FY 2020 BUDGET GUIDE

CITY OF WILLIAMSBURG
1699
VIRGINIA'S COLONIAL CAPITAL®

INTRO-DUCTION

This Guide is a consolidated reference to the procedures the City of Williamsburg uses to build the budget and make sound, informed, consistent budget decisions.

The Guide is designed to assist the reader in understanding how City of Williamsburg develops the Annual Operating Budget and the Five Year Capital Improvement Program. 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, this is a quality document, and we have used our best efforts in its preparation.

Budget preparation begins with 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. Following are the procedures for building a comprehensive budget to be submitted to City Council. The call also serves as a mid-year review to identify adjustments necessary to the current year budget.

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.

INSTRUCTIONS

The Finance staff provides spreadsheets to departments with operating activity for each departmental line item:

- ❑ Prior year's expenditures for last two fiscal years.
- ❑ Current year budget.
- ❑ Current year expenditures through December 31st.
- ❑ A column for estimating current fiscal year total expenditures through June 30th.
- ❑ A column for next fiscal year's line-item budget estimates.

Each department head completes the columns for estimating the current fiscal year total expenditures and next fiscal year's line-time budget estimates. 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.) are submitted in memo form. Payroll and fringe benefits line items on the printout are left blank. Finance will calculate and enter these line items.

REMINDERS FOR PREPARERS OF BUDGET REQUESTS

Analyze each line item separately. Compare historical data, current year budget, and estimated spending levels for the current year to assist with your request.

Round all figures to the nearest $10.00 (i.e., $32 to $30 and $85 to $90).

Verify all object codes, amounts, and totals.

Meet all Budget Calendar deadline dates. Preparers should highlight key dates and actions.

Keep backup materials used in computing your budget request. These will be used both in explaining budget recommendations and administering the budget.

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.

BUDGET TIMELINE

SEPTEMBER 2018

10 City Council Work Session – Public comment on 2019/20 Biennial Goals, Initiatives, and Outcomes

13 City Council Meeting – Public comment on 2019/20 Biennial Goals, Initiative, and Outcomes, and Community Workshop.

20 Public Workshop on Biennial Goals, Initiatives and Outcomes to collect citizen input on the City's FY 2019/2020 GIOs – Stryker Center

21 Public Workshop on Biennial Goals, Initiatives and Outcomes to collect citizen input on the City's FY 2019/2020 GIOs – Campus of William & Mary

OCTOBER 2018

5 City Council Biennial Goals, Initiatives and Outcomes Retreat

8 City Council Work Session – Public comment on 2019/20 Biennial Goals, Initiatives, and Outcomes

11 City Council Meeting – Review and First Draft of 2019/2020 Biennial Goals, Initiatives and Outcomes

NOVEMBER 2018

5 City Council Work Session – Public comment on 2019/20 Biennial Goals, Initiatives and Outcomes.

8 City Council Meeting – Adoption of 2019/2020 Biennial Goals, Initiatives, and Outcomes.

22 Finance and Human Services departments send letters to outside agencies advising of budget submittal requirements and deadlines

DECEMBER 2018

3 Requests for the City's FY 2019 Capital Improvement Program status update distributed – due December 15, 2018

15 Status update of FY 2019 Capital Improvement Programs due to Finance

19 Finance Department distributes FY 2020 budget guidance and Instructions to Department Heads and Constitutional Officers

JANUARY 2019

1-10 Finance/Planning Directors finalize the City's FY 2019 Capital Improvement Program status update

7 City Manager, Finance Director, and Human Resources Director - finalize revenue projections

11 Finance/Planning Director prepares a status report on the City's FY 2019 Capital Improvement Program, focused on major capital items, and provides to Planning Commission and City Council

16 Planning Commission public hearing on capital improvement program

17 Deadline for receipt of all Outside Agency budget requests for FY 2020 funding

18 Departmental and Constitutional Officers operating budgets due to Finance Department. Finance begins compilation and review of budgets, and completes revenue projections for FY 2020

23 Planning Commission – Work on CIP

22-25 City Manager and Finance Director review budget request with Department Heads

FEBRUARY 2019

2 City Council Retreat on budget preview and long-term financial outlook

15 Planning commission provides input to City Manager and City Council for update of the Five-year Capital Improvement Program

MARCH 2019

9 Advertised proposed property tax increase (if applicable- 30-day minimum notice requirement VA Code § 58.13321)

11 City Council Work Session – Outside Agencies Presentations

13 1st Notice of Public Hearing for Water Rate Increase Advertisement in VA Gazette (if applicable – VA Code §15.2-2143)

15 James City County to host joint meeting of the JCC Board of Supervisors, School Board, and City Council to discuss budget, enrollment, and other matters of interest

18 City Council Work Session – Outside Agency Budget Requests (4:00pm – 5:00pm - Arts Commission, Human Services Agencies; 5:00pm – 6:30pm – Tourism Marketing – Finance Director present other agencies

20 2nd Notice of Public Hearing for Water Rate Increase Advertisement in VA Gazette (if applicable – VA Code § 15.2-2143)

22 Proposed FY 2020 Operating and Capital Improvement Budgets delivered to City Council and the Press.

27 Budget Synopsis / Notice of public Hearing on Proposed Budget advertised in VA Gazette. (VA Code § 15.2506, 7-day minimum notification)

APRIL 2019

8 City Council Work Session – Overview of FY 2020 Budget and Open Forum

11 City Council Meeting – Public Hearing on Proposed Budget, Tax Levy, and Utility Rates

MAY 2019

9 City Council Meeting – Adopt FY 2020 Operating, Capital, Utility, Public Assistance, and Quarterpath CDA Fund Budgets with Budget Resolution

Council Sets Tax Rate

JULY 2019

1 Begin Fiscal Year 2020

CAPITAL IMPROVEMENT PROGRAM INSTRUCTIONS

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. 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 the 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
- Stormwater Management
- Solid Waste Management
- Park Development
- Building Improvement
- Water and Wastewater Improvements
- Economic Development
- Field Equipment
- Parking Facilities
- Planning/Feasibility Studies
- Property Acquisition
- 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.

The *second step* requires department heads to do a status report by July 31st each year of all projects funded during the prior fiscal year ended June 30th. This information will be provided to the Finance Department to determine the balance of capital projects funds needed to carry forward to the next fiscal year for project completion.

BIENNIAL GOAL SETTING

The City of Williamsburg recognizes the importance of setting specific goals. Goals help sort out priorities, provide a standard to measure effectiveness. Stated goals help drive the budget.

Every two years, in May (on even-numbered years) new or incumbent elected city council members identify strategic objectives for the city government. Biennial Goals, Initiatives, and Outcomes (GIO's) provide an expression of city priorities, as specific and measurable as possible, covering two years. The City Council's adopted goals then become a guide for the two succeeding budgets.

The City Council regularly monitors progress towards achieving its goals. Staff prepares a mid-biennium status report which includes desired outcomes and observed results.

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

- ❑ Goals should be as specific as possible.
- ❑ Goal 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.

The calendar below outlines City Council's Goals, Initiatives, and Outcomes process. The City Council's two- year election cycle fits well with this biennial goal setting cycle.

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

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

The funds used by the City of Williamsburg are **Governmental**, **Proprietary**, and **Fiduciary**. The Governmental Funds consist of the General Fund (001), Tourism Fund (003), and the Capital Improvement Program (Sales Tax 004). The General and Capital Improvement 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 (010) which accounts for the city water and wastewater as the Utility Fund. The Fiduciary Fund is an Agency Fund which account for funds collected on behalf of the Quarterpath Community Development Authority.

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 projects.

Tourism Fund is a special revenue fund used to account for tourism tax revenue (1% Historic Triangle regional sales tax and $2 lodging tax). The expenditures in the Tourism Fund are for the purpose of funding tourism development projects.

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.

Agency Funds accounts for assets held by the City on behalf of another entity. The City collects Special District Taxes on behalf of the Quarterpath Community Development Authority (QCDA). Once collected, the funds are remitted to the QCDA.

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.

Departmental Codes and Responsibility 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.

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.

*Expenditure Classification*s provides an explanation of each line item to help in properly and consistently classifying expenditures.

