

COUNTY ADMINISTRATOR'S RECOMMENDED BUDGET



For Fiscal Year 2018
July 1, 2017 – June 30, 2018

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Complete budget available on the County's website at:

www.spotsylvania.va.us/budget

Special Appreciation

Spotsylvania County Budget Staff extends special thanks to **Minuteman Press** for providing quality printing services for the FY 2018 Budget document. Minuteman's support and dedication to the citizens of Spotsylvania is greatly appreciated.



The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the County of Spotsylvania, Virginia, for its annual budget for the fiscal year beginning July 1, 2016.

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

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we will submit to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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PRESENTED TO

**Spotsylvania County
Virginia**

For the Fiscal Year Beginning

July 1, 2016

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

Executive Director

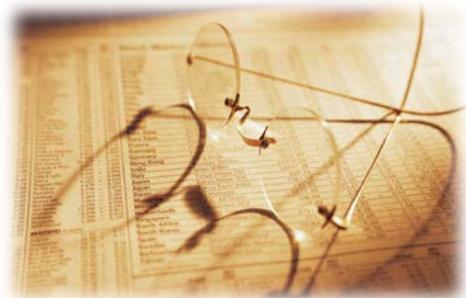


Guide to Using this Document

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 2018. 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 2018 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 2018 budget. This section includes short term factors and underlying assumptions that influenced the decisions made in development of the FY 2018 budget;
- The Budget at a Glance – a summary of the highlights of the FY 2018 budget;
- General information about the County and statistical data to help the reader better understand the demographics of Spotsylvania County;
- The County’s Mission Statement – a display of the County’s mission and vision, and the high-level, long-term goals the County has set to meet its mission. Also included is a matrix showing the links between County-wide long-term goals and goals specific to functions; 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 2018 revenues by type and FY 2018 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 2018 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 2017 Budget to yield the FY 2018 Budget, and a glossary of terms and acronyms.



Budget Message – February 14, 2017

Dear Spotsylvania County Board of Supervisors:

When I stood before you on February 9, 2016, presenting my first proposed Spotsylvania County Budget, I asked you to look ahead with me to FY 2018 and face with me the fact that a modest tax increase in 2016 would be advisable in order to position our community to face our future needs without a tax increase in 2017. My commitment to you was that, with modest adjustments in 2016, we could avoid any tax increase in 2017. I recommended a three-penny increase on the 2016 rate and the Board adopted two of those three pennies. Now, I am here keeping my word and delivering on my promise to you – no tax increase is recommended this year.

Before we dive into my proposed FY 2018 Budget, however, I feel that I owe it to you, to our community, to our talented staff, and to myself to take a moment to recall 2016 – my first full year as your County Administrator. 2016 was a very busy and productive year. Big, positive things are underway in Spotsylvania thanks to you the Supervisors, the County staff, and the community all working together.

The Year in Review

In 2016, Spotsylvania County earned its first-ever AAA bond rating from Fitch, and we earned an upgrade to Aa1 by Moody's – just one notch away from AAA there, as well. Only about a dozen of the 95 counties in the Commonwealth enjoy a AAA rating. The detail work leading the way to AAA has been performed every day at the staff level for many, many years. We see it on a regular basis – our Finance staff is exceptional and feels a great sense of responsibility and accountability for the financial well-being of this community. But I think it was one critical piece of leadership demonstrated by you – the Board of Supervisors – that finally achieved the AAA rating for our community. When you formalized the good practices that had informally been in place here for a number of years, you raised the caliber of our fiscal policies and made a clear declaration about how Spotsylvania County's fiscal affairs will be conducted. Your leadership was and is the key to our future.

The second BIG event of 2016 was LIDL's arrival in Spotsylvania. The occupancy permit was issued for the 921,565 square foot distribution center as 2016 was drawing to a close. Work continues on LIDL's Rt. 3 store and plans are underway for the second Spotsylvania store at Southpoint. LIDL brings new jobs, new tax revenue, and new shopping choices to our community. Our staff has been busy with this project in one way or another for a couple years now, really. At the FY 2018 Budget kick-off meeting in September, the Board room was full of staff members representing every department/office in the County government. When the group was asked if their department was involved in the LIDL project work, nearly everyone raised a hand. It took their work coupled with your leadership and support to bring LIDL here.

Finally, we saw the completion of a handful of citizen-funded capital projects in 2016. After much anticipation, the replacement Co. 5 and new Co. 11 Fire/Rescue stations have now been in operation for several months. Spotsylvania County also deployed \$7 million worth of new Fire & Rescue apparatus in 2016, and we nearly completed implementation of our new \$21.2 million public safety radio system. The traffic light on Spotsylvania Parkway at Kohl's is a welcomed addition to meet citizen's transportation needs and public safety concerns. If you ever tried crossing the parkway before that light was installed, you'll no doubt join me in saying that it is a drastic improvement!

The FY 2018 Recommended Budget

It appears that our community is continuing to grow and thrive at a modest, sustainable pace as we look ahead to FY 2018, as well. As noted above, I told you last year that if you'd go along with us on the fiscal plan proposed for FY 2017, we would avoid a rate increase for FY 2018. I'm keeping my word. In fact, I am recommending that the threshold at which business license begins being paid be increased from \$750,000 to \$1 million. With this budget, I firmly believe we are able to continue meeting Spotsylvania County's mission of ensuring "the delivery of quality government services that are customer-focused; promote a safe, healthy, and prosperous community; and reflect excellence in financial stewardship."

The FY 2018 Recommended Budget totals \$500.9 million – an increase of \$7.2 million (1.5%) compared to the FY 2017 Adopted Budget. When capital projects funds are excluded, the FY 2018 Recommended Budget is a \$10.5 million (2.4%) increase over the FY 2017 Budget.

	FY 2017 Adopted	FY 2018 Recommended	Difference	
			\$	%
General Fund	\$119,730,062	\$125,456,251	\$5,726,189	4.8%
Economic Dev. Opportunities Fund	1,062,940	771,085	-291,855	-27.5%
Code Compliance Fund	4,005,479	4,047,566	42,087	1.1%
Transportation Fund	8,346,579	8,371,920	25,341	0.3%
School Operating	268,333,007	271,923,952	3,590,945	1.3%
School Food Service	9,515,526	10,199,132	683,606	7.2%
Utilities	<u>30,253,859</u>	<u>30,978,252</u>	<u>724,393</u>	2.4%
Subtotal Operating Expenditures	\$441,247,452	\$451,748,158	\$10,500,706	2.4%
Capital Projects Fund	\$13,112,415	\$9,765,882	-\$3,346,533	-25.5%
School Capital Projects	27,611,024	27,361,447	-249,577	-0.9%
Utilities Capital Projects	<u>11,740,000</u>	<u>12,066,600</u>	<u>326,600</u>	2.8%
Subtotal Capital Expenditures	\$52,463,439	\$49,193,929	-\$3,269,510	-6.2%
Total Budget	\$493,710,891	\$500,942,087	\$7,231,196	1.5%

FY 2018 Budget Highlights

After adjustments to the base budget – including meeting commitments to large regional efforts such as the jail, juvenile detention facility, and library – we have \$4.0 million to work with in this budget. That comes from \$3.3 million in net new revenue from all sources and \$0.7 million in net base budget expenditure savings from all uses in the General Fund. I am recommending that this funding be used primarily to:

- Address public safety needs;
- Provide compensation adjustments which may potentially involve the first phase implementation of the pay study or be in the form of a traditional compensation adjustment; and
- Begin to fund an on-going allocation to the OPEB Annual Required Contribution (ARC) which, by policy, we will need to fully fund by the end of FY 2023.

Additional Personnel –

I am recommending the addition of 19.04 full-time equivalent (FTEs) positions to the General Fund where 17.67 FTEs (93%) are fully related to public safety. I consistently hear from Sheriff's Office, Fire/Rescue, and Social Services leaders that their offices are understaffed to adequately provide critical levels of service. I believe this budget proposal makes significant progress toward meeting their staffing needs, though I acknowledge that there is not enough available funding to fund every request. During the budget process, staff will provide the Board with a listing of specific departmental requests that were not included in the recommended budget.

Following is a listing of the net new positions recommended in this budget:

Fund/Position	Public Safety FTEs	Other FTEs
General Fund:		
Court Deputies	5.0	-
Patrol Deputies	3.0	-
Detective	1.0	-
2 Part-time Desk Deputies	1.0	-
Convert Sheriff's part-time Fleet Program Asst to full-time	0.3	-
Asst. Commonwealth's Attorney for body cameras	1.0	-
EMS Training Coordinator	1.0	-
Mechanic/Service Writer for F/R apparatus	1.0	-
Adult Protective Services (APS) Supervisor	1.0	-
Convert part-time Social Services CPS/APS Case Aide to full-time	0.37	-
Public Safety IT Project Manager	1.0	-
Public Safety Network Support Specialist II	1.0	-
Public Safety IT Division Director	1.0	-
Treasurer's part-time Account Clerk to address audit findings	-	0.7
IT Information Security Officer	-	1.0
Convert part-time Social Services Eligibility Worker to full-time	-	0.37
Convert Circuit Court Judge's part-time Clerk to full-time	-	0.3
Remove previously unfunded Planner I position	-	(1.0)
General Fund Total	17.67	1.37

Fund/Position	Public Safety FTEs	Other FTEs
Utilities Fund:		
Safety & Training Coordinator	-	1.0
Well Operator – Motts WTP (shared with Schools)	-	1.0
Utilities Fund Total		2.0
Total Change in Full Time Equivalents (FTEs)	17.67	3.37

Additionally, I am recommending funding of several previously unfunded positions – the Personal Property Clerk in the Commissioner’s Office; the GIS Technician in Information Services; and the Building Office Assistant. The GIS Tech will be dedicated to public safety concerns and the Building Office Assistant position will be retitled to Permits Technician.

Compensation Adjustments –

As I write this message, we are several days away from the consultant’s report to you on their compensation study findings. Instead of assuming which portions of the consultant’s recommendation you might choose to implement in FY 2018, I included the equivalent of a 2.5% compensation adjustment (\$1.4 million for the General Fund) in my recommended budget as a placeholder. As we move forward with this budget process, you may choose to implement a phased portion of the study recommendations, a traditional compensation adjustment, or some combination thereof.

To best align with VRS reporting dates, any approved compensation adjustments will have an effective date of July 17, 2017 and will first appear on paychecks on August 4, 2017.

Other Post-Employment Benefits (OPEB) Contribution –

The County is accruing a liability now for future health insurance benefits current employees will have, based on current policy, when they retire. We pay retiree health insurance benefits on a pay-as-you-go basis now, but as more employees retire, our annual payments will continue to increase. Our current total liability is \$56.4 million. To meet this liability, actuaries have calculated the “annual required contribution (ARC)” at \$3.7 million beyond the \$1.3 million we pay annually for current retiree health insurance coverage. Ideally, this ARC would be set aside in a trust, gaining interest, and would be used in the future to pay retiree health insurance costs.

For the past several years, OPEB contributions have been funded in the smaller County funds. County policy requires that once we begin funding the OPEB contribution for the General Fund, we will fully fund the on-going ARC within eight years. The **one-time** set-aside of \$1.9 million of the fund balance in FY 2016 for OPEB got the ball rolling on the eight year policy timeframe, leaving us now seven years (including the current FY 2017) to achieve an **on-going** contribution for this purpose. I’ve set aside 1/7th of the \$3.7 million in my recommended budget as progress towards meeting the full ARC no later than FY 2023.

