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FY25 BUDGET MESSAGE

Franklin County Board of County Commissioners
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Introduction

Good evening, Commissioners. As the Budget Officer and in accordance with NCGS 159 and the Local Government Budget and Fiscal Control Act, I am honored to submit for your consideration the balanced FY25 Recommended Budget for Franklin County, NC. The recommendations contained in this document take into account the growth pressures in Franklin County and the available resources needed to meet the needs of our residents. I appreciate the Board’s commitment to our County’s Mission, Vision, Values and Goals. I look forward to working with the Board to ensure continued progress in Franklin County.

Franklin County’s Mission, Vision, Values and Goals

The Franklin County Board of Commissioners met on January 25, 2024 for a Budget Forum and adopted an updated Mission, Vision, Values and Goals document for Franklin County. The Mission for Franklin County Government continues to be “To provide and support exemplary public service and expand economic opportunities”. Items were updated as a result of the progress that has been made in a number of areas.

Economic Environment

Franklin County’s economy overall is stable. Rising costs for goods and services, decreased labor pool availability and increased costs for labor have created challenges for County operations as well as challenges for a number of businesses, particularly small businesses in our County. Per national reports, credit card debt continues to rise. The US average inflation rate for 2023 was 4.1%. The current 12-month average US inflation rate, as of April 2024, is 3.4%. In Franklin County, increased business and industrial interest and development remains strong and is diversifying our county tax base. In March 2024, the County’s unemployment rate was **3.7%** unchanged from the March 2023 unemployment rate.

Our population has continued to grow, and the latest Census update distributed in March 2024 estimates our population at **77,001**. In the County population tables published by the NC Office of State Budget and

Management (NC OSBM), Franklin County's projected population for 2045 is **125,131**. Franklin County remains the fastest growing County statistically in the Triangle area with an annual growth rate by NC OSBM statistics at **4.1%**. Based on NC OSBM data, Franklin County ranks third in growth percentage compared to other County's across North Carolina.

Residential building growth in Franklin County has remained strong. 2023 calendar year-end single-family housing permits totaled 843 versus the 2022 calendar year-end single-family housing permit total of 945, representing a 12% decrease while remaining above the 10-year historical permitting trends. Non-residential permits for new construction/additions indicate more non-residential development in our County. In 2023, 37 permits added 571,797 square feet of space compared to 2022, when 38 permits added 183,006 square feet of space. Year to date in 2024, 9 permits have added 839,490 square feet of space for non-residential development.

The FY25 Recommended budget focuses on maintaining essential and statutorily defined 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. A number of capital projects are currently underway and attention will be focused on finalizing those projects in a fiscally responsible manner. Any new recommended capital projects will be carefully reviewed, and appropriate timelines adjusted based on grant funding, available capital funds, economic conditions, labor availability and materials pricing and delivery.

Franklin County Government has a strong financial position through good stewardship and diligence and as the Budget Officer for Franklin County, I am committed to maintaining our government's financial strength through the recommendation of appropriate spending to support County operations.

FY24 Highlights

A number of significant projects were underway in Franklin County at the beginning of FY24. Several have been substantially completed and work continues on the remaining projects:

