



## CITY OF WILLIAMSBURG

*Public Works & Utilities Department*

### UTILITY FUND WATER AND SEWER RATE ANALYSIS FY09-13

The FY09-13 water rate review looks at the financial viability of the Utility Fund in terms of projected revenues and expenses for the next five year period. The water rate was increased last year by 10% from \$3.00/1000 gallons to \$3.30/1000 gallons. The single water rate includes sewer service since the City does not have a separate rate for sewer.

#### **Expenses:**

As stated in last year's analysis, what will drive the cost of water for many years to come in the City and the entire Peninsula is development of a regional water supply, namely King William Reservoir. While the process for obtaining approval of the various permits has been cumbersome, the City continues to rely on this project for its long term water supply supplement to Waller Mill Reservoir. The City has been negotiating with Newport News Water Works (NNWW) for Williamsburg to buy in to the Project. The City completed a demand study and a supply study in FY08. From these studies, the City is determining the amount of water it wishes to commit to. Estimates place the need at 2-3 million gallons per day (mgd) from the King William Project. The safe yield of the King William Project is 20 mgd. Based on negotiations and NNWW's perspective, the City's contribution would equal the percentage of the reservoir's safe yield which we are reserving i.e. a 1 mgd reservation would cost the City 5% of the project cost or \$12.5 million from \$1.5 million to \$2.75 million depending on the amount of water we reserve. Using a long term borrowing mechanism, the debt service and operating & maintenance costs for King William Reservoir water will be in the range of \$.95 million per 1mgd reserved. With a utility fund budget of \$4.5 million, it is readily apparent that there will be a major impact to the budget and water rates/fees of the City.

King William Reservoir is only part of the infrastructure story. The City's sanitary sewer system will need to be upgraded in accordance with a Consent Order issued by the State Department of Environmental Quality (DEQ). The DEQ is responding to an initiative of the Federal Environmental Protection Agency (EPA) to control sanitary sewer overflows (SSO's) in the HRPDC area which is served by HRSD. The consent order is a regional order affecting all jurisdictions in the HRPDC area. The Order was finalized in September 2007. The City is required to make substantial investments in the sewer system to address overflows caused primarily by stormwater infiltrating/inflowing (I/I) and grease blockages in the sanitary system. Monies have been earmarked in the 5 year capital improvements program. These costs will be

ongoing including both capital expenditures and increased operating/maintenance costs to keep the system in good condition in accordance with the Order.

Further, we need to factor in the more conventional increases in expenses which have been identified in previous reports: Implementation of security measures at the Water Plant based on the Vulnerability Assessment Report; rehab/replacement of aging infrastructure; chemical treatment changes at the Water Plant necessary to meet stricter water quality standards (e.g. THM standards). 3% increase in expenses are predicted to cover these more conventional type expenses.

## **Revenue**

### **Growth in Water Demand:**

We are projecting water revenue to increase only slightly over the 5 year study period due to pending near-term development and redevelopment in the commercial sector. For example, the Community Hospital has left the City and will be replaced by the College's School of Education which is a less intensive water user. On the other hand, new development such as High Street, Quarterpath at Williamsburg and York County development in the By-Pass Road/Mooretown Road area will increase water demand. We are projecting .5% growth each year over the next five year period. Possible revenue from JCSA was not included since water sales to the Authority are on an emergency basis. Further, the Authority has increased water system capacity by adding a groundwater desalting plant in the past year. Water sales to the County would be strictly on an emergency basis and therefore are not included.

### **Water and Sewer Fees:**

The City last revised its water and sewer fees in July, 2000. The fees are broken into 3 areas: Availability fees, Hampton Roads Sanitation District (HRSD) fees and connection fees. The availability fees are designed to have new development pay for capital improvements which primarily benefit future customers. This prevents or reduces inequity to existing customers as "growth pays for growth". The HRSD wastewater facility charge is for new connections and covers the cost of treatment capacity expansion, line extensions and pump stations. These charges are established by HRSD and reviewed on an annual basis. The City collects the charges and forwards the receipts to the District. The third fee is the connection fee which is the construction cost of the City installing the water and sewer connections to the customer's property line. Most connections are pre-installed by the developer at the time the project is under construction and therefore, in those cases, the fee is not applicable.



