

# Town of Franklin

355 East Central Street  
Franklin, Massachusetts 02038-1352



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

OFFICE OF THE TOWN ADMINISTRATOR

## Joint Budget Subcommittee Meeting

(Members of the Town Council, School Committee, and Finance Committee)

September 11, 2024

7:00 PM

Franklin Municipal Building, 355 East Central Street - 2nd floor, Council Chambers

**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 # 828 5624 1053
- Zoom Webinar Link [HERE](https://us02web.zoom.us/j/82856241053) (<https://us02web.zoom.us/j/82856241053>)
- **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.

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## Agenda

1. [Committee Charge](#)
2. [Annual Budget Calendar for Town Departments](#)
3. [Town Administrator Budget Memo & Five Year Fiscal Forecast packet](#)
  - a. [Sample borrowing schedules for Remington-Jefferson and Horace Mann capital projects.](#)
4. Next Steps/Meetings
  - a. October 23, 2024 - JBSC

## **Joint Budget Subcommittee**

January 18, 2022

### **Purpose**

The purpose of the Joint Budget Subcommittee (hereinafter "subcommittee") is to promote communication and collaboration during the Town's annual operating budget process.

### **Membership & Appointment**

The subcommittee consists of:

- 4 members of the Town Council, who shall be the four members appointed to the Town Council Budget Subcommittee;
- 3 Members of the School Committee, who shall be the three members appointed to the School Committee Budget Subcommittee; and
- 4 Members of the Finance Committee, who shall be the four members appointed to the Finance Committee Operating Budget subcommittee.

Membership shall be based on the procedures outlined by each individual Board that comprises the joint subcommittee.

### **Responsibilities**

The subcommittees' responsibilities include:

- promoting collaboration between the three most relevant finance related committees who are involved in the to the Town's annual operating budget process: Town Council, School Committee and Finance Committee;
- promoting broader communication and public engagement on the Town's annual operating budget;
- keeping their respective board or committee members informed of the subcommittees work and providing updates;
- meeting, at least once a year, during the annual budget process to achieve the responsibilities of the committee;
- meeting as often as necessary to achieve subcommittee goals;
- maintaining institutional knowledge of short and long range budget forecasts;
- assisting the Town Administrator and Superintendent of Schools to develop strategies for meeting projected budget shortfalls; and
- Serving as an ombudsman to the town's annual operating budget process.

### **Authority**

The Joint Budget Subcommittee shall be advisory only and will not supersede any legal obligation under Massachusetts General Law or within the Franklin Town Charter or Town Code.

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OFFICE OF THE TOWN ADMINISTRATOR

## Memorandum

September 6, 2024

To: Department Heads  
From: Jamie Hellen, Town Administrator  
Amy Friguliatti, Deputy Town Administrator

Re: **FY25 Capital and FY26 Operating Budget Calendar**

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The following are anticipated dates and preliminary instructions for the FY25 Capital budget and the FY26 operating budget. Please feel free to distribute among staff, boards and/or committees. All dates or directives are subject to change based on evolving information, although we hope that this outline will provide every department head with a predictable timeline for this budget season.

### FY25 Capital Budget

Friday, December 1st

- FY25 Capital budgets are **due** to the CFO Kerri Bertoni and Deputy CFO & Budget Director Evan LaCasse for the following departments: Facilities, Schools, Technology, Recreation, Public Works, Police, and Fire. Please submit plans via the FY25 Capital Improvement Plan (CIP) Google Drive (which will be sent to staff in the coming weeks).

Departments should provide the most accurate and updated information to back up the requests, including quotes and/or estimates and load them into the drive folder. All spreadsheets are required to be updated with priorities for the next five-ten years (depending on your department). A copy of the current town finance policy is located in the Drive, as well.

- If any other department or board/committee that you liaison with that is not listed above has a one-time funding capital request, please use the "General Government" sheet in the Drive.
- December may include staff capital budget meetings, if needed.

## January

- Finance Committee capital budget deliberations. All relevant Department Heads please plan to be in attendance. A calendar invite will be sent. Exact dates TBD.

## Late January/February

- Town Council Capital Budget subcommittee deliberations. Dates TBD.

## Late February/March

- Town Council consideration of Capital subcommittee recommendations. Dates TBD.

## **FY26 Operating Budget**

### September 11th and October 23rd

- Joint Budget Subcommittee meetings. Invites for some department heads to attend will be sent out.
- Additional meetings may be scheduled as the committee begins its work.

