



## **York County receives AAA rating from Standard & Poor's and saves over \$811,000 on bond refinancing**

January 31, 2014

### **FOR IMMEDIATE RELEASE**

York County officials were recently notified that bond rating agency Standard & Poor's has upgraded the county's general obligation bond rating to AAA, the highest grade the rating agency issues. In addition, the county's and Economic Development Authority's lease revenue bond ratings were upgraded from AA to AA+.

"We are very pleased to have received these upgrades from Standard & Poor's," said York County Administrator James "Mac" McReynolds. "One of the major areas impacting any community's credit rating is the commitment of its leadership to developing, implementing and sustaining sound financial policies and practices. York County is fortunate to have a Board of Supervisors with a long history of supporting fiscally conservative policies, making decisions focusing not only on the immediate impact but looking to the future as well. It is very rewarding to have received this recognition from an agency that is as highly regarded as Standard and Poor's."

The AAA rating means the agency believes the county is well managed and has a very high ability to repay its debt and that there is a very low risk of default on county bonds. These upgrades should also result in lower interest rates on bonds issued by York County.

In its report, Standard & Poor's attributed the upgrade to the following factors:

- Very strong economy, which benefits from participation in the broad and diverse Hampton Roads area economy coupled with good access to Richmond, VA and its employment base;
- Very strong budgetary flexibility;
- Strong budgetary performance, which takes into account a relatively stable revenue stream;
- Very strong liquidity providing very strong cash levels to cover both debt service and expenditures;
- Strong management with sound financial policies with a consistent ability to maintain balanced budgets; and

- Very strong debt and contingent liabilities position, driven mostly by the county's low net direct debt.

Deputy County Administrator, Vivian Calkins-McGettigan commented, "Receiving the highest bond rating from Standard & Poor's is an accomplishment for the entire York County community including our citizens, businesses, Board of Supervisors, senior leadership and staff, as we were able to demonstrate a long history of decisions focused on the future, a high performing school division with relatively low comparative costs, economic development focused on attracting quality businesses, many decades of emphasis on quality land planning and positive demographic statistics such as our 10 year unemployment rates being consistently below the state and the nation and our highly educated citizens consistently rating their quality of life in York County as very high on formal citizen surveys. When you factor all this together, and so much more, York County's story is very impressive."

The county anticipates posting the bond rating presentation to its website in the near future.

Concerning the presentation, McReynolds said, "I believe the information it contains is a good representation of the county and the many dedicated and talented team members serving its citizens. The presentation played a major role in communicating the many reasons York County is deserving of a AAA bond rating. I hope all citizens will take the time to review it once it is posted."

On January 29, York County successfully refinanced \$9,500,000 of lease revenue bonds resulting in over \$811,000 in savings. The savings were initially estimated at approximately \$600,000, however, the higher ratings and a positive market contributed to the better performance.

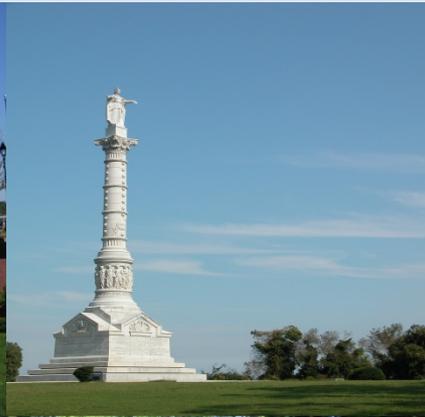
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# York County, Virginia Bond Rating Presentation January 2014



York County

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America's Future Since 1781



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# Welcome and Introduction

We are pleased to have the opportunity to share with you York County's historic heritage, our accomplishments, and to demonstrate how our strong leadership team has a history of making decisions focused on long-term financial stability while improving the quality of life for our citizens and making York County a wonderful place to live and work.

We will also be sharing with you the highlights of our new journey "Managing Performance for a Lean Government," which is engaging York County's employees and helping empower them to better perform their jobs.





# Introduction of Participants

**James (Mac) McReynolds, CPA**

County Administrator  
Telephone: 757.890.3320

Over 35 years of experience in state and local government administration and financial management. Appointed as County Administrator in 2001. Previously served as the County's Director of Financial and Management Services and the Assistant Director of General Accounting for the College of William and Mary.

**Vivian Calkins-McGettigan,**

**MBA, CPA, CIA, CPFO, CFE**  
Deputy County Administrator  
Telephone: 757.890.3320

Over 26 years of local government experience primarily in financial management. Has served in the current position since April 2013. Previously served as Director of Finance for Hanover County and Fauquier County.

**Mark Carter, MURP**

Assistant County Administrator  
Telephone: 757.890.3320

Over 36 years of local government experience, all with York County. (Planner, Director of Planning and Community Development, and Assistant to the County Administrator). 10+ years in current position.





# Introduction of Participants - Continued

**Jim Noel, MPA**

Economic Development

Director

Telephone: 757.890.3318

Over 34 years of local government experience primarily in economic development. Has served in the current position since Nov. 1993. Previously worked in economic development for the City of Portsmouth.

**Sharon Day, CPA, MSA**

Controller

Telephone: 757.890.3711

Over 20 years of accounting, auditing and budgeting experience. Has worked for York County since June 2003, most recently as the Controller and previously as the Chief of Budget & Financial Reporting. Previously served as an Audit Manager for various international, regional and local accounting firms.



York County

*America's Future Since 1781*



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- Vivian McGettigan, Deputy County Administrator

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- Sharon Day, Controller

## **VI. Plans for York County's Future**

- James McReynolds, County Administrator





# Credit Rating Objectives

## Purpose of Meeting:

1. Reaffirm/Upgrade the County's Lease Revenue Bond Ratings in Preparation for a \$9.5 Million Refunding of Series 2003 Lease Revenue Bonds
2. Discuss Historical and Projected Financial Information
3. Demonstrate Stability and Economic Successes

## Timeline:

Expected Rating	January 23, 2014
Expected Sale	January 29, 2014
Expected Closing	February 27, 2014

## Current Ratings:

	Moody's	S&P
General Obligation Bond Ratings	Aa1	AA+
Lease Revenue Bond Ratings	Aa2	AA



**This Presentation  
Resulted in York  
Receiving AAA  
from S&P**



# Original 2003 Lease Revenue Bonds

Riverwalk (Parking Terrace & Renovations)	\$ 3.5
Fire & Rescue Equipment	2.0
Emergency Communications (Building, Equipment & Towers)	<u>11.5</u>
Total	<u>\$17.0</u>

**10 Years Later We are Meeting Today to Discuss Refinancing the Remaining \$9.5 Million with Estimated NPV Savings of \$600,000**





# Yorktown Revitalization



1980s

- Parking Garage
- Floating Piers
- Buildings
- Brick Sidewalks
- Shoreline Stabilization Structures



Present

\$24.0 Million Investment  
 \$20.5 Million (Grants,  
 Lodging Taxes & Cash  
 Reserves)

**Only \$3.5 Million  
 Financed**



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# Overview of York County



- **Historic Area** - Government Founded in 1634
- **Presently Serving** - 67,000 Citizens and 1,350 Businesses
- **Long History of Fiscal Conservatism** - Long-serving Board Focused on the Long-term Impacts of Their Decisions
- **Experienced Decision Makers in Leadership Roles** - Active in Professional Associations and Highly Collaborative



# Long History of Fiscal Conservatism

		<b>Years of Service</b>	<b>Occupation</b>
Walter C. Zaremba		18	Estate Planning Attorney and Elder Law (Independent Business Owner) Retired Army Colonel
Sheila S. Noll		18	Community Advocate
Donald E. Wiggins		10	Independent Business Owner – Residential and Commercial Construction
George S. Hrichak		6	City of Chesapeake Fleet Manager Retired Army Colonel
Thomas G. Shepperd, Jr.		12	Retired Air Force Colonel & Retired Military Contractor



# Overview of York County

**County Positioned Well for Dealing with the Recent Recession and Will Continue to Serve the Citizens into the Future**

**Results:**

- Ended Each Year with Revenues Exceeding Expenditures While Maintaining at Least a 12% Fund Balance
- Consistently Maintained One of the Lowest Real Property Tax Rates in Region
- Low Per Capita Expenditures
- Fewest Number of Employees Per Thousand Citizens
- High Rating in Citizen Satisfaction Surveys





# York's Historic Location



- Founded in 1634 as one of eight original Shires
- Site of last battle of the American Revolution



York County



# Mission Statement

As stewards of the public trust and resources, the Board of Supervisors will **maintain and improve the quality of life** for all County citizens. With equal importance the Board will:

- **Emphasize efficiency, effectiveness**, and openness of County government
- **Protect** the physical, historical, and environmental heritage of the County
- **Ensure that growth and development** are positive forces on the quality of life
- **Value and respect the individual**



York County



# Board Goals

- Goal 1.** Pursue and support **economic development** that supports and broadens the tax base and enhances the County's character and quality of life.
- Goal 2.** Improve **communication and respect** among the Board of Supervisors, the public, other elected and appointed officials, other agencies, and County staff.
- Goal 3.** Promote **accountability, innovation and excellence** in providing service to the customer.
- Goal 4.** Generate **quality educational** opportunities for all citizens.
- Goal 5.** Manage the **provision and expansion of County services** and facilities in a manner that balances necessary increases in expenditures with the expansion of the tax base.





# Regional Partnerships – Sharing Costs and Providing Higher Quality Service

## York Manages:

- Regional 9-1-1 Communications Center (5)
- Colonial Group Home Commission and Crossroads Community Youth Home (4)
- Sheriff and Court Services Costs (2)



## York Participates:

- Hampton Roads Planning District Commission (17)
- Hampton Roads Transportation Planning Organization (17)
- Hampton Roads Military and Federal Facilities Alliance (13)
- Greater Williamsburg Tourism Alliance (3)
- Colonial Behavioral Health (4)
- Hampton Roads Economic Development Alliance (15)
- Peninsula Council for Workforce Development (6)
- Virginia Peninsula Regional Jail (4)
- Middle Peninsula Juvenile Detention Commission and Merrimac Juvenile Detention Center (18)
- Virginia Peninsulas Public Service Authority (10)
- Williamsburg Regional Library System (3)
- Hampton Roads Regional Criminal Justice Training Academy (29)
- Peninsula Regional Live Fire Training Facility (6)
- Peninsula Regional Animal Shelter (4)
- Williamsburg Area Destination Marketing Committee (3)
- Williamsburg Area Transit (3)



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# Innovative Decision Makers in Leadership Roles



Examples of Awards and Achievements



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# 17 National Association of Counties Awards in Past Four Years

## 2010

1. Science Field Trip Productions
2. Wetlands Interpretive Sanctuary for Education (WISE)
3. Bats, Balls and a BMP: An Intergovernmental Project Produces Regional Benefits
4. AED Locator
5. Birds, Bees and Building Sustainability
6. EMS Mobile Training Trailers
7. Safe Work Area Ambulance Design
8. Mass Casualty / Evacuation Transport Unit

## 2011

9. Detecting the Invisible Killer
10. Working Collaboratively to Address the Needs of All Preschool Children
11. Virtual High School
12. Functional Circuit Training Fitness Program

## 2012

13. County News Minute
14. Automated Storm Surge Look-Up Tool
15. Don't Be a Drip Water Management Program

## 2013

16. Go Web and Go Wireless
17. Mobilizing Training to Meet a Need





# Virginia Awards and Achievements

## Virginia Association of Counties

- Bats, Balls and a BMP: An Intergovernmental Project Produces Regional Benefits (2010)
- Automatic External Defibrillators in the Parks (2011)
- Outstanding Customer Service for Prospective Employees (2011)
- Virtual Public Safety Access Point (2013)

## Virginia Municipal League

- Where the Rubber Meets the Road – Defensive Driving Training Award (2013)
- Go Green Government Challenge – Certified Green Government – Gold Level (2013)





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# Just a Few Recent Awards and Achievements

## 2013

- A+ transparency rating for County website by the Sunshine Review
- “Best New Special Event” Award to York County Parks, Recreation and Tourism by the Virginia Recreation and Parks Society
- “Most Outstanding Young Adult Program” Award to the York County Public Library by the Virginia Public Library Director’s Association
- York County Library Director named President of the Virginia Library Association



## 2012

- First locality in the nation to launch “text-to-911” capability for emergency calls
- Emergency Communications Manager named President of APCO (Association of Public Communications Officials), an international organization



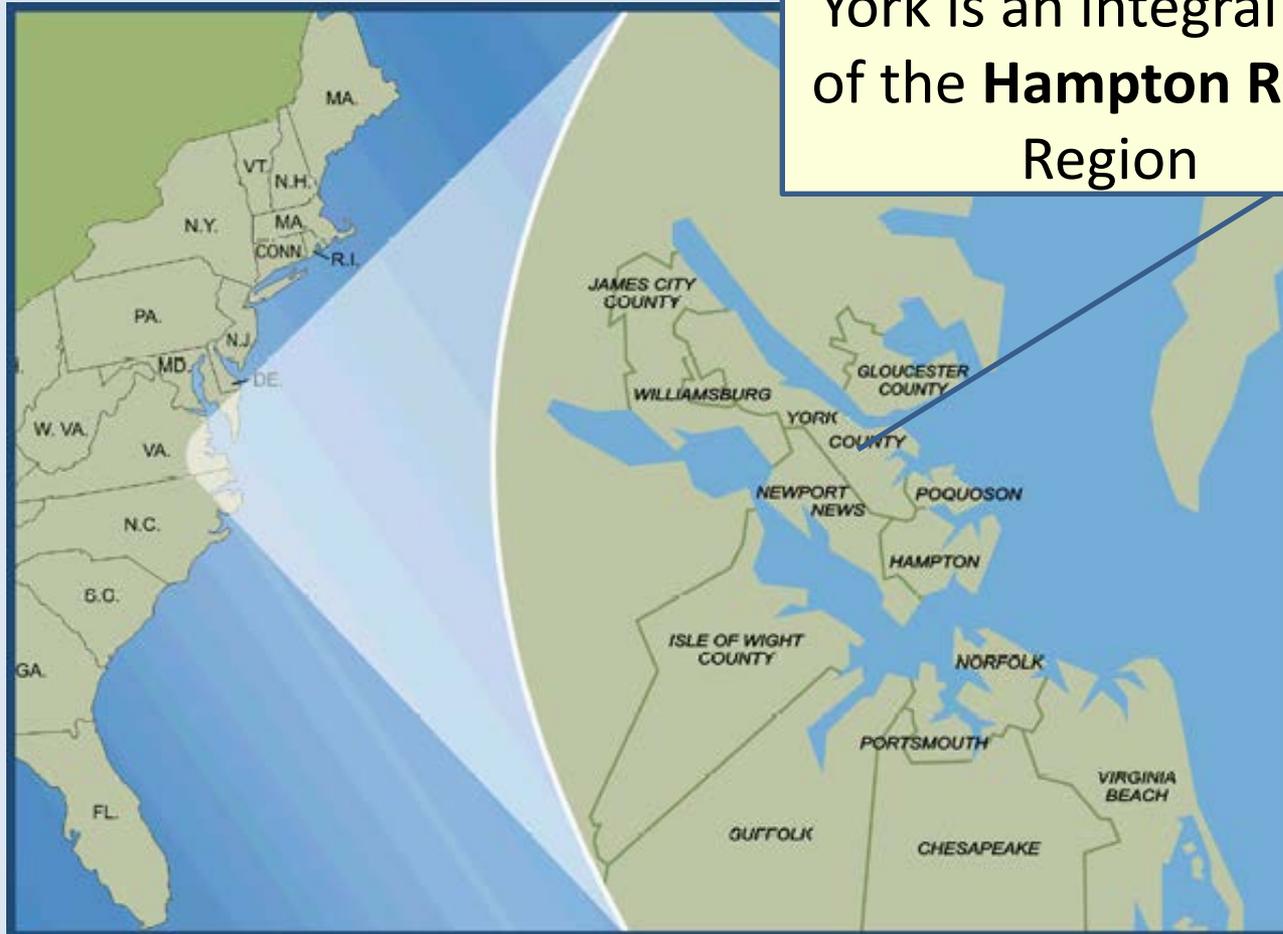
## 2010

- County named a “StormReady County/Community” by NOAA



# York's Strategic Location

York is an integral part of the **Hampton Roads Region**





# Theme: York's Strategic Location

## Geographic Location and Transportation:

- Easy Driving Distance to Richmond, Virginia Beach, Norfolk, & Washington D.C.
- Easy Access to Interstate Highway, Deep Water, Rail, Airport

## York's Long-Established Land Use Plan Provides:

- Balance of Land Uses
- Quality Development (Residential and Commercial)
- Positive Impact on Quality of Life (Board Goal)

## Guided and Stabilizing Residential and Commercial Growth:

- Provides for Better Management of Governmental Infrastructure Costs
- Provides for Controlled Expenditure Growth





# Transportation

## Highways

- Interstate 64 (interchanges: 3 in York /4 with direct connection)
- U.S. Routes 17 and 60
- State Primary Routes 105, 134, 143, 171, 173, 199

## Transit

- Williamsburg Area Transit
- Yorktown Trolley

## Airports

- Newport News-Williamsburg International
- Norfolk International
- Richmond International

## Rail

- Passenger – AMTRAK (Williamsburg or Newport News)
- Freight - CSX mainline and spur

## Waterways

- York River and Chesapeake Bay (Naval, Cargo, Passenger, Recreational)
- Yorktown – “Port of Historic Triangle”

## Bikeways / Walkways

- Regional Bikeways (Williamsburg, James City County, York)
- Yorktown Riverwalk



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# Transportation Initiatives

- I-64 Expansion
  - Funding secured for adding an additional lane East & Westbound from Newport News to Route 199 (Humelsine Parkway and Marquis Center Parkway).
- Ft. Eustis Extension
  - Federally funded widening of Ft. Eustis Boulevard to four lanes completed in 2012.
- Route 17 Expansion/Beautification
  - \$57.6 Million Route 17 widening project is underway and scheduled for completion in 2016. Project scope includes undergrounding all utilities.



