

•

BUDGET/FINANCIAL TRENDS WORKSESSION

November 25, 2003

EXHIBIT A

This is a presentation of FY2002 revenues on a per capita basis for the Hampton Roads region, expanded to include the counties used by Davenport in comparing AA rated jurisdictions

James City County revenues per capita are mid-range for the localities in the region, but on the high side in comparing the totals to the counties sharing a AA rating.

James City County leads the field in real property and machinery & tools revenue per capita and has relatively healthy personal property, sales, room and meal collections as well. The County did not collect consumer utility taxes in FY2002 and is the only locality in this survey that did not.

James City County is second only to Williamsburg in the \$ per capita generated from local sources.

JURISDICTIONAL COMPARISONS

2002 STATE AUDITOR OF PUBLIC ACCOUNTS

EXHIBIT A

REGIONAL

PER CAPITA REVENUE

	Real Prop	Pers Prop	M & Tool	Sales	Con Util	BPOL	Room	Meal	Other	Tot Local	State	Fed	Total
Chesapeake	658	135	12	120	74	83	10	63	278	1,432	1,068	148	2,648
Hampton	487	65	12	81	70	65	16	71	405	1,271	1,070	206	2,547
James City	861	168	104	127	-	76	39	73	290	1,738	681	117	2,536
Newport News	511	106	70	99	61	63	10	58	460	1,438	1,110	244	2,792
Norfolk	493	115	29	108	162	80	21	82	356	1,446	1,072	316	2,834
Poquoson	703	110	-	34	36	26	17	85	226	1,237	1,026	82	2,345
Suffolk	524	91	19	73	96	50	3	37	319	1,212	1,096	188	2,496
Virginia Beach	665	178	2	95	84	67	32	74	252	1,450	946	191	2,587
Williamsburg	394	29	96	347	32	129	327	422	393	2,168	397	106	2,671
York	583	118	24	84	3	56	33	52	344	1,297	947	234	2,478

DAVENPORT COUNTY GROUP

Albemarle	617	140	11	113	70	79	16	-	279	1,325	660	142	2,127
Fauquier	795	198	7	82	38	15	-	-	417	1,552	767	96	2,415
Hanover	571	169	28	128	41	5	7	-	256	1,206	818	84	2,108
James City	861	168	104	127	-	76	39	73	290	1,738	681	117	2,536
Prince William	799	118	1	107	62	43	7	-	401	1,538	917	129	2,584
Stafford	662	105	1	63	62	-	8	30	351	1,282	963	120	2,365
York	583	118	24	84	3	56	33	52	344	1,297	947	234	2,478

Bolded numbers represent the highs and lows in a particular category

EXHIBIT B

Using the same communities compared in Exhibit A, tax rates are shown for FY2002:

Real Estate - regionally, James City is on the low side, mid range in the AA counties

Personal Property tax rates are mid-range, as is the tax rate for machinery & tools

The County does not have a monthly residential tax on electric service, or an annual motor vehicle license charge, and taxes on telephone service (utility tax and E911 tax) are the lowest in the group.

Going back to Exhibit A where it is shown that the County generates the highest per capita real estate and machinery & tools taxes - it is obviously not because the County's tax **rates** are the highest, but the tax **base** is higher, per capita, than it is in other communities.

The State has identified James City County as a community with low fiscal stress, Norfolk, as an example, is a community designated as one with high fiscal stress.

This exhibit illustrates why that is so. James City has revenue options it hasn't used yet, and has the tax base to generate additional revenue by raising rates - Norfolk, by contrast, has pushed tax rates across the board to practical limits - it has neither the tax base nor significant additional unused tax rate increases. Interesting to note, the only tax rate not optimized in Norfolk is for personal property - and increasing that rate is under discussion for FY2005.

James City County has, by tax policies established by previous Boards, focused on real estate taxes as its primary source of revenue. The County has chosen to avoid some revenue sources that are considered to be regressive. As an example - a motor vehicle license or a monthly tax on electric services would hurt low income residents more than it would upper-income residents, considering relative ability to pay.

A \$30 annual motor vehicle license fee would generate \$1,500,000 annually for JCC.

