

County Administrator's Budget Message

To: The Members of the Board of Supervisors

The 400th anniversary of Jamestown will begin in 2007 and this next biennial plan for fiscal years 2007 and 2008 will encompass the year-long commemoration. The County looks forward to welcoming the world in this commemoration of James City County's place in America's national history. It will provide an opportunity to showcase the wonderful historic, natural and hospitality amenities that James City County has to offer. Because of the County's quality of life, many people have chosen to live in the County and therefore the County has experienced a rapid rate of growth.

Due to this growth, the next two fiscal years present the financial challenge of addressing the impacts of growth, maintaining infrastructure, and planning for the future. New construction and the value of existing homes have increased the taxable value of real estate.

In order to adequately fund the impacts of the growth that has taken place over the last few years, the FY 2007 budget and FY 2008 plan reflect a level Real Estate tax rate of \$0.785 in both years. The proposed General Fund budget for FY 2007 totals \$154,894,919 which is a \$15,742,682 or 11.3 percent increase over the current year's budget. Of this amount, \$78,921,026 or 51 percent is allocated to the schools and the remaining 49 percent allocated to County operations, contributions to other agencies and investments in capital projects. The proposed plan for FY 2008 is \$170,241,755 which is a \$15,346,836 or 9.9 percent increase over FY 2007. Of the FY 2008 plan, \$91,062,019 or 53 percent is allocated to the schools.

Mitigating Impacts of Growth and Planning for the Future

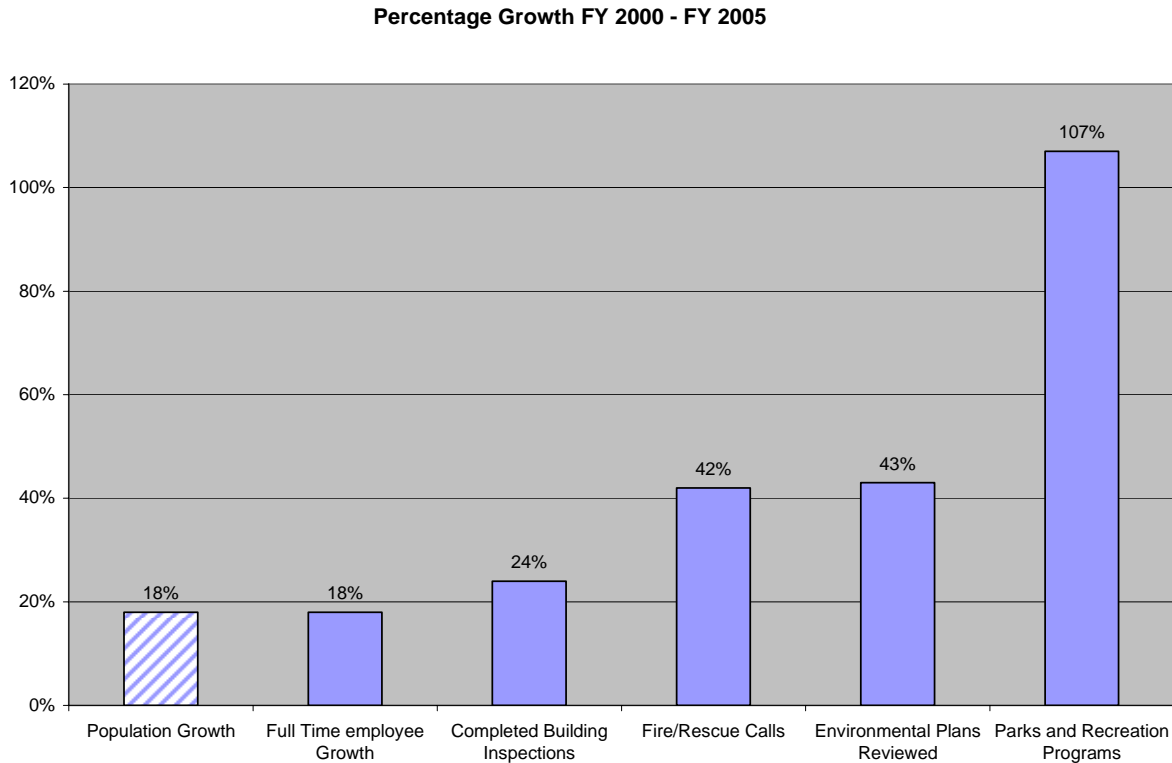
As we commemorate the historic events from four centuries ago, the first five years of this century have seen a tremendous amount of growth for the County. Between the years 2000 and 2005, James City County was the tenth fastest growing locality in the Commonwealth of Virginia, increasing in population by 18 percent. Whether the growth is a cause or an effect of the quality community that is James City County is an interesting question. People move to the County because of the quality community and once here, have demanded a high level of service. The resulting growth is a direct reflection of this and therefore keeps challenging us to provide quality services that match citizen expectations.

