

**BERRYVILLE TOWN COUNCIL**  
**Budget & Finance Committee**  
**Wednesday, March 1, 2017**  
**Berryville-Clarke County Government Center**  
**10:00 a.m.**

**MINUTES**

**Roll:**

**Town Council:**

Present: Erecka Gibson, Chair; Patricia Dickinson

**Staff:** Keith Dalton, Town Manager; Desiree Moreland, Treasurer; Neal White, Chief of Police;  
Ann Phillips, Town Clerk

**Other:** Marilyn Pierce

**Press:** Cathy Kuehner

1. Call to Order

Chair Gibson called the meeting to order at 10:02 a.m.

2. Discussion – Fiscal Year 2018 Budget

Mr. Dalton noted the full Council work session will be on March 14 at 4:00 pm.

Ms. Moreland reviewed the budget preparation highlights as follows:

**REVENUES**

**GENERAL FUND**

- No increase in Personal Property tax rate.
- PPTRA remains at 70%
- No increase in Real Estate tax rate.
- No increase in Machinery & Tools tax rate.
- No increase in Vehicle Decal Rates
- No increase in Business & Professional License rates
- Water Tank Site Lease adjustments per agreements
- No increase in Lodging Tax, Meals Tax or Cigarette Tax

**WATER FUND**

- No increase in Treatment Fees.
- Five residential and one commercial Availability Fees projected

**SEWER FUND**

- No increase in Treatment Fees.
- Five residential and one commercial Availability Fees projected

**OPERATING EXPENSES**

**ALL FUNDS**

- \$700 COLA with some market payroll increases are proposed.
- 1.03 % increase in Health Care costs.
- TOTAL BUDGET increase of 5.82%

#### GENERAL FUND

- Increase in Maintenance & Operational Expenses of 5.31%
- Debt Service reflects a deposit to RDA Debt Service Reserve Fund
- Contingency is 4.44% of the Operating Budget
- General Fund total increase of 3.22%

#### WATER FUND

- Increase in Maintenance & Operational Expenses of 2.24%
- There is currently no Debt Service in the Water Fund
- Contingency is 5 % of the Operating Budget
- Water Fund total increase of 38.01% due to CIP Tank Maintenance

#### SEWER FUND

- Decrease in Maintenance & Operational Expenses of 4.75%
- Debt service reflects payment to VRA
- Contingency is 5% of the Operating Budget
- Sewer Fund total decrease of 5.87%

The Committee noted that the availability fee for the assisted living project currently in the approval process should be added to the projected fee number.

Ms. Gibson inquired whether the Police and Security Committee had requested a pay increase for patrol officers. Mr. Dalton explained that a step increase was under review. Ms. Gibson said she wants to make sure police department salaries are competitive.

Ms. Gibson asked if a policy exists regarding the contingency fund. Mr. Dalton said a formal policy may be a good idea, adding that in practice the fund has been kept at about 5%. He noted that the contingency needed would vary depending upon available reserves to address unexpected expenses.

Mr. Dalton noted a new position is proposed in the Finance and Administration Department. He also noted an increase in the training line item for the Town Manager. Ms. Dickinson said she would like to see a details regarding the proposed new hire. Mr. Dalton said that work was underway to define the duties of the new position.

Ms. Dickinson asked for Goals and Objectives from the various Council committees, and Mr. Dalton said he would send what he had to the Council members.

Ms. Dickinson said she wants to know what the budget will accomplish. She wants to tell a story.

Mr. Dalton reviewed the five-year capital improvements plan narrative.

Ms. Dickinson said she wants goals and objectives to compare to the budget.

### 3. Adjourn

At 11:58 am, Ms. Gibson adjourned the meeting until Wednesday, March 8, 2017 at 10:00 am.

**BERRYVILLE TOWN COUNCIL**  
**Budget & Finance Committee**  
**Continued Meeting**  
**Wednesday, March 8, 2017**  
**Berryville-Clarke County Government Center**  
**10:00 a.m.**

**MINUTES**

**Roll:**

**Town Council:**

Present: Erecka Gibson, Chair; Patricia Dickinson

**Staff:** Keith Dalton, Town Manager; Desiree Moreland, Treasurer; Ann Phillips, Town Clerk

**Others:** Harry Lee Arnold, Jr.; Donna McDonald; Marilyn Pierce

**Press:** Cathy Kuehner

1. **Call to Order**

Chair Gibson called the continued meeting to order at 10:00a.m.

2. **Discussion – Fiscal Year 2018 Budget**

The Committee and staff discussed the proposed budget. Ms. Moreland noted that the changes requested at the previous meeting had been incorporated into the most recent draft budget. She said that preliminary figures for Machinery & Tools and Personal Property revenues were received from the Commissioner of the Revenue. Mr. Dalton noted there may be one change in the CIP figures if the change from chlorine gas to sodium hypochlorite for disinfection at the waste water treatment plant is funded in the current budget year. Mr. Dalton also noted an update in budget for blight abatement projects and increase in operating costs for chemicals of \$2,000.

The Committee discussed whether current staffing is adequate to meet the administrative goals identified by the Town Council Committees. Mr. Dalton said he would provide a master list of the administrative goals, which goals are addressed in the draft budget, where addressed in the draft budget and the dollar amount allotted in the draft budget. Ms. Gibson said it will be difficult to include goals for which no budget amount has been determined.

Ms. Dickinson asked for clarification on the following line items: professional services (legal services), administrative personnel, parking meters, landfill charge, auditor fees, maintenance contracts, telecommunications, Rose Hill Park improvements, copier lease expenses, and total capital outlay expenses.

Ms. Moreland noted that she will incorporate the new numbers from the Commissioner of the Revenue for Machinery & Tools and Personal Property into the next draft budget. Ms. Dickinson asked that the line item for Rose Hill Park Improvements be changed to Rose Hill Park Maintenance to better reflect its use.

Ms. Gibson noted the CIP Presentation document she had drafted and asked for comments. The Committee and staff agreed that the document structure makes sense and will be useful by linking CIP expenses with their funding sources. Ms. Gibson said she hoped the document would be helpful to the Council and the public.

The Committee and staff discussed an asset inventory. Mr. Dalton noted that if the Council decides to review the availability fee schedule, the first task completed would be a detailed asset inventory and including the water and sewer funds.

Ms. Gibson asked Ms. Dickinson if she wished to review her general discussion topics on the proposed budget. Ms. Dickinson declined the offer stating she would wait until the full council budget session.

3. Adjourn

There being no further business, Ms. Gibson adjourned the meeting, at 11:05 am.

**MINUTES**  
**BERRYVILLE TOWN COUNCIL**  
**Berryville-Clarke County Government Center**  
**Work Session**  
**March 6, 2017**  
**3:00 p.m.**

**Town Council:** Present-Patricia Dickinson, Mayor; Harry Lee Arnold, Jr., Recorder; Allen Kitselman; Erecka Gibson; David Tollett; Absent- Donna Marie McDonald  
**Staff:** Keith Dalton, Town Manager; Desiree Moreland, Treasurer; Debbie Boggs, Utilities Clerk; Dave Tyrrell, Director of Public Utilities; Rick Boor, Director of Public Works; Ralph Elliott, Public Works Foreman; Christy Dunkle, Assistant Town Manager/Planner; Ann Phillips, Town Clerk  
**Others:** Earl Sutherland, Pennoni Engineering  
**Press:** Cathy Kuehner

1. Call to Order

Mayor Dickinson called the meeting to order at 3:00 p.m.

2. Approval of Agenda

**On motion of Council member Tollett, seconded by Recorder Arnold, the agenda was approved unanimously.**

3. Discussion – Water and Sewer Availability Fees

Earl Sutherland, Senior Engineer at Pennoni Engineering, spoke about how and why availability fees are used. He said there are two components to any utility income stream- the availability or connection fee and the monthly charge for service. He said ideally, the monthly fees are used for operational costs and availability fees are used to reduce existing debt and plan for future capital expenses. Citing equity, Mr. Sutherland said the existing users should not pay for improvements to benefit new and future users.