The availability fees are based on meter size to reflect capacity and demand on the system. The City last increased the fees in FY07 from \$1,500 to \$2,500. This increase was predicated on new growth paying equitably in the growth of the system such as King William reservoir. These fees should be increased again to help offset the unprecedented expenses the City will be experiencing starting in FY09 in terms of paying for both the KWR project and the SSO efforts. The following availability fees are recommended:

<u>Meter Size</u>	<u>Water Availability</u>		<u>Sewer Availability</u>	
	<u>Existing</u>	<u>Proposed</u>	<u>Existing</u>	<u>Proposed</u>
5/8"x 3/4"	\$ 2,500	\$ 5,000	\$ 2,500	\$ 3,000
3/4"	\$ 3,000	\$ 6,000	\$ 3,000	\$ 4,000
1"	\$ 5,000	\$ 10,000	\$ 5,000	\$ 6,000
1.5"	\$ 10,000	\$ 20,000	\$ 10,000	\$ 12,000
2"	\$ 16,000	\$ 32,000	\$ 16,000	\$ 19,000
3"	\$ 32,000	\$ 64,000	\$ 32,000	\$ 38,000
4"	\$ 60,000	\$120,000	\$ 60,000	\$ 72,000
6"	\$120,000	\$240,000	\$120,000	\$144,000
8"	\$200,000	\$400,000	\$200,000	\$240,000
10"	\$350,000	\$700,000	\$350,000	\$420,000

Fire Line Fee: Existing - \$1,000/inch

Proposed - \$2,000/inch

The water and sewer connection fees are the costs associated with the City installing water and sewer service lines. Service lines run from the main lines to the customer's property line. For the most part, on new development, the developer installs the service line as part of the overall infrastructure of the development project. The City primarily installs service lines to infill development in existing subdivisions and small commercial sites. The water connection fee is based on meter size while the sewer connection fee is more of a flat fee for residential or commercial construction. These fees were last increased substantially in FY07. An increase is not recommended since the fees are representative of actual costs of providing water and sewer service connections.

## Rate Analysis:

Working capital projections were developed for different scenarios. The year-end working capital is essentially the Fund's cash balance or the difference between short term assets and liabilities. An increase in revenues relative to the proposed increases in water/sewer fees has been factored in the analysis. A majority of the increased revenue from fees is predicated on the development of High Street and Riverside/Quarterpath developments occurring over an estimated 10 year period. Also, redevelopment based on the City's Economic Development Plan was considered. Finally, capital improvement expenses are based on our recently submitted FY09-13 CIP budget figures.

The rate analysis takes into account estimated expenses for the KWR project since negotiations are not quite final. A financial plan will need to be developed to establish the financing vehicle and payment schedule once negotiations are complete. A contract with NNWW is expected by July 2008.

Two rate scenarios are presented in Exhibit 1 and Exhibit 2. Since negotiations are not final, for illustrative purposes we have shown purchasing 1 mgd at \$12.5 million for both scenarios. Both scenarios envision making a cash contribution of \$2.5 million and borrowing \$10 million for 15 years at 3.75% using a bank qualified loan. Since we will need to reserve at least another 1 mgd, it will necessitate borrowing additional money after the first note is paid off. Future rate analysis will take that borrowing into account, as we finalize the contract with Newport News.

Exhibit 1 shows working capital projections with no rate increase. Exhibit 2 shows rate increases of 15% for the next 3 years and 10% increases in the following two years. With no rate increases, working capital is quickly depleted by 2010. Exhibit 2 maintains a positive working capital balance for the next 5 years, showing a \$2 million balance by year 2013.

For FY09 we are recommending a 15% increase in the water rate to \$3.80/1000 gals. Large rate increases will be necessary in the next several years to cover capital expenses including the new water supply and the sanitary sewer Consent Order while maintaining a reasonable working capital. Once we establish the amount of water we need from the Reservoir and negotiations with NNWW are finalized, the financial analysis will be completed, and rates/fees can be more accurately forecasted for both the short and long term.

A comparison of our water rate with other communities is presented in Exhibit 3. Although the other localities are considering FY09 rate increase, rates currently in place are used for comparison purposes. Williamsburg remains far below all other Hampton Roads communities.

