

FRANKLIN TOWN COUNCIL

Agenda & Meeting Packet

May 3, 2023

Meeting will be held at the **Municipal Building**

2nd floor, Council Chambers

355 East Central Street

7:00 PM

A NOTE TO RESIDENTS: All citizens are welcome to attend public board and committee meetings in person. Meetings are also [live-streamed by Franklin TV](#) and shown on Comcast Channel 11 and Verizon Channel 29.

In an effort to maximize citizen engagement opportunities, citizens will be able to continue to participate remotely via phone OR Zoom.

Link to access meeting via Zoom for the May 3, 2023 Town Council meeting:

- Zoom Link [HERE](#) -- Then click "Open Zoom".
- Or copy and paste this URL into your browser: <https://us02web.zoom.us/j/82937690021>
- Call-In Phone Number: Call 1-929-205-6099 and enter **Meeting ID # 829 3769 0021** --Then press #

1. ANNOUNCEMENTS FROM THE CHAIR

- This meeting is being recorded by Franklin TV and shown on Comcast channel 11 and Verizon Channel 29. This meeting may be recorded by others.*
- Chair to identify members participating remotely.*

2. CITIZEN COMMENTS

- Citizens are welcome to express their views for up to three minutes on a matter that is not on the agenda. The Council will not engage in a dialogue or comment on a matter raised during Citizen Comments. The Town Council will give remarks appropriate consideration and may ask the Town Administrator to review the matter.*

3. APPROVAL OF MINUTES - None Scheduled.

4. PROCLAMATIONS / RECOGNITIONS - None Scheduled.

5. APPOINTMENTS - None Scheduled.

6. PUBLIC HEARINGS - 7:00 PM

- [New Section 12 Restaurant Common Victualer All Alcohol License and Approval of Katrina Psikarakis as the Manager - Here Come Two Greeks, LLC d/b/a Sierra's Brick Oven Pizza & Pub, Located at 370 King Street](#)
 - See 7: License Transactions (a) below

7. LICENSE TRANSACTIONS

- [New Section 12 Restaurant Common Victualer All Alcohol License and Approval of Katrina Psikarakis as the Manager - Here Come Two Greeks, LLC d/b/a Sierra's Brick Oven Pizza & Pub, Located at 370 King Street](#)

- b. [License Modification - Change of Manager: Rare Hospitality International, Inc. d/b/a Longhorn Steakhouse: Located at 250 Franklin Village Drive, Franklin, MA 02038](#)
- c. [License Modification - Change of Officers/Directors/LLC Managers: 99 Restaurants of Boston, LLC d/b/a 99 Restaurant, Located at 847 West Central Street](#)

8. PRESENTATIONS / DISCUSSION

- a. [Presentation: FY22 Financial Audit - Scott McIntire, Partner, Marcum LLP](#)
- b. [Presentation: Charles River Pollution Control District - Elizabeth Taglieri, Executive Director Charles River Pollution Control District](#)
 - i. Legislation For Action 9 (a)
- c. [An Introduction to PFAS Regulations - DPW Director Brutus Cantoreggi and Water & Sewer Superintendent Doug Martin](#)

9. LEGISLATION FOR ACTION

- a. [Bylaw Amendment 23-897: Sewer Rate Increase - First Reading](#)
(Motion to Move Bylaw Amendment 23-897 to a Second Reading - Majority Vote)
- b. [Resolution 23-30: Authorizing the Borrowing of Money to Pay Costs Associated with the Franklin Sewer System Asset Management Plan \(CWSRF 12541\)](#)
(Motion to Approve Resolution 23-30 - 2/3 Majority Vote)
- c. [Resolution 23-31: Authority For Town Administrator to File Clean Water State Revolving Fund Loan Application](#) *(Motion to Approve Resolution 23-31 - 2/3 Majority Vote)*
- d. [Zoning Bylaw Amendment 23-889: A Zoning Bylaw to Amend the Franklin Town Code at Chapter 185, Attachment 7., Part VI, Use Regulation Schedule: Residential Uses - Second Reading](#) *(Motion to Approve Bylaw Amendment 23-889 - Majority Roll Call Vote)*
- e. [Zoning Bylaw Amendment 23-890: A Zoning Bylaw to Amend the Franklin Town Code at Chapter 185, Section 51 - Second Reading](#)
(Motion to Approve Bylaw Amendment 23-890 - Majority Roll Call Vote)
- f. [Resolution 23-32: Gift Acceptance - Town of Franklin for Red Brick School House \(Donation of "Established" Sign\)](#) *(Motion to Approve Resolution 23-32 - Majority Vote)*
- g. [Resolution 23-29: FY23 Capital Round 2](#)
(Motion to Approve Resolution 23-29 - Majority Vote)

10. TOWN ADMINISTRATOR'S REPORT

11. SUBCOMMITTEE & AD HOC COMMITTEE REPORTS

- a. Capital Budget Subcommittee
- b. Economic Development Subcommittee
- c. Budget Subcommittee
- d. GATRA Advisory Board

12. FUTURE AGENDA ITEMS

13. COUNCIL COMMENTS

14. EXECUTIVE SESSION - None Scheduled.

15. ADJOURN

Note: Two-Thirds Vote: requires 6 votes

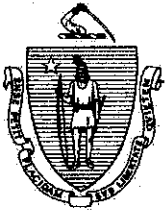
Majority Vote: requires majority of members present and voting

NEW LICENSE

To apply for an alcoholic beverages retail license, you will need the following:

- **\$200 Fee** paid online through our online payment link: **ABCC PAYMENT WEBSITE**
- **Monetary Transmittal Form**
- **New Retail Application**
- **Manager Application**
- **Vote of the Entity**
- **Business Structure Documents**
 - If Sole Proprietor, **Business Certificate**
 - If partnership, **Partnership Agreement**
 - If corporation or LLC, **Articles of Organization** from the Secretary of the Commonwealth
- **CORI Authorization Form** Complete one for each individual with financial or beneficial interest in the entity that is applying AND one for the proposed manager of record. *This form must be notarized with a stamp or raised seal.*
- **Proof of Citizenship** for the proposed Manager of Record.
- **Supporting Financial Records** for all financing and or loans, including pledge documents, if applicable.
- **Legal Right to Occupy**, a lease or deed.
- **Floor Plan**
- **Abutter's Notification**
- **Advertisement**
- **Additional information, if necessary, utilizing the formats provided and or any affidavits.**
- **Management Agreement**, if applicable, requires the following:
 - Management Agreement Application
 - Management Agreement
 - Vote of the Entity
 - CORI Forms for all listed in Section 11 and attachments

Please Note: You may be requested to submit additional supporting documentation if necessary.



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3, Chelsea, MA 02150-2358
www.mass.gov/abcc

**RETAIL ALCOHOLIC BEVERAGES LICENSE APPLICATION
MONETARY TRANSMITTAL FORM**

APPLICATION FOR A NEW LICENSE

APPLICATION SHOULD BE COMPLETED ON-LINE, PRINTED, SIGNED, AND SUBMITTED TO THE LOCAL
LICENSING AUTHORITY.

ECRT CODE: RETA

Please make \$200.00 payment here: **ABCC PAYMENT WEBSITE**

PAYMENT MUST DENOTE THE NAME OF THE LICENSEE CORPORATION, LLC, PARTNERSHIP, OR INDIVIDUAL AND INCLUDE THE
PAYMENT RECEIPT

ABCC LICENSE NUMBER (IF AN EXISTING LICENSEE, CAN BE OBTAINED FROM THE CITY)

ENTITY/ LICENSEE NAME **HERE COME TWO GREEKS, LLC**

ADDRESS **370 King Street**

CITY/TOWN **Franklin**

STATE **MA**

ZIP CODE **02038**

For the following transactions (Check all that apply):

- | | | | |
|--|---|---|---|
| <input checked="" type="checkbox"/> New License | <input type="checkbox"/> Change of Location | <input type="checkbox"/> Change of Class (i.e. Annual / Seasonal) | <input type="checkbox"/> Change Corporate Structure (i.e. Corp / LLC) |
| <input type="checkbox"/> Transfer of License | <input type="checkbox"/> Alteration of Licensed Premises | <input type="checkbox"/> Change of License Type (i.e. club / restaurant) | <input type="checkbox"/> Pledge of Collateral (i.e. License/Stock) |
| <input type="checkbox"/> Change of Manager | <input type="checkbox"/> Change Corporate Name | <input type="checkbox"/> Change of Category (i.e. All Alcohol/Wine, Malt) | <input type="checkbox"/> Management/Operating Agreement |
| <input type="checkbox"/> Change of Officers/ Directors/LLC Managers | <input type="checkbox"/> Change of Ownership Interest (LLC Members/ LLP Partners, Trustees) | <input type="checkbox"/> Issuance/Transfer of Stock/New Stockholder | <input type="checkbox"/> Change of Hours |
| | <input type="checkbox"/> Other | | <input type="checkbox"/> Change of DBA |

THE LOCAL LICENSING AUTHORITY MUST SUBMIT THIS
APPLICATION ONCE APPROVED VIA THE ePLACE PORTAL:

Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3
Chelsea, MA 02150-2358



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3, Chelsea, MA 02150-2358
www.mass.gov/abcc

APPLICATION FOR A NEW LICENSE

Municipality

1. LICENSE CLASSIFICATION INFORMATION

ON/OFF-PREMISES

☐ Off-Premises-12
☒ On-Premises-12

TYPE

CATEGORY

CLASS

Please provide a narrative overview of the transaction(s) being applied for. On-premises applicants should also provide a description of the intended theme or concept of the business operation. Attach additional pages, if necessary.

Operation of a neighborhood restaurant to service Franklin and surrounding communities, providing a casual dining experience with full table service offering a variety of food items and full bar service with malt, wine and spirits.

Is this license application pursuant to special legislation?

☐ Yes ☒ No

Chapter

Acts of

2. BUSINESS ENTITY INFORMATION

The entity that will be issued the license and have operational control of the premises.

Entity Name

FEIN

DBA

Manager of Record

Street Address

Phone

Email

Alternative Phone

Website

3. DESCRIPTION OF PREMISES

Please provide a complete description of the premises to be licensed, including the number of floors, number of rooms on each floor, any outdoor areas to be included in the licensed area, and total square footage. You must also submit a floor plan.

One story free standing restaurant containing +/- 2,100 square feet in area, including an Entry/Host Area, Lounge, Dinning Area, Outside Dining Area, and Kitchen, with four (4) points of entrance/egress (1-Entry/Host; 2-Lounge; 1-Kitchen).

Total Square Footage:

Number of Entrances:

Seating Capacity:

Number of Floors:

Number of Exits:

Occupancy Number:

4. APPLICATION CONTACT

The application contact is the person whom the licensing authorities should contact regarding this application.

Name:

Phone:

Title:

Email:

APPLICATION FOR A NEW LICENSE

5. CORPORATE STRUCTURE

| | | | |
|------------------------|--|---|--|
| Entity Legal Structure | <input type="text" value="LLC"/> | Date of Incorporation | <input type="text" value="10/3/2022"/> |
| State of Incorporation | <input type="text" value="Massachusetts"/> | Is the Corporation publicly traded? <input type="radio"/> Yes <input checked="" type="radio"/> No | |

6. PROPOSED OFFICERS, STOCK OR OWNERSHIP INTEREST

List all individuals or entities that will have a direct or indirect, beneficial or financial interest in this license (E.g. Stockholders, Officers, Directors, LLC Managers, LLP Partners, Trustees etc.). Attach additional page(s) provided, if necessary, utilizing Addendum A.

- The individuals and titles listed in this section must be identical to those filed with the Massachusetts Secretary of State.
- The individuals identified in this section, as well as the proposed Manager of Record, must complete a CORI Release Form.
- Please note the following statutory requirements for Directors and LLC Managers:
On Premises (E.g. Restaurant/ Club/Hotel) Directors or LLC Managers - At least 50% must be US citizens;
Off Premises (Liquor Store) Directors or LLC Managers - All must be US citizens and a majority must be Massachusetts residents.
- If you are a Multi-Tiered Organization, please attach a flow chart identifying each corporate interest and the individual owners of each entity as well as the Articles of Organization for each corporate entity. Every individual must be identified in Addendum A.

| Name of Principal | Residential Address | SSN | DOB |
|------------------------------|---------------------|-----|-----|
| Michael E. Psikarakis | | | |

| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
|-----------------------|-------------------------|---|---|---|
| Member | 100 | <input type="radio"/> Yes <input checked="" type="radio"/> No | <input type="radio"/> Yes <input checked="" type="radio"/> No | <input checked="" type="radio"/> Yes <input type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB |
|------------------------------|---------------------|-----|-----|
| Katrina S. Psikarakis | | | |

| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
|-----------------------|-------------------------|---|---|---|
| Manager | 0 | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input checked="" type="radio"/> Yes <input type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB |
|-------------------|---------------------|-----|-----|
| | | | |

| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
|-----------------------|-------------------------|--|--|--|
| | | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB |
|-------------------|---------------------|-----|-----|
| | | | |

| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
|-----------------------|-------------------------|--|--|--|
| | | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB |
|-------------------|---------------------|-----|-----|
| | | | |

| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
|-----------------------|-------------------------|--|--|--|
| | | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |

Additional pages attached? ☐ Yes ☒ No

CRIMINAL HISTORY

Has any individual listed in question 6, and applicable attachments, ever been convicted of a State, Federal or Military Crime? If yes, attach an affidavit providing the details of any and all convictions.

☒ Yes ☐ No

APPLICATION FOR A NEW LICENSE

6A. INTEREST IN AN ALCOHOLIC BEVERAGES LICENSE

Does any individual or entity identified in question 6, and applicable attachments, have any direct or indirect, beneficial or financial interest in any other license to sell alcoholic beverages? Yes ☐ No ☒ If yes, list in table below. Attach additional pages, if necessary, utilizing the table format below.

| Name | License Type | License Name | Municipality |
|------|--------------|--------------|--------------|
| | | | |
| | | | |
| | | | |

6B. PREVIOUSLY HELD INTEREST IN AN ALCOHOLIC BEVERAGES LICENSE

Has any individual or entity identified in question 6, and applicable attachments, ever held a direct or indirect, beneficial or financial interest in a license to sell alcoholic beverages, which is not presently held? Yes ☐ No ☒ If yes, list in table below. Attach additional pages, if necessary, utilizing the table format below.

| Name | License Type | License Name | Municipality |
|------|--------------|--------------|--------------|
| | | | |
| | | | |
| | | | |

6C. DISCLOSURE OF LICENSE DISCIPLINARY ACTION

Have any of the disclosed licenses listed in question 6A or 6B ever been suspended, revoked or cancelled? Yes ☐ No ☒ If yes, list in table below. Attach additional pages, if necessary, utilizing the table format below.


| Date of Action | Name of License | City | Reason for suspension, revocation or cancellation |
|----------------|-----------------|------|---|
| | | | |
| | | | |
| | | | |

7. OCCUPANCY OF PREMISES

Please complete all fields in this section. Please provide proof of legal occupancy of the premises.

- If the applicant entity owns the premises, a deed is required.
- If leasing or renting the premises, a signed copy of the lease is required.
- If the lease is contingent on the approval of this license, and a signed lease is not available, a copy of the unsigned lease and a letter of intent to lease, signed by the applicant and the landlord, is required.
- If the real estate and business are owned by the same individuals listed in question 6, either individually or through separate business entities, a signed copy of a lease between the two entities is required.

Please indicate by what means the applicant will occupy the premises

Lease 

Landlord Name Union Crossing Realty, LLC

Landlord Phone

Landlord Email

Landlord Address

Lease Beginning Date

February 1, 2022

Rent per Month

\$6,000.

Lease Ending Date

December 31, 2026

Rent per Year

\$72,000.

Will the Landlord receive revenue based on percentage of alcohol sales?

☐ Yes ☒ No

APPLICATION FOR A NEW LICENSE

8. FINANCIAL DISCLOSURE

| | |
|---------------------------------------|---|
| A. Purchase Price for Real Estate | 0 |
| B. Purchase Price for Business Assets | 0 |
| C. Other * (Please specify below) | 0 |
| D. Total Cost | 0 |

*Other Cost(s): (i.e. Costs associated with License Transaction including but not limited to: Property price, Business Assets, Renovations costs, Construction costs, Initial Start-up costs, Inventory costs, or specify other costs):"

SOURCE OF CASH CONTRIBUTION

Please provide documentation of available funds. (E.g. Bank or other Financial institution Statements, Bank Letter, etc.)

| Name of Contributor | Amount of Contribution |
|---------------------|------------------------|
| | |
| | |
| | |
| | |
| Total: | |

SOURCE OF FINANCING

Please provide signed financing documentation.

| Name of Lender | Amount | Type of Financing | Is the lender a licensee pursuant to M.G.L. Ch. 138. |
|----------------|--------|-------------------|--|
| | | | <input type="radio"/> Yes <input type="radio"/> No |
| | | | <input type="radio"/> Yes <input type="radio"/> No |
| | | | <input type="radio"/> Yes <input type="radio"/> No |
| | | | <input type="radio"/> Yes <input type="radio"/> No |

FINANCIAL INFORMATION

Provide a detailed explanation of the form(s) and source(s) of funding for the cost identified above.

| |
|--|
| |
|--|

9. PLEDGE INFORMATION

Please provide signed pledge documentation.

Are you seeking approval for a pledge? ☐ Yes ☒ No

Please indicate what you are seeking to pledge (check all that apply) ☐ License ☐ Stock ☐ Inventory

To whom is the pledge being made?

| |
|--|
| |
|--|

10. MANAGER APPLICATION

A. MANAGER INFORMATION

The individual that has been appointed to manage and control the licensed business and premises.

Proposed Manager Name Katrina S. Psikarakis

Date of Birth [REDACTED]

SSN [REDACTED]

Residential Address [REDACTED]

Email [REDACTED]

Phone [REDACTED]

Please indicate how many hours per week you intend to be on the licensed premises

50

B. CITIZENSHIP/BACKGROUND INFORMATION

Are you a U.S. Citizen?*

☒ Yes ☐ No *Manager must be a U.S. Citizen

If yes, attach one of the following as proof of citizenship US Passport, Voter's Certificate, Birth Certificate or Naturalization Papers.

Have you ever been convicted of a state, federal, or military crime?

☐ Yes ☒ No

If yes, fill out the table below and attach an affidavit providing the details of any and all convictions. Attach additional pages, if necessary, utilizing the format below.

| Date | Municipality | Charge | Disposition |
|------|--------------|--------|-------------|
| | | | |
| | | | |
| | | | |

C. EMPLOYMENT INFORMATION

Please provide your employment history. Attach additional pages, if necessary, utilizing the format below.

| Start Date | End Date | Position | Employer | Supervisor Name |
|------------|----------|----------|---------------------------------|-----------------------|
| 10-2022 | present | Manager | Sierra's Brick Oven Pizza & Pub | Michael E. Psikarakis |
| 11-2010 | 10-2022 | Manager | Ignite Boston | Michael E. Psikarakis |
| | | | | |
| | | | | |

D. PRIOR DISCIPLINARY ACTION

Have you held a beneficial or financial interest in, or been the manager of, a license to sell alcoholic beverages that was subject to disciplinary action? ☐ Yes ☒ No If yes, please fill out the table. Attach additional pages, if necessary,utilizing the format below.

| Date of Action | Name of License | State | City | Reason for suspension, revocation or cancellation |
|----------------|-----------------|-------|------|---|
| | | | | |
| | | | | |
| | | | | |

I hereby swear under the pains and penalties of perjury that the information I have provided in this application is true and accurate:

Manager's Signature

Katrina Psikarakis

Date

2/23/23

11. MANAGEMENT AGREEMENT

Are you requesting approval to utilize a management company through a management agreement?
If yes, please fill out section 11.

☐ Yes ☒ No

Please provide a narrative overview of the Management Agreement. Attach additional pages, if necessary.

IMPORTANT NOTE: A management agreement is where a licensee authorizes a third party to control the daily operations of the license premises, while retaining ultimate control over the license, through a written contract. *This does not pertain to a liquor license manager that is employed directly by the entity.*

11A. MANAGEMENT ENTITY

List all proposed individuals or entities that will have a direct or indirect, beneficial or financial interest in the management Entity (E.g. Stockholders, Officers, Directors, LLC Managers, LLP Partners, Trustees etc.).

| Entity Name | Address | Phone |
|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

| Name of Principal | Residential Address | SSN | DOB | |
|-----------------------|-------------------------|--|--|--|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Title and or Position | Percentage of Ownership | Director | US Citizen | MA Resident |
| <input type="text"/> | <input type="text"/> | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB | |
|-----------------------|-------------------------|--|--|--|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Title and or Position | Percentage of Ownership | Director | US Citizen | MA Resident |
| <input type="text"/> | <input type="text"/> | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB | |
|-----------------------|-------------------------|--|--|--|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Title and or Position | Percentage of Ownership | Director | US Citizen | MA Resident |
| <input type="text"/> | <input type="text"/> | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB | |
|-----------------------|-------------------------|--|--|--|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Title and or Position | Percentage of Ownership | Director | US Citizen | MA Resident |
| <input type="text"/> | <input type="text"/> | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |

CRIMINAL HISTORY

Has any individual identified above ever been convicted of a State, Federal or Military Crime?
If yes, attach an affidavit providing the details of any and all convictions.

☐ Yes ☐ No

11B. EXISTING MANAGEMENT AGREEMENTS AND INTEREST IN AN ALCOHOLIC BEVERAGES

LICENSE

Does any individual or entity identified in question 11A, and applicable attachments, have any direct or indirect, beneficial or financial interest in any other license to sell alcoholic beverages; and or have an active management agreement with any other licensees?

Yes ☐ No ☐ If yes, list in table below. Attach additional pages, if necessary, utilizing the table format below.

| Name | License Type | License Name | Municipality |
|------|--------------|--------------|--------------|
| | | | |
| | | | |
| | | | |

11C. PREVIOUSLY HELD INTEREST IN AN ALCOHOLIC BEVERAGES LICENSE

Has any individual or entity identified in question 11A, and applicable attachments, ever held a direct or indirect, beneficial or financial interest in a license to sell alcoholic beverages, which is not presently held?

Yes ☐ No ☐ If yes, list in table below. Attach additional pages, if necessary, utilizing the table format below.

| Name | License Type | License Name | Municipality |
|------|--------------|--------------|--------------|
| | | | |
| | | | |
| | | | |

11D. PREVIOUSLY HELD MANAGEMENT AGREEMENT

Has any individual or entity identified in question 11A, and applicable attachments, ever held a management agreement with any other Massachusetts licensee?

Yes ☐ No ☐ If yes, list in table below. Attach additional pages, if necessary, utilizing the table format below.

| Licensee Name | License Type | Municipality | Date(s) of Agreement |
|---------------|--------------|--------------|----------------------|
| | | | |
| | | | |
| | | | |

11E. DISCLOSURE OF LICENSE DISCIPLINARY ACTION

Has any of the disclosed licenses listed in questions in section 11B, 11C, 11D ever been suspended, revoked or cancelled?

Yes ☐ No ☐ If yes, list in table below. Attach additional pages, if necessary, utilizing the table format below.

| Date of Action | Name of License | City | Reason for suspension, revocation or cancellation |
|----------------|-----------------|------|---|
| | | | |
| | | | |
| | | | |

11F. TERMS OF AGREEMENT

a. Does the agreement provide for termination by the licensee?

Yes ☐ No ☐

b. Will the licensee retain control of the business finances?

Yes ☐ No ☐

c. Does the management entity handle the payroll for the business?

Yes ☐ No ☐

d. Management Term Begin Date

e. Management Term End Date

f. How will the management company be compensated by the licensee? (check all that apply)

☐ \$ per month/year (indicate amount)

☐ % of alcohol sales (indicate percentage)

☐ % of overall sales (indicate percentage)

☐ other (please explain)

ABCC Licensee Officer/LLC Manager

Signature:

Title:

Date:

Management Agreement Entity Officer/LLC Manager

Signature:

Title:

Date:

APPLICANT'S STATEMENT

I, Katrina S. Psikarakis the: ☐ sole proprietor; ☐ partner; ☐ corporate principal; ☒ LLC/LLP manager
Authorized Signatory

of HERE COME TWO GREEKS, LLC
Name of the Entity/Corporation

hereby submit this application (hereinafter the "Application"), to the local licensing authority (the "LLA") and the Alcoholic Beverages Control Commission (the "ABCC" and together with the LLA collectively the "Licensing Authorities") for approval.

I do hereby declare under the pains and penalties of perjury that I have personal knowledge of the information submitted in the Application, and as such affirm that all statements and representations therein are true to the best of my knowledge and belief. I further submit the following to be true and accurate:

- (1) I understand that each representation in this Application is material to the Licensing Authorities' decision on the Application and that the Licensing Authorities will rely on each and every answer in the Application and accompanying documents in reaching its decision;
- (2) I state that the location and description of the proposed licensed premises are in compliance with state and local laws and regulations;
- (3) I understand that while the Application is pending, I must notify the Licensing Authorities of any change in the information submitted therein. I understand that failure to give such notice to the Licensing Authorities may result in disapproval of the Application;
- (4) I understand that upon approval of the Application, I must notify the Licensing Authorities of any change in the ownership as approved by the Licensing Authorities. I understand that failure to give such notice to the Licensing Authorities may result in sanctions including revocation of any license for which this Application is submitted;
- (5) I understand that the licensee will be bound by the statements and representations made in the Application, including, but not limited to the identity of persons with an ownership or financial interest in the license;
- (6) I understand that all statements and representations made become conditions of the license;
- (7) I understand that any physical alterations to or changes to the size of the area used for the sale, delivery, storage, or consumption of alcoholic beverages, must be reported to the Licensing Authorities and may require the prior approval of the Licensing Authorities;
- (8) I understand that the licensee's failure to operate the licensed premises in accordance with the statements and representations made in the Application may result in sanctions, including the revocation of any license for which the Application was submitted; and
- (9) I understand that any false statement or misrepresentation will constitute cause for disapproval of the Application or sanctions including revocation of any license for which this Application is submitted.
- (10) I confirm that the applicant corporation and each individual listed in the ownership section of the application is in good standing with the Massachusetts Department of Revenue and has complied with all laws of the Commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting of child support.

Signature:

Katrina S. Psikarakis

Date:

2/23/23

Title:

MANAGER

ENTITY VOTE

The Board of Directors or LLC Managers of

HERE COME TWO GREEKS, LLC

Entity Name

duly voted to apply to the Licensing Authority of

FRANKLIN

City/Town

and the

Commonwealth of Massachusetts Alcoholic Beverages Control Commission on

February 15, 2023

Date of Meeting

For the following transactions (Check all that apply):

- | | | | |
|--|---|---|---|
| <input checked="" type="checkbox"/> New License | <input type="checkbox"/> Change of Location | <input type="checkbox"/> Change of Class (i.e. Annual / Seasonal) | <input type="checkbox"/> Change Corporate Structure (i.e. Corp / LLC) |
| <input type="checkbox"/> Transfer of License | <input type="checkbox"/> Alteration of Licensed Premises | <input type="checkbox"/> Change of License Type (i.e. club / restaurant) | <input type="checkbox"/> Pledge of Collateral (i.e. License/Stock) |
| <input type="checkbox"/> Change of Manager | <input type="checkbox"/> Change Corporate Name | <input type="checkbox"/> Change of Category (i.e. All Alcohol/Wine, Malt) | <input type="checkbox"/> Management/Operating Agreement |
| <input type="checkbox"/> Change of Officers/ Directors/LLC Managers | <input type="checkbox"/> Change of Ownership Interest (LLC Members/ LLP Partners, Trustees) | <input type="checkbox"/> Issuance/Transfer of Stock/New Stockholder | <input type="checkbox"/> Change of Hours |
| | <input type="checkbox"/> Other | | <input type="checkbox"/> Change of DBA |

"VOTED: To authorize

Katrina S. Psikarakis

Name of Person

to sign the application submitted and to execute on the Entity's behalf, any necessary papers and do all things required to have the application granted."

