



# Board of Supervisors

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**Complete budget available on the County's website at:**  
<http://www.spotsylvania.va.us/budget>

### **Special Appreciation**

Spotsylvania County Budget Staff extends special thanks to **Minuteman Press** for providing quality printing services for the FY 2015 Budget document. Minuteman's support and dedication to the citizens of Spotsylvania is greatly appreciated.



*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, 2013.*

*In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan 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, 2013**

A handwritten signature in black ink, appearing to read 'Jeffrey R. Egan'.

Executive Director



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# Recommended Budget Message – February 11, 2014

Dear Board of Supervisors Members:

Enclosed are my recommendations for the FY 2015 Budget. As each of my previous budgets has been, this budget was crafted with the County's defined priorities of education, public safety, and transportation in mind, and with continued commitment to achieving these priorities through well-balanced financial planning. The services that provide for a high quality of life within our community are maintained, and in some cases – particularly public safety and transportation – are strengthened through this budget. This budget assumes an equalized real estate tax rate with no change to other tax rates and fees.

### **The FY 2015 Recommended Budget**

The FY 2015 Recommended Budget totals \$450.2 million – an increase of \$11.2 million (2.5%) compared to the FY 2014 Adopted Budget.

	FY 2014	FY 2015	Difference	
	Adopted	Recommended	\$	%
General Fund	\$106,886,654	\$111,415,038	\$4,528,384	4.2%
Economic Dev. Opportunities Fund	748,467	566,960	-181,507	-24.3%
Code Compliance Fund	3,088,259	3,614,795	526,536	17.0%
Transportation Fund	8,091,602	9,086,399	994,797	12.3%
School Operating	248,266,081	253,631,671	5,365,590	2.2%
School Food Service	10,044,365	9,530,213	-514,152	-5.1%
Utilities	<u>29,980,372</u>	<u>31,615,872</u>	<u>1,635,500</u>	5.5%
<b>Subtotal Operating Expenditures</b>	<b>\$407,105,800</b>	<b>\$419,460,948</b>	<b>\$12,355,148</b>	<b>3.0%</b>
Capital Projects Fund	\$13,473,585	\$9,927,051	-\$3,546,534	-26.3%
School Capital Projects	377,608	7,686,461	7,308,853	1,935.6%
Utilities Capital Projects	<u>18,021,000</u>	<u>13,091,666</u>	<u>-4,929,334</u>	<u>-27.4%</u>
<b>Subtotal Capital Expenditures</b>	<b>\$31,872,193</b>	<b>\$30,705,178</b>	<b>-\$1,167,015</b>	<b>-3.7%</b>
<b>Total Budget</b>	<b>\$438,977,993</b>	<b>\$450,166,126</b>	<b>\$11,188,133</b>	<b>2.5%</b>

All fiscal policies are maintained, though we will have used all but \$1.2 million of the General Fund balance in excess of the 10% policy requirement.

### **What's New or Different in the Budget?**

The following are notable items that have been added or adjusted in this budget:

**Revenues:**

- As you're aware, 2014 is a reassessment year. Preliminary assessed values have been used to estimate the real estate tax revenue that will come to the County in FY 2015. Overall, assessed values of real property are increasing by 4.25% over last year's land book records. There is a nearly 6% increase in residential values and an approximately 2% decrease in commercial values. Since the equalized rate is calculated using total Countywide values, any property owner whose assessed value increases by more than the overall 4.25% increase in values will see an increase in their tax bill at the equalized rate. Likewise, any property owner whose assessed value increases by less than 4.25% or decreases will see a decrease in their tax bill at the equalized rate.
- Because we had to finalize budget figures in December, the figures included in this document assume assessment data from December 2013 which yielded an equalized rate of \$0.87. However, more recent data from mid-January yields an equalized rate of \$0.86. When we calculate the equalized rate using assessment and new construction figures, the result is a rate that is many decimal places long. However, our tax system allows only for a two decimal tax rate. What was in December a \$0.86871 rate rounding *up* to \$0.87 is now a \$0.86228 rate rounding *down* to \$0.86. As a result of this rounding, revenue is expected to be approximately \$374,000 less than included in this recommended budget. In our budget work sessions with you, we will need to work to resolve this \$374,000 reduction and any other changes that arise.

Further, we will need to solve for the added \$258,000 on-going cost of a 2% increase you approved for all full-time sworn Sheriff's Office employees on January 28. Although not currently included in the budget figures I'm presenting this evening, I strongly urge you to provide the 2% increase to the hundreds of other County employees excluded from the increase approved in January. This will cost an additional \$761,000 in the General Fund and \$220,000 in the other funds.

As you contemplate your decision on an advertised tax rate, I ask that you consider the need for flexibility in the rate. Consider the \$374,000 loss in revenue that has to be made up and the \$258,000 full-year, unfunded cost of the 2% raise for sworn Sheriff's Office employees. Consider the unknowns on State funding and other areas of our budget. Consider the more than 600 other County employees who weren't included in that 2% raise. Consider the potential for still further changes to assessed values. All else being equal, values would need to decrease by \$40 million during the appeals process to yield a \$0.87 rate again, and the staff appeals process alone in 2012 resulted in a decrease of \$36 million. So, there is still potential for change in values as we move forward, and as you know, the Board can adopt a lower, but not a higher rate than that which is advertised.

