



**Finance Committee Meeting
Agenda & Meeting Packet**

February 24th, 2021
6:30 PM

Meeting will be held at the **Municipal Building**
2nd floor, Council Chambers
355 East Central Street

The public will **NOT** be permitted to enter the building or participate in person. Only pre-approved participants on the meeting agenda will be allowed to enter the Building and participate in person. **Residents can attend and participate via the “ZOOM” Platform.**

A NOTE TO RESIDENTS: Due to the continued concerns regarding the COVID-19 virus and Governor Baker's declared State of Emergency, we will be conducting a remote/virtual Finance Committee Meeting for all public access and participation. In an effort to ensure citizen engagement and comply with open meeting law regulations, citizens will be able to dial into the meeting using the provided phone number (Cell phone or Landline Required) OR citizens can participate by clicking on the attached [link](#) (Phone, Computer, or Tablet required). The attached link and phone number will be active for the duration of the meeting for citizens to ask questions/voice concerns. If residents are just interested in watching the meeting it will also be [live-streamed by Franklin TV](#) and shown on Comcast Channel 11 and Verizon Channel 29.

- **Link to access meeting:** February 24th, 2021 FinCom Meeting Link [HERE](#) -- Then click “Open Zoom”
 - Or copy and paste this URL into your browser: <https://us02web.zoom.us/j/89773307002>
 - **Call-In Phone Number:** Call 1-929-205-6099 & enter Meeting ID # 897 7330 7002--Then press #

Agenda

1. Call to Order
2. Public Comments
3. Approval of Minutes
 - a. January 13, 2021
4. Fire Department Update
 - a. ALS/BLS and Mileage Rate Changes
 - b. Fire Truck Borrowing Resolution
5. Debt and Borrowing presentation
 - a. Kerri Bertone, Treasurer & Christopher Sandini, Finance Director/Comptroller
6. Stabilization Funds Update & Comparables
7. Future Agenda Items
8. Adjourn



Finance Committee

Meeting Date: January 13, 2021

Present: Chairman Dowd, Vice Chairman Conley, Clerk Corbosiero, Dewsnap, Moses, Grace, Riley, Kasberg, Weich

1. **Call to Order:** 5:00 PM
2. **Citizen Comments:** None
3. **Approval of Minutes:** Minutes of 12/15/20 – approved 9-0
4. **Stormwater Presentation**
 - a. Franklin has been a leader in our stormwater initiative. Worcester only other town that has received more stormwater grants than Franklin.
 - b. Aging stormwater infrastructure – needs to be maintained in order to avoid significant future costs.
 - c. Property taxes or stormwater utility are the options to fund maintenance etc.
 - i. With a utility you can get credit if you implement certain tactics.
 - ii. We have been able to get credits because we were leaders on this front so we have had more time before needing to implement a utility.
 - d. Vote was taken to adopt a user fee at \$18.66 per billing unit per year which will become effective January 1, 2022. SF is based on the SF of the impervious surface on your property not your total property.
5. **COVID-19 Update**
 - a. 200 first responders vaccinated at FHS 1/13/21 which involved multiple towns – Bellingham, Millis, Milford, and Medway
 - b. Phase 2 – end of Feb early March
6. **Future Agenda Items**
 - a. Discussion of comparable towns stabilization fund and how they compare to Franklin.
 - b. Projected revenues and how they are allocated.
 - c. Other Post-Employment Benefits (OPEB) overview.
 - d. DPW – Overview of storm water, recycling, road maintenance, and other.
 - e. Facilities Technology
 - f. Revenue projection in Feb and budget stabilization request
7. **Adjourn – 6:29 pm**

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
www.franklinma.gov

OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

January 29, 2020

To: Town Council
From: Jamie Hellen, Town Administrator

Re: Bylaw 21-869 ALS/BLS & Mileage Rate Changes

I am asking the Council to consider the passage of a revised fee schedule for ALS/BLS & Mileage rates in the Town's fees bylaw.

The Council last approved these fee increases last year in order for the Town to be in a position where we were in the middle of the pack for rates. The staff suggested at the time, at the recommendation of our billing service provider, the Town should be at least in the middle of area communities and we were, at the time, far below. Fast forward a year later, and we are now slightly below the middle of the pack and approval of this bylaw will allow us to be back in the middle and maintain market standards.

