



Franklin County Industrial
Development Agency

Franklin County Industrial Development Agency

2023 Budget

Adopted October 12, 2022

2023 Budget Message

Introduction

The Franklin County Industrial Development Agency (FCIDA) Fiscal Year 2023 Budget serves as the agency's primary policy document. Each year, over the last several years, the staff and the Board of Directors have worked to improve the budget process to meet the demands of an agency that is growing to meet the needs of the communities it serves.

This year, the budget was developed to better align expenditures with established goals and strategies and with consideration of the local, state and national economic outlook and how it can affect Franklin County businesses and FCEDC operations.

Alignment with Agency Goals

FCEDC is committed to assisting the people, businesses and communities of Franklin County and our work is focused on the following four goals:

1. Strong Economic Development Climate
2. Vibrant Entrepreneurial Culture
3. Flourishing Downtowns
4. Resilient Industries

The 2023 budget is designed to allow FCEDC to undertake a variety of activities that will help achieve these goals while protecting the overall fiscal health of the agency during a time of increasing economic uncertainty.

Economic Outlook

The overall business environment has been favorable over the last decade to local economies. Despite the negative impact Covid had on many local businesses, the unemployment rate is lower now than pre-pandemic levels and unprecedented federal stimulus reduced the economic pain .

Looking forward to 2023 however, businesses will be challenged by elevated inflation and an increasing interest rate environment. The most recent comments coming from the Federal Reserve indicate a firm commitment to raising interest rates to bring down inflation. Businesses will be squeezed by

escalating supply costs and increased cost of borrowing. It is quite likely that the US economy will enter a moderate (or possibly a severe) recession in 2023. A recessionary environment will have a negative impact on existing and potential new businesses in our region, particularly those that depend on debt financing.

“Companies with high levels of debt are especially vulnerable during a recession, studies show.” “...Business closures...were the most pronounced among companies with the highest levels of debt.” <https://hbr.org/2019/05/how-to-survive-a-recession-and-thrive-afterward>

We analyzed bankruptcy information for Franklin County for the Great Recession (GR)(2007-2011) and for the 5 year period following (2012-2016.) During the GR there were 42 bankruptcies with 28 of them being Chapter 7 with complete closure. The 5 year period that followed saw bankruptcies fall by 71% to 12 with only 4 Chapter 7 filings. Helping businesses may lessen the number of bankruptcies that could occur.

Two key components of a business’s survival in a recession (referenced in the article) is preparation for the downturn by deleveraging to the greatest extent possible and strategic planning in how to effectively ride out the downturn. Advanced contingency planning is essential for a business’s survival.

We will need to be strategic as well on how we assist businesses to prepare for a downturn. There is no one solution and every business is different, but we look to position our organizations to meet this coming challenge and help businesses weather the storm and thrive in its aftermath.

Jeremy Evans
Chief Executive Officer

Paul Ellis
Chief Financial Officer

Budget Report for Franklin County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 10/28/2022

Status: CERTIFIED

Certified Date: 10/28/2022

Budget & Financial Plan

Budgeted Revenues, Expenditures, And Changes in Current Net Assets.

	Last Year (Actual) 2021	Current Year (Estimated) 2022	Next Year (Adopted) 2023	Proposed 2024	Proposed 2025	Proposed 2026
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Charges For Services	\$265,576.00	\$108,000.00	\$179,000.00	\$179,000.00	\$179,000.00	\$179,000.00
Rental And Financing Income	\$2,626.00	\$2,704.00	\$2,800.00	\$2,700.00	\$2,700.00	\$2,700.00
Other Operating Revenues	\$64,547.00	\$0.00	\$120,000.00	\$120,000.00	\$120,000.00	\$0.00
Non-Operating Revenues						
Investment Earnings	\$233.00	\$300.00	\$9,250.00	\$12,500.00	\$12,500.00	\$12,500.00
State Subsidies/Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Subsidies/Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Municipal Subsidies/Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Public Authority Subsidies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Nonoperating Revenues	\$43,240.00	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00	\$0.00
Proceeds From The Issuance Of Debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$75,000.00
Total revenues and financing sources	\$376,222.00	\$186,004.00	\$386,050.00	\$389,200.00	\$389,200.00	\$269,200.00
EXPENDITURES						
Operating Expenditures						
Salaries And Wages	\$143,354.00	\$165,511.00	\$202,434.00	\$206,483.00	\$153,912.00	\$156,991.00
Other Employee Benefits	\$71,374.00	\$82,756.00	\$103,529.00	\$105,599.00	\$97,711.00	\$99,665.00
Professional Services Contracts	\$48,542.00	\$14,859.00	\$75,680.00	\$55,000.00	\$55,000.00	\$55,000.00
Supplies And Materials	\$24,784.00	\$35,000.00	\$42,700.00	\$40,000.00	\$40,000.00	\$40,000.00
Other Operating Expenses	\$25,460.00	\$25,460.00	\$25,460.00	\$25,460.00	\$25,460.00	\$25,460.00
Non-Operating Expenditures						
Payment Of Principal On Bonds And Financing Arrangements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest And Other Financing Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subsidies To Other Public Authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Asset Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grants And Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Nonoperating Expenses	\$92,646.00	\$59,722.00	\$47,230.00	\$50,000.00	\$50,000.00	\$50,000.00
Total expenses	\$406,160.00	\$383,308.00	\$497,033.00	\$482,542.00	\$422,083.00	\$427,116.00
		\$0.00				
Excess (Deficiency) Of Revenues And Capital Contributions Over Expenses	(\$29,938.00)	(\$197,304.00)	(\$110,983.00)	(\$93,342.00)	(\$32,883.00)	(\$157,916.00)

Budget Report for Franklin County Industrial Development Agency

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The authority's budget, as presented to the Board of Directors, is posted on the following website: <https://adirondackfrontier.com/about-us/ida/>

Additional Comments