

**AT A WORK SESSION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON THE 24TH DAY OF FEBRUARY, 2009, 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**

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

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

**C. BOARD DISCUSSIONS**

1. Planning Commission

Mr. Rich Krapf called the Planning Commission to order. In attendance from the Planning Commission were Mr. Rich Krapf, Mr. George Billups, Mr. Jack Fraley, Mr. Chris Henderson, Ms. Deborah Kratter, and Mr. Reese Peck.

Mr. Krapf and Mr. Peck presented an overview of the Planning Commission process for evaluation and recommendation of Capital Improvements Program (CIP) projects. They highlighted potential changes that could be made to improve the CIP evaluation process. The Planning Commission presented recommendations for changes. Mr. Chris Henderson presented information on the five-year rolling budget and benchmarking procedures.

Mr. John McDonald, Manager, Financial and Management Services, endorsed the concepts presented by the Planning Commission on the CIP from a fiscal planning standpoint.

Discussion was held about implementing a cap on CIP project costs. The Board and Planning Commission discussed how the current process differed from the recommended policy changes and how much money could be anticipated for capital projects. Discussion was held about ways to make the process more transparent and separation of funds for capital projects.

Discussion was held on the proposal of developing a separate CIP document and developing a maintenance schedule. Discussion was held on funding resources and project rankings and staff time required to develop this process. The Board and Commission discussed how staff could be implemented into the new process to make the necessary recommendations. Discussion was held about the usefulness of this kind of document to the Board and Planning Commissioners from a financial and land use standpoint.

At 4:59 p.m., the Board took a break.

At 5:07 p.m., Mr. Kennedy reconvened the Board.

2. James City Service Authority Investments and Revenues

Mr. Larry Foster, General Manager, James City Service Authority (JCSA), stated that the presentations were related to the JCSA reserve funds and a review of the JCSA Budget. He stated that no rate changes would be proposed in the next budget year.

Mr. Nelson Bush with Public Finance Management (PFM) presented an overview of the JCSA portfolio and reserve funds. He highlighted market trends and investment rates. He noted that all investments are governed by the JCSA's investment policy. He reviewed credit ratings, noting that most were AAA or AA. He stated that there was very limited credit exposure in the portfolio. Mr. Bush went over the maturity rates of the investments and discussed the market value of the portfolio.

The Board and Mr. Bush discussed short-term yields going forward, and Mr. Bush anticipated that the yields would remain constant for the upcoming year. Mr. Bush stated that the portfolio has been allowed to become shorter as interest rates have increased. He explained that last quarter the returns were larger because a large portion of the portfolio was in Federal agency securities, which increased the market value of those investments.

Mr. Bob Smith, Assistant Manager, JCSA, presented an overview of the current year's JCSA budget and a preview of the next two fiscal years' anticipated budgets.

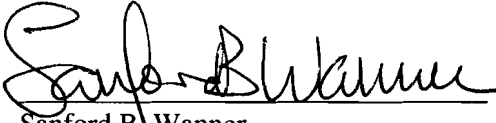
Mr. Foster stated that the budgets are conservative due to the current economic conditions and that there would likely be more flexibility in the budgets. He highlighted potential projects that would be part of an upcoming economic stimulus program to be approved by the Board.

Mr. Foster stated that as the budget forecast became clearer, more details would be provided.

The Board and staff discussed potential increases in new water service connections and the projections that have been made. Discussion was held about the areas that have many new connections, including New Town and the Stonehouse subdivision.

**D. BREAK**

At 5:46 p.m., the Board broke for dinner.

  
Sanford B. Wanner  
Clerk to the Board