As all of you recall, the additional revenue the FD has raised through the ALS/BLS rates is supporting the sustainability of four new paramedics approved in the FY21 budget. We have concluded the interview process and hope to have those candidates sworn in at a Council meeting in March once the required background checks, exams and paperwork are complete.

I have included two activity reports from the Fire Department in the packet: the first report is from 4/1/2019 - 12/31/19 and the second report is from 4/1/20 - 12/31/20. In reviewing the reports you can see that the total charges in 2019 were \$2,598,377.90 from 1,582 billable transports and in 2020 the charges were \$3,294,250.47 from 1,409 transports. In summary, the Fire department charged \$695,872.57 more with 173 less billable transports in the 2020 year as compared to 2019.

These fee changes have proven very successful for the Fire Departments revenue, and we look to continue with annual updates to this fee bylaw.

The new proposed rates are as follows:

Ambulance Fees:		
ALS Base Rate 1	\$2,329.00	<u>\$2,420.00</u>
ALS Base Rate 2	\$3,420.00	<u>\$3,571.00</u>
BLS Rate	\$1,477.00	<u>\$1,553.00</u>
Mileage	\$36.12	<u>\$37.31</u>

If you have any additional questions please feel free to ask.

ACTIVITY TRACKING REPORT BY PAYOR GROUPS

Company IS FRANKLIN MA FIRE DEPARTMENT; AND Trip Date IS BETWEEN 04/01/2019 AND 12/31/2019; AND Show All

1/27/2021

1

FRANKLIN MA FIRE DEPARTMENT

	Total Transports	Total Charges	Total Allowable	Total Collected	Percent Collected
Blue Cross	149	\$246,667.55	\$237,662.55	\$220,074.53	92.60%
Medicaid	261	\$421,323.68	\$77,816.64	\$77,082.63	99.06%
Medicare	777	\$1,278,090.42	\$403,602.71	\$400,121.00	99.14%
Other Insurance	280	\$463,238.96	\$421,156.90	\$390,099.02	92.63%
Totals >	1,467	\$2,409,320.61	\$1,140,238.80	\$1,087,377.18	95.36%
	Total Transports	Total Charges	Total Allowable	Total Collected	Percent Collected
Veterans Administration	6	\$9,920.58	\$6,531.92	\$4,882.83	74.75%
100% Self Pay - Insured	66	\$109,998.17	\$83,579.49	\$29,805.62	35.66%
100% Self Pay - Uninsured	43	\$69,138.54	\$67,930.93	\$7,538.39	11.10%
Totals >	115	\$189,057.29	\$158,042.34	\$42,226.84	26.72%
Grand Totals >	1,582	\$2,598,377.90	\$1,298,281.14	\$1,129,604.02	87.01%

ACTIVITY TRACKING REPORT BY PAYOR GROUPS

Company IS FRANKLIN MA FIRE DEPARTMENT; AND Trip Date IS BETWEEN 04/01/2020 AND 12/31/2020; AND Show All

1/27/2021

1

FRANKLIN MA FIRE DEPARTMENT

	Total Transports	Total Charges	Total Allowable	Total Collected	Percent Collected
Blue Cross	141	\$346,046.52	\$332,702.34	\$260,700.25	78.36%
Medicaid	222	\$507,535.92	\$86,250.61	\$79,858.55	92.59%
Medicare	776	\$1,800,673.45	\$437,266.17	\$378,584.86	86.58%
Other Insurance	176	\$417,936.46	\$390,624.97	\$288,028.55	73.74%
Totals >	1,315	\$3,072,192.35	\$1,246,844.09	\$1,007,172.21	80.78%
	Total Transports	Total Charges	Total Allowable	Total Collected	Percent Collected
Veterans Administration	1	\$2,545.72	\$2,545.72	\$2,545.72	100.00%
100% Self Pay - Insured	42	\$97,401.72	\$88,452.88	\$15,665.30	17.71%
100% Self Pay - Uninsured	51	\$122,110.68	\$122,110.68	\$2,509.60	2.06%
Totals >	94	\$222,058.12	\$213,109.28	\$20,720.62	9.72%
Grand Totals >	1,409	\$3,294,250.47	\$1,459,953.37	\$1,027,892.83	70.41%



