

**Report on the
City of Clifton Forge - County of Alleghany
Voluntary Settlement Agreement**



**Commission on Local Government
Commonwealth of Virginia**

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**REPORT ON THE
CITY OF CLIFTON FORGE - COUNTY OF ALLEGHANY
VOLUNTARY SETTLEMENT AGREEMENT**

PROCEEDINGS OF THE COMMISSION

On November 8, 1999 the City of Clifton Forge filed notice with the Commission on Local Government, pursuant to the provisions of Section 15.2-2907 of the Code of Virginia, of its intentions to petition the court for an order granting it the status of a town within Alleghany County. Consistent with the Commission's Rules of Procedure, the City's notice was accompanied by data supporting the proposed reversion.¹ Further, and in accordance with the Commission's rules, the City concurrently gave notice of its proposed reversion to Alleghany County and 13 other local governments with which it shared functions, revenue, or tax sources.² Moreover, the City's notice to the Commission advised that the municipality would continue its previous efforts to effect an amicable resolution of this matter with the appropriate officials in Alleghany County.³

On November 15, 1999 the Commission met with representatives of the City of Clifton Forge and Alleghany County for purposes of making preliminary arrangements for its formal review of the City's reversion action and to extend an offer of mediation assistance. At

¹City of Clifton Forge, **Notice of the City of Clifton Forge's Intent to Petition for an Order Granting Town Status Within Alleghany County** (herein cited as **City Reversion Notice**).

²Commission on Local Government, **Rules of Procedure**, Rule 3.8.

³This statement appeared in a resolution adopted by the City Council on November 2, 1999, and is set forth in **City Reversion Notice**, Tab "Resolution." Since October 1998 representatives for the City and County had held several negotiating sessions concerning Clifton Forge's reversion, but were unsuccessful in reaching an agreement on the terms and conditions of that action. (**Ibid.**, Tab "Introduction," p. 6.)

that meeting the Commission established a schedule that called for the submission of the County's materials in response to the reversion action by January 28, 2000, oral presentations and a public hearing during the period of February 21-22, and the submission of its report by May 8, 2000. In addition, the Commission delegated to its Chairman the authority to designate an independent mediator, upon specific request of the parties, to assist in the efforts of the two jurisdictions to negotiate a settlement of the reversion issue.

Subsequent to that meeting, and with the concurrence of the City and the County, on December 17, 1999, the Chairman designated Dr. R. Michael Chandler of Virginia Polytechnic Institute and State University to assist the parties in their negotiations relative to the reversion action. On February 3, 2000, pursuant to a joint request of the parties, the Commission agreed to postpone its scheduled review of Clifton Forge's reversion action for 90 days to allow the City and County additional time to endeavor to negotiate a settlement of that issue.⁴ Accordingly, the Commission met with representatives of Clifton Forge and Alleghany County on March 13, 2000 and rescheduled its hearings for the end of May 2000.

As a result of negotiations between the City and County, aided by the Commission's designated mediator, an agreement was developed and presented to the Commission on May 4, 2000. The proposed agreement, which was negotiated under the authority of Section 15.2-3400 of the Code of Virginia, contained provisions which (1) authorized the City to make the transition to town status, (2) enumerated the public services to be provided to the residents of the proposed town by Clifton Forge and Alleghany County, (3) annulled or

⁴John S. West, Special Counsel, City of Clifton Forge, letter to staff of Commission on Local Government, Feb. 2, 2000; and Michael McHale Collins, County Attorney, County of Alleghany, letter to staff of Commission on Local Government, Feb. 2, 2000.

modified specified interlocal agreements and contracts between the City and County following the reversion; and (4) established a moratorium on municipally-initiated annexations for a period of 12 years subsequent to the effective date of Clifton Forge's town status.⁵ On May 5, 2000, consistent with a request from the Commission, Clifton Forge filed revised materials in support of the negotiated settlement.⁶

Consistent with its previously adopted schedule, on May 30, 2000 the Commission toured relevant sections of Clifton Forge and Alleghany County and received oral testimony from the two jurisdictions in support of the proposed agreement. Also, on the evening of May 30 the Commission conducted a public hearing in Clifton Forge for the purpose of receiving citizen comment. The public hearing, which was advertised in accordance with Section 15.2-2905.7(B) of the Code of Virginia, was attended by approximately 60 persons and produced testimony from 19 individuals. In order to offer the public an opportunity to submit additional comment, the Commission agreed to keep open its record for the receipt of written testimony through June 13, 2000.

⁵**Voluntary Settlement of Town Status Issues Between the City of Clifton Forge and the County of Alleghany** (hereinafter cited as **Settlement Agreement**). See **Appendix A** for the complete text of the **Settlement Agreement**. The Commission notes that Chapter 688, Acts of the Assembly, 1989 provides that before a court can grant town status to any city having a population of more than 5,000 but less than 5,900 persons, a referendum on the question of such a transition must be held in the affected city. Since Clifton Forge fell within the population range of that legislative provision at the time of its enactment, the voters of the City must also approve the proposed reversion.

⁶City of Clifton Forge, **Notice by the City of Clifton Forge and Alleghany County of a Voluntary Settlement of Town Status Issues.**

SCOPE OF REVIEW

The Commission on Local Government is directed by law to review negotiated interlocal agreements, such as the one currently before us, prior to their presentation to the courts for ultimate disposition. Upon receipt of notice of such proposed action or agreement, the Commission is directed "to hold hearings, make investigations, analyze local needs" and to submit a report containing findings of fact and recommendations regarding the issue to the affected local governments.⁷ With respect to a proposed agreement negotiated under the authority of Section 15.2-3400 of the Code of Virginia, the Commission is required to determine in its review "whether the proposed settlement is in the best interest of the Commonwealth."

As we have noted in previous reports, it is evident that the General Assembly encourages local governments to negotiate settlements of their interlocal concerns. Indeed, one of the statutory responsibilities of this Commission is to assist local governments in such efforts. In view of this legislative intent, the Commission believes that proposed interlocal agreements, such as that negotiated by the City of Clifton Forge and Alleghany County, should be approached with respect and a presumption of their compatibility with applicable statutory standards. The Commission notes, however, that the General Assembly has also decreed that settlement accords negotiated under the authority of Section 15.2-3400 of the Code of Virginia shall be reviewed by this body prior to their final adoption by the local governing bodies. We are obliged to conclude, therefore, that while interlocal agreements are due respect and should be approached with

⁷Sec. 15.2-2907(A), Code of Va.

a presumption of their consistency with statutory standards, such respect and presumption cannot be permitted to render our review a **pro forma** endorsement of any proposed settlement. Our responsibility to the Commonwealth and to the affected localities requires more.

GENERAL CHARACTERISTICS OF THE CITY OF CLIFTON FORGE AND THE COUNTY OF ALLEGHANY

CITY OF CLIFTON FORGE

The City of Clifton Forge was incorporated as a town in 1884 and became one of Virginia's independent cities in 1906.⁸ While the City has served as one of the focal points of development in the Alleghany Highlands area during the 20th century, it has experienced a continuing loss of population and has confronted fiscal difficulties in recent years.⁹ Between 1980 and 1990 the City's population decreased from 5,046 to 4,679 persons, or by 7.3%.¹⁰ A preliminary population estimate for 1999 placed the City's populace at 4,300

⁸City of Clifton Forge, **Clifton Forge Comprehensive Plan**, Dec. 8, 1989, pp. 2-3.

⁹In the context of this report, and in conventional usage, the term "Alleghany Highlands" encompasses the jurisdictions of Alleghany County, the Cities of Clifton Forge and Covington, and the Town of Iron Gate.

¹⁰U. S. Department of Commerce, Bureau of the Census, **1980 Census of Population, Number of Inhabitants, Virginia**, Table 2; and U. S. Department of Commerce, Bureau of the Census, **1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 1. The City's population reached its peak of 6,839 persons in 1930 and had declined over 31.6% by 1990. (**Clifton Forge Comprehensive Plan**, Table 1, p. 7.) As of 1990, Clifton Forge was the second smallest city in the Commonwealth in terms of population. See **Appendix B** for a statistical profile of the City and Alleghany County.

persons, a further decrease of 8.1% since the 1990 decennial census.¹¹ Based on its land area of 3.17 square miles and the 1999 population estimate, the City had a population density of 1,356 persons per square mile.¹²

With respect to the nature of its population, the data disclose that the City's populace is considerably older and less affluent than that of the State as a whole. The evidence reveals that, as of 1990 (the latest year for which such information is available) the median age of Clifton Forge residents was 41.2 years, a statistic considerably in excess of that for the State overall (32.6 years).¹³ Further, the percentage of the City's 1990 population age 65 or over was 24.5%, or more than double that for Virginia generally (10.7%).¹⁴ In terms of income, State Department of Taxation data disclose that Clifton Forge residents had a per capita adjusted gross income (AGI) in 1997 (the latest year for which such data are available) of \$10,237, or only 59.3% of the comparable figure for the Commonwealth as a whole (\$17,272).¹⁵

¹¹Weldon Cooper Center for Public Service, 1998 Final and 1999 Provisional Population Estimates. (Online) Available <http://www.virginia.edu/coopercenter/vastat/txt/est9099a.html>, Jan. 21, 2000.

¹²The City's last annexation, which occurred on December 31, 1961, increased the size of Clifton Forge by 1.19 square miles and added approximately 285 persons to its population.

¹³**1990 Census of Population and Housing. Summary Population and Housing Characteristics, Virginia**, Table 2. The City's 1990 median age was greater than in any city in Virginia and higher than that of all but four of the State's counties and cities.

¹⁴**Ibid.**

¹⁵Virginia Department of Taxation, **Annual Report, Fiscal Year 1999**, Table 1.5. These per capita AGI statistics were calculated using the income reported by all Virginia residents filing State tax returns for 1997.

In terms of the City's current fiscal condition, statistics indicate that between 1990 and 1998 (the latest year for which such information is available) the true value of real estate and public service corporation property in the municipality increased from \$88.2 million to \$110.9 million, or by 25.8%, slightly exceeding the rate for the State overall (22.7%).¹⁶ The data reveal, however, that Clifton Forge experienced declining property assessables at one stage or another during the periods under consideration. Between 1990 and 1995, the true value of real estate and public service corporation property in Clifton Forge increased by 30.6%, a figure almost four times that for the Commonwealth generally (8.0%).¹⁷ By 1998, however, the property values in the City decreased by 3.7%, while those values in the State as a whole increased by 13.6%.¹⁸

Other economic and fiscal trends also suggest that Clifton Forge's relative position in the region has declined over the past decade. Between 1990 and 1999 the City's total taxable retail sales, a

¹⁶Virginia Department of Taxation, **1990 Virginia Assessment/Sales Ratio Study**, Mar. 1992; and Virginia Department of Taxation, **The 1998 Virginia Assessment/Sales Ratio Study**, May 2000. On a per capita basis, the City experienced an increase in true real property values of 34.3% which was three times that of the State as a whole (11.8%). Per capita increases in localities with significant population losses, however, can misrepresent a community's true economic and fiscal trends.

¹⁷**1990 Virginia Assessment/Sales Ratio Study**; and Virginia Department of Taxation, **The 1995 Virginia Assessment/Sales Ratio Study**, Feb. 1997. Portions of the variance between the increase in Clifton Forge's true property values and that for all counties and cities in the State can be explained by the City's reassessment practices as well as the impact on most of the Commonwealth's localities of the downturn in the private-sector economy in the early 1990s.

¹⁸**The 1995 Virginia Assessment/Sales Ratio Study**; and **The 1998 Virginia Assessment/Sales Ratio Study**.

significant indicator of the strength of the locality's commercial base, increased by only 2.2%, a statistic that pales in comparison with the increase in such sales experienced by localities in Virginia overall (52.5%).¹⁹ Further, Clifton Forge's share of total taxable retail sales in the Alleghany Highlands also declined from 16.9% to 14.3% during that period. Moreover, during the period from FY1989/90 through FY1997/98 the City had an annual average per capita increase in total local-source revenues of 6.1%, a statistic slightly less than the comparable figure for the State's cities and counties (6.3%).²⁰ By FY1998, however, Clifton Forge's total local-source revenue collections were \$839.48 per capita, or only 81.4% of the comparable statistic for all counties and cities in the Commonwealth (\$1,031.05).²¹

Further evidence of Clifton Forge's fiscal condition is revealed by annual statistical analyses conducted by this Commission examining the comparative revenue capacity, revenue effort, and fiscal stress of Virginia's counties and cities. These analyses are based upon a Virginia-adapted "representative tax system" methodology which establishes a theoretical revenue capacity for each county and city derived from six local revenue-generating "sources" existing in each jurisdiction multiplied by the statewide average yield rate for each

¹⁹Virginia Department of Taxation, **Taxable Sales in Virginia Counties and Cities, Annual Reports, 1990 and 1999**. Between 1990 and 1999, the increase in taxable sales per capita in Clifton Forge and the State as a whole was 11.2% and 37.4%, respectively.

²⁰**Appendix C**, Table 3. **Appendix C** provides a profile of local-source revenues for the City of Clifton Forge, Alleghany County, and all Virginia counties and cities, considered collectively, during the period FY1989/90 through FY1997/98. **Appendices D** and **E** offer, respectively, similar profiles of the operational expenditures and debt patterns for the same jurisdictions during the same period of time.

²¹**Ibid.**, Table 2.

such source.²² Our calculations reveal that, in relation to all Virginia counties and cities, Clifton Forge experienced an increase of 18.4% in per capita revenue capacity between the 1993/94 and 1997/98 fiscal periods, but by the latter date the City had a per capita revenue capacity measure which exceeded only two of Virginia's 135 counties and cities.²³ Moreover, the most recent comparative fiscal stress analysis conducted by this Commission has revealed that Clifton Forge was one of the Commonwealth's "high stress" localities during FY1997/98.²⁴

In terms of Clifton Forge's prospects for future growth, 1995 land use data revealed that 47.3% of the City's total land area was devoted to residential development, 3.5% was engaged in commercial enterprise, 5.3% was committed to industrial activity, and 7.7% was utilized for public or semi-public purposes, with 36.2% (734 acres) remaining agricultural, wooded, or vacant.²⁵ However, exclusive of land affected by major environmental constraints (e.g., steep slopes and location within the 100-year floodplain), Clifton Forge had approximately 91.3 acres, or only 4.5% of its total land area, vacant

²²Commission on Local Government, **Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, 1997/98**, May 2000, Appendix B.

