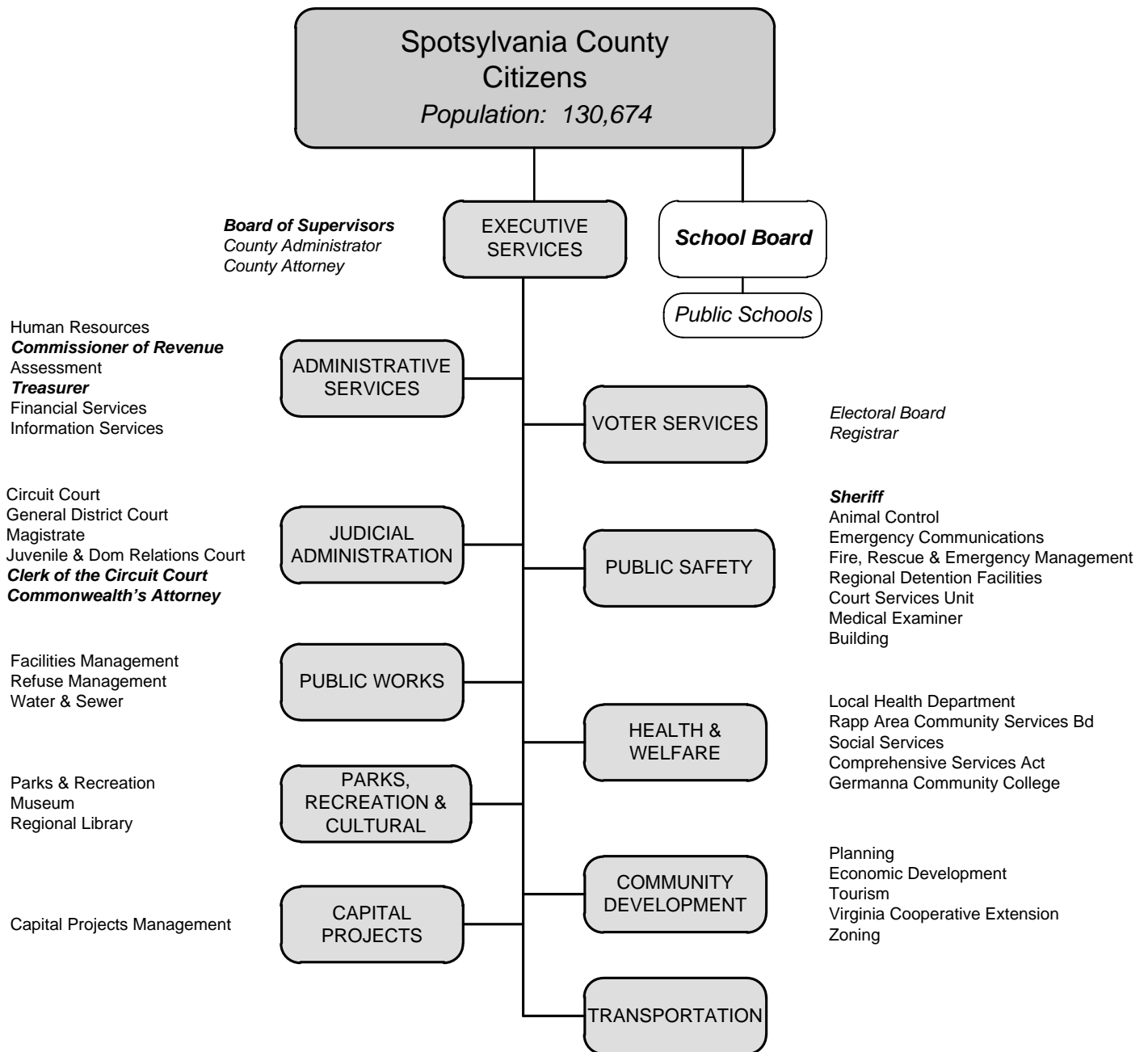


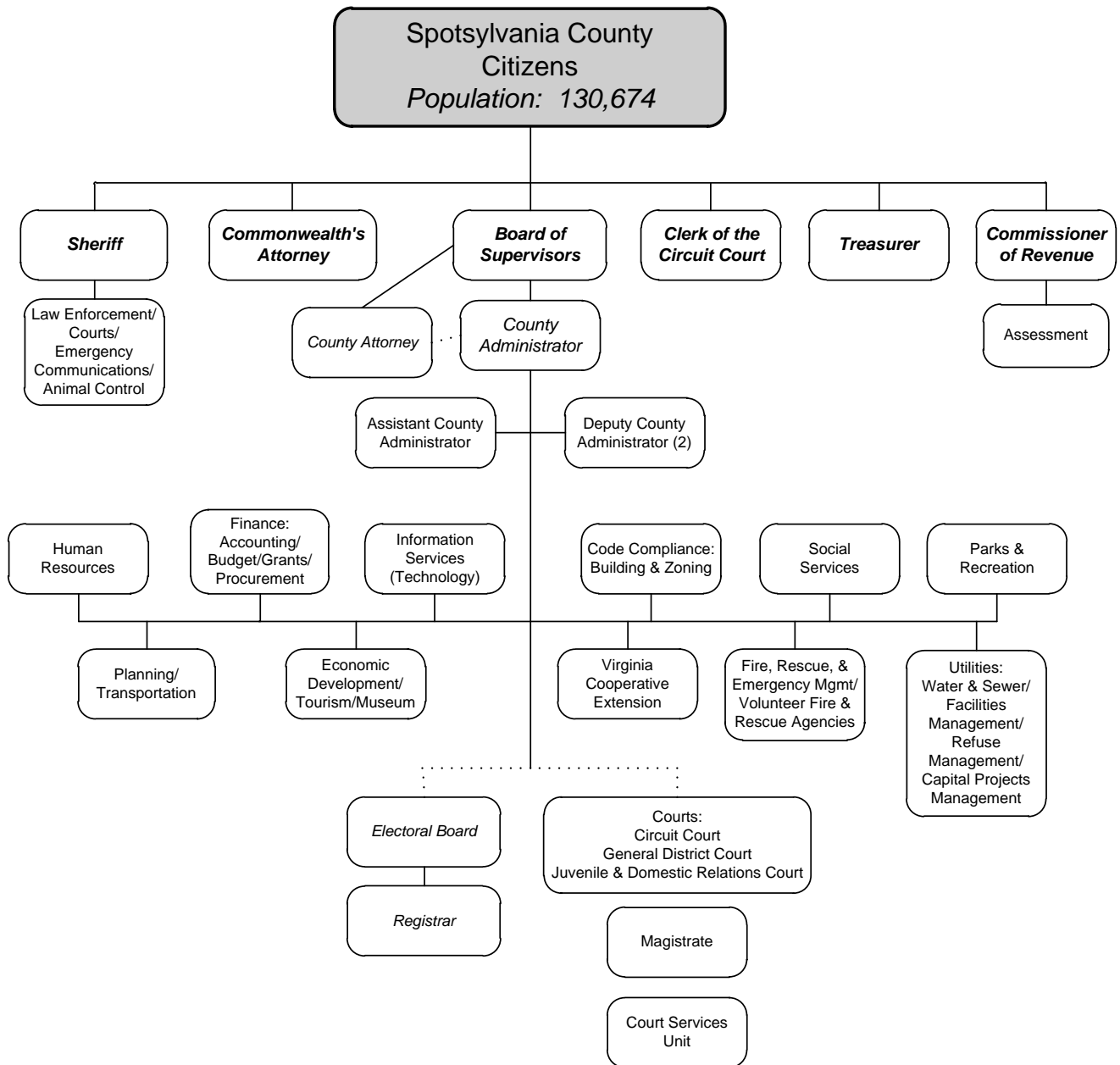
# County Organization by Function



## LEGEND

**Elected Official/Constitutional Officer**  
*Appointed Official*

# County Organization by Departments



## LEGEND

**Elected Official/Constitutional Officer**

*Appointed Official*

..... Does not report directly to County Administration

# Fund Structure & Basis of Budgeting

The County’s financial operations are accounted for by funds. A fund is a separate and self-balancing accounting unit with its own specific revenues and expenditures. Included in the budget are governmental and proprietary funds. Governmental funds are the funds through which most governmental functions are typically paid. Proprietary funds are used to account for business-type, self-supporting activities where the costs of providing goods and services are recovered primarily through user fees or other charges for services. The separate funds used by the County include:

Fund Type	Fund	Description
<b>Governmental</b>	<b>General Fund</b>	Used to account for general operating expenditures and revenues.
	<b>Capital Projects Fund</b>	Used to account for major general capital expenditures that extend beyond a single fiscal year and related financing sources.
	<b>Economic Development Opportunities Fund</b>	Used to account for expenditures and revenues related to the County’s Economic Development Authority and to provide incentive loans for start-up or expansion to businesses or corporations meeting specific criteria.
	<b>Fire/EMS Service Fee Fund</b>	Used to account for revenues provided by the third party billing program.
	<b>Code Compliance Fund</b>	Used to account for revenues and expenditures related to the enforcement of Federal, State and local laws related to Building, Zoning and Environmental Engineering.
	<b>Transportation Fund</b>	Used to account for revenues and expenditures related to transportation.
	<b>School Operating Fund</b>	Used to account for school operating and debt service expenditures and revenues.
	<b>School Food Service Fund</b>	Used to account for school food service including both breakfast and lunch programs.
	<b>School Capital Projects Fund</b>	Used to account for all school capital expenditures that extend beyond a single fiscal year and related financing sources.

Fund Type	Fund	Description
Proprietary	Joint Fleet Maintenance Fund	Used to account for revenues and expenditures related to maintenance of County and School fleets.
