

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.



Aquia Episcopal Church, built between 1751 and 1757, this renowned house of worship is one of the oldest colonial churches still actively used in America today.

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 FY2019 Proposed 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

Stafford County FY2019 Adopted Budget

	FY2017 Actuals	FY2018 Adopted Budget (Restated)	FY2019 Adopted Budget	Changes '18 to '19	
Property Taxes					
Real Estate Property Tax	\$ 154,921,257	\$ 160,500,000	\$ 168,773,272	\$ 8,273,272	5.2%
Roll Back ⁽¹⁾	252,602	250,000	250,000	-	0.0%
Public Service Corps	4,467,984	4,467,436	4,293,340	(174,096)	-3.9%
Personal Property	36,478,864	35,514,738	37,816,000	2,301,262	6.5%
Mobile Homes	163,494	180,800	149,412	(31,388)	-17.4%
Machinery & Tools	2,269	-	-	-	0.0%
Merchants Capital	1,112,683	972,000	1,107,253	135,253	13.9%
Penalties & Interest	2,099,712	1,980,000	2,100,000	120,000	6.1%
Total Property Taxes	\$ 199,498,865	\$ 203,864,974	\$ 214,489,277	\$ 10,624,303	5.2%
Local Non-Property Taxes					
Sales & Use	13,641,300	13,250,000	14,445,750	1,195,750	9.0%
Consumer Utility	9,719,278	9,915,292	9,499,080	(416,212)	-4.2%
Motor Vehicle Licenses	2,522,370	2,500,000	2,525,000	25,000	1.0%
Bank Stock Taxes	503,926	440,000	519,044	79,044	18.0%
Recordation Taxes	3,661,902	3,180,000	3,525,196	345,196	10.9%
Meals Tax	8,022,545	8,100,000	8,369,000	269,000	3.3%
Other Taxes	92,172	84,000	91,350	7,350	8.8%
Total Local Non-Property Taxes	\$ 38,163,493	\$ 37,469,292	\$ 38,974,420	\$ 1,505,128	4.0%
Permits, Fees, and Licenses					
Animal License & Fees	66,069	65,200	11,200	(54,000)	-82.8%
Zoning Permits & Fees	617,993	741,300	519,900	(221,400)	-29.9%
Fire and Rescue Charges	490,037	424,000	477,680	53,680	12.7%
Building Permits & Fees	3,106,142	2,454,707	3,214,947	760,240	31.0%
Securities Fees	326,562	228,817	313,677	84,860	37.1%
Total Permits, Fees, and Licenses	\$ 4,606,803	\$ 3,914,024	\$ 4,537,404	\$ 623,380	15.9%
Fines & Forfeitures					
Court Fines and Fees	536,789	578,000	537,000	(41,000)	-7.1%
Court Maintenance Fees	46,212	50,000	46,200	(3,800)	-7.6%
Delinquent Court Fines and Fees	208,467	350,000	390,000	40,000	11.4%
Other	102	-	1,600	1,600	1.6%
Code Administrative	-	2,000	-	(2,000)	-100.0%
Total Fines & Forfeitures	\$ 791,570	\$ 980,000	\$ 974,800	\$ (5,200)	-0.5%
Use of Money & Property					
Interest	201,320	81,600	401,890	320,290	392.5%
Rental of Property	523,368	594,686	739,786	145,100	24.4%
Total Use of Money & Property	\$ 724,688	\$ 676,286	\$ 1,141,676	\$ 465,390	68.8%
Charges for Services					
Excess Fees of Clerk	205,585	152,000	205,500	53,500	35.2%
Miscellaneous Charges	372,328	345,214	413,184	67,970	19.7%
Animal Services Fees	23,136	20,640	23,000	2,360	11.4%
Ambulance Charges	2,003,206	2,300,000	2,000,000	(300,000)	-13.0%
Parks and Recreation Charges	1,723,461	1,801,753	1,700,751	(101,002)	-5.6%
Planning Charges	965,936	757,500	940,000	182,500	24.1%
Code Administrative Charges	1,097,256	792,285	1,064,000	271,715	34.3%
Total Charges for Services	\$ 6,390,908	\$ 6,169,392	\$ 6,346,435	\$ 177,043	2.9%

Revenue Projection

Stafford County FY2019 Adopted Budget

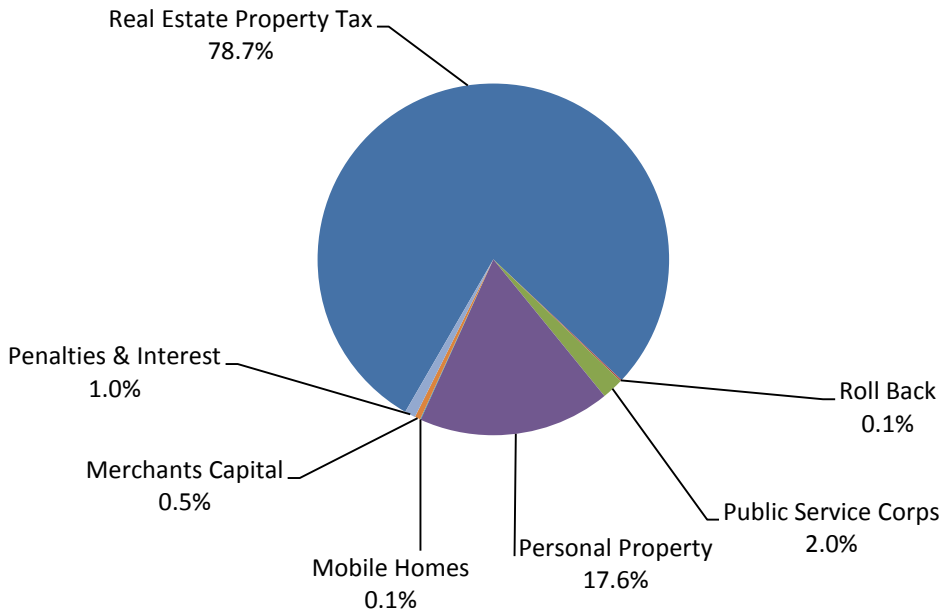
	FY2017 Actuals	FY2018 Adopted Budget (Restated)	FY2019 Adopted Budget	Changes '18 to '19	
State Revenue					
Other State Sources	1,236,724	916,112	1,073,352	157,240	17.2%
Personal Property PPTRA	12,542,261	12,542,262	12,542,261	(1)	0.0%
DMV Revenue	62,000	47,000	67,500	20,500	43.6%
State Social Services	1,654,988	1,959,922	2,107,711	147,789	7.5%
Children's Services Act	3,151,205	2,754,845	4,326,138	1,571,293	57.0%
Total State Revenue	\$ 18,647,178	\$ 18,220,141	\$ 20,116,962	\$ 1,896,821	10.4%
Shared Expenses					
Commonwealth's Attorney	1,079,609	1,104,225	1,120,126	15,901	1.4%
Sheriff	3,843,335	3,966,800	3,986,132	19,332	0.5%
Commissioner of Revenue	256,210	258,012	264,318	6,306	2.4%
Treasurer	256,382	261,945	256,870	(5,075)	-1.9%
Registrar/Electoral Board	53,204	50,000	55,000	5,000	10.0%
Clerk of Circuit Court	786,624	689,387	678,378	(11,009)	-1.6%
Total Shared Expenses	\$ 6,275,364	\$ 6,330,369	\$ 6,360,824	\$ 30,455	0.5%
Federal Funds					
Federal Payment in Lieu of Taxes	6,005	6,200	6,000	(200)	-3.2%
Public Safety Categorical	58,453	-	-	-	0.0%
Federal Social Services	3,066,671	3,339,184	3,767,355	428,171	12.8%
Total Federal Funds	\$ 3,131,129	\$ 3,345,384	\$ 3,773,355	\$ 427,971	12.8%
Miscellaneous Revenue					
Grant Revenue	36,802	358,000	358,000	-	0.0%
Federal Grant Revenue ⁽²⁾	677,671	1,129,284	742,185	(387,099)	-34.3%
Other State Grants	602,473	725,175	595,104	(130,071)	-17.9%
Payment in Lieu of Taxes	340,000	340,000	340,000	-	0.0%
Other Misc. Revenue	2,585,860	2,607,664	2,504,189	(103,475)	-4.0%
Misc. Social Services	41,863	38,150	33,250	(4,900)	-12.8%
Sales	8,834	1,000	10,200	9,200	920.0%
Proffers	1,474,416	-	-	-	0.0%
Defaulted Securities	117,059	-	-	-	0.0%
Sheriff Misc. Revenue	452,004	447,822	640,531	192,709	43.0%
Total Miscellaneous Revenue	\$ 6,336,982	\$ 5,647,095	\$ 5,223,459	\$ (423,636)	-7.5%
Transfers In/Other					
Transfer in from Tourism Fund	730,497	735,000	760,000	25,000	3.4%
Transfer in from Transportation Fund	26,000	40,000	32,000	(8,000)	-20.0%
Transfer in from R-Board	238,984	281,622	280,859	(763)	-0.3%
Other Financing Sources	122,820	71,700	66,700	(5,000)	-7.0%
Prior Use of Fund Balance	-	-	2,050,783	2,050,783	2050.8%
Total Transfers In/Other	\$ 1,118,301	\$ 1,128,322	\$ 3,190,342	\$ 2,062,020	182.8%
Total Revenue	\$ 285,685,281	\$ 287,745,279	\$ 305,128,954	\$ 17,383,675	6.0%