Mr. Sutherland continued saying to set an availability fee schedule, existing capital costs and future capital costs need to be identified. He said the existing infrastructure also needs to be evaluated, adding that this may difficult in some localities because of the age of the system. Mr. Sutherland said that in regard to the treatment facilities, various components will age at different rates. He said that technological innovations will also affect costs.

Mr. Sutherland said that a rate schedule for availability fees is essential for ensuring fairness and that rates have a rational basis. He said nearly all of the rate setting studies he has seen have been designed by engineers and not accountants because while the mathematical part is straightforward, the hard part is making the engineering judgements and educated guesses as to how long things are going to last, and how much it will cost to replace those things.

Mr. Sutherland discussed the different types of utility customers including institutional and business. He said it is important that local government treat the utility as a business. He added that appeals to avoid paying the fees are often made, but once exceptions are made, it is impossible to stop.

Mr. Sutherland concluded saying that the way to set fees is to determine what the present costs are, what the future costs are, and how much money the locality should be putting away to address that future need, and rainy day needs.

Mayor Dickinson inquired how far into the future the needs are assessed. Mr. Sutherland said depending on the particular component, a series of five-year intervals is used.

Mayor Dickinson asked about usage fees. She asked whether availability fees or the number of users has the greater impact on usage fees. Mr. Sutherland discussed usage fees and availability fees and said they are inherently self-correcting with customers using less water with higher usage rates and builders constructing fewer buildings with higher availability fees.

Mayor Dickinson said the Town has high availability fee rates which discourages more user being added. She said adding more users is the only way to bring down the usage rates.

Council member Kitselman asked who had judged the rates to be too high. Mayor Dickinson said the market had done so. Council member Kitselman disagreed. She said her evidence is that since the rate schedule went into effect there has been no multi-family building completed. She said the schedule has had an impact on multi-family housing. Mr. Sutherland noted the VML report which lists all rates across the state which could be used to see where the Town stands in relation to the surrounding areas.

Mr. Dalton said the Mayor has said the availability fees are too high. He asked Mr. Sutherland to address the multi-family availability fee structure. Mr. Sutherland said there are two ways to look at the issue. He said one view is the multi-family building has one connection, and the other view counts the users. He said his firm has advised one locality recently to treat multi-family buildings as multiple individual users for the purposes of establishing the connection fee.

Mayor Dickinson said it is easier to service one connection at a multi-family building and send one bill than to do the same for 120 individual homes. Mr. Sutherland said the underground connection is not generally owned by the Town anyway. He said more and more utilities are going to the model where multi-family structures users are treated individually for the purposes of availability fees, adding that this is the trend.

Mayor Dickinson asked Mr. Sutherland if he had seen availability fees used to encourage or discourage certain types of development. Mr. Sutherland answered affirmatively.

Mr. Dalton asked if Mr. Sutherland, with his prior service to the Town, could estimate the time involved for Pennoni to revise the availability fee schedule including asset inventory, life cycle, and other components. Mr. Sutherland said the project would take several months.

Council member Kitselman asked if Mr. Sutherland could provide a range of costs to complete such a project. Mr. Sutherland said he could do so after consulting with his office, and would send it to Mr. Dalton.

#### 4. Presentation – Water/Sewer System Overview

Mr. Dalton provided the overview from the following outline:

#### **Water Treatment Plant**

The Town's water treatment plant, which filters and treats water from the Shenandoah River, was constructed in 1984. The rated capacity of the plant is .864 MGD. The actual capacity at this time is

estimated at .750 MGD. The difference between the rated capacity and the actual capacity results from the age and configuration of the WTP's finish pumps.

Currently, water demand averages .330 MGD.

When additional capacity is needed, several projects would have to be completed to increase production. Those projects would include new finish water pumps, re-rating of filters, clear well expansion, and a booster pump station.

#### Treatment

Water is pumped from the Town's river pump tank to the WTP. At the WTP water flows into one of two pre-sedimentation tanks. In these tanks, the water receives a dose of potassium permanganate and is permitted to rest. The potassium permanganate, which is an oxidizer, reduces tastes and odors that customers would find objectionable. While the water rests, large particles begin to settle out of the water.

Water is pumped from the pre-sedimentation basins to the filters. The following agents are added to the water:

Aluminum sulfate (coagulant that attaches to particles in the water and produces "floc"),

Activated carbon (to reduce tastes and odors that customers would find objectionable),  
and

Polymer (aids filter capture floc)

In the first stage of the three-stage filter the water is mixed with the agents and floc is permitted to form. The second stage provides for the settling of floc. The third stage provides for the flow of water through a mixed media filter. As the water flows from the filter to the clear well the following agents are added to the water:

Chlorine (disinfectant)

Sodium fluoride (reduces dental caries)

Water enters the clear well and is permitted to rest in order to provide for contact with the chlorine. Finish water pumps (2) pump the water from the plant to the water distribution and storage facilities.

The backwashing (cleaning) of the filters produces sludge that must be removed from the site and requires the Town to maintain a wastewater treatment (discharge) permit for the water treatment plant.

#### Water Storage Facilities

The Town maintains 3 water storage facilities and a booster pump station.

Southwest Elevated Tank (also known as the Josephine Tank)

- Constructed in 1984
- 250,000 gallon capacity
- Provides water pressure to low pressure zone

Northwest Elevated Tank

- Constructed in 1992
- 250,000 gallon capacity
- Provides water pressure to high pressure zone

#### Ground Reservoir

- Constructed in 1927
- 3,000,000 gallon capacity
- Provides water storage

#### Booster Pump Station

- Constructed in 1984
- Addition in 2012
- High service pumps that pump water from the Ground Reservoir to the Northwest Elevated Tank
- Booster pumps to increase pressure in the low pressure zone
- Pressure Control Valve that connects the low and high pressure zones
- Chlorine feed

### **Water Distribution System**

The Town maintains a water distribution system that has approximately 1,700 connections. The system also contains two pressure control valves (in addition of the valve in the pump station).

The Town is responsible for the maintenance of mains, that portion of the lateral between the main and the water meter, and the meter setter and meter. Property owners are responsible for maintenance of that portion of the water lateral between the meter setter and the improvement served by utility.

Other improvements in the distribution system that the Town maintains include fire hydrants, valves, air release valves, and blow-offs.

The Public Utilities Department is responsible for water treatment and storage. The Public Works Department is responsible for the water distribution system.

### **Sewerage Collection**

The Town maintains a sewerage collection system that has approximately 1,700 connections. The system also contains 6 sewer pump stations (1 more will be accepted into the system this year).

The Town is responsible for maintenance of sewer mains, sewer pump stations, and manholes. Property owners are responsible for maintenance of sewer laterals (also called building sewers).

The Public Works Department is responsible for the collection system, including sewer pump stations.

### **Wastewater Treatment Plant**

The Town's wastewater treatment plant, which treats the effluent received from the sewerage collection system, was completed in 2012. The treatment process employed at the plant is a Membrane Reactor with a four-stage bardenpho. The rated capacity of the plant is .700 MGD

Currently, the flow to the plant averages .300 MGD.

Minimal preparation has been made in the construction of the current plant for expansion of the treatment facility to a 1.4 MGD plant. When additional capacity is needed, several projects may have to be completed in order to increase treatment capacity. Those projects will include construction of an additional treatment cell and equalization southwest of the existing plant.

Treatment

Wastewater enters the facility where it is screened to remove inorganic material, treated in an organic process utilizing aerobic and anoxic treatment, filtered by membranes, and disinfected by use of ultraviolet light. Two agents are introduced during the organic treatment process, a carbon source and aluminum sulfate. A carbon source is added to maintain desirable microorganisms. Aluminum sulfate is added to precipitate phosphorous out of the water. Once the water is disinfected it is pumped to the Shenandoah River.

