



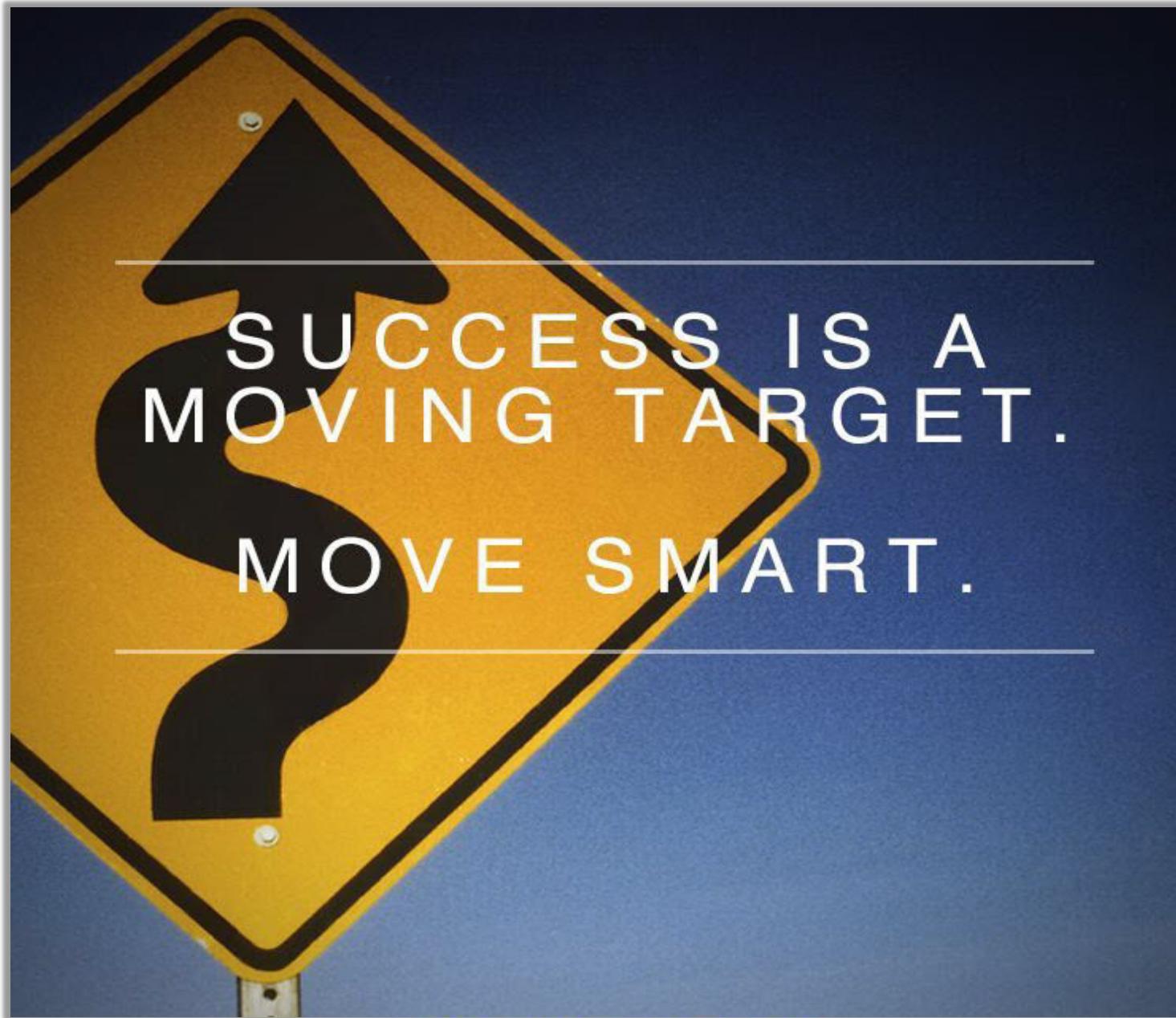
Proposed
Franklin County
2024-2025 Budget

March 5, 2024

FY 24-25 BUDGET



To Say the FY24-25 Budget is a Moving Target is ...Well ...It is A Moving Target 2



“Beware of little expenses. A small leak will sink a great ship.” – Benjamin Franklin

“The budget is the key to a successful financial future.” – Benjamin Franklin

FY 25 Budget: Strategic Areas



Strategic Focus Areas

Dynamic Community Safety

Responsible Government Operations

Enhanced Educational Opportunities

Strategic Economic Development

Conserving & Promoting
Natural Assets

Well Planned Growth

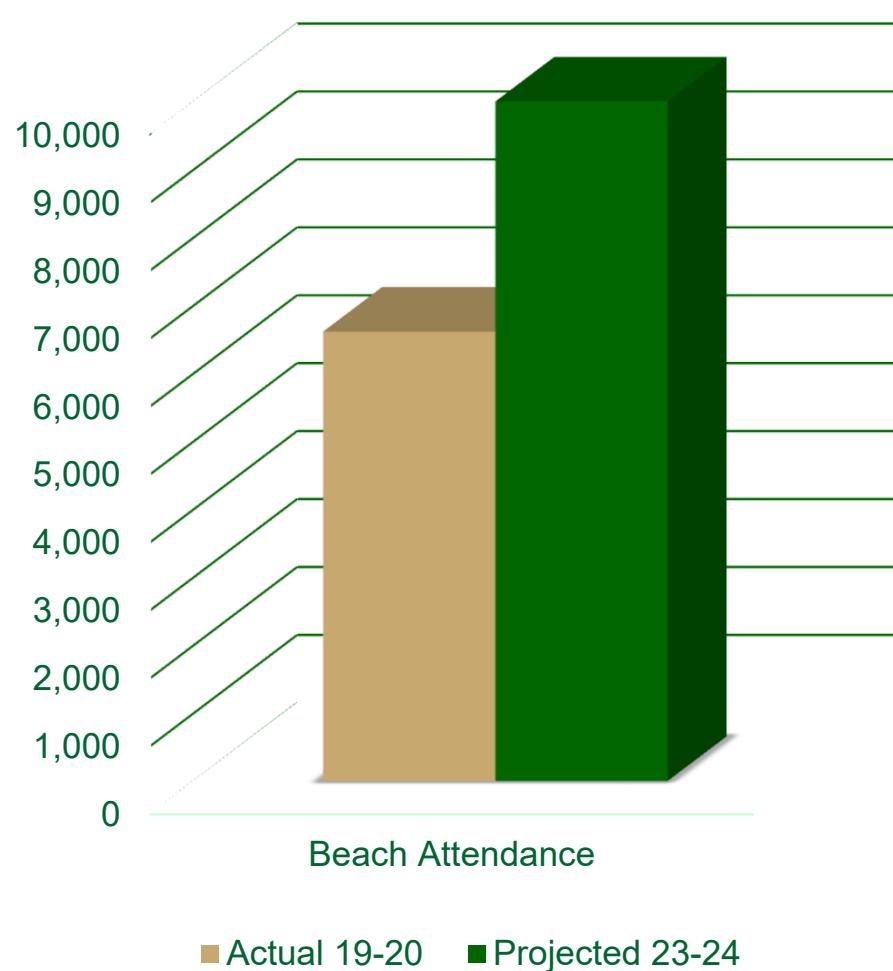


FY 25 Service Demand Increases

- Sample of County Growth Areas
 - Fire- EMS Calls
 - Law Enforcement Calls
 - Building Inspections, Plan Reviews, and Permits
 - Parks & Recreation Programs and Parks Maintenance
 - Seniors – Aging Services
 - General Properties Repairs and Upkeep of Aging Facilities
 - Information Technology Support Requests
 - Early and Absentee Voting
 - Capital Maintenance