Large Adjustments in the Base Budget –

The following relatively large adjustments that are happening in the base budget for FY 2018 warrant your attention:

- You will recall that the County was awarded another SAFER grant in FY 2017 through which nine FF/Medics are being funded. This grant continues in FY 2018, so we have added this grant revenue and the corresponding \$564,036 in expenditures to the base budget.
- Mandated Children’s Services Act (CSA) costs continue to rise. We have added \$500,000 to the budget to be consistent with FY 2016 actual expenditures and trends in program utilization. Approximately half of the full program cost of \$8.5 million is expected to stem from the Schools’ Individualized Education Program (IEP) placements into private day facilities.
- The Central Rappahannock Regional Library’s request for FY 2018 is \$319,896 greater than that originally adopted for FY 2017. The Library’s full \$4,386,632 direct funding request is included in this recommended budget. Additionally, the County pays the debt service of the Salem Church Library branch which in FY 2018 will be \$167,721, and pays the utilities and maintenance on the County’s two branches.
- Based on preliminary budget information from the jail, I’ve included a \$300,000 increase in this budget as our contribution to the Rappahannock Regional Jail.

Additional Local Transfer to Schools –

The local transfer to Schools increases by \$286,320 to match to the net new debt service expected for Schools’ capital projects in FY 2018. The total transfer is budgeted at \$121,661,635 – 48% of total General Fund revenue. A breakdown of the local transfer follows:

Required Local Effort (SOQs)	\$54,026,264
Required Local Match for Non-SOQ Programs	2,027,314
Debt Service	25,581,896
Additional Local Transfer	<u>40,026,161</u>
Total Local Transfer	\$121,661,635

Capital Projects

The following significant capital projects are included in the FY 2018 budget. With exception of the Schools’ project, the majority are funded with the policy level \$8.8 million transfer from the General Fund to the Capital Projects Fund. \$435,326 in net new debt service (\$149,006 County and \$286,320 Schools) is included in the FY 2018 Budget for the portion of these projects for which bonds will be issued this summer.

Project	Cash Funding	Financed Costs	Total FY 2018 Costs
Facility Asset Management Program	\$1,973,311	-	\$1,973,311
Courthouse sidewalk replacement/repairs	200,000	-	200,000
Build-out of 1 st floor at Merchants Square	850,000	-	850,000
Replacement general gov't vehicles	976,093	-	976,093
Vehicles for new F/R & Sheriff's positions	153,000	-	153,000
Placement of AEDs in County-owned bldgs.	65,000	-	65,000
Study of potential new library branch	15,000	-	15,000
Technology improvements	767,350	-	767,350
Landfill & convenience cntr. improvements	847,176	-	847,176
Replacement equip. – landfill operations	260,000	-	260,000
Hunting Run Park, Phase II	797,572	-	797,572
Patriot Park playground	198,700	-	198,700
Marshall Park – replace baseball field lights	195,660	-	195,660
Parking & drainage repairs at various parks	75,000	-	75,000
Bunkroom addition at Co. 6 (Salem Church)	-	675,000	675,000
Replacement fire/rescue equipment	2,108,339	1,873,614	3,981,953
Thornton Rolling/Rt. 17 intersection	100,000	-	100,000
Transportation – Engineering Consultants	20,000	-	20,000
Schools – Buses	-	4,427,947	4,427,947
Schools – Technology	-	4,432,500	4,432,500
Schools – Capital Maintenance	-	10,501,000	10,501,000
Schools – Renovate/expand Courtland High	-	8,000,000	8,000,000
Water/sewer projects	12,066,600	-	12,066,600
FY 2018 Total Capital Projects*	\$21,668,801	\$29,910,061	\$51,578,862

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

This budget addresses transportation obligations by funding the local share of approved and applied for revenue sharing allocations and including a planning figure for implementation of any findings that may stem from the corridor studies. This approach enables us to postpone until FY 2019 the transfer of additional funds from the General Fund to balance the Transportation Fund. Additionally, instead of needing to transfer an amount equivalent to the full \$3.0 million motor vehicle license revenue in FY 2019, we anticipate the transfer need at more like \$500,000 and increasing each year thereafter. This, in my mind, is a more doable approach than creating an immediate \$3.0 million hole in the General Fund, all the while meeting current transportation obligations.

Conclusion

This message is a brief overview of the FY 2018 Recommended Budget and is intended to provide only an introduction and orientation to the FY 2018 Budget document which follows. In this document, you will find much more detailed information about the revenues and expenditures that are recommended for FY 2018, as well as information about the departments that provide and support the County's services to citizens. The full FY 2018 Recommended Budget will be viewable via a link on Spotsylvania County's website.

Sincerely,



Mark B. Taylor
County Administrator



FY 2018 Budget Strategy

The Budget Strategy provides a discussion about the development of and the underlying assumptions within the FY 2018 Recommended Budget. Major changes within revenues and expenditures are identified. This section essentially tells the story behind the development of the FY 2018 Recommended Budget.

Building the Budget – Revenues

Overall, General Fund revenues other than transfers in and the use of fund balance are projected to increase by \$7.3 million (2.9%) when compared to the FY 2017 Adopted Budget. Following are revenue items of notable interest to this budget:

No Changes in Recommended Tax Rates

This budget assumes the adopted calendar year 2016 tax rates remain in place for 2017.

Growth in Assessed Value of Real Property

Preliminary assessed values have been used to estimate the real estate tax revenue that will come to the County in FY 2018. Overall, taxable assessed values of real property are projected to increase by 1.5% over last year's land book records and are projected to increase by 1.5% for calendar year 2018. These increases are attributable to new construction and rezonings. A \$2.6 million increase in real estate tax revenue is projected for FY 2018 compared to the FY 2017 Adopted Budget and includes a slight increase in the assumed collection rate based on FY 2016 actual collections.

Revisions to Personal Property Tax Revenue Projection Method

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 2017 NADA update is not yet available.

For the past four years, actual personal property tax revenue has 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 per year. As such, the projection of FY 2018 receipts is made assuming a \$1.1 million increase over current FY 2017 estimates. When the mid-year FY 2017 financial report is completed, staff will assess and report if additional adjustments need to be made to this projection for FY 2018.

Changes in Other Local Tax Revenues

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 2018 revenue projection for public service corporation real and personal property tax revenue totals \$3.5 million. This projection is based upon the September 2016 assessed valuation report from the State, and assumes a 3.0% increase in assessed value for 2017 and 2018. The \$3.5 million projection is approximately \$253,000 greater than the FY 2017 budget.

Delinquent Property Taxes: Collections on delinquent taxes have increased in recent years as a result of the Treasurer's Office hiring a third party to pursue taxes owed the County. Revenue from delinquent personal property tax collections has averaged 11% of current collections for the past three fiscal years while revenue from delinquent real estate tax collections has averaged about 2% of current collections. As such, we are assuming delinquent tax collections of 10% of current collections for personal property and 1.75% of current collections for real property in FY 2018. A combined net increase of approximately \$264,000 is projected for FY 2018.

Business License: Revenue from business licenses is increased by \$350,000 to be consistent with the average \$4.3 million total annual receipts for the past three years. Offsetting this increase is a \$150,000 decrease in business license revenue stemming from a recommended increase from \$750,000 to \$1.0 million in the threshold at which business license begins being paid.

Motor Vehicle License: The projection of revenue from motor vehicle licenses (formerly decals) is increased in FY 2018 to be consistent with the average \$3.0 million annual collection for the past three years. Revenue is projected to increase by \$200,000 in comparison with the FY 2017 Adopted Budget.

Meals & Sales Taxes: Receipts from meals and sales taxes continue to increase year over year. However, given receipts through December 2016, total collections for these two revenue sources in FY 2017 may be \$866,000 short of FY 2017 projections. Though a comparison of the estimates assumed in the FY 2018 Recommended Budget to the FY 2017 Adopted Budget yields a combined \$350,000 decrease in revenue from meals and sales taxes, when compared with current projections for FY 2017, the net increase in the projection is \$516,000.

Changes in Certain Other Revenues

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 2018 revenue projection is increased by about \$310,000 to \$2.0 million.

Railroad Reimbursement: Spotsylvania County owns and maintains a section of railroad track that is used by businesses in the Bowman Center industrial park. An agreement is in place through which the County is reimbursed a percentage of actual costs related to maintenance and regular inspection of the track and signals. Based on anticipated costs in FY 2018, revenue is projected to increase by \$100,000.

Sheriff's Office Forfeiture & Seizure Revenue: The Sheriff's Office agreed to use \$185,800 of its accumulated asset forfeiture and seizure funds for certain one-time capital items approved in FY 2017. This funding is removed from the FY 2018 Recommended Budget.

Changes in State & Federal Revenues

SAFER Grant: Subsequent to adoption of the FY 2017 Budget, the County was awarded a two-year SAFER grant for nine Firefighter/Medic positions. The FY 2018 Budget includes approximately \$609,000 in revenue for the second-year commitment of grant funding for these positions.

Victim/Witness Grant: There was an increase in the federal cap on allocations of funding related to the Federal Victims of Crime Act. Such funding stems from criminal fines, forfeited appearance bonds, penalties, etc. Spotsylvania was awarded an increase in FY 2017 and it is anticipated that the increase will continue into the future, as this grant is received on an annual basis. When compared to the FY 2017 Adopted Budget, Victim/Witness grant revenue is projected to increase by \$151,000 in FY 2018 and will fund the additional Victim/Witness employee approved in FY 2017 and related costs of the Victim/Witness program.

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 2018, we apply typical reimbursement rates to projected expenditures and arrive at an increased level of reimbursement revenue, as well. In FY 2018, State revenue for CSA is expected to increase by \$125,000 due to increases in mandated program costs. This change combined with an increase in Social Services revenues nets an increase of about \$137,000.

Communications Sales Tax: Based on FY 2016 actual receipts, the projection for communication sales tax revenue in FY 2018 is decreased by \$300,000.

Addition to 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 is 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.

"A commitment to maintain reserves at or above policy-determined levels has contributed to the county's overall fiscal stability."

MOODY'S
INVESTORS SERVICE

At the end of FY 2018:

- Fiscal Stability Reserve will be funded at 11% of FY 2019 projected revenues;
- Budget Stabilization Reserve will be funded at \$3.0 million; and
- \$1.365 million will remain in the fund balance in excess of the two reserves.

In FY 2018, \$81,000 is added to the General Fund balance stemming from revenues exceeding expenditures by \$92,961 and \$11,961 of prior years' accumulated reservation of the 60% of transient occupancy tax that must, by law, be used for tourism functions is used to match to various tourism expenditures.

	\$ in millions
<i>FY 2017 Adopted Budget – Revenue (General Fund)</i>	<i>\$255.2</i>

Changes in General Estimates	
Personal Property Tax	\$2.9
Real Property Tax	2.6
SAFER & Victim/Witness Grants	0.8
Delinquent Property Taxes	0.3
Water/Sewer Administration Fees	0.3
Public Service Corporation	0.3
Business License	0.2
Local Motor Vehicle License Fees	0.2
DSS/CSA State Revenue	0.1
Meals Tax	(0.1)
Sheriff's Asset Forfeiture & Seizure	(0.2)
Local Sales Tax	(0.2)
Communication Sales Tax	(0.3)
Miscellaneous	<u>0.3</u>
Subtotal Changes	\$7.2
Changes in Transfers	
Transfer from Fire/EMS Service Fee Fund	(\$0.1)
Transfer from Code Compliance Fund	<u>(0.2)</u>
Subtotal Changes	(\$0.3)
Change in Use of Fund Balance	
FY 2018 revenues in excess of expenditures	(\$0.1)
Remove one-time use for Economic Development in FY 2016	(0.2)
Remove one-time use for transfer to Capital Projects Fund in FY 2017	<u>(3.5)</u>
Subtotal Changes	(\$3.8)

	\$ in millions
<i>FY 2018 Recommended Budget – Revenue (General Fund)</i>	<i>\$258.3</i>

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

Building the Budget – Expenditures

The focus of the FY 2018 Recommended Budget is maintaining fiscal policies; maintaining commitments to regional partners; addressing on-going public safety needs; providing a compensation adjustment; and beginning to fund the County’s Other Post-Employment Benefits (OPEB) liability.

