

**Report on the
County of Alleghany - City of Clifton Forge
Consolidation Action**



**Commission on Local Government
Commonwealth of Virginia**

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TABLE OF CONTENTS

PROCEEDINGS OF THE COMMISSION 1

DEVELOPMENT OF CONSOLIDATION AGREEMENT 2

SCOPE OF REVIEW 6

GENERAL CHARACTERISTICS OF ALLEGHANY COUNTY,
THE CITY OF CLIFTON FORGE, AND THE CITY OF COVINGTON 7

 County of Alleghany 7

 City of Clifton Forge 12

 City of Covington 15

STANDARDS AND FACTORS FOR CONSOLIDATED CITIES 20

 Population Standard 21

 Fiscal Capacity 22

 Interests of the Parties 27

 Interests of the Commonwealth 29

 Viability of Local Governments in Area 31

FINDINGS AND RECOMMENDATIONS 35

APPENDIX A Consolidation Agreement between the County of Alleghany
 and the City of Clifton Forge

APPENDIX B Charter for the City of Alleghany

APPENDIX C Statistical Profile of the City of Clifton Forge, County
 of Alleghany, Consolidated City of Alleghany, the City of
 Covington, and the Consolidated City of Alleghany
 Highlands

APPENDIX D Revenue Capacity and Revenue Effort, Alleghany Highland
 Jurisdictions and Selected Cities of Comparable Size

APPENDIX E 1990 Gross Debt as a Percentage of Assessed, Taxable, and
 True Valuation by Jurisdiction

APPENDIX F Town of Iron Gate Resolution

**REPORT ON THE
COUNTY OF ALLEGHANY - CITY OF CLIFTON FORGE
CONSOLIDATION ACTION**

PROCEEDINGS OF THE COMMISSION

On December 18, 1990 the County of Alleghany and the City of Clifton Forge jointly filed notice with the Commission on Local Government, pursuant to the provisions of Section 15.1-945.7(A) of the Code of Virginia, proposing the establishment of the consolidated City of Alleghany.¹ That notice was accompanied by data and materials supporting the plan of consolidation.² Further, in accordance with statutory requirements, the parties to the consolidation agreement concurrently gave notice of the proposed consolidation to 32 other local governments with which they individually or collectively shared functions, revenue, or tax sources.³

On January 14, 1991 the Commission met with representatives of Alleghany County, the City of Clifton Forge, and the City of Covington for purposes of establishing a schedule for its review of the proposed consolidation. Since the proposed consolidation of Alleghany County and the City of Clifton Forge would, under current law, preclude the City of Covington from any future annexation, the Commission recognized the City of Covington as an interested party and accorded it an opportunity to

¹In the matter of the review of the consolidation of two local governments into a single city as proposed by the Consolidation Agreement between the County of Alleghany, Virginia and the City of Clifton Forge, Virginia" (hereinafter cited as Consolidation Notice), submitted to the Commission on Local Government on Dec. 18, 1990. Originally, the proposed consolidated entity was designated Jackson City.

²In addition to the initial filings which accompanied the notice, the parties submitted to the Commission on April 14, 1991, a supplemental set of documents, entitled Oral Presentation Exhibits, in conjunction with the pending review of the proposed consolidation.

³Sec. 15.1-945.7 (A), Code of Va. The City of Covington was included in the list of localities notified by the parties to the consolidation agreement.

participate fully in its review.⁴ Consistent with the schedule adopted at the meeting on January 14, 1991, the Commission toured relevant sections of Alleghany County and the Cities of Clifton Forge and Covington on April 29 and received oral testimony from the parties on April 29 - 30, 1991. In addition, the Commission solicited comment from other potentially affected political subdivisions and the public. Each locality receiving notice of the proposed consolidation from the parties under the provisions of Section 15.1-945.7 (A) of the Code of Virginia was invited to submit testimony on the proposed action for the Commission's consideration. Further, the Commission held a public hearing, advertised in accordance with requirements of Section 15.1-945.7 (B) of the Code of Virginia, on the evening of April 29, 1991 at the Alleghany High School in Low Moor, Virginia. The public hearing was attended by approximately 90 persons and produced testimony from 36 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 May 29, 1991.

DEVELOPMENT OF CONSOLIDATION AGREEMENT

The consolidation agreement proposing the creation of the City of Alleghany was preceded by a decade of negotiations among the jurisdictions in the Alleghany Highlands seeking to resolve local boundary change and governmental transition issues in that area.⁵ Those negotiations, which were initiated under the Commission's auspices in early 1981 pursuant to a request from Alleghany County, were assisted by

⁴The City of Covington requested the right to participate in the Commission's review for the purpose of opposing the consolidation of Alleghany County and Clifton Forge as a city.

⁵In 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.

an independent mediator designated by this body.⁶ After several months of discussion among representatives of the Cities of Clifton Forge and Covington, the Town of Iron Gate, and Alleghany County, the initial negotiations were concluded on August 4, 1981, by an agreement which included provisions (a) calling for a jointly funded study of various governmental restructuring options in the Alleghany Highlands area and alternative arrangements for the provision of public services, (b) establishing a Joint Steering Committee, consisting of elected and appointed officials of the two Cities and Alleghany County, to supervise the conduct of the study and any subsequent negotiations resulting from its recommendations, and (c) holding in abeyance any action for governmental consolidation or annexation during the period of the study, or until after the termination of any ensuing interlocal negotiations. In March 1982, pursuant to the agreement, the parties contracted with a consulting firm for a study of various governmental restructuring options and public service alternatives.⁷ The consultant's report, which was issued in December 1982, formed the basis for continued negotiations with the assistance of the independent mediator.⁸ The parties, however, were unable to reach agreement on the appropriate course of action in the ensuing negotiations, and, subsequently, the City of Covington filed notice with this Commission in July 1983 of its

⁶The request from Alleghany County for Commission assistance with the analysis of interlocal concerns in the Alleghany Highlands was initiated by a resolution adopted by the Board of Supervisors on October 27, 1980. The Commission's designated mediator, Dr. Roger Richman of Old Dominion University, assisted the parties from February 1981 through early November 1983.

⁷The study encompassed consideration of the political consolidation of two or more of the localities, the functional consolidation of certain public services, economic growth-sharing arrangements, and a boundary adjustment between the City of Covington and Alleghany County.

⁸John McNair and Associates, Alleghany Highlands Governmental Study, 3 vols., Dec. 1982. This extensive study of the services and governmental restructuring alternatives available for consideration in the Alleghany Highlands area was accompanied by an Executive Summary. The Executive Summary was filed with the Commission for consideration in this case. (See Oral Presentation Exhibits, Exh. 25.)

intention to petition for the annexation of 3.7 square miles of territory in Alleghany County.⁹

In August 1984 the Commission rendered its findings of fact and recommendations on the annexation proposed by the City of Covington. While finding that the City of Covington had a need for additional land for residential development and an emerging need to augment its tax base, the Commission was unable to recommend any portion of the requested annexation due to the impact of such a proposed boundary change on the County.¹⁰ As an alternative to the annexation requested by Covington, the Commission recommended that the City consider annexing the entirety of Alleghany County. However, following receipt of the Commission's report, Covington elected to pursue neither its original annexation proposal nor the option suggested by the Commission.

In October 1983, prior to the completion of the Commission's review of Covington's annexation proposal, the requisite number of citizens of that municipality, acting under the authority of Section 15.1-1132 of the Code of Virginia, presented the Covington City Council with a petition asking the Council to effect a consolidation agreement with Alleghany County and the City of Clifton Forge and to submit subsequently that plan of consolidation to the voters for approval. When the Covington City Council failed to develop the requested consolidation agreement within the authorized time period, on November 7, 1984, the Circuit Court of Alleghany County, pursuant to statute, appointed a citizens committee to serve in lieu of the Covington City Council for purposes of developing the consolidation agreement sought by

⁹At the request of the Cities of Covington and Clifton Forge and Alleghany County, the Commission agreed to postpone its scheduled review of Covington's annexation action for 90 days to allow the three jurisdictions additional time to endeavor to negotiate a plan for the political consolidation of the three governments or, alternatively, to discuss the issue of voluntary boundary adjustments. The resulting interlocal negotiations, however, failed to produce a settlement.

¹⁰Commission on Local Government, Report on the City of Covington - County of Alleghany Annexation Action, Aug. 1984.

Covington residents.

Following their appointment, the Covington citizens committee commenced a series of meetings with representatives of Alleghany County and the City of Clifton Forge, and after several months of negotiation a consolidation agreement was approved by the committee and the governing bodies of Alleghany County and the City of Clifton Forge which called for the consolidation of the three jurisdictions as the City of Alleghany Highlands.¹¹ That agreement was submitted to the Circuit Court of Alleghany County on September 3, 1985, and pursuant to an order of that Court and in accordance with statutory requirements, the parties jointly filed notice of that proposed consolidation with this Commission on September 11, 1985. Following review and endorsement of that proposed consolidation by both this Commission and a special three-judge court, the agreement was submitted to the voters in the three jurisdictions in May 1987.¹² The consolidation proposal passed overwhelmingly in the County and in the City of Clifton Forge but was defeated in Covington.

In August 1990 the governing bodies of Alleghany County and the City of Clifton Forge initiated discussions regarding other merger alternatives available to them. Subsequently, the localities appointed a merger committee to develop a plan of consolidation for the two jurisdictions, and on December 18, 1990, notice of the currently proposed consolidation was filed with this Commission.¹³

¹¹A second Commission-designated mediator, Dr. Orion White of Virginia Polytechnic Institute and State University, assisted in the negotiations which resulted in the development of the plan of consolidation.

¹²The Commission's comments on the proposed consolidation are found in Report on the City of Covington - City of Clifton Forge - County of Alleghany Consolidation Action, July 1986.

¹³See Appendix A for the complete text of the consolidation agreement. See Appendix B for the charter for the proposed City of Alleghany enacted by the 1991 session of the General Assembly.

SCOPE OF REVIEW

The statute establishing the Commission on Local Government states that the fundamental purpose of the General Assembly in creating this body was to provide a means to "help ensure that all of [the Commonwealth's] counties, cities and towns are maintained as viable communities in which their citizens can live."¹⁴ With this expression of legislative intent as a guide, the Commission is charged with the responsibility of reviewing certain proposed consolidations, as well as other local boundary change and governmental transition issues, before such actions are presented to the courts for disposition. In undertaking such reviews, the Commission is required to "investigate, analyze, and make findings of fact, as directed by law, as to the probable effect" of the proposed action on the people in the affected jurisdictions.¹⁵ While the Code of Virginia directs that the Commission's findings and recommendations in each instance be based upon the standards and criteria prescribed by law for the disposition of the issue in question, the Commission is also cognizant of the fact that its analyses also must be guided generally by the General Assembly's concern for the preservation of the viability of all Virginia localities.¹⁶ We trust that this report will be of assistance to the court, the citizens and elected leadership of the affected jurisdictions, and the Commonwealth generally with respect to the protection of the viability of local governments in the Alleghany Highlands area.

¹⁴Sec 15.1-945.1, Code of Va.

¹⁵Sec. 15.1-945.3, Code of Va.

¹⁶Sec. 15.1-945.7(B), Code of Va.

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

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.¹⁷ Between 1980 and 1990 Alleghany County's population decreased from 14,333 to 13,176 persons, or by 8.1%.¹⁸ On the basis of its current population and an area of 443.2 square miles, the County has an overall population density of 29.7 persons per square mile.¹⁹

In terms of the nature of its population, various statistical indices disclose that the County's populace is older and has a lower income than that of the State generally. Data indicate that, as of 1990, the median age of residents of Alleghany County was 37.2 years, while that of the State as a whole was 32.6 years.²⁰ Further, statistics reveal that, as of 1990, approximately 13.6% of the County's population was age 65 or over, while the percentage of population in

¹⁷J. Devereux Weeks, Dates of Origin of Virginia Counties and Municipalities (Charlottesville: Institute of Government, University of Virginia, 1967).

¹⁸U. S. Department of Commerce, Bureau of the Census, 1980 Census of Population, Number of Inhabitants, Virginia, Table 2; and 1990 Census of Population, Summary Tape File 1A, Virginia. See Appendix C for a statistical profile of the City of Clifton Forge, Alleghany County, the proposed City of Alleghany, the City of Covington, and the formerly proposed City of Alleghany Highlands.

¹⁹Virginia Department of Highways and Transportation, Area in Square Miles of Virginia's Counties and Incorporated Towns. Land area and population statistics for Alleghany County have been adjusted to reflect the January 1, 1991 boundary adjustment with the City of Covington, which transferred to the City 1.22 square miles of territory and 15 persons.

²⁰1990 Census of Population, Summary Tape File 1A, Virginia.

that age category for the State overall was 10.7%.²¹ In terms of income, the data disclose that, based on State tax returns, Alleghany County residents had a per capita adjusted gross income (AGI) in 1989 (the latest year for which such data are available) of \$9,972, or 79.8% of the comparable figure for the State generally (\$12,489).²²

In regard to 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 \$242.8 million to \$368.2 million, or by 51.7%, between 1980 and 1989 (the latest year for which such information is available). This percentage growth in the County's principal revenue source was approximately one-third of the comparable figure for the State as a whole (148.7%).²³ With respect to Alleghany County's commercial base, taxable retail sales in the County rose by 90.8% between 1980 and 1990, significantly less than that for the Commonwealth overall (117.9%). The County's share of total taxable retail sales in the Alleghany Highlands (Alleghany County and the Cities of Clifton Forge and Covington) increased during that same period from

²¹Ibid.

²²These per capita AGI statistics have been calculated using unpublished tables supplied by Geraldine Turner, Economist, Virginia Department of Taxation on June 10, 1991; and by Dr. Julia H. Martin, Research Director for Demographics, Center for Public Service, University of Virginia, on March 19, 1991. The data supplied by Dr. Martin provided interpolated population statistics relative to 1989. The 1989 per capita AGI figure for Alleghany County reflects a decline for that jurisdiction relative to the rest of the State between 1984 and 1989. Based upon data from resident-only returns for 1984, the County's per capita AGI of \$7,613 represented 83.7% of the statewide per capita AGI. (Gerry Turner, Economist, Virginia Department of Taxation, letter to I. Stephen Ziony, Senior Economic and Fiscal Analyst, Commission on Local Government, Nov. 8, 1989.)

²³Virginia Department of Taxation, 1989 Virginia Assessment/Sales Ratio Study, Mar. 1991; and Virginia Assessment/Sales Ratio Study 1980, Mar. 1982. 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 64.7% and 114.9%, respectively. (Ibid.)

20.9% to 25.7%.²⁴ Consistent with that increase of commercial activity, non-agricultural wage and salary employment grew moderately in the County between 1980 and 1990, with the number of positions increasing from 2,962 to 3,810, or by 28.6%.²⁵ Overall, these data indicate that the County has experienced moderate growth in its resource bases during the last decade.

Further evidence of Alleghany County's fiscal condition is revealed by statistical analyses conducted by this Commission. These analyses have been based upon a Virginia-adapted "representative tax system" (RTS) methodology which establishes a theoretical level of revenue capacity for each county and city derived from six local revenue-generating "sources" and a statewide average "yield rate" for each.²⁶ Our calculations reveal that, in relation to all Virginia counties and cities, Alleghany County experienced a decline in per capita revenue capacity between the fiscal periods 1984/85 and 1988/89, with its per capita revenue capacity measure decreasing during that five-year period from 81.7% to 78.6% of the statewide figure.²⁷ Consistent with the preceding data, the Commission's most recent comparative fiscal stress analysis found that in 1988/89 Alleghany County experienced "above

²⁴Virginia Department of Taxation, Taxable Sales in Virginia Counties and Cities, Annual Reports, 1980 and 1990. The per capita increase in the County (107.6%) during the previous decade exceeded that in the State overall (88.3). Per capita increases in localities with significant population losses, however, can misrepresent a community's true economic and fiscal trends.

²⁵Virginia Employment Commission, Population and Labor Force Data, March 1980, May 1982, and Covered Employment and Wages in Virginia by 2-Digit SIC Industry for Quarter Ending 3/31/90, Nov. 7, 1990.

²⁶See Appendix D, note 1A. Appendix D provides tabular data regarding the revenue capacity and revenue effort of Alleghany County, the City of Clifton Forge, the City of Covington, the proposed City of Alleghany, the formerly proposed City of Alleghany Highlands, and nine other Virginia cities of comparable size during the period from 1984/85 to 1988/89.

²⁷Appendix D, Table 1.

average stress" relative to all Virginia localities.²⁸

The topography and land ownership patterns in the County have had a fundamental 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 1987 the average market value of agricultural products sold by an Alleghany County farm was \$10,202, a figure less than 30% of that for the State as a whole (\$35,464).²⁹ Further, slightly more than half (51.3%) of the farm operators in the County were employed for 100 days or more in nonfarm-related activities.³⁰ In contrast, however, forestry and associated industries constitute a major component of the County's economy. Data reveal that, as of 1990, 399 square miles of territory, or 88.5% of the County's total land area, were classified as forest lands.³¹ At the current time, there are approximately 1,200 employment positions in Alleghany County engaged in the production of paper and allied products.³² Those positions constituted 31.2% of the County's total non-agricultural wage and salary employment in 1990 (3,810 positions).³³

²⁸Commission on Local Government, Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, 1988/89, forthcoming.

²⁹U. S. Department of Commerce, Bureau of the Census, 1987 Census of Agriculture, Virginia, Table 1, p. 140. The average size of a farm in Alleghany County in 1987 was 188 acres.

³⁰Ibid. Table 10, p. 277.

³¹County of Alleghany, Alleghany County Comprehensive Plan, Jan. 1, 1991, p. 20. In 1990 approximately 221 square miles of County territory were located in the George Washington National Forest.

³²Alleghany County - City of Clifton Forge, Supplemental Exhibits, May 1991, Exh. S-5. Westvaco, the principal employer in the region, is in the paper and allied products industry. Estimates indicate that 1,190 Westvaco positions are in Alleghany County.

³³Covered Employment and Wages in Virginia by 2-Digit SIC Industry for Quarter Ending 3/31/90. Comparable data for 1980 regarding paper and allied products employment in the County are not available.

Other development opportunities in Alleghany County are limited by the physical characteristics of the land and the extent of public ownership. With respect to the land's physical characteristics, slopes in the County extend up to 80%, with those over 25% being commonplace. In terms of public ownership, approximately 50% of the County is comprised of State and federal lands. As a consequence, the preponderance of that jurisdiction remains wooded, agricultural, or vacant.³⁴ 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. Outside the area bounded by the two Cities, Alleghany County has experienced only limited development and has only restricted prospects for future growth.³⁵

In sum, the statistical evidence indicates that Alleghany County is a jurisdiction with a diminishing, aging, and comparatively less affluent population and which has experienced a relative decline in its fiscal condition during the past decade.

³⁴Data for 1979, which still reflects with considerable accuracy the character of Alleghany County, disclosed that less than 3% of that jurisdiction had been developed for residential, commercial, or industrial usage. (Alleghany County Comprehensive Plan, p. 17.)

³⁵The Commission notes that only one residential subdivision has been platted in the County since 1985. That subdivision, which contains only ten lots, is located near Alleghany County's boundary with Craig County and outside the Jackson River valley. (Macon C. Sammons, Jr., County Administrator, County of Alleghany, letter to staff of Commission on Local Government, July 1, 1991.) Further, data provided by the County reveal that during the period 1985-91 the only concentrated area of residential construction in Alleghany County has been located in Clearview Estates, approximately two miles north of the City of Covington. (Ibid.)

