

County Administrator's Budget Message

To: The Members of the Board of Supervisors

July 1, 2005, is the beginning of the second year of the current biennial financial plan for Fiscal Years 2005 and 2006. Increases to the FY 2006 budget previously adopted by the Board for planning address the new challenges facing James City County as the eighth fastest growing community in Virginia. This FY 2006 plan reflects the Real Estate tax rate of \$0.825 adopted by the Board in FY 2005. In addition, the plan meets the budget guidance for a financial program demonstrating the choices available to the Board as it considers implementing Emergency Medical Services (EMS) user fees to offset rising costs in delivering EMS services. A Real Estate tax rate of \$0.84 will be advertised to provide flexibility for the Board's decision.

The proposed General Fund budget for FY 2006 totals \$132,576,560 which is a \$10,713,523 or 8.8 percent increase over the current year's budget. The budget for the County's operating departments, included in the total, increases by approximately \$2.9 million or 7.4 percent.

Balancing Growth and Spending

When I issued guidance to departments I indicated this plan would focus on maintenance of effort as the County's growth and development continue to make demands on all aspects of the budget. Departments with proposed changes to the budget previously adopted for planning were to describe what changed to require any new spending, identify non general fund revenue sources such as user fees and grants that would support the spending and explain how the proposal aligned with the County's Comprehensive and Strategic Management Plans. I directed staff to identify opportunities for greater efficiency using methods such as outsourcing, partnering with the private sector, increasing use of information technology or consolidating services with other departments and agencies.

In addition to maintaining what we already have, this budget provides for facilities and services needed to address basic community needs associated with continued growth and maintaining our citizens' quality of life. Construction of the new high school; an addition to Stonehouse Elementary School; the Warhill Site Improvements for the high school, community college campus and athletic stadium facility; a referendum on Parks and Recreation facility improvements and a potential referendum on greenspace, greenways and purchase of development rights illustrate the efforts to address the diverse needs of our growing community.

While the budget process attempts to match available resources with local needs, this budget falls short of funding the requests of County departments, regional agencies and nonprofit groups providing services in the community. The operating budget of the Williamsburg-James City County (WJCC) Schools, as an example, requests \$2.59 million more than is recommended. Nevertheless, the County budget proposes a funding increase for education that exceeds funding increases for all other County functions, including almost \$45 million in capital funding. The proposed spending plan corresponds to the budget guidance I provided to the Schools.

Since we recently updated the County's Comprehensive Plan and the County's Strategic Management Plan, we have tied the budget process to the County's updated Strategic Directions

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and Pathways and many components of this year's budget fall within these five Directions; manage finances wisely and encourage a balanced economy; improve the lives of citizens and foster a sense of community; plan responsibly for the needs of a growing, diverse community; steward the natural environment and historic heritage; and provide outstanding customer service.

I. Manage finances wisely and encourage a balanced economy.

A pathway under this direction is to develop and promote revenue alternatives to property taxes. The Board will consider implementing Emergency Medical Services (EMS) user fees in FY 2006. If the Board decides not to implement the fees, additional revenue from the advertised \$0.84 tax rate could partially fund the six (6) Paramedic positions required to staff a new ambulance at Fire Station 5 and the maintenance for the new radio system. The Board reiterated its strong support for these public safety initiatives at its January retreat. If the Board decides to adopt EMS fees, the additional Real Estate revenue will enable the Board to respond to other community needs not currently included in this budget or transfer additional funds to the WJCC Schools to reduce borrowing for capital projects such as the Stonehouse Elementary School addition.

If implementation is not approved for FY 2006, I will continue to bring this issue before the Board. As our population ages, the impacts on our EMS infrastructure are increasing at a rapid pace. Additionally, non-County residents also use these services and this use is expected to increase with 2007 approaching. As noted in a November 2004 Joint Legislative Audit and Review Commission (JLARC) study of EMS in Virginia commissioned by the 2004 General Assembly, "Patients' health insurance represents a viable and largely untapped source of revenue for EMS. ...Failure to recover this revenue simply leaves unclaimed the health insurance benefits for which most patients have already paid." Funding increased EMS needs through something other than general tax dollars is an approach that other localities have implemented successfully to reduce reliance on property taxes.

