



FRANKLIN COUNTY

FY 2024-2025
BUDGET WORK SESSION
JANUARY 18, 2024

FY 23-24 Last Year Budget Review



- Balanced Budget
- No Property Tax Rate Increases
- Budget narrowly sustains any market inflationary costs
- Current FY 23-24 Budget is approximately \$183,813,817 (minimal 1.01 % increase)
- Stop Gap Maintenance Budget
 - Expenses were balanced with good fortune of interest earnings of approximately \$2 million.
 - Interest earnings are projected to decrease over time and therefore will need to be replenished with any new, ongoing revenue .

FY 23-24 Post Budget Adoption Adds

Additional Fire/EMS Staffing Coverage	\$200,000
School Resource Officers – 8 New Full Time positions	*\$350,000
Commonwealth Attorney Office Supplemental Funding	\$30,000
Additional ACO (Animal Control Officer) ½ Year	\$75,000
TOTAL	\$655,000

Additional SRO Funding required as Local Match. Total ongoing SRO Local Funding of **\$1.2 million will be required to be phased in over the next 4 years should the SRO program continue. This cost does not include any capital expenditures (i.e. uniforms, vehicles, radios, etc.)



Current –FY25 Budget Climate

- One-time federal stimulus is running out
- Very little revenue growth projected at the State level to fund new initiatives
- State funding reduction to Schools of approximately \$3.7 million due to change of the local composite index
- Inflationary pressures persist



FY 25 Budget Pressures

Operational Environment

- ❑ Inflation – fuel, utilities, vehicles, equipment, maintenance contracts
- ❑ CSA – complex high-dollar cases
- ❑ Increase in Local Composite Index – Reduction in School State Funding
- ❑ School Resource Officers
- ❑ Adult & Juvenile Detention
- ❑ Public Safety Operations
- ❑ Solid Waste Collection Sites

Compensation & Benefits

- ❑ Possible Minimum Wage Increase effective 1/1/25
- ❑ Market Adjustments to continue compensation plan
- ❑ Competitive Labor Market / Adequate Staffing – 19 new positions requested
- ❑ Health Insurance Renewal
- ❑ School Operations – Compensation



FY 25 County Budget Pressures

- ❑ Adequate Staffing for 24x7 EMS Coverage
 - ❑ Positions
 - ❑ Span of Control
- ❑ Volunteer Operating & Capital Needs
- ❑ Increased vehicle replacement costs
- ❑ Capital Infrastructure (i.e. County & School Buildings HVAC, CTE, Landfill, Utilities, Broadband, Fire Apparatus, Ambulances, Emergency Radio System, etc.)
- ❑ WVRJ and RVJDC Per Diem & Debt Service
- ❑ Early Look - County Operating requested increases of \$8.2 million including 19 new positions totaling \$1.9 million



5-Year Capital Improvement Plan

FY 2025

- Annual Recurring Local Funding \$2.4 million
- \$28 million in total FY 2024-25 Department CIP requests
 - \$767K Radio Infrastructure
 - \$400K Ambulance Replacement
 - \$1.8 Fire Apparatus – Boones Mill Tanker
 - \$3.8 million E911 New Facility