Sponsor: Administration

TOWN OF FRANKLIN

BYLAW AMENDMENT 21-869

CHAPTER 82, MUNICIPAL SERVICE FEES

A BYLAW TO AMEND THE CODE OF THE TOWN OF FRANKLIN AT CHAPTER 82

BE IT ENACTED BY THE FRANKLIN TOWN COUNCIL that Chapter 82 of the Code of the Town of Franklin is amended at Section 82-6 Schedule of Service Fees, Subsection F. Fire, by striking existing language and replacing as, set out below:

§ 82-6. **Schedule of service fees.**

F. Fire

Service Fee	Rate
Ambulance Fees:	
ALS Base Rate 1	\$2,329.00 <u>\$2,420.00</u>
ALS Base Rate 2	\$3,420.00 <u>\$3,571.00</u>
BLS Rate	\$1,477.00 <u>\$1,553.00</u>
(Commercial Care Facility Without Transport)	\$935.00
Mileage	\$36.12 <u>\$37.31</u>

This bylaw amendment shall become effective on and after April 1, 2021.

DATED: _____, 2021

VOTED:

UNANIMOUS: _____

A True Record Attest:

YES: _____ **NO:** _____

ABSTAIN: _____

ABSENT: _____

Nancy Danello
Temporary Town Clerk

Glenn Jones, Clerk
Franklin Town Council

Town of Franklin

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OFFICE OF THE TOWN ADMINISTRATOR

February 12, 2021

To: Town Council

From: Jamie Hellen, Town Administrator

RE: Borrowing Authorization - Fire Apparatus

The Fire Chief and I are requesting a borrowing authorization for two fire trucks. The details are outlined in the memo from the Chief, but in short these trucks are in stock right now, saving thousands in annual maintenance for the next ten years and setting the community up with proper apparatus for the next decade. Additionally, with COVID-19, there are significant delays in ordered apparatus. The Town may not get many more opportunities like this to set ourselves up for future success. This opportunity has just come our way in recent weeks and I want to take advantage of this now.

The total cost of the trucks is \$1,108,000 (rounded up \$182). \$300,000 will be used from the Fire Truck Stabilization account that has built up over a few years. The Town will borrow \$808,000 and the vehicles will be ours. With the interest rates the Town is receiving, we save money over the long term and have better equipment for our residents and staff.

Please see attached memo from the Chief with further details and a quote from the vendor. The most important document is the anticipated maintenance costs over the next decade, which far exceeds the cost of every one of the new trucks!

If you have any additional questions please feel free to ask.



Town of Franklin Fire Department

40 West Central St.

Franklin, Massachusetts 02038

Tel. (508) 528-2323

Fax. (508) 520-4912

James G. McLaughlin, Fire Chief

Joseph S. Barbieri, III, Deputy Fire Chief
James P. Klich, Deputy Fire Chief

February 11, 2021

Town Administrator Hellen:

The intent of this letter is to make you aware of an opportunity to purchase two new fire pumpers from Greenwood Emergency Vehicles in North Attleboro, MA. While we recognize this may not be the ideal time to be considering a major purchase, my staff and I felt it would be irresponsible on our part not to present this recent development for your consideration.

The opportunity: Greenwood Emergency Vehicles has two identical basic pumpers that were ordered in September 2019, under 2019 pricing rates, that are going to be delivered at the end of April as "demo" trucks for them to sell this year. A backup in production due to the pandemic and large orders from a few large urban departments delayed the production of these two vehicles. As "demos" these trucks are being sold 'as is' without any opportunity for further customization. Although ordered in 2019, they will be issued 2021 VIN identification numbers

Whereas trucks normally used to take around 300 days to build, under current pandemic conditions, some fire apparatus vendors today are giving a 360-450 day delivery date for all new orders. Also, if we placed a new order today there would be an 8% increase over the 2019 price for these same two trucks. Subsequent to the September 2019 order there were customary price increases of 2.5 % (Oct 2019), 2.5% (Apr 2020) and 3% (Oct 2020). The cost of purchasing one truck is \$558,909 as opposed to approximately \$604,515. If we purchased both trucks, the cost for the second truck would be discounted at \$548,909 for a combined total of \$1,107,818. As "demos", these are basic trucks with no additional bells and whistles. They both feature stainless steel bodies with galvanized frames to improve service life and usability in our rough climate. These prices do include some basic equipment such as ladders, foam system, lettering/shelving allowances and four training sessions. As you can see, the combination of a multiple vehicle purchase and 2019 pricing, before current price increases, would result in an approximate \$50,000 discount per truck.

