



FY 2016 Budget Work Session Tax Rate Advertisement



March 10, 2015

Budget Public Hearing

Code of Virginia (section 15.2-2506) requires Counties to:

- Hold a public hearing prior to budget adoption
- Advertise a brief synopsis of the budget, at least seven days prior to the public hearing

Spotsylvania FY 2016 Budget Public Hearing

March 26, 2015 @ 6:30 pm

Courtland High School Auditorium



Tax Rate Public Hearing

When a County proposes an increase in the tax levy, the Code of Virginia (section 58.1-3007) requires Counties to:

- Advertise proposed increase at least seven days prior to increasing levy
- Provide the public with an opportunity to address the Board about the proposed tax increases

Spotsylvania FY 2016 Budget Public Hearing

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Real Property Tax rate

- Assessment Office re-assesses real property every two years to ensure all parcels are valued consistently at fair market value. CY 2015 is not a reassessment year.
- Overall assessed value ÷ \$100 x Tax Rate = RE revenue
 - Less relief/deferrals & uncollected taxes
- Tax rates are set on a Calendar Year (CY) basis
- FY 2016 Budget – July 1, 2015 thru June 30, 2016
 - Includes two tax dates in two different CY's (12/2015 & 6/2016)
- Current RE rate tax = \$0.86 (CY 2014)
- FY 2016 Recommended budget - CY 2015 RE rate = \$0.86



Personal Property Tax Rate – Boats and Boat Trailers

Personal Property Type	2014 Tax Rates	2015 Tax Rates
Automobiles, campers, motor homes, motorcycles, pickups and trucks	\$6.78	\$6.78
Boat and boat trailers	\$6.78	\$6.25

- Louisa Boat/Boat Trailer property tax lower than Spotsylvania
- Boat owners choosing Louisa marinas could reduce revenues generated in Spotsylvania (sales, meals, fuel taxes, etc.)



Personal Property Tax Rate – Boats and Boat Trailers

- Louisa and Spotsylvania use different methods of property valuation
 - Louisa – 100% wholesale high value ABOS Marine & Boat blue book
 - Spotsylvania – declining percentage purchase prices (from 20% to 50%)
- Using a small sample of properties, rate would need to be \$3.13 to equal tax impact of Louisa
 - Loss of revenue - \$700,000



Personal Property Tax Rate – Boats and Boat Trailers

Personal Property Type	2014 Tax Rates	2015 Tax Rates
Automobiles, campers, motor homes, motorcycles, pickups and trucks	\$6.78	\$6.78
Boat and boat trailers	\$6.78	\$6.25

- Recommended Budget assumes Boat & Boat Trailer property tax rate reduced to \$6.25
- Loss of revenue - \$100,000 (\$50K in FY 2015)



Why are revenues and expenditures revised after budget is presented?

Fall 2014 – Budget process begins

November/December – Revenue and expenditure estimates developed

December 19th – Final decisions on County Administrator's Recommended Budget

February 10th – County Administrator's Recommended Budget presented to the BOS

February – Begin development of mid-year financial report

January/February/March/April

- On-going review of revenues and expenditures
- Revenue and expenditure updates to BOS during budget work sessions



Known Budget Adjustments

Item	Amount
Revenue Adjustments:	
Add'l Refuse Disposal Revenue	\$400,000
Add'l Sales Tax	399,801
Add'l Meals Tax	201,921
Add'l Rev. Fire/EMS Recovery fees-TR to GF	248,000
Racetrack – meals, sales, transient occ.	110,900
Reserve 60% of T.O. for tourism (exp.)	(10,140)
Grant- E911 Portable telephone system	Net \$0
Misc. Revenue Adjustments	95,000
Subtotal - Net New Revenue	\$1,445,482



Known Budget Adjustments

Item	Amount
Subtotal - Net new GF \$ Available	\$1,445,482
Expenditure Adjustments:	
Adjust vacancies to blended H.I. coverage	(100,000)
Add'l proffers used to reduce borrowing (debt service savings)	(53,455)
Increase contingency to true 0.5%	36,792
Juvenile Detention contribution	22,023
Subtotal - Net New Expenditures	(\$94,640)
Net new GF \$ Available (before State adj.)	\$1,540,122



State Budget Adjustments

Item	Amount
Net new GF \$ Available (before State adj.)	\$1,540,122
State Adjustments:	
Remove Reversion Accounts	\$224,329
Comp Board Revenue	268,216
Constitutional Officers Agreements	(14,097)
Swap cash for debt on CAD to allow \$313,905 cash to fund voting machines	(51,122)
Social Service Revenue	11,168
Subtotal – State Adjustments	\$438,494
Net new GF \$ Available (including State)	\$1,978,616



Considerations – Unfunded Requests

Items of concern (magnitude known):

Item	Amount
Implement on-going pay for performance merit - each 1% annual increase	\$550,000
Co 11 Staff – 12 vs. 15 FF/Medics	\$95,000
Schools	
Local transfer at FY 2015 level	\$615,000
Additional local transfer funding	\$1,300,000
Schools providing 3% annual increase to staff plus 54 new positions	



Considerations – Unknown

Items of concern (magnitude unknown):

Item	Amount
Rapp Regional Jail – Impact of losing ICE inmates	
Health insurance rates	
Public Safety salary study	
Total	\$

- One penny on RE tax rate = ~\$1.2 million
- One penny on PP tax rate = ~\$60,000



Decision?

	2014 Tax Rates	2015 Tax Rates
Real Estate	\$0.86	\$0.86
Personal Property – <i>Automobiles, campers, motor homes, motorcycles, pickups, and trucks</i>	\$6.78	\$6.78
<i>Personal Property – Boats and boat trailers</i>	\$6.78	\$6.25
Business Furniture & Fixtures	\$5.95	\$5.95
Mobile Homes	\$0.86	\$0.86
Machinery & Tools	\$2.50	\$2.50
Heavy Duty Equipment	\$2.00	\$2.00
Lee Hill East SSD Special Tax	\$0.25	\$0.25
Lee Hill West SSD Special Tax	\$0.75	\$0.75
Massaponax SSD Special Tax	\$0.12	\$0.12
Harrison Crossing SSD Special Tax	\$0.25	\$0.25