



2023-2024 APPROVED BUDGET

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City Council

Robert “Bobby” Cutchins	Mayor	At Large
Mark R. Kitchen		Ward 1
Ray Smith		Ward 2
Gregory McLemore		Ward 3
Linwood W. Johnson, III		Ward 4
Wynndolyn Copeland	Vice- Mayor	Ward 5
Jessica Banks		Ward 6

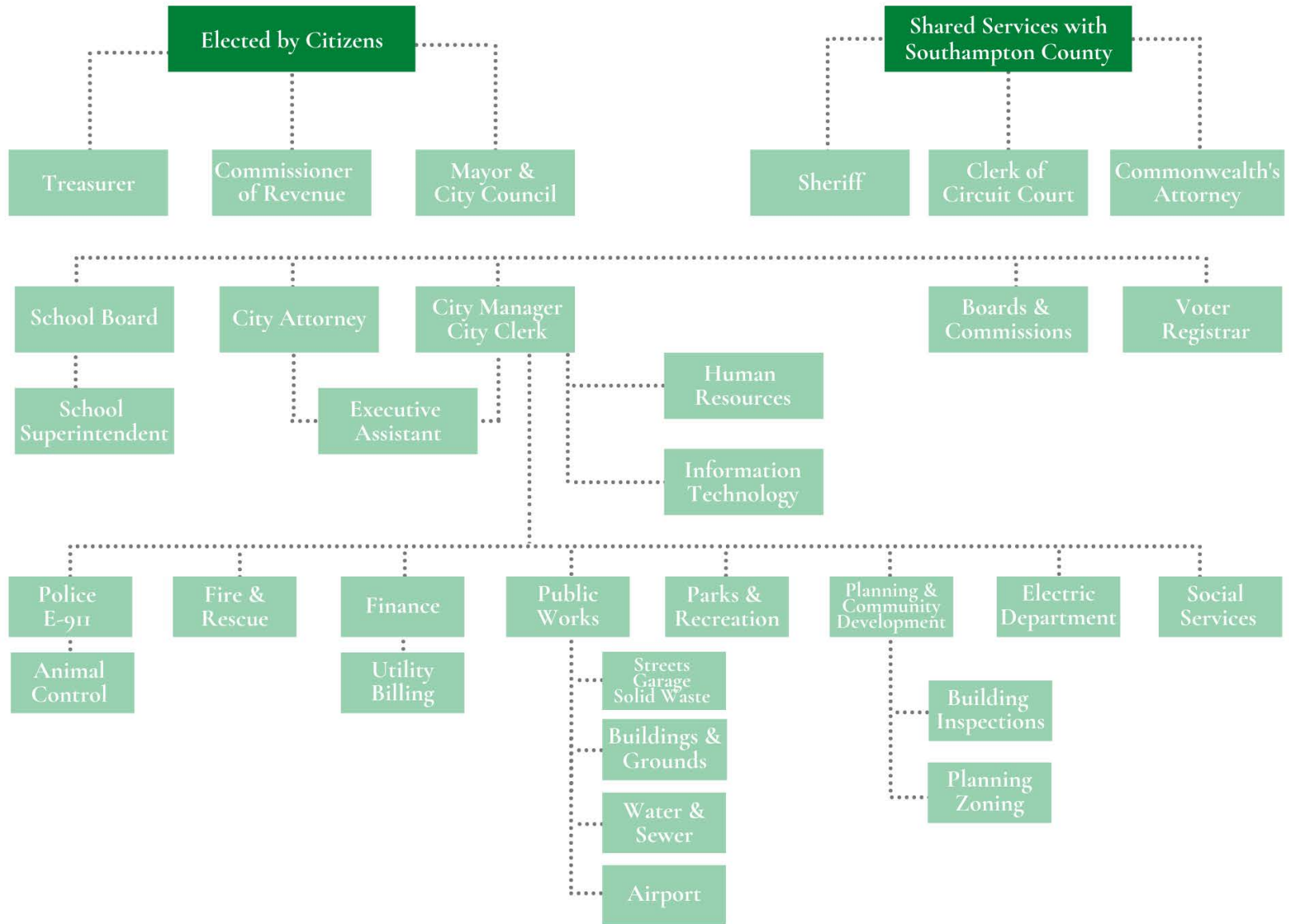
City Manager

Amanda C. Jarratt

City Departments / Agencies Executive Staff

Sands Anderson	City Attorney
Selenia Boone	Commissioner of the Revenue
Dinah M. Babb	Treasurer
Rachel Trollinger	Director of Finance
Steve Patterson	Chief of Police
Vernie Francis	Chief of Emergency Services
Carlee Gurskiy	Director of Community Development
Chad Edwards	Director of Public Works
Zach Wright	Director of Franklin Power & Light
Jennifer Maynard	Registrar
Sammara Green	Director of Parks & Recreation
Sarah Rexrode	Director of Social Services
Camara Jacobs	Human Resources Director
Carlton Carter	Interim Superintendent of Franklin City Schools

City of Franklin Organizational Chart



Community Profile

Franklin became an independent City in December 1961 after being a Town in Southampton County since 1876. The City is located in southeastern Virginia immediately adjacent to the Virginia Beach-Norfolk *Newport News Metropolitan Statistical Area (MSA)* and approximately nine miles from the North Carolina State line. It is surrounded by Southampton and Isle of Wight Counties. The community has historically been the center of trade and transportation for the surrounding countryside owing largely to its: location on the Blackwater River; service availability of the railroad; proximity to the Port of Virginia; and, access to two major U.S. highways (U.S. 58 and U.S. 460) which connect to Interstates 95 and 85 to the West. The Port of Hampton Roads is 45 miles east; Richmond, the state capitol, is 75 miles to the northwest; Washington D.C. is 195 miles north. The land area is 8.75 square miles.



<u>Population Trends (1)</u>	<u>Franklin</u>	<u>Virginia</u>
July 2021 (Estimate)	8,217	8,642,274
April 2020 (Actual)	8,180	8,631,393

<u>Income (2)</u>	<u>Franklin</u>	<u>Virginia</u>
Median Household Income (2021)	\$49,424	\$80,615
Per Capita Income (2021)	\$26,519	\$43,267
Persons In Poverty (2021)	19.8%	10.2%

<u>Age, Gender & Race (2)</u>	<u>Franklin</u>	<u>Virginia</u>
Persons Over 65 years	19.9%	16.3%
Female Persons	53.0%	50.5%
White	37.9%	68.8%
African American	53.3%	20.0%

<u>Unemployment Rate (2)</u>	<u>Franklin</u>	<u>Virginia</u>
Unemployment Rate (Jan. 31, 2023)	4.8%	3.2%
Unemployment Rate (Jan. 31, 2022)	5.6%	2.9%

<u>Education (3)</u>	
S.P. Morton Elementary School	481 students
J.P. King Middle Skill	164 students
Franklin High School	378 students
Public School Enrollment March 31st ADM	1023

<u>Education (4)</u>	
Average Expenditures Per Pupil (2020-2021) Actual	16,918

<u>Franklin Utilities (5)</u>	
Customer Accounts Serviced by Power & Light	5,553
Customer Accounts Serviced by Water & Sewer	3,721
Customer Accounts Serviced by Solid Waste	2,877

Data Sources:

- (1) U.S. Census Bureau
- (2) Bureau of Labor Statistics
- (3) Franklin City Public Schools Website
- (4) Virginia Department of Education
- (5) City Records (March 2022 Reports)

Quick Reference Guide

The following reference guide will assist the reader with answering some commonly asked questions about the City of Franklin’s Fiscal Year 2023-2024 Budget:

If the question is...	See...	Page
What major policy issues are addressed in the FY 2023-2024 Budget?	Manager’s Message	5-10
What are the real estate tax rates & fees?	Manager’s Message	5-10
What are some of the departmental highlights & accomplishments?	Highlights & Accomplishments	11-20
What are the City Council Priorities?	City Council Priorities	22-30
What agencies and organizations receive funding support from the City?	City Council Priorities	22-30
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How much is allocated in the budget for Schools?	School Fund Summary	83
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CITY MANAGER'S MESSAGE

TO: The Honorable Members of the City Council
City of Franklin, Virginia

In accordance with statutory provisions regulating local government budgetary practices in the Commonwealth of Virginia, the **adopted** operating budget for the fiscal year beginning the first day of July 2023, is hereby submitted for City Council consideration. In preparing the recommendation, management has developed a budget proposal that is balanced in terms of appropriating funds necessary to provide essential and desired service levels while minimizing the burden imposed by taxes and fees.

OVERVIEW

The world, nation, and Commonwealth continue to change at an unprecedented pace requiring the quick and nimble reaction of City staff. Staff worked together creatively and cooperatively to utilize the federal funding that was funneled into the City to have the greatest positive impact on the citizens. Several transformational and generational projects are underway or have been completed as a result of the influx of federal funds. City staff joined together to create a plan that would be as impactful as possible and be good stewards of the funds. In an effort to meet the challenges the City of Franklin is currently facing, the entire management team joined together to present a balanced budget that provides essential services to our citizens. City departments held the line in terms of requests and overall submitted flat budgets. The most valuable asset the City of Franklin has are its long-term dedicated employees that creatively do more with less each year to maintain City operations. The current budget includes frozen positions and as well as the delay of critical projects. Despite all of this, City staff has pulled together for the best interest of the citizens. I remain in awe of their commitment to presenting a realistic balanced budget that meets the needs of the City of Franklin citizens and maintains City operations. The entire management team has spent hours analyzing how expenditures can be cut and services maintained. Moving forward City Council will work to identify priorities for the City of Franklin and the services that are considered essential to work toward a sustainable balanced budget.

FY 2023-2024 ADOPTED BUDGET SUMMARY

The Adopted Fiscal Year 2023 - 2024 Financial Plan for the City of Franklin is comprised of the General Fund, Debt Service Fund, Social Services Fund, Education Funds (School Operating, Cafeteria & Textbook), Economic Development Fund, Capital Project Fund and Enterprise Funds. A summary of the Adopted Financial Plan is shown in the table that follows:

Financial Plan by Fund	FY 23 - 24' Adopted	% Chng	FY 23' Adopted	FY 22' Actual
General Government	29,482,277	5.9%	27,845,068	29,879,136
Capital Improvements (Financed Projects)	-	0.0%	-	-
Debt Service (General Govt. & School)	1,202,302	0.4%	1,196,929	3,224,234
Education				
Operations	19,031,201	-8.3%	20,744,972	18,544,928
Cafeteria	907,638	2.6%	884,898	1,170,112
Textbook	129,264	82.0%	71,007	198,785
Social Services	2,980,810	9.0%	2,734,546	2,244,489
Comprehensive Services Act	625,312	13.9%	548,875	376,213
Economic Development	183,801	-35.0%	282,713	262,060
Enterprise Services:				
Solid Waste Refuse	1,410,902	-1.9%	1,438,874	1,218,256
Water & Sewer (Operating & Capital)	3,444,922	1.7%	3,388,000	3,837,740
Electric	18,926,759	12.1%	16,879,830	16,560,208
Airport	190,719	-5.2%	201,253	494,004
Total of All Funds:	\$ 78,515,907	3.0%	\$ 76,216,965	\$ 78,010,165

GENERAL FUND

The City's General Fund has experienced significant challenges over the past several fiscal years. Due to difficult and strategic decisions by Franklin City Council in collaboration with City staff the state of the General Fund has greatly improved. The last two fiscal years yielded a significant surplus which has increased the unassigned fund balance to 36.55%. As was shared in previous budget work sessions, the 2023-2024 budget was balanced utilizing \$195,000 from the Water & Sewer Fund, \$146,657 in savings from freezing/delaying positions, \$657,429 transfer from the Unassigned Fund Balance, and an additional \$360,600 from the Electric Fund above the normal transfer for operations. In prior years, there were valiant and concerted efforts aimed at maintaining the current tax rate. It is acknowledged, however, absent strategic and incremental tax increases paired with growth of the tax base maintaining the levels of services that the citizens of Franklin are accustomed to will not be possible. The strategies utilized to balance the budget utilize non-sustainable sources of funds

Management is presenting a structurally balanced budget in the wake of fiscal challenges which are to a great extent, beyond the City's control. The balanced budget proposal was achieved without eliminating direct services to Franklin residents. Management remains optimistic about Franklin's future and knows that as a team we can move the City of Franklin forward. The sale of the remainder of Pretlow Industrial Park accompanied with the commercial growth along the Armory Drive corridor will yield positive results for the City in the current fiscal year and years to come. The positive influx from the newly built Starbucks and WAWA are already generating positive yields in the sales and meals tax categories. In addition, the City of Franklin is seeing organic growth in the real estate and personnel property categories.

The Adopted General Fund budget is \$29,482,277 is an increase of \$1,637,209, or 5.9% above the FY 2022-2023 adopted budget. During recent years, the City has evaluated programs and services and identified ways to improve efficiency without significantly reducing service levels directly impacting residents and customers.

Efficiencies have been achieved across all departments and at this point, in order to maintain essential services, an increase in the revenue stream is necessary. The increases associated with this year's budget include necessary capital projects and increased positions in the Franklin Police Department and Franklin Fire and Rescue.

RECOMMENDED TAX RATES

In consideration of the challenging days ahead associated with the increased capital demands of the City and the school system, management recommends the real property tax rate remain the same at \$1.03 per \$100.00 of real property valuation for FY 2023-2024. The City remains among the lowest City tax rates in the region as illustrated in the table that follows. A goal of City Council is certainly to minimize the tax burden. Recommending having the tax rate remain at the \$1.03 level with was a very difficult task in this challenging budget year and represents management's concerted effort to balance the budget in accordance with City Council's desire to minimize the tax burden on Franklin property owners. Management did remind City Council that there were a number of factors that contributed to it being very difficult to keep rates and fees as low as possible this year. The justification for the real property tax rate recommendation is detailed throughout the budget proposal that follows with the most significant factors being the desire of Council to no longer rely on funding from the various Enterprise Funds. A real estate tax increase will be necessary in future fiscal years. All other tax categories are recommended to remain unchanged.

RECOMMENDED FEES FOR SERVICES

In terms of service user fees, the budget maintains the current residential fee for solid waste services at \$38.00 monthly. The new SPSA use and support agreement which took effect in January 2018, resulted in reduced SPSA tipping fees. However, in order to expand the SPSA landfill to accommodate growing trash disposal, a flyover must be constructed at the Bowers which will increase the SPSA tipping fee to \$65.00 for FY 23. The increased cost will be absorbed by the Solid Waste Fund. A strategic increase in tipping fees is planned in order to fund the required flyover expenses. The Solid Waste fund balance exceeds designated policy minimums and is projected to be 62.5% in addition, due to international chaos and the disruption to the recycling market, the City of Franklin has ceased the curbside recycling program.

The adopted budget includes maintaining monthly water and sewer rates at current levels. The City's water & sewer rates have not been increased since July 1, 2016. Not surprisingly, 2022 statewide comparison data verifies that the City's water and sewer rates remain below the median for comparable utility systems in Virginia at this time. A \$195,000 transfer is recommended from the Water and Sewer fund in addition to the transfer for services to balance the General Fund budget. Management noted again to Council this is not a sustainable practice. The Water and Sewer Fund balance now exceeds policy minimum requirements and is projected to be 68.6%. A water and sewer rate study is currently being performed by Draper Aden and will be considered and reviewed by Council outside of the annual budget cycle.

With regards to the Electric Fund, despite Dominion Virginia Power's increase to wholesale electric rates it is recommended to keep rates the same. This may not be possible in future fiscal years to the overall cost and the requirement to reinvest in the infrastructure. There is a projected decrease in the fuel adjustment charge which is a direct pass through to the customer. In addition, the City of Franklin is required to pay Dominion Virginia Power a \$600,000 true up. As the collective budget proposal attests, management has made a concerted effort to minimize the impacts on utility customers that would result in increased customer

bills, but the City must ensure adequate funding is available to continue delivering these essential services. A \$360,600 transfer is recommended from the Electric Fund in addition to the transfer for services to balance the General Fund budget. Again, it was noted by management that this should be reduced in future fiscal years and is not a sustainable practice. The Electric Fund balance exceeds required policy minimum and is projected to be 31.73%.

ELECTRIC UTILITY FUND

As noted above, based upon information provided to the City by Dominion Virginia Power to date, despite an increase in wholesale power rates will remain the same. Any significant change will impact the City's rates going forward and potentially result in future adjustments to be considered by City Council. Alternatively, any Dominion change that reduces the rate would result in additional revenue that could be designated for capital needs now that reserves have continued to meet policy minimum requirements.

Currently, we project that Dominion will decrease the fuel surcharge per month on usage. It is important to remember that the City has no input on this adjustment and customers alternatively benefited from a significant reduction in the fuel surcharge in the two years prior.

It is further recommended that the City continue to evaluate and develop long range operational and management strategies for all utility fund categories that will improve efficiency and policy implementation. To avoid or minimize rate increases of all types, the City must continually scrutinize its operations and develop plans for future service provision. This process includes a comprehensive periodic study of rates and charges and peer comparison analysis.

It is financial policy to regularly evaluate the City's fee structure to determine if user fees and other charges are adequately producing desired and expected revenue generation levels to maintain service.

SCHOOL OPERATING FUND

Regarding essential City financial support for the Franklin City Public Schools, the adopted budget includes current year funding of \$4,330,237. The City Council for several years held the base funding level and only approved one-time carryover funds resulting from the School Division having unexpected funds in their budget at fiscal year-end. It is also noteworthy that Franklin City Public Schools has had several hundred thousand dollars in excess in instruction each year accompanied with declining enrollment. The most recent carryover approved by Franklin City Council was in the amount of \$321,663. The use of restricted fund balance is in accordance with the adopted policy of the City of Franklin whereby approval of carry over funds will only take place upon conclusion of and adoption of the City's audit.

Management will continue to communicate to the school system that carryover funds should be restricted and utilized only for capital items and thus avoid the use of "one-time" or non-recurring funds (carryover) for recurring operating expenditures. Given the limitations and uncertainties of future City funding described earlier, school system appropriations may likely be similarly limited to any future end-of-year carryover funds which can and will vary dramatically from year to year. As is the case for FY 2023-2024, future base operating appropriations will not be automatically increased to include this one-time carryover allocation amount, but instead, at the City Council's discretion, will be determined by the amount of carryover available, if any, at June 30, 2023 for the FY 2022-2023 budget and similarly for future years. The adopted General Fund budget

also includes a decrease in school related debt service by \$2,040,069 for FY 2023-2024. Total school funding is the equivalent of 26% of the operating budget. The City also provides in-kind support for the school division that is valued in excess of \$185,932 based upon the City's most recent cost allocation analysis.

With these qualifying comments, management believes the recommended level of school system funding illustrates the continued high priority that the City has for adequately funding the public schools as evidenced by the City's favorable ranking among all Virginia cities in terms of per capita spending on education.

It is also critical to note that Franklin City Public Schools has provided Franklin City Council with a capital improvement plan with needs totaling \$1,400,000. The City of Franklin recently borrowed \$2,000,000 and is seeking a Literary Loan to fund the roof replacement at two school facilities. The City of Franklin will be issuing debt in future fiscal years to pay for these capital needs.

CAPITAL IMPROVEMENTS PROGRAM

An additional but integral consideration for analysis concerning all categories of City services is further refinement and ongoing evaluation of the City's multi-year Capital Improvements Program (CIP) planning and funding strategies. Long-term capital needs remain on the horizon however staff successfully worked together to successfully fund necessary capital improvements.

PERSONNEL

Comments in this message thus far have not addressed City government's number one asset essential to providing quality service to citizens and customers. This reference is of course to the dedicated City employees that so skillfully serve this community throughout the year. Concerning personnel benefits, some historical review is needed on prior year actions. Included in the budget detail is additional historical salary increase information. The City of Franklin implemented a Compensation Study which increased salaries across all departments to the market wage. In addition, City Council took the proactive step to increase the insurance contributions by the City to equate to a minimum of 70% to decrease the burden on current employees as well as a tool to recruit new employees. The projected health insurance increase in FY 2023-2024 is 9.9% of which will be shared equally by the employee and the City of Franklin. The FY 2023-2024 budget includes a recommend 5% cost of living adjustment for City employees.

Personnel costs are by far the largest single expenditure category in the City's budget as it is in practically any organization or enterprise. The FY 2023-2024 budget recommended total personnel costs are \$14,041,540 which comprises 47.6% of the General Fund budget. While there are several positions frozen in the FY 2023-2024 budget in the Police Department and Public Works, positions are being added in the Franklin Police Department and within Franklin Fire and Rescue to maintain minimum staffing levels within the City of Franklin.

BALANCING THE FY 2023-2024 ADOPTED BUDGET

To balance the adopted budget for FY 2023-2024, management has adjusted departmental expenditure requests and revenue estimates by more than \$1,875,177 of the total General Fund requests. The budget message and summary that follows reference some of the various challenges faced in this budget preparation exercise and improved circumstances in this cycle for goal development and prioritization which

management is committed to ensuring in future budget years. Included in this adopted budget summary are the priorities established by Council following a strategic planning retreat and top priority goal setting work session, as well as the 2030 City Vision Statement.

SUMMATION

Included in the budget document that follows is a listing of FY 2022-2023 Highlights and Accomplishments of the various City departments which is evidence of the City's ongoing commitment to provide outstanding service to the citizens and customers of the City of Franklin while navigating complications associated with a global pandemic. Further details about the adopted budget and insights into the City of Franklin's financial outlook are addressed in the various sections of the budget that follow. Considering economic forecasting for next year, budget estimates are again being conservatively projected to improve overall financial reliability and outcomes. It deserves emphasis that the adopted spending plan and tax rates are preliminary. Following review by the City Council, the public hearing is scheduled for April 25, 2022 and further Council consideration until adopted.

I am truly humbled by the opportunity afforded me to serve the citizens and customers of this wonderful community and being entrusted with the enormous responsibility for preparation of the recommended City budget. Preparation of this budget proposal resulted from an extraordinary team effort by all City Department Heads. Despite constant and continued challenges we are all confident that the City of Franklin will come out stronger and more fiscally stable. The City has made tremendous positive progress over the last year, and it would not have been possible without the entire leadership team's commitment to the City. I would like to especially recognize and express my sincerest gratitude to both Anne Seward and Rachel Trollinger for their professionalism, skill, and dedication to this process. Due to changes in staff and the departure of Ms. Spence at the beginning of the budget process these two professionals dedicated hours of their time to ensure that the budget process remained on schedule. Their commitment to the City and swift action allowed this process to proceed seamlessly with no interruptions. The demands on her Department with her limited staff and the demands on my schedule have made this process even more stressful for her this year. This process would not have been as seamless without their assistance and commitment to the good of the City of Franklin.

Respectfully submitted this the 4th day of April, 2023.

Amanda C. Jarratt, City Manager

Highlights and Accomplishments

Although local funds for many initiatives have been limited for a number of years, progress on efforts to stabilize and then grow reserve fund levels in recent years has been accomplished while completing or commencing a number of major activities and capital projects listed as follows: {Due to space limitations, this is an abbreviated summary of major items}.

