

County Administrator's Budget Message

To: The Members of the Board of Supervisors

I am pleased to submit to you and to the citizens of James City County the financial plan for the 2001-2002 fiscal year. This plan balances all operating expenditures without an increase in property tax rates. The budget provides investments in quality of life initiatives education and responds to growth within fiscal constraints. The County continues its commitment to our strategic management and comprehensive plans through initiatives in public safety, youth, tourism investment, economic development, and development management. Investment in our employees through continuation of our market-based pay system, and environmental programs such as land preservation, greenspace, drainage, landscaping, and recycling are also reflected. The budget also reflects an investment in the future infrastructure needs of our community with additional general fund dollars targeted to capital projects and to paying down debt service.

The proposed General Fund budget for FY 2001-2002 totals \$98,026,504, which is a \$7,524,237, or 8.3 percent increase over the current year's budget. Operating spending represents \$5,864,538 of the increase, and of that amount, fifty-three percent is targeted to the County's contribution to the Williamsburg/James City County School system. The remainder of the increase in the General Fund will go to fund investment in future infrastructure needs. The spending proposals are discussed in more detail later in this message.

Investment for the Future in Uncertain Times

Over the past several months, we have seen indications that the economy is slowing. This economic slowdown has impacted the State budget, resulting in reductions in funding for local agencies and offices. These economic and State funding uncertainties are reflected in a budget that focuses on investment in future infrastructure, leaving some flexibility to be able to respond to both potential slowing of revenue growth and reductions in State funded services. James City County continues to be an attractive community, as evidenced by our rapid population growth. The 2000 Census data shows James City County as the 8th fastest growing locality in the State and it is the fastest growing locality in the Hampton Roads area. Our relatively high rate of growth creates certain challenges: controlling the quality growth and responding to additional demand for services and facilities, particularly in the areas of public safety, education, and recreation.

We have made investments in maintaining high standards of quality in education, development, and quality of life. This financial plan continues those investments. The Capital Budget includes a new initiative for the purchase of development rights, as well as a continuation of funding for greenspace, parks, blight removal, sidewalks, and for placing overhead utilities underground. We will conduct a countywide survey as we begin the update of the Comprehensive Plan, seeking citizen input into crafting a vision for the future of the County. We continue to fund the schools at a high level, and education expenditures continue to consume the majority of operating costs. Our local spending per-pupil is the 12th highest in the State, reflecting the community's commitment to quality education.

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As in previous years, 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 faced uncertainties in State funding and in the overall economy. We wanted to continue to strengthen the County's overall service delivery and meet the commitments made through the strategic management and comprehensive planning processes, within fiscal constraints.

As in previous years, departments were asked to do the following in preparing budget requests:

- 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.
- 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 Goal areas 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 area 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 volunteer assistance to provide services. The County's Neighborhood Connections program, for example, has been successful in educating citizens and neighborhoods, helping them address some of their service needs through self-help.

The proposed budget is accomplished within fiscal constraints, and focuses on investment for the future. Last year, the Board adopted a two-year budget, appropriating the first year and adopting the second year, FY 2001-2002 as a spending plan to be reviewed this year. The strong local economy over the past several years provided revenue growth that exceeds that planned by 2 percent, and I am recommending that that surplus be invested in capital projects and paying down debt service. The Board recently adopted an updated Statement of Fiscal Goals that included target ratios for fiscal liquidity, and this financial plan attempts to improve those ratios. Spending for ongoing operations other than the contribution to capital projects, debt service and contingency is \$217,000 less than the plan adopted last year.

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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. Recently, the Board decided to consider a program for the purchase of development rights, which provides an incentive for farmers to preserve the agricultural use of their farmland. This budget provides funding for that initiative and continues to provide resources for acquiring greenspace and for landscaping of road medians. Funding is also included for environmental protection to preserve and protect environmentally sensitive areas, the accumulation and development of public greenways, and the development of water quality programs. Funding also continues for placing overhead utilities underground. These enhancements are consistent with the County's Comprehensive Plan.

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 citizen's needs are met. A Countywide citizen survey is planned for FY 2002 as a prelude to the update of the Comprehensive Plan. Improvements are planned in public television access, the "FYI" newsletter that is mailed to citizens, and the County's web site.