Daniel G. Clayton III  
Director

# EXHIBIT 1

## CITY OF WILLIAMSBURG WATER & SYSTEM OPERATIONS

### Revenue under existing rates

	2007	2008	2009	2010	2011	2012	2013
	Actual	Estimated					
Water	3,462,762	3,630,000	3,630,000	3,648,150	3,666,391	3,684,723	3,703,146
Sewer	844,269	850,000	850,000	854,250	858,521	862,814	867,128

Total Revenue Under Existing Rates	4,307,031	4,480,000	4,480,000	4,502,400	4,524,912	4,547,537	4,570,274
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### Additional Water Revenues:

Effective Date	Rate Increase	Proposed Rate	Months Effective						
July 1, 2008	0.00%	\$3.30	12	0	0	0	0	0	0
July 1, 2009	0.00%	\$3.30	12	0	0	0	0	0	0
July 1, 2010	0.00%	\$3.30	12	0	0	0	0	0	0
July 1, 2011	0.00%	\$3.30	12	0	0	0	0	0	0
July 1, 2012	0.00%	\$3.30	12	0	0	0	0	0	0

Subtotal, Additional Revenue from Increases	0	0	0	0	0	0	0
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Total Revenue from User Charges	4,307,031	4,480,000	4,480,000	4,502,400	4,524,912	4,547,537	4,570,274
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Other Utility Income	327,241	356,900	389,400 *	500,000	500,000	600,000	600,000
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Total Operating Revenues	4,634,272	4,836,900	4,869,400	5,002,400	5,024,912	5,147,537	5,170,274
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### Operation and Maintenance Expenses

Water and Sewer Utility	-4,317,533	-4,286,534	-4,879,106	-5,025,479	-5,176,244	-5,331,531	-5,491,477
Add back depreciation expense	370,075	375,000	375,000	375,000	375,000	375,000	375,000
Total Direct Operation & Maintenance Expenses	-3,947,458	-3,911,534	-4,504,106	-4,650,479	-4,801,244	-4,956,531	-5,116,477

Operating Income	686,814	925,366	365,294	351,921	223,668	191,006	53,797
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Interest Income - Operating	253,915	225,000	165,000	30,000	0	0	0
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Net Income from Operations	940,729	1,150,366	530,294	381,921	223,668	191,006	53,797
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### Debt Service (principal & interest)

Open Space Easement	-24,082	--	--	--	--	--	--
Capital Construction Bond	-172,240	-166,333	-158,652	-151,974	-145,296	-137,819	-33,572
Land Purchase Bond	-234,750	--	--	--	--	--	--
Total Debt Service	-431,072	-166,333	-158,652	-151,974	-145,296	-137,819	-33,572

### Major Capital Improvements

Capital Improvements Expenses	-628,812	-1,165,000	-1,385,000	-1,085,000	-765,000	-1,305,000	-805,000
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Balance - Fiscal Year Operations	-119,155	-180,967	-1,013,358	-855,053	-686,628	-1,251,813	-784,775
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### King William Reservoir (KWR) Expenses:

Payment from Reserves			-2,500,000				
Debt Service **			-884,000	-884,000	-884,000	-884,000	-884,000
Operating Costs			-164,837	-168,079	-174,733	-175,000	-189,056
Total KWR Expenses			-3,548,837	-1,052,079	-1,058,733	-1,059,000	-1,073,056

Working Capital - Beginning of Year	5,509,247	5,390,092	5,209,125	646,930	-1,260,202	-3,005,563	-5,316,376
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Working Capital - End of Year	5,390,092	5,209,125	646,930	-1,260,202	-3,005,563	-5,316,376	-7,174,207
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\* Assumes increase in availability fees

\*\* Based on repayment of \$10 Million borrowed for 15 years @ 3.75%

### Assumptions:

0.5% Growth in Water Consumption

3.0% Growth in Operating Expenses

## EXHIBIT 2

CITY OF WILLIAMSBURG  
WATER & SYSTEM OPERATIONS

Revenue under existing rates

	2007	2008	2009	2010	2011	2012	2013
	Actual	Estimated					
Water	3,462,762	3,630,000	3,630,000	3,648,150	3,666,391	3,684,723	3,703,146
Sewer	844,269	850,000	850,000	854,250	858,521	862,814	867,128

Total Revenue Under Existing Rates	4,307,031	4,480,000	4,480,000	4,502,400	4,524,912	4,547,537	4,570,274
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Additional Water Revenues:

Effective Date	Rate Increase	Proposed Rate	Months Effective						
July 1, 2008	15.00%	\$3.80	12	0	0	544,500	544,500	544,500	544,500
July 1, 2009	15.00%	\$4.36	12	0	0	0	626,175	626,175	626,175
July 1, 2010	15.00%	\$5.02	12	0	0	0	0	722,824	722,824
July 1, 2011	10.00%	\$5.52	12	0	0	0	0	0	555,989
July 1, 2012	10.00%	\$6.07	12	0	0	0	0	0	613,421