This is evidenced by the growing demand for facilities, amenities, and services. During the past five years, the County has invested in park facilities, stormwater improvements, underground utilities, bikeways, greenways and trails, new schools, and public safety. All of these investments serve the citizens and provide an attractive tourist destination for our visitors.

With these quality of life improvements the County has also kept pace with the population growth by increasing its staffing levels by 18 percent. This demand for service has far outpaced this growth and is evidenced by the Fire and Rescue calls that have grown by 42 percent, the number of building inspections completed that have grown by 24 percent, the number of environmental plans reviewed that have increased by 43 percent, and the number of citizens

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served through Parks and Recreation programs that has increased by 107 percent. The following chart depicts this growth.



This two-year financial plan addresses these service demands and allows the County to perform at the level of service that the citizens expect and plans for the future

I am proposing to address a variety of County operational needs in FY 2007, increasing County operations by 13.6 percent. County operations have held the line over the past few years and FY 2007 provides the opportunity to catch up and address these needs. In FY 2008, the likelihood of addressing these service demands with new funding will be limited as costs associated with opening a new high school, which was approved in the voter referendum in November of 2004, and the eighth elementary school, which had not been previously planned, will require a larger contribution from the County.

The FY 2007-2011 Capital Improvement Plan includes the building of a ninth elementary school and a fourth middle school in 2008, a new public safety building in FY 2009 and a new library in FY 2011. The debt service fund plans for the future debt service requirements and the FY 2007 and FY 2008 allocations attempt to mitigate the large spikes of debt service payments that will come with issuing debt for two new elementary and one new middle school.

The County's Comprehensive Plan and the County's Strategic Management Plan are two documents that guide the County in its planning process. During the next biennium, the

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Comprehensive Plan will undergo its five year update. We have tied this budget process to the County's updated Strategic Directions 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.

Under this direction, I am proposing the creation of two positions in the Commissioner of Revenue's office to establish a Tax Compliance Unit. These positions will help to ensure that businesses are properly licensed and remitting the correct amount of taxes. These positions are projected to generate an additional \$270,000 in revenue. I am also proposing one Real Estate appraiser to concentrate on new construction and one Accountant to handle the increased volume and dollars of grants received.

One pathway under this direction is to evaluate service delivery costs. Over the past year, the County has outsourced custodial services for new buildings and also has converted some current services to contracts. Through attrition, five part-time custodial positions have been eliminated and as attrition opportunities occur, additional outsourcing will take place.

I am also proposing the addition of two Inspectors for the Code Compliance Division with the cost offset by an increase of \$15 in the base Building Permit fee and the base Reinspection fee.

Although Advanced Life Support/Basic Life Support (ALS/BLS) fees were not supported in FY 2006, I promised to 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. Funding increased EMS needs through something other than general tax dollars is an approach that other localities, including the City of Williamsburg, have implemented successfully to reduce reliance on property taxes. I have included these fees in the FY 2008 plan for the Board to reconsider.

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

An important part of fostering a sense of community in the County as a whole is to solicit input into the County's Comprehensive Plan. Citizen input will be solicited in FY 2007 during the update to the Parks and Recreation Master Plan and through citizen surveys. Completion of the Comprehensive Plan update is planned for FY 2008.

To help foster the sense of community at the neighborhood level, I am proposing an additional position for the Neighborhood Connections office to help coordinate training opportunities for neighborhood homeowner associations to facilitate their development.

