



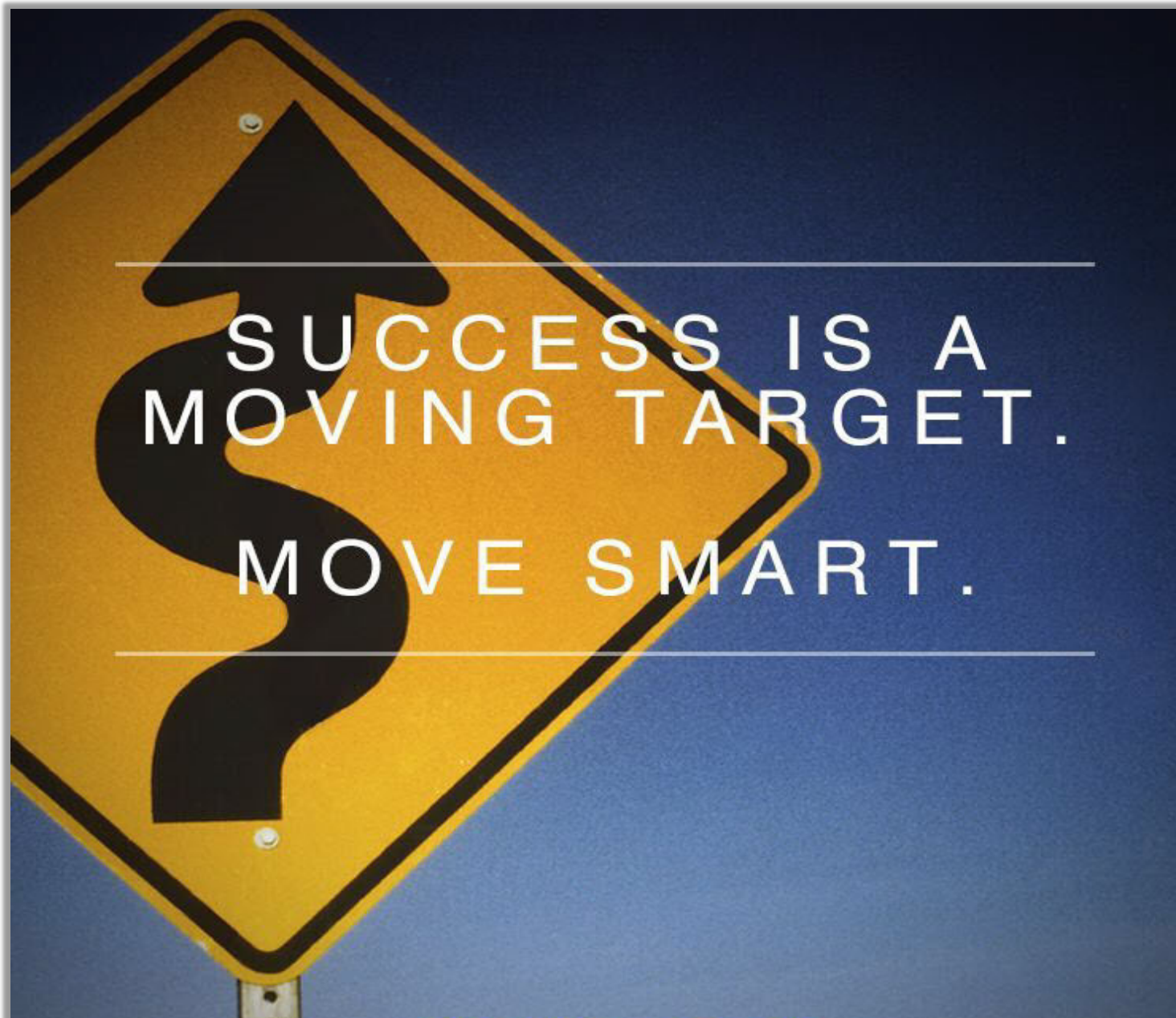
Proposed Franklin County 2024-2025 Budget

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

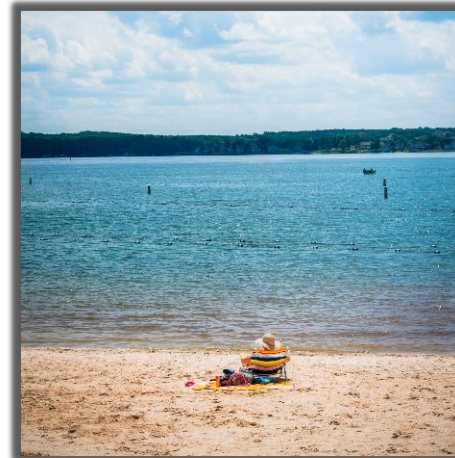
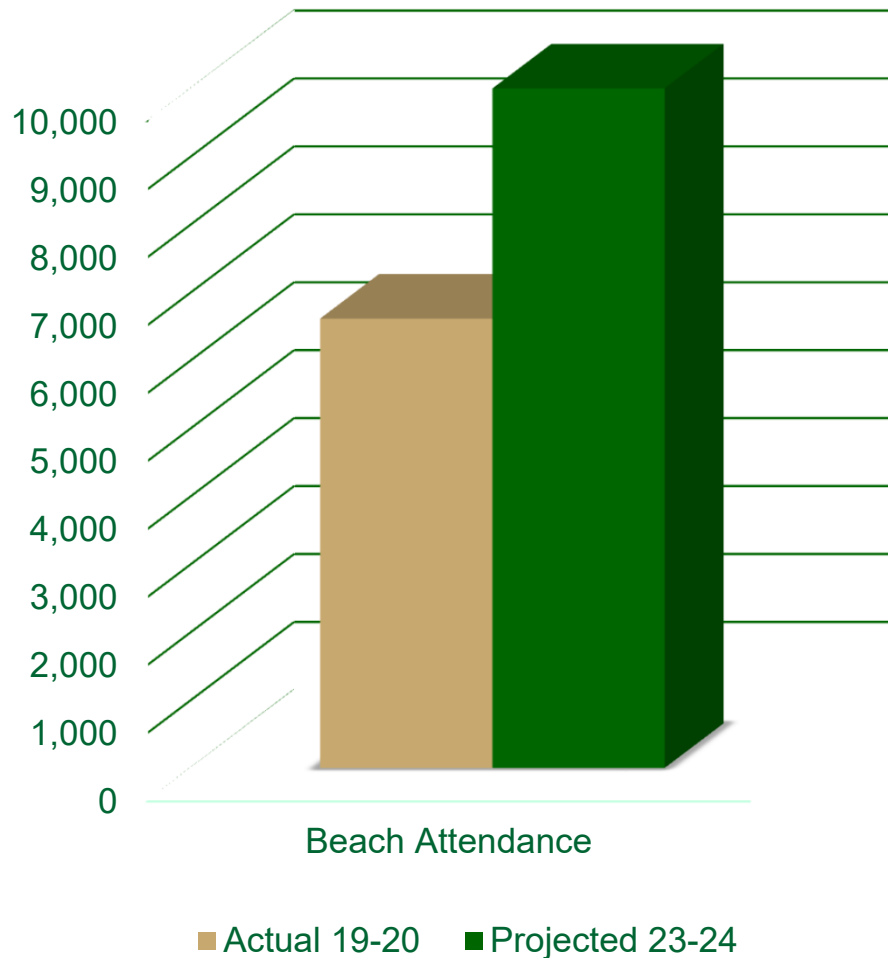