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 1906.³⁶ While Clifton Forge has served as one of the focal points of development in the Alleghany Highlands area during the 20th century, it has confronted a loss of population and fiscal difficulties in recent years. Between 1980 and 1990 the City's population decreased from 5,046 to 4,679 persons, or by 7.3%.³⁷ Based on the 1990 U. S. Census results and the City's present land area of 3.17 square miles, Clifton Forge has a population density of 1,476 persons per square mile.³⁸

With respect to the nature of its population, the data disclose that, as in the case of Alleghany County, 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 median age of Clifton Forge residents was 41.2 years, a statistic considerably in excess of that for the State overall (32.6 years).³⁹ Further, the percentage of the City's 1990 population age 65 or over was 24.2%, or more than double that for the State generally (10.7%).⁴⁰ In terms of income, State Department of Taxation data disclose that Clifton Forge residents had a per capita AGI

³⁶City of Clifton Forge, Clifton Forge Comprehensive Plan, June 12, 1989, p. 3.

³⁷1980 Census of Population, Number of Inhabitants, Virginia, Table 2; and 1990 Census of Population, Summary Tape File 1A, Virginia. The City's population reached its peak of 6,839 persons in 1930 and had declined over 46% 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.

³⁸The City's last annexation occurred on December 31, 1961 when 1.19 square miles of territory were brought within Clifton Forge's corporate limits.

³⁹1990 Census of Population, Summary Tape File 1A, Virginia. The City's 1990 median age was higher than that of all but 5 of State's 136 counties and cities.

⁴⁰Ibid.

in 1989 (the latest year for which such data are available) of \$9,850, or 78.9% of the comparable figure for the Commonwealth overall (\$12,489).⁴¹

In regard to the City's overall fiscal condition, statistics indicate that the true value of real estate and public service corporation property in the municipality increased only negligibly (3.7%) between 1980 and 1989, a figure in stark contrast to that for the State overall (148.7%).⁴² Further, the City's total taxable retail sales, a significant indicator of the strength of the locality's commercial base, rose only 23.3% from 1980 to 1990, a growth rate less than one-fourth that of the State as a whole (117.9%). Clifton Forge's share of total taxable retail sales in the Alleghany Highlands declined from 21.3% to 16.9% during the previous decade.⁴³ Furthermore, during the past decade the City's non-agricultural wage and salary employment dropped from 2,166 to 1,071 positions, or by 50.6%.⁴⁴

Consistent with the statistics cited above, data developed by this Commission disclose that Clifton Forge experienced a general decline in per capita revenue capacity between the 1984/85 and 1988/89 fiscal

⁴¹The statistics have been calculated from unpublished tables provided by the Virginia Department of Taxation and by the Center for Public Service at the University of Virginia. (See supra, Note 22.) In 1984 Clifton Forge's per capita AGI represented 80.8% of statewide AGI, based on all resident returns. (Turner, letter to Ziony, Nov. 8, 1989.)

⁴²Virginia Assessment/Sales Ratio Study, 1980 and 1989. The per capita increase in true real estate and public service corporation properties in Clifton Forge and the Commonwealth generally was 11.34% and 114.9%, respectively.

⁴³Taxable Sales in Virginia Counties and Cities, Annual Reports, 1980 and 1990. During the previous decade, the per capita increase in taxable sales in Clifton Forge and the State as a whole was 33.0% and 88.3%, respectively.

⁴⁴Population and Labor Force Data, March 1980; and Covered Employment and Wages in Virginia by 2 Digit SIC Industry for Quarter Ending 3/31/90.

periods and by the latter date had a per capita fiscal capacity measure which exceeded only two of Virginia's 136 counties and cities.⁴⁵ 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 the 1988/89 fiscal period.⁴⁶

In terms of Clifton Forge's prospects for future growth, 1989 land use data revealed that 46.4% 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, 7.7% was utilized for public or semi-public purposes, 0.9% was devoted to institutional uses (e. g., retirement facilities and nursing homes), with 36.2% (approximately 730 acres) remaining agricultural, wooded, or vacant.⁴⁷ With respect to the 730 acres of undeveloped land, however, a 1985 study (the most recent available) revealed that approximately 87.5% of the undeveloped land in Clifton Forge was unsuitable for development due to steep slope and floodplain restrictions. Excluding such property, Clifton Forge has approximately 91.3 acres of vacant land (4.5% of the City's total land area) generally suitable for development.⁴⁸ Reflecting, in part, the

⁴⁵Appendix D, Table 1.

⁴⁶Report on the Comparative Revenue Capacity, Revenue effort, and Fiscal Stress of Virginia's Counties and Cities, forthcoming. This forthcoming report will disclose that the fiscal stress measure for Clifton Forge in 1988/89 exceeded that for all but five of the State's counties and cities.

⁴⁷Clifton Forge Comprehensive Plan, p. 64. Data include percentage of land area occupied by streets and railroad right-of-ways within each classification.

⁴⁸Oral Presentation Exhibits, Exh. 28, Table 57, p. 179. This exhibit is a notice of proposed annexation prepared by consultants in early 1985 for use by the City of Clifton Forge. Notice of the proposed annexation was never filed with Commission on Local Government. The above-cited estimate of vacant land suitable for development was calculated by applying the 1985 percentage of land without environmental restrictions to the total vacant land enumerated by the 1989 land use survey.

paucity of developable land in Clifton Forge, there have been no new subdivisions platted in the City since 1985. Moreover, only 11 residential building permits were issued in the City during the entire period from 1980 to 1989.⁴⁹

Although the previously cited evidence suggests that the City of Clifton Forge confronts pronounced demographic and fiscal difficulties, it remains one of the two centers of economic and corporate life in the Alleghany Highlands area. City water and sewerage serve, directly or through interlocal agreements, a significant portion of the developed areas of the County. Moreover, numerous civic and fraternal organizations located in Clifton Forge serve residents of the general area. Despite its significant loss in population and employment, the City of Clifton Forge remains an important constituent element of the Alleghany Highlands.

CITY OF COVINGTON

The City of Covington, which was originally settled in 1819, was incorporated as a town in 1833 and became one of Virginia's independent cities in 1952. The City of Covington experienced a precipitous population decline during the previous decade, with its populace decreasing between 1980 and 1990 from 9,063 to 6,991, or by 22.9%.⁵⁰

⁴⁹Stephen A. Carter, City Manager, City of Clifton Forge, letter to staff of Commission on Local Government, July 2, 1991. Between 1980 and 1989 Clifton Forge issued seven permits for the demolition of residential structures resulting in the net development of only four residential units over the decade. [Michael A. Spar and Julia H. Martin, Housing Units Authorized in Virginia's Counties and Cities: Annual, annual reports for the years 1980-88 (Charlottesville: Center for Public Service, University of Virginia); and Michael A. Spar, Housing Units Authorized in Virginia Counties and Cities: Annual, 1989 (Charlottesville: Center for Public Service, University of Virginia).]

⁵⁰1980 Census of Population, Number of Inhabitants, Virginia, Table 2; and 1990 Census of Population, Summary Tape File 1A, Virginia. The population loss experienced by Covington during the decade of the 1980s was the most significant of any city or county in the Commonwealth. City officials assert that the demolition of residential properties by

The City's current population, however, has been modified slightly as a result of a January 1, 1991 boundary adjustment with Alleghany County which increased the City's population by 15 persons and its land area by 1.22 square miles.⁵¹ Based on its current population (7,008 persons) and its present land area of 5.61 square miles, the City has a population density of 1,249 persons per square mile.⁵²

With respect to the nature of its populace, various data present a population profile for Covington similar to that for the City of Clifton Forge. Data reveal that, as of 1990, the median age of Covington residents was 39.6 years, a statistic significantly higher than that for the State generally (32.6 years).⁵³ Further, the percentage of the City's 1990 population age 65 and over was 22.1%, or more than double the comparable statistic for the State overall (10.7%).⁵⁴ In terms of income, State tax data disclose that the per capita AGI of Covington residents in 1989 was \$8,319, or only 66.6% of the comparable figure for Virginia overall (\$12,489).⁵⁵

the area's largest employer, Westvaco, for an expansion of its industrial operations in Covington contributed to the City's loss of population over the past decade. (David H. Dew, City Manager, City of Covington, letter to staff of Commission on Local Government, July 2, 1991.) The Commission notes that between 1980 and 1989, the City issued 69 building permits for the construction of new residential units. During that same period, however, Covington issued 140 permits for the demolition of residential structures for a net loss to the City's housing stock of 71 units. (Housing Units Authorized in Virginia's Counties and Cities, annual reports for the years 1980-89.)

⁵¹Oral Presentation Exhibits, Exh. 16.

⁵²Covington's last boundary expansion prior to 1991 occurred in 1952.

⁵³1990 Census of Population, Summary Tape File 1A, Virginia.

⁵⁴Ibid.

⁵⁵The per capita AGI statistics have been calculated using unpublished tables provided by the Virginia Department of Taxation and by the Center for Public Service at the University of Virginia. (See supra, Note 22.) In 1984 per capita AGI in Covington represented 76.8% of the statewide figure. (Turner, letter to Ziony, Nov. 8, 1989.)

With respect to Covington's overall fiscal condition, the State Department of Taxation has reported that true real estate and public service corporation property values in the City declined from \$217.1 million to \$165.9 million between 1980 and 1989, a decrease of 23.6%⁵⁶ During that same span of years, such values for the State as a whole rose by 148.7%.⁵⁷ In regard to Covington's commercial base, total taxable retail sales in the City increased during the 1980-1990 period by 54.5%, while those for the State generally grew by 117.9%. Covington's share of total taxable retail sales in the Alleghany Highlands has, however, remained virtually constant during the past decade, decreasing only from 57.7% to 57.4%.⁵⁸ The City maintained its share of the area's taxable retail sales during that period despite the fact that the number of non-agricultural wage and salary positions in

⁵⁶Virginia Assessment/Sales Ratio Study, 1980 and 1989. It has been contended that the absolute decline in the true real estate and public service corporation values in Covington are due to an aberration in the assessment of certain industrial properties in the municipality in the early 1980s. (See Supplemental Exhibits, Exh. S-9, Table 4 and Figure 7.) While this Commission is not the appropriate body to evaluate the assessed values assigned to the industrial property in question, we do observe that the methodology used by the State Department of Taxation in transforming assessed values to true values is intended to overcome peculiarities in local assessment practices. However, due to the fact that the Department of Taxation's methodology does not utilize a discrete median assessment/sales ratio figure for each classification of property, peculiarities in local assessment practices may not always be rectified. (See 1989 Virginia Assessment/Sales Ratio Study, "Methodology and Terms," pp. 2-8.) Whatever aberration may have occurred as a result of assessment practices in Covington during the 1980s would not fundamentally alter our evaluation of the City's current fiscal condition.

⁵⁷Virginia Assessment/Sales Ratio Study, 1980 and 1989. On a per capita basis, the true value of real estate and public service corporation property during the period from 1980 to 1989 declined in Covington by 1.0% and increased statewide by 114.9%.

⁵⁸Taxable Sales in Virginia Counties and Cities, Annual Reports, 1980 and 1990. On a per capita basis, taxable retail sales during the 1980-90 period increased in Covington by 100.3% and in the State generally by 88.3%.

the municipality decreased from 4,421 to 4,177, or by 5.5%.⁵⁹

Consistent with the data reviewed above, statistical research by this Commission reveals that, in relation to the statewide average, Covington experienced a decline in its per capita revenue capacity between the 1984/85 and 1988/89 fiscal periods.⁶⁰ Further, our statistical calculations for the 1988/89 fiscal period reveal that Covington, as in the case of Clifton Forge, was a "high stress" locality.⁶¹ These data clearly indicate that the City of Covington confronts major fiscal concerns.⁶²

⁵⁹Population and Labor Force Data, March 1980; and Covered Employment and Wages in Virginia by 2-Digit SIC Industry for Quarter Ending 3/31/90.

⁶⁰Appendix D, Table 1. Covington's per capita revenue capacity decreased from 85.6% to 78.6% of the statewide figure between the 1984/85 and the 1988/89 fiscal periods.

⁶¹Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, 1988/89, forthcoming. This forthcoming report will disclose that as of the 1988/89 fiscal period the City of Covington experienced a level of fiscal stress which exceeded that of all but seven of Virginia's counties and cities.

⁶²In our 1984 review of a proposed annexation by the City of Covington, this Commission noted that the City had plans to retrofit the U. S. Army Corps of Engineers' Gathright Dam on the Jackson River for hydroelectric power generation. This proposed project then constituted a potentially significant source of revenue for the City. (Report on the Covington - County of Alleghany Annexation Action, p. 47.) Although there has been little progress on the project since that time, it merits note in this report. In October 1990 the Federal Energy Regulatory Commission (FERC) issued a preliminary permit to the City of Covington for the proposed Gathright Dam Hydropower Project. In its April 1991 six-month progress report, the City's consultants for the project indicated that design problems were being addressed and that it was anticipated that a completed license application would be filed with the FERC by fall 1992. (Roscoe B. Stephenson, III, City Attorney, City of Covington, letter to staff of Commission on Local Government, May 16, 1991.) The City has indicated that it is uncertain at this time whether the project will go forward, and, consequently, its potential as a source of revenue is problematic. However, the Development Agreement between Gathright Power Company of California and the City contemplates that Covington could receive a minimum of \$75,000 initially, if and when the project becomes operational, with the yield after the fifteenth year

Regarding the nature of the City's physical development, 1985 land use data contained in Covington's current comprehensive plan revealed that 32.0% of Covington's total area was then devoted to residential development, 3.0% was engaged in commercial enterprise, 11.5% was committed to industrial activity, 6.4% was utilized for public or semi-public purposes, with 30.7% (approximately 864 acres) remaining vacant.⁶³ However, a significant portion of the vacant property in Covington is restricted in its development potential due to steep slope and floodplain restrictions.⁶⁴ The amount of vacant and developable land in the City of Covington has, however, been increased to some extent as a result of the boundary adjustment effected on January 1, 1991.⁶⁵

depending upon either gross revenue or minima ranging from \$150,000 to \$500,000. (Dew, communication with staff of Commission on Local Government, June 11, 1991.)

⁶³City of Covington, City of Covington Comprehensive Plan, Mar. 7, 1990, p.51. Approximately 16.4% of Covington's land area was devoted to road, railroad or utility rights-of-way. The boundary change effected January 1, 1991 is not reflected in the land use statistics cited above. The predominant portion of the area brought into Covington was undeveloped.

⁶⁴A 1985 analysis of topographic conditions in Covington performed by a consultant for Clifton Forge revealed that approximately 74.2% of the undeveloped land in Covington was situated on slopes in excess of 15% or located in the 100-year floodplain. (Oral Presentation Exhibits, Exh. 28, Table 57, p. 179.) The Commission observes, however, that the land use component of the topographic study found that Covington contained approximately 1,466 acres of vacant land. Based on the percentage of environmentally restricted vacant land (74.2%), the consultant for Clifton Forge estimated that in 1985 Covington had 380 acres of developable vacant land.

⁶⁵With respect to the territory incorporated into Covington (780 acres), statistics provided by consultants for Alleghany County and Clifton Forge indicate that approximately 522 acres, or 66.8% of that area, are unsuitable for development due to steep slope and floodplain restrictions. Thus, only 259 acres of the land recently incorporated into the City is generally available for development. (Supplemental Exhibits, Exh. S-4.)

In sum, the data indicate that Covington is similar to its regional neighbors in terms of its demography and relative fiscal condition and with respect to the extent of vacant land suitable for development.

STANDARDS AND FACTORS FOR CONSOLIDATED CITIES

In 1979 the Code of Virginia was amended to require, for the first time, judicial review and approval of all consolidations which propose the establishment of a new consolidated city.⁶⁶ In 1985 the Code of Virginia was further amended to require this Commission's technical evaluation of such proposed consolidations prior to their being presented to the court for disposition.⁶⁷ This State oversight of consolidations proposing the creation of new consolidated cities has been established in recognition of the fact that status as an independent municipality (1) imposes upon a jurisdiction increased fiscal responsibilities and (2) affects the territorial growth opportunity of adjacent localities.

As noted previously, the Commission is required in its review of a proposed consolidation, or any other interlocal issue, to base its findings and recommendations upon the standards and factors prescribed by statute for consideration in such issues.⁶⁸ The standards and factors prescribed for consideration in consolidation issues are set forth in Section 15.1-1130.8 of the Code of Virginia. The following sections of this report reflect the Commission's efforts to review the proposed establishment of the City of Alleghany in relation to those statutorily prescribed standards and factors.

⁶⁶Ch. 85, Acts of Assembly, 1979.

⁶⁷Ch. 478, Acts of Assembly, 1985. The Commission has no statutory responsibility for the review of consolidations proposing the creation of consolidated counties.

⁶⁸Sec. 15.1-945.7(B), Code of Va.

POPULATION STANDARD

The Code of Virginia establishes certain population and population density standards which must be met by jurisdictions proposing to consolidate as a city. However, in instances where the proposed consolidated entity includes an existing city, those population and population density standards are waived.⁶⁹ Since in this case the consolidating units of government include a city, the City of Clifton Forge, the overall population and population density figures for the consolidating localities are irrelevant in terms of the statutory conditions for consolidation.

Nevertheless, it is appropriate, it appears to us, to take cognizance of the population and population density which would exist in the proposed consolidated City of Alleghany. The preponderance of the population in that proposed municipality is concentrated in the corridor adjacent to Interstate 64 and extending from the Clifton Forge area to the environs of the City of Covington.⁷⁰ Thus, while the proposed consolidated entity embraces an expansive area, which is essentially rural and undeveloped in nature, it has an urban core with a municipal character. Any future major development in the Alleghany Highlands area is likely to be largely concentrated within that urban core due to the extent of State and federal land ownership, the topography of the general area, and the difficulty of constructing major utility systems outside that urban core.⁷¹ In sum, the proposed City of Alleghany would

⁶⁹Sec. 15.1-1130.8(B)(1), Code of Va.

⁷⁰Oral Presentation Exhibits, Exh. 16.

⁷¹It is relevant to note that data submitted by Alleghany County and the City of Clifton Forge indicate that exclusive of the State and federal lands (223 square miles) and property located on slopes greater than 15% or lying in the 100-year floodplain (187 square miles), the proposed City of Alleghany possesses only 36.4 square miles of "developable" land. Assuming that 75% of the population of the consolidated entity resides on such "developable" land, the City of Alleghany would have a population density of 368 persons per square mile (Oral Presentation Exhibits, Exh. 16.) While a significant amount of

constitute a geographically large municipality with a relatively small urbanized nucleus not dissimilar to the nature of several other cities in Virginia.⁷²

FISCAL CAPACITY

The law governing local governmental consolidations in Virginia states that jurisdictions proposing to create a consolidated city must have "the fiscal capacity to function as an independent city and [be] able to provide appropriate services."⁷³ In order to examine the fiscal attributes of the proposed City of Alleghany, the Commission has reviewed data regarding the revenue capacity and revenue effort of the proposed municipality in relation to statewide averages and that for other independent cities in Virginia of comparable size. The data indicate that, as of the 1988/89 fiscal period, the per capita revenue capacity of the proposed City of Alleghany (\$552.65) was only 73.3% of that for all the State's cities and counties (\$753.62).⁷⁴ While the 1988/89 per capita revenue capacity figure for the proposed City of Alleghany was lower than that of all of the other cities of comparable size, it was only marginally less than that of the City of Hopewell

development has occurred in the Alleghany Highlands on slopes exceeding 15%, such a topography does restrict dense development beyond the reach of public utilities.

⁷²Municipalities similar in population density to the proposed jurisdiction include the Cities of Suffolk and Chesapeake. As noted above, the proposed City of Alleghany would have a population density of approximately 368 persons per square mile, exclusive of land area considered undevelopable due to public ownership, steep slopes, and floodplain restrictions. In comparison, the City of Suffolk has a population density of 130.3 persons per square mile, while the City of Chesapeake has a population density of 446.1 persons per square mile. [U. S. Department of Commerce, Bureau of the Census, 1990 Census of Population and Housing, Summary of Population and Housing Characteristics, Virginia (proof copy) Apr. 1991, Table 16.]

⁷³Sec. 15.1-1130.8(B)(2), Code of Va.