²³**Ibid.**, Tables 2.1, 2.3. Between FY1993/94 and FY1997/98 the per capita revenue capacity for all cities and counties in the Commonwealth increased by 22.3%.

²⁴**Ibid.**, Table 6.3 The fiscal stress measure for Clifton Forge in FY1997/98 exceeded that for all but seven of the State's counties and cities. In addition, the Commission's calculations have placed the City among the "high stress" jurisdictions in Virginia for all but one fiscal period since the 1985/96 Fiscal Year.

²⁵**City Notice**, Addendum A.1., p. 4. Data include the percentage of land area occupied by streets and railroad rights-of-way within each classification.

and generally suitable for development.²⁶ Reflecting, in part, the paucity of developable land in Clifton Forge, only 30 residential building permits were issued in the City during the entire period from 1989 to 1997.²⁷

While the statistics reviewed above do not establish a profile of a robust municipality, the City of Clifton Forge remains one of the two centers of urban life in the Alleghany Highlands. City water and sewerage serve, directly or through interlocal agreements, a significant portion of the developed areas of the County.²⁸ Further, 1990 Census data (the most recent available) reveal that a total of 1,390 workers from outside Clifton Forge commuted to the City for employment.²⁹ While the intervening decade may have altered the region's commuting patterns, the significance of Clifton Forge to the area's residents is evident. Moreover, between 1990 and 1998 the City's nonagricultural wage and salary employment increased slightly from 1,082 to 1,137 positions, or by 5.1%.³⁰ Despite its significant

²⁶**Ibid.**

²⁷Elizabeth H. Young, ed., **Virginia Statistical Abstracts, 2000 Edition** (Charlottesville: Weldon Cooper Center for Public Service, University of Virginia, 1999), Table 3.12.

²⁸For example, the City sells bulk water to Alleghany County, which in turns resells it to approximately 1,000 customers in the Selma and Low Moor communities west of Clifton Forge; the Clifftondale Park, Wilson Creek, Triangle, and Sharon areas east of the municipality; and the Town of Iron Gate.

²⁹Virginia Employment Commission, **Commuting Patterns of Virginia Workers: County and City Level for 1990**, Mar. 26, 1993. This analysis indicates that 838 of those workers commuted from Alleghany County.

³⁰Virginia Employment Commission, "ES-202 Annual Average Employment by Size Code - Clifton Forge, 1990 and 1998" (unpublished electronic dataset). Between 1990 and 1998 most of the increases in employment in the City were in the services sector

loss in population and the relative decline in its fiscal condition during the past decade, Clifton Forge remains an important component of its region.

COUNTY OF ALLEGHANY

The County of Alleghany was created in 1822 from territory formerly a part of Bath and Botetourt Counties and initially embraced property now a part of Monroe County, West Virginia.³¹ Between 1980 and 1990 Alleghany County's population decreased from 14,333 to 13,176 persons, or by 8.1%.³² The official population estimate for 1999 placed the County populace at 12,500 persons, a further decline of 5.1% since the preceding decennial census.³³ On the basis of its 1999 population and an area of 444.7 square miles, the County had an overall population density of 28 persons per square mile.³⁴

(13.2%) and local government (17.1%).

³¹J. Devereux Weeks, **Dates of Origin of Virginia Counties and Municipalities** (Charlottesville: Institute of Government, University of Virginia, 1967).

³²**1980 Census of Population, Number of Inhabitants, Virginia**, Table 2; and **1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 1. Also located in Alleghany County is the Town of Iron Gate that had a 1990 population of 417 persons.

³³Weldon Cooper Center for Public Service, 1998 Final and 1999 Provisional Population Estimates. (Online) Available <http://www.virginia.edu/coopercenter/vastat/txt/est9099a.html>, Jan. 21, 2000. This percentage change was influenced, in part, by the City of Covington's 1991 annexation by agreement of a portion of Alleghany County containing approximately 1.22 square miles and 207 persons.

³⁴**1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 16. Population and land area data for Alleghany County reflect the 1991 annexation by the City of Covington.

With regard to the nature of its population, various statistical indices disclose that, as in the case of Clifton Forge, the County's populace is older and has a lower income than that of the State generally. Data indicate that, as of 1990 (the most recent year for which data are available), the median age of residents of Alleghany County was 37.2 years, a statistic considerably less than that for the City (41.2 years), while exceeding that for Virginia as a whole (32.6 years).³⁵ Similarly, the percentage of the County's 1990 population age 65 or over was 13.6%, a figure almost half that of Clifton Forge (24.5%) but in excess of that of the Commonwealth overall (10.7%).³⁶ In terms of earnings, the per capita AGI in 1997 was \$14,263, which was greater than that for Clifton Forge (\$10,237) but only 82.6% of the comparable figure for the State generally (\$17,272).³⁷

In terms of Alleghany County's overall fiscal health, statistics indicate that the true value of real estate and public service corporation property in the County increased from \$376.6 million to \$665.7 million, or by 76.8%, between 1990 and 1998 (the latest year for which such information is available). This percentage growth in the County's principal revenue source exceeded both that of Clifton Forge (25.8%) and the Commonwealth as a whole (22.7%).³⁸ Unlike the City, however, the true real estate and public service corporation

³⁵**1990 Census of Population and Housing. Summary Population and Housing Characteristics, Virginia**, Table 2. Data for Alleghany County include that for the Town of Iron Gate.

³⁶**Ibid.**

³⁷**Annual Report, Fiscal Year 1999**, Table 1.5.

³⁸**1990 Virginia Assessment/Sales Ratio Study**; and **The 1998 Virginia Assessment/Sales Ratio Study**. On a per capita basis, the increases in the true value of real estate and public service corporation property in Alleghany County and the State generally were 84.9% and 11.8%, respectively. (**Ibid.**)

values in Alleghany County increased every year between 1990 and 1998.

With respect to Alleghany County's commercial base, taxable retail sales in the County rose by 15.4% between 1990 and 1999, a statistic significantly greater than that for the City (2.2%), but less than one-third that for the State overall (52.5%).³⁹ However, the County's share of total taxable retail sales in the Alleghany Highlands decreased slightly during that same period from 25.7% to 24.5%.⁴⁰ In contrast with that increase of commercial activity, total employment grew only slightly in the County between 1990 and 1998, with the number of positions increasing from 3,885 to 4,133, or by 6.4%.⁴¹ Overall, however, these data indicate that the County has experienced moderate growth in its resource bases during the last decade.

Data developed by this agency indicate that between the 1993/94 and 1997/98 fiscal periods the per capita theoretical revenue capacity of Alleghany County increased by 39.1%, a growth rate exceeding that of the City (18.4%) and the statewide figure (22.3%).⁴² Further, as of

³⁹**Taxable Sales in Virginia Counties and Cities, Annual Reports, 1990 and 1999.** The per capita increase in taxable retail sales in the County (21.6%) between 1990 and 1999 exceeded that in the City (11.2%) but was less than the State overall (37.4%).

⁴⁰Although the County is the location of the only shopping center in the Alleghany Highlands, Covington is the area's leading jurisdiction for the sale of automobiles, furniture, home furnishings, building materials, and general merchandise. (**Taxable Sales in Virginia Counties and Cities, Annual Report, 1999.**)

⁴¹Virginia Employment Commission, "ES-202 Average Annual Employment by Size Code, Alleghany County, 1990 and 1998" (unpublished electronic dataset).

⁴²**Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, 1997/98,** Tables 2.1, 2.3.

FY1997/98 Alleghany County's per capita revenue capacity (\$1,141.25) was 95.1% of the average for all the Commonwealth's counties and cities (\$1,200.39).⁴³ At the same time, the Commission's most recent comparative fiscal stress analysis found that in 1997/98 the County experienced "above average stress" relative to all Virginia localities.⁴⁴

The topography and public land ownership patterns in Alleghany County have had a major impact on the nature and extent of its economic development. Unlike many of Virginia's counties, agricultural operations do not represent a major component of Alleghany County's economic base. In 1997 the average market value of agricultural products sold by an Alleghany County farm was \$13,323, a figure less than one-quarter of that for the State as a whole (\$57,027).⁴⁵ Further, slightly more than half (54.4%) of the farm operators in the County were employed for 100 days or more in nonfarm-related activities.⁴⁶ In contrast, however, forestry and associated industries constitute a major component of the County's economy. Data reveal that, as of 1992 (the most recent information available), 397 square miles of territory, or 87.5% of the County's total land area, were classified as forest lands.⁴⁷ According to 1995 estimates, there are approximately 2,100 employment positions in the

⁴³**Ibid.**

⁴⁴**Ibid.**, Table 6.3.

⁴⁵U. S. Department of Agriculture, National Agricultural Statistics Service, **1997 Census of Agriculture, Virginia**, Table 1, p. 164. The average size of a farm in Alleghany County in 1997 was 194 acres.

⁴⁶**Ibid.** Table 11, p. 319.

⁴⁷U. S. Department of Agriculture, Forest Service, **Forest Statistics for the Northern Mountains of Virginia, 1992**, Table 1, p. 14. In 1992, approximately 220 square miles of County territory were located in the George Washington National Forest. (**Ibid.**, Table 2, p. 15.)

Alleghany Highlands engaged in the production of paper and allied products, with more that 80% of those positions located in the County.⁴⁸

Physical characteristics of the land and the extent of public ownership also limit development opportunities in Alleghany County. With respect to the land's physical characteristics, slopes in the County extend up to 80%, with those over 25% being commonplace due to mountainous terrain.⁴⁹ In terms of public ownership, approximately 55% of the County is comprised of State and federal lands. As a consequence, the preponderance of that jurisdiction remains wooded, agricultural, or vacant. That portion of the County's land which is developed is largely concentrated in the valley of the Jackson River between the Cities of Clifton Forge and Covington.⁵⁰ Outside the area bounded by the two Cities, Alleghany County has experienced only limited development and has restricted prospects for future growth, principally due to topographic conditions.

In sum, while the statistical evidence indicates that Alleghany County is a jurisdiction with a diminishing, aging, and comparatively less affluent population, the County has experienced growth in its fiscal condition in recent years.

COMMUNITY OF INTERESTS

Clifton Forge and Alleghany County have roots which intertwine and which extend deeply into the Commonwealth's past. The history

⁴⁸County of Alleghany, **Alleghany County Comprehensive Plan**, May 21, 1996, p. 5-7.

⁴⁹**Ibid.**, p. 6-1.

⁵⁰**Ibid.**, pp. 10-1 -- 10-2.

and development of those two jurisdictions have been inextricably related. Family, social, professional, and economic ties have crossed and continue to transcend jurisdictional lines. The reversion of the City to town status, as called for in the proposed agreement, would only broaden and extend a relationship between the two jurisdictions which is already real and pervasive.⁵¹ While Clifton Forge continues to play a prominent role in the corporate life of its area, its governmental boundaries impose severe restraints on its prospects for economic growth. Alternatively, in recent years Alleghany County has experienced moderate development and has a potential for future economic growth. The proposed reversion would permit, it may be argued, the development potential of the County to complement the existing physical assets of the City for the mutual benefit of the residents of both jurisdictions.

STANDARD FOR REVIEW

As indicated previously, the Commission on Local Government is charged with reviewing proposed interlocal agreements negotiated under the authority of Section 15.2-3400 of the Code of Virginia for purposes of determining whether such settlements are "in the best interest of the Commonwealth." In our judgment, the State's interest in this and other proposed interlocal agreements is fundamentally the

⁵¹Local officials in the Alleghany Highlands have been discussing governmental consolidation since 1980. Although the Clifton Forge and Alleghany County school divisions were merged in 1982, an effort to consolidate those two jurisdictions and the City of Covington was defeated in a May 1987 referendum. The consolidation referendum passed overwhelmingly in the County and Clifton Forge, but it failed to secure the approval of Covington voters. In 1990 representatives of Alleghany County and Clifton Forge initiated discussion concerning a two-way consolidation, and that effort was submitted to referendum in each jurisdiction in 1991. While the voters in Clifton Forge approved the consolidation, those in the County defeated it. (**City Reversion Notice**, Tab "Introduction," pp. 3-5.)

preservation and promotion of the general viability of the affected localities. In this instance the Commission is required to review an interlocal accord which provides for (1) the transition of the City to town status, (2) the public services to be provided by Clifton Forge and Alleghany County to the residents of the proposed town, (3) the termination or amendment of certain interlocal agreements and contracts between the City and County, and (4) the waiver by Clifton Forge of its authority to initiate annexation actions as a town for a period of 12 years following the reversion. A proper analysis of the proposed City of Clifton Forge - County of Alleghany settlement agreement, as mandated by statute, requires consideration of the ramifications of accord with respect to the future viability of the two jurisdictions.

INTERESTS OF THE CITY OF CLIFTON FORGE

While evidence cited in a previous section of this report indicates that Clifton Forge remains an economically viable municipality, data also suggest that the City is a community confronting increasing economic and fiscal concerns. The transition of the City to town status will alleviate some of those concerns by shifting to the County, a polity with greater fiscal potential, full responsibility for the provision of certain major public services to the residents of the municipality.

With respect to those public services, we note that Clifton Forge's reversion will establish a traditional Virginia town-county relationship between the two jurisdictions. Consistent with such a relationship, the settlement accord states that Clifton Forge will retain responsibility within its boundaries for public safety (law enforcement and fire protection); the provision of public utilities (water and sewer service), the maintenance of streets and roads; public planning and

land development control; and the provision of public recreation and libraries.⁵² Other public services formerly provided by the City, directly or by contract with other jurisdictions, such as public schools; health; social services; mental health, mental retardation, and substance abuse services; court system; the jail; elections; and the constitutional officers, will become the responsibility of Allegheny County.⁵³ Further, since the County currently provides solid waste collection and disposal throughout its jurisdiction, that service will also be available to the residents and businesses within the City subsequent to reversion.⁵⁴

The proposed reversion of the City to town status will not have an adverse fiscal impact on the Clifton Forge. Data submitted by the City reveal that the first year following the effective date of transition to town status municipal revenues will exceed expenditures by approximately \$511,000.⁵⁵ A representative for the City has indicated that even with the service responsibilities imposed on the proposed town by the settlement, following reversion Clifton Forge residents

⁵²**Settlement Agreement**, Sec. 3.01.B. The agreement also reserves to Clifton Forge the responsibility of providing street lighting, senior citizen services, maintenance of public cemeteries, and animal control within the former City following the reversion.

