



FY 2019-2020 Proposed Budget Overview

March 2, 2018



PROPOSED BUDGET OVERVIEW

- The FY 2019 Proposed Budget continues the two-year budgeting process, including budget recommendations for both FY 2019 and FY 2020.
- The Board of Supervisors, may legally, only adopt a final budget for FY 2019 and tax rates for TY 2018.
- The FY 2019 Proposed Budget includes recommendations for the future year's budget and tax rates that may be approved as a draft fiscal plan.
- Changes to the approved draft FY 2020 budget, will be made next year due to recognition of revenue changes, state or federal mandates, or an emergency.



PROPOSED BUDGET OVERVIEW

The Proposed Budget totals approx. \$336 million with an increase in local tax funding of \$11.7 million or 6.9%.

- General Fund totals approx. \$185 million, with \$88.6 million for the Schools
 - 1.05% increase over FY 2018 or \$1.9 million, largest increase is for School Division of \$2.5 million after CSA adjustment
- Fire and Rescue Levy totals approx. \$17.9 million includes shift of all DFREM (career) costs from the General Fund to the levy
- Enhancements were directly tied to the Board's Strategic Plan and Five-Year Plan
- Proposed budget recommends a real estate tax rate of \$0.987, overall reduction in the rate of 5.2 cents.



PROPOSED BUDGET OVERVIEW

- The FY 2019 Proposed Budget incorporates the recently completed County-wide real property reassessment effective January 1, 2018.
- Overall reassessment impact:
 - Approx. 11.4% increase in the total assessed value of real properties
 - Approx. 12.7% increase in the total taxable value
 - This includes land use adjustments but not adjustments for tax relief for the elderly and disabled
 - Land use deferrals were down,
 - Most significant portion of increased value related residential properties approx. 16.3% which equates to approx. 67% of real estate
 - Multi-family experienced approx. 2% increase
 - Commercial/Industrial just under 1.5% increase
 - Ag 20-100 acres was up about 5.5% and Ag over 100+ was relatively flat



PROPOSED BUDGET OVERVIEW

Code Requirement for Advertisement and Public Hearing for Proposed Real Property Tax Increase, *what does this mean?*

**** NOTICE OF PUBLIC HEARING ****

PUBLIC HEARING ON PROPOSED REAL PROPERTY TAX INCREASE FAUQUIER COUNTY BOARD OF SUPERVISORS

*Times set forth are approximate and may
be adjusted as necessary.*

**Thursday, March 15, 2018 at 7:00 P.M.
in the Fauquier High School Auditorium
705 Waterloo Road, Warrenton, VA 20186**

The County of Fauquier proposes to increase property tax levies.

1. Assessment Increase: Total assessed value of real property, excluding additional assessments due to new construction or improvements to property, exceeds last year's total assessed value of real property by 12.7 percent.

2. Lowered Rate Necessary to Offset Increased Assessment: The tax rate which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be \$0.940 per \$100 of assessed value. This rate will be known as the "lowered tax rate."

3. Effective Rate Increase: The County of Fauquier proposes to adopt a tax rate of \$1.001 per \$100 of assessed value, or the "advertised rate." The difference between the lowered tax rate and the proposed, or advertised rate would be \$0.061 per \$100, or 6.5 percent. This difference will be known as the "effective tax rate increase."

In addition, the County of Fauquier's County Administrator's proposed budget recommends to adopt a tax rate of \$0.987 per \$100 of assessed value. The difference between the lowered tax rate and the proposed rate would be \$0.047 per \$100 or 5.0 percent.

Individual property taxes may, however, increase at a percentage greater than or less than the above percentage.

4. Proposed Total Budget Increase: Based on the proposed real property tax rate and changes in other revenues, the total budget of the County of Fauquier will exceed last year's by 8.5 percent. Based on the County Administrator's recommended real property tax rate and changes in other revenues, the total budget of the County of Fauquier will exceed last year's by 8.0 percent.

A public hearing on the increase will be held on Thursday, March 15, 2018 at 7:00 pm at the Fauquier High School Auditorium, 705 Waterloo Road, Warrenton, Virginia 20186. Immediately following the close of this public hearing, the Board of Supervisors will conduct the annual public hearing on the County Administrator's proposed budget.



