

## County Administrator's Budget Message

### **To: The Members of the Board of Supervisors**

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I am pleased to submit to you and the citizens of James City County the biennial financial plan for Fiscal Years 2000-2001 and 2001-2002. This plan balances revenues and all operating expenditures without a change in property tax rates. The budget reflects adherence to meeting the high quality standards of the community within the reality of fiscal constraints. The County continues its commitment to the strategic management and comprehensive plans through initiatives in public safety, youth, tourism investment, economic development and quality of life enhancements. The continuation of the market-based pay for performance system and environmental programs such as greenspace, drainage, landscaping, and recycling is also reflected in this budget.

This budget continues the two-year plan for operating expenditures. The first year, FY 2000-2001, is recommended for appropriation; while the second year, FY 2001-2002 is proposed for adoption as a spending plan to be reviewed next year. The two-year period is consistent with that used by the Commonwealth of Virginia in its budgeting process.

The proposed budget for FY 2000-2001 totals \$90,366,014, which is a \$5,843,093, or 6.9 percent increase over the current year's budget. Seventy-seven percent of this increase is targeted to the County's contribution to the Williamsburg/James City County School system. Another twelve percent will go to fund public safety initiatives. The spending proposals are discussed in more detail later in this message. The FY 2001-2002 spending plan proposal totals \$95,648,371, which is a \$5,282,357 or 5.8 percent increase over the proposed FY 2000-2001 budget.

### **Maintain High Community Standards Within Fiscal Constraints**

County leaders have worked hard over the years to make James City County an attractive community. Significant investments have been made in maintaining high standards of quality in education, development, and quality of life. This financial plan continues those investments. The Capital Budget includes a continuation of funding for greenspace, parks, blight removal, sidewalks, and for placing overhead utilities underground. We will begin the update of the Comprehensive Plan in FY 2001, asking citizens to provide input into crafting a vision for the future of the County. We fund the schools at a high level, and education expenditures continue to consume the majority of operating costs. Our local spending per-pupil is the 12th highest in the State, reflecting the community's commitment to quality instruction.

Tourism is one of the leading industries in the County, and we continue to make an investment in attracting visitors to the area. Two years ago, the Board increased the room tax from 2 percent to 4 percent, contributing the additional proceeds to the Williamsburg Area Convention and Visitors Bureau, the Jamestown-Yorktown Foundation, the Jamestown 2007 fund, and to other marketing promotion efforts. This budget increases that investment, proposing an additional one percent in the room tax rate, with the proceeds to be directed to the Convention and Visitors Bureau, the Visitors Shuttle, and other efforts at increasing visitation in the County.

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James City County's appeal is demonstrated by its rapidly growing population. From 1990 to 1999, the County's population increased at an average annual rate of 3.1 percent, making it the tenth fastest growing locality in Virginia. The average locality in Virginia grew just 1.1 percent annually and the average Hampton Roads locality grew by only 0.6 percent over the same period. The County is an attractive community in which to work and live, which is reflected by the average net migration rate of 27.4 percent from 1990 to 1999. Our relatively high rate of growth creates certain challenges: controlling the quality of that growth and responding to additional demand for services and facilities, particularly in the areas of education, public safety, and recreation.

As in previous years, early in the budget process I issued guidance to County departments and outside agencies. We recognized that the upcoming fiscal years would continue to be challenging as we would begin funding the operating costs of Stonehouse Elementary School, a new courthouse, a new fire station, and a District Park. In addition, debt service costs will increase because of last year's bond issues used to finance the construction of the new elementary school, an expansion and renovations to Berkeley Middle School and structural improvements to three other schools. While the major focus has been finding resources to fund the personnel and support structure necessary to operate our new public facilities, we also wanted to continue to strengthen the County's overall service delivery capability, support the schools, and meet the commitments made through the strategic management and comprehensive planning processes.

As in previous years, departments were asked to do the following in preparing their budget requests:

- Thoroughly examine opportunities for outsourcing and consolidating services with either other departments or other County supported agencies.
- Seek resources other than general tax dollars to support their operations.
- Ensure that the services that the department is providing are consistent with the County's Comprehensive Plan and Strategic Management Plan.
- Identify strategies in operational plans for incorporating information technology tools.

The proposed budget reflects the results of these efforts, and focuses on the four County Goal areas adopted by the Board of Supervisors as part of the Strategic Management Plan:

### **I. Balance Service Demands With Available Resources**

In many ways, this goal area overarches every aspect of County operations. The County ensures that resources are managed effectively by examining services, procedures, and organizational structure; using methods such as benchmarking and continuous process improvement. Opportunities for cost savings and improved services are identified through regional cooperation, private sector involvement, and partnerships with the Schools.

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Departments and County funded agencies are encouraged to identify alternative resources; such as grants, user fees, and volunteers assistance, in order to provide services. The County's Neighborhood Connections program has been successful in educating citizens and citizen groups, helping them to address some of their service needs through self-help.

The proposed budget is accomplished within fiscal constraints. In order to include initiatives for Public Safety and Education, it was necessary to make choices. The amount of recurring general fund dollars in support of the Capital Improvements Program is reduced significantly. Similarly, the debt service fund balance is reduced because of a reduction in general fund monies transferred to this fund. We were not able to fund many worthy items requested by departments such as a new animal shelter, roads, and utilities in the James River Commerce Center, replacement police cars, irrigation at several school playing fields, and some development related requests.

