

MINUTES
JAMES CITY COUNTY BOARD OF SUPERVISORS
BUDGET WORK SESSION
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
April 30, 2019
4:00 PM

A. CALL TO ORDER

B. ROLL CALL

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

Scott A. Stevens, County Administrator
Adam R. Kinsman, County Attorney

ADOPTED

JUN 11 2019

**Board of Supervisors
James City County, VA**

C. BOARD DISCUSSIONS

1. Fiscal Year 2020 Budget Discussion

Ms. Sue Mellen, Director of Financial and Management Services (FMS), addressed the Board noting a review of debt services and the Capital Improvements Program (CIP). She also noted if the Board had additional questions, Ms. Sharon Day, Assistant Director of FMS, was also available.

Ms. Day addressed the Board with a brief overview of the budget process timeline. She highlighted the Capital fund and debt service portions of the budget. Ms. Day noted "a government's credit rating can have a big impact on its ability to borrow, specifically related to the interest rate." Ms. Day noted the County had a AAA rating from the three credit agencies of Standard & Poor's, Moody's, and Fitch Ratings in November 2018 as shown in the PowerPoint presentation. She stated only a few counties in the country held a AAA rating. Ms. Day noted "there are not many localities nationwide that have that distinction and even fewer in the state of Virginia so it's something we're obviously very proud of, but more importantly, it's also something we manage very closely to make sure that as we make decisions, we can ensure we can continue to hold that distinction." Ms. Day highlighted the County's use of a five-year CIP which included both County and school projects. She further noted the County did not borrow money for every project, but used general funds and grants as alternate funding sources. Ms. Day referred to those fundings as "the pay as you go projects." She also referenced consideration of debt goes through several sources of review for best financial practices. Ms. Day highlighted expenditures for each year of the five-year plan. She then noted the debt service portion of the budget for the five-year plan and the County's capacity with plan borrowings in the PowerPoint presentation. Ms. Day said consideration must be given to the future CIP projects as well as how to pay for ongoing projects and the timeline. She referenced the opening of a sixth fire station and ongoing personnel expenses and supplies, as well as high school expansion and a new elementary

school with similar expenses. Ms. Day noted a strategy with the school system would need to be developed for funding.

Mr. Hipple asked if that information was not currently in there.

Ms. Day confirmed it was not. She asked if there were additional questions.

Mr. McGlennon noted in this year's budget there was a reduction in the contribution to debt service from the operating budget. He asked if it would be replaced with funds from Senate Bill (SB) 942.

Ms. Day confirmed that point.

Mr. Icenhour noted concern about maintaining funds for different types of projects. He also noted "rolling the funds into the CIP" with future major expenditures. He expressed concern for funding for one-time projects and "looking too far ahead of the curve." He noted "there is a lot coming at us in the next five years."

Mr. McGlennon addressed some of the big costs ahead, particularly water. He asked about the aggressive plan for current debt reduction and noted "it seemed to be coming down at a fairly good rate."

Ms. Mellen referenced the capacity number in the PowerPoint presentation. She noted "if we didn't have any more borrowings, we would have that paying down of the debt and it's with a plan of almost \$70 million of borrowing." She cited the cost of upcoming projects.

Discussion ensued on debt capacity and borrowing.

Ms. Mellen noted this budget showed the breakdown of the SB942 money and its allocation following the previous year's plan. She further noted SB942 money and future projects and the CIP.

Mr. Icenhour questioned about one-time costs from school, fire, and police from the previous year's budget and their uses.

Ms. Mellen noted the one-time cost of the Comprehensive Plan and different uses for several one-time projects.

Discussion ensued.

Mr. McGlennon asked about real estate assessments and future revenues. He noted "it looked pretty flat" and questioned tracking the assessments.

Ms. Mellen referenced past re-assessments were lower and generated less than a 1% change. She noted the "relative flat" and the growth was not what it had been in the past.

Mr. Icenhour asked about page A-14 and the projected fund balance in relation to the "draw down".

Ms. Mellen noted the fund balance reflects all funds and included the CIP.

Discussion ensued.

Ms. Larson asked about the medians and their upkeep. She asked about the County's supplement to the Virginia Department of Transportation (VDOT) and what York County's supplement was to VDOT. She referenced the "obvious dividing line between us and York." She also noted concerns on Monticello Avenue and the height of the grass, particularly as tourism season began.