PROPOSED BUDGET OVERVIEW

- *By code, a real property tax increase during reassessment is when the total assessed value of property would increase more than 1% (excluded new construction and improvements)*
- *Lowered Rate (State Code Requirement) vs Equalized Rate (Perceived Rate Adjustment)*
 - *Lowered Rate – real estate rate is set at a value that would yield same level of real estate revenue as prior year, excluding improvements & new construction*
 - *Lowered Rate – does NOT mean a tax bill will adjust based on effects of reassessment*
 - *Equalized Rate – what is perceived as no tax bill increase, this would yield less revenue than prior year*



PROPOSED BUDGET OVERVIEW

An Overview of the Average Residential Assessment

Tax Year	Tax Rate	Taxable Value	% Value Change	Tax	SWM Fee	Total Tax Bill	\$ Change in Tax	% Change in Tax
2014	\$0.992	\$321,300	2.6%	\$ 3,187.30	\$ 13.64	\$ 3,200.94	\$ -	0.00%
2015	\$0.999	\$321,300	0.0%	\$ 3,209.79	\$ 13.64	\$ 3,223.43	\$ 22.49	0.70%
2016	\$1.039	\$321,300	0.0%	\$ 3,338.31	\$ 13.64	\$ 3,351.95	\$ 128.52	3.99%
2017	\$1.039	\$321,300	0.0%	\$ 3,338.31	\$ 13.64	\$ 3,351.95	\$ -	0.00%
2018	\$0.940	\$378,000	17.6%	\$ 3,553.20	\$ 13.64	\$ 3,566.84	\$ 214.89	6.41%
Tax Bill Change since 2006							\$ 875.90	32.55%
Annualized Tax Bill Change since 2006							\$ 67.38	2.19%
2018 Rec	\$0.987	\$378,000	17.6%	\$ 3,730.86	\$ 13.64	\$ 3,744.50	\$ 392.55	11.71%
Tax Bill Change since 2006							\$ 1,053.56	39.15%
Annualized Tax Bill Change since 2006							\$ 81.04	2.57%
2018 Adv	\$1.001	\$378,000	17.6%	\$ 3,783.78	\$ 14.64	\$ 3,798.42	\$ 446.47	13.32%
Tax Bill Change since 2006							\$ 1,107.48	41.16%
Annualized Tax Bill Change since 2006							\$ 85.19	2.69%
2018 Current	\$1.039	\$378,000	17.6%	\$ 3,927.42	\$ 14.64	\$ 3,942.06	\$ 590.11	17.61%
Tax Bill Change since 2006							\$ 1,251.12	46.49%
Annualized Tax Bill Change since 2006							\$ 96.24	2.98%

Lowered Rate = Same
tax revenue as FY18

Proposed Rate to
Fund Proposed FY19

Advertised Rate
Funds FY19 & FY20

Tax Year 2018 rate

Period of 2006 – 2014 included two reassessments:

- Avg residential assessment declined 24.9% from the 2006 to 2010 reassessment
- Avg residential assessment increased 2.6% from the 2010 to 2014 reassessment



PROPOSED BUDGET OVERVIEW

- The following chart sets forth the County Administrator's recommended tax rates:

	Tax Year 2017	Tax Year 2018	Change
Overall Real Estate Tax Rate:	\$1.039	\$0.987	(\$0.052)
Real Estate – General	\$0.975	\$0.860	(\$0.115)
Real Estate – Fire & Rescue	\$0.058	\$0.121	\$0.063
Real Estate – Conservation Easement District	\$0.006	\$0.006	\$0.00

- The FY 2019-2020 Proposed Budget shifts the Department of Fire, Rescue, and Emergency Management from the General Fund (general real estate tax rate) into the Fire & Rescue Levy



PROPOSED BUDGET OVERVIEW

- At the beginning of the budget process, FY 2019 budget requests would have required approximately \$20 million in additional local funding.
- The FY 2018-2022 Five Year Plan included 10.5 cent tax increase between FY19 & FY20:
 - Assumed growth from reassessment
 - Avg tax bill, through FY20, would have increase by \$711 under this plan
 - Most significant increases under the plan were Capital and Fire & Rescue
- The FY 2019-2020 Proposed budget focuses on key areas of enhancement as identified in the County's Strategic Plan priorities or Five-Year Plan.



PROPOSED BUDGET OVERVIEW

Priority #1: Assist with the growth of a balanced economic base for Fauquier County and enhanced quality of life for citizens

- 1.0 FTE marketing coordinator in FY 2019 to equally serve Economic Development and Agricultural Development (\$68k)
- Increase marketing budget and incubator contractual funding (\$20k and \$21k)
- Additional funding for infrastructure studies in the Capital Improvement Plan (\$75k – one time)
- Capital improvement funding for the Airport to serve as local match in the infrastructure development of the terminal (\$48k)



PROPOSED BUDGET OVERVIEW

Priority #2: Ensure the ongoing safety and welfare of the community, through an adequate and effective delivery of public safety services