- 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. The ribbon cutting was held in September 2023.
- Wastewater Treatment Plant Renovation –The \$11.5M WWTP Renovation was completed in November 2023. Updates included 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 \$11.9M repaving project which accomplished an apron expansion with new tie-downs, apron redesign and fillet area upgrades and upgraded the taxiway and runway was completed in November 2023.
- 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 nearing completion with over 50% of the meters installed to date. The projected completion date is August 2024.
- Youngsville Solid Waste Convenience Site – Construction has started on the new, upgraded convenience site on a four-acre location along Long Mill Road in Youngsville. The anticipated completion date is December 2024.
- US 1 North Commerce Park – Progress has continued as buildings 1 and 2 are nearing completion and construction on buildings 3 and 4 is beginning. Interest in the park has been strong. The 100-acre private industrial development project on Long Mill Road in Youngsville 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 – The design phase is almost complete and construction is expected to begin in October 2024. The BOCC approved the \$2.8M project on April 3, 2023, which is mostly funded by a grant from the NC Department of Commerce Finance Center under the Rural Infrastructure Authority Industrial Development Fund. The project will construct a 2,350 linear foot asphalt roadway with water and sewer infrastructure to provide access to lots in the center section of the Park.
- Franklinton to Novonosis Rails to Trails Project – The \$3.7M grant funded project is at the 30% completion stage and currently begin reviewed by NCDOT. Bid documents are scheduled for distribution in December 2024. The project will construct a trail along the railbed from Franklinton to Novonosis. 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 – Alfred Benesch and Company is completing the bid documents for this project which are targeted for distribution in June 2024. The County was awarded a PARTF Grant for \$434,625 in November 2022 with a required match of \$434,625. The Park will bring a multipurpose playing field, a walking trail and playground to the community in northern Franklin County.
- Warehouse at 424 T. Kemp Road – The County purchased the warehouse facility at 424 T. Kemp Road in Louisburg in March 2024. Work has begun on the renovations needed at the site where Facilities Management will be located. The 40,000 sq ft of warehouse space will provide needed storage and assembly space for valuable County assets.
- Judicial Complex – Franklin County is statutorily obligated to provide space for judicial facilities in our County. The County received \$15M from the NC Legislature in the 2023 State Budget to assist with the construction and renovation of facilities. Judicial facilities have been in the Town of Louisburg for 238 years. The County has worked with Judicial representatives to design the facilities and is working with the Town of Louisburg on the appropriate steps for construction to begin.

Budget Goals

Franklin County’s Goal to be a Fiscally Strong and Engaged Government continues to provide the framework and guidance for the FY25 Recommended Budget. Specifically, our budget goals support *maintaining the County’s strong financial position and fiscal management policies and procedures*.

The FY25 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 stable, but 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 stakeholders, including employees, consultants, community partners and support organizations. The recommended FY25 General Fund Budget totals **\$122,172,915**. The recommended Budget for all funds needed to manage county government operations totals **\$180,190,522**.

Revenues

Revenues for achieving county government goals are from two major categories - ad valorem property taxes and sales tax.

The Tax Administrator has provided a total Taxable County Values projection as of May 20, 2024, of **\$12,604,282,999** based on the new valuations. The budgeted FY25 current property tax revenues are **\$62,442,248**. The proposed budget establishes a collection rate of 98.1% based on economic factors and the actual FY23 collection rate of 98.69%. FY25 current property tax revenues are budgeted to increase by \$4,494,147 over the budgeted FY24 current property tax revenues of \$57,948,101.

Collection of Sales Tax Revenue is projected to be **\$18,380,483** for FY24. The FY25 Sales Tax Revenue budget is **\$17,250,000**. The conservative estimate allows for the impact of rising interest rates, increasing consumer debt and on consumer spending patterns in the post-COVID economy.

Property Tax Rates

NCGS 105-286 requires a tax revaluation for counties at a minimum of every 8 years. The Franklin County Board, by Resolution on February 18, 2008, approved a 6-year cycle for Franklin County and the 2024 Tax Revaluation has been conducted. Effective January 1, 2024, property values in Franklin County have been updated by the Tax Administration staff. The revenue neutral tax rate is calculated using a statutorily directed formula and is the rate at which the County would collect the same amount of revenue with natural growth. The calculated rate is .4991 per \$100 of valuation.

Current property taxes account for approximately 51.1% of the County's total revenues. The FY25 recommended budget recommends a reduction in the current tax rate of **.785** per \$100 valuation to a new recommended tax rate of **.505** per \$100 valuation. For the FY25 recommended Budget, a penny on the tax rate contributes \$1,236,480.