## **II. Enhance the Character of the Community**

James City County offers a high quality of life to its citizens, which is what makes it an attractive community. We want to preserve and enhance the County's character by balancing the natural environment and rural atmosphere with appropriate growth and economic development. This budget continues to provide resources for acquiring greenspace and for landscaping of road medians. Funding is also included for environmental protection to preserve conservation and other environmentally sensitive areas, the accumulation and development of public greenways, and the development of regional bikeways. Funding also continues for placing overhead utilities underground and, where possible, they are buried in conjunction with road projects. These enhancements are consistent with the County's Comprehensive Plan.

## **III. Ensure Broad-Based Citizen Involvement in Decision Making**

The County continues its commitment to encourage broad citizen participation in decision-making. Our goal is to ensure citizen access to every stage of a continuous, open, and visible communications process. This effort includes informing the public about issues and processes, getting feedback, following up on the feedback when making and implementing decisions, and measuring how well the citizen's needs are met. Improvements are planned in cable television access, the "FYI" newsletter that is mailed to citizens, the County's web site, and e-commerce.

## **IV. Promote a Healthy Community**

This goal area focuses on providing for a community that is not only healthy and safe, but also has robust environmental and economic health. Meeting this goal is a major focus in the proposed budget. Public safety objectives include the following:

1. Funds are included in the Capital Budget for replacement of the County's radio system to improve both emergency and administrative communication.

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2. The central dispatch system will be modified to begin to accept wireless 911 calls, which is a State mandated initiative. Two new dispatch positions are included in FY 2001 and one in FY 2002 to assist with this effort.
3. An Emergency Medical Dispatch initiative is included which will provide training and a database so that dispatchers can provide callers with medical instructions while an ambulance is enroute.
4. A reverse 911 system will be installed, allowing the County to call blocks of homes and businesses to provide information during emergencies.
5. The County will offer an early retirement program for public safety employees beginning January 1, 2001, allowing these employees to retire at 50 years of age with 25 years of service. The majority of localities in Virginia who have Police and paid Fire Departments and who participate in the Virginia Retirement System offer this program. It supports recruitment and retention efforts and recognizes the stress of these jobs.

Other Public Safety initiatives include fire and crime prevention as well as school resource and community policing programs. Funding is also included for a full year of operations at the new City/County Courthouse. Public Safety expenditures for Police, Fire, Emergency and related services, continue to consume a large percentage of the General Fund budget: 12 percent of the increase in spending for FY 2001, 22.5 percent of the increase in spending for FY 2002, and 12 percent of the total for both years.

The proposed budget contains a significant expected increase in the cost of the curbside recycling program in FY 2002. Because of these impending costs, the curbside recycling program needs to be reviewed to determine if it should be reduced in scope or eliminated, since we are currently exceeding our State mandated recycling quota without it.

The environmental and economic health of the County is addressed in several areas. The James City Service Authority will make improvements to and expand its water production and delivery system and wastewater disposal services. The economic development department will continue its efforts to attract industry and businesses that increase the nonresidential tax base and improve job opportunities. Investment will be made in facilities that enable the County to attract quality firms providing both jobs and capital investment. The work of the Crossroads Project Team will provide valuable input to those investment decisions. Community Services will provide loan and grant assistance to low and moderate income households for housing improvements, and will continue to support efforts to serve youth, the elderly and at-risk populations.

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## Funds

The County generally groups expenditures into funds. The following categories of funds are included in this proposed budget:

*General Fund:* This is the County's major operating fund, and is where tax dollars are deposited. Most ongoing activities, such as police and fire services, and the County's contribution to school operations, are accounted for in the General Fund.

*Capital Improvements Fund:* The fund is used to account for the cost of major, one time infrastructure or equipment investments, except for those related to water and sewer service.

*Proprietary Fund:* The James City Service Authority, which is responsible for providing sewer and water service to certain areas of the County, has its own fund, which is supported solely by user fees. Both ongoing operations and capital investments are accounted for in this fund.

*Special Revenue Funds:* Programs where the major sources of revenue are either not local tax dollars or are legally restricted for a specific purpose are classified under these funds. Such programs include Social Services and Transit operations and the Route 5 Transportation Improvement District.

*Debt Service Fund:* The Debt Service Fund is used to account for the revenues and spending associated with the County's general long-term debt principal and interest payments.

