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Frederick J. Presley  
County Administrator

July 1, 2021

Dear Honorable Members of the Board of Supervisors of Stafford County:

I am pleased to present to you and the citizens of Stafford County, the Adopted Fiscal Year 2022 County Budget totaling \$695,558,409, including all services. This Budget focuses on a dedicated and responsive effort to alleviate the impacts from the COVID-19 pandemic alongside the investment in risk mitigation and the continuation of advancing strategic priorities.

After the fallout from the initial impact of the health crisis, Stafford quickly recognized the need to ensure that the response to the pandemic was prioritized in this Budget. While several communities faced extreme financial instabilities, Stafford was resilient throughout the pandemic due to a strong workforce and a community with sought-after amenities heavily valued during this crisis like parks, housing and safety. While Stafford did face several hardships, Stafford's growth continues, and the county remains one of the fastest-growing counties in Virginia.

**Responding to pandemic impacts while investing in core values and refocusing strategic priorities:** Last fiscal year's budgetary process provided a clear understanding of the work required to guide this year's financial process with input from the Five-Year Financial Plan and the Board's 2040 Strategic Plan. This financial planning process follows a specific framework geared towards incorporating present challenges and future demands, which were much more volatile than past years, making this process even more essential. A unique obstacle was gathering citizen feedback during a pandemic which was achieved by increasing visibility and transparency through a multitude of communication advancements. These methods included streaming all meetings, video conferencing accessibilities, in-person accommodations adhering to health department requirements, and several other mechanisms that provided input opportunities. Overall, this process delivered a clear path to developing critical response efforts while prioritizing future needs and expectations for the community.

### **Budget Initiatives**

While the COVID-19 response effort was a top priority of this Budget, it also required the County to pivot to address the community's needs as the impacts of growth continue. This year Stafford's school enrollment became the second-highest per-capita enrollment in the Commonwealth. The pandemic has only exacerbated the effects of a growing population. Several urban dwellers are now escaping to suburban areas with idyllic landscapes and family-oriented amenities, making Stafford an ideal location. This Budget prioritizes the need to respond to this crisis while realigning strategic initiatives and investing in core values.

**Managing a crisis response for a resilient community:** The Board was provided with extensive supportive data and input regarding the impacts of COVID during the financial planning process. The Federal government also provided funding through the CARES Act of \$26.6M and the American Rescue Plan Act (ARPA) in the amount of \$29.6M to help mitigate the effects of the pandemic. Stafford schools also received over \$14M in ARPA funds. These and several other tools provided this Budget the ability to adequately evaluate and address the impacts of the health crisis and the continuing effects of a growing population.

- **Taxes:** The Board kept the real estate property tax rate at \$0.97 per \$100 assessed value. The Board also voted in a new personal property tax rate at \$6.10 with a 50% assessment rate up from at 40% rate. This decision incorporates removing the Motor Vehicle License fee and institutes a funding strategy that

establishes a dependable revenue source for transportation improvements. In part, maintaining the real estate tax rate was supported by balancing the school system's FY22 budget with \$1.7M of ARPA funding they received, providing the current budget with more capability to respond to the health crisis with several new programs and projects. This Budget demonstrates the sound financial practices consistent with a Tripple-AAA rating while still serving the residents with the high level of service they expect and deserve.

- **Crisis Response:** The financial impacts of the health crisis affected both the County and community in several different and challenging ways. From last year into this Budget, Stafford facilitated more than \$26M in CARES Act money to mitigate the impacts of COVID-19. Examples would include becoming the first locality to organize a community mask collection program, expanded broadband access, vaccination clinic operations, COVID-19 mapping program and establishing the Stafford Cares program to support businesses and families in need, including direct financial support to over 15 community agencies. This Budget leverages the continuance of this financial support to provide low taxes, robust health crisis response, balanced budget decisions and mental health support. The FY22 Budget also begins to restore department cuts and reinstates parks programming.

**Meeting community expectations while mitigating risk:** Whether it is education, public safety, amenities, social services or general services, this Budget dedicates funding to serve and meet both the community's expectations and invest in service values and core capacity challenges.


