

A G E N D A

JAMES CITY COUNTY BOARD OF SUPERVISORS

WORK SESSION

County Government Center Board Room

November 25, 2003

4:00 P.M.

-
- A. CALL TO ORDER**
 - B. ROLL CALL**
 - C. BOARD DISCUSSION**
 - 1. Financial Trends and FY 05-06 Budget
 - 2. 2004 Legislative Program
 - 3. Riverview Plantation Sanitary District
 - D. ADJOURNMENT**

112503bsws.age

MEMORANDUM

DATE: November 25, 2003

TO: The Board of Supervisors

FROM: Suzanne R. Mellen, Director of Budget and Accounting

SUBJECT: Budget Guidance - FY 2005-2006

The County will be beginning its budget process for the next two years, Fiscal Years 2005 and 2006. The following assessment of current and future trends is designed, with its accompanying schedules, to provide the foundation for planning budget guidance.

REVENUES

FY 2004

Current projections of the FY 2004 budget estimate a shortfall of approximately \$175,000. Two notable areas of shortfall are in Local Sales Taxes and in Lodging Taxes.

Sales tax revenues have come in significantly less than last year for sales that occurred in August and September. Lodging collections are continuing to falter, with shortfalls projected to continue throughout the remainder of the fiscal year. Personal Property Taxes and Meals Taxes have continued to be strong.

FY 2005 and FY 2006

Preliminary projections for Fiscal Years 2005 and 2006 continue the patterns of collections that the County has seen over the past few years. At the current tax rate, Real Estate is projected to continue to show healthy increases followed by Personal Property taxes and Meals taxes. Lodging taxes are projected to stay flat with expected returns for FY 2004 and Sales taxes are projected to increase only slightly. With the State budget expected to be released next month, the current projections for State revenue are flat.

EXPENDITURES

FY 2004

Current projections for spending in FY 2004 estimate underspending of less than \$800,000. This is primarily due to continued military deployments of County personnel, anticipated retirements of Police personnel in addition to employee turnover.

FY 2005 and FY 2006

Expenditures are broken down into four major categories, Debt Service, Contribution to Capital Projects, Operating for the County and other agencies, and Operating for the Schools. Operating Contribution for the Schools include an additional allocation in FY 2005 due to the anticipated increased local cost associated with the increased VRS retirement rate for teachers. Capital projects include increases in the annual contributions to cover anticipated dwindling surpluses of undesignated funds. County Operating expenditures receive the remaining available funds. FY 2005 will see an increase in spending for the annual maintenance of the new radio system of approximately \$500,000.

The four major categories are shown in four different scenarios. The first is keeping the current tax rate level at 86 cents. For the Operating Contribution for the Schools, this is based on a 2.5 percent increase per

student. Impacts are then shown in a table to show increases based on the following scenarios:

Tax Rate of 86 cents in FY 2005 and 85 cents in FY 2006

Tax Rate of 85 cents in FY 2005 and 85 cents in FY 2006

Tax Rate of 85 cents in FY 2005 and 84 cents in FY 2006

FUTURE PLANNING

Based on an 86 cent tax rate and revenues continuing on current trends, expenditures are projected for Fiscal Years 2007, 2008, and 2009. If the current revenue trends were to continue and only modest maintenance increases are included for County operating spending, a third high school would be able to be opened in FY 2008 without an increase in the Real Estate tax rate.

Board guidance to assist the County Administrator in the development of the budget would be helpful as we move forward with the budget process. Staff would be happy to elaborate further on the above discussion or detain in the attached worksheets.

Suzanne R. Mellen

CONCUR:

John E. McDonald

SRM/tlc
bdgtguid0506.mem

Attachments:

1. Revenues FY 2004-2006
2. Expenditures FY 2004-2006
3. Planning FY 2007-2009

Revenues	<u>FY04 BGT</u>	<u>FY04 PROJ</u>	<u>\$ 04 BUD V ACT</u>	<u>FY05 BGT</u>	<u>\$ 04 V 05</u>	<u>% 04 V 05</u>	<u>FY06 PLAN</u>	<u>\$ 05 V 06</u>	<u>% 05 V 06</u>
Real Estate	\$50,034,836	\$50,184,836	\$150,000	\$54,586,637	\$4,551,801	9.69%	\$ 59,399,971	\$4,813,334	8.82%
Personal Property	\$18,450,000	\$18,750,000	\$300,000	\$19,500,000	\$1,050,000	5.93%	\$ 20,600,000	\$1,100,000	5.64%
Machinery and Tools	\$5,209,000	\$5,209,000	\$0	\$5,365,270	\$156,270	2.89%	\$ 5,526,228	\$160,958	3.00%
Public Service	\$1,500,000	\$1,425,000	(\$75,000)	\$1,453,500	(\$46,500)	-3.24%	\$ 1,482,570	\$29,070	2.00%
Local Sales Tax	\$6,750,000	\$6,500,000	(\$250,000)	\$6,575,000	(\$175,000)	-2.58%	\$ 6,650,000	\$75,000	1.14%
Lodging Tax	\$2,050,000	\$1,900,000	(\$150,000)	\$1,900,000	(\$150,000)	-7.83%	\$ 1,900,000	\$0	0.00%
Meals Tax	\$4,075,000	\$4,200,000	\$125,000	\$4,410,000	\$335,000	8.25%	\$ 4,630,500	\$220,500	5.00%
Telecommunications Taxes	\$1,000,000	\$1,000,000	\$0	\$1,050,000	\$50,000	5.94%	\$ 1,102,500	\$52,500	5.00%
BPOL	\$4,415,000	\$4,415,000	\$0	\$4,503,300	\$88,300	2.13%	\$ 4,593,366	\$90,066	2.00%
Permits and Other Fees	\$2,137,450	\$2,310,064	\$172,614	\$2,413,064	\$275,614	14.33%	\$2,521,214	\$108,150	4.48%
Interest Income	\$535,000	\$535,000	\$0	\$550,000	\$15,000	2.20%	\$ 600,000	\$50,000	9.09%
HB599 Payments	\$1,092,322	\$1,092,322	\$0	\$1,092,322	\$0	0.00%	\$ 1,092,322	\$0	0.00%
Sales Tax for Education	\$5,703,245	\$5,703,245	\$0	\$6,102,472	\$399,227	7.27%	\$ 6,529,645	\$427,173	7.00%
Other State Revenue	\$2,424,669	\$2,348,457	(\$76,212)	\$2,349,825	(\$74,844)	-2.81%	\$2,349,825	\$0	0.00%
Recreation Revenue	\$2,644,343	\$2,387,962	(\$256,381)	\$2,507,360	(\$136,983)	-5.63%	\$ 2,632,728	\$125,368	5.00%
Other Revenue	\$4,909,620	\$4,794,910	(\$114,710)	\$4,784,950	(\$124,670)	-2.68%	\$ 4,891,225	\$106,275	2.22%
Total Revenues	\$112,930,485	\$112,755,796	(\$174,689)	\$119,143,700	\$6,213,215	5.74%	\$126,502,094	\$7,358,394	6.18%

