*CITIZENS BUDGET REVIEW COMMITTEE

REPORT ON PROPOSED BUDGET FOR FY 2016

February 24, 2015

AGENDA

- Challenges

- General Observations

- Specifics

- Final Thoughts

CHALLENGES

- Volunteers

- Compressed Review Period

- Rely on Prior Year Data

- Perspective of typical citizen

GENERAL OBSERVATIONS

- Resistance to tax increases by citizens

- Resulting Dilemma

- Increasing gap between revenue and expenses

- Actions

GENERAL OBSERVATIONS

- Resistance to tax increases by citizens
  - *Citizens faced with the same challenge as the County*
    - Equalized rate = tax increase
    - Car Tax rate = increase
    - Food cost up
    - Insurance costs up
    - Housing/utilities costs up
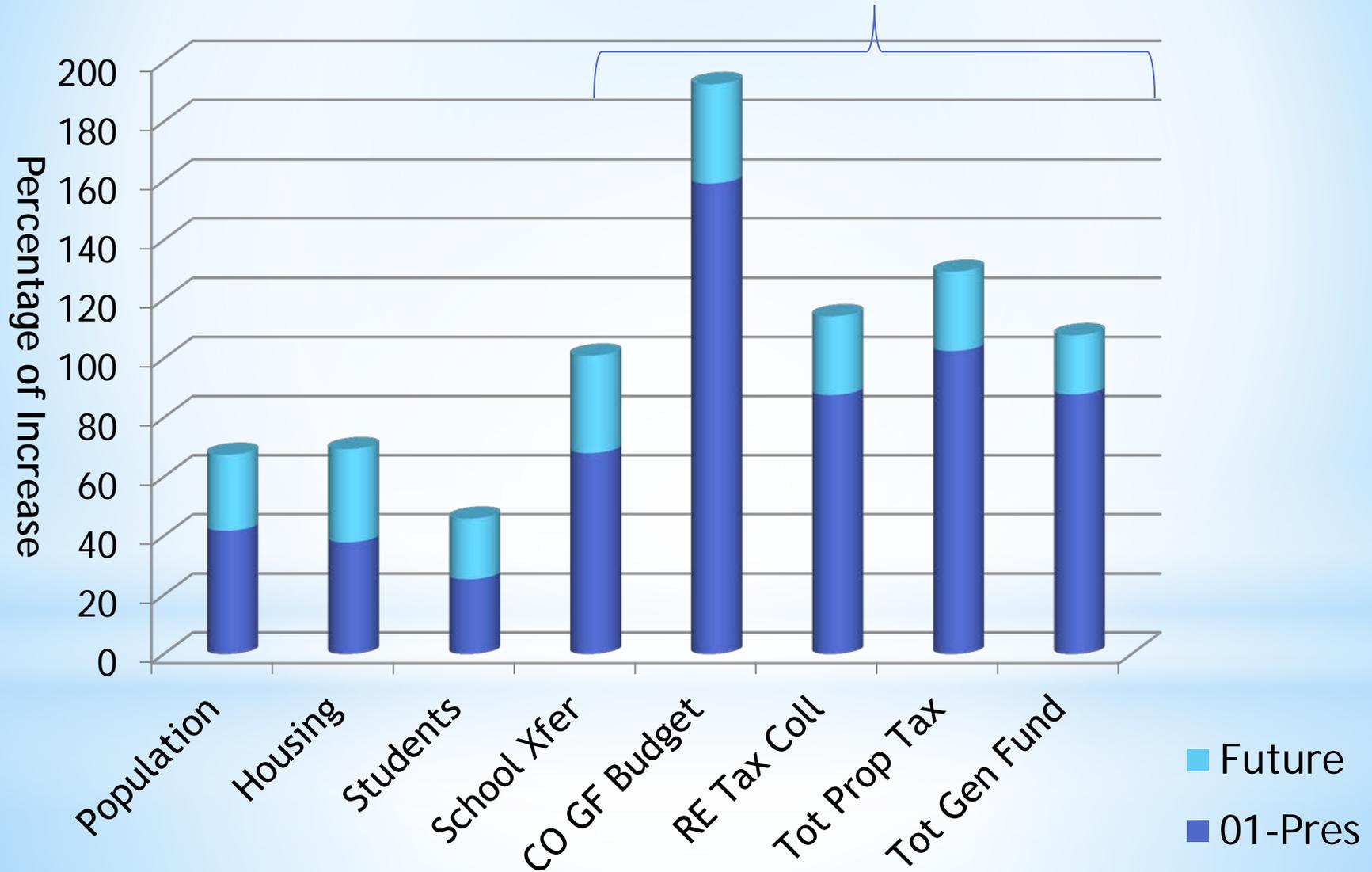
GENERAL OBSERVATIONS

- Resulting Dilemma
  - Citizens have reached a critical point TO MAKE A CHOICE
    - If same level of services, *more tax* even with Equalized rate
    - If same tax level, less services
    - If more services, *more tax* beyond Equalized rate

  - But Bond Referendum a mixed signal

GENERAL OBSERVATIONS

- Increasing gap between revenue and expenses
    - Decreasing revenue from State
    - Changing Federal and State requirements
    - Debt Service Costs up
    - Money to Schools equals 110%+ of Real Estate Property Tax
    - Projected gap = 18%

SPOTSYLVANIA COUNTY GROWTH

Five-Year Financial Forecast

GENERAL OBSERVATIONS

- Actions
  - Eliminate costs for non-essential activities
  - Return to FY2014 actual expenditure level for operating costs
  - Retain all excess revenue
  - Pay-as-you-go through excess revenue
  - No tax revenue for any item included in approved bond referendum

SPECIFICS

- Sheriff's Activities
    - Our own Academy
    - Retain part of ticket revenue

- Continue to seek Consolidation
    - Expand the analysis and evaluation
    - Include implementation outline

SPECIFICS

- Pay-for-Performance
  - Must be credible
  - Go slow/Adjust along the way
  - Good performance metrics
  - Figure out performance and work pay into it

FINAL THOUGHTS

- Spending Problem

- Five Year Financial Forecast

- CBRC Role

GENERAL FUND OPERATING BUDGET