IV. Promote a Healthy Community

This goal area 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 budget. Public safety objectives include the following:

1. Funds are included in the Capital Budget for replacement of the County's radio system to improve both emergency and administrative communication.
2. The central dispatch system will be modified to accept wireless 911 calls, which is a State mandated initiative. A new telecommunicator position is to assist with this effort.
3. The Office of Emergency Management budget includes funding for the County's share of a regional initiative to develop a plan for medical response needs that might arise if the region were impacted by weapons of mass destruction.
4. The County began offering an early retirement program for public safety employees beginning January 1, 2001, allowing these employees to retire at 50 years of age

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with 25 years of service. The majority of localities in Virginia offer this program. This budget includes a full year of funding for this program.

Other public safety initiatives include fire and crime prevention as well as school resource and community policing programs. Public safety expenditures for Police, Fire, Emergency Communications, and related services, continue to consume a large percentage of the General Fund budget. Including the early retirement initiative, public safety consumes 14 percent of the increase in spending for FY 2002.

The environmental and economic health of the County is addressed in several areas. The Solid Waste budget includes funding for a new five-year household recycling contract. The James City Service Authority will make improvements to and expand its water delivery and wastewater disposal services. The Economic Development Office will continue its efforts to attract industry and businesses that increase the non-residential 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.

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.

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.

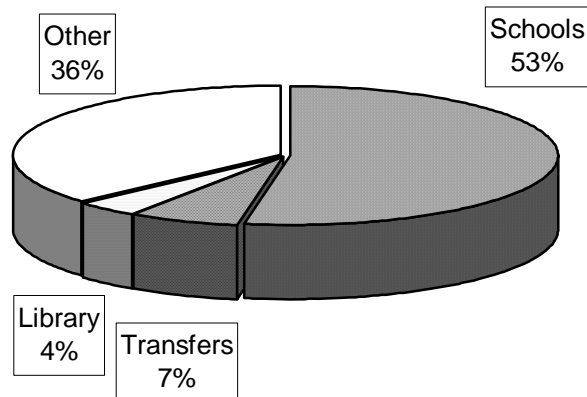
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► GENERAL FUND

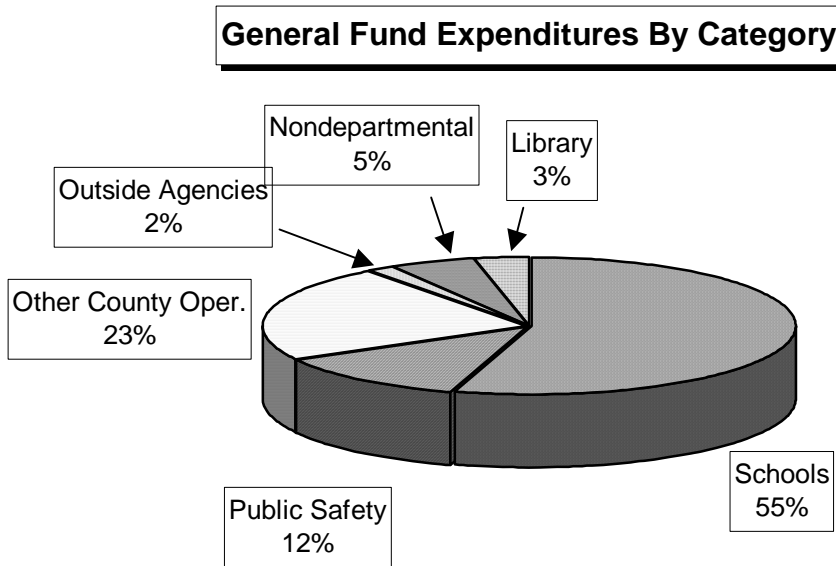
The recommended General Fund budget for FY 2002 is depicted below:

	FY 2001 Budget	FY 2002 Adopted Plan	FY 2002 Proposed	Increased Spending Over the FY 2001 Budget		Change from FY 2002 Adopted Plan	
				\$	%	\$	%
<u>Operating Spending:</u>							
Schools	\$50,572,314	\$53,355,209	\$53,662,308	\$3,089,994	53%	\$307,099	0.6%
Transfers to Other Programs	4,718,185	5,005,054	5,122,001	403,816	7%	116,947	2.3%
Regional Library Other County Operations	2,955,649	3,103,299	3,181,673	226,024	4%	78,374	2.5%
	28,752,940	31,618,001	30,897,644	2,144,704	36%	(720,357)	-2.3%
Total Operating Spending	\$86,999,088	\$93,081,563	\$92,863,626	\$5,864,538	100%	(\$217,937)	-0.2%
<u>Capital/Debt Investment:</u>							
Debt Service/ Nondepartmental Contribution to Capital	\$ 1,843,179	\$ 775,099	\$ 2,287,878	\$ 444,699		\$1,512,779	195.2%
	1,660,000	1,849,999	2,875,000	1,215,000		1,025,001	55.4%
Total Capital/Debt Investment	\$ 3,503,179	\$ 2,625,098	\$ 5,162,878	\$1,659,699		\$2,537,780	96.7%
Total General Fund	\$90,502,267	\$95,706,661	\$98,026,504	\$7,524,237		\$2,319,843	2.4%

53% of Increased Operating Spending is devoted to Education . .



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Schools

Over the last two years the County's contribution to the WJCC School system has risen 21 percent despite modest enrollment increases, equating to \$8 million in new County revenue focusing on public education in the community. This increase does not include capital spending or debt service.

In the first year of this two-year budget, over 100 percent of all new County revenues of any kind went to the schools. The second year is more balanced - in addition to new school funding, increases in spending in areas such as public safety, environmental management and investments in other public services were programmed. In fact, based on a funding formula that focuses on per pupil costs, the County's two-year budget set out the County funding commitment a year ago with the expectation that this funding target would become part of the School budget deliberations this year.

However, the State, the significant partner in public school funding and the entity that sets the agenda for the Standards of Quality, Standards of Learning and Standards of Accreditation in local school systems, has failed to fund basic increases in educational funding. In fact, over the same two-year period that the County and City were increasing combined local funding by 20 percent, State funding actually declined. The current State budget includes absolutely nothing for a pay raise for teachers.

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The second part of the County's two-year budget planning relating to schools did not function as planned. The adoption in April of 2000 of a County funding target for the WJCC Schools, reaffirmed in September, was designed to improve the School/City/County budgeting partnership. The County budget schedules are built on several State legal requirements – adoption by May 1st so schools can award teacher contracts for the upcoming year and long lead times for public hearings to encourage public participation. For school related reasons, both the City and County have had to go to press on the chief administrative officer's proposed budget without having an adopted School Board budget, an unfortunate situation because it reduced the staff's efforts to evaluate the School budget proposal before funding recommendations are made to the Board of Supervisors and City Council.

Transfers to Other Programs

Transfers to programs other than County operations and the school system amount to \$8,303,674, which is a \$624,694 or 8 percent increase over the FY 2001 budget of \$7,678,980. Three large items in this category are the County's cost of incarcerating prisoners in the Regional Jail, the contribution to the Williamsburg Regional Library and contributions to outside agencies.

Regional Jail

The County is a member of the Virginia Peninsula Regional Jail Authority, which oversees the jail, located in James City County. This budget includes the County's share of operations for the facility for FY 2002. 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 decrease by \$14,147, reflecting a reduction in the relative number of James City County inmates incarcerated. Reductions in State funding may change the County's cost.

Regional Library

The City of Williamsburg and James City County share the cost of Library operations, based on their respective share of circulation. The County contribution to the Library for FY 2002 is \$3,181,673. This amount is a 7.6 percent increase over the FY 2001 contribution of \$2,955,649, and fully funds the Library's request. The funding increase will allow for an overall Library budget increase of 7.2 percent before the impact of the Virginia Retirement System rate increase associated with the early retirement option. This increase funds adjustments to the Library's compensation plan, and an overall performance increase of 4.5 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 to County residents and businesses. The County assesses an additional 2 percent in room tax, with a total room tax rate of 4 percent. This additional tax is required by State law to be targeted at efforts to increase visitation in the County. The proceeds from this 2 percent totals

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\$1,040,503 and is targeted to the Williamsburg Area Convention and Visitors Bureau, Jamestown 2007 planning, the Visitors Shuttle and other marketing efforts. A complete list of contributions to outside agencies can be found on pages C-52 and 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 7.5 percent. This increase is funded by revenue growth and one revenue initiative discussed later in this message. Most of the spending increase is directed at public safety and compensation enhancements.