EXPENDITURES FY2004-2006

Expenditures	<u>FY04 BGT</u>	<u>FY04 PROJ</u>	<u>\$ 04 BUD V ACT</u>	<u>FY05 BGT</u>	<u>\$ 04 V 05</u>	<u>% 04 V 05</u>	<u>FY06 PLAN</u>	<u>\$ 05 V 06</u>	<u>% 05 V 06</u>
At 86 in 05 & 86 in 06									
Debt Service	\$ 11,518,000	\$ 11,518,000	\$ -	\$ 12,190,000	\$ 672,000	5.83%	\$ 12,870,000	\$ 680,000	5.58%
Capital Projects	\$ 710,000	\$ 710,000	\$ -	\$ 1,285,000	\$ 575,000	80.99%	\$ 3,210,000	\$ 1,925,000	149.81%
Operating- County & Other	\$ 48,162,212	\$ 47,373,409	\$ 788,803	\$ 49,928,000	\$ 1,765,788	3.67%	\$ 52,172,094	\$ 2,244,094	4.49%
Operating-Schools	\$ 52,540,273	\$ 52,540,273	\$ -	\$ 55,740,700	\$ 3,200,427	6.09%	\$ 58,250,000	\$ 2,509,300	4.50%
							\$ (690,697)		
At 86 in 05 & 85 in 06									
Debt Service	\$ 11,518,000	\$ 11,518,000	\$ -	\$ 12,190,000	\$ 672,000	5.83%	\$ 12,870,000	\$ 680,000	5.58%
Capital Projects	\$ 710,000	\$ 710,000	\$ -	\$ 1,285,000	\$ 575,000	80.99%	\$ 3,120,209	\$ 1,835,209	142.82%
Operating- County & Other	\$ 48,162,212	\$ 47,373,409	\$ 788,803	\$ 49,928,000	\$ 1,765,788	3.67%	\$ 51,888,908	\$ 1,960,908	3.93%
Operating-Schools	\$ 52,540,273	\$ 52,540,273	\$ -	\$ 55,740,700	\$ 3,200,427	6.09%	\$ 57,932,279	\$ 2,191,579	3.93%
							\$ (634,728)		
At 85 in 05 and 85 in 06									
Debt Service	\$ 11,518,000	\$ 11,518,000	\$ -	\$ 12,190,000	\$ 672,000	5.83%	\$ 12,870,000	\$ 680,000	5.58%
Capital Projects	\$ 710,000	\$ 710,000	\$ -	\$ 1,215,180	\$ 505,180	71.15%	\$ 3,120,209	\$ 1,905,029	156.77%
Operating- County & Other	\$ 48,162,212	\$ 47,373,409	\$ 788,803	\$ 49,661,414	\$ 1,499,202	3.11%	\$ 51,888,908	\$ 2,227,494	4.49%
Operating-Schools	\$ 52,540,273	\$ 52,540,273	\$ -	\$ 55,442,378	\$ 2,902,105	5.52%	\$ 57,932,279	\$ 2,489,902	4.49%
							\$ (1,381,394)		
At 85 in 05 and 84 in 06									
Debt Service	\$ 11,518,000	\$ 11,518,000	\$ -	\$ 12,190,000	\$ 672,000	5.83%	\$ 12,870,000	\$ 680,000	5.58%
Capital Projects	\$ 710,000	\$ 710,000	\$ -	\$ 1,215,180	\$ 505,180	71.15%	\$ 2,843,931	\$ 1,628,751	134.03%
Operating- County & Other	\$ 48,162,212	\$ 47,373,409	\$ 788,803	\$ 49,661,414	\$ 1,499,202	3.11%	\$ 51,681,699	\$ 2,020,285	4.07%
Operating-Schools	\$ 52,540,273	\$ 52,540,273	\$ -	\$ 55,442,378	\$ 2,902,105	5.52%	\$ 57,725,070	\$ 2,282,692	4.12%

PLANNING FY2007-2009

Revenues	<u>FY07</u>	<u>\$ 06 V 07</u>	<u>% 06 V 07</u>	<u>FY08</u>	<u>\$ 07 V 08</u>	<u>% 07 V 08</u>	<u>FY09</u>	<u>\$ 08 V 09</u>	<u>% 08 V 09</u>
Real Estate	64,151,969	4,751,998	8.00%	69,284,126	\$ 5,132,157	8.00%	74,826,856	\$ 5,542,730	8.00%
Personal Property	21,630,000	1,030,000	5.00%	22,711,500	\$ 1,081,500	5.00%	23,847,075	\$ 1,135,575	5.00%
Machinery and Tools	5,802,539	276,311	5.00%	6,092,666	\$ 290,127	5.00%	6,397,300	\$ 304,633	5.00%
Public Service	1,512,221	29,651	2.00%	1,542,466	\$ 30,244	2.00%	1,573,315	\$ 30,849	2.00%
Local Sales Tax	6,783,000	133,000	2.00%	6,918,660	\$ 135,660	2.00%	7,057,033	\$ 138,373	2.00%
Lodging Tax	1,900,000	-	0.00%	1,900,000	\$ -	0.00%	1,900,000	\$ -	0.00%
Meals Tax	4,862,025	231,525	5.00%	5,105,126	\$ 243,101	5.00%	5,360,383	\$ 255,256	5.00%
Telecommunications Taxes	1,157,625	55,125	5.00%	1,215,506	\$ 57,881	5.00%	1,276,282	\$ 60,775	5.00%
BPOL	4,685,233	91,867	2.00%	4,778,938	\$ 93,705	2.00%	4,874,517	\$ 95,579	2.00%
Development Fees	2,647,275	126,061	5.00%	2,779,638	\$ 132,364	5.00%	2,918,620	\$ 138,982	5.00%
Interest Income	630,000	30,000	5.00%	661,500	\$ 31,500	5.00%	694,575	\$ 33,075	5.00%
HB599 Payments	1,092,322	-	0.00%	1,092,322	\$ -	0.00%	1,146,938	\$ 54,616	5.00%
Sales Tax for Education	6,856,127	326,482	5.00%	7,198,934	\$ 342,806	5.00%	7,198,934	\$ -	0.00%
Other State Revenue	2,349,825	-	0.00%	2,349,825	\$ -	0.00%	2,349,825	\$ -	0.00%
Recreation Revenue	2,764,364	131,636	5.00%	2,902,583	\$ 138,218	5.00%	3,047,712	\$ 145,129	5.00%
Other Revenue	5,037,962	146,737	3.00%	5,189,101	\$ 151,139	3.00%	5,344,774	\$ 155,673	3.00%
Total Revenues	133,862,488	7,360,394	5.82%	141,722,891	7,860,403	5.87%	149,814,138	8,091,246	5.71%
Expenditures									
Debt Service	\$ 13,550,000	\$ 680,000	5.28%	\$ 12,750,000	\$ (800,000)	-5.90%	\$ 14,050,000	\$ 1,300,000	10.20%
Capital Projects	\$ 4,500,000	\$ 1,290,000	40.19%	\$ 5,150,000	\$ 650,000	14.44%	\$ 6,000,000	\$ 850,000	16.50%
Operating- County & Other	\$ 54,762,488	\$ 2,590,394	4.97%	\$ 56,922,891	\$ 2,160,403	3.95%	\$ 59,764,138	\$ 2,841,246	4.99%
Operating-Schools	\$ 61,050,000	\$ 2,800,000	4.81%	\$ 66,900,000	\$ 5,850,000	9.58%	\$ 70,000,000	\$ 3,100,000	4.63%

