

ALLEGHANY COUNTY
County Manager's Fiscal Year 2013-2014
Budget Message

June 3, 2013

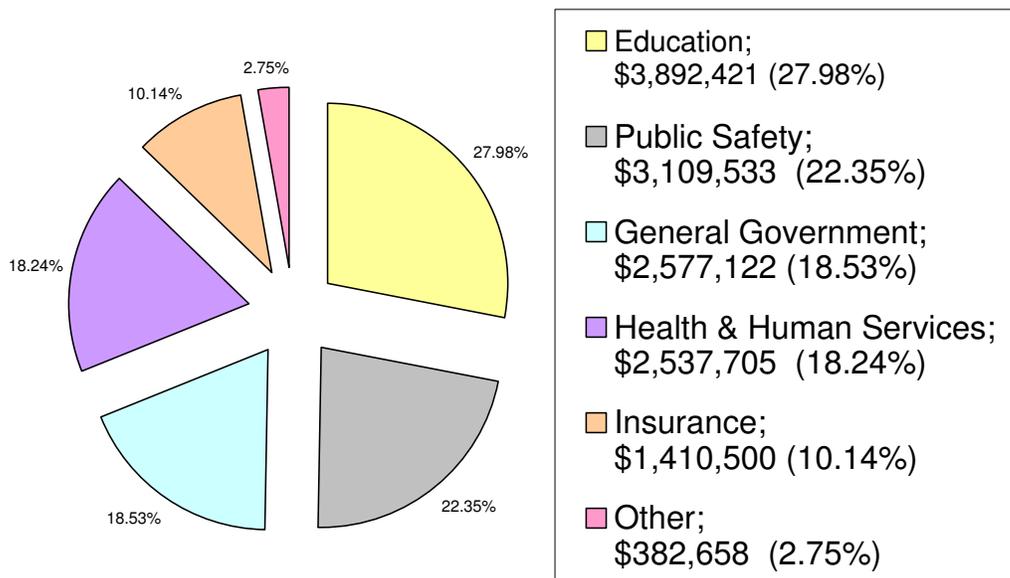
Alleghany County Commissioners,

The proposed Fiscal Year (FY) 2013-14 Annual Budget for Alleghany County is in the amount of \$13,909,939. This proposal constitutes an approximate decrease of 2.69% (\$384,305) under the FY 12-13 amended budget. The budget is balanced and prepared in accordance with the Local Government Budget and Fiscal Control Act, presenting appropriations by categories of expense and revenues by source. All proposals within this document are based upon a budget maintaining the existing tax rate of \$0.47 per \$100 of value.

EXPENDITURES HIGHLIGHTS

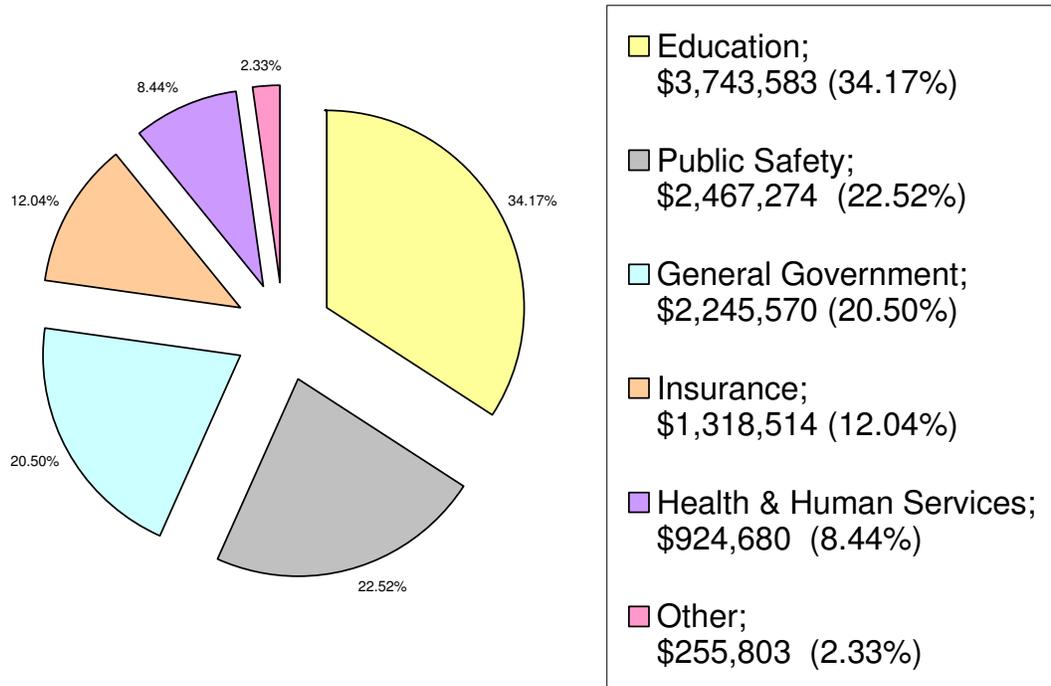
The following pie charts illustrate Alleghany County's proposed "Total Expenditures By Function" and "Property Tax, Sales Tax and Undesignated Revenues Expended By Function".

