

# 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)

**October 23, 2024**

**7:00 PM**

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

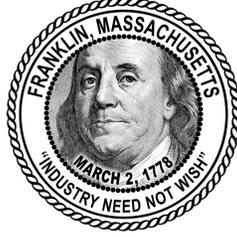
**A NOTE TO RESIDENTS:** All citizens are welcome to attend public meetings in person. **To view the live meeting remotely, citizens** are encouraged to watch the live stream on the [Franklin Town Hall TV YouTube channel](#) or the live broadcast on Comcast Channel 9 and Verizon Channel 29. Meetings 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 # 886 3308 2738
- Zoom Webinar Link [HERE \(https://us02web.zoom.us/j/88633082738\)](https://us02web.zoom.us/j/88633082738)
- **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. Minutes
  - a. [September 11, 2024](#)
2. Updated Town Administrator Five-Year Forecast Sketch
  - a. [Administrator Memo](#)
  - b. [Updated Five Year Forecast Document](#)
3. Superintendent of Schools Redistricting Update & Discussion
4. Discussion on next steps



**Joint Budget Subcommittee  
Meeting Minutes  
September 11, 2024**

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A meeting of the Joint Budget Subcommittee was held Wednesday evening, September 11, 2024, at the Municipal Building, 2nd Floor, Council Chambers, 355 East Central Street, Franklin, MA.

**Members Present**

Town Council

Tom Mercer, JBSC Chair, Town Council Chair  
Melanie Hamblen  
Brian Chandler  
Cobi Frongillo (via Zoom)

School Committee

David McNeill, School Committee Vice Chair  
Ruthann O'Sullivan  
Paul Griffith (via Zoom)

Finance Committee

George Conley, Finance Committee Chair  
Natalie Riley, Finance Committee Vice Chair  
Nicole Corbosiero  
Lauren Nagel

**1. Committee Charge**

SUMMARY: Thomas Mercer, Joint Budget Subcommittee Chair, explained the role of the joint budget subcommittee. The subcommittee is an advisory committee made up of budget subcommittees from the Town Council, School Committee, and Finance Committee. Their decisions are not final but recommendations are brought back to the respective committees. The number of members from each committee is based on quorum rules. The responsibilities of the budget subcommittee are published online.

**2. Annual Budget Calendar for Town Departments**

SUMMARY: Town Administrator Jamie Hellen reviewed the annual budget calendar, noting

the differences between the capital budget and operating budget processes. The capital budget starts in December after free cash is certified, while operating budget proposals are due December 20th, earlier than previous years. Hellen and Superintendent Lucas Giguere are coordinating to meet the earlier deadline. The budget process is largely dictated by state law, with the governor's budget not released until late January. Hellen noted statewide financial challenges facing schools and towns.

### **3. Town Administrator Budget Memo & Five Year Fiscal Forecast packet**

- a. Sample borrowing schedules for Remington-Jefferson and Horace Mann capital projects.

SUMMARY: Hellen presented a preliminary five-year fiscal forecast based on the FY25 budget with basic assumptions, not reflecting any new spending. Key revenue assumptions include: 2.5% tax levy increase, stagnant new growth, 5% growth in state aid and local receipts (later adjusted to 1-2% for state aid), and 5% increase in state assessments. Key expense assumptions: 2.5% increase for most expenses and personnel, 13% increase for employee health care, 5% increase for Norfolk retirement, and projected borrowing for Remington-Jefferson and Horace Mann projects (likely deferred to FY27).

Major issues not included are collective bargaining for 8-9 unions, redistricting cost analysis, increasing employee health care costs, and inflation. With adjustments, the projected FY26 deficit is around \$3 million. There was discussion about the use of school revolving funds, Chapter 70 aid and the "hold harmless" provision, special education costs, and the need for an override.

