

FISCAL YEAR 2018

ADOPTED BUDGET

County of
SPOTSYLVANIA,
VIRGINIA

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
Award*

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

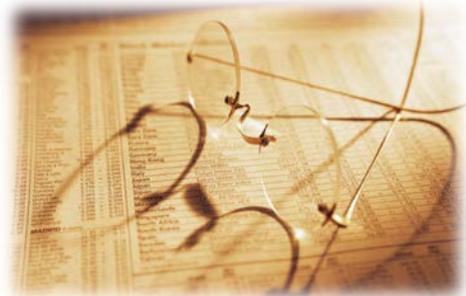


Guide to Using this Document

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 the various budget and tax rate resolutions approved by the Board of Supervisors upon adoption of the FY 2018 Budget, 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 – April 4, 2017

Dear Spotsylvania County Citizens:

On behalf of the Spotsylvania County Board of Supervisors, I am pleased to present the FY 2018 Budget to include the FY 2018 – FY 2022 Capital Improvement Plan.

Before I highlight the FY 2018 Budget, however, I will 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 the community, the Supervisors and the County staff 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. But, when the Board of Supervisors formalized the good practices that had been informally in place for a number of years, the caliber of our fiscal policies was raised, making a clear declaration as to how Spotsylvania County's fiscal affairs are and will be conducted. This action by the Board is what I believe was the tipping point that achieved the AAA rating for our community.

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 the Board's 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 Adopted 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. Tax rates for 2017 remain the same as those in place for

2016, and the FY 2018 Budget assumes that the threshold at which business license begins being paid is increased from \$750,000 to \$1 million, pending a public hearing necessary for the ordinance change. 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 Adopted Budget totals \$502.7 million – an increase of \$9.0 million (1.8%) compared to the FY 2017 Adopted Budget. When capital projects funds are excluded, the FY 2018 Adopted Budget is a \$12.2 million (2.8%) increase over the FY 2017 Budget.

	FY 2017	FY 2018	Difference	
	Adopted	Adopted	\$	%
General Fund	\$119,730,062	\$124,562,391	\$4,832,329	4.0%
Economic Dev. Opportunities Fund	1,062,940	906,755	-156,185	-14.7%
Code Compliance Fund	4,005,479	3,993,647	-11,832	-0.3%
Transportation Fund	8,346,579	8,358,320	11,741	0.1%
School Operating	268,333,007	274,525,185	6,192,178	2.3%
School Food Service	9,515,526	10,199,132	683,606	7.2%
Utilities	<u>30,253,859</u>	<u>30,927,443</u>	<u>673,584</u>	2.2%
Subtotal Operating Expenditures	\$441,247,452	\$453,472,873	\$12,225,421	2.8%
Capital Projects Fund	\$13,112,415	\$9,838,216	-\$3,274,199	-25.0%
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	\$49,266,263	-\$3,197,176	-6.1%
Total Budget	\$493,710,891	\$502,739,136	\$9,028,245	1.8%

FY 2018 Budget Highlights

The new funding available within this budget is focused towards:

- Honoring existing commitments to maintain service levels and to the regional jail, juvenile detention center, and library;
- Addressing public safety needs; and
- Providing a compensation adjustment to include a phased implementation of the compensation study recommendations submitted by Evergreen Solutions.

Additional Personnel –

This budget includes the addition of 24.34 full-time equivalent (FTEs) positions to the General Fund where 23.67 FTEs (97%) are fully related to public safety. We have consistently heard from Sheriff’s Office, Fire/Rescue, and Social Services leaders that their offices are understaffed to adequately provide critical levels of service. This budget proposal makes significant progress toward meeting their staffing needs.

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

Fund/Position	Public Safety	Other
	FTEs	FTEs
General Fund:		
Court Deputies	5.0	-
Patrol Deputies	6.0	-
Detectives	3.0	-
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	-
Firefighter/Medic – 24/7	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	-
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	23.67	0.67
Code Compliance Fund:		
Fund previously unfunded Bldg. Office Asst./retitle as Permit Tech	-	-
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	-	-
Reduce funding of Composting Heavy Equip. Op. to half year	-	-
Utilities Fund Total	-	2.0
Total Change in Full Time Equivalents (FTEs)	23.67	2.67

Compensation Adjustments –

The equivalent of a 3.2% compensation adjustment is included in the budget for a phased implementation of the compensation study performed by Evergreen Solutions. 1.3% of the 3.2% is budgeted within department budgets as a cost-of-living adjustment commensurate with the 2016 annual consumer price index of 1.3%. The 1.9% balance of the 3.2% is held in a non-departmental reserve account. Once final study implementation decisions have been made, budget adjustments will be processed to shift the funding from the reserve to the departments as needed to fund the implementation.

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.

Large Adjustments in the Base Budget –

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

- 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 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 two library branches located in the County.
- An increase of \$150,617 in our contribution to the Rappahannock Regional Jail is necessary due to an increase in the County’s usage at the facility, a 3% merit pay increase for Jail staff, and an increase in annual debt service.

Additional Local Transfer to Schools –

The local transfer to Schools increases by \$2,700,000 (2.2%) in FY 2018 including a one-time transfer from the General Fund balance of \$333,222. The total transfer is budgeted at \$124,075,315 – 48% of total General Fund revenue. A breakdown of the local transfer follows:

Required Local Effort (SOQs)	\$54,018,514
Required Local Match for Non-SOQ Programs	2,027,313
Required Local Match for Federal Grants.....	25,110,085
Debt Service	25,581,896
Additional Local Transfer	<u>17,337,507</u>
Total Local Transfer	\$124,075,315

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. \$3.0 million in new debt service (\$0.2 million County and \$2.8 million Schools) is included in the FY 2018 Budget for the portion of these projects for which bonds will be issued this summer. This new debt cost is nearly fully offset by natural reductions in existing debt service.

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	260,000	-	260,000
Placement of AEDs in County-owned bldgs.	30,334	-	30,334
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	1,271,621	3,379,960
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*	\$21,741,135	\$29,308,068	\$51,049,203**

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

**Differs from figures on page 12 because this listing includes the County's financed projects and the budget itself does not at this point in time. Once bonds are sold and finalized, a budget adjustment will occur to budget the financed projects. Also, the figures on page 12 include capital projects operating and personnel costs not shown above.

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 \$700,000 and increasing each year thereafter.

Conclusion

This brief overview of the FY 2018 Adopted Budget is intended only as an introduction 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 budgeted for FY 2018, as well as information about the departments that provide and support the County's services to citizens. The full FY 2018 Adopted Budget will be viewable via a link on Spotsylvania County's website.

Sincerely,

A handwritten signature in black ink that reads "Mark B. Taylor". The signature is written in a cursive style with a large, prominent initial "M".

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 Adopted Budget. Major changes within revenues and expenditures are identified. This section essentially tells the story behind the development of the FY 2018 Adopted Budget.

Building the Budget – Revenues

Overall, General Fund revenues other than transfers in and the use of fund balance are projected to increase by \$8.2 million (3.3%) when compared to the FY 2017 Adopted Budget. Following are revenue items of notable interest to this budget:

No Changes in Adopted Tax Rates

This budget includes no changes in tax rates. The calendar year 2017 tax rates were adopted at the same as those in place for calendar year 2016.

Growth in Assessed Value of Real Property

Based on the final land 2017 book, taxable assessed values of real property are increasing by 2.5% over the 2016 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.

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, and by \$19,000 to account for an approved economic development incentive. Offsetting this increase is a \$150,000 decrease in business license revenue stemming from an assumed increase from \$750,000 to \$1.0 million in the threshold at which business license begins being paid. This change in the threshold effective January 1, 2018 is pending a public hearing necessary for a change in the ordinance.

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.

Recordation Taxes: As the local housing market continues rebounding, recordation tax revenue to the County is rebounding, as well. Though nowhere near the FY 2006 pre-recession high of \$5.3 million, the \$2.4 million recordation revenue estimate for FY 2018 reflects an increase of \$100,000 over that budgeted for FY 2017 based on actual receipts now anticipated for FY 2017. While this \$2.4 million is not as robust as we would like, it is about \$400,000 greater than the two lowest years of collection following the recession. Improving conditions in the local market is helping with the State recordation revenue the County receives as the State's \$10 million quarterly allocation is based upon the County's proportionate share of statewide collections during that quarter.