⁵³**Ibid.**, Sec. 3.01.A. In addition, the County will also provide property assessment and the collection of County taxes, building inspection, and economic development services to the residents of Clifton Forge.

⁵⁴**Ibid.**, Sec. 3.02. The cost for residential solid waste collection service is currently borne by the County's general fund. The proposed settlement, however, authorizes Allegheny County to levy a fee for that service within the former City if such a charge is imposed on all County residents in the future.

⁵⁵Robinson, Farmer, Cox Associates, **City of Clifton Forge, Virginia, Financial Impact of Reversion to Town Status** (hereinafter cited as **City Reversion Impact**), May 2000, p. 1.

would realize a significant overall property tax reduction even with the application of the County's levies.⁵⁶ While the City's revenue estimates associated with the proposed reversion will require modification due to changing conditions and circumstances, in our judgment the reversion can be accomplished in a manner which maintains appropriate service levels in Clifton Forge while avoiding any major adverse fiscal impact on that municipality.

The provisions in the proposed settlement that terminate or amend certain interlocal contracts or agreements between Clifton Forge and Alleghany County will also have a positive fiscal impact on the City. In this regard, we note that a component of the proposed accord provides that Clifton Forge's transition to town status will terminate the Joint School Agreement which requires the City to fund a portion of the operating expenses of the Alleghany Highlands School Division.⁵⁷ During FY1998/99 the City's share of those costs was approximately \$2.3 million, but following reversion, the County will bear sole responsibility for the operation of the school system.⁵⁸ Further, the settlement agreement calls for Clifton Forge to be removed as a party to the regional jail contract upon the City's

⁵⁶Stephen J. Jacobs, Consultant, City of Clifton Forge, presentation to Commission on Local Government, May 30, 2000.

⁵⁷**Settlement Agreement**, Sec. 3.04.A. In addition, while following reversion Alleghany County will be solely responsible for the debt associated with the two new schools under construction by the Alleghany Highlands School System, the proposed agreement provides that Clifton Forge will retain responsibility for the debt service incurred by the City prior to entering the joint school agreement on July 30, 1982.

⁵⁸Robinson, Farmer, Cox Associates, **City of Clifton Forge, Virginia, Financial Report, Year Ended June 30, 1999**, Schedule 2.

transition to town status.⁵⁹ Under the terms of that contract, the City agreed in 1997 to pay a proportionate share of the construction costs for that facility over 30 years and to assume a share of the operating expenses for the regional jail.⁶⁰ Subsequent to the transition, however, the County sheriff will be responsible for housing all prisoners convicted of offenses that occur within Clifton Forge, and the proposed town will no longer have a need for the services provided for in the regional jail contract.

The City's reversion would also restore its authority to extend its boundaries through annexation. While the legislature has legally barred annexation by cities for most of the past three decades, it has not proscribed annexation by the Commonwealth's towns. Recognizing the distinction in the effects of city and town annexations, the latter have been permitted to continue pursuant to the traditional test of "necessity and expediency."⁶¹ It is clearly in the interest of Clifton Forge to have an opportunity to share, subject to full and proper consideration of the standards and factors prescribed by law, in the development which has transpired on its periphery. However, a provision in the settlement accord which requires Clifton Forge not to initiate any annexation actions against the County for a period of 12 years following the effective date of town status will delay the City's ability to benefit from the growth that is occurring in the

⁵⁹**Settlement Agreement**, Sec. 3.04.B. In addition to the County and Clifton Forge, the City of Covington and Bath County are the other parties to the regional jail contract.

⁶⁰**City Reversion Notice**, Addendum C.2. The regional jail is currently under construction in the City of Covington.

⁶¹In addition, Section 15.2-4117 of the Code of Virginia establishes a moratorium on town-initiated annexations for a period of two years subsequent to the effective date of the transition of a city to town status.

areas adjacent to the current municipal boundaries.⁶²

There are several other consequences of the proposed agreement which are, from our perspective, in the interest of Clifton Forge. First, unlike previous consolidation efforts that have been attempted in the Alleghany Highlands, the reversion of the City to town status would preserve Clifton Forge as a distinct and active political entity. The ability of Clifton Forge to retain its separate community identity is an important element in the maintenance of a sense of citizen attachment. Second, the transition to town status will enable Clifton Forge to focus more of its resources on the enhancement of its physical infrastructure which will have the effect of increasing the social and economic health of the municipality. Third, as a town, Alleghany County will have a direct interest in the economic viability of Clifton Forge. In our judgment, for the reasons specified the proposed agreement is in the best interest of Clifton Forge and its residents.

INTERESTS OF ALLEGHANY COUNTY

The proposed reversion of Clifton Forge to town status would result in increasing the County's land area by 3.17 square miles (0.7%), its population by approximately 4,300 persons (34.4%), and, based on 1998/99 data, its total assessed property values by \$124.7 million (19.0%).⁶³ Further, as a consequence of those added

⁶²**Settlement Agreement**, Sec. 3.14.

⁶³**City Reversion Notice**, Table A-1; Robinson, Farmer, Cox Associates, **County of Alleghany, Virginia, Financial Report, Year Ended June 30, 1999**, Schedule 10; and **City of Clifton Forge, Virginia, Financial Report, Year Ended June 30, 1999**, Schedule 12. In determining the increased property values which would be made available to Alleghany County following the proposed reversion, the assessed values for Clifton Forge have not been adjusted to reflect the County's assessment ratios and practices.

assessments and increased receipts from other tax sources (e. g., sales taxes), calculations by Allegheny County indicate that it would experience an increase in local-source revenues alone of almost \$1.5 million annually subsequent to reversion.⁶⁴ Thus, the transition of the City to town status would substantially increase the County's overall population and the revenue sources to address its needs.

Although the reversion will provide Allegheny County with additional population and fiscal resources, it will concurrently present the County with increased public service responsibilities. As noted in the previous section of this report, following the effective date of reversion the proposed settlement calls for the County to assume full responsibility for the funding of the constitutional officers; election officials and processes; welfare, health, and mental health services; solid waste collection and disposal; judicial system and local corrections; and public education within the former City.⁶⁵ To the extent that Clifton Forge is able to meet the needs of its residents for other public services, such as police and fire protection, public

⁶⁴Cole and King, **County of Allegheny, Financial Impact of Clifton Forge Reversion** (hereinafter cited as **County Reversion Impact**), Appendix 2-A. Allegheny County's estimates concerning the impact of the proposed transition assumed that the first year following reversion would be FY2001/02 and adjusted financial data from the City's and the County's FY1997/98 audits were projected forward to that fiscal year. (**Ibid.**, pp. 3-5.) The reversion of Clifton Forge to town status will also result in Allegheny County receiving additional State aid. While the precise amount of such additional aid will be contingent upon a number of variables and decisions to be made by various State entities, a representative for the County estimates that the reversion can be expected to increase the amount of such assistance to the County by approximately \$1.7 million the first year subsequent to the City's transition. (**Ibid.**, Appendix 2-A.)

⁶⁵**Settlement Agreement**, Sec. 3.01.A The settlement also requires the County to provide property assessment and the collection of County taxes; building inspection; and economic development services to Clifton Forge.

utilities, and street construction and maintenance, the demands on County staff and resources are reduced.

Notwithstanding Alleghany County's direct access to the property assessables and other revenue resources within Clifton Forge, the County has suggested that the proposed reversion would have major ramifications for its finances. Estimates submitted by the County indicated that the transition of the City to town status would result in a total net negative fiscal impact on the County of \$847,000 the first year following the reversion. This negative balance is projected to increase to approximately \$1.4 million by FY2010/11.⁶⁶ In contrast to the County's calculations, Clifton Forge estimated that the reversion would result initially in the County's added expenditures exceeding its receipts by only \$3,500.⁶⁷ The variance in the two cost estimates results, in large part, from the fact that the County includes debt service and other costs for capital projects as a fiscal liability of the proposed reversion.⁶⁸ The County's deficit projection is also predicated on the assumption that the Virginia Department of Education will not, contrary to its past practice for almost two decades, authorize the use of a more favorable "index of local ability to pay" in the distribution of State educational assistance to Alleghany County following the proposed reversion.⁶⁹

⁶⁶**County Reversion Impact**, Schedule 1.

⁶⁷**City Reversion Impact**, p. 1. The estimation methodology employed by the City's consultant used audited County financial data for FY1997/98 and assumed that the proposed reversion would occur the following fiscal year. (Jacobs, presentation to Commission on Local Government, May 30, 2000.)

⁶⁸**County Reversion Impact**, Schedule 1.

⁶⁹**Ibid.**; Margaret A. Lindsey, Consultant, County of Alleghany, communication with staff of Commission on Local Government, July 24, 2000; and Jacobs, presentation to Commission on Local

With respect to the County's fiscal projections relative to the financial impact of the proposed reversion, several other points merit note. According to Allegheny County's methodology, its revenues would exceed its expenditures by approximately \$2.5 million during the initial year following reversion.⁷⁰ That amount would be reduced, however, by approximately \$3.4 million, which principally represents the County's cost for the construction of certain capital projects and debt service.⁷¹ As a consequence of those reductions, Allegheny County officials conclude that the proposed reversion would have a severe adverse fiscal impact on the County. The Commission observes that County expenditures for capital projects and debt service would

Government, May 30, 2000. Allegheny County's financial consultant estimated that the proposed reversion would reduce the amount of State educational aid received by the County by approximately \$62,000 during the first year following the effective date of the City's transition to town status. Since the early 1980s, principally in response to the merger of the Allegheny County and Clifton Forge school systems, the Appropriations Act has authorized the Board of Education in its distribution of basic school aid to use the lowest index of any jurisdiction participating in a consolidated school division rather than the index which would result if such were predicated upon fiscal and demographic data for the consolidated entity. The lower the "index of local ability to pay," the greater the amount of State basic school aid provided the locality. [See Ch. 1073, Acts of the Assembly, 2000, Item 143(A)(4b)].

⁷⁰**County Reversion Impact**, Schedule 1.

⁷¹For the first year following reversion, the County's financial consultant estimated that expenditures for debt service and the local share of capital projects would be approximately \$2.1 million. The County also included in its post-reversion expenditures approximately \$600,000 for the cost for renting additional space for court facilities and social services offices, acquiring new vehicles, and the hiring of temporary staff to manage the transition period and a one-time cost of \$500,000 for the relocation of the School Board offices. (*Ibid.*, Appendix 4.).

be incurred regardless of Clifton Forge's transition to town status.⁷² If Alleghany County is confronted with addressing outstanding capital needs, those costs would not be a direct consequence of the City's reversion. Further, if and when Clifton Forge reverts to town status, its residents will proportionately and appropriately share in the County's capital costs, whether such costs are met through current revenues or the proceeds of general obligation bonds.

Other major components of the proposed settlement with potential fiscal impact on Alleghany County annul or modify certain agreements between the two jurisdictions. With respect to this issue, the Westvaco Revenue-Sharing Agreement requires Alleghany County to share with the City certain local tax revenues derived by the County from designated industrial property within its jurisdiction. In FY1998/99 the County's revenue-sharing payment to the City was approximately \$147,000.⁷³ Under the terms of the accord currently before this Commission, however, those annual payments by the County will cease following reversion.⁷⁴ Similarly, the proposed settlement also calls for the Joint School Agreement, which requires the City to fund a portion of the operating expenses of the Alleghany Highlands School Division, to terminate upon Clifton Forge's transition

⁷²Included in the list of the County's capital projects are the construction of two new schools, utility improvements in the Callaghan, Low Moor, Intervale, and Clearwater areas, the renovation of a facility for County administrative offices, and a portion of the cost for the construction of a new regional jail. (Eston E. Burge, County Administrator, County of Alleghany, communication with staff of Commission on Local Government, June 14, 2000.)

⁷³**County of Alleghany, Virginia, Financial Report, Year Ended June 30, 1999**, Schedule 2.

⁷⁴**Settlement Agreement**, Sec. 3.03.

to town status.⁷⁵ Data for FY1998/99 reveal that the City's payment to the County under the terms of the school agreement was approximately \$2.3 million.⁷⁶ Thus, the cancellation or modification of those and other interlocal agreements concerning the regional jail, landfills, and the operation of the community services board will have varying fiscal consequences for the County.

In terms of the present fiscal condition of Alleghany County and its ability to bear the cost of the proposed reversion, several salient points should be noted. First, Alleghany County had, as of 1998 (the latest year for which the statistic has been calculated), an effective true real estate tax rate of \$0.58, which was 61.7% of the true tax rate for all of Virginia's 135 counties and cities (\$0.94).⁷⁷ Second, as of June 30, 1998 Alleghany County had a per capita gross debt of \$251.82, or only 14.5% of the comparable figure for all the State's counties and cities considered collectively (\$1,740.98).⁷⁸ Finally, with respect to revenues derived from local sources, the data indicate that between FY1989/90 and FY1997/98 Alleghany County recorded an average annual per capita increase in total local-source revenues of 10.4%, a statistic higher than the comparable figure for all but three of Virginia's 135 counties and cities.⁷⁹ Thus, the evidence indicates that,

⁷⁵**Ibid.**, Sec. 3.04.A. Clifton Forge, however, will remain responsible for the debt incurred by the City prior to entering the joint school agreement on July 30, 1982.

⁷⁶**City of Clifton Forge, Virginia, Financial Report, Year Ended June 30, 1999**, Schedule 2.

⁷⁷**The 1998 Virginia Assessment/Sales Ratio Study**. The effective true real estate tax rate in Clifton Forge in 1998 was \$1.09.

⁷⁸**Appendix E.**

⁷⁹**Appendix C**, Table 3.

in our view, Alleghany County has the potential to manage fiscally the proposed reversion.

The prospective impact of the proposed reversion on the revenue capacity and revenue effort statistics of Alleghany County, as measured by the Commission-adapted representative tax system, also suggests the fiscal consequences which the proposed transition would have on that jurisdiction. In terms of revenue capacity, the Commission's data indicate that when the fiscal attributes of Alleghany County are modified to include those of Clifton Forge for the 1997/98 fiscal period, the per capita revenue capacity of the County would be \$1,034.15, or only 86.0% of that for all the State's cities and counties.⁸⁰ The 1997/98 per capita revenue capacity figure for the enlarged Alleghany County, however, exceeded that of several other counties of comparable demographic size and nature.⁸¹ In calculating the consequence of the proposed reversion on the revenue effort of the enlarged Alleghany County, the Commission assumed, for the purpose of considering the most extreme impact on the County, that following reversion the County would raise revenue equivalent to the combined total of the revenues raised previously by the two jurisdictions.⁸² Based on that extreme assumption, our calculations

⁸⁰**Appendix F**, Table 2. The statewide figure has been recalculated on the basis of 134 counties and cities.