Legislative & General Government Administration

- ❖ Submitted the City's Comprehensive Annual Financial Report to the Government Finance Officers' Association and received the award for a tenth consecutive time of the Certificate of Achievement in Financial Reporting; received a clean "unqualified" opinion on the June 30, 2021 Financial Report with no General Government Fund findings reported by the auditors.
- ❖ Maintained the AA credit rating from Standard & Poor's bond rating agency received in April 2014 and reaffirmed in June 2021. The City's bond rating with Moody's rating agency was upgraded on December 14, 2017 to Aa1 and reaffirmed in June 2021.

Human Resources

- ❖ Worked with a consultant and all of the City's Department Heads to create and implement a feasible citywide compensation plan.
- ❖ Built relationships with departments on shortening lengthy hiring processes with new efforts to attract, hire, and retain skilled employees.
- ❖ Health & Wellness Program launched to create a work environment that promotes the social, emotional, and physical well-being for City employees.

Police Department

Training:

1. Continued to require online Implicit Bias training provided through the Virginia Association of Chiefs of Police for all sworn staff.
2. Continued to provide de-escalation training to all Officers.

Equipment:

1. Through budget acquisition, the department continues to look for and purchase new vehicles to include buying non-used vehicles from other City departments.
2. The department purchased outer carrier ballistic vests and ballistic helmets for all Officers.

Policy:

1. Continued to review, approve, and implement policy through Lexipol.
2. Continued to advance the accreditation process through the Virginia Law Enforcement Professional Standards Commission by reviewing and updating policies.

Community Interaction:

1. The department, with collaboration with other City departments and the community, hosted its first in person National Night Out event in August.
2. The department participated in two Drug Enforcement Administration's National Drug Take Back days.

3. The department continued to hold Coffee With a Cop Events and town hall events.
4. The department assisted with the City of Franklin's Downtown Trick or Treating event, the Christmas Parade, and the Easter Egg Hunt.
5. The department continues to hold Public Safety Kids Camp and Senior Academy.

Staffing:

1. The department continues to recruit to fill open positions through job fairs and online recruiting platforms such as Monster, Indeed, and Zip Recruiter.

Technology:

1. Continue to utilize PoliceOne electronic program to document training for staff members as well as daily training bulletins.
2. Reestablished radio communications onto the Hunterdale Water Tower and the temporary tower removed.
3. Began the process of developing a joint use radio system between the City of Franklin and Southampton County.
4. Continue to use Flock license plate readers to investigate crimes which led to the recovery of a missing child.

Fire and Emergency Medical Services

- ❖ Completed 4,916 man hours of training for career and volunteer staff on a variety of both EMS and Fire (ISO) related topics.
- ❖ Completed a VCU paramedic and Advanced-EMT program.
- ❖ Hired 1 Employee to the rank of Fire Lieutenant.
- ❖ Participated in a Mass Casualty Incident (MCI) drill with Camp Community College.
- ❖ 4 Employees have successfully completed Paramedic Certification and the Tidewater Emergency Medical Service (TEMS) sanctioning process.
- ❖ 2 Employees have successfully completed Advanced-EMT.
- ❖ A new Aerial Ladder (Tower 1) was placed in-service.
- ❖ A new Engine (Engine 2) was designed and a request for proposal was issued.
- ❖ 50 CPR certification classed for various agencies, departments, and citizens.
- ❖ Numerous CPR/AED talks throughout the community (e.g. churches, civic groups, and high school students).
- ❖ Sponsored 4 Hunter Safety Education course for the general public, 70 total of students attended.
- ❖ Sponsored 2 Boater Safety course for the general public, 17 total of students attended.
- ❖ Submitted a Hazard Mitigation Grant Program (HMGP) to FEMA for a Storm Water Management and Drainage Improvement Project 2022-2023.
- ❖ Submitted two VDEM grants Local Emergency Management Performance Grant (LEMPG) and Radiological Emergency Preparedness Program (REPP).
- ❖ Partnership with Riverside Hospital for Stroke Mortality Mitigation study.
- ❖ Participated with EDMARC for a Santa delivery for a Franklin Child.

Public Works

Garage

- ❖ In 2007, the Public Works department implemented a fleet management system to track all aspects of service and repairs to City vehicles. In 2021 - 2022, The City Garage completed the following number of services or repairs to fleet vehicles per department:
 - Airport 12
 - Community Development 8
 - Power and Light 52
 - Fire and Rescue 71
 - Garage 3
 - Police 129
 - Recreation 9
 - Refuse 78
 - Schools 163
 - Sewer 13
 - Wastewater Treatment 5
 - Social Services 10
 - Streets 123
 - Water 50

- ❖ The City Garage completed a total of 726 services or repairs in 2021-2022.

Streets Division

- ❖ The Street Division maintains roads, drainage systems, ditches, concrete appurtenances, and assists in setup for special events. They also assist the Sanitation Division during times of heavy leaves and yard debris pickup.
 - 34 repairs to drainage structures or pipes.
 - 2,800 LF of ditches graded and or vegetation cleared.
 - Cleaned numerous storm drain structures and lines.
 - 26 tons of 21A stone repairing various alleys and road shoulders.
 - 193 bags of cold mix used for pothole patching.
 - 9.0 tons of hot mix asphalt placed.
 - 2.25 cubic yards of concrete poured repairing sidewalks or curbing.
 - Moved bleachers and goal post twice a year at Armory Field.
 - Painted various curbs around the City for no parking.
 - Assisted Refuse crew on 68 different occasions.
 - Assisted Water crew on 20 different occasions.
 - Installed Christmas decorations and built the City float for the parade.
 - Replaced, cleaned, or installed 72 signs at various locations around the City.

- ❖ Other projects completed by Contractors include:
 - Installed 240 LF of CIPP for storm sewer at 1216 N. High St.
 - Installed 3,025 LF of CIPP for ARPA storm sewer, total \$249,602.
 - Milling and Paving of Bank St., Bailey Dr., areas, and various patching locations around the City.
 - Replaced pipe from road cave-in on N. High St., near Riverwood.

Right of Way Grounds Maintenance

- ❖ During the course of the year and on a weekly basis the division maintains all interchanges of Route 58, North High Street, Hunterdale Road, Fairview Drive, Pretlow Street, Pretlow Industrial Park, Clay Street, entrance at the river bridge, several lots owned by the City, pond area on Morton Street, pocket park in downtown, Delaware Road, area at Post office, lot at South and High Streets, Commerce Park Road, Bruce Street entrance, Bowers Road, Andrews Avenue, Dog pound, Crescent Drive to the school, all City buildings, both cemeteries, major right of ways and landscaping of various areas. Activities include cutting, trimming and litter control.
- ❖ They also empty all trash receptacles and dog waste containers along South Street, the downtown areas, City parks and facilities.
- ❖ Clean ditches of trash and vegetation as directed as well as all major streets.
- ❖ Assist the Sanitation Division during times of heavy leaves and yard debris pickup.

Sanitation & Refuse Collection

- ❖ Street sweeping is conducted every day unless personnel needs dictate otherwise or in the event of equipment outages.
- ❖ Trash and refuse are collected on a daily basis each week.
 - Refuse Tonnage Collected: 3,980.50 Tons
 - Yard waste Tonnage Collected: 1,149.15 Tons
- ❖ Completed 891 work orders for picking up or delivering refuse containers.

Building Maintenance

- ❖ Our Building Maintenance Technician is responsible for the repairs and maintenance of fourteen City owned or operated buildings. These buildings include Public Works / Power and Light, Police / Courts, City Hall, ESB, Airport, M.L.K. Center, Library, Social Services, Health Department, Franklin Business Center, HVFD, Armory Field House, Homestead Property and the Train Depot

Custodial Services

- ❖ Our custodians are responsible for year round building cleaning and upkeep for 11 City buildings. City Hall, Public Works/Electrical Department, King Center, Armory Field House, Health Department, Airport, Police Department/Courts Facilities, Social Services, Library, Train Depot/Visitors Center, and the Franklin Business Center Facility.
- ❖ Daily routines include cleaning of floors, bathrooms, dusting, vacuuming, and window cleaning and trash removal.
- ❖ Setup of City Council and School Board meetings are performed by our custodial staff.
- ❖ Waxing of appropriate floors is performed as needed to include preparation and buffing.
- ❖ Custodians also provide services during times of inclement weather to facilities that operate 24 hours a day.

Sewer/Water Utilities

Utility Division

❖ Water Leaks	106
❖ Meter Replacements	276
❖ Water Meters Read	42,110
❖ Utility Billing Work Orders	1,335
❖ Water and Sewer Demolition	1
❖ Water and sewer taps paid	28
❖ Sewer Pumping Station Inspections	1,740
❖ Sewer Pump Station cleaning and Grease Removal	4
❖ Miss Utility Locate Tickets	688

Water Distribution

❖ Well Inspections	735
❖ Customer Complaints	41

Water Withdrawn

❖ College Drive Well #4	25,000
❖ Hunterdale Well #5	1,075,000
❖ Pretlow Well #6	166,138,000
❖ Hunterdale Well #7	<u>135,372,000</u>
Total	302,610,000 Gallons

❖ Water Sampling	
❖ Chlorine Testing	2,555
❖ Bacteriological	120
❖ MPN	4
❖ Fluoride	2
❖ Metals	1
❖ Nitrate/Nitrite	4
❖ Performed grounds maintenance at 3 water distribution facilities and 15 sewer pumping stations and other various locations in the City.	
❖ Mailed the water quality report to customers.	
❖ Oversaw performance of the annual tank maintenance contract.	

Sewer System Rehab

- ❖ Maintained the City wide sewer system and responded to complaints.
- ❖ Rehabbed system by CIPP City Budget: 4,435 L.F. \$196,448.
- ❖ Rehabbed system by CIPP AARP Phase 1: 7,816 L.F. \$304,973.

Wastewater Treatment Plant

- ❖ Treated 425.03 million gallons.
- ❖ Oversaw contract chief operator services.

Administration

- ❖ Continued the process of updating our Geographic Information System to include water, sewer, and stormwater as incorrect or missing data was discovered.
- ❖ Provided oversight and management of the daily operations of the department.
- ❖ Managed all aspects of two City owned Cemeteries to include selling spaces, marking spaces for funerals, marking spaces for headstone placement, and meeting with families over concerns.
- ❖ Provided oversight of all American Rescue Plan Act funding and projects designated to Public Works.

Community Development

The Community Development Department underwent major changes in scope and staff during FY21. City Council made the decision to split the jurisdictional duties for Franklin and Southampton such that Franklin staff is only responsible for properties within its jurisdictional boundaries. Several staff decided to go to Southampton, leaving the department with an entirely new staff.

Currently, the department is staffed with Director, Building Official, Interim Building Official and Administrative Assistant.

The department is looking to hire a Permit Technician, Environmental Specialist, and a Building Inspector/Code Enforcement.

The following activities are a culmination of FY22 staff efforts for the City of Franklin only:

- ❖ Finished homes in Phase 1 of Riverwood Estates.
- ❖ Nearing completion of construction in Regency Estates.
- ❖ Opening of Wawa's and Starbucks.
- ❖ Began construction on Dunkin' Donuts.
- ❖ Received first Erosion and Sediment Control plan for Global Concentrate.
- ❖ Awarded Tree City for the 39th year in a row.

Tourism

- ❖ 2022 City Hosted Events:
 - We hosted the first annual Spring Fest, with over 90+ vendors and an estimated 1,500 patrons. The VMFA Mobile Art Mobile attended to provide access to fine art for the community and had over 400 visitors.
 - The annual Independence Day Celebration was a success with an estimated 1,000-1,500 patrons. We hosted "The Embers" at Barrett's Landing, Cruise In, and Market on Main during the event, which concluded with 10-minute fireworks show.
 - Boo Bash (Downtown Trick or Treat) brought hundreds of families to the streets of downtown to mingle with business owners, dine in the restaurants, and concluded the night with a Halloween themed movie in the park at Barrett's Landing.
 - During the annual Holiday Open House, we added an additional vendor portion that was held at the Two Sisters event venue. We sold out of vendors' spaces and welcomed hundreds of patrons to Franklin to begin their holiday shopping locally.
 - The annual Franklin Christmas Parade was a huge success with 90 groups/organizations participating. The theme this year was Gingerbread Land and hundreds of visitors lined Main Street and 4th Avenue to kick-off the holiday season.

- ❖ The City of Franklin was awarded \$30,000 in ARPA Tourism funding, which will be used to fund eight different projects in 2023.
- ❖ The City of Franklin became a municipal representative on the Sail 250 Executive Council. Sail 250 is an official multi-state, high-profile international tall ship, and military project formed to celebrate the 250th birthday of the United States. The event will take place in 2026 and will bring enormous economic impact to the entire Hampton Roads area.
- ❖ Franklin/Southampton continues to be a member of the following regional and state organizations:
 - Coastal Virginia Tourism Alliance (CVTA)
 - Virginia Restaurant, Lodging, Travel Association (VRLTA)
 - Salty Southern Route (SSR)

Parks & Recreation

Building Upgrades:

- ❖ Armory Park Office received new HVAC system.
- ❖ Armory Pool renovations and new pool furniture.

Programs- Adults:

- ❖ Implemented Bid Whiz Club.
- ❖ Implemented Dominoes game.
- ❖ Implemented weekly adult Karate classes.

Programs- Youth:

- ❖ Implemented Friday Kids Club for FCPS students.
- ❖ Successful Summer Jam Program- 60 kids.
- ❖ Implemented weekly Karate classes.
- ❖ Increased participation in community center- 30 kids per day.
- ❖ Basketball and Cheer program increased to 188 kids.
- ❖ Implemented Teen Advisory Committee with Juvenile Detention (Franklin).

Parks:

- ❖ Open Blackwater Park.
- ❖ Started Plans for River Walk Park.
- ❖ Added a playground at Bruce Street Park.
- ❖ Renovations and additions to College Drive Park Playground.

Special Events:

- ❖ Christmas Parade reached 90 participants this year.
- ❖ Pumpkin Painting at Farmers Market reached 100 participants.

CIP:

- ❖ Purchased a new F-150 pickup truck.
- ❖ Purchased a new Golf Cart.

Electric Fund

Line Department:

- ❖ Responded to 22 Trouble Calls during regular business hours and 47 calls after hours. These ranged from no power to no trouble on the City side of meter. These included broken poles, lines torn

down by trees, bad secondary connectors, and bad underground cables, blown fuses due to contact by squirrels and lightning.

- ❖ Responded to 170 calls for malfunctioning street and yard lights.
- ❖ Responded to 7 traffic signal malfunctions
- ❖ Responded to 31 other miscellaneous calls for tree trimming, voltage problems, etc.
- ❖ Assisted Public Works with lighting replacements at municipal buildings, tree removal at various locations

Engineering and Services Department:

- ❖ Responded to 3522 work orders including 415 Turn Off, 553 Turn On, 629 Transfer Reading, 364 requests to re-read meter (all readings were correct), 860 Cut Offs, 701 Reconnects as well as many miscellaneous requests.
- ❖ Responded to 8 requests for energy audits.
- ❖ Conducted 1,115 Miss Utility underground locates of FP&L underground facilities.

Goals:

- ❖ Continue to determine ways to reduce wholesale power costs that will in turn keep retail rates from increasing.
- ❖ Continue with our new AMI System installation (automated metering infrastructure) which is now 98% complete and upon completion, this will continue to help reduce power cost. This system includes all new electric meters, it allows further reduction to our power costs by allowing instantaneous monitoring of the entire electric system and transformer loading and provide ability to monitor water heater load control switches to be sure they are in service as well as automatically report outages and meter tampering. This system will also reduce manpower costs for disconnects/reconnects and transfer readings which can be done remotely. The customer would also be able to monitor the exact time of their power usage online should we chose to set up that system.
- ❖ Continue with the street lighting LED replacement project with a goal of full deployment by end of 2030. This project will help to reduce power purchase requirements for street and yard lights and reduce annual maintenance costs.
- ❖ A new substation is in the early building stages and once installed this would relief the need for delivery 1 that is past it prim by many years. Thus, also reducing the load on delivery 2 allowing for more load on that station. The new substation will be necessary to feed the new juice plant and help the overall system reliability to our customers having multiple ways to serve them.

Information Technology

- ❖ Updated and refreshed Cybersecurity training for all City of Franklin employees.
- ❖ Completed installation of physical access control at the Franklin Business Center.
- ❖ Negotiated contract for upgrades to telephone systems for the City of Franklin.

Commissioner of the Revenue

- ❖ The Commissioner's Office received Office Accreditation for the fourth year through the Commissioners of the Revenue Association.
- ❖ 210 Business License Audits Completed
 - Total Refunds \$5,900.84
 - Total Revenue \$57,298.61

Treasurer's Office

- ❖ Treasurer's Office maintained a 99.8 collection rate for Real Estate and a 96.8 collection rate for Personal property.
- ❖ Treasurer's Office received Office Accreditation for the 10th year in a row through the Treasurer's Association of Virginia. This is the highest award an office can receive through the Association.
- ❖ Treasurer implemented Positive Pay-Payee through bank services. This gives City funds an extra protection against the possibility of Fraud.
- ❖ Treasurer, Dinah M. Babb, became the 81th President of the Treasurer's Association of Virginia from June 2022 through June 2023.
- ❖ Deputy Treasurer, Edward A. Martin became a Master Governmental Deputy Treasurer through University of Virginia's Weldon Cooper Center for Public Service.

Social Services

- ❖ \$54,323,423 total amount spent on Social Services in the locality
- ❖ \$557,469 contributed by the locality on Social Services
- ❖ 1,692 households received SNAP benefits, 3,233 citizens received SNAP benefits
- ❖ 2,755 households received Medical Assistance benefits, 4,557 citizens received Medical Assistance benefits
- ❖ 92 households received TANF benefits, 245 citizens served through the TANF program

- ❖ 95 total of Long-Term Services and Support Screenings.
- ❖ 42 total Adult Protective Services Cases.
- ❖ 189 total of Children in Protective Services referrals received.
- ❖ Households receiving Energy Assistance:
 - Fuel – 476
 - Cooling – 462
 - Crisis - 93

Franklin Regional Airport

- ❖ We remained at a 100% occupancy of all rentable hangers.
- ❖ Oversaw the completion of the pavement rehabilitation project.
- ❖ Oversaw the completion of the failed drainpipe replacement (sinkhole).
- ❖ Maintained Airport grounds to FAA and DOAV standards.

Economic Development Fund

- ❖ In November of 2021 STARTUP Funds in the amount of \$20,000 were awarded to Simply Prepared that is opening a location in the City of Franklin.
- ❖ In September of 2021 the City of Franklin announced the sale of 150 acres in Pretlow Industrial Park to Global Concentrate. They will be investing \$154M and creating 50 new jobs.
- ❖ The Franklin Business Center reached 100% occupancy in December of 2021 and is currently at 90% occupancy.
- ❖ FSEDI continued their partnership with the Hampton Roads Small Business Development Center and many local businesses met with Jim Carroll throughout the year.

What was provided above is a summary of the major accomplishments by each of the City Departments. As evidenced, the City continued its history of (1) seeking grant funds for public safety and community

improvements, (2) utilizing resources to provide quality governmental services to Franklin Citizens, (3) expanding technology to improve operational efficiencies and control costs, (4) promoting safety and wellness throughout all City departments, (5) improving activities and programs to enhance overall quality of life.

Updated: April 2023

City Council



Robert "Bobby" Cutchins, Mayor (At Large)



Wynndolyn Copeland, Vice-Mayor, Ward 5



Ray Smith, Ward 2



Greg McLemore, Ward 3



Linwood W. Johnson, Ward 4



Jessica G. Banks, Ward 6

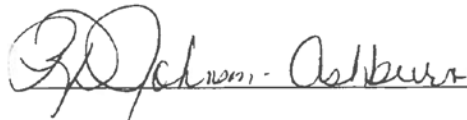


Mark R. Kitchen, Ward 1

Vision Statement

By the year 2030, the City of Franklin, Virginia will maintain our small city identity, heritage, and beauty while being a regional hub for economic opportunities, top-class education, a job-ready workforce, and balanced housing options.

Adopted by Franklin City Council this 8th day of June, 2015



Mayor

Eight Year Goals and Objectives January 2015

During a retreat in January of 2015, Council Members were asked to identify Priorities that would be most critical to achieving the Vision and Target Areas over the next four years. Council used a process of discussion and consensus to arrive at the priorities. Staff was charged with the responsibility to develop a Strategic Plan to address the priorities including timetable and responsibility and regularly update Council on progress. Priorities have been number consecutively for reference only and do not indicate priority order.

