

Memorandum

Date: 22 August 2018
To: Budget and Finance Committee
From: Keith R. Dalton, Town Manager 
Cc: Town Council
Desi Moreland
Subject: 23 August 2018 Budget and Finance Committee Meeting

Please find attached the following:

- Agenda
- FY 18 Operating Budget Fourth Quarter Analysis
- Draft Bank Account Policy

Please note that we did not have much time to devote to the draft policy; therefore, that which is attached is intended to be a discussion starter.

BERRYVILLE TOWN COUNCIL BUDGET AND FINANCE COMMITTEE
MEETING AGENDA
Berryville-Clarke County Government Center
101 Chalmers Court, Second Floor
Meeting Room A/B
Regular Meeting
August 23, 2018
10:30 a.m.

Item

Attachment

- | | |
|-----------------------|---|
| 1. Call To Order | Erecka Gibson, Chair |
| 2. Approval of Agenda | |
| 3. Discussion | Year-end Expenses – Process/Policy |
| 4. Discussion | Establishing Bank Accounts – Process/Policy |
| 5. Discussion | FY 2020 Budget Goals |
| 6. Closed Session | No Closed Session Scheduled |
| 7. Other | |
| 8. Adjourn | |

↑ Denotes an item on where a motion for action is included in the packet



FY 18 Operating Budget
Fourth Quarter Budget Analysis

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Staff Summary

With the end of the fiscal year revenues (less Fund Balances) are closely aligned with budget projections. Expenses were under budget largely due to unexpended Capital Projects. \$951,852.21 of unexpended funds were escrowed at year end.