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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 high priority in FY 2007. The Police Department operating budget increases 23.9 percent and includes six new Police Officers and three existing that will be funded with general fund dollars as the Federal/State grants expire. Continued investments are planned for Mobile Data Terminals and a new Public Safety facility is planned for FY 2009. Three new Firefighters are also proposed and replacement Fire Apparatus and Ambulances are funded in the Capital Improvement Program.

Ensuring that ongoing operational costs are funded is a pathway under this direction. I am proposing three grounds maintenance positions to be funded beginning mid year in FY 2007 to maintain new facilities such as the Community Building, and the Greensprings and Warhill trails, and corridor enhancements.

In FY 2008, I am proposing to continue the investment in Public Safety with the addition of six Police officers and three Firefighters.

IV. Steward the natural environment and historic heritage.

The County has made great strides in preserving our historic heritage. In January 2007, the County will preserve 198 acres at the Jamestown Campsites and Basin properties along the James River and Powhatan Creek. The County, in partnership with the nonprofit Trust for Public Land, has worked since 2005 to acquire this property. The timing is especially important as this property will be available to host the 400th Anniversary weekend festivities.

Both the Purchase of Development Rights Program (PDR) and Greenspace are proposed to be continued from the equivalent of one-cent on the real property tax rate this equates to approximately \$970,000 in FY 2007 and \$1,060,000 in FY 2008. Water quality projects are funded in both the operating and capital budgets in the County's continued effort to improve and protect our water resources. These programs have positive impacts on our environment and add to our quality of life.

The Environmental Division of the County supports this strategic direction and I am proposing in FY 2007 the addition of one Environmental Inspector and one Civil Engineer to ensure that the environment is protected as new development occurs.

I am also proposing the conversion of the part-time Recycling Coordinator to full time to address not only recycling but energy conservation issues as well.

In FY 2008, I am proposing the addition of a Park Supervisor, in anticipation of the opening of an interpretive area that will commemorate the historical significance of Freedom Park.

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V. Provide outstanding customer service.

The County strives to provide outstanding customer service. In FY 2007, I am proposing the conversion of eight part-time positions (four and one-half full-time equivalent) into five full-time positions in the Parks and Recreation division. This will reduce turnover and provide greater customer service in programming, customer assistance, fitness, and lifeguarding.

Due to the increase in development which creates additional documents and requests for information, I am also proposing an additional Records Imaging Technician and a shared secretarial support position for the County Attorney and the Communications office.

Maintaining a well-trained and high performing workforce for normal and emergency operation is one pathway under providing outstanding customer service. I am proposing one Deputy Emergency Communications Director to assist in the management of the new technology and the training and service needs at the E911 center and one Deputy Director of Parks and Recreation to help address training and customer services needs in that division.

In addition to those positions already mentioned, in FY 2008 eight additional positions are proposed, including four Grounds Maintenance positions for the new high and elementary schools and one Recreation position for school-age programs at the new elementary school.

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 address the 2007 commemoration expenditures as they are incurred.

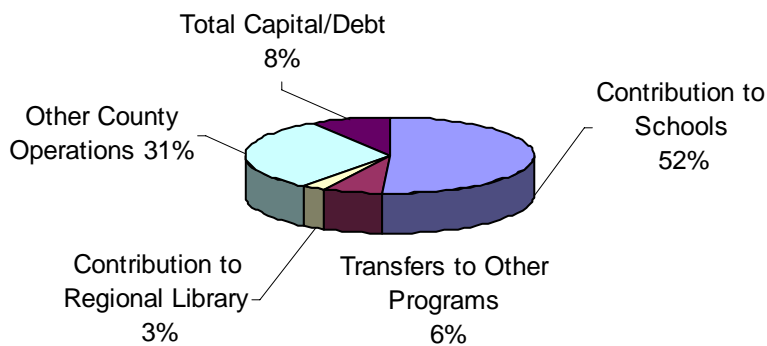
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►GENERAL FUND

The adopted General Fund budget for FY 2006 and the proposed General Fund budgets for FY 2007 and FY 2008 appear below:

	FY 2006 Adopted	% of Total	FY 2007 Proposed	% of Total	FY 2008 Plan	% of Total
<u>Expenditures:</u>						
Schools	\$72,469,337	52%	\$78,921,026	51%	\$91,062,019	53%
Transfers to Other Programs	9,182,747	7%	9,948,214	6%	9,929,513	6%
Regional Library	3,955,989	3%	4,277,971	3%	4,453,009	3%
Other County Operations	42,162,635	30%	47,892,681	31%	50,295,047	29%
Total Expenditures	\$127,770,708	92%	\$141,039,892	91%	\$155,739,588	91%
<u>Capital/Debt Investment:</u>						
Debt						
Service/Nondepartmental	\$4,094,810		\$5,516,237		\$7,315,957	
Contribution to Capital	7,286,719		8,338,790		7,186,210	
Total Capital/Debt Investment	\$11,381,529	8%	\$13,855,027	9%	\$14,502,167	9%
Total General Fund	\$139,152,237	100%	\$154,894,919	100%	\$170,241,755	100%

FY07 General Fund Expenditures By Category



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Schools

Education is an important component of a healthy community. For FY 2007, I am proposing that the County contribute \$78,921,026 to the Williamsburg-James City County Schools. This provides \$64,906,587 for operations and \$14,014,439 for debt service. The operational amount represents an increase of \$4,713,305 or 7.83 percent and, with City, State and other funding, will allow an increase in the School operating budget of \$10,206,424 or 11.6 percent. This amount is higher than the original budget guidance, but will not fully fund the schools request of \$66,152,668. Of the \$1,246,081 difference between what the Schools requested and what I am proposing for funding, \$580,000 was appropriated by the Board of Supervisors on February 14, 2006. That funding was forwarded to the Schools with the stated preference that the funds be targeted at non-recurring costs included in the FY 2007 budget request, such as technology enhancements or replacement school buses. That preference was not reflected in their request.

The County's proposed contribution of \$64.9 million to the school operating budget is 61 percent larger than York County's FY 2007 school operating contribution of \$40.3 million, despite the fact that York has 30 percent more students. Significantly higher State aid and \$9.7 million in Federal impact-aid contribute to the reduced local funding by York. The formula used by the State to allocate State aid focuses on personal income, local sales, and property tax receipts per student – or the local ability to pay. James City County compares well in all three measures so the State aid allocated to James City is much less than York's.

The FY 2008 plan includes the planned shift of funding from debt service to operating for the opening of the third high school and proposed funding for the opening of an eighth elementary school. This amount is uncertain as the funding split between the City and the County is expected to change under a scheduled amendment to the school contract in calendar year 2006.

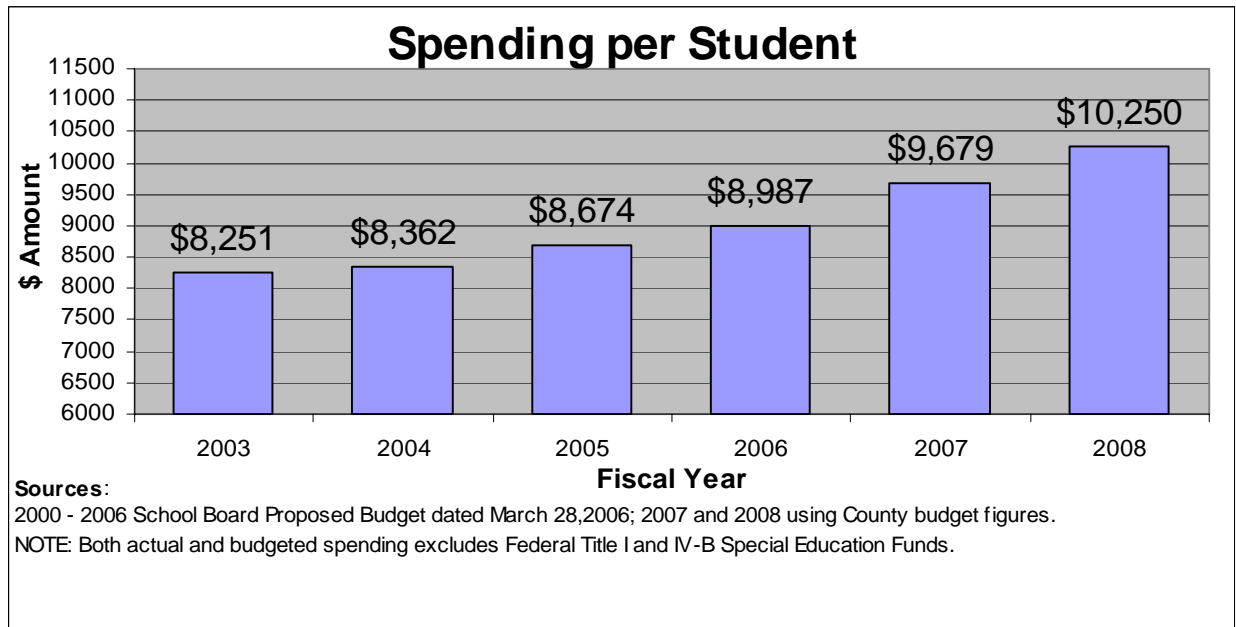
In addition to the operating budget, the capital budget includes \$11,174,251 in spending in FY 2007 for the Schools. This includes the remaining appropriation needed to complete the borrowing for the new elementary school. The total cost of that school is expected to be about \$21,500,000. Over \$4 million in direct funding is targeted at maintenance and renovation projects at existing schools.

