

The General Fund

The General Fund, the governmental general operating fund of the County, accounts for all current financial transactions and resources not required by law, accounting standards, or administrative action to be accounted for in another fund. The General Fund Revenues section includes revenue projections, schedules and graphs. This section contains an analysis of each category of revenues with a description, history, and variables used in the revenues projections.

- The General Fund Revenues section includes the following:
 - Revenue projections
 - Property tax analysis
 - Personal property tax analysis
 - Personal property tax rates and effective rates
 - Other local taxes
 - Intergovernmental revenues
 - Other local revenue

The General Fund Revenues are presented in the FY2020 Adopted Budget in accordance with the Auditor of Public Accounts Uniform Financial Reporting Manual. This presentation provides greater comparability to other localities in the Commonwealth and to annual financial statements.

REVENUE PROJECTION

FY2020 Adopted Budget

Operating Revenue	FY2018 Actual	FY2019 Adopted Budget	FY2020 Adopted Budget	Changes '19 to '20	
Property Taxes					
Real Estate Property Tax	\$161,271,548	\$168,773,272	\$176,261,752	\$7,488,480	4.4%
Roll Back	473,696	250,000	250,000	0	0.0%
Public Service Corps	4,337,879	4,293,340	4,540,522	247,182	5.8%
Personal Property	37,008,787	37,816,000	38,652,000	836,000	2.2%
Mobile Homes	169,738	149,412	150,398	986	0.7%
Machinery & Tools	619	0	0	0	0.0%
Merchants Capital	1,158,776	1,107,253	656,693	(450,560)	-40.7%
Penalties & Interest	2,135,994	2,100,000	2,175,000	75,000	3.6%
Total Property Taxes	\$206,557,037	\$214,489,277	\$222,686,365	\$8,197,088	3.8%
Local Non-Property Taxes					
Sales & Use	14,341,668	14,445,750	15,566,953	1,121,203	7.8%
Consumer Utility	9,814,741	9,499,080	9,615,395	116,315	1.2%
Motor Vehicle Licenses	2,645,892	2,525,000	2,725,269	200,269	7.9%
Bank Stock Taxes	571,276	519,044	535,000	15,956	3.1%
Recordation Taxes	3,530,954	3,525,196	3,447,177	(78,019)	-2.2%
Meals Tax	8,512,213	8,369,000	9,118,000	749,000	8.9%
Other Taxes	76,455	91,350	84,200	(7,150)	-7.8%
Total Local Non-Property Taxes	\$39,493,199	\$38,974,420	\$41,091,994	\$2,117,574	5.4%
Permits, Fees, and Licenses					
Animal License & Fees	66,215	11,200	22,260	11,060	98.8%
Zoning Permits & Fees	801,224	744,900	819,350	74,450	10.0%
Fire and Rescue Charges	454,345	477,680	417,555	(60,125)	-12.6%
Building Permits & Fees	2,992,817	2,989,947	3,029,906	39,959	1.3%
Securities Fees	325,765	313,677	285,937	(27,740)	-8.8%
Total Permits, Fees, and Licenses	\$4,640,366	\$4,537,404	\$4,575,008	\$37,604	0.8%
Fines & Forfeitures					
Court Fines and Fees	578,207	537,000	525,566	(11,434)	-2.1%
Court Maintenance Fees	53,603	46,200	53,603	7,403	16.0%
Delinquent Court Fines and Fees	244,134	390,000	325,000	(65,000)	-16.7%
Other	2,811	1,600	2,600	1,000	62.5%
Total Fines & Forfeitures	\$878,755	\$974,800	\$906,769	(\$68,031)	-7.0%
Use of Money & Property					
			0		
Interest	608,357	401,890	1,018,500	616,610	153.4%
Rental of Property	720,602	739,786	670,886	(68,900)	-9.3%
Total Use of Money & Property	\$1,328,959	\$1,141,676	\$1,689,386	\$547,710	48.0%
Charges for Services					
			0		
Excess Fees of Clerk	177,103	205,500	177,100	(28,400)	-13.8%
Miscellaneous Charges	459,489	413,184	404,502	(8,682)	-2.1%
Animal Services Fees	19,042	23,000	27,972	4,972	21.6%
Ambulance Charges	2,620,298	2,000,000	2,000,000	0	0.0%
Parks and Recreation Charges	1,767,047	1,700,751	1,545,629	(155,122)	-9.1%
Planning Charges	427,898	496,000	542,500	46,500	9.4%
Code Administrative Charges	1,433,469	1,508,000	1,363,719	(144,281)	-9.6%
Total Charges for Services	\$6,904,346	\$6,346,435	\$6,061,422	(\$285,013)	-4.5%

