

Town of Franklin

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OFFICE OF THE TOWN ADMINISTRATOR

Tuesday, June 11, 2024 Override Vote Frequently Asked Questions (FAQS) Version 2 - Revised May 23, 2024

Voting Questions

Will an informational brochure about the override be mailed out to Franklin residents? (Added 5/17/24)

No. The Office of Campaign and Political Finance advises that public resources cannot be used for political purposes. The law prohibits the use of public funds or other public resources to support or oppose a question put to voters, such as the use of public resources to distribute a mailing days before an election.

Officials may distribute notice of the time, date, and place of a municipal election and a brief, neutral title describing the ballot question and the text of the question. This information is provided in this document.

For more information concerning this matter please visit the [OCPF website](#) or click on the interpretive bulletins below.

<http://files.ocpf.us/pdf/legaldocs/IB-92-01.pdf>

<http://files.ocpf.us/pdf/legaldocs/IB-92-02.pdf>

When and where is the election?

The special election will be held on June 11, 2024 from 6AM to 8PM @ Franklin High School, 218 Oak Street. **All mail in ballots must be received in the Clerk's Office by 8:00PM on 6/11 in order to be counted.**

Who can vote on the override?

All voters who are registered to vote in Franklin are eligible to vote. To verify your registration, use this link: <https://www.sec.state.ma.us/voterregistrationsearch/>

When is the last day to register to vote?

The last day to register to vote is June 1 from 9AM to 5PM at the Town Clerk's Office or online at <https://www.sec.state.ma.us/OVR/>

Will early voting occur for this election?

Yes. Early Voting will commence as soon as the ballots arrive. The Town Clerk will notify the Voters once the ballots are received. Immediately after receiving ballots, the Town Clerk's Office will be hosting in-person early voting during normal business hours which are Mon., Tues., Thurs. from 8AM to 4PM, Wednesday, 8AM to 6PM and Friday from 8AM to 1PM. There will also be one (1) weekend day which is scheduled for Saturday, June 1st from 9AM to 4PM in the Clerk's Office Only.

Are Vote-by-Mail ballots available?

Yes, Vote-by-Mail or "absentee" ballots are available, but they must be requested by the voter. If you would like to receive a Vote-by-Mail application please contact the Clerk's office or click on the following link:

<https://www.sec.state.ma.us/divisions/elections/languages/vote-by-mail-applications.htm>

For Voters who have requested a vote by mail ballot for the State Election (11/5) by completing the card sent by the Secretary of the Commonwealth, you **will** also be receiving a ballot for this Special Election. We have a total of 5,000 requests so far. If you are unsure that your request was received please contact the Clerk's office at 508-520-4900 or townclerk@franklinma.gov and they will assist you.

What is the cost of a special election and who is paying for it?

The Town will pay for the election which is estimated to cost \$30,000. This is a manageable cost and the Town will be able to absorb the cost by dipping into small surplus accounts.

Understanding Proposition 2 1/2

What is an "Override"?

An Override refers to a vote by the registered voters in town to override the tax increase limit set by [Proposition 2 ½](#). The Franklin Town Council [set the date](#) of Tuesday, June 11, 2024 for the purpose of presenting to the voters an override in real estate and personal property taxes ballot

question. There will be a [referendum](#) to determine if the total tax levy limit may be increased by \$6.8 million. For more information on Proposition 2 ½, please review the [Division of Local Services \(DLS\) primer document](#).

How does Proposition 2 ½ limit tax increases?

Proposition 2 ½ is a state law that was enacted in 1980. It limits the total amount of property taxes that a city or town can assess each year. The levy limit or total tax amount a town is allowed to collect cannot increase by more than 2.5% per year, plus the impact of new growth, unless there is a vote to override this limit. Individual tax bills are impacted by changes to the relative value of residential and commercial properties and localized changes in real estate values. However, if the town had no new construction in a given year AND all of the real estate in town increased in value by exactly the same amount, say 10%, then every property tax bill would increase by 2.5% the following year. See an example below.

Taking the previous year's levy limit and increasing it by 2.5%			
A.	Proposed FY2025 Levy Limit		1,000,000
B.	(A) x 2.5%	+	25,000
Adding to the levy limit amounts of certified new growth added to the community's property tax base:			
C.	FY2025 New Growth	+	15,000
Adding to the levy limit amount authorized by override votes:			
D.	FY2025 Override	+	100,000
E.	FY2025 Subtotal (A+B+C+D)	=	1,140,000

What is meant by “new growth”?

