



What Keeps  
ATTA Strong?  
**YOU!**  
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Volume 3, Issue 1

Editor: Tom Strassburg

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**ATTA is a non-partisan group of citizen volunteers from all socio-economic groups and political affiliations. We are dedicated to ensuring effective and efficient use of our tax dollars by Albemarle County government and to protecting the rights and interests of Albemarle taxpayers.**

## County Budget Index

*An objective approach to cap spending*

**Keith C. Drake, Ph.D.**, Chairman, ATTA

As early as 2005, I proposed the county adopt a cap to the rate of tax revenue growth it imposes on citizens. A "County Budget Index" would be based on a fair combination of population growth, school enrollment growth, and inflation. It could also include costs over which the county clearly has no control, e.g., complying with State and Federal regulatory requirements. It might include an additional, modest increase – on the order of one percent – to allow for improvements in existing programs such as teacher retention.

This Index would provide an objective formula to define precisely the total county budget. After factoring out other sources of revenue, the amount of revenue from real estate assessments would then define the tax rate. Such an index would be an objective measure to help separate "wants" from "needs."

ATTA recommends using the zero-based budget being considered by the Board of Supervisors as a starting point. A validated "needs-based" budget ensures future tax increases allowed by the Index are truly justified.

## ATTA: All Volunteers!

No salaries, stipends, or consulting fees. We're all volunteer citizens, working to make Albemarle County more fiscally responsible. *And we need your help!*

Whether you donate time, ideas, or funding (please see page 3), your generous contribution will ensure more effective and efficient use of our tax dollars!

*Contact ATTA today!*

## ATTA's Recommendations for a Tough Economy

*Let's focus on spending first – not taxation*

**Peter Wurzer**, Director of Research, ATTA

Albemarle County is facing challenging budget decisions, brought on by years of favorable economic conditions and excessive spending.

We are experiencing tough economic conditions, and the county must effectively balance its spending habits against expected revenues from taxpayers. County government cannot continue to be the first solution to many of the challenges we face, and we must focus more closely on differentiating "wants" from "needs."

ATTA's consistent focus since its inception has been on the spending side of the equation. Specifically, are our tax dollars being spent effectively and efficiently? There is no better time for county government to focus on spending as a priority, while also providing more scrutiny to our fiscal processes and revenue streams.

Here we propose a range of new and revised fiscal processes, better scrutiny of spending, and methods to enhance revenues. These proposals make good sense, especially in these challenging economic times, but are by no means exhaustive.

### Process Recommendations

**Managing Budgets**—Currently, it appears budgets are loaded in the beginning of the year by department and line item. There is no public record identifying how much of the annual budget is targeted to be spent by month.

If each department loaded its budget by month, then management and the Board of Supervisors could look at the year-to-date spending versus the budget and

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understand whether county spending is on track. In essence, budgeting by month provides: greater transparency for the Board and the public, better budgetary planning by department heads, and reduced likelihood of year-end "spend it or lose it" decisions.

Part of this process should be an analysis of spending by department and line item for each month of the year for the past three years for both local government and the school division. Spending in the last month or two of the fiscal year should bear particular scrutiny.

**Revenue Forecasting**—This is challenging as it largely hinges on the State of Virginia's economic conditions, as well as movements in the local real estate market. It appears that when revenues are declining the county underestimates this reduction. ATTA recommends a detailed analysis of the last five years to determine what methods may have provided better insight into the direction of cash flow from both state and local taxes. If revenues are better known, decisions can be made earlier to ensure real needs are funded.

**Eliminate Frozen Positions**—The county anticipates over 60 positions will be vacant or frozen by the end of this fiscal year. It is unlikely that tax revenues will recover enough in the near future to enable the county to fill many of these vacant positions. In fact, it is likely that the organization has been modified to the point where many of the positions are no longer required to provide needed services. ATTA believes staff additions above the rate of population growth was one of the causes of the doubling of real estate taxes between 2000 and 2008. Elimination of the frozen positions will provide a safeguard, because it will require Board action and public input to increase staffing.

### **Revenue Side**

**Non-Performing County Assets**—Over many years, the county has purchased land and other assets that may no longer be needed or productive. An example is a 50-acre parcel near Walton Middle School. It was recently declared to be inadequate for the purposes of building a new elementary school for the southern feeder pattern. *Does the parcel have a value in the open market that could generate revenue?* ATTA believes all assets not providing operating value (e.g., parcels of land, buildings, vehicles, office space, computers, cell phones) need to be analyzed to determine whether alternative use, leasing, sale or disposal of the asset could be a net gain to the county.

**County Business Base**—The *Resource Management Review* noted that Albemarle had an unusually small business tax base (13% of total) given the county's size. This means homeowners bear a larger portion of local government's tax burden. ATTA believes that

increasing the business tax base will not only assist in lowering the county's dependence on homeowner real estate taxes, but it will improve the job market and potentially lead to greater revenue from sales taxes. ATTA supports Albemarle County becoming more business friendly to businesses of all sizes.

### **Spending Side**

**Identify Essential Capital Projects**—Prioritize them based on *real* needs and identify ways to reduce cost while providing value. For example, the county is planning a new Crozet Library (currently on hold) based on anticipated population growth. The \$9.8 million cost (including \$1.6 million in non-tax dollars) raises questions. Given that the building will be complete with stylish architecture, community meeting room(s), and a lower level that is not initially required for library function, this project is becoming reminiscent of the Hollymead Fire Station. ATTA suggests the county revisit the entire project to determine whether current size, design and cost match the library's needs (not individuals' wants). The county should also reconsider use of the old Crozet School if it can be rehabilitated for a reasonable cost.