Sales Taxes: Sales tax receipts continue to increase year over year and are expected to increase by \$196,425 (1.1%) for FY 2018.

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.

Refuse Disposal Fees & Recycling Revenue: Based on receipts in FY 2017 from commercial hauler disposal at the landfill, recycling tonnage and market prices, the combined revenue from these activities is expected to increase by \$135,000 in FY 2018 compared to revenue included in the FY 2017 Adopted Budget.

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 Adopted 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 \$151,016 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 \$125,368 due to increases in mandated program costs while Social Services revenues are expected to increase by \$196,039.

Communications Sales Tax: Based on FY 2016 actual receipts and those anticipated for FY 2017, the projection for communication sales tax revenue in FY 2018 is decreased by \$300,000.

Use of the Fund Balance

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

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

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



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
- \$6.85 million will remain in the fund balance in excess of these and other policy reserves.

In FY 2018, \$761,222 of the General Fund balance is budgeted for use as shown below:

FY 2018 Use of General Fund Balance	
One-time transfer to School Operating Fund	\$333,222
Use of forfeiture/seizure \$ (will fall to FB at 06/30/17) for new patrol vehicles	165,000
Use of Economic Opportunities Reserve for one-time incentives	110,000
One-time add to Spotsylvania Vol. Fire Dept. contribution for Co. 3 repairs	60,000
Initial purchase of vehicles for 2 new Fire/Rescue positions	50,000
One-time update to Planning's fiscal impact model	30,000
Initial purchase of vehicles lights/radios for new detective positions	8,000
One-time add to Spotsylvania Vol. Fire Dept. contribution for training	5,000
Total Use of Fund Balance	\$761,222

	\$ 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 & Deferred Property Taxes	0.4
Water/Sewer Administration Fees	0.3
Public Service Corporation	0.3
DSS/CSA State Revenue	0.3
Business License	0.2
Local Motor Vehicle License Fees	0.2
Local Sales Tax	0.2
Railroad Maintenance Reimbursement	0.1
Recordation Revenue	0.1
Recycling & Refuse Disposal Revenue	0.1
Sheriff's Asset Forfeiture & Seizure	(0.2)
Local Sales Tax	(0.2)
Communication Sales Tax	(0.3)
Miscellaneous	<u>0.4</u>
Subtotal Changes	\$8.2
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	
One-time transfer to Schools in FY 2018	0.3
Vehicles for new Fire/Rescue & Sheriff's Office positions	0.2
Use of Economic Opportunities Reserve for one-time economic incentives	0.1
One-time increase in contribution to Spotsylvania Volunteer Fire Dept.	0.1
Remove one-time use for Economic Development in FY 2017	(0.2)
Remove one-time use for transfer to Capital Projects Fund in FY 2017	<u>(3.5)</u>
Subtotal Changes	(\$3.0)

	\$ in millions
<i>FY 2018 Adopted Budget – Revenue (General Fund)</i>	<i>\$260.1</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 Adopted Budget is maintaining fiscal policies; maintaining commitments to regional partners; addressing on-going public safety needs; and providing a compensation adjustment.

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

Transfer to Schools	\$2,700,000
Base budget adjustments	1,500,158
Compensation adjustment placeholder	1,784,898
New initiatives – public safety	1,491,224
New initiatives – other than public safety.....	266,587
Net new debt service	49,462
Transfers to Other Funds	(218,298)
Transfer to Capital Projects Fund	<u>(2,689,079)</u>
Total Change in General Fund.....	\$4,884,952

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 \$564,036. 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 Adopted 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 directly 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 two library branches in the County.
- Spotsylvania participates in multiple regional agencies to provide services and support citizens. General Fund contributions to such agencies result in a base budget increase of \$160,754 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 \$103,541 of the total increase. Contributions to other regional agencies – primarily the Rappahannock Area Community Services Board (RACSB) – are increasing by \$57,213.

- 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 \$2.0 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 \$1.3 million will be used for replacement fire trucks.

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 General Fund debt service resulting from the issuance of these bonds as authorized by the County voters in November 2014 is \$49,462.

- 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 receive funding for debt service from

State or Federal sources. Schools debt service is funded solely through the transfer of funds from the County.

Compensation Placeholder

The equivalent of a 3.2% compensation adjustment is included in the budget for a phased implementation of the compensation study performed by Evergreen Solutions. 1.3% of the 3.2% is budgeted within department budgets as a cost-of-living adjustment commensurate with the 2016 annual consumer price index of 1.3%. The 1.9% balance of the 3.2% is held in a non-departmental reserve account. Once final study implementation decisions have been made, budget adjustments will be processed to shift the funding from the reserve to the departments as needed to fund the implementation.

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 Adopted Budget:

Fund/Position	Public Safety FTEs	Other FTEs
General Fund:		
Court Deputies	5.0	-
Patrol Deputies	6.0	-
Detectives	3.0	-
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	-
Firefighter/Medic – 24/7	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	-
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	23.67	0.67

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)	23.67	2.67

Additionally, the following items are included in the budget as new initiatives:

- A one-time \$60,000 increase in the allocation to Spotsylvania Volunteer Fire Department (SVFD) 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. (Also, a one-time \$5,000 base increase is budgeted for SVFD in FY 2018 for additional training.)
- \$50,000 is budgeted for contribution to a new airplane 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.

Change to Policy on Budgeted Contingency

Prior to adoption of the FY 2018 Budget, fiscal policies required 0.5% of General Fund expenses to be budgeted in a contingency account to fund unforeseen expenditures of a non-recurring nature that arise during the course of the fiscal year. With the healthy 11% Fiscal Stability Reserve and the Budget Stabilization Reserve in place, staff recommended and the Board accepted a policy revision adopted on April 4, 2017 to reduce the budgeted contingency by half to 0.25% of General Fund expenses. For FY 2018, the contingency account is budgeted at \$311,141.

Transfers to Other Funds

Schools – The local transfer to Schools increases by \$2,700,000 (2.2%) in FY 2018 including a one-time transfer from the General Fund balance of \$333,222.

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, \$260,000 for vehicles and capital equipment associated with new Fire/Rescue and Sheriff’s Office positions funded 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 \$198,298 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 increase by \$100,000 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 Adopted 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 Adopted 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 Adjustments	
Contributions to regional agencies including library	\$0.5
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
Turnover, personnel adjustments, & changes in benefit choices/rates	(0.3)
Miscellaneous adjustments	<u>(0.1)</u>
Subtotal Changes	\$1.5
New Initiatives	
Placeholder equivalent to 3.2% compensation adjustment	\$1.8
Cost of new initiatives related to public safety ³	1.5
Costs of new initiatives other than public safety	<u>0.3</u>
Subtotal Changes	\$3.6
Changes in Transfers	
Transfer to Schools	\$2.7
Transfer to EDO Fund	0.1
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	(\$0.2)

	\$ in millions
<i>FY 2018 Adopted Budget – Expenditures (General Fund)</i>	<i>\$260.1</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.

³ Includes transfer to Capital Projects Fund associated with new initiatives.

Budget at a Glance

The *Budget at a Glance* infographic on the following pages is a summary of the FY 2018 Budget and related data. Readers seeking further information on its components are invited to see the descriptions below.

