

Stafford County continues to engage in a robust five year financial planning process. This plan highlights long term implications of financial decisions and more closely links the 10 year CIP with the annual budget process. It creates a framework within which the fiscal year's budget development takes place. The planning process connects Board priorities to resources and provides direction to staff.

The following joint guiding principles developed in the Board's annual planning meeting will guide our planning processes in the future.

Guideline	Description
School's Operational Funding from County Revenue	The Schools' operating transfer will be developed to maintain a per pupil transfer. The needs of the Schools will be reviewed and analyzed and a basis for increase will be proposed to meet mandates and changes in service level.
Sheriff's Department adding Full Time Employees	The addition of Sheriff's Deputies will maintain current deputies per 1,000 citizens to keep up with changes in population. Staff is also charged with the consideration of adding deputies above this minimum as part of the budget development process.
Social Services Staffing	The Five-Year Financial Outlook included an increase of 10 Social Services employees to catch up with increasing case load and population. In FY2019: (1) Family Services Specialist III, (1) Office Associate II, (1) Benefit Programs Specialist II, and (2) Family Services Specialist II. In FY2020: (1) Benefit Programs Specialist II and (1) Family Services Specialist II. In FY2021: (1) Family Services Specialist III and (1) Office Associate II. In FY2022: (1) Benefit Programs Specialist II. In FY2023: (1) Family Services Specialist II.
Employee Compensation	A 2% compensation increase is supported to keep up with inflation in the market.
Market Pay	The Five-Year Financial Outlook included market pay equal to 1% of payroll to be earmarked to catch up with market pay. The Outlook also directed a portion of this funding to be used to catch up Benefits Service Specialist with similar positions in the Spotsylvania County and the City of Fredericksburg. Funding was also directed to reduce compression and to provide increase for the Family Services Specialist so positions with increasing responsibilities are paid accordingly.
Real Estate Tax Rate	During the adoption of the FY2020 Budget, the Board approved a two cent increase to the Real Estate Tax Rate. The rate of \$1.01 is held constant.
Transportation Funding	Staff will leverage alternative funding for Transportation projects and review the Impact Fee process to ensure the matching of revenues and project expenditures are maximized.
Children's Services Act	Through the FY2019 budget process consider cost sharing the local match for private day school placements with the school division. The five year financial outlook includes an increase of 2% annually to meet the continued rising costs associated with private day school placements. Consider a shared position with the school division to create additional transparency, assist in identifying measurable outcomes, and bridging the gap.

The Board engaged in several five year financial plan work sessions. The first work session, held on November 7, 2018 focused on the General Fund revenues and expenditures. Staff presented five-year plan assumptions and

reviewed the major drivers with the Board of Supervisors. The plan indicated that service levels that address impacts of growth, capital needs and the maintaining quality services continue to pressure the available revenues.

On November 27, 2018, the Board engaged in the second work session that finalized the General Fund section and focused on Transportation, and the Capital Improvement Program. In the 2018 session, the General Assembly passed legislation setting a gas tax floor. The Plan recognizes the potential for increased revenue.

The Utilities Fund presented balanced future projections of revenues and expenditures that support capital improvements and preventive maintenance. The Capital Improvements Program reviewed the Joint CIP process and the need for meeting an increasing school population as well as a new courthouse.

