



COUNTY OF FLUVANNA

"Responsive & Responsible Government"

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BOARD OF SUPERVISORS

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May 19, 2009

**To the Honorable Members of the Board of Supervisors
County of Fluvanna, Virginia**

The following budget represents the culmination of a great deal of effort on the part of our staff and was assembled with input from our County Departments and Agencies. We believe the format of this budget document serves the information needs of our citizens by providing complete and accurate information about our budget.

GOALS AND OBJECTIVES

Budget:

- Set aside the equivalent of five cents of the real estate tax revenue for future debt service on the new high school.
- Minimize use of fund balance for operations and capital projects.
- The highest priority for the FY10 budget was to determine the best method to maintain a reasonable County tax structure by effectively and responsibly balancing the increasing demands for services with declining resources to achieve maximum value for Fluvanna County residents.

Long Term:

- Develop a strategic plan to improve government and enhance the quality of life for our citizens.
- Facilitate the development of a quality educational environment that provides for high quality educational and job readiness skills for all Fluvanna County residents.
- Continue to promote the development of an accountable, responsive local government with demonstrated efficiency and effectiveness.
- Continue to craft budgets that reflect the priorities of the BOS to make Fluvanna the most livable and sustainable community in the U.S.

TAX RATES AND FEES

The budget for fiscal year 2010 is established on a real estate tax rate of \$0.50 per \$100 and a personal property tax rate of \$3.85 per \$100. The machinery and tools tax remains the same at \$2.00 per \$100.

ADMINISTRATIVE STAFF

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SIGNIFICANT ISSUES EFFECTING THE BUDGET

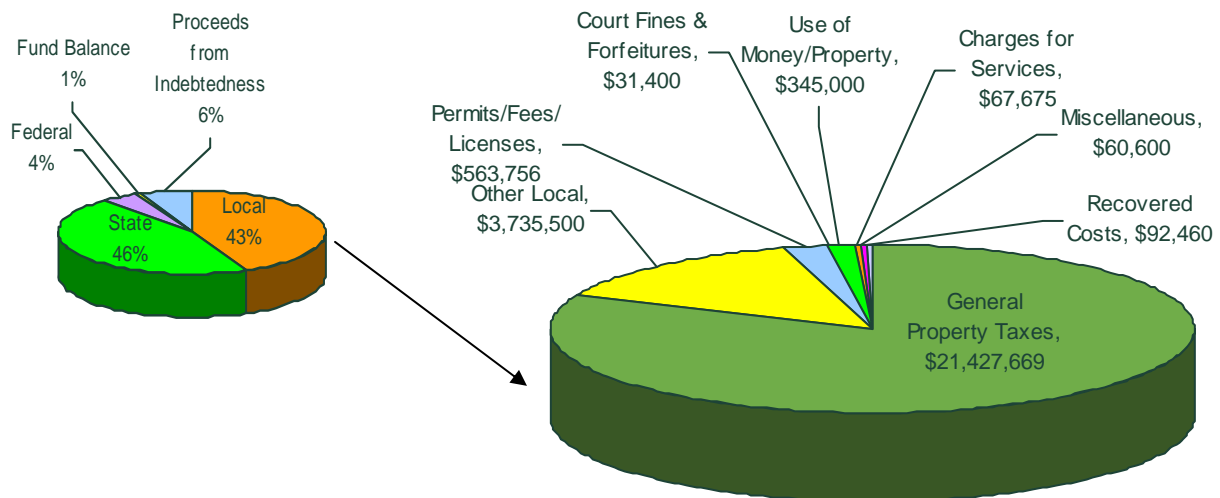
The decisions by the Board of Supervisors and the Fluvanna County School Board relative to construction of a new high school on Pleasant Grove became a primary driver of the budget goals in FY09. Fairly early on in the budget process, the Board began discussing how much money to set aside in FY09 to begin preparing for the long term debt service payments. After much deliberation, the final decision of the Board was to attempt to reduce the impact of the total future debt service on this project by increasing the tax rate incrementally and setting aside the funding. This resulted in a new expenditure line for FY09 of just over a million dollars – representing three cents of the real estate tax rate. In FY10, it was decided to increase the annual debt reserve by two additional pennies, bringing the total reserve up to \$1,725,181. This fiscal year also marked the beginning of the debt repayment schedule, with the first payment totaling \$3,908,000.

