

AT A RETREAT OF THE BOARD OF SUPERVISORS OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON THE 18TH DAY OF JANUARY, 2003, AT 8:00 A.M. IN ROOM A OF THE JAMES CITY/WILLIAMSBURG COMMUNITY CENTER, 5301 LONGHILL ROAD, JAMES CITY COUNTY, VIRGINIA.

A. **ROLL CALL**

Jay T. Harrison, Sr., Chairman, Berkeley District
Bruce C. **Goodson**, Vice Chairman, Roberts District
John J. **McGlennon**, Jamestown District
Michael J. Brown, **Powhatan** District
James G. Kennedy, Stonehouse District

Sanford B. Wanner, County **Administrator**
Frank M. Morton, III, County Attorney

B. **RETREAT**

1. Emulovee Comvensation and the Fiscal Year 2004 Budeet

Ms. Carol M. **Luckam**, Human Resource Manager, provided the Board **with** an overview of the Market-Based Compensation Plan, the infrastructure recalibration, and the pay-for-performance employee compensation.

Mr. **Goodson** inquired about new employee impacts on the performance increase levels.

Ms. **Luckam** stated that there are guidelines for performance increases that designate the levels of performance compensation.

Mr. Brown inquired about the salary increases

Ms. **Luckam** stated that the performance compensation is based on the mid-level salary level **on** the range; for those above the mid-level salary point, the compensation is on actual salary.

Mr. John McDonald, Manager of Financial and Management Services, stated that the County budgets **salary** increases based upon a level such as 3.5 percent and usually the actual year-end salary budgets end at a 3.35 percent increase level.

Mr. Brown inquired about the skew of the number of exceeds and outstanding performance measures given in employee evaluations.

Ms. **Luckam** stated that Human Resources could address concerns about high-rated evaluations or Human Resources could adjust the performance compensation level from the outstanding level downward.

Mr. **McGlennon** requested clarification regarding the majority of employees receiving an exceeds level of performance compensation.

Ms. **Luckam** stated that staff could review the performance compensation and, if directed, would make recommendation regarding alternative methods for compensation.

Mr. Kennedy requested information regarding the employee benefits package and how it compares to surrounding localities.

Ms. **Luckam** stated that it is difficult to measure benefits; however, the benefits package appears to be competitive with surrounding jurisdictions.

Mr. Brown inquired about providing the employees with benefit costs to see the entire compensation picture.

Mr. Wanner stated that occasionally, employees have been provided information with benefit costs.

Ms. **Luckam** stated that these compensation ideas should be considered and, if appropriate, planned out for implementation in future fiscal years.

Mr. **Harrison** requested clarification on the recalibration process

Ms. **Luckam** stated that the **recalibration** process is utilized to keep salary ranges competitive

Mr. **Harrison** recommended the staff review the compensation guidelines and procedures, and advise the Board of the cost for alternatives for compensation.

Mr. McGlennon inquired about other compensation items that may impact the budget levels.

Ms. **Luckam** stated that the health insurance costs will be increasing and the County has budgeted a ten percent increase.

Mr. **McGlennon** stated that employee productivity has increased and kept up with the County's increased population without a corresponding increase in **staffing**.

2. Budeet Guidance – FY 2004

Ms. Suzanne R. **Mellen**, Director of Budget and Accounting, provided the Board with an **overview** of the projected County Operating Budgets and Capital Budgets including adjusted revenue estimate and expenditure growth, observations on machinery and tools tax due to the closing of John **Deere** and BP Solar, and the impacts of one- and two-cent reduction in real estate tax rates, and a change over to a biennial assessment.

Mr. Wanner requested guidance from the Board **regarding** the revenue choices so staff can address expenditure recommendations.

Mr. Kennedy requested **information** from John Home regarding Development Management's ability to break-even through fees for cost recovery.

Mr. **Harrison** stated that the fees collected do not cover staff costs.

Mr. Kennedy recommended staff be aggressive in fee collections to recover service costs to serve developers.

Mr. **Kennedy** requested staff cut the travel budget and their operating expenditures and review the employee performance pay and benefits for possible reductions.

Mr. Brown inquired about the contingency funding plan.

Ms. Mellen stated that the contingency funding is still in place.

The Board and staff held discussions regarding the employee performance compensation for the County and Schools, impact of a 0.5 percent decrease in performance compensation, State funding levels to the Schools, the increased funding by the County to the Schools, and that the Board has supported increases in teacher salaries.

Mr. Kennedy inquired about the County's annually increasing funding to the Schools despite the School's growing fund balance.

Mr. Wanner recommended that the Board not fund the School's Capital Improvement Projects (**CIP**) and direct the Schools to utilize its Contingency Fund to support **FY04** CIP projects.

