

Budget and Finance Committee
MEETING AGENDA
Berryville-Clarke County Government Center
101 Chalmers Court, Second Floor
A/B Meeting Room
Regular Meeting
October 24, 2019
10:30 a.m.

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Call to Order

Approval of Agenda

Unfinished Business

Budget Software:
Presentation by Southern Software.

No attachment.

**Budget and Finance Committee Item Report Summary
October 24, 2019**

Item Title

On-line payments

Prepared By

Keith Dalton, Town Manager

Background/History/General Information

In late summer of 2018 the Budget and Finance Committee began discussing options for providing the opportunity for customers to make on-line payments to the Town.

The Committee discussed the matter on several occasions and directed staff to provide additional information for review. The Assistant Town Manager for Administration / Treasurer and the Finance Clerk were tasked with providing a report to the committee in this regard.

At its September 26 meeting the Committee reviewed the additional information provided by staff. The Committee agreed to forward that matter to the Town Council for consideration.

The Town Council reviewed the matter at its October meeting. Because legal review of the contract had not been completed and a question regarding fees remained unanswered, action on the matter was delayed.

Findings / Current Activity

Town staff has reviewed the fee question and will be able to address that matter with the Committee.

Legal review has not been completed. The review will be completed prior to the November Council meeting.

Financial Considerations

The proposed on-line payment option would come at minimal cost to the Town. With that said, it is important to note that the cost of the service would be paid by the customers that benefit.

Schedule/Deadlines

Staff is working to provide Council with the information that it needs to approve this contract at its November meeting.

Staff plans to finalize this matter and offer an on-line payment option for water and sewer bills by mid-2020.

Other Considerations

None identified

Attachments

- Draft Service Agreement

Recommendation

Forward this matter to the Town Council for final review.

Sample Motion

I move that the Budget and Finance Committee forward the matter of entering into a Service Agreement with Payment Service Network, Inc. to the Council for consideration.

PAYMENT SERVICE NETWORK, INC. SERVICE AGREEMENT

THIS AGREEMENT FOR SERVICE ("Agreement") is made as of 9-26-2019 (the "Effective Date") between Town of Berryville, VA ("Account Holder") and Payment Service Network, Inc. ("PSN").

RECITALS

Account Holder wishes to register its business with PSN so that Account Holder's customers ("Customers") can make payments to Account Holder through the PSN Web site, www.PaymentServiceNetwork.com (the "Site") and/or via such other payment methods as are specified on Schedules A and B attached hereto or otherwise authorized in writing from time to time.

Account Holder and PSN desire to formalize their agreement as set forth below.

NOW THEREFORE, in consideration of the Account Holder's registration for the Services, the foregoing recitals, the mutual promises herein contained and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Account Holder and PSN, intending to be legally bound, hereby agree as follows:

1. Account Holder hereby appoints PSN as its agent solely for purposes of receiving and processing payments from Customers on Account Holder's behalf, and hereby authorizes PSN to collect payments from Customers to the extent such Customers have agreed to the terms and conditions of the Site. PSN shall collect the "Fees" (as shown on Schedule B) in the manner, amounts and pursuant to the terms set forth on Schedule B. Schedule B specifies those Fees payable by the Customer and those Fees payable by the Account Holder. As Account Holder's agent for receipt and processing of payments from Customers, Account Holder acknowledges and agrees that, as between Account Holder and its Customers only, PSN's receipt of payments from Customers shall constitute receipt by Account Holder.
2. The Services to be provided by PSN (the "Services") are as follows:
 - a. PSN agrees to accept payments from the Customers by checking/savings account or credit/debit card through the Site, or otherwise (phone in or fax in). Customers who utilize PSN's payment network will also be required to register on the Site and will be bound by the terms and conditions set forth on the Site.
 - b. Account Holder is given real-time access to all account information via PSN's administrative logon. Such access will be provided to all Account Holder representatives designated in writing by Account Holder. The account information available will include transaction totals, specification by account, and specification by transaction/account type (e.g. utilities, taxes). PSN and Account Holder will jointly work to develop compatibility of the reporting and accounting information with the Account Holder's management and account software. Said access to all account information will be provided by PSN to Account Holder under the following conditions.
 1. Said compatibility does not adversely affect, alter or change PSN's established service;
 2. Said compatibility is a joint effort between PSN and Account Holder with the Account Holder providing all the needed information to PSN regarding current and/or future management and accounting software.
 - c. PSN will provide, for each Customer who sets up a profile within the PSN system, real-time access to such Customer's account information (but not the information of any other Customer) through the Site. If applicable, PSN will inform each Customer of the charge and amount of any subscription and/or fees or charges for the Services that will be charged to the Customer for the Services. PSN agrees to indemnify and hold harmless Account Holder from all claims and liabilities arising out of a dispute based on non-disclosure of PSN Fees to Customers.

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- d. PSN will provide Account Holder with Check 21 services as described in, and on the terms and conditions set forth in, the Check 21 Addendum if Account Holder provides PSN with a written request for such services. Account Holder agrees to be bound by the terms of such Addendum if it elects to receive such services.
 - e. PSN will provide Account Holder with V Post services as described in, and on the terms and conditions set forth in, the V Post Addendum if Account Holder provides PSN with a written request for such services. Account Holder agrees to be bound by the terms of such Addendum if it elects to receive such services.
 - f. PSN will provide Cash Distribution services as described in, and on the terms and conditions set forth in, the Cash Distribution Addendum if Account Holder provides PSN with a written request for such services. Account Holder agrees to be bound by the terms of such Addendum if it elects to receive such services.
 - g. PSN will provide a non-exclusive license to use a Customized Mobile App as described in, and on the terms and conditions set forth in, the Mobile Application Addendum if Account Holder provides PSN with a written request for such services. Account Holder agrees to be bound by the terms of such Addendum if it elects to receive such services.
 - h. PSN will maintain a Payment Card Industry ("PCI") Level 1 security certification (or other succeeding security standard required of PSN by PCI) to ensure security of Customer and Account Holder data.
3. PSN reserves the right to modify the Services and Fees and service charges chargeable to Account Holder or its Customers in its sole discretion from time to time. PSN will notify Account Holder of material modifications to the Services or Fees and service charges by electronic means to a designated representative of Account Holder or by written notice at least thirty (30) days prior to the effective date of any such modifications. Account Holder also consents to receiving from PSN any Federal tax statements or other notices required by Federal, State or Local law in an electronic format.
 4. Account Holder agrees to cooperate with PSN in resolving any disputes between Account Holder and Customers in a timely manner, reaffirming that PSN is only a payment intermediary and does not own the property or business or represent the Account Holder or Customer in such disputes. Disputed transactions and chargeback's will be handled in the following manner:
 - a. Credit Card Transactions:
 1. PSN will notify Account Holder via electronic mail of any disputed credit card payments or chargebacks from Account Holder's Customers. Account Holder agrees to follow its standard operating procedures to resolve such disputed or charge-backed credit card payments and work with PSN, the credit card company, or its agents to investigate any such cases and assist in resolving any such claims.
 2. Account Holder will be charged a fee of Fifteen Dollars (\$15.00) for each chargeback that is ultimately allowed, at which time, Account Holder gives PSN the authorization to automatically debit Account Holder's account for the total of the original transaction plus the Fifteen Dollars (\$15.00) chargeback fee for the purpose of charging it back to the Customer.
 - b. ACH - Checking and Savings Account Transactions, Bank Bill Pay and Check 21 Transactions:
 1. Problem transactions: NSF, Invalid Account, Receiver's Account Closed, No Account, Stopped Payment, Account Frozen, Customer Does Not Authorize Payment, RDFI Not ACH Member and/or any other Return Reason Codes as labeled in NACHA Processing Guidelines will be resolved in the following manner:
 - a. PSN will notify Account Holder and Customer of said problem;