# Investments in Transportation Systems

## Public Transportation

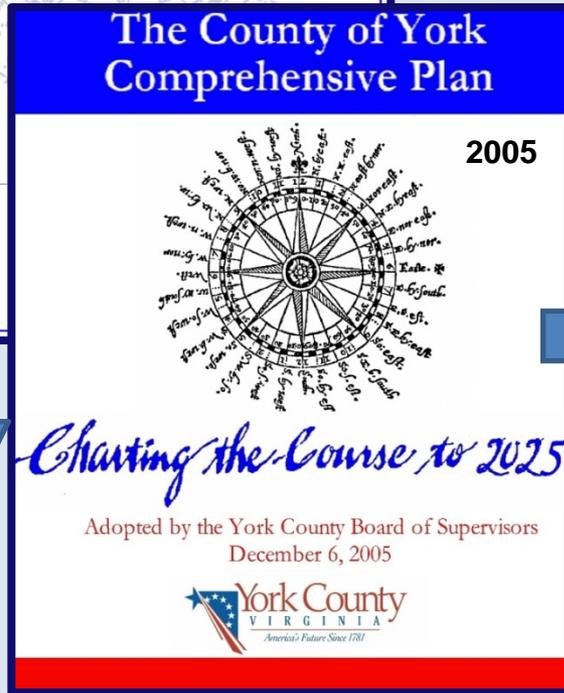
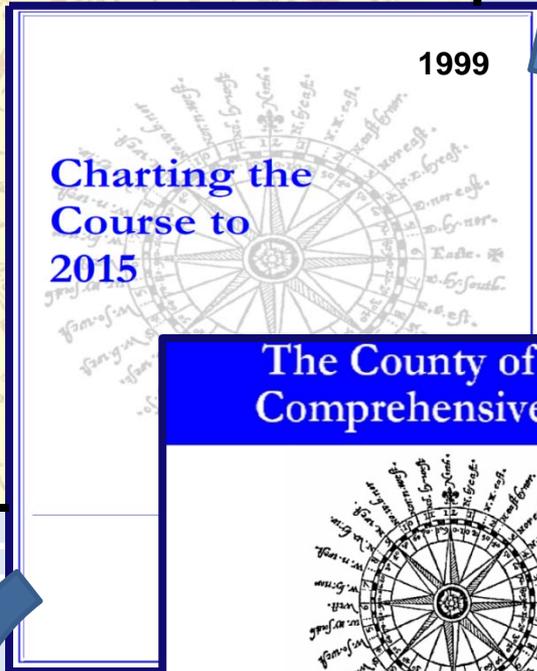
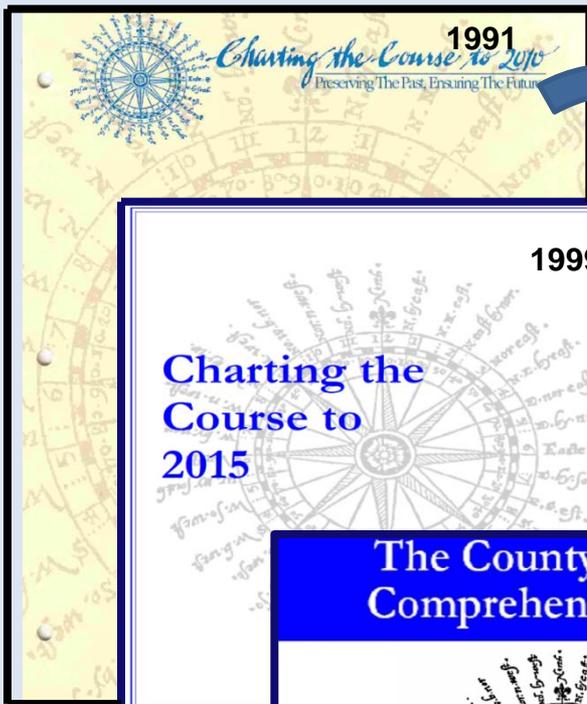
### Williamsburg Area Transit Authority

- Daily transit routes in Upper County
- \$300,000+ annual York County “local” share contribution



### Yorktown Trolley – Operating since 1999

- Three grant-funded trolleys
- Operations funded by Lodging Tax revenues



# Long History of Comprehensive Planning in York



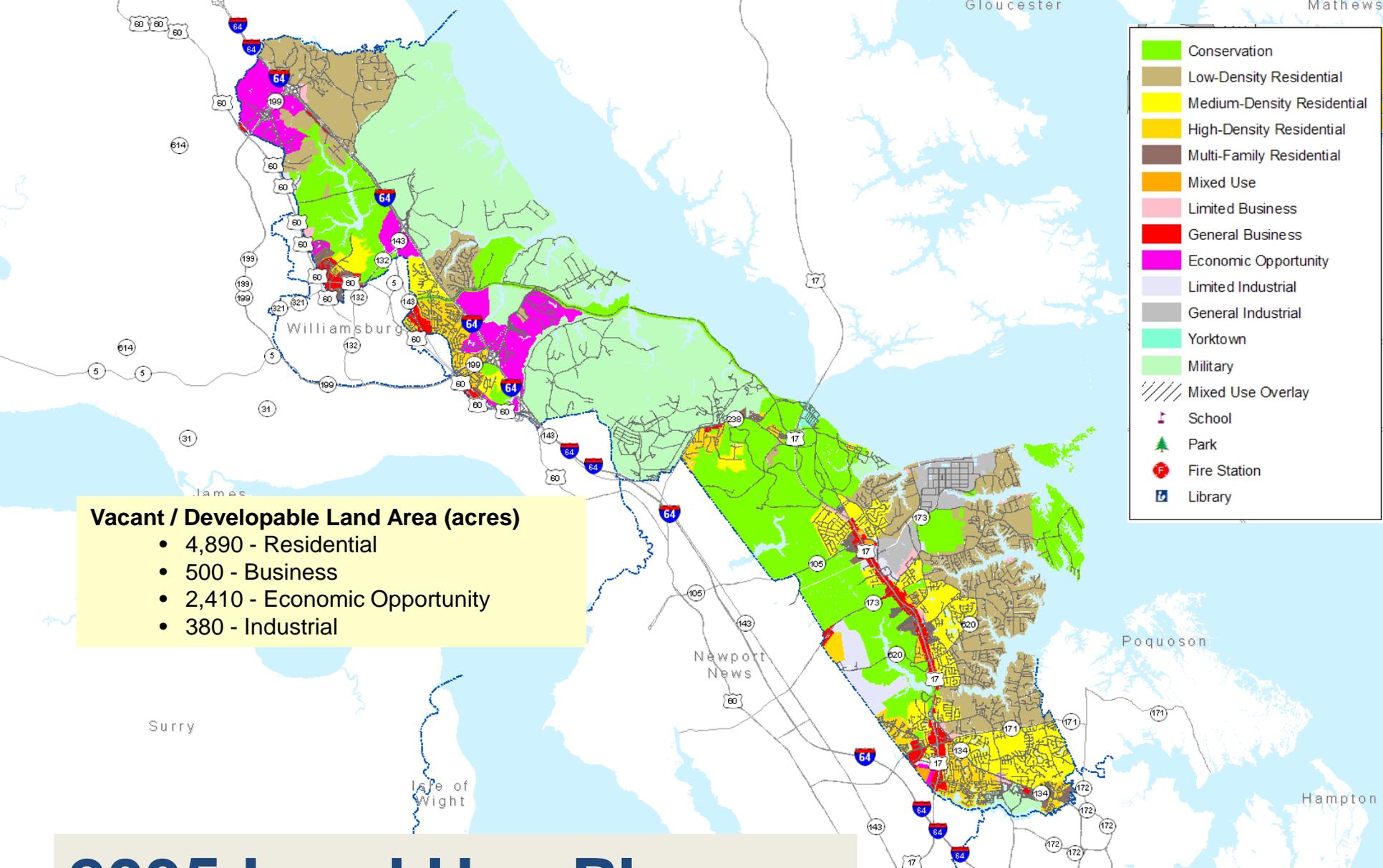


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# Development Principles

- Residential, Commercial, and Industrial **zoning patterns** have remained relatively **stable for 50+ years**; property values protected
- Residential development has been managed to **avoid dramatic and rapid population growth**
- Development policies have ensured **environmental and historical resources respect and protection**
- Development **policies** encourage **quality design** and aesthetics in residential and commercial development
- Desired **growth areas** have been identified and **targeted** for necessary investments in infrastructure



**Vacant / Developable Land Area (acres)**

- 4,890 - Residential
- 500 - Business
- 2,410 - Economic Opportunity
- 380 - Industrial

# 2035 Land Use Plan



# Housing

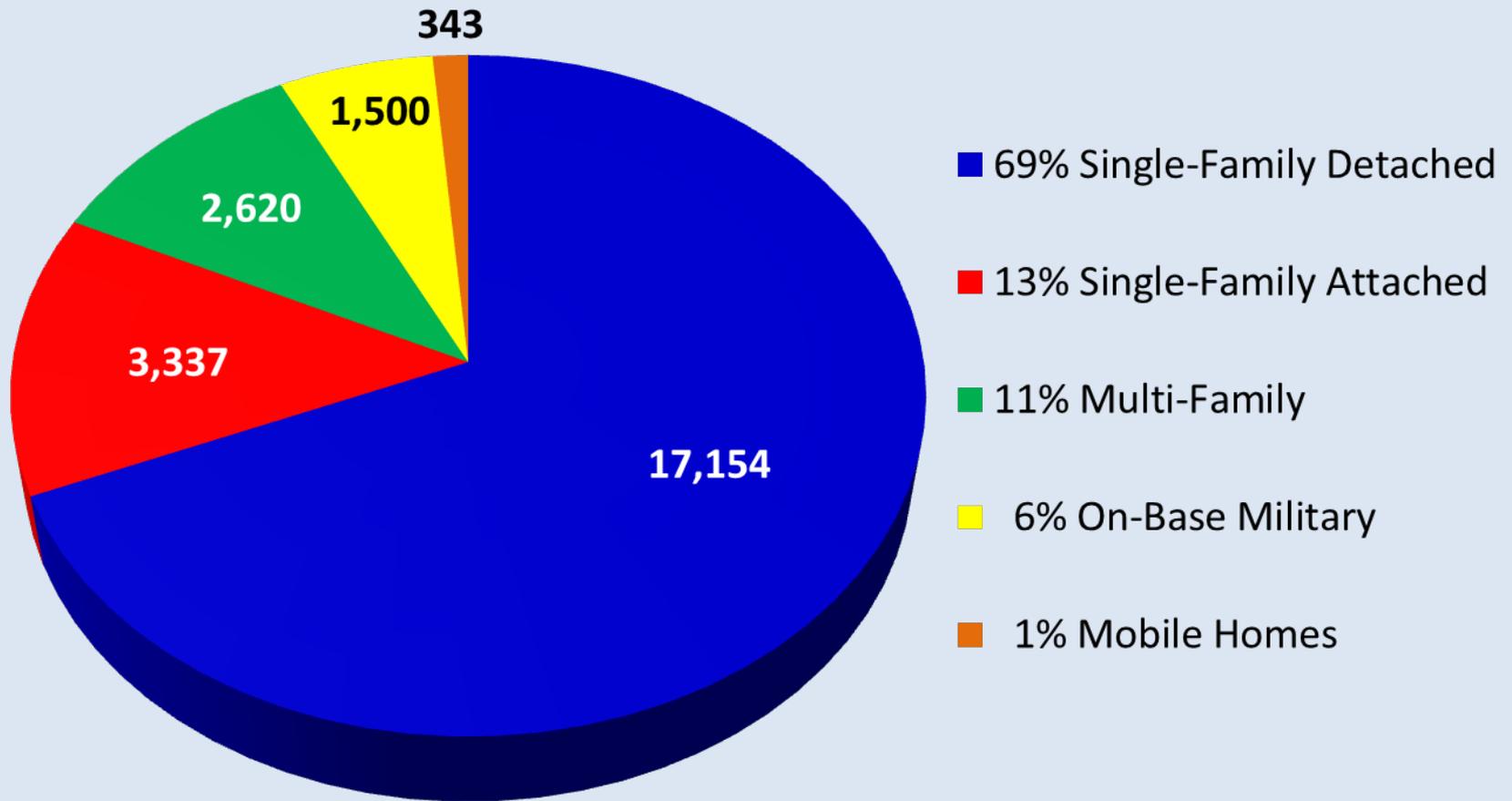
- Variety of housing choices
- 33%+ less than 15 years old
- Relatively larger lots compared to surrounding jurisdictions; densities relatively low
- Mixed Use projects are adding a new dimension in housing opportunities
- People move to York because of schools, “rural” character, quality of life, recreational amenities, etc.



Nelson's Grant Mixed Use



# Housing Units by Type



Source: 2010 US Census



# Utilities Strategic Capital Investments

## Water and Sanitary Sewer Extensions and Stormwater Improvements

### Over \$72 Million Invested Since Mid-1990s Using Various Funding Sources

- 50% of County Meals Tax revenues
- Tap fees
- Bond financing
- VDOT Revenue Sharing Program (Stormwater Projects)

### Policy Objectives

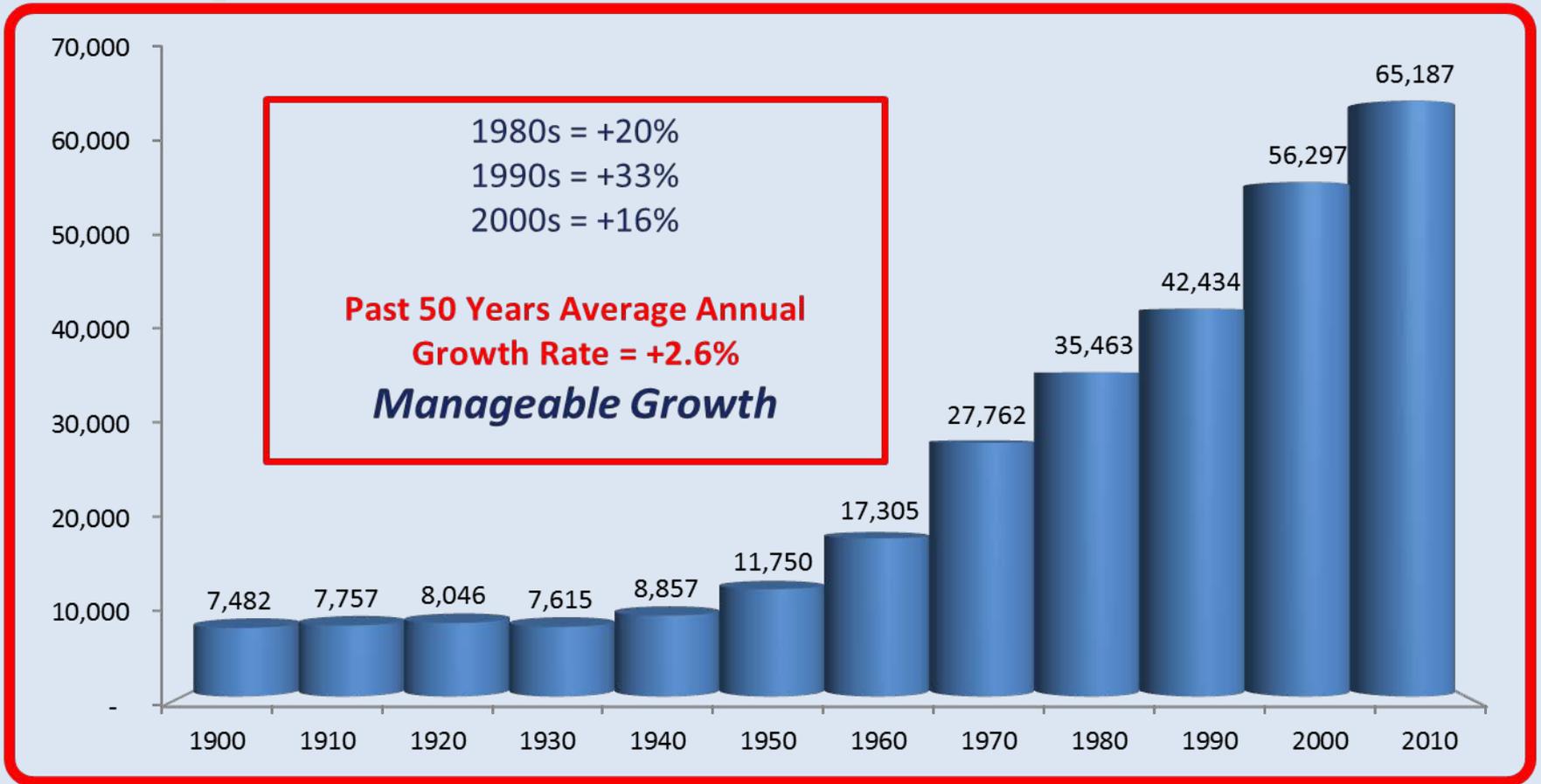
- Eliminate public health hazards caused by failing septic systems
- Eliminate environmental threats, particularly to waterways and the Chesapeake Bay
- Address fire safety by providing fire hydrants and adequate fire flows
- Address private property and roadside stormwater flooding issues