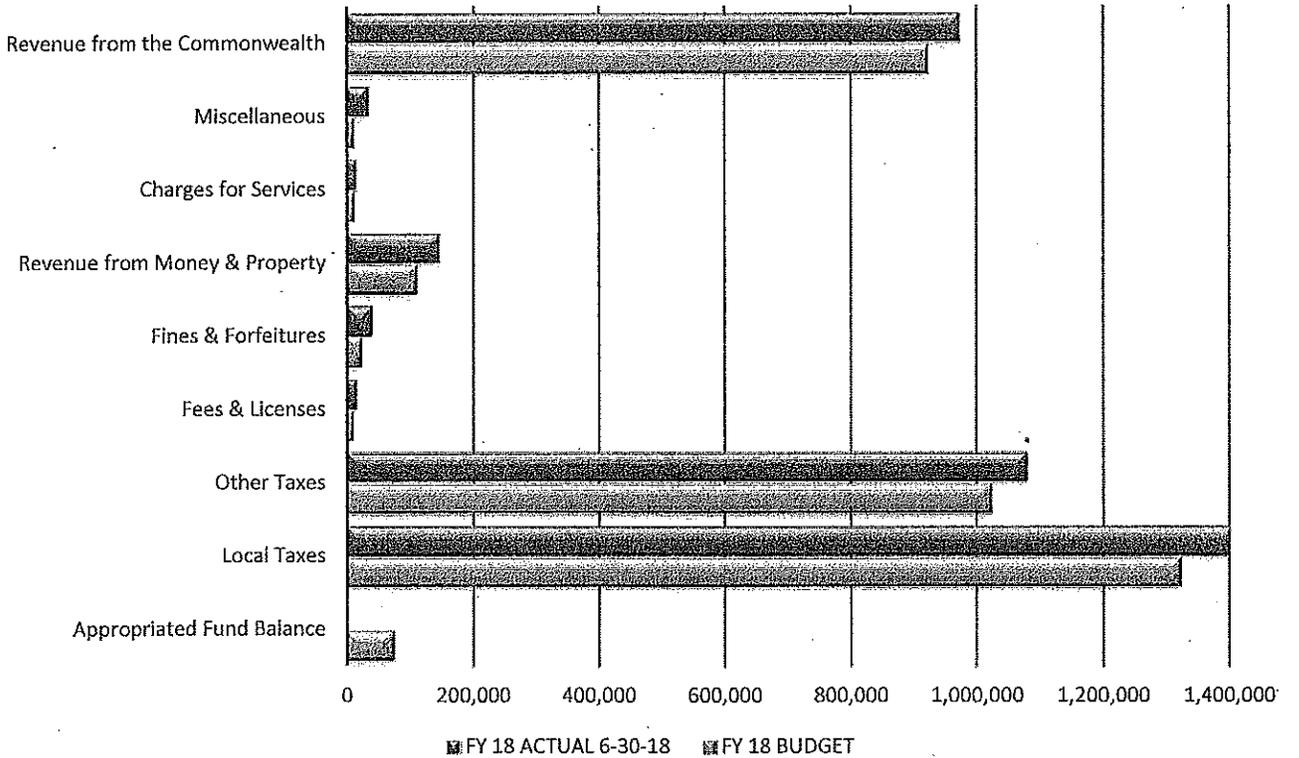
Revenue Analysis

In FY2017-2018, the Town collected \$3,715,124.93 in General Fund Revenues or 106% of anticipated revenues. This does not include the planned fund balance of \$75,000.00.

General Fund Revenues

YTD Budget	YTD Actual	YTD Variance Favorable/(Unfavorable)	Year End Variance Favorable/(Unfavorable)
	106%	6%	6%
\$3,517,008.00	\$3,715,124.93	\$198,116.93	\$198,116.93

General Fund Revenues



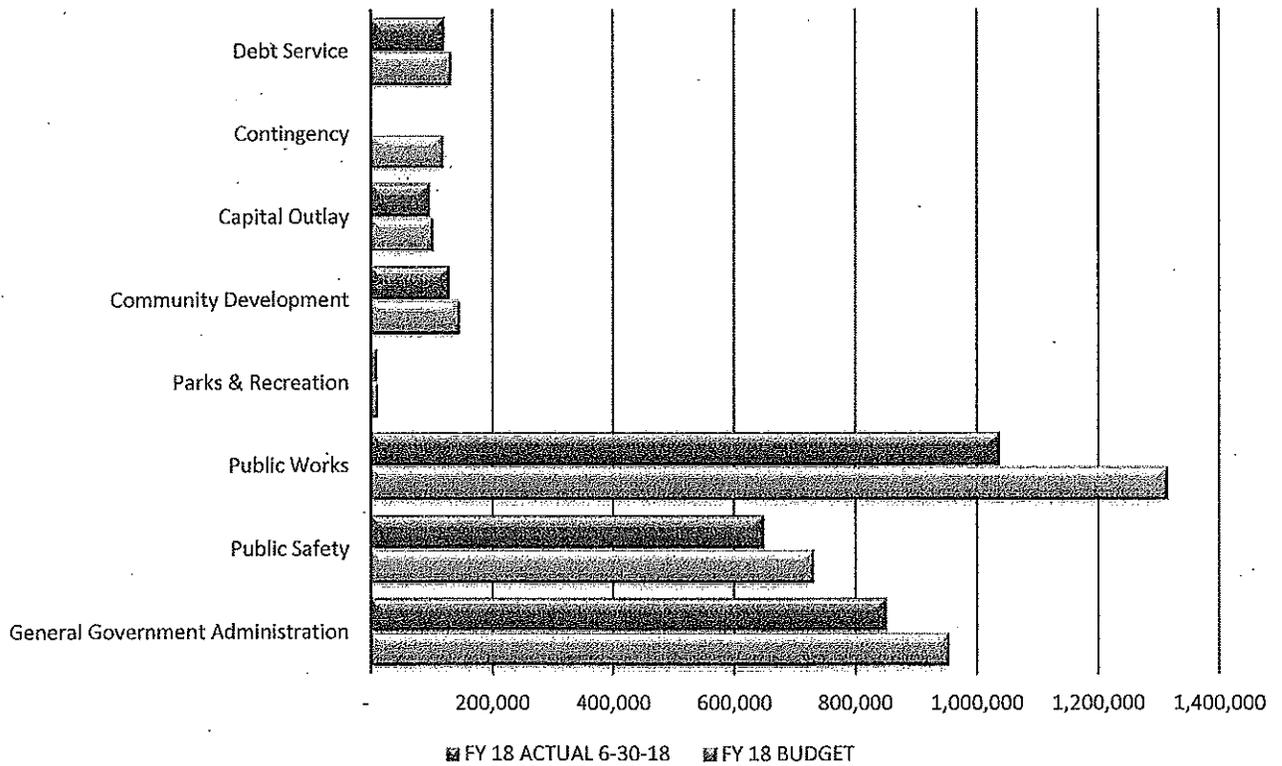
Expense Analysis

In FY2017-2018, the Town expended \$2,901,244.82 or 83% of anticipated expenditures.

