

THE FRANKLIN COUNTY BOARD OF SUPERVISORS HELD A BUDGET PUBLIC HEARING ON TUESDAY, MARCH 28, 2023, AT 6:00 P.M., IN THE BOARD OF SUPERVISORS MEETING ROOM LOCATED IN THE FRANKLIN COUNTY GOVERNMENT CENTER, 1255 FRANKLIN STREET, SUITE 104, ROCKY MOUNT, VIRGINIA.

THERE WERE PRESENT: Mike Carter
Tommy Cundiff
Nick Mitchell
Ronald Mitchell
Lorie Smith, Vice Chair
Tim Tatum, Chairman

ABSENT: Ronnie Thompson

OTHERS PRESENT: Christopher Whitlow, County Administrator
Steve Sandy, Assistant County Administrator
Michael Burnette, Assistant County Administrator
Matherleyn Torres, Clerk

Mr. Christopher Whitlow, County Administrator, made the following presentation to the Board.



FRANKLIN COUNTY

FY 2023-2024
PUBLIC HEARING
MARCH 28, 2023



FY 24 Budget Challenges

- ❑ The consumer price index (CPI) continues to drive up Annual Inflation with current rate of 6.4%.
- ❑ Significant, Persistent Inflation during the last two years. Continued inflation expected for the foreseeable future.



U.S. Bureau of Labor Statistics



FY 24 Operational Requirements

Local Governments NOT Immune from Inflation

- ❑ Vehicle & Equipment Fuel increase of **\$221K**
- ❑ General Maintenance Service Contracts Increase of **\$84K**
- ❑ Radio Communications System Maintenance Increase of **\$316K**
- ❑ Electrical & Utility Rate Increases of **\$90K**
- ❑ Professional Services Increases of **\$86K**
- ❑ Vehicle Maintenance Increases of **\$88K**
- ❑ Maintain Competitive Market COLA 7% **\$1.95 Million**
- ❑ Minimum Wage Increase **\$50K**
- ❑ Health insurance increase of 25% of Employer Share and 18% of Employee Share is **\$1.02 Million**

**Projections as of March 7, 2023 and subject to change



FY 24 Operational Demands

- CSA Cost Demands Increase of **\$369K** projected for FY 24
- Sustained addition of local inmates at the WVRJ results in an increase of **\$914K** to cover expenses for FY 24
- Recent additions in the number of local juveniles at the RVJDC results in an increase of **\$168K** for next year

TOTAL of these associated inflationary operational requirements and service demands as listed is approximately **\$5,356,000**

**Projections as of March 7, 2023 and subject to change



FY 24 Budget Resources

- Normalizing Revenue
 - Nominal Real Estate growth in a non-reassessment year
 - 0.65% or \$280K
 - Moderate Personal Property growth
 - 4.7% or \$758K
 - Sales Tax
 - Continued, yet tempering growth of \$835K
 - Transient Occupancy
 - Healthy growth of \$142K
 - Noteworthy Interest Earnings
 - Inflation's negative impact compelled the Federal Reserve to raise rates, thereby creating a continued domino effect of higher interest rate returns on bank deposits of projected \$2 million

**Revenue Projections as of March 7, 2023 and subject to change



Proposed FY 24 Budget

- ❑ Seeks to sustain the County’s strategic priority areas.
- ❑ Meets inflationary and service demand obligations.
- ❑ Addresses Board priority of supporting competitive employee retention.
- ❑ Incorporates Board direction as to no property tax rate increases.
- ❑ Utilizes the good fortune of significant interest earnings
- ❑ Most recently adjusted to include additional \$200K with anticipated SAFER federal grant finding to support additional EMS staffing

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FY 24 Proposed Budget Summary



- ❑ Balanced Budget
- ❑ No Property Tax Rate Increases
- ❑ Discretionary Revenue Increase of 5.4% narrowly sustains any market inflationary costs
- ❑ Overall Proposed FY 24 Budget is approximately \$184,013,817 (minimal 1.1 % increase)
- ❑ Stop Gap Maintenance Budget
 - ❑ Expenses are balanced with good fortune of interest earnings
 - ❑ Insufficient revenue to support new positions at this time
 - ❑ Economic Volatility will require ongoing FY 24 Budget Reviews

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PUBLIC HEARING TO SET TAX LEVIES

In accordance with Sections 15.2-1427 and 15.2-2507 of the Code of Virginia, as amended, notice is hereby given that the Franklin County Board of Supervisors will conduct a public hearing on *Tuesday, March 28, 2023*, at approximately *6:00 P.M.* in the Board of Supervisors Meeting Room at the Government Center, 1255 Franklin Street, Suite 104, Rocky Mount, Virginia.

