



CITY OF WILLIAMSBURG

Public Works & Utilities Department

UTILITY FUND WATER AND SEWER RATE ANALYSIS FY2013-2017

The FY2013-2017 water rate review looks at the financial viability of the Utility Fund in terms of projected revenues and expenses for the next five year period. The water rate was increased last year from \$4.20/1000 gallons to \$4.30/1000 gallons. The single water rate includes sewer service since the City does not have a separate rate for sewer.

Expenses:

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

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

The City signed a long-term water supply agreement with Newport News Waterworks (NNWW) in April, 2009. The agreement is a 50 year contract with 25 year renewals thereafter. Williamsburg contracted for 2 million gallons of water per day (mgd). The purchase cost is based on \$12.5 million per 1 mgd of water thus making our total commitment \$25 million for 2 mgd. The City paid \$12.5 initially and the remaining \$12.5 million is due in 2024. However, the City can opt out of the second \$12.5 payment at which time our allotment would drop to 1 mgd. The City's strategy for the first \$12.5 million payment was to pay \$2.5 million from the Utility Fund cash balance and it borrowed \$10 million using a 15 year bank qualified loan. That way the first payment is paid off before the second \$12.5 million payment is due (2024). In addition to the capital expense to purchase the water, there are annual operating and maintenance (O&M) expenses. Capital debt service plus O&M expenses together cost the City approximately \$.9 million per year. Given a Utility Fund budget of \$5.1 million, the impact is substantial and ongoing thru at least 2023.

On the sanitary sewer side of the Utility Fund, the City's sanitary sewer system will need to be upgraded in accordance with a Consent Order issued by the State Department of Environmental Quality (DEQ). The DEQ is responding to an initiative of the Federal Environmental Protection Agency (EPA) to control sanitary sewer overflows (SSO's) in the HRPDC area which is served by a regional set of sewage treatment plants operated by the Hampton Roads Sanitation District (HRSD). The consent order is a regional order affecting all jurisdictions in the HRPDC area. The Order was finalized in September 2007. The City is making substantial investments in the sewer system to address overflows caused primarily by stormwater infiltrating/inflowing (I/I) and grease blockages in the sanitary system. The City

purchased a camera van to facilitate TV inspections of our sewer lines and is working with engineering firms/sewer rehab companies on repairing and replacing sewer infrastructure. \$.7 million each year has been allocated in the 5 year capital improvements program. We can expect capital costs to be ongoing for the long term.

On the operating side, the Utility expects to provide level funding in FY13 and FY14 in light of the extended recession we are experiencing. A 3% annual growth rate in expenses is predicted over the FY15-FY17 period.

Revenue

Growth in Water Demand:

We are projecting water revenue to remain flat over the next 2 years as the economy remains sluggish with a modest increase over the last 3 years of the 5 year study period. Residential development is expected to remain stale – some moderate commercial development is underway (Quarterpath Crossings, High Street, Riverside) the City has experienced some redevelopment along it's major corridors which tends to reduce water consumption such as the College's School of Education which replaced the Community Hospital. Further, water conservation (e.g. College) is contributing to the slow down in water demand and thus revenue. Therefore, we are projecting no increase in revenue over the next 2 year period and a .5% yearly increase over the following 3 years of the 5 year study period. Possible revenue from JCSA was not included since water sales to the Authority are on an emergency basis only. Finally, the water tank cell phone lease revenue (\$140,000) is proposed to be removed from the Utility Fund and placed into the General Fund to help balance that budget.

Water and Sewer Fees:

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

The availability fees are based on meter size to reflect capacity and demand on the system. The City increased the fees substantially in FY09. This increase was predicated on new growth paying equitably in the growth of the system including securing a new water supply and the expenses associated with the SSO consent order. A review of the City's fees compared to other water purveyors in Virginia shows our fee structure to be at or higher than average. An increase in availability fees is not recommended for FY2013. HRSD reviews it's

fees and rates yearly and they are expected to increase because of the SSO Consent Order they have with EPA.

The water and sewer connection fees are the costs associated with the City installing water and sewer service lines. Service lines run from the main lines to the customer's property line. For the most part, on new development, the developer installs the service line as part of the overall infrastructure of the development project. The City primarily installs service lines to infill development in existing subdivisions and small commercial sites. The water connection fee is based on meter size while the sewer connection fee is more of a flat fee for residential or commercial construction. An increase is not recommended for FY2013 since the fees are representative of actual costs of constructing water and sewer service connections.