The County continues to be interested in consolidating services, staff, and programs if those efforts offer efficiencies in services and/or cost avoidance. I hope that we can continue to focus on functional areas where those possibilities exist such as grounds maintenance, risk management, safety, and employee benefits.

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. Despite funding improvements made in the 2004 session of the General Assembly, funding is still inadequate to meet the State's share of the minimum State requirements. This has resulted in an increasing dependence on local tax dollars to finance basic educational programs, teacher pay, and capital spending for schools.

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The following chart depicts that historically, the School Division has been able to increase its spending per student due to healthy funding from all sources. While the School budget has proposed a \$9,814 cost per student, the County's proposed budget projects per pupil spending to be \$9,679.



Transfers to Other Programs

Transfers to programs other than County operations and the School system for FY 2007 amount to \$14,226,185. Areas in this category include the County's contributions to the Williamsburg Regional Library, Virginia Peninsula Regional Jail, and other Outside Agencies.

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 2007 increases by 8.1 percent to \$4,277,971. 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.

James City County is a member of the Virginia Peninsula Regional Jail, along with the City of Williamsburg, York County, and the City of Poquoson. Per diem rates for inmates who have committed crimes in James City County are expected to remain virtually level in FY 2007.

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.

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In addition, the County supports tourism efforts particularly targeted to marketing as well as to Jamestown 2007 planning and tourism venues, using a portion of the taxes collected on lodging. In FY 2006, the County increased the tax on lodging from 4 to 5 percent. The proceeds from 60 percent of the room tax will be used as required by State law for tourism initiatives. The Williamsburg Chamber of Commerce and the Tourism Bureau have combined to form the Greater Williamsburg Chamber and Tourism Alliance and \$785,000 of room tax proceeds have been allocated to them for marketing purposes. Other Jamestown 2007 related initiatives include contributions to a regional Wayfinding project designed to enhance visitor navigation through the Historic Triangle area and funding for the Jamestown-Yorktown Foundation and the Association for the Preservation of Virginia Antiquities.

First-time funding is included for the Hampton Roads Military Alliance, the Senior Services Coalition, and the Williamsburg Faith in Action organization.

The Revenue Maximization initiative was Federal funds that were targeted for at-risk children and were used to enhance and expand human services needs within our community without supplanting existing funding. FY 2006 was the final year for the Revenue Maximization initiative due to a halt in reimbursements and increasing program restrictions. Funding requests that formerly received Revenue Maximization funding were critically reviewed and where agencies had justified requests and no other funding sources available, general funding was recommended.

Nondepartmental

Major items in this category include funding for debt service payments, a dollar-for-dollar match of VDOT funds for road projects, including the Route 60 East project and improvements to the Ironbound Road area, underground utility conversions, and water quality improvements. This section also includes an annual \$100,000 contribution to the Peninsula Metropolitan YMCA in support of a new family center adjacent to the new Sentara Williamsburg Community Hospital including an indoor eight-lane competitive swimming facility. This was increased over last year due to the increase in construction costs. 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 percent in FY 2007.