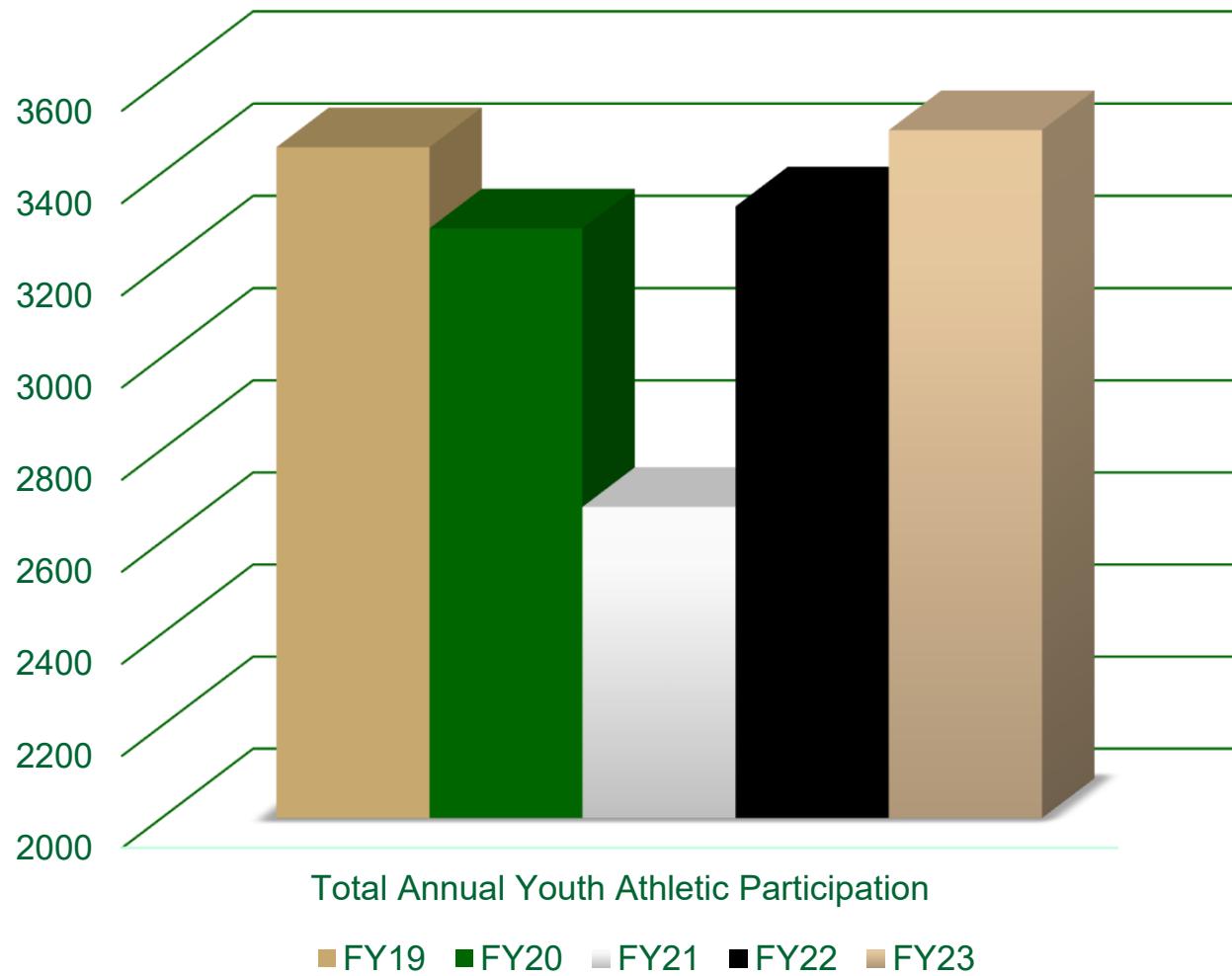
Increase in Recreational Demand



**Estimated Projections as of March 5, 2024, and subject to change

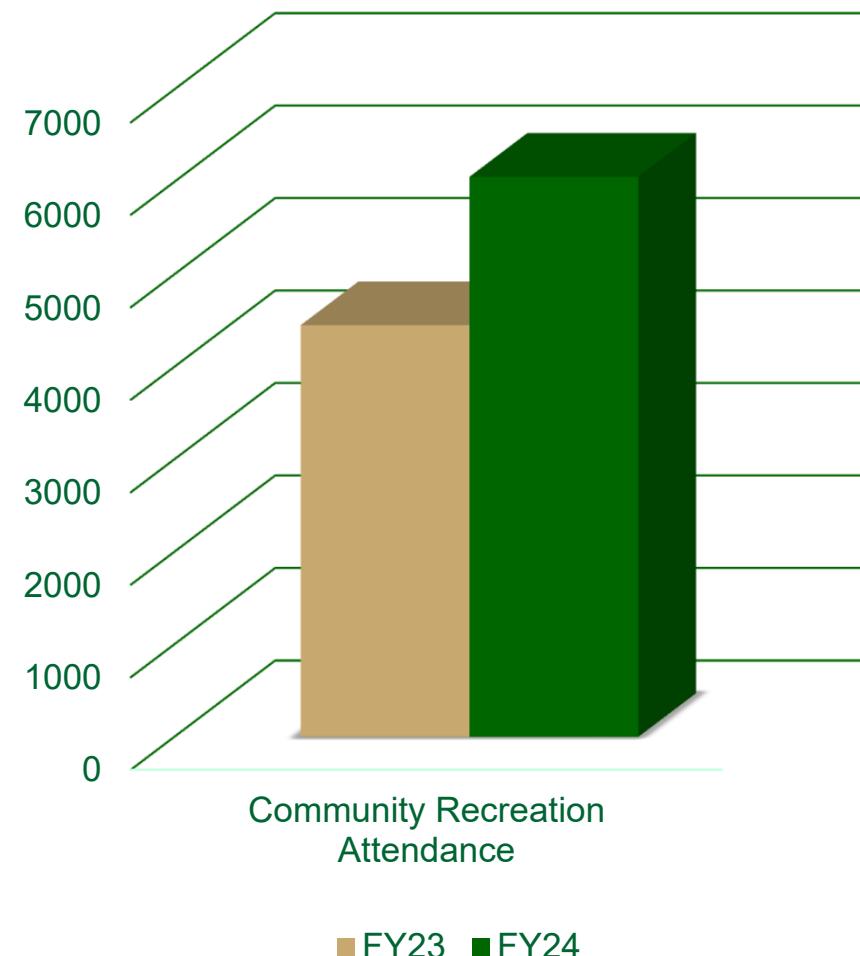
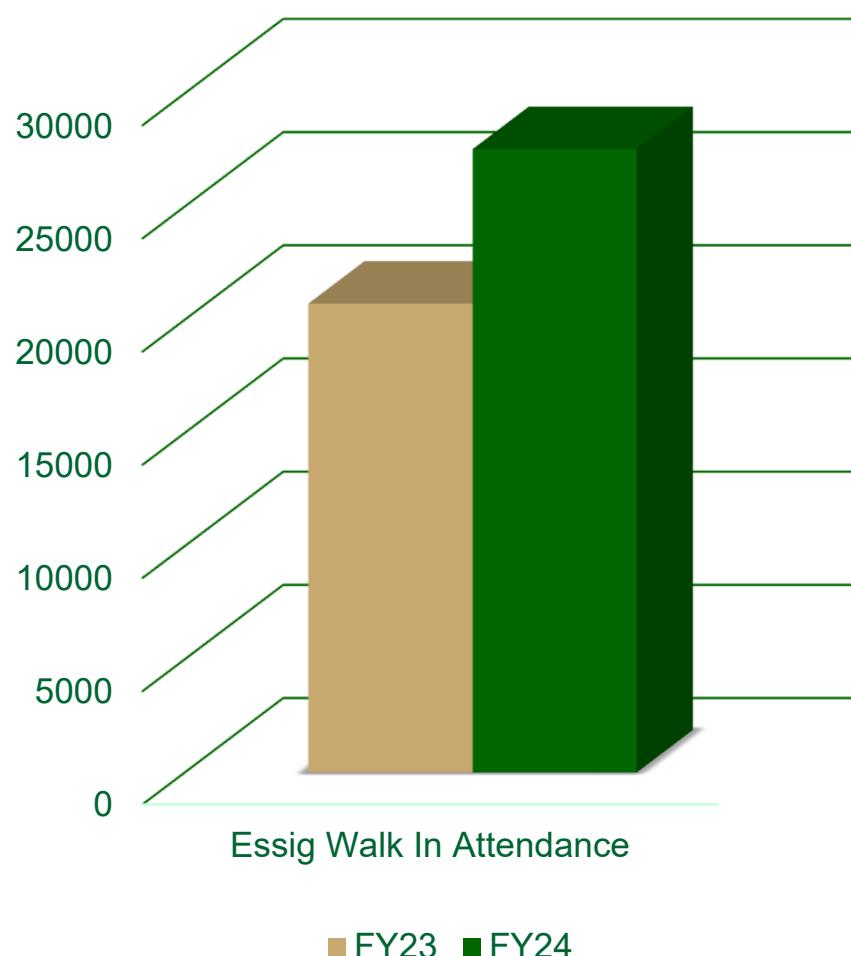