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BUDGET/FINANCIAL TRENDS WORKSESSION

November 25, 2003

EXHIBIT A

This is a presentation of FY2002 revenues on a per capita basis for the Hampton Roads region, expanded to include the counties used by Davenport in comparing AA rated jurisdictions

James City County revenues per capita are mid-range for the localities in the region, but on the high side in comparing the totals to the counties sharing a AA rating.

James City County leads the field in real property and machinery & tools revenue per capita and has relatively healthy personal property, sales, room and meal collections as well. The County did not collect consumer utility taxes in FY2002 and is the only locality in this survey that did not.

James City County is second only to Williamsburg in the \$ per capita generated from local sources.

JURISDICTIONAL COMPARISONS

2002 STATE AUDITOR OF PUBLIC ACCOUNTS

EXHIBIT A

REGIONAL

PER CAPITA REVENUE

	Real Prop	Pers Prop	M & Tool	Sales	Con Util	BPOL	Room	Meal	Other	Tot Local	State	Fed	Total
Chesapeake	658	135	12	120	74	83	10	63	278	1,432	1,068	148	2,648
Hampton	487	65	12	81	70	65	16	71	405	1,271	1,070	206	2,547
James City	861	168	104	127	-	76	39	73	290	1,738	681	117	2,536
Newport News	511	106	70	99	61	63	10	58	460	1,438	1,110	244	2,792
Norfolk	493	115	29	108	162	80	21	82	356	1,446	1,072	316	2,834
Poquoson	703	110	-	34	36	26	17	85	226	1,237	1,026	82	2,345
Suffolk	524	91	19	73	96	50	3	37	319	1,212	1,096	188	2,496
Virginia Beach	665	178	2	95	84	67	32	74	252	1,450	946	191	2,587
Williamsburg	394	29	96	347	32	129	327	422	393	2,168	397	106	2,671
York	583	118	24	84	3	56	33	52	344	1,297	947	234	2,478

DAVENPORT COUNTY GROUP

Albemarle	617	140	11	113	70	79	16	-	279	1,325	660	142	2,127
Fauquier	795	198	7	82	38	15	-	-	417	1,552	767	96	2,415
Hanover	571	169	28	128	41	5	7	-	256	1,206	818	84	2,108
James City	861	168	104	127	-	76	39	73	290	1,738	681	117	2,536
Prince William	799	118	1	107	62	43	7	-	401	1,538	917	129	2,584
Stafford	662	105	1	63	62	-	8	30	351	1,282	963	120	2,365
York	583	118	24	84	3	56	33	52	344	1,297	947	234	2,478

Bolded numbers represent the highs and lows in a particular category

EXHIBIT B

Using the same communities compared in Exhibit A, tax rates are shown for FY2002:

Real Estate - regionally, James City is on the low side, mid range in the AA counties

Personal Property tax rates are mid-range, as is the tax rate for machinery & tools

The County does not have a monthly residential tax on electric service, or an annual motor vehicle license charge, and taxes on telephone service (utility tax and E911 tax) are the lowest in the group.

Going back to Exhibit A where it is shown that the County generates the highest per capita real estate and machinery & tools taxes - it is obviously not because the County's tax **rates** are the highest, but the tax **base** is higher, per capita, than it is in other communities.

The State has identified James City County as a community with low fiscal stress, Norfolk, as an example, is a community designated as one with high fiscal stress.

This exhibit illustrates why that is so. James City has revenue options it hasn't used yet, and has the tax base to generate additional revenue by raising rates - Norfolk, by contrast, has pushed tax rates across the board to practical limits - it has neither the tax base nor significant additional unused tax rate increases. Interesting to note, the only tax rate not optimized in Norfolk is for personal property - and increasing that rate is under discussion for FY2005.

James City County has, by tax policies established by previous Boards, focused on real estate taxes as its primary source of revenue. The County has chosen to avoid some revenue sources that are considered to be regressive. As an example - a motor vehicle license or a monthly tax on electric services would hurt low income residents more than it would upper-income residents, considering relative ability to pay.

A \$30 annual motor vehicle license fee would generate \$1,500,000 annually for JCC.

JURISDICTIONAL COMPARISONS

2002 TAX RATES - WELDON COOPER CENTER

EXHIBIT B

REGIONAL

TAX RATES

	Real Estate		Effective	Effective	Monthly	Monthly	Motor				
	Nominal	Effective	Per Prop	Mach & T	Resid	Resid	Vehicle	Meals	Room	Admiss	Cigarette
					Electric	Phone	License				
Chesapeake	\$ 1.25	\$ 1.20	\$ 3.12	\$ 0.62	\$ 5.50	\$ 10.00	\$ 28.00	5.50%	6.00%	10.00%	\$ 0.50
Hampton	1.25	1.18	3.32	1.05	3.00	5.50	28.00	6.50	7.50	10.00	0.35
James City	0.87	0.78	3.12	1.00	-	1.95	-	4.00	4.00	-	-
Newport News	1.24	1.17	3.24	1.17	3.08	5.25	31.00	6.50	7.50	7.50	0.45
Norfolk	1.40	1.26	3.12	1.60	3.75	8.20	31.00	6.50	8.00	10.00	0.30
Poquoson	1.12	1.03	3.00	1.16	3.00	5.50	25.00	5.50	-	-	0.10
Portsmouth	1.36	1.26	3.39	1.50	3.40	6.00	30.00	6.50	8.00	10.00	0.35
Suffolk	1.05	0.94	3.32	0.63	3.00	5.00	25.00	5.50	6.00	10.00	0.30
Virginia Beach	1.22	1.11	2.89	0.40	3.00	4.95	25.00	5.50	10.00	10.00	0.32
Williamsburg	0.54	0.47	2.73	1.05	1.00	2.00	-	5.00	5.00	-	-
York	0.86	0.83	3.12	1.00	-	2.18	23.00	4.00	5.00	-	-

