



**CITY OF WILLIAMSBURG**  
*Public Works & Utilities Department*

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UTILITY FUND  
WATER AND SEWER RATE ANALYSIS  
FY2011-2015

The FY2011-2015 water rate review looks at the financial viability of the Utility Fund in terms of projected revenues and expenses for the next five year period. The water rate was increased last year from \$3.80/1000 gallons to \$4.00/1000 gallons. The single water rate includes sewer service since the City does not have a separate rate for sewer.

Expenses:

There are two initiatives of the utility system that have major impacts to the Utility Fund expenses:

1. Long term supplemental water supply
2. Sanitary sewer Special Order by Consent (SOBC)

The City signed a long-term water supply agreement with Newport News Waterworks (NNWW) in April, 2009. The agreement is a 50 year contract with 25 year renewals thereafter. Williamsburg contracted for 2 million gallons of water per day (mgd). The purchase cost is based on \$12.5 million per 1 mgd of water thus making our total commitment \$25 million for 2 mgd. The City paid \$12.5 initially and the remaining \$12.5 million is due in 2024. However, the City can opt out of the second \$12.5 payment at which time our allotment would drop to 1 mgd. The City's strategy for the first \$12.5 million payment was to pay \$2.5 million from the Utility Fund cash balance and it borrowed \$10 million using a 15 year bank qualified loan. That way the first payment is paid off before the second \$12.5 million payment is due (2024). In addition to the capital expense to purchase the water, there are annual operating and maintenance (O&M) expenses. Capital debt service plus O&M expenses together cost the City approximately \$1.0 million per year. Given a Utility Fund budget of \$5.1 million, it is readily apparent what impact the project has on the budget and water rates/fees.

A new water supply source is only part of the infrastructure story. The City's sanitary sewer system will need to be upgraded in accordance with a Consent Order issued by the State Department of Environmental Quality (DEQ). The DEQ is responding to an initiative of the Federal Environmental Protection Agency (EPA) to control sanitary sewer overflows (SSO's) in the HRPDC area which is served by HRSD. The consent order is a regional order affecting all jurisdictions in the HRPDC area. The Order was finalized in September 2007. The City is making substantial investments in the sewer system to address overflows caused primarily by stormwater infiltrating/inflowing (I/I) and grease blockages in the sanitary system. The City purchased a camera van to facilitate TV inspections of

our sewer lines and is working with engineering firms/sewer rehab companies on fixing sewer infrastructure. Monies have been earmarked in the 5 year capital improvements program. These costs will be ongoing including both capital expenditures and operating/maintenance costs to keep the system in good condition in accordance with the Order.

On the operating side, the Utility expects to provide level funding in light of the major recession we are experiencing. The Utility is also reviewing ways to decrease its expenses where possible.

### Revenue

#### Growth in Water Demand:

We are projecting water revenue to remain flat over the next 2 years and a modest increase over the last 3 years of the 5 year study period. Residential development is expected to remain stale – some moderate commercial development is underway (Quarterpath Crossing, High Street) but redevelopment such as the College's School of Education replacing the Hospital results in less water consumption. Further, water conservation (e.g. College) is contributing to the slow down in water demand and thus revenue. Therefore, we are projecting no increase in revenue over the next two year period and a .5% yearly increase over the following 3 years of the 5 year study period. Possible revenue from JCSA was not included since water sales to the Authority are on an emergency basis only.

#### Water and Sewer Fees:

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

The availability fees are based on meter size to reflect capacity and demand on the system. The City increased the fees substantially in FY09. This increase was predicated on new growth paying equitably in the growth of the system including securing a new water supply and the expenses associated with the SSO consent order. A review of the City's fees compared to other water purveyors in Virginia shows our fee structure to be higher than average. An increase in availability fees is not recommended for FY2011.

The water and sewer connection fees are the costs associated with the City installing water and sewer service lines. Service lines run from the main lines to the customer's property line. For the most part, on new development, the developer installs the service line as part of the overall infrastructure of the development project. The City primarily installs service lines to infill development in existing subdivisions and small commercial sites. The water connection fee is based on meter size while the sewer connection fee is more of a flat fee for residential or commercial construction. An increase is not recommended for FY2011 since the fees are representative of actual costs of providing water and sewer service connections.

#### Rate Analysis:

Working capital projections were developed for two different scenarios. The year-end working capital is essentially the Fund's cash balance or the difference between short term assets and liabilities.