JURISDICTIONAL COMPARISONS

2002 TAX RATES - WELDON COOPER CENTER

EXHIBIT B

REGIONAL

TAX RATES

	Real Estate		Effective	Effective	Monthly	Monthly	Motor				
	Nominal	Effective	Per Prop	Mach & T	Resid	Resid	Vehicle	Meals	Room	Admiss	Cigarette
					Electric	Phone	License				
Chesapeake	\$ 1.25	\$ 1.20	\$ 3.12	\$ 0.62	\$ 5.50	\$ 10.00	\$ 28.00	5.50%	6.00%	10.00%	\$ 0.50
Hampton	1.25	1.18	3.32	1.05	3.00	5.50	28.00	6.50	7.50	10.00	0.35
James City	0.87	0.78	3.12	1.00	-	1.95	-	4.00	4.00	-	-
Newport News	1.24	1.17	3.24	1.17	3.08	5.25	31.00	6.50	7.50	7.50	0.45
Norfolk	1.40	1.26	3.12	1.60	3.75	8.20	31.00	6.50	8.00	10.00	0.30
Poquoson	1.12	1.03	3.00	1.16	3.00	5.50	25.00	5.50	-	-	0.10
Portsmouth	1.36	1.26	3.39	1.50	3.40	6.00	30.00	6.50	8.00	10.00	0.35
Suffolk	1.05	0.94	3.32	0.63	3.00	5.00	25.00	5.50	6.00	10.00	0.30
Virginia Beach	1.22	1.11	2.89	0.40	3.00	4.95	25.00	5.50	10.00	10.00	0.32
Williamsburg	0.54	0.47	2.73	1.05	1.00	2.00	-	5.00	5.00	-	-
York	0.86	0.83	3.12	1.00	-	2.18	23.00	4.00	5.00	-	-

DAVENPORT COUNTY GROUP

Albemarle	0.76	0.66	3.34	0.86	4.00	6.00	25.50	4.00	5.00	-	-
Fauquier	1.06	0.87	3.63	1.86	3.00	5.00	25.00	-	-	-	-
Hanover	0.83	0.71	2.84	0.36	3.00	3.00	28.00	-	8.00	-	-
James City	0.87	0.78	3.12	1.00	-	1.95	-	4.00	4.00	-	-
Prince William	1.34	1.19	3.18	1.00	3.00	4.75	24.00	-	5.00	-	-
Stafford	1.18	1.05	2.20	0.49	3.00	4.50	23.00	4.00	5.00	-	-
York	0.86	0.83	3.12	1.00	-	2.18	23.00	4.00	5.00	-	-

Bolded numbers represent the highs and lows in a particular category

EXHIBIT C

Comparing spending per capita - James City County is on the low side in the region, in the middle of the range for the AA communities.

We spend the least in the region on public works per capita, the most for judicial. Compared with other AA rated communities - we spend the least for education, the most for libraries, parks/recreation and community development.

Expenditures shown per capita are lower than the revenue generated per capita, shown in Exhibit A - the difference relates to capital projects and debt service paid for past capital projects.

Focusing on schools - Poquoson spent the most per capita of the Hampton Roads communities, while Williamsburg spent the least - one of the failings of comparing per-capita spending, as illustrated in Exhibit D.

JURISDICTIONAL COMPARISONS

2002 STATE AUDITOR OF PUBLIC ACCOUNTS

EXHIBIT C

REGIONAL PER CAPITA EXPENDITURES

	Schools	Pub Safety	Hlth/Wel	Pub Wks	Judicial	Pks/Rec	Lib/Cul	Com Dev	Total
Chesapeake	1,322	397	190	232	58	20	31	57	2,307
Hampton	1,161	350	299	170	33	77	61	85	2,236
James City	1,174	296	173	62	78	74	71	148	2,076
Newport News	1,301	418	331	171	33	88	33	107	2,482
Norfolk	1,197	520	343	260	40	60	77	70	2,567
Poquoson	1,345	283	93	123	13	65	43	42	2,007
Suffolk	1,188	368	255	91	59	42	13	69	2,085
Virginia Beach	1,242	291	161	209	26	50	44	93	2,116
Williamsburg	716	591	227	250	23	85	78	220	2,190
York	1,310	316	166	146	38	22	51	52	2,101

