

Betty Burrell

From: Betty Burrell
Sent: Friday, May 20, 2016 1:26 PM
To: Lisa Breeden (lbreeden2@albemarle.org); Cecilia Baber; Tom Winder; Jonathan Kern; Tammy Critzer; Gretchen Kriebel
Subject: RE: Learn from others' mistakes...

Here's the report on Richmond's School Division A/P processes.

Betty J. Burrell
Director of Finance
Albemarle County, VA
(434) 296-5855 Option 1 (ext 3037)
Do what is right; let the consequences follow.

From: Betty Burrell
Sent: Friday, May 20, 2016 1:23 PM
To: Lisa Breeden (lbreeden2@albemarle.org) <lbreeden2@albemarle.org>; Cecilia Baber <cbaber3@albemarle.org>; Tom Winder <swinder@albemarle.org>; Jonathan Kern <jkern@albemarle.org>; Tammy Critzer <TCRITZER@albemarle.org>; Gretchen Kriebel <gkriebel@albemarle.org>
Subject: Learn from others' mistakes...

Good afternoon,
You may receive one or more of links from me to the City of Richmond's Internal Auditor's Office on various topics. Here is the first one that addresses 22 deficiencies in the Finance Department's operations pertaining to Accounts Payable (vendors, accounts payable, wire transactions, etc.). Although you probably don't have time to read these immediately, please flag this email for follow-up to read at some point over the next 45 days. I'll be setting a meeting for us to review how we can ensure Albemarle County Finance wouldn't face similar challenges.

Thanks.

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Director of Finance
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From: Betty Burrell
Sent: Thursday, April 28, 2016 3:36 PM
To: Faith McClintic
Subject: RE: Ideas

Hi Faith,

It was immediately after sending you the email below on the 14th that I learned of my sister's untimely death, otherwise I would have followed up sooner. I don't seem to have a response from you in my inbox. Please let me know if I appropriately captured our conversation with respect to next steps. Most importantly, could you please send me the email pertaining to problems with P-card transactions so I might help resolve whatever might be the issue(s).

Thanks.

Betty J. Burrell
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From: Betty Burrell
Sent: Thursday, April 14, 2016 1:19 PM
To: Faith McClintic <fmclintic@albemarle.org>
Cc: Rocio Lamb <rlamb@albemarle.org>; Steven Allshouse <SAllshouse@albemarle.org>
Subject: Ideas

Hi Faith,

I enjoyed our lunch chat today; thank you for inviting me. Based on some of the things we discussed, here's what I think our next steps would be (please feel free to edit or add to this list):

- Set up a meeting between Economic Development (ED) and Revenue Administration Assessment staff so we can learn ED's role in the County and what ED's plans are, and discuss what our partnership might be, including:
 - Determine if Finance were to provide a list of non-filed business license applicants, could ED make a courtesy call to the business to determine if the owner needs assistance or guidance that ED could provide. It makes for a kinder, gentler way of getting businesses to be compliant with tax laws, and it may save a business from closing if ED has any tools or resources to help a deserving business stay afloat.
 - Provide Finance staff with information that may be useful as we interact with the business community about what it is ED does or could do for them.
 - Provide training to ED staff on various and sundry Albemarle tax codes, specifically what is taxable and what is tax exempt with respect to business personal property
 - Display ED business cards and material for the business community to access.
 - Ensure both Finance and ED are sharing the same accurate information with our mutual customers
- Consider inserting a flyer in future business tax related statements that explains to businesses what ED does and how they might be able to help.

- Determine if there is a useful set of data in Finance's records that could be legally shared with ED for the purpose of analytical analyses.
- Establish a recurring meeting between certain ED and Finance personnel for the purpose of cross-communication that enhances both department's abilities to do our jobs well.
- Invite and have ED participate in our Revenue Team meetings that are held between August and October each year.

With respect to the issues you're having with paying for the Route 29 business advertising via p-card, please send me the email so we can determine how to streamline the process to be more efficient.

I look forward to helping ED be successful within the confines of our roles and responsibilities in the Finance Departments.

Thanks.

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Rocio Lamb

From: Betty Burrell
Sent: Tuesday, April 12, 2016 12:51 PM
To: Steven Allshouse; Lori Allshouse; Laura Vinzant; Rocio Lamb
Subject: BPOL revenue - important information

Importance: High

Please be advised that Rocio instituted a business process improvement this year for BPOL payments, in part to create a better segregation of duties, and in part to create processing efficiencies. Previously, there were only two individuals responsible for posting BPOL assessments and payments, and that work continued into the month of June. This year, all Assessment staff members are posting assessments and therefore there isn't a backlog of payments to be processed (by the Collections Unit).

On the surface it may appear that BPOL revenue is going through the roof this year when, in fact, the difference can be largely attributed to posting payments much faster than has been the case in previous years.

Thanks.

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Rocio Lamb

From: Betty Burrell
Sent: Wednesday, January 27, 2016 6:14 PM
To: Steven Allshouse; Rocio Lamb; Lori Allshouse; Laura Vinzant
Cc: Tammy Critzer
Subject: RE: FY17 Revenue Questions

Everyone,

It is my understanding there are no expenditures associated with the DMV fees. The revenues are offset by the fees charged by DMV. We aren't writing a check to DMV. That's also how it was done "back in the day" when I was a Treasurer.

Thanks.