- **Budget Focus** – A list of the central themes around which the budget is built. For further information see the *Budget Message*, pages 11 – 16.
- **Budget Highlights** – A list of noteworthy items incorporated into the budget such as changes to certain tax rates and planned new expenditures and/or programs. For further information, see the *Budget Strategy*, pages 17 – 28.
- **Operating and Capital Expenditures** – A table summarizing the operating and capital expenditures by fund for the FY 2017 and FY 2018 budgets. For further information, see the *Budget Summary - By Fund* and *Individual Fund Sheets*, pages 86 – 99, as well as information presented throughout the budget document.
- **Expenditures by Function, All Funds** – A graphical answer to the question “Where Does the Money Go?” The pie chart compares budgeted expenditures by government function. For further information, see the *Budget Summary – All Funds* and *Sources and Uses of Funds*, pages 83 – 85, as well as information presented throughout the budget document.
- **General Fund Forecast** – The forecast represents the costs of the FY 2018 General Fund budget over the course of the next four years. Projected costs are compared to projected revenues to arrive at an estimate of annual budget deficits or surpluses. For further information, see the *Five-Year Financial Forecast*, pages 141 – 142.
- **Breakdown of General Fund Transfer to Schools** – The table provides a breakdown of the General Fund transfer showing the required local effort, the required local match for optional programs, the required local match for federal grants, the transfer necessary to pay debt service on school capital projects, and the additional local transfer. For further information, see *Overview of Education Function*, pages 396-397, as well as the Schools’ budget document available at www.spotsylvania.k12.va.us.
- **Average Residential 2017 Real Estate Tax Bill** – A display of the approximate breakdown of the average residential real property tax bill. The average is derived from 2017 land book values and the adopted real property tax rate of \$0.85 per \$100 of assessed value. The intention of the graphic is to show how a typical citizen’s real estate tax bill is used to fund various government operations and services. For further information, see *Real Property Taxes*, pages 104 – 106, as well as information presented throughout the budget document.



FY 2018 Adopted Budget at a Glance

- 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 staff.

Budget Focus

Budget Highlights

Schools –

- Local transfer to Schools increases by \$2.7 million above the FY 2017 base transfer and includes \$333,222 in one-time funding. The full local transfer to the Schools in FY 2018 is \$124,075,315.

Public Safety –

- 97% of positions added to the General Fund budget are solely tied to public safety.
- Addition of 5 court deputies, 6 patrol deputies, 3 detectives 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 an Assistant Commonwealth's Attorney to help implement a body worn camera program.
- Addition to Fire/Rescue of an EMS Training Coordinator, a Mechanic/Service Writer for apparatus, and a Firefighter/Medic.
- Addition of an Adult Protective Services (APS) Supervisor and conversion of a part-time CPS/APS Case Aide 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 vehicle license fee and set-aside revenue for the eighth year. However, as begun in FY 2017, \$700,000 in on-going funding is transferred to the Transportation Fund to help address projected out-year imbalances in that fund.
- The local share of approved/applied for revenue sharing projects is included in the CIP along with planning figures for implementation of findings from previously budgeted corridor studies.

Tax Rates/Fees –

- All tax rates remain constant for 2017.
- Business License threshold is assumed in the budget to increase from \$750,000 to \$1 million. An ordinance revision is necessary to finalize this action.
- 3-year plan for water/sewer rates and fees adopted on February 14, 2017 are included in the budget.

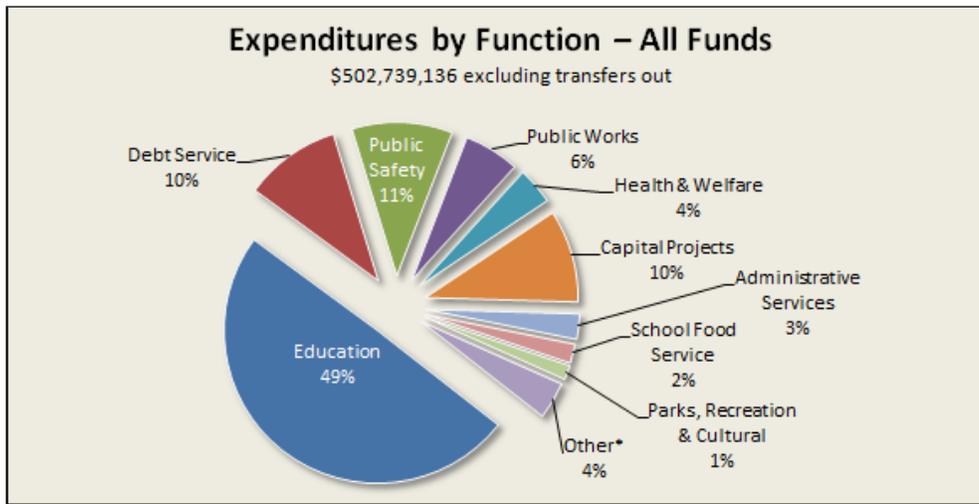
Staff –

- The equivalent of a 3.2% pay adjustment is included for phased implementation of the compensation study. 1.3% of the 3.2% is budgeted in departments with the balance reserved pending final decisions.
- Net of 2.67 FTEs are added to the FY 2018 Budget for functions other than public safety.

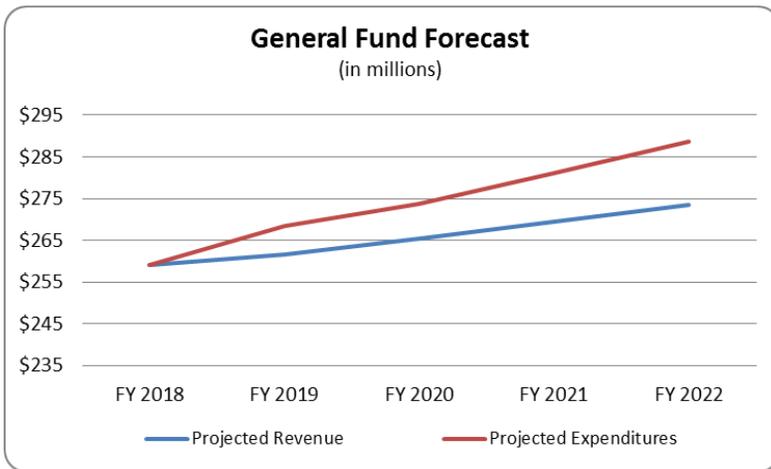
Capital Projects –

- Transfer of cash to the CIP is increased by \$0.8M to meet the 3.50% policy-level transfer. An additional \$260,000 is transferred to fund equipment related to new Fire/Rescue and Sheriff's Office personnel.

	FY 2017 Adopted	FY 2018 Adopted	Difference	
			\$	%
General Fund	\$119,730,062	\$124,562,391	\$4,832,329	4.0%
Economic Dev. Opportunities Fund	1,062,940	906,755	-156,185	-14.7%
Code Compliance Fund	4,005,479	3,993,647	-11,832	-0.3%
Transportation Fund	8,346,579	8,358,320	11,741	0.1%
School Operating	268,333,007	274,525,185	6,192,178	2.3%
School Food Service	9,515,526	10,199,132	683,606	7.2%
Utilities	<u>30,253,859</u>	<u>30,927,443</u>	<u>673,584</u>	2.2%
Sub-Total Operating Expenditures	\$441,247,452	\$453,472,873	\$12,225,421	2.8%
Capital Projects Fund	\$13,112,415	\$9,838,216	-\$3,274,199	-25.0%
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	\$49,266,263	-\$3,197,176	-6.1%
Total Budget	\$493,710,891	\$502,739,136	\$9,028,245	1.8%