New growth refers to new construction or other improvements that add to the tax base allowing for an increase in the total tax amount. If a new subdivision of houses is built in an empty field, the extra real estate value of those houses is added to the amount that may be taxed (the levy limit).

Override Details

What is the exact language of the ballot question?

The language of the ballot question is as follows:

“Shall the Town of Franklin be allowed to assess an additional 6.8 million dollars in real estate and personal property taxes for the purpose of the operating budget for which monies from this assessment will be used for the fiscal year beginning July 1, 2024?”

The above question will be the only question on the ballot, it is a Yes or No question.

What does the override get us? Where does the \$6.8 million go?

A successful \$6.8 million override will rebuild the foundation of the school operational budget and allow the schools to strategically plan for the future. It will also restore Public Property & Buildings (PPB), commonly known as the Facilities Department, expense capacity after the last two years of high inflation. In the first year, Fiscal Year 2025 (FY25), the override money would be allocated to the following accounts:

\$6.3 million – Account 300, Franklin Public Schools
\$500,000 – Account 192, Public Property & Buildings

Per the draft [Memorandum of Understanding \(MOU\)](#), in year two (FY26) through FY30, 60% (\$4,080,000) of the override money would be allocated to Department 300, Franklin Public Schools, and 40% (\$2,720,000) would be allocated to various municipal accounts, which oftentimes goes toward school related funding.

Why \$6.3 million for Franklin Public Schools in FY25?

In FY25 FPS will spend the \$6.3 million in the following areas:

SCHOOL DEPT HEALTH CARE EXP	\$623,000
TRANSPORTATION (YELLOW BUS)	\$107,000
MENTAL HEALTH SUPPORTS	\$497,000
OUT OF DISTRICT TUITION	\$2,200,000
SPECIALIZED TRANSPORTATION	\$288,000

MAINTAIN STAFFING AT CURRENT LEVELS	\$2,100,000
K-5 CLASS SIZE	\$375,000
MIDDLE SCHOOL EXTRA-CURRICULAR PROGRAMS	\$110,000

Why \$500,000 for PP&B in FY25?

Public Property & Buildings (PPB) or “Facilities” has been the hardest financial hit of any department from inflation and has never fully recovered from cuts made due to the COVID-19 pandemic. From FY23 through FY25 the Facilities budget has gone up \$1 million in expense capacity for basic utilities such as water/sewer, gas, electricity, fuel, plumbing, electrical and carpentry supplies, and labor, etc. Several accounts within the Facilities budget have been depleted or cut due to budget stress. This request aims to restore those cuts in the following areas:

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

Why the 60/40 allocation from FY26 - FY30? Why doesn't a larger percentage go to the schools?

In FY26 through FY30, 60% or \$4.08 million of the full operational override amount will be allocated to the FPS (Account 300). *This is a 7% increase to Account 300, which is currently 53% of the budget.* The remaining 40% or \$2.720 million of the full operational override amount shall be reserved for other spending to allow for flexibility in order to navigate the competing cost drivers in town.

This funding will be subject to appropriation as a part of future deliberation during the annual

budget process. Competing future cost drivers include, but are not limited to, collective bargaining, recurring capital costs, debt and interest for the Remington-Jefferson and Horace Mann projects, public infrastructure, employee health care, school operating accounts that see annual increases over 5%, including special education and technology, as well as underfunded school and municipal departments. While this funding is technically part of the municipal budget, many if not most of these costs are school related costs not embedded in Department 300.

It is important to note that there is currently \$20.6 million or approximately 15% of school related costs in the municipal side of the budget.

More detail is available in the presentation slides on the override website:

<https://www.franklinma.gov/town-budget/webforms/fy25-override-information>

What are examples of how the 40% could be used?

With FY26 over 13 months away, it is challenging to answer this question with exact specificity. As outlined by the [Town Administrator and Superintendent of Schools on May 1, 2024](#), here are some examples of how the funding could be used:

- Remodel of the Remington-Jefferson School, including a new roof, fire alarm system, entire mechanical system and repaving the parking lot and other interior and exterior renovations;
- Fixing the roof of the Horace Mann School;
- Capital funding for Town and Schools, such as curriculum investments, school vans and fleet, protection gear for public safety officials in Fire and Police, technology investments for schools, including children and teachers;
- Public infrastructure like roads and sidewalks;
- Funds for public sector employees in education, public safety, fire, police, custodians, librarians, and other units due to expiring collective bargaining agreement in 2025;
- Funds to invest in the maintenance of town and school facilities and buildings;
- A safety net for unforeseen large cost increases to special education, technology and employee health care, which frequently are seen well above 5% increases over the past several years.