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From: Steven Allshouse
Sent: Monday, January 25, 2016 4:20 PM
To: Betty Burrell <bburrell@albemarle.org>; Rocio Lamb <rlamb@albemarle.org>
Cc: Tammy Critzer <TCRITZER@albemarle.org>
Subject: RE: FY17 Revenue Questions

According to Tammy there has never been an expenditure code for DMV Stops; the money comes in as a revenue and is given back to the DMV out of this revenue line.

From: Betty Burrell
Sent: Monday, January 25, 2016 4:15 PM
To: Steven Allshouse <SAllshouse@albemarle.org>; Rocio Lamb <rlamb@albemarle.org>
Subject: FW: FY17 Revenue Questions

Please advise.
Thanks.

Betty J. Burrell
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From: Lori Allshouse
Sent: Monday, January 25, 2016 4:06 PM
To: Betty Burrell <bburrell@albemarle.org>
Subject: RE: FY17 Revenue Questions

Hi Betty,

I hope you did fine during this snowy weekend!

It won't be long and we will have the FY 17 Recommended Budget numbers finalized! In that regard, I have a quick follow up question related to our FY 17 budgeting of expenditures that are related to revenues:

Our understanding is that the DMV stop fees (revenues) that are received by the County are provided to the DMV, so there would be no net positive revenues to the County.

For budgeting purposes, are these funds to be returned to DMV as an expenditure or refund? We would like to ensure that we are budgeting the associated expenditure amounts accordingly.

Thanks, Lori

From: Betty Burrell

Sent: Thursday, January 21, 2016 6:47 PM

To: Andy Bowman <abowman@albemarle.org>; Steven Allshouse <SAllshouse@albemarle.org>; Lori Allshouse <lallshouse@albemarle.org>; Lindsay Harris <lharris@albemarle.org>; Laura Vinzant <lvinzant@albemarle.org>

Subject: RE: FY17 Revenue Questions

Good evening, OMB folks.

Thank you for bringing some of these anomalies to our attention. I apologize for my delayed response. Despite my best efforts and long hours, I've had a number of other tasks and diversions, thus I failed to respond to the emails you sent earlier this week. Steve has incorporated your suggestions and corrections as deemed appropriate for forecasting purposes.

In the future, Finance will not find ourselves at this late stage of the process addressing concerns of this nature because we will plan our deadlines differently. Obviously we must wait until January each year for the real estate reassessments to be completed, but that will be the only revenue projection that will be tenuous at the end of the calendar year. In the future and much earlier in the process, we will ask for your participation in preparing our projections of the revenue streams for those sources with which you work most closely.

Thanks, again.

Betty J. Burrell

Director of Finance

Albemarle County, VA

(434) 296-5855 Option 1 (ext 3037)

Do what is right; let the consequences follow.

From: Andy Bowman

Sent: Tuesday, January 19, 2016 5:21 PM

To: Betty Burrell <bburrell@albemarle.org>; Steven Allshouse <SAllshouse@albemarle.org>; Lori Allshouse <lallshouse@albemarle.org>; Lindsay Harris <lharris@albemarle.org>; Laura Vinzant <lvinzant@albemarle.org>

Subject: RE: FY17 Revenue Questions

Betty, I have a few follow ups for some items, which I've copied and pasted below and added my comments in green in attempt to make this easier to follow.

1. 111603-DMV STOP FEES – I don't see any revenue history prior to FY15, but \$44k was received in FY15 and \$20k is received FY16 YTD. Is this something the County will be receiving now on a regular basis and should be budgeted for? I don't know anything about this revenue, but I'm guessing someone in Finance should.

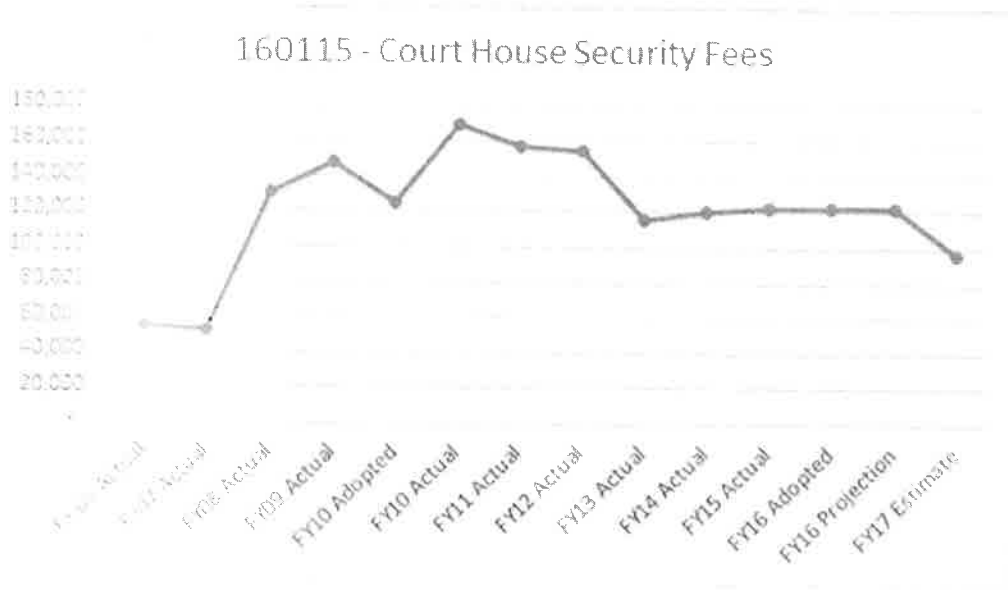
These are fees that we anticipate will continue to come in moving forward. Note: These County turns over these amounts to the DMV, so they should not be treated as a net addition to the GF.

