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 guiding principles developed in the Board's annual planning meeting will guide our planning processes in the future. The economic downturn due to the Coronavirus Pandemic has been reflected in the FY2021 Adopted Budget.

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. This adds 19 deputies from FY2022 through FY2025.
Fire and Rescue Staffing	Assumes the addition of one engine crew in FY2022 and three battalion chief's mid-year in FY2023.
General Government Staffing	Assumes the addition of three new staff members annually to meet the demands of a growing community FY2022 through FY2025.
Contribution to Capital Funding	FY2021 Adopted Budget reduced the contribution to capital funding for Repair, Rehabilitation and Replacement (3R) from the policy guideline of 3% to 2% of operating revenues.
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 FY2022: (1) Benefit Programs Specialist II. In FY2023: (1) Family Services Specialist II. In FY2021 a Self-Sufficiency Specialist was added and there was not sufficient funding for another position. The Board may consider addressing this in future years.
Employee Compensation	A 2.5% compensation increase is planned to keep up with inflation in the market for FY2022-25.
Market Pay	Phase II of the market pay is included in FY2021 Adopted Budget and assumes 2% growth in the planning years.
Real Estate Tax Rate	During the adoption of the FY2021 Budget, the Board approved a four cent decrease to the Real Estate Tax Rate. The rate of $0.97 is assumed through the plan.
Children's Services Act	Assumes a 3% growth in students and maintains a 2% increase in costs.

The Board engaged in several five-year financial plan work sessions. The first work session, held on November 6, 2019 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 17, 2019, the Board engaged in the second work session focused on the Utilities and Transportations Funds. The Transportation Bond Referendum was passed by over seventy five percent of voters in November 2019, and the plan began to address the funding strategy to accomplish the projects identified in the Road Bond. The Utilities Fund presented balanced future projections of revenues and expenditures that support capital improvements and preventive maintenance.

Operating Revenue	FY2019 Actuals	FY2020 Adopted Budget	FY2021 Adopted Budget	FY2022 Projection	FY2023 Projection	FY2024 Projection	FY2025 Projection
Real Estate Tax Rate	$0.99	$1.01	$0.97	$0.97	$0.97	$0.97	$0.97
Revenues							
Property Taxes	$ 214,042,524	$ 222,686,365	$ 226,122,377	$ 231,495,000	$ 238,798,000	$ 246,460,000	$ 254,119,000
Local Non-Property Taxes	40,669,876	41,091,994	42,244,321	44,538,000	46,275,000	48,115,000	50,064,000
Permits, Fees, and Licenses	4,346,390	4,575,008	3,794,708	3,841,000	3,919,000	3,998,000	4,080,000
Fines & Forfeitures	895,106	906,769	700,327	699,000	698,000	699,000	702,000
Use of Money & Property	2,638,461	1,689,386	759,151	1,027,000	1,040,000	1,052,000	1,064,000
Charges for Services	6,093,443	6,061,422	5,347,672	6,015,000	6,019,000	6,026,000	6,035,000
State Revenue	19,555,835	20,064,203	20,140,986	19,705,000	19,908,000	20,120,000	20,343,000
Shared Expenses	6,520,816	6,704,087	6,705,088	6,839,000	6,976,000	7,115,000	7,258,000
Federal Funds	4,647,532	4,230,860	4,219,464	4,354,000	4,496,000	4,643,000	4,795,000
Miscellaneous Revenue	4,352,925	4,348,892	4,337,811	4,557,000	4,636,000	4,728,000	4,823,000
Transfers In/Other	3,087,957	2,023,786	1,278,788	1,573,000	1,607,000	1,642,000	1,679,000
Total Operating Revenue	306,850,865	314,382,772	315,650,693	324,643,000	334,372,000	344,598,000	354,962,000
Planned Use of One-Time Revenue	105,000	4,469,931	5,285,874	-	-	-	-
Total Revenue	$ 306,955,865	$ 318,852,703	$ 320,936,567	$ 324,643,000	$ 334,372,000	$ 344,598,000	$ 354,962,000
Expenditures							
General Government	$ 68,468,220	$ 80,034,712	$ 74,985,301	$ 74,852,000	$ 77,861,000	$ 80,742,000	$ 83,521,000
Public Safety	58,132,345	64,390,765	69,467,066	73,137,000	75,696,000	78,050,000	80,773,000
School Funding	120,109,297	128,948,129	132,339,470	136,182,865	140,968,865	146,135,865	151,315,865
Debt Service	44,925,682	45,479,097	44,144,730	44,548,000	43,877,000	46,321,000	49,883,000
CIP Operating Impacts	0	0	0	556,000	536,000	549,000	949,000
Total Expenditures	$ 291,635,544	$ 318,852,703	$ 320,936,567	$ 329,275,865	$ 338,938,865	$ 351,797,865	$ 366,441,865
Future Reductions				(4,632,865)	(4,566,865)	(7,199,865)	(11,479,865)
Real Estate Tax Rate to Balance Plan				$0.994	$0.994	$1.005	$1.026

