

# 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)

December 17, 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 # 828 6581 8882
- Zoom Webinar Link [HERE](https://us02web.zoom.us/j/82865818882) (<https://us02web.zoom.us/j/82865818882>)
- **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.

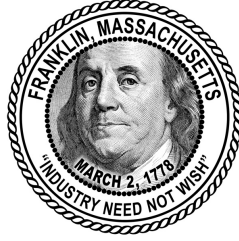
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### Agenda

1. Approval of minutes
  - a. [March 8, 2023](#)
  - b. [August 2, 2023](#)
  - c. [October 11, 2023](#)
  - d. [March 6, 2024](#)
  - e. [October 23, 2024](#)

2. Updated Town Administrator Five-Year Forecast Sketch
  - a. [Administrator Memo](#)
  - b. [Updated Five Year Forecast Document](#)
  - c. [Norfolk County Retirement Board Letter & Documents](#)
    - i. [Option 1 - Fully funded by 2030](#)
    - ii. [Option 2 - Fully funded by 2032](#)
    - iii. [Option 3 - Fully funded by 2035](#)
  - d. [State House News Service State Budget Update articles](#)
3. [2025 meeting calendar and budget timeline](#)
4. Adjournment

*This is a meeting of the Franklin Town Council Sub-Committee; under the Open Meeting Law, this subcommittee is a separate "public body" from the Town Council. Therefore, unless the Town Council has separately notified and posted its own meeting, Councilors who are not members of this subcommittee will not be permitted to speak or otherwise actively participate @ this meeting, although they may attend and observe. This prohibition is necessary to avoid the potential for an Open Meeting Law Violation.*



**Joint Budget Subcommittee  
Meeting Minutes  
March 8, 2023**

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Minutes of the Joint Budget Subcommittee Meeting March 8, 2023

A meeting of the Joint Budget Subcommittee was held Wednesday evening, March 8, 2023, at the Municipal Building, 2nd Floor, Council Chambers, 355 East Central Street, Franklin, MA.

**1. Introduction of members**

- a. The Joint Budget Subcommittee is made up of members of the Town Council, School Committee and Finance Committee.

SUMMARY: The Joint Budget Subcommittee meeting was called to order at 7:00 PM by Chairman Tom Mercer. Members introduced themselves:

- Cobi Frongillo, Town Council
- Brian Chandler, Town Council
- Dave McNeill, Franklin School Committee and School Budget Subcommittee Chair
- Tom Mercer, Town Council Chairman and Joint Budget Subcommittee Chairman
- George Conley, Finance Committee Chairman
- Melanie Hamblen, Town Council
- Dave Callaghan, School Committee
- Natalie Riley, Finance Committee
- Mike Hamilton, Finance Committee
- John Grace, Finance Committee

**2. Role of the committee**

- a. Committee charge

SUMMARY: Jamie Hellen, Town Administrator, explained that the charge of the Joint Budget Subcommittee was approved about a year ago as one of the Town Council goals. The main objectives are to promote collaboration between the various boards and committees involved in the budget process, engage the public in the budget hearings, and have members report back to their respective boards and committees. Although the charge specifies meeting at least once per year, more meetings can be held if needed.

**3. FY23 Budget Update and Discussion**

- a. Town Administrator Memo
- b. Preliminary FY24 Budget Model
- c. Local Receipts Revenue 12-31-22

SUMMARY: Town Administrator Jamie Hellen provided an overview of the preliminary FY24 budget, noting it reflects a "wish list" from various stakeholders but is \$5.78 million higher than available revenue. Major cost drivers include personnel costs, inflation (especially electricity/utilities and fuel), and the School budget increase. The School budget increase of \$2.9 million alone would use up almost all new tax levy capacity.

School representatives explained that 18% of students receive some form of special education services, ranging from in-class support to out-of-district placements. In-district specialized programs save money compared to out-of-district. Strategies like early intervention aim to prevent students from needing special ed services. Teacher salaries have been increased to stay competitive with neighboring districts and combat shortages.

Enrollment has declined from over 6,300 students in 2008 to about 4,700 today, with projections showing continued declines before an uptick around 2027. A redistricting analysis is underway but no decisions have been made about potentially closing a School. State aid is complicated, with Franklin getting \$11 million more than the formula requires (known as "hold harmless" aid) but this could be at risk in the future as the required local contribution rises. The town is losing \$9,667 overall in state aid for FY24. The Charter School assessment has increased from \$3.7 million to nearly \$6 million over 7 years.

Discussion touched on the difficulty of maintaining high service levels with capped revenue growth of 2.5% per year. Suggestions included redistricting and closing a School, examining special education costs, and considering an override. It was noted Franklin does well with limited resources but a long-term strategy is needed to accelerate investment to meet rising service demands. Difficulty attracting teachers and other public servants was also discussed.

**Motion to Adjourn**

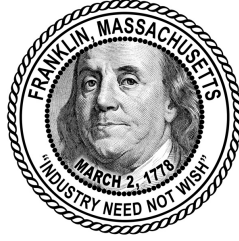
**Subject: Adjourn the meeting**

**Mover: George Conley**

**Second: David McNeill**

**Result: Passed**

**Details of the vote: Unanimous voice vote in favor. No votes in opposition.**



**Joint Budget Subcommittee  
Meeting Minutes  
August 2, 2023**

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Minutes of the Joint Budget Subcommittee Meeting August 2, 2023

A meeting of the Joint Budget Subcommittee was held Wednesday evening, August 2, 2023, at the Municipal Building, 2nd Floor, Council Chambers, 355 East Central Street, Franklin, MA.

**1. Introduction of members -**

a. The Joint Budget Subcommittee is made up of members of the Town Council, Committee and Finance Committee.

SUMMARY: The Joint Budget Subcommittee meeting was called to order at 7:00 PM by Chairman Tom Mercer. Members introduced themselves:

- Cobi Frongillo, Town Council
- Brian Chandler, Town Council
- Dave McNeill, Franklin Committee and Budget Subcommittee Chair
- Tom Mercer, Town Council Chairman and Joint Budget Subcommittee Chairman
- George Conley, Finance Committee Chairman
- Melanie Hamblen, Town Council
- Dave Callaghan, Committee
- Denise Spencer, Committee
- Nicole Corbosiero, Finance Committee

SUMMARY: Chairman Tom Mercer called the meeting to order and led the Pledge of Allegiance. Chairman Tom Mercer provided an overview of the Joint Budget Subcommittee, noting it is made up of four members from the Town Council, three members from the Committee, and three members from the Finance Committee. Chairman Tom Mercer explained the Joint Budget Subcommittee was formed to promote collaboration among the key finance-related committees, promote broader communication and public engagement on the town's operating budget, assist in developing strategies to meet projected budget shortfalls, and maintain institutional knowledge of short and long range budget forecasts.

Chairman Tom Mercer outlined the discussion framework for the meeting, noting the five-year fiscal forecast will be presented but no decisions or votes will be made. Chairman

Tom Mercer said the mechanics of an override could be discussed in general, but there should not be a deeper discussion on whether to have an override, how much, or when, as more information is still needed. Chairman Tom Mercer said he is committed to educating the community throughout this process and taking things step-by-step. Chairman Tom Mercer expressed optimism about the level of community engagement already taking place.

## **2. Town Administrator Five-Year Fiscal Forecast**

- a. Town Administrator Memo
- b. Five-Year Fiscal Forecast Model
- c. Override slideshow

SUMMARY: Town Administrator Jamie Hellen provided several updates since the budget presentations in May:

- In June, the Council shifted about \$750,000 from municipal and public safety funds to the Schools, allowing them to reach a 2.5% budget increase for FY24 despite inflationary impacts.
- On August 16th there will be a public meeting on the mechanics, ethical and legal considerations of overrides.
- The Town of Franklin is working with the schools to find ways to offset expenses and increase revenue. For example, opioid settlement funds will be used to cover a school contract, saving the district at least \$35,000.
- Organizational restructuring is taking place which could lead to additional savings and capacity.
- State legislators shared positive news about potential additional state funds to cover out-of-district tuition costs which could save Franklin a significant amount.