Adjustments made to the FY 2017 Adopted Budget expenditures to yield the FY 2018 Recommended Budget can be summarized as follows for the General Fund:

Base budget adjustments	\$2,183,031
Compensation adjustment placeholder	1,401,923
New initiatives – public safety	1,257,294
On-going OPEB contribution.....	528,571
New initiatives – other than public safety.....	359,364
Transfer to Schools	286,320
Debt service	149,006
Transfers to Other Funds	(348,237)
Transfer to Capital Projects Fund	<u>(2,689,079)</u>
Total Change in General Fund.....	\$3,128,193

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

Base Budget Adjustments

- Full year funding for nine Firefighter/Medic positions added during the course of FY 2017 are included in the base budget at a cost of \$564,000. These positions are fully funded by the SAFER grant.
- \$500,000 is added to the budget for CSA mandated services to be consistent with FY 2016 actual expenditures and with trends in program utilization. Nearly 60% of the full mandated service program cost of \$8.5 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 library’s full \$4,386,632 funding request is included in the Recommended Budget. This represents a \$319,896 increase relative to the FY 2017 Adopted Budget and funds Spotsylvania’s share of an anticipated 3% salary increase for library staff, a projected 5% increase in health insurance costs, an increase for books and materials, and expansion of the Library Service Center to include administrative offices. In addition to the \$4,386,632 direct payment to the library, the County pays the debt service of the Salem Church Library branch which in FY 2018 will be \$167,721, and pays the utilities, insurance, and maintenance on the County’s two branches.
- Spotsylvania participates in multiple regional agencies to provide services and support citizens. Contributions to such agencies result in a budget increase of \$338,409 to agencies

other than the library. Based on Spotsylvania's use of the Rappahannock Regional Jail, Juvenile Detention Center, and Chaplin Youth/Office on Youth facilities and programs, the County's contribution to these three entities is responsible for \$287,496 of the total increase. Contributions to other regional agencies – primarily the Rappahannock Area Community Services Board (RACSB) – are increasing by \$50,913.

- The General Fund budget increases by \$184,708 resulting from the shift in funding of a Deputy County Administrator position from the Utilities Operating Fund. The Deputy position is more appropriately funded in the County Administrator's office than in Utilities.
- Changes in personnel costs related to salary adjustments, turnover, and changes in benefits choices, unemployment insurance, and workers' compensation rate adjustments result in a decrease of approximately \$400,000 in the base budget.
- Retiree health insurance costs are expected to increase by \$128,177 in FY 2018 due to an increase in the number of retirees on the plan.
- Given our claims history and insurance reserve balances, health insurance rates are expected to remain constant in FY 2018. There is no overall change in costs, and there is no change in the employer/employee split of premium costs for the plan year beginning October 1, 2017.
- Utilities and vehicle fuel costs are projected to increase by about \$36,000. Included in this estimated increase is the cost of electricity, telephone services and vehicle fuel.
- Several years ago, we began budgeting reductions in personnel expenditures within the Information Services and Social Services budgets to capture the lapse and turnover savings that typically occur within those departments. For FY 2018, we are reducing larger amounts within each budget based on trends, netting an overall base budget decrease of \$122,000.

Net New Debt Service

- Public safety projects costing \$2.5 million are planned for financing this coming summer. Of this amount, \$0.7 million will be for design and construction of a bunkroom addition at the Company 6 (Salem Church) station and \$1.8 million will be used for replacement fire and EMS equipment (fire trucks and ambulances).

When the County issues bonds for projects, it must repay the loan through a series of annual principal and interest payments known as debt service. Net new debt service resulting from the issuance of these bonds as authorized by the County voters in November 2014 is \$149,006.

- School projects totaling \$27.4 million are planned for financing this summer. This amount includes \$8.0 million for renovation and expansion of Courtland High School; \$10.5 million for major maintenance at school facilities; \$4.4 million for technology replacements and upgrades, as well as safety and security upgrades; and \$4.4 million for 34 replacement

buses and two additional buses. The net new debt service stemming from the issuance of bonds authorized by voters in November 2014 is budgeted at \$286,320 compared with the Schools' FY 2017 Adopted Budget. The Schools do not received funding for debt service from State or Federal sources. Schools debt service is funded solely through the transfer of funds from the County. The recommended increase in transfer to the Schools is consistent with this \$286,320 increase in net debt service.

Compensation Placeholder

A compensation study was in progress as this budget was being prepared. As such, the equivalent of a 2.5% compensation adjustment (\$1.4 million for the General Fund) is included in the Recommended Budget. As we move ahead with the budget process and gain details of the findings of the compensation study, the Board may choose to implement a phased portion of the study recommendations, a traditional compensation adjustment, or some combination thereof.

To best align with VRS reporting dates, any approved compensation adjustments will have an effective date of July 17, 2017 and will first appear on paychecks on August 4, 2017.

New Initiatives for FY 2018

Following is a listing of the position changes included in the FY 2018 Recommended Budget:

Fund/Position	Public Safety FTEs	Other FTEs
General Fund:		
Court Deputies	5.0	-
Patrol Deputies	3.0	-
Detective	1.0	-
2 Part-time Desk Deputies	1.0	-
Convert Sheriff's part-time Fleet Program Asst to full-time	0.3	-
Asst. Commonwealth's Attorney for body cameras	1.0	-
EMS Training Coordinator	1.0	-
Mechanic/Service Writer for F/R apparatus	1.0	-
Adult Protective Services (APS) Supervisor	1.0	-
Convert part-time Social Services CPS/APS Case Aide to full-time	0.37	-
Public Safety IT Project Manager	1.0	-
Public Safety Network Support Specialist II	1.0	-
Public Safety IT Division Director	1.0	-
Treasurer's part-time Account Clerk to address audit findings	-	0.7
IT Information Security Officer	-	1.0
Convert part-time Social Services Eligibility Worker to full-time	-	0.37
Convert Circuit Court Judge's part-time Clerk to full-time	-	0.3
Remove previously unfunded Planner I position	-	(1.0)
Fund previously unfunded Personal Property Clerk	-	-
Fund previously unfunded GIS Tech. & designate to public safety	-	-
Shift Dep. County Administrator from Utilities to General Fund	-	-
General Fund Total	17.67	1.37

Fund/Position	Public Safety FTEs	Other FTEs
Code Compliance Fund:		
Fund previously unfunded Building Office Asst & retitle	-	-
Code Compliance Fund Total	-	-
Utilities Fund:		
Safety & Training Coordinator	-	1.0
Well Operator – Motts WTP (shared with Schools)	-	1.0
Fund previously unfunded Director of Utilities for half year	-	-
Shift Dep. County Administrator from Utilities to General Fund	-	-
Utilities Fund Total		2.0
Total Change in Full Time Equivalents (FTEs)	17.67	3.37

Additionally, the following recommendations are included as new initiatives:

- A one-time \$60,000 increase in the allocation to Spotsylvania Volunteer Fire Department is budgeted for parking lot, ramp and interior light repairs at the Company 3 (Partlow) fire station. This station is owned by the volunteers, but is operated and staffed by County staff. The facility is in need of repair to bridge the gap between now and the availability of a new station in the Partlow area.
- \$50,000 is included for a cloud-based computing assessment to understand the benefits and risks of cloud-based solutions.
- \$50,000 is budgeted for contribution to a new museum located at Shannon Airport. This funding is contingent on development of a Memorandum of Understanding (MOU) to be approved by the Board of Supervisors to include the amount of funding and the term over which the Board will continue support of the museum.
- Approximately \$49,000 is budgeted to enable the Information Services department to develop an internship program to help support IT operations, project management, and GIS. Additionally, a goal of the program will be to develop a pipeline of potential future IS staff members.
- Due to the retirement of a long-tenured employee, funding is added to the Treasurer's Office budget to overfill a full-time Deputy Treasurer position for a period of not more than three months. This will allow the new employee to work with the retiring employee to gain an understanding of job duties.
- The contribution to the Spotsylvania Historical Association is increased by \$7,200 to provide additional hours for a part-time technician. Like the \$4,800 increase originally budgeted in FY 2017, this additional funding is contingent upon the revision of the current MOU and approval of the revised MOU by the Board of Supervisors.

- Approximately \$5,400 is budgeted in the Commissioner’s Office budget for a temporary, part-time clerk to assist the office during the period of mid-January to mid-May, and would particularly help process the mail related to State income tax, business license, meals tax, real estate and personal property.

On-Going Contribution to OPEB

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. Our current total liability is \$56.4 million. To meet this liability, actuaries have calculated the “annual required contribution (ARC)” at \$3.7 million beyond the \$1.3 million we pay annually for current retiree health insurance coverage. Ideally, this ARC would be set aside in a trust, gaining interest, and would be used in the future to pay retiree health insurance costs.

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, leaving now seven years (including the current FY 2017) to achieve an **on-going** contribution for this purpose. \$528,571 or one-seventh of the \$3.7 million is set aside in the recommended budget as progress towards meeting the full ARC no later than FY 2023.

Transfers to Other Funds

Schools – As noted previously, the transfer to the Schools is \$286,320 higher than budgeted in FY 2018. This increase funds 100% of the increase in the Schools’ debt service.

Capital Projects Fund – Consistent with fiscal policy guidelines, a transfer from the General Fund to the Capital Projects Fund is budgeted at \$8.8 million. Fiscal policies state that the County’s goal of budgeting pay-as-you-go (cash) funding for capital projects will be equal to 5% of General Fund revenue (excluding other obligated transfers). To meet this goal, 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 2018, the transfer is budgeted at 3.50% of General Fund revenues.

In addition to the policy level transfer, \$153,000 for vehicles and capital equipment associated with new Fire/Rescue and Sheriff’s Office positions recommended in the budget is planned for transfer to the Capital Projects Fund. Further, the one-time \$3.4 million transfer budgeted last year to reduce the amount of debt to be incurred in FY 2017 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 decreased by \$200,000 in FY 2018.

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 decreases by \$29,000 for FY 2018.

Transportation Fund – Since 2011, we have maintained vehicle license fee revenue and set-asides equaling about \$3.6 million in the General Fund as opposed to transferring those funds to the Transportation Fund as had been the practice prior to 2011. Last year, it was projected that in FY 2018, we would need to reinstate the transfer of those revenues to the Transportation Fund as the fuel tax revenue and Transportation Fund balance would no longer be sufficient to balance the long-term needs of the Transportation Fund. To begin to address the projected out-year imbalance, the FY 2017 Budget included a \$700,000 transfer from the General Fund to the Transportation Fund. Due to adjustments made to the timing of projects included in the Recommended CIP to match Transportation project expenditures with financial agreements already in place with VDOT, it appears no more than the base amount of \$700,000 will need to be transferred again in FY 2018. Therefore, there is no change in the transfer amount in FY 2018. However, the transfer of a portion of the vehicle license fee and set-asides will likely need to resume in FY 2019 based on the Recommended CIP and other transportation costs such as the annual VRE and PRTC subsidies, and the FRED bus service.