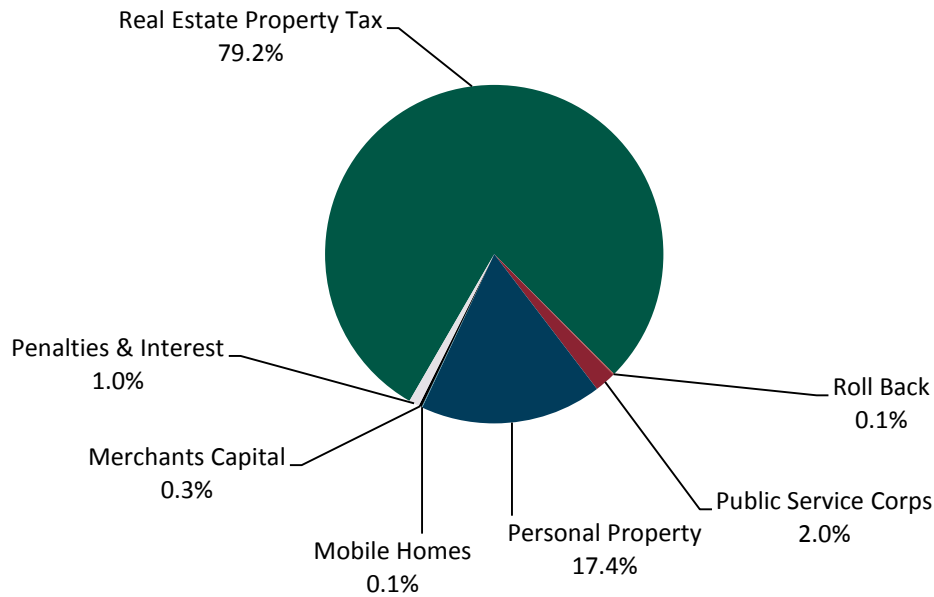
REVENUE PROJECTION

FY2020 Adopted Budget

Operating Revenue	FY2018 Actual	FY2019 Adopted Budget	FY2020 Adopted Budget	Changes '19 to '20	
State Revenue					
Other State Sources	1,021,852	1,073,352	866,299	(207,053)	-19.3%
Personal Property PPTRA	12,542,261	12,542,261	12,542,261	0	0.0%
DMV Revenue	70,422	67,500	71,000	3,500	5.2%
State Social Services	1,612,378	2,107,711	2,145,994	38,283	1.8%
Children's Services Act	3,908,188	4,326,138	3,819,440	(506,698)	-11.7%
Total State Revenue	\$19,155,101	\$20,116,962	\$19,444,994	(\$671,968)	-3.3%
Shared Expenses					
Commonwealth's Attorney	1,151,830	1,120,126	1,166,131	46,005	4.1%
Sheriff	3,986,269	3,986,132	4,230,873	244,741	6.1%
Commissioner of Revenue	267,910	264,318	266,272	1,954	0.7%
Treasurer	261,805	256,870	274,906	18,036	7.0%
Registrar/Electoral Board	53,632	55,000	53,000	(2,000)	-3.6%
Clerk of Circuit Court	792,177	678,378	712,905	34,527	5.1%
Total Shared Expenses	\$6,513,623	\$6,360,824	\$6,704,087	\$343,263	5.4%
Federal Funds					
Federal Payment in Lieu of Taxes	6,130	6,000	6,000	0	0.0%
Federal Social Services	3,162,511	3,767,355	4,029,631	262,276	7.0%
Total Federal Funds	\$3,168,641	\$3,773,355	\$4,035,631	\$262,276	7.0%
Miscellaneous Revenue					
Grant Revenue	9,231	358,000	358,000	0	0.0%
Federal Grant Revenue	1,385,832	742,185	195,229	(546,956)	-73.7%
Other State Grants	611,186	595,104	619,209	24,105	4.1%
Payment in Lieu of Taxes	340,000	340,000	340,000	0	0.0%
Other Misc. Revenue	2,946,442	2,504,189	3,103,636	599,447	23.9%
Misc. Social Services	28,521	33,250	105,969	72,719	218.7%
Sales	13,793	10,200	700	(9,500)	-93.1%
Proffers	209,298	0	0	0	0.0%
Sheriff Misc. Revenue	520,905	640,531	440,587	(199,944)	-31.2%
Total Miscellaneous Revenue	\$6,065,208	\$5,223,459	\$5,163,330	(\$60,129)	-1.2%
Transfers In/Other					
Transfer in from Schools	0	0	616,077	616,077	616.1%
Transfer in from Tourism Fund	764,274	760,000	820,808	60,808	8.0%
Transfer in from Transportation Fund	41,000	32,000	35,000	3,000	9.4%
Transfer in from R-Board	501,450	280,859	279,584	(1,275)	-0.5%
Transfer in from Other Funds	150,253	0	0	0	
Transfer in from Utilities Fund	24,000	0	207,103	207,103	
Other Financing Sources	88,271	66,700	65,214	(1,486)	-2.2%
Total Transfers In/Other	\$1,569,248	\$1,139,559	\$2,023,786	\$884,227	77.6%
Total Operating Revenue	\$296,274,483	\$303,078,171	\$314,382,772	\$11,304,601	3.7%
Planned Use of One Time Revenue	FY2018 Actual	FY2019 Adopted Budget	FY2020 Proposed Budget	Changes '19 to '20	
Use of Prior Year Fund Balance	0	2,050,783	4,469,931	2,419,148	118.0%
Total Operating and One Time Revenue	\$296,274,483	\$305,128,954	\$318,852,703	\$13,723,749	4.5%

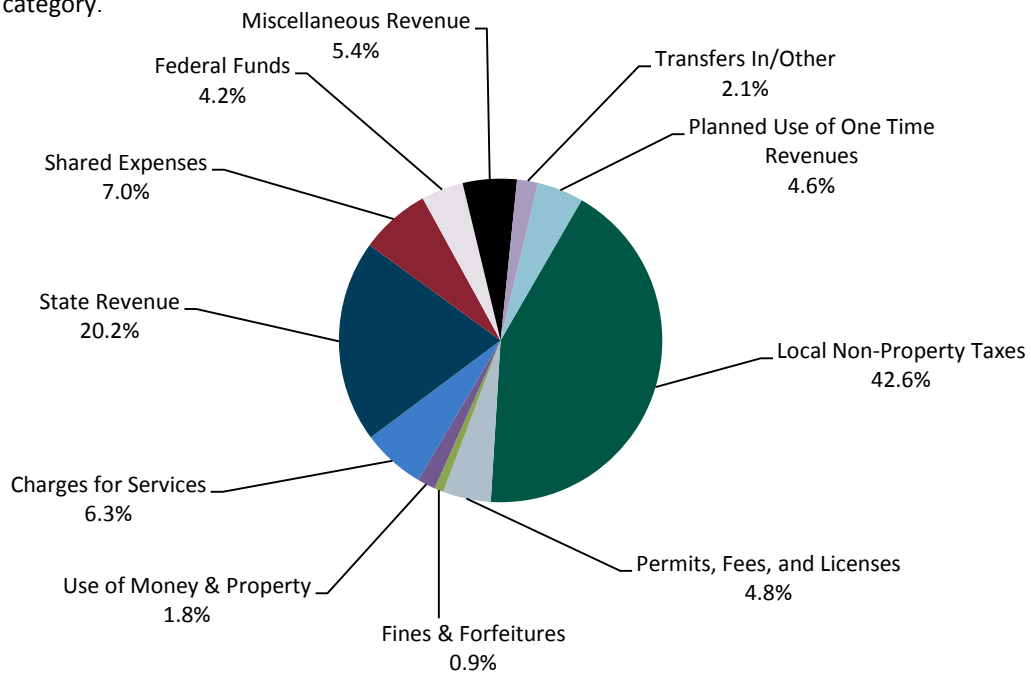
Property Taxes

This graph depicts the percentage allocation of property taxes by category.



This graph depicts the percentage allocation of other revenues in the General Fund by category.

Other Revenues



FUND BALANCE ANALYSIS

FY2020 Adopted Budget

	FY2017 Actual	FY2018 Actual	FY2019 Adopted	FY2020 Adopted
Fund balance, beginning of year	\$70,278,366	\$70,812,475	\$79,088,056	\$77,037,273
Revenues	285,658,095	296,059,230	303,011,471	314,317,558
Other Financing Sources	27,186	215,253	66,700	65,214
Planned Use of Prior Year Fund Balance	0	0	2,050,783	4,469,931
Total revenues & other financing sources	\$285,685,281	\$296,274,483	\$305,128,954	\$318,852,703
Local School Operating/Capital transfer	(112,072,288)	(116,440,953)	(123,120,574)	(128,948,129)
Debt Service - General Gov't & Schools	(44,665,779)	(44,899,276)	(45,607,413)	(45,479,097)
Expenditures	(128,413,105)	(126,658,673)	(136,400,967)	(144,425,477)
Total expenditures & transfer	(\$285,151,172)	(\$287,998,902)	(\$305,128,954)	(\$318,852,703)
Planned Use of Prior Year Fund Balance	0	0	(2,050,783)	(4,469,931)
Fund balance, end of year	\$70,812,475	\$79,088,056	\$77,037,273	\$72,567,342
Fund Balance Allocation				
Non-spendable	691,811	432,115	432,115	432,115
Restricted	3,276,037	4,646,807	4,646,807	4,646,807
Committed:	19,234,206	25,028,902	22,978,119	17,405,554
Assigned	13,240,600	12,364,759	12,364,759	12,364,759
Unassigned	34,369,821	36,615,473	36,615,473	37,718,107
% of revenues	12%	12%	12%	12%
Target Unassigned Fund Balance ⁽¹⁾	34,369,821	36,615,473	36,615,473	37,718,107
Variance above (below)	0	0	0	0
Fund balance, end of year	\$70,812,475	\$79,088,056	\$77,037,273	\$72,567,342