(1) The FY2018 Adopted Budget is restated to include Roll Back Taxes to provide comparative data with FY2019 Proposed Budget.

(2) The FY2018 Adopted Budget is restated to include a change to Federal Grants which projects the SAFER Grant for Fire and Rescue personnel.

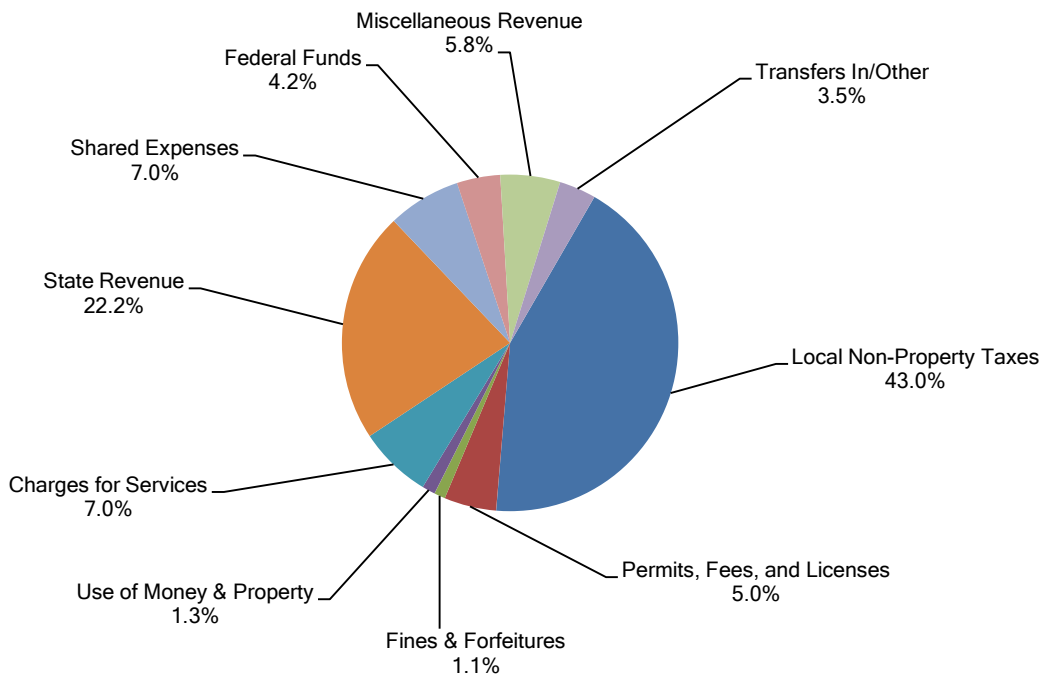
Property Taxes

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



Other Revenues

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



Fund Balance Analysis

This schedule indicates the allocation of the general fund balance at June 30, 2017 and the budgeted estimate for the end of FY2018. Maintaining an adequate general fund balance is an essential element of financial strength and stability. Adequate fund balance ensures maximum flexibility, and is available to be used for:

- Funding for emergency repairs
- Self-insurance to help offset any extraordinary costs
- A cash reserve to help stabilize monthly cash flow requirements
- A source of funding for capital projects to reduce reliance on debt
- A cash reserve to be combined with other temporary cash balances to promote higher interest rates for all short-term investments
- A cushion to help provide long-term financial stability

As part of its strategy to enhance the County's bond rating, the Board of Supervisors has established these goals for fund balance:

- The County shall maintain an unassigned fund balance that is not less than 12% of annual general fund revenues, not including transfers, reserves, and grants.
- Any amount in excess of the minimum unassigned fund balance will be assigned to these reserves, according to the following hierarchy and formulas:
 1. Revenue Stabilization Reserve (RSR): minimum of 2% of General Fund revenues.
 2. Capital Projects Reserve of \$1,500,000 will be used to reduce reliance on debt, to provide cash flow for capital projects, and to pay down high interest debt when advantageous.
 3. Stafford Opportunity Fund Reserve: \$500,000
- After reserves are met, the first \$250,000 of any remaining monies will be allocated to the Purchase of Development Rights program.
- Any remaining monies available after the reserve minimums and the allocation of funding for the Purchase of Development Rights will go to the Capital Projects Reserve.
- School's Capital Project Reserve of \$1,500,000 will be used to reduce reliance on debt, to provide cash flow for capital projects, and to pay down high interest debt when advantageous. Funds above the minimum level may be added to the reserve from unspent school funds.

As of June 30, 2017, all reserves were fully funded.

