



Franklin County

A Natural Setting for Opportunity

Proposed Franklin County **2025-2026 Budget**

March 11, 2025



FY 26 Local Budget Climate



- **Revenue Growth Trends**
 - Revenue growth is moderating and returning to historical norms.
 - Less reliance on surplus revenue for recurring capital maintenance and infrastructure needs.
 - Need for conservative revenue projections to ensure long-term fiscal stability.
- **Persistent Inflationary Pressures**
 - Rising costs continue to impact county operations, capital projects, and service delivery.
 - Fuel, materials, and personnel expenses remain significant budget considerations.
 - Strategic cost-management measures are necessary to mitigate inflationary impacts.
- **State Funding for Schools**
 - General Assembly amendments provide potential for approximately \$2 million in additional school funding.
 - State budget is unlikely to be finalized until late April or May, creating uncertainty in local budget planning.
- **Minimal State Funding to Localities**
 - Local governments are receiving limited additional financial support from the state.
 - Increased pressure on local revenues to fund essential services.
 - Need to balance service demands with available resources while maintaining fiscal responsibility.

FY 26 Budget Pressures



Operational Environment – Additional \$5.2 million in Operating Requests Additional \$768K in New Position Requests

- Inflation – fuel, utilities, maintenance contracts, etc.
- CSA – complex high-dollar cases
- Decline in School Enrollment – State Funding Reduction (LCI) for FY27
- Increased Juvenile Detention Population (Per Diem Operations - Debt Service)
- Phase-in SROs Budgetary costs
- Competitive Labor Market
- Cost of Living Adjustments (COLA)
- Minimum Wage Increase
- Health Insurance Increase

Capital Environment – Additional \$13.9 million in Capital Requests Above Recurring, Ongoing Revenue



FY 2025-2026 Proposed Budget

Building for the Future of Franklin County



BUDGET



FY 26 Budget Building Blocks



- **Deliver a Balanced Budget**
 - Ensures fiscal responsibility while maintaining essential services.
 - Aligns expenditures with projected revenues and works to minimize financial impact on residents.
- **Prioritize Life Safety (Fire-EMS, Law Enforcement, and Emergency Management)**
 - Maintains and enhances emergency response capabilities.
 - Provides necessary resources for law enforcement, fire, and EMS services.
 - Addresses staffing, equipment, and facility needs to improve life safety.
- **Support Enhanced Educational Opportunities**
 - Continues investment in Franklin County Public Schools to support student success.
 - Advances workforce training opportunities.
- **Balance Low Tax Rates with Growing Service Demands**
 - Balances the county's prudent fiscal management while addressing infrastructure and service needs.
 - Identifies cost-saving measures and efficiency improvements.
 - Provides modest revenue growth to meet service demands.
- **Advance Strategic Plan Focus Areas**
 - Makes measurable progress on key benchmarks outlined in the county's Strategic Plan.

FY 26: Building in Strategic Areas



As Franklin County looks to 2041, it is the Board's vision that the county continues to grow its population and innovate economically, while retaining the rural feel and agricultural history. Franklin County should be a place that welcomes new residents and visitors alike while working to keep its best and brightest as life-long County residents. The County can and should perfect a balance between remaining a low-cost place to live while offering cutting edge services requested by residents and making investments in our economy, our residents, and our staff. Finally, Franklin County should be a preferred community in Southwest Virginia in which to live, visit, raise a family, locate or start a business, and retire.



**Dynamic
Community Safety**



**Enhanced Educational
Opportunities**



**Well-Planned
Growth**



**Strategic
Economic
Development**



**Responsible
Government
Operations**



**Conserving &
Promoting Natural
Assets**

Building Dynamic Community Safety





FY 26: Building Dynamic Community Safety

- Supports recruitment & retention of trained first responders
- Works to improve emergency response times and station coverage
- Continues to address the structural imbalance in Public Safety capital by enhancing annual funding for ambulance and fire apparatus replacement
- Advances the repair and replacement needed for the Emergency Radio System
- Funds the Sheriff's vehicle replacement and mobile video camera program
- Plans for E-911 Dispatch Center needs
- Continues robust support for volunteer companies and squads





**Building
Enhanced
Educational
Opportunities**



FY 26: Building Enhanced Educational Opportunities



- Provides safety funding for School Resource Officer (SRO) Phase In to cover full costs of SRO's maintained by the County
- Increases support for School System Operating Budget, thereby working to advance market compensation program
- Continues to address aging school bus replacement needs
- Enhances higher education and workforce training programs