- Establishment of 15.0 FTE Fire and Rescue Technicians based on the acceptance of the SAFER grant approved in mid-FY 2018 (\$1.5 million over the two year budget)
- Establishment of 13.0 FTE Fire and Rescue Technicians to allow for a 24/7 three-person engine crew at New Baltimore volunteer station and three person staffing 24/7 at the Orlean volunteer station (\$1.4 million)
- Reclassification of 6 technicians to lieutenants and 3 lieutenants to captains to provide station officers (\$118k)



PROPOSED BUDGET OVERVIEW

Priority #2 (continued): Ensure the ongoing safety and welfare of the community, through an adequate and effective delivery of public safety services

- Establishment of 1.0 FTE senior administrative assistant to support the fire and rescue Training Division (\$55k)
- Establishment of sinking funds for the future replacement of equipment including SCBA and AEDs (\$130k) & Second round of ambulance replacement (\$760k – one time \$)
- The FY 2020 draft budget includes an additional 9.0 FTE Fire and Rescue Technicians and 3.0 FTE Captains, and the reclassification of 3 additional positions to meet command staff needs (\$1.1 million)
- The FY 2020 draft budget also includes 1.0 FTE for the Sheriff's Office to establish an additional Crime Analyst position (\$99k)



PROPOSED BUDGET OVERVIEW

Priority #3: Address the identified capital needs and priorities of the County

- CIP totals \$72.2 million from FY19-23, with an additional \$212.3 million designated for future fiscal years.
 - CIP work session scheduled for March 13
 - CIP cash impact for FY 2019 is \$1.1 million
 - Debt Service is \$0 in FY 2019 and \$610k for FY 2020
 - Neither year has an impact based on Middle School project
- County Asset Replacement local tax funding increases by \$260k and \$50k from FY19 and FY20
 - Increased funding for aging equipment and infrastructure



PROPOSED BUDGET OVERVIEW

Priority #4: Provide support for a quality education

- Provide a \$3 million increase to the School Division in FY 2019 to contribute to funding of compensation increases, market adjustments for the retention and recruitment of classified staff, and health insurance increases.
 - Net increase to School Division is \$2.45 million, FY18 base funding was reset to memorialize ongoing increased costs for day placements in CSA budget. The \$550k was based on the last two fiscal years and YTD through December.
- Provide a \$2.1 million increase to the School Division in FY 2020 to contribute to the funding of compensation and health insurance increases.
- Joint SBO/BOS work session scheduled for March 15



PROPOSED BUDGET OVERVIEW

Priority #5: Preserve the County's natural resources and agricultural rural character

- Increase hours of full-time senior administrative assistant that supports Conservation Easement Service District Fund activities from 30 to 37.5 hours in FY 2019 (\$14k – growth covers).
- In FY20, Increase Conservation Easement Service District levy from \$0.006 to \$0.008, a two-tenths of a cent increase, to maintain the current level of permanent easement applications and offset continued decreases in State funding.



PROPOSED BUDGET OVERVIEW

Priority #6: Ensure County hires and retains staff to provide quality services and programs

- Provide for compensation increases for County employees of 2.4% in FY 2019 (\$1.1 million)
 - Combination of 1.4% COLA (based on 2017 CPI for urban wage earners (CPI-U) of the Washington, DC Metro Area and 1.0% merit
 - First merit increase for staff since 2007
- FY 2020 budget includes a COLA of 1.4% (\$700k)
 - Begin to institute regular levels of compensation increase
 - Keep pace with rate of inflation
- Both budget years assumes that 10% of health insurance increases are passed onto County employees
 - ACA Cadillac provisions have been moved out but not eliminated



PROPOSED BUDGET OVERVIEW

Priority #6 (continued): Ensure County hires and retains staff to provide quality services and programs

- Institute salary scale adjustments in FY 2019 (\$400k)
 - First adjustment salary scales in over ten years
 - Ensure our market competitiveness for recruitment and retention
- Implement the first year of a three year plan to address compression in salaries in FY 2020.
 - This plan will address ongoing compression issues that have limited the County's ability to recruit and retain staff at marketable wages.
 - Assumes \$700k/year (increase each year over the three years) to fund the adjustments

Note – Other localities that have proposed budget have majorly included a COLA or a COLA & merit increase. This is not only NOVA jurisdictions, this is jurisdictions surrounding us to the south and west.