Use of Fund Balance and Projected FY25 Year End Fund Balance

In order to address a number of Departmental capital needs including vehicles, a designated amount of \$2,308,673 is recommended to be appropriated from Unassigned Fund Balance. In addition, an amount of \$4,103,519 from unassigned fund balance is recommended for inclusion in this Recommended Budget. This undesignated amount is 24.3% or **\$1,321,032** less than the FY24 Appropriated Fund Balance amount of **\$5,424,551**. The County does not project to use any of the original \$5,424,551 that was budgeted in the FY24 Budget Ordinance. The projected FY24 Year End Fund Balance amount is \$69,598,068 and the unassigned portion is \$37,911,115.

Expenditures

County Department budget presentations were received and carefully reviewed and discussed, including discussions with Departments when expenditure adjustments were needed. Expenditures were 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 \$160,853,708.

FY25 Budget Recommendations

Positions Recommended – General Fund

The FY25 recommended budget includes **13 positions** funded in the General Fund 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, **1 position** is 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 **\$873,193**. The positions recommended are:

Animal Services	Animal Services Cruelty Investigator - PG 62 - Effective 8/1/2024
Tax Department	Personal Property Supervisor - PG 71 - Effective 8/1/2024
Hum Res & Risk Mgmt	Human Resources Technician I - PG 64 - Effective 8/1/2024
Facilities Management	Facilities Management Technician - PG 64 – 2 positions, Effective 8/1/2024 and 1/1/2025
Sheriff's Office	Digital Forensic Investigator - PG 71 - Effective 8/1/2024 Deputy Sheriff - PG66 – 2 positions, Effective 1/1/2025
Finance	Financial Operations Analyst - PG 71 - Effective 8/1/2024
Information Technology	Database Administrator - PG 74 - Effective 1/1/2025
Social Services	Income Maintenance Caseworker II - PG 63 - Effective 9/1/2024 Social Work I A&T - PG 70 - Effective 9/1/2024 Social Work Supervisor II (In Home) - PG 70 - Effective 9/1/2024

In the Veterans Department, one part-time position is recommended to be reclassified from part-time to full-time:

- Veterans Services Technician - PG 60 - Effective 8/1/2024

Vehicles Recommended – General Fund

Vehicles are needed as part of County operations and for service delivery. The cost of vehicles has risen by a minimum of 20% in the last 24 months and availability remains a challenge for obtaining some types of vehicles. 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 need for these assets to conduct operations in Franklin County, vehicle requests are recommended to be addressed by using Unassigned Fund Balance for purchasing these assets. Currently, across all General Fund departments, there are 330 vehicles in service.

A total of **23 vehicles** are being recommended for purchase in the FY25 Budget from a total of 34 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 and investigations as assigned and rotated - \$650,000
- EMS Department – 1 Ambulance - \$350,000 and 3 SUVs - \$199,000
- Cooperative Extension – 1 truck to replace high mileage truck for towing - \$49,115
- Facilities Management Department – 2 F150 trucks for new positions - \$81,472
- Animal Services – 1 truck for new position - \$51,000
- Planning and Inspections – 2 vehicles dedicated to industrial inspection sites 2 - 4wd trucks - \$92,000
- Social Services – 3 vehicles to replace existing older, high mileage, aged vehicles - \$140,297

The total cost for all **23** vehicles that are being recommended is **\$1,613,384**. All vehicle purchases are recommended to be purchased from Unassigned Fund Balance. 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.

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. The Fee Schedule changes recommended with the FY25 Budget are listed below. Unless otherwise noted, the effective date of the proposed fee changes is July 1, 2024.

