

APPENDIX A
INFORMATION REGARDING
SPOTSYLVANIA COUNTY, VIRGINIA

TABLE OF CONTENTS TO APPENDIX A

INTRODUCTION	3
GOVERNMENT	3
PRINCIPAL EXECUTIVE OFFICERS.....	4
SPOTSYLVANIA COUNTY ORGANIZATIONAL CHART	5
CERTAIN COUNTY ADMINISTRATIVE AND FINANCIAL STAFF MEMBERS	6
SERVICES PROVIDED BY THE COUNTY	7
Public Schools	7
Higher Education.....	9
Water and Sewer System.....	9
Solid Waste Management	10
Health Care	10
Public Library.....	10
Parks and Recreation	10
Transportation.....	11
ECONOMIC AND RELATED DATA	11
Population Figures	11
Income Profile	12
Construction Activity	12
Housing.....	13
Business and Labor.....	13
Unemployment Rate	18
Taxable Retail Sales	19
ACCOUNTING SYSTEM AND ANNUAL AUDIT	19
BUDGET	20
FISCAL POLICY GUIDELINES	21
CAPITAL IMPROVEMENT PLAN.....	21
SELECTED FINANCIAL INFORMATION	23
DEBT MANAGEMENT	24
OPERATING DATA	28
PENSION PLAN	32
POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS.....	32
LABOR RELATIONS	33

INFORMATION REGARDING SPOTSYLVANIA COUNTY, VIRGINIA

Introduction

Located in the northeastern section of Virginia, Spotsylvania County is bounded on the north by the Rappahannock and Rapidan Rivers, on the south by the North Anna River, on the west by Orange County, and on the east by Caroline County. The City of Fredericksburg borders the County to the northeast. The County is approximately 55 miles north of Richmond, Virginia and 55 miles south of Washington, D.C.

The County was formed in 1721 from sections of the Counties of Essex, King William and King and Queen. It was named for Alexander Spotswood, who was Royal Colonial Governor of Virginia from 1710 to 1722. A fort had been built at the falls of the Rappahannock River in 1676 and settlement started around 1700. Germanna was established as the first county seat in 1722. It had been settled in 1714 by a colony of Germans who were brought to the area by Governor Spotswood. The county seat was moved to Fredericksburg in 1732, to “Old Court House” in 1788, and to Spotsylvania in 1839, where it has remained.

Government

The Board of Supervisors (the “Board”) is the governing body of the County. The Board is comprised of seven members elected from seven voting districts in the County: Battlefield, Berkeley, Chancellor, Courtland, Lee Hill, Livingston and Salem. Each member is elected for a four-year term. The Board members select from among themselves a Chair and a Vice-Chair for one-year terms. The Board is elected to staggered terms, with three members elected in one election cycle and the remaining four members elected in a different election cycle. Terms of four current members expire on December 31, 2019. Terms of the remaining three current members expire on December 31, 2021.

The County functions under a traditional form of government with a County Administrator. Under this form of government, the elected officials include the members of the Board, the Treasurer, the Commissioner of the Revenue, the Sheriff, the Clerk of the Circuit Court and the Commonwealth’s Attorney. Mental Health/Mental Retardation Services are provided by the Community Services Board. The Health Department and the Court System are under the control of the Commonwealth of Virginia. All other functions of the County government are managed by department directors that in turn report to the County Administrator. The County Administrator also serves as head of the Social Services Administrative Board.

The County Administrator is appointed by the Board to act as the Board’s agent in the administration and operation of the departments and agencies. All departments directly responsible to the Board report to the County Administrator, and he or she acts as the Board’s liaison to all other departments and agencies. The County Administrator serves at the pleasure of the Board, carries out its policies and directs business procedures.

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Principal Executive Officers

<u>Official</u>	<u>Name</u>	<u>Term and Manner of Selection</u>	<u>Length of Service With County</u>	<u>Expiration of Term</u>
Chairperson and Board Member (Livingston District)	Greg Benton	4 Years (Elected)	27 Years ¹	12/31/19
Vice Chairperson and Board Member (Salem District)	Paul D. Trampe	4 Years (Elected)	6-½ Years	12/31/19
Board Member (Berkeley District)	Kevin Marshall	4 Years (Elected)	15-½ Years ²	12/31/21
Board Member (Chancellor District)	Timothy J. McLaughlin	4 Years (Elected)	6-½ Years	12/31/21
Board Member (Courtland District)	David Ross	4 Years (Elected)	6-½ Years	12/31/19
Board Member (Lee Hill District)	Gary F. Skinner	4 Years (Elected)	10-½ Years	12/31/21
Board Member (Battlefield District)	Chris Yakabowski	4 Years (Elected)	8-½ Years	12/31/21
County Administrator	Mark B. Taylor	Appointed by Board	13 Years ³	Pleasure of Board
County Attorney	Karl R. Holsten	Appointed by Board	5 Years ⁴	Pleasure of Board
Deputy County Administrator	Mark L. Cole	Appointed by County Administrator	5-½ Years	Pleasure of County Administrator
Commissioner of the Revenue	Deborah F. Williams	4 Years (Elected)	31 Years	12/31/19
Treasurer	Larry K. Pritchett	4 Years (Elected)	44 Years	12/31/19
Superintendent of Schools	Dr. S. Scott Baker	Appointed by School Board	6 Years	Pleasure of School Board
Director of Finance	Mary S. Sorrell	Appointed by County Administrator	31 Years ⁵	Pleasure of County Administrator
Deputy County Administrator	Edward Petrovitch	Appointed by County Administrator	12 Years	Pleasure of County Administrator

Source: Office of the County Administrator, Spotsylvania County.

¹ Served as a Deputy Sheriff from 1992-2011 and served as a Firefighter from 2012 until his retirement in March 2017.

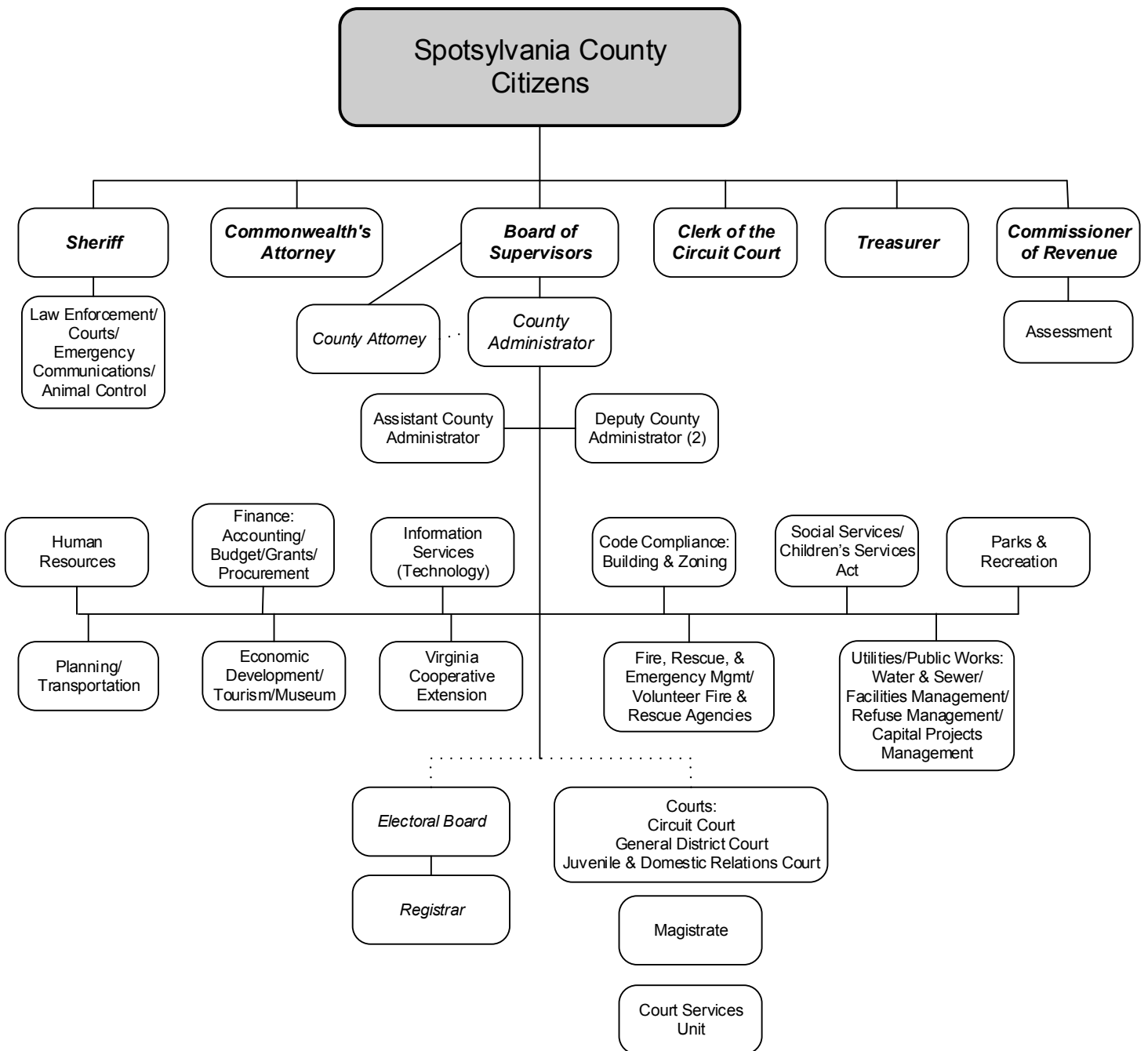
² Served as a Firefighter since 2002, and joined the Board of Supervisors in 2018.

³ Served as Deputy County Attorney during years 1996-2000 and as County Attorney during years 2000-2006. Appointed to serve as County Administrator, effective June 1, 2015.

⁴ Served as Deputy County Attorney since 2013, Interim County Attorney, effective March 31, 2016, and County Attorney effective September 27, 2016.

⁵ Previously served as Chief Deputy Treasurer from 1987-1999 and Budget Manager from 1999-2015. Appointed to serve as Director of Finance, effective June 1, 2015.

Spotsylvania County Organizational Chart



LEGEND

Elected Official/Constitutional Officer

Appointed Official

..... Does not report directly to County Administration

Certain County Administrative and Financial Staff Members

Mark B. Taylor, Esq., County Administrator, was appointed effective June 1, 2015. He has worked for Spotsylvania County for 10 years previously, serving as Deputy County Attorney from 1996 to 2000, and County Attorney from 2000 to 2006. He has served as a Virginia local government attorney for 26 years. He has a Juris Doctorate degree from the University of North Carolina at Chapel Hill, and a Bachelor of Arts degree awarded with University Honors from American University, Washington, D.C. in Psychology and Philosophy. Mr. Taylor holds a Malcolm Baldrige certificate in Performance Management. He is also a member of the Virginia Local Government Management Association, the Local Government Attorneys of Virginia, and the Virginia State Bar.