GENERAL FUND - 001

DEPARTMENT NUMBER	DEPARTMENT	RESPONSIBILITY
1101	Legislative	Andrew Trivette
1102	Clerk of Council	Andrew Trivette
1201	City Manager	Andrew Trivette
1203	Economic Development	Michele DeWitt
1204	City Attorney	Christina Shelton
1206	Triangle Building Mgt.	Michele Dewitt
1209	Commissioner of the Revenue	Lara Overy
1210	City Assessor	Derek J. Green
1213	Treasurer	Jennifer Tomes
1214	Finance	Barbara Dameron
1221	City Shop	Daniel Clayton
1301	Electoral Board	Winifred Sowder
1302	Registrar	Winifred Sowder
2100	Joint Activities	Barbara Dameron
3101	Police	Sean Dunn
3102	E-911	Sean Dunn
3103	Parking Facility	Sean Dunn
3201	Fire	William Patrick Dent
3301	Regional Jail	John Kuplinski
3303	Middle Pen. Juv. Det. Center	Gina Mingee
3401	Codes Compliance	Matt Westheimer
3501	Animal Control	Daniel Clayton
3503	Medical Examiner	William Patrick Dent
3505	Emergency Management	William Patrick Dent
4101	Engineering	Daniel Clayton

GENERAL FUND - 001 (CONT)

4102	Streets	Daniel Clayton
4103	Stormwater Management	Daniel Clayton
4203	Refuse Collection	Daniel Clayton
4305	Municipal Complex	Daniel Clayton
4306	Rental Properties	Daniel Clayton
4307	New Municipal Building	Daniel Clayton
4308	Information Technology	Mark Barham
4309	Landscaping	Daniel Clayton
5101	Health Department	Barbara Dameron
5103	Mosquito Control	Daniel Clayton
5302	Public Assistance	Peter Walentisch
5305	Public Assist.-Transportation	Peter Walentisch
6101	School Board	Barbara Dameron
6103	Joint School Contributions	Barbara Dameron
7101	Recreation Administration	Robbi Hutton
7102	Waller Mill Park	Robbi Hutton
7104	Recreation Programs	Robbi Hutton
7108	Cemetery	Daniel Clayton
7302	Library - Contributions	Barbara Dameron
8101	Planning	Carolyn Murphy
8102	Contrib. to Other Agencies	Barbara Dameron
8202	Soil & Water Conservation	Daniel Clayton

TOURISM FUND - 003

DEPARTMENT NUMBER	DEPARTMENT	RESPONSIBILITY
3900	Administrative Expenditures	Michele DeWitt
3910	Tourism Marketing Maint. of Effort	Andrew Trivette
3920	Tourism Development	Andrew Trivette

SALES TAX FUND - 004

DEPARTMENT NUMBER	DEPARTMENT	RESPONSIBILITY
0001	Capital Improvement Projects	Andrew Trivette

UTILITY FUND - 010

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

REVENUE SOURCES AND TRENDS

GENERAL PROPERTY TAXES

General Property Taxes account for approximately 31% 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 and 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 30th for the next fiscal year. Taxes are then due on Dec 1, and June 1 of that fiscal year. The current tax rate (FY 2019) is $.60 per $100 of assessed value. The City's real estate tax rate history is shown in the following tabulation:

Real Estate Property Tax Rates (per $100 assessed valuation)	
Fiscal Year 1987	$ .52
Fiscal Year 1988	$ .51
Fiscal Year 1989	$.50
Fiscal Year 1990	$.52
Fiscal Years 1991-2012	$.54
Fiscal Years 2013-2018	$.57
Fiscal Year 2019-	$.60

Real property taxes generated by other selected Virginia localities for the fiscal year ended June 30, 2017 are as follows[1]:

LOCALITY	TAX RATE / $100	REAL PROPERTY TAX REVENUES FY 2018	% CHANGE OVER FY 2017	% OF TOTAL LOCAL REVENUES	TAX RATE VS. WILLIAMS-BURG	PER CAPITA REVENUE
James City County	$0.84	$99,705,953	1.6%	54.6%	+47%	$1,334
York County	$0.80	72,119,544	2.8%	52.2%	+40%	1,047
Winchester	$0.91	28,650,242	3.7%	35.3%	+60%	1,023
Hampton	$1.24	137,749,495	1.8%	43.9%	+118%	1,007
Newport News	$1.22	181,933,328	2.0%	42.0%	+114%	999
Williamsburg	$0.57	10,589,077	1.5%	28.2%	-	687

[1] Commonwealth of Virginia – 2017 Comparative Report of Local Government Revenues and Expenditures

Real property tax revenues received during the past ten fiscal years are shown below[2]:

FISCAL YEAR	REAL PROPERTY TAX REVENUE	% CHANGE
2009	10,136,979	4.1%
2010	10,178,109	.4%
2011	9,850,627	-3.2%
2012	9,379,288	-4.8%
2013	9,274,939	-1.1%
2014	9,684,971	4.4%
2015	9,916,204	2.39%
2016	10,202,762	2.89%
2017	10,429,845	2.23%
2018	10,589,077	1.53%

For each 1¢ of the City's tax rate, approximately $185,945 is generated annually, based on the fiscal year 2018 land book values. New construction each year tends to skew increases in total property valuations shown above from year to year.

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 1st, and taxes are due on December 1st, of the same year. The rate of assessment for motor vehicles is determined by the NADA or "Blue Book" average loan value. Furniture, machinery, etc., is assessed at 30% of original cost. The City does not prorate for partial year occupancy. 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, 2017 are as follows[3]:

LOCALITY	TAX RATE / $100	FY 2018 PERSONAL PROPERTY TAX REVENUES*	% CHANGE OVER FY 2017	% OF TOTAL LOCAL REVENUES	PER CAPITA REVENUE
James City County	$4.00	$28,936,545	3.3%	15.8%	$393
York County	$4.00	14,850,320	1.4%	10.8%	217
Winchester	$4.50	12,380,012	5.8%	15.3%	450
Hampton	$4.50	28,071,134	2.0%	90.0%	204
Newport News	$4.50	65,842,503	3.3%	15.2%	359
Williamsburg	$3.50	2,103,357	-0.1%	5.6%	136

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

[2] City of Williamsburg's Comprehensive Annual Financial Reports-amounts include prior years' delinquent real estate tax receipts.

[3] Commonwealth of Virginia – 2017 Comparative Report of Local Government Revenues and Expenditures.

Personal Property tax revenues received during the past ten fiscal years are shown below[4]:

FISCAL YEAR	PERSONAL*	BUSINESS*	TOTAL AMOUNT	% CHANGE
2009	1,409,945	1,307,209	2,717,154	7.1%
2010	1,315,193	1,276,328	2,591,521	-4.6%
2011	1,212,702	1,330,793	2,543,495	-1.8%
2012	1,257,024	1,304,252	2,561,276	.7%
2013	1,506,575	1,096,833	2,603,408	1.64%
2014	1,433,970	1,326,998	2,760,968	6.05%
2015	1,479,829	1,213,731	2,693,560	-2.44%
2016	1,517,268	1,257,334	2,774,602	3.01%
2017	1,508,651	1,370,354	2,879,005	3.76%
2018	1,534,842	1,342,087	2,876,929	-.07%

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

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:

FISCAL YEAR	REAL ESTATE ASSESSMENTS	PERSONAL PROPERTY ASSESSMENTS	TOTAL PUBLIC SERVICE CORPORATION REVENUE
2009	51,598,088	14,870	279,150
2010	57,063,079	12,804	308,589
2011	58,838,333	567	318,294
2012	60,096,469	3,450	316,061
2013	54,105,420	38,324	342,671
2014	54,641,933	47,907	309,742
2015	54,554,188	20,197	313,322
2016	53,869,000	10,080	311,666
2017	54,786,988	19,648	307,406
2018	54,685,977	19,421	312,974

[4] City of Williamsburg's Comprehensive Annual Financial Reports-amounts include prior years' delinquent personal property tax receipts, and State share of personal property tax reimbursement.

PENALTIES AND INTEREST

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

AMOUNT OF TAXES	PERSONAL PROPERTY	REAL ESTATE
Up to $10	Penalty is same as tax	Penalty is 10%
$10.01 - $100	Penalty is $10	Penalty is 10%
$100.01 and up	Penalty is 10%	Penalty is 10%

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

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

FISCAL YEAR	PENALTIES	INTEREST	TOTAL
2009	40,637	20,696	61,333
2010	34,866	15,825	61,333
2011	73,693	30,581	104,274
2012	66,082	28,950	95,032
2013	56,375	30,486	86,861
2014	66,547	39,393	105,940
2015	53,831	31,411	85,242
2016	59,761	24,078	83,839
2017	53,504	20,827	74,331
2018	60,494	23,920	84,414

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 Commissioner of Revenue.