FY 2025-2029

- 5-Year CIP total requests \$60 million
- Local funding of \$12 million



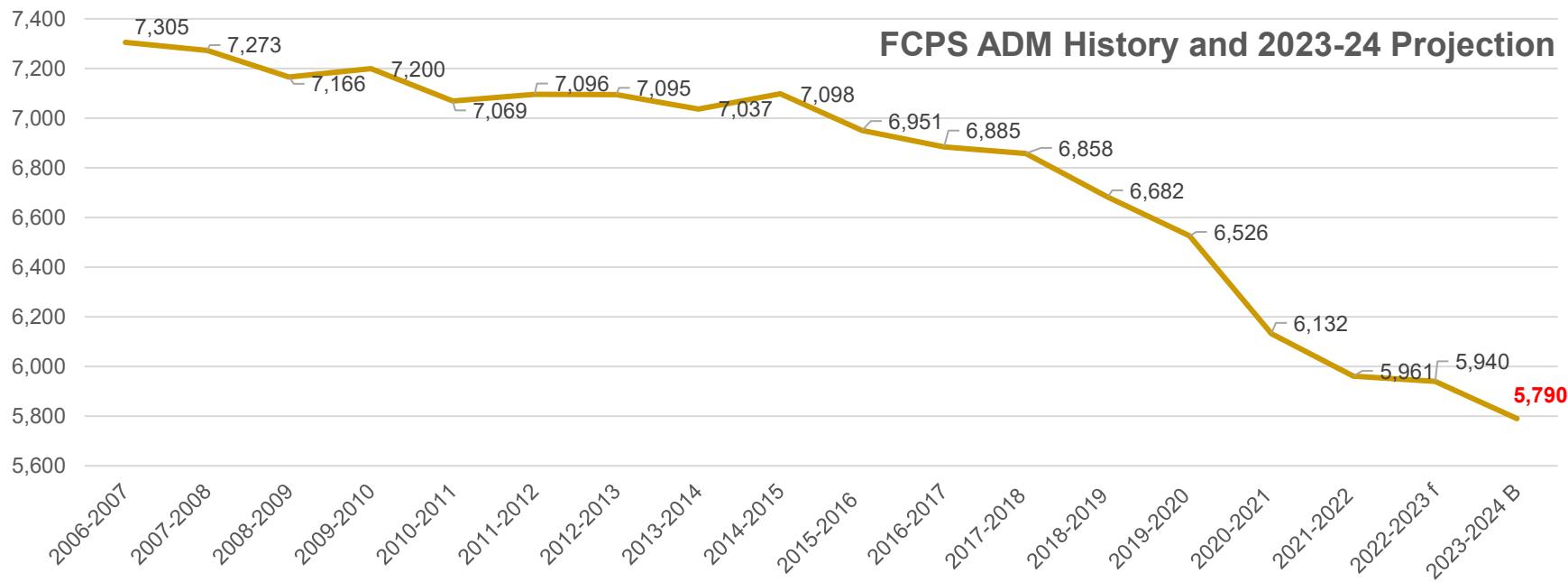
FY 25 School Challenges

- ❑ Inflation – fuel, utilities, vehicles, equipment, maintenance contracts
- ❑ Capital Facility Needs
- ❑ Market Compensation
- ❑ LCI State Funding Reduction of \$3.7 Million
- ❑ Continued Reduction of One Time Federal Funding
- ❑ ADM Reduction Challenges