Another substantive change in the FY10 budget that was out of the Board’s control was the increase mandated by the Central Virginia Regional Jail (CVRJ). In FY09, the net increase to Corrections & Detention was \$164,000, this figure further increased in FY10 to \$486,414.

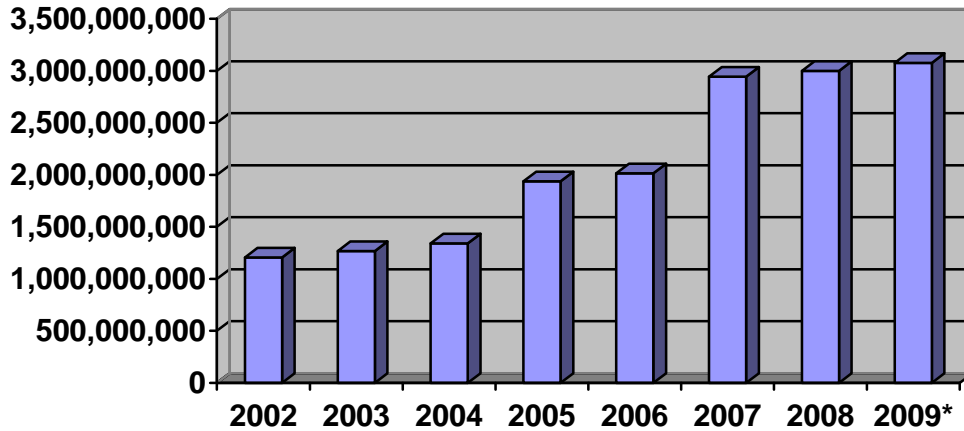
The Commonwealth reduced funding for localities by \$135,563 and schools by \$876,368 for a total reduction of just over \$1 million. This created funding shortfalls that had to be absorbed in smaller increments in a number of other areas.

GOVERNMENTAL REVENUES

A significant portion of fiscal year 2010 revenues are generated from general property taxes. The graph below depicts the sources of local revenue for the County.



Real property values are shown in the graph below. In fiscal year 2010 they are projected to increase by 2.4% percent, and will constitute 34.5% percent of the County's revenues. The rate of increase does not reflect the rate of growth in the County; however, it reflects the increased value in property in the County.