	Utilities Operating Fund	Used to account for operations of the public water and sewer system financed through user charges and other system revenues.
	Utilities Capital Projects Fund	Used to account for infrastructure improvements and expansions to the water and sewer system and related financing sources.

**Basis of Accounting**

The County’s accounting records are maintained on a modified accrual basis for the General Fund, Special Revenue Funds<sup>1</sup> and Capital Improvement Funds<sup>2</sup>. Under the modified accrual basis of accounting, revenues are recognized when they are measurable and available. Revenues from intergovernmental reimbursement grants are recorded when earned. Other revenues are considered to be available when they are collectible within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal year. For this purpose, the County considers general property tax and other intergovernmental revenues to be available if they are collected within 45 days of the end of the current fiscal year, and are due on or before the last day of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments are recorded only when payment is due.

**Basis of Budgeting**

In most cases, the County’s budget follows the same basis of accounting used in preparing the County’s Comprehensive Annual Financial Report (CAFR), which is prepared in accordance with generally accepted accounting principles (GAAP). Several exceptions should be noted. The Budget document does not include the following funds listed as fiduciary funds in the CAFR: the Special Welfare Fund, the Contribution Fund, and the School OPEB Trust Fund. Fiduciary funds are used to account for resources received and held in a fiduciary capacity for the benefit of individuals, private organizations, or other governments. In addition, budgets for the proprietary funds are adopted in accordance with GAAP with the exception that the budget recognizes the flow of funds (i.e. payment of debt principal is budgeted and depreciation is not budgeted).

<sup>1</sup> Special Revenue Funds include the School Operating Fund, School Food Service Fund, Fire/EMS Service Fee Fund, Economic Development Opportunities Fund, Code Compliance Fund, and Transportation Fund.

<sup>2</sup> Capital Improvements Funds include the Capital Projects Fund, Utilities Capital Projects Fund and the School Capital Projects Fund.

# Funds, Functions & Departments

Within each fund, the expenditures and revenues are accounted for by function and department. A list detailing the relationship between each fund, function and department follows.