DAVENPORT COUNTY GROUP

Albemarle	1,181	204	235	33	30	20	36	146	1,885
Fauquier	1,221	205	180	156	52	26	25	45	1,910
Hanover	1,191	296	158	46	28	22	27	44	1,812
James City	1,174	296	173	62	78	74	71	148	2,076
Prince William	1,400	344	162	89	34	60	32	46	2,167
Stafford	1,481	255	132	42	32	33	36	25	2,036
York	1,310	316	166	146	38	22	51	52	2,101

Bolded numbers represent the highs and lows in a particular category

EXHIBIT D

Regionally the County spends on the low side, per capita, and on the high side, per student, for public schools. For the AA rated communities - JCC is the lowest per capita, and next to the highest per student.

Regionally - Poquoson leads the group in per capita spending while Williamsburg is last by a wide margin. On a per-student basis the positions are reversed - Williamsburg has the highest while Poquoson has the lowest.

James City County has one of the lowest ratios of students per 1,000 population, only Williamsburg and Albemarle have lower ratios. York/Poquoson have the highest ratios in the region.

JURISDICTIONAL COMPARISONS

EXHIBIT D

REGIONAL	SCHOOL SPENDING			
	Per Capita	Per Student	2002 Sept Enroll	Students Per 1,000 Pop
Chesapeake	1,322	6,885	39,380	192
Hampton	1,161	7,331	22,996	158
James City	1,174	7,802	7,795	150
Newport News	1,301	7,093	32,887	183
Norfolk	1,197	7,626	36,745	157
Poquoson	1,345	6,216	2,510	216
Suffolk	1,188	6,481	12,685	183
Virginia Beach	1,242	7,010	75,902	177
Williamsburg	716	11,902	758	60
York	1,310	6,462	11,921	203
DAVENPORT COUNTY GROUP				
Albemarle	1,181	8,357	12,253	141
Fauquier	1,221	7,163	10,040	170
Hanover	1,191	6,171	17,563	193
James City	1,174	7,802	7,795	150
Prince William	1,400	7,208	60,541	194
Stafford	1,481	6,337	24,003	234
York	1,310	6,462	11,921	203

Bolded numbers represent the highs and lows in a particular category

EXHIBIT E

This exhibit shows major revenue sources, and a spending summary, for each of the past six fiscal years.

Line 1 illustrates the growth in real estate tax revenues - both numerically and as a percentage of total revenues.

Line 2 illustrates the slowing growth rate for the County budget over the past three years, a trend that has continued into FY2004. This is partially the result of an economic slowdown and partially the result of budget policies and direction provided by the Board.

Line 3 illustrates the County's local contribution to schools - these contributions are also shown, in a different context in Exhibit F - a presentation of school budget summaries over the past five years.

Line 4 illustrates per capita revenues for the County while line 5 shows the growth in per capita revenues. Again - the trend shows a declining per capita revenue growth of less than 2% for each of the last two years.

