

# Albemarle board OKs higher taxes, approves budget

By Chris Suarez Posted on Apr 14, 2015 [Daily Progress](#)

Owners of Albemarle County property will be paying a higher real estate tax rate this year.

After advertising a 2.5-cent increase to the real estate tax rate last month, the Board of Supervisors has passed a tax ordinance to raise the rate by 2 cents. County property owners will now pay 81.9 cents per \$100 of assessed value.

The tax ordinance and 2016 fiscal year budget totaling \$372.3 million were approved by a 4-2 vote Tuesday. Supervisors Jane Dittmar and Ken Boyd voted against raising the tax rate beyond an initial 1-cent hike proposed in the budget County Executive Tom Foley presented earlier this year.

The fiscal year 2016 budget totaled \$352 million.

The four supervisors who voted in favor of raising the tax rate each said they did so to address a projected shortfall in the latter half of the five-year capital budget and to manage debt the county has incurred.

Budget Director Lori Allshouse told board members they could use the additional penny over Foley's proposed rate to pay for next year's capital needs with money on hand, then pay down debts in the years following.

When asked by Supervisor Liz Palmer how they could spend that money, Deputy County Executive Bill Letteri agreed with Allshouse.

"We think to leverage those funds to mitigate future liability would be the best alternative," Letteri said.

After the question was answered, Dittmar accused Palmer of asking county staff a "half-political" question.

"What I'm trying to do is get a handle on this and not kick it down the road," Palmer said. "It's a problem we have in our budget."

The five-year capital budget, which amounts to \$31.5 million, accounts for an annual growth rate of 1.5 percent to 2 percent and is facing a deficit, according to Palmer.

Approximately \$1.6 million had been taken out of the capital budget in the budget proposed by Foley earlier this year. The 1-cent increase over the 80.9-cent tax rate initially proposed by Foley will put \$1,367,325 back into the capital budget.

The capital budget assumes a 2.1-cent real estate tax rate increase for the 2017 fiscal year to accommodate for annual growth. Other supervisors have said they supported approving a higher tax rate this year to avoid more tax increases in the coming years.

But Dittmar and Boyd disagreed with the other supervisors in their assertion that the problem needs

to be addressed by raising the tax rate by more than one cent this year.

“Just because we anticipate in this very negative scenario that we have to raise taxes next year doesn’t mean we have to,” Dittmar said.

County officials ended last year with \$5.8 million in additional revenue, according to Dittmar. That money, she said, could have been used to partially pay down some of the debt if the supervisors had asked Foley to prioritize that earlier in the budget process this year.

“The assumption you are making is that we won’t find any government inefficiencies over the next five years,” Boyd said. “Over the last 10 years, we’ve had over \$176 million worth of surpluses. If we pass any more increases, we’ll end up with more surpluses.”

Supervisor Ann H. Mallek said she was in favor of increasing the tax rate to restore the level of funding for county departments that have suffered in recent years and to avoid borrowing money for projects or operational needs.

“Our budgets have been very thoroughly looked at and painstakingly throttled,” she said. “I think one of the bigger changes in our vision is to try catching up on some things ... We’re nowhere near catching up, but we’re making baby steps forward.”

In addition to \$478,500 that had been unallocated, the supervisors increased the budget by \$1,617,325 by voting for the tax rate increase.

Using \$2.1 million in additional funding, the board agreed to fund the salaries and benefits for one new JAUNT position, two new Department of Social Services positions, two new traffic safety police officers and a new natural-resources officer.

Several non-governmental agencies, including the Legal Aid Justice Center, the Municipal Band and Virginia Cooperative Extension Service, also received funding.

The school division had its \$500,000 deficit cut in half and the pre-K Bright Stars program received funding for an additional classroom.

The Board of Supervisors will hold a work session next month to allocate the \$1,367,325 that was put in the capital budget.

“We have to start addressing this and have multiple ways of doing that,” Palmer said. “We won’t know what our deficit will be in five years, but we need to start chipping away at that as soon as we possibly can.”