

APPENDIX A
INFORMATION REGARDING
SPOTSYLVANIA COUNTY, VIRGINIA

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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 (Salem District)	Paul D. Trampe	4 Years (Elected)	7-½ Years	12/31/19
Vice Chairperson and Board Member (Lee Hill District)	Gary R. Skinner	4 Years (Elected)	11-½ Years	12/31/19
Board Member (Livingston District)	Greg Benton	4 Years (Elected)	28 Years ¹	12/31/19
Board Member (Berkeley District)	Kevin Marshall	4 Years (Elected)	16-½ Years ²	12/31/21
Board Member (Chancellor District)	Timothy J. McLaughlin	4 Years (Elected)	7-½ Years	12/31/21
Board Member (Courtland District)	David Ross	4 Years (Elected)	7-½ Years	12/31/19
Board Member (Battlefield District)	Chris Yakabouski	4 Years (Elected)	9-½ Years	12/31/21
County Administrator	Edward Petrovitch	Appointed by Board	13 Years ³	Pleasure of Board
County Attorney	Karl R. Holsten	Appointed by Board	6 Years ⁴	Pleasure of Board
Deputy County Administrator	Mark L. Cole	Appointed by County Administrator	6-½ Years	Pleasure of County Administrator
Commissioner of the Revenue	Deborah F. Williams	4 Years (Elected)	32 Years	12/31/19
Treasurer	Larry K. Pritchett	4 Years (Elected)	45 Years	12/31/19
Superintendent of Schools	Dr. S. Scott Baker	Appointed by School Board	7 Years	Pleasure of School Board
Director of Finance	Mary S. Sorrell	Appointed by County Administrator	32 Years ⁵	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.

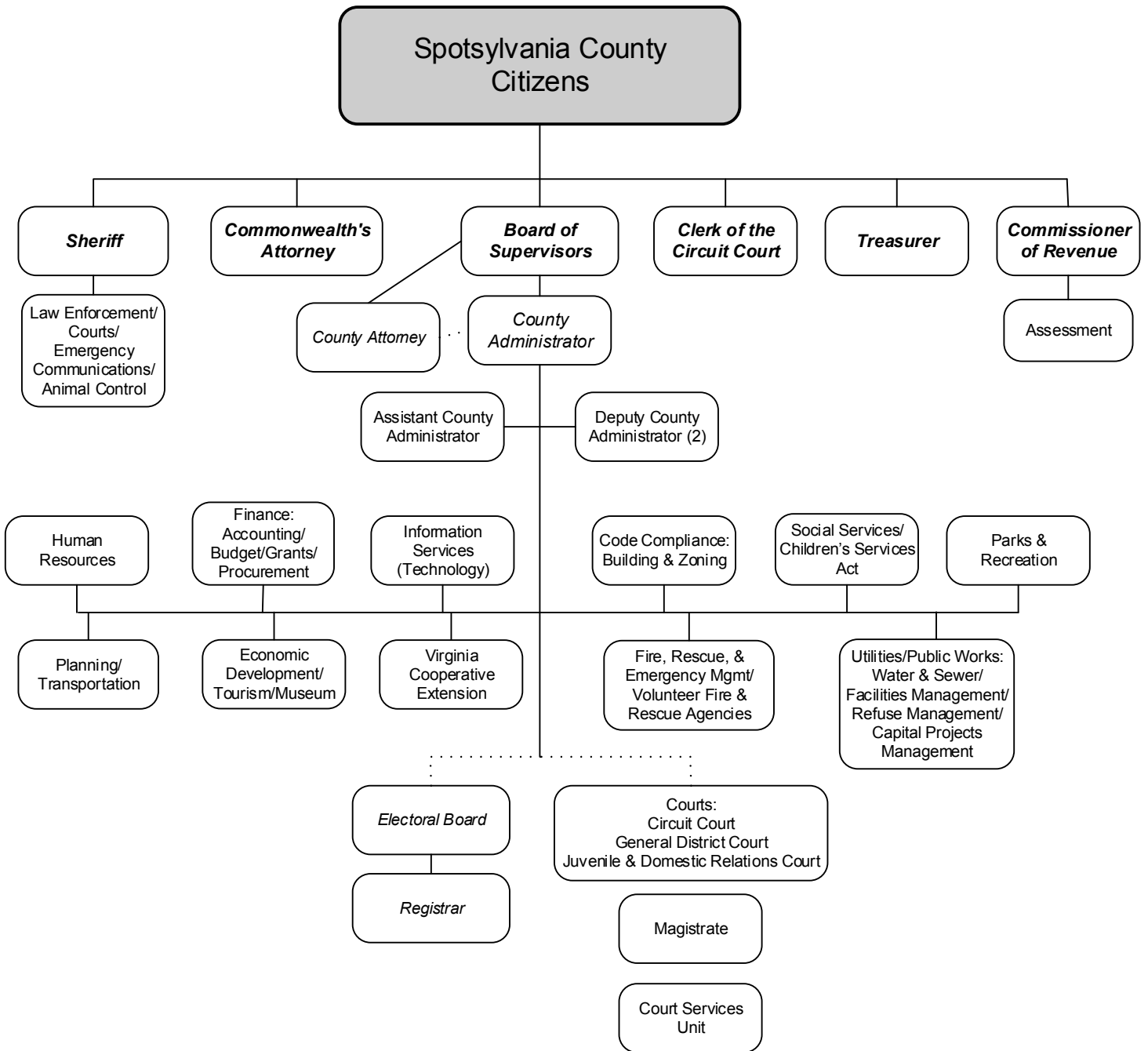
² Served as a Firefighter from 2002 to May, 2019, and joined the Board of Supervisors in 2018 and was named Business Development Manager in May, 2019.