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- b. PSN will stop payment if funds have not already been deposited or, if directed by Customer, process another transaction for Customer.
 - c. In the event that PSN, within one (1) business day, cannot collect the appropriate information from Customer in order to complete the reprocessing of the Customer's transaction and funds from said transaction have been deposited into Account Holder's account, PSN will debit Account Holder's account for a total sum of the original deposit for said transaction.
5. The initial term of this Agreement shall be for a period of one (1) year commencing on the date that the first payment transaction is processed by PSN for any Customers under this Agreement (the "Initial Term"), and shall automatically extend for additional periods of one (1) year (each, an "Extension Term") unless one of the parties provides the other party with written notice of termination of this Agreement at least sixty (60) days prior to the end of the Initial Term or any Extension Term. Notwithstanding the foregoing, Account Holder may terminate this Agreement upon ninety (90) days' prior written notice and payment of Five Hundred Fifty Dollars (\$550.00) to PSN as an early termination fee, *provided however*, that no early termination fee shall be due or payable by Account Holder if it terminates this Agreement under this Section within thirty (30) days of the date on which PSN delivers notice of material modifications to the Services, Fees or service charges under Section 3 of this Agreement other than increases of fees and service charges that are attributable to direct pass through increases from PSN's merchant bank. PSN will process all payments received prior to the date of termination and forward them to Account Holder's account. No Payments will be accepted from Customers after the date of termination. All obligations of Account Holder arising from transactions prior to termination shall survive termination of this Agreement. PSN will notify all Customers registered on the Site as to the termination of this Agreement and inform such Customers that future payments are to be made directly to Account Holder. Notwithstanding any termination of this Agreement, for a period of one hundred eighty (180) days after such termination, Account Holder acknowledges and agrees that PSN shall have the right to automatically withdraw any amounts from Account Holder's depository account that PSN would otherwise have the right to withdraw during the term of this Agreement, including without limitation, credit card chargebacks, the reversal of any Customer payments deposited by PSN into Account Holder's account for which there are insufficient funds, and other disputed charges and problem transactions specified in paragraph 4 of this Agreement.
 6. This Agreement may not be assigned by Account Holder without PSN's prior written consent. If PSN gives consent to assignment of this Agreement by Account Holder as set forth above, PSN reserves the right to charge the assignee the Setup Fees shown in Schedule B. PSN may assign this Agreement.
 7. This Agreement and the Services to be provided by PSN hereunder in no way alters or modifies the obligations contained in the agreements, if any, between Account Holder and Customers.
 8. Account Holder represents, warrants and covenants to PSN that PSN is authorized to collect payments from the Customers for which Account Holder provides PSN the required information. Account Holder further represents, warrants and covenants to PSN: (a) Account Holder has the authority to enter into this Agreement and perform its obligations set forth therein; (b) Account Holder will provide all reasonable assistance to PSN and its subcontractors in providing the Services set forth herein; (c) Account Holder and its authorized users will only use the Services for lawful purposes and in compliance with the rules and regulations of the applicable payment processors (including, without limitation, MasterCard, Visa, Discover and American Express), credit card issuers, and depository account institutions (collectively, the "Rules and Regulations"), and in accordance with PSN's account documentation, policies, specifications, and operating procedures, and will not violate any law of any country or the intellectual property rights of any party; (d) Account Holder shall timely provide all required disclosures to its Customers and obtain any required authorizations pursuant to the Rules and Regulations; (e) Account Holder shall maintain or destroy, as applicable, checks, receipts, and/or payer authorizations in accordance with applicable law and/or retention periods; and (f) Account Holder and its authorized users will

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not (i) sell, lease, distribute, license or sublicense PSN's Site, technology or Services, (ii) engage in spamming, mail-bombing, spoofing or any other fraudulent, illegal or unauthorized use of the Services; (iii) introduce or transmit through the Site, technology or Services, without limitation, via any portion of the Account Holder's computer system that interfaces with the Site, technology or Services, or otherwise, any virus, worm, software lock, drop dead device, trojan-horse routine, trap door, back door, timer, time bomb, clock, counter or other limiting routine, instruction or design or any other codes or instructions that may be used to access, modify, delete, damage, disable or prevent the use of the Site, technology, or services or other computer systems of PSN or its subcontractors; and (iv) should Account Holder receive notice of any claim regarding the Site or Services, Account Holder shall promptly provide PSN with a written notice of such claim.

9. a. Account Holder agrees to defend, indemnify, and hold PSN harmless from and against any third-party claims and/or Customer claims, including any damages, costs, expenses and attorneys' fees to the extent arising, in whole or in part, out of (a) any inaccuracy in or breach of Account Holder's representations and warranties contained in this Agreement; (b) Account Holder's breach of any covenant or obligation contained in this Agreement; (c) any claims or disputes arising under any agreement between Account Holder and a Customer (or any third party) or otherwise relating to the relationship between Account Holder and a Customer (or any third party) including, without limitation, any dispute over the amount owed by a Customer to Account Holder (other than claims relating to PSN fees); and (d) any claims or disputes caused in whole or in part by the information or directions provided to PSN by Account Holder or its agents.

b. PSN agrees to defend, indemnify, and hold Account Holder harmless from and against any third-party claims and/or Customer claims, including any damages, costs, expenses and attorney's fees to the extent arising, in whole or in part, out of (a) any inaccuracy in or breach of PSN's representations and warranties contained in this Agreement; (b) PSN's breach of any covenant or obligation contained in this Agreement; and (c) any claims or disputes arising under any agreement between PSN and a Customer (or any third party) or otherwise relating to the relationship between PSN and a Customer (or any third party). PSN's obligations under this paragraph do not apply to any of the foregoing causes to the extent resulting from acts or omissions of Account Holder.

10. PSN and Account Holder are independent contractors and this Agreement does not establish any relationship of partnership, joint venture, employment, franchise or agency between PSN and Account Holder. Neither PSN nor Account Holder will have the power to bind the other or incur obligations on the other's behalf without the other's prior written consent, except as otherwise expressly provided herein. Notwithstanding the foregoing, Account Holder acknowledges that PSN shall be Account Holder's agent solely for purposes of receiving and processing payments from Account Holder's Customers as provided in this Agreement.

11. PSN represents that it owns and will retain during the term of this Agreement all proprietary rights in and to all development tools, routines, subroutines, applications, software and other materials that PSN may use in connection with implementation and operation of the Site, and has the right to license and otherwise permit Account Holder's and Customers' usage of such Site and other materials in accordance with the terms of the Agreement. This Agreement does not transfer to Account Holder any ownership or proprietary rights in PSN's Site, technology or any work or any part thereof, and all right, title and interest in and to PSN's Site and technology will remain solely with PSN. PSN agrees to indemnify and hold Account Holder harmless from any liabilities or charges, including attorney's fees, arising out of any claim that PSN or Account Holder has infringed the proprietary rights of others in performing the Services under this Agreement or in operating the Site.

- a. PSN shall notify Account Holder if PSN changes or adds any functionality of the Services as implemented on the Site. Under no circumstance shall PSN offer Customers of Account Holder any community features (such as mail, chat, message boards, or the ability to create home pages) from the Site. PSN shall not, in conjunction with the Site or the Services, use any interstitials Web pages, pop-up windows, other intermediate steps or any other content which acts as a barrier to the transition of a Customer from Account Holder's Web site to the Site.