⁸¹**Ibid.** The cohort set of counties was selected on the basis of their estimated population for 1997 and the number of persons residing in their incorporated towns.

⁸²The Commission recognizes that Clifton Forge will continue to provide law enforcement, recreation, utility, public works, and other general governmental services after its proposed reversion and that its past expenditures for such services would not be assumed by Alleghany County. Thus, the revenue effort statistic calculated for the County following reversion admittedly overstates the burden to be borne by the County.

indicated that the integration of Clifton Forge into Alleghany County would give the latter jurisdiction a 1997/98 revenue effort of 110% of its theoretical revenue capacity.⁸³ The revenue effort of post-reversion Alleghany County would have exceeded the statewide figure (86.1%) as well as that of several other Virginia counties of comparable demographic size and nature.⁸⁴

While the data reviewed above indicate that the transition of Clifton Forge to town status as called for in the proposed agreement will only have a minimal financial impact on Alleghany County, the General Assembly has enacted two measures designed to facilitate the reversion of independent cities and to assist fiscally the counties affected by such actions. In this regard, as noted above, each Appropriations Act since the early 1980s has included a provision which permits the State to increase its basic school aid to local governments which consolidated in toto or which consolidated their school divisions.⁸⁵ Further, to avoid the possibility that reversion might change some overall statistical measure for the affected county and, consequently, reduce the level of State assistance to that jurisdiction predicated upon such a measure, a provision was added to the Code of Virginia in 1991 which assured consolidating units of government that they would experience no diminution of State assistance for any governmental program or function during the five-

⁸³Appendix F, Table 4.

⁸⁴Ibid.; and Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, 1997/98, Table 3.1.

⁸⁵See Ch. 1073, Acts of the Assembly, 2000, Item 143(A)(4b).

year period following consolidation.⁸⁶ In order to give further inducements to governmental or functional consolidation efforts, the 2000 General Assembly extended from 5 to 15 years the period in which State assistance for the reversion of a city to town status would be continued.⁸⁷ Thus, Allegheny County may contemplate the continued receipt of State aid at undiminished levels for at least the 15-year period following the proposed reversion.⁸⁸

Beyond the immediate fiscal impact of the proposed reversion, there are, in our judgment, other significant long-term benefits which would accrue to Allegheny County. Such beneficial consequences include the more efficient use of public resources, economies of scale in the provision of services, elimination of undesirable competition among separate units of government, and an enhanced ability to engage in long-range planning efforts for the future development of

⁸⁶See Sec. 15.2-1302, Code of Va. The Commission notes that this statute was amended in 1994 to explicitly include the transition of a city to town status as being eligible for the continuation of State assistance.

⁸⁷See Ch. 708, Acts of the Assembly, 2000. Both the City and County supported the legislation that would continue State aid for a 15-year period following a reversion.

⁸⁸Allegheny County's estimates of the impact of the proposed reversion assumes the continuation of State aid for only a five-year period following reversion. (**County Reversion Impact**, p. 4.) With respect to State funds for education, the Virginia Department of Education has sought guidance from the Office of the Attorney General as to how the extension of the "hold harmless" period to 15 years should be considered in conjunction with the provision in the Appropriations Act concerning the increase in basic school aid to consolidated school divisions resulting from city transition. (Daniel S. Timberlake, Assistant Superintendent for Finance, letter to staff of Commission on Local Government, Sep. 22, 2000.) Other than State educational aid, the County's receipt of additional funds to support its constitutional officers following reversion is the largest source of financial assistance from the Commonwealth that will be affected by the extension of the "hold harmless" period.

the entire community. Further, to the extent that the reversion will enhance the fiscal viability of Clifton Forge, the overall economy of enlarged Alleghany County will be strengthened.

Aside from the provisions concerning the transition of the City to town status, there is another element of the settlement agreement which affects the interest of Alleghany County. The agreement contains a provision by which Clifton Forge agrees not to initiate any subsequent annexation actions for a 12-year period following the effective date of the proposed reversion. That provision allows the County an opportunity to become acclimated to the municipal transition and ensures time for deliberate adjustment to changing circumstances.

The transition of Clifton Forge to town status, as called for in the settlement between the City and Alleghany County, offers an opportunity to reintegrate two adjoining and historically close jurisdictions. Moreover, our review of the current and prospective fiscal status of the County suggest that the proposed reversion will have only a moderate impact on the County. In sum, we find the proposed agreement to be in the best interest of Alleghany County.

INTERESTS OF THE COMMONWEALTH

The paramount interest of the State in this proposed agreement and in the resolution of all other interlocal issues subject to the Commission's review is, in our judgment, the preservation and promotion of the viability of the affected localities. From our perspective, the proposed agreement between the City of Clifton Forge and Alleghany County is promotive of the viability of the two jurisdictions. As previous sections of this report have indicated, the

provisions in the settlement accord which facilitate the transition of Clifton Forge to town status will enhance the fiscal well-being of that municipality. Further, components of the proposed agreement set forth terms and conditions that address the concerns of the County resulting from Clifton Forge's reversion. Clearly, those provisions can be cited as promotive of the State's interest.

With respect to the Commonwealth's concern for the viability of its local governments, this Commission notes that numerous study commissions have repeatedly recommended that the State encourage efficiency through the consolidation of local governments and promote interjurisdictional solutions to problems.⁸⁹ In addition, we note that the Commission on Local Government Structures and Relationships (1990), the Urban Partnership (1995), and the Commission on the Condition and Future of Virginia's Cities (2000) reflected the view that the State's interest would be served by the reversion of cities to dependent status within a county.⁹⁰ Indeed, the existence of the very reversion process which is the principal focus of the proposed agreement is evidence of a view by State legislators that integration of governments and governmental services should be encouraged.

Additional confirmation of the general interest of the State in

⁸⁹See, for example, Governor's Commission on Virginia's Future, **Toward a New Dominion: Choices for Virginians**, Dec. 4, 1984, p. 37.

⁹⁰See **Report of the Commission on Local Government Structures and Relationships**, House Document No. 69, 1990, p. 12; and The Urban Partnership, **A Framework for Virginia's Competitiveness**, p. 9. In addition, one of the legislative proposals endorsed by the General Assembly's Commission on the Condition and Future of Virginia's Cities would permit any city to revert to an alternate form of dependent status having all the powers, duties, and responsibilities of a town as well as those powers of the former city approved by the special court. (See Senate Bill 669/2000). That legislation has been continued to the 2001 General Assembly Session.

promoting the transition of cities to town status can be seen in other enactments of the General Assembly. As cited in an earlier section of this report, for almost two decades each Appropriations Act has included authorization for the State to increase its basic aid payments to local governments which consolidated or which consolidated their school divisions. In addition, since 1991 the Code of Virginia has included a provision which precludes generally any diminution of State assistance to affected jurisdictions for any function or activity in the event of local government consolidation or city reversion.⁹¹

Finally, with respect to the State's general interest in this reversion issue, we note that the Commonwealth has taken positive actions in the past to aid the consolidation of the local governments in the Alleghany Highlands.⁹² Moreover, this Commission has been involved for over a decade in assisting the consolidation efforts by Alleghany County and the Cities of Clifton Forge and Covington, and twice has rendered reports supporting the integration of those jurisdictions.⁹³ As we noted in our 1991 report endorsing the merger of Clifton Forge and Alleghany County:

⁹¹The Commission notes, however, that the statute does not preclude an across-the-board adjustment in State aid necessitated by any general State budgetary imbalance.

⁹²For example, the General Assembly amended the State's consolidation statutes to accommodate unique aspects of both the 1987 and 1991 consolidation efforts in the Alleghany Highlands.

⁹³Commission on Local Government, **Report on the City of Covington - City of Clifton Forge - County of Alleghany Consolidation Action**, July 1986; and Commission on Local Government, **County of Alleghany - City of Clifton Forge Consolidation Action**, July 1991. In addition, beginning in early 1981 the interlocal negotiations seeking to resolve local boundary change and governmental transition issues in the Alleghany Highlands area were assisted by independent mediators designated by the Commission.

In our judgment, the proposed consolidation is a positive step towards the total governmental integration in the Alleghany Highlands area - a goal which has been recommended by previous study groups and by this Commission. The consolidation of Alleghany County and the City of Clifton Forge will, in our view, contribute to an improved governmental and economic environment in the Alleghany Highlands....⁹⁴

While, to be sure, this Commission was recommending the total consolidation of the two local governments, Clifton Forge's transition to town status as contemplated in the proposed agreement would unite the two communities with the resulting economic benefits accruing to both jurisdictions.

Based on the considerations mentioned above, we find that the proposed agreement which facilitates the transition of Clifton Forge to the status of a town in Alleghany County is clearly consistent with the interest of the Commonwealth in the protection and preservation of the viability of its local governments.

FINDINGS AND RECOMMENDATIONS

In the preceding section of this report, the Commission has reviewed the various provisions of an interlocal agreement negotiated by the City of Clifton Forge and Alleghany County. Based on that review, we find the proposed agreement "in the best interest of the Commonwealth," and we recommend the court's approval of the accord. While finding the agreement in the best interest of the

⁹⁴County of Alleghany - City of Clifton Forge Consolidation Action, p. 35.

Commonwealth, there is one related issue which we are obliged to address.

MODIFICATION OF 12-YEAR BAN ON TOWN GROWTH

This Commission has approached the provision in the proposed agreement which calls for Clifton Forge neither to initiate nor accept any annexation for a 12-year period following the effective date of town status, as it would any similar provision in any other agreement, with considerable reservation. However, in this case the Commission has not found sufficient warrant to accept a bar on future annexations subsequent to Clifton Forge's reversion which is ten years longer than that imposed by the Code of Virginia.⁹⁵ One of the major inducements for the reversion of cities to town status is the restoration of municipal annexation authority. As noted in an earlier section of this report, the General Assembly established and maintained a moratorium on all city-initiated annexation between 1972 and 1980 and reestablished such a moratorium in 1987 which continues to the present time.⁹⁶ Since the expansion of the boundaries of a town, unlike that of a city, does not serve to diminish a county in land, people, and property assessment, the legislature in Virginia has never imposed a moratorium on town annexations, nor has it made applicable to towns any of the annexation immunity provisions.⁹⁷

⁹⁵Section 15.2-4117 of the Code of Virginia only imposes a moratorium on town-initiated annexations for a period of two years following the transition of a city to town status.

⁹⁶The current moratorium on city-initiated annexation extends until July 1, 2010.

⁹⁷Neither the statutory provisions granting annexation immunity to an entire county nor those which grant partial immunity to a county restrict the authority of a town to annex the "immunized" property. In both instances, the immunity provisions affect only the authority of cities. (See Chapter 33, Title 15.2, Code of Va.)

With respect to the issue before us, we note that while both jurisdictions experienced a loss of population in the previous decade, the growth in Alleghany County's economic and local-source revenue bases in recent years has been significantly greater than that which has occurred in the City over the same period. Further, Clifton Forge's opportunities to attract additional development within its current boundaries are severely restricted by the lack of vacant land for such activity. Moreover, Clifton Forge has nurtured and sustained by its services and proximity much of the development that has occurred on its periphery, and, in our judgment, the City should have an opportunity to benefit from that growth. While we do not feel it essential to condition our endorsement of the proposed agreement on a modification of the bar on annexations by Clifton Forge, the Commission strongly encourages the two jurisdictions to consider reducing the moratorium on future boundary expansions by the proposed town.

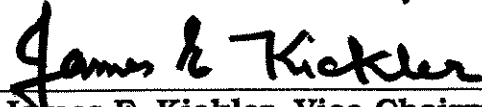
CONCLUDING COMMENT

The Commission is cognizant of the considerable effort devoted by the officials of the City of Clifton Forge and Alleghany County to the negotiation of the agreement before us. From our perspective, the proposed agreement constitutes a notable effort by the leadership of both jurisdictions to address in a collaborative fashion the concerns of their localities and the needs of their residents. Further, the reversion of Clifton Forge to town status offers an opportunity to the residents of the City and Alleghany County to address their future public concerns through a new and strengthened local governmental arrangement which, with careful management and foresight, can make a positive contribution to the corporate life of the area.

Respectfully submitted,



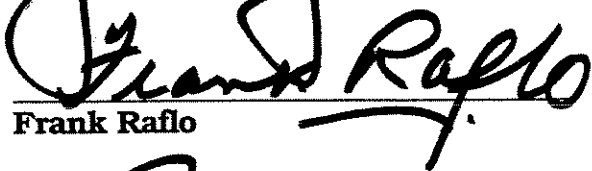
Peter T. Way, Chairman



James E. Kickler, Vice Chairman



James J. Heston



Frank Raflo



Gelipe B. Williams

APPENDIX A

**Voluntary Settlement of Town Status Issues
Between the City of Clifton Forge and the
County of Alleghany**

**VOLUNTARY SETTLEMENT OF TOWN STATUS ISSUES BETWEEN
THE CITY OF CLIFTON FORGE AND THE COUNTY OF ALLEGHANY**

This AGREEMENT is made and entered into this 24 day of April 2000, and executed in quintuplicate originals (each executed copy constituting an original) by and between the **CITY OF CLIFTON FORGE, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the "City"), and the **COUNTY OF ALLEGHANY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "County").

WHEREAS, the City and the County have reached this Agreement, pursuant to Title 15.2, Chapter 34 of the Virginia Code, providing for the reversion of the City to town status, the allocation of governmental services following that change in governmental structure, and for other matters; and

WHEREAS, the City seeks to establish a traditional town/county relationship with the County, with the same rights, powers and responsibilities as are granted to existing towns by the Code of Virginia; and

WHEREAS, the reversion of the City to town status within the County would further the interest of the State in promoting strong and viable units of local government;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree with each other as follows:

SECTION 1. DEFINITIONS

The parties hereto agree that the following words, terms, and abbreviations as used in this Agreement shall have the following defined meanings, unless the context clearly provides otherwise:

- 1.01 City: "City" shall mean the City of Clifton Forge, Virginia.
- 1.02 Town: "Town" shall mean the new Town of Clifton Forge, Virginia.
- 1.03 Code: "Code" shall mean the Code of Virginia of 1950, as amended.
- 1.04 Commission: "Commission" shall mean the Commission on Local Government.
- 1.05 County: "County" shall mean the County of Alleghany, Virginia.
- 1.06 Court: "Court" shall mean the Special Three-Judge Court appointed by the Supreme Court of Virginia pursuant to Title 15.2, Chapter 30, §15.2-3000 of the Code.
- 1.07 Section; Subsection: "Section" or "subsection" refers to parts of this Agreement unless the context indicates that the reference is to parts of the Code.

