

FY
2018

Dr. Trampe's Proposal

Spotsylvania County



Potential Scenario for Budget Adoption
April 4, 2017

FY
2018

Dr. Trampe's Proposal

General Fund Budget Item	Adjustment
<i>Combined Impact of Changes</i>	
Revenue	\$1,105,537
Expenditure savings	<u>\$171,229</u>
Total General Fund available – 3/30/17	\$1,276,766

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General Fund Budget Item	Adjustment
<i>Proposed Add'l Adjustments</i>	
Defer start of OPEB contrib. to future yr.	(\$528,571)
Reduce bgt. contingency by ½ to 0.25%	(\$311,141)
Reduce Asst. Comm. Atty to ½ year	(\$55,950)
Delay EMS equipment to FY19 – d.s.	(\$99,544)
Use FB for fiscal impact model update	(\$30,000)
Use FB for one-time Co. 3 repairs	(\$60,000)
Use FB for one-time training increase to SVFD	\$0
Fund vehicles for new F/R positions from FB	(\$50,000)
Eliminate Treasurer's PT Account Clerk	(\$22,461)

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General Fund Budget Item	Adjustment
<i>Proposed Add'l Adjustments</i>	
Fund JJ Wright contrib. with tourism revenue	(\$29,000)
Increase alloc. to implement comp. study	\$382,975
Increase on-going transfer to Schools (in addition to \$286,320 included in Rec. Bgt.)	\$2,080,458
One-time xfer to Schools (combination of FY 2018 one-time and on-going nets \$2.7M increase over FY 2017's on-going transfer)	\$333,222
Balance of Available On-Going Funding	\$0

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Fiscal Policy Revisions

Spotsylvania County



Proposed Fiscal Policy Revisions
April 4, 2017

Fiscal Policy Revisions

I. B. Long-Range Planning (Pages 66-68)

4. Other Post-Employment Benefits (OPEB) Funding Policy

Funding for OPEB liabilities will be budgeted and reserved as funds are available within the associated operating budgets. The County will attempt to fund its OPEB liabilities for the smaller funds (Code Compliance, Capital Projects, Transportation and Utilities) as soon as practical. Phased-in funding of the General Fund liability will begin as soon as local economic conditions allow, with contributions increasing incrementally each year until the annual contribution equals 100 % of the ARC. The County's goal will be to reach 100% of the ARC no more than eight years from the beginning of the General Fund phase-in period. **The phase-in period began in FY 2016 when the Board allocated \$1.9 million to a General Fund OPEB reserve.**

II. D. Use of ~~Unpredictable~~ **Proffer** Revenues (Page 69)

- ~~1. Land use proffers are negotiated in accordance with proffer policy guidelines, reviewed by Planning Commission, and approved by the Board of Supervisors. Staff ensures enforcement capability and standardized language in proffer statements.~~
- ~~a. Annually, as part of the process of developing the Recommended Budget, the County will determine the applicability of any cash proffers received to help offset all or a portion of the anticipated cash or debt issuance and shall incorporate these funds into the budget recommendation. Additionally, any cash proffers received throughout the course of a fiscal year prior to the issuance of any debt pertaining thereto shall be applied to reduce the amount of debt to be borrowed.~~

II. D. Use of ~~Unpredictable~~ **Proffer** Revenues (Pages 69)

1. Annually, as part the Recommended Budget development process, the Budget Office will determine to which capital projects, if any, cash proffers already received are available to offset all or a portion of the anticipated cash or debt issuance for such projects. The County Administrator shall incorporate these available proffer funds as a source of revenue in the budget recommendation.

III. C. Budgeted Contingency (Page 71)

1. As part of the annual budget process, the County will appropriate a contingency equal to **0.525%** of General Fund expenses. This contingency is meant to fund unforeseen expenditures of a non-recurring nature that arise during the course of the fiscal year, or to meet relatively minor increases in service delivery costs.

V. Other Fund Policies (Page 75-76)

A. Utilities Fund Policies

2. The County will set fees and user charges at a level that fully supports the total direct and indirect costs of the **activity system**. The level of all fees and charges for the Utilities Fund will be set such that the County meets its legal requirements under any revenue bond documents. ~~Indirect costs may include the costs of annual depreciation of capital assets.~~

V. Other Fund Policies (Page 75-76)

A. Utilities Fund Policies

5. The County will maintain total operating revenues (which do not include availability fees) at a level which supports no less than 100% of operating and debt service costs of the Utilities Operating Fund ~~work toward reducing the reliance on availability fee revenue for operations and debt service by increasing total operating revenues (which do not include availability fees) for the utility fund over the next five years (the fifth year being FY 2015) to a level that will support 100% of operational expenditures and 100% of debt service costs of the Utilities Fund. The level of all fees and charges for the Utility Fund will be set such that the County meets its legal requirements under any revenue bond documents.~~

V. Other Fund Policies (Page 75-76)

A. Utilities Fund Policies

6. The County recognizes the value of its Utilities system assets, the need for ongoing management of those assets, and the need to plan for future growth. The County will manage its Utilities system assets through on-going routine maintenance of plant facilities, equipment and other system infrastructure which will be funded by the Utilities Operating Fund. Major maintenance (i.e. roof replacements, repainting, etc.) of water and wastewater plants will also be funded by the Utilities Operating Fund.

V. Other Fund Policies (Page 75-76)

A. Utilities Fund Policies

6. Major maintenance of other infrastructure and system capacity improvements will be funded through the Utilities Capital Projects Fund. When the Utilities Fund Balance exceeds 100% of the average for the last three years of total revenue as required above in item A3, the Utilities Fund balance may be used to pay for capital projects. ~~In addition, in FY 2015, the County will evaluate a policy goal of total operating revenues supporting a percentage of depreciation.~~

Board Action Needed

Approval Actions Needed –

- **Tax Rates** – no changes to existing or advertised rates
- **Personal Property Tax Relief %** – 37%
- **Budget**
- **Policies**
- **FY 2018 – FY 2022 CIP** – adjusted to include budget actions