Department		Item Name	Current Fee	Proposed FY25
Airport	Existing	Daily Ramp/Tie Down - Turboprop up to 12,500 lbs.	\$50/day	\$50/day
Airport	New	Daily Ramp/Tie Down - Jet Aircraft, Large Turboprop		\$100/day
Airport	New	Nightly Hangar Storage - Turboprop up to 12,500 lbs.		\$100/night
Airport	Existing	Nightly Hangar Storage - Jet Aircraft, Large Turboprop	\$100/night	\$200/night
Airport	Existing	Storage: Corporate Hangars (County-owned)	\$900 to \$1,500/mo	\$900 to \$2,500/mo
Airport	Existing	Ground Power Unit (GPU)	\$40 first half hour and \$25 each additional half hour	\$65 first half hour and \$25 each additional half hour
Airport	Existing	Lavatory Service	\$65.00	\$75.00
Airport	New	Aircraft Towing		\$10.00
Animal Services	Existing	Dog Adoption Fee	\$30.00	\$100.00
Animal Services	Existing	Cat Adoption Fee	\$30.00	\$60.00
Animal Services	New	Other Small Pets		\$15.00
Animal Services	New	TNVR/Feral Cat Adoption		fees waived
Animal Services	New	Approved Animal Rescue fee for Altered dog available for adoption		\$85.00
Animal Services	New	Approved Animal Rescue fee for Altered cat available for adoption		\$45.00
Animal Services	New	Credit Card Convenience Fee		\$2.00
Cooperative Extension	New	VAD Revocation Fee		\$30.00
Library	New	Credit Card Fees		\$2.00
Register of Deeds	Existing	Amendment to Birth or Death	\$10	\$20
Sheriff	Existing	Gun Permits - repealed NCGS	\$5.00	\$0.00

Compensation Recommendations

In support of Franklin County employees and to accomplish the goal of recruiting and retaining employees for successful provision of County services, the FY25 Budget recommends implementation of the Classification and Compensation Study that was conducted in FY24. This implementation is recommended for all full-time employees in the General Fund and Enterprise Funds. The final recommendations for implementation will result in an upward adjustment in the County’s Pay Plan and will establish minimum, midpoint and maximum pay ranges across all pay bands. This comprehensive study will also include several job title changes and pay grade upgrades based on the market analysis. The recommended implementation date is **October 14, 2024**, at a total cost of **\$1,419,795** for all full-time employees for all funds including Enterprise Funds and includes the cost for fringe benefits.

Broadband

The Franklin County Board of Commissioners continues to support efforts to expand broadband infrastructure within Franklin County. The NC Broadband Infrastructure Office, in partnership with Franklin County, awarded the Phase II of Growing Rural Economies with Access to Technology (GREAT) Grant to Brightspeed for fiber-to-the-home for more than **1,400** locations. In addition, Charter/Spectrum was awarded a GREAT project for over **200** locations in southern Franklin County. In April 2024, the Board of

Commissioners committed **\$2,000,000** to the Completing Access to Broadband (CAB) program. The CAB program will be an agreement between the NC Broadband Infrastructure Office and the winning broadband provider through a competitive bidding process. The GREAT and CAB implementations will bring broadband service to unserved and underserved areas of Franklin County. Upcoming grant programs including Stop-Gap and BEAD along with organic network growth in the fastest growing county in the Triangle should result in universal broadband coverage in Franklin County in the not-to-distant-future.

Animal Services

While all County departments are struggling with the influx of residents, few are impacted more directly than the newest department to join the Office of the County Manager. Beginning July 1, 2022, Animal Services was transferred from the Sheriff's Office to the Office of the County Manager by resolution of the Board of County Commissioners. The post COVID surge of large volumes of pets being relinquished to animal shelters has affected shelter operations in Franklin County.

Since transferring to the County Manager's Office, resources have focused on addressing needs in the Department. The Board of Commissioners has appointed members to the newly reestablished Animal Services Advisory Board (ASAB). In response to public input, the Board of Commissioners has directed support in the form of additional staffing, expanded adoption hours, compensation adjustments, and additional resources for the department. Planned changes in FY25 include the establishment of a Volunteer Program, a focus on resources for spay/neuter programs, changes in adoption fees, additional employee training and more community outreach to promote shelter resources. Staff continues to respond to public feedback and provide the best service for the public and the animals in the shelter's care.

Educational Opportunities

Vance Granville Community College

VGCC has requested funding of **\$484,660** for Operational Expenses and **\$20,000** for Capital for the next fiscal year. The FY25 recommendation is to fund the requested Operational Expense amount through a combination of **\$369,168** in funding plus using **\$115,492** from the existing VGCC Franklin County Fund Balance and fund the **\$20,000** Capital to provide the total amount requested.