Town Administrator Jamie Hellen then walked through his five-year fiscal forecast model, emphasizing it is based on assumptions and projections, not a definitive budget. Key revenue assumptions:

- 2.5% tax levy increase per Prop 2.5
- Debt exclusions sunsetting in certain years are incorporated
- Local receipts assumed at 2% growth
- State aid assumed at 1% increase
- Charter assessment expected to reach \$6.5M by FY29

On the expenditure side:

- Most municipal departments assume 2.5% personnel increases
- Regional dispatch assessment significantly increasing when grant ends
- Tri-County vocational assessment increasing \$2.1M in FY27 if new school is approved
- Borrowing costs for previously authorized capital projects are incorporated and will have a major budget impact
- The model does not include costs for a new Police Station, additional school strategic investments, public infrastructure, or other potential needs

By FY26 the model shows a \$1.6M deficit, growing to \$2.5-3.4M in subsequent years. Town Administrator Jamie Hellen emphasized some tough decisions will need to be made. In response to questions, he and others explained:

- Slowing of new growth in recent years is impacting revenues
- Hold harmless state aid is a huge liability if the formula changes
- AAA bond rating is critical to maintain to avoid much higher interest costs
- Health insurance costs are a major driver but high deductible plans have helped mitigate
- Decisive action will be needed as the situation worsens; we can't do everything for everybody

Superintendent Lucas Giguere provided an update on School enrollment which is expected to continue declining at the middle and high School levels for the next 5 years before leveling off. Superintendent Lucas Giguere said a comprehensive facilities plan is being developed to determine the best path forward. Superintendent Lucas Giguere and others emphasized the increased student needs in the wake of the pandemic that go beyond just the enrollment numbers.

Chairman Tom Mercer wrapped up stating the Joint Budget Subcommittee will meet again in the fall once the Schools and Municipal Departments have more time to develop detailed five-year needs and wants. Chairman Tom Mercer said this will be a time-consuming process but is necessary to develop the right plan to put before voters. Chairman Tom Mercer emphasized staying united as "One Franklin" to get through the challenges ahead.

**VOTE(S):**

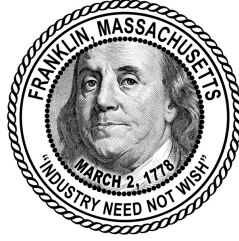
**Subject: Motion to adjourn**

**Mover: Dave McNeill**

**Second: Melanie Hamblen**

**Result: Passed**

**Details of the vote: Unanimous**



**Joint Budget Subcommittee  
Meeting Minutes  
October 11, 2023**

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Minutes of the Joint Budget Subcommittee Meeting October 11, 2023

A meeting of the Joint Budget Subcommittee was held Wednesday evening, October 11, 2023, at the Municipal Building, 2nd Floor, Council Chambers, 355 East Central Street, Franklin, MA.

**Members Present**

- Cobi Frongillo, Town Council
- Brian Chandler, Town Council
- Dave McNeill, Franklin Committee and Budget Subcommittee Chair
- Tom Mercer, Town Council Chairman and Joint Budget Subcommittee Chairman
- George Conley, Finance Committee Chairman
- Melanie Hamblen, Town Council
- Dave Callaghan, Committee
- Denise Spencer, Committee
- Natalie Riley, Finance Committee

**1. FY24 Budget Update - Town Administrator and Superintendent of Schools**

- SUMMARY: The Town Administrator Jamie Hellen provided an update on the FY24 budget:
- Revenue projections for the year will be downgraded in new growth by \$270,000.
  - Local receipts through quarter 1 just met the 25% projection on the last day of September. These include meals taxes, ambulance receipts, and fees for service like building permits.
  - Building Department fees and hotel tax are areas of concern in meeting projections.
  - Hotel tax revenue is uncertain due to the state not committing to the 6% local option meal/hotel tax at the shelter. This could result in significant lost revenue for the Town.
  - State aid had a very minimal change from the final approved budget and stayed mostly flat.
  - The Town Administrator believes the budget gap can be patched through creative ways without impacting services, such as a decrease in the Tri-County school assessment and tightening the healthcare/benefits line item based on actual benefits employees are taking.
  - Looking ahead to FY25, new growth will likely not be as robust a revenue source as it was



during the pandemic years when projects already in progress came online.

The School Superintendent Lucas Giguere and School Business Administrator Robert Dutch provided an update on the school budget:

- A review was provided of the FY23 budget broken down by Town appropriation, Chapter 70 state aid, revolving costs/fees, and grant funding. The FY24 budget was also reviewed.
- A level service budget for FY25 to carry forward current services is projected at \$81,100,000+. This assumes a 2.5% increase for supplies/materials, 6% for health insurance, and 4.69% for out-of-district tuition.
- Franklin currently spends \$15,373 per pupil compared to the state average of \$19,536 per pupil. Funding Franklin at the state average would require nearly \$20 million more.
- Revenue sources were projected out to FY25, showing a level service budget. Revolving account contributions will deplete those to near zero.
- Reinstating prior cuts and investing in new initiatives would cost an additional \$4.5 million beyond level service. A partial list was provided of potential areas to reinstate or invest in.
- A historical list was provided of budget reductions, reallocations and expansions in the School District over the past 20 years.

Key discussion points included:

- Revolving school accounts will be depleted to near zero by the end of FY24.
- The School District is working on developing a 5-year budget plan to present in early 2024.
- State reimbursement for educating migrant students is expected in quarterly installments but no firm timeline has been provided. The formula is based on the number of students enrolled.
- Comparisons were discussed of Franklin's per pupil spending to the state average and to comparable districts. Lower spending is impacted by a higher percentage of school-age population.
- Concerns were raised about Franklin High School's ranking dropping compared to area schools in recent years.
- It was noted that the migrant student situation should not be blamed for the school budget challenges that have persisted for years. State funding needs to cover the costs.

**VOTE(S):**

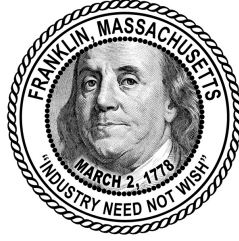
**Subject: Motion to adjourn**

**Mover: George Conley**

**Second: Brian Chandler**

**Result: Passed**

**Details of the vote: Voice vote, unanimous in favor.**



**Joint Budget Subcommittee  
Meeting Minutes  
March 6, 2024**

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A meeting of the Joint Budget Subcommittee was held Wednesday evening, March 6, 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

School Committee

David McNeill, School Committee Vice Chair  
KP Sompally  
Paul Griffith

Finance Committee

George Conley, Finance Committee Chair  
Natalie Riley, Finance Committee Vice Chair

**1. Town Administrator's Preliminary FY25 Budget Model**

SUMMARY: Town Administrator Jamie Hellen presented the preliminary FY25 budget model. Key points:

- There are three major categories for funding: State Aid, Local Receipts, and Property Taxes / Proposition 2 1/2
- State Aid is projected to result in a net loss of \$77,000 compared to last year, mainly due to reduced Chapter 70 funding, less funding for the lower charter school reimbursement line item in the state budget, as well as the special education circuit breaker.
- Local receipts are being level funded compared to FY24 projections. Some revenues like cannabis excise tax and hotel tax may increase but nowhere near enough to cover the overall budget deficit.
- The tax levy is projected to increase by \$3.264 million, comprising a 2.5% increase (\$3.402M) and \$800,000 in new growth, offset by a \$938,000 decrease in debt exclusions.
- Fixed cost increases are projected to consume a large portion of new tax levy

revenues, including \$700,000 for pensions/benefits, \$625,000 for municipal employee COLA, and \$670,000 for facilities costs.

- Discretionary spending increases in the model include an \$85,000 sustainability coordinator plus benefits for an approximate \$120,000 budget impact, \$400,000 in Department of Public Works expenses, and \$120,000 for 3 additional paramedics.

- Many community priorities are not included in the budget due to lack of available funds.

- The preliminary budget deficit is projected at \$10.1 million. Final numbers will be refined over the coming weeks leading up to the Town Administrator's budget release on April 12.

Superintendent Lucas Giguere then presented the preliminary School Department FY25 budget request. Key points:

- The school budget request totals \$9.3 million, a 12.92% increase over FY24. This funds level services plus partial restoration of recent cuts.

- Major cost drivers include \$2.2 million for out-of-district special education tuition and transportation, which alone exceeds a typical annual school budget increase. Other key drivers are salary increases, ESSER grant expiration, and health insurance.

- The budget aims to maintain reasonable class sizes, student support services, academic programs, and extracurricular activities. Without the requested funding increase, significant cuts would be required.

- In-district special education programs provide major cost savings compared to out-of-district placements. Investing in and stabilizing these programs is a priority.

- Budget instability and staff turnover in recent years has hindered educational quality and staff retention. Stabilizing the budget is critical for the school district.

- Franklin's per-pupil spending is in the bottom 20% of districts statewide, despite being in the top 50% for aggregate wealth.

Discussion among subcommittee members raised additional points:

- Even with an override, the FY26 budget outlook is very concerning due to the next round of collective bargaining, continued high inflation, and capital needs of school buildings.

- Using the Town's excess levy capacity and maximizing recent revenue opportunities like the Municipal Empowerment Act are potential tools to address the budget challenges.