⁷⁴Appendix D, Table 1.

(\$555.06).⁷⁵ Moreover, when considered in relation to all of Virginia's 41 independent cities, the revenue capacity per capita of the proposed City of Alleghany in 1988/89 exceeded that of seven cities.⁷⁶

In evaluating the fiscal condition of a locality it is also necessary to consider the extent to which the jurisdiction is required to utilize its revenue capacity to meet its public service responsibilities. The methodology used by the Commission in this endeavor generates a "revenue effort" statistic for a locality by expressing the total of its revenue collections and levies as a percentage of its theoretical revenue capacity.⁷⁷ Our calculations for 1988/89 indicate that the two jurisdictions which would comprise the proposed City of Alleghany, considered collectively, raised taxes and imposed levies comparable to 98.1% of their theoretical revenue capacity.⁷⁸ Although the revenue effort of the proposed City of Alleghany in 1988/89 would have exceeded the statewide figure for all of Virginia's counties and cities (79.71%), it was less than that of all but one of Virginia's cities of comparable size.⁷⁹ While the data do not suggest that the proposed City of Alleghany would constitute one of the Commonwealth's best endowed municipalities, they do indicate that the fiscal attributes of the proposed consolidated government are not dissimilar to those of a number of other Virginia cities.

⁷⁵Ibid., Table 3.

⁷⁶The seven Virginia cities with 1988/89 per capita revenue capacity measures lower than the proposed City of Alleghany were Buena Vista, Danville, Lexington, Norfolk, Petersburg, Portsmouth, and Radford. (Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, 1988/89, forthcoming.)

⁷⁷See Appendix D, note 1B.

⁷⁸Ibid., Table 5.

⁷⁹Ibid., Table 6. Only the City of Martinsville, with a revenue effort of 87.28%, utilized a lesser percentage of its revenue capacity than the proposed City of Alleghany in 1988-89 to serve its residents.

Certain changes in the consolidation statutes made by the 1991 session of the General Assembly will fiscally assist the proposed City of Allegheny. First, and perhaps of greatest significance, the consolidation laws of the State have been amended to permit the State Department of Transportation to continue indefinitely to construct and maintain those roads in a consolidated city which were formerly in a county.⁸⁰ This provision will avoid the necessity of the City of Allegheny assuming responsibility for constructing and maintaining the public thoroughfares currently in Allegheny County. Second, to avoid the possibility that consolidation might change some overall statistical measure for a consolidated entity and, consequently, reduce the level of State assistance to that jurisdiction predicated upon such a measure, the 1991 session of the General Assembly enacted a provision which assured consolidating units of government that they would experience no diminution in State aid for any governmental program or function during the five-year period following consolidation.⁸¹ This provision permits the proposed City of Allegheny to contemplate the continued receipt of State aid at undiminished levels for at least the five-year period following the consolidation.⁸²

In an endeavor to evaluate the pending major capital concerns which would confront the proposed consolidated government, the Commission examined the capital improvement and long range planning instruments of Allegheny County and the City of Clifton Forge. Those instruments

⁸⁰Ch. 189, Acts of Assembly, 1991. Prior to this enactment, Section 15.1-1131.1 of the Code of Virginia limited the Department of Transportation's authority to continue to construct and maintain such roads to a ten-year period following consolidation. While this provision does not represent an additional benefit for the residents of the current County, it will avoid an expense that otherwise would have confronted the consolidated city.

⁸¹Ibid. The "hold harmless" provision is contained in Section 15.1-21.1.

⁸²This 1991 enactment does not preclude an across-the-board adjustment in State aid necessitated by any general State budgetary imbalance.

indicate that the proposed City of Alleghany would confront in the immediate future capital expenditures for a regional jail, a solid waste disposal facility, utilities, and other infrastructure to support its economic development efforts. These various capital needs have been projected to cost the jurisdictions collectively approximately \$15 million.⁸³ Since the gross debt of Alleghany County as of June 30, 1990 constituted only 1.28% of the total taxable value of its real estate and public service corporation property, and since the comparable figure for the City of Clifton Forge was only 0.84%, meeting the prospective capital needs of the City of Alleghany would not appear to pose a major problem.⁸⁴

With respect to the fiscal burdens to be borne by the proposed City of Alleghany, it is important to note that, in our judgment, the new city can reasonably anticipate certain economies as a consequence of governmental consolidation. While research on the issue of economies of scale is fraught with considerable difficulty, it is our collective judgment that certain economies are achievable in the context of the proposed consolidation of Alleghany County and the City of Clifton Forge.⁸⁵ Indeed, the chief administrative officers of the two

⁸³County of Alleghany, Alleghany County Capital Improvements Program: 1990-95, June 1990; Clifton Forge Comprehensive Plan, June 1989; and City of Clifton Forge, Virginia, Budget: Fiscal Year 1990-1991. Since the jurisdictions together are currently utilizing approximately 55% of the rated capacity for their water systems, consolidation may permit the postponement of major investment in water treatment facilities. (See Supplemental Exhibits, Exh. S-13.)

⁸⁴Appendix E presents a profile of the gross debt of Virginia's counties and cities as of June 30, 1990 in relation to the assessed, taxable, and true valuation of their real estate and public service corporation properties. Alleghany County and Clifton Forge ranked 67th and 92nd, respectively, among the State's 136 counties and cities in terms of their gross debt as a percentage of taxable values. Higher numerical rankings signify lower debt burdens.

⁸⁵A summary of studies analyzing economies of scale in local government services is found in William F. Fox, Size Economies in Local Government Services: A Review (Washington: Economic Development Division; Economics, Statistics, and Cooperative Services; U. S.

jurisdictions have specified areas which, in their judgment, savings and service improvements are to be expected.⁸⁶ Moreover, the 1982 consultant's study jointly funded by the jurisdictions in the Alleghany Highlands indicated that a consolidation of the County and the City of Clifton Forge could result in economies of scale, particularly in the area of public works through the elimination of redundancies, an enhanced management structure, and improved service delivery.⁸⁷ We concur with those observations.

Analysts have observed that one consequence of local government consolidation is often an increase in service expectation under the consolidated government, with such expectations resulting in rising expenditure levels to accommodate the request for expanded services. We note, however, that Alleghany County already performs a number of urban functions, such as County-operated utilities, curbside solid waste collection, and recreational facilities. Existing County efforts in these functional areas should diminish prospects for burgeoning expenditures.⁸⁸

Department of Agriculture, Aug. 1980). This document is identified as Rural Development Research Report No. 22.

⁸⁶Supplemental Exhibits, Exh. S-12. Included in the anticipated improvements are development of a joint refuse transfer station, joint water service and storage facilities, expanded general government capabilities, and more efficient and effective planning functions.

⁸⁷Alleghany Highlands Governmental Study, Executive Summary, p. 23.

⁸⁸In 1989 Alleghany County's total per capita non-educational expenditure (\$358) represented 69% of the comparable statistic for the State as a whole (\$516). In 1990 County per capita non-educational expenditure (\$438) had risen to 75% of the comparable statewide figure (\$580) and exceeded that of the City of Poquoson. (Virginia Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, Year Ended June 30, 1989, 1990; and Comparative Report of Local Government Revenues and Expenditures, Year Ended June 30, 1990, 1991.) By comparison, the County of Bedford, which also participates in a consolidated school system with a municipality, had a per capita non-educational expenditure equivalent to approximately 32% of that for the State as a whole in both 1989 and 1990. (Ibid.)

In sum, notwithstanding the relatively modest public resources of the City of Clifton Forge and Alleghany County, we conclude that the physical constraints that geographically confine development in the area, the actions taken by the General Assembly, the comparatively modest capital needs of the consolidating governments, and the prospects for economies of scale in service delivery, indicate that the proposed City of Alleghany has the fiscal capacity to function as an independent municipality and to provide its residents with appropriate services.

INTERESTS OF THE PARTIES

Any analysis of the interests of the residents of Alleghany Highlands must take cognizance of the jointly funded comprehensive study which was completed in 1982.⁸⁹ In summarizing the research conducted at that time relative to the public service needs and alternative local governmental arrangements in the Alleghany Highlands, the final report stated:

When the results of the individual public service analyses were integrated with the study of the overall governmental structure of the Highlands, the project team was forced to conclude that the majority of available data supports making consolidation of the three existing independent governments the long-term goal for local government in the Alleghany Highlands.⁹⁰

This Commission reached a similar conclusion following its 1984 review of the annexation proposed by the City of Covington. In our report on that issue we observed that "the concerns of the Alleghany Highlands are unique, with the optimal solution being the total political integration of the area."⁹¹

⁸⁹Alleghany Highlands Governmental Study. In April 1991 John McNair and Associates submitted to the Commission a "1991 Executive Update, Alleghany Highlands Governmental Studies," Oral Presentation Exhibits, Exh. 10.

⁹⁰Alleghany Highlands Governmental Study, Executive Summary, p. 29.

⁹¹Report on the City of Covington - County of Alleghany Annexation Action, p. 80.

The 1982 consultant's study also evaluated the possible consolidation of the City of Clifton Forge and Alleghany County as one of the governmental restructuring options available to residents of the region and ranked that option third among the six alternatives assessed.⁹² At that time, the study projected that such a consolidation would result in a 15-40% improvement in cost-benefit performance over the status quo and that the combined tax base of Clifton Forge and Alleghany would provide greater long-term stability for the new government.⁹³ The "1991 Executive Update" to the 1982 study concluded that there had been no change in conditions between 1982 and 1991 that would warrant a revision in the findings of the earlier report. The 1991 update of the previous study characterized the increase in joint service efforts among the jurisdictions in the region as indicative of the integrative pressures affecting the governments of the area.⁹⁴ We concur with those general observations.

In our view, the limited fiscal resources available to support local public services in the Alleghany Highlands area, as well as current projections regarding demographic and economic growth in the region, strongly support proposals for the political integration of the area. The fact that the current population in both Clifton Forge and Alleghany County is less than that which resided in those jurisdictions at the time of the earlier studies gives added emphasis to such a conclusion.

⁹²Alleghany Highlands Governmental Study, Executive Summary, p. 20.

⁹³Ibid., pp. 23-24.

⁹⁴Oral Presentation Exhibits, Exh. 10, p. 10. The "1991 Executive Update, Allegheny Highlands Governmental Study," cited such collaborative efforts as the school consolidation between Alleghany County and Clifton Forge, water and sewerage agreements, animal control services, and a joint landfill agreement.

In brief, the Commission has no difficulty concluding that the proposed consolidation is in the long-term interest of both the City of Clifton Forge and Alleghany County. We believe that the integration of those communities offers opportunities for economies in operations, improved public services, and more comprehensive planning which will enhance the viability of the two jurisdictions.⁹⁵

INTERESTS OF THE COMMONWEALTH

Compliance With State Policies

This Commission fails to find any basis for concluding that the proposed consolidation would have an adverse effect on the implementation of State policies in the Alleghany Highlands. The evidence, in fact, suggests that several fundamental State policies will be advanced by the proposed consolidation, and those policies merit note in this report.

Education. The Commonwealth has declared that public education is a fundamental concern of the State of Virginia through both constitutional provisions and general law.⁹⁶ The school systems of Alleghany County and the City of Clifton Forge were consolidated in 1983. In our judgment, the proposed consolidation, which would place responsibility for funding public education under a single governing body, would improve the administration and effectiveness of the school division.

⁹⁵The Commission notes that the consolidation agreement permits the establishment of special service districts and debt retirement districts which will facilitate equity in the tax structure of the City of Alleghany. These districts will enable the new municipality to see that the beneficiaries of special services and past capital expenditures are responsible for bearing their costs. [See Consolidation Agreement, Secs. 2-5, 3-2, 3-3 (Appendix A).]

⁹⁶Art. VIII, Constitution of Va. See also Sec. 22.1, Code of Va.

Environmental Protection. As noted by this Commission in its 1986 report on the previous consolidation effort in the Alleghany Highlands area, many environmental concerns do not lend themselves to effective management by localities acting independently. Water resource management, solid waste collection and disposal, the protection of an area's aesthetic qualities, and air pollution control are more adequately addressed by a regional approach. Actions taken by Alleghany County and Clifton Forge, as well as the physical features which promote the interdependency of the jurisdictions, lead us to conclude that the Commonwealth's environmental protection goals would be advanced by the proposed consolidation.⁹⁷

Public Planning. Both jurisdictions which would comprise the City of Alleghany have planning commissions and have adopted comprehensive plans and zoning and subdivision ordinances.⁹⁸ The proposed consolidation will permit a full integration of those planning and development control instruments and will enable the development of a more cohesive comprehensive planning process in the Alleghany Highlands region.

Housing. Adequate housing is a fundamental human need. While Clifton Forge has a housing and redevelopment authority, and while Alleghany County's adopted comprehensive plan identifies a need to expand housing opportunities in the County, especially for the elderly and low- and moderate-income citizens, more aggressive action to address the housing concerns of those jurisdictions appears appropriate. From our perspective, the proposed consolidated city would be better able to address housing needs through improved planning capabilities and an enhanced capacity to secure funding for government-sponsored projects.⁹⁹

⁹⁷See Consolidation Notice, p. 30.

⁹⁸Ibid., pp. 30-31.

⁹⁹Ibid., p. 32-33. See also Alleghany County Comprehensive Plan, pp. 46-47; and Clifton Forge Comprehensive Plan, p. 67.

VIABILITY OF LOCAL GOVERNMENTS IN AREA

The Code of Virginia directs this Commission and the court to consider the impact which a proposed consolidated city would have on the "interests of the Commonwealth in promoting strong and viable units of government in the area."¹⁰⁰ Unlike the establishment of consolidated counties, the creation of consolidated cities can, under current law, restrict or terminate the growth of adjacent municipalities and unduly threaten their viability. In this proposed consolidation, the only two adjacent jurisdictions which would be immediately affected by the establishment of the City of Alleghany are the Town of Iron Gate and the City of Covington.

With respect to the Town of Iron Gate, the general law of the State permits a town which would be embraced within a consolidated city to maintain its existence as a "township."¹⁰¹ In such instances, the new "township" would continue to function under its prior charter and, with the exception of the authority to annex and to seek a transition to city status, under the powers granted towns by general law. Further, the general law of the State authorizes a township, if it so desires, to effect agreements with the encompassing city for the transfer of any or all of its revenues, services, facilities, and debts to the larger municipality.¹⁰² With this latter option in mind, the Council of the Town of Iron Gate has unanimously expressed its support for the proposed consolidation of the City of Clifton Forge and Alleghany County and has expressed the view that "the merger of the township into the consolidated city will be the next logical step towards the orderly unification of the government in the Alleghany Highlands Community and toward the achievement of the larger economic benefits which would be

¹⁰⁰Sec. 15.1-1130.8(B)(3), Code of Va.

¹⁰¹Sec. 15.1-1146.1, Code of Va.

¹⁰²Ibid.

made possible by the unification."¹⁰³ Given these conditions, we cannot conclude that the establishment of the proposed City of Alleghany threatens the viability of the Town of Iron Gate.¹⁰⁴

The impact of the proposed consolidation on the City of Covington is, in our judgment, the most critical consideration in our review. The data indicate that on both demographic and fiscal grounds the City of Covington confronts significant concerns which must be recognized. In terms of population, U. S. Bureau of the Census data reveal that the City of Covington experienced a population loss during the decade from 1980 to 1990 of nearly 23%, with over 22% of its current population being age 65 or older.¹⁰⁵ Moreover, projections indicate that the City's population will continue to decline through the end of this century.¹⁰⁶ With respect to its fiscal condition, this Commission's calculations indicate that, as of the fiscal period 1988/89, only seven of Virginia's counties and cities experienced a degree of "fiscal stress" greater than that of the City of Covington.¹⁰⁷

¹⁰³Resolution of the Council of the Town of Iron Gate, Dec. 20, 1990. See Appendix F for the full text of the resolution.

¹⁰⁴It is relevant to note that the population of the Town of Iron Gate decreased from 620 to 414 persons, or by nearly one-third, between 1980 and 1990. (1980 Census of Population, Number of Inhabitants, Virginia, Table 2; and 1990 Census of Population, Summary Tape File 1A, Virginia.)

¹⁰⁵See previous section reviewing the general characteristics of the City of Covington, supra, pp. 15-19.

¹⁰⁶Virginia Employment Commission, Virginia Population Projections 2000, Apr. 1990, Table 1. Supporting the population projections for the City of Covington are data for the period from 1980 through 1989 which reveal that the City issued only 69 building permits for the construction of new residential units within its borders and 140 permits for the demolition of existing residential structures. (Housing Units Authorized in Virginia's Counties and Cities, annual reports for the years 1980-89.)

¹⁰⁷Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, 1988/89, forthcoming.

In terms of the future viability of the City of Covington, several positive factors may be noted. First, the boundary adjustment effected on January 1, 1991 with Alleghany County has increased the City's area by 1.22 square miles, or by approximately 27%. The developable land in the annexed area (259 acres), coupled with that within the previous City boundaries (380 acres), provides Covington with approximately 640 acres of vacant property generally suitable for development. That developable land affords the City of Covington the potential to attract some of the growth which may occur in the Alleghany Highlands area.

Second, the City of Covington will be a major fiscal beneficiary of the expansion planned and currently being implemented by Westvaco. That expansion, announced by the firm in May 1989, calls for capital improvement of Westvaco's facilities within the City of Covington estimated to constitute a \$390 million investment by the end of this century.¹⁰⁸ The various Westvaco improvements are projected to increase that corporation's taxes to the City of Covington by approximately \$1.4 million annually.¹⁰⁹ While the Westvaco expansion is not expected to result in any significant increase in permanent employment at the corporation's facilities in the Covington area, the plant's increased activity should provide a general economic stimulus for the area.

Third, both the consolidation agreement between the City of Clifton Forge and Alleghany County and the charter for the proposed City of Alleghany contain provisions which permit the City of Covington, at its own volition, to join the consolidated government at any future time of its choosing. Provisions in those instruments offer the City of Covington two alternatives - (1) complete integration into the City of Alleghany or (2) integration with the consolidated government as a

¹⁰⁸Supplemental Exhibits, Exh. S-15.

¹⁰⁹Ibid. Westvaco is reported to have contributed approximately \$951,000 to Covington's revenue collections in FY1988.

township.¹¹⁰ Those provisions enable the City of Covington, in the event circumstances dictate, to join the City of Alleghany and confront its difficulties in concert with its neighbors in the Alleghany Highlands.

As noted previously, the immediate impact of the proposed consolidation on the City of Covington is the termination of that municipality's authority to annex. However, this potential elimination of the City's annexation option must be considered in the context of the present factual situation in the Alleghany Highlands area. With respect to that context, the possibility of the City of Covington's pursuing successfully an annexation initiative is dependent upon the general conditions confronting Alleghany County. In terms of such conditions, we note that Alleghany County has experienced a loss of population in excess of 8% since 1980 and that, based on 1988/89 data, its per capita revenue capacity (\$586.86) was slightly less than that of the City of Covington (\$592.42).¹¹¹ Moreover, projections indicate that Alleghany County is expected to experience an annual loss of population of 0.3% through the end of this century.¹¹² Given these conditions, it is problematic in the extreme that an annexation which removes property and population from Alleghany County could be sanctioned under current law. In view of these various circumstances, we cannot conclude that the overall impact of the proposed consolidation on the jurisdictions in the Alleghany Highlands area is contrary to the interests of the Commonwealth in promoting strong and viable units of government.

¹¹⁰Consolidation Agreement, Art. IV; and Charter for City of Alleghany, Chs. X, XI.

¹¹¹The revenue capacity data are presented in Appendix D, Table 1.

¹¹²Virginia Population Projections 2000, Table 1.