General Fund Expenses

YTD Budget	YTD Actual	YTD Variance Favorable/(Unfavorable)	Year End Variance Favorable/(Unfavorable)
\$3,517,008.00	\$2,901,244.82	\$615,763.18	\$615,763.18
	83%	17%	17%

General Fund Expenses



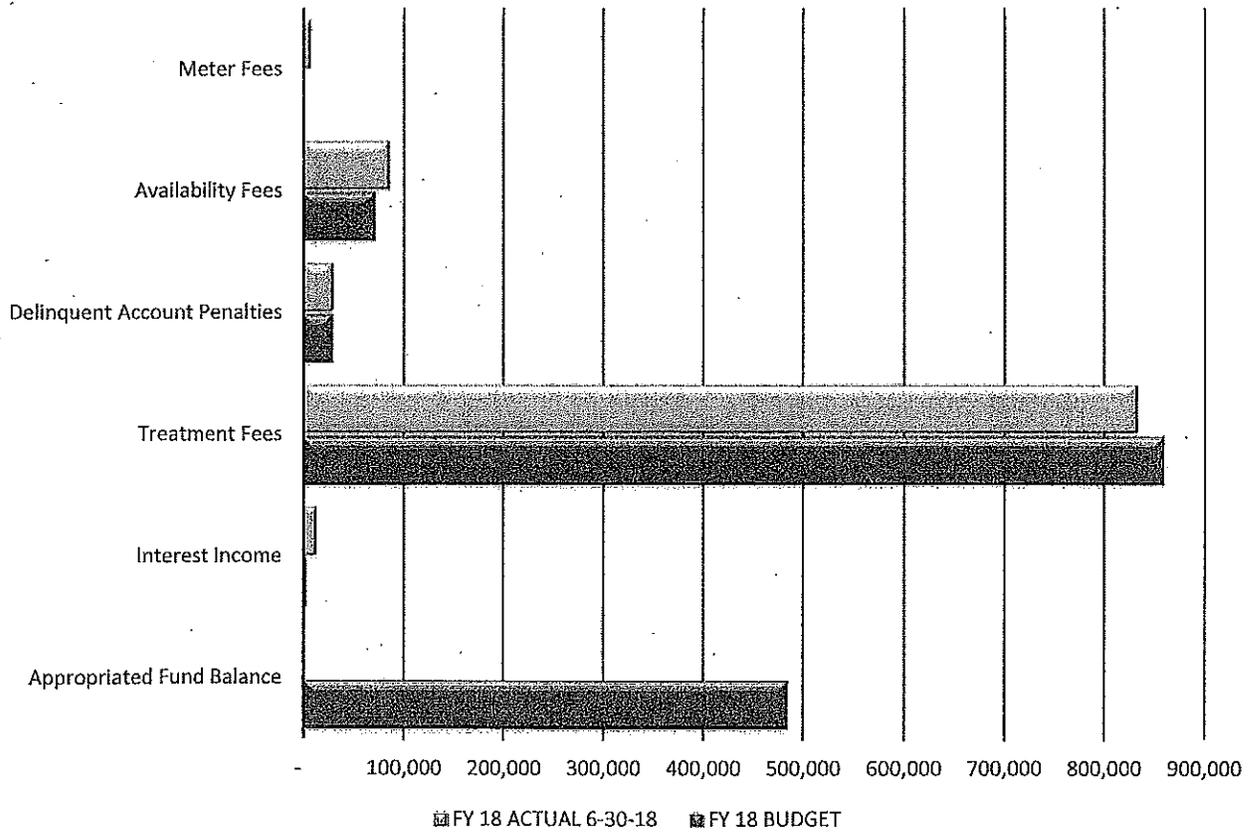
Revenue Analysis

In FY2017-2018, the Town collected \$971,552.49 in Water Fund Revenues or 67% of projected revenues. This does not include a budgeted fund balance of \$485,000.00.