Employee Compensation and Benefits

Employee compensation and benefits are important tools to attract and retain a quality workforce to deliver services to our citizens. The Board has demonstrated its support and I'm proud of our employees and their commitment to provide excellent customer service to a growing community.

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Compensation

Pay for Performance

My proposed budget includes 4 percent for pay for performance. Eligible employees may receive from 0 to 5 percent based on performance not to exceed overall the budgeted 4 percent. This is the same salary increase proposed by York County and the City of Williamsburg, less than that proposed by the School Division, and the same as this year's increase.

The cost to the General Fund for pay for performance in FY 2007 including fringe benefits is \$827,422.

Maintaining the Market-Based Pay Plan

To maintain our compensation infrastructure, the following adjustments are included in my proposed budget:

- Career ladder advancements, which are salary adjustments based on the achievement of higher levels of experience and certification, including modified public safety career ladders to enhance attraction and retention.
- Reclassifications, which are position and salary adjustments because of significant changes to duties and responsibilities.

The salary cost to the General Fund of maintaining the market-based compensation plan, is \$155,642. Public Safety accounts for 69 percent of the total cost.

Benefits

Health Insurance and Other Non-Retirement Benefits

The County's FY 2007 health insurance premium increase is below the regional medical inflation trend of 12 percent. The proposed budget includes an increased County contribution of 6.5 percent for health insurance premiums which will keep our health insurance plans affordable for employees and their families and will aid in attraction and retention.

Other County benefit plans will experience small or no rate increases in FY 2007.

Retirement Benefits

This year 74 percent of other localities, including our school division, are experiencing VRS rate increases with some increases in excess of 20 percent. However, we will not have a rate increase for our General Fund employees.

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This budget includes two new initiatives related to retirement to provide equity within the County, to make us more competitive with other localities, and to give our employees incentive to begin saving for their future—the VRS Retiree Health Insurance Credit and a Deferred Compensation Match.

VRS Retiree Health Insurance Credit

Currently, the County provides no assistance to help defray the cost of retiree health insurance. As a result, we are not competitive in this area. This budget proposed that employees who retire with at least 15 years of VRS service be eligible for a payment of \$1.50 per month per year of service up to a maximum of \$45 per month. While this is a modest payment considering the cost of health insurance, it is some assistance and may be used, for example, to pay for Medicare Part B or D.

Our employees in positions which receive partial State funding, such as employees of the Social Services Division, General Registrar's Office, and Constitutional Officers, already receive this benefit. Adopting this program for all employees in full-time permanent and limited-term positions will be more equitable.

The VRS Retiree Health Insurance Credit Program avoids the pitfalls of the County making direct contributions towards retirees' premiums. By paying the percent of payroll actuarially determined by VRS, we do not have a liability on our balance sheet under the new Government Accounting Standards Board (GASB) rules.

In summary, this Program allows the County to provide modest assistance to our valued retirees, be more competitive, and protect our financial standing. It costs 0.37 percent of payroll, which is \$90,400 in the FY 2007 General Fund.

Deferred Compensation Match

Since the recommended health insurance credit is modest, I am proposing a deferred compensation match incentive to employees who save for their own retirement. Financial Planning experts emphasize the necessity of personal savings for retirement. The sooner one begins to save, the better his or her chances are to eventually afford to retire.