Rate Analysis:

Working capital projections were developed for two different scenarios - one with no rate increase, one with a rate increase. The year-end working capital is essentially the Fund's cash balance or the difference between short term assets and liabilities.

Two rate scenarios are presented in Exhibits 1 and 2. Both scenarios assume no increase in revenue for FY2013 and FY2014 and a .5% increase in FY2015-2017. And no increase in the operating budget for FY2013-2014 and 3% increases for FY2015-2017. Capital improvement expenses are based on recently submitted FY2013-2017 CIP budget figures. Debt service for principal and interest along with estimated O&M costs are shown for the long term water contract with NNWW.

Exhibit 1 shows working capital projections with no rate increase. Exhibit 2 shows a 6% increase for FY2013 and a rate increase of 5%-5.5% every year for FY2014-2017. With no rate increases (Exhibit 1), working capital is depleted by FY2015. Exhibit 2 maintains a positive working capital balance for the next 5 years, with a balance of only \$874K+ in FY2017. Therefore, in order to maintain a healthier capital balance, rate increases may need to exceed 5% projections particularly if water consumption were to trend downward.

A comparison of our water rate with six other Hampton Roads communities is presented in Exhibit 3. Although the other localities are also considering FY2013 rate increases, rates currently in place (FY2012) are used for comparison purposes. Williamsburg remains well below all other Hampton Roads communities.



Daniel G. Clayton IV
Director

EXHIBIT 1

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

	Fiscal Year Ending June 30:						
	2011	2012	2013	2014	2015	2016	2017
	Actual	Estimated	Proposed	Projected	Projected	Projected	Projected
Revenue under existing rates:							
Water	4,140,893	4,200,000	4,200,000	4,200,000	4,221,000	4,242,105	4,263,316
Sewer	1,378,041	1,400,000	1,400,000	1,407,000	1,414,035	1,421,105	1,428,211
Total Revenue Under Existing Rates	5,518,934	5,600,000	5,600,000	5,607,000	5,635,035	5,663,210	5,691,526
Additional Water Revenues:							
	Rate	Proposed	Months				
<u>Effective Date</u>	<u>Increase</u>	<u>Rate</u>	<u>Effective</u>				
July 1, 2012	0.00%	\$4.30	12	0	0	0	0
July 1, 2013	0.00%	\$4.30	12	0	0	0	0
July 1, 2014	0.00%	\$4.30	12	0	0	0	0
July 1, 2015	0.00%	\$4.30	12	0	0	0	0
July 1, 2016	0.00%	\$4.30	12	0	0	0	0
Subtotal, Additional Revenue from Increases				0	0	0	0
Total Revenue from User Charges	5,518,934	5,600,000	5,600,000	5,607,000	5,635,035	5,663,210	5,691,526
Other Utility Income	600,019	386,000	399,000	399,000	399,000	399,000	399,000
Add: Water Tank Proffer from Developer	1,525,000						
Total Operating Revenues	6,118,953	5,986,000	5,999,000	6,006,000	6,034,035	6,062,210	6,090,526
Operation and Maintenance Expenses							
Water and Sewer Expenses	-5,157,890	-5,604,730	-5,723,707	-5,723,707	-5,895,418	-6,072,281	-6,254,449
Add back depreciation expense	801,254	800,000	845,000	845,000	845,000	845,000	845,000
Total Direct Operation & Maintenance Expenses	-4,356,636	-4,804,730	-4,878,707	-4,878,707	-5,050,418	-5,227,281	-5,409,449
Operating Income	1,762,317	1,181,270	1,120,293	1,127,293	983,617	834,929	681,077
Add Interest Income-Operations	8,536	10,000	10,000	10,000	8,000	2,000	0
Net Income from Operations	1,770,853	1,191,270	1,130,293	1,137,293	991,617	836,929	681,077
Debt Service - 1997 Capital Construction Bond: Paid in full August 2010							
Interest	-3,417	0	0	0	0	0	0
Principal	-300,000	0	0	0	0	0	0
Total Debt Service	-303,417	0	0	0	0	0	0
Major Capital Improvements							
Capital Improvements Expenses	-516,010	-1,125,000	-1,415,000	-1,170,000	-2,075,000	-1,250,000	-1,035,000
Balance - Fiscal Year Operations	951,426	66,270	-284,707	-32,707	-1,083,383	-413,071	-353,923
Newport News Water Agreement Expenses:							
Debt Service-Principal	-445,587	-563,537	-567,905	-581,011	-602,853	-611,590	-633,433
Debt Service-Interest	-295,861	-260,516	-249,246	-237,888	-222,773	-210,715	-192,368
Operating Costs/Purchase of Water	-52,544	-1,615	-75,000	-75,000	-75,000	-75,000	-75,000
Total Water Agreement Expenses	-793,992	-825,668	-892,151	-893,899	-900,626	-897,305	-900,801
Working Capital - Beginning of Year	4,411,131	4,568,565	3,809,167	2,632,309	1,705,703	-278,306	-1,588,682
Working Capital - End of Year	4,568,565	3,809,167	2,632,309	1,705,703	-278,306	-1,588,682	-2,843,406