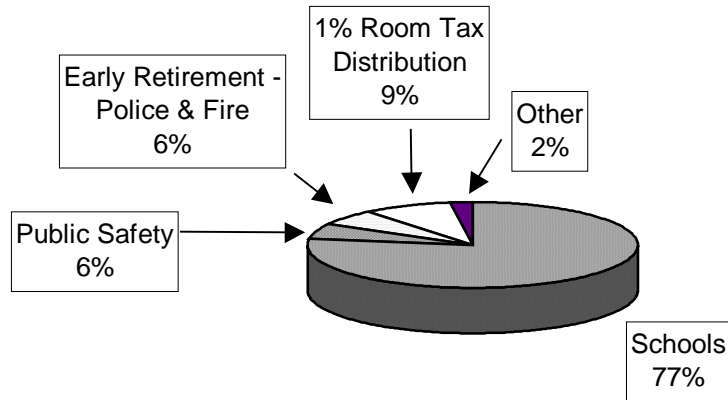
### ►GENERAL FUND

The recommended General Fund budget for FY 2001 and 2002 is depicted below:

	Budget FY 2000	Recommended FY 2001	\$ Change	% Change	% of Total Increase	Projected FY 2002	\$ Change	% Change
Contrib. to Schools	\$45,284,485	\$49,790,314	\$4,505,829	10.0%	77.1%	\$52,522,457	\$2,732,143	5.5%
Transfers to Other Programs	4,484,629	5,173,271	688,642	15.4%	11.8%	5,408,647	235,376	4.5%
Contribution to Regional Library	2,834,639	2,997,522	162,883	5.7%	2.8%	3,147,398	149,876	5.0%
Debt Service/ Nondepartmental	2,298,070	1,854,424	(443,646)	(19.3%)	(7.6%)	1,905,782	51,358	2.8%
Early Retirement - Public Safety	0	345,825	345,825	N/A	5.9%	719,316	373,491	108.0%
Contribution to CIP	2,200,000	1,750,000	(450,000)	(20.5%)	(7.7%)	1,850,000	100,000	5.7%
Other County Spending	27,421,098	28,454,658	1,033,560	3.8%	17.7%	30,094,771	1,640,113	5.8%
	<u>\$84,522,921</u>	<u>\$90,366,014</u>	<u>\$5,843,093</u>	<u>6.9%</u>	<u>100.0%</u>	<u>\$95,648,371</u>	<u>\$5,282,357</u>	<u>5.8%</u>

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## Where the Increase in Revenue is Going - FY 2001



### Schools

The budget recommendation for the Williamsburg/James City County Public Schools for FY 2001 was a particularly challenging effort in view of diminished State aid for education and increased needs. The Schools are faced with the opening of the seventh elementary school, Stonehouse Elementary, and the budget supports the operating costs associated with staffing both instructional and noninstructional staff, as well as the costs associated with supplies, utilities, and other expenses necessary to operate a facility of that size. The Assistant Superintendent has done an excellent job in minimizing, wherever possible, expenses associated with that opening.

In the original budget guidance, sent to the schools on October 22, 1999, I indicated support for not only the opening of the new elementary school, but for the preschool program that would be housed within that facility. This budget supports both. The Schools are also challenged to address enrollment growth. This budget includes funds to address the pressures brought on by that growth, particularly in class size and programs. The School budget requests financial support to implement the new compensation study undertaken by the School Board. Teacher pay needs to be improved and noninstructional support staff salaries need to be comparable with the market. I applaud the School Board and the Administration for undertaking this study, but due to fiscal constraints, this request cannot be funded this year. I would hope that a financial plan to transition the salary improvements will be developed. Funds to support this School Board initiative to improve salaries may be realized by a rigorous review of the School Board budget, as well as seeking new ways to do business.

I encourage the Schools to partner with the County and City to find opportunities for the consolidation of certain business-type services, such as grounds, building maintenance, information technology, and comparable functions within financial management and personnel

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systems. I recommend monies saved in the School budget as a result of such consolidation be reallocated to support improving teacher salaries.

I would respectfully request that the Board, in considering the School Board request, recognize that when the budget is adopted, the Schools will not have permanent leadership until a new Superintendent is hired.

### **Transfers to Other Programs**

Transfers to programs other than County operations and the School system amounts to \$8,170,793 for FY 2001, which is a \$851,525 or 12 percent increase over the FY 2000 budget of \$7,319,268. Included in this category are the County's cost of incarcerating prisoners in the Regional Jail, the contribution to the Williamsburg Regional Library system, contributions to outside agencies, Mental Health, and Public Health.

#### *Regional Jail*

The County is a member of the Virginia Peninsula Regional Jail Authority, which oversees the jail, located in James City County. This budget includes the County's share of operations for the facility for FY 2001. The Jail Authority's members include the Counties of James City and York, and the Cities of Williamsburg and Poquoson. The County's cost for inmate incarceration will decrease by \$3,092, reflecting a reduction in the relative number of James City County inmates incarcerated.

#### *Regional Library System*

The City of Williamsburg and James City County share the cost of Library operations, based on their respective share of circulation. James City County's relative circulation increased with the opening of the new Library in Norge, therefore our share of operating expenditures has been increasing.

The County contribution to the Library for FY 2001 is \$2,997,522. This amount is a 5.7 percent increase over the FY 2000 contribution of \$2,834,639, and fully funds the Library's request. The funding increase will allow for an overall Library budget increase of 4.61 percent before the impact of the Virginia Retirement System rate increase associated with the public safety early retirement option. This increase funds additional staff to support programs, and an average pay increase of 4 percent based on performance. An overall library budget increase of 3.8 percent is targeted for FY 2002.

