

REVENUE SHARING

DESCRIPTION AND OVERVIEW

An Annexation and Revenue Sharing Agreement dated February 17, 1982, between the County of Albemarle and the City of Charlottesville was approved in a public referendum on May 18, 1982. The agreement required the County and the City to annually contribute portions of their respective real property tax bases and revenues to a Revenue and Economic Growth Sharing Fund. Distribution of the fund and the resulting net transfer of funds will be made on each January 31 while this agreement remains in effect.

During the time this agreement is in effect, the City will not initiate any annexation procedures against the County. Also, pursuant to this agreement, a committee was created to study the desirability of combining the governments and the services currently provided. The agreement became effective on July 1, 1982 and remains in effect until:

- The County and City are consolidated into a single political subdivision; or
- The concept for independent cities presently existing in Virginia is altered by the State law in such a manner that real property in the City becomes part of the County's tax base; or
- The County and City mutually agree to cancel or change the agreement.

FINANCIAL DATA

Description	FY 05/06 Budget	FY 06/07 Adopted	Dollar Inc/(Dec)	Percent +/-
Revenue Sharing with the City of Charlottesville: In FY 06/07, the County will pay \$10,134,816 to the City of Charlottesville in fulfillment of the revenue sharing agreement provisions, an increase of \$392,068 over the FY 05/06 payment. This payment is \$15,515 below the agreed-upon cap of 10% of the total assessed property values based on the 2004 Calendar Year.	\$9,742,748	\$10,134,816	\$392,068	4.02%

The history of payments made over the extent of the agreement is provided on the following table.

HISTORY OF REVENUE SHARING PAYMENTS MADE TO THE CITY

FISCAL YEAR	AMOUNT OF PAYMENT	DOLLAR INCREASE	PERCENT INCREASE
1982-83	\$1,293,552	N/A	N/A
1983-84	1,530,991	237,439	18.40%
1984-85	1,579,753	48,762	3.20%
1985-86	1,875,179	295,426	18.70%
1986-87	1,956,554	81,375	4.30%
1987-88	2,277,953	321,399	16.40%
1988-89	2,368,027	90,074	4.00%
1989-90	2,693,120	325,093	13.70%
1990-91	2,802,360	109,240	4.10%
1991-92	3,277,350	474,990	17.00%
1992-93	3,426,000	148,650	4.50%
1993-94	4,319,236	893,236	26.10%
1994-95	4,475,120	155,884	3.60%
1995-96	5,049,991	574,871	12.90%
1996-97	5,170,853	120,862	2.40%
1997-98	5,518,393	347,540	6.70%
1998-99	5,587,013	68,620	1.20%
1999-00	5,853,794	266,781	4.80%
2000-01	6,093,101	239,307	4.10%
2001-02	6,482,712	389,611	6.40%
2002-03	6,692,811	210,099	3.20%
2003-04	7,726,021	1,033,210	15.40%
2004-05	8,004,461	278,440	3.60%
2005-06	9,742,748	1,738,287	21.70%
2006-07	\$10,134,816	\$392,068	4.02%
TOTAL	\$115,931,909		

TRANSFERS

DESCRIPTION AND OVERVIEW

Transfers of funds from the General Fund to several other County Funds are made each year to pay for public school operations, school debt service and capital projects, general government debt service and capital projects, and stormwater management improvement projects.

