

STATEMENT OF FISCAL GOALS

General

1. To promote fiscal health of the County by encouraging a healthy diversified economy.
2. To establish minimally acceptable standards of quality for the County's various public services.
3. To take positive steps to improve productivity of County programs and employees.
4. To seek to eliminate duplicative functions within County government and semiautonomous agencies in the community.
5. At least every four years, to reassess services and service levels, utilizing service level standards of quality, seeking citizen advice and review in a zero-based budgeting process.

Accounting

6. To use accounting procedures and principles established by the Virginia Auditor of Public Accounts and Generally Accepted Accounting Principles (GAAP) and to annually apply to the Government Finance Officer's Association for its Certificate of Conformance in Financial Reporting.
7. To provide full disclosure in annual financial statements and bond representations.

Capital Improvements

8. To establish capital improvements as public investments, designed to effectively provide the highest net present value, both financially and in the determination of service needs.
9. To seek to maximize the expenditures that support capital investments in the provision of direct services to meet and maintain minimum standards of quality.
10. To annually inventory capital facilities, estimate actual value, and estimate remaining useful life and replacement cost.
11. To establish for capital project requests an annual capital budget based upon the Capital Improvements Plan with "life cycle" costs including operating and maintenance coordinated with the operating budget.
12. To consider recommendations from the Planning Commission for a multiyear Capital Improvements Plan for public facility and infrastructure needs to include roads, water, sewer, land and land improvements, and building and building improvements, considered based upon need and consistent with the adopted Comprehensive Plan.
13. To avoid capital facility or infrastructure investments outside of the Comprehensive Plan's Primary Service Area for residential growth.

14. To develop financing plans for the multiyear improvement program based upon a five-year forecast of revenues and expenditures with advice and counsel from the County's Financial Advisor on proposed capital financing needs.
15. To appropriate, at a minimum, 5% of the cost of major capital projects from recurring revenues.

Debt

16. To evaluate alternatives to financing on a pay-as-you-go basis, to include debt financing (pay-as-you-use) for needed services.
17. Outstanding debt of the County whether general obligation, lease revenue or subject to annual appropriation, shall not exceed 3% of the assessed valuation of real property. Outstanding debt of the County should target 7.5% or less and shall not exceed 9% of the County's total personal income in any year. Annual debt service spending should target 10% or less and shall not exceed 12% of total operating revenues, including revenues allocated to James City County for public education. The ten-year payout ratio for all County debt shall target a minimum of 55% of total principal outstanding and shall be no lower than 50% in any one year.
18. To use revenue or other self-supporting bonds instead of general obligation bonds.
19. To avoid long-term debt to finance current operations and short-term debt except for bond anticipation notes.
20. To avoid financing if the term of the indebtedness exceeds the expected useful life of the asset.

Investments

21. To make a cash-flow analysis (disbursement, collection, and deposit) of all funds to ensure maximum cash availability. To produce monthly information concerning cash position and investment performance.
22. To pool cash, as permitted by law, from several different funds for investment purposes.
23. To review arrangements with financial institutions on a continued basis for a specified period of time and with specified fees for each service.

Operating Budgets

24. To annually forecast revenues and expenditures for the next five years. Projections will include estimated operating costs of future capital improvements that are included in the capital budget.
25. To utilize workload measurements and performance ratings for all funds.
26. To maintain a budgeting control system that helps the County adhere to the budget, with monthly status reports comparing actual revenues and expenditures to budgeted amounts.
27. To provide for adequate maintenance of capital plant and equipment and develop from the fixed asset inventory records a capital asset replacement schedule.

28. To establish a risk management program to safeguard public assets held in trust and to minimize the financial liability arising from accidental injury or death.
29. To remain current in payments to the Virginia Retirement System and to pursue legislative options that reduce or eliminate unfunded pension liabilities.
30. To review operating policies and procedures and facility master plans adopted by the Board of Supervisors in detail at least every three years with proposed revisions accompanied by a financial impact analysis.
31. To annually increase the proportion of expenditures providing direct services to total budgeted expenditures and to annually decrease the proportion of expenditures supporting administration or other non-direct service activities.
32. To finance recurring expenses from recurring revenue sources and to not develop a dependency, within the operating budget, on nonrecurring revenue sources.

Reserves

33. To keep the fund balance designated for Fiscal Liquidity at the end of the fiscal year, equal to no less than 8%, with a target of 12%, of the total operating budget (General Fund plus the County's share of the Component Unit Schools).
34. To establish a contingency reserve fund of two percent of the general fund operating budget to pay for needs caused by unforeseen events. The Board shall determine the amount of funds to be held in contingency. The contingency shall be held to help with the following three events: 1) Catastrophic reserves, to provide limited emergency funds in the event of natural or man-made disasters; 2) Operational reserves, to provide additional funds for limited unexpected needs; and, 3) Revenue reserves, to provide limited funds to smooth fluctuations in revenues caused by changes in economic conditions.
35. To maintain a ratio of cash on hand and short-term investments, divided by current liabilities, of at least 1:1.
36. To establish and, to the extent feasible, fund on an annual basis a capital equipment replacement fund.

Revenues

37. To maintain a stable revenue system to shelter the County from short-run fluctuations in any one revenue source.
38. To attempt to establish a diversified revenue system with the maximum local legislative authority to set and change rates and fees.
39. To utilize State and Federal funds in pursuit of County goals and objectives, whenever possible.
40. To the extent feasible, user fees which reflect the cost of service shall be utilized to support programs which may be characterized as special services to specific populations or users with the

full costs, direct and indirect, of activities supported by user fees shall be recalculated at least every three years.

41. To pursue an aggressive policy of collecting property taxes with the level of uncollected property taxes not exceeding 5% and the rate of delinquency not rising more than one year in a row.
42. To the extent possible, the County shall attempt to decrease the dependency on real estate taxes to finance the County's operating budget.
43. To review and update all rates and fees at least every three years.
44. To maximize State and Federal entitlement revenues.

Economic Development

45. To have County staff provide an annual accounting of the net revenue impact from County supported economic development activities. Staff will provide the Board with a recommendation for the application of these revenues. The goal of the recommendation will be to minimize the future burden on the tax rate by providing a revenue stream toward future major capital projects.

Adopted by the Board of Supervisors of James City County, Virginia, this 14th day of November, 2000.

Amended by the Board of Supervisors of James City County, Virginia, this 11th day of July, 2006.

The aforementioned goals represent long-term "strategies" on the part of the Board of Supervisors. The implementation of these goals will be at the discretion of the Board as it applies to individual budget years.