Assumptions:

- 0.0% Growth in Water Consumption for FY 2013 and FY 2014
- 0.5% Growth in Water Consumption for FY 2015 thru FY 2017
- 3.0% Growth in Operating Expenses for FY2015, 2016, and 2017 and level expenses for FY2013 and 2014

EXHIBIT 2

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

	Fiscal Year Ending June 30:						
	2011	2012	2013	2014	2015	2016	2017
	Actual	Estimated	Proposed	Projected	Projected	Projected	Projected
Revenue under existing rates:							
Water	4,140,893	4,200,000	4,200,000	4,200,000	4,221,000	4,242,105	4,263,316
Sewer	1,378,041	1,400,000	1,400,000	1,407,000	1,414,035	1,421,105	1,428,211
Total Revenue Under Existing Rates	5,518,934	5,600,000	5,600,000	5,607,000	5,635,035	5,663,210	5,691,526
Additional Water Revenues:							
	Rate	Proposed	Months				
<u>Effective Date</u>	<u>Increase</u>	<u>Rate</u>	<u>Effective</u>				
July 1, 2012	6.00%	\$4.55	12	252,000	252,000	252,000	252,000
July 1, 2013	5.50%	\$4.80	12	0	244,860	244,860	244,860
July 1, 2014	5.00%	\$5.05	12	0	0	234,843	234,843
July 1, 2015	5.00%	\$5.30	12	0	0	0	247,635
July 1, 2016	5.00%	\$5.55	12	0	0	0	0
Subtotal, Additional Revenue from Increases				252,000	496,860	731,703	979,338
Total Revenue from User Charges	5,518,934	5,600,000	5,852,000	6,103,860	6,366,738	6,642,548	6,931,937
Other Utility Income	600,019	386,000	399,000	399,000	399,000	399,000	399,000
Add: Water Tank Proffer from Developer	1,525,000						
Total Operating Revenues	6,118,953	5,986,000	6,251,000	6,502,860	6,765,738	7,041,548	7,330,937
Operation and Maintenance Expenses							
Water and Sewer Utility	-5,157,890	-5,604,730	-5,723,707	-5,723,707	-5,895,418	-6,072,281	-6,254,449
Add back depreciation expense	801,254	800,000	845,000	845,000	845,000	845,000	845,000
Total Direct Operation & Maintenance Expenses	-4,356,636	-4,804,730	-4,878,707	-4,878,707	-5,050,418	-5,227,281	-5,409,449
Operating Income	1,762,317	1,181,270	1,372,293	1,624,153	1,715,320	1,814,268	1,921,487
Add Interest Income-Operations	8,536	10,000	10,000	10,000	8,000	8,000	8,000
Net Income from Operations	1,770,853	1,191,270	1,382,293	1,634,153	1,723,320	1,822,268	1,929,487
Debt Service - 1997 Capital Construction Bond: Paid in full August 2010							
Interest	-3,417	0	0	0	0	0	0
Principal	-300,000	0	0	0	0	0	0
Total Debt Service	-303,417	0	0	0	0	0	0
Major Capital Improvements							
Capital Improvements Expenses	-516,010	-1,125,000	-1,415,000	-1,170,000	-2,075,000	-1,250,000	-1,035,000
Balance - Fiscal Year Operations	951,426	66,270	-32,707	464,153	-351,680	572,268	894,487
Newport News Water Agreement Expenses:							
Debt Service-Principal	-445,587	-563,537	-567,905	-581,011	-602,853	-611,590	-633,433
Debt Service-Interest	-295,861	-260,516	-249,246	-237,888	-222,773	-210,715	-192,368
Operating Costs/Purchase of Water	-52,544	-1,615	-75,000	-75,000	-75,000	-75,000	-75,000
Total Water Agreement Expenses	-793,992	-825,668	-892,151	-893,899	-900,626	-897,305	-900,801
Working Capital - Beginning of Year	4,411,131	4,568,565	3,809,167	2,884,309	2,454,563	1,202,257	877,219
Working Capital - End of Year	4,568,565	3,809,167	2,884,309	2,454,563	1,202,257	877,219	870,906