PROPOSED BUDGET OVERVIEW

Priority #7: Maintain continuity of service delivery for County programs and services

FY 2019 Position Enhancements:

- Establishment of 1.0 FTE Assistant County Administrator (\$160k)
- Establishment of 1.0 FTE Budget Services Manager (this positions also relates to Priority #3, 8, and 9) (\$112k)
- Establishment of 1.0 FTE Buyer (this positions also relates to Priority #1 & 3) (\$67k)
- Establishment of 1.0 FTE Custodian (\$45k)
- Establishment of 1.0 FTE Project Management Division Chief (this position also relates to Priority # 1 & 3) (\$133k)



PROPOSED BUDGET OVERVIEW

Priority #7 (continued): Maintain continuity of service delivery for County programs and services

- Establishment of 1.0 FTE Data Records Technician (this position also relates to Priority # 4 & 6) (\$64k)
- Establishment of 1.0 FTE Information Security Analyst (\$129k)
- Establishment of 1.0 FTE Adult Family Services Worker (this position also relates to Priority #9) (\$51k)

FY 2020 Position Enhancements

- Establishment of 1.0 FTE Deputy Clerk in the Clerk of the Circuit Court's Office (\$52k – dept generated rev offsets)
- Establishment of 1.0 FTE Adult Family Services Worker (this position also relates to Priority #9) (\$52k)



FY 2020 BUDGET PROPOSAL

- FY 2020 budget proposal totals \$357.3 million with an increase of \$5 million in local tax funding, 2.8%. Limited level of enhancements outside of Fire and Rescue.
- General Fund totals \$188.5 million or 1.9% increase
 - Majority of increase is allocated to School Division – \$2.1 million
 - Balance of increase related to capital costs and compensation
 - 3.0 FTEs – Clerk, Sheriff’s Office, and DSS (continuity of operations)
- Fire & Rescue Levy – increases for additional career staffing, equates to 1.2 cent tax increase
 - 9.0 FTEs – 6.0 Techs and 3.0 Captains
- Conservation Easement Service District Levy – increase equates to 0.2 cent tax increase



STATE BUDGET UPDATE

- County Administrator's Proposed Budget assumes increases in FY20 for compensation adjustments mid-year based on Governor's Proposed Budget
 - Overall little adjustments to current funding levels for the County
- General Assembly Amendments to Governor's Proposal
 - House and Senate budget proposals varied significantly
 - Raises/Compensation Adjustments
 - State-supported Local Offices – 2.0% increase effective December 2019
 - House moved up the raises to July 2019, includes merit increases for State agencies but no similar % for State-supported offices
 - Senate eliminates all raises over the biennium
 - General Assembly Conferees set and beginning work on budget
 - GA set to adjourn March 10



FAUQUIER COUNTY TAX RATES

Description	Tax Year 2017	Recommended Tax Year 2018 ¹	Advertised Tax Year 2018 ¹
Overall Real Estate Tax Rate:	\$1.039	\$0.987	\$1.001
Real Estate – General	\$0.975	\$0.860	\$0.860
Real Estate – Fire & Rescue	\$0.058	\$0.121	\$0.133
Real Estate – Conservation Easement District	\$0.006	\$0.006	\$0.008
Stormwater Management Fee ²	\$13.640	\$13.640	\$13.640
Bethel Academy Street Improvement District Levy ³	\$522.06	\$522.06	\$522.06
Marshall Electric Light and Business Improvement District Levy	\$0.005	\$0.005	\$0.005
Personal Property – General	\$4.650	\$4.650	\$4.650
Personal Property – Fire & Rescue	\$0.250	\$0.250	\$0.250
Business Furniture, Fixtures, & Equipment	\$2.300	\$2.300	\$2.300
Motor Homes & Campers	\$1.500	\$1.500	\$1.500
Motor Vehicle Carriers (30+ Passengers)	\$1.000	\$1.000	\$1.000
Mobile Homes	\$1.039	\$0.987	\$1.001
Machinery & Tools	\$2.300	\$2.300	\$2.300
Aircraft ⁴	\$0.001	\$0.001	\$0.001
Specially Equipped Handicap Vehicles	\$0.050	\$0.050	\$0.050

¹The County Administrator has advertised a Tax Year 2018 \$1.001 overall real estate tax rate to allow the Board of Supervisors the utmost flexibility when considering the proposed budget.

²The Stormwater Management Fee is a countywide special assessment, on a per parcel basis with the exception of any parcels excluded by act of the Board of Supervisors.

³The Bethel Academy levy consists of a special assessment on lots located within the special tax district.

⁴Aircraft stored at the Warrenton-Fauquier Airport are subject to a special maintenance fee assessment.