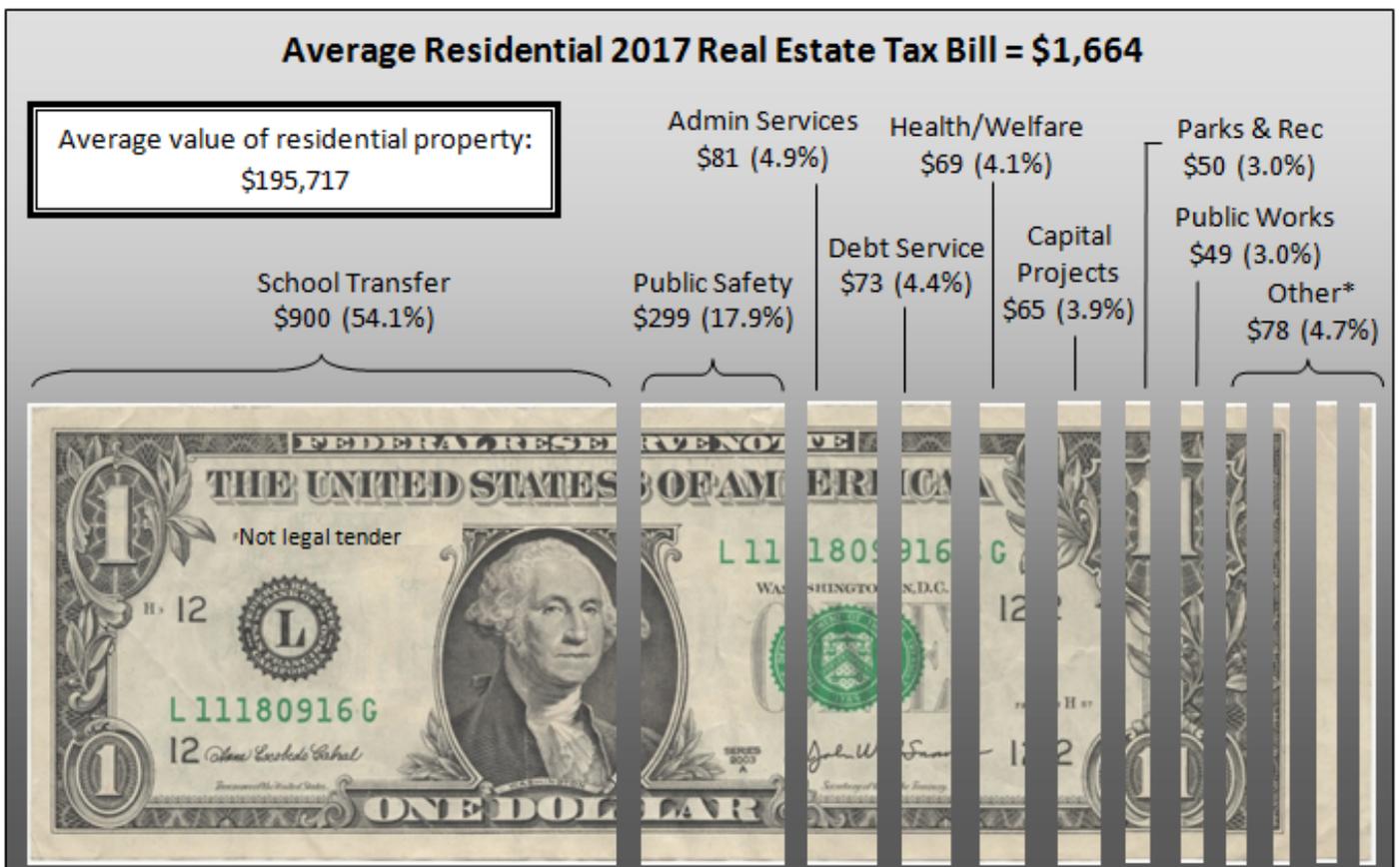


*"Other" includes Community Development, Executive Services, Judicial Administration, Transportation and Voter Services functions.



Breakdown of General Fund Transfer to Schools

	2017 Adopted	2018 Adopted
• Required Local Effort - SOQs	\$54,185,003	\$54,018,514
• Required Local Match for Non-SOQ Programs	2,534,239	2,027,313
• Required Local Match for Federal grants	23,985,322	25,110,085
• Debt Service	25,922,930	25,581,896
• Additional Local Transfer	14,747,821	17,337,507
Total Local Transfer	\$121,375,315	\$124,075,315



*"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.

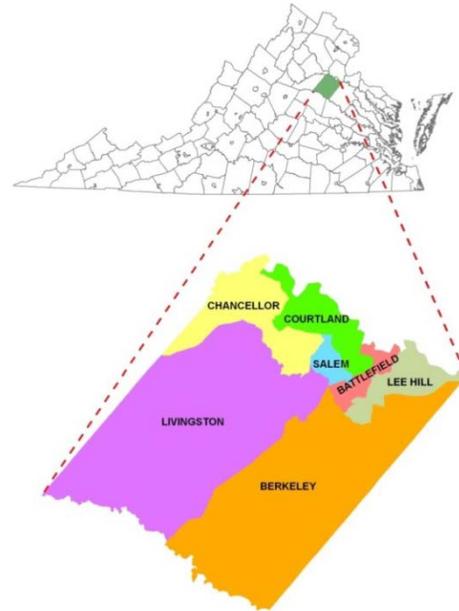
Geography

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

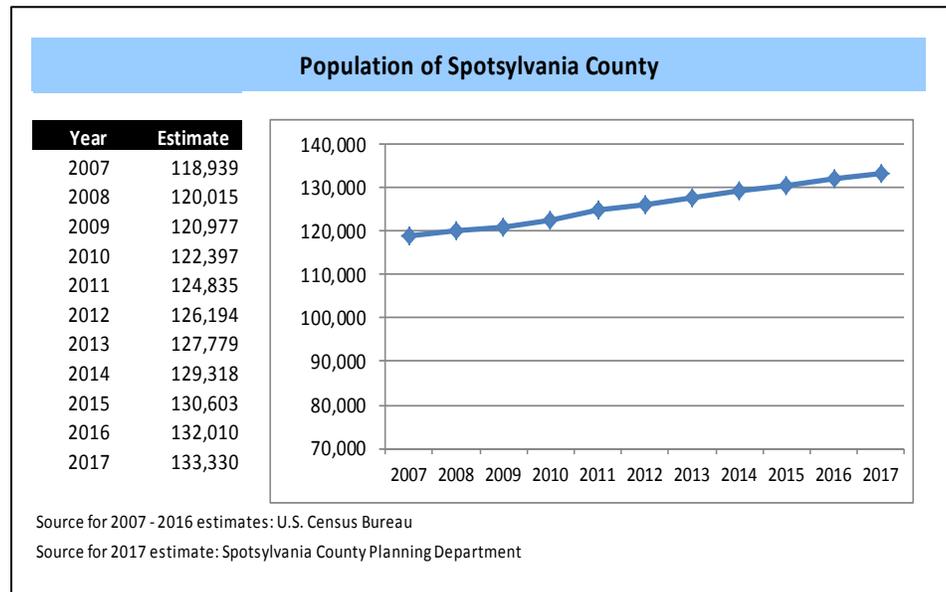
which partial funding is received from the State include public education in grades preK-12 and certain technical, vocational and special education, mental health assistance, agricultural services, law enforcement, health and social services, and judicial activities.

Population

The Planning Department estimates the County's 2017 population to be 133,330.

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	130,603	
Planning Department Projections		
Year	1% Growth Rate	2% Growth Rate
2020	137,370	142,892
2025	144,377	157,764
2030	151,742	174,184
2035	159,482	192,314
2040	167,618	212,330

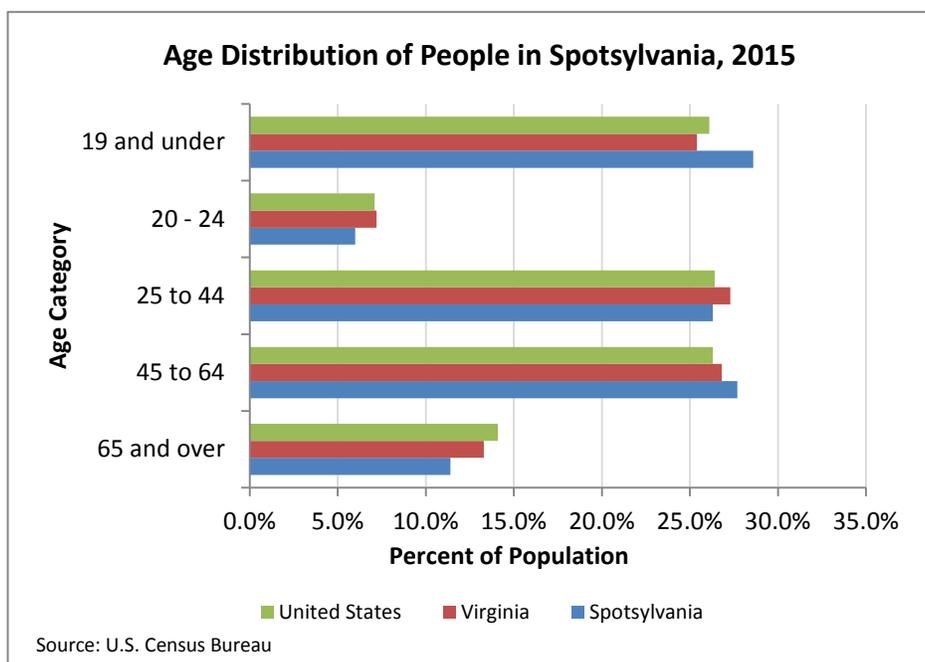
The U.S. Census Bureau estimates that in 2015 just under three-quarters of the population of Spotsylvania County was white and slightly less than one-sixth of the population was black or African-American.

