

The regular meeting of the Amherst Town Council was called to order on March 10, 2010 at 7:00 P.M. in the Council Chambers of the Town Hall at 186 S. Main Street with Mayor Jacob P. Bailey presiding. Council members Bobby J. Bondurant, J. Paul Kilgore, Haney Mottley, Harold Swisher and Richard Wydner were present. Town Manager Jack Hobbs, Police Chief Kenneth Watts, Director of Public Utilities Tom Fore, Office Manager Colan Davis and Town Attorney Tom Berry were also present.

The Rev. Decatur Rodgers from Amherst Presbyterian Church gave an invocation.

Mr. Bryan David from the Region 2000 Economic Development Council came forward to give a brief report on his organization's activities and the Amherst County Broadband Project. Mr. Kilgore made a motion that was seconded by Mr. Swisher to authorize a letter endorsing an application for a grant that would fund the project. The motion passed 5-0. Messrs. Bondurant, Kilgore, Mottley, Swisher and Wydner voted "Aye".

Mr. Barry Thompson, 287 Waughs Ferry Road came forward to express concern about safety at the crosswalk just south of the library on S. Main Street and police department staffing in the upcoming budget.

Mr. Wydner made a motion that was seconded by Mr. Bondurant to approve the minutes for the February 10, 2010 meeting as previously submitted. The motion passed 4-0. Messrs. Bondurant, Kilgore, Swisher and Wydner voted "Aye". Mr. Mottley abstained.

The Director of Public Utilities gave a brief report on the sewer projects recently completed.

Mr. Mottley made a motion that was seconded by Mr. Wydner to approve procurement, "stale check," and customer work billing policies per the "management letter" associated with the 2009 Comprehensive Annual Financial Report. The motion passed 5-0. Messrs. Bondurant, Kilgore, Mottley, Swisher and Wydner voted "Aye". Copies of these policies are attached and made a part of these minutes.

The Town Attorney reported that the required annexation petition in connection with the Charles Brown request to connect to Town utilities as outlined in the February 10, 2010 minutes has been received in an acceptable form. Mr. Wydner made a motion that was seconded by Mr. Bondurant and passed 5-0 with Messrs. Bondurant, Kilgore, Mottley, Swisher and Wydner voting "Aye" as follows:

Whereas, Charles Brown has asked the Town for approval to connect seven new single family residential building lots on Kenmore Road to the end of the Town's existing water main; and

Whereas, the Town Council received a report on this matter during its meeting on February 3, 2010; and

Whereas, on advice from the Town Engineer, the Utilities Committee has recommended that the Town Council find that sufficient water capacity exists to serve the seven dwellings units in the proposed development; and

Whereas, the Utilities Committee has recommended that the Town install all seven connections to the existing water main, the four road crossings, and the seven individual meters as dwellings are built in the development in an arrangement most beneficial to the Town pursuant to the then-current utility connection policy. As such, no engineering drawings, up-front construction, or surety would be required of the developer; and

Whereas, it is understood that the Town's capacity to provide water to new users in this part of the Town's waterworks is limited and if a significant number of other users connect to the Town's water system in that area then the Town could be forced to stop allowing connections until costly improvements are installed. This could result in a situation where the new lots could not be served with Town water; and

Whereas, Charles Brown has offered to “prepay” availability fees to avoid the risk of the not being allowed to connect to the Town’s water system; and

Whereas, the Town Attorney has confirmed that the petition requirement articulated in §17-13 of the Town Code has been met;

I move that:

1. The Town of Amherst approve the connections subject to (a) the understandings outlined above, including the fact that Charles Brown has been advised that capacity limitations are such that the Town cannot guarantee water for any portion of the development and (b) the recordation of a 20’ wide public utility easement along the Kenmore Road frontage.
2. That Charles Brown or the successive owner of the property shall be given the option to “prepay” availability fees prior to the recordation of the subdivision plat. If the availability fees are paid, the then-current property owner shall be guaranteed availability for four years after the approval of this motion provided that after the four-year period the Town will have the option to refund those fees with no interest to the then-current owner of the lot if water meters have not been installed. If Charles Brown elects to take this option, it shall be memorialized in an appropriate contract approved by the Town Attorney.

Mr. Wydner made a motion that was seconded by Mr. Bondurant to authorize the execution of a grant outlining the terms of a planning grant awarded by the Virginia Department of Health and to request the Utilities Committee to oversee the procurement contract for the associated engineering services. The motion passed 5-0. Messrs. Bondurant, Kilgore, Mottley, Swisher and Wydner voted “Aye”.