Mr. Stevens explained Mr. Jason Purse, Assistant County Administrator, had compiled information showing the County's supplement to VDOT. He noted the supplement indicated "VDOT does more mowing because we pay." He further noted contact with Mr. Rossie Carroll, VDOT Williamsburg Residency Administrator, regarding contracts. Mr. Stevens stated Mr. Carroll said there had been some delays with the contracts going out and the timeline on catching up from the delays. He also cited some landscaping issues on Route 199 and the different mowing schedules between the County and VDOT and the visual impact to that area. Mr. Stevens noted the need for better coordination of the mowing schedules. He listed several other areas of concern.

Mr. Purse presented VDOT's mowing schedule in a PowerPoint presentation. He noted the yellow highlighted areas were extra mowings for which the County paid. He further noted those funds came from the Tourism dollars. He listed the areas for mowing and two spring litter cleanups.

Ms. Larson asked how this compared to 2018.

Mr. Purse indicated the 2019 schedule aligned with the 2018 schedule. He noted the extra mowings were scheduled around major tourism events such as the LPGA tournament. Mr. Purse further noted that if rain impacts the beginning of the schedule, it throws the timing off for the rest of the mowing season.

Ms. Larson questioned the once-a-month schedule.

Ms. Sadler asked for a copy of the schedule as she noted she was questioned on this regularly.

Mr. Purse confirmed he would send a copy to each Board member. He continued the PowerPoint presentation showing the areas where VDOT did extra mowings and the medians maintained by the County. He noted the County contracted that work.

Mr. Icenhour asked about the median areas that were mowed by VDOT within County mowing areas.

Mr. Purse responded the County was in the process of "negotiating an equitable trade" with VDOT so that the County would mow all the area and another area would be traded for VDOT to mow. He asked the Board if it had specific locations for identification that could use this trade situation instead of adding money to the budget.

Discussion ensued about sponsored medians, the tourism impact, safety issues, and overall maintenance.

Mr. Hipple noted the in-house crew had done a fantastic job with mowing.

Discussion ensued.

Mr. Icenhour asked about an additional budget item on page C-79 regarding the Virginia Retirement System Multiplier and the Reserve for Compensation items in the Financial Summary.

Ms. Day noted that upon approval, those funds had been dispersed.

Mr. McGlennon asked about the school funding in regards to the City of Williamsburg's larger percentage and the formula used.

Ms. Mellen noted the City's 2.7% versus the County's 2.5% was based on the school contract. She confirmed it was based on a three-year average. She noted the financial summary reflected proposed amounts based on the school superintendent's budget which "may not be their number when done".

Mr. Icenhour asked for additional questions.

Ms. Day noted the inclusion of the errata sheet as discussed from the previous budget work session. She highlighted the changes included a reduced contribution to the Virginia Peninsula Regional Jail, two additional paralegals for the Commonwealth Attorney, and an increase from \$5,000 to \$8,000 with fringe benefits for the General Registrar. She noted \$39,397 "to the good." She further noted it was not designated specifically within the budget so it had been allocated to the General Fund.

Mr. McGlennon noted the paralegal positions were the result of state mandates. He also noted that "going forward essentially \$100,000 a year."

Ms. Day confirmed both points.

Mr. McGlennon asked about how contributions to outside agencies are determined when funding was requested. He noted questions on the process from the requesting agencies.

Ms. Mellen noted particularly for the Community Services Agencies, the Social Services department reviewed and evaluated the requests based on the agency provided a service that "would otherwise fall on the localities to do or if they are doing it and it actually helps to reduce cases." She further noted this was an exceptional budget year and outside agencies were "held to the same standard as all the departments were."

Discussion ensued.

Mr. McGlennon questioned the money set aside under Economic Development Authority and if any was being spent.

Ms. Day confirmed yes, but noted three active incentives were part of that.

Mr. Icenhour asked if everyone was in consensus on the errata sheet and approval on the budget.

The Board noted its consensus.

The Board thanked Ms. Mellen for her service.

D. CLOSED SESSION

None

E. ADJOURNMENT

1. Adjourn until 5 p.m. on May 14, 2019, for the Regular Meeting

A motion to Adjourn was made by Ruth Larson, the motion result was Passed.

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

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

At approximately 4:52 p.m., Mr. Icenhour adjourned the Board of Supervisors.


Deputy Clerk