- We won't have information from the National Automobile Dealers Association (NADA) regarding vehicle values until late February or early March. For purposes of the estimates included in this budget, we've assumed a 7.3% decline - the three-year average trend - on vehicle values in the County. We've also assumed the existence of new and newer vehicles

replacing some of the previously existing vehicles, as well as projected new growth. All of these assumptions combine to yield approximately \$100,000 in new revenue.

As we gain new information on personal property values, we will share it with you during the upcoming budget work sessions. Be reminded that the 2012 equalized personal property rate was \$6.65 on 50% of the assessed value however we adopted a rate of \$6.37. There has been some discussion of eliminating personal property taxes for some categories such as aircraft which would have a negative impact of approximately \$90K on our revenue. Although in the case of aircraft the elimination of the tax may very well bring in other revenue to offset the loss in personal property revenue, as we consider eliminating or reducing other categories of taxes, we must be careful that the benefits of any elimination outweighs the loss of revenue.

- We have made an adjustment to both the expense side and revenue side of the budget to match the way tax relief for the elderly and disabled is presented in the Comprehensive Annual Financial Report (CAFR). Typically in our budget, we include the tax relief neither on the revenue nor the expense side as we neither receive the money in our bank account nor pay it out. However, the CAFR requires reporting of tax relief provided in real property revenue and includes an equal expense in the Health/Welfare function. So, when we're comparing the FY 2015 Recommended Budget to the FY 2014 Adopted Budget and dissecting the increase in the General Fund, we need to remember that \$941,735 is due to this change in the presentation of tax relief.
- In total, when we set aside use of the fund balance, transfers in from other funds, and the change in the way tax relief is presented in the budget, General Fund revenue is expected to increase by \$3.4 million (1.5%) in FY 2015. This is due to new construction growth; the allowed 1% growth in the assessed value when calculating the equalized tax rate; and expected increases in sales, BPOL, recordation and meals taxes. Any reductions to revenue categories reduces the \$3.4 million assumed new revenue in FY 2015 which is funding the following expense adjustments:

**Base Budget Expenditures:**

- The full-year cost in FY 2015 of items funded for only part of the year in FY 2014 adds nearly \$700,000 to the base budget. These items include the 1% COLA funded at mid-year in FY 2014; the health insurance increase that became effective in October 2013; and nine firefighter/medic positions and the radio network engineer position hired at mid-year FY 2014.
- Health insurance rates are expected to increase by 4.3% with dental insurance expected to increase by 10% for a total insurance increase of \$264,000 in FY 2015. This assumes no change in the current employer/employee split. The cost of other benefits is expected to increase by approximately \$650,000. This \$650,000 includes shifting an additional 1% of the 5% employee VRS contribution to employees; increases in VRS rates; and increases in retiree health insurance, workers compensation and unemployment insurance premiums.

- The County will continue its partnership with regional agencies in FY 2015. Contributions to the jail and juvenile detention center will increase by approximately \$345,000. While this increase is partly related to increases in operating and debt service costs at these facilities, it is also due to an increase in Spotsylvania's usage of each facility.
- In addition to continuing to budget as unfunded numerous positions through County departments, I have held vacant for the full year in FY 2015 a currently vacant Assistant County Attorney position and a Planner I position. I am recommending that funding for the previously unfunded Maintenance Worker position in General Services be funded at mid-year in FY 2015. Although I am recommending at this time to hold vacant the Assistant County Attorney position, I encourage the Board to continue discussions with the County Attorney in regard to the workload in his office and the need for funding of the position.

***Public Safety New Initiatives:***

- To improve communication services to the citizens and to our public safety workers, two Communications Officers and two Communications Operators are added to the budget. These additional positions are expected to cost approximately \$208,000 net of \$16,000 in overtime savings.
- \$52,100 is added to the budget to increase the pay of the now deputized Animal Control Officers commensurate with the pay of other Sheriff's deputies.
- One Detective position is added at a cost of \$90,200. The caseload for each detective has increased from 102 cases in FY 2011 to 188 cases in FY 2013, causing cases to be delayed significantly. Although each detective will continue having a high caseload, an additional position will improve the timeliness of cases.
- \$446,000 is added for six new Firefighter/Medic positions. There is a corresponding \$446,000 reduction in overtime budgeted as a result of these new positions, netting no budget increase.
- In an effort to improve firefighter and firefighter/medic retention, nearly \$70,000 is added for career ladder stipends for Fire/Rescue personnel. This program will reward senior personnel for performance as reflected in their employee evaluation, time in service, course completions, special skills, and education. We are losing many of our personnel due to a lack of ALS incentives and career ladder opportunities. This budget measure addresses the latter issue.

***Other New Initiatives:***

- A total of \$36,600 is added to the budget to increase available part-time funding for the Treasurer's Office; to convert the grant Accounting Technician from part-time to full-time; to hire a Heavy Equipment Mechanic/Welder for half-year to be shared by the Solid Waste

division and Composting division; and to increase the Assistant Farmer's Market Manager's position from 10 hours to 15 hours per week.

