

A G E N D A
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
REGULAR MEETING
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
May 8, 2018
5:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. PUBLIC COMMENT

D. CONSENT CALENDAR

1. Minutes Adoption

E. PUBLIC HEARING(S)

F. BOARD CONSIDERATION(S)

1. Changes to the Regulations Governing Utility Service and Resolution of Appropriation for FY 19 Budget

G. BOARD REQUESTS AND DIRECTIVES

H. GENERAL MANAGER'S UPDATE

I. ADJOURNMENT

1. Adjourn until 5 p.m. on June 12, 2018 for the Regular Meeting

ITEM SUMMARY

DATE: 5/8/2018
TO: The Board of Directors
FROM: Teresa J. Fellows, Deputy Secretary
SUBJECT: Minutes Adoption

ATTACHMENTS:

	Description	Type
☐	April 10, 2018 Regular Meeting + Continuation of Meeting on April 12, 2018	Minutes
☐	April 16, 2018 Community Budget Meeting	Minutes
☐	April 17, 2018 Budget Work Session	Minutes
☐	April 24, 2017 Budget Work Session	Minutes

REVIEWERS:

Department	Reviewer	Action	Date
Board Secretary	Fellows, Teresa	Approved	5/1/2018 - 1:56 PM

MINUTES
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
REGULAR MEETING
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
April 10, 2018
5:00 PM

A. CALL TO ORDER

B. ROLL CALL

Michael J. Hipple, Vice Chairman, Powhatan District

John J. McGlennon, Roberts District

James O. Icenhour, Jr., Jamestown District

Ruth M. Larson, Berkeley District

P. Sue Sadler, Chairman, Stonehouse District

William C. Porter, Secretary to the Board

Adam R. Kinsman, County Attorney

M. Douglas Powell, General Manager, James City County Service Authority (JCSA)

C. PUBLIC COMMENT

None.

D. CONSENT CALENDAR

1. Minutes Adoption - March 13, 2018 Regular Meeting

A motion to Approve was made by Michael Hipple, the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

E. PUBLIC HEARING(S)

1. Public Hearing on FY 19-20 James City County Service Authority Budget

Mr. Powell addressed the Board regarding the proposed FY 19-20 JCSA Budget which focused primarily on two of the County's strategic plan goals: sustainable long-term water supply and modern infrastructure facilities and technology systems. He cited the highlights as noted in the visual presentation. He also noted an overview of the proposed rate increase for water and sewer charges. He stated that as proposed, 40% of the annual debt service payments would be made from the operating fund, up from 20% last year.

Ms. Sadler opened the Public Hearing.

As there were no speakers, Ms. Sadler closed the Public Hearing.

F. BOARD CONSIDERATION(S)

1. Contract Award - Manhole and Wet Well Rehabilitation Services

A motion to Approve was made by John McGlennon, the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

Mr. Powell noted the contract award had no monetary value, but explained that the cost was evaluated throughout the year in working with the contractor. He stated approximately \$100,000 was the yearly average for the cost.

G. BOARD REQUESTS AND DIRECTIVES

Mr. Icenhour noted he had a concern from a constituent in Ford's Colony regarding the clearing of right-of-way and the primary service area, and he would share the name and address with Mr. Powell. He also inquired if the long-range plans considered uses such as the Toano Wendy's and discussion surrounding utilities. He requested calculations for that specific site regarding the expansion of utilities.

Mr. Hipple noted he would like to review the potential services and abilities in the land James City County had just purchased in conjunction with the Economic Development Authority rather than further up in the Toano area. He cited using a specific site to develop a plan for its commercial use, noting potential development in the three sites in the Grove area.

H. GENERAL MANAGER'S UPDATE

Mr. Powell noted JCSA is working with Newport News Waterworks regarding revised billing schedules. He stated a change to the monthly billing cycle and the impact on JCSA sewer customers who used Newport News Waterworks noting those customers would be changed to a monthly bill cycle also.

I. ADJOURNMENT

A motion to Continue was made by John McGlennon, the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

Mr. Powell conferred with Mr. Kinsman regarding continuation of the meeting.

Mr. Kinsman confirmed the JCSA meeting would continue until 6:30 p.m. on April 12 at Legacy Hall in New Town.

On April 12, 2018 at 6:30 p.m., at Legacy Hall, the Board of Directors reconvened their April 10, 2018 meeting. A presentation was given on the FY 2019-2020 James City County Budget. There were no questions regarding the JCSA's portion of the proposed budget.

Mr. Hipple made a motion to adjourn until the Community Budget Meeting on April 16,

2018 at 6:30 p.m. at the James City County Library, 7770 Croaker Road,
Williamsburg, Virginia.

A motion to Adjourn was made by Michael Hipple, the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

At 7:06 p.m., the meeting was adjourned.

MINUTES
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
COMMUNITY BUDGET MEETING
James City County Library
7770 Croaker Road, Williamsburg, VA 23188
April 16, 2018
6:30 p.m.