Karl R. Holsten, Esq., County Attorney, was appointed to his current position on September 27, 2016 after serving as either a Deputy County Attorney or the Interim County Attorney for a total of three years. He earned a Bachelor of Arts (Political Science) degree and a Juris Doctor degree from the University of Richmond. After graduating from law school, Mr. Holsten worked in the City Attorney's office for the City of Richmond for approximately 10 years, rising to the position of Senior Assistant City Attorney, before joining the Spotsylvania County Attorney's Office in 2013 as a Deputy County Attorney.

Mark L. Cole, Deputy County Administrator, was appointed effective January 2, 2013. Prior to this appointment, he was a Program Manager and Systems Analyst for a major defense contractor for more than 27 years. From 1980 to 1985 he served as an officer in the US Navy and continued to serve in the Navy Reserve before retiring as a Commander in 2004. He is currently a member of the Virginia House of Delegates and previously served as a member of the Spotsylvania County Board of Supervisors. He holds Bachelor degrees in Computer Science and Civil Engineering Technology from Mary Washington College and Western Kentucky University, and is a member of the American Legion and the Veterans of Foreign Wars.

Edward Petrovitch, E.M.B.A., Deputy County Administrator, was appointed in April 2008. Prior to his appointment, he served as Deputy Director of Utilities since August 2006. Prior to his employment with the County, he was employed by Fairfax County Water Authority for 29 years. In his tenure with Fairfax County Water Authority he held several positions of increasing responsibility and last served as the Manager of Water Production and Quality. He holds a Bachelor of Science degree and an Executive Master degree in Business Administration from Virginia Commonwealth University. He is a life member of the Beta Gamma Sigma Honor Society for accredited business school graduates. His professional affiliations include the American Water Works Association and the Water Environment Federation. He also served as an adjunct professor for Germanna Community College, where he taught courses in strategic planning and quality management.

Mary S. Sorrell, Director of Finance, was appointed in May 2015. She was the County's Budget Manager from June 1999 to May 2015 and was the County's Chief Deputy Treasurer from January 1988 to June 1999. In 1998 she received certification as a Certified Governmental Deputy Treasurer from the University of Virginia's Center for Public Service and Division of Continuing Education. She is a member of the Government Finance Officers Association.

Larry K. Pritchett, Treasurer, has served as Treasurer since January 1988. He was an accountant with the County from July 1974 to January 1975 and from July 1978 to January 1979 served as Interim County Administrator. He also served as Finance Officer of the County from February 1975 to December 1987. He holds an Associate degree in Business Administration from Germanna Community College and a Bachelor of Science degree in Accounting from Virginia Polytechnic Institute and State University. He is a member and past president of the Virginia Treasurers Association, and is a member of the National Association of County Treasurers and Finance Officers. He holds the certification of Master Governmental Treasurer and the Treasurer's Office is accredited through the Virginia Treasurers Association and the Weldon Cooper Center for Public Service of the University of Virginia.

Deborah F. Williams, Commissioner of Revenue, has served in that capacity since January 1, 1996. Prior to this date, Ms. Williams was the Assistant to the Commissioner and Meals Tax Administrator for eight years. She holds a Bachelor of Science degree in Education from Radford University. She is currently a member of the Northern Virginia League of Commissioners of the Revenue, the Virginia Association for Local Executive Constitutional Officers, the Virginia Association of Assessing Officers, the International Association of Assessing Officers and the Commissioners of the Revenue Association. In 1998, she received certification as a Certified Commissioner of the

Revenue by the University of Virginia, Weldon Cooper Center for Public Service and the Division of Continuing Education.

Dr. S. Scott Baker, Superintendent of Schools, was appointed as the Superintendent effective July 1, 2012. Dr. Baker has a Bachelor of Science (English) degree from Radford University; a Master of Education degree from Virginia Commonwealth University; and a Doctorate of Education in Administration and Supervision from the University of Virginia. He has spent 20 years in Virginia public schools as a teacher, principal and administrator. Prior to his appointment as Superintendent, he served for one year as the Assistant Superintendent of Instruction in Spotsylvania. Previously, he served in Hanover County as an assistant principal, principal, and the Director of Curriculum and Instruction, and as a teacher of special education, theatre, and English in other Virginia localities.

Services Provided by the County

The County provides general governmental services for its citizens including but not limited to emergency medical services and fire protection, collection and disposal of refuse, water and sewer services, parks and recreation, libraries/culture, health and social services. Other services provided by the County, which receive partial funding from the State, include public education in grades kindergarten through twelve and certain technical, vocational and special education, mental health assistance, agricultural services, law enforcement and judicial activities.

Public Schools

The County school system (the "School System") is governed by an elected seven-member School Board. The School Board appoints a school superintendent who serves at the pleasure of the School Board (as he has no right to automatic contract approval) and is responsible for the operation of the School System in accordance with Virginia laws, regulations of the Virginia Board of Education, and the policies and regulations of the School Board. The superintendent recommends and the School Board appoints a staff that directs the School System.

The School Board presents an annual budget to the Board. The Board makes annual appropriations for school operations, but has limited authority over how the appropriations are spent. The school system's non-capital expenses are funded by the Commonwealth of Virginia (approximately 47.3%), federal funds (approximately 5.3%), fees charged for services (approximately 4.3%, the majority being in the School Food Service program), use of prior years' School Food Service and Joint Fleet fund balances (approximately 0.3%), and a transfer of revenues from the County's General Fund (approximately 42.8%).

Summary of Certain School Statistics

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Kindergarten	1,714	1,588	1,565	1,586	1,567
Elementary (Grades 1-7)	12,450	12,518	12,316	12,182	12,325
Secondary (Grades 8-12)	9,282	9,355	9,437	9,424	9,521
Special Education*	<u>327</u>	<u>356</u>	<u>360</u>	<u>400</u>	<u>401</u>
Total Enrollment	23,773	23,817	23,678	23,592	23,814
Teachers & Administrators	1,891	1,894	1,932	1,948	1,958
Other Employees	<u>1,119</u>	<u>1,124</u>	<u>1,147</u>	<u>1,159</u>	<u>1,137</u>
Total Employees	3,010	3,018	3,079	3,107	3,095**
Elementary & Intermediate	24	24	24	24	24
Secondary (Includes Vocational)	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Total Buildings	31	31	31	31	31

Source: Superintendent of Schools, Spotsylvania County.

As of September 30 of each school year.

* Includes pre-kindergarten and Head Start.

** The reduction in employees in Fiscal Year 2018 was largely due to attrition, after which maintenance and food service positions were outsourced.

Data on Existing Public Schools

<u>School</u>	<u>Grade</u>	<u>Site Size</u>	<u>Original Construction Date</u>	<u>Date of Additions</u>	<u>Institutional Capacity</u>	<u>2017-18 Enrollment</u>
Elementary:						
Battlefield	K-5	30.0 Acres	1974	2000	833	649
Berkeley	K-5	17.0 Acres	1961	1971, 1979, 2000, 2005	353	294
Brock Road	K-5	24.4 Acres	1992	2004	907	658
Cedar Forest	K-5	52.4 Acres	2008	---	936	749
Chancellor	K-5	12.0 Acres	1940	1948, 1961, 2000	455	441
Courthouse Road	K-5	25.0 Acres	1994	2005	907	809
Courtland ⁽¹⁾	K-5	-----	1989	2000	789	535
Harrison Road ⁽²⁾	K-5	-----	2001	2006	936	792
Lee Hill	K-5	21.0 Acres	1977	1990, 1999	807	669
Livingston	K-5	15.5 Acres	1961	1971, 1992	504	406
Parkside	K-5	26.8 Acres	1994	2007	936	865
Riverview	K-5	25.0 Acres	1994	2005	907	619
Robert E. Lee	K-5	14.1 Acres	1952	1977	585	540
Salem	K-5	20.0 Acres	1979	1989, 1999	815	646
Smith Station	K-5	23.0 Acres	1991	1999, 2004	986	678
Spotswood	K-5	20.0 Acres	1965	1971, 2000	641	551
Wilderness	K-5	25.0 Acres	1998	2003	936	719
Middle:						
Battlefield	6-8	30.0 Acres	1978	2003	807	834
Chancellor ⁽²⁾	6-8	-----	1989	---	857	861
Freedom	6-8	76.7 Acres	2003	---	948	769
Ni River	6-8	75.0 Acres	1999	---	774	723
Post Oak ⁽³⁾	6-8	-----	2007	---	948	727
Spotsylvania	6-8	41.7 Acres	1968	1973	907	909
Thornburg	6-8	50.0 Acres	1994	---	790	715
Secondary:						
Chancellor	9-12	100.0 Acres	1988	---	1,427	1,268
Courtland	9-12	100.0 Acres	1980	--	1,265	1,179
Massaponax	9-12	100.0 Acres	1998	2005	1,830	2,027
Riverbend	9-12	90.7 Acres	2004	---	1,995	1,981
Spotsylvania	9-12	100.0 Acres	1994	---	1,611	1,180
Spotsylvania Vocational Ctr ⁽¹⁾⁽⁴⁾	---	-----	1980	1993	---	---
Alternative:						
John J. Wright ⁽⁵⁾	K-12	20.0 Acres	1952	1962, 1982, 2008	n/a	n/a
Pre-K						⁽⁵⁾
Alt Education					90	21
<u>Total</u>					<u>27,482</u>	<u>23,814</u>

Source: Superintendent of Schools, Spotsylvania County.

⁽¹⁾ On same site as Courtland High School.

⁽²⁾ On same site as Chancellor High School.

⁽³⁾ On same site as Spotsylvania High School.

⁽⁴⁾ Included in high school enrollments.

⁽⁵⁾ Pre-K enrollment is counted at the home elementary schools above. However, such enrollment for the 2017–2018 school year was 401 as of September 30, 2017.

Actual and Projected Daily Student Enrollment by Grade⁽¹⁾

Grade	Actual Daily Student Enrollment by Grade				Projected Daily Student Enrollment by Grade				
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Pre-K	356	360	400	401	401	401	401	401	401
K	1,588	1,565	1,586	1,567	1,578	1,692	1,667	1,667	1,730
1	1,774	1,612	1,579	1,664	1,626	1,654	1,771	1,741	1,765
2	1,798	1,776	1,602	1,652	1,680	1,653	1,679	1,795	1,791
3	1,713	1,801	1,792	1,646	1,669	1,712	1,679	1,706	1,848
4	1,791	1,716	1,771	1,854	1,663	1,699	1,739	1,703	1,751
5	1,842	1,812	1,760	1,836	1,872	1,693	1,725	1,766	1,751
6	1,787	1,785	1,850	1,788	1,853	1,902	1,719	1,748	1,812
7	1,813	1,814	1,828	1,885	1,805	1,879	1,931	1,741	1,791
8	1,836	1,867	1,858	1,865	1,903	1,831	1,907	1,953	1,785
9	2,087	2,017	2,014	2,043	2,050	2,071	1,993	2,078	2,070
10	1,835	1,928	1,928	1,910	1,932	1,947	1,965	1,894	1,992
11	1,828	1,773	1,824	1,839	1,877	1,908	1,921	1,941	1,817
12	1,769	1,852	1,800	1,864	1,987	2,036	2,065	2,082	2,121
Total	23,817	23,678	23,592	23,814	23,896	24,078	24,162	24,216	24,425

Source: Superintendent of Schools, Spotsylvania County.