Mr. Wydner made a motion that was seconded by Mr. Mottley to adopt a resolution to approve an application for health department construction monies. The motion passed 5-0. Messrs. Bondurant, Kilgore, Mottley, Swisher and Wydner voted “Aye”. A copy of the resolution is attached and made a part of these minutes.

The Town Council discussed the prepaid availability fee issue.

The Town Council discussed council committee appointments relative to the extension of the Council terms that would be effective upon approval of the charter amendments. Mr. Mottley made a motion that was seconded by Mr. Swisher to extend the appointments of all council committee assignments until December 31, 2010. The motion passed 5-0. Messrs. Bondurant, Kilgore, Mottley, Swisher and Wydner voted “Aye”.

The Town Council discussed preparations being made for the Centennial Celebration.

The Town Council was reminded that the first financial planning worksession with Springsted has been scheduled for March 17 at 7:00 PM in the Town Hall and a full budget proposal is scheduled to be delivered on March 30.

There being no further business, the meeting adjourned at 8:33 P.M.

Jacob P. Bailey
Mayor

Attest:

Clerk of Council

TOWN OF AMHERST PROCUREMENT POLICY
Approved March 10, 2010

I INTENT

The Town of Amherst desires to obtain high quality goods and services at a reasonable cost, that all procurement procedures be conducted in a fair and impartial manner with avoidance of any impropriety, that all qualified vendors have access to Town business and that no offerer be arbitrarily or capriciously excluded. It is the intent of the Amherst Town Council that competition be sought to the maximum practical degree, that the rules governing contract award be made clear in advance of the competition, that specifications reflect the needs of the Town rather than being drawn to favor a particular vendor, and that the Town and vendor freely exchange information concerning what is to be procured and what is offered.

The purpose of this policy is to reestablish the policies of the Town of Amherst pertaining to procurement of goods and services and to ensure conformance with the Virginia Public Procurement Act.

II GENERAL

A. The Town Manager is designated as the Purchasing Agent for the Amherst Town Council and the Police Chief is designated as the Purchasing Agent for the police budget items and as such it shall be the Purchasing Agent's responsibility to ensure that the provisions of this policy are followed. However, the Purchasing Agent shall have the authority to delegate responsibility for routine items to subordinate staff.

B. The provisions of Title 2.2 Chapter 43 of the Code of Virginia, as amended, otherwise known as the Virginia Public Procurement Act, are hereby incorporated by reference and shall apply to purchases made by the Town of Amherst as the context indicates.

C. The value of a purchase is defined as the total obligation of the Town of Amherst to a vendor as represented by a single invoice or series of related invoices in a given calendar month, except for utility services or contracts existing as of the date of passage of this policy, in return for goods or services.

D. Approval by Council shall be required for purchase of non-replacement items that may have an impact on the nature of Town operations or programs, for non-budgeted items and for the purchase of capital items.

III ADDITIONAL METHODS OF PROCUREMENT

A. GENERALLY

Due to the need for expediency in allowing for the efficient administration of the Town's operations, it is recognized that procedures and methods employed in the procurement of higher valued goods and services are not appropriate for the purchase of lower valued items. Therefore, separate rules for the procurement of items expected to cost less than the limits specified in the Code of Virginia are hereby established. Where different categories of purchases are established, the least restrictive may apply.

B. EXEMPTIONS

The following are exempt from the requirements of this section:

- a. vehicle and equipment repairs authorized by the Purchasing Agent not expected to exceed \$5,000;
- b. items or services for which there is a sole source of supply and for which the value of the purchase involved does not exceed \$5,000 unless approved by the Town Council;
- c. items or services from public agencies employing similar purchasing criteria of a value not exceeding \$5,000, such as through Amherst County, Region 2000 Local Government Council, state contract or GSA sources; and
- d. items and services procured under emergency circumstances. An emergency is defined as a sudden occurrence rendering a part of the water or sewer utility system inoperable or creating a safety hazard that did not previously exist or, in the case of public safety emergencies, where emergency services or purchases become immediately necessary to protect the life, limb or property of the public due to

natural or man made disasters or other public safety emergency. Purchases made under this paragraph shall be reported to the Mayor or a member of the Town Council prior to the authorization of the purchase or within 24 hours if such prior notice is not practical.

