

MEMORANDUM

DATE: August 12, 2008

TO: The Board of Supervisors

FROM: Suzanne R. Mellen, Assistant Manager of Financial and Management Services
Frances C. Geissler, Stormwater Director

SUBJECT: Appropriation Resolution - Stormwater Service Fee Fund Balance

With the elimination of the Stormwater Utility fee in FY 2009, the fund that accounted for all of the expenses has also been eliminated. In FY 2009 the accounting of Stormwater operations and projects is now in the General, Capital Projects and Special Projects/Grants funds. Remaining funds from the FY 2008 Stormwater Fund need to be transferred to these other funds to cover outstanding commitments, payment of credit program fees, and any residual amounts will be used for drainage improvement projects.

The attached resolution authorizes the equity transfers from the Stormwater Fund to the General, Capital Projects and Special Projects fund. The resolution also appropriates funding in the General Fund and Special Projects Fund for payment of the Stormwater encumbrances that were outstanding as of June 30, 2008.

At year-end of FY 2008, the Stormwater Fund produced a balance of approximately \$1,344,106. Of this balance, \$600,000 was incorporated as capital revenue in the FY 2009 Capital Budget and was used, in part, to fund the FY 2009 water quality capital budget, and \$244,106 is committed for outstanding operating encumbrances. The fund balance in excess of these two amounts needs to be appropriated in accordance with Section 18A-3 of the James City County Code which identifies specific uses for funds generated by the stormwater service fee. Identified uses include costs associated with administering the County's Stormwater Program and maintaining the stormwater infrastructure.

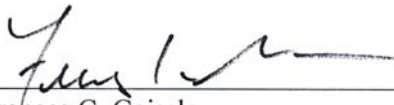
Section 18A-7 of the James City County Code established a credit program to recognize property owners for their efforts in support of the County Stormwater Program. In January 2008, the Stormwater Division published the FY 2008 Credit Manual, outlining the credit program goals and the process for securing credits. Letters were sent to all eligible property owners announcing the credit program and inviting them to a workshop held on February 26, 2008. Information was also posted on the County website. In order to ensure that all interested and eligible property owners had adequate time to apply for credits, the deadline for applications was extended to July 31, 2008. Credit applications received and/or processed after June 30, 2008, total less than \$15,000. These credits represent administrative costs for the stormwater management program.

The adopted FY 2009 Budget did not set aside specific funds for drainage maintenance within the County. This decision was not based on a lack of support for drainage-related maintenance projects, but on the reality of available funding. Appropriating the remaining fund balance for capital maintenance projects will provide funds for emergency repairs and critically needed upgrades while allowing the water-quality capital budget to be used for larger projects with broader scopes. Again, this use is consistent with the intent of the Stormwater Fund.

The attached resolution appropriates the remaining Stormwater Fund in accordance with the uses identified in Section 18A-3 of the James City County Code: up to \$15,000 for stormwater service fee credits and the remaining approximately \$485,000 for capital maintenance projects, also known as drainage improvements program.

Staff recommends approval of the attached resolution.

Suzanne R. Mellen



Frances C. Geissler

CONCUR:



John T.P. Horne

SRM/FCG/nb
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Attachment