Personnel

New Positions

Two net new positions are proposed for the General Fund, primarily to promote a healthy community. This includes public safety, environmental, social and financial health. These additional positions are needed to achieve this goal in James City County, which the 2000 census has shown to be the fastest-growing locality in Hampton Roads.

Public Safety - Features positions programmed in the two-year budget adopted last year. There is no net gain in public safety positions in this budget.

Police Department (1) Police Officer Recruit position that currently serves as school resource officer paid by grant funds is programmed to be picked up by the General Fund in FY 2002. The grantor and the schools have evaluated the program as very successful.

Fire Department (1) Firefighter Recruit position was included last year as part of the FY 2002 budget. This position will perform fire prevention duties including inspection and enforcement of fire safety laws, investigation and prosecution of arson and related crimes and fire prevention education. Current staffing levels are insufficient to meet demands as the County population and number of buildings has grown. Burn permit fees may assist in offsetting the cost of this position.

(1) Firefighter Recruit overhire position approved by the Board during FY 2001 is eliminated, resulting in no net increase in positions.

Emergency Communications (1) Telecommunicator Trainee was included last year as part of the FY 2002 budget. This position will help meet emergency medical dispatching needs and wireless 911 calls.

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(1) Telecommunicator Trainee overhire position approved by the Board during FY 2001 is eliminated, resulting in no net increase in positions.

Environmental Health - Includes positions to help our Environmental Division address the important issue of drainage.

Environmental

(1) Environmental Assistant from full-time temporary to full-time permanent to continue to provide trained and certified staffing for the Integrated Pest Control function during the critical summer months, while serving as a certified Erosion and Sediment Inspector addressing erosion control violations during the rest of the year. During the full-time temporary status the first half of FY 2001, the incumbent was able to respond to the 100 percent increase in citizen mosquito complaints, to conduct over 250 erosion inspections, reinspections or enforcement actions, and over 125 inspections of BMP facilities, as well as other duties.

(1) Engineering Inspector to assist with the growing workload. New program initiatives from the state and federal levels such as Tributary Strategies, the Chesapeake Bay Agreement, National Pollutant Discharge Elimination System Stormwater Permitting, and Total Daily Maximum Load are increasing the workload of field and administrative personnel. This position will perform fieldwork allowing supervisory staff to concentrate on the programs mentioned above and other long-range drainage and stormwater management projects.

In addition, one full-time limited-term Civil Engineer will be funded in the Capital Budget to document existing and future stormwater management needs and to develop specific recommendations for new funding mechanisms, such as a stormwater utility.

Community Services

One full-time limited-term position will be funded in the Capital to coordinate the Purchase of Development Rights (PDR) Program. The PDR Program Coordinator will design and market the program, respond to inquiries from landowners, process applications, and develop a plan for financing, to include maximizing private participation and investment in the program and using state and federal funds to leverage County funding. This position is critical to finalizing the design of the program and getting it off to a successful start.

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Social Health

Parks and Recreation Temporary Park Attendant hours equivalent to 1.4 FTE positions are proposed to staff the Skate Park scheduled to open this summer. For safety reasons, the Park will be staffed all hours that it is open. Admission fees to the Park should defray all or most of the cost of the position.

Financial Health

Real Estate Assessments (1) Real Estate Appraiser is added to help manage the workload and to ensure fair and accurate appraisals. Over the past 15 years, there has been a 98 percent increase in parcels that are reassessed annually with no accompanying increase in the number of assessors. This new position would reduce the parcels per appraiser (ppa) from 6,177 to 4,942, bringing it closer to the professional association standard of 3,250 ppa, and their neighboring jurisdictions of Williamsburg with 3,733 ppa and York County with 4,470 ppa.

