

**Finance Committee Meeting
Agenda & Meeting Packet**
Wednesday, September 13, 2023
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 board and committee meetings in person. Meetings are also live-streamed (and archived) by Franklin TV on the [Franklin Town Hall TV YouTube channel](#). Meetings are also shown live and on repeat on Comcast Channel 9 and Verizon Channel 29. In an effort to maximize citizen engagement opportunities, citizens can participate remotely via phone OR Zoom.

Link to access meeting via Zoom for the September 13, 2023 Finance Committee meeting:

- Zoom Link [HERE](#) -- Then click "Open Zoom".
- Or copy and paste this URL into your browser: <https://us02web.zoom.us/j/86521484389>
- Call-In Phone Number: Call 1-929-205-6099 and enter **Meeting ID # 865 2148 4389** --Then press #
- Please be sure to include your name in order to be identified and let into the meeting.
- You will automatically be muted upon "entering" the meeting. In order to speak, you will need to "raise your hand" on the Zoom platform and request to be unmuted.

Agenda

1. Call to Order
2. Public Comment
3. Introduction of new members
4. The Bill Dowd "Deep Dive" Series
 - a. [Five Year Fiscal Forecast Budget Model](#)
 - b. [MassBenchMarks September 2023 Economic Outlook](#)
5. Appoint four (4) Joint Budget Subcommittee members
6. Future Agenda Items & schedule for the year
7. Recurring Business:
 - a. Approval of Minutes
 - i. [May 8, 2023](#)
 - ii. [May 10, 2023](#)
 - iii. [May 11, 2023](#)
 - b. [Stabilization Account Balance](#)
8. Adjourn

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



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OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

July 26, 2023

To: Joint Budget Subcommittee
From: Jamie Hellen, Town Administrator
Amy Frigulietti, Deputy Town Administrator

Re: Preliminary Five-Year Fiscal Forecast Budget Model

Attached is the latest five-year fiscal forecast for Fiscal Year 2025 (FY25) through Fiscal Year 2029 (FY29). This is a preliminary model based on a series of assumptions outlined below. These assumptions are based on Proposition 2 ½, trends, market conditions and a couple strategic initiatives (mainly capital facility and infrastructure costs).

This forecast is only intended to be a guideline for strategic budget development and discussion. It is important to emphasize that if the Town has further needs for bond rating evaluations, items will need to be cut out of the budget in order to demonstrate to the ratings agencies a solvent, balanced budget.

The current FY24 Budget baseline is highlighted in light yellow. The five-year forecast is highlighted in light blue. The sections highlighted in light green will be the center of the discussion at the meeting and represent the most challenging areas in the next five years.

Revenue assumptions

The model makes the following revenue assumptions:

- New Growth - The model assumes \$1,100,000 in annual New Growth revenue from year to year. Town policy is to use a ten-year aggregate average for annual new growth calculations. While this number will fluctuate, the town has seen a drop in private sector and residential homeowner property improvement investments in recent years. There is a lot of risk in the marketplace due to supply chain uncertainty, high interest rates, inflation, and increasing costs. The model assumes an increase in New Growth. In FY24, New Growth revenue is expected to decline. FY25 could see a similar decline.

For those interested in reading analysis about the Massachusetts economy, please take a look at the UMass Donahue Institutes' *MassBenchmarks* [series here](#). This publication represents a [coalition of economic experts](#), including our state's most preeminent financial and academic

institutions, who publish their independent analysis of the Massachusetts economy.

- Tax Levy - The anticipated tax levy growth increases by 2.5% per year. Staff anticipates a reduction in the tax levy of approximately \$630,000 over the next five years, due to debt exclusions “sunsetting” off the tax rolls as projects are paid off.
- Local Receipts - The model assumes a 2% growth in local receipts per year.
- State Aid - The model assumes a 1% growth in state aid per year. Education aid from the state has been well documented by the town for a decade. The public should not expect a large infusion of state education aid in the foreseeable future.
- Other Revenues - The model assumes a 2.5% increase in indirects per year. The model assumes a 2% increase in state assessments per year.

Expenses Assumptions

The model makes the following expenditure assumptions:

- Assumes a 2.5% Cost of Living Adjustment (COLA) for all municipal personnel line items each year for five years. Please note most union contracts, including FEA, Police, Fire, DPW, Custodian, and Library expire Summer of 2025. A 2.5% increase is modeled to stay within the tax levy.
- The Franklin Public School district budget increases 2.5% per year, or approximately \$1.8 to \$2 million per year.
- All municipal expense budgets increase 2.5% per year.
- Norfolk County Retirement System budget assumes a rate of growth at 5% and health care costs are projected at 7%.
- A full year assessment of \$1.5 million for regional dispatch in FY25 and a rate of growth of 2.5% each year thereafter.
- Tri-County Vocational School building project estimated assessment of \$2.1 annually for 30 years at an interest rate of 4.25%. The Town will have to consider funding this project through a debt exclusion vote at the ballot. A debt exclusion will increase taxes for citizens over the next 30 years in order to pay for the new school building. Tri-County is entering the Massachusetts School Building Authority (MSBA) process now and a districtwide authorizing vote (on the project, not the financing) is scheduled for October 24, 2023. The financial forecast illustrates in the light green section an increase of almost \$2.1 million in FY27 for this building and a 2.5% increase in the following years. Given the construction and planning processes, this will likely not be the funding schedule. However, it is important to put this project in the model as a placeholder to illustrate costs as well as competing demands. It is important to note that if a debt exclusion is not passed or another financing mechanism is not found, the town will see structural cuts of about \$2.1 million in FY27 and beyond.
- Includes anticipated borrowing for projects that were authorized by the Town Council in 2020,

which includes the Washington Street sidewalk (\$3 million), High School improvements (\$2.5 million, including visitor bleachers), Remington-Jefferson remodel (\$4 million), and recycling center (\$4 million). These project estimates will need reauthorization to accommodate for a 25% increase in costs from the original 2020 authorization. Of note, these numbers are preliminary and could be greater, once finalized. Staff anticipated a 4+% interest rate for these projects, even with our AAA Bond Rating.

There is also \$1 million authorized to borrow for the Parmenter School's mechanical upgrades. This is NOT included in the model. A review of the costs to rehabilitate Parmenter needs to be explored at a deeper level, as Parmenter will need a new roof, mechanicals, and other improvements. If Parmenter is to maintain its use as a school for the foreseeable future (meaning 20-30 years), then the community should expect a complete upgrade of approximately \$5 million. The Town will need to borrow for this project as well.

It is also important to reference that our staff capacity may not be able to coordinate this number of capital projects in such a short time. Also, the debt and interest line items have quickly decreased the last two fiscal years due to sunsetting debt exclusions and other borrowing coming off the books. The community is going to have to make some judicious decisions and prioritize projects in the coming years.

- Includes the borrowing for the Fire Department ladder truck, authorized earlier in the year.

What does this model NOT include?

A short list of items that have been discussed publicly in some variation (not in this order):

- Costs associated with the Police Station and Davis-Thayer Building. These projects will each cost tens of millions of dollars and will certainly require debt exclusion votes of the public to raise taxes (and then sunset).
- Additional strategic investments toward Franklin Public Schools.
- Additional public infrastructure costs for roads, sidewalks, parking lots, trails, and green energy commitments.
- \$500,000-\$1,000,000 in additional annual capital needs that have been requested to be put into the operating budget as annual operating costs, such as public safety protection gear, equipment, fleet, vehicles, and school curriculum.
- Funding relative to an increasing demand and reliance on technology. Whether it's cyber security, computers for students and/or employees, the proper recruitment and retention of exceptional technology staff, or required fiber and equipment upgrades, technology is a necessary cost driver. This is an area of significant underfunding, and the Town has not invested nearly enough in what is needed to build a sustainable technology environment.
- New investments in social services, regional transportation investments, personnel, clean energy, or any of the other requests the community may have.
- Off-budget accounts, such as utilities and community preservation.

Where do we go from here?

The community has several choices to address public school finance:

1. The municipal and school departments must live within the means of 2.5% revenue and expenditure growth. Ultimately, this presents challenging choices, but is the most sustainable option at the current time.
2. Work toward an override ballot question to permanently raise property taxes to pay for a defined set of service investments.
3. Shift resources from the municipal departments to the Franklin Public School Department.
4. Redesign the service delivery of the School Department. In other words, the District will reevaluate what services it offers, what is required, and what are the projections moving forward with cost drivers. One exercise that would prove valuable for the Franklin Public School District is to create a five to ten year strategic financial plan that addresses the balancing and shifting needs in public education with considerations given to the district's declining enrollment.

The model, as shown, illustrates a significant structural deficit in FY26 and beyond. FY25 also shows a deficit, but appears manageable, due to healthy local receipts and stable new growth. Barring any unforeseen global circumstance, FY25 will likely be manageable.

The community has a flood of expensive projects and competing demands coming up in a very challenging market to borrow money. The Town does not have any unused tax levy capacity, and has rebuilt its reserves to a baseline level in order to obtain a AAA Bond rating. Town and School reserves should not be withdrawn. While it may feel like a rainy day, it is not. The future likely holds more turbulent waters given the geopolitical state of our world.

The Town of Franklin (and the Commonwealth of Massachusetts) currently enjoys some of the best overall quality of life in the United States. As demonstrated again this month, it is rated as one of the safest communities in the country against violent crime. The community has an elite school district with exceptional teachers and educators, incredible special education services, championship athletics, and diverse extracurricular and recreational opportunities, a vibrant and jam-packed senior center, and a public library that is second to none. The community has worked hard to rebuild its most critical infrastructure over the past 2 decades to ensure quality and clean drinking water, great roads and sidewalks, exceptional parks and grounds, and to ensure the community has plenty of sewer capacity for the next several generations; hopefully another 100 years! The Town has preserved over 200 acres of open space in the last two years and has been awarded the highest bond rating at AAA for incredible financial management for the first time in the Town's history.