Two rate scenarios are presented in Exhibits 1 and 2. Both scenarios assume no increase in revenue for FY2011 and FY2012 and a .5% increase in FY2013-2015, no increase in the operating budget for FY2011-2-12 and 3% for FY2013-2015. Capital improvement expenses are based on recently submitted FY2011-2015 CIP budget figures. Debt service for principal and interest along with estimated O&M costs are shown for the water contract with NNWW.

Exhibit 1 shows working capital projections with no rate increase. Exhibit 2 shows rate increases of 5% every year for the 5 year period. With no rate increases (Exhibit 1), working capital is depleted by 2014. Exhibit 2 maintains a positive working capital balance for the next 5 years, showing about a \$2.1 million balance at the end of the 5 year analysis. Even with the proposed increases the estimated cash balance is reduced \$1 million in FY11 and by \$2 million for the 5 year study period.

For FY2011 we are recommending a 5% increase in the water rate to \$4.20/1,000 gals. Continued rate increases will be necessary in the next several years to cover capital expenses associated with the new water supply and the sanitary sewer Consent Order in order to maintain a reasonable working capital balance.

A comparison of our water rate with six other Hampton Roads communities is presented in Exhibit 3. Although the other localities are also considering FY2011 rate increases, rates currently in place are used for comparison purposes. Williamsburg remains far below all other Hampton Roads communities.

Daniel G. Clayton III  
Director

# EXHIBIT 1

## CITY OF WILLIAMSBURG WATER & SYSTEM OPERATIONS-CASH FLOWS

Fiscal Year Ending June 30:							
	2009	2010	2011	2012	2013	2014	2015
	Actual	Estimated	Proposed	Projected	Projected	Projected	Projected
Revenue under existing rates							
Water	4,020,473	4,150,000	4,150,000	4,150,000	4,170,750	4,191,604	4,212,562
Sewer	1,031,778	1,100,000	1,100,000	1,105,500	1,111,028	1,116,583	1,122,166
Total Revenue Under Existing Rates	5,052,251	5,250,000	5,250,000	5,255,500	5,281,778	5,308,186	5,334,727
Additional Water Revenues:							
	Rate	Proposed	Months				
Effective Date	Increase	Rate	Effective				
July 1, 2010	0.00%	\$4.00	12	0	0	0	0
July 1, 2011	0.00%	\$4.00	12	0	0	0	0
July 1, 2012	0.00%	\$4.00	12	0	0	0	0
July 1, 2013	0.00%	\$4.00	12	0	0	0	0
July 1, 2014	0.00%	\$4.00	12	0	0	0	0
Subtotal, Additional Revenue from Increases				0	0	0	0
Total Revenue from User Charges	5,052,251	5,250,000	5,250,000	5,255,500	5,281,778	5,308,186	5,334,727
Other Utility Income	705,807	421,400	421,400	421,400	421,400	421,400	421,400
Total Operating Revenues	5,758,058	5,671,400	5,671,400	5,676,900	5,703,178	5,729,586	5,756,127
Operation and Maintenance Expenses							
Water and Sewer Expenses	-4,730,991	-5,284,101	-5,463,400	-5,463,400	-5,627,302	-5,796,121	-5,970,005
Add back depreciation expense	439,351	940,000	940,000	940,000	940,000	940,000	940,000
Total Expenses	-4,291,640	-4,344,101	-4,523,400	-4,523,400	-4,687,302	-4,856,121	-5,030,005
Operating Income	1,466,418	1,327,299	1,148,000	1,153,500	1,015,876	873,465	726,123
Add Interest Income-operations	97,165	25,000	12,000	12,000	10,000	10,000	8,000
Net Income from Operations	1,563,583	1,352,299	1,160,000	1,165,500	1,025,876	883,465	734,123
Debt Service - 1997 Capital Construction Bond:							
Interest	-25,881	-19,000	-12,000	-5,000	-2,000	0	0
Principal	-133,333	-133,333	-133,333	-133,333	-33,335	0	0
Total Debt Service	-159,214	-152,333	-145,333	-138,333	-35,335	0	0
Major Capital Improvements							
Capital Improvements Expenses	-196,492	-915,000	-1,305,000	-995,000	-1,045,000	-1,080,000	-890,000
Balance - Fiscal Year Operations	1,207,877	284,966	-290,333	32,167	-54,460	-196,535	-155,877
Newport News Water Agreement Expenses:							
Payment from Reserves	-2,500,000						
Debt Service-Principal	0	-491,300	-519,800	-540,600	-562,300	-584,700	-608,100
Debt Service-Interest	-66,666	-400,000	-380,000	-360,000	-338,000	-315,000	-292,000
Operating Costs	0	-84,040	-160,000	-60,000	-60,000	-60,000	-60,000
Total Water Agreement Expenses	-2,566,666	-975,340	-1,059,800	-960,600	-960,300	-959,700	-960,100
Working Capital - Beginning of Year	6,394,553	5,035,764	4,345,390	2,995,257	2,066,824	1,052,065	-104,170
Working Capital - End of Year *	5,035,764	4,345,390	2,995,257	2,066,824	1,052,065	-104,170	-1,220,148

