



FY 2021

ADOPTED BUDGET



Fiscal Year July 1, 2020 - June 30, 2021

Cover photo

Great Blue Heron at first light of the morning over Ruffin's Pond located in Spotsylvania County.

Photo Credit: J. Chris Landon, Visitor Center Counselor for Spotsylvania County Government

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Complete budget available at:
www.spotsylvania.va.us/314/Budget



Board of Supervisors

Courtland
David Ross



Salem
Deborah H. Frazier



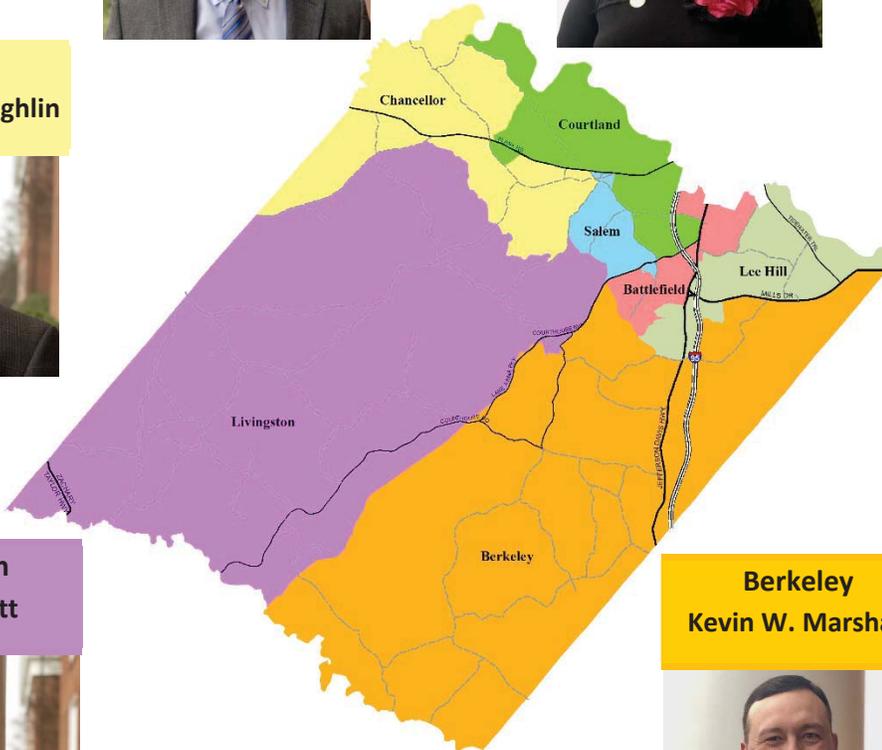
Battlefield
Chris Yakabouski



Chancellor
Timothy J. McLaughlin



Lee Hill
Gary F. Skinner



Livingston
Barry K. Jett



Berkeley
Kevin W. Marshall



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*Assistant County Administrator/
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Holly S. Dove
Budget Analyst

Barbara H. Verhaalen
Budget Analyst

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the County of Spotsylvania, Virginia, for its annual budget for the fiscal year beginning July 1, 2019.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we will submit to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Spotsylvania County
Virginia**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill

Executive Director



Guide to Using this Document

Spotsylvania County Government is responsible for many different programs designed and operated to provide quality community services. The oversight of these programs is a daily challenge for County employees, but understanding them can be of equal challenge for citizens. This budget document was developed to provide key information to help the reader understand the work and challenges faced by Spotsylvania County and the decisions that were made to address those challenges in the budget. Because of its size, reading the budget document can be a daunting task. However, if it is approached in pieces, it is more easily understood. The Guide to Using this Document section provides readers with a quick overview of the information in the document. For specific page numbers, please refer to the Table of Contents.

Introduction and Overview This section includes information to familiarize readers with the major issues Spotsylvania County faces and the factors that influenced the decisions made in the development of the budget.

- The County Administrator’s Budget Message – a statement summarizing the challenges and the strategic priorities and budgetary plans for addressing those challenges;
- The Budget Strategy – a discussion explaining the development of the budget. This section includes short term factors and underlying assumptions that influenced the decisions made in development of the budget;
- The Budget at a Glance – a summary of the highlights of the budget;
- General information about the County and statistical data to help the reader better understand the demographics of Spotsylvania County;
- The County’s Strategic Plan – a display of the County’s mission, vision, values, and long-term strategic plan the County has set to meet its mission; and
- The Budget Summary – historical and projected revenue and expenditures by function.

Financial Structure, Policies & Processes Includes information to help the reader understand the processes, policies and procedures that guide the decisions of this locality. It includes:

- County Wide Organizational Charts – an illustration of the oversight of County operations, by function and by department;
- Fund Types – a matrix detailing the different types of funds utilized by the County, and a general guide to appropriation;
- Financial controls and policies – a summary of the financial policies adopted by the Board of Supervisors; and



- Budget & Planning Processes – a discussion about the budget process and a matrix showing how the processes the County uses interconnect to guide decisions and to plan for the future.

Financial Summaries Includes several levels of financial summaries to help the reader understand the expenditure, revenue, and fund balance projections included in this budget. It includes:

- Various Graphs and Charts – a visual explanation of the sources and uses of funds;
- Budget Summary by Fund – a chart detailing budgeted revenues by type and expenditures by function and category for each fund;
- Individual Fund Summaries – a collection of charts that detail historical and projected revenues by type and expenditures by function and category for each fund;
- Revenue Summaries – A description and display of major revenue sources and explanation of the underlying assumptions used for projecting budgeted revenue; and
- Financial Forecast – A five-year projection of revenues and expenditures for the County’s major funds (General Fund, Transportation and Utilities).

Capital and Debt Includes information related to planned capital projects expenditures and associated debt service obligations of the County. It includes:

- Capital Improvement Plan – charts and narratives that detail the County’s five-year capital project needs; and
- Debt Service – an explanation of the annual debt service obligations of the County.

Function/Department Budgets Includes function and department level data to help the reader understand the purpose of each County department/office and the costs associated with the work of departments/offices. It includes:

- Personnel Summary – a chart showing historical and approved positions;
- Net Tax Supported Expenditures – a chart showing the tax supported expenditures for each County department/office;
- Regional Agency Funding – a chart showing the level of funding provided by Spotsylvania County for regional agencies;
- Function Narratives – includes challenges and opportunities; accomplishments; goals and objectives; and performance measures for each function;
- Department/Office Summaries – charts, tables and narratives explaining the purpose and the historical and projected funding for each County department/office; and
- Staffing – table listing number of positions, by position title, for each department/office.

Appendix Includes the various budget and tax rate resolutions approved by the Board of Supervisors upon adoption of the budget, a chart showing the changes made to the FY 2020 General Fund Budget to yield the FY 2021 General Fund Budget and a glossary of terms and acronyms.



FY 2021 Adopted Budget Message

Dear Spotsylvania County Citizens:

Typically, the budget adopted by the Board of Supervisors in the Spring is not altogether different than that recommended by the County Administrator in late Winter. However, the past several months have been anything but typical and this budget reflects that.

CORONAVIRUS CHANGES EVERYTHING

Shortly after I presented my FY 2021 budget proposal to the Board of Supervisors on February 11, 2020, the worldwide coronavirus pandemic caused the country to be on lockdown with stay-at-home and other emergency orders being implemented. Gatherings of more than 10 people were prohibited; dining and congregation areas in restaurants, food courts, and the like were closed; and only certain essential businesses and activities were able to remain operating in Virginia. At the time of printing of this budget in June 2020, the Bureau of Labor Statistics reports 21 million unemployed people in the United States based upon the May 2020 data.

Though our local economy and tax receipts are supported by a considerable number of federal government workers and contractors who have been able to continue working by telecommuting, consumptive-based taxes are expected to decline for the last quarter of FY 2020 and into FY 2021 for as long as the virus is prevalent. Specifically, assuming the virus continues through the first quarter of FY 2021, we anticipate the loss of \$3.9 million in tax revenue from sales, meals, hotel, and business license taxes. Also factored into that \$3.9 million reduction is reduced interest earnings on the County's deposits given that interest rates are at near all-time lows.

IMPACT ON THE COMMITMENT TO QUALITY GOVERNMENT

The FY 2021 Recommended Budget met the Board's adopted strategic objectives including a commitment to quality government, public safety, educational opportunity, and infrastructure investment through the following priorities:

1. Fund departmental operations sufficient to maintain existing levels of service;
2. Fund the third fifth (a total of 3/5ths in FY 2021) of ongoing Other Post-Employment Benefits (OPEB) contributions as the County works towards meeting the full annual required contribution by FY 2023 in accordance with County policy;
3. Honor existing commitments to bondholders and to regional partners such as the jail, juvenile detention center, and library; and
4. Avoid new General Fund debt through the use of available cash to fund necessary general capital projects.

Additionally, included were cost-of-living adjustments and performance-based merit pay adjustments for staff. By far the single largest budget item included in the Recommended Budget was \$8.0 million for the new public safety pay scale adopted outside of the budget cycle in October 2019 and effective in sworn personnel's paychecks in January 2020. The public safety plan, as approved, included a cost-of-living adjustment and a step on the scale.

These proposed adjustments were supported by a nearly seven-cent real estate tax rate increase above the \$0.8100 equalized rate. Five cents of this seven-cent increase were tied directly to the public safety compensation implementation. However, in response to the sudden shutdown of the economy, and the soaring unemployment numbers, the Board of Supervisors requested a budget scenario at the equalized \$0.8100 real estate tax rate. Adding several minor tweaks, the Board adopted the scenario that staff and I provided and set the calendar year 2020 real estate tax rate at \$0.8094.

At \$15.6 million less than recommended, we are fortunate that the FY 2021 Adopted Budget avoids furloughs and other reductions in force. However, it is insufficient to fund the priority objectives identified above with the exception of avoiding new General Fund debt service, though the transfer of cash from the General Fund to the Capital Projects Fund was dialed back to the policy-level minimum, negating four years of progress that had been made in that regard. The \$8.4 million cash transfer that remains budgeted for FY 2021 will provide a source of flexibility within the budget should it be needed to cover further revenue shortfalls stemming from the coronavirus crisis.

Eliminated from the FY 2021 Budget were the cost of living and pay for performance adjustments; the increased contribution to OPEB; as well as tuition reimbursement and increased training which were identified through employee survey as already being inadequate in the organization. With the exception of five Social Services positions, all new initiatives that are necessary to maintain existing levels of service were unable to be funded.

CONTINUING THE COMMITMENT TO PUBLIC SAFETY

In addressing the Board's ongoing commitment to public safety, the Adopted Budget continues to fully fund SROs at every school in the County and maintains the number of Deputies on patrol and in the courts. Additionally, the budget continues to fund 24/7 ALS and fire coverage provided by career staff at all fire/rescue stations in the County. Though the step and COLA associated with the new public safety pay implementation were not funded at this time, the budget includes \$6.2 million for the base pay increases for sworn public safety and Communications staff that were effective in January 2020.

The requests for funding for the regional jail and juvenile detention center – both public safety service providers to the County – were reduced out of necessity at the \$0.8094 real estate tax rate. A regional budget work group met with both entities numerous times to thoughtfully and strategically manage local contributions along with fund balances to meet debt service obligations and critical operational needs.

IMPACT ON THE COMMITMENT TO EDUCATIONAL OPPORTUNITY

The Recommended Budget included \$4.0 million in increased local funding to the Spotsylvania County Schools. However, the Adopted Budget level-funds the local transfer to the Schools and adds \$200,000 to cover the Schools' net new debt service in FY 2021. The School Operating Fund budget as adopted by the County includes \$5.9 million in anticipated new State and federal revenue.

Neither Germanna Community College's request for \$125,000 in additional funding for part-time career coaches to assist students in our five high schools nor the Rappahannock Regional Library's request for additional funding was able to be supported in this year's budget. Members of the same regional working group that reviewed and helped to revise the jail and juvenile detention center budgets collaborated on review of the Library's budget, as well. Ultimately, out of necessity to balance the budget, Spotsylvania's local contribution was reduced from the originally requested \$224,378 increase to a \$318,519 decrease relative to the FY 2020 Budget.

CONTINUING COMMITMENT TO INFRASTRUCTURE INVESTMENT

In addressing the commitment to infrastructure investment, the Board adopted just the first year (FY 2021) of the five-year plan. Even prior to the pandemic the five-year CIP as presented was concerning as the new debt to be issued during the 5-year period was nearly equal to the sum of existing debt from all prior bond issuances. Given the significantly reduced availability of cash funding for capital projects and the need to reduce the level of debt within the plan, County and Schools staff will rework the out-year plan and present a new CIP to the respective Boards in the Fall. This will prepare us for financing programs next Spring/Summer and will be the basis of a new bond referendum anticipated to be on the ballot in November 2021.

Following are the significant capital projects included in the FY 2021 Budget:

Project	Cash Funding	Financed Costs	Total FY 2021 Costs
Facility Asset Management Program	\$802,200	-	\$802,200
Judicial Center renovation & expansion	1,600,000	-	1,600,000
Marshall Center major maintenance	348,800	-	348,800
Replacement general gov't vehicles	1,470,176	-	1,470,176
Maintenance of County-owned stormwater	30,000	-	30,000
Safety & Security improvements	250,000	-	250,000
Technology improvements	3,682,097	-	3,682,097
Landfill & convenience cntr. Improvements	811,175	-	811,175
Replacement equip. – landfill operations	1,561,000	-	1,561,000
Co. 6 (Salem Church) Addition/Renovation	2,125,000	-	2,125,000
Replacement Fire/Rescue equipment	758,690	-	758,690
Improvements at Exit 118	475,177	1,455,223	1,930,400

Project	Cash Funding	Financed Costs	Total FY 2021 Costs
Schools – Buses	-	3,795,992	3,795,992
Schools – Technology	-	2,309,924	2,309,924
Schools – Capital maintenance	-	6,895,000	6,895,000
Schools – Renovate/expand Spotsylvania Middle School	-	500,000	500,000
Water/sewer projects	28,544,825	24,210,739	52,755,564
FY 2021 Total Capital Projects*	\$42,459,140	\$39,166,878	\$81,626,018**

*Excludes personnel and operations costs. Reflects project only costs.

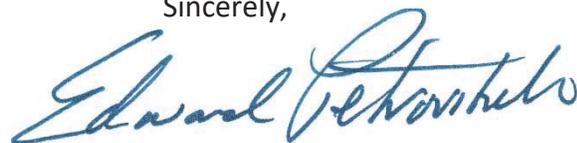
**Differs from figures on the table below and page 28 because this listing includes the County's financed projects and the budget itself does not at this point in time. Once bonds are sold and finalized, a budget adjustment will occur to budget the financed projects. Also, the figures on the table below and on page 28 include capital projects operating and personnel costs not shown above.

