

## Resources for Meeting 3

### **EMS Cost Recovery**

EMS revenues not billed, in accordance with the County's Resident Program policy, are estimated to be about 10-12% or \$170k – \$200k per year. This amount is provided as an estimate because the County's billing policies changed mid-year, so there is less than a full year under the current policies and FY15 actual revenues have not yet been finalized. The County's policy is to only bill insurance companies, not individuals. Therefore, individuals receiving EMS services that do not have insurance are not charged. The BOS made the decision to implement this policy in June 2014. Click [here](#) to review the Executive Summary on this issue.

### **Enforcement Efforts Underway to Prevent Sales Tax Revenue Leakage**

The Finance Department has two Business Tax Auditors. Among the auditing work that is performed, the auditors routinely review sales tax data to ensure revenue that should be credited to the County is not being paid to the City or other jurisdictions. We regularly find a few entities that incorrectly report their sales tax revenue and we file for correction and payment to the Department of Taxation.

### **Excise Taxes**

An overview of admissions, cigarette, meals, and transient occupancy taxes is available [here](#). More information will be reviewed at the upcoming meeting.

### **Fiscal First Aid list from Mark Roberts**

"Common Local Government Fiscal First Aid Strategies" is available for review [here](#).

### **Fiscal Impact Model**

This was replaced by the Proffer Policy adopted in 2008. Additional information will be provided at the upcoming meeting.

### **Health Care - Case Management**

Albemarle County currently has a disease management program in place through our health plan with Coventry/Aetna. The County has also worked with our plan provider to negotiate provider network and prescription discounts, as well as designing plans to appropriately cost-share.

The County administers a wellness program, [BeWell Albemarle](#), which offers many programs focused on prevention (flu vaccination, mammography), weight management ("Lose Well", Weight Watchers), and general health and wellness promotion. These programs promote employee well-being while reducing long-term health risks.

The County continues to evaluate programs and policies to reduce health care costs. Currently, on-site pharmacy and clinic services, health risk assessments, biometric screenings, and enhanced disease management programs are being reviewed by staff as possible cost-saving strategies. In addition, staff is evaluating "Consumer Driven Health Care" programs as well as additional deductible and out-of-pocket maximums to help curb increasing demands on the health reserve fund. Staff is also working with our consultants to consider options related to retiree and part-time employee benefits.

## **Land Use Policy**

The Board of Supervisors asked staff to review the land use value taxation program in May 2008. An Executive Summary of the Staff Review is available for review [here](#). In particular, the “[White Paper](#)” provides an overview and background of the program. A [memo](#) was also prepared to identify consequences of changes to the program over the short- and long-term. “[Land Use Comparison 2015](#)” provides updated land use program values for CY2015.

In 2008, the Board adopted an ordinance requiring owners to revalidate their applications on a biennial basis. The Board heard a report on the Land Use Revalidation Program in June 2015, the Executive Summary for which is available [here](#).

## **Mandates Fact Sheet**

A fact sheet on mandates is available [here](#).

## **Occupancy Tax for AirBNB**

The Board of Supervisors has raised this issue and has approved the study of this issue in Community Development's current annual work program. The study will include the scope of short-term rental properties in the County, short- and long-term implications of tax strategies, as well as an estimate of revenue potential.

## **Operational Efficiencies**

Over the past several years, the Board of Supervisors has periodically directed staff to evaluate the County's organizational efficiencies. Over the summer, a County and School Efficiency Team has been convened to explore further opportunities for organizational efficiencies between the two divisions. A status report will be presented to the Board of Supervisors this fall. “[Efficiency Study Final Report 2009](#)” and “[Efficiency Study – Final Quarterly Update](#)” provide the most recent formal reports to the Board. In 2007, the School Board commissioned a Resource Utilization Study to examine the school's operational efficiencies; the report is available [here](#).

In mid-August, the County will be putting a list of [recent efficiency efforts](#) by Schools and Local Government online. This includes process efficiencies (e.g. volunteers for trail maintenance, police, and fire rescue); energy efficiencies, (e.g. Energy Star ratings for County properties); IT efficiencies (e.g. electronic document storage); and service improvements, (e.g. online access to the County's Finance Department).

## **Police Department Contractual Overtime Revenue to the County**

The FY16 budget anticipates that the program's revenues will equal program's expenses. Staff is currently reviewing the rate used for this program.

## **Service District Information**

Counties and cities in Virginia have enabling authority to create and use service districts. “[Service District Background](#)” provides background information on service districts. “[Virginia Service Districts](#)” provides examples of how other localities in the Commonwealth are using service districts. More information about this topic will be provided during the next meeting.