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

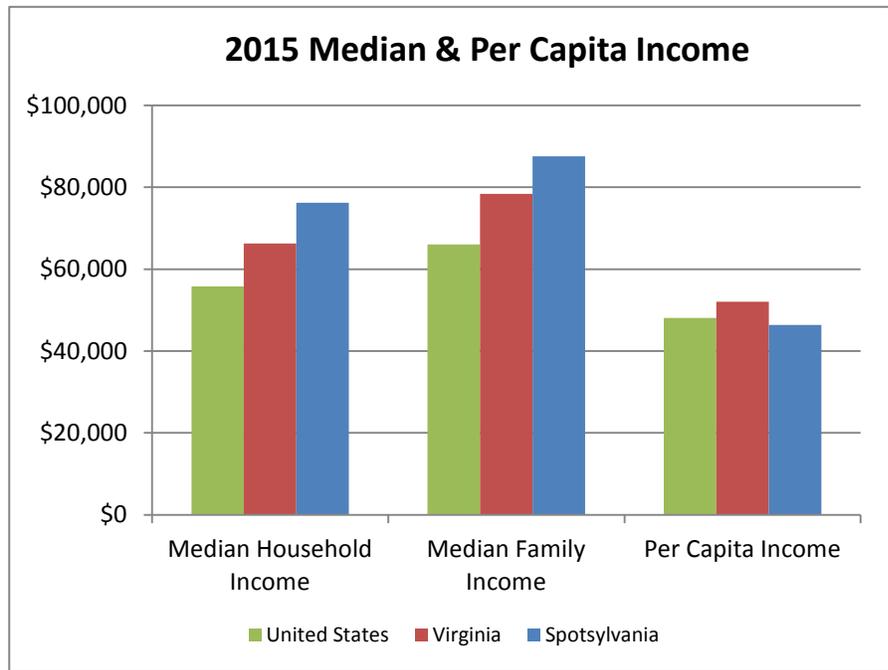
Type of Household	Spotsylvania		Virginia		United States	
Family Households	33,531	78.3%	2,054,416	67.1%	77,260,546	66.1%
With own children under 18 years	15,178	35.4%	901,251	29.4%	33,732,757	28.8%
Married-couple families	26,264	61.3%	1,547,758	50.5%	56,478,631	48.3%
Male householder; no wife families	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.

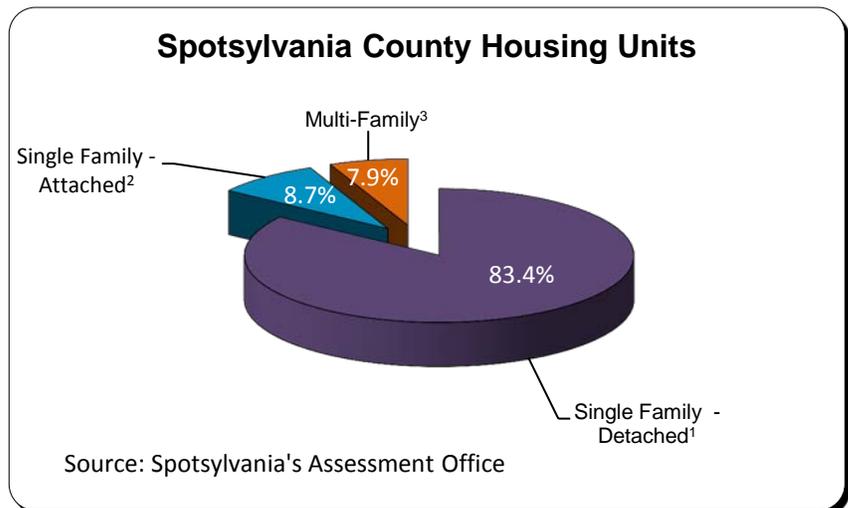
The estimated 2015 combined per capita income for Spotsylvania County and the City of Fredericksburg is approximately 11% less than the state amount and approximately 4% less than the national amount.



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 were 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 were single-family detached units. Since 2000, the number of housing units in the County has increased by 42.5%.



Source: Spotsylvania's Assessment Office

¹Includes trailers, manufactured homes and mobile homes

² Consists of duplexes and townhouses

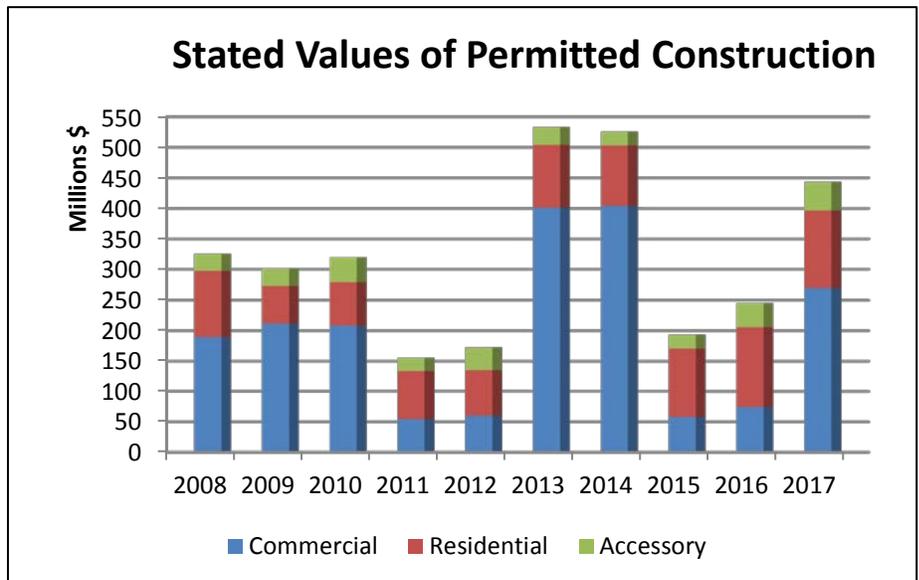
³ Consists of apartments and condominiums and assisted living housing units

Housing Units

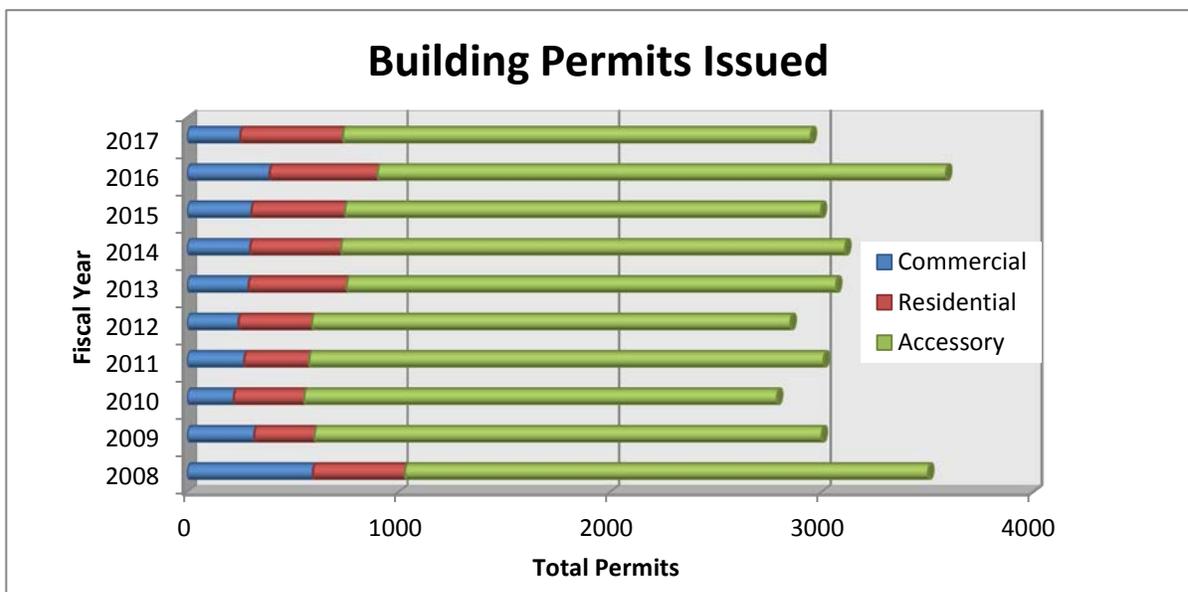
Housing Unit Type	2000	2010	2017
Single Family – Detached	28,804	37,141	39,585
Single Family - Attached	2,522	2,730	4,120
Multi-Family	1,983	3,136	3,748
Totals	33,309	43,007	47,453

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 having sizeable stated values, including a substantial site plan for the 921,565 sq. ft. Lidl grocery distribution center.



