

May 15, 2023

FY24 BUDGET MESSAGE

Franklin County Board of County Commissioners
113 Market Street
Louisburg, NC 27549

Introduction

Good evening, Commissioners. As the Budget Officer and in accordance with the NCGS 159 and the Local Government Budget and Fiscal Control Act, I am honored to submit for your consideration the balanced FY24 Recommended Budget for Franklin County, NC. I look forward to working with the Board to ensure that the Mission, Vision, Values and Goals for Franklin County are accomplished through the FY24 Adopted Budget.

Franklin County's Mission, Vision and Values

The Franklin County Board of Commissioners confirmed on January 26, 2023 that the Mission for Franklin County Government continues to be "To provide and support exemplary public service and expand economic opportunities". Franklin County Government's leadership and employees have reviewed and discussed the County's Mission, Vision, Values and Goals as our organization continues to address the challenges of growth, an increased demand for government services and the commitment to maintaining strong fiscal performance.

Economic Environment

Franklin County's economy has continued to perform positively despite a number of challenges in our global and national economy. Franklin County has seen increased business and industrial development in our county and in our municipalities. Our population has continued to grow, and the latest Census update distributed in March 2023 indicates our population is 74,539. With this Census update, Franklin County has now been identified as the fastest growing County statistically in the Triangle area with a growth rate of 7.85%. In the County population tables published by the NC Office of State Budget and Management, Franklin County's projected population for 2050 is 138,523. Based on the most recent US Census updates, Franklin County is the fourth fastest growing County in North Carolina.

In March 2023, the County's unemployment rate was **3.7%** unchanged from the March 2022 unemployment rate. One of the greatest challenges of the post COVID economy is the availability of workforce. Franklin County Government's current vacancy rate is approximately 8%, however, the County has been experiencing a vacancy rate in the range of 10-12% since October 2022. County leadership has joined with Vance Granville Community College and Franklin County Schools to participate in the *myfutureNC* effort. This statewide effort is focused on adding 2 million degreed or credentialed individuals to the workforce by 2030.

Our collective efforts are focused on identifying the needed skills for industries and matching the educational curriculums and training with the identified in-demand skill sets.

Interest in living in Franklin County has remained strong. 2022 calendar year-end single-family housing permits totaled 945 versus the 2021 calendar year-end single-family housing permit total of 1,110, representing a 15% decrease but still remaining above 10-year historical permitting trends. Commercial permitting has remained strong with calendar year 2022 totals of 127 and calendar year 2021 totals of 124.

The FY24 Recommended Budget has taken into account the many uncertain and challenging economic factors happening in our world today. The inflation rate has declined in the last nine months to a current national average rate of 5.1%. One of the stabilizing factors has been increasing interest rates, however, the availability of products has remained uncertain in some categories and the challenging employment vacancy rate continues to impact services and the completion of projects.

The FY24 Recommended budget focuses on essential needs for maintaining County services, including adding positions that are specifically identified as providing direct services, funding technology solutions, providing vehicles to accomplish service delivery, maintaining competitive employee compensation and benefits and providing resources and funds to complete the infrastructure and economic expansion projects necessary for successful growth preparation. The recommended capital projects will be carefully reviewed, and appropriate timelines adjusted based on grant funding, economic conditions, labor availability and materials pricing and delivery.

FY23 Highlights

A number of significant projects were underway in Franklin County at the beginning of FY23 and additional projects have begun or have been identified. Below are summaries of these projects:

- US 1 North Commerce Park – In December 2022, the Board approved a 100-acre industrial development project on Long Mill Road in Youngsville. The project will result in 5 new buildings and 1.3 million square feet of industrial development space.
- Triangle North Franklin Business Park – Road, Water and Sewer Infrastructure in Section B – Franklin County was awarded a grant from the NC Department of Commerce Finance Center under the Rural Infrastructure Authority Industrial Development Fund to construct public infrastructure including a 2,350 linear foot asphalt roadway with water and sewer infrastructure. The BOCC approved the project on April 3, 2023, and committed to provide the required matching funds.
- Public Safety Radio System – Progress on the \$15M Public Safety Radio System has been ongoing. Six of the seven new tower sites have been selected. Testing on the P25 800 Mhz system has occurred on site at Williams Communications. The equipment will be installed at the tower sites where further testing will occur with a planned project completion date of June 2024.
- Emergency Communications/Public Safety Access Point (PSAP) Building –The building, located at 287 T. Kemp Road, is a “hardened” facility designed to withstand extreme weather conditions to preserve emergency communications processes regardless of weather or environmental challenges. The \$6.6M construction project has been funded by a State of NC 911 Board Grant, Franklin County 911 Fund, and County funds.
- Wastewater Treatment Plant Renovation –The WWTP Renovation is anticipated to be complete in September 2023. Updates include installing new and efficient blowers, replacing aged steel tanks with concrete tanks, installing LED lighting and upgrading SCADA controls and appurtenances.
- Triangle North Executive Airport (TNEA) Airfield Pavement Rehabilitation Project – The repaving project is in its second year which will accomplish an apron expansion with new tie-downs, apron redesign and fillet area upgrades. Upgrades to the taxiway and runway were accomplished last year. The total grant funded project cost is \$11.9M.
- Automated Water Meter Reading Project – In January 2022, Ferguson was awarded the \$4.55M contract for upgrading water meters and improving data collection and billing efficiency for Public Utilities. The project is underway with test meter placement and software development in process and has a projected completion date of February 2024.