#### *Contributions to Outside Agencies*

The County contributes to a number of outside agencies, such as the James City County Volunteer Rescue Squad, James City/Bruton Volunteer Fire Department, the Community Action Agency, Peninsula Agency on Aging and Williamsburg Arts Commission, which provide services to County residents and businesses. Two years ago, the County began assessing an

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additional 2 percent in room tax, bringing the total room tax to 4 percent. This additional tax is required by State law to be targeted at efforts to increase tourism. An additional 1 percent room tax is proposed for FY 2001, bringing the total to 5 percent, of which 3 percent is dedicated to tourism efforts. The proceeds from this 3 percent totals \$1,545,300 for FY 2001 and is targeted to the Williamsburg Area Convention and Visitors Bureau, Jamestown-Yorktown Foundation, Association for the Preservation of Virginia Antiquities, and Jamestown 2007 planning, the Visitors Shuttle and other marketing efforts. A complete list of contributions to outside agencies can be found on pages C-52 and C-53.

### *Mental Health*

The County contributes funding to the Colonial Services Board to pay for the cost of providing mental health services to County residents, such as Crisis Intervention, Counseling, Early Intervention, and Prevention. Contributing to the \$91,306 increase in this category is \$73,366 in funding for Project Legacy, a program that works with middle school students identified as being at-risk. The program provides tutoring and other support services

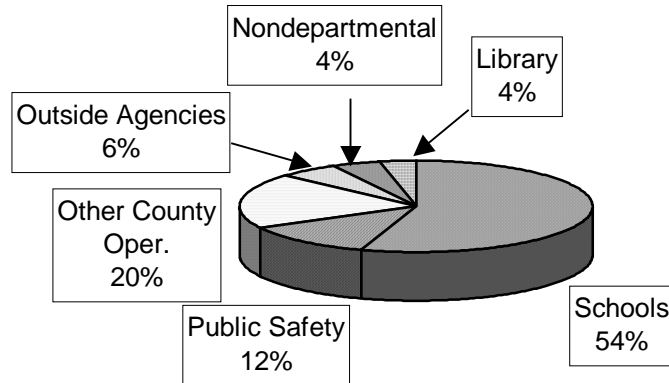
### *Public Health*

Included in the \$481,011 budget for FY 2001 is the County's contribution to both the Public Health department and the Williamsburg Area Medical Assistance Corporation (WAMAC). The Public Health department provides such services as ensuring food safety, permitting for septic systems and wells, maintaining certain public records such as birth and death certificates, and running the Women's Infant's and Children's program, which provides vouchers for certain food items. WAMAC operates the Olde Towne Medical Center, a community based, non-profit rural health center that provides comprehensive primary health care to the uninsured and under-insured, Medicaid, and Medicare residents living in James City County, the City of Williamsburg and York County. These localities also provide funding for this operation. The FY 2001 contribution to these programs is proposed to increase by 2.7 percent.

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## County Expenditures

### General Fund Expenditures By Category - FY 2001



Spending for that portion of the General Fund budget that includes the basic operating departments of the County will increase by 3.8 percent for FY 2001 and 5.8 percent for FY 2002. This increase is funded by revenue growth and several revenue initiatives discussed later in this message. Most of the spending increase is directed at public safety enhancements. In addition to the 3.8 percent increase, funds are included to implement an early retirement program for Public Safety employees. This program is discussed in more detail below.

## *Personnel*

### **New Positions**

The FY 2001 General Fund includes 19 net new full-time equivalent positions, which are directed at Public Safety, Youth, Quality Development, and Productivity Enhancement:

#### Public Safety

##### **Police Department**

(1) Police Officer Recruit for patrol to improve the ratio of police to residents. This is critical to a quick response to calls for service.

(1) Investigator to work narcotics. In addition, the County will pick up the cost of a Narcotics Investigator previously funded through a grant. The two Investigators are essential to continued efforts to keep drugs out of the County. The County also picks up some part-time grant administrator hours to continue the successes to date in obtaining police grants. It is anticipated that this position will pay for itself.

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In FY 2002, the budget picks up the cost of a school resource officer that is currently paid by grant funds. The program has been evaluated by the grantor and the schools as very successful.

### **Fire Department**

(1) Firefighter to supplement staffing at Volunteer Fire Station 1. The addition of this position will help ensure minimal paid staffing of one engine and one medic unit at all times. The Volunteer Fire Department has encouraged us to add this position.

(1/2) Secretary position increases in hours to full-time to provide administrative support, particularly to fire prevention.

An additional firefighter position is proposed in FY 2002.

### **Central Dispatch**

(2) Telecommunicator Trainees in Central Dispatch to meet emergency medical dispatching needs.

In FY 2002, the budget picks up the cost of (1) additional Telecommunicator Trainee to meet emergency medical dispatching needs and to assist with handling wireless 911 calls.

### Youth

#### **Parks and Recreation**

(1) Senior Customer Assistant to serve as site coordinator at the James River Community Center increasing use of the Center through building relationships in the community and the school. A combination of new patron fees and savings are required to cover the cost of the position.

(1/2) (1/2) Senior Recreation Leader temporary hours are increased and converted to (2) part-time permanent positions to meet the demand for the middle school after-school program and other on-going and growing programs for teens. Revenues from the before-and after-school programs will cover the cost of the positions.

#### **Facilities Management**

(1/2) Groundskeeper will be added to maintain the grounds and fields at Stonehouse Elementary School.