Increase in Youth Athletics Demand





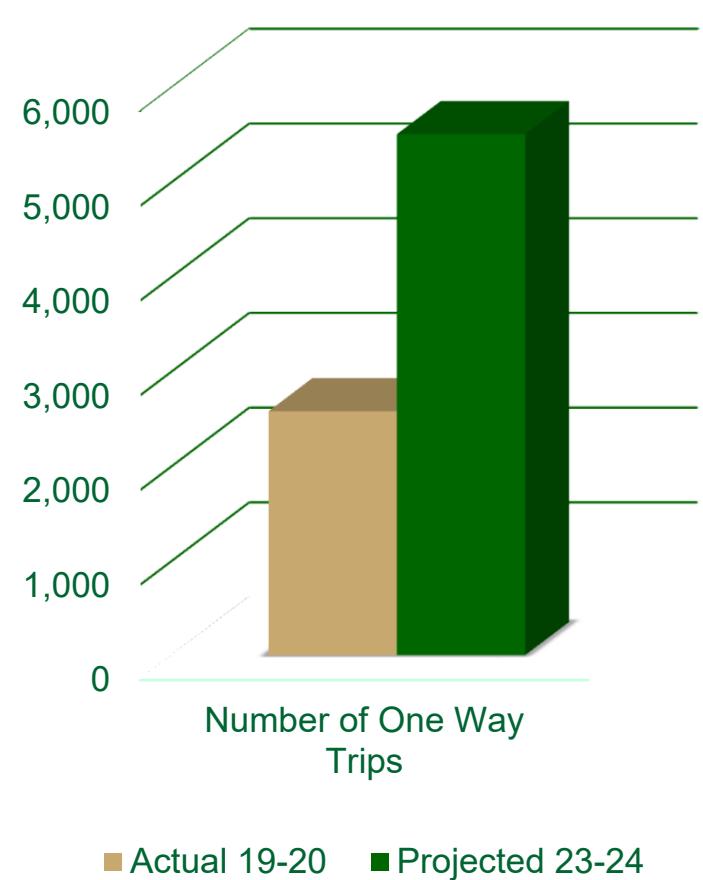
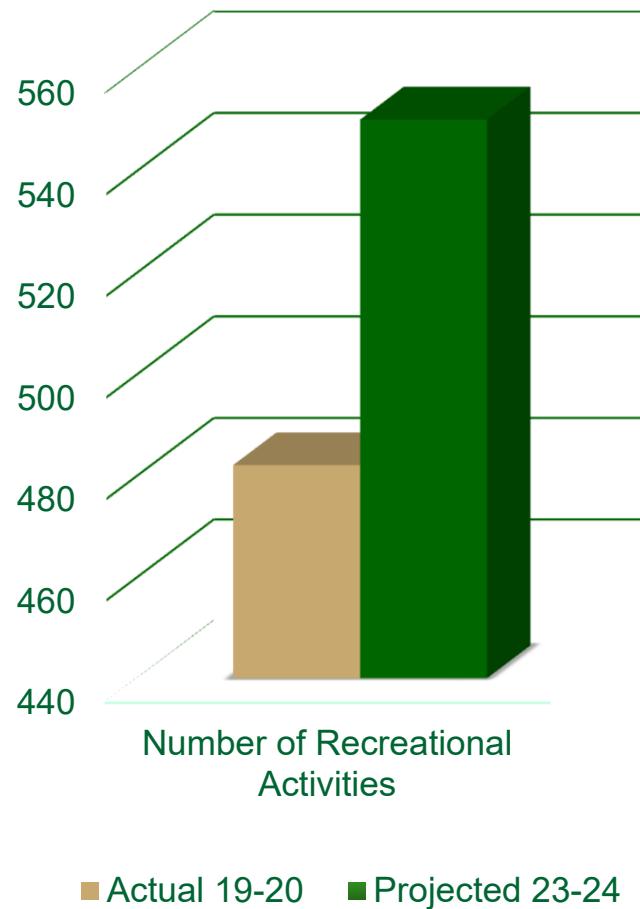
Increase in Community Recreation Demand



*FY23 & FY 24 Comparison Through January 2024



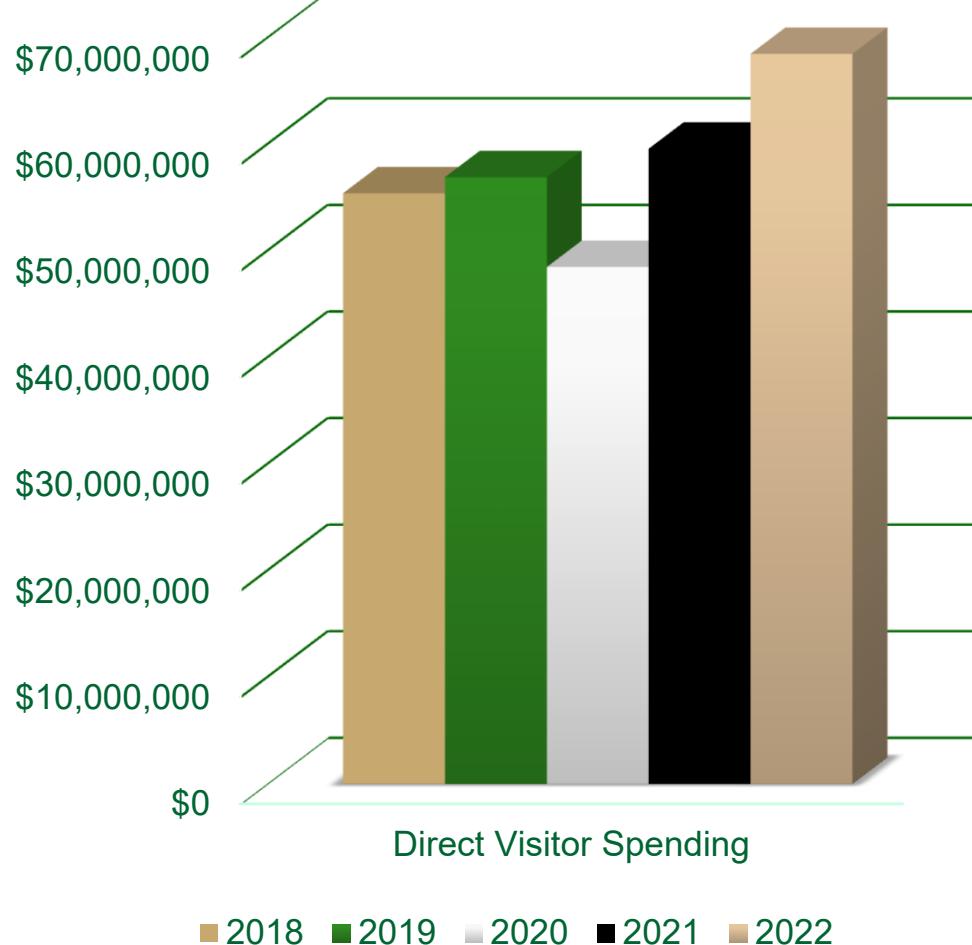
Increase in Aging Services Demand



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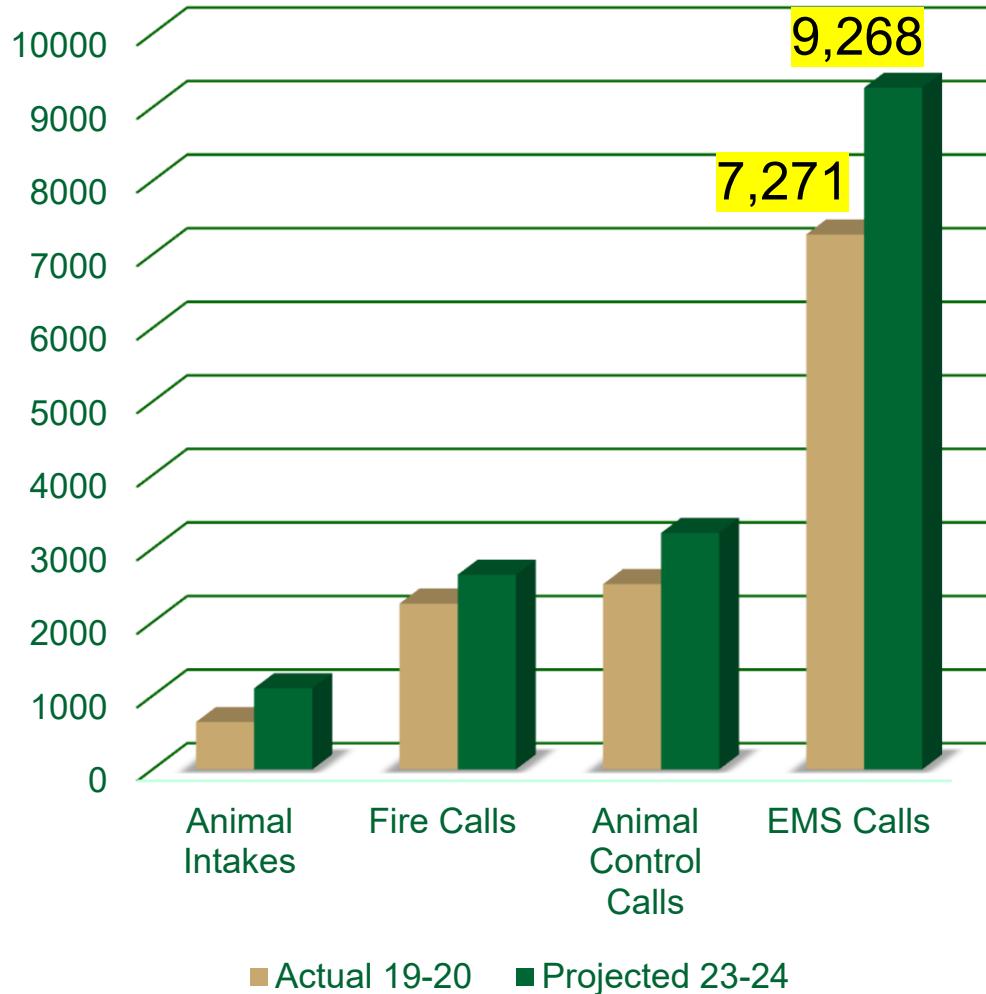
Increase in Tourism Demand