- Youngsville Solid Waste Convenience Site – MESCO was awarded the contract in January 2023 to design and manage the process for the new, upgraded convenience site on a four-acre location in Youngsville. Bid documents will be distributed with the goal of construction activities beginning in June 2023.
- Franklinton to Novozymes Rails to Trails Project – Franklin County and the Town of Franklinton are working together on a \$3.7M project to conduct a trail along the railbed from Franklinton to Novozymes. The project is funded by a \$3M grant from LAPP through CAMPO with a \$700,000 match shared by Franklin County and the Town of Franklinton.
- Epsom Park – The County was awarded a PARTF Grant for \$434,625 in November 2022. The County approved the required match of \$434,625 and recently awarded the project management responsibilities to Alfred Benesch and Company and the Project is moving forward.

Budget Goals

Franklin County’s Goal to be a Fiscally Strong and Engaged Government continues to provide the framework and guidance for the FY24 Recommended Budget. Specifically, our budget goals support *maintaining the County’s strong financial position and fiscal management policies and procedures*.

The FY24 Recommended Budget reflects:

- Progress toward accomplishing the Mission, Vision, Values and Goals adopted and confirmed by the Board of Commissioners
- Conservative revenue budgeting and reasonable expenditure projections in view of the uncertain economic factors in our current economy
- Adherence to adopted fiscal policies, NC General Statutes, Federal laws and guidelines and the financial processes that have demonstrated success in protecting the County’s assets.
- A review of the current ad valorem tax rate and fees for County services with new or revised fees included as part of the Recommended Budget
- Focusing resources and training on gaining efficiencies through innovation and technology
- Long term planning for the impact of population growth and the resulting increased demand for County services throughout all departments

County Budget Impact

Franklin County’s Annual Budget provides comprehensive and detailed information to guide the activities of Franklin County government. The budget guides decisions and priorities for the upcoming fiscal period and identifies the areas where energy and expertise will be focused. The budget development process requires input from numerous employees, consultants, community partners and support organizations. The recommended FY24 General Fund Budget totals **\$111,198,692**. The recommended Budget for all funds needed to manage county government operations totals **\$162,134,940**.

Revenues

The two major categories for revenues are ad valorem property taxes and sales tax. The Tax Administrator has provided a total Taxable County Values projection as of April 24, 2023, of **\$7,532,575,215** which represents growth of 6.8% over the previous years’ Taxable County Value amount of \$7,050,782,397. The budgeted FY24 current property tax revenues are **\$57,948,101**. The proposed budget establishes a collection rate of 98% based on the actual FY23 collection rate of 98.4% which is the same as the established FY23 collection rate of 98%. FY24 current property tax revenues are budgeted to increase by \$3,708,102 over the budgeted FY23 current property tax revenues of \$54,239,999.

Collection of Sales Tax Revenue is projected to be \$17.1M for FY23. The FY24 Sales Tax Revenue budget is **\$15,413,653**. The conservative estimate allows for the impact of rising interest rates and increasing consumer debt on consumer spending patterns.

Property Tax Rates

Current property taxes account for approximately 52.1% of the County's total revenues. The FY24 recommended budget recommends that the current tax rate remain at **\$0.785**. Economic conditions, including interest rates and inflationary pressures have created uncertainty that must be included in the budget development process. As economic development in the County continues to increase, the percentage of ad valorem taxes from commercial properties will expand. For the FY24 recommended Budget, a penny on the tax rate contributes \$738,192. Of the 100 counties in the state of North Carolina, there are currently 25 other counties with tax rates higher than Franklin County.

Use of Fund Balance and Projected FY23 Year End Fund Balance

An amount of **\$2,774,221** has been appropriated from Unassigned Fund Balance for inclusion in this recommended budget. This amount is 28.8% or **\$800,314** less than the FY23 Appropriated Fund Balance amount of **\$3,574,535**. The County does not project to use any of the original \$3,574,535 that was budgeted in the FY23 Budget Ordinance. The projected FY23 Year End Fund Balance amount is \$51,725,057 and the unassigned portion is \$30,685,057.

Expenditures

County Department budget presentations provided details on the challenges of growth that each department is facing. Expenditures have been carefully reviewed and prioritized based on the budget goals and the County goals adopted by the Board of Commissioners. Overall departmental requests for the General Fund and Enterprise Funds totaled \$142,653,962. After budget meetings and discussions with Department Heads, expenditure recommendations were developed.

FY24 Budget Recommendations

Positions Recommended – General Fund

The FY24 recommended budget includes **20 positions** funded in the General Fund, including 18 full-time and 2 part-time, that were appropriately requested and justified by Department Heads. These positions are recommended to start at various times throughout the year based on the operational needs justified by each respective department. In addition, 2 positions are requested to be reclassified from part-time to full-time. For the additional positions requested or reclassified in the General Fund, the total requested salary and benefits budget amount is **\$1,653,826**. The positions recommended are:

- Emergency Medical Services – 1 Full-Time Position – In order to establish a second Peak Demand 12 Hour Shift, the following Full-Time positions are recommended to begin August 1, 2023
 - EMS Captain – 1 position, new position
 - To complete the 12 Hour Shift, 2 existing EMS Paramedic positions and 2 existing EMS Emergency Medical Technicians will be moved to the Peak Demand Shift with no addition to headcount.
 - As call volume expands, the need to add positions may be revisited.
- Sheriff's Office – 4 Full-Time Positions
 - Investigator (DVO) - to begin August 1, 2023
 - Deputy Sheriff – Patrol Division – 2 positions – to begin September 1, 2023
 - Investigator (Sex Abuse/ICAAC) - to begin January 1, 2024
- Deputy Fire Marshal, full-time, in the Emergency Management Department to begin August 1, 2023
- Environmental Health Specialist, full-time, in the Health Department to begin August 1, 2023
- Environmental Health Processing Assistant III, full-time, in the Health Department to begin August 1, 2023