School ADM Challenges

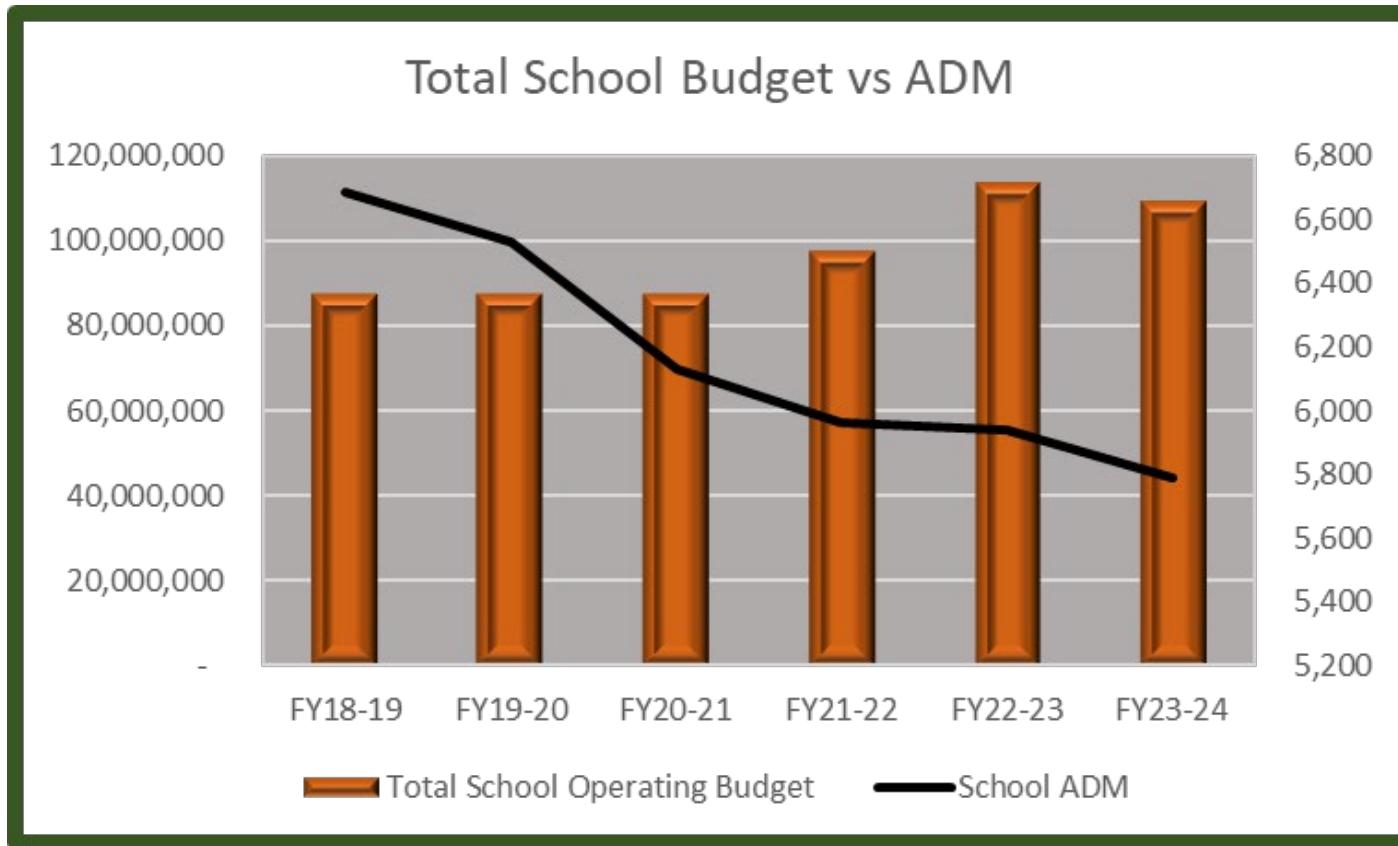
- Continued Loss of Students (ADM)
 - Current Year ADM budget of 5,790 was a reduction of 50 from last year's original budget of 5,840. Forecast ADM for FY23 was 5,940, which represents a year over year reduction of 150 students. Not sure of current ADM.