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- b. PSN shall be responsible for providing all customer support regarding the Services or the Site and Account Holder may redirect to PSN any associated customer support inquiries.
 - c. PSN's privacy policy shall make any disclosures, or obtain any Customer consent necessary, to make the disclosures about Customers back to Account Holder required by this Agreement.
 - d. Account Holder hereby grants to PSN a non-exclusive, worldwide, revocable right to use Account Holder's domain names, trademarks and logos reasonably necessary for PSN to perform under this Agreement (collectively, the "Marks"). Account Holder may terminate the foregoing right to use the Marks if, in Account Holder's sole discretion, PSN's use of the Marks is not related to PSN's performance under this Agreement or PSN's use of the Marks tarnishes, blurs, diminishes, or dilutes the quality associated with the Marks or the associated goodwill and such inappropriate use is not cured within thirty (30) days of notice of such inappropriate use. Title to and ownership of the Marks shall remain with Account Holder, and PSN shall have no ownership interest in the Marks. PSN shall not take any action inconsistent with Account Holder's ownership of the Marks, and any benefits accruing from the use of such Marks shall automatically vest in Account Holder.
12. PSN WARRANTS THAT IT WILL PERFORM THE SERVICES IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT. EXCEPT AS SET FORTH IN THE PREVIOUS SENTENCE AND PARAGRAPH 11 ABOVE, PSN AND ITS SUBCONTRACTORS MAKE NO REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY REGARDING OR RELATING TO ANY OF THE SITE, TECHNOLOGY OR SERVICES AND/OR ACCESS TO OR USE OF THE SITE SERVICES OR TECHNOLOGY PROVIDED TO ACCOUNT HOLDER AND/OR ITS CUSTOMERS HEREUNDER. PSN AND ITS SUBCONTRACTORS SPECIFICALLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. PSN AND ITS SUBCONTRACTORS ALSO DO NOT GUARANTEE THAT ACCOUNT HOLDER'S AND/OR ITS CUSTOMERS' ACCESS TO THE SITE OR SERVICES PROVIDED UNDER THIS AGREEMENT WILL BE UNINTERRUPTED, ERROR FREE OR SECURE. PSN AND ITS SUBCONTRACTORS DO NOT GUARANTEE THE ACCURACY OF, AND SPECIFICALLY DISCLAIM LIABILITY FOR, INFORMATION OR DATA THAT IS SUPPLIED OR KEY-ENTERED BY ACCOUNT HOLDER, ACCOUNT HOLDER'S CUSTOMERS OR ACCOUNT HOLDER'S EMPLOYEES OR AGENTS. PSN AND ITS SUBCONTRACTORS DO NOT WARRANT THE ACCURACY, RELIABILITY, COMPLETENESS OR TIMELINESS OF THE CONTENT OF INTERNET WEB SITES OR OTHER DATA RECEIVED BY ACCOUNT HOLDER OR ACCOUNT HOLDER'S CUSTOMERS VIA THE INTERNET.

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IN NO EVENT WILL PSN'S LIABILITY TO ACCOUNT HOLDER, CUSTOMERS, OR ANY THIRD PARTY FOR ANY DAMAGES OF ANY KIND, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED AN AMOUNT EQUAL TO THE FEES PAID BY ACCOUNT HOLDER AND ITS CUSTOMERS TO PSN FOR THE SERVICES DURING THE SIX (6) MONTHS PRECEDING THE DATE ON WHICH THE CLAIM FIRST ACCRUED (THE "LIABILITY CAP"). PSN SHALL NOT BE LIABLE TO ACCOUNT HOLDER, CUSTOMERS OR ANY OTHER PERSON FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL (INCLUDING LOSS OF BUSINESS PROFITS) OR PUNITIVE DAMAGES FOR ANY MATTER ARISING OUT OF OR RELATING TO THE SITE, THE SERVICES, THIS AGREEMENT OR ITS SUBJECT MATTER, EVEN IF PSN HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING.

13. PSN agrees that all information of Account Holder and Customers, including without limitation, Customers' names, addresses and account numbers, shall be treated as confidential by PSN, shall not be disclosed to any third party (other than to credit card issuers or PSN's processing bank in the performance of this Agreement) except as required by law.

PSN agrees not to exploit or use such information except as expressly permitted by this Agreement, and shall not sell, purchase, provide or exchange credit card account number

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information without the written consent of the Customer. PSN will destroy any cardholder information that is no longer necessary in a manner that will render the data unreadable.

14. PSN agrees to procure and maintain the following insurance policies and bond in no less than the following minimum amounts (or such other minimum amounts, if higher, as required by law), with such reasonable deductibles as PSN shall determine:

Errors and Omissions Professional Liability Coverage

\$2,000,000 Each Claim; \$2,000,000 Aggregate; \$100,000 Deductible

Commercial Umbrella Liability Coverage

\$2,000,000 Each Occurrence; \$2,000,000 Aggregate; \$10,000 Retained Limit

Commercial Crime Coverage

\$250,000 Form A - Blanket Employee Dishonesty; \$250,000 Form B - Forgery or Alteration; \$10,000 Form C - Money and Securities; \$250,000 Business Service Bond; \$2,500 Deductible

Commercial General Liability Coverage

\$2,000,000 General Aggregate; \$1,000,000 Each Occurrence; \$100,000 Fire Damage; \$5,000 Medical Expense

Workers Compensation and Employers Liability Coverage

\$100,000 Accident; \$500,000 Policy Limit; \$100,000 Each Employee.

15. Account Holder understands that PSN is party to a Merchant Services Agreement pursuant to which PSN is being provided with certain payment processing services by a member (a "Provider") of MasterCard, Visa, Discover and/or similar entities (collectively, "Associations"), and that Account Holder is a sub-merchant under said Merchant Services Agreement. As a conditional precedent to PSN's obligations under this Agreement, Account Holder shall enter into a Sub-Merchant Agreement with the Provider (on Provider's current form) to satisfy the Associations' requirement that the Account Holder have a direct contractual relationship with a member of the Associations.
16. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin, without application of its conflicts of law principles. For the purpose of any dispute arising under, or related in any way to, the subject matter of this Agreement, the parties agree that such dispute shall be heard exclusively by the federal or state courts situated in Dane County, Wisconsin. The parties hereby submit to the exclusive jurisdiction of the federal and state courts situated in Dane County, Wisconsin, and agree not to raise any objection to or defense based upon the venue of said courts.
EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A RIGHT OF TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARISING UNDER OR RELATED IN ANY WAY TO THE SUBJECT MATTER OF THIS AGREEMENT.
17. Account Holder will certify to PSN the identity of any person Account Holder has authorized to act as its agent with respect to the Services. Any such person is authorized to, without limitation, take any action on behalf of Account Holder as it relates to any Services. PSN shall be able to conclusively presume that such agency continues until PSN receives written notice to the contrary. PSN may rely on instructions received from such persons and need not make any inquiries to confirm that the instructions are within the scope of the agency.
18. The undersigned warrants and represents that he/she has all requisite authority to execute this Agreement on behalf of Account Holder, and that he/she is authorized to bind Account Holder to the terms of this Agreement.
19. This Agreement may be executed in counterparts. Each such counterpart shall be considered an original, and all of such counterparts shall constitute a single agreement binding the parties as if they had signed a single document. Faxed, photocopied and scanned signatures shall be acceptable to and legally binding on the parties to this Agreement. No party to this Agreement shall raise the use of a facsimile machine, email transmissions, or other electronic transmission to deliver a signature or the fact that any signature or this Agreement were transmitted or communicated through the use of facsimile

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machine, by email, or other electronic transmission as a defense to the formation of a contract and each such party forever waives any such defense.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ACCOUNT HOLDER

Company: _____
Signature: _____
Print Name: _____
Title: _____

PAYMENT SERVICE NETWORK, Inc.

