

# 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 to the citizens of James City County the biennial financial plan for Fiscal Years 1998-1999 and 1999-2000. This plan balances all operating expenditures without a change in property tax rates. The County's commitment to its Strategic Management and Comprehensive Plans is honored through enhancements in public safety, education, and productivity; the continuation of our market-based pay system, and the continuation of environmental programs such as greenspace, drainage, recycling, and landscaping.

This budget reinstitutes the two-year plan for operating expenditures that was begun in FY 1995. The first year, FY 1998-1999, is recommended for appropriation; while the second year, FY 1999-2000 is proposed for adoption as a spending plan to be reviewed next year. This biennial budget plan was suspended during FY 1996-1997 and 1997-1998 while the County completed its Strategic Management and Comprehensive Plans. The two-year period is consistent with that used by the Commonwealth of Virginia in its budgeting process.

## Continue to Meet the Challenges of A Growing Community

James City County continues to be one of the most rapidly growing localities in the State. From 1990 to 1997, the County's population increased at an average annual rate of 3 percent making it the eleventh fastest growing locality in Virginia. The average locality in Virginia grew just 1.2 percent annually over the same period. This continual growth creates additional demand for services and facilities, particularly in the areas of public safety and education.

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 begin funding the operating costs of a new fire station and a new City/County Courthouse. In addition, debt service costs increase because of last year's Virginia Public Schools Authority bond issue, which was used to finance the remainder of the Matthew Whaley, Rawls Byrd and Jamestown High School projects. We'll also be financing a new elementary school to be built over the next two years. While the major focus was 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 and meet the commitments made through the strategic management and comprehensive planning processes.

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.

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- 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 Goals 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 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. 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. This budget reflects cost savings from proposals to close the Grove Convenience Center and to privatize or close the Transfer Station. In both instances, the amount of revenue generated by these facilities falls significantly short of the cost of operating them.

## **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 provides resources for acquiring Greenspace, continuing the landscaping of road medians, and revising the Zoning and Subdivision Ordinances so they are consistent with the Comprehensive Plan. 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 bikeways.

## **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 citizens' needs are met. Improvements are planned in public access areas for real estate assessments and code compliance, television access, the "FYI" newsletter that is mailed to citizens, and the County's web site.

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## IV. Promote a Healthy Community

This goal focuses on providing for a community that is not only safe, but also has robust environmental and economic health. Meeting this goal is a major focus in the proposed biennial budget. Public safety objectives include improving dispatch capability to respond to emergency calls, reducing fire and emergency response times, providing crime prevention, school resource and community policing programs, and reducing the number of preventable fires. Public Safety expenditures for Police, Fire, Emergency and related services, continue to consume a large percentage of the General Fund budget.

Last year, the County provided funding in its Capital Improvement Program for a new Fire Station to be built in the Centerville/News/Brickbat Road area to better respond to service requirements in the Route 5 Corridor. The cost of staffing and operating the new station is included in this financial plan. The County's share of the operating cost for the new Regional Jail will increase over the next biennium, based on the relative number of County inmates incarcerated. In addition, the new Regional Juvenile Detention facility opened in 1998, and the County's cost for juvenile detention is increasing based on the number of County juveniles housed there, as well as the number of alternatives to secure detention.

The environmental and economic health of the County is addressed in several areas. The County is required by the State to increase its monitoring activities at the closed landfill. Funding is included in the Refuse Disposal budget for the continuation of household hazardous chemical collection and disposal. The James City Service Authority will make improvements to and expand its water delivery and wastewater disposal services. The Division of Economic Development will continue its efforts to attract industry and businesses that increase the nonresidential tax base and improve job opportunities. 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. Lastly, resources are targeted in support of the Quality Community initiative, which focuses on collaboration between service providers to improve the quality of life in neighborhoods.

## 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.

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*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.