Water Fund Revenues

YTD Budget	YTD Actual	YTD Variance Favorable/(Unfavorable)	Year End Variance Favorable/(Unfavorable)
\$1,452,815.00	67% \$971,552.49	-33% (\$481,282.51)	-33% (\$481,282.51)

Water Fund Revenues



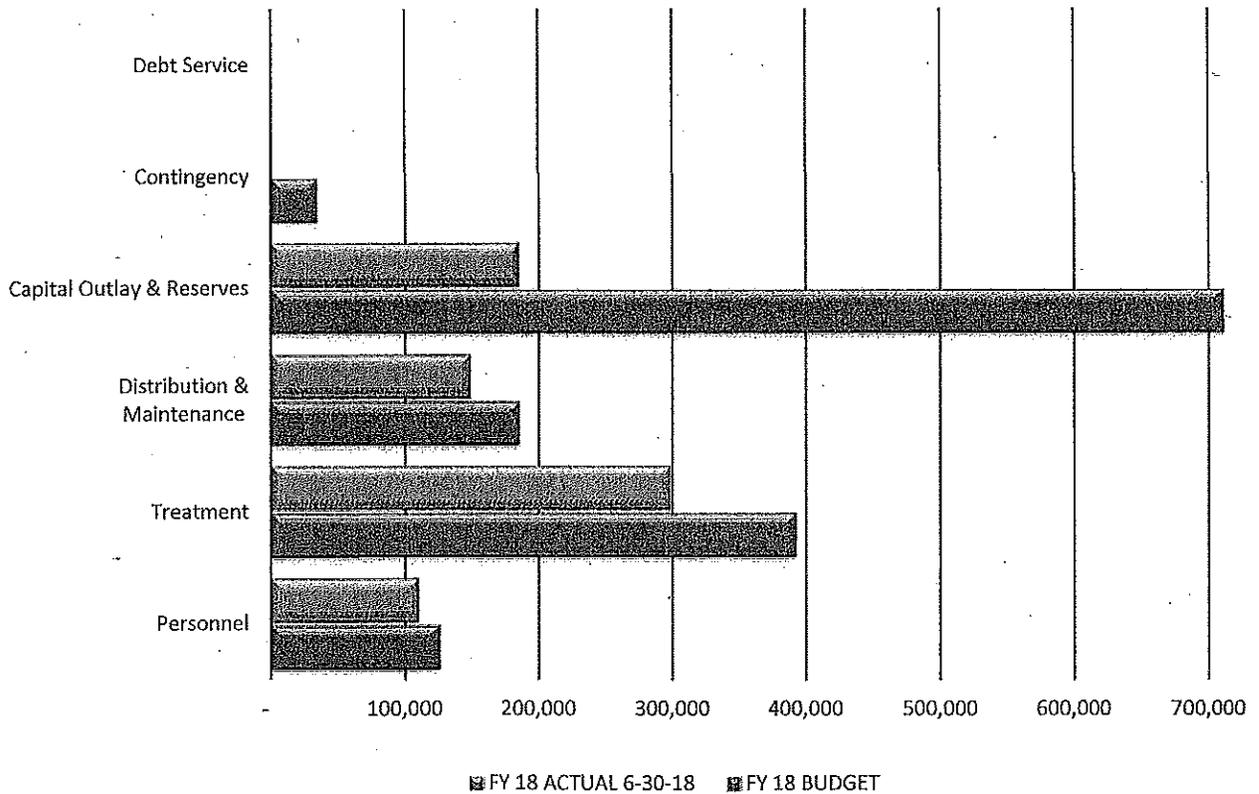
Expense Analysis

In FY2017-2018, the Town expended \$743,445.62 or 51% of the annual anticipated expenditures. The Water Tank Inspection and Maintenance Project was not completed.