By: _____
Name: _____
Title: _____

Payment Service Network, Inc.
2901 International Lane, Suite 101
Madison, WI 53704
608-442-5088 Direct; 877-390-7368 Toll Free; 608-442-5116 Fax

PAYMENT SERVICE NETWORK, INC. SERVICE AGREEMENT

SCHEDULE "A" [Complete Sections I, II and III]

I. CORPORATE OFFICE INFORMATION

Contact Name:	Heather Halterman	Business Legal Name:	Town of Berryville, VA
Address:	101 Chalmers Court, Suite A	City, State, ZIP:	Berryville, VA 22611
Telephone:	540-955-1099	Fax:	
Email:	financedclerk@berryvilleva.gov	Website:	www.berryvilleva.org

II. LIST OF ADDITIONAL PROPERTIES, ACCOUNTS OR SERVICES: (Please use a separate sheet if needed or an Excel spreadsheet if possible.)

Total Number Potential Payers	Service Description or Property Name	Address (If different from Corporate above) (Include: Street Address, City, State, ZIP)	Tax ID REQUIRED	Last 4 Digits of Checking Account	Contact Person (for this account, if different from above)	Email (for this account, if different from above)	Phone Number (for this account, if different from above)
2,000	Utility Payments						

III. DEPOSITING AND INVOICING INSTRUCTIONS AND REQUEST FOR VOIDED CHECK(S):

- Check the box as to how you want PSN to debit its fees from your bank account(s).
 PSN should invoice and take its fees from the same bank account(s) to which it is depositing funds
 X PSN should invoice and take its fees from a different bank account than the one to which it is depositing funds.
 Last 4 digits of bank account from which PSN takes fees: _____ (please provide voided check, no deposit slips allowed)
- Attach to this Agreement, an actual voided check(s) for the bank account that PSN will deposit funds into and, if applicable, a voided check of the account from which PSN will debit its fees. It must be a printed voided check and not a starter check, a deposit slip or other substitute. If it is not possible to attach a voided check(s), then you can attach a letter from your bank(s) on bank letterhead that is legally signed by a bank representative, verifying your checking/savings account number and the bank's routing number. NOTE: If using more than one bank account, mark each voided check to clearly identify which account it represents.
- In order to debit fees from your account(s), you may have to inform your bank(s) that Payment Service Network (PSN) is an approved vendor. Once you have signed and returned this Agreement, PSN will provide you with its official NACHA vendor number to provide to your bank(s).

Note: Bank interchange rates are subject to change; therefore, this quote is valid for 15 days from date of issue. 8
 Payment Service Network, Inc. | 2901 International Lane, Madison WI 53704 | www.PaymentServiceNetwork.com

PAYMENT SERVICE NETWORK, INC. SERVICE AGREEMENT

SCHEDULE "B" Fee Schedule for Town of Berryville, VA

The items marked with an "X" are applicable to this Agreement.

SETUP/EQUIPMENT FEES						
<input checked="" type="checkbox"/>	One-time Setup		\$199	Paid by Account Holder		
<input checked="" type="checkbox"/>	Web Customization with Town Logo	Custom	\$50	Paid by Account Holder		
<input checked="" type="checkbox"/>	Mobile App	Standard	\$	NA		
<input checked="" type="checkbox"/>	Training		Included	NA		
<input checked="" type="checkbox"/>	Software Integration	Southern Software	Included	NA		
<input type="checkbox"/>	Custom Programming		\$	NA		
<input type="checkbox"/>	Integrated Swipe Credit Card Setup		\$	NA		
<input type="checkbox"/>	Check Scanning Equipment		\$	NA		
<input type="checkbox"/>	Credit Card Swipe Machine		\$	NA		
MONTHLY FEES						
<input checked="" type="checkbox"/>	Gateway including eBill Solution		\$69.95	Paid by Account Holder		
<input type="checkbox"/>	Bank Bill Pay eSolution/eCash Solution		\$	NA		
<input checked="" type="checkbox"/>	Mobile App		Included	NA		
<input type="checkbox"/>	Outbound Auto-Call Messaging		\$	NA		
<input type="checkbox"/>	Integrated Swiped Credit Card		\$	NA		
TRANSACTION FEES						
(all fees are per item; unless otherwise noted, only one fee will be charged per transaction)						
<input checked="" type="checkbox"/>	eChecking or eSavings Payment	<input checked="" type="checkbox"/>	Online/Mobile	Net Deposit	\$1.25	Paid by Customer
		<input checked="" type="checkbox"/>	Automated Phone	Net Deposit	\$1.25	Paid by Customer
		<input checked="" type="checkbox"/>	Text	Net Deposit	\$1.25	Paid by Customer
		<input checked="" type="checkbox"/>	Live PSN Rep	Net Deposit	\$1.25	Paid by Customer
<input checked="" type="checkbox"/>	Credit Card Payments <input checked="" type="checkbox"/> MasterCard <input checked="" type="checkbox"/> VISA <input checked="" type="checkbox"/> Discover <input type="checkbox"/> AMEX	<input checked="" type="checkbox"/>	Online/Mobile	Net Deposit	2.95%*	Paid by Customer
		<input checked="" type="checkbox"/>	Automated Phone	Net Deposit	2.95%*	Paid by Customer
		<input checked="" type="checkbox"/>	Text	Net Deposit	2.95%*	Paid by Customer
		<input checked="" type="checkbox"/>	Live PSN Rep	Net Deposit	2.95%*	Paid by Customer
		Rates for AMEX (above rates are for all other credit cards)			NA	NA
<input type="checkbox"/>	Bank Bill Pay eSolution (bank-issued checks)		NA	\$	NA	
<input type="checkbox"/>	Back Office Auto-Pay		NA	\$	NA	
<input type="checkbox"/>	eCash Solution		NA	\$	NA	
<input type="checkbox"/>	Auto-Post Check Scanning (Check 21 or RDC)		NA	\$	NA	
<input type="checkbox"/>	Advanced Integrated Credit Card Swipe		NA	\$	NA	
OTHER FEES						
<input checked="" type="checkbox"/>	Annual Security Compliance (billed annually)	Due each December	\$89.00	Paid by Account Holder		
<input type="checkbox"/>	Outbound Auto-Call Messaging	Only answered calls get assessed the fee; recording device pickups are considered answered.	15¢ per minute, 2-minute minimum	NA		
<input checked="" type="checkbox"/>	NSF (for online and phone check/savings transactions with insufficient funds)		\$35.00	Paid by Customer		
<input type="checkbox"/>	NSF (for scanned and VPOST checks)			NA		
<input checked="" type="checkbox"/>	Chargeback (for credit cards that are disputed)		\$15.00	Paid by Account Holder		

*If payment is less than \$100, the Customer will be charged 2.95% plus 75¢.

Net Deposits are Customer payment deposits less Transaction Fees.

Gross Deposits are Customer payment deposits including Customer paid Transaction Fees, if any.

PAYMENT SERVICE NETWORK, INC. SERVICE AGREEMENT

SCHEDULE "B" continued
 FEE SCHEDULE for Town of Berryville, VA

Account Holder's designated depository account(s) shall mean any and all depository accounts which Account Holder has designated in a writing delivered to PSN for PSN to make deposits of payments made by Account Holder's Customers/Payees. Account Holder may only change designated depository account(s) upon not less than fifteen (15) days prior written notice to PSN, provided that Account Holder completes and timely delivers to PSN all forms required by PSN to complete the change in designated depository account(s).

