



FY 2022 Recommended Budget at a Glance

Budget Focus

- Maintain all priority services (education, public safety, and transportation).
- Fund departmental operations sufficient to maintain existing levels of service to citizens with particular focus on adding personnel in Social Services to achieve manageable caseloads and appropriate supervision.
- Where possible, restore budget reductions made in the FY 2021 Budget in response to the pandemic.
- Fund commitments (jail, juvenile center, regional agencies, existing debt service, Social Services/CSA).
- Fund third 1/5th (for total of 3/5^{ths}) of ongoing OPEB contribution.

Budget Highlights

Schools –

- The local transfer to Schools is \$132,281,416, representing a \$900,000 increase commensurate with the expected increase in Schools' debt service. The transfer represents 44% of total General Fund revenue.

Public Safety –

- The budget includes mid-year funding to implement the next step on the Public Safety scale effective January 1, 2022 for those completing at least a full year of service with the County as of June 30, 2021.
- One Deputy position is added to support transports and overtime is increased in support of lake patrols.

Transportation –

- \$1,400,000 is transferred to the Transportation Fund from the General Fund balance to help address projected out-year imbalances in the Transportation Fund.

Tax Rates/Fees –

- A one-time reduction in Business Tangible Property tax rates is included in this budget.
- The Real Estate tax rate is recommended at \$0.8094 – no change from rate adopted for CY 2020.
- A Cigarette Tax is recommended at \$0.30 per pack to generate \$310,000 in new revenue.
- The Transient Occupancy (hotel) tax rate is proposed for increase from 5% to 7% to generate \$590,000 in new revenues.
- The Meals Tax rate is proposed for increase from 4% to 5.5% to generate \$2.55 million in new revenue.

Compensation –

- The budget includes mid-year funding for a 1.2% cost of living adjustment for all employees.
- A 2% performance-based merit increase is effective January 1, 2022 for full-time and regular part-time positions not on the Public Safety scale. This is applicable to those completing at least a full year of service with the County as of June 30, 2021.
- Longevity adjustments continue to be included at 0.5% for non-Public Safety scale employees reaching 3 or 12 years of service, and 1% for those reaching 5, 10, and 15 years of service by June 30, 2021. These adjustments are effective July 12, 2021.

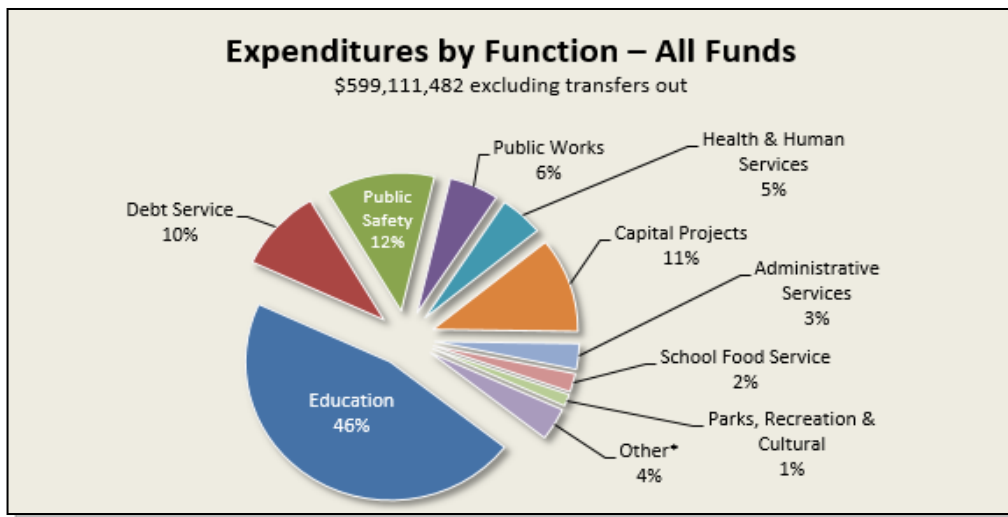
Capital Projects –

- The budget includes a \$9.5 million policy-level transfer to the Capital Projects Fund at 3.25% of the General Fund revenues. An additional \$2.25 million one-time transfer is made from the fund balance.