BUDGET SUMMARY

The FY 2021 Adopted Budget totals \$568.3 million – an increase of \$12.4 million (2.2%) compared to the FY 2020 Adopted Budget. When capital projects funds are excluded, the FY 2021 Adopted Budget is a \$12.7 million (2.5%) increase over the FY 2020 Budget.

	FY 2020	FY 2021	Difference	
	Adopted	Adopted	\$	%
General Fund	\$142,308,884	\$149,914,195	\$7,605,311	5.3%
Economic Dev. Opportunities Fund	1,343,683	1,459,050	115,367	8.6%
Code Compliance Fund	4,456,568	4,575,643	119,075	2.7%
Transportation Fund	8,162,626	8,188,520	25,894	0.3%
School Operating	296,830,329	300,010,257	3,179,928	1.1%
School Food Service	12,341,528	12,251,952	(89,576)	(0.7%)
Utilities Operating Fund	<u>33,951,778</u>	<u>35,670,221</u>	<u>1,718,443</u>	5.1%
Subtotal Operating Expenditures	\$499,395,396	\$512,069,838	\$12,674,442	2.5%
Capital Projects Fund	17,274,275	14,192,906	(3,081,369)	(17.8%)
School Capital Projects	28,904,696	13,500,916	(15,403,780)	(53.3%)
Utilities Capital Projects	<u>10,325,000</u>	<u>28,544,825</u>	<u>18,219,825</u>	176.5%
Subtotal Capital Expenditures	\$56,503,971	\$56,238,647	(\$265,324)	(0.5%)
Total Budget	\$555,899,367	\$568,308,485	\$12,409,118	2.2%

Sincerely,



Edward Petrovitch
County Administrator

FY 2021 Budget Strategy –

The Budget Strategy provides a discussion about the development of and the underlying assumptions within the FY 2021 Adopted Budget. Major changes within revenues and expenditures are identified. This section essentially tells the story behind the development of the FY 2021 Adopted Budget. Typically, the Adopted Budget is largely similar to the Recommended Budget, but because this year’s budget process was interrupted and completely altered by the onset of the coronavirus pandemic, the budget development process for FY 2021 was anything but typical. As such, presented below is information about the more robust budget priorities that had been part of the Recommended Budget and how those priorities were necessarily altered to arrive at a balanced budget for adoption during the pandemic.

Strategic Planning

In June 2018, the Board of Supervisors adopted new strategic planning guidance. While the County’s mission to “ensure the delivery of quality government services that are customer-focused, promote a safe, healthy, and prosperous community, and reflect excellence in financial stewardship” remains unchanged, the vision, values and long-term strategic goals were updated. The plan centers around seven strategic initiatives: quality government, public safety, educational opportunity, infrastructure investment, economic prosperity, growth management, and environmental stewardship.

The County Administrator’s Recommended Budget was developed in such a way as to link all new resources to these goals. Proposed to be funded with a real estate tax rate that was 6.97-cents above the equalized rate in this reassessment year, the Recommended Budget sought to provide the following budget enhancements in the General Fund:

FY 2020 Adopted General Fund Budget	\$290,382,132
Addressing the Commitment to Quality Government	
• 1.8% COLA/2.0% performance-based merit and other base compensation adjustments – other than public safety	\$1,719,731
• Fund departmental operations sufficient to maintain existing levels of service	1,673,902
• Fund DSS programs and CSA mandated programs	2,039,043
• Add an additional one-third for OPEB annual contribution	<u>504,230</u>
Subtotal – Quality Government	\$5,936,906
Addressing the Commitment to Public Safety	
• Public safety step scale compensation implementation to include 1.8% COLA	\$8,002,033
• Other public safety personnel adjustments	172,422
• Proportionate share of regional Jail/Juvenile Detention Center budgets	419,747
• Next Generation 911 (NG911) communications transition (grant funded)	<u>175,957</u>
Subtotal – Public Safety	\$8,770,159

Addressing the Commitment to Infrastructure Investment	
• Avoid new debt through the use of cash for capital projects resulting in net decrease in budgeted debt service	(\$506,410)
• New transfer to capital to meet policy-level increase (use of fund balance)	1,946,405
• New transfer to Transportation Fund to support structural balancing of the fund (use of fund balance)	700,000
• Remove one-time FY 2020 transfer to capital	<u>(4,200,000)</u>
Subtotal – Infrastructure Investment	(\$2,060,005)
Addressing the Commitment to Educational Opportunities	
• Increase transfer to Schools (\$2.5 million ongoing, \$1.5 million one-time)	\$4,000,000
• Proportionate share of regional Library budget	224,378
• Germanna Community College – part-time career coaches for high schools	<u>125,000</u>
Subtotal – Educational Opportunities	\$4,349,378
Addressing the Commitment to Economic Prosperity	
• Increase in transfer to the Economic Development Authority Fund for previously approved incentives for capital investment and/or job creation	<u>\$229,000</u>
Subtotal – Economic Prosperity	\$229,000
FY 2021 Recommended General Fund Budget (<i>not adopted</i>)	\$307,607,570

The 6.97-cents proposed increase in the real estate tax rate was projected to have generated \$16.7 million in new revenue - \$11.1 million in ongoing funding and \$5.6 million in one-time funding – with five of the added pennies (\$8.0 million) dedicated to the new public safety pay scaled adopted outside of the budget cycle in October 2019 and effective in sworn and Communications personnel’s paychecks in January 2020. However, in response to the sudden shutdown of the economy stemming from stay at home orders, and soaring unemployment numbers (21 million unemployed nationwide at the time of printing of this budget), the Board of Supervisors requested a budget scenario at the equalized \$0.8100 real estate tax rate. Adding several minor tweaks, the Board adopted the significantly reduced budget scenario and set the calendar year 2020 real estate tax rate at \$0.8094.

With the foregoing as significant background information on the budget situation, following is a summary of revenue and expenditure adjustments adopted for FY 2021 relative to the budget in place for FY 2020.

Building the Budget – Revenues

Overall, General Fund revenues other than transfers in and the use of fund balance are projected to increase by \$1.8 million (0.6%) when compared to the FY 2020 Adopted Budget. Following are revenue items of notable interest to this budget:

Growth in Assessed Value of Real Property & Real Estate Tax Rate

2020 is a reassessment year. Reassessment figures reflect an approximate 9.8% increase in residential values and an approximate 5.1% increase in commercial values. Overall, taxable assessed values of real property are projected t

o increase by 8.9% over last year's land book records and new construction and rezonings are expected to add another 3.0% for calendar year 2021. Net of a reset of the base real estate revenue projection to address actual receipts being less than projections for the past two budgets, this increase contributes \$2.7 million in new real estate tax revenue at the adopted rate of 0.8094 for calendar year 2020 – just shy of the \$0.8100 equalized rate. The \$2.7 million stems from the 1% increase allowed by State Code at the equalized rate and from new construction which is excluded from the equalized rate calculation.

For purposes of revenue projections, the budget assumes an equalized rate for next year – calendar year 2021 – since FY 2021 revenue stems from one tax billing in calendar year 2020 and a second tax billing in calendar year 2021.

Personal Property Tax Revenue Decrease

Each year, County vehicle values are assessed based on 50% of the clean retail value from the National Automobile Dealers Association (NADA). The business furniture and equipment portion of personal property is valued with a depreciation schedule applied to the original cost of the item. Changes in the NADA guide values can vary widely from one year to the next. For example, application of the new NADA values resulted in the 2009 assessed value of all existing vehicles being 21% less than the 2008 assessed values. Then, when the updated NADA values were applied in 2010, the change in value was less than 1%. For purposes of the estimates in this budget, NADA values are not yet available.

Through FY 2017, actual revenue generally exceeded projections. In an attempt to tighten projections when building the FY 2018 Budget and again in FY 2019, Budget staff worked with the Treasurer's Office staff to obtain additional data to understand changes in values occurring through the various stages of property book issuances. For both FY 2018 and FY 2019, actual receipts were short of projections.

In FY 2021, personal property tax revenue (excluding the Personal Property Tax Relief Act (PPTRA) revenue received from the state) of \$41.3 million, including mobile home taxes is a \$0.2 million (0.6%) reduction compared to the FY 2020 Budget because staff is resetting the projection in consideration of the past two years' actuals being short of projections – and FY 2020 receipts potentially being short of projection, as well.

Changes in Other Local Tax Revenues

Consumption-Based Taxes: Prior to the coronavirus pandemic, consumption-based receipts for meals, sales, transient occupancy and business licenses were originally anticipated to increase year over year by \$1.6 million. However, given the stay at home orders, dine-in prohibitions, and reduced travel stemming from the pandemic, the projections for these tax receipts were reduced by a total of \$3.5 million, assuming the pandemic continues through the first quarter of FY 2021 and then the economy begins to recover.

Public Service Corporation Taxes: Public service corporation values are assessed by the State. Tax bill payments for public service corporations are due in June for the full tax year based upon the prior year's assessed values. In the Fall of each year, the State sends updated assessed

values to localities which are then used to “true up” tax payments in December. The FY 2021 revenue projection for public service corporation real and personal property tax revenue totals \$4.1 million. This projection is based upon the September 2019 assessed valuation report from the State, and assumes a 5.0% increase in reassessed value for 2020 and a 2.5% increase in assessed value for 2021. The \$4.1 million projection is \$348,558 greater than the FY 2020 Budget.

Delinquent Personal Property Taxes: Budget staff’s projections of delinquent personal property collections have been aggressive in the last few years with actual receipts falling short of expectations. As such, the projections are being reduced to align with FY 2018 and FY 2019 actual receipts. The total anticipated FY 2021 revenue is \$3.3 million, a decrease of approximately 12.5% (\$470,870) below the FY 2020 Adopted Budget.

Business License: Revenue from business licenses is increased by 7.8% (\$350,000) to be consistent with the average \$4.8 million total annual receipts for the past two years.

Changes in Certain Other Revenues

Refuse Disposal Fees: Based on receipts from commercial hauler disposal at the landfill over the past three years and projections for FY 2020, revenue is expected to increase by \$200,000 in FY 2021 to \$2.5 million.

Interest Earnings on Cash & Investments: Given a combination of increased fund balance, slightly increased interest rates, and positive investment performance, prior to the pandemic, interest earnings were projected to increase by \$550,000. However, given now near record-low interest rates, the projection was revised downward by \$450,000 for a net year over year increase of \$100,000.

Railroad Reimbursement: Spotsylvania County owns and maintains a section of railroad track that is used by businesses in the Bowman Center industrial park. An agreement is in place through which the County is reimbursed a percentage of actual costs related to maintenance and regular inspection of the track and signals. However, at this time there are no businesses using the track, therefore the expense associated with maintaining the track is the sole responsibility of the County. As a result, railroad reimbursement revenue is budgeted at \$0 in FY 2021 – a decrease of \$191,880.

Changes in State & Federal Revenues

State Payments for Social Services Programs: The County receives partial reimbursement from the State for Social Services and CSA programs. Reimbursement rates vary depending upon the program. When expenditures are expected to increase for these programs as they are expected to do in FY 2021, we apply typical reimbursement rates to projected expenditures and arrive at an increased level of reimbursement revenue, as well. In FY 2021, State revenue for CSA is expected to increase by \$718,703 due to increases in mandated program costs while Social Services base revenues are expected to increase by just under \$1.0 million.

Funding for Constitutional Offices – The State provides funding to localities to partially fund the costs of constitutional officers (Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth’s Attorney, Sheriff and Treasurer) and certain positions within the offices of those elected officials. Additionally, the State funds a portion of the cost of the Registrar. State revenue for purposes of funding these offices is expected to increase by approximately \$248,652 in FY 2021 to match expected receipts in FY 2020.

NG911 Grant: To meet State and federal mandates, the County will need to ensure its 911 communications system is in compliance with Next Generation 911 (NG911) requirements such as text-to-911 and other improvements. A State grant in the amount of \$175,597 will be received in FY 2021 to fund the upfront cost of the project.

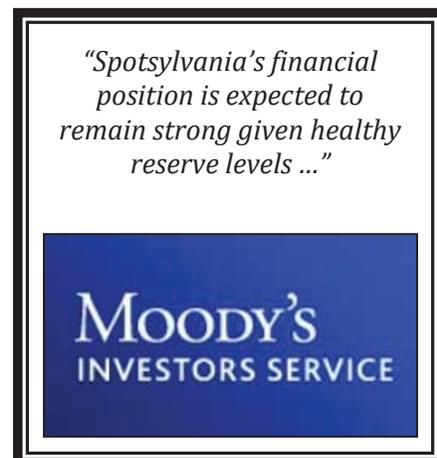
SAFER Grant: During the course of FY 2019, the County was awarded a three-year SAFER grant for 10 Firefighter/Medic positions in FY 2019, FY 2020 and FY 2021 with each year’s reimbursement expected to decline. This revenue is decreasing by \$118,622 for FY 2021.

Communications Sales Tax: Based on a four-year trend of declining actual receipts and those anticipated for FY 2020, the projection for communication sales tax revenue in FY 2021 is decreased by \$500,000 as fewer people maintain landline phones.

State Recordation Revenue: Prior to FY 2021 and in addition to the amount that is collected at the local level, State Code required the State to distribute annually a total of \$40 million in State recordation fees back to the localities; \$10 million per quarter. Each locality’s share of the \$10 million quarterly allocation was based upon the percentage that each locality’s collections were of statewide collections during that quarter. The State portion of Recordation Tax has been reallocated by the General Assembly beginning in FY 2021, resulting in a projected loss of \$600,000.

Use of the Fund Balance

The County’s fiscal policies call for a reserved and committed General Fund balance equal to at least 11% of the subsequent year’s projected General Fund and School Operating Fund revenues. Known as the Fiscal Stability Reserve, this reserved portion of the fund balance is set aside to meet a critical, unexpected financial need costing at least \$1 million and resulting from a natural disaster or declared state of emergency, or from a local catastrophe that cannot be resolved through other less extraordinary budgetary action. By policy, the Fiscal Stability Reserve must be replenished to the 11% minimum level within three fiscal years of any use. The County’s financial advisors have advised that the Fiscal Stability Reserve policy is the single most important financial policy to preserve strong credit ratings.