Subtotal, Additional Revenue from Increases	0	0	544,500	1,170,675	1,893,499	2,449,488	3,062,909
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Total Revenue from User Charges	4,307,031	4,480,000	5,024,500	5,673,075	6,418,411	6,997,024	7,633,183
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Other Utility Income	327,241	356,900	389,400 *	500,000	500,000	600,000	600,000
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Total Operating Revenues	4,634,272	4,836,900	5,413,900	6,173,075	6,918,411	7,597,024	8,233,183
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Operation and Maintenance Expenses

Water and Sewer Utility	-4,317,533	-4,286,534	-4,879,106	-5,025,479	-5,176,244	-5,331,531	-5,491,477
Add back depreciation expense	370,075	375,000	375,000	375,000	375,000	375,000	375,000
Total Direct Operation & Maintenance Expenses	-3,947,458	-3,911,534	-4,504,106	-4,650,479	-4,801,244	-4,956,531	-5,116,477

Operating Income	686,814	925,366	909,794	1,522,596	2,117,167	2,640,493	3,116,706
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Interest Income - Operating	253,915	225,000	165,000	60,000	25,000	10,000	10,000
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Net Income from Operations	940,729	1,150,366	1,074,794	1,582,596	2,142,167	2,650,493	3,126,706
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Debt Service (principal & interest)

Open Space Easement	-24,082	--	--	--	--	--	--
Capital Construction Bond	-172,240	-166,333	-158,652	-151,974	-145,296	-137,819	-33,572
Land Purchase Bond	-234,750	--	--	--	--	--	--
Total Debt Service	-431,072	-166,333	-158,652	-151,974	-145,296	-137,819	-33,572

Major Capital Improvements

Capital Improvements Expenses	-628,812	-1,165,000	-1,385,000	-1,085,000	-765,000	-1,305,000	-805,000
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Balance - Fiscal Year Operations	-119,155	-180,967	-468,858	345,622	1,231,871	1,207,674	2,288,134
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King William Reservoir (KWR) Expenses:

Payment from Reserves			-2,500,000				
Debt Service **			-884,000	-884,000	-884,000	-884,000	-884,000
Operating Costs			-164,837	-168,079	-174,733	-175,000	-189,056
Total KWR Expenses			-3,548,837	-1,052,079	-1,058,733	-1,059,000	-1,073,056

Working Capital - Beginning of Year	5,509,247	5,390,092	5,209,125	1,191,430	484,973	658,111	806,785
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Working Capital - End of Year	5,390,092	5,209,125	1,191,430	484,973	658,111	806,785	2,021,864
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\* Assumes increase in availability fees

\*\* Based on repayment of \$10 Million borrowed for 15 years @ 3.75%

**Assumptions:**

0.5% Growth in Water Consumption

3.0% Growth in Operating Expenses

### EXHIBIT 3

WATER AND SEWER RATES COMPARISON			
	WATER	SEWER	TOTAL
Newport News	\$ 3.89/1000 gallons	\$ 2.05/1000 gallons	\$ 5.94/1000 gallons
JCSA	<u>Res.</u> 0-15 \$2.50 15-30 \$3.00 > 30 \$8.50 <u>Comm.</u> \$3.00/1000	\$ 2.80/1000 gallons	\$ 5.30+/1000 gallons
Portsmouth	\$ 3.65/1000 gallons	\$ 2.86/1000 gallons	\$ 6.55/1000 gallons
Norfolk	\$ 4.65/1000 gallons	\$ 3.72/1000 gallons	\$ 8.37/1000 gallons
Chesapeake	\$ 4.76/1000gallons	\$ 2.39/1000 gallons	\$ 7.15/1000 gallons
VA Beach	\$ 3.80/1000 gallons	\$17.72/house	\$ 5.00+/1000 gallons
Williamsburg	\$ 3.30/1000 gallons	No separate charge	\$ 3.30/1000 gallons

March 2008



**CITY OF WILLIAMSBURG, VIRGINIA**  
**Fiscal Year 2009 Operating Budget**

**Debt Service**

**Computation of Legal Debt Margin (as of June 30, 2007)**

Assessed Value of Real Estate		
Subject to Taxation - June 30, 2007		\$1,547,220,200
Debt Limit: 10 Percent of Assessed Value*		\$154,722,020
Total Bonded Debt	\$13,548,395	
Total Amount of Debt Applicable to Debt Limit		<u>\$13,548,395</u>
Legal Debt Margin		<u>\$141,173,625</u>

\*Virginia statute limits bond issuing authority of Virginia cities to 10% of the assessed real estate value.  
The above calculation includes all debt secured by the full faith and credit of the City