Economic Development

- 1 Develop a plan with the Downtown Franklin Association (DFA) to aggressively market Franklin's Downtown
 - Examine/pursue strategies that will enable us to become more marketable
 - Use best management practices in assisting businesses that may locate here
 - Consider work session with DFA after Council develops its priorities; have a unified strategy and work together with DFA on relevant priorities

- 2 Develop a strategy for making Franklin a retail center for northeast North Carolina and western Tidewater Virginia
 - Consider new types of businesses as target businesses
 - Confer/have dialogue with FSEDI on how to market the area as a regional economic center and to address obstacles for new retail
 - Solidify our shared service agreements and expand those (will need to collaborate with a broader set of localities)

- 3 Prepare the Route 58 corridor including enhancements and industrial site readiness
 - Consider and adopt Comprehensive Plan recommendations to enhance the corridor
 - Continue to find funding strategies for deficiencies identified by FSEDI to ensure site readiness at Pretlow Industrial Park
 - Consider and adopt zoning ordinance changes and additional utility extensions and road extensions as required

- 4 Work with Southampton Memorial Hospital to improve the quality of health care and to make Franklin a specialty health care option for the region

- 5 Develop a brand that epitomizes what Franklin has to offer and conduct a targeted marketing effort that will attract people to our city

Education

- 6 Develop a strategy to improve communication and rapport with the School Board and school officials to achieve greater agreement and trust regarding 1.) desired results (i.e. academic performance) and 2.) Accountability for results and funding
 - Consider a joint retreat to initiate this priority
 - Ongoing strategies to maintain a positive working relationship

 - 7 Develop and implement a plan to work with public school leaders on a strategic plan for top class public education (i.e. vision, facilities, programs, alternative education, how we enhance the value for education within the community, parental involvement)

 - 8 Develop and implement a well-structured strategy with the public schools and PDCCC for achieving a trained workforce for our community
 - Implement a strategy to develop a common workforce development vision
 - Clarify our needs
 - Meet with the School Superintendent and President of PDCCC to learn their vision/plans for workforce development in order to find common themes and plans
 - Develop a curriculum for career/technical dual enrollment at FHS and PDCCC
 - Improve coordination of all resources
-

Housing

- 9 Implement the rental inspection program (to include all components)
 - Housing stock assessment
 - Funding strategies
 - Ordinance revision
 - Adopt and implement regulatory tools

 - 10 Develop a balanced housing plan and strategy that matches needs and demands
 - Define “balanced” and issues to be explored prior to planning
 - Investigate alternatives for millennial housing
 - Encourage more one- and two-bedroom apartments
 - Modify zoning to enable mixed uses (i.e. residential with commercial, upper floor housing)
 - Maintain preservation of historic areas
 - Consider redevelopment needs and potential throughout Franklin
 - Support the Housing Authority’s efforts to continue moving forward with “In, Up, and Out” to promote self-sufficiency and home ownership
-

Regionalism and Partnerships

-
- 12 Develop a relationship with Isle of Wight to work on joint projects
- Consider an incentive package to present to Isle of Wight to assist in filling the Airway Shopping Center
-
- 13 Conduct research on already identified areas in which the City collaborates with Southampton County in order to expand opportunities
-
- 14 Identify regional opportunities in the Hampton Roads area of which the City may not be currently taking advantage and explore new partnerships
- Pursue stronger efforts to acquire foundation funding on a regional basis
-
- 15 Lead and develop a regional transportation planning strategy for the Route 58 Corridor to enhance economic development and improve linkages to the Hampton Roads area
-
- 16 Continue to pursue regional long-range plans for solid waste management
-
- 17 Pursue stronger initiatives in the medical services area to promote them on a regional basis (i.e. hospital, health department, health care services)
-

Citywide Infrastructure

-
- 18 Develop and commit to a water and wastewater long range utility plan
- Improve water quality and availability
 - Enhance program to address aging water and wastewater systems
-
- 19 Continue City beautification initiatives
- Clean up South Street Corridor and beautify it
-
- 20 Continue updating of public buildings, including schools
-
- 21 Update our IT capabilities and maintain state of the art media (i.e. PEG, website, telephones)
-

Public Services

-
- 22 Determine need, feasibility, and alternatives for a grant writer and pursue this strategy (consider whether to serve Franklin City only or to have a regional focus)

 - 23 Implement training to enhance customer service and diversity awareness for all City personnel

 - 24 Develop and implement a strategy to have appropriate staffing and succession for key positions

 - 25 Develop and implement a manpower plan for public safety (i.e. preparedness, training, diverse work force reflective of the community, response)

 - 26 Update our personnel policies

 - 27 Update the plan for emergency management response (i.e. to include preparedness for disasters, public health concerns, and haz-mat situations)

 - 28 Update the City's transportation project priorities list, including those that have regional significance

 - 29 Consider new options to enhance public transportation (i.e. Uber, LIFT, I-Ride)

OVERVIEW

As directed by Council, City Management with input from staff “will continue to develop a strategic work plan to address Council’s priorities to include a timetable and responsibility and provide for Council’s endorsement.” Attached are administrative planning principles aimed at complimenting and supporting the Council’s approved Vision and Priorities. These administrative support comments are grouped by service area or related departmental activities. To assist in developing these administrative planning principles, management solicited input from each City department. The list is not intended to be all inclusive. Rather, it is a summation of specific areas of responsibility for which City resources should be prioritized and focused on achieving the Council established priorities while meeting all administrative responsibilities for governmental operations. Next steps for administrative staff will be further refinement of the draft plan then development of an administrative responsibility assignment plan and refined timetable for action as applicable.

- ❖ Communicate and interact with citizens and customers utilizing available technology and other more traditional cost-effective means focused on being as citizen, customer, and business friendly as possible – continue efforts to evaluate and improve information technology capabilities and resources to further City interests in all service areas.
- ❖ As a governmental entity, implement legally compliant policies that ensure fairness in the treatment of citizens and customers in as professional and business-like an environment as is practical; update and maintain legally compliant personnel policies that ensure fairness in the treatment of City employees while adequately protecting the City’s fiduciary responsibilities and interests.
- ❖ Evaluate municipal operations with a balanced approach aimed at providing as high a quality of designated services as possible while minimizing the costs necessary to provide priority services – pursue initiatives to illicit and promote volunteerism as a citizen engagement and cost reduction technique.
- ❖ When evaluating and developing service priorities, apply as a “litmus test” the impact and potential to preserve or improve on all aspects of the community’s quality-of-life.
- ❖ Maintain a financial management system with established Council benchmarks and performance standards which ensure the long-term financial well-being of the City and its essential funding obligations.
- ❖ Promote intergovernmental and interagency cooperation with neighboring counties and through regional partnerships – pursue cost-effective “win-win” opportunities to promote optimum service levels at minimal cost.
- ❖ Support Community Organizations that promote the City through their sponsorship of major public events which showcase the community and provide services that enhance the general quality-of-life of residents and visitors or otherwise accomplish a City goal.
- ❖ Maintain a qualified and capable municipal work force focused on the efficient delivery of services – promote a safe working environment where the well-being of employees is valued – implement a locally competitive compensation package that attracts and retains employees dedicated to public service.

- ❖ Implement proposed Comprehensive Plan particularly components on regional collaboration within designated revenue sharing zones outside the City in cooperation with neighboring counties.
- ❖ Enhance economic development efforts and community readiness to promote private investment and job creation (e.g. regulatory streamlining, utility infrastructure readiness, educational achievement, and other key competitiveness criteria).
- ❖ Broaden economic development focus to ensure inclusion of not only diversified industrial development, but also commercial business recruitment and retention efforts as a regional center; governmental & service industry investment; health care industry expansion interests; tourism opportunities; and, cultural/heritage possibilities.
- ❖ Streamline services of the City-County Consolidated Community Development Planning & Inspections departments to meet needs as cost efficiently as possible while maintaining quality customer service and regulatory compliance at all levels; plan and consider implementation of rental housing inspection program efforts as directed by Council.
- ❖ Develop and maintain a comprehensive Capital Improvements Program (CIP) to meet and finance capital outlay needs of the City in all service responsibility areas for at least five years into the future.
- ❖ Provide as well-trained and professional a police agency as possible that is adequately equipped and staffed to reasonably ensure the delivery of high quality and reliable community policing services to meet the City's public health, welfare and safety responsibilities and needs as determined by the City Council
- ❖ Provide as well-trained and professional a Fire & Emergency Medical Services (EMS) response agency as possible that is adequately equipped and staffed to reasonably ensure the delivery of high quality and reliable emergency services to meet the City and service response area's public health, welfare and safety responsibilities and needs as determined by the City Council-position resources strategically to optimize emergency response times
- ❖ Ensure the safety of citizens and public safety providers by maintaining an efficient and reliable emergency communications system
- ❖ Protect citizens and property through development and maintenance of a well-organized Emergency Operations Plan (EOP) outlining resources, procedures, mutual aid arrangements and designating responsibilities for emergency preparedness and response
- ❖ Provide a safe, reliable, cost-effective and efficient electric utility power supply system to ensure the provision of essential regulatory compliant electric service to all customers served within and outside the City limits – evaluate the long-term value of the system and its service obligations including an independent evaluation of equipment and technology to ensure accuracy in utility usage and customer billing components.
- ❖ Provide a cost-effective and efficient public water supply system to ensure the provision of essential, safe, reliable and regulatory compliant potable water for customer consumption and to meet fire protection and economic development needs – assess capabilities, feasibility and needs for regional

water supply approaches as outlined in recently renewed State Groundwater Withdrawal permit to ensure a long term adequate water supply.

- ❖ Provide an efficient and reliable public wastewater collection and treatment system to ensure the public health and safety while protecting environmental quality of the receiving stream through regulatory compliance efforts – assess long term alternatives for meeting wastewater needs including regional treatment options in cooperation with County partners.
- ❖ Provide for and regulate the efficient and cost-effective collection and disposal of solid waste within the City in an effort to protect the public health and welfare – manage the volume of waste disposal to minimize the flow of waste to the landfill including promotion of recycling and reuse opportunities – emphasizing the benefits and opportunities of continued regional collaboration for solid waste disposal options – study privatization alternatives for solid waste collection services.
- ❖ Develop and manage a safe and efficient multi-modal system of highways, streets and associated appurtenances for vehicles, non-motorized transportation alternatives and pedestrians.
- ❖ Implement and maintain a safe and reliable stormwater utility management system for collecting stormwater runoff to protect public health, welfare, and safety.
- ❖ Pursue federal/state assistance to study (i.e., required cost-benefit analysis criteria evaluation) viable alternatives which might mitigate impacts of flooding and related natural disasters on public and private property or otherwise pose a threat to citizens – pursue as a priority efforts to improve City flood insurance ratings to lower flood insurance premiums.
- ❖ Evaluate prioritize and provide for comprehensive parks, recreational and leisure opportunities in terms of facilities and programs for all segments of the population; adequately maintain facilities to ensure safe and reliable continuation of leisure services to citizens and visitors.
- ❖ Provide safe and FAA regulatory compliant municipal airport facilities and services to customers utilizing the service – update the City’s Master Plan for Airport facilities.
- ❖ Maintain a system of public infrastructure and buildings, as well as, a fleet of vehicles and equipment to facilitate the safety of employees and others and the provision of services to citizens in as cost-efficient a manner as possible – manage resources by promoting and pursuing energy efficiency opportunities in the provision of City services when determined to be cost- effective alternatives.
- ❖ Provide support for City Constitutional Officers (i.e. Commissioner of Revenue, Treasurer) and Election Registrar responsibilities and functions to meet City obligations and the needs of the citizenry.
- ❖ Cooperatively provide for shared Constitutional Office Support functions with Southampton County including: Judicial System, Sheriff, Commonwealth’s Attorney, and Clerk of the Court to meet the City’s obligations and the needs of the citizens – cooperate with Southampton County to provide adequate and safe court facilities.
- ❖ Provide City funding, as determined by the City Council, to satisfy local responsibilities to provide the City share of essential School System funding to meet operating and capital needs – assist the

Council in efforts to identify and appoint School Board members committed to high caliber student achievement and educational system accountability.

- ❖ Provide sufficient resources, as determined by the Council, to satisfy local responsibilities for the City's share of Department of Social Services funding to meet operating and capital requirements and community assistance needs while optimizing the leverage of federal and state resources for the benefit of citizen beneficiaries.
- ❖ Provide the City share of funding, as determined by the Council and contractual obligations, for other important services and agencies including: Blackwater Regional Library, Western Tidewater Regional Jail, CSA, Senior Services, Boys & Girls Club, Smart Beginnings, Paul D. Camp Community College, Franklin- Southampton Economic Development, Inc., Hampton Roads Planning District Commission, Western Tidewater Community Services Board, etc. Excluding obligations for juvenile and adult detention care, the City contributes nearly \$900,000 annually to community agencies and organizations.

October, 2015
(Updated April 2022)

EDUCATION FUND

Expenditure Adjustments

Detail		
Page #	Budget Item	Amount
Total Expenditure Adjustments		\$ -

Revenue Adjustments

Detail		
Page #	Budget Item	Amount
Total Recommended Revenue Increases		\$ -

City Manager Recommended Budget	
Net Revenue & Expenditure Adjustments	
Revised General Fund Budget	\$ -

SECTION ONE

INFORMATION ON ALL BUDGETED FUNDS

1. Description of Budgeted Funds
2. Fund Structure
3. Summary of Budgeted Funds
4. Adopted Budget by Fund (Prior Year Comparison)
5. Total Budgeted Funds Graph

This section includes a brief description of each fund and explains its purpose. Following the schedule is a summary of the budgeted funds including revenues and expenditures for each Fund.

Description of Budgeted Funds

The descriptions below explain the purpose of each of the funds listed in the “Summary of Budgeted Funds” pages.

GOVERNMENTAL-TYPE FUNDS

The City’s adopted budget contains appropriations for four major and three non-major governmental fund types. The General Fund, Debt Service Fund, School Fund, and Social Services Fund are considered the major governmental funds. Non-major funds presented in the budget are the Economic Development Fund, the Children Services Act Fund, and the Capital Improvement Fund.

- ❖ **General Fund** - The General Fund accounts for all revenues and expenditures that are not required to be accounted for in a special purpose fund. The sources of revenue for the General Fund are taxes and fees generated at the local level, such as real estate, personal property, utility taxes, fiduciary taxes, permits, charges for services, etc. The General Fund finances most of the regular day-to-day operations of the City. The following descriptions refer to the individual General appropriations and transfers to other funds within the City.
- ❖ **Debt Service Fund** is a fund that accounts for the accumulation of resources for and the payment of general long-term debt principal and interest of the City. Primary resources of the Debt Service fund are derived from transfers from the General Fund and the proceeds from refinancing of existing bonds. The City maintains a separate debt service fund inclusive of principal and interest payments for School related projects. General and school debt is considered tax supported.
- ❖ **Social Services Fund** (Virginia Public Assistance (VPA)) accounts for revenues and expenditures related to services provided by the Department of Social Services. Most revenues are derived from the Commonwealth of Virginia and the federal government. A State required local contribution is provided by the City for administration of certain services.

COMPONENT UNIT FUND

- ❖ **Education** – The City’s School Fund is reported in financial statements as a discretely presented component unit. The City’s total budget includes the funds of the Franklin City Public Schools. The primary sources of revenues, exclusive of the transfer from the City’s General Fund, are basic school aid, sales tax revenue, grants, and federal revenues that fund certain programs. The **School Operating Fund** is the General Fund of the School Board. It includes the City’s local appropriation to the schools referred to as an annual base appropriation. Additional appropriations, in the form of prior year carryover as identified in audited financial statements, are funded at City Council’s discretion. The Cafeteria Fund of the Schools supports the school breakfast and lunch program. It is a self-funded operation supported through cafeteria sales and federal and state reimbursements.

NON-MAJOR FUNDS

- ❖ **Economic Development Fund** was created in 2004 to support activities of the Franklin Business Incubator.

- ❖ **Children Services Act Fund (CSA)** was established in response to legislation enacted in 1993 that establishes a single state pool of funds to purchase services for at-risk youth and their families. The City pays a required local match rate on all eligible expenditures.
- ❖ **Capital Project Fund** accounts for financial resources to be used for the acquisition or major construction and/or maintenance of capital assets such as building renovations and improvements, major equipment, technology improvements, etc. In order for expenditures to be eligible for inclusion in the capital budget, they must cost over \$20,000 and have a life expectancy of five or more years. Projects funded in the current budget year are included in the general operating budget, “the capital improvement budget,” as capital outlay.

BUSINESS TYPE ACTIVITIES FUNDS

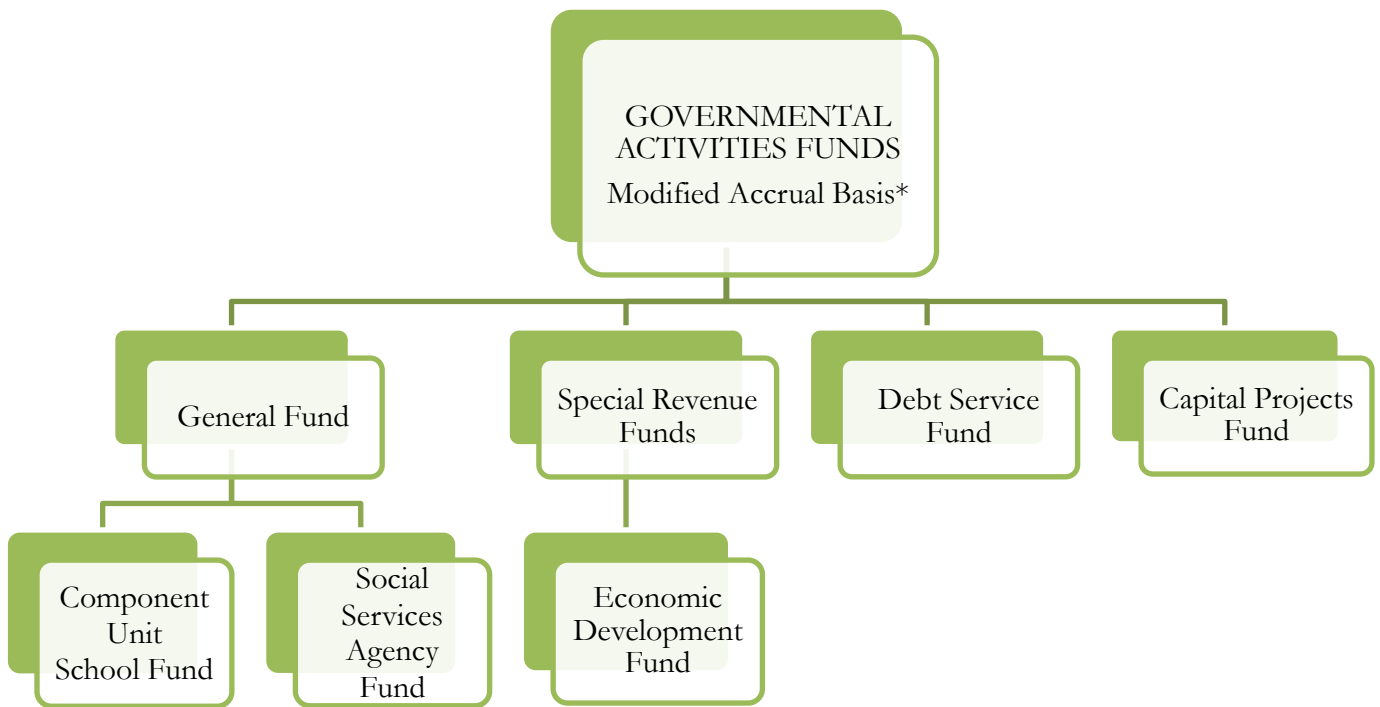
The departments within these Funds are accounted for on a similar basis as a private business in which operating expenses are completely or partially covered from income collected from user fees charged to the general public. The City maintains a Proprietary Fund type known as the Enterprise Funds which are as follows: Solid Waste, Water & Sewer, Electric, and Airport. They are presented under the Enterprise Fund section of this document.

Solid Waste Fund, created in 2013, is an enterprise fund which pays for such services as refuse collection, disposal, and recycling. Revenue for this fund is derived from predominantly residential customers and a limited number of commercial customer user fees.

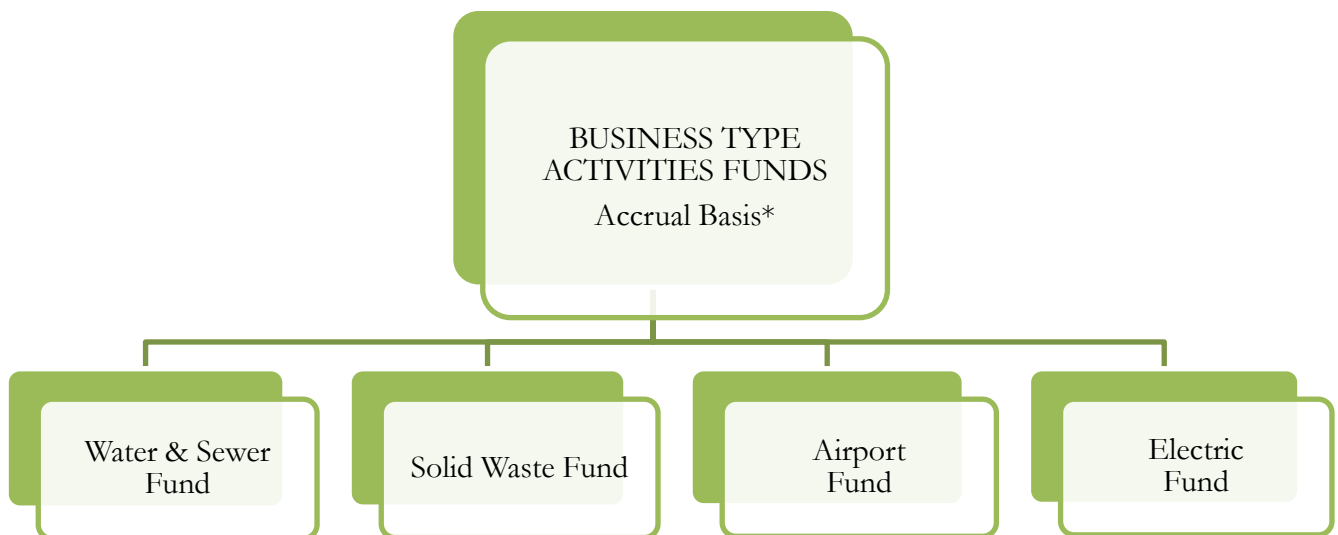
Water & Sewer Fund is an enterprise fund where revenues derived from user fees and connection fees are earmarked for water and sewer improvements and management of the City’s wastewater treatment facilities.

Electric Fund - Franklin Municipal Power and Light is the electricity provider in the City of Franklin and parts of the City of Suffolk, Southampton, and Isle of Wight Counties. Established in 1892, Franklin Municipal Power and Light provides reliable and efficient energy and energy-related services for Franklin and the surrounding service area with funding entirely from user fees.

Airport Fund – The Franklin Municipal Airport is a vital component of economic development in the City. The Fund receives revenue from tie down fees, sale of gasoline and jet fuel and support from General Fund revenues.



***Modified Accrual Basis:** the method under which revenues and other financial resource increments are recognized when they become both “measurable” and “available to finance expenditures in the current period.” “Available” means collectable in the current period or soon enough thereafter to be used to pay the liabilities of the current period.



***Accrual Basis:** indicates revenues are recorded when they are earned (whether or not cash is received at the time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at the time or not).