This plan also proposes increasing several planning and zoning fees to convert a part-time position to full-time (1) in the Planning Division to address current planning and greenspace issues and the creation of a part-time position (.5) to address increased workload and customer service requests in the Environmental Division. These fee increases provide additional resources of \$72,000.

II. Improve the lives of citizens and foster a sense of community.

Enhancing community appearance is one pathway under this direction. The Capital Improvements Program contains several projects scheduled to break ground in FY 2006 that will develop the Warhill Site as an attractive educational and recreational center of the community. In addition to the construction of the third high school and the community sports facility, the Warhill Site Improvements project will provide a unified design and construction program for the roadways, utilities and infrastructure for this multiuse site.

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The County's Youth Strategic Plan is another important component of this direction. In FY 2006, I am recommending that the County pick up funding for the "Beyond the Bell" program when the Juvenile Justice Title V grant runs out. This will enable two (2) current Senior Recreation Leaders to continue to work with middle school students. This is consistent with the proposal set out a year ago in developing a financial plan for FY 2006.

III. Plan responsibly for the needs of a growing, diverse community.

Investing in public safety to successfully meet the needs of our expanding population has a high priority in FY 2006. This plan provides six (6) new paramedic positions and a new ambulance at Fire Station 5 to address growth in this part of the County. Four (4) new police recruits are also included to meet service demands and improve traffic control. An increase in the consumer utility tax provides \$150,000 in revenue supporting the County's emergency dispatch function.

Other initiatives supporting this direction include acquisition of school sites, funding for the Stonehouse Elementary School addition, road improvements, and public safety communication improvements.

IV. Steward the natural environment and historic heritage.

Both the Purchase of Development Rights Program (PDR) and Greenspace are proposed to be funded from the equivalent of one-cent on the real property tax rate that equates to approximately \$726,000 in FY 2006. These programs have positive impacts on our environment and add to our quality of life.

PDR, Greenspace, Greenways and a \$15 million Parks and Recreation facility improvements program at the Warhill Sports Complex, Freedom Park and Chickahominy Riverfront Park are all proposed for voter referendums in November.

This plan also funds \$550,000 in new and improved stormwater facilities through the Capital Improvements Program and provides \$114,000 from the operating budget to address smaller water quality maintenance items. This plan does not fund the establishment of a Stormwater Utility in FY 2006 as an alternate financing mechanism to meet growing water quality requirements.

V. Provide outstanding customer service.

The County strives for outstanding customer service in everything that it does. In FY 2006, I am proposing that one Senior Office Assistant position in the Code Compliance Division be converted from part-time to full-time (.5). Code Compliance continues to process record numbers of inspection requests and permit applications. Conversion of this position will speed the processing of inquiries and applications received at the customer counter and enhance the customer service capabilities of this Division. This position conversion will be funded by increased collections of building permit fees.

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Funds

The following categories of funds are included in this adopted 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 Projects Fund: This fund is used to account for the cost of major, one-time infrastructure and equipment investments that result in a County asset. Those related to water and sewer service are exceptions funded by the James City Service Authority.

Proprietary Fund: The James City Service Authority, which is responsible for providing water and sewer 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.