Utilities Operating Fund – Certain staff positions charged to the Utilities Operating Fund provide services to the General Fund. For instance, a position charged to Utilities may spend part of his time work on water and sewer lines and another part of his time on refuse collection work for the General Fund. As such, \$120,000 was budgeted in FY 2017 as a transfer from the General Fund to the Utilities Operating Fund. The true costs will not be known until the end of the fiscal year when time spent on various projects is reported and allocated, but based upon FY 2016 actual transfers, \$0 is planned for transfer in FY 2018.

	\$ in millions
<i>FY 2017 Adopted Budget – Expenditures (General Fund)</i>	<i>\$255.2</i>
Mandated services ¹ (40.7%)	\$103.9
Commitments ² (35.8%)	\$91.5
Other services (23.5%)	<u>\$59.8</u>
	\$255.2
Base Budget & Debt Service Adjustments	
Contributions to regional agencies including library & airport museum	\$0.7
SAFER grant positions – 9 Firefighter/Medics added in FY 2017	0.6
CSA mandated costs	0.5
Funding previously unfunded positions & new SRO grant position (FY17)	0.2
Change in tax relief projection	0.1
Net new debt service	0.1
Machinery & equipment purchase	0.1
Turnover, personnel adjustments, & changes in benefit choices/rates	(0.3)
Miscellaneous adjustments	<u>0.3</u>
Subtotal Changes	\$2.3
New Initiatives	
Placeholder equivalent to 2.5% compensation adjustment	\$1.4
Public safety related costs new initiative costs	1.3
Costs other than public safety	0.3
OPEB on-going contribution	<u>0.5</u>
Subtotal Changes	\$3.5
Changes in Transfers	
Transfer to Schools	\$0.3
Transfer to Utilities Operating Fund	(0.1)
Transfer to Code Compliance Fund	(0.2)
Transfer to Capital Projects Fund	<u>(2.7)</u>
Subtotal Changes	(\$2.7)

	\$ in millions
<i>FY 2018 Recommended Budget – Expenditures (General Fund)</i>	<i>\$258.3</i>

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

¹ 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.

² 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.



FY 2018 Recommended Budget at a Glance

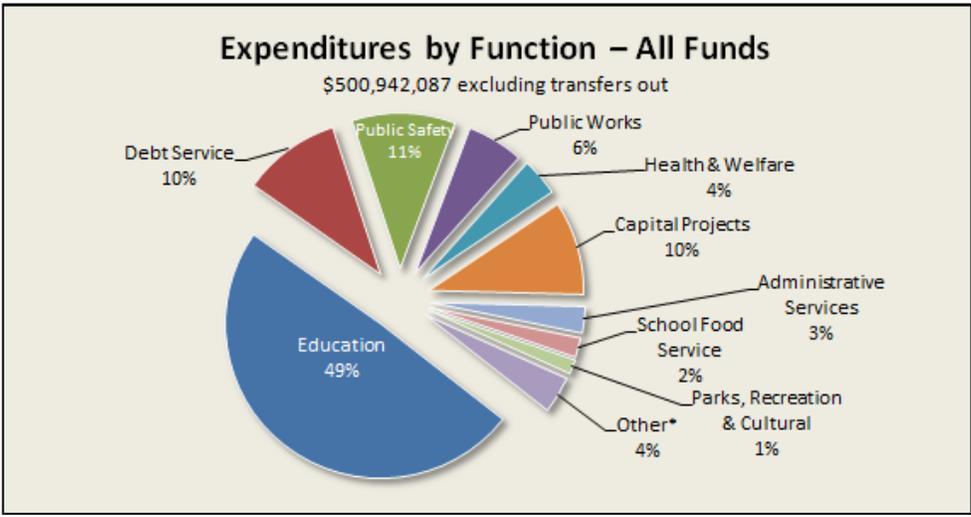
Budget Focus

- 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).
- Address continuing public safety needs.
- Provide compensation adjustments for a phased implementation of the pay study or a via a traditional compensation adjustment.

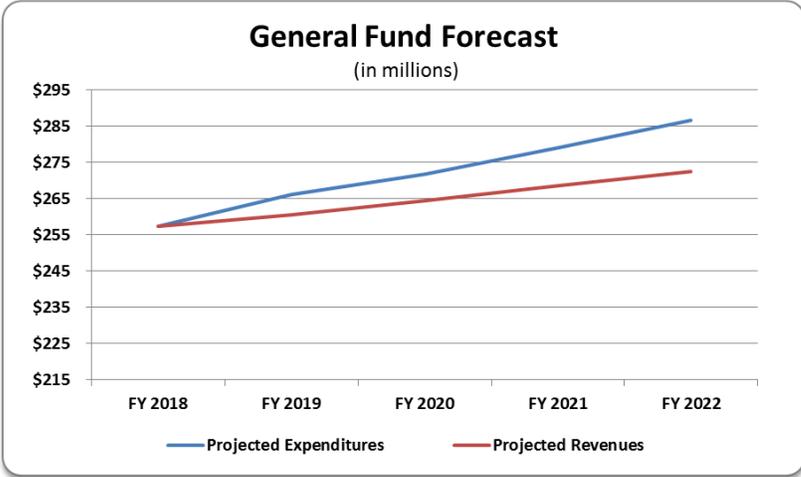
Budget Highlights

- Schools –**
- Local transfer to Schools increases by \$286,320 to fund net new debt service.
- Public Safety –**
- 93% of positions recommended to be added to the General Fund budget are solely tied to public safety.
 - Addition of 5 court deputies, 3 patrol deputies, 1 detective and 2 part-time desk deputies for the Sheriff's Office. Additionally, funding is allocated to convert an existing part-time program assistant to full-time for fleet management.
 - Addition of 1 Assistant Commonwealth's Attorney for the implementation of a body worn camera program.
 - Addition to Fire/Rescue of an EMS Training Coordinator and Mechanic/Service Writer for apparatus.
 - Addition of an Adult Protective Services (APS) Supervisor, conversion of a part-time CPS/APS Case Aide to full-time, and conversion of a part-time Eligibility Worker to full-time.
 - Establishment of a Public Safety Division within Information Services to include a Division Director, Project Manager, Network Support Specialist II, and funding of the previously unfunded GIS Technician.
- Transportation –**
- Fuel tax revenue allows suspension of transfer of decal and set-aside revenue for the eighth year.
 - 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 –**
- All tax rates recommended to remain constant for 2017.
 - Business License threshold recommended to increase from \$750,000 to \$1 million.
 - Next 3-year plan for water/sewer rates and fees factored in to Recommended Budget.
- Staff –**
- The equivalent of a 2.5% compensation adjustment is included as a placeholder for a phased implementation of the compensation study or a traditional compensation adjustment.
 - Net of 3.37 FTEs are added to the FY 2018 Recommended Budget for functions other than public safety.
- Capital Projects –**
- Transfer of cash to the CIP is increased by \$0.8M to meet the 3.50% policy-level transfer. An additional \$153,000 is transferred to fund equipment related to new Fire/Rescue and Sheriff's Office personnel.

	FY 2017	FY 2018	Difference	
	Adopted	Recommended	\$	%
General Fund	\$119,730,062	\$125,456,251	\$5,726,189	4.8%
Economic Dev. Opportunities Fund	1,062,940	771,085	-291,855	-27.5%
Code Compliance Fund	4,005,479	4,047,566	42,087	1.1%
Transportation Fund	8,346,579	8,371,920	25,341	0.3%
School Operating	268,333,007	271,923,952	3,590,945	1.3%
School Food Service	9,515,526	10,199,132	683,606	7.2%
Utilities	<u>30,253,859</u>	<u>30,978,252</u>	<u>724,393</u>	2.4%
Sub-Total Operating Expenditures	\$441,247,452	\$451,748,158	\$10,500,706	2.4%
Capital Projects Fund	\$13,112,415	\$9,765,882	-\$3,346,533	-25.5%
School Capital Projects	27,611,024	27,361,447	-249,577	-0.9%
Utilities Capital Projects	<u>11,740,000</u>	<u>12,066,600</u>	<u>326,600</u>	2.8%
Sub-Total Capital Expenditures	\$52,463,439	\$49,193,929	-\$3,269,510	-6.2%
Total Budget	\$493,710,891	\$500,942,087	\$7,231,196	1.5%

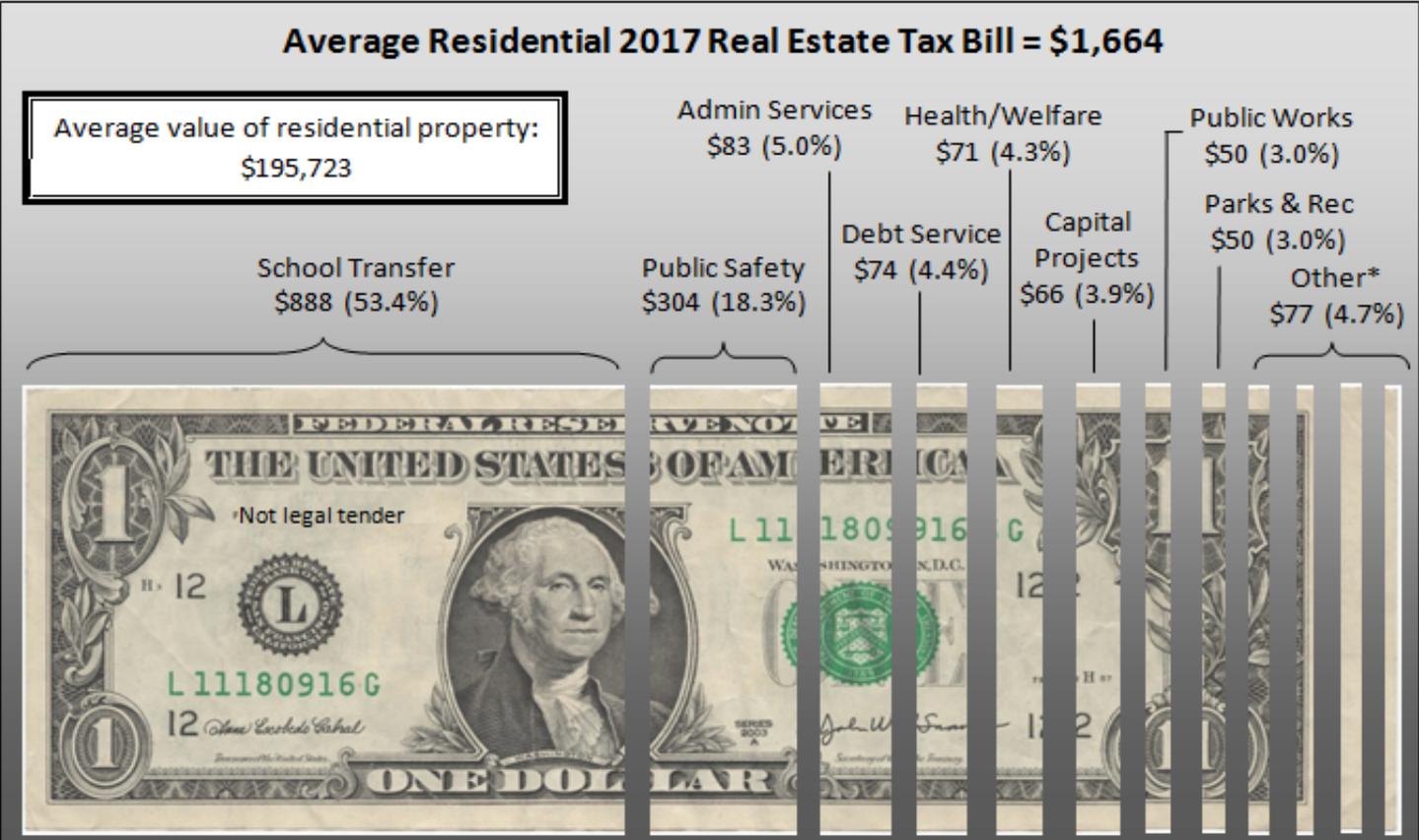


*"Other" includes Community Development, Executive Services, Judicial Administration, Transportation and Voter Services functions.