To Promote Targeted Business Development and Protect the Environment

Board Implemented a Long-term Strategic Plan



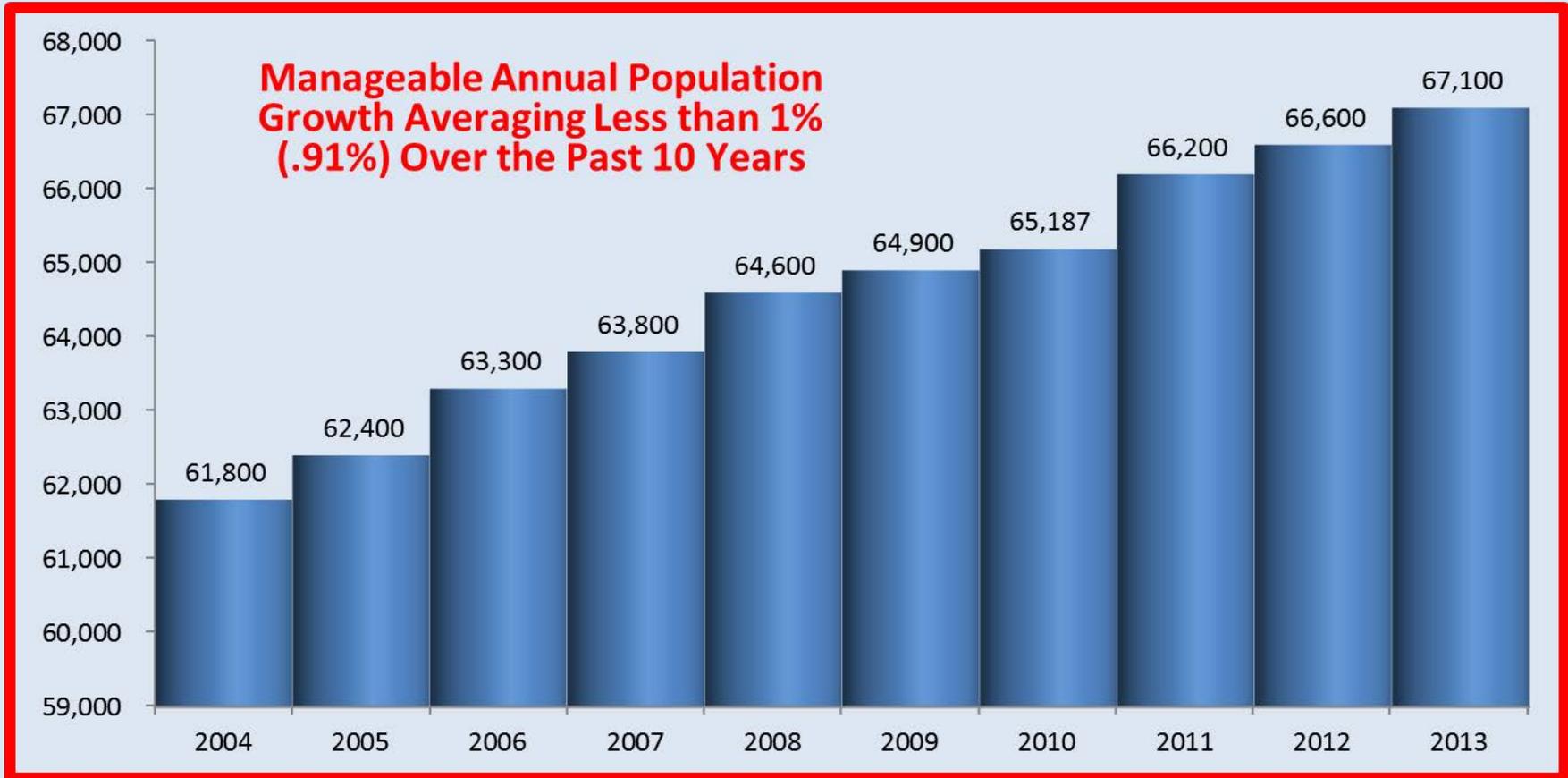
# Population Growth



Source: US Census and County Estimates based on Building Permit data



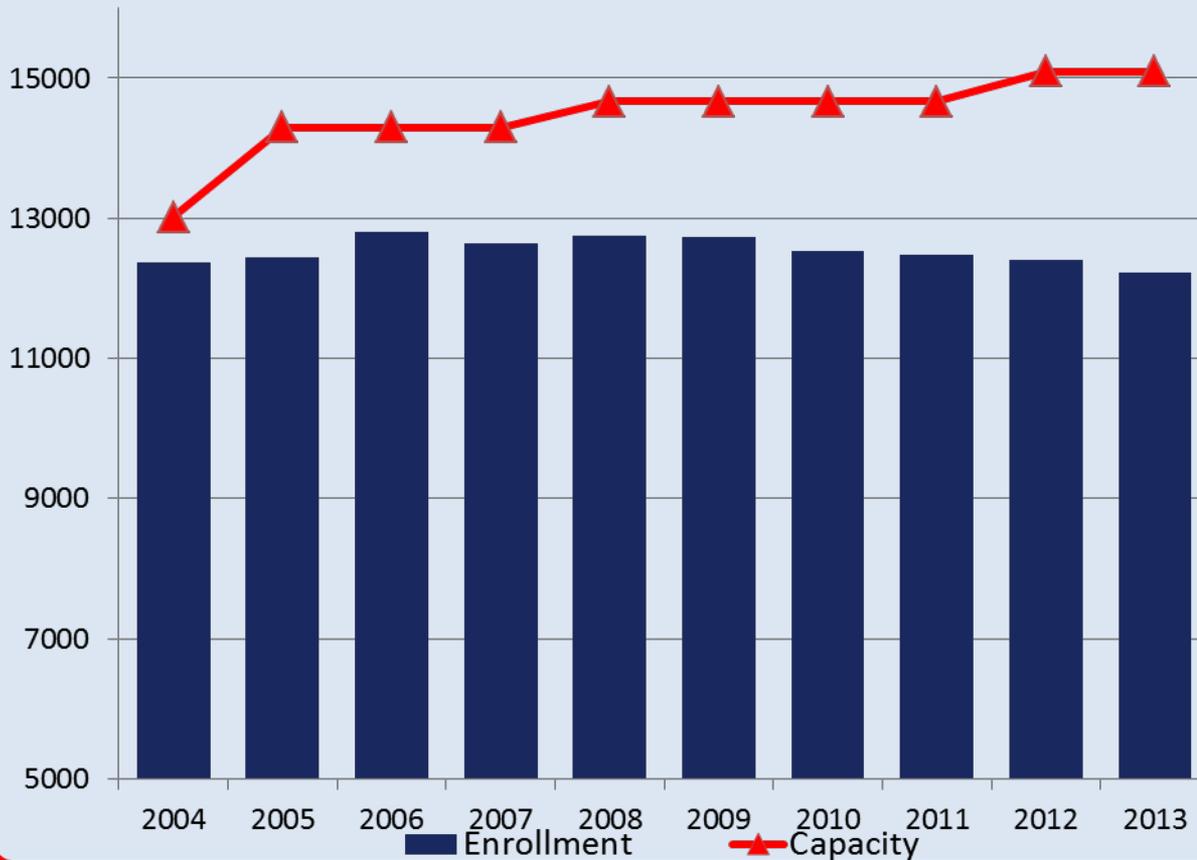
# Recent Population Growth



Source: US Census and County Estimates Based on Building Permit Data



# Low Fiscal Stress From School Construction Requirements



Steady School Enrollments with Sufficient Capacity

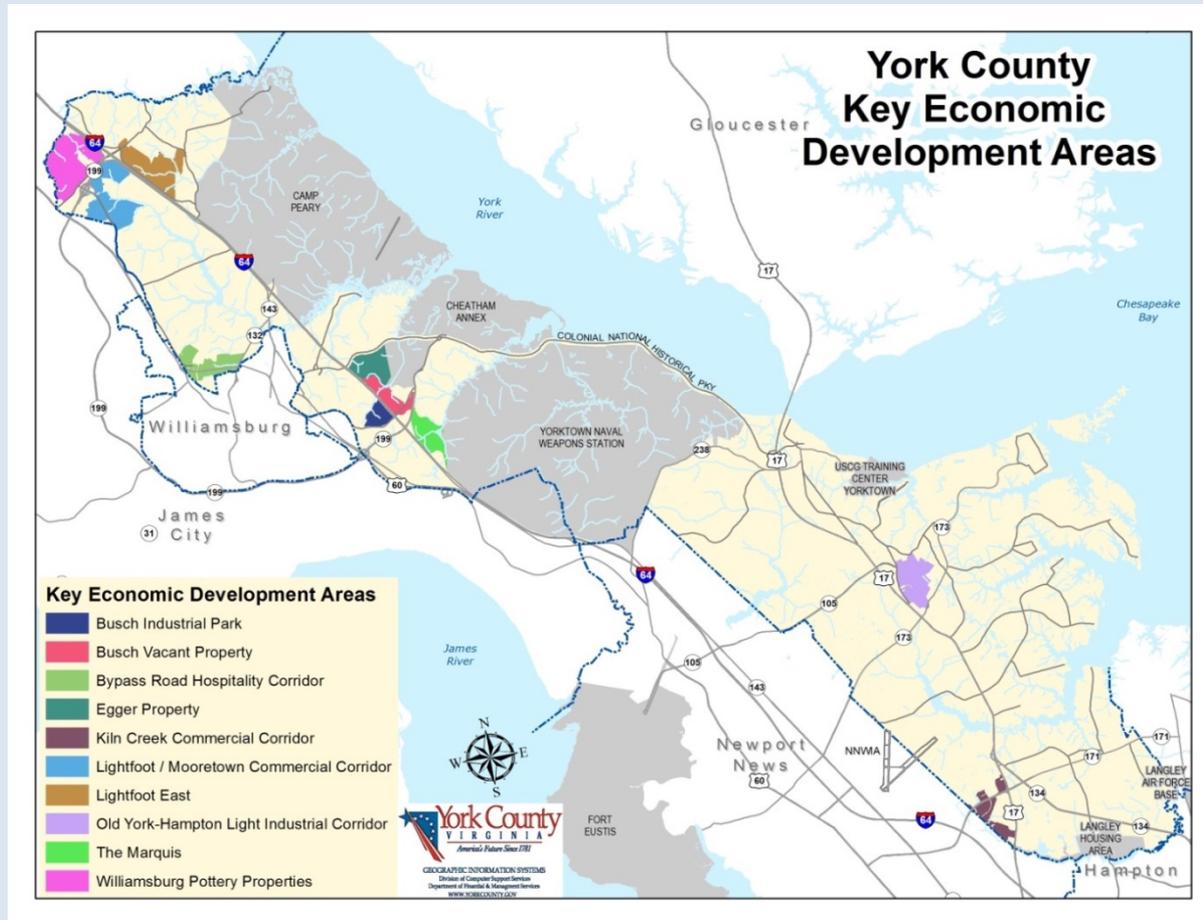
Has Been An Advantage for Managing Infrastructure Needs

Two Recent School Proffers

Source: Enrollment - June 30, 2013 CAFR, Page L-16 (Average Daily Membership)  
Source: Capacity - York County School Division Facility Plan



# Economic Development and Tourism





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# Theme: Economic Development and Tourism

## *Our Goal: Attract and Retain **Quality** Businesses*

- York's Economic Development Environment
- How We Attract New Business
- How We Support Growth of Existing Businesses
- Our Successes
- Future of Economic Development In York County





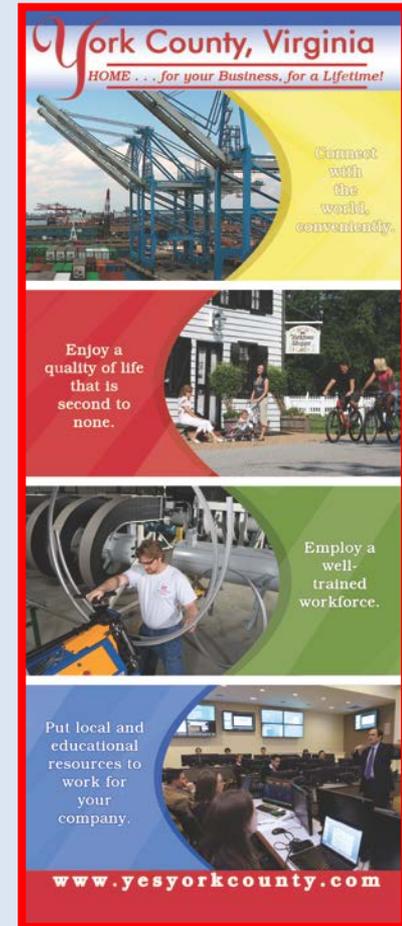
# York's Economic Development Mission

## Board of Supervisors' Goal:

Define and aggressively pursue economic development that **broadens the County's tax base** and sustains its character and **quality of life**.

## Office of Economic Development's Mission:

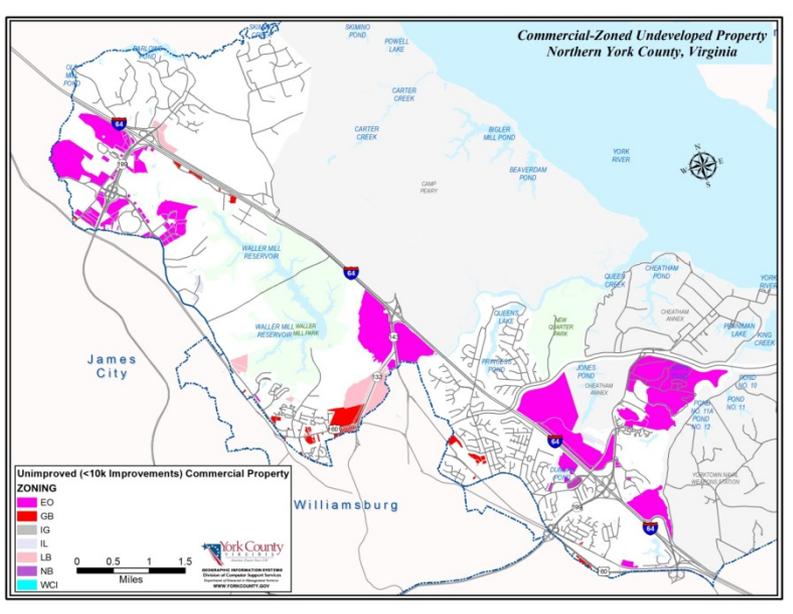
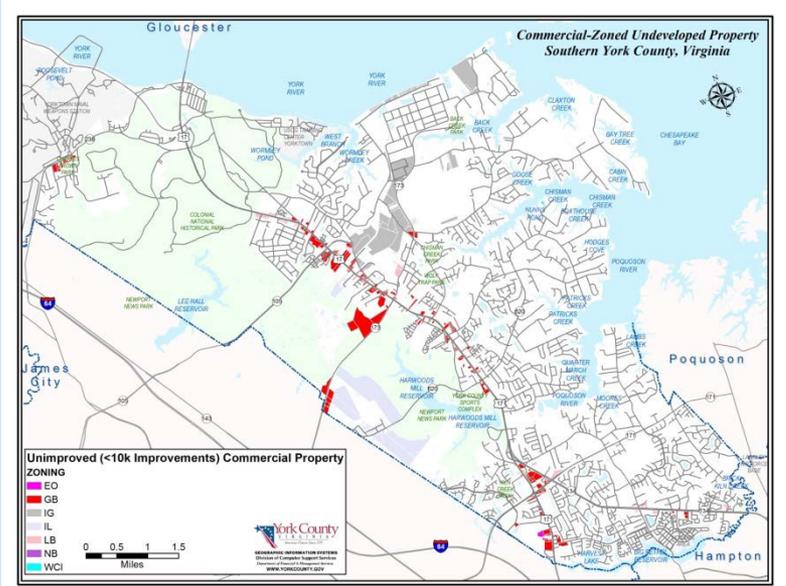
To create a **diverse economic base** by the aggressive recruitment, expansion and retention of businesses, industries, and tourism, thus **expanding the tax base and capital investment** in the County and providing **new employment opportunities** for its citizens.





# Available Commercial Land

Total Acres Available 4,025  
2,025 Acres Zoned EO  
Commercial Vacancy Rate – 5.5%  
(Qtrs 1-3 2012)





# Trucking Drive Times





# Old York-Hampton Light Industrial Corridor

Targeted  
for  
Light  
Industrial





# Lightfoot Commercial Corridor

1980s Recognized  
Economic  
Potential

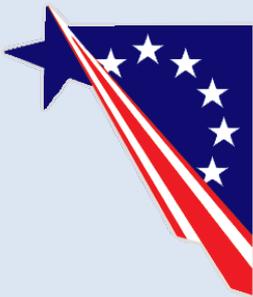
Installed Water &  
Sewer

State Extended  
the Roads

Very  
Successful  
Development

Large Tracts  
Available for  
Future  
Development

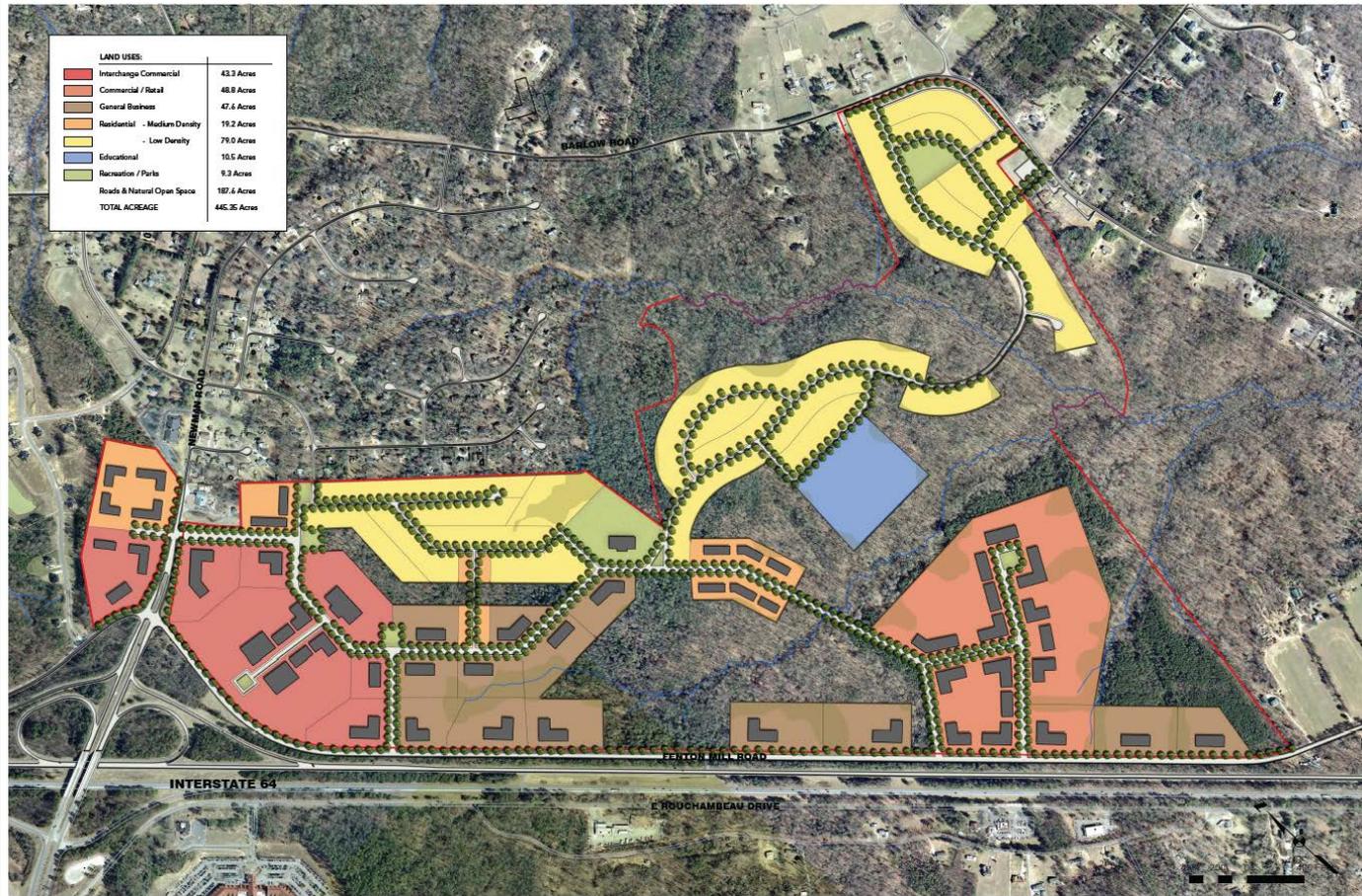




# Lightfoot East

650 Acres

Working with Owners to Attract Quality Development



YORK COUNTY - LIGHTFOOT PROPERTIES - CONCEPT DEVELOPMENT PLAN





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# Kiln Creek Commercial Corridor

Successful Retail &  
Business Hub for the  
Lower End of the County  
Located in the Most  
Populated Area of the  
County

