

AT A WORK SESSION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON THE 28TH DAY OF OCTOBER 2008, AT 4:00 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. CALL TO ORDER

B. ROLL CALL

Bruce C. Goodson, Chairman, Roberts District
James G. Kennedy, Vice Chairman, Stonehouse District
James O. Icenhour, Jr., Powhatan District
John J. McGlennon, Jamestown District
Mary Jones, Berkeley District

Sanford B. Wanner, County Administrator
Leo P. Rogers, County Attorney

C. BOARD DISCUSSIONS

1. County Investments

Ms. Ann Davis, Treasurer, gave an overview of the County's investments and introduced Mr. Nelson Bush of PFM Investment Firm. Mr. Bush presented the County's portfolio of investments and gave in-depth information on the relationship of the investments to the current economic climate.

Discussion was held regarding the negative return of securities due to market value changes, school fund investments, interest rate projections for the next year, and public depository protection.

2. Financial Trends

Ms. Sue Mellen, Assistant Manager, Financial and Management Services, gave a presentation outlining financial trends and current projected revenues in light of the current economic trends. Ms. Mellen compared building-related revenues and sales, meals, and lodging taxes to the last economic downturn of the early 1990s and provided updated information on other major revenue streams. Ms. Mellen provided an updated estimate for FY 2009 and FY 2010 revenues.

Mr. John McDonald, Manager, Financial and Management Services, reviewed the County expenditures and potential adjustments to meet reductions due to budget shortfalls. He explained the strategies and schedule for reduced spending in FY 2009 and FY 2010. He stated that deferring or delaying the construction of the Community Gym at Warhill would save approximately \$1.2 million; Operations budgets would be reduced by \$1 million; Non-departmental budgets would be reduced by \$395,000; contributions to outside agencies would be reduced by \$250,000; and there would be a reduction in the contribution to schools by \$150,000; for a total budget reduction of \$3 million. Mr. McDonald explained that there were no proposed reductions to debt service or reserve funds. He explained that many of these cuts were pass-through reductions from room tax revenue shortfalls and State sales tax shortfalls. He stated projected increases for FY2010 would be eliminated.

The Board and staff discussed adjusting the FY 2010 Budget Plan and potential savings and carry-forward funds, particularly in relation to the school funds. The Board and staff discussed HB 599 Funds and the possibility of additional cuts of this source of revenue from the Commonwealth. Ms. Mellen explained that for FY 2010 the HB 599 revenue source was eliminated. The Board discussed bringing this matter up during discussions with the County's General Assembly delegation on November 26, 2008, since the elimination of these funds would affect Public Safety.

The Board and staff discussed the \$400,000 that would be returned to the State.

Discussion was held about County-funded versus State-funded positions in Constitutional Officers' offices.

Mr. Goodson asked to add provisions about the funding level for the schools in addition to the other recommendations.

The Board discussed the potential for change with the current economic conditions.

3. Human Resources Update

Ms. Carol Luckam, Human Resources Manager, presented the Board with an update on the County Human Resources, as well as employment trends and retention techniques.

The Board discussed employee uniforms and cost-sharing of those expenses; deferred compensation participation; employer-assisted home ownership program grant enhancement, and take-home vehicles for non-County residents; enhanced Virginia Retirement System (VRS) benefits for public safety employees; and public safety turnover.

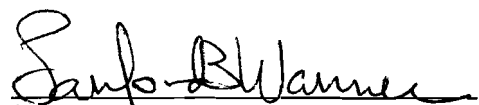
Ms. Luckam highlighted feedback from an employee discussion group on why it was appealing to work for the County and what would cause them to seek other employment.

Discussion was held about benefit costs in comparison to the private sector.

D. **ADJOURNMENT**

The Board discussed the need for a closed session and determined that the closed session appointments could be made in open session during the regular meeting.

At 5:43 p.m., the Board broke for dinner.



Sanford B. Wanner
Clerk to the Board