

# Board of Supervisors



**Courtland**  
**David Ross**



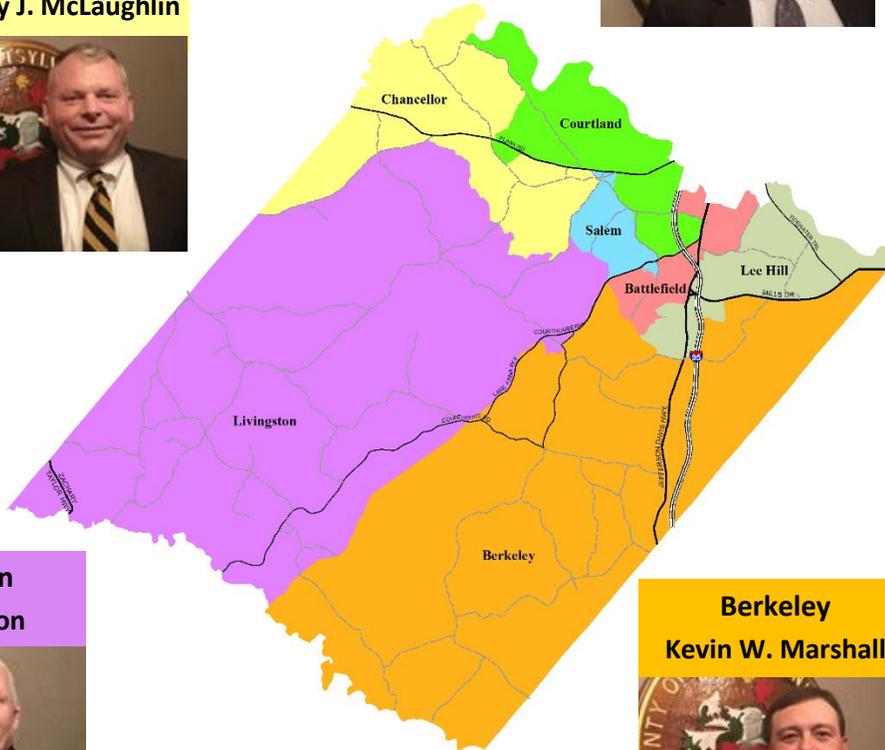
**Salem**  
**Paul D. Trampe**



**Chancellor**  
**Timothy J. McLaughlin**



**Battlefield**  
**Chris Yakabouski**



**Lee Hill**  
**Gary F. Skinner**



**Livingston**  
**Greg Benton**



**Berkeley**  
**Kevin W. Marshall**



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Berkeley	Kevin W. Marshall	Phone: 540-755-6087; email: kmarshall@spotsylvania.va.us
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# Staff

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*Budget Analyst*

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*Budget Analyst*

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, 2018.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, 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, 2018**

*Christopher P. Morrell*

Executive Director



# Guide to Using this Document

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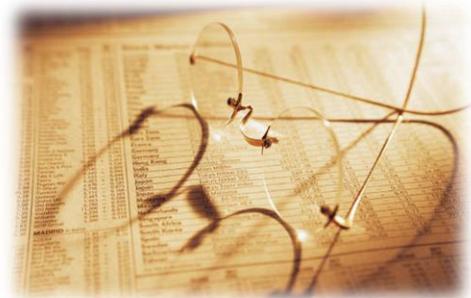
Spotsylvania County Government is responsible for many different programs designed and operated to provide quality community services. The oversight of these programs is a daily challenge for County employees, but understanding them can be of equal challenge for citizens. This budget document was developed 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 2020. 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 2020 budget.

- The County Administrator’s Budget Message – a statement summarizing the challenges and the strategic priorities and budgetary plans for addressing those challenges;
- The Budget Strategy – a discussion explaining the development of the FY 2020 budget. This section includes short term factors and underlying assumptions that influenced the decisions made in development of the FY 2020 budget;
- The Budget at a Glance – a summary of the highlights of the FY 2020 budget;
- General information about the County and statistical data to help the reader better understand the demographics of Spotsylvania County;
- The County’s Strategic Plan – a display of the County’s mission, vision, values, and long-term strategic plan the County has set to meet its mission; and
- The 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 2020 revenues by type and FY 2020 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 2020 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;
- Department/Office Summaries – charts, tables and narratives explaining the purpose and the historical and projected funding for each County department/office; and
- Staffing – table listing number of positions, by position title, for each department/office.

**Appendix** Includes a chart showing the changes made to the FY 2019 Budget to yield the FY 2020 Budget and a glossary of terms and acronyms.



## Budget Message – February 12, 2019

Dear Spotsylvania County Board of Supervisors:

As reported in our Comprehensive Annual Financial Report for FY 2018, our county's economy continues to be strong. The strength of our economy shows in the seven years of continuing decline in our unemployment rate, in our continuing local job creation, in the continuing expansion of our tax base, in our continuing sustainable growth, and in our continuing strong credit ratings.

### **Anticipated Revenue Changes**

The vitality of Spotsylvania County's economy is also reflected in the projected revenue increases for FY 2020. Our preliminary projections anticipate \$6,504,249 (5.3%) in new real estate tax revenue, which alone accounts for more than half of the \$12,179,749 in additional revenues (other than changes in transfers in and use of fund balance) included in the proposed budget. Increases of more than \$800,000 in personal property tax revenue (2.1%) and nearly \$500,000 in sales tax (2.7%) also indicate that our local economy is in good shape. With the additional revenues that are anticipated, the proposed FY 2020 Budget calls for no change in Spotsylvania County tax rates.

The FY 2020 Recommended Budget totals \$554.2 million – an increase of \$23.6 million (4.4%) compared to the FY 2019 Adopted Budget. When capital projects funds are excluded, the FY 2020 Recommended Budget is a \$22.5 million (4.8%) increase over the FY 2019 Budget.

	FY 2019	FY 2020	Difference	
	Adopted	Recommended	\$	%
General Fund	\$130,499,695	\$141,511,752	\$11,012,057	8.4%
Economic Dev. Opportunities Fund	1,280,113	1,343,683	63,570	5.0%
Code Compliance Fund	4,284,767	4,504,211	219,444	5.1%
Transportation Fund	8,232,778	8,159,888	(72,890)	(0.9%)
School Operating	285,970,055	294,640,349	8,670,294	3.0%
School Food Service	11,322,972	12,341,528	1,018,556	9.0%
Utilities	<u>32,370,945</u>	<u>33,995,525</u>	<u>1,624,580</u>	5.0%
<b>Subtotal Operating Expenditures</b>	<b>\$473,961,325</b>	<b>\$496,496,936</b>	<b>\$22,535,611</b>	<b>4.8%</b>
Capital Projects Fund	15,920,062	17,079,770	1,159,708	7.3%
School Capital Projects	30,799,918	28,904,696	(1,895,222)	(6.2%)
Utilities Capital Projects	<u>9,948,451</u>	<u>11,715,000</u>	<u>1,766,549</u>	17.8%
<b>Subtotal Capital Expenditures</b>	<b>\$56,668,431</b>	<b>\$57,699,466</b>	<b>\$1,031,035</b>	<b>1.8%</b>
<b>Total Budget</b>	<b>\$530,629,756</b>	<b>\$554,196,402</b>	<b>\$23,566,646</b>	<b>4.4%</b>

**Focusing on One Solution**

Upon Finance staff's recommendation and with no objection from the Board of Supervisors, I directed that new initiatives be avoided in the FY 2020 Budget in order to accommodate our Finance and Information Services staffs' work on implementation of new Financial System software for Spotsylvania County. Staff deeply appreciates the Board's leadership in exercising such restraint, which we see as an investment in the successful implementation of our new system. We are looking forward to the One Solution implementation and the powerful new technology tools that will be at our disposal, though we acknowledge that there will be some initial growing pains to work through come July 1, 2019 – the "go live" date for Phase I of the system.

The Board's historic priorities have been accorded due respect in the formation of the FY 2020 Recommended Budget, in roughly the following order of priority:

1. Fund the third & final year of Evergreen implementation for County staff and the second year of implementation for Schools' staff
2. Fund departmental operations sufficient to maintain existing levels of service
3. Fund additional needs for the Financial System Upgrade and other continuing capital projects
4. Fund the second fifth (a total of 2/5ths in FY 2020) of on-going Other Post-Employment Benefits (OPEB) contributions as we work towards meeting the full annual required contribution by FY 2023 in accordance with County policy
5. Honor existing commitments to bondholders and to regional partners such as the jail, juvenile detention center, and library
6. Avoid additional debt through the use of available cash to fund necessary capital projects over the five-year planning period.

**Top Priority: Funding Evergreen**

In the summer of 2017, we recognized that more than a decade had passed since Spotsylvania County had conducted a comprehensive compensation study. To comply with Board-adopted Personnel Policy and to ensure the competitiveness of our compensation, we determined to undertake such a study, and we invited the School Superintendent to concurrently undertake a similar study. The Evergreen Study produced useful information for the adjustment of our salaries to market levels. Cost prohibited us from implementing market corrections in a single year, so the Evergreen Study has been implemented over three years. FY 2020 will be the third and final year of implementation for County staff and the second year of implementation for the Schools' staff.

As I write this, there is emerging discussion of the desirability of adding "steps" or longevity adjustments to our compensation plan. Some such adjustments were among various options included in the Evergreen Study recommendation, but were, at the time, cost prohibitive to pursue in their entirety. Instead, other longevity adjustments were implemented, and are again being funded in this budget for employees reaching 3, 5, 10, 12 or 15 years of service. At the Board's request for additional information on the step system for all employee groups, I've

directed Human Resources and Finance staff to coordinate with Fire/Rescue to work through and cost out a step plan for all. The timeframe for such work will occur after the FY 2020 Budget is complete, but in time for consideration of the FY 2021 Budget and in time for the steps to be built into Phase II (Human Resources/Payroll) of the new financial system.

The Recommended Budget for FY 2020 at unchanged tax rates includes funding for the third and final year of implementation of the Evergreen study – including a 2.4% COLA – for the local government staff. With additional revenues anticipated from the Commonwealth for our schools, it appears that the second year of implementation of the Evergreen study for the Schools’ staff can also be achieved in FY 2020. (The Recommended Budget includes local transfer funding for the Schools’ anticipated net new FY 2020 debt service costs.)

**Addressing Social Services & Other Staffing Needs**

In the past three years, we have added at least 80 public safety positions – 43 in FREM and 37 in the Sheriff’s Office. These adds were critical to the safety of our community. We have fully funded SROs at every school in the County. We have increased the number of deputies in the courts and on patrol. We have fully funded 24/7 ALS and fire coverage provided by career staff at all fire/rescue stations in the County. Every one of these 80 positions – regardless of whether they were originally funded for part of a year or through a grant - is maintained for the full year in the FY 2020 Budget. All other previously funded positions also remain in the FY 2020 Recommended Budget, with exception of a vacant Sign Coordinator position which has been deleted.

The greatest changes proposed for FY 2020 include funding for new positions in Social Services that are required to achieve manageable caseloads and to provide appropriate management and supervision. Social Services will add seven new positions, including three Family Services Workers, a Family Services Supervisor, a Services Program Manager, an Eligibility Program Manager, and an Eligibility Worker. These positions are needed in order to meet community needs, provide needed services, and maintain the high standards of our organization.

The proposed FY 2020 Budget also includes the addition of a Deputy Director of Human Resources, to address the needs of that department. Also added – at no cost to the General Fund – is a Commercial Building Inspector that will be funded out of fee revenues.

**Other New Notables**

This proposed FY 2020 Budget will fund Germanna Community College’s request for an additional \$100,000 as the first year of a five year capital commitment; a request from the YMCA for a one-time capital contribution of \$200,000; and a one-time \$25,000 contribution to the Railroad Museum using tourism dollars.

There is a \$750,000 placeholder in this budget for changes anticipated to the health insurance plans. Currently, there exists an imbalance in the premiums paid into and the claims paid out of both the Keycare 20 and Keycare 30 plans. To realign the plans and ensure sustainability of the health insurance offerings and budgets going forward, Finance and Human Resources staff have

begun exploring revisions to the health insurance plans and premiums. \$750,000 is the placeholder within this budget as the assumed employer's share of the changes.

### **Capital Projects**

In accordance with policy, since FY 2008, we have been faithfully adding 0.25% each year to the on-going transfer of cash to fund capital projects. For FY 2020, the total on-going cash transfer stands at \$11 million – 4% of General Fund revenue less designated transfers. We have four more budget years to go before achieving the 5% policy level, but what progress we have made on this! \$11 million in cash-to-capital means we can use for other purposes the \$4.6 million that we would otherwise, over time, would have paid in interest costs had we financed this \$11 million for projects. Over time, we have saved 10s of millions of dollars by using cash, and in keeping with past practice, this budget transfers \$5 million of the available fund balance as a one-time additional transfer to capital over and above the policy-level transfer. This added transfer funds some projects in FY 2020 and also funds projects in the out-years of the five year CIP for which referendum authority does not exist and for which we do not have other sources of funding.

Following are the significant capital projects included in the FY 2020 Budget:

<b>Project</b>	<b>Cash Funding</b>	<b>Financed Costs</b>	<b>Total FY 2020 Costs</b>
Judicial Center renovation/expansion	\$4,719,000	-	\$4,719,000
Holbert Building major maintenance	200,000	-	200,000
Replacement vehicles	1,490,870	-	1,490,870
Animal Shelter renovation/expansion	78,597	998,070	1,076,667
New general government building	500,000	-	500,000
Technology improvements	3,608,002	982,475	4,590,477
Landfill & convenience cntr. improvements	1,295,000	-	1,295,000
Belmont Park development	500,000	-	500,000
Co. 6 bunkroom addition/renovation	-	1,200,000	1,200,000
Replacement Fire/Rescue equipment	3,333,912	-	3,333,912
Exit 126 - Rt. 17 widening & bridge	1,070,495	2,329,505	3,400,000
Schools – buses	-	3,987,676	3,987,676
Schools - technology	-	3,141,520	3,141,520
Schools – capital maintenance	-	11,485,500	11,485,500
Schools – renovate/expand Courtland High	-	10,290,000	10,290,000
Water/sewer projects	11,715,000	23,870,000	35,585,000
<b>FY 2020 Total Capital Projects*</b>	<b>\$28,510,876</b>	<b>\$58,284,746</b>	<b>\$86,795,622**</b>

\*Excludes personnel and operations costs. Reflects project only costs.