**Efficiencies Through Cooperation**—Virtually every service Albemarle provides to its citizens is also provided by Charlottesville to its citizens. Herein lies a tremendous opportunity for combining or at least sharing services and reducing costs. The *Revenue Sharing Agreement*, in addition to transferring tax dollars from Albemarle to Charlottesville, was to be a tool to help both the city and county find ways to reduce mutual costs through sharing services. ATTA believes it is time to seriously pursue those cost-sharing opportunities with the city and neighboring counties. On a small scale, we could begin by sharing costs on SWAT teams, hostage negotiation teams, or a crime lab. Perhaps there are efficiencies in vehicle maintenance or fire protection. We cannot let "turf" issues stop good ideas from becoming realities.

## **Albemarle's "Cool Counties"**

*Is it worth the cost?*

**Pete Whitt**, ATTA Executive Committee

In December 2007 the Board of Supervisors adopted the *U.S. Cool Counties Climate Stabilization Declaration*. Its goals included "reducing the energy consumption from municipal buildings by 30% by 2012," as stated in an Albemarle media release (9/21/2009), which trumpeted:

**Reductions have produced \$153,000 savings in utility bills**

Savings? Yes, but is this the entire story?

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In September 2009, ATTA asked the county how much was spent to achieve the \$150,000 savings. County officials provided the following data, current as of August 31, 2009:

| Building     | Expenses             | Savings             | Net               |
|--------------|----------------------|---------------------|-------------------|
| COB-McIntire | -\$50,846.45         | \$97,610.35         | \$46,763.90       |
| COB-5th St   | -\$99,107.08         | \$63,118.85         | -\$35,988.23      |
| Courtsquare  | -\$12,090.58         | \$2,856.45          | -\$9,234.14       |
| <b>Total</b> | <b>-\$162,044.12</b> | <b>\$163,585.65</b> | <b>\$1,541.53</b> |

Expenses include the "cost of energy efficiency improvements" but not the cost of staff salaries to implement the program. With those costs included, Cool Counties still would have been in the red.

ATTA believes the two to three-year payback for this investment is good and will continue saving the county more each year as energy costs increase.

But all costs, including staff time, must be considered to create an accurate analysis of payback. Moving forward, these types of calculations will be even more important for other potential cost-saving investments, because each new investment will require more capital and likely have increasingly longer payback periods.

While saving energy is a laudable goal, the cost of such savings must also be considered. Our Board of Supervisors and the public need to have a complete payback analysis of any proposal before investment decisions are made.

**CONTACT YOUR SUPERVISOR**—Tell them to implement every efficiency in government before raising taxes!

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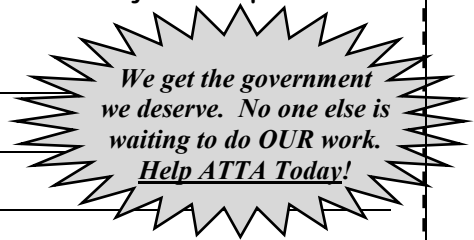
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**ATTA 2010 New / Renewal Membership Form**

**YES!** I want to join the battle against rising county taxes, and to bring more honesty and respect for taxpayers to the county budgeting process.


NAME: \_\_\_\_\_  
 Street Address: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Occupation \_\_\_\_\_  
 (\* REQUIRED): \_\_\_\_\_  
 Email Address: \_\_\_\_\_  
 Employer \_\_\_\_\_  
 (include city & state)  
 (\* REQUIRED): \_\_\_\_\_



\* State Law requires reporting Occupation and Employer for all contributions to Political Action Committees, such as ATTA

- Donation Only:** \$ \_\_\_\_\_ (I do not want to become an ATTA member right now, but I do want to help the cause)
- Regular Membership** -- \$10 (email alerts)
- Monitor Membership** -- \$25 (email alerts and newsletter)
- Watchdog Membership** -- \$50 (above privileges and DVD of the ATTA story)
- Tax Sheriff Membership** -- \$100 (above privileges and personal phone alerts from ATTA leaders)
- Patron** -- \$250 (above privileges, special recognition at public ATTA events and appearances by ATTA leaders)
- Founder** -- \$500 (above privileges and personal briefings from ATTA leaders)

Send checks made to "ATTA" to: ATTA (c/o Keith Drake). 2160 Viburnum CT. Charlottesville. VA 22911



Help ATTA Volunteers  
Continue Spreading  
**TRUTH IN TAXATION**

## ***“What’s in store for 2010?”***

- County revenues will decrease significantly this year.
- There’s never been a better time to focus on spending first – and break the “*raise taxes and spend it all*” mentality.
- County government should identify and implement every efficiency first – and reduce or eliminate marginal programs and services.

## ***Calendar of Events***

- **BUDGET PUBLIC HEARING #1**
  - LANE AUDITORIUM, ALBEMARLE COUNTY OFFICE BUILDING (401 MCINTIRE RD, CHARLOTTESVILLE)
  - WEDNESDAY, **MARCH 3** – 6:00 P.M.
- **BUDGET PUBLIC HEARING #2 & TAX RATE PUBLIC HEARING**
  - LANE AUDITORIUM, ALBEMARLE COUNTY OFFICE BUILDING (401 MCINTIRE RD, CHARLOTTESVILLE)
  - WEDNESDAY, **MARCH 31** – 6:00 P.M.
- **BOARD OF SUPERVISORS REGULARLY SCHEDULED MEETINGS**
  - HELD THE FIRST TWO WEDNESDAYS OF THE MONTH, IN LANE AUDITORIUM. THE BOARD MEETS ON THE FIRST WEDNESDAY BEGINNING AT 9:00 A.M., AND ON THE SECOND WEDNESDAY BEGINNING AT 6:00 P.M.

Albemarle Truth in Taxation Alliance  
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