Additionally, a Budget Stabilization Reserve (BSR) must be accounted for within the unassigned General Fund balance. Beginning in FY 2016, the BSR was

funded at \$1.0 million with an amount equal to 0.25% of General Fund and School Operating Fund revenues to be added each year until such time as the reserve reaches a maximum of \$5.0 million. The BSR will be available to address potential revenue declines or other economic stress placed on the budget. Any use of this reserve must be replenished within two fiscal years.

Because reductions in consumption-based revenues (meals, sales, transient occupancy, and business license) and loss of interest earnings due to exceptionally low rates are expected to be of a temporary nature through the course of the coronavirus pandemic, staff recommended and the Board adopted use of \$3.9 million of the BSR to backfill the reductions in projections occurring between the Recommended Budget and Adopted Budget for these revenues. A special resolution was adopted for this use and acknowledges that the reserve must be replenished within two fiscal years.

At the end of FY 2021:

- Fiscal Stability Reserve will be funded at 11.0% of FY 2021 projected revenues;
- Budget Stabilization Reserve will be funded at \$1.1 million; and
- \$1.1 million will remain in the fund balance in excess of these and other policy reserves.

In FY 2021, \$5,028,779 of the General Fund balance is budgeted for use as identified in the following table:

FY 2021 Use of General Fund Balance	
Use of the Budget Stabilization Reserve to backfill the anticipated loss of consumption-based tax revenues stemming from the coronavirus pandemic	\$3,948,867
Use of Economic Opportunities Reserve for other than tax-based incentives	315,000
Use of Tourism Reserve for tourism portion of expected transient occupancy revenue loss stemming from the pandemic	184,000
Use of Tourism Reserve for tourism expenditures exceeding the tourism portion of transient occupancy revenue and to offset a portion of the	110,267
Use of reserved forfeiture/seizure funds for Sheriff’s Office one-time equipment and drug enforcement program	105,000
One-time set-aside for regional agencies	100,000
Second year of five-year capital contribution to Germanna Community College	100,000
Various replacement furniture, gear, and equipment for the Sheriff’s Office	65,600
Replace Parks & Recreation’s tractor and ATV	61,905
Replacement voting booths	36,140
Replacement table for Court Services Unit	2,000
Total Use of Fund Balance	\$5,028,779

	\$ in millions
<i>FY 2020 Adopted Budget – Revenue (General Fund)</i>	<i>\$290.4</i>
Changes in General Estimates	
Real Property Tax – at \$0.8094 adopted rate	\$2.7
DSS/CSA State Revenue	1.7
State Funding for Constitutional Offices	0.2
Public Service Corporation Tax	0.3
Refuse Disposal Fees	0.2
Next Generation 911 (NG911) grant	0.2
SAFER Grant	(0.1)
Railroad Reimbursement	(0.2)
Transient Occupancy Tax	(0.5)
Communications Sales Tax	(0.5)
Recordation Tax	(0.6)
Current & Delinquent Personal Property Taxes	(0.7)
Meals Tax	(1.6)
Other Miscellaneous Revenue Adjustments	<u>0.7</u>
Subtotal Changes	\$1.8
Changes in Transfers	
Transfer from Fire/EMS Service Fee Funds	\$0.1
Transfer from Code Compliance	0.1
Transfer from Capital Projects Fund	<u>(0.1)</u>
Subtotal Changes	\$0.1
Change in Use of Fund Balance	
Use of Budget Stabilization Reserve to offset consumption-based declines	\$3.9
Use of reservation for tourism portion of Transient Occupancy	0.2
Various other one-time costs in FY 2021	0.4
Remove one-time uses in FY 2020 – other than transfer to Capital	(0.5)
Remove one-time added transfer to Capital Projects Fund in FY 2020	<u>(4.2)</u>
Subtotal Changes	(\$0.2)
	\$ in millions
<i>FY 2021 Adopted Budget – Revenue (General Fund)</i>	<i>\$292.0</i>

May appear not to add due to rounding.

Building the Budget – Expenditures

The following table summarizes and organizes by strategic plan goal the adjustments made to the FY 2020 Adopted Budget to arrive at the FY 2021 Adopted Budget for the General Fund. As a result of significant changes made to the Adopted Budget in response to the declining economic conditions anticipated during the coronavirus public health emergency, this table shows a net change of only \$1.7 million year over year. As noted previously, the FY 2021 Recommended Budget included strategic investments that would have netted an increase of \$17.2 million year over year.

FY 2020 Adopted General Fund Budget	\$290,382,132
Addressing the Commitment to Quality Government	
• Fund DSS programs and CSA mandated programs	\$2,039,043
• Base compensation adjustments – other than public safety	384,660
• Fund departmental operations to maintain existing levels of service	<u>43,063</u>
Subtotal – Quality Government	\$2,466,766
Addressing the Commitment to Public Safety	
• Public safety base scale compensation implementation	\$6,147,822
• Next Generation 911 (NG911) communications transition (grant funded)	175,957
• Proportionate share of regional Jail/Juvenile Detention Center budgets	(79,326)
• Other public safety adjustments	<u>(313,182)</u>
Subtotal – Public Safety	\$5,931,271
Addressing the Commitment to Infrastructure Investment	
• Avoid new debt through the use of cash for capital projects resulting in net decrease in budgeted debt service	(\$506,410)
• Remove base transfer to Transportation Fund	(700,000)
• Reduce transfer to capital to meet policy-level minimum	(1,396,189)
• Remove one-time FY 2020 transfer to capital	<u>(4,200,000)</u>
Subtotal – Infrastructure Investment	(\$6,802,599)
Addressing the Commitment to Educational Opportunities	
• Increase transfer to Schools	\$200,000
• Decrease proportionate share of regional Library budget	<u>(318,519)</u>
Subtotal – Educational Opportunities	(\$118,519)
Addressing the Commitment to Economic Prosperity	
• Increase in transfer to the Economic Development Authority Fund for previously approved incentives for capital investment and/or job creation	<u>\$179,000</u>
Subtotal – Economic Prosperity	\$179,000
FY 2021 Adopted General Fund Budget	\$292,038,051

Significant portions of these General Fund adjustments are outlined in this section.

Base Budget Adjustments

- Subsequent to adoption of the FY 2020 Budget, the Board approved a new step-based Public Safety pay scale to reduce Fire/Rescue and Sheriff's Office turnover and related overtime expenses. Effective January 2020, the approved plan assumes an annual step increase plus cost of living (COLA) adjustment. On average, sworn (25 years to max step) positions on the Public Safety scale average a 2.24% per year step increase and non-sworn (30 years to max step) positions average a 1.85% per year step. As no COLAs were able to be funded for FY 2021, there is no COLA budgeted for the Public Safety pay scale. Also, there is no step approved for the Public Safety plan for FY 2021. However, a total of \$6.1 million – previously unbudgeted and the equivalent of nearly four pennies on the real estate tax rate – is included in FY 2021 for the full-year cost of base plan with no steps or COLAs.
- Also included in the compensation-related base budget adjustments is a \$578,000 increase in the employer contribution for Virginia Retirement System (VRS) retirement and life insurance benefits. The contribution rates for each are recalculated by the State every other year based on actuarial analyses. The increase in the VRS retirement rate from 9.58% to 10.81% reflects the lowering of VRS' discount rate in its actuarial analysis from 7.00% to 6.75%. The VRS life insurance rate increases from 1.31% to 1.34% for the next two years.
- For the past several years, OPEB contributions have been funded in the smaller County funds such as Code Compliance and Transportation. County policy requires that once we begin funding the OPEB contribution for the General Fund, full funding of the on-going ARC will occur within eight years. A one-time set-aside of \$1.9 million of the fund balance in FY 2016 for OPEB kicked off the eight-year policy timeframe. In FY 2019, the Board began setting aside on-going funding to meet a portion of the actuarially determined contribution (ADC), leaving now three budget years to achieve the full ongoing ADC. An additional \$504,230 had been planned for the FY 2021 Budget as progress towards meeting the full \$6.5 million ADC no later than FY 2023, but was ultimately removed in response to lowered revenue projections at the near equalized rate.
- At a cost of \$45,313 to the General Fund, the longevity adjustments begun three years ago and now part of our typical pay implementation will continue in FY 2021, applying 0.5% for employees reaching 3 or 12 years of service, and 1% for those reaching 5, 10, and 15 years of service by June 30, 2020. The longevity increase does not apply to the Public Safety scale positions. To best align with VRS reporting dates, these longevity adjustments have an effective date of July 13, 2020 and will first appear on paychecks on July 31, 2020.
- \$1,385,000 is added to the Adopted Budget for Children's Services Act (CSA) mandated services to be consistent with FY 2019 actual expenditures and with trends in program use. These expenses are partially funded by the State. The components of the full \$12.2 million mandated program cost are shown in the graph on page 343 based on FY 2019 services provided. Additionally, DSS program costs are expected to increase by \$654,043 primarily for foster care and adoption programs.

- The requests for funding from the Rappahannock Regional Jail and Rappahannock Regional Juvenile Detention Center – both public safety service providers to the County – were reduced out of necessity at the adopted \$0.8094 real estate tax rate. A regional budget work group met with both entities numerous times to thoughtfully and strategically manage local contributions along with fund balances to meet debt service obligations and critical operational needs. The region was not able to fund requested salary study adjustments and COLAs for either entity.
- Neither Germanna Community College’s request for \$125,000 in additional funding for part-time career coaches to assist students in our five high schools nor the Rappahannock Regional Library’s request for additional funding was able to be supported in this year’s budget. Members of the same regional working group that reviewed and helped to revise the Jail and Juvenile Detention Center budgets collaborated on review of the Library’s budget, as well. Ultimately, out of necessity to balance the budget, Spotsylvania’s local contribution was reduced from the originally requested \$224,378 increase to a \$318,519 decrease relative to the FY 2020 Budget. The Adopted Budget does include the second of a five-year \$100,000/year contribution towards the Germanna Allied Health Facility to be located at the Locust Grove campus.
- To meet State and federal mandates, the County will need to ensure its 911 communications system is in compliance with Next Generation 911 (NG911) requirements such as text-to-911 and other improvements. A State grant will fund the upfront cost of the project, as well as the first two years of increase telephone system operating costs. In FY 2021, the increased communications service cost is anticipated at \$175,957, all of which is expected to be funded through a grant.
- Germanna Community College’s full \$314,171 funding request is Included in the Recommended Budget. This represents a \$125,000 increase to fund five part-time career coaches who will work collaboratively with the Spotsylvania high schools to help students define their career aspirations and familiarize them with postsecondary programs such as community college, apprenticeships, and other workforce training programs. In addition, this budget includes the second of a five-year \$100,000/year contribution towards the Germanna Allied Health Facility to be located at the Locust Grove campus.
- General reductions made to the base budget accounts to balance the budget at the \$0.8094 real estate tax rate are as follows. These are anticipated to be temporary reductions:
 - Elimination of education/tuition assistance funding.
 - Mileage/travel/training budgets are limited only to those expenses that are mandated, or are related to employees maintaining job-required certifications.
 - Removal of funding to compensation study which, according to policy, is to occur once every three years. FY 2021 was to have been the fifth year since the last study.
 - With exception of the Jail, Juvenile Detention Center, and Library which are analyzed and addressed separately, regional agencies are level-funded.

New Initiatives for FY 2021

New initiatives were reduced from the 17 full-time and two part-time positions that had been included in the Recommended Budget to five full-time non-public safety positions. These positions have been identified as high priority positions necessary to ensure the citizens of Spotsylvania County continue to receive high quality service and that the day to day operations of the County run smoothly. The costs shown here include salaries, benefits, and any additional costs associated with start-up of the positions, and are net of any associated revenues:

Fund/Initiative	Net Cost	FTEs
General Fund:		
Accounting – Project/Application Analyst (Financial System) - ¾ year	83,240	1.00
Social Services – 4 Eligibility Workers – ½ year	75,588	4.00
Social Services – Eligibility Supervisor	60,193	1.00
General Fund Total	\$219,021	5.00

Transfers to Other Funds

Schools – The recommended transfer to the Schools is \$131,381,416 – a net increase of \$0.2 million for anticipated net new debt service in FY 2021.

Capital Projects Fund – The FY 2021 Budget was to have included a transfer to the Capital Projects Fund equal to 4.00% of General Fund Revenues, but when the budget was refigured as a result of the coronavirus emergency, the transfer was decreased to the policy minimum of 3.00% (\$8.4 million), negating four years of progress that had been made towards the goal of 5.00%. The \$8.4 million cash transfer budgeted for FY 2021 will provide a source of flexibility should it be needed to cover further revenue shortfalls stemming from the health emergency.

Code Compliance Fund – The cost of core and basic services for the Building, Erosion and Zoning offices are funded by a transfer from the General Fund to the Code Compliance Fund annually. The transfer to Code Compliance decreases by \$32,203 in FY 2021.

Economic Development Authority (EDA) Fund – A transfer from the General Fund to the EDA Fund occurs annually to fund the costs of previously approved incentives. Overall, the transfer to the EDO Fund increases by \$179,000 for FY 2021.

Transportation Fund – Since FY 2017, a \$700,000 baseline transfer from the General Fund was in place to help address projected out-year imbalances in the Transportation Fund. However, given significant budget constraints, the transfer was not funded in FY 2021. Based on PRTC's estimate of out-year fuel tax revenue, County staff's projection of out-year VRE and PRTC subsidies, existing debt service, and new debt service to be incurred resulting from the FY 2021 adopted CIP projects and those likely to occur within the next five years, it is anticipated that an additional \$900,000 to \$1.1 million per year in ongoing transfer from the General Fund will be necessary in FY 2022 and beyond to provide structural balance to the Transportation Fund for the five-year planning period.

	\$ in millions
<i>FY 2020 Adopted Budget – Expenditures (General Fund)</i>	<i>\$290.4</i>
Mandated services ¹ (39.0% based on the FY 2019 Budget %)	\$113.3
Commitments ² (36.5% based on the FY 2019 Budget %)	\$106.0
Other services (24.5% based on the FY 2019 Budget %)	<u>\$71.1</u>
	\$290.4

Base Budget Adjustments	
Public Safety Compensation Plan implementation	\$6.1
CSA mandated costs/DSS programs	2.0
Compensation adjustments to include VRS rate change and longevity	0.6
Next Generation 911 (NG911) communications transition (grant-funded)	0.2
Contribution to Rappahannock Regional Jail & Juvenile Detention Center	(0.1)
Base contribution to Library	(0.3)
Reduction in existing debt service	(0.5)
Departmental base budget adjustments	<u>(0.7)</u>
Subtotal Changes	\$7.3
New Initiatives	
Cost of new personnel initiatives	<u>\$0.2</u>
Subtotal Changes	\$0.2
Changes in Transfers	
Transfer to Schools	\$0.2
Transfer to EDO Fund	0.2
Transfer to Transportation	(0.7)
Transfer to Capital Projects Fund	<u>(5.6)</u>
Subtotal Changes	(\$5.9)

	\$ in millions
<i>FY 2021 Adopted Budget – Expenditures (General Fund)</i>	<i>\$292.0</i>

Categorical breakdowns may not tie exactly to financial summaries due to the groupings displayed here.