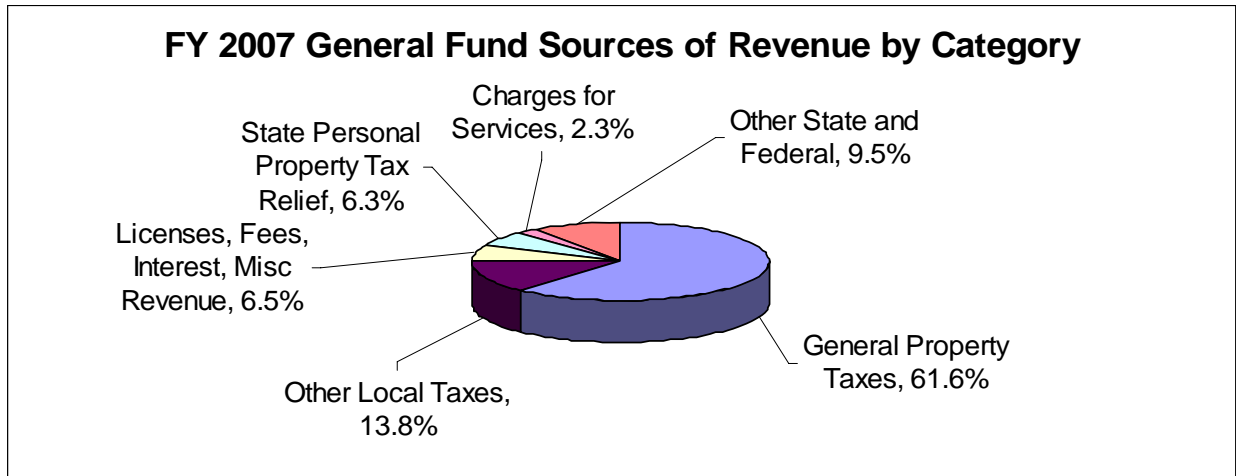
This budget proposes matching the first \$40 per month a full-time employee and the first \$20 per month a part-time employee puts in a deferred compensation account on a 50 cents to the dollar basis. This program is funded based on an 80 percent participation rate among full-time employees and a 50 percent rate among part-time employees.

Since few other governments in our market have a match program—the State, the Cities of Williamsburg and Newport News do—we will enjoy a competitive edge in this area.

\$115,308 is included in the FY 2007 General Fund to initiate this program.

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► REVENUES



General Fund revenues are expected to increase \$15,742,682 or 11.3 percent. James City County is a very desirable place to live and the real estate values reflect this 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. Over the past year, the County changed its ordinance to increase the number of elderly and/or disabled who would qualify for Real Estate Tax relief. The new ordinance increased the maximum household income to \$35,000 a year, increased the net worth to \$200,000 and increased the amount of taxes that could be exempted to \$100,000.

Revenue growth from real estate taxes makes up 74.8 percent of the overall revenue growth while, as a whole, General Property taxes make up 61.6 percent of total revenue.

Personal Property taxes received from local sources increase by 11.9 percent in FY 2007. This is partially due to growth but additionally due to the State capping its reimbursement on personal use vehicles. The State reimbursement of \$9,770,137 is expected to equal 61 percent of the personal property tax owed on qualified vehicles in the County. As the County continues to grow, the percentage of reimbursement that citizens will see from the State is expected to continue to decline.

In the FY 2007 budget, I am proposing revenue initiatives in the Code Compliance area:

- ❑ Increase the base Building Permit fee by \$15.
- ❑ Increase the reinspection fee by \$15.

The total revenue generated from these initiatives in FY 2007 is \$213,930 and is used to fund two new inspector positions and their necessary equipment. User fees are also increased for selective Parks and Recreation programs and offerings.

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Other Local revenues are expected to have healthy growth. Local Sales tax is expected to see a 6.6 increase and Meals tax a 10.6 percent increase. Telecommunications taxes are expected to be eliminated as a result of legislation at the State level that would replace these taxes and the Cable Franchise Fee with a 5 percent Communications Sales and Use tax. This legislation is expected to be signed by the Governor and would be effective January 1, 2007.

In the FY 2008 plan, the Motor Vehicle License fee is expected to be eliminated with the elimination of vehicle decals. The current five-year decal expires in December 2007.

► CAPITAL PROJECTS FUND

The County's Capital Projects budget for FY 2007 is proposed at an investment of \$18,065,560, with \$11,174,251 or 61.8 percent of these capital investments focused on school needs.