\*\*Differs from figures on page 11 because this listing includes the County's financed projects and the budget itself does not at this point in time. Once bonds are sold and finalized, a budget adjustment will occur to budget the financed projects. Also, the figures on page 11 include capital projects operating and personnel costs not shown above

**Conclusion**

The FY 2020 Recommended Budget is in keeping with Spotsylvania County’s mission “to ensure the delivery of quality government services that are customer-focused; promote a safe, healthy, and prosperous community; and reflect excellence in financial stewardship.”

This message is merely a brief introduction to the FY 2020 Budget document which follows. In it, you will find much more detailed information about the revenues and expenditures recommended for FY 2020, as well as information about the Constitutional Offices, departments, and agencies that provide and support Spotsylvania County’s services to our community. The full FY 2020 Recommended Budget will be viewable via a link on Spotsylvania County’s website.

Sincerely,

A handwritten signature in black ink that reads "Mark B. Taylor". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Mark B. Taylor  
County Administrator



# FY 2020 Budget Strategy

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The Budget Strategy provides a discussion about the development of and the underlying assumptions within the FY 2020 Recommended Budget. Major changes within revenues and expenditures are identified. This section essentially tells the story behind the development of the FY 2020 Recommended Budget.

## **Building the Budget – Pressing Pause**

This year's budget process began differently than most. Generally, Budget staff starts with the prior year's budget; removes one-time items funded in the prior year; adjusts base budgets up or down to align with typical spending patterns or for price changes; and then sends their base budget work to departments and asks for what are known as "over/under" changes. The "over/under" process is where departments have a chance to tell Budget staff "We need more here because this thing is changing," or "We can shift \$x between these two accounts because the money gets spent here, not there." Nothing changed about the "over/under" process. However, what was entirely different this year is that departments were directed to forego submitting new initiatives for consideration in the FY 2020 Budget.

This year, a significant portion of Finance staff's time is occupied with meetings, training sessions, and other work associated with a new financial system the first phase of which will go live on July 1, 2019. As such, Budget staff would not have adequate time available to comb through and cost out requests for entirely new items in the budget, hence the "no new initiatives" approach this go-round. The fact that there are very few new items in this budget does not mean that all needs of the County are met, or that there are no good ideas towards making improvements to align with the County's new Strategic Plan goals. It is the case, though, that after several years of pursuing and adding significant staffing capacity – particularly to the public safety departments – the organization's focus is currently dialed to development and implementation of the new financial system – known as OneSolution. Budget staff is very appreciative of the cooperation of the Board, County Admin and departments in the "no new initiatives" directive.

## **Building the Budget – Revenues**

Overall, General Fund revenues other than transfers in and the use of fund balance are projected to increase by \$12.2 million (4.6%) when compared to the FY 2019 Adopted Budget. Following are revenue items of notable interest to this budget:

### ***No Changes in Adopted Tax Rates***

This budget includes no changes in tax rates. The calendar year 2019 tax rates are assumed at the same as those in place for calendar year 2018. We anticipate advertising a new, lower rate for personal property of data centers which, based on State Code, are to be established as a separate class of property for taxation.

**Growth in Assessed Value of Real Property**

Based on the 2019 preliminary land book, taxable assessed values of real property are increasing by 1.8% over the 2018 land book records and are projected to increase by 3.0% for calendar year 2020 to account for supplemental assessments occurring beyond the original April assessment. These increases are attributable to new construction and rezonings. A \$6.5 million increase in real estate tax revenue is projected for FY 2020 compared to the FY 2019 Adopted Budget. For purposes of revenue projections, the budget assumes an equalized rate for calendar year 2020 since FY 2020 revenue stems from one tax billing in calendar year 2019 and a second tax billing in calendar year 2020.

**Increasing Personal Property Tax Revenue**

Each year, County vehicle values are assessed based on 50% of the clean retail value from the National Automobile Dealers Association (NADA). The business furniture and equipment portion of personal property is valued with a depreciation schedule applied to the original cost of the item. Changes in the NADA guide values can vary widely from one year to the next. For example, application of the new NADA values resulted in the 2009 assessed value of all existing vehicles being 21% less than the 2008 assessed values. Then, when the updated NADA values were applied in 2010, the change in value was less than 1%. The 2018 NADA update is not yet available.

In five of the past six years, actual personal property tax revenue exceeded projections. In an attempt to tighten projections, Finance staff worked with the Treasurer’s Office staff to obtain additional data to understand changes in values occurring through the various stages of property book issuances. While there is no clear trend in book values, personal property revenue consistently increases by approximately \$1.1 million to \$1.3 million per year. As such, the projection of FY 2020 receipts is made assuming a \$1.2 million increase over what will be the mid-year FY 2019 estimate – a \$0.8 million increase over the FY 2019 Adopted Budget projection.

**Changes in Other Local Tax Revenues**

*Meals & Sales Taxes:* Receipts from meals and sales taxes continue to increase year over year, adding an estimated \$0.9 million to the FY 2020 Budget. Sales tax receipts returned to pre-recession levels in FY 2014 and are expected to increase by 2.7% (\$499,000) in FY 2020. Somewhat surprisingly, meals tax receipts never declined during the recession and have been increasing by an average of 3% per year for each of the past three years. Meals tax receipts are projected to increase by approximately \$420,000 in FY 2020. Since each of these taxes is calculated as a percentage of sales, changes in prices of goods and meals, as well as changes in the volume of sales impact the revenue.

*Public Service Corporation Taxes:* Public service corporation values are assessed by the State. Tax bill payments for public service corporations are due in June for the full tax year based upon the prior year’s assessed values. In the Fall of each year, the State sends updated assessed values to localities which are then used to “true up” tax payments in December. The FY 2020 revenue projection for public service corporation real and personal property tax revenue totals \$3.7 million. This projection is based upon the September 2018 assessed valuation report from

the State, and assumes a 3.0% increase in assessed value for 2019 and 2020. The \$3.7 million projection is approximately \$253,000 greater than the FY 2019 Budget.

*Delinquent Property Taxes:* Finance staff's projections of delinquent collections have been aggressive in the last few years with actual receipts falling short of expectations. As such, the projections are being reduced to align with FY 2018 actual receipts and what will, as part of the currently in-progress mid-year report, become the revised FY 2019 projections for delinquent tax collections. A combined net decrease of approximately \$1.2 million is projected for FY 2020.

*Business License:* Revenue from business licenses is increased by \$250,000 to be consistent with the average \$4.5 million total annual receipts for the past three years.

*Recordation & Grantors Taxes:* As the local housing market continues forward, recordation tax revenue to the County is increasing, as well. Though nowhere near the FY 2006 pre-recession high of \$5.3 million, the \$2.7 million recordation revenue estimate for FY 2020 reflects an increase of \$300,000 over that budgeted for FY 2019 based on actual receipts received in FY 2018 and anticipated for FY 2019. While this \$2.7 million is not as robust as we would like, it is about \$700,000 greater than the two lowest years of collection following the recession. Similarly, the projection for grantors tax revenue is increased by \$155,000 for FY 2020.

#### ***Changes in Certain Other Revenues***

*Refuse Disposal Fees:* Based on receipts from commercial hauler disposal at the landfill over the past two years and projections for FY 2019, revenue is expected to increase by \$400,000 in FY 2020 to \$2.3 million.

*Water/Sewer Administrative Fee:* As a self-supporting entity, the Utilities Operating Fund reimburses the General Fund for direct services provided by General Fund departments such as Finance, the Treasurer's Office, and Information Services for Utilities billing, collections, and technology services. The FY 2020 revenue projection is increased by about \$373,000 to \$2.2 million.

*Interest Earnings on Cash & Investments:* A combination of increased fund balance, slightly increased interest rates, and positive investment performance results in a \$200,000 increase in the projection of interest earnings for FY 2020.

*Fire Safety Inspection Fees:* Necessary adjustments were made by Fire/Rescue to the implementation of their Fire Safety Inspection program. Consequently, a temporary \$133,000 reduction in revenue is expected for FY 2020. Once a revised program is developed and the appropriate ordinances have been adopted, fine revenue will be received in instances where issues found and documented during inspections have not been remedied.

#### ***Changes in State & Federal Revenues***

*State Payments for Social Services Programs:* The County receives partial reimbursement from the State for Social Services and CSA programs. Reimbursement rates vary depending upon the

program. When expenditures are expected to increase for these programs as they are expected to do in FY 2020, we apply typical reimbursement rates to projected expenditures and arrive at an increased level of reimbursement revenue, as well. In FY 2020, State revenue for CSA is expected to increase by \$1.1 million due to increases in mandated program costs while Social Services base revenues are expected to increase by \$1.9 million.

**SAFER Grant:** During the course of FY 2019, the County was awarded a three-year SAFER grant for 10 Firefighter/Medic positions in FY 2019, FY 2020 and FY 2021. A separate, existing SAFER grant for nine Firefighter/Medics expires in FY 2019 and will not be available in FY 2020. The net impact to the revenue budget is an increase in SAFER grant funds of \$238,388 for FY 2020.

**Communications Sales Tax:** Based on a three-year trend of declining actual receipts and those anticipated for FY 2019, the projection for communication sales tax revenue in FY 2020 is decreased by \$200,000.

### **Use of the Fund Balance**

The County's fiscal policies call for a reserved and committed General Fund balance equal to at least 11% of the subsequent year's projected General Fund and School Operating Fund revenues. Known as the Fiscal Stability Reserve, this reserved portion of the fund balance is set aside to meet a critical, unexpected financial need costing at least \$1 million and resulting from a natural disaster or declared state of emergency, or from a local catastrophe that cannot be resolved through other less extraordinary budgetary action. By policy, the Fiscal Stability Reserve must be replenished to the 11% minimum level within three fiscal years of any use. The County's financial advisors have advised that the Fiscal Stability Reserve policy is the single most important financial policy to preserve strong credit ratings.

Additionally, a Budget Stabilization Reserve (BSR) must be accounted for within the unassigned General Fund balance. Beginning in FY 2016, the BSR was funded at \$1.0 million with an amount equal to 0.25% of General Fund and School Operating Fund revenues to be added each year until such time as the reserve reaches a maximum of \$5.0 million. The BSR will be available to address potential revenue declines or other economic stress placed on the budget. Any use of this reserve must be replenished within two fiscal years.

*"Spotsylvania's financial position is expected to remain strong given healthy reserve levels ..."*

**MOODY'S**  
INVESTORS SERVICE

### **At the end of FY 2020:**

- Fiscal Stability Reserve will be funded at 10.7% of FY 2020 projected revenues;
- Budget Stabilization Reserve will be funded at \$5.0 million; and
- \$0 will remain in the fund balance in excess of these and other policy reserves.

In FY 2020, \$6,037,238 of the General Fund balance is budgeted for use as identified in the table below:

<b>FY 2020 Use of General Fund Balance</b>	
Transfer to Capital Projects Fund in excess of fiscal policy level of \$11.0M	\$5,000,000
Use of Economic Opportunities Reserve for other than tax-based incentives	355,000
One-time YMCA capital contribution	200,000
Use of reserved tourism revenue for tourism expenditures including one-time Railroad Museum contribution	167,104
First year of five- year capital contribution to Germanna Community College	100,000
One-time legal services costs	100,000
Replacement turf sprayer for Parks & Recreation	34,290
Key fob entry system for exterior doors at a fire/rescue station	30,000
Various one-time equipment, software, and furniture for the Sheriff's Office	27,944
Gear locker upgrades at Co. 8	18,000
Fire/Rescue dive computers	3,600
Headsets for Office of Elections headsets	1,300
<b>Total Use of Fund Balance</b>	<b>\$6,037,238</b>

	\$ in millions
<b>FY 2019 Adopted Budget – Revenue (General Fund)</b>	<b>\$280.1</b>

Changes in General Estimates	
Real Property Tax	\$6.5
DSS/CSA State Revenue	3.0
Personal Property Tax	0.8
Local Sales Tax	0.5
Meals Tax	0.4
Refuse Disposal Fees	0.4
Water/Sewer Administration Fees	0.4
Recordation Fees	0.3
Public Service Corporation Tax	0.3
Business License Tax	0.3
SAFER Grant	0.2
Interest Earnings	0.2
Grantors Tax	0.2
Delinquent Property Taxes	(1.2)
Miscellaneous	<u>(0.2)</u>
Subtotal Changes .....	\$12.2

Changes in Transfers	
Transfer from Code Compliance Fund	(\$0.1)
Transfer from Fire/EMS Service Fee Fund	<u>(0.1)</u>
Subtotal Changes .....	(\$0.2)

Change in Use of Fund Balance	
One-time added transfer to Capital Projects Fund	\$5.0
Use of Economic Opportunities Reserve for other than tax-based incentives	0.4
One-time capital contribution to YMCA	0.2
Use of reserved tourism funding for tourism including Railroad Museum	0.2
First year of five year capital commitment to Germanna Community College	0.1
One-time legal services increase	0.1
Various other one-time costs in FY 2020	0.1
Remove one-time transfer to Schools in FY 2019	(0.3)
Remove other one-time uses in FY 2019	(0.8)
Remove one-time added transfer to Capital Projects Fund in FY 2019	<u>(8.6)</u>
Subtotal Changes .....	(\$3.6)

	\$ in millions
<b>FY 2020 Recommended Budget – Revenue (General Fund)</b>	<b>\$288.5</b>

Categorical breakdowns may not tie exactly to financial summaries due to the groupings displayed here.