- Declining enrollment has offset some costs in recent years but those savings are outpaced by other cost pressures. Continued deferrals of school investments are unsustainable.

- The budget situation requires a bold community response to maintain educational quality and overall municipal services. An override should be strongly considered.

Next steps were outlined, including refining expense projections, releasing the Town Administrator's budget on April 12, holding Finance Committee and Town Council budget hearings in May, and a likely Town Council vote on a potential override amount and election date by early May.

**VOTE(S):**

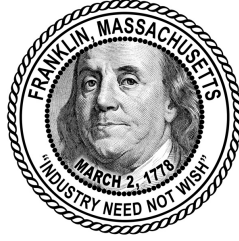
**Subject: Motion to adjourn**

**Mover: David McNeill**

**Second: Brian Chandler**

**Result: Passed**

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



**Joint Budget Subcommittee  
Meeting Minutes  
October 23, 2024**

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Minutes of the Joint Budget Subcommittee Meeting October 23, 2024.

A meeting of the Joint Budget Subcommittee was held Wednesday evening, October 23, 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

School Committee

David McNeill, School Committee Vice Chair  
Ruthann O'Sullivan  
Paul Griffith

Finance Committee

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

**1. Approval of Minutes**

a. September 11, 2024

SUMMARY: Tom Mercer, Joint Budget Subcommittee Chair, called for a motion to approve the minutes from the September 11, 2024 meeting. The motion was made and seconded. There was no discussion, additions, or deletions. The vote was called.

**VOTE(S):**

**Subject: Motion to approve the minutes from September 11, 2024**

**Mover: Melanie Hamblen**

**Second: David McNeill**

**Result: Passed**

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

## **2. Updated Town Administrator Five-Year Forecast Sketch**

a. Administrator Memo

b. Updated Five Year Forecast Document

SUMMARY: Jamie Hellen, Town Administrator, presented an updated five-year fiscal forecast based on the September 11th meeting. Key changes included: adjusting local state aid to 1.5% growth, state assessments to 4%, new growth at \$1.1 million, moving Remington-Jefferson/Horace Mann borrowing to FY27, and including the full cost of the Mental Health Clinicians Division in FY28.

Councilor Melanie Hamblen spoke about the need to build trust and work together as a team to pass an override. Councilor Melanie Hamblen apologized for any past dismissive behavior and encouraged everyone to review the school budget online for transparency.

Paul Griffith noted that the 2.7 million deficit is just the beginning, with future years showing 3.5-4 million deficits even with optimistic assumptions. Paul Griffith stressed the need for a long-term solution.

Councilor Cobi Frongillo asked for clarification on the school budget assumption. Hellen explained it stays within prop 2. Councilor Cobi Frongillo confirmed the 2.7 million maintains current service levels.

Finance Committee Chair George Conley expressed frustration at the lack of public attendance at Finance Committee meetings despite the Committee's work and department heads being available for questions.

## **3. Superintendent of Schools Redistricting Update & Discussion**

SUMMARY: Superintendent Lucas Giguere and Dr. Robert Dutch presented an update on the School District reorganization. Key points included unifying to one 6-8 Middle School, unifying the Elementary Schools into two K-2 and 3-5 complexes, closing Davis Thayer and JFK elementary schools, expanding the early childhood program (ECDC), and potentially generating revenue with a Childcare Center. The reorganization aims to right-size the district but will not solve the budget deficit.

Superintendent Lucas Giguere outlined the timeline moving forward, including traffic studies, budget development to build schools from the ground up, and staffing based on the new configurations by January. Superintendent Lucas Giguere emphasized the need to model both level service and restoration budgets.

Robert Dutch broke down the FY24-25 budget situation, noting that even with reorganization savings, there is still a \$985,000 shortfall for level service in FY26 due to anticipated cost increases like a 13% health insurance hike. Robert Dutch stressed that further cuts would negatively impact the district.

There was extensive discussion about budget drivers, cost savings from reorganization, the compounding effect of cuts on fees and services, and the need to invest in the schools' future, not just maintain the status quo.

Members debated the merits of an override, with some arguing for a higher number to restore past cuts and others cautioning about what the community would support. Town Administrator Jamie Hellen noted the difficult decisions ahead with limited funds to spread across municipal and school needs above level service.

#### **4. Discussion on next steps**

SUMMARY: Discussion continued on next steps and strategy. Ruthann O'Sullivan made a motion for the Joint Budget Subcommittee to recommend the Town Council vote to hold a special election for an override, with an amount to be determined later, before the May 2025 budget hearings.

After further debate, Ruthann O'Sullivan withdrew her motion based on Chairman Tom Mercer's commitment that an override amount and election date would be on the Town Council agenda in February at the latest to allow enough time to educate the public.

Chairman Tom Mercer also requested from the School Committee:

- 1) A line-item breakdown of reorganization cost savings on both the school and town side as they become available
- 2) A joint executive session with the Town Council to work on a unified collective bargaining strategy

SUMMARY: Chairman Tom Mercer entertained a motion to adjourn. The motion was made and seconded.

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

**Subject: Motion to adjourn**

**Mover: Melanie Hamblen**

**Second: David McNeill**

**Result: Passed**

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

# Town of Franklin

355 East Central Street  
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949  
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OFFICE OF THE TOWN ADMINISTRATOR

December 11, 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 #3**

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As a follow up from the previous Joint Budget Subcommittee meetings, we are providing an updated five year fiscal forecast. This is the last preliminary FY26 budget and forecast until we are able to plug in the local aid numbers in the Governor's budget. As you can see, the budget model illustrates a structural budget deficit of \$4.23-\$4.75 million heading into FY26 based on the assumptions made. However, there are many factors that have yet to crystallize before we can validate this level of a deficit, including:

- Departmental budget submissions, which are due December 20th;
- A final redistricting savings and economies of scale analysis for FY26;
- Collective bargaining with the teachers, police, fire, public works, library, custodians, maintenance unions (both school and town leaders are currently in bargaining);
- Final employee health insurance costs (IAC to finalize decisions in January);
- Local receipts trends (staff will evaluate Q2 half-year data in January and Q3 for official budget submittal in April); and
- State aid (anticipated on January 22nd).

**Without these budget assumptions in more certain terms, we cannot accurately solidify the structural budget deficit. The deficit will change based on these factors and we would expect a more certain figure in the end of January and early February. Furthermore, the Town and Schools will have concrete, updated lists of what municipal and school cuts will be required to be made if the structural deficit is not solved with sustainable, recurring revenues, as well as identifying lists of potential "needs/wants" of the community that have been discussed at many budget meetings over the past couple years (EG - restoration of academic and co-curricular programs in public schools; fire and police capital, public infrastructure, etc).**



## Revised Assumptions

The attached model uses the same assumptions as prior models, with these adjustments:

- FY25 assumed New Growth at \$1.171 million, which we have applied to all future years in the tax levy, including FY26.
- All budget adjustments, as approved on November 13, 2024.
- Based on a preliminary meeting with the Town and School health insurance carrier on 12/13/24, the employee health care assumption increased from 13% to 18.3%, or a total increase on the municipal budget of \$204,633 over what was in the previous budget model. This figure does NOT include the increase that would be seen to the School budget. They will have this increase baked into their preliminary budget submission, but may increase their budget deficit by approximately a half-million.
- Increased the Norfolk County Retirement assessment of \$8.6 million, which is 3.2% higher than expected at the last JBSC meeting. The NCRS Board voted on November 4th for the following assessment schedule. We expect a new actuarial study done soon, which will affect FY27 and beyond.

## Norfolk County Retirement Board update

As mentioned above the Norfolk County Retirement Board (NCRB) is required to do an actuarial study of their pension obligation. They are also required to comply with mandatory state laws and regulations through [PERAC](#). Earlier this year, the NCRB was evaluating whether to adopt Option 1, which would have resulted in a \$6.6 million one-year increase (or, nearly *double* the entire new tax levy) in the town budget. This discussion affected every city and town in Norfolk County and many sent a letter to the NCRB, which is attached in the packet.

Fortunately, the Board listened to local officials' concerns. They have adopted Option 3 for FY26, which is a \$713,227 one-year increase to the NCRB line item (all required by state law). This is an 8.2% increase, or 3.2% higher than projections in previous fiscal forecasts. That said, the NCRB are going to reconduct the actuarial and are likely to administer a new funding schedule for FY27. With pension and retirement dynamics significantly changing, pension systems, including, local cities and towns may have to shoulder a larger share of the burden to schedule how the County will fully fund its pension system by 2030-2035; or, unless there is a statutory change to the system at the legislative level.