Fund Type	Fund/Function/Department(☞)	Annual Appropriations <i>(Budget lapses at end of year)</i>	Annual Appropriations <i>(Budget does not lapse at end of year)</i>	Funds with No Appropriations
<b>Governmental</b>	<b>General Fund:</b>	✓		
	<b>Executive Services</b>			
	☞ Board of Supervisors	\$381,514		
	☞ County Administration	960,191		
	☞ County Attorney	1,070,133		
	☞ Non-Departmental	2,200,676		
	<b>Administrative Services</b>			
	☞ Human Resources	705,449		
	☞ Commissioner of the Revenue	1,377,642		
	☞ Assessment	975,002		
	☞ Treasurer	1,700,903		
	☞ Financial Services	2,255,222		
	☞ Information Services	5,567,656		
	<b>Voter Services</b>			
	☞ Electoral Board/Registrar	343,597		
	<b>Judicial Administration</b>			
	☞ Circuit Court	224,540		
	☞ General District Court	31,880		
	☞ Magistrates	6,991		
	☞ Juvenile Court	44,603		
	☞ Clerk of the Circuit Court	1,585,596		
	☞ Commonwealth's Attorney	2,138,756		
	<b>Public Safety</b>			
	☞ Sheriff	21,745,611		
	☞ Fire/Rescue/Emergency Mgmt.	19,993,104		
	☞ Regional Detention Facilities	5,837,844		
	☞ Court Services Unit	335,963		
	☞ Medical Examiner	500		
<b>Public Works</b>				
☞ Facilities Management (Bldg & Grounds)	4,816,023			
☞ Refuse Management	4,696,351			

Fund Type	Fund/Function/Department(☞)	Annual Appropriations (Budget lapses at end of year)	Annual Appropriations (Budget does not lapse at end of year)	Funds with No Appropriations	
<b>Governmental</b> (continued)	<b>Health &amp; Welfare</b>				
	☞ Local Health Department	\$647,569			
	☞ Rapp Area Comm. Svcs. Bd.	320,368			
	☞ Social Services	9,585,643			
	☞ Comprehensive Services Act	8,152,802			
	☞ Community Colleges	229,582			
	<b>Parks, Recreation &amp; Cultural</b>				
	☞ Parks & Recreation	2,893,236			
	☞ County Museum	62,504			
	☞ Regional Library	4,004,736			
	<b>Community Development</b>				
	☞ Planning	957,939			
	☞ Economic Development	743,814			
	☞ Tourism	520,007			
	☞ Extension Agents	170,384			
	<b>Debt Service</b>		9,533,185		
		<b>GENERAL FUND TOTAL</b>	<b>\$116,817,516</b>		
		<b>Capital Projects Fund:</b>	✓	✓	
		<b>Capital Projects</b>			
		☞ Capital Projects Management	\$327,615		
		☞ Capital Projects		\$11,345,363	
		<b>CAPITAL PROJECTS FUND TOTAL</b>	<b>\$327,615</b>	<b>\$11,345,363</b>	
		<b>Economic Development Opp. Fund:</b>	✓		
		<b>Community Development</b>	\$575,338		
		<b>EDO FUND TOTAL</b>	<b>\$575,338</b>		
		<b>Fire-EMS Fee Fund:</b>			✓
		<b>Public Safety</b>			\$0
		<b>FIRE-EMS FEE FUND TOTAL</b>			<b>\$0</b>
	<b>Code Compliance Fund:</b>	✓			
	<b>Community Development</b>				
	☞ Zoning	\$1,660,072			
	<b>Public Safety</b>				
	☞ Building	1,949,036			
	<b>CODE COMPLIANCE FUND TOTAL</b>	<b>\$3,609,108</b>			

Fund Type	Fund/Function/ Department(☞)	Annual Appropriations (Budget lapses at end of year)	Annual Appropriations (Budget does not lapse at end of year)	Funds with No Appropriations
Governmental (continued)	<b>Transportation Fund:</b>	✓		
	Transportation	\$8,245,616		
	<b>TRANSPORTATION FUND TOTAL</b>	<b>\$8,245,616</b>		
	<b>School Operating Fund:</b>	✓		
	Education	\$257,986,538		
	<b>SCHOOL OPERATING FUND TOTAL</b>	<b>\$257,986,538</b>		
	<b>School Food Service Fund:</b>	✓		
	Food Service	\$9,271,699		
	<b>SCHOOL FOOD SERVICE FUND TOTAL</b>	<b>\$9,271,699</b>		
	<b>School Capital Projects Fund:</b>		✓	
	Capital Projects		\$18,629,525	
	<b>SCHOOL CAP. PROJECTS FUND TOTAL</b>		<b>\$18,629,525</b>	
	Proprietary	<b>Joint Fleet Maintenance Fund*:</b>	✓	
Transportation		\$2,584,155		
<b>JOINT FLEET MAINT. FUND TOTAL</b>		<b>\$2,584,155</b>		
<b>Utilities Operating Fund:</b>		✓		
Public Works				
☞ Water & Sewer		\$31,450,120		
<b>UTILITIES OPERATING FUND TOTAL</b>		<b>\$31,450,120</b>		
<b>Utilities Capital Projects Fund:</b>			✓	
Public Works				
☞ Capital Projects			\$8,712,500	
<b>UTILITIES CAP. PROJ. FUND TOTAL</b>		<b>\$8,712,500</b>		
<b>APPROPRIATION TOTAL – ALL FUNDS*</b>		<b>\$469,555,093</b>		

\*Appropriation total includes the Joint Fleet Maintenance Fund, whereas the budget totals for all funds on pages 27, 49, 75 and 79 exclude the Joint Fleet Maintenance Fund. The Joint Fleet Maintenance Fund figures are excluded from the total budget calculation so as not to double-count the revenues and expenditures associated with fleet maintenance since this fund charges other funds for costs, and the expenditures show in the funds being charged. Also, excludes \$955,181 in tax relief expenditures which generally are not appropriated, but which were inadvertently included in the FY 2016 Appropriation Resolution adopted by the Board and included in the Appendix on page 389.





# Fiscal Policy Guidelines

---

As recommended by the Government Finance Officers Association (GFOA), Spotsylvania County has adopted the following Fiscal Policy Guidelines to assist the Board of Supervisors in maintaining fiscal stability and accountability in the use of its resources to provide services to citizens.