SUMMARY OF ALL BUDGETED FUNDS

REVENUE	23-24' Adopted	EXPENDITURES	23-24' Adopted
General Government:		General Government:	
General Property Tax	9,036,936	Legislative	317,627
Other Local Taxes	7,211,534	General Government	3,176,728
Permits, Fees, Licenses, Etc.	88,030	Judicial	1,584,616
Fines and Forfeitures	40,250	Public Safety	11,412,272
Use of Money and Property	165,446	Public Works	3,873,111
Charges for Services	1,823,091	Health & Welfare	906,509
Miscellaneous	1,191,571	Recreation & Culture	855,844
Recovered Costs	2,616,645	Community Development	223,998
Shared Expenses (State Offices)	206,704	Non-Departmental	600,000
Non-Categorical Aid - State	1,462,947	Transfers To:	
Categorical Aid:		Social Services	640,674
State	2,893,167	Comprehensive Services Act	244,792
Federal	204,408	School Operating (Local Support)	4,330,237
Transfers from:		School Debt (Local Support)	414,133
Electric Fund	1,799,993	Airport	63,919
Water & Sewer Fund	195,000	Economic Development	49,648
Debt Service Fund		General Govt. Debt	788,169
Unassigned Fund Balance	546,555		
Total General Fund: \$ 29,482,277		Total General Fund: \$ 29,482,277	
School Operating:		School Operating:	
Federal	3,901,611	Instruction	13,480,669
State	11,629,031	Administration, Health & Attendance	2,100,523
Local Support Transfer	4,330,237	Pupil Transportation	450,296
Other	207,224	Operations & Maintenance	1,987,743
		Technology	1,011,970
		Contingency Reserve	-
		Cafeteria	907,638
		Textbooks	129,264
Total School Funds: \$ 20,068,103		Total School Funds: \$ 20,068,103	
Social Services:		Social Services:	
Federal	1,446,555	Administrative	1,981,428
State	893,581	Social Programs	999,382
Local Support Transfer	640,674		
Total Social Services Fund: \$ 2,980,810		Total Social Services Fund: \$ 2,980,810	
Comprehensive Services Act:		Comprehensive Services Act:	
State	380,520	Mandated Services to Minors	604,000
Local Support Transfer	244,792	Administrative Expense	21,312
Total Comprehensive Services Act Fund: \$ 625,312		Total Comprehensive Services Act Fund: \$ 625,312	
Debt Service - General Govt. & Schools:		Debt Service - General Govt. & Schools:	
Transfers from:		General Government	788,169
General Fund to Fund 401	788,169	Schools	414,133
General Fund to Fund 402	414,133		
Total Debt Service Fund: \$ 1,202,302		Total Debt Service Fund: \$ 1,202,302	

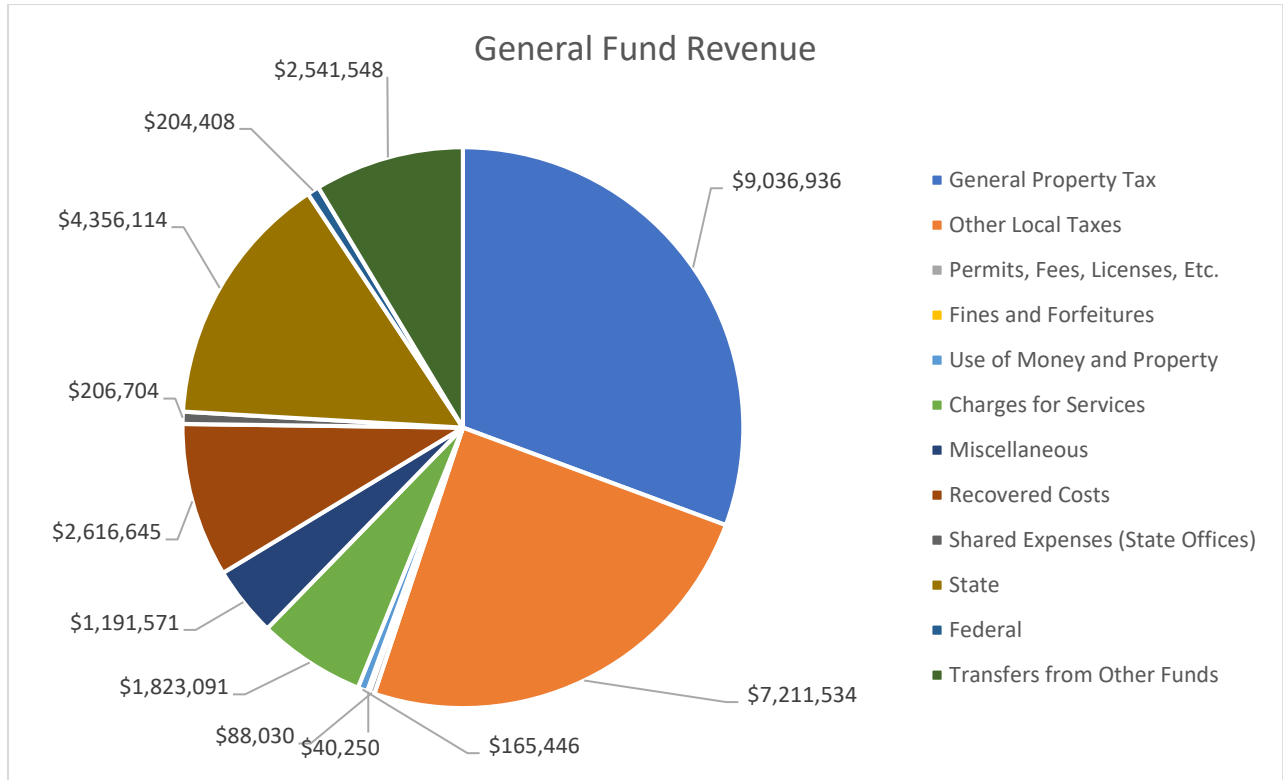
SUMMARY OF ALL BUDGETED FUNDS

REVENUE	23-24' Adopted	EXPENDITURES	23-24' Adopted
Water & Sewer:		Water & Sewer:	
Sale of Water	1,250,000	Water	1,020,730
Sewer Service Fees	1,800,000	Sewer	504,505
Miscellaneous	145,000	Wastewater Treatment	965,622
Draw from Unrestricted Net Position	249,922	Debt Service	339,963
		Transfers to:	
		Capital Outlay	214,200
		General Fund - Admin Service & PILOT	399,902
		General Fund - Operational Subsidy	-
Total Water & Sewer Fund: \$ 3,444,922		Total Water & Sewer Fund: \$ 3,444,922	
Solid Waste Refuse:		Solid Waste Refuse:	
Waste & Collection Disposal Fees	1,360,693	Operating Expense	1,126,580
Miscellaneous	50,209	Debt Service	28,533
		Transfer to General Fund - Admin Service	255,789
Total Solid Waste Refuse Fund: \$ 1,410,902		Total Solid Waste Refuse Fund: \$ 1,410,902	
Airport Operations:		Airport Operations:	
Airport Rental & Fees	61,800	Operating Expense	170,448
Sale of Fuels	65,000	Transfer to General Fund - Admin Service	20,271
Transfer from General Fund	63,919		
Total Airport Fund: \$ 190,719		Total Airport Fund: 190,719	
Electric Service:		Electric Service:	
Sale of Service	18,510,970	Operating Expense	3,049,139
Miscellaneous	415,789	Energy for Resale - Fuel Adjustment	12,735,239
		Capital Outlay	379,063
		Debt Service	236,437
		Transfers to:	
		General Fund - Admin Service & PILOT	726,888
		General Fund - Operational Subsidy	1,799,993
Total Electric Fund: \$ 18,926,759		Total Electric Fund: \$ 18,926,759	
Economic Development:		Economic Development:	
Rents & Program Fees	134,153	Operating Expense	183,801
Transfer from General Fund	49,648		
Total Economic Development Fund: \$ 183,801		Total Economic Development Fund: \$ 183,801	
TOTAL CITY FUNDS: \$ 78,515,907		TOTAL CITY FUNDS: \$ 78,515,907	

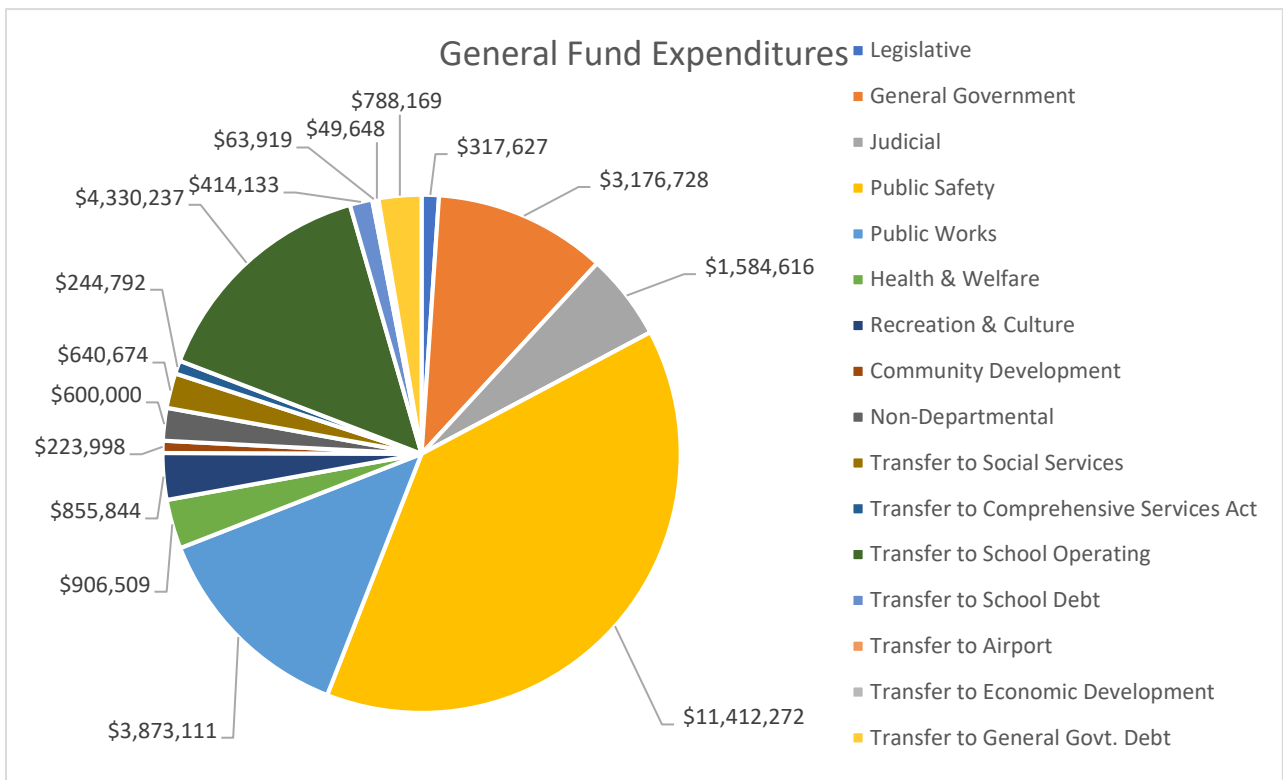
**FY 2023-2024 GENERAL FUND BUDGET
MAJOR AMENDMENTS**

2022-2023 Primary Budget Major Amendments – General Fund	Amount
ARPA funding	5,057,155
Prior Year's Carryover Funds	3,870,245
Line of Credit for School Roof	2,000,000
Isle of Wight County Revenue Share	335,000
Draw from Debt Fund	150,000
TOTAL	11,412,400

General Fund Summary – FY24 Adopted Budget Where the Funds Come From



Where the Funds Go



SECTION TWO

FINANCIAL POLICIES & POSITION SUMMARY

1. General Fund Financial Policies (Fund Balance, Revenue, Budget and Debt Administration)
2. Table of Authorized Positions

Financial Policies

The City of Franklin has a responsibility to its citizens to account for public funds, to manage finances wisely, and to allocate resources efficiently and effectively in order to provide the services desired by the public. The primary objective of establishing Financial Management Policies is to provide a framework within which sound financial decisions may be made for the long-term betterment and stability of the City.

OVERALL GOALS

- ❖ To ensure the City's sound financial condition at all times in:
 - Cash Solvency – the ability to pay bills
 - Budgetary Solvency – the ability to annually balance the budget
 - Long Term Solvency – the ability to pay future costs
 - Service Level Solvency – the ability to provide needed and desired services
- ❖ Adherence to City Charter and Code and the Code of the Commonwealth of Virginia
- ❖ Adherence to the best accounting and management practices in conformity with generally accepted accounting procedures as applied to governmental units

DEFINITIONS

Assigned Fund Balance: amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Fund Balance may be assigned either through the encumbrance process as a result of normal purchasing activity (which includes the issuance of a purchase order), or by the City Manager or his/her designee.

Capital Project Fund: accounts for capital improvements financed from bond issues, special assessments and certain grants

Cash Balance: the sum of cash and investments of an accounting fund

Committed Fund Balance: amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of City Council. Formal Council action includes designations of funds to be held for a specific purpose in future fiscal years and budget amendments to carry forward appropriations that were unexpended at fiscal year end.

Debt Service Fund: accounts for repayment of debt

Enterprise Funds: account for activities for which a fee is charged to external users for goods and services. The Solid Waste Fund, Water & Sewer Fund, Airport Fund, and the Electric Fund are enterprise funds.

General Fund: the City's primary operating fund that accounts for City services not otherwise accounted for in a separate fund

Non-spendable Fund Balance: includes amounts that cannot be spent because they are either not in spendable form such as inventories, pre-pays, or receivables that are reasonably expected to not be collected in the next year; or they are legally or contractually required to be maintained intact

Restricted Fund Balance: includes amounts that have constraints placed on their use by external sources such as creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation

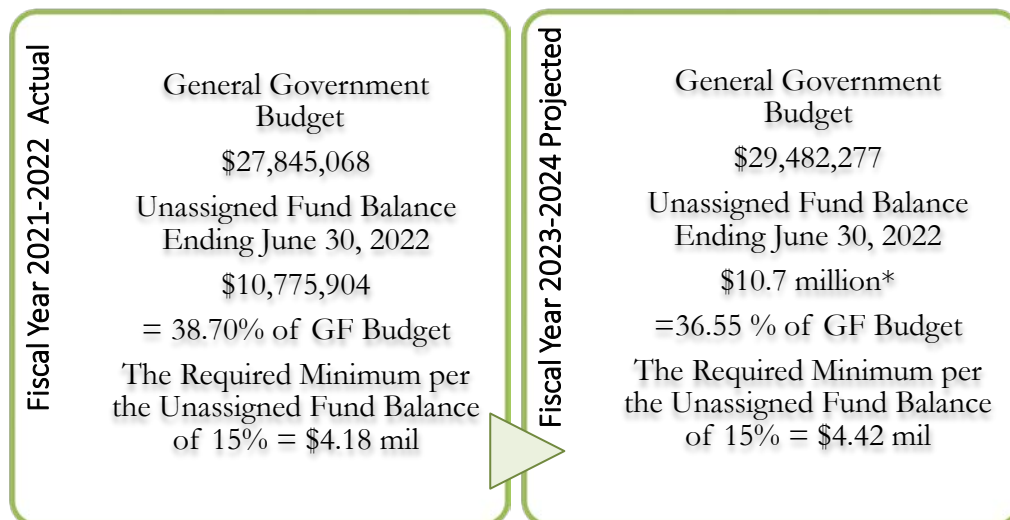
Special Revenue Funds: account for proceeds of designated revenue sources used to finance specific activities

Temporary Borrowing: loan from one fund to another fund due to temporary cash shortage with the expectation of repayment within 12 months; not considered legal debt

Unassigned Fund Balance: the portion of fund balance, calculated in accordance with generally accepted accounting principles that is not in another category

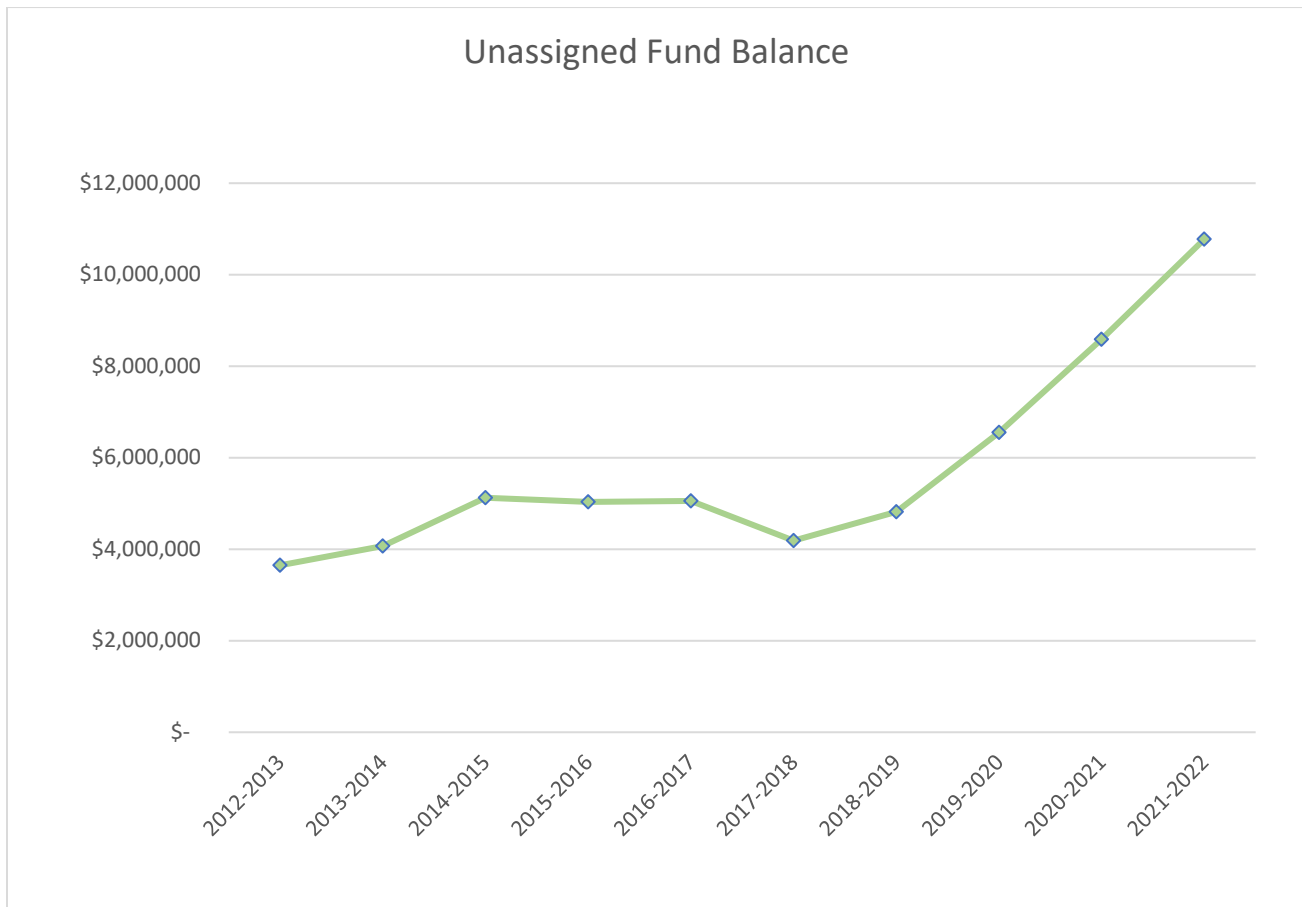
MINIMUM UNASSIGNED FUND BALANCE POLICY

In order to avoid service disruptions that otherwise could arise from revenue shortfalls or unanticipated expenditures, the following range for unassigned fund balances should be maintained at the end of each quarter. For the purpose of policy compliance evaluation, the below is shown as of the end of the fiscal year:



*Policy Evaluation: The FY 2023-2024 projected unassigned fund balance at June 30, 2023 is yet to be determined.

Below is a history of the City's Unassigned Fund Balance from June 30, 2013 through June 30, 2022.



RESTORATION OF MINIMUM CASH OR UNASSIGNED FUND BALANCES

Should the cash balance or the unassigned fund balance fall below the target levels, the City Manager will prepare and present a plan for restoration to the targeted levels. If a target level is not met or anticipated not to be met, a line item will be included in the fund's expense section to budget a minimum of 2% of the upcoming projected budget revenues until the targeted levels are met.

EXCESS UNASSIGNED FUND BALANCES

In the event the unassigned fund balance exceeds any established maximum balance requirements in the General Fund or Enterprise Funds at the end of a fiscal year, the excess may be used in one or a combination of the following ways: (a) Retirement of existing debt; (b) One-time expenditures that do not increase recurring operation costs that cannot be funded through current revenues; [An example would be replacement of capital equipment or payment to a capital improvements project that would reduce the future debt of the City. Another example of a one-time expenditure would be refunds of a portion of specific revenue collected]; and, (c) Establishment of reserves for risk management, equipment replacement, capital projects, emergencies or disaster recovery.

POLICY ON THE ORDER OF SPENDING RESOURCES

The City considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unrestricted fund balance are available unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts are available, the City considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

REVENUE POLICIES

- ❖ Reassessment of real property will be made every two years.
- ❖ The City will monitor all taxes to ensure they are equitably administered and are collected in a timely manner.
- ❖ User Fees and Charges will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in the method and levels of service delivery.
 1. Rental of City properties will be reviewed annually and compared to market rates.
 2. Building permit and inspection fees will be reviewed annually.
 3. Recreation program charges will be reviewed annually.
- ❖ Where possible the City will institute user fees and charges for specialized programs and services based on the cost of a particular service. Rates will be established to recover operational as well as capital or debt service costs.
- ❖ In the event it is determined that revenues for the fiscal year will fall short of anticipated amounts, the City Manager shall provide Council with a plan for expenditure reductions and/or revenue enhancements in the current year to mitigate the anticipated shortfall.
- ❖ Revenues from fees and charges will be reviewed annually and compared with surrounding localities to determine whether they are fair and equitable and in-line with services provided.

DEBT MANAGEMENT POLICIES

The Commonwealth of Virginia imposes a legal limit of 10 percent of the assessed valuation of taxed real property as a ceiling on the amount of general obligation borrowings a municipality may incur. While this is the legal limitation, the City is well aware it cannot take on expenditures beyond its fiscal means of affordability.

- ❖ General debt service expense should not exceed 10% of the General Fund expenses.
- ❖ Net general debt as a percent of taxable real estate valuations should not exceed 5%.
- ❖ Debt service for Enterprise Funds should not exceed 20% of the funds' annual expenses.

In determining general obligation debt limitations, certain classes of indebtedness may be excluded, including revenue anticipation notes maturing in one year or less, general obligation bonds payable from a specified revenue producing undertaking [as long as the undertaking is self-supporting], and capital leases and revenue

bonds. The City's enterprise operations for Electric Fund and Water and Sewer Fund bonded debt are a combination of self-supporting, general obligation and revenue bonds.

When the City finances capital improvements or other projects through bonds or capital leases, it will repay the debt within a period not to exceed the expected useful life of the projects.