Total Expenditures By Function- \$13,909,939



Property Tax, Sales Tax, Undesignated Revenues Expended By Function -
\$10,955,424

The “Property Tax, Sales Tax, Undesignated Revenues Expended By Function” chart is derived from the “Total Expenditures By Function” chart by removing the grants, reimbursements and other revenues from the corresponding expenditures. This portrays an accurate example of where the County’s property tax, sales tax and undesignated revenue dollars are actually being expended.



CATEGORICAL OVERVIEW

PERSONNEL

The proposed FY 13-14 budget contains many personnel recommendations. The recommendations include:

1. Cost of living adjustments
2. Longevity pay plan adjustments
3. Personnel reductions and job responsibility re-assignments

The last cost of living adjustment (COLA) given to employees was in FY 08-09. COLAs are traditionally granted as an adjustment to the position grades by increasing the starting salaries of all grades. Increasing the starting pay through cost of living adjustments provides an increase to the specific employee while also ensuring that the starting pay for that position remains relatively competitive.

It is recommended that a two percent (2%) cost of living adjustment be given to all direct County employees at an additional cost to the General Fund of approximately \$68,000. Approximately \$8,000 will be reimbursed to the County from the State through Social Services and Transportation leaving the actual costs to the County's General Fund at approximately \$60,000.

Alleghany County's current longevity plan pays employees an additional 1% of their base salary for 5-9 years of service, 2% of their base salary for 10-14 years of service, 3% of their base salary for 15-19 years of service and 4% of their base salary for 20+ years of service. The current system recognizes years of service in 5 year increments. There have been multiple examples of where a newly hired employee starts at the same pay as an employee with 2 - 4 years of experience. It is recommended that the current longevity plan be modified to recognize every year of service past the first year by paying out 0.2% (.002) of base salary to an employee for every year of service. For example: An employee with 8 years of service currently receives 1% of their base pay for longevity. The proposed new system would pay this same employee 1.6% of their base pay for longevity. It is also recommended that the cap of 4% be removed in order to reward those employees who serve longer than 20 years. For example: An employee with 24 years of service currently receives 4% of their base pay for longevity. The proposed new system would pay this same employee 4.8% of their base pay for longevity. These proposed modifications to the existing longevity plan will cost the County's General Fund approximately an additional \$18,785. Approximately \$1,785 will be reimbursed to the County from the State through Social Services and Transportation leaving the actual costs to the County's General Fund at approximately \$17,000. Recognizing every year of service will create a small separation in pay between employees with the same job based upon years of service. Finally it is recommended that Alleghany County set goals to increase the separation in pay between employees over the next 2 years. A goal of increasing the separation in pay from 0.2% (.002) to .4% (.004) is financially feasible in the next 2 years.

Due to reduced inspections, it is recommended that the current Building Inspector I (Grade 64) position be eliminated from the Building Inspections Department. Currently there is an open Maintenance Worker (Grade 60) position in the Public Works Department. I am recommending that the Building Inspector I be allowed to fill the vacant Maintenance Worker position at the pay rate of Building Inspector I. This transition would require a new job description to be created titled "Building Inspector I / Maintenance Worker". This new position would be required to maintain their Level I building inspection certifications, perform building inspection responsibilities on an as needed basis and to fulfill all maintenance duties.

The Alleghany County Tax Office is currently working to complete the 2015 Revaluation. The Tax Office requested a temporary part-time worker to assist with data entry and other activities associated with the revaluation process. I am recommending that the E911/Mapping Coordinator Assistant be directed to fulfill this need.