FINDINGS AND RECOMMENDATIONS

In the preceding sections of this report the Commission has reviewed the demographic and fiscal attributes of the City of Clifton Forge and Alleghany County and the ramifications of the proposed consolidation in relation to the standards and factors prescribed for consideration in consolidation actions. Based on that review, the Commission finds that the proposed consolidated entity meets the requirements for city status, and that the consolidation is in the interest of the Commonwealth in promoting and preserving the viability of Virginia's local governments. 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 which will ultimately redound not only to the benefit of the consolidated government, but to the City of Covington as well.

This Commission is cognizant of the fact that the proposed consolidation will terminate the authority of the City of Covington, under current law, to grow through annexation. We are far from indifferent with respect to the future well-being of the City of Covington, but we believe that the options afforded that municipality to join the City of Alleghany appropriately and equitably address that concern. The availability of those options extends to Covington the same vehicle for the preservation and promotion of its viability that is now being pursued by Alleghany County and the City of Clifton Forge. The continuing presence of those options which grant Covington the unilateral authority to merge with the consolidated city are, however, an indispensable factor in our recommendation for approval of the proposed consolidation.¹¹³

¹¹³In an unofficial opinion, the Office of the Attorney General has expressed the view that a future unilateral merger of the City of Covington with the City of Alleghany or conversion of Covington to

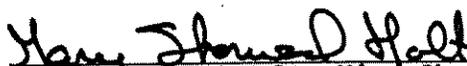
Again, the proposed consolidation is a positive step in addressing the concerns of the Alleghany Highlands and need not be seen as an action which freezes in perpetuity the governmental arrangements in that area. Indeed, numerous options remain which permit the City of Covington and the proposed City of Alleghany to take collaborative steps to protect and preserve the viability of both jurisdictions which are inextricably related.

township status within the new city appear to present no constitutional concerns. (Roger C. Wiley, Senior Assistant Attorney General, letter to M. H. Wilkinson, Executive Director, Commission on Local Government, July 22, 1991.)

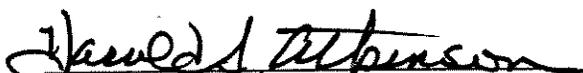
Respectfully submitted,



William S. Hubbard, Chairman



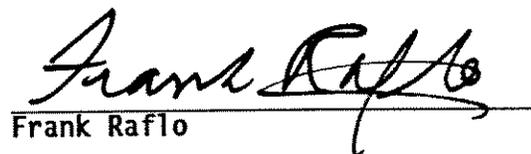
Mary Sherwood Holt, Vice Chairman



Harold S. Atkinson



Layton R. Fairchild, Jr.



Frank Raflo

THIS CONSOLIDATION AGREEMENT is made and entered into this 11th day of December, 1990, by and between the COUNTY OF ALLEGHANY, a County of the Commonwealth of Virginia; and the CITY OF CLIFTON FORGE, VIRGINIA, a municipal corporation of the Commonwealth of Virginia.

The County of Alleghany and the City of Clifton Forge agree as follows:

ARTICLE I.

GENERAL PROVISIONS

Sec. 1-1. Names of the County and City for which Consolidation is Proposed.

The names of the County and City proposing to consolidate into a newly consolidated city are the County of Alleghany and the City of Clifton Forge, Virginia.

Sec. 1-2. Name of the Consolidated City.

The name of the city into which it is proposed to consolidate is Jackson City.

Sec. 1-3. Property Values.

A. The fair value in United States money of the real and personal property belonging to the County and the City as of June 30, 1990, is as follows:

	<u>Alleghany</u>	<u>Clifton Forge</u>
Real Estate	\$7,828,480	\$6,424,050
Personal Property	<u>1,326,187</u>	<u>754,652</u>
Total	\$9,154,667	\$7,178,702

B. The above property values are exclusive of real and personal property holdings of the Alleghany Highlands School Board as of June 30, 1990, which are valued as follows:

<u>Alleghany Highlands</u>	
Real Estate	\$25,661,828
Personal Property	<u>3,872,547</u>
Total	\$29,534,375

C. The property values given in Paragraph A do not include real and personal property holdings of any authorities, commissions, or non-stock corporations created by, incorporated by, or sponsored by the City or the County or in which the City or the County has any interest, direct or indirect. Information on the property holdings of authorities, commissions, or non-stock corporations appears on the records of those entities.

D. The valuations are agreed to be correct by the parties to this Consolidation Agreement solely for the purposes of this Agreement.

Sec. 1-4. Indebtedness.

A. The indebtedness, bonded and otherwise, of the County and the City as of June 30, 1990, is as follows:

	<u>Alleghany</u>	<u>Clifton Forge</u>
General Obligation Bonds	\$109,554	\$0
State Literary Fund Loans	1,050,750	552,500
Water & Sewer Utility Bonds	2,296,230	0
Other	<u>0</u>	<u>60,000</u>
Total	\$3,456,534	\$612,500

B. The source of the indebtedness data contained in this Consolidation Agreement is set forth in the draft audit statements of the consolidating governments as of June 30, 1990. Such indebtedness data is agreed to be correct by the parties to this Consolidation Agreement solely for the purposes of this Agreement.

Sec. 1-5. Effective Date of Consolidation.

Subject to the passage of any required legislation, the entry of an Order approving eligibility for city status pursuant to Virginia Code §15.1-1130.8, the entry of an Order of Referendum pursuant to Virginia Code §15.1-1138, the approval by referendum of a majority of the voters of each jurisdiction, and to the consolidation complying with the terms of any applicable federal law, the consolidation shall become effective on the date or dates prescribed in the Court Order effecting the Consolidation Agreement. Alleghany and Clifton Forge agree to support, before the applicable Circuit Court, the date of midnight on December 31, 1992 as the effective date of the consolidation of the County and the City.

Sec. 1-6. Referendum.

A. The governing bodies of Alleghany and Clifton Forge, after execution of this Consolidation Agreement, shall notify the Virginia Commission on Local Government and all local governments located within or contiguous to, or sharing functions, revenue or tax sources with Alleghany and Clifton Forge of the proposed consolidation, and requesting that the Commission proceed to hold hearings, make investigations, analyze local needs and make findings of fact and recommendations as may be required by Virginia Code §15.1-945.7. The said governing bodies, acting jointly, shall have the authority to negotiate and agree upon any provisions or revisions that may be proposed by the Commission.

B. After the Commission on Local Government has made its findings of fact, the governing bodies of Alleghany and Clifton Forge shall file with the Circuit Court of Alleghany County or the Circuit Court for the City of Clifton Forge, the original of this Consolidation Agreement, together with a petition on behalf of the governing bodies of Alleghany and Clifton Forge, signed by the chairman and clerk of each of said bodies. The petition shall ask that proceedings pursuant to Virginia Code §§15.1-1130.2 and 15.1-1130.8 be had, and that a referendum on the question of consolidation as provided for in this Consolidation Agreement be ordered to be held within each of the jurisdictions proposing to consolidate pursuant to Article 4, Chapter 26, Title 15.1,

Section 1138 et seq. of the Code of Virginia, 1950, as amended, on a date fixed by the Court which the parties agree should be March 24, 1992.

C. Thereafter, the governing bodies of Alleghany and Clifton Forge shall cause a copy of this Consolidation Agreement to be printed at least once a week for four successive weeks in The Virginian Review, a newspaper published in or having general circulation in the County of Alleghany and the City of Clifton Forge. A copy of the Agreement shall be filed with the judge of each circuit court having jurisdiction in the consolidating jurisdictions.

D. It is agreed that the costs, legal fees and other expenses of the proceedings before the Commission on Local Government and the Courts, and the cost of the publication of this agreement should be shared by the consolidating jurisdictions on a per capita basis utilizing 1990 U.S. Census data, and an order to that effect will be sought from the appropriate court.

E. Upon approval by referendum in each jurisdiction as set forth above, and certification by judges of the circuit courts of the results of referendum to the Secretary of the Commonwealth, the consolidation shall become effective at midnight on the day prescribed in the court order. Unless objection to such changes affecting electoral procedures are expressed by the Attorney General of the United States and are not removed as provided by law, the continuance of the

County of Alleghany and the City of Clifton Forge, other than as the new consolidated city, shall terminate, and the present territory of the County of Alleghany and the City of Clifton Forge shall be consolidated in their entirety into a single new city, to be known as Jackson City.

ARTICLE II

TRANSITION

Sec. 2-1. Governmental Transition Team.

A. Upon approval of this agreement by referendum in each jurisdiction, there shall immediately be created a committee which shall be called the "Governmental Transition Team." Said team shall consist of the Alleghany County Administrator, the Clifton Forge City Manager, and four additional members, two appointed by the County and two appointed by the City. Its initial meeting shall be called by the two chief administrative officers no later than the 40th day following the date of the referendum. The team may act whether or not all of the members have been appointed. At the initial meeting a chairman shall be selected by and from the team membership.

B. It shall be the general responsibility of the Governmental Transition Team to prepare a plan which will permit the orderly transition of the two governments into a consolidated city government. Said plan shall be advisory only and shall contain, but not be limited to, the following:

(1) A description of the duties and responsibilities of each agency and department of the consolidated city along with a chain of command for its operation;

(2) Personnel procedures, job descriptions and pay ranges and general qualifications for each position in the consolidated city;

(3) Subject to the provisions of Section 2-9 below, the names of individuals designated to hold each position in the consolidated city except those appointments to be made directly by the council of the consolidated city or by constitutional officers as required by law.

(4) The allocation of office space and equipment among the departments of the consolidated city; and

(5) The designation of counsel to seek an opinion and approval from the Attorney General of the United States or appropriate court relating to the proposed consolidation and its conformity with federal election laws.

Sec. 2-2. Procurement Procedures.

Upon approval of this agreement by referendum in each jurisdiction and prior to the effective date of consolidation the Alleghany County Administrator and the Clifton Forge City Manager shall prepare a plan and draft policy to reconcile differences, if any, in procurement procedures, subject to the approval of the new city council and subject to the applicable provisions of the Virginia Public Procurement Act and other law.

Sec. 2-3. Disposition of Property, Real and Personal.

Upon the effective date of consolidation, all property, real and personal, tangible and intangible, of Alleghany and Clifton Forge, including debts owed to each, shall become the property of, and shall be vested in, Jackson City, without any further act or deed.

Sec. 2-4. Records and Documents.

All records and documents of Alleghany and Clifton Forge shall pass to and be held by the consolidated city which shall be responsible for the preservation, maintenance and custody of these records and documents.

Sec. 2-5. Assumption of Debts.

A. Upon the effective date of consolidation, there will exist within the city and the county certain liabilities and indebtedness, bonded and otherwise, chargeable to the citizens of each jurisdiction. Any and all indebtedness and other obligations of the city and the county shall be assumed by Jackson City.

B. It is possible that one or both of the parties of this agreement may incur additional indebtedness, bonded or otherwise, between the date of this agreement and the effective date of consolidation. In order to repay such additional liabilities and indebtedness, bonded or otherwise, on an equitable basis, and to insure that the cost of repayment is borne directly by the recipients of such benefits, and to protect the creditors of each such debt, there shall be created one or two special debt

districts in the consolidated city for the purpose of levying a special tax on the real property in each district for a period not exceeding twenty (20) years, in order to pay such liabilities and indebtedness.

C. In the event either Alleghany or Clifton Forge incurs additional indebtedness, bonded or otherwise, then the area formerly constituting the jurisdiction incurring the debt shall be a special debt district from which there shall be levied and collected special taxes for the payment of such additional liabilities and indebtedness, unless such indebtedness is being paid by user fees. A debt district constituting the former territory of Alleghany County shall also be utilized for payment of existing county water and sewer debt not paid by user fees.

D. There may be levied by the City Council of Jackson City within each such special debt district a special tax on the real property in each such special debt district for a period not exceeding twenty (20) years to repay the additional liabilities and indebtedness.

E. Jackson City shall segregate all funds derived from taxes levied for repaying such additional liabilities or indebtedness, bonded and otherwise, of the former city and county. Any interest earned on such funds shall inure to

the benefit of the fund upon which the interest is earned. These funds shall be expended only for the repaying of such additional liabilities or indebtedness of the former city and county, unless otherwise provided herein.

F. The rate of such special tax to be added to the base real estate tax and levied only within each special debt district shall in each special debt district be that rate which will produce an amount sufficient to pay such additional liabilities and indebtedness as they become due. However, if there is any surplus of money in the separate fund for a special debt district, the surplus may at the direction of the City Council of the consolidated city be refunded to the taxpayers contributing to the same or used for some governmental purpose primarily benefiting the area which constitutes the special tax district.

G. For purposes of this agreement, "additional indebtedness, bonded or otherwise," shall mean indebtedness which has been formally approved and incurred after the date of this agreement pursuant to the Public Finance Act of the Commonwealth of Virginia as set forth in Chapter 5 of Title 15.1 of the Code of Virginia, 1950, as amended. The term shall also include commitments to fund purchases and proprietary projects where such projects are not covered by encumbered funds. "Additional liabilities" shall mean all valid and lawful charges and liabilities (except for indebtedness, bonded and otherwise) which became due after the date of this agreement and exists as of the effective date

of consolidation or which thereafter become due as the result of a claim or cause of action which arose or accrued prior to the effective date of consolidation together with all costs of defense. Any such additional liabilities which become due after twenty years from the effective date of consolidation shall be the responsibility of Jackson City.

Sec. 2-6. Effect of Consolidation on Pending Suits against Consolidating Jurisdictions.

If at the time of consolidation there are any pending actions or proceedings by or against the county or the city, or if after the effective date of consolidation an action or proceeding out of a cause of action which arose prior to the time of consolidation, which but for said consolidation would have been by or against the county or the city, is instituted, the consolidated city shall be substituted in place thereof and the proceeding may be perfected to judgment. If judgment against the consolidated city results from said proceeding, the liability shall be paid as an "additional liability" by the special debt district which is the area formerly comprising the jurisdiction against which the judgment would have been entered had the consolidation not taken place, as provided in Section 2-5, supra.

Sec. 2-7. Pending Suits, Prosecutions and Indictments.

A. From and after the effective date of consolidation, all indictments and prosecutions for crimes committed or ordinances violated and all suits or causes of action arising within the territory of the consolidated city may be

instituted in the consolidated city with the same force and effect as if consolidation had always been effective.

B. All criminal prosecutions pending on the effective date of consolidation, whether by indictment, warrant, or other complaint, and all suits, actions, motions, warrants, and other proceedings of a civil nature at law or in chancery, with all the records of the courts of the City of Clifton Forge and the County of Alleghany, shall stand ipso facto removed to the court or courts of concurrent or like jurisdiction of the consolidated city. The Circuit Court of the City of Clifton Forge and other courts having courthouses and records in and jurisdiction over the City of Clifton Forge and the Circuit Court of the County of Alleghany and other courts having records in and jurisdiction over the County of Alleghany, shall, at some convenient time, as closely preceding the period of removal as practicable by formal orders entered of record, direct the removal of all such causes and proceedings, civil and criminal, at law and in chancery, to the court or courts of concurrent or like jurisdictions, of the consolidated city, and, when there are two or more such courts, shall apportion such matters fairly and equally between them. The clerk of the court or courts to which the same have been removed shall thereupon proceed as in other cases of removal or changes in venue, and such matters shall be docketed and proceeded in with the same force and effect as they might have been in the court or courts from which removed. At the

same time such clerk or clerks shall also deliver to the proper clerk or clerks of the consolidated city wherein the like records are required by law to be kept all deed books, order or minute books, execution docket, judgment docket, and other records of his office, of whatever kind or nature; and the clerk or clerks of the court or courts to which the same are removed shall forthwith take charge of and preserve the same for reference and use in the same manner and with the same effect as though they were original records of his office.

Sec. 2-8. Transition Budget.

A. The County and the City shall prepare and adopt separate budgets and make appropriations for the full fiscal year beginning July 1 prior to the effective date of consolidation, in accordance with present practices, on the assumption that each would operate independently during such fiscal year. Likewise, the County and the City shall impose and levy local taxes sufficient to provide revenues to meet their respective budgets for said fiscal year.

B. On the effective date of consolidation, the budgets of the County and the City shall be consolidated into a single budget under which the consolidated city shall operate from the effective date of consolidation through June 30 following the effective date. If any of the individual budgets should produce a deficit, such deficits shall be considered "additional liabilities" under Section 2-5, supra.

C. The governmental transition team shall prepare a calendar for the preparation and adoption of a budget for the consolidated city for the fiscal year beginning July 1 after the effective date of consolidation. This calendar shall run from December through May and is to continue for subsequent years until the city council deems it appropriate to change.

D. Unless the governing bodies of the consolidating jurisdictions agree otherwise, each jurisdiction shall have on the effective date of consolidation a cash balance equal to at least ten percent (10%) of the annual expenditures of the jurisdiction as determined by the most recently approved audit. Funds on hand in excess of that amount may in the discretion of the governing body of the consolidating jurisdiction be applied to the account of one or more special debt, special service, or utility service districts or specifically identified capital improvement projects.

Sec. 2-9. Personnel Pay and Retirement Benefits.

A. In order to carry on an efficient administration, Jackson City will need the experience and skills of the employees of the former County and City. Therefore, the consolidated city shall adhere to the principal that all employees of the two former governments, including constitutional officers and their deputies and employees as of the effective date of consolidation, will be retained unless removed for cause, and will be compensated at no lower rate of pay than they received at the effective date

of consolidation and that they will occupy positions as comparable as practicable to those occupied at the time of consolidation. The new city council shall develop a plan to eliminate pay inequities in a period of no more than thirty-six months from the effective date of consolidation.

B. An employee benefit package shall be developed by the new city council with employee input as it may deem appropriate during the first six months following the effective date of consolidation. The package shall be of no less monetary value than that which existed for the employees immediately prior to consolidation. During the first six months the benefit package for each employee shall remain the same as it existed immediately prior to consolidation.

C. The obligations of the County and City under the Virginia Retirement System on the effective date of consolidation shall become the indebtedness and obligation of the consolidated city. All employees and retired employees having vested rights under the Virginia Retirement System on the effective date of consolidation shall continue to be covered by such plan.

D. Reductions in force in the consolidated city which are attributable to the efficiencies of a consolidated government shall be accomplished only through normal attrition resulting from retirement, resignation, death or other termination which would have occurred regardless of whether the consolidation became effective or not.

Sec. 2-10. Enforcement of Ordinances, Laws and Regulations.

A. Upon and after the effective date of consolidation all ordinances and resolutions of a general and permanent nature and not inconsistent with this agreement previously adopted or enacted by the governing bodies of the County or the City shall continue in effect until repealed by the council of the consolidated city, and, if not repealed, for a period not to exceed five years. During said five year period all such ordinances and resolutions shall be repealed or shall be compiled, conformed and adopted by the council of the consolidated city in the codification of its ordinances and resolutions. Such previously adopted or enacted ordinances and resolutions shall be limited in their application to the territory in which they were effective immediately prior to the effective date of such consolidation and shall be so construed, applied and enforced as to give practical effect to their meaning at the time of adoption.

B. It is recognized that both Alleghany County and the City of Clifton Forge are currently revising their respective codes of law. The parties agree to coordinate their efforts so as to minimize the discrepancies that may exist upon the effective date of consolidation.

C. Upon and after the effective date of consolidation all appointed police officers and other appointed law enforcement officers and officials possessing police powers

under the law or ordinance pursuant to which they were appointed and all appointed fire and health officers or officials of the County and the City shall continue to have and possess all police powers and authority and be charged with the same duties and responsibilities as such officers or officials possessed immediately prior to the effective date of such consolidation and the territorial jurisdiction of all such officers and officials for the exercise of such powers and authority and for the discharge of their duties and responsibilities shall extend throughout the boundary of the consolidated city.

Sec. 2-11. Transition Elections.

