Options for the future of
the Alleghany Highlands

Phase Two Summary
K. W. Poore & Associates
Prepared for The Alleghany Foundation
May 2008

Two themes resulted from community presentations on phase one and frame the content of phase two.

1) Concentrate funds on economic development
2) More cooperation among local governments

Since one avenue to regional cooperation involves combining governmental units, the report addresses different governmental structures and provides broad data on the savings that may be realized by implementing a different governmental structure – savings that, in turn, could be invested in infrastructure and economic development.

• Through continuing the current governmental structure, the budgets of local governments will increase (or there will be reductions in services) due to the impact of inflation, planned capital improvements and construction of new schools. Potential increases in real estate tax rates could range from 30 percent up to approximately 70 percent within a few years. Fees for water and sewer services could go up from 18 percent to 45 percent.

• If the governments were unified through merger, savings and additional funding totaling $7.1 million per year are projected to be available, which could be used to invest in economic development projects and needed capital improvements. If the governments were unified through reversion of Covington to town status, the savings/reinvestment is estimated at $5.4 million.

• Efficiency can also be achieved by a jointly operated school system. The Alleghany County and Covington school systems could be operated with a single name and governed by one school board with potential savings of $350,000 if local governments can successfully cooperate in funding the school system.

The report examines reorganizing local government as a means of reallocating resources to needed areas, particularly economic development efforts. Ultimately, the report concludes that the answer to securing the public resources needed for the advancement of the Alleghany Highlands is growth in business and industry that leads to growth in population and tax revenue.

The Alleghany Foundation commissioned K. W. Poore & Associates, Inc. to prepare an assessment of the community. The purpose was to provide information for the Foundation to make decisions on grant requests. The Foundation believes the information also is valuable for the entire community. The Foundation has no position on governmental organization; its role is to provide quality information to the community.

To read the K. W. Poore report, visit www.alleghanyfoundation.org.