### Friday, December 20th

- FY26 operating budget proposals/requests are due to the CFO Kerri Bertoni and Deputy CFO & Budget Director Evan LaCasse. Formal FY26 submissions should include a maintenance “level service” budget that reflects current staffing levels, current program expenses, contractual obligations and any legally required services to provide level service. Please include in your budget proposals all contractual obligations (personnel, CBA's or expenses, utilities, etc.) that are currently under agreement for FY25.

As FY26 is a collective bargaining year for a majority of the town and schools’ unions, with limited resources this fiscal year, further directive will be forthcoming.

- The Deputy CFO & Budget Director will email municipal departments Personnel Sheets which will need to be completed.
- Second, in the coming weeks, to the CFO Kerri Bertoni and Deputy CFO & Budget Director Evan LaCasse, will send out an intake form to include formal FY26 submissions of new additional budget requests, including staff, programmatic requests, expenses, strategic initiatives, or other funding priorities that would be within the town’s operating budget.

As we mentioned last year, the Joint Budget Subcommittee and Finance Committee will again be working to understand long term needs for the community and want to have a list of potential future investments to consider as part of the budget discussion this year. We are providing the form now to allow your department time to discuss with your staff if there are new requests to add to the budget, or a potential override in the future.

### January/ Early February

- Governor Healy will file her budget. Town's use the Governor's annual budget as their baseline for local aid and state aid for the local FY26 budget.
- Department operating budget meetings with Town Administrator/Finance staff.

### Late March/April

- As we have done the last several years, the Town Administrator will present a preliminary budget model in early March at a Joint Budget subcommittee meeting.
- The Town Administrator will submit the town budget on approximately April 18th.

### May 5th through 9th

- Finance Committee FY26 Budget hearings. We anticipate three meetings as we have done for years: General Government; Public Safety & DPW; and Public Education.

### May 21st & 22nd

- Town Council FY26 Budget hearings.

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OFFICE OF THE TOWN ADMINISTRATOR

September 6, 2024

To: Town Council  
From: Jamie Hellen, Town Administrator  
Amy Frigulietti, Deputy Town Administrator

**Re: Fiscal Year 2026 (FY26) Budget Sketch & Five-Year Fiscal Forecast**

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We have attached a sketch for the FY26 budget and a subsequent five-year forecast. The forecast is based on the final budget voted on July 17, 2024 and preliminary assumptions as listed below. This early model does **not** reflect any department requests or any new spending. This budget simply takes the FY25 final budget and uses basic assumptions to begin the public dialogue for FY26. Departments have not yet begun their internal budget processes (see budget calendar for anticipated dates).

## General Assumptions

- The baseline budget is built on the final budget approved by the Town Council on July 17. Please note a final closeout budget amendment will be required on November 13, 2024 to reflect final state aid numbers before the tax rate is set on November 20, 2024. The final state budget reflects \$17,681 **LESS** in local aid than what was assumed in the final budget approved on May 23rd and then revised on June 26th and July 17th.
- A loss of \$3,032,090 million in one-time revenue in FY26 and beyond; and
- The Tri County Debt Exclusion and borrowing projections begin in FY26 (although this is still a fluid situation). However, this item is revenue neutral to the tax levy due to the passage of the debt exclusion.

## Revenue Assumptions

The following assumptions are consistent with previous years:

- Proposition 2 ½ - A 2.5% increase in the tax levy each year. For at least 25 years, the Town has always taxed to the maximum allowed under the law.
- Stagnant “New Growth” assumption at \$1,000,000/year each year. As we have reported many times before, the current economic and political environment are making development very challenging to permit, which has a revenue-loss effect within the Town’s budget. It is important to note that New Growth has decreased 45% in the past six fiscal years, which significantly affects the overall tax base as a revenue **loss**. We will adjust this assumption if economic indicators show altering market conditions.
- A 5% rate of growth in state aid and “Local Receipts”. We would like to note the growth in these areas are largely due to revenue increases generated by town staff for building permits, ambulance receipts, hotel permitting, cannabis, licensing, fees for town services and so forth. Most of these revenues are to offset municipal costs, similar to Revolving Funds for the Schools (which are not a part of the overall town budget). These revenues are offsetting cost increases to Town operations in most departments and also provide a strong safety net for town and school operations, given stagnant “New Growth” as development declines.
- A 5% rate of growth in state aid, which is far higher than recent history shows us, but also a 5% increase in state assessments. While state aid can increase in the forms of Chapter 70 and UGGA (unrestricted general government aid), the Charter School and School Choice assessments have increased substantially over the past five to seven years. Thus, while the town receives about \$30 million in educational funding, there is a state assessment of \$6.5 million, which depletes that total. The Town should not just recognize the increases the state has allocated to the town, but also needs to understand and monitor the offset of the State Assessments portion of the budget.