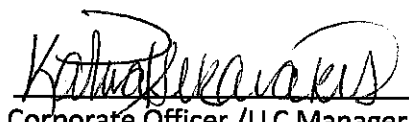
"VOTED: To appoint

Katrina S. Psikarakis

Name of Liquor License Manager

as its manager of record, and hereby grant him or her with full authority and control of the premises described in the license and authority and control of the conduct of all business therein as the licensee itself could in any way have and exercise if it were a natural person residing in the Commonwealth of Massachusetts."

A true copy attest,



Corporate Officer /LLC Manager Signature

Katrina Psikarakis

(Print Name)

For Corporations ONLY

A true copy attest,

Corporation Clerk's Signature

(Print Name)

ADDENDUM A

6. PROPOSED OFFICERS, STOCK OR OWNERSHIP INTEREST (Continued...)

List all individuals or entities that will have a direct or indirect, beneficial or financial interest in this license (E.g. Stockholders, Officers, Directors, LLC Managers, LLP Partners, Trustees etc.).

| | | | | |
|-----------------------|-------------------------|---|--|--|
| Entity Name | | Percentage of Ownership in Entity being Licensed (Write "NA" if this is the entity being licensed) | | |
| <input type="text"/> | | <input type="text"/> | | |
| Name of Principal | Residential Address | SSN | DOB | |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
| <input type="text"/> | <input type="text"/> | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |
| Name of Principal | Residential Address | SSN | DOB | |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
| <input type="text"/> | <input type="text"/> | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |
| Name of Principal | Residential Address | SSN | DOB | |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
| <input type="text"/> | <input type="text"/> | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |
| Name of Principal | Residential Address | SSN | DOB | |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
| <input type="text"/> | <input type="text"/> | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |
| Name of Principal | Residential Address | SSN | DOB | |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
| <input type="text"/> | <input type="text"/> | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |
| Name of Principal | Residential Address | SSN | DOB | |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
| <input type="text"/> | <input type="text"/> | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |
| Name of Principal | Residential Address | SSN | DOB | |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
| <input type="text"/> | <input type="text"/> | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input type="radio"/> No |

CRIMINAL HISTORY

Has any individual identified above ever been convicted of a State, Federal or Military Crime?
If yes, attach an affidavit providing the details of any and all convictions.

☐ Yes ☐ No



JEAN M. LORIZIO, ESQ.
CHAIRMAN

Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3
Chelsea, MA 02150

CORI REQUEST FORM

The Alcoholic Beverages Control Commission ("ABCC") has been certified by the Criminal History Systems Board to access conviction and pending Criminal Offender Record Information ("CORI"). For the purpose of approving each shareholder, owner, licensee or applicant for an alcoholic beverages license, I understand that a criminal record check will be conducted on me, pursuant to the above. The information below is correct to the best of my knowledge.

ABCC LICENSE INFORMATION

| | | | | | |
|---|--|----------------|--------------------------|------------|----------|
| ABCC NUMBER: <small>(IF EXISTING LICENSEE)</small> | | LICENSEE NAME: | HERE COME TWO GREEKS LLC | CITY/TOWN: | FRANKLIN |
|---|--|----------------|--------------------------|------------|----------|

APPLICANT INFORMATION

| | | | | | |
|------------|------------|-------------|---------|--------------|--|
| LAST NAME: | PSIKARAKIS | FIRST NAME: | MICHAEL | MIDDLE NAME: | |
|------------|------------|-------------|---------|--------------|--|

[Redacted area]

PRINT AND SIGN

| | | | |
|---------------|-----------------------|-------------------------------|--|
| PRINTED NAME: | MICHAEL E. PSIKARAKIS | APPLICANT/EMPLOYEE SIGNATURE: | |
|---------------|-----------------------|-------------------------------|--|

NOTARY INFORMATION

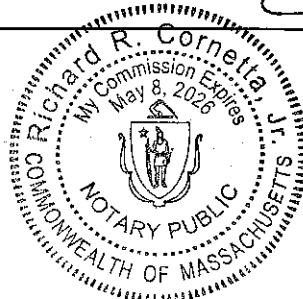
On this February 23, 2022 before me, the undersigned notary public, personally appeared Michael E. Psikarakis
(name of document signer), proved to me through satisfactory evidence of identification, which were driver license
to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he) (she) signed it voluntarily for its stated purpose.

NOTARY

DIVISION USE ONLY

| | |
|---------------------------------------|--|
| REQUESTED BY: | |
| SIGNATURE OF CORI-AUTHORIZED EMPLOYEE | |

The DCII Identify Theft Index PIN Number is to be completed by those applicants that have been issued an Identity Theft PIN Number by the DCII. Certified agencies are required to provide all applicants the opportunity to include this information to ensure the accuracy of the CORI request process. ALL CORI request forms that include this field are required to be submitted to the DCII via mail or by fax to (617) 660-4614.





JEAN M. LORIZIO, ESQ.
CHAIRMAN

Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3
Chelsea, MA 02150

CORI REQUEST FORM

The Alcoholic Beverages Control Commission ("ABCC") has been certified by the Criminal History Systems Board to access conviction and pending Criminal Offender Record Information ("CORI"). For the purpose of approving each shareholder, owner, licensee or applicant for an alcoholic beverages license, I understand that a criminal record check will be conducted on me, pursuant to the above. The information below is correct to the best of my knowledge.

ABCC LICENSE INFORMATION

| | | |
|---|--|---------------------|
| ABCC NUMBER: <small>(IF EXISTING LICENSEE)</small> | LICENSEE NAME: HERE COME TWO GREEKS, LLC | CITY/TOWN: FRANKLIN |
|---|--|---------------------|

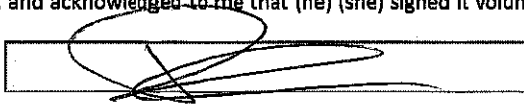
APPLICANT INFORMATION

| | | |
|-----------------------|---------------------|--------------------|
| LAST NAME: PSIKARAKIS | FIRST NAME: KATRINA | MIDDLE NAME: Sofia |
|-----------------------|---------------------|--------------------|

PRINT AND SIGN

| | |
|-------------------------------------|---|
| PRINTED NAME: KATRINA S. PSIKARAKIS | APPLICANT/EMPLOYEE SIGNATURE: <i>Katrina Psikarakis</i> |
|-------------------------------------|---|

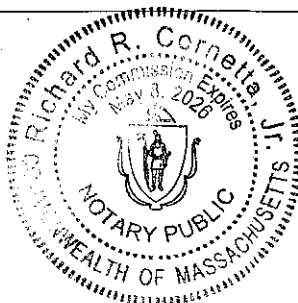
NOTARY INFORMATION

| | |
|---|---|
| On this FEBRUARY 23, 2023 | before me, the undersigned notary public, personally appeared KATRINA S. PSIKARAKIS |
| (name of document signer), proved to me through satisfactory evidence of identification, which were DRIVERS LICENSE | |
| to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he) (she) signed it voluntarily for its stated purpose. | |
| <div style="text-align: right;"> NOTARY</div> | |

DIVISION USE ONLY

| | |
|---------------|---------------------------------------|
| REQUESTED BY: | SIGNATURE OF CORI-AUTHORIZED EMPLOYEE |
|---------------|---------------------------------------|

The DCJL Identify Theft Index PIN Number is to be completed by those applicants that have been issued an Identity Theft PIN Number by the DCJL. Certified agencies are required to provide all applicants the opportunity to include this information to ensure the accuracy of the CORI request process. ALL CORI request forms that include this field are required to be submitted to the DCJL via mail or by fax to (617) 680-4614.



Katrina Psikarakis



SKILLS

- ❖ Multi – line telephone systems
- ❖ Documentation and reporting
- ❖ Conflict Resolution
- ❖ Time Management
- ❖ Computer Skills – Excel, Microsoft Word, Medical Software
- ❖ Customer Service Oriented
- ❖ Customer / Client Relations
- ❖ Punctual
- ❖ Personable and Outgoing
- ❖ Loyal and Hardworking
- ❖ Bi-lingual - Greek

WORK HISTORY

Ignite Boston 11/2010 to Current

Office Manager / Sales Rep – Milford, MA

- ❖ Answering incoming calls and directing to the appropriate persons
- ❖ Ordered and distributed office supplies while adhering to a fixed office budget.
- ❖ Managed office supplies, vendors, organization and upkeep.
- ❖ Directed guests and routed deliveries and courier services.
- ❖ Opened and properly distributed incoming mail.
- ❖ Maintained a clean reception area, including lounge and associated areas
- ❖ Computer/ Microsoft Word / Excel / QuickBooks
- ❖ Sales / Managing current accounts

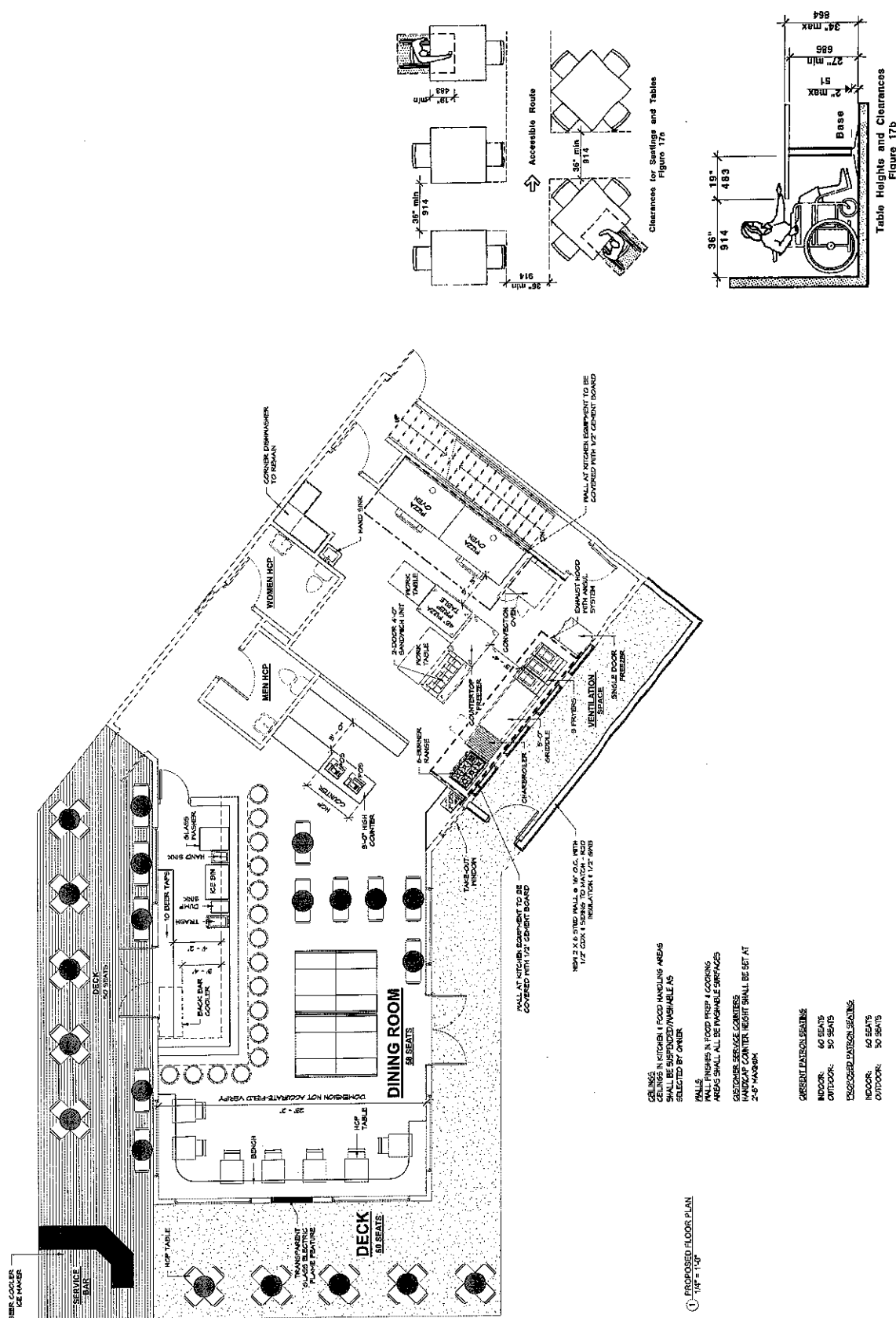
New Horizons Family Dental 05/2008 to 09/2011

Dental Assistant / Front Desk – Milford, MA

- ❖ Assisted Dentist in operating on patients
- ❖ Front Desk / Answering Phones
- ❖ Insurance Claims – Working on Eagle soft Software
- ❖ Data Entry
- ❖ Acted professionally and patiently when addressing customer feedback.
- ❖ Managed high call volume with tact and professionalism.
- ❖ Prepared treatment rooms for patient
- ❖ Provided instrumentation by sterilizing and delivering instruments to treatment area; positioning instruments for dentist's access; suctioning; passing instruments
- ❖ Maintained safe and clean working environment

Garden Pizza 08/2003 to 09/2018

- ❖ Cashier
- ❖ Customer Service
- ❖ Delivery

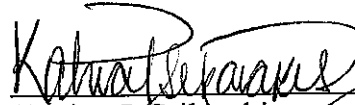


MANAGER' CERTIFICATE

The undersigned, as the MEMBER and MANAGER of HERE COME TWO GREEKS LLC, a limited liability company organized under the laws of the Commonwealth of Massachusetts, doing business as SIERRA'S BRICK OVEN PIZZA & PUB, at 370 King Street, Franklin, Massachusetts (the "Company"), hereby certify and state to the Franklin Town Council, and the Massachusetts Alcoholic Beverages Control Commission, in connection with an application for a Seven Day All Alcoholic Beverage License, (the "License"), the following.

1. Attached hereto as Exhibit A is a true, correct and complete copy of the Certificate of Organization of the Company, as filed on October 3, 2022 with the Secretary of the Commonwealth of Massachusetts, and the same has not been amended, modified or terminated and remains in full force and effect as of the date hereof.
2. Attached hereto as Exhibit B is a true, correct and complete copy of the Consent of the Member of the Company, authorizing the application of the License on behalf of the Company from the Town of Franklin, and further authorizing the execution, delivery and performance by the Company of the License application and all the related documents; such Consent has not been modified, amended or revoked and is in full force and effect on the date hereof; and no other action on the part of the Company is necessary to authorize the Company's execution, delivery and performance by the Company of the License application and related documents.
3. On our oath and under the penalties of perjury, the undersigned swears that Katrina S. Psikarakis is the duly elected MANAGER authorized on behalf of HERE COME TWO GREEKS LLC, a Massachusetts Limited Liability Company, and we certify that Katrina S. Psikarakis have not been removed as MANAGER and has the authority to act singly for, and bind the company in the transaction of business for which this affidavit is given as affirmation of our authority.

IN WITNESS WHEREOF, the undersigned have executed this Certificate this
day, February 23, 2023.

A handwritten signature in black ink, appearing to read 'Katrina S. Psikarakis', written over a horizontal line.

Katrina S. Psikarakis

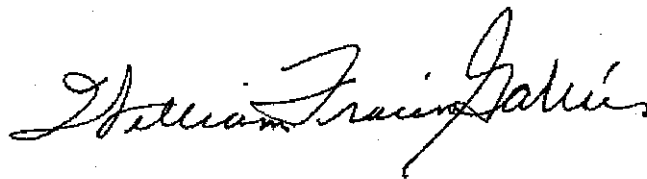
A handwritten signature in black ink, appearing to read 'Michael E. Psikarakis', written over a horizontal line.

Michael E. Psikarakis

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

October 03, 2022 03:25 PM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive style with a large, stylized initial "W".

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

EXHIBIT B

CONSENT OF THE MEMBER

The undersigned, being the sole MEMBER of HERE COME TWO GREEKS LLC, a Massachusetts limited liability company (the "Company"), hereby consents to the following:

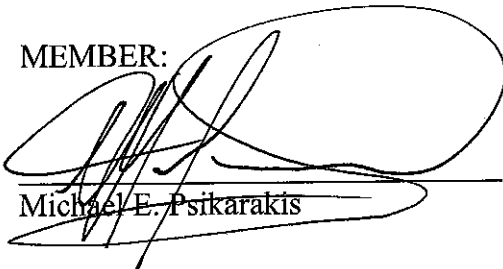
1. That Katrina S. Psikarakis as the MANAGER of the Company (individually or collectively referred to as the "MANAGER"), be and hereby are authorized and directed, to act singly, on behalf of the Company, to execute any and all agreements, documents and other papers in connection with the application for issuance of a Seven Day All Alcoholic Beverage License; Common Victuallers License; Weekday Entertainment License; and Sunday Entertainment License in connection with the business to be known as SIERRA'S BRICK OVEN PIZZA & PUB, to be conducted within the Town of Franklin, Massachusetts and further that Katrina S. Psikarakis, shall serve as the named manager on any said License.
2. That the MANAGER is hereby authorized and directed to execute and deliver any related documentation, including but not limited to: An Application for Alcoholic Beverage License for Retail Sale, Weekday Entertainment License Application; Sunday Entertainment License Application, Common Victualler's License Application, and Business Name Certificate, and any other ancillary license applications in furtherance of the business to be conducted by the Company within the Town of Franklin and the Commonwealth of Massachusetts, with such changes as such MANAGER deems necessary or appropriate, the signature of the MANAGER on behalf of the Company, appearing upon such documentation, to be conclusive evidence of said MANAGER' authority to execute the same and of its binding effect upon the Company.

MANAGER:



Katrina S. Psikarakis

MEMBER:



Michael E. Psikarakis

Payment Confirmation

YOUR PAYMENT HAS PROCESSED AND THIS IS YOUR RECEIPT

Your account has been billed for the following transaction. You will receive a receipt via email.



Transaction Processed Successfully.

INVOICE #: d8c061b1-b755-4443-93ed-66e27323e0e0

| Description | Applicant, License or Registration Number | Amount |
|--------------------|---|-----------------|
| FILING FEES-RETAIL | HERE COME TWO GREEKS LLC | \$200.00 |
| | | \$200.00 |

Total Convenience Fee: \$4.70

Date Paid: 4/10/2023 12:00:07 PM EDT

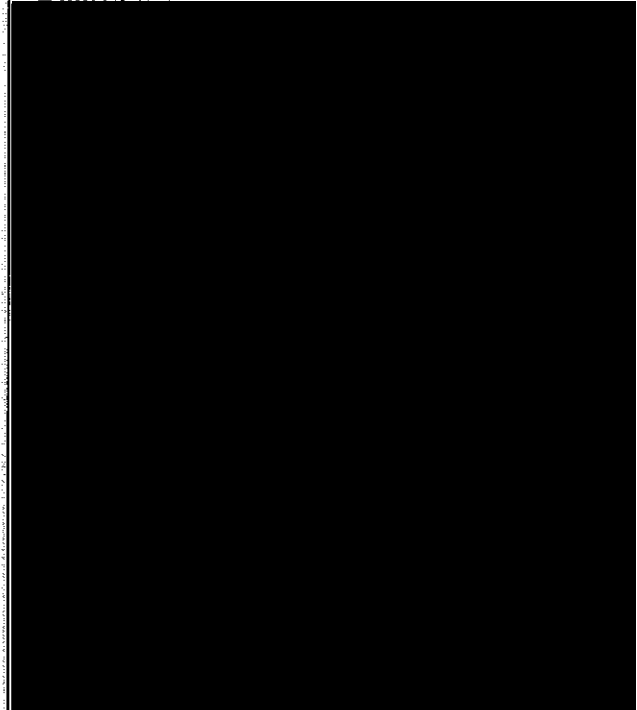
Total Amount Paid: \$204.70

Payment On Behalf Of

License Number or Business Name:
HERE COME TWO GREEKS LLC

Fee Type:
FILING FEES-RETAIL

Billing Information





The Commonwealth of Massachusetts
Department of Industrial Accidents
1 Congress Street, Suite 100
Boston, MA 02114-2017
www.mass.gov/dia

Workers' Compensation Insurance Affidavit: General Businesses.
TO BE FILED WITH THE PERMITTING AUTHORITY.

Applicant Information

Please Print Legibly

Business/Organization Name: Here Come Two Greeks LLC / Sierra's Brick Oven Pizza & Pub

Address: 370 King St.

City/State/Zip: Franklin, MA 02038

Phone #: (508) 530-0868

Are you an employer? Check the appropriate box:

1. ☒ I am an employer with 15 employees (full and/or part-time).*
2. ☐ I am a sole proprietor or partnership and have no employees working for me in any capacity.
[No workers' comp. insurance required]
3. ☐ We are a corporation and its officers have exercised their right of exemption per c. 152, §1(4), and we have no employees. [No workers' comp. insurance required]**
4. ☐ We are a non-profit organization, staffed by volunteers, with no employees. [No workers' comp. insurance req.]

Business Type (required):

5. ☐ Retail
6. ☒ Restaurant/Bar/Eating Establishment
7. ☐ Office and/or Sales (incl. real estate, auto, etc.)
8. ☐ Non-profit
9. ☐ Entertainment
10. ☐ Manufacturing
11. ☐ Health Care
12. ☐ Other _____

*Any applicant that checks box #1 must also fill out the section below showing their workers' compensation policy information.

**If the corporate officers have exempted themselves, but the corporation has other employees, a workers' compensation policy is required and such an organization should check box #1.

I am an employer that is providing workers' compensation insurance for my employees. Below is the policy information.

Insurance Company Name: Amtrust Financial

Insurer's Address: PO Box 6939

City/State/Zip: Cleveland, OH 44101

Policy # or Self-ins. Lic. # [REDACTED] Expiration Date: 10/21/2023

Attach a copy of the workers' compensation policy declaration page (showing the policy number and expiration date).

Failure to secure coverage as required under Section 25A of MGL c. 152 can lead to the imposition of criminal penalties of a fine up to \$1,500.00 and/or one-year imprisonment, as well as civil penalties in the form of a STOP WORK ORDER and a fine of up to \$250.00 a day against the violator. Be advised that a copy of this statement may be forwarded to the Office of Investigations of the DIA for insurance coverage verification.

I do hereby certify under the pains and penalties of perjury that the information provided above is true and correct.

Signature: [Signature]

Date: _____

Phone #: 508-530-0868

Official use only. Do not write in this area, to be completed by city or town official.

City or Town: _____ Permit/License # _____

Issuing Authority (circle one):

1. Board of Health 2. Building Department 3. City/Town Clerk 4. Licensing Board 5. Selectmen's Office
6. Other: _____

Contact Person: _____

Phone #: _____



CERTIFICATE OF COMPLIANCE WITH STATE LAWS

Pursuant to M.G.L Chapter 62C, Sec 49A, and M.G.L. Ch. 151A, Section 19A, the undersigned acting on behalf on the License Holder, certifies under the penalty of perjury that, to the best of the undersign's knowledge and belief, the License Holder is in compliance with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support*.

HERE COME TWO GREEKS, LLC

** Signature of Individual or Corporate License Holder (Mandatory)

[Redacted Signature]

*** License Holder's Social Security Number/or Federal Identification Number

By: Katrina Psikarakis
Corporate Officer Katrina S. Psikarakis, Manager
(Mandatory, if applicable)

Date: 3/10/23

*The provision in the Attestation of relating to child support applies only when the License Holder is an individual.

**Approval of or a renewal of a license will not be granted unless this certification clause is signed by the applicant. For all corporations, a certified copy of the vote of the Board of Directors must be provided.

*** Your social security number will be furnished to the Massachusetts Department of Revenue to determine whether you have met tax filing or tax payment obligations. Providers who fail to correct their non-filing or delinquency will not have a license or other agreement issued, renewed or extended. This request is made under the authority of Massachusetts General Laws, Chapter 62C, section 49A.



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

Maura Healey
GOVERNOR

Kim Driscoll
LT. GOVERNOR



419639783

Lauren E. Jones
SECRETARY

Katie Dishnica
ACTING DIRECTOR

HERE COME TWO GREEKS LLC
370 KING ST
FRANKLIN, MA 02038-2346

EAN: 22253389
April 04, 2023

Certificate Id:68809

The Department of Unemployment Assistance certifies that as of 4/4/2023 ,HERE COME TWO GREEKS LLC is current in all its obligations relating to contributions, payments in lieu of contributions, and the employer medical assistance contribution established in G.L.c.149,§189.

This certificate expires in 30 days from the date of issuance.

Katie Dishnica, Acting Director

Department of Unemployment Assistance



William Francis Galvin
Secretary of the
Commonwealth

The Commonwealth of Massachusetts
Secretary of the Commonwealth
State House, Boston, Massachusetts 02133

March 27, 2023

TO WHOM IT MAY CONCERN:

I hereby certify that a certificate of organization of a Limited Liability Company was filed in this office by

HERE COME TWO GREEKS LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **October 3, 2022.**

I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation; that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156C, § 70 for said Limited Liability Company's dissolution; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are:
KATRINA PSIKARAKIS

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **KATRINA PSIKARAKIS**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **KATRINA PSIKARAKIS**



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

William Francis Galvin

Secretary of the Commonwealth



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



HERE COME TWO GREEKS LLC
370 KING ST
FRANKLIN MA 02038-2346

Why did I receive this notice?

The Commissioner of Revenue certifies that, as of the date of this certificate, HERE COME TWO GREEKS LLC is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

This certificate doesn't certify that the taxpayer is compliant in taxes such as unemployment insurance administered by agencies other than the Department of Revenue, or taxes under any other provisions of law.

This is not a waiver of lien issued under Chapter 62C, section 52 of the Massachusetts General Laws.

What if I have questions?

If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 9:00 a.m. to 4:00 p.m..

Visit us online!

Visit mass.gov/dor to learn more about Massachusetts tax laws and DOR policies and procedures, including your Taxpayer Bill of Rights, and MassTaxConnect for easy access to your account:

- Review or update your account
- Contact us using e-message
- Sign up for e-billing to save paper
- Make payments or set up autopay

Edward W. Coyle, Jr., Chief
Collections Bureau



Town of Franklin, MA
Nancy Danello, CMC
Town Clerk
355 East Central Street, Franklin, MA 02038

Date Issued: September 7, 2022
Record #: 118821
Certificate #: 22-190

BUSINESS VERIFICATION CERTIFICATE

In conformity with the provisions of Chapter 110, Section 5 of the General Laws, as amended, the undersigned hereby declare(s) that a business under the title of:

Sierra's Brick Oven Pizza & Pub is conducted at: 370 KING ST

by the following person:

FULL NAME

Derik Nicolazzo

RESIDENCE

A certificate issued in accordance with this section shall be in force and effect for four years from the date of issue and shall be renewed each four years thereafter so long as such business shall be conducted and shall lapse and be void unless so renewed.

Expiration Date: September 7, 2026


Business Owner Signature #1

Business Owner Signature #2

A True Attest Copy



Nancy Danello, CMC

Town Clerk

To learn more, scan this barcode or visit franklinma.viewpointcloud.com/#/records/146899



**NOTICE OF PUBLIC HEARING
FRANKLIN, MA
New Section 12 All Alcoholic Beverages License
Here Come Two Greeks, LLC d/b/a Sierra's Brick Oven Pizza & Pub**

The Franklin Town Council will hold a Public Hearing on an application by Here Come Two Greeks, LLC d/b/a Sierra's Brick Oven Pizza & Pub, located at 370 King St., Franklin for a new Section 12 All Alcoholic Beverages License. This hearing will be held on May 3, 2023 at 7:00 PM and will provide an open forum for discussion. Location: Municipal Building, 2nd floor Council Chambers, 355 E. Central St., Franklin and will also be available via the "ZOOM" platform. Residents can visit the Town website (Franklinma.gov) calendar on and after April 28, 2023 for updated meeting information. For questions, please call the Town Administrator's Office at (508) 520-4949.