AB: To clarify, are these funds returned to DMV as an expenditure/refund? Or as some sort of revenue adjustment elsewhere? If it's the former, it sounds like that would need to be budgeted on both the expenditure and revenue side, just want to confirm so this can be budgeted accordingly.

2. 160115 - Court House Security Fees – Why are these dropping 21% compared to FY16 Adopted? Your FY16 projection is close to FY16 Adopted and trend since FY13 does indicate a major drop, is something changing?

Again, this is a line item that does not lend itself well to knowing what, if anything, might be changing. The forecasted FY 17 figure represents a conservative placeholder. At this point, I am not inclined to change the FY 17 forecast.

AB: I probably should have included this chart to help frame my original question. I see that there have been variances in the past in both directions, which you mentioned, but since FY13 (3+ years), this had been relatively steady, including the FY16 projection, so I was surprised to see that the FY17 projection was at least \$20k or 17% lower than any year since the FY07 (FY13 being the previous low of \$116k for that comparison). Have you all talked to the Courts or others about something that is changing?



3. Also, 199920 - Credit Card Fees has collections in FY14, FY15, and FY16 YTD but \$0 projected in FY17, why is that?

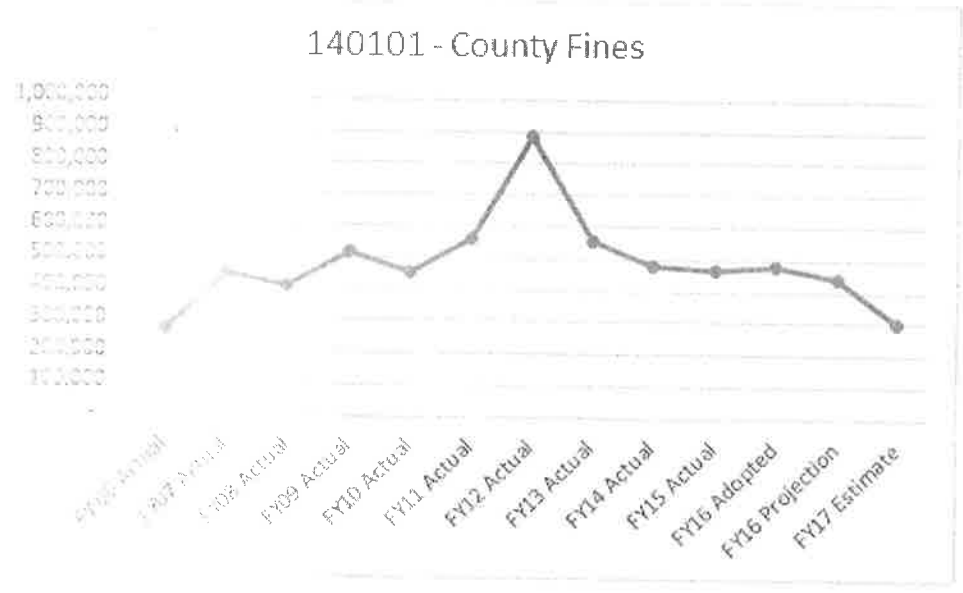
It looks to me as if the balances in recent years have been slightly negative amounts, close to zero (-\$344 YTD in FY 16). I don't think that a zero amount on this line item necessarily needs changing, and am not inclined to do so, especially given the trivial nature of this line item

AB: I see about a \$10k actual in both FY14 and FY15, so I'm not sure what is referred to by "recent years have been slightly negative amounts, close to zero."

4. Finally, not sure if you're still in the process of looking into these, but a few from my original round of questions added here as a reference:
- 140101-COUNTY FINES – I'm wondering, why is there such a significant drop in these revenues in both FY16 PROJ and FY17 PROJ?

Again, we would expect this line item to be fairly volatile. The FY 16 projected amount was based on YTD collections. FY 17 is anyone's guess; the forecast conservatively took the amount down by about a third from projected FY 16.

AB: Here's the data going back 10 years, which looks a little odd with FY12. I agree that some decrease would be consistent with recent years, but the FY17 projection is dramatically less compared to any year since FY06. Have you all talked to the Police, Courts, and/or others about what is changing to explain this?



From: Betty Burrell
Sent: Tuesday, January 19, 2016 12:13 PM
To: Steven Allshouse <SAllshouse@albemarle.org>; Andy Bowman <abowman@albemarle.org>; Lori Allshouse <lallshouse@albemarle.org>; Lindsay Harris <lharris@albemarle.org>; Laura Vinzant <lvinzant@albemarle.org>
Subject: RE: FY17 Revenue Questions

Good afternoon, everyone.
 I've asked Steve to start working on the Executive Summary that is due this week along with the supporting reports that must accompany it. Please let me know if there are additional questions regarding FY16 or FY17/FY18 revenue projections. Tom informed me last month that he expects me to be able to answer questions regarding revenue projections, so there's no time like the present for me to start doing so.

Thanks.

