AGENDA
COUNTY OF AMELIA BOARD OF SUPERVISORS
AMELIA COUNTY CONFERENCE ROOM
WEDNESDAY, JANUARY 12, 2022 AT 7:00 PM

WORKSHOP

1. **CALL TO ORDER/DETERMINATION OF QUORUM-CHAIRMAN**
2. **INVOCATION AND PLEDGE OF ALLEGIANCE**
3. **WORKSHOP AGENDA ITEMS**
   A. REDISTRICTING
   B. FINANCIAL MANAGEMENT POLICY
   C. ACPS FACILITIES STUDY BY MOSLEY ARCHITECTS
   D. SCHOOL BUDGETING PROCESS BY DR. HARPER
4. **CLOSED MEETING**
5. **MOTION TO ADJOURN OR CONTINUE MEETING**

COUNTY OF AMELIA FINANCIAL MANAGEMENT POLICIES

Effective January 12, 2022

Being good stewards of our taxpayer dollars and promoting financial integrity are important goals in Amelia County. The following broad policies set forth guidelines against which budgetary performance can be measured and proposals for future programs can be evaluated. The policies help to ensure that the County manages its funds in a fiscally responsible manner.

The objectives of the financial policies are to contribute significantly to the County's ability to insulate itself from fiscal crisis and promote long-term financial stability, to focus on the County's overall financial picture, while linking long-term financial planning to daily operations, and to enhance financial credit ability by helping to achieve the highest possible credit and bond ratings.

The following Financial Management Policies are included:

-Financial Planning Policies: Balanced Budget, Long-Range Planning, Asset Inventory, and Investments

-Revenue Policies: Revenue Diversification, Fees and Charges, Tax Collections, Restricted Revenues, and Grants, Donations, and Insurance Payments

-Expenditure Policies: Debt Capacity, Issuance, and Management, Expenditure Accountability, and Appropriation Amendments and Transfers

-Fund Balance Policy

Financial Planning Policies

Balanced Budget: The County shall prepare and approve an annual budget in compliance with sound financial practices, generally accepted accounting principles, and the provisions of the Code of Virginia which control the preparation, consideration, adoption, and execution of the County budget. The budget shall control the levy of taxes and the expenditure of money for all County purposes during the ensuing fiscal year. The County budget shall be balanced within all available operating revenues, including fund balance, and adopted by the Board of Supervisors at least seven days after an appropriately advertised public hearing is held and before July 1 of the upcoming fiscal year.

Long-Range Planning: In order to meet debt ratio targets, to schedule debt issuances, and to systematically improve the County's capital infrastructure, the County shall develop a five-year Capital Improvement Plan which is reviewed and updated at least annually. Capital improvement projects funding options will be evaluated on a project-by-project basis. The County will attempt to determine the least costly and most flexible financing method for all new projects.

Asset Inventory: The County shall annually inventory and assess the condition of all major capital assets in conjunction with the preparation of the County budget and the Capital Improvement Plan.

Investments: The Treasurer has the constitutional responsibility to invest County funds in accordance with the applicable sections of the Code of Virginia which guide investment of public funds. The Treasurer, however, may restrict investments beyond the limits imposed by the Code if such restrictions serve the purpose of further safeguarding County funds or are in the best interests of the County. The investment goal is to minimize risk and to ensure the availability of cash to meet the County's expenditures, while generating revenue from the use of funds which might otherwise remain idle. Therefore, the primary objectives of the Treasurer's investment activities are safety, liquidity, and yield. The Treasurer will provide a cash and investment summary report to the Board of Supervisors on a monthly basis that shows cash balances and investment holdings.

Revenue Policies

Revenue Diversification: The County will strive to maintain a diversified and stable revenue system to shelter the government from fluctuations in any one revenue source and ensure its ability to provide ongoing service. The County intends for ongoing expenditures to be funded through ongoing revenues, not one-time revenue sources. One-time or other special revenues will not be used to finance continuing County operations, but instead will be used for special projects.

Fees and Charges: All fees established by Amelia County for licenses, permits, fines, services, applications, and other charges should be set to recover all or a portion of the County's expense in providing the attendant service. These fees shall be reviewed annually.

Tax Collections: The County shall strive to achieve an overall property tax collection rate of 100%, utilizing all available resources for collecting delinquent accounts.

Restricted Revenues: Restricted revenues shall only be used for the purpose intended and in a fiscally responsible manner.

Grants, Donations, and Insurance Payments: Upon receiving notice of grant or program opportunities offered by various federal, state, local, and other outside organizations, the County Administrator or his designee is designated as the agent:
-To execute the necessary grant or program application and other documentation unless the terms of the grant or program require specific actions by the Board;
-To give such reassurances as may be required by the Agreement, subject to approval as to form by the County Attorney;
-To provide such additional information as may be required by the awarding organization. In addition, funding awarded and any interest earned on the funds awarded shall be appropriated to the applicable functional area.