- **Education:** The CARES Act supported school systems across the country, including providing \$13M directly to Stafford County Public Schools alongside the \$7.7M the County funded. The Schools will receive over \$14M from ARPA funds. This funding focuses on alleviating learning disruptions and other pandemic-related needs such as preventive supplies. The Board of Supervisors' continued commitment to high-quality education alongside this additional funding ensured that the financial planning process was more manageable than the previous year during a health crisis. This Budget keeps the schools whole with an increase of nearly \$5M to maintain the per-pupil gains and support for a 5% increase in salary for all school employees. The operating transfer also includes funding to begin the first part of the salary scale enhancement plan. While a growing school system requires new and additional learning resources, the schools also need the appropriate number of new facilities to teach our students. What is not included in the \$5M operating transfer is the extensive capital improvement funding being provided, representing 52% of total County projects, such as the new High School, indicating the Board's focus on quality education.
- **Commitments and investments:** The Board directed nearly \$500K to community partners with CARES Act funding in the past year. This Budget will commit another \$600K for groups like the Library and Regional Jail to meet community obligations. Other commitments include minimum wage law changes and operational support for facilities. The Budget also mitigates future risk by concentrating most heavily on human capital operations and information technology security infrastructure. Security and encryption solutions alongside human resource positions and department-level financial analysts providing needed support in high-risk areas of operation. The FY22 Budget also provides additional Social Service positions as long-committed by the Board of Supervisors.

**Advancing priorities through the realignment of strategies:** While the Board's 2040 Strategic Plan priorities may not have allowed for the scope of the COVID-19 pandemic, the FY22 Budget demonstrates the ability that Stafford has to quickly realign strategic initiatives to deliver services every day and meet major goals.

- **Transportation:** With the passage of the 2019 Road Bond, a significant analysis went into developing a comprehensive funding strategy with a dependable revenue source for transportation improvements. The FY22 Budget does three things: (1) eliminates the Motor Vehicle License Fee, (2) establishes a comparative assessment rate moving from 40% to 50% and (3) dedicates over \$4.7M of transportation funding. The Budget includes over \$5.7M of new and continuing road projects and over \$3.2M in bond projects, where dedicated funding will provide the necessary framework to move today's and tomorrow's projects forward.
- **Safe communities:** This Budget implements public safety strategies for positions, equipment and facilities crucial to meeting and improving response times, such as \$1.0M for Sheriff's vehicles, body armor and rifles. The FY22 Budget includes a dedicated public safety tax by instituting a new cigarette tax generating \$1M in new revenue supporting public safety. This taxing strategy aligns with neighboring localities safeguarding our community from the potential challenges of not instituting the new tax. More importantly, the FY22 Budget funds an entire 24-hour Fire Engine Crew alongside additional Sheriff Deputies for Field Operations, Traffic, Warrants and Investigations.
- **High-Quality Service:** Comprised within this Budget are dedicated efforts to lesson public safety turnover. Continuing the public safety step plan in the FY22 Budget, the Budget provides a 2.25% salary scale adjustment alongside the following pay scale step, meeting the Board's commitment to our uniformed personnel. Since 2009, Stafford has increased its population by 33,000 new residents but operates with the same staffing level. Retention is a vital part of ensuring that qualified and valued staff remain a part of the organization. This Budget restores a 2.25% salary scale adjustment and includes a 2.75% salary increase investing in organizational excellence. Alongside retention and increasing population growth, this Budget also requires new positions to meet high-quality service demands ensuring that our community's needs are prioritized.

Throughout this pandemic, Stafford has never stopped operating and serving our community. The Board never stopped moving this organization forward to continuously meet priorities, guiding us through one of the most challenging times in our history. This Budget demonstrates that Stafford is continually focused on a fiscal financial planning process that can mitigate the present challenges but also strategically plan for the future. Building a community where heart, home and a healthy business environment thrive requires sound financial management. This Budget accomplishes this goal with the ability to recover, restore, and realign community needs to fund top priorities of education, transportation, community health, public safety, and workforce investment.

I want to thank all County staff and constitutional officers for their excellent work in the development of this Budget. I would also like to express my gratitude to the Budget and Management Department for their efforts to bring this Budget together and to you, the Board of Supervisors, for all of your time and effort to work with us through this budgeting process in the midst of a very challenging year. And most notably, thank you to the citizens of Stafford County for allowing us to make a difference in your lives and the community we serve every day. I present you with Stafford County's Adopted Fiscal Year 2022 Budget for further detail on these budget initiatives.

  
Frederick J. Presley  
County Administrator