Building Upon Conservation and Promotion of Natural Assets





FY 26: Building Upon Conservation and Promotion of Natural Assets

- Advances Franklin County's outdoor brand and related marketing
- Supports recurring maintenance of County Parks & related facilities
- Invests in Library programs and bookmobile
- Supports Tourism related events & activities (i.e. Major League Fishing)
- Continues a robust program of offerings for seniors and youth athletics



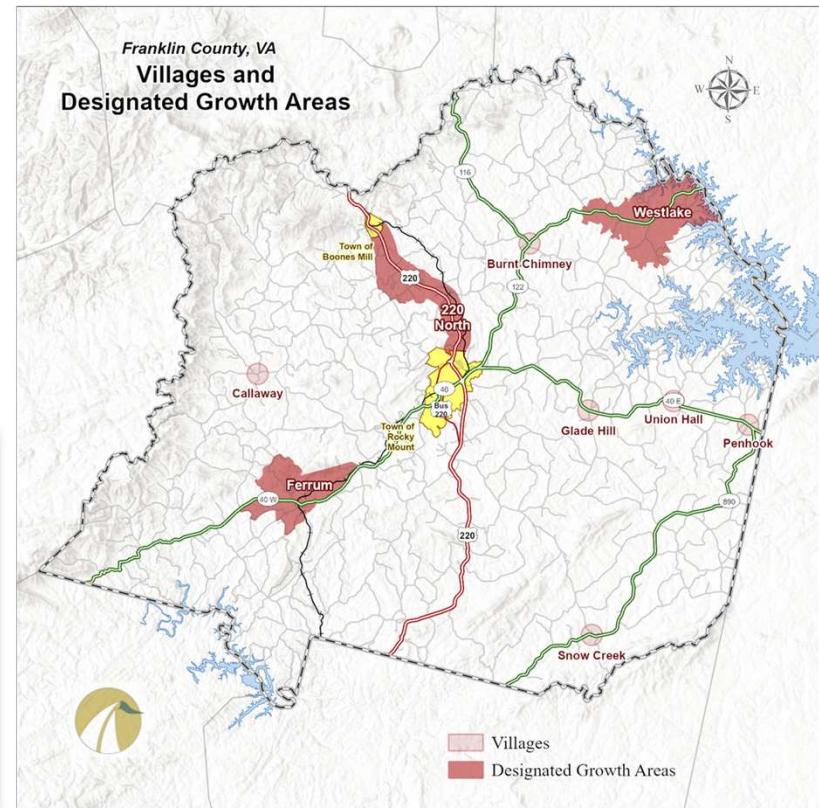
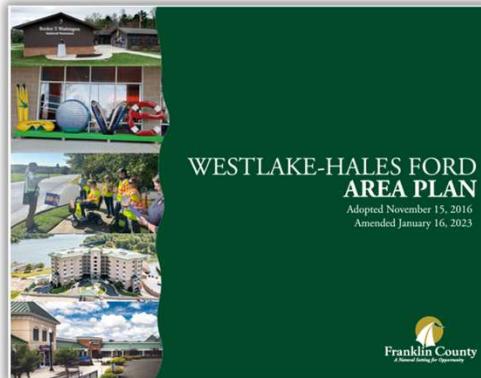
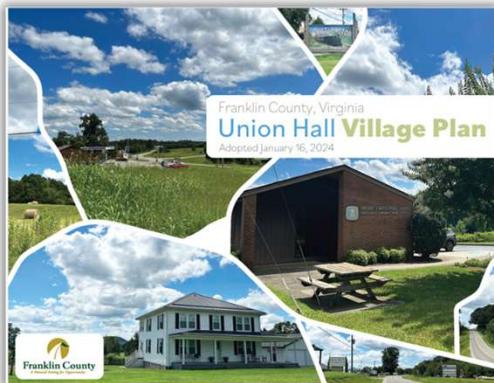
Building with Well-Planned Growth



FY 26: Building with Well-Planned Growth



- Supports Comprehensive Planning, Land Use Guidance Initiatives, and Village Planning Efforts
- Promotes New Housing
- Continues Transportation Infrastructure Planning Support
- Advances utilities development (water, sewer, broadband)