	FY2019 Actuals	FY2020 Adopted	FY2021 Adopted	FY2022 Projections	FY2023 Projections	FY2024 Projections	FY2025 Projections
Operating Revenues							
Gasoline Sales Tax	$4,750,315	$4,638,900	$4,089,500	$4,150,843	$4,213,105	$4,276,302	$4,340,446
State Recordation Tax	862,306	865,000	0	0	0	0	0
Use of Money And Property/Misc	155,628	108,952	55,500	56,333	57,177	58,035	58,906
Transfer from General Fund / Local Funding	0	4,000,000	0	2,142,210	2,977,187	2,578,578	3,541,225
Use of Prior Year Fund Balance	0	0	1,478,319	0	0	0	0
Total Operating Revenue Sources	**$5,768,249**	**$9,612,852**	**$5,623,319**	**$6,349,385**	**$7,247,470**	**$6,912,915**	**$7,940,577**
Operating Expenditures							
VRE Subsidy	2,475,127	2,352,820	2,477,175	2,477,175	2,551,490	2,551,490	2,628,037
PRTC Subsidy	107,500	104,200	130,500	159,200	178,000	199,600	223,100
FRED Bus Service	494,816	469,631	469,631	479,024	488,604	498,376	508,344
Airport Subsidy	85,714	85,714	85,714	85,714	85,714	85,714	85,714
Financial Management	16,160	16,000	14,400	16,000	16,320	16,646	16,979
Gateway	91,292	100,000	90,000	100,000	100,000	100,000	100,000
Street Signs	16,713	25,000	22,500	25,000	25,000	25,000	25,000
Social Services	26,000	35,000	31,500	35,000	35,700	36,414	37,142
Project Management	86,987	108,098	169,179	526,399	531,663	536,980	542,349
Debt Service	1,446,787	1,403,833	1,363,049	1,322,263	1,281,479	1,240,695	1,199,911
Debt Service - Nov 2019 Bond	0	0	0	0	105,000	671,000	934,000
Transfer to General Fund	0	0	0	0	0	0	0
Transfer to Capital	0	912,556	769,671	1,123,610	1,848,500	951,000	1,640,000
Total Operating Expenses	**$4,847,096**	**$5,612,852**	**$5,623,319**	**$6,349,385**	**$7,247,470**	**$6,912,915**	**$7,940,577**
Capital Revenues							
Transfer from Operating	0	912,556	769,671	1,123,610	1,848,500	951,000	1,640,000
State/Federal Revenue	4,330,825	3,950,000	15,152,011	1,039,202	11,571,899	2,000,000	10,921,654
State/Federal Revenue - Proposed	0	0	0	0	0	0	0
Bond Proceeds	0	0	0	1,258,870	6,792,190	3,110,000	5,370,000
Proffers	2,880	0	1,202,230	0	0	0	0
Service District	0	0	350,000	0	0	0	0
Impact Fees	600,000	2,463,029	0	1,113,238	120,291	0	108,346
Use of Fund Balance	0	750,000	426,390	0	0	0	0
Total Capital Revenue Sources	**$5,733,705**	**$8,075,585**	**$17,900,302**	**$4,534,920**	**$20,332,880**	**$6,061,000**	**$18,040,000**
Capital Expenditures							
Road Widening / Safety Improvements	0	912,556	578,800	0	0	0	0
Local Road Projects	7,976,364	4,700,000	16,975,200	4,122,620	18,484,380	5,510,000	16,400,000
Current Project Support	0	2,463,029	346,302	412,300	1,848,500	551,000	1,640,000
Transfer to Fund Balance	0	0	0	0	0	0	0
Total Capital Expenses	**$7,976,364**	**$8,075,585**	**$17,900,302**	**$4,534,920**	**$20,332,880**	**$6,061,000**	**$18,040,000**