Assumptions:

- 0.0% Growth in Water Consumption for FY 2013 and FY 2014
- 0.5% Growth in Water Consumption for FY 2015 thru FY 2017
- 3.0% Growth in Operating Expenses for FY2015, 2016, and 2017 and level expenses for FY2013 and 2014

EXHIBIT 3

WATER AND SEWER RATES COMPARISON (FY 2012)			
	WATER	SEWER	TOTAL
Williamsburg	\$4.30/1000 g	Included in water rate	\$4.30/1000 g
JCSA	0-15 \$2.85/1000 g > 15 \$3.45/1000 g	\$2.80/1000 g	\$5.65+/1000 g
Newport News	\$4.22/1000 g	\$2.98/1000 g	\$7.20/1000 g
Portsmouth	\$4.49/1000 g	\$3.52/1000 g	\$8.01/1000 g
VA Beach	\$4.41/1000 g	\$3.69/1000 g (est.)	\$8.10/1000 g (est.)
Norfolk	\$5.36/1000 g	\$4.36/1000 g	\$9.72/1000 g
Chesapeake	\$5.59/1000 g	\$5.31/1000 g	\$10.90/1000 g
HRSD	N.A.	\$4.08/1000 g	\$4.08/1000 g

Computation of Legal Debt Margin (as of June 30, 2011)

Assessed Value of Real Estate			
Subject to Taxation - June 30, 2011			\$1,827,509,200
Debt Limit: 10 Percent of Assessed Value*			\$182,750,920
Total Bonded Debt	\$16,538,437		
Total Amount of Debt Applicable to Debt Limit			\$16,538,437
Legal Debt Margin			<u>\$166,212,483</u>

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

Summary of Debt Issues:

Bond:	Fund	Purpose	Date	Matures	Interest Rate	Amount Issued
1	General	Community Bldg / School Improv.	August, 1997	Sept., 2012	30-day Libor less 1.4%	\$4,000,000
2	General	Parking Garage	Oct., 2010	June, 2027	2.75%	\$1,343,200
3	General	Parking Garage / School	April, 2005	April, 2020	3.76%	\$8,500,000
4	Utility	Newport News Water Agreement	Oct., 2010	June, 2027	2.75%	\$9,291,800

Debt Service by Fiscal Year:

Fiscal Year	Fund	Principal Payments	Interest	Total Debt Service
2012	General	\$866,740	\$258,659	\$1,125,399
2013	General	\$664,649	\$228,297	\$892,946
2014	General	\$642,332	\$205,189	\$847,521
2015	General	\$666,483	\$181,221	\$847,704
2016	General	\$689,529	\$156,876	\$846,405
2017	General	\$715,289	\$130,772	\$846,061
2018	General	\$712,849	\$104,607	\$817,456
2019	General	\$739,077	\$77,388	\$816,465
2020	General	\$766,220	\$49,027	\$815,247
2021	General	\$794,944	\$19,412	\$814,356
2022	General	\$73,886	\$17,253	\$91,139
2023	General	\$77,043	\$14,000	\$91,043
2024	General	\$80,832	\$10,533	\$91,365
2025	General	\$83,358	\$7,919	\$91,277
2026	General	\$85,884	\$5,229	\$91,113
2027	General	\$88,410	\$2,652	\$91,062