Submitted by,
Julie McCann

NOTICE TO ABUTTERS

NOTICE OF PUBLIC HEARING

FRANKLIN, MA


New Section 12 All Alcoholic Beverages License

Here Come Two Greeks, LLC d/b/a Sierra's Brick Oven Pizza & Pub

The Franklin Town Council will hold a Public Hearing on an application by Here Come Two Greeks, LLC d/b/a Sierra's Brick Oven Pizza & Pub, located at 370 King St., Franklin for a new Section 12 All Alcoholic Beverages License. This hearing will be held on May 3, 2023 at 7:00 PM and will provide an open forum for discussion. Location: Municipal Building, 2nd floor Council Chambers, 355 E. Central St., Franklin and will also be available via the "ZOOM" platform. Residents can visit the Town website (Franklinma.gov) calendar on and after April 28, 2023 for updated meeting information. For questions, please call the Town Administrator's Office at (508) 520-4949.

CERTIFICATE OF SERVICE NOTICE OF PUBLIC HEARING

I, **Richard R. Cornetta, Jr., Esquire**, as Attorney for **HERE COME TWO GREEKS, LLC**, a limited liability company organized under the laws of the Commonwealth of Massachusetts, doing business as **SIERRA'S BRICK OVEN PIZZA & PUB**, at 370 King Street, Franklin, Massachusetts (the "Applicant"), hereby certifies under the pains and penalties of perjury, and in compliance with Massachusetts General Laws, Chapter 138, Section 15A and 16C, that on April 20, 2023, I provided notification of the public hearing before the Franklin Town Council scheduled for May 3, 2023 on application by the Applicant for a new Section 12 All Alcoholic Beverage License to the abutters set forth on Exhibit 1, by mailing via certified mail, with return receipt requested, (Copies of the Certified Mail Receipt have been attached hereto) a copy of the Notice of Public Hearing as set forth in Exhibit 2.



Richard R. Cornetta, Jr., Esquire

April 24, 2023

Best Pizza In Town !

(508) 530-0868 - www.mysierras.com

CALL US TODAY ! or SIMPLY ORDER ONLINE !

Ask Or Check Online About Our Weekly Specials



Sierra's Brick Oven Pizza & Pub
(508) 530-0868

Side Orders



Chicken Tenders & Wings Can Be Made As :

Buffalo, BBQ, Garlic Parmesan, or Thai Sweet Chili

| | |
|-------------------------|----|
| French Fries | 5 |
| Curly Fries | 6 |
| Onion Rings | 7 |
| Mozzarella Sticks | 7 |
| Chicken Tenders / Wings | 10 |
| Side of Meatball | 5 |

Pasta Dishes

All Pasta Dishes Served With Garlic Bread & Salad

Add : Chicken Parmesan \$4, Meatball Or Sausage \$3

Pasta choices : Penne, Angel Hair, Linguine

| | |
|-----------------------|----|
| Pasta Marinara | 10 |
| Pasta Bolognese | 13 |
| Chickn Broccoli Penne | 14 |
| Three Cheese Ravioli | 13 |

Dinner Dishes

Served With Choice Of French Fries & Onion Rings OR Rice & Salad.

Chicken Choices : Buffalo, BBQ, Thai Sweet Chili, Burger Also

Available As Vegetarian

| | |
|----------------------------|----|
| Cheeseburger Plate Dinner | 12 |
| Chicken Finger/Wing Dinner | 13 |
| Steak Tip Dinner | 15 |
| Chicken Stir Fry | 10 |
| Steak Tip Stir Fry | 13 |

Subs / Wraps / Clubs



Served With Chips Or Fries

CLUBS : 3 Piece Of Toasted Bread & 3 Strips Of Bacon, Mayo, Lettuce & Tomato. Bread Choice : Country White, Wheat, Marble Rye.

| | |
|-------------------------------------|----|
| BLT - Sub / Wrap / Club | 9 |
| Chicken Tenders - Sub / Wrap | 10 |
| Chicken Parm - Sub / Wrap | 10 |
| Chicken Caesar - Sub / Wrap | 10 |
| Grilled Chicken - Sub / Wrap / Club | 10 |
| Grilled Veggie - Sub / Wrap | 8 |
| Ham & Cheese - Sub / Wrap / Club | 9 |
| Italian Cold Cuts - Sub / Wrap | 10 |
| Meatball Parm - Sub / Wrap | 9 |
| Steak & Cheese - Sub / Wrap | 11 |
| Steak Tip - Sub / Wrap | 14 |
| Turkey Breast - Sub / Wrap / Club | 10 |
| White Tuna - Sub / Wrap / Club | 9 |

Kids Corner

| | |
|----------------------------------|---|
| Kids Chkn Tenders / Wings/ Fries | 7 |
| Kids Pasta With Sauce | 7 |
| Kids Grilled Cheese | 7 |

Favorites Corner

| | |
|--------------------------|----|
| Chicken Kebob Sub / Wrap | 10 |
| Pastrami Sandwich | 10 |
| Plymouth Rock Sandwich | 10 |
| Ruben Sandwich | 11 |



(508) 530-0868

370 King St. Franklin, MA 02038

Come Enjoy The View & Great Food !

Hours of Operation

MON - SAT 11AM - 9PM | SUN - 11AM - 8PM

Voted Best Pizza In Franklin MA

Order Online Now
www.mysierras.com

Sierra's Brick Oven Pizza & Pub

Web Site : www.sierrasfranklin.com

Email : michael@sierrasfranklin.com

BEFORE ORDERING PLEASE INFORM YOUR SERVER

IF SOMEONE IN YOUR PARTY HAS A FOOD ALLERGY ADD STATE MEAL TAX TO ALL PRICES PRICES, ITEMS, & OFFERS ARE SUBJECT TO CHANGE WITHOUT NOTICE

About Us

Sierra's Brick Oven Pizza & Pub is a family run restaurant committed to providing delicious food and great service in a friendly neighborhood atmosphere. Our menu includes New York Style Pizza, Sandwiches, & Freshly Made Pasta.

Order Online At : mysierras.com

USE PROMO CODE : First Order - FR30 | Any Order -OFF20

Good Till March 31 - 2023



Make Your Own Brick Oven Pizza / Calzone

| | |
|------------------------------|----|
| Small Cheese Pizza / Calzone | 11 |
| Large Cheese Pizza | 15 |
| Small Gluten Free Pizza | 13 |

Toppings : SM - 1.00 | LG - 1.50

Pepperoni, Hamburger, Ham, Sausage, Meatball, Salami, Bacon, Anchovies, Feta, Tomatoes, Sliced Black Olives, Roasted Garlic, Green Peppers, Roasted Red Peppers, Onions, Bermuda Onions, Banana Peppers, Fresh Mushrooms, Fresh Spinach, Broccoli, Fresh Basil, Jalapeños, Zucchini.

Gourmet Toppings : SM - 1.50 | LG - 2.00

BBQ Chicken, Buffalo Chicken, Chicken Tenders, Grilled Chicken, Ground Beef, Italian Sausage, Ribeye Shaved Steak, Shrimp, Steak Tips, Fresh Mozzarella Goat Cheese.

Specialty Pizzas (No Half & Half)

| | | |
|---|---------|---------|
| BBQ Chicken | SM - 15 | LG - 18 |
| BBQ Chicken, Mozzarella, BBQ Sauce | | |
| Buffalo Chicken | SM - 15 | LG - 18 |
| Buffalo Chicken, Mozzarella, Roasted Red Peppers, Buffalo Sauce | | |
| Deuzelia's Treat | SM - 16 | LG - 19 |
| Italian sausage, Mozzarella, Goat Cheese, Fresh Spinach, Fresh Basil. | | |

Specialty Pizzas (No Half & Half)

| | | |
|---|---------|---------|
| Hawaiian | SM - 15 | LG - 18 |
| Ham, Mozzarella, Fresh Pineapple. | | |
| Katrina's Delight | SM - 15 | LG - 18 |
| Grilled Chicken, Feta, Mozzarella, Green Peppers. | | |
| Mabel's Garden | SM - 16 | LG - 19 |
| Mozzarella, Zucchini, Broccoli, Spinach, Mushrooms, Roasted Red Peppers, Onions, Sliced Tomatoes, Fresh Basil | | |
| Margherita Pizza | SM - 15 | LG - 18 |
| Buffalo, Mozzarella, Fresh Basil | | |
| Meat Lover's | SM - 16 | LG - 20 |
| Sausage, Pepperoni, Hamburger, Bacon, Ham, Meatball | | |
| Mike's Way | SM - 15 | LG - 18 |
| Bacon, Feta, Kalamata Olives | | |
| Pat's Way | SM - 15 | LG - 18 |
| Italian Sausage, Pepperoni, Sautéed Onions | | |
| Saint Dimitri | SM - 16 | LG - 19 |
| Alfredo, Mozzarella, Italian Sausage, Roasted Red Pepper, Onions, Fresh Basil | | |
| Shrimp Scampi | SM - 16 | LG - 20 |
| Alfredo, Mozzarella, Grilled Shrimp, Roasted Garlic | | |
| The Ben Franklin | SM - 15 | LG - 18 |
| Alfredo, Mozzarella, Breaded Chicken, Bacon, Ranch Dressing | | |
| The Greek | SM - 15 | LG - 18 |
| Fresh Spinach, Feta, Oregano, Mozzarella, Roasted Garlic, Sliced Black Olives | | |
| The Mexican | SM - 15 | LG - 18 |
| Ground Beef, Roasted Peppers, Onions, Mozzarella, Cheddar | | |
| Yiayia Eleni | SM - 15 | LG - 18 |
| Alfredo, Mozzarella, Broccoli, & Grilled Chicken | | |



Specialty Calzones (No Half & Half)

| | |
|---|----|
| Buffalo Chicken | 15 |
| Chicken Parmigiana | 15 |
| Chicken Broccoli Alfredo | 15 |
| Greek | 15 |
| Feta, Mozzarella, Fresh Spinach, Sliced Black Olives, Roasted Garlic, Served With Greek Dressing | |
| Italian Sausage | 15 |
| Italian Sausage, Roasted Red Peppers, Onions, Provolone & Mozzarella | |
| Italian Cold Cut | 15 |
| Soppressata, Mortadella, Genoa Salami, Mozzarella, & Provolone | |
| Meatball Parmigiana | 15 |
| Steak and Cheese | 16 |
| Ribeye Steak, Mozzarella, American Cheese | |
| Steak Bomb | 16 |
| Ribeye Steak, Genoa Salami, Roasted Red Peppers & Onions, Mushrooms, Mozzarella & American Cheese | |
| Veggie Calzone | 15 |
| Fresh Spinach, Broccoli, Mushrooms, Roasted Red Peppers & Onions | |

Salads

| | |
|-------------|----|
| Garden | 8 |
| Greek | 10 |
| Caesar | 9 |
| Goat Cheese | 10 |
| Chef | 10 |

Served With Pita Bread & Choice Of Dressing :

Caesar, Blue Cheese, Ranch, Greek, Golden Italian, Light Italian, Balsamic Vinaigrette, Honey Mustard, Oil & Vinegar

Additional Toppings :

Chicken Kebob \$5 - Steak Tips \$8 Grilled Shrimp \$6
White Tuna \$3 - Feta Cheese \$2 - Goat Cheese \$3

LICENSE TRANSACTION



New Common Victualler §12 Restaurant, All Alcoholic Beverages

Here Come Two Greeks, LLC

d/b/a Sierra's Brick Oven Pizza & Pub

370 King Street

Franklin, MA 02038

Here Come Two Greeks, LLC d/b/a Sierra's Brick Oven Pizza & Pub, is seeking approval for a New §12 Restaurant, All Alcoholic Beverages license and to approve the manager, Katrina S. Psikarakis.

All departments have signed off on this application.

MOTION to approve the request by Here Come Two Greeks, LLC d/b/a Sierra's Brick Oven Pizza & Pub, for a New Section 12 Restaurant All Alcoholic Beverages License and to approve Katrina S. Psikarakis as the manager.

DATED: _____, 2023

VOTED:

UNANIMOUS: _____

A True Record Attest:

YES: _____ **NO:** _____

ABSTAIN: _____

ABSENT: _____

RECUSED: _____

Nancy Danello, CMC
Town Clerk

Glenn Jones, Clerk
Franklin Town Council

LICENSE TRANSACTION



Change of Manager

RARE Hospitality International, Inc.

d/b/a Longhorn Steakhouse
250 Franklin Village Drive
Franklin, MA 02038

RARE Hospitality International, Inc. d/b/a Longhorn Steakhouse, is seeking approval for a Change of Manager on their §12 Restaurant, All Alcoholic Beverages License. The new manager will be Michael Barbosa.

All Departments have signed off on this application.

MOTION to approve the request by RARE Hospitality International, Inc. d/b/a Longhorn Steakhouse, for a Change of Manager to Michael Barbosa.

DATED: _____, 2023

VOTED:

UNANIMOUS: _____

A True Record Attest:

YES: _____ **NO:** _____

ABSTAIN: _____

ABSENT: _____

RECUSED: _____

Nancy Danello, CMC
Town Clerk

Glenn Jones, Clerk
Franklin Town Council



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3, Chelsea, MA 02150-2358
www.mass.gov/abcc

**RETAIL ALCOHOLIC BEVERAGES LICENSE APPLICATION
MONETARY TRANSMITTAL FORM**

AMENDMENT-Change of Manager

APPLICATION SHOULD BE COMPLETED ON-LINE, PRINTED, SIGNED, AND SUBMITTED TO THE LOCAL
LICENSING AUTHORITY.

ECRT CODE: RETA

Please make \$200.00 payment here: **ABCC PAYMENT WEBSITE**

PAYMENT MUST DENOTE THE NAME OF THE LICENSEE CORPORATION, LLC, PARTNERSHIP, OR INDIVIDUAL AND INCLUDE THE
PAYMENT RECEIPT

ABCC LICENSE NUMBER (IF AN EXISTING LICENSEE, CAN BE OBTAINED FROM THE CITY)

00056-RS-0430

ENTITY/ LICENSEE NAME **RARE Hospitality Int'l Inc.**

ADDRESS **250 Franklin Village Drive**

CITY/TOWN **Franklin**

STATE **MA**

ZIP CODE **02038**

For the following transactions (Check all that apply):

- | | | | |
|--|---|---|---|
| <input type="checkbox"/> New License | <input type="checkbox"/> Change of Location | <input type="checkbox"/> Change of Class (i.e. Annual / Seasonal) | <input type="checkbox"/> Change Corporate Structure (i.e. Corp / LLC) |
| <input type="checkbox"/> Transfer of License | <input type="checkbox"/> Alteration of Licensed Premises | <input type="checkbox"/> Change of License Type (i.e. club / restaurant) | <input type="checkbox"/> Pledge of Collateral (i.e. License/Stock) |
| <input checked="" type="checkbox"/> Change of Manager | <input type="checkbox"/> Change Corporate Name | <input type="checkbox"/> Change of Category (i.e. All Alcohol/Wine, Malt) | <input type="checkbox"/> Management/Operating Agreement |
| <input type="checkbox"/> Change of Officers/ Directors/LLC Managers | <input type="checkbox"/> Change of Ownership Interest (LLC Members/ LLP Partners, Trustees) | <input type="checkbox"/> Issuance/Transfer of Stock/New Stockholder | <input type="checkbox"/> Change of Hours |
| | <input type="checkbox"/> Other | | <input type="checkbox"/> Change of DBA |

THE LOCAL LICENSING AUTHORITY MUST SUBMIT THIS
APPLICATION ONCE APPROVED VIA THE ePLACE PORTAL

Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3
Chelsea, MA 02150-2358



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3, Chelsea, MA 02150-2358
www.mass.gov/abcc

AMENDMENT-Change of Manager

☒ **Change of License Manager**

1. BUSINESS ENTITY INFORMATION

| | | |
|---|--------------|---------------------|
| Entity Name | Municipality | ABCC License Number |
| RARE Hospitality Int'l Inc. dba LongHorn Steakhou | Franklin | 00056-RS-0430 |

2. APPLICATION CONTACT

The application contact is the person who should be contacted with any questions regarding this application.

| | | | |
|--------------|-------|-------|-------|
| Name | Title | Email | Phone |
| Rita Hayward | Agent | | |

3A. MANAGER INFORMATION

The individual that has been appointed to manage and control of the licensed business and premises.

| | | | | | |
|---|-----------------|---------------|-------------------------------|-----|--|
| Proposed Manager Name | Michael Barbosa | Date of Birth | | SSN | |
| Residential Address | | | | | |
| Email | | Phone | | | |
| Please indicate how many hours per week you intend to be on the licensed premises | | 40+ | Last-Approved License Manager | | |
| | | | Christopher Roberto | | |

3B. CITIZENSHIP/BACKGROUND INFORMATION

Are you a U.S. Citizen?*

☒ Yes ☐ No *Manager must be U.S. citizen

If yes, attach one of the following as proof of citizenship: US Passport, Voter's Certificate, Birth Certificate or Naturalization Papers.

Have you ever been convicted of a state, federal, or military crime?

☐ Yes ☒ No

If yes, fill out the table below and attach an affidavit providing the details of any and all convictions. Attach additional pages, if necessary, utilizing the format below.

| Date | Municipality | Charge | Disposition |
|------|--------------|--------|-------------|
| | | | |
| | | | |

3C. EMPLOYMENT INFORMATION

Please provide your employment history. Attach additional pages, if necessary, utilizing the format below.

| Start Date | End Date | Position | Employer | Supervisor Name |
|------------|----------|----------|---------------------|-----------------|
| 8/2012 | present | Manager | Longhorn Steakhouse | Lynn Traupmann |
| | | | | |

3D. PRIOR DISCIPLINARY ACTION

Have you held a beneficial or financial interest in, or been the manager of, a license to sell alcoholic beverages that was subject to disciplinary action? ☐ Yes ☒ No If yes, please fill out the table. Attach additional pages, If necessary,utilizing the format below.

| Date of Action | Name of License | State | City | Reason for suspension, revocation or cancellation |
|----------------|-----------------|-------|------|---|
| | | | | |
| | | | | |

I hereby swear under the pains and penalties of perjury that the information I have provided in this application is true and accurate:

Manager's Signature

Michael Barbosa, M.P.

Date

2/9/2023

APPLICANT'S STATEMENT

I, Colleen H Lyons the: ☐ sole proprietor; ☐ partner; ☒ corporate principal; ☐ LLC/LLP manager
Authorized Signatory

of RARE Hospitality Int'l Inc. dba LongHorn Steakhouse #5140
Name of the Entity/Corporation

hereby submit this application (hereinafter the "Application"), to the local licensing authority (the "LLA") and the Alcoholic Beverages Control Commission (the "ABCC" and together with the LLA collectively the "Licensing Authorities") for approval.

I do hereby declare under the pains and penalties of perjury that I have personal knowledge of the information submitted in the Application, and as such affirm that all statements and representations therein are true to the best of my knowledge and belief. I further submit the following to be true and accurate:

- (1) I understand that each representation in this Application is material to the Licensing Authorities' decision on the Application and that the Licensing Authorities will rely on each and every answer in the Application and accompanying documents in reaching its decision;
- (2) I state that the location and description of the proposed licensed premises are in compliance with state and local laws and regulations;
- (3) I understand that while the Application is pending, I must notify the Licensing Authorities of any change in the information submitted therein. I understand that failure to give such notice to the Licensing Authorities may result in disapproval of the Application;
- (4) I understand that upon approval of the Application, I must notify the Licensing Authorities of any change in the ownership as approved by the Licensing Authorities. I understand that failure to give such notice to the Licensing Authorities may result in sanctions including revocation of any license for which this Application is submitted;
- (5) I understand that the licensee will be bound by the statements and representations made in the Application, including but not limited to the identity of persons with an ownership or financial interest in the license;
- (6) I understand that all statements and representations made become conditions of the license;
- (7) I understand that any physical alterations to or changes to the size of the area used for the sale, delivery, storage, or consumption of alcoholic beverages, must be reported to the Licensing Authorities and may require the prior approval of the Licensing Authorities;
- (8) I understand that the licensee's failure to operate the licensed premises in accordance with the statements and representations made in the Application may result in sanctions, including the revocation of any license for which the Application was submitted; and
- (9) I understand that any false statement or misrepresentation will constitute cause for disapproval of the Application or sanctions including revocation of any license for which this Application is submitted.
- (10) I confirm that the applicant corporation and each individual listed in the ownership section of the application is in good standing with the Massachusetts Department of Revenue and has complied with all laws of the Commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting of child support.

Signature:  Colleen H Lyons

Date: 1/5/2023

Title: Assistant Secretary

ENTITY VOTE

The Board of Directors or LLC Managers of

RARE Hospitality Int'l Inc.

Entity Name

duly voted to apply to the Licensing Authority of

Franklin

City/Town

and the

Commonwealth of Massachusetts Alcoholic Beverages Control Commission on

1/5/2023

Date of Meeting

For the following transactions (Check all that apply):

☒ Change of Manager

☐ Other

"VOTED: To authorize

Colleen H Lyons

Name of Person

to sign the application submitted and to execute on the Entity's behalf, any necessary papers and do all things required to have the application granted."

"VOTED: To appoint

Michael Barbosa

Name of Liquor License Manager

as its manager of record, and hereby grant him or her with full authority and control of the premises described in the license and authority and control of the conduct of all business therein as the licensee itself could in any way have and exercise if it were a natural person residing in the Commonwealth of Massachusetts."

A true copy attest,

Corporate Officer / LLC Manager Signature

Colleen H Lyons, Assistant Secretary

(Print Name)

For Corporations ONLY

A true copy attest,

Corporation Clerk's Signature

Rita Hayward, Agent

(Print Name)



JEAN M. LORIZIO, ESQ.
CHAIRMAN

Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3
Chelsea, MA 02150

CORI REQUEST FORM

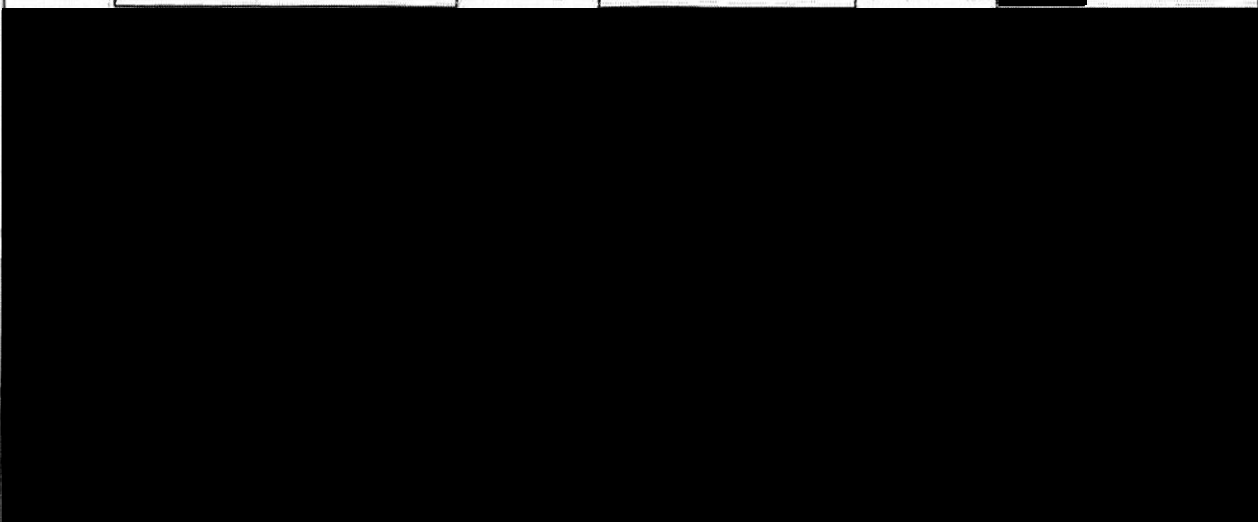
The Alcoholic Beverages Control Commission ("ABCC") has been certified by the Criminal History Systems Board to access conviction and pending Criminal Offender Record Information ("CORI"). For the purpose of approving each shareholder, owner, licensee or applicant for an alcoholic beverages license, I understand that a criminal record check will be conducted on me, pursuant to the above. The information below is correct to the best of my knowledge.

ABCC LICENSE INFORMATION

| | | | | | |
|--|--------|----------------|---|------------|----------|
| ABCC NUMBER: <small>(IF EXISTING LICENSE)</small> | 22-547 | LICENSEE NAME: | RARE Hospitality Int'l Inc. DBA Longhorn Steakhouse | CITY/TOWN: | Franklin |
|--|--------|----------------|---|------------|----------|

APPLICANT INFORMATION

| | | | | | |
|------------|---------|-------------|---------|--------------|--|
| LAST NAME: | Barbosa | FIRST NAME: | Michael | MIDDLE NAME: | |
|------------|---------|-------------|---------|--------------|--|

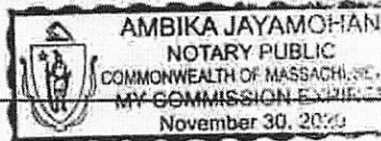


PRINT AND SIGN

| | | | |
|---------------|-----------------------|-------------------------------|--|
| PRINTED NAME: | Michael Moniz Barbosa | APPLICANT/EMPLOYEE SIGNATURE: | |
|---------------|-----------------------|-------------------------------|--|

NOTARY INFORMATION

On this 05/09/2023 before me, the undersigned notary public, personally appeared Michael M Barbosa
(name of document signer), proved to me through satisfactory evidence of identification, which were Driving License
to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he) (she) signed voluntarily for its stated purpose.



NOTARY 05/09/23

DIVISION USE ONLY

| | |
|---|--|
| RECEIVED BY: | |
| <small>THE DCI Member Theft Index PIN Number is to be completed by those applicants that have been issued an Identity Theft PIN Number by the DCI. Certified agencies are required to provide all applicants the opportunity to include this information to ensure the accuracy of the CORI request process. ALL CORI request forms that include this field are required to be submitted to the DCI via mail or by fax to (617) 680-8844.</small> | |

MICHAEL BARBOSA

MANAGEMENT/SALES

Accomplished and dynamic professional, consistently recognized for effective operations and client relationship management and ability to develop sales and marketing strategies, delivering profitable solutions to attract and maintain accounts and customers, and propel company growth. A highly dedicated individual and a proven leader with documented success in progressively dynamic and challenging positions, with working knowledge of the principles and techniques of effective supervision and training. Self-motivated and efficient with a valuable track record in business development and account management strategies, with proven ability to work effectively in busy environments with positive results. Proactive with excellent interpersonal and communication skills, experienced in working with different personalities including clients and vendors as well as working on own initiative.

Core Competencies

Account Management ■ Organizational Leadership ■ Sales & Marketing ■ Business Development ■
Strategic Planning ■ Quality Control ■ Staff Development & Training ■ HR & Administrative Functions ■
Negotiation & Representation Skills ■ Project Management ■ Finance ■ Customer Service

PROFESSIONAL EXPERIENCE

| | |
|--|--------------------------|
| Darden Restaurant Company Lonhorn Steakhouse Managing Partner | 12/2022 - Present |
|--|--------------------------|

Handled planning, organization and coordination of staff and resources, to ensure efficient and preparedness of restaurant operations to generate and increase profit. Handled and directed hiring, training and scheduling of staff for Front of house, Bar and Kitchen area. Managed daily cash handling, invoice management and payroll tip reporting.

| | |
|---|--------------------------|
| Darden Restaurant Company Lonhorn Steakhouse Manager | 08/2012 - 02/2022 |
|---|--------------------------|

Handled planning, organization and coordination of staff and resources, to ensure efficient and preparedness of restaurant operations to generate and increase profit. Handled and directed hiring, training and scheduling of staff for Front of house, Bar and Kitchen area. Managed daily cash handling, invoice management and payroll tip reporting.

| | |
|--|--------------------------|
| Advantage Building Solutions (ABS) Attleboro MA <u>Account Manager / Consultant / Estimator</u> | 06/2011 – Present |
|--|--------------------------|

Served as primary contact for clients. Provided excellent customer service to accounts as well as represent clients needs and goals within the organization to ensure quality. Established relationship with clients to encourage new and repeat business opportunities. Ensured that all processes and procedures are completed and quality standards are met. Handled client issues and ensured timely resolutions are provided. Streamlined accounts payable, receivable, and payroll and provided a detailed general ledger. Conducted cross training to owner/operator and employees in Quick Books Pro application implementation and setup. Provided cost estimates for projects by analyzing proposals, identifying labor, material and time requirements. Handled client inquiries and provided resolution to any discrepancies.