## **I. FINANCIAL PLANNING POLICIES**

### **A. BALANCED BUDGET –**

1. The County will annually adopt a balanced budget wherein planned revenues equal planned expenditures for the fiscal year.
2. The budget is a plan for raising and allocating resources. The objective is to enable service delivery with allocated resources. Services must be delivered to the citizens at a level which will meet real needs as efficiently and effectively as possible. The budget must be structured so that the Board and the general public can readily establish the relationship between revenues, expenditures and the achievement of service objectives.
3. Budgetary review by the Board of Supervisors will focus on the following basic concepts:
  - a. staff economy
  - b. capital construction
  - c. program expansions
  - d. new programs
  - e. existing service costs
  - f. administrative costs
4. The individual agency budget submissions must be prepared with the basic assumption that the Board will always attempt not to substantially increase the local tax burden.
5. It is important that a positive undesignated fund balance and positive cash balance be shown in all governmental funds at the end of each fiscal year.
6. When deficits appear to be forthcoming within a fiscal year, spending during the fiscal year must be reduced sufficiently to create a positive undesignated fund balance and a positive cash balance.
7. The County will maintain a budgetary control system to help it adhere to the budget.
8. The County will avoid tax anticipation borrowing and maintain adequate fund balances.
9. The budget will provide for adequate funding of all retirement systems.

**B. LONG-RANGE PLANNING**

**1. Multi-Year Forecasts**

- a. The County will annually update and present to the Board of Supervisors a multi-year (at least three years) financial plan. The County recognizes the multiple benefits of long range forecasting including:
  - 1. early identification of potential fiscal constraints related to revenue and expenditure trends.
  - 2. incorporating the impact of capital projects on the operating budget, and
  - 3. highlighting the need for future board actions to balance the budget given the previous two items.
- b. At a minimum, this annual update will provide revenue and expenditure projections including the operating budget impacts of all planned capital expenditures.

**2. Capital Improvement Budget Policies**

- a. The County will make all capital improvements in accordance with an adopted five-year capital improvement program and update it annually.
- b. The County will enact an annual capital budget based on the five-year capital improvement plan. Future capital expenditures necessitated by changes in population, changes in real estate development or changes in economic base will be calculated and included in capital budget projections.
- c. The County will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.
- d. The County will use intergovernmental assistance to finance only those capital improvements that are consistent with the capital improvement plan and County priorities, and whose operating and maintenance costs have been included in operating budget forecasts.
- e. The County will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted for approval.
- f. The County will attempt to determine the least costly financing method for all new projects.

**3. Investment Policies** - Listed below are the objectives from the Statement of Investment Policies adopted by the Board of Supervisors on December 13, 2011.

- a. All investments shall be in compliance with the Code of Virginia Sections §2.2-4400 et seq. and §2.2-4500 et seq.
- b. The cash management and investment activities of the County shall be conducted in a manner which is consistent with prevailing prudent business practices which may be applied by other public organizations of similar size and financial resources.
- c. The Investment Portfolio will be managed to accomplish the following fundamental goals:

- i. Safety of Principal - The single most important objective of the investment program is the preservation of principal of those funds within the Investment Portfolio.
- ii. Maintenance of Liquidity - The Investment Portfolio will be managed at all times with sufficient liquidity to meet all daily and seasonal needs, as well as to fund special projects and other operational requirements which are either known or which might reasonably be anticipated.
- iii. Maximizing Return - The Investment Portfolio shall be managed to maximize the return on investments within the context and parameters set forth by the safety and liquidity objectives above.

The County Treasurer is responsible for all County investments. The complete detailed investment policy is available on the County Website at [www.spotsylvania.va.us/content/2614/147/2744/221/default.aspx](http://www.spotsylvania.va.us/content/2614/147/2744/221/default.aspx)

#### **4. Other Post Employment Benefits (OPEB) Funding Policy**

- a. In July 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45, establishing standards for financial reporting of governmental liabilities related to non-pension post-employment benefits, also known as Other Post Employment Benefits (OPEB). Though OPEB will not be received by the employee until he or she retires from employment, these future benefits are being earned today, and, as such, are a cost of providing public services today. GASB Statement 45 requires governments to measure the annual costs of OPEB through an actuarial-calculated Annual Required Contribution (ARC), systematically and rationally allocating the present value of the projected cost of benefits over the working life of benefiting employees.
- b. Funding for OPEB liabilities will be budgeted and reserved as funds are available within the associated operating budgets. The County will attempt to fund its OPEB liabilities for the smaller funds (Code Compliance, Capital Projects, Transportation and Utilities) as soon as practical. Phased-in funding of the General Fund liability will begin as soon as local economic conditions allow, with contributions increasing incrementally each year until the annual contribution equals 100 % of the ARC. The County's goal will be to reach 100% of the ARC no more than eight years from the beginning of the phase-in period.
- c. Funding of the Schools' OPEB liability is the responsibility of the School Board.

#### **C. ASSET INVENTORY**

1. The County will maintain all its assets at a level adequate to protect the County's capital investment and to minimize future maintenance and replacement costs.
2. The County will project its equipment replacement and maintenance needs for the next several years and will update this projection each year. From the projection a maintenance and replacement schedule will be developed and followed.

## II. REVENUE POLICIES

### A. REVENUE BUDGETS

1. The County will estimate its annual revenues by an objective, analytical process.
2. The County will project revenues for the next three years and will update this projection annually. Each existing and potential revenue source will be re-examined annually.
3. The County will try to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any one revenue source.
4. The County should routinely identify intergovernmental aid funding possibilities. However, before applying for and accepting intergovernmental aid, the County will assess the merits of a particular program as if it were funded with local tax dollars. Local tax dollars will not be used to make up for losses of intergovernmental aid without first reviewing the program and its merits as a budgetary increment.
5. The year-to-year increase of actual revenue from the property tax will be kept as low as practicable. Reassessments will be made of all property at least every two years.
6. The County will maintain sound appraisal procedures to keep property values current. Property will be assessed at 100% of full market value.
7. The County will follow an aggressive policy of collecting property tax revenues. The annual level of uncollected property taxes will generally not exceed two percent over a three-year period.