Other – A total of just under 700 temporary hours is proposed to be added among three On Call positions: Deputy Animal Warden, to accomplish new State training requirements; Office Assistant for the General Registrar's Office, to assist with the workload of a September primary, followed by a November general election and redistricting of Senate and Congressional districts; and Communications/Cable Specialist, to fill in for the Video Engineer when he is unavailable to tape meetings such as Board of Supervisors Meetings and Planning Commission Meetings.

(.5) Automotive Inventory Assistant position in Fleet Maintenance established in the FY 2001 budget will be eliminated. The position was to be filled only if enough savings could be generated to cover its cost. The position has not been filled, and the establishment of a maintenance contract for buses with Penske lessens the need for the position.

(.5) Administrative Aide position in the County Administrator's Office will be eliminated. The position will be reduced to half time to take advantage of cost-effective intern talent as the need arises for special projects.

Maintaining the Market-Based Compensation Plan

The job market continues to be tight. Several steps are recommended to keep our compensation plan competitive so that we can continue to attract and retain quality employees. Retention is critical when considering the high cost of turnover on an organization.

A three percent structure adjustment, or increase to all of the salary ranges, is recommended. Three percent is consistent with results of annual surveys conducted by the American Compensation Association and the benefits consulting firm of Mercer, Inc., which project the amount by which employers in our region will adjust their organizations' salary ranges in the upcoming year. Twenty-nine job classes will move from one salary range to another to keep

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them competitive with salaries for similar jobs in our market. Three positions will be reclassified because of significant changes in duties and/or responsibilities. Money is also included to fund career ladder advancements for eligible employees, primarily in public safety. These steps are recommended each year to maintain our compensation plan.

An additional step recommended this year to make our salary structure more competitive is to adjust ranges 24 through 34 to reflect the market in the same way that our other salary ranges do. This adjustment will make our salary structure more competitive with those of other nearby organizations, and will better align some of the salary ranges of similar job classes in those organizations.

Finally, \$15,000 is included in the Human Resource Department budget for the scheduled three-year maintenance of the compensation plan. All job classes will be reviewed to ensure they are compared with similar jobs in the market. That data will be run through a software model, and will result in recommendations to adjust ranges and jobs as necessary. This triennial recalibration of our compensation plan keeps salaries competitive while avoiding the need for a costly pay study.

The total cost for maintaining the compensation plan is \$248,000.

Pay for Performance

Employees will be eligible for an average 4.5 percent salary increase based on performance. This is in line with what is projected in the professional compensation surveys cited above, and is less than the non-performance-based raises proposed by other public entities such as York County. The cost, including fringe benefits, is \$801,000.

Health Insurance and Other Benefits

Health insurance is a critical benefit for many of our employees, and an important attraction and retention tool for the County. For that reason we strive to keep premiums affordable, which is a challenge when medical inflation alone is averaging about 11 percent this year. The cost of claims pushes the premiums slightly higher than that, despite increased co-payments in one of the plans. This budget increases the County contribution to health insurance premiums by about 13.7 percent to help defray the cost of premium increases. Even with the County's increased investment, most employees will experience some share of the increased premium and co-payment costs.

As our workforce ages, health care and workers compensation costs tend to rise. To help keep those costs in check, while ensuring that employees are in the best condition to perform their jobs safely and effectively, this budget proposes implementing a "Working Towards Wellness" Program over the next three years. The program will begin in FY 2002 with sworn police and fire personnel. These employees will receive an assessment at the James City/Williamsburg Community Center (JC/WCC) to compare their physical fitness to norms for their age and gender. Fire personnel began this process in FY 2001 on a pilot basis. Participants will then set goals to improve or maintain their physical condition, and establish plans to do so. While

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employees will have a variety of ways to achieve their goals, the Human Resource Department budget will include \$10,000 to pay for individual JC/WCC memberships for those sworn police officers and firefighters who choose to take advantage of those facilities. A wellness program for the rest of the County departments will be added over the following two years.

Virginia Retirement System costs will be 9 percent of payroll, which includes the cost of the early retirement program for public safety employees. The rate is less than what was planned for FY 2002. In addition, costs of benefits such as long-term disability insurance and the Employee Assistance Program remain flat.

New Initiatives

This budget proposes two new initiatives to help achieve two areas of Board member interest: providing employees a competitive wage and assistance to own a home in the community.