- (2) Animal Shelter Attendants, full-time, in the Animal Services Department, one to begin August 1, 2023 and one to begin January 1, 2024
- Safety and Risk Manager, full-time, in the Human Resources Department to begin September 1, 2023
- Library Branch Manager, full-time, in the Library Department to begin August 1, 2023
- Library Assistant, part-time, in the Library Department to begin August 1, 2023
- Tax Land Records Assistant, full-time, in the Tax Department to begin August 1, 2023
- Accountant/Procurement, full-time, in the Finance Department to begin October 1, 2023
- Facilities Maintenance Projects Coordinator, full-time in the Maintenance Department to begin August 1, 2023
- Facilities Maintenance Preventive Maintenance Technician, full-time in the Maintenance Department to begin August 1, 2023
- Social Worker III, Community Support, full-time in the Social Services Department to begin August 1, 2023
- Assistant County Manager, full-time, in the County Manager’s Office, to begin January 1, 2024
- Airport Operations Assistant, part-time, in the Airport Department, to begin August 1, 2023
- In the Information Technology Department, two part-time positions are recommended to be reclassified from part-time positions to full-time positions to begin July 1, 2023.
 - Technology Support Specialist
 - Administrative Support Specialist II

Vehicles Recommended – General Fund

The rising cost of vehicles and the lack of ready availability of vehicle supply were important considerations in evaluating the vehicle requests. The Capital Improvement Plan includes an annual amount for vehicles in various categories and departments. As a result of the number of requests and the changing operations in Franklin County, the need for vehicles will be addressed in two ways. The first will be the recommendations included here. The second will be a focus on studying vehicle fleet needs in FY24 to determine if a vehicle pool to facilitate vehicle sharing is an appropriate solution and what overall characteristics should define the County’s fleet of vehicles. Currently, across all General Fund departments, there are 279 vehicles in service.

A total of **16 vehicles** are being recommended for purchase in the FY24 Budget from a total of 46 vehicles that were requested. All vehicles purchased shall follow the guidelines in the County’s Fleet Policy as adopted and updated.

- Sheriff’s Office - 10 vehicles for patrol division as assigned and rotated - \$650,000
- EMS Department – 1 Ambulance - \$350,000
- Information Technology Department - 1 vehicle to replace a high mileage vehicle - \$30,537
- Maintenance Department –1 truck for new position and 1 truck to replace existing high mileage vehicle - \$76,394
- Animal Services – 1 truck to replace an existing Animal Services Officer high mileage vehicle - \$39,000
- Social Services – 1 vehicle to replace an existing high mileage, aged vehicle - \$33,037

The total cost for all **16 vehicles** that are being recommended is **\$1,178,968**. All vehicles will be cash-funded in this FY24 budget. As the fiscal year progresses, the availability of vehicles will continue to be monitored and if additional funds are identified, then requests for vehicles may be revisited during the fiscal year.

Compensation Recommendations

Franklin County employees have spent FY23 preparing for the implementation of the Excellence in County Government Pay for Performance Program. Most recently, the County Manager delivered an update to employees about the projected FY24 implementation activities. The performance pay increases for the FY24 results will be paid in July 2024 and included in the FY25 Budget.

As employees prepare for this new process, a Cost-of-Living Adjustment (COLA) of 2% with a projected dollar amount of \$764,479 for the General Fund and Enterprise Funds, is recommended for implementation in the September 4, 2023, pay period. The COLA is recommended for all full-time positions and part-time positions.

Funding of \$95,000 to support conducting a Classification and Compensation Study is also recommended for inclusion in the budget. Recruiting challenges continue and an updated study will assess the County's competitiveness with salary offerings for positions.

Public Safety positions in the Sheriff's Office, Detention Center and Emergency Communications Departments are recommended to receive salary adjustments. Increases in salaries for the law enforcement certified positions in the Sheriff's Office and Detention Center are recommended to ensure that recruiting efforts remain strong, and that retention of experienced employees is maintained. For the Sheriff's Office, the total amount of annual increase is \$302,329 across 10 job titles to adjust for market conditions and experience. For the Detention Center, the total amount of annual increase is \$148,383 across 5 job titles. Salaries for Emergency Communications employees are recommended to increase by \$118,486 across 8 job titles. The vacancy rate in Emergency Communications has exceeded the average rate for the County and positions in this department are critical to achieving public safety goals.

Fee Schedule Changes – General Fund

The Annual Fee Schedule is published each year with the recommended Budget information and can be found on the Finance Department webpage. A summary of the Departments with Fee Schedule changes recommended with the FY24 Budget are listed below. The detailed individual Fee Schedule items are included as Attachment A to the FY24 Budget Message. There are also items being removed from the Fee Schedule summarized below and included in a separate list on Attachment A. Unless otherwise noted, the effective date of the proposed fee changes is July 1, 2023.

Summary of Fee Schedule Changes

Departments with fee schedule changes include:

- Airport – increases in the cost of fuel, oil and prices for using facilities and equipment
- Animal Services – increases in the adoption fees and the addition of spay/neuter fees
- Aging – one fee change for dance admission
- Fire Marshal – one fee addition for Family Care Homes
- Library – changes in fees for lost and damaged materials.
- Planning and Inspections – increases in fees for zoning compliance, plat fees, re-inspection fees and plan submittal fees
- Health Department/Environmental Health – addition of one fee related to septic permitting
- Register of Deeds – addition of “certified death certificate” as an available document
- Parks & Recreation – increases in fees for recreation programs and athletic field rentals. Parks and Recreation fees are effective November 1, 2023.