The process produces sludge (Class B) that must be decanted and pressed to remove as much liquid as possible. Polymer (coagulant) and lime (stabilizer) are added to the sludge. Once the sludge is pressed it is landfilled.

Maintenance of the membranes requires the use of citric acid and sodium hypochlorite.

The Public Utilities Department is responsible for wastewater treatment and discharge to the river.

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The Council and staff discussed the specific operations conducted in order to provide water and sewer service.

Mr. Dalton a step by step explanation of the Town's water and sewer billing process. The Town Council discussed the billing process with the staff.

Mayor Dickinson said she was impressed and thanked the staff for the presentation.

**The meeting was adjourned at 5:00 p.m. on a motion by Council member Tollett, seconded by Council member Gibson, and passed unanimously.**

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Harry Lee Arnold, Jr., Recorder

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Ann W. Phillips, Town Clerk

**MINUTES**  
**BERRYVILLE TOWN COUNCIL**  
**Berryville-Clarke County Government Center**  
**Budget Work Session**  
**March 20, 2017**  
**4:00 p.m.**

**Town Council:** Present-Patricia Dickinson, Mayor; Harry Lee Arnold, Jr., Recorder; Allen Kitselman; Erecka Gibson; Donna Marie McDonald; David Tollett

**Staff:** Keith Dalton, Town Manager; Desiree Moreland, Assistant Town Manager/Treasurer; Christy Dunkle, Assistant Town Manager/Planner; Neal White, Chief of Police; Dave Tyrrell, Director of Utilities; Rick Boor, Director of Public Works; Ann Phillips, Town Clerk

**Others:** Brian Lichty, Clarke County EMS Director; Chris Shipe, President-John H. Enders Fire Co.; Sue Ross, Berryville Main Street

**Press:** Cathy Kuehner

1. Call to Order

Mayor Dickinson called the meeting to order at 4:00 p.m.

2. Approval of Agenda

**On motion of Council member McDonald, seconded by Council member Tollett, the agenda was approved unanimously.**

3. Presentation / Discussion – County of Clarke EMS

Brian Lichty, Clarke County EMS Director made a PowerPoint presentation overview of EMS services and funding in the County. In reference to the fee for service revenue, Mayor Dickinson said it appeared that Berryville was the cash cow because of the high call volume in town. Mr. Lichty noted that fee for service is not listed by company. He said that the highest service demands are in Berryville. The Mayor asked what the County plans to do should the Town Council not fund an EMS position. Mr. Lichty said the matter had not been discussed, but there is a possibility that the position would be eliminated.

Chris Shipe, John H. Enders Fire Company President, gave a PowerPoint presentation overview of Enders Fire Company and thanked the Council for all the support over the years. He cautioned that funding needs are reaching a critical status. Mr. Shipe noted that residents' expectations are different than in previous generations, regulatory requirements increase costs, training requirements are expensive, and existing equipment is old. He noted his Iowa hometown established a capital needs account for major expenses and requested Berryville consider that option. Mr. Shipe noted that Enders receives no funds from fee for service.

Sue Ross, Manager at Berryville Main Street, thanked the Council for supporting Berryville Main Street for 25 years. She gave an overview of the Berryville Main Street program and its mission, and highlighted the current happenings in downtown. Mayor Dickinson inquired what percentage of merchants are members and whether businesses pay a fee to be members of Berryville Main Street. Ms. Ross replied that there are 50 business members and there is also a friendship category. She said there is a membership or partnership fee of \$70 and friendship fee is \$35.

4. Discussion – Draft FY 18 Budget

Ms. Moreland noted the highlights of the proposed budget including the fact that no tax increase is proposed.

Mr. Dalton discussed the changes to the CIP.

Mayor Dickinson asked for discussion on any proposed changes. The Council reviewed the draft budget by line item, discussed changes and directed staff to make specific changes.

Council member McDonald asked for clarification on the E-citation line item, and Mr. Dalton provided the explanation.

Mayor Dickinson suggested that the Town Council have an appointed member of the board at Enders Fire and Rescue to ensure communication. Recorder Arnold said the Enders charter would not permit a non-member on the board of directors and he is opposed to the idea.

Recorder Arnold said the contribution to Enders had not been increased in 10 years and suggested an increase be made this year. Council member Kitselman suggested that a capital needs account be investigated for Enders Fire Company also.

Council member Tollett asked why no fee for service funds were available to Enders. Mr. Lichty said the funds are used at the county level for overall expenses such as insurance, equipment, testing, etc., which benefits all County fire and rescue companies.

Mayor Dickinson said the Town is not part of the conversation regarding funding for Enders, and she is uncomfortable with the Town being asked to write a check. Ms. Gibson said she supports the increase in the contribution to Enders and is in favor of creating an account for capital costs. She said she would like to have a conversation about the contribution to the County for EMS, and would like a reduction in the contribution to be used in establishing a capital expense account for Enders Fire Co. She added that she is not in favor of the \$5000 contribution to the County Parks and Recreation Department for swimming pool water.

Recorder Arnold moved that the Council of the Town of Berryville increase the contribution to John H. Enders Fire Co. from \$25,000 to \$30,000. Council member Kitselman seconded the motion. Recorder Arnold amended the motion to include adding a capital reserve of \$10,000 for Enders Fire Co. Following discussion of the history of the contribution and the source of the increased funding, Recorder Arnold withdrew the motion. Mayor Dickinson said she thinks the Budget and Finance Committee should be involved in setting up a capital reserve account.

At 5:53 p.m., the meeting was recessed until 6:15 p.m.

The meeting was reconvened at 6:15 p.m.

**Recorder Arnold moved that the Council of the Town of Berryville increase the annual contribution from \$25,000 to \$30,000 and further that \$10,000 be set aside as a capital improvements reserve to cover future needs at John H. Enders Fire Co. Council member McDonald seconded the motion.** Council member Tollett questioned whether the budget was balanced, and Ms. Moreland said the draft budget was balanced. Council member Gibson said she supported the increase and the capital reserve, and that she also supports the continued reduction of the contribution to the County for EMS. The Council and Mr. Shipe discussed the reserve account and how it is managed in Dewitt, Iowa where Mr. Shipe is from. Mr. Shipe cited transparency and invited the Council to attend Enders Company meetings. Mayor Dickinson cited concerns with rushing into setting up a capital reserve account.

Recorder Arnold said the money could be set aside, and the Council would still have time to set the policy before the funds are needed. **Mayor Dickinson restated the motion and noted it would be contingent on the budget being balanced. The motion carried as follows:**

**Aye: McDonald, Kitselman, Gibson, Tollett, Arnold**  
**Nay: Dickinson**  
**Absent: None**

The Council discussed the contribution to the County for the professional services - EMT position. Ms. Gibson said she supports the contribution with the reduction as it has been done in the recent years. Recorder Arnold noted that the contribution had been started prior to his coming onto the Council. He said that the reduction in the contribution is on-going, and stopping the contribution all at once would not be fair to the County. Mayor Dickinson said the County had had plenty of notice that the intention is to do away with the contribution. She said she cannot support the Town making a contribution to help the County with payroll and she wants the entire contribution to end. Council member Kitselman cited the long history of cooperation with the County and said it appeared political to shift the burden which the Town is creating onto the County. He said he is in favor of tapering the contribution, and noted that the Town and the County have worked together for decades. He cautioned the Council about starting down the road of not cooperating with the County and said that would not be good for the tax payers of Berryville. Council member McDonald said she is not in favor of assisting with payroll, but would approve of helping with tangible needs. Recorder Arnold said the title of the contribution could be changed to specify tangible costs, especially since the reduced amount will not cover a paid position anyway. **Recorder Arnold moved that the Council of the Town of Berryville reduce the contribution to the County from \$50,000 to \$33,000. Council member Kitselman seconded the motion.** Council member Gibson said she agrees that the Town should not be making this payment, but she thinks good will is important. Mayor Dickinson said good will goes both ways and she was surprised the County requested more than last year's contribution since they knew there were Council members opposed to any contribution. Council member Gibson noted the County is having a tax reduction, but said good will and consensus are the reasons to make the contribution. The Mayor said it does not seem fair that the Town is being asked to pay more. Council member Kitselman said that perhaps the Town should not be allowing senior apartment buildings and generating more need. He said the County is not getting the requested \$75,000. Recorder Arnold noted that with the reduction, the contribution will be eliminated in two years. The Mayor said she did not like the double taxation. Recorder Arnold noted that the citizens of Berryville did benefit from the contribution. **The Mayor restated the motion which carried as follows:**