The need: The Franklin Fire Department currently has two reserve pumpers. One is a 2000 E-ONE (from the same manufacturer) that has served this town well but is tired. The other is a 2007 pumper that has a serious issue with a corroded frame rail that may not pass inspection in July of 2021. We were given an estimate of a minimum of \$135,000 to replace the frame rails on the 2007 truck. That level of investment on a truck of that age would not be a wise decision. Unfortunately, over

The Franklin Fire Department is committed to providing the highest level of public safety services for our community. We safely protect lives and property through fire suppression, training, emergency medical and transportation services, disaster and crisis management, fire prevention and public education.



Town of Franklin
Fire Department
40 West Central St.

Tel. (508) 528-2323
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James G. McLaughlin, Fire Chief

Franklin, Massachusetts 02038

Joseph S. Barbieri, III, Deputy Fire Chief
James P. Klich, Deputy Fire Chief

the years, I have seen departments spend significant money on older vehicles to keep them in service longer. Often it results in higher equipment costs over the long term. I do not want that to happen in our Town.

After researching the maintenance history of our two reserve pumpers, the Department has the following records:

- For Engine 4 (the 2000 truck) we only have maintenance records going back to 5/17/10. While only being able to go back that far, we see the total cost of repairs is \$107,498 (including \$3,201.35 on 10/29/20 and \$7,384.33 on 12/10/20). The Department received two recent quotes for additional work needed on Engine 4. One repair quote was dated 10/26/20 for \$16,482.62 and the other was on 12/22/20 for \$5,081. Not wanting to waste resources on a truck in this condition and age, we reluctantly opted to only spend as little as necessary from these two quotes. While that work was an absolute necessity, it is not going to address the larger repair issues.
- For Engine 3 (the 2007 truck) our records have a maintenance history from 1/7/13 until the present. Again, with only limited records, we see a total cost of \$192,266.17 for that time period...
- From July 2019 when I became Chief until now the combined maintenance costs for both Engine 3 and Engine 4 is \$82,600.22 which is an average of \$4,588 per month. Predicting future costs for these aging vehicles in the future is a challenge but I believe based on the previous 18 month data that approximately \$5,000 per month in costs going forward would be an accurate estimate. Our future ten year projected maintenance cost of both Engine 3 and Engine 4 is \$762,180 including a frame rail replacement quote on Engine 3 and numerous repair items from our recent quotes on Engine 4 later in 2021.

The impact: I am confident that the purchase of both of these vehicles will put the Department in an excellent position for the next 20 years. Other than the ambulance purchases funded through the ambulance account, we will only have to refurbish the 2008 Tower Ladder in the coming 2-3 years. That refurbishment will be a good investment since, even today, the cost of a new Tower Ladder is now well over \$1 million dollars.

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Fire Department**
40 West Central St.

James G. McLaughlin, Fire Chief

Franklin, Massachusetts 02038

Joseph S. Barbieri, III, Deputy Fire Chief
James P. Klich, Deputy Fire Chief

More importantly, this purchase will allow us to decommission our two current reserve trucks as early as this spring. This will allow us to stop spending resources on repair costs immediately which have been steadily rising - and will continue to rise - in the future. We thought it would be worth a discussion to determine if a financing program combined with our vehicle stabilization fund could make this investment opportunity happen at this time.

If this purchase is approved our plan would be to relocate the current Engine 1 to King Street as a reserve pumper and cross staff it with the ambulance crew as a Heavy Rescue vehicle with all the specialized extrication tools close to the highway. This more limited use of this vehicle will significantly increase the life expectancy of the vehicle in the future as well. Our second reserve pumper stationed at Headquarters would be our current Engine 2.

The decision: Obviously a decision of this magnitude has caused me to have a number of discussions with my staff and to give this matter a lot of thought as Chief of this Department. From the department's perspective, we strongly recommend this purchase since we truly believe it is a prudent financial decision to take advantage of competitive interest rates, two year old pricing and multiple vehicle purchase discounts which will immediately reduce escalating repair costs. It is also a prudent safety decision since it will allow us to address current problematic equipment. The replacement of these trucks will also help enable us achieve a departmental goal of increasing our ISO score to a 1. That being said, we fully understand these are difficult times and that there are many needs from other departments. Greenwood Emergency Vehicles has agreed to put a hold on these vehicles for a short time to allow us the time for the appropriate due diligence and discussion.