In regard to plans for a new building on the Franklin County campus, VGCC staff is continuing to review the next phase of growth on the campus as the college seeks financial support for constructing a new Workforce and Advanced Technical Training Center building. Franklin County has committed \$3.5M toward the project as a result of working with the Franklin County Schools in 2020 to find space for the expanding Early College Program. 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 their program.

Public Schools

The NC Legislature, through NC General Statutes, prescribes the laws that govern how county governments and local school administrative units budget for public school needs including traditional public schools and charter schools. The Franklin County Board of Education approved a requested FY25 Budget request for **\$30,541,812** for Local Expense and **\$2,610,612** for Capital Expenditures. The Local Expense Budget approved by the Board of Education includes the required funding for charter schools in an amount of \$8,542,509. The Local Expense request was a **20.5%** increase in the Local Expense category over the

approved FY24 amount of **\$25,328,192**. The Recommended FY25 Budget includes funding the FCS Operating expenses at **\$26,648,455** representing an increase of **5.2%** above the FY24 Local Expense amount. Funding for Capital Outlay is recommended at an amount of **\$2,610,612** as requested funded through a combination of County funds (\$2,110,612) and the NC Education Lottery Repair and Renovation Fund (\$500,000). The total amount recommended for FCS funding is **\$29,259,067**.

Franklin County Schools presented a “Funding our Future Facilities Needs Report 2023-2033” on September 19, 2023 as requested by the Board of Commissioners. The report provided details on school capital needs and projected enrollment. On April 1, 2024, the Board of Commissioners adopted a Resolution establishing a joint Capital Committee with the Board of Education to address the Report. The process will include visits by the Board of Commissioners to Franklin County Schools facilities this calendar year. The County is committed to ensuring that facilities are appropriately sized and in safe condition for an appropriate learning environment.

In the FY25 Budget, annual school debt payments of **\$5,737,018** are budgeted and total outstanding school debt is **\$30,352,111** as of March 2024. The debt payments decline each year as payments are made, but the time period for completing all payments is 14 years. School debt comprises 60% of the total Franklin County debt as of March 2024.

The NC Legislature continues to address education legislation and is expected to make changes in education funding processes in the current Legislative Session. Franklin County is following these topics closely to understand the potential impact on future budgets and requests for education funding.

SMART Team (formerly Community Care Team)

Franklin County has moved forward with the use of the National Opioid Settlement funds that the County will be receiving annually for the next 15 years. Payments of \$1,084,889 have been received and \$163,540 has been spent as of May 15, 2024. On March 18, 2024, the Board of Commissioners approved a revised Resolution establishing a Substance Use/Mental Health Advocacy Response Team (SMART) Team under the direction of the Franklin County Sheriff’s Office. For FY25, the SMART Team is recommended to receive funding of **\$525,283**. The Team will include a Director of Programs, Licensed Clinical Social Worker, Data Analyst and Community Support Investigator/Liaison and will include the purchase of 2 vehicles to support the Team’s objectives. The National Opioid Settlement Funds are deposited into a Special Revenue Fund and therefore, will be a part of the annual Budget Ordinance. Budget Amendments for this Special Revenue Fund will be presented for approval to continue the work of the Sheriff’s Office SMART Team as needed.

Continued Focus on Health Initiatives

Franklin County has continued to make progress on Health Initiatives in Franklin County in the following areas:

- Medicaid Expansion implementation that began on December 1, 2023 has added 2,418 new subscribers in Franklin County. The Franklin County Department of Social Services provides services to over 22,000 residents annually.
- In the Health Department, increased access to medical providers in the areas of Maternal/Child Health, Adult Health and Child Health specialties have been added including appointments being offered outside normal business hours. Recently awarded grants are focused on maternal and child health, family planning and health promotion. Events and citizen education fairs are being offered throughout the County on a regular basis.
- Focus on promoting healthy living through the creation and funding for parks and trails including support for Epsom Park, Franklinton to Novonosis Rails to Trails and other County park improvements.

