

Town of Franklin

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Town of Franklin

Fiscal Year 2005 Budget Statement

Town Council

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April 2004



Executive Summary

The FY 05 budget is out of balance by \$2,500,000. To overcome the deficit, the Town Council committed to transfer that sum from the Stabilization account. This will delay the citizens facing the difficult choice on an override or reductions in school/ municipal services for one year.

The use of one- time revenues creates an estimated \$4,000,000 deficit for FY 06. The Town council has called for an override in October of this year for the FY 06 budget. If the override does not pass, then the Town Council may have to reconsider the FY 05 budget this fall and make appropriate reductions in municipal services in preparation of the FY 06 budget.

Overview

In compliance with Article six, sections 6-3-1 through 6-5-2 of the Franklin Town Charter, I am submitting the proposed FY 05 budget to the Town Council and Finance Committee.

Process

The Joint Budget Sub-Committee, comprising representatives of the Town Council, School Committee, Finance Committee, Superintendent of Schools, the Comptroller and the Town Administrator discuss the annual and long term budget challenges and make recommendations on the overall fiscal plan for the Town.

Each department is required to submit a proposed budget to the Town Administrator. The Town Administrator, the Comptroller, and the individual Department Head review their budget request.

The Town Administrator also reviews the highlights of the Towns' fiscal plan with the budget subcommittee of the Town Council. Based on input from the joint budget subcommittee, the Council sub-committee, and the meetings with the Department Head, the Town Administrator makes a budget recommendation to the Town Council and the Finance Committee. The Finance Committee reviews the Town Administrators proposed budget and forwards their recommendation to the Town Council. The Town Council holds two public hearings prior to adopting a budget.

Financial Policy Summary

While the budget process identifies issues and concerns that the Town will address on an annual basis, it also must do so based in a framework of sound financial management. The Town Council has adopted fiscal policies in the past and should continue to update and review them on a regular basis. Below is a summary of current or proposed policies:

Balanced Budget

- Annual costs funded from current revenues.
- Do not defer current costs to future years.

Current status – Due to the opening of the Horace Mann School, the economic difficulties of the Commonwealth (State Aid), and the continued growth of fixed costs, the Town Council has voted to use \$2,500,000 from the Stabilization account to balance the FY 05 budget. The Town has not addressed or identified a funding source to resolve the future problem of unfunded Retiree Health Insurance.

Compensation and benefits

- Budget with current revenues
- Compensate at market rates

Current status – Four of six collective bargaining contracts are effective until June 30, 2005. The Police and DPW are in Arbitration/Mediation. The other contracts call for a 2.5% increase in FY 05 plus any steps raises required for those employees not at the top step. The non-union employees were generally given adjustments of 2-½ % in FY 04. Some employees were given larger increases based on performance, and/or market rate salaries studies. An overall 2.5% increase has been budgeted for non-union salaries subject to performance review.

Revenues

- Estimate annual revenues in detail and project for the following two years.
- Maintain full and fair market value of property assessments.
- Assure fees charged cover costs incurred.

Current status – Future revenue projections are included in the budget. The Town is scheduled for a complete revaluation of all property in FY 05. Current bylaw requires fees to cover costs.

Financial Reserves –

- Adequately fund and maintain reserves (Stabilization, Free Cash, Overlay Surplus)
- Maintain Stabilization account at \$5,000,000 or 6%-8% of recurring general fund revenue (less debt exclusions and SBA reimbursement).
- Short-term revenue surpluses shall fund non-recurring projects.
- Free Cash will be used to fund the capital budget and for unforeseen expenses.
- Overlay surplus will be used for capital budgets or non-reoccurring expenses

Current status - the Stabilization fund will be reduced by \$2,500,000 to balance the FY 05 budget. Further, \$1,100,000 should be set aside for known capital projects (Roads projects) and \$900,000 to smooth the higher than normal debt level in future years. This will leave a balance of approximately \$5,000,000. Overlay surplus will be used for capital/one time expenses in the spring of 2004.

Long Term Debt - Proposed

- Reserved for large capital projects.
- Net general fund debt service (non debt excluded or funded from special revenue) shall be between 3.5% - 4.0% of recurring general fund revenue.

Current Status - The FY 05 budget calls for a general fund debt service of \$2,219,195 or 3.2% of the recurring general fund revenues. According to the independent bond rating agencies of Moody's and Standard and Poor's our debt level is moderate. Overall net debt is \$1,348 per capita, or a low 1.1% of total market value. Seventy percent of principal outstanding will be paid off over ten years. Further the agencies state, "experienced fiscal management and conservative budgeting practices have contributed to the Towns' consistent financial performance". Our long-term debt schedule will help to obtain our goal of improving the infrastructure of the Town while maintaining a reasonable debt level. A full debt schedule is in the financial section and in the budget detail.

The following chart reflects a summarization of the change in debt service.

TOWN OF FRANKLIN

**Change in Debt
Service
FY 2004 – FY 2005**

		Principal	Interest	Total
School				
	FY 2004	1,714,000	900,879	2,614,879
	FY 2005	1,728,968	815,921	2,544,889
	Change	14,968	(84,958)	(69,990)
Municipal				
	FY 2004	1,022,000	429,269	1,451,269
	FY 2005	931,000	373,959	1,304,959
	Change	(91,000)	(55,310)	(146,310)
Sewer		2,659,968	1,189,880	
	FY 2004	166,715	76,087	242,802
	FY 2005	216,715	110,028	326,743
	Change	50,000	33,941	83,941
Water				
	FY 2004	650,000	269,086	919,086
	FY 2005	611,033	275,822	886,855
	Change	(38,967)	6,736	(32,231)
SUBTOTAL P & I				
	FY 2004	3,552,715	1,675,320	5,228,035
	FY 2005	3,487,716	1,575,730	5,063,446
	Change	(64,999)	(99,590)	(164,589)
Short Term Interest:				
School				
	FY 2004	-	1,523,500	1,523,500
	FY 2005	-	1,793,750	1,793,750
	Change	-	270,250	270,250
Sewer				
	FY 2004	-	-	-
	FY 2005	-	-	-
	Change	-	-	-
Water				
	FY 2004	-	-	-
	FY 2005	-	-	-
	Change	-	-	-
SUBTOTAL SHORT TERM INTEREST				
	FY 2004	-	1,523,500	1,523,500
	FY 2005	-	1,793,750	1,793,750
	Change	-	270,250	270,250
TOTAL DEBT				
	FY 2004	3,552,715	3,198,820	6,751,535
	FY 2005	3,487,716	3,369,480	6,857,196
	TOTAL NET CHANGE ALL DEBT			(105,661)