Although I have not proposed any recommendations at this time to deal with the following situation, I feel obligated to remind the Board about what occurred in FY 09-10. In FY 09-10 the Alleghany County Board of Commissioners made position grade modifications within Administration, Finance, Emergency Management, Tax Office, Mapping/E911 Office, Register of Deeds Office, Inspections, Planning, Recreation,

EMS, Transportation Administration, Soil & Water, Public Works, Social Services and Board of Elections (FY 10-11). These changes have positively impacted approximately 63.2% of our full-time workforce leaving the remaining 36.8% unaddressed at this point. The positions that have not been reviewed at this point are full & part-time Deputies, full & part-time Dispatchers, full & part-time Jailers, full & part-time Transportation Drivers, Recreation part-time workers, the Janitorial position, Transportation Dispatcher, the Veteran's Service Officer, the County Manager, the elected Register of Deeds and the elected Sheriff. When funding becomes available, I highly recommend that the Allegheny County Board of Commissioners deal with the aforementioned inequities / issues before addressing any other new personnel / grade modification requests.

INSURANCE / RETIREMENT

Allegheny County participates in the NC Association of County Commissioners' Liability/Property and Workers' Compensation insurance pools. Health Benefits have been contracted with Blue Cross Blue Shield. Allegheny County also carries insurance involving employee bonds, inmate hospitalization and unemployment. Allegheny County's overall FY 13-14 insurance is proposed to increase by \$146,630 or 11.6% over the amended FY 12-13 budget.

In current FY 12-13, Allegheny County hired Mark III Employee Benefits consulting firm to broker the County's health insurance plan. In order to maintain health benefits the same as current FY 12-13, CIGNA quoted Allegheny County a 26.78% increase in rates. Mark III worked with Blue Cross Blue Shield to reduce the proposed increase down to 13.13% while preserving the majority of the County's benefits. The overall health insurance costs are proposed to be increased by \$129,343 or 12.80% over the amended FY 12-13 budget (Note: The \$129,343 increase includes all funds and does not consider reimbursements and transfers. Actual additional costs to the General Fund are approximately \$107,000). The proposed 12.80% increase includes the 13.13% rate increase along with additional retirees being anticipated and reduction in personnel. An additional \$15,000 has been budgeted to retain the services of Mark III. Future discussions with Mark III will include the creation of a wellness program for County employees.

The property/liability insurance has increased by \$2,158 or 2.1%. The workers' compensation has decreased by \$8,099 or 7.3%. The inmate liability insurance and employee bonds are projected to remain the same. The cobra/medicare service fee has been eliminated due to the fact that Blue Cross Blue Shield has assumed these responsibilities within the new contract. Unemployment insurance is projected to increase by \$17,275 or 92.3% due to a new State law that requires Counties to establish an UI Account and contribute 1% of the County's quarterly taxable wages to this account. The County contributes 7.07% to general employee retirement and 7.28% to law enforcement retirement.

CAPITAL & CAPITAL IMPROVEMENTS

There are capital and capital improvement needs that should be addressed in FY 13-14. The following table itemizes the proposed FY 13-14 capital & improvements.

Department	Description	Total Amount
Finance	ASA Box (Firewall)	\$1,201
Board of Elections	10 Laptops (lease) 8 Printers (lease)	\$2,422
Recreation	Desktop Computer	\$1,200
EMS	2 Video Laryngoscopes - \$2,200 LCD Projector - \$650	\$2,850
	CAPITAL TOTAL	\$7,673
Public Buildings	Courthouse (Dysart) Concrete Stairs & Side Walk ----- \$3,000 Administration Concrete Repairs - \$4,894	\$7,894
	IMPROVEMENTS TOTAL	\$7,894

ALLEGHANY COUNTY BOARD OF EDUCATION

Current Expense

Increased funding from the County to the Alleghany County Board of Education’s current expense has been minimal or has been reduced in the last 4 years. In FY 08-09, the schools received \$2,498,675. In FY 09-10, the schools were held at level funding at an amount of \$2,498,675. In FY 10-11, the schools received an additional \$60,000 or 2.4% for a total of \$2,558,675. In current FY 11-12, the schools received an additional \$40,000 or 1.56% for a total of \$2,598,675. In current FY 12-13, school funding was reduced by 5% or \$129,933. The Alleghany County Board of Education has been able to continue providing quality education with level funding from the County within this time frame by making budget cuts, receiving Federal stimulus funds and acquiring a substantial amount of grant funds. It is currently proposed to allocate level funding of \$2,468,742 to the schools for FY 13-14.