Fire Department Tax Rates

Six of the County’s Fire Departments requested a change in their fire tax rate for FY25 as noted in the chart below. The revenue neutral tax rates by fire department are also presented as required during a tax revaluation year. Mutual aid payments for fire departments are recommended to increase from an annual payment amount of \$3,500 to \$5,500. The requested Fire Tax Rate changes are recommended for implementation.

FY25 FIRE DEPARTMENTS ESTIMATED DISTRICT VALUATIONS						
			Current	FY25		
	25		Tax	Rate	Rate	Revenue
NAME OF DEPT.	EST. VALUATION		Rate	Requested	Change	Neutral
CENTRAL FIRE	\$ 676,198,223		9.75	9.75	-	7.06
HOPKINS	\$ 100,069,373		7.00	6.00	(1.00)	4.14
MITCHINERS	\$ 519,426,838		8.50	8.50	-	5.75
FRANKLINTON	\$ 1,341,178,500		8.00	6.00	(2.00)	4.93
YOUNGSVILLE	\$ 4,916,712,759		9.57	8.81	(0.76)	6.25
PILOT	\$ 680,315,260		9.25	9.25	-	5.58
BUNN	\$ 2,337,061,540		7.50	5.50	(2.00)	4.68
JUSTICE	\$ 306,585,646		8.75	8.75	-	5.39
WHITE LEVEL	\$ 242,781,629		12.00	12.00	-	7.6
CENTERVILLE	\$ 202,789,941		6.00	6.00	-	3.51
GOLD SAND	\$ 169,661,546		7.50	6.50	(1.00)	4.34
EPSOM	\$ 278,256,191		9.30	7.70	(1.60)	5.96

Public Utilities Enterprise Fund

Franklin County Public Utilities continues to expand due to residential and commercial growth in Franklin County. Currently, 9,839 customers are served reflecting an increase of 4.11 % from the FY23 year-end number of 9,442, customers served. The recommended FY25 Public Utilities Budget totals **\$23,618,000** and addresses infrastructure expansion and recommended rate changes to address growth with the following recommendations:

Rate Changes

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

FY25 PUBLIC UTILITIES RECOMMENDED RATES & FEES			Effective with 9/2024 Billing	
	CURRENT		PROPOSED	
SERVICES	WATER	SEWER	WATER	SEWER
Low Volume User (LV)				
<i>Base Rate (include 2,000 gallons)</i>	\$ 42.15	\$ 49.17	\$ 47.00	\$ 54.82
<i>Consumption Rate per 1,000 gallons over 2,000 gallons</i>	\$ 10.26	\$ 10.81	\$ 11.44	\$ 12.05
High Volume User (HV)				
<i>Consumption Rate per 1,000 gallons</i>	\$ 8.08	\$ 10.81	\$ 9.00	\$ 12.05
Landlord Account				
<i>Base Rate (include 2,000 gallons)</i>	\$ 7.02	\$ 9.83	\$ 7.83	\$ 10.96
<i>Consumption Rate per 1,000 gallons over 2,000 gallons</i>	\$ 10.26	\$ 10.81	\$ 11.44	\$ 12.05
Multi User				
<i>Base Rate per connection</i>	\$ 15.46	\$ 38.64	\$ 17.24	\$ 43.09
<i>Consumption Rate per 1,000 gallons</i>	\$ 8.08	\$ 10.81	\$ 9.00	\$ 12.05
Municipal Bulk Sale				
<i>Consumption Rate per 1,000 gallons</i>	\$ 10.26	\$ 8.97	\$ 11.44	\$ 10.00
Hydrant Meter Usage				
<i>Base Rate</i>	\$ 112.00	NA	\$ 124.88	NA
<i>Consumption Rate per 1,000 gallons</i>	\$ 10.26	NA	\$ 11.44	NA
Irrigation Account				
<i>Base Rate per connection</i>	\$ 42.15	NA	\$ 47.00	NA
<i>Consumption per 1,000 gallons</i>	\$ 10.26	NA	\$ 11.44	NA

These rate changes are recommended to be effective with the **September 2024** 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. As recently presented to the Board of Commissioners, short-term water supply has increased by 23% since 2020 and in 2022, the annual allocation amount increased from 50,000 gpd to 75,000 gpd.