¹ Is representative of the legally required local contribution to Schools and mandated services such as Constitutional Officers, Social Services, solid waste collection and disposal, etc. May not be exact.

² Reflects County and Schools debt service, regional agency contributions, the transfer of cash to the CIP, and the transfer to Schools above the amount necessary to satisfy legal and debt service requirements.

Budget at a Glance

The *Budget at a Glance* infographic on the following pages is a summary of the FY 2021 Budget and related data. Readers seeking further information on its components are invited to see the descriptions below.

- **Budget Focus** – A list of the central themes around which the budget is built. For further information, see the *Budget Message*, pages 11 – 14.
- **Budget Highlights** – A list of noteworthy items incorporated into the budget such as changes to certain tax rates and planned new expenditures and/or programs. For further information, see the *Budget Strategy*, pages 15 – 26.
- **Operating and Capital Expenditures** – A table summarizing the operating and capital expenditures by fund for the FY 2020 and FY 2021 budgets. For further information, see the *Budget Summary - By Fund* pages and *Individual Fund Sheets*, pages 82 – 95, as well as information presented throughout the budget document.
- **Expenditures by Function, All Funds** – A graphical answer to the question “Where Does the Money Go?” The pie chart compares budgeted expenditures by government function. For further information, see the *Budget Summary – All Funds and Sources and Uses of Funds*, pages 79 – 81, as well as information presented throughout the budget document.
- **General Fund Forecast** – The forecast represents the costs of the FY 2021 General Fund budget over the course of the next four years. Projected costs are compared to projected revenues to arrive at an estimate of annual budget deficits or surpluses. For further information, see the *Five-Year Financial Forecast*, pages 139 – 143.
- **Breakdown of General Fund Transfer to Schools** – The table provides a breakdown of the General Fund transfer showing the required local effort, the required local match for optional programs, the required local match for federal grants, the transfer necessary to pay debt service on school capital projects, and the additional local transfer. For further information, see *Overview of Education Function*, pages 385 – 391, as well as the Schools’ budget document available at www.spotsylvania.k12.va.us.
- **Average Residential 2020 Real Estate Tax Bill** – A display of the approximate breakdown of the average residential real property tax bill. The average is derived from 2020 land book values and the adopted real property tax rate of \$0.8094 per \$100 of assessed value. The intention of the graphic is to show how a typical citizen’s real estate tax bill is used to fund various government operations and services. For further information, see *Real Property Taxes*, pages 100 – 102, as well as information presented throughout the budget document.



FY 2021 Adopted Budget at a Glance

Budget Focus

- Maintain all priority services (education, public safety, and transportation) and build in budget flexibility to address the potential for revenue shortfalls and added expenses in light of the COVID-19 emergency that began locally in March 2020 and continues at the time of this budget's publication (late June 2020).
- Fund commitments (jail, juvenile center, regional agencies, existing debt service, Social Services/CSA).
- Fund the first full year of the Public Safety Compensation Plan adopted by the Board in October 2019.
- Avoid new debt through the use of available cash to fund necessary general capital projects in FY 2021.

Budget Highlights

Schools –

- The local transfer to Schools is \$131,381,416, representing level funding plus \$200,000 to fund an expected increase in Schools' debt service. The transfer represents 46% of total General Fund revenue.

Public Safety –

- The budget includes full-year funding for the base Public Safety Compensation Plan pay increases that became effective January 13, 2020 for sworn personnel in the Sheriff's Office and Fire/Rescue, as well as Communications personnel. The Public Safety Compensation Plan was adopted by the Board in October 2019. The Public Safety pay scale step increases that are part of the Public Safety Compensation Plan were not able to be funded for FY 2021.

Transportation –

- The \$700,000 base transfer from the General Fund to the Transportation Fund in place since FY 2017 to help address projected out-year imbalances in that fund was not able to be funded for FY 2021.

Tax Rates/Fees –

- The Real Estate tax rate is adopted at \$0.8094 – slightly less than the equalized rate of \$0.8100.
- Special Service District rates are adjusted to pay debt service costs existing for improvements undertaken in those districts. (See page 118 for rates.)
- All other tax rates remain unchanged for 2020.

Compensation –

- Though initially planned as part of the Recommended Budget, declining economic factors stemming from the COVID-19 pandemic prevented the 1.8% cost of living adjustment; Public Safety step increases; and 2% performance-based increases for positions not on the Public Safety scale from being approved.
- Longevity adjustments which are now part of our annual pay implementation continue at 0.5% for employees reaching 3 or 12 years of service, and 1% for those reaching 5, 10, and 15 years of service by June 30, 2020. Adjustments are effective July 13, 2020.

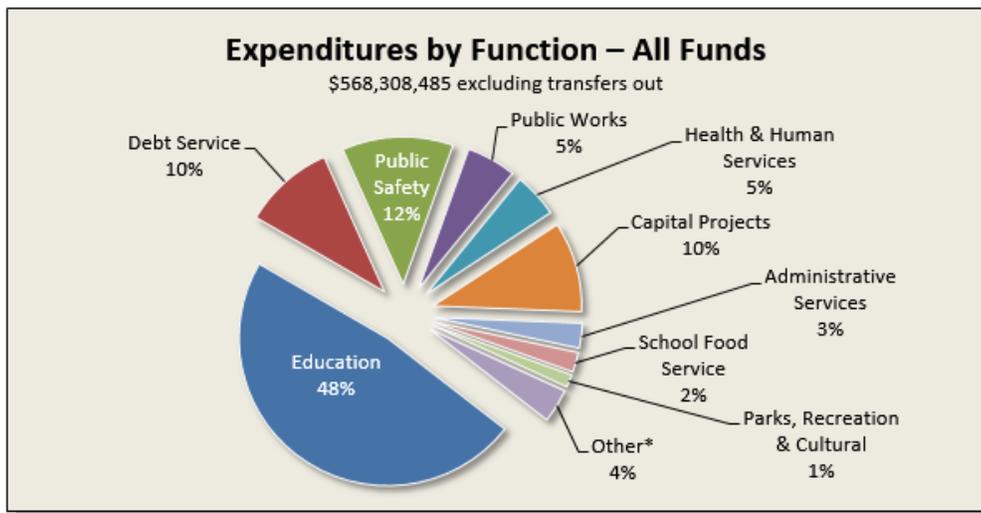
Capital Projects –

- The ongoing transfer of cash to capital projects was reduced by \$1.4M from what was to have been 4.0% of General Fund revenue to 3.0% - the policy minimum. A freeze on cash-funded projects is in place, yielding \$8.4M available in the Capital Projects Fund if needed to balance the General Fund.

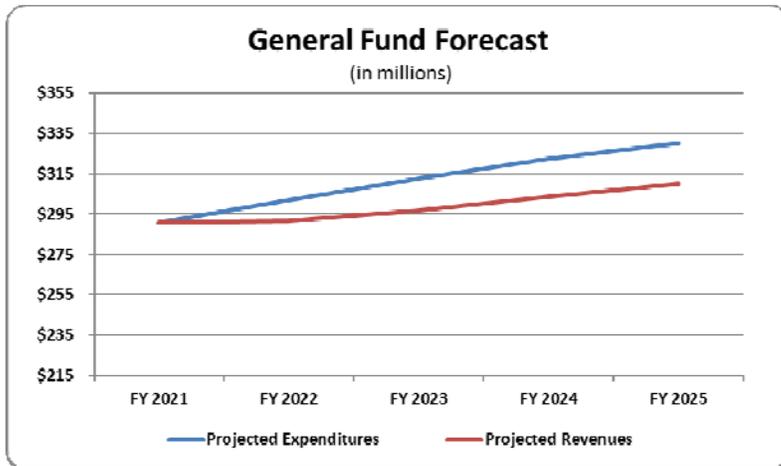
Use of Budget Stabilization Reserve (BSR) –

- \$3.9M of the \$5.0M Budget Stabilization Reserve is used to backfill expected temporary declines in consumption-based taxes (sales, meals, business license, transient occupancy), and interest earnings.

	FY 2020 Adopted	FY 2021 Adopted	Difference	
			\$	%
General Fund	\$142,308,884	\$149,914,195	\$7,605,311	5.3%
Economic Dev. Authority Fund	1,343,683	1,459,050	115,367	8.6%
Code Compliance Fund	4,456,568	4,575,643	119,075	2.7%
Transportation Fund	8,162,626	8,188,520	25,894	0.3%
School Operating Fund	296,830,329	300,010,257	3,179,928	1.1%
School Food Service Fund	12,341,528	12,251,952	(89,576)	(0.7%)
Utilities Fund	<u>33,951,778</u>	<u>35,670,221</u>	<u>1,718,443</u>	5.1%
Sub-Total Operating Expenditures	\$499,395,396	\$512,069,838	\$12,674,442	2.5%
Capital Projects Fund	\$17,274,275	\$14,192,906	(\$3,081,369)	(17.8%)
School Capital Projects Fund	28,904,696	13,500,916	(15,403,780)	(53.3%)
Utilities Capital Projects Fund	<u>10,325,000</u>	<u>28,544,825</u>	<u>18,219,825</u>	176.5%
Sub-Total Capital Expenditures	\$56,503,971	\$56,238,647	(\$265,324)	(0.5%)
Total Budget	\$555,899,367	\$568,308,485	\$12,409,118	2.2%

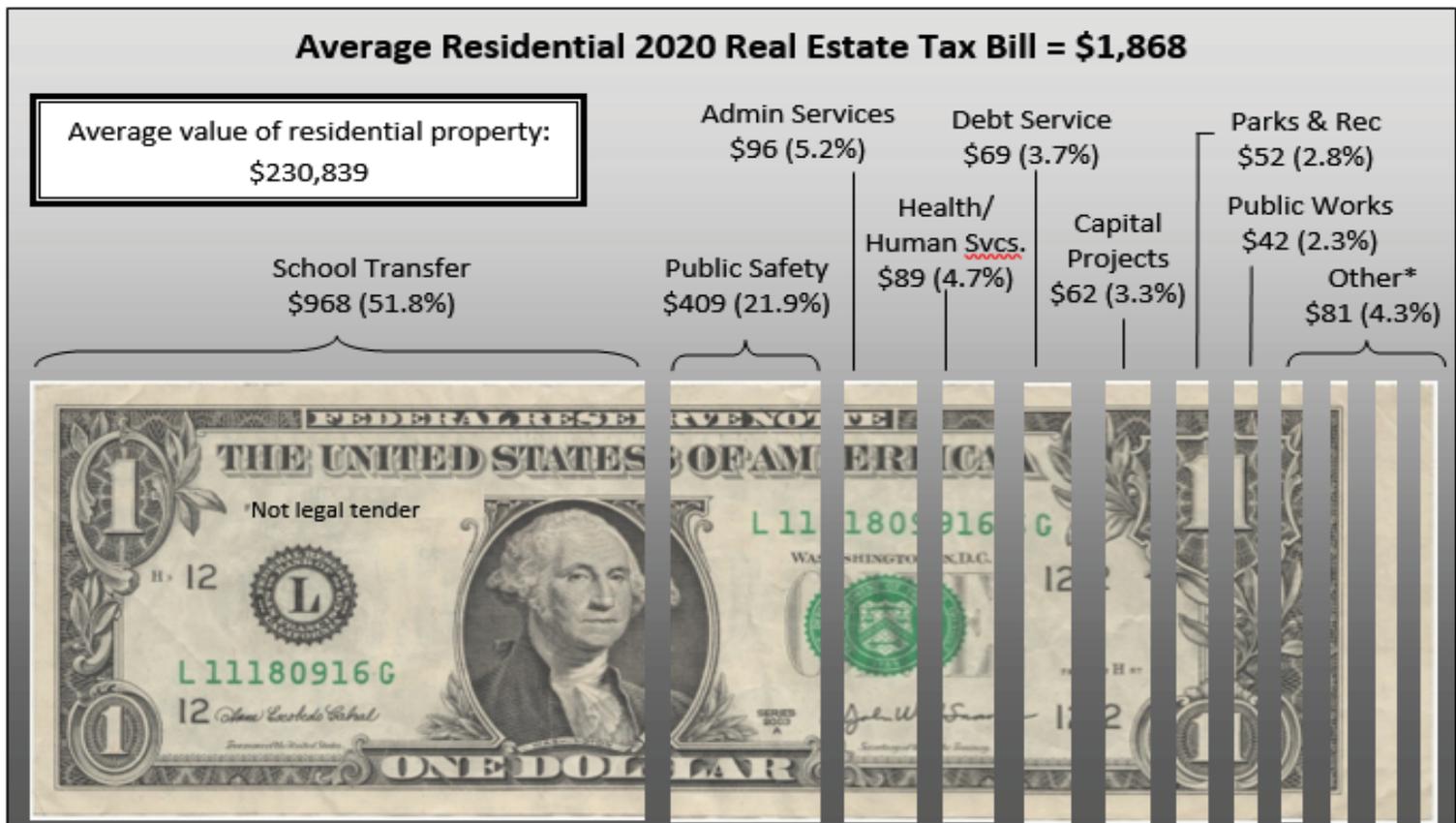


*"Other" includes Community Development, Executive Services, Judicial Administration, Transportation and Voter Services functions and tax relief.



Breakdown of General Fund Transfer to Schools

	2020 Adopted	2021 Adopted
Required Local Effort - SOQs	\$57,354,933	\$64,601,198
Required Local Match for Non-SOQ Programs	3,026,133	3,616,056
Required Local Match for Federal grants	28,998,371	28,998,371
Debt Service	27,849,361	28,089,775
Additional Local Transfer	13,952,618	6,076,016
Total Local Transfer	\$131,181,416	\$131,381,416



*"Other" includes Executive Services; Community Development; Judicial Administration; Voter Services; and Transportation.



Overview of Spotsylvania County



Spotsylvania County contains a mix of beautiful rural and urban landscapes and is one of Virginia’s fastest-growing counties. Within its boundaries, the County possesses the scenic beauty of Lake Anna, rural vistas, suburban amenities and a wealth of historical attractions from the Colonial and Civil War eras. The growing Spotsylvania community has attracted many dynamic commercial, industrial, and retail businesses which serve area residents and visitors. These resources also make the County a favorite tourist destination.

