

# CITY OF WILLIAMSBURG

## Fiscal Year 2007 Operating and Capital Budgets

## BUDGET GUIDE

### INTRODUCTION

This Guide is designed to assist those responsible for preparing the Annual Operating Budget and the Five Year Capital Improvement Program of the City of Williamsburg. The budget process defines, communicates, and funds the city's programs and priorities. The completed budget is City Council's financial road map, and a primary management tool for the City Manager and Department Heads. To that end, it must be a quality document, and our best efforts should be expended in its preparation.

The Budget Guide is a formal call for all departments of the city, and agencies associated with the city, to prepare and submit an estimate of the resources required for the next fiscal year. It includes a set of procedures for building a comprehensive budget to be submitted to City Council in March each year. It also serves as a mid year review to identify adjustments necessary to the current year budget.

### AUTHORITY

The Charter and Code of Ordinances of the City of Williamsburg, and the Code of Virginia, prescribe budgetary responsibility and process. Budgetary accounts are maintained according to the Uniform Financial Reporting Manual for Virginia Counties and Municipalities, as prescribed by the Auditor of Public Accounts, Commonwealth of Virginia. This guide consolidates pertinent budgetary information as concisely as possible, providing a reference for making sound, informed, consistent budget decisions.

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November 2005

28 Partner agencies FY 2007 applications distributed.

December 2005

9 City Manager and Finance Director distribute budget guidance and capital improvement planning instructions to operating departments. Partner agencies FY 2007 applications distributed.

19 Departments submit to City Manager input for Five Year Capital Improvement Program update.

January 2006

6 Finance department distributes FY 2007 Budget Work Sheets to Departments and Constitutional Officers.

6 Finance department sends letters to outside agencies advising of budget submittal requirements and deadlines.

6 City Manager and Planning Director prepare a working paper on the CIP update, focused on major capital items, and provide to City Council and Planning Commission.

12 Partner Agencies FY 2007 application deadline

23 Departmental and Constitutional Officer operating budgets due to Finance Department. Finance begins compilation and review of budgets, and completes revenue projections for FY 2007.

23 City Manager and Finance Director begin meetings with Department Heads on budget submittals as necessary.

February 2006

3 Deadline for receipt of Outside Agency budget requests.

17 Planning Commission provides input to City Manager and City Council for update of the Five Year Capital Improvement Program.

March 2006

- 3 Proposed budgets submitted by School Division and Library.
- 17 Proposed Operating and Capital Improvement Budgets delivered to Council.
- 20-22 Council Work Sessions--Review of Outside Agency Requests.
- 22 Send Budget advertisements to local newspaper for publication.
- 25 Advertise Proposed Budget for public hearing

April 2006

- 13 City Council Public Hearing on Proposed Budget and Tax Levy.
- 17-19 Council Work Sessions (as necessary) to finalize budget. City Manager and Finance staff prepare final budget for adoption.
- 21 Supervisors and Department Heads submit annual employee performance evaluations for input into Merit Pay Plan.

May 2006

- 11 Council Adopts FY 2007 Operating and Capital Budgets.  
Council Sets Tax Rate.

July 2006

- 1 Begin Fiscal Year 2007.

General

In early January, Finance staff will provide spreadsheets to departments with operating activity for each departmental line item:

- A. Prior year's expenditures for last two fiscal years.
- B. Current year budget.
- C. Current year expenditures through December 31st.
- D. A column for estimating current fiscal year total expenditures through June 30<sup>th</sup>.
- E. A column for next fiscal year's line-item budget estimates.

Each department head should complete items D and E. The current year estimate is both the basis for recommending amendments to the current year budget, and for determining next year's amount for consideration by City Council.

Recommendations on personnel expenditures (addition/deletion of positions, etc.) should be submitted in memo form. Payroll and fringe benefits line items on the printout should be left blank. Finance will calculate and enter these line items.

Reminders for Preparers of Budget Requests

- 1. Analyze each line item separately. Compare historical data, current year budget, and estimated spending levels for the current year to assist with your request.
- 2. Round all figures to the nearest \$10.00 (i.e., \$32 to \$30 and \$85 to \$90).
- 3. Verify all object codes, amounts, and totals.
- 4. Meet all Budget Calendar deadline dates. Preparers should highlight key dates and actions.
- 5. Keep backup materials used in computing your budget request. These will be used both in explaining budget recommendations and administering the budget.
- 6. This is your operating budget. You are responsible for closely monitoring expenditures and encumbrances against the budget monthly. Written requests for Budget Account Transfers or Supplemental Appropriations must be submitted on forms provided and approved prior to obligating spending over the adopted budget.

## CAPITAL IMPROVEMENT PROGRAM

### Definition of a Capital Project

The Capital Improvements Program (CIP) identifies schedules and budgets capital projects. A capital project is a major expenditure which adds to the net assets of the City. Capital projects fall within one or more of the following categories:

1. Land acquisition or long-term lease.
2. Construction of buildings, public facilities, and infrastructure, generally exceeding \$20,000.
3. Acquisition or improvement of property, generally exceeding **\$20,000**.
4. Major additions or rehabilitation to public facilities, generally exceeding **\$20,000**.
5. Major studies such as engineering, feasibility, etc., related to public facilities.
6. Vehicles and equipment, generally exceeding \$10,000.

Some examples of capital projects are: street construction, sewer lines, parks, sidewalks, storm drains, water lines, building construction or major renovation, fire trucks, and police cars.

Engineering or planning studies, which are directly linked to a specific capital project, are part of the cost of that project. Such engineering studies should be included in the project description of which they are a part. Other studies and plans, which constitute a major expense of a non-recurring nature, are included in the CIP even if they are not assets in the sense of a building.

### Relation Between the Capital Budget and the Capital Improvement Program

The Five Year Capital Improvement Program is presented annually to City Council. The first year of the Capital Improvement Program is a capital budget and contains the list of projects for implementation during the coming fiscal year. The CIP is updated annually as new needs become known and as priorities change. It is possible that a project with low priority can remain in the CIP program longer than five years as more important projects appear and move ahead of it. Conversely, a project may be implemented sooner than originally planned due to changing priorities.

### Project Review

All requests for capital projects and input on priorities will be evaluated by the City Manager and Finance Director before being submitted to City Council.

The Planning Commission will receive the proposed Capital Improvements Program when it is distributed to City Council. The Commission will be invited to advise Council on the consistency of the CIP with the Comprehensive Plan of the City.

### Capital Project Form

Capital Improvement Program projects will be submitted on forms provided by the City Manager. The following is a non-inclusive list of project categories:

|                                   |                              |
|-----------------------------------|------------------------------|
| Streets and Traffic               | Economic Development         |
| Stormwater Management             | Field Equipment              |
| Solid Waste Management            | Parking Facilities           |
| Park Development                  | Planning/Feasibility Studies |
| Building Improvements             | Property Acquisition         |
| Water and Wastewater Improvements | Vehicles                     |

### Five Year Vehicle Replacement Plan

All vehicles owned by the city are listed on a replacement plan. The plan is based on a five-year projection. It is updated annually with the rest of the CIP.

### Annual Update

Each year departments submit an update to the CIP as the first step in budget formulation. Updates include:

1. Submission of the current year Capital Project Form with either:
  - a. pen and ink annotation to update the form for the next five year period, or
  - b. staple a revised form if changes are too many for pen and ink update.
2. Submission of a statement for each current year project of work accomplished at the six month point, and the accomplishments expected by the twelve month point.
3. Submission of a revised Capital Improvement Summary for that portion of the CIP assigned to the originator's department.

### Policies and Procedures

The City recognizes the importance of setting specific goals. Goals provide both means of sorting out priorities, and a standard against which to measure effectiveness. More than any other determinant, stated goals drive the budget. Goal setting is an integral part of the budget process.

The calendar below outlines City Council's biennial goal setting process. The City Council's two- year election cycle fits well with a biennial goal setting cycle.

Two or three new or incumbent council members are elected in May of even numbered years. The newly elected Council members then have several months to become familiar with the workings of city government before the Council attempts to chart the City's course. This is done through a methodical goal setting process in the Fall of even numbered years. The City Council's adopted goals then become a guide for the two succeeding budgets. In this way, a Council spends the first six months after the election deciding what it wants to accomplish, and the remaining eighteen months before the next election concentrating on implementing its goals.

During the midterm, or odd numbered years, the Council revisits and reevaluates its goals, and evaluates progress in accomplishing those goals. But the formal goal setting process takes place only every two years.

In order to be fully useful, goals statements should have the following characteristics:

- Goals should be as specific as possible.
- Goals achievement should be measurable.
- Goals should be short-range-one or two years. (Longer range goals should be expressed in terms of what intermediate goals or objectives must be undertaken now to achieve the ultimate goal.
- Goals should be developed by exception. The continuation of existing policies and practices of city government should not be listed as goals, however important they may be. Only new or altered policies or practices should be listed.
- Goals should be followed by an implementation strategy provided in operating and capital budgets.
- The cost of achieving a goal should be counted in terms of time, money, and commitment, realizing each goal actively pursued takes away resources that could be applied to other activities.

- Goals should be limited to those which city government has the power to achieve. While it may be well to state goals which are primarily the responsibility of others, it should be recognized that while the City has considerable influence, it does not have substantial control over goals such as these.

CALENDAR (even number years only)

|           |  |
|-----------|--|
| May       | Council Election   |
| July 1    | New Council members take office.   |
| July-Aug. | City Manager provides status report on accomplishment of stated goals. Council holds retreat to evaluate goal accomplishment and discuss future priorities.  |
| September | Council offers public comment opportunities to hear citizens' ideas and suggestions on goals.  |
| October   | City Manager presents a draft Goals Statement based on the outcome of the retreat and public comment for Council consideration. Council has workshop sessions as necessary, and adopts a statement of goals. |
| November  | City Staff begins work on operating and capital budgets for coming fiscal year reflecting priorities in the statement of goals.  |



### Budgetary Accounts and Responsibility

The City of Williamsburg operates its budgetary system on a fund accounting basis.

The funds used by the City of Williamsburg are Governmental and Proprietary. The Governmental Funds consist of the General Fund (01) and the Capital Improvement Program (Sales Tax 04). These funds are combined in the City's Comprehensive Annual Financial Report (CAFR), but for budgeting purposes, are kept separate due to the operating and capital differences. The Proprietary Fund is an Enterprise Fund (10) which accounts for the city water and wastewater as the Utility Fund.

The General Fund is used to account for all financial resources except those required to be accounted for in one of the other funds. The General Fund encompasses all city departments, except utilities, and also includes entities funded through city government such as constitutional officers, detention, schools, library, and outside agencies.

Capital Improvements Program is used to account for major capital outlay items. Historically, the city has used the State's 1% sales tax revenue to fund capital outlay.

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business. The intent of these operations is that the cost of providing continued services to the public be financed primarily from user charges and fees.

Expenditures of the City of Williamsburg are classified by fund, and within each fund by department. Expenditures are classified by object (line item) within each department.

Appendix A, Departmental Codes and Responsibilities, lists the individual responsible for submitting and managing each departmental budget. In the case of outside agencies, Appendix A lists the city employee responsible for overseeing agency funding.

Appendix B, Revenue Sources and Trends, documents all existing and potential sources of revenue received by the City of Williamsburg to finance its operations each year. It contains a thorough description of each revenue source, trends, and other pertinent information that should help the reader gain an understanding of the basis of each of these sources.

Appendix C, Expenditure Classifications, provides an explanation of each line item to help in properly and consistently classifying expenditures.

CITY OF WILLIAMSBURG - DEPARTMENT CODES AND RESPONSIBILITY  
 Fiscal Year 2007 Operating Budget

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| <u>Fund<br/>Number</u> | <u>Dept.<br/>Number</u> | <u>Department</u>             | <u>Responsibility</u> |
|------------------------|-------------------------|-------------------------------|-----------------------|
| <b>General Fund:</b>   |                         |                               |                       |
| 01                     | 1101                    | Legislative                   | Jackson C. Tuttle     |
| 01                     | 1102                    | Clerk of Council              | Shelia Y. Crist       |
| 01                     | 1201                    | City Manager                  | Jackson C. Tuttle     |
| 01                     | 1204                    | City Attorney                 | Joseph Phillips       |
| 01                     | 1209                    | Commissioner of Revenue       | Judy Fuqua            |
| 01                     | 1210                    | City Assessor                 | John Mattson          |
| 01                     | 1213                    | Treasurer                     | Ann Davis             |
| 01                     | 1214                    | Finance                       | Philip Serra          |
| 01                     | 1221                    | City Shop                     | Daniel Clayton        |
| 01                     | 1301                    | Electoral Board               | David Andrews         |
| 01                     | 1302                    | Registrar                     | David Andrews         |
| 01                     | 2100                    | Joint Activity                | Philip Serra          |
| 01                     | 2202                    | Magistrates                   | Philip Serra          |
| 01                     | 3101                    | Police                        | James M. Yost         |
| 01                     | 3102                    | E-911                         | James M. Yost         |
| 01                     | 3103                    | Parking Facility              | James M. Yost         |
| 01                     | 3201                    | Fire                          | T. K. Weiler          |
| 01                     | 3301                    | Regional Jail                 | John Kuplinski        |
| 01                     | 3303                    | Middle Pen. Juv. Det. Center  | Joanne Smith          |
| 01                     | 3401                    | Codes Compliance              | John Catlett          |
| 01                     | 3501                    | Animal Control                | Daniel Clayton        |
| 01                     | 3503                    | Medical Examiner              | Robert J. Deeds       |
| 01                     | 3505                    | Emergency Management          | T. K. Weiler          |
| 01                     | 4101                    | Engineering                   | Daniel Clayton        |
| 01                     | 4102                    | Streets                       | Daniel Clayton        |
| 01                     | 4203                    | Refuse Collection             | Daniel Clayton        |
| 01                     | 4305                    | Municipal Complex             | Daniel Clayton        |
| 01                     | 4306                    | Rental Properties             | Daniel Clayton        |
| 01                     | 4307                    | New Municipal Building        | Daniel Clayton        |
| 01                     | 4308                    | Information Technology        | Mark Barham           |
| 01                     | 4309                    | Landscaping                   | Daniel Clayton        |
| 01                     | 5101                    | Health Department             | Philip Serra          |
| 01                     | 5103                    | Mosquito Control              | Daniel Clayton        |
| 01                     | 5302                    | Public Assistance             | Peter Walentisch      |
| 01                     | 5305                    | Public Assist.-Transportation | Peter Walentisch      |
| 01                     | 6101                    | School Board                  | Philip Serra          |
| 01                     | 6103                    | Joint School Contributions    | Philip Serra          |