A. CALL TO ORDER

B. ROLL CALL

Michael J. Hipple, Vice Chairman, Powhatan District
Ruth M. Larson, Berkeley District
James O. Icenhour, Jr., Jamestown District
John J. McGlennon, Roberts District
P. Sue Sadler, Chairman, Stonehouse District

William C. Porter, Interim County Administrator
Adam R. Kinsman, County Attorney
M. Douglas Powell, General Manager

C. BOARD DISCUSSION

Ms. Sadler addressed the members of the public and the press that were in attendance and gave a brief overview of the format of the meeting.

Ms. Suzanne Mellen, Director of Financial and Management Services, gave a presentation overview of the Fiscal Year 2019-2020 County budget.

Mr. Porter presented information on Senate Bill 942 and the financial impact that it could have on the County's budget.

At the conclusion of the presentations, the members of the public that were present were given the opportunity to ask questions related to the budget.

There were no questions regarding the James City Service Authority's portion of the proposed budget.

D. ADJOURNMENT

1. Adjourn until 3 p.m. on April 17, 2018, for the Budget Work Session

A motion to Adjourn was made by John McGlennon and the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

At approximately 7:06 p.m., Ms. Sadler adjourned the Board.

MINUTES
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
BUDGET WORK SESSION
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
April 17, 2018
3:00 PM

A. CALL TO ORDER

Ms. Larson called the Board of Supervisors Meeting to order.

Ms. Sadler called the Board of Directors Meeting to order.

B. ROLL CALL

Board of Supervisors

Michael J. Hipple, Powhatan District

P. Sue Sadler, Stonehouse District

James O. Icenhour, Jr., Vice Chairman, Jamestown District

John J. McGlennon, Roberts District

Ruth M. Larson, Chairman, Berkeley District

William C. Porter, Interim County Administrator

Adam R. Kinsman, County Attorney

Board of Directors

Michael J. Hipple, Vice Chairman, Powhatan District

Ruth M. Larson, Berkeley District

James O. Icenhour, Jr., Jamestown District

John J. McGlennon, Roberts District

P. Sue Sadler, Chairman, Stonehouse District

M. Douglas Powell, General Manager

C. BOARD DISCUSSIONS

1. Budget Discussion

Mr. Porter noted Mr. Jason Purse, Assistant County Administrator, would give a presentation on the relationship between the budget, the Strategic Plan and its initiatives as well as a follow-up from Fire and Police based on citizens' comments.

Mr. Purse noted the Strategic Plan had been implemented into the budget as

much as possible. He cited seven goal areas were identified in the Strategic Plan, which included information from the long-term plan for incorporation into the budget. He cited the sustainable long-term water supply as an example of what the budget would address.

Mr. Doug Powell, General Manager, JCSA, noted the Longhill Road Project was a new Capital Improvements Project (CIP). He explained the County's cost would be reduced as the project would be done in conjunction with the Virginia Department of Transportation (VDOT). He cited another CIP project that JCSA would do with VDOT in the same way at a later date.

Mr. Purse noted the Longhill Road Project met some of the Strategic Plan goals and addressed infrastructure issues that had been identified as budget needs. He cited opportunities like Longhill Road could be incorporated into the long-term plan. He mentioned JCSA's water meter replacements that support the modern infrastructure and benefit citizens. He stated exceptional public service, particularly Fire and Police, have been addressed as the County prepares for the new Fire Station 6 and additional firefighters.

Mr. Ryan Ashe, Fire Chief, addressed the Board noting the opportunity for 18 additional firefighters to be added prior to building the new fire station in Fiscal Year 2023. He cited projected retirees, overtime and other budgetary and staffing concerns. He noted a multi-year, phase-in plan that addresses retirees, new hires and maintenance of staff.

Mr. Purse noted Goal No. 5 and maintaining a safe environment for the County's citizens with regard to resources to sustain that safety. He explained the operational initiatives did not specifically address the additional firefighters nor the station, but emphasized the long-term need for these resources. He noted the budget document was a 10-year one with emphasis on the first two years in the budget cycle addressing projects with the most community need. He stated the Police also have major needs coming in the next two years.

Mr. Brad Rinehimer, James City County Police Chief, addressed the Board regarding the addition of a sixth police zone. He noted the additional zone would help alleviate the number of calls and response time.

Mr. McGlennon noted Police and Fire new hires and training are additional expenses of the first year. He stated hiring was generally part of the overall Operating Budget that rolled forward so this would show a differential impact for new staff hiring that would level out after that initial year.

Chief Rinehimer noted that new hire cost for the first year was approximately \$135,000 with the second year reduced almost half.

Mr. Purse noted each division within the Budget had notes to help the Board understand the departmental goals and objectives to reach those goals. He noted a modern infrastructure technology improvement that had been made, but did not have a particular strategic initiative attached to it.

Ms. Suzanne Mellen, Director, Financial and Management Services, addressed the Board regarding the proposed budgets from the County

Administrator. She noted there would be changes. She asked if questions or information would be required from the Board prior to the next work session.

Mr. Porter noted options could be created that would be available to the Board pending the decision on the amended Senate Bill 942.

Mr. Icenhour said he would like to see a separation of the budget in the absence of revenue from Senate Bill 942 with basic revenue and basic expenses. He noted he would like to see money spent on non-recurring items in the Budget and not on recurring Budget items.

Ms. Sadler stated she was thinking along the same lines. She noted a supplemental page indicating the difference of the revenue from the Bill to show clarification in the Budget.