FY 25 Service Demand Increases

- ❑ 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



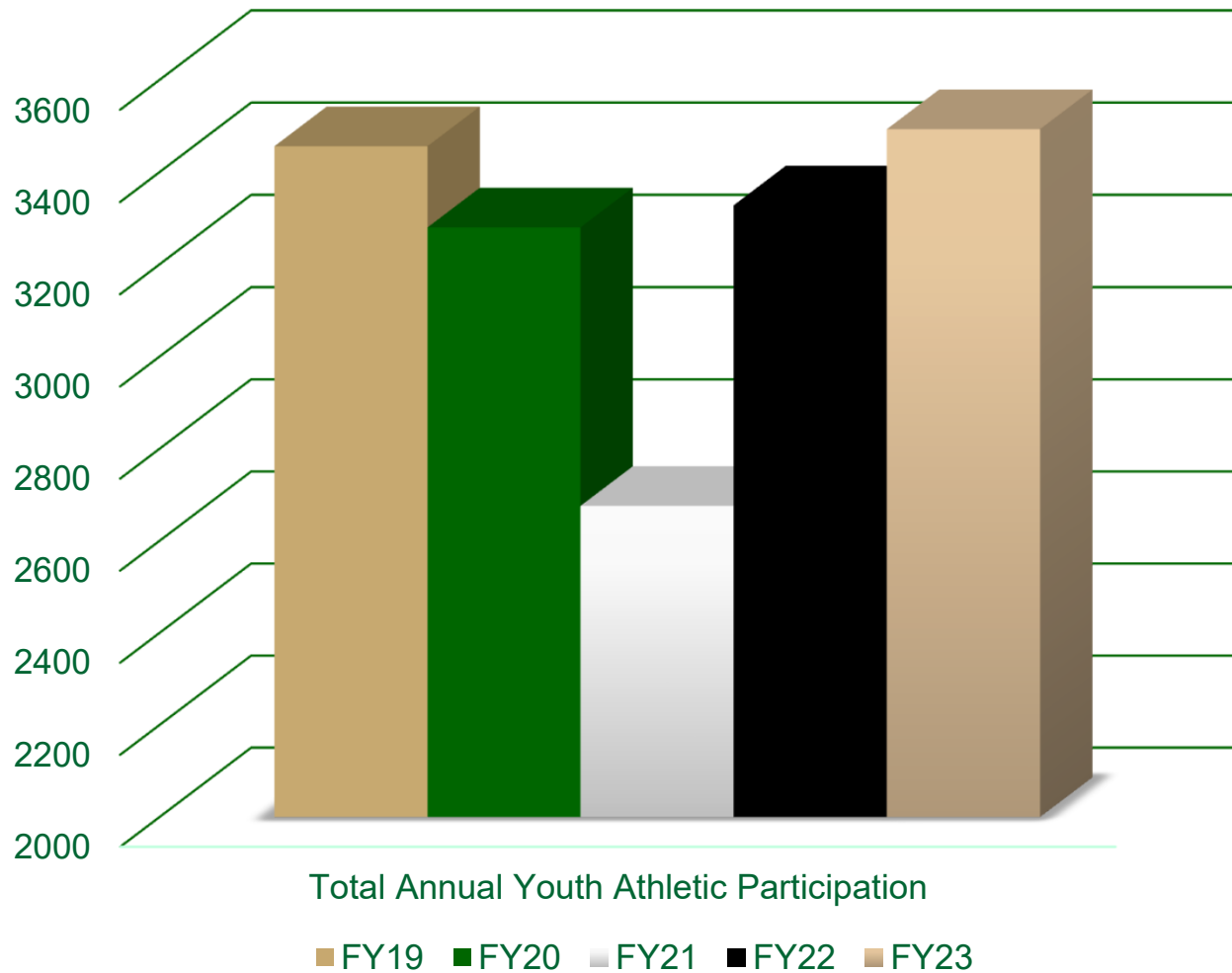
Increase in Recreational Demand



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

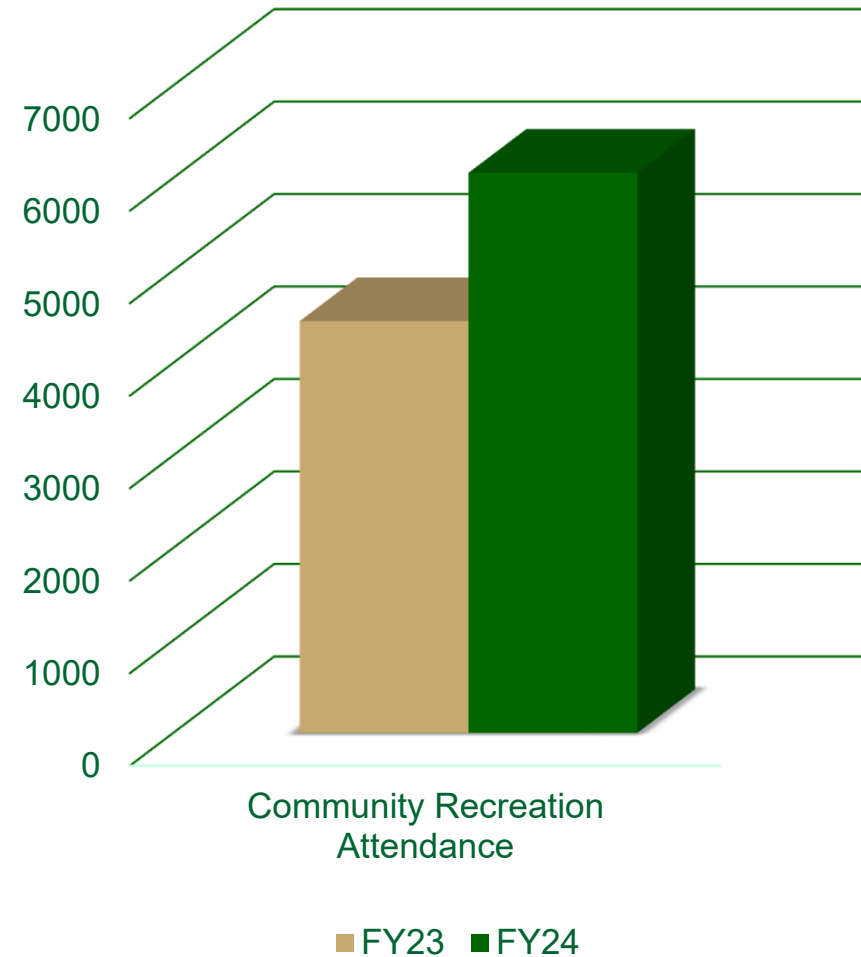
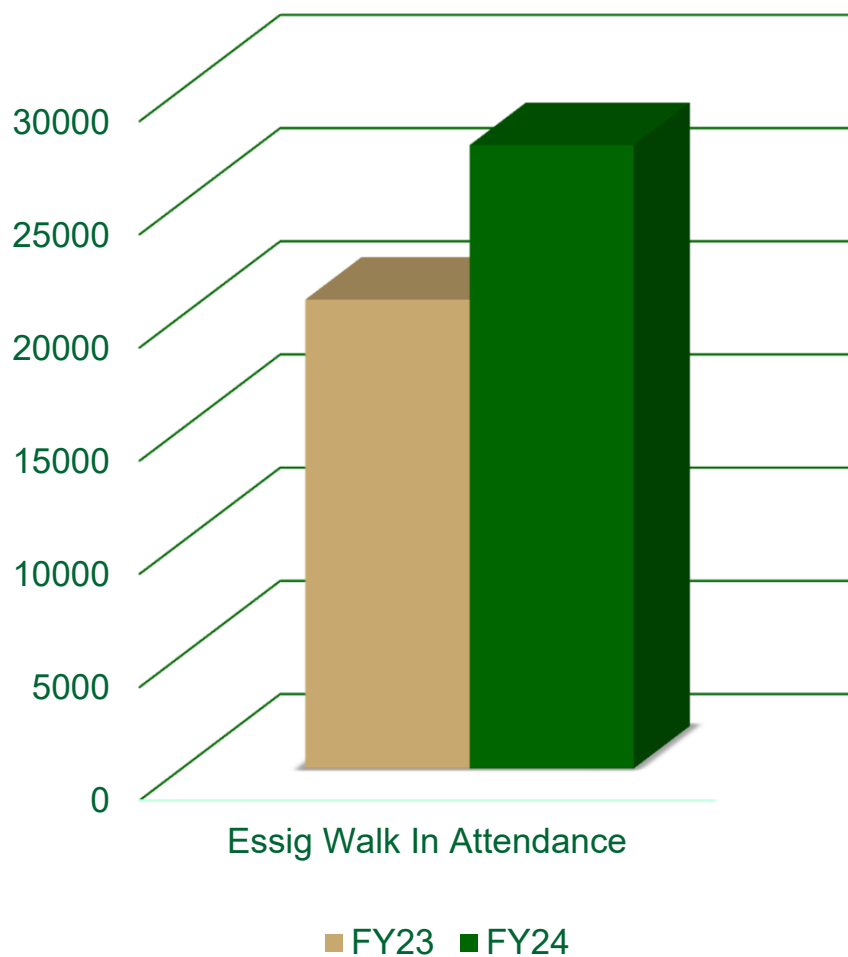