How long is the override in place? Why \$6.8 Million?

An override is a permanent increase in taxes. It would remain in place unless there was a subsequent override vote. The \$6.8 million is a compromise figure based on professional input, public feedback and statewide historical context. School and Town Administration wanted to make a recommendation for a long-term fix to the structural deficit that the Town has been facing for years. The \$6.8 million value of the override was set such that the deficit problem will be solved for a period of AT LEAST 5 years.

What is the override pledge (MOU) and what does it mean?

As part of the recommendation for an override, the Administration felt it important that the three major boards in town government (Town Council, Finance Committee, and School Committee) should agree to a [Memorandum of Understanding \(MOU\)](#) which serves as a pledge to the voters of Franklin. The pledge seeks to provide a framework and clarity to the voters on how the override funds will be spent. The Town Council voted 9-0 in support of the MOU and the Finance Committee voted 8-0 in support of the MOU.

While a pledge is not a legal requirement, it seeks to provide transparency to the voters and without a spending allocation framework all override revenues will remain in the General Fund and will not be earmarked in FY26 and beyond. This pledge allows for a 60/40 allotment schedule in FY26 through FY30, as illustrated above.

The pledge promises that override funds will be made to last *at least* five fiscal years, from FY25 through FY30. This provision seeks to provide assurance to residents that the Town will not seek additional operational overrides during this period.

As part of the pledge, Town and Schools agree to have a unified goal of protecting the Town's **AAA Bond Rating**. Protecting our AAA Bond Rating saves operating budget capacity from higher interest costs.

The pledge also seeks to improve strategy, communication and coordination relative to collective bargaining, facilities management, policy decisions in an ongoing effort to create efficiencies and mitigate additional fiscal cliffs and escalation of costs in FY26 and subsequent years.

Why does the pledge include the closing of the Parmenter School?

The pledge commits to the School Committee's vote on the FPS [School Comprehensive Plan](#) and the closure of the Gerald D. **Parmenter Elementary School** effective July 1, 2025. The FPS

redistricting plan should not be a complete shock to the town. Public discussions on school facilities and declining enrollment have gone on for over a decade and in the last five years we have had extensive community engagement concerning the need to close school buildings. There has been \$119,000 spent on school facility studies over the past five years.

This new plan creates certainty and will allow the school population to know where their children will go to school for the next 10+ years, while also streamlining expenses and creating economies of scale.

The future use of the Parmenter site will be for the purposes of building a new Police Station, as well as for municipal and/or school purposes, including a potential new school if warranted in the future. This action will save millions in land costs for a new police station, plus interest on borrowing. It also delineates the area for a potential new Middle or Elementary School in 2030, if needed, or for another municipal or school use.

Impact on Property Taxes

How much would my taxes increase for FY25 (July 1, 2024 - June 30, 2025)?

The FY24 average tax bill in Franklin is \$7,667. **Based on the FY24 Tax Rate of \$11.79 and the average single family home value of \$650,377**, a \$6.8 million override would increase the average residential tax bill \$552.82 for the FY25 tax year, ***in addition to the normal annual increase allowed under Proposition 2 ½***. The actual increase for each homeowner is based on the assessment for the home. Please find an example below from [the Town Administrator's FY25 Budget Update Presentation on April 24, 2024](#). [You can also use the calculator on the Department of Revenue \(DOR\) website to perform calculations.](#)

6.8m Override Calculations on Average SFH

<u>Home Value</u>	<u>Override Cost*</u>
\$250,000	\$212.50
\$350,000	\$297.50
\$450,000	\$382.50
\$550,000	\$467.50
\$650,377	\$552.83
\$750,000	\$637.50
\$850,000	\$722.50
\$950,000	\$807.50
\$1,050,000	\$892.50
\$1,150,000	\$977.50

***FY25 will also include an additional 2.5% as allowed under Prop 2 1/2**

Assumptions

- FY24 Tax Rate is \$11.79
- \$650,377 Avg. Single Family Value
- FY24 Current Avg Tax Bill \$7,668
- Calculate Your Override [here on DOR Override Estimate Calculator](#)
- The Household Cost is in addition to the average household cost at 2.5% of \$198

When will this increase be reflected on my tax bill?

