

Adopted Budget-in-Brief Fiscal Year 2014



COUNTY OF YORK, VIRGINIA

BOARD OF SUPERVISORS

Walter C. Zaremba
District 1

Sheila S. Noll
District 2

Donald E. Wiggins
District 3

George S. Hrichak
District 4

Thomas G. Shepperd, Jr.
District 5

County Officials

James O. McReynolds
County Administrator

J. Mark Carter
Assistant County Administrator

Vivian McGettigan
Deputy County Administrator

James E. Barnett
County Attorney

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This Adopted Budget-in-Brief is a summary document. Further detail on the FY2014 Adopted Budget and County operations can be obtained from the York County Department of Financial & Management Services or from the County's web site at www.yorkcounty.gov

County of York, Virginia Overview

History

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

Form of Government

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

Location

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



Population

York County is home to approximately 66,200 people and ranks 18th in population among the state's 95 counties and 29th among the 134 cities and counties. In land area, however, the County is the 3rd smallest county in Virginia, making it the 6th most densely populated county. The County's population has grown steadily for decades, and for the first decade of the 21st century, the average annual increase was 1.5%. The majority of the growth, approximately 64% between 2000 and 2010, is due to net migration, which is the difference between the number of people moving into a community and the number of people moving out.

Labor Force and Unemployment

The civilian labor force is well educated. York County leads its Peninsula neighbors with 94% of its adult population (25 and older) holding at least a high school diploma. Of those high school graduates, 46% hold at least a bachelor's degree and 22% hold a graduate or professional degree.

York County has one of the lowest unemployment rates in the metropolitan area, and it consistently trails the regional, statewide, and national rates. Following two consecutive years of an increase as a result of the national economic downturn, the County's average monthly unemployment rate leveled off at 5.1% in 2012.

Income

York County is one of the most affluent localities in Hampton Roads, with a median household income of \$79,120, according to the U.S. Census Bureau. York County has the lowest poverty rate on the Peninsula with an estimated 4.3% of the population living below the poverty line in 2010, according to the Census Bureau.

Quality of Life

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

Statistical Information

Population, Per Capita Income and Unemployment Rates

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2012	67,000	\$ 45,640	5.1%
2011	66,600	45,560	5.7%
2010	65,500	45,334	5.6%
2009	64,900	47,380	5.5%
2008	64,600	47,553	3.5%

Source: York County, Comprehensive Annual Financial Report - June 30, 2012

Top Taxpayers

<u>Taxpayer</u>	<u>2011 Assessed Valuation</u>	<u>% of Total Assessment</u>
Virginia Power Company	\$ 319,517,999	3.20%
Lawyers Title/Fairfield Resorts	187,614,355	1.88%
Western Refining Yorktown Inc.	185,394,865	1.86%
Great Wolf Lodge of Wmbg, LLC	84,499,370	0.85%
City of Newport News	76,578,900	0.77%
Kings Creek Plantation	73,328,605	0.74%
Busch Entertainment	49,390,485	0.50%
Wal-Mart	38,277,300	0.38%
Premier Properties	35,324,200	0.35%
U.S. Smokeless Tobacco Products	18,315,255	0.18%
	<u>\$ 1,068,241,334</u>	<u>10.71%</u>

Source: York County, Comprehensive Annual Financial Report - June 30, 2012

County Administration

County Administrator
James O. McReynolds



Administrative/Legislative Services
Economic Development
Real Estate Assessment
Public Information
Planning

May 2, 2013

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

Dear Members of the Board:

Subject: County Administrator's Budget Message - FY2014

The County Administrator's Fiscal Year 2014 Adopted Budget represents the culmination of nearly seven months of staff effort. The budget call was issued on October 1, 2012, and requests were due on November 9, 2012. Since that time, staff and I have worked with the requesting departments and agencies to develop a budget that emphasizes the priorities of the Board of Supervisors.