Capital Improvement Program (CIP)

- A six-year plan updated annually shall be maintained.
- Budget operating costs associated with CIP projects.
- Delaying maintenance on existing assets results in higher costs in future years.
- Postponing improvements to buildings/infrastructure results in higher costs.
- Free Cash, Overlay Surplus, and short-term revenues shall be used for the reoccurring capital items and smaller one time purchases or projects.
- Bonds will be used for large capital projects.

Current Status: The CIP subcommittee of the Council meets each fall to review the requests of each department. The Town Administrator presents the CIP to the Finance Committee and Town Council for review and adoption.

Financial Resources

Proposition 2 ½, passed by the voters in 1980, caps revenue growth to the largest portion of our revenues (property tax) to 2 ½ % of the previous years' tax levy plus new tax revenues from construction/ improvements of buildings.

The vast majority of revenues collected by the Town are controlled by state law or by the annual appropriation of State Aid. During difficult financial times State Aid growth may be curtailed or reduced.

Further, fixed costs (health insurance, general insurance, energy, pensions etc.) continue to increase and must be paid with limited growth in revenues. These forces all combine to place additional financial pressure on the overall municipal budget.

Estimated Revenues

Property Taxes - The primary source of revenue for Franklin is the property tax. Property taxes account for approximately 56% of overall revenues. State aid accounts for approximately 36% and local receipts 8% of the overall revenues.

The Towns' Board of Assessors determines the value of all taxable real and personal property under guidelines established by the Massachusetts Department of Revenue. For the purpose of taxation, real property includes: land, buildings, and improvements erected on /or affixed to land. Personal property includes: stock, inventory, furniture, fixtures, and machinery. The Assessors determine the full and fair market value every three years and update the values annually.

There are three major factors affecting the real and personal property.

1. **Automatic 2.5% increase** - Each year, a community's levy limit automatically increases by 2.5% over the previous year's tax levy limit. This accounts for approximately \$925,000 each year in new Tax revenues.
2. **New Growth** - A community is able to increase its' tax levy limit each year to reflect new growth in the tax base. Assessors are required to submit information on growth in the tax base for approval by the Department of Revenue as part of the tax rate setting process. The estimated new growth for FY 05 is \$750,000. This is less than the five-year average, but is reflective of a slow economy and conservative estimates. The final new growth figures are available in October or November of each year.

A five-year history of New Growth follows:

New Growth History

	2000	2001	2002	2003	2004
Parcel count	10,988	10,957	11,062	11,210	11,319
Class 1 Residential value	1,851,355,400	1,999,569,200	2,410,948,400	2,639,992,672	2,707,210,637
Class 2 Open Space	-	-	-	-	-
Class 3 Commercial	149,675,300	161,408,000	202,819,500	220,713,931	226,208,241
Class 4 Industrial	289,219,500	303,964,800	376,029,600	428,964,600	446,278,100
Class 5 Personal Property	51,627,700	53,348,100	65,093,800	70,053,840	91,641,040
Total Value	2,341,877,900	2,518,290,100	3,054,891,300	3,359,725,043	3,471,338,018
New Growth:					
Residential	639,838	449,961	395,041	365,029	448,476
Commercial	92,864	177,052	148,548	53,865	78,588
Industrial	419,362	226,402	473,040	58,295	295,686
Personal Property	132,756	67,793	126,200	215,994	292,304
Total New Growth	1,284,820	921,208	1,142,829	693,183	1,115,054
Tax Rate	13.11	12.82	11.57	11.07	11.04

3. Overrides/Debt Exclusions –

A community can permanently increase its tax levy limit by approving an override of a certain dollar amount by approval of the voters at the ballot. Franklin voters have not approved an override since Proposition 2 ½ began in 1980.

Debt Exclusions are a temporary increase in a community's levy limit for the life of the debt to pay for the project. The voters have approved three debt exclusions to construct new schools over the past decade.

State Aid

Massachusetts General Laws provides that the Commissioner of Revenue estimate the states' funding of local assistance programs authorized by law and appropriated annually by the legislature. State aid line items are based on pre-established formulas, but the amount of funding is subject to annual review by the Governor and the Legislature.

There are twenty (20) different categories of state aid. A few of the categories (Library Aid, School Lunch, School Choice) restrict funds for a

specific purpose. All other state aid is considered a general receipt that can be used to fund the Town's overall general fund budget as long as we meet the minimum spending requirements of the Education Reform Act. Franklin currently exceeds the minimum by over \$3 million.

Franklin has reaped the benefit of the funding formula for Chapter 70 state aid as the result of the tremendous growth in the student population over the years. This has resulted in a shift of support for public education from the property tax to state aid.

In 1993 state aid paid for about 30% of the school budget. In 2004 it exceeded 50% of the school budget. As the increase in student population slows, the amount of new aid will lessen.