DAVENPORT COUNTY GROUP

Albemarle	0.76	0.66	3.34	0.86	4.00	6.00	25.50	4.00	5.00	-	-
Fauquier	1.06	0.87	3.63	1.86	3.00	5.00	25.00	-	-	-	-
Hanover	0.83	0.71	2.84	0.36	3.00	3.00	28.00	-	8.00	-	-
James City	0.87	0.78	3.12	1.00	-	1.95	-	4.00	4.00	-	-
Prince William	1.34	1.19	3.18	1.00	3.00	4.75	24.00	-	5.00	-	-
Stafford	1.18	1.05	2.20	0.49	3.00	4.50	23.00	4.00	5.00	-	-
York	0.86	0.83	3.12	1.00	-	2.18	23.00	4.00	5.00	-	-

Bolded numbers represent the highs and lows in a particular category

EXHIBIT C

Comparing spending per capita - James City County is on the low side in the region, in the middle of the range for the AA communities.

We spend the least in the region on public works per capita, the most for judicial. Compared with other AA rated communities - we spend the least for education, the most for libraries, parks/recreation and community development.

Expenditures shown per capita are lower than the revenue generated per capita, shown in Exhibit A - the difference relates to capital projects and debt service paid for past capital projects.

Focusing on schools - Poquoson spent the most per capita of the Hampton Roads communities, while Williamsburg spent the least - one of the failings of comparing per-capita spending, as illustrated in Exhibit D.

JURISDICTIONAL COMPARISONS

2002 STATE AUDITOR OF PUBLIC ACCOUNTS

EXHIBIT C

REGIONAL

PER CAPITA EXPENDITURES

	Schools	Pub Safety	Hlth/Wel	Pub Wks	Judicial	Pks/Rec	Lib/Cul	Com Dev	Total
Chesapeake	1,322	397	190	232	58	20	31	57	2,307
Hampton	1,161	350	299	170	33	77	61	85	2,236
James City	1,174	296	173	62	78	74	71	148	2,076
Newport News	1,301	418	331	171	33	88	33	107	2,482
Norfolk	1,197	520	343	260	40	60	77	70	2,567
Poquoson	1,345	283	93	123	13	65	43	42	2,007
Suffolk	1,188	368	255	91	59	42	13	69	2,085
Virginia Beach	1,242	291	161	209	26	50	44	93	2,116
Williamsburg	716	591	227	250	23	85	78	220	2,190
York	1,310	316	166	146	38	22	51	52	2,101

DAVENPORT COUNTY GROUP

Albemarle	1,181	204	235	33	30	20	36	146	1,885
Fauquier	1,221	205	180	156	52	26	25	45	1,910
Hanover	1,191	296	158	46	28	22	27	44	1,812
James City	1,174	296	173	62	78	74	71	148	2,076
Prince William	1,400	344	162	89	34	60	32	46	2,167
Stafford	1,481	255	132	42	32	33	36	25	2,036
York	1,310	316	166	146	38	22	51	52	2,101

Bolded numbers represent the highs and lows in a particular category

EXHIBIT D

Regionally the County spends on the low side, per capita, and on the high side, per student, for public schools. For the AA rated communities - JCC is the lowest per capita, and next to the highest per student.

Regionally - Poquoson leads the group in per capita spending while Williamsburg is last by a wide margin. On a per-student basis the positions are reversed - Williamsburg has the highest while Poquoson has the lowest.

James City County has one of the lowest ratios of students per 1,000 population, only Williamsburg and Albemarle have lower ratios. York/Poquoson have the highest ratios in the region.

JURISDICTIONAL COMPARISONS

EXHIBIT D

REGIONAL	SCHOOL SPENDING			
	Per Capita	Per Student	2002 Sept Enroll	Students Per 1,000 Pop
Chesapeake	1,322	6,885	39,380	192
Hampton	1,161	7,331	22,996	158
James City	1,174	7,802	7,795	150
Newport News	1,301	7,093	32,887	183
Norfolk	1,197	7,626	36,745	157
Poquoson	1,345	6,216	2,510	216
Suffolk	1,188	6,481	12,685	183
Virginia Beach	1,242	7,010	75,902	177
Williamsburg	716	11,902	758	60
York	1,310	6,462	11,921	203
DAVENPORT COUNTY GROUP				
Albemarle	1,181	8,357	12,253	141
Fauquier	1,221	7,163	10,040	170
Hanover	1,191	6,171	17,563	193
James City	1,174	7,802	7,795	150
Prince William	1,400	7,208	60,541	194
Stafford	1,481	6,337	24,003	234
York	1,310	6,462	11,921	203

Bolded numbers represent the highs and lows in a particular category

EXHIBIT E

This exhibit shows major revenue sources, and a spending summary, for each of the past six fiscal years.

Line 1 illustrates the growth in real estate tax revenues - both numerically and as a percentage of total revenues.

Line 2 illustrates the slowing growth rate for the County budget over the past three years, a trend that has continued into FY2004. This is partially the result of an economic slowdown and partially the result of budget policies and direction provided by the Board.

Line 3 illustrates the County's local contribution to schools - these contributions are also shown, in a different context in Exhibit F - a presentation of school budget summaries over the past five years.

Line 4 illustrates per capita revenues for the County while line 5 shows the growth in per capita revenues. Again - the trend shows a declining per capita revenue growth of less than 2% for each of the last two years.