(Note: Alleghany County assumed approximately \$6,270,000 in principle debt during this same time period above and will have approximately \$675,000 budgeted in annual debt service payments for FY 13-14. Approximately \$525,000 out of the \$675,000 is paid directly out of the tax base)

Capital – School Capital Reserve Fund

State law requires that 30% of the Article 40 (½ cent) sales tax and 60% of the Article 42 (½ cent) sales tax go to schools for capital. It is also now law that Counties are to hold school systems harmless in regards to the Medicaid swap deal with the State. The mandated 30% of Article 40 and 60% of Article 42 portions to schools are not required to be applied to food sales. The NC Department of Revenue has changed its reporting format to the Counties to reflect food sales separately from other sales. The NCACC has developed a methodology for calculating the mandated portion to schools. It is estimated that the mandated portion that will go to the school's reserve fund is \$439,108 in FY 13-14. Subtracting the \$255 of service fees required to maintain this separate fund, new funds going to the schools for capital in FY 13-14 will be \$438,853. (Note: This number does not include any rollover funds from the previous year.)

SPECIAL APPROPRIATIONS

There are many agencies that have requested funds under the special appropriations category. I have divided these groups into five categories: 1. Grants & Mandates 2. Volunteer Safety 3. Primary Core Functions 4. Secondary Functions 5. New Items & Continuing Items.

Grants & Mandates

This category includes the Juvenile Crime Prevention Council (JCPC), CSC fines & forts, deed stamps, transfer to register of deeds enhancement fund, transfer to re-evaluation fund and ACTV support (formerly Channel 50/21). The JCPC program is mainly funded through grant sources. CSC fines & forts, deed stamps and transfer to register of deeds enhancement fund are mandated by law. \$40,000 is proposed to remain in the budget to save for re-evaluation. ACTV support (formerly Channel 50/21) is a pass through of PEG channel revenues to our local public television station.

Volunteer Safety

This category includes Sparta-Alleghany Volunteer Fire Department, Piney Creek Volunteer Fire Department, Glade Creek Volunteer Fire Department, Laurel Springs Volunteer Fire Department, Cherry Lane Volunteer Fire Department, Alleghany County Volunteer Rescue Squad and the volunteer Fire Commission. Funding for the Fire Departments and Rescue Squad is proposed to be frozen at the current FY 12-13 level. It is proposed that the Fire Commission receive \$123,100 in FY 13-14. The \$123,100 is comprised of \$90,000 to match equipment grants for the Departments (\$15,000 each), \$20,500 to be used to reimburse each Department for contributions made on behalf of each member for retirement, \$10,600 to be used to purchase supplemental accidental / workers compensation for the Department members and \$2,000 to be used mainly to buy supplies for the Fire Parade.

Primary Core Functions

This category includes the Alleghany County Public Library, Appalachian District Health Department, Smoky Mountain Center, Alleghany County Council on Aging, Wilkes Community College (Alleghany County Campus), NC Forestry Service and the Alleghany County Group Homes. I have classified these entities as primary core functions for several reasons. Health Department and Mental Health services are State mandated County functions and provide vital services to our citizens. The Public Library is our County's largest literary resource. Council on Aging's primary functions are to provide meals and in-home aid services to the elderly. They are the largest provider of these services in the County. Wilkes Community College is the only provider of secondary education in Alleghany County. Their joint efforts with the Alleghany County School System have dramatically increased educational opportunities within our County. WCC also plays a major role in continuing education programs for our new and existing employers. The NC Forestry Service is the only free provider of forestry management planning to our community and is a valuable resource with our Fire Departments when fighting forest fires. Alleghany County Groups Homes is the only significant provider of life skill services and employment opportunities to our mentally challenged population group.

In current FY 12-13, the Board of Commissioners kept funding for the NC Forestry Service level with FY 11-12 funding, reduced funding for the Alleghany Group Homes by 10% and reduced all others in this category by 5%.

I am recommending that the NC Forestry Service be funded at their requested level in FY 13-14 (Note: Their FY 13-14 request is less than FY 12-13 award). It proposed that the Alleghany County Public Library receive their full funding request which restores their funding back to the FY 11-12 level. The reason behind this proposal is that the Library receives matching funds from the State under what is called "maintenance of effort". When the Library's funding is reduced, there is a potential that they will lose one-to-one matching funds from the State. It is also proposed that the Wilkes Community College's (WCC) funding be restored back to the FY 11-12 funding level. WCC is beginning an initiative to connect all campuses in Wilkes, Ashe and Alleghany Counties together with fiber communication connections. This initiative will greatly enhance WCC's ability to offer a greater variety of courses locally in Alleghany County. Finally, it is proposed that 1/2 of the funding reductions made to Appalachian District Health Department, Smoky Mountain Center, Alleghany County Council on Aging and Alleghany County Group Homes in FY 12-13 be restored in the upcoming FY 13-14.