⁽¹⁾ As of September 30 of each school year.

Higher Education

Local opportunities for higher education are Germanna Community College, the University of Mary Washington and Strayer University. Germanna Community College, a unit of the Virginia Community College System with an approximate enrollment of more than 9,000, offers technical, arts and sciences, and business courses leading to an associate degree. Strayer University enrolls approximately 1,000 students each quarter from an eight-county service region. The local campus, one of nine campuses in the metropolitan Washington D.C., Maryland and Northern Virginia areas, offers associate, bachelor and master degrees in the fields of accounting, business, and computer information systems. The University of Mary Washington is a state-supported residential and co-educational liberal arts institution with an enrollment of approximately 4,300. The college offers a broad range of academic programs, including bachelor degrees in arts and science and also master degrees in business administration, education and information systems.

In addition, a number of public and private institutions are within 100 miles of the County. To the west and north are the University of Virginia in Charlottesville, George Mason University in Fairfax, and Northern Virginia Community College in Northern Virginia. To the south in Ashland is Randolph-Macon College and in Richmond are the University of Richmond, Virginia Union University, and Virginia Commonwealth University and its medical sciences division, the Medical College of Virginia. Other schools within the City of Richmond offer specialized secretarial and/or technical training.

Water and Sewer System

Prior to 1971, water and sewer services were provided through a service authority, a sanitary district and the City of Fredericksburg. In 1975, the Department of Utilities was established as an enterprise fund and took over the assets of the service authority and the sanitary district. The Department of Utilities became financially self-supporting in 1981. The Department is managed by the Director of Utilities, who reports to the County Administrator, with ultimate authority resting with the Board. The Department has a staff of 121.50 employees, who are responsible for operating and maintaining the System.

The County water and sewer system currently serves over 30,000 residential and non-residential customers within the County and includes over 1,000 miles of water and sewer mains and laterals. The County's waterworks also provides the City of Fredericksburg with water and up to 1.5 million gallons per day ("MGD") of wastewater treatment. The water system consists of the 6 MGD Ni River Reservoir Water Treatment Plant, the 15 MGD Motts Run Water Treatment Plant and eight water storage tanks with a total storage capacity of 7 million gallons. The sewer system consists of the 9.4 MGD Massaponax Wastewater Treatment Plant, the 4 MGD FMC Wastewater Treatment Plant, and a 0.35 MGD plant at Thornburg. All biosolids generated by the wastewater treatment facilities are composted at the County owned and operated Livingston's Blend compost facility.

Solid Waste Management

The waste management needs of County residents are currently met by the Livingston Sanitary Landfill, a 565-acre multi-phase site located in the southwestern part of the County. The County is currently in Phase I, which consists of 65 acres, and has a life expectancy of at least 5 more years. The facility has an EPA approved composite liner and leachate collection system and an operating permit from the Department of Environmental Quality. Approximately 500 tons per day are disposed of at the site, and the facility meets or exceeds all Department of Environmental Quality standards. An extensive groundwater and methane monitoring program facilitates sound environmental protection.

The residents of the County are also served by 13 staffed convenience centers which integrate residential waste collection with recycling, yard waste mulching operation at two locations and a recently expanded biosolid composting facility. The County enjoys a residential recycling rate of approximately 35%. The County currently recycles glass, lead acid batteries, aluminum, antifreeze, oil, tires, appliances, propane tanks, wood waste, plastic bottles, steel cans, cardboard, magazines, phonebooks and newsprint at various sites.

Health Care

Health care in the County is provided through the local office of the State Health Department and by private institutions. Spotsylvania Regional Medical Center ("SRMC"), the County's first hospital and the region's third hospital, opened on June 7, 2010 with 400 employees. SRMC is part of the HCA hospital chain, the nation's largest, with HCA's Virginia network consisting of twelve other hospitals and more than 30 outpatient surgery, imaging and treatment facilities and accredited cancer centers throughout Central, Southwestern and Northern Virginia. SRMC recently added a 7,000 square foot Cancer Center partnering with Virginia Commonwealth University Massey Cancer Center in Richmond, VA. Mary Washington Healthcare, formerly Mary Washington Hospital, provides primary and advanced health care in the City of Fredericksburg, Spotsylvania, Stafford and Caroline Counties. Mary Washington Hospital also has a cancer treatment center in the County, along with a free-standing emergency room and trauma center. In addition, there are a number of private walk-in clinics that serve the County, and the Medical College of Virginia, the University of Virginia and a number of Washington, D.C. metropolitan area hospitals are located within 75 miles. As of June 2018, SRMC has 601 employees.

Public Library

The County participates as a member jurisdiction of the Rappahannock Regional Library and provides economic support with two other counties and the City of Fredericksburg for library services. The main library is located in Fredericksburg and provides a complete range of services including a law library and a historical collection. Two branch library facilities serve the County directly. The Salem Church Branch Library opened in 1994 and serves the northern part of the County. The C. Melvin Snow Branch Library is located at Spotsylvania Courthouse. Additionally, two satellite library branches are expected to open in the County during 2018, one of which will occupy space in The Spotsylvania Towne Center.

Parks and Recreation

The County Parks and Recreation Department provides and manages a variety of leisure activities and facilities that promote personal growth and physical fitness and serve the recreational needs of County residents. The department maintains eleven parks throughout the County, each with a number of athletic fields, playgrounds and picnic shelters and all are available for public enjoyment. The department offers a variety of programs, including youth sports, leisure classes for children and adults, summer camps and special events. Boating and fishing

opportunities exist at the Ni River Reservoir Recreational Area and Hunting Run Park. The Senior Citizens Association is sponsored by the Parks and Recreation Department, providing a social outlet for the County's senior population. County residents and organizations also have access, for meetings and social gatherings, to six community centers maintained by the department, and the Senior Center, which provides activities for senior citizens. Four major Civil War battlefields in the County are managed by the National Park Service, and the 2,000-acre Lake Anna State Park is located on the southern border of the County. The County's central location allows residents easy access to mountains and beaches located within an hour's drive of the County.

Transportation

Centrally located in the mid-Atlantic region between Washington, D.C. and Richmond, Virginia, the County is served by an established transportation network. Interstate 95 runs north-south through the County with connectors east and west on Interstate 66 near Washington, D.C., and Interstate 64 in Richmond. U.S. Route 1 and State Route 208 provide alternative north and south routes and State Route 3 offers east-west access on a four-lane divided highway.

The CSX Railroad passes through the County connecting rail yards in Washington, D.C. and Richmond. Commuter rail service between Washington, D.C. and the City of Fredericksburg, Virginia, began in July 1992. The County joined the Virginia Railway Express (VRE), which provides commuter rail service connecting Northern Virginia suburbs to Union Station in Washington, D.C., in February 2010. Spotsylvania's first commuter rail station has been operational since September 2015.

Shannon Airport, a privately-owned general aviation facility, provides charter, corporate and commuter services and facilities. The airport has a 3,000-foot paved runway and FAA approved lighting. The Stafford Regional Airport facility includes a 5,000 foot by 100-foot instrument runway with full parallel taxiways. The facilities can accommodate 75,000 annual operations and 100 based aircraft, including corporate business jets, with gross weights up to 70,000 pounds and wingspans up to 80 feet. Washington Dulles International Airport and Reagan National Airport are each within 75 miles of the County.

Regional bus service is provided by Fredericksburg Regional Transit (FRED) within the northern portions of the County and the City of Fredericksburg. Thirteen-passenger buses operate along Route 3, Four Mile Fork, Massaponax, and Spotsylvania Courthouse, and connect with routes into the City of Fredericksburg.

Economic and Related Data

Population Figures

The following table presents County population figures for selected years:

<u>Year</u>	<u>Population</u>
1960	13,819
1970	16,424
1980	34,435
1990	57,403
2000	91,504
2010	122,397
2011	124,534
2012	125,833
2013	127,445
2014	128,880
2015	130,032
2016	131,405
2017	133,033
2018	133,783

Sources: U.S. Census Bureau for years 2017 and prior; Spotsylvania County Planning Department for 2018 estimate.

Income Profile

Median Household Income

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Spotsylvania County	\$77,298	\$73,112	\$75,714	\$76,181	\$81,065
Commonwealth of Virginia	\$61,782	\$62,745	\$64,923	\$66,263	\$68,127

Sources : U.S. Census Bureau. Latest information available.

Per Capita Income

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Spotsylvania County + City of Fredericksburg	\$44,080	\$43,608	\$44,585	\$46,261	\$47,230
Commonwealth of Virginia	\$49,302	\$48,490	\$50,157	\$52,184	\$52,957

Source: U.S. Bureau of Economic Analysis. Latest information available.

Construction Activity

The following data is presented to illustrate construction activity in the County:

Building Permits and Value

Fiscal Year	Number				Value ⁽⁴⁾			
	Commercial ⁽¹⁾	Residential ⁽²⁾	Accessory Permits ⁽³⁾	Total	Commercial	Residential	Accessory Permits	Total
2009	317	285	2,398	3,000	208,512,498	61,343,314	40,862,569	310,718,381
2010	220	333	2,235	2,788	54,529,522	70,470,927	22,079,952	147,080,401
2011	270	306	2,433	3,009	59,986,060	78,912,739	37,700,809	176,599,608
2012 ⁽⁵⁾	242	348	2,262	2,852	401,143,105	74,834,821	29,749,534	505,727,460
2013 ⁽⁵⁾	290	464	2,314	3,068	404,014,490	102,557,927	23,016,560	529,588,977
2014	298	429	2,384	3,111	57,939,747	99,272,843	23,497,438	180,710,028
2015	304	442	2,250	2,996	74,394,943	112,494,521	39,905,998	226,795,462
2016 ⁽⁶⁾	390	510	2,689	3,589	268,671,597	131,377,317	47,341,882	447,390,796
2017	310	640	2,805	3,755	93,178,917	169,340,263	69,390,729	331,909,909
2018 ⁽⁷⁾	251	605	2,413	3,269	103,304,452	158,549,845	101,303,829	390,158,126

Source: Code Compliance Department, Spotsylvania County.

⁽¹⁾ Commercial includes all new construction, renovations, additions, accessories, tenant build-outs, and site plans.