C. LIMITATIONS ON SPENDING AUTHORITY AND SUPPORTING PROVISIONS

- a. Up to \$5,000:** The Purchasing Agent is hereby authorized to purchase needed items and services with an anticipated value of up to \$5,000. A Purchase Order based on three verbal or written quotations or sealed bids should be obtained for items purchased under this category.
- b. Over \$5,000:** All non-emergency purchases with an anticipated value of over \$5,000 shall be approved by the Town Council.
- c. Blanket purchasing:** For items or services which are needed on a recurring or ongoing basis, competitive purchase procedures shall be followed in such a manner that procurement of the goods or services are contracted only once so that bulk purchase, price break and shipping efficiencies are achieved. To implement this paragraph, an estimated quantity of the needed item or service shall be generated, the term of the contract set, and the items or services procured under the applicable provisions of this Section C. Examples of items which should be procured under the blanket purchase order system are gasoline, chemicals for the water and wastewater treatment plants, and office supplies.
- d. Open purchasing:** When it is determined by the Purchasing Agent that the benefits of efficient operation and support of local businesses outweighs the possible additional cost of the needed good or service, the Town may issue an open purchase order to a business which has established a history of good service to the Town.
- e. Other purchases:** Nothing in this policy shall infringe on the power of the Town Council to authorize or order any purchase by resolution, provided that the principles of competition, sealed bidding, or competitive negotiation are employed in vendor or offeror selection.

IV PURCHASE ORDERS AND PROCESSING

The Purchasing Agent shall develop and maintain an efficient and orderly program for soliciting prices, receiving goods and services, matching receiving tickets to invoices, and payment processing that is consistent with good bookkeeping and practices acceptable to the Town's auditor.

V PREFERENCE FOR LOCALLY PRODUCED GOODS AND SERVICES

In the case of a tie, bid preference shall be given to goods, services, and construction produced by firms and/or citizens of the following jurisdictions in the following order:

1. Town of Amherst
2. County of Amherst

Note: This policy supplants the policy adopted on May 13, 1993.

Town of Amherst
Bookkeeping Procedures Manual
Last revised: March 10, 2010

- 1.0 Purpose and Overview
- 2.0 Cash Procedures
 - 2.1 Handling Funds
 - 2.2 Authorized Signatures
 - 2.3 Cash Receipts
 - 2.4 Cash Disbursements
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- 3.0 Billing Procedure
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- 4.0 Payroll Procedures
 - 4.1 General
 - 4.2 Timesheets
 - 4.3 Processing
 - 4.4 Quarterly Payroll Reports
- 5.0 General Procedures
 - 5.1 Monthly Review
 - 5.2 Computer Use

1.0 Purpose and Overview

It is the goal of the Town of Amherst to maintain an efficient and effective bookkeeping and financial reporting system that prevents misstatements and protects the Town against fraud. It is recognized that measures that would fully prevent all fraud are impractical to implement. However, procedures to reduce the risk of theft and increase the chance of detection can be followed. Through this document the Town of Amherst intends to create an environment of accountability and has implemented internal controls to the extent practical.

This document outlines the Town of Amherst's primary accounting practices, articulates Town financial policies and documents procedures that would implement these with the goal of describing for an internal control system that will promote:

- Protection of Town resources against waste, fraud and inefficiency
- Ensuring accuracy and reliability in accounting and operating data
- Securing compliance with appropriate state and federal laws and regulations, accounting standards, and Town policies
- Establishing standards by which Town officers and operating units can be evaluated.

2.0 Cash Procedures

2.1 Handling Funds - Individuals authorized to physically "handle" Town funds after initial delivery to the Town, including cash and checks, (except for minor issues such as petty cash, emptying parking meters, filling in at the front desk, etc.) are the Town Manager, the Office Manager, and Town employees directly supervised by the Office Manager.

2.2 Authorized Signatures - The Town Council will authorize signatories at the first Town Council meeting after the biennial Town Council election.

2.3 Cash Receipts – Customer payments are received via mail or in the office. For mail receipts, the Assistant Office Manager will open the mail and enter cash receipts. For office receipts, the Office Manager or the Assistant Office Manager will accept the payment, enter the cash receipt, and the system automatically prints a prenumbered receipt for the customer. At the end of each day, the Assistant Office Manager will print the "balancing report" from the system and balance the total with the cash and checks in the drawer. The Office Manager will balance and close out the batch and make the deposit. When the batch is closed, the office manager will go into the Flexi-bill software and enable the cash receipts to be posted to the subsidiary ledger. For cash receipts for utility bills, the receipts are posted the general ledger by batch via a general ledger interface. For cash receipts for personal property and real estate tax bills, when the batch closes the Office Manager will go into the property tax software and enable the cash receipts to be posted to the subsidiary ledger and manually post cash receipts to the general ledger. The Office Manager will maintain a spreadsheet for cash receipts for personal property and real estate tax bills detailing who paid and how much was paid. The Office Manager will use the property tax billing program to determine to what g/l accounts the amount paid need to be applied. At the end of the month, the Office Manager will make a general journal entry to record the cash receipts for personal property and real estate tax bills.