Increase in Youth Athletics Demand





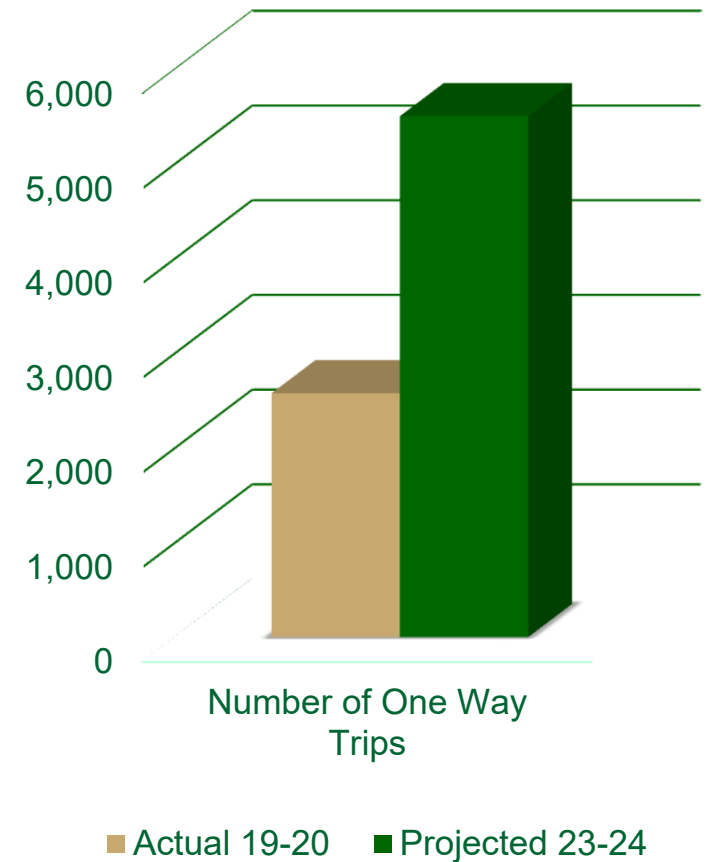
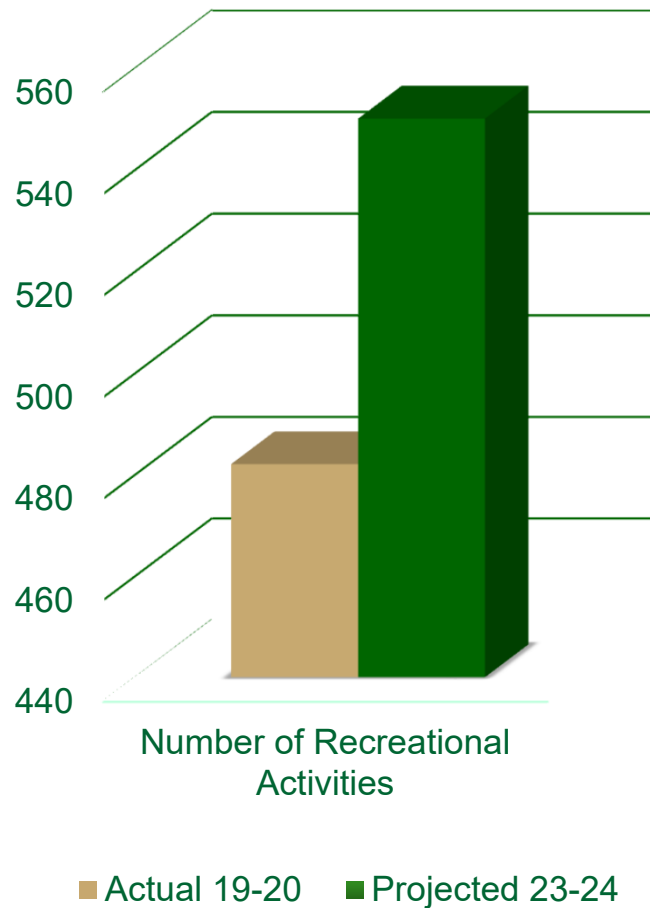
Increase in Community Recreation Demand