The Adopted Budget includes the following:

- A real estate tax rate increase of 1.0 cent to \$0.7515 per \$100 of assessed value.
- An increase of \$1.2 million or 2.4% in local funding for the School Operating Budget and level funding for School Debt Service, which fully funds the School Division's Capital Improvements Program.
- A compensation package that adjusts for health insurance increases and a market adjustment of 2.0%.

Furthermore, the Adopted Budget:

- is balanced as required by law,
- achieves all budget guidelines set forth by the Board,
- includes a General Fund budget that is 2.3% higher than fiscal year 2013 adopted budget,
- delays General Fund capital projects for another year, with critical maintenance projects funded from the County Capital Fund.

The Budget Process in York County

In York County, the budget serves three purposes. First, as a policy document, the budget represents the implementation of the Board's policy setting in the form of specific funding decisions. Second, the Board has the sole authority to set tax rates and authorize spending. This authority is exercised through approval of the annual operating budget.

Finally, the budget is a financial planning tool through which the County ensures that the available sources of funds will be sufficient to meet the anticipated and unanticipated cost of providing services to County citizens over the coming year.

York County adopts an annual operating budget for the fiscal period beginning July 1 and ending June 30. Fixed budgets are presented for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Other Funds, Internal Service Funds and Enterprise Funds.

The Capital Improvements Program (CIP) is a ten-year plan, of which the first year represents the Capital Improvements Budget. The County has several major new buildings and large renovation projects in its long-range strategic plan. Due to funding constraints, the Fiscal Year 2014 Adopted Budget delays capital projects paid by the General Fund until a future period. Capital maintenance projects that have been deemed critical are programmed in the County Capital Fund.

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

GENERAL FUND BUDGET - \$130,103,905

General Fund Revenues

General Fund revenues are derived from a variety of sources. Of the \$130.1 million in revenue estimated for fiscal year 2014, \$116.4 million or 89.5% is from local and other sources. The primary sources of local revenue are General Property Taxes (62.2%) and Other Local Taxes (21.8%), which combined are \$109.3 million, or 84.0%. General Property Taxes reflects a \$2.1 million increase, due to an increase in the real estate rate.

Additional local revenue categories include Permits, Fees and Regulatory Licenses; Fines and Forfeitures; Use of Money and Property; Charges for Services; Fiscal Agent Fees and Administration; Miscellaneous; and Recovered Costs. These sources account for 4.1% of General Fund revenues, or \$5.4 million. Other sources total \$1.7 million or 1.4% and includes payments from the School Division for grounds maintenance, video services, radio maintenance and law enforcement at the high schools. Also in other sources is a transfer from the Marquis Community Development Authority Special Revenue Account for services provided to the facilities in the project area.

The remaining \$13.7 million or 10.5% is from various state and federal government supported programs.

General Fund Expenditures

The total Adopted General Fund expenditure budget is \$130.1 million, which is \$2.9 million or 2.3% more than the current year budget. The Adopted Budget for fiscal year 2014 includes focuses on maintaining County services. Total personnel increased by \$1.2 million. This is attributable to a 10% rate increase in health insurance and a 2% market adjustment. Non-personnel increases total \$1.7 million and the major component is an increase in funding for school operations of \$1.2 million.

The net changes in County functions are as follows:

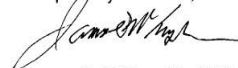
Public Safety	\$ 0.8 million
General Administration	0.1 million
Finance & Planning	0.2 million
Education & Educational Services	1.2 million
General Services	0.3 million
Community Services	(0.1) million
Judicial Services, Environmental & Development Services and Human Services	0.1 million
Capital Outlay & Fund Transfers	0.2 million
Non-Departmental	0.1 million
Total	<u>\$ 2.9 million</u>