CITY OF WILLIAMSBURG - DEPARTMENT CODES AND RESPONSIBILITY  
 Fiscal Year 2007 Operating Budget

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| <u>Fund<br/>Number</u> | <u>Dept.<br/>Number</u> | <u>Department</u>          | <u>Responsibility</u> |
|------------------------|-------------------------|----------------------------|-----------------------|
| 01                     | 7101                    | Recreation Administration  | Paul Hudson           |
| 01                     | 7102                    | Waller Mill Park           | Paul Hudson           |
| 01                     | 7104                    | Playgrounds                | Paul Hudson           |
| 01                     | 7108                    | Cemetery                   | Daniel Clayton        |
| 01                     | 7302                    | Library - Contributions    | Philip Serra          |
| 01                     | 8101                    | Planning                   | Reed Nester           |
| 01                     | 8102                    | Contrib. to Other Agencies | Philip Serra          |
| 01                     | 8202                    | Soil & Water Conservation  | Daniel Clayton        |
| 01                     | 9301                    | General Long-Term Debt     | Philip Serra          |

**Sales Tax Fund:**

|    |      |                               |                   |
|----|------|-------------------------------|-------------------|
| 04 | 0001 | Capital Improvements Projects | Jackson C. Tuttle |
|----|------|-------------------------------|-------------------|

**Utility Fund:**

|    |      |                     |                |
|----|------|---------------------|----------------|
| 10 | 1900 | Administration      | Daniel Clayton |
| 10 | 1910 | Filter Plant        | Daniel Clayton |
| 10 | 1920 | Water System        | Daniel Clayton |
| 10 | 1940 | Sewage System       | Daniel Clayton |
| 10 | 1970 | Debt Service        | Daniel Clayton |
| 10 | 1985 | Purchased Services  | Daniel Clayton |
| 10 | 1990 | Reserve-Utility CIP | Daniel Clayton |

**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
**Fiscal Year 2007 Operating Budget**

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**GENERAL PROPERTY TAXES**

General Property Taxes account for approximately 28% of the City's general fund operating revenues. These taxes are derived from annual assessment of real estate and tangible personal property located in the City. The City Assessor appraises real estate property annually. This category includes property tax collections for current and delinquent years. Also included in this category are collections for Public Service Corporations, property appraised by the State Corporation Commission, and cover real, personal property, and machinery & tools. Revenues received for property tax on mobile homes, boats, and motorcycles are also included in this revenue category.

**Real Property Taxes**

By state law, all real property taxes must be assessed each year at 100% of fair market value. The assessments are made on a fiscal year basis and must be complete and mailed to property owners by June 30<sup>th</sup> for the next fiscal year. Taxes are then due on Dec 1, and June 1 of that fiscal year. The current tax rate is \$.54 per \$100 of assessed value. The City's real estate tax rate history is shown in the following tabulation:

| <b>Real Estate Property Tax Rates</b> |       |
|---------------------------------------|-------|
| Fiscal Year 1987                      | \$.52 |
| Fiscal Year 1988                      | .51   |
| Fiscal Year 1989                      | .50   |
| Fiscal Year 1990                      | .52   |
| Fiscal Years 1991-2006                | .54   |

Real property taxes generated by other selected Virginia localities for the fiscal year ended June 30, 2005 are as follows<sup>1</sup>:

| <b>Locality</b>          | <b>Tax Rate / \$100</b> | <b>Real Property Tax Revenues FY 2005</b> | <b>% Change Over FY 2004</b> | <b>% of Total Local Revenues</b> | <b>Tax Rate vs. Wmsbg.</b> | <b>Per Capita Revenue</b> |
|--------------------------|-------------------------|---|------------------------------|----------------------------------|----------------------------|---------------------------|
| <b>James City County</b> | \$.86                   | \$56,157,350                              | 8.58%                        | 50.96%                           | +59%                       | \$1017.35                 |
| <b>York County</b>       | \$.86                   | \$43,602,641                              | 8.72%                        | 45.84%                           | +59%                       | \$708.99                  |
| <b>Winchester</b>        | \$.63                   | \$13,910,677                              | 19.07%                       | 26.16%                           | +17%                       | \$545.52                  |
| <b>Hampton</b>           | \$1.27                  | \$80,029,280                              | 7.27%                        | 36.30%                           | +135%                      | \$560.43                  |
| <b>Newport News</b>      | \$1.27                  | \$114,344,221                             | 8.26%                        | 36.70%                           | +135%                      | \$626.89                  |
| <b>Williamsburg</b>      | \$.54                   | \$6,526,520                               | 5.98%                        | 21.28%                           |                            | \$479.90                  |

<sup>1</sup> Commonwealth of Virginia - Comparative Report of Local Government Revenues and Expenditures

**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
**Fiscal Year 2007 Operating Budget**

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Real property tax revenues received during the past ten fiscal years are shown below<sup>2</sup>:

| <b>Fiscal Year</b> | <b>Real Property Tax Revenue</b> | <b>% Change</b> |
|--------------------|----------------------------------|-----------------|
| <b>1996</b>        | 3,806,289                        | 0.01%           |
| <b>1997</b>        | 4,093,646                        | 7.5%            |
| <b>1998</b>        | 3,994,920                        | (2.41%)         |
| <b>1999</b>        | 4,237,639                        | 6.08%           |
| <b>2000</b>        | 4,551,006                        | 7.39%           |
| <b>2001</b>        | 4,681,313                        | 2.86%           |
| <b>2002</b>        | 4,962,549                        | 6.01%           |
| <b>2003</b>        | 5,523,130                        | 11.30%          |
| <b>2004</b>        | 6,158,084                        | 11.50%          |
| <b>2005</b>        | 6,526,520                        | 5.98%           |

Real estate taxes are generated based on the value of the City's tax assessment rolls. Taxable real estate property values for the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Taxable Real Estate Property Values</b> | <b>% Change</b> |
|--------------------|--|-----------------|
| <b>1996</b>        | 706,903,100                                | 2.75%           |
| <b>1997</b>        | 735,851,100                                | 4.10%           |
| <b>1998</b>        | 749,039,424                                | 1.79%           |
| <b>1999</b>        | 792,641,200                                | 5.82%           |
| <b>2000</b>        | 815,856,500                                | 2.93%           |
| <b>2001</b>        | 863,961,268                                | 5.90%           |
| <b>2002</b>        | 908,631,326                                | 5.17%           |
| <b>2003</b>        | 995,635,300                                | 9.58%           |
| <b>2004</b>        | 1,117,426,100                              | 12.23%          |
| <b>2005</b>        | 1,202,692,600                              | 7.63%           |

For each 1¢ of the City's tax rate, approximately \$120,269 is generated annually, based on the fiscal year 2005 land book values.

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<sup>2</sup> City of Williamsburg's Comprehensive Annual Financial Reports-amounts include prior years' delinquent real estate tax receipts.

# CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS

## Fiscal Year 2007 Operating Budget

### Personal Property Taxes

Tangible personal property is classified into two categories for valuation purposes, personal and business property. Cars, trucks, boats, trailers, etc., comprise personal property, and furniture, fixtures, and machinery account for business property. Property is assessed each January 1<sup>st</sup>, and taxes are due on December 1<sup>st</sup>, of the same year. The rate of assessment for motor vehicles is determined by the NADA or “Blue Book” loan value. Furniture, machinery, etc., is assessed at 30% of original cost. The tax rate is \$3.50/\$100 of assessed value. Personal property taxes generated by select Virginia localities for the fiscal year ended June 30, 2005 are tabulated as follows<sup>3</sup>:

| Locality          | Tax Rate / \$100 | Personal Property Tax Revenues* | % Change Over FY 2004 | % of Total Local Revenues | Per Capita Revenue |
|-------------------|------------------|---------------------------------|-----------------------|---------------------------|--------------------|
| James City County | \$4.00           | \$15,678,072                    | 4.63%                 | 14.23%                    | \$284.03           |
| York County       | \$4.00           | \$10,373,527                    | 10.72%                | 10.91%                    | \$168.68           |
| Winchester        | \$3.50           | \$6,047,966                     | 6.52%                 | 11.37%                    | \$237.18           |
| Hampton           | \$4.25           | \$16,406,168                    | (2.25%)               | 7.45%                     | \$114.89           |
| Newport News      | \$4.15           | \$33,315,432                    | 3.72%                 | 10.70%                    | \$182.65           |
| Williamsburg      | \$3.50           | \$1,623,680                     | 1.70%                 | 5.30%                     | \$119.39           |

\*Includes Machinery & Tools and excludes State reimbursement for Personal Property Tax Relief Act.

Personal Property tax revenues received during the past ten fiscal years are shown below<sup>4</sup>:

| Fiscal Year | Personal  | Business* | Total Amount | % Change |
|-------------|-----------|-----------|--------------|----------|
| 1996        | 623,754   | 957,082   | 1,580,836    | 12.5%    |
| 1997        | 754,376   | 993,722   | 1,748,098    | 10.6%    |
| 1998        | 735,157   | 1,055,475 | 1,790,632    | 2.4%     |
| 1999        | 824,121   | 1,088,503 | 1,912,624    | 6.8%     |
| 2000        | 771,493   | 1,179,212 | 1,950,705    | 1.99%    |
| 2001        | 917,722   | 1,207,908 | 2,125,630    | 8.97%    |
| 2002        | 1,002,744 | 1,246,548 | 2,249,292    | 5.82%    |
| 2003        | 1,019,000 | 1,279,076 | 2,298,076    | 2.17%    |
| 2004        | 1,076,523 | 1,254,363 | 2,330,886    | 1.43%    |
| 2005        | 1,056,463 | 1,259,291 | 2,315,754    | (.65%)   |

\*Business personal property tax receipts include autos, machinery, & tools

<sup>3</sup> Commonwealth of Virginia - Comparative Report of Local Government Revenues and Expenditures.

<sup>4</sup> City of Williamsburg’s Comprehensive Annual Financial Reports-amounts include prior years’ delinquent personal property tax receipts.

# CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS

## Fiscal Year 2007 Operating Budget

### Public Service Corporations

Tax revenues are generated by public service corporations based on annual assessments of property, both real and personal, by the State Corporation Commission. Public service corporations are those providing services such as water, heat, light and power, telecommunications, and railroads within local government boundaries. Property assessments for the last ten fiscal years, along with the total revenue receipts for public service corporations are provided as follows:

| <b>Fiscal Year</b> | <b>Real Estate Assessments</b> | <b>Personal Property Assessments</b> | <b>Total Public Service Corporation Revenue</b> |
|--------------------|--------------------------------|--------------------------------------|---|
| <b>1996</b>        | 38,369,271                     | 16,325                               | 207,765   |
| <b>1997</b>        | 37,580,129                     | 29,212                               | 203,934   |
| <b>1998</b>        | 37,937,591                     | 27,628                               | 202,269   |
| <b>1999</b>        | 40,999,777                     | 18,895                               | 225,861   |
| <b>2000</b>        | 43,812,511                     | 4,164                                | 236,733   |
| <b>2001</b>        | 47,224,673                     | 18,775                               | 255,670   |
| <b>2002</b>        | 50,895,236                     | 17,285                               | 275,439   |
| <b>2003</b>        | 49,990,963                     | 340,727                              | 282,265   |
| <b>2004</b>        | 53,151,294                     | 0                                    | 287,017   |
| <b>2005</b>        | 55,531,820                     | 0                                    | 316,177   |

In fiscal year 2003, the city received tax on vehicles for 2002 tax year from a large public service corporate taxpayer. As of January 1, 2003, public service vehicles are not taxable.

### Penalties and Interest

Personal property and first half fiscal year real estate taxes are due December 1<sup>st</sup> each year. Second half real estate taxes are due June 1<sup>st</sup>. Penalties are charged on all property tax accounts if not paid by these due dates. Penalty charges for delinquent property taxes are as follows:

| <b>Amount of Taxes</b> | <b>Personal Property</b> | <b>Real Estate</b> |
|------------------------|--------------------------|--------------------|
| <b>Up to \$10</b>      | Penalty is same as tax   | Penalty is 10%     |
| <b>\$10.01 - \$100</b> | Penalty is \$10          | Penalty is 10%     |
| <b>\$100.01 and up</b> | Penalty is 10%           | Penalty is 10%     |

Interest charges begin January 1<sup>st</sup> for delinquent first half real estate and personal property taxes, and July 1<sup>st</sup> for second half taxes. Interest is computed monthly, with an annual percentage rate of 10% as provided for in the Williamsburg City Code.

CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS  
Fiscal Year 2007 Operating Budget

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Penalty and interest revenues over the past ten fiscal years are shown in the following tabulation:

| Fiscal Year | Penalties | Interest | Total   |
|-------------|-----------|----------|---------|
| 1996        | 70,021    | 54,444   | 124,465 |
| 1997        | 58,111    | 23,361   | 81,472  |
| 1998        | 75,455    | 51,529   | 126,984 |
| 1999        | 55,441    | 28,929   | 84,370  |
| 2000        | 62,590    | 25,604   | 88,194  |
| 2001        | 56,962    | 18,145   | 75,107  |
| 2002        | 65,098    | 21,739   | 86,837  |
| 2003        | 68,639    | 35,236   | 103,875 |
| 2004        | 71,508    | 18,461   | 89,969  |
| 2005        | 63,900    | 15,386   | 79,286  |

### OTHER LOCAL TAXES

This category of local revenues differs from general property taxes in that they are not billed by the City [except in the case of business licenses]. They are dependent on business volume, and most are *self-imposed* [businesses report sales activity directly to the City, and charges are based on these reported figures]. Business activity is subject to verification by the Senior Tax Analyst.