Checks will not be cashed out of cash receipts. The Town will not "hold" checks for deposit at a delayed date.

2.4 Cash Disbursements – A check requisition will be completed for each invoice before a check will be issued. The check requisition contains the following information that will need to be completed: vendor, invoice number, description of expenditure, G/L account numbers, and approval signature. The police chief will approve the check requisition for police department expenditures and the Town Manager will approve all other check requisitions. Checks should be printed via the accounts payable software; handwritten checks are to be used only in unusual circumstances. The Assistant Office Manager prepares and prints the checks

and the Office Manager normally signs all checks. All check requisitions will also be reviewed and approved by a member of town council.

2.5 Vendors – New vendors shall be reported to the Town Council via inclusion on the Office Manager’s monthly report. The vendor list will be reviewed and, if deemed appropriate, audited by the Finance Committee in December of each year.

2.6 Petty Cash – The Office Manager will maintain and reconcile petty cash. A petty cash voucher will be completed for all disbursements and will be reviewed by either the police chief or Town Manager. The petty cash voucher will be supported by receipts/invoices. Checks will not be cashed out of petty cash.

2.7 Banking - The Town operates a cash pool that is comprised of all cash in the general, water, sewer and capital funds. All monies in the cash pool, except for petty cash and invested funds, are to be held at a local bank. Local bank is defined as a recognized bank with a physical branch located inside the corporate limits of the Town of Amherst. All banks that hold Town funds are to provide monthly statements documenting activity on a timely basis.

2.8 Reconciliation – The Office Manager will reconcile the bank accounts on a monthly basis. The Town Manager and the chairman of the Finance Committee will review and approve the bank reconciliations on a monthly basis.

If a Town check has not been cashed within 6 months after being issued, the Office Manager will send a letter to the payee informing him of the outstanding check and asking him the status of the check. If a replacement check is needed the Office Manager will void the check and have a new check reissued. If the check was issued in error or not warranted the Office Manager will void the check. If no response is received within 30 days, the Office Manager will send another letter to the payee. If the matter remains unresolved after another 30 day period, then the funds will be held in accordance to the Virginia Unclaimed Property guidelines and remitted to the state after the 1-year dormancy period. The office manager will complete the unclaimed property report and send the funds by the November 1st deadline each year.

2.9 Purchasing Cards – Town-sponsored purchasing cards are to be used only for the purchase of goods sold or services rendered to the Town Amherst. Use of purchasing cards for the procurement of personal goods or services is strictly forbidden. The Office Manager will maintain a file of certificates for all individuals who carry a Town-sponsored purchasing card to the effect that the individual employee understands the above and acknowledging that use of Town-sponsored purchasing cards for any reason other than official and bona fide Town business is cause for immediate disciplinary action, including the possibility of dismissal without further cause.

Receipts fully describing what has been purchased shall accompany the check requisition for the monthly purchasing card invoice.

Town purchasing cards shall not have more than a \$5,000 limit with the aggregate “credit line” of \$20,000. Cardholders shall be approved by the Town Manager or Police Chief and confirmed by the Finance Committee.

2.10 Investment Program - It is the Town’s policy to maintain enough cash to cover all anticipated cash outflows for the next 90 days in a same day-available bank account or accounts. Excess amounts are invested one-year certificates of deposit each quarter. The funds invested each individual quarter are to be approximately equal from quarter to quarter. The Office Manager is responsible for managing the investment program, including estimation of funds available for investment, obtaining bids, and placing the monies in the investment account in a local bank or a bank which has purchased bonded debt from the Town.

3.0 Billing Procedures

3.1 Utility (Water/Sewer/Trash) Billing – Town Council approves the utility rates. When the town council approves a change in the rates, the Office Manager will enter the updated rates in the billing program. A member of town council will review the updated rates entered by the Office Manager for accuracy. Utility billing will be executed once a month for commercial accounts and every other month for current homeowner accounts. The Assistant Office Manager will print the “meter reading list” and download the information to the hand-held device used for collecting meter readings. The meter readers will collect the readings and enter them into the hand-held device. The Assistant Office Manager will upload the information in the hand-held device into the billing program. The Assistant Office Manager will print the “exceptions report” and review the exceptions in order to determine if any meters need to be reread. The Assistant Office Manager will print the “reread list” and the meter readers will collect new readings. The Office Manager will review the new and old readings and the previous period readings and determine if any changes are needed. If a change is needed, the Office Manager will enter the change directly into the billing program. The Office Manager will enable the system to calculate the bills and will print a report and review the current charges for obvious errors. The Office Manager will print the bills and the Assistant Office Manager or part-time clerk will control the mailing of the bills.