The proposed FY 05 Chapter 70 state aid for education is \$22,115,000 and non-school aid of \$2,423,000 for a total of \$24,538,000. This represents an increase of approximately \$800,000 over FY 04 or 3.3% percent. A five-year history of local aid follows:

Five Year Local Aid History

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u> estimated
Chapter 70	17,637,074	19,332,689	20,413,071	21,308,583	22,115,037
School Transportation	271,391	245,395	224,360	0	0
School Construction	1,444,633	1,444,633	1,444,633	1,430,187	1,444,633
Charter Tuition Reimbursement			0	82,020	43,381
Education	19,353,098	21,022,717	22,082,064	22,820,790	23,603,051
Lottery	2,361,969	2,519,718	2,519,718	2,141,760	2,141,760
Highway Fund	168,870	42,218	0	0	0
Police Career Incentive	68,191	122,279	142,876	132,709	128,204
Veterans' Benefits	13,432	42,905	41,104	49,900	55,162
Exemptions: Vets, Blind, SS	21,347	20,437	21,952	20,642	21,122
Exemptions: Elderly	14,632	14,208	13,563	14,419	14,626
State Owned Land	59,158	116,079	78,188	62,596	62,685
General Gov't	2,707,599	2,877,844	2,817,401	2,422,026	2,423,559
School Lunch	23,436	23,588	24,465	25,260	24,594
School Choice Receiving				25,338	58,822
Public Libraries	37,127	34,395	29,383	28,579	28,827
Offsets	60,563	57,983	53,848	79,177	112,243
	22,121,260	23,958,544	24,953,313	25,321,993	26,138,853
% increase over previous year	7%	8%	4%	1%	3%

Local Receipts –

This is a broad category of revenues including motor vehicle excise tax, ambulance fees, permit fees, fines, and interest income, etc. The estimated FY 05 local receipts are \$6,200,000 or an increase of \$200,000 from FY 04. Motor vehicle excise tax accounts for \$3,800,000 or 61% of the total.

Following is a five-year history of local receipts.

TOWN OF FRANKLIN REVENUE BUDGET/LOCAL RECEIPTS

REVENUE ACCOUNT	ACTUAL FY 2001	ACTUAL FY 2002	ACTUAL FY 2003	FY 2004 Estimate	ACTUAL 1/31/2004	FY 2005 Estimate
PROPERTY TAXES :	32,451,953	35,188,051	36,531,202	38,323,572	23,213,815	40,820,562
Category Over/(Under) Budget:	538,453	(157,041)	(666,114)		(15,109,757)	
Percentage Over/(Under) Budget:	1.69%	-0.04%	-1.89%		-39.43%	
LOCAL RECEIPTS						
MOTOR VEHICLE EXCISE:	3,488,644	3,665,045	3,757,649	3,600,000	1,037,101	3,835,000
PENALTIES & INTEREST ON TAXES:	380,500	350,506	329,279	300,000	222,332	238,877
PAYMENTS IN LIEU OF TAXES:	341	488	1,101	1,100	-	-
OTHER CHARGES FOR SERVICES:	415,603	404,452	354,758	320,000	266,616	380,000
FEES:	271,550	339,403	369,054	338,900	240,645	348,945
DEPARTMENTAL REVENUE - SCHOOLS:	15,189	94	47	-	1,210	-
DEPARTMENTAL REVENUE - LIBRARY:	15,306	12,034	8,573	8,000	3,382	11,050
DEPARTMENTAL REVENUE - RECREATION:	61,508	77,310	-	-	-	-
TOTAL OTHER DEPARTMENTAL REVENUE:	9,655	1,560	2,251	1,500	490	1,500
LICENSES & PERMITS:	843,402	691,487	855,413	850,000	638,816	859,555
SPECIAL ASSESSMENTS:	510	586	220,719	500	6,253	500
FINES & FORFEITS:	140,447	132,284	128,428	125,000	84,009	105,000
INVESTMENT INCOME:	1,284,847	1,423,574	549,312	448,555	269,519	414,973
MISCELLANEOUS RECURRING:	33,288	10,564	9,258	5,545	19,175	3,700
MISCELLANEOUS NONRECURRING:	69,513	440,241	23,378	-	62,879	-
Sub-Total Local Receipts - General Fund:	7,030,303	7,549,628	6,609,220	5,999,100	2,852,427	6,199,100
CHARGES FOR SERVICES - SEWER:	2,441,784	2,835,887	3,635,352	3,326,362	2,658,800	3,425,338
CHARGES FOR SERVICES - WATER:	2,828,137	3,386,391	4,229,613	3,793,265	3,158,400	3,761,034
CHARGES FOR SERVICES - TRASH:	1,578,893	1,519,188	2,431,937	2,386,246	1,520,450	2,384,715
TOTAL LOCAL RECEIPTS:	13,879,117	15,291,094	16,906,122	15,504,973	10,190,077	15,770,187
STATE REVENUE						
CHERRY SHEET:	22,197,850	23,851,673	24,451,601	25,242,816	13,257,930	26,026,610
OTHER STATE REVENUE:	402,384	529,444	190,348	-	-	-
TOTAL STATE REVENUE:	22,600,234	24,381,117	24,641,949	25,242,816	13,257,930	26,026,610
OTHER FUNDING SOURCES						
Other Available Funds:	1,313,694	1,195,957	1,195,957	354,543	-	2,550,000
Free Cash:	1,919,321	1,550,000	1,550,000	-	-	-
TOTAL OTHER FUNDING SOURCES:	3,233,015	2,745,957	2,745,957	354,543	-	2,550,000
TOTAL REVENUE/OTHER FUNDING SOURCES:	72,164,319	77,606,219	80,825,230	79,425,904	46,661,822	85,167,359

Hotel /Motel Tax

The Town receives a 4% room tax from each hotel room rented. The amount of funds collected each year is directly related to the number of rooms rented. Generally the Town receives approximately \$250,000 per year in hotel tax revenue.

The Town filed special legislation that was approved, to earmark all of the revenue from this source to be used for the purchase of open space and recreation land or the construction of recreation facilities. The Town Council may choose to borrow funds and use these receipts to pay for the debt or pay cash for smaller purchases or construction projects. The current balance is \$511,000.