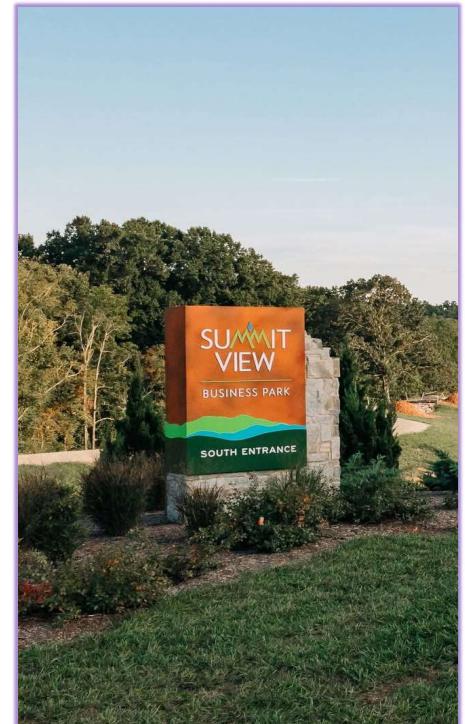
Building Strategic Economic Development



FY 26: Building Strategic Economic Development



- Supports existing business retention & expansion programs
- Works to align industry workforce needs with skilled training program offerings
- Plans for essential infrastructure needs
- Continues to address business site development by leveraging grants and partnership funding



Activate Windows
Go to Settings to activate Windows.



Building Responsible Government Operations



FY 26: Building Responsible Government Operations



- Works to maintain and enhance County's financial health
- Plans for recurring capital and infrastructure needs
- Supports community partnerships and services
- Funds inflationary costs
- Recognizes and attains efficiencies
- Supports County personnel

MOODY'S
RATINGS



BUDGET



FY 26 Operational Modifications



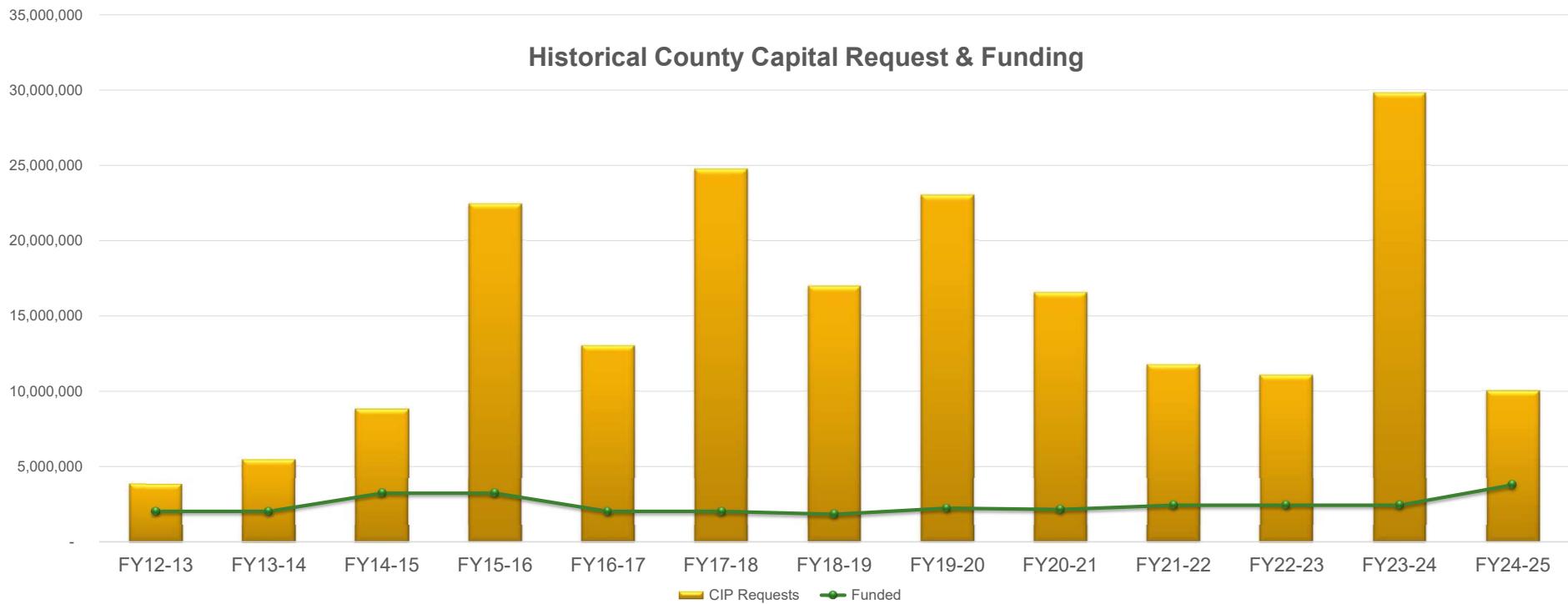
Operational Budget Efficiencies

- Staff met with County Department Directors and reviewed budget submittals where approximately **\$4.7 million** in new requests were cut from the FY 26 budget requests.
- Another **\$768K** in new position requests remain unfunded
- Total of **\$1.4 million** was identified in current, fiscal year line item reductions, adjustments, and reallocations