JAMES CITY COUNTY GENERAL FUND

Sources: Comprehensive Annual Financial Reports

EXHIBIT E

	FY2003		FY2002		FY2001		FY2000		FY1999		FY1998	
	draft	of total		of total		of total		of total		of total		of total
REVENUES												
1 Real Estate	48,014,648	44.3%	44,163,407	42.9%	40,653,156	42.0%	37,073,705	41.6%	33,119,418	42.1%	30,674,287	41.8%
Personal Property	18,110,115	16.7%	16,810,533	16.3%	16,498,108	17.0%	14,369,090	16.1%	10,993,406	14.0%	10,995,953	15.0%
Machinery and Tools	5,403,083	5.0%	5,362,424	5.2%	5,110,546	5.3%	4,893,610	5.5%	4,571,394	5.8%	3,880,069	5.3%
Public Service	1,436,689	1.3%	1,431,922	1.4%	1,330,223	1.4%	1,284,856	1.4%	1,166,075	1.5%	1,166,831	1.6%
Local Sales Tax	6,780,162	6.2%	6,606,038	6.4%	6,730,007	6.9%	6,441,927	7.2%	6,060,848	7.7%	5,671,127	7.7%
Lodging Tax	1,915,364	1.8%	2,040,704	2.0%	2,020,861	2.1%	2,051,456	2.3%	2,096,239	2.7%	1,977,416	2.7%
Meals Tax	4,062,807	3.7%	3,789,140	3.7%	3,480,302	3.6%	3,204,795	3.6%	3,097,502	3.9%	2,892,495	3.9%
Telecomm Taxes	842,414	0.8%	847,194	0.8%	597,290	0.6%	428,121	0.5%	402,632	0.5%	381,099	0.5%
BPOL	4,246,128	3.9%	3,923,734	3.8%	3,724,719	3.8%	3,469,178	3.9%	3,080,162	3.9%	2,946,149	4.0%
Development Fees	1,915,077	1.8%	1,809,999	1.8%	1,556,182	1.6%	1,439,236	1.6%	1,457,091	1.9%	1,280,409	1.7%
Interest Income	666,884	0.6%	1,195,831	1.2%	1,962,780	2.0%	1,529,544	1.7%	1,705,654	2.2%	1,473,102	2.0%
HB599 Payments	1,107,696	1.0%	1,021,853	1.0%	1,048,071	1.1%	904,659	1.0%	329,547	0.4%	329,547	0.4%
Sales Tax for Education	5,491,580	5.1%	5,565,315	5.4%	5,467,121	5.6%	5,018,549	5.6%	4,362,862	5.5%	4,058,157	5.5%
Other State Revenue	2,607,303	2.4%	3,043,327	3.0%	2,269,168	2.3%	2,336,090	2.6%	2,517,105	3.2%	2,079,145	2.8%
Recreation Revenue	2,432,925	2.2%	2,181,690	2.1%	1,925,723	2.0%	1,767,288	2.0%	1,587,107	2.0%	1,491,219	2.0%
Other Revenue	3,449,785	3.2%	3,095,965	3.0%	2,478,210	2.6%	2,817,890	3.2%	2,214,450	2.8%	2,061,739	2.8%
TOTAL REVENUE	108,482,660		102,889,076		96,852,467		89,029,994		78,761,492		73,358,744	
2 <i>Annual Growth</i>	<i>5.44%</i>		<i>6.23%</i>		<i>8.79%</i>		<i>13.04%</i>		<i>7.36%</i>			
EXPENDITURES												
3 School Operating	49,488,945	45.6%	46,026,924	44.0%	42,923,368	47.1%	38,608,787	43.9%	35,457,888	44.5%	33,706,070	45.4%
County Operating	43,247,298	39.9%	40,002,245	38.3%	35,296,577	38.7%	32,947,180	37.5%	30,356,646	38.1%	27,796,003	37.4%
Capital Improvements	5,399,976	5.0%	8,765,828	8.4%	3,060,000	3.4%	7,204,007	8.2%	4,651,821	5.8%	4,114,461	5.5%
Debt Service	10,275,953	9.5%	9,749,157	9.3%	9,877,515	10.8%	9,171,877	10.4%	9,258,416	11.6%	8,658,602	11.7%
TOTAL EXPEND	108,412,172		104,544,154		91,157,460		87,931,851		79,724,771		74,275,136	
<i>Annual Growth</i>	<i>3.70%</i>		<i>14.69%</i>		<i>3.67%</i>		<i>10.29%</i>		<i>7.34%</i>			
Population	54,108		52,087		50,001		48,102		47,565		46,377	
PER CAPITA												
4 REVENUES	2,005		1,975		1,937		1,851		1,656		1,582	
5 <i>Annual Growth</i>	<i>1.50%</i>		<i>1.98%</i>		<i>4.65%</i>		<i>11.78%</i>		<i>4.68%</i>			

EXHIBIT F

This shows a summary of revenues and spending for the WJCC Schools over the past six years.

Line 4 shows the annual growth in the County's contribution to the WJCC Schools - a growth rate that, for the last two years at least, has exceeded the growth rate for County revenues.

However, when the total local contribution is considered, as illustrated in line 10, and revenues per student, as shown in line 22, these growth rates have declined in each of the past three years.

