a discussion be held regarding returning the fund balance to the school system with direction on how to allocate it. The Finance Director will provide a graphic outlining fund balances and reserves to include a chart showing projected completion dates for each of the reserves along with a rolling balance for each of the reserves.

The next budget work session is scheduled for Wednesday, April 17, 2019 at 5:00 p.m. that may include a discussion with the Human Resource Director regarding the proposed compensation study.

The meeting concluded at 11:00 a.m.

Julia Bortle, MMC, Clerk of Council
Terry Short, Jr., Mayor

*******
Council Budget Work Session – Policies and Procedures

April 9, 2019
“The truth about a city’s aspirations isn’t found in its vision; it’s in its budget.”  Brent Toderian, UrbanWorks
Council Budget Retreat Priorities

• Addressing Employee Compensation
• Pursing Development of Sunset Park
• Developing Basic City Neighborhood Revitalization Programs
• Capital Funds to pursue Comp Plan Implementation
• Downtown Enhancement Programs
• School Funding (Operations and Facilities)
Key Budget Policies

• Overall Budget Policy

• Fund Balance Policy

• Capital Policy

• Debt Policy
Why Do We Create Policies?

- Internal Controls
- Separation of Duties
- Efficiency
- Direction
Budget Policy

- Defines what funds will be budgeted
- Defines at what level the budget will be controlled
- Defines what method of accounting funds will be budgeted on
- Defines roles
- Sets form for calendar
- Requires that revenues and expenditures balance by fund
Fund Balance Policy

• Sets an adequate contingency reserve

• Sets an adequate revenue stabilization fund

• Sets the order in which fund balance will be spent

• Prioritizes excess fund balance at the end of each year
Capital Policy

• Names a CIP Committee

• Defines a timeline for CIP adoption

• Sets a goal for financial commitment to CIP and how it will be funded

• Defines what qualifies for CIP

• Sets guidelines for programming CIP projects
Debt Policy

- Sets various ratios for determining appropriate amounts of debt to borrow

- Names an employee responsible for debt compliance pre and post borrowing

- Sets guidelines for how debt is borrowed
Next Steps

• Final Budget Work Session is next Wednesday at 5

• Effective Tax Rate Increase Public Hearing on April 22\textsuperscript{nd}

• Call for Budget, Tax Rate, and Utility Rate Public Hearing on April 22\textsuperscript{nd}

• Public Hearing and introduction of Budget, Tax Rate, and Utility Rate on May 13\textsuperscript{th}

• Budget Adoption on May 28\textsuperscript{th}