The community enjoys a healthy, strong and supportive social fabric with events for all ages, economic classes and tastes. The Town has a robust diversity of retail shopping, restaurants, basic needs, social services support, and amenities. Franklin also enjoys a government that shows its citizens that it can act in compromise, humility and a dedicated focus on decisions that enhance the quality of life in the community. While many very difficult decisions will be here for the rest of the decade, we also think it is important that the community recognizes, and does not take for granted, the current state of the town.

TOWN OF FRANKLIN
FIVE YEAR FISCAL FORCAST FY24 THROUGH FY29

Date: August 2, 2023

	BUDGET		FORCAST			
	FY24	FY25	FY26	FY27	FY28	FY29
TAX LEVY						
Prior Year Levy Limit plus 2 1/2%	\$ 89,436,897	\$ 92,974,882	\$ 96,426,754	\$ 99,964,923	\$ 103,591,546	\$ 107,308,835
New Growth	1,270,305	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
	90,707,202	94,074,882	97,526,754	101,064,923	104,691,546	108,408,835
DEBT EXCLUSIONS						
Keller-Sullivan	376,050	360,325	-	-	-	-
Horace Mann Issue #2	280,000	270,000	260,000	-	-	-
High School Issue #1	2,878,163	2,879,488	2,880,588	2,879,088	2,879,888	2,877,888
High School Issue #2	151,563	153,063	149,313	150,563	151,563	152,313
	3,685,776	3,662,876	3,289,901	3,029,651	3,031,451	3,030,201
TOTAL POTENTIAL TAX LEVY	94,392,978	97,737,758	100,816,655	104,094,574	107,722,997	111,439,036
STATE REVENUE						
Chapter 70 School Aid	29,191,961	29,483,881	29,778,720	30,076,507	30,377,272	30,681,045
Charter School Reimbursements	1,019,377	1,029,571	1,039,867	1,050,266	1,060,769	1,071,377
Unrestricted Aid	2,953,914	2,983,453	3,013,288	3,043,421	3,073,855	3,104,594
All Other Net of Offsets	426,733	431,000	435,310	439,663	444,060	448,501
	33,591,985	33,927,905	34,267,185	34,609,857	34,955,956	35,305,517
OTHER REVENUES						
Local Receipts - General Fund	12,606,309	12,858,435	13,115,604	13,377,916	13,645,474	13,918,383
	12,606,309	12,858,435	13,115,604	13,377,916	13,645,474	13,918,383
OTHER AVAILABLE FUNDS						
Stabilization Transfers	250,000	-	-	-	-	-
Enterprise Fund (Indirects)	1,593,000	1,632,825	1,673,646	1,715,487	1,758,374	1,802,333
	1,843,000	1,632,825	1,673,646	1,715,487	1,758,374	1,802,333
TOTAL REVENUES & OTHER FUNDS	142,434,272	146,156,923	149,873,090	153,797,834	158,082,801	162,465,269
ASSESSMENTS & OTHER VOTES						
School Choice	428,014	436,574	445,305	454,211	463,295	472,561
State Assessments	528,947	539,526	550,317	561,323	572,549	584,000
County Assessment	255,963	261,082	266,304	271,630	277,063	282,604
Charter School Assessment	5,857,406	5,974,554	6,094,045	6,215,926	6,340,245	6,467,050
Provision for Abatements & Exemptions	650,000	650,000	650,000	650,000	650,000	650,000
	7,720,330	7,861,736	8,005,971	8,153,090	8,303,152	8,456,215
TOTAL NET REVENUE	134,713,942	138,295,187	141,867,119	145,644,744	149,779,649	154,009,054
LESS: TOTAL GENERAL FUND BUDGET	(134,694,275)	(138,518,637)	(143,533,995)	(149,059,548)	(152,296,945)	(156,432,601)
UNUSED LEVY	\$ 19,667	\$ (223,450)	\$ (1,666,876)	\$ (3,414,804)	\$ (2,517,296)	\$ (2,423,547)