Mr. McGlennon questioned the impact of lost funding if the legislation for the Bill went away. He noted the elimination of the Grocery Tax and a shift in revenue regarding the dollar amounts.

Mr. Hipple noted his concerns about a tax cut and then a return. He cited constituent concerns and emphasized a central location for citizens. He noted the central location would eliminate additional properties that could be sold to bolster the community.

Mr. Icenhour stated the contingency of the revenue from the Bill and the impact of taxes on the citizens if the Bill disappeared. He noted a tie to the sales tax revenue.

Mr. McGlennon noted a 20-year-old promise to eliminate the car tax. He further noted the reduction impacts the state's ability to fund education and other areas.

Ms. Larson asked Mr. Porter about absorption into the Operating Budget regarding Fire and Police.

Ms. Mellen noted absorption of recurring expenses into the Budget while identifying other non-recurring expenses. She stated examples of budgetary shifts to allow for the absorption, citing the number of police vehicle replacements over the next two-year budget for Fiscal Year 2019-2020. She noted one-time items could be identified as opposed to recurring items. She indicated the school funding would remain in the recurring expense as part of the sales tax.

Ms. Larson emphasized the importance of public safety and not going backwards in that area.

Ms. Sadler asked about the figures for new hires for Fire.

Mr. Purse indicated that these were known figures due to the anticipation of a new fire station and projected growth, thus the expense had moved forward in its timeline and was not a recurring expense.

Mr. Icenhour asked for a staff priority for the budget to give the Board.

Ms. Sadler asked about Chart A-2 and the cost of the new school buses, a total on the new school entrance design and total operational costs.

Ms. Mellen noted monies had been designated for buses, school entrances and operations.

Mr. McGlennon asked about the redesign for the school entrances.

Ms. Mellen noted the work to be done was at several schools and identified the costs at each. Some were noted under previous year's budgets.

Mr. McGlennon asked for a year-end surplus from the school fund over the past five years for the next budget meeting.

Ms. Mellen noted there was programming to withhold \$600,000 from school surplus for assistance with CIP funding for the next year.

Ms. Sadler asked about the placeholder in the budget for schools.

Ms. Mellen noted the placeholder for high school expansion program and highlighted it to the Board's attention if funds were needed, then the need had been identified. She noted it was in the plan, but not appropriated.

Discussion ensued on this subject.

Mr. McGlennon asked about the trend of personal property taxes over the next few years and assessments.

Ms. Mellen noted the rate of recovery in real estate assessments had been fairly consistent over the years with marginal increase each time. She commented on the steady growth with personal property versus real estate.

Ms. Sadler asked about tourism and revenue and who tracks it.

Ms. Mellen noted all sales tax is collected by the state, which then distributes the 1% of the local share allocated to James City County. She indicated that money goes into a designated separate fund.

Discussion ensued on this subject.

Ms. Mellen noted the overall Operations in the Budget layout had a new look with more detail and visual support. She commented on the consolidation within certain divisions, but noted the Summary pages gave breakdowns on spending.

Mr. McGlennon asked for a membership cost to the Virginia Municipal League. He also noted the funding request from the Williamsburg Arts Commission. He noted that over the past few years, the County had reduced the funding to \$5,000 to the Commission with the City of Williamsburg paying the balance. He requested restoration of the additional \$5,000 to this year's

budget so that both groups would pay equally.

Mr. Icenhour asked about budgeting for membership to the Virginia Association of Counties (VACo). It was noted that membership for VACo was in the budget.

Ms. Sadler asked about the \$10,000 drop for the Community Action Agency.

Ms. Mellen noted the previous year's proposed budget did not include the Neighborhood Basketball League (NBL) with funding. She noted the current proposed budget did not include NBL. She added NBL had requested the funding.

Ms. Larson noted there were some concerns about the league and funding in relation to County participation.

Mr. John Carnifax, Director, Parks & Recreation, addressed the Board regarding NBL. He noted the changes in participation and costs over the years, but said the County did not subsidize other programs like NBL.

Mr. McGlennon asked if there was a possibility to offer the same guidelines and rules for support that applies to other groups.

Discussion ensued on this subject.

Mr. McGlennon asked about the trend line on the ambulance insurance reimbursement for the next meeting. He noted that additional staff is being added to Planning.

Mr. Purse confirmed that point.

Mr. Paul Holt, Director, Planning, noted the staff numbers in that division had changed due to other staffing projects regarding coding and various corridor studies. He mentioned a 15% sustainable increase in the site plans over the past few years in response to community need.

Mr. Purse noted that having some additional resources upfront are beneficial to the long-term goals.

Mr. McGlennon asked about expansion for the Regional Library.

Mr. Porter noted the Board may want to discuss the Regional Library with the City of Williamsburg and a proposed building site.

Discussion ensued on this matter.

Mr. McGlennon noted the Regional Jail expenditures were down, but Colonial Behavioral Health numbers were higher. He asked the Board to consider local funding to mental health facilities over the next few years.

Discussion ensued on other budget concerns.

Ms. Larson asked if enough questions and requests had been presented to move forward in budget options.

Mr. Icenhour asked if answers regarding Senate Bill 942 would be available by Thursday.

Mr. Kinsman replied yes, assuming a one-day session was likely.