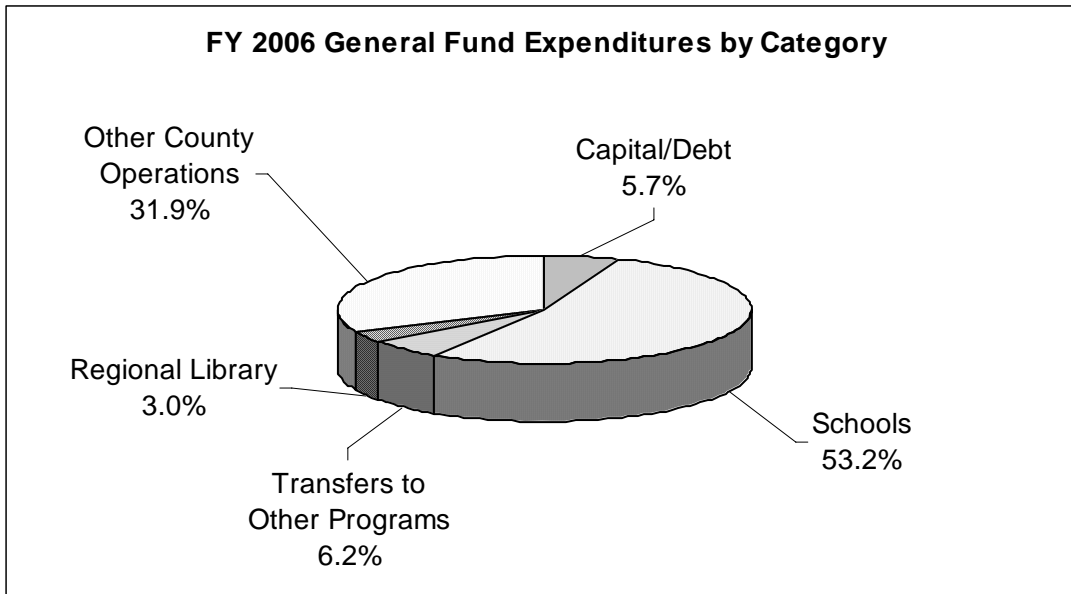
Special Revenue Funds: Programs where the major sources of revenue are not local tax dollars are classified under these funds. Such programs include Social Services and Williamsburg Area Transport operations and any other grants or other special projects that do not fall into any other funds. The 2007 fund was added in FY 2005 to handle the 2007 commemoration expenditures as they are incurred.

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►GENERAL FUND

The adopted General Fund budget for FY 2005 and the proposed General Fund budget for 2006 appear below:

| | <u>FY 2005 Adopted</u> | <u>% of Total</u> | <u>FY 2006 Proposed</u> | <u>% of Total</u> |
|---------------------------------|----------------------------|-----------------------|-----------------------------|-----------------------|
| <u>Expenditures:</u> | | | | |
| Schools | \$66,149,733 | 54.3% | \$70,547,437 | 53.2% |
| Transfers to Other Programs | 7,412,191 | 6.1% | \$8,272,263 | 6.2% |
| Regional Library | 3,806,853 | 3.1% | 3,947,870 | 3.0% |
| Other County Operations | <u>39,340,576</u> | <u>32.3%</u> | <u>42,268,854</u> | <u>31.9%</u> |
| Total Expenditures | <u>\$116,759,353</u> | <u>95.8%</u> | <u>\$125,036,424</u> | <u>94.3%</u> |
| <u>Capital/Debt Investment:</u> | | | | |
| Debt Service/Nondepartmental | \$3,183,390 | | \$4,235,700 | |
| Contribution to Capital | <u>1,970,294</u> | | <u>3,304,436</u> | |
| Total Capital/Debt Investment | <u>\$5,103,684</u> | <u>4.2%</u> | <u>\$7,540,136</u> | <u>5.7%</u> |
| Total General Fund | <u>\$121,863,037</u> | <u>100%</u> | <u>\$132,576,560</u> | <u>100%</u> |



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Schools

Education is an important and vital component of a healthy community. For FY 2006, I am proposing that the County contribute \$70,547,437 to the Williamsburg-James City County Schools. This provides \$58,912,437 for operations and \$11,635,000 for debt service. The operational amount represents an increase of \$3,450,904 or 6.2 percent and, with City, State and other funding, will allow an increase in the School operating budget of \$6,167,913 or 7.4 percent. However, this will not fully fund the budget as adopted by the School Board on March 22, 2005. That budget included \$91,757,842 in operating spending, an increase of \$8,758,018 or 10.6 percent. The difference is \$2,590,105 which is currently not funded.