PROPOSED TAX RATES IN THE REGION

Jurisdiction	Tax Year 2017	Tax Year 2018	2017-2018 Change
Albemarle County ¹	\$0.839	\$0.839	\$0.000
Alexandria City ¹	\$1.13	\$1.13	\$0.000
Arlington County ^{1,3}	\$1.006	\$1.006	\$0.000
Culpeper County ^{3,4}	\$0.670	TBD	TBD
Fairfax County ^{1,3}	\$1.160	\$1.188	\$0.028
Fauquier County ^{2,3}	\$1.039	\$0.987	(\$0.052)
Frederick County	\$0.600	TBD	TBD
Loudoun County ²	\$1.125	\$1.090	(\$0.035)
Prince William County ^{1,3}	\$1.207	\$1.209	\$0.002
Rappahannock County ³	\$0.700	TBD	TBD
Spotsylvania County ^{2,4}	\$0.850	\$0.816	(\$0.034)
Stafford County ⁴	\$0.990	TBD	TBD

¹Proposing not to adjust tax rate based on reassessment, maintain or increase current tax rate.

²Proposing to adjust tax rate based on reassessment.

³Includes jurisdiction-wide special tax levies.

⁴Culpeper, Stafford, and Spotsylvania conduct reassessments biennially.



How is a Tax Dollar Is Spent in the FY 2019 Proposed Budget?



Judicial Administration, 0.37¢

Health & Welfare, 2.44¢
Culture, 3.89¢

Public Works, 4.00¢

Comm/Ag/Econ Devo, 5.14¢

General Government, 6.55¢

Public Safety, 18.47¢

School Division, 58.86¢



HOW IS ADDITIONAL LOCAL TAX DOLLAR ALLOCATED IN FY2019?