School Funding

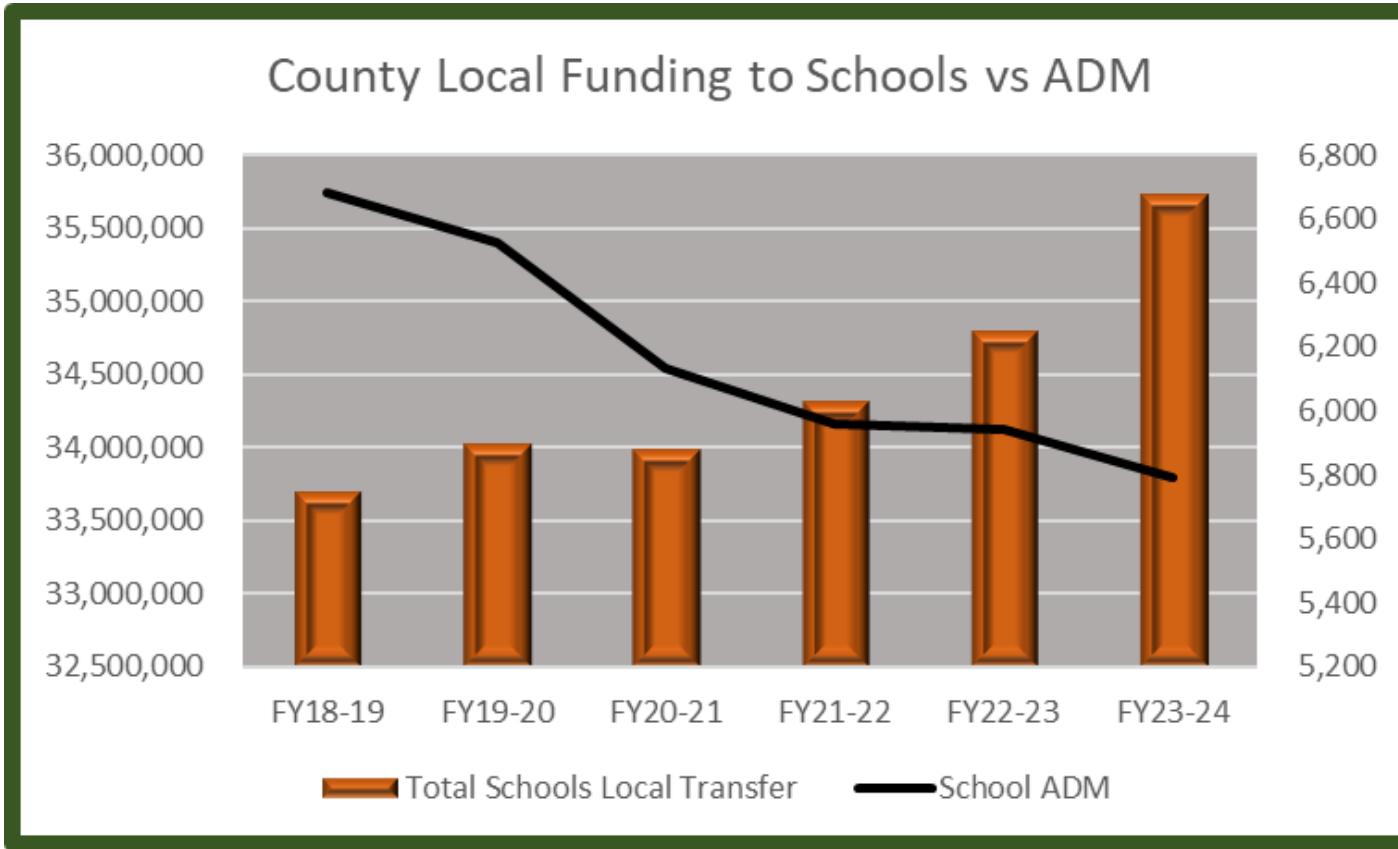
□ Total School Funding FY 2019 - 2024





School Funding

□ Local School Funding FY 2019 - 2024





FY 24 School Funding Analysis

Total School Budget Funding Per Pupil



Projected FY 25 LCI State Funding Reduction of \$3.7 Million



FY 25 Budget Revenue Outlook

- ❑ Early projected new discretionary revenue of approximately \$3 million driven mostly by personal property assessments
- ❑ Conservative revenue projections are from nominal, annual growth and do not assume additional reassessment revenue at this time
- ❑ Funding allocated between County and Schools will likely dictate new revenue and /or possible budget reductions