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 6%. 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. Revenues received from the Commonwealth of Virginia for sales taxes over the last ten fiscal years are as follows:

FISCAL YEAR	1% SALES TAX RECEIPTS	% CHANGE
2009	3,844,275	-15.73%
2010	3,885,065	1.06%
2011	3,963,454	2.02%
2012	4,161,131	5.00%
2013	4,494,328	8.01%
2014	4,239,957	-5.66%
2015	4,352,601	2.66%
2016	4,298,743	-1.24%
2017	4,388,596	2.09%
2018	4,706,583	7.25%

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. Telecommunications sales taxes since FY 2007 are 5% for all Virginia localities. The following table highlights the purpose and rates charged by these utility companies in effect during fiscal year 2019:

	Current City Charges				*Maximum-State Code*			
TYPE	RESIDENTAIL RATE	COMMERCIAL RATE			RES. MAX PER MONTH	COMM-INDUSTRIAL MAX/MONTH	RESIDENTIAL MAXIMUM ALLOWABLE CHARGE/ MONTH	COMM/IND. MAXIMUM ALLOW-ABLE CHARGE/MONTH
Electricity	$ .70 / month + .007468 per kw hours	$ 1.15 / month + .006947 per kw hours			$ 1.00	$ 20.00	20% up to $15=$3	20% up to $200=$40
Gas	$ .70 / month + .014 per CCF	$ 1.15 / month + .0243 per CCF			$ 1.00	$ 20.00	20% up to $15=$3	20% up to $200=$40
Wireless	5% / month	5% / month			No limit	No limit	No limit	No limit
Telephone – E-911	$ 2 / month	$ 2 / month			$ 2 / month	$ 2 / month	$ 2 / month	$ 2 / month

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:

FISCAL YEAR	ELECTRIC	NATURAL GAS	COMMUN. SALES TAXES	TOTAL COLLECTIONS
2009	201,825	89,224	749,461	1,040,510
2010	204,672	90,122	752,584	1,047,378
2011	203,571	97,389	748,840	1,049,809
2012	201,177	94,611	733,624	1,029,412
2013	204,700	101,896	735,570	1,042,166
2014	204,376	105,226	723,051	1,032,653
2015	204,834	103,193	716,733	1,024,760
2016	206,321	102,172	695,515	1,004,008
2017	207,965	82,559	678,419	968,943
2018	207,991	84,772	657,210	949,973

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 15th. The charges for business licenses are based on gross receipt figures provided on the application. The due date for payment of business licenses is March 1st each year, with a 10% penalty beginning March 2nd, and interest accruing at 10% annual percentage rate.

A detailed list of rates is provided for information purposes.

TRADE/TYPE	FEE [BASED ON GROSS RECEIPTS]	MINIMUM FEE
Business or Personal Service	$.36/$100	$30 up to $8,200
Contractor	$.16/$100	$30 up to $18,000
Fortune Teller	$1,000 flat fee	Flat license fee
Itinerant Merchant or Peddler License	$500 flat fee	Flat license fee
Professional Service	$.58/$100	$30 up to $5,000
Retail Merchant	$.20/$100	$30 up to $15,000
Wholesale Merchant	$.05/$100	$30 up to $60,000
Restaurant (seating 50-100)	$200	Flat license fee
Restaurant (seating 101-150)	$350	Flat license fee
Restaurant (seating 151-up)	$500	Flat license fee
Bed & Breakfast – Mixed Beverage	$40	Flat license fee
On/Off Sale of Beer-Wine	$150	Flat license fee
On/Off Premises Sale of Beer	$100	Flat license fee
On Premises Sale of Beer & Wine	$150	Flat license fee
On Premises Sale of Beer	$100	Flat license fee
Off Premises Sale of Beer & Wine	$150	Flat license fee
Off Premises Sale of Beer	$100	Flat license fee

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

FISCAL YEAR	BUSINESS LICENSE RECEIPTS	% CHANGE
2009	3,844,275	-15.73%
2010	3,885,065	1.06%
2011	3,963,454	2.02%
2012	4,161,131	5.00%
2013	4,494,328	8.01%
2014	4,239,957	-5.66%
2015	4,352,601	2.66%
2016	4,298,743	-1.24%
2017	4,388,596	2.09%
2018	4,706,583	7.25%

UTILITY LICENSE FEES

The Code of Virginia, § 58.1 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 was renegotiated in May, 2011 for 10 years.

ACTIVITY	FEE
Cable TV	5% of gross receipts
Telephone	$.50 per access line
Gas	$.004/CCF first 500CCf per month
Electric	Under 2,500kWh = $.00155/kWh/month 2,500 – 50,00 kWh = $.00099/kWh/month over 50,000 kWh = $.00075/kWh/month
Taxi & Bus Services	$100 flat fee plus $100 per cab owned

Utility License fees collected over the past ten years are shown below:

FISCAL YEAR	PEG FEES**	GAS & ELECTRIC	TELEPHONE	OTHER	TOTAL UTILITY LICENSE FEES
2009	0	64,035	40,685	3,300	108,020
2010	0	64,905	52,843	3,500	121,248
2011	0	67,753	40,838	2,430	111,021
2012	22,291	60,858	40,183	2,530	125,862
2013	21,946	65,226	36,621	2,835	126,628
2014	21,644	67,417	37,831	2,900	129,792
2015	21,544	66,471	31,933	3,100	123,048
2016	21,733	61,941	27,729	3,000	114,403
2017	22,254	65,224	29,970	2,500	119,948
2018	22,324	63,786	33,632	3,200	122,942

* Beginning January 1, 2007, cable franchise fees are included in the Communication Sales Tax program.
** Public, Educational and Governmental Access Channels (PEG).

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[5]. 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:

FISCAL YEAR	BANK STOCK RECEIPTS	% CHANGE
2009	128,755	-17.91%
2010	167,652	30.21%
2011	202,189	20.60%
2012	192,536	-4.78%
2013	281,401	46.16%
2014	272,642	-3.11%
2015	319,387	17.15%
2016	351,453	10.04%
2017	307,396	-12.54%
2018	355,989	15.81%

[5] Commonwealth of Virginia, Dept of Taxation, Virginia Bank Franchise Tax, 1997 Forms

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

FISCAL YEAR	RECORDATION FEES	% CHANGE
2009	170,417	-47.8%
2010	136,891	-19.7%
2011	141,452	3.3%
2012	185,661	31.3%
2013	214,070	15.3%
2014	166,048	-22.4%
2015	250,600	50.9%
2016	196,420	-21.6%
2017	291,551	48.43%
2018	392,423	34.60%

CIGARETTE TAXES

The City of Williamsburg began imposing a cigarette tax of 25¢ per pack on July 1, 2003 and the current rate for FY 2019 is 30¢. The timing of vendor stamp replenishment is unpredictable each year. Total cigarette taxes collected over the past ten years are as follows:

FISCAL YEAR	CIGARETTE TAXES	% CHANGE
2009	144,534	-20.0%
2010	158,460	9.6%
2011	148,032	-6.6%
2012	147,870	-0.1%
2013	183,155	23.9%
2014	148,320	-19.0%
2015	156,911	5.79%
2016	134,640	-14.2%
2017	130,032	-3.42%
2018	167,638	28.92%

HOTEL & MOTEL ROOM TAXES

The City levies a transient occupancy tax on hotels, motels, bed and breakfasts, and other facilities offering guest rooms at a rate of 5%. Businesses collect this tax and submit it to the City by the 20th of the following month. Room tax collections over the last ten fiscal years are:

FISCAL YEAR	ROOM TAX COLLECTIONS	% CHANGE
2009	3,574,810	-19.62%
2010	3,248,789	-9.12%
2011	3,384,922	4.19%
2012	3,396,446	.03%.
2013	3,369,785	-.78%
2014	3,129,262	-7.14%
2015	3,220,638	2.92%
2016	3,319,625	3.07%
2017	3,316,634	-.09%
2018	3,358,649	1.27%

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.[7] Restaurant Food tax rate is 5%. Meal tax collections over the last ten fiscal years are:

FISCAL YEAR	MEAL TAX COLLECTIONS	% CHANGE
2009	5,522,541	-8.04%
2010	5,607,318	1.54%
2011	5,989,446	6.81%
2012	6,277,434	4.81%
2013	6,391,022	1.81%
2014	6,446,505	.87%
2015	6,819,384	5.78%
2016	7,022,994	2.99%
2017	7,043,184	.29%
2018	7,062,010	.27%

[7] Williamsburg City Code, Section 18.271.