Values are taken from permit applications as provided by the applicants. These values *do not* represent the value assigned by Spotsylvania’s Assessment Office. The FY 2017 figures are as of April 30, 2017.



The FY 2017 building permit figures are as of April 30, 2017.

Approved Development

As of February 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
Anna Vista, Section 2	10	0	0	0	10	Ni River Community Church	89	0	0	0	89
Pennington Estates	13	0	0	0	13	Southpoint Landing	0	0	830	0	830
Pamunkey Point	21	0	0	0	21	Legends of Chancellorsville	218	0	0	0	218
Lee's Parke	531	0	0	186	717	Wheatland	0	98	0	0	98
Sunrise Bay	35	0	0	0	35	Thorburn Estates	59	0	0	0	59
Regency at Chancellorsville	0	0	0	151	151	Jackson Village	0	596	1,289	385	2,270
Glen Haven/ River Glen	37	0	0	0	37	Retreat at Chancellorsville	0	0	0	192	192
Reserve at Chancellorsville	121	0	0	0	121	Alexander's Crossing	518	971	888	230	2,607
Lafayette Crossing	0	21	0	0	21	Plantation Woods	132	0	0	0	132
Mallard Landing	0	116	0	0	116	Goodwin Cove	35	0	0	0	35
Spring Arbor	0	0	0	33	33	Cedar Forest	29	0	0	0	29
Summerfield	63	39	0	0	102	Summit Crossing Estates	70	0	0	0	70
Total of all units approved but not yet built							14,968				

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	
	YoY		YoY		YoY	
	2016	Change ¹	2016	Change ¹	2016	Change ¹
Retail Trade	377	(1)	6,795	(560)	\$620	\$20
Educational Services	29	(6)	4,962	156	\$764	(\$6)
Health Care and Social Assistance	706	(21)	4,669	20	\$815	(\$2)
Accommodation and Food Service	195	3	4,240	80	\$333	\$23
Construction	300	(5)	2,247	39	\$937	\$2
Professional, Scientific, and Technical Services	281	6	1,831	(129)	\$1,726	(\$281)
Other Services (except Public Administration)	323	64	1,556	82	\$562	(\$9)
Transportation and Warehousing	70	(5)	1,491	66	\$810	(\$65)
Administrative and Support and Waste Management	131	(1)	1,428	170	\$555	(\$31)
Wholesale Trade	118	-	1,182	91	\$1,031	(\$81)
Public Administration	36	(1)	1,127	23	\$904	(\$84)
Manufacturing	59	(2)	1,089	(71)	\$1,155	(\$370)
Arts, Entertainment, and Recreation	34	-	816	(20)	\$304	(\$8)
Real Estate and Rental and Leasing	115	5	533	132	\$716	(\$72)
Finance and Insurance	100	-	510	12	\$948	\$25
Management of Companies and Enterprises	20	-	369	(1)	\$1,490	(\$82)
Information	29	(2)	334	16	\$948	(\$152)
Utilities	7	-	83	1	\$951	(\$139)
Agriculture, Forestry, Fishing & Hunting	8	-	58	5	\$403	(\$46)
Mining, Quarrying, and Oil and Gas Extraction	2	-	N/A	N/A	N/A	N/A
Unclassified establishments	47	23	73	(12)	\$459	(\$37)
Total	2,987	57	35,423	93	\$763	(\$38)

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages as of 4th Quarter 2016

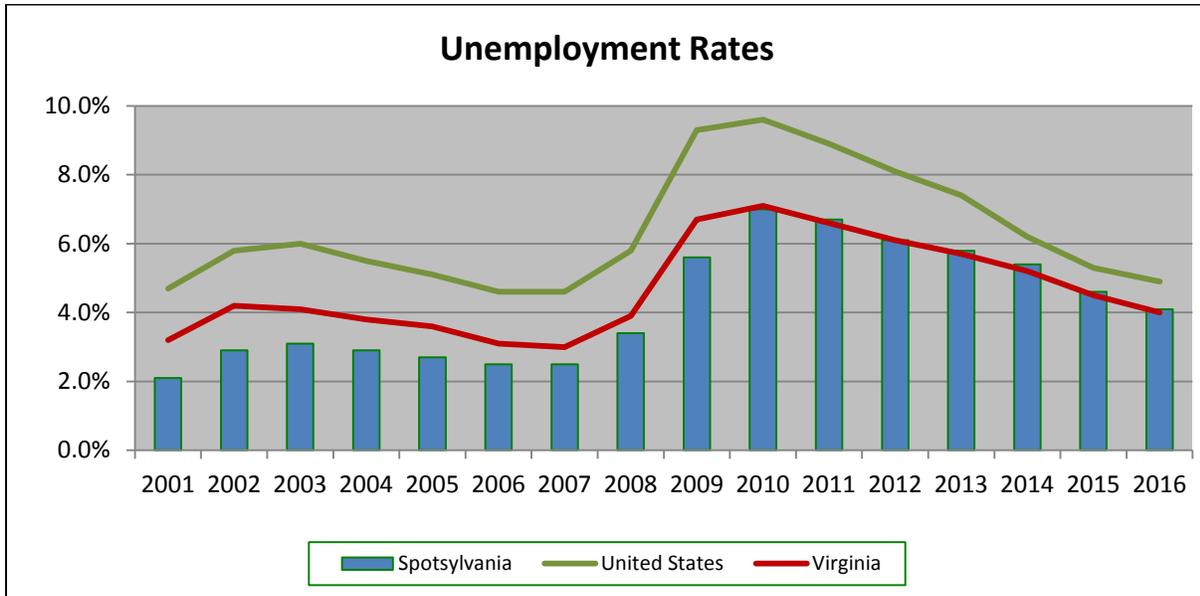
¹Represents the year over year change in amounts reported by the Virginia Employment Commission, Quarterly Census of Employment and Wages from 4th Quarter 2015 to 4th Quarter 2016.