FY2018

Beginning Fund Balance	\$70,812,475
➤ Revenue Stabilization Reserve	5,728,303
➤ Stafford Opportunity Fund	500,000
➤ Capital Projects Reserve	4,370,561
➤ Schools' Capital Project Reserve	1,500,000
➤ Other reservations	29,531,280
➤ Unassigned	\$34,369,821 (12%)

FY2019

The County expects that all reserves will continue to be fully funded. It is assumed that the year-end unassigned fund balance and revenue stabilization reserve will be calculated on the greater of the current year's or upcoming year's revenues.

Fund Balance Analysis

Stafford County FY19 Adopted Budget

	<u>FY2016 Actual</u>	<u>FY2017 Actual</u>	<u>FY2018 Adopted Restated</u>	<u>FY2019 Adopted</u>
Fund balance, beginning of year	\$66,143,355	\$70,278,366	\$70,812,475	\$70,812,475
Revenues	274,292,250	285,658,095	287,673,579	303,011,471
Other Financing Sources	27,186	27,186	71,700	66,700
Planned Use of Prior Year Fund Balance	0	0	0	2,050,783
Total revenues & other financing sources	<u>\$274,319,436</u>	<u>\$285,685,281</u>	<u>\$287,745,279</u>	<u>\$305,128,954</u>
Local School Operating/Capital transfer	(113,254,828)	(112,072,288)	(116,406,746)	(123,120,574)
Debt Service - General Gov't & Schools	(42,425,467)	(44,665,779)	(45,607,413)	(45,607,413)
Expenditures	<u>(114,504,130)</u>	<u>(128,413,105)</u>	<u>(125,731,120)</u>	<u>(136,400,967)</u>
Total expenditures & transfer	<u>(\$270,184,425)</u>	<u>(\$285,151,172)</u>	<u>(\$287,745,279)</u>	<u>(\$305,128,954)</u>
Fund balance, end of year	<u>\$70,278,366</u>	<u>\$70,812,475</u>	<u>\$70,812,475</u>	<u>\$70,812,475</u>
 Fund Balance Allocation				
Non-spendable	\$181,993	\$691,811	\$691,811	\$691,811
Restricted	3,189,177	3,276,037	3,276,037	3,276,037
Committed:	10,672,838	19,234,206	19,234,206	19,234,206
Assigned	23,332,365	13,240,600	11,249,044	11,249,044
Unassigned	32,901,993	34,369,821	36,361,377	36,361,377
% of revenues	12.0%	12.0%	12.5%	12.0%
Target Unassigned Fund Balance ⁽¹⁾	32,901,993	34,369,821	36,361,377	36,361,377
Variance above (below)	0	0	0	0
Fund balance, end of year	<u>\$70,278,366</u>	<u>\$70,812,475</u>	<u>\$70,812,475</u>	<u>\$70,812,475</u>

** Fund Balance as Restated in the CAFR

⁽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.

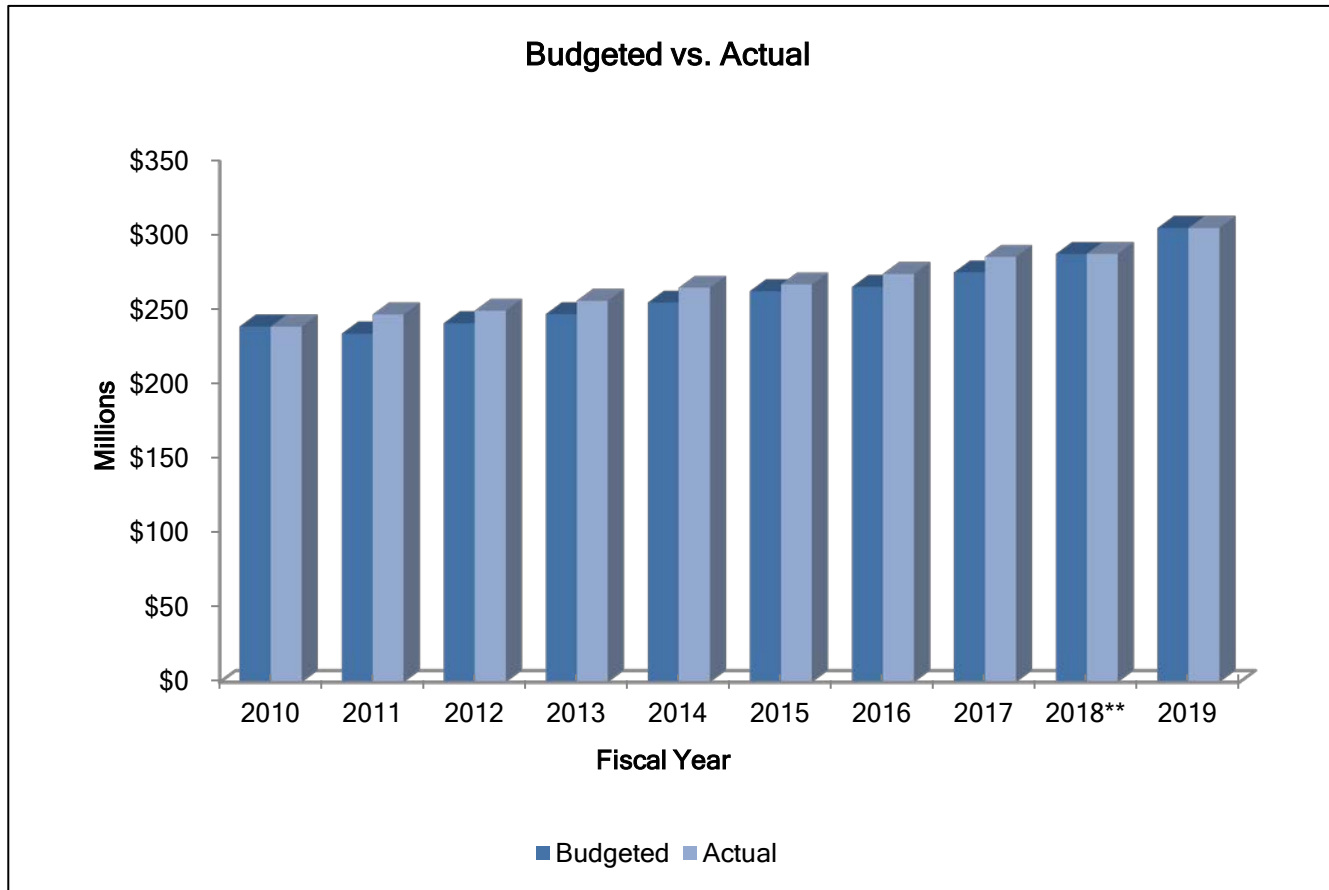
Ten-Year Revenue Analysis

The chart to the right illustrates the historical change year over year, as well as the variances between budgeted revenues and actual revenues.