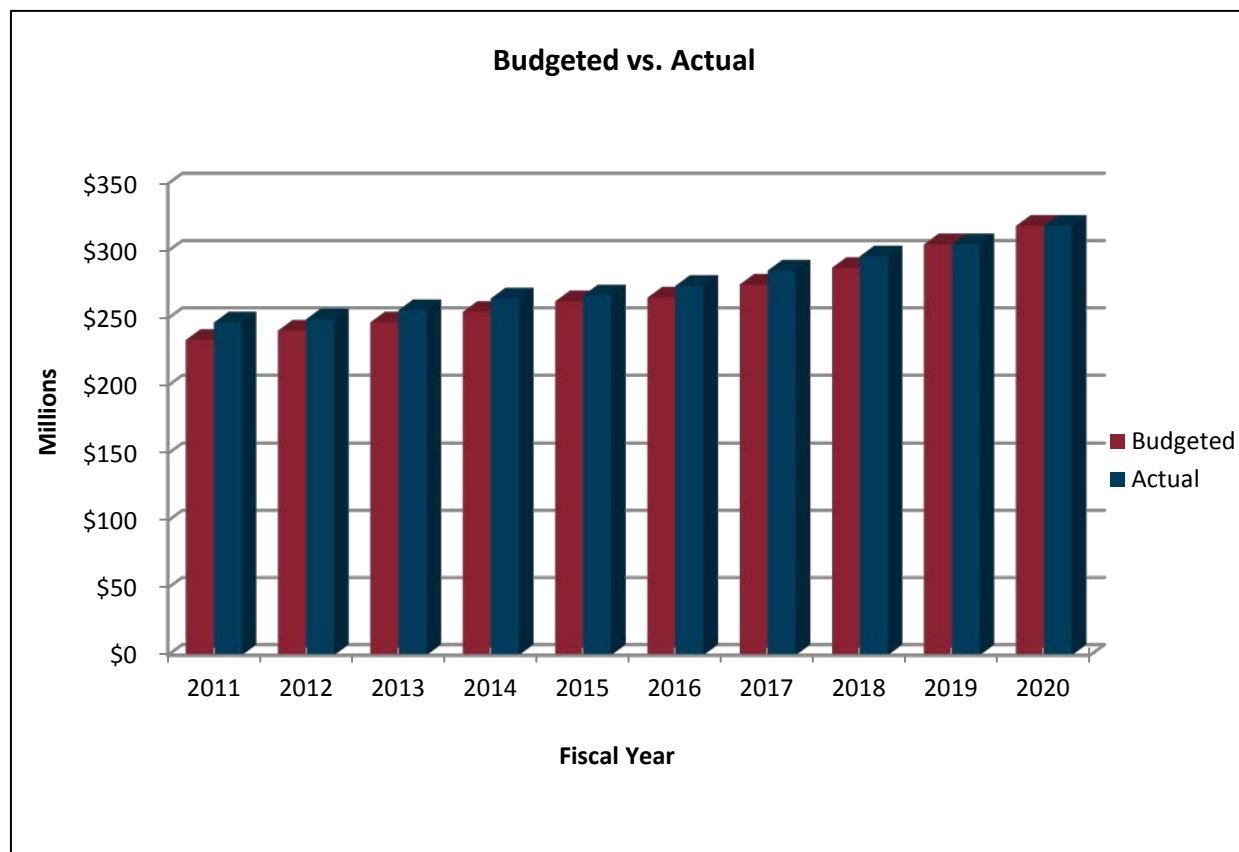
⁽¹⁾ Assumes undesignated fund balance and revenue stabilization reserve will be calculated based on the greater of the current year's or next year's revenues.

TEN-YEAR REVENUE ANALYSIS

FY2020 Adopted Budget

The chart below illustrates the percentage change of actual revenue over the previous fiscal year. FY2019 reflects the adopted revenue budget and FY2020 reflects the adopted revenue budget. The average change for this ten-year period is calculated to be 3.0%.

Fiscal Year	Budgeted Revenues	Actual Revenues	Prior Year % Change
2011	234,149,653	247,028,581	3.4%
2012	241,174,370	249,558,058	1.0%
2013	247,291,942	256,235,437	2.7%
2014	255,015,445	264,973,284	3.4%
2015	262,739,908	267,159,993	0.8%
2016	265,534,885	274,319,436	2.7%
2017	275,311,159	285,685,281	4.1%
2018	287,683,279	296,274,483	3.7%
2019	305,128,954	305,128,954	3.0%
2020	318,852,703	318,852,703	4.5%
Average			3.0%

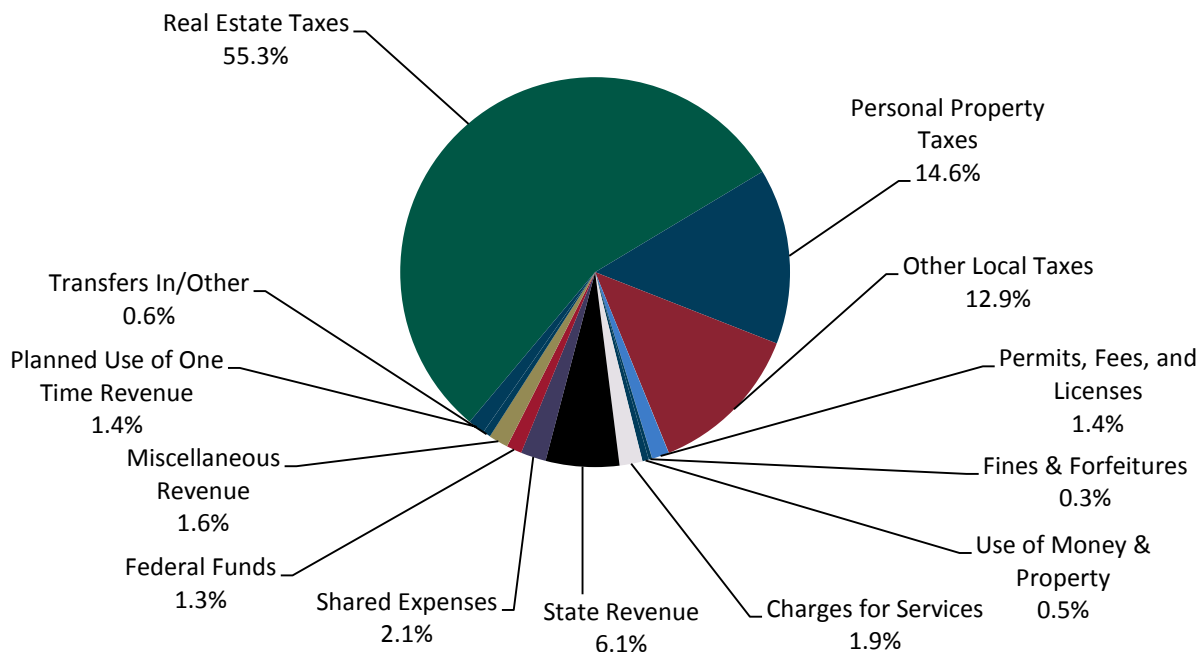


GENERAL FUND REVENUE

FY2020 Adopted Budget

Category	FY2019 Adopted Budget	FY2020 Adopted Budget	Changes '19 to '20	Budget as % of Total
Real Estate Taxes	\$168,773,272	\$176,261,752	\$7,488,480	4.4%
Personal Property Taxes	\$45,716,005	\$46,424,613	708,608	1.6%
Other Local Taxes	\$38,974,420	\$41,091,994	2,117,574	5.4%
Permits, Fees, and Licenses	\$4,537,404	\$4,575,008	37,604	0.8%
Fines & Forfeitures	\$974,800	\$906,769	(68,031)	-7.0%
Use of Money & Property	\$1,141,676	\$1,689,386	547,710	48.0%
Charges for Services	\$6,346,435	\$6,061,422	(285,013)	-4.5%
State Revenue	\$20,116,962	\$19,444,994	(671,968)	-3.3%
Shared Expenses	\$6,360,824	\$6,704,087	343,263	5.4%
Federal Funds	\$3,773,355	\$4,035,631	262,276	7.0%
Miscellaneous Revenue	\$5,223,459	\$5,163,330	(60,129)	-1.2%
Transfers In/Other	\$1,139,559	\$2,023,786	884,227	77.6%
Planned Use of One Time Revenue	\$2,050,783	\$4,469,931	2,419,148	118.0%
Total	\$305,128,954	\$318,852,703	\$13,723,749	4.5%

This graph depicts the allocation of General Fund revenues between the major categories.