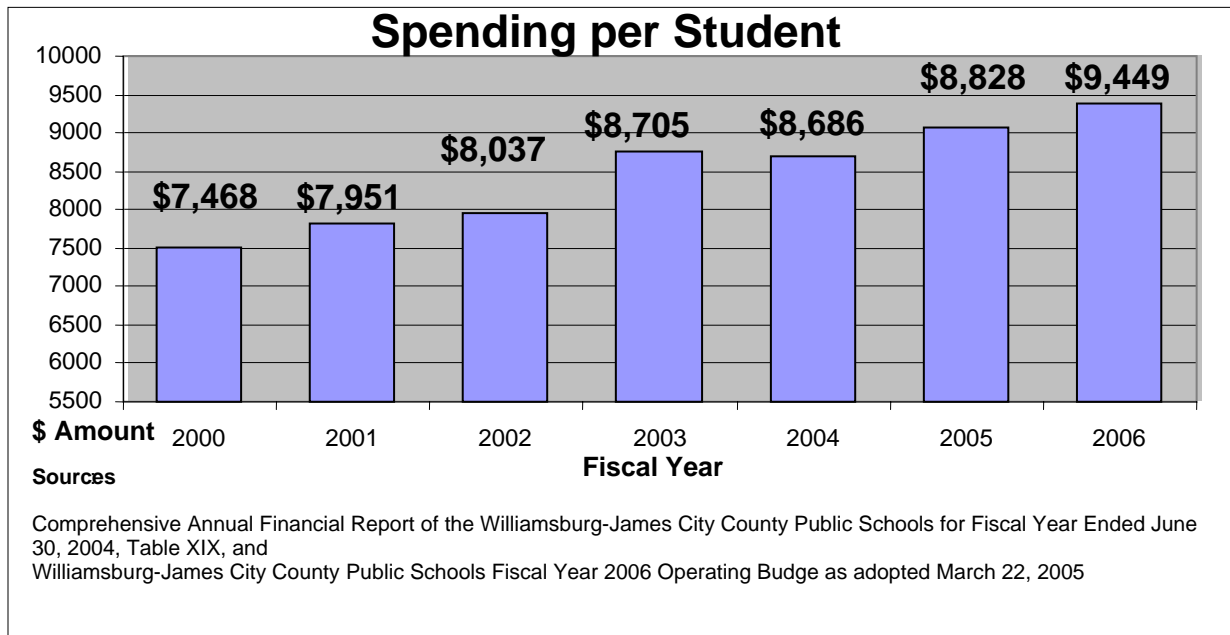
The proposed funding is consistent with the FY 2006 financial plan adopted by the Board of Supervisors and guidance provided by my office to the Superintendent and her budget staff in December. The 7.4 percent increase funded by this budget recommendation for the School's operating budget mirrors the 7.4 percent increase recommended for the County's operating budget.

In addition to the operating budget, the capital budget includes \$44,747,085 in spending in FY 2006 for the Schools. A new high school, site acquisition for new elementary and middle schools, funding for an addition at Stonehouse Elementary School and cafeteria/kitchen improvements at Norge Elementary School, both designed to expand capacity, are some of the projects funded.

Constitutionally, the State of Virginia has the primary responsibility for K-12 education. The Commonwealth of Virginia has established Standards of Quality, Standards of Learning, and other mandates for school divisions around the State. The State has consistently failed to fund its share of the Standards of Quality. One telling example – of the \$44,747,085 in school capital spending in FY 2006, only \$160,000 in lottery proceeds is projected from the State. The rest is County funding. Despite funding improvements made in the 2004 session of the General Assembly, funding is still inadequate to fund the State's share of the minimum State requirements. This has resulted in an increasing dependency on local tax dollars to finance basic educational programs, teacher pay and capital spending for schools.

The following chart depicts that historically, the Schools have been able to increase its spending per student due to healthy funding from all sources. While the School budget has proposed a \$9,449 cost per student, the County's proposed budget projects per pupil spending to be \$9,182. The County projected per pupil spending increases to \$10,380 when debt service is added to the equation.

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Transfers to Other Programs

Transfers to programs other than County operations and the School system for FY 2006 amount to \$12,220,133. Two large items in this category are the County's contributions to the Williamsburg Regional Library and Outside Agencies.

Regional Library

The City of Williamsburg and James City County share the cost of Library operations, after other revenues are accounted for, based on their respective share of circulation. The County contribution to the Library for FY 2006 increases by 3.7 percent to \$3,947,870. This amount fully funds the Library's request including some position growth related to workload and the same pay for performance increase proposed for other County employees.

Contributions to Outside Agencies

The County contributes to a number of outside agencies, such as the James City County Volunteer Rescue Squad, the James City/Bruton Volunteer Fire Department, the Community Action Agency, the Peninsula Agency on Aging, the Peninsula Habitat for Humanity and Housing Partnerships, Inc., which provide services to County residents and businesses.