- In the Utilities Fund, at a net cost of approximately \$96,400, I'm recommending two new Utility Field Crew Worker positions for a new CCTV crew. Also, because the Utilities Department is behind on valve exercising and hydrant maintenance throughout the water and sewer system, at a cost of \$116,400, I am recommending two new Utility Field Crew Worker positions for the valve and fire hydrant maintenance program in the Utilities Fund.
- \$61,000 is included to hire two additional Eligibility Workers for the Department of Social Services. These positions would be funded beginning at mid-year FY 2015 and would improve the timeliness of intake and case maintenance services for the mandated public assistance programs such as SNAP; Temporary Assistance to Needy Families; Medicaid and FAMIS; Energy Assistance and cooling programs; and the auxiliary grant program for elderly, blind and disabled persons.
- I'm recommending the shift of the County's Fredericksburg Regional Alliance annual contribution and the Town Centre light show sponsorship from the General Fund to the EDO Fund. The EDO Fund budget of \$566,960 includes this shift as well as previously approved incentives, debt service on the bonds issued for the Southpoint building, and other general operating costs. Not included in this recommended budget is \$626,000 in what I consider to be discretionary costs that were requested by the EDA and Economic Development staff. These requested items include \$350,000 for the balance of the marketing contract funding; estimates of new, to-be-determined incentives; prospect development; meeting food supplies; and BIG incentives. As part of the budget development process, I'd like the Board to determine which, if any, of these discretionary requests are to be funded in the budget using the EDO Fund balance currently estimated at \$587,000. Of course, use of the fund balance should be limited to funding only one-time items.

***Debt Service and the Capital Improvement Plan (CIP):***

- The required guideline transfer of cash from the General Fund to the CIP is 2.75% of General Fund revenues, or \$6.3 million in FY 2015; up \$664,000 over the prior year's budget. This funding will pay for CIP projects such as the on-going Facility Asset Management Program; technology replacements and upgrades including the first year cost of a CAD system replacement; multiple Solid Waste program projects; repaving at the Legion Field complex; replacement ambulances; CPR delivery devices for ambulances; and the local share of self-contained breathing apparatus for firefighting efforts.
- In addition to the guideline transfer to the CIP, \$2 million is transferred to the Capital Projects Fund from the General Fund balance to establish a fire equipment reserve. Should the fire equipment reserve not be needed, the funds will remain in the General Fund balance.

- \$7.2 million in projects are recommended to be financed this coming summer. \$5.4 million will go toward the final year costs of the new radio system implementation which is currently underway. \$1.2 million will be used for replacement of fire trucks. Finally, approximately \$600,000 will be used for design of renovation of the Judicial Center. This project and others in the out-years of the CIP were recommended as part of the recently completed Space Needs Study that was funded in FY 2013. The consultants who performed the study will present their findings and recommendations at a CIP work session during the budget development process. The debt service associated with these financed projects adds approximately \$500,000 to the General Fund budget net of savings on existing debt service.
- Regarding transportation projects in the CIP, the Transportation Fund is impacted by new debt service associated with local costs for the Mine/Falcon/Spotsylvania Avenue intersection improvement project; the Jones Powell hill improvement project; paving of unpaved roads; the Hickory Ridge/Rt. 1 intersection improvements project; and a study and preliminary engineering for widening of Morris Road. We have applied to the State for FY 2015 Revenue Sharing on most of these projects and expect to learn the results of our applications in the spring.
- The largest single item in the CIP is the Improvements to Exits 118 and 126 project that includes \$10 million in each FY 2015 and FY 2016. This is our attempt to max out the Revenue Sharing potential for this project for the FY 2016 and FY 2017 rounds of applications. Although there very likely will be additional local costs associated with these large and expensive projects, FY 2016 is the last possibility we have for issuing General Obligation debt against the 2005 voter-approved bond referendum. Given that and the fact that the phasing and costs of the projects are not yet finalized, we have not included additional out-year funding in the CIP at this time.

### **What's Not Included in the Budget?**

The following items are excluded from this budget:

- It has been my pleasure to work with Dr. Scott Baker since his appointment to Superintendent of Schools. As I shared with Dr. Baker in advance of his budget proposal, with the exception of the one-time transfer of \$750,000 in FY 2014, my recommended budget includes level funding of \$114.8 million for the Schools in FY 2015. There is no new transfer for the Schools. However, at the \$114.8 million level transfer, approximately \$2.7 million of local funding will be available for use on other school expenditures in FY 2015 due to debt retirement and the new debt issuance this summer being kept to a minimum. Although the \$2.7 million is not new money added to the school transfer, it does allow for some additional capacity for other items to be funded within level funding.

In late January, the Schools' Superintendent proposed a needs-based budget given his and his staff's professional recommendations and taking into account level funding from the County. His budget includes a \$1.9 million budget gap – revenues are \$1.9 million less than proposed expenditures. His recommendations include \$5.0 million in new State revenue, a

step for all employees at a cost of \$3.0 million and a 1% COLA at a cost of \$1.7 million. It also assumes 318 more students are enrolled in FY 2015 than were assumed in the FY 2014 budget, and includes 11 new positions, 9 of which are bus drivers and bus aides. I do not doubt that the Schools have additional needs and while I am very concerned about the consequences of what will go undone if the gap is not funded, those needs cannot be funded without additional revenues or deep cuts to or elimination of County services.

- Despite their incredible dedication and the fact that we consistently ask our employees to do more in the name of maintaining very high quality services, I am unable to include in this budget any cost of living or merit increase for staff beyond the State-mandated 1% increase to offset a 1% increase in employees' VRS payments, which because of payroll taxes and the expiration of the current health insurance premium holiday, will net a decrease in their take home pay. I am continuously impressed by the work of our staff and they deserve to be acknowledged and rewarded for their work. Unfortunately, our financial situation does not permit me to recommend increases at this time, and we will have to adjust this recommended budget to fit in the \$258,000 on-going, full-year costs associated with the 2% raise approved for full-time sworn Sheriff's Office employees. I am well aware that the County has been doing more with less for years now, and it is the dedication and determination of all our employees – not just certain groups - that has enabled our services to continue to operate seamlessly, almost as though nothing had been reduced.