GENERAL FUND REVENUE ANALYSIS

FY2020 Adopted Budget

General Property Taxes	FY2018 Actual	FY2019 Adopted Budget	FY2020 Adopted Budget	Changes "19 to '20	
Real Estate Property Tax	\$161,271,548	\$168,773,272	\$176,261,752	\$7,488,480	4.4%
Roll Back	473,696	250,000	250,000	0	0.0%
Public Service Corps	4,337,879	4,293,340	4,540,522	247,182	5.8%
Personal Property	37,008,787	37,816,000	38,652,000	836,000	2.2%
Merchants Capital	1,158,776	1,107,253	656,693	(450,560)	-40.7%
Mobile Homes	169,738	149,412	150,398	986	0.7%
Machinery & Tools	619	0	0	0	0.0%
Penalties	1,365,847	1,350,000	1,410,000	60,000	4.4%
Interest	770,148	750,000	765,000	15,000	2.0%
Total	\$206,557,038	\$214,489,277	\$222,686,365	\$8,197,088	3.8%

Real Property

The real estate tax is the single largest revenue source for the County, and is expected to generate \$176.3 million in FY2020; approximately 56.1% of General Fund Operating revenues (excludes the planned use of Prior Year Fund Balance). Each penny on the tax rate yields approximately \$1.7 million in estimated collectible real estate tax revenues.

This tax is levied on the assessments of real property (land, buildings, and improvements) as determined by the Commissioner of the Revenue. The Commissioner of the Revenue conducts a general assessment every two years. The purpose of a reassessment is to distribute the tax burden fairly and equitably. The most recent reassessment was completed January 1, 2018. Taxable assessed value of real property grew to \$17.2 billion, an increase of 9%, reflecting the continuing recovery of market conditions.

January 1, 2018 Change in Assessed Value	
Agricultural	-3%
Residential	9%
Multifamily	34%
Commercial	5%
Total Increase	9%

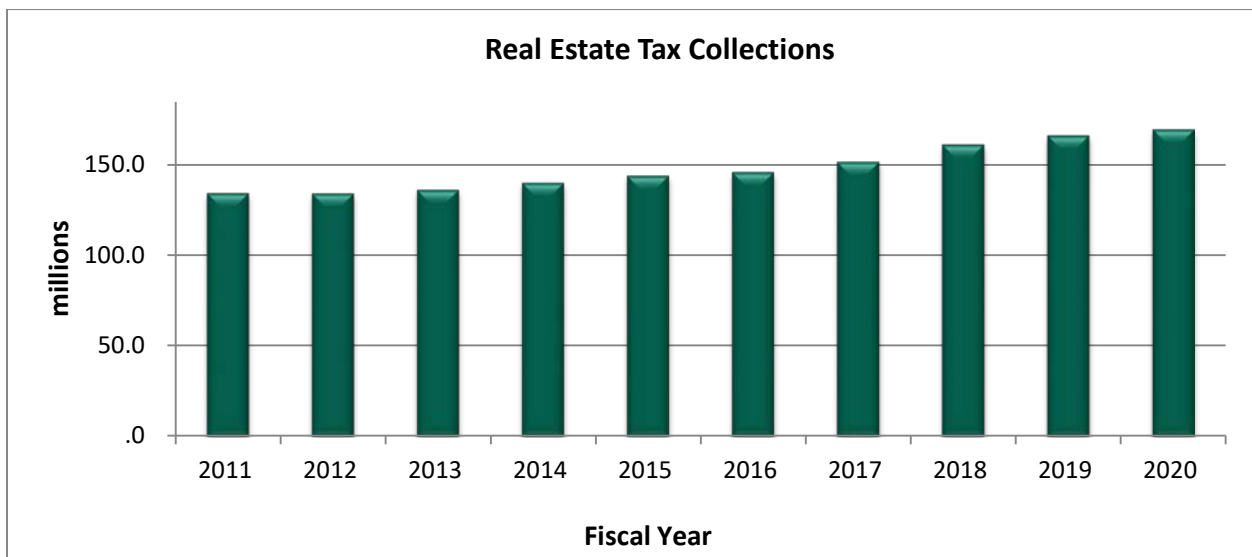
The real estate tax rate for calendar year 2019 is adopted at \$1.01, an increase of \$0.02 over the calendar year 2018 tax rate. Taxes for real property are paid in two installments, due on December 5th and June 5th of each year.

The FY2020 real property revenue projection is based on the following assumptions:

- 1.0% growth in properties in the County
- \$1.01 real estate tax rate
- Collection rate of 98.5%

- Exoneration Growth of 5%

The following charts illustrate historical and projected assessed value of real estate and tax collections. The charts assume growth in assessed value of 1.0% in the upcoming year and 1.0% per year thereafter. It is assumed that the real estate tax rate remains level. If the effective rate is adopted for Calendar Year 2020, the impact on Fiscal Year 2020 would be \$4.2M.



The growth in exoneration has reduced the real property tax that has been collected. Particularly in Stafford County, the increased Veteran Relief is negatively impacting revenue collections.

Personal Property

Personal property includes vehicles, mobile homes, airplanes, boats, merchants' capital, machinery and tools, and motor carrier transportation.

Public Service Corps

The Division of Public Service Taxation (PST) is responsible for the assessment of all property of Public Service Corporations for local taxation. This includes electric, gas, telecommunications, and water companies. The goal of PST is to effectively and equitably assess all property and to accurately distribute the assessed values to each city, county, and town in which the property is located. The change in assessment, provided by the PST, determines the revenue projection.

Vehicles

Nationwide, vehicle sales have rebounded from the lows seen during the recession, but new car sales have begun to level off. At midyear, it appears that new car sales are slightly below the prior year and the depreciation of used cars is reporting slight declines in levels. The FY2020 projection assumes that this trend continues.

The Personal Property rate was adopted at the 2018 rate of \$6.46 per \$100.00 of assessed value, which is established at forty percent (40%) of estimated fair market value. The effective rate would be stated as \$2.58 per \$100.00 of estimated fair market value.

The rate is \$0.0001 per \$100.00 of assessed value for one vehicle owned or operated by Fire and Rescue and Sheriff's deputy volunteers and disabled veterans. There is a special personal property category for vehicles equipped for disabled individuals set at \$0.10 cents per \$100.00 of assessed value.

Boats

In 2013, the personal property tax on boats was set at \$0.0001 per \$100.00 of assessed value, effectively eliminating this tax.

Aircraft

In 2009, the Board reduced the personal property tax rate on aircraft to \$.0001 per \$100.00 of assessed value, effectively eliminating this tax.

Machinery & Tools

Machinery & Tools are equipment used in manufacturing, mining, processing or reprocessing, radio or television broadcasting, cable television, dairy, dry cleaning or laundry business, and trucks used for hire that qualify as common carriers. In 2013, the Board adopted a tax rate of \$0.0001 for machinery and tools and motor carrier transportation, effectively eliminating these taxes.

Merchants' Capital

Merchants' capital is defined as inventory of stock on hand; daily rental vehicles as defined in § 58.1-2401; and all other taxable personal property of any kind whatsoever, except money on hand and on deposit and except tangible personal property not offered for sale as merchandise, which tangible personal property shall be reported and assessed as such.

In 2016, the Board adopted a special category of Merchants' Capital for pharmaceutical wholesalers, setting the rate at \$0.00.