In addition, the County supports tourism efforts particularly targeted to marketing efforts as well as Jamestown 2007 planning and tourism venues, using a portion of the taxes collected on lodging. The proceeds from half of the room tax will be used as required by State law for tourism initiatives. Other Jamestown 2007 related initiatives include contributions to a regional Wayfinding project designed to enhance visitor navigation through the Historic Triangle area and

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the Newport News-Williamsburg International Airport Task Force. Overall dollar allocations for tourism initiatives decrease due to the declining room tax revenue.

A one-time County contribution of \$482,000 toward the construction of the Heritage Humane Society's regional animal shelter significantly increases the public safety agency-related contributions. This expansion will allow the relocation of County Animal Control operations from inadequate space at the County landfill to regional, co-located space at the shelter. Passthrough portions of the proposed ALS/BLS revenue account for increases to the JCC Volunteer Rescue Squad.

Not including allocations for tourism initiatives and the Heritage Humane Society contribution, General Fund dollars allocated to outside agencies increase 12.4 percent. A complete list of contributions to outside agencies can be found on Pages C-48 and C-49.

The results of the Revenue Maximization initiative previously approved by the Board of Supervisors can be seen as these Federal funds are targeted for at-risk children and are used to enhance and expand human services needs within our community without supplanting existing funding. The Revenue Maximization funds and their appropriations can be found in the Virginia Public Assistance Fund. FY 2006 will be the final year for the Revenue Maximization initiative due to a halt in reimbursements and increasing program restrictions. Funding requests were critically reviewed and where agencies had justified requests and no other funding sources available, increases in funding were recommended.

Nondepartmental

Major items in this category include funding for debt service payments, a dollar-for-dollar match of VDOT funds for road projects, underground utility conversions and water quality improvements. This section also includes the first of five annual \$50,000 contributions to the Peninsula Metropolitan YMCA in support of a new family center including an indoor eight-lane competitive swimming facility. This partnership addresses a need for more indoor aquatic venues for both community use and interscholastic competition and limits the County's investment to a capital campaign contribution with no recurring operational or maintenance costs.

County Expenditures

The remaining portion of the General Fund budget not related to the Schools, transfers to other programs or the Regional Library equates to 31.9 percent in FY 2006.

Employee Compensation

I am proud of how staff is meeting the challenge of providing services to a growing population and handling an increased workload of 911 calls to be dispatched, parks to be maintained, site plans to be reviewed, permits to be issued, etc. A high priority for us and one of our strategic directions is to provide outstanding customer service in delivering these services. That is why

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employee compensation is a high priority; I want to be sure that we continue to attract and retain great service deliverers in a competitive environment.

As stated in last year's budget message, we have implemented several compensation policy changes designed to help prevent some future salary compression. One of the changes is all performance increases and infrastructure maintenance being effective on a single date, October 1. Another change is awarding performance increases on actual salary instead of the midpoint of the salary range. In addition, after studying the current pay for performance system, we propose to maintain that methodology while improving our communication to make salary increases easier to explain and to understand.

Pay for Performance

Pay for performance is the heart of our compensation program, and the way in which employees are able to move through a salary range. It has been in place for more than twenty years. My proposed budget includes salary increases for eligible employees that vary based on performance not to exceed overall the budgeted 3.8 percent. This is only 0.3 percent higher than what was programmed in the two-year budget and less than salary increases proposed by the City of Williamsburg and York County. The cost to the General Fund for pay for performance in FY 2006 including fringe benefits is \$788,184.

Maintaining the Market-Based Compensation Plan

Another important part of the compensation program is maintaining the infrastructure. The following adjustments to the compensation plan are recommended to accomplish this:

- The salary structure, which consists of all the salary ranges, will be adjusted by 2 percent, which is the amount included in the FY 2006 budget for planning purposes. This is in line with published survey projections and particularly helps to keep our entry pay competitive. With the common date for pay for performance increases and infrastructure maintenance mentioned above, the only cost will be to move salaries of employees in temporary positions to the new minimum salaries.
- Market adjustments, which are movements of positions to different salary ranges, are included to maintain competitive pay for several job classes. Eleven (11) employees in three (3) job classes receive salary adjustments.
- Reclassifications, which are position and salary adjustments because of significant changes to duties and responsibilities, are proposed for five (5) positions.
- Career ladder advancements, which are salary adjustments based on the achievement of higher levels of experience and certification, are also included.

The total cost to the General Fund of maintaining the market-based compensation plan, including fringe benefits is \$193,995.