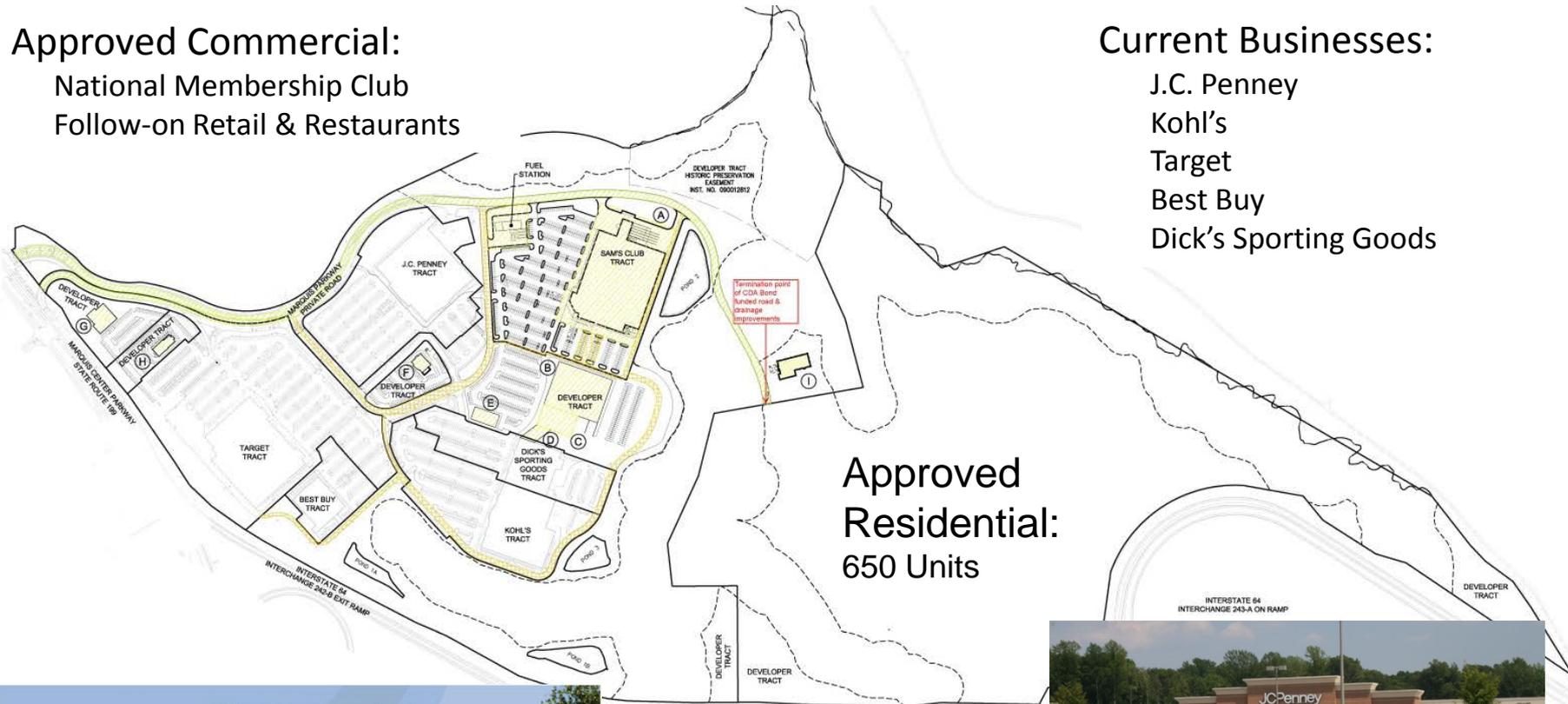




# The Marquis

Approved Commercial:  
National Membership Club  
Follow-on Retail & Restaurants

Current Businesses:  
J.C. Penney  
Kohl's  
Target  
Best Buy  
Dick's Sporting Goods



Approved Residential:  
650 Units





# Mixed-Use Developments Reflect Lifestyle Trends

- Three planned mixed-use developments will provide options for people ready to downsize or embrace the live\work\play lifestyle
  - Nelson’s Grant
  - Yorktown Crescent
  - Commonwealth Green





# Regional Assets

## Transportation:

- Newport News / Williamsburg International Airport
- CSX Rail
- Port of Virginia



## Research:

- Jefferson Lab
- NASA Langley Research Center
- National Institute of Aerospace

## Higher Education:

- College of William & Mary
- Christopher Newport University
- Hampton University
- Thomas Nelson Community College



# Regional Labor Force

## Labor Force:

- Regional - Civilian Labor Force - 848,262
- Local – 33,416
- 13,000 Exiting Military Annually

## Workforce Organizations:

- Peninsula Council for Workforce Development
- Peninsula Workforce Development Center





# Economic Regional Cooperation



[www.ArtsInWilliamsburg.com](http://www.ArtsInWilliamsburg.com)

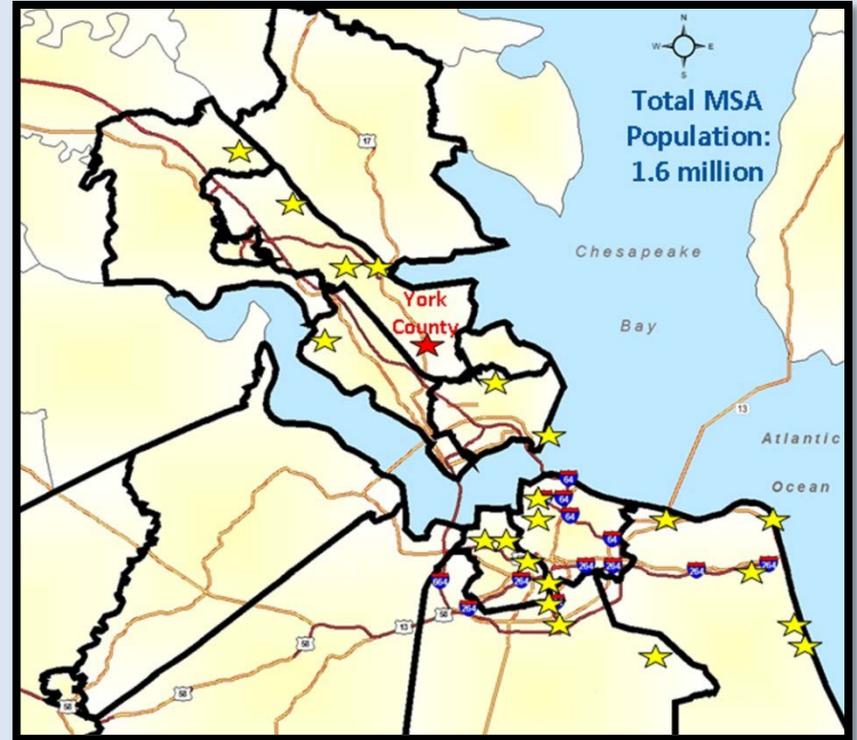


York County 47



# Regional Military Influence

## Defense Spending



**\$255.9M**

Defense Spending ⓘ

**\$159.1M**

DoD-Dependent  
Gross Regional Product ⓘ

**8.5%**

Risk Score ⓘ

**3,042**

14.4%  
DoD-Dependent Employment ⓘ

2,151 / 101 / 791

DoD-Dependent Employment  
Direct / Indirect / Induced ⓘ

**York County**



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# Military Presence

## Naval Weapons Station/Cheatham Annex

Marine Corps Security Force Regiment consolidation resulted in an influx of approximately 800 marines, sailors, & civilians



## Camp Peary

11,000 acre facility has experienced consistent upgrades and growth due to the “War on Terror”

## U.S. Coast Guard Training Center

Largest training base on the East Coast and recently initiated construction of a new \$11 Million training facility





# Virginia's Tourism Industry

## York (2012):

- \$203.8 Million in Visitor Spending
- Supported 1,900 Jobs

## Virginia (2012):

- \$21.2 Billion in Visitor Spending
- Supported 210,000 Jobs



**Tourism is a Major Sector of York's Economy**





# Tourism



- American Revolution Museum
  - The Yorktown Victory Center is being replaced with a new 80,000 s.f. museum at an estimated cost of \$46 Million, planned to open in 2015.
- Lodging Data
  - Hotel Suites – 1,286
  - Hotel Rooms – 1,469
  - Timeshare Rooms – 1,615





# Supporting Existing Business and Fostering Entrepreneurship

- ❖ **Financial Assistance Programs**
- ❖ **Business Assistance Programs**
- ❖ **Incubators**



- ❖ Home-Based Business Transition Grant Program
- ❖ E-Commerce Grant Program
- ❖ Business Assistance Guides & Tips
- ❖ Commercial Development Guide
- ❖ Grand Opening Guide
- ❖ Business Education Classes
- ❖ Triangle Business & Innovation Center Incubator
- ❖ Business Incentive Programs
- ❖ Economic Gardening Program



# Business Awards

- **CW Optics** was recognized for Healthcare Innovation at the 2013 Virginia Healthcare Innovators Awards in the Medical Product or Device Category for their WoundImager technology.
- U.S. News and World Report ranked **Sentara Williamsburg Regional Medical Center** 3rd out of 26 on their list of Virginia's best hospitals in the Hampton Roads area and 13th out of 128 hospitals in Virginia.
- **AVID LLC** was named by SoarA5 as one of the Top 5 Unmanned Aircraft Systems Companies in the country to watch.
- National Geographic Named **Pierce's BBQ** as one of the Top 10 BBQ restaurants in the U.S





# New and Expanding Businesses

## ➤ Casey Toyota

- Constructed a new sales and service center representing a total investment of \$8 Million and the creation of 75-100 jobs

## ➤ Magnolia Cleaning Services

- Existing York County Company expanding into a new 22,000 s.f. facility
- Project will result in \$2 Million in capital investment and 31 new employees





# New and Expanding Businesses

## ➤ Plains All American Pipeline

- Invested \$130M in expanding and modernizing terminal facilities
- Will add 60 new full-time contract jobs by the end of 2014

## ➤ Enterprise Holdings

- Purchased and renovated two vacant commercial buildings totaling 23,000 s.f.
- Will relocate approximately 90 employees to the two office complexes in early 2014





# New and Expanding Businesses



## ➤ HMP Properties

- Invested \$7.7 Million in the renovation of the Days Inn Williamsburg and the conversion of Days Inn Lightfoot to a Holiday Inn Express



## ➤ Kings Creek Plantation

- Secured funding for \$10 Million expansion of its five-star-rated Estates timeshare section
- The project will add 23 new four-bedroom single-home units



# Statistical & Economic Profile





# Theme: York's Statistical and Economic Profile

## Defining York County:

- Highly Educated Workforce
- Strong Regional Job Opportunities
- Diverse Tax Base
- Fiscally Conservative Governing Body
- High Quality Government Services

*This Environment Supports a High Quality of Life Making York a Great Place to Live and Work*

## Translates To:

- High Income Levels
- Consistently Low Unemployment
- Stable Housing Market
- Low Managed Tax Rate
- High Citizen Satisfaction

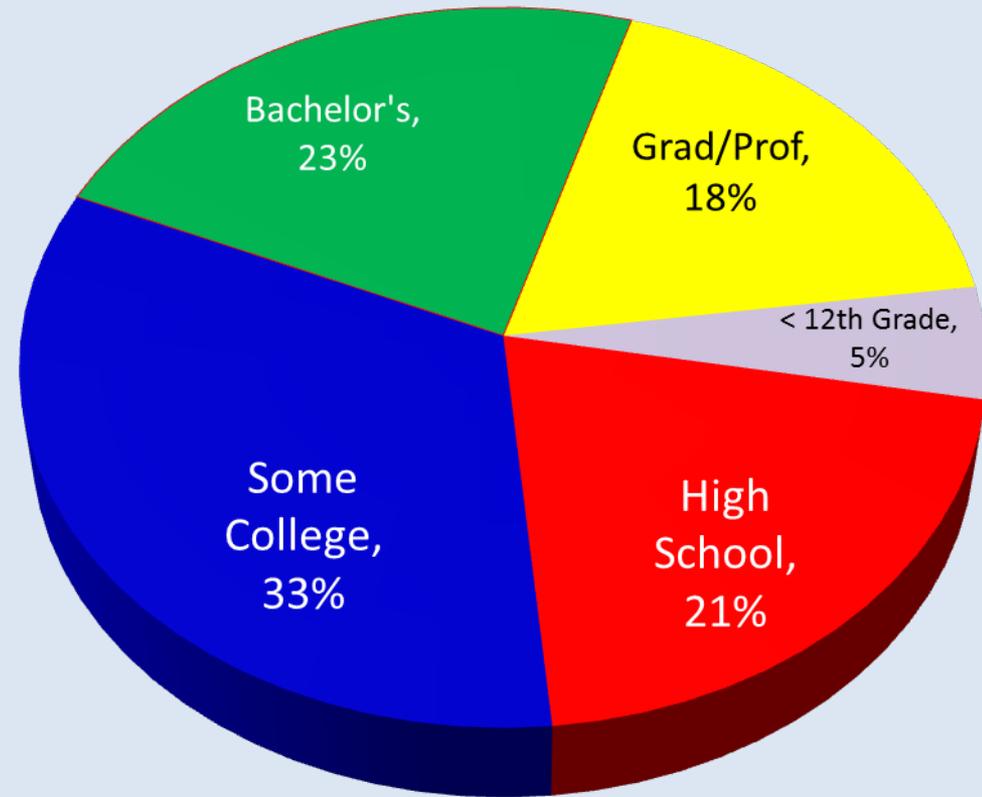




# Educational Attainment

	York	Virginia	U.S.
Grad/Prof	18%	15%	11%
Bachelor's	23%	20%	18%
Some College	33%	27%	29%
High School	21%	25%	28%
< 12th Grade	5%	13%	14%

York County



**41% of York's Residents have a Bachelor's Degree or Higher Compared to 35% in Virginia and 29% Nation-wide**

Source: U.S. Census Bureau, American Community Survey 2010-2012 (Chart updated from website Dec 2013 information)



# How Does York's School Division Compare?

1<sup>st</sup> in the Performance Criteria for Regional Peers

York Spends Less Per Pupil than All but One of Its Regional Peers

School Division	Per Pupil Expenditure	English Standards of Learning (SOL) Scores	Math Standards of Learning (SOL) Scores	Graduation %	% of Students Attending College
Poquoson	\$9,600	82	79	95%	83%
<b>York County</b>	<b>\$9,637</b>	<b>83</b>	<b>81</b>	<b>99%</b>	<b>87%</b>
Hampton	\$10,071	67	67	93%	74%
Newport News	\$10,419	64	59	95%	64%
Williamsburg/James City County	\$11,123	82	79	95%	79%

Source: Virginia Dept. of Education, State Superintendent's Annual Report Fiscal Year 2012



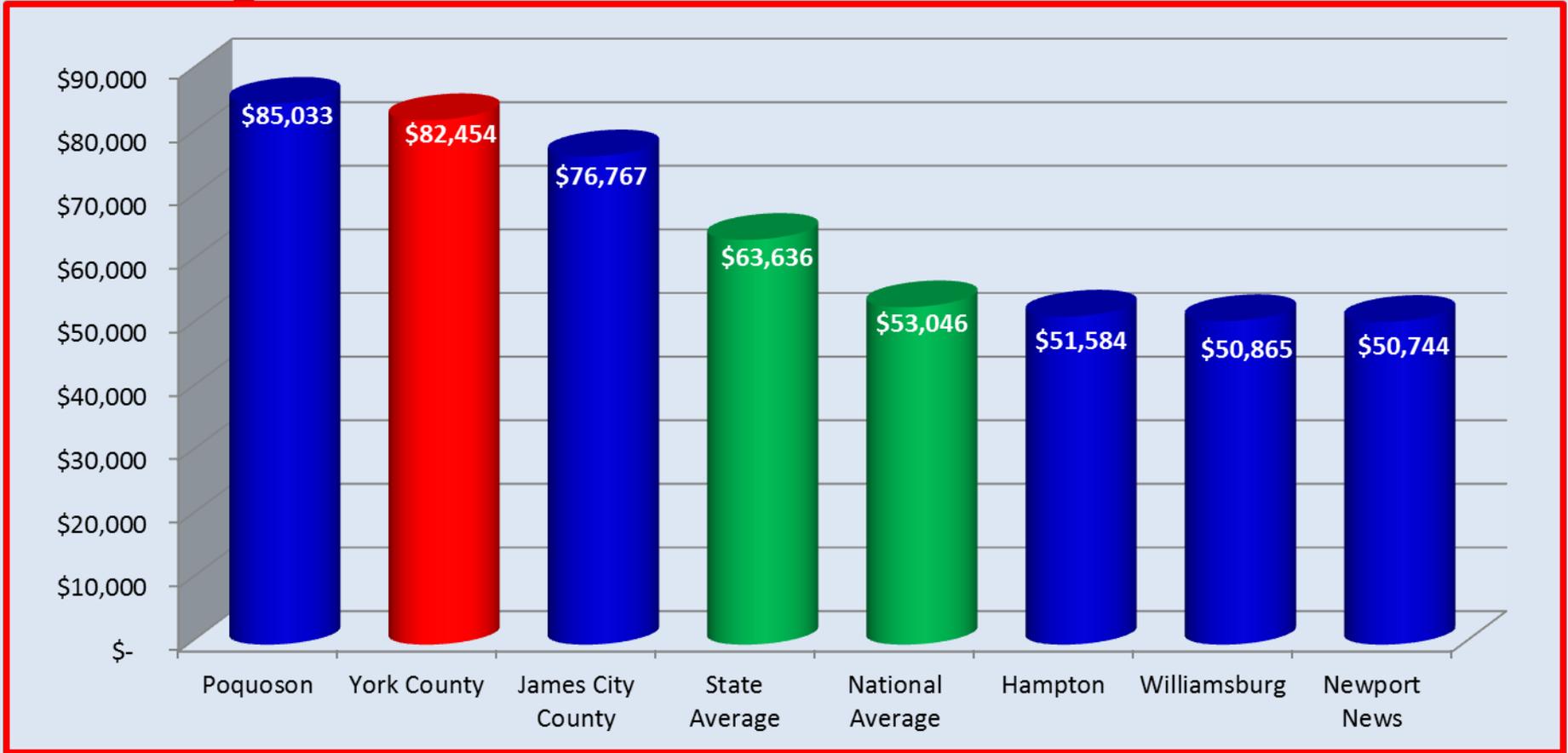
# Exceptional Schools

- 99.97% of teachers are “highly qualified” as defined by the federal *No Child Left Behind Act*
- Tests Scores Consistently Higher Than State and National Averages
- More Than Two-thirds of Seniors Earn Advanced Diplomas
- Recognized by The Clair Booth Luce Policy Institute and Standard & Poors for High Performance and Low Cost
- Accredited by Southern Association of Colleges and Schools
- Next to Lowest Per Pupil Expenditure in Region





# High Median Household Income (2008-2012)



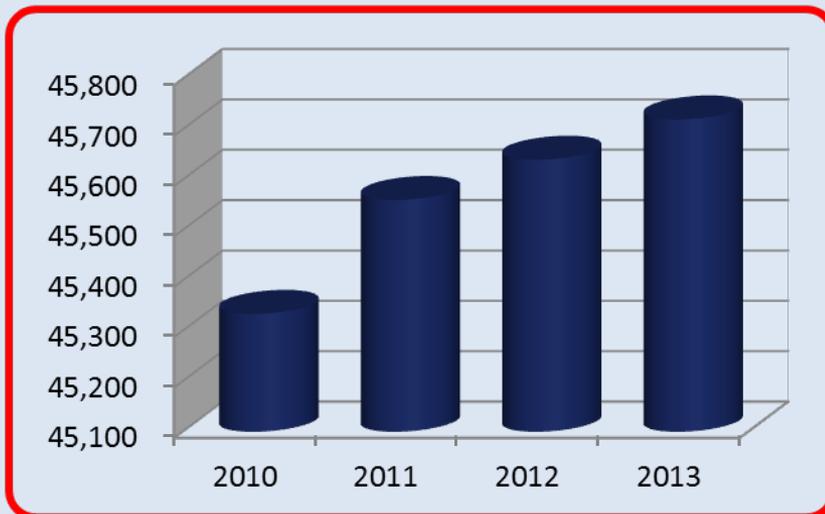
Source: U.S. Census Bureau, American Community Survey, 5 Year Estimate  
(Chart updated from website Jan 2014 information)



# Stable Economic Outlook

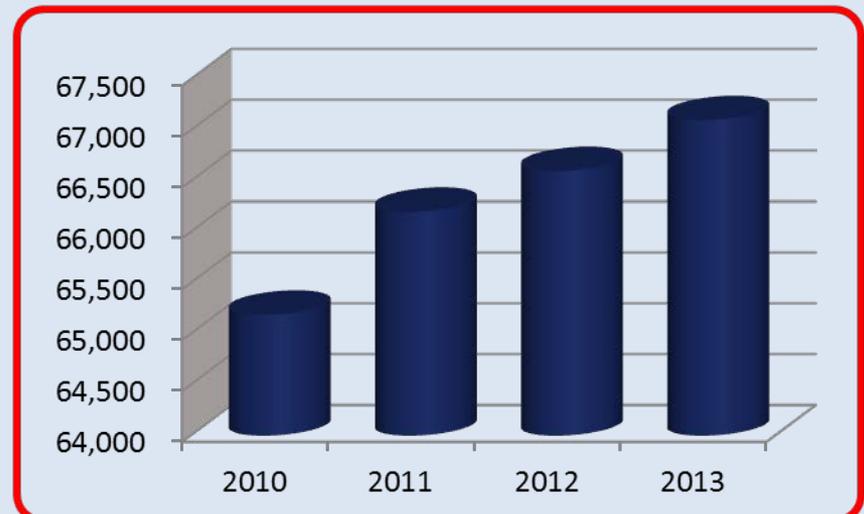
Per capita income has increased for the 3rd consecutive year.