FIVE YEAR PLAN: FIVE YEAR FINANCIAL OUTLOOK

FY2020 Adopted Budget

	FY2018 Actual	FY2019 Adopted	FY2020 Adopted	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
Revenues							
Real Estate Property Tax	\$161,271,548	\$168,773,272	\$176,261,752	\$183,096,000	\$186,630,000	\$193,839,000	\$197,583,000
Property Tax	45,285,489	45,716,005	47,508,248	47,813,000	49,550,000	51,233,000	52,988,000
Other Taxes	39,493,199	38,974,420	41,091,994	42,065,000	43,345,000	44,489,000	45,725,000
Other Local Revenue	13,321,346	13,000,315	12,148,950	10,992,000	13,247,000	13,468,000	13,753,000
State and Federal Funding	29,292,452	30,251,141	30,184,712	32,992,000	31,591,000	32,125,000	32,661,000
Miscellaneous and Transfers	7,610,449	8,413,801	11,657,047	6,521,000	6,571,000	6,616,000	6,694,000
Total Revenue	\$296,274,483	\$305,128,954	\$318,852,703	\$323,479,000	\$330,934,000	\$341,770,000	\$349,404,000
Expenditures							
School Operating Transfer	\$117,808,251	\$123,120,574	\$128,951,129	\$133,390,000	\$135,102,000	\$139,394,000	\$141,574,000
Public Safety	57,617,563	60,708,762	62,905,447	64,793,000	66,737,000	68,739,000	70,801,000
Other County Department	67,673,812	74,770,609	81,517,030	78,595,000	81,111,000	84,938,000	86,551,000
Debt Service	44,899,276	46,529,009	45,479,097	46,701,000	47,984,000	48,699,000	50,478,000
Total Expenditures	\$287,998,902	\$305,128,954	\$318,852,703	\$323,479,000	\$330,934,000	\$341,770,000	\$349,404,000

FIVE YEAR PLAN: TRANSPORTATION FUND

FY2020 Adopted Budget

	FY2018 Actuals	FY2019 Adopted	FY2020 Adopted	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
Operating Revenue							
Gasoline Sales Tax	\$3,806,666	\$3,548,400	\$4,638,900	\$4,689,709	\$4,681,651	\$4,747,125	\$4,747,539
State Recordation Tax	865,889	840,000	865,000	867,163	869,330	871,504	873,682
Use of Money & Property	147,094	9,888	108,952	111,131	113,354	115,621	117,933
Transfer from General Fund	225,726	497,098	0	0	0	0	0
Total Operating Revenue Sources	\$5,045,375	\$4,895,386	\$5,612,852	\$5,668,003	\$5,664,335	\$5,734,249	\$5,739,155
Operating Expenditures							
VRE Subsidy	2,344,514	2,475,127	2,352,820	2,423,405	2,423,405	2,496,107	2,496,107
PRTC Subsidy	98,100	107,500	104,200	113,300	133,700	154,500	182,500
Financial Management	14,904	16,000	16,000	16,000	16,000	16,000	16,000
FRED Bus Service	455,573	494,816	469,631	483,720	498,232	513,178	528,574
Airport Subsidy	85,714	85,714	85,714	85,714	85,714	85,714	85,714
Gateway	93,241	100,000	100,000	100,000	100,000	100,000	100,000
Street Signs	21,610	25,000	25,000	25,000	25,000	25,000	25,000
Social Services	26,000	32,000	35,000	35,000	35,000	35,000	35,000
Debt Service	847,835	1,559,229	1,403,833	1,363,048	1,322,263	1,281,479	1,240,695
Project Management	77,847	0	108,098	110,260	112,465	114,714	117,009
Transfer to General Fund	15,000	0	0	0	0	0	0
Transfer to Capital	0	0	912,556	912,556	912,556	912,556	912,556
Total Operating Expenses	\$4,080,338	\$4,895,386	\$5,612,852	\$5,668,003	\$5,664,335	\$5,734,249	\$5,739,155
Capital Revenues							
Transfer From Operating	0	0	912,556	912,556	912,556	912,556	912,556
State/Federal Revenue	1,377,554	2,005,045	3,950,000	14,743,136	0	1,771,150	5,958,461
Bond Proceeds	0	0	0	0	0	0	0
Proffers	0	0	0	878,486	0	0	0
Impact Fees	325,000	600,000	2,463,029	304,679	0	928,850	316,471
Transfer from General Funds	0	0	4,000,000	0	0	0	0
Transfer from Wideswater CDA	0	0	0	0	0	0	0
Transfer from School Funds	0	637,500	0	0	0	0	0
Use of Prior Year Fund Balance	0	431,580	750,000	340,000	0	600,000	400,000
Total Capital Revenue Sources	\$1,702,554	\$3,674,125	\$12,075,585	\$17,178,857	\$912,556	\$4,212,556	\$7,587,488
Capital Expenditures							
Wedge Widening/Safety Improvements	0	0	912,556	912,556	912,556	912,556	912,556
Road Improvements	11,540,619	3,674,125	4,700,000	16,266,301	0	3,300,000	6,674,932
Current Project Support	0	0	2,463,029	0	0	0	0
Total Capital Expenses	\$11,540,619	\$3,674,125	\$8,075,585	\$17,178,857	\$912,556	\$4,212,556	\$7,587,488