GENERAL FUND REVENUE ANALYSIS

FY2020 Adopted Budget

The FY2020 Adopted Budget includes the Board of Supervisor's adoption of a special category of Merchants' Capital for warehouses over 100,000 square feet, setting the rate at \$0.00.

The following table lists the personal property tax rates for calendar year 2020:

Classification	Rate	Effective Rate
Tangible Personal Property		
Aircraft	\$0.0001	\$0.0000
Boats or Watercraft	\$0.0001	\$0.0000
Business Property	\$5.49	\$1.92
Camping Trailers & Recreational Vehicles	\$5.49	\$2.20
Computer Equipment	\$5.49	\$1.92
Disabled Veteran's Vehicle	\$0.0001	\$0.0000
Motor Vehicles Specially Equipped for Disabled	\$0.10	\$0.04
Personal Property Volunteer F&R	\$0.0001	\$0.0000
Personal Property Volunteer Sheriff	\$0.0001	\$0.0000
All Other	\$6.46	\$2.58
Motor Carrier Transportation	\$0.0001	\$0.0000
Machinery & Tools	\$0.0001	\$0.0000
Merchants' Capital of Pharmaceutical Wholesalers	\$0.0001	\$0.0000
Merchants' Capital of Warehouses over 100,000 square feet	\$0.0001	\$0.0000
Merchants' Capital	\$0.50	\$0.20
Mobile Homes	\$0.965	\$0.965

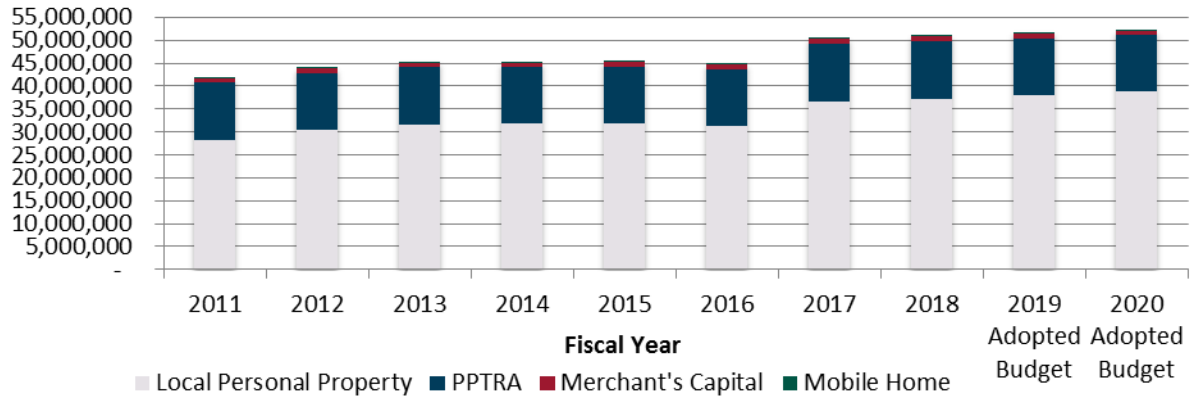
Personal Property Tax Relief Act

The General Assembly implemented the Personal Property Tax Relief Act (PPTRA) in 1998. Originally, under PPTRA, Virginia residents were to pay a decreasing percentage of personal property tax on qualifying vehicles until the entire tax was to be relieved in 2002. The program relieved the tax up to \$20,000 of a vehicle's assessed value; owners with vehicles assessed over \$20,000 pay 100% of the remainder of the tax. However, while the original intent was to give residents full relief in 2002 and provide the County with 100% state reimbursement for qualifying vehicles, the implementation was altered due to fiscal restraints at the state level. Since FY2006, each locality receives a flat, recurring revenue reimbursement for car taxes. The state reimbursement equates to Stafford's calendar year 2004 collection. Stafford expects to receive that same amount – \$12.5 million – from the state annually.

GENERAL FUND REVENUE ANALYSIS

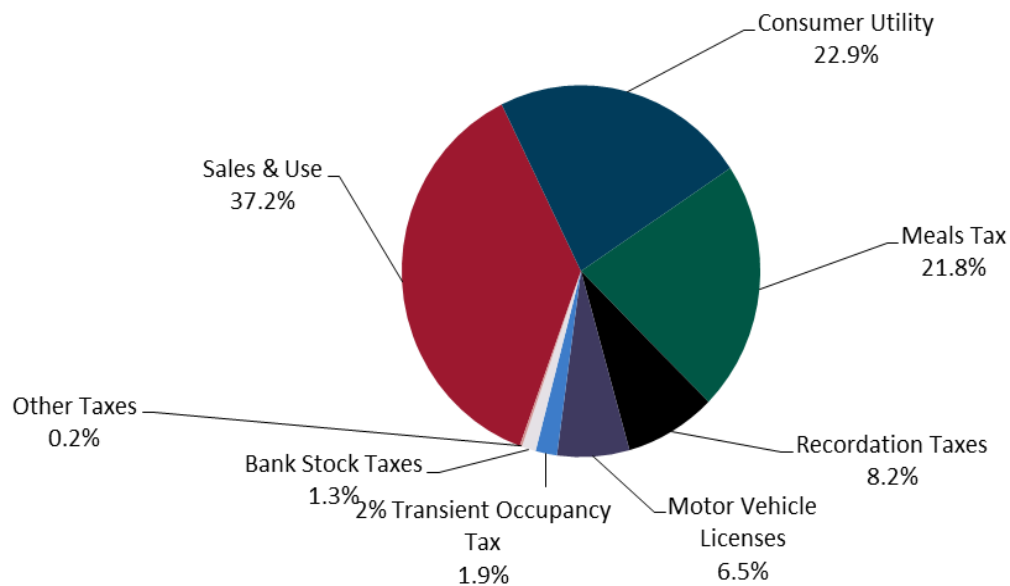
FY2020 Adopted Budget

Personal Property



Other Local Taxes	FY2018 Actual	FY2019 Adopted Budget	FY2020 Adopted Budget	Changes '19 to '20	
Sales & Use	\$14,341,668	\$14,445,750	\$15,566,953	\$1,121,203	7.8%
Consumer Utility	9,814,741	9,499,080	9,615,395	116,315	1.2%
Meals Tax	8,512,213	8,369,000	9,118,000	749,000	8.9%
Recordation Taxes	3,530,954	3,525,196	3,447,177	(78,019)	-2.2%
Motor Vehicle Licenses	2,645,892	2,525,000	2,725,269	200,269	7.9%
2% Transient Occupancy Tax	764,274	750,000	810,808	60,808	8.1%
Bank Stock Taxes	571,276	519,044	535,000	15,956	3.1%
Other Taxes	76,455	91,350	84,200	(7,150)	-7.8%
Total	\$40,257,473	\$39,724,420	\$41,902,802	\$2,178,382	5.5%