**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	\$ 96,360,364	\$ 99,969,748	\$ 103,669,366	\$ 107,461,475	\$ 111,348,386
New Growth	1,171,097	1,171,097	1,171,097	1,171,097	1,171,097	1,171,097
	<b>94,010,111</b>	<b>97,531,461</b>	<b>101,140,845</b>	<b>104,840,463</b>	<b>108,632,572</b>	<b>112,519,483</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>97,805,284</b>	<b>102,764,236</b>	<b>106,113,370</b>	<b>109,814,788</b>	<b>113,605,647</b>	<b>117,493,158</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	13,621,033	14,302,085	15,017,189	15,768,048	16,556,450	17,384,273
	<b>13,621,033</b>	<b>14,302,085</b>	<b>15,017,189</b>	<b>15,768,048</b>	<b>16,556,450</b>	<b>17,384,273</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>150,255,757</b>	<b>153,465,149</b>	<b>158,143,026</b>	<b>163,221,528</b>	<b>168,439,961</b>	<b>173,807,784</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	636,146	636,146	636,146	636,146	636,146	636,146
	7,832,098	8,119,935	8,419,286	8,730,612	9,054,390	9,391,119
<b>TOTAL NET REVENUE</b>	<b>142,423,659</b>	<b>145,345,214</b>	<b>149,723,740</b>	<b>154,490,916</b>	<b>159,385,571</b>	<b>164,416,665</b>
<b>LESS: TOTAL GENERAL FUND BUDGET</b>	<b>(142,357,237)</b>	<b>(149,577,437)</b>	<b>(156,215,866)</b>	<b>(160,849,440)</b>	<b>(166,535,456)</b>	<b>(172,821,335)</b>
<b>UNUSED LEVY</b>	<b>\$ 66,422</b>	<b>\$ (4,232,224)</b>	<b>\$ (6,492,126)</b>	<b>\$ (6,358,524)</b>	<b>\$ (7,149,885)</b>	<b>\$ (8,404,670)</b>

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

OPERATING BUDGET	BUDGET		FORCAST			
	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	723,925	742,023	760,574	779,588	799,078	819,055
expenses	119,800	122,795	125,865	129,012	132,237	135,543
	843,725	864,818	886,439	908,600	931,315	954,598
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	431,047	441,823	452,869	464,191	475,796	487,691
expenses	75,605	77,495	79,432	81,418	83,453	85,539
	506,652	519,318	532,301	545,609	559,249	573,230
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	324,904	333,027	341,353	349,887	358,634	367,600
expenses	38,950	39,924	40,922	41,945	42,994	44,069
	363,854	372,951	382,275	391,832	401,628	411,669
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	171,279	175,561	179,950	184,449	189,060	193,787
expenses	65,700	67,343	69,027	70,753	72,522	74,335
	236,979	242,904	248,977	255,202	261,582	268,122
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	366,017	375,167	384,546	394,160	404,014	414,114



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	294,500	301,863	309,410	317,145	325,074	333,201
	<u>805,972</u>	<u>826,122</u>	<u>846,775</u>	<u>867,944</u>	<u>889,643</u>	<u>911,884</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	2,182,154	2,235,683	2,290,550	2,346,789	2,404,435	2,463,521
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	8,603,368	9,708,080	10,114,286	10,438,190	10,872,395
Health/Life Insurance Benefits	3,861,000	4,567,563	5,403,427	6,392,254	7,562,036	8,945,889
Retired Teacher Health Insurance	560,000	560,000	560,000	560,000	560,000	560,000
Non-GIC School Retirees	1,283,000	1,517,789	1,795,544	2,124,129	2,512,845	2,972,696
Workers Compensation	550,000	650,650	769,719	910,578	1,077,214	1,274,344

Unemployment Compensation	143,529	125,000	125,000	125,000	125,000	125,000
Medicare	368,550	435,995	515,782	610,170	721,831	853,926
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
	15,156,220	17,010,365	19,477,552	21,486,417	23,697,116	26,354,250
945 Liability Insurance	819,571	840,060	861,062	882,589	904,654	927,270
	819,571	840,060	861,062	882,589	904,654	927,270
Subtotal, Benefits & Insurance	15,975,791	17,850,425	20,338,614	22,369,006	24,601,770	27,281,520
TOTAL ALL BUDGETS	142,357,237	149,577,437	156,215,866	160,849,440	166,535,456	172,821,335
<b>Surplus/(Deficit)</b>	<b>66,422</b>	<b>(4,232,224)</b>	<b>(6,492,126)</b>	<b>(6,358,524)</b>	<b>(7,149,885)</b>	<b>(8,404,670)</b>

Norfolk County Retirement Board

480 Neponset Street #15

Canton, MA 02021

November 1, 2024

Dear Members of the Norfolk County Retirement Board,

We, the undersigned representatives from Norfolk County Retirement System communities, are writing to address several concerns regarding the proposed changes to the Norfolk County Retirement System and the rapid timeline for their adoption.

The Board is making several suggested changes:

- Reducing the assumed interest rate;
- Updating the mortality table; and
- And shifting from a payroll-based funding method to an actuarial based method.

It should be noted that we are not necessarily opposed with the changes being made, rather, that all of the changes are occurring at the same time.

Three funding options were presented earlier this week but had to be revised due to errors in the calculations. While we appreciate you sending the updated funding schedules as soon as the error was reported, and delaying your vote until November 4<sup>th</sup>, we still have major concerns about the validity of these figures. The lack of access to the underlying data makes it impossible to independently verify the accuracy of the actuarial analysis. It is also disheartening that communities were not involved sooner and awarded an opportunity to provide feedback.

***This group hereby requests the detailed actuarial data including the mortality tables and salary assumptions be sent to the signed communities before a vote is taken by the Board.***

The cost escalation for FY26 and FY27 in the revised “pink sheet” is simply not sustainable.

- 18 communities have greater than a 5% increase in their assessment for FY26. 41% of our members
- 33 communities have greater than a 5% increase in their assessment for FY27. 76% of our members
- 16 communities have greater than a 5% increase in their assessment for BOTH FY26 and FY27. 37% of our members

As many of us have stated in letters to the Board, such dramatic increase will pose a significant challenge for communities going into the next budget cycle given the constraints of Proposition 2 ½. Having to absorb this drastic change is going to have negative impacts on our services and financial stability.

We are troubled by the fact that many of our communities have seen a steady, or even a decline, in our assessment in recent years. The average increase from FY24 to FY25, for example, was only 2%. Given the dramatic turn of this actuarial study, we have valid concerns about the validity of previous actuarial valuations and the reasonableness of past assumptions and methods.

We are hereby requesting that the Board draft an option that is smoothed so no community receives more than a six percent (6%) increase each year. This change would allow communities with financial stability and limited (if any) impacts on services.

We would also encourage the Board to draft an option which smooths the three actuarial changes and fully-funds this liability by 2035, as opposed to the current example given on option 3. It is worth mentioning that NCRS still has five more years (2036 – 2040) to meet the full-funding requirement under state law should an economic downturn significantly alter costs to achieve full funding by 2035.

It is our understanding that NCRB was supposed to have its funding plan to PERAC by October 31, 2024. As the Board is now meeting on November 4, 2024, we assume that deadline has been pushed back. We strongly urge the Board to contact PERAC and request an extension to submit a plan until at least November 30, 2024.

We look forward to continuing to work with the Board to achieve a solution that balances fiscal responsibility with the needs our communities.

Sincerely,

Jonathan Beder, Town Administrator, Town of Avon

Denis Fraine, Town Administrator, Town of Bellingham

Chris Senior, Town Manager, Town of Cohasset

Linda Cole, Finance Director, Town of Cohasset

Paige Duncan, Town Manager, Town of Foxborough

Jamie Hellen, Town Manager, Town of Franklin

Kristine Trierweiler, Town Administrator, Town of Medfield

Mike Guzinski, Town Administrator, Town of Millis

Brian Noble, Town Administrator, Town of Plainville

Fred Turkington, Town Administrator, Town of Sharon

Krishan Gupta, finance Director, Town of Sharon

Jim Johnson, Town Administrator, Town of Walpole

Christopher Coleman, Town Administrator, Town of Westwood

Stephanie McManus, Finance Director, Town of Westwood

Mike King, Finance Director, Town of Wrentham

CC: William T. Keefe, Executive Director, PERAC [William.t.keefe@mass.gov](mailto:William.t.keefe@mass.gov)



**Norfolk County Contributory Retirement System**  
**Appropriation by Government Unit**  
**Assumes Semi-Annual Payments (July 1 and January 1)**