Fee Schedule Items Recommended to be Removed

The following Fee Schedule Items are being recommended for removal because the program is not in existence, has been replaced by another process/fee or the materials are not available.

- Department of Social Services – remove NC Health Choice Fee
- Health Department, Environmental Health – remove Radon Air without visit testing
- Tax/GIS – remove Lake Royale Map Booklet and Lake Royale Map Booklet Laminated
- Library – remove fees for damaged pages, lost card, and lost checkout bag
- Parks and Recreation – remove individual adult program fee

Educational Opportunities

Public Schools

Franklin County has continued to demonstrate the County’s commitment to “*partner with our schools to ensure appropriate funding based on student population*” as described in Franklin County’s adopted Goal 5 Diverse Educational Opportunities.

For FY24, education funding has been the most challenging topic to address because the provision of education in North Carolina and the guidelines and funding formulas are all evolving. Some have voiced support to simply provide the requested amount received from the Franklin County School System. However, a request that increases funding in a single year by 15.6% or \$3.4M without sufficient analysis is an irresponsible action that may not be in the best long-term interest of Franklin County taxpayers. To understand more, Franklin County Staff, Franklin County Commissioners, the Superintendent and Franklin County Schools Staff and Board of Education representatives, have met several times to review and to discuss the FCS FY24 request.

Franklin County Schools has indicated a need for \$100M in capital over the next 10 years. Currently, the County has annual school debt payments of \$6,084,761 and total outstanding school debt of \$35,261,979 as of March 2023. School debt comprises 62% of the total Franklin County debt as of March 2023. The Franklin County Board of Commissioners has requested a Capital Report by August 21, 2023 so that appropriate planning for such a tremendous expenditure can be accomplished. Franklin County anticipates working with Franklin County Schools staff in the development of the Report. In addition, two specific additional projects identified in the FY23 Budget are moving forward. A paving project will be accomplished over 3 years beginning with funding being requested at tonight’s meeting and estimates are being gathered for the second project. Franklin County’s role in supporting Franklin County Schools for capital projects is long standing.

The NC Legislature has several education topics under review that could change the process for traditional public school and charter school funding. Franklin County is following these topics closely to understand the potential impact on future budgets and requests for education funding.

Franklin County has taken these points into consideration in making the ultimate determination of the recommended FY24 funding. FCS Leadership requested \$28,328,192 in total funding for FY24. The FCS FY24 request is composed of \$25,328,192 for Operating Expenses and \$3M for capital projects, representing a requested increase of 15.6% in Local Expense and 100% in Capital. The Recommended FY24 Budget includes funding the FCS Operating expenses at **\$22,677,862** representing an increase of 3.5% above the FY23 Local Expense amount. Funding for Capital Outlay is recommended at an amount of **\$1.5M** for a total FCS funding recommendation of **\$24,177,862**.

Funding for Franklin County Schools – Local Expense and Capital

Fiscal Year	Franklin County Schools ADM	Charter School ADM	Total ADM	Franklin County School Fund Balance	Percent Change	County Local Expense Funding	Percent Change	Capital Outlay	Total County Funding
FY15	8,534	772	9,306	\$ 3,382,349		\$ 13,818,840		\$ 1,100,000	\$ 14,918,840
FY16	8,469	985	9,454	\$ 2,896,344	-14.4%	\$ 14,472,841	4.7%	\$ 1,100,000	\$ 15,572,841
FY17	8,344	1,121	9,465	\$ 3,572,032	23.3%	\$ 15,265,283	5.5%	\$ 1,448,100	\$ 16,713,383
FY18	8,163	1,224	9,387	\$ 3,629,401	1.6%	\$ 16,365,283	7.2%	\$ 1,400,000	\$ 17,765,283
FY19	8,109	1,438	9,547	\$ 3,444,183	-5.1%	\$ 16,898,093	3.3%	\$ 2,000,000	\$ 18,898,093
FY20	8,109	1,581	9,690	\$ 4,610,978	33.9%	\$ 20,349,831	20.4%	\$ 2,000,000	\$ 22,349,831
FY21	8,109	1,739	9,848	\$ 6,913,193	49.9%	\$ 21,192,936	4.1%	\$ 1,000,000	\$ 22,192,936
FY22	7,842	1,953	9,795	\$ 6,668,510	-3.5%	\$ 21,221,872	0.1%	\$ 1,500,000	\$ 22,721,872
FY23	7,868	2,558	10,426	\$ 3,733,696	-44.0%	\$ 21,910,978	3.2%	\$ 1,500,000	\$ 23,410,978
FY24	7,932	2,848	10,780	requested----->		\$ 25,328,192	15.6%	\$ 3,000,000	\$ 28,328,192

The chart above reflects funding for Franklin County Schools (FCS) over the last nine years. Charter school funding is required to be made from the FCS Current Expense based on the number of Franklin County resident students who choose to attend a charter school.

Vance Granville Community College

VGCC has requested funding of \$414,495 for Operational Expenses and \$20,000 for Capital for the next fiscal year. The FY24 recommendation is to fund the requested amount through a combination of \$389,168 in funding plus using \$45,627 from the existing VGCC Franklin County Fund Balance to provide the total amount requested.

Franklin County staff have been participating with VGCC staff in meetings with the selected Architect to plan and design a new Workforce and Advanced Technical Training Center at the Franklin County campus. The Economic Development Administration (EDA) awarded VGCC a \$264,000 grant to support the planning and design of the new facility. The planning grant supports the \$3.5M commitment made by the Board of Commissioners in April 2020 for construction of a new building on the Franklin County campus to begin within 5 years. The Franklin County Schools Early College program relocated in FY21 from the Mobile Classroom building provided by Franklin County into Building 5 on the Franklin campus. The support and funding dedicated to this project has allowed the Franklin County Schools Early College program the space needed to grow and expand that program. Again, another example of Franklin County's commitment to supporting Franklin County Schools.