The County per student spending is moving closer to the total per student spending each year, a function of the school contract - the County pays a bigger and bigger share to bring City and County per-student spending closer to one another

This chart also clearly shows how a 6% or 7% increase in County funds produces a spending increase, per-student, of less than 2% - it has happened in each of the last two budget years.

WJCC SCHOOLS ACTUAL

EXHIBIT F

		Source: Adopted Budgets		Source: Comprehensive Annual Financial Reports			
		FY2004	FY2003	FY2002	FY2001	FY2000	FY1999
REVENUES							
1	COUNTY	46,837,028	43,789,093	40,080,081	37,456,247	33,118,949	31,155,606
2	Sales Tax	5,703,245	5,699,852	5,946,843	5,467,121	5,489,838	4,302,282
3		52,540,273	49,488,945	46,026,924	42,923,368	38,608,787	35,457,888
4	Annual Growth	6.2%	7.5%	7.2%	11.2%	8.9%	
5	Of Total Local	88.7%	88.4%	87.2%	86.9%	86.9%	86.3%
6	CITY	6,197,775	6,073,345	6,297,508	6,057,617	5,327,775	5,124,483
7	Sales Tax	529,039	439,685	458,738	430,430	474,434	509,167
8		6,726,814	6,513,030	6,756,246	6,488,047	5,802,209	5,633,650
9	Local Government	59,267,087	56,001,975	52,783,170	49,411,415	44,410,996	41,091,538
10	Annual Growth	5.8%	6.1%	6.8%	11.3%	8.1%	
STATE							
11	State SOQ	13,081,753	12,485,835	12,268,359	11,996,445	11,886,167	11,056,009
12	Categorical	1,305,289	1,205,000	1,501,606	1,769,679	965,521	1,164,340
13	State	14,387,042	13,690,835	13,769,965	13,766,124	12,851,688	12,220,349
14	Annual Growth	5.1%	-0.6%	0.0%	7.1%	5.2%	
15	Federal	2,007,365	1,705,877	2,102,051	1,521,139	1,754,366	1,318,360
16	Other Revenues	263,000	270,000	456,836	475,834	444,188	394,887
17	TOTAL	75,924,494	71,668,687	69,112,022	65,174,512	59,461,238	55,025,134
18	Annual Growth	5.9%	3.7%	6.0%	9.6%	8.1%	
19	Sept 30th Enroll	8,959	8,553	8,407	8,191	8,156	8,025
20	Annual Growth	4.7%	1.7%	2.6%	0.4%	1.6%	
PER STUDENT							
21	Total Revenue	8,475	8,379	8,221	7,957	7,290	6,857
22	Annual Growth	1.1%	1.9%	3.3%	9.1%	6.3%	
23	County Revenue	8,069	7,966	7,802	7,547	6,905	6,490
24	Annual Growth	1.3%	2.1%	3.4%	9.3%	6.4%	

EXHIBIT G

This exhibit shows the impact of a proposed stream of contributions to the WJCC Schools through FY2009. The analysis worked backward from total spending to arrive at a County local share in each year. FY2005 includes a one-time charge of \$2.7 million in mandated increases in State VRS charges. Other than that, the forecasts reflect 2.5% annual increases in per student spending until FY2008. In FY2008, \$2.8 million in additional spending is included to open a new high school in September 2007 - another \$500,000 is shown to go to four full classes at the school in September 2008.

Line 3 illustrates the increasing share of the local contribution assumed by the County - the County is expected to produce most, if not all, of the growth in enrollment and the contract shift continues to narrow the gap between the City and County per pupil spending.

Line 13 shows the projected enrollment using forecasted numbers released by the schools on 11/18/03.

Line 16 shows the forecasted growth in per student spending for the entire budget.

