



**Finance Committee Meeting
Agenda & Meeting Packet
Monday, May 6, 2024
7:00 PM**

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

A NOTE TO RESIDENTS: All citizens are welcome to attend public meetings in person. To **view the live meeting remotely**, citizens are encouraged to watch the live stream on the [Franklin Town Hall TV YouTube channel](#) or the live broadcast on Comcast Channel 9 and Verizon Channel 29. Meetings are also archived by Franklin TV on the [Franklin Town Hall TV YouTube channel](#) and shown on repeat on Comcast Channel 9 and Verizon Channel 29 for those who miss the live meeting.

To **listen to the meeting remotely** citizens may call-in using this number: 1-929-205-6099. This will not permit participation in the meeting.

To **participate in the meeting remotely** citizens are able to join a [Zoom Webinar](#) using the information provided below.

- Zoom Webinar ID # 837 9293 2583
- Zoom Webinar Link [HERE \(https://us02web.zoom.us/j/83792932583\)](https://us02web.zoom.us/j/83792932583)
- **Any participants who wish to speak** during the webinar must enter their **full name and email address** when joining the webinar.
- All participants will be automatically muted upon joining the webinar. In order to speak, participants - who have entered full name and email address - will need to select the "Raise Hand" function to request to be unmuted.
- All speakers will be required to state their full name and street address before commenting.

Agenda

1. Call to Order
2. Public Comments
3. Approval of Minutes
 - a. [April 17, 2024](#)
4. "A Citizens Pledge to the Residents of Franklin"
 - a. [Pledge document](#)
 - b. [Town Administrator/Superintendent of Schools Slideshow](#)
5. FY25 Town Administrator Operating Budget Hearing:
 - a. [General Government](#) -
 - i. Departments: 111 Town Council, 123 Town Administrator, 131 Finance Committee, 135 Comptroller, 141 Assessors, 147 Treasurer-Collector, 151 Legal, 152 Human Resources, 155 Information Technology, 161 Town Clerk, 164 Elections & Registration, 171 Conservation Commission, 176 Appeals Board (ZBA), 177 Planning & Growth

Management, 184 Agricultural Commission, 192 Public Properties & Buildings, 196 Purchasing & Central Services.

b. Human Services -

- i. Departments: 510 Board of Health, 535 Disability Commission, 541 Council on Aging, 543 Veterans Services, 535 Disability Commission.

c. Culture & Recreation -

- i. Departments: 610 Library, 630 Recreation, 690 Historical Museum, 691 Historical Commission, 693 Arts & Culture, 695 Cultural Council, 696 Cultural District Committee.

d. Debt & Interest -

- i. Departments: 710 Debt Service - Principal, 750 Debt Service - Interest.

e. Employee Benefits:

- i. Departments: 910 Retirement & Pension, 945 Risk Management (Liability Insurance).

6. Future Agenda Items

7. Adjourn

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



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OFFICE OF THE TOWN ADMINISTRATOR

Exhibit 1 - April 26, 2024

An override pledge to the citizens of Franklin

This document shall be adhered to by the Franklin Town Council, Finance Committee, School Committee, and municipal and school professional staff (“parties”) in the preparation and administration of the Town’s budgets in Fiscal Year 2025 (FY25) and subsequent years in an effort to maintain the level of services currently available to residents in Franklin, including offering a competitive education program through the Franklin School Department and to manage taxpayer investments in a fiscally prudent manner.

1. This document is intended to create a unified framework to present to the community for the purposes of an operational override this Spring. It is intended to present to the public a unified strategy toward budget management for the parties for the remainder of the decade. All parties recognize the shifting global political and economic dynamics will require further audibles; however, at this time, all parties agree this strategy presents the best outlook moving forward to begin to bring greater solvency to the operational budget.
2. The Town will hold a special one-day election on Tuesday, June 11, 2024 for an operational override ballot question in the amount of \$6.8 million for the purposes of the general obligation costs for both municipal and school operations.
3. Override funds will be made to last at least five fiscal years, from FY2026 through FY2030. If an operational override is approved on June 11, 2024, the Town or Schools will not seek additional operational overrides during the above stated period of time. Project specific “debt exclusions” related to town and school facilities projects will remain eligible for ballot initiatives.
4. The Town will not seek reimbursement of one-time monies reallocated to assist in balancing the FY25 budget with the passage of an override; however all parties are aware that \$2 million in one-time revenues also reflects a deeper structural budget deficit in FY26 with the use of one-time revenue sources.
5. If approved on June 11, 2024, the full operational override allotment would be raised and appropriated to the following accounts for FY25:
 - a. Account 300 Franklin Public Schools in the amount of \$6.3 million for contractual obligations, special education, school transportation, health insurance costs and to assist in making up for lost revenue from dissolving grants and federal revenues, as well as restore many services cut in FY23 and FY24.
 - b. Account 192 Expenses Facilities in the amount of \$500,000 for increases to general town and school facility operating expenses.
6. Beginning in FY26 and ending in FY30, the override amount will be applied to the general fund with the following stipulations:

- a. No less than 60% (\$4.08 million) of the full operational override amount shall be allocated to the School Department.
 - b. The remaining 40% (\$2.720 million) of the full operational override amount shall be reserved for discretionary spending to allow for flexibility in order to navigate the competing costs drivers in town and will be subject to appropriation as a part of future deliberation during the annual budget process. All parties recognize that the competition of future costs include, but are not limited to, collective bargaining, recurring capital costs, debt and interest for the Remington-Jefferson and Horace Mann projects, public infrastructure, employee health care and school operating accounts that see annual increases over 5%, including but not limited to special education and technology, as well as underfunded school and municipal departments.
 - c. The parties agree to improve strategy, communication and coordination relative to collective bargaining, facilities management, policy decisions and other ways to create efficiencies to ensure additional fiscal cliffs and escalation of costs are mitigated in FY26 and subsequent years.
 - d. With this general operational override, the parties pledge to begin to establish new expectations on spending to ensure the Town is able to live within its means through the end of the decade.
7. The Franklin School Committee agrees to vote on recommendations towards a School Comprehensive Plan on school consolidations and closures on May 14, 2024, which shall include closing the operations of the Gerald D. Parmenter Elementary School effective July 1, 2025 to provide savings to the Municipal and School budgets in FY26. The future use of the Parmenter site will be for the purposes of building a new Police Station, as well as for future municipal and/or school purposes, including a potential new school in the future. As the Police Station design project begins this year, the Town pledges to begin the overall design and layout of the 20.5 acre parcel with those facility considerations in mind.
 8. The Town and Schools agree to protect reserves as much as possible in an effort to shield the Town's AAA bond rating. If there is a budget deficit within these five years, the Schools agree to use surplus revolving funds as a mechanism to patch any budget deficit prior to making a request for funds to be expended from the Budget Stabilization Fund, which assists the Town in maintaining its AAA Bond Rating.
 9. The Town Council recognizes its responsibility to fund unfunded mandates and other capital infrastructure in town. The Council will be required to raise water, trash and recycling and stormwater rates this legislative session in order to fund the projects that are being required via regulatory requirements from the state and federal governments, such as water and stormwater, or for inflation based increases, such as trash and recycling.
 10. This agreement will be reviewed by the parties if substantial changes are made to state funding, unfunded mandates increase to a level of having a financial impact on the Town's operating budget, or other extraordinary or unforeseen events occur.

Signatories

Franklin Town Council

School Committee

Finance Committee



Town of Franklin

Override/Pledge Presentation

Town Council

May 1, 2024

Jamie Hellen, Town Administrator
Lucas Giguere, Superintendent of Schools

<https://www.franklinma.gov/town-budget>

A One-Slide Override Proposal Specifics

- Three resolutions tonight:
 - A pledge to the citizens of Franklin on a framework for spending the funds.
 - Declaration of a Special Election June 11, 2024.
 - Sets a ballot question for an \$6.8 million override for FY25.
- A \$6.8 Million override based on the **FY24 Tax Rate*** and home value is **\$552.82 annually**.
 - Actual bills will hit in January/April 2025.
 - Estimate bills go out in Summer/Fall 2024.
 - December 2024 tax rate = Override + 2.5% based on FY25 SFH.
- FY25 Allotment Schedule:
 - Account 300 FPS = \$6,300,000
 - Account 192 PP&B = \$500,000
- FY26 through FY30 Allotment Schedule (60%/40%):
 - Account 300 FPS = \$4,080,000
 - Various Municipal = \$2,720,000

Assumptions

- \$650,377 Avg. Single Family Value
- FY24 Tax Rate is \$11.79
- FY24 Current Avg Tax Bill \$7,667
- Calculate Your Override [here on DOR Override Estimate Calculator](#)
- *FY25 tax will also include 2.5%