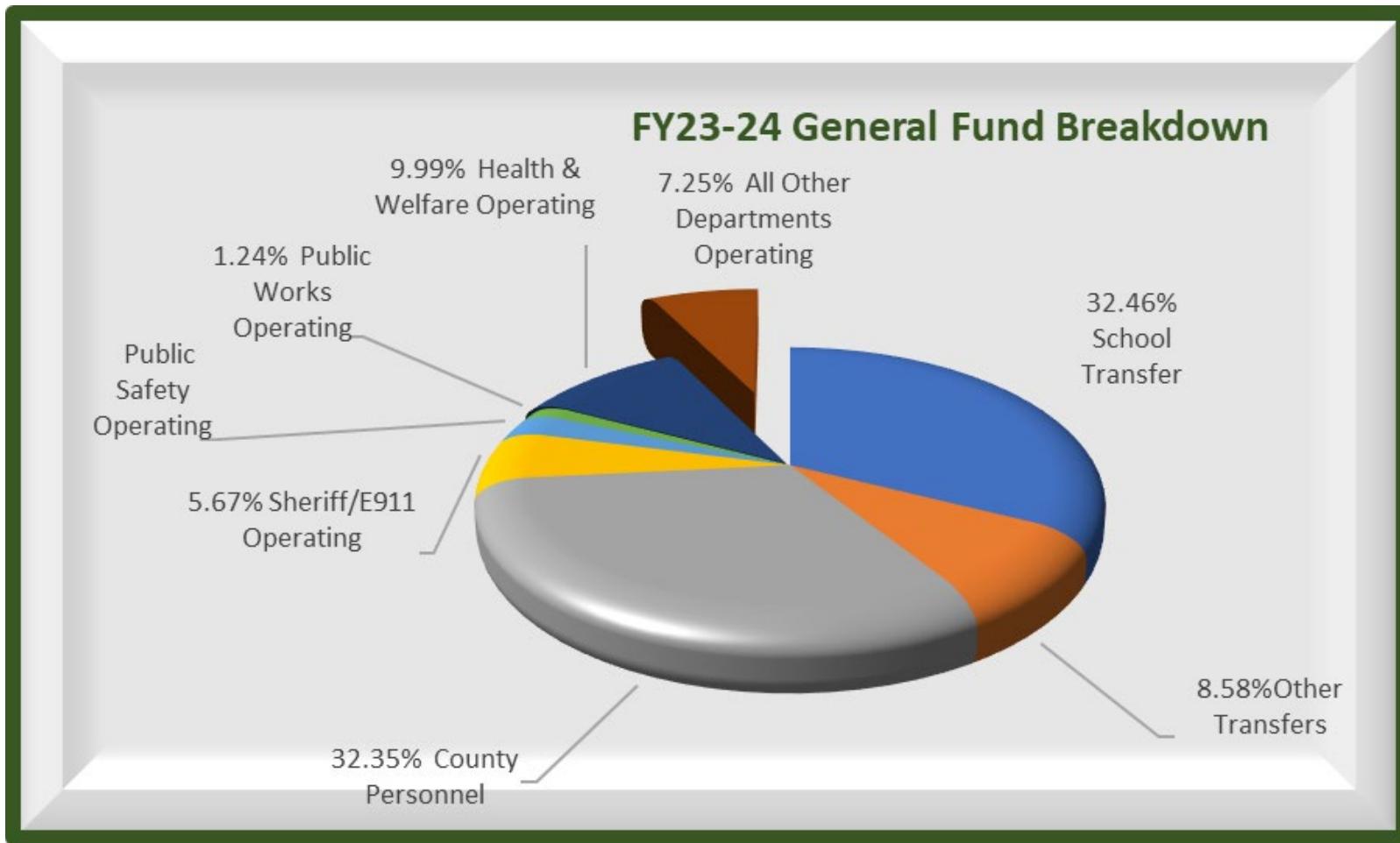


Budget Reduction Strategies

- ❑ Any Personnel Reductions will be challenging
 - ❑ Core Services of Sheriff, Fire-EMS, Solid Waste
- ❑ County employs 423 FT employees
- ❑ Only 77 employees are not considered essential or mandated by state funding requirements
 - ❑ Mostly small departments with 10 staff or less
 - ❑ Any Reductions would impact service levels