³ Served as Deputy Director of Utilities since 2006 and Deputy County Administrator during years 2008-2019. Appointed to serve as County Administrator, effective June, 2019.

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

Edward Petrovitch, E.M.B.A., County Administrator, was appointed County Administrator in June 2019. Prior to his appointment as County Administrator, he served as Interim County Administrator beginning in April 2019, and prior to that appointment, he served as Deputy County Administrator beginning in March 2015. Mr. Petrovitch was initially hired by the County in August 2006, serving as Deputy Director of Utilities until July 2008, when he was promoted to Director of Utilities. 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.

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.

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 47.7%), federal funds (approximately 5.4%), fees charged for services (approximately 4.3%) use of prior years' School Food Service Fund balance (approximately 0.4%), and a transfer of revenues from the County's General Fund (approximately 42.0%).

Summary of Certain School Statistics

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Kindergarten	1,588	1,565	1,586	1,567	1,545
Elementary (Grades 1-7)	12,518	12,316	12,182	12,325	12,219
Secondary (Grades 8-12)	9,355	9,437	9,424	9,521	9,478
Special Education*	<u>356</u>	<u>360</u>	<u>400</u>	<u>401</u>	<u>432</u>
Total Enrollment	23,817	23,678	23,592	23,814	23,674
Teachers & Administrators	1,894	1,932	1,948	1,958	2,001
Other Employees	<u>1,124</u>	<u>1,147</u>	<u>1,159</u>	<u>1,137</u>	<u>1,196</u>
Total Employees	3,018	3,079	3,107	3,095**	3,197
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>2018-19 Enrollment</u>
Elementary:						
Battlefield	K-5	30.0 Acres	1974	2000	833	655
Berkeley	K-5	17.0 Acres	1961	1971, 1979, 2000, 2005	353	295
Brock Road	K-5	24.4 Acres	1992	2004	907	665
Cedar Forest	K-5	52.4 Acres	2008	---	936	740
Chancellor	K-5	12.0 Acres	1940	1948, 1961, 2000	455	463
Courthouse Road	K-5	25.0 Acres	1994	2005	907	812
Courtland ⁽¹⁾	K-5	-----	1989	2000	789	535
Harrison Road ⁽²⁾	K-5	-----	2001	2006	936	783
Lee Hill	K-5	21.0 Acres	1977	1990, 1999	807	662
Livingston	K-5	15.5 Acres	1961	1971, 1992	504	408
Parkside	K-5	26.8 Acres	1994	2007	936	867
Riverview	K-5	25.0 Acres	1994	2005	907	624
Robert E. Lee	K-5	14.1 Acres	1952	1977	585	508
Salem	K-5	20.0 Acres	1979	1989, 1999	815	645
Smith Station	K-5	23.0 Acres	1991	1999, 2004	986	642
Spotswood	K-5	20.0 Acres	1965	1971, 2000	641	568
Wilderness	K-5	25.0 Acres	1998	2003	936	677
Middle:						
Battlefield	6-8	30.0 Acres	1978	2003	807	837
Chancellor ⁽²⁾	6-8	-----	1989	---	857	835
Freedom	6-8	76.7 Acres	2003	---	948	815
Ni River	6-8	75.0 Acres	1999	---	774	707
Post Oak ⁽³⁾	6-8	-----	2007	---	948	688
Spotsylvania	6-8	41.7 Acres	1968	1973	907	934
Thornburg	6-8	50.0 Acres	1994	---	790	730
Secondary:						
Chancellor	9-12	100.0 Acres	1988	---	1,427	1,288
Courtland	9-12	100.0 Acres	1980	--	1,265	1,176
Massaponax	9-12	100.0 Acres	1998	2005	1,830	2,017
Riverbend	9-12	90.7 Acres	2004	---	1,995	1,919
Spotsylvania	9-12	100.0 Acres	1994	---	1,611	1,143
Spotsylvania Vocational Center ⁽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	36
<u>Total</u>					<u>27,482</u>	<u>23,674</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 2018–2019 school year was 432 as of October 1, 2018.

