

THE FRANKLIN COUNTY BOARD OF SUPERVISORS HELD A BUDGET WORK SESSION MEETING ON TUESDAY, FEBRUARY 23, 2021, AT 3:30 P.M., IN THE BOARD OF SUPERVISORS ROOM LOCATED IN THE GOVERNMENT CENTER, 1255 FRANKLIN STREET, ROCKY MOUNT, VIRGINIA.

THERE WERE PRESENT:

Mike Carter  
Tommy Cundiff  
Leland Mitchell  
Ronald Mitchell  
Lorie Smith  
Tim Tatum, Vice-Chairman  
Ronnie Thompson, Chairman

OTHERS PRESENT:

Christopher Whitlow, County Administrator  
Michael Burnette, Assistant County Administrator  
Steve Sandy, Assistant County Administrator  
Madeline L. Sefcik, CMC, Clerk

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Ronnie Thompson, Chairman, called the meeting to order.

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**BUDGET WORK SESSION**

Brian Carter, Director of Finance and Human Services presented the PowerPoint below.



**FRANKLIN COUNTY**

**FY 2022  
BUDGET WORK SESSION  
FEBRUARY 23, 2021**



## Current Budget Climate

### □ State Revenues

- State revenue fairing better than original projections
  - Governor recommending increase of \$730.2 million in FY 2021-22 biennial budget (restoring back some of the prior year revenue estimates)
- Comp Board and other State Revenue Support TBD
- DSS is receiving additional State/Federal funds for In-Home foster care prevention services as part of the Family First Prevention Services Act
- Increase in School State & Federal Funding Expected

### □ Local Revenues

- Restoration of Revenue from FY 21
- Modest Discretionary Revenue \$3,079,538

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\*\*Revenue Projections as of February 23, 2021 and subject to change



## Prioritizing Operating Budget

- Restoration of FY 2021 Reductions
    - 3% COLA
    - Restore Capital Transfer
    - Restore Funding for Parks & Recreation Maintenance and PT Capital Projects Manager positions
    - Restore Some Local School Funding
  - FY 22 Operations & Inflationary Increases 1.1%
    - VRS, Insurance Adjustments
    - Minimum Wage Increases
    - Maintenance Service and other Contractual Obligations
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## Operation Cost Increases

Fixed Expenditures	Costs
VRS/FICA/Life/Health Insurance FY21 Option Plans	\$ 353,793
Minimum Wage Increase 1/1/22	60,000
WVRJ Debt Service	194,631
WVWA Debt Service	46,988
HR – Employee Benefits	22,000
Registrar PT & Elections Operating	39,900
Reassessment Reserve	20,000
County Insurance (Fleet, Risk Management)	36,278
IT Internet & Maintenance Service Contracts	57,000
Sheriff Maintenance Service Contracts (COPSynch, AirCards)	56,000
Social Services Programs (TANF, Foster Care, IV-E Local Match)	86,937
Parks & Recreation Maintenance	32,000
Other Miscellaneous Departmental Increases	50,744
TOTAL	\$1,056,271



## Compensation & Benefits

- 3% COLA \$664K
  - No COLA in current fiscal year
  - 2% COLA in previous fiscal year
- 2.4% Health Insurance increase \$100K
  - Health plan significantly modified last year to absorb increase of 7.8% or \$185K
  - Elimination of KeyCare 500 Plan and addition of High Deductible Health Plan w/ HSA
  - 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
  - Increases to \$12/hour effective January 1, 2023
  - Gradual increase to \$15/hour effective January 1, 2026



## Operating Budget Considerations

Discretionary Revenue \$3,079,538

❑ Restoration of FY 21 School Funding	\$900,000
❑ Restoration of FY 21 Capital / Operating	\$200,775
❑ FY 22 Operations & Inflationary Increases	\$1,056,271
❑ *FY 22 COLA – Cost of Living Adjustment	\$663,696
❑ FY 22 Health Insurance Renewal	<u>\$100,000</u>
Total	\$2,920,742

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\*Additional State Comp Board Revenue may help offset approx. \$130K

\*\*Expenditure Projections as of February 23, 2021 and subject to change



## Other Budget Considerations

- ❑ New Positions Requested: 9 Positions = \$511,940
  - ❑ Law Enforcement Starting Pay and Compression
  - ❑ Ongoing County Capital Needs
  - ❑ Volunteer Fire/EMS Additional Requests
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## Volunteer Fire/EMS Funding

### Annual Support Funding *(County gradually assumed over last couple of decades)*

- CIP (Apparatus & Equipment)
- Vehicle Fuel
- Heating Fuel
- Electricity
- SCBA & Turn Out Gear *(\*\*Recent Approximate \$2 million from C.ARES Funding)*
- EMS Supplies
- Cardiac Monitors
- LODA
- Accident/Sickness Insurance
- Workman's Compensation
- Training & Certifications
- Radio Programming/Shipping
- IT Support
- Stipends & Volunteer Retention