Funding is included for all employees holding regular, full-time jobs with the County to earn at least \$8.25 per hour. This proposed wage is in addition to a good benefits package. Implementation of this initiative would model the minimal wage with benefits that we seek in companies we recruit for economic development. It also provides the type of wage that helps people be self-sufficient. The cost of this initiative, including fringe benefits, is \$33,000.

The second initiative provides assistance to eligible employees to buy homes in the County or City of Williamsburg. This Employer-Assisted Homeownership Savings Program will match up to \$3,000 in savings of regular, full-time employees whose household income does not exceed 110 percent of the area median income, and who do not currently own homes in the County or City, towards the purchase of such a home. Our Office of Housing and Community Development (OHCD) will determine eligibility and will assist the employee with training and counseling on budgeting, home buying, and homeownership issues. The program is designed to meet three objectives: helping County employees live in the community they serve, which has a value to the community; assisting in the retention of employees by helping them locate close to their County workplace; and serving as a demonstration project for other employers in the area, which could also help us to leverage other resources for affordable housing, including CDBG funds. The OHCD budget includes \$30,000 to assist up to ten employees in FY 2002.

Operating Expenditures

Public Safety

Enhancements and growth in the Public Safety area consume 14 percent of the new dollars for FY 2002. Most of the increase results from a full year's implementation of the early retirement option, along with the new positions noted above for the Police, Fire, and Central Dispatch departments. Also included are modifications to the Central Dispatch system in order to accommodate wireless 911 calls. 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.

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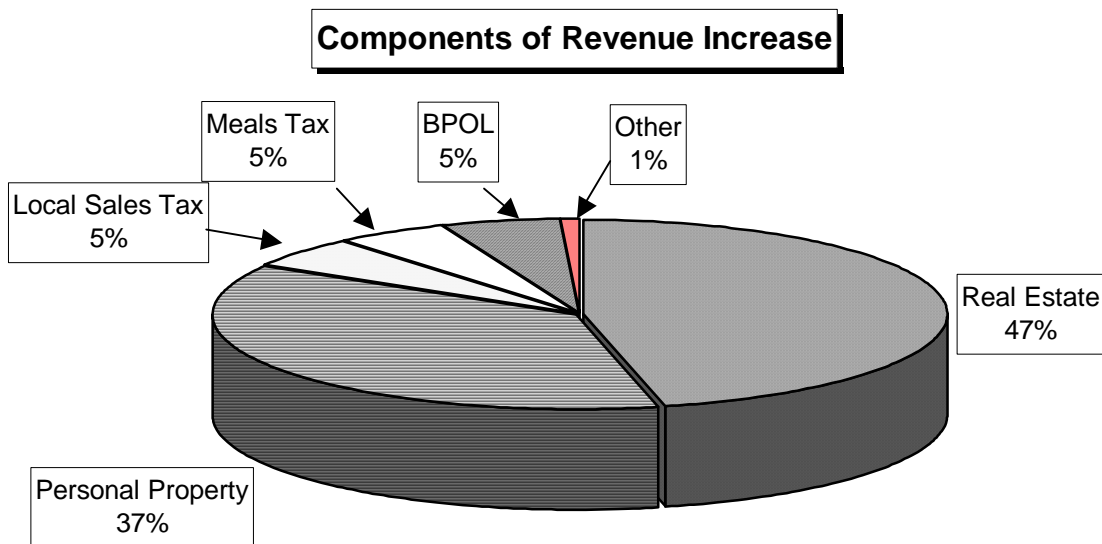
Parks and Recreation

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. User fees support the cost this program, and an increase in associated revenue is projected. The Parks and Recreation department continues to 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. For FY 2002, user fee revenue is expected to cover 59 percent of the direct cost of general fund recreation activities.