Thank you for your time and consideration of this matter. Please do not hesitate to reach out with any questions you may have or to discuss this matter in more detail.

Sincerely,

James G. McLaughlin
Chief of Department

The Franklin Fire Department is committed to providing the highest level of public safety services for our community. We safely protect lives and property through fire suppression, training, emergency medical and transportation services, disaster and crisis management, fire prevention and public education.

Danny F Martins

Regional Sales Manager

February 9, 2021

Chief McLaughlin, please accept this letter for the requested information.

In the summer of 2019, we entered a newly instituted program with E-One to provide GEV with custom fire apparatus that fit our region and customer needs. Often "stock" trucks do not suit the needs of our customers in New England. The two engines proposed are the first in this program and are designed to handle the rough demands of our infrastructure and climate. The truck's features include, stainless steel bodies, galvanized frames, subframes and many other improvements that will improve service life and usability.

The two engines that we have proposed were ordered in September of 2019.

Subsequently, we have experienced the customary price increases since the time of the order.

- 2.5% Oct 2019
- 2.5% Apr 2020
- 3% Oct 2020

If you were to elect to forgo these two units there would be an additional cost about \$ 44,000.00/per unit after factoring in the annual increases. Each unit would cost in the area of \$ 600,000.00 if you were to let this opportunity pass.

Please feel free to reach out for any additional information requests that you may have.

Respectfully,
Danny F Martins

Engine 3 & 4 - Ten (10) Year Maintenance Cost Projections

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Engine 3	162,528*	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	437,808
Engine 4	49,092*	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	324,372
											Total	762,180

* **Engine 3** 2021 Cost
includes the basic
price of frame rail
replacement

* **Engine 4** 2021 Cost
includes the pending
repair quotes

Purchase Price Cost Projections Over the Next 10 Years

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	558,909	581,265	604,515	628,696	653,844	679,998	707,198	735,486	764,905	795,501	827,321	860,414	894,831	930,624



TOWN OF FRANKLIN

RESOLUTION 21-11

**Appropriating Funds by Borrowing and Transfer to Pay
Costs of Purchasing Fire Apparatus**

Whereas: The Town Council has been advised of a need to purchase two Fire Pumper Trucks,

NOW THEREFORE BE IT ORDERED by the Town Council of the Town of Franklin that:

- (1) [\$1,108,000] is appropriated to pay costs of purchasing and equipping two fire pumper trucks, and for the payment of all costs incidental and related thereto, and that to meet this appropriation: (i) \$300,000 shall be transferred from the Fire Truck Stabilization Fund, (ii) and the Treasurer-Collector with the approval of the Town Administrator is authorized to borrow, at one time or from time to time, [\$808,000] under G.L. c. 44, §7(1), or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
- (2) Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with M.G.L. c. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.
- (3) This Resolution shall become effective according to the provisions of the Town of Franklin Home Rule Charter.

DATED: _____, 2021

VOTED:

UNANIMOUS: _____

A True Record Attest:

YES: _____ **NO:** _____

ABSTAIN: _____

ABSENT: _____

**Nancy Danello
Temporary Town Clerk**

**Glenn Jones, Clerk
Franklin Town Council**



Town of Franklin

Borrowing - Debt & Interest Presentation

Christopher Sandini, Sr., Finance Director
Kerri Bertone, Treasurer-Collector

February 3, 2021, Town Council
February 24, 2021, Finance Committee

Borrowing & Issuing Debt, slide #1

- Treasurer may borrow to meet current financial obligations
- Long Term Borrowing:
 - Chapter 44 sets out strict rules and procedure regarding municipal borrowing. The issuance of long-term debt always requires a two-thirds vote of legislative body (Town Council).
 - The proceeds of a bond can be used only for the purpose of the loan.
 - Federal regulations are designed to limit the borrowing process as a method of leveraging interest obligations to produce interest income.
- Presents good financial health.