\* Does not include current portion of bonds payable at year-end

### Assumptions:

- 0.0% Growth in Water Consumption for FY 2011 and FY 2012
- 0.5% Growth in Water Consumption for FY 2013 thru FY 2015
- 3.0% Growth in Operating Expenses for FY2013, 2014, and 2015 and level expenses for FY2011 and 2012

## EXHIBIT 2

**CITY OF WILLIAMSBURG  
WATER & SYSTEM OPERATIONS-CASH FLOWS**

Fiscal Year Ending June 30:							
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	Actual	Estimated	Proposed	Projected	Projected	Projected	Projected
Revenue under existing rates							
Water	4,020,473	4,150,000	4,150,000	4,150,000	4,170,750	4,191,604	4,212,562
Sewer	1,031,778	1,100,000	1,100,000	1,105,500	1,111,028	1,116,583	1,122,166
Total Revenue Under Existing Rates	5,052,251	5,250,000	5,250,000	5,255,500	5,281,778	5,308,186	5,334,727
Additional Water Revenues:							
	Rate	Proposed	Months				
<u>Effective Date</u>	<u>Increase</u>	<u>Rate</u>	<u>Effective</u>				
July 1, 2010	5.00%	\$4.20	12	207,500	207,500	207,500	207,500
July 1, 2011	5.00%	\$4.41	12	0	217,875	217,875	217,875
July 1, 2012	5.00%	\$4.63	12	0	0	228,769	228,769
July 1, 2013	5.00%	\$4.86	12	0	0	0	241,245
July 1, 2014	5.00%	\$5.11	12	0	0	0	254,350
Subtotal, Additional Revenue from Increases				207,500	425,375	654,144	895,388
Total Revenue from User Charges	5,052,251	5,250,000	5,457,500	5,680,875	5,935,921	6,203,575	6,484,465
Other Utility Income	705,807	421,400	421,400	421,400	421,400	421,400	421,400
Total Operating Revenues	5,758,058	5,671,400	5,878,900	6,102,275	6,357,321	6,624,975	6,905,865
Operation and Maintenance Expenses							
Water and Sewer Utility	-4,730,991	-5,284,101	-5,463,400	-5,463,400	-5,627,302	-5,796,121	-5,970,005
Add back depreciation expense	439,351	940,000	940,000	940,000	940,000	940,000	940,000
Total Direct Operation & Maintenance Expenses	-4,291,640	-4,344,101	-4,523,400	-4,523,400	-4,687,302	-4,856,121	-5,030,005
Operating Income	1,466,418	1,327,299	1,355,500	1,578,875	1,670,019	1,768,854	1,875,861
Interest Income - Operating	97,165	25,000	12,000	12,000	10,000	10,000	8,000
Net Income from Operations	1,563,583	1,352,299	1,367,500	1,590,875	1,680,019	1,778,854	1,883,861
Debt Service - 1997 Capital Construction Bond:							
Interest	-25,881	-19,000	-12,000	-5,000	-2,000	0	0
Principal	-133,333	-133,333	-133,333	-133,333	-33,335	0	0
Total Debt Service	-159,214	-152,333	-145,333	-138,333	-35,335	0	0
Major Capital Improvements							
Capital Improvements Expenses	-196,492	-915,000	-1,305,000	-995,000	-1,045,000	-1,080,000	-890,000
Balance - Fiscal Year Operations	1,207,877	284,966	-82,833	457,542	599,684	698,854	993,861
Newport News Water Agreement Expenses:							
Payment from Reserves	-2,500,000						
Debt Service-Principal	0	-491,300	-519,800	-540,600	-562,300	-584,700	-608,100
Debt Service-Interest	-66,666	-400,000	-380,000	-360,000	-338,000	-315,000	-292,000
Operating Costs	0	-84,040	-160,000	-60,000	-60,000	-60,000	-60,000
Total Water Agreement Expenses	-2,566,666	-975,340	-1,059,800	-960,600	-960,300	-959,700	-960,100
Working Capital - Beginning of Year	6,394,553	5,035,764	4,345,390	3,202,757	2,699,699	2,339,083	2,078,237
Working Capital - End of Year *	5,035,764	4,345,390	3,202,757	2,699,699	2,339,083	2,078,237	2,111,998