Special Revenue Accounts

The water, sewer, and trash budgets are supported entirely by fees. This means that any changes to these budgets do not affect the general fund budget. If there are any excess funds at the end of the fiscal year, they are automatically closed to their respective accounts' fund balance.

Operating Budgets

The Town Council sets annual and long-term goals for the Town and the Administrator. In turn the Town Administrator meets with Department heads and they jointly establish goals for their department. The proposed budget attempts to meet the goals established by the Council and the Town Administrator. The fiscal constraints limit the ability of some departments to accomplish their established goals.

Recommended programmatic changes in the FY 05 budget

The major changes from the FY 05 budget are:

1. The operational cost of opening the Horace Mann school.
2. Two police officers and four fire fighter/paramedics in January 2005 if an override is approved for FY 06.
3. Increase staff hours of existing staff and add one part time position at the Library.
4. Make the Recreation department fully self-supporting.
5. Transfer two municipal employees (Data Processing) to the school budget and transfer three school employees (facilities maintenance) to the Town's budget.
6. Cover increases in fixed costs – General insurance, pensions, and contractual obligations.

See attached

FY 05 Proposed Budget - Major Changes

Dept	Request Personnel	Issue	TA Recommends	
Schools	46,100,000	Open Horace Mann/Fund budget	Base of 45,382,000 (In budget) See Below	45,382,000
Data Processing	15,000	Make one position FT	Transfer existing personnel to School Dept budget	69,085
Public Buildings	131,109	Transfer 3 employes from schools to public property & building budget	Transfer personnel from School Dept. to Town	(131,109)
			Net increase in municipal health insurance	(10,000)
			Recommended School Budget	45,309,976
Police	168,000	Add 2 FT Police Officers	Fund 2 at mid year year if override passes 1/2 year	85,000
Fire Dept	198,000	Add 4 - 8 FF/Paramedics	Fund 4 at mid year year if override passes 1/2 year	100,000
Library	74,000	Add various positions	Added PT position and hours (in budget)	32,000
ConCom	11,300	Restore Agent to full-time (one day per week)	Not at this time	
Recreation	56,000	Transfer salary to Fees	Self Funding - Risk involved	
Assessors	42,000	Add one full time assessor *	Contract out for commercial/industrial appraiser From overlay account	Funds Approp
Board of Health	7,000	Increase staff from 3 to 5 days	Increase staff to 4 days per week (in budget)	7,000

The TA recommends the FY 05 School budget of \$45,382,000. The net effect of transferring employees between departments equates to a FY 05 recommended School budget of \$45,310,000

Future Outlook

The Town has experienced rapid population growth, including school enrollment over the last decade.

Population growth	1994	25,213
	2004	30,944
Housing Units	1994	8,599
	2004	10,307
School enrollment growth-	1994	3,979
	2004	5,863
	2005	6,100 (Projected)

Despite a long list of restrictions the Town Councils have placed on single-family development, the population and the school enrollment are projected to continue to rise to approximately 40,000 citizens and 7,500 students over the next couple of decades.

The rapid growth in fixed costs, (health insurance, pensions, energy) and the limited revenues allowed by state law have required a reduction in staffing levels of many municipal departments. Some examples include:

	<u>2001</u>	<u>2005</u>
General Government	40	33
Police	54	43
Fire	48	43
Library	18	12
Human Services	3	0

As demand for services rise our staff levels continue to fall. There are two unpleasant solutions to the problem. Continue to reduce services or increase taxes.

An override will be requested for the FY 06 budget. I estimate that it will require approximately \$4 million to maintain the level of services that currently exists. A successful override will allow us to balance the budget in the short term but in the long run the fundamental gap between revenues and expenses will arise creating the same problem in the future. The only long-term solution will depend on changing the tax laws to curtail the over reliance on the property tax as the primary source of funding local government.

The override is intended to address the current financial problems. It does not address the need to upgrade the High School, reconstruct roads and sidewalks, or fund a huge unfunded retiree health insurance obligation. These issues will have to be addressed over the next three years.

Acknowledgements

The preparation of this budget would not be possible without the hard work of our comptroller Susan Gagner, the treasurer-collector James Dacey, my assistant Maxine Kihnart and the cooperation of all the department heads and employees.

I am proud of all of our employees. They dedicated their working lives and in many cases they donate their free time to make Franklin a great community to live and work. We can't solve all the problems but each employee gives their all in an effort to provide the highest quality of life for the least amount of money.

Final Comment -What do you get for your property tax?

Franklin's property taxes are among the lowest in the area. All of your property tax dollars remain in Franklin. They are used to provide high quality education, save property and lives, plows your streets, provide library and recreational opportunities, and assist senior citizens and veterans. When you need a paramedic, police office or other public service they are a phone call away. Your tax dollars are used to improve your quality of life and in the case of property owners, maintain and increase the value of your investment. In good times or bad we strive to be prudent with your taxes and be responsive to your needs.

FY 04 average residential Property Taxes of surrounding Towns

	<u>Avg Value</u>	<u>Tax</u> <u>Rate</u>	<u>Avg Tax</u> <u>Bill</u>	<u>Parcels</u>
Medfield	518,360	12.69	6,578	3,426
Mansfield	261,688	16.10	5,211	4,190
Holliston	344,740	14.83	5,112	4,157
Norfolk	381,609	11.93	4,553	2,813
Medway	315,189	13.96	4,400	3,544
Walpole	295,646	14.46	4,275	6,067
Natick	403,904	10.17	4,108	8,381
Millis	244,334	15.87	3,878	2,072
Franklin	305,456	11.04	3,372	7,392
Milford	272,036	11.94	3,248	5,607
Bellingham	245,500	10.40	2,553	4,350

Please feel free to call me or visit if you have any questions or suggestions.