Key Highlights:

- Expanded construction craft to include a skilled labor force in Steel Stud Framing, Dry Wall and Acoustic Ceilings.

- Successfully implemented new business venture plans for a successful Plastering Company to expand marketability to include multi-facets of construction and consolidate large project estimating.

Friendly's Restaurant Corporation Springfield MA

11/2004 – 03/2011

District Manager

Managed and oversaw staff, processes and operations for restaurant chains within Central Massachusetts. Ensured compliance with local, state and federal regulations including health and safety rules. Provided strategic oversight for multiple sites ranging from a minimum of six to a maximum of 14 locations. Implemented start-up plans aligned with corporate marketing vision and executed facility conversions plans to revitalize sales of business. Managed and defined human resources functions focusing on management and staff development, ensuring adherence and establishing service standards, practices and procedures for all business operations.

Key Highlight:

- Annual Gross Sales accountability range between 4.6 million to 12.2 million

Huffy Service First Inc., Miamisburg OH

2001 - 11/2004

New England Area Manager

Managed and handled operations including hiring, firing, training and providing assistance and directions to employees. Oversaw and manage human resource functions on selecting productive and highly skilled workforce for 60 service technicians and 20 merchandising representatives. Created and implemented time-management and cost control measures to increase profitability in the area.

Key Highlight:

- Successfully coordinated product assembly and merchandising needs for National Retail Chains such as Home Depot, Lowes, Target, Ames, KB Toys, Wal-Mart and Kmart.

Hops Restaurant and Brewery Inc., Clearwater, Florida

1998 - 2001

Managing Partner Newington, Connecticut

1998 - 2000

Training Manager for new Unit Openings in Connecticut and Rhode Island

2000 - 2001

Managing Partner Newington, Connecticut

Implemented an efficient, high energy and professional approach in store operations and management to balance service with cost to ensure profitability. Handled profit and loss, and managed net sales of 3.5 million.

CLF Inc., DBA Café La France, Village Bean, Cactus Grill, La Grande Café 1995 - 1998

Area Manager Providence, Rhode Island and Metro Boston Market

Managed and handled full service concept development in Providence, RI and Metro MA Market. Prepared annual operations budget accordingly to meet or exceed company goals and guidelines. Assisted in the development of the Cactus Grill Concept in Providence, RI and expanded the concepts into Framingham, MA, Hopkinton, MA and Smithfield, RI. Participated in the purchase and revamp of the Le Grand Café location to maximize service and profitability.

Key Highlight:

- Promoted from General Manager of the Le Grand Café at the Chestnut Hill Mall Location in Boston to Area Manager of full service concept development in Providence, RI and Metro MA Market

New England Restaurant Companies, Randolph, Massachusetts

1993 - 1995

Manager Bertucci's Marlborough, Massachusetts

1994 - 1995

Manager Chili's Bar and Grill East Providence, Rhode Island

1993 - 1994

Manager Chili's Bar and Grill Brockton, Massachusetts

1993 - 1994

Handled planning, organization and coordination of staff and resources, to ensure efficient and preparedness of restaurant operations to generate and increase profit. Handled and directed hiring, training and scheduling of staff for Front of house, Bar and Kitchen area. Managed daily cash handling, invoice management and payroll tip

reporting.

OTHER EXPERIENCES

Old Country Buffet Inc. Dartmouth, MA
Manager

1991 - 1993

Ponderosa SteakHouse MultiMedia Steak House Inc., Dallas, Texas
Cook, Supervisor, Manager, General Manager

1984 - 1991

EDUCATION AND CREDENTIALS

Bristol Community College - Attleboro, MA

CERTIFICATIONS

Barcode Certification 2001

Training Achievement Program (TAP Series) Proctor 9/2010-9/2012

Food Safety Manager Certification Training "ServSafe" TAP

COMPUTER SKILLS

Excel 2010, Word 2010, Power Point 2008, Outlook 2010, QuickBooks Pro 2010

7/29/2020



Town of Franklin, MA
Department of the Town Clerk
355 East Central Street, Franklin, MA 02038

Date Issued: July 29, 2020
Record #: 101247
Certificate #: 20-101

BUSINESS VERIFICATION CERTIFICATE

In conformity with the provisions of Chapter 110, Section 5 of the General Laws, as amended, the undersigned hereby declare(s) that a business under the title of:

Longhorn Steakhouse # 5140

is conducted at:

250 FRANKLIN VILLAGE DR

by the following person:

FULL NAME

RARE Hospitality Int'l Inc

RESIDENCE

P.O Box 695016, Orlando , Fla 32869-5016

A certificate issued in accordance with this section shall be in force and effect for four years from the date of issue and shall be renewed each four years thereafter so long as such business shall be conducted and shall lapse and be void unless so renewed.

Expiration Date: July 29, 2024

Signature on file

Business Owner Signature #1

Business Owner Signature #2

A True Attest Copy

Teresa M. Burr
Teresa M. Burr
Town Clerk

To learn more, scan this barcode or visit
franklinma.viewpointcloud.com/#!/records/112668





The Commonwealth of Massachusetts
Department of Industrial Accidents
Office of Investigations
600 Washington Street
Boston, MA 02111
www.mass.gov/dia

Workers' Compensation Insurance Affidavit: General Businesses

Applicant Information

Please Print Legibly

Business/Organization Name: Rare Hospitality International, Inc. d/b/a LongHorn Steakhouse #5140

Address: 250 FRANKLIN VILLAGE DR

City/State/Zip: FRANKLIN, MA 02038-4005

Phone #: (508) 528-2670

Are you an employer? Check the appropriate box:

1. ☒ I am a employer with 69 employees (full and/ or part-time).*
2. ☐ I am a sole proprietor or partnership and have no employees working for me in any capacity. [No workers' comp. insurance required]
3. ☐ We are a corporation and its officers have exercised their right of exemption per c. 152, §1(4), and we have no employees. [No workers' comp. insurance required]**
4. ☐ We are a non-profit organization, staffed by volunteers, with no employees. [No workers' comp. insurance req.]

Business Type (required):

5. ☐ Retail
6. ☒ Restaurant/Bar/Eating Establishment
7. ☐ Office and/or Sales (incl. real estate, auto, etc.)
8. ☐ Non-profit
9. ☐ Entertainment
10. ☐ Manufacturing
11. ☐ Health Care
12. ☐ Other _____

*Any applicant that checks box #1 must also fill out the section below showing their workers' compensation policy information.

**If the corporate officers have exempted themselves, but the corporation has other employees, a workers' compensation policy is required and such an organization should check box #1.

I am an employer that is providing workers' compensation insurance for my employees. Below is the policy information.

Insurance Company Name: ACE American Insurance Company

Insurer's Address: 436 Walnut Street, PO Box 1000

City/State/Zip: Philadelphia, PA 19106-3703

Policy # or Self-ins. Lic. _____ Expiration Date: 06/01/2023

Attach a copy of the workers' compensation policy declaration page (showing the policy number and expiration date).

Failure to secure coverage as required under Section 25A of MGL c. 152 can lead to the imposition of criminal penalties of a fine up to \$1,500.00 and/or one-year imprisonment, as well as civil penalties in the form of a STOP WORK ORDER and a fine of up to \$250.00 a day against the violator. Be advised that a copy of this statement may be forwarded to the Office of Investigations of the DIA for insurance coverage verification.

I do hereby certify, under the pains and penalties of perjury that the information provided above is true and correct.
Rare Hospitality International, Inc.

Signature By: Rita Hayward

Rita Hayward, Agent

Date: 10/06/2022

Phone #: 407-248-918 X 6787

Official use only. Do not write in this area, to be completed by city or town official.

City or Town: _____ Permit/License # _____

Issuing Authority (circle one):

1. Board of Health 2. Building Department 3. City/Town Clerk 4. Licensing Board 5. Selectmen's Office
6. Other _____

Contact Person: _____ Phone #: _____



CERTIFICATE OF COMPLIANCE WITH STATE LAWS

Pursuant to M.G.L. Chapter 62C, Sec 49A, and M.G.L. Ch. 151A, Section 19A, the undersigned acting on behalf of the License Holder, certifies under the penalty of perjury that, to the best of the undersign's knowledge and belief, the License Holder is in compliance with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support*.

 **Colleen H. Lyons, Asst. Secretary**

** Signature of Individual or Corporate License Holder (Mandatory)



*** License Holder's Social Security Number/or Federal Identification Number

By: _____
Corporate Officer
(Mandatory, if applicable)

Date: 3/27/23

*The provision in the Attestation of relating to child support applies only when the License Holder is an individual.

**Approval of or a renewal of a license will not be granted unless this certification clause is signed by the applicant. For all corporations, a certified copy of the vote of the Board of Directors must be provided.

*** Your social security number will be furnished to the Massachusetts Department of Revenue to determine whether you have met tax filing or tax payment obligations. Providers who fail to correct their non-filing or delinquency will not have a license or other agreement issued, renewed or extended. This request is made under the authority of Massachusetts General Laws, Chapter 62C, section 49A.

Payment Confirmation

YOUR PAYMENT HAS PROCESSED AND THIS IS YOUR RECEIPT

Your account has been billed for the following transaction. You will receive a receipt via email.



Transaction Processed Successfully.

INVOICE #: a7efca6e-2144-4365-a259-be845d3f5dc0

| Description | Applicant, License or Registration Number | Amount |
|--------------------|---|-----------------|
| FILING FEES-RETAIL | 00056-RS-0430 Longhorn Steakhouse #5140 | \$200.00 |
| | | \$200.00 |

Total Convenience Fee: \$0.35

Date Paid: 4/25/2023 3:11:16 PM EDT

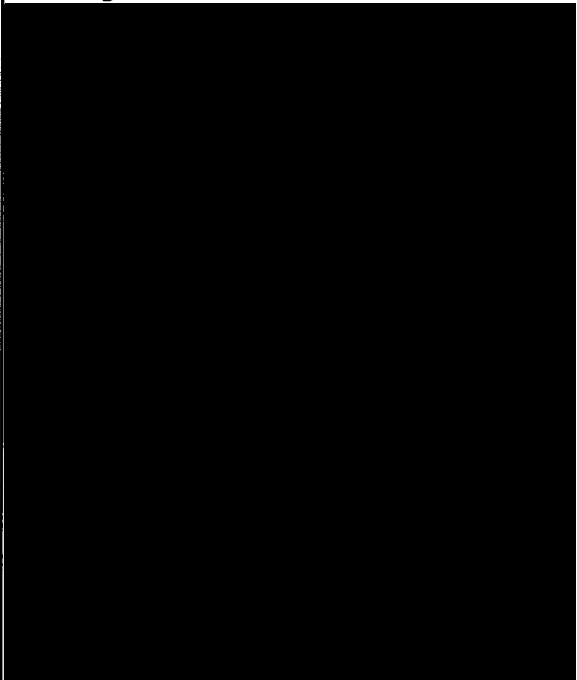
Total Amount Paid: \$200.35

Payment On Behalf Of

License Number or Business Name:
00056-RS-0430 Longhorn Steakhouse #5140

Fee Type:
FILING FEES-RETAIL

Billing Information



LICENSE TRANSACTION



Change of Officers/Directors/LLC Managers

99 Restaurants of Boston, LLC

d/b/a 99 Restaurant

847 West Central Street

Franklin, MA 02038

99 Restaurants of Boston, LLC d/b/a 99 Restaurant is seeking approval for a change of Officers/Directors/LLC Managers on their §12 Restaurant, All Alcoholic Beverages License. Wendy Harkness is being removed as LLC Manager and Secretary, Charles Noyes is being removed as LLC Manager and President and Kurt Schnaubelt is being removed as LLC Manager and CFO. The new LLC Managers will be Clint Lautenschleger, Marjorie Nemzura, Phillip Purcell, Mark Spurgin and Kara Jacobs.

The ABCC has granted preliminary approval.

MOTION to approve the request by 99 Restaurants of Boston, LLC d/b/a 99 Restaurant for a change of Officers/Directors/LLC Managers as described above.

DATED: _____, 2023

VOTED:

UNANIMOUS: _____

A True Record Attest:

YES: _____ **NO:** _____

ABSTAIN: _____

ABSENT: _____

RECUSED: _____

Nancy Danello, CMC
Town Clerk

Glenn Jones, Clerk
Franklin Town Council

Upton Connell & Devlin, LLP

Contact for Joseph H. Devlin, Esq.

171 High Street

Newburyport, MA 01950

617-514-2837

617-514-2825

Main Office:

112 Water Street, Suite 201

Boston, Massachusetts 02109

617-227-3277 (Tel)

617-227-3222 (Fax)

Town of Franklin

355 East Central Street (Third Floor), Route 140

Franklin, MA 02038

Re: Change of Officer for the 99 Restaurant & Pub – Two Entities: 99 Restaurants of Boston, LLC (39 locations) and 99 West, LLC (22 locations)

Dear License Administrator:

I am writing on behalf of the 99 Restaurants of Boston, LLC or 99 West, LLC, d/b/a The Ninety-Nine Restaurant (collectively the "Licensee"), one or both of which are licensed entities in your community owned by the same corporate structure.

Per the letter you received from the Massachusetts Alcoholic Beverage Control Commission (the "ABCC"), a copy of which is also enclosed, the "Licensee" has been granted preliminary approval for a Change of Officer relative to all 61 of their Massachusetts locations using the "inverted approval process".

The Officer Change involves the appointment of Clinton Lautenschlegar, Marjorie Nemzura, Phillip Purcell, Mark Spurgin, and Kara Jacobs as LLC Managers, and the removal of Wendy Harkness as LLC Manager and Secretary, removal of Charles Noyes as LLC Manager and President, and removal of Kurt Schnaubelt as LLC Manager and CFO.

Due to the size of the transactions, the ABCC has reviewed and investigated the applications and found that the transaction is in compliance with M.G.L. Chapter 138. In addition to the LLA Form, please send the Application package and all other relative forms and documents back to the ABCC. **If you have any questions, you can call Investigator Brad Doyle at 617-727-3065, ext. 713.**

Enclosed please find the following documents relative to the transaction for your records:

1. Letter from Ralph Sacramone, Executive Director of the Alcohol Beverage Control Commission (the "ABCC").
2. DOR and DUA Certificates.
3. Monetary Transmittal Form.

4. Retail alcoholic beverages application – change of officers.
5. CORI Request Forms for the new officers.
6. Proof of US Citizenship for the new officers.
7. Exhibits.
8. Certificate of Authorization.
9. Certificate of Organization.

Also enclosed, please find a check made payable to Franklin in the amount of \$500.00.

We would appreciate you putting this on your next available meeting schedule. We will call shortly hereafter to follow up to confirm you've received our application and see if you need us to attend the meeting, though we are anticipating from past experiences that many communities will not require it.

We look forward to speaking and working with you again. If you should have any questions with regard to this Application, please feel free to call my associate, Tyler Henseler, at 401-206-9909, or email him at thenseler@ucdlaw.com.

Very truly yours,

Joseph H. Devlin



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE

99 RESTAURANTS OF BOSTON LLC

144 LOWELL ST RT 129

WILMINGTON MA 01887

Why did I receive this notice?

The Commissioner of Revenue certifies that, as of the date of this certificate, 99 RESTAURANTS OF BOSTON LLC is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

This certificate doesn't certify that the taxpayer is compliant in taxes such as unemployment insurance administered by agencies other than the Department of Revenue, or taxes under any other provisions of law.

This is not a waiver of lien issued under Chapter 62C, section 52 of the Massachusetts General Laws.

What if I have questions?

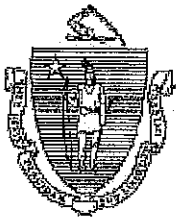
If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 9:00 a.m. to 4:00 p.m..

Visit us online!

Visit mass.gov/dor to learn more about Massachusetts tax laws and DOR policies and procedures, including your Taxpayer Bill of Rights, and MassTaxConnect for easy access to your account:

- Review or update your account
- Contact us using e-message
- Sign up for e-billing to save paper
- Make payments or set up autopay

Edward W. Coyle, Jr., Chief
Collections Bureau



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

Charles D. Baker
GOVERNOR

Karyn E. Polito
LT. GOVERNOR



402331354

Rosalin Acosta
SECRETARY

Connie C. Carter
DIRECTOR

Restaurant Growth Services LLC
3038 SIDCO DRIVE
NASHVILLE, TN 37204

EAN: 21983661
August 30, 2022

Certificate Id:62278

The Department of Unemployment Assistance certifies that as of 8/30/2022 ,Restaurant Growth Services LLC is current in all its obligations relating to contributions, payments in lieu of contributions, and the employer medical assistance contribution established in G.L.c.149,§189.

This certificate expires in 30 days from the date of issuance.

Connie C. Carter, Director

Department of Unemployment Assistance



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
239 Causeway Street Boston, MA 02114
www.mass.gov/abcc

**RETAIL ALCOHOLIC BEVERAGES LICENSE APPLICATION
MONETARY TRANSMITTAL FORM**

APPLICATION FOR AMENDMENT-Change of Officers, Stock or Ownership Interest

APPLICATION SHOULD BE COMPLETED ON-LINE, PRINTED, SIGNED, AND SUBMITTED TO THE LOCAL
LICENSING AUTHORITY.

ECRT CODE: RETA

Please make \$200.00 payment here: <https://www.paybill.com/mass/abcc/retail/>
PAYMENT MUST DENOTE THE NAME OF THE LICENSEE CORPORATION, LLC, PARTNERSHIP, OR INDIVIDUAL

EPAY CONFIRMATION NUMBER

A.B.C.C. LICENSE NUMBER (IF AN EXISTING LICENSEE, CAN BE OBTAINED FROM THE CITY)

00063-RS-0430

ENTITY/ LICENSEE NAME 99 Restaurants of Boston, LLC

ADDRESS 847 West Central St.

CITY/TOWN Franklin

STATE MA

ZIP CODE 02038

For the following transactions (Check all that apply):

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> New License | <input type="checkbox"/> Change of Location | <input type="checkbox"/> Change of Class (i.e. Annual / Seasonal) | <input type="checkbox"/> Change Corporate Structure (i.e. Corp / LLC) |
| <input type="checkbox"/> Transfer of License | <input type="checkbox"/> Alteration of Licensed Premises | <input type="checkbox"/> Change of License Type (i.e. club / restaurant) | <input type="checkbox"/> Pledge of Collateral (i.e. License/Stock) |
| <input type="checkbox"/> Change of Manager | <input type="checkbox"/> Change Corporate Name | <input type="checkbox"/> Change of Category (i.e. All Alcohol/Wine, Malt) | <input type="checkbox"/> Management/Operating Agreement |
| <input checked="" type="checkbox"/> Change of Officers/ Directors/LLC Managers | <input type="checkbox"/> Change of Ownership Interest (LLC Members/ LLP Partners, Trustees) | <input type="checkbox"/> Issuance/Transfer of Stock/New Stockholder | <input type="checkbox"/> Change of Hours |
| | <input type="checkbox"/> Other <input type="text"/> | | <input type="checkbox"/> Change of DBA |

THE LOCAL LICENSING AUTHORITY MUST MAIL THIS
TRANSMITTAL FORM ALONG WITH
COMPLETED APPLICATION, AND SUPPORTING DOCUMENTS TO:

ALCOHOLIC BEVERAGES CONTROL COMMISSION
239 CAUSEWAY STREET
BOSTON, MA 02241-3396



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
239 Causeway Street, Boston, MA 02114
www.mass.gov/abcc

APPLICATION FOR AMENDMENT-Change of Officers, Stock or Ownership Interest

☒ **Change of Officers/ Directors/LLC Managers** ☐ **Change of Stock Interest**

- DOR Certificate of Good Standing
- DUA Certificate of Compliance
- Change of Officer/Directors Application
- CORI Authorization
- Vote of the Entity
- Business Structure Documents
 - If Sole Proprietor, **Business Certificate**
 - If partnership, **Partnership Agreement**
 - If corporation or LLC, **Articles of Organization** from the Secretary of the Commonwealth

(e.g. New Stockholders or Transfer or Issuance of Stock)

- DOR Certificate of Good Standing
- DUA Certificate of Compliance
- Change of Stock Application
- CORI Authorization
- Financial Statement
- Vote of the Entity
- Purchase & Sale Agreement
- Supporting Financial Records
- Advertisement (New Stockholder Only)*
- Business Structure Documents
 - If Sole Proprietor, **Business Certificate**
 - If partnership, **Partnership Agreement**
 - If corporation or LLC, **Articles of Organization** from the Secretary of the Commonwealth

☐ **Change of Ownership Interest**

(e.g. LLC Members, LLP Partners, Trustees etc.)

- DOR Certificate of Good Standing
- DUA Certificate of Compliance
- Change of Stock Application
- CORI Authorization
- Financial Statement
- Vote of the Entity
- Purchase & Sale Agreement
- Supporting Financial Records
- Advertisement (New Stockholder Only)*
- Business Structure Documents
 - If Sole Proprietor, **Business Certificate**
 - If partnership, **Partnership Agreement**
 - If corporation or LLC, **Articles of Organization** from the Secretary of the Commonwealth

☐ **Non-Profit Club Change of Officers/ Directors**

- DOR Certificate of Good Standing
- DUA Certificate of Compliance
- Change of Officer/Directors Application
- Vote of the club signed by an approved officer
- Business Structure Documents -**Articles of Organization** from the Secretary of the Commonwealth

☐ **Management Agreement**

- DOR Certificate of Good Standing
- DUA Certificate of Compliance
- Management Agreement
- Vote of Entity

**If abutter notification and advertisement is required for transaction, please see the local licensing authority.*

1. BUSINESS ENTITY INFORMATION

Entity Name

Municipality

ABCC License Number

99 Restaurants of Boston, LLC

Franklin

00063-RS-0430

Please provide a narrative overview of the transaction(s) being applied for. Attach additional pages, if necessary.

Wendy Harkness, Charles Noyes and Kurt Schnaubelt have left the company and are being removed as LLC Managers. Clint Lautenschlegar, Marjorie Nemzura, Phillip Purcell, Mark Spurgin, and Kara Jacobs are being added as new LLC Managers.

APPLICATION CONTACT

The application contact is the person who should be contacted with any questions regarding this application.

Name

Title

Email

Phone

Joseph H. Devlin

Attorney

APPLICATION FOR AMENDMENT-Change of Officers, Stock or Ownership Interest

2. PROPOSED OFFICERS, STOCK OR OWNERSHIP INTEREST

List all individuals or entities that will have a direct or indirect, beneficial or financial interest in this license (E.g. Stockholders, Officers, Directors, LLC Managers, LLP Partners, Trustees etc.). Attach additional page(s) provided, if necessary, utilizing Addendum A.

- The individuals and titles listed in this section must be identical to those filed with the Massachusetts Secretary of State.
- The individuals identified in this section, as well as the proposed Manager of Record, must complete a CORI Release Form.
- Please note the following statutory requirements for Directors and LLC Managers:
On Premises (E.g. Restaurant/ Club/Hotel) Directors or LLC Managers - At least 50% must be US citizens;
Off Premises (Liquor Store) Directors or LLC Managers - All must be US citizens and a majority must be Massachusetts residents.
- If you are a Multi-Tiered Organization, please attach a flow chart identifying each corporate interest and the individual owners of each entity as well as the Articles of Organization for each corporate entity. Every individual must be identified in Addendum A.

| Name of Principal | Residential Address | SSN | DOB |
|-------------------|---------------------|-----|-----|
| W. Craig Barber | | | |

| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
|-----------------------------|-------------------------|---|---|---|
| LLC Manager, CEO, President | 0% | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input checked="" type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB |
|-------------------|---------------------|-----|-----|
| Mark Spurgin | | | |

| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
|-----------------------|-------------------------|---|---|---|
| LLC Manager | 0% | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input checked="" type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB |
|------------------------|---------------------|-----|-----|
| Clinton Lautenschlegar | | | |

| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
|-----------------------|-------------------------|---|---|---|
| LLC Manager | 0% | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input checked="" type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB |
|-------------------|---------------------|-----|-----|
| Marjorie Nemzura | | | |

| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
|------------------------|-------------------------|---|---|---|
| LLC Manager, Secretary | 0% | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input checked="" type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB |
|-------------------|---------------------|-----|-----|
| Phillip Purcell | | | |

| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
|-----------------------|-------------------------|---|---|---|
| LLC Manager | 0% | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input checked="" type="radio"/> No |

| Name of Principal | Residential Address | SSN | DOB |
|-------------------|---------------------|-----|-----|
| Kara Jacobs | | | |

| Title and or Position | Percentage of Ownership | Director/ LLC Manager | US Citizen | MA Resident |
|-----------------------|-------------------------|---|---|---|
| LLC Manager | 0% | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input checked="" type="radio"/> Yes <input type="radio"/> No | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Additional pages attached? ☒ Yes ☐ No

CRIMINAL HISTORY

Has any individual listed in question 6, and applicable attachments, ever been convicted of a State, Federal or Military Crime? If yes, attach an affidavit providing the details of any and all convictions.

☐ Yes ☒ No

MANAGEMENT AGREEMENT

Are you requesting approval to utilize a management company through a management agreement?
Please provide a copy of the management agreement.

☐ Yes ☒ No

ADDENDUM A

6. Change of Officers, Stock or Ownership Interest (Continued...)

List all proposed individuals or entities that will have a direct or indirect, beneficial or financial interest in this license (E.g. Stockholders, Officers, Directors, LLC Managers, LLP Partners, Trustees etc.).

Entity Name

99 Restaurants of Massachusetts, LLC

Percentage of Ownership in Entity being Licensed

(Write "NA" if this is the entity being licensed)

100%

Name of Principal

Craig Barber

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

Mark Spurgin

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

Marjorie Nemzura

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

Phillip Purcell

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

Clinton Lautenschleger

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

99 Restaurants, LLC

Residential Address

SSN

DOB

Title and or Position

LLC Member

Percentage of Ownership

100%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

Kara Jacobs

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

CRIMINAL HISTORY

Has any individual identified above ever been convicted of a State, Federal or Military Crime?
If yes, attach an affidavit providing the details of any and all convictions.

☐ Yes ☒ No

ADDENDUM A

6. Change of Officers, Stock or Ownership Interest (Continued...)

List all proposed individuals or entities that will have a direct or indirect, beneficial or financial interest in this license (E.g. Stockholders, Officers, Directors, LLC Managers, LLP Partners, Trustees etc.).

Entity Name

99 Restaurants, LLC

Percentage of Ownership in Entity being Licensed
(Write "NA" if this is the entity being licensed)

100%

Name of Principal

Craig Barber

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

Mark Spurgin

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

Marjorie Nemzura

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

Phillip Purcell

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

Clinton Lautenschleger

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

ABRH, LLC

Residential Address

SSN

DOB

Title and or Position

LLC Member

Percentage of Ownership

100%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

Name of Principal

Kara Jacobs

Residential Address

SSN

DOB

Title and or Position

LLC Manager

Percentage of Ownership

0%

Director

☐ Yes ☒ No

US Citizen

☒ Yes ☐ No

MA Resident

☐ Yes ☒ No

CRIMINAL HISTORY

Has any individual identified above ever been convicted of a State, Federal or Military Crime?
If yes, attach an affidavit providing the details of any and all convictions.

