

Proposed Budget-in-Brief Fiscal Year 2010



COUNTY OF YORK, VIRGINIA

BOARD OF SUPERVISORS

Walter C. Zaremba
District 1

Sheila S. Noll
District 2

Donald E. Wiggins
District 3

George S. Hrichak
District 4

Thomas G. Shepperd, Jr.
District 5

County Officials

James O. McReynolds
County Administrator

J. Mark Carter
Assistant County Administrator

James E. Barnett
County Attorney

Marycarol C. White
Director of Financial & Management Services



TABLE OF CONTENTS

York County Overview	1-2
County Administrator's Message	3-5
Organizational Diagram	6
General Fund Revenues – By Source	7
General Fund Local Revenues	8
General Fund Expenditures – By Function	9
Uses of the Local Tax Dollar	10
Schedule of Debt Obligations.....	11

This Proposed Budget-in-Brief is a summary document. Further detail on the 2010 proposed budget and County operations can be obtained from the York County Department of Financial & Management Services or from the County's web site at www.yorkcounty.gov

History

York County, Virginia, which was originally named Charles River County, was one of Virginia's eight original "shires" formed in 1634. It was renamed nine years later in 1643 when the river that determines the County's character was also given the name of the then Duke of York. York County has played a major role in the development of this nation. Most importantly, it was the location of the culminating battle of the Revolutionary War and the subsequent surrender of Lord Cornwallis and his British army on October 19, 1781.

Location

York County consists of approximately 108 square miles, with federal landholdings constituting nearly 40% of the land. The County is located in the Virginia Coastal Plain on a peninsula formed by the James and York Rivers and the Chesapeake Bay. The Peninsula includes James City County and the cities of Hampton, Newport News, Poquoson and Williamsburg, all of which adjoin York County. The County and the Peninsula are part of the greater Hampton Roads region. The boundaries of Hampton Roads correspond fairly closely with the boundaries of the Virginia Beach-Norfolk-Newport News VA NC Metropolitan Statistical Area (MSA), as defined by the U.S. Census Bureau.



Form of Government

The County of York, Virginia (the County) is organized under the traditional form of government (as defined under Virginia Law). The governing body of the County is the Board of Supervisors that establishes policies for the administration of the County. The Board of Supervisors comprises five members: one member from each of five districts, elected for a four-year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Administrator to act as the administrative head of the County.

Population

York County is home to approximately 65,200 people and ranks 18th in population among the state's 95 counties and 29th among the 134 cities and counties. In land area, however, the County is the 3rd smallest county in Virginia, making it the 6th most densely populated county. The County's population has grown steadily for decades, and so far in the first decade of the 21st century, the annual average is 2.2%. The vast majority of the growth, approximately 75% in recent years, is due to net migration, which is the difference between the number of people moving into a community and the number of people moving out.

<u>Fiscal Year</u>	<u>Population</u>	<u>Income</u>	<u>Rate</u>
2008	64,600	\$ 44,600	3.4%
2007	63,800	42,500	2.6%
2006	63,300	41,656	2.8%
2005	62,400	39,882	2.9%
2004	61,800	36,154	2.9%

Source: York County, Comprehensive Annual Financial Report - June 30, 2008

Income

York County is one of the most affluent localities in Hampton Roads, with a median household income, as reported in the 2000 census, of \$57,956. York County has the lowest poverty rate on the Peninsula as reported in the 2000 census, with 3.5% of the population living below the poverty line.

Quality of Life

In 2004, York County ranked in the top 2% of best counties in a nation-wide quality of life study conducted by American City Business Journals, Inc. The County ranked 37th among the nation's 3,141 counties and independent cities. The study used 20 categories for the quality of life rating, including median household income, racial diversity, unemployment, commute times for residents and high school graduation rates.