Social Services, 3.65¢
General Government, 3.97¢

Comm/Ag/Econ Devo, 3.91¢

Sheriff's Office, 9.12¢

Public Works, 6.55¢

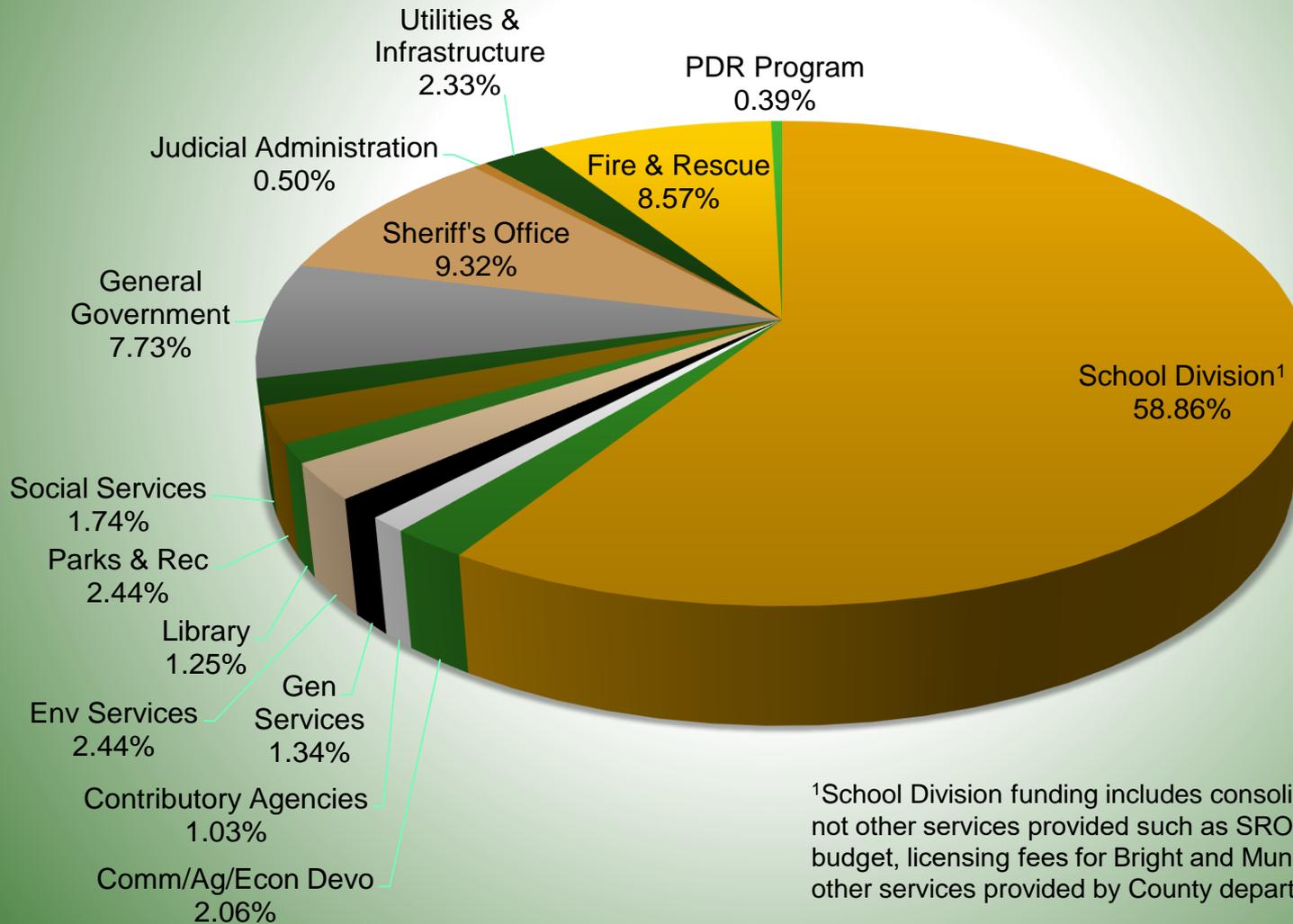
Utilities & Infrastructure, 19.80¢

School Division, 21.98¢

Fire & Rescue Services - 31.02¢



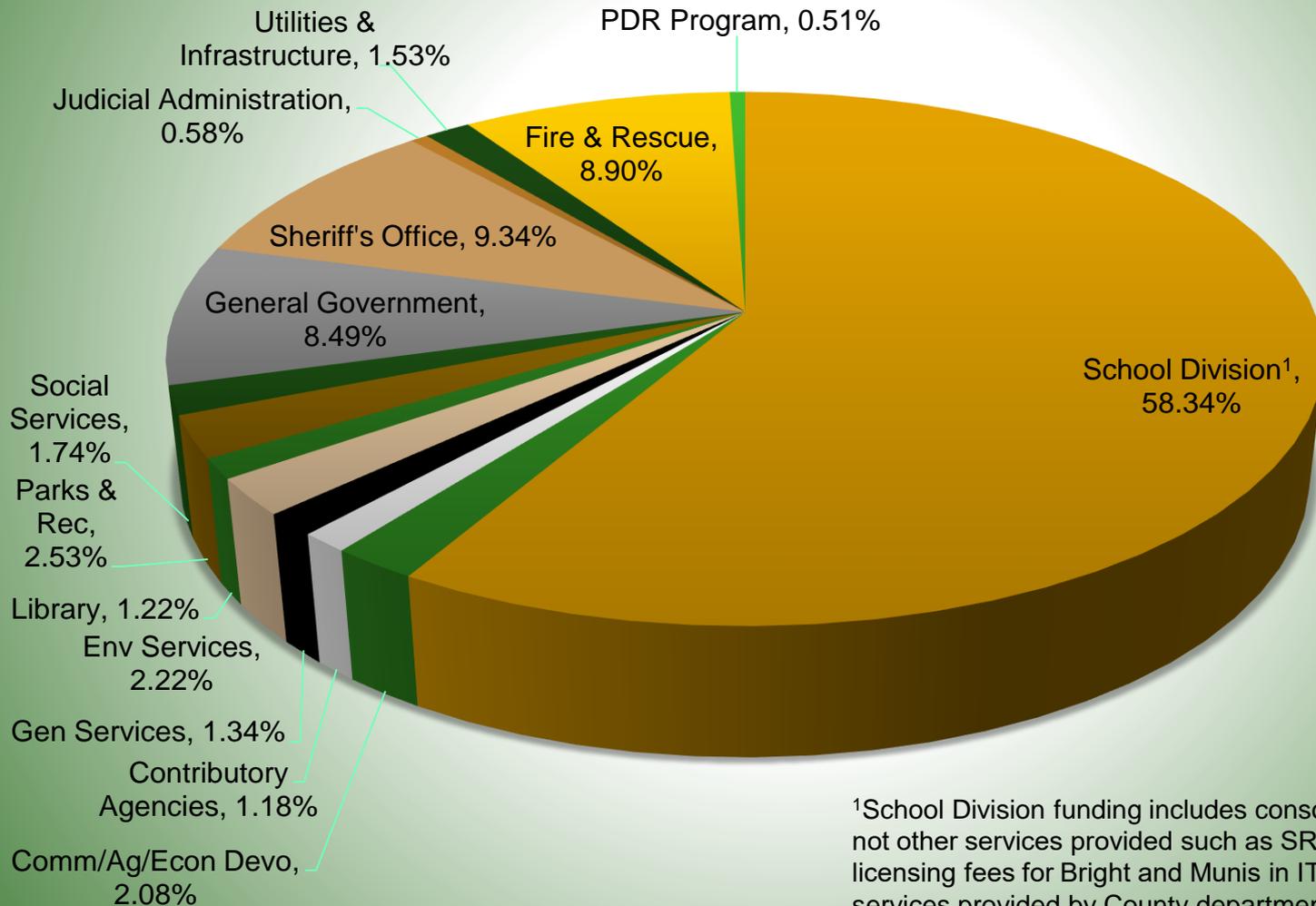
FY 2019 LOCAL TAX FUNDING



¹School Division funding includes consolidated services, but not other services provided such as SROs in Sheriff's budget, licensing fees for Bright and Munis in IT's budget, or other services provided by County departments.



