

A G E N D A

JAMES CITY COUNTY BOARD OF SUPERVISORS

WORK SESSION

County Government Center Board Room

October 26, 2004

4:00 P.M.

A. ROLL CALL

B. BOARD DISCUSSION

1. Status Report - Budgets for FY 2004 - FY 2006
2. Update on 2004 Legislative Program and Proposed 2005 Legislative Program Attached

C. ADJOURNMENT

102604bsws.age

MEMORANDUM

DATE: October 26, 2004

TO: The Board of Supervisors

FROM: John E. McDonald, Manager of Financial and Management Services

SUBJECT: Status Report - Budgets for FY 2004-FY 2006

The County will soon begin the budget process for the second year of the biennial FY 2005-2006 Budget. The following assessment of past, present, and future trends and the attachments are designed to provide information for planning budget guidance.

FY 2004 Revenues and Spending

General fund revenue was about \$700,000 (0.7%) more than the final budget for FY 2004. This is primarily due to permits and fees, taxes on recordation and wills, and deeds of conveyance—reflections of a very busy real estate market. Room taxes and investment income were below estimates while State sales taxes exceeded the budget.

General fund spending and transfers were \$2.5 million less than the final budget for FY 2004—a figure that primarily results from the difference between the County's cash budgets and the accrual-based audit report. Of that total, \$2.1 million was budgeted to increase the debt service reserve fund.

Higher than expected Capital costs are primarily attributed to timing differences between appropriations and spending and to Hurricane Isabel. Cleanup costs from the September 2003 storm totaled \$8.2 million. Federal and State funding provided assistance totaling \$7.6 million or 93% of the total costs. The County's general fund matched the remainder, approximately \$600,000.

The total residual funds available, primarily composed of revenues exceeding the budget, were \$737, 847. After consultation with the audit staff, these funds were added to the Fiscal Liquidity reserve, an increase of 5.6%, to keep within the fiscal guidelines adopted by the Board. As a result, there are no undesignated reserve funds for FY 2004.

FY 2005 Revenues and Spending

First-quarter general fund revenue collections show an overall increase from the first quarter of FY 2004. Personal property tax receipts, sales tax receipts, and license/permit fees all increased. Wet summer weather, the closure of several lodging facilities located in the County, the opening of new hotels in surrounding jurisdictions, and a flat tourism industry all contributed to a decline in lodging and meal tax collection. Personal property tax relief collections from the Commonwealth also declined primarily because of a decrease in the NADA book valuations used to estimate the value of used vehicles.

Current spending projections for FY 2005 estimate slight underspending due to a number of unfilled positions and an average pay for performance increase of 3.33%, a decrease from the Board's original target of 3.5%.

FY 2006 Revenues and Spending

The Board of Supervisors has already adopted a financial plan for FY 2006. It will be updated and revised with new information and assumptions. Staff foresees seven “decision packages” in FY 2006 that may have a major impact and which will require additional Board scrutiny. Three focus on revenue issues, three on spending, and one, the ALS/BLS fee, has implications for both.

The first revenue issue focuses on the real estate tax rate—at the current 82.5 cent rate, assuming a 7.8% average increase in assessments; real property taxes will exceed the planned FY 2006 levels by \$2.5 million. The second revenue issue focuses on the General Assembly’s initiatives to totally redesign the reimbursement process for the car tax and to create a separate tax category, with a separate tax rate, for vehicles subject to reimbursement. The third revenue issue is another General Assembly initiative to standardize and centralize all telecommunication tax collections (including cable franchise fees) under State control—with collections partially passed through to localities based on FY 2004 actual collections. The final revenue issue is the ALS/BLS fee and the related spending planned in FY 2006, both operating and capital.

Expenditure questions in FY 2006 focus on the school operating contribution—the 10% increase in enrollment in the last two years, and the fact that all of the new students are County residents, is shifting the City/County funding percentages more dramatically than planned. The impact in FY 2006 may be an additional \$1.6 million in operating costs. The second issue is the attempt to establish a funding stream for stormwater/water quality projects—the FY 2006 Budget did not include funding. Finally, the School capital facility study is expected to generate additional projects, focusing on increasing school enrollment, to include at least two new schools.