### B. FEES AND CHARGES

1. The County will establish all user charges and fees at a level related to the cost of providing the services.
2. Each year, the County will recalculate the full costs of activities supported by user fees to identify the impact of inflation and other cost increases.
3. The County will set fees for other activities such as recreational services at a level that is appropriate for the department based on the service provided and potential for revenue.

- C. USE OF ONE-TIME REVENUES** - The County will pay for all current operating expenditures with current revenues. The County will avoid budgetary procedures that balance current expenditures at the cost of meeting future years' expenses, such as postponing expenditures, accruing future years' revenues, or rolling over short-term debt.

**D. USE OF UNPREDICTABLE REVENUES**

**1. Proffer Policy**

- a. Land use proffers are negotiated in accordance with proffer policy guidelines, reviewed by Planning Commission, and approved by the Board of Supervisors (BOS). Staff ensures enforcement capability and standardized language in proffer statements.
- b. Annually, as part of the process of developing the Recommended Budget, the County will determine the applicability of any cash proffers received to help offset all or a portion of the anticipated cash or debt issuance and shall incorporate these funds into the budget recommendation. Additionally, any cash proffers received throughout the course of a fiscal year prior to the issuance of any debt pertaining thereto shall be applied to reduce the amount of debt to be borrowed.

**III. EXPENDITURE POLICIES**

**A. DEBT CAPACITY, ISSUANCE AND MANAGEMENT**

1. The County will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues except where approved justification is provided.
2. When the County finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected useful life of the project.
3. The County will plan its tax-supported bond sales such that it will maintain compliance with its adopted debt policy. Target debt ratios will be annually calculated and included in the review of financial trends.
  - a. Net debt as a percentage of estimated market value taxable should not exceed 3% - 4%.
  - b. The ratio of debt service expenditures as a percent of governmental fund expenditures should not exceed 10% - 12%.
  - c. The County's 10-year tax-supported debt and lease payout ratio should be maintained at or above 60% at the end of each adopted five-year CIP. The payout ratio shall be no less than 55% in any one year during that period.
4. The County's goal is to budget an amount of equity (pay-as-you-go) funding for capital projects equal to 5% of General Fund revenues (less obligated transfers), with a minimum level of 3%. In order to achieve this goal, the County will, beginning with the fiscal year 2008 budget, increase the amount of general fund equity for capital projects in each year. For 2008 the level will be set at 1% with an additional one-quarter percent added each year thereafter.
5. The County will maintain regular and good communications with the bond rating agencies about its financial condition and will provide requested information in a timely manner. The County will follow a policy of full disclosure on every financial report and in Official Statements related to bond issues.

6. The County recognizes the importance of underlying and overlapping debt in analyzing financial condition. The County will regularly analyze total indebtedness including underlying and overlapping debt.
  - a. Where feasible, the County will use special assessment, revenue or other self-supporting bonds instead of general obligation bonds. However, any special assessment district/community development authority/tax increment district, either individually or when considered in aggregate with previously approved special districts/authorities, shall not have a negative impact upon the County's debt capacity or credit rating. Any such special assessment district/community development authority/tax increment district debt issuance authorized by the County wherein the County is in no way legally responsible for the repayment of the debt shall be considered as overlapping debt of the County.
  - b. In order to protect the County's long term fiscal stability and credit standing, the total aggregate outstanding amount of special assessment district/community development authority/tax increment district debt should not exceed 1% of the total assessed value of taxable property within the County during any year of the County's 5 year CIP.
  - c. Exceptions to this policy may be made if the projects to be financed directly replace capital projects in the current CIP. Toll Road or other forms of revenue bonds supported solely by user fees will not be included in the definition of overlapping debt.
  - d. The County's preference is to have special district debt retired as rapidly as possible, but in no case shall the maturity of such debt extend beyond 30 years.

**B. DEBT REFERENDUM POLICY**

1. All new facility construction projects or acquisitions that exceed available budgeted funds shall be subject to voter referendum, unless financed through revenue-supported mechanism (i.e., water/sewer revenue bonds).
2. Cash expenditures are authorized for reasonable related expenses in preparation for a referendum. These expenditures may include preliminary architectural and engineering design work needed to provide the County citizens adequate details on the referendum issue.
3. Voter referendums shall coincide with the General Election.
4. The Board of Supervisors, by a majority vote at a regularly scheduled meeting, may waive the referendum requirement, to the extent allowed by law, to meet a critical health and/or public safety need, in conjunction with a court order, or to realize an economic benefit to the County.

**C. RESERVE OR STABILIZATION ACCOUNTS**

**1. Fiscal Stability Reserve**

- a. A portion of county General Fund Balance at the close of each fiscal year shall be reserved in an amount equal to no less than 10% of the governmental funds' net operating revenue in the subsequent fiscal year budget. Governmental funds' net operating revenue includes total general fund revenue plus total component unit school board general operating revenue. This reserved portion of the County's General Fund balance shall be known as the Fiscal Stability Reserve.
  - b. In preparing the annual budget, the County will appropriate to fund balance the amount necessary to maintain the Fiscal Stability Reserve at 10% of Adopted Budget revenues. At the close of each fiscal year the County will "true up" the Fiscal Stability Reserve by moving such amounts as may be necessary to bring the Fiscal Stability Reserve balance to at least 10% of the governmental fund net operating revenues for the upcoming fiscal year.
  - c. Use of the Fiscal Stability Reserve may be necessary from time to time to meet unexpected revenue shortfalls or financial emergencies. By policy, appropriations from the Fiscal Stability Reserve require a majority vote of the Board of Supervisors. No appropriation from the Fiscal Stability Reserve will occur without prior presentation to the Board of Supervisors by the County Administrator of a plan and timeline for replenishing the Fiscal Stability reserve to its minimum 10% level.
  - d. Undesignated Fund Balance may be appropriated at the discretion of the Board of Supervisors, but will be used only for non-recurring expenditures.
2. The County will establish an emergency reserve to pay for needs caused by unforeseen emergencies, including unanticipated expenditures of a nonrecurring nature, or to meet unexpected small increases in service delivery costs. This reserve will be maintained at 0.5% of the General Fund.
  3. The County will maintain self-insurance reserves as established by professional judgment based on the funding techniques utilized and loss records.