#### Local Sales and Use Taxes

Local sales and use taxes are based on business activity in the City reported to the Commonwealth of Virginia by all businesses that are required to charge State sales tax of 5%. The taxes are collected and submitted to the Virginia Department of Taxation on a monthly basis and one percent of these proceeds are then returned to the City directly from the State. As a matter of policy, the City has designated these revenues to pay for its ongoing capital improvement program.



**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
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Revenues received from the Commonwealth of Virginia for sales taxes over the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>1% Sales Tax Receipts</b> | <b>% Change</b> |
|--------------------|------------------------------|-----------------|
| <b>1996</b>        | 3,479,576                    | (3.56%)         |
| <b>1997</b>        | 3,403,649                    | (2.18%)         |
| <b>1998</b>        | 3,527,210                    | 3.63%           |
| <b>1999</b>        | 3,673,944                    | 4.16%           |
| <b>2000</b>        | 3,782,864                    | 2.96%           |
| <b>2001</b>        | 3,720,937                    | (1.64%)         |
| <b>2002</b>        | 4,368,379                    | 17.40%          |
| <b>2003</b>        | 3,781,232                    | (13.44%)        |
| <b>2004</b>        | 4,210,450                    | 11.35%          |
| <b>2005</b>        | 4,219,603                    | .22%            |

### Consumer Utility Taxes

Use taxes are collected by public utility companies and remitted to the City on a monthly basis. City Council approves the rates charged annually. The following table highlights the purpose and rates charged by these utility companies in effect during fiscal year 2005:

| <b>Current City Charges</b> |   |   | <b>Maximum-State Code</b> |                                  |   |   |
|-----------------------------|---|---|---------------------------|----------------------------------|---|---|
| <b>Type</b>                 | <b>Residential Rate</b>                   | <b>Commercial Rate</b>                    | <b>Res. Max Per month</b> | <b>Comm-Industrial Max/month</b> | <b>Residential Maximum Allowable Charge/month</b> | <b>Comm/Ind. Maximum Allowable Charge/month</b> |
| <b>Electricity</b>          | \$.70/ month<br>Plus .007468 per kw hours | \$1.15/month<br>Plus .006947 per kw hours | \$1.00                    | \$20.00                          | 20% up to \$15=\$3                                | 20% up to \$200=\$40                            |
| <b>Gas</b>                  | \$.70/month<br>Plus .014 per CCF          | \$1.15/month<br>Plus.0243 per CCF         | \$1.00                    | \$20.00                          | 20% up to \$15=\$3                                | 20% up to \$200=\$40                            |
| <b>Propane</b>              | N/A                                       | N/A                                       | N/A                       | N/A                              | Same as above                                     | Same as above                                   |
| <b>Telephone</b>            | 5% per month                              | 5% per month                              | No limit                  | No limit                         | Same as above                                     | 20% up to \$15=\$3                              |
| <b>Wireless</b>             | 10% up to \$30=\$3                        | 10% up to \$30=\$3                        | \$3.00                    | \$3.00                           | 10% up to \$30=\$3                                | 10% up to \$30=\$3                              |
| <b>Telephone - E-911</b>    | \$2.00 per month                          | \$2.00 per month                          | \$2.00 per month          | \$2.00 per month                 | No limit  | No limit  |

**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
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The Commonwealth of Virginia deregulated gas and electric utilities in 2001. Since then local utility taxes for those industries are designed to be revenue neutral to localities. Beginning July 1, 2003, the City of Williamsburg began imposing a tax on wireless communications. Total receipts collected over the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Electric</b> | <b>Telephone</b> | <b>Natural Gas</b> | <b>E-911*</b> | <b>Wireless</b> | <b>Consumer Utility Tax Collections</b> |
|--------------------|-----------------|------------------|--------------------|---------------|-----------------|---|
| <b>1996</b>        | 177,738         | 110,243          | 53,176             | 36,377        | 0               | 377,534                                 |
| <b>1997</b>        | 176,456         | 120,865          | 58,260             | 39,859        | 0               | 395,440                                 |
| <b>1998</b>        | 178,116         | 114,757          | 58,814             | 76,272        | 0               | 427,959                                 |
| <b>1999</b>        | 169,896         | 122,079          | 59,740             | 87,796        | 0               | 439,511                                 |
| <b>2000</b>        | 177,866         | 145,668          | 63,929             | 85,603        | 0               | 473,066                                 |
| <b>2001</b>        | 181,253         | 154,657          | 58,835             | 111,242       | 0               | 505,987                                 |
| <b>2002</b>        | 194,648         | 150,012          | 58,370             | 186,059       | 0               | 589,089                                 |
| <b>2003</b>        | 195,418         | 199,374          | 55,082             | 216,106       | 0               | 665,980                                 |
| <b>2004</b>        | 180,296         | 170,339          | 57,982             | 236,670       | 139,415         | 784,702                                 |
| <b>2005</b>        | 181,451         | 198,580          | 59,930             | 263,202       | 258,868         | 962,031                                 |

\* E-911 charges began in Fiscal Year 1994, and continued until June 30, 1997 at the \$.50 per month charge. Beginning July 1, 1997, the rate was increased to \$1.00 per month. Effective July 1, 2001, the rate was increased to \$2.00.

### Business License Taxes (BPOL)

All businesses in the City must obtain a business license to operate. The Commissioner of the Revenue sends business license applications in late December each year. Forms provided include prior year information [name, address, type of business conducted, gross receipts, etc.] and it is the responsibility of licensees to confirm or change information. The applications must be returned to the Commissioner by February 15<sup>th</sup>. The charge for business license is dependent on gross receipt figures provided on the application. The due date for payment of business licenses is March 1<sup>st</sup> each year, with a 10% penalty beginning March 2<sup>nd</sup>, with interest accruing at 10% annual percentage rate.

**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
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A detailed list of rates is provided for information purposes.

| <b>Trade/Type</b>                            | <b>Fee [based on gross receipts]</b> | <b>Minimum Fee</b>  |
|--|--------------------------------------|---------------------|
| <b>Business or Personal Service</b>          | \$.36/\$100                          | \$30 up to \$8,200  |
| <b>Contractor</b>                            | \$.16/\$100                          | \$30 up to \$18,000 |
| <b>Fortune Teller</b>                        | \$1,000 flat fee                     | Flat license fee    |
| <b>Itinerant Merchant or Peddler License</b> | \$500 flat fee                       | \$30                |
| <b>Professional Service</b>                  | \$.58/\$100                          | \$30 up to \$5,000  |
| <b>Retail Merchant</b>                       | \$.20/\$100                          | \$30 up to \$15,000 |
| <b>Wholesale Merchant</b>                    | \$.05/\$100                          | \$30 up to \$60,000 |
| <b>Restaurant (seating 50-100)</b>           | \$200                                | Flat license fee    |
| <b>Restaurant (seating 101-150)</b>          | \$350                                | Flat license fee    |
| <b>Restaurant (seating 151-up)</b>           | \$500                                | Flat license fee    |
| <b>Bed &amp; Breakfast – Mixed Beverage</b>  | \$40                                 | Flat license fee    |
| <b>On/Off Sale of Beer-Wine</b>              | \$150                                | Flat license fee    |
| <b>On/Off Premises Sale of Beer</b>          | \$100                                | Flat license fee    |
| <b>On Premises Sale of Beer &amp; Wine</b>   | \$150                                | Flat license fee    |
| <b>On Premises Sale of Beer</b>              | \$100                                | Flat license fee    |
| <b>Off Premises Sale of Beer &amp; Wine</b>  | \$150                                | Flat license fee    |
| <b>Off Premises Sale of Beer</b>             | \$100                                | Flat license fee    |

Business Licenses receipts over the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Business License Receipts</b> | <b>% Change</b> |
|--------------------|----------------------------------|-----------------|
| <b>1996</b>        | 1,301,842                        | 8.38%           |
| <b>1997</b>        | 1,306,484                        | .36%            |
| <b>1998</b>        | 1,354,180                        | 3.65%           |
| <b>1999</b>        | 1,464,810                        | 8.17%           |
| <b>2000</b>        | 1,535,238                        | 4.81%           |
| <b>2001</b>        | 1,592,792                        | 3.75%           |
| <b>2002</b>        | 1,622,735                        | 1.88%           |
| <b>2003</b>        | 1,641,721                        | 1.17%           |
| <b>2004</b>        | 1,628,458                        | (.81%)          |
| <b>2005</b>        | 1,749,413                        | 7.43%           |

**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
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**Franchise License Fees**

The Code of Virginia, § 58.1-37 governs the licensing and regulation of cable television in the City. Gas and electric utilities using the city streets and right-of-ways to conduct business are classified here also, with consumption taxes set by state code. The Code of Virginia § 58.1-2904 imposes consumption taxes on consumers of natural gas in the City, and the Code of Virginia § 58.1-2900 covers consumption taxes on electricity in the City. These taxes are separate from consumer utility taxes charged monthly. The City's current agreement with Cox Cable began March 1996, and will expire March 2011.

| <b>Activity</b>     | <b>Fee</b>  |
|---------------------|---|
| Cable TV            | 5% of gross receipts  |
| Telephone           | \$.50/\$100 gross receipts  |
| Gas                 | \$.004/CCF first 500CCf per month   |
| Electric            | Under 2,500kWh = \$.00155/kWh/month<br>2,500 – 50,00 kWh = \$.00099/kWh/month<br>over 50,000 kWh = \$.00075/kWh/month |
| Taxi & Bus Services | \$75 flat fee plus \$60 per cab owned   |

Franchise fees collected over the past ten years are shown below:

| <b>Fiscal Year</b> | <b>Cable TV</b> | <b>Gas &amp; Electric</b> | <b>Telephone</b> | <b>Other</b> | <b>Total Franchise Collections</b> |
|--------------------|-----------------|---------------------------|------------------|--------------|------------------------------------|
| <b>1996</b>        | 75,361          | 80,073                    | 9,898            | 1,636        | 166,968                            |
| <b>1997</b>        | 39,994          | 84,655                    | 10,538           | 2,109        | 137,296                            |
| <b>1998</b>        | 75,353          | 83,459                    | 10,830           | 53           | 169,695                            |
| <b>1999</b>        | 71,388          | 78,724                    | 11,370           | 2,219        | 163,701                            |
| <b>2000</b>        | 85,007          | 82,111                    | 11,919           | 1,865        | 180,902                            |
| <b>2001</b>        | 96,760          | 98,595                    | 17,885           | 3,067        | 216,307                            |
| <b>2002</b>        | 105,015         | 70,491                    | 18,386           | 741          | 194,633                            |
| <b>2003</b>        | 112,058         | 66,571                    | 22,117           | 1,614        | 202,360                            |
| <b>2004</b>        | 129,335         | 59,675                    | 34,509           | 2,197        | 225,716                            |
| <b>2005</b>        | 141,092         | 58,910                    | 33,094           | 2,100        | 235,196                            |

## CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS

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#### Bank Stock Taxes

Every incorporated bank, banking association or trust company organized by or under the authority of the laws of the Commonwealth are responsible for filing bank franchise taxes<sup>5</sup>. A specific state tax form is prepared annually for banks, and filed with the Commonwealth of Virginia. The tax is essentially 8/10's of 1% of a bank's total equity capital (including reserves for losses) less real estate and personal property holdings which are taxed by Virginia localities. Banks submit the portion of its total bank stock taxes to local governments based on the percentage of banking operations within each locality. Bank stock tax collections over the past ten years are shown below:

| <b>Fiscal Year</b> | <b>Bank Stock Receipts</b> | <b>% Change</b> |
|--------------------|----------------------------|-----------------|
| <b>1995</b>        | 158,791                    | 136.46%         |
| <b>1996</b>        | 185,684                    | 16.94%          |
| <b>1997</b>        | 185,744                    | .03%            |
| <b>1998</b>        | 159,896                    | (13.92%)        |
| <b>1999</b>        | 170,345                    | 6.53%           |
| <b>2000</b>        | 179,752                    | 5.52%           |
| <b>2001</b>        | 238,379                    | 32.62%          |
| <b>2002</b>        | 189,433                    | (20.53%)        |
| <b>2003</b>        | 140,880                    | (25.63%)        |
| <b>2004</b>        | 112,958                    | (19.82%)        |
| <b>2005</b>        | 118,772                    | 5.15%           |

#### Recordation Taxes

State law gives City Council the power to impose recordation taxes upon the first recordation of each taxable instrument recorded in the City. Taxable instruments generally consist of deeds, deeds of trust, and marriage licenses. The rate charged is \$.15 on every \$100 or fraction thereof of the consideration of the deed or the actual value of the property conveyed, whichever is greater<sup>6</sup>. For deed recordation in excess of \$10 million value, a sliding scale is used. The Clerk of the Circuit Court is responsible for collecting and remitting these fees monthly to the City. In addition to these fees, a local tax is imposed (equal to up to 1/3 of the state recordation tax) and submitted to the City. The City has charged this maximum fee for many years. A grantor's tax is also collected by the Clerk of the Circuit Court, and submitted to the State for quarterly distribution. This tax is classified under the Non-Categorical Aid section of this report.

<sup>5</sup> Commonwealth of Virginia, Dept of Taxation, Virginia Bank Franchise Tax, 1997 Forms

<sup>6</sup> Code of Virginia §581-801.

## CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS

### Fiscal Year 2007 Operating Budget

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Local recordation taxes collected over the past ten fiscal years are as follows:

| Fiscal Year | Recordation Fees |
|-------------|------------------|
| 1996        | 67,801           |
| 1997        | 99,609           |
| 1998        | 84,457           |
| 1999        | 99,148           |
| 2000        | 99,367           |
| 2001        | 104,137          |
| 2002        | 109,141          |
| 2003        | 131,173          |
| 2004        | 196,203          |
| 2005        | 266,594          |

#### Cigarette Taxes

The City of Williamsburg began imposing a cigarette tax of 25¢ per pack on July 1, 2003. The total collected for fiscal years 2004 and 2005 are:

| Fiscal Year | Cigarette Taxes |
|-------------|-----------------|
| 2004        | 305,729         |
| 2005        | 209,340         |

#### Hotel & Motel Room Taxes

The City levies a transient occupancy tax on hotels, motels, bed and breakfasts, and other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days. Beginning January 1, 1999, the rate was increased from 4% to 5%. Businesses collect this tax during the normal course of operations, and submit it to the City by the 20<sup>th</sup> of the following month.

Room tax collections over the last ten fiscal years are:

| Fiscal Year | Room Tax Collections | % Change |
|-------------|----------------------|----------|
| 1996        | 2,989,596            | 3.21%    |
| 1997        | 2,967,212            | (.75%)   |
| 1998        | 3,238,538            | 9.14%    |
| 1999        | 3,673,349            | 13.43%   |
| 2000        | 4,097,054            | 11.53%   |
| 2001        | 3,895,420            | (4.92%)  |
| 2002        | 4,114,010            | 5.61%    |
| 2003        | 3,974,894            | (3.38%)  |
| 2004        | 3,996,782            | .55%     |
| 2005        | 3,695,937            | (7.53%)  |

## CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS

### Fiscal Year 2007 Operating Budget

#### Restaurant/Food Taxes

The Code of Virginia allows the City to impose this excise tax on all food and beverages sold in the City as a meal. City Code defines “food & beverages” as all food, beverages or both, including alcoholic beverages, which are meant for refreshment or nourishment value, purchased in or from a restaurant, whether prepared in such restaurant or not, and whether consumed on the premises or not.<sup>7</sup> Restaurant Food tax was also raised to 5% as of January 1, 1999. Meal tax collections over the last ten fiscal years are:

| <b>Fiscal Year</b> | <b>Meal Tax Collections</b> | <b>% Change</b> |
|--------------------|-----------------------------|-----------------|
| <b>1996</b>        | 3,596,612                   | 2.47%           |
| <b>1997</b>        | 3,668,177                   | 1.99%           |
| <b>1998</b>        | 3,890,755                   | 6.07%           |
| <b>1999</b>        | 4,364,758                   | 12.18%          |
| <b>2000</b>        | 5,075,742                   | 16.29%          |
| <b>2001</b>        | 5,114,515                   | .76%            |
| <b>2002</b>        | 5,318,886                   | 3.96%           |
| <b>2003</b>        | 5,244,106                   | (1.41%)         |
| <b>2004</b>        | 5,393,776                   | 2.85%           |
| <b>2005</b>        | 5,367,745                   | (.48%)          |

The City's adopted fiscal year 2005-2006 operating budget estimates room & meal tax revenues to be \$9,400,000, or 32.32% of the total budget. Rates charged by nearby Virginia localities, and the percentage of estimated fiscal year 2005-2006 receipts to total operating budgets, are presented below:

| <b>Locality</b>           | <b>Room Tax Rate</b> | <b>% of FY 2006 Budget</b> | <b>Meal Tax Rate</b> | <b>% of FY 2006 Budget</b> | <b>Total % of Budget</b> |
|---------------------------|----------------------|----------------------------|----------------------|----------------------------|--------------------------|
| <b>York County*</b>       | 5%                   | 2.02%                      | 4%                   | 3.79%                      | 5.81%                    |
| <b>James City County*</b> | 4%                   | 1.26%                      | 4%                   | 3.37%                      | 4.63%                    |
| <b>Virginia Beach*</b>    | 8%                   | 1.35%                      | 5.5%                 | 2.87%                      | 4.22%                    |
| <b>Hampton</b>            | 8%                   | .85%                       | 6.5%                 | 3.48%                      | 4.33%                    |
| <b>Newport News</b>       | 7.5%                 | .81%                       | 6.5%                 | 4.19%                      | 5.00%                    |
| <b>Norfolk</b>            | 8%                   | .95%                       | 6.5%                 | 3.10%                      | 4.05%                    |
| <b>Williamsburg*</b>      | 5%                   | 13.41%                     | 5%                   | 18.91%                     | 32.32%                   |

*\*In addition to room taxes, the City of Williamsburg, James City County and York County collect a \$2.00 per night per room tax, which commenced on July 1, 2004 and will continue until January 1, 2008 per Code of Virginia, section 58.1-3823 C. The revenue generated are designated and expended solely for advertising the Historic Triangle Area. Receipts are sent to the Williamsburg Area Destination Marketing Committee each month. Also, Virginia Beach charges a flat rate tax of \$1 per night, per room.*

<sup>7</sup> Williamsburg City Code, Section 18.271.

## CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS

### Fiscal Year 2007 Operating Budget

#### Permits, Privilege Fees and Regulatory Licenses

The City uses the Virginia Uniform Statewide Building Code (USBC), which covers new construction, renovation, demolition, plumbing, gas, mechanical, electrical, fire protection system installations and asbestos removal. The category's major components consist of building, electrical, plumbing, and mechanical permits.

A history of permit revenues are as follows:

| <b>Fiscal Year</b> | <b>Building</b> | <b>Electrical</b> | <b>Plumbing</b> | <b>Mechanical</b> | <b>Other*</b> | <b>Total</b> |
|--------------------|-----------------|-------------------|-----------------|-------------------|---------------|--------------|
| <b>1996</b>        | 41,222          | 9,934             | 12,092          | 11,637            | 21,925        | 96,810       |
| <b>1997</b>        | 36,781          | 8,619             | 10,246          | 14,736            | 19,439        | 89,821       |
| <b>1998</b>        | 23,392          | 8,589             | 6,565           | 12,366            | 24,241        | 75,153       |
| <b>1999</b>        | 80,388          | 24,457            | 23,197          | 24,374            | 28,715        | 181,131      |
| <b>2000</b>        | 53,626          | 22,679            | 18,885          | 22,663            | 45,438        | 163,291      |
| <b>2001</b>        | 120,913         | 33,951            | 36,981          | 34,608            | 40,594        | 267,047      |
| <b>2002</b>        | 70,343          | 22,674            | 23,537          | 21,117            | 36,314        | 173,985      |
| <b>2003</b>        | 95,522          | 25,860            | 26,923          | 27,782            | 36,531        | 212,618      |
| <b>2004</b>        | 119,376         | 42,548            | 40,780          | 35,675            | 67,383        | 305,762      |
| <b>2005</b>        | 100,048         | 39,543            | 29,755          | 29,711            | 57,605        | 256,662      |

*\*Other includes dog licenses, parking, zoning, right-of-way, raffle, rental inspections, gas and fire prevention permits.*

#### Fines and Forfeitures

This revenue category is used to account for court and parking fines. The Court system has guidelines for setting case-related fines, while City Code sets the rates for parking fines. The Clerk of the Circuit Court collects court fines and submits receipts to the City monthly, while parking fines are paid directly to the Department of Finance. Effective January 1, 2004, the City implemented a graduated parking fine structure. During a 60-day period, which begins with the first overtime parking violation, fines will graduate as follows: 1<sup>st</sup> violation is \$10.00, 2<sup>nd</sup> violation is \$30.00 and the 3<sup>rd</sup> or more is \$50.00. Parking fines are as follows:

| <b>Overtime Parking</b> | <b>Parked in Handicapped</b> | <b>No City Decal</b> | <b>Parked in permit only</b> | <b>Late Charge</b> |
|-------------------------|------------------------------|----------------------|------------------------------|--------------------|
| \$10, \$30, \$50        | \$100                        | \$25                 | \$25                         | \$20               |



**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
**Fiscal Year 2007 Operating Budget**

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Revenue collections for fines and forfeitures over the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Court Fines</b> | <b>Parking Fines</b> | <b>Total</b> |
|--------------------|--------------------|----------------------|--------------|
| <b>1996</b>        | 81,348             | 108,285              | 189,633      |
| <b>1997</b>        | 122,177            | 101,942              | 224,119      |
| <b>1998</b>        | 141,594            | 107,965              | 249,559      |
| <b>1999</b>        | 172,278            | 105,467              | 277,745      |
| <b>2000</b>        | 151,837            | 86,166               | 238,003      |
| <b>2001</b>        | 171,354            | 82,224               | 253,578      |
| <b>2002</b>        | 190,953            | 91,711               | 282,664      |
| <b>2003</b>        | 177,729            | 95,855               | 273,584      |
| <b>2004</b>        | 164,346            | 90,360               | 254,706      |
| <b>2005</b>        | 147,580            | 86,577               | 234,157      |

**Revenue from Use of Money and Property**

This revenue classification includes interest earnings on surplus funds, rental income from City- owned properties, and sale of surplus vehicles and equipment. Interest earnings reported here include only the General Fund, as Utility Fund revenues are highlighted in the next section, Budget Summaries.

Revenue collections from use of money and property over the last ten fiscal years are presented below:

| <b>Fiscal Year</b> | <b>Interest Earnings</b> | <b>Rental Income</b> | <b>Sale of Surplus</b> | <b>Total</b> |
|--------------------|--------------------------|----------------------|------------------------|--------------|
| <b>1996</b>        | 853,111                  | 35,789               | 695                    | 889,595      |
| <b>1997</b>        | 821,605                  | 48,095               | 63,694                 | 933,394      |
| <b>1998</b>        | 963,997                  | 55,976               | 9,500                  | 1,029,473    |
| <b>1999</b>        | 825,655                  | 67,778               | 6,108                  | 899,541      |
| <b>2000</b>        | 726,379                  | 108,708              | 8,962                  | 844,049      |
| <b>2001</b>        | 987,325                  | 128,674              | 135                    | 1,116,134    |
| <b>2002</b>        | 877,741                  | 167,913              | 3,550                  | 1,049,204    |
| <b>2003</b>        | 509,695                  | 213,618              | 31,660                 | 754,973      |
| <b>2004</b>        | 154,762                  | 285,957              | 0                      | 440,719      |
| <b>2005</b>        | 464,761                  | 378,192              | 0                      | 842,953      |

**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
**Fiscal Year 2007 Operating Budget**

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Rental income includes various rental properties. Specific charges as of January 1, 2006 are as follows:

| Category                      | Location/Purpose                       | Monthly Rent                                 |
|-------------------------------|--|--|
| <b>Municipal Center</b>       | U.S. Post Office-Parking Lot           | \$1,300                                      |
| <b>Longhill Road Property</b> | Duplex – 219 & 221 Longhill            | \$300  |
| <b>Longhill Road Property</b> | House – 223 Longhill                   | \$500  |
| <b>General Property</b>       | Chesapeake Bank-Parking Lot            | \$225  |
| <b>General Property.</b>      | WRHA – Stryker Bldg.                   | \$1,339                                      |
| <b>General Property</b>       | Social Services Office space           | \$2,708                                      |
| <b>Transportation Center</b>  | Rental Car                             | \$900  |
| <b>Transportation Center</b>  | Yellow Cab                             | \$325  |
| <b>Transportation Center</b>  | Williamsburg. Area Transport           | \$500  |
| <b>Transportation Center</b>  | Hampton Roads Transit                  | \$60   |
| <b>Transportation Center</b>  | Amtrak                                 | \$2,600                                      |
| <b>City Square</b>            | Parking & Amenities for Lots 1, 2, & 3 | \$245.98 each plus \$49.20 per parking space |

The Community Building user fees are included in rental income. The base rate for a weekday is \$150/3 hour minimum and \$300 for the weekend. The City of Williamsburg completed the construction of the Prince George Parking Garage and opened for operation in April 1, 2004. A breakdown of rental income from remaining properties over the last ten fiscal years are presented below:

| Fiscal Year | Community Building | City Square | Longhill Property | Municipal Center | Stryker Building | Transportation Center | General Property | Prince George PG | Total   |
|-------------|--------------------|-------------|-------------------|------------------|------------------|-----------------------|------------------|------------------|---------|
| 1996        | 0                  | 0           | 5,280             | 18,360           | 0                | 0                     | 12,149           | 0                | 35,789  |
| 1997        | 0                  | 0           | 5,280             | 18,360           | 0                | 0                     | 24,455           | 0                | 48,095  |
| 1998        | 0                  | 0           | 5,445             | 42,378           | 0                | 0                     | 8,153            | 0                | 55,976  |
| 1999        | 500                | 0           | 1,127             | 46,996           | 0                | 10,200                | 8,955            | 0                | 67,778  |
| 2000        | 18,644             | 6,180       | 1,925             | 46,996           | 0                | 10,925                | 24,038           | 0                | 108,708 |
| 2001        | 25,438             | 9,965       | 6,738             | 55,716           | 1,750            | 12,400                | 16,667           | 0                | 128,674 |
| 2002        | 25,100             | 19,804      | 3,988             | 59,543           | 4,450            | 38,500                | 16,528           | 0                | 167,913 |
| 2003        | 35,000             | 39,460      | 7,478             | 14,374           | 4,250            | 45,972                | 67,084           | 0                | 213,618 |
| 2004        | 32,206             | 36,908      | 7,395             | 14,466           | 3,400            | 50,386                | 118,660          | 22,536           | 285,957 |
| 2005        | 39,922             | 38,016      | 8,610             | 15,650           | 6,950            | 50,104                | 71,947           | 146,993          | 378,192 |

# CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS

## Fiscal Year 2007 Operating Budget

### Charges for Services

The City uses this revenue classification to account for various revenue sources requiring charges. Minor amounts are included under Sheriff's fees and Commonwealth Attorney's fees, of which the City has no control over. Likewise, charges for correction & detention are for work release fees from the Sheriff's Department. Also included are charges for maintenance of highways, streets, and sidewalks, which is used for billing special mowing or trash pickup and are of minimal dollar amounts each year. The largest item under this category is Charges for Parks & Recreation. City Code authorizes the Recreation Department to set and collect charges for programs and activities for use of its facilities and services. Charges for Services collected over the past ten years are shown below:

| <b>Fiscal Year</b> | <b>Sheriff's Fees</b> | <b>Commonwealth Attorney's Fees</b> | <b>Correction &amp; Detention</b> | <b>Mtce, Hwys, Streets, etc.</b> | <b>Parks &amp; Recreation</b> | <b>Planning &amp; Comm. Dev.</b> | <b>Total</b> |
|--------------------|-----------------------|-------------------------------------|-----------------------------------|----------------------------------|-------------------------------|----------------------------------|--------------|
| <b>1996</b>        | 1,251                 | 903                                 | 18,930                            | 723                              | 226,755                       | 15,924                           | 264,486      |
| <b>1997</b>        | 1,366                 | 755                                 | 19,250                            | 60                               | 229,015                       | 24,533                           | 274,979      |
| <b>1998</b>        | 1,366                 | 745                                 | 0                                 | 0                                | 245,484                       | 74,686                           | 322,281      |
| <b>1999</b>        | 1,366                 | 1,426                               | 0                                 | 35                               | 266,479                       | 46,535                           | 315,841      |
| <b>2000</b>        | 1,366                 | 877                                 | 0                                 | 3                                | 264,765                       | 67,791                           | 334,812      |
| <b>2001</b>        | 1,366                 | 717                                 | 1,680                             | 0                                | 265,272                       | 50,773                           | 319,808      |
| <b>2002</b>        | 1,366                 | 728                                 | 0                                 | 0                                | 291,421                       | 47,598                           | 341,113      |
| <b>2003</b>        | 1,366                 | 534                                 | 0                                 | 0                                | 297,674                       | 45,774                           | 345,348      |
| <b>2004</b>        | 1,366                 | 414                                 | 0                                 | 0                                | 270,705                       | 45,360                           | 317,845      |
| <b>2005</b>        | 1,366                 | 412                                 | 0                                 | 0                                | 316,991                       | 46,257                           | 365,026      |

Recreation fees for the last ten fiscal years are highlighted in detail below:

| <b>Fiscal Year</b> | <b>Pool Fees</b> | <b>Tennis Fees</b> | <b>Waller Mill Park</b> | <b>Vending Machines</b> | <b>Classes</b> | <b>Athletics</b> | <b>Fishing Licenses</b> | <b>Misc.</b> | <b>Total</b> |
|--------------------|------------------|--------------------|-------------------------|-------------------------|----------------|------------------|-------------------------|--------------|--------------|
| <b>1996</b>        | 5,986            | 12,957             | 34,831                  | 7,737                   | 55,273         | 100,101          | 1,413                   | 8,457        | 226,755      |
| <b>1997</b>        | 5,470            | 12,124             | 34,938                  | 6,677                   | 57,889         | 107,980          | 3,869                   | 68           | 229,015      |
| <b>1998</b>        | 5,923            | 10,245             | 36,810                  | 9,059                   | 59,903         | 116,180          | 6,270                   | 1,094        | 245,484      |
| <b>1999</b>        | 7,210            | 11,537             | 38,695                  | 8,665                   | 64,597         | 125,444          | 7,503                   | 2,828        | 266,479      |
| <b>2000</b>        | 7,491            | 9,498              | 37,450                  | 10,117                  | 60,749         | 131,192          | 5,881                   | 2,387        | 264,765      |
| <b>2001</b>        | 4,059            | 9,446              | 39,378                  | 8,345                   | 57,903         | 135,580          | 6,311                   | 4,250        | 265,272      |
| <b>2002</b>        | 6,173            | 11,445             | 44,259                  | 7,788                   | 64,502         | 136,012          | 6,522                   | 14,720       | 291,421      |
| <b>2003</b>        | 6,225            | 11,588             | 40,608                  | 7,342                   | 64,953         | 141,987          | 7,028                   | 17,943       | 297,674      |
| <b>2004</b>        | 6,342            | 10,352             | 44,111                  | 4,153                   | 49,769         | 133,219          | 4,901                   | 17,858       | 270,705      |
| <b>2005</b>        | 5,379            | 11,959             | 51,361                  | 3,844                   | 42,804         | 168,737          | 5,075                   | 27,832       | 316,991      |

**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
**Fiscal Year 2007 Operating Budget**

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Charges for Planning & Community Development include minor amounts for maps and surveys, with the largest dollars attributable to the sale of cemetery lots. Cemetery lot sales and grave opening fees over the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Cemetery Lot Sales</b> | <b>Grave Openings</b> |
|--------------------|---------------------------|-----------------------|
| <b>1996</b>        | 10,440                    | 2,840                 |
| <b>1997</b>        | 16,900                    | 5,105                 |
| <b>1998</b>        | 54,682                    | 13,725                |
| <b>1999</b>        | 22,278                    | 16,150                |
| <b>2000</b>        | 39,660                    | 26,000                |
| <b>2001</b>        | 22,700                    | 26,650                |
| <b>2002</b>        | 19,507                    | 26,725                |
| <b>2003</b>        | 20,167                    | 23,275                |
| <b>2004</b>        | 19,526                    | 23,400                |
| <b>2005</b>        | 22,450                    | 21,675                |

## REVENUE FROM THE COMMONWEALTH

Monies received from the Commonwealth of Virginia are classified as either Non-categorical or Categorical aid. Non-categorical revenues are received quarterly according to State code, are not billed or itemized by the City or any constitutional officer, and are not designated to be used for any specific purpose. These are essentially put in to the General Fund and used to pay for overall operations. Categorical aid must be spent on specific purposes. In the case of constitutional officers, expenditures are itemized and sent to the Commonwealth for reimbursement, based on various formulas provided for by state code.

### Non-categorical Aid

Items included in this classification, and a brief description of how City revenues are calculated are shown below:

1. ABC Profits - Total net profits for ABC sales for the state are determined by the Department of Alcoholic Beverage Control, and reported to the Department of Accounts quarterly for distribution to localities. The funding formula for ABC profits is: Locality population (based on latest census) ÷ total state population X net profits
2. Wine Taxes - 40¢/ liter wine tax is charged on all wine sold in Virginia. Taxes are remitted to the Department of Taxation, and 44% of the tax is re-distributed to localities based on the share of each locality's respective population.

CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS  
Fiscal Year 2007 Operating Budget

3. Rolling Stock Taxes - The State Corporation Commission determines the assessed value of “Certified Motor Vehicle Carriers” [primarily bus companies] and assesses a property tax at the rate of \$1 per \$100 value. These revenues are distributed quarterly to the localities based on the miles the vehicles travel throughout the localities [based on reports submitted from the carriers].
4. Rental Car Taxes - Payments received from the Commonwealth are based on rental car taxes collected by rental companies within each jurisdiction. A 4% rental car tax is required to be assessed on all rental vehicles (prior to July, 1997 the tax applied only to rented passenger cars). Rental companies submit the taxes monthly to DMV with a report by locality. The Commonwealth distributes these funds quarterly to localities.
5. Grantor’s Tax - The Clerk of the Circuit Court collects additional recording fees for this purpose, details monthly activity, and deposits these receipts in a State Account. Activity is separated at the courthouse for deeds relating to Williamsburg or James City County. Funds are distributed quarterly by the Commonwealth, from a \$10 million fund [\$40 million per year] to localities based on their share of overall grantor tax collections in the Commonwealth.
6. 599 Funds - Each locality in the Commonwealth is eligible to receive a percentage of the total amount to be distributed equal to the percentage of the total adjusted crime index attributable to each locality as determined by the Department of Criminal Justice Services. The City must notify the Department prior to July 1 each year that its law enforcement personnel have complied with minimum training standards as provided for by State Code. These distributions are made quarterly.

Non-Categorical Aid received over the last ten fiscal years are as follows:

| Non-Categorical Aid |             |             |                     |                  |                 |           |         |
|---------------------|-------------|-------------|---------------------|------------------|-----------------|-----------|---------|
| Fiscal Year         | ABC Profits | Wines Taxes | Rolling Stock Taxes | Rental Car Taxes | Grantor’s Taxes | 599 Funds | Total   |
| 1996                | 29,479      | 15,021      | 9,017               | 16,487           | 70,091          | 145,844   | 285,939 |
| 1997                | 28,315      | 15,730      | 8,684               | 19,961           | 84,371          | 145,844   | 302,905 |
| 1998                | 19,640      | 15,689      | 8,349               | 13,995           | 69,738          | 145,844   | 273,255 |
| 1999                | 32,926      | 16,117      | 17,384              | 15,680           | 67,295          | 145,844   | 295,246 |
| 2000                | 35,142      | 17,262      | 7,968               | 8,776            | 67,361          | 278,412   | 414,921 |
| 2001                | 30,504      | 17,542      | 10,026              | 5,502            | 75,648          | 315,705   | 454,927 |
| 2002                | 32,614      | 16,912      | 8,979               | 9,754            | 47,050          | 307,807   | 423,116 |
| 2003                | 14,518      | 13,442      | 6,907               | 12,057           | 48,940          | 305,013   | 400,877 |
| 2004                | 18,297      | 11,342      | 6,773               | 8,138            | 61,944          | 304,172   | 410,666 |
| 2005                | 7,035       | 7,373       | 6,906               | 5,737            | 49,980          | 340,364   | 417,394 |

## CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS

### Fiscal Year 2007 Operating Budget

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#### Categorical Aid

The City's Comprehensive Annual Financial Report classifies categorical aid into four sub-categories:

1. Shared Expenses - Constitutional offices included as City departments/operations with reimbursements provided (in-part) by the Commonwealth of Virginia.
2. Welfare - Pertaining to the City's general fund, only minor amounts of reimbursements are accounted for here. Virtually all of the City's Human Services programs are accounted for as a special revenue fund.
3. Education - The governor's distribution of state sales tax monies dedicated to education.
4. Other Categorical Aid - Largely the reimbursement for street/highway maintenance monies.

#### Shared Expenses

1. Sheriff - This is a joint activity shared with James City County. The state refunds approximately 100% of state-approved salaries and operating costs of this department. However, since the City now is part of the Virginia Peninsula Regional Jail Authority, the Sheriff now provides only courtroom security and prisoner transfer activities. Jail staffing at the Courthouse has been significantly reduced, as many former employees now work for the Authority. Reimbursements will continue for existing employees, and salaries and fringe benefits will continue to be based on state-approved figures. As in the past, any salary supplements will not be reimbursed.
2. Commissioner of the Revenue - State code provides for reimbursements to the City at 50% of salaries, fringe benefits and a minor portion of operating expenses. Any constitutional officer can make any special requests for payment to the Compensation Board for additional consideration. For the City's Comprehensive Annual Financial Report dated June 30, 2005 total reimbursements for Fiscal Year 2005 were 43.41% of expenditures.
3. Treasurer - This is also a joint activity shared with James City County. The state reimburses the City 2/3 of salary, fringe benefits, and operating costs for the Deputy Treasurer, whose office is in the Municipal Building. The City, in turn, bills James City County 25% of the non-reimbursed amount annually. In the City's Comprehensive Annual Financial Report, only the State reimbursed monies are classified as Categorical Aid. Any reimbursements from James City County are classified as "Miscellaneous" revenues, so an exact ratio of reimbursements to expenditures is impossible to compute, based on the CAFR.
4. Medical Examiner - Reimbursed at \$30 per examination.

**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
**Fiscal Year 2007 Operating Budget**

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5. Registrar/Electoral Board - Salaries are reimbursed by the State at 100% for the Registrar and the Electoral Board members. No reimbursements are made for fringe benefits or operating supplies. The Department of Finance bills the State Electoral Board annually. No salary supplements are made for the Registrar or board members.

### Welfare

In prior years the City accounted for miscellaneous general relief reimbursements through the General Fund. This activity is accounted for as a special revenue fund, and is included in the City's Comprehensive Annual Financial Report in the Virginia Public Assistance Fund.

### Education

State Sales Tax for Education -The Governor distributes 1% of statewide sales tax receipts to every school district based on state census figures provided for school-age population. This is adjusted with each triennial census performed by the joint school system and verified by the localities.

Categorical Aid received over the last ten fiscal years are as follows:

| <b>Categorical Aid</b> |         |               |           |                  |                          |                |                  |          |
|------------------------|---------|---------------|-----------|------------------|--------------------------|----------------|------------------|----------|
| <b>Shared Expenses</b> |         |               |           |                  |                          | <b>Welfare</b> | <b>Education</b> |          |
| <b>Fiscal Year</b>     | Sheriff | Comm. Of Rev. | Treasurer | Medical Examiner | Registrar/ Electoral Bd. | Welfare        | State Sales Tax  | Total    |
| <b>1996</b>            | 746,723 | 60,849        | 22,129    | 90               | 31,141                   | 7,944          | 430,400          | 1,299,27 |
| <b>1997</b>            | 753,705 | 62,889        | 22,648    | 150              | 33,011                   | 0              | 454,964          | 1,327,63 |
| <b>1998</b>            | 120,879 | 66,468        | 24,055    | 90               | 34,239                   | 0              | 479,154          | 724,885  |
| <b>1999</b>            | 0       | 70,188        | 20,741    | 240              | 35,528                   | 0              | 515,131          | 641,828  |
| <b>2000</b>            | 0       | 75,571        | 19,570    | 90               | 36,341                   | 0              | 465,182          | 596,754  |
| <b>2001</b>            | 0       | 76,788        | 22,065    | 210              | 40,975                   | 0              | 458,015          | 598,053  |
| <b>2002</b>            | 0       | 74,428        | 23,077    | 180              | 40,642                   | 0              | 429,304          | 567,631  |
| <b>2003</b>            | 0       | 69,944        | 19,281    | 210              | 37,647                   | 0              | 482,361          | 609,443  |
| <b>2004</b>            | 0       | 69,689        | 18,983    | 270              | 36,985                   | 0              | 559,110          | 685,037  |
| <b>2005</b>            | 0       | 71,946        | 19,556    | 450              | 44,049                   | 0              | 657,483          | 793,484  |

**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
**Fiscal Year 2007 Operating Budget**

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Other Categorical Aid

Other aid received from the Commonwealth and designated for specific use includes:

1. Arts Commission - Grant funds are applied for by the City and James City County to the Commonwealth for the Local Government Challenge Grant Program. Funds are received directly by each locality. James City County reimburses the City for the State portion, and also an additional amount each year as provided for during the annual budget process. Since Fiscal Year 1998 *each* locality has received the \$5,000 state maximum allowed under this grant.