**Aye: McDonald, Kitselman, Gibson, Tollett, Arnold**  
**Nay: Dickinson**  
**Absent: None**

The Council discussed the Swan Avenue sidewalk project funding and funding for the revenue sharing project for the crosswalk and flashing sign. The Council discussed adding a place holder line item to fund the difference not paid for the projects. **Mayor Dickinson moved that \$50,000 be added to a place holder line item in the operations budget to fund cost overruns on the school sidewalk and crosswalk projects. Council member Kitselman seconded the motion which carried as follows:**

**Aye: McDonald, Kitselman, Gibson, Tollett, Arnold, Dickinson**  
**Nay: None**  
**Absent: None**

The Council discussed funding the study and possible rehabilitation of the Livery Stable adjacent to the old Town Office building at 23 East Main Street.

The Council discussed the \$5000 contribution to the County for swimming pool water at the County Park. By consensus, the contribution was left in the budget pending final review.

The Mayor noted that funds from the Transient Lodging Tax have been accumulating and will amount to \$9000 in FY 18. Recorder Arnold said he would like to see \$5000 of the collected funds contributed to the County toward Economic Development accomplished with direction from the Town, with \$4000 toward reserve. The Council agreed by consensus.

Recorder Arnold said he would like to see the contribution to Berryville Main Street increased from \$18,000 to \$20,000. The Council agreed to this increase by consensus. Mayor Dickinson said that although BMS is doing well she thinks the merchants need to do more to support downtown and she was not in favor of the increase.

The Council discussed the commitment to the E-citation program. The Mayor suggested beginning to collect the fee this year but deferring the start up until next year. Recorder Arnold said he supported getting E-citation going this year, since waiting a year would save only \$1500. Recorder Arnold suggested that the Council approve the resolution adopting the program at the April meeting.

The Mayor noted her concern about the tank repair and maintenance costs of \$450,000 which will exhaust the tank repair reserve fund. Mr. Dalton noted that the funds have been placed in this reserve account specifically for this purpose. Ms. Moreland noted there are other water fund reserve accounts.

**On motion of Council member Tollett, seconded by Council member Gibson, the meeting was adjourned at 7:30 p.m.**

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Harry Lee Arnold, Jr., Recorder

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Ann W. Phillips, Town Clerk

**MINUTES**  
**BERRYVILLE TOWN COUNCIL**  
**Berryville-Clarke County Government Center**  
**Regular Meeting**  
**March 20, 2017**  
**7:30 p.m.**

**Town Council:** Present-Patricia Dickinson, Mayor; Harry Lee Arnold, Jr., Recorder; Donna Marie McDonald; Allen Kitselman; Erecka Gibson; David Tollett

**Staff:** Keith Dalton, Town Manager; Christy Dunkle, Assistant Town Manager/Planner; Desiree Moreland, Assistant Town Manager/Treasurer; Neal White, Chief of Police; Ann Phillips, Town Clerk

**Others:** Josh Roller, Robinson, Farmer, Cox Associates; Cliff Balderson and Ed Carter, VDOT

**Press:** Cathy Kuehner

1. Call to Order

Mayor Dickinson called the meeting to order at 7:50 p.m.

2. Pledge of Allegiance

3. Approval of Agenda

**On motion of Recorder Arnold, seconded by Council member Kitselman, the agenda was approved unanimously.**

4. Public Hearing – *No public hearing was scheduled.*

5. Approval of Minutes

**The minutes of the Town Council meeting of February 14, 2017, were approved unanimously on a motion by Recorder Arnold and seconded by Council member Kitselman. The minutes of the Town Council work session meeting of February 22, 2017, were approved unanimously on a motion by Council member Tollett and seconded by Council member McDonald. The minutes of the Town Council work session meeting of March 6, 2017, were approved unanimously on a motion by Recorder Arnold and seconded by Council member Kitselman.**

6. Citizens' Forum

The speakers were as follows:

Diane Harrison, Town resident, said she supported the item put forth on the agenda regarding Town Council committee assignments. She said she thinks the committees have been one-sided and that the experience of the long term Council members is not being used. She said she hopes Council member Kitselman's suggestion will fix that issue.

Wayne Webb, Town resident, thanked the Mayor and Chief of Police for attending the recent Battletown Estates Civic Association meeting. He suggested a way for the Town to save \$20,000 would be by billing for water every other month rather than monthly. Mr. Webb said that a report from the Town of Woodstock suggests that the Town's water system connection fee is too high to be competitive. He concluded by saying that everyone has \$100 and \$200 internet and cell phone bills each month, so bi-monthly water bills should not be a problem for anyone to pay.

Dan Garrett, Town resident, thanked the Mayor for her participation in the suicide awareness program.

7. Report of Patricia Dickinson, Mayor

The Mayor recognized Josh Roller of Robinson, Farmer, Cox Associates. Mr. Roller provided a report on the FY 16 Audit. He noted that the Town has been given an unmodified opinion which is the best that can be given.

Mayor Dickinson said she hoped to have a slate of members to be appointed to the Tree Board at the next Council meeting.

The Mayor asked that the Personnel Committee make a recommendation for appointing a Council representative on the Barns of Rose Hill Board of Directors.

8. Report of Harry Lee Arnold, Jr, Recorder

Recorder Arnold had nothing to report.

9. Report of Christy Dunkle, Asst. Town Manager for Community Development

Ms. Dunkle recognized Ed Carter and Cliff Balderson, VDOT representatives, in attendance.

Mr. Balderson and Mr. Carter spoke about items that had been identified by Town Council, and noted various funding options to help with problem areas. The topics of discussion included:

- Improvements on East Main Street

Mr. Carter and Mr. Balderson listed three options for funding on such improvements: TAP funds which are 80% federal and 20% local and are heavily favored to alternatives to auto traffic and therefore should include bicycle/pedestrian elements; Smartscale which are competitive across the state and if application is made this fall would not be funded until 2024; and revenue sharing which is 50% state -- 50% local funding (from a state fund that may be reduced in size)

- Traffic Calming on Buckmarsh Street

Mr. Balderson and Mr. Carter said there are many steps that can be taken but it would be up to the locality to fund these improvements.

- Crosswalk at Buckmarsh and Hermitage

In reference to making this intersection safer, Mr. Carter and Mr. Balderson noted that after studying this intersection two years ago VDOT is reluctant to recommend a crosswalk of this length because the distance a pedestrian must be in the travel way. In response to Council member McDonald's question about a traffic light, Mr. Carter said a traffic light costs between \$300,000 and \$500,000, and does not necessarily make the intersection safer.

- Safe-Routes-to-School Project on Swan Avenue

- Revenue Sharing for the Buckmarsh and Swan Avenue projects

- Parking restrictions on North Buckmarsh Street

Mr. Carter indicated that this should not present a problem for VDOT.

- Landscaping projects in the Right of Way

VDOT staff will provide Town/HOA agreement guidelines.

- Truck restriction signage

VDOT staff will have their sign representative review the Town's signage.

- Traffic signal timing

VDOT staff signal technician review the timing of the Main Street lights.

Mr. Dalton said the working relationship with VDOT has always been excellent and the staff has been good to work with.

Ms. Dunkle reviewed the Planning Department staff report.

10. Report of Keith Dalton, Town Manager

Mr. Dalton had nothing to report.