Account Holder agrees to pay the Setup/Equipment Fees set forth in this Schedule B upon execution of this Agreement. Account Holder agrees to pay Monthly Fees set forth in this Schedule B on or about the first day of each month. All such Setup/Equipment and Monthly Fees are non-refundable and will be automatically withdrawn by PSN via auto debit from the Account Holder's designated depository account(s) as set up with PSN or, at PSN's option, deducted from Customer payments before such payments are deposited into Account Holder's designated depository account.

Account Holder agrees to pay Transaction Fees and Other Fees as designated in Schedule B. PSN shall, at PSN's option, (a) deduct Transaction Fees and Other Fees from Customer payments before such payments are deposited into Account Holder's designated depository account and/or (b) auto-debit from Account Holder's depository account(s) on or around the first of every month the total of all Transaction Fees and Other Fees incurred during the immediately preceding month which were deposited into the Account Holder's depository account.

PSN will endeavor to have Customer payments deposited into Account Holder's designated account or accounts within three (3) banking days of payment, however, Account Holder acknowledges that it may take up to five (5) banking days to complete such deposits due to bank notification times and different deposit frequencies from the credit card processors to PSN. A "banking day" is a day of the week on which a bank or financial institution is open to the public for carrying on all of its banking functions (i.e., Monday through Friday, excluding Saturday, Sunday and legal holidays).

PSN acknowledges and agrees that all amounts received from Customers less per item Transaction Fees collected by PSN, and less any Monthly Fees and Other Fees (collectively, "Fees") owed by Account Holder, will be the property of the Account Holder and PSN will have no right to retain such amounts for any reason, including, without limitation, pursuant to any rules of bankruptcy or insolvency. PSN will function as a repository for the net funds and not as owner of the net funds at any time (other than the Fees owed to PSN). PSN's failure to deduct or auto-debit any Setup/Equipment Fees, Monthly Fees, Transaction Fees or Other Fees ("Unpaid Fees") does not forfeit PSN's right to collect such Unpaid Fees from Account Holder at a later date, and Account Holder agrees to pay such Unpaid Fees to PSN. PSN is hereby granted a security interest in amounts received from Customers to secure payment of the Unpaid Fees, and shall have a contractual right of offset against amounts received from Customers equal to the amount of Unpaid Fees.

ACCOUNT HOLDER:

Signature: _____ Date: _____

Print Name: _____ Title: _____



**The Path to Prosperity:
A Roadmap to Financial
Sustainability for Virginia
Cities & Towns**



2013 VML

Achievement Awards

35,001 – 90,000

Population Category

John Wells

John Wells, Town Manager

2013 VML Achievement Awards
35,001 – 90,000 Population Category

Town of Leesburg

The Path to Prosperity: A Roadmap to Financial Sustainability for Virginia Cities & Towns

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The Path to Prosperity: A Roadmap to Financial Sustainability for Virginia Cities & Towns

What Happens When There is No Growth? It has long been a tenet of local government financial planning that “growth pays for itself.” In other words, the revenue generated by new development—whether residential or commercial—will cover the cost of services required by those new residents or businesses. But what happens when there is no growth? The impacts of the Great Recession brought home to many local governments the importance of planning for tough economic times. Most Virginia jurisdictions use short-term financial models to develop their annual operating budgets, but the Town of Leesburg took this concept one step further. What began as an effort to plan for moderating revenue as a result of build-out developed into a blueprint for the long-term financial sustainability of municipal operations in order to preserve the quality of life for Leesburg residents and businesses.

The Boom Years. From 2000 through 2005, the number of new housing starts in the Town of Leesburg averaged just over 600, resulting in an overall 42% increase in the number of housing units. During the same period, over 2 million square feet of new commercial space was constructed in Leesburg, a 24% increase. After 2005, the number of new housing starts dropped dramatically, due to the absorption of nearly all residentially-zoned land in Leesburg. This unprecedented growth, coupled with rapidly rising property values, resulted in total real estate assessments increasing to nearly \$7 billion by 2007; thrusting average real estate assessment increases upwards of 35%. In order to keep pace with the population boom, the

Town incurred additional liabilities to keep up with the prudent demand for infrastructure improvements and municipal services. Looking at the development trends, however, Town staff realized by 2007 that Leesburg was rapidly approaching build-out and would no longer continue to enjoy the same level of revenue growth.

The New Normal. In preparation of the FY 2008 budget, and at the recommendation of Town management, Town Council approved the creation a \$1.4 million Revenue Stabilization Reserve Fund, on top of the Town's 15% unassigned fund balance reserve, to provide additional financial resources in the face of build-out and moderating real estate revenues. As it turned out, these fiscal policies were implemented at just the right time. When the housing bubble collapsed in the fall of 2008 and the recession's grip began to firm, revenues began to decrease and continued their decline through 2010. Recognizing that the Town faced the "new normal" faster than anticipated, the Town Council included the development of a long-term sustainable budget plan among its FY 2011 strategic goals. While previous management practices and fiscal policies had helped blunt the recession's impact, Leesburg needed a new approach to the Town's budget – one that would balance the Town's finances while maintaining levels of service at a stable tax rate.

Adjusting Course. In order to right the ship of state, the Town took immediate action to get through the remainder of FY 2011 and prepare for the FY 2012 budget cycle. Recognizing that the debt obligations were a priority, the Town's financial advisors made a series of recommendations that included a debt restructuring that would take advantage of low interest

rates to reduce debt service payments through FY 2016. Although this action resulted in significant and immediate cost savings to the Town, additional actions were required to adjust course. Town leadership, having already reduced capital and other operating expenditures for the previous two budget years, made the difficult but necessary decision to reduce the size of the Town's workforce. In February 2011, faced with a nearly \$2 million budget gap, the Town Council approved a Reduction-in-Force (RIF). Twenty-eight full-time positions and a number of part-time positions (7% of the Town's total workforce), across all funds were eliminated based on the following criteria:

1. Having minimal impact to services;
2. Could be offset by workload reorganizations and efficiencies; and
3. Could be offset through a greater reliance on automation and the strategic use of contractual services.

The Path to Sustainability. The steps taken during FY 2011 set the stage for a new sustainable budget framework for the future. The hallmarks of the new budget process are stability and predictability. By taking the long view, the Council and staff do not make decisions on a year-to-year basis. Instead, the effect of decisions made in one budget cycle on future budgets is clearly identified. Leesburg's new long-term budget framework consists of the following elements:

- ♦ ***Two-Year Budget Cycle.*** Beginning with the FY 2012 Budget, Town staff prepared and presented a two-year budget. In FY 2011, the Town Council adopted the FY 2012 Budget and provisionally approved the FY 2013 Budget. In FY 2012, the FY 2013 budget

deliberations were limited to exceptions to the provisionally approved budget. This two-year budget cycle requires the Council and staff to manage to the second year of the budget based on revenue projections. In order to make the budget work, the Town must make any needed hard decisions in the first year of the two-year budget cycle.