Top Taxpayers

<u>Taxpayer</u>	<u>2007 Assessed Valuation</u>	<u>% of Total Assessment</u>
Virginia Power Company	\$ 315,967,495	3.63%
Lawyers Title/Fairfield Resorts	163,812,670	1.88%
City of Newport News	138,611,000	1.59%
Giant Industries/Amoco Oil	112,213,545	1.29%
Great Wolf Lodge of Wmbg, LLC	61,787,990	0.71%
Kings Creek Plantation	49,981,760	0.57%
Anheuser Busch Companies	44,342,785	0.51%
Wal-Mart	34,038,595	0.39%
Verizon Virginia	21,933,079	0.25%
Marquis at Williamsburg, LLC	21,425,100	0.25%
	<u>\$ 964,114,019</u>	<u>11.07%</u>

Source: York County, Comprehensive Annual Financial Report - June 30, 2008

County Administration

County Administrator

James O. McReynolds

February 17, 2009



**Administrative/Legislative
Services
Economic Developments
Real Estate Assessment
Public Information
Planning**

The Honorable Chairman and Members
York County Board of Supervisors
224 Ballard Street
Yorktown, Virginia 23690-0532

Dear Members of the Board:

Subject: County Administrator's Budget Message - FY2010

The County Administrator's Proposed Fiscal Year 2010 Budget represents the culmination of nearly five months of staff effort. The budget call was issued on October 1, 2008, and requests were due on November 14, 2008. Since that time, staff and I have worked with the requesting departments and agencies to develop a proposal that emphasizes the priorities of the Board of Supervisors. In these troubled economic times, the Board provided four basic guidelines to be followed in the preparation of the fiscal year 2010 budget.

Budget Guidelines:

- No tax rate changes
- No compensation adjustments
- Level funding for schools
- Maintain County services

I am pleased to report that the balanced budget I propose to you tonight achieves all of those guidelines. Major highlights of the proposed budget include:

- Proposed budget is balanced as required by law
- Proposed budget achieves all budget guidelines set forth by the Board
- Proposed budget does not include any recommendations for lay-offs, furloughs, or other compensation reductions
- Proposed 2010 General Fund budget is 3.5% lower than fiscal year 2009 adopted budget
- Proposed budget delays all County General Fund capital projects for one year
- Proposed budget delays capital maintenance projects for at least one year where it is not cost prohibitive to do so.
- Proposed budget includes a Medic Transport Cost Recovery Fee

224 Ballard Street • P.O. Box 532 • Yorktown, Virginia 23690-0532 • (757) 890-3320
Fax: (757) 890-4000 • TDD (757) 890-3300 • Email: ctyadm@yorkcounty.gov
A Hampton Roads Community

The Budget Process in York County

In York County, the budget serves three purposes. First, as a policy document, the budget represents the implementation of the Board's policy setting in the form of specific funding decisions. Second, the Board has the sole authority to set tax rates and authorize spending. This authority is exercised through approval of the annual operating budget. Finally, the budget is a financial planning tool through which the County ensures that the available sources of funds will be sufficient to meet the anticipated and unanticipated cost of providing services to County citizens over the coming year.

York County adopts an annual operating budget for the fiscal period beginning July 1 and ending June 30. Fixed budgets are presented for the General Fund, Special Revenue Funds, and Debt Service Funds. For control purposes, fixed budgets are also presented for the Enterprise Funds, which include the Utility Funds, and for the Vehicle Maintenance Internal Service Fund. A flexible budget is used for the Yorktown Operations Fund and the Regional Radio System Fund. A flexible budget is useful for funds for which it is difficult to estimate the demand for services and, therefore, the level of spending needed to meet demand.

The Capital Improvements Program is a six-year plan of which the first year represents the Capital Improvements Budget. Project-length budgets are appropriated for the projects included in the first year of the six-year plan.

In compliance with the Code of Virginia, York County's policy for the General Fund is to propose and adopt a balanced budget, whereby revenues equal expenditures. The County's revenue stream consists of local, state, federal and other financing sources. The majority of the County's revenue is derived from general property taxes. The County's expenditure budget is divided into functional areas.