As we work through the budget process, I very strongly urge the Board to seize any opportunity to address the need to acknowledge the contributions of our employees while looking at ways to minimize reductions in take-home pay, particularly for all the many staff members who were not included in the 2% increase granted to certain employees on January 28. I fully understand that granting a 2% increase to all employees who were not included in the January increase may result in new initiatives and new positions being eliminated from this recommended budget. Since the 2% increase to certain Sheriff's office employees occurred outside of the budget process and well after I'd finalized my FY 2015 budget recommendations, funding an increase to my staff to achieve parity with the 2% increase just approved for the sworn Sheriff's officers is now more important to me than any other new initiative or new position in this recommended budget. It is my sincere hope and my highest budget priority that as we gain new information on final assessed values and finalize other budget items, that we work to dedicate funding to this important matter affecting all of our County employees.

### **Expected Future Challenges**

Each year Budget staff prepares a five-year financial forecast with the most recent budget set as the first of the five years. Projected out-year costs are compared to projected out-year revenues to arrive at an estimate of annual budgetary deficits or surpluses. The forecast assumes annual inflation in materials and supplies; annual merit increases and COLAs for employees; transfers to the Schools based on a cost per pupil allocation adjusted for steps, COLAs, and inflation; transfers to other funds based on current practices and fiscal policy guidelines; and debt service based on the FY 2015 – FY 2019 Recommended CIP.

You will recall that given the availability of fuel tax revenues to cover transportation expenditures, we temporarily suspended the transfer of decal and set-aside revenues to balance the General Fund budget in FY 2011 through FY 2014. That suspension continues for FY 2015, but will need to resume in FY 2016 given the increased debt service costs associated with the local costs of the projects at Exits 118 and 126. Be aware that the five year forecast for the Transportation Fund indicates that at the end of FY 2019, even with the transfer of decal and set-aside funding resumed, the Transportation Fund balance will be sufficient to support transportation efforts only through FY 2021 at best. After that, another permanent source of funding will be necessary to keep the Transportation Fund afloat. Also, be aware that the reinstatement of the decal transfer in FY 2016 will create an automatic \$2.9 million hole in the General Fund. As we continue to hold transportation work sessions to develop a priority list of projects, it is imperative we look at new and innovative funding sources that minimize County debt service associated with these much-needed projects.

Also critical to out-year budget balancing will be the advancement of construction related to approved, but currently not built-out developments. While these developments are expected to have a positive impact on County revenues such as real estate, personal property, recordation, meals tax and sales tax, upon build-out they will have significant costs in terms of demands on our infrastructure. Monitoring of the build-out will be essential to the allocation of funding to maintain an acceptable level of service. Please note the CIP section of this document which includes a more detailed analysis.

By not including the many requests received from departments, holding the Schools' transfer at level funding, and not including any COLA or merit for employees – the seventh year without merits – we were able to balance the FY 2015 Recommended Budget at the equalized real property tax rates and current rates for all other taxes. However, when the expenditure assumptions noted above are weighed against the projected gradually increasing revenues at equalized rates beyond FY 2015, sizable budget deficits are anticipated over at least the next four years. Since State law (and responsible budget builders) require balanced budgets, unless revenue projections improve significantly, the budget deficits shown in the forecast (page 103) for FY 2016 – FY 2019 will need to be addressed during each budget cycle through increased taxes and/or fees, additional reductions in budgeted expenditures, reprioritization of financed capital projects, or a combination of each of these options. In other words, a budget where out-year expenditure projections exceed out-year revenue projections is not sustainable.

In the near term, our challenges include finalizing the estimates associated with real and personal property values; and understanding the impacts of the former Governor's recommendations concerning pay for certain Sheriff's deputy and deputy clerk positions. Assessment appeals are expected to be completed by March 21. We should have more information concerning NADA values impacting personal property values by early March. The General Assembly is currently in session and is scheduled to finalize its budget on March 8. If resolutions of these items require us to reduce expenditures to balance the budget, I need to be up front with you and the public and let you know now that any additional reductions will be the reduction or elimination of services. We are beyond across-the-board cuts at this point in time. We have spent the last several years reducing expenditures as much as possible while

minimizing impacts to our services and departments will continue to make additional changes that save money and promote a more effective local government. However, maintaining the current level of service while addressing the costs associated with additional needs will require the Board to clearly prioritize needs and funding sources.

**Conclusion**

This budget includes strategies for maintaining current levels of services while improving services provided by Fire/Rescue and the Sheriff's Office. Within the bounds of anticipated revenues at the equalized real estate rate and current rates for all other taxes, the adjustments identified as part of the development of this budget address education, public safety, and transportation as continued priorities while adhering to all fiscal policy guidelines and avoiding the use of one-time revenue to fund ongoing expenditures.