## Building the Budget – Expenditures

Adjustments made to the FY 2019 Adopted Budget expenditures and transfers to yield the FY 2020 Recommended Budget can be summarized as follows for the General Fund:

Base budget adjustments – DSS/CSA programs .....	3,227,390
Base budget adjustments – comp study implementation.....	2,011,531
Base budget adj. – FTEs added to F/R, Sheriff, DSS during FY19..	1,495,080
Base budget adjustments – health insurance placeholder .....	750,000
Base budget adjustments – on-going OPEB .....	743,505
Base budget adjustments – all other .....	1,790,678
New initiatives – DSS.....	544,983
New initiatives – Human Resources Deputy Director .....	105,699
New initiatives – capital contribution to Germanna – year 1 of 5 ..	100,000
New initiatives – one-time funds to YMCA and Rail Museum.....	225,000
Transfers to other funds .....	129,070
Net new debt service .....	18,191
Transfer to Schools .....	(310,677)
Transfer to Capital Projects Fund .....	<u>(\$2,437,416)</u>
Total Change in General Fund.....	\$8,393,034

Significant portions of these General Fund adjustments are outlined in this section.

### Base Budget Adjustments

- \$2,165,000 is added to the budget for CSA mandated services to be consistent with FY 2018 actual expenditures and with trends in program utilization. Nearly 60% of the full mandated services program cost of \$10.8 million is expected to stem from the Schools' Individualized Education Program (IEP) placements into private day facilities. These expenses are partially funded by the State. The components of the full \$10.8 million cost are shown in the graph on page 371 based on FY 2018 services provided. Additionally, DSS program costs are expected to increase by \$1.1 million primarily for foster care and adoption programs.
- A total of \$2.0 million is budgeted for the County's third year of the three-year phase in of the compensation study. This funding includes a 2.4% CPI-indexed cost of living adjustment (COLA) and a longevity adjustment of 0.5% for employees reaching 3 or 12 years of service, and 1% for those reaching 5, 10, and 15 years of service by June 30, 2019. To best align with VRS reporting dates, any approved compensation adjustments will have an effective date of July 15, 2019 and will first appear on paychecks on August 2, 2019.
- During the course of FY 2019, a total of 22.63 positions have been added for Fire/Rescue, the Sheriff's Office and DSS.
  - 10 Firefighter/Medic positions were added through a SAFER grant which, when combined with the 11 positions included in the FY 2019 Adopted Budget, met the 21-position need to allow for 24/7 ALS and fire service countywide at all stations.

- 4 SRO positions – one of which was funded through a grant – were added to the seven SRO positions included in the FY 2019 Adopted Budget to ensure one SRO position is available at each of the County’s public schools.
- 8.63 DSS positions were added where seven are serving in direct or indirect support of the State’s Medicaid program expansion, and 1.63 positions are for working in support of foster care and adoption cases.

Each of these 22.63 positions is included in the base budget for FY 2020 at a cost of \$1,495,080.

- There is a \$750,000 placeholder in this budget for changes anticipated to the health insurance plans. Currently, there exists an imbalance in the premiums paid into and the claims paid out of both the Keycare 20 and Keycare 30 plans. To realign the plans and ensure sustainability of the health insurance offerings and budgets going forward, Finance and Human Resources staff have begun exploring revisions to the health insurance plans and premiums. \$750,000 is the placeholder within this budget as the assumed employer’s share of the changes.
- The County is accruing a liability now for future health insurance benefits current employees will have, based on current policy, when they retire. Retiree health insurance benefits are currently paid on a pay-as-you-go basis, but as more employees retire, our annual payments will continue to increase. The County’s current total liability is \$95.7 million. To meet this liability, actuaries have calculated the “annual required contribution (ARC)” at \$6.4 million beyond the \$1.2 million we pay annually for current retiree health insurance coverage and the \$1.5 million funded annually for the smaller, other than General Fund funds.

For the past several years, OPEB contributions have been funded in the smaller County funds such as Code Compliance and Transportation. County policy requires that once we begin funding the OPEB contribution for the General Fund, full funding of the on-going ARC will occur within eight years. The **one-time** set-aside of \$1.9 million of the fund balance in FY 2016 for OPEB kicked off the eight-year policy timeframe. In FY 2019, the Board began setting aside **on-going** funding to meet a portion of the ARC, leaving now four budget years to achieve the full on-going ARC. An additional \$743,505 for a total of \$1,896,835 is funded in the FY 2020 Budget as progress towards meeting the full \$9.3 million ARC no later than FY 2023.

- The Rappahannock Regional Jail (RRJ) has experienced excessive turnover in the last five years of 23% - 34% annually. A recent compensation study showed that RRJ’s salaries are almost 16% below average. The FY 2020 Recommended Budget includes a \$400,000 increase in the County’s contribution to the Rappahannock Regional Jail due to the addition of funding to address staff salaries, an increase in the County’s usage at the facility, and a decrease in the amount of one-time funding used to reduce localities’ shares of debt service.

- The FY 2019 Adopted Budget assumed a \$1.25 million savings stemming from lapse and turnover of positions. Based on a review of the FY 2018 turnover savings, staff added back \$302,000 to the FY 2020 Budget to yield a total assumed lapse and turnover savings of \$948,000.
- Final costs of the FY 2019 second year implementation of the compensation study were approximately \$206,000 higher than budgeted. This \$206,000 is factored into the base budget for FY 2020.
- Fire/Rescue and Sheriff's Office overtime budgets are increased by \$140,330 and \$159,670, respectively in an effort to better align the budget with historical expenditures.
- Full year funding for 7.24 half-year Sheriff's Office positions is included in the base budget at a cost of \$203,237.
- The library's full \$4,626,346 funding request is included in the Recommended Budget. This represents a \$204,177 decrease due to the one-time funding in FY 2019 for the first year start-up and operating costs for a new library branch inside the Spotsylvania Towne Centre and a satellite location in the Berkeley District. The FY 2020 Budget funds Spotsylvania's share of an anticipated 1.2% salary increase for library staff, a projected 4.08% increase in health insurance, VRS and FICA costs, and an increase for books and materials. In addition to the \$4,626,346 payment to the library, the County directly pays the debt service of the Salem Church Library branch which in FY 2020 will be \$167,496, and pays the utilities, insurance, and maintenance on the County's two library branches and certain facility operating costs at the Towne Centre branch.

***New Initiatives for FY 2020***

In the past three years, we have added at least 80 public safety positions – 43 in FREM and 37 in the Sheriff's Office. These adds were critical to the safety of our community. We have fully funded SROs at every school in the County. We have increased the number of deputies in the courts and on patrol. We have fully funded 24/7 ALS and fire coverage provided by career staff at all fire/rescue stations in the County. Every one of these 80 positions – regardless of whether they were originally funded for part of a year or through a grant - is maintained for the full year in the FY 2020 Budget. All other previously funded positions also remain in the FY 2020 Recommended Budget, with exception of a vacant Sign Coordinator position which has been deleted.

Several necessities were too critical to exclude from this budget, despite the “no new initiatives” directive, and so they have been included in the recommendation:

- \$544,983 is included in the budget for the addition of seven new positions in Social Services that are required to achieve manageable caseloads and to provide appropriate management and supervision. Social Services will add three Family Services Workers, a Family Services Supervisor, a Services Program Manager, an Eligibility Program Manager,

and an Eligibility Worker. These positions are needed in order to meet community needs, provide needed services, and maintain the high standards of our organization.

- \$200,000 of the General Fund balance is used to fund a one-time capital funding request from the YMCA to be used towards a \$1.1 million expansion of its Spotsylvania facility. The balance of the funding is being obtained through fundraising and a bank loan.
- \$105,699 is added to the budget for a Deputy Director of Human Resources to address the needs of that department.
- \$100,000 of the General Fund balance is used to fund the first of five year's contributions to Germanna Community College's capital drive for a new Germanna Allied Health Facility to be located at the Locust Grove campus.
- \$25,000 of the accumulated tourism reserve is used to support a one-time capital request from the Railroad Museum for large storage, replacement rail motor car, two passenger cars for train capacity, and building and equipment repairs.
- Though it does not impact the General Fund, a Commercial Building Inspector position is added to the Building Office and will be funded through increased fee revenue.

***Transfers to Other Funds***

*Schools* – The transfer to the Schools is recommended at \$128,181,416. This is the originally appropriated 2019 Budget of \$127,623,216 less \$250,000 in one-time funding included in FY 2019 plus \$808,200 towards net new debt service in FY 2020.

*Capital Projects Fund* – Consistent with fiscal policy guidelines, a transfer from the General Fund to the Capital Projects Fund is budgeted at \$11.0 million. To meet the County's policy goal of cash funding capital projects at an amount equal to 5% of General Fund revenue, beginning in FY 2008, the County established the transfer from the General Fund to the Capital Projects Fund at 1%, with an additional 0.25% to be added each year thereafter. In FY 2020, the transfer is budgeted at 4.00% of General Fund revenues.

In addition to the policy level transfer, \$5.0 million is transferred from the General Fund balance to the Capital Projects Fund to cash fund additional capital projects and reduce the amount to be borrowed for funding of such projects. Further, the one-time \$8.595 million transfer budgeted in FY 2019 is removed from this budget.

*Code Compliance Fund* – The cost of core and basic services for the Building and Zoning offices are funded by a transfer from the General Fund to the Code Compliance Fund annually. The transfer to Code Compliance is increased by \$64,070 in FY 2020.

*Economic Development Opportunities (EDO) Fund* – A transfer from the General Fund to the EDO Fund occurs annually to fund the costs of previously approved incentives. Overall, the transfer to the EDO Fund increases by \$65,000 for FY 2020.

*Transportation Fund* – Since 2011, we have maintained vehicle license fee revenue equaling about \$3.1 million in the General Fund as opposed to transferring those funds to the Transportation Fund as had been the practice prior to 2011. To begin to address the long-term needs of the Transportation Fund, each budget since FY 2017 has included a \$700,000 transfer from the General Fund to the Transportation Fund. This \$700,000 is included in the FY 2020 Budget, as well, to plan for long-term solvency of the Transportation Fund given ongoing expenses like the FRED bus service and annual subsidies to the Virginia Railway Express plus new debt service associated with planned capital expenditures for road projects.

Based on the Recommended CIP, in addition to the \$700,000 ongoing base transfer, the Transportation Fund will need:

- another \$0.7 million from the General Fund in FY 2021 – a cumulative transfer of \$1.4 million;
- another \$0.2 million on top of that in FY 2022 – a cumulative transfer of \$1.6 million;
- another \$0.2 million in FY 2023 – a cumulative transfer of \$1.8 million; and
- the same amount - \$1.8 million – again in FY 2024.

	\$ in millions
<b><i>FY 2019 Adopted Budget – Expenditures (General Fund)</i></b>	<b><i>\$280.1</i></b>
Mandated services <sup>1</sup> (39.1%) .....	\$109.4
Commitments <sup>2</sup> (36.5%) .....	\$102.1
Other services (24.5%) .....	<u>\$68.6</u>
	\$280.1
<b>Base Budget Adjustments</b>	
CSA mandated costs/DSS programs	\$3.2
Compensation adjustments to include COLA and longevity	2.0
Full year of F/R, Sheriff, and DSS positions hired subsequent to FY 2019 budget	1.5
Health insurance placeholder for plan adjustments	0.8
OPEB on-going contribution	0.7
Contribution to Rappahannock Regional Jail	0.4
Lapse and turnover savings; other personnel adjustments	1.3
Miscellaneous	0.3
Base contribution to Library	<u>(0.2)</u>
Subtotal Changes .....	\$10.0
<b>New Initiatives</b>	
Cost of new DSS initiatives	\$0.6
Costs of other new initiatives	<u>0.4</u>
Subtotal Changes .....	\$1.0
<b>Changes in Transfers</b>	
Transfer to EDO Fund	\$0.1
Transfer to Schools	(0.3)
Transfer to Capital Projects Fund	<u>(2.4)</u>
Subtotal Changes .....	(\$2.6)
	\$ in millions
<b><i>FY 2020 Recommended Budget – Expenditures (General Fund)</i></b>	<b><i>\$288.5</i></b>

Categorical breakdowns may not tie exactly to financial summaries due to the groupings displayed here.

<sup>1</sup> Is representative of the legally required local contribution to Schools and mandated services such as Constitutional Officers, Social Services, solid waste collection and disposal, etc. May not be exact.

<sup>2</sup> Reflects County and Schools debt service, regional agency contributions, the transfer of cash to the CIP, and the transfer to Schools above the amount necessary to satisfy legal and debt service requirements.

# Budget at a Glance

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The *Budget at a Glance* infographic on the following pages is a summary of the FY 2020 Budget and related data. Readers seeking further information on its components are invited to see the descriptions below.