Fiscal Year	Budgeted Revenues	vs.	Actual Revenues	Prior Year % Change
2010	238,985,663		238,872,052	0.4%
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		287,745,279 *	0.7%
2019	305,128,954		305,128,954 *	6.0%
Average				2.5%

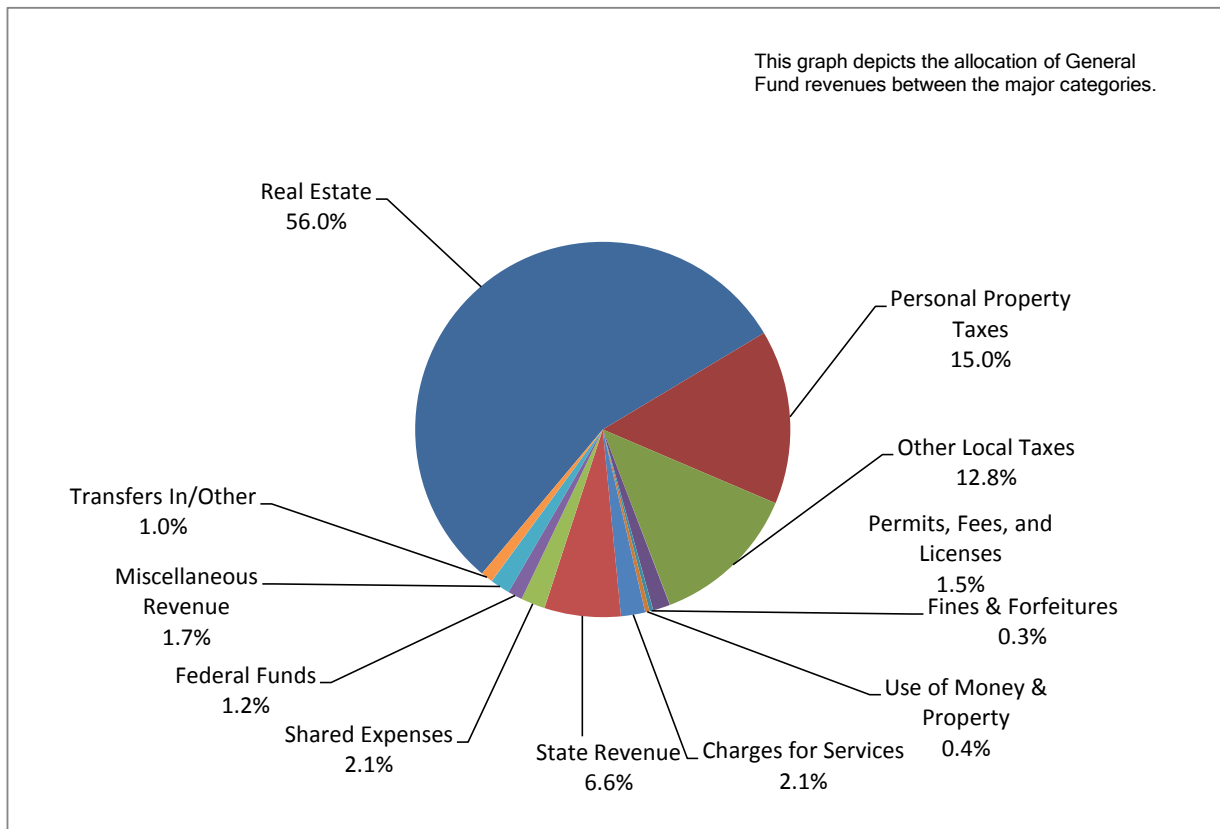
*Budget

** FY2018 Budget is amended to include Federal Grant and Roll Back Tax Revenue.



General Fund Revenue

Category	FY2018 Adopted Budget	FY2019 Adopted Budget	Changes '18 to '19	Budget as % of Total
Real Estate	\$160,500,000	\$168,773,272	\$8,273,272	5.2%
Personal Property Taxes	43,364,974	45,716,005	2,351,031	5.4%
Other Local Taxes	37,469,292	38,974,420	1,505,128	4.0%
Permits, Fees, and Licenses	3,914,024	4,537,404	623,380	15.9%
Fines & Forfeitures	980,000	974,800	(5,200)	-0.5%
Use of Money & Property	676,286	1,141,676	465,390	68.8%
Charges for Services	6,169,392	6,346,435	177,043	2.9%
State Revenue	18,220,141	20,116,962	1,896,821	10.4%
Shared Expenses	6,330,369	6,360,824	30,455	0.5%
Federal Funds	3,345,384	3,773,355	427,971	12.8%
Miscellaneous Revenue	5,647,095	5,223,459	(423,636)	-7.5%
Transfers In/Other	1,128,322	3,190,342	2,062,020	182.8%
Total	\$287,745,279	\$305,128,954	\$17,383,675	6.0%



FY2018 Adopted Budget is restated to include a Federal Grant Revenue for Fire and Rescue and Roll Back Taxes

General Fund Revenue Analysis

Stafford County FY19 Adopted Budget

General Property Taxes	FY2017 Actual	FY2018 Adopted Budget	FY2019 Proposed	Changes '18 to '19	
Real Property	\$154,921,257	\$160,500,000	\$168,773,272	\$8,273,272	5.2%
Roll Back	252,602	250,000	250,000	0	0.0%
Public Service Corps	4,467,984	4,467,436	4,293,340	(174,096)	-3.9%
Personal Property	36,478,864	35,514,738	37,816,000	2,301,262	6.5%
Merchants Capital	1,112,683	972,000	1,107,253	135,253	13.9%
Mobile Homes	163,494	180,800	149,412	(31,388)	-17.4%
Machinery & Tools	2,269	0	0	0	0.0%
Penalties	1,359,311	1,230,000	1,350,000	120,000	9.8%
Interest	740,401	750,000	750,000	0	0.0%
Total	\$199,498,865	\$203,864,974	\$214,489,277	\$10,624,303	5.2%

*FY2018 Adopted Budget is amended to include Roll Back Taxes and a Federal Grant for Fire and Rescue.

Real Property

The real estate tax is the single largest revenue source for the County, and is expected to generate \$168.8 million in FY2019, approximately 52.9% of general fund revenues. Each penny on the tax rate yields approximately \$1.6 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.