*FY23 & FY 24 Comparison Through January 2024



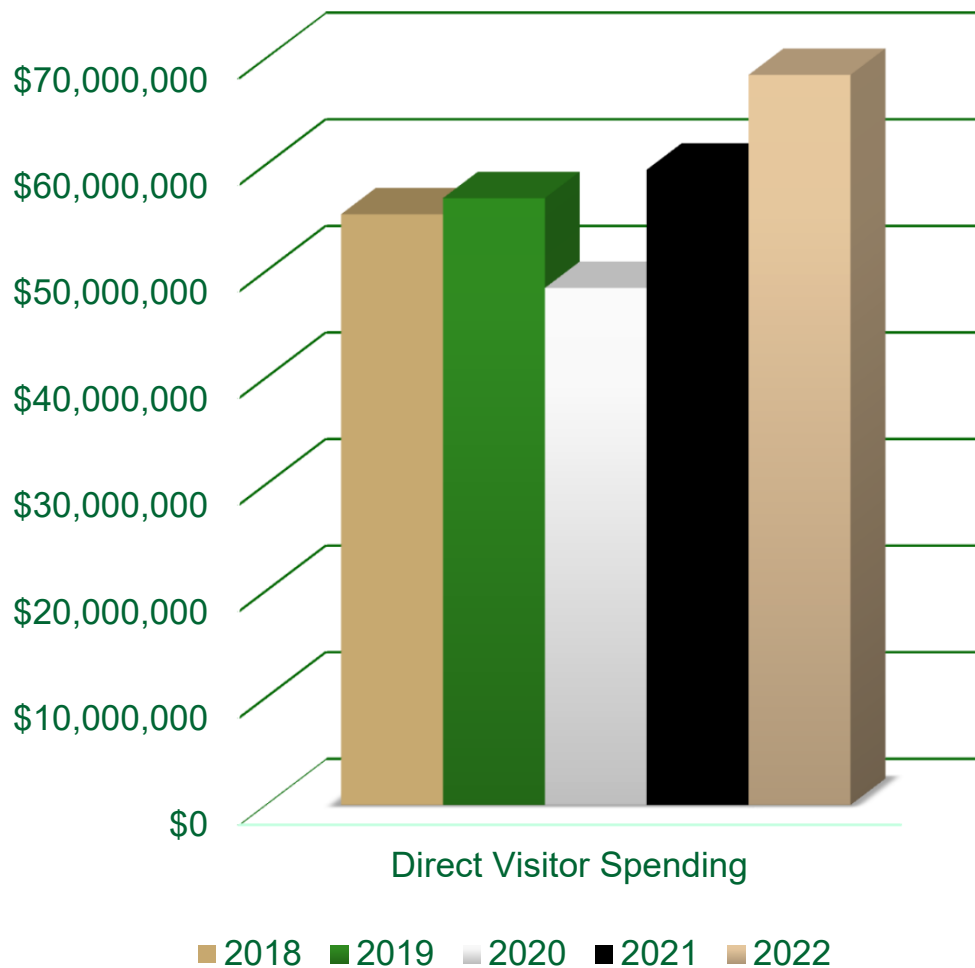
Increase in Aging Services Demand



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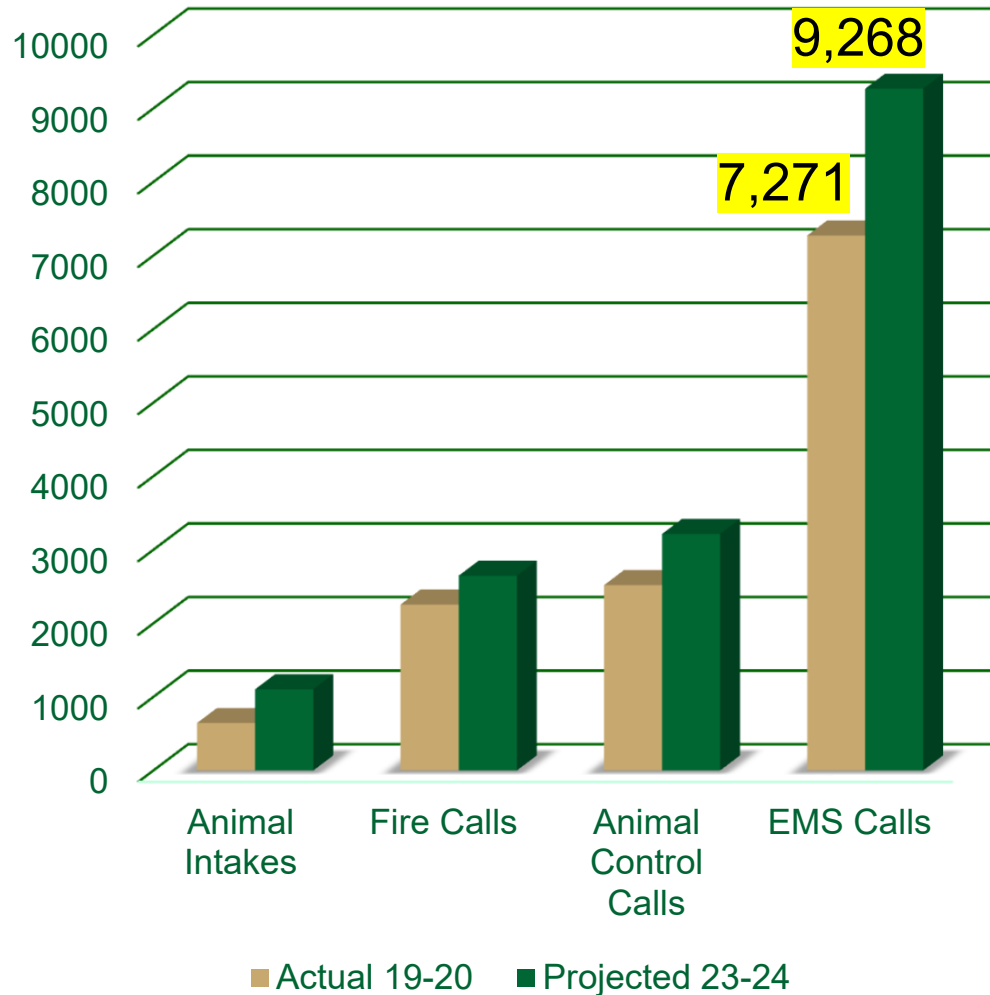
Increase in Tourism Demand