\$48

Fiscal Year	Fund	Principal Payments	Interest	Total Debt Service
2012	Utility	\$563,537	\$260,516	\$824,053
2013	Utility	\$95	\$249,246	\$249,341
2014	Utility	\$581,011	\$237,888	\$818,899
2015	Utility	\$602,853	\$222,773	\$825,626
2016	Utility	\$611,590	\$210,715	\$822,305
2017	Utility	\$633,433	\$192,368	\$825,801
2018	Utility	\$454,324	\$179,699	\$634,023
2019	Utility	\$467,430	\$166,069	\$633,499
2020	Utility	\$480,535	\$151,106	\$631,641
2021	Utility	\$498,009	\$134,288	\$632,297
2022	Utility	\$511,115	\$119,347	\$630,462
2023	Utility	\$532,957	\$96,850	\$629,807
2024	Utility	\$559,168	\$72,867	\$632,035
2025	Utility	\$576,642	\$54,781	\$631,423
2026	Utility	\$594,116	\$36,171	\$630,287
2027	Utility	\$611,590	\$18,348	\$629,938

Assessed Value of Taxable Property- Last Ten Fiscal Years

Fiscal Year	Real Estate	Public Service Corporations:			Total
		Personal Property	Real Estate	Personal Property	
2003	995,635,300	68,232,529	49,990,963	340,727	1,114,199,519
2004	1,117,426,100	68,635,038	53,151,294	0	1,239,212,432
2005	1,202,692,600	67,621,580	55,531,820	17,388	1,325,863,388
2006	1,338,705,000	72,164,111	52,041,889	0	1,462,911,000
2007	1,547,651,600	71,871,600	51,334,159	21,358	1,670,878,717
2008	1,803,239,200	70,304,080	52,220,912	13,527	1,925,777,719
2009	1,851,350,800	76,702,715	51,598,088	14,870	1,979,666,473
2010	1,891,045,000	73,274,874	57,063,079	12,804	2,021,395,757
2011	1,827,509,200	74,745,531	58,838,278	16,191	1,961,109,200
2012	1,736,157,600	74,858,716	58,529,832	316,061	1,869,862,209

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total General Governmental Expenditures *
2000	788,000	345,542	1,133,542	24,941,834	4.54%
2001	788,000	323,094	1,111,094	25,544,970	4.35%
2002	788,000	290,907	1,078,907	27,507,905	3.92%
2003	908,000	361,125	1,269,125	32,029,353	3.96%
2004	5,413,000	352,333	5,765,333	37,274,645	15.47%
2005	918,000	437,444	1,355,444	31,518,436	4.30%
2006	5,872,179	505,332	6,377,511	40,393,943	15.79%
2007	992,425	554,257	1,546,682	43,943,851	3.52%
2008	2,314,249	477,006	2,791,255	44,038,522	6.34%
2009	1,036,704	377,798	1,414,502	40,852,067	3.46%
2010	1,064,816	337,621	1,402,437	39,137,556	3.58%
2011	1,388,610	326,357	1,714,967	37,643,699	4.56%

* Fiscal Years 2004 and 2006 included debt principal payoff

Property Tax Rates (per \$100 of valuation)

Fiscal Year	Real Estate	Personal Property	Personal Property Tax Relief Rate	Machinery & Tools
2003	0.54	3.50	70.0%	3.50
2004	0.54	3.50	70.0%	3.50
2005	0.54	3.50	70.0%	3.50
2006	0.54	3.50	70.0%	3.50
2007	0.54	3.50	70.0%	3.50
2008	0.54	3.50	65.0%	3.50
2009	0.54	3.50	60.0%	3.50
2010	0.54	3.50	54.0%	3.50
2011	0.54	3.50	58.0%	3.50
2012	0.54	3.50	60.0%	3.50