Health Insurance and Other Benefits

The budget increases the County's contribution to health insurance premiums by about 18.5 percent, up from the projected 12 percent due in part to greater utilization caused by numerous

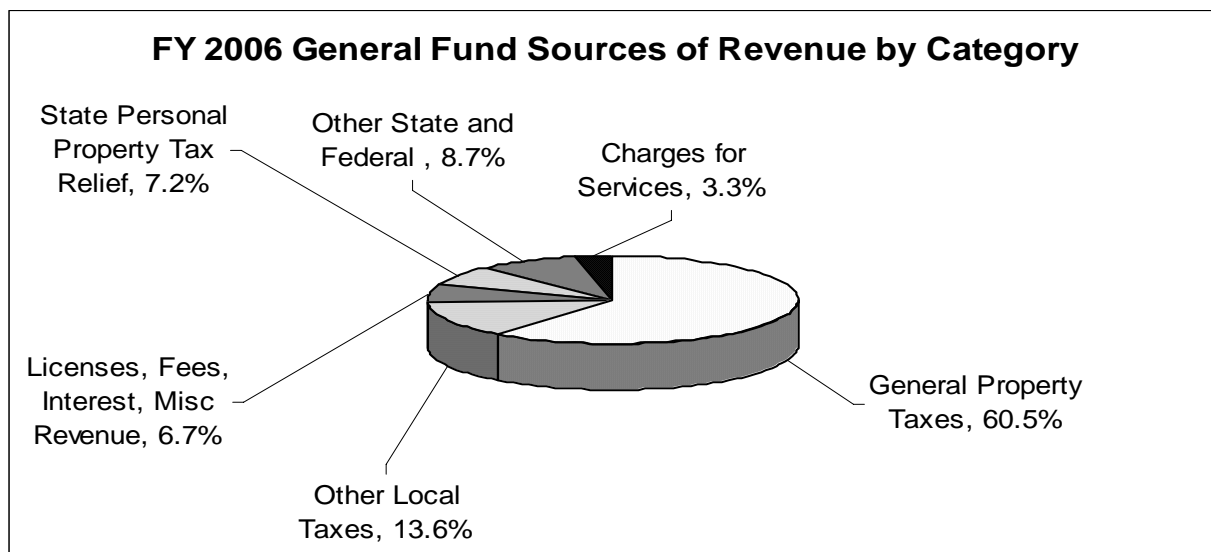
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unexpected high dollar claims. Employees on average will also experience an increase of about 18.5 percent in their portion of health insurance premiums, continuing the Board's practice of sharing cost increases while maintaining affordable health insurance for employees and their families. The increased cost to the County will be about \$541,000. The County's average increase over the last few years is still below the regional average and the regional medical inflation trend factor of 14 to 15 percent.

The County staff takes many steps to control medical costs including putting the plans out to bid this year. We also continue the ongoing cost control efforts we have in place such as having employees share in the cost of health insurance through premiums, co-pays and deductibles; actively monitoring claims; providing disease management programs through our health plans and promoting wellness through the Board-established Working Towards Wellness Program.

The other County benefit plans will not experience a rate increase in FY 2006, such as the Virginia Retirement System (VRS) and Long-Term Disability or are level funded, such as the Working Towards Wellness Program.

► REVENUES



General Fund revenues are expected to increase \$10,713,523 or 8.8 percent by growth in some areas and reductions in others. James City County is a very desirable place to live and the real estate values reflect this desirability and continue to show healthy increases. Market values prompting assessment increases in real property combined with a healthy volume of new construction drive this revenue growth. Revenue growth from real estate taxes makes up 54.9 percent of the overall revenue growth while, as a whole, General Property taxes make up 60.5 percent of total revenue.

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In its budget guidance, the Board permitted me to look at alternative revenue sources, other than the real estate rate, to fund the necessary improvements to meet community needs. In this FY 2006 budget, I am proposing the following revenue initiatives:

- Implementing Emergency Medical Services user fees as follows:

(1) *Basic Life Support (BLS)*: Services shall be medical treatment or procedures to a patient as defined by the National Emergency Medicine Services (EMS) Education and Practice Blueprint for the Emergency Medical Technician-Basic (EMT).