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



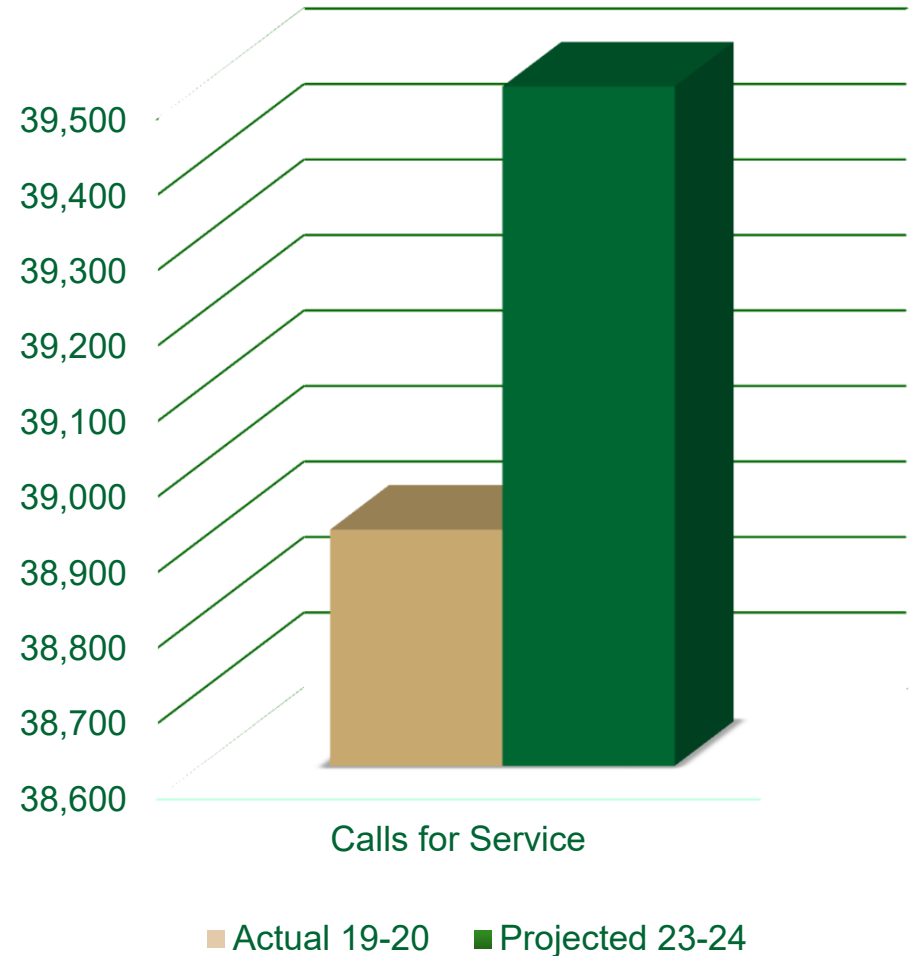
Increase in Public Safety Demand



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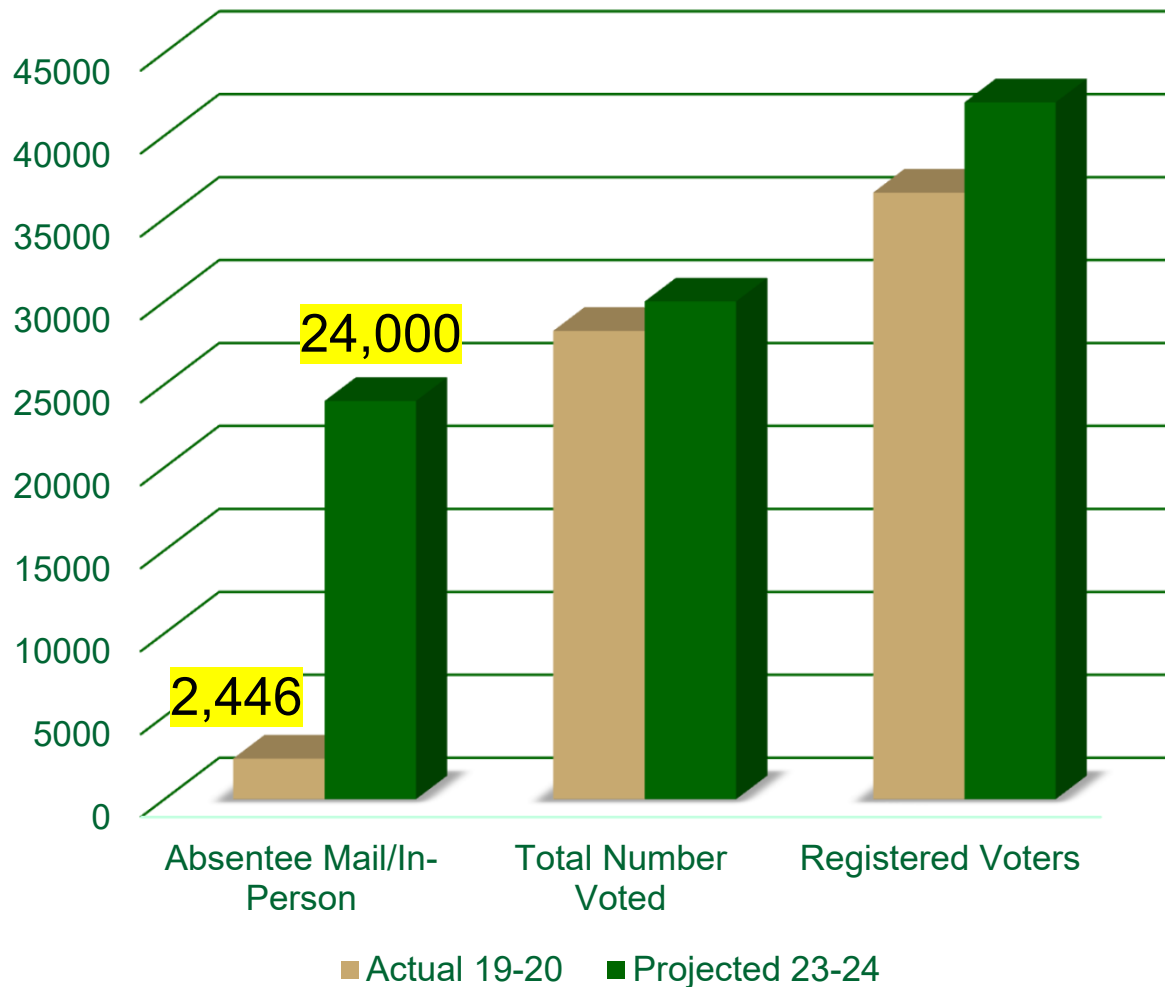
Increase in Law Enforcement Demand



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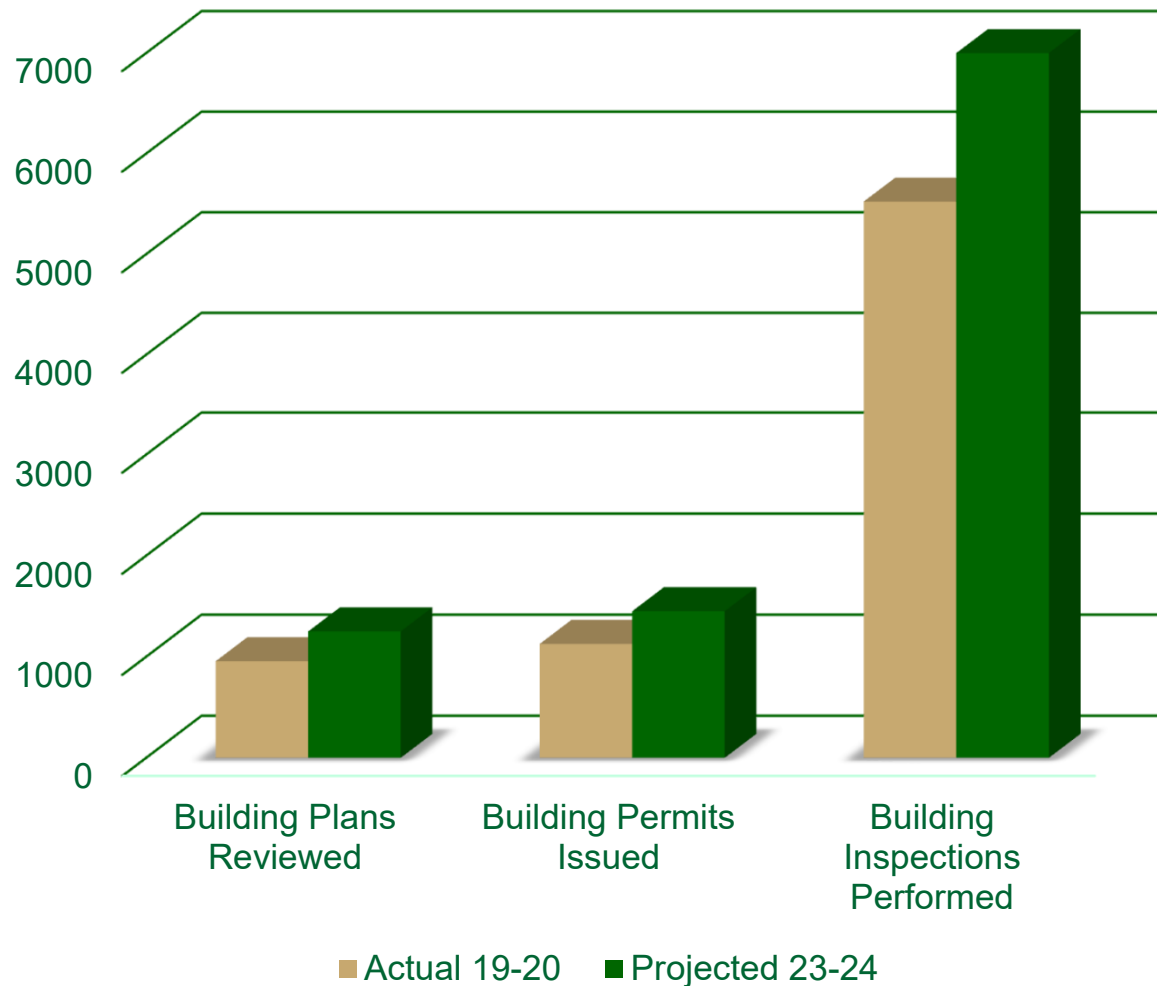
Increase in Absentee Voting Requests