GENERAL FUND BUDGET - \$124,997,660

With the exception of full year operation of the York County Sports Complex and the implementation of a Medic Transport Cost Recovery program, the proposed budget for fiscal year 2010 includes no new initiatives but focuses on maintaining County services. As noted earlier, the proposed budget includes level funding for school operations as well as for school capital/debt service. County personnel costs are expected to be reduced by \$0.3 million due to a significant reduction in funding for work-as-required staff and overtime. Total non-personnel decreases total \$4.3 million and the major reductions are outlined in the Budget Highlights on page 3 of this Budget-In-Brief. The reductions are in County areas as follows:

Public Safety	\$ (0.60) million
Environmental & Development Services	\$ (0.30) million
Finance & Planning	\$ (0.80) million
General Services	\$ (0.40) million
Capital Improvements & Debt Service	\$ (1.50) million
Transfers & Contributions	\$ (0.30) million
All Other Functions	\$ (0.40) million

The total proposed General Fund expenditure budget is \$125.0 million, which is \$4.6 million or 3.5% less than the current year budget. This represents a reduction of over \$9.4 million from the amounts requested by the departments before they made the cuts necessary to achieve an overall balanced budget.

COMMENTS

York County has a long tradition of fiscal conservatism that has served it well. As is indicated by its excellent bond rating and highly sought after credit, the County is in a solid financial position and has the resources necessary for sound fiscal management. These practices have provided the foundation that will enable the County to weather the current financial crisis. Staff in the Department of Financial & Management Services and I continue to monitor economic conditions, trends and in particular revenue collections. I will continue to make the necessary adjustments to the current financial plan as required to finish the current fiscal year within the appropriated budget. I believe that the proposed budget outlined above represents a conservative estimate of the amounts necessary to continue the current level of service delivery and maintain the County's physical plant at a reduced but acceptable level for fiscal year 2010.

The requirements of the Code of Virginia regarding the development, preparation, and presentation of the budget to the Board of Supervisors by the County Administrator have been met. Several work sessions are scheduled between now and final budget adoption on April 7, 2009.

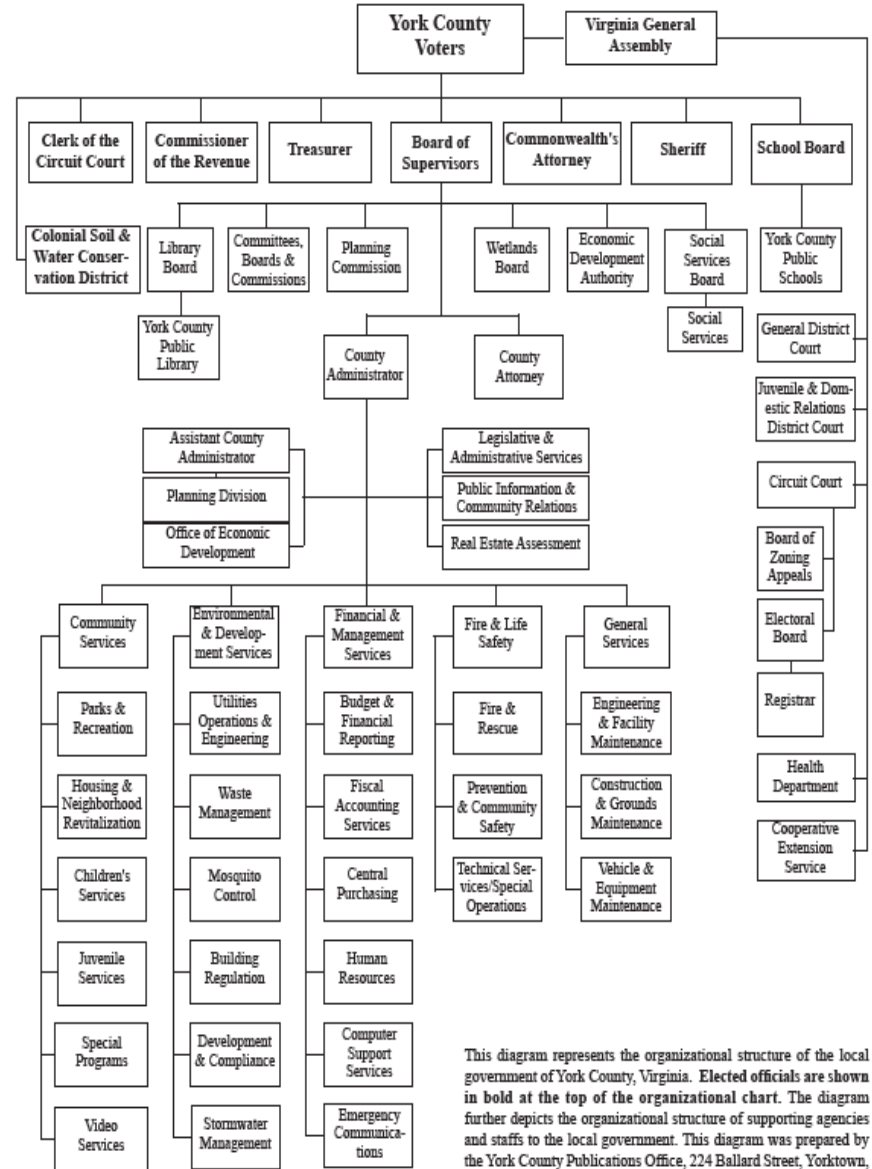
Staff has worked diligently to keep costs to a minimum while still meeting the expectations of our citizens. I would like to thank all County agencies and departments for their efforts. A special thanks goes to Carol White, Director of Financial and Management Services, and Sharon Day, Division Chief of Budget and Financial Reporting, along with division staff members Jody Bauer, Carolyn Cuthrell, Lisa Swartz, and Christine Dryden for a superb effort in putting this document together. The staff and I are prepared to assist you in your consideration of this proposal.