11. Report of H. Allen Kitselman, III – Berryville Area Development Authority Liaison

Council member Kitselman said the BADA will meet on March 22 to review the assisted living project.

12. Report of Erecka Gibson - Chair, Budget and Finance Committee

The minutes of the March 1 and March 8, 2017 meetings were approved.

The Mayor listed the proposed Administrative Goals. Council member Gibson suggested separating the goals which are funded once from those that have on-going funding. She also suggested that if the goals can't be addressed all at once, the top three goals should be identified and addressed first. The Mayor suggested a work session to review the goals and objectives. By consensus the Council decided to have the work session in June or July.

13. Report of Donna McDonald - Chair, Community Improvements Committee

Council member McDonald recapped the February 27 meeting. The minutes of the meeting were approved.

Mayor Dickinson said that there may be grant funding to assist with the landscaping in the Page Street median. She said she knows the County wants to leave the lot behind the renovated Primary School building as green space.

14. Report of David Tollett – Planning Commission Liaison

Council member Tollett had no report.

15. Report of David Tollett – Police and Security Committee

The minutes of the February 23 meeting were approved.

**Council member Tollett moved that the Council of the Town of Berryville adopt the attached resolution of agreement to establish the Skyline Regional Criminal Justice Academy and authorizing the Town Manager to sign the attached Charter Agreement Establishing the Skyline Regional Criminal Justice Academy on behalf of the Town. The motion carried as follows:**

**Aye: McDonald, Kitselman, Gibson, Tollett, Arnold, Dickinson**

**Nay: None**

**Absent: None**

**RESOLUTION OF THE COUNCIL OF THE TOWN OF BERRYVILLE**

WHEREAS, the TOWN OF BERRYVILLE, the COUNTY OF CLARKE, the COUNTY OF FREDERICK, the FREDERICK COUNTY EMERGENCY COMMUNICATIONS CENTER, the TOWN OF FRONT ROYAL, the LORD FAIRFAX COMMUNITY COLLEGE, the TOWN OF

MIDDLETOWN, the NORTHWESTERN REGIONAL JAIL AUTHORITY, the RSW REGIONAL JAIL AUTHORITY, the TOWN OF STEPHENS CITY, the TOWN OF STRASBURG, the COUNTY OF WARREN, the CITY OF WINCHESTER, and the COUNTY OF RAPPAHANNOCK, have agreed to form a regional criminal justice academy pursuant to Section 15.2-1747 et. seq. of the Code of Virginia in order to furnish the highest achievable level of professional law enforcement and criminal justice-related training to the participating jurisdictions through the development and operation of initial recruit training, continuing in-service training and advance training programs; and

WHEREAS, it is necessary for the participating members to enter into an agreement establishing the regional criminal justice academy that sets forth the relationship between the members and the regional criminal justice academy.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Town of Berryville as follows:

1. The Council hereby agrees to establish the Skyline Regional Criminal Justice Academy pursuant to Section 15.2-1747 et. seq. of the Code of Virginia.
2. At its regular meeting of March 20, 2017, the Council authorized the Town Manager to sign the Charter Agreement Establishing the Skyline Criminal Justice Academy, a copy of which is attached to this Resolution.

Adopted:

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Recorder

CHARTER AGREEMENT ESTABLISHING THE  
SKYLINE REGIONAL CRIMINAL JUSTICE ACADEMY

THIS CHARTER AGREEMENT (“Agreement”) is made this \_\_\_\_ day of April, 2017, by and among the TOWN OF BERRYVILLE, the COUNTY OF CLARKE, the COUNTY OF FREDERICK, the TOWN OF FRONT ROYAL, the LORD FAIRFAX COMMUNITY COLLEGE, the TOWN OF MIDDLETOWN, the NORTHWESTERN REGIONAL JAIL AUTHORITY, the RSW REGIONAL JAIL AUTHORITY, the TOWN OF STEPHENS CITY, the TOWN OF STRASBURG, the COUNTY OF WARREN, the CITY OF WINCHESTER, the COUNTY OF RAPPAHANNOCK (collectively the “Member Jurisdictions”).

WHEREAS, the Member Jurisdictions are each currently members of the Rappahannock Regional Criminal Justice Academy; and

WHEREAS, the Member Jurisdictions have determined that it is in their best interest to withdraw as members of the Rappahannock Regional Criminal Justice Academy and to establish and operate a new criminal justice training academy to be known as the Skyline Regional Criminal Justice Academy; and

WHEREAS, on November 2, 2016, the Board of Directors of the Rappahannock Regional Criminal Justice Academy approved the withdrawal of the Member Jurisdictions effective June 30, 2017; and

WHEREAS, the Member Jurisdictions have each adopted a resolution to withdraw as a member of the Rappahannock Regional Criminal Justice Academy and to start training as a member of the Skyline Regional Criminal Justice Academy effective July 1, 2017; and

WHEREAS, the Member Jurisdictions desire to enter into this Agreement pursuant to Section 15.2-1747 of the Code of Virginia to provide for the establishment and operation of the Skyline Regional Criminal Justice Academy.

NOW THEREFORE, the Member Jurisdictions agree as follows:

#### SECTION 1. NAME

The Member Jurisdictions agree to create a regional criminal justice training academy pursuant to the provisions of Section 15.2-1747 of the Code of Virginia to be known as the Skyline Regional Criminal Justice Academy ("Academy").

#### SECTION 2. PRINCIPAL OFFICE

The principal office of the Academy shall initially be located at 2275 Third Street, Middletown, Virginia 22645 in the County of Frederick, Virginia. The principal office may be changed at such times and under such conditions as the Board may determine.

#### SECTION 3. BOARD OF DIRECTORS

The Board of Directors (the "Board") shall be composed as follows:

- (i) each county shall be represented by both the chief of police and sheriff. If a county does not have a chief of police, then only the sheriff shall serve as the member representing that county. Notwithstanding the above, the director of the Frederick County Emergency Communications Center shall serve as a member representing Frederick County in addition to its sheriff.
- (ii) each city shall be represented by its chief of police or other City Official appointed by the governing body and sheriff or other City Official appointed by the governing body. Notwithstanding any other provisions of this Charter, these members shall serve for terms as designated by the governing body.
- (iii) each town shall be represented by its chief of police.
- (iv) each regional jail shall be represented by its superintendent.
- (v) if a Member Jurisdiction is not a city, county, town or regional jail, then that Member Jurisdiction shall be represented by its chief law enforcement officer.

The members of the Board shall serve for a term coexistent with their employment as sheriff, chief of police, jail superintendent, chief law enforcement officer, or director of emergency communications center. Each member of the Board shall have one vote. A majority of the Board shall constitute a quorum, and a vote of the majority of the members of the Board voting shall be necessary for the passage of all items. Each member of the Board may appoint an alternate in writing to attend meetings and vote in place of the member. The Board may adopt by-laws governing the operation of the Board and Academy.

The Board shall annually elect a Chairman and Vice-Chairman to serve as Officers of the Board.

During the annual meeting, the Board shall also elect a secretary. The secretary need not be a member of the Board. The secretary shall keep written minutes of the meeting and deliver copies to the members of the Board. The Board shall fix such meeting times as it deems necessary.

#### SECTION 4. EXECUTIVE COMMITTEE

The Board may create an Executive Committee, which may exercise the powers and authority of the Academy between meetings of the Board as authorized by law. The Chairman of the Academy Board of Directors shall serve as the Chairman of the Executive Committee. The remaining members of the Executive Committee shall be determined by the Board.

#### SECTION 5. PURPOSE AND POWERS

The purpose of the Academy is to furnish the highest achievable level of professional law enforcement and criminal justice-related training to the participating jurisdictions through the development and operation of initial recruit training, continuing in-service training and advanced training programs. The Academy shall have all powers set forth in Sections 15.2-1747 *et seq.*, of the Code of Virginia, as amended, and other provisions of Virginia Law.