FY 2020 LOCAL TAX FUNDING

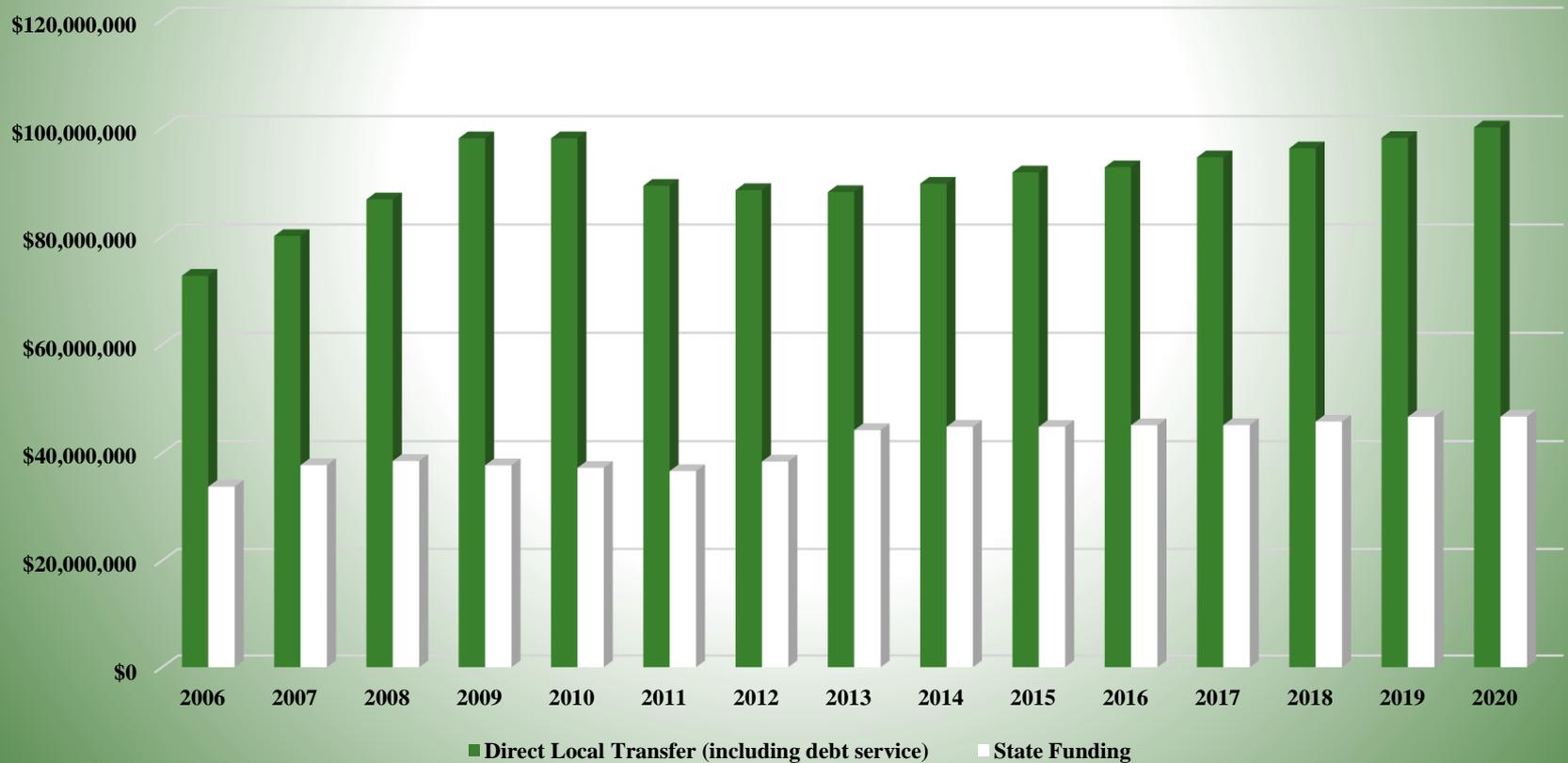


¹School Division funding includes consolidated services, but not other services provided such as SROs in Sheriff's budget, licensing fees for Bright and Munis in IT's budget, or other services provided by County departments.



