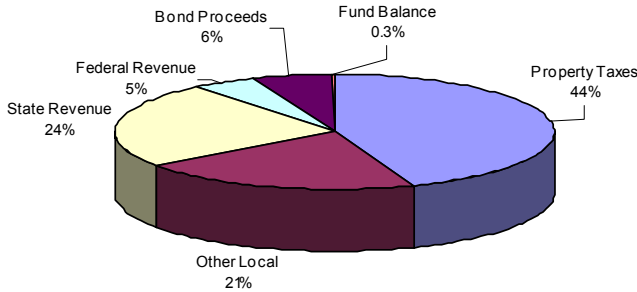
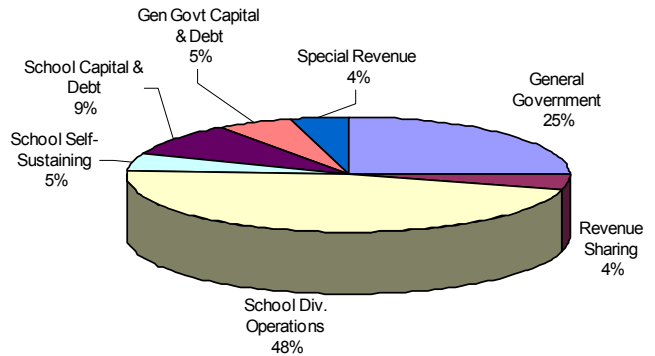


Building Our Budget – A Look at the Critical Factors that Shape Our Financial Plan

FY 07/08 PROPOSED REVENUES
\$309,937,194



FY 07/08 PROPOSED EXPENDITURES
\$309,937,194



Overall Budget Highlights:

- *Budget Components*
 1. *Proposed Operating Budget is \$265.6 million, an increase of \$16.1 million (6.4%) over FY 06/07*
 2. *FY 07/08 Capital Budget is \$31.2 million, a decrease of \$7.9 million (-20.1%) over FY 06/07*
 3. *The revenue sharing agreement with the City of Charlottesville totals \$13 million, a 30% increase from last year*
- *The budget is built on the current real property tax of \$0.70/100 of assessed value.*

Reassessment Impacts

Effective for January 2007 the County completed a biennial property tax reassessment, in accordance with Virginia law that requires localities to assess property at 100% of fair market value. Albemarle County has consistently ranked among the top jurisdictions in the state in statewide Assessment/Sales Ratio studies conducted by the Virginia Department of Taxation. Albemarle County’s annual reassessment increase averaged 14.90%, reflecting the local community’s strong housing market and mirrored reassessment increase rates across much of the commonwealth. Reassessments in Albemarle County will be done on an annual basis beginning next year, so property owners will receive their next reassessment in January, 2008. An annual process will allow

reassessments to more closely and accurately parallel recent activity in the local real estate market.

MOST RECENT ANNUAL REASSESSMENT INCREASES

Locality	Increase
Orange County	25%
Greene County	24%
Fluvanna County	21%
Goochland County	18.5%
Albemarle	14.9%
Charlottesville	14.6%

The County recognizes its responsibility to fund educational needs, provide infrastructure in our Master Planned areas and to provide for other critical capital needs for our growing county. We also recognize the potential financial burden that our recent tax reassessment places on our taxpayers. Therefore, this proposed budget sets the rate at \$0.70 per \$100 of assessed value, a reduction from the 2006 rate of \$0.74 per \$100.

Financial Planning with a Purpose

Albemarle County's Strategic Planning Process is the foundation of our service and operations delivery. We believe that before we can best use our available resources, we must first understand the needs and desires of county residents and the factors that will affect us in the future. Working in partnership with citizens and the Board of Supervisors, we develop goals and objectives to respond to community priorities and create strategies that define actions and identify resources to attain our goals. The most recent strategic plan, which is included in full as part of the budget, takes our financial planning to a higher level by creating a focus on long-range comprehensive funding strategies. Our Strategic Plan helps assure that our efforts are purposefully designed and focused to meet present and future needs. A complete copy of the Strategic Plan is available on the county website at www.albemarle.org.

Citizen Feedback is the Cornerstone of our Planning

In order to keep citizen feedback at the center of our continuing strategic planning efforts and budgeting decisions, we conducted another comprehensive survey of county residents in April, 2006. The Center for Survey Research at the University of Virginia again contacted citizens by telephone to ask about community needs, issues, and priorities as well as satisfaction with county government services and operations. A complete copy of the survey can be found on the county website at www.albemarle.org. The results from this survey, like citizen survey results from the past several years, provide direction to the county's strategic planning efforts, including prioritizing goals and objectives that will guide county activities and resource allocation. In fact, a review of our budget demonstrates how citizen priorities have shaped the Strategic Plan and provided the framework for our important programming and budget decisions.