⁽²⁾ Residential includes all dwelling unit permits for single family dwellings, townhouses, apartments, singlewides, doublewides, and triplewides.

⁽³⁾ Accessory permits include all commercial and residential trade work (mechanical, electrical, plumbing), fire permits, residential accessories, over-the-counter permits, and all miscellaneous permit transactions.

⁽⁴⁾ Values are taken from permit applications as provided by the applicants. These values do not represent the value assigned by Spotsylvania's Assessment Office.

⁽⁵⁾ There were multiple site plans for which the stated values were unusually large. Additionally, there were a number of large commercial building/renovation projects for which the stated value of each project was \$3 million or more.

⁽⁶⁾ Includes submissions of several large commercial applications with sizeable stated values, including a substantial site plan for the 900,000 sq. ft. Lidl grocery distribution center.

⁽⁷⁾ FY 2018 data through April 2018. Includes submissions for several large commercial applications for multiple apartment complexes, Publix grocery, self storage center, etc.

Housing

The following data is presented to illustrate the character of housing in the County:

Housing Units By Type of Structure

Type of Structure	<u>1990</u> ⁽¹⁾		<u>2000</u> ⁽¹⁾		<u>2010</u> ⁽²⁾		<u>2017</u> ⁽²⁾	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Single Family:								
Detached ⁽³⁾	18,355	90.2%	28,804	86.5%	37,141	86.4%	40,142	82.6%
Attached ⁽⁴⁾	1,313	6.5	2,522	7.6	2,730	6.3	4,238	8.7
Multi Family:								
Apartments ⁽⁵⁾	<u>682</u>	<u>3.3</u>	<u>1,983</u>	<u>5.9</u>	<u>3,136</u>	<u>7.3</u>	<u>4,234</u>	<u>8.7</u>
Total	20,350	100.0%	33,309	100.0%	43,342	100.0%	48,614	100.0%

Source: Planning Department and Assessment Office, Spotsylvania County.

⁽¹⁾ As of April 1 for 1990 and 2000.

⁽²⁾ As of December 31 for 2010 and 2017.

⁽³⁾ Includes trailers, manufactured homes and mobile homes.

⁽⁴⁾ Consists of duplexes and townhouses.

⁽⁵⁾ Represents the total number of apartments and condominiums (age-restricted included) and assisted living housing units per County building permit data.

Business and Labor

The County's primary economic development mission is to attract new businesses and capital investment, and to provide a supportive climate for the growth of existing businesses in order to stimulate the creation of jobs and tax revenues. The County has implemented numerous new initiatives and specific programs to accomplish this mission:

- The Department of Economic Development and Tourism (EDT) and the County's Economic Development Authority (EDA) continue to jointly embark on a vigorous effort to better understand and track trends in the local economy, as well as evaluate the potential for future growth of new and existing industries. These County organizations which are responsible for economic development have also conducted new strategic planning efforts. These activities are a reflection of a larger initiative by the County's Board of Supervisors to take better advantage of the County's opportunities and to evaluate the return on investment of resources in various government-sponsored development activities.
- The County remains a partner with the Fredericksburg Regional Alliance (FRA), a public-private partnership which promotes and markets the region while focusing on targeted industries; assesses and forwards leads to localities from the Virginia Economic Development Partnership (VEDP); and works in many other ways to create and promote opportunities for business growth in the region. In Fall 2015, FRA partnered with the University of Mary Washington and the Fredericksburg Regional Chamber of Commerce in establishing the Center for Economic Research enabling the Fredericksburg Region to join Virginia's other three major metropolitan areas along the "Urban Crescent" in providing local university research services related to the region's economy. FRA is one of four regions in Virginia with universities in their communities that provide excellent research products dealing with our regions' economies.
- Since 1999, Spotsylvania along with Stafford County and the City of Fredericksburg has leveraged resources to enhance tourism growth for the region. In 2005, a more formal relationship emerged to form the Greater Fredericksburg Tourism Partnership (GFTP) via a Memorandum of Understanding (MOU) to set forth shared responsibilities and cooperatively market the region's tourism products. This collaboration is working to increase travel-related employment, taxable sales, and related economic benefits in each of the participating localities. As set forth in the MOU, Spotsylvania, Stafford, and the City intend to continue contributing staff, in-kind services, and direct financial support to the comprehensive regional tourism effort. The localities combine to produce a first-rate Visitor Guide, successful print and electronic advertising, a robust regional

website (www.VisitFred.com), and regional events and group tourism offerings to enhance visitors' experiences.

Economic Development Programs:

- As adopted in the County's Comprehensive Plan, the employment center land use area is envisioned to be the primary location for new office and industrial development within the County, with the focus on larger scale office complexes, industrial users, and business parks. The Route 1 corridor south of Massaponax to the Thornburg interchange (I-95 Exit 118) is envisioned to be an economic driver for the County. Growth continues to occur in the employment center land use area at Exit 126 with idX Corporation (aka idX Impressions); PAE Systems; HDT Expeditionary Systems; Patriot3, RPI Group; Flatter & Associates; E-Labs; Universal Dynamics (aka Unadyn Corporation); Alorica; Children's Hospital of Richmond (aka The Children's Clinic of Fredericksburg); W. J. Vakos Corporate Headquarters; Publix Grocery Stores; Dovetail Cultural Resources Group; Lidl US grocery distribution center; new residential units; hotels; and restaurants locating in this area. The Thornburg area is enriched by the location of Dominion Raceway and Entertainment Center; Camping World, one of the largest RV retailers in the country; upgraded hotels; new restaurants; and additional retail options. Construction is underway to build a new I-95 overpass on Route 606 at Exit 118 and provide improvements to interstate ramps, Mudd Tavern Road east of I-95 and Mallard Road. Construction began in October 2017 and is scheduled for completion in September 2019. High-end, mixed-use office parks with the extension of infrastructure continue to comprise the area between exits 118 and 126.
- The County continues to execute a Targeted Industries Program designed to expedite the review and approval of site and building plans involving targeted businesses. Under this program, the County works closely with a business or developer to reduce the potential for delays in the permitting process and to complete the process to allow the business to begin operations as quickly as possible.
- The County participates in the Virginia Business Ready Sites Program (VBRSP) administered by the Virginia Economic Development Partnership. The VBRSP is a discretionary program established to help Virginia localities develop and market their existing industrial or commercial sites to prospective businesses, thus enhancing the Commonwealth's infrastructure and promoting its competitive environment. Through this public-private partnership program, localities apply for funding to identify marketable properties greater than 100 contiguous acres. Grant funds were used for site assessment and development potential on three viable sites.
- Go Virginia is a statewide economic development initiative to create more higher-paying jobs in Virginia through business-led, regional collaboration. The state is split into 9 GO Virginia regions, each with its own Regional Council and a FY18 funding level of approximately \$650,000 to allocate to qualified projects through an application process that meet economic growth and diversification priority clusters requirements. The County is included in Region 6 which includes Caroline, Fredericksburg, King George, and Stafford along with Northern Neck and Middle Peninsula communities. There are two approved projects to date: PamunkeyNet in the Middle Peninsula and a multi-tenant office building in Montross, VA.
- The County approved along with 212 Opportunity Zones nominations in Virginia by the U.S. Department of Treasury. Opportunity zones are an important federal tool to spur vitality in economic growth in communities across Virginia. The Federal Tax Cuts and Jobs Act of 2017 was passed last December included provisions for a new revitalization tool, the Opportunity Zone and Opportunity Fund. The zones and funds will allow investors to receive tax benefits on currently unrealized capital gains by investing those gains in qualified census tracts or "Opportunity Zones." The rules associated with qualification of Opportunity Investment Funds and Qualified Opportunity Investments must be written at the federal level and are not anticipated to be formalized until the end of the calendar year 2018. Virginia Opportunity Zones are already areas of significant effort and focus at the state and local level and these zone nominations are intended to attract additional private investments.
- The Economic Development Incentives Program is used to attract new business and support the expansion of existing businesses and retain industry. The program has contributed to increased capital investment and job creation since its initial creation in 1995. Continued collaboration with State officials ensures the County is using all available resources to maintain and grow the business community.

- Technology and Tourism Zone Programs serve both new and existing qualified businesses. The Technology Zone covers the County's primary settlement district encompassing the County's fully-serviced business corridors to encourage growth in Spotsylvania's high-technology sector. Qualifying businesses located within the Technology and Tourism zones are afforded local tax rebates on Business, Professional and Occupational License and Machinery and Tools taxes, and are placed in the County's Targeted Industries Program.
- There are two HUBZone designations that offer businesses an advantage when applying for federal contracts. There is one HUBZone located in the northern portion of the County on the Route 3 corridor, and another is located near Lake Anna.
- The County continues to target business sectors in healthcare, manufacturing, professional services (high tech/IT/defense) and tourism. Employment levels increased slightly in the target industry sectors from the fourth quarter of 2016 to the fourth quarter of 2017. Overall, total industry sectors increased by 59 new establishments to 2,973 and 68 new jobs were added for an average employment of 35,791. The average annual wage increased from \$39,572 to \$42,172 over the same period. Vacancy rates continue to trend downward year over year.
- Efforts continue to target military and defense contractors as a professional sector based on Spotsylvania's highly-accessible location within proximity of three regional military bases. Federal spending is no longer expected to drive the Washington metropolitan region's economic growth, but professional and business services will be the major source of growth. Available office space in Spotsylvania continues to be sought out by technology, professional and medical service companies.

Business Retention Program and Activities:

The County has a Business Retention Program to connect new and existing businesses with the right resources and assistance with workforce, state and federal financing programs and processes and protocols that will improve the overall business climate to increase growth and investment opportunities in the County. Following are examples of the County's business retention activities:

- The Business Walk Program allows staff visitations to numerous businesses in a short amount of time to gather industry information, foster business growth, and help identify issues that businesses may be facing.
- The County continues to support the annual Modern Day Marine Expo. The Expo is the singular Marine Corps industry event where defense companies from all over the world gather annually at Quantico, Virginia, to display their latest technologies, equipment and services.
- The County continues to sponsor and participate in the annual Quantico Area Industrial Security Council meeting. This meeting provides a forum through which education and training is provided to security professionals providing security in the Quantico, Virginia area. The group currently has over 400 members.
- The County hosts an annual Business Appreciation Week to recognize, educate, and connect with existing Spotsylvania County businesses. This week-long series of events is done in partnership with State and regional agencies and organizations.
- The County manages SpotsyBusiness.com, an interactive, online guide for new and expanding Spotsylvania businesses. This unique website walks businesses through the steps to register with the County by directing them to the correct forms that will need to be completed for their specific kind of business.
- The County partners with local and State organizations and agencies to host and promote learning opportunities for local businesses. These classes and seminars help to educate local business owners and managers on ways to grow their businesses.