**D. OPERATING/CAPITAL EXPENDITURE ACCOUNTABILITY**

1. The County will establish and maintain a high standard of accounting practices.
2. The County will prepare regular quarterly and annual financial reports which present a summary of activity by major fund types and compare actual revenues and expenditures to budgeted amounts.
3. The accounting system will maintain records on a basis consistent with accepted standards for local government accounting.
4. Where possible, the reporting system will also provide quarterly information on the total cost of specific services by type of expenditure and, if necessary, by fund.
5. An independent public accounting firm will perform an annual audit and will publicly issue a financial opinion.

**IV. OTHER FUND POLICIES**

**A. UTILITIES FUND POLICIES**

1. The County will maintain Utilities Fund financial independence from General Fund by:
  - a. Issuing Revenue Bonds for the Utilities Enterprise Fund in lieu of General Obligation Bonds, and
  - b. Avoiding the need for any General Fund revenues for Utility operations and debt service.
2. The County will set fees and user charges at a level that fully supports the total direct and indirect costs of the activity. Indirect costs may include the costs of annual depreciation of capital assets.
3. The County will maintain a Utilities Fund Balance of at least 100% of the average for the last three years of total revenues. Total revenues are defined as all revenues including user fees and availability fees. Fund Balance is defined as "Equity in Pooled Cash and Investments" from the schedule of net assets for the Utility Fund in the Comprehensive Annual Financial Report (CAFR).
4. Target net revenues after operational expenditures to be at least 1.3 times debt service requirements. The excess revenues will be available to first maintain the Utilities Fund Balance and second to cash fund future Utilities capital projects.
5. The County will work toward reducing the reliance on availability fee revenue for operations and debt service by increasing total operating revenues (which do not include availability fees) for the utility fund over the next five years (the fifth year being FY 2015) to a level that will support 100% of operational expenditures and 100% of debt service costs of the Utilities Fund. The level of all fees and charges for the Utility Fund will be set such that the County meets its legal requirements under any revenue bond documents.
6. In addition, in FY 2015, the County will evaluate a policy goal of total operating revenues supporting a percentage of depreciation.

**B. CODE COMPLIANCE FUND POLICIES**

1. The Code Compliance Fund will be supported through revenues generated by the Building and Zoning offices. Costs of services provided by other funds for Code Compliance functions will be allocated to the Code Compliance Fund, using a combination of direct billings and costs determined through the annual cost allocation plan prepared by the County.
2. Costs associated with core services, defined as services for mandated, non-fee supported duties, will be funded by a transfer from the General Fund.
3. In years when revenues generated are not sufficient to cover the costs of services, the General Fund will provide subsidies to prevent a deficit from occurring within the Code Compliance Fund. Once economic conditions change such that fees are sufficient, the Code Compliance Fund will repay the General Fund for prior year transfers made to offset Code Compliance deficits, to the extent possible.
4. Once all annual costs are funded and General Fund subsidies have been repaid, any excess fee revenue will be retained in the Code Compliance fund balance.



When annual revenues are not sufficient to cover annual expenditures, this fund balance will be the first source used to cover deficits.

**C. VIRGINIA RAILWAY EXPRESS (VRE) FUNDING POLICIES**

1. Revenues and expenses related to VRE and Potomac and Rappahannock Transportation Commission (PRTC) membership will be accounted for in the Transportation Fund. Revenues from the 2.1% fuel tax and the related PRTC administrative fees will be included in the Transportation fund using estimates provided by PRTC, while the VRE subsidy costs will be budgeted using estimates provided by VRE.
2. Fuel tax revenues will be allocated to the following expenses in the following order:
  - a. Payment of administrative fees to PRTC
  - b. Payment of subsidy to VRE
  - c. Reservation of 10% of estimated fuel tax revenues to guard against fluctuations between estimated and actual revenues
  - d. Payment of debt service on bonds issued for transportation projects
  - e. Other transportation expenses as determined by the Board of Supervisors after all other dedicated expenses noted above have been covered
3. Although accounted for in the County's financial records, the fuels tax is held by the PRTC and therefore use of those revenues for payment of VRE, PRTC and other transportation purposes requires adoption of a resolution by the Board of Supervisors.

Financial policies adopted by Board of Supervisors on March 24, 1992.

