

Five Year Operating Plan General Fund

[Back](#)

[Stafford County FY17 Adopted Budget](#)

The Five Year model section presents long-range plans using assumptions about economic conditions, future spending scenarios, and other variables to help with the projection of revenues and expenditures. The long-term financial process is a collaboration of efforts between departments and government officials.

The plan is tied to the priorities of the Board of Supervisors, the Comprehensive Plan, and the Adopted Capital Improvements Plan. Debt Service and operating costs of new facilities are integrated in the County's long-range planning. The plan is a tool for proactive financial decision-making supporting the Board's goal of long-term fiscal responsibility.

Long-range financial plans are included in this section for the General Fund, Utilities Fund and Transportation Fund.



In the 19th century, copper and gold were mined in the river's upper reaches. At the time, Virginia was the largest gold-producing state in the nation until the California Gold Rush of 1849.

The Five Year Plan is a tool to help in long-range planning for the various County funds and agencies. Assumptions used in forecasting activity in future years rely heavily on past history, as well as current economic conditions. It is assumed that the County will continue to experience modest, steady growth in the planning period. This model does not anticipate a return to the level of rapid growth previously experienced in the County. The plan reflects the anticipated future needs of County agencies, contrasting those needs and requests with a revenue forecast for the same period. Revenue forecasting, based on historical trends, is intended to be responsibly conservative. Expenditure forecasts are based on projected needs and requests by individual agencies. The gap between the projected revenues and expenditures provides an opportunity to begin planning and prioritizing for future years. The County is required to present a balanced budget each year.

This model shows a balanced plan for fiscal years 2017 and 2018. For fiscal years 2018-2021, County agencies were asked to forecast their future needs, and were not directed to consider limited financial constraints. Any imbalance in the out years should not be interpreted as an expected budget shortfall.

Five Year Operating Plan

General Fund

Stafford County FY17 Adopted Budget

GENERAL FUND REVENUES

The projections for taxable real property assume a growth factor of 2% in FY2017, 2.5% FY2018-21. The model assumes:

- that the Board adopts the effective rate for real estate taxes in reassessment years
- all other tax rates remain constant

Development fees are projected to continue a gradual increase through the planning period. Fees will be evaluated regularly.

Most other fee revenues are projected to grow by 2-2.5%.

GENERAL FUND EXPENDITURES

Operating expenditure projections are based on department's projected needs.

Personnel expenditures are projected to grow at a rate of 2-3% annually through the planning period.

Operating and capital expenditures for FY2017-18 are projected to grow at an inflation rate of 2% annually, increasing to 3% in later years.

Included in operating cost projections are:

- Continued multi-year implementation of the Public Safety staffing plan is shown in years FY2019-2021.
- Many agencies project increased staffing needs with the continued growth of the community.
- Local support for the Schools includes debt service and operating costs related to the CIP. Local Schools funding shown in the five year model is for projection purposes only and does not reflect any policy or priority in the future.
- Replacement of aging vehicles and equipment for non-public safety departments are included in the outer years. Replacement ambulances and sheriff's vehicles are funded in all years.
- Debt service is estimated using the current debt schedules and the FY2017-2026 Capital Projects Program (CIP) assuming an interest rate of 5.5% and a term of 20 years, consistent with the CIP.
- The Five-Year plan is driven by increased future debt service and operating costs associated with the CIP. Project pages within the CIP section provide more detail on the operating costs.

As directed by the Board, budgets are crafted using conservative estimates. This model assumes that all fund balance requirements are met with positive results of operations from the previous year. The model includes modest optimism that economic conditions will continue to improve in the next fiscal year, but maintains a conservative approach to revenue forecasting, based on recession-based historical trends. Schools' staff did not provide information in the five-year planning process. Therefore we are not making projections on total increases to school funding from all other sources.

FY2018 PROJECTION

As directed by the Board, a balanced plan for FY2018 is included in the Five Year Projection section. Departments were asked to project future needs constrained by a 2-3% increase in revenues.

The model assumes a 2.5% increase in revenues, which would be sufficient to fund these required increases. *Not included* in the FY2018 expenditure projection: funding to meet inflationary increases, replacement of materials and equipment, full funding of agencies' requests for new personnel to meet expected challenges in public safety, courts, and development.

Five Year Operating Plan

General Fund

Stafford County FY17 Adopted Budget

The five year model does not include a contribution to OPEB above any health insurance savings which would go to the OPEB trust per the Board's financial policies. The model assumes that one half of new revenues would go to the Schools. The plan will be revised throughout the year, with an update presented to the Board in the upcoming year.