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 ranked 55 out of 133 counties and cities within Virginia, as reported by the Virginia Employment Commission in 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 – Spotsylvania Regional	500-999
Wal-Mart	Retail	500-999
CVS Pharmacy	Pharmacy Distribution Warehouse	250-499
Germanna Community College	Education	250-499
United Parcel Service	Courier and Messenger Services	250-499
McDonald’s	Restaurant	100-249
Rappahannock Goodwill Industries	Rehabilitation Services	100-249
West Asset Management	Collection Agency	100-249
A-T Solutions, Inc.	Support to Counterterrorist Activities	100-249
Costco	Retail	100-249
Kaeser Compressors	Air Compressor Manufacturer	100-249
Carmax	Automotive Dealer	100-249
Giant Food	Grocery	100-249
Professional Employer Resource	Professional Employer Organization	100-249
Target Corp	Retail	100-249
Radley Honda	Motor Vehicle and Parts Dealers	100-249
Home Instead Senior Care	Senior Home Care Services	100-249
EOIR Technologies, Inc.	Sensor Technology	100-249

Source: Virginia Employment Commission, as of 4th Quarter 2016

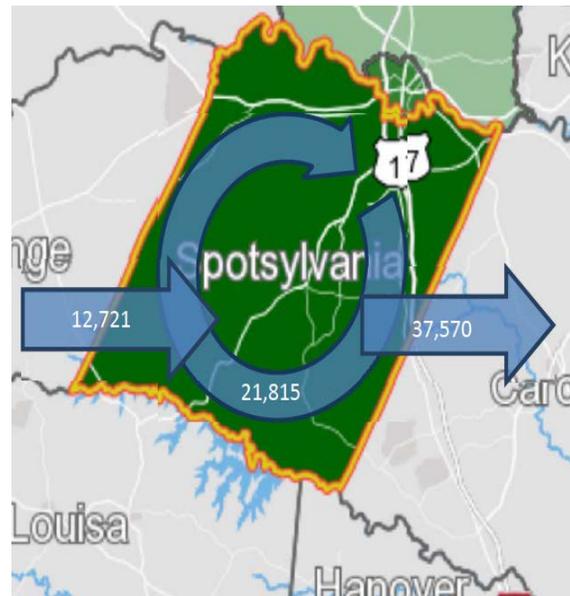
Other Public & Private Major Employers in Surrounding Area

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

Source: Virginia Employment Commission, as of 4th 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

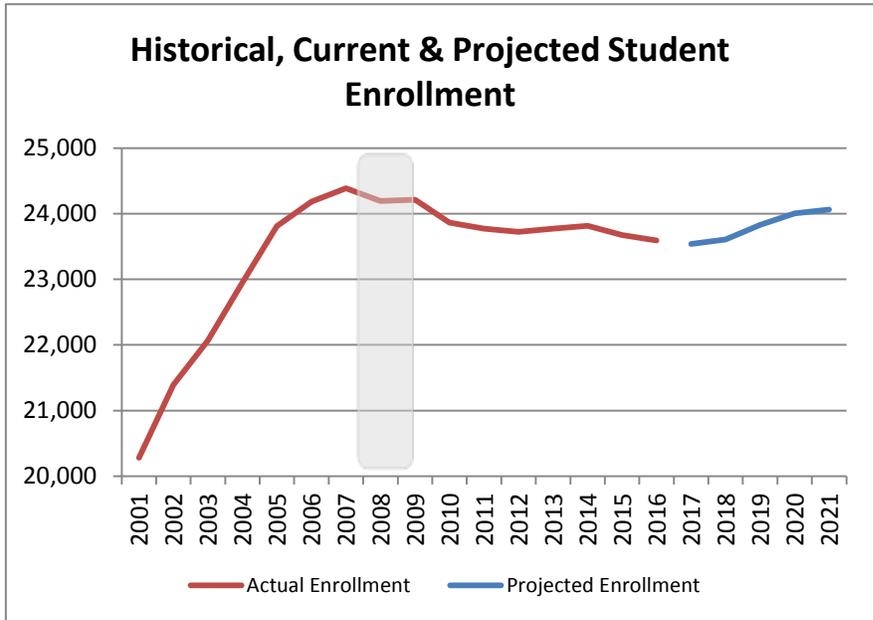
Source: U.S. Census Bureau

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.

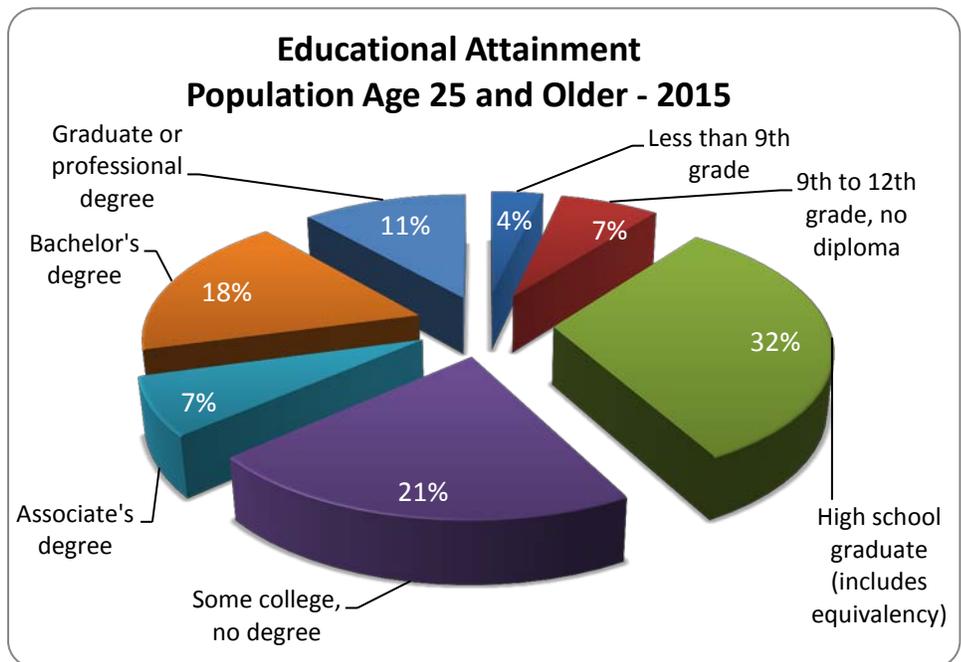
Total enrollment is projected to decline by 53 students countywide for the 2017-2018 school year.



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

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



Source: US Census Bureau

Supplemental Information

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.

General Property Tax Rates¹

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

Real Estate Tax Rates per \$100 of Assessed Value

Locality	Population ¹	Tax Year 2016 Rate	Tax Year 2017 Rate	Change
Prince William	455,210	\$1.1950	\$1.2067	0.0117
Richmond City	223,170	1.2000	1.2000	-
Fairfax	1,138,652	1.1585	1.1610	0.0025
Alexandria	155,810	1.0730	1.1300	0.0570
Loudoun	385,945	1.1450	1.1250	(0.0200)
Fauquier	69,069	1.0390	1.0390	-
Arlington	230,050	0.9910	1.0060	0.0150
Stafford	144,361	0.9900	0.9900	-
Chesterfield	339,009	0.9600	0.9600	-
Henrico	326,501	0.8700	0.8700	-
Spotsylvania	132,010	0.8500	0.8500	-
Caroline	30,178	0.8200	0.8300	0.0100
Hanover	104,392	0.8100	0.8100	-
Fredericksburg	28,297	0.7700	0.8000	0.0300
King George	25,984	0.6800	0.7000	0.0200
Culpeper	50,083	0.7300	0.6700	(0.0600)

¹ Population figures from the U.S. Census Bureau (Estimate as of July 1, 2016).

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 adopted \$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 2.4%.

² AV = assessed value

Principal Property Taxpayers

As of December 31, 2016

Name	Type of Business	Assessed Value ¹	Amount of Tax	Percent of Total Taxable AV ²
Spotsylvania Mall Company	Shopping Mall	\$188,295,612	\$1,616,822	1.28%
Dominion Virginia Power	Public Utility	152,474,296	1,296,032	1.04%
Spotsylvania Regional Medical Center	Hospital	81,313,322	1,121,732	0.55%
Rappahannock Electric	Public Utility	77,458,717	696,223	0.53%
Comcast of VA	Public Utility	8,712,475	518,660	0.06%
Verizon VA	Public Utility	49,025,611	435,456	0.33%
CVS VA Distribution	Warehousing	7,264,477	432,236	0.05%
Columbia Gas of VA	Public Utility	41,958,524	356,647	0.29%
GLL BVK Properties	Developer	32,718,900	278,111	0.22%
Station Sq. at Cosner's Corner	Apartments	31,876,193	274,191	0.22%