Actual and Projected Daily Student Enrollment by Grade⁽¹⁾

Grade	Actual Daily Student Enrollment by Grade				Projected Daily Student Enrollment by Grade				
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Pre-K	360	400	401	432	432	432	432	432	432
K	1,565	1,586	1,567	1,545	1,704	1,689	1,665	1,755	1,755
1	1,612	1,579	1,664	1,599	1,626	1,809	1,771	1,703	1,809
2	1,776	1,602	1,652	1,721	1,642	1,680	1,848	1,796	1,714
3	1,801	1,792	1,646	1,698	1,768	1,703	1,715	1,874	1,808
4	1,716	1,771	1,854	1,688	1,744	1,827	1,741	1,740	1,888
5	1,812	1,760	1,836	1,866	1,735	1,807	1,866	1,769	1,752
6	1,785	1,850	1,788	1,841	1,909	1,786	1,842	1,893	1,779
7	1,814	1,828	1,885	1,806	1,884	1,965	1,820	1,869	1,904
8	1,867	1,858	1,865	1,899	1,847	1,939	2,002	1,846	1,880
9	2,017	2,014	2,043	2,025	1,992	2,071	2,152	2,211	2,023
10	1,928	1,928	1,910	1,874	1,946	1,926	1,983	2,052	2,092
11	1,773	1,824	1,839	1,820	1,820	1,902	1,864	1,910	1,961
12	1,852	1,800	1,864	1,860	1,960	1,973	2,039	1,990	2,021
Total	23,678	23,592	23,814	23,674	24,009	24,509	24,740	24,840	24,818

Source: Superintendent of Schools, Spotsylvania County.

⁽¹⁾ As of September 30 or October 1 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 undergraduate enrollment of approximately 4,400 and more than 300 enrolled in professional studies and graduate programs. 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 125 employees, who are responsible for operating and maintaining the System.

The County water and sewer system currently serves over 31,000 residential and non-residential customers within the County and includes over 1,200 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 approximately 4 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 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.

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 opened in the County during 2018, one of which occupies space in The Spotsylvania Towne Centre and is a catalyst for trips to the shopping facilities at the Towne Centre.

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	124,516
2012	125,808
2013	127,385
2014	128,804
2015	129,944
2016	131,271
2017	132,802
2018	134,238
2019	135,000

Sources: U.S. Census Bureau for years 2018 and prior; Spotsylvania County Planning Department for 2019 estimate.

Income Profile

Median Household Income

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Spotsylvania County	\$73,112	\$75,714	\$76,181	\$81,065	\$85,743
Commonwealth of Virginia	\$62,745	\$64,923	\$66,263	\$68,127	\$71,518

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

Per Capita Income

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Spotsylvania County + City of Fredericksburg	\$43,583	\$44,655	\$46,368	\$47,318	\$48,823
Commonwealth of Virginia	\$48,666	\$50,528	\$52,687	\$53,323	\$55,105

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
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	309	715	2,999	4,023	536,842,341	186,182,287	108,333,303	831,357,931
2019 ⁽⁷⁾	250	586	2,461	3,297	140,753,683	156,047,040	28,650,033	325,450,756

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⁾ Fiscal Year 2019 data through April 2019. Includes submission of one large commercial application with a stated value of \$500 million.

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>2018</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%	40,711	82.1%
Attached ⁽⁴⁾	1,313	6.5	2,522	7.6	2,730	6.3	4,357	8.8
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>4,505</u>	<u>9.1</u>
Total	20,350	100.0%	33,309	100.0%	43,342	100.0%	49,573	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 2018.