FY2019-20

In the later years, the model reflects the impact of debt service and operating costs related to the CIP as well as other projected increases needed to meet the needs of the community. Projections for the outer years reflect departments' requests without considering financial constraints. A line labeled "adjustments to be determined" has been included to show the gap between projected revenues and expenditures. This should not be considered a budget shortfall.

This table summarizes the five year projection.

	2015 Actual	2016 Adopted	2017 Adopted	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast
Property Taxes	198,066,008	200,900,736	207,303,784	213,242,000	218,571,000	224,033,000	229,632,000
Other Taxes	35,973,516	35,475,292	36,985,957	37,779,000	38,715,000	39,674,000	40,657,000
Service Charges & Other	18,621,392	14,315,072	15,622,985	16,112,000	16,468,000	16,834,000	17,109,000
Federal & State Revenues	14,499,077	14,843,785	15,398,433	15,627,000	15,698,000	15,956,000	16,225,000
	267,159,993	265,534,885	275,311,159	282,760,000	289,452,000	296,497,000	303,623,000
Public Safety	41,400,326	41,177,227	44,225,944	44,889,000	48,908,000	49,288,000	50,838,000
Non-Public Safety	48,359,839	47,481,692	50,018,338	50,349,000	52,160,000	53,456,000	54,930,000
Debt Service - County	12,277,101	12,488,770	13,649,195	15,448,000	16,124,000	18,207,000	19,509,000
Other	27,486,394	20,668,940	22,854,119	24,248,000	24,988,000	25,540,000	26,218,000
Schools - Local Transfer	104,202,323	113,254,828	113,200,804	114,957,000	117,398,000	119,661,000	124,435,000
Schools - Debt Service/Capital Projects	<u>28,913,328</u>	<u>30,463,428</u>	<u>31,362,759</u>	<u>32,869,000</u>	<u>33,272,000</u>	<u>32,513,000</u>	<u>32,420,000</u>
Local School Funding	133,115,651	143,718,256	144,563,563	147,826,000	150,670,000	152,174,000	156,855,000
Adjustments to be determined					(3,398,000)	(2,168,000)	(8,081,999)
	262,639,311	265,534,885	275,311,159	282,760,000	289,452,000	296,497,000	300,268,001



Five Year Operating Plan - Transportation Fund

Stafford County FY17 Adopted Budget

	FY2016 Estimated	FY2017 Adopted	FY2018 Forecast	FY2019 Forecast	FY2020 Forecast	FY2021 Forecast
Revenues						
Gasoline Sales Tax	3,109,776	2,954,838	3,056,714	3,178,136	3,359,767	3,454,121
State Recordation Tax	693,000	693,000	693,000	693,000	693,000	693,000
State/Federal	13,461,688		15,676,263	514,383	2,056,034	0
Bonds	4,774,472	0	7,687,895	0	0	0
Other Tourism Funding-Ferry Road	434,128	0	0	0	0	0
From Service District Berea Church Project	0	0	1,109,966	0	0	
Impact Fees	938,177	100,000	375,000	1,600,000	1,600,000	1,032,921
Proffers	919,829		935,856	0	0	0
Other	414,000	5,000	5,000	5,000	5,000	5,000
Total Revenue Sources	24,745,070	3,752,838	29,539,694	5,990,519	7,713,801	5,185,042
Expenditures						
Management Services	15,000	15,000	15,000	15,000	15,000	15,000
FRED Bus Service	473,961	471,072	485,204	499,760	514,753	530,196
VRE Subsidy	2,855,607	2,647,222	2,647,912	2,727,349	2,727,349	2,809,170
PRTC Subsidy	73,400	80,700	85,600	95,900	88,300	93,000
Airport Subsidy	85,714	85,714	85,714	85,714	85,714	85,714
Debt Service	316,540	621,626	608,734	1,388,640	1,369,282	1,369,282
Street Signs	50,000	25,000	25,000	25,000	25,000	25,000
Social Services/ Other Professional Services	40,000	40,000	40,000	40,000	40,000	40,000
Gateway	100,000	100,000	100,000	100,000	100,000	100,000
Local Road Projects	125,000	0	0	0	0	0
CIP Projects	20,838,574		26,328,660	514,383	4,112,068	0
Total Expenditures	24,973,796	4,086,334	30,421,824	5,491,746	9,077,466	5,067,362
Change in Fund Balance	(228,726)	(333,496)	(882,130)	498,773	(1,363,665)	117,680
Beginning of Year Fund Balance	8,704,963	8,476,237	1,964,896	1,082,766	1,581,539	217,874
Assigned:	5,308,492	8,142,741	1,082,766	1,581,539	217,874	335,554
Use of Fund Balance Proposed FY17 CIP Projects	0	(6,177,845)	0	0	0	0
Fund Balance, end of year	\$8,476,237	\$1,964,896	\$1,082,766	\$1,581,539	\$217,874	\$335,554

Projects included in the proposed CIP are dependent upon future funding. This schedule does not reflect all proposed projects.