Remaining Budgetary Challenges

- Maintaining current service levels with moderating revenues
- Funding BOS commitments and priorities (i.e. SROs, First Responder Staffing)
- Support for school system and needed school bus replacements
- Address recurring capital maintenance structural imbalance

Capital Requests vs Local Funding



Annual Recurring Local Funding \$3.7 million



Additional County Capital Funding	\$750,000
Additional School Capital Funding – Bus Replacement	\$150,000
Phase-In of SRO Program	\$104,129
Additional School Operating Funds	\$500,000
Increased Debt Service – Western Virginia Water Authority	\$161,399
Budget Adjustments for Regional Programs and Memberships	\$37,381
Increase in CSA Funding	\$162,630
Employee Compensation & Benefits	\$547,149
County Portion of Healthcare Increase	\$273,000
Increased Public Safety Funding	\$936,183
Increased Sheriff's Department Funding	\$484,825
Decreased Debt Service – Western Virginia Regional Jail	(\$857,114)
Increase in Federally Reimbursable Service – Social Services	\$685,623
Annual Adjustment to Maintenance Service Contracts	\$309,882
Inflationary Increase to Utilities	\$92,500
Ending of Public Safety Office Lease Agreement	(\$46,663)
All Other County Departments Operational Increases	\$8,169
Personnel Reserve	\$604,724
Proposed Additional Expenses	\$4,903,817

FY 26: Revenue Adjustments

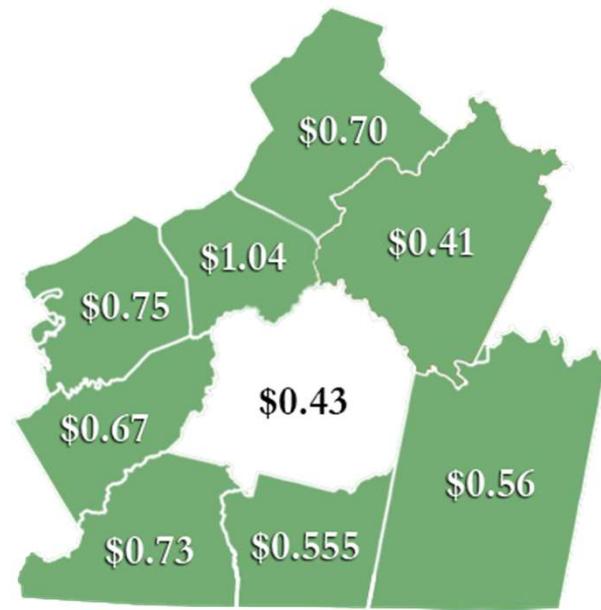


Initiative	Change over FY24-25
Real Estate Taxes	\$705,514
Public Service Corporation Taxes	\$1,070,106
Personal Property Taxes	\$(890,307)
Other General Property Taxes	\$191,116
Local Sales Tax	\$450,000
Communications Sales & Use Tax	\$(190,342)
Meals Tax	\$860,921
Other Local Taxes	\$37,938
Permits, Fees and Licenses	\$41,467
Fines and Forfeiture	\$15,845
Use of Money and Property	\$4,600
Charges for Services	\$702,104
Recovered Costs/Miscellaneous	\$320,954
Commonwealth of Virginia	\$1,129,085
Federal	\$454,816
Subtotal	\$4,903,817