**TOWN OF FRANKLIN
FIVE YEAR FISCAL FORCAST FY24 THROUGH FY29**

OPERATING BUDGET	BUDGET	FORCAST				
	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
111 Town Council						
expenses	6,000	6,000	6,000	6,000	6,000	6,000
	6,000	6,000	6,000	6,000	6,000	6,000
123 Town Administration						
salaries	633,816	649,661	665,903	682,551	699,615	717,105
expenses	53,782	55,127	56,505	57,918	59,366	60,850
	687,598	704,788	722,408	740,469	758,981	777,955
131 Finance Committee						
expenses	1,500	1,500	1,500	1,500	1,500	1,500
	1,500	1,500	1,500	1,500	1,500	1,500
135 Comptroller						
salaries	702,487	720,049	738,050	756,501	775,414	794,799
expenses	85,800	87,945	90,144	92,398	94,708	97,076
	788,287	807,994	828,194	848,899	870,122	891,875
141 Assessors						
salaries	368,198	377,403	386,838	396,509	406,422	416,583
expenses	104,900	107,523	110,211	112,966	115,790	118,685
	473,098	484,926	497,049	509,475	522,212	535,268
147 Treasurer-Collector						
salaries	442,959	454,033	465,384	477,019	488,944	501,168
expenses	91,105	93,383	95,718	98,111	100,564	103,078
	534,064	547,416	561,102	575,130	589,508	604,246
151 Legal						
salaries	125,105	128,233	131,439	134,725	138,093	141,545
expenses	60,000	61,500	63,038	64,614	66,229	67,885
	185,105	189,733	194,477	199,339	204,322	209,430
152 Human Resources						
salaries	260,903	267,426	274,112	280,965	287,989	295,189
expenses	38,650	39,616	40,606	41,621	42,662	43,729

	299,553	307,042	314,718	322,586	330,651	338,918
155 Information Technology						
salaries	36,952	37,876	38,823	39,794	40,789	41,809
expenses	457,215	468,645	480,361	492,370	504,679	517,296
	494,167	506,521	519,184	532,164	545,468	559,105
161 Town Clerk						
salaries	235,340	241,224	247,255	253,436	259,772	266,266
expenses	20,850	21,371	21,905	22,453	23,014	23,589
	256,190	262,595	269,160	275,889	282,786	289,855
164 Elections & Registration						
salaries	19,480	19,967	20,466	20,978	21,502	22,040
expenses	55,700	57,093	58,520	59,983	61,483	63,020
	75,180	77,060	78,986	80,961	82,985	85,060
176 Appeals Board						
expenses	9,000	9,000	9,000	9,000	9,000	9,000
	9,000	9,000	9,000	9,000	9,000	9,000
177 Planning & Growth Management						
salaries	445,416	456,551	467,965	479,664	491,656	503,947
expenses	32,300	33,108	33,936	34,784	35,654	36,545
	477,716	489,659	501,901	514,448	527,310	540,492
184 Agricultural Commission						
expenses	1,000	1,000	1,000	1,000	1,000	1,000
	1,000	1,000	1,000	1,000	1,000	1,000
192 Public Property & Buildings						
salaries	3,312,437	3,395,248	3,480,129	3,567,132	3,656,310	3,747,718
expenses	5,172,200	5,301,505	5,434,043	5,569,894	5,709,141	5,851,870
	8,484,637	8,696,753	8,914,172	9,137,026	9,365,451	9,599,588
196 Central Services						
expenses	161,000	165,025	169,151	173,380	177,715	182,158
	161,000	165,025	169,151	173,380	177,715	182,158
Subtotal, General Government	12,934,095	13,257,012	13,588,002	13,927,266	14,275,011	14,631,450
210 Police						
salaries	6,652,746	6,819,065	6,989,542	7,164,281	7,343,388	7,526,973
expenses	332,331	340,639	349,155	357,884	366,831	376,002

		6,985,077	7,159,704	7,338,697	7,522,165	7,710,219	7,902,975
220	Fire						
	salaries	6,529,173	6,692,402	6,859,712	7,031,205	7,206,985	7,387,160
	expenses	654,000	670,350	687,109	704,287	721,894	739,941
		7,183,173	7,362,752	7,546,821	7,735,492	7,928,879	8,127,101
225	Regional Dispatch						
	expenses	958,670	1,500,000	1,537,500	1,575,938	1,615,336	1,655,719
		958,670	1,500,000	1,537,500	1,575,938	1,615,336	1,655,719
240	Inspection						
	salaries	432,336	443,144	454,223	465,579	477,218	489,148
	expenses	14,512	14,875	15,247	15,628	16,019	16,419
		446,848	458,019	469,470	481,207	493,237	505,567
292	Animal Control						
	expenses	92,700	95,018	97,393	99,828	102,324	104,882
		92,700	95,018	97,393	99,828	102,324	104,882
	Subtotal, Public Safety	15,666,468	16,575,493	16,989,881	17,414,630	17,849,995	18,296,244
300	Town Schools	71,989,431	73,789,167	75,633,896	77,524,743	79,462,862	81,449,434
390	Tri-County Regional School	2,775,000	2,844,375	2,915,484	5,000,000	5,125,000	5,253,125
395	Norfolk Aggie	66,660	68,327	70,035	71,786	73,581	75,421
	Subtotal, Education	74,831,091	76,701,869	78,619,415	82,596,529	84,661,443	86,777,980
422	DPW-Highway Dept						
	salaries	2,053,118	2,104,446	2,157,057	2,210,983	2,266,258	2,322,914
	expenses	3,956,650	4,055,566	4,156,955	4,260,879	4,367,401	4,476,586
		6,009,768	6,160,012	6,314,012	6,471,862	6,633,659	6,799,500
	TOTAL DPW - Hwy	6,009,768	6,160,012	6,314,012	6,471,862	6,633,659	6,799,500
510	Health						
	salaries	294,711	302,079	309,631	317,372	325,306	333,439
	expenses	48,400	49,610	50,850	52,121	53,424	54,760
		343,111	351,689	360,481	369,493	378,730	388,199
541	Council on Aging						
	salaries	607,649	622,840	638,411	654,371	670,730	687,498