History

In 1721, a vast new county was formed in the young colony of Virginia. Extending far beyond the Blue Ridge Mountains, this frontier outpost was named for Alexander Spotswood, Colonial Governor of Virginia. Much of the County’s early development is attributed to Spotswood’s ironworks that he founded in the early 1700’s. His “Iron Mines Company”, a mining and smelting operation, was founded in 1725 at Germanna. A blast furnace, also founded by Spotswood, was operated in this area from 1730 through 1785. Remnants of the ironworks are still found in the County.

Known as the “Crossroads of the Civil War”, four major Civil War battles were fought on Spotsylvania soils including one of the bloodiest of the war, the Battle of Spotsylvania Courthouse, in May 1864. It was during this battle that the clash between the armies of Ulysses S. Grant and Robert E. Lee known as the “Bloody Angle” took place and at Chancellorsville, Stonewall Jackson fell to the mistaken fire of his own men.



The National Park Service maintains more than 4,400 acres of Civil War battlefields in various locations throughout the County.

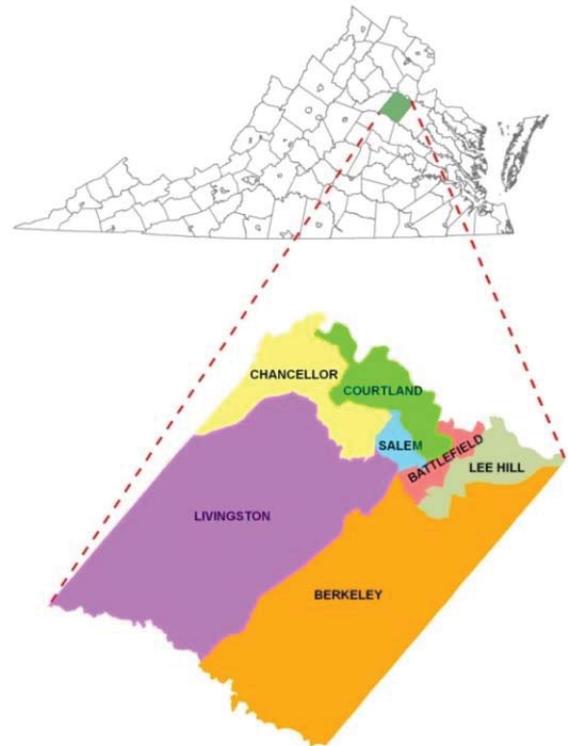
Geography

Spotsylvania County is located along Interstate 95, midway between the Nation's capital of Washington D.C. and the State's capital of Richmond.

The County is bounded by Caroline County on the east; Louisa and Hanover counties along the North Anna River on the south; Culpeper and Stafford counties and the City of Fredericksburg on the north along the Rappahannock and Rapidan rivers; and Orange County on the west.

About 65% of the County is located in Virginia's Piedmont physiographic province and about 35% is in the Coastal Plain.

The County's area is 414.25 square miles and elevations range from sea level to 540 feet.



Government

Spotsylvania County is governed by a seven-member Board of Supervisors, elected for staggered four-year terms. The terms of three current members expire on December 31, 2021, with the terms of the remaining four members expiring on December 31, 2023. The Board of Supervisors sets county policies, adopts ordinances, appropriates funds, approves land rezoning and special exceptions to the zoning ordinance, and carries out other responsibilities set forth by the State and County code.

The County functions under the traditional form of government with a Board-appointed County Administrator who acts as the Board's agent in the administration and operation of the departments and agencies. Additionally, County citizens elect and are served by five constitutional officers: Treasurer, Commissioner of Revenue, Sheriff, Clerk of the Circuit Court, and Commonwealth's Attorney.

The Health Department and the court system are under the control of the Commonwealth of Virginia, while mental health services are provided by the Rappahannock Area Community Services Board.

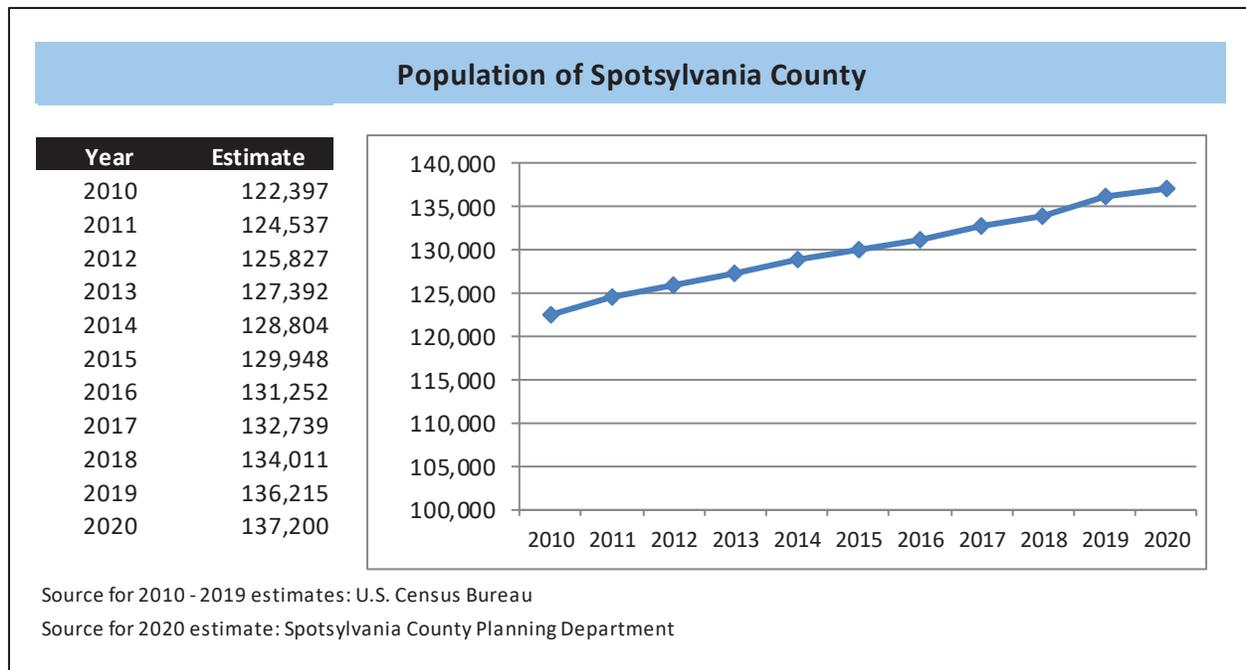
Spotsylvania County Public Schools are governed by a seven-member elected School Board.

The County provides general governmental services for its citizens including emergency medical services and fire protection, collection and disposal of refuse, water and sewer services, parks and recreation, libraries, and detention centers. Other services provided by the County for which partial funding is received from the State include public education in grades preK-12 and

certain technical, vocational and special education, mental health assistance, agricultural services, law enforcement, health and social services, and judicial activities.

Population

The Planning Department estimates the County’s 2020 population to be 137,200. The County’s population has continued to grow consistently each of the past ten years with an average annual increase of 1.1%, down from an average annual increase of 3.3% for the previous decade. Between 2018 and 2019, the County was ranked as the 7th fastest growing county in Virginia, according to the U.S. Census Bureau, with a population growth percentage of 1.6%.



The Planning Department projects the County’s population growth to average between 1% and 2% per year into the next few decades. The following table compares the estimated population at these two percentage rates.

Spotsylvania County Population Forecast

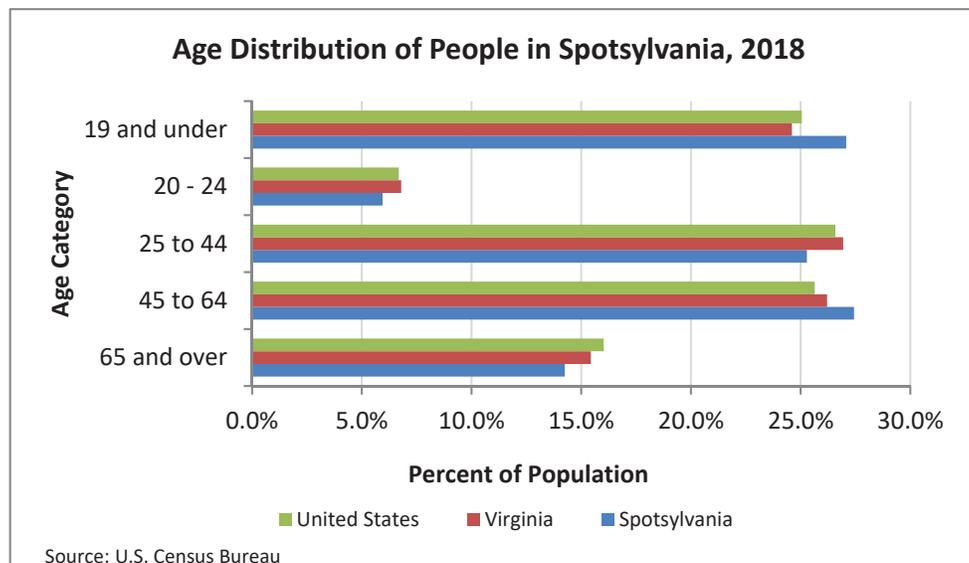
Year	U.S. Census Population Estimates	
2000	90,395	
2005	114,909	
2010	122,397	
2015	129,944	
Planning Department Projections		
Year	1% Growth Rate	2% Growth Rate
2025	144,595	153,400
2030	151,971	169,366
2035	159,723	186,994
2040	167,870	206,456

The U.S. Census Bureau estimated that in 2018, a little over two-thirds of the population of Spotsylvania County was white and approximately one-sixth of the population was black or African-American.

2018 Population by Racial/Ethnic Group

Group	Spotsylvania	Virginia	United States
White	67.4%	61.5%	60.4%
Black or African American	17.1%	19.9%	13.4%
Hispanic or Latino	10.3%	9.6%	18.3%
Asian	2.9%	6.9%	5.9%
American Indian or Alaska Native	0.5%	0.5%	1.3%
Native Hawaiian or Pacific Islander	0.2%	0.1%	0.2%
Other	1.6%	1.5%	0.5%

The majority of the County’s population (67%) was estimated to be greater than or equal to 25 years of age, with 6% estimated between the ages of 20 and 24 and 27% estimated to be 19 or younger.



The percentage of the population between ages 20 and 64 in Spotsylvania is

comparable to the makeup of state and national populations, as well. However, according to census figures, when compared to Virginia and the United States, Spotsylvania has a higher percentage of its population at 19 and under, and a lower percentage of its population at 65 or older than do the state and the nation.

2018 Household Composition

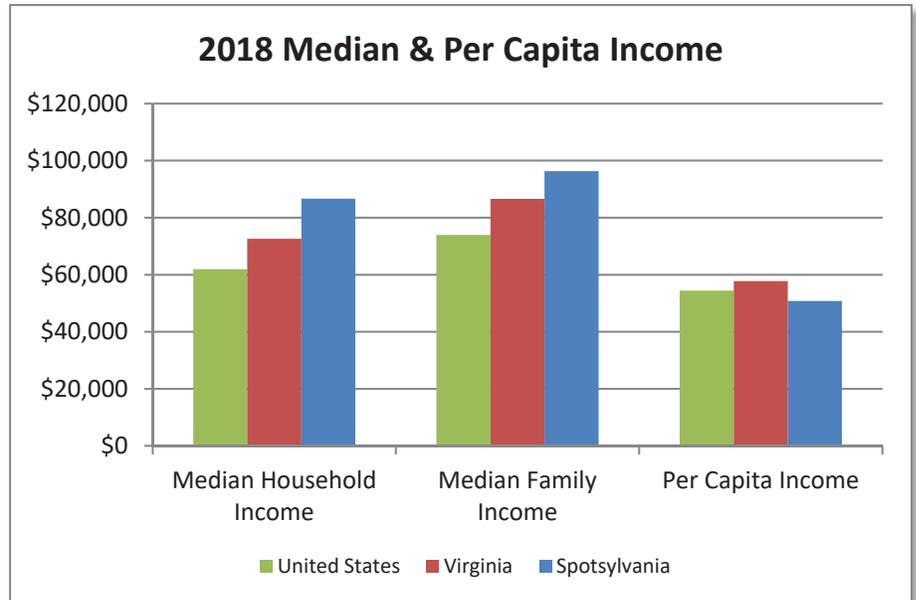
Type of Household	Spotsylvania	Virginia	United States
Family Households	33,710 77.2%	2,085,245 66.7%	78,697,103 65.7%
With own children under 18 years	14,578 33.4%	894,939 28.6%	33,435,099 27.9%
Married-couple families	26,603 60.9%	1,578,357 50.5%	57,816,948 48.3%
Male householder; no wife families	1,945 4.5%	136,383 4.4%	5,821,975 4.9%
Female householder; no husband families	5,162 11.8%	370,505 11.8%	15,058,180 12.6%
Without children under 18 years	19,132 43.8%	1,190,306 38.0%	45,262,004 37.8%
Nonfamily Households	9,967 22.8%	1,043,170 33.3%	41,033,025 34.3%
Total Households	43,677 100%	3,128,415 100%	119,730,128 100%

Source: U.S. Census Bureau

Personal Income

According to the U.S. Census Bureau, Spotsylvania’s 2018 median household income was estimated at \$86,695 and median family income was estimated at \$96,313.

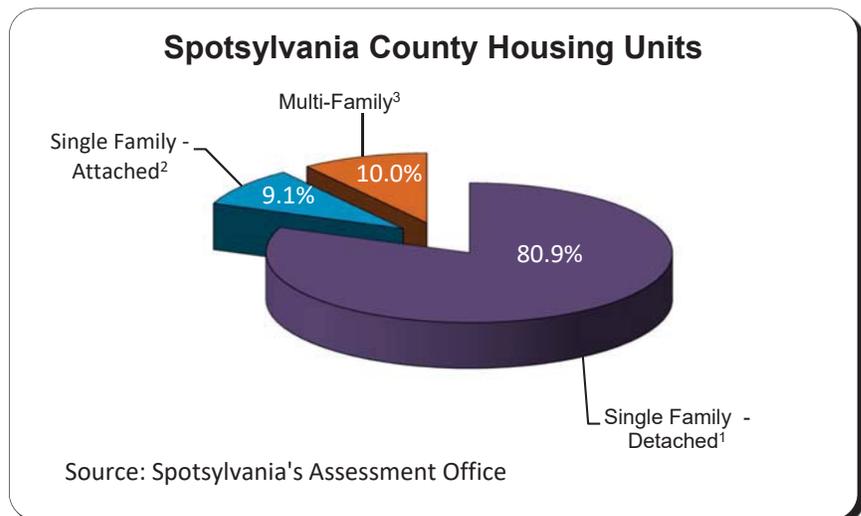
The estimated 2018 combined per capita income for Spotsylvania County and the City of Fredericksburg of \$50,790 is approximately 12% less than the state amount and approximately 7% less than the national amount.