COMMENTS

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

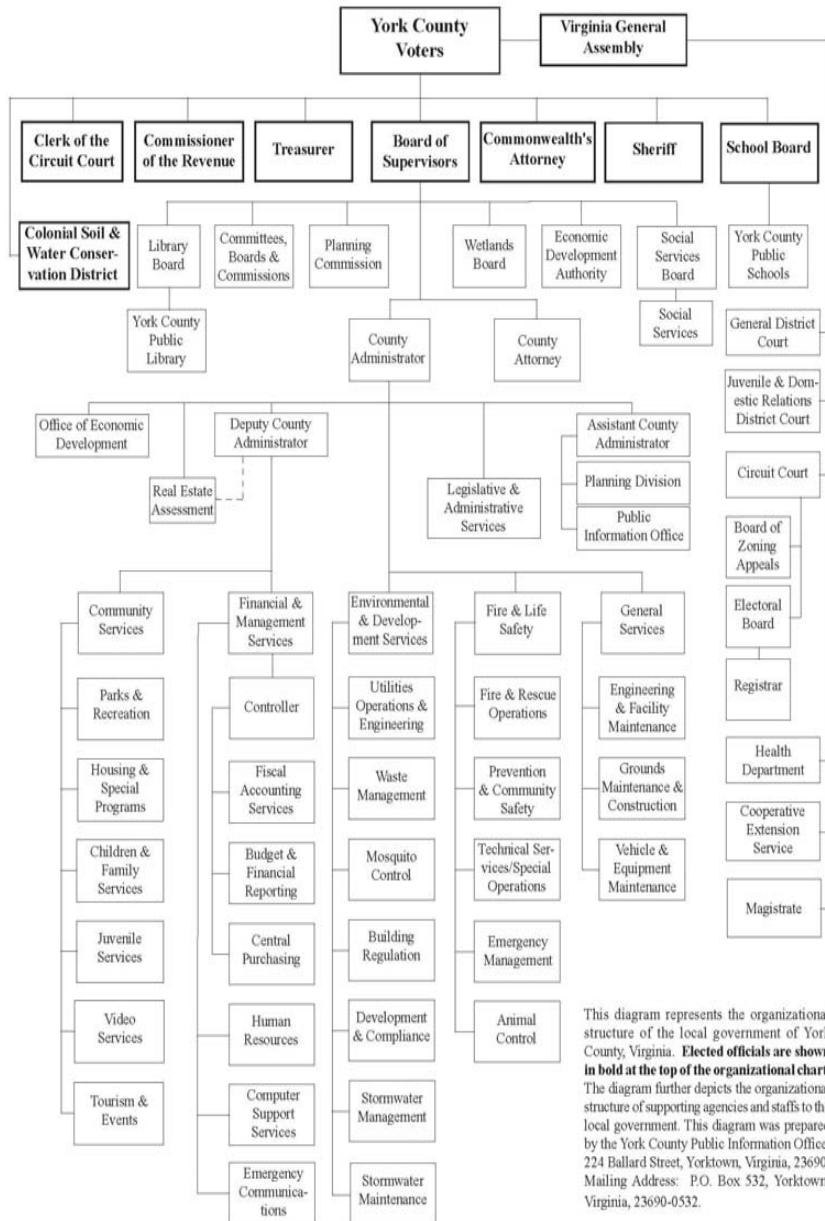
The requirements of the Code of Virginia regarding the development, preparation, and presentation of the budget to the Board of Supervisors by the County Administrator have been met. Staff has worked diligently to keep costs to a minimum while still meeting the expectations of county citizens. I would like to thank all County agencies and departments for their efforts. A special thank you goes to Sharon Day, Controller, along with Budget & Financial Reporting division staff members Jody Bauer, Carolyn Cuthrell, Samantha Smiley, Debbie Goodwin and Renate Newman for a superb effort in putting this document together.