- ♦ ***Six-Year Capital Improvements Program.*** In order to align the Town's Capital Improvements Program with the state's transportation funding cycle and the Virginia Department of Transportation's Six-Year Plan, the Town extended its CIP from a five-year program, to a six-year program. The Town also scaled back the CIP, focusing on critical transportation, storm drainage, and downtown projects.
- ♦ ***Long Range Pro Forma.*** As a result of the debt restructuring, the Town's debt service payments will be reduced by almost \$1.5 million per year, from FY 2014 through FY 2016. In FY 2017, debt service payments are projected to increase by \$2.5 million and then decline steadily over the next eight years. Finally, in FY 2025, debt service payments are projected to be less than when the debt restructuring took place. In order to show the overall effect of the debt restructuring on the budget, staff prepared a 15-year pro forma through FY 2026.
- ♦ ***Capital Asset Replacement Reserve.*** In the budgets for the first two years after the recession, the Town saved money by delaying replacement of capital assets, such as vehicles, heavy equipment, and building assets. Recognizing that these delays could not continue without serious repercussions, and per GFOA Best Practices, the Town created a separate fund and allocates a specific amount each year as identified in the long-range pro forma towards the replacement of capital assets.

- ♦ **Debt Service Reserve.** As a result of the debt restructuring that took place in FY 2011, the Town originally expected to hold the tax rate steady through FY 2014. As debt service payments increase after that, an increase in the tax rate was anticipated. Because debt service payments are projected to rise above the \$5 million mark for seven years in row starting in FY 2017, the long-term pro forma required that the tax rate be increase by one penny in FY 2015, one penny in FY 2016, and three pennies in FY 2017 in order to meet the Town’s debt service obligations. The total amount for these seven years, above \$5 million each year, is just over \$10 million. To address the issue, the Town established a Debt Service Reserve with a purpose to “stockpile” funds from the amount in excess of the 15% fiscal reserve in the unassigned fund balance to cover the portion of debt service that exceeds \$5 million for the FY 2017 through FY 2023 budget years.

Managing for the Long Term. By FY 2013, the Town had embarked down a path toward healthy financial reserves as a result of exercising fiscal prudence and sound management practices. With this long-term financial goal clearly outlined, every decision of the Town Council is now evaluated not on how it affects the current year budget, but on how it affects the budgets for the next ten years. This focus on the “out years” of the Town’s financial plan makes it easy to prioritize current demands on the Town’s budget. The financial plan has become a regular part of the Town Council’s discussions and decision making.

An essential aspect of Leesburg’s long range financial plan is keeping the plan front-and-center throughout the year, not just during budget deliberations. The Town Council

memorialized the plan and the accompanying changes to the Town's fiscal policy and reserve funds in a series of Council resolutions passed in March 2012. Having the Council's commitment to the plan "on the record" provided greater transparency regarding the Town's financial situation. In addition, good public information efforts, including meeting one-on-one with reporters, issuing press releases, and posting budget information on the Town's website, have contributed to wide acceptance and community buy-in of the long range financial plan.

Leadership for Results. With the financial sustainability plan firmly in place, at the start of the FY 2014 budget process the Town found itself in the best financial condition since the outset of the recession in 2008. Under the exemplary leadership of the Town Council, the Town can report the following results:

- ✓ A balanced budget
- ✓ Cut projected tax increases in half
- ✓ Establishment of a debt service reserve fund
- ✓ Establishment of a capital asset reserve fund
- ✓ Maintained/enhanced long-term service viability
- ✓ Financial accountability and transparency
- ✓ Continued infrastructure and technological investments

Conclusion. Over the past five years, the Town of Leesburg has faced a near worst-case budget scenario, including a 20% drop in real estate tax assessments. When recovery proved slower and more modest than anticipated, the Town Council and staff took steps to avoid

future financial roller coasters by creating a long-range financial plan. The key element to the on-going success of this long-range plan is the ability to clearly demonstrate the effect of current year budget decisions on future fiscal year budgets. Using the 15-year pro forma as a budget tool, the Town Council has a consistent means of exercising budget discipline. The temptation to make spending decisions that resolve short-term issues but create long-term problems is greatly reduced. The end result is that the Town's long-range financial plan will provide Leesburg's residents and businesses with a government that lives within its means, keep its promises, and provides affordable municipal services designed to enhance the quality of life for our residents and businesses, now and into the future.

Town of Leesburg
 Department of Finance
 Budget Sustainability Plan (2012 - 2023) ADOPTED April 9, 2013

	A	B	C	D		E		F		G		H	I	J	K	L	M
				1920C	1920C	1920C	1920C	1920C	1920C	1920C	1920C	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
				FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023				
				Proposed	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast				
1	Operating Budget																
2	Current Revenue	47,280,862	47,648,293	49,414,511	50,352,471	51,611,282	53,225,285	54,555,917	55,919,815	57,317,810	58,750,756	60,219,525	61,725,013				
3	Current Expenditures	46,676,267	47,604,501	47,823,955	48,907,304	50,093,644	53,788,212	54,949,166	56,106,267	57,236,989	58,373,427	59,218,016	60,130,840				
4	Gross Surplus (Deficit)	604,595	43,792	1,590,556	1,445,167	1,517,638	(562,927)	(393,249)	(185,452)	80,821	377,329	1,001,509	1,594,173				
5	Use Debt Service Reserve						737,070	566,814	356,060	89,644							
6	Net Surplus (Deficit)	604,595	43,792	1,590,556	1,445,167	1,517,638	174,143	173,565	169,608	170,465	377,329	1,001,509	1,594,173				
7	Unassigned Fund Balance	9,395,933	7,140,675	7,184,467	8,764,149	8,781,263	9,031,685	8,242,375	8,415,940	8,585,548	8,756,014	9,133,343	9,884,211				
8	Needed for 15% Fiscal Policy	7,001,440	7,140,675	7,173,593	7,336,096	7,514,047	8,068,232	8,242,375	8,415,940	8,585,548	8,756,014	8,882,702	9,019,626				
9	Available for Reserves	2,394,493	0	10,874	1,428,054	1,267,216	963,453	0	0	0	0	250,641	864,585				
10	Assigned - Debt Service Reserve																
11	Beginning Balance	3,400,000	4,597,246	4,597,246	4,602,683	5,316,710	5,950,318	5,694,975	4,981,581	3,875,521	3,035,877	2,285,877	1,786,518				
12	Add	1,197,246	0	5,437	714,027	633,608	481,727	0	0	(839,644)	0	(499,359)	0				
13	Delete	0	0	0	0	0	(737,070)	(713,394)	(1,106,060)	(839,644)	(750,000)	(750,000)	(750,000)				
14	Ending Balance	4,597,246	4,597,246	4,602,683	5,316,710	5,950,318	5,694,975	4,981,581	3,875,521	3,035,877	2,285,877	1,786,518	1,786,518				
15	Assigned - Capital Asset Reserve																
16	Beginning Balance	1,971,375	3,168,621	1,768,621	1,024,058	988,085	871,693	603,420	0	0	0	0	0				
17	Add	1,197,246	0	5,437	714,027	633,608	481,727	146,580	750,000	750,000	750,000	750,000	864,585				
18	Delete	-	(1,400,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)				
19	Ending Balance	3,168,621	1,768,621	1,024,058	988,085	871,693	603,420	0	0	0	0	0	114,585				
20	Debt Service	5,772,541	5,724,778	4,411,059	4,442,199	4,516,911	7,072,061	7,065,111	7,025,111	6,928,804	6,807,537	6,362,979	5,954,427				

1. Debt Service reserves were used in an amount sufficient to cover operating deficits and to meet the 15% unassigned fund balance requirement (FY 2017 - 2020)
 2. Debt Service reserves were used in an amount sufficient to ensure the CARR has adequate funding (FY 2018 - 2023)
 3. Available fund balance for reserves in FY 2022 & FY 2023 were used to fund CARR.

Source: DOF analysis.