Borrowing & Issuing Debt, slide #2

- Bond Rating
 - Town currently has a AA+ bond rating (S&P)
 - Bond ratings are established by private rating agencies and reflect agency's judgement as to a community's capacity and willingness to pay interest and principal in a timely fashion.
- Competitive interest rates. Which is critical to saving taxpayer money
 - Issuers bid and lowest net rate is selected
 - Rates are at an all time low
 - Sometimes issuers include a bond premium or "sweetener"
 - Most recent interest rate 1.33%
 - Interest is tax exempt to bond holders resulting in even lower interest rates
- The Town works closely with Hilltop Securities our Financial Advisor to monitor trends.

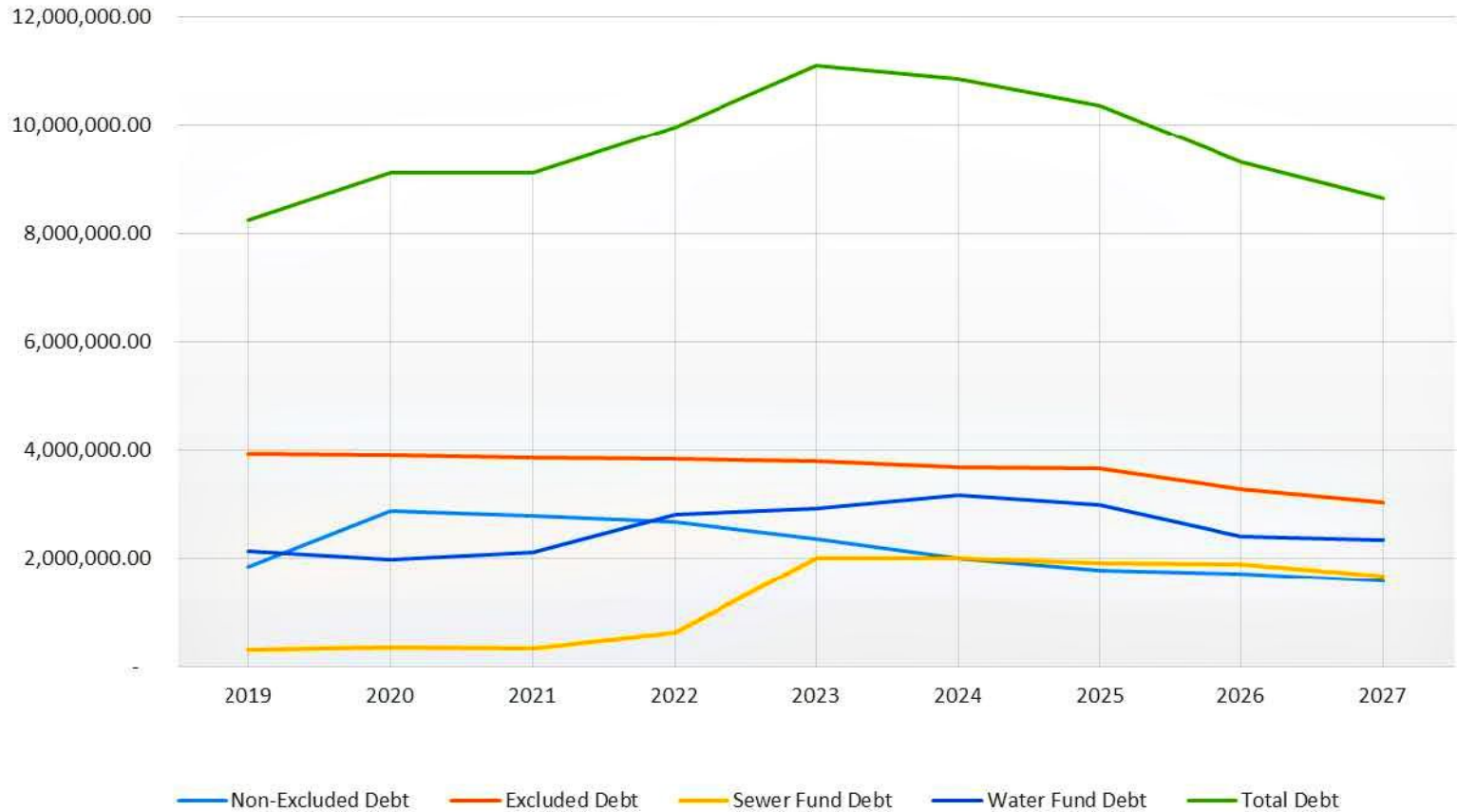
Borrowing & Issuing Debt - Town Status

- Town Council & Finance Committee 2019 policy up to 3.5% (target) of “recurring general fund revenue” for non-exempt debt only.
- Debt Limit - equalized valuation times 5% (EQV x 5%).
- Capacity for Borrowing - Debt limit minus existing debt.
- The Town is currently at 2.2 % in FY21.
- With various recent authorizations that will trend upwards.