## Per Capita Income



Population continues to grow and is currently above 67,000; a 3% increase since 2010.

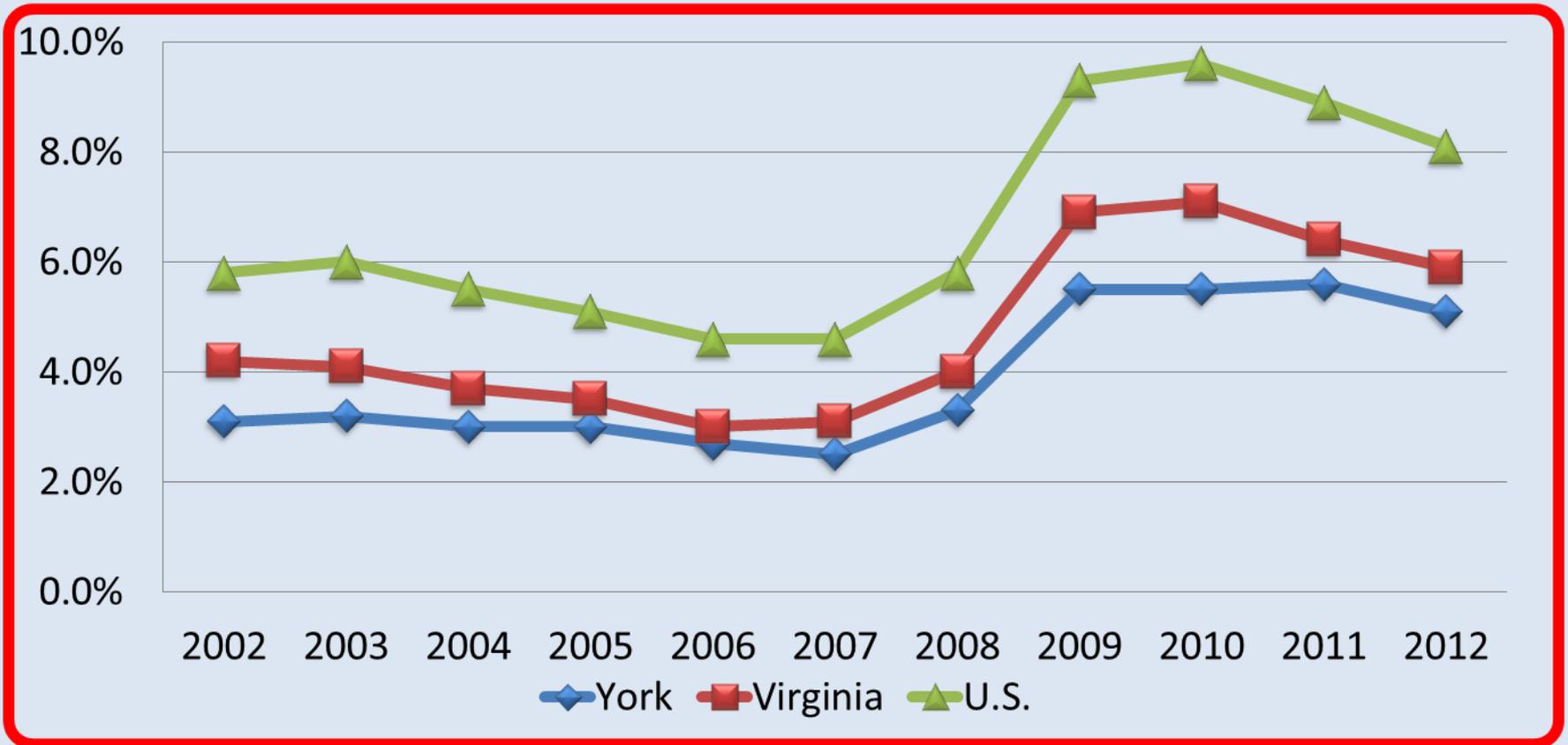
## Population



Source: June 30, 2013 Comprehensive Annual Financial Report



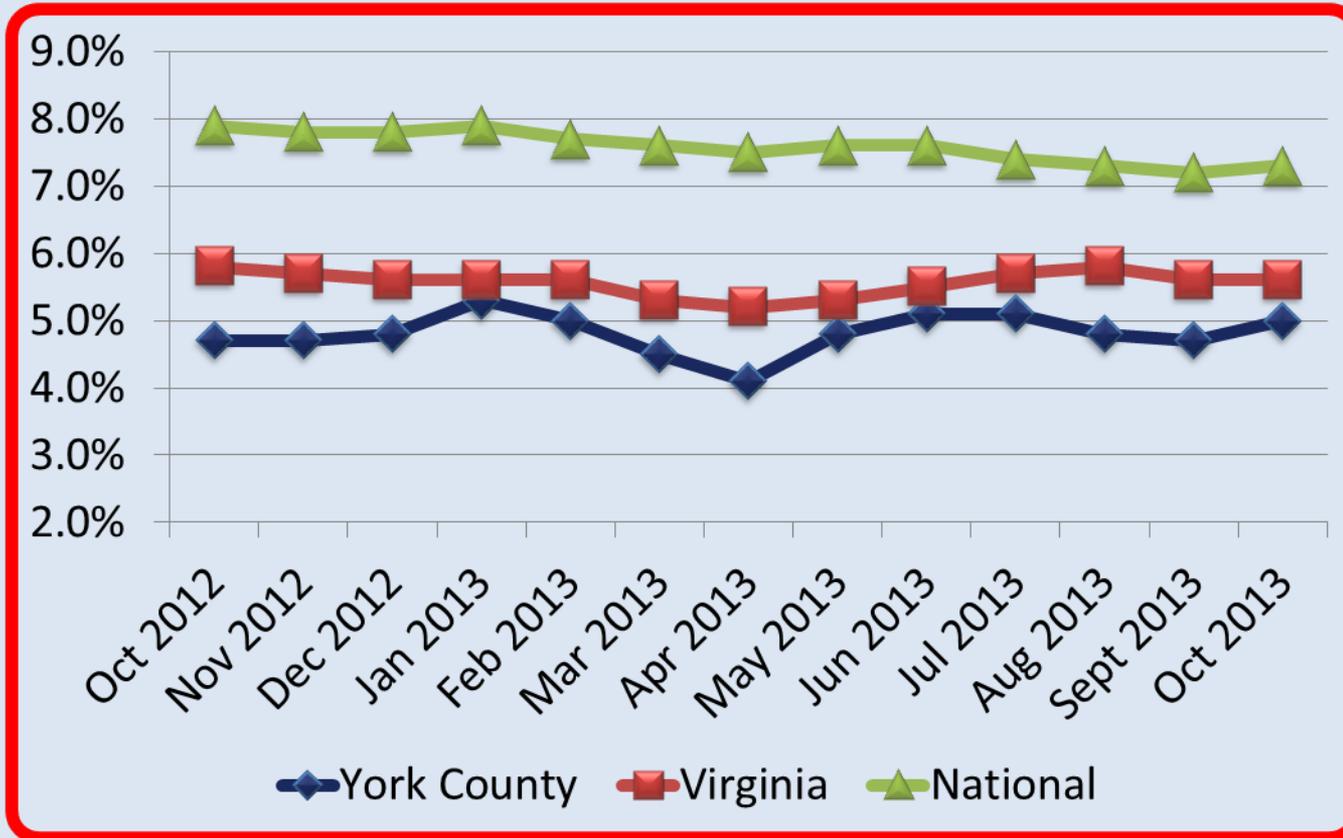
# York's Unemployment is Consistently Below Virginia and U.S. for the Past 10 Years



Source: Virginia Employment Commission, Community Profile – York County December 5, 2013



# Past 12 Months' Unemployment Continues to be Low



*In 2005, Money Magazine named York County one of the **Top 100 Best Places to Live in America.***

Source: U.S. Bureau of Labor Statistics

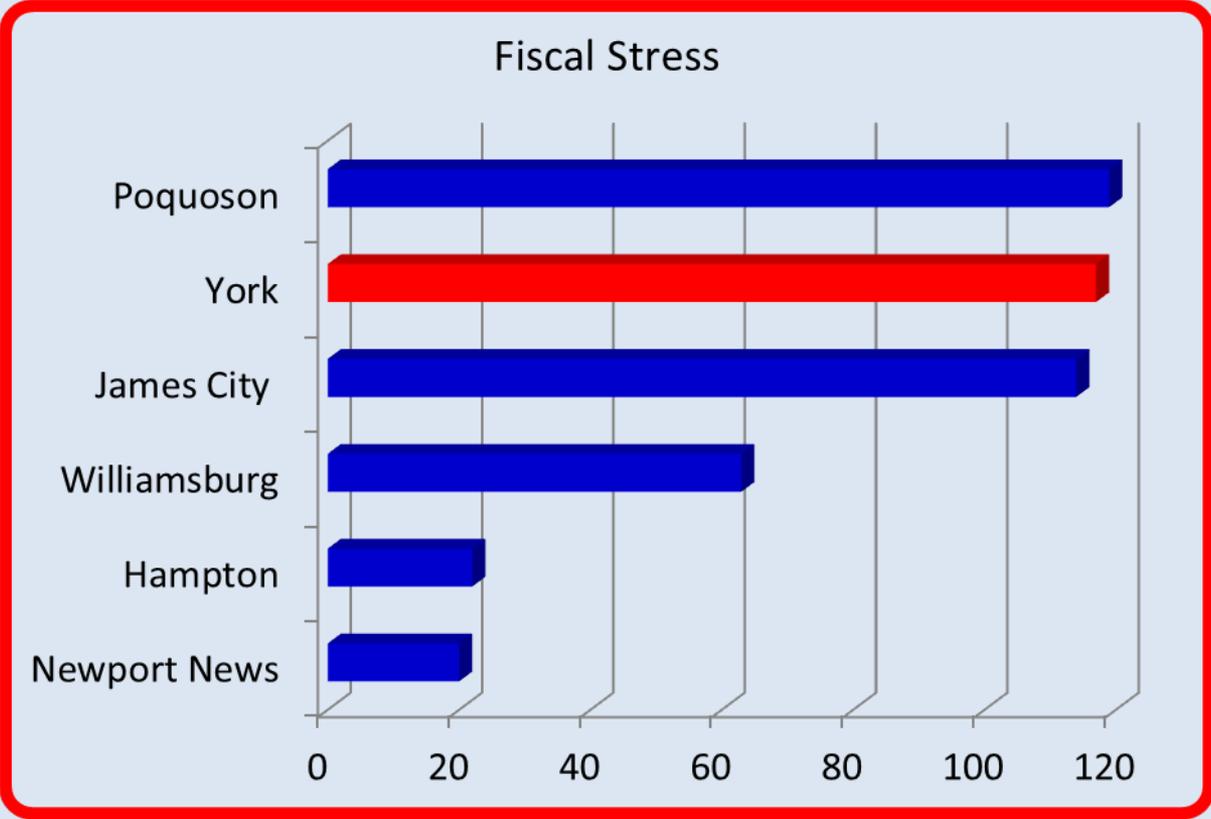


# Low Fiscal Stress Compared to State and Region

The Annual Fiscal Stress Report is Based Upon the Revenue Capacity Per Capita, Revenue Effort, and Median Household Income of Virginia's 95 Counties and 39 Cities

York is 2<sup>nd</sup> in Relation to its Peers and 18<sup>th</sup> Out of 134 Localities in the State

Only 22 of the 134 Jurisdictions Have "Low" Stress



Source: Virginia Commission on Local Government's Report on Comparative Revenue Capacity, Revenue Effort, And Fiscal Stress of Virginia's Cities and Counties FY 2011



# Diverse Employment

Employer	Type of Business	Number of Employee
Naval Weapons Station	Military	2,907
York County Schools	Government/Education	1,731
U.S. Coast Guard Station	Military	1,408
Walmart	Retail	811
Water Country	Amusement Park	719
York County Government	Government	718
Sentara Hospital	Medical Care	704
Great Wolf Lodge	Hotel/Water Park	515
YMCA	Fitness & Recreation	481
Wyndham Vacation	Timeshares	283

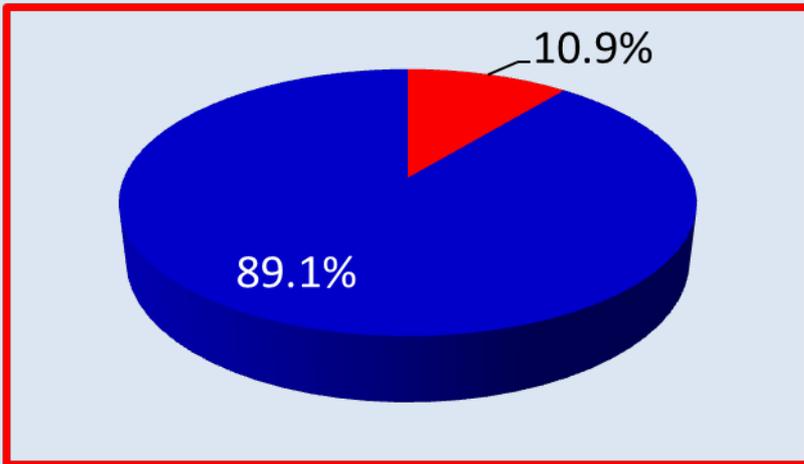
Top 10  
Employers  
Represent  
47% of All  
Jobs  
Available in  
York  
County

Source: 2013 CAFR



# Diverse Tax Base

## Top 10 Taxpayer Distribution



The top 10 taxpayers represent 10.9% of the total real estate assessed valuation.

Virginia Power Company is the largest taxpayer at 3.52% of the total assessed valuation.

## Top 10 Real Estate Taxpayers

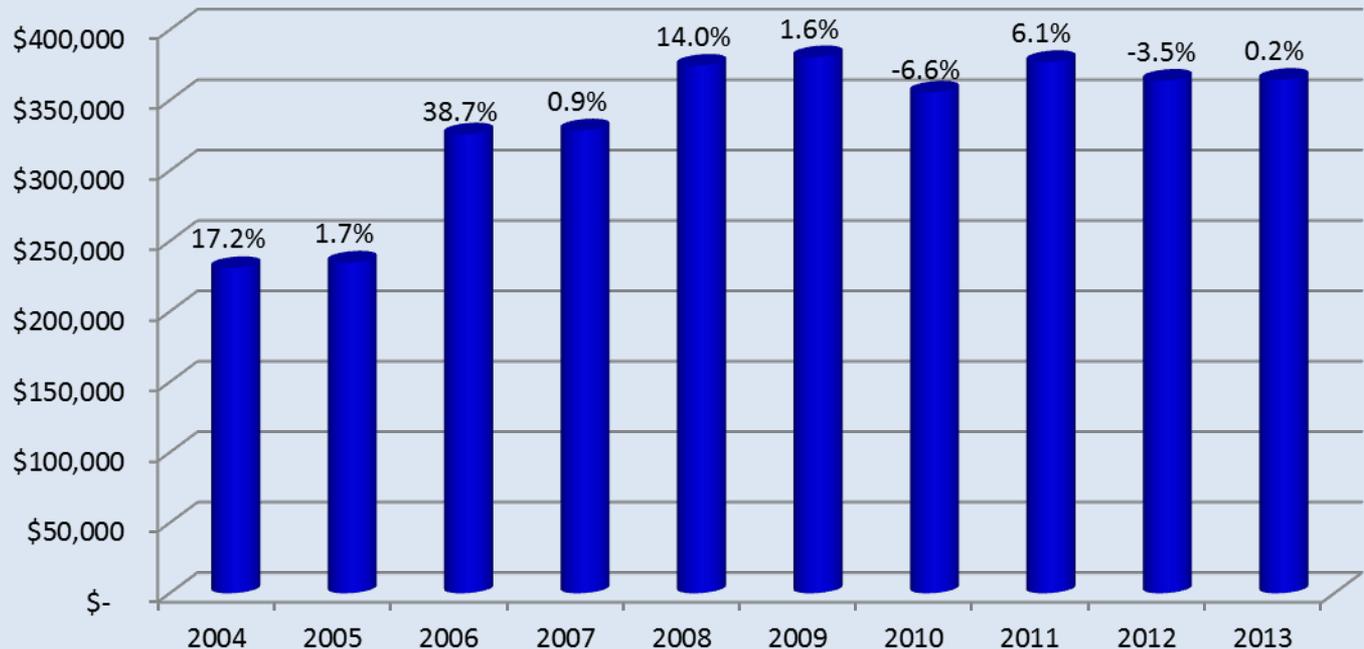
Taxpayer	Description
Virginia Power Company	Generating plant
Lawyers Title/Fairfield Resorts	Timeshare condominiums
BP/Western Refining/Plains Marketing	Fuel terminal
Great Wolf Lodge of Williamsburg, LLC	Hotel and water park
City of Newport News	Water system
Kings Creek Plantation	Timeshare condominiums
Sea World Parks & Entertainment LLC	Water park
1991 Ashe Partnership	Apartment complex
Walmart	Retail sales
U.S. Smokeless Tobacco Products	Manufacturer
Verizon Virginia ,Inc.	Telecommunications
Kiln Creek Shopping Center	Retail sales
Philip Morris, Inc.	Manufacturer



# Strong Real Estate Values (Residential Values are 80% of Total)

7% Average  
Increase  
Over 10  
Years

Average Change in Residential Assessment Values



Source: York County Real Estate Assessment Office and Commissioner of Revenue

York County



# Real Estate Tax Rate Comparison

2014 Real Estate Tax Rates (Per \$100 of Assessed Value)



Source: Local Websites



# Managed Tax Rates to Meet Requirements

(Per \$100 of Assessed Value)

Calendar Year	Change Average Parcel Value	Real Estate	Personal Property
2013	+0.2%	\$0.7515	\$4.00
2012	-3.5%	\$0.7415	\$4.00
2011	+6.1%	\$0.6575	\$4.00
2010	-6.6%	\$0.6575	\$4.00
2009	+1.6%	\$0.6575	\$4.00
2008	+14.0%	\$0.6575	\$4.00
2007	+0.9%	\$0.6975	\$4.00
2006	+38.7%	\$0.6975	\$4.00
2005	+1.7%	\$0.8175	\$4.00
2004	+17.2%	\$0.8175	\$4.00

As property values have changed the **Board has appropriately adjusted the tax rate** to reflect service demand requirements creating **a stable fiscal environment and preserving the high quality of life.**

**2012 was a challenging year** due to the State's reduction in education funding, increased retirement costs and a \$4 million loss in revenue from the refinery closure.