FY26 - Proposed “Pledge to the citizens of Franklin, #1

- Modeled off the Town of Norwood’s successful FY20 Override. Their materials were excellent.
 - Norwood 2020 Override Materials - [Town of Norwood Archive](#).
 - Dozens of overrides in 2024 and 2025 could also show examples ([Westford](#) at \$6.8 million; [Acton](#) at \$6.6 million, [Millis](#) at \$1.4 million and many, many more).
- Town Administration initiated the document; collaborated with the School Administration.
- Helps spell out and give certainty to the voters on where, and on what, the funds will be spent.
- A Pledge is not a legal requirement. However...
 - Successful overrides have *at least* a framework, if not very detailed specifics, on spending the funds.
 - Without a spending allocation framework, all revenues resort to the General Fund in FY26.
 - If approved tonight, I anticipate **two weeks** of staff work to prepare a FAQ, Flyer, Website, and a spreadsheet, account by account, of where the money is spent in FY25.
- If you expect a June 11th election, final decisions are required to be made tonight.

An override pledge to the citizens of Franklin, #2

1. Section 1. **Franklin Town Council, Finance Committee, School Committee.**
2. Section 2. Establishes a **unified framework** for all 3 boards to agree.
3. Section 3. Endorses the **special one-day election on Tuesday, June 11, 2024** for an operational override ballot question in the amount of **\$6.8 million** for the purposes of the general obligation costs for both municipal and school operations.
 - a. *Sets a compromise figure based on professional input, public feedback and statewide historical context.*
 - b. *What does this accomplish? A successful override in this amount will:*
 - i. *Rebuild the foundation of the school operational budget and to allow them to strategically plan for the future.*
 - ii. *Restores Public Property & Buildings (PPB) expense capacity after the last two years of dreaded high inflation.*
 - c. *The Town will pay for the election which is estimated at \$30,000. How?*
 - i. *Cobble together small surplus accounts. It's a manageable number and we'll do a year-end transfer on June 26th.*
4. Section 4. **Override funds will be made to last at least five fiscal years, from FY 2026 through FY 2030. Project specific “debt exclusions”** related to town and school facilities projects will remain eligible for ballot initiatives.
 - a. *EG - This provision seeks to provide assurance to residents on fixed incomes that the Town will not seek additional overrides during this period.*
5. Section 5. The Town will **not seek reimbursement of one-time monies** reallocated to assist in balancing the FY25 budget; however all parties are aware that \$2 million in one-time revenues also reflects a deeper structural budget deficit in FY26.
 - a. ***The savings from the closure of Parmenter and Kennedy in FY26 will cut HALF of the structural one-time revenue deficit from Municipal Facilities costs savings; with additional significant economies of scale from the Schools, will cut the ENTIRE structural deficit from one-time revenues in FY26!***

Why \$6.3 million for FPS in FY25?

Account 300 Franklin Public Schools will see a \$6.3 million increase in the following areas:

SCHOOL DEPT HEALTH CARE EXP	\$623,000
TRANSPORTATION (YELLOW BUS)	\$107,240
MENTAL HEALTH SUPPORTS	\$497,000
OUT OF DISTRICT TUITION	\$2,200,000
SPECIALIZED TRANSPORTATION	\$288,000
MAINTAIN STAFFING AT CURRENT LEVELS	\$2,100,000
K-5 CLASS SIZE	\$375,000
MIDDLE SCHOOL EXTRA-CURRICULAR PROGRAMS	\$110,000

Why \$500,000 For PPB Expenses in FY25?

- Account 192 - Public Property & Buildings (PPB) or “Facilities”.
- Since the pandemic, this the hardest financial hit from inflation of any department.
- **FY23 through FY25 has gone up \$1 million in expense capacity** for basic utilities:
 - water/sewer; gas; propane; electricity; fuel; plumbing, electrical and carpentry parts for repairs; labor and contractors; stormwater, and so forth, etc.
- Many accounts have been cut or wiped out due to budget stress and request aims to restore those cuts.
- FY23 and FY24 saw Facilities expenses accounts run out of funds in April/May.
- We proposes the following expense accounts:

<u>Account #</u>	<u>Purpose</u>	<u>Amount</u>
523010	Water	\$100,000.00
524010	Building Maintenance	\$150,000.00
524030	Maintenance of Equipment	\$150,000.00
524090	Heating Service Repairs	\$50,000.00
524112	Fire system Maintenance	\$50,000.00

Recent Account 192 PPB Expense History

<u>Fiscal Year</u>	<u>Expense Amount</u>	<u>Previous FY +/-</u>	<u>Notes</u>
FY20 Actual	\$4,570,475	N/A	July 1, 2019-June 30, 2020 March 2020 pandemic.
FY21 Actual	\$4,109,949	(\$460,526)	July 1, 2020-June 30,2021 The pandemic hits.
FY22 Actual	\$4,426,236	\$316,287	July 1, 2021-June 30,2022 Not back to pre-pandemic levels
FY23 Final	\$4,925,035	\$498,799	July 1, 2022-June 30,2023 Inflation hits.
FY24 Appropriated	\$5,172,200	\$247,165	July 1, 2023-June 30,2024 Inflation continues
FY25 Proposed	\$5,384,040	\$211,840	July 1, 2024-June 30,2025 Future Inflation?