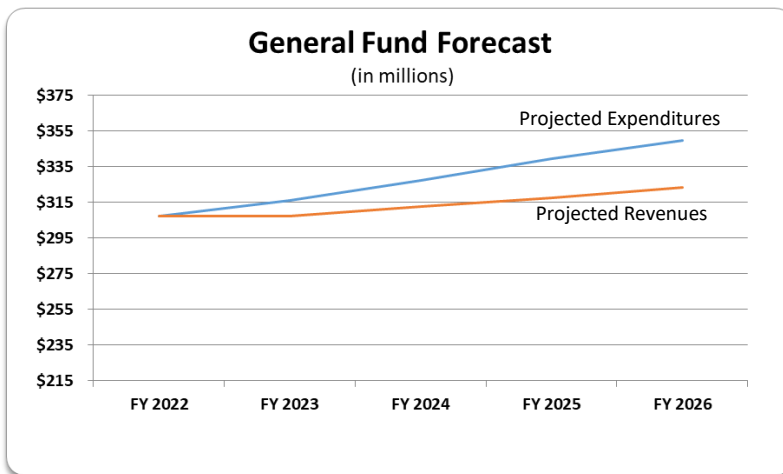
New Initiatives –

- A total of 31 net new positions are proposed to maintain existing levels of service to citizens.

	FY 2021 Adopted	FY 2022 Recommended	Difference \$	%
General Fund	\$149,914,195	\$160,837,568	\$10,923,373	7.3%
Economic Dev. Opportunities Fund	1,459,050	1,400,150	(58,900)	(4.0%)
Code Compliance Fund	4,575,643	5,436,900	861,257	18.8%
Transportation Fund	8,188,520	8,407,380	218,860	2.7%
School Operating Fund	300,010,257	306,308,982	6,298,725	2.1%
School Food Service Fund	12,251,952	12,878,794	626,842	5.1%
Utilities Fund	<u>35,670,221</u>	<u>37,253,114</u>	<u>1,582,893</u>	4.4%
Sub-Total Operating Expenditures	\$512,069,838	\$532,522,888	\$20,453,050	4.0%
Capital Projects Fund	\$14,192,906	\$22,245,733	8,052,827	56.7%
School Capital Projects Fund	13,500,916	18,509,528	5,008,612	37.1%
Utilities Capital Projects Fund	<u>28,544,825</u>	<u>25,833,333</u>	<u>(2,711,492)</u>	(9.5%)
Sub-Total Capital Expenditures	\$56,238,647	\$66,588,594	\$10,349,947	18.4%
Total Budget	\$568,308,485	\$599,111,482	\$30,802,997	5.4%