The recommendations I've made within this budget are the starting point as we develop a budget that balances available funding with the services that provide for a desired high quality of life in Spotsylvania. As the Board clearly identifies its priorities, staff is prepared to provide sound financial options that take into account immediate and future outcomes. We have a number of budget work sessions scheduled in the coming months, as well as a budget public hearing scheduled for April 3. I look forward to working with you, the School Board, the public, the Citizens Budget Review Committee, and the County's dedicated employees as we develop your FY 2015 Adopted Budget.

Sincerely,

A handwritten signature in black ink that reads "C. Douglas Barnes". The signature is written in a cursive style with a long horizontal line extending to the right.

C. Douglas Barnes  
County Administrator



# Guide to Using this Document

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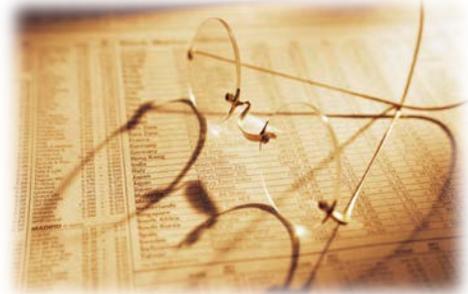
Spotsylvania County Government is responsible for many different programs designed and operated to provide quality community services. The oversight of these programs is a daily challenge for County employees, but understanding them can be of equal challenge for citizens. This budget document was developed 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 FY 2015. 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 FY 2015 budget.

- The Budget at a Glance – a summary of the highlights of the FY 2015 budget;
- The County’s Mission Statement – a display of the County’s mission and vision, and the high-level, long-term goals the County has set to meet its mission. Also included is a matrix showing the links between County-wide long-term goals and goals specific to functions;
- The County Administrator’s Budget Message – a brief statement summarizing the challenges and the strategic priorities and budgetary plans for addressing those challenges; and
- 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 FY 2015 revenues by type and FY 2015 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 FY 2015 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; and
- Department/Office Summaries – charts, tables and narratives explaining the purpose and the historical and projected funding for each County department/office.

**Appendix** Includes a glossary of terms and acronyms, general information about the County and statistical data to help the reader better understand the demographics of Spotsylvania County.



## FY 2015 Recommended Budget at a Glance

### Budget Focus

- Maintain priority services – education, public safety, transportation
- Maintain all fiscal policy guidelines
- No increases in tax rates
- Fund commitments (jail, juvenile center, regional agencies, existing debt service)
- Funding for the new public safety radio system
- Additional Firefighter/Medic positions at a net zero cost due to an offsetting reduction in overtime
- Funding to increase the number of Detectives and Emergency Communication positions

#### **Schools –**

- The local transfer to the School Operating Fund is maintained at the same \$114.8 million budgeted in FY 2014. Due to School debt retirement and minimal new issuances, the \$114.8 million provides approximately \$2.7 million in additional funding for school operations in FY 2015.

#### **Public Safety –**

- Six Firefighter/Medic positions added, the cost of which is offset fully by a reduction in overtime.
- Four Emergency Communication positions are added to the Sheriff's department to enhance E911 staffing.
- One Detective position is added to address work load increase.

#### **Transportation –**

- VRE revenue allows suspension of transfer of decal and set-aside revenue for fifth year
- Intersection improvements, signal installation at Balls Bluff and improvements to exits 118 and 126 are included in the CIP

#### **Tax Rates/Fees –**

- Real Property tax rate is equalized at \$0.87
- Personal Property tax rate remains at \$6.37

#### **Staff –**

- Estimated 4.6% increase in overall health insurance costs
- The Health Insurance premium holiday approved in FY 2014 is not extended to FY 2015.
- Additional 1% pay increase to help offset the additional 1% VRS contribution employees must pay
- Estimated increase in overall VRS rate from 16.32% to 17.28%
- 19 new full-time positions added, all are related to public safety except four positions for Utilities

	FY 2014 Adopted	FY 2015 Recommended	Difference	
			\$	%
General Fund	\$106,886,654	\$111,415,038	\$4,528,384	4.2%
Economic Dev. Opportunities Fund	748,467	566,960	(181,507)	(24.3%)
Code Compliance Fund	3,088,259	3,614,795	526,536	17.0%
Transportation Fund	8,091,602	9,086,399	994,797	12.3%
School Operating	248,266,081	253,631,671	5,365,590	2.2%
School Food Service	10,044,365	9,530,213	(514,152)	(5.1%)
Utilities	<u>29,980,372</u>	<u>31,615,872</u>	<u>1,635,500</u>	5.5%
<b>Sub-Total Operating Expenditures</b>	<b>\$407,105,800</b>	<b>\$419,460,948</b>	<b>\$12,355,148</b>	<b>3.0%</b>
Capital Projects Fund	\$13,473,585	\$9,927,051	(\$3,546,534)	(26.3%)
School Capital Projects	377,608	7,686,461	7,308,853	1,935.6%
Utilities Capital Projects	<u>18,021,000</u>	<u>13,091,666</u>	<u>(4,929,334)</u>	(27.4%)
<b>Sub-Total Capital Expenditures</b>	<b>\$31,872,193</b>	<b>\$30,705,178</b>	<b>(\$1,167,015)</b>	<b>(3.7%)</b>
<b>Total Budget</b>	<b>\$438,977,993</b>	<b>\$450,166,126</b>	<b>\$11,188,133</b>	<b>2.5%</b>