Jeff Nutting
Town Administrator

TOWN OF FRANKLIN
Fiscal Year 2005 Budget Funding with Three Year Revenue Forecast

	FY 2003 Recap	FY 2004 Recap	Gen Fund Revenue Increase	Change %	Estimated FY 2005	Estimated FY 2006	Estimated FY 2007	Estimated FY 2008
I. AVAILABLE RESOURCES:								
TAX LEVY								
Prior Year Levy Limit plus 2 1/2%	\$ 34,159,980	\$ 35,724,492			\$37,801,535	\$39,515,323	\$41,271,956	\$43,072,505
New Growth	\$ 693,183	\$ 1,155,054			\$750,000	\$750,000	\$750,000	\$750,000
Unused Levy	\$ -							
Subtotal, Levy Limit	\$ 34,853,163	\$ 36,879,546	\$ 2,026,383	5.81%	\$38,551,535	\$40,265,323	\$42,021,956	\$43,822,505
Debt Exclusions:								
High School Roof Replacement	\$ 145,383	\$ -						
Elementary/Middle School (Net of SBA)	\$ 568,099	\$ 530,023			\$ 435,758			
Tri-County School Improvements	\$ 57,671	\$ 54,119			\$ 54,119			
Horace Mann (2,000,000)		\$ 182,150			\$ 177,150			
Lincoln Street Horace Mann (BAN Interest)	\$ 1,573,000	\$ 1,468,502			\$ 1,602,000			
Subtotal, Debt Exclusions	\$ 2,344,153	\$ 2,234,794	\$ (109,360)	-4.67%	\$2,269,027	\$2,269,027	\$2,269,027	\$2,269,027
Total, Tax Levy	\$ 37,197,316	\$ 39,114,340	\$ 1,917,024	5.15%	\$ 40,820,562	\$ 42,534,350	\$ 44,290,983	\$ 46,091,532
STATE REVENUE (Net of Offsets)								
Chapter 70 School Aid (Net)	\$ 20,413,071	\$21,308,583			\$22,115,037			
Foundation Reserve	\$ -							
School Building Assistance	\$ 1,444,633	\$ 1,430,187			\$1,444,633			
School - Other	\$ 224,360	\$ -						
Lottery	\$ 2,519,718	\$ 2,141,760			\$2,141,760			
All Other (net of offsets)	\$ 297,683	\$ 362,286			\$325,180			
Prior Year Overestimates	\$ 284	\$ -						
Total, State Revenue	\$ 24,899,749	\$25,242,816	\$343,067	1.38%	\$26,026,610	\$26,675,000	\$27,350,000	\$27,600,000
OTHER REVENUES								
Local Receipts - General Fund (+ ambulance re	\$ 5,688,000	\$ 5,999,100	\$ 311,100		\$6,199,100			
Local Receipts - Sewer	\$ 3,053,137	\$ 3,326,362	\$ 273,225		\$3,426,338			
Local Receipts - Water	\$ 3,963,378	\$ 3,793,265	\$ (170,113)		\$3,761,034			
Local Receipts - Trash	\$ 2,310,000	\$ 2,386,246	\$ 76,246		\$2,384,715			
Total, Local Receipts	\$ 15,014,515	\$ 15,504,973	\$ 490,458	3.27%	\$15,770,187	\$15,800,000	\$16,100,000	\$16,400,000
Other Available Funds								
Small Cities Program (Senior Center Debt)	\$ 67,053	\$ 50,000	\$ (17,053)		\$ 47,500	\$ 37,500	\$ 27,500	\$ 17,500
Ambulance Receipts -mved to Local est Rec	\$ 150,000	\$ 150,000	\$ -		\$ -	\$ -	\$ -	\$ -
Wetlands Protection Receipts Reserved	\$ 2,500	\$ 2,500	\$ -		\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Parking Meter Receipts Reserved	\$ 35,000	\$ 20,000	\$ (15,000)		\$ -	\$ -	\$ -	\$ -
Other (swr appropriation)	\$ 100,000	\$ -	\$ (100,000)		\$ -	\$ -	\$ -	\$ -
Other (pers prop reval 6k)	\$ 6,000	\$ -	\$ (6,000)		\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 360,553	\$ 222,500	\$ (138,053)		\$50,000	\$40,000	\$30,000	\$20,000
Stabilization Fund (Capital Debt)	\$ -	\$ 200,000	\$ 200,000		\$0	\$0	\$0	\$0
Stabilization Fund (O&M)	\$ -				\$2,600,000			
Free Cash	\$ -							
Total, Other Revenues	\$ 360,553	\$ 422,500	\$ 61,947	17.18%	\$2,550,000	\$40,000	\$30,000	\$20,000
TOTAL AVAILABLE RESOURCES	\$ 77,472,133	\$ 80,284,629	\$ 2,812,496	3.63%	\$ 85,167,359	\$ 85,049,350	\$87,770,983	\$ 90,111,532
II. LESS AMOUNTS TO BE RAISED:								
School Choice (Est.) - Deduction from CH 70	\$ 175,000	\$ 158,161	\$ (16,839)		\$141,527	\$160,000	\$160,000	\$170,000
State Assessments (Est.)	\$ 750,986	\$ 827,460	\$ 76,474		\$1,088,008	\$1,150,000	\$1,200,000	\$1,300,000
Vocational School (reduction in Chp 70)								
State FY 2002 Cherry Sheet Underestimates (Est.)	\$ 37,372	\$ -	\$ (37,372)		\$0	\$0	\$0	\$0
County Assessment (Est.) incl increase for Norfolk /	\$ 174,008	\$ 173,454	\$ (554)		\$177,790	\$182,235	\$188,000	\$192,000
Charter School Assessment (cherry deduction 200	\$ 2,149,800	\$ 2,164,500	\$ 14,700		\$2,133,300	\$2,200,000	\$2,250,000	\$2,300,000
Charles River Pollution Control District Assessment	\$ 1,492,510	\$ 1,704,560	\$ 212,050		\$1,719,030	\$1,719,030	\$1,719,030	\$1,719,030
Provision for Abatements & Exemptions (Overlay)	\$ 711,291	\$ 1,215,687	\$ 504,396		\$700,000	\$650,000	\$650,000	\$650,000
Tax Title	\$ -	\$ 40,000	\$ 40,000					
TOTAL, AMOUNTS TO BE RAISED	\$ 5,490,967	\$ 6,283,822	\$ 792,855	14.44%	\$5,959,655	\$6,061,265	\$6,167,030	\$6,331,030
TOTAL AVAILABLE FUNDING FOR BUDGETS (I. - I)	\$ 71,981,166	\$ 74,000,807		2.81%	\$ 79,207,704	\$ 78,988,085	\$ 81,603,953	\$ 83,780,502
TOTAL BUDGETS RECOMMENDED BY TOWN ADA	\$ 71,976,660	\$ 73,967,596			\$79,207,648	\$82,725,509	\$86,609,639	\$90,940,121
TRANSFER TO STABILIZATION FUND	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -
	\$ 71,976,660	\$ 73,967,596		2.77%	\$ 79,207,648	\$82,725,509	\$86,609,639	\$90,940,121
SURPLUS/(DEFICIT)	\$ 4,506	\$ 33,211			\$ 58	\$ (3,737,424)	\$ (5,005,686)	\$ (7,159,619)