In November, 2008, Stafford County voters approved a \$70 million road bond referendum. Project schedules are under review. The five year projection will be updated as the timing of the projects and the issuance of debt is determined.

The Circuit Court has granted a two-year extension to the expiration date of the referendum. Expiration date is November, 2018 (FY2019).

Gasoline sales tax revenue projections provided by PRTC.

VRE subsidy projection provided by PRTC, reflects VRE Six-Year Plan

Five Year Operating Plan

Utilities Fund

Stafford County FY17 Adopted Budget

	FY2015 Actual	FY2016 Adopted	FY2017 Adopted	FY2018 Forecast	FY2019 Forecast	FY2020 Forecast	FY2021 Forecast
Rate Change: User Fees (Approved in bold)	7.0%	6.0%	9.00%	9.00%	9.00%	3.00%	3.00%
Availability Fees	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400
Revenues/Sources							
Water/Sewer Fees	\$29,147,131	\$30,870,885	\$34,192,736	\$37,881,222	\$41,955,707	\$44,148,164	\$46,221,527
Availability Fees	6,019,099	7,668,750	7,668,750	7,157,500	7,157,500	7,157,500	7,157,500
Pro Rata Fees	2,403,558	1,533,750	1,533,750	1,431,500	1,431,500	1,431,500	1,431,500
Other Charges and Fees	1,731,375	1,108,000	1,108,000	1,108,000	1,108,000	1,108,000	1,108,000
Use of Money/Property	173,872	116,295	116,295	133,735	147,990	146,597	179,627
Revenue Bond Proceeds*	6,707,417	11,528,821	7,214,000	18,876,295	18,833,346	17,922,361	7,299,000
Total Sources	\$46,182,452	\$52,826,501	\$51,833,531	\$66,588,252	\$70,634,043	\$71,914,122	\$63,397,154
Uses							
Operations							
Personnel	\$11,399,646	\$11,568,890	\$11,913,636	\$11,863,939	\$12,271,817	\$12,696,677	\$13,136,246
Operating	11,011,393	13,757,634	15,031,633	15,305,189	16,066,747	16,868,611	17,710,496
Operating - Departmental Capital	962,180	763,448	762,405	500,000	500,000	500,000	500,000
Operating - Capital Projects	4,618,833	5,051,200	7,489,352	4,692,855	5,756,242	6,340,640	7,586,667
Expansion-Capital Projects							
Pro Rata Funded	8,148,611	2,174,750	609,500	1,897,500	4,089,000	2,267,000	265,500
Availability/Bond Funded	3,133,712	12,072,000	8,584,500	17,038,400	12,586,708	18,426,361	7,823,000
Debt Service							
Existing Debt Service	6,707,417	6,622,942	7,556,214	7,556,214	8,002,459	9,828,672	11,056,594
New Debt Service	0	933,272	438,075	446,245	1,826,213	1,227,922	0
Total Uses	\$45,981,792	\$52,944,135	\$52,385,314	\$59,300,342	\$61,099,186	\$68,155,883	\$58,078,503
Total Sources Over Uses	\$200,660	(\$117,634)	(\$551,783)	\$7,287,910	\$9,534,857	\$3,758,239	\$5,318,651
Debt Ratio 1	2.40	2.30	2.24	2.65	2.87	2.43	2.24
Debt Ratio 2	1.77	1.60	1.63	2.08	2.33	2.00	1.85
Debt Ratio 3	1.77	1.60	1.63	2.08	2.33	2.00	1.85
Debt Ratio 4 (Min=1.0)***	1.14	0.91	1.02	1.52	1.80	1.56	1.46

COVENANT REQUIREMENTS: (No. 1 must be met AND either 2 or 3)

1. Net Revenues: 1.50 times Senior Debt Service
2. Net Revenues less 50% of Availability Fees and Pro Rata: 1.25 times Senior Debt Service
3. Net Revenues less 50% of Availability Fees and Pro Rata plus 50% of unrestricted reserves: 1.5 times Senior Debt Service
4. Net Revenues less 100% of Availability Fees/Pro Rata: 1.0 times Senior Debt Service

Debt Ratio 4 is required to be met in FY18 and thereafter.