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

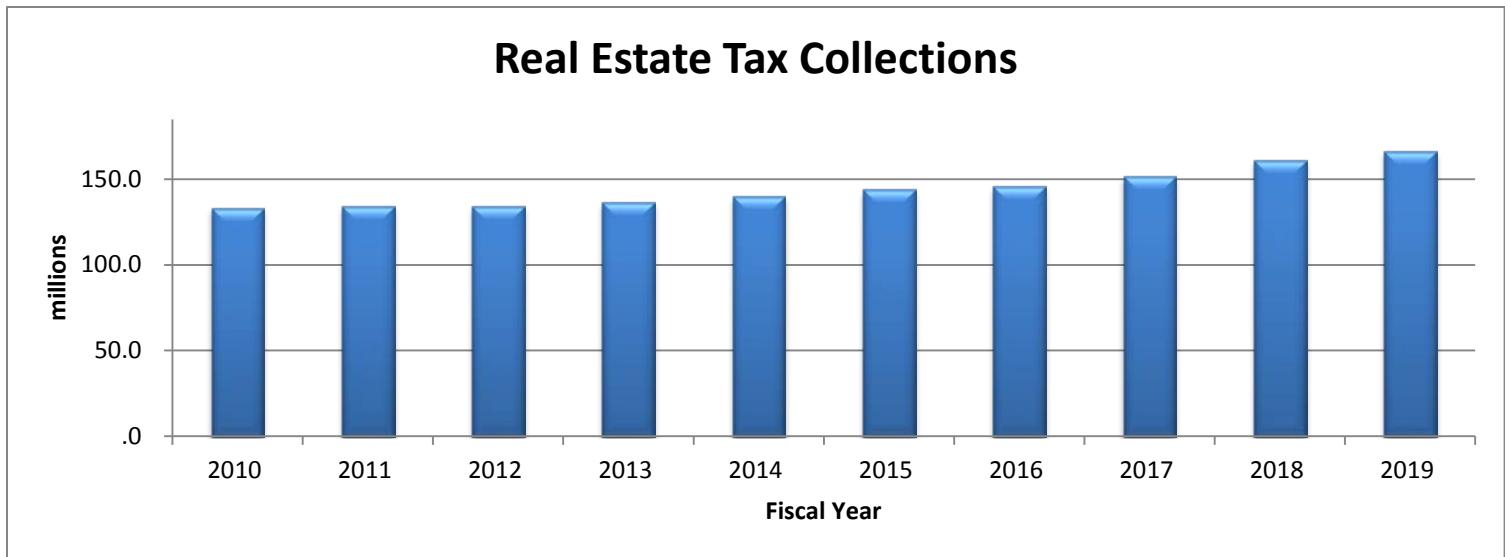
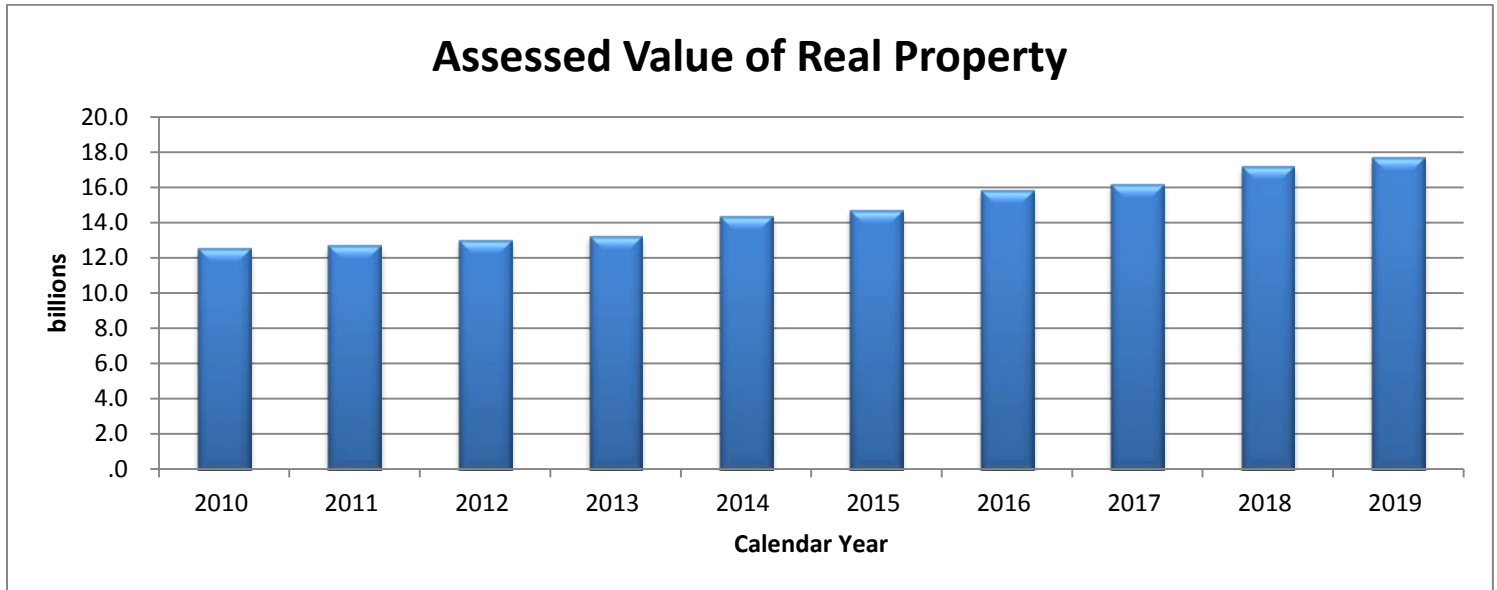
The real estate tax rate for calendar year 2018 was adopted at \$0.99, consistent with the previous year's rate. Taxes for real property are paid in two installments, due on December 5th and June 5th of each year.

The FY2019 real property revenue projection is based on the following assumptions:

- 1.5% growth in properties in the County
- \$0.99 real estate tax rate
- Collection rate of 98.0%

General Fund Revenue Analysis

The following charts illustrate historical and projected assessed value of real estate and tax collections. The charts assume growth in assessed value of 1.5% in the upcoming year and 1.5% per year thereafter. It is assumed that the real estate tax rate remains level or the effective rate is adopted in assessment years.



General Fund Revenue Analysis

Stafford County FY19 Adopted Budget

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 FY2019 projection assumes that this trend continues.

The Personal Property rate was adopted at the 2017 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.

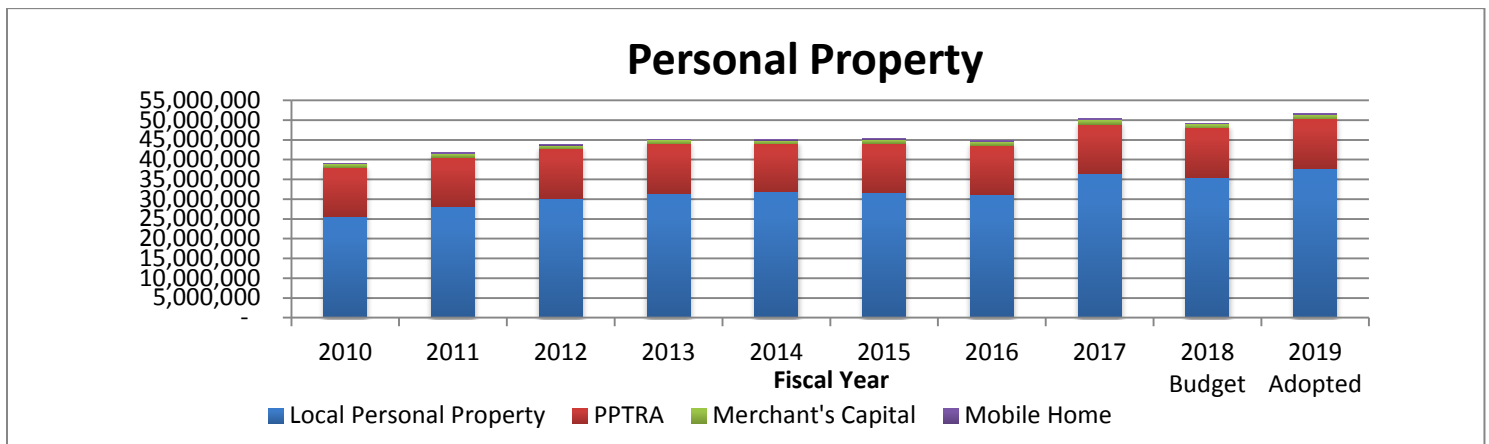
General Fund Revenue Analysis

The following table lists the personal property tax rates for calendar year 2018:

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	\$0.0000	\$0.0000
Merchants' Capital	\$0.50	\$0.20
Mobile Homes	\$0.965	\$0.965

Personal Property Tax Relief Act

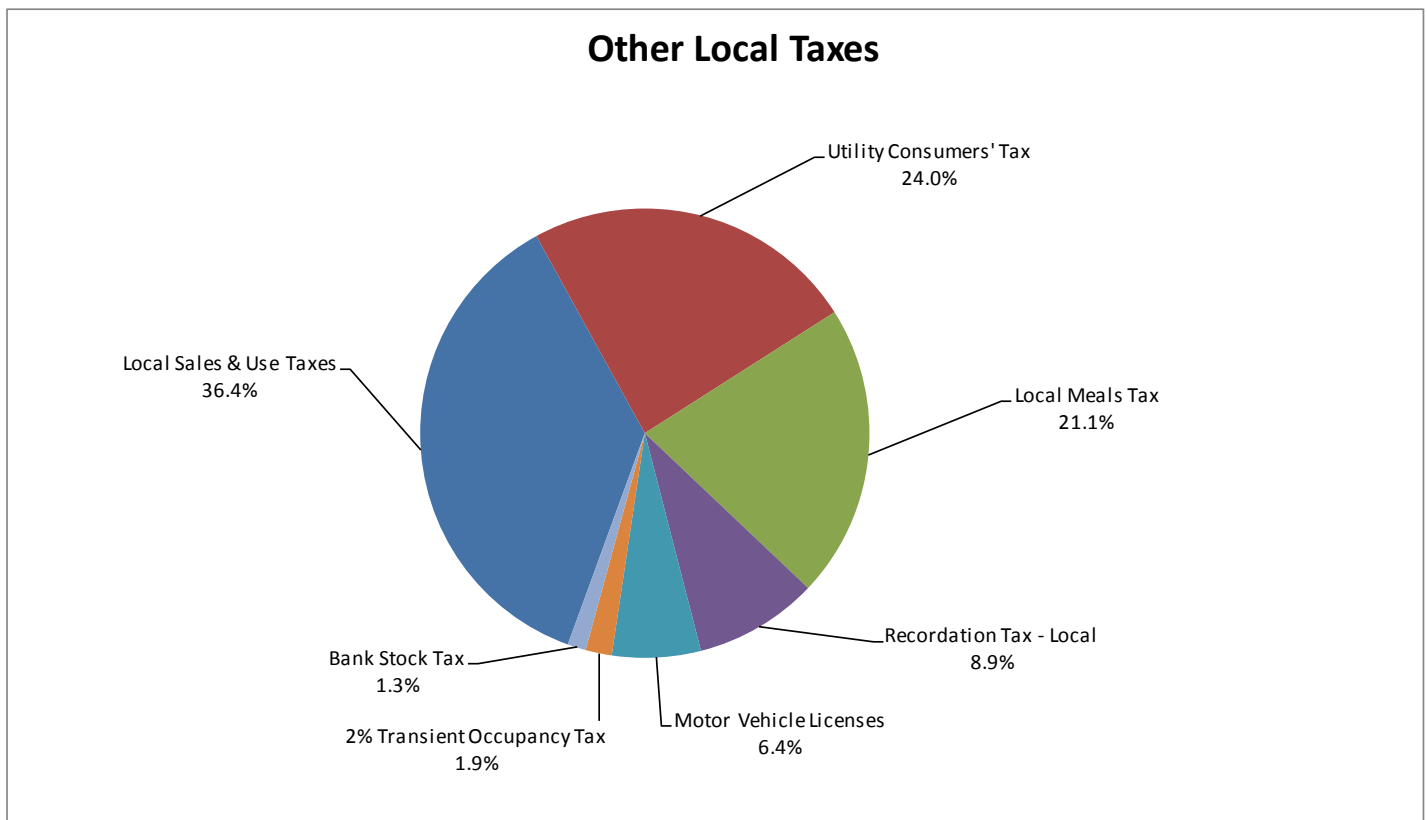
The General Assembly implemented the Personal Property Tax Relief Act (PPTRA) in 1998. Originally, under PPTRA, Virginia residents were to pay a decreasing percentage of personal property tax on qualifying vehicles until the entire tax was to be relieved in 2002. The program relieved the tax up to \$20,000 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

Stafford County FY19 Adopted Budget

Other Local Taxes	FY2017 Actual	FY2018 Adopted	FY2019 Proposed	Changes '18 to '19	
Local Sales & Use Taxes	\$13,641,300	\$13,250,000	\$14,445,750	\$1,195,750	9.0%
Utility Consumers' Tax	9,719,278	9,915,292	9,499,080	(416,212)	-4.2%
Local Meals Tax	8,022,545	8,100,000	8,369,000	269,000	3.3%
Recordation Tax - Local	3,661,902	3,180,000	3,525,196	345,196	10.9%
Motor Vehicle Licenses	2,522,370	2,500,000	2,525,000	25,000	1.0%
2% Transient Occupancy Tax	730,497	735,000	750,000	15,000	2.0%
Bank Stock Tax	503,926	440,000	519,044	79,044	18.0%
Total	\$38,801,818	\$38,120,292	\$39,633,070	\$1,512,778	4.0%