The City's adopted fiscal year FY 2019 operating budget estimates room & meal tax revenues to be $10,453,600, or 30.6% of the total operating budget. Rates charged by nearby Virginia localities, and the percentage of budgeted FY 2019 receipts to total operating budgets, are presented below:

LOCALITY	ROOM TAX RATE	% OF FY 2019 BUDGET	MEAL TAX RATE	% OF FY 2019 BUDGET	TOTAL % OF BUDGET
James City County	5%	1.5%	4%	3.6%	5.1%
York County*	5%	1.1%	4%	2.4%	3.5%
Virginia Beach*	8%	.7%	5.5%	3.9%	4.6%
Hampton	8%	.8%	7.5%	4.5%	5.3%
Newport News	8%	.8%	7.5%	5.3%	6.1%
Norfolk	8%	.8%	6.5%	3.7%	4.5%
Williamsburg*	5%	9.7%	5%	20.9%	30.6%

*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 per Code of Virginia, section 58.1-3823C. The revenues generated are designated and expended solely for tourism development. Half of the receipts are sent to the State's Historic Triangle Marketing Fund and the other half the City retains in the Tourism Fund. In addition, Virginia Beach and Hampton charge a flat rate tax of $1 per night, per room and Norfolk charges $2 per night, per room.

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 ten-year history of permit revenues follows:

FISCAL YEAR	BUILDING	ELECTRICAL	PLUMBING	MECHANICAL	OTHER*	TOTAL
2009	62,170	21,653	19,819	19,061	74,767	197,470
2010	46,741	14,447	14,033	17,601	68,642	161,464
2011	45,546	16,355	14,116	15,303	62,788	154,108
2012	57,917	19,966	16,949	18,232	68,742	181,806
2013	57,043	11,541	9,646	11,518	61,889	151,637
2014	111,187	24,283	18,269	20,225	66,053	240,017
2015	54,689	43,541	40,458	40,820	76,407	255,915
2016	60,580	26,947	21,448	27,829	92,681	229,485
2017	74,277	28,727	21,793	24,329	100,693	249,819
2018	128,380	25,321	24,276	25,791	99,051	302,819

*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 October, 2018, the City implemented the following parking fine structure:

NUMBER OF VIOLATIONS	FEE PRIOR TO NOTICE	FEE AFTER NOTICE*
1st Violation	$10	$20
2nd Violation	$35	$50
3rd Violation	$50	$100
4th Violation	$100	$200
More than 4 Violations	$300	$500

*Ordinance #18-09 was adopted October 2018 to amend Sections 11-162, 11-165 and 11-167 of Chapter 11, Article VI of the Code of the City of Williamsburg regarding Parking Fines. If payment for any ticket is made after 14 days of issuance, the fine for the ticket shall increase.

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

FISCAL YEAR	COURT FINES	PARKING FINES	TOTAL
2009	147,173	86,089	233,262
2010	108,744	93,743	202,487
2011	108,422	113,345	221,767
2012	153,107	106,201	259,308
2013	138,787	89,385	228,172
2014	127,363	87,010	214,373
2015	116,958	80,159	197,117
2016	110,407	44,625	155,032
2017	128,999	52,176	181,175
2018	144,499	104,712	249,211

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 budget section, Budget Summaries. Rental income includes various rental properties including the Community Building user fees. The base rate for a weekday is $150/3 hour minimum and $300 for the weekend.

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

FISCAL YEAR	INTEREST EARNINGS	RENTAL INCOME	SALE OF SURPLUS	TOTAL
2009	457,041	464,813	8,175	930,029
2010	236,316	469,207	25,319	730,842
2011	87,800	505,752	30,825	624,377
2012	125,429	507,083	15,373	647,885
2013	108,221	545,606	121,526	775,353
2014	112,846	622,047	21,904	756,797
2015	137,786	627,076	29,545	794,407
2016	141,337	718,572	28,154	888,063
2017	167,086	749,188	46,602	962,876
2018	478,858	694,940	26,778	1,200,576

A breakdown of rental income from properties over the last ten fiscal years is presented below:

FISCAL YEAR	COMMUNITY BUILDING	CITY SQUARE	LONGHILL PROPERTY	MUNICIPAL CENTER	STRYKER BUILDING	TRANSPORTA-TION BUILDING	GENERAL PROPERTY	PARKING GARADGE	TOTAL
2009	37,284	43,988	10,456	15,550	7,160	123,273	17,802	209,300	464,813
2010	40,255	44,071	8,946	13,332	6,050	125,203	18,858	212,492	469,207
2011	46,641	43,340	9,456	13,732	3,770	119,720	19,185	248,370	504,214
2012	39,915	37,788	14,456	14,144	9,260	124,359	3,733	263,428	507,083
2013	40,850	40,820	10,956	14,568	4,920	127,539	21,853	284,100	545,606
2014	50,470	41,667	9,456	15,006	4,160	126,270	53,868	321,150	622,047
2015	46,615	51,905	9,456	15,402	0	130,762	54,790	318,146	627,076
2016	49,825	49,163	6,880	15,600	0	130,515	137,700	328,889	718,572
2017	52,290	32,390	8,552	15,600	12,169	134,726	142,684	350,777	749,188
2018	54,475	33,361	9,018	15,600	3,886	134,584	126,056	317,960	694,940

*Includes Triangle Building Commercial rent and house on Strawberry Plains Road.

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. Also included are charges for maintenance of highways, streets, and sidewalks, which is used for billing special mowing or trash pickup and are minimal in amount. Charges for Planning & Community Development include minor amounts for maps and surveys, with the largest dollars attributable to sales of Cedar Grove Cemetery lots and grave openings. 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:

FISCAL YEAR	SHERIFF'S FEES	COMMONWEALTH ATTORNEY'S FEES	PARKS & RECREATION	PLANNING & COMMUNITY DEVELOPMENT	TOTAL
2009	1,331	138	317,573	28,698	347,740
2010	1,460	266	350,497	37,881	390,104
2011	1,414	805	390,220	43,742	436,181
2012	1,307	392	401,398	42,702	445,799
2013	1,366	398	377,104	42,855	421,723
2014	1,366	351	361,824	38,667	402,208
2015	1,366	310	341,745	43,300	386,721
2016	1,366	819	342,613	53,734	398,532
2017	1,366	205	398,700	50,305	450,576
2018	1,366	337	391,493	53,946	447,142

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

FISCAL YEAR	POOL FEES*	TENNIS FEES	WALLER MILL PARK	VENDING MACHINES	CLASSES	ATHLETICS	MISCELLA-NEOUS.	TOTAL
2009	6,083	18,900	73,909	584	15,742	157,829	44,526	317,573
2010	7,989	27,891	79,938	356	15,022	157,526	61,775	350,497
2011	5,451	32,482	106,180	409	17,444	164,883	63,371	390,220
2012	6,154	38,925	103,165	388	19,128	163,185	70,453	401,398
2013	2,338	34,964	125,841	910	15,163	160,219	37,669	377,104
2014	0	22,608	140,490	683	11,947	144,583	41,513	361,824
2015	0	21,664	142,370	560	14,678	133,848	28,625	341,745
2016	0	24,800	138,412	572	16,888	134,037	27,904	342,613
2017	0	26,036	171,791	546	20,843	134,833	44,651	398,700
2018	0	20,155	166,016	485	17,445	147,526	39,866	391,493

*Pool service at QPath contracted out to a vendor in FY 2013 so no fees collected. Pool completely filled in FY 2015.

Cemetery lot sales and grave opening fees over the last ten years are as follows:

FISCAL YEAR	CEMETERY LOT SALES	GRAVE OPENINGS
2009	12,383	14,450
2010	15,200	18,050
2011	22,520	14,950
2012	15,680	20,250
2013	17,345	19,400
2014	13,555	19,700
2015	19,010	19,950
2016	21,790	27,450
2017	18,250	26,500
2018	21,550	27,350

EMERGENCY MEDICAL TRANSPORT

As of July 1, 2005, the City began a program of billing health insurance providers for emergency medical transportation services. Receipts over the last ten years are as follows:

FISCAL YEAR	EMS FEES
2009	411,430
2010	396,546
2011	409,588
2012	463,534
2013	425,679
2014	432,422
2015	437,767
2016	585,658
2017	579,149
2018	615,312

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 direct-deposited in 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

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].

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 monthly to localities.

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.