## Volunteer Fire/EMS Funding

### Supplemental Funding History

- As County has absorbed various operational costs, annual discretionary funding to volunteer agencies has remained constant for several years.
  - Fire Departments \$21K and Rescue Squads \$20K
  - Last year an additional \$3,300 was allocated to each active agency from BOS Contingency balance.
  - Beginning this fiscal year, each inactive Rescue Squad funding was reduced / eliminated based on prior year call volumes. Some funding remained to support career staff use of each station.
    - As varying amounts are allocated this fiscal year for squad station career use, a consistent \$7,500 per rescue squad station is recommended going forward



## Volunteer Fire/EMS Funding

### Supplemental Funding FY 22 Additional Request

- Fire Fighters Association asked Fire Chiefs to submit respective budget requests for FY 22.
    - Approximately \$250K of additional funding was requested
    - Varying degree of requests among volunteer departments
    - These requests came from each Fire Department Company passed through by the Volunteer Fire Association where such fire department submittals have not been vetted
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## Volunteer Fire/EMS Funding

### Stipends & Volunteer Retention

- FY 21 Original Budget
    - Stipends \$65,000
    - Volunteer Recruitment / Retention \$50,000
  - FY 21 Modified, Adopted Budget
    - Stipends \$60,000
    - Volunteer Recruitment / Retention \$35,000
  - FY 22 Budget Considerations
    - Restore Back to Original FY 21 Budget Levels
    - Work with Volunteer Fire Association as to recommendation for use of Volunteer Recruitment / Retention funding (i.e. combine funding as to increase stipend amount vs. years of service program)
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## CARES Funded Capital

- ❑ Any Capital School Funding CRRSA Items TBD \$6.5 Million
- ❑ Numerous items funded for Sheriff, Fire and EMS program areas valued at approximately \$3 million
  - ❑ Mobile Dispatch & Operations Center
  - ❑ Communications Equipment (Radios, Laptops, Intercom, Door Access Security)
  - ❑ Intercept Body Scanner
  - ❑ Crime Scene FARO Scanner
  - ❑ Telework Computers / Mobile Laptops
  - ❑ Self-Contained Breathing Apparatus (SCBA)
  - ❑ New Personal Protective Turnout Gear Storage Building for countywide PPE
  - ❑ Stationary SCBA Compressor Fill Station
  - ❑ Mobile SCBA compressor Fill Station
  - ❑ Emergency Operations Center (EOC) Communications
  - ❑ Thermal Imaging Cameras for with certification to perform interior fire suppression



## Apparatus Funding

- ❑ Cost of apparatus continues to increase each year, whereby volunteer agencies increasingly no longer able to purchase
- ❑ During the last couple of decades, the County has essentially assumed the capital cost of funding Fire – EMS apparatus
- ❑ Some agencies (i.e. SVFEMS and RMFD) continue to provide some capital funding
- ❑ In 2019 when last surveyed, it was noted many counties, such as Bedford, Botetourt, Carroll, Craig, Henry, Patrick and Pittsylvania Counties continue to have cost share arrangements with volunteer agencies to fund purchase of apparatus.
  - ❑ Pittsylvania County ----\$280K split between 2 fire departments each year. \$90K per year for one ambulance purchase. Balance must come from agency.
  - ❑ Bedford County---Provides 50% of cost. Volunteers must provide match.
  - ❑ Henry County ---Fire Apparatus----ATL Funds only \$178K Balance paid by volunteers. EMS---\$0
  - ❑ Patrick County----Fire Apparatus---County provides \$157K on rotating basis (9 years). EMS---County provides \$76K/year on rotating basis (6 years). Volunteers responsible for balance.
- ❑ Of some localities recently surveyed, only Franklin and Montgomery Counties provided 100% apparatus funding with no share from volunteer agencies.
  - ❑ \*\*Montgomery Co.----1.5 cent of tax rate is set aside each year for apparatus (\$1,266,914).



## Public Safety Revenue Opportunities

### Animal Control

- ❑ Increase dog adoption fee
- ❑ Implement a cat adoption fee
- ❑ Increase dog boarding fee

### Fire/EMS

- ❑ Implement fee for incidents where operator of a motor vehicle, watercraft, or commercial vehicle is found to be impaired, operating recklessly, or without a license per Virginia Code section 15.2-1716.
  - ❑ Implement charges for permits issued by the Fire Marshal Office.
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## Public Safety Revenue Opportunities

### Fire/EMS

- ❑ Increase Advanced Life Support fees by \$22.70 and ALS 2 fees by \$67.33 to match the state average. This could generate approximately \$48,000 annually.
  - ❑ Implement “subscription service” for EMS response and transport. If paid, households would not be responsible for co-pay for up to 3 responses per year.
  - ❑ Consider pursuing unpaid EMS transport fees particularly for out-of-county residents.
  - ❑ Consider designated Cigarette Tax for Fire/EMS Apparatus
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## Cigarette Tax