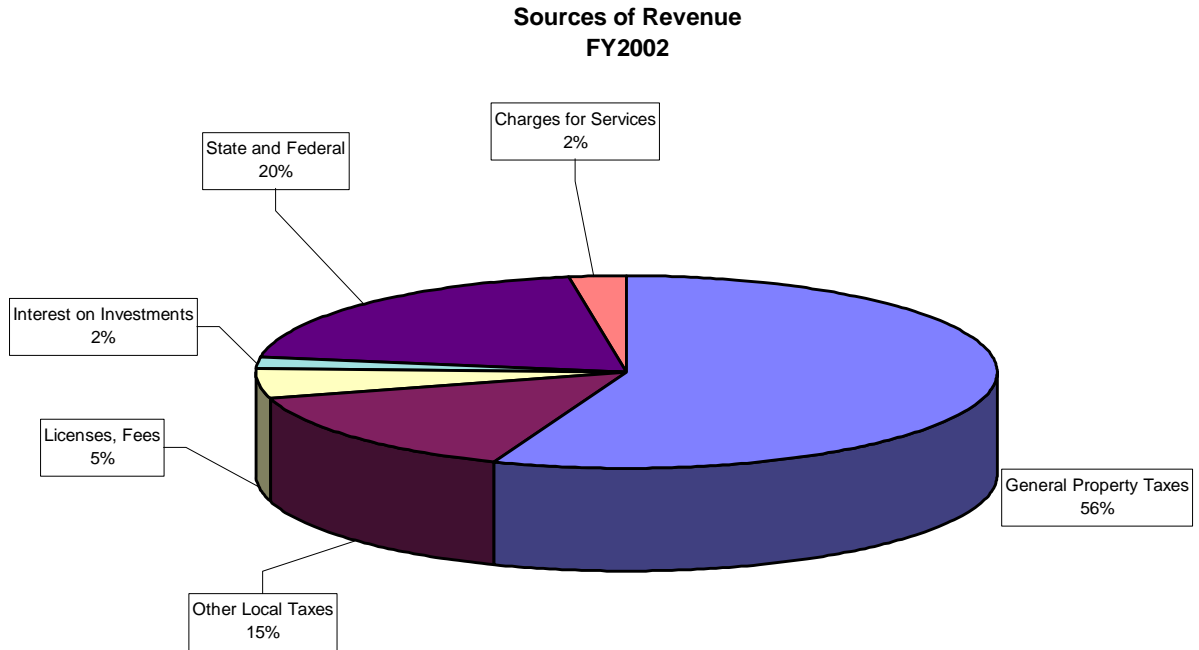
Maintaining Existing Services

Beyond the funding required for investment in capital projects, including the Purchase of Development Rights program, debt service, and public safety and compensation enhancements, there are few other new initiatives included in this budget. Seventy-five percent of the \$7,524,237 in new revenue is consumed by additional funding for Schools, Public Safety and investment in capital projects, debt service and uncertainties. The majority of the remaining dollars fund the adjustments in our market based pay system, an increase in health insurance rates, and the pay for performance increase. Funding is included to continue the drainage initiative and Greenspace fund.

► REVENUES



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The FY 2002 budget includes one revenue initiative -- an increase in the E-911 tax. The E-911 tax rate is recommended to increase by 50 cents, from its current level of \$1.70 per telephone line per month, to \$2.20 in FY 2002. 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. Because of the 120-day notification requirement, the increase will not be effective until September 2001. The increase will produce \$145,000 in revenue in FY 2002 and approximately \$170,000 a year going forward. This additional revenue will be directed at recovering a portion of the cost of the new dispatch positions and modifications to the dispatch systems needed to accept wireless 911 calls and to offer emergency medical dispatch service. If the County chose to charge the maximum allowable tax, its E-911 rate would be \$3.00.

The full impact of State revenue and funding impacts is not yet known, and the amounts included in this proposed budget will likely change. Budgeted State revenue reflects the final phase of the car tax, shifting local dollars generated by the car tax to state reimbursement to the County for the refund of seventy percent of this tax. The car tax reimbursement is expected to be \$10,467,541 for FY 2002, but local car tax revenue will decrease by \$1,912,432.