Community Care Team

Franklin County participated in the National Opioid Settlement process and as a result will be receiving funds annually for 18 years. Payments of \$417,886 have been received. The NC Association of County Commissioners led a team to create the strategies for utilizing the Settlement Funds and Franklin County has selected to form a Community Care Team to centralize the activities and reporting requirements.

The formation of the Community Care Team will be a collaborative, cross-departmental team that will coordinate the County's response to the County Manager's Health Initiative, Opioid Overdose Epidemic, Substance Use, and Mental Health. The Team will work across all departments, especially those on the front lines of the Opioid Overdose Epidemic, to streamline resource sharing and coordinate the response to these crises facing our community. The current funding will allow the following positions to be funded:

- Community Care Administrator – responsible for overall program implementation, strategic planning, and cross-department / intergovernmental collaboration, recommended to begin August 1, 2023
- Community Care Coordinator – Reporting, financial, administrative, inventory, planning meetings, Annual Community Meeting, and general office management, recommended to begin October 1, 2023
- Licensed Clinical Social Worker – primarily responsible for assessing needs and identifying resources for justice-involved, especially those held in the County Jail, as well as liaison with Sheriff Patrol Division to reduce the number of people inappropriately placed in detention, recommended to begin October 1, 2023
- Peer Support Specialist – Primarily responsible for post-overdose response, resource identification, outreach, naloxone distribution and similar support, recommended to begin December 1, 2023

The National Opioid Settlement Funds are deposited into a Grant Project Fund and therefore, a Budget Amendment for this Grant Project Fund will be presented for approval to establish the recommended Community Care Team.

Renewed Focus on Health Initiatives

Progress on Franklin County's Health Initiatives has been ongoing throughout the year. Activity will continue into FY24 to ensure that progress will continue:

- Continue collaboration with Maria Parham Franklin to improve EMS transports to the facility. Transports to Maria Parham Franklin have increased by 34% from May 2022 to May 2023.
- Implement the Community Care Team and use strategies for Franklin County Opioid Fund Distributions.

- Support the establishment of additional primary care and specialty physician offices and medical practices throughout the County.
- Focus on promoting healthy living through the creation and funding for parks and trails including support for Epsom Park, Franklinton to Novozymes Rails to Trails and park improvements and promotions.
- Continue service and facility improvements at the Health Department including promoting new providers and services and updating facilities and patient communication strategies.
- Medicaid Expansion implementation activities will be monitored to determine when resources will need to be added to serve the estimated 4,000 new Medicaid recipients in Franklin County.

Fire Department Tax Rates

The majority of the County’s Fire Departments did not request a change in their fire tax for FY24. Hopkins Fire Department requested an increase from 5.5 cents to 7 cents, a 1.5 cent increase. Franklinton requested an increase from 7 cents to 8 cents – 1 cent increase. The requested Fire Tax Rate changes are recommended for implementation.

FY24 FIRE DEPARTMENTS ESTIMATED DISTRICT VALUATIONS					
			Current	FY24	
		FY24	Tax	Rate	Rate
NAME OF DEPT.	EST. VALUATION		Rate	Requested	Change
CENTRAL FIRE	\$ 457,941,797		9.75	9.75	-
HOPKINS	\$ 56,843,043		5.50	7.00	1.50
MITCHINERS	\$ 339,004,458		8.50	8.50	-
FRANKLINTON	\$ 747,969,448		7.00	8.00	1.00
YOUNGSVILLE	\$ 2,983,794,724		9.57	9.57	-
PILOT	\$ 389,032,542		9.25	9.25	-
BUNN	\$ 1,384,064,247		7.50	7.50	-
JUSTICE	\$ 183,770,640		8.75	8.75	-
WHITE LEVEL	\$ 149,301,234		10.00	10.00	-
CENTERVILLE	\$ 116,226,391		6.00	6.00	-
GOLD SAND	\$ 95,469,392		7.50	7.50	-
EPSOM	\$ 171,925,335		9.30	9.30	-
TOTAL	\$ 7,075,343,251				

In support of Fire Departments’ commitment to supporting EMS in our County, the EMS budget includes funding to provide first responder supplies to Fire Departments that perform medical first responder duties. Franklin County is currently developing a Medical Responder Program including Guidelines and a Memorandum of Understanding that Fire Departments can execute to participate in this process.

Public Utilities Enterprise Fund

Franklin County Public Utilities continues to expand due to residential and commercial growth in Franklin County. Currently, 9,575 customers are served reflecting an increase of 5.7% from the FY22 year-end number of 9,059 customers served. The recommended FY24 Public Utilities Budget totals **\$20,215,000** and addresses infrastructure expansion and recommended rates changes to address growth with the following recommendations:

Rate Changes

Water Rates and Sewer Rates are recommended to increase as follows:

FY24 PUBLIC UTILITIES RECOMMENDED RATES & FEES			Effective with 9/2023 Billing	
SERVICES	CURRENT		PROPOSED	
	WATER	SEWER	WATER	SEWER
Low Volume User (LV)				
<i>Base Rate (include 2,000 gallons)</i>	\$ 37.63	\$ 43.90	\$ 42.15	\$ 49.17
<i>Consumption Rate per 1,000 gallons over 2,000 gallons</i>	\$ 9.16	\$ 9.65	\$ 10.26	\$ 10.81
High Volume User (HV)				
<i>Consumption Rate per 1,000 gallons</i>	\$ 7.21	\$ 9.65	\$ 8.08	\$ 10.81
Landlord Account				
<i>Base Rate (include 2,000 gallons)</i>	\$ 6.27	\$ 8.78	\$ 7.02	\$ 9.83
<i>Consumption Rate per 1,000 gallons over 2,000 gallons</i>	\$ 9.16	\$ 9.65	\$ 10.26	\$ 10.81
Multi User				
<i>Base Rate per connection</i>	\$ 13.80	\$ 34.50	\$ 15.46	\$ 38.64
<i>Consumption Rate per 1,000 gallons</i>	\$ 7.21	\$ 9.65	\$ 8.08	\$ 10.81
Municipal Bulk Sale				
<i>Consumption Rate per 1,000 gallons</i>	\$ 9.16	\$ 8.01	\$ 10.26	\$ 8.97
Hydrant Meter Usage				
<i>Base Rate</i>	\$ 100.00		\$ 112.00	
<i>Consumption Rate per 1,000 gallons</i>	\$ 9.16		\$ 10.26	
Irrigation Account				
<i>Base Rate per connection</i>	\$ 37.63		\$ 42.15	
<i>Consumption per 1,000 gallons</i>	\$ 9.16		\$ 10.26	

These rate changes are recommended to be effective with the **September 2023** billing cycle. Information to customers and billing notices will be distributed to provide details about this rate change. Infrastructure investments and the implementation of the 2019 Water Supply Study recommendations support these rate increases. On November 16, 2020, the Final Report in the Water Supply Study was delivered to the Board and included rate recommendations to support the investments needed for a long-term water solution for Franklin County.

Additional Services and Fees Changes

	Current	FY24 Proposed
Temporary Reconnect/Disconnect		\$ 40.00
Seasonal Use Fee	\$ 35.00	\$ 40.00

New Positions – Public Utilities Enterprise Fund

The following **3 full-time** positions are recommended at a total requested salary and benefits budget amount of **\$194,732** as additions for the Public Utilities Department:

- Utilities Asset Protection Technician, Water Division, recommended to begin August 1, 2023
- Utilities Asset Protection Technician, Sewer Division, recommended to begin August 1, 2023
- Utilities Crew Leader, Water Division, recommended to begin August 1, 2023

Vehicles and Equipment- Public Utilities Enterprise Fund

The following vehicles and equipment are recommended for funding in FY24. These items are needed to perform the daily work functions and support the capital projects underway in the department. The total

amount recommended is **\$437,000** and includes funds for replacement of vehicles and the addition of vehicles and equipment for the department.

- Purchase a 1 Ton Sewer Jet Truck for the Sewer Division - \$225,000
- Replace a current 1/2 Ton Pickup Truck for the Sewer Division - \$44,000
- Purchase a 1/2 Ton Pickup Truck for the Asset Protection position, Sewer Division - \$40,000
- Replace 2 - 1/2 Ton Pickup Trucks for the Water Division – 2 at \$44,000 equals \$88,000
- Purchase a 1/2 Ton Pickup Truck for the Asset Protection position, Water Division - \$40,000

Public Utilities Capital Projects

Capital projects in Public Utilities are frequently multi-year projects. In addition to the WWTP Renovation Project and the Automated Meter Reading Project previously mentioned in this document, Public Utilities has several other notable projects underway including:

- Franklinton Sanitary Sewer Pump Station Project is nearing completion on the rehabilitation of Korea Street, US 1A, and Oak Park pump stations. The project replaces old electrical panels with new stainless-steel cabinets, new energy efficient pumps, new SCADA, installing new valve vaults and coating of the structures. This is a \$1,300,000 project funded by 0% loan dollars from the North Caroling Clean Water State Revolving Fund.
- Youngsville Main Street Utilities Upgrade - The County partnered with the Town of Youngsville to replace the utilities infrastructure during the Main Street Streetscape Improvements Project. The project involved the replacement of the old cast iron water main to ductile iron and installing new water services and moving them into the right-of-way and replacing sewer infrastructure. This project is targeted for completion in the summer of 2023.

FY 24 Recommended Capital Projects totaling **\$12.55M** include the following projects. The funding sources for these projects will be a combination of Utility Funds and ARPA (American Rescue Plan Act) funds.

- Youngsville Force Main Replacement (sewer) - \$2.5M
- East Youngsville Elevated Water Tank (water) - \$4.2M
- FCPU Shop/Storage/Maintenance (WWTP location) - \$1.85M
- Novo Tank Blending Station Improvements (water) - \$2M
- Water Main Cedar Creek 12” (water) – \$250,000 Engineering Analysis
- SCADA Replacement (water and sewer) - \$1.5M
- WWTP Capacity Study (sewer) - \$250,000

Solid Waste Enterprise Fund

The Solid Waste Department is appropriately designated as an Enterprise Fund. The total recommended FY24 Budget is **\$5,449,836**. The FY24 Budget recommendation includes a Solid Waste Convenience Fee increase of \$10, resulting in a total fee of \$110. A truck at an amount of \$38,197 is also recommended for purchase in the Solid Waste Department to replace an existing high mileage vehicle. Improvements to Solid Waste Convenience sites will begin with the Moulton Site where additional space has recently been leased. Upgrades and repairs at the Transfer Station are also being designed and will be implemented by December 2023. The new Youngsville Convenience Site plan is being finalized for bidding. Funds are also included in the budget for the continuing testing and maintenance of the County’s Closed Landfill.