Breakdown of General Fund Transfer to Schools

	2017 Adopted	2018 Recommended
• Required Local Effort	\$54,185,003	\$54,026,264
• Required Local Match for Non-SOQ Programs	2,534,239	2,027,314
• Debt Service	25,922,930	25,581,896
• Additional Local Transfer	38,733,143	40,026,161
Total Local Transfer	\$121,375,315	\$121,661,635



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

Overview of Spotsylvania County



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.

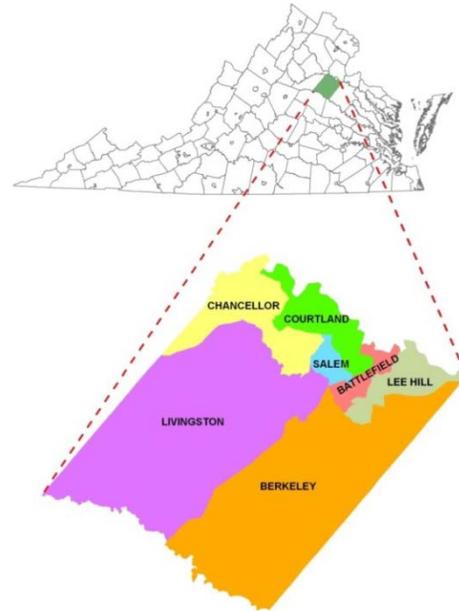
Geography

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 three current members expires on December 31, 2017, with the terms of the remaining four members expiring on December 31, 2019. 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

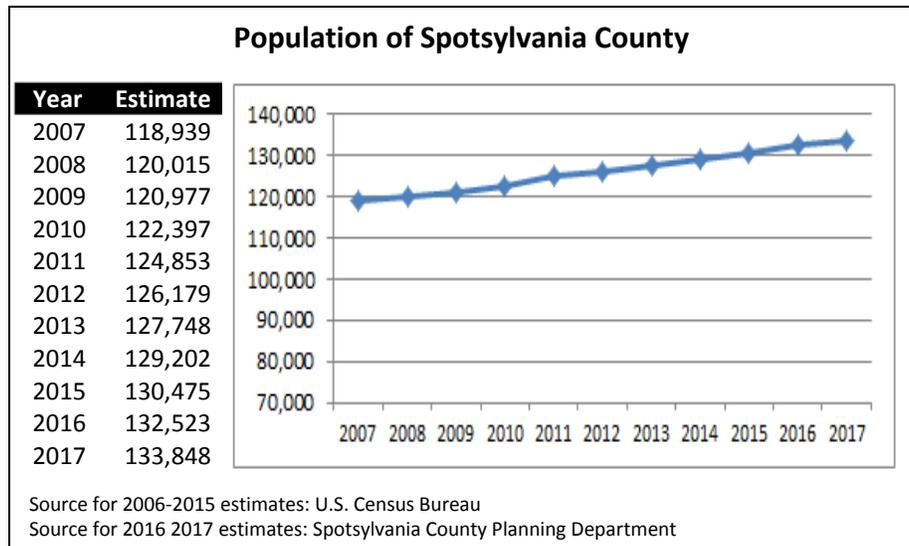
which partial funding is received from the State include public education in grades preK-12 and certain technical, vocational and special education, mental health assistance, agricultural services, law enforcement, health and social services, and judicial activities.

Population

The Planning Department estimates Spotsylvania’s 2017 population to be 133,848.

The County’s population has grown each of the past ten years. Annual population growth rates were between 3.7% and 5.7% from 2000 through 2005, peaking in 2002 at 5.7%. Beginning in 2006 and corresponding with the Board’s desire to curb

residential growth in the County, growth rates declined. The rate of population growth between 2016 and 2017 is estimated at 1.0%.



The County’s 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	130,475	
Planning Department Projections		
Year	1% Growth Rate	2% Growth Rate
2020	137,904	143,447
2025	144,938	158,377
2030	152,332	174,861
2035	160,102	193,061
2040	168,269	213,155

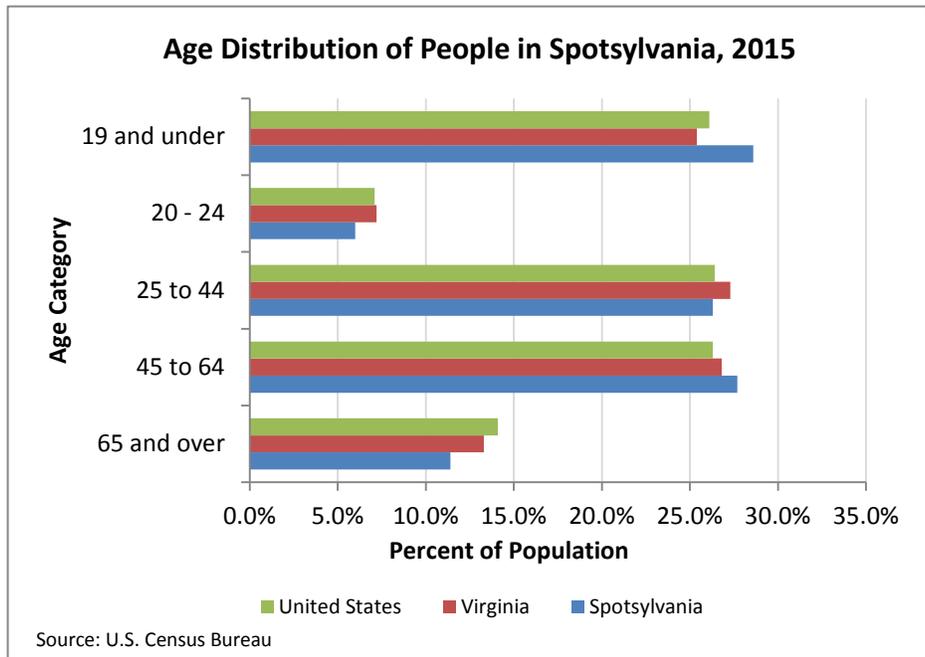
The U.S. Census Bureau estimates that in 2015 just under three-quarters of the population of Spotsylvania County was white and slightly less than one-sixth of the population was black or African-American.

2015 Population by Racial/Ethnic Group

Group	Spotsylvania	Virginia	United States
White	69.6%	62.7%	61.6%
Black or African American	16.3%	19.7%	13.3%
Hispanic or Latino	8.9%	9.0%	17.6%
Asian	2.7%	6.5%	5.6%
American Indian or Alaska Native	0.4%	0.5%	1.2%
Native Hawaiian or Pacific Islander	0.2%	0.1%	0.2%
Other	1.9%	1.5%	0.5%

The majority of the County's population (65%) was estimated to be greater than or equal to 25 years of age, with 6% estimated between the ages of 20 and 24 and 29% 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.

2015 Household Composition

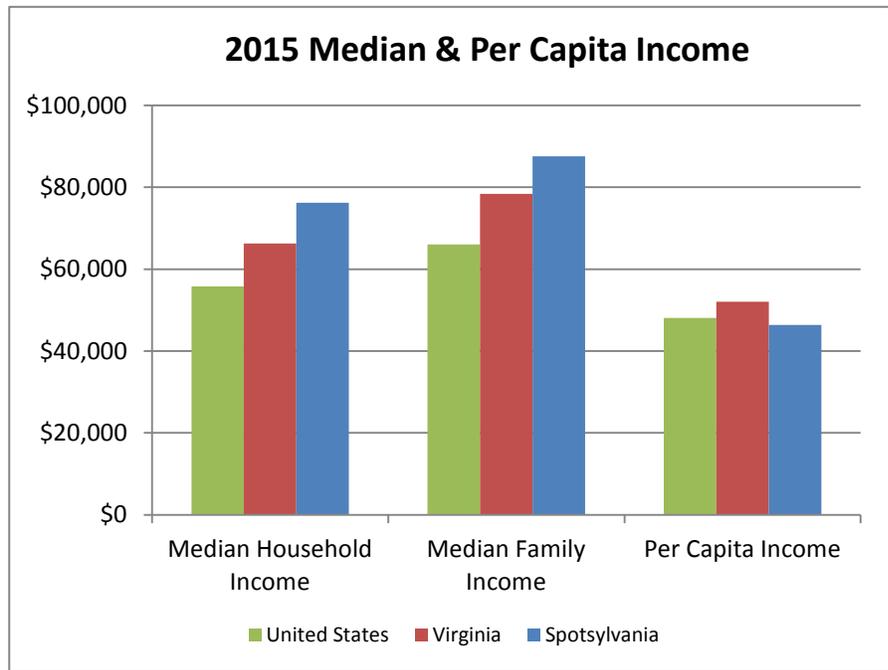
Type of Household	Spotsylvania		Virginia		United States	
Family Households	33,531	78.3%	2,054,416	67.1%	77,260,546	66.1%
With own children under 18 years	15,178	35.4%	901,251	29.4%	33,732,757	28.8%
Married-couple families	26,264	61.3%	1,547,758	50.5%	56,478,631	48.3%
Male householder; no wife families	1,913	4.5%	130,767	4.3%	5,612,732	4.8%
Female householder; no husband families	5,354	12.5%	375,891	12.3%	15,169,183	13.0%
Without children under 18 years	18,353	42.9%	1,153,165	37.7%	43,527,789	37.2%
Nonfamily Households	9,292	21.7%	1,008,367	32.9%	39,665,759	33.9%
Total Households	42,823	100%	3,062,783	100%	116,926,305	100%

Source: U.S. Census Bureau

Personal Income

According to the U.S. Census Bureau, Spotsylvania’s 2015 median household income was estimated at \$76,181 and median family income was estimated at \$87,569.

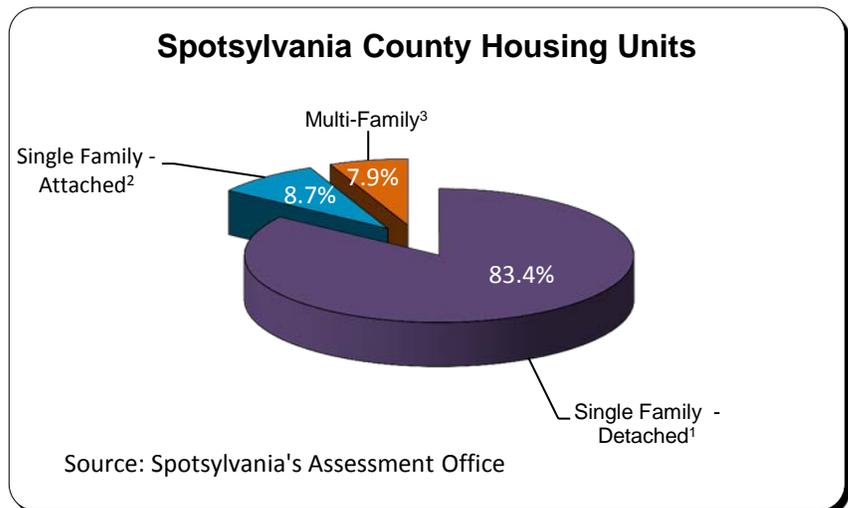
The estimated 2015 combined per capita income for Spotsylvania County and the City of Fredericksburg is approximately 11% less than the state amount and approximately 4% less than the national amount.