Total funds received for the Arts Commission over the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Arts Commission Receipts</b> | <b>% Change</b> |
|--------------------|---------------------------------|-----------------|
| <b>1996</b>        | 29,313                          | 33.73%          |
| <b>1997</b>        | 30,465                          | 3.93%           |
| <b>1998</b>        | 41,580                          | 36.48%          |
| <b>1999</b>        | 56,540                          | 35.98%          |
| <b>2000</b>        | 67,300                          | 19.03%          |
| <b>2001</b>        | 65,550                          | (2.60%)         |
| <b>2002</b>        | 68,925                          | 5.15%           |
| <b>2003</b>        | 69,425                          | .73%            |
| <b>2004</b>        | 69,175                          | (.36%)          |
| <b>2005</b>        | 73,150                          | 5.75%           |

2. Street and Highway Maintenance - The City is reimbursed quarterly by the Commonwealth according to lane miles of streets within its boundaries. For Fiscal Year 2005-2006 reimbursements for principal/minor arterial roads are \$14,998 per lane mile, while collector/local streets are at a rate of \$8,805 per lane mile. Lane miles used to calculate reimbursement change only when additional roads are built in the City. For Fiscal Year 2005-2006 the total revenue for street and highway maintenance will be \$1,229,662 based on peak hour moving lane miles of state arterial roads in the City of 39.39 miles, and local streets of 72.56 lane miles. Payment rates change periodically, and are at the discretion of the Commonwealth of Virginia.



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Street & Highway Maintenance receipts over the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Street &amp; Highway Mtce Receipts</b> | <b>% Change</b> |
|--------------------|---|-----------------|
| <b>1996</b>        | 823,487                                   | 7.11%           |
| <b>1997</b>        | 836,815                                   | 1.62%           |
| <b>1998</b>        | 879,039                                   | 5.05%           |
| <b>1999</b>        | 898,477                                   | 2.21%           |
| <b>2000</b>        | 922,114                                   | 2.63%           |
| <b>2001</b>        | 985,719                                   | 6.90%           |
| <b>2002</b>        | 1,037,194                                 | 5.22%           |
| <b>2003</b>        | 1,082,951                                 | 4.41%           |
| <b>2004</b>        | 1,131,859                                 | 4.52%           |
| <b>2005</b>        | 1,169,565                                 | 3.34%           |

4. Emergency Services - Each year funds are received for Radiological Emergency Preparedness. These funds support the activities of state agencies and certain local governments in establishing, maintaining, and operating emergency plans, programs and capabilities to deal with nuclear accidents<sup>8</sup>. In this area, monies go into a state fund from Dominion Power. Williamsburg uses these funds to assist in developing our emergency plans and preparedness program. Annual training exercises are performed, within program guidelines, and are coordinated throughout the geographic area with other local governments and Dominion Power. Amounts received each year are based on the projected annual cost of administering the state and local governments' programs for the power stations. Emergency services program receipts over the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Emergency Services Program Receipts</b> |
|--------------------|--|
| <b>1996</b>        | 10,000                                     |
| <b>1997</b>        | 12,500                                     |
| <b>1998</b>        | 6,141                                      |
| <b>1999</b>        | 16,380                                     |
| <b>2000</b>        | 0  |
| <b>2001</b>        | 25,000                                     |
| <b>2002</b>        | 32,117                                     |
| <b>2003</b>        | 3,920                                      |
| <b>2004</b>        | 35,000                                     |
| <b>2005</b>        | 37,000                                     |

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<sup>8</sup> Va Dept of Emergency Services - Funding to State and Local Government Agencies and Supporting Organizations, June, 1992

**CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS**  
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5. Fire Programs - This is a special appropriation to localities to be used for fire service training, training facilities, and fire-fighting equipment or vehicles. Localities must provide detailed expenditure reports annually to qualify for these funds. All monies received must be spent in the year of receipt.

Fire program receipts over the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Fire Program Receipts</b> | <b>% Change</b> |
|--------------------|------------------------------|-----------------|
| <b>1996</b>        | 14,055                       | 17.7%           |
| <b>1997</b>        | 14,059                       | .03%            |
| <b>1998</b>        | 14,625                       | 4.03%           |
| <b>1999</b>        | 14,979                       | 2.42%           |
| <b>2000</b>        | 14,687                       | (1.95%)         |
| <b>2001</b>        | 16,203                       | 10.32%          |
| <b>2002</b>        | 16,203                       | 0%              |
| <b>2003</b>        | 16,080                       | (.76%)          |
| <b>2004</b>        | 17,902                       | 11.33%          |
| <b>2005</b>        | 0                            | (100%)          |

6. EMS Funds- Four for Life - State Code provides for an additional \$4 per year to be charged and collected when registrations for pickups, panel trucks, and motor vehicle are made at the Department of Motor Vehicles. These monies are paid into the State treasury to be used for emergency medical service purposes. Twenty-six percent of these funds are returned to the localities where the registrations were made. It supports volunteer and paid-personnel training, equipment, and supplies for emergency purposes. Four for Life receipts over the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Four for Life Receipts</b> | <b>% Change</b> |
|--------------------|-------------------------------|-----------------|
| <b>1996</b>        | 5,175                         | (7.34%)         |
| <b>1997</b>        | 5,537                         | 7.00%           |
| <b>1998</b>        | 5,136                         | (7.24%)         |
| <b>1999</b>        | 5,175                         | .01%            |
| <b>2000</b>        | 5,168                         | (.14%)          |
| <b>2001</b>        | 5,529                         | 6.99%           |
| <b>2002</b>        | 5,501                         | (.51%)          |
| <b>2003</b>        | 5,559                         | (1.05%)         |
| <b>2004</b>        | 6,176                         | 11.10%          |
| <b>2005</b>        | 6,742                         | 9.17%           |

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7. Litter Control - The City receives this annual grant from the Department of Waste Management to aid in litter control. Monies are used for litter prevention, elimination and control. The grant must be applied for each year, and an accounting is made each year to verify that funds are spent appropriately. Amounts vary each year depending on available funds and local program requirements. Revenues for litter control over the last ten fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Litter Control Receipts</b> |
|--------------------|--------------------------------|
| <b>1996</b>        | 5,343                          |
| <b>1997</b>        | 3,962                          |
| <b>1998</b>        | 4,920                          |
| <b>1999</b>        | 5,645                          |
| <b>2000</b>        | 5,417                          |
| <b>2001</b>        | 5,827                          |
| <b>2002</b>        | 5,143                          |
| <b>2003</b>        | 4,784                          |
| <b>2004</b>        | 4,495                          |
| <b>2005</b>        | 4,375                          |

**REVENUE FROM THE FEDERAL GOVERNMENT**

The City's Comprehensive Annual Financial Report itemizes Federal receipts on the Schedule of Federal Awards, according to the Catalog of Federal Domestic Assistance catalog numbers. Human Services programs account, by far, for the majority of the City's federal funds. These are for various programs, and are accounted for in the Public Assistance Fund. The Community Development Block Grant fund is an independent fund used to account for community improvements, such as the current Braxton Court Project. For General Fund purposes, only limited sources of federal funding exist. These programs are highlighted:

1. Local Law Enforcement Block Grant - The City must apply for these funds each year through the Department of Justice, and specify the purpose for which funds will be used. The City was granted \$7,133 in Fiscal Year 2005, to be used to underwrite projects to reduce crime and improve public safety, specifically crime prevention. The City provided a local match [as a grant requirement] in the amount of \$793. A specific interest-bearing checking account is used for this grant, and detailed quarterly reports must be filed until the funds are used in full.

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Fiscal Year 2007 Operating Budget

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2. Department of Emergency Services - These funds are administered by the Federal Emergency Management Agency (FEMA). The City of Virginia Beach acts as fiscal agent for this program. Funds are received for disaster assistance and hurricane preparedness, and more specifically, are intended to supplement the cost of deploying the City's Emergency Management team in accordance with FEMA requirements during natural disasters. During Fiscal Year 1996 the City received \$13,169 for a winter storm and hurricane assistance. Fiscal Year 1997 recovered \$4,348 for additional assistance from the FEMA team. During Fiscal Year 1999, the City received \$135,643 for a winter ice storm. For Fiscal Year 2000, the City received \$89,045 reimbursement for Hurricane Floyd and the January snow storm. No funds were received for Fiscal Year 2001, 2002 or 2003. For Fiscal Year 2004, the City received \$1,084,070 reimbursement for Hurricane Isabel. In Fiscal Year 2005, an additional \$970 was received for Hurricane Isabel reimbursement.

3. Department of Homeland Security - These funds are federal pass-thru grants administered by the Commonwealth of Virginia. The City received a total of \$186,425 in Fiscal Year 2005. Majority of the funds were specifically designated to upgrade and support local interoperable communication projects. Also included were funds for the Citizen Corps Project and the Citizen Emergency Response Team training.

4. Department of Transportation - These funds are federal pass thru grants administered by the Department of Motor Vehicles. In Fiscal year 2005, the City received \$13,000 all used to purchase police equipment.

#### POTENTIAL REVENUE SOURCES

State Code Section 58.1-3840 allows cities or towns to charge excise taxes on *admissions*, which the City does not impose. As of July 1, 2005, the City began a program of billing health insurance providers for emergency medical transportation services.

CITY OF WILLIAMSBURG - EXPENDITURE CLASSIFICATIONS  
Fiscal Year 2007 Operating Budget

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PERSONNEL EXPENSES

1000 SALARIES AND WAGES

- 1001        Salaries  
             Compensation for all full time employees who hold permanent positions.
- 1002        Salaries-Overtime  
             Compensation for overtime and holiday pay for all eligible employees in accordance with the Personnel Manual.
- 1003        Salaries, Part-time Employees  
             Compensation for all part time employees (less than 40 hours per week) who are paid on an hourly basis and are not eligible for all employee benefits. (See Personnel Manual)
- 1005        Salaries-Temporary  
             Compensation for employees who are working on a temporary basis. (See Personnel Manual)
- 1006        Discretionary Leave  
             Compensation for police, fire, or water plant personnel who must work on stated holidays. (See Personnel Manual)
- 1008        Traffic Control  
             Compensation for police department personnel who work extra hours for traffic control purposes.
- 1009        Off-Duty Policemen  
             Compensation for police personnel hired by outside establishments after regular working hours. (City is reimbursed by contracting party.)

2000 FRINGE BENEFITS

- 2001        FICA  
             Employers share of Social Security Taxes.
- 2002        Virginia Retirement System (VRS)  
             Cost of contributions to Virginia Retirement System for all fulltime employees. VRS enrollment is mandatory for all full-time employees, and paid as a percentage of base salary.

CITY OF WILLIAMSBURG - EXPENDITURE CLASSIFICATIONS  
Fiscal Year 2007 Operating Budget

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|             |  |
|-------------|--|
| 2005        | Hospitalization<br>City's cost for medical benefit package premiums, including dental.                               |
| 2006        | Group Life Insurance<br>City's cost for VRS group life insurance policy.   |
| 2009        | Unemployment Insurance<br>Costs for unemployment insurance.  |
| 2010        | Worker's Compensation<br>Costs for worker's compensation insurance.  |
| 2012        | Clothing Allowance<br>Costs associated with purchase of clothing by designated personnel.                            |
| 2013        | Education Allowance<br>Costs for tuition assistance.   |
| 2016        | Training<br>Costs associated with training fire, police, and water plant personnel.                                  |
| 2021        | Cleaning Allowance<br>Costs associated with cleaning of uniforms and clothing.                                       |
| <u>3000</u> | <u>PROFESSIONAL SERVICES</u>   |
| 3001        | Professional Health Services<br>Costs associated with medical services such as physicals for certain employees.      |
| 3002        | Professional Services-Other<br>Costs for legal, financial, engineering, and other specialized professional services. |
| 3004        | Repair and Maintenance<br>Costs for services for repair or maintenance of city equipment and structures.             |

CITY OF WILLIAMSBURG - EXPENDITURE CLASSIFICATIONS  
Fiscal Year 2007 Operating Budget

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|       |   |   |
|-------|---|---|
| 3004- | 1 | Cars and Trucks   |
|       | 2 | Buildings   |
|       | 3 | Office Equipment  |
|       | 4 | Powered Equipment   |
|       | 5 | Street Signs, Markings, and Water Meters  |
|       | 6 | Traffic Signals   |
| 3005  |   | Service Contracts<br>Costs for all service contracts except radio.  |
| 3006  |   | Printing<br>Costs associated with the printing of forms, documents, manuals, etc.   |
| 3007  |   | Advertising<br>Costs for classified and legal advertisements.   |
| 3008  |   | Laundry and Dry Cleaning<br>Costs associated with uniform rental.   |
| 3009  |   | Purchase of Services<br>Costs for purchasing of services and supplies from other governmental agencies (do not include joint activities). |
| 3013  |   | Jurors, Commissioners, Witnesses<br>Costs associated with court trials and legal disputes.  |
| 3031  |   | Garbage Contract<br>Costs for garbage pick-up and disposal.   |
| 3032  |   | HRSD<br>Costs for treatment of raw sewage by Hampton Roads Sanitation District.   |
| 3033  |   | Exterminating<br>Costs for extermination contracts for city-owned buildings.  |
| 3099  |   | Detective Funds<br>Costs associated with police work.   |