2021 General Debt Service as a Percentage of

***General Fund Expenses = 11.85%**

*calculation represents payment of annual principal and interest obligation
& amounts for refunding of debt

2022 Projected General Debt Service as a Percentage of

***General Fund Expenses = 4.07%**

*calculation represents payment of annual principal and interest obligation

2021 Net Bonded Debt as a Percentage of Taxable Real Estate – 4.62%

Enterprise Funds

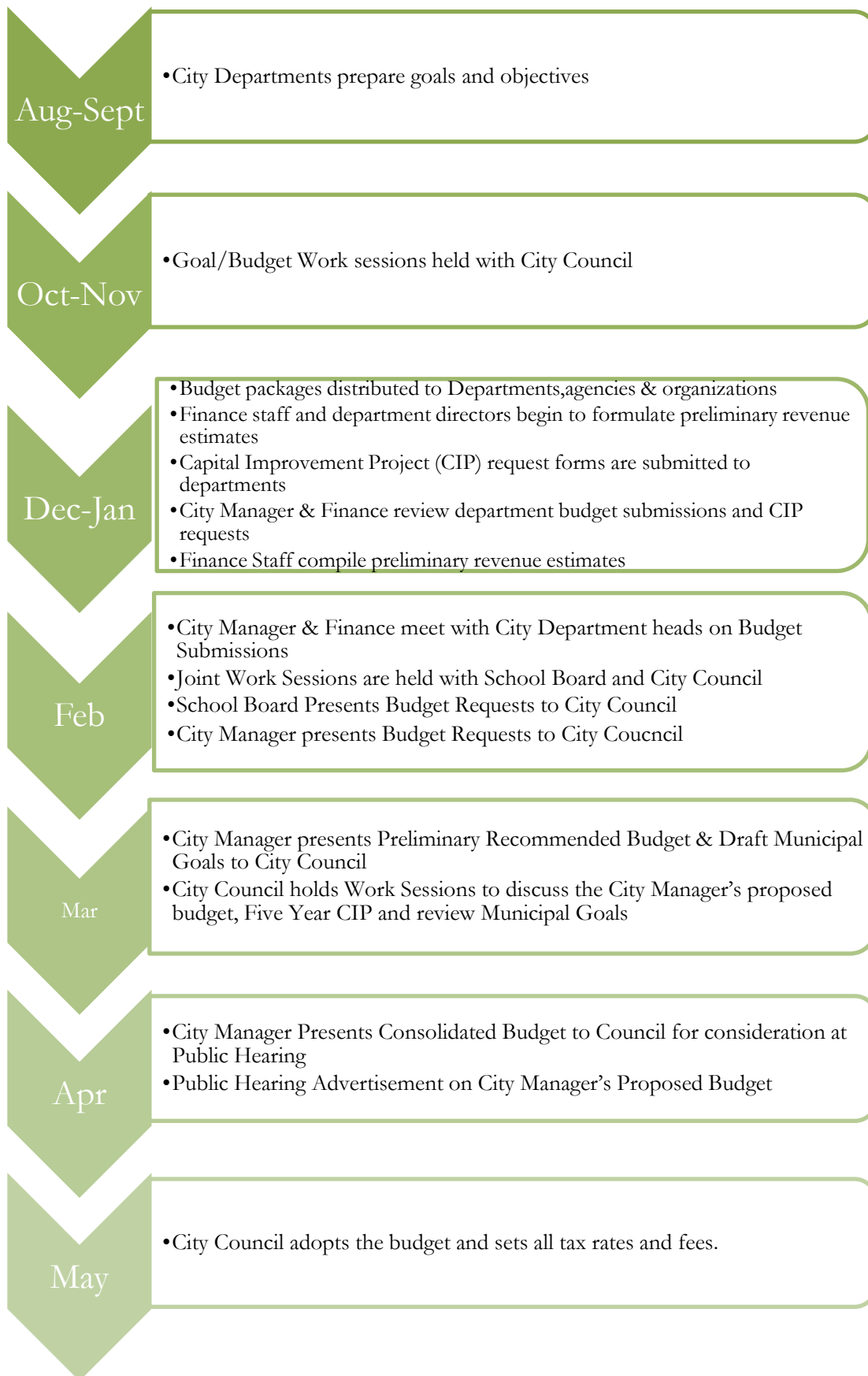
Debt Service as a percentage of annual expenses for the Water & Sewer, Electric, and Solid Waste Funds is less than 4.0%, well below the minimum policy guideline.

Policy Evaluation: The City is in compliance with its debt management policy guidelines for all debt funds.

Budget Development and Budgetary Controls

The City utilizes the following procedures in establishing the budgetary data reflected:

- ❖ The budget is formulated from estimates of revenues and expected expenditures from various departments. Line item detail of the various local, state and federal revenue sources is used to project current year estimated actual revenue, and anticipated revenue for the following year. Trend analysis, evaluation of current economic conditions and actions by the State legislature serve as the basis for projecting the ensuing year budget.
- ❖ The City also develops a Five-Year Capital Improvement Plan to adequately address capital needs in the City and a proposed plan for financing projects. A recommended CIP is presented to City Council during presentation of the Operating Budget and proposed simultaneously. The first year of the CIP is incorporated into the City Manager's proposed operating budget.
- ❖ At least 60 days prior to June 30, the City Manager submits to City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The budget submitted to Council must be in balance, meaning expenditures recommended by the City Manager must not exceed the estimated revenue.
- ❖ City Council then holds a public hearing(s) on the proposed budget. Notice of such public hearing is advertised in the local newspaper not less than seven days prior to the hearing.
- ❖ The budget must be approved by a majority vote of City Council and legally adopted before July 1. A budget resolution is approved by City Council that formally adopts the budget by the various funds, levies the tax rates for the new fiscal year, and sets various fees for City services.
- ❖ Additional appropriations may be made by City Council only if there is an unassigned fund balance or additional funding becomes available.
- ❖ Department Heads are responsible for managing departmental budgets within the total appropriated budget. Department heads shall prepare budget amendments for expenditures over a budgeted line item by more than \$20,000. The City Manager is authorized to transfer budgeted amounts within departments up to \$50,000. Expenditures over the original budget of any department must be approved by City Council. Transfers over \$50,000 must also be approved by City Council. Transfers between categories and amendments to the School System budget (additional appropriations) require approval of City Council.
- ❖ Appropriations lapse on June 30 for all City units with the exception of the Capital funds.



Authorized Postions Function/Program	FY 2022-2023 Adopted	FY 2023-2024 Adopted	Net FTE Change	FY 2022-2024 Frozen
GENERAL FUND				
City Manager	3.00	2.00	(1.00)	1.00
City Attorney	1.00	-	(1.00)	-
Human Resources	2.00	2.00	-	-
Treasurer	5.00	6.00	1.00	-
Commissioner of Revenue	4.50	4.50	-	-
Real Estate Assessor	1.00	1.00	-	-
Finance	5.50	5.50	-	-
Utility Billing	5.00	5.00	-	-
Registrar	1.72	1.72	-	-
Information Technology	1.00	1.50	0.50	-
Total General Government Administration	29.72	29.22	(0.50)	1.00
Police	32.00	30.44	(1.56)	2.00
E-911 Communications	10.63	8.72	(1.91)	2.00
Animal Control	1.63	1.72	0.09	-
Fire & Rescue - EMS	57.00	61.72	4.72	-
Inspections	7.00	4.00	(3.00)	3.00
Total Public Safety Administration	108.26	106.60	(1.66)	7.00
Public Works - Streets	15.50	15.50	-	-
Public Works - Garage	4.00	4.00	-	-
Public Works - Buildings & Grounds	20.50	17.50	(3.00)	3.00
Total Public Works Administration	40.00	37.00	(3.00)	3.00
Parks and Recreation	5.00	5.00	-	2.00
Senior Program	-	-	-	-
Total Parks & Recreation	5.00	5.00	-	2.00
Community Development & Stormwater Management	3.00	1.00	(2.00)	2.00
Downtown Development	1.00	1.00	-	-
Total Community Development	4.00	-	-	-
TOTAL GENERAL FUND	186.98	177.82	(5.16)	13.00
Social Services	24.00	27.00	3.00	-
Economic Development - Incubator	0.73	0.73	-	-
Water & Sewer	13.00	13.00	-	-
Solid Waste	8.00	8.00	-	-
Electric Fund	19.50	19.50	-	-
Airport	1.00	1.00	-	-
TOTAL NON GENERAL FUND	66.23	69.23	3.00	-
TOTAL POSITIONS - ALL FUNDS	253.21	247.05	(2.16)	13.00

SECTION THREE

ANALYSIS OF THE GENERAL FUND

1. Revenue Assumptions, Analysis & Descriptions
2. Summary of Revenue Changes from Prior Year
3. Expenditure Assumptions, Analysis & Descriptions
4. Summary of Expenditure Changes from Prior Year
5. General Fund Highlights by Function
 - Legislative, General & Financial Administration
 - Judicial Administration
 - Public Safety
 - Public Works
 - Health & Welfare
 - Parks & Recreation
 - Community Development
 - Non-Departmental

General Fund Analysis FY 2023-24 Annual Operating Budget Revenue Analysis

INTRODUCTION

There are numerous revenue items in the General Fund Budget. This section summarizes the revenue categories and offers insight on the items that are the major producers of City resources. There are many economic and structural factors that determine the amounts of revenue that the City can expect to receive in any fiscal year. Economic variables that drive many of the revenues include short- and long-term interest rates, consumer confidence, retail sales, housing demands, and fuel prices. Other determinants include policies and formulas developed by the State to distribute educational, public safety, social service, and other funds as well as regulations on the establishment and administration of local taxes and fees.

While the State in large part recognizes its obligation to reimburse localities for State responsible functions, it does not provide the necessary funding nor reduce the service requirements. Even though the State eliminated the “Reduction in State Aid to Localities” beginning in FY 2015-2016, funding required by localities to adequately fund state supported operations continue to grow without a corresponding equivalent increase in state funding. The City receives little funding from the Federal Government outside of general government grant related activities and support for Social Services and Education programs (non-General Fund).

REVENUE		%	FY 23'	FY 22'
General Government:	FY 24' Adopted	Chng	Amended	Actual
General Property Tax	9,036,936	0.8%	8,968,104	6,052,401
Other Local Taxes	7,211,534	12.3%	6,419,257	6,673,465
Permits, Fees, Licenses, Etc.	88,030	-14.2%	102,625	142,030
Fines and Forfeitures	40,250	76.9%	22,750	32,313
Use of Money and Property	165,446	3.9%	159,244	216,013
Charges for Services	1,823,091	-1.4%	1,848,957	1,896,853
Miscellaneous	1,191,571	-20.0%	1,489,492	3,562,760
Recovered Costs	2,616,645	7.6%	2,432,601	2,215,308
Shared Expenses (State Offices)	206,704	0.0%	206,704	226,817
Non-Categorical Aid - State	1,462,947	-1.0%	1,478,097	1,490,981
Categorical Aid:				
State	2,893,167	2.9%	2,812,903	2,834,915
Federal	204,408	-96.1%	5,279,858	5,089,578
Transfers from:				
Electric Fund	1,799,993	0.0%	1,799,993	1,799,993
Water & Sewer Fund	195,000	0.0%	195,000	195,000
Other Funds/Rollovers		-100.0%	4,020,245	511,355
Unassigned Fund Balance	546,555	-11.1%	614,687	-
Total General Fund:	\$ 29,482,277	-22.1%	\$ 37,850,517	\$ 32,939,783

Over 55% of General Fund revenues are derived from taxes; 31% from real estate and personal property taxes and 24% from other local taxes such as meals, sales, cigarette, lodging and license taxes. The next largest source is revenue from the State (both categorical and non-categorical aid such as state reimbursement for shared expenses, HB 599 funds for police, street and highway maintenance funds and the state PPTRA reimbursement). A complete analysis of all revenue sources is included in the following section (Revenue Analysis and Descriptions).

The General Fund provides for the basic services extended to all residents and businesses in the City, including public safety, streets, recreation, library, court services, community development, and general administration. It also includes significant contributions to the operation of the Franklin City Public School System, constitutional offices and other community organizations. Most General Fund Services are non-revenue producing, thereby requiring the use of ad valorem property taxes and other General Fund related revenue sources to provide funding. The Electric Fund provides significant support of General Fund operations through an inter-fund transfer in lieu of taxes and a City Council established appropriation of \$1.439 million annually which reduces pressure on the property tax. In FY23, this annual appropriation was increased to \$1.799 million and remain as such in FY24.

The General Fund revenues are divided into the following categories: property taxes, other local taxes, licenses, permits and fees, fines and forfeitures, revenue from use of money & property, charges for services, transfers from other funds, miscellaneous revenue and recovered costs, non-categorical state aid, and categorical aid (shared expenses), other state and federal grants and prior year surplus and transfers.

General Property Taxes are one of the major revenue sources for the General Fund and include *real estate, public service, personal, and business property taxes, and taxes on machinery and tools.*

ADOPTED TAX RATE:

The current real estate tax rate is \$1.03 per \$100 of assessed value. The FY 2023-2024 budget proposes no increase in the real estate tax rate. The City’s ten-year tax rate history is depicted on the table that follows:

10 Year Tax Rate History (per \$100 of assessed value)					
Fiscal Year	Real Estate	Downtown District*	Personal Property	Machinery & Tools	Public Service (RE/PP)
2023-24	\$1.03	\$1.27	\$4.50	\$2.00	\$1.03/\$4.50
2022-23	\$1.03	\$1.27	\$4.50	\$2.00	\$1.03/\$4.50
2020-21	\$1.03	\$1.27	\$4.50	\$2.00	\$1.03/\$4.50
2019-20	\$1.03	\$1.27	\$4.50	\$2.00	\$1.03/\$4.50
2018-19	\$0.99	\$1.24	\$4.50	\$2.00	\$0.99/\$4.50
2017-18	\$0.99	\$1.24	\$4.50	\$2.00	\$0.99/\$4.50
2016-17	\$0.99	\$1.24	\$4.50	\$2.00	\$0.99/\$4.50
2015-16	\$0.99	\$1.24	\$4.50	\$2.00	\$0.99/\$4.50
2014-15	\$0.96	\$1.20	\$4.50	\$2.00	\$0.96/\$4.50
2013-14	\$0.90	\$1.14	\$4.50	\$2.00	\$0.90/\$4.50

**The Real Estate Tax Rate for the Downtown District is \$0.24 in addition to the City’s tax rate.*

Real Estate Tax Relief Program for the Elderly or Disabled - To counter the cost of real estate taxes for eligible citizens with fixed incomes, the City has established a program to fully or partially exempt elderly or disabled homeowners in Franklin based upon income limits and age. For

Tax Year 2021-2022, the tax relief amount for the elderly was \$18,868 and \$72,085 for qualifying disabled veterans.

Personal property tax revenue is adopted at \$1,965,324, an increase of \$125,862 from FY 2022-2023 budget based on the current tax rate of \$4.50 per \$100 of assessed value. Since 1999, the Commonwealth of Virginia has reimbursed localities in Virginia for a portion of the levy included in the personal property tax on vehicles as authorized by the Personal Property Tax Relief Act (PPTRA). Beginning in 2006, the State began to reimburse localities a fixed amount based on the 2004 level of State. In essence, since the City receives a set value from the State for the Personal Property Tax Relief reimbursement, the City must annually adjust the relief percentage to maintain revenue neutrality.

Disabled Veteran Personal Property Tax Exemption - The City exempts qualified disabled veterans from tax on one vehicle.

Public Service Corporation Taxes constitute the assessment value for all property owned by Public Service Corporations in the City and subject to local taxation. Revenue for FY 2023-2024 is budgeted at \$66,402, compared to \$70,458 in FY 2022-2023.

Machinery & Tools tax is assessed to machinery and equipment used in manufacturing and processing. The City currently receives a marginal amount of revenue from this tax type. The FY 2023-2024 budget of \$30,784, compared to \$24,450 in FY 2022-2023.

Penalties & Interest – Property Taxes revenue is budgeted at \$145,000, the same as the prior fiscal year.

Other Local Taxes -This category consists of consumer utility taxes, sales and use taxes, business license fees, cigarette taxes, meals taxes, and lodging taxes.

Every person or business in the City that sells or furnishes a utility service must collect a *consumer utility tax* from the purchaser of the service. Utility tax is based on residential and commercial usage and is adopted at \$460,000 for FY 2023-2024. However, of this amount, \$82,000 is remitted to Southampton County, City of Suffolk, and Isle of Wight County for the utility taxes paid by utility customers located in these jurisdictions but serviced by Franklin City's electrical utility company.

Sales & Use Tax is the retail sales and use tax charged and collected by certain businesses on behalf of the Commonwealth of Virginia. The City collects one percent of the 5.0% imposed by the Commonwealth on gross receipts from retail merchants in the City. Sales are indicative of consumer confidence and spending. Collections are estimated at \$2.4 million, which is \$450,000 above the 2022-2023 budgeted amount.

Business license revenue is projected at \$1,162,000, which is an increase of \$139,000 over FY 2022-2023 budget. This tax is generally assessed on the gross receipts of businesses in the City depending on the category of the business. A new business must obtain a business license from the Commissioner of Revenue before conducting business in Franklin.

Lodging tax is imposed and levied by the City in the amount of 8% of the total paid for lodging, by or for any transient, to any hotel. The adopted budget for FY 2023-2024 is \$180,000, the same as the current budgeted amount.

Restaurant/Meal Tax is assessed on the sales price of prepared food and beverages sold at food establishments in the City. The City imposes a tax of 7.0%. Revenue from meals tax is adopted at \$2,150,000 for FY 2023-2024, an increase of \$93,393 from budgeted revenue in FY 2022-2023.

Cigarette Tax – The Code of Virginia, Section 58.3830 allows for local taxation on the sale or use of cigarettes. The City of Franklin charges \$0.70 per pack of cigarettes. The FY 2023-2024 adopted budget of \$395,000 results in an increase of \$85,000 compared to current budgeted amount.

Other local tax collected is the remaining local taxes not previously mentioned including bank stock, motor vehicle licenses, local electric consumption tax, right of way use, and local probate and recordation taxes. The combined total for these revenues is \$370,534 which is in line with the current year budget. The table below provides a history of revenue received from various local taxes.

Local Tax	FY 18-19 Actual	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Adopted	FY23-24 Adopted	Growth since FY 19-20
Sales	1,896,307	1,946,295	2,111,038	2,171,099	1,950,000	2,400,000	23.31%
Meals	1,478,018	1,531,440	1,805,178	1,917,888	2,056,607	2,150,000	40.39%
Lodging	148,234	133,484	178,791	194,387	180,000	180,000	34.85%
Cigarette	300,133	359,057	337,113	311,078	310,000	395,000	10.01%
Business License	959,312	1,035,797	1,020,193	1,171,365	1,023,000	1,165,000	12.47%
Motor Vehicles	184,638	184,549	227,080	199,297	222,400	210,000	13.79%
Utility Tax (Net)	539,420	541,040	525,033	542,265	548,500	562,000	3.87%
Total	\$ 5,506,062	\$ 5,731,662	\$ 6,204,426	\$ 6,507,379	\$ 6,290,507	\$ 7,062,000	23.21%

License, Permit & Privilege Fee

These revenues are generated from various activities within the City primarily from the issuance of building, electrical, and plumbing permits. Other fees are collected for animal licenses, zoning and land use activities and charges. The projected revenue for this category totals \$88,030 a \$14,595 decrease from the previous year’s budget.

Fines and Forfeitures

These collections are the result of charges ordered by the courts for violations of City ordinances, and is projected at \$40,250 for FY 2023-2024, a \$17,500 increase compared to the current budgeted amount.

Revenues from Use of Money & Property

Interest earned on investments and revenue received from the rental of City property comprises the category of revenue generated from the use of money and property. However, the majority of this revenue is received from the Department of Social Services under the current Memorandum of Understanding (MOU) for the reimbursement of building rental and facility operations. The City also receives annual rental payments from the use of City owned land and a cell tower. The FY 2023-2024 adopted budget is \$165,446, a \$6,222 increase from the current year’s budget.

Charges for Services

This category consists of revenues from fees charged by ambulance services, fire and EMS fees charged to Southampton County, recreation fees, charges for general administrative services provided on the behalf of the City's Enterprise Funds (Water & Sewer, Electric, Airport, and Solid Waste), and other miscellaneous charges.

The City's Emergency Medical Services (EMS) Cost Recovery program is designed to obtain reimbursement for the cost of emergency medical services associated with transporting citizens to the hospital by ambulance. Charges for Ambulance Service Fees are based on premiums paid by Medicare, Medicaid and other private insurance for ambulance transport. Charges vary based on the type of service provided and the distance traveled to the hospital. Franklin uses AMB to administer the EMS Recovery Program. FY 2023-2024 projected revenue from this source is \$375,000.

As discussed previously, management recommends a review in the new fiscal year of policies on collection efforts for pursuing and improving outstanding billed but unpaid ambulance service fees. Given the cost of providing emergency medical services, this is one means of lowering the taxpayer burden necessary to provide this important service. User fees are a more fair and equitable means of distributing costs in the fire and emergency services arena. Management has entered into jurisdictional partnerships with neighboring localities to also positively impact on City costs without compromising service obligations.

Miscellaneous Revenue and Recovered Cost

This category includes revenue sharing received under the City's Revenue Sharing Agreement with Southampton County. It also includes donations, proceeds from the sale of property, and other unanticipated miscellaneous revenue. Reflected in recovered cost are payments received from Southampton County under the consolidated shared services agreement. The City's FY 2023-2024 adopted budget includes \$2,511,673 of revenue providing 24-hour emergency medical and ambulance transport services for all emergency medical 911 calls originating from within Southampton County. The FY 2023-2024 adopted budget also includes a projected \$276,048 in utility billing fees associated with late payments in accordance with billing and collection policies established in February 2014.

Under a revenue sharing (annexation) agreement, the City receives a percentage of the taxes, primarily machinery & tools, from operations at the International Paper, S.T. Tissue, Franklin Lumber, and M&M Milling located in Isle of Wight County. Prior to the closure of the mill in 2009, the City consistently received revenue sharing benefits in excess of \$1.0 million annually. This amount was significantly reduced beginning in FY 2010-2011 as a result of the closure. In 2012, a portion of the mill was repurposed, and other business interests have located on the campus which results in partial revenue recovery. However, the FY2023-2024 adopted amount of \$700,000 is a decrease of over \$300,000 that will be in place for the next four years as a result of the decision of the Virginia Supreme Court in a lawsuit between Isle of Wight County and International Paper.

History of Revenue Sharing Payments from Isle of Wight County

2010-2011	\$	409,232
2011-2012	\$	1,193,025
2012-2013	\$	227,529
2013-2014	\$	540,850
2014-2015	\$	699,141
2015-2016	\$	709,170
2016-2017	\$	717,304
2017-2018	\$	720,000
2018-2019	\$	1,164,549
2019-2020	\$	995,521
2020-2021	\$	1,054,852
2021-2022	\$	996,147
2022-2023	\$	1,035,170
2023-2024	\$	700,000

The City took a bit in FY 2010-2011 to correct the accounting for the receipt of the revenue sharing payment to agree with Isle of Wight distribution period; this helped the City to realize revenue in the year subsequent to the plant closing in which a significant reduction of revenue occurred.

Shared Expenses

This category consists of reimbursement for shared expenses in which the State provides funding assistance for salaries as determined by the State Compensation Board on an annual basis for specified local officials. The affected offices in this category are the Commissioner of Revenue, Treasurer, and Voter Registrar. In FY 2023-2024 the City is expected to receive reimbursements of \$81,100, \$71,100, and \$54,504 respectively for the Commissioner, Treasurer, and Registrar offices for a total of \$206,704 in categorical aid. This is the same budget as FY 2022-2023. State support for constitutional officers overall continues to fall short of adequately funding their fair share of operating expenses for FY 2023-2024. The City must fund the remainder of these operating expenses with local resources.

The following table shows the estimated reimbursement along with the FY 2023-2024 recommended budget amount for each office, and the City cost for each:

Department	FY 2023-2024 State Revenue	FY 2023-2024 Total Expense Budget	City Share of Cost	City Cost as a % of Budget
Commissioner of Revenue	\$ 81,100	\$ 332,810	\$ 251,710	76%
Treasurer	\$ 71,100	\$ 461,667	\$ 390,567	85%
Registrar	\$ 54,504	\$ 199,387	\$ 144,883	73%
Total	\$ 206,704	\$ 993,864	\$ 787,160	79%

State Revenues (Non-Categorical Aid)

This category includes funding for PPTRA tax reimbursement, communication taxes, recordation taxes, stock taxes, and auto rental taxes. The FY 2023-2024 budget is \$1,462,947, a decrease of \$15,150 compared to the current year budget.

