

**BUDGET SUMMARY**

	FY 97 <u>Budget</u>	FY 98 <u>Budget</u>
Interest on Short-Term Investments	\$1,400,000	<b>\$1,456,000</b>
Rent-James River	0	<b>14,000</b>
Rent-School Administration Building	<u>0</u>	<u>0</u>
	<u>\$1,400,000</u>	<u><b>\$1,470,000</b></u>

**BUDGET COMMENTS**

This category provides for revenues earned by the County from investment of funds and the rental of property. The County Treasurer invests funds that are available but not needed for immediate disbursement. The investment of temporarily idle cash is a priority as are the appropriate steps to ensure liquidity of funds. Therefore, investments are made for periods ranging from a single weekend to 90 and 120 days.

The James City County Health and Social Services Departments pay rent to the County for space at the Human Services Building. This revenue is shown as an offset to the expenses of Facilities Management.

This budget shows an increase in investment income. The major factor that has contributed to this increase is the anticipation that interest rates for those investment vehicles authorized by the State, principally low-risk, low-return instruments, will increase as a result of an increase in the Prime Rate. In addition, the Treasurer invests idle funds in the State's Local Government Investment Pool, which provides for increased liquidity and flexibility in investment income at somewhat higher interest rates than the County could get on its own. Finally, additional investment income is expected to be generated by a change to twice a year collection of property taxes.

The County receives rent for classroom space used by the Head Start Program. This revenue was previously budgeted under Recreation User Fees.