Respectfully submitted,

James O. McReynolds

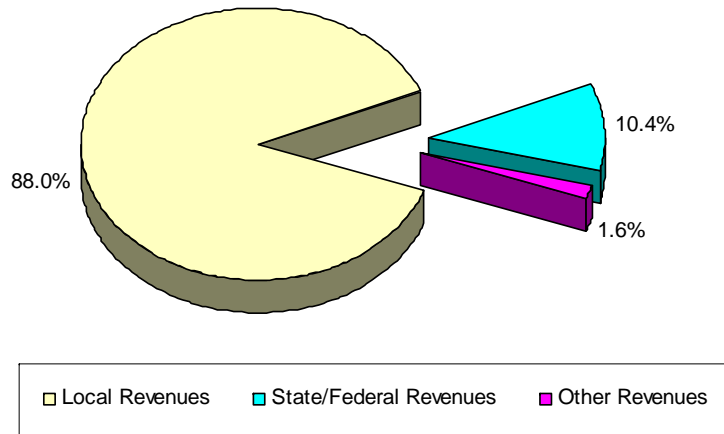
James O. McReynolds
County Administrator

Organizational Diagram of York County Government



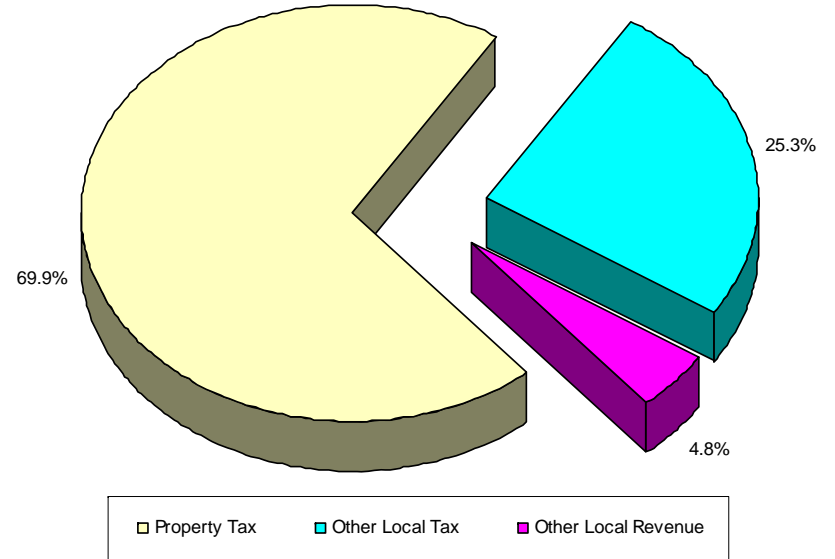
This diagram represents the organizational structure of the local government of York County, Virginia. Elected officials are shown in bold at the top of the organizational chart. The diagram further depicts the organizational structure of supporting agencies and staffs to the local government. This diagram was prepared by the York County Publications Office, 224 Ballard Street, Yorktown, Virginia, 23690. Mailing Address: P.O. Box 532, Yorktown, Virginia, 23690-0532.