\* Does not include current portion of bonds payable at year-end

**Assumptions:**

0.0% Growth in Water Consumption for FY 2011 and FY 2012  
0.5% Growth in Water Consumption for FY 2013 thru FY 2015  
3.0% Growth in Operating Expenses for FY2013, 2014, and 2015  
and level expenses for FY2011 and 2012

### EXHIBIT 3

WATER AND SEWER RATES COMPARISON			
	WATER	SEWER	TOTAL
Newport News	\$3.89/1000 gallons	\$2.18/1000 gallons	\$6.07/1000 gallons
JCSA	<u>Res.</u> 0-15 \$2.85/1000 gallons 15-30 \$3.45/1000 gallons 30 \$9.80/1000 gallons <u>Comm.</u> \$3.45/1000 gallons	\$2.80/1000 gallons	\$5.65+/1000 gallons
Portsmouth	\$4.03/1000 gallons	\$3.15/1000 gallons	\$7.18/1000 gallons
Norfolk	\$5.00/1000 gallons	\$4.02/1000 gallons	\$9.02/1000 gallons
Chesapeake	\$5.18/1000gallons	\$3.41/1000 gallons	\$8.59/1000 gallons
VA Beach	\$4.10/1000 gallons	\$19.54/house	\$6.00+/1000 gallons
Williamsburg	\$4.00/1000 gallons	No separate charge	\$4.00/1000 gallons

March 2010

**CITY OF WILLIAMSBURG, VIRGINIA**  
**Fiscal Year 2011 Operating Budget**

**Debt Service**

**Computation of Legal Debt Margin (as of June 30, 2009)**

Assessed Value of Real Estate	
Subject to Taxation - June 30, 2009	\$1,895,456,000
Debt Limit: 10 Percent of Assessed Value*	\$189,545,600
Total Bonded Debt	\$19,930,775
Total Amount of Debt Applicable to Debt Limit	\$19,930,775
Legal Debt Margin	<u>\$169,614,825</u>

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

**Summary of Debt Issues:**

<u>Bond:</u>	<u>Fund</u>	<u>Purpose</u>	<u>Date</u>	<u>Matures</u>	<u>Interest Rate</u>	<u>Amount Issued</u>
1	General	Community Bldg / School Imp	August, 1997	Sept., 2012	30-day Libor less 1.4%	\$6,000,000
2	General	Parking Garage	January, 2002	January, 2017	4.55%	\$2,500,000
3	General	Parking Garage / School	April, 2005	April, 2020	3.76%	\$8,500,000
4	Utility	Water Treatment Plant Impro	August, 1997	Sept., 2012	4.94%	\$2,000,000
5	Utility	Wwport News Water Agreem	April, 2009	May, 2024	4.00%	\$10,000,000

**Debt Service by Fiscal Year:**

<u>Fiscal Year</u>	<u>Fund</u>	<u>Principal Payments</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Notes:</u>
2010	General	\$1,064,816	\$370,670	\$1,435,486	
2011	General	\$1,088,610	\$326,357	\$1,414,967	
2012	General	\$1,118,109	\$280,313	\$1,398,422	
2013	General	\$810,009	\$239,140	\$1,049,149	# 1 Improvement bond payoff
2014	General	\$774,336	\$209,020	\$983,356	
2015	General	\$806,119	\$178,365	\$984,484	
2016	General	\$838,721	\$146,435	\$985,156	
2017	General	\$872,173	\$113,201	\$985,374	# 2 Parking Garage bond payoff
2018	General	\$671,507	\$78,630	\$750,137	
2019	General	\$696,755	\$53,381	\$750,136	
2020	General	\$722,953	\$27,183	\$750,136	# 3 Improvement bond payoff