Secondary Functions

Funded entities in this category include the Blue Ridge Opportunity Commission (BROC), Alleghany Arts Council, Alleghany Planning Committee, Alleghany County Health Advisory Council, Alleghany Family Resource Center, Alleghany Connections, Alleghany Wellness Center, American Red Cross, Appalachian Senior Programs and Fireworks. Programs in this grouping were reduced by 5% from FY 11-12 to FY 12-13 with the exception of the Alleghany Wellness Center and Appalachian Senior Programs that were reduced by 10%. It is proposed that 1/2 of the funding reduction made to all programs in this group be restored in the upcoming FY 13-14.

New & Continuing Items

Appalachian District Health Department has been the lead agency for the Community Alternative Program for Disabled Adults (CAP/DA) since FY 04-05. This program was transferred to the Health Department when Allegheny Memorial Hospital stopped managing the service for various reasons. This service is not a primary core service of Appalachian District Health Department and Allegheny County is the only County in their service area where they are the lead agency for these services. The Health Department became the lead agency for this program at the request of local leadership at that time and because there is a significant need for these services. The CAP/DA program provides service for 50-60 Allegheny citizens per year. The majority of the clientele are disabled elderly but there are also some younger clients with severe disabilities. The primary purpose of this program is to provide treatment/services within the home of the client. Without these services many of these clients would be forced to leave their homes and enter into an appropriate care facility. In years 2004 through 2011, the revenues generated through this program basically covered the Health Department's cost. The Health Department has lost approximately \$40,000 in the last two years of providing this service. At this point this program is not sustainable within Appalachian District Health Department without financial assistance. I am recommending that the County fund \$15,000 in FY 13-14 to help sustain this vital program within our community. This program will need to be monitored on an annual basis to evaluate its sustainability.

In order to fund the initiatives discussed previously in this Budget Message, I am recommending to reduce some previously budgeted special appropriations. \$100,000 was budgeted in FY 12-13 to prepare for potential liabilities associated with the closing of New River Service Authority. It is proposed that the allocated \$100,000 be reduced down to \$15,000. \$250,000 was budgeted in current FY 12-13 to provide funding to Allegheny Memorial Hospital. It is proposed to reduce this allocation down to \$125,000 and at this point remove its designation to Allegheny Memorial Hospital.

There will be potentially three entities appearing before the Board during the budget process attempting to justify their need for a significant amount of additional funding. These entities are 1. Allegheny Memorial Hospital (AMH) 2. Allegheny County Board of Education 3. Family Resource Center.

Allegheny Memorial Hospital has submitted a \$200,000 funding request from the County for FY 13-14. AMH received \$250,000 from Allegheny County in current FY 12-13 and has been appearing before the Board on a quarterly basis justifying their allocation.

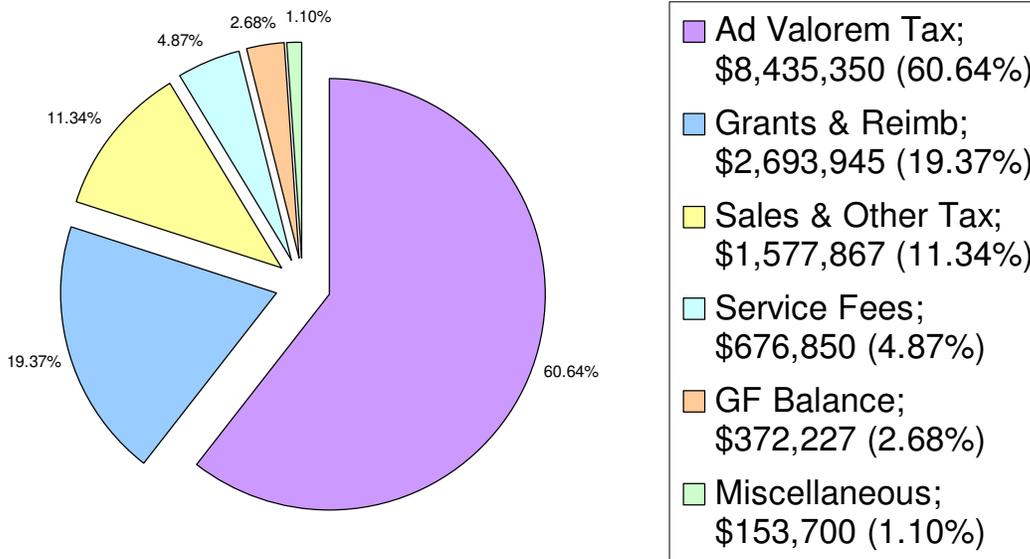
A joint meeting was held between the Allegheny County Board of Commissioners and the Allegheny County Board of Education on February 27, 2013 at Allegheny High School. The purpose of this joint meeting was to discuss facility and safety needs of the schools. It was concluded at this meeting that physical security upgrades were needed at the schools in order to provide a safer environment for Allegheny children. The two Boards ended the meeting with the understanding that the schools were to put together a proposed budget on how to meet these needs. The Allegheny County Board of Education has submitted a FY 13-14 budget request (separate from their standard requests) in the amount of \$577,500 addressing identified security needs.