TOWN OF FRANKLIN FY 2004 Budget	Fiscal Year 2003 Budget	Fiscal Year 2004 Budget	FY 2005 TA Budget Recom	FY 05 increase Recommended Budget
111 Town Council	5,500	4,850	4,850	-
123 Town Administration	236,356	270,797	275,650	4,853
131 Finance Committee	2,915	2,915	1,500	(1,415)
132 Reserve Fund	100,000	-	-	-
135 Comptroller	238,465	303,432	324,754	21,322
138 Purchasing	60,699	-	-	-
141 Assessors	221,735	230,145	230,081	(64)
147 Treasurer-Collector	310,327	308,572	327,251	18,679
151 Legal	169,300	162,360	167,553	5,193
152 Personnel	142,165	87,405	97,750	10,345
155 Data Processing	134,339	123,468	64,572	(58,896)
161 Town Clerk	119,086	120,375	128,420	8,045
164 Elections & Registration	37,560	38,456	41,375	2,919
171 Conservation Commission	8,000	-	-	-
175 Planning Board	3,800	-	-	-
176 Appeals Board	4,000	3,800	3,800	-
177 Planning & Growth Manage	246,140	247,748	261,678	13,930
192 Public Property & Buildings	116,800	515,385	696,280	180,895
193 Insurance Premiums	315,000	385,000	435,000	50,000
194 Municipal Buildings Insurance	10,000	-	-	-
196 Central Service	136,000	136,000	136,000	-
Subtotal, General Government	2,618,187	2,940,708	3,196,514	255,806
210 Police	3,667,691	3,664,945	3,679,411	14,466
220 Fire	3,383,908	3,444,117	3,728,611	284,494
240 Inspection	402,484	332,298	327,345	(4,953)
292 Animal Control	51,500	49,184	50,234	1,050
293 Parking Meters	3,900	3,900	1,500	(2,400)
Subtotal, Public Safety	7,509,483	7,494,444	7,787,101	292,657
300 Town Schools	39,882,198	41,232,198	45,310,000	4,077,802
390 Regional School	1,538,207	1,555,523	1,543,554	(11,969)
Subtotal, Education	41,420,405	42,787,721	46,853,554	4,065,833
422 DPW	2,109,052	2,200,890	2,252,052	51,162
424 Street Lighting	200,000	200,000	200,000	-
434 Solid Waste Disposal	2,310,000	2,386,427	2,384,715	(1,712)
440 Sewer	1,379,000	1,379,565	1,379,565	-
450 Water	2,874,179	2,875,569	2,874,179	(1,390)
Subtotal, Public Works	8,872,231	9,042,451	9,090,511	48,060

TOWN OF FRANKLIN
FY 2004 Budget

Fiscal Year 2003
Budget

Fiscal Year 2004
Budget

FY 2005
TA
Budget Recom

FY 05 increase
Recommended
Budget

510 Health	91,438	75,788	84,139	8,351
525 Public Health Services	24,500	20,000	20,000	-
541 Council on Aging	156,640	136,543	139,751	3,208
543 Veterans Services	30,871	31,991	34,000	2,009
544 Veterans Assistance	62,000	95,000	100,000	5,000
Subtotal, Human Services	365,449	359,322	377,890	18,568
610 Library	897,000	667,667	739,255	71,588
650 Recreation	288,580	54,949	-	(54,949)
657 Cultural Council	2,000	2,000	2,000	-
691 Historical Commission	3,000	1,000	1,000	-
692 Memorial Day	1,000	1,000	1,000	-
693 Seasonal Activities	4,000	-	-	-
694 C.A.T.V. Committee	4,000	4,000	4,000	-
Subtotal, Culture & Recreation	1,199,580	730,616	747,255	16,639
710 Retirement of Debt - Gen Fd	2,285,000	2,736,000	2,659,968	(76,032)
Retirement of Debt - Sewer	171,800	166,715	216,715	50,000
Retirement of Debt - Water	663,000	650,000	611,033	(38,967)
Subtotal Principal	3,119,800	3,552,715	3,487,716	(64,999)
750 Interest - General Fund	1,058,099	1,330,147	1,189,880	(140,267)
Interest - Sewer	84,827	76,087	110,028	33,941
Interest - Water	306,199	269,086	275,822	6,736
Subtotal Long Term Interest	1,449,125	1,675,320	1,575,730	(99,590)
BAN Interest/other- Gen Fund	1,767,750	1,528,500	1,687,000	158,500
new ban's	-	-	106,750	106,750
BAN - Sewer	25,000	-	-	-
BAN - Water	120,000	-	-	-
Subtotal BAN Interest	1,912,750	1,528,500	1,793,750	265,250
Total Debt	6,481,675	6,756,535	6,857,196	100,661
911 Retirement & Pension	1,734,100	1,703,000	2,028,575	325,575
912 Workers' Compensation	185,000	220,000	210,000	(10,000)
913 Unemployment Compensation	35,000	155,000	35,000	(120,000)
916 Employee Benefits - Insurance	1,217,000	1,405,000	1,505,000	100,000
917 Medicare Insurance	188,500	200,000	205,000	5,000
918 FICA Insurance	50	50	50	-
920 Wage Settlement	150,000	172,749	314,000	141,251
950 Stabilization Fund	-	-	-	-
Subtotal, Insurance & Other	3,509,650	3,855,799	4,297,625	441,826
TOTAL ALL BUDGETS	71,976,660	73,967,596	79,207,646	5,240,050
Assessments	5,490,967	6,283,822	5,959,655	(324,167)
GRAND TOTAL BUDGETS	77,467,627	80,251,418	85,167,301	4,915,883
Revenues	77,472,133	80,284,629	85,167,359	4,882,730
Surplus/(Shortfall)	4,506	33,211	58	33,153