Capital Improvement Plans

Capital Improvement Plans (CIP) for the General Fund, Public Utilities and Solid Waste are included with the recommended budget for approval. The recommended CIPs have been developed with input from the County's Financial Advisors and include the recommended funding sources for each project. Projects recommended for funding in FY24 are included in the FY24 Recommended Budget. The CIPs reflect compliance with the County's Debt Funding Policy to address the identified capital needs of our growing County. Departments provided input in November 2022 for the Plans. The CIP is a planning document and FY25, FY26, FY27 and FY28 projects are modeled for discussion and development for all the FY24 projects at this time. The Board is requested to adopt the Capital Improvement Plans as planning documents for the County.

American Rescue Plan Act (ARPA) Funds Summary

Franklin County received \$13,535,494 in American Rescue Plan Act funds and has earned interest of \$4,510 for a total amount available of \$13,549,004. The US Treasury guidelines allowed \$10M plus interest to be identified in a category labeled Revenue Replacement Projects. Franklin County has used \$2M of the Revenue Replacement category to assist Maria Parham Franklin and \$17,125 to repair Courtroom seating damaged by the continuous cleaning that was court-ordered during COVID, leaving a remaining balance of \$7,987,385. The remaining balance will be used to fund projects such as EMS Station construction as these projects are developed. The remaining restricted ARPA amount of \$3,535,494 has been used for COVID supplies totaling \$528,221 and a Broadband grant match of \$437,650, leaving a balance of \$2,569,623 to be used to water/sewer projects and additional Broadband grant matches or expansion. The restricted amounts must be obligated for use by December 2024 and expended by December 2026.

Next Steps

A Budget Work Session has been scheduled for **Thursday, May 18, 2023, at 5:00 PM** to discuss the recommended budget.

The Public Hearing for the Budget will be noticed for **Monday, June 5** during the regularly scheduled Board of Commissioner's Meeting. The **Public Portal for Budget Comments** is currently available on the Finance Department tab of the Franklin County website (franklincountync.gov). Any public comments received through the portal will be shared by the Clerk to the Board with the Board prior to the **June 5 Public Hearing**.

The Recommended FY24 Budget and the Manager's FY24 Budget Message and Presentation are available on the Franklin County website (franklincountync.gov) under the Finance Department tab.

The Recommended Budget may be considered for adoption at the conclusion of the Public Hearing on June 5, at any special called Board meeting for that purpose or at the June 20 scheduled Board Meeting.

Conclusion

Franklin County has a bright future ahead. Exciting opportunities are being presented that will allow great promise for residents who live and work in Franklin County. Franklin County's employees are our greatest resource and their commitment to addressing the issues ahead will bring the desired outcomes. I continue to be honored to serve as your County Manager and I remain energized by the Board's devotion to our county's success. The Board's attention to employee compensation issues, the excitement generated by new economic development and the commitment of our county employees to accomplishing goals will pave the way for

Franklin County's success. I look forward to further discussion and review of this recommended budget and welcome any questions or requests for additional information. I am committed to achieving our mutual goal of adopting a successful FY24 Budget.

Again, thank you for the attention you have given to the many important and timely issues happening in Franklin County.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly B. Denton".

Kimberly B. Denton
County Manager

Attachment

ATTACHMENT A: FEE SCHEDULE CHANGES

Fee Schedule Items, Existing or New, Recommended for Fee Changes

The following Fee Schedule Items are being recommended for fee changes. Effective date for all items, except Parks and Recreation Department Items is July 1, 2023. The recommended date for Parks and Recreation Department fee changes is November 1, 2023.

Airport – changes recommended due to changes in the cost of labor, materials and supplies. New services are being added with the recommended fees for these services.

Department		Item Name	Current	Proposed FY24
Airport	Existing	Fuel - Jet A	\$6.24/gal (variable)	\$5.79/gal (variable)
Airport	Existing	Fuel - Avgas	\$6.29/gal (variable)	\$5.59/gal
Airport	Existing	Fuel Discount: Based Customer	\$0.20 off/gallon	\$0.10 off/gallon
Airport	New	Daily Ramp/Tie-Down Parking for Multi Engine, Small Turbines		\$50.00
Airport	Existing	Storage: T-Hangars (County-owned)	\$300/mo.	\$320/mo.
Airport	Existing	Storage: Tie-downs	\$40/mo.	\$50/mo.
Airport	Existing	Storage: Grass Tie-downs	\$30/mo.	\$40/mo.
Airport	Existing	Storage: Storage Units	\$60/mo.	\$75/mo.
Airport	New	Storage: Aircraft Storage & Services (County-owned)		\$700/month
Airport	New	Storage: Aircraft Storage & Services (County-owned)		\$1000/month
Airport	New	Storage: Nightly Hangar (as available)		\$50/night
Airport	Existing	Oil: Eastman 2380 Turbo	\$29.75	\$36.00
Airport	Existing	Oil: AeroShell 15W50	\$11.00	\$14.50
Airport	Existing	Oil: X/C Aviation 20W50	\$9.00	\$11.00
Airport	Existing	Oil: W100	\$10.25	\$12.30
Airport	Existing	Oil: AeroShell 100+	\$11.20	\$13.30
Airport	New	Services: Call Out Fees/After-Hours Service		\$100.00
Airport	New	Services: Crew Vehicle (courtesy)---Daily		\$25.00
Airport	New	Services: Crew Vehicle (courtesy)---Overnight		\$50 overnight
Airport	New	Services: Ground Power Unit (GPU)		\$40 first half hour and \$25 each additional half hour
Airport	New	Services: Lavatory Service		\$65.00
Airport	New	Services: Conference Room		\$10/hr
Airport	New	Services: Gate card access (tenants only)		\$5.00

Aging – one recommended change to the Dance Admission Fee.

Department		Item Name	Current	Proposed FY24
Aging	Existing	Dance Admission Fee	\$7.00	\$8.00

Animal Services – recommended increases due to increases in labor and materials costs.