### Expense Assumptions

The following assumptions are made in the expense sheet:

- 2.5% rate of all expense and personnel line items, including Account 300 FPS, except;
- 13% Employee Health Care for all town and school employees. The Town has experienced a **very high** “loss runs” aggregate for the past year, which continues a trend of very high health insurance rates. Previous budget narratives discuss health care in detail;

- 5% Norfolk retirement obligation; and
- The money for the borrowing to remodel the Remington-Jefferson and Horace Mann (see sample schedules), which is still to be determined based on staff bandwidth, interest rates and the overall budget costs. The project may have to begin in FY27.

Major issues that need to be dealt with, which are not included in this model

- Collective Bargaining. FY26 will be the first year in a new contract for teachers, police patrol, police sergeants, fire, custodians, librarians, trades/maintenance and public works. If the Town and School organizations do not coordinate on collective bargaining, the Town could fall deeper into deficit which will result in layoffs across all departments.

NOTE: Extreme caution and sensitivity should be exercised relative to any public comments related to collective bargaining, as we cannot legally bargain or make any final decisions in a public format; however, a discussion can occur on spending thresholds and how this issue affects the overall budget.

- Redistricting Cost Analysis. A complete analysis of both cost increases and savings from the redistricting plan will need to be disclosed and evaluated.
- Employee Health Care. The trends are headed in a more expensive direction. As indicated above, the Town is bracing for a 13% increase in employee health care for FY26, due to very high Loss Runs. The IAC will meet in September and work together throughout the year to make a decision on health care for FY26, but we are modeling a 13% increase based on the FY24 year end results.
- Inflation. Costs of goods, services and labor continue to increase, while very few of these items are seeing cost decreases. We project continued cost increases in Schools, Facilities, Public Works, Senior Center and other areas.