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

FISCAL YEAR	ROLLING STOCK TAXES	RENTAL CAR TAXES	GRANTOR'S TAXES
2009	8,940	15,899	55,459
2010	2,900	16,154	48,165
2011	9,046	10,604	49,845
2012	8,408	17,423	54,547
2013	9,692	15,647	48,411
2014	10,267	25,111	55,925
2015	9,870	33,242	72,466
2016	10,088	33,450	54,712
2017	9,104	36,159	68,449
2018	13,181	40,134	104,466

CATEGORICAL AID

Shared Expenses - Constitutional offices included as City departments/operations with reimbursements provided (in-part) by the Commonwealth of Virginia.

a. 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. Salary supplements are not reimbursed by the State.

b. 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 special requests for payment from the Compensation Board for additional consideration. For the City's Comprehensive Annual Financial Report dated June 30, 2018 total reimbursements were 32.49% of expenditures.

c. 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. Reimbursements received from James City County are classified as credits to the expenditures in the Treasurer Department 1213.

d. Medical Examiner - Reimbursed at $30 per examination.

e. Registrar/Electoral Board - For FY 2018, salaries were reimbursed by the State at 69.79% for the Registrar and 81.88% for the Electoral Board members. No reimbursements are made for fringe benefits or operating expenditures. The Department of Finance files for reimbursement to the State Electoral Board annually.

Welfare - Pertaining to the City's general fund, only minor amounts of reimbursements are accounted for here. All of the City's Human Services programs are 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.

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.
Other Categorical Aid - See the next section for a detail description.

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

FISCAL YEAR	COMMISSIONER OF REVENUE	TREASURER	REGISTRAR/ ELECTORAL BOARD	599 FUNDS	STATE SALES TAX
2009	85,464	22,475	48,245	427,158	698,356
2010	83,733	18,024	43,044	391,496	796,087
2011	69,878	17,333	38,385	386,896	827,078
2012	69,359	16,668	40,468	373,312	845,143
2013	69,384	16,360	37,211	373,313	801,635
2014	72,389	18,101	36,640	373,312	972,222
2015	72,633	18,146	36,271	373,312	1,099,918
2016	73,840	18,467	41,109	373,312	1,093,871
2017	73,943	17,910	37,029	385,332	1,134,338
2018	75,701	18,299	37,399	385,332	1,096,059

OTHER CATEGORICAL AID

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

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.

Street and Highway Maintenance - The City is reimbursed quarterly by the Commonwealth according to lane miles of streets within its boundaries. For FY 2019 reimbursements for principal/minor arterial roads are $21,689.51 per lane mile, while collector/local streets are at a rate of $12,734.62 per lane mile. Lane miles used to calculate reimbursement change only when additional roads are built in the City. Total revenue for FY 2019 will be $1,858,628 based on peak hour moving lane miles of state arterial roads in the City of 39.72 miles, and local streets of 78.30 lane miles. Payment rates change periodically, and are at the discretion of the Commonwealth of Virginia.

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 . 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 government programs for the power stations.

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.

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.

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.

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

FISCAL YEAR	ARTS COMMISSION	STREET MAINTENANCE	EMERGENCY SERVICES	FIRE ROGRAMS	EMS FOUR FOR LIFE	LITTER CONTROL
2009	76,350	1,382,944	0	32,650	14,676	6,337
2010	75,390	1,376,050	25,000	37,342	13,915	5,125
2011	65,000	1,426,219	25,000	34,643	15,493	5,910
2012	65,000	1,479,180	25,000	41,955	15,162	5,000
2013	63,250	1,550,215	25,000	40,123	16,620	7,216
2014	65,000	1,580,437	25,000	42,250	18,416	6,366
2015	65,000	1,623,919	30,000	44,569	18,599	6,357
2016	65,000	1,719,115	30,000	44,587	20,470	6,427
2017	70,000	1,758,306	30,000	45,652	18,296	6,192
2018	74,500	1,799,468	30,000	48,726	21,566	7,038

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 programs are accounted for in the Public Assistance Fund. For General Fund purposes, only limited sources of federal funding exist. These programs are highlighted:

Local Law Enforcement Block Grant - The City must apply for these funds each year through the Department of Justice. An interest-bearing checking account is maintained for this grant, and detailed quarterly reports must be filed until the funds are spent. During FY 2018, the City received $34,050 for the Byrne Justice Assistance Grant Program and $5,179 DMV Federal Grant for purchase of equipment.

Department of Homeland Security - These funds are federal pass-thru grants administered by the Commonwealth of Virginia. During FY 2016, the City received $47,850 for Citizen's Corp Project and the Citizen Emergency Response Team training. During FY 2017 no funds were received and $18,757 was received in FY 2018.

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 FY 2014, 2015 and 2016, the City received $3,530, $115 and $75 from FEMA for drills and training. No funds were received in FY 2017 and FY 2018.

Department of Transportation - These federal revenue sharing funds are used for street planning and construction. During FY 2018, $164,107 in federal funds was received for the Ironbound Road Improvements Phase I and Monticello Multiuse Trail.

REVENUE FROM THE COLLEGE OF WILLIAM AND MARY

The City provides fire and emergency medical services to the College of William and Mary. As a state agency, the College is exempt from local taxation. In light of this, the College committed to providing financial support to the City in the amount of $120,000 per year to partially defray costs of providing these essential services on campus. The City has received this funding every year since FY 2014.

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.

EXPENDITURE CLASSIFICATIONS

51000 SALARIES AND WAGES

51001 Salaries
Compensation for all full time employees who hold permanent positions.

51002 Salaries-Overtime
Compensation for overtime and holiday pay for all eligible employees in accordance with the Personnel Manual.

51003 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)

51005 Salaries-Temporary
Compensation for employees who are working on a temporary basis. (See Personnel Manual)

51006 Discretionary Leave
Compensation for police, fire, or water plant personnel who must work on stated holidays. (See Personnel Manual)

51008 Traffic Control
Compensation for police department personnel who work extra hours for traffic control purposes.

51009 Off-Duty Policemen
Compensation for police personnel hired by outside establishments after regular working hours. (City is reimbursed by contracting party.)

52000 FRINGE BENEFITS

52001 FICA - Employer's share of Social Security Taxes.

52002 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.

52004 Dental - Costs for employee dental reimbursement program.

52005 Hospitalization - City's cost for medical benefit package premiums, not including dental.

52006 Group Life Insurance - City's cost for VRS group life insurance policy.

52009 Unemployment Insurance - Costs for unemployment insurance.

52010 Worker's Compensation - Costs for worker's compensation insurance.

52012 Clothing Allowance - Costs associated with purchase of clothing by designated personnel.

52013 Education Allowance - Costs for tuition assistance.

52016 Training - Costs associated with training fire, police, and water plant personnel.

52021 Cleaning Allowance - Costs associated with cleaning of uniforms and clothing.

53000 PROFESSIONAL SERVICES

53001 Professional Health Services
Costs associated with medical services such as physicals for certain employees.

53002 Professional Services-Other
Costs for legal, financial, engineering, and other specialized professional services.

53004 Repair and Maintenance
Costs for services for repair or maintenance of city equipment and structures.

53004 - 1 Cars and Trucks
53004 - 2 Buildings
53004 - 3 Office Equipment
53004 - 4 Powered Equipment
53004 - 5 Street Signs, Markings, and Water Meters
53004 - 6 Traffic Signals

53005 Service Contracts - Costs for all service contracts except radio.

53006 Printing - Costs associated with the printing of forms, documents, manuals, etc.

53007 Advertising - Costs for classified and legal advertisements.

53008 Laundry and Dry Cleaning - Costs associated with uniform rental.

53009 Purchase of Services
Costs for purchasing of services and supplies from other governmental agencies (do not in clude joint activities).

53013 Jurors, Commissioners, Witnesses
Costs associated with court trials and legal disputes.

53031 Garbage Contract - Costs for garbage pick-up and disposal.

53032 HRSD - Costs for treatment of raw sewage by Hampton Roads Sanitation District.

53033 Exterminating - Costs for extermination contracts for city-owned buildings.

53099 Detective Funds - Costs associated with police work.

55000 PURCHASE OF GOODS AND SERVICES

55101 Electricity - Costs of electricity (Dominion Power).

55102 Heating Fuel - Purchase of natural gas and heating oil.

55103 Water and Sewer - Costs of water and sewer services.

55201 Postage - Stamps, stamped envelopes, postage meter costs, permit fees, etc.

55203 Telecommunications - Costs incurred for land-line, cellular phone, and pager service.

55204 Radios - Cost of operating city-wide radio systems.

55205 Emergency "911" - Costs of operating emergency lines for the dispatch operation.

55301 Boiler Insurance - Costs of insuring heating plants, generators, and other mechanical equipment.

55302 Fire Insurance - Costs of insuring buildings and contents against fire.

55305 Motor Vehicle Insurance - Costs of insurance for motor vehicles.

55306 Surety Bonds - Costs for surety bonds for certain city personnel.

55307 Public Officials Liability - Costs of insuring certain public officials against suits, etc.

55308 General Liability Insurance - Cost of insuring the city against certain accidents, etc.

55401 Office Supplies
Costs of office supplies such as envelopes, pens, pencils, paper, forms, etc. used in everyday office operations.