State Revenues (Categorical Aid)

This section includes funding for a variety of City functions and state grants, the largest being *street and highway maintenance funds* followed by *599 funds for Law Enforcement*. Revenue for street & highway maintenance is received from the Virginia Department of Transportation for the City's maintenance of primary and secondary roads based on a formula including reimbursement rate and locally maintained lane miles. The street and highway maintenance budget for FY 2023-2024 is \$1,790,323, an increase of \$80,264 over FY 2022-2023. The City's police department recovers some of its costs from the "599 funds" distributed by the Commonwealth of Virginia. The budget for these funds for FY 2023-2024 is \$444,423, consistent with the current year budget.

Federal Revenue

Federal revenue represents monies received by the City from various federal grant programs. Grants associated with the General Fund are normally appropriated upon notification and/or receipt of the grant award.

Use of Restricted & Unassigned Fund Balance

A fund balance is created when revenue exceeds expenditures in prior fiscal years and should not be considered a continuing income source and particularly not for recurring operating expenditures. A portion of fund balance may be appropriated in subsequent years to meet expenditure requirements. Due to reductions in unassigned fund balances or reserves experienced in prior years, management has consistently recommended that the City refrain from significant appropriation of unassigned fund balance except for debt reserve funds created for that purpose, restricted revenues, and capital expenditures particularly until reserve levels comfortably exceed minimum policy requirements. In uncertain or difficult times, the value of adequate reserve funds to either meet unexpected needs or take advantage of opportunities cannot be overstated. These funds can also be utilized when balances exceed minimum policy requirements to reduce costs by funding major items on a "pay-as-you-go" basis rather than relying entirely upon borrowing funds in the case of capital projects. This is also a good source for matching funds when grant opportunities are identified. This spending plan is consistent with the long-term goal of maintaining an acceptable minimum reserve while avoiding fluctuations in rates and charges. The budget proposal for FY 2023-2024 recommends a transfer of \$657,429 from the General Fund Unassigned Fund Balance to cover the cost of the 5% raise and one-time capital projects.

General Fund Analysis FY 2023-2024 Annual Operating Budget Expenditure Analysis

Introduction

The General Fund is comprised of the following categories: Legislative & General Government Administration, Judicial Administration, Public Safety, Public Works, Health & Welfare, Parks, Recreation & Cultural, Planning & Community Development and Non-Departmental.

Provided below are brief highlights of major expenditure adjustments incorporated into the FY 2023-2024 Recommended Operating Budget. Preceding the categorical highlights are “items of interest” that affect the entire General Fund budget and may not be necessarily mentioned in the highlights sections:

- ❖ **Virginia Retirement System (VRS)** - The City currently provides equitable deductions to all groups of employees since the VRS phase in on longer term employees was completed in a prior year.

Approximately 80% of the City's full time employees participate in the City's Health Insurance Plan

- ❖ **Health Care Insurance** – The City currently participates in the State’s Local Choice Program for health insurance. The Local Choice is a pooled program whereby localities similar in size are grouped together. This is intended to increase purchasing power, which reduces cost while shared claims experience offers some protection in years when jurisdictions experience high claims. Trend estimates tend to track lower than the commercial health care market. The City will experience approximately a 10% increase in health insurance costs effective July 1, 2023. Given the amount of the premium increase for FY 2023-2024, management recommended, and Council has approved City will share the cost of the health insurance increase.

General Fund Increase in City Share of Health Insurance Cost (Includes Early Retirees)	\$68,903
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- ❖ **Worker’s Compensation** - The City participates in the Virginia Municipal League Insurance Program (VMLIP) for its worker’s compensation coverage. VMLIP is a self-insurance pool in the Commonwealth of Virginia and provides auto, property, liability, and workers’ compensation coverage to political subdivisions across Virginia.
- ❖ **Salary Adjustments** – The adopted budget does include freezing of positions. There is a 5% raise for all employees included in the FY 2023-2024 budget. The chart that follows provides a history of salary adjustments for the past fifteen years.

History of Salary Adjustments

	COLA / Raise	COLA Effective Date	Bonus	Bonus Effective Date	VRS Effective July 1st
FY 10-11	0.00%				
FY 11-12	1.5%	8/1/2011			
FY 12-13	0.0%		\$500	12/18/2012	1.1%
FY 13-14	2.0%	7/1/2013			1.1%
FY 14-15	0.0%		\$500	12/16/2014	1.1%
FY 15-16	2.0%	9/1/2015			1.1%
FY 16-17	2.0%	12/1/2016			1.1%
FY 17-18	2.0%	12/1/2016			1.1%
FY 18-19 (Non-Exempt)	2.0%				
FY 18-19 (Exempt)	1.0%				
FY 19-20	0.0%				
FY 20-21	2.0%	11/1/2020			
FY 21-22	0.0%				
FY 22-23	3.0% / 2.0%	7/1/2022			
FY 22-24	5.0%	7/1/2023			

Excludes Any Additional State Raises for Applicable Employees

Legislative & General Government Administration

General Fund Expenditure Summary	FY 24' Adopted	%	FY 23' Amended	FY 22' Actual
Legislative & General Govt.				
City Council	317,627	89%	167,656	157,444
City Manager	286,786	2%	282,476	259,067
City Attorney	115,000	0%	115,000	114,526
Human Resources	231,789	-4%	241,593	190,478
Commissioner of Revenue	332,810	2%	324,730	276,387
Real Estate Assessor	165,134	86%	88,964	122,615
Treasurer	461,667	7%	431,461	347,226
Finance	406,218	0%	407,015	350,404
Purchasing	137,742	0%	138,148	87,007
Utility Billing	374,437	1%	369,385	357,421
Insurances	175,753	-9%	192,398	179,551
Information Technology	290,005	-72%	1,032,730	231,094
Elections	199,387	6%	188,835	154,926
	\$ 3,494,355	-12%	\$ 3,980,392	\$ 2,828,147

FY 2023-2024 Highlights

City Council – The budget for contributions to various agencies and organizations in the City is \$170,688, an increase of \$99,621 over the current budget.

City Manager - The budget reflects no significant highlights.

City Attorney – The budget reflects no significant highlights.

Human Resources – The budget reflects a decrease of approximately \$4,000 in IT contracted services and \$6,000 in Training Services.

Commissioner of the Revenue – The budget reflects a net increase primarily due to the 5% raise.

Real Estate Assessor – The budget net increase is primarily due to professional services for the reassessment contract, an increase of \$55,000, and software costs, an increase of \$33,000.

City Treasurer – Exclusive of raises, the budget net increase is primarily due to the addition of an accounting clerk and a decrease in Professional Services.

Finance – The budget reflects no significant highlights.

Utilities – The budget reflects no significant highlights.

Insurance – The budget reflects a net decrease primarily due to the decrease in enrolled retirees and the increase in VRS Local Disability program fee.

Elections – The budget reflects no significant highlights.

Information Technology – The budget reflects the addition of a part time position and a \$750,000 reduction in ARPA/Capital Rollover.

Judicial Services

General Fund Expenditure Summary	FY 24' Adopted	% Chng	FY 23' Amended	FY 22' Actual
Judicial				
Circuit Court	12,800	6%	12,021	7,467
General District Court	12,600	-11%	14,200	9,297
Clerk of Circuit Court	80,600	3%	78,351	74,566
Sheriff	162,500	23%	132,263	138,882
Juvenile District Court	225,824	-8%	245,234	226,153
Commonwealth's Attorney	85,800	15%	74,319	72,195
Western Tidewater Regional Jail	1,004,492	5%	953,052	1,021,052
	\$ 1,584,616	5%	\$1,509,440	\$1,549,611

FY 2023-2024 Highlights

Circuit Court – The budget reflects no significant highlights.

General District Court – The budget reflects no significant highlights.

Clerk of Circuit Court – The budget reflects no significant highlights.

Sheriff – The City shares the cost of court services with Southampton County based on an agreed upon distribution formula of 30% of the total cost. The budget reflects approximately \$30,000 increase in the shared services.

Juvenile District Court - Includes cost incurred for juvenile detention. The budget reflects an estimated decrease of \$25,000 for services. Actual costs can fluctuate dramatically from year to year based upon services rendered.

Commonwealth's Attorney – The budget reflects an estimated \$11,481 increase in the City's share of services.

Western Tidewater Regional Jail – The City's budget for adult prisoner is \$1,004,492, which is \$51,440 higher lower than the current budget year. Participating localities of Franklin, Isle of Wight, and Suffolk proportionately absorb their applicable share of jail administration costs.

Public Safety Administration

General Fund Expenditure Summary	FY 24' Adopted	% Chng	FY 23' Amended	FY 22' Actual
Public Safety				
Police	3,584,812	-34%	5,450,075	3,352,789
E911 Communications	768,215	-15%	899,789	664,090
Fire & Emergency Services	6,499,305	3%	6,299,542	4,817,165
Building Inspections	434,183	-50%	871,293	320,672
Animal Control	125,757	1%	124,301	91,682
	\$ 11,412,272	-16%	\$ 13,645,000	\$ 9,246,398

FY 2023-2024 Highlights

Police Department - The budget includes freezing two vacant positions. It reflects a net decrease of \$1,865,263 primarily due to a reduction in ARPA/Capital Rollover from the current year. Exclusive of raises, the budget includes a \$30,000 increase in Maintenance Contracts related budgets, \$5,000 in Motor Vehicle Expenses and \$8,000 increase in Academy Dues.

E911 Communications – The budget reflects a net decrease of \$131,574. Exclusive of raises, two vacant positions are frozen for FY 2023-2024 and ARPA/Capital Outlay decreased by \$70,000.

Fire & Emergency Services – Exclusive of raises, the budget includes four new positions, and a \$278,000 reduction in ARPA/Capital related budgets.

Building Inspections – The budget includes a reduction of \$522,000 in ARPA/Capital related budgets.

Animal Control – The budget reflects no significant highlights.

Public Works Administration

General Fund Expenditure Summary	FY 24' Adopted	% Chng	FY 23' Amended	FY 22' Actual
Public Works				
Streets	2,018,139	-57%	4,642,115	1,636,618
Snow	15,000	0%	15,000	10,447
Garage	343,582	3%	334,162	250,170
Buildings & Grounds	1,495,390	-3%	1,536,121	1,347,618
Cemetery Maintenance	1,000	-60%	2,500	150
	3,873,111	-41%	6,529,898	3,245,003

FY 2023-2024 HIGHLIGHTS

Public Works Streets – The budget reflects a decrease in ARPA/Capital related budgets of \$2,655,000.

Public Works Snow Removal – The budget reflects no significant highlights.

Public Works Garage – The budget reflects no significant highlights.

Building & Grounds - The budget includes freezing three vacant positions.

Cemetery Maintenance - The budget reflects a \$1,500 decrease to Repairs & Maintenance Supplies.

Health and Welfare

General Fund Expenditure Summary	FY 24' Adopted	% Chng	FY 23' Amended	FY 22' Actual
Health & Welfare				
Health Department - WTHD	106,500	2%	104,600	103,461
Mental Health - WTCSB	42,469	28%	33,262	33,262
Children's Center	757,540	4%	727,540	840,762
	\$ 906,509	5%	\$ 865,402	\$ 977,485

FY 2023-2024 Highlights

Health Department – The City’s contribution to the Franklin City Health Department at \$106,500 is for various environmental, family health & nutrition and disease prevention services.

Mental Health District – The adopted expenditures reflect an increase of \$9,200 the contribution to the Western Tidewater Community Services Board for community mental health services provided to Franklin citizens.

Children’s Center- The City of Franklin serves as the fiscal agent for the Children’s Center.

Parks and Recreation

General Fund Expenditure Summary	FY 24' Adopted	% Chng	FY 23' Amended	FY 22' Actual
Recreation & Culture				
Parks & Recreation	560,988	-68%	1,747,447	605,741
Library - Blackwater Regional	294,856	5%	280,789	299,077
	\$ 855,844	-58%	\$ 2,028,236	\$ 904,818

FY 2023-2024 Highlights

Parks & Recreation – The budget includes freezing two vacant position. Exclusive of raises, the budget includes a \$1,152,000 reduction in ARPA/Capital related budgets.

Blackwater Regional Library – There is a \$15,000 increase in the City contribution to the library.

Parks & Recreation Facilities:

Armory Drive Recreational Park
 Barrett's Landing Park
 Bruce Street Park
 Hayden Sports Complex
 Drive Park

Martin Luther King, Jr. Center
 Memorial Park
 Paul D. Camp Field
 High Street Park College

Community Development

General Fund Expenditure Summary	FY 24' Adopted	% Chng	FY 23' Amended	FY 22' Actual
Community Development				
Planning	104,797	-1%	106,035	97,649
Beautification	3,000	-96%	67,675	20,996
Tourism	116,201	6%	109,275	85,332
	\$ 223,998	-21%	\$282,985	\$203,978

FY 2023-2024 Highlights

Planning – The budget includes freezing two vacant positions.

Beautification – Funds are amended to the budget each year for a Litter Control Grant awarded by the State Department of Environmental Quality for litter control activities and programs in the City. Funds have been used in the past to purchase trash receptacles which are strategically placed throughout various areas of the City. The City annually participates in Arbor Day activities as a long standing designated “Tree City USA” community. There is a reduction of \$64,500 for ARPA/Capital related budgets.

Tourism – A portion of the funding for this budget comes from the collection of the \$.024 real estate tax rate charged in the downtown tax district.

Non-Departmental

General Fund Expenditure Summary	FY 24' Adopted	% Chng	FY 23' Amended	FY 22' Actual
Non-Departmental				
Southampton Revenue Sharing Payment	700,000	0%	700,000	761,689
Miscellaneous Expenses	-	-100%	19,450	-
Estimate of Vacancy Savings	(200,000)	-	-	-
Tax Relief for the Elderly & Disabled	100,000	-	-	-
	\$ 600,000	-17%	\$ 719,450	\$ 761,689

General Fund Expenditure Summary	FY 24' Adopted	% Chng	FY 23' Amended	FY 22' Actual
Transfers To:				
Social Services	640,674	8%	595,281	80,213
Comprehensive Services Act	244,792	-41%	416,630	344,659
School Operating (Local Support)	4,330,237	0%	4,330,237	4,830,237
School Debt (Local Support)	414,133	-9%	454,202	431,258
Airport	63,919	-1%	64,368	67,866
Economic Development	49,648	-50%	100,000	100,000
General Govt. Debt	788,169	3%	763,820	700,999
Transfers to Other Funds misc.	-	-100%	3,587,798	3,606,774
	\$ 6,531,572	-37%	\$ 10,312,336	\$ 10,162,007

FY 2023-2024 Highlights

Revenue Sharing Payment – The revenue sharing payment is based on a series of tax and utility calculations that reflects the City’s share to Southampton County for revenue received along the Industrial Corridor (namely a section of Armory Drive). The City remits the shared portion to Southampton County in the following fiscal year.

Estimate of Vacancy Savings – Annual Estimate is \$500,000

Tax Relief for the Elderly & Disabled – moved from a revenue deduction per State Code

SECTION FOUR

ENTERPRISE FUNDS

1. Water & Sewer
2. Solid Waste
3. Airport
4. Electric

Water and Sewer Fund

The Department of Public Utilities is responsible for the operation, maintenance, and expansion of the City of Franklin’s public water and sanitary sewer systems. Water and wastewater services are provided to the residents and businesses in the City as well as portions of the surrounding localities of Isle of Wight and Southampton Counties. The department’s primary mission is to ensure the delivery of potable water and the collection and treatment of wastewater that meets all State and Federal regulations. The Department of Public Utilities operates as a self-sustaining enterprise fund (Water & Sewer Fund) utilizing the revenues (charges for services) generated from the City's water and sanitary sewer system operations without the support of General Fund revenues. The fund consists of the following divisions: Water Services, Sewer Operations, and Wastewater Treatment Plant. The Fund’s revenues support both the department's capital improvements and operating budget.

As verified by a 2020 statewide rate analysis annual report completed by Draper Aden Associates, the City Water and Sewer rates currently remain below median statewide utility system rates and do not generate revenues sufficient to adequately address longer term capital needs of an aging utility system or qualify the City for various federal and state revenue assistance programs which require a minimum rate to income ratio.

The City has wisely invested over \$2.8 million to address the maintenance needs of the aging wastewater collection system over the last nine years utilizing available reserve funds, which is not sustainable without depleting reserve levels below policy minimums. Additional revenue is needed in the immediate future to expand efforts to rehab the City’s aging wastewater and water collection, treatment and distribution systems.

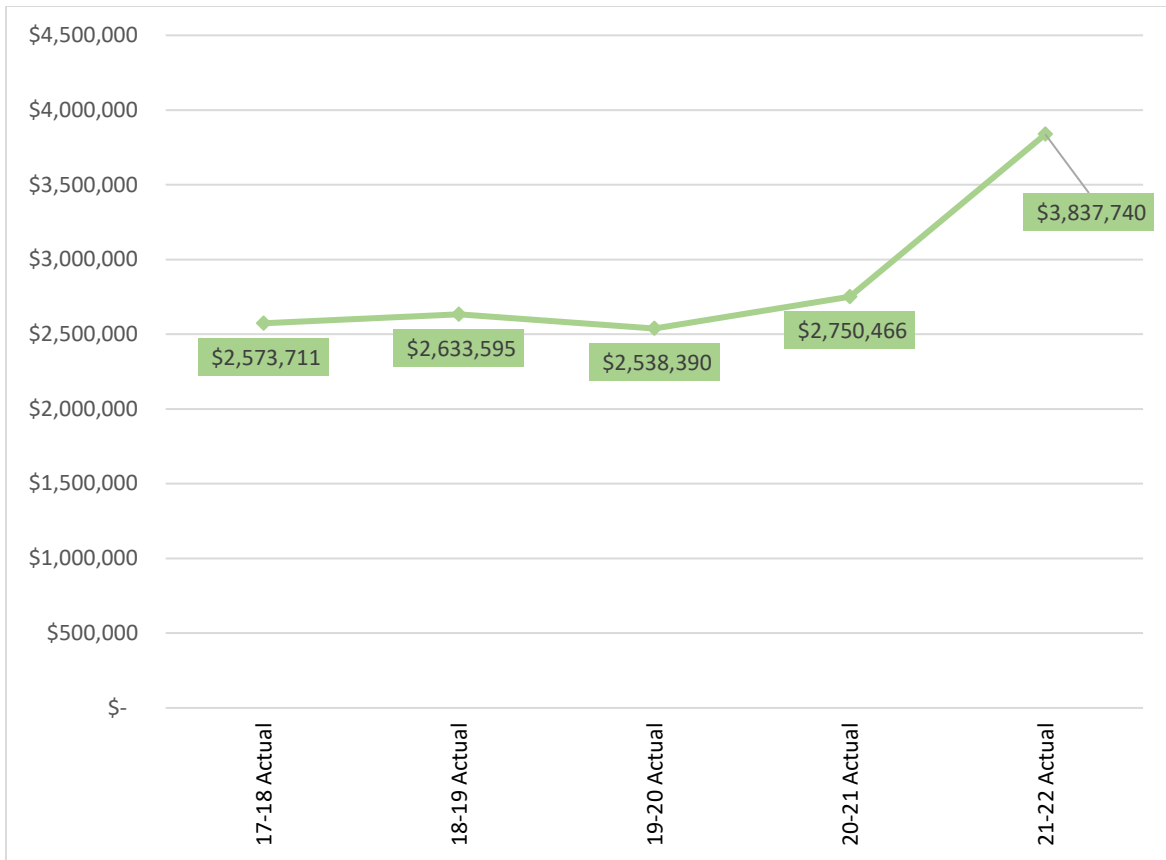
Staff is currently in the process of working with a consultant and the Department of Environmental Quality to ensure that the City of Franklin has adequate water capacity for the projected residential, commercial, and industrial growth.

Revenue Analysis
Table 1

Revenues	FY 23 - 24'	Expenditures	FY 23 - 24'	%	FY 23'	FY 22'
	Adopted		Adopted	Chng	Appropriation	Actual
Water & Sewer:		Water & Sewer:				
Sale of Water	1,250,000	Water	1,020,730	8.4%	941,493	1,433,782
Sewer Service Fees	1,800,000	Sewer	504,505	-43.9%	899,342	549,479
Miscellaneous	145,000	Wastewater Treatment	965,622	0.8%	958,340	1,179,907
Draw from Unrestricted Net Position	249,922	Debt Service	339,963	-10.8%	381,325	46,058
		Transfers to:				
		Capital Outlay	214,200	0.0%	-	-
		General Fund - Admin Service & PILOT	399,902	-7.8%	433,515	433,515
		General Fund - Operational Subsidy	-	-100.0%	195,000	195,000
Total Water & Sewer Fund:	\$ 3,444,922	Total Water & Sewer Fund:	\$ 3,444,922	-9.6%	\$ 3,809,015	\$ 3,837,740

Graph 1 shows a five-year trend of actual expenditures in the Water & Sewer Fund.

Graph 1. - Water & Sewer Fund Expenditure History



FY 2023-2024 revenues of \$3,444,922 are allocated among Water, Sewer, and Wastewater Operations. The transfer to the General Fund includes transfers for administrative services (\$373,442), payments in lieu of taxes (\$26,460), and Capital Outlay (\$214,200).

FY 2023-2024 Highlights:

- ❖ The transfer to the General Fund for administrative services of \$373,442 is based on the most recent cost allocation analysis of services provided by the General Fund.

Solid Waste Fund

The City provides waste collection and disposal services to approximately 2,776 residential customers and 101 commercial customers. The City formally structured the budget for solid waste as an “Enterprise Fund” effective July 1, 2013 which better enables the City to plan for future needs.

An analysis of the Fiscal Year 2023-2024 Budget for the Solid Waste Fund (revenues and expenditures) follows:

Revenue Analysis

No Rate Change – The adopted budget includes the current residential rate of \$38.00 per month. Since FY 2010-2011, cumulative reductions in solid waste fees total \$8.36 or a decrease of 18%. Table 1 below shows the history of monthly residential solid waste collection rates.

FY 2023 – 2024 Highlights

- ❖ The budget reflects no change to the residential fee.

Table 1

Fiscal Year	Residential Rate	Net Change
19-20	\$ 38.00	\$ -
20-21	\$ 38.00	\$ -
21-22	\$ 38.00	\$ -
22-23	\$ 38.00	\$ -
23-24	\$ 38.00	\$ -
Net Change Since 10-11		(\$8.36) or 18% reduction
Net Change Since 08-09		\$6.00 or 18% increase

Waste collection and disposal fees account for the revenues for solid waste services. Revenue projected in FY 2023-2024 based on the recommended rate is \$1,360,693. Total revenues for the fund are projected at \$1,410,902 which includes an Administrative Garbage Service Fee revenue of \$4,000 and Use of Unrestricted Fund Balance of \$16,209.