## **Under-utilized Assets**

The County has studied County-owned properties in 2010, an Executive Summary for which is available

[here](#). “[County Owned Property Presentation](#)” gives an analysis of unutilized or under-utilized assets. A current inventory of assets is available [here](#).

**Urban vs. Rural Assessed Value**

For FY2016, the taxable assessed value including land use adjustments in the Development Areas represents 53.4% (\$8,456,476,700) of total assessed value countywide. The Rural Area accounts for 46.2% of taxable assessed value including land use adjustments (\$7,312,199,200) and the Town of Scottsville accounts for the remaining 0.4% (\$69,440,900).

**Urban vs. Rural Population**

In 2013, it was determined that the Development Area had a total of 23,700 dwelling units and the Rural Area has a total of 18,541 dwelling units. It is estimated that approximately 56% of residents live in the Development Area and 44% live in the Rural Area.

The County has statistics on *new* dwelling units in the Development and Rural areas, based on the issuance of certificates of occupancy. From 2007-2014, 75% of *new* dwelling units were located in the Development Area. During this period, the population of Albemarle County grew from 92,751 to 104,489, an increase of nearly 12,000 people (US Census Bureau). Population increases are expected to continue to grow at a higher rate in the Development Areas than in the Rural Areas based on the location of new construction.

**What is the value of a 1-cent increase on the tax rate in other jurisdictions?**

The value of the revenue generated by a 1-cent increase in the tax rate is primarily based on the jurisdiction’s tax base. It is sometimes difficult to compare the value of a 1-cent increase between jurisdictions because of special adjustments that different jurisdictions make. Below is a table showing the tax assessed value, tax rate and estimated revenue per penny on the tax rate for select jurisdictions in Virginia, before special adjustments, etc. using the most recent available data.

Selected Counties Tax Base & Tax Rate (2013)

Jurisdiction	Total Taxable Assessed Value*	Basic Tax Rate**	Per Penny Revenue***
<b>Albemarle</b>	\$ 14,829,606,000	0.766	\$ 1,482,960
<b>Charlottesville</b>	\$ 5,281,021,000	0.950	\$ 528,102
<b>Fauquier</b>	\$ 9,743,323,000	0.980	\$ 974,332
<b>Hanover</b>	\$ 11,539,521,000	0.810	\$ 1,153,952
<b>James City</b>	\$ 11,067,756,000	0.770	\$ 1,106,775
<b>Montgomery</b>	\$ 7,046,662,000	0.890	\$ 704,666
<b>Roanoke</b>	\$ 7,798,171,000	1.090	\$ 779,817
<b>Spotsylvania</b>	\$ 12,049,552,000	0.880	\$ 1,204,955
<b>Stafford</b>	\$ 13,262,150,000	1.070	\$ 1,326,215

\* Total taxable assessed value of all property. Property qualifying for use value taxation is reported at use value (Source: Weldon Cooper Center 2014)

\*\*Per \$100 of assessed value (Source: Weldon Cooper Center 2014)

\*\*\*Because of special adjustments made by individual jurisdictions, the per penny value here may not be the actual per penny value generated. These values are for illustrative purposes only (Source: Calculation by Albemarle County staff).

**Why did CAFR decrease by \$5M in 2011 then go up to \$9M?**

The consumer utility tax variance is a result of a difference in reporting. The *budget document* provided

to the Advisory Committee treats revenues from the Commonwealth for telecommunication taxes differently than required by the County's CAFR. The budget document includes local and state consumer utility tax revenue for ease of comparison purposes; conversely, the CAFR is required to report revenue from the Commonwealth separately, (including the telecommunications tax revenue that was previously collected and reported as a local tax, but is now actually state revenue). In the year of this change, (2011) the category of consumer utility tax revenue as reported in the CAFR dropped by approximately \$5M, and revenue from the Commonwealth increased by approximately \$5M.

**Why is the reassessment rate projected to decrease in FY16?**

It is important to note that the graph presented to the committee was about the rate of growth in the values of real estate, and not the change in values. During calendar years 2014 and 2015, we witnessed a more significant rate of increases as we came out of the recession period. These actual rate increases, particularly in 2015, likely reflect some "catching up" in values due to properties that have become undervalued during the recession period. 2015 also reflects significant increases due to new construction. Looking forward, we believe that a more moderate rate of growth, i.e. about 2% per year, is reasonable based on national trends, projected construction activity and the influence of rising interests rates on real estate values.

**Payment in Lieu of Taxes**

Background information and case studies on "Payment in Lieu of Taxes" is available [here](#).