Source: US Census Bureau for Median Household and Median Family Income
Bureau of Economic Analysis (BEA) for Per Capita Income

Housing

As of December 31, 2019 there were 50,861 housing units in Spotsylvania County. A housing unit can be multi-family or single-family, attached or detached. The majority (80.9%) of the housing units in Spotsylvania were single-family detached units. Since 2000, the number of housing units in the County has increased by 52.7% and has increased by 18.3% since 2010.



Source: Spotsylvania's Assessment Office

¹ Includes trailers, manufactured homes and mobile homes

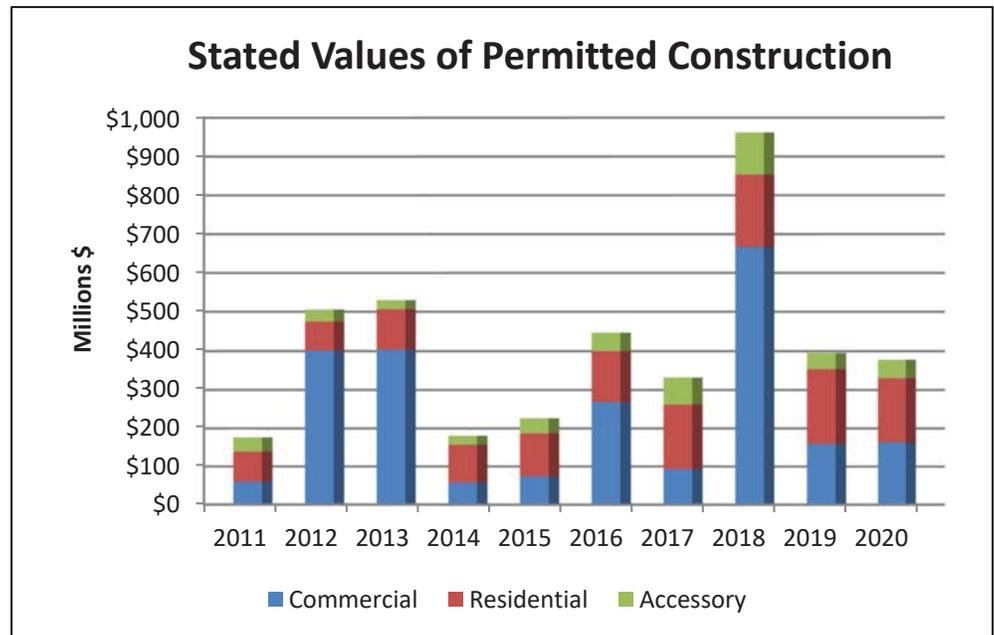
² Consists of duplexes and townhouses

³ Consists of apartments and condominiums and assisted living housing units

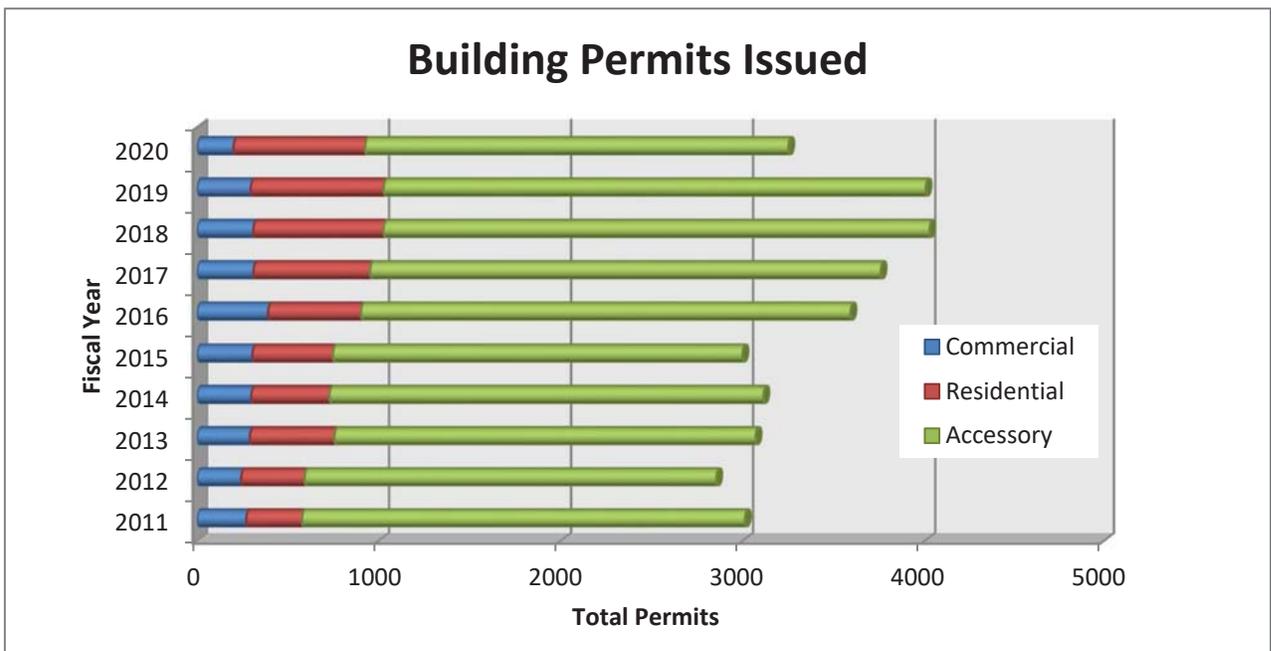
Housing Units

Housing Unit Type	2000	2010	2020
Single Family – Detached	28,804	37,141	41,151
Single Family - Attached	2,522	2,730	4,604
Multi-Family	1,983	3,136	5,106
Totals	33,309	43,007	50,861

The accompanying graphs illustrate construction activity within Spotsylvania during the past 10 years. In FY 2012 and FY 2013, the County processed multiple site plans for which the stated value of site work being performed was unusually large. Additionally, there were several large commercial projects where the stated value of each project was significant. Similar activity occurred in FY 2016 with the submission of several large commercial applications having sizeable stated values, including a substantial site plan for the 921,565 sq. ft. Lidl grocery distribution center. The significant increase in FY 2018 reflects the stated values for some larger commercial applications that included apartments, a Publix grocery store, a self-storage building and the Copart auto auction.



Values are taken from permit applications as provided by the applicants. These values *do not* represent the value assigned by Spotsylvania's Assessment Office. The FY 2020 figures are as of May 31, 2020.



The FY 2020 building permit figures are as of May 31, 2020.

Approved Development

As of April 2020, the following housing developments have been approved by the Board of Supervisors, but are not yet built out:

Approved Developments with Unbuilt Units

Development	SFD	SFA	MF	AR	Total	Development	SFD	SFA	MF	AR	Total
Fawn Lake	416	0	0	0	416	New Post	200	67	0	0	267
Estates of Chancellorsville	38	0	0	0	38	Fortune's Landing	35	0	0	0	35
Estates of Elys Ford	231	0	0	0	231	Barley Woods	0	0	0	80	80
Estates at Buckingham	36	0	0	0	36	Heritage Woods	697	180	183	0	1,060
Whitehall	60	0	0	0	60	Courtland Park	61	0	0	0	61
Estates at Kingswood	3	0	0	0	3	Southpoint Landing	0	0	550	0	550
Breckenridge Farms	17	0	0	0	17	Legends of Chancellorsville	218	0	0	0	218
Avalon Woods	96	0	0	0	96	Wheatland	0	22	0	0	22
Anna Vista, Section 2	10	0	0	0	10	Thorburn Estates	59	0	0	0	59
Pennington Estates	5	0	0	0	5	Jackson Village	0	596	849	385	1,830
Pamunkey Point	18	0	0	0	18	Retreat at Chancellorsville	0	0	0	185	185
Lee's Parke	222	0	0	54	276	Alexander's Crossing	518	971	888	230	2,607
Sunrise Bay	33	0	0	0	33	Plantation Woods	132	0	0	0	132
Regency at Chancellorsville	0	0	0	60	60	Goodwin Cove	35	0	0	0	35
Glenhaven/ River Glen	15	0	0	0	15	Cedar Forest	29	0	0	0	29
Reserve at Chancellorsville	18	0	0	0	18	Summit Crossing Estates	70	0	0	0	70
Mallard Landing	0	72	0	0	72	Barrington	39	0	0	0	39
Summerfield	2	0	0	0	2	Afton	29	0	0	0	29
Keswick	150	90	236	184	660	Roseland	0	14	0	0	14
Ni Village	0	164	773	0	937	Ashleigh Ridge	19	0	0	0	19
Brooks	0	2	0	0	2	The Villas at Salem Church	0	0	0	45	45
Estates at Terry's Run	10	0	0	0	10	Palmer's Creek	0	0	400	0	400
Spotsylvania Courthouse Village	245	138	755	50	1,188	Regency Crossing	0	21	0	0	21
Crossroads Station	0	0	610	0	610	Harrison Village	73	0	0	0	73
Total of all units approved but not yet built							12,693				

SFD = Single Family Detached; SFA = Single Family Attached; MF = Multi Family; AR = Age Restricted

County-Owned Community Facilities

- 31 Schools
- 13 Parks¹
- 1 Outdoor Amphitheatre
- 4 Community Centers
- 1 Senior Center
- 1 Visitors Center
- 1 County Museum
- 1 Swimming Pool
- 75 Multipurpose Fields²
- 46 Tennis Courts²
- 52 Baseball/Softball Diamonds²
- 44 Basketball Courts²
- 22.1 miles of Trails²
- 1 Animal Shelter
- 13 Convenience Centers
- 1 Landfill
- 11 Fire/Rescue Stations
- 3 Dams and Reservoirs³
- 46 Pump Stations
- 2 Water Treatment Plants (WTP)
- 3 Wastewater Treatment Plants (WWTP)
- 1,200+ miles water/sewer infrastructure

¹ Includes parks at the Hunting Run and Ni River Recreational Areas.

² Includes facilities at schools.

³ Includes the County-owned Hunting Run and Ni River reservoirs and the County operated Motts Run reservoir that is jointly owned with the City of Fredericksburg.

Additionally, Spotsylvania participates in regional programs such as the Central Rappahannock Regional Library, FRED Bus Service, Health Department, Rappahannock Juvenile Detention Center and the Rappahannock Regional Jail.

Business, Labor & Employment

The County’s primary economic development mission is to attract new businesses that make capital investments and hire new employees at salaries greater than the county average, and to provide a supportive climate for the growth of existing businesses in order to stimulate the creation of jobs and tax revenues.

The County has implemented numerous initiatives and specific programs to accomplish this mission. These include multiple tax-advantaged/business-advantaged areas in the County such as Historically Underutilized Business Zones (HUBZone), Opportunity Zones, Technology Zones, and Tourism Zones. The County also cooperates with other regional localities to establish consistency in assessment percentages and tax rates so that the entire area is more attractive to data centers that often construct multiple locations in relatively close proximity to one another.

The County’s target industries include healthcare, manufacturing, professional services (defense/IT/Cyber), and tourism.

Existing Retail and Mixed Use Developments

Development	Square Footage	Development Type
Spotsylvania Towne Centre	1.6 million	Shopping and dining
Southpoint I & II	1.2 million+	Mixed use retail/commercial
Cosner’s Corner	980,000	Retail and office
Harrison Crossing	600,000	Shopping and dining
Spotsylvania Courthouse Village	500,000	Office, retail, civic: 1,500 residential units

Source: Spotsylvania County Economic Development Department

Number of Jobs by Sector and Wage

Industry	Average Establishments		Average Employment		Average Weekly Wage	
	YoY		YoY		YoY	
	2019	Change ¹	2019	Change ¹	2019	Change ¹
Accommodation and Food Service	192	-1	4,194	(106)	\$346	\$18
Administrative and Support and Waste Management	141	-	1,627	316	\$642	\$17
Agriculture, Forestry, Fishing & Hunting	9	-	55	(6)	\$396	\$16
Arts, Entertainment, and Recreation	32	(3)	693	(8)	\$320	(\$2)
Construction	316	4	2,321	117	\$1,114	\$117
Educational Services	32	1	4,849	(397)	\$867	\$86
Finance and Insurance	97	6	531	73	\$1,155	\$31
Health Care and Social Assistance	771	174	4,778	32	\$860	(\$6)
Information	27	(1)	331	2	\$1,026	(\$13)
Management of Companies and Enterprises	18	-	450	18	\$1,549	\$12
Manufacturing	63	(5)	948	(106)	\$1,020	\$34
Mining, Quarrying, and Oil and Gas Extraction	3	-	44	5	\$1,441	\$145
Other Services (except Public Administration)	320	(139)	1,476	(233)	\$656	\$69
Professional, Scientific, and Technical Services	282	(1)	2,281	(45)	\$1,675	\$7
Public Administration	38	1	1,155	13	\$1,056	\$59
Real Estate and Rental and Leasing	121	5	542	(12)	\$839	(\$12)
Retail Trade	397	(3)	7,025	(89)	\$604	\$32
Transportation and Warehousing	70	(1)	1,596	9	\$983	\$35
Unclassified establishments	64	14	154	49	\$680	(\$29)
Utilities	7	-	85	(4)	\$1,025	\$2
Wholesale Trade	110	1	1,188	21	\$1,250	\$79
Total	3,110	52	36,323	(351)	\$833	\$40