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

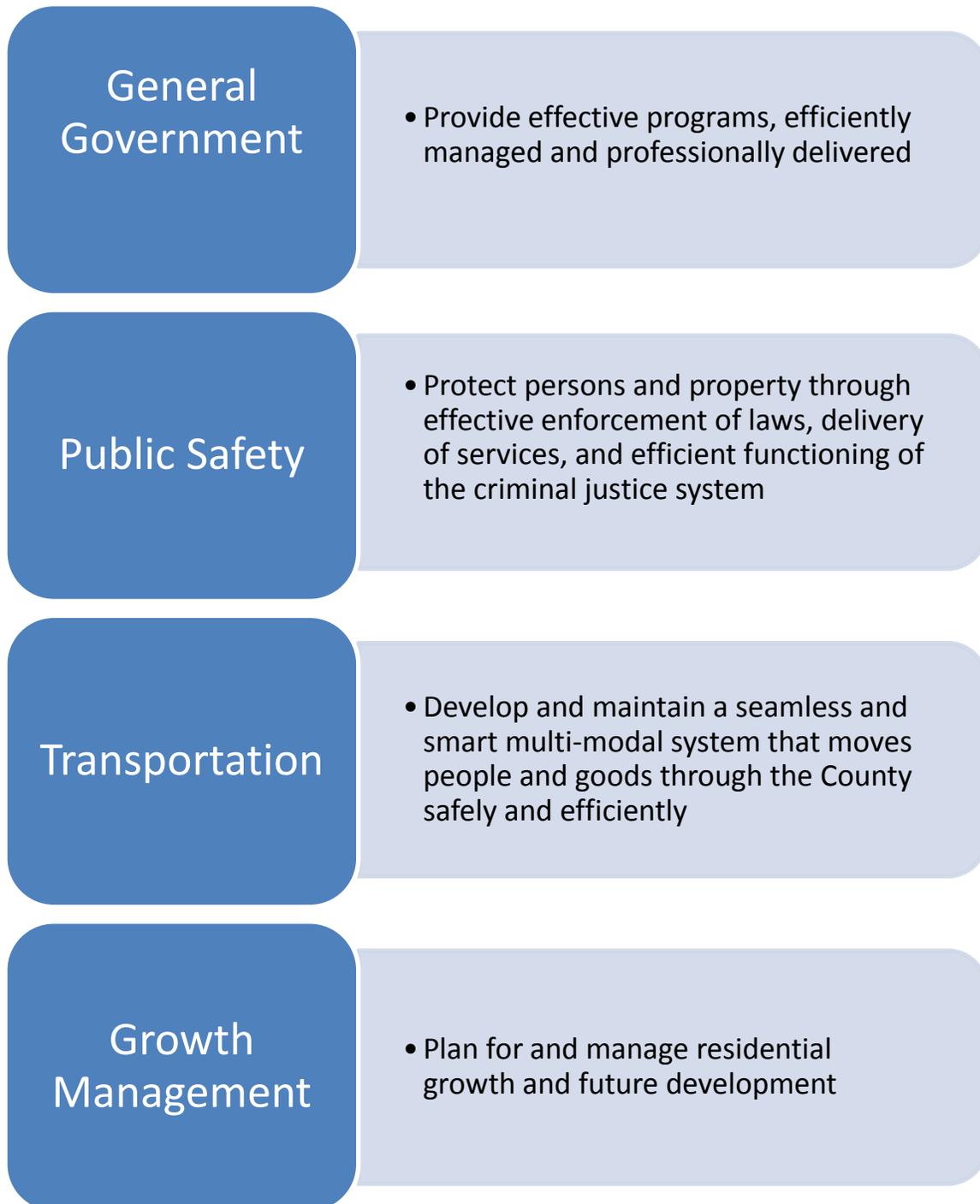


County Vision, Mission, & Goals

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 257.

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 Adopted Budget - All Funds

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Amended	FY 2018 Adopted	Variance (adopt to adopt)	
					Amount	Percent
Revenues (by type)						
Property Taxes	\$160,998,332	\$162,649,814	\$164,366,728	\$168,849,377	\$6,199,563	3.8%
Other Local Taxes	\$40,751,826	\$40,915,937	\$41,800,000	\$41,646,000	\$730,063	1.8%
Licenses & Permits	\$389,490	\$288,825	\$302,825	\$345,200	\$56,375	19.5%
Charges for Services	\$42,759,833	\$40,646,599	\$40,973,700	\$39,875,410	(\$771,189)	-1.9%
Other Local Revenue	\$25,047,656	\$23,758,646	\$28,352,609	\$24,097,876	\$339,230	1.4%
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	\$172,248,002	\$171,166,412	\$2,067,887	1.2%
Federal Revenue	<u>\$16,642,078</u>	<u>\$15,688,279</u>	<u>\$18,192,765</u>	<u>\$17,482,541</u>	<u>\$1,794,262</u>	11.4%
Subtotal - Revenue	\$505,094,336	\$480,657,649	\$498,213,414	\$490,824,263	\$10,166,614	2.1%
Transfers In	\$143,828,106	\$147,263,522	\$153,901,563	\$149,550,562	\$2,287,040	1.6%
Use of Fund Balance	(\$9,603,633)	\$13,053,242	<u>\$108,002,828</u>	<u>\$11,914,873</u>	(\$1,138,369)	-8.7%
TOTAL REVENUE - All Funds	\$639,318,809	\$640,974,413	\$760,117,805	\$652,289,698	\$11,315,285	1.8%
Expenditures (by function)						
Executive Services	\$3,293,088	\$3,803,144	\$3,814,729	\$5,014,724	\$1,211,580	31.9%
Administrative Services	\$10,842,556	\$12,784,876	\$13,649,983	\$13,451,416	\$666,540	5.2%
Voter Services	\$392,063	\$381,529	\$381,529	\$438,212	\$56,683	14.9%
Judicial Administration	\$3,843,607	\$3,984,265	\$4,271,166	\$4,182,973	\$198,708	5.0%
Public Safety	\$49,188,149	\$51,536,119	\$54,253,311	\$53,311,500	\$1,775,381	3.4%
Public Works	\$24,582,908	\$28,855,986	\$29,041,590	\$29,565,100	\$709,114	2.5%
Health & Welfare	\$18,635,758	\$19,081,887	\$19,465,693	\$19,621,211	\$539,324	2.8%
Parks, Recreation & Cultural	\$6,767,560	\$7,118,560	\$7,321,038	\$7,520,722	\$402,162	5.6%
Community Development	\$6,310,151	\$5,615,543	\$6,341,382	\$5,228,956	(\$386,587)	-6.9%
Debt Service	\$63,987,852	\$51,571,739	\$50,700,600	\$51,231,916	(\$339,823)	-0.7%
Capital Projects	\$56,575,398	\$52,463,439	\$155,794,647	\$49,266,263	(\$3,197,176)	-6.1%
Transportation	\$2,080,309	\$3,595,427	\$3,595,427	\$3,673,013	\$77,586	2.2%
Education	\$238,810,739	\$242,410,077	\$246,769,383	\$248,943,289	\$6,533,212	2.7%
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	\$494,417,225	\$492,718,117	\$605,177,004	\$501,648,427	\$8,930,310	1.8%
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 - Adopted Budget	\$495,490,703	\$493,710,891	\$606,169,778	\$502,739,136	\$9,028,245	1.8%
Transfers Out	\$143,828,106	\$147,263,522	\$153,948,027	\$149,550,562	\$2,287,040	1.6%
TOTAL EXPENDITURES - All Funds	\$639,318,809	\$640,974,413	\$760,117,805	\$652,289,698	\$11,315,285	1.8%
Appropriated Expenditures (by category)						
Personnel (salaries & benefits)	\$279,462,245	\$293,102,897	\$297,234,473	\$302,856,376	\$9,753,479	3.3%
Operating (other than debt service)	\$90,516,737	\$96,942,393	\$104,572,543	\$97,183,643	\$241,250	0.2%
Debt Service	\$63,987,852	\$51,571,739	\$50,668,600	\$51,231,916	(\$339,823)	-0.7%
Capital	<u>\$57,737,624</u>	<u>\$51,101,088</u>	<u>\$152,701,388</u>	<u>\$50,376,492</u>	<u>(\$724,596)</u>	-1.4%
TOTAL APPROPRIATED EXPENDITURES - All Funds	\$491,704,458	\$492,718,117	\$605,177,004	\$501,648,427	\$8,930,310	1.8%

