

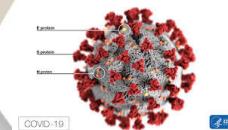


**Proposed
Franklin County
2021-2022 Budget**

March 16, 2021

“A bend in the road is not the end of the road... Unless you fail to make the turn.”

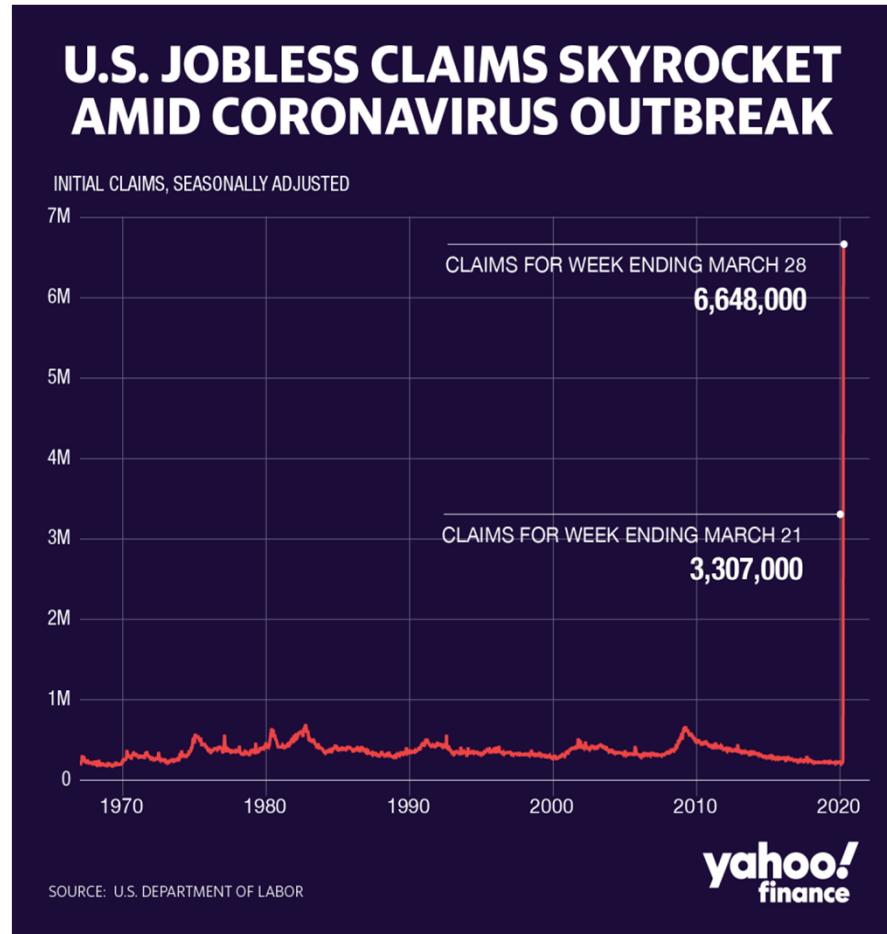
--Helen Keller





FY 21: A Bend of Uncertainties

- ❑ Pandemic emergencies declared around the globe one very long year ago.
- ❑ National economic shut down resulted in double digit unemployment, business uncertainty, erosion of consumer confidence and numerous business closures.





FY 21: A Bend of Cuts

- COVID Response, Cuts, & Budget Reductions
 - Spending Freeze, Service Reductions, and Furloughs
 - \$.05 Personal Property Tax Rate Cut to Assist our Citizens
 - \$2.6 Million Operational & Capital Reductions
 - Positions, Capital, Schools, COLA, etc.
 - \$400,000 Additional Line Item Reductions
 - Maintenance Service Contracts, Utilities, Supplies, Training, Marketing, Professional Services, etc.

TOTAL -\$3(+) Million Cuts



FY 21: A Turn of Perseverance

Steady persistence in a course of action in spite of difficulties, obstacles, or discouragement.

Source: [dictionary.com](https://www.dictionary.com)



FY21: A Response of Perseverance

- Creation of County's COVID-19 Task Force
 - Daily Coordination among numerous Partners
 - Multiple weekday meal sites
 - Citizen Safety Net Resources (utilities, rent)
- Development of Business Support Portal
 - Partnership with the Towns, Chamber, and Franklin Center
 - Centralized location for Business Economic Resources
 - Small Business Recovery Grants (local, state, federal)
- Continuity of Government Operations & Services



FY21: Perseverance Response

- Information Technology deployed 140 laptops to facilitate teleworking for numerous departments and modified A/V systems for web hosting.
- Parks and Recreation partnered with the United Way, Public Safety, School System, Sheriff's Office, and Proline Trailers to distribute food. Free lunches were served to 2,000 individuals at multiple locations.
- General Properties constructed & installed numerous workspace shields.
- Sheriff's Office adapted to COVID staffing shortages with the modification of work schedules, while managing community protests peacefully through work with local activist leaders and community.
- Solid Waste Division processed record loads of trash and debris at County collection sites and landfill.
- Broadband Project(s) connected approximately 500 homes & counting



FY21: Perseverance Response

- Registrar's Office processed 8,647 absentee voters and 3,585 ballots.
- Circuit Court Clerk's Office processed significant increases of 2433 concealed weapon permits and over 11,000 recorded deeds.
- Building & Planning managed a 15% increase in permits with a 42% increase in new single family construction permits.
- Library established curbside services & expanded electronic options.
- Franklin Center partnered with Public Safety, Carilion, Virginia Department of Health to serve as host site for vaccinations.
- Finance managed multiple budgets, including \$9 million in new funding with CARES Act compliance. Worked with advisors to reestablish County's excellent bond ratings while refinancing existing debt.
- Human Resources developed numerous pandemic monitoring policies.