Other Local Taxes

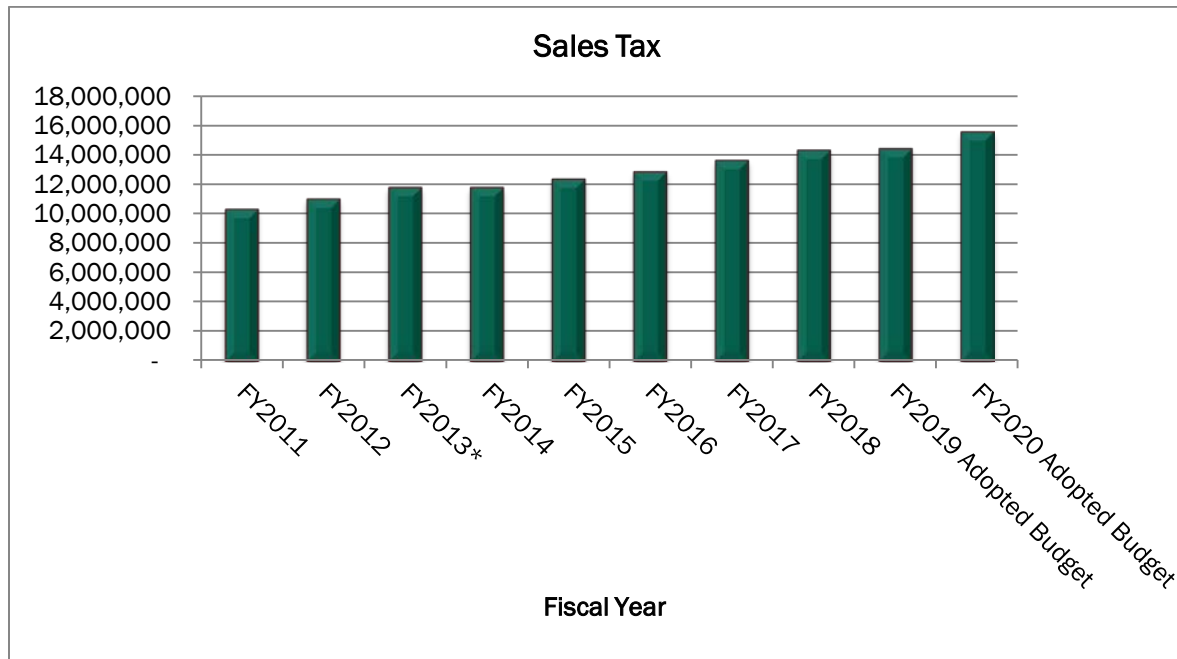


Local Sales & Use Tax

The State collects and distributes the local option 1% Sales and Use Tax in accordance with §58.1-605 and §58.1-606 of the Code of Virginia. Actual distributions are made to the County based on the amount of sales tax collected in the County.

Sale tax revenue for the fiscal year (through April 2019) is 3.8% higher than the same period in FY2018. The FY2020 forecast recognizes that growth and conservatively considers historical trends.

This chart reflects the recent history of sales tax revenue:



*FY2013 receipts reflect a one-time adjustment of \$337k for a prior year adjustment.

Consumer Utilities Revenue

Utility Consumer's Tax

The Utility Consumer's Tax is a tax levied by the County. It is collected by the utility companies and remitted to Stafford from residential, industrial, and commercial users of electric and gas services. This tax was amended in 2000 by Ordinance 000-78 to comply with changes in State law, which required local consumer utility tax rates to be consumption-based for electricity and gas utility service. The County's rates are:

Electric

- Residential: \$.0014955 per kilowatt hour (kWh), with a minimum of \$1.40 and maximum of \$3.00 per month.
- Commercial and industrial: \$.006434 per kWh, with a minimum of \$1.15 and a maximum of \$200.00 per month

Gas

- Residential: \$0.06 per 100 units of cubic feet (CCF), with a minimum tax of \$1.40 per month and a maximum of tax of \$3.00 per month
- Commercial and industrial: \$0.85 per CCF delivered with a minimum tax of \$2.29 per month and a maximum of tax of \$100.00 per month

Communications Sales and Use Tax

The 2006 General Assembly reformed the Consumers' Utility Tax. Effective January 1, 2007 House Bill 568 replaced most of the previous state and local taxes and fees on communications services. The bill repealed the Consumers' Utility Tax on:

- Landline and wireless telephone service
- Local E911 tax on landline telephone service
- VA Relay Center assessment on landline telephone service
- The portion of local BPOL Tax on public service companies exceeding .05% currently billed to customers in some grandfather localities
- Local video programming excise tax on cable television service
- Local consumer's utility service tax on cable television service

The bill imposed new taxes and fees on:

- State Communications Sales and Use Tax
- State E911 Tax on landline telephone service
- Public Rights-of-Way use fee extended to cable television providers

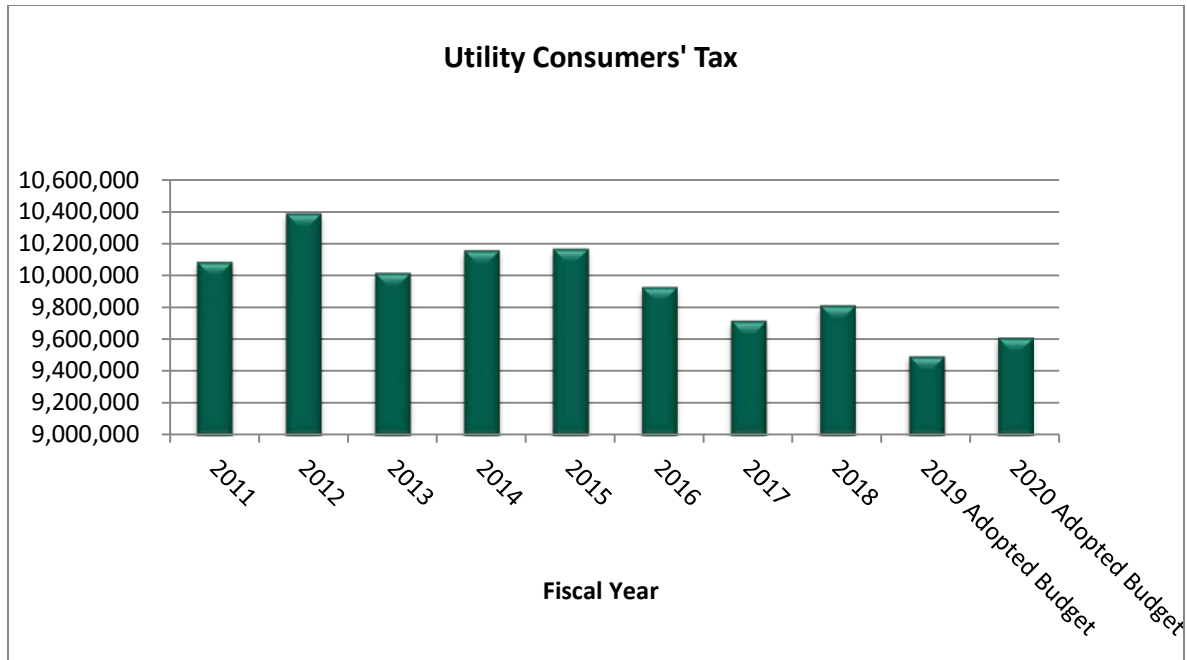
The "State Communications Sales and Use Tax" applies to the following services:

- Local exchange (local telephone calls)
- Inter-exchange (a new tax applied to long distance calls)
- Wireless (a new tax)
- Paging (a new tax)
- Cable and satellite television (the tax on satellite is a new tax)

Communications sales and use tax revenue is collected by the Virginia Department of Taxation and distributed to localities monthly, according to the percentage of telecommunications and cable television tax each locality received relative to the statewide total in FY2006.