SECTION 2. TRANSITION TO TOWN STATUS

2.01 Transition to Town Status: The City and the County agree that, upon the date specified in Section 5.03, the City shall make a transition from an independent city to a town located within and constituting part of Alleghany County. The Town shall possess all powers and have such authority as granted by general law to other towns in the Commonwealth and such other powers and authority as granted by charter or other special acts of the General Assembly.

SECTION 3. TERMS AND CONDITIONS

3.01 Allocation of Governmental Services: Upon the effective date of town status, the parties agree that governmental services provided to residents of the Town shall be allocated between the County and Clifton Forge as set forth below:

A. Alleghany County shall be responsible for providing the following governmental services within the Town in the same manner as it provides such services to other residents of the County including the Town of Iron Gate: (a) public education; (b) judicial administration; (c) property assessment and collection of County taxes; (d) elections; (e) health and mental health services; (f) social services; (g) solid waste collection, disposal and recycling; (h) building inspection services, including the issuance of permits and the collection of all associated fees; and (i) economic development to benefit both the Town and the County. The County shall be entitled to receive all funding, be it federal, state, local, or other, which is distributed or collected in connection with its provision of the above services to residents of the Town of Clifton Forge. To the extent authorized by general law, the Town shall pay for the costs of Town elections.

B. To the extent desired by its citizens, the Town shall be responsible for providing at an appropriate level those urban services traditionally provided by towns, including: (a) police protection; (b) fire protection; (c) water treatment and distribution; (d) sewage collection and treatment; (e) public planning, subdivision regulation and zoning; (f) public library services; (g) street lighting; (h) street maintenance and related services; (i) town manager and accounting services; (j) cemetery maintenance; (k) animal control; (l) senior citizens services; and (m) recreation activities. The cessation of any of the foregoing services by the Town shall not obligate the County to continue, maintain, or otherwise provide such services. Residents of Clifton Forge

shall have use of all services provided by the County to its residents on the same basis as other County residents.

3.02 Solid Waste Collection and Disposal: The County currently provides solid waste collection and disposal services to its residents, in accordance with Chapter 50 entitled SOLID WASTE of the Alleghany County Code, the expenses of which are paid exclusively from general tax revenues collected in the County without the imposition of any separate user fees, other than certain user fees imposed upon commercial customers. On and after the effective date of town status, the County agrees that it will not charge the Town or its residents, businesses, and institutions any fee for the provision of such services other than such fees for commercial customers as are currently being imposed, unless the County begins assessing all County residents a direct user fee specifically established for the provision of those services. In that case, the County will impose the direct fee on users of those services within the Town on the same basis as other County residents, businesses, and institutions.

3.03 Westvaco Revenue Sharing: By agreement dated August 23, 1984, the City and the County agreed to make certain property available to Westvaco Corporation and to share equally, in perpetuity, the property and gross receipts taxes collected from the facilities constructed on such property. Upon the effective date of town status, the City agrees that the County's obligations to share the tax revenues from such property shall be terminated forever.

3.04 Joint Contracts: As a result of the allocation of governmental services agreed to by the parties in Section 3.01 of this Agreement, the parties agree that it is necessary to dissolve or modify certain agreements between the parties:

A. Joint School Contract: Alleghany County and the City of Clifton Forge began operating a joint school system in 1982. Currently, the localities jointly support the school system pursuant to the terms of the Amended and Restated Joint School Agreement ("Amended Joint School Agreement"), dated September 21, 1988, and the Addendum thereto dated March 27, 2000 (the "Addendum"). The Amended Joint School Agreement requires that each locality make an annual pro rata contribution for operating expenses of the joint school system. As a result of the City's transition to town status, the County shall assume full responsibility for the provision of public education and the operation of the school system. Accordingly, the Amended Joint School Agreement shall be dissolved.

B. Regional Jail Contract: On April 15, 1997, the City entered into a Regional Contract for Cooperative Jailing of Offenders between Alleghany County, Bath County, and the Cities of Covington and Clifton Forge ("Regional Jail Contract"). As a town, Clifton Forge will no longer have a separate sheriff or circuit court, and therefore the County sheriff shall assume responsibility for housing all prisoners committed by the courts or other authorities of the County, including those convicted of offenses that occur within the Town. As a result of its reversion to town status, the Town will no longer have a need for the jail services to which it is entitled, as a city, under the Regional Jail Contract. The parties agree that the Regional Jail Contract should be modified to remove the City of Clifton Forge as a party to that contract and to terminate all of the City's responsibilities and obligations under that contract as of its reversion to town status. The City agrees to be responsible for working with the City of Covington, Bath County and Alleghany County to obtain such modifications. The parties agree that such modifications will be contingent upon the City's reversion to town status and will have no effect on the City's obligations under

the Regional Jail Contract until the effective date of reversion. If, for any reason, such modifications to the Regional Jail Contract are not made before the City's reversion to town status, the County agrees that as of the effective date of reversion it will assume all of the Town's obligations under the Regional Jail Contract. In the event a determination is made that the County's assumption of such obligations under the Regional Jail Contract constitutes long-term debt under the Virginia Constitution, then the County's agreement to assume these obligations is subject to the annual appropriation of sufficient funds by the County Board of Supervisors.

3.05 Existing School Debt: In accordance with the terms of the Amended Joint School Agreement, upon its reversion to town status, the Town will retain responsibility for the school debt incurred by the City prior to entering into a joint school agreement on July 30, 1982. This debt consists of the following debt issue: State Literary Fund Loan issued on August 15, 1982, \$42,500 maturing annually with interest payable annually, bonds bearing interest at 3% maturing August 15, 2002, in the total outstanding amount of \$212,500 as of June 30, 1998.

3.06 Future School Debt: On October 6, 1998, pursuant to the Amended Joint School Agreement, the City Council of Clifton Forge and the Board of Supervisors of Alleghany County each adopted resolutions authorizing the Alleghany Highlands School System to proceed with plans to construct two new schools and affirming that they would assume the obligation for the repayment of those loans and bonds based on the funding formula set forth in the Amended Joint School Agreement. The parties' respective obligations were later amended by the Addendum. Because citizens of the Town will participate in paying the County's school debt through payment of County taxes, the issuance of all necessary school debt by the County will avoid the double taxation of Town residents to pay for public education. Therefore, upon the effective date of town

status, the County shall be responsible for the repayment of all debt associated with the construction of the new schools.

3.07 School Property: After entering into a joint school agreement in 1982, the City retained title to the Clifton Forge Middle School, the Clifton Forge Elementary School East located at A and Main Streets, and the Clifton Forge Elementary School West located on Jefferson Avenue. The Alleghany Highlands School Division anticipates that, after the construction of the new elementary and middle schools is completed, it will no longer use the three Clifton Forge facilities for school purposes. Upon reversion to town status, the Town will retain ownership of those three facilities, and at such time as the Alleghany County School System ceases to use them for school purposes, the Town shall have the right to use the three properties as it may desire, or to sell, transfer or otherwise dispose of the properties.

3.08 City-Owned Landfills: The parties agree that, as a result of town status, the County will not incur any liability in connection with the operation of the City's closed landfill located on Route 60 behind the Garten Ford Dealership or in connection with the City's closed landfill on Muddy Pike Road (the "City Landfills") beyond such liability, if any, that it may already have incurred under federal and state law as a result of its prior disposal of waste at the City Landfills.

3.09 Peters Mountain Landfill: The City of Covington owns and operates the Peters Mountain Landfill ("Peters Mountain"), a portion of which is in the process of being closed. In certain previous years, the City and the County used that portion of the Landfill for the disposal of solid waste and are parties to a Supplemental Landfill Agreement dated June 30, 1996 ("the Closure Agreement"). The portion of the Landfill previously used by the City and the County is

hereafter referred to as "Peters Mountain". The Closure Agreement establishes certain obligations of the City and the County with respect to the closure and monitoring of Peters Mountain and the future correction of environmental deficiencies, if any should occur. The parties agree that the City shall remain liable for, and shall pay, its share of such expenses based on documented invoices presented to the City prior to the effective date of town status, but the Town shall not be liable for, and shall not be required to pay, any such expenses based on documented invoices presented after the effective date of town status. No later than 30 days after the City of Covington accepts a bid for the Peters Mountain closure work, the City and the County shall deposit in an interest bearing escrow account their respective percentages, as computed in the Closure Agreement, of the costs that will be incurred for the closure work based on the bid accepted by the City of Covington. The escrow account shall be under the joint supervision of the City and the County and shall be used exclusively for closure and associated expenses of each locality in accordance with the Closure Agreement. In the event the City's share of closure expenses exceeds its contribution to the escrow fund, based on documented invoices presented prior to the effective date of town status, it shall be responsible for paying its share of such additional closure expenses in accordance with the Closure Agreement. In the event the City's share of closure expenses is less than its contribution to the escrow account, based on documented invoices presented prior to the effective date of town status, its share of the unused escrow funds shall be used after the effective date of town status exclusively for additional closure and post-closure expenses incurred in accordance with the Closure Agreement. Following the effective date of town status, the County shall be solely responsible for administering the escrow account and shall assume and be responsible for the Town's share of all additional closure and post-closure expenses, subject to

annual appropriations of sufficient funds by the County Board of Supervisors to satisfy such obligations. The parties recognize that the reversion to town status provided for in this Agreement requires the approval of the Court and the voters of the City. In the event the City should fail to revert to town status, the unexpended portion of the escrow funds contributed by the City and the County, including any interest earned, shall be returned to the originating party within 30 days after town status is rejected by the Court or by City voters.

3.10 Mental Health Services: The Alleghany Highlands Community Services Board ("CSB") currently provides mental health services to residents of Clifton Forge, Covington, and Alleghany County. In Clifton Forge, the CSB rents office space in a building owned by the City, pursuant to a 20-year lease entered into by the parties in June 1988. In lieu of making rental payments to the City, the CSB gives the City an annual credit equal to the rental value of the lease towards the City's annual contribution amount. Upon Clifton Forge's reversion to town status, the County will be responsible for the Town's share of local funding for the CSB. The Town will allow the CSB to continue to use the Town building during the duration of the lease in such a manner as will permit the County to receive the benefit of such annual credit.

3.11 Election Districts: The parties acknowledge that the existing election districts for the County's Board of Supervisors must be redrawn to encompass the Clifton Forge area. The County agrees to increase the membership of the Board of Supervisors from five to seven members. If reversion of the City to town status becomes effective on July 1, 2001, as provided for in §5.03, the County agrees to redraw its election districts to encompass the territory within Clifton Forge, as part of its decennial redistricting plan, and to submit its new redistricting plan to the United States Justice Department and such other governmental agencies as may be required

in order to have the districts approved. If the districts cannot be properly redrawn and approved for use at the November 2001 election, the County agrees to appoint two interim supervisors, selected from a list of at least five qualified individuals submitted by the Town Council of Clifton Forge, to serve until the following November 2003 general election, at which time two additional members of the Board of Supervisors will be elected. As provided in §24.2-219 of the Code, the County Electoral Board shall assign a two-year or four-year term of office for each of the two new districts so as to maintain as equal as practicable the number of members of the Board of Supervisors to be elected at each biennial election.

3.12 School Board Membership: The County Board of Supervisors currently appoints five members to the Alleghany Highlands School Board, and such members serve staggered, four-year terms. The City currently elects three members to the School Board. Upon the effective date of reversion, the terms of the City members on the School Board shall expire, and the County shall increase the number of County-appointed members from five to seven. When appointing the two additional School Board members, the County shall assign a shorter or longer term of office so as to maintain as equal as practicable the number of members of the School Board appointed every two years.

3.13 Transfer of Records and Equipment: As a result of the City's reversion to town status, the responsibilities of the City's constitutional officers will be assumed by the County's constitutional officers. The parties agree that all necessary records currently maintained by the City's constitutional officers and all necessary office equipment currently used by the City's constitutional officers will be transferred to the County's constitutional officers no later than the

effective date of the reversion. Any records or equipment not needed by the County's constitutional officers will remain the property of the Town.

3.14 Limited Waiver of Annexation Rights: The City agrees that, upon assuming the status of a town, it will not institute any proceeding for the annexation of territory in the County and will reject any annexation initiated by petition by voters, pursuant to Title 15.2, Chapter 32 (§§15.2-3200 et seq.) of the Code of Virginia, for a period of 12 years following the effective date of town status, unless the County consents to a boundary adjustment.

3.15 Extension of Hold Harmless Statute: Virginia Code §15.2-1302 provides that, for a period of five years following a governmental consolidation as a result of city-to-town reversion, the Commonwealth will continue to distribute state funds to the county for programs or functions in an amount that will not be less than the total amount that would have been distributed to the county and the city if the consolidation had not occurred. The City and the County agree that they will contact their General Assembly representatives to request that this so-called "hold harmless" provision be amended to extend for a period no less than 15 years following reversion to town status. The City and the County agree to use their "best efforts" to obtain this legislative amendment.

3.16 Composite Index of Local Ability-to-Pay: The City and the County agree that they will contact their General Assembly representatives to request that, for purposes of distribution of State educational aid to the County school system, the State Board of Education will use the composite index of either the City or the County, whichever is the lowest, for a period no less than 15 years following reversion to town status. The City and the County agree to use their "best efforts" to obtain this legislative amendment.

3.17 Referendum and Town Council: The parties agree that a special referendum election will be held to take the sense of the qualified voters of the City on the question whether the City should become a town. The special referendum election shall be held no less than sixty days from the date of the court order granting town status and as soon as practicable following that date. If a majority of those voting approve a transition to town status, the City shall become a town in accordance with this agreement. The mayor and members of the City council shall continue to serve as officers of the Town until the expiration of the terms to which they were elected. At the May general election immediately preceding the expiration of their terms, their successors shall be elected for the terms provided by the Town's charter.

SECTION 4. COMMISSION AND COURT APPROVAL

4.01 Commission Approval: The City and the County agree to initiate the steps necessary and required by Title 15.2, Chapter 34 of the Code (in particular §15.2-3400, paragraphs 3, 4, 5 and 6 of the Code) and Title 15.2, Chapter 29 of the Code (§15.2-2900 et seq.) to obtain a review of this Agreement by the Commission.