John E. McDonald

JEM/gb
budguide06.mem

Attachments

<u>REVENUES</u>	<u>FY04 Final Bgt</u>	<u>FY04 Actual</u>	<u>Variance</u>	<u>Variance %</u>
Real Estate	\$ 51,534,836	\$ 51,717,912	\$ 183,076	0.4%
Personal Property	18,958,000	18,718,776	(239,224)	-1.3%
Machinery & Tools	5,209,000	5,073,476	(135,524)	-2.6%
Public Service	1,500,000	1,444,500	(55,500)	-3.7%
Local Sales Tax	6,750,000	6,795,086	45,086	0.7%
Lodging Tax	2,050,000	1,752,347	(297,653)	-14.5%
Recordation/Deed Taxes	950,000	1,379,490	429,490	45.2%
Meals Tax	4,117,500	4,147,075	29,575	0.7%
Telecom Tax	1,000,000	1,031,648	31,648	3.2%
BPOL	4,544,300	4,391,107	(153,193)	-3.4%
Permits and Other Fees	2,192,450	2,842,438	649,988	29.6%
Interest Income	535,000	288,567	(246,433)	-46.1%
HB599 Payments	1,092,322	1,102,396	10,074	0.9%
Sales Tax for Education	5,703,245	6,027,421	324,176	5.7%
Other State Revenue	2,443,651	2,534,079	90,428	3.7%
Recreation Revenue	2,644,343	2,509,133	(135,210)	-5.1%
ALS/BLS Fees				
Other Revenue	1,991,001	2,202,231	211,230	10.6%
	<u>\$ 113,215,648</u>	<u>\$ 113,957,682</u>	<u>\$ 742,034</u>	<u>0.7%</u>

REVENUES

	<u>FY05 Adopted</u>	<u>\$ 04 V 05</u>	<u>% 04 V 05</u>	<u>FY06 Adopted</u>	<u>\$ 05 V 06</u>	<u>% 05 V 06</u>
Real Estate	\$ 55,191,909	\$ 3,657,073	7.1%	\$ 59,258,577	\$ 4,066,668	7.4%
Personal Property	19,745,000	787,000	4.2%	20,887,840	1,142,840	5.8%
Machinery & Tools	5,100,000	(109,000)	-2.1%	5,200,000	100,000	2.0%
Public Service	1,400,000	(100,000)	-6.7%	1,400,000	-	0.0%
Local Sales Tax	6,850,000	100,000	1.5%	7,050,000	200,000	2.9%
Lodging Tax	2,650,000	600,000	29.3%	2,650,000	-	0.0%
Recordation/Deed Taxes	1,837,000	887,000	93.4%	1,985,000	148,000	8.1%
Meals Tax	4,465,000	347,500	8.4%	4,685,500	220,500	4.9%
Telecom Tax	1,183,725	183,725	18.4%	1,327,725	144,000	12.2%
BPOL	4,380,000	(164,300)	-3.6%	4,480,000	100,000	2.3%
Permits and Other Fees	2,788,000	595,550	27.2%	2,896,000	108,000	3.9%
Interest Income	639,131	104,131	19.5%	739,131	100,000	15.6%
HB599 Payments	1,262,322	170,000	15.6%	1,262,322	-	0.0%
Sales Tax for Education	6,963,981	1,260,736	22.1%	7,257,761	293,780	4.2%
Other State Revenue	2,515,581	71,930	2.9%	2,466,651	(48,930)	-1.9%
Recreation Revenue	2,447,759	(196,584)	-7.4%	2,488,067	40,308	1.6%
ALS/BLS Fees				1,245,000	1,245,000	
Other Revenue	2,154,200	163,199	8.2%	2,177,140	22,940	1.1%
	<u>\$ 121,573,608</u>	<u>\$ 8,357,960</u>	<u>7.4%</u>	<u>\$ 129,456,714</u>	<u>\$ 7,883,106</u>	<u>6.5%</u>

<u>EXPENSES</u>	<u>FY04 Adopted</u>	<u>FY 04 Actual</u>	<u>Variance</u>	<u>Variance %</u>
Debt Service	\$11,518,500	\$9,422,577	-\$2,095,923	-18.20%
Capital Projects	\$1,190,000	\$2,211,513	\$1,021,513	85.84%
Operating -County & Other	\$47,721,506	\$46,327,014	-\$1,394,492	-2.92%
Operating-Schools	\$52,540,273	\$52,540,273	\$0	0.00%
	\$112,970,279	\$110,501,377	-\$2,468,902	-2.19%

RECONCILIATION

Underspending	\$2,468,902
Excess Revenue	<u>742,034</u>
	\$3,210,936

Dedicated - Debt Service Reserve	\$2,095,923
Dedicated - Fiscal Liquidity	737,847
Appropriated - FY 2005 Capital	<u>377,166</u>
	\$3,210,936