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, 2016 there are 47,453 housing units in Spotsylvania County. A housing unit can be multi-family or single-family, attached or detached. The majority (83.4%) of the housing units in Spotsylvania are single-family detached units. Since 2000, the number of housing units in the County has increased by 42.5%.



Source: Spotsylvania's Assessment Office

Includes trailers, manufactured homes and mobile homes

² Consists of duplexes and townhouses

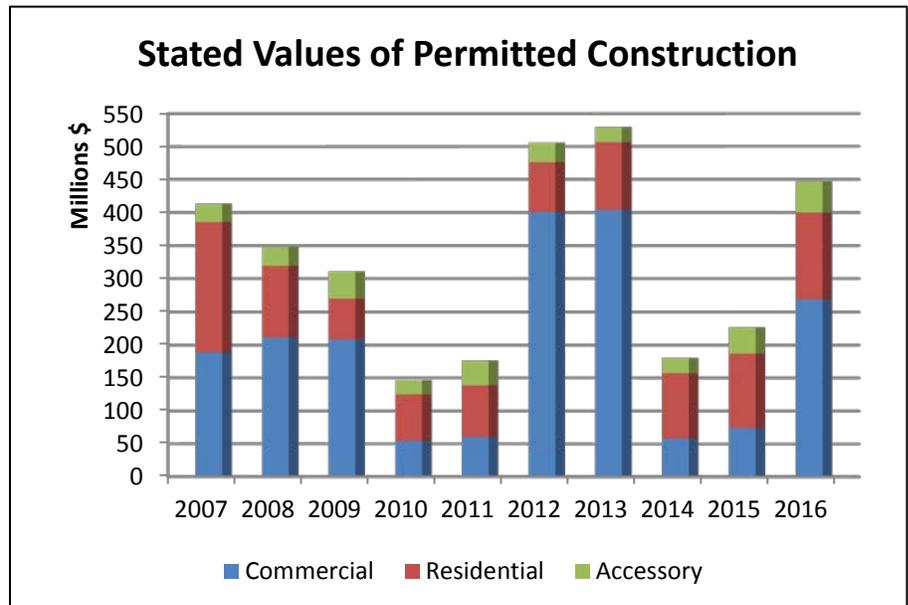
³ Consists of apartments and condominiums and assisted living housing units

Housing Units

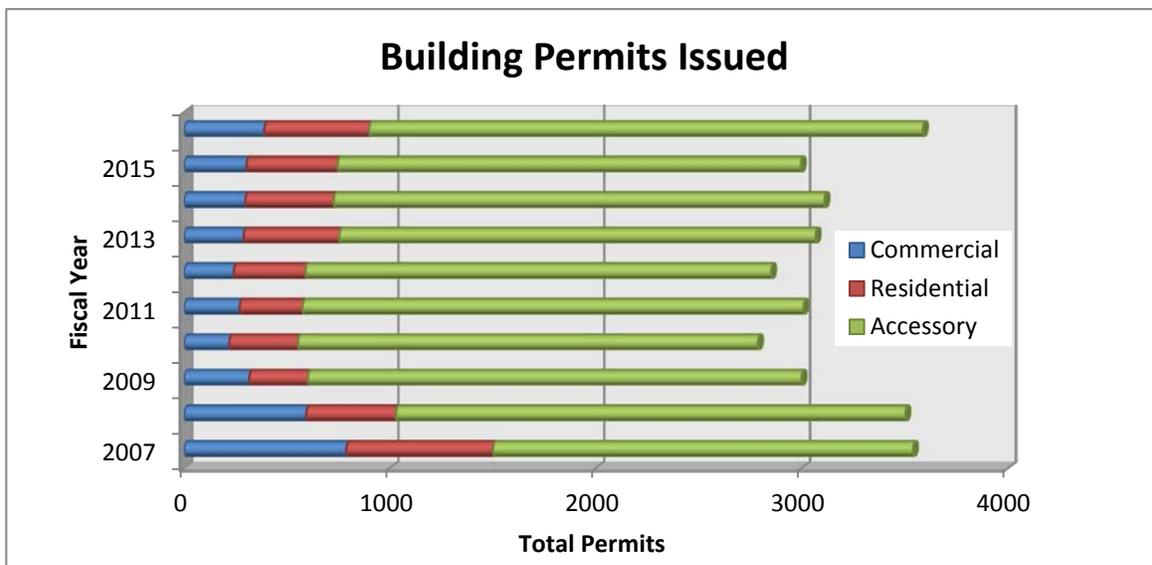
Housing Unit Type	2000	2010	2017
Single Family – Detached	28,804	37,141	39,585
Single Family - Attached	2,522	2,730	4,120
Multi-Family	1,983	3,136	3,748
Totals	33,309	43,007	47,453

The accompanying graphs illustrate construction activity within Spotsylvania during the past 10 years. The number and stated value of residential permitting grew annually from 2000 through 2005, and then began contracting. Commercial growth tends to lag behind shifts in residential growth, and that tendency is evident from historical permitting figures. An increase in the number of commercial permits continued through 2007. Commercial permitting then began declining in 2008, but bolstered by the value of permitted construction for the new Spotsylvania Regional Medical Center, permitted commercial values did not begin a noticeable decline until 2010.

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 building/renovation projects where the stated value of each project was significant. Similar activity occurred in FY 2016 with the submission of several large commercial applications with 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 2016 figures are through June 30, 2016.



The 2016 building permit figures are through June 30, 2016.

Approved Development

As of January 2017, 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	534	0	0	0	534	Keswick	150	90	240	184	664
Estates of Chancellorsville	74	0	0	0	74	Ni Village	0	164	773	0	937
Estates of Elys Ford	231	0	0	0	231	Lakeside	0	61	0	0	61
Saw Hill	63	0	0	0	63	Brooks	0	2	0	0	2
Estates at Buckingham	42	0	0	0	42	Estates at Terry's Run	10	0	0	0	10
Pelhams East	43	0	0	0	43	Spotsylvania Courthouse Village	395	205	834	50	1,484
Woods of Catharpin	11	0	0	0	11	Crossroads Station	0	0	610	0	610
Whitehall	60	0	0	0	60	New Post	219	104	102	0	425
Tanglewood Estates	14	0	0	0	14	Fortune's Landing	49	0	0	0	49
Estates at Kingswood	34	0	0	0	34	Silver Collection Apartments	0	0	274	0	274
Breckenridge Farms	52	0	0	0	52	Villas at Harrison Crossing	0	0	0	130	130
Avalon Woods	98	0	0	0	98	Heritage Woods	697	180	183	0	1,060
Pamunkey Point	21	0	0	0	21	Ni River Community Church	89	0	0	0	89
Lee's Parke	531	0	0	186	717	Southpoint Landing	0	0	830	0	830
Sunrise Bay	35	0	0	0	35	Legends of Chancellorsville	218	0	0	0	218
Regency at Chancellorsville	0	0	0	151	151	Wheatland	0	98	0	0	98
Glen Haven/ River Glen	37	0	0	0	37	Thorburn Estates	59	0	0	0	59
Reserve at Chancellorsville	121	0	0	0	121	Jackson Village Retreat at Chancellorsville	0	596	1,289	385	2,270
Lafayette Crossing	0	21	0	0	21	Alexander's Crossing	518	971	888	230	2,607
Mallard Landing	0	116	0	0	116	Plantation Woods	132	0	0	0	132
Spring Arbor	0	0	0	33	33	Goodwin Cove	35	0	0	0	35
Summerfield	63	39	0	0	102						
Total of all units approved but not yet built							14,846				

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

Community Facilities

- 31 Schools
- 12 Parks¹
- 1 Outdoor Amphitheatre
- 5 Community Centers
- 1 Senior Center
- 1 Visitors Center
- 1 County Museum
- 1 Swimming Pool
- 73 Multipurpose Fields
- 46 Tennis Courts
- 50 Baseball/Softball Diamonds
- 7 Basketball Courts
- 130.7 miles of Trails
- 1 Animal Shelter
- 13 Convenience Centers
- 1 Landfill
- 11 Fire/Rescue Stations
- 2 Dams and Reservoirs
- 56 Pump Stations
- 2 Water Treatment Plants (WTP)
- 3 Wastewater Treatment Plants (WWTP)
- 900 + miles water/sewer infrastructure

¹ Includes parks at the County’s two reservoirs

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
Retail Trade	371	6,580	\$565
Educational Services	30	4,895	\$757
Health Care and Social Assistance	717	4,731	\$726
Accommodation and Food Service	192	4,430	\$299
Construction	301	2,304	\$786
Professional, Scientific, and Technical Services	273	1,812	\$1,623
Other Services (except Public Administration)	251	1,487	\$535
Transportation and Warehousing	74	1,352	\$877
Administrative and Support Waste Management	127	1,272	\$593
Wholesale Trade	121	1,166	\$979
Manufacturing	60	1,135	\$1,066
Public Administration	36	1,106	\$981
Arts, Entertainment, and Recreation	34	887	\$281
Finance and Insurance	95	508	\$948
Real Estate and Rental and Leasing	106	493	\$642
Management of Companies and Enterprises	20	385	\$1,630
Information	29	316	\$939
Utilities	7	81	\$1,088
Agriculture, Forestry, Fishing & Hunting	8	56	\$361
Mining, Quarrying, and Oil and Gas Extraction	2	N/A	N/A

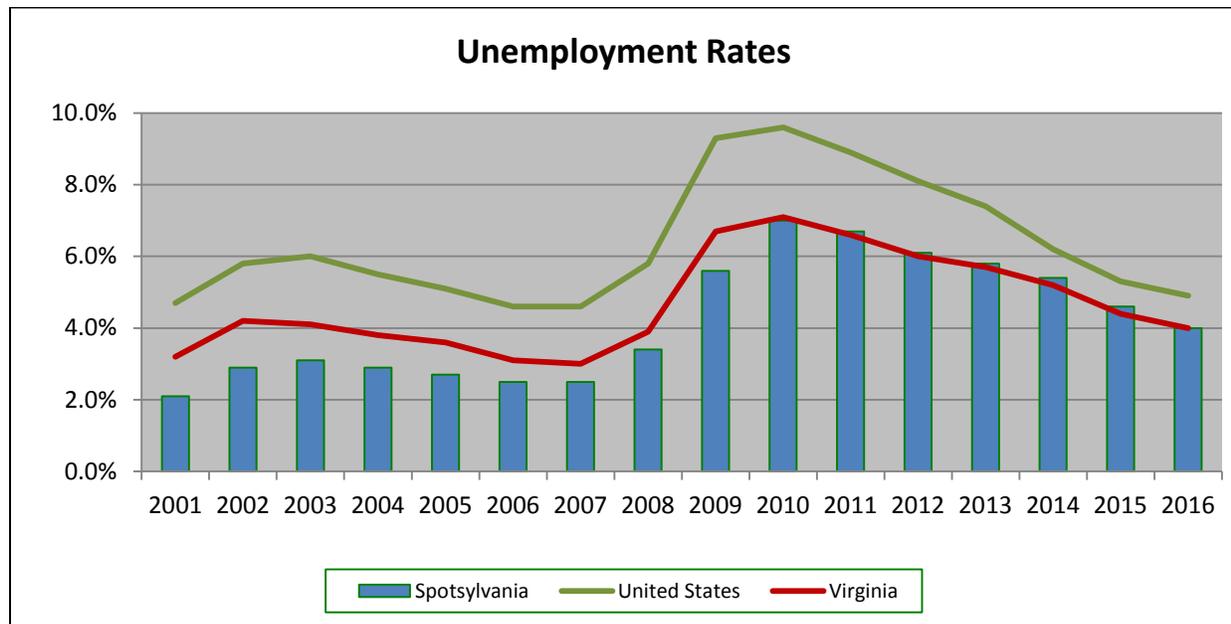
Source: Virginia Employment Commission, Quarterly Census of Employment and Wages as of 2nd Quarter 2016

Employment Status within Spotsylvania

Employment Status	2000	2015	% Change
Population 16 years old or older	66,138	98,627	49.1%
In labor force	47,747	67,186	40.7%
- Employed - civilian	45,651	66,578	45.8%
- Employed - armed forces	595	608	2.2%
- Unemployed	1,501	4,109	173.8%
Not in labor force	18,391	31,441	71.0%

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’s unemployment rate ranks 52 out of 133 counties and cities within Virginia, as reported by the Virginia Employment Commission in November 2016.