JAMES CITY COUNTY GENERAL FUND

Sources: Comprehensive Annual Financial Reports

EXHIBIT E

	FY2003		FY2002		FY2001		FY2000		FY1999		FY1998	
	draft	of total		of total		of total		of total		of total		of total
REVENUES												
1 Real Estate	48,014,648	44.3%	44,163,407	42.9%	40,653,156	42.0%	37,073,705	41.6%	33,119,418	42.1%	30,674,287	41.8%
Personal Property	18,110,115	16.7%	16,810,533	16.3%	16,498,108	17.0%	14,369,090	16.1%	10,993,406	14.0%	10,995,953	15.0%
Machinery and Tools	5,403,083	5.0%	5,362,424	5.2%	5,110,546	5.3%	4,893,610	5.5%	4,571,394	5.8%	3,880,069	5.3%
Public Service	1,436,689	1.3%	1,431,922	1.4%	1,330,223	1.4%	1,284,856	1.4%	1,166,075	1.5%	1,166,831	1.6%
Local Sales Tax	6,780,162	6.2%	6,606,038	6.4%	6,730,007	6.9%	6,441,927	7.2%	6,060,848	7.7%	5,671,127	7.7%
Lodging Tax	1,915,364	1.8%	2,040,704	2.0%	2,020,861	2.1%	2,051,456	2.3%	2,096,239	2.7%	1,977,416	2.7%
Meals Tax	4,062,807	3.7%	3,789,140	3.7%	3,480,302	3.6%	3,204,795	3.6%	3,097,502	3.9%	2,892,495	3.9%
Telecomm Taxes	842,414	0.8%	847,194	0.8%	597,290	0.6%	428,121	0.5%	402,632	0.5%	381,099	0.5%
BPOL	4,246,128	3.9%	3,923,734	3.8%	3,724,719	3.8%	3,469,178	3.9%	3,080,162	3.9%	2,946,149	4.0%
Development Fees	1,915,077	1.8%	1,809,999	1.8%	1,556,182	1.6%	1,439,236	1.6%	1,457,091	1.9%	1,280,409	1.7%
Interest Income	666,884	0.6%	1,195,831	1.2%	1,962,780	2.0%	1,529,544	1.7%	1,705,654	2.2%	1,473,102	2.0%
HB599 Payments	1,107,696	1.0%	1,021,853	1.0%	1,048,071	1.1%	904,659	1.0%	329,547	0.4%	329,547	0.4%
Sales Tax for Education	5,491,580	5.1%	5,565,315	5.4%	5,467,121	5.6%	5,018,549	5.6%	4,362,862	5.5%	4,058,157	5.5%
Other State Revenue	2,607,303	2.4%	3,043,327	3.0%	2,269,168	2.3%	2,336,090	2.6%	2,517,105	3.2%	2,079,145	2.8%
Recreation Revenue	2,432,925	2.2%	2,181,690	2.1%	1,925,723	2.0%	1,767,288	2.0%	1,587,107	2.0%	1,491,219	2.0%
Other Revenue	3,449,785	3.2%	3,095,965	3.0%	2,478,210	2.6%	2,817,890	3.2%	2,214,450	2.8%	2,061,739	2.8%
TOTAL REVENUE	108,482,660		102,889,076		96,852,467		89,029,994		78,761,492		73,358,744	
2 <i>Annual Growth</i>	<i>5.44%</i>		<i>6.23%</i>		<i>8.79%</i>		<i>13.04%</i>		<i>7.36%</i>			
EXPENDITURES												
3 School Operating	49,488,945	45.6%	46,026,924	44.0%	42,923,368	47.1%	38,608,787	43.9%	35,457,888	44.5%	33,706,070	45.4%
County Operating	43,247,298	39.9%	40,002,245	38.3%	35,296,577	38.7%	32,947,180	37.5%	30,356,646	38.1%	27,796,003	37.4%
Capital Improvements	5,399,976	5.0%	8,765,828	8.4%	3,060,000	3.4%	7,204,007	8.2%	4,651,821	5.8%	4,114,461	5.5%
Debt Service	10,275,953	9.5%	9,749,157	9.3%	9,877,515	10.8%	9,171,877	10.4%	9,258,416	11.6%	8,658,602	11.7%
TOTAL EXPEND	108,412,172		104,544,154		91,157,460		87,931,851		79,724,771		74,275,136	
<i>Annual Growth</i>	<i>3.70%</i>		<i>14.69%</i>		<i>3.67%</i>		<i>10.29%</i>		<i>7.34%</i>			
Population	54,108		52,087		50,001		48,102		47,565		46,377	
PER CAPITA												
4 REVENUES	2,005		1,975		1,937		1,851		1,656		1,582	
5 <i>Annual Growth</i>	<i>1.50%</i>		<i>1.98%</i>		<i>4.65%</i>		<i>11.78%</i>		<i>4.68%</i>			

EXHIBIT F

This shows a summary of revenues and spending for the WJCC Schools over the past six years.

Line 4 shows the annual growth in the County's contribution to the WJCC Schools - a growth rate that, for the last two years at least, has exceeded the growth rate for County revenues.

However, when the total local contribution is considered, as illustrated in line 10, and revenues per student, as shown in line 22, these growth rates have declined in each of the past three years.

The County per student spending is moving closer to the total per student spending each year, a function of the school contract - the County pays a bigger and bigger share to bring City and County per-student spending closer to one another

This chart also clearly shows how a 6% or 7% increase in County funds produces a spending increase, per-student, of less than 2% - it has happened in each of the last two budget years.

WJCC SCHOOLS ACTUAL

EXHIBIT F

		Source: Adopted Budgets		Source: Comprehensive Annual Financial Reports			
		FY2004	FY2003	FY2002	FY2001	FY2000	FY1999
REVENUES							
1	COUNTY	46,837,028	43,789,093	40,080,081	37,456,247	33,118,949	31,155,606
2	Sales Tax	5,703,245	5,699,852	5,946,843	5,467,121	5,489,838	4,302,282
3		52,540,273	49,488,945	46,026,924	42,923,368	38,608,787	35,457,888
4	Annual Growth	6.2%	7.5%	7.2%	11.2%	8.9%	
5	Of Total Local	88.7%	88.4%	87.2%	86.9%	86.9%	86.3%
6	CITY	6,197,775	6,073,345	6,297,508	6,057,617	5,327,775	5,124,483
7	Sales Tax	529,039	439,685	458,738	430,430	474,434	509,167
8		6,726,814	6,513,030	6,756,246	6,488,047	5,802,209	5,633,650
9	Local Government	59,267,087	56,001,975	52,783,170	49,411,415	44,410,996	41,091,538
10	Annual Growth	5.8%	6.1%	6.8%	11.3%	8.1%	
STATE							
11	State SOQ	13,081,753	12,485,835	12,268,359	11,996,445	11,886,167	11,056,009
12	Categorical	1,305,289	1,205,000	1,501,606	1,769,679	965,521	1,164,340
13	State	14,387,042	13,690,835	13,769,965	13,766,124	12,851,688	12,220,349
14	Annual Growth	5.1%	-0.6%	0.0%	7.1%	5.2%	
15	Federal	2,007,365	1,705,877	2,102,051	1,521,139	1,754,366	1,318,360
16	Other Revenues	263,000	270,000	456,836	475,834	444,188	394,887
17	TOTAL	75,924,494	71,668,687	69,112,022	65,174,512	59,461,238	55,025,134
18	Annual Growth	5.9%	3.7%	6.0%	9.6%	8.1%	
19	Sept 30th Enroll	8,959	8,553	8,407	8,191	8,156	8,025
20	Annual Growth	4.7%	1.7%	2.6%	0.4%	1.6%	
PER STUDENT							
21	Total Revenue	8,475	8,379	8,221	7,957	7,290	6,857
22	Annual Growth	1.1%	1.9%	3.3%	9.1%	6.3%	
23	County Revenue	8,069	7,966	7,802	7,547	6,905	6,490
24	Annual Growth	1.3%	2.1%	3.4%	9.3%	6.4%	

EXHIBIT G

This exhibit shows the impact of a proposed stream of contributions to the WJCC Schools through FY2009. The analysis worked backward from total spending to arrive at a County local share in each year. FY2005 includes a one-time charge of \$2.7 million in mandated increases in State VRS charges. Other than that, the forecasts reflect 2.5% annual increases in per student spending until FY2008. In FY2008, \$2.8 million in additional spending is included to open a new high school in September 2007 - another \$500,000 is shown to go to four full classes at the school in September 2008.