Town of Leesburg

the hometown of the 21st century

News Release

For Immediate Release

Leesburg Town Council Adopts Long Range Financial Plan

Unanimously adopted FY 2013 Budget is first step in implementation of plan

Leesburg, VA (March 14, 2012) – On Tuesday, March 13, 2012, the Leesburg Town Council adopted both a new long-range financial plan extending through Fiscal Year 2025 and the Fiscal Year 2013 Budget. The long-range financial plan is based on a 12-year forecast of Town revenues and expenditures, and is focused on minimizing the impact of future debt service payments on real estate taxes. With the unanimous adoption of the FY 2013, the Council began the implementation of the new long-range financial plan.

“In the FY 2013 Budget, the Council made several significant changes to implement the long-range financial plan,” explained John Wells, Leesburg’s Town Manager. “Most importantly, they created a Debt Service Reserve fund. By looking at our projected revenues and expenditures over the next 12 years, we know that we will see a significant increase in debt service payments in FY 2017. Over the next four years, any excess funds at the end of each fiscal year, once our obligations to the other reserve funds are met, will go into the new Debt Service Reserve fund. Beginning in FY 2017, we will use these accumulated funds to cover the increase in the debt service payments, rather than raise the real estate tax rate.”

“Over the last several years, the Council made some very difficult budget decisions, aimed at reducing annual budget’s reliance on leftover funds from the previous year to balance,” Wells continued. “Beginning with the FY 2011 Budget, the Town no longer uses carryover funds to balance the budget. Creation of the Debt Service Reserve fund would not have been possible if we still relied on excess funds from the previous year to cover the current year’s expenditures.”

The newly-adopted FY 2013 Budget and the FY 2013-2017 Capital Improvements Program is available for download from the Town’s website at www.leesburgva.gov/budget.

Contact:

Norm Butts

Finance Director

nbutts@leesburgva.gov

703-771-2720

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Attachment 3
Leesburg Town Council Resolutions

- A. Resolution No. 2012-028: Memorializing intent of Town Council to use long-term financial planning methods to meet fiscal policies and reduce impact on real estate tax rates
- B. Resolution No. 2012-029: Establishing a Debt Service Reserve as an assigned fund balance in the General Fund; transferring \$1,400,000 from the Revenue Stabilization Reserve to the Debt Service Reserve; and transferring \$2,000,000 from the unassigned fund balance to the Debt Service Reserve
- C. Resolution No. 2012-030: Transferring \$1,500,000 from the General Fund unassigned fund balance to the Capital Asset Replacement Reserve for replacement of vehicles and heavy equipment
- D. Resolution No. 2012-031: Amending the fiscal policy for the Town of Leesburg

The Town of
Leesburg,
Virginia

PRESENTED: March 13, 2012

RESOLUTION NO. 2012-028

ADOPTED: March 13, 2012

A RESOLUTION: MEMORIALIZING INTENT OF TOWN COUNCIL TO USE LONG-TERM FINANCIAL PLANNING METHODS TO MEET FISCAL POLICIES AND REDUCE IMPACT ON REAL ESTATE TAX RATES

WHEREAS, the local economy is continuing a slow, extended recovery providing very modest revenue growth; and

WHEREAS, The Town Council intends to continue to provide quality town-wide services at current levels; and

WHEREAS, The Town Council has directed the Town Manager to continue identifying ways to streamline operations and services to gain greater efficiency and reduce costs; and

WHEREAS, The Town Council has acknowledged and implemented in significant part a long-term financial plan prepared by financial advisors Davenport & Company ("Davenport Plan") in February of 2011 to meet general and capital spending requirements, which included significant staff reductions and restructuring long-term debt; and

WHEREAS, The resulting General Government long-term debt service schedule includes payments in years FY 2017 through FY 2023 that are significantly higher than those of the prior and subsequent years; and

WHEREAS, The Davenport Plan includes the likelihood of future real estate tax rate adjustments to address increasing debt service payments in FY 2017; and

WHEREAS, The Davenport Plan envisioned the establishment of a debt service reserve funded in large part from unassigned fund balances in excess of the Council's fiscal policy requirement of 15% to address increased debt service payments; and

-2-

A RESOLUTION: MEMORIALIZING INTENT OF TOWN COUNCIL TO USE LONG-TERM FINANCIAL PLANNING METHODS TO MEET FISCAL POLICIES AND REDUCE IMPACT ON REAL ESTATE TAX RATES

WHEREAS, The Davenport Plan assumes limited additions to future Town capital improvements programs; and

WHEREAS, development strategies are required for the upcoming FY 14/FY 15 biennial budget which will reduce the long term impact on real estate taxes in FY 2017;

THEREFORE, RESOLVED by the Council of the Town of Leesburg in Virginia as follows:

SECTION I. That the Town Council reaffirms its commitment to meeting all fiscal policies for general government operating and capital improvements program budgets.

SECTION II. That the Town Council reaffirms its commitment to adequately funding debt service and capital asset replacement reserves.

SECTION III. That the Town Council recognizes any significant additions to future operating or capital budgets will need to be offset by equivalent expenditure reductions, revenue increases, or a combination thereof to adequately ameliorate the long-term impact on real estate taxes.

SECTION IV. That the Town Council anticipates annually reviewing and revising when necessary a 15-year pro forma so as to be able to meet its fiscal policies in future years including, but not limited to, the requirement that current revenue equals or exceeds current expenditures and the requirement that unassigned fund balances exceed 15% of governmental expenditures.

-3-

A RESOLUTION: MEMORIALIZING INTENT OF TOWN COUNCIL TO USE LONG-TERM FINANCIAL PLANNING METHODS TO MEET FISCAL POLICIES AND REDUCE IMPACT ON REAL ESTATE TAX RATES

SECTION V. That the Town Council develops a multi-year plan to set aside sufficient funds in the Debt Service Reserve to minimize any impact of higher debt service payments on provision of Town services or stability of Town tax rates.

SECTION VI. That the Town Council direct the Town Manager to implement, or recommend (as required), on an on-going basis, operational and programmatic improvements to Town operations that will reduce, at least proportionally, the shortage currently projected in the debt service reserve over the next four fiscal years.

PASSED this 13th day of March, 2012.


Kristen C. Umstattd, Mayor
Town of Leesburg

ATTEST



Clerk of Council

The Town of
**Leesburg,
Virginia**

PRESENTED March 13, 2012

RESOLUTION NO. 2012-029

ADOPTED March 13, 2012

A RESOLUTION: ESTABLISHING A DEBT SERVICE RESERVE AS AN ASSIGNED FUND BALANCE IN THE GENERAL FUND; TRANSFERRING \$1,400,000 FROM THE REVENUE STABILIZATION RESERVE TO THE DEBT SERVICE RESERVE; AND TRANSFERRING \$2,000,000 FROM THE UNASSIGNED FUND BALANCE TO THE DEBT SERVICE RESERVE

WHEREAS, the Town Council established a Revenue Stabilization Reserve in FY 2007 because of uncertain real estate values and revenues that support the Town; and

WHEREAS, the current amount in the Revenue Stabilization Reserve is \$1,400,000; and

WHEREAS, real estate values and revenues have begun to stabilize lessening the necessity for the Revenue Stabilization Reserve; and

WHEREAS, annual debt service payments will be more than \$5 million from FY 2017 through FY 2023; and

WHEREAS, the total amount of annual debt service payments over \$5 million from FY 2017 through FY 2023 is \$10,200,596; and

WHEREAS, it is prudent financial management to reserve funds to cover the amount of annual debt service over \$5 million from FY 2017 through FY 2023.