A HEARING TO SET TAX LEVIES FOR THE FOLLOWING CLASSES OF PROPERTY:

1. Setting a tax levy of \$.61/\$100 of assessed value on real estate, public service corporation property, and mobile homes; pursuant to the authority of 58.1-3200, 58.1-3201, 58.1-3202, 58.1-3203, 58.1-3204, 58.1-3205 of the Code of Virginia, as amended.
2. Setting a tax levy of \$2.41/\$100 of assessed value on personal property, pursuant to the authority of 58.1-3500, 58.1-3501, 58.1-3502, 58.1-3503, 58.1-3506 of the Code of Virginia, as amended.
3. Setting a tax levy of \$1.89/\$100 of assessed value on personal property, classified as heavy construction machinery, including but not limited to land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting and silvicultural activity equipment and ditch and other types of diggers owned by businesses pursuant to the authority of 58.1-3508.2 of the Code of Virginia, as amended.
4. Setting a tax levy of \$0.70/\$100 assessed value on machinery and tools based on original cost and declining depreciation over a 7-year period. By the seventh year of depreciation, the effective rate is \$0.28 per \$100 assessed value. This rate is levied pursuant to the authority of 58.1-3507(B) of the Code of Virginia, as amended.
5. Setting a tax levy of \$1.08/\$100 of assessed value on merchants' capital, pursuant to the authority of 58.1-3509, and 58.1-3510 of the Code of Virginia, as amended.

Mr. Brian Carter, Director of Finance & Human Services, made the following presentation to the Board.



FRANKLIN COUNTY

PUBLIC HEARING - TAX LEVIES
FY 2023-2024

Proposed Tax Levies for FY 2023-2024

1. Setting a tax levy of \$.61/\$100 of assessed value on real estate, public service corporation property, and mobile homes; pursuant to the authority of 58.1-3200, 58.1-3201, 58.1-3202, 58.1-3203, 58.1-3204, 58.1-3205 of the Code of Virginia, as amended.
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5. Setting a tax levy of \$1.08/\$100 of assessed value on merchants' capital, pursuant to the authority of 58.1-3509, and 58.1-3510 of the Code of Virginia, as amended

Chairman Tatum opened the public hearing.

No one spoke.

Chairman Tatum closed the public hearing.

PUBLIC HEARING ON PROPOSED FY 2023-2024 COUNTY BUDGET

In accordance with Sections 15.2-2503 and 15.2-2506 of the Code of Virginia, as amended on Tuesday, March 28, 2023 at approximately 6:00 P.M. or soon thereafter, the Franklin County Board of Supervisors will conduct a hearing on the proposed FY 2023-2024 County budget in the Board of Supervisors Meeting Room at the Government Center, 1255 Franklin Street, Suite 104, in Rocky Mount, Virginia.

The following synopsis of the budget is provided for fiscal planning purposes only. No entry in the budget constitutes an obligation on the part of the County until such funds are appropriated by the Franklin County Board of Supervisors.

SYNOPSIS OF THE PROPOSED BUDGET FOR FISCAL YEAR FY 2023-2024

<u>Expenditure Function</u>	<u>Proposed Expenditures</u>	<u>Percent of Budget</u>
General and Financial Admin	\$6,187,057	3.36%
Judicial Admin	\$3,621,664	1.97%
Public Safety	\$22,811,069	12.40%
Public Works	\$5,247,536	2.85%
Health and Welfare	\$17,505,763	9.51%
Parks, Recreation and Cult	\$3,012,321	1.64%
Community Develop	\$3,669,483	1.99%
Schools	\$109,002,152	59.24%
Debt Service	\$5,758,881	3.13%

Non-Departmental	\$3,317,116	1.80%
Capital Outlay	\$3,856,775	2.10%
Utilities	\$24,000	0.01%
Sub-Total	\$184,013,817	100.0%
Transfers Between Funds	46,539,436	
Total	\$230,553,253	

<u>Revenue Function</u>	<u>Proposed Revenues</u>	<u>Percent Of Budget</u>
General Property Taxes/Other Local Taxes	\$79,212,387	43.05%
County State Funds	\$17,408,373	9.46%
Local School Funds (Cafeteria, Misc)	\$1,272,412	0.69%
State School Funds	\$50,733,868	27.57%
Federal School Funds	\$21,259,087	11.55%
Other County Funds/County Federal	\$14,127,690	7.68%
Sub-Total	\$184,013,817	100.0%
Transfers Between Funds	\$46,539,436	
Total	\$230,553,253	

Brian Carter reviewed the synopsis of the budget. He noted that \$200,000 was added as expected revenue from a SAFER grant.



FRANKLIN COUNTY

PUBLIC HEARING – FY 2023-2024 PROPOSED BUDGET

Synopsis of the Proposed Budget for FY 2023-2024

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Chairman Tatum opened the public hearing.

No one spoke.

Chairman Tatum closed the public hearing.

Mr. Whitlow noted that the Board could adopt the budget any time after next Tuesday up to April 11th. It was the consensus of the Board to hold a budget meeting on Thursday, April 6th at 4:00 PM to potentially approve the 2023-2024 budget.

FRANKLIN COUNTY AGRICULTURAL FAIR UPDATE
KEVIN TOSH, DIRECTOR OF TOURISM & MARKETING

Mr. Tosh provided the Board with an update on the status of the Ag Fair. He thanked the Board for their input last Tuesday. He let the Board know that we were able to get the midway secured for the August date. The fair will be held August 16-19 this year. It was the consensus of the Board to approve the new date.

Mr. Whitlow noted that Franklin County will host a VACo Regional Meeting on June 14th at the Franklin Center. He also informed the Board that he is looking for a date to hold a meet and greet for the Board and the Towns of Rocky Mount and Boones Mill.

Chairman Tatum recessed the meeting until April 6, 2023 at 4 pm for the Adoption of the Fiscal Year 23-24 Budget.