Line 3 illustrates the increasing share of the local contribution assumed by the County - the County is expected to produce most, if not all, of the growth in enrollment and the contract shift continues to narrow the gap between the City and County per pupil spending.

Line 13 shows the projected enrollment using forecasted numbers released by the schools on 11/18/03.

Line 16 shows the forecasted growth in per student spending for the entire budget.

WJCC SCHOOLS PROJECTED - INITIATED BY COUNTY STAFF - NOT VALIDATED BY SCHOOLS

EXHIBIT G

	FY2009	FY2008	FY2007	FY2006	FY2005	FY2004
REVENUES						
1 COUNTY	70,000,000	66,700,000	61,050,000	58,250,000	55,740,700	52,540,273
2 <i>Annual Growth</i>	4.9%	9.3%	4.8%	4.5%	6.1%	6.2%
3 <i>Of Total Local</i>	90.2%	89.9%	89.6%	89.3%	89.0%	88.7%
4 CITY	7,500,000	7,500,000	7,050,000	7,000,000	6,889,300	6,726,814
5 Local Government	77,600,000	74,200,000	68,100,000	65,250,000	62,630,000	59,267,087
6 <i>Annual Growth</i>	4.6%	9.0%	4.4%	4.2%	5.7%	5.8%
7 STATE	17,650,000	16,950,000	16,250,000	15,550,000	15,000,000	14,387,042
8 <i>Annual Growth</i>	4.1%	4.3%	4.5%	3.7%	4.3%	5.1%
9 Federal	2,600,000	2,500,000	2,300,000	2,200,000	2,100,000	2,007,365
10 Other Revenues	400,000	350,000	300,000	300,000	270,000	263,000
11 TOTAL	98,250,000	94,000,000	86,950,000	83,300,000	80,000,000	75,924,494
12 <i>Annual Growth</i>	4.5%	8.1%	4.4%	4.1%	5.4%	5.9%
13 Sept 30th Enroll	9,733	9,605	9,465	9,295	9,153	8,959
14 <i>Annual Growth</i>	1.3%	1.5%	1.8%	1.6%	2.2%	4.7%
PER STUDENT						
15 Total Revenue	10,095	9,787	9,186	8,962	8,740	8,475
16 <i>Annual Growth</i>	3.1%	6.5%	2.5%	2.5%	3.1%	1.1%
17 County Revenue	10,023	9,712	9,111	8,871	8,638	8,362
18 <i>Annual Growth</i>	3.2%	6.6%	2.7%	2.7%	3.3%	1.3%

EXHIBIT H

This is the debt service schedule, revised and updated, that is shown in the budget each year.

Line 1 shows the fund balance, expected to increase through FY2006, and then disappear by the end of FY2010.

Line 2 shows the contribution from the County General Fund - it grows by \$600,000 each year through FY2009.

Line 3 shows the continuing investment of an equivalent of 2-cents on the Real Estate tax into Debt Service through FY2007. In FY2008 it reverts to the General Fund to help pay the expenses of opening the new high school.

Lines 3,4 and 5 represent new debt service for a new student services building, a new high school and a sports stadium.

Line 6 shows actual spending for debt service. It illustrates that total spending will increase by \$6 million from FY2004 to FY2006. It is that huge jump in payments that the debt service reserve was designed for. Using an accumulated reserve, and with modest \$600,000 a year increases in contributions, a \$6 million jump in spending can be dealt with without resorting to an increase in the tax rate.

Line 7 shows the practical elimination of the reserve balance by FY2010. It may never actually happen - new financing needs may create the need to replenish this reserve sometime in this timeframe.

This scenario for debt financing also works best if a specific revenue stream is dedicated from the County General Fund, each year, to Capital Projects. Many capital investments are made annually without resorting to debt.

DEBT SERVICE

EXHIBIT H

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
1 BEGINNING FUND BALANCE	5,977,368	7,952,386	8,288,804	6,104,187	4,120,301	2,034,346	902,229
REVENUES							
2 General Fund Contribution	10,358,000	10,950,000	11,550,000	12,150,000	12,750,000	13,350,000	13,350,000
3 2-cent R/E Tax Investment	1,160,000	1,240,000	1,320,000	1,400,000	-	-	-
Other	-	400,000	200,000	-	-	-	-
Total Revenues	11,518,000	12,590,000	13,070,000	13,550,000	12,750,000	13,350,000	13,350,000
Total Revenues and Fund Balance	17,495,368	20,542,386	21,358,804	19,654,187	16,870,301	15,384,346	14,252,229
EXPENDITURES							
Rawls Byrd (1987)	33,582	32,424	31,266	30,108	-	-	-
Opns Center/Baker (1991)	190,246	182,309	179,213	175,799	172,068	168,019	158,811
Lit Fund - Toano (1992)	184,275	178,025	171,775	165,525	159,275	153,025	146,775
VPSA Refunding (1994)	2,110,962	1,990,758	1,856,976	1,739,652	1,221,408	1,146,015	902,296
Referendum (1994)	512,169	487,489	-	-	-	-	-
Referendum (1995)	1,617,445	1,633,720	1,664,000	-	-	-	-
VPSA - Schools - (1997)	1,568,836	1,563,849	1,558,099	1,559,604	1,558,059	1,547,181	1,551,784
Mainland Farm (1999)	120,078	116,644	113,010	109,476	105,942	102,408	698,874
VPSA - Schools - (1999)	1,499,862	1,502,317	1,500,164	1,503,492	1,500,077	1,499,795	1,503,783
VPSA - Schools - (1999B)	123,160	119,845	116,449	113,053	109,738	106,179	102,377
VDOT - T.I.D. (2002)	125,000	125,000	125,000	125,000	125,000	-	-
GO Refunding - (2002)	334,445	334,022	334,313	334,404	800,969	775,067	738,503
GO Refunding - (2003)	781,900	953,650	1,428,800	3,082,250	2,608,150	2,630,132	2,640,575
Radio System (2003)	219,023	1,779,650	1,778,753	1,779,423	1,779,469	1,778,796	1,091,309
3 Schools (2004)	72,000	304,000	296,800	289,600	282,400	275,200	268,000
4 Referendum - Schools (2005)	-	900,000	3,800,000	3,710,000	3,620,000	3,530,000	3,440,000
5 Sports Stadium (2006)	-	-	250,000	766,500	743,400	720,300	697,200
Bank/Fiscal Agent Fees	50,000	50,000	50,000	50,000	50,000	50,000	50,000
6 Total Expenditures	9,542,982	12,253,582	15,254,617	15,533,886	14,835,955	14,482,117	13,990,287
7 ENDING FUND BALANCE	7,952,386	8,288,804	6,104,187	4,120,301	2,034,346	902,229	261,942

EXHIBIT J

This chart shows, in general categories, what is projected to be in capital requests for the coming five years.