	expenses	33,100	33,928	34,776	35,645	36,536	37,449
		640,749	656,768	673,187	690,016	707,266	724,947
543	Veterans Services						
	salaries	106,393	109,053	111,779	114,573	117,437	120,373
	expenses	11,115	11,393	11,678	11,970	12,269	12,576
	veterans assistance	165,000	165,000	165,000	165,000	165,000	165,000
		282,508	285,446	288,457	291,543	294,706	297,949
	Subtotal, Human Services	1,266,368	1,293,903	1,322,125	1,351,052	1,380,702	1,411,095
610	Library						
	salaries	810,468	830,730	851,498	872,785	894,605	916,970
	expenses	282,000	289,050	296,276	303,683	311,275	319,057
		1,092,468	1,119,780	1,147,774	1,176,468	1,205,880	1,236,027
630	Recreation						
	salaries	463,765	475,359	487,243	499,424	511,910	524,708
	expenses	277,000	283,925	291,023	298,299	305,756	313,400
		740,765	759,284	778,266	797,723	817,666	838,108
690	Historical Museum						
	salaries	73,928	75,776	77,670	79,612	81,602	83,642
	expenses	3,000	3,075	3,152	3,231	3,312	3,395
		76,928	78,851	80,822	82,843	84,914	87,037
691	Historical Commission						
	expenses	4,000	4,000	4,000	4,000	4,000	4,000
		4,000	4,000	4,000	4,000	4,000	4,000
695	Cultural Council						
	expenses	25,000	25,000	25,000	25,000	25,000	25,000
		25,000	25,000	25,000	25,000	25,000	25,000
696	Cultural District Committee						
	expenses	1,000	1,000	1,000	1,000	1,000	1,000
		1,000	1,000	1,000	1,000	1,000	1,000
	Subtotal, Culture & Recreation	1,940,161	1,987,915	2,036,862	2,087,034	2,138,460	2,191,172
710	Retirement of Debt non-excluded	1,897,000	1,745,000	2,698,329	2,661,521	1,905,875	1,886,430

excluded	2,175,000	2,245,000	1,955,000	1,775,000	1,850,000	1,925,000
	4,072,000	3,990,000	4,653,329	4,436,521	3,755,875	3,811,430
750 Interest						
non-excluded	587,478	506,773	1,142,873	1,031,531	921,777	842,272
excluded	1,510,775	1,417,875	1,334,900	1,254,650	1,181,450	1,105,200
	2,098,253	1,924,648	2,477,773	2,286,181	2,103,227	1,947,472
Subtotal, Debt Service	6,170,253	5,914,648	7,131,102	6,722,702	5,859,102	5,758,902
Benefits:						
910 Retirement & Pension	7,501,821	7,876,912	8,270,758	8,684,296	9,118,511	9,574,437
Health/Life Insurance Benefits	3,853,000	4,122,710	4,411,300	4,720,091	5,050,497	5,404,032
Retired Teacher Health Insurance	570,000	570,000	570,000	570,000	570,000	570,000
Non-GIC School Retirees	1,145,000	1,225,150	1,310,911	1,402,675	1,500,862	1,605,922
Workers Compensation	550,000	588,500	629,695	673,774	720,938	771,404
Unemployment Compensation	110,000	110,000	110,000	110,000	110,000	110,000
Medicare	341,250	365,138	390,698	418,047	447,310	478,622
OPEB	800,000	850,000	900,000	950,000	1,000,000	1,050,000
Compensation Reserve	230,000	125,000	125,000	125,000	125,000	125,000
	15,101,071	15,833,410	16,718,362	17,653,883	18,643,118	19,689,417
945 Liability Insurance	775,000	794,375	814,234	834,590	855,455	876,841
	775,000	794,375	814,234	834,590	855,455	876,841
Subtotal, Benefits & Insurance	15,876,071	16,627,785	17,532,596	18,488,473	19,498,573	20,566,258
TOTAL ALL BUDGETS	134,694,275	138,518,637	143,533,995	149,059,548	152,296,945	156,432,601
Surplus/(Deficit)	19,667	(223,450)	(1,666,876)	(3,414,804)	(2,517,296)	(2,423,547)