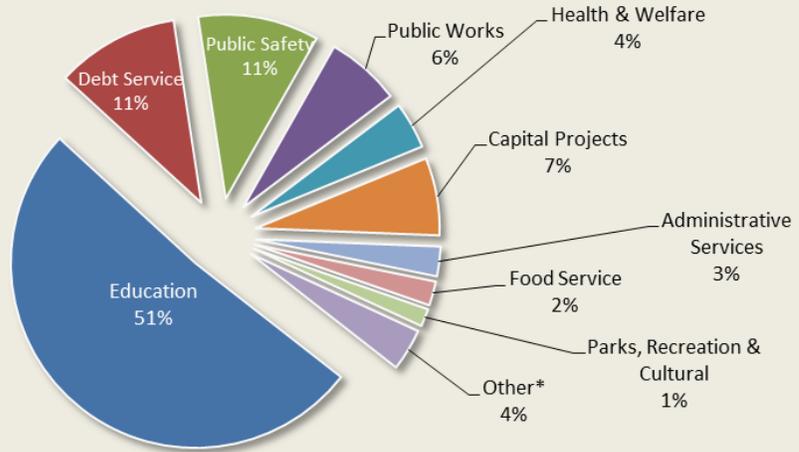
**Personnel**

**Full Time Equivalent (FTE)**

	FY 2014	FY 2015
County	949.26	967.76
Schools	3,010.50	3,021.50
<b>Total</b>	<b>3,959.76</b>	<b>3,989.26</b>

**Expenditures by Function – All Funds**

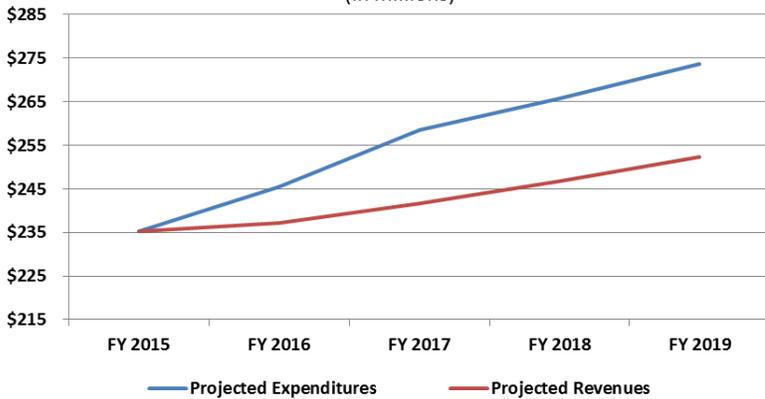
\$450,166,126 excluding transfers out



\*"Other" includes Community Development, Executive Services, Judicial Administration, Transportation and Voter Services functions

**General Fund Forecast**

(in millions)



**Breakdown of General Fund Transfer to Schools**

	2014 Adopted	2015 Recommended
• Required Local Effort	\$44,116,544	\$51,849,984
• Required Local Match for Opt. Programs	\$1,650,255	\$1,599,490
• Debt Service	\$25,622,391	\$22,865,604
• Additional Local Transfer	\$43,441,149	\$38,515,261
<b>Total Local Transfer</b>	<b>\$114,830,339</b>	<b>\$114,830,339</b>

**Average Residential 2014 Real Estate Tax Bill = \$1,545**

Average value of residential property: \$177,546

School Transfer \$855 (55.3%)

Public Safety \$270 (17.5%)

Admin Services \$72 (4.7%)

Health/ Welfare \$66 (4.3%)

Debt Service \$66 (4.3%)

Public Works \$57 (3.7%)

Parks/Rec/Cultural \$47 (3.0%)

Other\* \$112 (7.2%)