Three large projects are expected to be financed through debt but there is still over \$40 million in projects for which no debt financing is anticipated.

Expected funding from on-going General Fund revenues will fund less than half of the total costs of these projects. There will be other sources of funds - yearend carryforward, grants and cash proffers are illustrative, and they will increase funding for capital. They will not, however, fully fund the projected shortfall.

Increases in operating costs will be unavoidable by-products of capital investments over time, as well. Capital planning also should include planning for the fiscal impact on future operating budgets.

CAPITAL PROJECT PLANNING PROCESS

FY2005 - FY2009

EXHIBIT J

	CAPITAL PROJECTS	5-YEAR TOTAL	OPERATING BUDGET	ANNUAL
EDUCATION	On-going Restoration Projects	5,500,000		
	TNCC Site Development	6,000,000		
	Athletic Fields	2,400,000	Added Operating Costs	40,000
	Student Services Building	debt		
	High School	debt	Added Operating Costs	3,500,000
	Sports Stadium	debt	Added Operating Costs	250,000
PUB SAFETY	Ambulance/Heavy Rescue	525,000	Added Operating Costs	200,000
	Mobile Data Terminals	750,000	Added Operating Costs	60,000
			Radio System Maint	750,000
HEALTH/WEL	Human Services Expansion	3,075,000	Added Operating Costs	50,000
	Youth Center	1,500,000	Added Operating Costs	50,000
PARKS	District Park Sports Complex	4,000,000	Added Operating Costs	300,000
	Freedom Park	4,700,000	Added Operating Costs	300,000
	Greenways	2,500,000	Added Operating Costs	35,000
	Other Parks	2,300,000	Added Operating Costs	180,000
	School Sites	500,000	Added Operating Costs	35,000
COMM DEV	Greenspace	3,500,000		
	Purchase of Development Rights	3,500,000		
			Underground Utilities	350,000
			Road Match	250,000
			Bikeways	150,000
			Economic Development	500,000
			Housing Development	150,000
PUB WORKS	Water Quality Improvements	3,000,000	Added Operating Costs	180,000
	Road Improvements	750,000	Added Operating Costs	50,000
			Added Operating Costs	\$ 5,980,000
				Annually
		TOTALS \$ 44,500,000		
	Proposed to be Funded - 86-Cent Tax Rate Contribution to Capital FY2005-FY2009	\$ 20,145,000		

MEMORANDUM

DATE: November 25, 2003
TO: The Board of Supervisors
FROM: Frank M. Morton, III, County Attorney
SUBJECT: 2004 Legislative Program

Attached is the proposed 2004 Legislative Program. The Program consists of two parts, items to be introduced and items to be supported by the County as follows:

Part I Legislation to be Introduced on Behalf of the County

- 1-1. Additions and Modifications (to the Official Map): This is a carry-over from 2003 and would negate the need for a public hearing for the addition of an improvement to the Official Map if the improvement is included in the approved Capital Improvements Project.
- 1-2. Lighting Level Regulation in James City County: This is a new proposal to allow the County to regulate certain lighting levels for commercial and business purposes. Augusta County received this authority last year.
- 1-3. Local Water-Saving Ordinance: This is a carry-over from 2003 and would ensure that the County would have the flexibility to impose restrictions on nonessential use of groundwater during declared emergencies.
- 1-4. Purchase, Sale, etc., of Real Property: This is a carry-over from 2003 and would negate the need for a public hearing when localities are conveying easements.
- 1-5. Traffic Control: This item is a carry-over from past years and requests that the County be added to those localities permitted to place cameras at intersections to monitor traffic.

Part II Position/Legislation to be Supported by the County

- 2-1. Freedom of Information Act: Currently there is a very narrow exemption for proprietary information provided for business prospects. This amendment would protect all legitimate proprietary information.
- 2-2. Inoperable Motor Vehicles - Civil Penalties: This amendment would result in standardized civil penalties for violation of the zoning ordinance.
- 2-3. James City County Industrial Development Authority - Change of Name: This proposal would change the name of the Authority to the James City County Economic Development Authority. This request is made by our Industrial Development Authority.
- 2-4. Juvenile Detention Block Grants: Juvenile Detention Block Grants incurred cuts of 11 percent in 2003, Department of Juvenile Justice cuts of 29 percent resulted in a total reduction of 40 percent. This request asks the General Assembly to appropriate the grant fund separately from the rest of the Department of Juvenile Justice fund to avoid the double cut.

- 2-5. Land Use Issues: Urges the General Assembly to refrain from any additional usurping of local government control in the area of land use.
- 2-6. Support for Enabling Legislation Granting all Counties the Authority to Impose a Cigarette Tax: Urges the General Assembly to grant counties the same authority cities and towns have to tax cigarettes.
- 2-7. Support of the High Growth Coalition Program: Requests the General Assembly to support the Legislative Program of the HGC, which would allow localities to adopt ordinances requiring adequate public facilities and impact fees.
- 2-8. Unemployment Compensation - Shared Work Program: This is a new item that appears at the request of one of our corporate citizens. It would enable employers to reduce the hours worked by employees and permit those employees to receive partial compensation for lost wages. Keith Taylor is prepared to speak on the issue.

Frank M. Morton, III

FMM/gb

04legisprog.mem

Attachment

RESOLUTION

2004 LEGISLATIVE PROGRAM

WHEREAS, it is appropriate for the Board of Supervisors to consider a legislative program to present to the 2004 session of the General Assembly.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, does hereby endorse the attached 2004 Legislative Program and urges its consideration and passage as appropriate.

Jay T. Harrison, Sr.
Chairman, Board of Supervisors

ATTEST:

Sanford B. Wanner
Clerk to the Board

Adopted by the Board of Supervisors of James City County, Virginia, this 25th day of
November, 2003.

04legisprog.res

JAMES CITY COUNTY

2004 Legislative Program

PART I. Legislation to be Introduced on Behalf of the County.