A. The council of the consolidated city shall be first elected at an election, which the parties agree should be on the first Tuesday after the first Monday in November just prior to the effective date of consolidation. The mayor elected by the duly qualified voters at large and the council member elected from and by the duly qualified voters of the Alleghany East District will be elected to serve a term commencing upon the effective date of consolidation and ending on June 30 of the second even-numbered year following the effective date of consolidation. The other three members, one, the vice-mayor, elected by the duly qualified voters at large, one by the duly qualified voters of the Clifton Forge District and one by the duly qualified voters of the Alleghany West District, will be elected to serve a term commencing upon the effective date of consolidation and

ending June 30 of the first even-numbered year following the effective date of consolidation. After the initial election, elections will be held on the first Tuesday in May of an even-numbered year every two years for terms of four years each in accordance with the provisions of Section 24.1-90 of the Code of Virginia, 1950, as amended.

B. The initial election of the sheriff, the attorney for the Commonwealth, the treasurer and the commissioner of the revenue of the consolidated city shall be at the general election in November, 1997, to take office on January 1, 1998. The initial election of the clerk of court of the consolidated city shall be at the general election in November, 1999, to take office on January 1, 2000. The initial elected term of the clerk shall be four (4) years ending December 31, 2003.

Sec. 2-12. Transitional Constitutional Officers.

A. Upon the effective date of consolidation, the constitutional officers of the city and the county shall continue in office at not less than their salaries in effect at the effective date of consolidation.

B. The clerk of the circuit court, the attorney for the commonwealth, the sheriff, the treasurer and the commissioner of revenue for the consolidated city shall be determined by agreement between those persons holding such respective offices, and the other shall become assistant or chief deputy, upon filing of a certification of said agreement in the Circuit Court of Alleghany County and

approval of the court. In the event no agreement is reached or no certification is filed before December 1 prior to the effective date of consolidation, the Circuit Court of Alleghany County shall designate one officer as principal and the other as assistant or chief deputy. The provisions of Section 2-9, supra, shall apply to such assistants or chief deputies.

C. The transition terms shall end on the last day of December following the elections scheduled pursuant to Section 2-11(B), supra. In the event the office of a constitutional officer should become vacant during the transition term, the assistant or chief deputy shall become the constitutional officer. In the event of a vacancy in the office of assistant or chief deputy during the transition term, the position may be abolished.

ARTICLE III

GOVERNMENTAL SERVICES

Sec. 3-1. City Council.

A. The initial council of the consolidated city shall consist of five members. The mayor and the vice-mayor are to be elected from and by the duly qualified voters at large. Each of the other three members are to be elected from and by the duly qualified voters of one of three election districts. Each member elected from an election district shall be a qualified voter of that district, shall reside therein and shall be elected by the qualified voters

thereof. No person may be a candidate for an at large office at the same time he or she is a candidate for membership on the city council from any election district.

B. The three election districts shall be those numbered 1 through 3 as shown on the map marked as "Exhibit A" attached hereto and incorporated herein by reference. The initial geographical boundaries of the three election districts shall be defined as marked on the map, with the numerically designated districts bearing the following names:

District 1	Alleghany West District
District 2	Alleghany East District
District 3	Clifton Forge District

The parties reserve the right to substitute a more detailed map or description showing the exact boundaries of the districts as definitive information from the 1990 U.S. Census becomes available. The exact boundaries will be in accord with the one person - one vote principle and other requirements of federal and state law. In no event will substituted boundaries result in the division of the population of the former City of Clifton Forge into two or more districts, and the substituted boundaries shall conform as reasonably as possible to the boundaries shown on "Exhibit A."

C. The duties and privileges of the mayor and vice-mayor shall be those set forth in the charter of the consolidated city.

Sec. 3-2. Special Service Areas.

A. The general tax rate on all property of the same class within the consolidated city shall be uniform, but the Council shall have power to levy an additional tax in such areas of the consolidated city where the city provides additional or more complete services of government than are provided in the consolidated city as a whole. Such additional tax rate shall not be levied for school or general government services, but only for those services which are not offered on a uniform basis throughout the consolidated city. The proceeds of such tax shall be segregated and expended in the areas in which collected. These services may include, but shall not be limited to, additional or more complete services in the area of

- (i) law enforcement;
- (ii) fire prevention and suppression;
- (iii) public transportation;
- (iv) street lighting;
- (v) public parking;
- (vi) sidewalks, curbs and gutters;
- (vii) water and sewer;
- (viii) such other governmental services as are permitted by general law to be provided on an additional or more complete basis in service districts.

B. Initially and for a period of four years following the effective date of consolidation there shall be only one

special service area consisting of the area formerly constituting the City of Clifton Forge. The special services provided therein shall be initially determined by the City Council of Clifton Forge prior to the effective date of consolidation, and may include payment of water and sewer utility debt incurred after the date of this agreement. From this special service area during such four year period shall be levied an additional real property tax at a rate equal to forty-five percent (45%) of the rate of the general real property tax levy in the consolidated city.

Sec. 3-3. Utility Service Districts.

A. Water and sewer utilities of the city and the county shall be consolidated. Water distribution, sewage treatment, administrative and billing functions shall be conducted by the consolidated city.

B. The council of the consolidated city may charge and collect such fees, rents and charges for water and sewer use or services as may be authorized by law. Such fees, rents and charges, being in the nature of use or service charges, shall, as nearly as the council shall deem practicable and equitable, be uniform for the same type, class and amount of use or service. Differing levels of services in existing service areas and differing investments in facilities may be compensated for and handled by separate rate levels within various districts within the consolidated city.

C. Initially, and for a period of five years following the effective date of consolidation, there shall be two

utility service districts which shall coincide with the existing boundaries of Clifton Forge and Alleghany.

D. Water and sewer utility debt in existence on the effective date of consolidation shall be paid in the ordinary course of business by fees and charges paid by the users of the service. Were these debts not paid by such fees and charges, they would have to be paid, by the special debt districts, as provided in Section 2-5(B). The only exception to this is the possibility that the special service district comprised of the former City of Clifton Forge may through a general tax levy within that district pay a portion or all of the water and sewer utility debt incurred by that city prior to the effective date of consolidation, as provided in Section 3-2.

Sec. 3-4. Designation of Administrative Offices and Court Facilities.

The administrative offices of Jackson City shall be maintained at the former County Administration Building in the Rosedale area, at the former Clifton Forge Courthouse in Clifton Forge and at the former Alleghany County Courthouse in Covington, until such locations are changed as authorized by law. The two existing courthouses shall remain available for use by the courts of the consolidated city.

Sec. 3-5. Law Enforcement.

A. Law enforcement in Jackson City shall initially be the joint responsibility of the sheriff's department and police department, whose jurisdictions shall be coterminous with the area of the consolidated city. The chief of police shall be appointed by the council of the consolidated city, as provided in the City Charter.

B. The council of the consolidated city may confer upon the sheriff additional duties, not inconsistent with his office, so that police functions in parts of the consolidated city may continue to be a function of the sheriff's department. The council of the consolidated city shall seek the cooperation of the sheriff and chief of police in the organization and operation of their agencies so as to create maximum coordination, standardization and effectiveness in law enforcement activities, at a fair and equitable cost to the taxpayers of the consolidated city.

C. Upon the effective date of consolidation, the council of the consolidated city shall request the superintendent of state police to grant the service of the state police in those areas which were formerly the territory of the county as provided by Section 52-11.2 of the Code of Virginia, 1950, as amended.

D. The existing county and city jail, and sheriffs and police department facilities, shall be maintained as the initial law enforcement and prisoner confinement facilities in the consolidated city until such time as new law

enforcement facilities may be constructed or otherwise become available.

Sec. 3-6. Streets and Highways. Upon the effective date of consolidation the council of the consolidated city shall request the Commonwealth Transportation Commissioner to grant the full services of the Department of Transportation in all those areas which were formerly the County to the same extent such services were rendered prior to the consolidation, as provided by Section 15.1-1131.1 of the Code of Virginia, 1950, as amended.

Sec. 3-7. Service Levels. It is the intent of the parties to this agreement that the consolidated city shall improve the quality of life of the citizens of the county and the city. Therefore, the services of government shall not be diminished in quantity or quality by virtue of consolidation. The importance of service delivery at the neighborhood level is recognized and shall be preserved. Central administration, however, will increase cooperation and coordination in programming.

Sec. 3-8. Service Agreements.

A. There are at least fifty (50) inter-jurisdictional service arrangements which may be affected by the proposed consolidation.

B. Agreements between Alleghany County and Clifton Forge shall be overridden and eliminated by the consolidation of the two parties, unless such agreements

have provisions which are expressly intended to survive consolidation.

C. Agreements between either Alleghany County or Clifton Forge or both and other political jurisdictions or regional agencies shall remain in effect with the consolidated city substituted for the county or the city or both, mutatis mutandis. The consolidated city shall assume and honor all obligations of such agreements.

Sec. 3-9. State and Federal Funds.

All state and federal monies awarded to or appropriated for the consolidated city based on distinctions between areas within the consolidated city shall be allocated to and expended for said areas by the council of the consolidated city in the manner and to the degree underlying the award or appropriation.

ARTICLE IV

IRON GATE AND COVINGTON

Sec. 4-1. The Town of Iron Gate.

The Town of Iron Gate is not a party to this agreement. In the event the proposed consolidation is approved by the voters as required by law and the town continues to exist at the effective date of consolidation, the Town of Iron Gate shall continue as a township as provided by Sections 15.1-1133(4) and 15.1-1146.1(B) of the Code of Virginia, 1950, as amended. The consolidated city shall exercise such powers in the township as exercised by the County in the town prior to consolidation.

Sec. 4-2. The City of Covington.

A. The City of Covington is not a party to this agreement. In the event the proposed consolidation is approved by the voters as required by law, the City of Covington shall continue as an independent city of the second class, entirely surrounded by the consolidated city and sharing courts, the clerk of court, the attorney for the Commonwealth and the sheriff with the consolidated city. Costs and expenses of these services shall be apportioned between Covington and the consolidated city as provided in §15.1-1005 of the Code of Virginia (1950), as amended, mutatis mutandis.

B. It is recognized that it may be the view of some that the consolidation of Alleghany and Clifton Forge into a single city may serve to confine and perpetuate the City of Covington as a contiguous unit of government which may in the future lack the capacity for continued independence and self-sufficiency. Nevertheless, it is also the view of many, as reflected in the "Report on the City of Covington-County of Alleghany Annexation Action" dated August, 1984, by the Virginia Commission on Local Government, that continued territorial growth by Covington would have severe adverse consequences affecting the fiscal strength and governmental efficiency of the parties to this agreement. The parties to this agreement remain convinced that a three-way merger of Covington, Clifton Forge and Alleghany into a single city remains the most promising

governmental option for the area. Were it not for the provisions of this agreement and its enabling legislation, the inability to include the City of Covington could arguably result in a distortion of the area's political and economic development by perpetuating what may become an inefficient City of Covington unduly dependent upon external resources. The parties to this agreement have agreed that the City of Covington shall be permitted, at some future date of its own choosing, to unilaterally merge the City of Covington with the consolidated city either by a complete integration of governmental entities or by conversion to a township within the consolidated city.

Sec. 4-3. Provisions Permitting the Complete Merger of Covington with the Consolidated City.

The City of Covington shall be permitted, at any time following the effective date of this consolidation, to unilaterally consolidate with Jackson City pursuant to the provisions of Chapter X of the Charter of the consolidated city.

Sec. 4-4. Provisions Permitting the Conversion of the City of Covington to Township Status.

The City of Covington shall be permitted, at any time following the effective date of this consolidation and prior to the complete consolidation of Covington with the consolidated city to unilaterally convert to township status pursuant to the provisions of Chapter XI of the Charter of Jackson City.

Sec. 4-5. Provisions Related to the Redistricting of the Consolidated City and the Election of a New City Council Upon the Inclusion of the Former City of Covington.

A. Upon the inclusion of the former City of Covington into the consolidated city pursuant to Sec. 4-3 or 4-4, supra, the council of Jackson City shall consist of seven members, three of whom, including the mayor and vice-mayor, to be elected from and by the duly qualified voters at large, and one of whom to be elected from and by the duly qualified voters from each of four election districts.

B. To the extent permitted by law, the area constituting the former City of Covington should be a single election district. Communities of interest, natural geography and incumbency suggest that the area comprising the former City of Covington is sufficiently large and geographically compact to constitute a single district.

ARTICLE V

MISCELLANEOUS

Sec. 5-1. Charter for the Consolidated City.

A. The charter for Jackson City set forth in the proposed charter bill attached hereto as "Exhibit B" shall be the charter for the consolidated city resulting from the consolidation of the county and the city as herein provided, and said charter is incorporated into this agreement as a part hereof and shall become effective at midnight on

December 31, 1992, subject to the provisions of Section 1-6, supra.

B. The governing bodies of Alleghany and Clifton Forge, acting jointly, shall submit the aforesaid charter to the 1991 Session of the General Assembly of Virginia for enactment as the charter of Jackson City. The said governing bodies, acting jointly, shall have the authority to negotiate and agree upon any necessary or required provisions or revisions that may be proposed or required by the General Assembly.

Sec. 5-2. Severability.

In the event that any portion, paragraph, section or provision of this Consolidation Agreement shall be declared illegal, invalid or unconstitutional by final judgment of any court of competent jurisdiction, such judgment of invalidity shall not invalidate any other portion, paragraph, section or provision hereof, but all parts of this Consolidation Agreement not expressly held to be invalid shall remain in full force and effect, and it is agreed and understood that this Consolidation Agreement would have been entered into without such invalid provision.

Sec. 5-3. Change of Circumstances.

It is understood that some of the financial calculations and governmental service level assumptions which underlie this agreement are subject to change by either of the participating parties or as a result of changes in economic conditions, changes in funding from

State and Federal governments, changes in assessments, and changes in State or Federal legislation. Any changes occurring after the adoption of this Consolidation Agreement, which impact upon the financial calculations and governmental service levels as set out herein, shall not affect the validity or terms of this Agreement. Such changes shall be reviewed and appropriate revisions may be made by the Council in office after consolidation. The parties hereto do agree, however, that any adjustments or changes made subsequent to the adoption of this Consolidation Agreement shall be consistent with the principles established and stipulated in this Agreement and in applicable sections of the Code of Virginia,

COUNTY OF ALLEGHANY

By: *Charles H. Turner*
Chairman of the Board of Supervisors

ATTEST:

William J. [unclear]
Clerk

CITY OF CLIFTON FORGE, VIRGINIA

By: *[unclear]*
Mayor

ATTEST:

Stephen A. [unclear]
Acting Clerk

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF ALLEGHANY, to-wit:

The foregoing agreement was acknowledged before me in the jurisdiction aforesaid this 11TH day of December, 1990 by CLARENCE W. FRAMER, Chairman of the Board of Supervisors of the County of Alleghany, a county under the laws of the Commonwealth of Virginia, on behalf of the County of Alleghany.

My commission expires: October 13, 1991

Wendell S. Nelson
Notary Public

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF ALLEGHANY, to-wit:

The foregoing agreement was acknowledged before me in the jurisdiction aforesaid this 11TH day of December, 1990 by MACON C. SANDERS, JR, Clerk of the Board of Supervisors of the County of Alleghany, a county under the laws of the Commonwealth of Virginia, on behalf of the County of Alleghany.

My commission expires: October 13, 1991

Wendell S. Nelson
Notary Public

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF ALLEGHANY, to-wit:

The foregoing agreement was acknowledged before me in the jurisdiction aforesaid this 11TH day of December, 1990 by JOHNNY S. WRIGHT, Mayor of the City of Clifton Forge, Virginia, a municipal corporation under the

laws of the Commonwealth of Virginia, on behalf of the City of Clifton Forge, Virginia.

My commission expires: October 13, 1991

Genevieve S. Allen
Notary Public

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF ALLEGANY, to-wit:

The foregoing agreement was acknowledged before me in the jurisdiction aforesaid this 11th day of December, 1990 by STEPHEN A. CARTER ACTING, Clerk of the City of Clifton Forge, Virginia, a municipal corporation under the laws of the Commonwealth of Virginia, on behalf of the City of Clifton Forge, Virginia.

My commission expires: October 13, 1991

Genevieve S. Allen
Notary Public

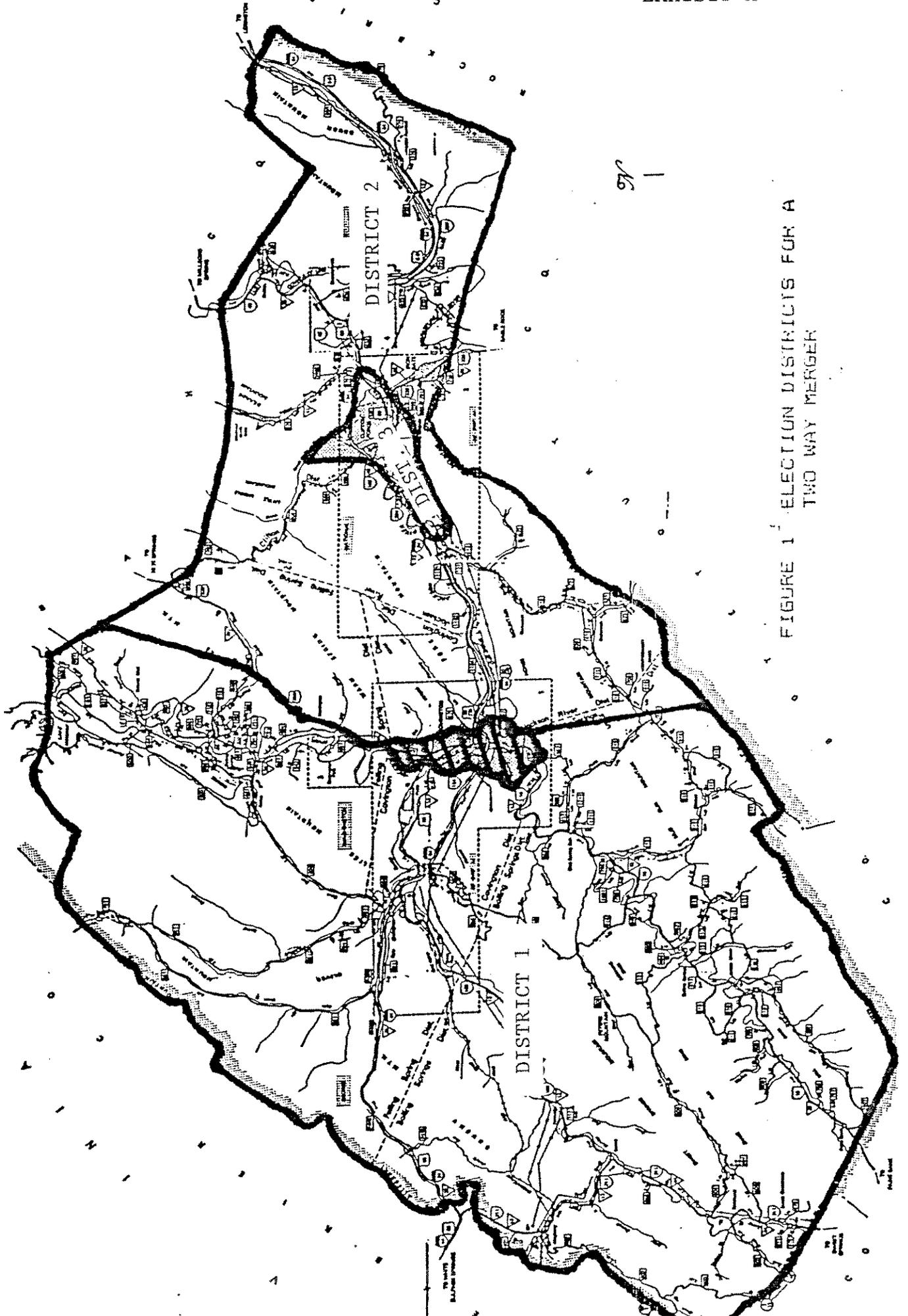


FIGURE 1 - ELECTION DISTRICTS FOR A TWO WAY MERGER

THIS FIRST AMENDMENT TO THE CONSOLIDATION AGREEMENT dated December 11, 1990, is made and entered into this 11th day of February, 1991, by and between the COUNTY OF ALLEGHANY, a County of the Commonwealth of Virginia; and the CITY OF CLIFTON FORGE, VIRGINIA, a municipal corporation of the Commonwealth of Virginia.