#### SECTION 6. ADDITIONAL MEMBERS

Other governmental units may become members of the Academy upon a resolution adopted by the governing body of the governmental unit requesting membership in the Academy and approval of the request by a two-thirds vote of the Board of the Academy, subject to such conditions as the Board may prescribe.

#### SECTION 7. WITHDRAWAL AS A MEMBER

Members may withdraw from the Academy as provided by Sections 15.2-1747 *et seq.*, of the Code of Virginia as the same may be amended.

#### SECTION 8. AMENDMENT OF AGREEMENT

This Agreement may be amended upon approval by three-fourths of the governing bodies of the then Member Jurisdictions.

#### SECTION 9. AUDIT

An annual, independent financial audit made by a Certified Public Accountant of the Academy, and any special funds, shall be conducted. Copies of all audits shall be sent to each Member Jurisdiction.

#### SECTION 10. FINANCE AND BUDGET

The Board shall adopt a budget for each fiscal year, and shall submit its approved budget to each Member Jurisdiction prior to January 1 of each year. Such budget shall estimate the amount of funds needed from each Member Jurisdiction to operate the Academy during the fiscal year beginning July 1. Each Member agrees to pay, subject to appropriation, a percentage of the total cost of operating the Academy for the next fiscal year (minus any grants or income from the training of non-members or other source), which percentage shall be determined by comparing the number of criminal justice officers (subject to mandatory training) employed by each Member Jurisdiction. Member Jurisdictions agree to make such payment to the Academy by such date established by the Board.

#### SECTION 11. EFFECTIVE DATE AND DURATION

This Agreement shall be effective from date of its approval by all of the governing bodies of the Member Jurisdictions. The Academy shall continue in effect in perpetuity unless dissolved by unanimous action of the governing bodies of the Member Jurisdictions. In the event this Agreement is terminated, payment and/or credit for

the furnishing and use of real property owned by a Member Jurisdiction shall be adjusted ratable to the date of termination. All property shall be scheduled and valued by or at the direction of the Board and distributed in kind to the participants as nearly as is feasible in the same proportion as each participant contributed to acquiring it; however, one or more participants may purchase the interests of one or more of the other participants in the property.

SECTION 12. EXECUTION OF AGREEMENT

This Agreement may be signed in any number of counterparts, each of which is an original and all of which taken together form one single document.

WITNESS the following signatures:

TOWN OF BERRYVILLE  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Town Manager

COUNTY OF CLARKE  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
County Administrator

COUNTY OF FREDERICK  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
County Administrator

TOWN OF FRONT ROYAL  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Town Manager

LORD FAIRFAX COMMUNITY COLLEGE  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
President

TOWN OF MIDDLETOWN  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Town Manager

NORTHWESTERN REGIONAL JAIL AUTHORITY  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Chairman

RSW REGIONAL JAIL AUTHORITY  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Chairman

TOWN OF STEPHENS CITY  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Town Manager

COUNTY OF RAPPAHANNOCK  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
County Administrator

TOWN OF STRASBURG  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Town Manager

COUNTY OF WARREN  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
County Administrator

CITY OF WINCHESTER

By: \_\_\_\_\_  
City Manager

Date: \_\_\_\_\_

+ + + + + + + + + + +

16. Report of Patricia Dickinson – Chair, Streets and Utilities Committee

The minutes of the Committee meeting of February 28, 2017, were approved.

Mayor Dickinson recapped the committee meeting including the program from the Lord Fairfax Soil and Water Conversation District.

The Mayor said the committee decided to recommend hiring a consultant to study the availability fee schedule. She said funding for the study has not yet been allocated, and estimated about \$20,000 would be needed to complete the study. She said the challenge with waiting for a consultant is it jeopardizes the 120 unit senior housing proposal. She said the fees prohibit multifamily housing in Berryville.

Council member Tollett offered a proposal for the Town to set a bond for a half million dollars to get the fees to move the project forward. The Mayor said that would give the funds to move the project forward. Council member Kitselman said it would be irresponsible for the Council to set a precedent and accommodate a developer in this manner. He said the developer knew the fees when approval was sought, and now with the project approved the developer continues to come back and ask for things. Recorder Arnold said the last two times the project was approved, there was never any mention of the availability fee being a problem. Mayor Dickinson said she has seen different numbers for availability fees in documents from the previous applications and therefore is unsure of the fees on the current schedule. She said Council member Tollett’s suggestion is an opportunity to move the 120 unit project forward and not put the Town at risk.

Council member Kitselman asked if the Town would have use of the half million dollars while the bond is being held. The Council discussed the bond. Council member Kitselman said the Council cannot keep bending over for developers adding that it is not the right way to run a town. Recorder Arnold said the fees are set on the schedule, and addressing the project piecemeal is not the right approach. Mayor Dickinson said she does not like the all or nothing approach because she thinks the 120 unit project is good for the Town.

Council member Kitselman said it is the developer’s job is to identify the costs at the start of a project, not to come in at the end and say the numbers were not in the calculations. Recorder Arnold noted that the letter of support has already been sent to enable the developer to apply for tax credits, and asked whether the staff had received a copy of the application. Mr. Dalton outlined the application process which had been followed for the previously built Mary Hardesty House and previous iterations of the Robert Regan House.

The Mayor stated the options were doing nothing or following Council member Tollett’s suggestion and moving forward. Recorder Arnold said he could not decide on the bond suggestion without knowing more information. Council member McDonald asked how long it would take to complete a study of the availability fees. Mr. Dalton noted that one estimate of the time required was a few months.

Mayor Dickinson noted that when the Town's engineer, Earl Sutherland of Pennoni Associates, spoke at the work session, he said most communities use the figure of 80% for water usage rather than 90% to compute multifamily water usage as in the current availability fee schedule. She suggested that the Town change to the 80% number to be in line with the industry which she said might be enough of a reduction in fees to move the 120 unit project forward. Council member Kitselman said he was at a loss and asked why the Council is trying to accommodate a developer. He said there is no special dispensation for a developer. Council member Kitselman said the approval of the project was done over the objections of the County and that the issue should not be added to by allowing a special availability fee rate. The Mayor said since the current fee schedule was adopted, no multifamily housing projects have been built. Council member McDonald said the focus should be on the 120 unit project and not on the developer.

The Council discussed doing the study of the availability fee schedule. Council member Gibson said no decision should be made until the study is done. She said the use of the 90% rather than 80% may mean it was necessary to have a higher fee. Mr. Dalton explained the origin of the current availability fee schedule.

Recorder Arnold and Council member Kitselman expressed support for a study of the availability fee schedule. Council member Gibson said more information was needed about the bond option before she could support it.

Mr. Dalton noted that he would confer with the engineer, Mr. Sutherland, to determine a ballpark cost for the study and then try to find a spot in the budget for the next fiscal year. Council member McDonald said a study should be done to get numbers established and written down so that there is no question in the future about the source of the fees.

**Council member Tollett moved that the Council of the Town of Berryville hire a consultant to look the water and sewer availability and usage fee schedule with the cost of the study being no greater than \$20,000. Council member McDonald seconded the motion.** Council member Gibson said in light of the study, the discussion of administrative goals should come sooner rather than later. There was discussion of using an RFP process versus using one of the engineers under contract with the Town. Council member Kitselman said that limiting the cost to \$20,000 will effectively add a kill switch in the event that all the proposals are over \$20,000. The Mayor said she preferred to issue an RFP. Recorder Arnold said the Town has already gone through an RFP process for engineering services and by repeating the process, the time to complete the study is extended. Council member McDonald asked how much time is left before the 120 unit project dies. The Mayor said she did not know. **The motion carried as follows:**

|                |  |
|----------------|--|
| <b>Aye:</b>    | <b>McDonald, Kitselman, Gibson, Tollett, Arnold, Dickinson</b> |
| <b>Nay:</b>    | <b>None</b>  |
| <b>Absent:</b> | <b>None</b>  |

17. Report of Harry Lee Arnold, Jr. – Chair, Personnel Committee  
Recorder Arnold had nothing to report.

18. Other

The Council discussed the proposed policy concerning legal advice and opinions. Council member Kitselman noted a revised policy ensuring that no one member of Council can incur legal costs, and moved that the Council adopt the policy. Recorder Arnold seconded the motion. The Council discussed

the change from 'Personnel Committee chairman' to 'Recorder.' The Mayor asked if the policy were necessary. Council member Gibson said she thinks the policy is necessary and she supports it. After discussion of the specific wording, the Council decided to revisit the policy at the next meeting. Council member Kitselman withdrew the motion.