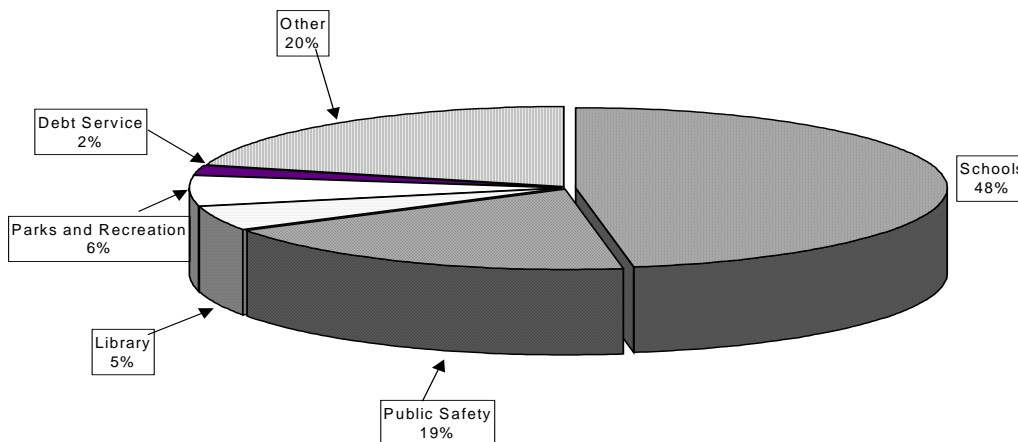
*Special Revenue Funds:* Programs where the major sources of revenue are not local tax dollars are classified under these funds. Such programs include Social Services and Transit operations.

## ►GENERAL FUND

The total recommended General Fund budget for FY 1999 is \$76,186,827, an increase of \$6,087,166, or 8.7 percent over the FY 1998 Budget of \$70,099,661. The proposed spending plan for FY 2000 is \$81,193,824, a \$5,006,997, or 6.6 percent increase from FY 1999. The broad categories of spending are depicted below:

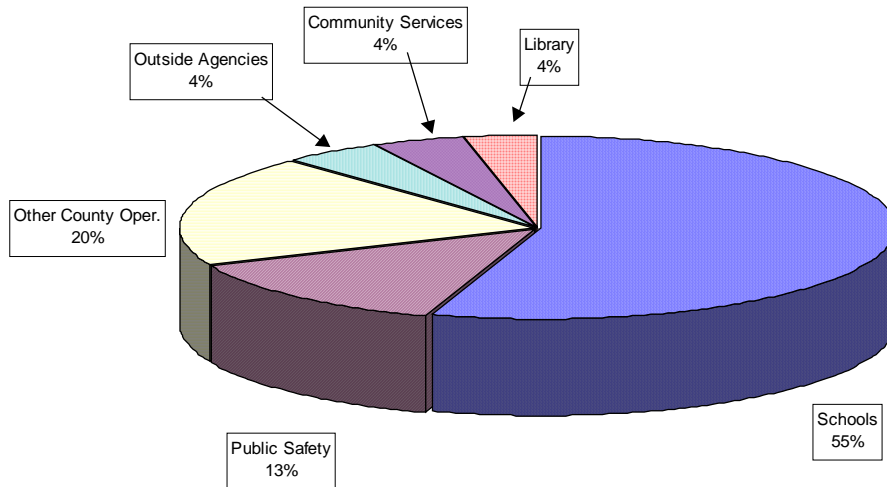
|                                  | FY 1998<br>Budget   | FY 1999<br>Recommended | \$<br>Change       | %<br>Change | % Of<br>Total<br>Increase | FY 2000<br>Projected |
|----------------------------------|---------------------|------------------------|--------------------|-------------|---------------------------|----------------------|
| Contribution to Schools          | \$39,097,553        | \$41,987,738           | \$2,890,185        | 7.4%        | 47.5%                     | \$44,811,600         |
| Contribution to Outside Agencies | 1,337,654           | 1,438,449              | 100,795            | 7.5%        | 1.7%                      | 1,477,319            |
| Regional Jail                    | 783,137             | 918,969                | 135,832            | 17.3%       | 2.2%                      | 1,007,370            |
| Contribution to Regional Library | 2,253,049           | 2,557,734              | 304,685            | 13.5%       | 5.0%                      | 2,807,061            |
| Other County Spending            | 26,628,268          | 29,283,937             | 2,655,669          | 10.0%       | 43.6%                     | 31,090,474           |
|                                  | <u>\$70,099,661</u> | <u>\$76,186,827</u>    | <u>\$6,087,166</u> | <u>8.7%</u> | <u>100.0%</u>             | <u>\$81,193,824</u>  |

### Where Is the Increase in Revenues Going?



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**General Fund Expenditures By Category**



## **Schools**

The recommended contribution to the Williamsburg-James City County School system, which includes funding for both ongoing operations and debt service for school facilities, is \$41,987,738, which represents 55 percent of the County's proposed operating budget, and is a 7.4 percent increase over the FY 1998 contribution of \$39,097,553. The \$2,890,185 increase in this amount consumes 48 percent of new revenues for FY 1999. The planned funding for FY 2000 is \$44,811,600, an increase of 6.7 percent over FY 1999.