Mr. Icenhour asked for email exchanges with options before the next Budget Work Session.

Mr. McGlennon asked about a breakdown on what the average tourist spends while in the area.

Discussion ensued on this matter.

Mr. McGlennon asked about the status of correction on the state's records of sales tax and its direction.

Ms. Mellen explained an automated monthly process was in place with the Commissioner of the Revenue's office and programming to identify anomalies in the data with more accuracy.

Ms. Larson asked about the anomalies and tracking the information.

Ms. Amy Jordan, Director, Economic Development, explained how general data is being mined from sources, such as cell phone location signals, to show retail locations and other information. She noted the services can be costly, but Hilton Head and Charleston have used similar services. She stated it allows for good target data.

Ms. Larson requested a Thursday/Friday follow-up status from Administration on points discussed in the work session.

D. CLOSED SESSION

None

E. ADJOURNMENT

A motion to Adjourn was made by Michael Hipple and the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

1. Adjourn until 4 p.m. on April 24, 2018 for the Budget Work Session

At approximately 4:52 p.m., Ms. Larson adjourned the Board of Supervisors.

At approximately 4:52 p.m., Ms. Sadler adjourned the Board of Directors.

MINUTES
JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS
BUDGET WORK SESSION
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
April 24, 2018
4:00 PM

A. CALL TO ORDER

Ms. Larson called the Board of Supervisors Meeting to order. She noted that the Closed Session listed on the Agenda would be done first, and then the Board of Directors Meeting would be called to order for the remainder of the Work Session.

At 4:33 p.m., Ms. Sadler called the Board of Directors Meeting to order.

B. ROLL CALL

Board of Supervisors

Michael J. Hipple, Powhatan District
P. Sue Sadler, Stonehouse District
James O. Icenhour, Jr., Vice Chairman, Jamestown District
John J. McGlennon, Roberts District
Ruth M. Larson, Chairman, Berkeley District

William C. Porter, Interim County Administrator
Adam R. Kinsman, County Attorney

Board of Directors

Michael J. Hipple, Vice Chairman, Powhatan District
John J. McGlennon, Roberts District
James O. Icenhour, Jr., Jamestown District
Ruth M. Larson, Berkeley District
P. Sue Sadler, Chairman, Stonehouse District

M. Douglas Powell, General Manager

C. BOARD DISCUSSIONS

1. Budget Discussion

Ms. Sue Mellen, Director of Financial and Management Services, stated that two funds were impacted since Senate Bill 942 had been passed with its amendments: the General Fund as well as the Tourism Investment Fund. She first discussed the General Fund and referenced a handout given to the Board and displayed on a PowerPoint slide. She referred to the slide and noted an adjustment of \$1 million on the grocery exclusion, which reduced the sources of revenue by \$1 million. She further noted the Board

previously asked staff to identify non-recurring uses which staff listed in priority order with one exception being the School Contribution for Operations. She stated staff recommendation was that the offset for the \$1 million reduction in sales tax be offset against the tax relief originally proposed. She noted that if the Board decided to keep 2 cents as a tax reduction, staff suggested eliminating various spending items. She commented that if the Board did not reduce the real estate tax rate, staff recommended the additional \$1.175 million to be transferred to the Capital Improvements Program (CIP) fund to help start off the infrastructure goal.

Mr. Icenhour expressed his gratitude to Ms. Mellen for clarifying a few questions he had when he met with her the previous day. He stated that they discussed the School Contribution for Operations and noted it was the only recurring item on the list and was only for FY 19 and FY 20; however, in FY 21 it would transfer into the regular budget.

Ms. Mellen replied that it would transfer in FY 20 because everything that was allotted for in FY 20 were CIP items.

General discussion ensued regarding this subject.

Mr. Hipple stated he felt this was an opportunity to put the \$1.175 million into a fund dedicated to bringing the County complex together under one roof instead of the current scattered buildings housing various departments. He discussed the benefits of having every department in one building versus maintaining several facilities and relayed his vision of a future County complex. He stated that for informational purposes, in regards to a new building housing over 700 employees, he was willing to speak with professionals who could provide a rough estimate on the number of stories needed and cost involved.

Discussion ensued regarding the penny amount in the original budget.

Ms. Larson inquired about an Efficiency Study regarding a new building and property currently owned by the County.

Ms. Mellen stated that the first step would be an Office Space Needs Study proposed in the budget identifying the needs as well as the spaces currently being utilized. She further stated that the second step would be the Facility Master Plan, which would provide options in order to evaluate.

General discussion ensued regarding the Strategic Plan as well as money and land availability for future needs.

Mr. Hipple inquired about the amount of money the School Board faced regarding a new building for its staff.

Ms. Mellen stated that she would get that information.

Discussion ensued regarding school expansion projections.

Mr. McGlennon discussed a list he created that noted modest interest in a County building, school needs, recreation needs in the Jamestown area or an aquatic center and land banks for future school or other needs. He stated that the Board should decide if it wanted to designate an amount of funding to go into the CIP and begin to introduce

these items to the CIP process. He noted the importance of making an informed choice through a process consistent with the way the Board should be evaluating these junctions. He further noted the Board should not make a hasty decision about the use of funds, but instead should begin the process of identifying the greater needs to be placed at the top of the list.