Principal Employers- Current and Nine Years Ago

<u>Employer</u>	2002			2011		
	<u>Employees¹</u>	<u>Rank</u>	<u>Percentage of total City Employment</u>	<u>Employees¹</u>	<u>Rank</u>	<u>Percentage of total City Employment</u>
College of William & Mary	1,000+	1	14.46%	1,000+	1	18.78%
Colonial Williamsburg Foundation	1,000+	2	11.97%	1,000+	2	8.74%
Colonial Williamsburg Company	1,000+	3	9.23%	500 to 999	3	5.97%
Williamsburg Community Hospital ²	500 to 999	4	4.34%			
W-JCC Schools				250 to 499	4	1.73%
Aramark	250 to 499	5	1.39%	250 to 499	5	1.50%
City of Williamsburg	100 to 249	6	1.11%	250 to 499	6	1.44%
Williamsburg Hospitality House	100 to 249	7	0.56%			
Red Lobster & The Olive Garden	100 to 249	8	0.56%	100 to 249	7	0.56%
Walsingham Academy				100 to 249	8	0.56%
Patrick Henry Inn	100 to 249	9	0.56%			
National Center for State Courts	100 to 249	10	0.56%	100 to 249	9	0.56%
Outback Steakhouse				100 to 249	10	0.28%

¹ includes part-time and seasonal employees

² now Sentara Healthcare-relocated to neighboring York County in August 2006

Unemployment Rate and Labor Force

(Source, Virginia Employment Commission)

Year	Labor Force	Employed	Unemployed	Unemployment Percentage
2002	4,656	4,320	336	7.2%
2003	4,647	4,276	371	8.0%
2004	4,669	4,319	350	7.5%
2005	4,816	4,473	343	7.1%
2006	4,845	4,565	280	5.8%
2007	5,145	4,861	284	5.5%
2008	5,327	4,871	456	8.6%
2009	5,634	4,786	848	15.1%
2010	6,275	5,379	896	14.3%
2011	6,314	5,433	881	14.0%

Land Area of Original City of Williamsburg and Subsequent Annexations

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

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

Fiscal Year	City Population	Area Population²	Personal Income (thousands of dollars)²	Per Capita Personal Income²	Public School Enrollment³	Unemployment Rate¹
2003	13,288	66,802	2,484,654	38,444	8,553	8.0%
2004	13,438	69,198	2,725,826	40,748	8,959	7.5%
2005	13,344	71,560	2,859,404	41,394	9,402	7.1%
2006	13,411	73,879	3,163,681	45,778	9,820	5.8%
2007	13,416	75,912	3,641,841	49,432	10,105	5.5%
2008	13,574	77,367	3,819,502	51,031	10,137	8.6%
2009	13,758	78,755	3,788,855	49,551	10,248	15.1%
2010	14,068	81,077	n/a	n/a	10,503	15.2%
2011	n/a	n/a	n/a	n/a	10,587	14.0%

¹ Virginia Employment Commission

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

³ Source - Williamsburg-James City County Public Schools - Sept 30th figures

Miscellaneous Statistics - June 30, 2011

Date Established by Virginia General Assembly	1699
Date of Incorporation by Royal Charter	1722
Form of Government since 1932	Council-Manager
Population (2000 Census)	11,998
Population (2010 Census)*	14,068
Area	9.05 Sq. Miles
Miles of Streets	50.02
Number of Traffic Signals	15
Fire Protection:	
Number of Stations	1
Firemen: full-time	36
volunteer	30
Police Protection	
Number of Stations	1
Sworn Officers	36
Education:	
Schools (owned by joint school system)	
Grades:	
K-5	8
6-8	4
9-12	3
Recreation:	
Number of Parks	4
Number of Ball Fields	6
Number of Tennis Courts	10
Number of Total Acres	2,036
Culture:	
Number of Public Libraries (Regional)	2
Number of Volumes - June 2011	344,698
Number of Patrons - June 2011	48,416
Number of Items Circulated - FY 2011	1,328,633
Municipal Water Department	
Number of Residential Connections	3,623
Number of Commercial Connections	904
Average Daily Consumption (gallons FY 2011)	2,887,000
Miles of Water Distribution	48
Number of Water Tanks	5
Municipal Employees	182
Number of Hotels & Motels	48
Number of Bed & Breakfasts	29
Number of Restaurants	95

* Weldon Cooper Center for Public Service

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

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

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

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

Allocate – To set apart or earmark for a specific purpose

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Commonly Used Governmental Acronyms:

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

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

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

CSA – Comprehensive Services Act for Youth and Families

FY – Fiscal Year – City’s FY begins July 1st each year.

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

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

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

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

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