(2) Custodians - a new full-time, the upgrade of a part-time to full-time and a new part-time - to the Community Center to be maintained to industry standards and our customers' satisfaction.

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## Quality Development

This effort is related to our Strategic Management Plan goal to enhance the character of our community.

### **Planning**

(1) Code Compliance Officer will allow more time in the field and on enforcement activities such as sign violations, inoperable vehicles, and trash and grass and will improve responsiveness to customer complaints.

(1/2) Planner will allow staff time away from the heavy workload with current development projects to coordinate the blueprint for how the County will develop in the future.

## Productivity Enhancement

Several positions address heavy workloads and/or free professional staff from administrative duties, allowing them to work more efficiently.

### **Code Compliance**

(1) Administrative Secretary to relieve Plans Examiner and inspection staff of administrative duties to allow more time for field and technical work. Will also provide back-up to front desk staff who issue permits to ensure no disruption of service.

(1) Plans Examiner Assistant from part-time temporary to full-time permanent to achieve better plan review turnaround time.

(1/2) Senior Office Assistant is converted to part-time permanent status. The workload of the above two positions has not diminished after more than two years in temporary status.

### **Parks and Recreation**

(1) Account Clerk - This position will be upgraded from a part-time customer assistant to a full-time account clerk to handle the increased volume of accounting caused by the growth of fee-based programs such as the before and after school and summer Total Rec programs. The position will also assist in identifying cost savings opportunities.

### **Commissioner of the Revenue**

(1/2) Deputy Commissioner to assist with the workload generated by the semiannual billing of County taxes. A reduction in overtime costs will fund a portion of the cost of this position.

### **Treasurer**

(1) Account Clerk – To enable the office to staff an additional window, reduce overtime, and provide staffing for future satellite

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services. It will only be established if funding is provided by the State Compensation Board.

**Fleet Maintenance** (1/2) Automotive Inventory Assistant to assist in better managing the inventory and improving workflow to the Auto Mechanics. This position will only be filled if it can be funded from savings.

**Information Technology** (1) Records Clerk to assist departments with converting selected files to electronic images, saving time and space. Will also assist in making electronic records available to the public and employees through the Internet and Intranet.

(1) Webmaster to manage the significant increase of electronic information posted on the County web site, and to improve efficiency posting material, support the move to electronic forms, and make our site more convenient for our customers to conduct business with the County.

### Maintaining the Market-Based Compensation Plan

To keep our salary ranges competitive, particularly in this tight job market, a 2 percent structure adjustment, or increase to all of the salary ranges, is recommended. Two percent is consistent with results of annual surveys conducted by the American Compensation Association and the Compensation and Benefits firm of Mercer, Inc., which project the amount by which salary ranges in our area will be adjusted in the upcoming year. Twenty-three job classes will be moved to different salary ranges to keep them competitive with salaries for similar jobs in our market. Eight job classes will be reclassified because of significant changes in duties and/or responsibilities. Money is also included to fund career ladder advancements for eligible employees. The total cost for maintaining the compensation plan is \$86,500.

### Pay for Performance

Employees will be eligible for an average 4 percent salary increase based on performance. This amount is the same percentage as the last several years and is consistent with what is projected in the professional compensation surveys cited above. The cost, including fringe benefits, is \$767,000.

### Retirement

This budget includes funding effective January 1, 2001, for the VRS public safety retirement option. James City County will join the majority of jurisdictions in the State that offer the benefit to their police officers and firefighters. Eligible public safety employees who are at least 50 years of age and have at least 25 years of applicable service will be able to retire without early retirement penalty. The hazardous and stressful nature as well as the physical demands of the positions, have led VRS to offer this benefit. The cost of funding this "50/25" retirement is

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\$345,825 for a half year of funding in FY 2001, and \$719,316 for full implementation in FY 2002.

### Health Insurance

This is a critical benefit to many employees, and is an important attraction and retention tool for the County. Through careful management, the County's contribution per employee to health insurance is the same in FY 2000 as it was in FY 1995. This budget, however, increases the County contribution by an estimated 15 percent to cover a premium increase. To contain costs some changes will be made in the plan designs, including changes to copayments. The additional cost of health insurance is \$226,000.

### **Operating Expenditures**

#### Public Safety

Enhancements and growth in the Public Safety area consume 12 percent of the new dollars for FY 2001, 22.5 percent of new dollars for FY 2002, and 12 percent of the total spending. Most of the increase results from implementation of the early retirement option, along with the new positions noted above for the Police, Fire, and Central Dispatch departments. Also included are modifications to the Central Dispatch system in order to accommodate wireless 911 calls, as well as training and a database to allow dispatchers to provide medical instructions to callers while they wait for an ambulance to arrive. The strong tourism industry creates additional demands on the Police and Fire departments, as the number of people in the County is markedly higher during periods of heavy visitation. The new City/County Courthouse will be completed in 2000, and the associated operating costs are also programmed in this spending plan.

#### Parks and Recreation

The majority of the increase in the Parks and Recreation budget reflects an enhanced level of service, targeted at programs for youth. Principal activities are instructional classes, summer playground, after-school programs, and a summer day camp. User fees support the cost of this program and an increase in associated revenue is projected. The Parks and Recreation department continues to actively seek partnerships with and sponsorships from the private sector in support of its operations. User fee revenue will increase with expanded service offerings, membership growth, and proposed sponsorships. For FY 2001, user fee revenue is projected to cover 59 percent of direct operating costs.

