



Town of Franklin

FY25 Budget Update

Town Council
Town Administrator's Report

June 26, 2024

Jamie Hellen, Town Administrator

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

FY25 Budget Summary to date

- Total Operating budget is **\$141,182,918** (enterprise funds excluded)
 - **\$3.264** million in new revenue through the tax levy (“the pie”).
 - \$2 million in one-time revenue
 - \$1.507 million free cash; \$500,000 MECC Stabilization.
 - FY26 already has a \$2 million deficit to fill due to the use of one-time revenues.
 - April 9, 2024 School Committee Budget requested \$9.3 million increase for “level service, plus restoration of some cuts” from FY24. \$7.3 million was declared “level service”.
 - May 23rd Town Council approved a **\$3,335,398** million increase for FPS for FY25.
 - The largest one-year increase in history.
 - FPS has also received \$950,000 in off-budget FY24 capital funding.
 - Seven (\$7) of every Ten (\$10) dollars in the local budget goes to public education.
 - 68% FPS
 - 2% Tri-County/Aggie

Municipal Budget Limitations

- By law, water, sewer, trash/recycling, stormwater enterprise funds cannot be used for the operating budget.
- Examples of School/Non-School related municipal “fixed costs” with fewer places to cut than most think:
 - Debt Exclusions (\$3.8 million) or Debt/Interest (\$6 Million).
 - Benefits/Insurance (\$15.6 million).
 - pension, employee health care, retired teacher health care, insurance, workers compensation, unemployment and so on affect school & town.
 - 30 +/- departments and town committees that require funding/generate revenue.
 - Most have revenue sources, statutory mandates, permitting, licensing responsibilities, and other duties that cannot be reduced without revenue loss (fees, grants) and/or regulatory or statutory barriers.
 - Revenue intake: Municipal staff bring in a lot of revenue (local receipts, similar to school revolving funds)
- Most municipal discretionary areas are: \$15 million Fire and Police; \$6 million DPW; \$1.1 million Library.
 - Note: Fire pays for about 35% +/- of its own budget through ambulance billing.

Tier 1, Part A - Municipal Adjustments to go to FPS Account 300

<u>Line Item</u>	<u>Department</u>	<u>Personnel/Expenses</u>	<u>Reduction</u>	<u>Amounts</u>
111	Town Council	Expenses	Eliminate most conference reimbursements	\$1,500
123	Town Administrator	Expenses	20% Expense cut	\$7,956
135	Comptroller	Personnel/Expenses	Surplus after the staff internal restructure in Town/School Finance/HR	\$20,705
147	Treasurer-Collector	Personnel	Reallocate responsibilities & eliminate 1 FTE position due to department efficiencies	\$53,387
147	Treasurer-Collector	Expenses	Reduce Tax Title Legal expenses by 50%	\$16,000
155	Technology	Personnel	Eliminate the 1 FTE cybersecurity position, move to a consultant and move contract to expenses	\$40,000
162	Legal	Expenses	Reduce Legal expense line item	\$10,000

Tier 1, Part B - DPW/Municipal Adjustments to go to FPS Account 300

<u>Division</u>	<u>Account Description</u>	<u>Amount</u>
422 - Highway	Wages Non Scheduled Overtime, Wages Police Details, Contracted Services Sidewalk Maintenance, Contracted Services Line Painting, Supplies - Gravel, Brick, Concrete, Stone, Construction Materials for Roads and Drainage.	\$ (90,000)
422 - Grounds	Wages for Seasonal Staff, Wages Non Scheduled Overtime, Tree Trimming & Maintenance, Contracted Services for Schools.	\$ (80,000)
422 - Admin/ Engineering	Consulting / Engineering Services, Public Notices - Advertisements, Large Format Printing, Meetings & Conferences.	\$ (30,000)
	Total Additional Cuts:	\$ (200,000)