Additional Services and Fees Changes

FY25 PUBLIC UTILITIES RECOMMENDED FEES	CURRENT	PROPOSED
Damage to Water Meter (\$40 + cost of meter) - 3/4" Meter		\$ 210.00
Damage to Water Meter (\$40 + cost of meter) - 1" Meter		\$ 320.00
Damage to Water Meter (\$40 + cost of meter) - 2" Meter		\$ 2,390.00
Damage to Water Meter (\$40 + cost of meter) - 4" Meter		\$ 4,415.00
Damage to Water Meter (\$40 + cost of meter) - 6" Meter		\$ 7,500.00
Damage to Meter Transmitter (\$40 + \$200)		\$ 240.00
Damage to Sewer Service (\$40 + \$60)		\$ 100.00
Meter Set Fee (includes meter and transmitter) 3/4"	\$ 360.00	\$ 420.00
Meter Set Fee (includes meter and transmitter) 1"	\$ 445.00	\$ 525.00
Meter Set Fee (includes meter and transmitter) 2"	\$ 2,420.00	\$ 2,600.00

No New Positions – Public Utilities Enterprise Fund

No new positions are being recommended for FY25. A review of current positions, a focus on recruitment and an alignment with other public utilities departments facing similar growth challenges will be conducted in FY25.

Vehicles and Equipment- Public Utilities Enterprise Fund

The following vehicles and equipment are recommended for funding in FY25. These items are needed to perform the daily work functions and support the capital projects underway in the department. The total amount recommended is **\$489,000** and includes funds for replacement of vehicles and the addition of vehicles and equipment for the department.

- Purchase a CCTV Truck for the Sewer Division - \$315,000
- WS2 Replacement (replacing 2013 F150) - \$60,000 – Replace WS2 with an SUV
- Utility Vehicle for WTP - \$10,000
- WS 9 Replacement (replacing 2015 F150) – \$52,000
- WS16 Replacement (replacing 2017 Nissan Truck)- \$52,000

Public Utilities Capital Projects

Public Utilities capital projects 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 FY 25 Recommended Capital Projects totaling **\$14.115M** include the following projects. The funding sources for these projects will be a combination of Utility Funds and ARPA (American Rescue Plan Act) funds.

- New Elevated Water Tank (ARPA Funding) – \$4,326,000
- Public Utilities WWTP Maintenance Shop (ARPA Funding) – \$2,364,000
- NOVO Blending Station Rehabilitation (ARPA Funding) - \$2,060,000
- Sewer Pump Station Fencing, various locations (sewer) - \$40,000
- Franklinton Regional Path Repair (sewer) - \$65,000
- Winston Ridge Pump Station Rehabilitation (sewer) - \$325,000
- N. Main Street Franklinton Sewer Replacement (sewer) - \$700,000
- Dixon Street Sewer Extension (sewer) - \$225,000
- Bullock Street Sewer Extension (sewer) - \$250,000
- WWTP Screw Press (sewer) - \$1,500,000
- Mechanical Bar Screen (sewer) - \$450,000
- Pearce Street RR Crossing (water) - \$125,000
- N. Main Street Franklinton Water Replacement (water) - \$600,000
- Pocomoke Road Water Main, Franklinton (water)- \$275,000
- Hillsborough Road Water Main, Franklinton (water) - \$275,000
- Upper Spillway Repair (water) - \$80,000
- AMI Fixed Base Antenna (water) - \$80,000
- N. Cross Street Water Main, Youngsville (water) - \$150,000
- HON Meter Vault (water) - \$225,000

Solid Waste Enterprise Fund

The Solid Waste Department is appropriately designated as an Enterprise Fund. The total recommended FY25 Budget is **\$5,759,118**. The FY25 Budget recommendation maintains the Solid Waste Convenience Fee at \$110, with no recommended increase. One new position, Administrative Assistant, is recommended for approval based on the external audit recommendation to address departmental billing issues. The position is recommended to begin July 1, 2024 for an annual cost of \$56,708. Convenience site improvements totaling \$50,000 and refurbishment costs of \$10,000 for the Administrative Assistant office are recommended. Recommended needed equipment in the department includes 3 compactors and 10 open top containers for a total of \$150,000. Funds are also included in the budget for the continued testing and maintenance of the County's Closed Landfill.