This proposed County contribution for FY 1999 funds the amount requested by the School Board. It is sufficient to pay for an expansion of summer school and the Bright Beginnings program for at-risk children, technology upgrades and additional technology teaching positions, the extended Middle School program, staff compensation, and enrollment growth. Once again, the Superintendent and the School Board worked hard to fit the school budget within the revenue targets and were both particularly cooperative in a joint effort to match needs and resources. I would like to extend my thanks to Dr. Kent and the School Board for a successful, collaborative budget process.

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## Transfers to Other Programs

Transfers to programs other than County operations and the school system amount to \$5,415,710 for FY 1999, which is a \$537,996 or 11 percent increase over the FY 1998 budget of \$4,877,714. The two largest items in this are the County's contribution to the Regional Jail and the Williamsburg Regional Library.

### *Regional Jail*

The County is a member of the Virginia Peninsula Regional Jail Authority, which completed the construction of a new jail in June 1997. This budget includes the County's share of operations for the facility for the FY 1999 and FY 2000 fiscal years. 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 increase by \$135,832 for FY 1999, and \$88,401 for FY 2000, reflecting the number of James City County inmates incarcerated.

### *Regional Library*

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, so its share of operating expenditures has also been increasing.

The total County contribution of \$2,557,734 does not fully fund the Library's request; it is \$310,495 short of the \$2,868,229 requested by the Regional Library Board. However, the recommended funding increase of 13.5 percent will allow for additional staff hours and operating costs to meet the needs of the expanded Williamsburg library, some adjustments to the Library's compensation plan, and an overall merit increase of four percent.

### *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 on behalf of County residents and businesses. In FY 1998, the County began assessing an additional 2 percent room tax, bringing the total room tax to four percent. This additional tax is required by State law to be targeted at efforts to increase visitation in the County. The proceeds of \$980,000 are targeted to the Williamsburg Area Convention and Visitors Bureau, Williamsburg Tercentenary and Jamestown 2007 planning, and other marketing efforts. A complete list of contributions to outside agencies can be found on page C-53.

## County Expenditures

Spending for that portion of the General Fund budget that includes the basic operating departments of the County will increase by 10 percent for FY 1999. Some of this increase in

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expenditures is supported by additional revenue, particularly for new dispatch positions. Most of the spending increase is directed at public safety enhancements. Without the cost of the positions needed for the new Fire Station, this increase would be 8.9 percent.

### *Personnel*

#### Maintaining the Market Based Pay Plan

Three years ago the Board of Supervisors made a significant investment in our employees through the adoption of a market based pay system. In order to maintain our ability to attract and retain quality employees, we made a commitment to take a comprehensive look at our jobs and salary ranges in relation to the market every three years. As a result of that review we adjust jobs and salary ranges which are out of line with the labor market. As an example, we have found that we trail the market in data processing jobs--a highly competitive field. We have also found we are behind in public safety salaries, particularly 911 telecommunicators where we have been experiencing difficulty in recruiting and retaining staff. Only those employees whose salaries are less than the minimum of the salary range would receive additional pay. Implementing the recommended changes to our pay plan would result in pay increases for approximately 29 percent of employees, primarily in the Police, Fire, and Community Services Departments, at cost of \$201,149.

Once the salary ranges and assignment of jobs to those ranges have been aligned with the market, employees earn salary increases through performance. This budget funds pay for performance at an average of four percent which is consistent with the raises being predicted in the labor market. The cost is \$570,970.

#### **New Positions**

##### FY 1999

The FY 1999 General Fund includes 16 net new full time positions, 12 of which are required to staff the new Fire Station. In addition, the County will pick up 100 percent of the cost of two Police Officer positions serving as Middle School and Community Policing officers, who were previously paid primarily with expiring grant money:

##### **Fire Department**

- (9) Firefighter recruits.
- (3) Fire/EMS Captains.

Because of the timing of the construction of the new Fire Station, these positions will only be required for 6 months in FY 1999.

##### **Central Dispatch**

- (1) Telecommunicator Trainee position is programmed to address the increase in demand for services. An increase in the E-911 tax rate is proposed to fund the increased dispatch costs.