### **4. Next Steps/Meetings**

- a. October 23, 2024 - JBSC

SUMMARY: The next Joint Budget Subcommittee meeting is scheduled for October 23, 2024. More meetings may be added as needed. Mercer stressed the importance of starting the budget process early, building trust with the community, and spreading awareness of the town's financial situation. There was discussion about modeling different budget scenarios, addressing objections to an override, and continuing community engagement. Hellen and Giguere will work on key issues like health care and collective bargaining in the coming months.

### **VOTE(S):**

**Subject: Motion to adjourn**

**Mover: David McNeill**

**Second: Brian Chandler**

**Result: Passed**

**Details of the vote: Voice vote, unanimous**

# Town of Franklin

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OFFICE OF THE TOWN ADMINISTRATOR

October 18, 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 UPDATE**

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As a follow up from the September 11, 2024 Joint Budget Subcommittee meeting, we are providing an updated five year fiscal forecast for your review. It is important to note that this is a sketch. Town and School Administration, Human Resource and Finance staff met and agreed to the following assumptions in the updated budget model.

As you can see, the budget model, which is extremely preliminary, illustrates a structural budget deficit of \$2.7 million in FY26.

## Revised Assumptions

The model uses the same assumptions as the prior model, with exception to the following:

- Recalculated the local state aid assumptions to 1.5% across all five years.
- Recalculated state assessments at 4%.
- FY25 assumes New Growth at \$1.1 million, which we have applied to all future years. Each year, the staff work with the Board of Assessors on these assumptions.
- We have assumed the Remington-Jefferson/Horace Mann borrowing to begin in FY27.
  - The FY25 Capital program will include a request for funds to hire the Owner's Project Manager (OPM), which is required by state law for projects over \$1.5 million.
  - Once an OPM is hired, project management will begin with an architect to design the remodel. We anticipate this occurring in 2025-2026. We will aim to

authorize borrowing based on project costs, prep for borrowing for the FY27 budget.

- We have also included the full cost of the Mental Health Clinicians Division within the Police Department in FY28 at a cost of approximately \$300,000 a year to maintain that public service. Note: These costs were appropriated via one-time ARPA funds through December 31, 2026 (or half of FY27). The FY27 forecast includes half of the budgeted costs of this service, as the other half is covered through ARPA funds.

#### Upcoming key dates of interest

- November 6th is a Finance Committee meeting to finalize the FY25 budget. The Town Council is anticipated to review this matter on November 13th. There will be minor adjustments based on the final state budget, but none of them will affect the Franklin Public School District.
- November 20th is set for the annual Tax Rate hearing before the Town Council.
- Mid-December - The House and Senate Joint Revenue Consensus Hearing for FY26 will take place to determine state FY26 revenue forecasts. This meeting is essentially the state's day to project available revenues next year and has a major impact on the level of local aid the state could commit to.
- January 18 - 21 is the annual "Connect 351" Massachusetts Municipal Association conference where the Governor and Lt. Governor traditionally release a snapshot of their budget to be filed. The Governor will file her FY26 budget in late January or early February with FY26 local aid numbers. These numbers are the baseline local aid assumptions every city and town uses for their FY26 budget deliberations.
- Please refer to the budget calendar that we provided on September 11th for other key local budget dates.

#### Major budget issues to be determined

As outlined previously, these issues below will have a large impact on the "budget deficit."

- Employee Health care is assumed at 13%, possibly higher, possibly lower, but nonetheless extremely expensive. We expect a decision from the employees on health insurance in March, however the IAC is meeting monthly to be prepared;

- Collective bargaining for most town and school unions.
- Economies of scale from the redistricting analysis.

Will not see any more accurate or altering assumptions until after the tax rate hearing in November and until the Governor's budget release in 2025.

#### Current staff work plan

The following items are a short list of work the town and school staff are working on over the next few months relative to finance.

- Prepare the FY25 budget revision and Nov 20th tax rate hearing;
- Capital Plan development will begin next week and will go through winter;
- Redistricting;
- Commence union negotiations with eight bargaining units;
- FY26 budget development with department heads and principals and school leaders;
- Negotiating health care for employees;
- Year end closeout recap reports; required reports to the state; finalize ARPA contracts and required federal reporting; prepare for the auditors to begin their audit at the start of the calendar year, integrating new staff, and much more.