Types of Municipal Debt

- Non-excluded debt - payments are made from within the 2 ½ percent levy.
- Excluded debt is in addition to the 2 ½ percent levy providing a dedicated source of tax revenue - when an issue is paid off the levy decreases.
- Sewer & Water Enterprise Fund debt is funded through utility rates providing a dedicated source of funding.
- Bond Anticipation Notes (BANS) - short term borrowing provides financial stability until enough debt is incurred to issue bonds (higher issuance costs).
- State Revolving Fund (SRF) funding available for water and sewer at subsidized interest rates.

Debt History/Projection



Municipal Debt General Fund Projections

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Non-Excluded Debt	1,860,336.67	2,877,926.39	2,790,365.00	2,687,320.00	2,371,935.00	2,001,805.00	1,776,100.00	1,715,700.00	1,580,300.00
Excluded Debt	3,935,710.21	3,902,740.00	3,871,375.00	3,847,930.00	3,805,485.00	3,685,775.00	3,662,875.00	3,289,900.00	3,029,650.00
Sewer Fund Debt	302,306.00	353,796.00	325,440.00	617,006.81	1,999,898.78	1,998,940.32	1,920,301.86	1,890,383.40	1,670,464.94
Water Fund Debt	2,146,115.96	1,985,445.98	2,127,036.59	2,804,770.32	2,932,052.83	3,171,074.87	3,004,564.43	2,411,980.66	2,349,799.70
Total Debt	8,246,487.84	9,121,928.37	9,116,237.59	9,959,049.13	11,111,394.61	10,859,619.19	10,365,866.29	9,309,990.06	8,632,241.64

Trends Summary

- Non-excluded debt begins to significantly decline in FY23;
- Excluded Debt is largely the High School bonds which expire in FY39 and FY43
- Water Debt rises in FY22 to pay for the water treatment plant and wells
- Sewer debt is low, but will climb with Beaver Street Interceptor

Non Exempt Bonds	Sunset Fiscal Year
Adv Ref May 1, 2002 Public Buildings Remodeling (I)	2023
Various School Building Repairs (I)	2023
Adv Ref April 1, 2003 Municipal Offices (I)	2024
Adv Ref April 1, 2003 School Remodeling (I)	2024
Adv Ref April 1, 2004 School Remodeling (I)	2025
Adv Ref March 15, 2006 DPW Garage (I)	2025
Adv Ref March 15, 2006 Horace Mann School 2 (I)	2027
Adv Ref March 1, 2009 Senior Center (I)	2029
Adv Ref March 1, 2009 Fire Station (I)	2029
Adv Ref March 1, 2009 School Remodeling (I)	2029

Current Non-Exempt Debt Exclusions

- Many major projects will fall off the schedule steadily over the next decade.
- Critical to maintain facilities & public infrastructure.
- Less upkeep is more expensive.

2003 Horace Mann refunded 2001
Sunset Year: FY2024

2005 Keller Sullivan refunded 2012
Sunset Year: FY2026

2006 Horace Mann refunded 2015
Sunset Year: FY2027

2014 High School refunded 2015 (2 notes)
Sunset Year: FY 2039 and 2043

Current Exempt Debt

- In FY 24-27, debt exclusions sunset.
- Tax rate in those years will be reduced and the “sunset” will be reflected in the tax rate hearing.
- After FY27, the two High School Bonds will only remain.

Current Projects/Future Projects - General Fund

- In 2020, the Town Council approved and Finance Committee supported \$15 million in new authorization for borrowing. 5-year plan of critical work buildings that departments anticipate for next 5 years.
 - Municipal: Municipal Building, Technology, sidewalk investments.
 - Schools: High School updates & R-J remodel project highlights.
- Police Station Renovation & Expansion - Estimate \$25 million w/o land.
 - Will require a study and debt exclusion for financing.
- Recycling Center - 3-5 years - Estimate \$5 million.
- Other: land purchases, major recreational investments, public infrastructure investments, specialized vehicles, storm water.