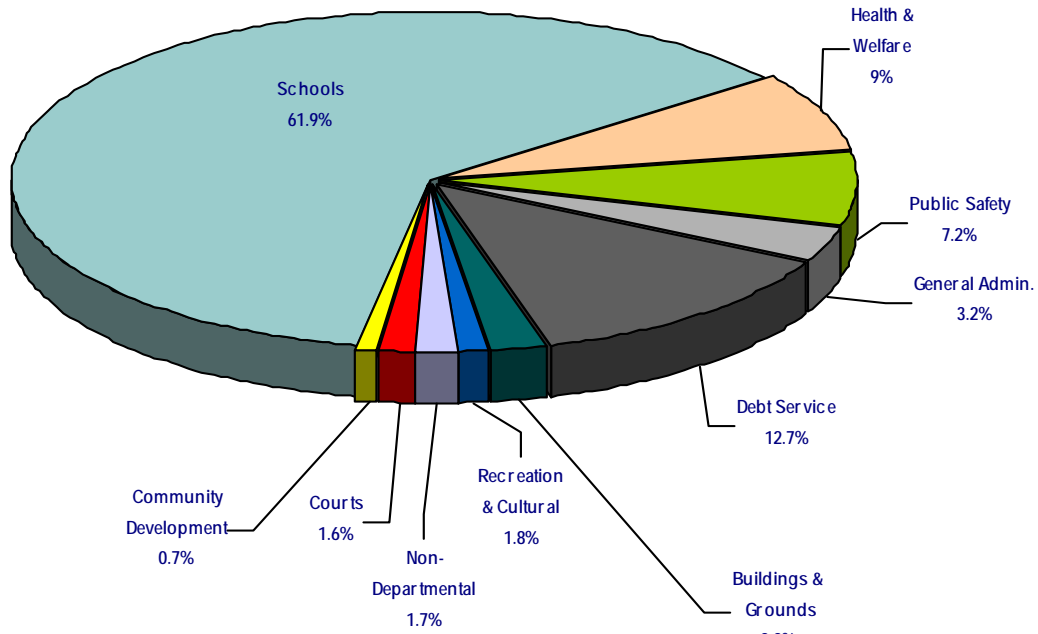


*estimated

GOVERNMENTAL EXPENDITURES

The fiscal year 2010 Budget is \$67,357,605 including \$38,373,155 for Schools and \$28,984,450 for all other funds. This represents an increase of \$3.39 million or 5.3% increase from the fiscal year 2009 budget.

Overall Operational Expenditures



The only increases were in the areas of Public Safety and Debt Service. The Correction and Detention department received a total increase of \$264,514 or 79.6% for the increased cost of prisoners at the Central Virginia Regional Jail. Debt Service increased 250.6% or \$5.6 million, of which \$3.9 million reflects the first debt payment for the new high school and \$1.7 million that has been set aside in debt reserve for future debt payments.

SPECIAL FUNDS

| | | | | |
|-------------------------------------|---------------------|---------------------|--------------------|---------------|
| <i>Recreation Program Fund</i> | \$ 60,322 | \$ 47,200 | (13,122) | -21.8% |
| <i>County Landfill</i> | \$ 296,975 | \$ 199,500 | (97,475) | -32.8% |
| <i>Fork Union Sanitary District</i> | \$ 411,156 | \$ 400,808 | (10,348) | -2.5% |
| <i>Utility Fund</i> | \$ 1,636,881 | \$ 107,000 | (1,529,881) | -93.5% |
| <i>School Food Service</i> | \$ 1,734,994 | \$ 1,734,994 | - | 0.0% |
| TOTAL | \$ 4,140,328 | \$ 2,489,502 | (1,650,826) | -39.9% |

The table above depicts the changes in the various special fund budgets from FY2009 to FY2010. All budgets have been decreased as a result of the economic downturn experienced over the past year.

Availability fees for sewer service were reduced in the FY10 budget because FY09 realized the majority of the initial connections. This decrease constitutes the significant decrease in the Utility fund.

COMPONENT UNIT – SCHOOL FUNDS

The County’s contribution to the Fluvanna County Public School System’s FY10 operational budget is \$15,000,000. The total School System budget for FY10 is \$38,373,155, which represents 56.9 percent of the County’s total budget, and is a 2.2 percent increase from the fiscal year 2009 budget.

Below is a table of the County’s contribution to the Schools.

| <u>Year</u> | <u>Local Funding</u> | <u>% Change</u> | <u>Total Budget</u> | <u>% Change</u> |
|--------------------------|----------------------|-----------------|---------------------|-----------------|
| FY10 | 15,000,000 | -2.0% | 38,373,155 | -2.2% |
| FY09 | 15,312,827 | 5.1% | 39,216,350 | 7.9% |
| FY08 | 14,572,340 | 7.5% | 36,343,976 | 6.2% |
| FY07 | 13,550,012 | 3.6% | 34,224,320 | 10.6% |
| FY06 | 13,076,906 | 6.3% | 30,956,006 | 10.6% |
| FY05 | 12,304,105 | 3.8% | 28,000,000 | 7.1% |
| FY04 | 11,854,001 | 8.0% | 26,152,339 | 8.3% |
| FY03 | 10,973,757 | 11.4% | 24,157,221 | 7.6% |
| FY02 | 9,848,849 | 10.0% | 22,445,348 | 8.0% |
| FY01 | 8,955,975 | 6.9% | 20,782,627 | 6.8% |
| Average increase: | | 6.06% | | 7.09% |

CHANGES IN FUND BALANCE

Included in the fiscal year 2010 budget is a decrease in the General Fund balance of \$255,091 for non-recurring projects identified in the Capital Improvement Plan. Non-recurring expenditures are the only type generally considered appropriate for use of the fund balance. It was decided that accumulated undesignated funds should be used as opposed to raising taxes to cover these expenditures. In addition, as a result of the significant decline in Commonwealth funding and local tax collections it was deemed necessary to utilize \$350,000 of the General Fund Balance to supplement the FY10 operational budget.