**Scenario: All Assumption Changes Including Mortality and Interest 7.5%**  
**Amortize All Unfunded Liability By 2030**

		<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>
Actuarial Based Phase-in %		75%	100%	100%	100%	100%
<u>UNIT</u>	<u>Unit Code</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>
Avon Housing Auth.	AHA	14,425	8,235	8,573	8,922	434
Town of Avon	AVO	3,575,649	3,797,717	3,954,117	4,090,875	502,859
Town of Bellingham	BEL	7,732,850	8,263,167	8,609,736	8,901,535	890,034
Bellingham Hous. Auth.	BHA	89,328	85,232	88,498	91,864	18,234
Town of Canton	CAN	13,789,626	14,300,760	14,930,427	15,366,349	1,149,978
Canton Housing Auth.	CHA	268,098	281,693	296,605	297,760	12,616
Cohasset Housing Auth.	CHH	35,988	44,997	47,522	47,180	2,876
Town of Cohasset	COH	6,243,901	6,567,107	6,846,906	7,066,162	686,018
Charles Riv. Poll. Cont.	CRP	223,186	178,640	187,646	191,143	-
County of Norfolk	CTY	7,289,396	8,444,477	8,900,912	8,899,074	461,249
Town of Dover	DOV	3,079,093	3,225,036	3,355,738	3,490,702	259,821
Dover/Shearborne Schl.	DSR	1,587,436	1,635,646	1,700,365	1,767,141	226,369
Foxboro Housing Auth.	FHA	157,165	126,919	134,320	132,331	9,823
Franklin Housing Auth.	FHH	225,343	239,939	251,611	256,353	4,997
Town of Foxboro	FOX	11,386,255	12,063,851	12,584,869	12,978,746	1,065,772
Town of Franklin	FRA	14,494,454	14,966,018	15,576,974	16,156,635	1,656,801
Holbrook Housing Auth	HHA	49,893	52,507	57,371	50,809	2,447
Town of Holbrook	HOL	6,222,713	6,454,523	6,730,462	6,948,524	595,904
Massachusetts Respiratory	HOS	-	-	-	-	-
King Phillip Reg School	KPR	1,637,117	1,579,171	1,643,375	1,709,681	114,846
Town of Medway	MDW	6,049,052	6,014,251	6,254,078	6,501,589	720,587
Town of Medfield	MED	5,875,756	6,020,897	6,262,125	6,511,124	652,833
Medfield Housing Auth.	MHA	42,209	47,901	49,788	51,735	7,123
Medway Housing Auth.	MHH	207,959	214,301	223,077	232,143	11,782
Town of Millis	MIL	4,829,436	4,739,424	4,927,827	5,122,246	603,284
Millis Housing Auth.	MLH	110,516	111,970	117,712	117,653	20,661
Norfolk Housing Auth.	NHA	79,811	88,375	91,887	95,511	11,299
Norfolk Cnty Mos. Con.	NMC	379,223	376,296	394,423	405,204	-

Town of Norfolk	NOR	5,619,099	5,830,806	6,097,668	6,237,690	536,199
Town of Plainville	PLA	4,742,042	4,882,713	5,087,429	5,239,986	806,811
Town of Randolph	RAN	15,032,137	15,957,341	16,687,281	17,078,666	1,370,690
Norfolk County Ret BD	RET	-	-	-	-	-
Randolph Housing Auth	RHA	220,926	224,507	237,496	234,929	8,682
Town of Sharon	SHA	10,495,400	11,155,918	11,605,121	12,068,873	1,074,557
Sharon Housing Auth.	SHH	49,818	52,681	54,831	57,051	3,346
Stoughton Hous. Auth.	STH	209,345	207,713	217,257	222,387	15,440
Town of Stoughton	STO	14,924,594	16,054,929	16,740,725	17,294,420	1,350,441
Town of Walpole	WAL	12,234,848	12,628,077	13,182,095	13,565,176	1,132,146
Town of Westwood	WES	11,794,010	11,854,003	12,371,829	12,732,032	1,155,618
Walpole Housing Auth.	WHA	139,614	157,180	163,531	170,090	13,764
Town of Wrentham	WRE	5,185,600	5,265,510	5,475,655	5,692,539	620,332
Wrentham Hous. Auth.	WRH	61,914	57,799	60,199	62,679	1,187
Dedham-Westwood Water Dist	DWW	968,072	879,979	915,349	951,863	88,550
Metacomet Emergency Comm	MEC	464,926	348,548	361,962	375,788	71,031
Retired Sheriffs		<u>1,747,687</u>	<u>1,817,594</u>	<u>1,890,298</u>	<u>1,965,910</u>	<u>2,044,546</u>
Totals		179,565,910	187,304,348	195,375,670	201,439,070	19,981,987

**Norfolk County Contributory Retirement System**  
**Appropriation by Government Unit**  
**Assumes Semi-Annual Payments (July 1 and January 1)**

**Scenario: All Assumption Changes Including Mortality but not Interest Rate**  
**Amortize All Unfunded Liability By 2032**

		FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Actuarial Based Phase-in %		75%	100%	100%	100%	100%	100%	100%
<u>UNIT</u>	<u>Unit Code</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>
Avon Housing Auth.	AHA	9,035	4,919	5,122	5,331	5,568	5,817	100
Town of Avon	AVO	2,355,141	2,508,934	2,608,373	2,685,705	2,795,360	2,909,446	459,813
Town of Bellingham	BEL	5,051,637	5,400,576	5,620,270	5,779,527	6,020,036	6,270,488	803,636
Bellingham Hous. Auth.	BHA	60,293	58,484	60,588	62,749	65,156	67,653	17,098
Town of Canton	CAN	8,917,552	9,217,558	9,616,453	9,809,651	10,227,390	10,662,861	973,846
Canton Housing Auth.	CHA	174,863	182,665	192,347	187,829	196,036	204,601	10,129
Cohasset Housing Auth.	CHH	24,198	30,051	31,720	30,437	31,739	33,097	2,771
Town of Cohasset	COH	4,076,770	4,288,405	4,466,065	4,578,326	4,769,388	4,968,375	614,476
Charles Riv. Poll. Cont.	CRP	137,968	106,206	111,821	111,707	117,073	122,697	-
County of Norfolk	CTY	4,827,938	5,566,322	5,865,501	5,692,270	5,938,264	6,194,871	417,902
Town of Dover	DOV	1,981,736	2,070,403	2,152,165	2,236,482	2,331,631	2,430,815	225,734
Dover/Shearborne Schl.	DSR	1,046,288	1,083,307	1,124,315	1,166,536	1,213,907	1,263,179	210,294
Foxboro Housing Auth.	FHA	103,859	84,106	88,992	84,225	87,822	91,572	7,946
Franklin Housing Auth.	FHH	144,127	152,150	159,593	159,826	166,949	174,389	2,902
Town of Foxboro	FOX	7,390,362	7,815,966	8,146,071	8,339,726	8,692,237	9,059,586	935,807
Town of Franklin	FRA	9,429,701	9,738,703	10,123,548	10,468,228	10,903,439	11,356,619	1,472,570
Holbrook Housing Auth	HHA	35,548	37,304	40,670	32,345	33,751	35,218	2,043
Town of Holbrook	HOL	4,037,907	4,181,771	4,356,382	4,468,353	4,656,782	4,853,120	519,591
Massachusetts Respiratory	HOS	-	-	-	-	-	-	-
King Phillip Reg School	KPR	1,049,547	1,007,642	1,047,690	1,088,999	1,135,655	1,184,304	96,587
Town of Medway	MDW	3,937,392	3,919,384	4,070,047	4,225,260	4,399,775	4,581,441	641,409
Town of Medfield	MED	3,820,460	3,917,289	4,068,959	4,225,252	4,401,155	4,584,332	584,533
Medfield Housing Auth.	MHA	28,378	32,416	33,631	34,881	36,281	37,737	6,942
Medway Housing Auth.	MHH	133,110	136,578	142,066	147,729	154,135	160,817	9,981
Town of Millis	MIL	3,145,226	3,091,147	3,209,423	3,331,249	3,468,138	3,610,601	534,432
Millis Housing Auth.	MLH	75,653	77,445	81,253	79,080	82,169	85,376	19,267
Norfolk Housing Auth.	NHA	52,716	58,585	60,815	63,111	65,688	68,370	10,767
Norfolk Cnty Mos. Con.	NMC	230,238	221,962	233,147	236,607	248,116	260,182	-
Town of Norfolk	NOR	3,669,609	3,802,439	3,973,256	4,011,401	4,180,524	4,356,745	467,931
Town of Plainville	PLA	3,161,483	3,277,064	3,408,392	3,483,876	3,622,489	3,766,523	745,279
Town of Randolph	RAN	9,789,385	10,366,679	10,833,011	10,944,973	11,408,690	11,891,976	1,183,675
Norfolk County Ret BD	RET	-	-	-	-	-	-	-
Randolph Housing Auth	RHA	145,254	146,784	155,319	147,852	154,345	161,124	6,592
Town of Sharon	SHA	6,800,418	7,224,156	7,506,096	7,796,717	8,124,154	8,465,272	961,810
Sharon Housing Auth.	SHH	32,015	33,758	35,103	36,492	38,060	39,696	3,028
Stoughton Hous. Auth.	STH	135,808	134,317	140,408	141,881	147,948	154,275	13,028
Town of Stoughton	STO	9,660,041	10,368,008	10,801,281	11,090,814	11,561,278	12,051,625	1,176,140