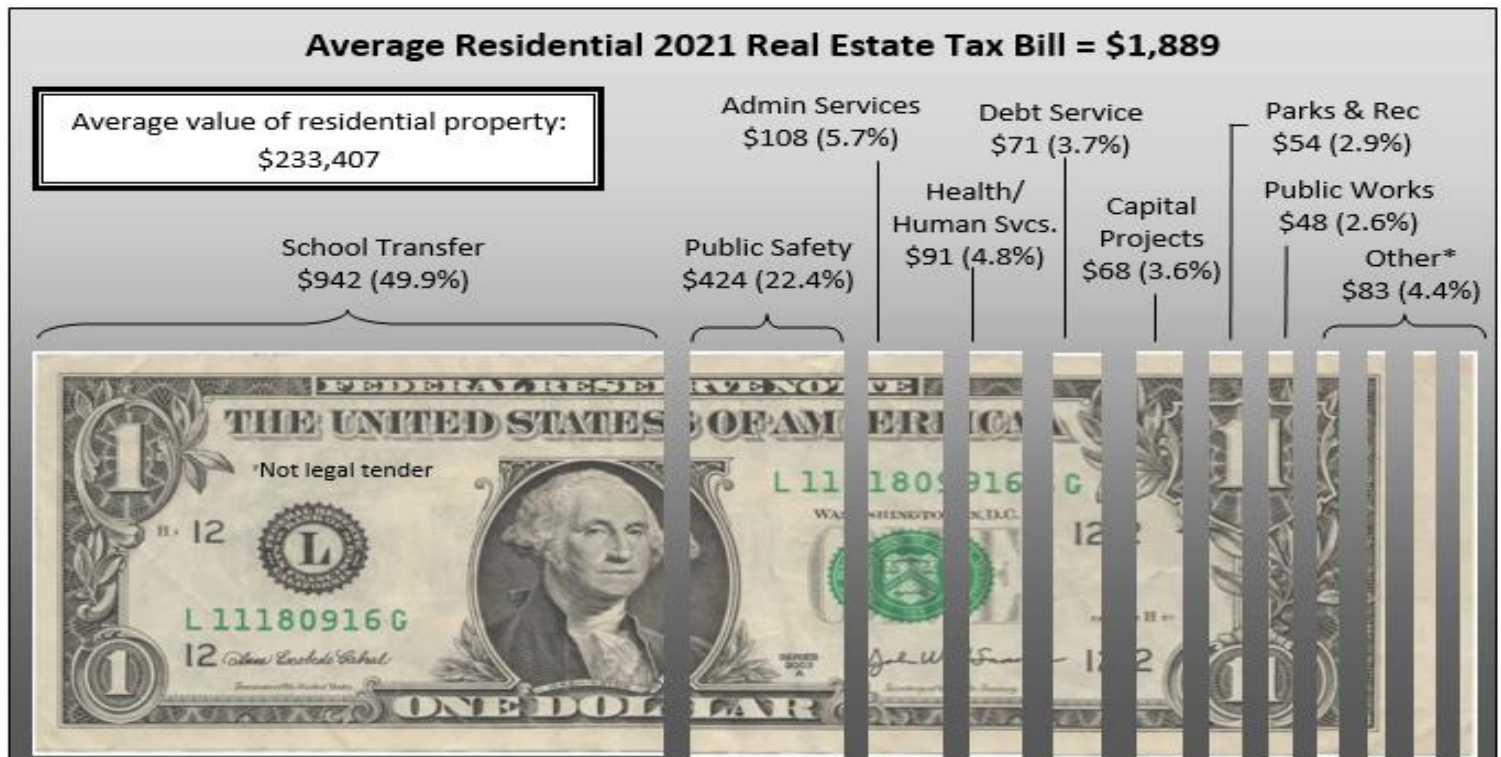


*"Other" includes Community Development, Executive Services, Judicial Administration, Transportation and Voter Services functions and tax relief.



Breakdown of General Fund Transfer to Schools

	2021 Adopted	2022 Recommended
Required Local Effort - SOQs	\$64,601,198	\$62,822,552
Required Local Match for Non-SOQ Programs	3,616,056	5,928,481
Required Local Match for Federal grants	28,998,371	30,300,710
Debt Service	28,089,775	28,924,366
Additional Local Transfer	6,076,016	4,305,307
Total Local Transfer	\$131,381,416	\$132,281,416



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

Tax Bills for Average All Residential Property			
Year	Mean AV*	Rate	Bill
2016	\$193,460	\$0.8500	\$1,644
2017	\$195,717	\$0.8500	\$1,664
2018	\$209,939	\$0.8330	\$1,749
2019	\$212,858	\$0.8474	\$1,804
2020	\$230,839	\$0.8094	\$1,868
2021 – advertised rate	\$233,407	\$0.8500	\$1,984

*Based on original land book values. Because this represents each year's mean value, it cannot be assumed that a certain residential property valued at \$193,460 in 2016 is valued at \$233,407 in 2021.