Sources: Change in Assessments Real Estate Office; Tax Rates: June 30, 2013 CAFR



# Very Low Foreclosure Rates with Permit Values Trending Upwards

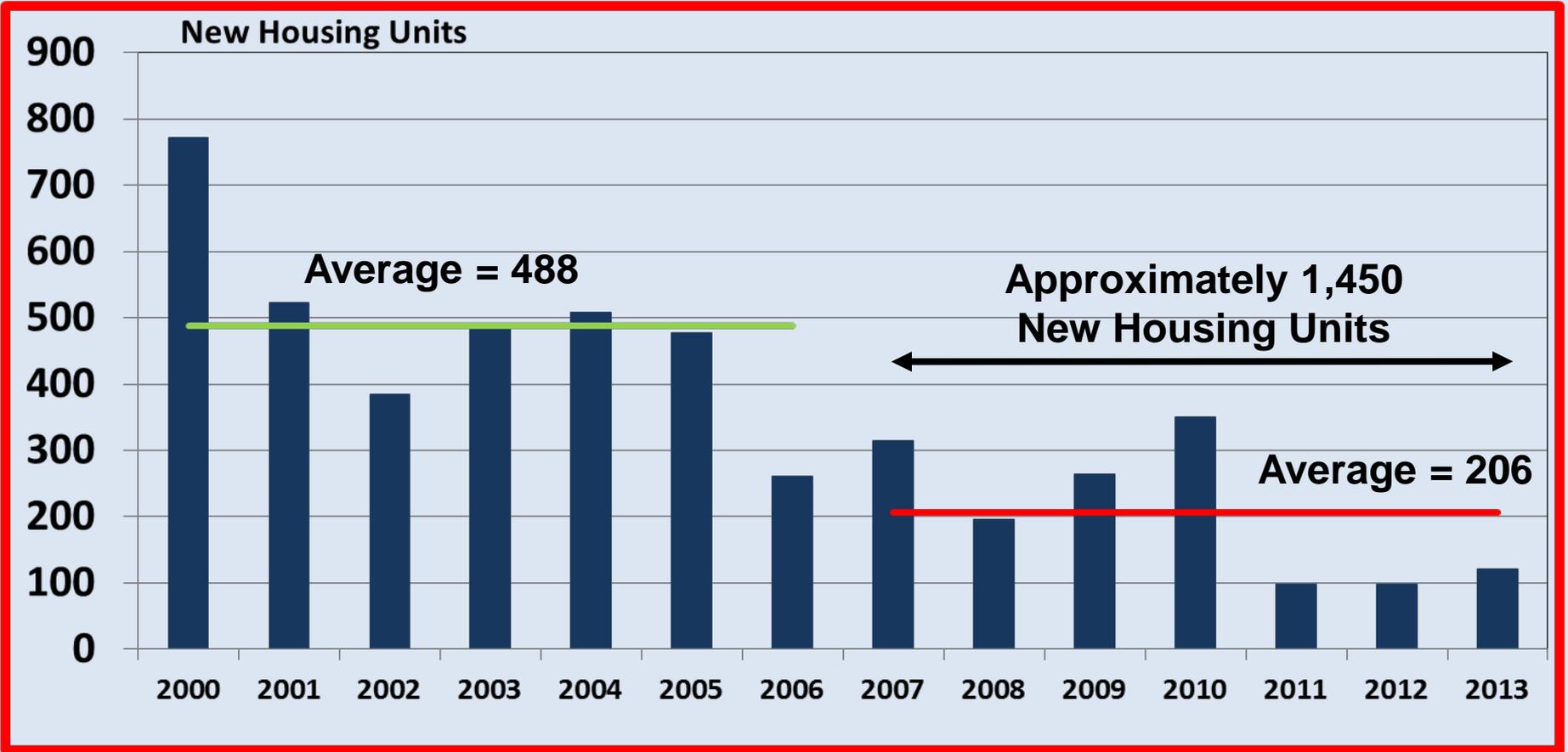
	Foreclosures	Total Parcels	% Foreclosures to Total Parcels
2011	36	23,807	0.15%
2012	31	23,815	0.13%
2013	93	23,918	0.39%



Source: York County Real Assessment Office and York County Permit Records



# Continuing Demand for New Homes



Source: York County Certificate of Occupancy Records



# Citizen Satisfaction Surveys

% Positive	1998	2000	2005	2010
Overall quality of life in York County	95%	96%	98%	99%
Overall value received for tax dollars	78	85	90	90
Quality of Fire and Rescue services	99	99	99	100
Quality of Law Enforcement services	91	96	96	95
Quality of School instructional programs	90	90	94	98
Quality of School buildings & facilities	90	91	94	98
Quality of recreational opportunities, parks, athletic fields	87	90	90	97
Appearance of County government properties and buildings	96	96	99	99
Quality of Library facilities	90	96	98	100
Quality of services available for disadvantaged persons	85	86	93	93



# Exceptional Customer Service

*Promoting accountability, innovation and excellence and a “can do – will help” attitude*

- Annual Ratings on a 5-point scale (5 being best)
  - 2007 – 4.8
  - 2008 – 4.8
  - 2009 – 4.9

*Annual Ratings based on % indicating “Excellent” service*

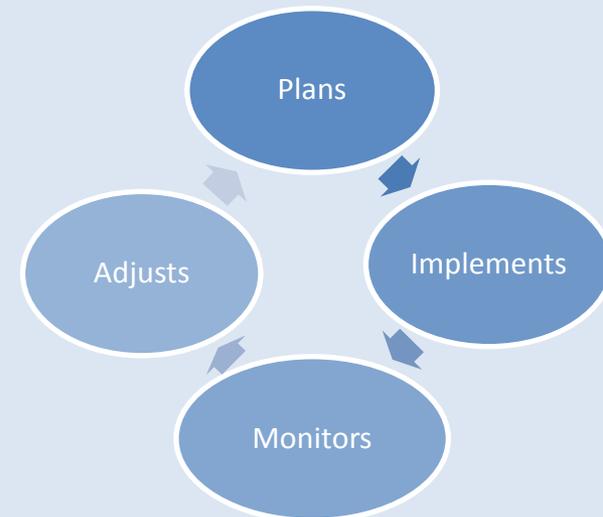
2011 – 88%  
2012 – 86%  
2013 – 88%





# Conservative Financial Management

Enhancing  
Quality of Life  
in York County





# Theme: Conservative Financial Management

## Conservative Practices:

- Board Balances Resources to Requirements
- Revenues are Closely Monitored and Expenditures are Adjusted
- High Pay-Go Funding Versus Borrowing
- One Time Money is Only for One Time Items

## Demonstrate How York Successfully Managed through the Recession:

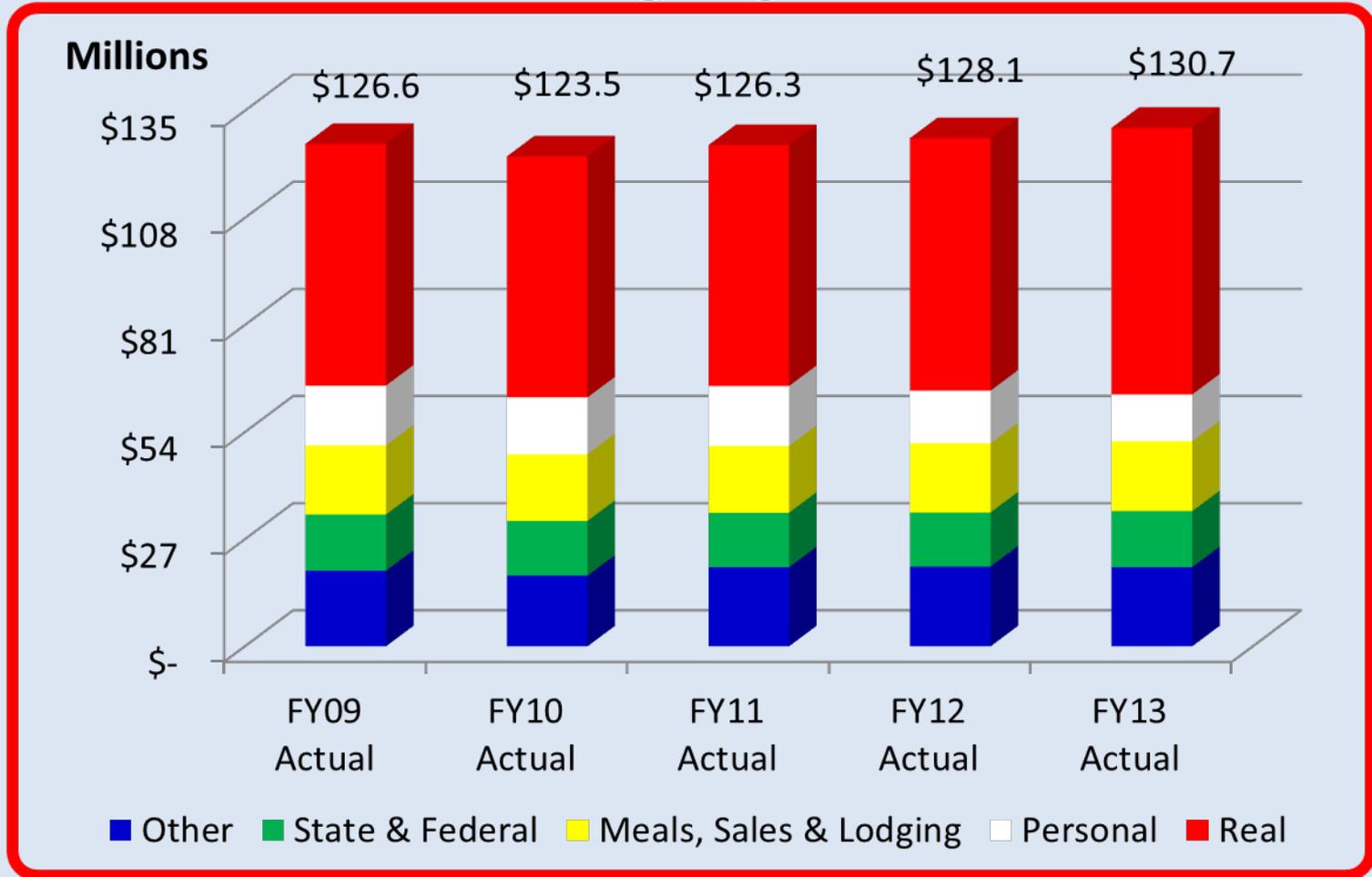
- Stable Revenue Managed Through Tax Rate Adjustments
- Revenue Exceeded Expenditures Every Year (Ten Years)
- No Use of Fund Balance to Offset Reduction in Revenues
- Fund Balance Maintained at 12% or Higher

***Because York is Proactive There Has Been No Need to Be Reactive***



# Managing Revenues During Challenging Times

Other Than Personal Property Taxes (Refinery Closing), the Significant Revenue Sources Have Been Constant.

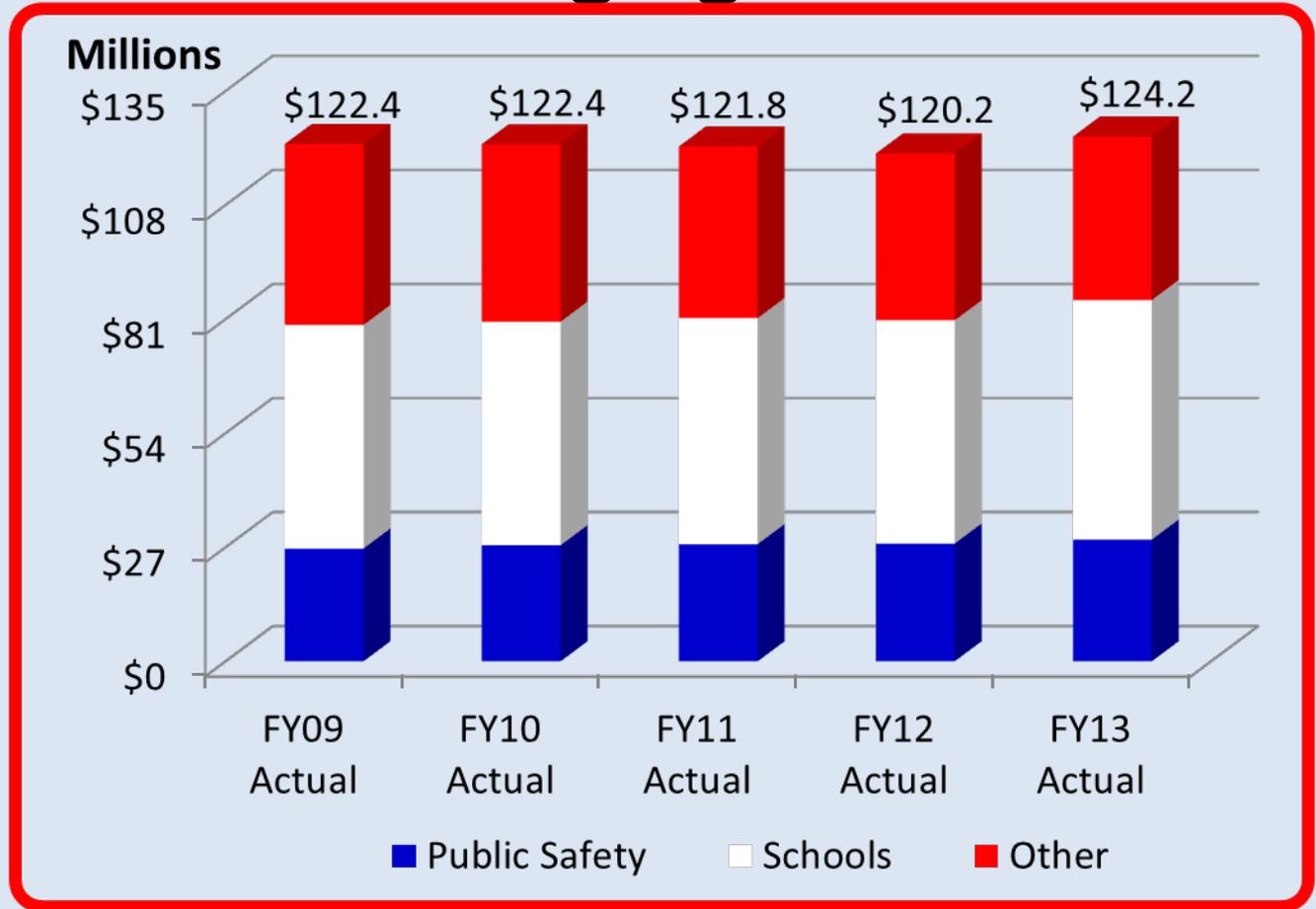


Source: General Fund Actual Revenue



# Managing Expenditures During Challenging Times

Funding to the School Division and Public Safety Have Remained the Top Priorities, Representing 67% of the Total General Fund Expenditures.