Town of Walpole	WAL	7,943,576	8,182,208	8,533,921	8,704,182	9,072,080	9,455,462	977,441
Town of Westwood	WES	7,672,739	7,702,784	8,031,735	8,193,276	8,537,551	8,896,219	1,003,214
Walpole Housing Auth.	WHA	90,866	102,331	106,339	110,472	115,131	119,985	12,837
Town of Wrentham	WRE	3,371,709	3,425,848	3,557,760	3,693,664	3,846,505	4,005,622	549,156
Wrentham Hous. Auth.	WRH	38,944	35,850	37,333	38,864	40,603	42,419	440
Dedham-Westwood Water Dist	DWW	624,633	566,471	588,567	611,343	637,002	663,733	76,040
Metacomet Emergency Comm	MEC	305,392	231,477	239,896	248,551	258,205	268,226	62,786
Retired Sheriffs		<u>1,747,687</u>	<u>1,817,594</u>	<u>1,890,298</u>	<u>1,965,910</u>	<u>2,044,546</u>	<u>2,126,328</u>	-
Totals		117,467,202	122,408,046	127,555,742	130,551,689	136,032,751	141,742,794	15,819,973

**Norfolk County Contributory Retirement System**  
**Appropriation by Government Unit**  
**Assumes Semi-Annual Payments (July 1 and January 1)**

**Scenario: All Assumption Changes, 7.625% Valuation Rate**  
**Amortize Pre-Assumption Change Unfunded Liability By 2032**  
**Amortize the Change in Liability Due to Assumption Changes to 2035**

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
Actuarial Based Phase-in %	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Funded Status as of January 1	72.8%	75.6%	78.9%	83.1%	87.5%	92.2%	97.2%	98.0%	99.0%	100.0%

<u>UNIT</u>	<u>Unit Code</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>	<u>Appropriation</u>
Avon Housing Auth.	AHA	8,278	5,027	5,250	5,444	5,683	5,933	1,394	1,449	1,507	287
Town of Avon	AVO	2,154,673	2,500,212	2,602,997	2,677,166	2,786,702	2,900,674	972,457	1,003,742	1,035,873	521,227
Town of Bellingham	BEL	4,606,193	5,375,426	5,600,198	5,753,578	5,993,255	6,242,852	1,936,275	2,001,464	2,068,599	916,950
Bellingham Hous. Auth.	BHA	55,574	58,380	60,652	62,683	65,102	67,612	28,008	28,810	29,628	19,133
Town of Canton	CAN	8,221,746	9,185,091	9,575,831	9,773,241	10,188,943	10,622,266	2,980,538	3,087,163	3,197,348	1,149,552
Canton Housing Auth.	CHA	159,233	181,526	189,306	186,387	194,517	203,001	49,575	51,511	53,522	12,311
Cohasset Housing Auth.	CHH	22,064	29,722	30,967	30,044	31,332	32,675	8,803	9,126	9,460	3,058
Town of Cohasset	COH	3,718,069	4,269,557	4,448,310	4,558,513	4,748,878	4,947,145	1,517,158	1,568,580	1,621,559	704,090
Charles Riv. Poll. Cont.	CRP	124,651	106,307	111,295	111,639	116,938	122,487	14,251	15,206	16,217	-
County of Norfolk	CTY	3,993,116	5,511,184	5,744,804	5,626,366	5,869,586	6,123,303	1,575,417	1,634,929	1,696,607	476,022
Town of Dover	DOV	1,797,430	2,058,206	2,146,357	2,223,947	2,318,516	2,417,092	679,185	703,460	728,545	262,841
Dover/Shearborne Schl.	DSR	955,775	1,078,009	1,122,252	1,161,454	1,208,758	1,257,967	429,689	443,365	457,402	236,445
Foxboro Housing Auth.	FHA	95,408	84,057	87,539	84,019	87,598	91,329	25,423	26,337	27,282	9,618
Franklin Housing Auth.	FHH	130,269	150,924	157,574	158,387	165,425	172,777	37,447	39,030	40,680	4,271
Town of Foxboro	FOX	6,728,003	7,779,232	8,108,563	8,300,203	8,650,996	9,016,552	2,612,368	2,704,000	2,798,590	1,083,500
Town of Franklin	FRA	8,603,368	9,708,080	10,114,286	10,438,190	10,872,395	11,324,542	3,535,085	3,653,649	3,775,722	1,693,003
Holbrook Housing Auth	HHA	33,247	37,170	38,639	32,007	33,396	34,846	8,752	9,087	9,436	2,430
Town of Holbrook	HOL	3,678,368	4,164,936	4,340,944	4,450,376	4,637,982	4,833,460	1,417,996	1,467,358	1,518,291	603,836
Massachusetts Respiratory	HOS	-	-	-	-	-	-	-	-	-	-
King Phillip Reg School	KPR	951,858	1,002,441	1,045,640	1,083,627	1,129,993	1,178,336	320,631	332,322	344,416	114,441
Town of Medway	MDW	3,796,141	3,911,031	4,073,895	4,217,873	4,392,209	4,573,692	1,468,711	1,517,156	1,566,987	737,346
Town of Medfield	MED	3,479,436	3,899,532	4,063,191	4,207,695	4,382,990	4,565,541	1,415,523	1,463,189	1,512,280	669,907
Medfield Housing Auth.	MHA	25,802	32,007	33,309	34,464	35,855	37,301	13,204	13,616	14,038	7,616
Medway Housing Auth.	MHH	120,058	135,256	141,156	146,334	152,673	159,285	40,521	42,063	43,662	11,781
Town of Millis	MIL	2,978,069	3,089,831	3,217,847	3,331,109	3,468,085	3,610,644	1,185,339	1,223,937	1,263,609	615,934
Millis Housing Auth.	MLH	70,259	77,526	80,531	79,119	82,225	85,451	33,440	34,427	35,435	21,621
Norfolk Housing Auth.	NHA	47,988	58,103	60,503	62,628	65,195	67,867	22,565	23,295	24,044	11,950
Norfolk Cnty Mos. Con.	NMC	205,640	220,548	231,126	234,821	246,142	258,006	23,668	25,592	27,640	-
Town of Norfolk	NOR	3,350,569	3,788,670	3,947,805	3,995,422	4,163,819	4,339,280	1,274,127	1,318,457	1,364,197	543,549
Town of Plainville	PLA	2,910,284	3,274,915	3,406,089	3,482,612	3,621,690	3,766,232	1,387,767	1,430,098	1,473,429	840,378
Town of Randolph	RAN	8,932,303	10,329,340	10,765,243	10,901,464	11,363,042	11,844,089	3,400,553	3,520,497	3,644,349	1,382,695
Norfolk County Ret BD	RET	-	-	-	-	-	-	-	-	-	-
Randolph Housing Auth	RHA	132,614	145,896	152,115	146,636	153,062	159,769	37,929	39,438	41,006	8,266
Town of Sharon	SHA	5,979,882	7,183,053	7,487,089	7,755,186	8,081,055	8,420,548	2,508,792	2,595,313	2,684,541	1,102,240
Sharon Housing Auth.	SHH	28,897	33,425	34,873	36,145	37,699	39,320	10,418	10,804	11,204	3,451
Stoughton Hous. Auth.	STH	123,661	133,702	139,392	141,167	147,197	153,483	42,149	43,677	45,258	15,411