► CAPITAL PROJECTS FUND

The County's Capital Projects Budget is \$7,782,000 and these capital investments continue the focus on improving the quality of life in the County:

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- ✓ Funds are included to begin a Purchase of Development Rights (PDR) program. This program is an attempt to preserve open space, forested areas, and farmland from development by acquiring the development rights from the property owner. This program would require the voluntary participation of County property owners and is being funded with some "seed" money.
- ✓ Continuing improvements in school facilities improve our Education efforts as the community continues to invest in our public schools.
- ✓ A continuing Parks and Recreation investment in the District Park is another step in the incremental process towards meeting sports and athletic facility needs in the County for youth, school and adult sports programs.
- ✓ Funding is proposed to equip a new Board meeting room designed for both the audience and cable television viewing. The Board of Supervisors, School Board, Planning Commission, Industrial Development Authority and other boards and commissions would share use of the new facility at the County Government Center.
- ✓ Ongoing investments in greenways, roadside landscaping, stormwater drainage and sidewalks continue the County's efforts in preserving the Environmental Character of the community.
- ✓ The Williamsburg Regional Library has scheduled a replacement of its integrated library system software in FY 2002, at a cost of \$209,000.
- ✓ The Fire Department has requested funding to replace the Fire Station No. 4 1982 Seagrave ladder truck. The proposed replacement is a single chassis 85-foot ladder truck with a fire pump, all wheel steering, and a small water tank. In addition to the ladder truck, funding is proposed over the next three years for new ambulances to replace those now in use at Stations 3 and 4 and the unit now in reserve.

The FY 2002 Capital Budget is part of a five-year Capital Improvement Plan. 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. Beyond FY 2002, and included in the five-year plan, are several other capital initiatives:

- Replacement of Fire Station No. 2 in FY 2004. The station is in Grove and was built as a temporary facility almost 30 years ago.
- Funding of a new 800 Mhz Public Safety radio system is planned, to be funded through debt issuance. It will modernize our dated radio system and improve the safety of police officers and firefighters in the field, as well as the public at large.

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An addition of a competitive pool, for community and school use, has been identified as a need and a feasibility study has been contracted. The proposal is a 25-yard by 25-meter competitive pool built adjacent to the James City-Williamsburg Community Center.

► 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 tax revenue from the County.

Within the FY 2002 Water Fund, revenues are projected to increase by \$394,673, or 9.1 percent, primarily due growth in the numbers of users served. Within the sewer fund, revenues are expected to grow by \$151,352, or 4.1 percent in FY 2002, primarily from customer growth.

A Customer Service Representative is included to respond to the increase in the number of customers served, as well as a Utility Operations Assistant to read and maintain water meters.

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 focusing efforts on the successful Visitor's Shuttle, which will be in its fifth year. The cost of this Shuttle is shared with the City of Williamsburg and York County. A full time Grants Administrator position is included to meet the increased workload and federal and state grant management requirements. A portion of the proceeds from the 2 percent room tax devoted to tourism will be directed at funding the County's share of the Visitors Shuttle.

The Social Services fund increases 5.6 percent from the FY 2001 funding level. Local funding increases by 9.5 percent, reflecting State revenues that are virtually flat. Potential impacts from State budget decisions are not yet addressed.

The Community Development Fund includes funding for the housing assistance initiative for County employees.

Conclusion

This proposed budget for FY 2002, attempts to balance the demands created by growth with available resources in a time of uncertainty. The national economy and the State budget are in a period of stress. However, we have been able to fund without an increase in property tax,

County Administrator's Budget Message

enhancements in public safety, education, as well as to provide compensation enhancement for our valued employees, a key asset in any organization. However, as the community continues to grow, the County may face funding challenges and therefore, much of this budget makes investments in capital and debt needs so that our future is not jeopardized. The County, like many other localities in the Commonwealth of Virginia, has benefited from the economic boom of the last years. However, with the economy showing signs of slowing down, thereby creating uncertainty in our future revenue streams, we need to be mindful of our responsibility to do what we can today to prepare for funding challenges, particularly in a County that has experienced the significant growth as reflected in the 2000 Census data. To reduce future tax burdens as we move forward, we will continue to focus effort in the area of economic development so that we can maintain a diversified tax base that provides for those quality improvements that a community seeks: improvements in education, environment, and public safety. I am committed, as is the entire staff that serves you and the citizens, to providing high-quality services at reasonable cost. This budget proposal meets that commitment for today and tomorrow.

Respectfully submitted,

Sanford B. Wanner
County Administrator