4.02 Submission to Court: Following the issuance of the report of findings and recommendations by the Commission, the City and the County agree that they will submit this Agreement in its present form to the Court for approval, as required by Title 15.2, Chapter 34 of the Code (in particular §15.2-3400, paragraphs 3, 4, 5 and 6 of the Code), unless both parties agree to any change in this Agreement as hereinafter provided.

4.03 Termination if Agreement Modified: The City and County agree that if this Agreement is not affirmed without modification by the Court, this Agreement shall immediately

terminate. However, the parties may waive termination by mutually agreeing to any recommended modifications.

SECTION 5. MISCELLANEOUS PROVISIONS

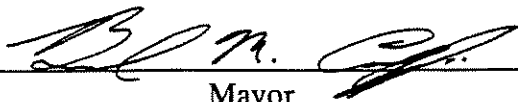
5.01 Binding on Future Governing Bodies: This Agreement shall be binding upon and inure to the benefit of the City and the County, and each of the future governing bodies of the City and the County, and upon any successor to either the City or the County.

5.02 Amendments to Agreement: This Agreement may be amended, modified or supplemented, in whole or in part, by mutual consent of the City (or the Town) and the County, by a written document of equal formality and dignity, duly executed by the authorized representative of the City (or the Town) and the County.

5.03 Effective Date of Reversion: The City's reversion to town status shall be effective on July 1, 2001. If reversion is not effective on July 1, 2001, then reversion will become effective on the 1st day of January or on the 1st day of July following the date of the entry of such order, whichever date is earlier.

WITNESS the following signatures and seals.

CITY OF CLIFTON FORGE, VIRGINIA, a
municipal corporation of the Commonwealth of
Virginia

By: 
Mayor

ATTEST:


Clerk

COUNTY OF ALLEGHANY, VIRGINIA, a
political subdivision of the Commonwealth of
Virginia

By: 
Chairman

ATTEST:


Clerk

APPENDIX B

**Statistical Profile of
City of Clifton Forge, County of Alleghany, and
Post-Reversion County of Alleghany**

**STATISTICAL PROFILE OF THE CITY OF CLIFTON FORGE, COUNTY OF ALLEGHANY,
AND THE POST-REVERSION COUNTY OF ALLEGHANY**

	City of Clifton Forge	County of Alleghany	Post-Reversion County of Alleghany
Population (1999)	4,300	12,500	16,800
Land Area (Square Miles)	3.2	444.7	447.9
Total Assessed Values (FY1997-98)	\$121,230,856	\$612,711,594	\$733,942,450
Real Estate Values	\$95,384,700	\$443,461,300	\$538,846,000
Public Service Corporation Values	\$9,130,030	\$45,893,587	\$55,023,617
Personal Property Values*	\$16,385,076	\$38,970,976	\$55,356,052
Machinery and Tools Values*	\$331,050	\$84,385,731	\$84,716,781
Total Taxable Sales (1999)	\$23,837,912	\$40,877,219	\$64,715,131

NOTES:

*= Post-reversion personal property and machinery and tools assessed values have not been adjusted to reflect Alleghany County's assessment practices.

SOURCES:

City of Clifton Forge, Notice of the City of Clifton Forge's Intent to Petition for an Order Granting Town Status Within Alleghany County.

Virginia Department of Taxation, Taxable Sales Annual Report, 1999.

APPENDIX C

**Local-Source Revenue by Category
Alleghany County, Clifton Forge and
All Virginia Counties and Cities
FY1990 - FY1998**

Table 1
 Percentage Distribution of Local-Source Revenue by Category
 for
 Allegheny County, Clifton Forge City, and Virginia Localities at Large (1)
 FY1990-98

Fiscal Year and Jurisdictional Profile	Property Tax Revenue Percentage	Rank Score	All Other Tax Revenue Percentage	Rank Score	Non-Tax Revenue Percentage	Rank Score	Total Percentage (4)
FY1990 (2)							
Allegheny County	70.24%	30.0	16.36%	102.0	13.40%	82.0	100.00%
Clifton Forge City	50.74%	116.0	33.80%	23.0	15.47%	52.0	100.00%
All Counties and Cities	61.92%	---	23.50%	---	14.58%	---	100.00%
FY1991 (2)							
Allegheny County	71.37%	27.0	16.89%	91.0	11.73%	105.0	100.00%
Clifton Forge City	48.45%	120.0	32.46%	21.0	19.09%	32.0	100.00%
All Counties and Cities	61.69%	---	22.45%	---	15.86%	---	100.00%
FY1992 (2)							
Allegheny County	71.32%	25.0	16.37%	96.0	12.31%	100.0	100.00%
Clifton Forge City	47.19%	122.0	30.16%	27.0	22.65%	11.0	100.00%
All Counties and Cities	61.55%	---	22.47%	---	15.98%	---	100.00%
FY1993 (2)							
Allegheny County	71.67%	25.0	16.24%	97.0	12.10%	98.0	100.00%
Clifton Forge City	47.32%	121.0	31.97%	24.0	20.71%	18.0	100.00%
All Counties and Cities	61.51%	---	22.63%	---	15.85%	---	100.00%
FY1994 (2)							
Allegheny County	71.20%	21.0	15.69%	99.0	13.11%	93.0	100.00%
Clifton Forge City	45.29%	121.0	30.37%	28.0	24.34%	12.0	100.00%
All Counties and Cities	60.71%	---	22.64%	---	16.64%	---	100.00%
FY1995 (2)							
Allegheny County	73.72%	17.0	12.80%	119.0	13.48%	95.0	100.00%
Clifton Forge City	43.52%	125.0	29.47%	30.0	27.01%	12.0	100.00%
All Counties and Cities	59.91%	---	22.22%	---	17.87%	---	100.00%
FY1996 (3)							
Allegheny County	72.29%	22.0	14.02%	106.0	13.70%	94.0	100.00%
Clifton Forge City	47.27%	116.0	30.14%	23.0	22.60%	26.0	100.00%
All Counties and Cities	60.40%	---	21.73%	---	17.87%	---	100.00%
FY1997 (3)							
Allegheny County	68.01%	32.0	14.46%	103.0	17.53%	71.0	100.00%
Clifton Forge City	44.16%	121.0	29.33%	26.0	26.51%	16.0	100.00%
All Counties and Cities	59.48%	---	21.39%	---	19.13%	---	100.00%
FY1998 (3)							
Allegheny County	67.08%	39.0	12.94%	111.0	19.98%	54.0	100.00%
Clifton Forge City	42.52%	123.0	26.87%	34.0	30.61%	9.0	100.00%
All Counties and Cities	59.46%	---	21.14%	---	19.39%	---	100.00%

1. With respect to each revenue dimension, the statewide value for a designated fiscal year indicates the mean, or average, percentage of total local-source revenue attributable to that category across all counties and cities.
2. In relation to all other localities, any given county or city can attain a rank score ranging from 1 (highest percentage) to 136 (lowest percentage).
3. South Boston City reverted to the status of a town within Halifax County on July 1, 1995. Accordingly, the highest and lowest percentages throughout the county-city system of Virginia are ranked 1 and 135, respectively.
4. In certain cases the sum of the component values may vary slightly from the aggregate percentage of local-source revenue because of statistical rounding.

Source: Staff, Commission on Local Government

Table 2
Per Capita Distribution of Local-Source Revenue by Category
for
Allegheny County, Clifton Forge City, and Virginia Localities at Large (1)
FY1990-98

Fiscal Year and Jurisdictional Profile	Property Tax Revenue Per Capita	Rank Score	All Other Tax Revenue Per Capita	Rank Score	Non-Tax Revenue Per Capita	Rank Score	Total Local-Source Revenue Per Capita (4)	Rank Score
FY1990 (2)								
Allegheny County	\$401.40	56.0	\$93.47	73.0	\$76.60	73.0	\$571.48	67.0
Clifton Forge City	\$285.08	95.0	\$189.90	43.0	\$86.91	56.0	\$561.89	68.0
All Counties and Cities	\$411.47	---	\$161.83	---	\$89.15	---	\$662.45	---
FY1991 (2)								
Allegheny County	\$413.37	61.0	\$97.85	75.0	\$67.96	108.0	\$579.17	74.0
Clifton Forge City	\$285.97	96.0	\$191.57	42.0	\$112.70	43.0	\$580.24	70.0
All Counties and Cities	\$440.36	---	\$165.98	---	\$103.74	---	\$710.07	---
FY1992 (2)								
Allegheny County	\$449.04	54.0	\$103.07	74.0	\$77.48	95.0	\$629.60	70.0
Clifton Forge City	\$299.73	97.0	\$191.60	43.0	\$143.88	22.0	\$635.21	69.0
All Counties and Cities	\$453.63	---	\$171.97	---	\$108.67	---	\$734.27	---
FY1993 (2)								
Allegheny County	\$465.78	47.0	\$110.04	72.0	\$81.99	89.0	\$677.82	66.0
Clifton Forge City	\$306.08	96.0	\$206.79	41.0	\$133.96	39.0	\$646.83	74.0
All Counties and Cities	\$472.35	---	\$180.79	---	\$115.61	---	\$768.75	---
FY1994 (2)								
Allegheny County	\$525.27	45.0	\$115.74	72.0	\$96.74	84.0	\$737.75	66.0
Clifton Forge City	\$313.50	103.0	\$210.23	48.0	\$168.50	27.0	\$692.23	73.0
All Counties and Cities	\$495.20	---	\$193.99	---	\$129.16	---	\$818.36	---
FY1995 (2)								
Allegheny County	\$696.75	25.0	\$120.98	74.0	\$127.42	66.0	\$945.15	50.0
Clifton Forge City	\$332.26	99.0	\$225.04	44.0	\$206.23	23.0	\$763.53	70.0
All Counties and Cities	\$523.22	---	\$203.93	---	\$147.70	---	\$874.85	---
FY1996 (3)								
Allegheny County	\$752.23	23.0	\$145.86	63.0	\$142.51	60.0	\$1,040.60	45.0
Clifton Forge City	\$343.49	102.0	\$219.00	47.0	\$164.20	43.0	\$726.68	82.0
All Counties and Cities	\$551.17	---	\$209.53	---	\$156.13	---	\$916.84	---
FY1997 (3)								
Allegheny County	\$797.69	21.0	\$169.63	61.0	\$205.60	36.0	\$1,172.93	39.0
Clifton Forge City	\$369.27	102.0	\$245.22	43.0	\$221.69	29.0	\$836.19	75.0
All Counties and Cities	\$582.23	---	\$222.56	---	\$176.26	---	\$981.05	---
FY1998 (3)								
Allegheny County	\$831.93	22.0	\$160.44	62.0	\$247.79	30.0	\$1,240.16	39.0
Clifton Forge City	\$379.94	104.0	\$240.07	46.0	\$273.46	23.0	\$893.48	73.0
All Counties and Cities	\$612.23	---	\$231.22	---	\$187.60	---	\$1,031.05	---

1. With respect to each revenue dimension, the statewide value for a designated fiscal year indicates the mean, or average, per capita level of receipts across all counties and cities.
2. In relation to all other localities, any given county or city can attain a rank score ranging from 1 (highest per capita revenue) to 136 (lowest per capita revenue).
3. As a consequence of South Boston's redefined municipal status, the highest and lowest per capita statistics throughout the county-city system of Virginia carry respective rankings of 1 and 135.
4. In certain cases the sum of the component values may vary slightly from the total per capita level of local-source revenue because of statistical rounding.

Source: Staff, Commission on Local Government

Table 3
Rates of Change in Local-Source Revenue Per Capita by Category
for
Allegheny County, Clifton Forge City, and Virginia Localities at Large (1)
FY1990-98

Revenue Category and Jurisdictional Profile	Percentage Change from FY1990 to FY1991	Rank Score (2)	Percentage Change from FY1991 to FY1992	Rank Score (2)	Percentage Change from FY1992 to FY1993	Rank Score (2)	Percentage Change from FY1993 to FY1994	Rank Score (2)	Percentage Change from FY1994 to FY1995	Rank Score (2)	Percentage Change from FY1995 to FY1996	Rank Score (3)	Percentage Change from FY1996 to FY1997	Rank Score (3)	Percentage Change from FY1997 to FY1998	Rank Score (3)	Average Annual Percentage Change, FY1990-98	Rank Score (3)	
Property Tax Revenue Per Capita																			
Allegheny County	2.98%	105.0	8.63%	17.0	8.18%	31.0	8.13%	40.0	32.65%	1.0	7.96%	31.0	6.04%	68.0	4.29%	63.0	9.86%	6.0	
Clifton Forge City	0.31%	126.0	4.81%	39.0	2.12%	90.0	2.43%	92.0	5.98%	59.0	3.38%	93.0	7.51%	44.0	2.89%	82.0	3.68%	118.0	
All Counties and Cities	7.57%	-----	3.06%	-----	5.03%	-----	5.81%	-----	6.39%	-----	5.58%	-----	6.49%	-----	5.16%	-----	-----	5.65%	-----
All Other Tax Revenue Per Capita																			
Allegheny County	4.68%	49.0	5.34%	40.0	6.76%	47.0	5.18%	88.0	4.52%	76.0	20.57%	1.0	16.30%	7.0	-5.42%	128.0	7.24%	17.0	
Clifton Forge City	0.88%	76.0	0.01%	96.0	7.93%	36.0	1.66%	114.0	7.05%	47.0	-2.69%	122.0	11.98%	21.0	-2.10%	119.0	3.09%	107.0	
All Counties and Cities	2.98%	-----	3.75%	-----	6.20%	-----	7.55%	-----	5.56%	-----	3.00%	-----	6.17%	-----	3.50%	-----	-----	4.85%	-----
Non-Tax Revenue Per Capita																			
Allegheny County	-11.29%	126.0	14.02%	30.0	5.82%	56.0	17.99%	57.0	31.72%	27.0	11.84%	46.0	44.27%	9.0	20.52%	20.0	16.86%	24.0	
Clifton Forge City	29.68%	32.0	27.66%	13.0	-6.89%	105.0	25.79%	35.0	22.39%	39.0	-20.38%	130.0	35.02%	22.0	23.35%	15.0	17.08%	23.0	
All Counties and Cities	18.85%	-----	4.95%	-----	6.22%	-----	15.52%	-----	18.41%	-----	6.04%	-----	17.26%	-----	7.56%	-----	-----	11.85%	-----
Total Local-Source Revenue Per Capita																			
Allegheny County	1.35%	121.0	8.71%	15.0	7.66%	38.0	8.84%	51.0	28.11%	2.0	10.10%	13.0	12.72%	19.0	5.73%	48.0	10.40%	4.0	
Clifton Forge City	5.05%	91.0	7.62%	24.0	1.83%	101.0	7.02%	71.0	10.30%	42.0	-4.83%	133.0	15.07%	10.0	6.85%	34.0	6.11%	74.0	
All Counties and Cities	8.08%	-----	3.47%	-----	5.05%	-----	7.35%	-----	8.02%	-----	4.96%	-----	8.04%	-----	5.20%	-----	-----	6.28%	-----

1. With respect to each measure of change, the statewide value for a given revenue category denotes the mean, or average, rate of variation in per capita receipts across all counties and cities.
2. In relation to all other localities, any specified county or city can attain a rank score ranging from 1 (strongest change in per capita revenue) to 136 (weakest change in per capita revenue).
3. Because of the South Boston reversion, the rank scores associated with the strongest and weakest rates of change are 1 and 135, respectively, throughout the county-city system of Virginia.