*Most Recent Virginia Tourism Corporation Data – 3/5/2024



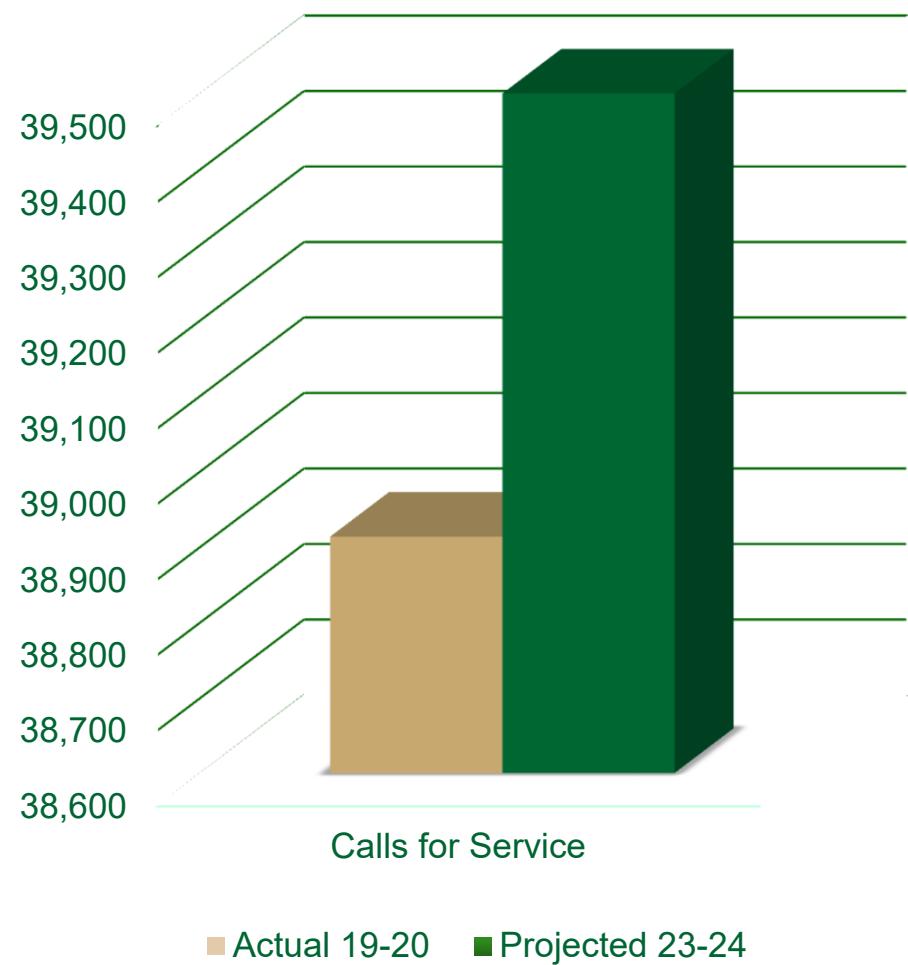
Increase in Public Safety Demand



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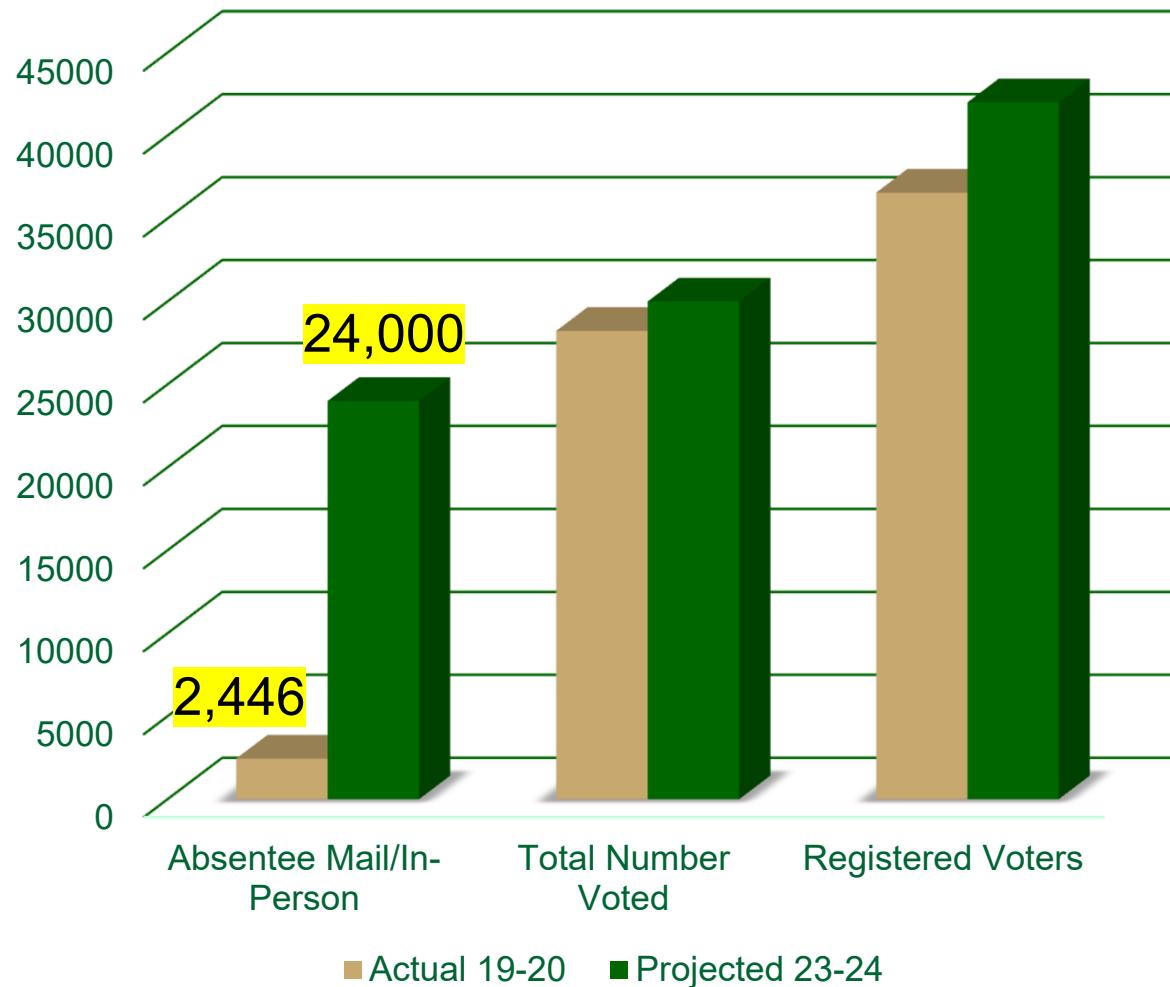
Increase in Law Enforcement Demand



