

Town of Franklin

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OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

October 10, 2019

To: Budget Subcommittee, Town Council

From: Jamie Hellen, Town Administrator

Re: Closing out the FY20 Budget

The following are my recommendations to amend the FY20 budget with final adjustments for the fiscal year, prior to setting the tax rate on December 4th.

At its October 9, 2019 meeting, the Finance Committee has reviewed these requests and voted unanimously to recommend all of the following expenditures.

My proposed FY20 Budget supplemental amendments, which mainly represent unforeseen circumstances earlier in the year for both the Town and the School District, are as follows:

- \$231,500 for the School Department
 - This increase includes the \$102,500 authorized by the Town Council in August. See the attached memo from the Superintendent from the August meeting for the details.
 - In addition, I am proposing \$129,000 for the School Department, including funds for a district-wide enrollment projection and facility adequacy analysis related to the Davis Thayer Closing Study. Attached is a memo from the Superintendent for details of their requests.
- \$50,000 for School/Town Marketing and Communications Specialist
 - This is to fund a joint position between the Schools and the Town. The Schools are requesting \$27,000 and the Town \$23,000, respectively. The joint venture

will enhance communication with residents about Town and School information, as well as assist our Planning Department and community stakeholders on marketing the Town for business and arts development.

- \$110,000 for the Facilities Department
 - I am proposing the addition of a Deputy Director for School & Municipal Facilities. The bottom line is that the demand for Facilities projects are at an all-time high and cannot be completed with current staffing levels. Both the Superintendent and I support this request and believe the additional bandwidth is needed to accomplish the tremendous amount of projects under the Facilities Department.

- \$11,500 for the Senior Center
 - For personnel adjustments after a retirement that was not anticipated. We hired a Respite Nurse after a reevaluation of services to meet current and future customer demand.
 - Additionally, I am proposing a \$1/hour increase for the Senior Tax Workoff program. It's currently at \$11.00/hour and propose \$12.00/hour. We have also increased slots from 95 to 100 to one of the Town's most popular programs. See attached sheet of totals this year and the disbursement of jobs. The proposed impact on the budget is \$15,500, which is paid out of the Overlay account and is not included in the overall calculations here.

- \$13,000 for the Veteran's Services Department
 - For updated contractual obligations relative to a Veteran's Services Department agreement the Town has with Norfolk County for our operating budget. At the end of the current fiscal year, the agreement with Norfolk County will expire and will need to be renewed. The increase in funds also accounts for shifting the VSO's assistant, Debra Martin, into a permanent, part-time 19-hour a week employee. She has been paid from a grant for the last two years, which will be expiring soon. Debra has added a new dimension and level of support to the Veteran's Department and is a great asset to the community.
 - In addition to the funds, I will also be requesting approval of an amended agreement with the County from the Town Council (see attached Draft agreement).

- \$20,300 for the Fire Department

- For an affiliation agreement of \$12,500 the Town has with Milford Regional Hospital, which requires each Paramedic and EMT to attend 4 M&M (emergency room training and education) rounds per calendar year. With a new Fire Chief and Milford Regional Hospital now headquartered in Town, we are hoping to work closely together. These funds are for a 6-month schedule.
- The remaining funds will cover costs for an unanticipated staff reform and promotion in the Fire Department. The Town promoted FF William Blanchard to EMS Lieutenant with a charge coordinating the Town's medical billing, ambulance billing, grants, and more. We believe we are leaving unclaimed revenue on the table due to the intensive medical billing system. As a former accountant, Mr. Blanchard was the perfect fit to lead this finance related position.
- \$60,000 for the Assessor's Department
 - To hire a third appraiser to comply with the new evaluation cycle and capture more property improvements. The position will easily pay for itself.
- \$75,000 for the Town's legal expense budget for outside Counsel relative to collective bargaining, solar agreements and unanticipated personnel costs; and
- \$900,000 for a one-time Open Space Stabilization Fund transfer of funds.
 - Currently, the Town's Open Space Stabilization Fund is at \$1.12 million. This fund is dedicated to open space protection.
 - Without a dedicated revenue source, the Town will continue to lag behind in finding the funding to purchase open space if its comes available in the future. With the money from new growth in town this year, I think it makes sense to use those additional resources to help bolster this fund in the event land becomes available. If multiple pieces of land become available, it may not be feasible to buy more than one parcel without strong cash reserves. I see our Open Space Fund as a significant liability in our financial portfolio given current land values.

Revenues

In short, the additional FY20 revenues are from three sources:

1. Final state aid numbers from the state budget netted the Town an additional \$568,222 in state aid (See attached Cherry Sheet). Gracious thanks to our legislative delegation

for these very hard fought victories, particularly with the charter school reimbursement schedule;

2. We are adjusting and increasing the local receipts revenue in the budget \$33,078 from unanticipated licensing and permits; and
3. The Town assumes an additional \$870,000 in “New Growth” above what we assumed in the approved budget in May. The New Growth number is higher than normal this year because of the favorable real estate and home improvement markets. It is important to note that the New Growth revenue line is at a 20-year high (see attached history). Hence, my recommendation above to take that excess amount and put it toward the Open Space Stabilization account for future open space investments.

In total, the Town has an additional \$1,471,300 in additional revenue for the FY20 budget.

Please note, I would caution reading too deep into the high New Growth number. A ten-year average is used as an assumption in our annual operating budget model each year. Even when including this record-breaking year, **the ten year-average is \$1.07 million**, significantly lower than this year’s figure. I view a difference of this magnitude as one-time revenues that show a snapshot in time, rather than a consistent, stable source of revenue. This number is likely not to be sustainable for the long-term. I will be proposing this current ten-year average in our FY21 budget proposal in the Spring, which is currently \$900,000.



TOWN OF FRANKLIN

RESOLUTION NO.: 19 - 68

APPROPRIATION: Open Space Acquisition Stabilization Fund

AMOUNT REQUESTED: \$ 900,000

PURPOSE: To raise and appropriate and transfer the sum of \$ 900,000 to the Open Space Acquisition Stabilization Fund.

MOTION

Be It Moved and Voted by the Town Council to raise and appropriate and transfer the sum of Nine Hundred Thousand Dollars (\$ 900,000) to the Open Space Acquisition Stabilization Fund.

This Resolution shall become effective according to the provisions of the Town of Franklin Home Rule Charter.

DATED: _____, 2019

VOTED:

UNANIMOUS: _____

YES: _____ **NO:** _____

ABSTAIN: _____

ABSENT: _____

A True Record Attest:

**Teresa M. Burr
Town Clerk, CMC**

**Glenn Jones, Clerk
Franklin Town Council**