⁽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 containing a minimum of 100 contiguous acres. Grant funds were used for site assessment and development potential on three viable sites in 2017-2018. To enhance Virginia's economic competitiveness, the Commonwealth has identified over 500 sites, including several in the County, to be evaluated over a three-month period for site readiness.
- GO Virginia is a statewide economic development initiative intended 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 Fiscal Year 2020 funding level of approximately \$650,000 to allocate to qualified projects. Through an application process, applicants must meet certain economic growth and diversification 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, Virginia.
- The County was designated three Opportunity Zones 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 allows investors to receive tax benefits on currently unrealized capital gains by investing those gains in census tracts designated as Opportunity Zones. The designations are effective until December 31, 2028.
- 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 four census tracts designated by the Small Business Administration as Qualified HUBZones that offer businesses an advantage when applying for federal contracts. Two adjacent HUBZones are located in the northern portion of the County on the Route 3 corridor, and the remaining two adjoining tracts are located near Lake Anna.
- The County continues to attract businesses that provide a diverse economic base with above average annual salaries. Industrial properties have historically been strong throughout the County and manufacturing properties have seen robust activity for new and renewed leases. Retail sales, services, and jobs continue to be stabilized in the County and region. Nationwide major retail store closings have not materially impacted the County or surrounding areas.
- 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 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 2017 report, Spotsylvania County ranked 17th out of 134 counties and incorporated cities within the Commonwealth for tourism expenditures, 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 750,000 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 2017 generated approximately \$285 million in overall economic value, up from \$275 million in 2016. 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 hosted the 2017/2018 U.S. Youth Soccer Region 1 Championships. The Championships used 4,000 hotel rooms in the region from Alexandria to Glen Allen and provided 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 continue to market the distillery as a destination to out-of-state markets in 2019.
- 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 has been completed on several yurts which will become available for use in the Spring of 2019.

- Shannon Air Museum continued to see an increase in visitation and has 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 25-26 there will be special events at the airport to include the Tuskegee Air Museum and the Berlin Air Drop plane during their annual Fall Festival that brings large crowds to the airfield, including local school groups.
- The Spotsylvania Arts Festival debuted in August 2018 and was a success with over 30 artists from around the nation selling, demonstrating, and displaying their work for two days on the County's historic courthouse lawn. Food vendors and music rounded out the event with a steady crowd attending both days of the Festival. The County was awarded the 2018 Virgo Award for Niche Tourism by the Virginia Association of Destination Marketing Organizations for the Arts Festival.

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Principal Private Non-Retail Employers

<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	100-249
Kaesser Compressors, Inc.	Air Compressor Manufacturing	250-499
PMC Services, LLC	Direct Mail Services	100-249
Richmond Fitness, Inc.	Fitness and Recreational Sports Center	100-249
PAE National Security Solutions, LLC	Government Services & Support	100-249
Rappahannock Electric Co-Op	Electric Utility	100-249
Compass Counseling Services	Social Assistance	100-249
Trussway	Manufacturing of Building Trusses	100-249
Rappahannock Goodwill Industries	Rehabilitation Services	100-249
Sentara Healthcare	Healthcare	100-249
Carriage Hill Health & Rehab	Healthcare	100-249
Simmons Building Company	Bedding Manufacturing	100-249

Source: Virginia Employment Commission, as of 4th quarter 2018.

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
Minnieland Private Day School	Child Care	250-499
Mantech Advanced Systems, Inc.	Technology Services	250-499

Source: Virginia Employment Commission, as of 4th quarter 2018.

Unemployment Rate

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

	<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>	<u>2018</u>
Spotsylvania County	5.6%	7.0%	6.7%	6.1%	5.8%	5.4%	4.6%	4.1%	3.7%	3.0%
Commonwealth of Virginia	6.7	7.1	6.6	6.1	5.7	5.2	4.5	4.1	3.7	3.0
United States	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.4	3.9

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>
2009	\$1,347,926,498	\$11,136
2010	1,360,120,319	11,112
2011	1,409,680,505	11,321
2012	1,459,932,298	11,604
2013	1,475,776,919	11,585
2014	1,506,373,874	11,695
2015	1,547,887,315	11,912
2016	1,590,677,800	12,118
2017	1,634,908,083	12,311
2018	1,696,332,232	12,637

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 2020, which begins July 1, 2019.

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Set forth in the table below is a summary of the Fiscal Year (“FY”) 2020 Adopted General Fund Budget.