Revenues	FY 23 - 24' Adopted	Expenditures	FY 23 - 24' Adopted	%	FY 23' Appropriation	FY 22' Actual
Solid Waste Refuse:		Solid Waste Refuse:				
Waste & Collection Disposal Fees	1,360,693	Operating Expense	1,126,580	-1.4%	1,142,824	817,150
Miscellaneous	50,209	Debt Service	28,533	-0.7%	28,742	13,715
		Transfer to General Fund - Admin Service	255,789	-11.0%	287,391	387,391
Total Solid Waste Refuse Fund:	\$ 1,410,902	Total Solid Waste Refuse Fund:	\$ 1,410,902	-3.3%	\$ 1,458,957	\$ 1,218,256

Franklin Regional Airport

Franklin Regional Airport situated in Isle of Wight County and owned by the City of Franklin is located two nautical miles from the City’s central business district. The Airport Fund is an Enterprise Fund, but receives annual financial support from the City’s General Fund to sustain operations. Revenue supporting the fund is derived from the sale of aviation gas, jet fuel and hangar rental fees. The budget for FY 2023-2024 is \$190,719, \$10,534 lower than FY 2022-2023 budget.

Revenues	FY 23 - 24'	Expenditures	FY 23 - 24'	%	FY 23'	FY 22'
	Adopted	Airport Operations:	Adopted	Chng	Appropriation	Actual
Airport Operations:		Airport Operations:				
Airport Rental & Fees	61,800	Operating Expense	170,448	-54.4%	373,481	473,392
Sale of Fuels	65,000	Transfer to General Fund - Admin Service	20,271	-1.7%	20,612	20,612
Transfer from General Fund	63,919					
Total Airport Fund:	\$ 190,719	Total Airport Fund:	190,719	-51.6%	394,093	494,004

Electric Fund

The City of Franklin purchases wholesale electric power from the Virginia Municipal Electric Association (VMEA), who in turn, purchases power from Dominion Virginia Power (DVP). The complexity of the Electric Fund necessitates an understanding of the Fund’s rate history, the impact on Cash balance and City Council actions taken regarding rates over time. Historical data is included herein to assist in developing such an understanding among all interested parties.

FY 2023-2024 BUDGET RECOMMENDATION

Based upon information provided to VMEA by DVP to date, the wholesale power costs for Franklin Power & Light (FP&L) are projected to remain the same. Actual wholesale power costs will be presented by DVP in June 2023.

Fuel Factor Charge

The fuel adjustment charge by DVP is a direct pass thru from the City to FP&L customers. DVP makes rate announcements on the fuel charge usually on an annual basis. This fuel adjustment charge is effective April 1st each year. DVP has projected an decrease in the fuel adjustment rate for FY 2024 power purchases. The change in the fuel adjustment charge will be reflected in the May billing for April usage.

Revenues	FY 23 - 24'	Expenditures	FY 23 - 24'	%	FY 23'	FY 22'
	Adopted		Adopted	Chng	Appropriation	Actual
Electric Service:		Electric Service:				
Sale of Service	18,510,970	Operating Expense	3,049,139	2.0%	2,988,579	1,848,050
Miscellaneous	415,789	Energy for Resale - Fuel Adjustment	12,735,239	18.9%	10,706,437	10,861,293
		Capital Outlay	379,063	1.8%	372,500	1,242,793
		Debt Service	236,437	-29.3%	334,248	97,502
		Transfers to:				
		General Fund - Admin Service & PILOT	726,888	2.3%	710,577	710,577
		General Fund - Operational Subsidy	1,799,993	0.0%	1,799,993	1,799,993
Total Electric Fund:	\$ 18,926,759	Total Electric Fund:	\$ 18,926,759	11.9%	\$ 16,912,334	\$ 16,560,208

Budget Highlights: The FY 2023-2024 budget highlights includes a \$492,281 decrease in fuel for resale and a \$2,434,624 increase in fuel adjustment costs.

Table 1

Table 1 below provides a history of the fuel charges that are a direct pass through from DVP to FP&L residential customers using an average of 1000 kwh per month. An increase in the fuel rate charge negatively impacts customers' electric bills causing an increase in the charges for use of electricity. Conversely, a decrease positively affects customers' total bills.

HISTORICAL FUEL ADJUSTMENT CHARGES

	FY	PER kWh	Change
2019		\$ 0.00813	-32%
2020		\$ 0.00149	-82%
2021		\$ 0.00439	195%
2022	April	\$ 0.00439	0%
	October	\$ 0.01439	228%
2023		\$ 0.01000	-31%

Rate History

The following table (Table 2) provides a history of the wholesale power cost fluctuations experienced by the City from DVP between January 2011 to July 2023 compared to the rate changes passed onto the customers by the City and the average dollar impact to a residential customer.

Table 2

TOTAL WHOLESALE COST OF POWER			Retail Rate Increases
Actual Cost per kWh	FY20	\$0.07293	NONE
Actual Cost per kWh	FY21	\$0.06336	NONE
Actual Cost per kWh	FY22	\$0.07945	NONE
Y-T-D Cost per kWh	FY23	\$0.08824	2.00%
<i>Projected</i> Final Cost	FY24	\$0.09882	NONE

Cash Balance Analysis

Minimum Cash Balance Policy

In order to provide liquidity adequate to address future unexpected revenue reductions or unanticipated expenditures, the minimum cash balance in the Electric Fund, by Council policy, should be 10% of annual revenue net of the fuel adjustment at the end of each quarter.

Restoration of Minimum Cash Fund Balances

Should the cash balance fall below the target levels, the City Manager is required by policy to prepare and present a plan for restoration to the targeted level. If a target level is not met or anticipated not to be met, a line item will be included in the fund's expense section to budget a minimum of 2% of the upcoming projected budget revenues until the targeted levels are met. The recommendation for FY2023-2024 meets this requirement as further detailed in this budget proposal.

FY 2021-2022 Operations Cash Balance as a Percentage of Annual Revenues (excluding fuel adjustment) at 6/30/22 = \$7,059,693 or 49.3%.

FUND - ELECTRIC	ADOPTED BUDGET FY23-24
ELECTRIC FUND REVENUE	
Sale of Energy Fuel Adjustment	\$ 4,403,588
Sale of Electric Energy	14,107,382
Cycle & Save	(102,000)
Meter Connection Fee	12,500
Pole Attachment Fees	52,789
Cut-On Fees and Penalties	436,000
Sale of Electrical Items	6,500
Miscellaneous Revenue	\$ 10,000
TOTAL REVENUE	\$ 18,926,759
Less Fuel Adjustment	\$ (4,403,588)
Budget Basis for Policy	\$ 14,523,171
10% of Annual Revenue	\$ 1,452,317

Table 3

FY 2022-2023 Cash Balance as a Percentage of Annual Revenues (excluding fuel adjustment) at 02/28/23 = \$6,683,831 or 45.2%.

SECTION FIVE

OTHER CITY FUNDS

1. Debt Service Fund
2. School Fund
3. Social Services Fund
4. Children Services Act Fund
5. Economic Development Fund
6. Capital Projects Fund

Debt Service Fund

The Debt Service Fund is used to account for the payment of general long-term debt (principal and interest) used to finance capital needs of the City. General fund debt is comprised of debt related to general government activity and school projects. Business activity related debt stems from Water & Sewer, Solid Waste and Electric Fund activity.

Debt Administration. Per the audit statement, the City's total outstanding general obligation debt at June 30, 2022 was \$25,512,000, down from \$26,739,000 at the end of June 30, 2021. This includes \$19,319,800 in General Government debt and \$1,303,000 in School related debt. The balance of the total debt amount is \$4,889,200 and is related to the Enterprise Funds (water & sewer, solid waste and electric debt).

State statutes limit the amount of general obligation debt a government may issue to 10% of its total assessed valuation of real property and public service corporations. The ratio of the City's net bonded debt to assessed value totals 4.62%.

Revenues	FY 23 - 24'	Expenditures	FY 23 - 24'	%	FY 23'	FY 22'
Debt Service - General Govt. & Schools:	Adopted	Debt Service - General Govt. & Schools:	Adopted	Chng	Appropriation	Actual
Transfers from:						
General Fund to Fund 401	788,169	General Government	788,169	3.2%	763,820	2,794,763
General Fund to Fund 402	414,133	Schools	414,133	-83.1%	2,454,202	429,471
Total Debt Service Fund:	\$ 1,202,302	Total Debt Service Fund:	\$ 1,202,302	-62.6%	\$ 3,218,022	\$ 3,224,234

The following tables outline the City’s debt outstanding and through final maturity for the Governmental and Business type activities.

Debt Service

General Fund Totals				
FY	Principal	Interest	Total	Outstanding
	\$17,768,800	\$6,601,618	\$24,370,418	
2017	0	0	0	17,768,800
2018	0	0	0	17,768,800
2019	0	0	0	17,768,800
2020	0	11,115	11,115	17,768,800
2021	50,000	328,062	378,062	17,718,800
2022	307,000	389,999	696,999	17,411,800
2023	297,000	464,270	761,270	17,114,800
2024	327,000	457,174	784,174	16,787,800
2025	474,600	448,741	923,341	16,313,200
2026	678,900	435,683	1,114,583	15,634,300
2027	694,900	417,617	1,112,517	14,939,400
2028	714,200	398,869	1,113,069	14,225,200
2029	735,500	379,257	1,114,757	13,489,700
2030	756,500	358,614	1,115,114	12,733,200
2031	776,800	337,436	1,114,236	11,956,400
2032	797,100	315,608	1,112,708	11,159,300
2033	819,400	292,722	1,112,122	10,339,900
2034	849,000	269,013	1,118,013	9,490,900
2035	962,400	243,820	1,206,220	8,528,500
2036	992,700	215,174	1,207,874	7,535,800
2037	1,022,000	185,631	1,207,631	6,513,800
2038	1,052,700	154,969	1,207,669	5,461,100
2039	1,006,300	123,361	1,129,661	4,454,800
2040	597,700	90,768	688,468	3,857,100
2041	610,600	78,814	689,414	3,246,500
2042	623,500	66,602	690,102	2,623,000
2043	636,400	54,132	690,532	1,986,600
2044	649,300	41,404	690,704	1,337,300
2045	662,200	28,418	690,618	675,100
2046	675,100	14,346	689,446	0

Source: City Financials, City Finance Office, Bond Documents.

Debt Service

School Fund Totals

FY	Principal	Interest	Total	Outstanding
	\$5,363,880	\$1,212,841	\$6,576,721	
2017	229,810	66,903	296,713	5,134,070
2018	329,810	64,473	394,283	4,804,260
2019	329,810	62,043	391,853	4,474,450
2020	420,810	61,965	482,775	4,053,640
2021	503,640	95,793	599,433	3,550,000
2022	339,000	92,258	431,258	3,211,000
2023	344,000	87,934	431,934	2,867,000
2024	330,000	83,333	413,333	2,537,000
2025	335,000	78,862	413,862	2,202,000
2026	151,000	74,117	225,117	2,051,000
2027	158,000	67,994	225,994	1,893,000
2028	165,000	61,502	226,502	1,728,000
2029	171,000	55,167	226,167	1,557,000
2030	173,000	49,631	222,631	1,384,000
2031	180,000	44,214	224,214	1,204,000
2032	187,000	38,302	225,302	1,017,000
2033	193,000	32,086	225,086	824,000
2034	196,000	25,716	221,716	628,000
2035	103,000	21,352	124,352	525,000
2036	106,000	17,850	123,850	419,000
2037	110,000	14,246	124,246	309,000
2038	115,000	10,506	125,506	194,000
2039	194,000	6,596	200,596	0

Source: City Financials, City Finance Office, Bond Documents.

Debt Service Enterprise Funds

Water & Sewer Fund Totals				
FY	Principal	Interest	Total	Outstanding
	\$2,684,000	\$646,984	\$3,330,984	
2021	321,000	45,213	366,213	1,629,000
2022	333,000	42,632	375,632	1,296,000
2023	343,000	38,325	381,325	953,000
2024	310,000	26,796	336,796	643,000
2025	6,000	15,834	21,834	637,000
2026	6,500	15,534	22,034	630,500
2027	6,500	15,209	21,709	624,000
2028	7,000	14,884	21,884	617,000
2029	7,500	14,534	22,034	609,500
2030	7,500	14,159	21,659	602,000
2031	8,000	13,784	21,784	594,000
2032	8,500	13,384	21,884	585,500
2033	9,000	12,959	21,959	576,500
2034	10,000	12,509	22,509	566,500
2035	9,000	12,009	21,009	557,500
2036	9,500	11,739	21,239	548,000
2037	10,000	11,454	21,454	538,000
2038	9,500	11,154	20,654	528,500
2039	10,500	10,869	21,369	518,000
2040	69,500	10,554	80,054	448,500
2041	71,000	9,164	80,164	377,500
2042	72,500	7,744	80,244	305,000
2043	74,000	6,294	80,294	231,000
2044	75,500	4,814	80,314	155,500
2045	77,000	3,304	80,304	78,500
2046	78,500	1,668	80,168	0

Source: City Financials, City Finance Office, Bond Documents.

Debt Service Enterprise Funds

Electric Fund				
FY	Principal	Interest	Total	Outstanding
	\$4,431,000	\$1,092,053	\$5,523,053	
2017	207,000	45,100	252,100	4,224,000
2018	214,000	40,136	254,136	4,010,000
2019	220,000	34,631	254,631	3,790,000
2020	222,000	28,026	250,026	3,568,000
2021	239,000	120,654	359,654	3,329,000
2022	248,000	92,049	340,049	3,081,000
2023	250,000	82,917	332,917	2,831,000
2024	160,000	76,437	236,437	2,671,000
2025	160,000	72,117	232,117	2,511,000
2026	164,000	67,797	231,797	2,347,000
2027	168,000	63,369	231,369	2,179,000
2028	173,000	58,833	231,833	2,006,000
2029	177,000	54,162	231,162	1,829,000
2030	182,000	49,383	231,383	1,647,000
2031	187,000	44,469	231,469	1,460,000
2032	192,000	39,420	231,420	1,268,000
2033	197,000	34,236	231,236	1,071,000
2034	203,000	28,917	231,917	868,000
2035	208,000	23,436	231,436	660,000
2036	214,000	17,820	231,820	446,000
2037	220,000	12,042	232,042	226,000
2038	226,000	6,102	232,102	-

Source: City Financials, City Finance Office, Bond Documents.

Debt Service Enterprise Funds

Solid Waste Fund Totals				
FY	Principal	Interest	Total	Outstanding
	\$512,200	\$185,967	\$698,167	
2017	0	0	0	512,200
2018	0	0	0	512,200
2019	0	0	0	512,200
2020	0	478	478	512,200
2021	0	6,888	6,888	512,200
2022	0	10,318	10,318	512,200
2023	10,000	13,221	23,221	502,200
2024	10,000	13,013	23,013	492,200
2025	17,400	12,795	30,195	474,800
2026	12,600	12,326	24,926	462,200
2027	7,600	11,958	19,558	454,600
2028	7,800	11,703	19,503	446,800
2029	8,000	11,434	19,434	438,800
2030	8,000	11,147	19,147	430,800
2031	53,200	10,860	64,060	377,600
2032	143,400	9,330	152,730	234,200
2033	3,600	5,184	8,784	230,600
2034	4,000	5,004	9,004	226,600
2035	3,600	4,804	8,404	223,000
2036	3,800	4,696	8,496	219,200
2037	4,000	4,582	8,582	215,200
2038	3,800	4,462	8,262	211,400
2039	4,200	4,348	8,548	207,200
2040	27,800	4,222	32,022	179,400
2041	28,400	3,666	32,066	151,000
2042	29,000	3,098	32,098	122,000
2043	29,600	2,518	32,118	92,400
2044	30,200	1,926	32,126	62,200
2045	30,800	1,322	32,122	31,400
2046	31,400	667	32,067	0

Source: City Financials, City Finance Office, Bond Documents.

School Fund

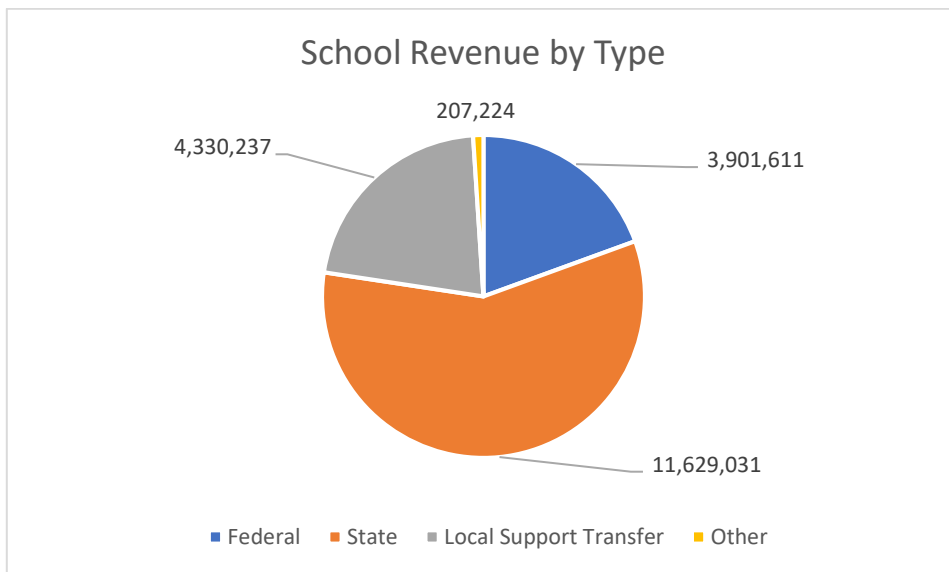
The Franklin City Council appropriates funds for the operation of the City’s Public School System. It is the responsibility of the Superintendent and the School Board to develop an annual budget request reflecting the needs of the school division. The budget is transmitted to the City Manager for consideration with the City’s Operating Budget. Details of the FY 2023-2024 School System Budget are available in a separate document maintained by the School Board. The School’s presented a budget for the School’s Operating, Cafeteria & Textbook Funds for FY 2023-2024 totaling \$22,178,841. The Council has currently approved the referenced budgets at \$21,700,877.

FY 2023-2024 Budget Highlights

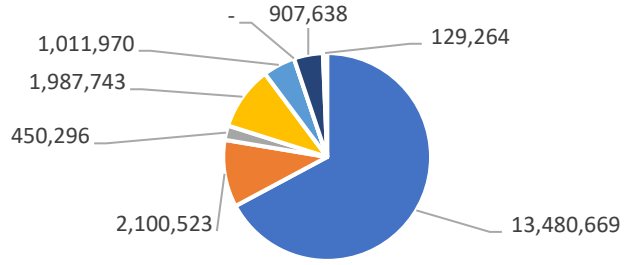
- ❖ The School division has requested a local appropriation of \$4,330,237.

Revenues	FY 23 - 24'	Expenditures	FY 23 - 24'	%	FY 23'
School Operating:	Adopted	School Operating:	Adopted	Chng	Appropriation
Federal	3,901,611	Instruction	13,480,669	13.4%	11,889,862
State	11,629,031	Administration, Health & Attendance	2,100,523	20.5%	1,743,545
Local Support Transfer	4,330,237	Pupil Transportation	450,296	-19.9%	562,374
Other	207,224	Operations & Maintenance	1,987,743	-58.1%	4,740,473
		Technology	1,011,970	-5.6%	1,071,834
		Contingency Reserve	-	-100.0%	577,200
		Cafeteria	907,638	-10.5%	1,014,598
		Textbooks	129,264	82.1%	70,992
Total School Funds:	\$ 20,068,103	Total School Funds:	\$ 20,068,103	-7.4%	\$ 21,670,878

- ❖ The School Division’s operating category of expenditures and budget sources of revenue are depicted on the following graphs:



School Expenditure by Category



- Instruction
- Administration, Health & Attendance
- Pupil Transportation
- Operations & Maintenance
- Technology
- Contingency Reserve
- Cafeteria
- Textbooks

Social Services Fund

The Franklin City Department of Social Services is responsible for administering a variety of services to meet the needs of Franklin citizens. Services include but are not limited to: Supplemental Nutrition Assistance Program (SNAP), Medicaid, Temporary Assistance to Needy Families (TANF), energy assistance and other benefits, Virginia Initiative for Employment not Welfare (VIEW), child protective services, foster care and adoption, adult protective services and other adult services. The agency is funded by revenue received from the state and federal government and an annual appropriation from the City.

FY 2023-2024 Budget Highlights

- ❖ The adopted City appropriation for FY 2023-2024 is \$640,674, an increase of \$45,393 from the FY 2022-2023 budgeted appropriation and represents 21.5% of the total revenue needed to fund the various programs administered by the department.

Revenues	FY 23 - 24'	Expenditures	FY 23 - 24'	%	FY 23'	FY 22'
	Adopted		Adopted	Chng	Appropriation	Actual
Social Services:		Social Services:				
Federal	1,446,555	Administrative	1,981,428	13.4%	1,746,747	1,808,349
State	893,581		999,382	1.2%	987,799	436,141
Local Support Transfer	640,674					
Total Social Services Fund:	\$ 2,980,810	Total Social Services Fund:	\$ 2,980,810	9.0%	\$ 2,734,546	\$ 2,244,489

Children Services Act

The Children Services Act for At-Risk Youth and Families (CSA) is a law enacted in 1993 that establishes a single state pool of funds to purchase services for at-risk youth and their families. The state funds, combined with local community funds, are managed by local interagency teams who plan and oversee services to youth. “The mission of the CSA is to create a collaborative system of services and funding that is child-centered, family-focused and community-based when addressing the strengths and needs of troubled and at-risk youth and their families in the Commonwealth” (www.csa.virginia.gov). Representatives from social services, court services, the health department, school division and community services boards serve as members on the Community Policy Management Team (CPMT). The team is responsible for recommending the proper level of treatment and services needed by children and their families and determines eligibility for funding for services through the state pool of funds. CSA also requires the establishment of a Family Assessment and Planning Team (FAPT) to address the needs of communities. CPMT makes referrals to FAPT to handle disciplinary cases involving troubled youth and families.

FY 2023-2024 BUDGET & FUNDING

Funding for the Children Services Act Fund is provided by a state pool of resources combined with a local match requirement based on a state formula. The City submits financial reports to the State CSA office requesting reimbursement of the state funds.

The CSA budget for FY 2023-2024 is \$625,312 of which \$244,792 is the City’s local funding requirement. This is a \$71,971 increase from FY 2022-2023. State aid is projected to be \$10,722 lower than the current year. Expenditures for the program are largely based on anticipated community need per the State Children Services Act Department projections. The City also reviews historical trends of CSA expenditures to determine budget estimates.