Department		Item Name	Current	Proposed FY24
Animal Services	Existing	Adoption Fee	\$25.00	\$30.00
Animal Services	Existing	Redemption Fee	\$25.00	\$30.00
Animal Services	Existing	Rescue Fee	\$10.00	\$15.00
Animal Services	Existing	Emergency Rescue Fee	fees waived	fees waived
Animal Services	New	Dog Adoption Spay/Neuter Voucher		\$100.00
Animal Services	New	Cat Adoption Spay/Neuter Voucher		\$50.00

Fire Marshal – one recommended change to add a permit fee for Family Care Homes.

Department		Item Name	Current	Proposed FY24
Fire Marshal	New	Permit Fees - Family Care Home		\$100.00

Library – two recommended fees for lost or damage library materials.

Department		Item Name	Current	Proposed FY24
Library	Existing	Damage/Lost Material ALL	\$5.00	Replacement cost + \$3.00 Processing
Library	New	Lost Magazine		\$4.00

Planning and Inspections – recommended changes to increase fees due to increased costs of processes and complexity of reviews.

Department		Item Name	Current	Proposed FY24
Planning	Existing	Zoning Compliance Commercial/Business	\$250 all	2 acres or less: \$300; >2 acres: \$500 + \$20/acre
Planning	Existing	Zoning Compliance Rezoning Petition	\$500 all	Residential: \$500 + \$25/acre; Non-residential: \$700 + \$25/acre
Planning	Existing	Zoning Compliance Special Use	\$500 all	Residential: \$500; Non-residential: \$700
Planning	Existing	Minor Subdivision Final Plat	\$95	\$115.00
Planning	Existing	Minor Subdivision Exempt Plat	\$75	\$95.00
Planning	Existing	Major Subdivision Preliminary Plat	\$220 plus \$22.50/lot	\$250.00 (base fee plus \$30.00/lot)
Planning	Existing	Major Subdivision Final Plat	\$220 plus \$11/lot	\$250.00 (base fee plus \$15.00/lot)
Planning	New	Zone Purchases: Zoning/Address Verification Letter		\$30 per parcel
Library	Existing	Damage/Lost Material ALL	\$5.00	Replacement cost + \$3.00 Processing
Library	New	Lost Magazine		\$4.00

Department		Item Name	Current	Proposed FY24
Inspections	Existing	Re-Inspection Fee - Second	\$55	\$65.00
Inspections	Existing	Re-Inspection Fee - Third	\$85	\$125.00
Inspections	Existing	Re-Inspection Fee - Fourth or More	\$150	\$225.00
Inspections	New	Late Cancellation Fee		\$65.00
Inspections	New	Plan Submittal Fee - Residential		\$15.00 per plan
Inspections	New	Plan Submittal Fee - Commercial		\$55.00 per trade

Environmental Health – one recommended new fee for septic permitting, authorized onsite wastewater evaluator.

Department		Item Name	Current	Proposed FY24
Environmental Health	New	Septic Permitting - Authorized Onsite Wastewater Evaluator (AOWE)		\$120.00

Register of Deeds – one recommended fee update to add death certificate to the certified forms available.

Department		Item Name	Current	Proposed FY24
Register of Deeds	Existing	Certified "out of county" birth certificate or death certificate	\$24 each, \$15 each additional	Addition of Death Certificate

Parks and Recreation - include recommended changes in the fees for programs and field rentals. Three new options are added for concession rentals and field rentals.

Department		Item Name	Current	Proposed FY24
Parks and Rec	Existing	Youth Programs - Volleyball, Basketball, Camps	\$40.00/ In County	\$50.00/County
Parks and Rec	Existing	Youth Programs - Volleyball, Basketball, Camps	\$55.00/ Out of County	\$65.00/out of County
Parks and Rec	Existing	Dance - Father/Daughter, Mother/Son	\$25.00/ In County	\$30.00/County
Parks and Rec	Existing	Dance - Father/Daughter, Mother/Son	\$40/ Out of County	\$45/out of County
Parks and Rec	Existing	Adult Programs - Softball, Kickball, Basketball	\$375.00/ Team	\$450.00/Team
Parks and Rec	Existing	Adult Programs - Softball, Kickball, Basketball	\$250/ Team	\$300/team
Parks and Rec	Existing	Athletic Field Rental - Baseball/Softball Field	\$20/hr. w/o lights	\$25/hr.
Parks and Rec	Existing	Athletic Field Rental - Baseball/Softball Field	\$35/hr. w/lights	\$40/hr. w/lights
Parks and Rec	Existing	Athletic Field Rental - Baseball/Softball Field		\$15/hr
Parks and Rec	Existing	Athletic Field Rental - Baseball/Softball Field		\$30/hr. w/lights
Parks and Rec	Existing	Field Prep and Lined	\$50 per preparation	\$75 per prep
Parks and Rec	New	Concession Rental		\$50/day
Parks and Rec	New	Athletic Field Rental - Baseball, Softball, Soccer		\$150/day
Parks and Rec	New	Athletic Field Rental - Baseball, Softball, Soccer		\$200/day w/lights

Fee Schedule Items Recommended to be Removed.

The following Fee Schedule Items are being recommended for removal because the program is not in existence, has been replaced by another process/fee or the materials are not available.

- Department of Social Services – remove NC Health Choice Fee
- Health Department, Environmental Health – remove Radon Air without visit testing
- Tax/GIS – remove Lake Royale Map Booklet and Lake Royale Map Booklet Laminated
- Library – remove fees for damaged pages, lost card, and lost checkout bag
- Parks and Recreation – remove individual adult program fee