	FY 2020 ADOPTED BUDGET
Sources:	
Revenues:	
Property Taxes	\$185,740,238
Other Local Taxes	44,303,635
Licenses & Permits	149,516
Charges for Services	4,656,308
Other Local Revenue	5,113,850
State	41,015,821
Federal	723,691
Transfer from Capital Projects Fund	284,333
Transfer from Fire/EMS Service Fee Fund	2,500,000
Transfer from Code Compliance Fund	672,813
Total Revenues	\$285,160,205
Use of (Addition to) Fund Balance	5,221,927
Total Sources	<u>\$290,382,132</u>
Uses:	
Executive Services	\$ 6,507,000
Administrative Services	15,046,900
Voter Services	539,132
Judicial Administration	4,493,368
Public Safety	59,275,280
Public Works	9,121,887
Health & Welfare	25,002,415
Parks, Recreation & Cultural	8,031,794
Community Development	2,927,953
Debt Service	10,077,193
Subtotal	\$141,022,922
Tax Relief	1,285,962
Transfer to School Operating Fund	131,181,416
Transfers to Other Funds	16,891,832
Total Uses	<u>\$290,382,132</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 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2020-2024 Estimated Cost</u>
GENERAL CAPITAL PROJECTS						
General Government Facilities	\$12,607,014	\$13,317,397	\$8,519,257	\$11,135,380	\$6,967,675	\$52,546,722
Solid Waste	1,295,000	1,483,107	5,784,700	1,173,800	6,223,000	15,959,607
Parks and Recreation	669,120	0	515,000	0	9,595,000	10,779,120
Fire/Rescue Services	4,533,912	5,073,113	10,016,721	7,375,297	3,535,799	30,534,842
Transportation	3,400,000	3,830,000	10,926,128	6,657,500	3,550,000	28,363,628
TOTAL	\$22,505,046	\$23,703,617	\$35,761,806	\$26,341,977	\$29,871,474	\$138,183,919
SCHOOL CAPITAL PROJECTS	\$28,904,696	\$21,075,916	\$38,195,828	\$20,081,582	\$13,200,964	\$121,458,986
UTILITIES CAPITAL PROJECTS	\$33,585,000	\$46,585,000	\$33,860,040	\$25,044,073	\$23,398,643	\$162,472,756
TOTAL	\$84,994,742	\$91,364,533	\$107,817,674	\$71,467,632	\$66,471,081	\$422,115,661

SUMMARY OF FUNDING ESTIMATES⁽¹⁾

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2020-2024 Estimated Cost</u>
GENERAL CAPITAL PROJECTS						
Use of (Add to) CIP Fund Balance	\$ (367,547)	\$ 6,179,347	\$ 3,204,648	\$ (3,963,007)	\$ 6,404,173	\$ 11,457,613
General Fund Revenues	13,740,509	11,076,356	12,051,430	13,066,561	14,140,142	64,074,998
Bond/Lease Issues	5,510,050	6,131,838	19,865,515	17,118,523	9,185,915	57,811,841
Other Sources	3,622,034	316,076	640,213	119,900	141,244	4,839,467
TOTAL GENERAL PROJECTS	\$22,505,046	\$23,703,617	\$35,761,806	\$26,341,977	\$29,871,474	\$138,183,919
SCHOOL CAPITAL PROJECTS						
Bond/Lease Issues	\$28,904,696	\$21,075,916	\$38,195,828	\$20,081,582	\$13,200,964	\$121,458,986
TOTAL SCHOOL PROJECTS	\$28,904,696	\$21,075,916	\$38,195,828	\$20,081,582	\$13,200,964	\$121,458,986
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	23,260,000	24,075,000	10,460,000	10,555,000	12,700,000	81,050,000
Other Sources	5,497,412	15,569,900	15,519,972	10,845,576	6,920,140	54,353,000
Use of (Add to) Util. Fund Balance	1,205,618	3,318,130	4,258,098	21,527	156,533	8,959,906
TOTAL UTIL. CAP. PROJECTS	\$33,585,000	\$46,585,000	\$33,860,040	\$25,044,073	\$23,398,643	\$162,472,756
TOTAL	\$84,994,742	\$91,364,533	\$107,817,674	\$71,467,632	\$66,471,081	\$422,115,661