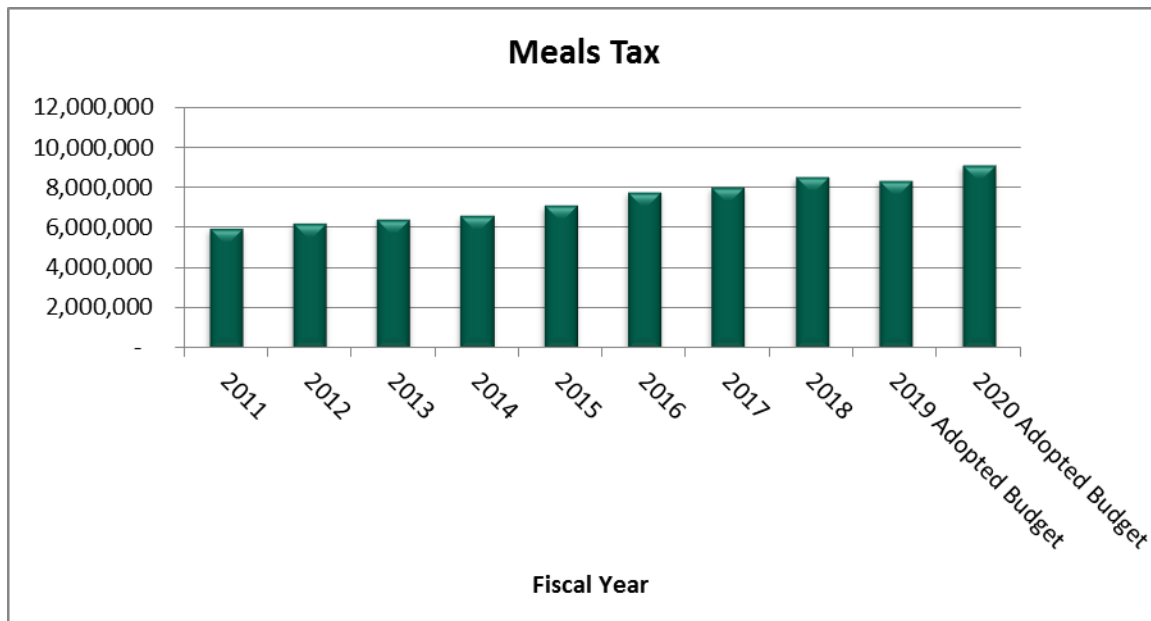
In compliance with GASB 54, the County combined the E911 fund with the General Fund. The consumer utilities taxes that were previously shown in the E911 fund are largely responsible for the increase shown in FY2011.

Revenues generated by these taxes have decreased slightly, particularly for Cable and Landline phones as consumer spending has shifted. The FY2019 conservatively projected a decline in these revenue sources, while FY2020 Adopted Budget projects a slightly more positive, yet conservative projection.



Local Meals Tax

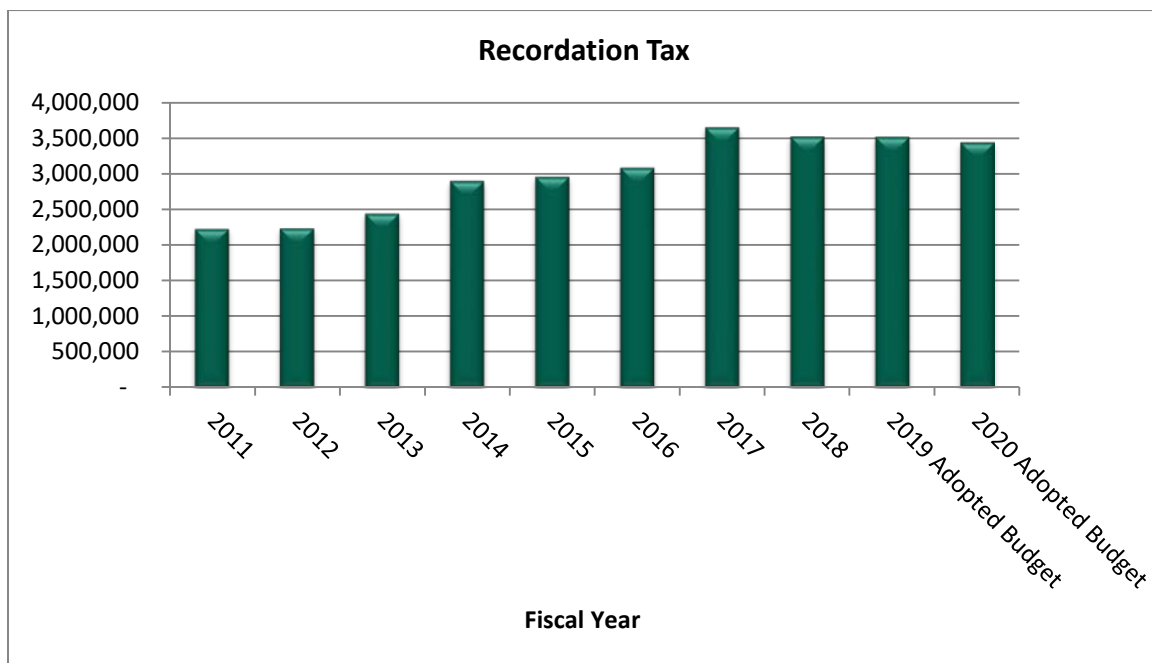
A meals tax of 4.0% is a tax levied on the sale of all food and beverage sold for human consumption by a restaurant or caterer. The meals tax revenue is collected in accordance with section 58.1-3833, of the Code of Virginia (1950), as amended. The revenues generated from this source have been designated to support the local share of school funding. Meals tax collections continue to show steady growth. Meals tax revenue in the current year (through December 2018) is 4.6% higher than the same period in FY2018. The FY2019 Adopted Budget is 1.7% under FY2018 actual collections. The FY2020 Adopted Budget conservatively considers the historical trends and recognizes continued growth.



Recordation Taxes

This tax is levied on the probate of every will or grant of administration (deeds, deeds of trust, mortgage, leases and contracts) by any court within the County. The tax is equal to one-third ($\frac{1}{3}$) of the amount of the state tax on each such probate of a will or grant of administration. These revenues are collected by the Clerk of the Circuit Court and paid monthly to the Treasurer. General Assembly action in 2004 increased the amount on each probate of a will or grant of administration from \$0.15 to \$0.25. Due to low interest rates and the continued growth in new construction in the County from FY2000 through FY2006, this revenue source dramatically increased, peaking in FY2006. Recordation revenues declined during the recession, due to the slowdown of both the real estate market and the crisis in the financial sector.

Activity in FY2017 and FY2018 was higher than normal due in part to the increase in multi-family property in the County. The FY2020 budget assumes a more modest, sustainable projection of activity.



Motor Vehicle Licenses

A license tax is charged on every motor vehicle, trailer or semi-truck normally garaged, stored or parked in Stafford. The costs of the licenses vary and are based on the type and weight of the vehicle. The fee for the license varies according to the type of item being registered; licenses for most passenger vehicles are \$23.00. The budget assumes \$2.7 million for this fee, consistent with recent history.

Transient Occupancy Tax

Transient occupancy taxes are collected in accordance with Section 58.1-3819 of the Code of Virginia (1950), as amended. It is a tax on hotels/motels not to exceed 5% of the amount charged for the occupancy of any room or space occupied for a period of less than 30 days. Of the 5% tax, 3% are dedicated to promote tourism, travel or business that generates tourism or travel in the locality and recorded in the Tourism Fund. The remaining 2% are transferred to the General Fund. Revenues designated to tourism are shown in the Tourism Fund (under "Other Funds").

Bank Stock Taxes

Bank Stock Tax revenues are collected in accordance with Section 58.1-1210 of the Code of Virginia (1950), as amended. These revenues are collected from a tax levied on shareholders by the State at the rate of \$1.00 per one hundred dollar (\$100.00) value of stock and distributed 80% to Stafford and 20% to the State.