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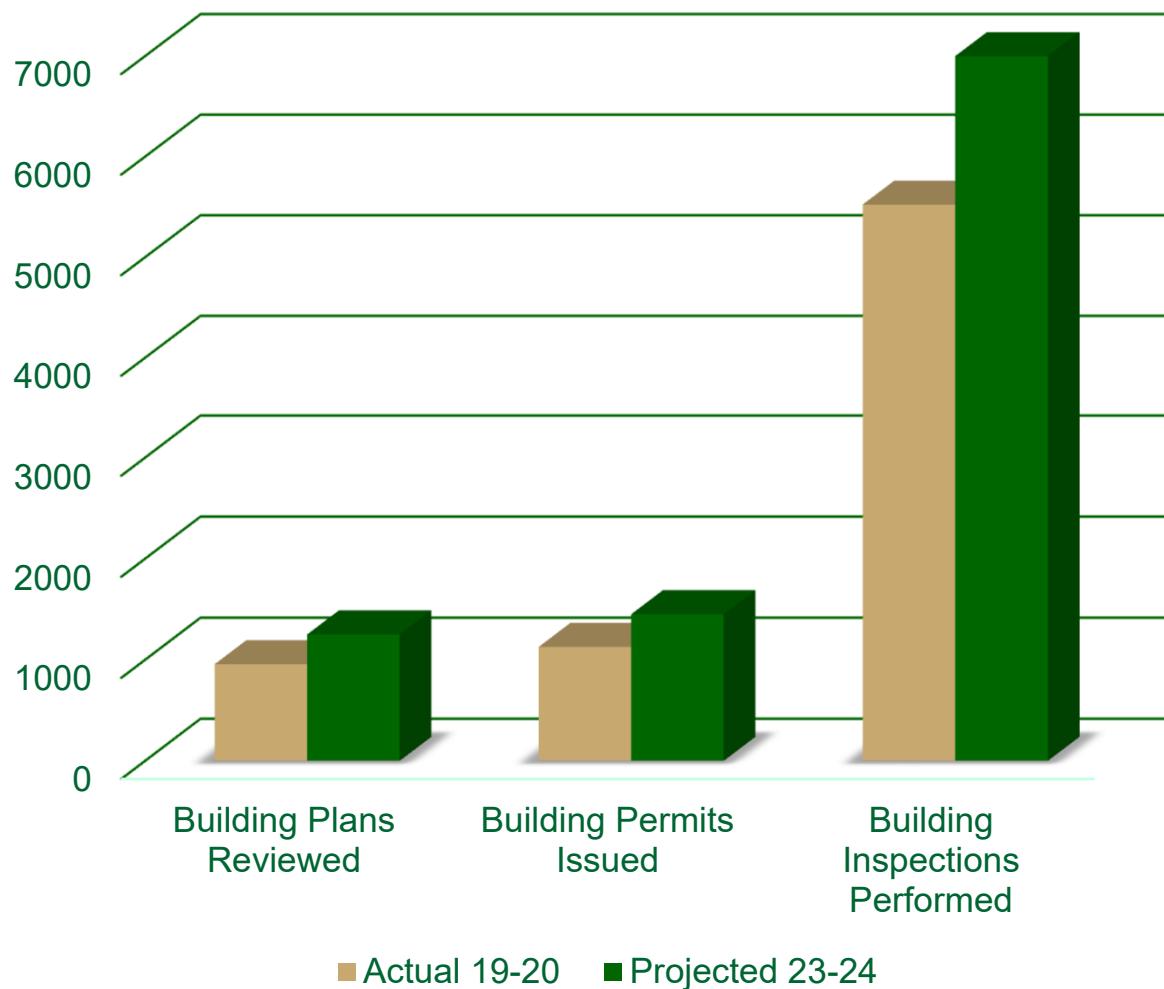
Increase in Absentee Voting Requests



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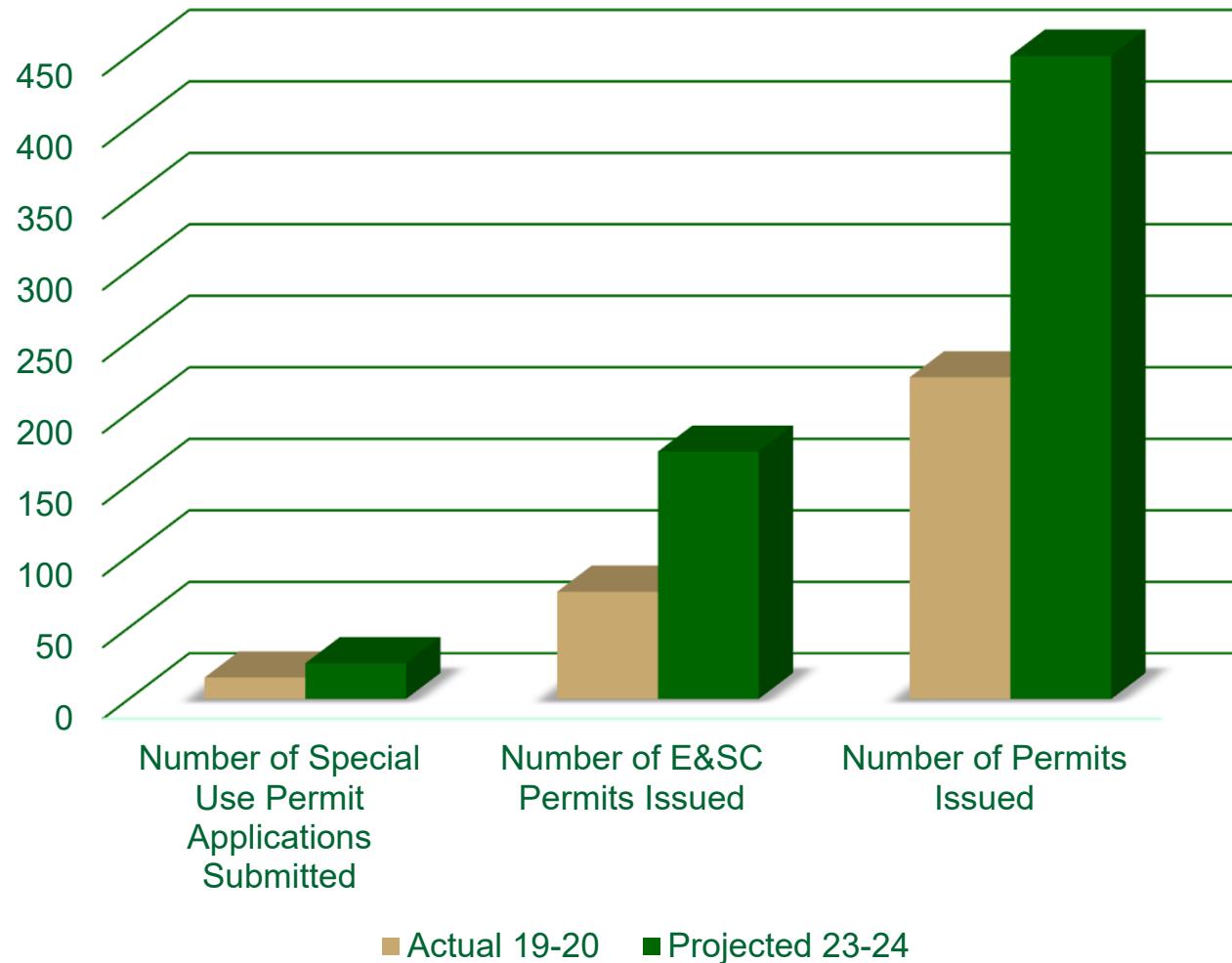
Increase in Building Inspection Demand