- ❑ Virginia Code Section 58.1-3830 allows counties can implement a cigarette tax beginning July 1, 2021
  - ❑ Enacted cigarette taxes will require a stamp paid for by the locality to be purchased by wholesalers or retailers and placed on the packs for retail sale
  - ❑ Tax is allowed up to 2-cents per cigarette or 40-cents per pack
  - ❑ County cannot collect cigarette taxes for businesses within town limits if the town imposes a cigarette tax
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## Cigarette Tax

- ❑ New tax revenue is difficult to estimate
  - ❑ Declining tax revenue as a diminishing amount of the population smokes cigarettes
  - ❑ 10-cent cigarette tax brings in \$90K in Town
  - ❑ Would be reduced by administrative costs for stamps, assessment, auditing, collection
  - ❑ Legislation in current General Assembly session may require participation in a regional cigarette tax board
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## Operating Budget Considerations

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## Next Steps

- BOS Feedback / Budget Detail Schedules / Next Work Session(s) Department Program Area Information ?
- Budget Calendar
  - March 2<sup>nd</sup> Work Session
  - March 8, 2021 – School Board Budget Presentation
  - March 16, 2021 – Presentation of County/School budgets
  - March 17<sup>th</sup> – April 6<sup>th</sup> (\*Work Sessions as Needed)
  - April 20, 2021 – Public Hearing on FY 2021-22 Budget and 2021 Tax Rates
  - April 27, 2021 – FY 2021-22 Budget Adoption

Chairman Thompson asked staff to provide a listing of the unfunded mandates from the state and federal governments.

General discussion regarding insurances, self-insuring, polling, etc. was discussed.

Billy Ferguson, Director of Public Safety spoke to the Board and gave rationalization for the position requests his office has submitted.

Chairman Thompson asked where the salaries compared for the suggested positions. He asked if these are competitive. He noted this is something we need to address. We need to start becoming competitive if we want to keep people. The County Administrator was asked to prepare an RFP to do a market-study for salaries. \*A consensus was reached\* Supervisor Carter wants to note he emphasizes law enforcement. Supervisor Tatum echoed this and wants to get to addressing this issue.

Supervisor Smith wanted to note that she would like to see the needs of Tourism and Economic Development. This is something that can bring return in investment to the County. Supervisor Cundiff noted that he does not remember filling the position that existed. Chairman Thompson wants the money that has been previously shared with the Chamber of Commerce to stay here for Economic Development.

Supervisor Smith thinks all these reasons are reasons we need to have a retreat and strategically plan.

Supervisor Smith stressed the need to have a way in which volunteers request money from the County. There needs to be vetting. Cool Branch is not a County station, so it is not included. Supervisor R. Mitchell spoke to recent upgrades the volunteers have made to the stations in which they work. Chairman Thompson noted we can give these departments what they are asking for if the Board is willing to have a tax increase. Supervisor Tatum would like to see maybe 5-10 thousand dollars increase for the volunteers, but he does not support buying shirts and/sweatshirts with County taxpayers' money. He noted maybe we can designate cigarette tax revenues to help with vehicle replacement or fire and EMS.

Supervisor R. Mitchell does not agree with a cigarette tax. He thinks this will cause a decrease in sales tax. Supervisor Carter thinks the funds that could be generated by this could go to the E911 center. Supervisor L. Mitchell agrees with Supervisor Carter, but he wonders if we need to hire a director for this. The answer was no, this would fall under a Commissioner of the Revenue's responsibility. Chairman Thompson likes the thought of the tax but does not think we need to go higher than the Town of Rocky Mount's rate.

Supervisor L. Mitchell asked if the Board is going to give staff direction, or is the Board going to listen to our County Administrator? Supervisor L. Mitchell also asked if we are going to meet with the School Board before? The answer was this can be discussed

Supervisor Smith asked if a presentation can be given from IT, Human Resources, and Don Smith of Public Works on their budgetary needs? Chairman Thompson said that if we hear from any department, we need to hear from them all. Supervisor Tatum suggested allowing departments to present to the Board if they would like to address the Board. Supervisor R. Mitchell liked the way we did it last year. Supervisor L. Mitchell spoke and suggested we listen to what staff prepares.

Supervisor R. Mitchell noted the best way to get volunteers is to increase their stipends.

Supervisor Tatum suggested we hear the County Administrator's budget proposal and then hear from Department Directors. The Directors may be happy with what is proposed. Supervisor Smith agreed. Supervisor Carter noted he does not have a problem speaking with Directors directly. Supervisor Smith needs to hear from the Departments in order to vote on the budget as she needs to be informed and comfortable with the approval. \*A consensus was reached to stick to the schedule and hear the County Administrator's budget on March 16, 2021 and then hear from Department Directors following that meeting for those who want to present to the Board\*

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*Adjournment Thereafter until March 2, 2021, at approximately 3:30 PM*

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RONNIE THOMPSON  
CHAIRMAN

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MADLINE L. SEFCIK, CMC  
BOARD OF SUPERVISORS CLERK