- **Budget Focus** – A list of the central themes around which the budget is built. For further information see the *Budget Message*, pages 11 – 15.
- **Budget Highlights** – A list of noteworthy items incorporated into the budget such as changes to certain tax rates and planned new expenditures and/or programs. For further information, see the *Budget Strategy*, pages 17 – 28.
- **Operating and Capital Expenditures** – A table summarizing the operating and capital expenditures by fund for the FY 2019 and FY 2020 budgets. For further information, see the *Budget Summary - By Fund* and *Individual Fund Sheets*, pages 84 – 97, as well as information presented throughout the budget document.
- **Expenditures by Function, All Funds** – A graphical answer to the question “Where Does the Money Go?” The pie chart compares budgeted expenditures by government function. For further information, see the *Budget Summary – All Funds and Sources and Uses of Funds*, pages 81 – 83, as well as information presented throughout the budget document.
- **General Fund Forecast** – The forecast represents the costs of the FY 2020 General Fund budget over the course of the next four years. Projected costs are compared to projected revenues to arrive at an estimate of annual budget deficits or surpluses. For further information, see the *Five-Year Financial Forecast*, pages 141 – 145.
- **Breakdown of General Fund Transfer to Schools** – The table provides a breakdown of the General Fund transfer showing the required local effort, the required local match for optional programs, the required local match for federal grants, the transfer necessary to pay debt service on school capital projects, and the additional local transfer. For further information, see *Overview of Education Function*, pages 411 – 412, as well as the Schools’ budget document available at [www.spotsylvania.k12.va.us](http://www.spotsylvania.k12.va.us).
- **Average Residential 2019 Real Estate Tax Bill** – A display of the approximate breakdown of the average residential real property tax bill. The average is derived from preliminary 2019 land book values and the recommended real property tax rate of \$0.8330 per \$100 of assessed value. The intention of the graphic is to show how a typical citizen’s real estate tax bill is used to fund various government operations and services. For further information, see *Real Property Taxes*, pages 102 – 104, as well as information presented throughout the budget document.



## FY 2020 Recommended Budget at a Glance

### Budget Focus

- Maintain all fiscal policies and priority services (education, public safety, and transportation).
- Fund commitments (jail, juvenile center, regional agencies, existing debt service, Social Services/CSA).
- 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 management and supervision.
- Continue three-year phased implementation of Compensation Study (FY 2020 is third year).
- Fund second 1/5<sup>th</sup> (for total of 2/5<sup>ths</sup>) of on-going OPEB contribution as we work towards full funding of annual required contribution by FY 2023 in accordance with policy.

### Budget Highlights

#### Schools –

- Local transfer to Schools is budgeted at \$128,181,416. This is the originally appropriated 2019 Budget of \$127,623,216 less \$250,000 in one-time plus \$808,200 towards net new debt service in FY 2020.

#### Public Safety –

- In the past three years, we have added at least 80 public safety positions – 43 in FREMS and 37 in the Sheriff's Office. These enhancements were critical to the safety of the community. We have fully funded SROs at every school in the County. We have increased the number of deputies in the courts and on patrol. We have fully funded 24/7 ALS and fire coverage provided by career staff at all fire/rescue stations in the County. Every one of these 80 positions – regardless of whether they were originally funded for part of a year or through a grant – is maintained for the full year in FY 2020.

#### Transportation –

- Fuel tax revenue allows suspension of transfer of vehicle license fee for the 10<sup>th</sup> year. However, as begun in FY 2017, \$700,000 in on-going funding is transferred to the Transportation Fund to help address projected out-year imbalances in that fund.
- The local share of approved/applied for revenue sharing projects is included in the CIP along with planning figures for implementation of findings from previously budgeted corridor studies.

#### Tax Rates/Fees –

- No changes to tax rates.
- Real Estate tax rate recommended at \$0.8330 – no change from the 2018 adopted rate.

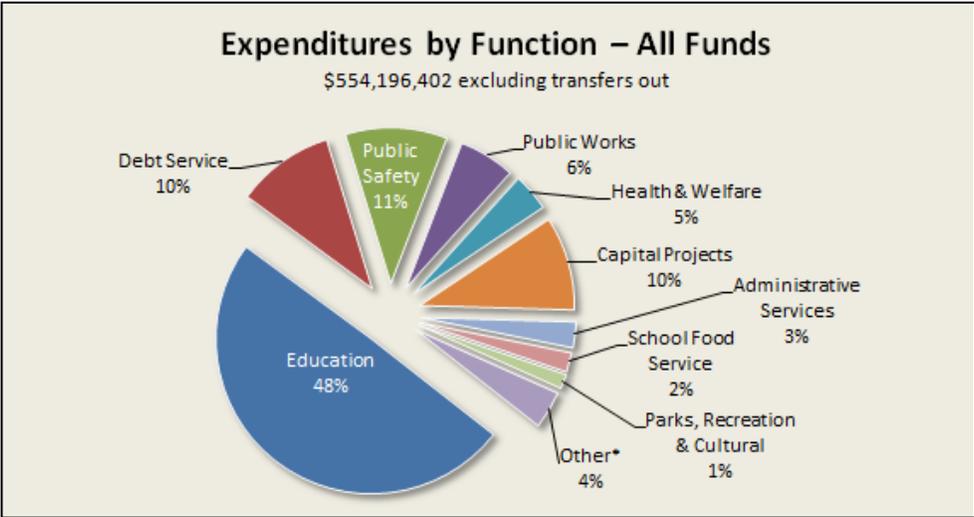
#### Compensation –

- Funding to implement year 3 of the County's 3-year compensation study implementation to include a 2.4% COLA; longevity adjustments of 0.5% for employees reaching 3 or 12 years of service by June 30, 2019; and 1% for 5, 10 and 15 years of service by June 30, 2019; and the final third of implementation of the classification parity.
- A \$750,000 placeholder is budgeted as the employer's share for changes anticipated to the health insurance plans necessary to resolve current imbalances between premiums and claims costs.

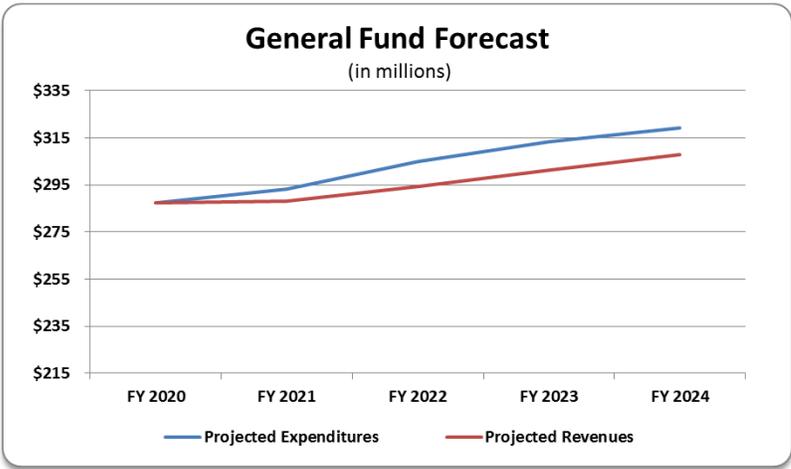
#### Capital Projects –

- Transfer of cash to the CIP is increased by \$1.0M to meet the 4.00% policy-level transfer. An additional \$5.0M is transferred from the fund balance to reduce the amount to be borrowed for capital projects.

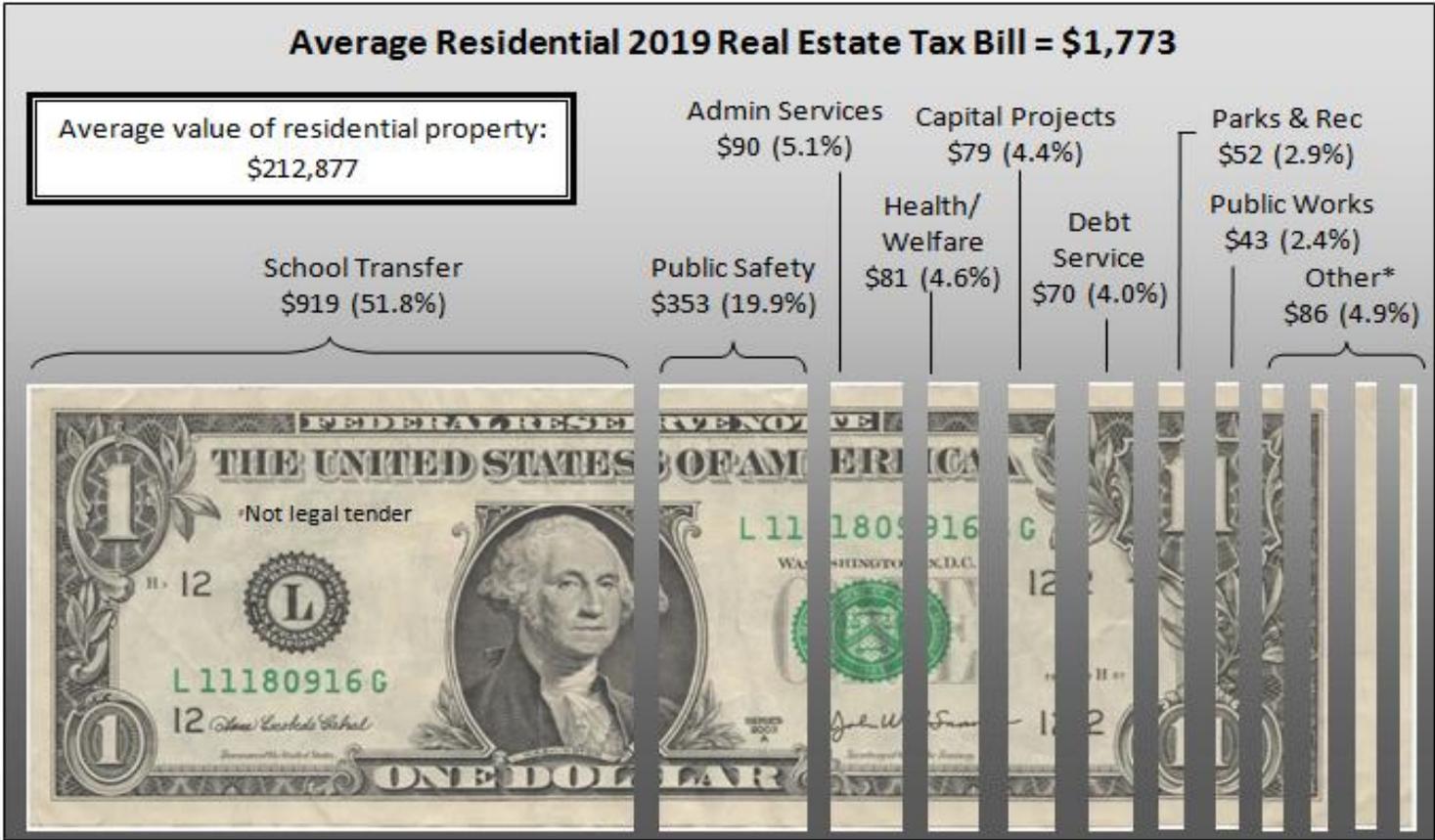
	FY 2019	FY 2020	Difference	
	Adopted	Recommended	\$	%
General Fund	\$130,499,695	\$141,511,752	\$11,012,057	8.4%
Economic Dev. Opportunities Fund	1,280,113	1,343,683	63,570	5.0%
Code Compliance Fund	4,284,767	4,504,211	219,444	5.1%
Transportation Fund	8,232,778	8,159,888	(72,890)	(0.9%)
School Operating	285,970,055	294,640,349	8,670,294	3.0%
School Food Service	11,322,972	12,341,528	1,018,556	9.0%
Utilities	<u>32,370,945</u>	<u>33,995,525</u>	<u>1,624,580</u>	5.0%
<b>Sub-Total Operating Expenditures</b>	<b>\$473,961,325</b>	<b>\$496,496,936</b>	<b>\$22,535,611</b>	<b>4.8%</b>
Capital Projects Fund	\$15,920,062	\$17,079,770	\$1,159,708	7.3%
School Capital Projects	30,799,918	28,904,696	(1,895,222)	(6.2%)
Utilities Capital Projects	<u>9,948,451</u>	<u>11,715,000</u>	<u>1,766,549</u>	17.8%
<b>Sub-Total Capital Expenditures</b>	<b>\$56,668,431</b>	<b>\$57,699,466</b>	<b>\$1,031,035</b>	<b>1.8%</b>
<b>Total Budget</b>	<b>\$530,629,756</b>	<b>\$554,196,402</b>	<b>\$23,566,646</b>	<b>4.4%</b>



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



	2019 Adopted	2020 Recommended
Required Local Effort - SOQs	\$57,978,170	\$58,057,961
Required Local Match for Non-SOQ Programs	2,531,713	2,723,983
Required Local Match for Federal grants	26,632,599	26,632,599
Debt Service	27,048,808	27,849,361
Additional Local Transfer	14,300,803	12,917,512
<b>Total Local Transfer</b>	<b>\$128,492,093</b>	<b>\$128,181,416</b>



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



# Overview of Spotsylvania County

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Spotsylvania County contains a mix of beautiful rural and urban landscapes and is one of Virginia’s fastest-growing counties. Within its boundaries, the County possesses the scenic beauty of Lake Anna, rural vistas, suburban amenities and a wealth of historical attractions from the Colonial and Civil War eras. The growing Spotsylvania community has attracted many dynamic commercial and retail businesses which serve area residents and visitors. These resources also make the County a favorite tourist destination.

## History

In 1721, a vast new county was formed in the young colony of Virginia. Extending far beyond the Blue Ridge Mountains, this frontier outpost was named for Alexander Spotswood, Colonial Governor of Virginia. Much of the County’s early development is attributed to Spotswood’s ironworks that he founded in the early 1700’s. His “Iron Mines Company”, a mining and smelting operation, was founded in 1725 at Germanna. A blast furnace, also founded by Spotswood, was operated in this area from 1730 through 1785. Remnants of the ironworks are still found in the County.

Known as the “Crossroads of the Civil War”, four major Civil War battles were fought on Spotsylvania soils including one of the bloodiest of the war, the Battle of Spotsylvania Courthouse, in May 1864. It was during this battle that the clash between the armies of Ulysses S. Grant and Robert E. Lee known as the “Bloody Angle” took place and at Chancellorsville, Stonewall Jackson fell to the mistaken fire of his own men.



The National Park Service maintains more than 4,400 acres of Civil War battlefields in various locations throughout the County.