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

	BUDGET			FORCAST		
	FY25	FY26	FY27	FY28	FY29	FY30
<b>TAX LEVY</b>						
Prior Year Levy Limit plus 2 1/2%	\$ 92,839,014	\$ 96,287,489	\$ 99,822,176	\$ 103,445,230	\$ 107,158,861	\$ 110,965,333
New Growth	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
	<b>93,939,014</b>	<b>97,387,489</b>	<b>100,922,176</b>	<b>104,545,230</b>	<b>108,258,861</b>	<b>112,065,333</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>97,734,187</b>	<b>102,620,264</b>	<b>105,894,701</b>	<b>109,519,555</b>	<b>113,231,936</b>	<b>117,039,008</b>
<b>STATE REVENUE</b>						
Chapter 70 School Aid	29,717,993	30,163,763	30,616,219	31,075,462	31,541,594	32,014,718
Charter School Reimbursements	767,369	778,880	790,563	802,421	814,457	826,674
Unrestricted Aid	3,042,531	3,088,169	3,134,492	3,181,509	3,229,232	3,277,670
All Other Net of Offsets	428,538	434,966	441,490	448,112	454,834	461,657
	<b>33,956,431</b>	<b>34,465,778</b>	<b>34,982,764</b>	<b>35,507,504</b>	<b>36,040,117</b>	<b>36,580,719</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>150,136,189</b>	<b>153,270,282</b>	<b>157,870,918</b>	<b>162,870,185</b>	<b>168,007,335</b>	<b>173,291,773</b>
<b>ASSESSMENTS &amp; OTHER VOTES</b>						
School Choice	513,872	534,427	555,804	578,036	601,157	625,203
State Assessments	524,133	545,098	566,902	589,578	613,161	637,687
County Assessment	262,362	272,856	283,770	295,121	306,926	319,203
Charter School Assessment	5,895,585	6,131,408	6,376,664	6,631,731	6,897,000	7,172,880
Provision for Abatements & Exemptions	650,000	650,000	650,000	650,000	650,000	650,000
	7,845,952	8,159,790	8,433,140	8,744,466	9,068,244	9,404,973
<b>TOTAL NET REVENUE</b>	<b>142,290,237</b>	<b>145,110,492</b>	<b>149,437,778</b>	<b>154,125,719</b>	<b>158,939,091</b>	<b>163,886,800</b>
<b>LESS: TOTAL GENERAL FUND BUDGET</b>	<b>(142,207,918)</b>	<b>(147,805,974)</b>	<b>(153,293,664)</b>	<b>(157,369,038)</b>	<b>(162,445,100)</b>	<b>(167,842,507)</b>
<b>UNUSED LEVY</b>	<b>\$ 82,319</b>	<b>\$ (2,695,483)</b>	<b>\$ (3,855,887)</b>	<b>\$ (3,243,320)</b>	<b>\$ (3,506,010)</b>	<b>\$ (3,955,708)</b>

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

OPERATING BUDGET	BUDGET		FORECAST			
	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	1,750,000	2,500,131	1,747,037	1,730,604	1,775,905
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>4,397,204</u>	<u>4,967,335</u>	<u>4,289,241</u>	<u>4,347,808</u>	<u>4,473,109</u>
750 Interest						
non-excluded	516,773	428,873	841,223	728,917	646,400	564,341
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>3,014,444</u>	<u>3,346,544</u>	<u>3,161,038</u>	<u>3,002,271</u>	<u>2,840,812</u>
Subtotal, Debt Service	6,057,087	7,411,647	8,313,878	7,450,278	7,350,078	7,313,920
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	147,805,974	153,293,664	157,369,038	162,445,100	167,842,507
<b>Surplus/(Deficit)</b>	<b>82,319</b>	<b>(2,695,483)</b>	<b>(3,855,887)</b>	<b>(3,243,320)</b>	<b>(3,506,010)</b>	<b>(3,955,708)</b>