



CITY OF WILLIAMSBURG
401 Lafayette St., Williamsburg, VA, 23185

March 31, 2022

Dear City of Williamsburg Taxpayer,

The first city manager in Virginia, Charles Ashburner of Staunton, likened his role in the newly founded City Council-City Manager form of government to that of a CEO and the residents to shareholders. The City of Williamsburg is, in fact, a municipal corporation. If the City is our shared company that we all invest in, then we are also entitled to dividends when it does well. Most often, these returns take the form of improved quality of life and the best services at the lowest cost.

Last year, we asked the City Council to increase the real property tax rate to help shore up the Capital Improvement Plan (CIP) as we try to undertake major reinvestments in critical public infrastructure. Council approved an increase with the plan to adjust the rate up or down after the effects of the COVID-19 pandemic and federal relief efforts became more certain and defined. That strategy proved correct, and now we have the rare occasion to offer our shareholders a return on investment in the form of reduced tax burdens.

In constructing my Fiscal Year 2023 Proposed Budget, I worked closely with City Council and our dedicated public servants on City staff. The City's practice of conservative budgeting, the maintenance of a healthy reserve, and the allowance for federal funds to offset COVID-related losses makes it possible for taxes to be reduced. Recognizing that historic inflation, unprecedented gas prices, and large increases in both real property and personal property values are applying financial pressure to all our residents, the proposed budget includes two tax reduction strategies:

1. A reduction in the real property tax rate by 2 cents, lowering the rate from 64 cents to 62 cents per \$100 of assessed value. The rate remains one of the lowest in Virginia.
2. A reduction in the assessment ratio for personal property tax by 20%. This means you will pay taxes on 80% of the value of your vehicles and other personal properties.

Using federal relief funds to offset COVID losses, we can insulate against increasing the real property tax rate for several years. Postponing or even eliminating the need for future increases will depend on maintaining our commitment to our policy of keeping no less than 35% of operating revenues in reserves; investing in planned CIP projects to improve economic growth; and completing generational public infrastructure projects on schedule.

Visit williamsburgva.gov/budgetproposal to learn more about the FY23 budget proposal, create your own budget, and see where taxpayer money goes. You can hear City Council discuss this proposal and voice your opinions during the next work session and regular meeting on April 11 and 14, respectively. You can email me or Council members directly at citymanager@williamsburgva.gov or council@williamsburgva.gov. Adoption of the FY23 budget is slated for May 12.

Thank you for being a partner in our City. Working together, I know that we will see the value of our stock grow year over year.

Sincerely,

Andrew O. Trivette, AICP; ICMA-CM
City Manager