	FY2018 Actual	FY2019 Adopted Budget	FY2020 Adopted Budget	Changes '19 to '20	
Service Charges & Other					
Permits, Fees, and Licenses					
Animal License & Fees	\$66,215	\$11,200	\$22,260	\$11,060	98.8%
Zoning Permits & Fees	801,224	744,900	819,350	74,450	10.0%
Fire and Rescue Charges	454,345	477,680	417,555	(60,125)	-12.6%
Building Permits & Fees	2,992,817	2,989,947	3,029,906	39,959	1.3%
Securities Fees	325,765	313,677	285,937	(27,740)	-8.8%
Total Permits, Fees, and Licenses	\$4,640,366	\$4,537,404	\$4,575,008	\$37,604	0.8%
Charges for Services					
Excess Fees of Clerk	177,103	205,500	177,100	(28,400)	-13.8%
Miscellaneous Charges	459,489	413,184	404,502	(8,682)	-2.1%
Animal Services Fees	19,042	23,000	27,972	4,972	21.6%
Ambulance Charges	2,620,298	2,000,000	2,000,000	0	0.0%
Parks and Recreation Charges	1,767,047	1,700,751	1,545,629	(155,122)	-9.1%
Planning Charges	427,898	496,000	542,500	46,500	9.4%
Code Administrative Charges	1,433,469	1,508,000	1,363,719	(144,281)	-9.6%
Total Charges for Services	\$6,904,346	\$6,346,435	\$6,061,422	(\$285,013)	-4.5%

Permits & Licenses

The revenues generated in this category are those collected for permits, fees, and licenses along with several other miscellaneous revenues. The majority of revenue in this category is related to development. Building permit revenues are estimated based upon projections of new households as well as commercial and industrial establishments. The County has followed a policy of charging user fees to cover the cost of providing services related to special interests. Departments of Public Works and Planning & Zoning continually review and revise fees to capture the costs associated with the processing of development applications.

Ambulance Charges

The United States Census Bureau estimates that approximately 90% of Virginians have health insurance coverage. In some areas of the Commonwealth, more than 92% of the local population is covered by health insurance that will pay for ambulance transportation if billed for necessary emergency transports. As such, the third-party billing (cost recovery) concept has gained favor in numerous Virginia localities and throughout the U.S. as they recognize this untapped resource. Implementation of a comprehensive cost recovery program for ambulance service and transportation has resulted in additional funding to enhance ambulance services and staffing as the County strives to improve response time and address our greatest response deficits.

GENERAL FUND REVENUE ANALYSIS

FY2020 Adopted Budget

The FY2007 budget included ambulance cost recovery fees for the first time. Ambulance fees are designated to the Fire and Rescue department to be used to address the growing needs of our system and our community. The County outsources fee collection.

Fees have been set using the Centers for Medicare and Medicaid customary rates for our region. The “loaded mile” rate is established to cover the cost of the vehicle maintenance and fuel usage, both to and from emergency calls. The fees are evaluated annually to maximize cost recovery and adhere to Medicare’s national fee schedule. The Board approved an increase to the rates in December, 2013. The current approved rates are:

Basic Life Support	\$ 505.00
Advanced Life Support - 1	\$ 656.50
Advanced Life Support - 2	\$ 808.00
Loaded Mile	\$ 12.12

Fines and Forfeitures

These revenue sources are collected by the courts and are designated to deter behavior contrary to the health, safety, and welfare of the citizens of Stafford. Court fines and forfeitures are related to the costs of holding court and processing court records and papers. Traffic fines include such local violations as driving while intoxicated (DWI) and speeding, as well as non-moving violations such as defective equipment.

Parks and Recreation Fees

Parks and recreation charges include charges for gymnastic, aquatic, recreation programs, admission fees and field and property rentals. These fees are budgeted at \$1.5 million in the FY2020 Adopted Budget. This decline in revenue is due in part to the transition of the swim program housed at the Jeff Rouse Sports and Swim Center being conducted by that facility, to ensure a balanced swimming pool schedule.

	FY2018 Actual	FY2019 Adopted Budget	FY2020 Adopted Budget	Changes '19 to '20	
Intergovernmental					
State - Shared Expenses					
Commonwealth's Attorney	\$1,151,830	\$1,120,126	\$1,166,131	\$46,005	4.1%
Sheriff	3,986,269	3,986,132	4,230,873	244,741	6.1%
Commissioner of Revenue	267,910	264,318	266,272	1,954	0.7%
Treasurer	261,805	256,870	274,906	18,036	7.0%
Registrar/Electoral Board	53,632	55,000	53,000	(2,000)	-3.6%
Clerk of Circuit Court	792,177	678,378	712,905	34,527	5.1%
State & Federal - Social Services	4,844,410	5,940,316	6,316,594	376,278	6.3%
State - Children's Services Act	3,908,188	4,326,138	3,819,440	(506,698)	-11.7%
State Categorical Aid:					
State Reimbursement	305,506	282,993	164,688	(118,305)	-41.8%
State Fire Program Fund	431,135	431,625	446,372	14,747	3.4%
Emergency Medical Service	121,150	115,746	124,149	8,403	7.3%
State - Non Categorical Aid	517,558	505,592	510,299	4,707	0.9%
Federal	1,312,019	748,185	201,229	(546,956)	-73.1%
Total	\$17,953,589	\$18,711,419	\$18,286,858	(\$424,561)	-2.3%

State Shared Expenses

The County receives partial reimbursement for the expenses of Sheriff, Commonwealth's Attorney, and Clerk of the Circuit Court, Treasurer, and the Commissioner of the Revenue from the State Compensation Board. The Compensation Board reimburses part of the costs of salaries, benefits, office expenses, and equipment.

State & Federal – Social Services

This revenue is the total amount of State and Federal revenue received to fund Social Services. The Director of Social Services projects this revenue each year using estimates received from State and Federal agencies.

State – Children's Services Act

Services provided to eligible mandated children under the Children's Services Act (CSA) are partially reimbursed by the state. Stafford continues to maximize the use of community based services and collaborate in partnership with all of the agencies represented within the CSA system. Private Day school placements for special education students continue to be the significant cost driver under CSA. The FY2020 Adopted Budget decreases the projected number of students accessing educational services in private day placements by 11 students to a total of 82 students projected. The average cost per student is assumed to increase by 2%. The reduction in projected students in conjunction with a conservative projection of increased costs decreases the private day school placement costs by \$873k with a corresponding revenue decrease of \$485k. The remaining CSA revenues support other eligible mandated populations under this act. This budget assumes that staff continues to collaborate with the Schools and other agencies, enabling us to meet the needs of all children and those requiring special education services in our local environment.

State Categorical Aid

These revenues are designated for specific purposes in Stafford. Recipient departments and agencies project these revenues based upon the latest information available from State agencies.

State Non-Categorical Aid

These revenues are collected by the Commonwealth and shared with the County. The budget includes projected revenues from rolling stock tax, motor vehicle carrier tax, mobile home titling tax, and auto rental tax. Ratios, rate and distribution formulas are subject to change each year by the General Assembly.

Planned Use of One Time Revenue

The FY2020 Adopted Budget plans for the use of prior year fund balance for one-time expenditures. This includes \$3.5M of funding for the design of a new Courthouse and for a parking lot for the new down town Stafford. These funds come from planned savings from FY2017 and FY2018 and from the Capital Projects Reserve. The FY2020 Adopted Budget also plans for the funding of one-time expenditures in the amount of \$983,431.

Stafford County geographically represents 277 square miles or 177,280 acres of land. The Federal government occupies 20%, which is not taxable property of Stafford.

The Commissioner of the Revenue reassesses all real property every two years. The most recent reassessment was completed January 1, 2018. The reassessment, reflecting the continuing recovery of market conditions, resulted in an increase of 9% in the overall assessed value of real property in Stafford County. The value of residential properties increased by 9%; the value of commercial properties increased by 5%.