☐ Yes ☒ No

ADDENDUM A

6. PROPOSED OFFICERS, STOCK OR OWNERSHIP INTEREST (Continued...)

List all Individuals or entities that will have a direct or indirect, beneficial or financial interest in this license (E.g. Stockholders, Officers, Directors, LLC Managers, LLP Partners, Trustees etc.).

Entity Name

Percentage of Ownership in Entity being Licensed
(Write "NA" if this is the entity being licensed)

ABRH, LLC

0%

Name of Principal

Residential Address

SSN

DOB

Fidelity Newport Holdings

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

Member

100%

☐ Yes ☒ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

CRIMINAL HISTORY

Has any individual identified above ever been convicted of a State, Federal or Military Crime?
If yes, attach an affidavit providing the details of any and all convictions.

☐ Yes ☒ No

ADDENDUM A

6. PROPOSED OFFICERS, STOCK OR OWNERSHIP INTEREST (Continued...)

List all individuals or entities that will have a direct or indirect, beneficial or financial interest in this license (E.g. Stockholders, Officers, Directors, LLC Managers, LLP Partners, Trustees etc.).

Entity Name

Percentage of Ownership in Entity being Licensed
(Write "NA" if this is the entity being licensed)

Newport Fidelity Holdings, LLC

0%

Name of Principal

Residential Address

SSN

DOB

Cannae Holdings, Inc.

publicly traded corp

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

Member

88.6%

☐ Yes ☒ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Newport Global Opp. Fund

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

Member

9.9%

☐ Yes ☒ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Individuals & entities

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

Member

1.5%

☐ Yes ☒ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

Name of Principal

Residential Address

SSN

DOB

Title and or Position

Percentage of Ownership

Director/ LLC Manager US Citizen

MA Resident

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

CRIMINAL HISTORY

Has any individual identified above ever been convicted of a State, Federal or Military Crime?
If yes, attach an affidavit providing the details of any and all convictions.

☐ Yes ☒ No

APPLICATION FOR AMENDMENT-Change of Officers, Stock or Ownership Interest

3. CURRENT OFFICERS, STOCK OR OWNERSHIP INTEREST

List the individuals and entities of the current ownership. Attach additional pages if necessary utilizing the format below.

| Name of Principal | Title/Position | Percentage of Ownership |
|--------------------------------------|-----------------------------|-------------------------|
| Charles O. Noyes | LLC Manager, President | 0% |
| Name of Principal | Title/Position | Percentage of Ownership |
| Kurt Schnaubelt | LLC Manager, CFO | 0% |
| Name of Principal | Title/Position | Percentage of Ownership |
| Wendy Harkness | LLC Manager, CAO, Secretary | 0% |
| Name of Principal | Title/Position | Percentage of Ownership |
| W. Craig Barber | LLC Manager, CEO | 0% |
| Name of Principal | Title/Position | Percentage of Ownership |
| 99 Restaurants of Massachusetts, LLC | LLC Member | 100% |
| Name of Principal | Title/Position | Percentage of Ownership |
| | | |

4. INTEREST IN AN ALCOHOLIC BEVERAGES LICENSE

Does any individual or entity identified in question 6, and applicable attachments, have any direct or indirect, beneficial or financial interest in any other license to sell alcoholic beverages? Yes ☒ No ☐ If yes, list in table below. Attach additional pages, if necessary, utilizing the table format below.

| Name | License Type | License Name | Municipality |
|---------------|--------------|--------------|--------------|
| See Exhibit A | | | |
| | | | |
| | | | |

5. PREVIOUSLY HELD INTEREST IN AN ALCOHOLIC BEVERAGES LICENSE

Has any individual or entity identified in question 6, and applicable attachments, ever held a direct or indirect, beneficial or financial interest in a license to sell alcoholic beverages, which is not presently held? Yes ☒ No ☐ If yes, list in table below. Attach additional pages, if necessary, utilizing the table format below.

| Name | License Type | License Name | Municipality |
|---------------|--------------|--------------|--------------|
| See Exhibit B | | | |
| | | | |
| | | | |

6 DISCLOSURE OF LICENSE DISCIPLINARY ACTION

Have any of the disclosed licenses listed in question 6A or 6B ever been suspended, revoked or cancelled?

Yes ☒ No ☐ If yes, list in table below. Attach additional pages, if necessary, utilizing the table format below.

| Date of Action | Name of License | City | Reason for suspension, revocation or cancellation |
|----------------|-----------------|------|---|
| | See Exhibit C | | |
| | | | |
| | | | |

7. FINANCIAL DISCLOSURE

Associated Cost(s):

\$0.00

SOURCE OF CASH CONTRIBUTION

Please provide documentation of available funds. (E.g. Bank or other Financial institution Statements, Bank Letter, etc.)

| Name of Contributor | Amount of Contribution |
|---------------------|------------------------|
| N/A | |
| | |
| | |
| | |
| Total: | |

SOURCE OF FINANCING

Please provide signed financing documentation.

| Name of Lender | Amount | Type of Financing | Is the lender a licensee pursuant to M.G.L. Ch. 138. |
|----------------|--------|-------------------|--|
| | | | <input type="radio"/> Yes <input type="radio"/> No |
| | | | <input type="radio"/> Yes <input type="radio"/> No |
| | | | <input type="radio"/> Yes <input type="radio"/> No |
| | | | <input type="radio"/> Yes <input type="radio"/> No |

FINANCIAL INFORMATION

Provide a detailed explanation of the form(s) and source(s) of funding for the cost identified above.

N/A

APPLICANT'S STATEMENT

I, Phillip A Purcell the: ☐ sole proprietor; ☐ partner; ☐ corporate principal; ☒ LLC/LLP manager
Authorized Signatory

of 99 Restaurants of Boston, LLC
Name of the Entity/Corporation

hereby submit this application (hereinafter the "Application"), to the local licensing authority (the "LLA") and the Alcoholic Beverages Control Commission (the "ABCC" and together with the LLA collectively the "Licensing Authorities") for approval.

I do hereby declare under the pains and penalties of perjury that I have personal knowledge of the information submitted in the Application, and as such affirm that all statements and representations therein are true to the best of my knowledge and belief. I further submit the following to be true and accurate:

- (1) I understand that each representation in this Application is material to the Licensing Authorities' decision on the Application and that the Licensing Authorities will rely on each and every answer in the Application and accompanying documents in reaching its decision;
- (2) I state that the location and description of the proposed licensed premises are in compliance with state and local laws and regulations;
- (3) I understand that while the Application is pending, I must notify the Licensing Authorities of any change in the information submitted therein. I understand that failure to give such notice to the Licensing Authorities may result in disapproval of the Application;
- (4) I understand that upon approval of the Application, I must notify the Licensing Authorities of any change in the ownership as approved by the Licensing Authorities. I understand that failure to give such notice to the Licensing Authorities may result in sanctions including revocation of any license for which this Application is submitted;
- (5) I understand that the licensee will be bound by the statements and representations made in the Application, including, but not limited to the identity of persons with an ownership or financial interest in the license;
- (6) I understand that all statements and representations made become conditions of the license;
- (7) I understand that any physical alterations to or changes to the size of the area used for the sale, delivery, storage, or consumption of alcoholic beverages, must be reported to the Licensing Authorities and may require the prior approval of the Licensing Authorities;
- (8) I understand that the licensee's failure to operate the licensed premises in accordance with the statements and representations made in the Application may result in sanctions, including the revocation of any license for which the Application was submitted; and
- (9) I understand that any false statement or misrepresentation will constitute cause for disapproval of the Application or sanctions including revocation of any license for which this Application is submitted.
- (10) I confirm that the applicant corporation and each individual listed in the ownership section of the application is in good standing with the Massachusetts Department of Revenue and has complied with all laws of the Commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting of child support.

Signature:

Phillip A Purcell

Date: 07-26-2022

Title:

VP and Assistant Secretary



Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
239 Causeway Street, First Floor
Boston, MA 02114

STEVEN GROSSMAN
TREASURER AND RECEIVER GENERAL

CORI REQUEST FORM

KIM S. GAINSBORO, ESQ.
CHAIRMAN

The Alcoholic Beverages Control Commission has been certified by the Criminal History Systems Board to access conviction and pending Criminal Offender Record Information. For the purpose of approving each shareholder, owner, licensee or applicant for an alcoholic beverages license, I understand that a criminal record check will be conducted on me, pursuant to the above. The information below is correct to the best of my knowledge.

ABCC LICENSE INFORMATION

| | | | | | |
|---|--|----------------|-------------------------------|------------|--|
| ABCC NUMBER: <small>(IF EXISTING LICENSEE)</small> | | LICENSEE NAME: | 99 Restaurants of Boston, LLC | CITY/TOWN: | |
|---|--|----------------|-------------------------------|------------|--|

APPLICANT INFORMATION

| | | | | | |
|------------|--------|-------------|------|--------------|--|
| LAST NAME: | Jacobs | FIRST NAME: | Kara | MIDDLE NAME: | |
|------------|--------|-------------|------|--------------|--|

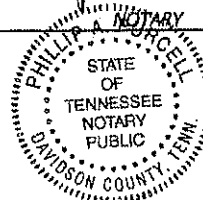


PRINT AND SIGN

| | | | |
|---------------|-------------|-------------------------------|--|
| PRINTED NAME: | Kara Jacobs | APPLICANT/EMPLOYEE SIGNATURE: | |
|---------------|-------------|-------------------------------|--|

NOTARY INFORMATION

| | | | |
|---|------------|---|-------------|
| On this | 11-10-2022 | before me, the undersigned notary public, personally appeared | Kara Jacobs |
| (name of document signer), proved to me through satisfactory evidence of identification, which were | | Personal Knowledge | |
| to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he) (she) signed it voluntarily for its stated purpose. | | | |
| | | | |



DIVISION USE ONLY

| | |
|---------------------------------------|--|
| REQUESTED BY: | |
| SIGNATURE OF CORI-AUTHORIZED EMPLOYEE | |

The DCII Identify Theft Index PIN Number is to be completed by those applicants that have been issued an Identify Theft PIN Number by the DCII. Certified agencies are required to provide all applicants the opportunity to include this information to ensure the accuracy of the CORI request process. All CORI request forms that include this field are required to be submitted to the DCII via mail or by fax to (617) 660-4614.



Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
239 Causeway Street, First Floor
Boston, MA 02114

STEVEN GROSSMAN
TREASURER AND RECEIVER GENERAL

CORI REQUEST FORM

KIM S. GAINSBORO, ESQ.
CHAIRMAN

The Alcoholic Beverages Control Commission has been certified by the Criminal History Systems Board to access conviction and pending Criminal Offender Record Information. For the purpose of approving each shareholder, owner, licensee or applicant for an alcoholic beverages license, I understand that a criminal record check will be conducted on me, pursuant to the above. The information below is correct to the best of my knowledge.

ABCC LICENSE INFORMATION

| | | | | |
|---|--|--|------------|--|
| ABCC NUMBER: <small>(OF EXISTING LICENSEE)</small> | | LICENSEE NAME: 99 Restaurants of Boston, LLC | CITY/TOWN: | |
|---|--|--|------------|--|

APPLICANT INFORMATION

| | | | |
|--------------------|-----------------|--------------|--|
| LAST NAME: Spurgin | FIRST NAME: Jim | MIDDLE NAME: | |
|--------------------|-----------------|--------------|--|

[Redacted area]

PRINT AND SIGN

| | |
|---------------------------|-------------------------------|
| PRINTED NAME: Jim Spurgin | APPLICANT/EMPLOYEE SIGNATURE: |
|---------------------------|-------------------------------|

NOTARY INFORMATION

On this 6-22-2022 before me, the undersigned notary public, personally appeared Jim Spurgin
(name of document signer), proved to me through satisfactory evidence of identification, which were Personal Knowledge
to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he) (she) signed it voluntarily for
its stated purpose.

NOTARY

DIVISION USE ONLY

| | |
|--------------------------------------|--|
| REQUESTED BY: | |
| SIGNATURE OF COM-AUTHORIZED EMPLOYEE | |

The DCI Identify Theft Index PIN Number is to be completed by those applicants that have been issued an Identify Theft PIN Number by the DCI. Certified agencies are required to provide all applicants the opportunity to include this information to ensure the accuracy of the CORI request process. All CORI request forms that include this field are required to be submitted to the DCI via mail or by fax to (617) 660-8624.



Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
239 Causeway Street, First Floor
Boston, MA 02114

STEVEN GROSSMAN
TREASURER AND RECEIVER GENERAL

CORI REQUEST FORM

KIM S. GAINSBORO, ESQ.
CHAIRMAN

The Alcoholic Beverages Control Commission has been certified by the Criminal History Systems Board to access conviction and pending Criminal Offender Record Information. For the purpose of approving each shareholder, owner, licensee or applicant for an alcoholic beverages license, I understand that a criminal record check will be conducted on me, pursuant to the above. The information below is correct to the best of my knowledge.

ABCC LICENSE INFORMATION

ABCC NUMBER:
(IF EXISTING LICENSE)

LICENSEE NAME: 99 Restaurants of Boston, LLC

CITY/TOWN:

APPLICANT INFORMATION

LAST NAME: Lautenschlager

FIRST NAME: Clinton

MIDDLE NAME:

PRINT AND SIGN

PRINTED NAME:

Clinton R. Lautenschlager

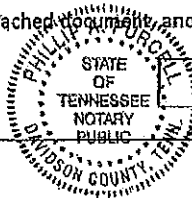
APPLICANT/EMPLOYEE SIGNATURE:

NOTARY INFORMATION

On this 6-27-2020 before me, the undersigned notary public, personally appeared Clinton R. Lautenschlager

(name of document signer), proved to me through satisfactory evidence of identification, which were Personal Knowledge

to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he) (she) signed it voluntarily for its stated purpose.



NOTARY

DIVISION USE ONLY

REQUESTED BY:

SIGNATURE OF CORI-AUTHORIZED EMPLOYEE

The DCII (Identify Theft Index) PIN Number is to be completed by those applicants that have been issued an Identify Theft PIN Number by the DCII. Certified agencies are required to provide all applicants the opportunity to include this information to ensure the accuracy of the CORI request process. All CORI request forms that include this field are required to be submitted to the DCII via mail or by fax to (617) 660-4614.



Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
239 Causeway Street, First Floor
Boston, MA 02114

STEVEN GROSSMAN
TREASURER AND RECEIVER GENERAL

CORI REQUEST FORM

KIM S. GAINSBORO, ESQ.
CHAIRMAN

The Alcoholic Beverages Control Commission has been certified by the Criminal History Systems Board to access conviction and pending Criminal Offender Record Information. For the purpose of approving each shareholder, owner, licensee or applicant for an alcoholic beverages license, I understand that a criminal record check will be conducted on me, pursuant to the above. The information below is correct to the best of my knowledge.

ABCC LICENSE INFORMATION

| | | |
|---|--|------------|
| ABCC NUMBER: <small>IF EXISTING LICENSED</small> | LICENSEE NAME: 99 Restaurants of Boston, LLC | CITY/TOWN: |
|---|--|------------|

APPLICANT INFORMATION

| | | |
|--------------------|----------------------|--------------|
| LAST NAME: Nemzura | FIRST NAME: Marjorie | MIDDLE NAME: |
|--------------------|----------------------|--------------|

[Redacted area]

PRINT AND SIGN

| | |
|--------------------------------|---|
| PRINTED NAME: Marjorie Nemzura | APPLICANT/EMPLOYEE SIGNATURE: <i>Marjorie Nemzura</i> |
|--------------------------------|---|

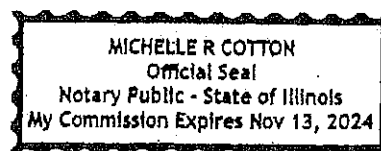
NOTARY INFORMATION

| | |
|---|--|
| On this June 27, 2022 | before me, the undersigned notary public, personally appeared Marjorie Nemzura |
| (name of document signer), proved to me through satisfactory evidence of identification, which were driver's license | |
| to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he) (she) signed it voluntarily for its stated purpose. | |
| <i>[Signature]</i> NOTARY | |

DIVISION USE ONLY

| | |
|---------------|--|
| REQUESTED BY: | SIGNATURE OF CORI AUTHORIZED EMPLOYEE: |
|---------------|--|

The DCI Identity Theft Index PIN Number is to be completed by those applicants that have been listed as Identity Theft PIN Number by the DCI. Certified agencies are required to provide all applicants the opportunity to include this information to ensure the accuracy of the CORI request process. ALL CORI request forms that include this field are required to be submitted to the DCI via mail or by fax to (617) 650-4414.





Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
239 Causeway Street, First Floor
Boston, MA 02114

STEVEN GROSSMAN
TREASURER AND RECEIVER GENERAL

CORI REQUEST FORM

KIM S. GAINSBORO, ESQ.
CHAIRMAN

The Alcoholic Beverages Control Commission has been certified by the Criminal History Systems Board to access conviction and pending Criminal Offender Record Information. For the purpose of approving each shareholder, owner, licensee or applicant for an alcoholic beverages license, I understand that a criminal record check will be conducted on me, pursuant to the above. The information below is correct to the best of my knowledge.

ABCC LICENSE INFORMATION

ABCC NUMBER:
(OF EXISTING LICENSES)

LICENSEE NAME: 99 Restaurants of Boston, LLC

CITY/TOWN:

APPLICANT INFORMATION

LAST NAME: Purcell

FIRST NAME: Phillip

MIDDLE NAME:

PRINT AND SIGN

PRINTED NAME:

Phillip Purcell

APPLICANT/EMPLOYEE SIGNATURE:

Phillip A Purcell

NOTARY INFORMATION

On this

June 27, 2022

before me, the undersigned notary public, personally appeared

Phillip Purcell

(name of document signer), proved to me through satisfactory evidence of identification, which were

Personal Knowledge

to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he) (she) signed it voluntarily for its stated purpose.

Sandra D. Hudgens

NOTARY

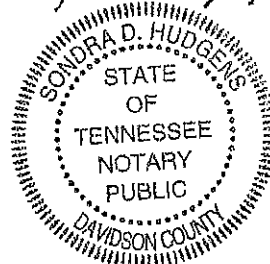
Expire May 9, 2023

DIVISION USE ONLY

REQUESTED BY:

SIGNATURE OF CORI AUTHORIZED EMPLOYEE

The DCII Identity Theft Index PIN Number is to be completed by those applicants that have been issued an Identity Theft PIN Number by the DCII. Certified agencies are required to provide all applicants the opportunity to include this information to ensure the accuracy of the CORI request process. All CORI request forms that include this field are required to be submitted to the DCII via mail or by fax to (617) 660-4814.



CORPORATE VOTE

The Board of Directors or LLC Managers of

99 Restaurants of Boston, LLC

Entity Name

duly voted to apply to the Licensing Authority of

ROCKLIN

City/Town

and the

Commonwealth of Massachusetts Alcoholic Beverages Control Commission on

7/14/2022

Date of Meeting

For the following transactions (Check all that apply):

- ☒ Change of Officers/Directors/LLC Manager
- ☐ Change of Ownership Interest (LLC Members, LLP Partners, Trustees)
- ☐ Issuance/Transfer of Stock/New Stockholder
- ☐ Management/Operating Agreement
- ☐ Other

"VOTED: To authorize

Philip Purcell

Name of Person

to sign the application submitted and to execute on the Entity's behalf, any necessary papers and do all things required to have the application granted."

A true copy attest,

Philip A Purcell

Corporate Officer /LLC Manager Signature

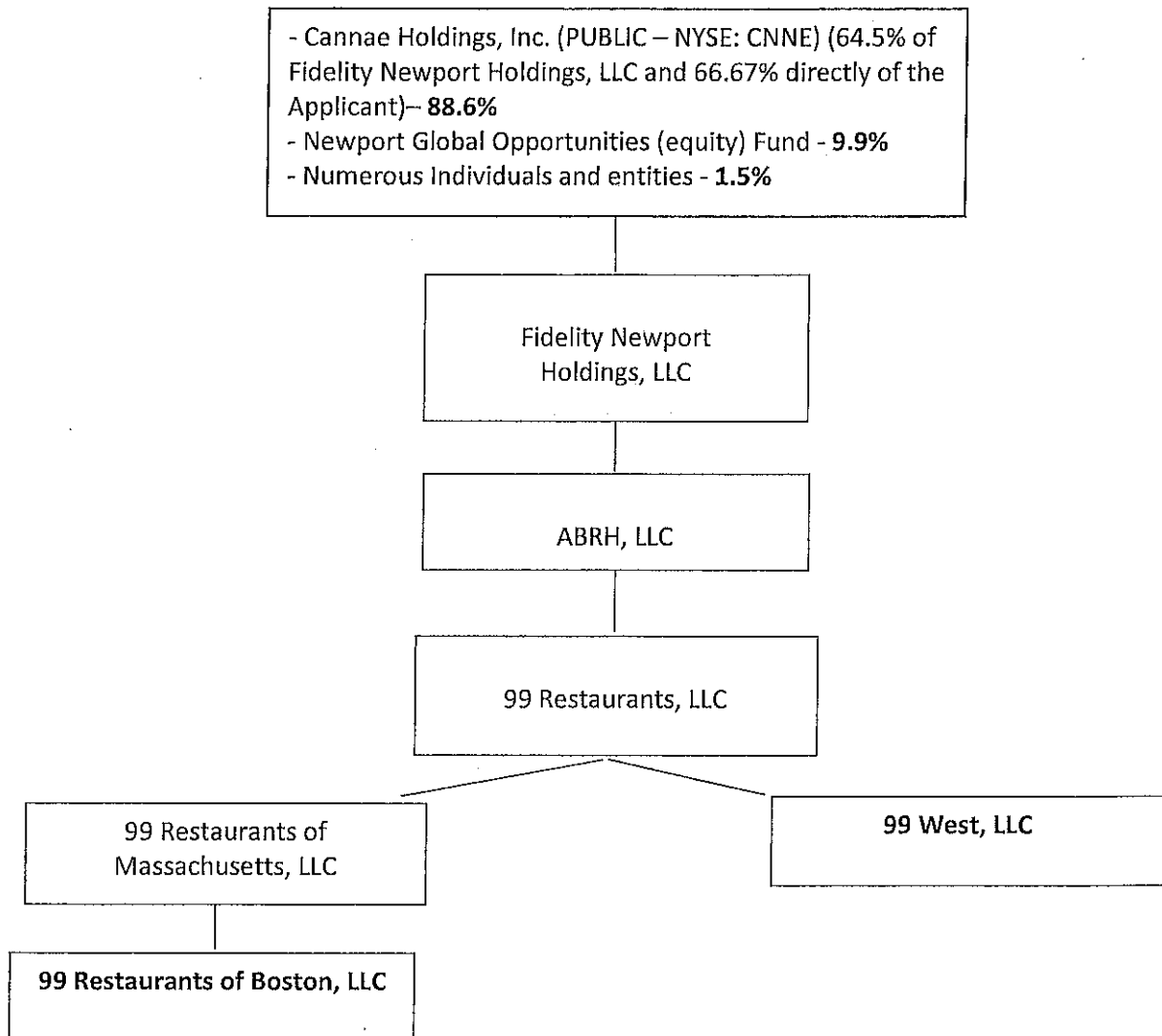
For Corporations ONLY

A true copy attest,

Corporation Clerk's Signature

STRUCTURE CHART

All ownership is 100% unless noted otherwise



Cory J. Spear

Education: **Johnson & Wales University** Providence, RI
B.S. Food Service Management 5/06

Experience:

7/21-present General Managing Partner Franklin, MA
Ninety Nine Restaurant
Lead and develop team as we recover from Covid
Responsible for guest satisfaction, team development, building sales, profit,
Strengthening community ties

9/18-6/21 General Managing Partner Worcester, MA
Ninety Nine Restaurant
Maintained hourly turnover of 36%
Increased profitability by 20% in first 6 months
Led COVID changes/introduced outside dining/reopen standards. Drove sales
from down 50% to even/positive over 2019

2/17 - 9/18 Assistant General Manager Providence, RI
McCormick & Schmick's
Lead hourly training programs and certified training team
Drive increased guest satisfaction through focusing on service standards
Coach hourly team through weekly audits/one on one's/pre shift
Responsible for all areas of controllables and meeting budgeted costs

8/11-2/17 General Managing Partner Canton, MA / Seekonk, MA
Ninety Nine Restaurant
Led team through a re-imaging of restaurant increased sales 25% in first 8 weeks
Partnered with local community groups to strengthen ties to community
Served as divisional mentor to eight managers focused on hourly training /
staffing / new menu roll outs
Developed two managers to GM and three hourly team members into managers
Improved guest satisfaction scores by 15% and maintained above company goal

6/06-8/11 Assistant Manager South Eastern MA locations
Ninety Nine Restaurant
Use company mission to help grow sales, guest counts, and check averages 2%
Serve as the divisional mentor to other service managers
Responsible for front of house hiring/ training and new menu rollouts
Actively involved with community marketing/sponsorships

Skills & Achievements: 2019 Massachusetts Boys & Girls Club State Youth of the Year Judge



Town of Franklin, MA
Nancy Danello, CMC
Town Clerk
355 East Central Street, Franklin, MA 02038

**Date Issued: March 9,
2022**
Record #: 30617
Certificate #: 22-48

BUSINESS VERIFICATION CERTIFICATE

In conformity with the provisions of Chapter 110, Section 5 of the General Laws, as amended, the undersigned hereby declare(s) that a business under the title of:

99 Restaraunts & Pub #30130 is conducted at: 847 WEST CENTRAL ST

by the following person:

FULL NAME

99 Restaurants of Boston LLC

RESIDENCE

3038 Sidco Drive, Nashville, TN 37204

A certificate issued in accordance with this section shall be in force and effect for four years from the date of issue and shall be renewed each four years thereafter so long as such business shall be conducted and shall lapse and be void unless so renewed.

Expiration Date: March 9, 2026

Business Owner Signature #1

Business Owner Signature #2

A True Attest Copy

Nancy Danello, CMC
Acting Town Clerk



CERTIFICATE OF COMPLIANCE WITH STATE LAWS

Pursuant to M.G.L Chapter 62C, Sec 49A, and M.G.L. Ch. 151A, Section 19A, the undersigned acting on behalf on the License Holder, certifies under the penalty of perjury that, to the best of the undersign's knowledge and belief, the License Holder is in compliance with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support*.

99 Restaurants of Boston, LLC

** Signature of Individual or Corporate License Holder (Mandatory)

[Redacted Signature]

*** License Holder's Social Security Number or Federal Identification Number

By:

Phillip A. Purcell
Corporate Officer, VP & Assistant Secretary
(Mandatory, if applicable)

Date: 11-03-2022

*The provision in the Attestation of relating to child support applies only when the License Holder is an individual.

**Approval of or a renewal of a license will not be granted unless this certification clause is signed by the applicant. For all corporations, a certified copy of the vote of the Board of Directors must be provided.

*** Your social security number will be furnished to the Massachusetts Department of Revenue to determine whether you have met tax filing or tax payment obligations. Providers who fail to correct their non-filing or delinquency will not have a license or other agreement issued, renewed or extended. This request is made under the authority of Massachusetts General Laws, Chapter 62C, section 49A.



The Commonwealth of Massachusetts
Department of Industrial Accidents
Office of Investigations
1 Congress Street, Suite 100
Boston, MA 02114-2017
www.mass.gov/dia

30130

Workers' Compensation Insurance Affidavit: General Businesses

Applicant Information

Please Print Legibly

Business/Organization Name: 99 Restaurants of Boston, LLC d/b/a 99 Restaurant & Pub

Address: 847 West Central Street

City/State/Zip: Franklin, MA 02038 Phone #: 508.520.9909

Are you an employer? Check the appropriate box:

1. ☒ I am a employer with 42 employees (full and/or part-time).*
2. ☐ I am a sole proprietor or partnership and have no employees working for me in any capacity. [No workers' comp. insurance required]
3. ☐ We are a corporation and its officers have exercised their right of exemption per c. 152, §1(4), and we have no employees. [No workers' comp. insurance required]**
4. ☐ We are a non-profit organization, staffed by volunteers, with no employees. [No workers' comp. insurance req.]