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages as of 4th Quarter 2019

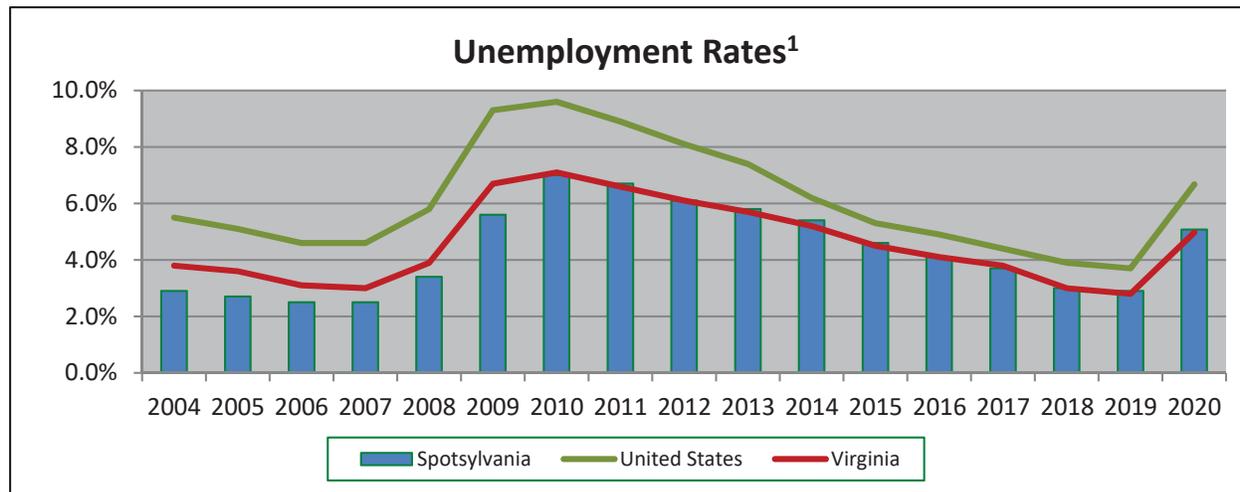
¹ Represents the year over year change in amounts reported by the Virginia Employment Commission, Quarterly Census of Employment and Wages from 4th Quarter 2018 to 4th Quarter 2019

Employment Status within Spotsylvania

Employment Status	2000	2010	2018	% Change	
				2000 to 2010	2010 to 2018
Population 16 years old or older	66,138	89,642	102,321	35.5%	14.1%
In labor force	47,747	62,962	69,486	31.9%	10.4%
- Employed - civilian	45,651	57,987	69,084	27.0%	19.1%
- Employed - armed forces	595	1,021	402	71.6%	(60.6%)
- Unemployed	1,501	3,954	3,646	163.4%	(7.8%)
Not in labor force	18,391	26,680	32,835	45.1%	23.1%

Source: U.S. Census Bureau

Unemployment rates for Spotsylvania have been well below the national level and below, or comparable, to state rates in recent years. The County had the 11th best unemployment rate within Virginia in December 2019, as reported by the Virginia Employment Commission. Unemployment rates began to rise significantly in 2020 due to emergency and stay-at-home orders issued nationally in March 2020 in response to the COVID-19 global pandemic. The April 2020 preliminary unadjusted rate for the County was 11.1% while the national and state rates were 14.4% and 10.8%, respectively. The Congressional Budget Office projects national unemployment rates to remain elevated through 2021.



Source: Virginia Employment Commission for Spotsylvania and Virginia, U.S. Bureau of Labor Statistics for United States
 ¹ 2004 through 2019 represent the annual average while 2020 represents the average between January and April.

Top 20 Public & Private Employers within the County

Name	Nature of Business	Employee Range
Spotsylvania County Schools	Education	1,000+
Spotsylvania County Government	Local Government	1,000+
HCA Virginia Health System	Hospital – Spotsylvania Regional	500-999
Wal-Mart	Retail	250-499
CVS Pharmacy	Pharmacy Distribution Warehouse	250-499
Lidl US Operations	Grocery Distribution Center	250-499
Alorica, Inc	Administrative Support Services	250-499
Germanna Community College	Education	250-499
United Parcel Service	Package Delivery Service	250-499
Weis Markets	Grocery	250-499
Kaeser Compressors	Air Compressor Manufacturer	250-499
PAE National Security Solutions	Government Services & Support	100-249
McDonald’s	Restaurant	100-249
Carmax	Automobile Dealer	100-249
Target Corp	Retail	100-249
Costco	Retail	100-249
Giant Food	Grocery	100-249
Radley Honda	Automobile Dealer	100-249
PMC Services	Direct Mail Services	100-249
Richmond Fitness Inc	Fitness Center	100-249

Source: Virginia Employment Commission, as of 4th Quarter 2019

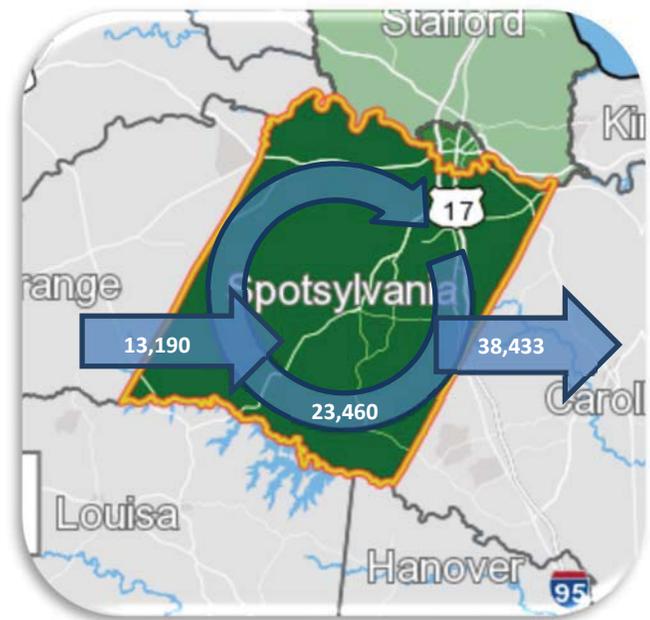
Other Major Public & Private Employers in Surrounding Area

Name	Nature of Business	Employee Range
U.S. Department of Defense	Federal Government Agency	1,000+
GEICO	Insurance Customer Service Center	1,000+
Stafford County Schools	Education	1,000+
Federal Bureau of Investigation	Federal Government Agency	1,000+
Mary Washington Hospital	Hospital	1,000+
County of Stafford	Local Government	1,000+
University of Mary Washington	Education	1,000+
Fredericksburg City Schools	Education	500-999
King George County Schools	Education	500-999
Medicorp	Healthcare Services	500-999
McLane Mid Atlantic	Distributor for Convenience Centers	500-999
City of Fredericksburg	Local Government	500-999
Caroline County Schools	Education	500-999
Stafford Hospital Center	Hospital	500-999
YMCA	Social Advisory Organization	500-999
Lowe's Home Centers, Inc.	Retail	500-999
Rappahannock Area Community Services Board	Social Advocacy Organization	500-999
WaWa	Fueling Stations/Convenience Centers	500-999
United States Postal Service	Federal Government Agency	250-499
Snowden Services Inc	Healthcare Services	250-499

Source: Virginia Employment Commission, as of 4th Quarter 2019

Spotsylvania Commuting Patterns - 2015

Commuting From	Area	Commuting To
8	Arlington County, VA	1,156
1,755	Caroline County, VA	673
285	Culpeper County, VA	529
248	Fairfax County, VA	3,717
2,437	Fredericksburg, VA	9,750
837	King George County, VA	1,699
1,237	Orange County, VA	568
727	Prince William County, VA	4,626
156	Richmond, VA	656
3,136	Stafford County, VA	7,689
-	Washington, D.C.	2,939
2,364	All Other Locations	4,431
13,190	Total Commuters	38,433



Spotsylvania County Workers	
Live and Work in Spotsylvania	23,460

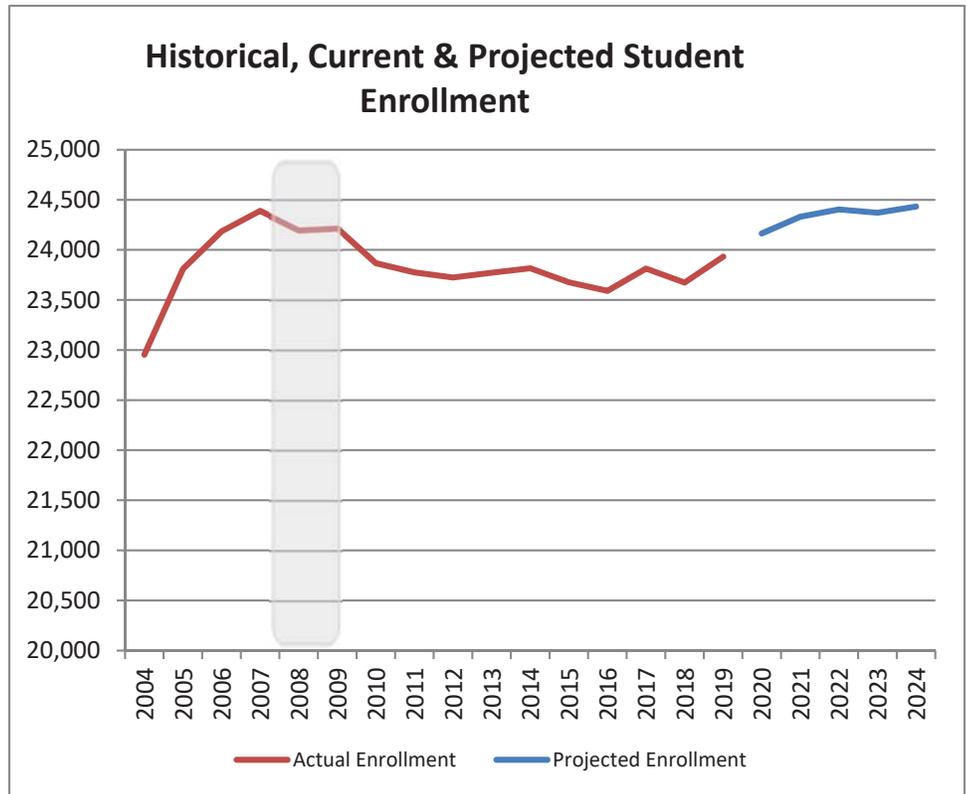
Source: U.S. Census Bureau

Education

Spotsylvania County Public Schools consist of 17 elementary schools, 7 middle schools, 5 high schools, 1 alternative learning center, and 1 career and technical center.

Actual public school enrollment for the 2019 - 2020 school year was 23,935. Enrollment is projected to be 24,435 by the 2024 - 2025 school year.

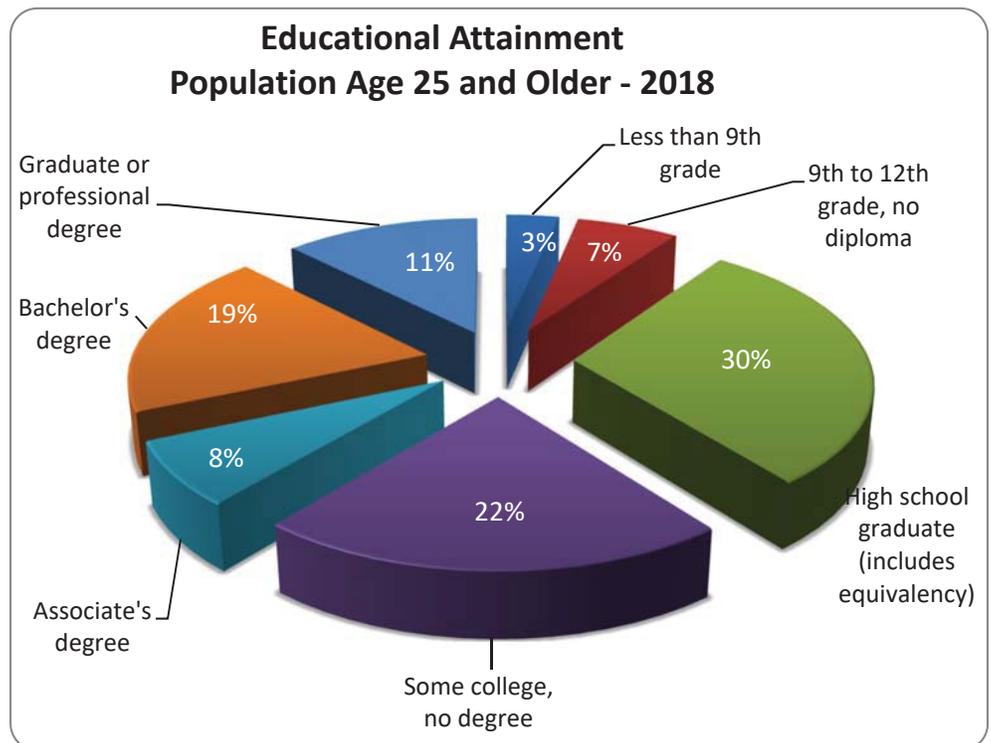
Total enrollment is projected to increase by 232 students countywide for the 2020 - 2021 school year.



Enrollment as measured on September 30 or October 1 of each year. The grey shaded area represents the recession that occurred from December 2007 to June 2009.

Over a third of Spotsylvania County residents hold a degree of associate's or higher, while 90% of residents are high school graduates or higher.

Spotsylvania County's educational attainment is comparable to national percentages. Achievement of Bachelor's and graduate/professional degrees being seven percentage points less than that of Virginia as a whole.



Source: US Census Bureau

Supplemental Information

This section contains various statistics which may be of interest to the reader.

Real Estate Tax Rate History

Calendar Year	Tax Rate	Equalized Tax Rate
1990	\$0.85	*
1991	0.90	
1992	0.82	0.71
1993	0.86	
1994	0.86	*
1995	0.86	
1996	0.86	0.81
1997	0.92	
1998	0.94	0.90
1999	1.02	
2000	1.02	0.94
2001	1.07	
2002	1.01	0.93
2003	1.01	
2004	0.86	0.86
2005	0.89	
2006	0.62	0.62
2007	0.62	
2008	0.62	0.56
2009	0.62	
2010	0.86	0.83
2011	0.86	
2012	0.88	0.90
2013	0.88	
2014	0.86	0.863
2015	0.86	
2016	0.85	0.8313
2017	0.85	
2018	0.8330	0.8164
2019	0.8474	
2020	0.8094	0.8100

*Biennial assessments began occurring in 1996. Prior to that, assessments took place every four years.

General Property Tax Rates¹

Calendar Year	Real Estate & Mobile Home	Personal Property ²	Business Furniture & Fixtures	Machinery & Tools	Heavy Construction Equipment
2020	\$0.8094	\$6.55/\$6.25/\$1.25	\$5.95	\$2.50	\$2.00
2019	0.8474	6.55/6.25/1.25	5.95	2.50	2.00
2018	0.8330	6.55/6.25	5.95	2.50	2.00
2017	0.85	6.55/6.25	5.95	2.50	2.00
2016	0.85	6.55/6.25	5.95	2.50	2.00
2015	0.86	6.73/6.25	5.95	2.50	2.00
2014	0.86	6.78	5.95	2.50	2.00
2013	0.88	6.37	5.95	2.50	2.00
2012	0.88	6.37	5.95	2.50	2.00
2011	0.86	6.26	5.95	2.50	2.00
2010	0.86	6.26	5.95	2.50	2.00
2009	0.62	6.26	5.95	2.50	2.00
2008	0.62	5.00	5.00	2.50	2.00
2007	0.62	5.00	5.00	2.50	2.00
2006	0.62	5.00	5.00	2.50	2.00

¹ Real Property and Mobile Home tax rates are levied per \$100 of assessed value. All others are assessed at no greater than 50% of value or 50% of original cost depending on the classification.