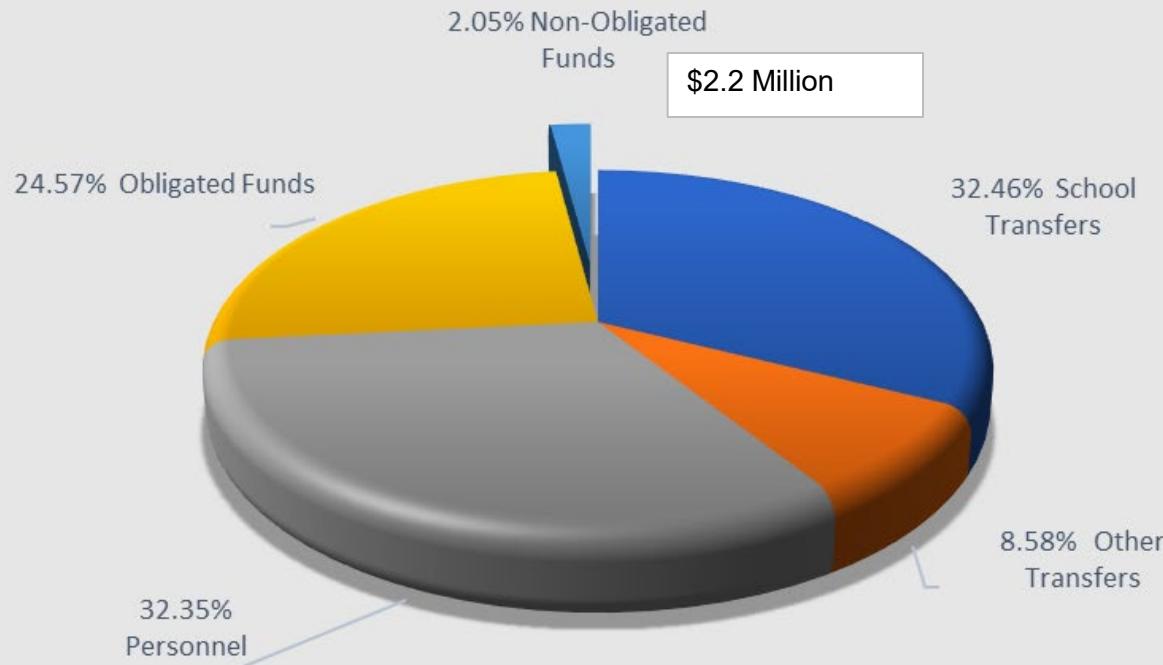
County Operations Breakdown





County Operations Breakdown

FY23-24 General Fund Breakdown





Budget Reduction Strategies

- Structural Imbalance in FCPS between costs and funding
- BOS request for staff to identify possible budget reductions in County budget
- Most non-personnel is obligated due to maintenance service contracts, leases, professional services
- Unobligated non-personnel budget totals approximately \$2.2 million



Budget Reduction Strategies

- Use of one-time funds may assist in bridging the gap until more permanent reductions can be implemented
- Use of Projected \$1.2 Million FY 23 School Carry Over
- Budget Stabilization Reserve \$1 million
- Capital Budget Reserve \$1 million



Budget Challenges & Implications

- Structural imbalance in existing capital needs and recurring capital funding
- Current recurring capital needs for fire apparatus, emergency radio, ambulances, facilities will exhaust reserves in 5 years



BOS Feedback

- Use of additional revenue?
- Allocation of discretionary revenue to the Schools ?
- If County reductions are necessary, are Public Safety, Sheriff, and Solid Waste exempt?
- Are personnel reductions and the accompanying service-level reductions a possibility?
- Staff requests BOS feedback on budget reduction priorities



Next Steps – Budget Calendar

February 6th, 8th, & 15th, 2024	Possible Budget Work Sessions
February 20th, 2024	Regular BOS Meeting, Budget Work Session
February 22nd, 2024	Regular BOS Meeting, Possible Budget Work Session
February 23rd - March 1st, 2024	Staff Preparation of Proposed FY24-25 Budget Book
February 26th, 2024	School Board FY24-25 Budget Public Hearing
March 4th, 2024	School Board Adoption of FY24-25 Budget
March 5th, 2024	Proposed FY24-25 County & School Budget Presented to Board of Supervisors
March 6th, 2024	Public Hearing Reassessment Advertisement in Local Paper
March 15th & 22nd, 2024	Public Hearing & Tax Rate Advertisement in Local Paper
March 19th, 2024	Regular BOS Meeting, Budget Work Session
March 21st, 2024	Regular BOS Meeting, Possible Budget Work Session
March 21th through March 26th, 2024	Possible Budget Review Work Sessions as needed
March 26th, 2024	Public Hearing on FY24-25 County Budget and FY24-25 Tax Rates
March 28th, 2024	Additional Budget Work Session if needed
April 9th, 2024	Reassessment Public Hearing, Adoption of FY24-25 Budget, Adoption of Tax rates



Questions?