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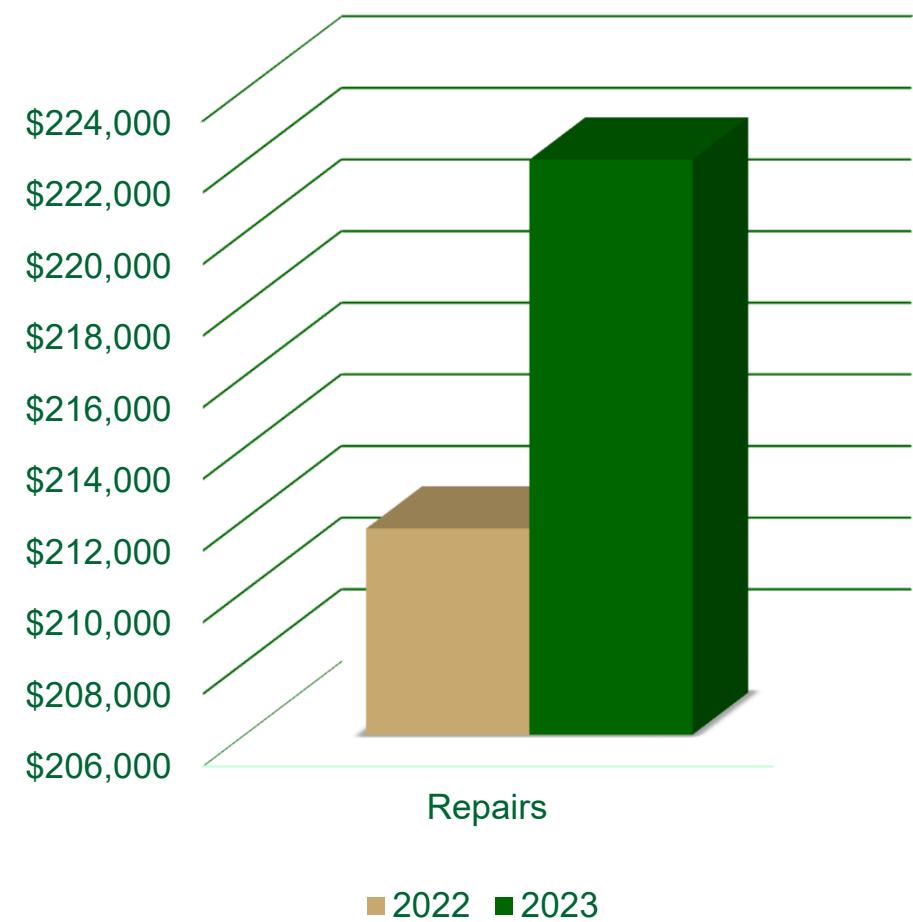
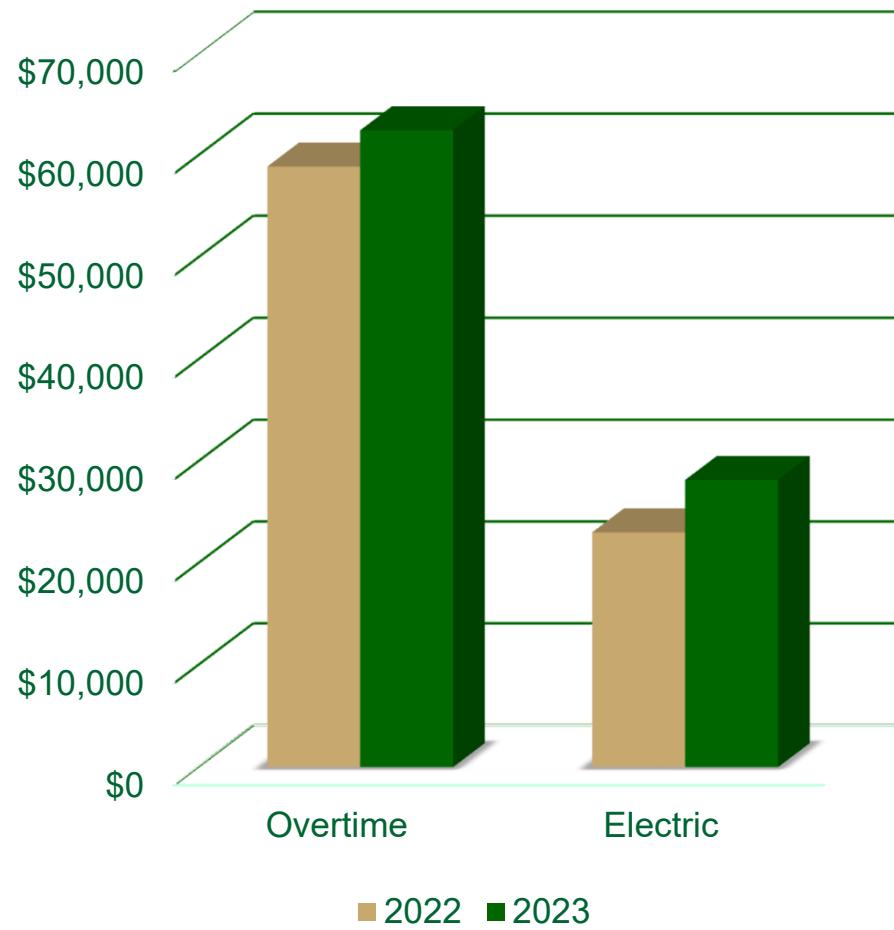
Increase in Permit Requests



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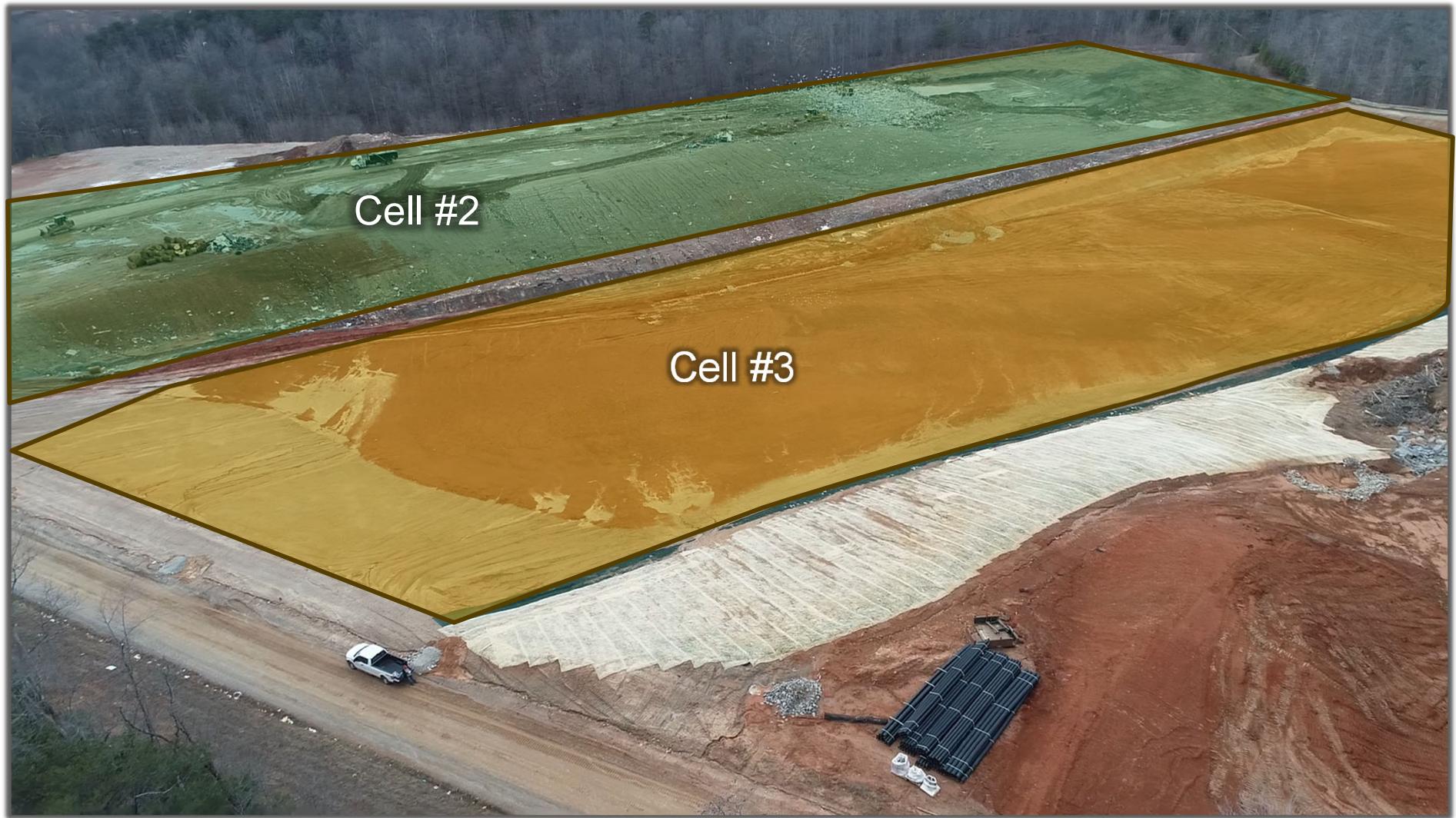


Increase in Refuse Disposal Costs





New Landfill Construction





FY 25 Budget Climate

Operational Environment

- **Energy**--- Higher Fuel and Utility Costs
- **Supply Chain Issues** (i.e. apparatus, equipment, materials are driving costs)
- **Maintenance Service Costs** (i.e. Professional Services— financial, auditing, service consulting and Technical Services— software, cybersecurity, systems monitoring, etc.)
- **CSA** – Increased Complexity of Cases and Increasing Rates for Providers, Vendors (i.e. Group Homes, Foster Care, Therapy Services, etc.)
- **Labor Market** – Competition with Private Sector remains strong
- **Sustained Increase in Jail Population** (County pays more debt service of facility based on rolling average of locality's inmate count.)
- **Juvenile Detention** - Increased rates and population
- **Minimum Wage** Increase effective 1/1/25
- **Health Insurance Renewal**
- **EMS 24x7 Coverage**
- **Decline in School Enrollment** Results in Less State Funding
 - Loss of 1500 students since 2006 or -20% (projected loss of another 49 for next year)