The Family Resource Center (FRC) has recently discovered that they will no longer receive \$100,000 in funding from the State to provide their services. The FRC has appealed this funding reduction from the State. They will be appearing before the Board of Commissioners during the Budget process to discuss their situation.

The undesignated \$125,000 does not meet the requests of Alleghany Memorial Hospital, Alleghany County Board of Education and the Family Resource Center. The Alleghany County Board of Commissioners will need to decide where to designate the remaining \$125,000 during the budget process.

REVENUE HIGHLIGHTS

Counties rely on many revenue sources to fund their initiatives. Allegheny County's main revenue categories are ad valorem taxes, grants & reimbursements, sales & other taxes, service fees, miscellaneous and general fund balance appropriation. The County Commissioners have direct control over ad valorem taxes and some service fees while economic conditions and local/state initiatives determine the other revenues. The following pie chart illustrates Allegheny County's proposed Revenues By Source.



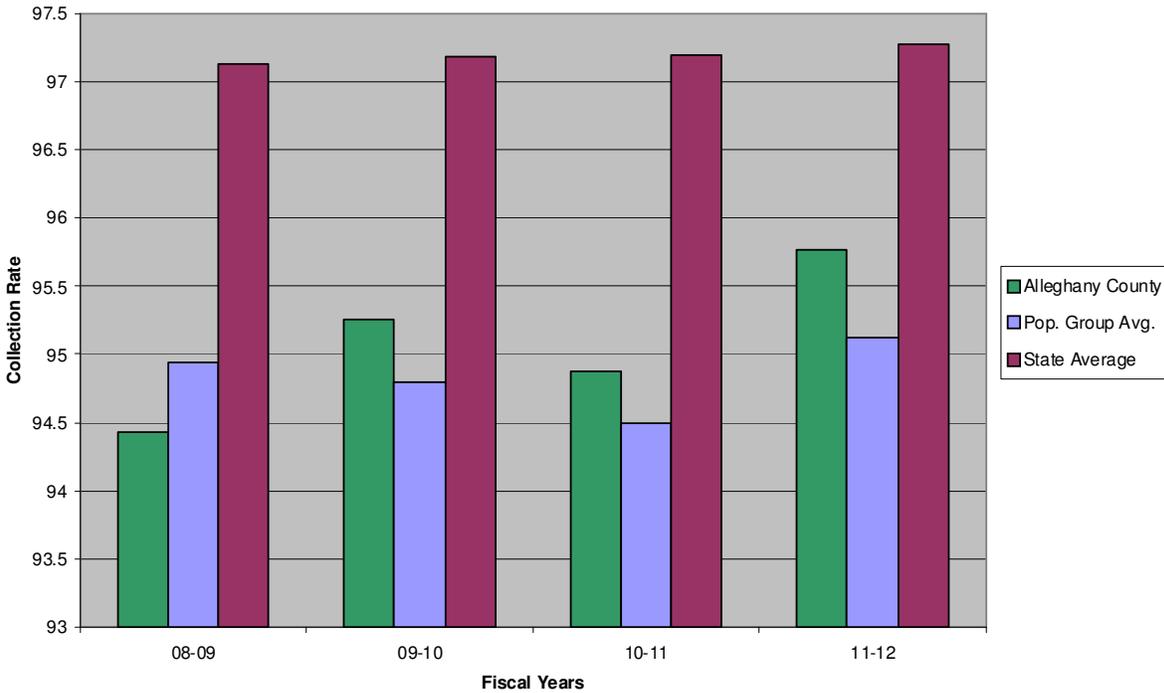
TOTAL BUDGET - \$13,909,939

AD VALOREM TAXES

Approximately 60.64% (\$8,435,350) of the County's budget is proposed to be funded by the property tax. The proposed \$8,435,350 is comprised of \$7,954,750 from FY 13-14 property taxes, \$350,000 from prior year taxes and \$130,600 from penalties/ interests/ garnishments for late payments.