Regarding the agenda item addressing committee assignments, Council member Kitselman said that committee assignments should be done by the Council. Recorder Arnold offered a revision to the proposed change to Section 2-19 of the Town Code. He suggested that the existing committee assignments remain in effect until July 1. Council member Kitselman moved that the revised proposal be adopted. Council member McDonald seconded the motion.

Council member Tollett said the proposed code change is divisive and serves no purpose. He said he would not support he motion.

Council member Kitselman said that no Mayor has come onto the Council and used appointments as a political tool. He said he found a need for a check and balance. He said the divisiveness has come from the Mayor's appointments. Mayor Dickinson said she has asked Council member Kitselman and Recorder Arnold to serve on committees and has been turned down. She said she is not trying to be divisive. She said that other than Mr. Arnold's request to be on the Budget and Finance Committee, everyone's requests have been granted. Council member Kitselman said that the Budget and Finance Committee appointment is exactly what his motion is about. He said the Town is missing Mr. Arnold's institutional knowledge on the Budget and Finance Committee. He added the idea that the Recorder has some sort of conflict of interest comes from the Mayor's assertions during the election campaign. Council member Kitselman reminded the Council that they had discussed the matter and had agreed that Recorder Arnold would be a valuable addition to the Budget and Finance Committee. He said that if Council says that it wants Mr. Arnold on the Committee, then Council should have the power to make that happen.

Recorder Arnold noted the challenges in filling committee spots and listed three instances of other Council members choosing not to serve on various committees. Council member Gibson said she is sympathetic to the idea, she is not sure the proposed change is the solution. She said she understands the concept of independence, but that all Council members vote on the budget. Council member Kitselman said his original version called for the Mayor to make the appointments with the Council able to override those appointments. He reminded the Council again that the majority of the Council had suggested that Recorder Arnold be put on the Budget and Finance Committee and it did not happen. He concluded by saying that all the Council members are equal with no one member being more powerful. Recorder Arnold said he was comfortable with the original version of the code change. Council member Kitselman withdrew his motion. The Council asked Mr. Dalton to redraft the code change with suggested changes for review at the April meeting.

19. Adjourn

**There being no other business, upon motion of Council member Kitselman, seconded by Council member Gibson, the meeting was adjourned at 10:10 p.m.**

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Harry Lee Arnold, Jr., Recorder

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Ann W. Phillips, Town Clerk

**BERRYVILLE TOWN COUNCIL**  
**Budget & Finance Committee**  
**Regular Meeting**  
**Tuesday, March 28, 2017**  
**Berryville-Clarke County Government Center**  
**10:30 a.m.**

**MINUTES**

**Roll:**

**Town Council:**

Present: Erecka Gibson, Chair; Patricia Dickinson

**Staff:** Keith Dalton, Town Manager; Ann Phillips, Town Clerk

**Others:** Betsy Hedrick and Melissa Brohan of PB Mares; Harry Lee Arnold, Jr.

**Press:** Cathy Kuehner

1. **Call to Order**

Chair Gibson called the continued meeting to order at 10:30a.m.

2. **Approval of Agenda**

The agenda was approved as presented.

3. **Discussion – Audit Services**

Ms. Gibson noted the attendance of Ms. Hedrick and Ms. Brohan for an entrance conference in reference to the upcoming audit for mapping of internal controls. She said the discussion would include the objectives, scope, timing, and point of contacts for the audit. Ms. Gibson noted the objectives of safeguarding the Town's assets and obtaining a product that staff can use and update. She also noted the two areas of focus would be cash disbursements and procurement.

Ms. Hedrick provided a sample (attached) of the reporting that will be delivered at the end of the audit. Ms. Brohan discussed the map and the narrative that will be delivered. Ms. Gibson requested that the reporting include the existing policies and procedures including the last amended date. Ms. Gibson also requested that a list of related reports, such as the Treasurer's report, be included.

The Committee and staff discussed FOIA requirements concerning the audit. Mr. Dalton said that legal counsel has advised that the audit information is not privileged and could be subject to the FOIA. He noted that the question answered by Mr. Mitchell was quite general in nature and that any release would be reviewed in order to protect privileged information. The Committee decided that the Treasurer will be the main contact, with the Town Manager and Town Clerk copied on all correspondence from the auditors.

It was agreed that a draft of the audit report will be delivered by the end of April, with a finalized report being issued by mid-May. The Committee set an exit conference with PB Mares staff on May 8, 2017, at 10:30 am, to review the draft audit report. It was agreed that PB Mares staff will attend the June 13 Town Council Meeting to present the final report.

4. **Adjourn**

There being no further business, the meeting was adjourned at 11:15 am.

**TOWN OF BERRYVILLE, VIRGINIA**

**INTERNAL AUDIT OF CASH DISBURSEMENTS  
AND PROCUREMENT**

**MAY \_\_, 2017**

# TOWN OF BERRYVILLE, VIRGINIA

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May \_\_, 2017

To the Honorable Members of Town Council  
Town of Berryville  
101 Chalmers Court  
Berryville, Virginia 22611

Pursuant to our Internal Audit Services Agreement RFP #FIN-2017-001, we hereby present the internal audit of the Town of Berryville's (Town) cash disbursements and procurement processes. Our report is summarized into the following sections:

- ❖ Overview
- ❖ Objectives and Approach
- ❖ Procurement Process Narrative and Mapping
- ❖ Cash Disbursements Process Narrative and Mapping
- ❖ Issues and Recommendations

We appreciate the courtesies and cooperation extended to us from all of those involved in assisting us in connection with our internal audit.

Respectfully submitted,

PBMares, LLP

Harrisonburg, Virginia

## TOWN OF BERRYVILLE, VIRGINIA

### OVERVIEW

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The Town of Berryville, Virginia (Town) contracted with PBMares, LLP to review and assess the Town's cash disbursement and procurement processes, provide process and control documentation and mapping, define any significant risks and assess how they are managed, assess the controls in place and identify any significant failings or weaknesses, consider whether the findings indicate a need for more extensive monitoring of the system of internal controls and provide examples of best practices to remediate the deficiencies. The internal audit included, but was not limited to, the following procedures: reviewing and analyzing existing policies and procedures, interviewing key personnel, documentation and mapping of processes and detailed transaction testing of cash disbursements and procurements for the period from \_\_\_\_\_, 2016 through \_\_\_\_\_, 2017. Our approach focused on determining whether proper controls exist and whether existing controls are appropriate for mitigating certain financial and operational inherent risks.

Overall, the Town's internal controls were found to be \_\_\_\_\_ designed and \_\_\_\_\_ operating \_\_\_\_\_. While internal control weaknesses were found, the testing did not identify any instances of fraud or abuse of Town funds. The internal audit team identified the following areas where internal controls need improvement:

- 1.
- 2.

The recommendations provided focus principally on the need for the revision of policies and procedures that more accurately reflect current practices in place and increase desired levels of controls and oversight.

The internal audit team discussed observations and recommendation with the Town's \_\_\_\_\_ in meetings conducted on April \_\_, 2017 and May \_\_, 2017.