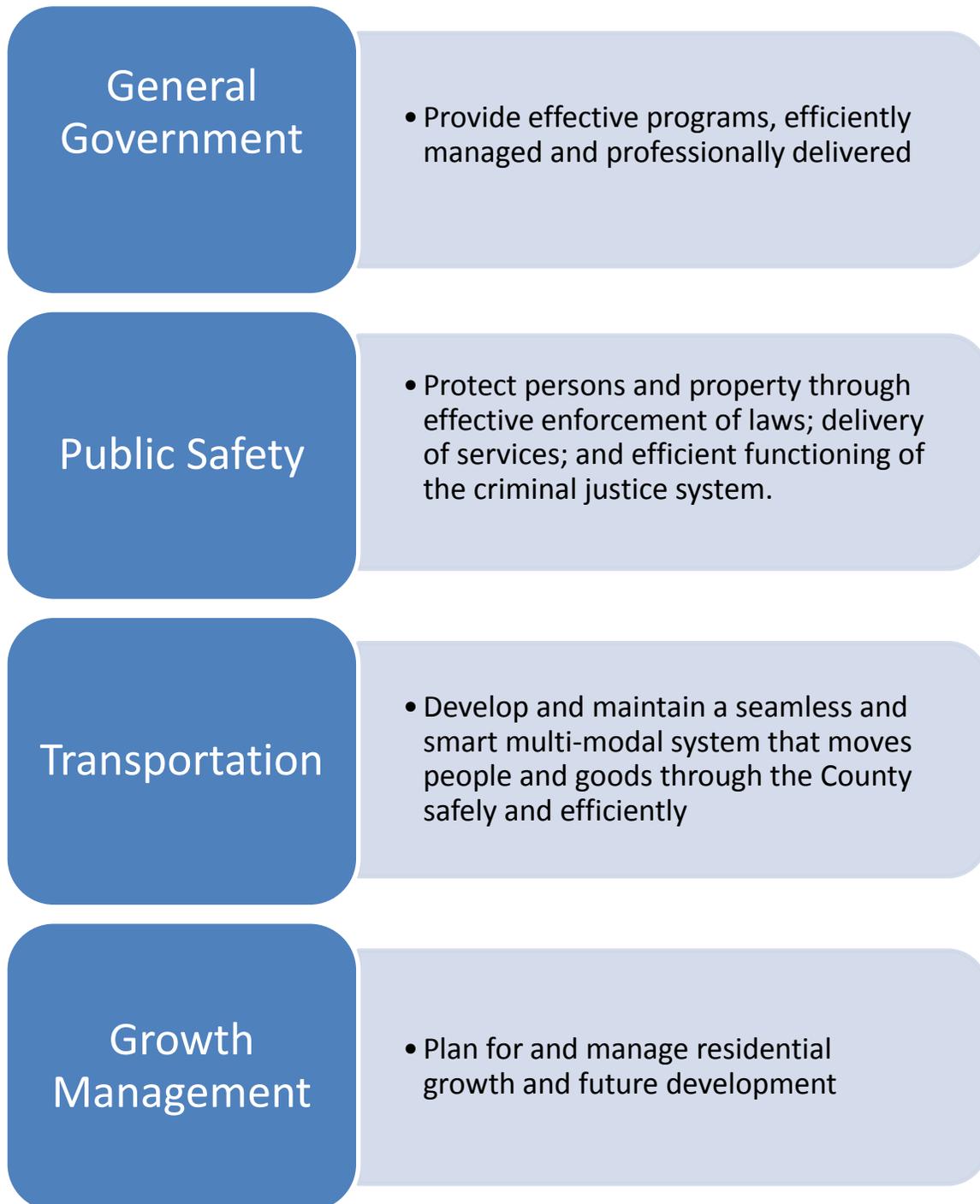
\*"Other" includes Capital Projects, Executive Services, Community Development, Judicial Administration and Voter Services

# County Vision, Mission, & Goals

The County’s vision is to “be a leading Virginia community in quality of living and a leader in the region in sustained economic development. The County will embrace as its highest purpose the promotion of the common good through ethical and visionary leadership and through motivated and skilled employees.” The poster below is displayed in County offices to serve as employees’ daily reminder of the County’s vision, mission, and values. Representing the County focus, the vision is at the center of the display surrounded by five County values or objectives.



The County's four primary goals of promoting effective governmental, public safety and transportation programs and managing growth are shown below.



# Linking County-Wide & Functional Goals

The following chart displays the links between long-term functional and County-wide goals. Additional information related to the functional goals and performance measures may be found in the Function/Department Budgets section of this document beginning on page 223.

Functional Goals	County-wide Goals			
	General Gov't	Public Safety	Transportation	Growth Mgmt
<b>Executive Services</b>				
• Promote a safe, healthy and prosperous community	✓	✓	✓	✓
• Maintain a customer-focused government	✓	✓	✓	✓
• Support a strong sense of community	✓	✓	✓	✓
• Implement County policy	✓	✓	✓	✓
<b>Administrative Services</b>				
• Provide accurate real property assessments & financial information	✓			
• Provide technical oversight and financial support to County departments	✓			
• Ensure accountability	✓			
• Provide range of technology services	✓	✓		
• Achieve AAA bond rating	✓	✓	✓	
<b>Voter Services</b>				
• Provide registration and voting opportunities	✓			
• Ensure proper operation and direction of all elections	✓			
• Satisfy internal and external reporting requirements and requests	✓			
<b>Judicial Administration</b>				
• Prosecute criminal cases		✓		
• Maintain comprehensive law library		✓		
• Provide Victim-Witness program		✓		
• Maintain court of record, deeds and probate	✓	✓		
<b>Public Safety</b>				
• Protect life and property, and reduce the fear of crime		✓		
• Provide 24/7 Fire/EMS service		✓		
• Ensure the humane treatment of animals		✓		
• Provide services to juveniles		✓		
<b>Public Works</b>				
• Provide well-maintained facilities	✓	✓		
• Preserve water quality and environment	✓	✓		✓

Functional Goals	County-wide Goals			
	General Gov't	Public Safety	Transportation	Growth Mgmt
<b>Health &amp; Welfare</b>				
• People helping people	✓	✓		
• Strengthen family units	✓	✓		
• Ensure safety and well-being of children in agency custody	✓	✓		
• Investigate report of abuse and neglect	✓	✓		
• Build cooperative and productive relationships with stakeholders	✓	✓		
<b>Parks, Recreation &amp; Cultural</b>				
• Enhance quality of life for Spotsylvanians	✓			
• Provide sustainable recreational programs	✓			
• Provide visitor services to local residents as well as to travelers	✓			
<b>Community Development</b>				
• Contribute to a high quality of life	✓	✓	✓	✓
• Promote business growth and development	✓		✓	✓
• Promote tourism	✓			
• Provide learning opportunities	✓			
<b>Transportation</b>		✓	✓	✓
<b>Education</b>				
• Provide effective instructional services	✓			
• Promote a positive and effective learning environment	✓			
• Encourage parent engagement and dynamic community partnerships	✓			
• Ensure a supportive organizational structure	✓			
<b>Food Service</b>				
• Support the learning experience	✓			
<b>Capital Projects</b>	✓	✓	✓	✓
<b>Debt Service</b>	✓	✓	✓	✓