FY 26: Balance Low Taxes Rates with Growing Service Demands



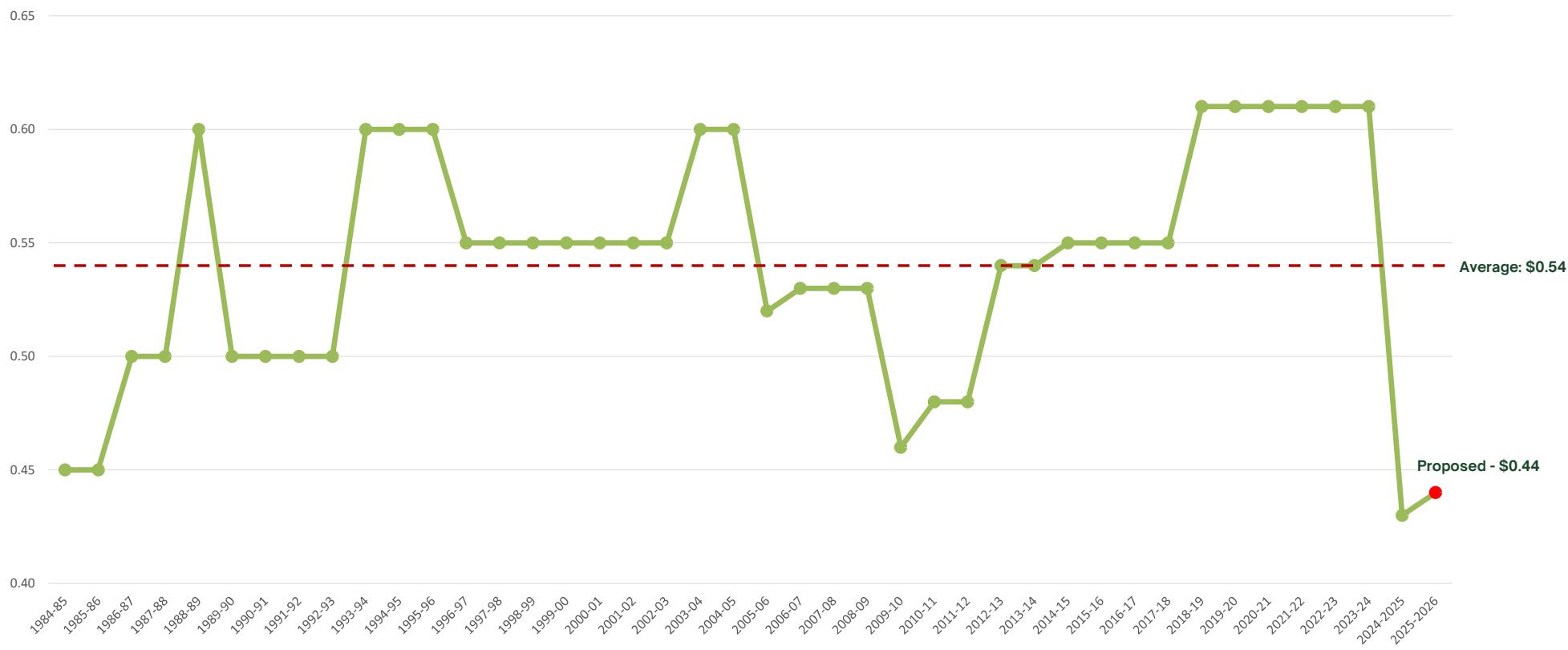
	FY 2025 Adopted	FY 2026 Proposed	Proposed FY 2026 Increase	Projected Revenue Increase
Real Estate Tax	\$0.43	\$0.44	\$0.01	\$1,000,000
Meals Tax	4%	6%	2%	\$750,000
Total Revenue Projections	-	-		\$ 1,750,000



FY24-25 Real Estate Tax Comparison

Real Estate Tax Rate 1984-2026

Rate per \$100 Assessed Value



FY 26: Proposed Real Estate Tax Rate – Scenario



Assess Real Estate Value	FY 2025 Adopted (\$0.43)	FY 2026 Proposed (\$0.44)	Yearly Difference	Monthly Difference
\$150,000	\$645	\$660	\$15	\$1.25
\$200,000	\$860	\$880	\$20	\$1.67
\$250,000	\$1,075	\$1,100	\$25	\$2.08
\$350,000	\$1,505	\$1,540	\$35	\$2.92
\$500,000	\$2,150	\$2,200	\$50	\$4.17