- The “Made in Spotsy” program highlights local businesses that produce goods in Spotsylvania. This online web listing provides a place for local producers to list their information and promote their business, as well as gives other business and individuals an easy-to-access list of locally made products.
- The County assists and participates in new business grand openings and expansions of existing businesses by helping to promote and arrange speakers for Chamber-organized ribbon cutting events. On a continuing basis, EDT serves as a liaison between federal and state government and local businesses, providing information and technical assistance in a variety of areas including funding, government contracting and specialized workforce training. The Department maintains an active membership and/or dialogue with numerous regional organizations including the Virginia Economic Development Partnership, the Virginia Employment Commission, and the Virginia Tourism Corporation, the Fredericksburg Regional Alliance, the Chamber of Commerce, the Greater Fredericksburg Regional Tourism Partnership, the International Economic Development Council and others. EDT also maintains relationships with local military bases and numerous institutions of higher learning that are in regional proximity to the County.

Tourism:

One of the primary markets due to its relative size and importance within the local economy is tourism. According to the Virginia Tourism Corporation 2016 report, Spotsylvania County ranked 17th out of 134 counties and incorporated cities within the Commonwealth for tourism, continuing to remain within the top 20 in the state. The tourism “industry” is actually a cluster of industries. Tourism provides revenue for the County through sales to visitors who come for various attractions, accommodations, shopping, dining, and to experience recreation and entertainment. The County estimates that over 700,000 people stayed overnight in the County in 2017 and more than 1 million visits were recorded at local attractions, including the Civil War battlefields, Lake Anna and other popular visitor sites and special events. According to the Virginia Tourism Corporation, visitors to the County in 2016 generated approximately \$276 million in overall economic value, up from \$265 million in 2015. Following are examples of the many tourism opportunities available in Spotsylvania:

- Virginia Renaissance Faire – The Faire currently is held at the Lake Anna Winery for four weekends each year, averaging 20,000 visitors each season. The primary activity of the cast consists of presenting a series of events that will both educate and entertain audiences.
- Trolley Tours - The popular Trolley Wine Tour occurs on Sundays during the summer is usually fully booked, and includes increased retail sales for the wineries. The five-hour tour begins and ends at Spotsylvania Towne Center with visits to four Spotsylvania wineries. The trolley company also offers tours to groups requesting a special tour during the week.
- Virginia Youth Soccer Association (VYSA) – VYSA, a nonprofit devoted to promoting youth soccer in Virginia and D.C., at the Publix Sportsplex, is situated on 80 acres in Spotsylvania. The facility boasts eight Federation International Football Association (FIFA) regulation fields including a small stadium. VYSA will host the 2017/2018 U.S. Youth Soccer Region 1 Championships. The Championships will utilize 4,000 hotel rooms in the region from Alexandria to Glen Allen and provide for ample opportunities for tourism exposure and retail sales for the County.
- The County continues to grow in the Agritourism Industry with the addition of breweries and wineries to our inventory. Lake Anna Winery, Wilderness Run Vineyard, Mattaponi Winery are large farm wineries that grow much of their own grapes or fruit. Eden Try Winery is a boutique winery that grows only a small amount of grapes with all production and bottling being done elsewhere, and the product is sold only onsite at special occasions. Bacchus Winery is a micro-winery that purchases grape juice and creates the wine in their facility. Additionally, multiple breweries exist in the County, Maltese and 1781 Breweries have expanded and have seen increased visitation, also offering events that draw large crowds.
- A. Smith Bowman Distillery is located in the Bowman Center and continues to win awards for their special blends of bourbon. They have added an additional still and several new staff members. John J. Bowman Single Barrel Virginia Straight Bourbon Whiskey was recognized as the world’s best bourbon by Whiskey Magazine in 2017, and Abraham Bowman Port Finished Bourbon received the same reward in 2016. Visits

to the distillery continue to increase and plans are in place to market the distillery as a destination to out-of-state markets in 2018.

- Lake Anna State Park continues to expand their program offerings and to host events that draw large crowds such as Iron Man competitions, Lake Anna Brewfest, and a wine festival. Two 16-person lodges were recently dedicated and opened at the park, and work is occurring on several yurts which will be available for rent starting July 2018.
- Shannon Air Museum continued to see an increase in visitation and have expanded the gift shop and seating area for the Robin's Nest Café. Location of the Spotsylvania Kids History Camp in April 2018. The Virginia Aeronautical Historical Society is now headquartered at Shannon Air Museum. October 25-28 there will be special events at the airport to include the Tuskegee Air Museum, Profiles of Honor and the Berlin Air Drop plane during their annual Fall Festival that brings large crowds to the airfield.

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**Principal Private Non-Retail Employers
(as of May 2018)**

<u>Name</u>	<u>Nature of Business</u>	<u>Employee Range</u>
Spotsylvania Regional Medical Center	Hospital	500-999
CVS, Inc.	Pharmacy Distribution Center	250-499
Lidl US Operations	Grocery Distribution Center	250-499
United Parcel Service	Courier and Messenger Services	250-499
Kaesar Compressors, Inc.	Air Compressor Manufacturing	100-249
Rappahannock Goodwill Industries	Rehabilitation Services	100-249
A-T Solutions, Inc.	Support to Counterterrorist Activities	100-249
Simmons Manufacturing Company	Bedding Manufacturing	100-249
EOIR Technologies, Inc.	Sensor Technology	100-249
Home Instead Senior Care	Senior Home Care Services	100-249
Family Preservation Services	Health Care	100-249
Richmond Fitness, Inc.	Fitness and Recreational Sports Center	100-249
Rappahannock Electric Co-Op	Electric Utility	100-249
Trussway	Manufacturing of Building Trusses	100-249

Source: Virginia Employment Commission, as of 4th quarter 2017.

Additional major private, non-retail employers located in the surrounding area (but not located in the County) include:

<u>Name</u>	<u>Nature of Business</u>	<u>Employee Range</u>
GEICO	Insurance Customer Service Center	1,000+
Mary Washington Hospital	Health Care/Hospital	1,000+
McLane Mid-Atlantic	Distributor for Convenience Stores	500-999
Medicorp Health System	Health Care Services	500-999
YMCA	Social Advocacy Organization	500-999
Stafford Hospital Center	Hospital	500-999
Snowden Services	Health Care	250-499
First Market Bank	Banking Services	250-499
Minnieland Private Day School	Day Care and Child Care	250-499
Hilldrup Transfer and Storage, Inc.	Moving and Storage	250-499
Mantech Advanced Systems, Inc.	Technology Services	250-499

Source: Virginia Employment Commission, as of 4th quarter 2017.

Unemployment Rate

The following table illustrates the unemployment rate for the County, the Commonwealth of Virginia and the United States for selected years.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Spotsylvania County	3.4%	5.6%	7.0%	6.7%	6.1%	5.8%	5.4%	4.6%	4.1%	3.7%
Commonwealth of Virginia	4.0	6.7	7.1	6.6	6.1	5.7	5.2	4.5	4.0	3.8
United States	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.4

Source: Spotsylvania and Commonwealth data from Virginia Employment Commission.
United States data from Bureau of Labor Statistics.

Taxable Retail Sales

The table below is a summary of recent County taxable retail sales and per capita taxable retail sales.

Taxable Retail Sales and Taxable Retail Sales Per Capita

<u>Calendar Year</u>	<u>Taxable Retail Sales</u>	<u>Taxable Retail Sales Per Capita</u>
2008	\$1,392,356,310	\$11,602
2009	1,347,926,498	11,142
2010	1,360,120,319	11,112
2011	1,409,680,505	11,320
2012	1,459,932,298	11,602
2013	1,475,776,919	11,580
2014	1,506,373,874	11,688
2015	1,547,887,315	11,904
2016	1,590,677,800	12,105
2017	1,634,908,083	12,289

Source: Department of Taxation, Commonwealth of Virginia. Latest available information.

Accounting System and Annual Audit

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting and reporting entity. Operations are accounted for by a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures or expenses.

The modified accrual basis of accounting is followed for the governmental funds. Revenue is recorded when received, except for revenue deemed to be available and of a material amount which is accrued. Expenditures are recorded when liabilities are incurred.

An annual audit is made of the various funds of the County, and the most recently completed financial statement submitted by Cherry Bekaert, LLP, independent certified public accountants, is presented as [Appendix B](#) to this Official Statement. Cherry Bekaert, LLP will not review this Official Statement or any other matters in connection with the issuance of the Bonds.

Note 1 of the financial statements in [Appendix B](#) gives a more detailed summary of significant accounting policies.

Budget

Prior to March 30 of each year, the County Administrator submits to the Board a proposed operating and capital budget for the Fiscal Year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain citizen comments. Prior to June 30, the budget is enacted by resolution of the Board. Thereafter, appropriations are approved annually by the Board. Additions to the budget must be approved and appropriated by the Board. The County Administrator is authorized to transfer budgeted amounts within general government departments and has limited authority to transfer budgeted amounts between departments.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Enterprise Fund. The School Funds are integrated only at the level of legal adoption.

Appropriations lapse on June 30 for all County units except for the Capital Projects Funds which carry unexpended balances into the following year on a continuing appropriation basis.

The Code of Virginia requires that the School Board's requested budget be submitted in its entirety to the Board. Legislation passed in the 1978 General Assembly requires the County to approve an annual budget for education purposes by May 1 or within 30 days of the receipt of estimates of educational funds to the County. The County budget document includes the School System's adopted budget. Once adopted by the County, the School Board's budget is controlled by the School Board. The County and the School Board have adopted their respective budgets for Fiscal Year 2019, which begins July 1, 2018.

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Set forth in the table below is a summary of the Fiscal Year 2019 Adopted General Fund Budget.

	FY 2019 ADOPTED BUDGET
Sources:	
Revenues:	
Property Taxes	\$177,112,382
Other Local Taxes	42,735,253
Licenses & Permits	363,200
Charges for Services	4,140,254
Other Local Revenue	4,574,689
State	37,465,198
Federal	477,475
Transfer from Capital Projects Fund	283,121
Transfer from Fire/EMS Service Fee Fund	2,600,000
Transfer from Code Compliance Fund	728,583
Total Revenues	\$270,480,155
Use of (Addition to) Fund Balance	9,669,395
Total Sources	<u>\$280,149,550</u>
Uses:	
Executive Services	\$3,613,644
Administrative Services	14,270,522
Voter Services	488,162
Judicial Administration	4,411,164
Public Safety	55,736,974
Public Works	9,176,519
Health & Welfare	20,332,663
Parks, Recreation & Cultural	8,216,229
Community Development	2,908,854
Debt Service	10,059,002
Subtotal	\$129,213,733
Tax Relief	1,285,962
Transfer to School Operating Fund	128,492,093
Transfers to Other Funds	21,157,762
Total Uses	<u>\$280,149,550</u>

Fiscal Policy Guidelines

In March 1992, the Board of Supervisors adopted a series of fiscal policies designed to provide target parameters and goals that will influence and guide the financial management practices of the County. These policies relate to: Financial Planning and Budgeting; Revenues; Expenditures, including Debt Management and Reserves; Utilities and Code Compliance Funds; and Virginia Railway Express Funding. Updates to the guidelines have been approved by the Board in 2001, 2004, 2006, 2007, 2010, 2011, 2012, 2015, and most recently in 2017, to support the County's goal of achieving a "AAA" credit rating.