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**Code Compliance** (2) Building Inspectors to allow the department to make improvements in service delivery. One inspector will spend half of the time at the front desk to provide plan review services at the counter. The second inspector will be housed at the Satellite Office in the Toano area. In FY 1999, the Stonehouse development will contribute \$20,000 toward the cost of this second inspector.

**County Attorney** (1) Assistant County Attorney to handle the burgeoning growth in the number of Child Protective Services and Department of Social Services cases caused by a July 1, 1997 State law change, along with general growth in County legal services. The James City Service Authority will contribute \$25,000 toward the cost of this position. In addition, Social Services may be able to contribute some funding through their Cost Allocation recovery.

**Police Department** (2) Police positions, the majority of whose positions were previously paid with grant funding, will be 100 percent funded by the County. These positions were limited term, because the grant funding was due to expire in FY 1999. The positions include a Middle School Resource Officer and an officer devoted to Community Policing. Because of the success of these programs, the County is proposing to make the positions permanent.

### FY 2000

Four new full-time positions are proposed for FY 2000, all of which are directed at Public Safety and Criminal Justice. In addition, two Police positions that were previously paid primarily with grant funding, are proposed to be paid 100 percent by the County.

**Police Department** (1) Middle School Resource Officer for the third Middle School.

(2) Police Officer positions, the majority of whose cost were previously paid with grant money that will expire between now and FY 2000, will be upgraded from limited-term to permanent status and fully funded by the County. The two positions are a Narcotics Officer and a Middle School Resource Officer.

**Central Dispatch** (2) Telecommunicator Trainee positions to handle the increased dispatch requirements generated by the new Fire Station. In addition, the County will be receiving E-911 calls made from cell phones in the County, which were previously directed to the State Police. A thirty-cent increase in the E-911 tax is proposed to fund a portion of the dispatch costs.

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## **Courts**

(1) Court Administrator to oversee the building administration of the new City/County Courthouse. The City of Williamsburg will pay 20 percent of the cost of this position.

## **Operating Expenditures**

### Public Safety

Enhancements and growth in the Public Safety area consume 19 percent of the new dollars for FY 1999, and 15 percent of the planned new spending in FY 2000. Most of the increase results from staffing and operation requirements related to the new Fire Station. 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 recently formed Emergency Medical Services bike team is proposed to provide mobile assistance during certain events, such as the Busch Golf Classic; and funding in support of this effort is included. The new City/County Courthouse will be completed in 1999, and the associated operating costs are programmed in FY 2000.

### Refuse Collection and Disposal

This budget contains funding to maintain the County's refuse collection and disposal program as it currently exists, with four exceptions:

1. The Grove Convenience Center is proposed to close in FY 1999, which will save approximately \$15,000 per year. The volume of activity at this center is too low to justify the cost of operating it. On average, there are only 29 visits per day to the Grove site, compared to an average of 48 for each of the other three sites.
2. The Transfer Station is proposed to either be privatized or closed in FY 1999. The existing contract for the operation of the station expires in October 1999. The volume of waste flowing through the transfer station has declined precipitously over the past few years, as has the associated revenue. The County has reached the point where it is simply too costly to operate the facility. We will be seeking proposals from the private sector to operate the facility. If no acceptable proposals are received, the Transfer Station is proposed to be closed. The County spends approximately \$57,000 a year to operate the facility, and receives very little revenue in support of these operations.
3. The State is requiring additional monitoring of the closed landfill, at a cost of \$89,000 per year.
4. The price for coupons, which residents use to pay for disposal services at the Convenience Center, is proposed to increase from \$2.00 to \$3.00. Coupon revenue currently only covers approximately 40 percent of the direct cost of operating the Convenience Center. This increase is proposed to cover the majority of these costs through user fees.

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## 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. In addition, funds are included in support of a new Revenue Development effort begun last year. The Parks and Recreation department is actively seeking 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. Small fee increases are proposed for some programs, such as swim classes. For FY 1999 and FY 2000, user fee revenue is expected to cover 54 percent of the direct cost of recreation activities.

## Maintaining Existing Services

Beyond the requirement to fund the operations of the new Fire Station, other public safety enhancements, and an increase in debt service related to the financing of the remainder of the Matthew Whaley, Rawls Byrd and Jamestown High School projects, there are few other initiatives included in this budget. Fully 80 percent of the \$6,087,166 in new revenue for FY 1999 is consumed by additional funding for Schools, Public Safety, the Williamsburg Regional Library, Parks and Recreation, and the additional debt service. The majority of the remaining dollars fund the calibration of our market based pay system, pay for performance, and additional solid waste costs. Funding is included to continue the drainage initiative and Greenspace fund. The Neighborhood Connections program will be extended to additional neighborhoods within the County.