The taxable base is projected to be \$1,767,254,894. State law dictates that a County can utilize at a maximum the last audited collection rate when estimating future tax collections. Allegheny County's Fiscal Year 11-12 audited collection rate was 95.77%. Therefore it is recommended that a 95.77% collection rate be applied when estimating property tax revenues. The graph below shows Allegheny County's collection rates in comparison to the average collection rates throughout the State.

ANALYSIS OF PROPERTY TAX COLLECTION RATES



GRANTS AND REIMBURSEMENTS

Grants and reimbursements account for approximately 19.37% (\$2,693,945) of the County's proposed revenues. Major reimbursement/grant highlights include \$1,307,632 in DSS administration reimbursements, \$302,374 in Child Development Administration, \$271,667 in Medicaid hold harmless payments, \$129,071 (85% of costs) for the administration of the Transportation System, \$48,838 reimbursement from the Board of Education and Federal Government to offset additional Glade Creek School Debt, \$56,055 Juvenile Crime Prevention Council grant, \$20,625 Emergency Management grant and a \$23,622 Soil & Water Grant.

This category also includes revenue items such as other reimbursements/grants for Social Services, Transportation, Veteran's Administration, Council on Aging, NW Library, Roaring Gap deputies, dispatch salary, pin equipment, gas reimbursements, utility reimbursements and all transfers from other funds.

SALES & OTHER TAXES

Sales and other taxes account for approximately 11.34% (\$1,577,867) of the County's proposed revenues. Alleghany County receives tax revenues from the State wine/beer tax, the ABC liquor tax, cable franchise tax, PEG channel tax, tax on ABC bottles for drug enforcement and sales taxes Article 39 (1 cent), Article 40 (1/2 cent) and Article 42 (1/2 cent). (Note: The occupancy tax was increased last year from 3% to 6%. These revenues were moved to a separate fund to be administered by the newly formed Tourism Development Authority.)

The State wine/beer tax, ABC liquor tax, cable franchise tax and the tax ABC bottles for drug enforcement should remain constant. The PEG channel tax projected to decrease by \$5,200 and is mandated to be given to Alleghany Community Television (ACTV).

Article 39 is a 1 cent sales tax revenue that is determined by the amount of sales generated directly in Alleghany County (point of delivery). Alleghany County is required to hold the Town of Sparta harmless for the Medicaid swap with the State out of these funds. Alleghany County realized growth in this tax in both FY 10-11 and FY 11-12. There was planned growth to occur in current FY 12-13 that did not materialize. It is projected that Alleghany County will receive \$573,886 in current FY 12-13. It is recommended that no growth be planned in Article 39 sales tax and that \$573,866 be budgeted in FY 13-14.

Article 42 is a 1/2 cent sales tax revenue that traditionally has been based on Statewide sales and distributed to the Counties based on population. This tax is now distributed to the counties based on sales generated directly in Alleghany County (point of delivery). Since the County normally receives more funds based on Statewide sales, Alleghany County must hold the Town of Sparta harmless for any losses attributed to switching the distribution methodology. There was planned growth to occur in current FY 12-13 that did not materialize. It is projected that Alleghany County will receive \$327,440 in current FY 12-13. It is recommended that no growth be planned in Article 42 sales tax and that \$327,440 be budgeted in FY 13-14.

Article 40 is a 1/2 cent sales tax revenue that is based on Statewide sales and distributed to the Counties based on population. The planned growth in current FY 12-13 is projected to occur. It is projected that Alleghany County will receive \$568,941 in current FY 12-13. It is recommended to conservatively plan no growth in Article 40 sales tax and that \$568,941 be budgeted in FY 13-14.

SERVICE FEES

Service fees account for approximately 4.87% (\$676,850) of the County's proposed revenues. Development revenues associated with the Register of Deeds and Building Inspections have leveled off to the point that we should not see anymore significant drops in the future. Other revenues included in this category are line items such as recreational fees, fire inspection fees, County beer & wine fees, court fees, jail telephone fees, all Sheriff Department fees, sod seeder rental fees and Town of Sparta tax collection fees. All of these fees will remain relatively constant and are budgeted to reflect actual FY 12-13 receipts. It is anticipated that EMS receipts will be \$350,000 in FY 13-14.