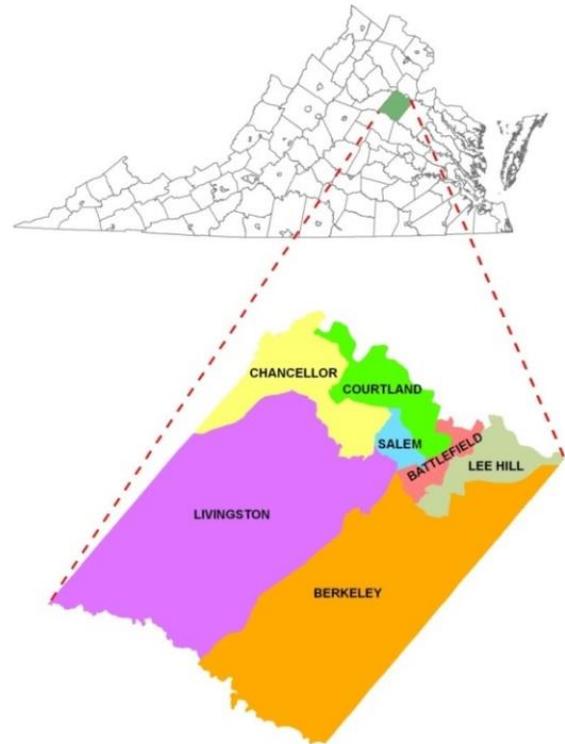
## Geography

Spotsylvania County is located along Interstate 95, midway between the Nation’s capital of Washington D.C. and the State’s capital of Richmond.

The County is bounded by Caroline County on the east; Louisa and Hanover counties along the North Anna River on the south; Culpeper and Stafford counties and the City of Fredericksburg on the north along the Rappahannock and Rapidan rivers; and Orange County on the west.

About 65% of the County is located in Virginia’s Piedmont physiographic province and about 35% is in the Coastal Plain.

The County’s area is 414.25 square miles and elevations range from sea level to 540 feet.



## Government

Spotsylvania County is governed by a seven-member Board of Supervisors, elected for staggered four-year terms. The terms of four current members expire on December 31, 2019, with the terms of the remaining three members expiring on December 31, 2021. The Board of Supervisors sets county policies, adopts ordinances, appropriates funds, approves land rezoning and special exceptions to the zoning ordinance, and carries out other responsibilities set forth by the State and County code.

The County functions under the traditional form of government with a Board-appointed County Administrator who acts as the Board’s agent in the administration and operation of the departments and agencies. Additionally, County citizens elect and are served by five constitutional officers: Treasurer, Commissioner of Revenue, Sheriff, Clerk of the Circuit Court, and Commonwealth’s Attorney.

The Health Department and the court system are under the control of the Commonwealth of Virginia, while mental health services are provided by the Rappahannock Area Community Services Board.

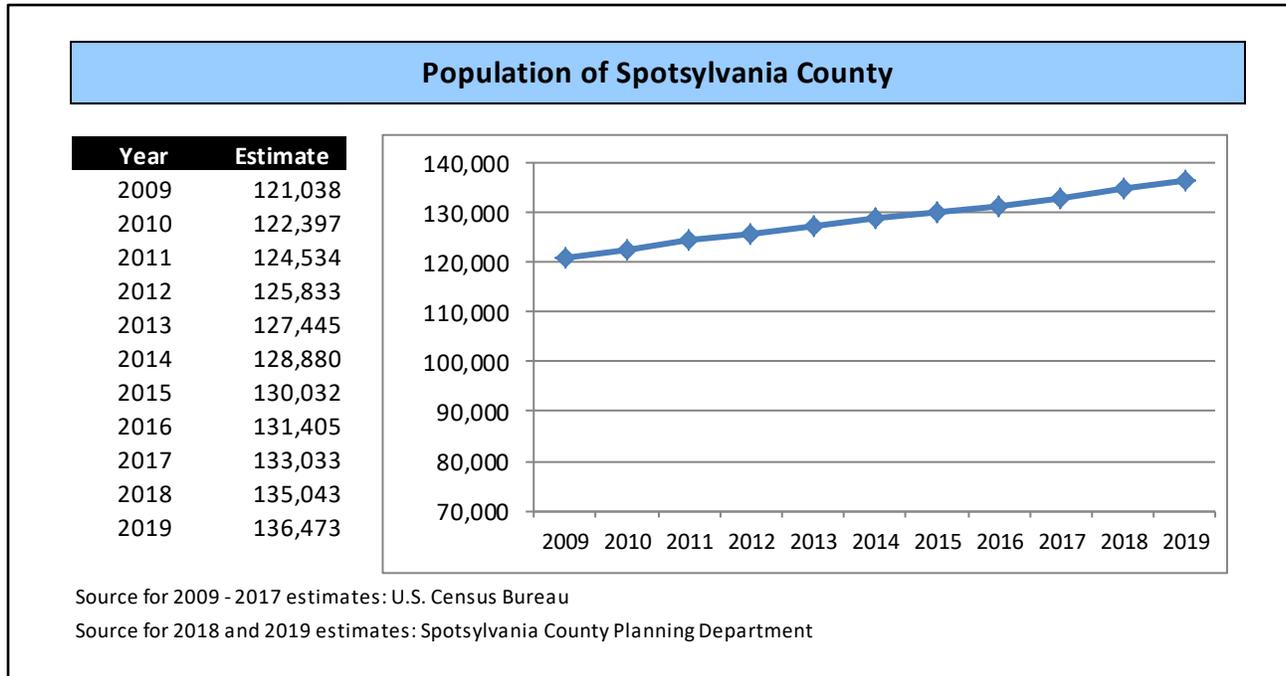
Spotsylvania County Public Schools are governed by a seven-member elected School Board.

The County provides general governmental services for its citizens including emergency medical services and fire protection, collection and disposal of refuse, water and sewer services, parks and recreation, libraries, and detention centers. Other services provided by the County for which partial funding is received from the State include public education in grades preK-12 and

certain technical, vocational and special education, mental health assistance, agricultural services, law enforcement, health and social services, and judicial activities.

### Population

The Planning Department estimates the County’s 2019 population to be 136,473. The County’s population has continued to grow consistently each of the past ten years with an average annual increase of 1.2%, down from an average annual increase of 3.3% for the previous decade. The rate of population growth between 2018 and 2019 is estimated at 1.1%.



The Planning Department estimates the County’s population growth to average between 1% and 2% per year into the next few decades. The following table compares the estimated population at these two percentage rates.

**Spotsylvania County Population Forecast**

Year	U.S. Census Population Estimates	
2000	90,395	
2005	114,909	
2010	122,397	
2015	130,032	
Planning Department Projections		
Year	1% Growth Rate	2% Growth Rate
2020	137,064	141,176
2025	144,056	155,869
2030	151,404	172,092
2035	159,127	190,004
2040	167,244	209,780

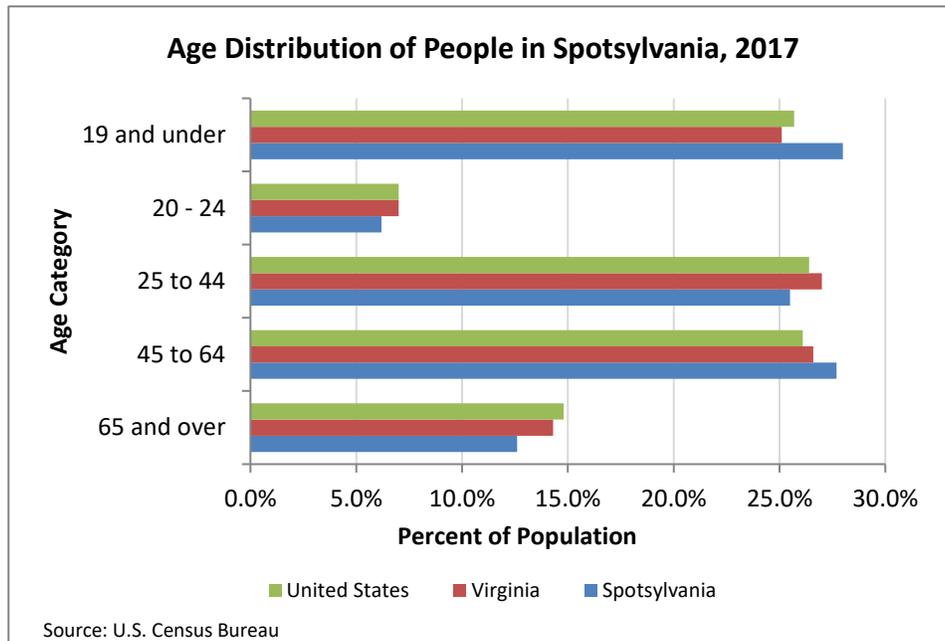
The U.S. Census Bureau estimates that in 2017, a little over two-thirds of the population of Spotsylvania County was white and approximately one-sixth of the population was black or African-American.

**2017 Population by Racial/Ethnic Group**

Group	Spotsylvania	Virginia	United States
White	68.3%	61.9%	60.7%
Black or African American	16.7%	19.8%	13.4%
Hispanic or Latino	9.8%	9.4%	18.1%
Asian	2.9%	6.8%	5.8%
American Indian or Alaska Native	0.5%	0.5%	1.3%
Native Hawaiian or Pacific Islander	0.2%	0.1%	0.2%
Other	1.6%	1.5%	0.5%

The majority of the County’s population (66%) was estimated to be greater than or equal to 25 years of age, with 6% estimated between the ages of 20 and 24 and 28% estimated to be 19 or younger.

The percentage of the population between ages 20 and 64 in Spotsylvania is comparable to the makeup of state and national populations, as



well. However, according to census figures, when compared to Virginia and the United States, Spotsylvania has a higher percentage of its population at 19 and under, and a lower percentage of its population at 65 or older than do the state and the nation.

**2017 Household Composition**

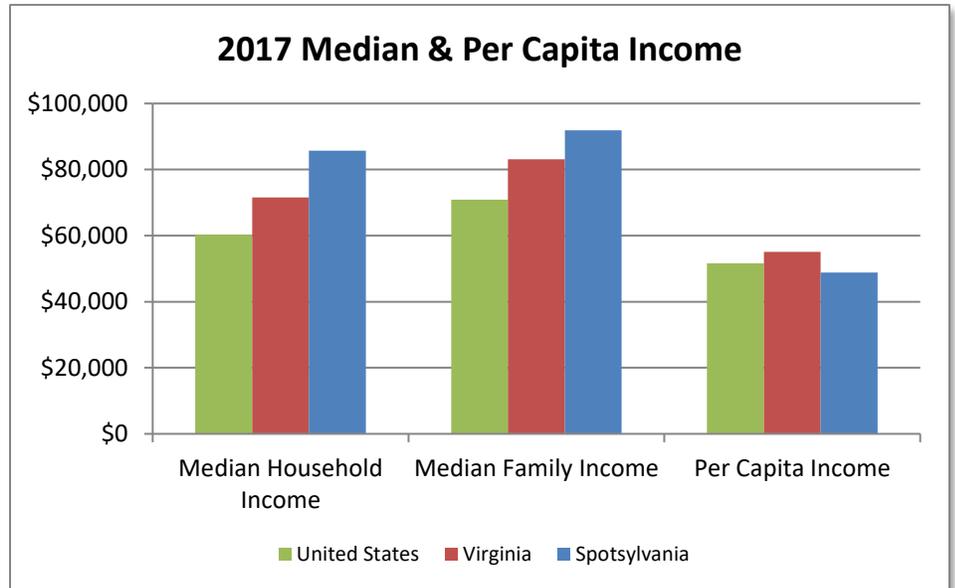
Type of Household	Spotsylvania		Virginia		United States	
Family Households	33,291	76.9%	2,078,081	66.9%	78,298,703	65.9%
With own children under 18 years	14,744	34.1%	897,089	28.9%	33,552,189	28.2%
Married-couple families	26,387	61.0%	1,570,701	50.6%	57,459,352	48.4%
Male householder; no wife families	1,903	4.4%	132,960	4.3%	5,747,150	4.8%
Female householder; no husband families	5,001	11.6%	374,420	12.1%	15,092,201	12.7%
Without children under 18 years	18,547	42.9%	1,180,992	38.0%	44,746,514	37.7%
Nonfamily Households	9,988	23.1%	1,027,555	33.1%	40,527,218	34.1%
<b>Total Households</b>	<b>43,279</b>	<b>100%</b>	<b>3,105,636</b>	<b>100%</b>	<b>118,825,921</b>	<b>100%</b>

Source: U.S. Census Bureau

### Personal Income

According to the U.S. Census Bureau, Spotsylvania’s 2017 median household income was estimated at \$85,743 and median family income was estimated at \$91,899.

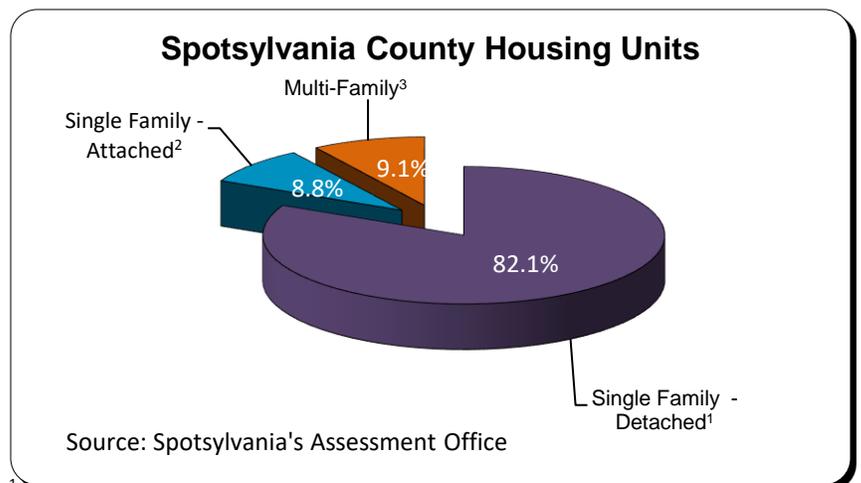
The estimated 2017 combined per capita income for Spotsylvania County and the City of Fredericksburg of \$48,823 is approximately 11% less than the state amount and approximately 5% less than the national amount.