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Fund Balance at Beginning of Year	\$ 54,576,221	\$ 56,203,111	\$ 66,779,711	\$ 73,018,972	\$ 76,559,831
Revenues:					
General property taxes ⁽¹⁾	\$151,223,334	\$155,952,351	\$160,837,878	\$166,388,967	\$171,066,503
Other taxes	42,249,904	43,469,216	44,729,818	41,830,371	42,903,023
Permits, privilege fees and regulatory license	246,380	272,506	389,490	315,939	377,411
Fines and Forfeitures	544,449	634,822	516,791	558,004	529,585
Use of money and property	815,850	847,799	1,447,184	954,893	1,119,795
Charges for Services	4,135,441	4,558,514	4,472,575	4,781,097	5,197,426
Gifts and donations	154,231	44,302	120,681	133,646	167,352
Miscellaneous	145,918	175,173	201,183	105,475	213,829
Intergovernmental	31,566,389	32,709,716	34,746,531	39,286,317	42,974,684
Total revenues	<u>\$231,081,896</u>	<u>\$238,664,399</u>	<u>\$247,462,131</u>	<u>\$254,354,709</u>	<u>\$264,549,608</u>
Expenditures:					
Current:					
General government administration	\$ 11,212,302	\$ 11,600,207	\$ 11,491,091	\$ 12,740,875	\$ 12,657,779
Judicial administration	6,766,622	7,046,770	7,265,919	7,059,536	7,508,648
Public safety	41,338,015	42,110,181	43,902,872	46,230,001	49,635,232
Public works	8,671,703	8,479,503	8,484,962	7,871,561	8,161,166
Health and welfare	18,041,782	17,944,883	19,597,892	20,692,124	23,781,266
Education	102,668,827	101,940,702	111,012,190	120,472,661	124,350,214
Parks, recreation and cultural	6,812,660	6,848,209	6,767,559	7,077,085	7,503,395
Community development	2,473,836	2,146,529	2,226,841	2,381,984	2,466,484
General debt service	34,239,999	31,623,030	32,179,646	35,069,485	35,310,192
Non-departmental	847,548	1,040,896	1,132,563	1,206,801	1,219,696
Total expenditures	<u>\$233,073,294</u>	<u>\$230,780,910</u>	<u>\$244,061,535</u>	<u>\$260,802,113</u>	<u>\$272,594,072</u>
Excess of revenues over expenditures	\$ (1,991,398)	\$ 7,883,489	\$ 3,400,596	\$ (6,447,404)	\$ (8,044,464)
Other financing sources (uses):					
Bond proceeds	23,497,716	71,264,106	27,765,885	19,615,000	24,440,000
Debt issuance premiums (discounts)	-	7,546,494	3,711,698	2,898,821	3,106,621
Payment for refunded debt	(11,583,708)	(70,419,215)	(16,413,670)	-	-
Transfers in (out)	(8,295,720)	(6,328,074)	(12,225,240)	(12,525,558)	(9,456,891)
Total other financing sources (uses):	<u>\$ 3,618,288</u>	<u>\$ 2,063,311</u>	<u>\$ 2,838,673</u>	<u>\$ 9,988,263</u>	<u>\$ 18,089,730</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	1,626,890	9,946,800	6,239,269	3,540,859	10,045,266
Special revenue	=	629,800	=	=	=
Fund balance at end of year	<u>\$ 56,203,111⁽²⁾</u>	<u>\$ 66,779,711⁽²⁾</u>	<u>\$ 73,018,972⁽³⁾</u>	<u>\$ 76,559,831⁽³⁾</u>	<u>\$86,605,097^{(2),(3)}</u>

Source: Spotsylvania County Comprehensive Annual Financial Report ("CAFR") Fiscal Year 2014 through Fiscal Year 2018.

⁽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 and the LOSAP trust 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Fund balance at beginning of year	\$ 9,646,890 ⁽¹⁾	\$ 18,050,272	\$ 22,304,382	\$ 19,528,221	\$ 15,579,781
Revenues:					
Use of money and property	\$ 15,068	\$ 12,701	\$ 50,760	\$ 97,061	\$ 278,394
Charges for services	7,733,302	7,437,251	8,003,688	8,039,886	8,795,223
Miscellaneous	413,500	406,056	586,515	284,246	366,645
Gifts and donations	377,608	74,316	-	-	-
Intergovernmental	135,379,486	140,988,446	141,379,434	146,684,659	153,577,679
Payments from primary government	<u>102,454,221</u>	<u>101,711,245</u>	<u>114,532,357</u>	<u>120,243,266</u>	<u>124,119,694</u>
Total Revenues	<u>\$246,373,185</u>	<u>\$250,630,015</u>	<u>\$264,552,754</u>	<u>\$275,349,118</u>	<u>\$287,137,635</u>
Expenditures:					
Education	\$227,625,551	\$240,214,527	\$247,917,826	\$252,711,284	\$255,857,805
Capital projects	<u>10,344,252</u>	<u>6,161,378</u>	<u>19,411,088</u>	<u>26,586,274</u>	<u>24,256,595</u>
Total Expenditures:	\$237,969,803	\$246,375,905	\$267,328,914	\$279,297,558	\$280,114,400
Revenues over (under) expenditures	\$ 8,403,382	\$ 4,254,110	\$ (2,776,160)	\$ (3,948,440)	\$ 7,023,235
Fund balance at end of year	<u>\$ 18,050,272</u>	<u>\$ 22,304,382</u>	<u>\$ 19,528,221</u>	<u>\$ 15,579,781</u>	<u>\$ 22,603,016</u>

Source: Spotsylvania County CAFR Fiscal Year 2014 through Fiscal Year 2018.