EXPENSES

<u>FY 05 Adopted</u>	<u>\$ 04 V 05</u>	<u>% 04 V 05</u>	<u>FY06 Adopted</u>	<u>\$ 05 V 06</u>	<u>% 05 V 06</u>
\$12,690,000	\$3,267,423	34.68%	\$13,370,000	\$680,000	5.36%
\$1,465,000	-\$746,513	-33.76%	\$3,493,000	\$2,028,000	138.43%
\$51,976,230	\$5,649,216	12.19%	\$54,868,644	\$2,892,414	5.56%
\$55,442,378	\$2,902,105	5.52%	\$57,725,070	\$2,282,692	4.12%
\$121,573,608	\$11,072,231	10.02%	\$129,456,714	\$7,883,106	6.48%

MEMORANDUM

DATE: October 26, 2004
TO: The Board of Supervisors
FROM: Leo P. Rogers, County Attorney
SUBJECT: Update on 2004 Legislative Program and Proposed 2005 Legislative Program Attached

Below are the items requested by James City County to be introduced through its 2004 Legislative Program. After each item are the results achieved:

- 1-1. ADDITIONS AND MODIFICATIONS (TO THE OFFICIAL MAP).
HB 966 - (Barlow). Amend 15.2-2235. Delete public hearing on Capital Improvement Program addition to official map. (Stricken 22-0)
- 1-2. FREEDOM OF INFORMATION ACT
SB 394 - (Norment). FOIA. Economic Development prospect information. Enacted.
- 1-3. INOPERABLE MOTOR VEHICLES - CIVIL PENALTIES
SB 395 - (Norment). Make the civil penalties for Inoperative Vehicles the same as Zoning violations. Passed Senate 38-0. Failed House 26-70.
- 1-4. JAMES CITY COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY - CHANGE OF NAME
HB 683 - (Rapp). IDA name changed to Economic Development Authority. Enacted.
- 1-5. LIGHTING LEVEL REGULATION IN JAMES CITY COUNTY
HB 963 - (Barlow). Allow JCC to regulate maximum upward exterior lighting. Enacted.
- 1-6. LOCAL WATER-SAVING ORDINANCE
SB 400 - (Norment). Allow localities to restrict non-essential use of groundwater during a water shortage. Enacted.
- 1-7. PURCHASE, SALE, ETC., OF REAL PROPERTY
Delete public hearing requirement for conveying an easement. (Not introduced)
- 1-8. TRAFFIC CONTROL
Traffic control - photo red. Several bills failed.

Leo P. Rogers

LPR/gs
legis04_05updt.mem

Attachments

RESOLUTION

2005 LEGISLATIVE PROGRAM

WHEREAS, it is appropriate for the Board of Supervisors to consider a legislative program to present to the 2005 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 2005 Legislative Program and urges its consideration and passage as appropriate.

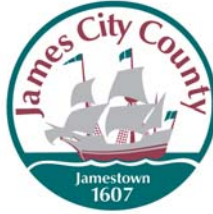
Bruce C. Goodson
Chairman, Board of Supervisors

ATTEST:

Sanford B. Wanner
Clerk to the Board

Adopted by the Board of Supervisors of James City County, Virginia, this 26th day of October, 2004.

05legisprog.res



JAMES CITY COUNTY 2005 LEGISLATIVE PROGRAM

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

1-1. 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.

1-2. ALLOW WETLANDS BOARD MEMBERS TO SERVE ON AN APPEALS BOARD FOR CHESAPEAKE BAY PRESERVATION ORDINANCE

Amend Section 28.2-1303(A) to allow members of the Wetlands Board to serve on a local appeals board for a Chesapeake Bay Preservation Ordinance. Wetlands Board members generally have the type of knowledge and experience which makes them well qualified to decide environmental and water quality issues.

1-3. LIFT MORATORIUM ON FUNDING FOR GROUP HOMES

Remove "group homes" from the moratorium on funding for juvenile facilities in the Commonwealth's budget in order to allow the City of Williamsburg and the Counties of Gloucester, York, and James City to make the urgently needed replacement of the Crossroads Community Youth Home.

1-4. 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.

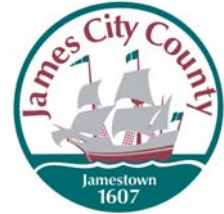
1-5. CONVEYANCE OF CERTAIN EASEMENTS WITHOUT A PUBLIC HEARING

Amend Section 15.2-1800 to permit local governing bodies 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.

1-6. FEE CHARGED TO LOCALITIES FOR SERVICES BY COURT AND SHERIFF

Amend Section 17.1-266 to provide that, in addition to the Commonwealth, local governments are exempt from paying fees for services rendered by a clerk, sheriff, or other officer for cases, whether in a court of record or a court not of record, where the local government is a party.

**JAMES CITY COUNTY
2005 LEGISLATIVE PROGRAM**



Part II. Position/Legislation to be supported by the County

2-1. CONSOLIDATED TELECOMMUNICATIONS AND/OR ENHANCED E-911 TAXATION

James City County opposes any legislation that will impede the ability of localities to collect and assess taxes on telecommunications services and for Enhanced E-911.