Town of Franklin

Override Slides

Joint Budget Subcommittee
August 2, 2023

Jamie Hellen, Town Administrator

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

Override 101

- Step 1 - The School Committee begins the process of an override (unless Schools are not asking for any additional levy capacity, such as 2014).
- Step 2 - The Town Council reviews the School request. Discussion of non-education override items such as roads, sidewalks, capital, municipal needs, etc.
- Step 3 (optional) - Joint Budget Subcommittee (should, but not required) to review total proposal. Submits recommendation to the full Town Council for potential ballot prep.
- Step 4 - Town Council coordinates with the Town Clerk on an election schedule.
 - Elections schedules vary based on factors, such as, the election date and type (federal, state, local), before a budget approval or after a budget approval, etc.
 - Typically 35-90 days to accommodate election different requirements. Minimum 35 days.
 - See DOR's [Prop 2 ½ ballot questions manual](#).
 - Depending on the date, additional requirements are triggered.
- The Town Administrator, Superintendent of Schools and paid staff CANNOT advocate for or against an override with town resources. We are significantly limited in our ability to assist.
- A Grassroots organization is required, ballot question committee, legal structure.

Franklin Override History Summary

- Since 1990, Franklin has attempted 11 operational Proposition 2 ½ overrides.
 - All but one, in 2008, have failed.
- 2014 was the last proposed override for \$1.5 million dedicated toward roads was defeated nearly 2-1 against. The last omnibus operational override was 2010, which was also defeated nearly 2-1.
- Since 1990, debt exclusions have passed 8 times in 11 attempts, all for major school or municipal building projects. The most recent was 2010 for the new High School.
- The most recent example of a discretionary tax increase was the Community Preservation in 2020, which passed 60% in favor, 40% against.
- Potential future debt exclusions: Tri-County School, Franklin Police Station, Davis-Thayer reno, a new School.



Jamie Hellen <jhellen@franklinma.gov>

Notes from the Board

1 message

MassBenchmarks <chrbell@donahue.umass.edu>

Wed, Sep 6, 2023 at 1:45 PM

Reply-To: chrbell@donahue.umass.edu

To: jhellen@franklinma.gov

[View this email as webpage.](#)

NOTES FROM THE BOARD

September 6, 2023

Contrary to expectations of a slowdown, the Massachusetts' economy sped up during the first half of 2023 and a soft landing looks more probable, observes the MassBenchmarks Editorial Board

Today's economy is solid, but Massachusetts needs policies to grow its labor force for greater economic opportunity and competitiveness in coming years



The most recent MassBenchmarks Board meeting began with a review of economic data demonstrating better than expected performance in the economy, notably in terms of payroll jobs and gross domestic product. The growth comes in the face of what are now historically high interest rates designed to dampen inflation. The better-than-expected economy is also pushing the Massachusetts unemployment rate down to record low levels. Growth in real gross domestic product (GDP) in Massachusetts is now outpacing the nation and Massachusetts has become a leading state for net jobs growth. Most major industry sectors are experiencing payroll jobs growth through the first half of 2023, showing that the economic improvements in the state are broadly based.

Somewhat of a surprise is that Massachusetts tax revenues have been coming in below Department of Revenue projections in early 2023. However, this may be due to bonuses and capital gains being negatively affected by relatively poor equity and stock market performance in 2022. The still-elevated U.S. inflation rate is another concern, as progress in lowering inflation has been steady but slow. All told, it is now looking possible that a long-expected recession may be further delayed.

GDP

After declining in the first two quarters of 2022, Massachusetts' real GDP has swung back and has grown faster than U.S. averages in both the fourth quarter of 2022 and the first two quarters of 2023. The unexpectedly strong rebound in state and U.S. economic growth has come despite inflation, slowing economic growth in China, the war in Ukraine, and the lingering effects of the pandemic on production and supply chains. Heading into the latter half of 2023, GDP growth is expected to slow, and may be on course towards a soft landing, rather than an economic downturn. The anticipated slowdown in GDP growth is due, at least in part, from a downward trend in consumer spending as government supports gradually come to an end and pandemic-related savings are drawn down. Indeed, lower motor vehicle sales in Massachusetts in June may be a leading indicator showing a further decline in consumer spending. Current MassBenchmarks estimates see GDP growth hitting a high of 4.0 percent in the second quarter of 2023 and projections show growth moderating to 0.7 percent and 2.0 percent, respectively, in the third and fourth quarters of the year. The U.S. GDP growth is also projected to slow in the second half of 2023 and may even go slightly negative by the fourth quarter.