Fund Balance, Beginning of Year	$9,955,075	$8,633,569	$7,883,569	$5,978,860	$5,978,860	$5,978,860	$5,978,860
Revenues	11,501,954	12,025,881	20,849,241	9,760,695	25,731,850	12,022,915	24,340,577
Expenditures	(12,823,460)	(12,775,881)	(22,753,950)	(9,760,695)	(25,731,850)	(12,022,915)	(24,340,577)
Fund Balance, End of Year	$8,633,569	$7,883,569	$5,978,860	$5,978,860	$5,978,860	$5,978,860	$5,978,861
Committed/Assigned	8,633,569	7,883,569	5,978,860	5,978,860	5,978,860	5,978,860	5,978,861
Encumbrance/Commitments	3,666,432	3,666,432	3,666,432	3,666,432	3,666,432	3,666,432	3,666,432
Total Undesignated Fund Balance	$4,967,137	$4,217,137	$2,312,428	$2,312,428	$2,312,428	$2,312,428	$2,312,429

	FY2020 Adopted	FY2021 Adopted	FY2022 Projections	FY2023 Projections	FY2024 Projections
OPERATING REVENUES					
User Fees	$45,240,830	$41,752,473	$42,378,760	$43,014,441	$43,659,658
Water & Sewer Fees	45,240,830	41,752,473	42,378,760	43,014,441	43,659,658
Other Charges/Fees	1,832,881	3,312,280	2,062,454	2,093,390	2,124,791
Interest/Property Rental	1,235,203	702,500	713,038	723,733	734,589
Total Operating Revenues	**$48,308,914**	**$45,767,253**	**$45,154,251**	**$45,831,565**	**$46,519,038**
OPERATING EXPENDITURES					
Operating & Personnel	$29,392,494	$30,820,799	$31,655,947	$32,333,494	$33,020,557
Administration	1,113,119	1,225,349	1,298,736	1,324,710	1,351,205
Engineering	5,434,639	5,982,585	6,272,089	6,397,531	6,525,481
Smith Lake WTP	2,409,559	2,839,373	2,896,160	2,954,084	3,053,558
Lake Mooney WTP	3,678,455	6,087,297	6,209,043	6,333,224	6,459,888
Field Operations	5,945,099	4,961,522	5,060,752	5,161,967	5,265,207
Aquia WWTF	3,168,721	3,886,476	3,964,206	4,043,490	4,124,359
Little Falls Run WWTF	2,347,686	3,301,492	3,367,522	3,434,872	3,503,570
Facilities Maintenance	5,295,216	2,536,705	2,587,439	2,683,616	2,737,288
Debt Service	7,987,770	7,082,380	7,082,380	7,818,380	7,818,380
Use of Operating Revenue for Capital	10,928,650	7,864,074	6,415,924	5,679,691	5,680,102
Total Operating Expenditures	**$48,308,914**	**$45,767,253**	**$45,154,251**	**$45,831,565**	**$46,519,038**
Operating Revenues in Excess (Loss) of Expenditures	0	0	0	0	0
CAPITAL REVENUES					
Total Capital Revenues	**$30,617,200**	**$13,793,700**	**$37,447,400**	**$28,707,000**	**$14,767,100**
CAPITAL EXPENDITURES					
Total Capital Expenditures	**$30,617,200**	**$13,793,700**	**$37,447,400**	**$28,707,000**	**$14,767,100**
Capital Revenues in Excess (Loss) of Expenditures	0	0	0	0	0

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