FY21: Perseverance Response

- Coronavirus Relief Funding (CRF-CARES) Federal, State, Local Partnership
- Implemented critical funding support program for hundreds of County businesses with approximately \$1 million in small business grants from CARES Act funding
- Developed \$300K citizens safety net program assisting over 100 qualifying households with available CARES Act funding resources (utilities, rent).





FY21: Perseverance Response

- School System (Students, Teachers, and Staff) quickly mobilized to online learning last school year, adapted to hybrid learning last fall, and will fully reopen March 29th .





FY21: Perseverance Response

- Rocky Mount Elementary Teacher Mr. Anthony Swann named Virginia's Teacher of the Year and appointed to the State Board of Education for a four-year term.
- Benjamin Franklin Middle School Teacher Laurie Oakley named the VFW District Teacher of the Year
- FCHS students Ryan Mollin, Alex Kurtz and Eliza Quesenberry placed First in the Roanoke Valley Governor's School for Science and Technology Project Forum 2021 Awards.





FY21: Perseverance Response

- ❑ Public Safety added 24/7 staffing at FC Rescue Station in Rocky Mount.
- ❑ \$3 million CARES Act Funding support to Fire, EMS, and Sheriff.
 - ❑ Mobile Dispatch & Operations Center
 - ❑ Radios, Laptops, Door Access Security
 - ❑ Intercept Body & Crime FARO Scanners
 - ❑ Jail Security Cameras
 - ❑ Personal Protective Turnout Gear (PPE)
 - ❑ Emergency Ops Ctr Communications
 - ❑ Thermal Imaging Cameras
 - ❑ Stationary & Mobile SCBA Compressor Fill Stations
 - ❑ Self-Contained Breathing Apparatus (SCBA)





FY 21: Perseverance

Thank You!



FY 22: A Turn Toward Restoration

- Act of restoring; renewal, revival, or reestablishment.
- Return of something to a former, original, normal, or unimpaired condition.
- Restitution of something taken away or lost.

Source: [dictionary.com](https://www.dictionary.com)



FY 22: A Turn Toward Restoration

State Revenues

- Revenue faring better than original projections
- Significant Increase in School State & Federal Funding
 - Increase of \$3.7 million State Funding (includes hold harmless ADM)
 - Coronavirus Relief and Recovery Supplemental Appropriation Funding \$6.5 million, or net increase \$6 million in Federal Funding
 - Minimum of 5% COLA for School SOQ Positions

Nominal Increase to County

- Very Limited State Funding from Comp Board to County of only \$58,000
- State passing along general liability costs to localities costing -\$130,000



FY 22: A Turn Toward Restoration

□ Local Revenues

- Local revenue has fared better than original projections
- Recent restoration of some revenue (i.e. capital, budget pressures)
- Cautious Economic Outlook for FY 22

□ FY 22 Modest Local Revenue Increase Anticipated

- Discretionary Revenue Increase of \$3,169,097
 - Normal General Property Tax Growth 1-3%
 - Continued Healthy Sales Tax Growth 5-7%
 - Flat or Declining Interest down



FY 22: Restoring Budget Priorities

- Restoration of FY 2021 Reductions
 - COLA 5% requires \$1.1 million (minimal support from State Comp Board)
 - Restores and Maintains Capital Transfer
 - Restores Funding for Parks & Recreation Maintenance and PT Capital Projects Manager positions from last year
 - Restores Local School Funding



FY 22: Restoring to Meet Obligations

□ FY 22 Operations & Inflationary Increases

□ VRS, Insurance Adjustments

- 2.4% Health Insurance increase \$70K
- Health plan significantly modified last year to absorb increase of 7.8% or \$185K
- Elimination of KeyCare 500 Plan with addition of HDHP
- Employees shared in and absorbed premium increases resulting in a net reduction in take-home pay

□ Minimum Wage Increases

- \$120K or \$60K ½ Year : \$11/hour effective January 1, 2022

□ Maintenance Service and other Contractual Obligations

**Updated Projections as of March 16, 2021 and subject to change



Other Budget Considerations

- Ongoing County Capital Needs & Increasing Costs
- Volunteer Fire/EMS Additional Requests
- Market Competitiveness Pay
 - Law Enforcement Starting Pay and Compression



Funding Today's Capital Needs

- Capital Funding has remained relatively flat since 2003
- Approx. \$2.2 million (County) and \$1.2 million (Schools)
- Recently restored additional \$200K to County & Schools
- CARES Funding Assistance
- FY 22 Department Capital requests of \$11.7 million with only \$2.6 million available
- Need to consider phasing in more funding from possible, new revenue sources to Capital budgets going forward