Employment

Payroll jobs growth continues to be a strong point for the Massachusetts economy. Massachusetts outpaced the U.S. in jobs growth during the second quarter of 2023 with the state growing at an annualized rate of 2.2 percent compared to the U.S. rate of 1.9 percent. Looking at the year-over-year data, Massachusetts and the nation posted payroll employment increases of 2.8 and 2.6 percent, respectively. With the steady growth in employment, Massachusetts finally surpassed its February 2020 pre-pandemic record in March 2023, and as of June the state had 3.77 million jobs, 25,000 more than the previous pre-pandemic peak. Preliminary figures for July from the U.S. Bureau of Labor Statistics show payroll employment growth continuing to be quite robust in the state.

Labor market

Since cresting during the early stages of the pandemic in 2020, the Massachusetts unemployment rate is continuing a downward trend. The June unemployment rate stood at 2.6 percent, down from 3.7 percent in June 2022 and is now significantly below the U.S. rate of 3.6 percent. The declining unemployment rate, while a positive indicator, is due in part to declining labor force size. A modest uptick in the labor force at the start of the year proved to be short-lived. The seasonally adjusted Massachusetts labor force declined by 30,000 between June 2022 to June 2023. More significantly, this represents part of a longer trend that began prior to the pandemic. Since reaching a peak of about 3.846 million in June 2019, the state's labor force has fallen to 3.721 million in June 2023, a net decline of 125,000. The combination of employment growth and labor force decline is contributing to the state's record low unemployment rate and overall tight labor market conditions. Further complicating workforce decline is the aging of the resident population, as more and more baby boomers start reaching retirement ages in the coming years.

Risks

The potential downsides of the Massachusetts economy remain in place, some structural and others more temporal. Housing costs are stubbornly high and likely contributing to out-migration to other states. Although the economy has steadied and grown after the pandemic, there are still some things that have not worked their way through the tumult, such as commercial real estate. There is uncertainty about what a series of defaults would do to the banking sector and financial markets and how this would work its way through the economy. Other risk factors that could have potentially adverse effects on Massachusetts are China's slowdown, Russia's war with Ukraine, and the possibility of a looming federal shutdown in October if a budget is not passed.

Policy considerations

Given the largely positive data for Massachusetts and the diminished likelihood of a full-blown recession, the Board focused on policies that can make the Massachusetts economy more resilient, better able to respond to new growth opportunities, and help to address its chronic pockets of inequality. A unifying theme among Board members is investing in growing the labor force, a rallying point that could guide state policy. For example, providing more affordable housing and childcare, free community colleges, and improving our antiquated transportation infrastructure would help make Massachusetts a more attractive place to live and work. Because immigrants are a primary source of the state's population growth, the Board also favors policies for helping them get plugged into the labor force by providing in-state tuition regardless of their present documentation status, making sure that underrepresented workers have access to apprenticeships and other work-based training needed to work in emerging sectors like clean energy, and by reviewing occupational licensure requirements to ensure that immigrants (as well as professionals in other states) are not facing unnecessary obstacles to employment.

In conclusion, the condition of the Massachusetts economy looks good heading into the latter part of 2023. Current indicators are solid and have defied expectations on the upside for several quarters running. On the downside, the effects of higher interest rates are still playing out while uncertainties in the international economy as well as political polarization in the U.S. continue to be concerns. Even with slower economic growth expected on the horizon, Massachusetts has the assets to better position itself for the future and should not delay in acting now on measures to grow its labor force.

This summary reflects the discussion of the members of the Editorial Board of MassBenchmarks at its meeting on July 31, 2023 and it reflects the economic data available up to that date. It was prepared by Branner Stewart, Senior Research Manager at the UMass Donahue Institute, and was reviewed and edited by the members of the Editorial Board. While discussion among the Board members was spirited and individual Board members hold a wide variety of views on current economic conditions, this summary reflects the broad consensus of the Board regarding the current state of the Massachusetts economy.

MassBenchmarks is published by the University of Massachusetts Donahue Institute in cooperation with the Federal Reserve Bank of Boston. The views expressed are not necessarily those of the University of Massachusetts or the Federal Reserve Bank of Boston.

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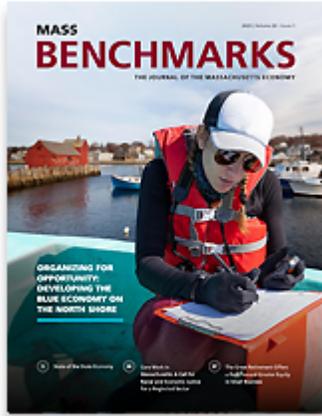
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Sent by chrbell@donahue.umass.edu



Finance Committee

Meeting Date: May 08, 2023

Present: Chairman Conley, Vice Chairman Riley, Clerk Corbosiero, Koke (remote), Grace, Keophannga (remote), Wiech, Hamilton