APPENDIX D

**Operating Expenditures by Category
Alleghany County, Clifton Forge and
All Virginia Counties and Cities
FY1990 - FY1998**

Table 1
 Percentage Distribution of Operating Expenditures by Category
 for
 Allegheny County, Clifton Forge City, and Virginia Localities at Large (1)
 FY1990-98

Fiscal Year and Jurisdictional Profile	Education Expenditures Percentage	Rank Score	Health and Welfare Expenditures Percentage	Rank Score	Public Safety Expenditures Percentage	Rank Score	Public Works Expenditures Percentage	Rank Score	All Other Operating Expenditures Percentage	Rank Score	Total Percentage (4)
FY1990 (2)											
Allegheny County	66.52%	78.0	9.12%	42.0	9.78%	57.0	5.00%	57.0	9.58%	82.0	100.00%
Clifton Forge City	60.95%	92.0	4.98%	124.0	10.96%	50.0	10.39%	29.0	12.72%	32.0	100.00%
All Counties and Cities	64.73%	---	8.05%	---	10.09%	---	6.37%	---	10.76%	---	100.00%
FY1991 (2)											
Allegheny County	67.12%	70.0	9.72%	48.0	10.03%	54.0	5.89%	52.0	7.24%	113.0	100.00%
Clifton Forge City	60.60%	92.0	6.42%	116.0	10.74%	46.0	9.86%	30.0	12.38%	35.0	100.00%
All Counties and Cities	63.97%	---	9.00%	---	10.08%	---	6.26%	---	10.68%	---	100.00%
FY1992 (2)											
Allegheny County	65.56%	74.0	10.47%	41.0	9.83%	55.0	4.60%	64.0	9.54%	81.0	100.00%
Clifton Forge City	57.48%	97.0	9.80%	51.0	10.72%	48.0	10.22%	28.0	11.78%	38.0	100.00%
All Counties and Cities	63.72%	---	9.43%	---	10.02%	---	6.28%	---	10.55%	---	100.00%
FY1993 (2)											
Allegheny County	67.63%	63.0	9.82%	54.0	10.35%	53.0	3.83%	80.0	8.36%	93.0	100.00%
Clifton Forge City	57.37%	99.0	7.45%	105.0	12.94%	37.0	8.98%	32.0	13.26%	23.0	100.00%
All Counties and Cities	63.65%	---	9.50%	---	10.19%	---	6.13%	---	10.52%	---	100.00%
FY1994 (2)											
Allegheny County	64.29%	74.0	10.89%	44.0	10.89%	47.0	4.94%	75.0	8.99%	87.0	100.00%
Clifton Forge City	61.95%	85.0	9.51%	78.0	9.76%	58.0	7.09%	54.0	11.69%	48.0	100.00%
All Counties and Cities	62.35%	---	9.86%	---	10.25%	---	6.70%	---	10.84%	---	100.00%
FY1995 (2)											
Allegheny County	64.13%	69.0	11.39%	46.0	10.45%	53.0	4.26%	88.0	9.77%	74.0	100.00%
Clifton Forge City	60.21%	90.0	7.17%	117.0	10.74%	51.0	10.57%	24.0	11.31%	51.0	100.00%
All Counties and Cities	61.81%	---	10.18%	---	10.53%	---	6.83%	---	10.66%	---	100.00%
FY1996 (3)											
Allegheny County	64.85%	61.0	10.44%	66.0	9.91%	64.0	4.12%	84.0	10.68%	57.0	100.00%
Clifton Forge City	63.04%	75.0	7.28%	115.0	9.97%	63.0	9.40%	29.0	10.31%	61.0	100.00%
All Counties and Cities	61.28%	---	10.42%	---	10.71%	---	6.75%	---	10.83%	---	100.00%
FY1997 (3)											
Allegheny County	61.63%	75.0	11.23%	58.0	10.17%	63.0	6.07%	63.0	10.90%	59.0	100.00%
Clifton Forge City	57.34%	95.0	6.61%	123.0	8.86%	79.0	14.02%	10.0	13.17%	28.0	100.00%
All Counties and Cities	60.74%	---	10.74%	---	10.94%	---	6.64%	---	10.94%	---	100.00%
FY1998 (3)											
Allegheny County	65.13%	52.0	10.07%	82.0	9.31%	78.0	4.92%	71.0	10.56%	67.0	100.00%
Clifton Forge City	60.86%	79.0	7.56%	111.0	9.43%	76.0	11.70%	17.0	10.45%	69.0	100.00%
All Counties and Cities	60.13%	---	11.08%	---	11.32%	---	6.54%	---	10.92%	---	100.00%

1. With respect to each expenditure dimension, the statewide value for a designated fiscal year indicates the mean, or average, percentage of total operating expenditures attributable to that category across all counties and cities.
2. In relation to all other localities, any given county or city can attain a rank score ranging from 1 (highest percentage) to 136 (lowest percentage).
3. South Boston City reverted to the status of a town within Halifax County on July 1, 1995. Accordingly, the highest and lowest percentages throughout the county-city system of Virginia are ranked 1 and 135, respectively.
4. In certain cases the sum of the component values may vary slightly from the aggregate percentage of operating expenditures because of statistical rounding.

Source: Staff, Commission on Local Government

Table 2
Per Capita Distribution of Operating Expenditures by Category
for
Allegheny County, Clifton Forge City, and Virginia Localities at Large (1)
FY1990-98

Fiscal Year and Jurisdictional Profile	Education Expenditures Per Capita	Rank Score	Health and Welfare Expenditures Per Capita	Rank Score	Public Safety Expenditures Per Capita	Rank Score	Public Works Expenditures Per Capita	Rank Score	All Other Operating Expenditures Per Capita	Rank Score	Total Operating Expenditures Per Capita (4)	Rank Score
FY1990 (2)												
Allegheny County	\$869.39	19.0	\$119.15	28.0	\$127.86	52.0	\$65.35	53.0	\$125.25	61.0	\$1,306.99	40.0
Clifton Forge City	\$703.62	79.0	\$57.45	121.0	\$126.54	53.0	\$119.95	40.0	\$146.85	46.0	\$1,154.41	60.0
All Counties and Cities	\$739.34	---	\$94.87	---	\$127.43	---	\$82.23	---	\$133.10	---	\$1,176.99	---
FY1991 (2)												
Allegheny County	\$993.61	12.0	\$143.87	29.0	\$148.43	48.0	\$87.12	51.0	\$107.24	82.0	\$1,480.28	33.0
Clifton Forge City	\$755.65	74.0	\$80.07	100.0	\$133.96	52.0	\$122.89	44.0	\$154.37	45.0	\$1,246.92	58.0
All Counties and Cities	\$784.90	---	\$114.91	---	\$136.54	---	\$86.06	---	\$141.86	---	\$1,264.27	---
FY1992 (2)												
Allegheny County	\$908.04	20.0	\$145.06	32.0	\$136.09	51.0	\$63.75	60.0	\$132.14	60.0	\$1,385.09	42.0
Clifton Forge City	\$802.69	54.0	\$136.86	39.0	\$149.75	45.0	\$142.71	32.0	\$164.51	37.0	\$1,396.52	39.0
All Counties and Cities	\$781.37	---	\$120.66	---	\$135.93	---	\$88.24	---	\$139.56	---	\$1,263.76	---
FY1993 (2)												
Allegheny County	\$1,052.08	6.0	\$152.83	29.0	\$160.96	48.0	\$59.60	63.0	\$130.11	67.0	\$1,555.58	31.0
Clifton Forge City	\$858.28	42.0	\$111.40	73.0	\$193.51	34.0	\$134.36	36.0	\$198.41	28.0	\$1,495.97	38.0
All Counties and Cities	\$806.88	---	\$125.63	---	\$142.85	---	\$87.28	---	\$143.81	---	\$1,306.45	---
FY1994 (2)												
Allegheny County	\$979.24	17.0	\$165.82	31.0	\$165.91	45.0	\$75.17	66.0	\$136.91	67.0	\$1,523.05	39.0
Clifton Forge City	\$940.43	24.0	\$144.32	51.0	\$148.19	52.0	\$107.57	48.0	\$177.53	42.0	\$1,518.04	40.0
All Counties and Cities	\$926.66	---	\$136.13	---	\$150.38	---	\$98.38	---	\$155.96	---	\$1,367.50	---
FY1995 (2)												
Allegheny County	\$1,057.73	10.0	\$187.86	25.0	\$172.34	48.0	\$70.19	77.0	\$161.12	56.0	\$1,649.24	36.0
Clifton Forge City	\$980.44	22.0	\$116.68	91.0	\$174.97	46.0	\$172.14	28.0	\$184.19	41.0	\$1,628.42	38.0
All Counties and Cities	\$866.88	---	\$148.50	---	\$162.80	---	\$105.51	---	\$161.79	---	\$1,445.49	---
FY1996 (3)												
Allegheny County	\$1,238.97	5.0	\$199.48	28.0	\$189.24	47.0	\$78.71	69.0	\$203.99	38.0	\$1,910.39	22.0
Clifton Forge City	\$1,088.19	11.0	\$125.67	84.0	\$172.05	51.0	\$162.29	32.0	\$178.01	49.0	\$1,726.21	37.0
All Counties and Cities	\$899.67	---	\$158.79	---	\$173.01	---	\$110.29	---	\$171.25	---	\$1,513.01	---
FY1997 (3)												
Allegheny County	\$1,146.04	12.0	\$208.83	31.0	\$189.13	51.0	\$112.82	53.0	\$202.65	45.0	\$1,859.46	40.0
Clifton Forge City	\$1,153.17	11.0	\$132.94	91.0	\$178.25	54.0	\$281.95	10.0	\$264.90	22.0	\$2,011.22	24.0
All Counties and Cities	\$945.15	---	\$172.33	---	\$186.88	---	\$114.41	---	\$182.45	---	\$1,601.22	---
FY1998 (3)												
Allegheny County	\$1,349.63	4.0	\$208.67	42.0	\$192.86	54.0	\$102.04	54.0	\$218.89	43.0	\$2,072.10	28.0
Clifton Forge City	\$1,194.34	13.0	\$148.40	89.0	\$185.16	58.0	\$229.60	18.0	\$205.03	50.0	\$1,962.54	36.0
All Counties and Cities	\$985.75	---	\$187.89	---	\$203.97	---	\$119.39	---	\$191.96	---	\$1,688.97	---

1. With respect to each expenditure dimension, the statewide value for a designated fiscal year indicates the mean, or average, per capita level of expenditures across all counties and cities.
2. In relation to all other localities, any given county or city can attain a rank score ranging from 1 (highest per capita expenditures) to 136 (lowest per capita expenditures).
3. As a consequence of South Boston's redefined municipal status, the highest and lowest per capita statistics throughout the county-city system of Virginia carry respective rankings of 1 and 135.
4. In certain cases the sum of the component values may vary slightly from the total per capita level of operating expenditures because of statistical rounding.

Source: Staff, Commission on Local Government

Table 3
Rates of Change in Operating Expenditures Per Capita by Category
for
Allegheny County, Clifton Forge City, and Virginia Localities at Large (1)
FY 1990-98

Expenditure Category and Jurisdictional Profile	Percentage Change from FY1990 to FY1991	Rank Score (2)	Percentage Change from FY1991 to FY1992	Rank Score (2)	Percentage Change from FY1992 to FY1993	Rank Score (2)	Percentage Change from FY1993 to FY1994	Rank Score (2)	Percentage Change from FY1994 to FY1995	Rank Score (2)	Percentage Change from FY1995 to FY1996	Rank Score (3)	Percentage Change from FY1996 to FY1997	Rank Score (5)	Percentage Change from FY1997 to FY1998	Rank Score (3)	Average Annual Percentage Change, FY1990-98	Rank Score (3)
Education Expenditures Per Capita																		
Allegheny County	14.25%	5.0	15.86%	132.0	-8.92%	2.0	-6.92%	135.0	8.02%	21.0	17.13%	2.0	-7.50%	131.0	17.77%	1.0	6.25%	4.0
Clifton Forge City	7.35%	59.0	6.93%	7.0	9.57%	14.0	4.25%	6.0	4.88%	74.0	10.96%	9.0	5.97%	53.0	3.57%	73.0	5.86%	3.0
All Counties and Cities	6.25%	---	3.19%	---	2.87%	---	4.88%	---	3.60%	---	5.25%	---	4.27%	---	---	---	3.84%	---
Health and Welfare Expenditures Per Capita																		
Allegheny County	20.75%	46.0	5.35%	100.0	0.62%	81.0	8.50%	74.0	13.79%	48.0	6.18%	73.0	4.65%	95.0	-0.07%	118.0	7.44%	89.0
Clifton Forge City	39.37%	34.0	-18.69%	1.0	-18.69%	136.0	29.54%	6.0	-19.15%	135.0	7.70%	65.0	5.79%	87.0	11.63%	47.0	15.90%	14.0
All Counties and Cities	25.53%	---	4.69%	---	10.17%	---	10.17%	---	9.79%	---	7.30%	---	9.35%	---	8.54%	---	10.09%	---
Public Safety Expenditures Per Capita																		
Allegheny County	18.09%	27.0	18.27%	119.0	-8.31%	18.0	3.08%	82.0	3.57%	98.0	9.61%	47.0	-0.96%	114.0	1.89%	107.0	5.59%	85.0
Clifton Forge City	5.66%	66.0	29.22%	15.0	11.79%	12.0	-23.42%	135.0	18.07%	27.0	-1.67%	109.0	3.61%	93.0	3.89%	97.0	5.92%	87.0
All Counties and Cities	7.71%	---	8.61%	---	0.75%	---	8.23%	---	8.07%	---	8.27%	---	10.71%	---	10.71%	---	7.29%	---
Public Works Expenditures Per Capita																		
Allegheny County	33.33%	20.0	-6.52%	129.0	-26.82%	104.0	26.14%	42.0	-6.63%	104.0	12.15%	37.0	43.33%	6.0	-9.55%	113.0	8.19%	64.0
Clifton Forge City	2.45%	82.0	16.14%	25.0	11.74%	101.0	-19.94%	127.0	60.02%	8.0	-5.72%	94.0	73.73%	4.0	-18.57%	123.0	12.75%	32.0
All Counties and Cities	12.55%	---	4.52%	---	3.68%	---	20.82%	---	14.13%	---	5.36%	---	8.11%	---	7.30%	---	9.62%	---
All Other Operating Expenditures Per Capita																		
Allegheny County	-14.37%	133.0	-1.54%	2.0	23.22%	97.0	5.23%	87.0	17.69%	20.0	26.61%	11.0	-0.66%	111.0	8.01%	64.0	8.02%	27.0
Clifton Forge City	5.12%	72.0	20.61%	31.0	6.57%	7.0	-10.52%	129.0	3.75%	70.0	-3.35%	111.0	48.61%	4.0	-22.69%	129.0	6.05%	54.0
All Counties and Cities	7.13%	---	3.31%	---	-0.25%	---	8.90%	---	5.28%	---	7.43%	---	8.50%	---	7.19%	---	5.99%	---
Total Operating Expenditures Per Capita																		
Allegheny County	13.26%	15.0	-4.43%	130.0	12.31%	2.0	-2.09%	131.0	6.29%	31.0	15.63%	1.0	-2.67%	131.0	11.44%	10.0	6.24%	14.0
Clifton Forge City	8.01%	66.0	12.00%	2.0	7.12%	17.0	1.48%	114.0	7.27%	40.0	6.01%	56.0	16.51%	2.0	-2.42%	132.0	7.00%	5.0
All Counties and Cities	7.65%	---	0.15%	---	3.38%	---	4.80%	---	5.70%	---	4.71%	---	6.11%	---	5.40%	---	4.72%	---