Capital Improvement Plan

The County makes annual appropriations for capital projects on a continuing basis. These appropriations cover projects until completed unless amended or superseded by action of the Board.

The Capital Improvement Plan ("CIP") represents a five-year program of capital outlays for general County, water and sewer and school improvements. It is reviewed and updated annually but does not represent a legislative commitment to expend capital funds for the projects indicated. It is a plan for future spending and establishes priorities for the orderly development of the County. The CIP is subject to continuing examination and revision and is reviewed and adopted by the Board on an annual basis. The most recent CIP adopted by the Board of Supervisors appears on the following page.

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
Capital Improvement Plan

SUMMARY OF PROJECT ESTIMATES⁽¹⁾

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2019-2023 Estimated Cost</u>
GENERAL CAPITAL PROJECTS						
General Government Facilities	\$11,049,892	\$17,639,170	\$13,704,782	\$10,308,613	\$13,363,474	\$66,065,931
Solid Waste	840,975	3,365,000	1,449,050	7,297,667	1,392,383	14,345,075
Parks and Recreation	786,500	40,000	380,000	630,000	1,254,000	3,090,500
Fire/Rescue Services	3,731,647	6,300,963	7,650,311	7,223,232	4,518,431	29,424,584
Transportation	5,916,053	1,000,000	5,073,850	18,232,520	6,657,500	36,879,923
TOTAL	\$22,325,067	\$28,345,133	\$28,257,993	\$43,692,032	\$27,185,788	\$149,806,013
SCHOOL CAPITAL PROJECTS	\$30,799,918	\$27,812,036	\$10,862,949	\$ 7,983,613	\$ 7,828,030	\$ 85,286,546
UTILITIES CAPITAL PROJECTS	\$9,948,451	\$25,950,000	\$19,715,000	\$42,695,000	\$42,125,000	\$140,433,451
TOTAL	\$63,073,436	\$82,107,169	\$58,835,942	\$94,370,645	\$77,138,818	\$375,526,010

SUMMARY OF FUNDING ESTIMATES⁽¹⁾

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2019-2023 Estimated Cost</u>
GENERAL CAPITAL PROJECTS						
Use of (Add to) CIP Fund Balance	(\$3,339,148)	\$ 5,921,506	\$ 124,219	(\$1,756,887)	\$ 1,685,736	\$ 2,635,426
General Fund Revenues	18,081,731	10,269,551	11,094,872	11,964,214	12,860,819	64,271,187
Bond/Lease Issues	6,588,063	9,752,621	16,574,161	32,236,967	12,204,340	77,356,152
Other Sources	994,421	2,401,455	464,741	1,247,738	434,893	5,543,248
TOTAL GENERAL PROJECTS	\$22,325,067	\$28,345,133	\$28,257,993	\$43,692,032	\$27,185,788	\$149,806,013
SCHOOL CAPITAL PROJECTS						
Bond/Lease Issues	\$30,799,918	\$27,812,036	\$10,862,949	\$7,983,613	\$7,828,030	\$85,286,546
TOTAL SCHOOL PROJECTS	\$30,799,918	\$27,812,036	\$10,862,949	\$7,983,613	\$7,828,030	\$85,286,546
UTILITIES CAPITAL PROJECTS						
Connection Fees	\$ 3,621,970	\$ 3,621,970	\$ 3,621,970	\$ 3,621,970	\$ 3,621,970	\$ 18,109,850
Bond Issues	0	15,000,000	6,000,000	20,000,000	22,000,000	63,000,000
Other Sources	4,108,812	2,150,000	8,620,400	18,954,400	18,525,000	52,358,612
Use of (Add to) Util. Fund Balance	2,217,669	5,178,030	1,472,630	118,630	(2,021,970)	6,964,989
TOTAL UTIL. CAP. PROJECTS	\$ 9,948,451	\$25,950,000	\$19,715,000	\$42,695,000	\$42,125,000	\$140,433,451
TOTAL	\$63,073,436	\$82,107,169	\$58,835,942	\$94,370,645	\$77,138,818	\$375,526,010

Source: Director of Finance, Spotsylvania County.

⁽¹⁾ Some of the columns and rows may not add up exactly because of the effect of rounding.

Selected Financial Information

The financial data shown in the following tables present a summary for the last five Fiscal Years of the County's General Fund revenues, expenditures and fund balances, the Proprietary Fund revenues, expenses and changes in retained earnings, the School Operating Fund revenues and expenditures and changes in fund balances.

Five - Year Summary of Revenues, Expenditures and Changes in Fund Balances General Fund Fiscal Year Ended June 30

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Fund Balance at Beginning of Year	\$61,981,807	\$54,576,221	\$56,203,111	\$66,779,711	\$73,018,972
Revenues:					
General property taxes ⁽¹⁾	\$146,921,113	\$151,223,334	\$155,952,351	\$160,837,878	\$166,388,967
Other taxes	41,797,723	42,249,904	43,469,216	44,729,818	41,830,371
Permits, privilege fees and regulatory license	309,257	246,380	272,506	389,490	315,939
Fines and Forfeitures	642,498	544,449	634,822	516,791	558,004
Use of money and property	442,990	815,850	847,799	1,447,184	954,893
Charges for Services	3,461,443	4,135,441	4,558,514	4,472,575	4,781,097
Gifts and donations	-	154,231	44,302	120,681	133,646
Miscellaneous	252,575	145,918	175,173	201,183	105,475
Intergovernmental	29,510,583	31,566,389	32,709,716	34,746,531	39,286,317
Total revenues	<u>\$223,338,182</u>	<u>\$231,081,896</u>	<u>\$238,664,399</u>	<u>\$247,462,131</u>	<u>\$254,354,709</u>
Expenditures:					
Current:					
General government administration	\$11,256,673	\$11,212,302	\$11,600,207	\$11,491,091	\$12,740,875
Judicial administration	6,422,177	6,766,622	7,046,770	7,265,919	7,059,536
Public safety	41,369,515	41,338,015	42,110,181	43,902,872	46,230,001
Public works	8,344,293	8,671,703	8,479,503	8,484,962	7,871,561
Health and welfare	17,300,979	18,041,782	17,944,883	19,597,892	20,692,124
Education	92,932,485	102,668,827	101,940,702	111,012,190	120,472,661
Parks, recreation and cultural	6,807,391	6,812,660	6,848,209	6,767,559	7,077,085
Community development	2,483,956	2,473,836	2,146,529	2,226,841	2,381,984
General debt service	37,642,728	34,239,999	31,623,030	32,179,646	35,069,485
Non-departmental	551,045	847,548	1,040,896	1,132,563	1,206,801
Total expenditures	<u>\$225,111,242</u>	<u>\$233,073,294</u>	<u>\$230,780,910</u>	<u>\$244,061,535</u>	<u>\$260,802,113</u>
Excess of revenues over expenditures	<u>\$(1,773,060)</u>	<u>\$(1,991,398)</u>	<u>\$7,883,489</u>	<u>\$3,400,596</u>	<u>\$(6,447,404)</u>
Other financing sources (uses):					
Bond proceeds	40,995,000	23,497,716	71,264,106	27,765,885	19,615,000
Debt issuance premiums (discounts)	3,241,694	-	7,546,494	3,711,698	2,898,821
Payment for refunded debt	(43,495,786)	(11,583,708)	(70,419,215)	(16,413,670)	-
Transfers in (out)	(6,373,434)	(8,295,720)	(6,328,074)	(12,225,240)	(12,525,558)
Total other financing sources (uses):	<u>\$(5,632,526)</u>	<u>\$3,618,288</u>	<u>\$2,063,311</u>	<u>\$2,838,673</u>	<u>\$9,988,263</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>(7,405,586)</u>	<u>1,626,890</u>	<u>9,946,800</u>	<u>6,239,269</u>	<u>3,540,859</u>
Special revenue	<u>=</u>	<u>=</u>	<u>629,800</u>	<u>=</u>	<u>=</u>
Fund balance at end of year	<u>\$54,576,221⁽²⁾</u>	<u>\$56,203,111⁽²⁾</u>	<u>\$66,779,711⁽²⁾</u>	<u>73,018,972⁽³⁾</u>	<u>76,559,831⁽³⁾</u>

Source: Spotsylvania County Comprehensive Annual Financial Report ("CAFR") FY 2013 through FY 2017.

⁽¹⁾ See footnote (1) in the table entitled "Tax Revenues by Source" on page A-26 for additional information regarding general property taxes.

⁽²⁾ Difference from Spotsylvania CAFR is due to Economic Development Opportunities Fund included in CAFR to satisfy GASB 54 requirements.

⁽³⁾ Difference due to rounding.

**Summary of
Revenues, Expenditures and Fund Balances
School Funds
Fiscal Year Ended June 30**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Fund balance at beginning of year	<u>\$4,379,965</u>	<u>\$9,646,890⁽¹⁾</u>	<u>\$18,050,272</u>	<u>\$22,304,382</u>	<u>\$19,528,221</u>
Revenues:					
Use of money and property	9,746	15,068	12,701	50,760	97,061
Charges for services	7,200,343	7,733,302	7,437,251	8,003,688	8,039,886
Miscellaneous	920,263	413,500	406,056	586,515	284,246
Gifts and donations	-	377,608	74,316	-	-
Intergovernmental	138,379,963	135,379,486	140,988,446	141,379,434	146,684,659
Payments from primary government	<u>92,717,879</u>	<u>102,454,221</u>	<u>101,711,245</u>	<u>114,532,357</u>	<u>120,243,266</u>
Total Revenues	<u>\$239,228,194</u>	<u>\$246,373,185</u>	<u>\$250,630,015</u>	<u>\$264,552,754</u>	<u>\$275,349,118</u>
Expenditures:					
Education	\$232,201,733	\$227,625,551	\$240,214,527	\$247,917,826	\$252,711,284
Capital projects	<u>8,275,412</u>	<u>10,344,252</u>	<u>6,161,378</u>	<u>19,411,088</u>	<u>26,586,274</u>
Total Expenditures:	\$240,477,145	\$237,969,803	\$246,375,905	\$267,328,914	\$279,297,558
Revenues over (under) expenditures	<u>(\$1,248,951)</u>	<u>\$8,403,382</u>	<u>\$4,254,110</u>	<u>(\$2,776,160)</u>	<u>(\$3,948,440)</u>
Fund balance at end of year	<u>\$3,131,014</u>	<u>\$18,050,272</u>	<u>\$22,304,382</u>	<u>\$19,528,221</u>	<u>\$15,579,781</u>

Source: Spotsylvania County CAFR FY 2013 through FY 2017.