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From: Steven Allshouse
Sent: Tuesday, January 19, 2016 12:00 PM
To: Andy Bowman <abowman@albemarle.org>

Cc: Betty Burrell <bburrell@albemarle.org>; Lori Allshouse <lallshouse@albemarle.org>; Laura Vinzant <lvinzant@albemarle.org>; Lindsay Harris <lharris@albemarle.org>
Subject: RE: FY17 Revenue Questions

Andy,

Please see my responses in red, below.

Regards,

Steve

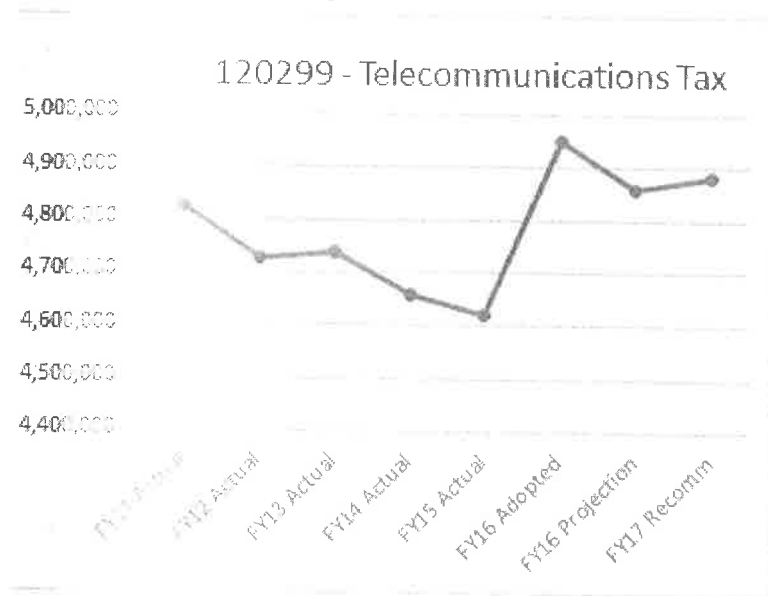
From: Andy Bowman
Sent: Monday, January 18, 2016 12:26 PM
To: Steven Allshouse <SAllshouse@albemarle.org>
Subject: FY17 Revenue Questions

Steve, I took another look and have some additional questions based on the trends I'm seeing and how they relate to the projections...

1. 111009-DMV STOP FEES – I don't see any revenue history prior to FY15, but \$44k was received in FY15 and \$20k is received FY16 YTD. Is this something the County will be receiving now on a regular basis and should be budgeted for? I don't know anything about this revenue, but I'm guessing someone in Finance should.

These are fees that we anticipate will continue to come in moving forward. Note: These County turns over these amounts to the DMV, so they should not be treated as a net addition to the GF.

2. 120299-TELECOMMUNICATIONS TAX – Looking at this historically, this caught my eye. What's the basis of the projections and FY16 and FY17? Did something change from the past, just not to the magnitude thought at this time last year? I'm not sure of the basis of the FY16 projection that was used in the budget adoption, perhaps that partially answers this.



This line item is part of the Consumer Utility Tax (CUT) *block* of revenues, and is forecasted as part of that block. The Revenue Team discussed FY 17 CUT at length back in the fall. At that time, FY 17 was based on the multiyear trendline,

and assumptions about growth in CUT. The current FY 16 and FY 17 forecasts are based on my model for CUT, and reflect in part FY 15 actual revenues. Note that the FY 16 forecast for this line item is consistent with the relatively strong performance YTD in FY 16 when compared with the same period in FY 15. At this point I am not inclined to change the forecast for either FY 16 or FY 17. BTW, the scale on your axis above tends to exaggerate visually the magnitude of the difference between the FY 15 actual figure and subsequent amounts.

3. 150207 - Sale of Salvage/Surplus – The FY17 projection of \$10k looks like it's consistent with history prior to FY15. The FY15 actual was \$47k and FY16 YTD is \$49k. I'm guessing something has changed that someone in Finance (Purchasing?) could weigh in on. The Warehouse Manager and/or new practices put into place? What has changed and should it be factored in FY17?

The short answer is that, short of knowing exactly what has been sold, we don't know what might account for the results in FY 15 and FY 16 YTD; I have chosen \$10,000 as a conservative placeholder for FY 17. I expect the sale of surplus goods to be a fairly volatile line item and, consequently, if we have one or two years when this item "spikes" it might mean that the choice items were sold off during those years, and the performance of this line item in subsequent years might be down to a more historical level. At this point, I'm not inclined to change the forecasted amount for FY 17.

4. 160115 - Court House Security Fees – Why are these dropping 21% compared to FY16 Adopted? Your FY16 projection is close to FY16 Adopted and trend since FY13 does indicate a major drop, is something changing?

Again, this is a line item that does not lend itself well to knowing what, if anything, might be changing. The forecasted FY 17 figure represents a conservative placeholder. At this point, I am not inclined to change the FY 17 forecast.

5. 180200 - Workman's Comp Reimburse – Not sure what this, but nothing has been received since FY13, so it caught my eye, what's the basis of the FY16 and FY17 projections?

Good point. I'm not sure how that projected \$15,750 for FY 16 and \$15,766 for FY 17 ended up on that line. Totally baffled. It will be zeroed out.

6. On the other hand, all 3 of these have collections in recent years, and 1 does already in FY16, why is \$0 projected for all 3 in FY17?