Source: US Census Bureau for Median Household and Median Family Income  
Bureau of Economic Analysis (BEA) for Per Capita Income

### Housing

As of December 31, 2018 there were 49,573 housing units in Spotsylvania County. A housing unit can be multi-family or single-family, attached or detached. The majority (82.6%) of the housing units in Spotsylvania were single-family detached units. Since 2000, the number of housing units in the County has increased by 48.8%.



Source: Spotsylvania's Assessment Office

<sup>1</sup> Includes trailers, manufactured homes and mobile homes

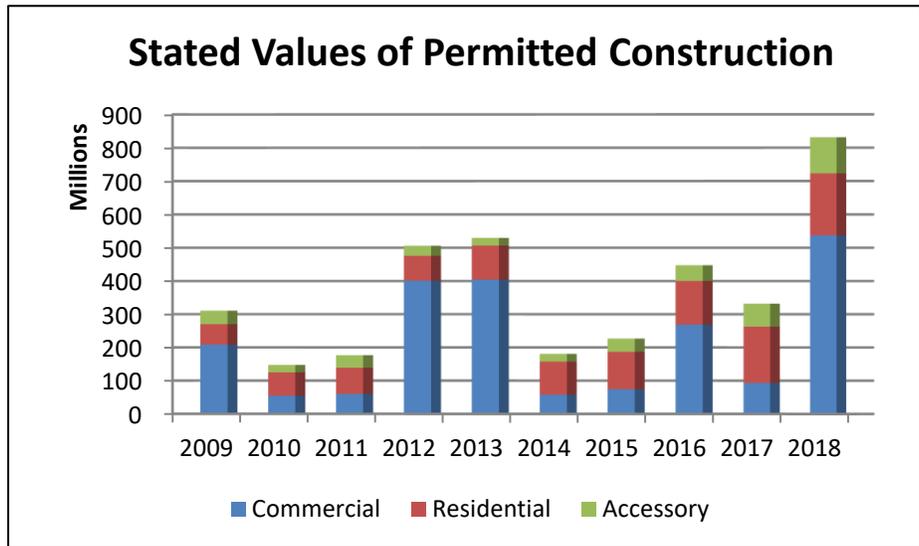
<sup>2</sup> Consists of duplexes and townhouses

<sup>3</sup> Consists of apartments and condominiums and assisted living housing units

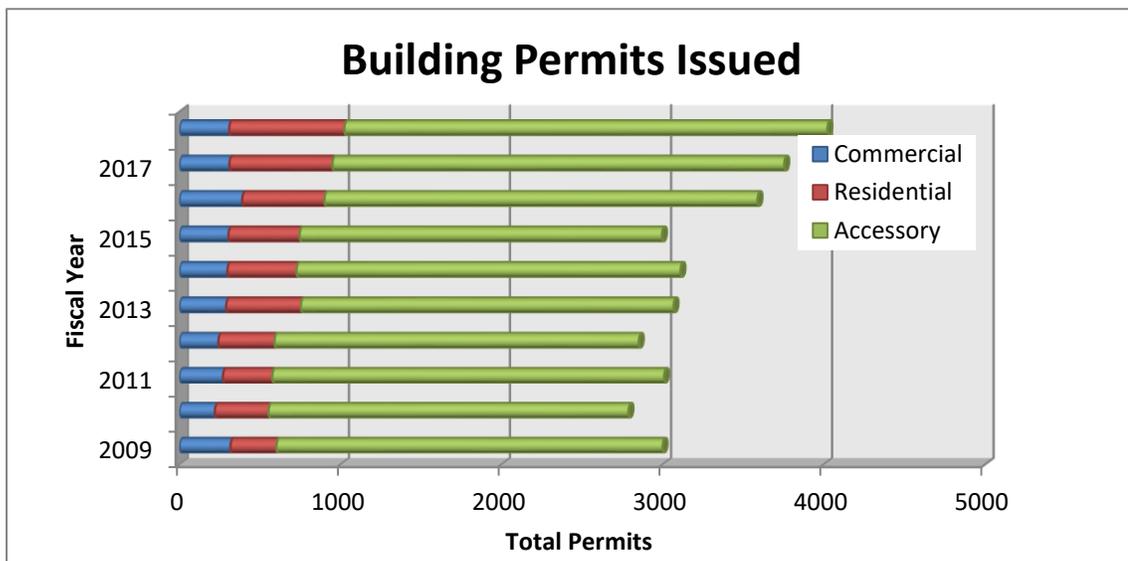
### Housing Units

Housing Unit Type	2000	2010	2019
Single Family – Detached	28,804	37,141	40,711
Single Family - Attached	2,522	2,730	4,357
Multi-Family	1,983	3,136	4,505
<b>Totals</b>	<b>33,309</b>	<b>43,007</b>	<b>49,573</b>

The accompanying graphs illustrate construction activity within Spotsylvania during the past 10 years. In 2012 and 2013, the County processed multiple site plans for which the stated value of site work being performed was unusually large. Additionally, there were several large commercial projects where the stated value of each project was significant. Similar activity occurred in FY 2016 with the submission of several large commercial applications having sizeable stated values, including a substantial site plan for the 921,565 sq. ft. Lidl grocery distribution center.



Values are taken from permit applications as provided by the applicants. These values *do not* represent the value assigned by Spotsylvania's Assessment Office. The FY 2018 figures are as of June 30, 2018.



The FY 2018 building permit figures are as of June 30, 2018.

## Approved Development

As of November 2018, the following development has been approved by the Board of Supervisors, but is not yet constructed:

### Approved Developments with Unbuilt Units

Development	SFD	SFA	MF	AR	Total	Development	SFD	SFA	MF	AR	Total
Fawn Lake	474	0	0	0	474	Spotsylvania Courthouse Village	292	165	755	50	1,262
Estates of Chancellorsville	44	0	0	0	44	Crossroads Station	0	0	610	0	610
Estates of Elys Ford	231	0	0	0	231	New Post	219	87	0	0	306
Saw Hill	31	0	0	0	31	Fortune's Landing	40	0	0	0	40
Estates at Buckingham	42	0	0	0	42	Barley Woods	0	0	0	107	107
Whitehall	60	0	0	0	60	Heritage Woods	697	180	183	0	1,060
Estates at Kingswood	20	0	0	0	20	Courtland Park	81	0	0	0	81
Breckenridge Farms	39	0	0	0	39	Southpoint Landing	0	0	550	0	550
Avalon Woods	98	0	0	0	98	Legends of Chancellorsville	218	0	0	0	218
Anna Vista, Section 2	10	0	0	0	10	Wheatland	0	93	0	0	93
Pennington Estates	9	0	0	0	9	Thorburn Estates	59	0	0	0	59
Pamunkey Point	18	0	0	0	18	Jackson Village	0	596	1,149	385	2,130
Lee's Parke	344	0	0	133	477	Retreat at Chancellorsville	0	0	0	191	191
Sunrise Bay	33	0	0	0	33	Alexander's Crossing	518	971	888	230	2,607
Regency at Chancellorsville	0	0	0	91	91	Plantation Woods	132	0	0	0	132
Glenhaven/ River Glen	25	0	0	0	25	Goodwin Cove	35	0	0	0	35
Reserve at Chancellorsville	63	0	0	0	63	Cedar Forest	29	0	0	0	29
Mallard Landing	0	79	0	0	79	Summit Crossing Estates	70	0	0	0	70
Summerfield	40	10	0	0	50	Barrington	39	0	0	0	39
Keswick	150	90	236	184	660	Afton	29	0	0	0	29
Ni Village	0	164	773	0	937	Roseland	0	14	0	0	14
Lakeside	0	14	0	0	14	Ashleigh Ridge	19	0	0	0	19
Brooks	0	2	0	0	2	The Villas at Salem Church	0	0	0	45	45
Estates at Terry's Run	10	0	0	0	10	Palmer's Creek	0	0	400	0	400
<b>Total of all units approved but not yet built</b>							<b>13,643</b>				

SFD = Single Family Detached; SFA = Single Family Attached; MF = Multi Family; AR = Age Restricted

### Community Facilities

- 31 Schools
- 12 Parks<sup>1</sup>
- 1 Outdoor Amphitheatre
- 4 Community Centers
- 1 Senior Center
- 1 Visitors Center
- 1 County Museum
- 1 Swimming Pool
- 73 Multipurpose Fields<sup>2</sup>
- 37 Tennis Courts<sup>2</sup>
- 49 Baseball/Softball Diamonds<sup>2</sup>
- 45 Basketball Courts<sup>2</sup>
- 22.1 miles of Trails<sup>2</sup>
- 1 Animal Shelter
- 13 Convenience Centers
- 1 Landfill
- 11 Fire/Rescue Stations
- 2 Dams and Reservoirs
- 49 Pump Stations
- 2 Water Treatment Plants (WTP)
- 3 Wastewater Treatment Plants (WWTP)
- 1,200+ miles water/sewer infrastructure

<sup>1</sup> Includes parks at the County’s two reservoirs

<sup>2</sup> Includes facilities at schools

Additionally, Spotsylvania participates in regional programs such as the Central Rappahannock Regional Library, FRED Bus Service, Health Department, Rappahannock Juvenile Detention Center and the Rappahannock Regional Jail.

### Business, Labor & Employment

The County’s primary economic development mission is to attract new businesses and capital investment, and to provide a supportive climate for the growth of existing businesses in order to stimulate the creation of jobs and tax revenues. The County has implemented numerous initiatives and specific programs to accomplish this mission.

The County’s target industries include healthcare, manufacturing, professional services (high tech/IT/defense), and tourism.

#### Existing Retail and Mixed Use Developments

Development	Square Footage	Development Type
Spotsylvania Towne Centre	1.6 million	Shopping and dining
Southpoint I & II	1.2 million+	Mixed use retail/commercial
Cosner’s Corner	980,000	Retail and office
Harrison Crossing	600,000	Shopping and dining
Spotsylvania Courthouse Village	500,000	Office, retail, civic: 1,500 residential units

Source: Spotsylvania County Economic Development Department

## Number of Jobs by Sector and Wage

Industry	Average Establishments		Average Employment		Average Weekly Wage	
	YoY		YoY		YoY	
	2018	Change <sup>1</sup>	2018	Change <sup>1</sup>	2018	Change <sup>1</sup>
Accommodation and Food Service	197	6	4,444	81	\$314	(\$4)
Administrative and Support and Waste Management	131	7	1,486	(470)	\$582	\$115
Agriculture, Forestry, Fishing & Hunting	9	1	69	7	\$340	(\$55)
Arts, Entertainment, and Recreation	37	2	838	(107)	\$296	\$3
Construction	302	11	2,295	51	\$882	\$40
Educational Services	32	4	5,298	261	\$750	\$1
Finance and Insurance	90	(5)	499	2	\$1,067	\$112
Health Care and Social Assistance	631	(24)	4,778	31	\$822	\$33
Information	27	(2)	346	17	\$937	\$10
Management of Companies and Enterprises	19	(2)	448	(1)	\$1,481	\$75
Manufacturing	67	7	1,095	(32)	\$914	\$5
Mining, Quarrying, and Oil and Gas Extraction	3	-	39	-	\$1,161	\$2
Other Services (except Public Administration)	423	72	1,766	187	\$545	\$12
Professional, Scientific, and Technical Services	265	2	2,219	375	\$1,552	\$17
Public Administration	37	-	1,096	45	\$956	\$36
Real Estate and Rental and Leasing	120	4	581	18	\$756	\$16
Retail Trade	394	20	6,737	149	\$594	\$18
Transportation and Warehousing	74	3	1,475	(50)	\$874	\$41
Unclassified establishments	76	20	149	45	\$731	\$173
Utilities	8	-	N/A	N/A	N/A	N/A
Wholesale Trade	111	(1)	1,064	(118)	\$1,058	\$89
<b>Total</b>	<b>3,053</b>	<b>123</b>	<b>36,468</b>	<b>(488)</b>	<b>\$749</b>	<b>\$34</b>

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages as of 2<sup>nd</sup> Quarter 2018

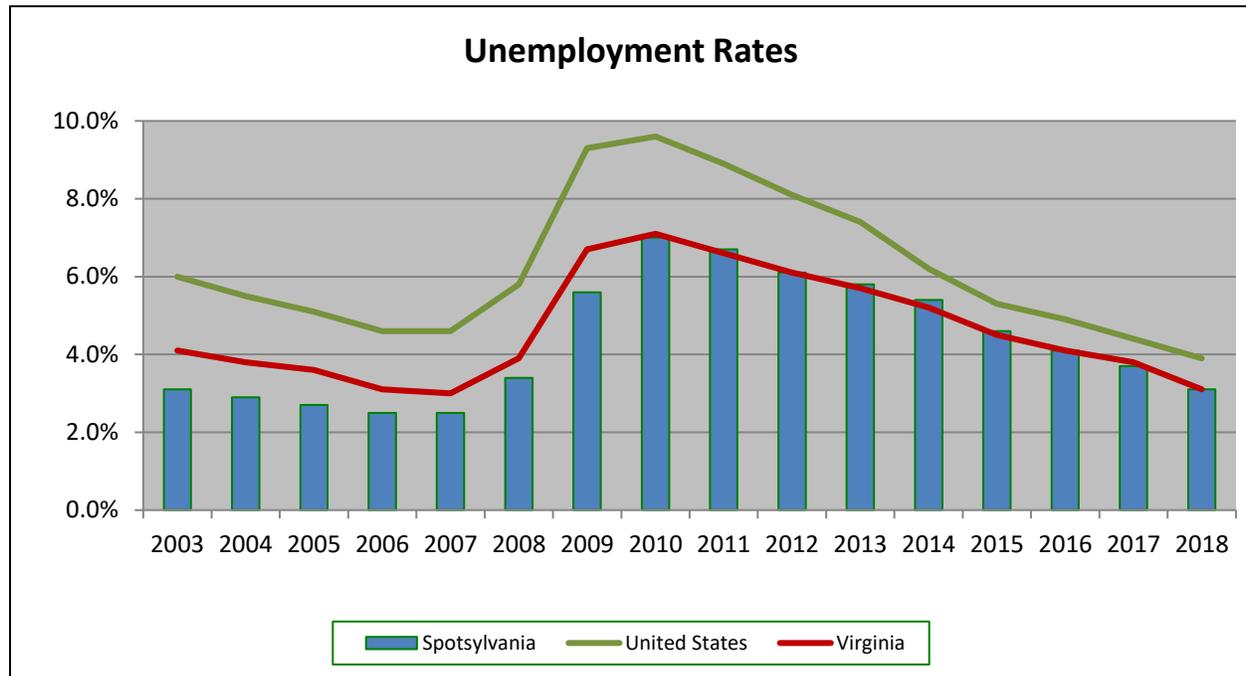
<sup>1</sup>Represents the year over year change in amounts reported by the Virginia Employment Commission, Quarterly Census of Employment and Wages from 2<sup>nd</sup> Quarter 2017 to 2<sup>nd</sup> Quarter 2018

## Employment Status within Spotsylvania

Employment Status	2000	2017	% Change
Population 16 years old or older	66,138	101,035	52.8%
In labor force	47,747	68,543	43.6%
- Employed - civilian	45,651	68,140	49.3%
- Employed - armed forces	595	403	(32.3%)
- Unemployed	1,501	3,724	148.1%
Not in labor force	18,391	32,492	76.7%

Source: U.S. Census Bureau

Unemployment rates for Spotsylvania have been well below the national level and below, or comparable, to state rates in recent years. The County had the 9<sup>th</sup> best unemployment rate within Virginia in November 2018, as reported by the Virginia Employment Commission.