1. With respect to each measure of change, the statewide value for a given expenditure category denotes the mean, or average, rate of variation in per capita spending across all counties and cities.
2. In relation to all other localities, any specified county or city can obtain a rank score ranging from 1 (fastest change in per capita expenditures) to 136 (weakest change in per capita expenditures).
3. Because of the South Boston revision, the rank scores associated with the strongest and weakest rates of change are 1 and 135, respectively, throughout the county-city system of Virginia.

Source: Staff, Commission on Local Government

APPENDIX E

**Gross Debt Characteristics
Alleghany County, Clifton Forge and
All Virginia Counties and Cities
FY1990 - FY1998**

Gross Debt Characteristics
for
Allegheny County, Clifton Forge City, and Virginia Localities at Large (1)

Fiscal Year and Jurisdictional Profile	Total Gross Debt	Total Gross Debt Per Capita (2)	General Government Debt Per Capita	Enterprise Debt Per Capita	Enterprise Debt as a Percentage of Gross Debt
FY1990					
Allegheny County	\$3,761,430	\$284.33	\$108.93	\$175.40	61.69%
Clifton Forge City	\$706,430	\$147.97	\$142.08	\$5.90	3.99%
All Counties and Cities (N=136)	\$5,438,600,816	\$889.53	\$697.43	\$192.20	21.60%
FY1991					
Allegheny County	\$3,592,527	\$272.66	\$95.93	\$176.73	64.82%
Clifton Forge City	\$1,234,111	\$263.76	\$131.03	\$132.72	50.32%
All Counties and Cities (N=136)	\$6,223,033,877	\$1,005.47	\$788.82	\$216.65	21.55%
FY1992					
Allegheny County	\$3,143,386	\$239.95	\$74.07	\$165.88	69.13%
Clifton Forge City	\$2,476,232	\$538.31	\$128.01	\$412.30	76.59%
All Counties and Cities (N=136)	\$6,994,840,512	\$1,112.53	\$865.78	\$246.76	22.18%
FY1993					
Allegheny County	\$4,071,279	\$310.78	\$123.43	\$187.35	60.28%
Clifton Forge City	\$2,718,315	\$604.07	\$162.49	\$441.58	73.10%
All Counties and Cities (N=136)	\$7,813,800,546	\$1,221.88	\$959.45	\$262.43	21.48%
FY1994					
Allegheny County	\$4,466,477	\$343.58	\$173.59	\$169.99	49.48%
Clifton Forge City	\$2,300,719	\$500.16	\$93.82	\$406.34	81.24%
All Counties and Cities (N=136)	\$9,083,563,543	\$1,403.24	\$1,114.47	\$288.77	20.58%
FY1995					
Allegheny County	\$4,084,045	\$314.16	\$160.72	\$153.44	48.84%
Clifton Forge City	\$818,531	\$177.94	\$177.94	\$0.00	0.00%
All Counties and Cities (N=136)	\$9,488,224,823	\$1,448.27	\$1,163.65	\$284.63	19.65%
FY1996					
Allegheny County	\$2,190,623	\$172.49	\$33.93	\$138.56	80.33%
Clifton Forge City	\$2,482,242	\$539.62	\$171.54	\$368.08	68.21%
All Counties and Cities (N=135)	\$10,313,103,753	\$1,558.60	\$1,224.26	\$334.35	21.45%
FY1997					
Allegheny County	\$3,355,112	\$262.12	\$143.79	\$118.33	45.14%
Clifton Forge City	\$2,344,060	\$532.74	\$169.68	\$363.08	68.15%
All Counties and Cities (N=135)	\$11,021,369,078	\$1,653.37	\$1,283.71	\$369.66	22.36%
FY1998					
Allegheny County	\$3,198,110	\$251.82	\$141.92	\$109.89	43.64%
Clifton Forge City	\$2,427,650	\$539.48	\$205.79	\$333.69	61.85%
All Counties and Cities (N=135)	\$11,729,832,134	\$1,740.98	\$1,345.77	\$395.20	22.70%

1. The total statewide gross debt for any fiscal year is the sum of gross debt across all counties and cities in the Commonwealth. The statewide per capita scores are based on the appropriate statewide debt totals divided by the statewide population.

2. In certain cases the sum of the component values may vary slightly from the total gross debt per capita because of statistical rounding.

Source: Staff, Commission on Local Government

APPENDIX F

**Revenue Capacity and Revenue Effort
Measured by the
Representative Tax System
Alleghany County, City of Clifton Forge and
Post-Reversion Alleghany County**

Table 1
 Revenue Capacity Per Capita
 of
 Alleghany County, Clifton Forge City, and Virginia Localities at Large (1A)
 1993/94-97/98

Fiscal Period and Jurisdictional Profile	Revenue Capacity Per Capita	Rank Score	Jurisdictional/Statewide Revenue Capacity Per Capita Ratio Score (4)
1993/94 (2)			
Alleghany County	\$820.26	55.0	0.8373
Clifton Forge City	\$618.16	6.0	0.6310
All Counties and Cities	\$979.60	---	---
1994/95 (2)			
Alleghany County	\$906.72	62.0	0.8732
Clifton Forge City	\$645.75	5.0	0.6219
All Counties and Cities	\$1,038.37	---	---
1995/96 (3)			
Alleghany County	\$1,000.86	71.0	0.9221
Clifton Forge City	\$676.48	5.0	0.6232
All Counties and Cities	\$1,085.43	---	---
1996/97 (3)			
Alleghany County	\$1,088.52	75.0	0.9522
Clifton Forge City	\$721.54	5.0	0.6311
All Counties and Cities	\$1,143.22	---	---
1997/98 (3)			
Alleghany County	\$1,141.25	75.0	0.9507
Clifton Forge City	\$731.90	3.0	0.6097
All Counties and Cities	\$1,200.39	---	---

1A. See end notes.

2. In relation to all other localities, any given county or city can attain a rank score ranging from 1 (lowest revenue capacity per capita) to 136 (highest revenue capacity per capita).

3. South Boston City reverted to the status of a town within Halifax County on July 1, 1995. Accordingly, the lowest and highest capacity statistics throughout the county-city system of Virginia are ranked 1 and 135, respectively.

4. With regard to each fiscal period, the statewide value denotes the mean, or average, level of revenue capacity per capita across all counties and cities.

Source: Staff, Commission on Local Government

Table 2
 Revenue Capacity Per Capita
 of
 Allegheny County [Including Clifton Forge] and Selected Reference Localities (1A)
 1997/98

Jurisdiction	Population, 1997	Revenue Capacity Per Capita, 1997/98	Jurisdictional/Statewide Revenue Capacity Per Capita Ratio Score, (3) 1997/98
Allegheny County [Incl. Clifton Forge] (2)	17,200	\$1,034.15	0.8596
Brunswick County	16,700	\$869.68	0.7229
Dickenson County	17,000	\$834.41	0.6936
Giles County	16,500	\$962.11	0.7997
Grayson County	16,400	\$883.32	0.7342
Southampton County	17,700	\$975.60	0.8109

1A. See end notes.

2. This hypothetical jurisdiction encompasses Clifton Forge as a dependent town. The associated data profile embodies no assumptions concerning the realization of fiscal benefits from a restructuring of the city-county relationship.

3. The statewide value relative to the 1997/98 period indicates the mean, or average, level of revenue capacity per capita as computed from data for a local system of 95 counties and 39 independent cities. In 1997/98 the mean value associated with a jurisdictional framework comprised of 134 units would have been \$1,203.09.

Source: Staff, Commission on Local Government

Table 3
 Revenue Effort
 of
 Alleghany County, Clifton Forge City, and Virginia Localities at Large (1B)
 1993/94-97/98

Fiscal Period and Jurisdictional Profile	Revenue Effort	Rank Score	Jurisdictional/Statewide Revenue Effort Ratio Score (4)
1993/94 (2)			
Alleghany County	0.8894	51.0	1.0650
Clifton Forge City	1.0907	32.0	1.3061
All Counties and Cities	0.8351	---	---
1994/95 (2)			
Alleghany County	1.0321	40.0	1.2261
Clifton Forge City	1.1529	26.0	1.3696
All Counties and Cities	0.8418	---	---
1995/96 (3)			
Alleghany County	1.0330	39.0	1.2206
Clifton Forge City	1.0667	38.0	1.2604
All Counties and Cities	0.8463	---	---
1996/97 (3)			
Alleghany County	1.0703	38.0	1.2453
Clifton Forge City	1.1480	29.0	1.3357
All Counties and Cities	0.8595	---	---
1997/98 (3)			
Alleghany County	1.0800	39.0	1.2545
Clifton Forge City	1.1822	26.0	1.3732
All Counties and Cities	0.8609	---	---

1B. See end notes.

2. In relation to all other localities, any given county or city can attain a rank score ranging from 1 (highest revenue effort) to 136 (lowest revenue effort).

3. As a consequence of South Boston's redefined municipal status, the highest and lowest effort statistics throughout the county-city system of Virginia carry respective rankings of 1 and 135.

4. With regard to each fiscal period, the statewide value denotes the mean, or average, level of revenue effort across all counties and cities.

Source: Staff, Commission on Local Government

Table 4
 Revenue Effort
 of
 Allegheny County [Including Clifton Forge] and Selected Reference Localities (1B)
 1997/98

Jurisdiction	Population, 1997	Revenue Effort, 1997/98	Jurisdictional/Statewide Revenue Effort Ratio Score, (3) 1997/98
Allegheny County [Incl. Clifton Forge] (2)	17,200	1.0989	1.2799
Brunswick County	16,700	0.6287	0.7322
Dickenson County	17,000	0.7722	0.8994
Giles County	16,500	0.6805	0.7926
Grayson County	16,400	0.5111	0.5953
Southampton County	17,700	0.6930	0.8071

1B. See end notes.

2. This hypothetical jurisdiction encompasses Clifton Forge as a dependent town. The associated data profile embodies no assumptions concerning the realization of fiscal benefits from a restructuring of the city-county relationship.

3. The statewide value relative to the 1997/98 period indicates the mean, or average, level of revenue effort as computed from data for a local system of 95 counties and 39 independent cities. In 1997/98 the mean value associated with a jurisdictional framework comprised of 134 units would have been 0.8586.

Source: Staff, Commission on Local Government

NOTES

1A. In measuring revenue capacity at the county and city levels, the Commission on Local Government has employed the Representative Tax System (RTS) methodology, whose early development can be traced from the U.S. Advisory Commission on Intergovernmental Relations to the University of Virginia and, in turn, to the Joint Legislative Audit and Review Commission. With regard to a selected time frame, the RTS approach isolates six resource bases that capture, directly or indirectly, aspects of private-sector affluence which local governments can tap in financing their programmatic objectives. As applied to any given jurisdiction, the computational procedure rests centrally upon the multiplication of each resource-base indicator (e.g., real property true valuation or adjusted gross income) by the associated statewide average rate of return--i.e., the revenue yield to all county and city governments per unit of the stipulated resource. Once the full set of jurisdictional wealth dimensions has been covered by this weighting operation, the six resulting arithmetic products are added to generate a cumulative measure of local capacity, the magnitude of which is then divided by the population total for the designated county or city. The latter calculation engenders a statistic gauging, in per capita terms, the collections which the target jurisdiction would realize from taxes, service charges, regulatory licenses, fines, forfeitures, and various other extractive mechanisms (i.e., potential revenue) if local public officials established resource-base levies at statewide average values.

1B. The concept of revenue effort focuses on the degree to which county and city governments actually harness the revenue-generating potential of their respective jurisdictions through the employment of locally controlled devices for resource mobilization (e.g., taxes, service charges, and regulatory license fees). With respect to a particular locality, the effort dimension operationally takes shape as an extraction/capacity ratio, a statistical mechanism in which the sum of jurisdictional revenues across all "own-source" funding categories is divided by the aggregate fiscal ability of the given county or city. Through this indicator the receipts which the target locality derives from its various private-sector resource bases are gauged in relation to the yield that the jurisdiction could anticipate if local revenue-raising simply reflected the average rates of return for the Commonwealth at large.

[For an extended discussion of revenue capacity and revenue effort, see Commission on Local Government, **Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities: 1997/98**, Appendix B.]