The new tax rate is not set until December 2024. If an override passes on June 11, 2024, preliminary tax bills will go out in the summer and fall of 2024 and actuals will be reflected on the January 2025 and April 2025 tax bills. These bills will reflect the override increase plus 2.5%.

Without the override, the Town's Tax Levy for FY2025 will be \$92,839,014 plus new growth, anticipated at \$1,000,000. If passed, the override will add \$6,800,000 to the tax levy. Each year, whether we have an override or not the Town is allowed to increase the tax levy by new growth which is taxes assessed to those who are producing new homes, additions and expanded commercial facilities. In subsequent years, whether the override is successful or not, the Town is limited to raising the tax levy no more than 2.5% plus new growth.

How much would my taxes increase after FY25?

After Fiscal Year 2025, annual increases would again be limited by Proposition 2 ½, but the override amount would be included in the new baseline.

Would this impact both residential and commercial tax payers?

Yes, both residential and commercial taxes will increase at the same rate.

How do taxes in Franklin compare to surrounding communities?

The average residential tax bill in Franklin is lower than that in many neighboring communities. Please visit the [Division of Local Services](#) website for detailed information on tax bills for communities across Massachusetts.

Why is the town facing such a budget crunch?

The community has been made aware of the ongoing structural financial deficit transpiring over the years. Attached are some news articles from the past decade illustrating numerous cautionary [budget narratives](#). As you will see, Town and School Administrations have deftly documented the declining financial trends of the schools for years and this news should come as no surprise to anyone.

The last two years of inflation have exacerbated costs and the Town has seen significant increases in shared costs and very limited options for supplementing the budget with one-time money. Increases in fixed costs such as health insurance, retirement, and debt service are using virtually the entire increase in revenues.

What is a structural deficit?

A structural deficit occurs when expenses are increasing faster than revenues. For the past several years, Franklin's expenses have been larger than incoming revenues. This deficit has been addressed each year with budget cuts and use of one-time sources of money. Without a significant increase in revenue, the town's structural deficit will only continue to get worse.

What are the main factors in the town deficit?

Property tax is one of the largest revenue streams available to the town, and increases in property tax are limited by Proposition 2 ½. Additionally, the funding that local communities receive from the state has not kept pace with costs. On the cost side of the equation, the town is faced with skyrocketing inflation and many unfunded mandates, particularly for education. The costs to educate students have been rising quickly. Finally, health insurance and retirement costs generally increase each year at a rate higher than the increase in revenues.

Can Free Cash be used to help the budget?

“Free Cash” is the state's term for money leftover from previous fiscal years. There may be extra money because a department doesn't spend its entire budget or because revenues are slightly higher than anticipated. Each year, in the fall, the state certifies the amount of free cash from the

previous year. In recent years, Franklin has been using free cash each year to supplement the operating budget for the next budget year. If free cash is available, best practice is to use that money for one-time expenses and small capital items. Over time, this should reduce dependence on borrowing and lower debt service expenses.

Other Options

Will the re-assessment of properties increase the revenues the town collects?

No. Proposition 2 ½ limits the total amount of taxes that can be collected, even if property values increase. If all properties in town doubled in value, the tax rate would need to be reduced by half. The total amount of the tax levy would not change. Note that cities and towns are required to measure and inspect properties every ten years or more often if there is an appeal, a building permit, or a sale. State DOR onsite reviewed Revaluations occur every 5 years, while Interim Year Market Updates are performed annually every other year. This is unrelated to any budget deficits. The only impact that the re-assessment would have on tax revenues is that some additional new growth may be found as part of this process. If there are new decks or other improvements that had not previously been reported to the town, that added value would be treated as new growth with respect to Proposition 2 ½.

Could we borrow to solve this problem?

No. Cities and towns are required to have balanced budgets and are not allowed to borrow money to support operational budgets.

Could we dip into our reserves?

Yes, but that would leave the Town in a very precarious financial situation. There is currently roughly \$6.77 million in our stabilization accounts. If the Town were to spend all of that to close the budget deficit next year, that would leave the town without a financial safety net. The Town Council and Finance Committee have been working on updating the financial policies for the town. They have agreed to strive for a minimum balance of 5% of Non-Enterprise Budgets in our stabilization funds. In addition to providing for emergencies, healthy balances in our reserve accounts helps the Town to maintain our AAA bond rating. A strong bond rating is important when the town needs to borrow money. Towns with the highest bond ratings pay the lowest interest rates on the money they borrow.