Source: General Fund Actual Expenditures



# General Fund Comparison Budget-to-Actual

As Revenues  
Decreased  
During the  
Recession,  
Spending  
Was  
Reduced in  
Areas  
Targeted by  
County  
Administrator

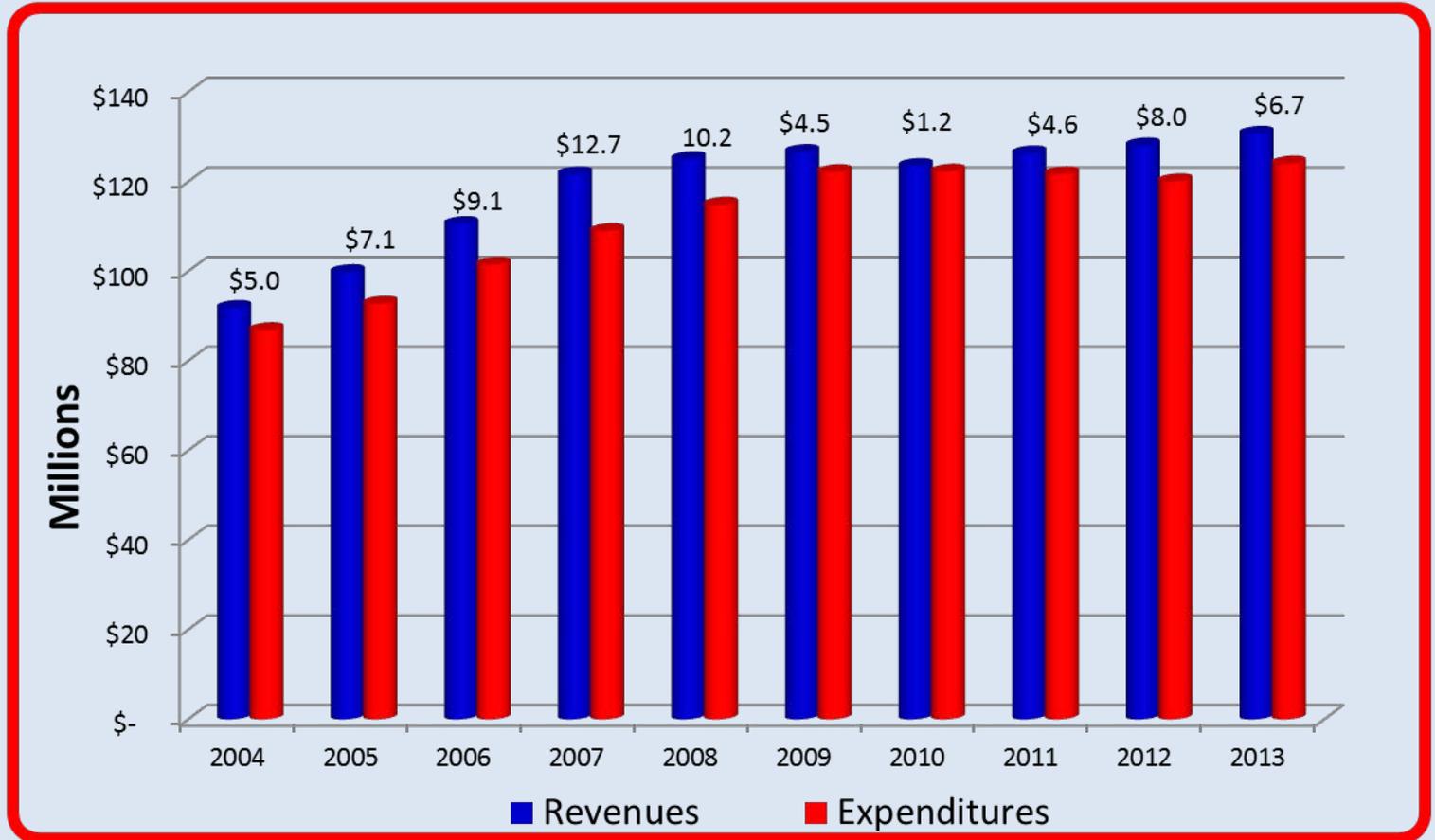
Fiscal Year	Revenue (in millions)			Expenditures (in millions)		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
2013	\$128.8	\$130.7	\$1.9	\$128.8	\$124.0	(\$4.8)
2012	\$124.1	\$128.1	\$4.0	\$124.1	\$120.1	(\$4.0)
2011	\$125.9	\$126.3	\$0.4	\$125.9	\$121.7	(\$4.2)
2010	\$127.9	\$123.5	(\$4.4)	\$127.9	\$122.2	(\$5.7)
2009	\$130.7	\$126.6	(\$4.1)	\$130.7	\$122.1	(\$8.6)
2008	\$120.4	\$125.0	\$4.6	\$120.4	\$114.9	(\$5.5)
2007	\$115.4	\$121.7	\$6.3	\$113.3	\$109.0	(\$4.3)
2006	\$104.6	\$110.5	\$5.9	\$104.7	\$101.4	(\$3.3)
2005	\$96.5	\$99.8	\$3.3	\$96.7	\$92.7	(\$4.0)
2004	\$88.5	\$91.8	\$3.3	\$90.6	\$86.8	(\$3.8)

Source: York County General Fund



# General Fund Revenues > Expenditures (No Use of Fund Balance for Operations)

Revenues  
Exceeded  
Expenditures  
in All Years



Source: York County General Fund



# Healthy General Fund Balance

Fund Balance  
Has Remained  
at Least 12%

Fund Balance  
Has Not Been  
Used to Balance  
the Budget

Fiscal Year	Fund Balance	% of Next Year's Budget
2013	\$15.6	12.0%
2012	\$15.5	12.2%
2011	\$21.5	17.5%
2010	\$15.5	12.4%
2009	\$15.5	12.4%

*Being proactive in managing revenues and expenditures resulted in not having to be reactionary during the economic downturn.*

Source: York County General Fund



# FY2014 Adopted Budget Highlights (in Millions)

	FY2014	FY2013	Variance
<b>Revenue:</b>			
General Property Taxes	\$81.0	\$78.9	\$2.1
Other Local Taxes	\$28.3	\$28.0	\$0.3
Other Local Sources	\$7.1	\$6.9	\$0.2
State & Federal	<u>\$13.7</u>	<u>\$13.4</u>	<u>\$0.3</u>
Total	<u>\$130.1</u>	<u>\$127.2</u>	<u>\$2.9</u>
<b>Expenditures:</b>			
School Ops & Debt Svc	\$57.9	\$56.7	\$1.2
Public Safety	\$30.5	\$29.7	\$0.8
Other Functions	<u>\$41.7</u>	<u>\$40.8</u>	<u>\$0.9</u>
Total	<u>\$130.1</u>	<u>\$127.2</u>	<u>\$2.9</u>

Real Estate Tax Rate Increase \$.01

No Use of Fund Balance

School Funding Increase of \$1.2M for Operations

Market Adjustment of 2% for Employee Compensation

No New County Debt

Source: York County General Fund



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# Internal Monitoring and Forecasting

## Ten-Year Projections

- Capital Improvements Program
- Tourism Fund
- Sewer Utility Fund
- Water Utility Fund
- Stormwater Fund

## Five-Year Projection: General Fund (LEAN Initiative)

### Monthly Analysis

- 90 Day Vacancy Report
- Year-To-Date Revenue Actual Current Year vs. Prior Year Comparison
- Sales, Meals and Lodging Tax Collections
- P-card Transactions
- Capital Assets
- Departmental Budgets

## Bi-Monthly Analysis: Sewer Utility Fund (bond covenant); monthly cash transfers

### Daily Review

- Purchase Requisitions
- Purchase Orders



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# Conservative Fiscal Management

**Fund Balance:** Minimum unassigned fund balance at year-end shall be at least 12% of the General Fund's budgeted expenditures. Excess fund balance is earmarked for capital purposes.

**Debt Policy:** Emphasize pay-as-you-go financing. The term of the bond issue is not to exceed the estimated useful life of the asset. Bond covenants are monitored to ensure compliance.

**Long-term Planning:** Ten-year plans, a Five-year operating plan, bi-monthly reviews, monthly reviews, and daily reviews. Ensure all plans and reviews comply with established policies and the Comprehensive Plan.

**Board Reports:** Work sessions devoted to financial information are held from December through May and additional periodic updates from County Administrator are provided as needed.



# What Sets York's Financial Management Apart?

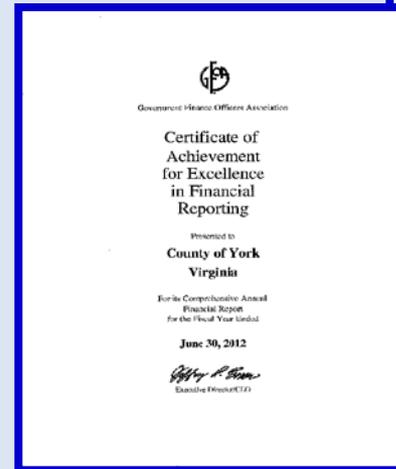
## Adopted Annual Budget Fiscal Year 2014



**York Has  
Received this  
Award for 10  
Consecutive  
Years**

**York Has  
Received this  
Award for 27  
Consecutive  
Years**

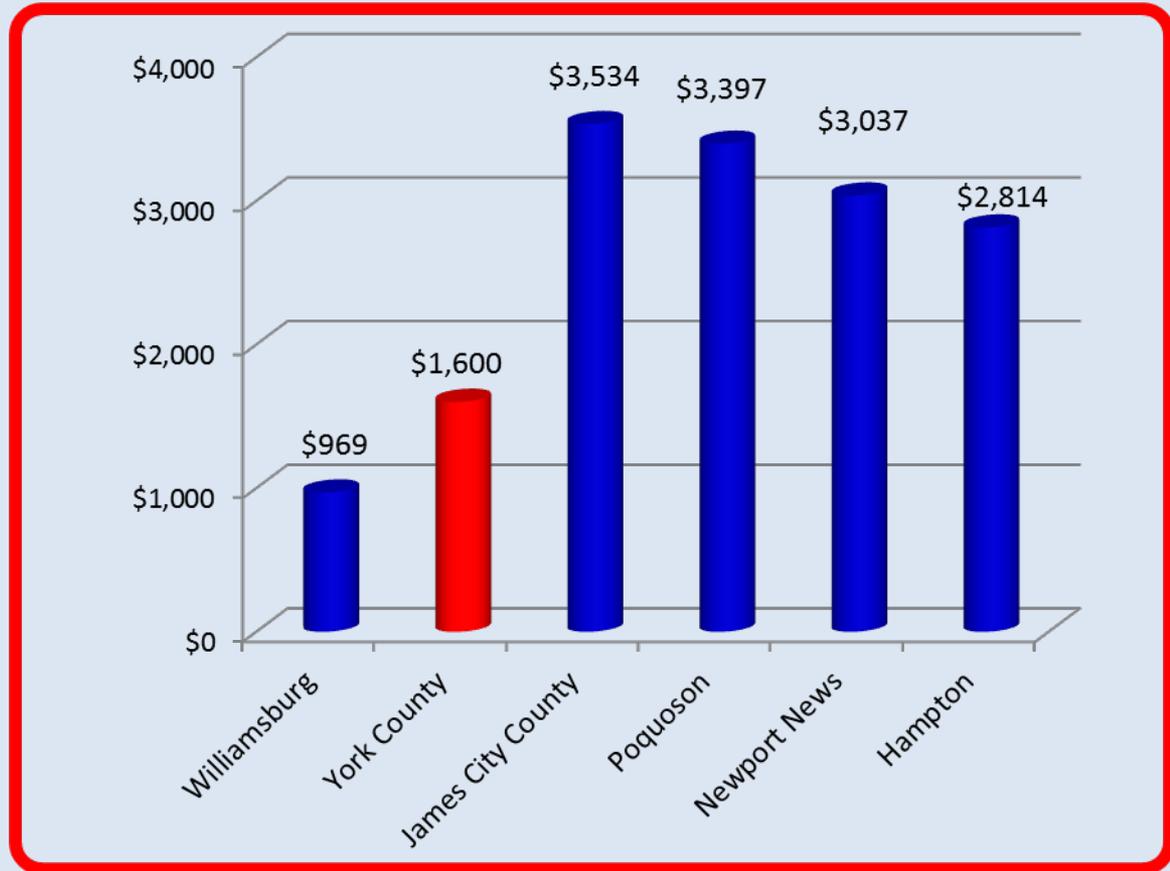
## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2012





# Debt Per Capita Comparison

York Has the Lowest Per Capita Debt, After Williamsburg (James City County and Williamsburg Have a Joint School System, with the Debt Shown on James City County's Records)

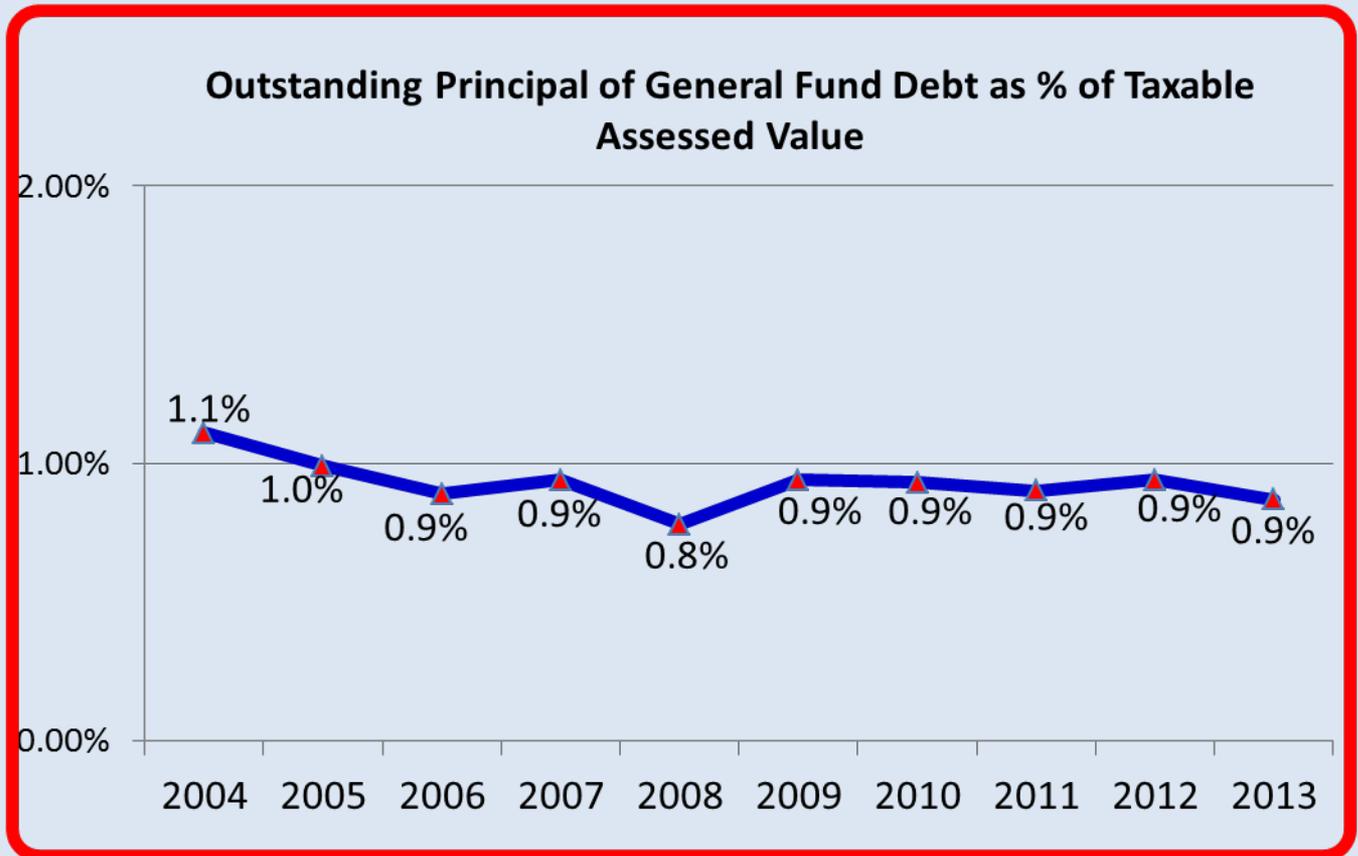


Source: FY2013 CAFR



# Maintaining Debt Position

York County  
Has  
Maintained  
the Ratios  
Below the 5%  
Maximum  
Allowed by  
Policy

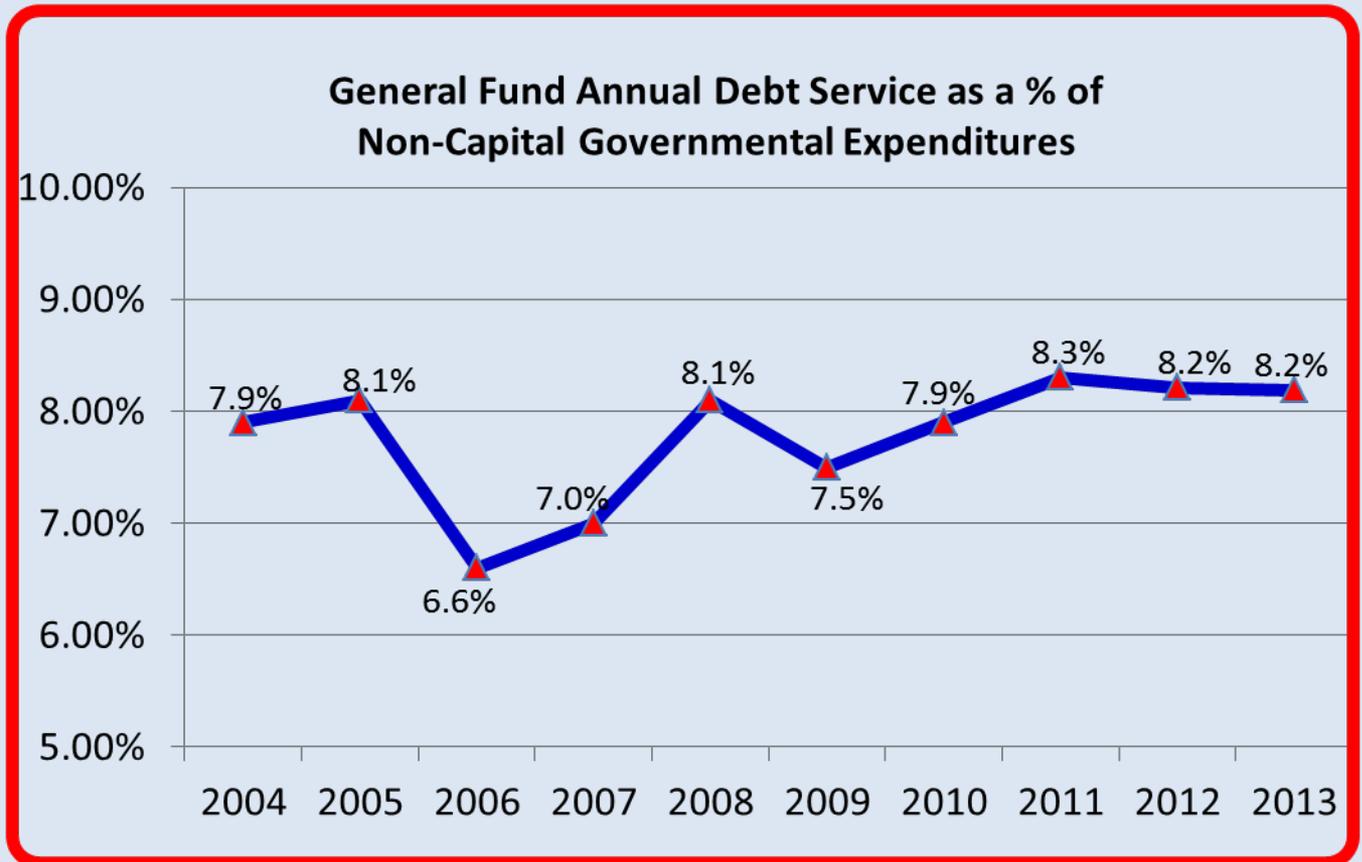


Source: York County FY2013 CAFR



# Maintaining Debt Position

**York  
County Has  
Maintained  
the Ratios  
Below the  
10%  
Maximum  
Allowed by  
Policy**



Source: York County FY2013 CAFR

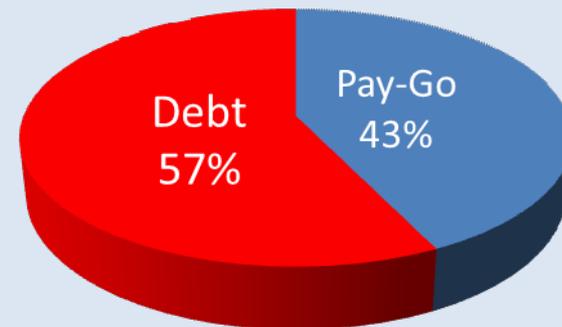


# Debt Portfolio

## June 30, 2013

Outstanding Principal	Amount
School Debt (GOB & Note Payable)	\$55,334,138
County Debt (Lease Revenue Bonds)	\$26,059,652
County Debt (Capital Lease Obligations)	<u>\$ 2,862,880</u>
Total General Fund Supported Debt	<u>\$84,256,670</u>
County Debt (Sewer Revenue Bonds & Capital Lease)	\$23,081,700