CITY OF WILLIAMSBURG - EXPENDITURE CLASSIFICATIONS  
Fiscal Year 2007 Operating Budget

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|             |   |
|-------------|---|
| <u>5000</u> | <u>PURCHASE OF GOODS AND SERVICES</u>   |
| 5101        | Electricity<br>Costs of electricity (Dominion Power).   |
| 5102        | Heating Fuel<br>Purchase of natural gas and heating oil.  |
| 5103        | Water and Sewer<br>Costs of water and sewer services.   |
| 5201        | Postage<br>Stamps, stamped envelopes, postage meter costs, permit fees, etc.                      |
| 5203        | Telecommunications<br>Costs incurred for land-line, cellular phone, and pager service.            |
| 5204        | Radios<br>Cost of operating city-wide radio systems.  |
| 5205        | Emergency "911"<br>Costs of operating emergency lines for the dispatch operation.                 |
| 5301        | Boiler Insurance<br>Costs of insuring heating plants, generators, and other mechanical equipment. |
| 5302        | Fire Insurance<br>Costs of insuring buildings and contents against fire.                          |
| 5305        | Motor Vehicle Insurance<br>Costs of insurance for motor vehicles.                                 |
| 5306        | Surety Bonds<br>Costs for surety bonds for certain city personnel.                                |
| 5307        | Public Officials Liability<br>Costs of insuring certain public officials against suits, etc.      |
| 5308        | General Liability Insurance<br>Cost of insuring the city against certain accidents, etc.          |



CITY OF WILLIAMSBURG - EXPENDITURE CLASSIFICATIONS  
Fiscal Year 2007 Operating Budget

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- 5401 Office Supplies  
Costs of office supplies such as envelopes, pens, pencils, paper, forms, etc. used in everyday office operations.
- 5402 Food and Food Service Supplies  
Costs of providing miscellaneous food or supplies at Fire Station.
- 5403 Agricultural Supplies  
Costs for care and treatment of plants, lawns, landscaping, including small tools.
- 5404 Material and Lab Supplies  
Costs for purchasing medical and laboratory supplies for appropriate city departments.
- 5405 Laundry, Housekeeping and Janitorial Supplies  
Costs of custodial and housekeeping supplies, including lightbulbs.
- 5406 Linen Supplies  
Costs of linens used in Fire Department.
- 5407 Repair and Maintenance Supplies  
Costs of building material supplies, paint, electrical, and plumbing supplies.
- 5408 Vehicle and Powered Equipment Supplies  
Supplies for cars, trucks, heavy equipment, etc. used by City Shop.
- 5408- 1 Cars and trucks  
2 Tires and tubes  
3 Gas and oil for vehicles  
4 Powered equipment - light and heavy  
5 Sign and street marking supplies  
6 Generator fuel
- 5409 Police Supplies  
Costs of items such as guns, ammo, flashlights, etc.
- 5410 Uniforms and Wearing Apparel  
Costs for uniforms, protective clothing, boots, overalls, and other items or working apparel provided to employees.

CITY OF WILLIAMSBURG - EXPENDITURE CLASSIFICATIONS  
Fiscal Year 2007 Operating Budget

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|      |   |
|------|---|
| 5411 | Books and Subscriptions<br>Costs for professional periodicals, books, and publications.   |
| 5412 | Recreation Supplies<br>Costs for supplies used for Recreation Department programs.  |
| 5413 | Other Operating Supplies<br>Costs for chemicals and other supplies not covered in other accounts.   |
| 5414 | Merchandise for Resale<br>Costs of vending machine merchandise.   |
| 5415 | Fire Prevention Materials<br>Costs of materials used by Fire Department for fire prevention.  |
| 5416 | Pool Supplies<br>Costs of supplies for operation of Quarterpath Pool.   |
| 5417 | Water Meters<br>Costs of purchasing water meters for the Utility Fund.  |
| 5418 | Litter Control<br>Costs associated with litter pickup.  |
| 5501 | Travel Expense<br>Mileage reimbursement @ 32.5¢/mile for approved use of private vehicles for job-related travel.   |
| 5504 | Travel (Conferences and Conventions)<br>Costs for lodging, transportation, registration fees, and materials. All travel must have prior department head approval. |
| 5602 | Colonial Services Board<br>Costs of City's contribution to CSB.   |
| 5604 | Contributions to Other Agencies<br>Donations to outside organizations approved by City Council.   |
| 5801 | Dues and Memberships<br>Costs for dues and memberships in professional organizations.   |

CITY OF WILLIAMSBURG - EXPENDITURE CLASSIFICATIONS  
Fiscal Year 2007 Operating Budget

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- 5805        Other  
             Costs (non-recurring) not budgeted under other accounts.
- 5838        Principal  
             Repayment of long term debt principal.
- 5839        Interest  
             Interest payments on long term debt.
- 5899        Joint Activity  
             Payments to James City County for jointly operated departments and agencies.

7000        FIXED ASSETS

- 7001        Machinery and equipment
- 2        Furniture and fixtures
- 3        Communication equipment
- 5        Motor vehicles
- 7        ADP Equipment
- 8        Pedestrian Improvements
- 9        Street resurfacing
- 10       Building alterations

8000        LEASES AND RENTALS

- 8001        Lease and Rental of equipment  
             Cost for temporary rental or lease of equipment  
             (no lease-purchase agreements).
- 8002        Lease and Rental of buildings  
             Costs for rental or lease of office or storage space.

**Agency/Organization**

List of Other Contributors

Notes

**Constitutional Officers**  
(Generally)

Salaries for these officers are approved by the State Compensation Board. The state pays a portion of salary, benefits, and operating costs. The City pays salary supplements in some cases, most fringe benefits, and some operating costs.

**Commissioner of the Revenue**  
State

The City provides office space for this officer and staff. The State reimburses the City for 50% of salary, fringes and some operating expenses. The reimbursable portion of the Commissioner's salary is based on the 1980 salary amount divided in half plus any increase in pay since that date. The State pays 50% of 2 full-time positions allowed based on population. A salary supplement is provided by the City. The State reimburses half the employer cost of VRS (Retirement), FICA, and Group Life insurance. The balance of fringes is paid by the City. 50% of temporary personnel salaries and fringes are paid by the State with the balance paid by the City. The staff participates in all City employee programs (e.g., health insurance, deferred and workers compensation), including the Pay Plan.

**Treasurer**  
State

The State reimburses the City and JCC for half the cost of the Treasurer and staff. The City, State and JCC share in the local cost of the Treasurer. The State reimburses 91.3% of state approved salary, and half the employer cost of VRS and FICA. JCC bills the City for half of the non-reimbursable costs for the Treasurer. Office space is provided by both localities. The State reimburses the City for 66.7% of salary, fringes, and operating costs for the City Deputy Treasurer, whose office is located in the Municipal Building. The City bills JCC for 25% of the non-reimbursable costs for salary and fringes associated with the City Deputy Treasurer position for her work associated with W/JCC Schools.

**Agency/Organization**

List of Other Contributors

Notes

**Clerk of Circuit Court**

JCC, State

The State funds salaries and a portion of fringes and operating expenses for the Clerk and staff. A portion of fringe benefits is supplemented. Eleven positions in this office are fully State funded. Two part-time positions are locally funded. All temporary part-time personnel costs are reimbursed by the State, but not permanent part-time. These part-time salaries and some fringes are paid by the City and County per the Courthouse Agreement (See Circuit Court).

**Commonwealth Attorney**

JCC, State

The Compensation Board sets the salaries for the Commonwealth's Attorney, four assistants, and a support staff of three full-time and one part-time positions. All but one staff positions receive a salary supplement, ranging from 3.97% to 24.54%, paid by the City and JCC based on the Courthouse Agreement. In addition, the Victim's Assistance program consists of three grant positions, two of which are supplemented locally. The balance of any fringes in excess of the amount provided by the State is paid by the City and JCC.

**Sheriff's Department**

JCC, State

The joint Williamsburg/James City County Sheriff is responsible for courtroom security and serving civil warrants, but no longer handles jail facilities since the City became part of the Va Peninsula Regional Jail Authority. City/JCC share local cost on a population formula as provided in the City/County Joint Courthouse Agreement. Payroll and operating expenses have been administered by James City County since January 1, 1998. The state compensation board will reimburse the County for state-approved salaries, benefits, and some operating expenses. Salary supplements and a portion of unreimbursed operating expenses are shared locally based on the Courthouse Agreement. Sheriff's employees participate in the JCC's worker compensation, health insurance, and Va Retirement System programs.

**Agency/Organization**

List of Other Contributors

Notes

**Voter Registrar**

Board of Elections, State

The State pays 100% of the Registrar's salary. Costs associated with one full-time and one part-time employee, fringe benefits, and operating costs are paid by the City. This staff participates in the City's workers compensation, health insurance and other employee programs. The City provides accounting and payroll services.

**Circuit Court (Powell)**  
State

The City and JCC share in the cost of the Judge's secretary, jurors, capital outlay, and operating expenses of this office. City and JCC also fund a Legal Assistant position for the Circuit Court Judge. The Judge's salary is paid by the State.

The City/JCC agreement dated December 12, 1996 provides for joint operations of all courthouse activities. All courthouse personnel and operating costs which are the responsibility of local government are split between the City and County based on population, and is updated as of December each year.

**General District Court (Killilea)**

The City and JCC share in the cost of operating expenses and capital outlay for this office based on the Courthouse Agreement. The Judge's salary is paid by the State.

**Juvenile and Domestic Rel. Court**  
(Fairbanks) JCC, State

The City and JCC share in the cost of operating expenses for this office based on the Courthouse Agreement. The Judge's salary is paid by the State.

**Ninth District Court Services Unit**  
Juvenile Probation Office State,  
JCC, York, Charles City, King  
William, King & Queen, Mathews,  
Gloucester, New Kent, Middlesex,  
Poquoson

Salaries and fringes for this office are paid by the State. Local operating costs are shared between the City and JCC. For the District office, the City pays 1/11<sup>th</sup> of the operating costs. In addition, the City pays actual juvenile detention expenses for the Merrimac Center through the Middle Peninsula Juvenile Detention Commission for City cases.

**Agency/Organization**

List of Other Contributors

Notes

**Colonial Group Home Commission**

JCC, York, and Gloucester Counties  
State Dept of Youth & Family Svcs.

Funded through State block grant and per diem revenues. Programs include Crossroads, Family Oriented Group Home, and Bridges.

**Health District**

State, Newport News, JCC  
York County, Poquoson

Contribution is based on funding formula which apportions local share among district jurisdictions. Some monies are refunded to City based on generated revenues.

**Colonial Services Board**

(Chapter X)  
State Funds, York Co.  
JCC, Poquoson  
Federal Funds  
Fee Revenue (clients, BC/BS,  
Medicare, Medicaid, etc)

Funded at discretion of Council. Funding request is based on population and usage.

**Department of Human Services**

State, Federal Dept. of Health  
& Human Services

Approximately 70% of personnel and operating costs are reimbursed by the State and Federal governments. The Department pays monthly rent to the City, which qualifies for a portion of that expense to be repaid by State and Federal programs.

**Williamsburg-James City Co.  
Schools**

Local funding share is apportioned between the City and JCC based on the Joint Schools Agreement, as amended in 1991, 1996, and 2001. The fifth year of a revised 5-year contract begins in FY 2007, with the City paying local operating and capital costs in proportion to its student population, times an add-on factor that varies by year. State support of approximately 30% of total school system cost is based on formula and General Assembly appropriations. Federal funding is received and largely directed to categorical programs, and received on a cost-reimbursement basis.

**Agency/Organization**

List of Other Contributors

Notes

**Williamsburg Regional Library**

JCC, State funds, York County  
and generated revenues

Effective July 1, 1999 the City/County cost sharing is governed by a new five-year agreement. Operating costs are shared based on usage. Each jurisdiction pays for the capital costs associated with the library buildings located therein. York County also contributes at the discretion of its Board of Supervisors. The State contributes approximately 7% of total operating costs on a formula basis.

**Avalon Center for Women/Children**

United Way, State Housing Dept.  
JCC, Fund-raising, York County  
VA Health Dept.

Funded at discretion of Council per advice of Human Services Review Committee.

**Foster Grandparents Program**

Hampton, JCC, Newport News,  
York County, Federal Funds

Funded at discretion of Council per advice of Human Services Review Committee.

**Peninsula Agency on Aging**

State and Federal funds, Newport  
News, Hampton, Poquoson, JCC,  
York County, private donations

Funded at discretion of Council per advice of Human Services Review Committee

**Historic Triangle Senior Center**

JCC, York

Funded at discretion of Council per advice of Human Services Review Committee.

**Community Action Agency**

JCC, Donations, State/Fed. Grants

Funded at discretion of Council per advice of Human Services Review Committee.

**CHIP of Virginia**

Public/private partnership-  
Partner agencies, corporations,  
Foundations, individuals, local gov'ts

Funded at discretion of Council per advice of Human Services Review Committee.



**Agency/Organization**

List of Other Contributors

Notes

**Hospice of Williamsburg**

Funded at discretion of Council per advice of Human Services Review Committee.

**Williamsburg Area Transport**  
JCC, York County, State Funds

Funded at discretion of Council. Agency administers the regional transit system serving residents, visitors, and students through fixed-routes, and services disabled in the City, JCC, and the Bruton District of York County.

**Newport News Library (for Blind/Physically Handicapped)**  
JCC, York County, Newport News

Receives contributions based on flat fee per client, at discretion of Council per advice of Human Services Review Committee

**Colonial Williamsburg Foundation**  
Endowments, generated revenue, private contributions

Funded at discretion of Council for purpose of purchasing advertising time to attract visitors to Colonial Williamsburg.