**FY 2015 Recommended Budget - All Funds**

	<b>FY 2013 Actual</b>	<b>FY 2014 Adopted</b>	<b>FY 2014 Amended</b>	<b>FY 2015 Recommended</b>	<b>Variance (rec. to adopt) Amount</b>	<b>Percent</b>
<b>Revenues (by type)</b>						
Property Taxes	\$147,269,154	\$147,145,340	\$148,066,528	\$150,505,624	\$3,360,284	2.3%
Other Local Taxes	\$36,946,307	\$36,863,648	\$36,863,648	\$38,684,687	\$1,821,039	4.9%
Licenses & Permits	\$309,258	\$371,500	\$371,500	\$260,800	(\$110,700)	-29.8%
Charges for Services	\$34,654,092	\$34,982,037	\$35,057,037	\$37,380,884	\$2,398,847	6.9%
Other Local Revenue	\$23,811,838	\$25,118,284	\$26,551,814	\$24,644,817	(\$473,467)	-1.9%
Debt Proceeds	\$54,942,504	\$0	\$52,630,015	\$7,612,145	\$7,612,145	n/a
State Revenue	\$155,719,209	\$158,846,373	\$167,846,863	\$161,351,304	\$2,504,931	1.6%
Federal Revenue	\$29,362,787	\$14,507,269	\$27,305,838	\$14,607,517	\$100,248	0.7%
Subtotal - Revenue	\$483,015,149	\$417,834,451	\$494,693,243	\$435,047,778	\$17,213,327	4.1%
Transfers In	\$135,173,293	\$129,329,724	\$134,497,544	\$128,638,929	(\$690,795)	-0.5%
Use of Fund Balance	(\$2,252,993)	\$21,143,542	\$81,107,291	\$15,118,348	(\$6,025,194)	-28.5%
<b>TOTAL REVENUE - All Funds</b>	<b>\$615,935,449</b>	<b>\$568,307,717</b>	<b>\$710,298,078</b>	<b>\$578,805,055</b>	<b>\$10,497,338</b>	<b>1.8%</b>
<b>Expenditures (by function)</b>						
Executive Services	\$2,496,262	\$3,237,582	\$3,325,802	\$3,296,300	\$58,718	1.8%
Administrative Services	\$10,473,525	\$11,777,587	\$12,505,416	\$11,676,392	(\$101,195)	-0.9%
Voter Services	\$300,164	\$311,576	\$312,261	\$368,309	\$56,733	18.2%
Judicial Administration	\$3,773,811	\$3,850,364	\$3,970,943	\$3,968,237	\$117,873	3.1%
Public Safety	\$45,775,292	\$45,300,847	\$47,302,217	\$47,713,729	\$2,412,882	5.3%
Public Works	\$24,705,316	\$28,160,792	\$28,844,648	\$29,286,779	\$1,125,987	4.0%
Health & Welfare	\$17,416,421	\$16,982,872	\$18,041,452	\$18,412,482	\$1,429,610	8.4%
Parks, Recreation & Cultural	\$6,807,391	\$6,966,034	\$6,987,198	\$6,974,398	\$8,364	0.1%
Community Development	\$4,483,617	\$4,708,374	\$6,206,152	\$4,755,880	\$47,506	1.0%
Debt Service	\$94,107,685	\$48,753,715	\$81,661,725	\$48,526,098	(\$227,617)	-0.5%
Capital Projects	\$33,624,349	\$31,872,193	\$125,554,607	\$30,705,178	(\$1,167,015)	-3.7%
Transportation	\$4,442,195	\$4,368,002	\$4,372,680	\$4,186,064	(\$181,938)	-4.2%
Education	\$223,281,639	\$222,643,690	\$226,650,345	\$230,766,067	\$8,122,377	3.6%
Food Service	\$8,920,094	\$10,044,365	\$10,102,496	\$9,530,213	(\$514,152)	-5.1%
Subtotal - Appropriated Expenditures	\$480,607,761	\$438,977,993	\$575,837,942	\$450,166,126	\$11,188,133	2.5%
Transfers Out	\$135,327,688	\$129,329,724	\$134,460,136	\$128,638,929	(\$690,795)	-0.5%
<b>TOTAL EXPENDITURES - All Funds</b>	<b>\$615,935,449</b>	<b>\$568,307,717</b>	<b>\$710,298,078</b>	<b>\$578,805,055</b>	<b>\$10,497,338</b>	<b>1.8%</b>
<b>Appropriated Expenditures (by category)</b>						
Personnel (salaries & benefits)	\$265,109,908	\$266,436,121	\$270,786,873	\$277,342,920	\$10,906,799	4.1%
Operating (other than debt service)	\$86,096,473	\$90,323,297	\$98,476,249	\$91,783,109	\$1,459,812	1.6%
Debt Service	\$94,107,685	\$48,753,715	\$81,661,725	\$48,526,098	(\$227,617)	-0.5%
Capital	\$35,293,695	\$33,464,860	\$124,913,095	\$32,513,999	(\$950,861)	-2.8%
<b>TOTAL APPROPRIATED EXPENDITURES - All Funds</b>	<b>\$480,607,761</b>	<b>\$438,977,993</b>	<b>\$575,837,942</b>	<b>\$450,166,126</b>	<b>\$11,188,133</b>	<b>2.5%</b>