General discussion ensued regarding this topic.

Ms. Sadler inquired about the last tax increase that was voted on and asked if a new administrative building was part of something that was being promoted.

Mr. Hipple replied no.

Ms. Sadler referenced the budget last year compared to this year and inquired about the increase without the sales tax revenue.

Ms. Mellen replied 2.5% without the sales tax revenue, which equated to \$5.1 million. She explained that the \$5.1 million would be without the sales tax and no reduction in real estate.

Discussion ensued regarding this subject.

Ms. Sadler stated that as a good faith measure and being a good steward of taxpayer money she advocated returning the sales tax increase to citizens. She further stated this was an opportunity to give back to the business community through Business, Professional and Occupational License taxes, and noted this would encourage more small businesses to come to the County and help to retain the current small businesses.

General discussion ensued regarding this subject.

Ms. Mellen stated the County had been very conservative in its budgeting with less than a 2% increase overall. She commented that if the economy was to turn for the worse, adjustments would be made. She remarked that information was monitored; however, the bigger concern at this time was keeping a close eye on interest rates.

Ms. Larson inquired about the administrative cost in regards to reducing the tax rate to 1% and asked if new tax bills would have to be sent out.

Ms. Mellen replied no and explained that once the tax rate was established, the system would adjust and no additional costs would be involved.

Ms. Larson discussed concerns regarding future land needs.

Mr. Icenhour referenced his previous meeting with Ms. Mellen regarding the budget. He noted her concerns of having a \$1 million leeway, which equated to less than .5% making it financially tight and discussed this concern.

General discussion ensued regarding the tax rate issue.

Mr. Icenhour inquired about the school CIP referenced in the handout.

Ms. Sharon Day, Assistant Director, Financial and Management Services, replied that

the school CIP referenced the school redesign front entrance money, as well as the buses, which are both capital items.

Mr. McGlennon inquired if that would be in addition to what was already anticipated.

Ms. Mellen stated no, that it was the funding source of some items in the CIP for FY 20 and if it were eliminated various items would need to be cut from the CIP. She further stated that the current tax rate was advertised at 84 cents, the proposed budget was 82 cents and the staff priority recommendation was 83 cents. She felt the total revenue should be decided first and then to move forward on the expenditure side. She discussed an errata sheet that was part of the PowerPoint slideshow.

General discussion ensued regarding this subject.

Ms. Larson asked Mr. Porter his opinion on the use of the money discussed.

Mr. Porter replied that with change in the groceries tax, he felt it was best to put the money aside for land banking or investing for future priorities. He mentioned he had received telephone calls regarding interest in the Purchase of Development Rights (PDR) program.

General discussion ensued regarding the PDR program.

Mr. Hipple suggested putting the \$1.175 million and in savings for future projects that needed to be done in order to move forward.

General discussion ensued regarding this item.

Mr. McGlennon inquired where the \$412,000 would be reflected.

Ms. Mellen replied in the Tourism Fund.

Ms. Larson stated she received a machine and tools comparison from a citizen in another county and would like staff to research and determine if it was a fair correlation.

Mr. McGlennon stated the best utilization for a 1-cent reduction in the tax rate would be to hold it to determine future needs.

Mr. Icenhour stated that initially he would like to give a penny back to citizens; however, if the Board wished to hold onto the money, his second priority was for future school funding. He stressed the importance of retaining the same simple information sheet in the budget, which allowed anyone to look and see where money was and what was being done with it. He noted the job of Board members was to show constituents that money would be spent wisely in areas such as safety, schools and the quality of life in the County.

Ms. Sadler expressed her opinion that this year the money should be given back to citizens and businesses in an effort to show good stewardship.

Ms. Larson expressed her hesitation to take things away; however, emphasized taking a significant look next year and to continue to make certain resources are being used as efficiently and responsibly as possible.

General discussion ensued regarding the school system budget and salary concerns, the Virginia Municipal League rates and financial analysis, and the Virginia Association of Counties as well as CIPs.

Mr. McGlennon discussed the Historical Commission funding of \$49,000 to inventory and archive materials that had been assembled by the County over the years, in terms of James City County all the way back to the Colonial era, which was not funded in the recommendation. He stressed the significance of preserving and documenting historical artifacts in this area. He stated that the Historical Commission felt this had significant potential to be seed money to attract grants from the state, national organizations and private entities. He proposed that if there were remaining funding available in the Tourism Fund, a portion of the \$49,000, perhaps \$10,000 out of this year's Tourism Fund, could be used to allow the beginning of this process. He pointed out that if it was productive there was a possibility of generating seed money for other grants, and perhaps partner with other historical associations that were not currently making efforts in this regard. He noted this would be contingent on the availability of funding in the current year budget and could be revisited over the next two years as the Tourism Fund had been replenished.

Ms. Larson inquired about street signs.

Mr. Jason Purse, Assistant County Administrator, stated that there was approximately \$9,000 in last year's budget, which included approximately 50 signs, poles, hardware and installation. He noted that these were replaced on a complaint basis or if they were damaged.

Ms. Grace Boone, Director of General Services, commented this signage included "Welcome to James City County" as well.

Discussion ensued regarding procedures involved for damaged street signs.