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	500-999
Wal-Mart	Retail	250-499
Food Lion	Grocery	250-499
CVS Pharmacy	Pharmacy Distribution Warehouse	250-499
Germanna Community College	Education	250-499
Rappahannock Goodwill Industries	Rehabilitation Services	250-499
McDonalds’s	Restaurant	100-249
Carmax	Automotive Dealer	100-249
A-T Solutions	Support to Counterterrorist Activities	100-249
Professional Employer Resource	Professional Employer Organization	100-249
Simventions, Inc	Professional, Scientific, and Technical Services	100-249
Kaeser Compressors	Manufacturer of Air Compressors	100-249
Giant Food	Grocery	100-249
Home Instead Senior Care	Senior Home Care Services	100-249
Costco	Retail	100-249
Eoir Technologies Inc	Professional, Scientific, and Technical Services	100-249
Radley Honda	Motor Vehicle and Parts Dealers	100-249
WCC Cable	Heavy and Civil Engineering Construction	100-249

Source: Virginia Employment Commission, as of 2nd Quarter 2016

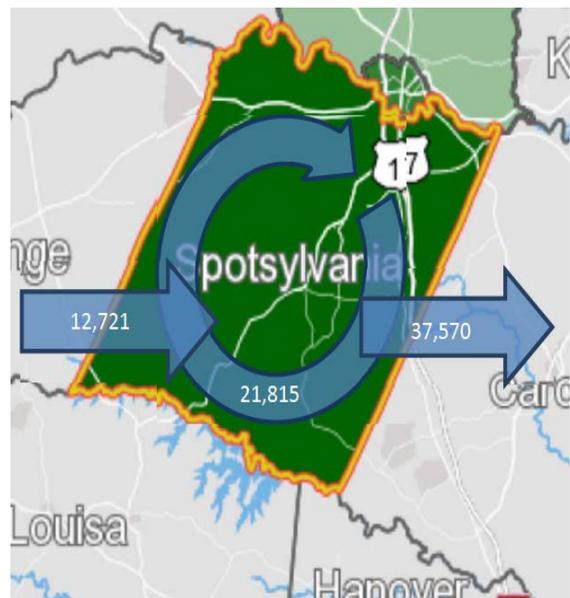
Other Public & Private Major Employers in Surrounding Area

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+
University of Mary Washington	Education	1,000+
County of Stafford	Local Government	1,000+
Fredericksburg City Schools	Education	500-999
Caroline County Schools	Education	500-999
King George County Schools	Education	500-999
McLane Mid Atlantic	Distributor for Convenience Stores	500-999
City of Fredericksburg	Local Government	500-999
Lowe's Home Centers	Retail	500-999
Medicorp Health System	Healthcare	500-999
Stafford Hospital Center	Hospital	500-999
YMCA	Social Advocacy Organization	500-999
Rappahannock Area Community Services Board	Social Services Provider	250-499
Target Corp	Retail	250-499
WaWa	Gasoline Stations	250-499
United States Postal Service	Federal Government Agency	250-499

Source: Virginia Employment Commission, as of 2nd Quarter 2016

Spotsylvania Commuting Patterns - 2013

Commuting From	Area	Commuting To
-	Arlington County, VA	1,268
1,760	Caroline County, VA	447
510	Culpeper County, VA	572
304	Fairfax County, VA	4,275
1,917	Fredericksburg, VA	9,281
827	King George County, VA	1,516
1,336	Orange County, VA	516
644	Prince William County, VA	4,093
91	Richmond, VA	601
3,130	Stafford County, VA	7,558
36	Washington, D.C.	3,010
2,166	All Other Locations	4,433
12,721	Total Commuters	37,570



Spotsylvania County Workers	
Live and Work in Spotsylvania	21,815

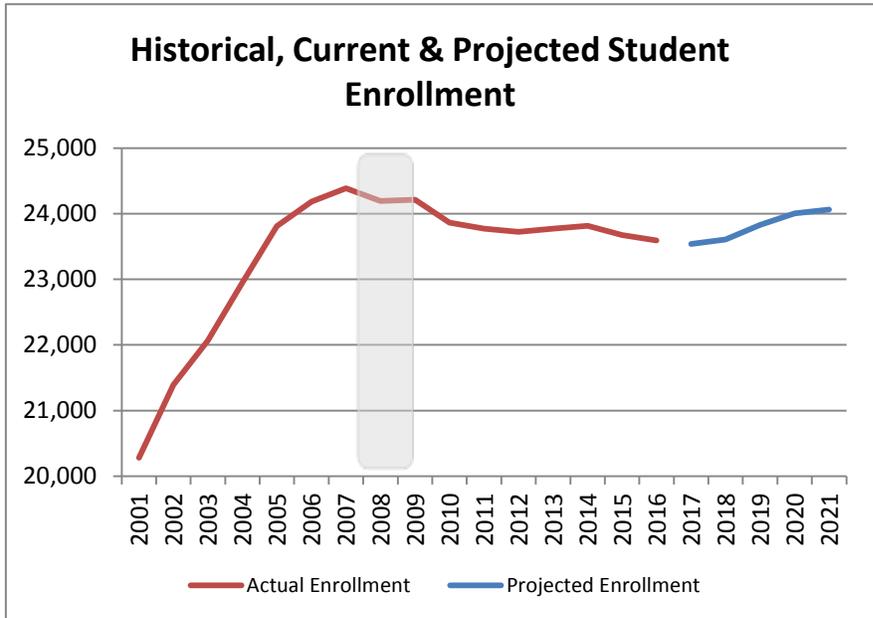
Source: U.S. Census Bureau

Education

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

Actual public school enrollment for the 2016 - 2017 school year was 23,592. Enrollment is projected to be 24,067 by the 2021 - 2022 school year.

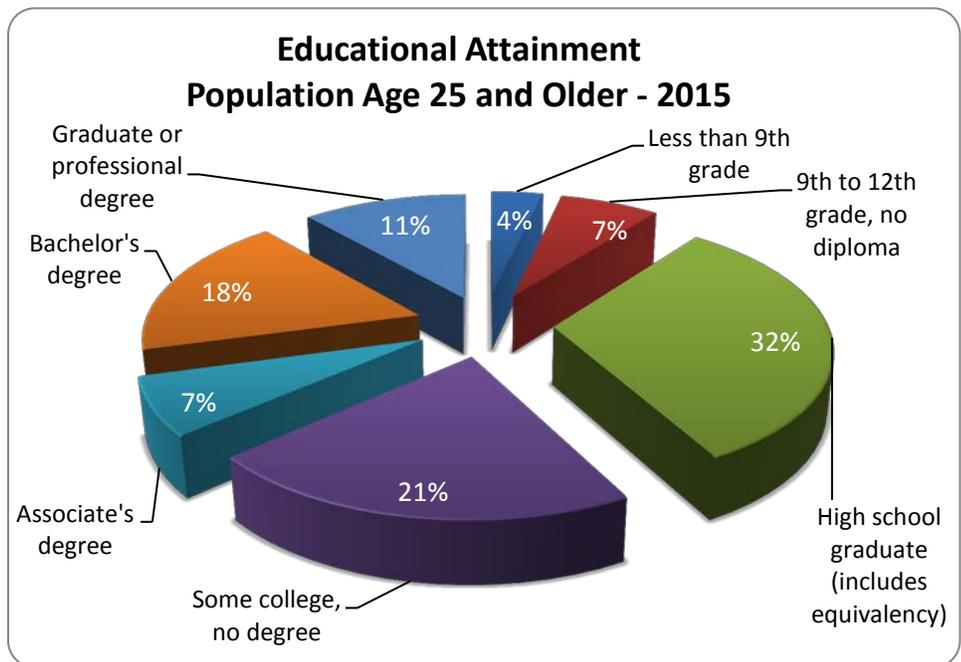
Total enrollment is projected to decline by 53 students countywide for the 2017-2018 school year.



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 an associate's, or higher, degree, while 90% of residents are high school graduates or higher.

Spotsylvania County's educational attainment is comparable to national percentages, but with 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

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**	

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

**Represents the tax rate assumed in the FY 2018 Recommended Budget.

General Property Tax Rates¹

Calendar Year	Real Estate & Mobile Home	Personal Property ²	Business Furniture & Fixtures	Machinery & Tools	Heavy Construction Equipment
2017 ³	\$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
2001	1.07	5.00	5.00	2.50	2.00

¹ 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.

² For years 2000 – 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.

³ Rates shown for 2017 represent rates assumed in the FY 2018 Recommended Budget.

Real Estate Tax Rates per \$100 of Assessed Value

Locality	Population ¹	Tax Year 2015 Rate	Tax Year 2016 Rate	Change
Richmond City	220,289	\$1.2000	\$1.2000	-
Prince William	451,721	1.1936	1.1950	0.0014
Loudoun	375,629	1.1350	1.1450	0.0100
Fairfax	1,142,234	1.1160	1.1585	0.0425
Alexandria	153,511	1.0430	1.0730	0.0300
Stafford	142,003	1.0190	0.9900	(0.0290)
Fauquier	68,782	0.9990	1.0390	0.0400
Arlington	229,164	0.9960	0.9910	(0.0050)
Chesterfield	335,687	0.9600	0.9600	-
Henrico	325,155	0.8700	0.8700	-
Spotsylvania	130,475	0.8600	0.8500	(0.0100)
Caroline	29,984	0.8300	0.8200	(0.0100)
Fredericksburg	28,118	0.8200	0.7700	(0.0500)
Hanover	103,227	0.8100	0.8100	-
Culpeper	49,432	0.7300	0.7300	-
King George	25,515	0.6100	0.6800	0.0700

¹ Population figures from the U.S. Census Bureau (Estimate as of July 1, 2015).

Real Estate Tax Bill History¹

Calendar Year	Tax Rate	Equalized Tax Rate	Example AV ²	Annual Tax Bill Based on Example AV ²	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	\$192,830	\$1,658	\$56	3.5%
2015	\$0.86		\$192,830	\$1,658	\$0	0.0%
2016	\$0.85	\$0.8313	\$207,794	\$1,766	\$108	6.5%
2017	\$0.85		\$207,794	\$1,766	\$0	0.0%
					\$476	

¹ 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 \$207,794 in 2017. At the recommended \$0.85 rate for 2017, the real estate taxes on this *example* residential property would have increased by \$476 since 2004 – an average annual increase of 2.5%.