Additional funds received for various County programs, including contributions and donations, shall be appropriated for the purpose established by each program.

Funds received through insurance claims for damages incurred to County property as a result of unusual or infrequent events shall be appropriated to the applicable functional area.

Expenditure Policies

Debt Capacity, Issuance, and Management: The County intends to manage cash in a fashion that will prevent any borrowing to meet daily operational needs. The County will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues except where approved justification is provided.

The County will utilize a balanced approach to capital project funding, using a combination of debt financing, draws on unassigned fund balance, and pay-as-you-go current year appropriations. Debt will be repaid within a period not to exceed the expected useful life of the project.

As part of its Capital Improvement Plan, the County will identify all funding sources for existing and proposed debt service and pay-as-you-go capital expenditures.

For tax-supported debt, the net debt as a percentage of taxable assessed property shall not exceed 4%. Net debt is as any and all debt that is tax-supported. The ratio of tax-supported debt service expenditures as a percentage of total governmental fund expenditures shall not exceed 15%. In the event that the County anticipates exceeding the policy requirements stated above, staff may request an exception from the Board of Supervisors stating the reason and length of time of occurrence.

County staff shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. The County will seek to maintain its current bond ratings and comply with continuing disclosure of financial and pertinent credit information relevant to outstanding debt issuances.

Expenditure Accountability: The County Administrator and Finance Director shall maintain ongoing contact with department managers and Constitutional Officers through the budget implementation and execution process. Department managers and Constitutional Officers have the ability to review their expenditures at any time on the County's website and through monthly emailed reports and can request on-demand expenses at any time throughout the fiscal year. Monthly financial reports shall be prepared for the Board of Supervisors to monitor budgeted and actual expenditures and revenues.

The County shall appropriate as part of its annual budget, or any amendments thereto, amounts for salaries, expenses, and other allowances for its Constitutional Officers that are not less than those established for such offices by the State Compensation Board.

Appropriation Amendments and Transfers: Appropriation amendments to the operating budget shall be brought to the County Administrator and/or Board of Supervisors, dependent upon the reason for the appropriation as designated in the budget resolution, for approval throughout the fiscal year. Per the Code of Virginia, any additional appropriation which exceeds 1% of the total expenditures shown in the currently adopted budget must be accomplished by publishing a notice of a meeting and a public hearing once in a general circulation newspaper at least seven days prior to the meeting date. The notice shall state the Board's intent to amend the budget and include a brief synopsis of the proposed budget amendment. The amendment may be adopted at the meeting after the public hearing.

The County administrator shall be authorized to transfer funds and personnel from time to time within and between the offices and activities delineated in the County budget as he may deem in the best interests of the County in order to carry out the work of the County as approved by the Board of Supervisors.

All appropriations lapse on June 30 of each fiscal year for all budgets.

Fund Balance Policy

Amelia County follows GASB Statement #54 which establishes the five components of fund balance listed below.

Nonspendable Fund Balance: amounts that are not in spendable form (such as inventory and prepaid items) or are legally or contractually required to be maintained intact.

Restricted Fund Balance: amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or be enabling legislation.

Committed Fund Balance: amounts constrained to specific purposes through formal action by a government itself, using its highest level of decision-making authority – the Board of Supervisors. Formal action includes the annual adoption of the County's budget resolution and the approval of other Board resolutions appropriating funds and/or resources throughout the fiscal year. The fund balance shall be reported as committed and amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned Fund Balance: amounts a government intends to use for a specific purpose but are neither restricted nor committed; intent can be expressed by the governing body or by an official to which the governing body delegates the authority.

Unassigned Fund Balance: amounts that are available for any purpose; positive amounts are only reported in the general fund.

The larger the unassigned general fund balance, the greater the County's ability to cope with financial emergencies, fluctuations in revenues, and to maintain bond rating agencies' expectations. The County does not intend to establish a trend of using the unassigned general fund balance to finance current operations.

The County has established an unassigned general fund balance target rate of at least 30% of total budgeted general fund expenditures. Funds in excess of the targeted 30% fund balance at June 30th shall be transferred to the Capital Improvement Fund to supplement “pay-as-you-go" capital outlay expenditures once the audited figure is determined. The Board of Supervisors may, from time-to-time, appropriate unassigned fund balances that will reduce available fund balances below the 30% policy in the case of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of the County. In such circumstances, the Board will adopt a plan to restore the find balance to the policy level within 36 months of the appropriation.

When expenditures are incurred for purposes for which committed, assigned, or unassigned amounts are available, the County considers committed fund balance to be spent first, assigned fund balance second, and unassigned fund balance last.