PROPOSED BUDGET FY 05									
TOWN OF FRANKLIN FY 2004		FY 2004 Budget	Wage Settlement Additions	FY 2004 Final	FY 2005 Proposed Budget	FY 2005 Additional Recommendations	FinComm Vote Yes No		FY 2005 Final Budget
111 Town Council	expenses	4,850		4,850 4,850	4,850 Total		<input type="checkbox"/> <input type="checkbox"/>		4,850
123 Town Administration	salaries	212,916	2,606	215,522	219,300		<input type="checkbox"/> <input type="checkbox"/>		
	expenses	55,275		55,275 270,797	56,350 Total	0	<input type="checkbox"/> <input type="checkbox"/>		275,650
131 Finance Committee	expenses	2,915		2,915	1,500 Total		<input type="checkbox"/> <input type="checkbox"/>		1,500
132 Reserve Fund	expenses	-		0	0 Total		<input type="checkbox"/> <input type="checkbox"/>		0
135 Comptroller/Purchasing	salaries	247,874	8,969	256,843	270,056		<input type="checkbox"/> <input type="checkbox"/>		
	expenses	46,589	0	46,589 303,432	54,698 Total	0	<input type="checkbox"/> <input type="checkbox"/>		324,754
141 Assessors	salaries	183,757	8,908	192,665	199,401	0	<input type="checkbox"/> <input type="checkbox"/>		
	expenses	27,480		27,480	30,680	0	<input type="checkbox"/> <input type="checkbox"/>		
	revaluation	10,000		10,000	0	0	<input type="checkbox"/> <input type="checkbox"/>		
				230,145	Total				230,081
147 Treasurer-Collector	elected official salary	66,950	1,675	68,625	73,000		<input type="checkbox"/> <input type="checkbox"/>		
	salaries	170,723	5,674	176,397	179,346		<input type="checkbox"/> <input type="checkbox"/>		
	expenses	63,550		63,550 308,572	74,905 Total		<input type="checkbox"/> <input type="checkbox"/>		327,251
151 Legal	salaries	93,056	1,054	94,110	95,153		<input type="checkbox"/> <input type="checkbox"/>		
	expenses	68,250		68,250 162,360	72,400 Total		<input type="checkbox"/> <input type="checkbox"/>		167,553
152 Personnel	salaries	70,050	1,955	72,005	72,000		<input type="checkbox"/> <input type="checkbox"/>		
	expenses	15,400		15,400 87,405	25,750 Total		<input type="checkbox"/> <input type="checkbox"/>		97,750
155 Data Processing	salaries	65,714	1,314	67,028	0		<input type="checkbox"/> <input type="checkbox"/>		
	expenses	56,440		56,440 123,468	64,572 Total		<input type="checkbox"/> <input type="checkbox"/>		64,572
161 Town Clerk	elected official salary	54,900	1,400	56,300	63,500		<input type="checkbox"/> <input type="checkbox"/>		
	salaries	47,653	1,627	49,280	50,125		<input type="checkbox"/> <input type="checkbox"/>		
	expenses	14,795		14,795 120,375	14,795 Total		<input type="checkbox"/> <input type="checkbox"/>		128,420
164 Elections & Registration	salaries	27,065	391	27,456	28,175		<input type="checkbox"/> <input type="checkbox"/>		
	expenses	11,000		11,000 38,456	13,200 Total		<input type="checkbox"/> <input type="checkbox"/>		41,375
176 Appeals Board	expenses	3,800		3,800 3,800	3,800 Total		<input type="checkbox"/> <input type="checkbox"/>		3,800
177 Planning & Growth Manage	salaries	215,643	12,005	227,648	235,378		<input type="checkbox"/> <input type="checkbox"/>		
	expenses	20,100		20,100 247,748	26,300 Total		<input type="checkbox"/> <input type="checkbox"/>		261,678
192 Public Property & Buildings	salaries	110,000	839	110,839	254,780		<input type="checkbox"/> <input type="checkbox"/>		
	expenses	404,546		404,546 515,385	441,500 Total	0	<input type="checkbox"/> <input type="checkbox"/>		696,280
193 Insurance Premiums	expenses	385,000		385,000	435,000	0	<input type="checkbox"/> <input type="checkbox"/>		435,000
194 Municipal Buildings Insurance	expenses	-		0	0	0	<input type="checkbox"/> <input type="checkbox"/>		0
196 Central Service	expenses	136,000		136,000 136,000	136,000 Total		<input type="checkbox"/> <input type="checkbox"/>		136,000
Subtotal, General Government		2,892,291	48,417	2,940,708	3,196,514	0			3,196,514