FY 25 Operational Requirements

Sample of Fixed Operational Costs FY 25 Increases

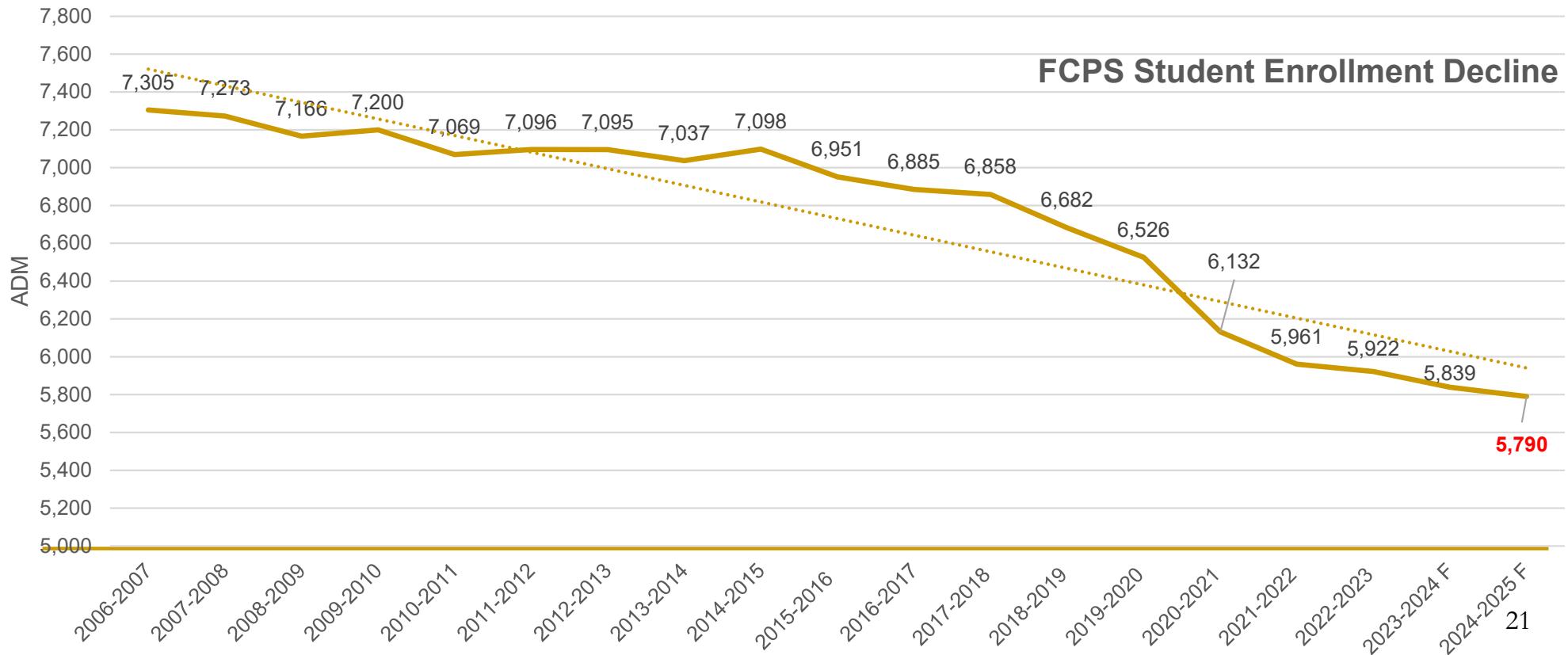
- ❑ Juvenile Detention **\$240K**
- ❑ Adult Detention / Corrections **\$630K**
- ❑ CSA - Children Services (Foster Care, Group Homes) **\$1.2 million**
- ❑ Landfill Equipment Repairs & Solid Waste Collections **\$330K**
- ❑ Fire – EMS Maintenance, Fuel, Insurance, Training Support **\$190K**
- ❑ School Safety – SRO Phase In **\$400K**
- ❑ Health Insurance – VRS **\$490K**



School ADM Challenges

□ Continued Loss of Students (ADM)

- Since 2006, FCPS has lost approximately 1500 students.
- SOQ funding is based on average daily membership as of March 31st
- ADM budget of 5,790 is a reduction of 49 from this year's original budget of 5,839.



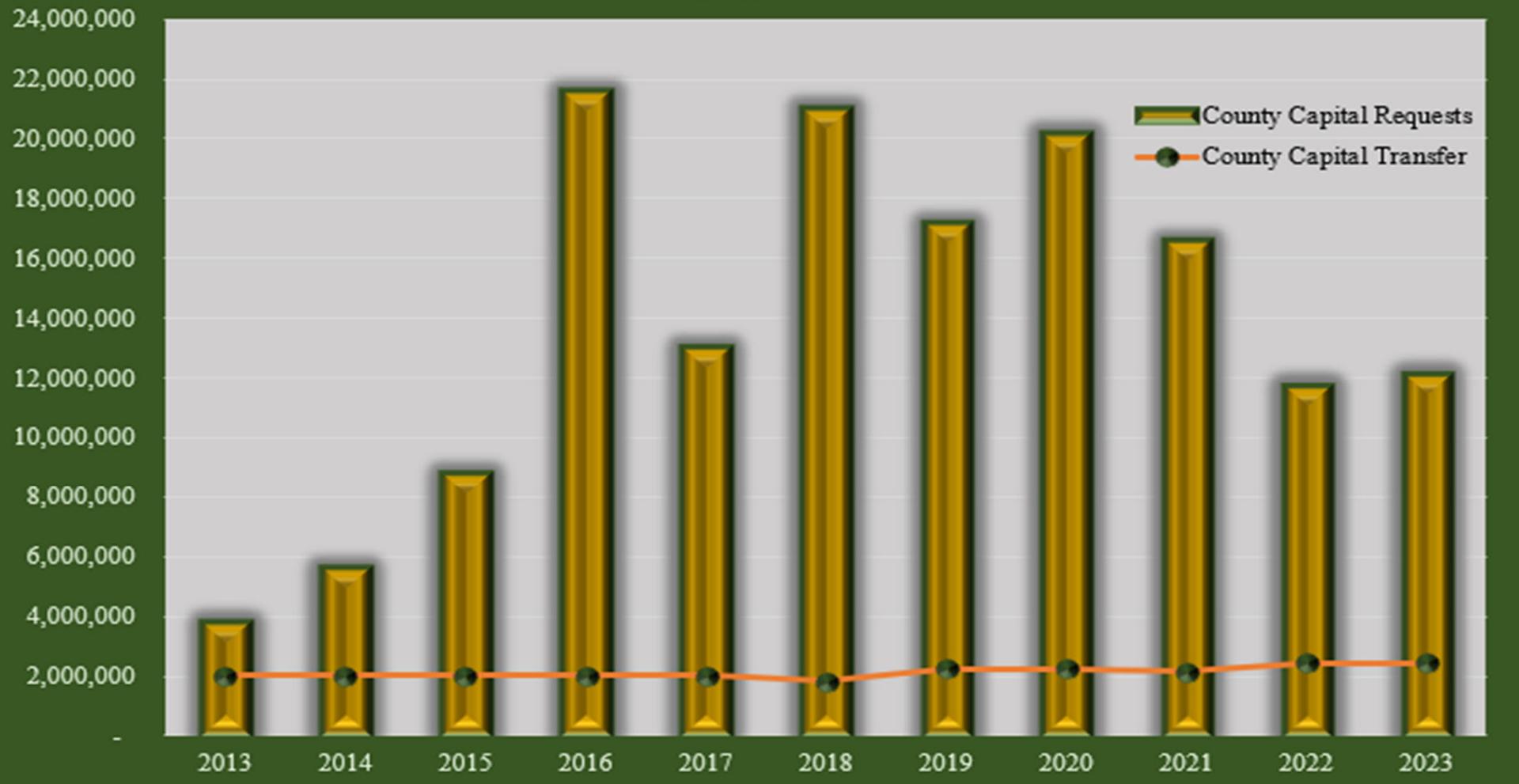


Capital Improvements & Maintenance Significant Pressures



Capital Requests vs Local Funding

Historical County Capital Request
FY2013 to FY2024



Annual Recurring Local Funding \$2.4 million



Capital Budgetary Pressures

Capital Infrastructure Needs (i.e. County & School Buildings HVAC / Roofs, Landfill, Fire Apparatus, Ambulances, School Buses)

Increasing Costs

- Rescue Ambulance cost \$125K in 2006 vs. \$350K today
- Fire Pumper – Tanker - \$793K
- Tanker - \$531K
- School Buses - \$100K (+)

Cost of Delayed Funding

- As annual equipment costs continue to increase with CIP funding remaining flat, then County gets further behind.
- With County & School's Capital Budget Funding remaining frozen for well over a decade, future budgets are not sustainable going forward.





Capital Structural Imbalance

- ❑ Increased, recurring revenue for major equipment replacement is recommended for the FY 25 Budget (i.e. Fire-EMS and landfill equipment, radio system, school buses)
- ❑ Not doing so pressures an unsteady climate in the balancing of the County's annual budget (i.e. budget stabilization reserves, etc.).





Measured Capital Improvements Plan

- Increased Capital Transfer of \$2.8 Million
 - System and Ongoing Radios Replacements
 - Fire Apparatus Support
 - EMS Ambulance
 - Fire-EMS Safety Equipment (i.e. Turn Out Gear, SCBA's, etc.)
 - Solid Waste Equipment
 - Roofs, HVAC's
 - School Buses
- Despite the increased transfer, the proposed FY 25 County Capital Budget will need to be balanced with \$1.8 Million from possible grants and carry over funding



School Bus Replacement

FY24-25 School Bus Replacement Funding

- Existing Funding: \$340,000
- Additional Funding: \$500,000
- Approximate increase from 3 replacement buses annually to 7 replacement buses.