Fee \$350.00

(2) *Advanced life support, level 1 (ALS1)*: Services shall be medical treatment or procedures provided to a patient beyond the scope of an EMT-Basic as defined by the National EMS Education and Practice Blueprint.

Fee \$450.00

(3) *Advanced life support, level 2 (ALS2)*: Services shall be defined as advanced life support (ALS) services provided to a patient including one or more of the following medical procedures: (i) defibrillation/cardioversion, (ii) endotracheal intubation, (iii) cardiac pacing, (iv) chest decompression, (v) intraosseous line, and/or (vi) the administration of three or more medications.

Fee \$550.00

(4) *Ground transport mileage (GTM)*: Mileage shall be assessed in statute miles from the location of the incident to a hospital or other facility where a patient is transported.

Fee \$7.50 Per Mile

- Increase the site plan review fee by \$.026 per square foot for nonresidential properties
- Increase the erosion control and inspection fees for site plans from \$600/acre to \$720/acre and for subdivisions from \$50/lot to \$60/lot
- Increase the consumer utility tax on telephones from \$1.40 to \$1.60 a month

The total revenue generated from these initiatives in FY 2006 totals \$1,323,153. The ALS/BLS revenues are based on insurance reimbursements with County resident co-pays being met through the payment of local property taxes.

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The remaining revenues in the General Fund show other areas of growth and a few areas of decline. Revenue sources associated with real estate transactions and new construction are expected to show healthy growth. These items include Deeds of Conveyance, Recordation Taxes, building permits and planning and zoning fees. A growing population helps explain increases in personal property taxes, local sales tax, and business and professional license fees. A relatively strong statewide economy contributes to the increase in State sales tax for education expected from the Commonwealth. Room taxes continue to decline, showing the effects of several permanent facility closures and increased competition in a relatively flat tourism industry. Slower than originally projected interest rate growth is expected to drive a decrease in interest income.

As stated earlier, I plan to advertise a \$0.84 tax rate with this budget to provide flexibility for the Board. Additional revenue generated from this tax rate would be approximately \$1,089,000.

► CAPITAL PROJECTS FUND

The County's Capital Projects budget for FY 2006 increases to \$82,326,958, with \$43,247,085 or 52.5 percent of these capital investments focused on school needs.

- ✓ Borrowing is anticipated for the new high school (FY 2006) approved by voter referendum in the November general election, a new elementary school (FY 2007) and middle school (FY 2009). A portion of the FY 2007 elementary school debt financing is funded in FY 2006 to allow for some preliminary engineering and design.
- ✓ Funding is proposed for other school projects including school site acquisition for two new schools, additions and expansions at Norge and Stonehouse Elementary Schools, initial planning and design of a new elementary school and remedial improvements at several schools.
- ✓ Debt financing is expected in FY 2006, if not completed in FY 2005, to finance the on-site and off-site road, utility and parking improvements at the Warhill site. The parcel will serve as the site for the new Historic Triangle campus of Thomas Nelson Community College, the third high school and the new community sports facility.
- ✓ A November 2005 referendum is envisioned for a \$15 million improvement program for Parks and Recreation. The referendum will focus on improvements to the Warhill Sports Complex, Freedom Park and Chickahominy Riverfront Park. A referendum question may also be placed on the 2005 ballot for possible expenditures for greenspace and purchase of property development rights (PDR).
- ✓ Public safety related proposed funding in FY 2006 includes a new ambulance at Fire Station 5, the first investment of a three-year program for mobile data terminals and additions to the County's new emergency communications system. Funds are also included for one replacement ambulance in FY 2007 through FY 2009.

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- ✓ FY 2006 is the first year of a proposed five-year funding program to add capacity to the County's Metropolitan Area Network, a system of high speed fiber that is currently providing linked network service for voice, data and video to 27 sites in both the County and the City including some public school sites.
- ✓ The relocation of the Toano solid waste convenience center from the EOC to other property in the Toano area, replacement grounds equipment for school playing field maintenance, the replacement of a chiller at the James City library, replacement equipment for the County's video center and the expansion of a program to update voting machines at new precincts are also funded in FY 2006.

The FY 2006 Capital Project budget is part of a five-year Capital Improvement Plan totaling \$137,530,788 of which \$85,802,735 or 62.4 percent is devoted to Schools. 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. Three FY 2006 projects; construction of the third high school, the Warhill Site Improvements and the proposed referendum on the Parks and Recreation facility improvement program, are among the most significant projects in this five-year plan. Construction of an elementary school in FY 2007 and a middle school in FY 2009 are also significant investments.