55402 Food and Food Service Supplies
Costs of providing miscellaneous food or supplies at Fire Station.

55403 Agricultural Supplies
Costs for care and treatment of plants, lawns, landscaping, including small tools.

55404 Material and Lab Supplies
Costs for purchasing medical and laboratory supplies for appropriate city departments.

55405 Laundry, Housekeeping and Janitorial Supplies
Costs of custodial and housekeeping supplies, including light bulbs.

55406 Linen Supplies - Costs of linens used in Fire Department.

55407 Repair and Maintenance Supplies
Costs of building material supplies, paint, electrical, and plumbing supplies.

55408 Vehicle and Powered Equipment Supplies
Supplies for cars, trucks, heavy equipment, etc. used by City Shop.

55408 - 1 Cars and trucks
55408 - 2 Tires and tubes
55408 - 3 Gas and oil for vehicles
55408 - 4 Powered equipment - light and heavy
55408 - 5 Sign and street marking supplies
55408 - 6 Generator fuel

55409 Police Supplies - Costs of items such as guns, ammo, flashlights, etc.

55410 Uniforms and Wearing Apparel
Costs for uniforms, protective clothing, boots, overalls, and other items or working apparel provided to employees.

55411 Books and Subscriptions - Costs for professional periodicals, books, and publications.

55412 Recreation Supplies - Costs for supplies used for Recreation Department programs.

55413 Other Operating Supplies
Costs for chemicals and other supplies not covered in other accounts.

55414 Merchandise for Resale - Costs of vending machine merchandise.

55415 Fire Prevention Materials - Costs of materials used by Fire Department for fire prevention.

55416 Pool Supplies - Costs of supplies for operation of Quarterpath Pool.

55417 Water Meters - Costs of purchasing water meters for the Utility Fund.

55418 Litter Control - Costs associated with litter pickup.

55501 Travel Expense
Mileage reimbursement @ 58¢/mile for approved use of private vehicles for job-related travel.

55504 Travel (Conferences and Conventions)
Costs for lodging, transportation, registration fees, and materials. All travel must have prior department head approval.

55602 Colonial Behavioral Health (formerly Colonial Services Board)
Costs of City's contribution to community program.

55604 Contributions to Other Agencies
Donations to outside organizations approved by City Council.

55801 Dues and Memberships - Costs for dues and memberships in professional organizations.

55805 Other Costs (non-recurring) not budgeted under other accounts.

55838 Principal - Repayment of long term debt principal.

55839 Interest - Interest payments on long term debt.

55899 Joint Activity
Payments to James City County for jointly operated departments and agencies.

57000 FIXED ASSETS

57001 Machinery and equipment
57002 Furniture and fixtures
57003 Communication equipment
57005 Motor vehicles
57007 ADP Equipment
57008 Pedestrian Improvements
57009 Street resurfacing
57010 Building alterations

58000 LEASES AND RENTALS

58001 Lease and Rental of equipment
Cost for temporary rental or lease of equipment (no lease-purchase agreements).

58002 Lease and Rental of buildings - Costs for rental or lease of office or storage space.

FUNDING RELATIONSHIPS

Agency/Organization *List of Other Contributors*	Notes
Constitutional Officers *(Generally)*	Compensation Board. The state pays a portion of salary, benefits, and some operating costs. The City pays salary supplements in some cases, fringe benefits. Operating salaries for these officers are approved by the State.
Commissioner of the Revenue *State of Virginia*	The City provides office space for this officer and staff. The State reimburses the City for 50% of salary, fringes (except healthcare) and some operating expenses. The reimbursable portion of the Commissioner's salary is based on the 1980 salary amount divided in half plus any all increases 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. The staff participates in all City employee programs (e.g., health insurance, deferred and workers compensation), including the Pay Plan. Legislation may affectively reduce the level of State funding for the Commissioner of the Revenue's operation.
Treasurer *State of Virginia*	The City, State and JCC share in the local cost of the Treasurer. The State reimburses 88% of state approved salary, 100% of FICA match, and 46% of VRS costs. JCC bills the City for a percentage of the non-reimbursable costs based on population. Office space is provided by both localities. The State reimburses the City for 2/3rds of salary, and fringes (except healthcare) 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 work associated with W/JCC Schools. Pending legislation may drastically reduce the level of State funding for the Treasurer's operation.
Clerk of Circuit Court *James City County, State of Virginia*	The State funds salaries and a portion of fringes and operating expenses for the Clerk and staff. A portion of fringe benefits is supplemented. Twelve 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 *James City County, State of Virginia*	The Compensation Board sets the salaries for the Commonwealth Attorney, four assistants, and four full-time support staff. All positions receive a salary supplement, ranging from 1.5% to 61%, paid by the City and JCC based on population each year. In addition, the Victim's Assistance program consists of three grant positions, 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 based on population per the courthouse agreement.
Sheriff's Department *James City County, State of Virginia*	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.
Voter Registrar *Board of Elections, State of Virginia*	The State pays majority of the Registrar's salary. For FY 2018 that rate was 69.79%. Costs associated with one full-time employee, fringe benefits, and operating costs are paid by the City. Staff participates in the City's workers compensation, health insurance, and other employee benefit programs. The City provides accounting and payroll services.
Circuit Court (Hon. Michael E. McGinty) *State of Virginia*	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 dates 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 (Hon. Colleen K. Killilea) *State of Virginia*	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 Relations Court (Hon. George C. Fairbanks IV) *James City County, State of Virginia*	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 for the State of Virginia, James City County, York County, Charles City County, King William County, King & Queen County, Mathews County, Gloucester County, New Kent County, Middlesex County, City of 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 1/11th 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.
Colonial Group Home Commission *James City County, York County, Glocester County, State of Virginia Department of Youth and Family Services*	Funded through State block grant and member localities share operating costs based on population. Programs include Crossroads, Community Supervision, and Psychological Services.
Virginia Peninsula Regional Jail Authority *James City County, York County City of Poquoson, Department 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 for crimes committed in the City.
Middle Peninsula Juvenile Detention Commission *18 Localities, Virginia Department of Juvenile Justice*	Operates the Merrimac Center, a 48-bed center, providing secure detention for juveniles for localities in the 9th and 15th District Court Service Units. City pays its share based on number of juveniles held for offenses committed in the City.
Colonial Community Corrections *James City County, City of Poquoson, New Kent County, Charles City County, State of Virginia*	Provides alternatives to incarceration to persons awaiting trial, pre-trial, post-trial and re-entry services, and substance abuse counseling to offenders.
Health District *James City County, Newport News, York County, City of Poquoson, State of Virginia*	Contribution is based on funding formula which apportions local share among district jurisdictions. Some monies are refunded to City based on generated revenues each year.
Colonial Behavioral Health (Chapter X) *James City County, York County, City of Poquoson, State of Virginia, Federal Funds, Fee Revenues (Clients, Medicare, Medicaid, etc.)*	Funded at discretion of Council. Funding request is based on population and usage

Department of Human Services *State of Virginia, Federal Department of Health and Human Services*	Approximately 70% of personnel and operating costs are reimbursed by the State and Federal governments.
Williamsburg-James City County Public Schools	Local funding share is apportioned between the City and JCC based on the Joint Schools Agreement, as amended in 1991, 1996, 2001, 2007, and 2012. FY 2017 was the last year of the latest revised 5-year contract period currently under negotiation. Historically State support has been approximately 30% of total school system cost, and based on formula and General Assembly appropriations. Federal funding is received and largely directed to categorical programs, and received on a cost-reimbursement basis.
Williamsburg Regional Library *James City County, York County, State of Virginia, Generated Revenues*	City, JCC and York County cost sharing is governed by the September, 2013 five-year agreement, and based on circulation. Each jurisdiction pays for the capital costs associated with the library buildings located therein. The State contributes approximately 5% of total operating costs on a formula basis, through the Library of Virginia.
Avalon Center for Women and Children *United Way, Virginia State Housing Department, James City County, York County, Private donations*	Funded at discretion of Council per advice of Human Services Review Committee
Foster Grandparents Program *City of Hampton, James City County, York County, Newport News, Federal Funds*	Funded at discretion of Council per advice of Human Services Review Committee
Peninsula Agency on Aging *State of Virginia, Federal Funds, Newport News, City of Hampton, City of Poquoson, James City County, York County, Private donations*	Funded at discretion of Council per advice of Human Services Review Committee
Historical Triangle Senior Center *James City County,1 York County*	Funded at discretion of Council per advice of Human Services Review Committee
Community Action Agency Center *James City County, State and Federal Grants, Private Donations*	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
Hospice of Williamsburg *United Way, Private Donations*	Funded at discretion of Council per advice of Human Services Review Committee
Williamsburg Area Transport *James City County, 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, James City County, and the Bruton District of York County.
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.
Greater Williamsburg Chamber & Tourism Alliance *James City Couty, York County, Williamsburg Hotel/Motel Association Membership, programs*	Funded at the discretion of Council. In recent years all funding has been dedicated to tourism promotion except for $100,000 per year for Alliance operations.
Hampton Roads Planning District Commission and Metropolitan Planning Organization (MPO) *James City County, York county, Newport News, Poquoson, Hampton, Gloucester, Tidewater jurisdictions, State and Federal funds*	City share is based on per capita membership assessment each year.
Hampton Roads Economic Development Alliance/ Peninsula Council for Workforce Development *Hampton, Newport News, James City County, York County, Gloucester, Poquoson*	Funded at discretion of Council.
Thomas Nelson Community College *State, Newport News, James City County, Poquoson, York County, Hampton*	Funded at discretion of Council, based on population formula for improvements to parking and site, not including buildings.