2-2. CAR TAX REIMBURSEMENT TO LOCAL GOVERNMENTS

James City County supports continued funding of local reimbursement for the Personal Property Tax Relief Act. James City County opposes shifting state reimbursement to a fiscal year which would cause a one-time revenue shortfall to localities with collection dates in the first half of the year. Should the State change from a calendar year to a fiscal year reimbursement cycle result in a one-time reduction in local revenue, localities should be allowed to recoup that revenue directly from taxpayers.

2-3. LOCAL CIGARETTE TAX

James City County supports enabling legislation to authorize counties to impose local taxes on cigarettes.

2-4. LOCAL LAND USE

James City County urges the General Assembly to leave local land use decisions to localities. The County strongly objects to statewide mandates or prohibitions on the zoning authority of localities.

2-5. SURCHARGES ON LOCAL SERVICES

James City County opposes the imposition of a state fee, tax or surcharge on water, sewer, solid waste or on any other local government services.

2-6. AFFORDABLE HOUSING: ZONING INCENTIVES FOR IN-FILL DEVELOPMENT AND REDEVELOPMENT

The state code provisions on zoning authority should continue to ensure that local governments have a full range of authority to promote affordable housing, including enabling legislation to give localities the power to facilitate in-fill development, redevelopment and mixing of uses in redevelopment projects. Therefore, the code must not be changed to limit local governments' authority to enact land use regulations for the benefits of all citizens of a locality.

2-7. MANUFACTURED HOUSING BY RIGHT

Local governments should retain the authority to plan for the appropriate mix of residential structures in their communities, and should retain full authority to regulate the placement of manufactured homes, without state intervention.

2-8. SUBDIVISION STREET STANDARDS

Local governments should have authority to modify standards for subdivision street payment and right-of-way widths that are beneficial to good planning; public safety; and the well-being of the residents of new subdivisions, without diminishing state funding for street maintenance payments.

2-9. BEHAVIORAL HEALTH AND COMPREHENSIVE SERVICES ACT (CSA) FUNDING

James City County urges the General Assembly to provide sufficient funding to Community Services Boards to adequately implement mental health, mental retardation and substance abuse treatment programs. Additional State funding is needed to: 1) adequately fund the Mental Retardation waiver program; 2) provide services to children with serious emotional disorders (yet not eligible for CSA funding); and 3) to cover reasonable administrative costs for CSA programs. Adequate funding and services will help prevent the mentally ill from being released early from treatment, living on the streets, going to jail, or being inappropriately placed in residential facilities or other government programs.

2-10. STUDY OF ADULT AND JUVENILE GROUP HOMES

James City County urges the General Assembly to support a state and local study of the status of adult and juvenile group homes, including licensure and regulatory requirements and responsibilities for such homes; how the concentration of such homes in particular neighborhoods and localities affect neighborhood dynamics and service responsibilities of affected localities, and workable regulatory alternatives that could result in greater dispersal of homes and greater integration of consumers into the community as a whole, which is the intention of state in complying with the *Olmstead* decision.

2-11. FUNDING FOR THE COMMEMORATION OF THE 400TH ANNIVERSARY OF JAMESTOWN

James City County supports continued State funding infrastructure, transportation, planning, and advertising the 2007 quadricentennial commemoration of the founding of Jamestown.

2-12. EDUCATION FUNDING

James City County supports additional State education funding: 1) to implement the recommendations made in 2003 study of education funding by JLARC study; 2) to fully fund the State Board of Education proposals (which address some of the issues in the JLARC report); and 3) for the At-Risk Student Achievement Program created in 2004 by the General Assembly.

2-13. TRANSPORTATION FUNDING

James City County calls upon the Governor and the General Assembly to make transportation the primary focus of the 2005 session of the General Assembly. Given the fact that the General Assembly did not address this issue during the 2004 session and the consequent decline in transportation funding, the Commonwealth is experiencing disinvestments in its transportation infrastructure. Absent a major infusion of new and sustained investment in transportation, a congestion and mobility crisis may strangle economic growth and profoundly and negatively affect the quality of life of all our citizens.

2-14. SUBSTANCE ABUSE AND MENTAL HEALTH TREATMENT

James City County urges the Commonwealth to provide mental health and substance abuse treatment in jails and juvenile detention facilities given the overwhelming percentage of adults and juveniles in the system diagnosed with mental health and/or substance abuse conditions. In addition, the State must address service access issues that require parents to surrender custody or courts to take youth into the juvenile justice system in order to access mental health and/or substance abuse services. The State requiring these services be provided without allocating funding constitutes an unfunded mandate.