

Recommended Budget

Spotsylvania County



County Administrator's
Budget Updates & Authorization for Certain Tax Hearings
March 23, 2021

FY
2022

Recommended Budget

Budget Updates -

General Fund Budget	Adjustment
<i>Revenue:</i>	
Updates from March 9 work session	\$1,017,115
Update from Compensation Board	86,960
Total GF revenue adjustments	\$1,104,075
<i>Expenditures:</i>	
Updates from March 9 work session	\$1,805,818
Total GF expenditures adjustments	\$1,805,818
Total General Fund available – 3/23/21	(\$701,743)

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Budget Updates -

General Fund Budget	Revenue	Expenditures
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State Budget -

5% increase effective 7/1/2021 for State-supported local EEs	\$86,960	None beyond Rec. Bgt.
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Joint Fleet Fund Budget	Revenue	Expenditures
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Transition of remaining PW/Utilities vehicles	\$120,000	\$120,000
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Budget Updates -

Transportation Fund Budget	Adjustment
<i>VRE Budget -</i>	
<u>Potential</u> for federal funding to offset FY 2022 & FY 2023 VRE subsidies	\$1.5M/year

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Budget Updates -

Schools' gap – March 9, 2021	\$7.1M
Revisions – March 22, 2021 School Board mtg.	<u>(5.0M)</u>
Schools' gap – March 23, 2021	\$2.1M

School Board's Budget includes -

- \$1.6M in base budget reductions
- \$4.7M elimination of Schools' internal "holdback"
- 7.0 counselor positions; 5 for SOQ compliance & 2 supplemental
- 5.0 teachers for SOQ compliance
- 1.0 ESOL teachers for SOQ compliance
- 6% across-the-board pay adjustments

Gap assumes –

- Either move to HealthKeepers HMO and use of \$1.4M health insurance reserve
- Or use of \$4.0M health insurance reserve

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Authorization for Public Hearings -

Potential Ordinance Changes

Meals Tax -

Recommendation to increase rate from 4% to 5.5%

Expected to generate \$2.55M in additional revenue

Tax is charged to meal purchaser and is held in trust by vendor until tax due to County

Purchaser of typical \$10 lunch would pay 15¢ more per lunch

Vote able to occur any time after the hearing. Staff recommends action on April 13, 2021 with effective date of July 1, 2021.

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Authorization for Public Hearings -

Potential Ordinance Changes

Transient Occupancy Tax -

Recommendation to increase rate from 5% to 7%

Expected to generate \$590K in additional revenue

Tax is paid by patrons, not by the owner (i.e. hotel) and is held in trust by owner until tax due to County

Would add \$1.64/night to average cost of hotel room

Code authority begins May 1, 2021. Vote able to occur any time after the hearing. Staff recommends action on April 13, 2021 with effective date of July 1, 2021.

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Authorization for Public Hearings -

Potential New Ordinance

Cigarette Tax -

Recommendation to implement tax at \$0.30/pack

Expected to generate \$310K in new revenue

Fredericksburg has a \$0.31/pack tax; Stafford is proposing a \$0.30/pack tax

Code authority begins July 1, 2021. Staff researching and considering timing of public hearing and effective date.

If implemented, recommend administration by NVCTB.
Letter of intent to join *if* cigarette tax is implemented.

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Date	Next Steps
March 30	Public hearings on Budget, CIP, Tax Rates @ Courtland H.S.
April 6	Budget work session
April 8	Budget work session – Earliest date for legal adoption of the budget based on the March 30 th Public Hearing. General approval of CIP needed.
April 13	Budget work session – Adopt FY 2022 Budget, FY 2022 – FY 2026 CIP, and 2021 tax rates