3.2 Personal Property/Real Estate Tax Billing – Personal property and real estate tax billing will be executed once a year. The Office Manager will receive a file from Amherst County that contains the information regarding who to bill, assessed values, and who is eligible for personal property tax relief. The Office Manager will forward the information to the outside software vendor who will convert the information and upload it into the Town’s billing program. The Office Manager will review the information and work with outside software vendor to resolve any issues prior to the printing and mailing of bills. After the Office Manager’s review is completed, the Town Manager or a member of town council will perform a final review. Once both reviews are completed, the Office Manager will print the bills and the Assistant Office Manager will control the mailing of the bills.

3.3 Customer Work Billing

The Office Manager issues bills for customer work (*Reference July 1, 2007 Customer Work Policy*) items and maintains a file copy of all customer work bills. When payment is received for a customer work bill, the receivables clerk will mark it paid and return a copy to the office manager for reconciliation purposes. At the first of every month the Fiscal Assistant will review all outstanding customer work bills and send past due notices to all outstanding accounts. After 30 days past due, the Fiscal Assistant will call the customer for collection of the debt. After 60 days past due, the fiscal assistant will send a certified letter to the customer warning that if the debt is not paid it will be referred to the Town Attorney for collection. After 90 days the Office Manager will turn all bills that are still outstanding over to the Town Attorney for collection.

The only exception to this process is the DMV grant billings. These are only turned in by the Police department to DMV (State) quarterly. There could be up to a 5-6 month lag in the payment of these invoices.

4.0 Payroll Procedures

4.1 Pay Rates— Salaries and hourly wages for part-time employees will be determined and approved by town council once a year (approved as part of the budget). The Office Manager will input new pay rates into the payroll software. The chairman of the Finance will review the updated pay rates for accuracy.

4.2 Timesheets – Part-time utilities department employees will complete a timesheet and turn it in to the director of public utilities, who will approve the timesheet and submit to the Office Manager.

Police officers who work overtime and part-time police department employees will complete a timesheet and turn it in to the police chief, who will approve the timesheet and submit to the Office Manager. Part-time office employees will complete a timesheet and submit it to the Office Manager, who approves the timesheet. The police chief and the director of public utilities will submit a pay authorization to the Office Manager for any police officer or plant employee that is entitled to holiday pay.

4.3 Processing – The Office Manager will input any information from timesheets and pay authorizations into the payroll software and enable it to calculate the paychecks. The Assistant Office Manager will print the check register and the payroll checks and review for accuracy. The Town Manager will sign the payroll checks. The Assistant Office Manager will ~~and~~ put them in envelopes for distribution.

4.4 Quarterly Payroll Reports – The Office Manager will prepare the necessary quarterly payroll reports.

5.0 General Procedures

5.1 Monthly Review – The Office Manager will oversee the monthly closing process and perform reconciliations and review of financial statement. The Office Manager will provide the Town Manager, other employees and town council with monthly financial statements and comparison to budget. The Town Manager and Finance Committee will review the monthly financial statements in comparison to budget in an effort to identify possible misstatements/unusual items.

5.2 Computer Use – The Office Manager is responsible for the maintenance and operation of the financial software and associated computer hardware. As such, the Office Manager will establish protocols for the proper operation of computers – i.e. backup routines, passwords, protection of passwords, etc.

Note: This policy supplants the policy last revised on December 12, 2007.

A RESOLUTION ENDORSING THE APPLICATION FOR FUNDING BY THE VIRGINIA DEPARTMENT OF HEALTH – OFFICE OF DRINKING WATER.

WHEREAS, the Town of Amherst lacks adequate funds for needed capital improvement projects and intends to apply for such funding; and

WHEREAS, the Virginia Department of Health-Office of Drinking Water is able to fund a drinking water project in the Town of Amherst; and

WHEREAS, the Town Council of the Town of Amherst has reviewed project planning material and found that the pre-requirements have been met for submitting a funding application;

THEREFORE, BE IT RESOLVED, the Town Council of the Town of Amherst hereby authorizes the Town Manager to seek funding from the Virginia Department of Health-Office of Drinking Water for the Town of Amherst Water and Energy Conservation Project.

THEREFORE, BE IT RESOLVED, that the Town Manager shall immediately begin to process funding applications for the Town of Amherst Water and Energy Conservation Project and is hereby authorized to sign any and all documents to accept such funding contingent upon review and concurrence by the Town Attorney.

This Resolution was adopted by the Town Council of the Town of Amherst on March 10, 2010.

Mayor Jacob P. Bailey

Attest:

Clerk of Council