



COUNTY OF FLUVANNA

"Responsive & Responsible Government"

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June 7, 2006

The Honorable Members of the Board of Supervisors
County of Fluvanna
132 Main Street
Palmyra, VA 22963

Dear Members of the Board:

I am pleased to submit the attached 2006-2007 Annual Budget for the County of Fluvanna. This budget represents the culmination of a great deal of effort on the part of our staff and extensive participation by members of the Board of Supervisors. The format of the budget document has been changed in order to provide additional information for our citizens and more complete information for those individuals who rely on its data.

Tax Rates and Fees

The FY07 Budget does increase the real estate tax from \$0.50 per \$100 of assessed value to \$0.59 per \$100 of assessed value. All other tax rates were maintained at the same level as the FY06 Budget.

Revenues

Overall, there is an increase of 15.3% in revenue from FY06 to FY07. The major increases of revenue include approximately \$3.78 million in borrowing, and approximately \$2.1 million increase in revenue from General Property Taxes. This equates to approximately 78% of the increase in revenues.

Expenditures

The FY07 Budget is \$57,193,465 including \$34,224,320 for School Expenditures and \$22,969,145 for all other expenditures. This represents an increase of \$7,568,927, or 15.3% increase from the FY06 Budget.

Special Funds

E-911 – The County has experienced declining revenues to support the expenditures in this fund. The FY07 Budget includes utilizing \$65,220 of fund balance in order to sustain operations. With the local E-911 Telecommunications Tax being eliminated on January 1, 2007, the Board should consider eliminating this separate fund and making this activity part of the General Fund.

Debt Service Fund – This fund was increased by \$512,000 in order to absorb the Debt Service for the expansion of the Fluvanna County High School. This project was completed several years ago but the permanent financing was not available until 2005 and the first payments due in July 2006.

Social Services Fund – This fund was augmented by significant increases in Federal Funds, primarily to supplement Foster Care activities.

CSA – Fluvanna County continues to experience significant increases in expenditures in this fund. A Cost Containment Project has now been implemented in hopes of reigning in these ever increasing costs.

Landfill – The Fluvanna County Landfill will be closed on or before December 31, 2007. Therefore, this fund will also be eliminated either late in FY07, or early in FY08 and the Landfill Closure Fund will be utilized for the costs of closure.

FUSD – The Fork Union Sanitary District is a water system that services Fork Union, VA. The operations fund was balanced with an approximate 3% rate increase and use of Fund Balance.

Employee Compensation

The Board of Supervisors gave a 5% Cost of Living Adjustment for all employees. Merit pay was not offered this year as management is developing a new tool by which to evaluate employee performance. This new tool should be tested in FY07 and implemented during the FY08 Budget.

The Board of Supervisors also included in this budget the increased cost of benefits for its employees and did not pass on this increase to its employees. Increases in Health Insurance, Virginia Retirement System contributions, and Life Insurance were all contained within this budget.

New Positions

Sheriff – Two new deputy positions were added to his employee complement in order to improve public safety service delivery to the citizens of Fluvanna County. Additionally, the Board of Supervisors approved a salary supplement package totaling \$50,000 for the Sheriff's Office to implement a recruitment and retention program. The goal of this program is to recruit and retain qualified and experienced officers, leading to a reduction in turnover and the associated costs of training and outfitting officers.

Information Technology – A director position was created in order to evaluate and improve the Information Technology System and to create a strategy to integrate other systems. This position will start sometime after January 1, 2007.

Planning Department – The Planning Department will gain an additional planner in order to assist in current development review, strategic planning, and customer service. This position will start sometime after January 1, 2007.

GFOA Distinguished Budget Award

The Government Finance Officers Associated of the United States and Canada (GFOA) each year recognizes budgets that meet certain rigorous standards. GFOA presents an Award of Distinguished Budget Presentation for annual budgets and the County Administration and Finance Office have made that a future goal for Fluvanna County as well. This may change the traditional format of the Budget Book, but it will hopefully improve the document as an operations guide and a communications medium.

Thanks!

I would like to thank our staff for their many hours of hard work and their contribution to the development of this budget. Specifically, I would like to thank Shelly Wright, Assistant County Administrator, and Crystal Besecker, Budget Analyst, for all of the hard work and dedication to the continual improvement of the budget process and document. I also want to thank the Board of Supervisors for their valued input, cooperation, and direction in establishing priorities for this budget and for their active participation in the multiple work sessions needed to develop the budget.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Cabell Lawton, IV", with a stylized flourish at the end.

G. Cabell Lawton, IV
County Administrator
Fluvanna County, Virginia