² AV = assessed value

Principal Property Taxpayers

As of December 31, 2015

Name	Type of Business	Assessed Value ¹	Amount of Tax	Percent of Total Taxable AV ²
Spotsylvania Mall Company	Shopping Mall	\$192,844,843	\$1,676,553	1.39%
Dominion Virginia Power	Public Utility	129,514,739	1,113,827	0.93%
Spotsylvania Regional Medical Center	Hospital	80,127,692	1,082,963	0.58%
Rappahannock Electric	Public Utility	76,248,952	699,055	0.55%
CVS VA Distribution	Warehousing	9,119,992	542,639	0.07%
Comcast of VA	Public Utility	8,482,416	504,704	0.06%
Verizon VA	Public Utility	47,910,169	436,995	0.35%
Lee Prop Harrison Crossing	Developer	34,831,100	299,547	0.25%
GLL BVK Properties	Developer	33,994,200	292,350	0.25%
Station Sq. at Cosner's Corner	Apartments	31,801,923	276,939	0.23%

Source: Treasurer, Spotsylvania County, Virginia

¹ 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.

² AV = assessed value

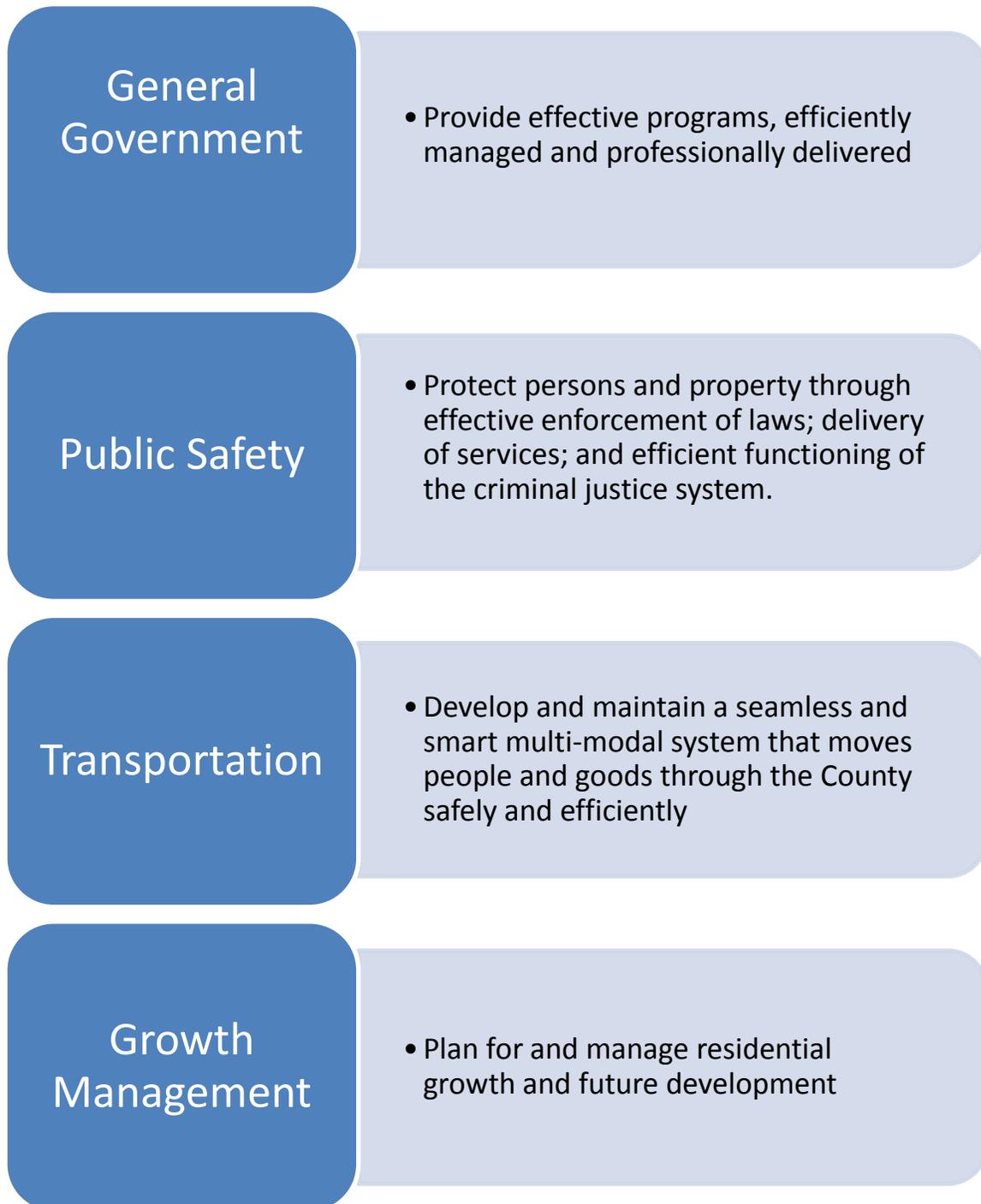


County Vision, Mission, & Goals

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



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



Linking County-Wide & Functional Goals

The following chart displays the links between long-term functional and County-wide goals. Additional information related to the functional goals and performance measures may be found in the Function/Department Budgets section of this document beginning on page 255.

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

Linking County-Wide & Functional Goals

Functional Goals	County-wide Goals			
	General Gov't	Public Safety	Transportation	Growth Mgmt
Health & Welfare				
• People helping people	✓	✓		
• Strengthen family units	✓	✓		
• Ensure safety and well-being of children in agency custody	✓	✓		
• Investigate report of abuse and neglect	✓	✓		
• Build cooperative and productive relationships with stakeholders	✓	✓		
Parks, Recreation & Cultural				
• Enhance quality of life for Spotsylvanians	✓			
• Provide sustainable recreational programs	✓			
Community Development				
• Contribute to a high quality of life	✓	✓	✓	✓
• Promote business growth and development	✓		✓	✓
• Promote tourism & farmers' markets	✓			
• Provide learning opportunities to include 4-H	✓			
Transportation				
• Partner with State and Federal governments to provide safe and appropriate means of transportation to County citizens		✓	✓	✓
• Ensure government vehicles and equipment are maintained in safe operating condition		✓	✓	✓
Education				
• Provide effective instructional services	✓			
• Promote a positive and effective learning environment	✓			
• Encourage parent engagement and dynamic community partnerships	✓			
• Ensure a supportive organizational structure	✓			
School Food Service				
• Support the learning experience	✓			
Capital Projects				
• Ensure the County maintains effective current and future levels of service for its citizens	✓	✓	✓	✓
Debt Service				
• Maintain compliance with adopted debt policies	✓	✓	✓	✓

FY 2018 Recommended Budget - All Funds

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Amended	FY 2018 Recommended	Variance (rec. to adopt) Amount	Percent
Revenues (by type)						
Property Taxes	\$160,998,332	\$162,649,814	\$162,649,814	\$168,849,377	\$6,199,563	3.8%
Other Local Taxes	\$40,751,826	\$40,915,937	\$40,915,937	\$40,966,000	\$50,063	0.1%
Licenses & Permits	\$389,490	\$288,825	\$288,825	\$345,200	\$56,375	19.5%
Charges for Services	\$42,759,833	\$40,646,599	\$40,646,599	\$40,145,696	(\$500,903)	-1.2%
Other Local Revenue	\$25,047,656	\$23,758,646	\$28,207,772	\$24,165,261	\$406,615	1.7%
Debt Proceeds	\$50,915,865	\$27,611,024	\$31,976,785	\$27,361,447	(\$249,577)	-0.9%
State Revenue	\$167,589,256	\$169,098,525	\$171,808,548	\$170,794,703	\$1,696,178	1.0%
Federal Revenue	<u>\$16,642,078</u>	<u>\$15,688,279</u>	<u>\$18,184,892</u>	<u>\$17,482,541</u>	<u>\$1,794,262</u>	11.4%
Subtotal - Revenue	\$505,094,336	\$480,657,649	\$494,679,172	\$490,110,225	\$9,452,576	2.0%
Transfers In	\$143,828,106	\$147,263,522	\$153,875,495	\$146,899,943	(\$363,579)	-0.2%
Use of Fund Balance	<u>(\$12,316,400)</u>	<u>\$13,053,242</u>	<u>\$111,797,633</u>	<u>\$10,831,862</u>	<u>(\$2,221,380)</u>	-17.0%
TOTAL REVENUE - All Funds	\$636,606,042	\$640,974,413	\$760,352,300	\$647,842,030	\$6,867,617	1.1%
Expenditures (by function)						
Executive Services	\$3,293,088	\$3,803,144	\$3,814,729	\$4,676,661	\$873,517	23.0%
Administrative Services	\$10,842,556	\$12,784,876	\$13,589,983	\$13,827,828	\$1,042,952	8.2%
Voter Services	\$392,063	\$381,529	\$381,529	\$439,260	\$57,731	15.1%
Judicial Administration	\$3,843,607	\$3,984,265	\$4,271,166	\$4,257,990	\$273,725	6.9%
Public Safety	\$49,188,149	\$51,536,119	\$54,171,332	\$53,890,885	\$2,354,766	4.6%
Public Works	\$24,582,908	\$28,855,986	\$29,119,487	\$29,643,306	\$787,320	2.7%
Health & Welfare	\$18,635,758	\$19,081,887	\$19,465,693	\$19,687,739	\$605,852	3.2%
Parks, Recreation & Cultural	\$6,767,560	\$7,118,560	\$7,243,141	\$7,542,964	\$424,404	6.0%
Community Development	\$6,310,151	\$5,615,543	\$6,244,962	\$5,131,555	(\$483,988)	-8.6%
Debt Service	\$63,987,852	\$51,571,739	\$50,700,600	\$51,331,460	(\$240,279)	-0.5%
Capital Projects	\$56,575,398	\$52,463,439	\$156,350,073	\$49,193,929	(\$3,269,510)	-6.2%
Transportation	\$2,080,309	\$3,595,427	\$3,595,427	\$3,686,613	\$91,186	2.5%
Education	\$236,097,972	\$242,410,077	\$246,759,383	\$246,342,056	\$3,931,979	1.6%
School Food Service	<u>\$9,107,087</u>	<u>\$9,515,526</u>	<u>\$9,776,526</u>	<u>\$10,199,132</u>	<u>\$683,606</u>	7.2%
Subtotal - Appropriated Expenditures	\$491,704,458	\$492,718,117	\$605,484,031	\$499,851,378	\$7,133,261	1.4%
Tax Relief	<u>\$1,073,478</u>	<u>\$992,774</u>	<u>\$992,774</u>	<u>\$1,090,709</u>	<u>\$97,935</u>	9.9%
Subtotal - Recommended Budget	\$492,777,936	\$493,710,891	\$606,476,805	\$500,942,087	\$7,231,196	1.5%
Transfers Out	\$143,828,106	\$147,263,522	\$153,875,495	\$146,899,943	(\$363,579)	-0.2%
TOTAL EXPENDITURES - All Funds	\$636,606,042	\$640,974,413	\$760,352,300	\$647,842,030	\$6,867,617	1.1%
Appropriated Expenditures (by category)						
Personnel (salaries & benefits)	\$279,462,245	\$293,102,897	\$297,233,871	\$301,905,858	\$8,802,961	3.0%
Operating (other than debt service)	\$90,516,737	\$96,942,393	\$104,268,984	\$96,219,980	(\$722,413)	-0.7%
Debt Service	\$63,987,852	\$51,571,739	\$50,668,600	\$51,331,460	(\$240,279)	-0.5%
Capital	<u>\$57,737,624</u>	<u>\$51,101,088</u>	<u>\$153,312,576</u>	<u>\$50,394,080</u>	<u>(\$707,008)</u>	-1.4%
TOTAL APPROPRIATED EXPENDITURES - All Funds	\$491,704,458	\$492,718,117	\$605,484,031	\$499,851,378	\$7,133,261	1.4%