- 180301 - Refunds & Rebates
- 180302 - V P A Refunds
- 189900 - Misc Revenues

Two of the revenues (VPA Refunds, and Misc. Revenues) have virtually nothing in FY 16. The Refunds and Rebates category had a one month revenue of \$34,951 but it seems to me that this line item conservatively merits a zero placeholder for FY 17, as do the other two.

7. Also, 199920 - Credit Card Fees has collections in FY14, FY15, and FY16 YTD but \$0 projected in FY17, why is that?

It looks like as if the balances in recent years have been slightly negative amounts, close to zero (-\$344 YTD in FY 16). I don't think that a zero amount on this line item necessarily needs changing, and am not inclined to do so, especially given the low nature of this line item

8. Finally, not sure if you're still in the process of looking into these, but a few from my original round of questions added here as a reference:

- 1901-COUNTY FINES – I'm wondering, why is there such a significant drop in these revenues in both FY16 and FY17 PROJ?

Again, we should expect this line item to be fairly volatile. The FY 16 projected amount was based on YTD collections. FY 17 is an unknown; the forecast conservatively took the amount down by about a third from projected FY 16.

- 104-FALSE ALARM FINES – I think there was a change to the ordinance last year that would result in a decline in these revenues? The Police should be able to comment if they haven't already.

The FY 17 amount is based on YTD collections, which render a spike over the FY 16 budgeted amount. Again, this is a line item that should expect to be fairly volatile. The FY 17 amount more closely reflects what happened in FY 15.

- 105-RENT-CITY-COURTS PROJECT – I believe this is related to the Jessup property near Court Square, currently occupied by OFD and not being rented, so your FY16 projection makes sense to me, but I'm not sure what the plan is once OFD relocates back to COB. Trevor would be the person to talk to if you haven't already.

I am not aware of an upcoming lease on the property; the FY 17 forecast assumes a vacancy.

Andy Bowman
Office of Management and Budget
County of Albemarle
434-872-4316 x2 Internal: x3792
www.albemarle.org/budget

Erika Castillo

From: Betty Burrell
Sent: Tuesday, January 26, 2016 1:24 PM
To: Bill Letteri
Cc: Steven Allshouse; Rocio Lamb; Tammy Critzer
Subject: Delinquent tax collections - budget pages
Attachments: 1199_001.pdf

Bill,
As we discussed earlier today, Finance didn't increase its budgeted projections for delinquent collections over the past four years. The opposite is true; the projections have decreased by >\$900K from budgeted FY13 (\$3.53M) to budgeted FY16 (\$2.54M). The problem is we did not drastically reduce our revenue projections for FY16 delinquent collections.

At the point in time in which the FY15 budget book was produced, you will see that we continued to expect the FY14 results to meet budget, thus the FY15 budget was built on the premise that we could, in fact, collect the amount budgeted for FY15. Unfortunately, FY14 closed with only \$1.6M in actual collections.

At the point in time in which the FY16 budget book was produced, you will see that we assumed delinquent collections for FY15 would actually *exceed* budget, but unfortunately, again, those revenues did not come to fruition. We now have empirical data as evidence that an optimistic outlook for delinquent collections is very ill-advised, therefore, for FY17 and FY18, we have reduced the projected revenues significantly.

Also, keep in mind that because we have stronger current tax collections, the dollar value/population of delinquent accounts is naturally smaller. Penalty and interest charges are directly linked to the amount of delinquent taxes we collect and P&I proportionally shrink with the lesser amount of delinquent collections.

Please let me know if you need additional information about delinquent collections.

Thanks.

Betty J. Burrell
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Do what is right; let the consequences follow.

From: Finance Administration [mailto:finance_copier@albemarle.org]
Sent: Tuesday, January 26, 2016 12:54 PM
To: Betty Burrell <bburrell@albemarle.org>
Subject: Attached Image

Rocio Lamb

From: Betty Burrell
Sent: Tuesday, January 26, 2016 1:24 PM
To: Bill Letteri
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From: Finance Administration [mailto:finance_copier@albemarle.org]
Sent: Tuesday, January 26, 2016 12:54 PM
To: Betty Burrell <bburrell@albemarle.org>
Subject: Attached Image

LOCAL REVENUES

As previously noted, the largest source of local revenue for Albemarle County consists of general property taxes and other local taxes.

General Property Taxes

General property taxes are *ad valorem* taxes based on the assessed value of real and personal property owned by businesses, individuals, and public service corporations. Both real and personal property are assessed at 100% valuation with tax rates applied per \$100 of assessed value. General property taxes consist of real estate, public service, personal property, mobile home, and machinery and tools taxes.