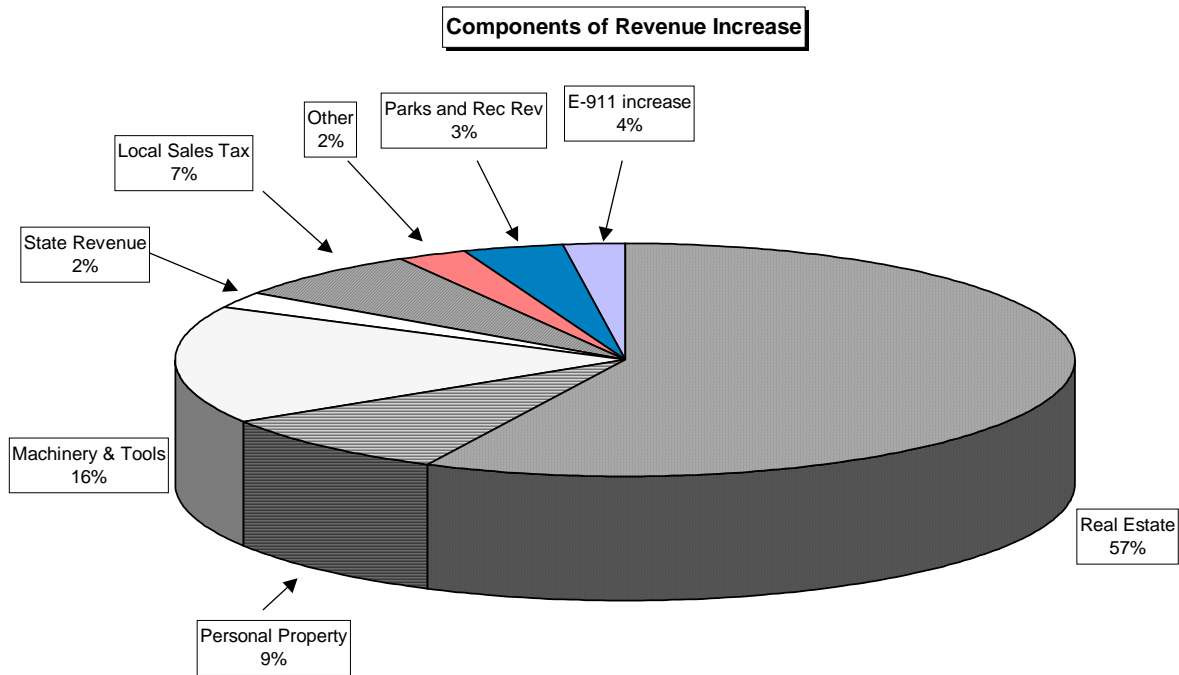
## ► REVENUES

The FY 1999 budget includes two revenue initiatives: an increase in the E-911 tax rate, and the continuation of recovering costs of certain services through user fees.

1. The E-911 tax rate is recommended to increase by 30 cents, from its current level of \$1.20 per telephone line per month, to \$1.50. 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 \$87,000 in revenue which will be directed at recovering a portion of the cost of the new dispatch positions. If the County were to charge the maximum allowable tax, its E-911 rate would be \$2.49.
2. User fees for Convenience Center coupons, certain development fees, and Parks and Recreation programs are proposed to increase for FY 1999. The Board of Supervisors is interested in reviewing user fees and recovering the costs for certain services through fees rather than general tax dollars. The Convenience Center coupons are proposed to increase by \$1.00, which will generate an estimated \$6,000 in revenue. Development fee increases will generate an estimated \$25,000 per year in FY 1999 and FY 2000. In addition, the Stonehouse development will contribute \$20,000 towards the cost of an additional building inspector's

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position for FY 1999. Overall, Parks and Recreation revenue is estimated to increase by 25 percent from FY 1998 to FY 1999; most of this increase will come from additional participation and expanded program offerings.