Finally, this budget is the product of many hours of hard work by the Board of Supervisors and County Staff whose contributions have led to a budget reflective of the priorities set for Fluvanna County.

Respectfully submitted,

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

G. Cabell Lawton, IV
County Administrator

FLUVANNA COUNTY

Goals and Objectives

**Developed by the Board of Supervisor's
at their
Annual Strategic Planning Meeting**

VISION STATEMENT

Fluvanna County is the most livable and sustainable community in the United States.

VALUES

Integrity, Honesty, Accountability, Respect

Additional Values

Sustainable, Innovative, Ethical, Fair, Consistent, Legal

CRITICAL GOAL CATEGORIES

1. Communication
2. Education
3. Fiscal/Financial Planning
4. Infrastructure – Water
5. Sustainability
6. Public Safety
7. Planning & Growth Management

CRITICAL GOAL CATEGORIES

| Critical Goal Category: Communication Goal Owner: Moss/Booker Goal 1: Provide and receive information from the citizenry through a variety of methods. | | | |
|---|--|---|---|
| Method | Decision Points/Action Steps | Target Date | Status |
| EXAMPLE: Distribute newsletters to inform the public about topics of interest. | 1. Determine distribution method. 2. Determine funding needed. 3. Present Board with information on the project and decide whether or not to continue. 4. Decide on first topic. 5. Draft, print, distribute. | 1. 2. 3. 4. 5. | 1. Done 2. Done 3. Done 4. Done 5. Done |
| New interactive website with high level functionality (video, RSS feed, e-gov). | 1. Determine WHAT we are trying to communicate via this medium and who the audience is. 2. Develop budget including upgrades & maintenance. 3. Incorporate cost into FY10 recommended budget. 4. Research firms to complete the upgrade. | 1. Nov. 2008 2. Nov. 2008 3. | 1. 2. 3. |
| System for self-subscribing to non-emergency notifications via e-mail, text, fax, or phone. | 1. Get quotes on products/services. 2. Incorporate cost into FY10 recommended budget. 3. Develop policies on management of the service. 4. Launch service. | 1. Nov. 2008 2. Nov. 2008 3. June 2009 4. Sept. 2009 | 1. 2. 3. 4. |
| Broadcast meetings via website. | 1. Present Board with meeting space alternatives. 2. Determine permanent meeting location & cost of renovations. 3. Incorporate into FY10 or FY11 recommended budget. | 1. Jan. 2009 2. Feb. 2009 3. Feb. 2009 | 1. 2. 3. |
| Explore use of town hall meeting style as a way to interact with the public. | 1. Determine purpose (desired outcomes) of meetings. 2. Determine who is facilitating/hosting meetings. 3. Determine frequency of meetings. | 1. 2. 3. | 1. 2. 3. |
| Consider the use of social networking sites, chat rooms, etc. to communicate in and among existing Fluvanna user groups. | 1 | 1. 2. 3. 4. 5. | 1. 2. 3. 4. 5. |

Critical Goal Category: Communication

Goal Owner: Moss/Booker

Goal 2: Board to develop, maintain, and communicate goals and associated priorities.

| Method | Decision Points/Action Steps | Target Date | Status |
|---|---|--|--|
| BOS communicates priorities set at the February work session to the public. | 1. Bridgewater prepares list of goals. 2. Board reviews goal assignments. 3. Board makes draft goals available for review by the public. 4. Board adopts priorities. | 1. Feb. 2008 2. Feb. 2008 3. Mar. 2008 4. Mar. 2008 | 1. Done 2. Done 3. Done 4. Done |
| Develop communication strategy. | 1. Hold kick-off meeting on ways to communicate, resources, and stumbling blocks. 2. Meet to discuss results of conference on social networking sites. 3. Meet to discuss strategies not yet implemented and fiscal impact. | 1. April 2008 2. June 2008 3. Nov. 2008 | 1. Done 2. Done 3. |
| Schedule follow-up meetings to review priorities | 1. Three-month follow-up. 2. Five-month follow-up. 3. Seven-month follow-up. 4. Nine-month follow-up. | 1. May 2008 2. July 2008 3. Sept. 2008 4. Nov. 2008 | 1. N/A 2. N/A 3. Done 4. |