**TOWN OF FRANKLIN  
FIVE YEAR FISCAL FORECAST FY26 THROUGH FY30**

	BUDGET		FORECAST			
	FY25	FY26	FY27	FY28	FY29	FY30
<b>TAX LEVY</b>						
Prior Year Levy Limit plus 2 1/2%	\$ 92,839,014	\$ 96,184,989	\$ 99,614,614	\$ 103,129,979	\$ 106,733,228	\$ 110,426,559
New Growth	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	<b>93,839,014</b>	<b>97,184,989</b>	<b>100,614,614</b>	<b>104,129,979</b>	<b>107,733,228</b>	<b>111,426,559</b>
<b>DEBT EXCLUSIONS</b>						
Keller-Sullivan	360,325	-	-	-	-	-
Horace Mann Issue #2	270,000	260,000	-	-	-	-
High School Issue #1	2,879,488	2,880,588	2,879,088	2,879,888	2,877,888	2,877,988
High School Issue #2	153,062	149,313	150,563	151,563	152,313	152,813
Tri-County New School	132,298	1,942,875	1,942,875	1,942,875	1,942,875	1,942,875
	<b>3,795,173</b>	<b>5,232,775</b>	<b>4,972,525</b>	<b>4,974,325</b>	<b>4,973,075</b>	<b>4,973,675</b>
<b>TOTAL POTENTIAL TAX LEVY</b>	<b>97,634,187</b>	<b>102,417,764</b>	<b>105,587,139</b>	<b>109,104,304</b>	<b>112,706,303</b>	<b>116,400,234</b>
<b>STATE REVENUE</b>						
Chapter 70 School Aid	29,717,993	31,203,893	32,764,088	34,402,292	36,122,407	37,928,527
Charter School Reimbursements	767,369	805,737	846,024	888,325	932,741	979,378
Unrestricted Aid	3,042,531	3,194,658	3,354,391	3,522,111	3,698,217	3,883,128
All Other Net of Offsets	428,538	449,965	472,463	496,086	520,890	546,935
	<b>33,956,431</b>	<b>35,654,253</b>	<b>37,436,966</b>	<b>39,308,814</b>	<b>41,274,255</b>	<b>43,337,968</b>
<b>OTHER REVENUES</b>						
Local Receipts - General Fund	13,572,562	14,251,190	14,963,750	15,711,938	16,497,535	17,322,412
	<b>13,572,562</b>	<b>14,251,190</b>	<b>14,963,750</b>	<b>15,711,938</b>	<b>16,497,535</b>	<b>17,322,412</b>
<b>OTHER AVAILABLE FUNDS</b>						
Net Budget Stabilization / Other Transfers	3,032,009					
Enterprise Fund (Indirects)	1,841,000	1,933,050	2,029,703	2,131,188	2,237,747	2,349,634
	<b>4,873,009</b>	<b>1,933,050</b>	<b>2,029,703</b>	<b>2,131,188</b>	<b>2,237,747</b>	<b>2,349,634</b>
<b>TOTAL REVENUES &amp; OTHER FUNDS</b>	<b>150,036,189</b>	<b>154,256,257</b>	<b>160,017,558</b>	<b>166,256,244</b>	<b>172,715,840</b>	<b>179,410,248</b>
<b>ASSESSMENTS &amp; OTHER VOTES</b>						
School Choice	513,872	539,566	566,544	594,871	624,615	655,846
State Assessments	524,133	550,340	577,857	606,750	637,088	668,942
County Assessment	262,362	275,480	289,254	303,717	318,903	334,848
Charter School Assessment	5,895,585	6,190,364	6,499,882	6,824,876	7,166,120	7,524,426
Provision for Abatements & Exemptions	650,000	650,000	650,000	650,000	650,000	650,000
	<b>7,845,952</b>	<b>8,238,250</b>	<b>8,583,537</b>	<b>8,980,214</b>	<b>9,396,726</b>	<b>9,834,062</b>
<b>TOTAL NET REVENUE</b>	<b>142,190,237</b>	<b>146,018,007</b>	<b>151,434,021</b>	<b>157,276,030</b>	<b>163,319,114</b>	<b>169,576,186</b>
<b>LESS: TOTAL GENERAL FUND BUDGET</b>	<b>(142,207,918)</b>	<b>(149,111,605)</b>	<b>(153,212,991)</b>	<b>(157,791,477)</b>	<b>(162,628,471)</b>	<b>(167,719,482)</b>
<b>UNUSED LEVY</b>	<b>\$ (17,681)</b>	<b>\$ (3,093,599)</b>	<b>\$ (1,778,971)</b>	<b>\$ (515,448)</b>	<b>\$ 690,643</b>	<b>\$ 1,856,704</b>

**TOWN OF FRANKLIN  
FIVE YEAR FISCAL FORCAST FY26 THROUGH FY30**

OPERATING BUDGET	BUDGET		FORCAST			
	FY25	FY26	FY27	FY28	FY29	FY30
111 Town Council expenses	5,500	5,500	5,500	5,500	5,500	5,500
	5,500	5,500	5,500	5,500	5,500	5,500
123 Town Administration salaries	579,799	594,294	609,151	624,380	639,990	655,990
expenses	31,826	32,622	33,438	34,274	35,131	36,009
	611,625	626,916	642,589	658,654	675,121	691,999
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	733,925	752,273	771,080	790,357	810,116	830,369
expenses	84,600	86,715	88,883	91,105	93,383	95,718
	818,525	838,988	859,963	881,462	903,499	926,087
141 Assessors salaries	381,597	391,137	400,915	410,938	421,211	431,741
expenses	127,400	130,585	133,850	137,196	140,626	144,142
	508,997	521,722	534,765	548,134	561,837	575,883
147 Treasurer-Collector salaries	402,393	412,453	422,764	433,333	444,166	455,270
expenses	75,105	76,983	78,908	80,881	82,903	84,976
	477,498	489,436	501,672	514,214	527,069	540,246
151 Legal salaries	128,726	131,944	135,243	138,624	142,090	145,642
expenses	60,000	61,500	63,038	64,614	66,229	67,885
	188,726	193,444	198,281	203,238	208,319	213,527
152 Human Resources salaries	352,404	361,214	370,244	379,500	388,988	398,713
expenses	38,950	39,924	40,922	41,945	42,994	44,069
	391,354	401,138	411,166	421,445	431,982	442,782
155 Information Technology salaries	-	-	-	-	-	-
expenses	520,053	533,054	546,380	560,040	574,041	588,392
	520,053	533,054	546,380	560,040	574,041	588,392
161 Town Clerk salaries	248,955	255,179	261,558	268,097	274,799	281,669
expenses	21,150	21,679	22,221	22,777	23,346	23,930
	270,105	276,858	283,779	290,874	298,145	305,599
164 Elections & Registration salaries	133,689	137,031	140,457	143,968	147,567	151,256
expenses	65,700	67,343	69,027	70,753	72,522	74,335
	199,389	204,374	209,484	214,721	220,089	225,591
171 Conservation salaries	75,541	77,430	79,366	81,350	83,384	85,469
expenses	12,060	12,362	12,671	12,988	13,313	13,646
	87,601	89,792	92,037	94,338	96,697	99,115
176 Appeals Board expenses	7,000	7,000	7,000	7,000	7,000	7,000
	7,000	7,000	7,000	7,000	7,000	7,000
177 Planning & Growth Management salaries	394,671	404,538	414,651	425,017	435,642	446,533