### ► CAPITAL IMPROVEMENTS FUND

The County's Capital Improvement Projects Budgets for FY 1999 and FY 2000 are \$13,374,650 and \$13,225,000, respectively, and reflect the County's commitment to the four goals mentioned at the beginning of this message

- ✓ Courthouse -- A 71,661-square foot, five-courtroom courthouse is now being constructed on a site off Monticello Avenue. The project was planned in concert with the City of Williamsburg to replace the existing City/County Courthouse.
- ✓ The County will continue its investment in the Greenspace fund, which was created by the Board of Supervisors, in response to community feedback, to finance the acquisition of property or easements that would create permanent greenspace in several areas of the County.

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- ✓ District Park – The proposed budget for the next four years focuses on the Hotwater Coles tract with funds designated for the entrance road and utilities.
- ✓ Radio System Improvements – the Fire Department has proposed to replace the existing radio system, both emergency and administration, with a trunked 800 MHz radio system.
- ✓ School Projects -- These include:
  - New Elementary School in the Stonehouse district of the County.
  - Berkeley Middle School Renovation and expansion.
  - Roof Repair, stormwater management system, and limited asbestos abatement at James Blair Middle School.
  - School Bus Replacements.

Other investments funded as part of the FY 1999 and FY 2000 Capital Budgets include:

### **Road Matching Funds**

Upgrading existing County roads by matching additional State dollars.

### **Bikeways local match**

Federal funding requiring a local match is designated for five bikeways in the Ironbound, Centerville, Croaker and Jamestown Road areas.

### **Regional Drainage Basins**

To better manage runoff from existing development that occurred prior to stormwater management regulations

### **Sidewalk Improvements**

The list includes the Centerville Road, Ironbound Road, Strawberry Plains Road, and John Tyler Highway areas.

### **Economic Development Incentive Fund**

These funds allow the County to consider inducements for commercial and industrial investment in James City County, particularly in areas where industrial development is now planned.

### **Community Networking**

Over the next two years, the emphasis will be on connecting the five County fire stations, the new jail and juvenile detention facility, the new Courthouse and the law enforcement center to the fiber network.

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## **Government Center Expansion**

A space needs study is being completed and funds exist for the expansion of space at the County's Government Center. The scope and timing of the expansion will depend on the results of the study and a subsequent implementation plan.

## **► 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 revenue from the County.

Within the FY 1999 water fund, revenues are projected to increase by \$668,726, or 20.4 percent, primarily due to growth in the number of users served. Revenues are projected to increase by 2.4 percent for FY 2000.

Within the sewer fund, revenues are expected to grow by \$38,116, or 1.1 percent in FY 1999; and \$63,521, or 1.9 percent in FY 2000. These increases arise primarily from growth in the number of customers.

Two Utility Operations Assistant positions are proposed in the FY 1999 JCSA Sewer Fund budget in order to handle inflow and infiltration needs and sewer-related emergencies. One additional Utility Operations Specialist is included in the FY 2000 budget to assist the Industrial Electrician and Mechanic with electrical preventive maintenance programs. A new Customer Service Representative is proposed in the FY 1999 Administration budget to handle additional data entry needs created by customer growth. Temporary hours are included in the FY 1999 Water Fund for a Water Conservation Coordinator's position, to educate water customers.

The JCSA Capital Budget is dominated by renovation/rehabilitation projects for both water and sewer, 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, though; which include Transit, Community Development, and Social Services operations. The Transit budget is increasing, restoring some of the routes previously eliminated and improving the successful Visitors Shuttle, which began last year. The cost of this Shuttle is shared with the City of Williamsburg and York County. The Social Services fund increases four percent from the FY 1998 funding level, and the Community Development Fund maintains the current level of service.

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## Conclusion

This is an exciting time for James City County. We are experiencing above average growth which, while providing new revenue sources, has dramatically increased demand for services in our area of responsibility. The proposed budget for FY 1999 and 2000 attempts to balance the demands created by growth with available resources. We are able to fund enhancements in public safety, education, and library services with only two revenue initiatives. Property tax rates are proposed to remain level. The County will continue to face funding challenges, however, as the community rapidly grows.

To mitigate increasing tax burdens and maintain a diversified tax base as we move forward, the County continues to focus efforts on sensible economic development. As we recognized in our Comprehensive Plan, the natural beauty of the county must be maintained as we grow. This budget proposal provides for several environmental enhancement programs, including Greenspace, public bikeways and parks, and median landscaping.

The County remains committed to providing the public with high quality services at a reasonable cost. This budget proposal, representing months of hard work by every county department and agency, meets that commitment

Respectively submitted,

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Sanford B. Wanner  
County Administrator