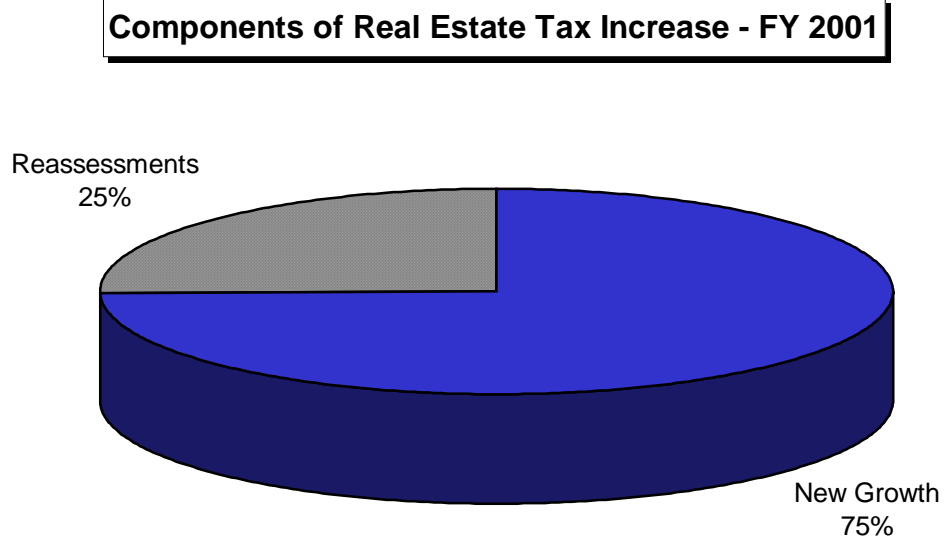
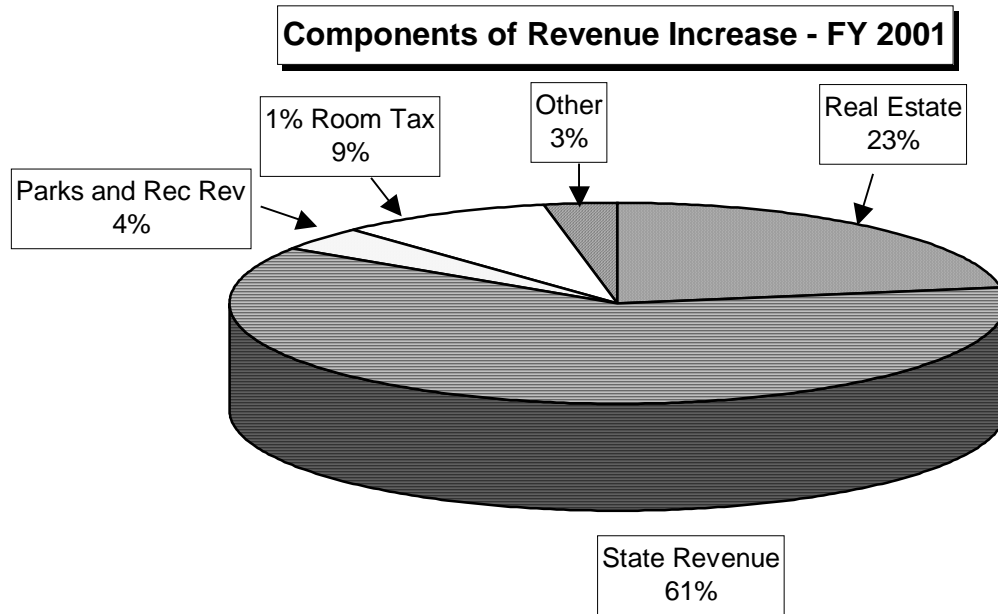
#### Maintaining Existing Services

Beyond the funding required for public safety enhancements, the opening of a new elementary school, and tourism investment, there are few other initiatives included in this budget. Fully 98 percent of the \$5,843,093 in new revenue for FY 2001 is consumed by additional funding for Schools, Public Safety and investment of the additional 1 percent room tax proceeds. The majority of the remaining dollars fund the adjustments in our market based pay system, an

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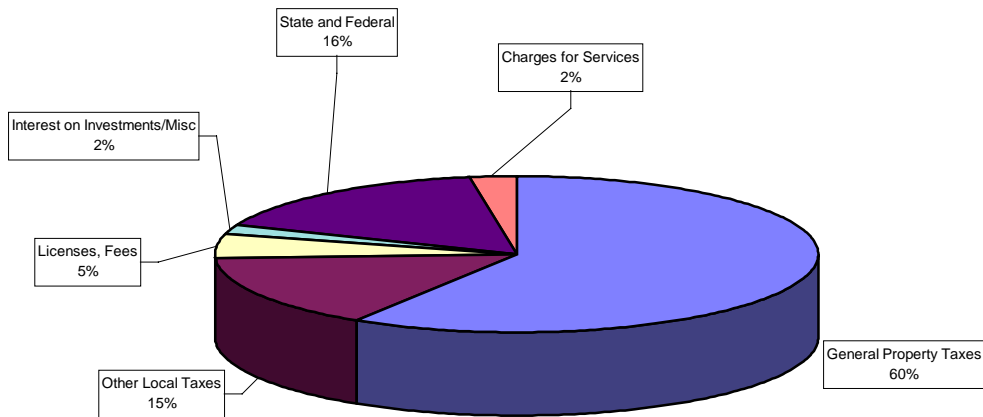
increase in health insurance rates, and the pay for performance increase. Funding is included to continue the drainage initiative, greenspace fund, corridor beautification, and development of the District Park.