THEREFORE, RESOLVED by the Council of the Town of Leesburg in Virginia that effective June 29, 2012:

SECTION I. A Debt Service Reserve is established as an assigned fund balance in the General Fund to accumulate funds to defray annual debt service payments over \$5 million for the period FY 2017 through FY 2023.

SECTION II. The Revenue Stabilization Reserve of \$1,400,000 is transferred to the Debt

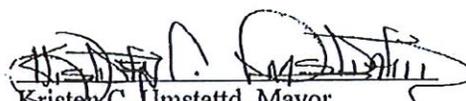
-2-

A RESOLUTION: ESTABLISHING A DEBT SERVICE RESERVE AS AN ASSIGNED FUND BALANCE IN THE GENERAL FUND; TRANSFERRING \$1,400,000 FROM THE REVENUE STABILIZATION RESERVE TO THE DEBT SERVICE RESERVE; AND TRANSFERRING \$2,000,000 FROM THE UNASSIGNED FUND BALANCE TO THE DEBT SERVICE RESERVE

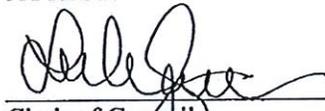
Service Reserve.

SECTION III. The sum of \$2,000,000 is transferred to the Debt Service Reserve from the General Fund Unassigned Fund Balance.

PASSED this 13th day of March, 2012.


Kristen C. Umstatt, Mayor
Town of Leesburg

ATTEST:



Clerk of Council

The Town of
Leesburg,
Virginia

PRESENTED March 13, 2012

RESOLUTION NO. 2012-030

ADOPTED March 13, 2012

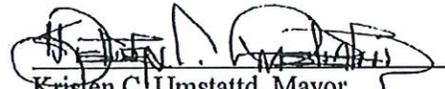
A RESOLUTION: TRANSFERRING \$1,500,000 FROM THE GENERAL FUND
UNASSIGNED FUND BALANCE TO THE CAPITAL ASSET
REPLACEMENT RESERVE FOR REPLACEMENT OF VEHICLES
AND HEAVY EQUIPMENT

WHEREAS, the Town Council passed Resolution 2010-072 establishing the Capital Asset Replacement Reserve for routine replacement, renovation, and repair of General Fund facilities and equipment; and

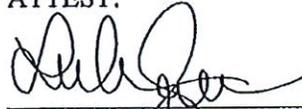
WHEREAS, use of the Capital Asset Replacement Reserve should be expanded to include the orderly and scheduled replacement of vehicles and heavy equipment;

THEREFORE, RESOLVED by the Council of the Town of Leesburg in Virginia that effective June 29, 2012 the sum of \$1,500,000 is transferred from the Unassigned Fund Balance of the General Fund to the Capital Asset Replacement Reserve for the replacement of vehicles and heavy equipment.

PASSED this 13th day of March, 2012.


Kristen C. Umstadt, Mayor
Town of Leesburg

ATTEST:



Clerk of Council

The Town of
Leesburg,
Virginia

PRESENTED: March 13, 2012

RESOLUTION NO. 2012-031

ADOPTED: March 13, 2012

A RESOLUTION: AMENDING THE FISCAL POLICY FOR THE TOWN OF LEESBURG

WHEREAS, the Town Council and Town Manager are responsible to the Town of Leesburg residents and taxpayers to carefully account for all public funds, to manage Town finances wisely, and to plan for the adequate funding of services; and

WHEREAS, a fiscal policy is designed to establish guidelines and goals to promote the fiscal well-being of the Town and to provide guidance to the Town Manager; and

WHEREAS, a fiscal policy that is adopted, adhered to, and regularly reviewed and updated as necessary is recognized as the cornerstone of prudent financial management; and

WHEREAS, effective fiscal policy should strive to promote financial stability by establishing clear, concise, and consistent guidelines; to direct attention to the total financial picture of the Town rather than to single issues; to promote the view of linking long-term financial planning with day-to-day operations; to provide the Town Council, Town Manager, residents, and taxpayers with a framework for measuring the impact of services against established fiscal guidelines; to contribute significantly to the Town's ability to shield itself from fiscal crises; and to enhance short- and long-term credit availability by helping to achieve and maintain the highest credit and bond ratings possible; and

WHEREAS, since its adoption on January 11, 2005, the Town Council and Town Manager have reviewed the fiscal policy periodically and the Town Council approved changes on February 14, 2006 and August 11, 2009;

A RESOLUTION: AMENDING THE FISCAL POLICY FOR THE TOWN OF LEESBURG

THEREFORE, RESOLVED by the Council of the Town of Leesburg in Virginia as follows:

SECTION I. Accounting, Auditing, and Financial Reporting

- a. The Town will establish and maintain the highest standards of accounting practices in conformance with uniform financial reporting in Virginia and generally accepted accounting principals for governmental entities as promulgated by the Governmental Accounting Standards Board.
- b. The Town will engage an independent firm of certified public accountants to perform an annual financial and compliance audit according to generally accepted government-auditing standards and will have these accountants publicly issue an opinion, which will be incorporated in a comprehensive annual financial report.
- c. The Town will annually seek both the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting and the Government Finance Officers Association Distinguished Budget Presentation Award.

SECTION II. Asset Management

- a. The Town will capitalize all fixed assets with a value greater than \$5,000 and an expected life of 2 years or more.
- b. The operating budget will provide for minor and preventive maintenance.
- c. The capital budget will provide for the acquisition of fixed assets and the construction, or total replacement of physical facilities to include additions existing facilities, which increase the square footage or asset value of that facility or other asset. The Town will protect its assets by maintaining adequate insurance coverage through either commercial insurance or risk pooling arrangements with other governmental entities.

SECTION III. Revenue Management

General Fund

- a. The Town will maintain a diversified and stable revenue structure to protect it from short-run fluctuations in any one-revenue source.
- b. The Town will estimate its annual revenues by an objective, analytical process.

New Business

DRAFT

BUDGET CALENDAR FY 2020 - 2021

ACTIVITY	RESPONSIBILITY	DATE
Ask for Department & CIP Budget Requests	Town Manager Town Treasurer	January 15, 2020
Prepare Budget & CIP Requests	Department Heads	January 15, 2020 February 3, 2020
Submit Departmental & CIP Budget Requests	Department Heads	February 3, 2020
Prepare Initial Revenue Estimates for Upcomming FY	Town Manager Town Treasurer	January 15, 2020 February 3, 2020
Review Department & CIP Budget Requests	Town Manager Town Treasurer	February 3, 2020 February 21, 2020
Prepare Non-departmental Budget Requests	Town Treasurer	January 15, 2020 February 3, 2020
Review/Revise Budget Estimates with Dept Heads	Town Manager	February 3, 2020 February 21, 2020
Budget Committee Worksession	B&F Committee Town Staff	Feb 27 at 10:30 am A/B Meeting Room
Budget Worksession	Town Council Town Staff	Mar 2 at 3:00 pm Main Mtg Room
Advertise Tax Public Hearing	Town Staff	March 17, 2020
Public Hearing Real Estate Tax Rates	Town Council	April 14, 2020
Council Meeting Set 2019 Tax Rates	Town Council	April 14, 2020
Print & Proof Budget	Town Treasurer	April 14, 2020 April 30, 2020
Advertise Budget Public Hearing	Town Staff	April 21, 2020
Public Hearing FY 2019-2020 Budget	Town Council	May 12, 2020
Adopt & Appropriate Budget	Town Council	June 9, 2020
Print & Distribute Budget	Town Treasurer	June 10, 2020 June 30, 2020

Utility Improvement Financing

No Attachment

Other

Closed Session

Adjourn