Tier 1, Part C - Municipal Adjustments to go to FPS Account 300

510	Health	Personnel	Reallocate responsibilities & eliminate 1 FTE position due to department efficiencies	\$21,700
541	Senior Center	Personnel	Increase revolving fund contributions from \$108,086 to \$260,000 to offset staff costs for programs. The van arrived earlier than expected so we will hire 2 part-time drivers instead of 1 full time and eliminate the LPN position. At this rate, one-third of the total senior center budget is self-sustainable.	\$145,238
690	Historical Museum	Personnel	Eliminate Town Archivist position effective 8/31/24; Museum expenses are maintained	\$55,608
910	Benefits	Expenses	Reduction of 6 FTE's benefits assumptions (Positions not assumed for FY25: Archivist, Cybersecurity Specialist, FT Van Driver, Board of Health AA, Treasurer-Collector Collections Specialist and MUNIS Administrator)	\$150,000
910	Benefits	Expenses	Reduce OPEB contribution; begin FY25 at \$400,000 & continue current policy	\$450,000
X	Capital	Expenses	Reappropriate \$25,000 CIT Capital - One time revenue source	\$25,000
			Total:	\$1,247,094

If Tier 1 adjustments are approved, FPS Account 300 will be
\$76,568,599 or a **\$4,579,168** one-year increase!

Tier 2 - Municipal Cuts

(Public Safety, Library, Senior Center, Arts & Economic Development, HR, Planning)

152	Human Resources	Personnel	Reduce Administrative Assistant (assists Schools)	\$54,317
156	Planning	Personnel	Eliminate Assistant to the Director of Planning & affordable housing specialist, effective 8/31/24	\$50,681
220	Police	Personnel	Reduce four (4) police officers, effective 8/31/24 (estimate)	\$300,000
225	Paramedics	Personnel	Reduce three (3) paramedics, effective 7/1/24	\$225,126
620	Senior Center	Personnel	Eliminate Deputy Director position	\$84,374
620	Library	Expenses	Eliminate Deputy Director & reduce expenses \$54,000, which will require a state waiver for not complying with state MAR law	\$152,779
693	Arts, Culture Creative Economy	Personnel/Expenses	Eliminate entire department, effective 8/31/24	\$100,400
910	Benefits	Expenses	Reduction of 9 FTE's benefits assumptions	\$225,000
			Total:	\$1,192,677

Tier 3 - Municipal Cuts (DPW)

<u>Line Item</u>	<u>Department</u>	<u>Personnel/Expenses</u>	<u>Reduction</u>	<u>Amounts</u>
422	DPW - Highway	Expenses	See attached sheets for further details	\$370,000
422	DPW - Highway	Personnel	Eliminate Two (2) DPW Laborer staff, effective 7/1/24	\$159,000
422	DPW - Grounds	Expenses	See attached sheets for further details	\$95,000
422	DPW - Grounds	Personnel	(1) Eliminate Two (2) DPW Laborer staff, (2) staff effective 7/1/24	\$207,000
422	DPW - Central Motors	Expenses	Seasonal staff	\$19,000
422	DPW - Central Motors	Personel	Fuel	\$24,000
422	DPW - Recycling	Expenses	Reduce Beaver Street Recycling Center Hours	\$33,000
422	DPW - Recycling	Personel	Reduce Beaver Street Recycling Center Hours	\$45,000
422	DPW - Administration	Expenses	See attached sheets for further details	\$30,000
910	Benefits	Expenses	Reduction of 4 FTE's benefits assumptions	\$100,000
			Total:	\$1,082,000

See exhibit sheet for further breakdown of expense cuts

Tier 4 - Municipal Cuts
(Public Safety, Elimination of OPEB)

220	Police	Personnel	Reduce four (4) police officers effective 8/31/24	\$275,000
225	Paramedics	Personnel	Reduce four (4) paramedics effective 8/31/24	\$306,948
910	Benefits	Expenses	Reduction of 8 FTE's benefits assumptions	\$200,000
910	Benefits	Expenses	Eliminate OPEB Contribution; begin FY25 at \$0	\$400,000
			Total:	\$1,181,948

END