Fund Balance, Beginning of Year	\$18,828,106	\$9,955,078	\$9,523,498	\$12,773,498	\$12,433,498	\$12,433,498	\$11,833,499
Revenues	6,747,929	8,137,931	16,938,437	22,506,860	6,576,891	9,346,805	12,926,643
Expenditures	(15,620,957)	(8,569,511)	(13,688,437)	(22,846,860)	(6,576,891)	(9,946,805)	(13,326,643)
Fund Balance, End of Year	\$9,955,078	\$9,523,498	\$12,773,498	\$12,433,498	\$12,433,498	\$11,833,499	\$11,433,499
Committed/Assigned	9,650,717	9,650,717	9,650,717	9,650,717	9,650,717	9,650,717	9,650,717
Encumbrance/Commitments	1,494,900	1,494,900	1,494,900	1,494,900	1,494,900	1,494,900	1,494,900
Total Undesignated Fund Balance	\$8,460,178	\$8,028,598	\$11,278,598	\$10,938,598	\$10,938,598	\$10,338,599	\$9,938,599

	FY2019 Adopted	FY2020 Adopted	FY2021 Projections	FY2022 Projections	FY2023 Projections	FY2024 Projections
OPERATING REVENUES						
User Fees	\$42,447,188	\$45,240,830	\$45,919,442	\$46,608,234	\$47,307,358	\$48,016,968
Water & Sewer Fees	42,447,188	45,240,830	45,919,442	46,608,234	47,307,358	48,016,968
Other Charges/Fees	1,515,937	1,832,881	1,860,374	1,888,280	1,916,604	1,945,353
Interest/Property Rental	94,889	1,235,203	1,253,731	1,272,537	1,291,625	1,310,999
Total Operating Revenues	\$44,058,014	\$48,308,914	\$49,033,548	\$49,769,051	\$50,515,587	\$51,273,320
OPERATING EXPENDITURES						
Operating & Personnel	\$28,182,829	\$29,392,494	\$30,199,076	\$30,847,485	\$31,504,828	\$32,188,672
Administration	1,095,983	1,113,119	1,184,261	1,207,947	1,232,106	1,256,748
Engineering	5,350,976	5,434,639	5,713,184	5,827,447	5,943,996	6,062,876
Smith Lake WTP	2,353,876	2,409,559	2,457,750	2,506,905	2,597,436	2,649,385
Lake Mooney WTP	3,430,522	3,678,455	3,752,024	3,827,065	3,903,606	3,981,678
Field Operations	5,129,437	5,945,099	6,064,001	6,185,281	6,308,987	6,488,913
Aquia WWTF	3,445,629	3,168,721	3,232,095	3,296,737	3,362,672	3,429,926
Little Falls Run WWTF	2,300,094	2,347,686	2,394,640	2,442,533	2,491,383	2,541,211
Facilities Maintenance	5,076,312	5,295,216	5,401,120	5,553,571	5,664,642	5,777,935
Debt Service	8,795,746	7,987,770	7,987,770	8,723,770	8,723,770	9,593,770
Use of Operating Revenue for Capital	7,079,439	10,928,650	10,846,702	10,197,796	10,286,989	9,490,879
Total Operating Expenditures	\$44,058,014	\$48,308,914	\$49,033,548	\$49,769,051	\$50,515,587	\$51,273,320
Operating Revenues in Excess (Loss) of Expenditures	0	0	0	0	0	0
CAPITAL REVENUES						
Total Capital Revenues	\$30,617,200	\$21,196,700	\$19,095,560	\$21,554,000	\$29,513,500	\$10,565,100
CAPITAL EXPENDITURES						
Total Capital Expenditures	\$30,617,200	\$21,196,700	\$19,095,560	\$21,554,000	\$29,513,500	\$10,565,100
Capital Revenues in Excess (Loss) of Expenditures	0	0	0	0	0	0