Source: Virginia Employment Commission for Spotsylvania and Virginia, U.S. Bureau of Labor Statistics for United States

### Top 20 Public & Private Employers within the County

Name	Nature of Business	Employee Range
Spotsylvania County Schools	Education	1,000+
Spotsylvania County Government	Local Government	1,000+
HCA Virginia Health System	Hospital – Spotsylvania Regional	500-999
Wal-Mart	Retail	250-499
CVS Pharmacy	Pharmacy Distribution Warehouse	250-499
Lidl US Operations	Grocery Distribution Center	250-499
Germanna Community College	Education	250-499
Weis Markets	Grocery	250-499
McDonald’s	Restaurant	250-499
Kaeser Compressors	Air Compressor Manufacturer	100-249
Lowes Home Centers	Retail	100-249
Carmax	Automotive Dealer	100-249
Rappahannock Goodwill Industries	Rehabilitation Services	100-249
Costco	Retail	100-249
Giant Food	Grocery	100-249
PMC Services LLC	Direct Mail Services	100-249
Radley Honda	Automotive Dealer	100-249
A T Solutions	Support to Counterterrorist Activities	100-249
Matern Staffing, Inc	Employment Staffing	100-249
United Parcel Service	Package Delivery Service	100-249

Source: Virginia Employment Commission, as of 2<sup>nd</sup> Quarter 2018

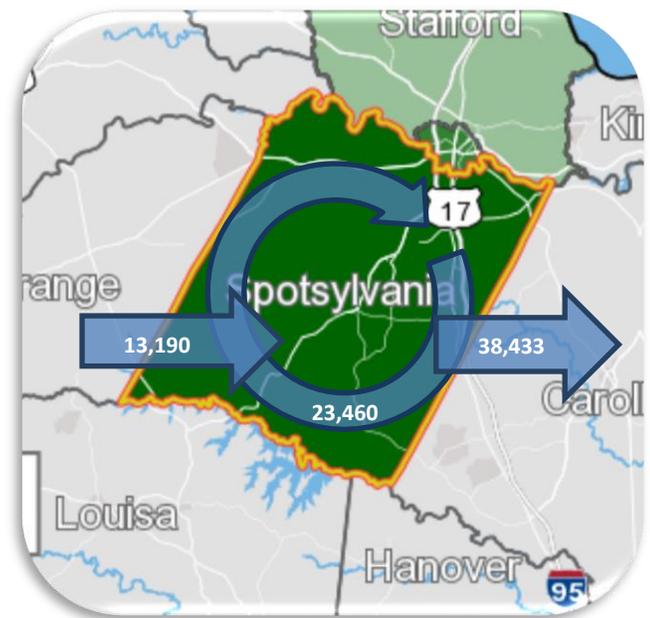
**Other Major Public & Private Employers in Surrounding Area**

Name	Nature of Business	Employee Range
U.S. Department of Defense	Federal Government Agency	1,000+
GEICO	Insurance Customer Service Center	1,000+
Stafford County Schools	Education	1,000+
Federal Bureau of Investigation	Federal Government Agency	1,000+
Mary Washington Hospital	Hospital	1,000+
County of Stafford	Local Government	1,000+
University of Mary Washington	Education	1,000+
Fredericksburg City Schools	Education	500-999
McLane Mid Atlantic	Distributor for Convenience Centers	500-999
King George Schools	Education	500-999
Caroline County Schools	Education	500-999
Medicorp Health System	Healthcare	500-999
City of Fredericksburg	Local Government	500-999
YMCA	Social Advocacy Organization	500-999
Stafford Hospital Center	Hospital	500-999
Rappahannock Area Community Services Board	Social Advocacy Organization	500-999
WaWa	Fueling Stations/Convenience Stores	250-499
United States Postal Service	Federal Government Agency	250-499
Snowden Services, Inc	Healthcare Services	250-499
Wegmans	Grocery	250-499

Source: Virginia Employment Commission, as of 2<sup>nd</sup> Quarter 2018

**Spotsylvania Commuting Patterns - 2015**

Commuting From	Area	Commuting To
8	Arlington County, VA	1,156
1,755	Caroline County, VA	673
285	Culpeper County, VA	529
248	Fairfax County, VA	3,717
2,437	Fredericksburg, VA	9,750
837	King George County, VA	1,699
1,237	Orange County, VA	568
727	Prince William County, VA	4,626
156	Richmond, VA	656
3,136	Stafford County, VA	7,689
-	Washington, D.C.	2,939
2,364	All Other Locations	4,431
<b>13,190</b>	<b>Total Commuters</b>	<b>38,433</b>



<b>Spotsylvania County Workers</b>	
Live and Work in Spotsylvania	23,460

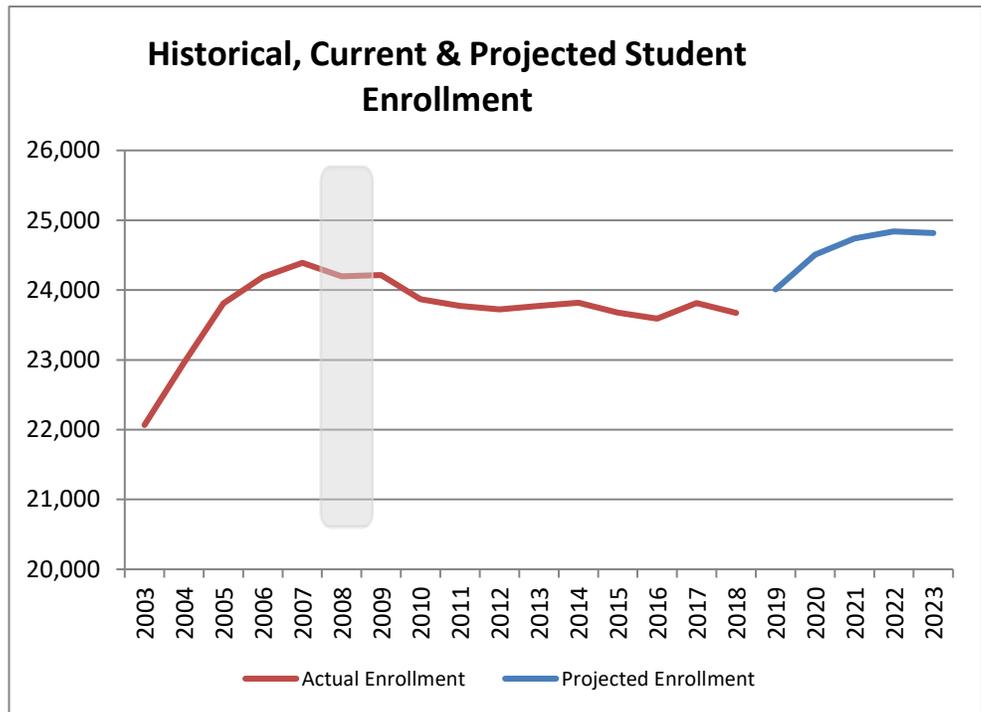
Source: U.S. Census Bureau

## Education

Spotsylvania County Public Schools include 17 elementary schools, 7 middle schools, 5 high schools, 1 alternative learning center, and 1 career and technical center.

Actual public school enrollment for the 2018 - 2019 school year was 23,674. Enrollment is projected to be 24,818 by the 2023 - 2024 school year.

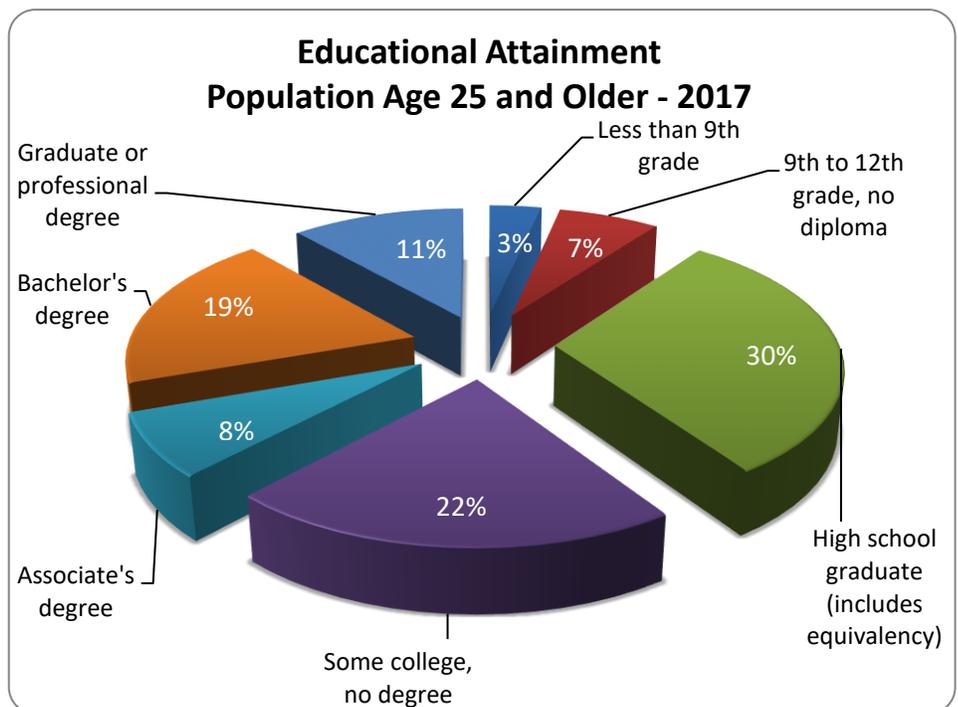
Total enrollment is projected to increase by 335 students countywide for the 2019 - 2020 school year.



Enrollment as measured on September 30 or October 1 of each year. The grey shaded area represents the recession that occurred from December 2007 to June 2009.

Over a third of Spotsylvania County residents hold a degree of associate's or higher, while 90% of residents are high school graduates or higher.

Spotsylvania County's educational attainment is comparable to national percentages. Achievement of Bachelor's and graduate/professional degrees being seven percentage points less than that of Virginia as a whole.



Source: US Census Bureau

# Supplemental Information

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This section contains various statistics which may be of interest to the reader.

## Real Estate Tax Rate History

Calendar Year	Tax Rate	Equalized Tax Rate
1990	\$0.85	*
1991	0.90	
1992	0.82	0.71
1993	0.86	
1994	0.86	*
1995	0.86	
1996	0.86	0.81
1997	0.92	
1998	0.94	0.90
1999	1.02	
2000	1.02	0.94
2001	1.07	
2002	1.01	0.93
2003	1.01	
2004	0.86	0.86
2005	0.89	
2006	0.62	0.62
2007	0.62	
2008	0.62	0.56
2009	0.62	
2010	0.86	0.83
2011	0.86	
2012	0.88	0.90
2013	0.88	
2014	0.86	0.863
2015	0.86	
2016	0.85	0.8313
2017	0.85	
2018	0.8330	0.8164
2019	0.8330**	

\*Biennial assessments began occurring in 1996. Prior to that, assessments took place every four years.

\*\*Represents the tax rate assumed in the FY 2020 Recommended Budget.

General Property Tax Rates<sup>1</sup>

Calendar Year	Real Estate & Mobile Home	Personal Property <sup>2</sup>	Business Furniture & Fixtures	Machinery & Tools	Heavy Construction Equipment
2019 <sup>3</sup>	\$0.8330	\$6.55/\$6.25	\$5.95	\$2.50	\$2.00
2018	0.8330	6.55/6.25	5.95	2.50	2.00
2017	0.85	6.55/6.25	5.95	2.50	2.00
2016	0.85	6.55/6.25	5.95	2.50	2.00
2015	0.86	6.73/6.25	5.95	2.50	2.00
2014	0.86	6.78	5.95	2.50	2.00
2013	0.88	6.37	5.95	2.50	2.00
2012	0.88	6.37	5.95	2.50	2.00
2011	0.86	6.26	5.95	2.50	2.00
2010	0.86	6.26	5.95	2.50	2.00
2009	0.62	6.26	5.95	2.50	2.00
2008	0.62	5.00	5.00	2.50	2.00
2007	0.62	5.00	5.00	2.50	2.00
2006	0.62	5.00	5.00	2.50	2.00
2005	0.89	5.00	5.00	2.50	2.00
2004	0.86	5.00	5.00	2.50	2.00
2003	1.01	5.00	5.00	2.50	2.00
2002	1.01	5.00	5.00	2.50	2.00

<sup>1</sup> Real Property and Mobile Home tax rates are levied per \$100 of assessed value. All others are assessed at no greater than 50% of value or 50% of original cost depending on the classification.