Did we consider all possible revenue sources?

Yes. As has been stated the Town has very little ability to create revenue streams, the state greatly limits our ability in this area.

Can we increase fees?

The state sets limits on how much we can increase fees and what additional taxes (like meals taxes) we are able to assess. Fees must be reasonable to cover the cost of the service provided. For example, the Town could not charge \$100 to provide a copy of a birth certificate. Fees can and will be reviewed, however fees cannot be increased enough to eliminate the deficit.

Impact on Schools

How can I learn more about the impact of the override on the schools?

The Superintendent's recommended budget presentation contains an overview of the impact of cuts without an override and the potential improvements with an override. It can be found [here](#).

You can find detailed budget information [here](#).

What if an override does not pass?

Level Service will be the focus. The "Partially Restore the Cuts" option would be off the table (for now), and prior to making further cuts to the Town or Schools, we would need to evaluate different options such as employee health care estimates, draining revolving accounts, and increasing user fees. As discussed at the [April 24, 2024 town meeting, slide 8 breaks this point down further](#).

Affordability Concerns

Can the Town have a lower tax rate for Seniors or other lower-income residents?

No, but there are programs offered through the [Senior Center](#), [Veterans' Services](#) or [Assessor's Office](#) that may help defer costs, if eligible. Please find a guide for senior exemptions [here](#).

Are there exemptions for senior citizens or other taxpayers who are not able to afford this increase?

Yes. The Town of Franklin, through its [Community Assistance Program \(CAP\)](#) in Section 82 of the Town Code and the Commonwealth of Massachusetts offer a variety of exemptions, discounts & resources to qualifying residents. The Assessors also offer [Real Estate Exemptions](#)

[and Deferral programs](#) to qualifying individuals. There is also a [senior tax work off program](#) through the senior center. Please contact the Board of Assessor and the Senior Center for guidance with any of these programs.

Miscellaneous Questions

What is a bond rating? How does that impact the town?

A bond rating is a credit rating; it determines the interest rate the Town pays when it borrows money for various projects. The stronger the bond rating the lower interest rate the Town pays (just like your own credit rating). The difference between the top rating which is our current rating (AAA) and a lower rating amounts to several million dollars in savings for a project the size of a new police station. If our credit rating were to drop a project like a new police station or new school would cost several million dollars more.

Can the Town still pass debt exclusions during this 5-year period?

Yes. Project specific "debt exclusions" related to town and school facilities projects will remain eligible for ballot initiatives.

How will the Town account for the one-time monies (\$2 million) allocated in FY25 to balance the budget?

The Town will not seek reimbursement of one-time monies reallocated to assist in balancing the FY25 budget; however all parties are aware that \$2 million in one-time revenues also reflects a deeper structural budget deficit in FY26. If the [School Comprehensive Plan](#) is implemented, the savings from the closure of Parmenter and Kennedy in FY26 will cut HALF of the structural one-time revenue deficit from Municipal Facilities costs savings; with additional significant economies of scale from the Schools, will cut the ENTIRE structural deficit from one-time revenues in FY26.

I keep hearing about other expected costs in the coming years. What other costs should I be anticipating in the next few years?

In addition to a potential override, residents will see added cost increases in other areas in FY25. Below please find a list of previously authorized increases:

- A Sewer Rate increase of 15% July 1, 2024 and 10% July 1, 2025 for the Beaver Street Interceptor.
- Debt exclusion for new Tri-County School to hit taxpayers in FY25.

- Resident Municipal Aggregation electricity rate .15 cents November 2023-2025.
- Increase in the Stormwater Fee July 1, 2024 of \$10/household.
- Trash/Recycling fee to rise \$50/household for FY25.
- Federal/State PFAS remediation regulatory costs - Water Rate increases expected of 8% in FY25, 8% in FY26, and 8% in FY27. This is an estimated increase of \$50/household in FY25.

Who should I contact for more information?

For more information concerning the Town, please contact Town Administrator Jamie Hellen at jhellen@franklinma.gov

For more information concerning the Schools, please contact Superintendent Lucas Giguere at giguere1@franklinps.net

For more information concerning the special election, please contact Town Clerk Nancy Danello at ndanello@franklinma.gov