Town of Stoughton	STO	8,684,791	10,316,513	10,755,142	11,035,801	11,503,740	11,991,448	3,418,240	3,539,341	3,664,416	1,367,706
Town of Walpole	WAL	7,242,182	8,153,668	8,498,178	8,672,547	9,038,869	9,420,598	2,736,993	2,832,836	2,931,762	1,141,941
Town of Westwood	WES	7,302,903	7,679,928	8,002,685	8,168,074	8,511,159	8,868,582	2,647,142	2,738,333	2,832,370	1,167,247
Walpole Housing Auth.	WHA	82,154	101,232	105,538	109,333	113,951	118,763	34,510	35,718	36,965	14,403
Town of Wrentham	WRE	3,079,070	3,418,681	3,561,276	3,687,304	3,839,963	3,998,894	1,274,845	1,317,074	1,360,523	632,538
Wrentham Hous. Auth.	WRH	35,097	35,616	37,214	38,610	40,329	42,125	9,006	9,390	9,791	879
Dedham-Westwood Water Dist.	DWW	569,486	565,628	589,524	610,602	636,210	662,887	199,281	206,116	213,163	89,102
Metacomet Emergency Comm.	MEC	282,579	234,219	243,421	251,632	261,434	271,610	109,133	112,310	115,551	72,441
Retired Sheriffs		<u>1,747,687</u>	<u>1,817,594</u>	<u>1,890,298</u>	<u>1,965,910</u>	<u>2,044,546</u>	<u>2,126,328</u>	=	=	=	=
Totals		107,244,875	121,921,401	127,048,844	130,029,759	135,489,134	141,176,592	41,444,308	42,873,265	44,346,904	18,271,417

**NOTE: Allocations after FYE2027 are notional. They will change based on the results of the January 1, 2026 valuation.**

[https://www.statehousenews.com/news/economy/tax-trends-federal-shift-have-budgeteers-pressing-pause/article\\_3d4adf14-b0e7-11ef-8995-3356b50e4121.html](https://www.statehousenews.com/news/economy/tax-trends-federal-shift-have-budgeteers-pressing-pause/article_3d4adf14-b0e7-11ef-8995-3356b50e4121.html)

# Tax Trends, Federal Shift Have Budgeteers Pressing Pause

Michlewitz Calls Federal, Global Challenges "Unprecedented"

Colin A. Young  
Dec 2, 2024

STATE HOUSE, BOSTON, DEC. 2, 2024.....Facing softening non-surtax revenue collections, spending demands inflated by pandemic-era initiatives and a mountain of uncertainty about the direction of key federal policies, state budget managers and economic analysts agreed Monday that the next budget year will be a challenge, but there was less agreement around just what to expect and how to prepare.

Budget writers from the Legislature joined Administration and Finance Secretary Matthew Gorzkowicz to hear from the Department of Revenue, the state Treasury, academics and economists as they begin to prepare for fiscal year 2026, which will begin July 1, 2025.

Even though unemployment is relatively low and state reserves are at an historic high, most Beacon Hill officials expect fiscal 2026 will be a challenging budget year, given that non-surtax collections have softened and spending pressures escalated.

"We're really worried about FY '26," Senate Ways and Means Chair Michael Rodrigues told reporters, before outlining his areas of concern.

"Worried that revenue trends are not trending in the right direction ... seems to have plateaued and flat," he said. "We've seen spending demands in the four, five and six percent range over the last few years, and revenues are going to be in a two to three percent revenue growth, federal money is done, the ARPA dollars and all the federal dollars are pretty much spent. So it's going to be a challenge for FY '26 and that's going to be my focus over the next few months."

Rodrigues said he does not think midyear spending cuts or a state hiring freeze are on the table for fiscal 2025, despite the suggestion from the Department of Revenue and others Monday that revenue collections might land short of expectations.

"It's FY '26 that I'm most worried about right now," he said.

Gorzkowicz, Rodrigues and House Ways and Means Chair Aaron Michlewitz will have to agree on a state tax revenue estimate for fiscal 2026 by Jan. 15. That estimate serves as a building block for budget proposals that Gov. Maura Healey will unveil by Jan. 22, followed by a House budget proposal in April and a Senate plan in May.

State government collected about \$967 million more than expected in fiscal 2024, but all of the overage and then some came from the surtax on high-income households. Setting aside that money, which is supposed to only be used for transportation or education initiatives, the state ended fiscal 2024 with a budget shortfall of \$463 million.

Fiscal 2025 revenue collections were \$129 million or 1 percent below year-to-date benchmarks through the first four months of the budget year, ending with October. After adjusting for revenue from the state's relatively new surtax on annual household income above \$1 million, fiscal 2025 collections are trailing benchmarks by \$372 million. However, year-to-date tax receipts are still ahead of actual collections during the same period in fiscal 2024 by \$667 million or 5.6 percent. November revenues are due from DOR by Wednesday.

"Predicting future revenue figures, as me and my counterpart have seen over the last couple years, can be a very, very difficult process in normal times," Michlewitz said. "But given how volatile our revenue has been over the last couple years, this will be especially challenging. It will be especially challenging because the commonwealth not only faces the challenges at home, but we face unprecedented factors on a federal and global stage."

Geoffrey Snyder, the state commissioner of revenue, laid out those challenges as he presented DOR's estimate that fiscal 2026 revenues will end up in the range of \$40.206 billion to \$41.286 billion (1.9 percent to 3.1 percent growth over fiscal 2025's forecast), plus another \$2.186 to \$2.561 billion from surtax collections.

"Tax collections will vary depending on many factors, including one, the potential impact of the president-elect's full suite of policy proposals and their impact on inflation, interest rates and the economy in general; we have the possible elimination of and/or changes to the



\$10,000 federal limit on the deduction for state and local taxes, better known as the SALT cap," Snyder said. "We have a worsening of geopolitical risks, including the Middle East and the Russia-Ukraine conflicts and their potential impact on energy prices and inflation; we have the Federal Reserve policy, will the Fed continue to ease monetary policy and at what pace? What's the duration? What's the destination? And we have other significant global, domestic and political factors."

An August report from Moody's Analytics, which DOR works with as it prepares its economic forecasts, projected that a Donald Trump victory and Republican control of both branches of Congress would "result in higher inflation and interest rates and weaker economic growth" and that "recession becomes a serious threat once again" if the president-elect's campaign proposals are all enacted.

And if the SALT cap is not extended in its current form beyond its current Dec. 31, 2025, expiration date, Snyder said it would have "a materially negative impact on future income tax revenues" for Massachusetts to the tune of \$1 billion, mostly in fiscal years 2026 and 2027.

Doug Howgate, president of the Mass. Taxpayers Foundation, and Evan Horowitz, executive director of the Center for State Policy Analysis at Tufts University, presented their outlooks as a touch rosier.

Howgate's organization projects non-surtax revenues of \$40.9 billion in fiscal 2026, an increase of 3.1 percent over its revised fiscal 2025 estimate of \$39.7 billion. MTF also projects \$2.6 billion worth of surtax revenue in fiscal 2026.

"Keep in mind that in fiscal year '23 and '24 we effectively saw flat to actually slight declines in non-surtax revenues. So we expect in '25 and '26 to see moderate, positive revenue growth. And I do think that part of that is really a credit to how the U.S. economy has handled the post-pandemic transition," Howgate said.

Horowitz estimated that fiscal 2026 state tax revenue collections will total \$42.1 billion, plus another \$2.4 billion in surtax revenue. That would be about 7 percent greater than this year's benchmark and roughly 5 percent above the organization's updated fiscal 2025 estimate.

"It's vital to note that while our forecast is relatively sanguine, we expect significant volatility over the next 18 months, due to the shifting priorities of the incoming administration in Washington," he said in his testimony Monday. "This seems like a reason to choose a

conservative revenue benchmark, somewhat below the \$44.5 billion projected level."

With all the uncertainty on the horizon, Howgate said it will be important for the Legislature and administration to control the growth of spending in the fiscal 2026 budget. He said the fiscal 2025 budget lawmakers sent to Gov. Maura Healey's desk this summer was a "really positive sign" in that it represented just 3.1 percent spending growth, compared to spending growth in the 6 percent range in prior years.

"I'm here to tell you, I think it's equally important this year that we keep spending at 3 percent or less. Now, one of the reasons for that is I just got done telling you that we would estimate revenues to grow, tax revenues, to grow by 3.1 percent, right? And so it would make sense to kind of track those two numbers together," Howgate said. "But there's kind of a larger global reason for that, which is: as we think about the long-term structural stability of the budget, the spending decisions made now have such a huge impact in the budget next year, in the year following, in times when we have a lot of uncertainty."

Gorzkowicz said the Healey administration is "clear eyed about the scale of the challenges ahead and the potential for ongoing misalignment between spending and revenue" for the remainder of fiscal 2025 and into fiscal 2026.

"Programs such as MassHealth, the Student Opportunity Act, provider rate increases, [and] our pension obligation are just a few of the drivers of spending growth over which we have less discretion," the secretary said.

Before they can put fiscal 2026 on the front burner, Beacon Hill's budget managers must first get through fiscal 2025. Snyder, the state revenue commissioner, gave them some sour news on that front Monday, saying that DOR now projects fiscal 2025 revenue, excluding surtax funds, will be between \$39.447 billion and \$40.063 billion, which would be 2.1 percent to 0.6 percent below the fiscal 2025 benchmark for non-surtax revenues of \$40.307 billion.