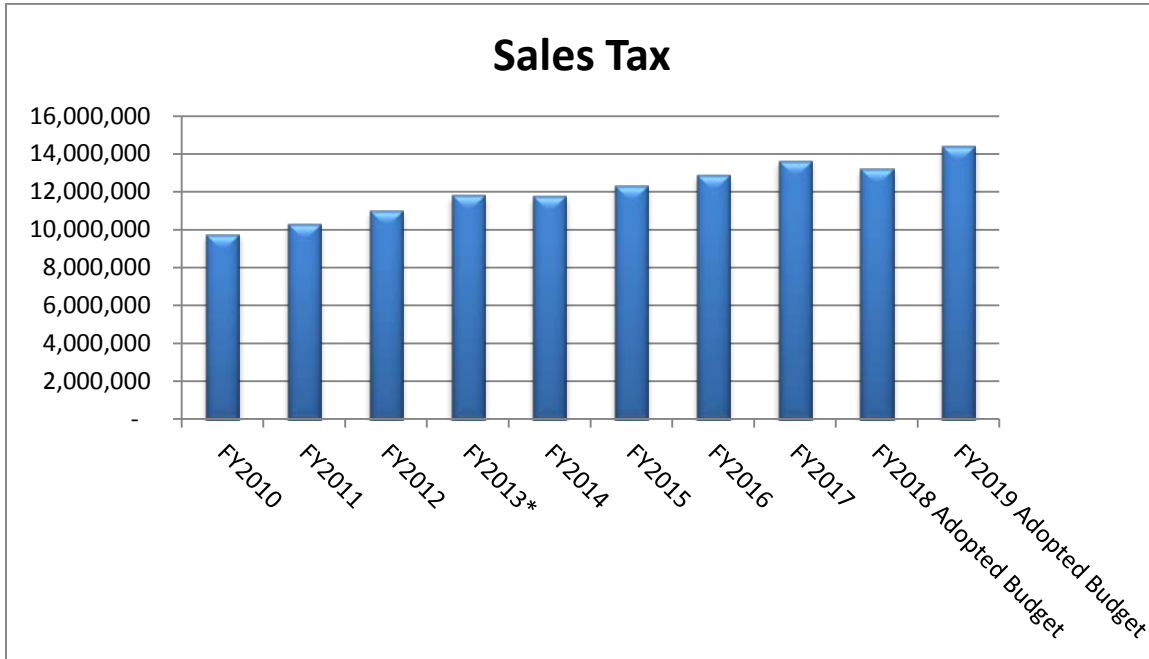
Local Sales & Use Tax

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 December 2017) is 5.4% higher than the same period in FY2017. The FY2019 forecast recognizes that growth and conservatively considers historical trends.

This chart reflects the recent history of sales tax revenue:

General Fund Revenue Analysis



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

General Fund Revenue Analysis

Stafford County FY19 Adopted Budget

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 O00-78 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:

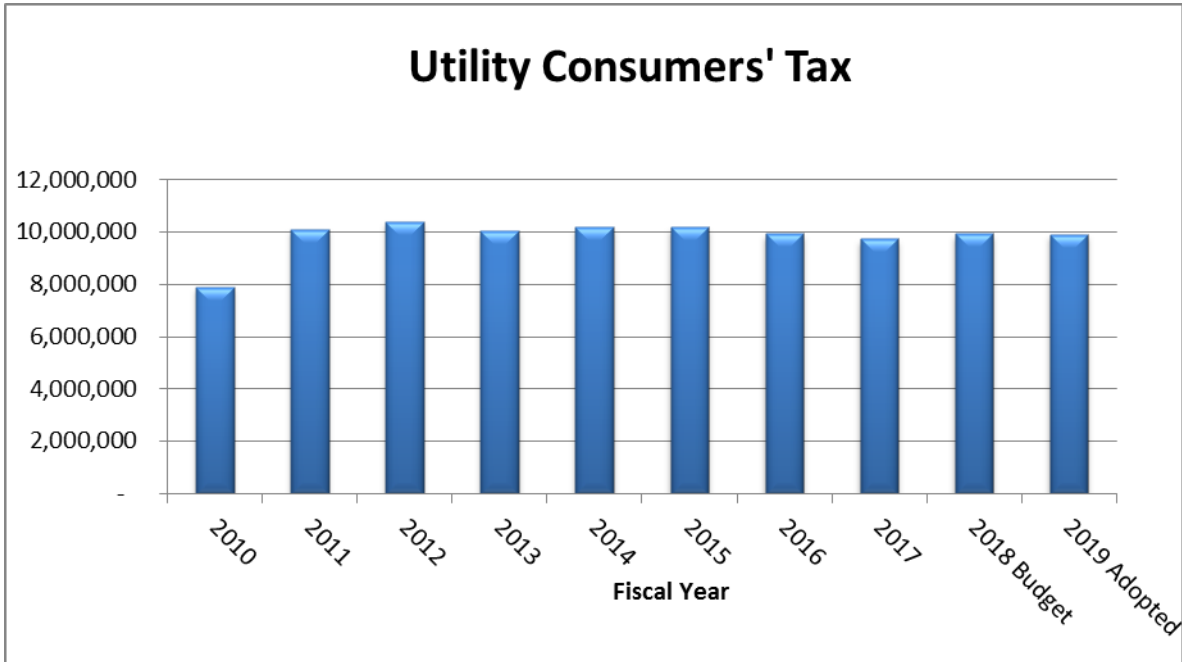
- Local exchange (local telephone calls)
- Inter-exchange (a new tax applied to long distance calls)
- Wireless (a new tax)
- Paging (a new tax)
- Cable and satellite television (the tax on satellite is a new tax)

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.

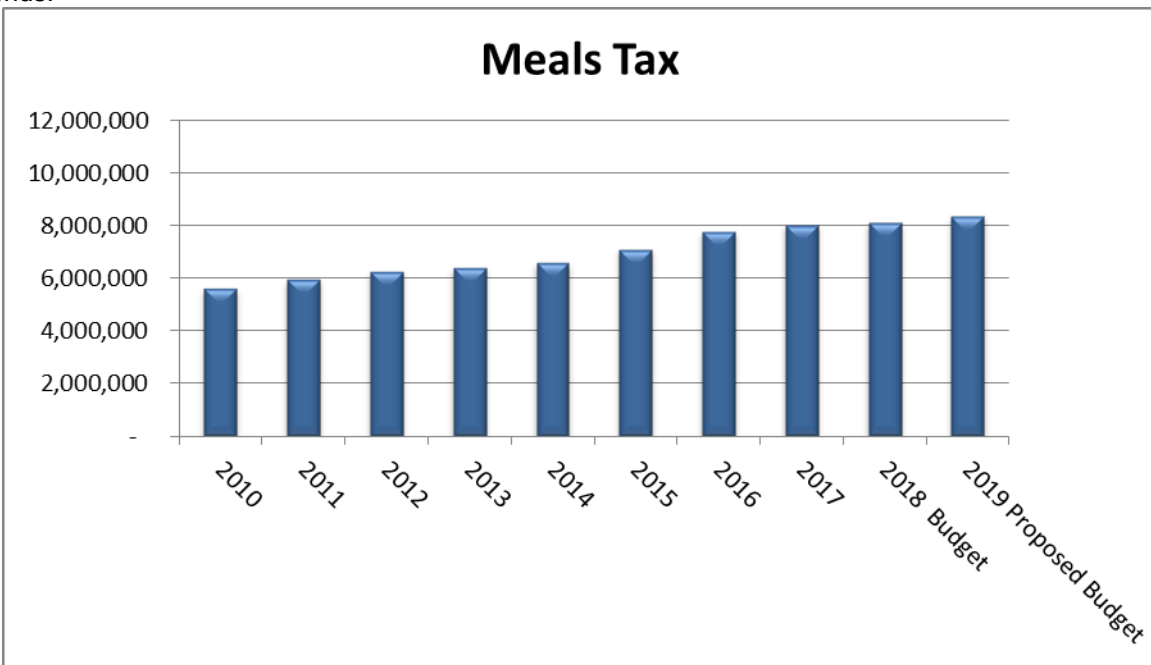
General Fund Revenue Analysis

Revenues generated by these taxes has decreased slightly, the FY2019 forecast reflects that trend.