Ms. Mellen continued with the PowerPoint presentation and discussed the Tourism Investment Fund section of the handout given to the Board as well as staff recommendation.

General discussion ensued regarding this topic.

Ms. Larson inquired if this money had to be spent on tourism due to Senate Bill 942.

Ms. Mellen replied it did not.

Ms. Sadler inquired if there was any discussion for the JCSA.

Ms. Larson inquired if there had been any feedback on the grinder pump change.

Mr. Powell replied no.

D. CLOSED SESSION

1. Consultation with legal counsel regarding specific legal matters related to Senate Bill 942 and budget planning pursuant to 2.2-3711 (A)(8) of the Code of Virginia

A motion to Enter a Closed Session was made by Michael Hipple and the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

At approximately 4:01 p.m., the Board entered Closed Session.

2. Certification of Closed Session

A motion to Approve was made by John McGlennon and the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

At approximately 4:33 p.m., the Board re-entered Open Session.

E. ADJOURNMENT

1. Adjourn until 5 p.m. on May 8, 2018 for the Regular Meeting

A motion to Adjourn was made by Michael Hipple and the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

At approximately 6:01 p.m., Ms. Larson adjourned the Board of Supervisors meeting.

At approximately 6:01 p.m., Ms. Sadler adjourned the Board of Directors meeting.

ITEM SUMMARY

DATE: 5/8/2018

TO: The Board of Directors

FROM: M. Douglas Powell, General Manager

SUBJECT: Changes to the Regulations Governing Utility Service and Resolution of Appropriation for FY 19 Budget

ATTACHMENTS:

	Description	Type
☐	Memo	Cover Memo
☐	Resolution	Resolution
☐	Resolution	Resolution
☐	Regulations	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
James City Service Authority	Powell, Doug	Approved	4/11/2018 - 9:35 AM
Publication Management	Burcham, Nan	Approved	4/11/2018 - 9:42 AM
Legal Review	Kinsman, Adam	Approved	4/12/2018 - 8:00 AM
Board Secretary	Fellows, Teresa	Approved	4/20/2018 - 1:38 PM
Board Secretary	Purse, Jason	Approved	5/1/2018 - 11:47 AM
Board Secretary	Fellows, Teresa	Approved	5/1/2018 - 1:46 PM

MEMORANDUM

DATE: May 8, 2018

TO: The Board of Directors

FROM: M. Douglas Powell, General Manager, James City Service Authority

SUBJECT: Changes to the Regulations Governing Utility Service and Resolution of Appropriation for FY 19 Budget

Attached are resolutions approving changes to the Regulations Governing Utility Service and appropriating the FY 19 Budget. At its February 13, 2018 meeting, the Board approved setting a public hearing on the proposed changes. The public hearing was subsequently held on April 10, 2018. The changes to the Regulations and the FY 19 Budget were discussed during a work session and would become effective July 1, 2018.

Staff recommends approval of both resolutions.

MDP/nb
FY19BudChngs-mem

Attachment

RESOLUTION

CHANGES TO THE REGULATIONS GOVERNING UTILITY SERVICE AND

RESOLUTION OF APPROPRIATION FOR FY 19 BUDGET

WHEREAS, the Board of Directors of the James City Service Authority conducted a public hearing on April 10, 2018, for proposed changes to the Regulations Governing Utility Service.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby adopts the changes to Section 32, General Rate Policy and Rate Schedule, Regulations Governing Utility Service as summarized in the attachment, which will become effective for all bills mailed on or after July 1, 2018.

BE IT FURTHER RESOLVED that the attachment showing the proposed changes be made part of this resolution.

P. Sue Sadler
Chairman, Board of Directors

ATTEST:

Teresa J. Fellows
Deputy Secretary to the Board

	<u>VOTES</u>		
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
MCGLENNON	_____	_____	_____
ICENHOUR	_____	_____	_____
HIPPLE	_____	_____	_____
LARSON	_____	_____	_____
SADLER	_____	_____	_____

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 8th day of May, 2018.

FY19BudChngs-res

RESOLUTION OF APPROPRIATION

JAMES CITY SERVICE AUTHORITY

FISCAL YEAR 2019 BUDGET

WHEREAS, the General Manager has prepared a proposed budget for the fiscal year beginning July 1, 2018; and

WHEREAS, the Board of Directors has considered said budget and does now propose to adopt the budget.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby adopts and appropriates the following amounts for operations and activities as shown below:

1. The following amounts are hereby appropriated in the **Water Fund**:

<u>Water Fund - Revenues</u>	
Service Charges	\$9,748,758
Interest	335,253
Miscellaneous	<u>290,000</u>
	<u>\$10,374,011</u>
 <u>Water Fund - Expenses</u>	
Administrative Fund Allocation	\$3,579,612
Direct Expenses	3,753,680
Capital Equipment Outlay	101,000
Capital Improvements Plan (CIP) Transfer	2,397,619
Debt Service Transfer	<u>542,100</u>
	<u>\$10,374,011</u>

2. The following amounts are hereby appropriated in the **Sewer Fund**:

<u>Sewer Fund - Revenues</u>	
Service Charges	\$5,802,339
Interest	335,253
Grinder Pump Charges	160,000
Miscellaneous	<u>233,500</u>
	<u>\$6,531,092</u>