Revenues	FY 23 - 24'	Expenditures	FY 23 - 24'	%	FY 23'	FY 22'
	Adopted		Adopted	Chng	Appropriation	Actual
Children Services Act:		Children Services Act:				
State	380,520	Mandated Services to Minors	604,000	13.6%	531,720	376,213
Local Support Transfer	244,792	Administrative Expense	21,312	24.2%	17,155	-
Total Children Services Act Fund:	\$ 625,312	Total Children Services Act Fund:	\$ 625,312	13.9%	\$ 548,875	\$ 376,213

Economic Development Fund

The City of Franklin, along with Southampton County the Camp Family Foundations and the Franklin Southampton Charities, supports the mission of Franklin Southampton Economic Development, Inc. (FSEDI) aimed at “diversification of the economy and job creation through partnerships with existing businesses, attraction of new businesses, and promotion of entrepreneurship and tourism” (www.visitfranklinsouthampton.com). The City, County, Camp Family Foundations, and Franklin Southampton Charities share the total budget for FSEDI which is independent of the City. The FY 2023-2024 Budget includes a City contribution, as a portion of the jointly funded total budget, to support the initiatives of FSEDI in the amount of \$49,648.

FSEDI manages, as a service to the City, the rental of spaces in the Franklin Business Center which is owned by the City. In addition to the joint contribution, the City’s general fund provides for the maintenance and upkeep of the facility (i.e. janitorial services, utilities, insurance, etc.). A portion of the cost is derived from rental income paid by the business tenants that occupy the facility and other fees.

Revenues	FY 23 - 24'	Expenditures	FY 23 - 24'	%	FY 23'	FY 22'
Economic Development:	Adopted	Economic Development:	Adopted	Chng	Appropriation	Actual
Rents & Program Fees	134,153	Operating Expense	183,801	-40.7%	309,713	262,060
Transfer from General Fund	49,648					
Total Economic Development Fund:	\$ 183,801	Total Economic Development Fund:	\$ 183,801	-40.7%	\$ 309,713	\$ 262,060

Franklin Business Center 2021 Economic Impact

# of Full Time Employees	98
# of Part Time Employees	76
Average Salary FT Employees	\$75,479.92
Taxes paid to Franklin	\$32,701.00
Rents Paid to City	\$158,838.41
Total Business Profits	\$1,321,813

CITY OF FRANKLIN, VA – PROPOSED
 CAPITAL IMPROVEMENT PROGRAM
 FY 2023-24 TO FY 2027-28

Project Description		Anticipated Revenue Source					5-Year CIP Cost				
		FY 24	FY 24 Request	FY 25 Request	FY 26 Request	FY 27 Request	FY 28 Request	FY 24-28	FY 24-28	FY 24-28	
GENERAL ADMINISTRATION											
1	Voting Machines	Cash		33,000	34,000						67,000
	TOTAL GENERAL GOVERNMENT		0	33,000	34,000	0	0				67,000
PUBLIC SAFETY											
2	Medic 1 Replacement	Cash			350,000						350,000
3	Land Acquisition-New EMS Building	Financing		500,000							500,000
4	New Emergency Services Building	Financing					7,300,000				7,300,000
5	New Emergency Services Building Headquarters - Design	Financing			180,000						180,000
6	Fire Station 3	Financing		1,500,000							1,500,000
7	Emergency Management Vehicle	Cash	40,000								40,000
	TOTAL PUBLIC SAFETY		40,000	2,000,000	530,000	0	7,300,000				9,870,000
PUBLIC WORKS											
8	Drainage System Improvements	State	300,000	300,000	300,000	300,000					1,500,000
9	Street Improvements	State	500,000	500,000	500,000	500,000					2,500,000
10	Traffic Signal Upgrades	State	50,000	50,000	50,000	50,000					250,000
Transportation Safety/Street Projects											
11	Street Improvement Paving per Pavement Condition Analysis & Management Report	Cash		870,000	915,000	760,000					2,545,000
12	Intersection Improvements Per Comp Plan	Cash		220,000	220,000	220,000					660,000
13	North High Street Widening	Cash				3,200,000					3,200,000
14	Hunterdale Road Widening	Cash				3,600,000					3,600,000
15	Fairview Drive Widening	Cash				1,200,000					1,200,000
16	Bobwhite Lane Connector to High Street	Cash				1,600,000					1,600,000
	TOTAL PUBLIC WORKS		850,000	1,940,000	1,985,000	11,430,000	850,000				17,055,000

CITY OF FRANKLIN, VA – PROPOSED
 CAPITAL IMPROVEMENT PROGRAM
 FY 2023-24 TO FY 2027-28

		Anticipated Revenue Source					5-Year CIP Cost				
		FY 24	FY 24 Request	FY25 Request	FY 26 Request	FY 27 Request	FY 28 Request	FY 24-28			
Project Description											
PARKS & RECREATION											
17	Blackwater Park - stain boardwalk	Cash			25,000					25,000	
18	Riverwalk Park - stain boardwalk	Cash	30,000							30,000	
19	Armory Park City Pool Renovations	Cash	20,000	25,000						45,000	
20	MLK building renovations	Cash		100,000						100,000	
21	MLK Kitchen Renovations	Cash	45,000							45,000	
	TOTAL PARKS & RECREATION		95,000	125,000	25,000	0	0	0	0	245,000	
ELECTRIC FUND											
22	Replacement of Unit 8-1 Truck	User Fees		350,000						350,000	
23	Canterbury Charles Street Underground Update	Financing		1,000,000	1,000,000					2,000,000	
24	Substation	Financing		7,000,000						7,000,000	
25	SCADA replacement	Financing		280,000						280,000	
26	Automated Metering Infrastructure	Financing		1,500,000						1,500,000	
	TOTAL ELECTRIC FUND		0	10,130,000	1,000,000	0	0	0	0	11,130,000	
WATER & SEWER FUND											
27	Sewer System Rehabilitation	User Fees	137,333	400,000	400,000	400,000			400,000	1,737,333	
28	Sewer System Improvements - Laurel St CDBG	User Fees	214,200							214,200	
29	Water System Improvements	User Fees	50,000	50,000	50,000	50,000			50,000	250,000	
30	Wastewater Treatment Plant Upgrades	User Fees	80,000	100,000	100,000	100,000			100,000	480,000	
	TOTAL WATER & SEWER FUND		481,533	550,000	550,000	550,000	550,000	550,000	550,000	2,681,533	
	TOTAL ALL FUNDS		1,466,533	14,778,000	4,124,000	11,980,000	8,700,000	41,048,533			

SECTION SIX

SUPPLEMENTAL DOCUMENTS

1. Budget Resolution
2. Electric Rate Ordinance

FY 2023 – 2024 Budget Resolution
Budget Resolution
Setting the Tax Rates, Adopting the Budget and
Appropriating Funds for FY 2023 – 2024

WHEREAS, it is mandated by law that the governing body of this City adopt a City budget for fiscal planning purposes and fix the respective local tax rates each year and;

WHEREAS, the Franklin City Council has complied with the law by preparing a proposed budget, holding the required public hearings on May 10, 2023 after proper and legal notice and having deliberated;

Section I.

Council does hereby propose to set and adopt, pursuant to Virginia Code Section 58.1-3524, the rate of tax relief at such a level that is anticipated to fully exhaust PPTRA relief funds provided to the City by the Commonwealth as follows:

Personal Use vehicles valued at \$1,000 or less	Eligible for 100% tax relief
Personal Use vehicles valued at \$1,001 to \$20,000	Eligible for tax relief at 42%
Personal Use vehicles valued at \$20,000 or more	Eligible for tax relief at 42% on the first \$20,000 of value and taxed fully on the balance

THE FOLLOWING TAXES AND FEES ARE PROPOSED TO AS FOLLOWS:

Real Estate Tax Rate	\$1.03/\$100 of assessed value
Personal Property & Business Property	\$4.50/\$100 of assessed value
Downtown District Tax Rate	\$0.24/\$100 of assessed value
Machinery & Tools	\$2.00/\$100 of assessed value
Meals Tax	7.0%
Lodging Tax	8.0%
Cigarette Tax	\$0.70 per pack
Ambulance Service Fee:	
Treatment Without Transport (A0998)	\$380.00
Basic Life Support (BLS) (A0428)	\$560.00
Basic Life Support Emergent (A0429)	\$700.00
Advanced Life Support 1 (ALS1) (A0426)	\$741.00
Advanced Life Emergent (A0427)	\$850.00
Advanced Life Support 2 (ALS2) (A0433)	\$974.00
Mileage Rate to Hospital	\$17.00

Water Service Fees

\$14.22 base rate plus \$3.20 per 1,000 gallons per month (metered usage – inside City)
\$17.98 base rate plus \$3.96 per 1,000 gallons per month (metered usage – outside City)
\$30.25 base rate per month – (unmetered usage – inside City)
\$37.57 base rate per month – (unmetered usage – outside City)

Sewer Service Fees

\$19.01 base rate plus \$4.43 per 1,000 gallons per month (metered usage – inside City)
\$22.94 base rate plus \$5.67 per 1,000 gallons per month (metered usage – outside City)
\$41.00 base rate per month – (unmetered usage – inside City)
\$50.95 base rate per month – (unmetered usage – outside City)

Trash Collection Fees

\$38.00 per month – (residential – inside City)
\$76.00 per month – (residential – outside City)
\$52.61 per month – commercial 1 box
\$61.90 per month – commercial 2 box

Section II: The following amounts as stated are hereby appropriated in the General Fund for the operation of the City Government and its activities for and during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

REVENUE SUMMARY – GENERAL FUND

Local	\$	22,269,333
State		4,356,114
Federal		204,408
Subtotal- Operating Revenue	\$	26,829,855
Other Financial Sources		2,652,422
Total General Fund Revenues	\$	29,482,277

EXPENDITURE SUMMARY – GENERAL FUND

City Council	\$	317,627
City Manager		286,786
City Attorney		115,000
Management Service & HR		231,789
Commissioner of the Revenue		332,810
Real Estate Assessor		165,134
Treasurer		461,667
Finance		406,218
Purchasing		137,742
Utilities		374,437
Insurance		175,753
Information Technology		290,005
Elections		199,387
Judicial Administration		1,584,616
Public Safety		4,353,027
Emergency Management Services		6,499,305
Inspections		434,183
Animal Control		125,757
Public Works - Streets & Snow Removal		2,033,139
Public Works - Garage		343,582
Maintenancve of Buildings & Grounds		1,495,390
Cemetery Maintenance		1,000
Health & Welfare		906,509
Recreation		560,988
Library		294,856
Planning/Zoning		104,797
Beautification		3,000
Tourism		116,201
Non-Dept: Rev- Sharing		600,000
Subtotal	\$	22,950,705
Transfers to Other Funds		6,531,572
Total General Fund Expenditures	\$	29,482,277

Section III: The following amounts as stated as hereby appropriated in the Water and Sewer Fund for the operation of the Enterprise and its activities for and during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

REVENUE SUMMARY – WATER & SEWER FUND

Sale of Water	\$	1,250,000
Sale of Sewer		1,800,000
Miscellaneous		145,000
Use of Unassigned Fund Balance		249,922
Total Water & Sewer Fund Revenue	\$	3,444,922

EXPENDITURE SUMMARY – WATER & SEWER FUND

Operating Expense	\$	2,490,857
Debt Service		339,963
Transfer to General Fund - Admin Services & Lieu of Taxes		399,902
Transfer to Capital Projects		214,200
Total Water & Sewer Fund Expenditures	\$	3,444,922

Section IV: The following amounts as stated are hereby appropriated in the Solid Waste Fund for the operation of the Enterprise and its activities for and during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

REVENUE SUMMARY – SOLID WASTE FUND

Solid Waste Collection Fees	\$	1,360,693
Miscellaneous		50,209
Total Solid Waste Fund Revenue	\$	1,410,902

EXPENDITURE SUMMARY – SOLID WASTE FUND

Operating Expense	\$	1,126,580
Debt Service		28,533
Transfer to General Fund - Admin Services		255,789
Total Solid Waste Fund Expenditures	\$	1,410,902

Section V: The following amounts as stated are hereby appropriated in the Airport Fund for the operation of the Enterprise and its activities for and during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

REVENUE SUMMARY – AIRPORT FUND

Airport Rental Fees	\$	61,800
Sale of Jet Fuel & Aviation Gas		65,000
Transfer from General Fund		63,919
Total Airport Fund Revenue	\$	190,719

EXPENDITURE SUMMARY – AIRPORT FUND

Operating Expense	\$	170,448
Transfer to General Fund - Admin Services		20,271
Total Airport Fund Expenditures	\$	190,719

Section VI: The following amounts as stated are hereby appropriated in the Electric Fund for the operation of the Enterprise and its activities for and during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

REVENUE SUMMARY – ELECTRIC FUND

Revenue from Sale of Energy	\$	14,107,382
Revenue from Fuel Charges		4,403,588
Other Revenue		415,789
Total Electric Fund Revenue	\$	18,926,759

EXPENDITURE SUMMARY – ELECTRIC FUND

Fuel Adjustment	\$	4,403,588
Energy for Resale		8,331,651
Energy True Up Expense		600,000
Operating Expenses		2,449,139
Capital Improvements		379,063
Debt Service		236,437
Transfer to General Fund - Admin Services & Lieu of Taxes		726,888
Transfer to General Fund - Operations Subsidy		1,799,993
Total Electric Fund Expenditures	\$	18,926,759

Section VII: The following amounts as stated are hereby appropriated in the Social Services Fund for the operation of the fund and its activities for and during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

REVENUE SUMMARY – SOCIAL SERVICES FUND

State & Federal Revenue	\$	2,340,136
Transfer from General Fund		640,674
Total Social Services Fund Revenue	\$	2,980,810

EXPENDITURE SUMMARY – SOCIAL SERVICES FUND

Social Services Expenses	\$	2,980,810
Total Social Services Fund Expenditures	\$	2,980,810

Section VIII: The following amounts as stated are hereby appropriated in the Children Services Act Fund for the operation of the fund and its activities for and during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

REVENUE SUMMARY – CHILDREN SERVICES ACT FUND

State Revenue	\$	380,520
Transfer from General Fund		244,792
Total Children Services Act Fund Revenue	\$	625,312

EXPENDITURE SUMMARY – CHILDREN SERVICES ACT FUND

Mandated Services	\$	604,000
Administrative Services		21,312
Total Children Services Act Fund Expenditures	\$	625,312

Section XI: The following amounts as stated hereby appropriated in the Education Fund (Schools, Cafeteria, & Textbook) for the operation of the funds and its activities for and during the fiscal year beginning July 1, 2024 and ending June 30, 2024:

REVENUE SUMMARY – EDUCATION FUNDS

State Revenue	\$	11,629,031
Federal Revenue		3,901,611
Other Local Revenue		207,224
Transfer from General Fund		4,330,237
Total Education Fund Revenue	\$	20,068,103

EXPENDITURE SUMMARY – EDUCATION FUNDS

Instruction Services	\$	13,480,669
Administrative, Attendance & Health		2,100,523
Pupil Transportation		450,296
Operations & Maintenance		1,987,743
Food Services		907,638
Technology		1,011,970
Textbooks		129,264
Total Education Fund Expenditures	\$	20,068,103

Section X: The following amounts as stated are hereby appropriated in the Debt Service Fund for the operation of the fund and its activities for and during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

REVENUE SUMMARY – DEBT SERVICE FUND

Transfer from General Fund - General Debt	\$	788,169
Transfer from General Fund - School Debt	\$	414,133
Total Debt Service Fund Revenue	\$	1,202,302

EXPENDITURE SUMMARY – DEBT SERVICE FUND

General Fund Debt Service	\$	788,169
School Debt Fund	\$	414,133
Total Debt Service Fund Expenditures	\$	1,202,302

William L. ...

Section XI: The following amounts as stated are hereby appropriated in the Economic Development Fund for the operation of the fund and its activities for and during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

REVENUE SUMMARY – ECONOMIC DEVELOPMENT FUND

Program Fees & Rental Income	\$	134,153
Transfer from General Fund - Joint Activity	\$	49,648
Total Economic Development Fund Revenue	\$	183,801

EXPENDITURE SUMMARY- ECONOMIC DEVELOPMENT FUND

General Operating Cost	\$	183,801
Total Economic Development Fund Expenditures	\$	183,801

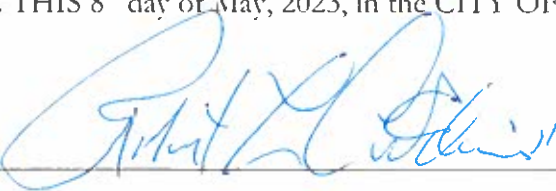
Section XIII: AUTHORIZATION & LIMITATIONS

A. The City Manager is authorized to transfer budgeted amounts within departments up to \$50,000. Expenditures over the original budget of any department or transfers over \$50,000 must be approved by City Council.

B. No amount between funds nor any contingency appropriation may be transferred within any fund without approval from the City Council. In addition, no appropriation for the Reserve-General Fund can be spent nor transferred without the express authority of Council.

EFFECTIVE DATE: The budget hereby proposed and the respective tax rates and fees so fixed shall be effective July 1, 2023.

DONE THIS 8th day of May, 2023, in the CITY OF FRANKLIN, VIRGINIA



Robert B. Cutchins, Mayor

ATTEST:



Amanda C. Jarratt, City Manager

City Ordinance 8-14(a) Has No Proposed Increase for Electrical Rates

Proposed Motion

The Council of the City of Franklin does ordain that the Franklin City Code 8-14 (a) shall maintain the current monthly electrical rates (FY 22-23 rates) for the non-fuel charge component for the kWh energy charge and the kW demand charge for all billings after July 1, 2022 in the following categories of users:

Sec. 8-14. Electrical rates and deposits.

(a) The following monthly electrical rates are hereby established for the following category of users:
Residential Rate – “Schedule RS-401”:

	<u>July 1, 2022</u>	<u>July 1, 2023</u>
A. Basic Customer Charge:	\$7.98	\$7.98
B. Plus kWh Charge	\$0.11068	\$0.11068
C. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.		

Small General Service Rate – “Schedule SGS 405”:

	<u>July 1, 2022</u>	<u>July 1, 2023</u>
A. Basic Customer Charge: Single Phase	\$12.61	\$12.61
B. Plus kWh Charge:	\$0.9112 per kWh	\$0.9112 per kWh
C. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.		

Small General Service Rate – “Schedule SGS 406”:

	<u>July 1, 2022</u>	<u>July 1, 2023</u>
A. Basic Customer Charge: Three Phase	\$22.42	\$22.42
B. Plus kWh charge:	\$0.09112 per kWh	\$0.09112 per kWh
C. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.		

Medium General Service-I Rate– “Schedule MGS-I 451/551”:

A. Basic Customer Charge: Single Phase	July 1, 2022 \$49.50	July 1, 2023 \$49.50
B. Plus kWh Charge:	\$0.07466 per kWh	\$0.07466 per kWh
C. Plus kW Demand Charge:	\$6.94 per kW	\$6.94 per kW

D. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.

Medium General Service-I Rate – “Schedule MGS-I 453/553”:

A. Basic Customer Charge: Three Phase	July 1, 2021 \$99.00	July 1, 2022 \$99.00
B. Plus kWh Charge:	\$0.07466 per kWh	\$0.07466 per kWh
C. Plus kW Demand Charge:	\$6.94 per kW	\$6.94 per kW

D. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.

Medium General Service-D Rate – “Schedule MGS-D 404/504”:

A. Basic Customer Charge: Single Phase	July 1, 2022 \$45.00	July 1, 2023 \$45.00
B. Plus kWh Charge:	\$0.04943 per kWh	\$0.04943 per kWh
C. Plus kW Demand Charge:	\$15.27 per kW	\$15.27 per kW

D. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.

Medium General Service-D Rate – “Schedule MGS-D 407/507”:

A. Basic Customer Charge: Three Phase	July 1, 2022 \$90.00	July 1, 2023 \$90.00
B. Plus kWh Charge:	\$0.04943 per kWh	\$0.04943 per kWh
C. Plus kW Demand Charge:	\$15.27 per kW	\$15.27 per kW

D. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.

Large General Service Rate – “Schedule LGS 403/503”:

	<u>July 1, 2022</u>	<u>July 1, 2023</u>
A. Basic Customer Charge	\$247.50	\$247.50
B. Plus kWh Charge:	\$0.04505 per kWh	\$0.04505 per kWh
C. Plus kW Demand Charge:	\$16.72 per kW	\$16.72 per kW

D. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.

Municipal Service Rate – “Schedule MS 408”:

A. Basic Customer Charge: Single Phase	<u>July 1, 2022</u> \$16.50	<u>July 1, 2023</u> \$16.50
B. Plus kWh Charge:	\$0.10030 per kWh	\$0.10030 per kWh

C. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.

Municipal Service Rate – “Schedule MS 409”:

A. Basic Customer Charge: Three Phase	<u>July 1, 2022</u> \$26.13	<u>July 1, 2023</u> \$26.13
B. Plus kWh Charge:	\$0.10030 per kWh	\$0.10030 per kWh

C. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.

Church and Synagogue Rate – “Schedule CS 418”:

A. Basic Customer Charge: Single Phase	<u>July 1, 2022</u> \$12.38	<u>July 1, 2023</u> \$12.38
B. Plus KWH Charge: First 3000 kWh	\$0.10574 per kWh	\$0.10574 kWh
Excess over 3000 kWh	\$0.15662 per kWh	\$0.15662 per kWh

C. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.

Church and Synagogue Rate – “Schedule CS 419, 429, 440”:

A. Basic Customer Charge:	<u>July 1, 2022</u>	<u>July 1, 2023</u>
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Three Phase	\$22.00	\$22.00
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B. Plus KWH Charge:

First 3000 kWh	\$0.10574 per kWh	\$0.10574 per kWh
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Excess over 3000 kWh	\$0.15662 per kWh	\$0.15662 per kWh
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B. Fuel Adjustment: Each kilowatt hour used is subject to adjustment for charges in fuel costs, provided such fuel costs are charged to the City by its supplier.

OUTDOOR LIGHTING SERVICE

Rate Schedule: OLS

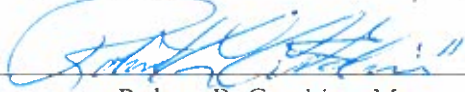
High Pressure Sodium

	<u>July 1, 2022</u>	<u>July 1, 2023</u>
100 Watt	\$11.00 per month	\$11.00 per month
150 Watt	\$13.50 per month	\$13.50 per month
250 Watt	\$18.75 per month	\$18.75 per month
400 Watt	\$28.00 per month	\$28.00 per month
1,000 Watt	\$44.00 per month	\$44.00 per month
40 LED		\$11.00 per month
140 LED		\$18.75 per month
1000 LED		\$32.00 per month

Metal Halide

1,000 Watt	\$39.25 per month	\$39.25 per month
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GIVEN under our hands this 8th day of May 2023.



Robert B. Cutchins, Mayor

Attest:



Amanda C. Jarratt, City Manager