<u>Fiscal Year</u>	<u>Fund</u>	<u>Principal Payments</u>	<u>Interest</u>	<u>Total Debt Service</u>	
2010	Utility	\$624,633	\$419,752	\$1,044,385	Payout begins on NN Water Agreement
2011	Utility	\$653,133	\$392,311	\$1,045,444	
2012	Utility	\$673,933	\$364,042	\$1,037,975	
2013	Utility	\$584,522	\$338,168	\$922,690	# 4 Improvement bond payoff
2014	Utility	\$584,700	\$315,440	\$900,140	
2015	Utility	\$608,100	\$292,052	\$900,152	
2016	Utility	\$632,400	\$267,728	\$900,128	
2017	Utility	\$657,700	\$242,432	\$900,132	
2018	Utility	\$684,100	\$216,124	\$900,224	
2019	Utility	\$711,400	\$188,760	\$900,160	
2020	Utility	\$739,900	\$160,304	\$900,204	
2021	Utility	\$769,500	\$130,708	\$900,208	
2022	Utility	\$800,300	\$99,928	\$900,228	
2023	Utility	\$832,300	\$67,916	\$900,216	
2024	Utility	\$865,600	\$34,624	\$900,224	NN Water Agreement Payoff

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

Fiscal Year	Real Estate	<b><u>Public Service Corporations:</u></b>			
		Personal Property	Real Estate	Personal Property	Total
2000	815,856,500	58,029,830	43,812,511	4,164	917,703,005
2001	863,961,268	63,697,973	47,224,673	18,775	974,902,689
2002	908,631,326	66,844,284	50,895,236	17,285	1,026,388,131
2003	995,635,300	68,232,529	49,990,963	340,727	1,114,199,519
2004	1,117,426,100	68,635,038	53,151,294	0	1,239,212,432
2005	1,202,692,600	67,621,580	55,531,820	17,388	1,325,863,388
2006	1,338,705,000	72,164,111	52,041,889	0	1,462,911,000
2007	1,547,651,600	71,871,600	51,334,159	21,358	1,670,878,717
2008	1,803,239,200	70,304,080	52,220,912	13,527	1,925,777,719
2009	1,851,350,800	76,702,715	51,598,088	14,870	1,979,666,473
2010	1,891,045,000	73,274,874	57,063,079	12,804	2,021,395,757

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total General Governmental Expenditures *
2000	788,000	345,542	1,133,542	24,941,834	4.54%
2001	788,000	323,094	1,111,094	25,544,970	4.35%
2002	788,000	290,907	1,078,907	27,507,905	3.92%
2003	908,000	361,125	1,269,125	32,029,353	3.96%
2004	5,413,000	352,333	5,765,333	37,274,645	15.47%
2005	918,000	437,444	1,355,444	31,518,436	4.30%
2006	5,872,179	505,332	6,377,511	40,393,943	15.79%
2007	992,425	554,257	1,546,682	43,943,851	3.52%
2008	2,314,249	477,006	2,791,255	44,038,522	6.34%
2009	1,036,704	377,798	1,414,502	40,852,067	3.46%

\* Fiscal Years 2004 and 2006 included debt principal payoff

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

Fiscal Year	Real Estate	Personal Property	Personal Property Tax Relief Rate	Machinery & Tools
2000	0.54	3.50	47.5%	3.50
2001	0.54	3.50	70.0%	3.50
2002	0.54	3.50	70.0%	3.50
2003	0.54	3.50	70.0%	3.50
2004	0.54	3.50	70.0%	3.50
2005	0.54	3.50	70.0%	3.50
2006	0.54	3.50	65.0%	3.50
2007	0.54	3.50	60.0%	3.50
2008	0.54	3.50	54.0%	3.50
2009	0.54	3.50	58.0%	3.50



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

<b><u>Employer</u></b>	<b>2000</b>			<b>2009</b>		
	<b>Employees<sup>1</sup></b>	<b>Rank</b>	<b>Percentage of total City Employment</b>	<b>Employees<sup>1</sup></b>	<b>Rank</b>	<b>Percentage of total City Employment</b>
College of William & Mary	1,000+	1	14.46%	1,000+	1	20.29%
Colonial Williamsburg Foundation	1,000+	2	11.83%	1,000+	2	9.82%
Colonial Williamsburg Company	1,000+	3	9.01%	500 to 999	3	5.96%
Williamsburg Community Hospital <sup>2</sup>	500 to 999	4	4.34%			
Aramark	250 to 499	5	1.48%	250 to 499	4	1.39%
City of Williamsburg	100 to 249	6	1.11%	250 to 499	5	1.25%
Williamsburg Hospitality House	100 to 249	7	0.56%			
Red Lobster & The Olive Garden	100 to 249	8	0.56%	100 to 249	6	0.56%
Walsingham Academy				100 to 249	7	0.56%
Patrick Henry Inn	100 to 249	9	0.56%			
National Center for State Courts	100 to 249	10	0.56%	100 to 249	8	0.56%
Outback Steakhouse				100 to 249	9	0.28%
Yankee Candle				100 to 249	10	0.28%