## ► REVENUES



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Sources of Revenue, FY 2000-2001



The FY 2001 budget includes three revenue initiatives: an increase in the E-911 tax, an increase in the room tax rate, and the continuation of recovering costs of certain services through user fees. No property tax rate increase is proposed in FY 2001; however, a two-cent increase in the real estate tax will be necessary to achieve the proposed budget in FY 2002 if the County's assessment cycle is changed from annual to biennial. The FY 2002 budget includes an additional increase in the E-911 tax.

1. The E-911 tax rate is recommended to increase by 50 cents in both fiscal years, from its current level of \$1.20 per telephone line per month, to \$1.70 in FY 2001 and \$2.20 in FY 2002. According to the State Code Section 58.1-3813, localities in Virginia are authorized to set a rate for the E-911 tax sufficient to recover the direct costs of equipment for and maintenance of this service, including salaries. This increase will produce \$172,916 in revenue in FY 2001 and \$178,104 in FY 2002. This additional revenue will be directed at recovering a portion of the cost of the new dispatch positions and modifications to the dispatch systems needed to accept wireless 911 calls and to offer emergency medical dispatch service. If the County were to charge the maximum allowable tax, the E-911 rate would be \$3.00.
2. An increase in the room tax rate, from 4 percent to 5 percent, will generate \$515,100 in revenue, which will be directed at increasing visitation. Fifty percent of the proceeds would be contributed to the Williamsburg Area Convention and Visitors Bureau, in support of their marketing efforts for the area. Of the 5 percent in room tax, 3 percent will support tourism initiatives. The proposed distribution of this 3 percent is discussed on page C-53 of this document.

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3. Building permit fees are proposed to increase by 2 cents per square foot of finished and unfinished buildings. This proposal supports the Board of Supervisors' interest in reviewing user fees and recovering the costs for certain services through fees rather than tax dollars. This fee initiative is expected to generate \$90,000 in support of Code Compliance activities.

Additional State funding contributes to the overall revenue generated for FY 2001. Part of this funding results from a continued shift in local dollars generated by the car tax to state reimbursement to the County for the refund of most of this tax. The car tax reimbursement is expected to be \$5,585,827 for FY 2001 and \$9,336,555 for FY 2002. This is accompanied by a decrease in local car tax revenue. In addition, the State is expected to increase monies in support of police operations. The County is expected to receive \$909,659 or 25 percent in additional State funds for FY 2001, bringing the total to \$1,131,983. A significant increase is also expected in State sales tax for education, from \$4,464,007 to \$5,585,827, reflecting the number of County students. Overall, State revenue will increase by \$3,606,572 for FY 2001, and by \$3,790,207 in FY 2002.

### ► CAPITAL PROJECTS FUND

The County's Capital Projects Budget for FY 2001 is \$15,658,441 and these capital investments continues the County's investment in capital improvements focusing on improving the quality of life in the County:

The full funding of a new 800 Mhz **Public Safety** radio system dominates the Capital Budget for FY 2001, with FY 2001 funding of \$7 million. It will modernize our dated radio system and improve the safety of police officers and firefighters in the field, as well as the public at large. A refurbished ladder truck for the James City-Bruton Volunteer Fire Department and the continuation of an ambulance modernization program are additional investments in public health and safety.

With the expected sale of the County's shell building at the Stonehouse Office Park, a reinvestment of the \$2.6 million in proceeds in some kind of industrial property investment should enhance the County's **Economic Development** efforts. The final use of these proceeds will come after consultation with the Industrial Development Authority. The Crossroads project area is a potential location for this reinvestment.

The acquisition of a site for a third high school and continuing improvements in school facilities improve our **Education** efforts as the community continues to invest in our public schools.

A continuing **Parks and Recreation** investment in the District Park is another step in the incremental process towards meeting sports and athletic facility needs in the County for youth, school and adult sports leagues.

Additional funds have also been set aside to finance an expansion of the Government Center, combining financial services and human resources, now scattered in six buildings at three

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different sites. Colocated School and County information technology functions and a new Board Room will also enhance **Customer Service** to County residents.

On-going investments in greenways, bikeways, roadside landscaping, stormwater drainage, and sidewalks continue the County's efforts in preserving the **Environmental Character** of the community.

Finally, adapting to a new business environment, the Capital Budget includes funds for a regional **E-Commerce** initiative, a pilot project that envisions citizens enrolling in recreation classes, paying their taxes, searching through County property records, and registering their vehicles on the internet or at conveniently located kiosks in several public and private buildings.

The **FY 2002 Capital Budget** continues these initiatives and addresses two other projects – preliminary development of the water tank property adjacent to the Community Center on Longhill Road and the replacement of a ladder truck for the Fire Department.