PROPOSED BUDGET FY 05									
TOWN OF FRANKLIN FY 2004		FY 2004 Budget	Wage Settlement Additions	FY 2004 Final	FY 2005 Proposed Budget	FY 2005 Additional Recommendations	FinComm Vote Yes No	FY 2005 Final Budget	
210 Police									
	salaries	3,399,400	26,945	3,426,345	3,417,487				
	expenses	238,600		238,600	261,924				
				3,664,945	Total				3,679,411
220 Fire									
	salaries	3,179,236	111,891	3,291,127	3,429,186				
	expenses	252,990		252,990	299,425				
				3,544,117	Total				3,728,611
240 Inspection									
	salaries	302,048	4,650	306,698	301,645				
	expenses	25,600		25,600	25,700				
				332,298	Total				327,345
292 Animal Control									
	expenses	49,184		49,184	50,234				
				49,184	Total				50,234
293 Parking Meters									
	expenses	3,900		3,900	1,500				
				3,900	Total				1,500
Subtotal, Public Safety		7,450,958	143,486	7,594,444	7,787,101				7,787,101
300 Town Schools		41,232,198		41,232,198	45,310,000	0			45,310,000
390 Regional School		1,555,523		1,555,523	1,543,554	0			1,543,554
Subtotal, Education		42,787,721	0	42,787,721	46,853,554	0			46,853,554
422 DPW-Hwy, Admin, Engineer									
	salaries	1,177,087	8,633	1,185,720	1,200,132				
	expenses	1,015,170		1,015,170	1,051,920	0			
				2,200,890	Total				2,252,052
424 Street Lighting									
	expenses	200,000		200,000	200,000				
				200,000	Total				200,000
434 Solid Waste Disposal									
	salaries	119,000	181	119,181	117,469				
	expenses	2,267,246		2,267,246	2,267,246				
				2,386,427	Total				2,384,715
440 Sewer									
	salaries	401,067	565	401,632	420,626				
	expenses	294,000		294,000	301,100				
	equipment outlay	10,000		10,000	96,000				
	capital improvements	673,933		673,933	561,839				
				1,379,565	Total				1,379,565
450 Water									
	salaries	909,838	1,390	911,228	1,003,141				
	expenses	1,048,400		1,048,400	1,097,900				
	equipment outlay	241,000		241,000	158,000				
	capital improvements	674,941		674,941	617,137				
				2,875,569	Total				2,874,178
TOTAL DPW		9,031,682	10,769	9,042,451	9,090,510	0			9,090,510
510 Health									
	salaries	67,721	1,867	69,588	77,939				
	expenses	6,200		6,200	6,200				
				75,788	Total				84,139
525 Public Health Services									
	expenses	20,000		20,000	20,000				
				20,000	Total				20,000
541 Council on Aging									
	salaries	111,676	2,267	113,943	117,311				
	expenses	22,600	0	22,600	22,440				
				136,543	Total				139,751
543 Veterans Services									
	salaries	29,371	1,120	30,491	32,500				
	expenses	1,500		1,500	1,500				
				31,991	Total				34,000
544 Veterans Assistance									
	expenses	95,000		95,000	100,000	0			
				95,000	Total				100,000
Subtotal, Human Services		354,068	5,254	359,322	377,890	0			377,890

PROPOSED BUDGET FY 05									
TOWN OF FRANKLIN FY 2004		FY 2004 Budget	Wage Settlement Additions	FY 2004 Final	FY 2005 Proposed Budget	FY 2005 Additional Recommendations	FinComm Vote Yes No		FY 2005 Final Budget
610 Library									
	salaries	489,139	14,376	503,515	550,077		0		
	expenses	164,152	0	164,152	189,178		0		
				667,667	Total				739,255
650 Recreation									
	salaries	50,000	4,949	54,949	0				
	expenses	-		0	0				
				54,949	Total				0
657 Cultural Council									
	expenses	2,000		2,000	2,000				
				2,000	Total				2,000
691 Historical Commission									
	expenses	1,000		1,000	1,000				
				1,000	Total				1,000
692 Memorial Day									
	expenses	1,000		1,000	1,000				
				1,000	Total				1,000
694 C.A.T.V. Committee									
	expenses	4,000		4,000	4,000				
				4,000	Total				4,000
Subtotal, Culture & Recreation		711,291	19,325	730,616	747,255	0			747,255
710 Retirement of Debt									
	general fund	2,736,000		2,736,000	2,659,968				
	sewer	166,715		166,715	216,715				
	water	650,000		650,000	611,033				
750 Interest									
	general fund	1,330,147		1,330,147	1,189,880				
	new ban's	-		0	106,750				
	short term interest general fund	1,528,500		1,528,500	1,687,000				
	sewer	76,087		76,087	110,028				
	water	269,086		269,086	275,822				
Subtotal, Debt Service		6,756,535	0	6,756,535	6,857,196				6,857,196
911 Retirement & Pension		1,703,000		1,703,000	2,028,575				
					Total				2,028,575
Benefits:									
	912 Workers Compensation	220,000		220,000	210,000		0		
	913 Unemployment Compensation	155,000		155,000	35,000		0		
	916 Health/Life Insurance Benefits	1,405,000		1,405,000	1,505,000				
	917 Medicare	200,000		200,000	205,000				
	918 FICA	50		50	50				
				1,980,050	Total				1,955,050
920 Wage Adjustments		400,000	-227,251	172,749	314,000				
					Total				314,000
950 Stabilization Fund					0				
Subtotal, Insurance & Other		4,083,050	-227,251	3,855,799	4,297,625	0			4,297,625
TOTAL ALL BUDGETS		74,067,596	-	74,067,596	79,207,645	-			79,207,645

REVENUES

79,207,704
59