Sewer Fund - Expenses

Administrative Fund Allocation	\$3,579,612
Direct Expenses	1,872,979
Grinder Pump Expenses	335,000
Capital Equipment Outlay	42,000
CIP Transfer - Department of Environmental Quality Consent Order	<u>701,501</u>
	<u>\$6,531,092</u>

3. The following amounts are hereby appropriated for the funds as indicated below:

ADMINISTRATIVE FUND

Revenues:

Allocated to Water Fund	\$3,579,612
Allocated to Sewer Fund	<u>3,579,612</u>
	<u>\$7,159,224</u>

Expenses:

Personnel Expenses	\$5,110,517
Operating Expenses	1,959,707
Capital Outlay	<u>89,000</u>
	<u>\$7,159,224</u>

CAPITAL IMPROVEMENTS PROGRAM

Revenues:

Water Facility Charges	\$2,064,000
Sewer Facility Charges	1,411,200
Water Fund Transfer	2,397,619
Sewer Fund Transfer	701,501
Reserves Transfer	<u>974,208</u>
	<u>\$7,548,528</u>

Expenses:

Water Supply	\$1,353,150
Water Distribution	2,690,000
Sewer System Improvements	1,390,828
Other Projects	997,000
Alternative Water Supply Reserve	500,000
Repair and Replacement Reserve	<u>617,550</u>
	<u>\$7,548,528</u>

DEBT SERVICE RESERVE FUND

Revenues:

Capital Improvements Program	\$813,150
Water Fund	<u>542,100</u>
	<u>\$1,355,250</u>

Expense:

Refunding Revenue Bonds, Series 2016	<u>\$1,355,250</u>
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P. Sue Sadler
Chairman, Board of Directors

ATTEST:

Teresa J. Fellows
Deputy Secretary to the Board

	VOTES		
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
MCGLENNON	_____	_____	_____
ICENHOUR	_____	_____	_____
HIPPLE	_____	_____	_____
LARSON	_____	_____	_____
SADLER	_____	_____	_____

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 8th day of May, 2018.

JCSAFY19Budg-res

In situations where a new wastewater system has been installed by the Authority and whereas any applicant adjacent to this new system that has an existing septic system desires to secure wastewater service therefrom, the local facilities charge shall be waived for a period of 12 months from the completion date of the new wastewater system installation.

The purpose of this charge is to defray in part the cost of installing collection mains which are necessary to provide wastewater collection service to abutting properties and which have been provided at the expense of the Authority or persons, firms or corporations other than the applicant. The charge shall be paid prior to the issuance of a plumbing permit from Code Compliance.

3. Grinder Pump Installation and Maintenance Charge.

- (a) Any applicant for a sewer connection requiring a residential grinder pump may purchase the grinder pump (that meets Authority Standards and Specifications) plus ancillary parts from the Authority at cost if the grinder pump is necessary to replace an existing septic system. In addition, if the connection to the public sewer system is replacing a septic system, the applicant is eligible for the deferred payment plan discussed in Paragraph G, Section 2.
- (b) The Authority may, at the applicant request, install the residential grinder pump for the cost of materials as stated above plus labor and equipment costs. These costs are in addition to the normal Sewer System Facilities Charge if required. Grinder pumps will normally be installed within the existing right-of-way where the force main is located. If the topography dictates that the grinder pump be located within the applicant's property then the Authority will prepare the necessary plat and easement for the applicant to execute to permit installation of the grinder pump on the applicants property.
- (c) An annual grinder pump maintenance charge of ~~\$260.00~~ \$300.00 shall be paid for each separate connection to a grinder pump when the operation and maintenance of said residential grinder pump is the responsibility of the Authority. The payment for this charge will be prorated in equal amounts in the customers' utility service charge billing. The Authority shall not maintain nonresidential grinder pumps or other commercial pump stations unless such utility maintenance is deemed by the Authority to be in the interest of the public health or is necessary to protect the integrity of the system, or such facility is located within a designated Reservoir Protection Zone.
- (d) Maintenance of sewage grinder pumps is the responsibility of the property owner. The property owner may contract with the JCSA for maintenance services. Maintenance contracts are between the property owner and the JCSA, and are not transferable or assignable by the property owner. Upon a transfer of title or ownership of the land upon which the grinder pump is located, a new contract for maintenance may be formed with the JCSA at the owner's election. Any prior

contracts for sewage pump maintenance shall be terminated upon transfer of title or ownership.

4. **Service connection charge.** A service connection charge shall be paid by each applicant for each new service connection prior to the approval of the application therefor, as follows:

<u>Service installed by:</u>	<u>Charge</u>
Developer, applicant	\$10 per connection inspection fee
Authority	Actual cost times 1.25, including overhead

The purpose of this charge is to defray the cost of installation or inspection of a service connection from the public sewer main in the street to the curb or property line.

The service connection charge shall be waived provided the applicant has paid a local facilities charge and the sewer service line is not greater than 6 inches in diameter for a gravity main or 2 inches in diameter for a force main. In the event that the service connection charge is not waived, the local facilities charge will be applied against the service connection charge.

5. **Retail service rates.** The wastewater service charge shall be based on usage from a metered water source where available. For wastewater service on an unmetered water source a meter size equivalent shall be used, based upon an estimated charge.