Current Projects/Future Projects - Water & Sewer

- Beaver Street Interceptor - \$25 million - addressing the most critical project in town.
- 5-year water main replacement plan (we are in year 3).
- Water Treatment Plant, Wells 3 & 6. April 2021 expected completion date.
- Water and Sewer fund have annual capital repairs and projects that go through the capital committee for annual appropriations paid for each year in the Enterprise fund budget.

Summary

- The Town's operating budget debt has levelled off and will begin to see a decline in that budget line item. The Town should aim for 3%, at a minimum, for the next ten years.
- The Town's debt exclusions begin to also trend downward in significance in FY25.
- The Town's Water & Sewer debt will climb in 2023 due to the Beaver Street Interceptor and water treatment plant. This project sets the Town up for stability after this project.
- The Town has some additional debt capacity for general fund throughout the next decade.
- Need to balance borrowing carefully to not pay too much interest!

Stabilization Fund - Comparables

[Franklin](#) - Maintain Stabilization account at \$6 million or 5% of recurring general fund revenue (less debt exclusions and SBA reimbursement). The General Stabilization account is what I commonly defer to as the Town's "dust bowl" account to contextualize that this fund is for an extreme emergency where no other financial options are available. This fund is most importantly here for financial protection, maintaining a strong bond rating, good financial audits and low interest rates. This fund should avoid any appropriations at all costs.

The Town also has approximately \$850,000 in its budget stabilization account.

[Bellingham](#) - The Town has established multiple stabilization funds, which are found within the General Fund fund balance. The stabilization fund has accumulated a fund balance of nearly \$1.4 million which represents 2.2% of general fund expenditures. The capital stabilization fund has an ending fund balance of \$0.3 million or 0.5% of general fund expenditures. The Town also maintains a tax stabilization fund, with an ending fund balance of approximately \$2.0 million or 3.1% of general fund expenditures. These funds can be used for general or capital purposes upon Town Meeting approval.

[Norfolk](#) - The Town maintains a general stabilization fund that was established under MGL Chapter 40, Section 5b. Appropriations in and out of the stabilization fund require two thirds vote of the Town Meeting. Investment income is retained by the fund. The balance of the stabilization fund at June 30, 2019 totaled \$1,708,929 and is reported as unassigned fund balance in the general fund.

[Walpole](#) - Since 2014 the Town's Stabilization Fund has grown from \$1,827,245 to \$8,328,795. Their goal is to have 10% of the Town's operating budget in the Stabilization Fund to ensure that the Town maintains a high bond rating and receives competitive interest in the bond rating market.

[Newton](#) - The fiscal year 2021 appropriation does not include a contribution to the City's Rainy Day Fund; one year ago, the contribution was \$150,000. With a current balance of \$21.9 million, the fund is equivalent to the required value of 5% of the total operating budget. The requested FY 2021 budget does not use any of the rainy day funds to close the gap in anticipated revenues because of the economic impact of the global pandemic.

[Natick](#) - Natick has five Stabilization Funds: the General Stabilization Fund, the Capital Stabilization Fund, the Operational/Rainy Day Stabilization Fund, the One-to-One Technology Stabilization Fund and the Inflow and Infiltration Stabilization Fund. Their General Stabilization Fund should, at a minimum, be at a level equal to 2% of revenues, with the target being 5% of revenues. The current stabilization fund revenue (FY20) is at 2% or \$3,617,000.

[Chelmsford](#) - As of May 1, 2020 the Town had a balance of \$11,360,000 in the General Stabilization Fund. Chelmsford has a general stabilization fund balance of approximately 6.5% of the Town's budget. It is sound financial practice for a community to maintain a fund balance of approximately 5-10% of its operating budget.

[Needham](#) - The available balance in the Stabilization Fund as of December 31, 2020 was \$4,408,061. The Town also established a Debt Service Stabilization Fund for the purpose of setting aside funds to smooth out the impact of General Fund Debt Service within the levy limit that may exceed the Town's goal that only three percent of General Fund revenues be designated for debt. The balance in the fund as of December 31, 2020 was \$2,152,709.