- ✓ Borrowing is anticipated for a new elementary school in FY 2007. A portion of the FY 2007 elementary school debt financing was funded in FY 2006 to allow for some preliminary engineering and design work.
- ✓ Direct funding is proposed for other school projects including the purchase of additional school buses, maintenance projects at Lafayette and Jamestown High Schools, and rest room renovations at Cooley Field.
- ✓ Funding is included in FY 2007 and FY 2008 for James City County's portion of the replacement Crossroads Youth Home which will be located in York County. James City County will be a proportional owner in this facility.
- ✓ Parks and Recreation funding includes a Community Gymnasium at Warhill that is similar in concept to the Community Sports Facility. This indoor facility will feature interscholastic sporting events and also serve as a community venue. Funding is also provided for a parking area at the Greensprings Trail.
- ✓ Public safety related proposed funding includes a fire apparatus replacement at Station 1 in FY 2007 and an apparatus replacement at Fire Station 2 in FY 2008. Funding for ambulance replacements are programmed for each year of the five-year plan. Funds are allocated in FY 2007 for renovations at Fire Station 3 to add adequate bunking and bathing facilities for female public safety personnel and funding continues for the purchase of Mobile Data Terminals.
- ✓ Funding continues to provide added 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.
- ✓ Prior to a possible creation of a stormwater utility, funding for regional stormwater facilities at Ironbound Square and in the Grove area are included in FY 2007.

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The FY 2007 Capital Project budget is part of a five-year Capital Improvement Plan totaling \$159,270,015 of which \$103,194,025 or 64.8 percent is devoted to Schools. FY 2008 is dominated by a fourth middle school and a ninth elementary school, and a new public safety building and a new library are proposed in years three and five of the plan, respectively.

Detail on the Capital Projects Fund appears in Section D.

► 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 change in FY 2007. An average customer would see increases of about 7.2 percent based on the proposed rate increases below.

<u>Water Service</u>		<u>Current Rate</u>	<u>Proposed Rate</u>
Residential	1 st Block	\$2.30	\$2.50 per 1,000 gallons
	2 nd Block	\$2.71	\$3.00 per 1,000 gallons
	3 rd Block	\$7.60	\$8.50 per 1,000 gallons
Nonresidential	Flat Rate	\$2.70	\$3.00 per 1,000 gallons
<u>Sewer Service</u>			
All Customers	Flat Rate	\$2.70	\$2.80 per 1,000 gallons
Grinder Pump Annual Maintenance Agreement Charge			
		\$145.50	\$210 per agreement

Resources in FY 2007 will be used to fund the following personnel requirements:

One (1) Utility Operations Assistant to support increased maintenance and repair needs within the underground utility section.

The conversion of a part-time to full-time GIS technician.

One (1) Utility Operations Technician to support the operation of the Five Forks Groundwater Treatment Facility.

► 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.

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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 towards a legacy for County citizens after 2007. Over the next two years, spending from this fund will focus on Anniversary weekend security and other community events, funding to the Jamestown/Yorktown Foundation, and other one-time spending on items such as promotional materials.

The Social Services budget increases to \$6,751,663 in FY 2007. The majority of this increase is attributed to increased costs associated with the Comprehensive Services Act. The local portion of these costs is anticipated to increase by \$188,825 or over 235 percent.

The Williamsburg Area Transport budget includes spending associated with the conversion to a regional authority. Increased costs for insurance and those services provided by the County are also included.

The Community Development Fund budget includes the conversion of a part-time Acquisition Specialist to full time.

Conclusion

The FY 2007 and FY 2008 biennium plan looks to the future while James City County commemorates the past. It addresses the present needs of our community generated by the growth that the County has experienced and it plans for the challenges ahead.

Is the growth of the community a cause or an effect of James City County's quality of life and services? It may be both, but the bottom line is that there is a citizen expectation to continue to have a quality community. As we have made investments over the past years, our area is marketed to many as a quality place to live. As the community has grown in population, the expectations for a high level of services from local government has not diminished. Maintaining the investments in infrastructure, continuing to provide a high level of service to our citizens, and planning for the future are all continuing challenges for James City County. This budget strives to meet these challenges.

The quality investments in our community will be experienced by our citizens and visitors over the next two years. I look forward to providing them with the highest quality of service along with ensuring that all have a safe and memorable experience during the commemoration of America's 400th anniversary.

Respectfully submitted,

Sanford B. Wanner
County Administrator