Capital Improvement Plans

The Capital Improvement Plans (CIP) for the General Fund, Public Utilities and Solid Waste are included with the recommended budget and the Board is requested to adopt the Capital Improvement Plans as planning documents for the County. The recommended CIPs have been developed with input from the County's Financial Advisors and include the recommended funding sources for each project. Projects on the CIP that are recommended for funding in FY25 at this time are included in the FY25 Recommended Budget. The CIPs reflect compliance with the County's Debt Funding Policy to address the identified capital needs of our growing County. The CIP is a planning document and FY26, FY27, FY28 and FY29 projects are modeled for discussion and development.

Policy Updates

The annual Budget Ordinance defines the policies and documents that the County Manager is allowed to execute. Two policy updates are requested this year. The Board is requested to increase the multi-year total contract amount that is currently set at \$30,000 to a new revised level of \$100,000 that more appropriately reflects the value of multi-year contracts encountered and allows the approval of appropriate contractual matters. The second policy revision is as follows: "Donations for County - The Manager may receive and solicit donations of real and personal property, as well as monetary donations, in support of programs and activities performed by County departments which includes but is not limited to Parks and Recreation, Library, Animal Services, Aging Services, Veteran Services, Sheriff's Office, Department of Social Services, and Health Department. The Manager may delegate this authority to departments and staff as necessary. The Board of Commissioners must review and approve all donations in which the donor specifies a specific purpose for the donated property and may choose to decline such donation." The addition of this language provides compliance with NC General Statutes and gives direction for donations made to the County.

Economic Development, Citizens Academy, Celebrating History

Investment interest in Franklin County remains strong. Approximately 29 new businesses have chosen to locate in Franklin County over the previous 9 months and interest is growing as business parks in the County develop lots and add "product", i.e. new square footage, for businesses to readily locate in the County. A focus on working with our industries and education partners will help address the workforce needs that our growing county will demand as new businesses choose Franklin County for their home.

Helping citizens to understand more about government is essential to our success. A commitment to creating a Citizens Academy program will bring the opportunity to engage citizens and share information about the complex processes and statutes that guide and impact county government.

Opportunities to celebrate our national and local history are also being explored. America will celebrate its 250th anniversary on July 4, 2026. Plans and ideas have already been developed at the national and state level. Local citizen interest in participating in this celebration has already been expressed and the County will be exploring ideas and next steps.

Next Steps

The Public Hearing for the Budget will be noticed for **Monday, June 3** 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 3 Public Hearing**.

The Recommended FY25 Budget and the Manager's FY25 Budget Message and Presentation are available on the Franklin County website (franklincountync.gov) under the Finance Department tab as well as with the Clerk to the Board upon request.

The Recommended Budget may be considered for adoption at the conclusion of the Public Hearing on June 3, at any special called Board meeting for that purpose or at the June 17 scheduled Board Meeting.

Conclusion

The focus on preparation for the population growth that Franklin County is experiencing will need to continue. To maintain our bright future and be prepared for economic opportunities, service expansion and capital projects will continue to be topics for careful consideration. Franklin County's employees are our greatest asset and I appreciate the teamwork and commitment that employees exhibit every day. I continue to be honored to serve as your County Manager and I appreciate the Board's devotion to our county's success. I welcome further discussion and review of this recommended budget and any questions or requests for additional information. I am committed to achieving our mutual goal of adopting a successful FY25 Budget.

Again, thank you for your time and attention to the important issues happening in Franklin County.

Sincerely,



Kimberly B. Denton
County Manager