Our Budget Responds to Committed Obligations and Community Priorities

Growth in expenditures outlined in the budget are attributable to two major factors. First, this budget provides funds for county obligations and mandates that are due to either federal, state or local regulation or in response to a policy direction or initiative that has previously been established by the Board. Outlined below are those major obligations/mandates that require a substantial investment of new revenue beyond what was expended last year and represent over 65% of the County's new revenues for FY 07/08.

<u>Obligation</u>	<u>New Revenue</u>
School Division Funding Agreement	\$8.5 million
Revenue Sharing Agreement with Charlottesville	3.1 million
Revenue Transfer Policy - Capital Improvements	2.1 million
Public Safety Agency Obligations	1.0 million
Ongoing Fire/Rescue Commitments from last year's budget	0.5 million
Progress towards minimum police staffing standards	0.5 million
Landfill Expenses	0.2 million

This proposed budget also is designed to support our citizen's priorities. Many of the priorities and concerns mentioned in the citizen survey reflect our county's continuing transition from a predominantly rural and suburban county to an urbanizing locality that is facing challenges and service pressures more similar to a small city. In the midst of this transition, our citizens continue to value the rural character and agricultural heritage that has always defined Albemarle County. Core local government functions such as education, public safety and human services also continue to be critical areas of concern for local residents. Here are some specific ways this budget addresses our citizens' highest priorities:

Providing Quality Education

What our Citizens Said . . . Important/Very Important - 99% Satisfied/Very Satisfied - 88%

How this budget responds:

- Provides for renovations at Greer Elementary School and additions at Albemarle High School and Brownsville Elementary School
- Provides \$99.7 million for school operations

- Provides \$13.3 million for school capital and debt

Providing Emergency Rescue, Fire and Police Service

What our Citizens Said . . . Important/Very Important – 99% Satisfied/Very Satisfied – 94%

How this budget responds:

- Provides funding to work toward our goal of 1.5 police officers per 1000 population by funding 4 new police officers. Currently, the County is 21 officers short of reaching this goal.
- Funds 6 new firefighters/advanced life support providers at East Rivanna Volunteer Fire Department to meet critical gaps in service. This will provide an engine company and tanker operator Monday – Friday, 6am – 6pm
- Full year funding for Hollymead Fire Rescue Station staff to address gaps in service to the Route 29 North development areas

Protecting Natural Resources and the Environment

What our Citizens Said. . . Important/Very Important – 99% Satisfied/Very Satisfied – 79%

How this budget responds:

- Provides funding for a Rural/Agricultural support position in Community Development to promote and support agriculture and develop and promote conservation and educational programs
- \$1.6 million earmarked for Acquisition of Conservation Easements and continued funding for community conservation easements partnership
- \$725,000 for the Storm Water Control Program

Opportunities for Citizen Input

What our Citizens Said . . . Important/Very Important – 99% Satisfied/Very Satisfied – 80%

How this budget responds:

- Funds expanded County Internet Bandwidth to meet increased website usage demands
- Continued funding for the County’s new Community Engagement position
- Funding to continue the Places29 Master Plan and to initiate the Rivanna Master Plan

Dealing With Growth and Providing Needed Public Facilities and Infrastructure

What our Citizens Said. . . Important/Very Important – 98% Satisfied/Very Satisfied – 72%

How this budget responds:

- Revenue sharing road program sets aside \$1.0 million for construction, maintenance, or improvement of secondary roads and leverages additional money from the state for roads
- Transportation Improvement Program provides \$1.725 million in FY08 for transportation projects
- Sidewalk Construction Program provides \$82,000 in FY08 for sidewalks on Hillsdale Drive from Greenbrier Drive to the existing sidewalk on the east side
- \$72,000 for the Roadway Landscaping Program and the Streetlamp Program in FY08
- An additional \$250,000 to CTS for expanded transit services

A Continuing Focus on Meeting Human Service Needs . . .

What our Citizens Said . . . Important/Very Important – 96% Satisfied/Very Satisfied – 78%

How this budget responds:

- Child Welfare Supervisor and Child Welfare Office Associate to support child protective services and foster care/adoption
- Continues providing \$250,000 in the Albemarle Housing Trust Fund for affordable housing
- Supports Recreation Program expansion

Copies of the budget are available at the local libraries or can be obtained in CD format by contacting the County Executive’s Office at (434)296-5841. Visit the County website at www.albemarle.org to download the budget or post comments or questions.