541 Council on Aging						
salaries	542,232	555,788	569,683	583,925	598,523	613,486
expenses	33,100	33,928	34,776	35,645	36,536	37,449
	<u>575,332</u>	<u>589,716</u>	<u>604,459</u>	<u>619,570</u>	<u>635,059</u>	<u>650,935</u>
543 Veterans Services						
salaries	119,487	122,474	125,536	128,674	131,891	135,188
expenses	12,115	12,418	12,728	13,046	13,372	13,706
veterans assistance	165,000	165,000	165,000	165,000	165,000	165,000
	<u>296,602</u>	<u>299,892</u>	<u>303,264</u>	<u>306,720</u>	<u>310,263</u>	<u>313,894</u>
Subtotal, Human Services	1,206,187	1,232,192	1,258,846	1,286,166	1,314,170	1,342,874
610 Library						
salaries	862,725	884,293	906,400	929,060	952,287	976,094
expenses	292,000	299,300	306,783	314,453	322,314	330,372
	<u>1,154,725</u>	<u>1,183,593</u>	<u>1,213,183</u>	<u>1,243,513</u>	<u>1,274,601</u>	<u>1,306,466</u>
630 Recreation						
salaries	511,472	524,259	537,365	550,799	564,569	578,683
expenses	284,000	291,100	298,378	305,837	313,483	321,320
	<u>795,472</u>	<u>815,359</u>	<u>835,743</u>	<u>856,636</u>	<u>878,052</u>	<u>900,003</u>
690 Historical Museum						
salaries	70,057	71,808	73,603	75,443	77,329	79,262
expenses	10,000	10,000	10,000	10,000	10,000	10,000
	<u>80,057</u>	<u>81,808</u>	<u>83,603</u>	<u>85,443</u>	<u>87,329</u>	<u>89,262</u>
691 Historical Commission						
expenses	4,000	4,000	4,000	4,000	4,000	4,000
	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
693 Arts, Culture Creative Economy						
salaries	95,000	97,375	99,809	102,304	104,862	107,484
expenses	15,400	15,785	16,180	16,585	17,000	17,425
	<u>110,400</u>	<u>113,160</u>	<u>115,989</u>	<u>118,889</u>	<u>121,862</u>	<u>124,909</u>
695 Cultural Council						
expenses	25,000	25,000	25,000	25,000	25,000	25,000
	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
696 Cultural District Committee						
expenses	2,000	2,000	2,000	2,000	2,000	2,000
	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Subtotal, Culture & Recreation	2,171,654	2,224,920	2,279,518	2,335,481	2,392,844	2,451,640
710 Retirement of Debt						
non-excluded	1,745,000	2,565,131	2,602,037	2,640,604	2,680,905	2,723,022
excluded	2,245,000	2,647,204	2,467,204	2,542,204	2,617,204	2,697,204
	<u>3,990,000</u>	<u>5,212,335</u>	<u>5,069,241</u>	<u>5,182,808</u>	<u>5,298,109</u>	<u>5,420,226</u>
750 Interest						
non-excluded	516,773	919,373	804,317	690,350	606,091	522,232
excluded	1,550,314	2,585,571	2,505,321	2,432,121	2,355,871	2,276,471
	<u>2,067,087</u>	<u>3,504,944</u>	<u>3,309,638</u>	<u>3,122,471</u>	<u>2,961,962</u>	<u>2,798,703</u>
Subtotal, Debt Service	6,057,087	8,717,278	8,378,878	8,305,278	8,260,070	8,218,928
Benefits:						
910 Retirement & Pension	7,890,141	8,284,648	8,698,880	9,133,824	9,590,515	10,070,041
Health/Life Insurance Benefits	3,776,000	4,266,880	4,821,574	5,448,379	6,156,668	6,957,035
Retired Teacher Health Insurance	560,000	560,000	560,000	560,000	560,000	560,000
Non-GIC School Retirees	1,283,000	1,449,790	1,638,263	1,851,237	2,091,898	2,363,845
Workers Compensation	550,000	621,500	702,295	793,593	896,760	1,013,339