Colonial Soil and Water Conservation District *State, James City County, York County*	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 *James City County, State funds*	Funded at discretion of Council. Agency recommends funding to over 30 groups and monitors how arts groups spend funds. James City County pays half by agreement.
Animal Control *James City County*	The City pays James City County to provide animal control services under a 1993 inter-local agreement.
Heritage Humane Society *James City County, York County, private donations*	Funded at discretion of Council.
Virginia Peninsulas Public Service Authority *James City County, 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 each year.
Jamestown-Yorktown Foundation *James City County, York County, State grants, private donations, admission fees*	Funded at discretion of Council.
Colonial Court Appointed Special Advocates (CASA) *James City County, York County, State grants, private donations*	Funded at discretion of Council per advice of Human Services Review Committee.
Williamsburg Aids Network *Private donations*	Funded at discretion of Council per advice of Human Services Review Committee.
Williamsburg Extension Services *State*	Funded at discretion of Council per advice of Human Services Review Committee.
Williamsburg Area Medical Assistance Corporation (WAMAC) *State and James City County*	Funded at discretion of Council per advice of Human Services Review Committee.

FUND STRUCTURE

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 General Fund and Sales Tax Fund are combined 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.

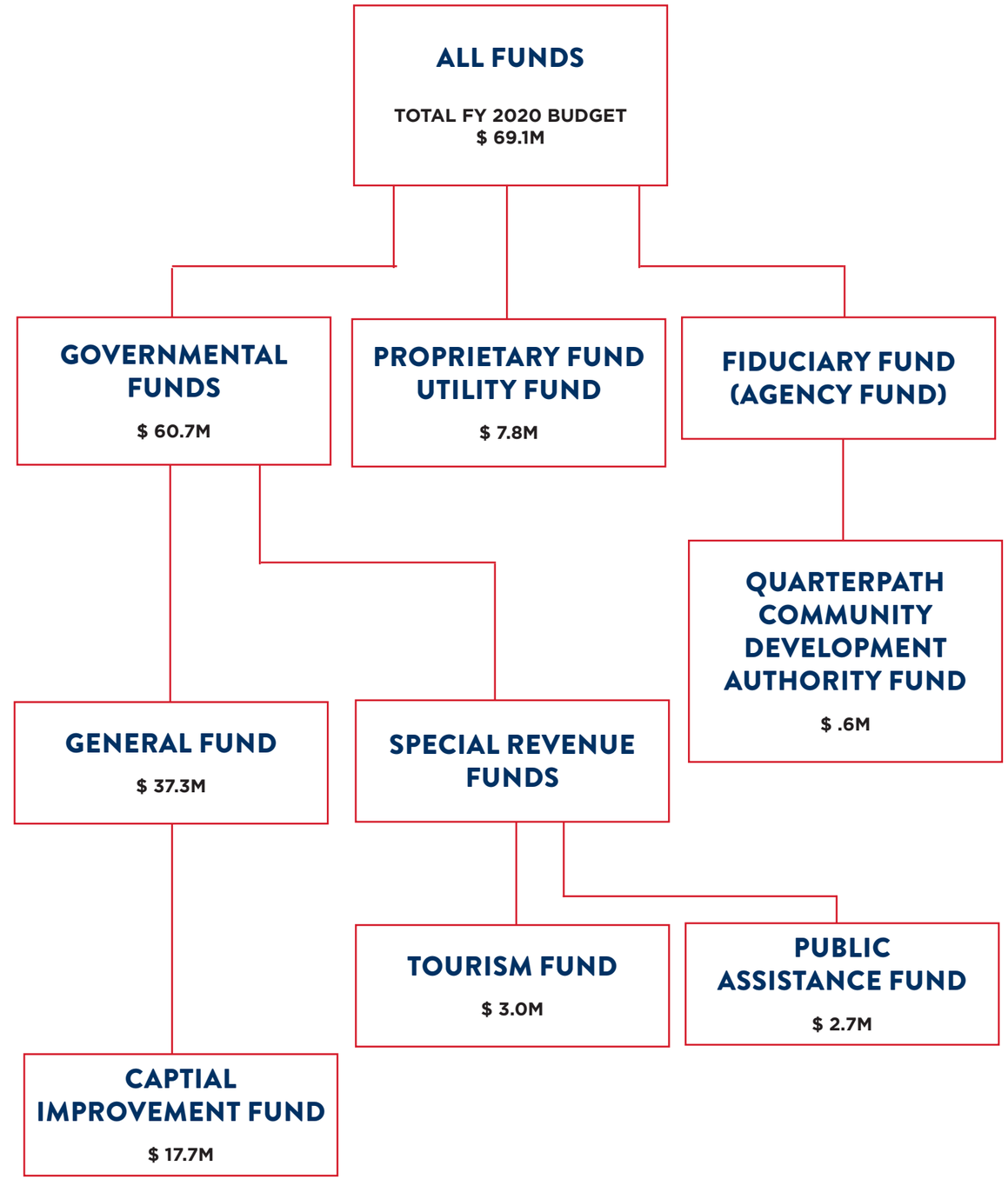
Captial Improvement Fund - This fund accounts for scheduled major capital improvements for the upcoming year. Revenues are traditionally derived from the 1% Sales Tax monies collected monthly at the State level, and interest earnings.

Tourism Fund – This fund is a special revenue fund used to account for tourism tax revenue (1% Historic Triangle regional sales tax and $2 lodging tax). The expenditures in the Tourism Fund are for the purpose of funding tourism development projects.

Public Assistance Fund – This fund accounts for activities of the City's Human Services Department. The majority of funding is provided by the Federal and State government for social service programs. The remainder of its funding is provided by the City as annual contribution from the General Fund.

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.

Fiduciary Funds account for assets held by the City in a trustee or agent capacity for others. Agency funds are a type of fiduciary fund where the fiduciary, or agent, acts in custodial capacity and does not assume the degree of managerial involvement that a trustee would. The City has one Agency Fund, the Quarterpath Community Development Authority (QCDA), for which the City collects special assessments on behalf of the QCDA. Agency funds utilize the accrual basis of accounting and do not have a measurement focus.



BUDGETS AND BUDGETARY ACCOUNTING

Formal budgetary integration is employed as a management control device during the year for the General Fund, Sales Tax Fund, Tourism Fund, Utility Fund, and Public Assistance 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.

BUDGET POLICIES

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 unassigned fund balance.
    f. Fund Balance of the General Fund shall be used only for emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year savings.

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.

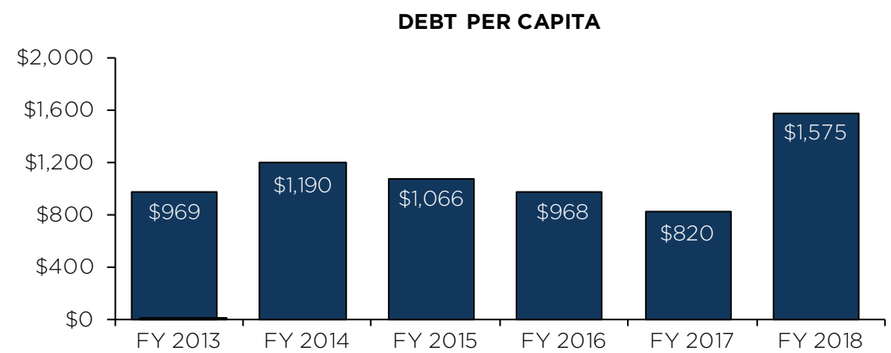
2. User Fees and Charges: Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of- living as well as changes in methods or levels of service delivery.
    a. Rental of City properties – Charges will be reviewed annually and compared with market 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.