⁽¹⁾ As part of the FY 2014 CAFR, the beginning fund balance was adjusted to correct for understatements in prior CAFRs of the balance of sale tax receivables and claim reserves held by others.

Debt Management

Pursuant to the Constitution of Virginia and the Public Finance Act of 1991, a county in Virginia is authorized, subject to certain limitations, to issue general obligation bonds secured by a pledge of its full faith and credit and for which the County is authorized and required to levy on all taxable property within the County such ad valorem taxes as may be necessary to pay principal and interest. Although the issuance of bonds by Virginia counties is not subject to any limitation on amount, counties are prohibited from issuing general obligation bonds unless the issuance of such bonds has been approved by public referendum except for certain bonds issued for school purposes.

Counties may, with voter approval, elect to be treated as cities for the purpose of incurring debt. This election allows a county to issue bonds in a principal amount up to 10% of the assessed value of real estate subject to taxation by the county without voter approval. The County has not elected to be treated as a city for this purpose.

**Statement of Debt Service Charges on Outstanding
General Governmental Long-Term Obligations to Maturity
At June 30, 2018⁽¹⁾**

Annual requirements to amortize general governmental long-term obligations (consisting of school bonds, Literary Fund loans and capital leases and other subject-to-appropriation obligations) and related interest are as follows:

Year Ending June 30	General Government			General Governmental Long-Term Debt			Total Debt Service		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$9,225,331	\$4,620,950	\$13,846,281	\$17,708,263	\$6,249,030	\$23,957,293	\$26,933,594	\$10,869,980	\$37,803,574
2020	9,188,679	4,241,644	13,430,323	16,252,780	5,495,437	21,748,217	25,441,459	9,737,081	35,178,540
2021	9,278,588	3,855,584	13,134,172	15,950,386	4,776,299	20,726,685	25,228,974	8,631,883	33,860,857
2022	9,381,894	3,430,996	12,812,890	15,584,106	4,058,358	19,642,464	24,966,000	7,489,354	32,455,354
2023	9,505,871	2,995,874	12,501,745	14,131,128	3,360,520	17,491,648	23,636,999	6,356,394	29,993,393
2024	9,215,437	2,553,748	11,769,185	11,272,563	2,748,497	14,021,060	20,488,000	5,302,245	25,790,245
2025	8,907,240	2,117,943	11,025,183	11,353,760	2,272,887	13,626,647	20,261,000	4,390,830	24,651,830
2026	8,920,760	1,772,513	10,693,273	11,219,240	1,855,107	13,074,347	20,140,000	3,627,620	23,767,620
2027	8,945,089	1,435,834	10,380,923	11,260,911	1,487,954	12,748,865	20,206,000	2,923,788	23,129,788
2028	5,271,275	1,081,761	6,353,036	8,569,724	976,646	9,546,370	13,840,999	2,058,407	15,899,406
2029	5,091,275	853,408	5,944,683	7,217,724	700,577	7,918,301	12,308,999	1,553,985	13,862,984
2030	5,016,275	629,245	5,645,520	5,239,724	459,676	5,699,400	10,255,999	1,088,921	11,344,920
2031	3,156,275	438,455	3,594,730	4,423,724	313,609	4,737,333	7,579,999	752,064	8,332,063
2032	2,851,698	321,702	3,173,400	1,628,302	181,902	1,810,204	4,480,000	503,604	4,983,604
2033	2,261,698	216,605	2,478,303	1,298,302	133,691	1,431,993	3,560,000	350,296	3,910,296
2034	1,974,814	131,979	2,106,793	1,025,186	94,258	1,119,444	3,000,000	226,237	3,226,237
2035	1,474,456	53,655	1,528,111	800,544	61,507	862,051	2,275,000	115,162	2,390,162
2036	245,000	6,981	251,981	570,000	35,625	605,625	815,000	42,606	857,606
2037	30,000	938	30,938	570,000	17,813	587,813	600,000	18,751	618,751
2038	0	0	0	0	0	0	0	0	0
Total	<u>\$109,941,655</u>	<u>\$30,759,815</u>	<u>\$140,701,470</u>	<u>\$156,076,367</u>	<u>\$35,279,393</u>	<u>\$191,355,760</u>	<u>\$266,018,022</u>	<u>\$66,039,208</u>	<u>\$332,057,230</u>

Source: Director of Finance, Spotsylvania County.

⁽¹⁾ Some of the columns and rows may not add up exactly because of the effect of rounding.

**Statement of Debt Service Charges on Outstanding
General Governmental Long-Term Obligations to Maturity⁽¹⁾
Subsequent to June 30, 2018**

Year Ending June 30	Existing Governmental Debt Service Total	Principal	Series 2018 Bonds Interest	Total	Principal	Total Debt Service Interest	Total
2019	\$ 37,803,574	\$	\$	\$	\$	\$	
2020	35,178,540						
2021	33,860,857						
2022	32,455,354						
2023	29,993,393						
2024	25,790,245						
2025	24,651,830						
2026	23,767,620						
2027	23,129,788						
2028	15,899,406						
2029	13,862,984						
2030	11,344,920						
2031	8,332,063						
2032	4,983,604						
2033	3,910,296						
2034	3,226,237						
2035	2,390,162						
2036	857,606						
2037	618,751						
2038	0						
Total	<u>\$332,057,230</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	

Source: Director of Finance, Spotsylvania County.

⁽¹⁾ Some of the columns and rows may not add up exactly because of the effect of rounding.

**Ratio of Net Bonded Debt to Assessed Valuation
and Net Bonded Debt per Capita**

<u>Fiscal Year</u>	<u>Population</u>⁽¹⁾	<u>Assessed Value of Real Property</u>⁽²⁾	<u>Net</u>⁽³⁾ <u>Bonded Debt</u>	<u>Percentage of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2009	120,977	\$15,602,485,756	\$331,735,771	2.13%	\$2,742
2010	122,397	12,170,030,169	309,453,380	2.54	2,528
2011	124,534	12,299,190,848	303,240,760	2.47	2,435
2012	125,833	11,879,393,399	298,344,937	2.51	2,371
2013	127,445	11,944,871,476	276,359,298	2.31	2,168
2014	128,880	12,465,541,474	271,637,694	2.18	2,108
2015	130,032	12,641,335,473	263,795,039	2.09	2,029
2016	131,405	13,441,945,734	266,867,938	1.99	2,031
2017	133,033	13,778,110,158	267,604,097	1.94	2,012
2018	133,783	14,849,064,873	266,018,023	1.79	1,988

Source: Director of Finance, Spotsylvania County.

⁽¹⁾ U.S. Census Bureau for 2017 and prior, Spotsylvania County Planning Department for 2018 estimate.

⁽²⁾ Assessed value net of tax deferrals and tax relief. Reflects main book value only; no supplemental books.

⁽³⁾ Represents debt outstanding at year's end. There are no incorporated municipalities within the County. Thus, there is no overlapping debt. Excludes bonds issued for transportation projects for which Special Service District taxes are in place to fully fund the debt service.

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Operating Data

The following tables present operating data with respect to the County, some of which, as noted, will be updated in the County's Comprehensive Annual Financial Report, and posted on the Electronic Municipal Market Access system of the Municipal Securities and Rulemaking Board in connection with the County's continuing disclosure obligations. See the subsection "Continuing Disclosure" in Section Four of the front part of this Official Statement.

Tax Revenues By Source

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Taxes⁽¹⁾</u>	<u>Sales Taxes</u>	<u>Utilities Taxes⁽²⁾</u>	<u>Other Taxes</u>	<u>Total Taxes</u>
2009	\$ 127,061,340	\$ 14,383,878	\$ 2,373,184	\$ 17,322,548	\$166,164,316
2010	135,397,845	13,971,811	2,489,229	16,896,976	173,617,804
2011	142,518,661	14,442,629	2,462,351	17,835,593	182,243,963
2012	145,533,200	15,110,445	2,446,630	18,324,183	186,140,035
2013	146,393,586	15,355,413	2,404,781	19,186,113	188,191,309
2014	150,750,977	15,778,707	2,530,703	19,208,252	193,000,881
2015	155,425,369	16,437,035	2,552,040	19,755,059	198,894,585
2016	160,136,405	17,123,500	2,547,905	20,491,125	204,866,223
2017	165,784,448	17,707,867	2,601,318	21,521,186	207,614,859
2018 ⁽³⁾	170,147,665	17,952,000	2,650,000	22,550,000	213,299,665

Source: Director of Finance, Spotsylvania County.

⁽¹⁾ In 1998, the General Assembly of the Commonwealth enacted legislation that reduced the personal property taxes applicable to the first \$20,000 in assessed value of certain individually owned motor vehicles. Such legislation provided a formula for the Commonwealth generally to reimburse localities, including the County, for up to 100% of the decrease in revenues attributable to such tax; however, the timing and the amount of such reimbursements are subject to annual appropriation and further modification by the General Assembly. Implementation of such reimbursements began with fiscal year 1998, with the level of reimbursement reaching 70%. Beginning in 2006, reimbursement by the Commonwealth to all localities was capped at \$950 million. In addition to the property taxes shown here, the County receives \$14,509,422 million each fiscal year in reimbursements from the Commonwealth.

⁽²⁾ Effective July 1, 2009, all communications sales and use taxes, formerly remitted directly to localities by the provider and defined as local funding, was reclassified as State noncategorical funding and removed from this table. For ease of presentation, any communications sales and use taxes received as local funding prior to July 1, 2009 has also been reclassified to State noncategorical funding and removed from this table.

⁽³⁾ Unaudited. Based on third quarter report for FY 2018.

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Assessed Value of All Taxable Property

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Property</u> ⁽¹⁾	<u>Personal Property</u> ⁽²⁾	<u>Machinery and Tools</u>	<u>Mobile Homes</u>	<u>Heavy Construction</u>	<u>Public Service</u> ⁽³⁾	<u>Total</u>
2009	\$15,602,485,756	\$660,360,808	\$26,372,111	\$15,981,712	\$11,924,134	\$291,436,338	\$16,608,560,858
2010	12,170,030,169	733,708,427	28,406,418	12,303,876	12,417,383	298,096,073	13,254,962,346
2011	12,299,190,848	747,950,998	20,120,701	12,911,389	12,450,168	284,608,118	13,377,232,222
2012	11,879,393,399	777,973,916	22,598,141	12,395,148	10,874,924	292,128,740	12,995,364,268
2013	11,944,871,476	785,133,554	21,097,462	12,815,378	11,202,399	300,789,478	13,075,909,747
2014	12,465,541,474	777,870,449	28,908,223	11,729,681	12,502,465	309,857,492	13,606,409,784
2015	12,641,335,473	792,608,168	26,694,694	11,407,466	11,921,546	338,189,938	13,822,157,286
2016	13,441,945,734	823,339,771	26,395,185	11,283,074	14,871,233	352,966,101	14,670,801,098
2017	13,778,110,158	851,915,772	22,604,616	10,632,588	15,447,842	390,160,998	15,068,871,974
2018	14,849,064,873	842,918,303	23,162,810	8,791,542	14,232,293	383,376,145	16,121,545,966

Source: Commissioner of the Revenue, Spotsylvania County. Annual original property books.