Unemployment Compensation	125,000	125,000	125,000	125,000	125,000	125,000
Medicare	368,550	416,462	470,602	531,780	600,911	679,029
OPEB	400,000	450,000	500,000	550,000	600,000	650,000
Compensation Reserve	100,000	100,000	100,000	100,000	100,000	100,000
	<u>15,052,691</u>	<u>16,274,280</u>	<u>17,616,614</u>	<u>19,093,813</u>	<u>20,721,752</u>	<u>22,518,289</u>
945 Liability Insurance	819,571	840,060	861,062	882,589	904,654	927,270
	<u>819,571</u>	<u>840,060</u>	<u>861,062</u>	<u>882,589</u>	<u>904,654</u>	<u>927,270</u>
Subtotal, Benefits & Insurance	15,872,262	17,114,340	18,477,676	19,976,402	21,626,406	23,445,559
TOTAL ALL BUDGETS	142,207,918	149,111,605	153,212,991	157,791,477	162,628,471	167,719,482
Surplus/(Deficit)	(17,681)	(3,093,599)	(1,778,971)	(515,448)	690,643	1,856,704

**Level Principal Calculation (annual interest calculation, paid semi-annually)**

Total borrowing:	<input type="text" value="8,000,000"/>
Annual interest rate:	<input type="text" value="3.500%"/>
Number of payment:	<input type="text" value="10"/>
Level principal amount:	<input type="text" value="800,000"/>

Totals		770,000		8,000,000	770,000		9,540,000	1,540,000
<u>Year</u>	<u>Payment 1</u>		<u>Payment 2</u>				<u>Annual</u>	<u>Annual</u>
	balance	interest	principal	interest	P & I		debt service	interest
1	8,000,000	140,000	800,000	140,000	940,000		1,080,000	280,000
2	7,200,000	126,000	800,000	126,000	926,000		1,052,000	252,000
3	6,400,000	112,000	800,000	112,000	912,000		1,024,000	224,000
4	5,600,000	98,000	800,000	98,000	898,000		996,000	196,000
5	4,800,000	84,000	800,000	84,000	884,000		968,000	168,000
6	4,000,000	70,000	800,000	70,000	870,000		940,000	140,000
7	3,200,000	56,000	800,000	56,000	856,000		912,000	112,000
8	2,400,000	42,000	800,000	42,000	842,000		884,000	84,000
9	1,600,000	28,000	800,000	28,000	828,000		856,000	56,000
10	800,000	14,000	800,000	14,000	814,000		828,000	28,000

**Level Principal Calculation (annual interest calculation, paid semi-annually)**

Total borrowing:	<input type="text" value="2,900,000"/>
Annual interest rate:	<input type="text" value="3.500%"/>
Number of payment:	<input type="text" value="10"/>
Level principal amount:	<input type="text" value="290,000"/>

Totals		279,125		2,900,000	279,125		3,458,250	558,250
<u>Year</u>	<u>Payment 1</u>		<u>Payment 2</u>				<u>Annual</u>	<u>Annual</u>
	balance	interest	principal	interest	P & I		debt service	interest
1	2,900,000	50,750	290,000	50,750	340,750		391,500	101,500
2	2,610,000	45,675	290,000	45,675	335,675		381,350	91,350
3	2,320,000	40,600	290,000	40,600	330,600		371,200	81,200
4	2,030,000	35,525	290,000	35,525	325,525		361,050	71,050
5	1,740,000	30,450	290,000	30,450	320,450		350,900	60,900
6	1,450,000	25,375	290,000	25,375	315,375		340,750	50,750
7	1,160,000	20,300	290,000	20,300	310,300		330,600	40,600
8	870,000	15,225	290,000	15,225	305,225		320,450	30,450
9	580,000	10,150	290,000	10,150	300,150		310,300	20,300
10	290,000	5,075	290,000	5,075	295,075		300,150	10,150