<sup>2</sup> For years 2002 – 2014, the rate includes all personal property types. Beginning in 2015, there are two adopted rates, one for automobiles, campers, motor homes, motorcycles, pickups, and trucks and a second rate for boats and boat trailers.

<sup>3</sup> Rates shown for 2019 represent rates assumed in the FY 2020 Recommended Budget.

## Real Estate Tax Rates per \$100 of Assessed Value

Locality	Population <sup>1</sup>	Tax Year 2017 Rate	Tax Year 2018 Rate	Change
Prince William	463,023	\$1.2067	\$1.2112	\$0.0045
Richmond City	227,032	1.2000	1.2000	-
Fairfax	1,148,433	1.1610	1.1635	0.0025
Alexandria	160,035	1.1300	1.1300	-
Loudoun	398,080	1.1250	1.0850	(0.0400)
Arlington	234,965	1.0060	1.0060	-
Stafford	146,649	0.9900	0.9900	-
Fauquier	69,465	1.0390	0.9820	(0.0570)
Chesterfield	343,599	0.9600	0.9500	(0.0100)
Henrico	327,898	0.8700	0.8700	-
<b>Spotsylvania</b>	<b>133,033</b>	<b>0.8500</b>	<b>0.8330</b>	<b>(0.0170)</b>
Caroline	30,461	0.8300	0.8300	-
Hanover	105,923	0.8100	0.8100	-
Fredericksburg	28,360	0.8000	0.8000	-
King George	26,337	0.7000	0.7000	-
Culpeper	51,282	0.6700	0.6700	-

<sup>1</sup> Population figures from the U.S. Census Bureau (Estimate as of July 1, 2017).

Real Estate Tax Bill History<sup>1</sup>

Calendar Year	Tax Rate	Equalized Tax Rate	Example AV <sup>2</sup>	Annual Tax Bill Based on Example AV <sup>2</sup>	Change (\$)	Change (%)
2004	\$0.86	\$0.86	\$150,000	\$1,290		
2005	\$0.89		\$150,000	\$1,335	\$45	6.0%
2006	\$0.62	\$0.62	\$229,350	\$1,422	\$87	6.5%
2007	\$0.62		\$229,350	\$1,422	\$0	0.0%
2008	\$0.62	\$0.56	\$256,367	\$1,589	\$168	11.8%
2009	\$0.62		\$256,367	\$1,589	\$0	0.0%
2010	\$0.86	\$0.83	\$185,200	\$1,593	\$3	0.2%
2011	\$0.86		\$185,200	\$1,593	\$0	0.0%
2012	\$0.88	\$0.90	\$182,070	\$1,602	\$9	0.6%
2013	\$0.88		\$182,070	\$1,602	\$0	0.0%
2014	\$0.86	\$0.863	\$192,794	\$1,658	\$56	3.5%
2015	\$0.86		\$192,794	\$1,658	\$0	0.0%
2016	\$0.85	\$0.8313	\$207,234	\$1,761	\$103	6.2%
2017	\$0.85		\$207,234	\$1,761	\$0	0.0%
2018	\$0.8330	\$0.8164	\$224,186	\$1,867	\$106	6.0%
2019	\$0.8330		\$224,186	\$1,867	\$0	0.0%
					<b>\$577</b>	

<sup>1</sup> This analysis is based upon an *example* 2004 assessed value and shows that a house valued at \$150,000 in 2004 would be valued at approximately \$224,186 in 2019. At the \$0.8330 rate recommended for 2019, the real estate taxes on this *example* residential property would have increased by \$577 since 2004 – an average annual increase of 2.5%.

<sup>2</sup> AV = assessed value

## Principal Property Taxpayers

As of December 31, 2017

Name	Type of Business	Assessed Value <sup>1</sup>	Amount of Tax	Percent of Total Taxable AV <sup>2</sup>
Spotsylvania Mall Company	Shopping Mall	\$188,296,135	\$1,616,839	1.25%
Dominion Virginia Power	Public Utility	155,976,663	1,325,802	1.03%
Spotsylvania Regional Medical Center	Hospital	80,995,791	1,102,843	0.54%
Lidl US Operations	Grocery Distribution	93,309,233	1,001,113	0.62%
Rappahannock Electric	Public Utility	71,616,354	635,126	0.47%
Comcast of VA	Public Utility	8,242,450	490,541	0.05%
CVS VA Distribution	Warehousing	6,912,988	411,323	0.05%
Verizon VA	Public Utility	44,851,026	398,226	0.30%
Columbia Gas of VA	Public Utility	42,987,892	365,397	0.28%
Lee Property Harrison Crossing	Shopping Center	32,214,100	273,820	0.21%

Source: Treasurer, Spotsylvania County, Virginia

<sup>1</sup> Includes real and personal property taxes. This schedule is arranged from highest to lowest by amount of tax paid. Due to varying rates for real and personal property, assessed values may appear to be out of order.

<sup>2</sup> AV = assessed value



# Strategic Planning

In June 2018, the Board approved new strategic plan guidance. While the County's mission remains unchanged, our vision, values, and long-term strategic goals have been updated. The poster below is displayed in County offices to serve as employees' daily reminder of the County's vision, mission, and values.

## Spotsylvania County Strategic Plan 2018 – 2038

### Our Vision

We will set the standard for Virginia counties. Through mutual cooperation, we are committed to enhancing quality of life through innovation, collaboration and creativity. We will exercise effective stewardship to create and sustain an educated, vibrant, dynamic community in a secure and healthy environment.

### Our Values

- Accountability
- Integrity
- Service
- Transparency

**Our Mission** is to ensure the delivery of quality government services that are customer-focused, promote a safe, healthy, and prosperous community, and reflect excellence in financial stewardship.

### **Our Long-Term Strategic Goals**

We will build on the diversity and strengths of our staff, citizens, businesses, government, and quality education so that all may enjoy economic opportunity, safe neighborhoods, quality services, and plentiful green spaces in Spotsylvania County, now and into the future.

**Quality Government.** Our strength is in a well-trained and professional staff. We will encourage collaborative enhancements to programs and policies through innovation and creativity, acknowledge the contributions from all participants, and insist on integrity, ethical behavior and respect for diversity. We will allocate resources to ensure effective and efficient delivery of high quality services, allocating our limited resources among competing high priorities. We will ensure our county government's capacity to provide high quality service that achieves community priorities.

**Public Safety.** We will ensure continuing trust and confidence in the safety of our community by providing the flexibility for leaders to adjust to changing threats. Our public safety forces will be trained, equipped and deployed to help citizens, preserving life and property through prompt and skillful all-hazard emergency response, incident prevention, education, and community engagement.

**Infrastructure Investment.** We will prioritize, plan and invest in critical infrastructure that responds to past and future changes and improves our capacity to serve community needs.

**Growth Management.** We will attend to and further our rural quality of life through a clear vision of the Spotsylvania of tomorrow, providing a balance between commercial and residential development that also recognizes the dynamic relationship between revenue and expenses as our community grow, and fostering an environment that honors our heritage while enhancing our future through the well-being of our people and the quality of our services.

**Environmental Stewardship.** We will thoughtfully protect and manage Spotsylvania County's ecosystems and natural resources in both our rural and our developed areas to safeguard the quality of life of current and future generations.

**Educational Opportunity.** We will foster a rich, lifelong learning environment to increase educational opportunities and workforce readiness to meet evolving market demands.

**Economic Prosperity.** We will foster a community environment that stimulates diversified job creation, capital investments, and tax revenues that support our community goals.



The balance of this page is intentionally blank as staff continues to work on building the connection between the Board-identified long-term strategic goals and departmental strategies for meeting those long-term goals. Additionally, staff is identifying data through which progress towards meeting the strategies can be measured. We anticipate this information and data to be available as part of the FY 2021 Budget.



**FY 2020 Recommended Budget - All Funds**

	<b>FY 2018 Actual</b>	<b>FY 2019 Adopted</b>	<b>FY 2019 Amended</b>	<b>FY 2020 Recommended</b>	<b>Variance (rec. to adopt) Amount</b>	<b>Percent</b>
<b>Revenues (by type)</b>						
Property Taxes	\$171,670,000	\$178,401,725	\$178,401,725	\$184,888,147	\$6,486,422	3.6%
Other Local Taxes	\$43,586,149	\$42,735,253	\$42,735,253	\$44,303,635	\$1,568,382	3.7%
Licenses & Permits	\$377,411	\$363,200	\$363,200	\$211,740	(\$151,460)	-41.7%
Charges for Services	\$45,994,859	\$42,687,186	\$42,687,186	\$44,913,487	\$2,226,301	5.2%
Other Local Revenue	\$28,526,330	\$29,978,051	\$32,350,069	\$36,131,511	\$6,153,460	20.5%
Debt Proceeds	\$30,266,478	\$30,799,918	\$37,701,078	\$28,904,696	(\$1,895,222)	-6.2%
State Revenue	\$179,657,451	\$179,509,590	\$182,499,922	\$191,559,210	\$12,049,620	6.7%
Federal Revenue	\$17,972,044	\$17,254,672	\$19,063,945	\$18,649,287	\$1,394,615	8.1%
Subtotal - Revenue	\$518,050,722	\$521,729,595	\$535,802,378	\$549,561,713	\$27,832,118	5.3%
Transfers In	\$147,877,383	\$154,297,522	\$159,352,970	\$150,919,544	(\$3,377,978)	-2.2%
Use of Fund Balance	(\$20,318,713)	\$8,900,161	\$105,306,507	\$4,634,689	(\$4,265,472)	-47.9%
<b>TOTAL REVENUE - All Funds</b>	<b>\$645,609,392</b>	<b>\$684,927,278</b>	<b>\$800,461,855</b>	<b>\$705,115,946</b>	<b>\$20,188,668</b>	<b>2.9%</b>
<b>Expenditures (by function)</b>						
Executive Services	\$3,500,325	\$3,640,607	\$3,387,635	\$5,802,048	\$2,161,441	59.4%
Administrative Services	\$12,236,341	\$14,270,522	\$14,599,219	\$14,996,157	\$725,635	5.1%
Voter Services	\$418,289	\$488,162	\$507,450	\$539,358	\$51,196	10.5%
Judicial Administration	\$4,162,124	\$4,411,164	\$4,548,994	\$4,497,077	\$85,913	1.9%
Public Safety	\$55,063,753	\$58,165,142	\$60,611,721	\$61,777,279	\$3,612,137	6.2%
Public Works	\$26,771,968	\$30,960,941	\$31,234,562	\$30,836,736	(\$124,205)	-0.4%
Health & Welfare	\$22,720,680	\$20,332,663	\$22,544,387	\$25,030,821	\$4,698,158	23.1%
Parks, Recreation & Cultural	\$7,503,396	\$8,216,229	\$8,235,749	\$8,001,063	(\$215,166)	-2.6%
Community Development	\$5,254,363	\$5,956,855	\$6,824,534	\$6,195,933	\$239,078	4.0%
Debt Service	\$50,221,339	\$52,939,597	\$50,063,455	\$55,521,605	\$2,582,008	4.9%
Capital Projects	\$50,485,382	\$56,668,431	\$159,546,031	\$57,699,466	\$1,031,035	1.8%
Transportation	\$2,372,793	\$3,049,262	\$3,050,960	\$2,880,381	(\$168,881)	-5.5%
Education	\$245,767,159	\$258,921,247	\$263,345,254	\$266,790,988	\$7,869,741	3.0%
School Food Service	\$10,090,646	\$11,322,972	\$11,322,972	\$12,341,528	\$1,018,556	9.0%
Subtotal - Appropriated Expenditures	\$496,568,558	\$529,343,794	\$639,822,923	\$552,910,440	\$23,566,646	4.5%
Tax Relief	\$1,163,451	\$1,285,962	\$1,285,962	\$1,285,962	\$0	0.0%
Subtotal - Recommended Budget	\$497,732,009	\$530,629,756	\$641,108,885	\$554,196,402	\$23,566,646	4.4%
Transfers Out	\$147,877,383	\$154,297,522	\$159,352,970	\$150,919,544	(\$3,377,978)	-2.2%
<b>TOTAL EXPENDITURES - All Funds</b>	<b>\$645,609,392</b>	<b>\$684,927,278</b>	<b>\$800,461,855</b>	<b>\$705,115,946</b>	<b>\$20,188,668</b>	<b>2.9%</b>
<b>Appropriated Expenditures (by category)</b>						
Personnel (salaries & benefits)	\$298,139,734	\$319,576,065	\$322,468,815	\$331,833,175	\$12,257,110	3.8%
Operating (other than debt service)	\$96,952,194	\$100,960,896	\$111,663,213	\$108,017,286	\$7,056,390	7.0%
Debt Service	\$50,221,339	\$52,939,597	\$50,063,455	\$55,521,605	\$2,582,008	4.9%
Capital	\$51,255,291	\$55,867,236	\$155,627,440	\$57,538,374	\$1,671,138	3.0%
<b>TOTAL APPROPRIATED EXPENDITURES - All Funds</b>	<b>\$496,568,558</b>	<b>\$529,343,794</b>	<b>\$639,822,923</b>	<b>\$552,910,440</b>	<b>\$23,566,646</b>	<b>4.5%</b>