# TOWN OF BERRYVILLE, VIRGINIA

## OBJECTIVES AND APPROACH

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### I. Objectives and Scope

The objective of our internal audit focused on reviewing the control environment related to the cash disbursements and procurement processes. This internal audit covered the following areas:

### II. Approach

Our audit approach consisted of three phases:

#### A. Understanding and Documentation of the Processes

During this phase, we conducted interviews with \_\_\_\_\_. We discussed scope and objectives of the audit work, obtained existing policies and established fieldwork dates.

#### B. Detailed Testing

The purpose of this phase was to test compliance and internal controls, based on our understanding of the applicable Virginia and Town code, policies and procedures. Our fieldwork was conducted utilizing auditing techniques to meet our audit objectives. Specific procedures performed included:

#### C. Reporting

At the conclusion of our audit, we summarized our observations related to the processes and conducted exit conferences with management. Issues and recommendations are included in this report.

**TOWN OF BERRYVILLE, VIRGINIA**

**PROCUREMENT PROCESS NARRATIVE AND MAPPING**

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**I. Sub-Processes**

- A. New Vendor Setup
- B. Procurement Credit Card Maintenance
- C. Purchasing
- D. Invoicing

**II. Key Personnel Involved in the Process**

- A. Desiree A. Moreland, Assistant Town Manager/Treasurer
- B.

**III. Related IT Systems/Applications**

**IV. Mapping and Narrative**

# TOWN OF BERRYVILLE, VIRGINIA

## CASH DISBURSEMENTS PROCESS NARRATIVE AND MAPPING

### I. Sub-Processes

A.

B.

### II. Key Personnel Involved in the Process

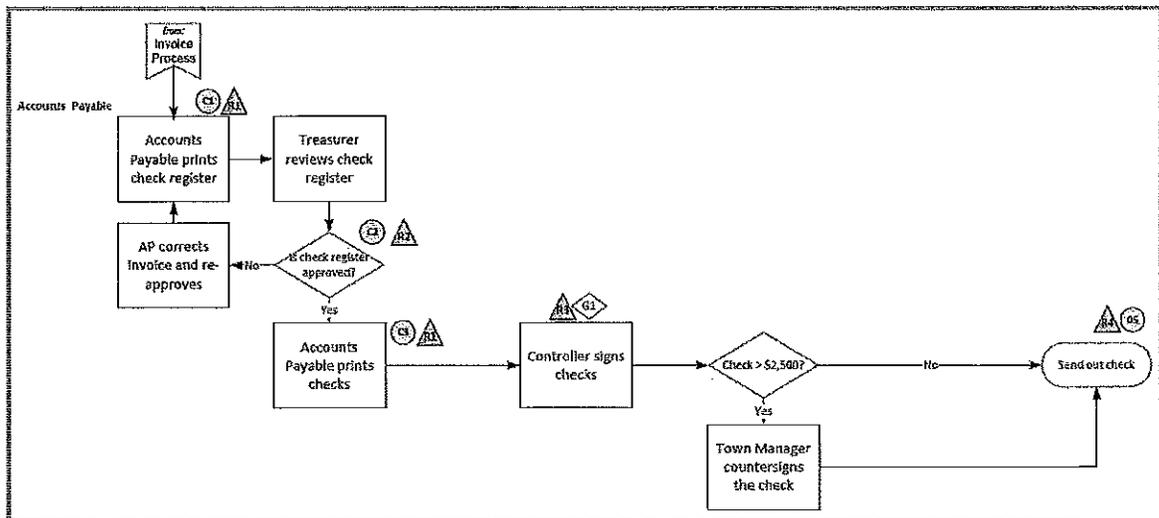
A. Desiree A. Moreland, Assistant Town Manager/Treasurer

B.

### III. Related IT Systems/Applications

### IV. Mapping and Narrative

#### *Cash Disbursement*



Accounts Payable prints the check register. The Treasurer reviews the register and signs off with their initials. If the register does not pass review, the check is voided and sent back to Accounts Payable for corrections and then the check register is reprinted. If the register passes the review, the checks are signed by the Treasurer. If the amount is greater than \$2,500, checks are countersigned by the Town Manager.

**TOWN OF BERRYVILLE, VIRGINIA**

**ISSUES AND RECOMMENDATIONS**

The following table provides a summary of the issues identified during our procedures. We have assigned a relative risk rating to each issued identified. The definitions of the risk ratings are provided below. This is the evaluation of the severity of the concern and potential impact. Items are rated as High, Moderate, or Low.

- *High Risk Items* are considered to be of immediate concern and could cause significant issues if not addressed in a timely manner.
- *Moderate Risk Items* may also cause operational issues and do not require immediate attention, but should be addressed as soon as possible.
- *Low Risk Items* could escalate into operational issues, but can be addressed through the normal course of conducting business.

| <b>Procurement Process</b> |        |                 |
|----------------------------|--------|-----------------|
| Ratings                    | Issues | Recommendations |
|                            |        |                 |

| <b>Cash Disbursements Process</b> |        |                 |
|-----------------------------------|--------|-----------------|
| Ratings                           | Issues | Recommendations |
|                                   |        |                 |

**BERRYVILLE TOWN COUNCIL**  
**Streets and Utilities Committee**  
**Tuesday, March 28, 2017**  
**Berryville-Clarke County Government Center**  
**12:00 p.m.**

**MINUTES**

**Roll:**

**Town Council:**

Present: Patricia Dickinson, Chair; David Tollett

**Staff:** Keith Dalton, Town Manager; Rick Boor, Director of Public Works; Dave Tyrell, Director of Public Utilities; Ann Phillips, Town Clerk

**Press:** Cathy Kuehner, Winchester Star

1. **Call to Order**

Chair Dickinson called the meeting to order at 12:00 p.m.

2. **Discussion – Emergency Snow Route Designation**

Mr. Dalton outlined the Emergency Snow Route designation that was passed in 2015. He noted that staff recommends changing the designation for Hermitage Blvd. from the entire length to Hermitage Blvd. from South Buckmarsh to Main Street (eliminating the portion of Hermitage Blvd. from South Buckmarsh to Church Street).

The Committee and staff discussed the snow removal process and Snow Emergency Routes. Mr. Dalton proposed that one side of Ritter Place be designated as a Snow Emergency Route to assist with the difficult snow removal conditions on the street. Mr. Tollett questioned the definition of Snow Emergency Route and cautioned about the overuse of signs causing them to lose their effectiveness. It was agreed that Mr. Dalton will review the definition, and that if it is appropriate for Ritter Place, the residents will be invited to comment on the proposed designation for their street. Mr. Dalton said that the Battletown Homeowners Association could be helpful in notifying residents to invite comment about the proposed designation.

3. **Discussion - East Main Street**

Mr. Dalton provided an overview of the funding options listed by VDOT representatives at the recent Town Council meeting (Smart Scale, Revenue Sharing, and TAP funds).

Mr. Dalton reviewed two possible projects for East Main Street: from Jack Enders Blvd. west to the railroad tracks, and from Jack Enders Blvd. eastward to the Town line.

Chair Dickinson said that improving this area needs to be a priority and said that studying the area is a start. Mr. Dalton said the process could begin in-house, noting that the necessary engineer's study will need to be funded.

Mr. Dalton said this may be a good opportunity to talk with Clarke County to address the walking path from Jack Enders Blvd. to Josephine Street to aid connectivity with the Berryville Glen development.

The Committee and staff discussed specific improvements that could be made on East Main Street. Mr. Dalton noted that when the issue was discussed at a public hearing in 1998, there were many negative comments from business owners on the street.

Chair Dickinson noted that having a park and ride area on the street would help the Town obtain funding. She said the project needs to be on the Town's priority list so that VDOT knows it should be on their priority list.

4. Discussion - FY 17 Street Work Priorities

Mr. Dalton reviewed the updated list of priorities for FY 17 which he had sent to the Council via email.

5. Other

The Committee discussed an appeal from James Garland for a water/sewer adjustment and decided to recommend to the Council that no adjustment be made.

6. Adjourn

There being no further business, the committee adjourned at 1:53 p.m.