FINANCIAL DATA

Description	FY 05/06 Approp	FY 06/07 Adopted	Dollar Inc/(Dec)	Percent +/-
<p>General Fund Transfer to School Operations - Recurring: Albemarle County's School Operations are financed from several sources of funding including local, state, and federal revenues and from local tax revenues. The local tax revenues are provided to the School Division by a transfer of funds from the County General Fund. This transfer provides about 2/3rd of the money needed to operate the schools each year, other than school self-sustaining funds, and accounts for about one-half of the County's yearly General Fund expenditures.</p> <p>FY 05/06 Appropriated includes a one-time transfer of \$119,951 to School Operations.</p>	\$80,981,192	\$91,165,717	\$10,184,525	12.58%
SUBTOTAL, SCHOOL OPERATIONS	\$80,981,192	\$91,165,717	\$10,184,525	12.58%
<p>General Fund Transfer to School Debt Service: In addition to the funds for School operational costs, a transfer from the General Fund is made each year to the School Debt Service Fund to make the interest and principal payments on money borrowed by the County for construction and major renovations of school buildings and for other school capital projects.</p>	\$11,013,888	\$11,292,943	\$279,055	2.53%
<p>General Fund Transfer to General Government Debt Service: A transfer from the General Fund to the General Government Debt Service Fund is made each year to make the interest and principal payments on funds borrowed by the County for capital projects that relate to General Government functions.</p>	1,929,082	1,929,782	700	0.04%
SUBTOTAL, DEBT SERVICE	\$12,942,970	\$13,222,725	\$279,755	2.16%
<p>General Fund Transfer to Capital Funds: A transfer from the General Fund to the Capital Improvements Fund is made each FY 05/06 Appropriated includes a one-time transfer of \$859,596 to the Capital Improvements Fund.</p> <p>The FY 06/07 Adopted Budget restores the CIP transfer allocation to capital from one penny of the real estate tax rate to two pennies and represents an 12.4% increase over the <u>Recommended Budget</u>.</p>	\$7,019,995	\$9,793,923	2,773,928	39.51%
<p>General Fund Transfer to School Capital Funds: A transfer from the General Fund to the School Capital Improvements Fund is made to fund the portion of School capital projects which are funded on a "pay-as-you-go" basis.</p>	334,586	503,000	168,414	50.34%

(TRANSFERS CONTINUED)

Description	FY 05/06 Approp	FY 06/07 Adopted	Dollar Inc/(Dec)	Percent +/-
General Fund Transfer to Stormwater Management Capital Funds: A transfer from the General Fund to the Stormwater Management Fund is made each year to fund Stormwater Management Improvements projects which are funded on a "pay-as-you go" basis.	450,000	650,000	200,000	44.44%
SUBTOTAL, CAPITAL FUNDS	\$7,804,581	\$10,946,923	\$3,142,342	40.26%
Vehicle Replacement Transfer: Beginning in FY 04/05, a transfer from the General Fund was made to establish the Vehicle Replacement Fund. The fund was intended to be self-sustaining effective FY 06/07 with a \$3 surcharge per gallon of fuel from each department and will not require a transfer from the General Fund in FY 06/07.	\$289,115	\$0	-289,115	-100.00%
SUBTOTAL, VEHICLE REPLACEMENT FUND	\$289,115	\$0	-289,115	-100.00%
TOTAL, GENERAL FUND TRANSFERS	\$102,017,858	\$115,335,365	\$13,317,507	13.05%

REFUNDS

DESCRIPTION AND OVERVIEW

An amount is appropriated each year to pay refunds owed by the County.

FINANCIAL DATA

Description	FY 05/06 Budget	FY 06/07 Adopted	Dollar Inc/(Dec)	Percent +/-
Refunds	\$137,000	\$146,590	\$9,590	7.00%

RESERVES

DESCRIPTION AND OVERVIEW

Amounts are set aside as reserves for contingencies and unexpected expenses that arise during the year.

FINANCIAL DATA

Description	FY 05/06 Budget	FY 06/07 Adopted	Dollar Inc/(Dec)	Percent +/-
<p>Board of Supervisors Contingency Reserve: The contingency reserve allows the Board to provide funds for additional priority needs.</p> <p>The FY 06/07 Adopted Budget increases the Board's reserve an additional \$355,766 over the Recommended Budget.</p>	\$137,641	\$1,241,583	\$1,103,942	802%
<p>Salary Contingency Reserve: The Salary Contingency Reserve allows for salary adjustments for identified departments and hard-to-fill positions.</p>	240,000	90,000	-150,000	-63%
<p>Merit Pool Contingency: The Merit Pool Contingency provides funding for salary increases resulting from merit reviews and will be distributed to the various departments after the actual merit calculations are performed.</p>	0	208,000	208,000	
TOTAL, RESERVES	\$377,641	\$1,539,583	\$1,161,942	308%