⁽¹⁾ As part of the Fiscal Year 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, 2019^{(1), (2)}**

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 Schools			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>
2020	\$ 9,553,679	\$ 4,500,960	\$ 14,054,639	\$ 18,167,780	\$ 6,683,152	\$ 24,850,931	\$ 27,721,459	\$ 11,184,112	\$ 38,905,571
2021	9,643,588	4,094,807	13,738,395	17,860,386	5,862,028	23,722,414	27,503,973	9,956,836	37,460,809
2022	9,746,894	3,650,421	13,397,315	17,494,106	5,043,692	22,537,798	27,241,000	8,694,113	35,935,113
2023	9,870,871	3,199,150	13,070,021	16,036,128	4,264,570	20,300,698	25,906,999	7,463,720	33,370,719
2024	9,575,437	2,744,600	12,320,037	13,177,563	3,590,377	16,767,940	22,753,000	6,334,977	29,087,977
2025	9,267,240	2,297,346	11,564,586	13,013,760	3,060,339	16,074,099	22,281,000	5,357,685	27,638,685
2026	9,280,760	1,936,867	11,217,627	12,874,240	2,575,262	15,449,502	22,155,000	4,512,128	26,667,129
2027	9,225,089	1,583,022	10,808,111	12,770,911	2,124,846	14,895,757	21,996,000	3,707,867	25,703,868
2028	5,551,275	1,213,782	6,765,058	10,069,724	1,534,067	11,603,791	15,621,000	2,747,849	18,368,848
2029	5,366,275	970,388	6,336,664	8,717,724	1,178,700	9,896,424	14,084,000	2,149,088	16,233,088
2030	5,291,275	731,308	6,022,584	6,739,724	858,411	7,598,135	12,031,000	1,589,719	13,620,719
2031	3,431,275	526,978	3,958,253	5,923,724	640,370	6,564,094	9,355,000	1,167,348	10,522,347
2032	3,126,698	398,058	3,524,756	2,693,302	456,325	3,149,627	5,820,000	854,383	6,674,382
2033	2,536,026	280,795	2,816,821	2,362,704	364,476	2,727,181	4,898,731	645,271	5,544,002
2034	2,249,814	184,023	2,433,837	2,090,186	281,423	2,371,609	4,340,000	465,446	4,805,445
2035	1,749,456	95,902	1,845,358	1,780,544	212,059	1,992,603	3,530,000	307,961	3,837,961
2036	520,000	40,463	560,463	1,550,000	154,940	1,704,940	2,070,000	195,403	2,265,403
2037	305,000	25,481	330,481	1,550,000	105,278	1,655,278	1,855,000	130,759	1,985,759
2038	275,000	15,538	290,538	980,000	55,370	1,035,370	1,255,000	70,908	1,325,908
2039	275,000	5,500	280,500	980,000	19,600	999,600	1,255,000	25,100	1,280,100
Total	<u>\$106,840,654</u>	<u>\$28,495,388</u>	<u>\$135,336,041</u>	<u>\$166,832,507</u>	<u>\$39,065,283</u>	<u>\$205,897,790</u>	<u>\$273,673,161</u>	<u>\$67,560,671</u>	<u>\$341,233,831</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.

⁽²⁾ Excludes bonds issued for transportation projects for which Special Service District taxes are in place to fully fund debt service.

**Statement of Debt Service Charges on Outstanding
General Governmental Long-Term Obligations to Maturity^{(1), (2)}
Subsequent to June 30, 2019**

Year Ending June 30	Existing Governmental Debt Service Total	<u>Principal</u>	<u>Series 2019 Bonds</u> <u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Total Debt Service</u> <u>Interest</u>	<u>Total</u>
2020	\$38,905,571						
2021	37,460,809						
2022	35,935,113						
2023	33,370,719						
2024	29,087,977						
2025	27,638,685						
2026	26,667,129						
2027	25,703,868						
2028	18,368,848						
2029	16,233,088						
2030	13,620,719						
2031	10,522,347						
2032	6,674,382						
2033	5,544,002						
2034	4,805,445						
2035	3,837,961						
2036	2,265,403						
2037	1,985,759						
2038	1,325,908						
2039	1,280,100						
<hr/>							
Total	<u>\$341,233,831</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.

⁽²⁾ Excludes bonds issued for transportation projects for which Special Service District taxes are in place to fully fund debt service.