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

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

**Unemployment Rate and Labor Force**

(Source, Virginia Employment Commission)

<b>Year</b>	<b>Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Percentage</b>
2000	4,577	4,379	198	4.3%
2001	4,653	4,389	264	5.7%
2002	4,656	4,320	336	7.2%
2003	4,647	4,276	371	8.0%
2004	4,669	4,319	350	7.5%
2005	4,816	4,473	343	7.1%
2006	4,845	4,565	280	5.8%
2007	5,145	4,861	284	5.5%
2008	5,327	4,871	456	8.6%
2009	5,588	4,760	828	14.8%

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

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

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

<b>Calendar Year</b>	<b>City Population</b>	<b>Area Population<sup>2</sup></b>	<b>Personal Income (thousands of dollars)<sup>2</sup></b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Public School Enrollment <sup>3</sup></b>	<b>Unemployment Rate<sup>1</sup></b>
2000*	11,998	60,483	2,107,283	34,834	8,191	4.3%
2001	12,400	61,478	2,290,040	37,234	8,407	5.7%
2002	12,600	62,940	2,392,093	37,983	8,553	7.2%
2003	13,200	64,631	2,484,654	38,444	8,959	8.0%
2004	13,400	66,894	2,725,826	40,748	9,402	7.5%
2005	13,400	69,078	2,859,404	41,394	9,820	7.1%
2006	13,400	71,660	3,163,681	44,148	10,105	5.8%
2007	13,242	73,491	3,369,024	45,843	10,137	5.5%
2008	13,273	74,984	n/a	n/a	10,248	8.6%
2009	13,354	75,591	n/a	n/a	10,507	14.8%

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

<sup>1</sup> Virginia Employment Commission

<sup>2</sup> Source - U.S. Dept of Commerce, Bureau of Economic Analysis, Regional Accounts Data -  
income & area population figures based on figures for the City of Williamsburg and neighboring James City County combined

<sup>3</sup> Source - Williamsburg-James City County Public Schools - Sept 30th figures

**CITY OF WILLIAMSBURG, VIRGINIA**  
**Fiscal Year 2011 Operating Budget**

**Statistical Information**

**Miscellaneous Statistics - June 30, 2009**

Date Established by Virginia General Assembly	1699
Date of Incorporation by Royal Charter	1722
Form of Government since 1932	Council-Manager
Population (2002 Census)	11,998
Population (2008 Final) *	13,410
Area	9.05 Sq. Miles
Miles of Streets	50.02
Number of Traffic Signals	15
Fire Protection:	
Number of Stations	1
Firemen: full-time	36
volunteer	30
Police Protection	
Number of Stations	1
Sworn Officers	35
Education:	
Schools (owned by joint school system)	
Grades:	
K-5	8
6-8	3
9-12	3
Recreation:	
Number of Parks	4
Number of Ball Fields	6
Number of Tennis Courts	10
Number of Total Acres	2,036
Culture:	
Number of Public Libraries (Regional)	2
Number of Volumes - June 2009	338,958
Number of Patrons - June 2009	52,089
Number of Items Circulated - FY 2009	1,302,089
Municipal Water Department	
Number of Residential Connections	3,462
Number of Commercial Connections	885
Average Daily Consumption (gallons FY 2009)	3,163,121
Miles of Water Distribution	48
Number of Water Tanks	5
Municipal Employees	185
Number of Hotels & Motels	45
Number of Bed & Breakfasts	30
Number of Restaurants	85

\* Weldon Cooper Center for Public Service

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Commonly Used Governmental Acronyms:**

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

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

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

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

**FY** – Fiscal Year – City's FY begins July 1<sup>st</sup> each year.

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

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

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

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

**IT** – Information Technology, a division of the Department of Finance, responsible for the City's current and future technology requirements, including local area network and infrastructure, computer hardware, software, maintenance, and replacement plan, voice, video, security, and disaster recovery.