1. **Call to Order:** 7:03 PM
2. **Public Comments – None**
3. **Approval of minutes – passed 8-0**
 - a. December 7, 2022
 - b. December 7, 2022 – executive session
 - c. January 11, 2023
 - d. February 8, 2023
4. **FY24 Town Administrator Operating Budget Hearing:**
 - a. Overview – New growth has declined slightly due to the use of a 10-year average to calculate the estimated income for the year. High level with tax levy, new growth, and debt exclusions, there is approximately \$3.3M of potential tax levy. Are hopeful local receipts will increase back to pre-pandemic levels. Inflation is having a significant impact on the FY24 budget as it relates to fixed costs. There are cost increases that the public needs to be aware of (i.e. stormwater fee, sewer rate increase, current low electricity rate increase, etc.).
 - b. General Government - \$13,067,095
 - c. Human Services – \$1,266,368
 - d. Culture and Recreation - \$1,940,161
 - e. Debt and Interest - \$6,180,253
 - f. Employee Benefits - \$15,101,071
 - g. Department of Public Works (DPW)
 - i. Public Works – \$6,069,768
 - ii. Enterprise Funds
 1. Water – \$6,806,382
 2. Sewer – \$6,014,827
 3. Solid Waste – \$2,185,639
 4. Stormwater – \$1,034,117
5. **Future Agenda Items**
6. **Adjourn 9:06 p.m.**



Finance Committee

Meeting Date: May 10, 2023

Present: Chairman Conley, Vice Chairman Riley, Clerk Corbosiero, Hansen, Wiech, Keophannga (remote), Hamilton, Grace, Koke (remote)

1. **Call to Order:** 7:00 PM
2. **Public Comments – None**
3. **FY23 Town Administrator Operating Budget Hearing Continued**
 - a. Opening Remarks
 - b. Education
 - i. Norfolk County Agricultural School - \$66,660
 1. Overview – Enrollment is approximately 560 students (16 students currently from Franklin). Current year had approximately 450 applications with approximately 155 accepted. Franklin is billed an in-county tuition based on enrollment (approximately \$4,000 per student).
 - ii. Tri-County Regional Vocational School District - \$2,775,000
 1. Will know next June what the project size and budget is for a new school (expecting roughly \$280M).
 - iii. Franklin Public School District - \$71,252,779
 1. School Committee approved budget was \$73,591,000 which is higher than what is being presented. Outlined areas of possible reductions that would need to happen for FY24 to close the gap.
4. **Future Agenda Items**
5. **Adjourn 9:15 p.m.**



Finance Committee

Meeting Date: May 11, 2023

Present: Chairman Conley, Vice Chairman Riley, Clerk Corbosiero, Grace, Hansen, Wiech, Hamilton, Keophannga (remote)

1. **Call to Order:** 7:03 PM
2. **Public Comments**
 - a. Jessica Gera – Department requests vs. TA recommends – does not match up – where does the number come from if not from the department's request? "Non column" – helps to streamline the process.
3. **FY23 Town Administrator Operating Budget Hearing Continued**
 - a. 210 Police Department - \$7,026,677
 - i. Expense side increases driven by historic items they would normally get via the capital process however related to normal expenses. Body armor, tasers, and IT program are now part of the operating budget. Other increase is driven by 4 additional patrol officers. Increase in service demand and inadequate staffing driving the need for the increase in staffing. Should see a decrease in overtime with new full-time staff. New police station will become more of a necessity to meet the growing needs of the department (office and locker space).
 - b. 220 Fire Department - \$7,258,173
 - i. Increase mostly driven by collective bargaining items (55%). Other half of the increase is due to additional turnout gear that typically would be in the capital budget but is now in the operating budget. Two additional positions are also driving the increase. Would allow for usage of truck that is fully stocked but has no personal. Expected to bring down the mutual aid calls that are needed today.
 - c. 225 Regional Dispatch - \$958,670
 - d. 240 Inspection Department - \$446,848
 - e. 292 Animal Control - \$92,700
 - f. Overall Wrap Up – presented areas where we can get the school budget back up to slightly over the annual average increase. Reviewed steps for an override.
4. **FY24 Town Administrator Operating & Enterprise Budget Final Recommendation - \$150,948,188 – passed 8-0**
5. **Future Agenda Items**
6. **Adjourn 8:42 p.m.**

Date: September 6, 2023
To: Jamie Hellen & Chris Sandini
From: Kerri Bertone
Subject: Stabilization Fund Balance and Three (3) year Comparison

Through June 30, 2023

	2021	2022	2023
General Stabilization	6,304,686.92	6,559,389.36	6,416,852.01
Recreation Fields	465,533.88	783,505.97	919,773.82
Open Space Acquisition	2,463,056.67	2,525,074.24	2,494,299.49
Budget Stabilization	869,298.71	2,040,284.17	3,004,525.00
Property Acquisition	280,805.53	288,513.63	283,456.96
Fire Trust Stabilization	16,304.48	16,752.05	116,458.46
MECC Stabilization	452,738.46	903,360.20	887,527.41
OBEB	8,925,964.01	11,491,897.45	11,885,540.66
Statewide Opioid Settlement	-	-	129,313.41