**Chamber of Commerce and Tourism Bureau**  
Interest Income, JCC, York County, Williamsburg Hotel/Motel Assoc., Membership programs

Funded at discretion of Council. 80% of City funding goes to Tourism Bureau marketing programs, 20% for general Chamber operations.

**Hampton Roads Partnership**  
Hampton Roads communities, businesses, civic organizations, military, and educational institutions

Provides regional leadership to focus on those strategic issues that will improve Hampton Roads' competitive position in the global economy. Funded at discretion of Council.

**Hampton Roads Planning District Commission and Metropolitan Planning Organization (MPO)**  
JCC, Newport News, Poquoson, Hampton, Gloucester, York County, Tidewater jurisdictions, State and Federal Funds

City share is based on per capita membership assessment.

**Agency/Organization**

List of Other Contributors

Notes

**Hampton Roads Economic  
Development Alliance/Peninsula  
Council for Workforce Development**  
Hampton, Newport News, JCC,  
York County, Gloucester, Poquoson

Funded at discretion of Council.

**Thomas Nelson Community College**  
State, Newport News, JCC,  
Poquoson, York Co., Hampton

Funded at discretion of Council. Funding  
based on population formula for improvements  
to parking and site, not buildings.

**Colonial Soil and Water  
Conservation District**  
State, JCC, York

This is a State agency and is primarily funded by the  
State. Historically, the CSWCD member  
jurisdictions have shared in the cost of funding one  
position.

**Williamsburg Area Arts Commission**  
JCC, State funds

Funded at discretion of Council. Agency  
recommends funding to over 30 groups and  
monitors how arts groups spend funds.

**Animal Control**  
JCC

The City pays JCC to provide animal control services  
under 1993 inter-local agreement.

**Heritage Humane Society**  
JCC

Funded at discretion of Council. City leases Waller  
Mill Road animal shelter to the Society for \$1  
a year, and provides major building maintenance  
free of charge.

**Virginia Peninsula Public  
Service Authority**  
JCC, York County, Hampton,  
Newport News, Poquoson, and  
Middle Peninsula jurisdictions

The City share is based on a budget formula  
adopted by the VPPSA Board of Directors.

**Agency/Organization**

List of Other Contributors

Notes

**Virginia Peninsula Regional  
Jail Authority**

JCC, York County, Poquoson,  
Dept. of Corrections

The city shares in the cost of operating this authority. VPRJA operates a regional jail on Route 143 in lower James City County. City pays its share based on number of prisoners held.

**Information & Referral Service-  
United Way**

JCC, York County, Williamsburg  
Hotel/Motel Assoc., membership  
programs

Funded at discretion of Council per advice of Human Services Review Committee

**Jamestown-Yorktown Foundation**

JCC, York County, State grants,  
private donations, admissions

Funded at discretion of Council

**Colonial C.A.S.A.**

State grants, private donations,  
JCC

Funded at discretion of Council per advice of Human Services Review Committee

**Williamsburg Aids Network**

Donations

Funded at discretion of Council per advice of Human Services Review Committee

**Williamsburg Extension Service**

State

Funded at discretion of Council per advice of Human Services Review Committee

**Williamsburg Area Medical  
Assistance Corporation**

State and JCC

Funded at discretion of Council per advice of Human Services Review Committee

The City's accounting system is organized on the basis of funds and groups of accounts, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The various funds are grouped in the financial statements as follows:

Governmental Funds account for the expendable financial resources, other than those accounted for in proprietary or fiduciary funds. The Governmental Fund measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise. The individual Governmental Funds which are budgeted are the General Fund and Sales Tax Fund, which are combined in the General Fund as presented in the City's Comprehensive Annual Financial Report (CAFR) each year.

General Fund - This fund accounts for all revenues and expenditures of the City which are not accounted for in other funds. Revenues are derived from general property taxes, other local taxes, licenses and permits, and revenues from other governmental units.

Sales Tax Fund (also referred to as General Capital Improvement Program) - This fund accounts for scheduled major capital improvements for the upcoming year. Revenues are traditionally derived from the 1% Sales Tax monies collected monthly at the State level, and interest earnings.

Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and cash flows. Enterprise funds account for the financing of services to the general public where all or most of the operating expenses involved are recovered in the form of charges to users of such services. The Utility Fund, consisting of the operations for water and sewer services, is the City's only Enterprise Fund.

#### Budgets and Budgetary Accounting

Formal budgetary integration is employed as a management control device during the year for the General Fund, Sales Tax Fund, and Utility Fund. Annual operating budgets are adopted by ordinances and resolutions passed by the City Council for those funds. Budgets are prepared on the same basis of accounting used for financial reporting purposes. The City does not integrate the use of encumbrance accounting in any of its funds. The original budgets and revisions, if any, are authorized at the department level by City Council. The City Manager has the authority to transfer funds within the departments, so long as the total appropriation for a department is not adjusted. All appropriations for operating budgets lapse at year-end to the extent that they have been fully expended. As capital projects can be multi-year, funds appropriated by City Council can carry over to future years for projects not completed each year, at the discretion of the City Manager.

**Basis of Accounting:**

**Governmental Funds:**

Governmental Funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 45 days after year-end are reflected as deferred revenues - uncollected property taxes. Sales and utility taxes, which are collected by the State or utilities and subsequently remitted to the City, are recognized as revenues and receivables upon collection by the State or utility, which is generally in the month preceding receipt by the City. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Expenditures are recorded as the related fund liabilities are incurred.

**Proprietary Funds:**

The accrual basis of accounting is used for the Utility Fund. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

**Basis of Accounting vs. Basis of Budgeting**

Budgets are prepared on the same basis of accounting used for financial reporting purposes (GAAP). There are some instances whereas the generally accepted accounting principles used for financial reporting purposes will differ from those used in budget preparation. Under GAAP reporting requirements changes in the fair market value of the City's investments are treated as adjustments to revenue at fiscal year end, and those effects are not considered (or known) in the budget process. The other difference is the annual adjustment necessary to reflect the value of earned but unused vacation leave due to employees at fiscal year end. Such amount would be paid upon an employee's separation from the City, but is not known or budgeted due to the unknown nature of employee's use of vacation leave.

**A. Financial Planning Policies:**

1. Balanced Budgets:
  - a. The general operating fund (General Fund) and the special local option sales tax fund (General Capital Improvement Program, or CIP), Utility Fund operating fund, and the Utility Fund CIP are subject to the annual budget process.
  - b. All operating and capital fund budgets must be balanced - total anticipated revenues plus fund balances or reserves brought forward must equal total estimated expenditures each year.
  - c. The Utility Fund (the City's only Enterprise Fund type) will be self-supporting.
  - d. All budgets will be formulated and adopted on the basis of accounting consistent with generally accepted accounting principles (GAAP).
  - e. The budget process will include coordinating development of the capital improvement budget with development of the operating budget.
2. Long-Range Planning:
  - a. Budgets will be adopted annually, taking into consideration input from all organizational levels of the City. The Planning Commission will review current and future capital improvement projects and make recommendations to staff for input to the annual budget document.
  - b. The long-term revenue, expenditure, and service implications of continuing or ending existing programs or adding new programs, services, and debt will be considered while formulating all budgets annually.
  - c. The City will assess the condition of all major capital assets, including buildings, roads, bridges, water and sewer lines, vehicles, and equipment annually.
  - d. To estimate the City's future financial position, the long-term impact of operating and capital spending will be analyzed five years forward, concurrent with the formulation of all budgets.
  - e. The General Fund will maintain a minimum of 35% of total operating revenues as its fund balance.
  - f. Fund Balance of the General Fund shall be used only for emergencies, non-recurring expenditures, or major capital purchases that can not be accommodated through current year savings.

**B. Revenue Policies:**

1. Revenue Diversification:

The City will strive to maintain a diversified and stable revenue system to protect the City from short-run fluctuations in any one revenue source and ensure its ability to provide ongoing services.

  - a. The City will identify all revenue and grant options available to the City each year.

- b. All revenue collection rates, especially for real estate and personal property taxes, will be reviewed annually, and all efforts to maximize receipt of revenues due will be made by the Finance Department.
- 2. User Fees and Charges:

Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of- living as well as changes in methods or levels of service delivery.

  - a. Rental of City properties – Charges will be reviewed annually and compared with market rates for comparable space or property in the community. The City will consider annual escalator clauses in multi-year rental contracts to take into effect the impact of increases in the cost of living.
  - b. Building permit and inspection fees will be reviewed annually.
  - c. Recreation program charges will be reviewed annually. In general, all efforts will be made to provide programs and activities at an affordable level for the residents of the Williamsburg area while still recovering a major portion of incidental costs of programs, not to include administrative costs or the use of facilities.
    - i. Charges for specialty classes such as yoga, aerobics, dance, dog obedience, etc. will be set at a level to encourage maximum participation, and also enable 75% to 80% of program receipts to be used to compensate instructors.
    - ii. Team sports participation fees will also be set to encourage maximum participation, with approximately 80% to 90% of charges being used to defray costs of officiating, prizes and awards, scorekeepers, and team pictures.
    - iii. Admission fees for the use of the Quarterpath Pool are intended to provide an affordable service to citizens. Fees are not intended to recover 100% of the costs of operating this facility. The City encourages individual and family seasonal membership passes at a minimum fee, which provide an even more affordable opportunity for residents to enjoy this outdoor facility during the summer months.
  - d. The City's Utility Fund will be self-supporting. Water and sewer charges will be reviewed annually and set at levels which fully cover the total direct and indirect costs - including operations, capital outlay, and debt service.
- 3. Use of One-time or Limited-time Revenues:
  - a. To minimize disruptive effects on services due to non-recurrence of these sources, the City will not use one-time revenues to fund operating expenditures.

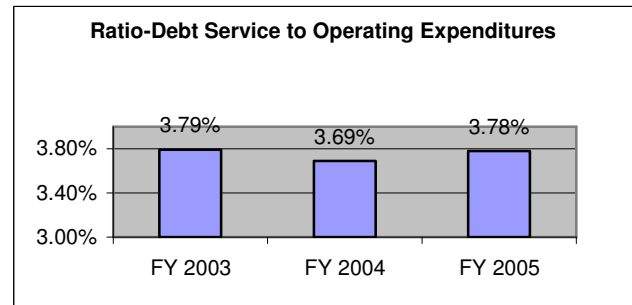
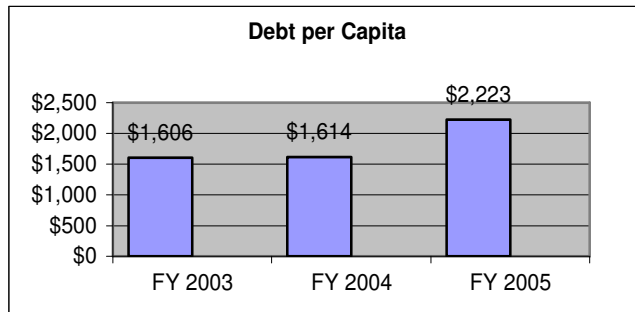
**C. Expenditure Policies:**

1. Operating/Capital Expenditure Accountability:
  - a. The City will finance all current expenditures with current revenues. The City will not short-term borrow to meet cashflow needs.
  - b. Future operating costs associated with new capital improvements will be projected and included in operating budgets.
  - c. Capital improvement program budgets will provide for adequate maintenance of capital equipment and facilities and for their orderly replacement.
  - d. The budgets for all funds shall be controlled at the department level. Expenditures may not exceed total appropriations for any department without approval from the City Manager.
  - e. All operating fund appropriations will lapse at fiscal year-end. Any encumbered appropriations at year-end may be re-appropriated by City Council in the subsequent year. Multi-year capital improvement projects may be carried-forward in the subsequent year, at the discretion of the City Manager.
  - f. The City will include contingency line items in the General Fund, General CIP, and Utility Fund CIP, not to exceed \$200,000, to be administered by the City Manager, to meet unanticipated expenditures of a non-recurring nature.
  - g. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare and present to City Council monthly financial reports comparing actual revenues and expenditures with budgeted amounts.

**D. Debt Policy:**

1. The objective of the City's debt policy is to maintain the City's ability to incur present and future debt at the most beneficial interest rates in amounts needed for financing the adopted Capital Improvement Program without adversely affecting the City's ability to finance essential City services.
2. A five-year capital improvements program will be developed and updated annually along with corresponding anticipated funding sources.
3. Capital projects financed through either bank qualified loan or the issuance of bonded debt will be financed for a period not to exceed the useful life of the project.
4. Debt service principal payments will be scheduled in equal installments over the life of the indebtedness.
5. The City has not sought a bond rating, but will do so if a rating will improve the cost of borrowing.
6. Pay-as-you-go financing will be the normal method of funding the capital program, with debt financing not to exceed the limits established below.
7. Actual ratios of per capita debt, and debt service to operating revenue, and the not-to-exceed limit are shown below.





- Outstanding Debt per Capita: \$1,700 - \$2,400, including Utility Fund
- Ratio of Debt Service to Operating Expenditures adjusted for net effect of bond refinancing in FY 2004

### **E. Investment Policy:**

In recognition of its fiduciary role in the management of all public funds entrusted to its care, it shall be the policy of the City that all investable balances be invested with the same care, skill, prudence and diligence that a prudent and knowledgeable person would exercise when undertaking an enterprise of like character and aims. Further, it shall be the policy of the City that all investments and investment practices meet or exceed all statutes and guidelines governing the investment of public funds in Virginia, including the Investment Code of Virginia and the guidelines established by the State Treasury Board and the Governmental Accounting Standards Board.

Copies of the City's comprehensive investment policy, including the objectives, allowable investments, quality, maturity restrictions, prohibited securities, and additional requirements are available at the Department of Finance.