Water Fund Expenses

YTD Budget	YTD Actual	YTD Variance Favorable/(Unfavorable)	Year End Variance Favorable/(Unfavorable)
\$1,452,815.00	\$743,445.62	\$684,369.38	\$684,369.38
	51%	49%	49%

Water Fund Expenses



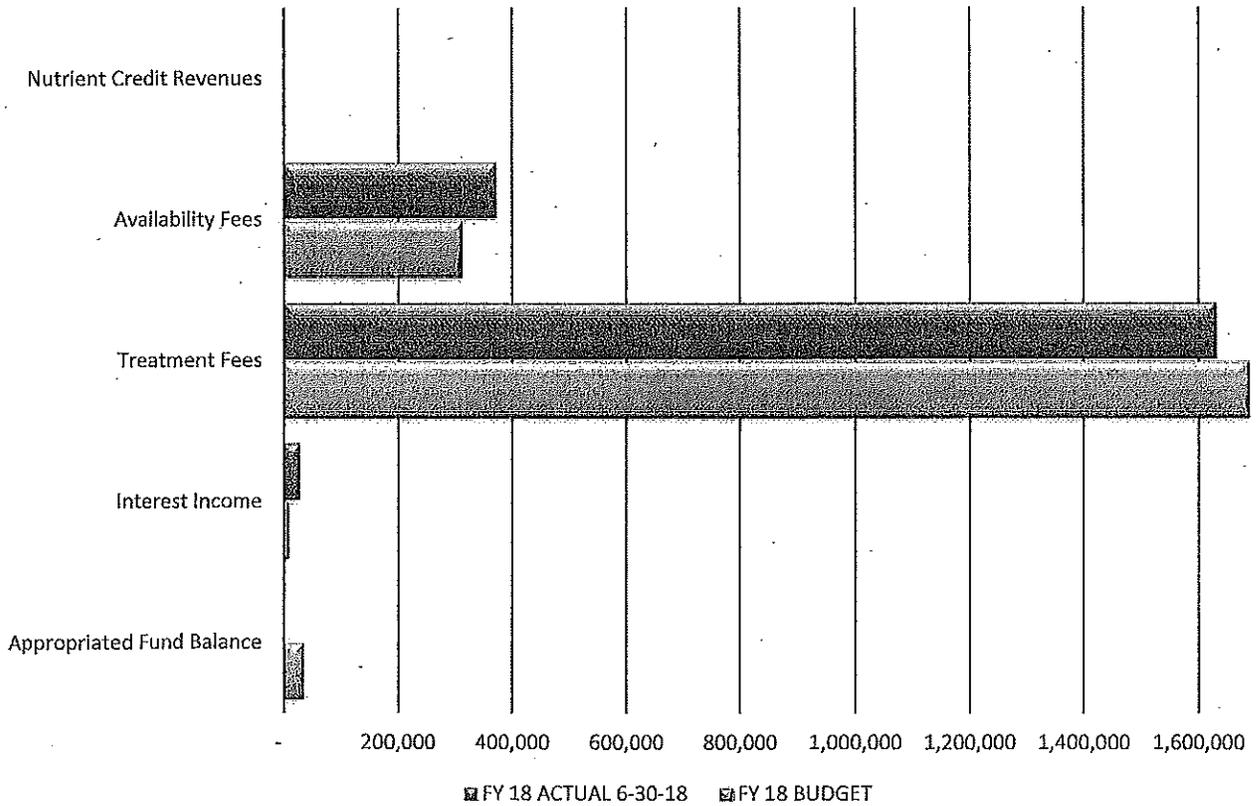
Revenue Analysis

In FY2017-2018, the Town collected \$1,502,402.20 in Sewer Fund Revenues or 99% of projected revenues. This does not include a budgeted fund balance of \$35,000.00.

Sewer Fund Revenues

YTD Budget	YTD Actual	YTD Variance Favorable/(Unfavorable)	Year End Variance Favorable/(Unfavorable)
\$2,048,820.00	99% \$2,035,761.18	-1% (\$13,058.82)	-1% (\$13,058.82)