Respectfully submitted,



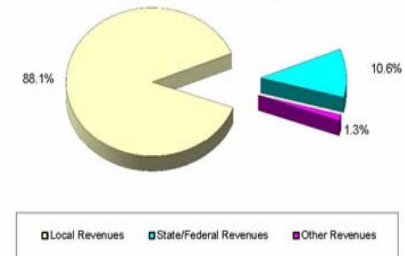
James O. McReynolds, CPA
County Administrator

Organizational Diagram of York County Government



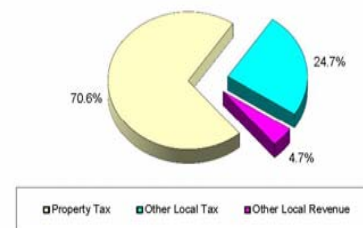
This diagram represents the organizational structure of the local government of York County, Virginia. **Elected officials are shown in bold at the top of the organizational chart.** The diagram further depicts the organizational structure of supporting agencies and staffs to the local government. This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

GENERAL FUND REVENUES FY2014 - BY SOURCE

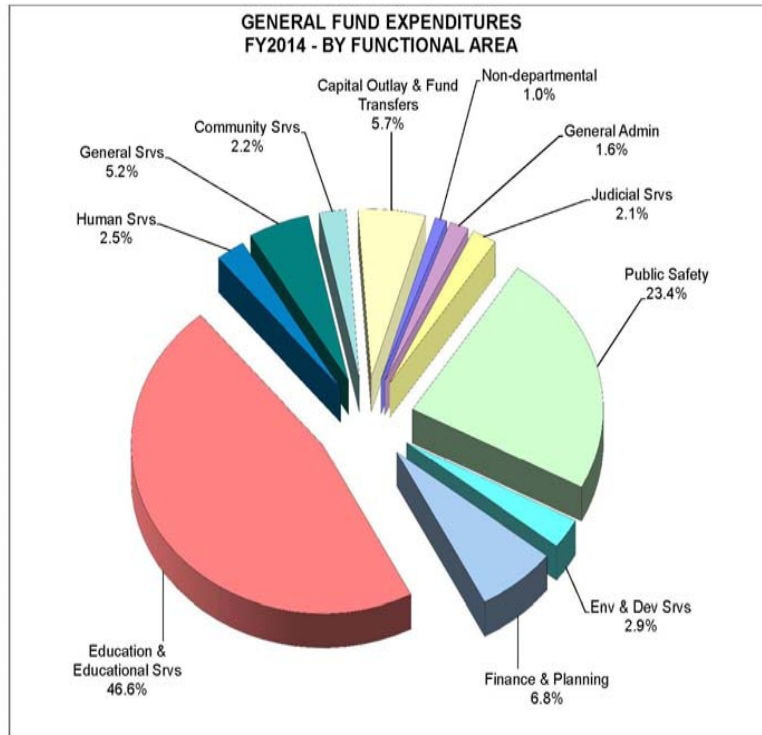


Source	FY2013 Original	FY2014 Adopted	Dollar Change
Local Revenues	\$ 112,019,415	\$ 114,659,435	\$ 2,640,020
State/Federal Revenues	13,384,940	13,706,683	321,743
Other Revenues	1,788,315	1,737,787	(50,528)
	<u>\$ 127,192,670</u>	<u>\$ 130,103,905</u>	<u>\$ 2,911,235</u>