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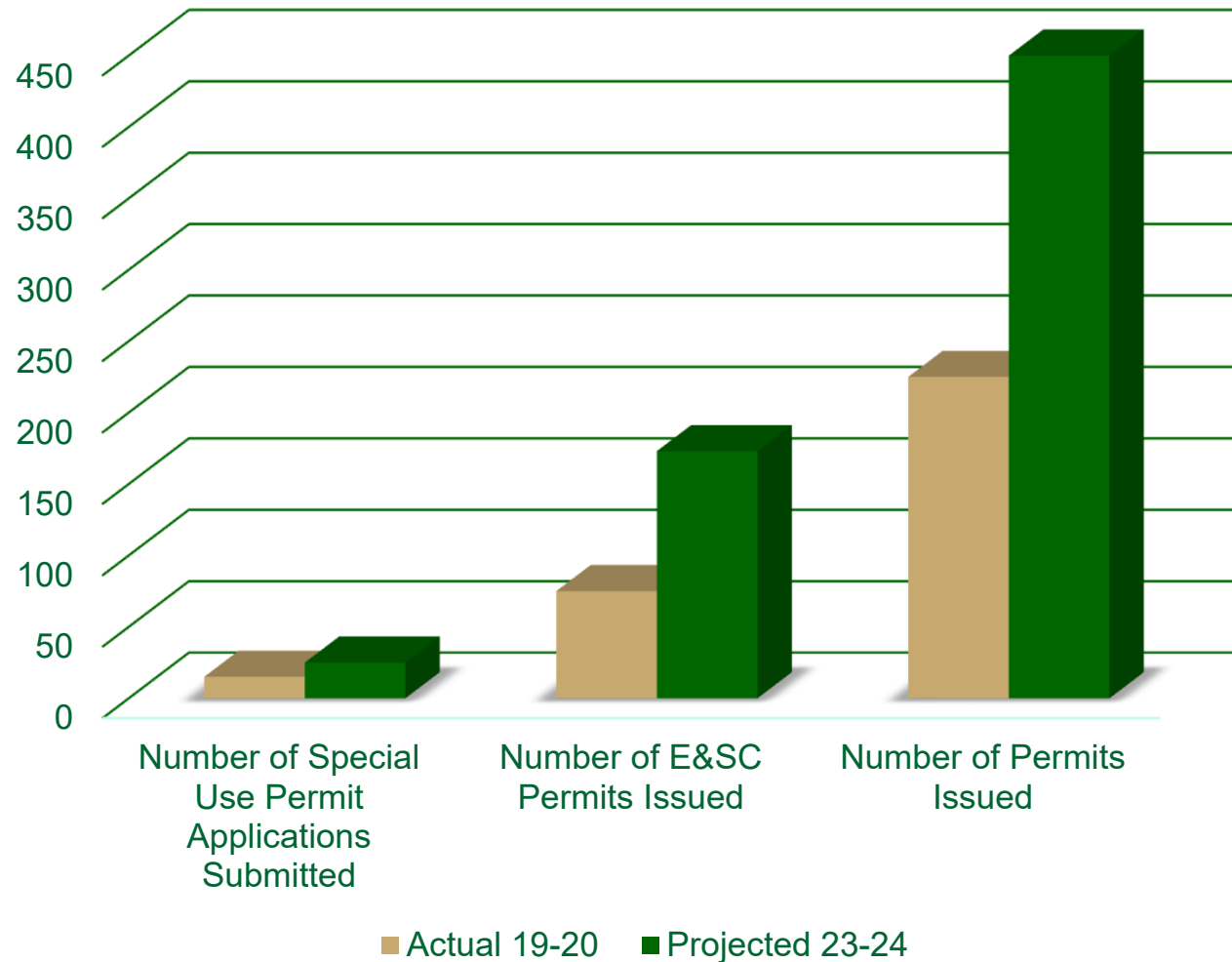
Increase in Building Inspection Demand



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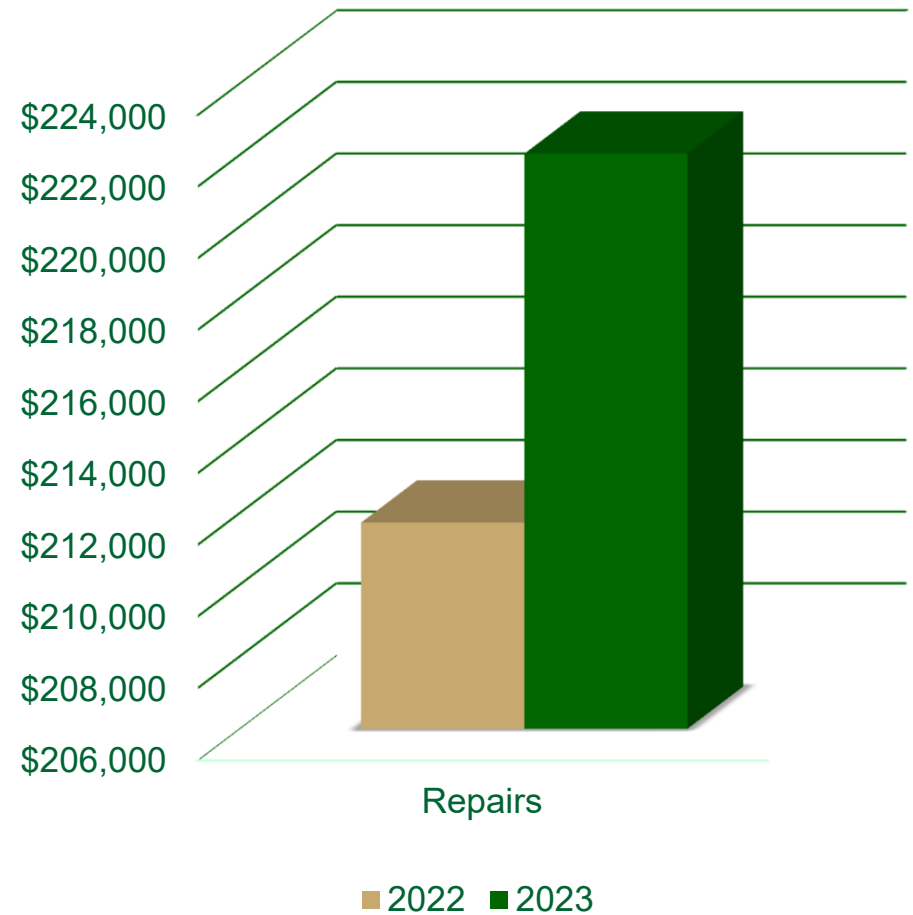
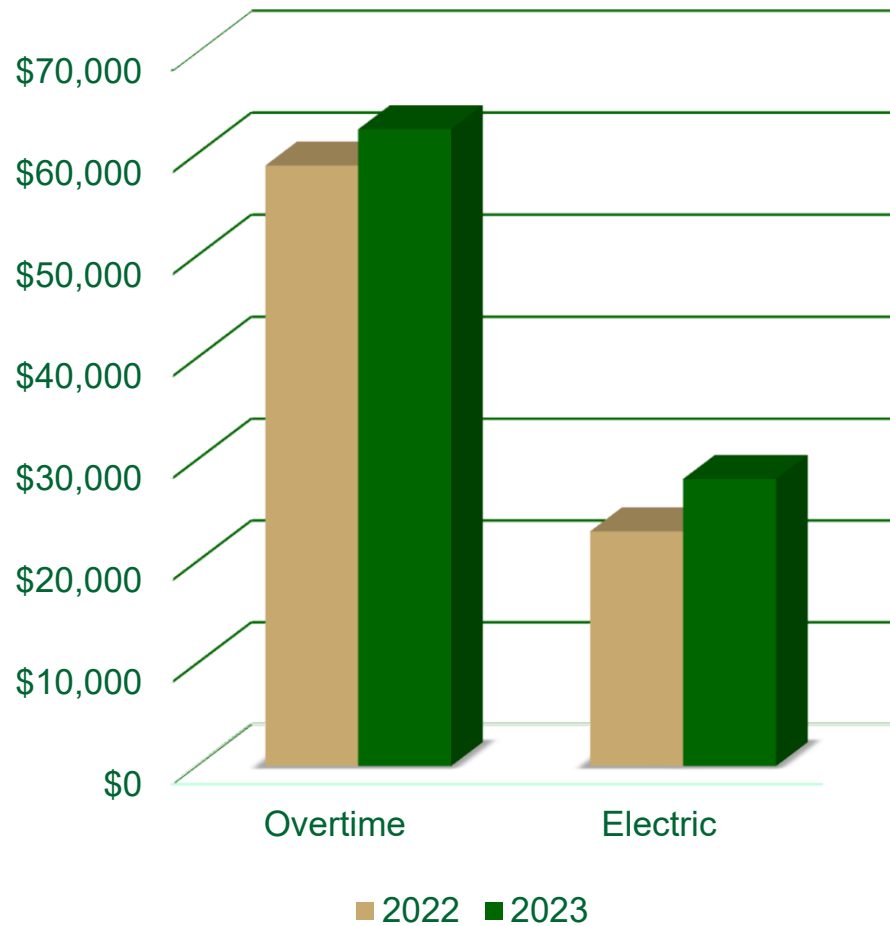
Increase in Permit Requests