GENERAL FUND REVENUES FY2010 - BY SOURCE



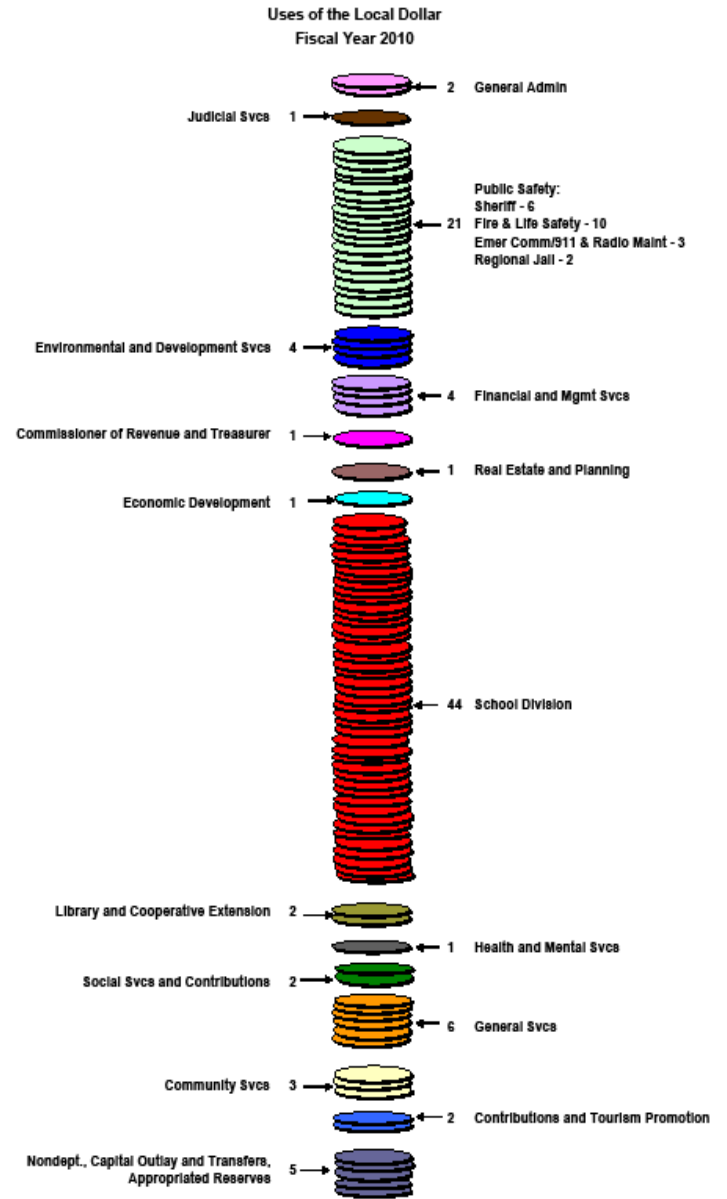
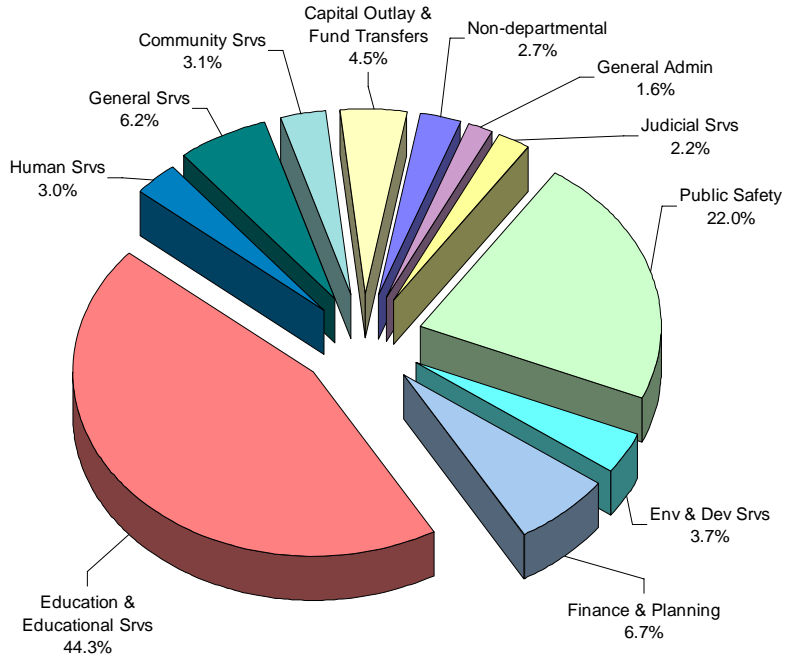
Source	FY2009 Original	FY2010 Proposed	Dollar Change
Local Revenues	114,068,856	109,987,232	(4,081,624)
State/Federal Revenues	13,571,052	13,022,356	(548,696)
Other Revenues	1,920,472	1,988,072	67,600
	<u>129,560,380</u>	<u>124,997,660</u>	<u>(4,562,720)</u>