### FY2004-FY2013 CIP Funding Sources



Source: York County FY2013 CAFR



# FY2014 – FY2023 Capital Improvements Plan (CIP)

Description	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019- FY2023	Total
<b>Project (in millions)</b>							
General Government	\$4.4	\$3.9	\$4.8	\$23.2	\$7.3	\$21.4	\$65.0
Water	\$2.1	-	-	-	-	-	\$2.1
Sewer	\$2.1	\$4.9	\$4.6	\$2.7	\$4.4	\$28.7	\$47.4
Stormwater	-	\$0.2	\$1.4	\$0.1	\$0.5	\$3.5	\$5.7
Solid Waste	\$0.3	-	\$0.1	-	-	\$0.5	\$0.9
County Total	\$8.9	\$9.0	\$10.9	\$26.0	\$12.2	\$54.1	\$121.1
School Division	\$5.8	\$7.6	\$14.3	\$7.0	\$5.9	\$34.5	\$75.1
<b>Total CIP</b>	<b>\$14.7</b>	<b>\$16.6</b>	<b>\$25.2</b>	<b>\$33.0</b>	<b>\$18.1</b>	<b>\$88.6</b>	<b>\$196.2</b>
<b>Funding Sources (in millions)</b>							
Capital Fund Balance/ General Fund/Meals Tax	\$4.5	\$0.8	\$4.3	\$2.7	\$2.7	\$17.9	\$32.9
User Fees	\$4.2	\$4.9	\$4.6	\$2.7	\$4.4	\$28.7	\$49.5
State/Federal/Other	\$0.2	\$0.2	\$0.1	\$0.2	\$0.2	\$1.3	\$2.2
Bond Proceeds	\$5.8	\$10.7	\$16.2	\$27.4	\$10.8	\$40.7	\$111.6
<b>Total Funding Sources</b>	<b>\$14.7</b>	<b>\$16.6</b>	<b>\$25.2</b>	<b>\$33.0</b>	<b>\$18.1</b>	<b>\$88.6</b>	<b>\$196.2</b>

Source: York County Adopted Capital Improvements Plan, FY2014-FY2023



# FY2014-FY2023 Capital Improvements Plan – Highlights

## County Highlights

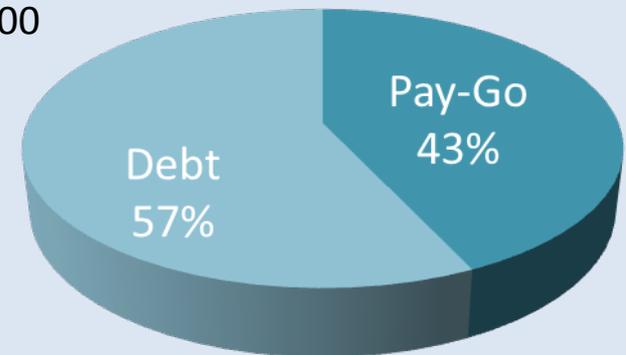
- Grafton Fire Station Replacement \$5,900,000
- E911 Regional Radio System Replacement \$15,600,000
- Maintenance of Current Infrastructure \$13,864,230
- Water and Sewer Extension \$49,500,000

## School Highlights

- Maintenance and Equipment Replacement \$61,573,000
- Renovations and Classroom Expansion \$13,541,000

## Funding Sources

- Capital Fund Balance, General Fund, Meals Tax , User Fees and Other \$84,529,930
- Bond Proceeds \$111,664,000



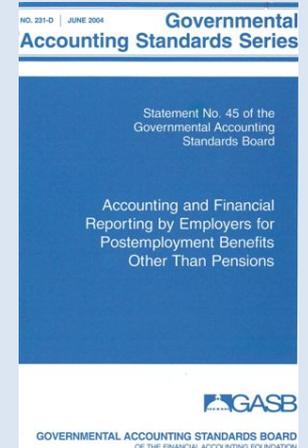
Source: York County Adopted Capital Improvements Plan, FY2014-FY2023



# OPEB & Retirement

## Other Post-Employment Benefits (OPEB)

- GASB 45 effective beginning in fiscal year 2009.
- GASB 45 requires bi-annual valuations however, the County elected to have annual valuations to closely monitor the impacts of legislative changes and health insurance increases.
- Established a separate internal service fund (ISF).
- County has contributed the Annual Required Contribution (ARC) every year.
- Benefits:
  - Blended rate implied subsidy
  - 50% contribution for 20+ years of continuous service
- Fiscal Year 2013:
  - Accrued liability \$19,336,493; ARC \$1,568,099
  - ISF cash balance \$4,406,227 (23% of liability)



## VRS Pension Changes

- GASB 68 *Accounting and Financial Reporting for Pensions, an amendment of GASB 27* (effective FY2015)
- GASB 67 *Financial Reporting for Pension Plans—an amendment of GASB 25* (effective FY2014)



# Refunding Plan

- Refunding Part or All of Series 2003 Lease Revenue Bonds
- Estimated NPV Savings over \$600,000
- Savings Realized in Fiscal Years 2015 & 2016
- Savings Applied to One-Time Pay-As-You-Go Capital Projects
- No Changes in Collateral, Covenants and Final Maturity

<u>Actionable Step</u>	<u>Anticipated Date</u>
Credit Ratings Received from Agencies/Due Diligence Calls	January 23, 2014
Mail Preliminary Offering Statement	January 23, 2014
Bond Sale and Issue Call Notice for 2003 Bonds	January 29, 2014
Bond Closing	February 27, 2014
Bond Redemption for 2003 Bonds	February 28, 2014

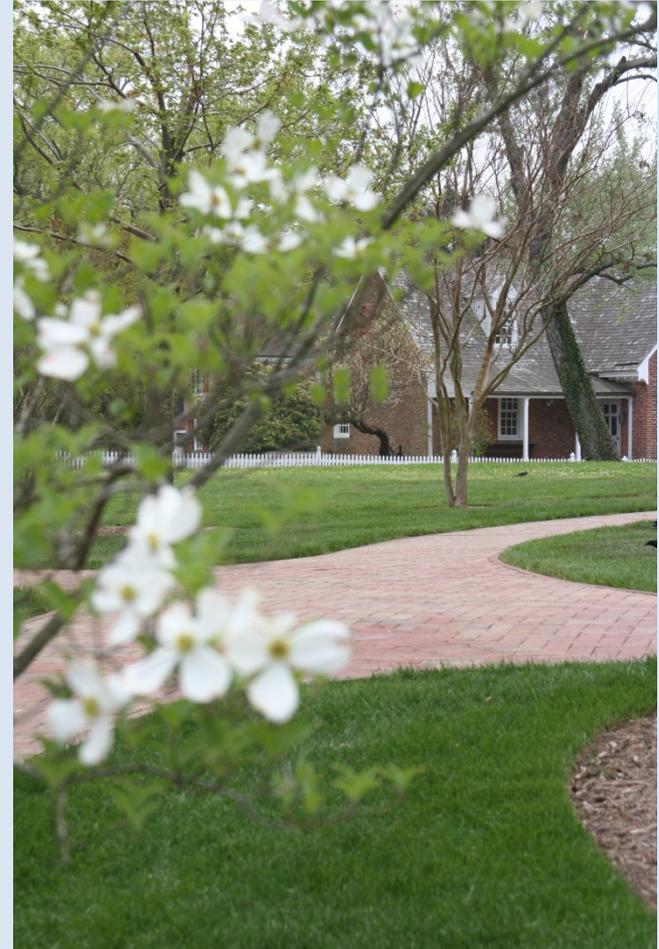


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# Our Path to a Brighter Future

- A Strong Foundation to Build Upon
- A New Initiative to Make an Already Outstanding Local Government Even Better





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# York County's Initiative – Managing Performance for a Lean Government





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# Why New Initiative?



## Deliberate Look:

- **Evaluated Current Status** - Where We Are and How We Got Here
- **Board's Direction** - Focus Mid to Long Range Planning
- **Reality** - Increasing Demands, Increasing Prices, Decreasing Resources
- **Need to Make Changes** - to Sustain Fair and Competitive Wages and Continue to Provide Quality Services
- **Employees are Key** - Desire to Get Out and Meet with Employee Groups and Hear their Suggestions for Improvements

**Result – Comprehensive New Initiative**



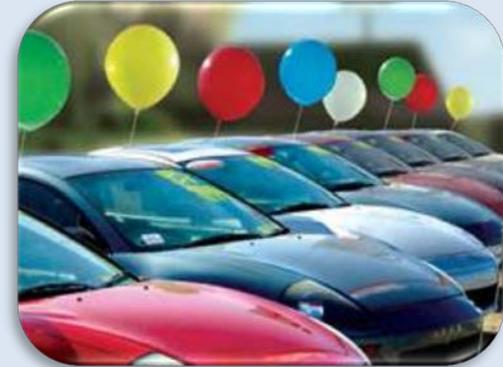
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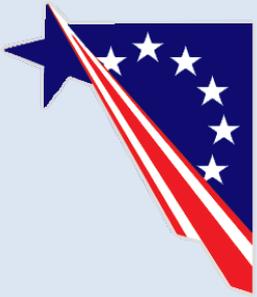
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# Looking To The Future

FY2014 Showing Signs of Recovery:

- York County's Revenues Expected to Grow by Approximately 2%
- Construction Activity Up Slightly
- New Car Sales Up
- Commercial Property Values Are Up





# Looking To The Future

- Even With “Recovery” Trends are not Expected to Match Pre Recession Levels
- Service Demands and Expectations are not Decreasing and Costs are increasing





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# Why Use Lean?

“LEAN” grew out of the business sector and refers to a collection of principles and methods that identifies and **eliminates process steps** that do not add value.

“LEAN” is only a tool that should be incorporated into a broader system of Performance Management that establishes a culture of **continuous and incremental improvements** to better meet the needs of citizens and customers

## Improving Together



# To Establish a Successful Lean Initiative

**Empower Employees to Solve Problems**

**Board & County Administrator Support is Essential**

- Dedicate Resource Time Countywide
- Ensure employees job security
- Focus on Future, not who is to blame for the past
- Selection of Project Manager - who is Focused on Big Picture and High Enough Up the Organization to Reduce Effects of Departmental Silos



## Performance Management

Initial Independent Review  
Alignment of Limited Resources  
(Fresh Look)  
Develop Formal Process with Staff  
Develop Tracking System & Reports  
**Manage Resources to Continuously  
Improve Efficiencies**

## Lean Process Reviews

Systematic Review of  
Programs/Processes  
Continuous **Incremental**  
Efficiency Improvements  
Actively Engage **All** County  
Employees  
Citizen/Business Participation  
Review Customer Service Surveys  
Train the Facilitators

**Reviews are More than a Project,  
it is an Ongoing Cultural Change**

## Long-Term Strategic Management

Develop 5 Year Operating Budget  
& Tie to CIP, Strategic  
Initiatives & Comp Plan  
Develop Bond Rating  
Presentations  
Review/Update Policies,  
Directives & County Code  
Formalize Financial Policies/Tools  
Develop Revenue Forecasting  
Model  
**Devote More Time to Mid &  
Long-Term Strategic Planning**

## Managing Performance for a Lean Government

## Enhanced Transparency

Performance Reports  
Bond Rating Presentations  
Financial Reports  
Process Review Reports  
Develop Dashboards & Other Reports

**Continuous Awareness of Customers'  
Needs and How to Best Address  
Requirements in a Dynamic Changing  
World**



# Group Idea Sharing



**Over 400 Suggestions from Initial Meetings**



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# How Does York Evaluate Economic Conditions and Forecasts?

- Hampton Roads Planning District Commission Economists
- Regional Colleges – Old Dominion University & College of William and Mary
- Virginia Employment Commission – Annual County Profiles
- Commission on Local Government Fiscal Stress Report
- Strong York County Leadership Team





# Impact of Sequestration

**Evaluation by Regional Experts  
Determined Regional Impact Much  
Smaller Than Expected:**

- Cuts Delayed for Two Months
- Military Pay Exempted From Cuts
- Navy Least Impacted of All Branches
- Shipbuilding Considered Vital to Defense



## Sources:

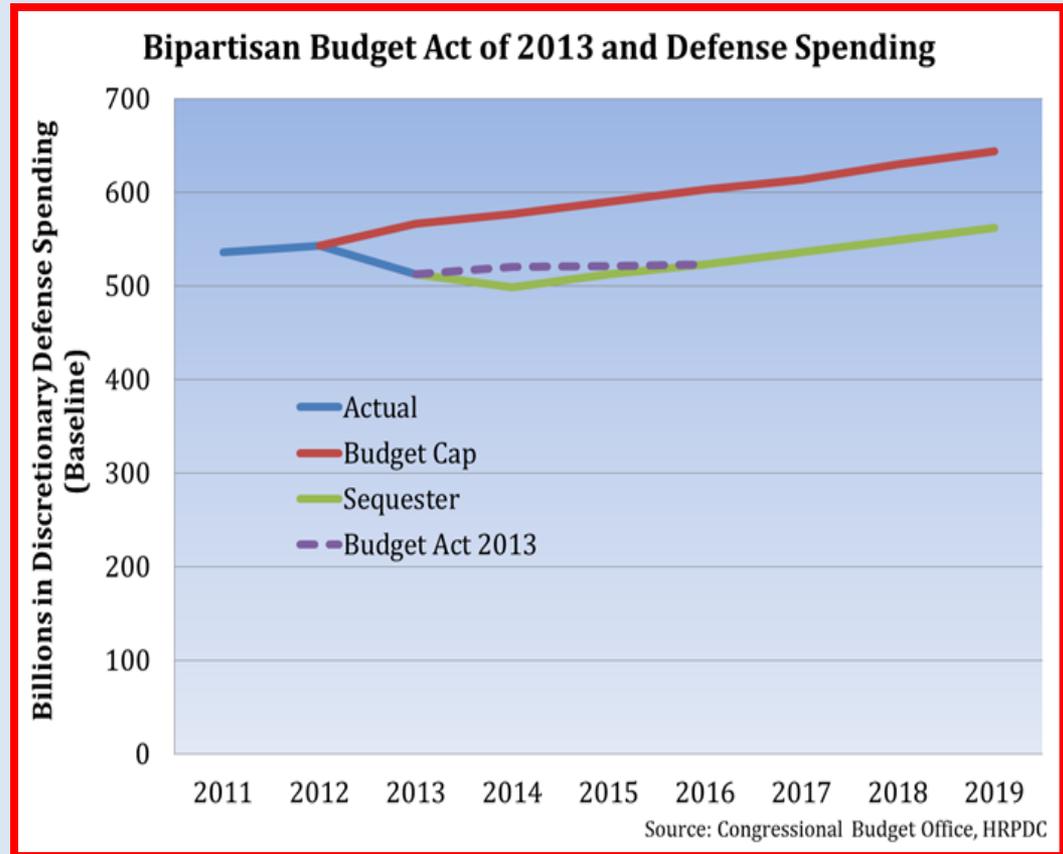
- Regional Studies Institute/Old Dominion University, *Sequestration The State of the Region Hampton Roads 2013*
- Hampton Roads Planning District Commission, *Impact and Changes to the Sequestration in Hampton Roads*



# Sequestration

## Regional Outlook:

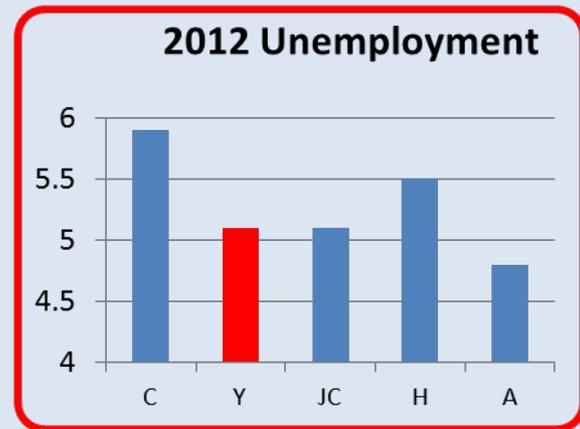
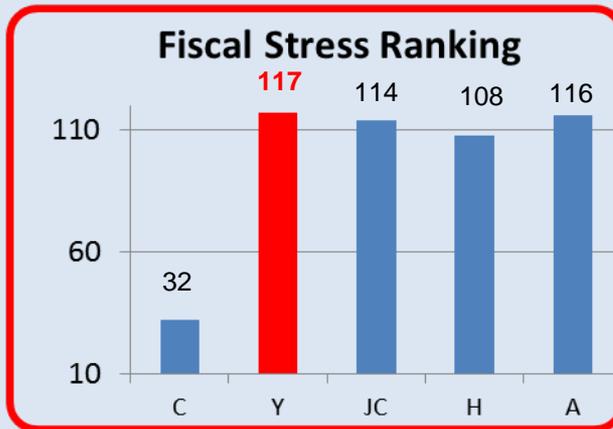
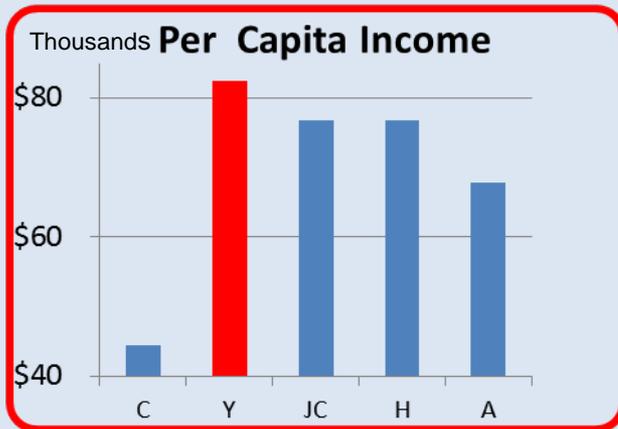
- 2013 Budget Act Increased Defense Spending by \$22 Billion
- FY14 Regional Military Spending May Increase Slightly
- In FY15 and Beyond Regional Military Spending Should Continue to Grow





# York Compares Well to Similar Virginia Aaa/AAA Rated Localities

Population	Locality	Per Capita Income	Fiscal Stress Ranking	Unemployment (2012)	Debt Per Capita
44,471	Charlottesville	\$44,535	32 Above Average	5.9%	\$1,476
<b>65,973</b>	<b>York</b>	<b>\$82,454</b>	<b>117 Low</b>	5.1%	\$1,600
68,874	James City (1)	\$76,767	114 Low	5.1%	\$3,534
100,704	Hanover	\$76,719	108 Below Average	5.5%	\$3,154
100,780	Albemarle	\$67,797	116 Low	4.8%	\$1,195



(1) James City is rated AAA by S&P and Fitch and Aa1 by Moody's.



# Conclusion



- Strong Support by Board to Maintain High Quality of Life
- Experienced Leadership Team
- Long History of Strong Financial Performance
- Stable Real Estate Values with Low Foreclosures
- High Household Incomes and Education Levels
- Successfully Managed Through the Recession Consistently Ending Each Year with Revenues Exceeding Expenses
- Focus on Long-Term Planning and Emphasis on Process Will Help Make an Already Outstanding Local Government Even Better