Critical Goal Category: Communication

Goal Owner: Moss/Booker

Goal 3: Develop comprehensive communications infrastructure strategy.

| Method | Decision Points/Action Steps | Target Date | Status |
|--|--|--|---------------------------------|
| Complete a Communications Master Plan for public safety radio communications, cellular, and broadband. | 1. Issue RFP and conduct interviews. 2. Issue contract to vendor(s). 3. Meet with stakeholders. 4. Complete Master Plan. 5. Present Master Plan to PC and the Board. | 1. Oct. 2008 2. Nov. 2008 3. Dec. 2008 4. April 2009 5. April 2009 | 1. Done 2. 3. 4. 5. |

Critical Goal Category: Education

Goal Owner: Allbaugh/Gooch

Goal 1: Build a new High School.

| Method | Decision Points/Action Steps | Target Date | Status |
|---|---|--|-------------------------------|
| Conduct a value engineering study and determine which recommendations to incorporate. | 1. Hire an engineering firm. 2. Receive report from firm. 3. Board/School Board committee review recommendations. | 1. Apr. 2008 2. June 2008 3. June 2008 | 1. Done 2. Done 3. Done |
| Decide whether to hire a Construction Management firm. | 1. Discuss effectiveness of hiring a CM firm based on value engineering study results. 2. If hiring CM firm, provide architect with list of potential firms. 3. If hiring CM firm, decide where add'l cost will be paid from. 4. If hiring CM firm, meet with School Board to reinforce that BOS does not want to run the project. | 1. June 2008 2. Sept. 2008 3. 4. | 1. 2. 3. 4. |
| Secure funding for new High School. [See Also: Fiscal/Financial Planning] | 1. Clarify funding. 2. Get bond rating. 3. Borrow money. | 1. June 2008 2. Aug. 2008 3. Oct. 2008 | 1. 2. Done 3. |

Critical Goal Category: Fiscal/Financial Planning

Goal Owner: Moss/Booker

Goal 1: Obtain Bond Rating.

| Method | Decision Points/Action Steps | Target Date | Status |
|--|---|--|--|
| Prepare to meet with Bond Rating Agencies. | 1. Allocate funds to obtain rating. 2. Create strategy to improve rating. 3. Implement accounting change to move deferred revenue to fund balance 4. Prepare financial package for bond rating agencies. | 1. Mar. 2008 2. May 2008 3. May 2008 4. July 2008 | 1. Done 2. Done 3. Done 4. Done |
| Get a bond rating. | 1. Present financial package to bond rating agencies. 2. Obtain rating. | 1. Aug. 2008 2. Aug. 2008 | 1. Done 2. Done |

Critical Goal Category: Fiscal/Financial Planning

Goal Owner: Moss/Booker

Goal 2: Incorporate Long-Range Fiscal Planning.

| Method | Decision Points/Action Steps | Target Date | Status |
|---|--|--|--|
| Use County Finance Board to focus on investment opportunities. | <ol style="list-style-type: none"> 1. Develop County Finance Board. 2. Report from County Finance Board to BOS for investment policy recommendations 3. Regular reports from Finance Board to Board of Supervisors. | <ol style="list-style-type: none"> 1. 2. Dec. 2008 3. | <ol style="list-style-type: none"> 1. Done 2. 3. |
| Focus on long-range fiscal planning for large capital projects. | <ol style="list-style-type: none"> 1. Include a fiscal analysis with the CIP. | <ol style="list-style-type: none"> 1. Jan. 2009 | <ol style="list-style-type: none"> 1. |
| Revenue Analysis | <ol style="list-style-type: none"> 1. Value of a penny 2. Evaluation of Composite Index 3. Alternative revenue choices 4. Economic Development for revenue diversity | <ol style="list-style-type: none"> 1. 2. 3. Feb. 2009 4. | <ol style="list-style-type: none"> 1. 2. 3. 4. |
| Expenditure Analysis | <ol style="list-style-type: none"> 1. Debt Management 2. Risk Management 3. Establish priorities for funding 4. Begin each budget at -5%, 0%, +5% 5. Connection between funding request and strategic plan 6. Project future departmental expenditures based on historical trends. | <ol style="list-style-type: none"> 1. 2. 3. 4. 5. 6. | <ol style="list-style-type: none"> 1. 2. 3. 4. 5. 6. |