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

<u>Fiscal Year</u>	<u>Population⁽¹⁾</u>	<u>Assessed Value of Real Property⁽²⁾</u>	<u>Net⁽³⁾ Bonded Debt</u>	<u>Percentage of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2010	122,397	\$12,170,030,169	\$309,453,380	2.54%	\$2,528
2011	124,516	12,299,190,848	303,240,760	2.47	2,435
2012	125,808	11,879,393,399	298,344,937	2.51	2,371
2013	127,385	11,944,871,476	276,359,298	2.31	2,169
2014	128,804	12,465,541,474	271,637,694	2.18	2,109
2015	129,944	12,641,335,473	263,795,039	2.09	2,030
2016	131,271	13,441,945,734	266,867,938	1.99	2,033
2017	132,802	13,778,110,158	267,604,097	1.94	2,015
2018	134,238	14,849,064,873	266,018,023	1.79	1,982
2019	135,000	15,138,224,874	273,673,161	1.81	2,027

Source: Director of Finance, Spotsylvania County.

⁽¹⁾ U.S. Census Bureau for 2018 and prior, Spotsylvania County Planning Department for 2019 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>
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	170,465,838	18,105,300	2,518,953	22,278,770	213,368,861
2019 ⁽³⁾	177,704,876	18,550,000	2,500,000	21,900,000	220,654,876

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 second quarter report for Fiscal Year 2019.

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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>
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
2019	15,138,224,874	886,183,842	27,260,856	9,261,485	18,362,014	416,736,603	16,496,029,674

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 2019 assessment became effective January 1, 2019.

⁽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, 2018

<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	\$185,224	\$1,559,205	1.14%
Dominion Virginia Power	Public Utility	167,170	1,392,529	1.03
Lidl US Operations	Grocery Distribution	111,821	1,455,804	0.69
Rappahannock Electric	Public Utility	87,043	756,596	0.54
Spotsylvania Regional Medical Center	Hospital	79,319	964,873	0.49
Columbia Gas of VA	Public Utility	47,295	393,965	0.29
Verizon VA	Public Utility	45,202	389,613	0.28
Walton Virginia, LLC	Developer	43,756	316,428	0.27
The Collection @ Cosners Corner	Apartments	33,817	281,694	0.21
Lee Property Harrison Crossing	Shopping Center	32,690	272,304	0.20

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>
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
2018	172,314,525	47,175,486	4,845,487	529,585	2,278,172	16,672,709	2,182,187	197,846,373	443,844,524

Source: Audited Financial Statements 2009 – 2018.

⁽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>
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	0.8330	6.55/6.25	5.95	2.50	2.00
2019	0.8474	6.55/6.25/1.25	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. Beginning in 2019, a third tax rate was established for data center equipment and peripherals.

Source: Director of Finance, Spotsylvania County.

Property Tax Levies and Collections

<u>Last Ten Fiscal Years</u> <u>(\$ in thousands)</u>						
<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>
2009	\$119,257	\$112,873	94.65%	\$5,925	\$118,798	99.62%
2010	131,069	123,576	94.28	6,934	130,510	99.57
2011	137,986	130,423	94.52	6,996	137,419	99.59
2012	141,374	132,979	94.06	6,941	139,920	98.97
2013	141,162	134,557	95.32	6,458	141,015	99.90
2014	145,809	137,564	94.35	7,011	144,575	99.15
2015	148,433	141,151	95.09	7,300	148,451	100.01
2016	153,011	145,122	94.84	6,825	151,947	99.30
2017	158,493	151,128	95.35	5,691	156,819	98.94
2018	164,020	155,695	94.92	-	155,695	94.92

Source: Treasurer, Spotsylvania County.

⁽¹⁾ Does not include land redemptions.

⁽²⁾ Exclusive of penalties and interest.

⁽³⁾ Percentages are calculated using levy for applicable 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 2018, the County and School Board’s net pension liabilities were \$14.3 million and \$196.8 million, respectively. Details on the pension liability for each entity can be found in the County’s CAFR for Fiscal Year 2018.

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 2018.

At a minimum both the County and School Board fund retiree health benefits on a pay-as-you-go basis. For Fiscal Year 2018, the County contributed \$1,454,000 or 20% of the County’s annual OPEB expense, and the School Board contributed \$4,496,000 or 32% of the School Board’s annual OPEB expense. Through efforts to begin meeting each Plan’s annual required contribution, in addition to funding the pay-as-you-go costs, in Fiscal Year 2019, the County will reserve \$8,461,334 for OPEB. Additionally, the School Board has \$3,400,000 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 2018.

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.