One major initiative I am recommending this year is a separate debt service reserve to mitigate the expected increases in debt service costs for a new elementary and a new middle school. In FY 2006 the equivalent of one-half of one cent on the real estate tax will be added to the County's debt service reserve. I expect to be able to increase this allocation by adding "half cents" each year through FY 2010. This should allow the County to borrow money to build the two new schools without a significant impact on tax rates. Additional resources will still be necessary to operate these schools.

The \$85.8 million Schools portion of the five-year Capital Improvement Plan does not fully fund all of the projects requested by the Williamsburg-James City County School Board. Priority was given to those projects necessary to address enrollment growth, particularly at the elementary school level and preserving existing buildings.

Detail on the Capital Projects Fund appears in Section D.

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► PROPRIETARY FUND

The James City Service Authority (JCSA) budget, 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.

User fees are proposed to remain unchanged in FY 2006. The assessment of key service rates and charges are proposed as follows:

| <u>Water Service</u> | | <u>Proposed Rate</u> |
|----------------------------------|-----------------------|----------------------------|
| Residential | 1 st Block | \$2.30 per 1,000 gallons |
| | 2 nd Block | \$2.71 per 1,000 gallons |
| | 3 rd Block | \$7.60 per 1,000 gallons |
| Nonresidential | Flat Rate | \$2.70 per 1,000 gallons |
| <u>Sewer Service</u> | | |
| All Customers | Flat Rate | \$2.70 per 1,000 gallons |
| Water Service Facility Charge | 5/8-inch meter | \$300 per bathroom fixture |
| Sewer Service Facility Charge | 5/8 inch meter | \$300 per bathroom fixture |

Resources in FY 2006 will be used to fund the following personnel requirements:

One (1) Utility Operations Foreman to support the increase of maintenance and repair of 660 miles of utility infrastructure throughout the system.

One (1) Utility Operations Technician to support the operation and monitoring of seventy-seven (77) sewage pumping stations.

One (1) Utility Operations Assistant to support the operation and monitoring of thirty-one (31) water facilities.

One part-time (.5) Utility Locator will be changed to a full-time permanent position in FY 2006 to handle the growing workload of marking JCSA's underground utilities when requested to do so by the "Miss Utility" Program. We are required by State law to respond to this growing number of requests within 72 hours immediately in the case of an emergency and within a one-foot tolerance in order to avoid responsibility for any damage done during construction.

One part-time (.5) GIS Technician to support the Engineer Division.

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► 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 also contributes to these funds, which include Williamsburg Area Transport, Community Development, Social Services and Special Projects/Grants.

The Jamestown 2007 fund was included for the first time in the FY 2005 budget. This fund was established in the late 1990s to enable the County to participate in the 2007 commemoration and to make an investment in order for the County to have a legacy for its citizens after 2007. This spending plan can be found on page F-11.

The Social Services budget increases to \$6,375,732 in FY 2006. The majority of this increase is attributed to the increase in Federal/State funding for programs such as Foster Care, Child Protective Services, Adoption, and Child Care. The Revenue Maximization initiative is also reflected in this budget and is \$161,272.

The Williamsburg Area Transport budget includes two new buses for regional system service improvements including the Mooretown Road corridor.

The Community Development Fund budget includes use of Water Quality Improvement funds for development of a regional stormwater management project in the Ironbound Square area.

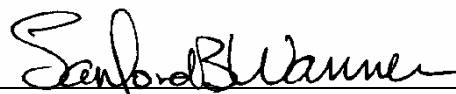
Conclusion

While this proposal focuses on maintenance of effort, the County must address the daily increases in service demand presented by continued growth. Processing record numbers of building permits, plans, inspections, and responding to increased EMS calls are just a few of the challenges the County continues to face.

I believe that this budget represents continued progress toward accomplishing the County's mission to achieve a quality community. The County will be challenged, however, to effectively implement the large number of existing initiatives and respond to the increasing demand for services with limited revenue growth.

The County staff and I are committed to providing the best quality service to the citizens within the resources available.

Respectfully submitted,



Sanford B. Wanner
County Administrator