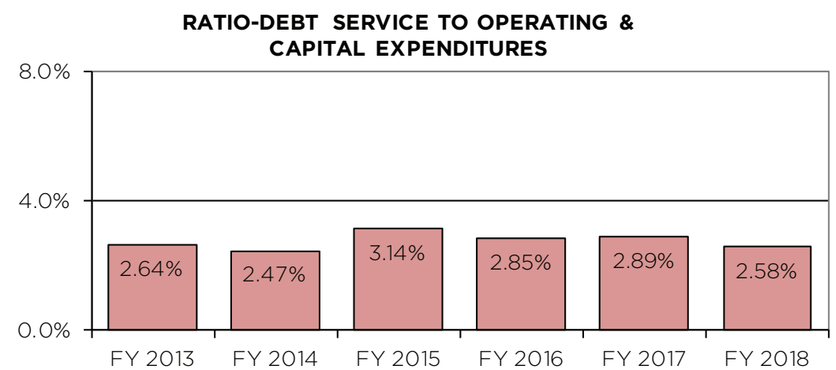
EXPENDITURE POLICIES:

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 cash-flow 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.

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. Requirements of continuing disclosure agreements for all bond issues will be complied with, including annual filing of audited financial statements and adopted budgets, to the Municipal Securities Rulemaking Board, and all national rating agencies which have assigned a bond rating for the City.
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 expenditures, and the not-to-exceed limit are shown.





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 statues 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.

FUND BALANCE POLICY (ADOPTED BY CITY COUNCIL ON JUNE 9, 2011):

1. Background and Purpose
    a. Sound financial management principles require that sufficient funds be retained by the City to provide a stable financial base at all times. Adequate levels of fund balance are essential to protect against reducing service levels because of temporary revenue shortfalls or unanticipated expenditures. Fund balance provides resources during the time it takes to develop and implement a longer term financial solution. Fund balance is also crucial in long-term financial planning and financing as credit markets carefully monitor levels of fund balance to evaluate creditworthiness.
2. Components of Fund Balance
   The following individual items shall constitute the Fund Balance:
    a. Nonspendable Fund Balance – Amounts that cannot be spent due to form (such as inventories and prepaid amounts), and/or amounts that must be maintained legally intact or contractually intact (such as principal of a permanent fund).
    b. Restricted Fund Balance – Amounts constrained for a specific purpose by external parties, constitutional provisions, or enabling legislation.
    c. Committed Fund Balance – Amounts constrained for a specific purpose by City Council using its highest level of decision-making authority. It would require another action of the City Council to remove or change the constraints placed on the resources. Commitments must be established.
    d. Assigned Fund Balance – Amounts constrained for a specific purpose by the City Manager, who has been given the delegated authority by the City Council to assign amounts. The amount reported as assigned should not result in a deficit in unassigned fund balance.
    e. Unassigned Fund Balance – Amounts not classified as nonspendable, restricted, committed, or assigned. The General Fund is the only fund that would report a positive amount in the unassigned fund balance.
3. Funding Requirements of Unassigned Fund Balance of the General Fund
    a. An unassigned fund balance shall be established at an amount equal to a minimum of 35% of General Fund operating revenues as shown in the City's most recent comprehensive annual financial report (CAFR).
    b. The use of the unassigned fund balance will be permitted to provide temporary funding of unforeseen emergency needs.
    c. If the unassigned fund balance falls below an amount equal to 35% of the General Fund operating revenues as outlined above, a plan to replenish the fund balance within twelve months will be presented to the City Council.
    d. Unassigned fund balance represents the residual fund balance after the nonspendable, restricted, committed and assigned fund balance categories are deducted.
4. Monitoring and Funding
    a. City staff will report on compliance with this Policy during the presentation of the Comprehensive Annual Financial Report (CAFR) at the regular meeting of City Council in December each year.
    b. The City shall annually demonstrate that it will comply with this Policy based on its proposed Operating and Capital Budget for each year.

TOURISM DEVELOPMENT FUND POLICY

(adopted by City Council - August 10, 2017, amended - February 14, 2019):

1. Establishment of Special Revenue Fund and Fiscal Policy
    a. Special Revenue Fund
        I. The TDF will be established as a special revenue fund in the City Budget.
        II. The TDF will be subject to the fiscal controls of the City and shall abide by the adopted Budget Policies of the City regarding financial planning, revenues, expenditures, debt, investment, and fund balance.
        III. The TDF annual budget shall include a 5-year financial plan with year one being the budget appropriation and the following four years for planning.
        IV. Unspent or unallocated funds shall remain in the fund and be a carryover to the next fiscal year.
        V. Funds can be used to pay debt service obligations and borrowing expenses associated with TDF projects.
        VI. Funds are subject to the City audit and Comprehensive Annual Finance Report (CAFR) policies and processes.
2. Tourism Development Fund Purpose and Eligible Expenditures
    a. Purpose – The purpose of the Tourism Development Fund (TDF) is to increase patronage to restaurants, attractions, hotels, and events in the City of Williamsburg through financial assistance and reinvestment in tourism products, place-making projects, special events, and public-private partnerships.
    b. Types of Expenditures Allowed
        I. Development, expansion, or renovation of tourism product and infrastructure for tourism products.
        II. Place-making projects and events.
        III. Support projects and programs of the Economic Development Authority (EDA) for for-profit companies that meet the eligibility criteria and receive recommendations for funding.
        IV. Administrative costs of up to 10% shall be retained by the City.

c. Examples of Eligible Products

I. Streetscape renovations and enhancements

II. Transit improvements (bike share, pedestrian access, enhanced bus shelters)

III. Convention and group meeting facilities

IV. Outdoor and indoor recreation facilities and amenities

V. Public parks

VI. Tourism venues

VII. Business improvement grants (through EDA)

VIII. Public art and place-making

IX. Special events grants and marketing

X. Visitor infrastructure

XI. Culinary arts incubators

XII. Regional trails and cultural sites

XIII. Other projects that meet the eligibility criteria, demonstrate feasibility, and receive recommendation.

3. Tourism Development Fund Process and Project Application

a. Project Applications
The TDF application process will consist of two phases of application. The Phase 1 application is to establish eligibility and the Phase 2 process is to provide details necessary for staff and the TDF review committee to provide recommendation to City Council.

I. Phase 1 Application – At a minimum, the Phase 1 application will include information on the applying organization, amount of funding requested, identify if the project is new or an expansion, a project description, and the initial project budget and construction values.

II. Phase 2 Application – At a minimum, the Phase 2 application will include information on project feasibility, room night calculations, marketing plan, business plan, drawings, photos, renderings, site plans, organization leadership, project management, detailed project description, description on impact to local tourism, timeliness, project schedule, phasing, uniqueness of project, potential to stimulate other projects, letter of funding commitment, brand consistency, and methodology intended to capture visitation statistics provided.

b. Process - Requests for funding from the Tourism Development Fund shall follow the following process:

I. Submission of Phase 1 applications in March.

II. Submission of Phase 2 applications in May.

III. TDF Review Committee application review, interviews, and site visits in June and July.

IV. TDF Review Committee application recommendation to City Council provided to the City Manager in September.

V. City Council considers approval of projects in September.

VI. Funding is appropriated and available to the TDF in October.

4. Tourism Development Fund Review Committee

a. Purpose of the Review Committee
The TDF Review Committee will review and evaluate proposals from applicants for Tourism Development Fund projects for the purpose of providing a recommendation to the City Council and City Manager for the budgeting and appropriation of funds. Recommendations shall be based on consistency and impact of the project and the purpose of the TDF.

b. Appointment – The TDF Review Committee shall be appointed by the City Council and serve two (2) year terms. TDF Review Committee members are eligible for re-appointment to serve three (3) consecutive terms (six years). TDF Review Committee members must be residents of the City, own or represent a City business, or represent an event that occurs in the City.

c. Committee Composition – The TDF Review Committee shall consist of five (5) members with three (3) members representing the tourism industry and two (2) members being selected at-large.

d. Ex-Officio Members – A member of the Planning Commission and a member of the Economic Development Authority shall serve as ex-officio members of the TDF Review Committee without a vote.

BUDGET GUIDE

williamsburgva.gov