**FCPS indicates current school bus replacement is 5 Years behind schedule



Proposed FY 25 Budget

- Works to address ongoing Capital Structural Imbalance (School Buses, Ambulances, Law Enforcement / Fire / EMS Vehicles & Safety Equipment, Public Safety Communications System & Radios, Roofs, HVAC's, Landfill & Solid Waste Machinery, etc.)
- Seeks to sustain the County's strategic priority areas and meet growing, service demand obligations (School Safety – SRO's, Public Emergency Response-EMS Coverage, Solid Waste Disposal, At-Risk CSA Cases, Adult & Juvenile Inmates, Increased Parks Maintenance & Recreation Programming, etc.)
- Maintains Operations Support
 - Employee Health Insurance & 3% COLA
- Addresses Capacity Focus Areas
 - Parks & Landfill Maintenance – Programming
 - Emergency Services Staffing – Daily Coverage
 - Radio Communications & Information Technology Support



FY 25 School Budget Support

One – Time Stop Gap Funding

- February 22nd Board of Supervisors Approved **\$2.45 Million** to assist FCPS for FY 25
 - \$1.2 Million from FY 22-23 Carry Over (non-recurring funds)
 - \$1.25 Million from County Reserves (non-recurring funds)
 - Due to ongoing school budget realignment (i.e. closures, employee attrition, pending state budget modifications, etc.), stop-gap funding is recommended to be held in a Transfer Reserve Until FY 25 Budget Process is Complete and Specific FY 25 Stop Gap Budget Expenditures have been identified by FCPS and agreed upon by Board of Supervisors

COLA Funding

- Proposed FY 25 Budget Supports Possible 3% COLA as proposed by Virginia House of Delegates Budget Amendment with required local funding of **\$1,468,705**
 - Funding is recommended to be held in a Transfer Reserve Until FY 25 Budget Process is Complete and Specific FY 25 State Budget Revenues have been Solidified

Capital School Bus Funding

- Proposed FY Budget Increases Transfer to School Budget Capital of **\$500,000** for ongoing structural imbalance needs to support School Bus Replacement



FY 25 Operational Modifications

Operational Budget Efficiencies

- Total of **\$1.1 million** identified to support funding gaps
- Staff met with County Department Directors and reviewed budget submittals where approximately \$550K was cut from the FY 25 budget requests.
- Another \$550K in debt service drop off was recaptured as ongoing revenue to assist with operational costs and expenditures.



Proposed FY 25 Budget

□ FY 25 Budget

- As a result of reduced State and Federal funding, the Proposed Overall FY 25 Net County Budget reflects a reduction of -\$571,376 or -0.31%
- Projected Local Funding Growth of \$8.2 million
 - General Property Taxes
 - Other Local Taxes

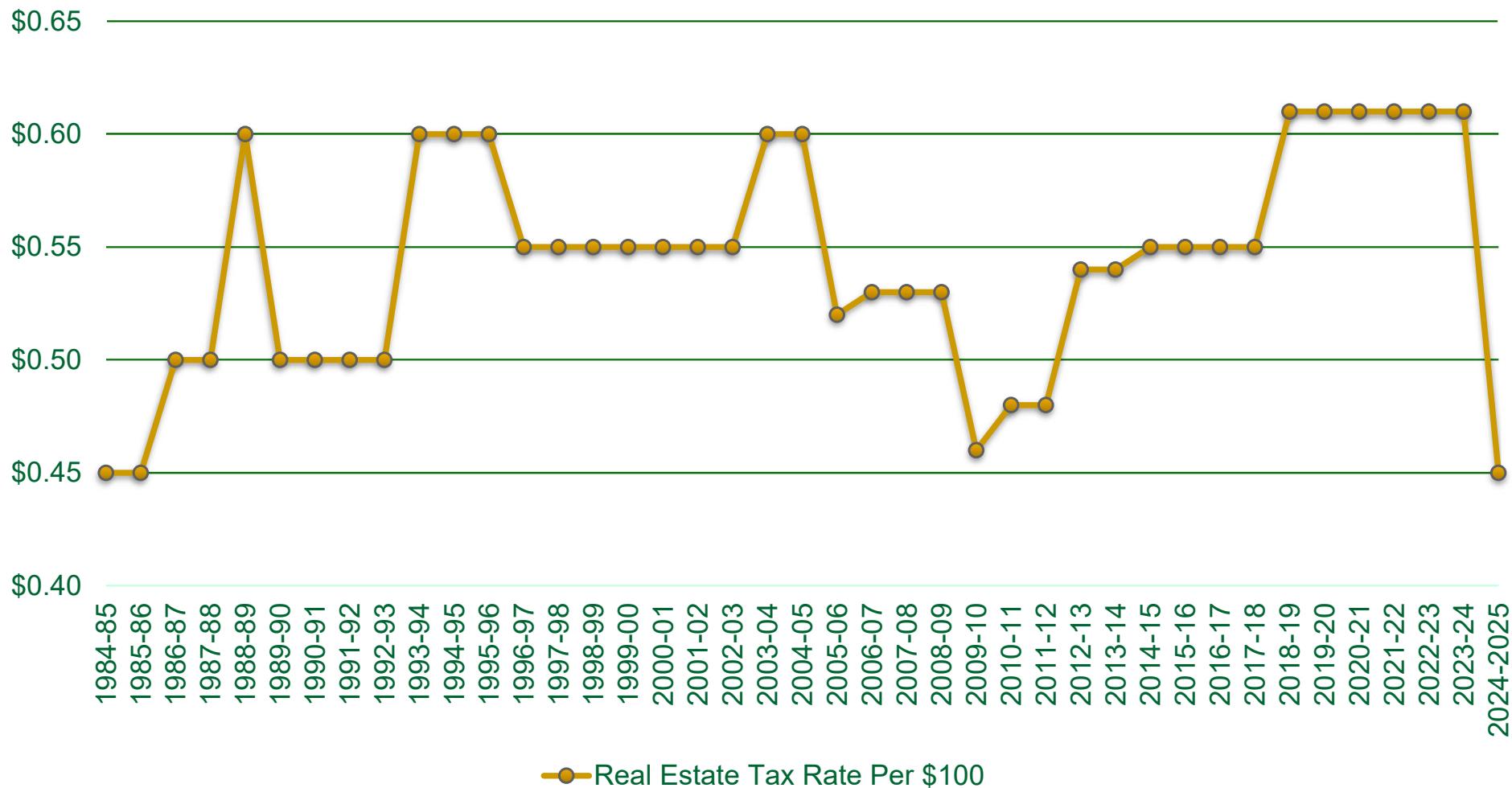
□ FY 25 Proposed Tax Rates

- **Fully Equalized Real Estate Tax Rate following Reassessment is \$0.41
- Lower Real Estate Tax Rate from \$0.61 to \$0.45 per \$100
 - Reduction of 16 Cents
 - Lowest rate in 40 Years
- All Other Local Tax Rates Remain the Same



Real Estate Tax Rate 1984-2025

Rate per \$100 Assessed Value



**Proposed Real Estate Tax Rate Drops to .45 (lowest level in 40 years)



Elderly/Disabled Real Estate Tax Relief

	Current	Proposed
Income Limit	\$25,000	\$38,000
Asset Limit	\$80,000	\$110,000
Exemption	Primary Dwelling and Up to 5 Acres	Primary Dwelling and Up to 5 Acres

- Proposed FY 25 Budget Recommends to provide additional tax relief for qualifying elderly & disabled residents by increasing the maximum income limit by \$13,000 and increasing the asset limit by \$30,000 in accordance with Virginia Code 15.2-1427.

FY 25 Proposed Budget Summary



- Balanced Budget
- Real Estate Property Tax Rate reduced from .61 to .45
- Other Tax Rates Remain Unchanged
- Overall Proposed FY 25 Budget is approximately \$183,242,441 (minimal 0.31 % decrease)
- Structurally Measured Budget
 - Balances modest, new revenue with ongoing capital and operational expenses
 - Offers flexibility with possible State funding adjustments
 - Provides enhanced tax relief for elderly & disabled

FY 25 Proposed Expenditures



Schools
52.16%

Judicial
2.28%

Parks,
Rec. &
Cultural
1.86%

Public
Works
3.22%

Gen.
Admin
3.98%

Law
Enforcement
& Public
Safety
13.98%

Health
&
Welfare
10.58%

Capital
Outlay,
Utilities &
Debt
9.75%

Comm
Dev
2.18%

FY 25 Proposed Revenues



County
Funds
47.7%

State Funds
County
10.61%

State School
Funds
26.22%

Federal
School
Funds
5.9%

Other
County
Funds /
Federal
9.02%

Local
School
Funds
.55%



FY 25 Budget Next Steps

■ Budget Information

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

■ Budget Next Steps

- ❑ March 12th – Next Budget Work Session
- ❑ Additional Work Sessions (March & Early April)
- ❑ March 25th - Budget Public Hearing 6:00 pm
- ❑ April 9th – Reassessment Public Hearing and Budget Adoption 6:00 pm



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



Questions?