FY 26: Proposed Meals Tax Rate – Scenario



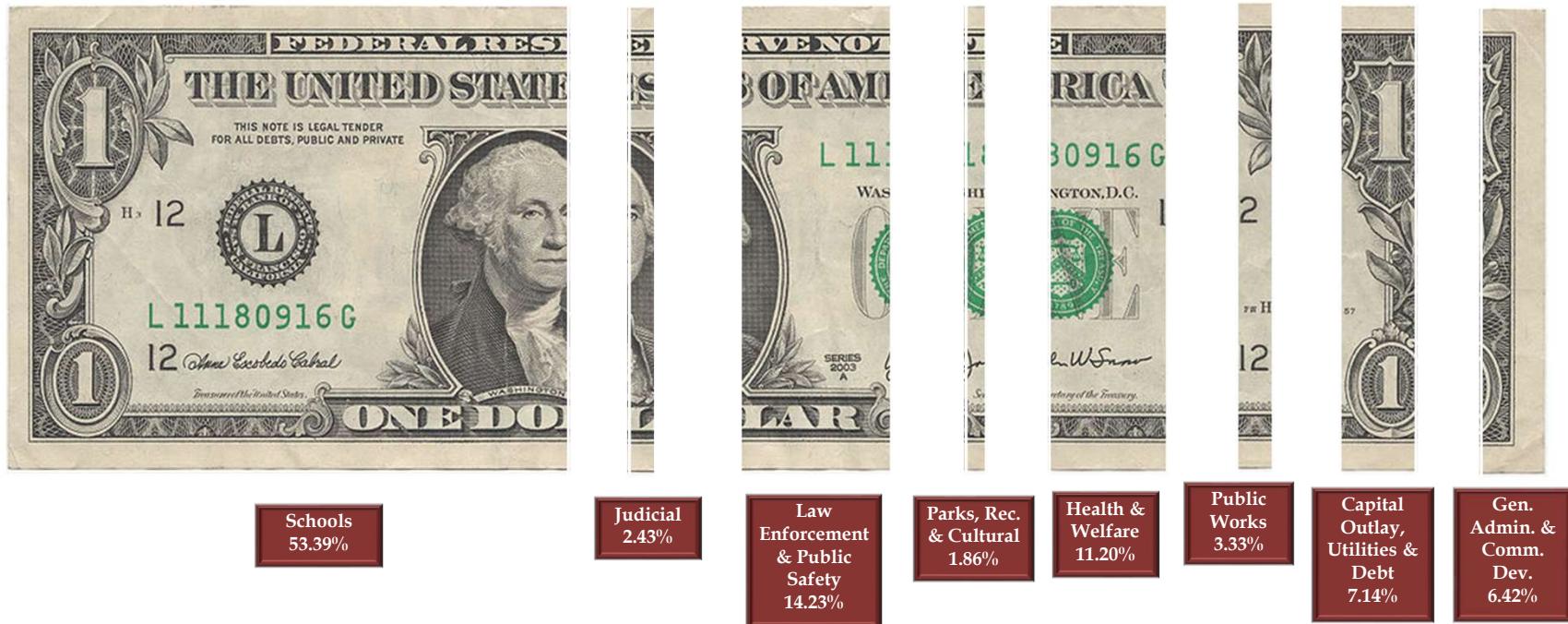
Meal Price	FY 2025 Adopted (4%)	FY 2026 Proposed (6%)	Difference
\$10	\$10.40	\$10.60	\$0.20
\$20	\$20.80	\$21.20	\$0.40
\$50	\$52	\$53	\$1.00

FY 26 Proposed Budget Summary



- Balanced Budget
- Real Estate Property Tax Rate increase from .43 to .44
- Meals Tax increase from 4% to 6%
- Other Tax Rates Remain Unchanged
- Overall Proposed FY 25 Budget is approximately \$185,193,373 (3.58 % increase)
- Structurally Measured Budget
 - Balances modest, new revenue with ongoing capital and operational expenses
 - Continues to work toward addressing recurring, capital structural imbalance
 - Plans for upcoming operational funding needs (i.e. phase in of SRO costs)
 - Maintenance of Effort Budget:
 - Funds mandated & inflationary cost increases
 - Maintains Existing County Services
 - No New FTE Positions
 - 3% COLA, Cost Share of Insurance Increase

FY 26 Proposed Expenditures



FY 26 Proposed Revenues



County Funds
47.33%



State Funds
County
11.12%



Local School
Funds
0.62%



State School
Funds
27.35%



Federal School
Funds
5.15%



Fund Balance,
Utilities,
County 8.44%

FY 26 Budget Next Steps



■ Budget Information

- County Website
- Libraries
- Administration & Finance

■ Budget Next Steps

- March 18th – Next Budget Work Session
- April 8th - Budget Public Hearings 6:00 pm (tentative)
- April 15th –Budget & Rates Adoption 6:00 pm (tentative)





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

Questions?