WJCC SCHOOLS PROJECTED - INITIATED BY COUNTY STAFF - NOT VALIDATED BY SCHOOLS

EXHIBIT G

	FY2009	FY2008	FY2007	FY2006	FY2005	FY2004
REVENUES						
1 COUNTY	70,000,000	66,700,000	61,050,000	58,250,000	55,740,700	52,540,273
2 <i>Annual Growth</i>	4.9%	9.3%	4.8%	4.5%	6.1%	6.2%
3 <i>Of Total Local</i>	90.2%	89.9%	89.6%	89.3%	89.0%	88.7%
4 CITY	7,500,000	7,500,000	7,050,000	7,000,000	6,889,300	6,726,814
5 Local Government	77,600,000	74,200,000	68,100,000	65,250,000	62,630,000	59,267,087
6 <i>Annual Growth</i>	4.6%	9.0%	4.4%	4.2%	5.7%	5.8%
7 STATE	17,650,000	16,950,000	16,250,000	15,550,000	15,000,000	14,387,042
8 <i>Annual Growth</i>	4.1%	4.3%	4.5%	3.7%	4.3%	5.1%
9 Federal	2,600,000	2,500,000	2,300,000	2,200,000	2,100,000	2,007,365
10 Other Revenues	400,000	350,000	300,000	300,000	270,000	263,000
11 TOTAL	98,250,000	94,000,000	86,950,000	83,300,000	80,000,000	75,924,494
12 <i>Annual Growth</i>	4.5%	8.1%	4.4%	4.1%	5.4%	5.9%
13 Sept 30th Enroll	9,733	9,605	9,465	9,295	9,153	8,959
14 <i>Annual Growth</i>	1.3%	1.5%	1.8%	1.6%	2.2%	4.7%
PER STUDENT						
15 Total Revenue	10,095	9,787	9,186	8,962	8,740	8,475
16 <i>Annual Growth</i>	3.1%	6.5%	2.5%	2.5%	3.1%	1.1%
17 County Revenue	10,023	9,712	9,111	8,871	8,638	8,362
18 <i>Annual Growth</i>	3.2%	6.6%	2.7%	2.7%	3.3%	1.3%

EXHIBIT H

This is the debt service schedule, revised and updated, that is shown in the budget each year.

Line 1 shows the fund balance, expected to increase through FY2006, and then disappear by the end of FY2010.

Line 2 shows the contribution from the County General Fund - it grows by \$600,000 each year through FY2009.

Line 3 shows the continuing investment of an equivalent of 2-cents on the Real Estate tax into Debt Service through FY2007. In FY2008 it reverts to the General Fund to help pay the expenses of opening the new high school.

Lines 3,4 and 5 represent new debt service for a new student services building, a new high school and a sports stadium.

Line 6 shows actual spending for debt service. It illustrates that total spending will increase by \$6 million from FY2004 to FY2006. It is that huge jump in payments that the debt service reserve was designed for. Using an accumulated reserve, and with modest \$600,000 a year increases in contributions, a \$6 million jump in spending can be dealt with without resorting to an increase in the tax rate.

Line 7 shows the practical elimination of the reserve balance by FY2010. It may never actually happen - new financing needs may create the need to replenish this reserve sometime in this timeframe.

This scenario for debt financing also works best if a specific revenue stream is dedicated from the County General Fund, each year, to Capital Projects. Many capital investments are made annually without resorting to debt.