Critical Goal Category: Infrastructure - Water

Goal Owner: Ott/Gooch

Goal 1: Committee makes recommendations relative to the James River Water Pipeline.

| Method | Decision Points/Action Steps | Target Date | Status |
|---|---|--|--|
| Inform the public about the content of the plan. | <ol style="list-style-type: none"> 1. Hold public information sessions in various parts of the County. 2. Make information available on the website and at the Library. 3. Provide answers to questions posed at information meetings. | <ol style="list-style-type: none"> 1. May 2008 2. May 2008 3. June 2008 | <ol style="list-style-type: none"> 1. Done 2. Done 3. Done |
| Committee holds a series of meetings to evaluate information on partners, routing, cost, and utility structure. | <ol style="list-style-type: none"> 1. Committee holds series of meetings. 2. Committee recommends utility structure. 3. Recommend best route. 4. Recommend partnerships. 5. Committee evaluates cost, revenue, and indebtedness of the authority and the County. 6. Water Plan recommendation from Committee. | <ol style="list-style-type: none"> 1. Nov. 2008 2. Oct. 2008 3. Oct. 2008 4. Nov. 2008 5. Nov. 2008 6. Dec. 2008 | <ol style="list-style-type: none"> 1. Ongoing 2. Done 3. Done 4. 5. 6. |

Critical Goal Category: Infrastructure - Water

Goal Owner: Ott/Gooch

Goal 2: Make decisions necessary to construct the James River Water Pipeline.

| Method | Decision Points/Action Steps | Target Date | Status |
|--|--|---|--|
| Create a water authority. | <ol style="list-style-type: none"> 1. Authorize advertisement of a public hearing on creation of an authority. 2. Hold a public hearing. 3. Decide whether to approve a water authority structure. 4. Appoint Fluvanna members to the authority. | <ol style="list-style-type: none"> 1. Oct. 2008 2. Dec. 2008 3. Dec. 2008 4. Jan. 2009 | <ol style="list-style-type: none"> 1. 2. 3. 4. |
| Clarify funding of the project. | <ol style="list-style-type: none"> 1. Meet with Timmons & P-L Committee so BOS understands the facts. 2. Talk with known customers. 3. Meet with potential partners. 4. Review projected revenue, rates, customer base, debt, operations and capital costs, etc. 5. Determine the level of and type of funding. | <ol style="list-style-type: none"> 1. Mar. 2008 2. Apr. 2008 3. May 2008 4. Nov. 2008 5. Nov. 2008 | <ol style="list-style-type: none"> 1. Done 2. 3. Done 4. 5. |
| Board of Supervisors decides whether or not to proceed with the project. | <ol style="list-style-type: none"> 1. Final presentations from Timmons and the Committee. 2. Hold a public hearing on the project. 3. Board discussion. 4. Board of Supervisors action. | <ol style="list-style-type: none"> 1. 2. 3. 4. | <ol style="list-style-type: none"> 1. 2. 3. 4. |
| Secure the funding. | <ol style="list-style-type: none"> 1. Work with the EDC and IDA on partial funding opportunities. 2. Obtain financing. | <ol style="list-style-type: none"> 1. 2. | <ol style="list-style-type: none"> 1. 2. |
| Construct pipeline | <ol style="list-style-type: none"> 1. 2. 3. 4. 5. | <ol style="list-style-type: none"> 1. 2. 3. 4. 5. | <ol style="list-style-type: none"> 1. 2. 3. 4. 5. |

Critical Goal Category: Sustainability

Goal Owner: Weaver

Goal 1: Develop ways to implement sustainable fiscal practices.

| Method | Decision Points/Action Steps | Target Date | Status |
|---|---|---|---|
| Discuss practices not currently being utilized. | <ol style="list-style-type: none"> 1. Meet to discuss practices being used and other alternatives. 2. Analyze FY10 budget process to more clearly identify methodologies. | <ol style="list-style-type: none"> 1. Oct. 2008 2. May 2009 | <ol style="list-style-type: none"> 1. Done 2. |