The FY 2001 and FY 2002 capital budgets are part of a five-year **Capital Improvement Plan**. This plan will be funded one year at a time but each funding decision is expected to be made with the five-year plan in mind. Beyond FY 2002, and included in the five-year plan, are several other capital initiatives:

Replacements for Fire Station No. 2, in FY 2004, and Fire Station No. 1, in FY 2005. Fire Station No. 2 is in Grove and was built as a temporary facility almost 30 years ago. Fire Station No. 1 is a station built by the volunteer fire department in Toano almost 50 years ago on land leased from the County. The land lease will expire in 2005.

A youth golf facility is being considered, privately financed and operated on land owned by the County off of Jolly Pond Road, in FY 2005. Initial funding for an indoor 25-yard, eight-lane competitive swimming pool, designed for both school and youth competitive swim programs, is planned for FY 2005. Funds to study design and location alternatives is proposed in FY 2001 and this project could accelerate if private fund raising can become a significant part of the facility financing.

### ► PROPRIETARY FUND

The James City Service Authority (JCSA), found in Section E of this document, represents the financial plan for operating and capital costs of the water and sewer programs, which are provided to certain areas of the County. The JCSA is financed entirely by user fees and receives no tax revenue from the County.

Within the FY 2001 water fund, revenues are projected to increase by \$310,188, or 7.7 percent, primarily due growth in the numbers of users served. Revenues are projected to increase by 2.7 percent for FY 2002.

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Within the sewer fund, revenues are expected to grow by \$331,428, or 10 percent in FY 2001, and by \$73,529 or 2 percent in FY 2002. These increases arise primarily from customer growth.

An Engineer position is proposed for FY 2001 to meet ongoing needs and to assist in the design and construction of a Membrane Treatment Facility. A contracts management position is included to oversee the development and management of JCSA and County contracts. One additional Utility Technician is included in the FY 2001 budget to locate and mark underground utilities for contractors and to collect utility data for the County's Geographic Information System. A Water Conservation Coordinator position will be upgraded from part time to full time. An Industrial Mechanic position will be added in FY 2002 to maintain, program and repair well facilities and pump stations.

The JCSA Capital Budget is dominated by renovation/rehabilitation projects for both the water and sewer systems, in a continuing effort to maintain and improve the systems

### ► SPECIAL REVENUE FUNDS

The majority of support in the Special Revenue Funds, which are found in Section F, comes from State and Federal Grants. The County General Fund contributes to these funds, which include Transit, Community Development, and Social Services operations.

The Transit budget is focusing efforts on the successful Visitor's Shuttle, which will be in its fourth year. The cost of this Shuttle is shared with the City of Williamsburg and York County. One full-time, one part-time and some substitute bus driver hours are proposed to staff the Monticello Avenue, Ironbound Road, Route 5 shuttle. Some of the funding for these positions will come from a grant, fares and a contribution by the City of Williamsburg. A portion of the proceeds from the additional 1 percent room tax will be directed at funding the County's share of the Visitors Shuttle.

The Social Services fund increases 2.7 percent from the FY 2000 funding level, reflecting State revenues that are virtually flat. Two full-time case aide positions that work with foster care children and families are changed from temporary to permanent, and two social worker positions that work in foster care are changed from limited term to permanent. They are all primarily State funded positions.

The Community Development Fund includes \$220,000 in Community Development Block Grant Funds for improvements to Ironbound Square.

### ► TRANSPORTATION IMPROVEMENT DISTRICT

Section F of this budget includes a multiyear financial plan for the Transportation Improvement District (TID). The TID was created to help finance the construction of Monticello Avenue Extended, also known as Alternate Route 5, an \$11 million construction project designed to divert traffic from existing Route 5. The budget proposes shifting one of the two TID debt instruments, the almost \$1 million in funds advanced by the Virginia Department of

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Transportation (VDOT), from the TID to the County's Debt Service. This would free up funds from the TID to accelerate the repayment of the Governors Land indebtedness, which should limit any incremental tax rate for the property owners in the TID to four years or less. This budget continues the current incremental TID tax rate of 10 cents per \$100 of assessed value for both FY 2001 and FY 2002, to cover the repayment of the Governors Land financing and to finance any necessary additional project costs. The VDOT payments, at \$125,000 a year, are shown in the County's Debt Service Fund.

### Conclusion

The proposed budget for FY 2001 and FY 2002 attempts to balance the demands created by growth with available resources. We are able to fund enhancements in public safety, education and tourism investment while the property tax rates are proposed to remain level, assuming a continuation of the annual assessment cycle. Three revenue initiatives are focused on Public Safety, tourism investment, and cost recovery through user fees. The County may face funding challenges, however, as the community continues to grow. The County, like other localities and the State, has been helped in no small measure by the robust economy. If the local economy grows at a slower rate or declines, we could face funding challenges, particularly with a rapidly growing population.

To reduce the need for increased taxes as we move forward, the County continues to focus effort in the area of economic development so that we can maintain a diversified tax base. Moreover, we remain committed to continuing to provide high quality services at a reasonable cost. This budget proposal meets that commitment.

Respectfully submitted,

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Sanford B. Wanner  
County Administrator