An override pledge to the citizens of Franklin, #3

1. Section 6. Lays out the allocation of funds in FY26 through FY30:
 - a. 60% (\$4.08 million) of the full operational override amount shall be allocated to the FPS (Account 300).
 - i. ***This is an 7% increase of the Account 300's portion of the budget right now (53%)!***
 - ii. *A reminder, 53% is Account 300 - 15% are in Municipal accounts.*
 - b. The remaining 40% (\$2.720 million) of the full operational override amount shall be reserved for discretionary spending to allow for flexibility in order to navigate the competing costs drivers in town and will be subject to appropriation as a part of future deliberation during the annual budget process. All parties recognize that the competition of future costs include, but are not limited to, **collective bargaining, recurring capital costs, debt and interest for the Remington-Jefferson and Horace Mann projects, public infrastructure, employee health care and school operating accounts that see annual increases over 5%, including but not limited to special education and technology, as well as underfunded school and municipal departments.**
 - i. **THESE ARE LARGELY SCHOOL COSTS!!!**
 - ii. *The cost of service is not necessarily embedded in Account 300!*
 - c. The parties agree to improve strategy, communication and coordination relative to collective bargaining, facilities management, policy decisions and other ways to create efficiencies to ensure additional fiscal cliffs and escalation of costs are mitigated in FY26 and subsequent years.

Why 40%?

- **Reminder:** There is **\$20.6 million of schools related costs in the municipal side of the budget.**
 - This number can fluctuate a great deal each year - most common range is \$18-\$22 million a year.
- If an override is to pass, a unified community is preferred. When the impression is one dept gets the entire pie, trust and support dissolves and will jeopardize the passage of an override.
- FY26 Expects to see some major school related costs in the municipal budget accounts.
- Of the 40% discretionary, the schools will likely see a good share of it in the form of municipal accounts, **examples given:**
 - *Facilities PPB \$500,000 in FY25*
 - *Debt & Interest (A \$10 million borrow for Remington-Jefferson Remodel and Horace Mann Roof)*
 - *Public Works costs for school/town property maintenance, fleet maintenance, fuel and much more*
 - *Operating budget costs that see unforeseen cost spikes.*
 - *Employee health care affects both the town and school budgets*
 - *The Town negotiates employee health care through and IAC which includes FEA.*
 - *Potentially, collective bargaining*
 - ***FY26 sees new contracts for the teachers, police patrol, police sergeants, public works, maintenance and trades, custodians and librarians.***
 - *COLA Equity and Coordination will be an important policy decision to ensure avoiding future budget deficits.*
- These accounts, and many more, have seen increases well over 2.5%, often times due to trends in the Schools.

Example Model Given: An Estimated Breakdown of the 40%

<u>Account</u>	<u>Department</u>	<u>Notes</u>	<u>Amount</u>
192	PPB (Facilities)	Expense Budget (like FY25)	\$500,000
710 & 750	Debt & Interest	Estimated Debt & Interest for Remington-Jefferson Remodel and Horace Mann Roof)	\$1,250,000
422	Public Works	Expense Budget	\$250,000
Various Personnel	Various	Collective Bargaining (safety net)	\$360,000
Various	Various	<u>Reoccurring</u> School/Town Capital (Police, Fire, Schools and Technology)	\$360,000
		TOTAL:	\$2,720,000
		but are not limited to employee health care and school operating accounts that see annual increases over 5%, including but not limited to special education and technology, as well as underfunded school and municipal departments.	

An override pledge to the citizens of Franklin, #4

1. Section 7. The **Franklin School Committee** agrees to vote on the **School Comprehensive Plan May 14, 2024**, and close the Gerald D. **Parmenter Elementary School** effective July 1, 2025. The future use of the Parmenter site will be for the purposes of building a **new Police Station**, as well as for future municipal and/or school purposes, including a potential new school in the future.
 - a. *Why is this section important?*
 - i. *Saves **millions** for land for the police station, plus interest on borrowing.*
 - ii. *Delineates the area for a potential new Middle or Elementary School in 2030, if needed, of another municipal or school use.*
 - b. *Perfect timing as Police Station OPM is being hired next month and they can get to work.*
2. Section 8. The Town and Schools agree to have a unified goal of protecting the Town's **AAA Bond Rating**
 - a. *A way to jointly save operating budget capacity (a piece of the pie) from higher interest costs.*
3. Section 9. Commits to the required **utility increases** in water, trash removal and stormwater.
4. Section 10. This agreement will be reviewed by the parties if substantial changes are made to state funding, unfunded mandates increase to a level of having a financial impact on the Town's operating budget, or other extraordinary or **unforeseen events** occur.