**Summary of Debt Issues:**

<u>Bond:</u>	<u>Fund</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount Issued</u>
1	General	G.O. - Capital Improvements	August, 1997	Sept., 2012	30-day Libor less 1.4%	\$6,000,000
2	Utility	G.O. - Capital Improvements	August, 1997	Sept., 2012	4.94%	\$2,000,000
3	General	G.O. - Capital Improvements	January, 2002	January, 2017	4.55%	\$2,500,000
4	General	G.O. - Capital Improvements	April, 2005	April, 2020	3.76%	\$8,500,000

**Debt Service by Fiscal Year:**

<u>Fiscal Year</u>	<u>Fund</u>	<u>Principal Payments</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Notes:</u>
2009	General	\$1,036,704	\$413,846	\$1,450,550	
2010	General	\$1,064,816	\$370,670	\$1,435,486	
2011	General	\$1,088,610	\$326,357	\$1,414,967	
2012	General	\$1,118,109	\$280,313	\$1,398,422	
2013	General	\$810,009	\$239,140	\$1,049,149	#1 Improvement bond payoff
2014	General	\$774,336	\$209,020	\$983,356	
2015	General	\$806,119	\$178,365	\$984,484	
2016	General	\$838,721	\$146,435	\$985,156	
2017	General	\$872,173	\$113,201	\$985,374	#3 Parking Garage bond payoff
2018	General	\$671,507	\$78,630	\$750,137	
2019	General	\$696,755	\$53,381	\$750,136	
2020	General	\$722,953	\$27,183	\$750,136	#4 Improvement bond payoff

<u>Fiscal Year</u>	<u>Fund</u>	<u>Principal Payments</u>	<u>Interest</u>	<u>Total Debt Service</u>	
2009	Utility	\$133,333	\$25,319	\$158,652	
2010	Utility	\$133,333	\$18,641	\$151,974	
2011	Utility	\$133,333	\$11,963	\$145,296	
2012	Utility	\$133,333	\$4,486	\$137,819	
2013	Utility	\$22,222	\$236	\$22,458	#2 Improvement bond payoff



**Assessed Value of Taxable Property- Last Ten Fiscal Years**

Fiscal Year	Real Estate	<b><u>Public Service Corporations:</u></b>			
		Personal Property	Real Estate	Personal Property	Total
1999	792,641,200	56,325,500	40,999,777	18,895	889,985,372
2000	815,856,500	58,029,830	43,812,511	4,164	917,703,005
2001	863,961,268	63,697,973	47,224,673	18,775	974,902,689
2002	908,631,326	66,844,284	50,895,236	17,285	1,026,388,131
2003	995,635,300	68,232,529	49,990,963	340,727	1,114,199,519
2004	1,117,426,100	68,635,038	53,151,294	0	1,239,212,432
2005	1,202,692,600	67,621,580	55,531,820	17,388	1,325,863,388
2006	1,338,705,000	72,164,111	52,041,889	0	1,462,911,000
2007	1,547,651,600	71,871,600	51,334,159	21,358	1,670,878,717
2008	1,803,239,200	70,304,080	52,220,912	13,527	1,925,777,719

**Ratio of Annual Debt Service Expenditures for G.O. Bonded Debt  
to Total General Governmental Expenditures - Last Ten Fiscal Years**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total General Governmental Expenditures *
					General Governmental Expenditures *
1998	788,000	494,410	1,282,410	25,804,745	4.97%
1999	921,333	465,741	1,387,074	29,462,680	4.71%
2000	788,000	345,542	1,133,542	24,941,834	4.54%
2001	788,000	323,094	1,111,094	25,544,970	4.35%
2002	788,000	290,907	1,078,907	27,507,905	3.92%
2003	908,000	361,125	1,269,125	32,029,353	3.96%
2004	5,413,000	352,333	5,765,333	37,274,645	15.47%
2005	918,000	336,211	1,254,211	31,518,436	3.98%
2006	5,872,179	505,332	6,377,511	40,393,943	15.79%
2007	992,425	554,257	1,546,682	43,943,851	3.52%

\* Fiscal Years 2004 and 2006 included debt principal payoff

**Property Tax Rates (per \$100 of valuation)**

Fiscal Year	Real Estate	Personal Property	Personal Property Tax Relief Rate	Machinery & Tools
1998	0.54	3.50	12.5%	3.50
1999	0.54	3.50	27.0%	3.50
2000	0.54	3.50	47.5%	3.50
2001	0.54	3.50	70.0%	3.50
2002	0.54	3.50	70.0%	3.50
2003	0.54	3.50	70.0%	3.50
2004	0.54	3.50	70.0%	3.50
2005	0.54	3.50	70.0%	3.50
2006	0.54	3.50	65.0%	3.50
2007	0.54	3.50	60.0%	3.50

