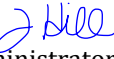


To: Mary K. Jones
Chairman, Board of Supervisors, James City County

From: Bryan J. Hill 
County Administrator, James City County

Date: January 1, 2015

Subject: 90-Day Report

As we move towards our budget season, we all understand this is an exception year, however I believe it is necessary for the Board to review the following document which will provide talking points as we move forward. The goals of staff are simple; make James City County the best place to live and develop a business friendly environment that captures and preserves our cultural significance as we offer more tourism venues.

The NY Times reported that James City County is one of the top “high quality of life areas in America’s counties”. James City ranked 24th, a validation of what a great community we have to work with and why we should dedicate ourselves to keeping it great. U.S. county’s eligible total 3,135 counties, being ranked 24, puts our community in the top 1 percent of the communities. Communities within Virginia that have a higher ranking are as follows:

- Fairfax #3
- Loudoun #4
- York #19

<http://www.nytimes.com/2014/06/26/upshot/where-are-the-hardest-places-to-live-in-the-us.html?abt=0002&abg=1>

How do we maintain and/or improve upon our ranking, I have listed several areas that we must address and or master as we move forward. The ability to keep and grow what we have is much easier than searching for what we do not have. We will begin with focusing on seven (7) areas that lend itself to your top five strategic initiatives outlined in my 30 day report.

- Budget-fiscal health and bond capacity
- County Appearance
- Public Safety
- Community Health
- Preventative Maintenance and consolidation of operational facilities
- Sports Tourism(Economic Enterprise)
- Education

The County has benefited from sound financial planning which has helped through

the recession. Smart growth is needed to allow our county to keep pace with our neighbors. As we review the strategic goals from the Board of Supervisors I will be requesting your thoughts on several important initiatives that hopefully increases and/or at the minimum maintains our current status. As I review the fiscal plan devised, we are currently deficit spending to ensure all expenditures are met. General operations are supported on a tax rate of .77 cents. An additional 4 cents are used from our debt service reserve fund. Current projections will have this fund significantly reduced after our debt payment in FY 16. During FY 15 and FY 16, approximately \$7 million will be used to offset current debt payments. As James City County moves forward I am hopeful the board understands to maintain our current bond rating, we must show how we manage our growth. As the recession has hit hard, James City County must begin to form a constructive strategic and financial plan that supports sustainability and future growth. A tax increase or cuts in services will be needed to ensure the strategic plan we embark upon can be implemented effectively for our residents.

As we have engaged our community, business friendly and managed growth are the topics I have had to discuss repeatedly. Your residents want quality services, a clean community and access to our numerous cultural and natural areas. Jamestowne, "1607", James City County "2014", once a vast wilderness, clean, beautiful and eventually became the birthplace of the American democracy. James City County, 2014, 70,000 plus residents, growing community looking to return to a clean, beautiful community, while showcasing our history. Our appearance in certain areas does not lend itself to aforementioned adjectives. A clean county appearance will help preserve values, attract new residents and businesses as well maintaining our top community status. As you review my county administrators reports, you will notice the volume of meetings I have attended for the benefit of the board. I set my goals to understand our community in groups:

- Residential
- Business
- Local Government

Your residents want quality services, they expect quick and accurate information from the staff as well as their elected officials. Open and transparent government will continue to be our theme and focus. As the Board details the policies they believe are needed, our team will develop and implement accordingly. We will assure accuracy, competency and a customer oriented focus. The need is for a galvanized board as we move towards our strategic planning sessions. As of today we have begun mowing medians throughout our county, I have received calls from residents and businesses that have taken notice of our efforts. I am hopeful we can secure funding to ensure a clean and tidy appearance year round as we develop our destination marketing plans.

Quality includes safety; crime statistics are down as our Police Chief has increased community policing initiatives as well as neighborhood gathering to help deter crime activities. Our emergency services calls are rising, which is normal as we have a high senior compliment coupled with seasonal tourism. The need for highly knowledgeable medical professionals ensuring quality services to our residents will be imperative as we continue to grow. Current EMS response times are below the national average, which highlights the coordinated effort with our regional approach, which allows for a redundant system allowing for mutual aid within 4 counties.

Community Health and affordable housing are a focus as we have a disparate amount of low-income family's in our jurisdiction. The availability of CDBG grants and affordable housing start-ups will allow for an all inclusive community that strikes the necessary balances needed to maintain our wonderful community. You will see numerous grant submissions looking for funds to bolster this area of need to match county appropriations as well as local agencies as we work hand in hand in addressing our low and moderate housing needs. Internally. We have an average wage scale, I am hopeful we can reinstate the free use of the recreational center for staff. If marketed correctly will reduce our experience rates used to calculate our workers compensation factors.

Preventative maintenance on our existing infrastructure totals \$83 million, I will be proposing a plan to eliminate our list over a period of years, our ability to fix and maintain adequately will become less of a burden on our staff and the tax payer. Taxes increases should be sustained increases over many years as opposed to large hits to catch up on projects that are in need of funding. The goal is to normalize our inventory as we detail the needs of our county over a 10-year strategic planning period.

Sports tourism and or economic diversification, has been on the table for several years, capital is needed to create the change you desire. Our community deserves the best; which includes a clear path, funding and political will to move us forward. Internally we are looking to coordinate with entity's to develop public-private partnerships, we are in discussions to build a complex to satisfy our indoor sporting needs, please note the feasibility plan developed in my opinion does not lend itself to a self-sustaining field house. Operational expenditures by the county may be required, as we work to ensure we have a solid business plan.

As the board has agreed to strategically plan, a focus on education must prevail and remain in the forefront of our thought process. Increased educational programming at our local universities and colleges is a must. The world has moved to high technology, creative thinking and innovation. Educational goals must be set to ensure our children can compete with the best and brightest within the commonwealth and the world. James City County administration will work with the WJCC School division to validate their 10-year model. Our goal will be to ensure our next 3 school sites are identified by fiscal year 2018. Each action for school

construction will start the process for identification of a future site presented to the board within a two-year timeframe, which will detail the next sequencing and proposed location of additional schools. I am hopeful this will prevent last minute negotiations, unsolicited proposals; as will reduce miscommunication amongst the boards.

John McDonald and the finance team has placed James City County in excellent position. A slight tax increase allows for additional funding to support the initiatives of the board, increases our general fund reserves and most importantly shows our rating agencies our county is a growing, robust community where people want to live. The AAA financial standing saves our residents millions of dollars when we are able to refinance or restructure debt. Agencies look at several factors, however liquidity of cash and growth point to main characteristics of a strong economy and sound financial planning. Increasing taxes must be looked at globally, if our citizens enjoy their current conditions, all must understand that there is a cost in maintaining our character. If the board warrants excellence, new initiatives must be injected into our community on a constant basis. Our administration will stay ahead of the curve to foster a top tier county that allows it residents to be proud of the look, feel, character and leadership provided to our great residents.

A major topic for board consideration will be maintaining our current water permit and our ability to create a storm water utility. The goal is to identify, address and present a solution as we formulate our annual budgets, multi year CIP planning and the County comprehensive plan. The proposed strategic plan should be the vehicle we use to road map our future.

In closing, I am planning to update and inform the board quarterly going forward. Our focus will remain on transparency as well as innovation, efficiency and civility. The ultimate goal with your leadership will place James City County into the spotlight of best-managed County operations within our great country.

Your comments are welcomed and I look forward to a great 2015 in James City County.

Cc: Board of Supervisors
Executive Leadership