Local Meals Tax

A meals tax of 4% 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 2017) is 4.3% higher than the same period in FY2017. The FY2019 forecast recognizes that growth and conservatively considers historical trends.

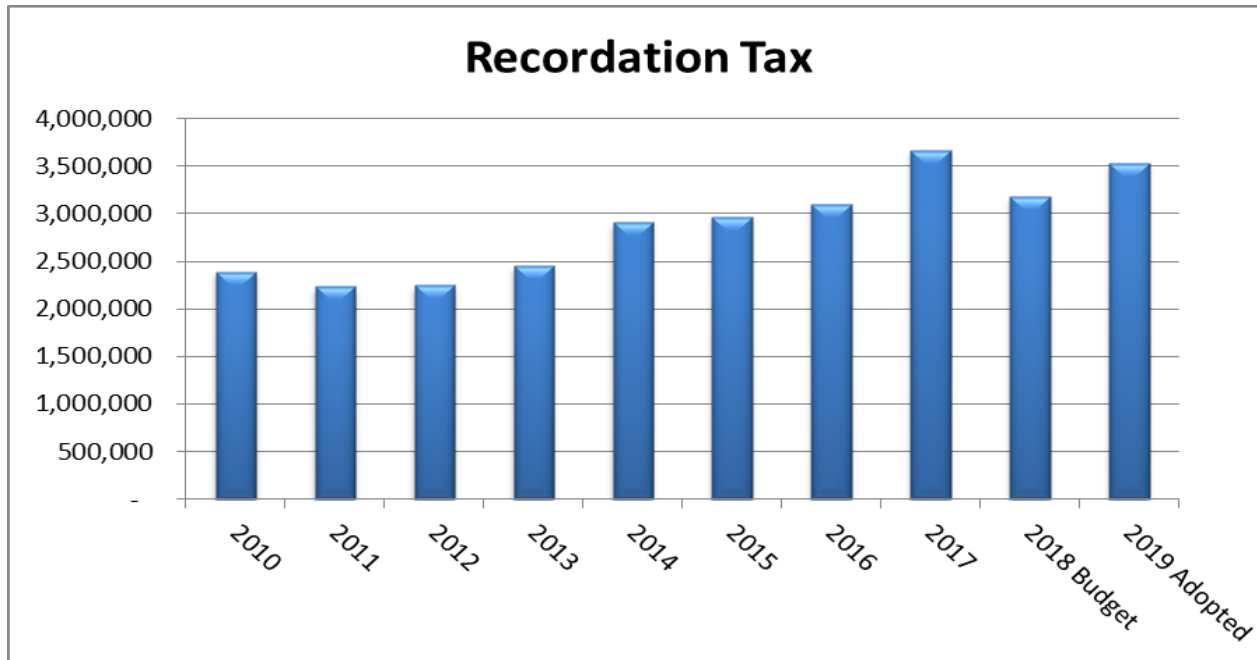


General Fund Revenue Analysis

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 (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 was higher than normal due in part to the increase in multi-family property in the County. The FY2019 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 \$2.5 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.

General Fund Revenue Analysis

Stafford County FY19 Adopted Budget

	FY2017 Actual	FY2018 Adopted	FY2019 Adopted	Changes '18 to '19	
Service Charges & Other					
Permits, Fees, and Licenses					
Animal License & Fees	66,069	65,200	11,200	(54,000)	-82.8%
Zoning Permits & Fees	617,993	741,300	519,900	(221,400)	-29.9%
Fire and Rescue Charges	490,037	424,000	477,680	53,680	12.7%
Building Permits & Fees	3,106,142	2,454,707	3,214,947	760,240	31.0%
Securities Fees	326,562	228,817	313,677	84,860	37.1%
Total Permits, Fees, and Licenses	\$ 4,606,803	\$ 3,914,024	\$ 4,537,404	\$ 623,380	-32.0%
Charges for Services					
Excess Fees of Clerk	205,585	152,000	205,500	53,500	35.2%
Miscellaneous Charges	372,328	345,214	413,184	67,970	19.7%
Animal Services Fees	23,136	20,640	23,000	2,360	11.4%
Ambulance Charges	2,003,206	2,300,000	2,000,000	(300,000)	-13.0%
Parks and Recreation Charges	1,723,461	1,801,753	1,700,751	(101,002)	-5.6%
Planning Charges	965,936	757,500	940,000	182,500	24.1%
Code Administrative Charges	1,097,256	792,285	1,064,000	271,715	34.3%
Total Charges for Services	\$ 6,390,908	\$ 6,169,392	\$ 6,346,435	\$ 177,043	2.9%

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.

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

General Fund Revenue Analysis

Stafford County FY19 Adopted Budget

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 \$1.7 million in the Adopted Budget.

General Fund Revenue Analysis

Stafford County FY19 Adopted Budget

Intergovernmental	FY2017 Actual	FY2018 Adopted	FY2019 Adopted	Changes '18 to '19	
State - Shared Expenses					
Commonwealth's Attorney	\$1,079,609	\$1,104,225	\$1,120,126	\$15,901	1.4%
Sheriff	3,843,335	3,966,800	3,986,132	19,332	0.5%
Commissioner of Revenue	256,210	258,012	264,318	6,306	2.4%
Treasurer	256,382	261,945	256,870	(5,075)	-1.9%
Registrar/Electoral Board	53,204	50,000	55,000	5,000	10.0%
Clerk of Circuit Court	786,624	689,387	678,378	(11,009)	-1.6%
State & Federal - Social Services	4,789,522	5,377,256	5,940,316	563,060	10.5%
State -Childrens Services Act	3,151,205	2,754,845	4,326,138	1,571,293	57.0%
State Categorical Aid:					
State Reimbursement	503,168	247,245	282,993	35,748	14.5%
State Fire Program Fund	418,496	418,495	431,625	13,130	3.1%
Emergency Medical Service	119,932	115,746	115,746	0	0.0%
State - Non Categorical Aid	523,443	469,000	505,592	36,592	7.8%
Federal	742,129	1,278,685	748,185	(530,500)	-41.5%
Total	\$16,523,259	\$16,991,641	\$18,711,419	\$1,719,778	10.1%

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

Mandated services under the Children's Services Act (CSA) are partially reimbursed by the state. Stafford continues to maximize the use of community based services and collaborating in partnership with all of the mandated agencies within the CSA system. The FY2019 Proposed Budget increase of \$1.6 million is due largely to the projected increase in private day school. The projected expenditures have increased \$2.7 million, with a projected state funding of 55.6%. The remaining CSA revenues support other mandated services under this act. This budget assumes that we will continue to collaborate with the Schools and other agencies, enabling us to serve an increasing number of these children in the 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.

Assessed Value Of Real Property

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%.

Real Property vs. Population

This graph depicts the change in the assessed value of taxable real property, as compared with population.