However, surtax revenues are estimated to come in between \$2.349 billion and \$2.491 billion, compared to \$1.3 billion accounted for in the total revenue estimate of \$41.607 billion.

Howgate said MTF is projecting total non-surtax revenues of \$39.7 billion in fiscal 2025, but is not recommending that policymakers adjust the fiscal 2025 revenue expectation "at this stage of the game."

"Four months into the fiscal year, we have revenue collections at growing at 5.6 percent, and while that may be somewhat surtax driven, we think in the numbers we've actually seen to date, it wouldn't warrant an adjustment," he said.

Horowitz said his group is also not recommending a change to the fiscal 2025 revenue estimate, though he thinks it will ultimately land above benchmark with collections totaling "between \$41.4 and \$42.4 billion, with the bulk of likely outcomes above the \$42 billion threshold."

"Despite our relative optimism about final collections, we don't think it's necessary or appropriate to adjust the FY25 benchmark upward at this time. There is simply too much uncertainty to count these chickens," Horowitz said in his testimony.

-END-

12/02/2024

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**Colin A. Young**

Deputy Editor

# Income Surtax Clouding State's Revenue Picture

DOR: Data Not Available Yet To Show Whether Taxpayers Moved

Chris Lisinski  
Dec 2, 2024

DEC. 2, 2024.....The voter-approved surtax on the highest earners in Massachusetts once again forecasts to be a key cog in the state's revenue outlook, and some experts want Beacon Hill to rethink a few techniques now that budget-writers have some experience with the new levy under their belts.

When they convened their revenue outlook hearing that marks the unofficial start of the fiscal 2026 budgeting process, lawmakers and administration officials heard calls from experts to revise their monthly benchmarking process to better account for surtax collections and to be mindful of how surtax revenue is "offset" by other changes.

Administration officials also signaled Monday that they upgraded their estimate of fiscal year 2024 surtax collections, meaning that Gov. Maura Healey and lawmakers will have more than \$200 million more in extra money to spend on education and transportation whenever they decide to dip into the overage, which could happen next year.

The Department of Revenue estimated in August that about \$2.2 billion of the \$40.8 billion collected in fiscal 2024 came from the surtax, but Revenue Commissioner Geoffrey Snyder said at Monday's hearing that surtax collections totaled about \$2.43 billion.

An official said the higher estimate reflects changes made after the Oct. 15 deadline for taxpayers who sought an extension.

The new calculations did not change the total amount of revenue collected, but determine that more of the total pot came via surtax payments instead of from other sources. That ensures more surtax funding will get stashed away for future use, and also increased the

2024 budget gap to about \$463 million because fewer general-fund dollars were available to balance the books. An administration spokesperson said Monday that the closeout budget lawmakers approved earlier in the day, which proposes redirecting more than half a billion dollars from being automatically deposited in savings and using it to plug the budget gap, would sufficiently balance the books.

Surtax opponents argued both during the ballot question campaign and in the wake of its passage that the added levy would push wealthy Bay Staters to leave for lower-tax locales. Revenue Commissioner Geoffrey Snyder told lawmakers Monday that he lacks the data to determine the degree to which those warnings actually came to pass.

"Based on the current data we have and have available to us, we really cannot tell you with any degree of certainty on whether people have left the commonwealth because of the surtax," Snyder said. "The data that seems to be the most accurate lags. It comes from the IRS, and that truly lags by, what, 18 to 24 months? We're not going to get a look at that until a little while."

Anecdotally, Snyder added, tax preparers are "not shy" about the surtax that voters approved in November 2022 and say it's "part of the conversation with their clients."

"But I can't give you anything, no hard data, and I haven't found a place [where] we can find it yet," he said.

Evan Horowitz of the Center for State Policy Analysis at Tufts University urged officials to consider how the upside of surtax collections has been "offset" by some residents leaving or shielding earnings, as well as by tax cuts enacted in 2023.

Taken together, revenue from the surtax and forgone revenue from the 2023 tax relief law net out to between \$500 million and \$700 million in additional collections per year, Horowitz said.

The constellation of recent changes has created a "mismatch" because surtax dollars are constitutionally required to be spent only on education or transportation investments.

"We're talking about slightly different kinds of dollars, as the millionaire's tax collections come with spending restrictions but the losses count against general revenue," Horowitz said. "You can end up creating budget holes that you can't easily patch with the millionaire's tax."

Another speedbump that affected the first full budget cycle with the surtax in place was the way the state tracked its collections.

Lawmakers and Healey used a conservative estimate of surtax collections when building their annual budget plans. Collections above that baseline can obscure how non-surtax revenues perform, according to Massachusetts Taxpayers Foundation President Doug Howgate.

"Now that we have more data under our belt, being able to break out some level of estimate each month for surtax collections -- even if there's an error range on that -- I think is also going to be critical," he said. "Surtax [revenue] has to be used for certain things. A lot of it's not available to the budget."

"When you're looking at these monthly revenue returns and trying to figure out what that actually means to balancing the budget, it's just not as helpful information as it was prior to the surtax," Howgate added. "I think we can fix that."

Sen. Michael Rodrigues, his chamber's budget chief, said budget-writers were "shooting in the dark -- an educated shot, albeit" on their early estimates for surtax collections.

"I'm sure we'll work with our colleagues to maybe make some adjustments as we go forward, still ensuring that the collection and spending of the surtax is open and transparent and that everyone, anyone can clearly see that it's being spent on solely education and transportation issues," he said. "I do agree with you that it might need some tinkering, slightly."

House budget chief Aaron Michlewitz agreed that "the more years we go through this, the better off" budget-writers are. He asked: how many years of data will Beacon Hill need to be able to more easily predict the surtax's performance?

"All I can tell you is it's not this year," Howgate replied. He outlined a range of complicating factors, like behavioral changes in response to federal tax cuts or macroeconomic trends.

"Sadly, future Doug will have to answer this question a little more accurately next year, but for now, I think we just don't know," he said.

-END-

12/02/2024

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**Chris Lisinski**

# Town of Franklin

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OFFICE OF THE TOWN ADMINISTRATOR

December 11, 2024

To: Town Council  
From: Jamie Hellen, Town Administrator  
Amy Frigulietti, Deputy Town Administrator

**Re: 2025 meeting calendar and budget timeline**

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The following are the expected dates of budget related meetings in 2025:

- December 20th -
  - Final department FY26 budget proposals submission deadline.
  - Preliminary School budget will also be delivered.
  - Staff will prepare an FY26 budget model.
- January 10 -
  - School Committee Budget workshop.
- January 14 and January 28
  - 14th - Superintendent's recommended budget present to the School Committee.
  - 28th - School Committee public hearing on FY26 Budget.
- January 15th -
  - Monthly Finance Committee meeting.
  - To review FY25 Capital Plan recommendations.
  - At the request of the Finance Committee, a "Deep Dive" into the "Hold Harmless" situation for FPS.
  - Mid-year Q2 Year-to-Date expenses and revenues reports.
- January 22nd -
  - Governor Healey files FY26 budget, including local/state aid baseline.
- January 30 (Thursday) -



- Joint Budget Subcommittee FY26 Budget Update Listening Session - Location: Franklin Elks. Time: 7:00 PM.
- Note: this is a changed date from previous postings.
- February 11th
  - Final FY26 School Committee recommended budget.
- February 12th -
  - Joint Budget Subcommittee FY26 Budget Update Listening Session - Location: Remington-Jefferson School. Time: 7:00PM.
- February 19th -
  - Joint Budget Subcommittee FY26 Budget Update Listening Session - Location: Common Grounds Cafe, Senior Center. Time: 7:00PM.
- February 26th and March 5th -
  - Regular Town Council meetings, including likely budget deliberations.
  - The Town Administrator's Preliminary FY26 Budget model will be presented at one of these meetings.
- March 4th (Tuesday) -
  - Joint Budget Subcommittee FY26 Budget Update Listening Session - Location: Common Grounds Cafe, Senior Center. Time: 9:30 AM to 11:30 AM.
- March 12th -
  - Joint Budget Subcommittee FY26 Budget Update Listening Session - Location: Franklin High School Auditorium. Time: 7:00PM.
- March 19th -
  - A regular Town Council meeting, including FY26 budget discussions.
- April 11th or 18th (Friday) -
  - Anticipated release of the FY26 Town Administrator's budget, per the Town Charter.
- April 28, 29 and May 1st -
  - Finance Committee FY26 budget hearings.
  - April 28 - Public Education. Franklin Public Schools.
  - April 29 - Public Safety & Public Works.

- May 1st - General Government and Final Recommendations.
- May 21-22 -
  - Regularly scheduled annual Town Council budget hearings.