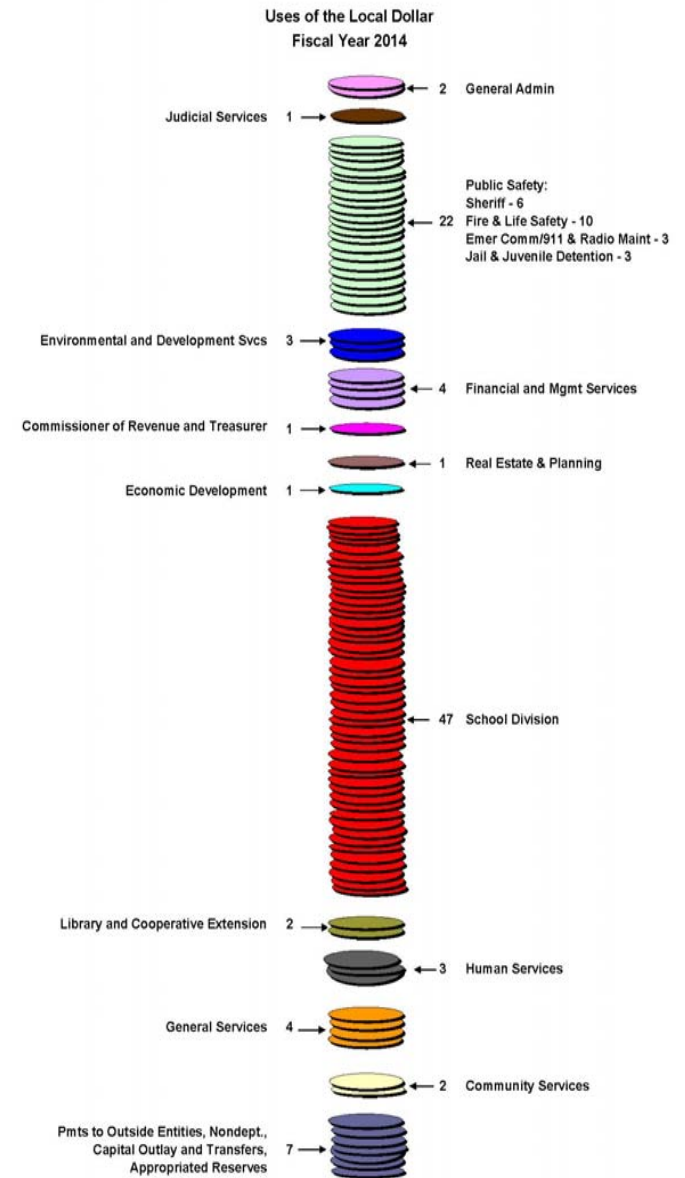
GENERAL FUND LOCAL REVENUES FY2014 - BY SOURCE



Source	FY2013 Original	FY2014 Adopted	Dollar Change
Property Tax	\$ 78,861,000	\$ 80,928,500	\$ 2,067,500
Other Local Tax	28,028,000	28,377,000	349,000
Other Local Revenue	5,130,415	5,353,935	223,520
	<u>\$ 112,019,415</u>	<u>\$ 114,659,435</u>	<u>\$ 2,640,020</u>



Functional Area	FY2013 Original	FY2014 Adopted	Dollar Change
General Administration	\$ 2,011,164	\$ 2,114,859	\$ 103,695
Judicial Services	2,693,005	2,720,079	27,074
Public Safety	29,649,500	30,462,386	812,886
Environmental & Development Services	3,691,092	3,768,346	77,254
Finance & Planning	8,699,982	8,887,587	187,605
Education & Educational Services	59,359,385	60,592,188	1,232,803
Human Services	3,230,897	3,207,446	(23,451)
General Services	6,435,635	6,761,684	326,049
Community Services	3,009,383	2,926,978	(82,405)
Capital Outlay & Fund Transfers	7,190,605	7,370,232	179,627
Non-departmental	1,222,022	1,292,120	70,098
	<u>\$ 127,192,670</u>	<u>\$ 130,103,905</u>	<u>\$ 2,911,235</u>



SCHEDULE OF DEBT OBLIGATIONS

Prepared By:

Department of Financial & Management Services
Sharon Day, CPA - Controller

2014						
		Original	Principal	Other		
		Issue	Outstanding	Debt Service	Total	
Maturity			7/1/2013	Expenditures/	Requirements	
			Principal	Interest	Expenses	
<u>Debt Service Funds</u>						
<u>General Obligation Bonds</u>						
1993 VPSA School Bonds	12/15/2013	\$ 4,500,000	\$ 25,000	\$ 25,000	\$ 625	\$ 500 \$ 26,125
2002 Refunding School Bonds	7/15/2014	15,005,000	3,960,000	1,925,000	149,875	1,000 2,075,875
1997 VPSA School Bonds	7/15/2017	15,000,000	5,340,000	960,000	253,297	500 1,213,797
2003 VPSA School Bonds	7/15/2022	7,715,000	4,740,000	375,000	226,665	500 602,165
2004 VPSA School Bonds	7/15/2023	3,875,000	2,600,000	180,000	127,873	500 308,373
2005 VPSA School Bonds	7/15/2025	14,905,000	11,270,000	630,000	543,443	500 1,173,943
2006 VPSA School Bonds	7/15/2026	11,030,000	8,745,000	455,000	390,632	1,000 846,632
2008 VPSA School Bonds	7/15/2028	5,400,000	4,710,000	200,000	235,348	650 435,998
2009 VPSA School Bonds	7/15/2029	4,180,000	3,730,000	165,000	128,363	1,000 294,363
2010 VPSA Qualified School Construction Bonds	6/1/2027	1,120,000	925,000	65,000	59,472	1,000 125,472
2012 VPSA School Bonds	7/15/2032	6,925,000	6,925,000	220,000	306,133	1,000 527,133
2014 VPSA School Bonds	Note 1	8,500,000	-	-	-	102,000 102,000
		<u>99,155,000</u>	<u>62,970,000</u>	<u>5,200,000</u>	<u>2,421,726</u>	<u>110,150</u> <u>7,731,876</u>
<u>Capital Leases</u>						
2010 E911 Equipment/Computer Aided Dispatch	12/1/2020	3,035,827	2,686,244	54,107	109,503	- 163,610
2008 Signaling Equipment	1/1/2016	150,000	69,167	22,191	2,663	- 24,854
		<u>3,185,827</u>	<u>2,755,411</u>	<u>76,298</u>	<u>112,166</u>	<u>-</u> <u>188,464</u>
<u>Lease Revenue Bonds</u>						
2003 Lease Revenue	6/15/2023	17,380,000	10,345,000	860,000	432,550	2,500 1,295,050
2008 Lease Revenue	10/1/2029	17,230,000	15,520,000	620,000	755,050	1,000 1,376,050
		<u>34,610,000</u>	<u>25,865,000</u>	<u>1,480,000</u>	<u>1,187,600</u>	<u>3,500</u> <u>2,671,100</u>
<u>Note Payable</u>						
1999 VRS Note Payable	1/29/2014	3,532,077	372,740	372,741	20,784	- 393,525
<u>Enterprise Funds</u>						
<u>Capital Leases</u>						
2008 Signaling Equipment	1/1/2016	2,038,931	940,170	301,629	36,197	- 337,826
<u>Revenue Bonds</u>						
2005 Sewer Revenue Refunding Bonds	6/1/2029	8,575,000	7,090,000	325,000	300,532	2,500 628,032
1992 Lackey Revenue Bonds	5/14/2032	600,000	431,236	14,035	21,389	- 35,424
2010 Sewer Revenue Bonds	6/1/2040	15,280,000	15,030,000	125,000	623,596	2,000 1,050,596
		<u>24,455,000</u>	<u>22,551,236</u>	<u>464,035</u>	<u>1,245,519</u>	<u>4,500</u> <u>1,714,054</u>
Total All Issues		<u>\$166,976,635</u>	<u>\$105,454,557</u>	<u>\$ 7,894,703</u>	<u>\$ 5,023,992</u>	<u>\$ 118,150</u> <u>\$ 13,036,845</u>

Note 1 - The County is anticipating a borrowing for the following school projects: York Middle, kitchen equipment (5 schools), Grafton Complex, Seaford Elementary, Grafton Bethel Elementary, Magruder Elementary, Bruton High, Tabb High, Mt. Vernon Elementary and Tabb Middle. The maturity date will be determined at the time of the debt issuance.

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