The boarding of State, Federal and other County inmates is a volatile revenue source and is difficult to predict. Alleghany County received very little revenue in FY 11-12 for these services but it is anticipated to receive approximately \$160,000 in current FY 12-13. It is recommended to budget a conservative \$15,000 in FY 13-14 for these services. The proposed jail budget does not reflect the cost of housing a significant amount of State, Federal and other County inmates. If the jail begins housing a significant number of these inmates, then Alleghany County will need to adjust the jail operating budget to accommodate the additional expenses.

MISCELLANEOUS

Miscellaneous revenues account for approximately 1.1% (\$153,700) of the County's proposed revenues. These revenues include interest earned on investments and/or banking costs, lottery proceeds, CSC fines and forts, drink/snack machine revenues, utility capital credits and reimbursement from the Town of Sparta for the upcoming municipal election. Due to extremely low interest rates, it is projected that interest on investments will not cover the banking costs and will end up in the negative of approximately -\$5,000. Currently it is estimated that Alleghany County will receive \$100,000 in lottery proceeds in FY 13-14. The final lottery amount received will be dictated by the State budget process. The CSC fines / forfeitures reflect current year receipts and are mandated to be transferred to the schools. Reimbursements from the Town for municipal election costs will match Alleghany County's actual costs. All other revenues will remain fairly constant.

GENERAL FUND BALANCE

General Fund balance appropriation accounts for approximately 2.68% (\$372,227) of the proposed revenues. Historical data has proven that normally \$200,000 to \$400,000 of the General Fund balance appropriation is not actually utilized. If history continues to repeat itself, then there is a good chance that the majority of the proposed \$372,227 will not be utilized.

It is projected that the General Fund Balance will be approximately \$2,900,000 the end of current FY 12-13. This equates to an approximate 21.7% fund balance. Alleghany County should always keep at a minimum 16.67% (two months operating expenses) fund balance. I have always recommended that a 20-30% fund balance is the optimal fund balance goal.

SPECIAL FUND HIGHLIGHTS

NOTE: These funds are separate operating entities from the general fund budget. There are additional personnel and capital recommendations in the following summaries.

TRANSFER FACILITY ENTERPRISE FUND

The Alleghany County Transfer Facility FY 13-14 proposed operating budget is \$806,905. This proposal constitutes an approximate decrease of 13.28% (\$123,527) under the FY 12-13 amended budget of \$930,432. There are no major operational changes proposed for FY 13-14. There are no major capital expenditures planned for FY 13-14.

EMERGENCY 911 FUND

The FY 13-14 E911 proposed budget is \$113,341. This proposal constitutes an approximate increase of 5.11% (\$5,514) over the FY 12-13 amended budget of \$107,827. There are no major operational changes proposed for FY 13-14. There are no major capital expenditures planned for FY 13-14.

TRANSPORTATION OPERATIONAL FUND

The FY 13-14 Transportation Operational Fund Budget is proposed to be \$432,498. This proposal constitutes an approximate increase of 3.23% (\$13,522) over the FY 12-13 amended budget of \$418,976. The Fund is operated as a revenue based fund relying on its own revenues to pay for expenses.

Highlights of this fund include a \$44,000 Elderly and Disabled Transportation Program grant, \$46,000 Rural General Public grant, \$29,050 grant for the “ED” program, \$5,772 Work First Transportation grant and \$117,697 in a capital grant.

The recommended capital budget for the Operational Fund is as follows:

Description	Amount
Replacement Conversion Van (FY 12-13)	\$39,700
Replacement Lift Van (FY 12-13)	\$43,000
Replacement Conversion Van (FY 13-14)	\$41,000
A/C Recovery System	\$3,600
Logos – 3 Vans	\$1,300
Cameras for ED Van	\$2,175
TOTAL	\$130,775

Ninety percent (90%) of all capital is funded through grant sources.

OTHER FUNDS

This category includes other funds such as the Economic Development Fund, the Tourism Development Authority Fund, Fairgrounds Fund, Soil & Water Fund, Drug Agency Fund, Register of Deeds Enhancement Fund, Library Fund, Re-Evaluation Fund, Scattered Site Housing Fund, School Capital Reserve Fund and all active building funds. These Funds can be discussed during the budget process.

CLOSING

In closing, I would like to extend my appreciation to all County employees who work extremely hard to provide the necessary services that make Alleghany County a great place to live. I also extend my thanks to the Department Heads, Elected Officials and Special Appropriation representatives for their cooperation in fashioning their budget requests to the required specifications and timelines. And last – but by no means least – I would like to thank Finance and Administration employees for their tireless effort and attention to detail over the budget development process.

Respectfully submitted,

Don Adams
Alleghany County Manager