Sewer Fund Revenues



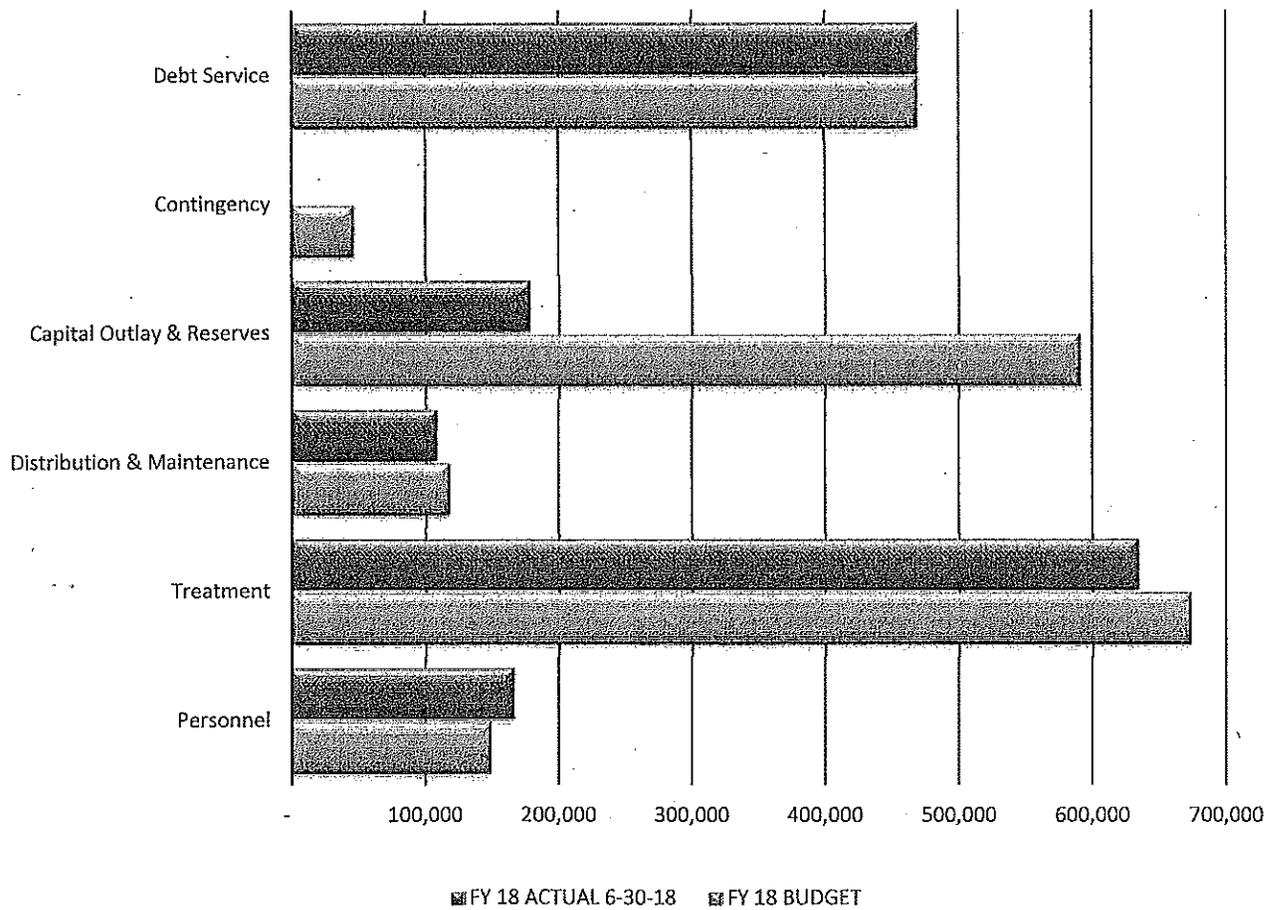
Expense Analysis

In FY2017-2018, the Town expended \$1,558,752.03 or 76% of the annual anticipated expenditures. The WWTP Membrane Pre-purchase and several Capital Projects are pending.

Sewer Fund Expenses

YTD Budget	YTD Actual	YTD Variance Favorable/(Unfavorable)	Year End Variance Favorable/(Unfavorable)
\$2,048,820.00	\$1,558,752.03	\$490,067.97	\$490,067.97
	76%	24%	24%

Sewer Fund Expenses



Summary

The Town's revenue funds are comprised of the general fund and the water and sewer enterprise funds. These funds are how the Town supports town wide operations from public safety operations to garbage collection and water and sewer system services. Overall, total fund revenues ended the fiscal year at approximately 96.0 percent of full-year budgeted revenue expectations. The fiscal year expenditures were roughly 74.0 percent of the full-year budgeted expectations.