**Principal Employers- Current and Nine Years Ago**

<b><u>Employer</u></b>	<b><u>1998</u></b>			<b><u>2007</u></b>		
	<b><u>Employees<sup>1</sup></u></b>	<b><u>Rank</u></b>	<b><u>Percentage of total City Employment</u></b>	<b><u>Employees*</u></b>	<b><u>Rank</u></b>	<b><u>Percentage of total City Employment</u></b>
College of William & Mary	1,000+	1	17.91%	1,000+	1	19.54%
Colonial Williamsburg Foundation	1,000+	2	10.29%	1,000+	2	11.20%
Colonial Williamsburg Company	1,000+	3	9.43%	1,000+	3	8.34%
Williamsburg Community Hospital <sup>2</sup>	500 to 999	4	4.32%			
City of Williamsburg	250 to 499	5	0.90%	250 to 499	4	1.15%
Williamsburg Hospitality House	100 to 249	6	0.83%	100 to 249	5	0.88%
Marriott Educational Services Inc.	100 to 249	7	0.83%	100 to 249	6	0.88%
Patrick Henry Inn	100 to 249	8	0.83%			
National Center for State Courts	100 to 249	9	0.83%	100 to 249	7	0.88%
Red Lobster & The Olive Garden	100 to 249	10	0.83%	100 to 249	8	0.88%
Yankee Candle				100 to 249	9	0.88%
Bluegreen				100 to 249	10	0.88%

<sup>1</sup> includes part-time and seasonal employees

<sup>2</sup> now Sentara Healthcare-relocated to neighboring York County in August 2006

**Unemployment Rate and Labor Force**

(Source, Virginia Employment Commission)

<b>Year</b>	<b>Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Percentage</b>
1997	5,825	5,423	402	6.9%
1998	6,073	5,744	329	5.4%
1999	6,119	5,779	340	5.6%
2000	4,577	4,379	198	4.3%
2001	4,655	4,392	263	5.6%
2002	4,657	4,317	340	7.3%
2003	4,664	4,282	382	8.2%
2004	4,667	4,302	365	7.8%
2005	4,735	4,377	358	7.6%
2006	4,816	4,536	280	5.8%

**Land Area of Original City of Williamsburg and Subsequent Annexations**

<b>Year</b>	<b>Description</b>	<b>Annexation Area (Sq. Miles)</b>	<b>Accumulative Area (Sq. Miles)</b>
1722	Original City	0	0.86
1915	Annexation	0.11	0.97
1923	Annexation	0.48	1.45
1941	Annexation	1.66	3.11
1964	Annexation	2.06	5.17
1984	Annexation	3.88	9.05

**CITY OF WILLIAMSBURG, VIRGINIA**  
**Fiscal Year 2009 Operating Budget**

**Statistical Information**

**Demographic and Economic Statistics,  
Last Ten Fiscal Years**

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)<sup>2</sup></b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Public School Enrollment <sup>3</sup></b>	<b>Per Capita Personal Debt</b>	<b>Unemployment Rate<sup>1</sup></b>
		1,644,516				
1998	11,430	1,808,310	31,496	7,921	991	5.40%
1999	11,430	1,924,796	32,664	8,155	913	5.60%
2000*	11,998	2,107,283	34,834	8,191	793	4.30%
2001	12,400	2,290,040	37,234	8,407	1,159	5.60%
2002	12,600	2,392,093	37,983	8,553	1,615	7.30%
2003	13,200	2,484,654	38,413	8,959	1,460	8.20%
2004	13,400	2,725,826	40,708	9,402	1,445	7.80%
2005	13,400	2,899,363	41,922	9,820	1,989	7.60%
2006	13,400	3,081,322	42,923	10,107	1,530	5.80%
2007	13,400	n/a	n/a	10,137	n/a	5.70%

\* U. S. Census - all other population figures supplied by Weldon Cooper Center for Public Service (University of VA)

<sup>1</sup> Virginia Employment Commission

<sup>2</sup> Source - U.S. Dept of Commerce, Bureau of Economic Analysis, Regional Accounts Data -  
per capita personal income figures are only available for the City of Williamsburg and neighboring James City County combined

<sup>3</sup> Source - Williamsburg-James City County Public Schools



**CITY OF WILLIAMSBURG, VIRGINIA****Fiscal Year 2009 Operating Budget****Statistical Information**

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**Miscellaneous Statistics - June 30, 2007**