Business Type (required):

5. ☐ Retail
6. ☒ Restaurant/Bar/Eating Establishment
7. ☐ Office and/or Sales (incl. real estate, auto, etc.)
8. ☐ Non-profit
9. ☐ Entertainment
10. ☐ Manufacturing
11. ☐ Health Care
12. ☐ Other _____

*Any applicant that checks box #1 must also fill out the section below showing their workers' compensation policy information.

**If the corporate officers have exempted themselves, but the corporation has other employees, a workers' compensation policy is required and such an organization should check box #1.

I am an employer that is providing workers' compensation insurance for my employees. Below is the policy information.

Insurance Company Name: Safety National

Insurer's Address: c/o Stephens Insurance, LLC, 111 Center Street, Suite 100

City/State/Zip: Little Rock, AR 72201

Policy # or Self-ins. Lic. # [REDACTED] Expiration Date: 08.01.2023

Attach a copy of the workers' compensation policy declaration page (showing the policy number and expiration date).

Failure to secure coverage as required under Section 25A of MGL c. 152 can lead to the imposition of criminal penalties of a fine up to \$1,500.00 and/or one-year imprisonment, as well as civil penalties in the form of a STOP WORK ORDER and a fine of up to \$250.00 a day against the violator. Be advised that a copy of this statement may be forwarded to the Office of Investigations of the DIA for insurance coverage verification.

I do hereby certify, under the pains and penalties of perjury that the information provided above is true and correct.

Signature: Philip A. Small Date: 09.28.2022

Phone #: 615.256.8500

Official use only. Do not write in this area, to be completed by city or town official.

City or Town: _____ Permit/License # _____

Issuing Authority (circle one):

1. Board of Health 2. Building Department 3. City/Town Clerk 4. Licensing Board 5. Selectmen's Office
6. Other _____

Contact Person: _____ Phone #: _____



TOWN OF FRANKLIN, MASSACHUSETTS

Financial Statements
and Required Supplementary Information
For the Year Ended June 30, 2022

(With Independent Auditor's Report Thereon)

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INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Franklin, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Franklin, Massachusetts (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Franklin, Massachusetts as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

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the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison for the General Fund, and certain pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Andover, Massachusetts
March 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Franklin, Massachusetts (the Town) we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows and inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, education, public works, health and human services, and culture and recreation. The business-type activities include sewer, water, and solid waste activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for sewer, water, and solid waste operations. The sewer and water funds are considered to be major funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$88,726,609 a change of \$4,624,779, and net position in business-type activities was \$64,553,838, a change of \$3,831,604.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$43,375,734, a change of \$5,168,383 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,270,016, a change of \$939,347 in comparison to the prior year.

Government-Wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current and prior fiscal year.

| | NET POSITION (in thousands) | | | | | |
|---------------------------------------|-----------------------------|------------------|-----------------------------|------------------|-------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Assets | | | | | | |
| Current and other assets | \$ 54,892 | \$ 46,606 | \$ 15,013 | \$ 14,842 | \$ 69,905 | \$ 61,448 |
| Capital assets | <u>221,515</u> | <u>224,918</u> | <u>76,065</u> | <u>75,119</u> | <u>297,580</u> | <u>300,037</u> |
| Total Assets | 276,407 | 271,524 | 91,078 | 89,961 | 367,485 | 361,485 |
| Deferred Outflows of Resources | 5,800 | 6,744 | 76 | 96 | 5,876 | 6,840 |
| Liabilities | | | | | | |
| Current liabilities | 13,957 | 11,403 | 3,905 | 4,094 | 17,862 | 15,497 |
| Noncurrent liabilities | <u>159,014</u> | <u>163,970</u> | <u>22,427</u> | <u>24,975</u> | <u>181,441</u> | <u>188,945</u> |
| Total Liabilities | 172,971 | 175,373 | 26,332 | 29,069 | 199,303 | 204,442 |
| Deferred Inflows of Resources | 20,509 | 18,794 | 269 | 266 | 20,778 | 19,060 |
| Net Position | | | | | | |
| Net investment in capital assets | 163,529 | 167,583 | 53,264 | 50,497 | 216,793 | 218,080 |
| Restricted | 14,425 | 12,280 | - | - | 14,425 | 12,280 |
| Unrestricted | <u>(89,227)</u> | <u>(95,762)</u> | <u>11,289</u> | <u>10,225</u> | <u>(77,938)</u> | <u>(85,537)</u> |
| Total Net Position | \$ <u>88,727</u> | \$ <u>84,101</u> | \$ <u>64,553</u> | \$ <u>60,722</u> | \$ <u>153,280</u> | \$ <u>144,823</u> |

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. At the close of the most recent fiscal year, total net position was \$153,280,447, a change of \$8,456,383 in comparison to the prior year.

The largest portion of net position \$216,792,429 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$14,425,034 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$(77,937,016) primarily resulting from unfunded pension and OPEB liabilities.

CHANGES IN NET POSITION (in thousands)

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|--|------------------------------------|-------------|-------------------------------------|-------------|--------------|-------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 9,721 | \$ 7,009 | \$ 16,981 | \$ 16,257 | \$ 26,702 | \$ 23,266 |
| Operating grants and contributions | 49,127 | 59,196 | 760 | - | 49,887 | 59,196 |
| General revenues: | | | | | | |
| Property taxes | 88,647 | 84,353 | - | - | 88,647 | 84,353 |
| Excises | 6,479 | 5,951 | - | - | 6,479 | 5,951 |
| Penalties, interest, and other taxes | 375 | 431 | - | - | 375 | 431 |
| Grants and contributions not restricted to specific programs | 5,315 | 4,892 | - | - | 5,315 | 4,892 |
| Investment income (loss) | (332) | 472 | 30 | 29 | (302) | 501 |
| Miscellaneous | 557 | 350 | 66 | 307 | 623 | 657 |
| Betterment revenue | - | - | 14 | 13 | 14 | 13 |
| Total Revenues | 159,889 | 162,654 | 17,851 | 16,606 | 177,740 | 179,260 |

(continued)

(continued)

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|---|------------------------------------|------------------|-------------------------------------|------------------|-------------------|-------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Expenses | | | | | | |
| General government | 15,946 | 15,022 | - | - | 15,946 | 15,022 |
| Public safety | 16,248 | 16,972 | - | - | 16,248 | 16,972 |
| Education | 102,683 | 109,149 | - | - | 102,683 | 109,149 |
| Public works | 7,974 | 7,546 | - | - | 7,974 | 7,546 |
| Human services | 1,397 | 1,118 | - | - | 1,397 | 1,118 |
| Culture and recreation | 2,566 | 2,293 | - | - | 2,566 | 2,293 |
| Interest on long-term debt | 2,291 | 2,413 | - | - | 2,291 | 2,413 |
| Intergovernmental | 6,171 | 6,034 | - | - | 6,171 | 6,034 |
| Sewer services | - | - | 5,193 | 5,290 | 5,193 | 5,290 |
| Water services | - | - | 6,481 | 5,659 | 6,481 | 5,659 |
| Solid waste services | - | - | 2,333 | 2,476 | 2,333 | 2,476 |
| Total Expenses | <u>155,276</u> | <u>160,547</u> | <u>14,007</u> | <u>13,425</u> | <u>169,283</u> | <u>173,972</u> |
| Change in net position before transfers | 4,613 | 2,107 | 3,844 | 3,181 | 8,457 | 5,288 |
| Transfers in (out) | <u>13</u> | <u>(23)</u> | <u>(13)</u> | <u>23</u> | <u>-</u> | <u>-</u> |
| Change in net position | 4,626 | 2,084 | 3,831 | 3,204 | 8,457 | 5,288 |
| Net position - beginning of year | <u>84,101</u> | <u>82,017</u> | <u>60,722</u> | <u>57,518</u> | <u>144,823</u> | <u>139,535</u> |
| Net position - end of year | <u>\$ 88,727</u> | <u>\$ 84,101</u> | <u>\$ 64,553</u> | <u>\$ 60,722</u> | <u>\$ 153,280</u> | <u>\$ 144,823</u> |

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$4,624,779. Key elements of this change are as follows:

| | |
|--|---------------------|
| General Fund operating results | \$ 2,109,213 |
| Change in pension expense from GASB 68 | 4,130,878 |
| Change in OPEB expense from GASB 75 | (1,728,046) |
| Other | <u>112,734</u> |
| Total | <u>\$ 4,624,779</u> |

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$3,831,604. The Water Fund's net position increased \$2,496,918 primarily due to user rates raised for capital outlay in the amount of \$2,103,000. The Sewer Fund's net position increased \$916,028 primarily due to user rates raised for capital outlay in the amount of \$506,000.

Financial Analysis of Town's Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15,270,016, while total fund balance was \$27,484,449. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. Refer to the table below.

| <u>General Fund</u> | <u>6/30/22</u> | <u>6/30/21</u> | <u>Change</u> | <u>% of General Fund Expenditures*</u> |
|-------------------------|----------------|----------------|---------------|--|
| Unassigned fund balance | \$ 15,270,016 | \$ 14,330,669 | \$ 939,347 | 11.7% |
| Total fund balance | \$ 27,484,449 | \$ 25,375,236 | \$ 2,109,213 | 21.1% |

* Expenditure amounts used to calculate the above percentages have been adjusted to exclude the on-behalf payment from the Commonwealth of Massachusetts to the Massachusetts Teachers Retirement System of \$9,687,057.

The total fund balance of the General Fund changed by \$2,109,213 during the current fiscal year. Key factors in this change are as follows:

| | |
|--|---------------------|
| Use of free cash as a funding source | \$ (4,470,514) |
| Revenues in excess of budget | 3,445,832 |
| Expenditures and encumbrances less than budget | 1,182,136 |
| Increase to stabilization funds | 1,266,241 |
| Other | <u>685,518</u> |
| Total | <u>\$ 2,109,213</u> |

Included in the fund balance of the General Fund are the Town's stabilization accounts with the following balances:

| | <u>6/30/22</u> | <u>6/30/21</u> | <u>Change</u> |
|--|----------------------|----------------------|---------------------|
| General stabilization | \$ 6,442,797 | \$ 6,634,735 | \$ (191,938) |
| Budget stabilization | 2,004,900 | 1,039,145 | 965,755 |
| Open space acquisition stabilization | 2,479,594 | 2,533,290 | (53,696) |
| Athletic fields stabilization | 769,918 | 636,309 | 133,609 |
| Fire truck stabilization | 16,462 | 16,855 | (393) |
| Property acquisition / FAC maintenance stabilization | 283,510 | 290,283 | (6,773) |
| Traffic signal stabilization | 4,651 | 4,649 | 2 |
| Metacomet Emergency Communications Center (MECC) | <u>887,694</u> | <u>468,019</u> | <u>419,675</u> |
| Total | \$ <u>12,889,526</u> | \$ <u>11,623,285</u> | \$ <u>1,266,241</u> |

Federal Grants Fund Major Governmental Fund

The fund balance of the Federal Grants Fund major governmental fund changed by \$62,968 primarily from timing differences between the receipt and disbursement of grants.

Nonmajor Governmental Funds

The fund balance of the nonmajor governmental funds changed by \$2,996,202 primarily from timing differences between the receipt and disbursement of grants and timing differences between capital expenditures and permanent financing of capital projects.

Proprietary Funds

Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$11,290,172, a change of \$1,064,630 in comparison to the prior year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$10,170,952 comprised primarily of \$5,555,109 of prior year encumbrances and article carryforwards and \$4,470,514 of various capital items funded by free cash and transfers.

Revenue surplus for the current year was \$3,445,832 compared to \$3,210,191 in the prior year, primarily due to more favorable budgetary results from motor vehicle excise collections, charges for services, and intergovernmental revenue.

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$297,579,793 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery, equipment and furnishings, and infrastructure.

Major capital asset events during the current fiscal year include the following acquisitions:

- \$4,590,000 for Maple Hill land.
- \$1,212,354 for sewer interceptor replacement.
- \$899,066 for technology upgrades.
- \$760,037 for Arlington Street waterline improvements.

Additional information on capital assets can be found in the Notes to Financial Statements.

Long-Term Debt

At the end of the current fiscal year, total bonds and loans outstanding, including unamortized premium, were \$83,098,642, all of which was backed by the full faith and credit of the Town.

During the fiscal year, the Town's Standard & Poor's credit rating increased to AAA from AA+.

Additional information on long-term debt can be found in the Notes to Financial Statements.

Stabilization and Other Accounts

The Town has made extensive efforts to maintain and increase their stabilization and other account balances. This effort allows the Town to reduce future debt requirements and stabilize Town finances. There have been many different stabilization funds that have been created and used throughout the years based on the Town's needs. The other account balances are set aside to prepare the Town for future costs including OPEB. Refer to page 10 for the stabilization detail. Refer to page 23 for the OPEB reserve established as a fiduciary trust fund.

Other reserve accounts are comprised of the following:

| | |
|----------------------------|---------------------|
| Affordable housing trust | \$ 1,031,117 |
| Workers' compensation fund | 341,115 |
| Unemployment compensation | 358,356 |
| Group insurance | 687,151 |
| Municipal insurance | <u>49,460</u> |
| | <u>\$ 2,467,199</u> |

Requests for Information

This financial report is designed to provide a general overview of the Town of Franklin's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director's Office
Town of Franklin
355 East Central Street
Franklin, Massachusetts 02038

TOWN OF FRANKLIN, MASSACHUSETTS

Statement of Net Position
June 30, 2022

| | Governmental <u>Activities</u> | Business-Type <u>Activities</u> | <u>Total</u> |
|---|-----------------------------------|------------------------------------|--------------------|
| Assets | | | |
| Current: | | | |
| Cash and short-term investments | \$ 35,643,413 | \$ 10,329,795 | \$ 45,973,208 |
| Investments | 15,914,707 | - | 15,914,707 |
| Receivables, net of allowance for uncollectibles: | | | |
| Property taxes | 728,659 | - | 728,659 |
| Excises | 478,048 | - | 478,048 |
| User fees | 1,148,845 | 4,283,611 | 5,432,456 |
| Intergovernmental | - | 357,745 | 357,745 |
| Betterments | 370 | 10,218 | 10,588 |
| Other assets | <u>401,378</u> | <u>-</u> | <u>401,378</u> |
| Total Current Assets | 54,315,420 | 14,981,369 | 69,296,789 |
| Noncurrent: | | | |
| Receivables, net of allowance for uncollectibles: | | | |
| Property taxes | 575,880 | - | 575,880 |
| Betterments | - | 32,443 | 32,443 |
| Capital assets: | | | |
| Land and construction in progress | 23,357,695 | 6,107,944 | 29,465,639 |
| Other capital assets, net of accumulated depreciation | <u>198,157,556</u> | <u>69,956,598</u> | <u>268,114,154</u> |
| Total Noncurrent Assets | <u>222,091,131</u> | <u>76,096,985</u> | <u>298,188,116</u> |
| Total Assets | 276,406,551 | 91,078,354 | 367,484,905 |
| Deferred Outflows of Resources | | | |
| Related to pension | 5,637,259 | 73,916 | 5,711,175 |
| Related to OPEB | <u>162,997</u> | <u>2,138</u> | <u>165,135</u> |
| Total Deferred Outflows of Resources | 5,800,256 | 76,054 | 5,876,310 |

(continued)

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Statement of Net Position
June 30, 2022

(continued)

| | Governmental <u>Activities</u> | Business-Type <u>Activities</u> | <u>Total</u> |
|--|-----------------------------------|------------------------------------|-----------------------|
| Liabilities | | | |
| Current: | | | |
| Warrants and accounts payable | 1,900,073 | 738,278 | 2,638,351 |
| Accrued liabilities | 2,453,282 | 81,125 | 2,534,407 |
| Unearned revenue | 3,891,491 | 711,148 | 4,602,639 |
| Held for performance guarantees | 835,478 | - | 835,478 |
| Other current liabilities | 182,350 | - | 182,350 |
| Current portion of long-term liabilities: | | | |
| Bonds and loans payable | 4,616,141 | 2,369,252 | 6,985,393 |
| Compensated absences liability | <u>78,679</u> | <u>4,889</u> | <u>83,568</u> |
| Total Current Liabilities | 13,957,494 | 3,904,692 | 17,862,186 |
| Noncurrent: | | | |
| Bonds and loans payable, net of current portion | 55,121,822 | 20,991,427 | 76,113,249 |
| Compensated absences liability, net of current portion | 1,494,906 | 92,915 | 1,587,821 |
| Net pension liability | 28,420,518 | 372,648 | 28,793,166 |
| Net OPEB liability | <u>73,976,506</u> | <u>969,976</u> | <u>74,946,482</u> |
| Total Noncurrent Liabilities | <u>159,013,752</u> | <u>22,426,966</u> | <u>181,440,718</u> |
| Total Liabilities | 172,971,246 | 26,331,658 | 199,302,904 |
| Deferred Inflows of Resources | | | |
| Related to pension | 12,485,564 | 163,710 | 12,649,274 |
| Related to OPEB | <u>8,023,388</u> | <u>105,202</u> | <u>8,128,590</u> |
| Total Deferred Inflows of Resources | 20,508,952 | 268,912 | 20,777,864 |
| Net Position | | | |
| Net investment in capital assets | 163,528,763 | 53,263,666 | 216,792,429 |
| Restricted for: | | | |
| Grants and other statutory restrictions | 12,289,677 | - | 12,289,677 |
| Permanent funds: | | | |
| Nonexpendable | 508,930 | - | 508,930 |
| Expendable | 1,626,427 | - | 1,626,427 |
| Unrestricted | <u>(89,227,188)</u> | <u>11,290,172</u> | <u>(77,937,016)</u> |
| Total Net Position | <u>\$ 88,726,609</u> | <u>\$ 64,553,838</u> | <u>\$ 153,280,447</u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2022

| | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expenses) Revenues and Changes in Net Position</u> | | |
|--|-----------------------|-----------------------------|---|--|---------------------------------|-----------------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
| Governmental Activities | | | | | | |
| General government | \$ 15,945,757 | \$ 1,254,124 | \$ 1,957,700 | \$ (12,733,933) | \$ - | \$ (12,733,933) |
| Public safety | 16,248,120 | 3,970,219 | 228,991 | (12,048,910) | - | (12,048,910) |
| Education | 102,682,735 | 3,468,474 | 46,169,024 | (53,045,237) | - | (53,045,237) |
| Public works | 7,973,970 | 246,084 | 392,398 | (7,335,488) | - | (7,335,488) |
| Health and human services | 1,397,104 | 140,614 | 214,960 | (1,041,530) | - | (1,041,530) |
| Culture and recreation | 2,565,866 | 641,144 | 164,303 | (1,760,419) | - | (1,760,419) |
| Interest on long-term debt | 2,291,472 | - | - | (2,291,472) | - | (2,291,472) |
| Intergovernmental | <u>6,170,776</u> | <u>-</u> | <u>-</u> | <u>(6,170,776)</u> | <u>-</u> | <u>(6,170,776)</u> |
| Total Governmental Activities | 155,275,800 | 9,720,659 | 49,127,376 | (96,427,765) | - | (96,427,765) |
| Business-Type Activities | | | | | | |
| Sewer services | 5,193,474 | 6,085,276 | - | - | 891,802 | 891,802 |
| Water services | 6,480,621 | 8,166,843 | 760,037 | - | 2,446,259 | 2,446,259 |
| Solid waste services | <u>2,332,926</u> | <u>2,728,692</u> | <u>-</u> | <u>-</u> | <u>395,766</u> | <u>395,766</u> |
| Total Business-Type Activities | <u>14,007,021</u> | <u>16,980,811</u> | <u>760,037</u> | <u>-</u> | <u>3,733,827</u> | <u>3,733,827</u> |
| Total | <u>\$ 169,282,821</u> | <u>\$ 26,701,470</u> | <u>\$ 49,887,413</u> | (96,427,765) | 3,733,827 | (92,693,938) |
| General Revenues and Transfers | | | | | | |
| Property taxes | | | | 88,647,375 | - | 88,647,375 |
| Excises | | | | 6,478,510 | - | 6,478,510 |
| Penalties, interest, and other taxes | | | | 374,499 | - | 374,499 |
| Grants and contributions not restricted to specific programs | | | | 5,314,963 | - | 5,314,963 |
| Investment income (loss) | | | | (332,472) | 30,350 | (302,122) |
| Miscellaneous | | | | 556,786 | 66,268 | 623,054 |
| Betterment revenue | | | | - | 14,042 | 14,042 |
| Transfers, net | | | | <u>12,883</u> | <u>(12,883)</u> | <u>-</u> |
| Total general revenues and transfers | | | | <u>101,052,544</u> | <u>97,777</u> | <u>101,150,321</u> |
| Change in Net Position | | | | 4,624,779 | 3,831,604 | 8,456,383 |
| Net Position | | | | | | |
| Beginning of year | | | | <u>84,101,830</u> | <u>60,722,234</u> | <u>144,824,064</u> |
| End of year | | | | <u>\$ 88,726,609</u> | <u>\$ 64,553,838</u> | <u>\$ 153,280,447</u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Governmental Funds
Balance Sheet
June 30, 2022

| | General <u>Fund</u> | Federal Grants <u>Fund</u> | Nonmajor Governmental <u>Funds</u> | Total Governmental <u>Funds</u> |
|---|------------------------|-------------------------------|--|---------------------------------------|
| Assets | | | | |
| Cash and short-term investments | \$ 20,952,386 | \$ 3,612,124 | \$ 11,078,902 | \$ 35,643,412 |
| Investments | 10,295,684 | - | 5,619,023 | 15,914,707 |
| Receivables: | | | | |
| Property taxes | 1,595,137 | - | 14,604 | 1,609,741 |
| Excises | 846,393 | - | - | 846,393 |
| User fees | 2,264,685 | - | - | 2,264,685 |
| Other assets | <u>401,378</u> | <u>-</u> | <u>-</u> | <u>401,378</u> |
| Total Assets | <u>\$ 36,355,663</u> | <u>\$ 3,612,124</u> | <u>\$ 16,712,529</u> | <u>\$ 56,680,316</u> |
| Liabilities | | | | |
| Warrants and accounts payable | \$ 1,372,800 | \$ 38,908 | \$ 488,365 | \$ 1,900,073 |
| Accrued liabilities | 1,774,356 | - | - | 1,774,356 |
| Unearned revenue | - | 3,891,491 | - | 3,891,491 |
| Held for performance guarantees | 835,492 | - | - | 835,492 |
| Other liabilities | <u>182,350</u> | <u>-</u> | <u>-</u> | <u>182,350</u> |
| Total Liabilities | 4,164,998 | 3,930,399 | 488,365 | 8,583,762 |
| Deferred Inflows of Resources | | | | |
| Unavailable revenues | <u>4,706,216</u> | <u>-</u> | <u>14,604</u> | <u>4,720,820</u> |
| Total Deferred Inflows of Resources | 4,706,216 | - | 14,604 | 4,720,820 |
| Fund Balances | | | | |
| Nonspendable | - | - | 508,930 | 508,930 |
| Restricted | 1,436,082 | - | 15,700,630 | 17,136,712 |
| Committed | 9,741,968 | - | - | 9,741,968 |
| Assigned | 1,036,383 | - | - | 1,036,383 |
| Unassigned | <u>15,270,016</u> | <u>(318,275)</u> | <u>-</u> | <u>14,951,741</u> |
| Total Fund Balances | <u>27,484,449</u> | <u>(318,275)</u> | <u>16,209,560</u> | <u>43,375,734</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 36,355,663</u> | <u>\$ 3,612,124</u> | <u>\$ 16,712,529</u> | <u>\$ 56,680,316</u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
in the Statement of Net Position
June 30, 2022

| | |
|---|----------------------|
| Total Governmental Fund Balances | \$ 43,375,734 |
| <ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 221,515,251 |
| <ul style="list-style-type: none">• Revenues are reported on the accrual basis of accounting and are not deferred until collection. | 2,931,804 |
| <ul style="list-style-type: none">• In the Statement of Activities, interest is accrued on outstanding long-term liabilities, whereas in governmental funds interest is not reported until due. | (678,912) |
| <ul style="list-style-type: none">• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds: | |
| Bonds payable | (59,737,963) |
| Net pension liability and related deferred outflows and inflows of resources | (35,268,823) |
| Net OPEB liability and related deferred inflows of resources | (81,836,897) |
| Compensated absences liability | <u>(1,573,585)</u> |
| Net Position of Governmental Activities | \$ <u>88,726,609</u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022

| | General <u>Fund</u> | Federal Grants <u>Fund</u> | Nonmajor Governmental <u>Funds</u> | Total Governmental <u>Funds</u> |
|--|-----------------------------|-------------------------------|--|---------------------------------------|
| Revenues | | | | |
| Property taxes | \$ 87,144,701 | \$ - | \$ 1,377,084 | \$ 88,521,785 |
| Excises | 6,465,227 | - | - | 6,465,227 |
| Penalties, interest, and other taxes | 330,066 | - | 2,884 | 332,950 |
| Charges for services | 3,510,196 | - | 4,076,762 | 7,586,958 |
| Licenses and permits | 1,435,383 | - | - | 1,435,383 |
| Intergovernmental | 42,663,771 | 534,886 | 9,956,409 | 53,155,066 |
| Fines and forfeitures | 60,673 | - | 3,640 | 64,313 |
| Contributions | - | - | 485,194 | 485,194 |
| Investment income (loss) | (308,280) | 926 | (25,131) | (332,485) |
| Miscellaneous | <u>592,602</u> | <u>-</u> | <u>459,722</u> | <u>1,052,324</u> |
| Total Revenues | 141,894,339 | 535,812 | 16,336,564 | 158,766,715 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 10,717,221 | - | 1,524,660 | 12,241,881 |
| Public safety | 12,772,985 | 73,306 | 639,550 | 13,485,841 |
| Education | 80,098,977 | - | 8,828,938 | 88,927,915 |
| Public works | 5,285,582 | - | 297,094 | 5,582,676 |
| Health and human services | 772,567 | 735 | 307,045 | 1,080,347 |
| Culture and recreation | 1,512,114 | - | 91,286 | 1,603,400 |
| Insurance and benefits | 13,419,177 | - | - | 13,419,177 |
| Debt service: | | | | |
| Principal | 4,387,900 | - | - | 4,387,900 |
| Interest | 2,399,869 | - | - | 2,399,869 |
| Intergovernmental | 6,170,776 | - | - | 6,170,776 |
| Capital outlay | <u>2,151,937</u> | <u>398,803</u> | <u>6,600,845</u> | <u>9,151,585</u> |
| Total Expenditures | <u>139,689,105</u> | <u>472,844</u> | <u>18,289,418</u> | <u>158,451,367</u> |
| Excess (deficiency) of revenues over expenditures | 2,205,234 | 62,968 | (1,952,854) | 315,348 |
| Other Financing Sources (Uses) | | | | |
| Issuance of bonds | - | - | 4,665,000 | 4,665,000 |
| Bond premiums | - | - | 175,152 | 175,152 |
| Transfers in | - | - | 108,904 | 108,904 |
| Transfers out | <u>(96,021)</u> | <u>-</u> | <u>-</u> | <u>(96,021)</u> |
| Total Other Financing Sources (Uses) | <u>(96,021)</u> | <u>-</u> | <u>4,949,056</u> | <u>4,853,035</u> |
| Change in fund balance | 2,109,213 | 62,968 | 2,996,202 | 5,168,383 |
| Fund Balances, at Beginning of Year | <u>25,375,236</u> | <u>(381,243)</u> | <u>13,213,358</u> | <u>38,207,351</u> |
| Fund Balances, at End of Year | \$ <u><u>27,484,449</u></u> | \$ <u><u>(318,275)</u></u> | \$ <u><u>16,209,560</u></u> | \$ <u><u>43,375,734</u></u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