Critical Goal Category: Public Safety

Goal Owner:

Goal 1: Develop plan for incorporating paid fire/rescue personnel into the volunteer system.

| Method | Decision Points/Action Steps | Target Date | Status |
|---|--|--|--|
| Develop financial model. | <ol style="list-style-type: none"> 1. Evaluate all start-up, operational, and capital costs associated with starting paid department. 2. Evaluate revenue recovery. 3. Determine fiscal impact. 4. 5. | <ol style="list-style-type: none"> 1. June 2009 2. June 2009 3. June 2009 4. 5. | <ol style="list-style-type: none"> 1. 2. 3. 4. 5. |
| Develop and implement transition management plan. | <ol style="list-style-type: none"> 1. Hire a Director of Public Safety. 2. DPS develops relationships with fire/rescue leadership 3. Determine what the immediate and long-term needs are. 4. Present plan to meet needs to Board of Supervisors. 5. Incorporate funding into budget cycle. | <ol style="list-style-type: none"> 1. July 2010 2. 3. 4. 5. | <ol style="list-style-type: none"> 1. 2. 3. 4. 5. |

Critical Goal Category: Planning & Growth Management

Goal Owner: Moss/Booker

Goal 1: Adopt the Comprehensive Plan by Spring 2009.

| Method | Decision Points/Action Steps | Target Date | Status |
|-------------------------------------|--|---------------|---------|
| Hold 5 regional meetings by 9/30/08 | 1. Planning staff begins and preps early. | 1. Mar. 2008 | 1. Done |
| | 2. Schedule dates early | 2. May 2008 | 2. Done |
| | 3. Publicize meetings regionally with church | 3. May 2008 | 3. Done |
| | 4. BOS and Planning Commission commit to attend regional meetings | 4. June 2008 | 4. Done |
| | 5. BOS and Planning Commission ID community members to invite | 5. June 2008 | 5. Done |
| | 6. Hold 5 regional meetings | 6. Sept. 2008 | 6. Done |
| Finalize and adopt Comp. Plan | 1. Hold joint mtg with Planning Comm. To clarify process and develop specific timeline | 1. Mar. 2008 | 1. Done |
| | 2. Interview and select a consultant for the Comp Plan | 2. April 2008 | 2. Done |
| | 3. Staff preps implementation chapter | 3. May 2008 | 3. |
| | 4. Board reviews Comp Plan | 4. May 2008 | 4. Done |
| | 5. Hold 2 joint planning meetings with Planning Commission | 5. July 2008 | 5. |
| | 6. Comp plan passed by BOS | 6. May 2009 | 6. |

Critical Goal Category: Planning & Growth Management

Goal Owner: Moss/Booker

Goal 2: Revise Zoning and Subdivision ordinances to match changes in the Comprehensive Plan by Nov. 2009.

| Method | Decision Points/Action Steps | Target Date | Status |
|------------------------------------|--|--|--|
| Logistics | <ol style="list-style-type: none"> 1. Determine if staff, PC, BOS, or consultant is leading this project. 2. Are we prepared to adopt UDA's, Impact Fees, etc. 3. Create a schedule for implementation and general concepts. 4. 5. | <ol style="list-style-type: none"> 1. 2. 3. 4. 5. | <ol style="list-style-type: none"> 1. 2. 3. 4. 5. |
| Review and revision of ordinances. | <ol style="list-style-type: none"> 1. Decide if we want to hire communications firm for community outreach and materials design 2. Review of zoning and subdivision ordinances to implement comp plan 3. Hold more public meetings for better communications 4. Regularly monitor process 5. Pass zoning ordinances | <ol style="list-style-type: none"> 1. Jan. 2010 2. Feb. 2009 3. Dec. 2008 4. ongoing 5. Nov. 2009 | <ol style="list-style-type: none"> 1. 2. 3. 4. 5. |
| Impact General Assembly session. | <ol style="list-style-type: none"> 1. Post General Assembly review 2. Contact elected officials in Richmond 3. Impact 2009 General Assembly session 4. 5. | <ol style="list-style-type: none"> 1. 2. Feb. 2009 3. Feb. 2009 4. 5. | <ol style="list-style-type: none"> 1. 2. 3. 4. 5. |