W I T N E S S E T H:

The County of Alleghany and the City of Clifton Forge agree as follows:

1. Sec. 1-2 of Article I is hereby revoked and the following new Sec. 1-2 of Article I is substituted in its place:

Sec. 1-2. Name of the Consolidated City.

The name of the city into which it is proposed to consolidate is City of Alleghany.

2. In all other sections of the consolidation agreement and proposed charter the words "City of Alleghany" shall be substituted for the words "Jackson City," and in all other respects such sections shall remain in full force and effect, mutatis mutandis.

COUNTY OF ALLEGHANY

By: Sharon H. Turner
Chairman of the Board of
Supervisors

ATTEST:

Caren P. Wenke
Clerk

Deputy

CITY OF CLIFTON FORGE, VIRGINIA

By: Johnny P. Wright
Mayor

ATTEST:

Steph A. Cash
Acting Clerk

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF Allegheny, to-wit:

The foregoing agreement was acknowledged before me in the jurisdiction aforesaid this 14th day of February, 1991 by Clarence W. Formis, Chairman of the Board of Supervisors of the County of Allegheny, a county under the laws of the Commonwealth of Virginia, on behalf of the County of Allegheny.

My commission expires: June 25, 1991
Kathy J. Radding
Notary Public

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF Allegheny, to-wit:

The foregoing agreement was acknowledged before me in the jurisdiction aforesaid this _____ day of February, 1991 by Karen P. Herke Deputy Clerk of the Board of Supervisors of the County of Allegheny, a county under the laws of the Commonwealth of Virginia, on behalf of the County of Allegheny.

My commission expires: June 25, 1991
Kathy J. Radding
Notary Public

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF Clifton Forge, to-wit:

The foregoing agreement was acknowledged before me in the jurisdiction aforesaid this 14th day of February, 1991 by Johnny S. Wright, Mayor of the City of Clifton, Virginia, a municipal corporation under the laws of the Commonwealth of Virginia, on behalf of the City of Clifton Forge.

My commission expires: October 12, 1991

Gene E. S. Mum
Notary Public

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF Clifton Forge, to-wit:

The foregoing agreement was acknowledged before me in the jurisdiction aforesaid this 14th day of February, 1991 by Stephen A. Carter Acting Clerk of the City of Clifton, Virginia, a municipal corporation under the laws of the Commonwealth of Virginia, on behalf of the City of Clifton Forge.

My commission expires: October 12, 1991

Gene E. S. Mum
Notary Public

1991 SESSION

VIRGINIA ACTS OF ASSEMBLY - CHAPTER 401

An Act to provide a charter for the City of Alleghany resulting from the consolidation of the County of Alleghany and the City of Clifton Forge and to repeal Chapter 217, as severally amended, of the Acts of Assembly of 1918, which provided a charter for the City of Clifton Forge.

[H 1259]

Approved MAY 20 1991

Be it enacted by the General Assembly of Virginia:

1.

*CHARTER FOR
CITY OF ALLEGHANY
Chapter I.*

Incorporation and Boundaries

§ 1.01. Incorporation. The inhabitants of the territory comprised within the limits of the County of Alleghany and the City of Clifton Forge as they are or hereafter may be established by law, shall be a body politic and corporate under the name of City of Alleghany and as such shall have perpetual succession, may sue and be sued, contract and be contracted with and may have a corporate seal which it may alter at its pleasure.

§ 1.02. Boundaries. The boundaries of City of Alleghany shall coincide with the boundaries of the County of Alleghany so as to include all of the territory comprising the county and the City of Clifton Forge as existing immediately preceding the effective date of this charter. The boundaries are incorporated herein by reference to the Acts of Assembly of 1822, as amended, establishing the boundaries of Alleghany County. Excluded, however, is all of the territory of the City of Covington as existing immediately preceding the effective date of this charter. The boundaries of the excluded City of Covington are incorporated by reference to Section 1 of Chapter 467 of the Acts of the General Assembly of 1901-02, approved April 2, 1902, as modified; and enlarged by the decree of annexation of the Circuit Court of Alleghany County, entered on October 1, 1951, in Common Law Order Book 17, at page 481 et seq., and by the decree of annexation entered on January 4, 1991, in Common Law Order Book 49, at page 659 et seq.

Chapter II.

Powers

§ 2.01. General grant. The city shall have and may exercise the powers set forth in Chapter 18 of Title 15.1 of the Code of Virginia, 1950, as amended (as in force on the effective date of this charter and as hereafter amended). In addition thereto, the city shall have and may exercise all other powers which are now or may hereafter be conferred upon or delegated to cities of the first class under the Constitution and laws of the Commonwealth and all other powers pertinent to the conduct of a city government, which in the opinion of the council are necessary or desirable to promote the general welfare of the city and the safety, health, peace, good order, comfort, convenience and morals of its inhabitants. No enumeration of particular powers in this charter shall be held to be exclusive but shall be held to be in addition to this general grant of powers. The powers authorized under § 15.1-1033 and related statutes, as well as the powers authorized under § 15.1-897 and related statutes outside of the corporation boundaries, shall not be available for a period not to exceed five years.

§ 2.02. Financial powers. In addition to powers granted elsewhere in this charter, the city shall have the power to raise by taxes, assessments, and service fees as permitted by general law, in the city, such sums of money as the council, in its sole discretion, shall deem necessary to pay the debts, defray the expenses of the city and maintain reasonable reserves and surpluses. Without limiting the generality of the foregoing, but in addition thereto, the city shall have the following additional powers:

1. To levy an additional tax in such areas of the city wherein the city provides additional or more complete services of government than are provided in the city as a whole. The additional taxes shall be used to pay for the additional or more complete services and may be used to pay debt incurred for utility services. Such higher tax rate shall not be levied for school or general government services but only for those services which are not offered on a uniform basis in all the territory within the boundaries of the city. The proceeds from the higher tax rate shall be so segregated as to enable the same to be expanded in the areas in which raised. Such areas may be established by the

Consolidation Agreement or by council and shall be known as special service districts:

2. In the event the fees, rents or charges payable for the use and services of any public utility or public service supplied by the city for or in connection with any real property shall not be paid when due, interest may be charged on such unpaid balance at the legal rate of interest. Such fees, rents or charges and the interest due thereon shall constitute a lien against such property, ranking on a parity with liens for unpaid town, city or county taxes, and shall also be recoverable by the city in an action at law or a suit in equity;

3. To levy and collect taxes for admission to or other charge for any public amusement, entertainment, performance, exhibition, sport or athletic event in the city, which taxes may be added to and collected with the price of such admission or other charge; and to levy and collect meals and transient occupancy taxes;

4. To levy and provide for the assessment and collection of license taxes on all public service corporations doing business within the city in such manner as the city council shall deem expedient in accordance with the laws of this Commonwealth; such authority shall be in addition to other provisions of law permitting the imposition of license taxes on businesses, trades, professions, occupations and callings and upon the persons, firms and corporations engaged therein within the city; and

5. To levy a special tax on real property in any area specified in the consolidation agreement for the purpose of repaying existing liabilities and indebtedness, bonded and otherwise, as may be defined by the agreement, chargeable to such area prior to consolidation for a period not to exceed twenty years, in addition to the general tax rate throughout the city.

Chapter III. City Council

§ 3.01. Composition. A. The initial council shall consist of five members. The mayor and vice-mayor are to be elected from and by the duly qualified voters at large. Each of the other three members are to be elected from and by the duly qualified voters of one of three election districts. Each member elected from an election district shall be a qualified voter of that district, shall reside therein and shall be elected by the qualified voters thereof. No person may be a candidate for an at-large office at the same time he or she is a candidate for membership on the city council from an election district.

B. The initial election districts shall be those named and generally described in the Consolidation Agreement and may be changed from time to time as provided by applicable law.

C. The initial council members shall be first elected as provided in the consolidation agreement. After the initial election, elections shall be held on the first Tuesday in May of every even-numbered year for terms of four years each in accordance with the provisions of §24.1-90 of the Code of Virginia.

D. In the event of any vacancy of council of the consolidated city, such vacancy shall be filled in accordance with the provisions of applicable law.

E. In the event that the city is enlarged by the unilateral addition of the territory of the former City of Covington as provided in Chapter X and XI of this charter, the city council shall initially consist of seven members, three of whom, including the mayor and vice-mayor, shall be elected from and by the duly qualified voters at large, and one shall be elected by and from the duly qualified voters from each of four election districts. The four election districts shall be determined and described by council in accordance with the provisions of applicable law.

§ 3.02. Compensation. The initial city council shall determine the compensation of the mayor, vice-mayor and council members as provided by applicable law. Such compensation may be changed from time to time as provided by law.

§ 3.03. Powers. All powers vested in the city shall be exercised by the council, except as otherwise provided in this charter. In addition to the foregoing, the council shall have the following powers:

1. To provide for the organization, conduct and operation of all departments, bureaus, divisions, boards, commissions, offices and agencies of the city;

2. To create, alter or abolish departments, bureaus, divisions, offices and agencies, except as specifically provided herein to the contrary;

3. To assign and reassign personnel to all departments, bureaus, divisions, offices and agencies, except as specifically provided herein to the contrary;

4. To provide for the number, titles, qualifications, powers, duties and compensation of all officers and employees of the city; and

5. To provide for the form of oaths and the amount and condition of surety bonds to

be required of certain officers and employees of the city, including, when authorized by general law, constitutional officers and their deputies, assistants and employees.

§ 3.04. *Procedural powers.* The council shall have the power, subject to the provisions of this charter, to adopt its own rules of procedure, which rules shall be for the convenience of the council only. Such rules shall provide for the time and place of holding regular meetings of the council which shall be at least once each month. They shall also provide for the calling of special meetings by the mayor, the city manager or any two members of the council and shall prescribe the methods of giving notice thereof. A majority of the council shall constitute a quorum for the transaction of business. No ordinance, resolution, motion or vote, other than motions to adjourn, to fix the time and place of adjournment and other motions of a purely procedural nature, shall be adopted by the council except at a meeting open to the public.

§ 3.05. *Mayor.* The mayor shall preside over the meetings of council, shall act as head of the city government for ceremonial purposes, and shall have such other rights and duties as the council may prescribe. The mayor shall have the same powers and duties as other members of council, with a vote, but no veto.

§ 3.06. *Vice-Mayor.* The vice-mayor shall preside in the absence of the mayor. The vice-mayor shall have the same rights, privileges and duties as other members of council, with a vote, but no veto.

§ 3.07. *Clerk.* The council shall appoint to serve at the pleasure of the council, a city clerk, who shall be clerk to the council and custodian of the corporate seal of the city and shall have such further duties as the council may prescribe.

§ 3.08. *Ordinances.* No ordinance, unless it is an emergency ordinance, shall be passed until after a descriptive notice of an intention to propose the same for passage has been published once a week for two successive weeks prior to its adoption in some newspaper having a general circulation in the city. The second publication shall not be sooner than one calendar week after the first publication. The publication shall include a statement that a copy of the full text of the ordinance is on file in the office of the city manager. After the enactment of such ordinance by council, it shall become effective upon adoption or upon a date fixed by council. Emergency ordinances may be adopted without notice of intention, but no emergency ordinance shall be enforced for more than sixty days unless readopted in conformity with the provisions of this section.

Chapter IV. City Manager

§ 4.01. *Appointment; qualifications.* The council shall appoint a city manager who shall be the chief executive officer and the chief administrative officer of the city government. The city manager shall be chosen solely on the basis of executive and administrative qualifications and shall serve at the pleasure of the council.

§ 4.02. *Powers and duties.* The city manager shall have the administrative and executive powers and duties vested in the city manager under the city manager plan of government.

Chapter V. Borrowing

§ 5.01. *Power.* The council may, in the name of and for the use of the city, incur indebtedness by issuing its negotiable bonds or notes for the purposes, in the manner, and to the extent, provided in this chapter and by law.

§ 5.02. *Purposes for which bonds or notes may be issued.* Bonds, and notes in anticipation of bonds when the issuance of bonds has been authorized as hereinafter provided, may be issued for any purpose for which cities are authorized to issue bonds by the Constitution of Virginia or general law. Notes may be issued, when authorized by the council, at any time during the current fiscal year for the purpose of meeting appropriations made for such fiscal year, in anticipation of the collection of the taxes and revenues of such fiscal year, and within the amount of such appropriations.

§ 5.03. *Limitations on indebtedness.* In the issuance of bonds and notes, the city shall be subject to the limitations contained in Section 10 (a) of Article VII of the Constitution of Virginia.

§ 5.04. *Form of bonds and notes.* Bonds and notes of the city shall be issued in the manner provided by general law.

§ 5.05. *Authority for issuance of bonds.* No bonds or notes of the city shall be issued until their issuance shall have been authorized by a majority of the qualified voters of the city voting on the question at an election held for the purpose in the manner provided by general law, except as follows:

1. The council may authorize the issuance of refunding bonds or notes by an ordinance

adopted by the affirmative vote of a majority of all members of the council;

2. The council may authorize the issuance of bonds and other obligations of a type excluded from the computation of indebtedness of cities under Section 10 (a) of Article VII of the Constitution of Virginia by complying with the conditions for exclusion set forth therein;

3. The council may authorize the issuance of bonds and other obligations of a type included in the computation of indebtedness of cities under Section 10 (a) of Article VII of the Constitution of Virginia provided that the amount of such bonds or notes together with existing indebtedness of the city shall not exceed the amount set forth in that section; or

4. The council may authorize the issuance of bonds and other obligations for capital projects for school purposes and sold to the Literary Fund, the Virginia Retirement System, or any other state agency prescribed by law.

§ 5.06. *Payment of bonds and notes.* The power and obligations of the city to pay any and all bonds and notes issued pursuant to this chapter, except revenue bonds made payable solely from revenue-producing properties, shall be unlimited, and the city shall levy ad valorem taxes upon all taxable property within the city for the payment of such bonds or notes and the interest thereon, without limitation as to rate or amount. The full faith and credit of the city are hereby pledged for the payment of the principal and interest on all bonds and notes of the former City of Clifton Forge and the former County of Alleghany, issued and outstanding on the effective date of this charter, and of the city hereafter issued pursuant to this charter, except revenue bonds made payable solely from revenue-producing properties, whether or not such pledge is stated in the bonds or notes or in the bond ordinance authorizing their issuance.

Chapter VI.

Education

§ 6.01. *School board and division.* The school division and board shall be known as the City of Alleghany School Division and Board. The existing Alleghany Highlands School Division and Board shall cease to exist, and the new school division shall be formed on July 1 following the effective date of this charter. The title to all school property, whether real or personal, tangible or intangible, of the Alleghany Highlands School Division shall be vested in the City of Alleghany School Division as of that date, without further act or deed.

§ 6.02. *School board.* The school board shall be composed of no less than six and no more than nine members appointed by council. The initial school board shall consist of the eight members of the Alleghany Highlands School Board who were in office immediately prior to the effective date of this charter. The terms of the initial school board members shall begin on the effective date of this charter and end on the date their existing terms on the Alleghany Highlands School Board would have ended. After the longest of such terms, the exact number of school board members shall be determined by council. Members shall be appointed by city council in accordance with § 22.1-53 of the Code of Virginia. No less than two nor more than three shall be selected from qualified voters of each election district.

§ 6.03. *School superintendent.* The school board shall appoint in the manner provided by general law, a school superintendent who shall be chosen on the basis of general executive and administrative ability, education, training and experience in the field of education.

§ 6.04. *Elementary school attendance zones.* In addition to other powers, duties and obligations granted to the school board by the laws of the Commonwealth, the school board shall take care that elementary schools are so located near pupil population that pupil assignment plans will contribute to the efficiency of the school division and minimize busing.

Chapter VII.

Law Enforcement

§ 7.01. *Department of police.* The department of police shall consist of a chief of police and such other officers and employees as may be provided by the council. The police department shall be responsible for preservation of the public peace, protection of the rights of persons and property and enforcement of the laws of the Commonwealth and the ordinances of the city. The chief of police and the other members of the police force shall have all the powers and duties of police officers as provided by general law. The chief of police shall be appointed by the council. The city council may appoint the city sheriff as the chief of police.

§ 7.02. *Additional functions of sheriff.* The sheriff shall exercise all the powers

conferred on and perform all the duties imposed upon such an officer by general law. He shall perform such additional duties, not inconsistent with his office, as the city council shall direct, and he shall be accountable to the city council as to such additional duties only.

Chapter VIII.
Utility Services

§ 8.01. Utility service districts. The council may charge and collect such fees, rents and charges for water, sewer and other utility services provided by the city as may be authorized by law. Such fees, rents and charges, being in the nature of use or service charges, shall, as nearly as the governing body shall deem practicable and equitable, be uniform for the same type, class and amount of use or service. Differing levels of services in existing service areas and differing investments in treatment facilities may be compensated for and handled by separate rate levels within various districts, which may be established by the consolidation agreement or by council and shall be known as utility service districts.

§ 8.02. Utilities defined. For purposes of this chapter utility services are defined as the production, transmission, delivery or furnishing of heat, gas, water, light, power, sewerage collection and treatment or solid waste collection and disposal services, either directly or indirectly, to or for the public by the city.

Chapter IX.
Constitutional Officers

§ 9.01. Powers and duties. The clerk of the circuit court, attorney for the Commonwealth, commissioner of revenue, city treasurer and city sheriff shall have the powers and perform such duties as are provided by the Constitution of Virginia and except as otherwise provided in this charter, as are provided by the provisions of general law for cities of the first class.

§ 9.02. Election and terms of office. Upon the effective date of this charter, the constitutional officers of the City of Clifton Forge and the County of Allegheny shall continue in office for the terms and in the capacities provided in the consolidation agreement. Thereafter, such officers shall be elected as provided in such agreement and by general law.

§ 9.03. Officers shared with the City of Covington. The attorney for the Commonwealth, the clerk of the circuit court and the sheriff, who prior to the effective date of this charter performed their duties and had jurisdiction in both Allegheny County and the City of Covington, a second-class city, shall continue to serve both the City of Covington and the City of Allegheny until the City of Covington is declared to be a first-class city or the need for such shared offices is otherwise terminated by law. Until such declaration or termination is made, the qualified voters residing in the City of Covington shall be entitled to vote for these officers at the general election for officers of the City of Allegheny.

Chapter X.
Provisions Permitting the Merger of Covington

§ 10.01. Unilateral merger authorized. By complying with the requirements and procedure hereinafter specified in this chapter, the City of Covington may unilaterally consolidate into the City of Allegheny.

§ 10.02. Ordinance. The City Council of Covington may by ordinance passed by a recorded majority vote of all the members thereof, petition the circuit court of the city for an order requiring a referendum on the question of whether the City of Covington and the City of Allegheny shall consolidate. Notice shall be served by the City of Covington on the city attorney of the City of Allegheny, if one has been appointed, or on the attorney for the Commonwealth, if one has not been appointed, and on the mayor of the City of Allegheny, that it will move the circuit court for such order. A copy of the notice and the ordinance shall be published at least once a week for four successive weeks in some newspaper or newspapers having general circulation in the City of Covington and the City of Allegheny. The notice and ordinance shall be returned after service to the clerk of the circuit court. When the publication is completed, of which the certificate of the owner, editor or manager of the newspaper publishing it shall be proof, the case shall be docketed for entry of the referendum order. The ordinance and the order shall state no terms and conditions for the proposed consolidation. Reference shall be made in the ordinance to this chapter.

§ 10.03. Order for election. When publication of the notice and ordinance is completed, the circuit court shall by order entered of record require the regular election officers of the City of Covington on the day fixed in the order, issued in accordance with § 24.1-165

of the Code of Virginia, to open the polls and take the sense of the qualified voters of the City of Covington on the question submitted as hereinafter provided.