	FY 11/12 ACTUAL	FY 12/13 ADOPTED	FY 12/13 ESTIMATE	FY 13/14 PROJECTED	FY 13/14 RECOMM	FY 13/14 ADOPTED	\$ ADP-ADP	% ADP/ADP
CURRENT:								
Real Estate	\$112,528,965	\$111,596,000	\$112,319,214	\$113,177,718	\$113,177,718	\$113,785,243	\$2,189,243	2.0%
Public Service	2,362,331	2,446,180	2,472,538	2,490,800	2,490,800	2,490,800	44,620	1.8%
Local Personal Property	19,876,525	19,820,000	19,941,709	21,941,976	21,941,976	21,941,976	2,121,976	10.7%
Machinery & Tools	630,056	605,000	640,644	625,500	625,500	625,500	20,500	3.4%
Mobile Homes	63,774	65,000	70,000	65,000	65,000	65,000	0	0.0%
Subtotal Current	\$135,461,652	\$134,532,180	\$135,444,105	\$138,300,994	\$138,300,994	\$138,908,519	\$4,376,339	3.3%
PER PENNY: CURRENT:								
Real Estate, avg tax rate	0.742	0.742/0.762	0.742/0.762	0.762	0.762	0.766	0.000	0.0%
Real Estate, per penny	1,549,260	1,515,368	1,525,388	1,518,813	1,518,813	1,518,813	3,445	0.2%
Personal Property, inc PPTR, avg tax rate	4.28	4.28	4.28	4.28	4.28	4.28	0.000	0.0%
Personal Property, inc PPTR, per penny	82,867	82,677	83,044	87,683	87,683	87,683	5,006	6.1%
NON-CURRENT:								
Delinquent Taxes	\$2,921,107	\$3,530,600	\$4,399,511	\$2,830,960	\$2,830,960	\$2,830,960	(\$699,640)	-19.8%
Revalidation Rollbacks	182,746	0	62,787	0	0	0	0	0.0%
Revalidation Supplements	4,015	0	0	0	0	0	0	0.0%
Penalties	977,171	1,236,000	838,686	988,800	988,800	988,800	(247,200)	-20.0%
Interest & Fees	1,060,727	1,157,000	930,283	975,200	975,200	975,200	(181,800)	-15.7%
Subtotal Non-Current	\$5,145,766	\$5,923,600	\$6,231,268	\$4,794,960	\$4,794,960	\$4,794,960	(\$1,128,640)	-19.1%
TOTAL	\$140,607,418	\$140,455,780	\$141,675,373	\$143,095,954	\$143,095,954	\$143,703,479	\$3,247,699	2.3%

In FY 13/14, General Property Taxes are projected to total \$143.7 million, an increase of \$3.2 million, or 2.3%, over the FY 12/13 Adopted Budget, and comprise 62.9% of General Fund revenues, transfers, and use of fund balance.

2004	\$0.760
2005	\$0.740
2006	\$0.740
2007	\$0.680
2008	\$0.710
2009	\$0.742
2010	\$0.742
2011	\$0.742
2012	\$0.762
2013	\$0.766

Real Estate Property Tax is the largest source of revenue for the County and is expected to generate \$113.8 million, or 49.8% of General Fund revenues in FY 13/14. This represents a \$2.2 million, or 2.0%, increase over FY 12/13 and is calculated based on the current real estate tax rate of \$0.766 per \$100 of assessed value. In addition to the increase in tax rate, the 2.0% increase in real property tax revenue reflects several other factors, including changes in reassessment values, new construction and parcels, and changes in land use rates. Note that in 2013 the County's total taxable assessed values fell by 2.3%, but this drop was more than offset by increases in these other categories. A similar situation is expected to occur in 2014.

The FY 13/14 Adopted Budget takes into account the 2.3% decline in the County's 2013 total taxable assessed values, as well as a projected 2014 decrease of 0.5% in assessed values. These declines reflect actual and anticipated softness in the local real estate market. Each penny on the real estate tax rate yields \$1.5 million in estimated collectable real estate tax revenues. Real estate property taxes are paid in two installments due June 5 and December 5.

Public Service tax is levied on the real estate and tangible personal property owned by railroads, utilities, pipelines, and other businesses required to register with the State Corporation Commission. Public Service Corporation assessments are prepared by the Virginia Department of Taxation (TAX) and the State Corporation Commission and are based on the percentage of the statewide total of capitalized equipment located in the County of Albemarle. The public service ratio calculated by TAX varies directly with the statewide sales ratio. The budget is based on a tax rate of \$0.766 per \$100 of assessed value. For FY 13/14, the Public Service tax is projected to total \$2.5 million, a 1.8% increase over FY 12/13. Each penny on this tax rate is expected to yield \$32,688 in revenues for FY 13/14. The anticipated increase in FY 13/14 is due in part to expected capital improvements by businesses that are subject to the Public Service Tax.

Personal Property tax is levied on vehicles and other tangible non-real estate property owned by individuals, businesses, trusts, and taxable non-profit organizations. Qualified vehicles are eligible for a pro-rata share of Personal Property Tax Relief (PPTR) which consists of a fixed \$14.9 million payment from the State. Combined personal property tax and PPTR payments are projected to increase \$2.1 million, or 6.1%, over the FY 12/13 budget. Personal property taxes, less PPTR, collected from taxpayers are projected to increase 10.7%. The percent collected from taxpayers can vary significantly from the combined collection rate due to the fixed nature of PPTR payments. The combined rate is a better indicator of economic conditions. The current tax rate is \$4.28 per \$100 of assessed value. Each penny on the personal property tax rate, including PPTR payments, yields \$86,221 in collectible tax revenues. Personal property taxes are generally paid in two installments due on June 5 and December 5.

Mobile Home taxes are levied on manufactured homes not classified as real estate that are owned by individuals and businesses. Mobile homes are assessed as tangible personal property, yet taxed at the real estate tax rate of \$0.766 per \$100 of assessed value. Revenues derived from Mobile home taxes are projected to total \$65,000, or no increase over the FY 12/13 budget. Each penny on this tax rate yields \$853 in collectable tax revenue for FY 13/14.