| | |
|--|----------------------------|
| Net Changes in Fund Balances - Total Governmental Funds | \$ 5,168,383 |
| <ul style="list-style-type: none">Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: | |
| Capital outlay | 6,954,610 |
| Depreciation | (10,357,381) |
| <ul style="list-style-type: none">The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: | |
| Issuance of debt | (4,665,000) |
| Repayments of debt | 4,387,900 |
| Additions to bond premium | (175,152) |
| Amortization of bond premium | 79,703 |
| <ul style="list-style-type: none">Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for certain types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue. | |
| | 712,946 |
| <ul style="list-style-type: none">Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds: | |
| Change in pension expense from GASB 68 | 4,130,878 |
| Change in OPEB expense from GASB 75 | (1,728,046) |
| Change in compensated absences | 87,244 |
| Change in accrued interest | 28,694 |
| Change in Net Position of Governmental Activities | \$ <u>4,624,779</u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Proprietary Funds
Statement of Net Position
June 30, 2022

| | Business-Type Activities Enterprise Funds | | | |
|--|--|---------------|---------------------------------|---------------|
| | Sewer Fund | Water Fund | Nonmajor Solid Waste Fund | Total |
| Assets | | | | |
| Current: | | | | |
| Cash and short-term investments | \$ 3,953,660 | \$ 5,176,756 | \$ 1,199,379 | \$ 10,329,795 |
| Receivables, net of allowance for uncollectibles: | | | | |
| User fees | 1,726,740 | 2,324,286 | 232,585 | 4,283,611 |
| Betterments | 10,218 | - | - | 10,218 |
| Intergovernmental receivables | - | 357,745 | - | 357,745 |
| Total Current Assets | 5,690,618 | 7,858,787 | 1,431,964 | 14,981,369 |
| Noncurrent: | | | | |
| Receivables, net of allowance for uncollectibles: | | | | |
| Betterments | 32,443 | - | - | 32,443 |
| Capital assets: | | | | |
| Land and construction in progress | 1,679,105 | 4,381,908 | 46,931 | 6,107,944 |
| Other capital assets, net of accumulated depreciation | 10,040,195 | 59,916,403 | - | 69,956,598 |
| Total Noncurrent Assets | 11,751,743 | 64,298,311 | 46,931 | 76,096,985 |
| Total Assets | 17,442,361 | 72,157,098 | 1,478,895 | 91,078,354 |
| Deferred Outflows of Resources | | | | |
| Related to pension | 27,482 | 46,434 | - | 73,916 |
| Related to OPEB | 795 | 1,343 | - | 2,138 |
| Total Deferred Outflows of Resources | 28,277 | 47,777 | - | 76,054 |
| Liabilities | | | | |
| Current: | | | | |
| Warrants and accounts payable | 110,801 | 412,560 | 214,917 | 738,278 |
| Accrued liabilities | 23,172 | 54,968 | 2,985 | 81,125 |
| Unearned revenue | - | 711,148 | - | 711,148 |
| Current portion of long-term liabilities: | | | | |
| Bonds and loans payable | 288,000 | 2,081,252 | - | 2,369,252 |
| Compensated absences liability | 1,865 | 2,613 | 411 | 4,889 |
| Total Current Liabilities | 423,838 | 3,262,541 | 218,313 | 3,904,692 |
| Noncurrent: | | | | |
| Bonds and loans payable, net of current portion | 1,963,000 | 19,028,427 | - | 20,991,427 |
| Compensated absences liability, net of current portion | 35,444 | 49,656 | 7,815 | 92,915 |
| Net pension liability | 138,551 | 234,097 | - | 372,648 |
| Net OPEB liability | 360,639 | 609,337 | - | 969,976 |
| Total Noncurrent Liabilities | 2,497,634 | 19,921,517 | 7,815 | 22,426,966 |
| Total Liabilities | 2,921,472 | 23,184,058 | 226,128 | 26,331,658 |
| Deferred Inflows of Resources | | | | |
| Related to pension | 60,868 | 102,842 | - | 163,710 |
| Related to OPEB | 39,114 | 66,088 | - | 105,202 |
| Total Deferred Inflows of Resources | 99,982 | 168,930 | - | 268,912 |
| Net Position | | | | |
| Net investment in capital assets | 9,670,358 | 43,546,377 | 46,931 | 53,263,666 |
| Unrestricted | 4,778,826 | 5,305,510 | 1,205,836 | 11,290,172 |
| Total Net Position | \$ 14,449,184 | \$ 48,851,887 | \$ 1,252,767 | \$ 64,553,838 |

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Proprietary Funds
Statement Of Revenues, Expenses And Changes in Net Position
For the Year Ended June 30, 2022

| | Business-Type Activities Enterprise Funds | | | |
|--|--|-----------------------------|--|-----------------------------|
| | <u>Sewer Fund</u> | <u>Water Fund</u> | <u>Nonmajor Solid Waste Fund</u> | <u>Total</u> |
| Operating Revenues | | | | |
| Charges for services | \$ 6,085,276 | \$ 8,166,843 | \$ 2,728,692 | \$ 16,980,811 |
| Operating Expenses | | | | |
| Salaries and benefits | 1,099,754 | 1,769,411 | 188,807 | 3,057,972 |
| Other operating expenses | 600,660 | 1,974,447 | 2,144,119 | 4,719,226 |
| Depreciation | 443,429 | 2,169,359 | - | 2,612,788 |
| Intergovernmental assessments | <u>2,962,869</u> | <u>-</u> | <u>-</u> | <u>2,962,869</u> |
| Total Operating Expenses | <u>5,106,712</u> | <u>5,913,217</u> | <u>2,332,926</u> | <u>13,352,855</u> |
| Operating Income | 978,564 | 2,253,626 | 395,766 | 3,627,956 |
| Nonoperating Revenues (Expenses) | | | | |
| Investment income | 11,900 | 15,825 | 2,625 | 30,350 |
| Intergovernmental revenue | - | 760,037 | - | 760,037 |
| Miscellaneous revenues | - | 46,001 | 20,267 | 66,268 |
| Interest expense | <u>(86,762)</u> | <u>(567,404)</u> | <u>-</u> | <u>(654,166)</u> |
| Total Nonoperating Revenues (Expenses), Net | <u>(74,862)</u> | <u>254,459</u> | <u>22,892</u> | <u>202,489</u> |
| Income Before Contributions and Transfers | 903,702 | 2,508,085 | 418,658 | 3,830,445 |
| Contributions | 14,042 | - | - | 14,042 |
| Transfers | <u>(1,716)</u> | <u>(11,167)</u> | <u>-</u> | <u>(12,883)</u> |
| Change in Net Position | 916,028 | 2,496,918 | 418,658 | 3,831,604 |
| Net Position at Beginning of Year | <u>13,533,156</u> | <u>46,354,969</u> | <u>834,109</u> | <u>60,722,234</u> |
| Net Position at End of Year | \$ <u><u>14,449,184</u></u> | \$ <u><u>48,851,887</u></u> | \$ <u><u>1,252,767</u></u> | \$ <u><u>64,553,838</u></u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

| | Business-Type Activities Enterprise Funds | | | |
|--|--|---------------------|---------------------------------|----------------------|
| | Sewer Fund | Water Fund | Nonmajor Solid Waste Fund | Total |
| Cash Flows From Operating Activities | | | | |
| Receipts from customers and users | \$ 5,988,905 | \$ 7,943,495 | \$ 2,730,874 | \$ 16,663,274 |
| Payments to vendors | (3,462,972) | (1,709,001) | (2,111,820) | (7,283,793) |
| Payments to employees | <u>(1,155,426)</u> | <u>(1,869,738)</u> | <u>(189,112)</u> | <u>(3,214,276)</u> |
| Net Cash Provided By Operating Activities | 1,370,507 | 4,364,756 | 429,942 | 6,165,205 |
| Cash Flows From Noncapital Financing Activities | | | | |
| Miscellaneous revenues | - | 46,001 | 20,267 | 66,268 |
| Intergovernmental revenue | - | 1,471,185 | - | 1,471,185 |
| Transfers out | <u>(1,716)</u> | <u>(11,167)</u> | <u>-</u> | <u>(12,883)</u> |
| Net Cash Provided By (Used For) Noncapital Financing Activities | (1,716) | 1,506,019 | 20,267 | 1,524,570 |
| Cash Flows From Capital and Related Financing Activities | | | | |
| Acquisition and construction of capital assets | (1,399,982) | (2,157,672) | - | (3,557,654) |
| Principal payments on bonds and loans | (321,700) | (2,149,281) | - | (2,470,981) |
| Principal payments on notes | - | (1,200,000) | - | (1,200,000) |
| Interest expense | (89,274) | (561,942) | - | (651,216) |
| Massachusetts Clean Water Trust drawdowns | - | 636,518 | - | 636,518 |
| Other nonoperating income | <u>25,672</u> | <u>-</u> | <u>-</u> | <u>25,672</u> |
| Net Cash (Used For) Capital and Related Financing Activities | (1,785,284) | (5,432,377) | - | (7,217,661) |
| Cash Flows From Investing Activities | | | | |
| Investment income | <u>11,900</u> | <u>15,825</u> | <u>2,625</u> | <u>30,350</u> |
| Net Change in Cash and Short-Term Investments | (404,593) | 454,223 | 452,834 | 502,464 |
| Cash and Short-Term Investments, Beginning of Year | <u>4,358,253</u> | <u>4,722,533</u> | <u>746,545</u> | <u>9,827,331</u> |
| Cash and Short-Term Investments, End of Year | <u>\$ 3,953,660</u> | <u>\$ 5,176,756</u> | <u>\$ 1,199,379</u> | <u>\$ 10,329,795</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | | | | |
| Operating income | \$ 978,564 | \$ 2,253,626 | \$ 395,766 | \$ 3,627,956 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation | 443,429 | 2,169,359 | - | 2,612,788 |
| Changes in assets, liabilities, and deferred outflows/inflows: | | | | |
| User fees receivable | (96,371) | (223,348) | 2,181 | (317,538) |
| Deferred outflows - related to pension | 7,996 | 13,715 | - | 21,711 |
| Deferred outflows - related to OPEB | (795) | (1,343) | - | (2,138) |
| Warrants and accounts payable | 100,557 | 265,446 | 32,128 | 398,131 |
| Net pension liability | (65,706) | (112,200) | - | (177,906) |
| Net OPEB liability | (631) | (3,157) | - | (3,788) |
| Deferred inflows - related to pension | 22,364 | 37,563 | - | 59,927 |
| Deferred inflows - related to OPEB | (21,072) | (35,951) | - | (57,023) |
| Other liabilities | <u>2,172</u> | <u>1,046</u> | <u>(133)</u> | <u>3,085</u> |
| Net Cash Provided By Operating Activities | <u>\$ 1,370,507</u> | <u>\$ 4,364,756</u> | <u>\$ 429,942</u> | <u>\$ 6,165,205</u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

| | Other Post Employment Benefits Trust <u>Fund</u> | Private Purpose Trust <u>Funds</u> | Custodial <u>Funds</u> |
|--|---|---|---------------------------|
| Assets | | | |
| Cash and short-term investments | \$ - | \$ 79,859 | \$ 422,810 |
| Investments: | | | |
| External investment pool | <u>10,505,734</u> | <u>-</u> | <u>-</u> |
| Total Investments | <u>10,505,734</u> | <u>-</u> | <u>-</u> |
| Total Assets | 10,505,734 | 79,859 | 422,810 |
| Liabilities | | | |
| Warrants and accounts payable | <u>-</u> | <u>2,000</u> | <u>-</u> |
| Total Liabilities | - | 2,000 | - |
| Net Position | | | |
| Restricted for OPEB purposes | 10,505,734 | - | - |
| Restricted for individuals, organizations and other governments | <u>-</u> | <u>77,859</u> | <u>422,810</u> |
| Total Net Position | \$ <u><u>10,505,734</u></u> | \$ <u><u>77,859</u></u> | \$ <u><u>422,810</u></u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

| | Other Post Employment Benefits Trust <u>Fund</u> | Private Purpose Trust Funds | Custodial Funds |
|---|---|-----------------------------------|--------------------------|
| Additions | | | |
| Contributions: | | | |
| Employer | \$ 3,871,679 | \$ - | \$ - |
| Other | <u>-</u> | <u>30,250</u> | <u>438,668</u> |
| Total Contributions | 3,871,679 | 30,250 | 438,668 |
| Investment income: | | | |
| Interest | - | - | 35 |
| Decrease in fair value of investments | <u>(468,875)</u> | <u>(262)</u> | <u>-</u> |
| Net investment income (loss) | <u>(468,875)</u> | <u>(262)</u> | <u>35</u> |
| Total Additions | 3,402,804 | 29,988 | 438,703 |
| Deductions | | | |
| Benefit payments to plan members beneficiaries and other systems | 2,702,679 | - | - |
| Scholarship payments | - | 37,750 | - |
| Intergovernmental payments | - | - | 32,713 |
| Student activity fund payments | <u>-</u> | <u>-</u> | <u>376,200</u> |
| Total Deductions | <u>2,702,679</u> | <u>37,750</u> | <u>408,913</u> |
| Change in Net Position | 700,125 | (7,762) | 29,790 |
| Restricted Net Position | | | |
| Beginning of Year | <u>9,805,609</u> | <u>85,621</u> | <u>393,020</u> |
| End of Year | \$ <u><u>10,505,734</u></u> | \$ <u><u>77,859</u></u> | \$ <u><u>422,810</u></u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF FRANKLIN, MASSACHUSETTS

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Franklin, Massachusetts (the Town) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles. The following is a summary of the significant policies of the Town:

Reporting Entity

The Town is a municipal corporation governed by an elected Town Council. As required by GAAP, these financial statements present the Town and applicable component units for which the Town is considered to be financially accountable. In fiscal year 2022, it was determined that no entities met the component unit requirements of GASB 14 (as amended).

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Federal Grants Fund* accounts for federal grant revenues and expenditures.

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative

expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

- Sewer Fund
- Water Fund

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The Town reports the following fiduciary funds:

- The *Other Post-employment Benefit Trust Fund* is used to accumulate resources for health insurance benefits for retired employees.
- The *Private-Purpose Trust Fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *Custodial Funds* account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include firearms charges collected on behalf of the State, as well as student activity funds.

Cash and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. Generally, a cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the financial statements under the caption "cash and short-term investments."

For purpose of the Statement of Cash Flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

Investments are carried at fair value, except certificates of deposit, which are not market-linked and therefore are reported at cost. Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using net asset value (NAV). The NAV per share is the amount of net assets attributable to each

share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification.

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution.

Property Tax Limitations

Legislation known as “Proposition 2½” has limited the amount of revenue that can be derived from property taxes. The prior fiscal year’s tax levy limit is used as a base and cannot increase by more than 2.5% (excluding new growth), unless an override is voted.

Capital Assets

Capital assets, which include buildings and improvements, machinery, equipment, and furnishings, land, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$15,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|---------------------------------------|--------------|
| Buildings | 40 |
| Building improvements | 20 |
| Infrastructure | 30 - 50 |
| Machinery, equipment, and furnishings | 5 |

Compensated Absences

It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported in the applicable

governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance

Generally, fund balance represents the difference between current assets/deferred outflows and current liabilities/deferred inflows. The Town has implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions, as follows:

- *Nonspendable* represents amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This fund balance classification includes General Fund prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.
- *Restricted* represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes capital projects funded by grants and bond issuances, various special revenue funds, and the income portion of permanent trust funds.
- *Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority (Town Council). This fund balance classification includes General Fund non-lapsing capital appropriations approved by Town Council, capital improvement stabilization funds (now reported as part of the General Fund per GASB 54), and various special revenue and expendable trust funds.
- *Assigned* represents amounts that are constrained by the Town’s intent to use these resources for a specific purpose. This fund balance classification includes General Fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.
- *Unassigned* represents amounts that are available to be spent in future periods, general stabilization, and deficit funds. The General Fund is the only fund that reports a positive unassigned fund balance.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance, and Accountability

Budgetary Information

The Town Administrator presents, on behalf of the Finance Committee, an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by Town Council, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at Town Council meetings as required by changing conditions.

Departments are limited to the line items as voted. Certain items may exceed the line item budget as approved if it is for an emergency and for the safety of the general public. These items are limited by Massachusetts General Laws and must be raised in the next year's tax rate. It has been the practice of the Town to pay for any of these type of deficiencies by using available funds in the year incurred.

Formal budgetary integration is employed as a management control device during the year for the General Fund and proprietary funds. Effective budgetary control is achieved for all other funds through provisions of Massachusetts General Laws.

At year end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

3. Deposits and Investments - Town (Excluding the OPEB Trust Fund)

Massachusetts General Laws (MGL), Chapter 44, Section 55 place certain limitation on the nature of deposits and investments available to the Town. Deposits, including demand deposits, money markets, and certificates of deposits in any one financial institution, may not exceed 60% of the capital and surplus of such institution unless collateralized by the institution involved. Investments may be made in unconditionally guaranteed U.S. government obligations having maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consist of such obligations. Other allowable investments include certificates of deposits having a maturity date of up to 3 years from the date of purchase, national banks, and Massachusetts Municipal Depository Trust (MMDT). MMDT, which is an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, to report its investments at amortized cost, which approximates the net asset value of \$1.00 per share. MMDT has an average maturity of less than 1 year and is not rated or subject to custodial credit risk disclosure. MGL Chapter 44, Section 54 provides additional investment options for certain special revenue, trust, and OPEB funds.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town's policies related to the custodial credit risk of deposits is that the Treasurer will review the financial institution's financial statements and the background of the Advisor. Further, all securities held by a third-party custodian will be held in the Town's name and tax identification number.

As of June 30, 2022, none of the Town's bank balance of \$48,865,956 was exposed to custodial credit risk as uninsured and uncollateralized. Additionally, \$386,812 was on deposit with the Massachusetts Municipal Depository Trust, which is the state investment pool as authorized by Massachusetts General Laws, Chapter 29, section 38A.

Investments

The following is a summary of the Town's investments as of June 30, 2022:

| <u>Investment Type</u> | <u>Amount</u> |
|--|----------------------|
| Market-linked certificates of deposits | \$ 567,092 |
| Corporate bonds | 6,023,692 |
| Corporate equities | 2,002,687 |
| Fixed income mutual funds | 1,428,199 |
| U.S. Treasury notes | 4,446,870 |
| Federal agencies | <u>1,446,167</u> |
| Total investments | <u>\$ 15,914,707</u> |

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Per the Town's investment policy, the Treasurer will review the financial institution's financial statements and the background of the Advisor. Further, all securities held by a third-party custodian will be held in the Town's name and tax identification number.

As of June 30, 2022, the Town did not have any investments subject to custodial credit risk exposure as all assets were held in the Town's name.

Credit Risk – Investments in Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Laws, Chapter 44, Section 55, limit the Town's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs). The Town does not have formal investment policies related to credit risk.

United States Treasury notes have an implied rating of Aaa. As of June 30, 2022, the credit quality ratings, as rated by Moody's Investors Service, Inc. of the Town's remaining debt securities were as follows:

| <u>Investment Type</u> | <u>Amount</u> | <u>Rating as of Year End</u> | | | | |
|--|---------------------|------------------------------|------------------|---------------------|---------------------|-------------------|
| | | <u>Aaa</u> | <u>Aa1 - Aa3</u> | <u>A1 - A3</u> | <u>Baa1 - B3</u> | <u>Unrated</u> |
| Market-linked certificates of deposits | \$ 567,092 | \$ - | \$ - | \$ - | \$ - | \$ 567,092 |
| Corporate bonds | 6,023,692 | 314,646 | 48,513 | 2,915,689 | 2,744,844 | - |
| Fixed income mutual funds | 1,428,199 | 1,123,700 | - | - | - | 304,499 |
| Federal agencies | <u>1,446,167</u> | <u>1,446,167</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 9,465,150</u> | <u>\$ 2,884,513</u> | <u>\$ 48,513</u> | <u>\$ 2,915,689</u> | <u>\$ 2,744,844</u> | <u>\$ 871,591</u> |

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the Town's investment in a single issuer. The Town places no limit on the amount that may be invested in any one issuer. The Town does not have formal investment policies related to concentration of credit risk exposure.

Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration credit disclosure.

As of June 30, 2022, the Town did not have investments in any one issuer that exceeded 5% of total investments.

Interest Rate Risk – Investments in Debt Securities

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town's investment policy states the Town will manage interest rate risk by managing duration in the account.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations was as follows at June 30, 2022:

| <u>Investment Type</u> | <u>Amount</u> | <u>Effective Duration Years</u> |
|--|----------------------|---|
| Market-linked certificates of deposits | \$ 567,092 | 1.45 |
| Corporate bonds | 6,023,692 | 9.45 |
| Fixed income mutual funds | 1,428,199 | 2.50 |
| U.S. Treasury notes | 4,446,870 | 7.06 |
| Federal agencies | <u>1,446,167</u> | 8.32 |
| Total | \$ <u>13,912,020</u> | |

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town's policy for foreign currency risk states the Town will not invest in any investment exposed to foreign currency risk.

At June 30, 2022, none of the Town's investments were exposed to foreign currency risk.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of an asset or liability and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as Level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The Town had the following fair value measurements as of June 30, 2022:

| | | <u>Fair Value Measurements Using:</u> | |
|--|----------------------|--|--|
| | | Quoted prices in active markets for identical assets (Level 1) | Significant observable inputs (Level 2) |
| <u>Investment Type</u> | <u>Amount</u> | | |
| Investments by fair value level: | | | |
| Market-linked certificates of deposits | \$ 567,092 | \$ - | \$ 567,092 |
| Corporate bonds | 6,023,692 | - | 6,023,692 |
| Corporate equities | 2,002,687 | 2,002,687 | - |
| Fixed income mutual funds | 1,428,199 | - | 1,428,199 |
| U.S. Treasury notes | 4,446,870 | 4,446,870 | - |
| Federal agencies | 1,446,167 | - | 1,446,167 |
| Total | \$ <u>15,914,707</u> | \$ <u>6,449,557</u> | \$ <u>9,465,150</u> |

Equity securities classified as Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified as Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the security's relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

4. Investments – OPEB Trust Fund

The OPEB Trust Fund's investments as of June 30, 2022 were fully invested in the State Retirees Benefits Trust Fund (SRBT) managed by Pension Reserves Investment Management (PRIM) Board.

The net asset value (NAV) per share is the amount of net assets attributable to each share outstanding at the close of the period. The OPEB Trust Fund's investment in SRBT is measured at NAV and is not subject to fair value level classification. There were no unfunded commitments at June 30, 2022, and the redemption frequency was monthly with a 30-day redemption notice period.

5. Property Taxes and Excises Receivable

The Town bills and collects its property taxes on a quarterly basis following the January 1 assessment. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid generally occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation known as "Proposition 2 ½" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½% of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 ½ % of the prior year's levy plus the taxes on property newly added to the tax rolls. The actual fiscal year 2022 tax levy reflected an excess capacity of \$54,270.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth of Massachusetts. The Registry of Motor Vehicles annually calculates the value of all registered motor vehicles for the purpose of excise assessment. The amount of motor vehicle excise tax due is calculated using a fixed rate of \$25 per \$1,000 of value.

Boat excise taxes are assessed annually for all water vessels, including documented boats and ships, used or capable of being used for transportation on water. A boat excise is assessed by the community where the vessel is moored. July 1 is the assessing date for all vessels, and the boat excise due is calculated using a fixed rate of \$10 per \$1,000 of value.

Property taxes and excise receivables at June 30, 2022 consisted of the following:

| | Gross Amount (fund basis) | Allowance for Doubtful Accounts | Current Portion | Long-Term Portion |
|-------------------------|---------------------------------|---------------------------------------|--------------------|----------------------|
| Real estate taxes | \$ 747,189 | \$ (101,481) | \$ 645,708 | \$ - |
| Personal property taxes | 169,404 | (134,606) | 34,798 | - |
| Tax liens | 639,867 | (63,987) | - | 575,880 |
| Other | 53,281 | (5,128) | 48,153 | - |
| Total property taxes | <u>\$ 1,609,741</u> | <u>\$ (305,202)</u> | <u>\$ 728,659</u> | <u>\$ 575,880</u> |
| Motor vehicle excise | \$ 843,979 | \$ (365,931) | \$ 478,048 | |
| Boat excise | 2,414 | (2,414) | - | |
| Total excises | <u>\$ 846,393</u> | <u>\$ (368,345)</u> | <u>\$ 478,048</u> | |

6. User Fees Receivables

Receivables for user charges at June 30, 2022 consisted of the following:

| Governmental Funds | | Gross Amount | Allowance for Doubtful Accounts | Net Amount |
|---------------------|--|---------------------|---------------------------------------|---------------------|
| Ambulance | | <u>\$ 2,264,685</u> | <u>\$ (1,115,840)</u> | <u>\$ 1,148,845</u> |
| Business-Type Funds | | Gross Amount | Allowance for Doubtful Accounts | Net Amount |
| Sewer | | \$ 1,769,141 | \$ (42,401) | \$ 1,726,740 |
| Water | | 2,382,147 | (57,861) | 2,324,286 |
| Solid Waste | | 232,585 | - | 232,585 |
| Total | | <u>\$ 4,383,873</u> | <u>\$ (100,262)</u> | <u>\$ 4,283,611</u> |

7. Intergovernmental Receivables

This balance represents reimbursements requested from federal and state agencies for expenditures incurred in fiscal year 2022.

8. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows (in thousands):

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-------------------|-------------------|-------------------|
| Governmental Activities | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 252,783 | \$ 167 | \$ - | \$ 252,950 |
| Machinery, equipment, and furnishings | 17,686 | 2,149 | (114) | 19,721 |
| Infrastructure | <u>90,190</u> | <u>-</u> | <u>-</u> | <u>90,190</u> |
| Total capital assets, being depreciated | 360,659 | 2,316 | (114) | 362,861 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (88,769) | (6,865) | - | (95,634) |
| Machinery, equipment, and furnishings | (9,140) | (1,601) | 114 | (10,627) |
| Infrastructure | <u>(56,551)</u> | <u>(1,891)</u> | <u>-</u> | <u>(58,442)</u> |
| Total accumulated depreciation | <u>(154,460)</u> | <u>(10,357)</u> | <u>114</u> | <u>(164,703)</u> |
| Total capital assets, being depreciated, net | 206,199 | (8,041) | - | 198,158 |
| Capital assets, not being depreciated: | | | | |
| Land | 18,623 | 4,590 | - | 23,213 |
| Works of art | 96 | - | - | 96 |
| Construction in progress | <u>-</u> | <u>49</u> | <u>-</u> | <u>49</u> |
| Total capital assets, not being depreciated | <u>18,719</u> | <u>4,639</u> | <u>-</u> | <u>23,358</u> |
| Governmental activities capital assets, net | <u>\$ 224,918</u> | <u>\$ (3,402)</u> | <u>\$ -</u> | <u>\$ 221,516</u> |
| Business-Type Activities | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 569 | \$ 68 | \$ - | \$ 637 |
| Machinery, equipment, and furnishings | 2,298 | 336 | - | 2,634 |
| Infrastructure | <u>127,147</u> | <u>3,416</u> | <u>-</u> | <u>130,563</u> |
| Total capital assets, being depreciated | 130,014 | 3,820 | - | 133,834 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (175) | (25) | - | (200) |
| Machinery, equipment, and furnishings | (1,485) | (99) | - | (1,584) |
| Infrastructure | <u>(59,605)</u> | <u>(2,489)</u> | <u>-</u> | <u>(62,094)</u> |
| Total accumulated depreciation | <u>(61,265)</u> | <u>(2,613)</u> | <u>-</u> | <u>(63,878)</u> |
| Total capital assets, being depreciated, net | 68,749 | 1,207 | - | 69,956 |
| Capital assets, not being depreciated: | | | | |
| Land | 4,136 | - | - | 4,136 |
| Construction in progress | <u>2,235</u> | <u>1,972</u> | <u>(2,235)</u> | <u>1,972</u> |
| Total capital assets, not being depreciated | <u>6,371</u> | <u>1,972</u> | <u>(2,235)</u> | <u>6,108</u> |
| Business-type activities capital assets, net | <u>\$ 75,120</u> | <u>\$ 3,179</u> | <u>\$ (2,235)</u> | <u>\$ 76,064</u> |

Depreciation expense was charged to functions of the Town as follows:

| | |
|---------------------------------|----------------------|
| Governmental Activities | |
| General government | \$ 384,643 |
| Public safety | 1,061,505 |
| Education | 5,485,398 |
| Public works | 2,382,145 |
| Health and human services | 234,113 |
| Culture and recreation | <u>809,577</u> |
| Total governmental activities | \$ <u>10,357,381</u> |
| Business-Type Activities | |
| Sewer | \$ 443,429 |
| Water | <u>2,169,359</u> |
| Total business-type activities | \$ <u>2,612,788</u> |

9. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

10. Accrued Liabilities

Accrued liabilities in governmental funds represent accrued payroll and related benefits. Accrued liabilities in government-wide financial statements also include accrued interest on long-term debt.