Added Utilities Fund policies June 12, 2001

Revised Utilities Fund policies on August 10, 2004

Added Debt Referendum policy on March 22, 2005

Added Proffer policy on June 14, 2005

Revised General policies on December 12, 2006

Revised General Debt policies on April 10, 2007

Revised General policies on January 12, 2010

Revised Utilities Fund policies on January 12, 2010

Added Code Compliance Fund, VRE and OPEB policies on April 13, 2010

Reformatted/revised April 12, 2011

Added Treasurer's Investment Policy April 2012



# Planning Processes

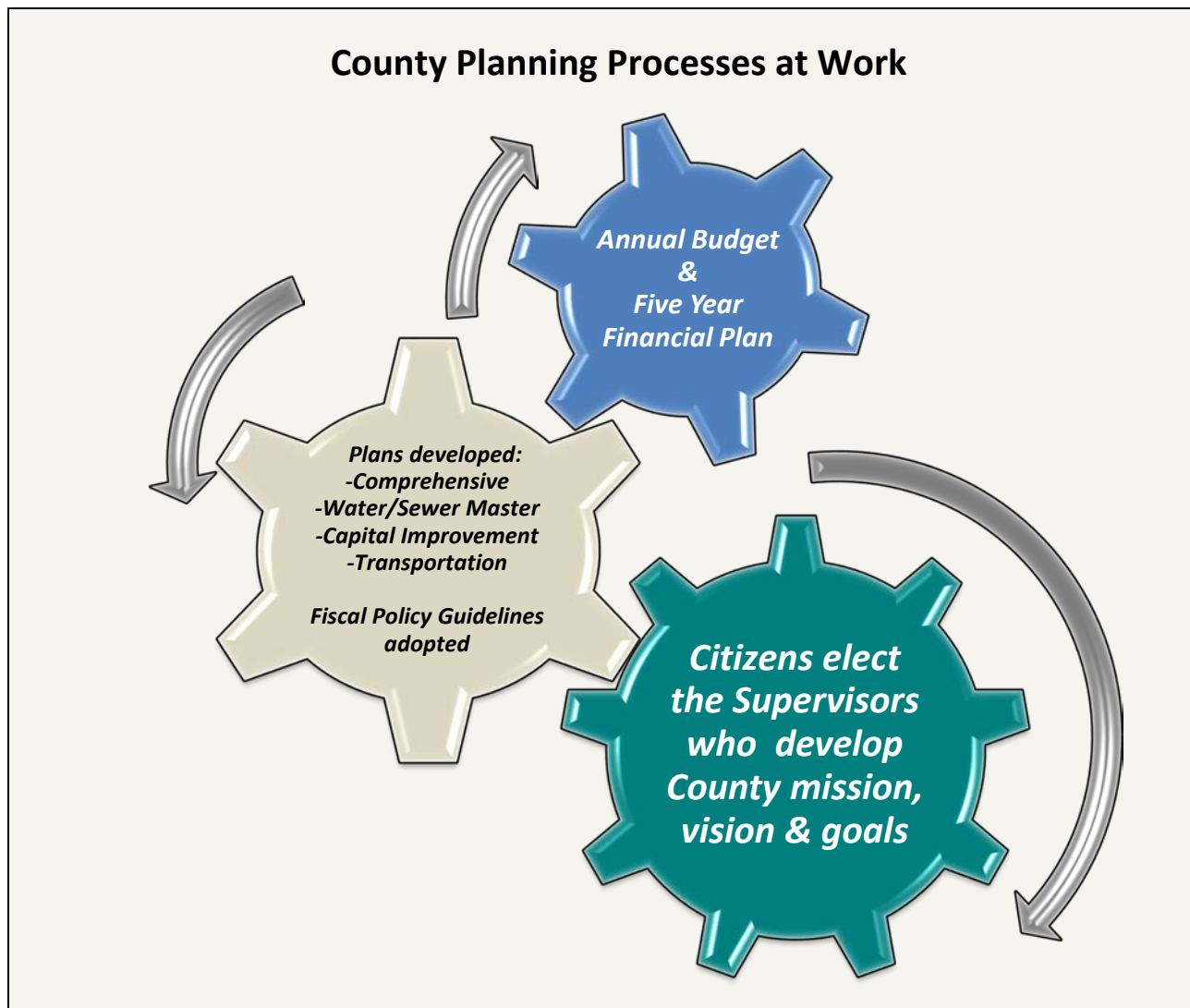
---

A number of planning processes are in place to guide the County’s decision making. Many of these processes allow for direct citizen input through public hearings, community meetings or participation in Board-appointed committees. The County’s planning processes include:

Planning Process	Description
<b>Countywide Vision, Mission, Goals and Values</b>	Sets the overall tone of the organization and guides employees in managing the daily operations of the County.
<b>Comprehensive Plan</b>	A guide designed to encourage the most appropriate use of land, water and resources within the County consistent with the interests of the citizens. The Comprehensive Plan sets forth goals, objectives, policies and implementation techniques that will guide the development activity within the County and promote, preserve and protect the health, safety, and general welfare of its citizens.
<b>Water/Sewer Master Plan</b>	Developed to facilitate implementation of the Public Facilities and Utilities elements of the Comprehensive Plan, which provides guidance for upgrade and expansion of County water and sewer systems, consistent with growth management policies approved by the Board of Supervisors.
<b>Capital Improvement Plan</b>	A five year guide to assist in long range planning for the County’s capital needs. Details of the adopted Capital Improvement Plan are found beginning on page 139.
<b>Transportation Planning</b>	The Capital Projects management team is involved with several processes including traffic studies and citizen information meetings that guide the Board of Supervisors in the prioritization of the County’s Transportation needs.
<b>Fiscal Policy Guidelines</b>	Policies guiding the financial management of Spotsylvania County are approved by the Board of Supervisors to ensure a fiscally sound government. The adoption and compliance of these policies is an important factor in Rating Agency reviews. A summary of the County’s policies can be found on the preceding pages.