Date Established by Virginia General Assembly	1699
Date of Incorporation by Royal Charter	1722
Form of Government since 1932	Council-Manager
Population (2002 Census)	11,998
Population (2005 Estimate) *	13,242
Area	9.05 Sq. Miles
Miles of Streets	54
Number of Traffic Signals	15
Fire Protection:	
Number of Stations	1
Firemen: full-time	36
volunteer	30
Police Protection	
Number of Stations	1
Sworn Officers	35
Education:	
Schools (owned by joint school system)	
Grades:	
K-5	8
6-8	3
9-12	3
Recreation:	
Number of Parks	4
Number of Ball Fields	6
Number of Tennis Courts	10
Number of Total Acres	2,036
Culture:	
Number of Public Libraries (Regional)	2
Number of volumes - June 2007	341,733
Number of patrons - June 2007	52,318
Municipal Water Department	
Number of Customers	3,875
Average Daily Consumption	3,200,000 gallons
Miles of Water Distribution	48
Number of Water Tanks	5
Municipal Employees	196
Number of Hotels & Motels	47
Number of Bed & Breakfasts	37
Number of Restaurants	85

\* Weldon Cooper Center for Public Service

**Accounting System** - The total set of records and procedures which are used to record, classify, and report information on the financial status and operations of the City.

**Accrual Basis of Accounting** - The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

**Account Number** - A numerical code identifying Revenues and Expenditures by Fund, Department, Activity, Type and Object.

**Activity** - One of the tasks, goals, etc., of a departmental program.

**Allocate** – To set apart or earmark for a specific purpose

**Appropriation** - An authorization granted by the City Council to make expenditures and to incur obligations for purposes specified in the budget.

**Assessment** – The value set by the City Assessor annually for a particular real property in the City.

**Balance Budget** – The City Manager annually proposes, and the City Council adopts, a budget or financial plan for the upcoming year in which the revenues available (including any available fund balance from prior years) match or exceed the projected expenditures.

**BPOL** - Business, Professional and Occupational License Tax, administered by the Commissioner of the Revenue.

**Budget** - A comprehensive plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The City's annual budget is established by City Council with a budget resolution.

**Budget Revision** - A formal change in the total amount of budgeted expenditures during a fiscal year by action of City Council.

**Budget Transfer** - A formal transfer from one activity [usually a departmental line item] to another, without changing a department's budget total. Transfers are approved at the City Manager level, and do not require action by City Council.

**Capital Equipment** - An expenditure for a fixed asset that has an expected life of more than (1) year and the cost of which is in excess of \$20,000. Capital items include office equipment, furniture, computers, etc.

**Capital Improvement** - New or expanded physical facilities for the community that are of relatively large size, are relatively expensive and permanent in nature. For example: street improvements, sidewalks, bridge rehabilitation, buildings, park improvements, and City vehicles. Capital improvements are accounted for in either the Sales Tax Fund for general improvements, or the Utility Capital Improvement Fund for water and sewer related projects.

**Carryover** – Refers to the process of transferring specific funds and obligations previously approved by City Council from the end of one fiscal year to the next fiscal year. City policy is to use this process only for capital projects.

**CDBG** – Community Development Block Grant program, funded by the U.S. Dept of Housing & Urban Development (HUD). These grant funds are used in the City to improve housing, neighborhoods, and economic conditions of the City's low and moderate income residents. The City works exclusively with the Williamsburg Redevelopment & Housing Authority (WRHA), as the agency receives Federal funds directly for CDBG projects.

**CIP** – Capital Improvement Program – a five-year plan for capital projects, with the first year of the plan appropriated by City Council by budget resolution.

**Constitutional Offices** – The offices or agencies directed by elected officials whose positions (Sheriff, Treasurer, Commissioner of the Revenue, etc.) are established by the Constitution of the Commonwealth of Virginia or its statutes.

**Contingency Account** - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

**Contractual Service** - An expenditure for services performed by a non-employee. For example: computer, building, and copy machine maintenance, special studies, etc.

**CSA** – Comprehensive Services Act for Youth and Families

**Debt Service** – Principal and interest that the City pays on funds borrowed for capital projects.

**Department** - The Department is the primary administrative unit in City operations. Each is directed by a department head. Departments are generally composed of divisions of activities which share a common purpose.

**Depreciation** - (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence; (2) that portion of the cost of a capital asset which is charged as an expense during a particular period.