Volunteer Fire/EMS Funding



- ❑ Annual discretionary supplemental funding to volunteer agencies has remained constant for several years.
 - ❑ Fire Departments \$21K and Rescue Squads \$20K
 - ❑ Last year an additional, one time \$3,300 allocated to each active agency
 - ❑ Each inactive Rescue Squad funding reduced and reallocates to active agencies resulting in a proposed increase of \$4K for each active agency for FY 22
- ❑ Volunteer Recruitment & Retention Funding Support
 - ❑ FY 21 \$500 / Active Volunteer One Time Payment During COVID Pandemic
 - ❑ Stipends



Market Competitiveness

- ❑ Market Competitive Pay continues to be an issue across all departments
- ❑ New Phases of minimum wage will further compress employee salaries
- ❑ Board directed staff to begin process of an employee market pay study
- ❑ Proposed FY 22 Budget sets aside \$300K to begin addressing market study
- ❑ Immediate issues among law enforcement agencies (i.e. Sheriff's Office)
 - ❑ Recruitment & Retention Challenges
 - ❑ Law Enforcement (LE) Positions Pay
 - State Police and other competing agencies
 - 2018 raised starting salary from \$34K to \$38K
 - Proposed FY 22 Budget sets aside additional \$50K to ongoing pay progression fund for total of \$100K effective July 1st to address issues



Franklin County
Standing Watch



School Budget FY 22 Review

- State & Federal Revenue Increases
 - State Funding increase of \$3,708,791
 - Projected Loss of additional 275 Students in FY 22 (ADM Hold Harmless)
 - Federal Funding increase of \$6,020,440 (CRRSA Funding expires 2023)
- Revenue Increase Request to County
 - Requested Local Funding increase of \$4,446,967



Local Funding FY 22

Budget - FCPS



- Restores Operations Funding \$900,000
- Less CSA Private Day Subsidy -\$150,000

- Local Capital Funding of \$1,420,000
 - Less **-\$266K** from FY21 fronted for HVAC projects
 - Maintains \$200K restoration going forward
 - \$1,080,000 Capital
 - \$340,000 Bus Replacement



FY 22 Budget – General Government

Maintenance Restoration Budget

- General Fund Increase 4.2%
- Restores Operational & Inflationary Increases
- Restores COLA 5%
- Maintains \$200K restored to Capital Budget
- Budgets \$300K to begin funding Market Pay Study
 - Allocates additional \$50K to ongoing pay progression fund for total of \$100K effective July 1st for law enforcement competitive compensation / compression issues



FY 22 Budget – Revenues

- No Property Tax Rate Increases (RE, PP, BPP, MT, MC)
- Proposed Modest User Fee Increases
 - EMS Insurance Soft Billing Increase to competitively match state average (cost of EMS transport paid by insurance companies)
 - Animal Adoption Fees (offset PT staffing costs of shelter)
 - Increase Dog Adoption Fee \$25 to \$40
 - Implement Cat Adoption Fee \$20
 - Increase Animal Daily Boarding Fee \$8.75 to \$12.00
- Identification / Consideration of Alternative Funding Streams



Funding Revenue Streams

- Last year the Virginia General Assembly approved legislation giving Counties additional taxing authority previously utilized by Cities and Towns to levy taxes, such as tobacco, and increase other taxes such as transient occupancy.
- Consideration of a Proposed Tobacco Tax of .15 cents per pack
 - January 1, 2022 Implementation Target Date
 - Revenue Projections Uncertain (approximately \$75K gross)
 - Any Net Revenue to be dedicated to the Capital transfer
 - Numerous Logistics and Preparation Needed
- Consideration of increasing Transient Occupancy Tax by 2%
 - July 1, 2021 Implementation Target Date
 - Revenue Projections of additional \$50K targeted for Tourism and related Population Attraction efforts



Proposed FY 22 Budget

- Following various Budget Work Sessions and Board discussion, staff has prepared a balanced budget with No Property Tax Rate adjustments.
- The recommended FY22 Fiscal Plan is a restoration maintenance budget that funds expenditure pressures and market inflationary costs, while continuing to support strategic priorities.
- The recommended FY22 Fiscal Plan includes a proposed tobacco tax to address rising capital inflationary costs and an increase to the transient occupancy tax to continue to support and enhance tourism.
- Overall, the proposed \$160 million FY22 Budget increases 9.17% from last year (primarily from increased federal & state funding to the School System).

FY 22 Proposed Expenditures



FY 22 Proposed Revenues





FY 22 Budget Next Steps

■ Budget Information

- ❑ County Website
- ❑ Libraries
- ❑ Administration & Finance

■ Budget Next Steps

- ❑ Work Sessions (March 23rd and 30th)
- ❑ Additional Work Sessions (April as Needed)
- ❑ April 20th Budget Public Hearing 6:00 pm (tentative)
- ❑ April 27th Budget Adoption 6:00 p.m. (tentative)



Appreciation to County Staff for Assistance in the
Development of This Budget