1-1. ADDITIONS AND MODIFICATIONS (to the Official Map)

Amend Section 15.2-2235 of the State Code to provide that any addition to, or modification of, the official map that is identified in a localities approved Capital Improvement Program shall be added to the official map without the necessity of a public hearing before the Planning Commission or the Board of Supervisors.

1-2 LIGHTING LEVEL REGULATION IN JAMES CITY COUNTY

Grant James City County the same authority extended Augusta County in 2003 to regulate the maximum upward exterior illumination levels of buildings and property zoned or used for commercial or business purposes.

1-3. LOCAL WATER-SAVING ORDINANCE

Amend Section 15.2-923 of the State Code to permit localities to restrict the nonessential use of groundwater during a declared water shortage or water emergency. Currently, only a city with a population of 350,000 or more has the authority.

1-4. PURCHASE, SALE, ETC., OF REAL PROPERTY

Amend Section 15.2-1800 to permit localities to convey without holding a public hearing an easement for ingress, egress, utilities, cable, telecommunications, stormwater management, open space, environmental protection, and other such conveyances involving matters of public interest.

1-5. TRAFFIC CONTROL

Amend Section 46.2-833.01 of the Code of Virginia by adding James City County to those localities permitted to establish a program involving cameras at traffic intersections to monitor the running of red lights.

PART II. Position/Legislation to be Supported by the County.

2-1. FREEDOM OF INFORMATION ACT

Amend Section 2.2-3705(A)(22) to delete "the Department, the Partnership, the Authority, or" in the 5th and 6th lines and to substitute "such entities" for "the Partnership" in the 8th line. This change is needed to ensure the confidentiality of proprietary information provided to and used by certain government entities assisting business prospects interested in expanding in or relocating to Virginia.

2-2. INOPERABLE MOTOR VEHICLES - CIVIL PENALTIES

Amend Section 15.2-904(c) to make the civil penalty provisions added by the 2003 General Assembly consistent with the civil penalties provisions for zoning violations under Section 15.2-2209. Many jurisdictions, including James City County, have been enforcing the inoperative vehicle restrictions under the zoning ordinance.

2-3. JAMES CITY COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY-
CHANGE OF NAME

Section 15.2-4903(C) of the Code of Virginia permits certain localities to name their authorities "Economic Development Authority." James City County requests that it be added to 15.2-4903(C).

2-4. JUVENILE DETENTION BLOCK GRANTS

James City County urges the General Assembly to address the reduction in funding in the area of Juvenile Detention. In 2003, localities receiving block grants for such facilities incurred specific block grant reductions (11%) and then a percentage of the Department of Juvenile Justice ("DJJ") cut of 29% for a total reduction of 40%. The County urges the General Assembly to appropriate the grant fund separately from the rest of the DJJ fund to avoid the unintended "double whammy."

2-5. LAND USE ISSUES

James City County urges the General Assembly to leave local land use decisions to localities. The County strongly objects to further interference by the General Assembly via legislation such as mandatory clustering or mandated permitting of manufactured housing.

2-6. SUPPORT FOR ENABLING LEGISLATION GRANTING ALL COUNTIES THE AUTHORITY TO IMPOSE A CIGARETTE TAX

James City County urges the General Assembly to grant all counties the authority to impose a tax on cigarettes. In these times of financial difficulty for the State and a resulting cutting of support to localities, it is appropriate to extend the same authority to tax cigarettes to counties as is afforded cities and towns.

2-7. SUPPORT OF HIGH GROWTH COALITION PROGRAM

As a member of the Coalition, the County supports the 2004 Legislative Program requesting the General Assembly to extend to high growth localities, the authority to adopt Ordinances implementing adequate public facilities and impact fees.

2-8. UNEMPLOYMENT COMPENSATION - SHARED WORK PROGRAM

James City County urges the General Assembly to establish a shared work program that would provide employers with the option of reducing the hours worked by employees, while permitting the employees whose hours are reduced to receive partial compensation for lost wages. Such a program was offered in the 2003 session of the General Assembly via House Bill 2559.

MEMORANDUM

DATE: November 25, 2003

TO: The Board of Supervisors

FROM: Larry M. Foster, General Manager, James City Service Authority
Frank M. Morton, III, County Attorney

SUBJECT: Riverview Plantation Sanitary District

The Board of Supervisors has agreed to create a Sanitary District ("District") to provide a means of collecting a \$5,000 contribution from property owners who are connected or who will connect to the Riverview Water System ("System") in the future. The contributions will be used to offset some of the estimated \$1.2 million in costs associated with assuming ownership and improving the water system.

The water system improvement concept includes upgrading the Wexford Hills well facility to increase capacity, extending a waterline approximately 8,000 feet along Riverview Road, and replacing the water distribution system in the Riverview Plantation development within six to eight years. A special use permit (SUP) is necessary because the waterline extension from Wexford Hills to Riverview Plantation is outside the Primary Service Area. Conditions will be recommended for the SUP limiting the number of connections to the waterline to one per existing parcel as of December 1, 2003.

A petition containing the signature of fifty qualified voters is necessary to begin the process for establishing the District. Prior to circulating the petition, the boundaries of the proposed District must be established.

It is proposed that the District include the following parcels:

1. Those currently served by the existing System. That would include approximately 80 homes.
2. Eleven vacant parcels in Riverview Plantation.
3. Approximately 12 homes that are within Riverview Plantation that obtains their water from private wells.
4. Eight parcels located along Riverview Road that can be served by the proposed waterline.

Once the District is established, the Board of Supervisors will need to establish the rules and regulations for the operation of the District, i.e., mandatory connections, fees, contractual arrangements, etc.

Staff recommends that the District be established to include all parcels along River Road between Wexford Hills and Riverview Plantation as depicted on the attached map. Once the District is established, staff will further recommend:

- The properties currently served by the System be assessed \$5,000.
- The fees be paid over five years at a 5 percent interest rate over the term of the payments.
- If the fee is not paid, a lien will be placed on the property.
- Payment arrangements must be made prior to the completion of the Wexford to Riverview waterline.
- A \$5,000 fee must be paid for any connection after the initial deadline.
- Any connection by a parcel included in the District other than those currently served by the System shall be assessed by a fee of \$5,000 adjusted annually based on the Consumer Price Index, with 5 percent interest rate on the outstanding balance.
- Fees must be paid in accordance with the JCSA regulations governing utility service.

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The Board's guidance on the above conditions that are proposed to be incorporated in the District regulations would be helpful. Once the conditions are defined, the petition requesting the establishment of the District can be circulated. Staff will work with neighborhood representatives in getting the appropriate number of signatures to proceed to establish the District, take over the water system, and make the necessary improvements.

Larry M. Foster

Frank M. Morton, III

LMF/FMMIII/gs
riversanit.mem

Attachment

Riverview Sanitary District

1000 0 1000 Feet