- (a) Metered water source.

Charge for all collection and treatment of wastewater

- (1) Fixed Charge-Each customer bill shall include a Fixed Charge based upon the size of the meter serving the customer. The Fixed Charge for each billing cycle shall be calculated based on the quarterly fixed charge chart below. This Fixed Charge is for expenses associated with operating and maintaining the wastewater collection system.

Meter Size	Quarterly Fixed Charge
5/8"	\$ 5.89 5.95
3/4"	\$ 8.83 8.92
1"	\$ 14.72 14.87
1-1/2"	\$ 29.43 29.72
2"	\$ 47.08 47.55
3"	\$ 94.17 95.11
4"	\$ 147.14 148.61
6"	\$ 294.27 297.21
8"	\$ 470.83 475.54
10"	\$ 676.82 683.59

(2)

<u>Volume</u>	<u>Collection</u>
Per 1,000 gallons of water consumed	\$3.05 \$3.08
Per 100 cubic feet of water consumed	\$2.29 \$2.31

Metered water usage shall be reduced by a metered reading from a landscaping meter or similar device if the landscaping meter or device is registered with the Authority.

A copy of the deduction meter reading must be received by the Authority 20 days prior to the end of each billing period. Regardless of the length of time, sub-meter reading adjustments will only be allowed up to the consumption in the current billing period.

(b) Unmetered water source.

Where no meter exists or where meter readings are not made available by the water supplier to the Authority, then the following estimated charges shall be assessed:

<u>Activity, use</u>	<u>Unit</u>	<u>Collection</u>
Single-family residences	Each	\$ 42.00
Single-family mobile homes	Each	42.00
Mobile homes in parks	Each lot	37.25
Duplex, apartments and townhouses	Each	37.25
Schools (with showers)	Student	4.25
Schools (without showers)	Student	2.65
Motels and hotels	Room	18.55
Minimum		186.70
Manufacturing	Msf	11.10
Minimum		55.85
Warehouses	Msf	7.45
Minimum		46.50
Service stations	Each	49.95
Camping facilities	Each space	16.25
Minimum		64.25
Restaurants	Seat	4.95
Minimum		55.85
Commercial	Msf	18.55
Minimum	1,000 Sq. Ft.	55.85
Churches	Each	40.65
Swimming pools	Sfe	40.65
Laundromats	Sfe	40.65

- (a) Fixed Charge-Each customer bill shall include a Fixed Charge based upon the size of the meter serving the customer. The Fixed Charge for each billing cycle shall be calculated based on the quarterly fixed charge chart below. This Fixed Charge is for expenses associated with operating and maintaining the water distribution system.

Meter Size	Quarterly Fixed Charge
5/8"	\$ 9.30 10.56
3/4"	\$ 13.95 15.83
1"	\$ 23.24 26.38
1-1/2"	\$ 46.48 52.75
2"	\$ 74.37 84.41
3"	\$ 148.73 168.81
4"	\$ 232.39 263.76
6"	\$ 464.78 527.53
8"	\$ 743.65 844.04
10"	\$ 1,069.00 1,213.32

- (b) Water service shall be based upon a commodity charge for all consumption, as follows:

Single Family Residential			
	Tier 1	Tier 2	Tier 3
<u>Meter Size</u>	(quarterly use)	(quarterly use)	(quarterly use)
5/8"	0-15,000	15,001-30,000	30,000+
3/4"	0-22,500	22,501-45,000	45,000+
1"	0-37,500	37,501-75,000	75,000+
1-1/2"	0-75,000	75,001-150,000	150,000+
2"	0-120,000	120,000-240,000	240,000+
3"	0-240,000	240,001-480,000	480,000+
4"	0-375,000	375,001-750,000	750,000+
6"	0-750,000	750,001-1,500,000	1,500,000+
8"	0-1,200,000	1,200,001-2,400,000	2,400,000+
10"	0-1,725,000	1,725,001-3,450,000	3,450,000+
Rate Per 1,000 Gallons	\$ 3.18 3.61	\$ 6.36 7.22	\$ 14.93 16.95

Multi-Family Residential and Non-Residential		
All Meter Sizes	All Use	
Rate Per 1,000 Gallons	\$ 4.70 5.33	

The purpose of the retail service charge is to defray all costs of providing water service for domestic, commercial and industrial uses and for firefighting purposes, including repayment of moneys borrowed to acquire or construct the water system; operation and maintenance; and renewals, replacements and extensions.

- D. Independent Water Systems Connection Fee. The developer of any Independent Water System for which the development plans are submitted in accordance with the provisions of Section 19-57, Water Facilities of the Subdivision Ordinance, shall be required to pay a per-lot or residential unit Independent Water System Connection Fee of \$8,000 to the JCSA for each lot or residential

ITEM SUMMARY

DATE: 5/8/2018
TO: The Board of Directors
FROM: Teresa J. Fellows, Deputy Secretary
SUBJECT: Adjourn until 5 p.m. on June 12, 2018 for the Regular Meeting

REVIEWERS:

Department	Reviewer	Action	Date
Board Secretary	Fellows, Teresa	Approved	5/1/2018 - 1:58 PM