SCHOOL DIVISION FUNDING

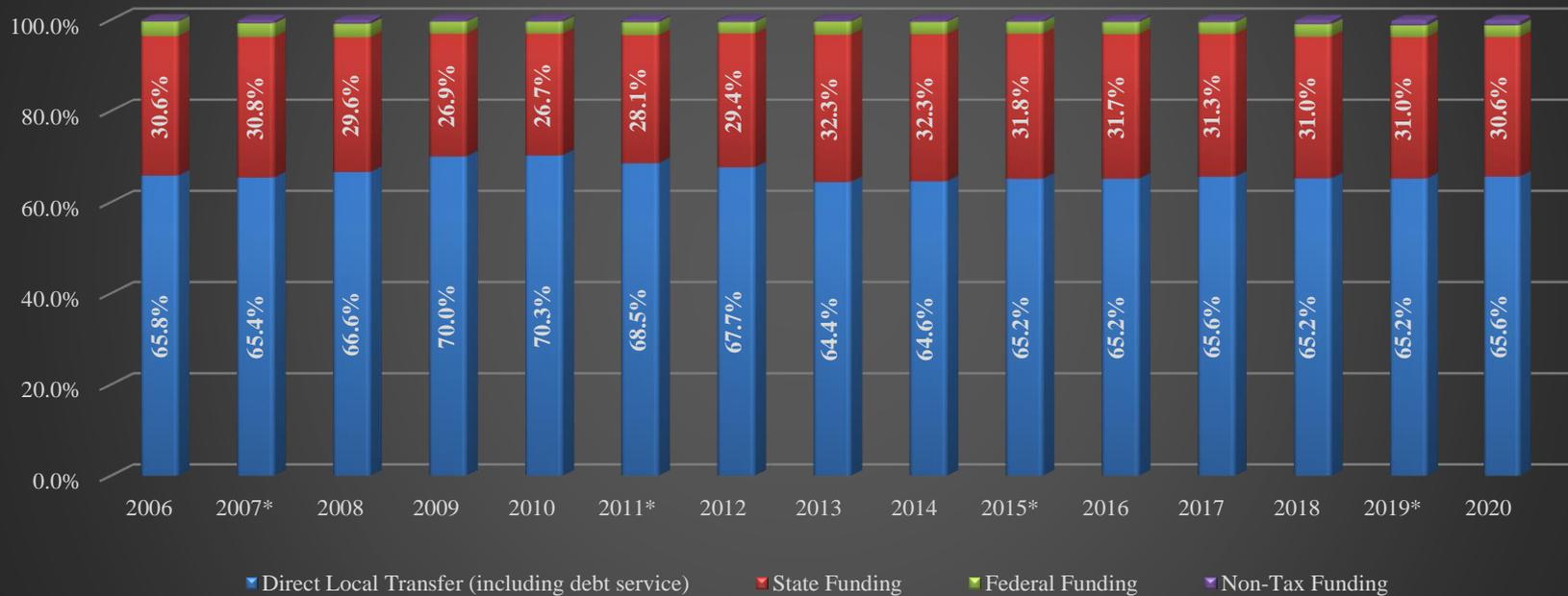
**Schools Operating Budget Funding
Local vs. State Funding
FY 2006 - FY 2020 Proposed**





SCHOOL DIVISION FUNDING

School Division State and County Funding
as of % of Total School Division Operating Revenues
excluding Consolidated Services



*Budget adopted following a reassessment cycle.



FY 2019-2023 CAPITAL IMPROVEMENT PROGRAM

- Proposed CIP closely aligns with previously adopted CIP and Strategic Plan
 - February 8 CIP work session reviewed the alignment of projects to Strategic Plan and Five-Year Plan
 - Primary changes are due to timing or BOS action on a project
- Proposed CIP totals \$72.2 million during plan years
- Additional \$212.3 million in future years designation
 - Cash funding estimated at 23.7% of costs with 50.6% funded through General fund sources
- March 13 budget work session will focus on CIP



FY 2019 BUDGET CALENDAR

Date	Time	Discussion	Location	Event
Friday, March 2	10:00 a.m.	Overview	Warren Green Building	Work Session
Tuesday, March 6	2:00 p.m.	Fire & Rescue, SROs, & Public Safety items	Warren Green Building	Work Session
Tuesday, March 13	2:00 p.m.	Capital Improvement Program	Warren Green Building	Work Session
Thursday, March 15	5:00 p.m.	School Division Budget Request	Fauquier High School – Library	BOS/School Board Joint Work Session
Thursday, March 15	7:00 p.m.	Reassessment and Budget Public Hearings	Fauquier High School - Auditorium	Public Hearings
Monday, March 19	2:00 p.m.	Mark-up/Mark-down	Warren Green Building	Work Session
Thursday, March 22	4:00 p.m.	Budget Adoption	Warren Green Building	Budget Adoption



QUESTIONS & DISCUSSION