Tax Bills for Average Residential Property With A Home			
Year	Mean AV*	Rate	Bill
2016	\$244,500	\$0.8500	\$2,078
2017	\$247,037	\$0.8500	\$2,100
2018	\$262,100	\$0.8330	\$2,183
2019	\$264,100	\$0.8474	\$2,238
2020	\$284,500	\$0.8094	\$2,303
2021 – advertised rate	\$286,500	\$0.8500	\$2,435

*Based on original land book values. Because this represents each year's mean value, it cannot be assumed that a certain residential property with a home valued at \$244,500 in 2016 is valued at \$286,500 in 2021.

Tax Rates ¹		
Taxes	2020 Adopted	2021 Advertised
Real Estate	\$0.8094	\$0.8500
Personal Property – automobiles, campers, motor homes, motorcycles, pickups and trucks	\$6.55	\$6.55
Personal Property – boats and boat trailers	\$6.25	\$6.25
Aircraft	\$0.000001	\$0.000001
Business Furniture & Fixtures	\$5.95	\$4.55
Data Center Computer Equipment & Peripherals	\$1.25	\$1.25
Machinery & Tools	\$2.50	\$1.90
Heavy Duty Equipment	\$2.00	\$1.55
Mobile Homes ²	\$0.8094	\$0.8500
Lee Hill East Service District	\$0.25	\$0.25
Lee Hill West Service District	\$0.48	\$0.48
Massaponax Service District	\$0.17	\$0.17
Harrison Crossing Service District	\$0.48	\$0.48

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

²Per State Code, the Mobile Homes rate must match rate for Real Estate.

How do Spotsylvania’s 2021 advertised real estate and personal property tax rates compare to other localities in the area?

Because we do not have the recommended 2021 rates for all other localities at this time, the tables below show the 2020 personal property and real estate tax rates for neighboring localities and the rates advertised for Spotsylvania for 2021. Spotsylvania has the sixth lowest real estate tax rate and the fourth lowest effective personal property tax rate in the area.

Real Estate Tax Rates CY 2020	
Locality	Tax Rate
Culpeper	\$0.6200
King George	\$0.7000
Louisa	\$0.7200
Orange	\$0.7200
Hanover	\$0.8100
Caroline	\$0.8300
Spotsylvania⁺	\$0.8500
Fredericksburg	\$0.8500
Henrico	\$0.8700
Chesterfield	\$0.9500
Stafford	\$0.9700
Fauquier	\$0.9940
Arlington	\$1.0260
Loudoun	\$1.0350
Alexandria	\$1.1300
Fairfax	\$1.1835
Richmond City	\$1.2000
Prince William	\$1.2075

⁺Reflects the rate advertised for 2021

Personal Property Tax Rates CY 2020			
Locality	Tax Rate	Assessment Ratio	Effective Rate*
Louisa	\$2.43	100%	\$2.430
Stafford	\$6.46	40%	\$2.584
Fredericksburg	\$3.40	90%	\$3.060
Spotsylvania⁺	\$6.55	50%	\$3.275
King George	\$3.50	100%	\$3.500
Culpeper	\$3.50	100%	\$3.500
Henrico	\$3.50	100%	\$3.500
Hanover	\$3.57	100%	\$3.570
Chesterfield	\$3.60	100%	\$3.600
Richmond City	\$3.70	100%	\$3.700
Prince William	\$3.70	100%	\$3.700
Orange	\$3.75	100%	\$3.750
Caroline	\$3.80	100%	\$3.800
Loudoun	\$4.20	100%	\$4.200
Fairfax	\$4.57	100%	\$4.570
Fauquier	\$4.65	100%	\$4.650
Arlington	\$5.00	100%	\$5.000
Alexandria	\$5.33	100%	\$5.330

⁺Reflects the rate advertised for 2021

*The effective rate shown here provides a comparable rate across localities since it takes into account that the assessment ratio is not the same for all.