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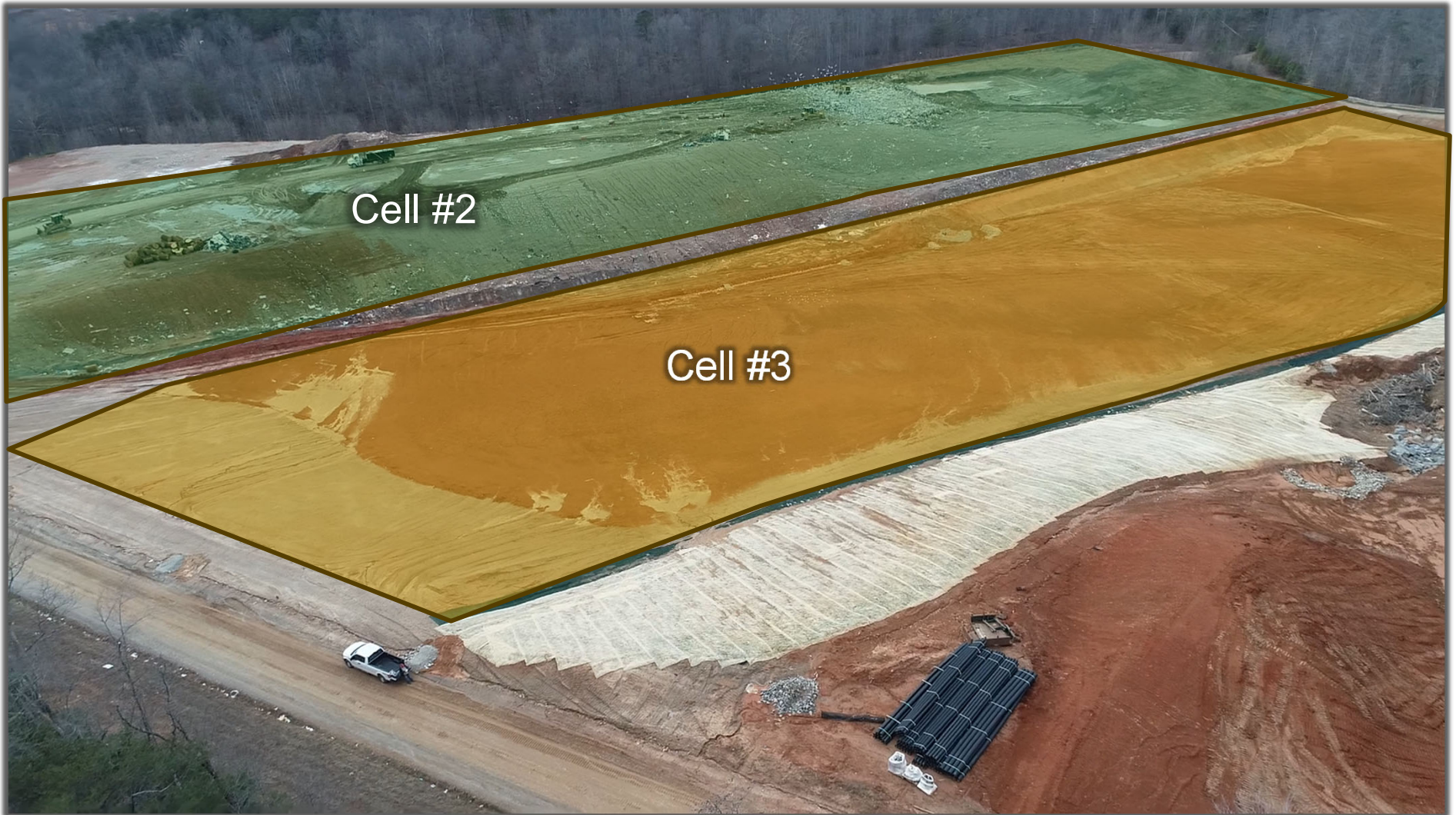


Increase in Refuse Disposal Costs





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

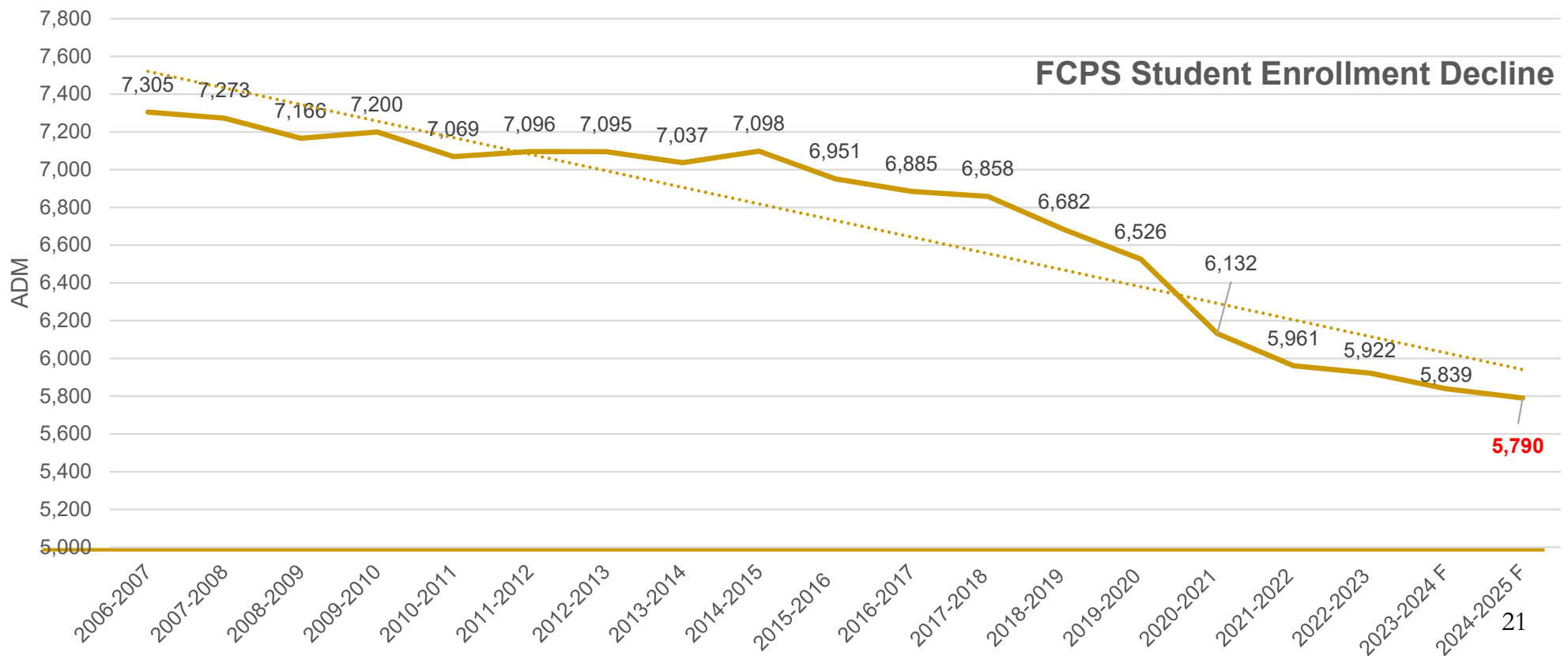
**Estimated Projections as of March 5, 2024, and subject to change



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.