Mr. Harrison requested direction from the Board on the real estate tax.

The Board recommended that in the **face of** uncertain economic conditions, the County should continue with the 0.87 cent tax rate and setting aside 0.2 cents for debt services.

The Board and staff held a discussion regarding the Real Estate assessment cycle and staff strongly recommended that the Board keep an **annual** assessment and change the tax rate rather than move to a biennial assessment.

Mr. **Wanner** indicated areas within the proposed budget that would be reduced based upon the Board's direction on the revenue.

The Board and staff held a discussion regarding the expenditure levels and opportunities to reduce the Operating Budget.

The Board agreed not to adjust the real estate tax rate or to change the reassessment cycle for Fiscal Year 2004 (**FY04**) and directed staff to review the **FY04** Budget accordingly.

The Board took a brief break at 10:30 a.m.

The Board reconvened at 10:45 a.m.

3. Affordable Housing for First-Time Homebuyers

Mr. Richard B. Hanson, Housing and Community Development Administrator, provided the Board with an overview of the shortage of affordable housing for **first-time** homebuyers, the impact of the rapidly rising housing market that has against the slower wage increases in the local economy, the lack of affordable property to develop moderately priced single- or multifamily homes, possible exclusionary zoning, the costs association with addressing the shortfall of affordable housing in the County, and the opportunities the County offers to assist low- to moderate-income homebuyers.

Staff recommended that the County assist in the identification and development of affordable homes through partnerships, developing surplus property, fee waivers as incentives to keep housing prices down, **inclusionary** zoning, and Land Use policies.

The Board and **staff discussed** the possibility to keep the resale of affordable housing to other low- to moderate-income homebuyers or to recuperate **the** cost of the County's assistance for the initial purchase.

Mr. Anthony Conyers, Jr., Manager of Community Services, stated that affordable housing is not a Community **Services** issue within the structure of the County; Development Management and the James City Service Authority are also involved; fiscal impacts of **the** affordable housing programming; and the impact on the growth and development in the **community**.

Mr. **Harrison** inquired about how much administrative support the affordable housing programming would need.

Mr. Conyers stated that the level would depend upon the program developed

Mr. Brown requested an update on **the** Ironbound Square Redevelopment Project at a future Board meeting.

4. Youth Services

Mr. Anthony Conyers, Jr., Manager of Community Services, and Nancy Ellis, Youth Services Coordinator, provided the Board with an overview of the progress in implementing the adopted County Strategic Plan for Children and Youth, with an introduction to the **STRIVE** and Beyond the **Bell** programs, **funding** for these initiatives, and with the impacts of these program.

The Board and staff held a discussion regarding the utilization of the scholarship funds for the **Williamsburg** Indoor Sports Complex and other partnerships for training and placement of youth in programs.

Mr. Kennedy inquired if there are individuals who work with **the** youth and employers to match up for employment and job training opportunities.

Ms. Ellis stated that initiatives are **underway** to match up youth with employers

Mr. Kennedy inquired if the individuals that work with youth could work on interviewing, dressing, obtaining skills for the workforce, and transportation resources.

Mr. **Harrison** requested that youth be more visible through the Youth Advisory Council and through the County's Youth Services.

5. Water Rates – Increasing Block Rate System

Mr. **Larry M. Foster**, General Manager of the James City **Service** Authority, provided the Board with an **overview** of the increasing block water-rate structure for residential customers and requested guidance from the Board on the recommendations for alternative **rate** blocks.

Mr. Harrison requested clarification on the **Water Conservation** Committee's recommendation to increase the third-block rate to \$7.20 per thousand gallons and increase the third block to 30,000 gallons.

Mr. Foster stated that **the** recommendation is based on the Committee's desire to conserve water.

The Board and staff held a discussion regarding the recommendations and directed staff to pursue Option One.

Mr. Goodson thanked staff for meeting with the Board.

Mr. Harrison recapped the consensus of the Board regarding the Real Estate Tax Rate, assessment cycle, and water rates.

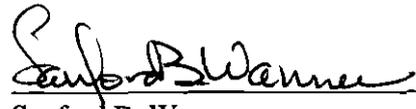
Mr. **Wanner** stated that he will be presenting the Board with a Budget in March for consideration

C. RECESS

Mr. Goodson made a motion to recess until January **23,2003**.

On a roll call, the vote was: AYE: **McGlennon, Brown, Goodson, Kennedy, Harrison (5)**. NAY: (0).

Mr. Harrison recessed the Board at 12:14 p.m. until January **23,2003**, at 10 a.m. for the VML/VACo Legislative **Day**.



Sanford B. Wanner
Clerk to the Board