⁽¹⁾ Locally assessed real estate at 100% of estimated fair market value. Amount is net of tax relief and deferred taxes. The calendar year 2017 assessment became effective January 1, 2017.

⁽²⁾ Locally assessed personal property tax is levied on all cars and trucks (assessed at 50% of the NADA clean retail value).

⁽³⁾ Based on valuations as established by State Corporation Commission.

Ten Largest Taxpayers December 31, 2017

<u>Name</u>	<u>Type of Business</u>	<u>Assessed Valuation</u> ⁽¹⁾ (000s omitted)	<u>Amount of Tax</u>	<u>Percent of Total Tax Billed</u>
Spotsylvania Mall Company	Shopping Mall	\$188,296	\$1,616,822	1.25%
Dominion Virginia Power	Public Utility	155,977	1,325,802	1.03
Spotsylvania Regional Medical Center	Hospital	80,996	1,102,843	0.54
Lidl US Operations	Grocery Distribution	93,309	1,001,113	0.62
Rappahannock Electric	Public Utility	71,616	635,126	0.47
Comcast of VA	Public Utility	8,242	490,541	0.05
CVS VA Distribution	Warehousing	6,913	411,323	0.05
Verizon VA	Public Utility	44,851	398,226	0.30
Columbia Gas of VA	Public Utility	42,988	365,397	0.28
Lee Property Harrison Crossing	Shopping Center	32,214	273,820	0.21

Source: Treasurer, Spotsylvania County.

⁽¹⁾ Includes real and personal property taxes. This schedule is sorted by tax paid. Due to varying rates for real and personal property and public service corporations, assessed values may appear to be out of order.

**General Government Revenues By Source
All Governmental Fund Types**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Property Taxes</u>	<u>Other Local Taxes</u>	<u>Permits, Privilege Fees and Regulatory Licenses</u>	<u>Fines And Forfeitures</u>	<u>Revenues From Use of Money And Property</u>	<u>Charges For Services</u>	<u>Miscellaneous</u>	<u>Inter- Governmental⁽¹⁾</u>	<u>Total</u>
2008	\$119,490,196	\$35,753,813	\$3,437,935	\$ 974,608	\$8,044,111	\$15,479,460	\$3,695,857	\$176,209,376	\$363,085,356
2009	128,835,304	34,079,612	3,176,811	1,163,163	3,243,952	15,722,456	1,358,757	179,333,599	366,913,654
2010	136,828,908	33,358,015	2,344,271	1,007,247	1,630,563	11,870,306	1,225,134	178,497,785	366,762,229
2011	144,911,369	37,113,867	2,210,433	933,327	1,528,698	11,822,621	1,113,581	167,785,857	367,419,753
2012	147,205,885	40,825,793	2,387,611	834,900	1,086,961	12,728,380	1,465,681	163,648,342	370,183,553
2013	147,829,247	42,360,777	2,654,404	642,498	743,743	13,618,541	1,606,764	184,382,796	393,838,770
2014	151,945,820	46,939,533	2,685,169	544,449	1,108,352	14,808,265	1,687,726	178,014,581	397,733,895
2015	156,655,140	43,526,116	3,184,983	634,822	1,172,402	15,049,360	1,051,706	184,768,422	406,042,951
2016	161,724,970	43,557,610	4,338,229	516,791	1,957,329	15,016,889	1,693,088	184,319,566	413,124,472
2017	167,521,135	45,574,161	3,781,794	558,004	1,573,898	15,870,501	1,210,728	187,046,968	423,137,189

Source: Audited Financial Statements 2008 – 2017.

⁽¹⁾ Effective July 1, 2009, all communications sales and use taxes, formerly remitted directly to localities by the provider and defined as local funding, was reclassified as State noncategorical funding and removed from this table. For ease of presentation, any communications sales and use taxes received as local funding prior to July 1, 2009 has also been reclassified to State noncategorical funding and removed from this table.

General Property Tax Rates Per \$100 of Assessed Value

<u>Last Ten Calendar Years</u>					
<u>Calendar Year</u>	<u>Real Estate and Mobile Home</u>	<u>Personal Property⁽¹⁾</u>	<u>Business Furniture and Fixtures</u>	<u>Machinery And Tools</u>	<u>Heavy Construction Equipment</u>
2009	\$ 0.62	\$ 6.26	\$ 5.95	\$ 2.50	\$ 2.00
2010	0.86	6.26	5.95	2.50	2.00
2011	0.86	6.26	5.95	2.50	2.00
2012	0.88	6.37	5.95	2.50	2.00
2013	0.88	6.37	5.95	2.50	2.00
2014	0.86	6.78	5.95	2.50	2.00
2015	0.86	6.73/6.25	5.95	2.50	2.00
2016	0.85	6.55/6.25	5.95	2.50	2.00
2017	0.85	6.55/6.25	5.95	2.50	2.00
2018	0.833	6.55/6.25	5.95	2.50	2.00

⁽¹⁾ For years 2009 – 2014 the rate includes all personal property types. Beginning in 2015, there are two adopted rates: one for automobiles, campers, motor homes, motorcycles, pickups, and trucks and a second rate for boats and boat trailers.
Source: Director of Finance, Spotsylvania County.

Property Tax Levies and Collections

Last Ten Fiscal Years (\$ in thousands)

<u>Fiscal Year</u>	<u>Total Tax Levy⁽²⁾</u>	<u>Current Tax Collections⁽²⁾</u>	<u>Percent of Levy Collected⁽³⁾</u>	<u>Collections in Subsequent Years^(1,2)</u>	<u>Total Tax Collections</u>	<u>Total Tax Collection to Tax Levy⁽³⁾</u>
2008	\$114,440	\$108,901	95.16%	\$5,501	\$114,402	99.97%
2009	119,257	112,873	94.65	5,922	118,795	99.61
2010	131,069	123,576	94.28	6,930	130,506	99.57
2011	137,989	130,423	94.52	6,991	137,414	99.58
2012	141,382	132,979	94.06	6,924	139,903	98.95
2013	141,195	134,557	95.30	6,413	140,970	99.84
2014	145,866	137,564	94.31	6,931	144,495	99.06
2015	148,548	141,151	95.02	7,159	148,310	99.84
2016	153,044	145,122	94.82	6,301	151,422	98.94
2017	158,526	151,128	95.33	-	151,128	95.33

Source: Treasurer, Spotsylvania County.

⁽¹⁾ Does not include land redemptions.

⁽²⁾ Exclusive of penalties and interest.

⁽³⁾ Percentages are calculated using levy for fiscal year.

Pension Plan

All permanent full-time employees of the County and the non-professional employees of the Spotsylvania School Board are automatically enrolled in the Virginia Retirement System (“VRS”), which provides retirement and disability benefits. The VRS maintains separate accounts for each participating locality based on contributions made by the locality and its employees and the benefits being paid to former employees.

The VRS Basic Benefit is a lifetime monthly benefit based on a formula using the member’s average final compensation, a retirement multiplier and total service credit at retirement. For members hired before July 1, 2010, the monthly benefit is based on 1.7% (1.85% for hazardous duty employees) of the member’s 36 consecutive months of highest compensation. For non-hazardous duty members hired or rehired on or after July 1, 2010 and members who were not vested on January 1, 2013, the monthly benefit is based on 1.65% of the member’s 60 consecutive months of highest compensation. Effective January 1, 2014, all new employees without prior VRS service are required to enroll in the VRS Hybrid Plan except for sworn personnel, a combination of defined benefit and defined contribution plans. The Hybrid Plan, introduced to address future affordability, lowered the retirement multiplier to 1.0% and increased the number of months used to calculate the average final compensation.

The Plan is funded through annual required contributions, actuarially determined every two years, at rates that provide for both normal and accrued funding liability. Plan members are required by Virginia law, to contribute 5.0% of their creditable compensation toward their retirement, which up until July 1, 2012 was paid by the County. Effective July 1, 2012, the County adopted provisions mandating all new employees will contribute the full 5% member contribution. In addition, existing employees will be phased-in over a five year period (1% per year) with the County providing salary increases equal to the member contribution in each of the five years as required by VRS. All employees are contributing the full 5% effective July 1, 2017. Each of the County and School Board is required to contribute the remaining amounts necessary to fully fund its required participation in the Plan.

As reported in the County’s CAFR for fiscal year 2017, the County and School Board’s net pension liabilities were \$22.1 million and \$229.9 million, respectively. Details on the pension liability for each entity can be found in the County’s CAFR for fiscal year 2017.

Postemployment Benefits Other Than Pensions

The County and School Board Other Postemployment Benefit Plans are each a single-employer, defined plan, providing health and dental care to retired employees upon meeting certain eligibility requirements. The provisions of each Plan may be amended by the Board of each respective entity. In addition, pursuant to Virginia law, the School Board has joined the Virginia Pooled OPEB Trust Fund, an irrevocable trust to receive, invest, and disburse OPEB funds. For additional information on Plan descriptions, actuarial methods and assumptions please see Note 12 in the County’s CAFR for fiscal year 2017.

At a minimum both the County and School Board fund retiree health benefits on a pay-as-you-go basis. For fiscal year 2017, the County contributed \$1,453,644 or 16.4% of the County’s annual OPEB cost, and the School Board contributed \$5,444,337 or 29.3% of the School Board’s annual OPEB cost. Through efforts to begin meeting each Plan’s annual required contribution, in addition to funding the pay-as-you-go costs, in fiscal year 2018, the County will reserve \$5,810,400 for OPEB. Additionally, the School Board has \$3.1 million in assets held in an irrevocable OPEB trust.

Additional information on each plan’s funded status and funding progress can be found in the County’s CAFR for fiscal year 2017.

Labor Relations

There are presently no strikes or work stoppages by employees of the County, or independent contractors that provide essential government services, either in progress or threatened. Pursuant to the ruling of the Supreme Court of Virginia in *Commonwealth of Virginia v. County Board of Arlington County, et al.*, 217 VA 558, 232 SE 2d 30 (1977), the County is not empowered to recognize a labor organization as the exclusive representative of its public employees and cannot negotiate or enter into binding contracts with any such organization concerning the terms and conditions of employment of its employees. The County has neither negotiated nor bargained with its employees in any manner concerning any aspect of the terms and conditions of the employment of its employees. The County does provide, pursuant to Virginia law, a grievance procedure for the resolution of various personnel complaints.