GENERAL FUND LOCAL REVENUES FY2010 - BY SOURCE



Source	FY2009 Original	FY2010 Proposed	Dollar Change
Property Tax	78,099,639	76,873,600	(1,226,039)
Other Local Tax	30,925,879	27,834,660	(3,091,219)
Other Local Revenue	5,043,338	5,278,972	235,634
	<u>114,068,856</u>	<u>109,987,232</u>	<u>(4,081,624)</u>

**GENERAL FUND EXPENDITURES
FY2010 - BY FUNCTIONAL AREA**



Functional Area	FY2009 Original	FY2010 Proposed	Dollar Change
General Administration	\$ 2,096,916	1,967,892	(129,024)
Judicial Services	2,802,424	2,729,834	(72,590)
Public Safety	28,074,079	27,514,263	(559,816)
Environmental & Development Services	5,061,678	4,663,603	(398,075)
Finance & Planning	9,136,301	8,355,173	(781,128)
Education & Educational Services	55,849,532	55,431,900	(417,632)
Human Services	3,787,653	3,727,276	(60,377)
General Services	8,057,193	7,728,866	(328,327)
Community Services	3,864,092	3,844,294	(19,798)
Capital Outlay & Fund Transfers	7,191,126	5,675,809	(1,515,317)
Non-departmental	3,639,386	3,358,750	(280,636)
	<u>\$ 129,560,380</u>	<u>124,997,660</u>	<u>(4,562,720)</u>

SCHEDULE OF DEBT OBLIGATIONS

Prepared By:

Department of Financial & Management Services
 Budget & Financial Reporting Division

Sharon Day, Division Chief
 Jody Bauer, Senior Budget Analyst
 Carolyn Cuthrell, Senior Budget Analyst
 Lisa Swartz, Budget Analyst
 Christine Dryden, Budget Analyst