§ 10.04. *Conduct of election.* The regular election officers, at the time designated in the order authorizing the vote, shall open the polls at the various voting places in the City of Covington and conduct the election in such manner as is provided by general law for other elections insofar as the same is applicable. The ballots used shall be printed and shall contain the following:

Shall the City of Covington and the City of Alleghany consolidate?

YES

NO

§ 10.05. *Results of election.* The ballots shall be counted and returns made and canvassed as in other elections, and the results certified by the commissioners of election to the judge of the circuit court. If it shall appear by the report of the commissioners of election that a majority of the qualified voters of the City of Covington voting on the question submitted are in favor of the consolidation, the judge shall enter such fact of record and shall notify the Secretary of the Commonwealth, and the consolidation shall be effective at midnight on December 31 of the year in which the order entering such fact of record is issued; or in the discretion of the court, at midnight on December 31 of the year following the year in which issued; or the court upon joint petition of the governing bodies of the City of Covington and the City of Alleghany, may order the consolidation effective at midnight of any other date or dates.

§ 10.06. *General effect of consolidation.* Upon the effective date of consolidation, the City of Covington shall terminate, as shall the terms of office and the rights, powers, duties and compensation of the officers, agents and employees of the City of Covington. The territory which constituted the former City of Covington shall become a part of the City of Alleghany.

§ 10.07. *City council.* The City of Alleghany, herein called the consolidated city, shall by ordinance immediately organize its territory into election districts, shall select interim council members and shall conduct an election as would a city upon annexation as provided in § 15.1-1054 of the Code of Virginia, mutatis mutandis. The newly organized council of the consolidated city shall consist of seven members. Three members, including the mayor and vice-mayor, shall be elected from and by the duly qualified voters at large. Each of the other four members are to be elected by the duly qualified voters of one of four election districts. Each member elected from an election district shall be a qualified voter of that district, shall reside therein and shall be elected by the qualified voters thereof. No person may be a candidate for an at large office at the same time he or she is a candidate for membership on the city council from any election district.

§ 10.08. *Transfer of property and indebtedness.* Upon the effective date of consolidation, the title to all property, real and personal, tangible and intangible, of the former City of Covington shall be vested in, and the indebtedness become a debt of, the consolidated city, without any further act or deed.

§ 10.09. *Special debt district.* The territory constituting the former City of Covington shall be a special debt district for the purpose of repaying existing indebtedness chargeable to the City of Covington prior to consolidation. There shall be levied a special tax on real property for a period not exceeding twenty years, which may be different from and in addition to the general tax rate throughout the entire consolidated city.

§ 10.10. *Records and documents.* All records and documents of the former City of Covington shall pass to and be held by the consolidated city which shall be responsible for the preservation, maintenance and custody of these records and documents.

§ 10.11. *Effect on pending suits.* If at the time of consolidation there are any pending actions or proceedings by or against the City of Covington, or if after the effective date of consolidation an action or proceeding out of a cause of action which arose prior to the time of consolidation, which but for said consolidation would have been by or against the City of Covington, is instituted, the consolidated city shall be substituted in place thereof and the proceeding may be perfected to judgment. If judgment against the consolidated city results from the proceeding, the liability shall be paid by the special debt district as provided in § 10.09 of this charter.

Chapter XI.

Provisions Permitting the Conversion of Covington into a Township

§ 11.01. *Unilateral conversion authorized.* By complying with the requirements and procedure hereinafter specified in this chapter, the City of Covington may unilaterally convert to a township.

§ 11.02. *Ordinance.* The City Council of Covington may by ordinance passed by a

recorded majority vote of all the members thereof, petition the circuit court of the city for an order requiring a referendum on the question of whether the City of Covington shall convert to a township. Notice shall be served by the City of Covington on the city attorney of the City of Alleghany, if one has been appointed, or on the attorney for the Commonwealth, if one has not been appointed, and on the mayor of the City of Alleghany, that it will move the circuit court for such order. A copy of the notice and the ordinance shall be published at least once a week for four successive weeks in some newspaper or newspapers having general circulation in the City of Covington and the City of Alleghany. The notice and ordinance shall be returned after service to the clerk of the circuit court. When the publication is completed, of which the certificate of the owner, editor or manager of the newspaper publishing it shall be proof, the case shall be docketed for entry of the referendum order. The ordinance and the order shall state no terms and conditions for the proposed conversion. Reference shall be made in the ordinance to this chapter.

§ 11.03. Order for election. When publication of the notice and ordinance is completed, the circuit court shall by order entered of record require the regular election officers of the City of Covington on the day fixed in the order, issued in accordance with § 24.1-165 of the Code of Virginia, to open the polls and take the sense of the qualified voters of the City of Covington on the question submitted as hereinafter provided.

§ 11.04. Conduct of election. The regular election officers, at the time designated in the order authorizing the vote, shall open the polls at the various voting places in the City of Covington and conduct the election in such manner as is provided by general law for other elections insofar as the same is applicable. The ballots used shall be printed and shall contain the following:

Shall the City of Covington convert to a township?

YES

NO

§ 11.05. Results of election. The ballots shall be counted and returns made and canvassed as in other elections, and the results certified by the commissioners of election to the judge of the circuit court. If it shall appear by the report of the commissioners of election that a majority of the qualified voters of the City of Covington voting on the question submitted are in favor of the conversion, the judge shall enter such fact of record and shall notify the Secretary of the Commonwealth, and the conversion shall be effective at midnight on December 31 of the year in which the order entering such fact of record is issued; or in the discretion of the court, at midnight on December 31 of the year following the year in which issued; or the court upon joint petition of the governing bodies of the City of Covington and the City of Alleghany, may order the conversion effective at midnight of any other date or dates.

§ 11.06. General effect of conversion. Upon the effective date of conversion, the City of Covington shall become a township, its ordinances shall become the ordinances of the township, insofar as they are applicable, and consistent with law, until they are repealed, and the existence of such city as an independent city of the Commonwealth shall terminate, as shall the terms of office and the rights, powers, duties and compensation of its treasurer and commissioner of revenue and their deputies and employees. All officers, agents and employees of the city, including the mayor and the members of city council, shall continue to serve as the officers, agents and employees of the township until they are terminated as provided by law, or in the case of the mayor and members of council, until their successors are elected or appointed, at the next regularly scheduled election for mayors and council of towns and cities. The territory which constituted the former City of Covington shall become a part of the City of Alleghany and shall also constitute the territory of the township. The township may, in the discretion of its council, be continued to be called Covington City and may formally be referred to as Covington City, a Virginia township.

§ 11.07. City council. The City of Alleghany, herein called the consolidated city, shall by ordinance immediately organize its territory into election districts, shall select interim council members and shall conduct an election as would a city upon annexation as provided in § 15.1-1054 of the Code of Virginia, mutatis mutandis. The newly organized council of the consolidated city shall consist of seven members. Three members, including the mayor and vice-mayor, shall be elected from and by the duly qualified voters at large. Each of the other four members shall be elected from and by the duly qualified voters of one of four election districts. Each member elected from an election district shall be a qualified voter of that district, shall reside therein and shall be elected by the qualified voters thereof. No person may be a candidate for an at large office at the same time he

or she is a candidate for membership on the city council from any election district.

§ 11.08. *Disposition of property and indebtedness.* Upon the effective date of the conversion, the title to all property, real and personal, tangible and intangible, shall be vested in, and the indebtedness become a debt of, the township, without any further act or deed.

§ 11.09. *Records and documents.* All records and documents of the former City of Covington shall pass to and be held by the township which shall be responsible for the preservation, maintenance and custody of these records and documents.

§ 11.10. *Effect on pending suits.* If at the time of conversion there are any pending actions or proceedings by or against the City of Covington, or if after the effective date of conversion an action or proceeding out of a cause of action which arose prior to the time of conversion, which but for the conversion would have been by or against the City of Covington, is instituted, the township shall be substituted in place thereof and the proceeding may be perfected to judgment.

§ 11.11. *Effect on city charter.* The charter of the City of Covington shall become the charter of the township. The township shall continue to exercise such powers and elect such officers as the township charter may authorize and such other powers as towns may exercise under general law. However, the township shall not exercise the authority granted towns by Chapter 22 (§ 15.1-982.1 et seq.) of Title 15.1, or by Article 1 (§ 15.1-1032 et seq.), Chapter 25 of Title 15.1, or any extra territorial authority granted towns by Chapter 11 (§ 15.1-427 et seq.) of Title 15.1 of the Code of Virginia. The consolidated city shall exercise such powers in the township as may be exercised generally by a county within a town not otherwise prohibited by law. The township shall receive from the Commonwealth financial assistance in the same manner and to the same extent as is provided towns; however, the township may transfer all or part of the revenues it receives, the services it performs, its facilities, other assets, and debts to the consolidated city by mutual agreement of the governing bodies.

CHAPTER XII.

Miscellaneous Provisions

§ 12.01. *Consolidation agreement.* References in the charter are to the consolidation agreement, and any amendments thereto, made and entered into by and between the County of Alleghany and the City of Clifton Forge dated December 11, 1990.

§ 12.02. *Assets of former city and county.* All property, real and personal, tangible and intangible, of the County of Alleghany and the City of Clifton Forge, including debts owed to each, shall on the effective date of this charter, become the property of and be vested in the city, without any further act or deed.

§ 12.03. *Ordinances continued in effect.* All ordinances, rules, regulations and orders legally made by the City of Clifton Forge and the County of Alleghany in force on the effective date of this charter, insofar as they or any portion thereof are not inconsistent with this charter or the consolidation agreement, shall remain in full force and effect as provided in the consolidation agreement.

§ 12.04. *Township of Iron Gate.* The Town of Iron Gate shall continue as a township as provided by § 15.1-1146.1 of the Code of Virginia. The city shall exercise such powers in the township as exercised by the county in the town prior to the effective date of this charter.

§ 12.05. *Appointments by courts.* All appointments required for this charter or by general law to be made by the circuit court of the judge or judges thereof shall be made by the judge normally designated by the chief judge of the judicial circuit to preside at the sessions of the circuit court in the City of Alleghany.

§ 12.06. *Plan of government.* The plan of government provided by this charter may be changed to any other plan for the government of cities in the manner provided by general law.

§ 12.07. *Reference to Code of Virginia.* The repeal of any section of the Code of Virginia to which this charter may refer shall not affect the validity of this charter or any provision thereof, which shall remain as valid as if there had been no such repeal, unless the context clearly indicates otherwise. Reference to any section of the Code of Virginia which may hereafter be recodified, shall be deemed references to the appropriate recodified section, unless the context clearly indicates otherwise.

§ 12.08. *Severability.* In the event that any portion, section or provision of this charter shall be declared illegal, invalid or unconstitutional by final judgment of any court of competent jurisdiction, such judgment shall not invalidate any other portion, section or provisions hereof, but all parts of this charter not expressly held to be invalid shall remain in full force and effect.

2. That Chapter 217, as severally amended, of the Acts of Assembly of 1918 is repealed.
3. That this act shall become effective at midnight on December 31, 1992, provided the consolidation of the County of Alleghany and the City of Clifton Forge be ordered by the Circuit Court of Alleghany County prior thereto.

President of the Senate

Speaker of the House of Delegates

Approved:

Governor

APPENDIX C

STATISTICAL PROFILE OF THE CITY OF CLIFTON FORGE, COUNTY OF ALLEGHANY, CONSOLIDATED CITY OF ALLEGHANY,
THE CITY OF COVINGTON, AND THE CONSOLIDATED CITY OF ALLEGHANY HIGHLANDS

	City of Clifton Forge	County of Alleghany	Consolidated City of Alleghany	City of Covington*	Consolidated City of Alleghany Highlands
Population (1990)	4,679	13,176	17,855	6,991	24,846
Land Area (Square Miles)	3.2	443.2	446.4	5.6	452.0
School Average Daily Membership (1988-89)	(Alleghany Highlands School Division 3,214)**			1,041	4,255
Total Assessed Values (FY1990)	\$93,558,862	\$347,430,618	\$440,989,480	\$195,774,464	\$636,763,944
Real Estate Values	\$72,482,480	\$261,022,000	\$333,504,480	\$150,091,220	\$483,595,700
Public Service Corporation Values	\$11,154,192	\$29,515,223	\$40,669,415	\$14,845,261	\$55,514,676
Personal Property Values	\$9,922,190	\$21,648,000	\$31,570,190	\$10,661,332	\$42,231,522
Machinery and Tools Values	\$0	\$35,245,395	\$35,245,395	\$20,176,651	\$55,422,046
Total Taxable Sales (1990)	\$23,335,855	\$35,439,050	\$58,774,905	\$79,095,887	\$137,870,792
Existing Land Use (Acres)	1989	N/A	N/A	1985**	N/A
Residential	959.2	N/A	N/A	899.2	N/A
Commercial	71.0	N/A	N/A	84.3	N/A
Industrial	107.5	N/A	N/A	323.2	N/A
Public and Semi-Public	156.2	N/A	N/A	179.8	N/A
Roads or Utility Rights-of-Way	N/A	N/A	N/A	459.0	N/A
Agricultural, Wooded or Vacant	734.1	N/A	N/A	864.5	N/A

NOTES:

N/A=Not Available

*Population, land area, and land use statistics for the City of Covington do not include the January 1, 1991 boundary adjustment with Alleghany County.

**Alleghany Highlands School Division was created in July 1982 by the consolidation of the Alleghany County and the City of Clifton Forge school divisions.

SOURCES:

U. S. Department of Commerce, Bureau of the Census, 1990 Census of Population, Summary Tape File 1A, Virginia.

Virginia Department of Education, Facing-Up 24, Statistical Data on Virginia's Public Schools, 1988-89 School Year.

City of Clifton Forge, Comprehensive Annual Financial Report, June 30, 1990.

County of Alleghany, Comprehensive Annual Financial Report for the Year Ended June 30, 1990.

City of Covington, Financial Report, Year Ended June 30, 1990.

Virginia Department of Taxation, Taxable Sales, Annual Report, 1990.

City of Clifton Forge, Clifton Forge Comprehensive Plan, June 12, 1989.

City of Covington, City of Covington Comprehensive Plan, March 7, 1990.

**REVENUE CAPACITY AND REVENUE EFFORT
ALLEGHANY HIGHLAND JURISDICTIONS
AND
SELECTED CITIES OF COMPARABLE SIZE**

Table 1 1A
 Revenue Capacity Per Capita
 of

Alleghany County, Clifton Forge City, Covington City, and Virginia Localities at Large
 1984/85-88/89

3

Fiscal Period and Jurisdictional Profile	Revenue Capacity Per Capita	2 Rank Score	Jurisdictional/Statewide Revenue Capacity Per Capita Ratio Score
1984/85			
Alleghany County	\$456.18	38.0	0.8173
Clifton Forge City	\$391.10	12.0	0.7007
Covington City	\$477.54	52.0	0.8556
All Counties and Cities	\$558.16	----	-----
1985/86			
Alleghany County	\$478.79	41.0	0.8099
Clifton Forge City	\$426.06	17.0	0.7207
Covington City	\$504.12	53.0	0.8528
All Counties and Cities	\$591.14	----	-----
1986/87			
Alleghany County	\$507.17	44.0	0.7960
Clifton Forge City	\$419.22	7.0	0.6580
Covington City	\$486.82	33.0	0.7641
All Counties and Cities	\$637.14	----	-----
1987/88			
Alleghany County	\$526.51	39.0	0.7787
Clifton Forge City	\$417.23	3.0	0.6171
Covington City	\$530.66	42.0	0.7849
All Counties and Cities	\$676.12	----	-----
1988/89			
Alleghany County	\$586.86	43.0	0.7787
Clifton Forge City	\$459.78	3.0	0.6101
Covington City	\$592.42	46.0	0.7861
All Counties and Cities	\$753.62	----	-----

1A

See end notes.

2

In relation to all other localities, any given jurisdiction can attain a rank score ranging from 1 (lowest capacity) to 136 (highest capacity).

3

With respect 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 1A
 Revenue Capacity Per Capita
 of
 Allegheny City, Allegheny Highlands City, and Virginia Localities at Large
 1984/85-88/89

Fiscal Period	Revenue Capacity Per Capita of Allegheny City ² (A)	Revenue Capacity Per Capita of Allegheny Highlands City ³ (B)	Statewide Revenue Capacity Per Capita ⁴ (C)	Ratio of (A) to (C)	Ratio of (B) to (C)
1984/85	\$439.04	\$450.51	\$558.16	0.7866	0.8071
1985/86	\$464.84	\$476.42	\$591.14	0.7863	0.8059
1986/87	\$483.78	\$484.68	\$637.14	0.7593	0.7607
1987/88	\$496.98	\$506.78	\$676.12	0.7350	0.7495
1988/89	\$552.65	\$564.15	\$753.62	0.7333	0.7486

1A

See end notes.

2

This entity is the proposed jurisdiction subsuming Allegheny County and Clifton Forge City.

3

Allegheny Highlands represents the locality that would emerge if Covington City joined Allegheny County and Clifton Forge City in the establishment of a new political unit.

4

The statewide value relative to any given fiscal period indicates the mean, or average, level of revenue capacity per capita as computed from data for the present system of 95 counties and 41 independent cities.

Source: Staff, Commission on Local Government

Table 3 1A
 Revenue Capacity Per Capita
 2 of 3
 Alleghany City, Alleghany Highlands City, and Selected Reference Localities
 1988/89

Jurisdiction	Population, 1988	Revenue Capacity Per Capita, 1988/89	Jurisdictional/Statewide Revenue Capacity Per Capita Ratio Score, 1988/89
Alleghany City	18,200	\$552.65	0.7333
Alleghany Highlands City	25,600	\$564.15	0.7486
Bristol City	17,700	\$650.40	0.8630
Fairfax City	20,100	\$1,464.40	1.9432
Fredericksburg City	21,500	\$771.14	1.0232
Hopewell City	24,200	\$555.06	0.7365
Martinsville City	18,000	\$670.64	0.8899
Salem City	24,200	\$763.62	1.0133
Staunton City	24,100	\$616.07	0.8175
Waynesboro City	18,300	\$750.82	0.9963
Winchester City	22,400	\$905.02	1.2009

1A

See end notes.

2

This entity is the proposed jurisdiction subsuming Alleghany County and Clifton Forge City.

3

Alleghany Highlands represents the locality that would emerge if Covington City joined Alleghany County and Clifton Forge City in the establishment of a new political unit.

4

The statewide value relative to any given fiscal period indicates the mean, or average, level of revenue capacity per capita as computed from data for the present system of 95 counties and 41 independent cities. In 1988/89 the mean value was \$753.62.

Source: Staff, Commission on Local Government

Table 4 1B
 Revenue Effort
 of
 Alleghany County, Clifton Forge City, Covington City, and Virginia Localities at Large
 1984/85-88/89

Fiscal Period and Jurisdictional Profile	Revenue Effort	2 Rank Score	3 Jurisdictional/Statewide Revenue Effort Ratio Score
1984/85			
Alleghany County	0.7183	60.0	0.9528
Clifton Forge City	1.1081	21.0	1.4698
Covington City	1.0911	23.0	1.4473
All Counties and Cities	0.7539	----	-----
1985/86			
Alleghany County	0.7251	59.0	0.9496
Clifton Forge City	1.0175	33.0	1.3325
Covington City	1.1495	21.0	1.5054
All Counties and Cities	0.7636	----	-----
1986/87			
Alleghany County	0.8182	50.0	1.0540
Clifton Forge City	1.1375	25.0	1.4653
Covington City	1.1222	26.0	1.4456
All Counties and Cities	0.7763	----	-----
1987/88			
Alleghany County	0.9033	47.0	1.1414
Clifton Forge City	1.0698	32.0	1.3518
Covington City	1.3904	6.0	1.7569
All Counties and Cities	0.7914	----	-----
1988/89			
Alleghany County	0.9390	44.0	1.1780
Clifton Forge City	1.1264	27.0	1.4131
Covington City	1.2945	7.0	1.6240
All Counties and Cities	0.7971	----	-----

1B

See end notes.