**Enterprise Fund** - Used to account for the financing of services where all or most of the operating expenses involved are recovered in the form of charges to users of such services.

**Expenditure** - An expenditure is a decrease in net financial resources for the governmental funds. This includes current operating expenditures requiring the present or future use of current assets.

**Expense** - The same as above when applied to a fund accounted for on an accrual basis, such as the City's Utility Fund.

**Fiscal Year** - The twelve month period on which the City operates its financial affairs. The City of Williamsburg's fiscal year is July 1 through June 30.

**Fixed Asset** - An expenditure for a good that has an expected life of more than (1) year and the cost of which is in excess of \$5,000. Capital items include real property, office equipment, furnishings and vehicles.

**Full-Time Equivalent (FTE)** - The percentage of time a staff member works represented as a decimal. A full-time authorized staff position is 1.00, equating to 2,080 hours of work per year (2,912 for uniformed firefighters) a half-time person is .50 and a quarter-time person is .25.

**Fund** - A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

**Fund Balance** - The equity of a fund, oftentimes incorrectly referred to as "surplus". It is the difference between a fund's assets and liabilities. Fund Balance is calculated by taking the beginning balance as of the beginning of the fiscal year, adding in all revenues received during the year, and deducting the year's expenditures. It is available to support the spending needs of the fund if necessary.

**FY** – Fiscal Year

**GAAP** – Generally accepted accounting principals. Uniform minimum standards for financial accounting, recording, and reporting.

**GASB** – Governmental Accounting Standards Board – A non-profit organization organized in 1984 as an operating entity of the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities.

**General Fund** – The fund type that accounts for the daily operations of the City, supported by local taxes, fees, and State revenues. It is the largest fund in the City's budget.

**GFOA** – Government Finance Officers Association of the United State and Canada. The purpose of the GFOA is to enhance and promote the professional management of governments for the public benefit.

**Infrastructure** - Roads, bridges, curbs and gutters, streets, sidewalks, drainage systems and lighting systems installed for the common good.

**I T** – Information Technology, a division of the Department of Finance, responsible for the City's current and future technology requirements, including local area network and infrastructure, computer hardware, software, maintenance, and replacement plan, voice, video, security, and disaster recovery.

**Line Item** - An individual expenditure (or expense) category listing in the budget (salaries, supplies, etc.)

**Modified Accrual Basis of Accounting** - (a) Revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

**Pay-As-You-Go** - Refers to the method of financing capital projects from savings or normal cash flow. This requires annual appropriation of existing resources without the need to borrow funds.

**Personal Property** – A category of property identified for purposes of taxation in Virginia. It is comprise of personally owned vehicles, as well as corporate property and business equipment. Examples includes automobiles, motorcycles, trailers, boats, airplanes, business furnishings, and manufacturing equipment.

**Real Property** – Real estate, including land and improvements, classified for purposes of assessment.

**Retained Earnings** - The total earnings of an enterprise fund (in governmental accounting) since the establishment of the fund. The amount is adjusted by the fund income less expenses - on a full accrual basis of accounting.

**Revenue** – The yield of sources of income that the City of Williamsburg collects and receives into the treasury to pay for public services. Taxes, fees for services and grants are sources of revenue, for example.

**Sales Tax Fund** - This fund accounts for the scheduled major capital improvements for the upcoming year. Williamsburg also refers to this as the General Capital Improvements Program, and is supported exclusively by 1% retail sales tax revenues returned to the locality from the Commonwealth of Virginia, and interest earnings.

**Supplemental Appropriation** – An increase to a department's budget (spending authority) approved by City Council during the course of the fiscal year. It generally involves appropriation of a grant or other outside revenue.



**Surplus** - The excess of revenues over expenditures for a fund during a fiscal year.

**Taxes** - Compulsory charges levied by a government, school, sewer or other special district for the purpose of financing services performed for the common benefit.

**Tax Base** – The total market value of real property (land, buildings, and related improvements), public service corporation property, and personal property (cars, boats, and business tangible equipment) in the City.

**Tax Levy** - The total amount to be raised by either real or personal property taxes.

**Tax Rate** - The amount of taxes levied for each \$100 of assessed valuation, either real or personal property.

**Transfer** - A transfer is a movement of monies from one fund, activity, department, or account to another. This includes budgetary funds and/or movement of assets.

**Working Capital** - Excess of revenues over expenses for the Utility Fund. Working capital, as reported on a balance sheet, approximates cash and cash equivalents.

**Workload Measures** – Represent the numerical inputs, outputs and/or outcomes of City operating programs.