The following capital reserves and unexpended capital project funds, were escrowed pending completion:

General Fund

100-4032200-8411	Enders Capital Project Reserve	\$ 10,000.00
100-4081500-5410	TOD Signs to Wayfinding	\$ 5,000.00
100-4081500-5695	Town/County Economic Development	\$ 5,000.00
100-4081500-5696	Economic Development	\$ 2,500.00

Water Fund

501-4012222-3146	Utility Rate Study	\$ 10,000.00
501-4094200-8102	Water Tank Maintenance	\$ 353,581.11
501-4094200-8211	Capital Reserves	\$ 85,795.00
501-4094200-8361	Water Line Upgrades	\$ 50,977.10
501-4094200-8550	Equipment Repair Reserve	\$ 25,000.00
501-4094200-8605	WTP Building Maintenance	\$ 10,000.00

Sewer Fund

502-4012222-3146	Utility Rate Study	\$ 10,000.00
502-4094200-8134	Sewer Collection System Rehabilitation	\$ 110,000.00
502-4094200-8411	Capital Reserves	\$ 239,000.00
502-4094200-8540	Membrane Replacement Reserve	\$ 10,000.00
502-4094200-8550	Equipment Repair Reserve	\$ 25,000.00

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Bank Account Policy

Effective Date:

Bank Account Policy

Policy Statement

This policy sets certain requirements for opening, closing, updating, and maintaining Town of Berryville bank accounts. For purposes of this policy, "Town bank accounts" mean any bank account opened by or for the Town or any of its departments.

Reasons for the Policy

The purpose of this policy is to establish adequate control procedures over Town assets and minimize the Town's risk of financial loss.

Responsible Town Department

The Finance & Administration Department

Who is Governed by this Policy

Each individual or department that require and utilize Town bank accounts should review and understand this policy.

Scope

In accordance with the Town's policies, bank accounts may only be opened and closed by the authorization of the Town Council. This condition applies to all Town bank accounts as defined above, regardless of how the accounts are named.

Policy

A Town of Berryville bank account can only be used for legitimate and allowable revenue and/or expense activities of the Town. Proposals for new bank accounts must be submitted by Town Departments to the Treasurer's office and the ultimate decision to open a bank account is at the discretion of the Town Council. All Town bank accounts must have the Town of Berryville's Employer Identification Number (EIN, and either the name "Town of Berryville" or the name of the Town department in the account title.

Choosing a Bank

Wherever possible, it is important to open and maintain bank accounts with entities that have well established Town banking relationships. The Town has relationships with both local banks (Bank of Clarke County and BB&T).

Opening Bank Accounts

Contact the Treasurer's office to open a bank account.

The following information is required prior to opening a new Town bank account:

1. Account Specifications:

- Town's Employers Identification Number (EIN)
- Account Name
- Purpose of Account
- Type of Account (receipts only, receipts and disbursements, internally funded project expense account, other)
- Source of funding

2. Suggested bank, address and contact information. (Once the selection of the bank is agreed with the Treasurer's office, additional bank account documentation may be required.)

3. Approval of Town Council

Bank Account Reconciliation

Bank accounts must be reconciled monthly by the treasurer and available to be reviewed by council members at any time. The ending bank balance on the bank statement must be reconciled to the bank balance in the Town of Berryville General Ledger.

Updating Bank Accounts

Contact the Treasurer's office to update a bank account.

1. The business purpose for the update
2. Approval by Town Council

Updates to bank accounts may include:

- Shift in purpose or type of account
- Account name change
- Address change
- Local bank communication relevant to bank procedures and/or systems

Closing Bank Accounts

Contact the Treasurer's office to close a bank account.

The following information is required:

1. The business purpose for the closure
2. Confirmation that the bank account has a \$0 balance
3. Confirmation that the Town of Berryville General Ledger account has a \$0 balance
4. Approval of Town Council

Reasons to close bank accounts may include:

- Unauthorized activity
- No activity/dormant account
- Change in business purpose or type of account