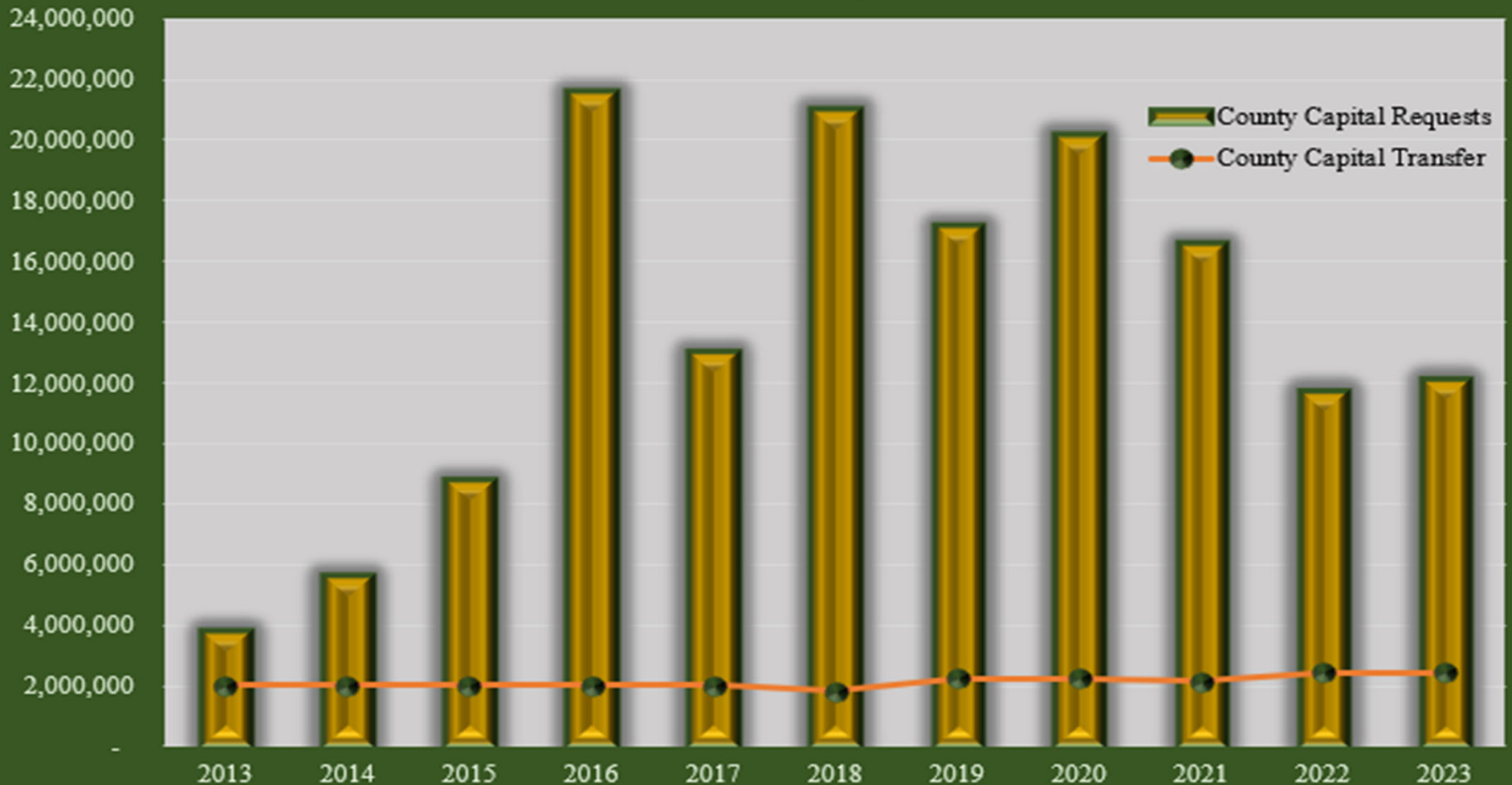


Capital Improvements & Maintenance Significant Pressures



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

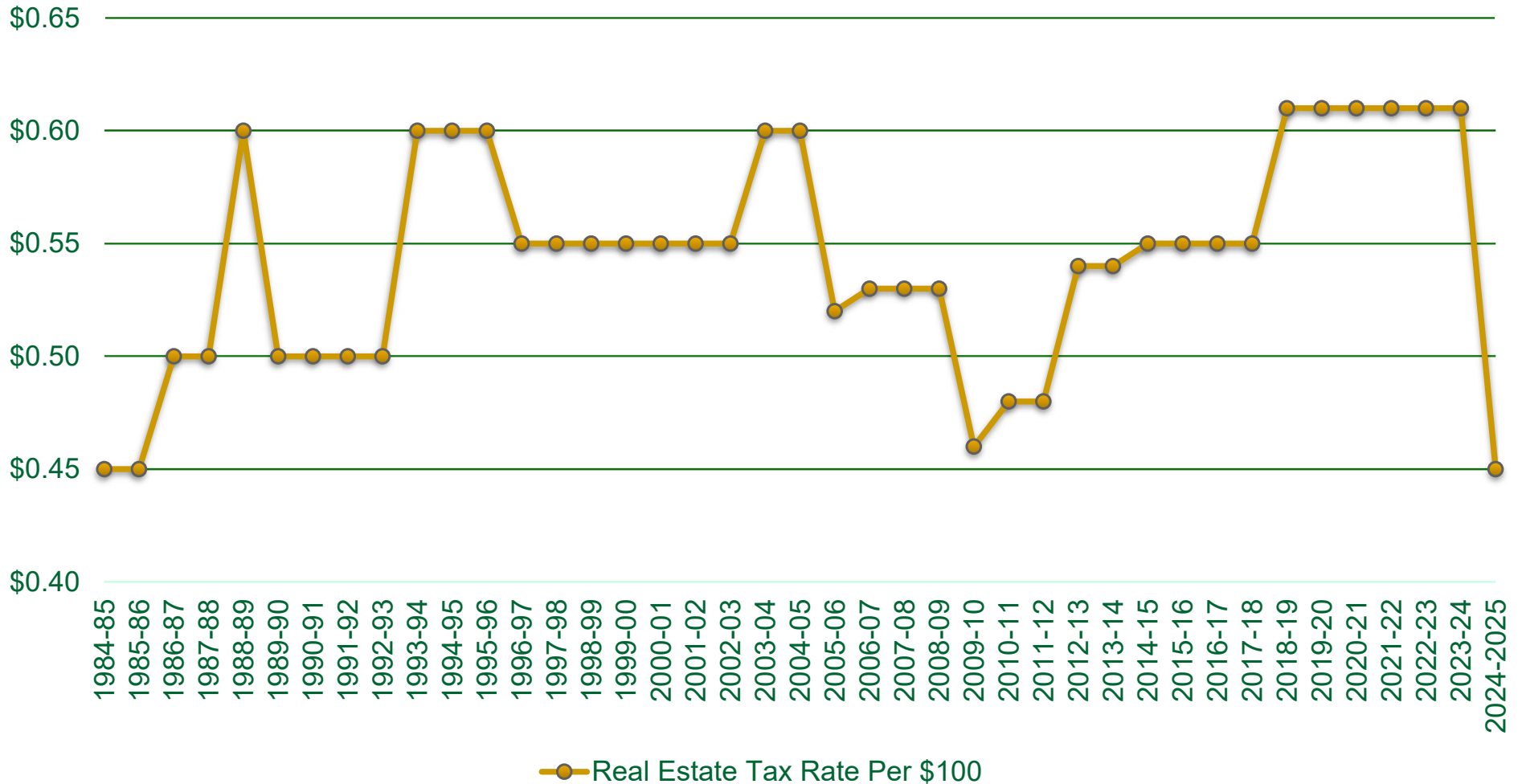
□ FY 25 Proposed Tax Rates

- **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



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

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



Questions?