² For years 2006 – 2014, the rate includes all personal property types. Beginning in 2015, there are two adopted rates, one for automobiles, campers, motor homes, motorcycles, pickups, and trucks and a second rate for boats and boat trailers. Beginning in 2019, a third tax rate was established for data center computer equipment and peripherals.

Real Estate Tax Rates per \$100 of Assessed Value

Locality	Population ¹	Tax Year 2019 Rate	Tax Year 2020 Rate	Change
Prince William	470,335	\$1.2075	\$1.2075	-
Richmond City	230,436	1.2000	1.2000	-
Fairfax	1,147,532	1.1835	1.1835	-
Alexandria	159,428	1.1300	1.1300	-
Loudoun	413,538	1.0450	1.0350	(0.0100)
Arlington	236,842	1.0260	1.0260	-
Fauquier	71,222	0.9940	0.9940	-
Stafford	152,882	1.0100	0.9700	(0.0400)
Chesterfield	352,802	0.9500	0.9500	-
Henrico	330,818	0.8700	0.8700	-
Fredericksburg	29,036	0.8500	0.8500	-
Caroline	30,725	0.8300	0.8300	-
Hanover	107,766	0.8100	0.8100	-
Spotsylvania	136,215	0.8474	0.8094	(0.0380)
King George	26,836	0.7000	0.7000	-
Culpeper	52,605	0.6200	0.6200	-

¹ Population figures from the U.S. Census Bureau (Estimate as of July 1, 2019)

Real Estate Tax Bill History¹

Calendar Year	Tax Rate	Equalized Tax Rate	Example AV ²	Annual Tax Bill Based on Example AV ²	Change (\$)	Change (%)
2004	\$0.86	\$0.86	\$150,000	\$1,290		
2005	0.89		150,000	1,335	\$45	6.0%
2006	0.62	0.62	229,350	1,422	87	6.5%
2007	0.62		229,350	1,422	0	0.0%
2008	0.62	0.56	256,367	1,589	167	11.8%
2009	0.62		256,367	1,589	0	0.0%
2010	0.86	0.83	185,200	1,593	4	0.2%
2011	0.86		185,200	1,593	0	0.0%
2012	0.88	0.90	182,070	1,602	9	0.6%
2013	0.88		182,070	1,602	0	0.0%
2014	0.86	0.863	192,794	1,658	56	3.5%
2015	0.86		192,794	1,658	0	0.0%
2016	0.85	0.8313	207,234	1,761	103	6.2%
2017	0.85		207,234	1,761	0	0.0%
2018	0.8330	0.8164	224,186	1,867	106	6.0%
2019	0.8474		224,186	1,900	33	1.7%
2020	0.8094	0.8100	246,223	1,993	93	4.9%
					\$703	

¹ This analysis is based upon an *example* 2004 assessed value and shows that a house valued at \$150,000 in 2004 would be valued at approximately \$246,201 in 2020 when the average change in residential value is applied. At the \$0.8094 rate adopted for 2020, the real estate taxes on this *example* residential property would have increased by \$703 since 2004 – an average annual increase of \$44 or 2.8%.

² AV = assessed value

Principal Property Taxpayers

As of December 31, 2019

Name	Type of Business	Assessed Value ¹	Amount of Tax	Percent of Total Taxable Value
Spotsylvania Mall Company	Shopping Mall	\$185,226,440	\$1,585,989	1.12%
Dominion Virginia Power	Public Utility	175,586,841	1,487,923	1.06%
Lidl US Operations	Grocery Distribution	111,029,982	1,431,309	0.67%
Spotsylvania Regional Medical Center	Hospital	79,570,766	990,471	0.48%
Rappahannock Electric	Public Utility	78,404,020	696,816	0.47%
Comcast	Public Utility	8,908,895	530,437	0.05%
Columbia Gas of VA	Public Utility	50,525,086	428,150	0.31%
CVS VA Distribution	Distribution	6,232,129	370,812	0.04%
Verizon VA	Public Utility	40,582,922	357,804	0.25%
Walton Virginia, LLC	Developer	37,986,600	321,898	0.23%

Source: Treasurer, Spotsylvania County, Virginia

¹ Includes real and personal property taxes. This schedule is arranged from highest to lowest by amount of tax paid. Due to varying rates for real and personal property, assessed values may appear to be out of order.



Strategic Planning

In June 2018, the Board approved new strategic plan guidance. While the County's mission remains unchanged, our vision, values, and long-term strategic goals have been updated. The poster below is displayed in County offices to serve as employees' daily reminder of the County's vision, mission, and values.



Spotsylvania County Strategic Plan 2018 – 2038

Our Vision

We will set the standard for Virginia counties. Through mutual cooperation, we are committed to enhancing quality of life through innovation, collaboration and creativity. We will exercise effective stewardship to create and sustain an educated, vibrant, dynamic community in a secure and healthy environment.

Our Values

- Accountability
- Integrity
- Service
- Transparency

Our Mission is to ensure the delivery of quality government services that are customer-focused, promote a safe, healthy, and prosperous community, and reflect excellence in financial stewardship.

Our Long-Term Strategic Goals

We will build on the diversity and strengths of our staff, citizens, businesses, government, and quality education so that all may enjoy economic opportunity, safe neighborhoods, quality services, and plentiful green spaces in Spotsylvania County, now and into the future.

Quality Government. Our strength is in a well-trained and professional staff. We will encourage collaborative enhancements to programs and policies through innovation and creativity, acknowledge the contributions from all participants, and insist on integrity, ethical behavior and respect for diversity. We will allocate resources to ensure effective and efficient delivery of high quality services, allocating our limited resources among competing high priorities. We will ensure our county government's capacity to provide high quality service that achieves community priorities.

Public Safety. We will ensure continuing trust and confidence in the safety of our community by providing the flexibility for leaders to adjust to changing threats. Our public safety forces will be trained, equipped and deployed to help citizens, preserving life and property through prompt and skillful all-hazard emergency response, incident prevention, education, and community engagement.

Infrastructure Investment. We will prioritize, plan and invest in critical infrastructure that responds to past and future changes and improves our capacity to serve community needs.

Growth Management. We will attend to and further our rural quality of life through a clear vision of the Spotsylvania of tomorrow, providing a balance between commercial and residential development that also recognizes the dynamic relationship between revenue and expenses as our community grow, and fostering an environment that honors our heritage while enhancing our future through the well-being of our people and the quality of our services.

Environmental Stewardship. We will thoughtfully protect and manage Spotsylvania County's ecosystems and natural resources in both our rural and our developed areas to safeguard the quality of life of current and future generations.

Educational Opportunity. We will foster a rich, lifelong learning environment to increase educational opportunities and workforce readiness to meet evolving market demands.

Economic Prosperity. We will foster a community environment that stimulates diversified job creation, capital investments, and tax revenues that support our community goals.

The following table summarizes and organizes by strategic plan goal the adjustments made to the FY 2020 Adopted Budget to arrive at the FY 2021 Adopted Budget for the General Fund. As a result of significant changes made to the Adopted Budget in response to the declining economic conditions anticipated during the COVID-19 public health emergency, this table shows a net change of only \$1.7 million year over year. The FY 2021 Recommended Budget included strategic investments that would have netted an increase of \$17.2 million year over year.

FY 2020 Adopted General Fund Budget	\$290,382,132
Addressing the Commitment to Quality Government	
• Fund DSS programs and CSA mandated programs	\$2,039,043
• Base compensation adjustments – other than public safety	384,660
• Fund departmental operations to maintain existing levels of service	<u>43,063</u>
Subtotal – Quality Government	\$2,466,766
Addressing the Commitment to Public Safety	
• Public safety base scale compensation implementation	\$6,147,822
• Next Generation 911 (NG911) communications transition (grant funded)	175,957
• Proportionate share of regional Jail/Juvenile Detention Center budgets	(79,326)
• Other public safety adjustments	<u>(313,182)</u>
Subtotal – Public Safety	\$5,931,271
Addressing the Commitment to Infrastructure Investment	
• Avoid new debt through the use of cash for capital projects resulting in net decrease in budgeted debt service	(\$506,410)
• Remove base transfer to Transportation Fund	(700,000)
• Reduce transfer to capital to meet policy-level minimum	(1,396,189)
• Remove one-time FY 2020 transfer to capital	<u>(4,200,000)</u>
Subtotal – Infrastructure Investment	(\$6,802,599)
Addressing the Commitment to Educational Opportunities	
• Increase transfer to Schools	\$200,000
• Decrease proportionate share of regional Library budget	<u>(318,519)</u>
Subtotal – Educational Opportunities	(\$118,519)
Addressing the Commitment to Economic Prosperity	
• Increase in transfer to the Economic Development Authority Fund for previously approved incentives for capital investment and/or job creation	<u>\$179,000</u>
Subtotal – Economic Prosperity	\$179,000
FY 2021 Adopted General Fund Budget	\$292,038,051

FY 2021 Adopted Budget - All Funds

	FY 2019 Actual	FY 2020 Adopted	FY 2020 Amended	FY 2021 Adopted	Variance (adopt to adopt) Amount Percent	
Revenues (by type)						
Property Taxes	\$177,638,995	\$187,048,147	\$187,048,147	\$189,693,714	\$2,645,567	1.4%
Other Local Taxes	\$44,897,092	\$44,303,635	\$44,303,635	\$41,750,000	(\$2,553,635)	(5.8%)
Licenses & Permits	\$383,400	\$149,516	\$149,516	\$216,200	\$66,684	44.6%
Charges for Services	\$47,543,373	\$44,913,487	\$44,913,487	\$45,503,323	\$589,836	1.3%
Other Local Revenue	\$34,867,843	\$34,812,193	\$39,296,852	\$43,969,397	\$9,157,204	26.3%
Debt Proceeds	\$38,697,968	\$28,904,696	\$51,421,081	\$13,500,916	(\$15,403,780)	(53.3%)
State Revenue	\$185,117,133	\$191,259,746	\$191,345,027	\$197,345,998	\$6,086,252	3.2%
Federal Revenue	<u>\$18,071,781</u>	<u>\$18,649,287</u>	<u>\$20,431,917</u>	<u>\$18,694,404</u>	<u>\$45,117</u>	0.2%
Subtotal - Revenue	\$547,217,585	\$550,040,707	\$578,909,662	\$550,673,952	\$633,245	0.1%
Transfers In	\$144,769,947	\$151,961,960	\$156,152,270	\$145,751,530	(\$6,210,430)	(4.1%)
Use of Fund Balance	<u>(\$2,738,478)</u>	<u>\$5,858,660</u>	<u>\$92,671,144</u>	<u>\$17,634,533</u>	<u>\$11,775,873</u>	201.0%
TOTAL REVENUE - All Funds	\$689,249,054	\$707,861,327	\$827,733,076	\$714,060,015	\$6,198,688	0.9%
Expenditures (by function)						
Executive Services	\$4,419,335	\$6,507,000	\$6,524,339	\$4,684,781	(\$1,822,219)	(28.0%)
Administrative Services	\$12,689,418	\$15,046,900	\$15,985,890	\$15,485,472	\$438,572	2.9%
Voter Services	\$465,864	\$539,132	\$517,335	\$544,501	\$5,369	1.0%
Judicial Administration	\$4,335,138	\$4,493,368	\$4,739,327	\$4,737,856	\$244,488	5.4%
Public Safety	\$59,392,079	\$61,811,847	\$69,046,860	\$68,757,859	\$6,946,012	11.2%
Public Works	\$28,964,618	\$30,861,007	\$30,954,414	\$30,759,100	(\$101,907)	(0.3%)
Health & Human Services	\$25,170,303	\$25,002,415	\$25,160,340	\$27,729,812	\$2,727,397	10.9%
Parks, Recreation & Cultural	\$8,007,412	\$8,031,794	\$8,042,445	\$7,809,378	(\$222,416)	(2.8%)
Community Development	\$5,702,701	\$6,129,889	\$7,765,558	\$6,539,857	\$409,968	6.7%
Debt Service	\$49,688,006	\$55,480,467	\$54,511,991	\$56,447,830	\$967,363	1.7%
Capital Projects	\$78,591,835	\$56,503,971	\$159,168,230	\$56,238,647	(\$265,324)	(0.5%)
Transportation	\$2,497,319	\$2,883,119	\$2,883,119	\$3,116,240	\$233,121	8.1%
Education	\$252,998,565	\$268,980,968	\$272,653,469	\$271,920,482	\$2,939,514	1.1%
School Food Service	<u>\$10,265,546</u>	<u>\$12,341,528</u>	<u>\$12,341,528</u>	<u>\$12,251,952</u>	<u>(\$89,576)</u>	(0.7%)
Subtotal - Appropriated Expenditures	\$543,188,139	\$554,613,405	\$670,294,845	\$567,023,767	\$12,410,362	2.2%
Tax Relief	<u>\$1,290,968</u>	<u>\$1,285,962</u>	<u>\$1,285,962</u>	<u>\$1,284,718</u>	<u>(\$1,244)</u>	(0.1%)
Subtotal - Adopted Budget	\$544,479,107	\$555,899,367	\$671,580,807	\$568,308,485	\$12,409,118	2.2%
Transfers Out	<u>\$144,769,947</u>	<u>\$151,961,960</u>	<u>\$156,152,269</u>	<u>\$145,751,530</u>	<u>(\$6,210,430)</u>	(4.1%)
TOTAL EXPENDITURES - All Funds	\$689,249,054	\$707,861,327	\$827,733,076	\$714,060,015	\$6,198,688	0.9%
Appropriated Expenditures (by category)						
Personnel (salaries & benefits)		\$334,840,717	\$341,026,020	\$341,981,397	\$7,140,680	2.1%
Operating (other than debt service)		\$107,996,037	\$116,381,201	\$112,053,874	\$4,057,837	3.8%
Debt Service		\$55,480,467	\$54,511,991	\$56,447,830	\$967,363	1.7%
Capital		<u>\$56,296,184</u>	<u>\$158,375,633</u>	<u>\$56,540,666</u>	<u>\$244,482</u>	0.4%
TOTAL APPROPRIATED EXPENDITURES - All Funds		\$554,613,405	\$670,294,845	\$567,023,767	\$12,410,362	2.2%