Machinery and Tools tax is levied on equipment needed in the manufacturing process. Machinery and Tools tax revenues are projected to increase \$20,500 over the FY 12/13 budget. This increase reflects anticipated purchases by local businesses as the economy improves. Each penny on this tax rate yields \$1,461 in collectable tax revenue for FY 13/14. The current tax rate is \$4.28 per \$100 of assessed value.

Delinquent Taxes, Penalties, Interest and Fees are projected to decrease \$1.1 million, or 19.1%, in FY 13/14. In FY 12/13, the County began enhanced tax collection efforts, resulting in a substantial increase in this category. Moving forward, it is expected that a greater percentage of tax bills will be paid on time, leading to reductions in this category. Instead, revenue will be reflected in the appropriate tax category (e.g. personal property, real estate).

Revenue Estimating

The total estimated fair market value of taxable real estate on January 1, 2012 was \$14.8 billion, net of land use deferral. The following table displays total real property assessed values, net of land use deferral, for the 2012 calendar year and the prior ten years, broken out by property type:

Albemarle County Taxable Real Property Assessed Values: 2002-2012

Calendar Year	Residential (a)	Multifamily (b)	Commercial & Industrial (c)	Agricultural (d)	Total
2002	4,979,602,800	277,068,800	1,093,298,100	732,885,500	7,082,855,200
2003	6,136,460,300	327,245,300	1,302,364,800	828,912,700	8,594,983,100
2004	6,404,387,200	357,488,600	1,343,841,100	900,512,000	9,006,228,900
2005	8,207,531,600	456,871,900	1,668,660,200	1,126,919,700	11,459,983,400
2006	8,602,518,900	427,317,800	1,707,760,400	1,232,522,100	11,970,119,200
2007	11,285,843,400	501,467,200	2,148,046,800	1,489,277,400	15,424,634,800
2008	11,446,584,300	455,876,100	2,368,262,600	1,538,524,600	15,809,247,600
2009	11,149,504,000	497,068,700	2,400,584,700	1,583,370,800	15,630,528,200
2010	10,781,176,900	504,617,500	2,491,664,600	1,485,950,300	15,263,409,300
2011	10,702,226,400	473,660,600	2,484,864,600	1,456,599,100	15,117,350,700
2012	10,196,226,791	535,895,487	2,350,454,185	1,766,512,438	14,849,088,901

Notes: All categories are net of land use deferral. Data does not include real property that is subject to Public Service Tax.

(a) Includes State Class 1+2; (b) Includes State Class 3; (c) Includes State Class 4; and (d) Includes State Class 5+6.

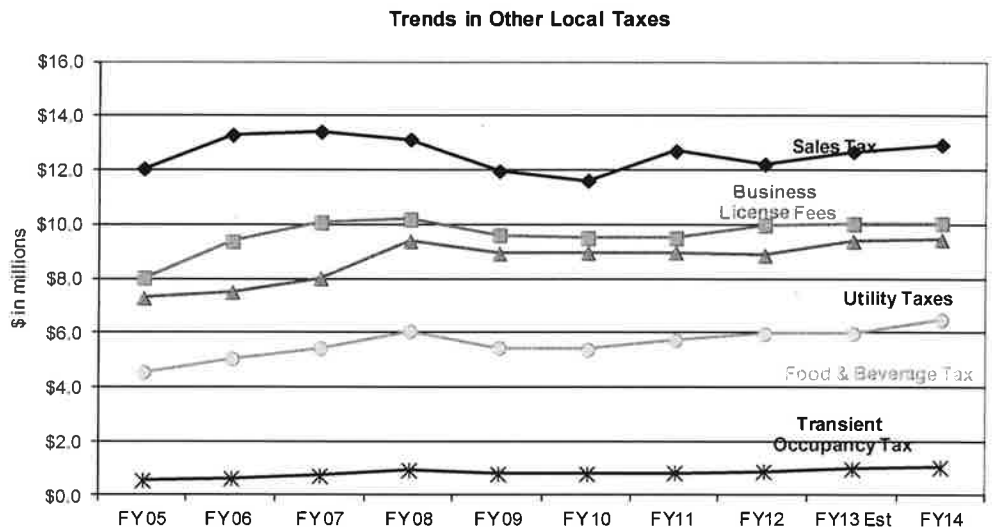
Other Local Taxes:

Other Local Taxes consist of sales taxes, utility taxes, business taxes, motor vehicle licenses, recordation taxes, and prepared food and beverage taxes. These taxes are projected to generate \$46.8 million in revenues for FY 13/14, a \$1.6 million, or 3.5% increase over the FY 12/13 budget. Combined, these funds represent 20.5% of General Fund revenues, transfers, and use of fund balance. Other Local Taxes are excise taxes classified as:

	FY 11/12 ACTUAL	FY 12/13 ADOPTED	FY 12/13 ESTIMATE	FY 13/14 PROJECTED	FY 13/14 RECOMM	FY 13/14 ADOPTED	\$ ADP-ADP	% ADP/ADP
Penalty & Interest	\$87,408	\$91,500	\$88,725	\$91,000	\$91,000	\$91,000	(\$500)	-0.5%
Sales Tax	12,227,842	12,200,000	13,086,530	12,950,100	12,950,100	12,950,100	750,100	6.1%
Consumer Utility Tax	8,563,170	8,947,400	8,716,039	9,125,300	9,125,300	9,125,300	177,900	2.0%
Utility Consumption Tax	307,525	333,500	321,773	326,300	326,300	326,300	(7,200)	-2.2%
Business License	9,978,640	9,902,400	10,315,514	10,046,546	10,046,546	10,046,546	144,146	1.5%
Short Term Rental	89,418	77,000	77,000	63,595	63,595	63,595	(13,405)	-17.4%
Vehicle Registration	3,720,119	3,675,000	3,590,283	3,900,600	3,900,600	3,900,600	225,600	6.1%
Bank Franchise	680,844	730,000	761,521	760,000	760,000	760,000	30,000	4.1%
Clerk Fees	1,719,018	1,904,000	1,941,341	1,810,501	1,810,501	1,810,501	(93,499)	-4.9%
Transient Occupancy	891,482	880,000	951,426	1,052,120	1,052,120	1,052,120	172,120	19.6%
Food & Beverage Tax	5,965,206	6,050,000	5,913,541	6,492,000	6,492,000	6,492,000	442,000	7.3%
Audit Revenues	0	425,000	0	200,000	200,000	200,000	(225,000)	-52.9%
TOTAL	\$44,230,674	\$45,215,800	\$45,763,693	\$46,818,062	\$46,818,062	\$46,818,062	\$1,602,262	3.5%

Penalties and Interest collected on other local taxes are projected to be \$91,000 in FY 13/14, representing a 0.5% decrease from the FY 12/13 budget.

Sales and Use taxes are revenues received by the County from 1.0 cent of the 5.0 cent state sales tax generated within the County. Local sales tax revenues declined since peaking at \$13.4 million in FY 06/07 due to unfavorable economic conditions and commercial development occurring in adjacent localities. In FY 13/14, sales tax revenues are projected to total \$13.0 million, a 6.1% increase over the FY 12/13 budget. As a result of investigative work completed by the business auditor, the County is now receiving sales tax revenues that were being allocated incorrectly to other localities in prior years. The FY 10/11 increase seen in the chart to the right is a result of the one-time receipt of the corrected allocations.



Consumer Utility taxes are taxes collected by utility companies on residential, industrial, and commercial users of telephone, gas, and electric services. This tax is levied by the Commonwealth at 5% of taxable use with a \$4 monthly cap on residential service and allocated to local jurisdictions based on prorated FY 05/06 receipts. Taxation of gas and electrical service is based on usage. These taxes are projected to total \$9.1 million, a 2.0% increase over the FY 12/13 budget.

Business, Professional and Occupational License (BPOL) fees are revenues collected from businesses, professions, and occupations for the privilege of operating within the County. The fee to be paid by each business is calculated by multiplying the applicable rate by a business's gross receipts from the previous calendar year. BPOL fees are projected to total \$10.0 million, a 1.5% increase over the FY 12/13 budget. This increase is based on actual collections in FY 11/12 and an expected continuation of the economic recovery.

Short Term Rental is a tax paid on any rental equipment in lieu of personal property tax. This item is projected to total \$63,595 in FY 13/14, a \$13,405 decrease from FY 12/13. Though a decrease from what was budgeted in the previous year, the projected revenues are comparable to recent actual receipts.

Rocio Lamb

From: Betty Burrell
Sent: Saturday, January 09, 2016 8:59 AM
To: Steven Allshouse; Tim Conrad
Cc: Rocio Lamb
Subject: Closing businesses

Hi Tim,

Please review revenue associated with Blue Ridge Mountain Sports and Better Living Furniture and let Steve know as soon as possible what the combined tax revenue associated with these two businesses (BPOL, BPP, sales taxes, and others, if any) were for 2015. Both are long-standing businesses in the County and both are closing soon, according to a recent news report. If you are aware of any other anticipated changes in business tax revenues (positive or negative) that were not among the Revenue Team's discussions previously, also advise Steve regarding those as well. Please let me know if you have questions or need further guidance regarding this matter.

Thanks.

sent from remote email
Betty J. Burrell
Director of Finance
Albemarle County, VA

1. Need a breakdown on P, I & F the same as included in the adopted budget breakdown with budget == projection this year – proposed next year
2. Is the \$700,000 payment already included in our current projection for FY 16? If so, what line is it in?
3. Need a complete detailed breakdown of revenue line 1106 with history, current year to date versus budget, and proposed FY 17
4. Why are we projecting such a significant drop in penalties, interest and fees
--last 3 years have been ~ 1.75 on average and expecting ~ 1.63 this year. Why drop \$300,000?
5. Why, after 3 years in a row of missing our del projection by \$1.15 million on average, did we budget more than we have ever collected over the past 3-4 years? Were we planning some stepped-up collection method that did not work? Were we not able to do it because of workload? Can we now pursue that method if so to get some of that collection – even if another person is needed to do it?
6. Don't know why we would expect less T.O. than what we are projecting this year.
7. Should use at least 3-4 years average for animal licenses.
--small, but gets at our credibility and methodology;
--unless there is a reason
8. Why cut fines and forfeitures so much – clear downward trend, but cut seems extreme unless there is some basis.

Other:

RE increase total	\$6,181,140	
1.1 cent increase	-\$1,817,268	
1.0 cent increase	-\$1,652,062	
Reassessment, etc.	\$2,771,810	reflects 1.8%?

Strong growth in personal property, sales, business licenses, meals tax – signs of good economy

Largest source (RE), however, (54%--?) growing very slowly

Significant issue w/Del; P, I & F; fines and forfeitures ~ \$1.5 million