Marycarol C. White, Director
 Department of Financial & Management Services

Maturity	Original Issue	Principal Outstanding 7/1/2009	2010				
			Principal	Interest	Other Debt Service Expenditures/Expenses	Total Requirements	
Debt Service Funds							
General Obligation Bonds							
1993 VPBA Refinancing Bonds	12/15/2009	8,570,000	130,000	130,000	4,697	500	135,197
1993 VPBA School Bonds	12/15/2013	4,500,000	305,000	120,000	12,235	500	132,735
2002 Refunding School Bonds	07/15/2014	15,005,000	10,680,000	1,545,000	495,375	1,000	2,041,375
1997 VPBA School Bonds	07/15/2017	15,000,000	8,715,000	780,000	433,517	500	1,214,017
2003 VPBA School Bonds	07/15/2022	7,715,000	6,075,000	315,000	285,393	500	600,893
2004 VPBA School Bonds	07/15/2023	3,875,000	3,240,000	150,000	161,690	500	312,190
2005 VPBA School Bonds	07/15/2025	14,905,000	13,505,000	515,000	655,785	500	1,171,285
2006 VPBA School Bonds	07/15/2026	11,030,000	10,345,000	370,000	474,389	1,000	845,389
2008 VPBA School Bonds	07/15/2028	5,400,000	5,400,000	140,000	293,055	650	433,705
2010 Stormwater Bonds	Note 1	5,500,000	-	-	-	-	-
		<u>91,500,000</u>	<u>56,395,000</u>	<u>4,065,000</u>	<u>2,816,146</u>	<u>5,650</u>	<u>6,886,796</u>
Literary Loans							
1991 Magruder Elementary	07/15/2011	2,000,000	300,000	100,000	12,000	-	112,000
Capital Leases							
2004 Customer Premise Equipment	12/31/2011	971,921	451,633	144,282	19,330	-	163,612
2008 Signaling Equipment	01/01/2016	150,000	150,000	19,071	5,773	-	24,844
		<u>1,121,921</u>	<u>601,633</u>	<u>163,353</u>	<u>25,103</u>	<u>-</u>	<u>188,456</u>
Lease Revenue Bonds							
2002 COPs Revenue Refunding	03/01/2012	3,385,000	970,000	395,000	38,612	2,500	436,112
2003 Lease Revenue	06/15/2023	17,380,000	13,515,000	755,000	537,775	7,225	1,300,000
2008 Lease Revenue	10/01/2029	17,230,000	17,230,000	-	844,075	1,000	845,075
		<u>37,995,000</u>	<u>31,715,000</u>	<u>1,150,000</u>	<u>1,420,462</u>	<u>10,725</u>	<u>2,581,187</u>
Note Payable							
1999 VRB Note Payable	01/29/2014	3,532,077	1,620,440	278,836	114,693	-	393,529
Enterprise Funds							
Capital Leases							
2003 Refinance Capital Lease VPPBA	04/01/2012	1,545,000	560,000	180,000	22,400	702	203,102
2008 Signaling Equipment	01/01/2016	2,038,931	2,038,931	259,333	78,502	-	337,835
		<u>3,583,931</u>	<u>2,598,931</u>	<u>439,333</u>	<u>100,902</u>	<u>702</u>	<u>540,937</u>
Revenue Bonds							
2005 Sewer Revenue Refunding Bonds	06/01/2029	8,575,000	8,305,000	290,000	339,454	4,000	633,454
1999 Sewer Revenue Bonds	06/01/2009	790,000	-	-	-	2,100	2,100
1992 Lackey Revenue Bonds	05/14/2032	600,000	480,933	11,520	23,904	-	35,424
2010 Sewer Revenue Bonds	Note 2	8,000,000	-	-	-	800,000	800,000
		<u>17,965,000</u>	<u>8,785,933</u>	<u>301,520</u>	<u>363,358</u>	<u>806,100</u>	<u>1,470,978</u>
Total All Issues		\$157,697,929	\$104,016,937	\$ 6,498,042	\$ 4,852,664	\$ 823,177	\$ 12,173,883

Note 1 - The County is anticipating a borrowing for major stormwater (drainage) projects. Payments for this issuance are expected to begin in FY2011. The maturity date will be determined at the time of debt issuance.

Note 2 - The County is anticipating a borrowing for major sewer projects. Payments for this issuance are expected to begin in FY2010. The maturity date will be determined at the time of the debt issuance.