DEBT SERVICE

EXHIBIT H

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
1 BEGINNING FUND BALANCE	5,977,368	7,952,386	8,288,804	6,104,187	4,120,301	2,034,346	902,229
REVENUES							
2 General Fund Contribution	10,358,000	10,950,000	11,550,000	12,150,000	12,750,000	13,350,000	13,350,000
3 2-cent R/E Tax Investment	1,160,000	1,240,000	1,320,000	1,400,000	-	-	-
Other	-	400,000	200,000	-	-	-	-
Total Revenues	11,518,000	12,590,000	13,070,000	13,550,000	12,750,000	13,350,000	13,350,000
Total Revenues and Fund Balance	17,495,368	20,542,386	21,358,804	19,654,187	16,870,301	15,384,346	14,252,229
EXPENDITURES							
Rawls Byrd (1987)	33,582	32,424	31,266	30,108	-	-	-
Opns Center/Baker (1991)	190,246	182,309	179,213	175,799	172,068	168,019	158,811
Lit Fund - Toano (1992)	184,275	178,025	171,775	165,525	159,275	153,025	146,775
VPSA Refunding (1994)	2,110,962	1,990,758	1,856,976	1,739,652	1,221,408	1,146,015	902,296
Referendum (1994)	512,169	487,489	-	-	-	-	-
Referendum (1995)	1,617,445	1,633,720	1,664,000	-	-	-	-
VPSA - Schools - (1997)	1,568,836	1,563,849	1,558,099	1,559,604	1,558,059	1,547,181	1,551,784
Mainland Farm (1999)	120,078	116,644	113,010	109,476	105,942	102,408	698,874
VPSA - Schools - (1999)	1,499,862	1,502,317	1,500,164	1,503,492	1,500,077	1,499,795	1,503,783
VPSA - Schools - (1999B)	123,160	119,845	116,449	113,053	109,738	106,179	102,377
VDOT - T.I.D. (2002)	125,000	125,000	125,000	125,000	125,000	-	-
GO Refunding - (2002)	334,445	334,022	334,313	334,404	800,969	775,067	738,503
GO Refunding - (2003)	781,900	953,650	1,428,800	3,082,250	2,608,150	2,630,132	2,640,575
Radio System (2003)	219,023	1,779,650	1,778,753	1,779,423	1,779,469	1,778,796	1,091,309
3 Schools (2004)	72,000	304,000	296,800	289,600	282,400	275,200	268,000
4 Referendum - Schools (2005)	-	900,000	3,800,000	3,710,000	3,620,000	3,530,000	3,440,000
5 Sports Stadium (2006)	-	-	250,000	766,500	743,400	720,300	697,200
Bank/Fiscal Agent Fees	50,000	50,000	50,000	50,000	50,000	50,000	50,000
6 Total Expenditures	9,542,982	12,253,582	15,254,617	15,533,886	14,835,955	14,482,117	13,990,287
7 ENDING FUND BALANCE	7,952,386	8,288,804	6,104,187	4,120,301	2,034,346	902,229	261,942

EXHIBIT J

This chart shows, in general categories, what is projected to be in capital requests for the coming five years.

Three large projects are expected to be financed through debt but there is still over \$40 million in projects for which no debt financing is anticipated.

Expected funding from on-going General Fund revenues will fund less than half of the total costs of these projects. There will be other sources of funds - yearend carryforward, grants and cash proffers are illustrative, and they will increase funding for capital. They will not, however, fully fund the projected shortfall.

Increases in operating costs will be unavoidable by-products of capital investments over time, as well. Capital planning also should include planning for the fiscal impact on future operating budgets.

CAPITAL PROJECT PLANNING PROCESS

FY2005 - FY2009

EXHIBIT J

	CAPITAL PROJECTS	5-YEAR TOTAL	OPERATING BUDGET	ANNUAL
EDUCATION	On-going Restoration Projects	5,500,000		
	TNCC Site Development	6,000,000		
	Athletic Fields	2,400,000	Added Operating Costs	40,000
	Student Services Building	debt		
	High School	debt	Added Operating Costs	3,500,000
	Sports Stadium	debt	Added Operating Costs	250,000
PUB SAFETY	Ambulance/Heavy Rescue	525,000	Added Operating Costs	200,000
	Mobile Data Terminals	750,000	Added Operating Costs	60,000
			Radio System Maint	750,000
HEALTH/WEL	Human Services Expansion	3,075,000	Added Operating Costs	50,000
	Youth Center	1,500,000	Added Operating Costs	50,000
PARKS	District Park Sports Complex	4,000,000	Added Operating Costs	300,000
	Freedom Park	4,700,000	Added Operating Costs	300,000
	Greenways	2,500,000	Added Operating Costs	35,000
	Other Parks	2,300,000	Added Operating Costs	180,000
	School Sites	500,000	Added Operating Costs	35,000
COMM DEV	Greenspace	3,500,000		
	Purchase of Development Rights	3,500,000		
			Underground Utilities	350,000
			Road Match	250,000
			Bikeways	150,000
			Economic Development	500,000
			Housing Development	150,000
PUB WORKS	Water Quality Improvements	3,000,000	Added Operating Costs	180,000
	Road Improvements	750,000	Added Operating Costs	50,000
		TOTALS \$ 44,500,000	Added Operating Costs	\$ 5,980,000
				Annually
	Proposed to be Funded - 86-Cent Tax Rate Contribution to Capital FY2005-FY2009	\$ 20,145,000		