2

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

3

With respect 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 5 18
 Revenue Effort
 of
 Alleghany City, Alleghany Highlands City, and Virginia Localities at Large
 1984/85-88/89

Fiscal Period	Revenue Effort of Alleghany City (A)	Revenue Effort of Alleghany Highlands City (B)	4 Statewide Revenue Effort (C)	Ratio of (A) to (C)	Ratio of (B) to (C)
1984/85	0.8098	0.8987	0.7539	1.0741	1.1921
1985/86	0.7960	0.9062	0.7636	1.0424	1.1867
1986/87	0.8918	0.9609	0.7763	1.1488	1.2378
1987/88	0.9411	1.0780	0.7914	1.1892	1.3621
1988/89	0.9810	1.0761	0.7971	1.2307	1.3500

1B

See end notes.

2

This entity is the proposed jurisdiction subsuming Alleghany County and Clifton Forge City.

3

Alleghany Highlands represents the locality that would emerge if Covington City joined Alleghany County and Clifton Forge City in the establishment of a new political unit.

4

The statewide value relative to any given fiscal period indicates the mean, or average, level of revenue effort as computed from data for the present system of 95 counties and 41 independent cities.

Source: Staff, Commission on Local Government

Table 6 1B
 Revenue Effort
 of 3
 Alleghany City, Alleghany Highlands City, and Selected Reference Localities
 1988/89

Jurisdiction	Population, 1988	Revenue Effort, 1988/89	Jurisdictional/Statewide Revenue Effort Ratio Score, 1988/89
Alleghany City	18,200	0.9810	1.2307
Alleghany Highlands City	25,600	1.0761	1.3500
Bristol City	17,700	1.0230	1.2834
Fairfax City	20,100	1.0962	1.3752
Fredericksburg City	21,500	1.2055	1.5124
Hopewell City	24,200	1.3724	1.7217
Martinsville City	18,000	0.8728	1.0950
Salem City	24,200	1.1914	1.4947
Staunton City	24,100	1.0276	1.2892
Waynesboro City	18,300	1.1284	1.4156
Winchester City	22,400	1.0053	1.2612

1B

See end notes.

2

This entity is the proposed jurisdiction subsuming Alleghany County and Clifton Forge City.

3

Alleghany Highlands represents the locality that would emerge if Covington City joined Alleghany County and Clifton Forge City in the establishment of a new political unit.

4

The statewide value relative to any given fiscal period indicates the mean, or average, level of revenue effort as computed from data for the present system of 95 counties and 41 independent cities. During 1988/89 the mean statistic was 0.7971.

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 yield in revenues or levies 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 (taxes and the like, as illustrated above). 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 levies and 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: 1987/88, Appendix B.]

1990 GROSS DEBT
AS A PERCENTAGE OF
ASSESSED, TAXABLE, AND TRUE VALUATION
BY
JURISDICTION

1990 Gross Debt
as a
Percentage
of
Assessed Valuation, Taxable Valuation, and True Valuation
by
Jurisdiction

Rank Scores
1=Highest Percentage
136=Lowest Percentage

Jurisdiction	1 Gross Debt as a Percentage of 2 Assessed Valuation		Rank Score	3 Gross Debt as a Percentage of 3 Taxable Valuation		Rank Score	4 Gross Debt as a Percentage of 4 True Valuation		Rank Score
	Percentage	Rank		Percentage	Rank		Percentage	Rank	
Accomack County	0.70%	101.0	0.75%	98.0	0.59%	97.0			
Albemarle County	0.76%	94.0	0.86%	91.0	0.66%	90.0			
Alleghany County	1.24%	68.0	1.28%	67.0	1.02%	63.0			
Amelia County	0.85%	89.0	0.95%	83.0	0.69%	89.0			
Amherst County	2.22%	44.0	2.28%	43.0	1.55%	51.0			
Appomattox County	0.89%	85.0	0.89%	89.0	0.60%	95.0			
Arlington County	1.11%	71.0	1.11%	72.0	0.95%	66.0			
Augusta County	0.39%	124.0	0.42%	123.0	0.32%	122.0			
Bath County	0.19%	132.0	0.19%	132.0	0.18%	132.0			
Bedford County	1.41%	62.0	1.52%	59.0	1.23%	55.0			
Bland County	0.45%	121.0	0.49%	119.0	0.35%	121.0			
Botetourt County	1.15%	70.0	1.22%	69.0	0.91%	70.0			
Brunswick County	0.56%	113.0	0.56%	115.0	0.45%	111.0			
Buchanan County	3.37%	22.0	3.37%	22.0	3.08%	20.0			
Buckingham County	0.46%	120.0	0.46%	122.0	0.36%	119.0			
Campbell County	0.72%	98.0	0.75%	100.0	0.60%	94.0			
Caroline County	1.16%	69.0	1.22%	70.0	0.79%	81.0			
Carroll County	0.89%	84.0	0.89%	88.0	0.71%	87.0			
Charles City County	0.97%	80.0	0.97%	82.0	0.77%	82.0			
Charlotte County	0.80%	92.0	0.80%	96.0	0.57%	99.0			
Chesterfield County	4.37%	9.0	4.43%	9.0	3.68%	11.0			
Clarke County	0.71%	100.0	0.81%	94.0	0.41%	114.0			
Craig County	2.05%	47.0	2.05%	49.0	1.65%	47.0			
Culpeper County	1.33%	64.0	1.49%	60.0	0.95%	65.0			
Cumberland County	0.73%	97.0	0.73%	102.0	0.49%	105.0			
Dickenson County	1.79%	52.0	1.79%	54.0	1.65%	48.0			
Dinwiddie County	0.98%	79.0	1.09%	73.0	0.74%	85.0			
Essex County	0.49%	117.0	0.49%	120.0	0.37%	118.0			
Fairfax County	1.42%	61.0	1.42%	64.0	1.17%	57.0			
Fauquier County	0.78%	93.0	0.98%	81.0	0.65%	92.0			
Floyd County	0.55%	114.0	0.57%	112.0	0.45%	110.0			
Fluvanna County	0.67%	104.0	0.74%	101.0	0.59%	96.0			
Franklin County	0.90%	82.0	0.95%	84.0	0.82%	78.0			
Frederick County	1.33%	63.0	1.42%	63.0	0.92%	69.0			
Giles County	0.57%	111.0	0.60%	108.0	0.53%	103.0			
Gloucester County	4.06%	13.0	4.30%	11.0	3.29%	17.0			
Goochland County	0.99%	78.0	1.03%	76.0	0.85%	74.0			
Grayson County	1.47%	58.0	1.47%	61.0	1.14%	58.0			

Source: Staff, Commission on Local Government

1990 Gross Debt
as a
Percentage
of
Assessed Valuation, Taxable Valuation, and True Valuation
by
Jurisdiction

Rank Scores
1=Highest Percentage
136=Lowest Percentage

Jurisdiction	1 Gross Debt as a Percentage of Assessed Valuation		3 Gross Debt as a Percentage of Taxable Valuation		4 Gross Debt as a Percentage of True Valuation	
	2 Rank Score	Rank Score	3 Rank Score	Rank Score	4 Rank Score	Rank Score
Greene County	2.80%	32.0	3.19%	27.0	2.26%	32.0
Greensville County	2.62%	34.0	2.62%	35.0	2.07%	39.0
Halifax County	0.57%	112.0	0.57%	113.0	0.47%	108.0
Hanover County	2.56%	35.0	2.75%	33.0	2.07%	38.0
Henrico County	1.87%	50.0	1.88%	52.0	1.62%	49.0
Henry County	1.08%	72.0	1.09%	74.0	0.88%	72.0
Highland County	0.01%	136.0	0.01%	136.0	0.01%	136.0
Isle of Wight County	0.73%	96.0	0.83%	93.0	0.72%	86.0
James City County	0.89%	87.0	0.91%	86.0	0.85%	75.0
King and Queen County	0.60%	108.0	0.60%	109.0	0.37%	117.0
King George County	1.69%	54.0	1.88%	53.0	0.85%	73.0
King William County	1.65%	55.0	1.90%	51.0	1.24%	54.0
Lancaster County	1.33%	65.0	1.33%	65.0	1.07%	60.0
Lee County	2.10%	46.0	2.10%	47.0	1.99%	40.0
Loudoun County	0.65%	105.0	0.78%	97.0	0.56%	100.0
Louisa County	0.50%	116.0	0.52%	117.0	0.47%	107.0
Lunenburg County	0.19%	133.0	0.19%	133.0	0.16%	133.0
Madison County	0.30%	127.0	0.35%	126.0	0.20%	130.0
Mathews County	0.59%	109.0	0.59%	110.0	0.44%	112.0
Mecklenburg County	0.57%	110.0	0.57%	111.0	0.39%	115.0
Middlesex County	0.27%	129.0	0.28%	128.0	0.22%	128.0
Montgomery County	0.70%	102.0	0.72%	104.0	0.55%	101.0
Nelson County	0.37%	125.0	0.38%	125.0	0.30%	123.0
New Kent County	2.03%	48.0	2.08%	48.0	1.42%	53.0
Northampton County	1.02%	75.0	1.02%	78.0	0.55%	102.0
Northumberland County	0.70%	103.0	0.72%	103.0	0.43%	113.0
Nottoway County	0.88%	88.0	0.90%	87.0	0.77%	84.0
Orange County	0.47%	119.0	0.49%	118.0	0.37%	116.0
Page County	0.30%	126.0	0.33%	127.0	0.22%	126.0
Patrick County	0.47%	118.0	0.47%	121.0	0.36%	120.0
Pittsylvania County	0.24%	131.0	0.25%	131.0	0.19%	131.0
Powhatan County	1.43%	60.0	1.56%	58.0	0.97%	64.0
Prince Edward County	1.43%	59.0	1.45%	62.0	0.92%	68.0
Prince George County	2.92%	28.0	3.20%	26.0	2.51%	29.0
Prince William County	1.84%	51.0	1.94%	50.0	1.60%	50.0
Pulaski County	0.61%	107.0	0.63%	107.0	0.50%	104.0
Rappahannock County	0.42%	122.0	0.52%	116.0	0.26%	124.0
Richmond County	1.05%	73.0	1.05%	75.0	0.71%	88.0

Source: Staff, Commission on Local Government

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Jurisdiction	1 Gross Debt as a Percentage of 2 Assessed Valuation		Rank Score	Gross Debt as a Percentage of 3 Taxable Valuation		Rank Score	Gross Debt as a Percentage of 4 True Valuation		Rank Score
	Percentage	Rank		Percentage	Rank		Percentage	Rank	
Roanoke County	2.12%	45.0	2.15%	46.0	1.87%	46.0			
Rockbridge County	1.47%	57.0	1.62%	57.0	1.11%	59.0			
Rockingham County	1.54%	56.0	1.66%	56.0	1.04%	61.0			
Russell County	1.99%	49.0	2.15%	45.0	1.87%	45.0			
Scott County	2.31%	41.0	2.31%	41.0	1.95%	43.0			
Shenandoah County	1.03%	74.0	1.13%	71.0	0.65%	91.0			
Smyth County	0.53%	115.0	0.56%	114.0	0.46%	109.0			
Southampton County	0.25%	130.0	0.25%	130.0	0.22%	129.0			
Spotsylvania County	3.07%	27.0	3.25%	25.0	2.25%	33.0			
Stafford County	4.15%	12.0	4.36%	10.0	3.06%	21.0			
Surry County	0.28%	128.0	0.28%	129.0	0.23%	125.0			
Sussex County	0.14%	134.0	0.14%	134.0	0.12%	134.0			
Tazewell County	0.92%	81.0	0.95%	85.0	0.90%	71.0			
Warren County	0.40%	123.0	0.42%	124.0	0.22%	127.0			
Washington County	0.90%	83.0	1.01%	79.0	0.84%	76.0			
Westmoreland County	0.65%	106.0	0.69%	106.0	0.48%	106.0			
Wise County	0.81%	91.0	0.81%	95.0	0.80%	80.0			
Wythe County	1.24%	67.0	1.31%	66.0	1.03%	62.0			
York County	1.24%	66.0	1.26%	68.0	1.20%	56.0			
Alexandria City	0.99%	77.0	0.99%	80.0	0.83%	77.0			
Bedford City	14.93%	1.0	14.93%	1.0	12.30%	1.0			
Bristol City	3.13%	26.0	3.13%	29.0	2.91%	23.0			
Buena Vista City	1.01%	76.0	1.02%	77.0	0.81%	79.0			
Charlottesville City	2.27%	43.0	2.27%	44.0	1.98%	41.0			
Chesapeake City	3.67%	18.0	3.86%	16.0	3.46%	14.0			
Clifton Forge City	0.84%	90.0	0.84%	92.0	0.94%	67.0			
Colonial Heights City	2.88%	29.0	2.88%	32.0	2.42%	31.0			
Covington City	7.49%	2.0	7.49%	2.0	7.37%	2.0			
Danville City	6.22%	5.0	6.23%	5.0	5.27%	4.0			
Emporia City	2.65%	33.0	2.65%	34.0	2.44%	30.0			
Fairfax City	0.89%	86.0	0.89%	90.0	0.77%	83.0			
Falls Church City	0.71%	99.0	0.71%	105.0	0.58%	98.0			
Franklin City	4.55%	8.0	4.59%	8.0	4.33%	8.0			
Fredericksburg City	3.25%	24.0	3.31%	23.0	3.35%	16.0			
Galax City	3.81%	15.0	3.81%	17.0	3.52%	12.0			
Hampton City	3.30%	23.0	3.30%	24.0	3.12%	19.0			
Harrisonburg City	2.83%	31.0	2.89%	31.0	2.19%	35.0			
Hopewell City	2.43%	38.0	2.43%	38.0	2.20%	34.0			

Source: Staff, Commission on Local Government

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Jurisdiction	1 Gross Debt as a Percentage of Assessed Valuation		3 Gross Debt as a Percentage of Taxable Valuation		4 Gross Debt as a Percentage of True Valuation	
	2 Rank Score	Rank Score	3 Rank Score	Rank Score	4 Rank Score	Rank Score
Lexington City	6.68%	3.0	6.68%	3.0	4.94%	5.0
Lynchburg City	4.25%	10.0	4.27%	12.0	3.99%	9.0
Manassas City	3.78%	16.0	3.80%	18.0	3.39%	15.0
Manassas Park City	5.87%	6.0	5.87%	6.0	4.37%	7.0
Martinsville City	0.75%	95.0	0.75%	99.0	0.62%	93.0
Newport News City	4.79%	7.0	4.80%	7.0	4.84%	6.0
Norfolk City	3.90%	14.0	3.90%	15.0	3.52%	13.0
Norton City	2.50%	36.0	2.50%	36.0	2.69%	27.0
Petersburg City	3.15%	25.0	3.18%	28.0	2.78%	25.0
Poquoson City	2.48%	37.0	2.48%	37.0	2.11%	36.0
Portsmouth City	4.19%	11.0	4.19%	13.0	3.82%	10.0
Radford City	1.76%	53.0	1.76%	55.0	1.52%	52.0
Richmond City	6.30%	4.0	6.30%	4.0	5.68%	3.0
Roanoke City	2.36%	40.0	2.38%	40.0	2.11%	37.0
Salem City	3.38%	21.0	3.38%	21.0	2.88%	24.0
South Boston City	3.59%	20.0	3.59%	20.0	2.96%	22.0
Staunton City	2.27%	42.0	2.29%	42.0	1.89%	44.0
Suffolk City	3.66%	19.0	4.16%	14.0	3.19%	18.0
Virginia Beach City	2.85%	30.0	2.92%	30.0	2.76%	26.0
Waynesboro City	2.40%	39.0	2.42%	39.0	1.96%	42.0
Williamsburg City	0.05%	135.0	0.05%	135.0	0.05%	135.0
Winchester City	3.77%	17.0	3.77%	19.0	2.62%	28.0

Source: Staff, Commission on Local Government

NOTES

1. The "gross" debt of a locality, as certified by the state auditor, is the cumulative indebtedness of that jurisdiction (including its enterprise activity obligations) at the end of a designated fiscal year. (Data Source: Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, FY1990, Exhibit G.)
2. With respect to the taxable property in any given county or city, "assessed" valuation denotes the total fair market worth of real estate and the aggregate value of public service corporation assets as reported by the local revenue commissioner. [Data Source: VA Department of Taxation, Annual Report, Fiscal Year 1990, Tables 5.4 and 5.5.]
3. "Taxable" valuation adjusts, where relevant, the assessment total for a particular locality, as defined above, to reflect the value of real estate under land-use appraisal. [Data Source: VA Department of Taxation, Annual Report, Fiscal Year 1990, Tables 5.4 and 5.5.]
4. "True" valuation indicates the full worth of locally taxed real estate and public service corporation property within a specified jurisdiction as determined by the Virginia Department of Taxation. [Data Source: VA Department of Taxation, 1989 Virginia Assessment/Sales Ratio Study, Table 6.]

TOWN OF IRON GATE
P.O. BOX 199
IRON GATE, VIRGINIA 24448

At a regular meeting of the Town Council of Iron Gate, Virginia held on December 20, 1990, at 7:00 P. M. in the Town Hall thereof, the following action was taken:

<u>PRESENT:</u>	<u>VOTE:</u>
Obert Nicely	Yes
Richard Unroe	Yes
A. J. Simmons, Jr.	Yes
Marilyn Bliss	Yes
Keith Goldberg	Yes

On motion of Mr. Simmons seconded by Mr. Unroe the following resolution be adopted:

WHEREAS, said consolidation agreement, if approved by a majority of the voters in each of the jurisdictions, would create the consolidated Jackson City which would substantially surround the Town of Iron Gate;

WHEREAS, the Town of Iron Gate is not a party to the consolidation agreement and, if the agreement is approved, will continue to function as a township as provided in Virginia Code 15.1-1133 (4) and 15.1-1146.1 (B).

WHEREAS, by law, the Township of Iron Gate would continue to function as it does now, and the consolidated city would only exercise such powers within the township as are now exercised by the county; and

WHEREAS, this Council is aware that the Township of Iron Gate would lose the authority to become a city under Chapter 22 of Title 15.1 of the Virginia Code, the authority to annex under Article I, Chapter 25, and any extraterritorial planning, subdivision and zoning authority it may have under Chapter 11.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF IRON GATE AS FOLLOWS:

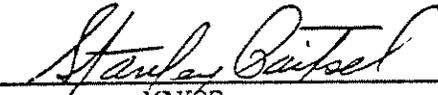
That the Town Council hereby makes known to the Commission on Local Government and the Special Three-Judge Panel of the Circuit Court of Alleghany County to be hereafter appointed to review said consolidation plan:

1. That it has no objection to the approval of said plan it supports the consolidation of the two jurisdictions into Jackson City.
2. That the general economic and governmental benefits that will result in the region from the proposed consolidation will be greatly beneficial to the interests of the citizens of Iron Gate.
3. That in light of the general benefit of the proposed consolidation plan to the citizens of Iron Gate, the incorporation of Jackson City will not prematurely terminate the political growth of the Town of Iron Gate, nor will the town as a township be rendered inefficient or unduly dependent upon external resources.

4. That the Town Council is cognizant of the fact that under Virginia law "A township may transfer all or part of the revenues it receives, the services it performs, its facilities, other assets, and debts to the city by mutual agreement of the governing bodies, " and that the parties of the consolidation agreement are receptive to the merger of the township into the consolidated city.

5. That if the consolidation agreement is approved, the merger of the township into the consolidated city will be the next logical step toward the orderly unification of the government in the Alleghany Highlands Community and toward the achievement of the larger economic benefits which would be made possible by the unification.

ADOPTED THIS 20th day of December, 1990.


MAYOR

(SEAL)

ATTEST:


CLERK