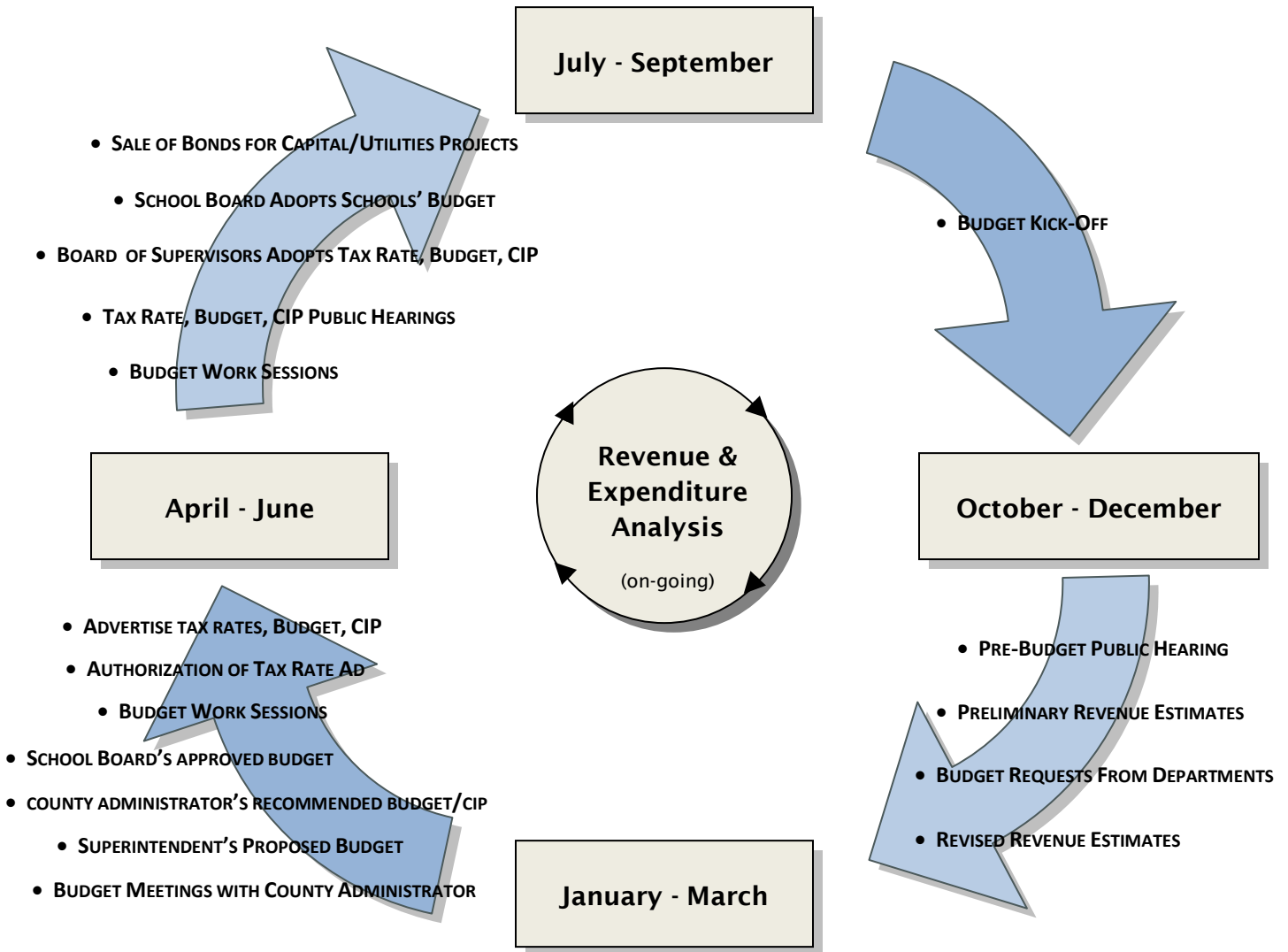
Planning Process	Description
<b>Annual Budget Process</b>	County Administration works with the Budget staff, Department Directors, Constitutional Officers, Regional Agencies, etc. to develop a Recommended Budget. Many of the decisions included in that recommendation are driven by the processes noted above. A summary of the County’s Budget process can be found on the following pages.
<b>Five Year Financial Plan</b>	A five year financial forecast is developed annually as a tool to anticipate potential budget imbalances. The current plan can be found on page 133.

Below is a visual display of the connectivity of these various planning processes. The FY 2016 Adopted Budget takes these planning processes into account, where appropriate.



# Annual Budget Process

The operating budget process begins with the distribution of budget preparation materials to departments in the fall. Departments submit detailed budget requests to the Finance Office in December. Submissions are reviewed and analyzed by Budget staff. The process is depicted below:



The County Administrator presents a recommended budget to the Board of Supervisors in February. Budget work sessions are scheduled during the months of March and April. Public hearings are held in the previous fall, to get citizen input before compiling the recommended budget, and in the spring, to get citizen reaction to the recommended budget before it is adopted by the BOS.

After careful consideration and deliberation on staff and citizen input, the Recommended Budget, as modified for additions and deletions, is adopted by the Board of Supervisors during April through a resolution. The resolution places legal restrictions on expenditures at the fund or category level. The budget amendment policy authorizes Department Directors to transfer funding between accounts within their adopted divisional operating budgets. County Administration has the authority to transfer funding between all categories of an adopted Departmental budget and up to \$100,000 between adopted Department budgets, but in no case can Directors or County Administration approve adjustments that increase the approved appropriation level; increase the number of permanent personnel; or significantly expand an existing program. The School Board is authorized to transfer budgeted amounts within each of the school system's appropriated categories. All other revisions to the budget must be approved by the Board of Supervisors. Adjustments to the budget in excess of one percent of the total budget require a public hearing prior to a formal vote by the Board of Supervisors.

# FY 2016 Budget Calendar

---

<b>September 9, 2014</b>	Approval of FY 16 Budget Calendar
<b>October 20, 2014</b>	Budget Kickoff
<b>November 14, 2014</b>	Budget submissions due from departments
<b>November 25, 2014</b>	Budget Work Session: Pre-budget Public Hearing
<b>December 12, 2014</b>	Preliminary budget meeting with County Administration
<b>December 15 – 18, 2014</b>	Budget meetings with County Administration and departments
<b>December 19, 2014</b>	Final budget decisions from County Administration
<b>February 9, 2015</b>	School Board approves FY 2016 School Budget
<b>February 10, 2015</b>	Budget Work Session: Presentation of County Administrator's FY 2016 Recommended Budget & CIP to BOS
<b>February 24, 2015</b>	Budget Work Session: Presentation of School Board's FY 2016 Approved Budget to BOS/Presentation from the Citizen Budget Review Committee (CBRC)/ Other Funds/Departments
<b>March 10, 2015</b>	Budget Work Session: Tax rate advertisement decision/Constitutional Officers/Departments/CIP
<b>March 18, 2015</b>	Tax Rate, Budget and CIP Ads advertised in Free Lance-Star
<b>March 24, 2015</b>	Budget Work Session: Joint meeting with School Board/EDA
<b>March 26, 2015</b>	Public Hearings: Budget, Tax Rates, CIP – 6:30 p.m. @ Courtland High School
<b>March 31, 2015</b>	Budget Work Session: Budget/CIP
<b>April 2, 2015</b>	Budget Work Session: Budget/Approval of the Draft CIP
<b>April 14, 2015</b>	Budget Work Session: Adopt FY 16 Budget, CIP and 2015 tax rates