School Comprehensive Facilities Plan

- I offer my ecstatic and enthusiastic support!
- The **redistricting** should not be a complete shock.
 - There has been \$119,000 spent on studies over the past five years; \$28,000 was federal ARPA.
 - Public discussions on school facilities and declining enrollment have gone on for over a decade.
 - The last five years have had extensive community engagement; began in 2019 w/ a comprehensive study 2020.
 - School certainty: parents for the next decade, if not longer, will know where their children will go to school and will streamline expenses and create economies of scale.
- **Enormous respect and kudos to Chair Callaghan, the current School Committee, Lucas, Tina, Bob Dutch, Mike D'Angelo and to the entire school staff for their leadership on this issue!**
- Combined, financially: This multi-pronged, holistic approach is exactly what many have advocated for!
 - **People seeking “bold” change and action? This is your moment to shine!**

What actions do we need to do as a community, right now?!

- May 1, 2024 - Town Council approval of the three resolutions:
 - An override pledge to the citizens of Franklin.
 - Set the special election for June 11.
 - Set the ballot question at \$6.8 million.
 - Staff will need time to get educational materials together.. Hopefully 1-2 weeks.
 - The community can begin its debate - 41 days from tonight.
- May 6, 8, 15 - Watch the Finance Committee Hearings on May 6 for General Government; May 8 Public Safety, DPW, Inspections; May 15 Public Education.
- May 14, 2024 - School Committee - Vote on a recommendation of the School Comprehensive Facilities Plan.
- May 22, 23 - Watch the Town Council hearings. Approval of the Town Administrator FY25 budget and numerous subsequent required budgetary legislation for action.
 - *EG - municipal revolving funds, one-time revenue appropriations (free cash/mecc stab.), town clerk salary; community preservation; borrowing authorization for remington-jefferson/horace mann; borrowing house cleaning; new stabilization accounts for snow and ice and property acquisition; and several more...*
- June 11, 2024 - Special election on a \$6.8 million override.
- June 26, 2024 - Town Council reconsider the FY25 budget based on override results.
- Summer/Fall 2024 - Town and School Administrations will begin to collaborate on FY26 forecasts, much more specifics.
 - 2025-26 - Establish a School Building Committee to build community capacity for a future MSBA process.

Why is this so important?

- **A once-in-a-lifetime, generational, historic opportunity to enact a set of policy decisions that rebuilds the entire foundation of the Franklin Public School budget and, thus, the entire town budget!**
- The professional staff have done their job: we've teed up final decisions for the Town Council and School Committee to take bold action to unify the community with a balanced override proposal that affects every single public service.
- The Town and School leadership shows an unprecedented level of collaboration, compromise and opportunity for millions in structural savings to the taxpayer.
- The time has come to let the citizens speak on an override!
 - This has been a decade-plus of public debate on the policy issues before the community.
 - Susan Rohback ("We should have been doing smaller overrides for many years"); and
 - Camille Bernstein ("We always heard we don't do overrides in Franklin")
 - These (paraphrased) comments and narratives are accurate!
 - The School Committee last requested an override in 2010.
 - The community began the override conversation and the school facilities analysis in 2019.
- **The costs of inaction are reeling their ugly head. If we continue to delay these decisions, the financial projections will continue to darken.** The community waited for the edge of the cliff; we're now looking over...

Closing thoughts

- **Public Feedback:**

- I truly respect and appreciate everyone's emails, ideas, thoughts, comments, feedback, letters, stopping in my office, or just giving me feedback when I am out and about through the community.
- I fully respect everyone's reaction to such a large amount of change.
- Not everyone will be happy. I am truly very sorry for this, but this is what it takes to create a solvent and sustainable budget the Franklin School budget for the short and long term future.

- **Please thank your volunteers!**

- The public has to remember the Town Council, School Committee and Fin Comm are volunteers!
- Overrides and school closures are the HARDEST and most EMOTIONAL policy decisions local officials have to make!
- Please thank all of them for their leadership when making really hard community decisions.

END