11. Notes Payable

The following summarizes activity in notes payable during fiscal year 2022:

| <u>Purpose</u> | Balance Beginning of Year | New Issues | <u>Maturities</u> | Balance End of Year |
|----------------|---------------------------------|---------------|-----------------------|---------------------------|
| Water Mains | \$ <u>1,200,000</u> | \$ <u>-</u> | \$ <u>(1,200,000)</u> | \$ <u>-</u> |
| Total | \$ <u>1,200,000</u> | \$ <u>-</u> | \$ <u>(1,200,000)</u> | \$ <u>-</u> |

12. Unearned Revenue

Unearned revenue represents grant funds received by the Town from the American Rescue Plan Act (ARPA). These funds will be used for COVID-19 related expenditures or negative economic impacts of COVID-19 over the next several years.

13. Long-Term Debt

General Obligation Bonds and Loans

The Town issues general obligation bonds and direct borrowings to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and direct borrowings outstanding are as follows:

| <u>Governmental Activities</u> | | | | Amount Outstanding as of <u>6/30/22</u> |
|--|---------------------------|--|-------------------------------|--|
| General Obligation Bonds | <u>Original Issue</u> | <u>Serial Maturities Through</u> | <u>Interest Rate(s) %</u> | |
| Public offerings: | | | | |
| General obligation refunding 2003 | \$ 3,926,500 | 06/30/22 | 2.00 - 4.00% | \$ 370,000 |
| General obligation refunding 2004 | 2,325,000 | 06/30/22 | 2.00 - 4.00% | 262,000 |
| Keller-Sullivan School | 7,300,000 | 03/15/25 | 3.25 - 5.50% | 1,079,001 |
| General obligation refunding 2015 | 3,135,000 | 03/15/27 | 2.00 - 4.00% | 1,165,000 |
| General obligation refunding 2016 | 7,310,000 | 03/01/28 | 4.00% | 4,565,000 |
| High School construction | 43,990,000 | 06/15/38 | 4.125 - 5.00% | 34,700,000 |
| General obligation library bond | 9,150,000 | 05/15/39 | 3.00 - 5.00% | 7,770,000 |
| General obligation municipal purpose | 2,443,500 | 05/15/43 | 2.50 - 5.00% | 2,200,000 |
| General obligation 2021 technology | 1,206,000 | 05/01/41 | 2.00 - 5.00% | 1,105,000 |
| General obligation 2021 fire trucks | 686,900 | 05/01/41 | 2.00 - 5.00% | 630,000 |
| General obligation 2022 land acquisition | 2,965,000 | 05/15/42 | 3.25 - 5.00% | 2,965,000 |
| General obligation 2022 municipal building | 1,320,000 | 05/15/32 | 3.25 - 5.00% | 1,320,000 |
| General obligation 2022 school drains | 380,000 | 05/15/32 | 3.25 - 5.00% | 380,000 |
| Total Governmental Activities | | | | <u>\$ 58,511,001</u> |

Business-Type Activities

| | Original Issue | Serial Maturities Through | Interest Rate(s) % | Amount Outstanding as of 6/30/22 |
|-----------------------------------|-------------------|---------------------------------|-----------------------|---|
| <u>General Obligation Bonds</u> | | | | |
| Public offerings: | | | | |
| Water refunding 2004 | \$ 2,325,000 | 06/30/22 | 2.00 - 4.00% | \$ 145,000 |
| Sewer refunding 2004 | 2,325,000 | 06/30/22 | 2.00 - 4.00% | 96,000 |
| Water mains | 3,000,000 | 03/15/25 | 4.26% | 443,000 |
| Water refunding 2015 | 1,857,000 | 03/15/27 | 2.00 - 4.00% | 910,000 |
| Sewer refunding 2015 | 1,928,000 | 03/15/27 | 2.00 - 4.00% | 760,000 |
| Water line replacement | 5,000,000 | 06/15/28 | 4.00 - 5.00% | 2,320,000 |
| Water infrastructure improvements | 4,541,500 | 05/15/33 | 2.50 - 5.00% | 3,235,000 |
| Water 2021 - Well Station 3 | 1,022,400 | 05/01/41 | 2.00 - 5.00% | 990,000 |
| Sewer 2021 - Beaver St | 1,444,700 | 05/01/41 | 2.00 - 5.00% | 1,395,000 |
| Total public offerings | | | | 10,294,000 |
| <u>Loans - Direct Borrowings</u> | | | | |
| Water treatment facility DW-02-12 | 5,889,794 | 08/01/24 | 2.50 - 5.25% | 1,116,154 |
| MCWT DW-19-02 | 12,579,500 | 01/15/41 | 2.00% | 11,950,525 |
| Total loans - direct borrowings | | | | 13,066,679 |
| Total Business-Type Activities | | | | \$ 23,360,679 |

Future Debt Service

The annual payments to retire all general obligation bonds and loans outstanding as of June 30, 2022 were as follows:

| Governmental | <u>Bonds - Public Offerings</u> | |
|---------------------|---------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> |
| Year | | |
| 2023 | \$ 4,524,000 | \$ 2,411,453 |
| 2024 | 4,222,000 | 2,216,071 |
| 2025 | 4,140,001 | 2,034,966 |
| 2026 | 3,855,000 | 1,889,591 |
| 2027 | 3,605,000 | 1,723,691 |
| 2028-2032 | 14,835,000 | 6,553,737 |
| 2033-2037 | 15,385,000 | 3,431,460 |
| 2038-2042 | 7,800,000 | 516,561 |
| 2043 | 145,000 | 5,256 |
| Total | \$ 58,511,001 | \$ 20,782,786 |

The General Fund has been designated as the source to repay the governmental-type general obligation long-term debt outstanding as of June 30, 2022.

| Business-Type | Bonds Payable | | Loans - Direct Borrowings | |
|---------------|----------------------|---------------------|---------------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2023 | \$ 1,381,000 | \$ 392,261 | \$ 988,252 | \$ 244,586 |
| 2024 | 1,388,000 | 332,426 | 1,002,623 | 226,431 |
| 2025 | 1,250,000 | 275,756 | 1,012,204 | 207,562 |
| 2026 | 1,110,000 | 225,331 | 628,975 | 201,272 |
| 2027 | 925,000 | 176,831 | 628,975 | 188,693 |
| 2028-2032 | 2,760,000 | 411,405 | 3,144,875 | 754,770 |
| 2033-2037 | 880,000 | 106,881 | 3,144,875 | 440,364 |
| 2038-2041 | 600,000 | 25,400 | 2,515,900 | 125,792 |
| Total | <u>\$ 10,294,000</u> | <u>\$ 1,946,291</u> | <u>\$ 13,066,679</u> | <u>\$ 2,389,470</u> |

Changes in Long-Term Liabilities

During the year ended June 30, 2022, the following changes occurred in long-term liabilities (in thousands):

| | Beginning Balance | Additions | Reductions | Total Balance 6/30/22 | Less Current Portion | Equals Long-Term Portion 6/30/22 |
|-----------------------------------|----------------------|------------------|--------------------|-----------------------------|----------------------------|---|
| Governmental Activities | | | | | | |
| Bonds payable: | | | | | | |
| Public offerings | \$ 58,234 | \$ 4,665 | \$ (4,388) | \$ 58,511 | \$ (4,524) | \$ 53,987 |
| Unamortized premium | <u>1,131</u> | <u>175</u> | <u>(79)</u> | <u>1,227</u> | <u>(92)</u> | <u>1,135</u> |
| Subtotal | 59,365 | 4,840 | (4,467) | 59,738 | (4,616) | 55,122 |
| Compensated absences liability | 1,661 | - | (87) | 1,574 | (79) | 1,495 |
| Net pension liability | 38,825 | - | (10,404) | 28,421 | - | 28,421 |
| Net OPEB liability | <u>68,669</u> | <u>5,308</u> | <u>-</u> | <u>73,977</u> | <u>-</u> | <u>73,977</u> |
| Totals | <u>\$ 168,520</u> | <u>\$ 10,148</u> | <u>\$ (14,958)</u> | <u>\$ 163,710</u> | <u>\$ (4,695)</u> | <u>\$ 159,015</u> |
| Business-Type Activities | | | | | | |
| Bonds payable: | | | | | | |
| Public offerings | \$ 11,791 | \$ - | \$ (1,497) | \$ 10,294 | \$ (1,381) | \$ 8,913 |
| Loans payable (direct borrowings) | <u>14,041</u> | <u>-</u> | <u>(974)</u> | <u>13,067</u> | <u>(988)</u> | <u>12,079</u> |
| Subtotal | 25,832 | - | (2,471) | 23,361 | (2,369) | 20,992 |
| Compensated absences liability | 95 | 3 | - | 98 | (5) | 93 |
| Net pension liability | 551 | - | (178) | 373 | - | 373 |
| Net OPEB liability | <u>974</u> | <u>-</u> | <u>(4)</u> | <u>970</u> | <u>-</u> | <u>970</u> |
| Totals | <u>\$ 27,452</u> | <u>\$ 3</u> | <u>\$ (2,653)</u> | <u>\$ 24,802</u> | <u>\$ (2,374)</u> | <u>\$ 22,428</u> |

14. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of net assets by the Town that apply to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB, in accordance with GASB Statements No. 69 and 75, will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes. *Unavailable revenues* are reported in the governmental funds Balance Sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

15. Governmental Funds – Fund Balances

The Town's fund balances at June 30, 2022 were comprised of the following:

| | General Fund | Federal Grants Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------|------------------------|-----------------------------------|--------------------------------|
| Nonspendable | | | | |
| Permanent funds | \$ - | \$ - | \$ 508,930 | \$ 508,930 |
| Total Nonspendable | - | - | 508,930 | 508,930 |
| Restricted | | | | |
| Special revenue funds: | | | | |
| Extracurricular athletics | - | - | 830,300 | 830,300 |
| Transportation | - | - | 1,330,251 | 1,330,251 |
| Pre-kindergarten | - | - | 1,163,399 | 1,163,399 |
| Circuit breaker | - | - | 3,073,927 | 3,073,927 |
| Lifelong Learning | - | - | 504,024 | 504,024 |
| School lunch | - | - | 892,315 | 892,315 |
| Parking meter receipts | - | - | 489,384 | 489,384 |
| Town use of facilities | - | - | 188,897 | 188,897 |
| Wetlands protection | - | - | 207,876 | 207,876 |
| Ambulance receipts | - | - | 281,341 | 281,341 |
| 40B Franklin heights infrastructure | - | - | 164,000 | 164,000 |
| Community preservation | - | - | 1,377,084 | 1,377,084 |
| Other | - | - | 1,786,878 | 1,786,878 |
| Capital projects funds | - | - | 1,784,527 | 1,784,527 |
| Permanent trust funds | - | - | 1,626,427 | 1,626,427 |
| Insurance reserves | 1,436,082 | - | - | 1,436,082 |
| Total Restricted | 1,436,082 | - | 15,700,630 | 17,136,712 |
| Committed | | | | |
| Reserve for continuing resolutions | 5,300,139 | - | - | 5,300,139 |
| Capital improvement stabilization funds | 3,554,135 | - | - | 3,554,135 |
| MECC stabilization | 887,694 | - | - | 887,694 |
| Total Committed | 9,741,968 | - | - | 9,741,968 |
| Assigned | | | | |
| General government | 52,905 | - | - | 52,905 |
| Public safety | 27,335 | - | - | 27,335 |
| Education | 575,040 | - | - | 575,040 |
| Public works | 373,378 | - | - | 373,378 |
| Health and human services | 2,000 | - | - | 2,000 |
| Culture and recreation | 1,000 | - | - | 1,000 |
| Insurance and benefits | 4,725 | - | - | 4,725 |
| Total Assigned | 1,036,383 | - | - | 1,036,383 |
| Unassigned | | | | |
| General Fund | 6,822,319 | - | - | 6,822,319 |
| General stabilization fund | 6,442,797 | - | - | 6,442,797 |
| Budget stabilization fund | 2,004,900 | - | - | 2,004,900 |
| Federal grants fund | - | (318,275) | - | (318,275) |
| Total Unassigned | 15,270,016 | (318,275) | - | 14,951,741 |
| Total Fund Balance | \$ 27,484,449 | \$ (318,275) | \$ 16,209,560 | \$ 43,375,734 |

16. Restricted Net Position

The Town's restricted net position at June 30, 2022 was comprised of the following:

| <u>Purpose</u> | <u>Governmental Activities</u> |
|-------------------------------------|------------------------------------|
| Affordable housing trust | \$ 1,031,117 |
| Sewer lift stations trust | 542,247 |
| Ray memorial library trust | 145,754 |
| Other trusts | 416,240 |
| Extracurricular athletics | 830,300 |
| Transportation | 1,330,251 |
| Pre-kindergarten | 1,163,399 |
| Circuit breaker | 3,073,927 |
| Lifelong Learning | 504,024 |
| School lunch | 892,315 |
| Parking meter receipts | 489,384 |
| Town use of facilities | 188,897 |
| Wetlands protection | 207,876 |
| Ambulance receipts | 281,341 |
| 40B Franklin heights infrastructure | 164,000 |
| Community preservation | 1,377,084 |
| Other special revenue funds | <u>1,786,878</u> |
| Total | <u>\$ 14,425,034</u> |

17. Transfers

The Town reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. Interfund transfers for fiscal year 2022 were as follows:

| <u>Governmental Funds:</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------------|---------------------|----------------------|
| General Fund | \$ - | \$ 96,021 |
| Nonmajor Governmental Funds: | | |
| Special revenue funds | 104,900 | - |
| Expendable trust funds | 4,004 | - |
| Proprietary Funds: | | |
| Sewer Fund | - | 1,716 |
| Water Fund | - | <u>11,167</u> |
| Total | <u>\$ 108,904</u> | <u>\$ 108,904</u> |

Of the transfer out of the General Fund, \$77,017 was transferred to the bond premiums special revenue fund.

18. Norfolk County Retirement System

The Town follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to employees' retirement funds.

Plan Description

Substantially all employees of the Town (except teachers and administrators under contract employed by the School Department) are members of the Norfolk County Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports publicly available from the System located at 480 Neponset Street, Canton, Massachusetts 02021.

Participant Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the System. In addition, all employees hired on or after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

| | |
|-------------------------------------|----|
| Before January 1, 1975 | 5% |
| January 1, 1975 - December 31, 1983 | 7% |
| January 1, 1984 - June 30, 1996 | 8% |
| Beginning July 1, 1996 | 9% |

For those members entering the System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Participant Retirement Benefits

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest five-year average annual rate of regular compensation for those first becoming members of the System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any

2 consecutive years exceeds 100 percent, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

There are four classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.
- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

Methods of Payment

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.
- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.
- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's

designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or “pops up” to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable “pops up” to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

Participant Refunds

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

Employer Contributions

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The Town’s contribution to the System for the year ended June 30, 2022 was \$6,693,600 which was equal to its annual required contribution.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred (inflows) of resources related to pension, and pension expense, information about the fiduciary net position of the System and additions to/deductions from the System’s fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to Pension

At June 30, 2022, the Town reported a liability of \$28,793,166 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. At June 30, 2022, the Town’s proportion was 7.8127%, which was an increase of 0.1035% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$2,764,756. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 2,912,401 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | 1,995,738 | 12,649,274 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | <u>803,036</u> | <u>-</u> |
| Total | <u>\$ 5,711,175</u> | <u>\$ 12,649,274</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as increases (decreases) in pension expense as follows:

| <u>Year Ended June 30:</u> | |
|----------------------------|-----------------------|
| 2023 | \$ (112,494) |
| 2024 | (2,992,113) |
| 2025 | (1,878,431) |
| 2026 | <u>(1,955,061)</u> |
| Total | <u>\$ (6,938,099)</u> |

Actuarial Assumptions

The total pension liability was determined in the actuarial valuation, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-------------------------------|--|
| Valuation date | January 1, 2022 |
| Inflation | 3.00% |
| Projected salary increases | 3.5% to 5.5% |
| Investment rate of return | 7.75% |
| Cost of living increases | 3% of the first \$18,000 of retirement |
| Remaining amortization period | Till fiscal 2029 |

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with Scale MP-2014, fully generational.

Target Allocations

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table.

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-term Expected Real Rate of Return</u> |
|------------------------|--|---|
| Domestic equity | 30.5% | 7.0% |
| International equities | 15.5% | 7.7% |
| Fixed income | 20.5% | 4.3% |
| Real estate | 9.5% | 6.9% |
| Private equity | 10.0% | 9.4% |
| Hedge funds | 11.5% | 8.6% |
| Real assets | 2.5% | 8.9% |
| Total | <u>100.00%</u> | |

Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2021 was 7.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Under Chapter 32 of MGL, employers are required to make the necessary contributions such that the pension plan reaches full funding status by 2040. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the System's net pension liability calculated using the discount rate of 7.75%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

| 1% Decrease <u>(6.75%)</u> | Current Discount Rate <u>(7.75%)</u> | 1% Increase <u>(8.75%)</u> |
|----------------------------------|---|----------------------------------|
| \$ 47,920,738 | \$ 28,793,166 | \$ 20,475,102 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the System's separately issued financial report.

19. Massachusetts Teachers' Retirement System (MTRS)***Plan Description***

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing, multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth of Massachusetts on behalf of municipal teachers and municipal teacher retirees. The Commonwealth of Massachusetts is a nonemployer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth of Massachusetts's reporting entity and does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members—two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

Benefits Provided

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last 5 years or any 5 consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and

group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Contributions

Member contributions for MTRS vary depending on the most recent date of membership:

| <u>Membership Date</u> | <u>% of Compensation</u> |
|------------------------|---|
| Prior to 1975 | 5% of regular compensation |
| 1975 to 1983 | 7% of regular compensation |
| 1984 to 6/30/1996 | 8% of regular compensation |
| 7/1/1996 to present | 9% of regular compensation |
| 7/1/2001 to present | 11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000) |
| 1979 to present | An additional 2% of regular compensation in excess of \$30,000 |

In addition, members who join MTRS on or after April 2, 2012 will have their withholding rates reduced to 8% for those participating in retirement, otherwise the withholdings are reduced to 6% plus 2% on earnings over \$30,000 a year after achieving 30 years of creditable service.

Actuarial Assumptions

The net pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of January 1, 2021 rolled forward to June 30, 2021. This valuation used the following assumptions:

- (a) 7.00% (changed from 7.15%) investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase on the first \$13,000 per year.
- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-retirement mortality from 2012 - 2020.

- Mortality rates were as follows:
 - Pre-retirement - reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).
 - Post-retirement - reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).
 - Disability – assumed to be in accordance with Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).

Target Allocations

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2021 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|--------------------------|---|
| Global equity | 39.00% | 4.80% |
| Core fixed income | 15.00% | 0.30% |
| Private equity | 13.00% | 7.80% |
| Portfolio completion strategies | 11.00% | 2.90% |
| Real estate | 10.00% | 3.70% |
| Value added fixed income | 8.00% | 3.90% |
| Timber/natural resources | 4.00% | 4.30% |
| Total | <u>100.00%</u> | |

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth of Massachusetts' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

| 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---------------------------|--|---------------------------|
| \$ 29,687,706 | \$ 22,706,876 | \$ 16,882,184 |

Special Funding Situation

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), and the Commonwealth of Massachusetts is a nonemployer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

Town Proportions

In fiscal year 2021 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability was \$125,802,076 based on a proportionate share of 0.554026%. As required by GASB 68, the Town has recognized its portion of the Commonwealth of Massachusetts's contribution of \$9,687,057 as both a revenue and expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and its portion of the collective pension expense of approximately \$10,095,093 as both a revenue and expense on the Statement of Activities.

20. Other Post-Employment Benefits

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2010, the Town established a single-employer defined benefit OPEB Trust Fund to provide funding for future employee health care costs. The OPEB Trust Fund does not issue a stand-alone financial report.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial*

Reporting by Employers for Postemployment Benefits Other Than Pensions. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred (inflows) of resources, and expense/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

All the following OPEB disclosures are based on a measurement date of June 30, 2022.

General Information about the OPEB Plan

Plan Description

The Town provides post-employment healthcare benefits for retired employees through the Town's plan. The Town provides health insurance coverage through Tufts Health Plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of Massachusetts General Laws.

Benefits Provided

The Town provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the Town and meet the eligibility criteria will receive these benefits.

Funding Policy

The Town's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on annual budget limitations/authorizations.

Plan Membership

At June 30, 2022, the following employees were covered by the benefit terms:

| | |
|--------------------------------------|---------------------|
| Inactive employees or beneficiaries | |
| currently receiving benefit payments | 661 |
| Active employees | <u>1,121</u> |
| Total | <u><u>1,782</u></u> |

Investments

The OPEB Trust Fund's assets consist of investments held by the Pension Reserves Investment Trust.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (4.78%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions and Other Inputs

The net OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|--|
| Investment rate of return | 7.50%, net of OPEB plan investment expense |
| Discount rate | 7.50% |
| Healthcare cost trend rates | 4.5% for 2021 and future periods |
| Participation rate | 95% of future retiree teachers are assumed to participate in the retiree medical plan, 70% of future non-teacher retirees are expected to participate in the retiree medical plan, and 75% of future retirees are expected to elect life |
| Funding assumption | Starting in year 2032, the Town will utilize funds (approximately \$7 million) that were previously utilized for funding the net pension liability to fund the net OPEB liability, annually. |
| Retirees' share of benefit-related costs | 32% |

Mortality rates were based on the SOA Pub-2010 Public Retirement Plans Mortality Tables specific to the Group, Pre-retirement versus Post, Disabled and Beneficiaries, with Scale MP-2019 improvements until 2025.

Target Allocations

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimate of arithmetic real rate of return as of June 30, 2022 is 7.50%.

Contributions

In addition to the implicit subsidy contribution, the Town's policy is to contribute the amounts provided annually by the budget.

Discount Rate

The discount rate used to measure the net OPEB liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2022, were as follows:

| | |
|---|----------------------|
| Total OPEB liability | \$ 85,452,216 |
| Plan fiduciary net position | <u>10,505,734</u> |
| Net OPEB liability | <u>\$ 74,946,482</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 12.29% |

The fiduciary net position has been determined on the same basis used by the OPEB plan. For this purpose, the plan recognizes benefit payments when due and payable.

Changes in the Net OPEB Liability

The following summarizes the changes in the net OPEB liability for the past year:

| | Increase (Decrease) | | |
|----------------------------|--------------------------------|--|------------------------------------|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
| Balance, beginning of year | \$ 79,448,221 | \$ 9,805,609 | \$ 69,642,612 |
| Changes for the year: | | | |
| Service cost | 2,834,817 | - | 2,834,817 |
| Interest | 6,064,612 | - | 6,064,612 |
| Contributions - employer | - | 3,871,679 | (3,871,679) |
| Net investment income | - | (468,875) | 468,875 |
| Benefit payments | <u>(2,895,434)</u> | <u>(2,702,679)</u> | <u>(192,755)</u> |
| Net Changes | <u>6,003,995</u> | <u>700,125</u> | <u>5,303,870</u> |
| Balance, end of year | <u>\$ 85,452,216</u> | <u>\$ 10,505,734</u> | <u>\$ 74,946,482</u> |

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

| 1% Decrease <u>(6.5%)</u> | Current Discount Rate <u>(7.5%)</u> | 1% Increase <u>(8.5%)</u> |
|---------------------------------|--|---------------------------------|
| \$ 87,256,655 | \$ 74,946,482 | \$ 64,833,452 |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it as calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

| 1% <u>Decrease</u> | Current Healthcare Cost Trend Rates <u>Rates</u> | 1% <u>Increase</u> |
|-----------------------|--|-----------------------|
| \$ 61,743,688 | \$ 74,946,482 | \$ 91,446,892 |

OPEB Expense and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to OPEB

For the year ended June 30, 2022, the Town recognized an OPEB expense of \$5,729,530. At June 30, 2022, the Town reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|--|---|--|
| Difference between expected and actual experience | \$ - | \$ 7,290,544 |
| Difference between projected and actual investments earnings | 165,135 | - |
| Change in assumptions | <u>-</u> | <u>838,046</u> |
| Total | \$ <u><u>165,135</u></u> | \$ <u><u>8,128,590</u></u> |

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized as a change in OPEB expense as follows:

| <u>Year Ended June 30:</u> | |
|----------------------------|-----------------------|
| 2023 | \$ (2,413,841) |
| 2024 | (2,432,017) |
| 2025 | (1,806,604) |
| 2026 | (682,897) |
| 2027 | <u>(628,096)</u> |
| Total | \$ <u>(7,963,455)</u> |

21. Commitments and Contingencies

Outstanding Legal Issues

On an ongoing basis, there are typically pending legal issues in which the Town is involved. The Town's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Encumbrances

At year-end the Town's General Fund had \$1,036,383 in encumbrances that will be honored in the next fiscal year.

22. Subsequent Events

Management has evaluated subsequent events through March 30, 2023, which is the date the financial statements were available to be issued.

Debt

Subsequent to June 30, 2022, the Town incurred the following additional debt:

| | <u>Amount</u> | <u>Interest Rate</u> | <u>Issue Date</u> | <u>Maturity Date</u> |
|-------------------------------------|---------------------|----------------------|-------------------|----------------------|
| General obligation land acquisition | \$ <u>3,535,000</u> | 4.00 - 5.00% | 12/15/22 | 12/15/42 |

23. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (P3s and APAs), and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), effective for the Town beginning with its fiscal year ending June 30, 2023. These statements establish new reporting and disclosure requirements for P3s, APAs, and SBITAs. Management is currently evaluating the impact of implementing these pronouncements.

TOWN OF FRANKLIN, MASSACHUSETTS

Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) – Budget and Actual
For the Year Ended June 30, 2022
(Unaudited)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|---|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | |
| Revenues | | | | |
| Property taxes | \$ 88,086,726 | \$ 87,018,055 | \$ 87,109,787 | \$ 91,732 |
| Motor vehicle excise | 4,355,094 | 4,355,094 | 5,281,048 | 925,954 |
| Other excise | 551,964 | 551,964 | 1,184,179 | 632,215 |
| Penalties, interest, and other taxes | 325,109 | 325,109 | 330,066 | 4,957 |
| Charges for services | 2,495,740 | 2,495,740 | 3,510,196 | 1,014,456 |
| Licenses and permits | 1,330,930 | 1,330,930 | 1,435,383 | 104,453 |
| Intergovernmental | 32,271,998 | 32,271,998 | 32,976,714 | 704,716 |
| Fines and forfeitures | 47,867 | 47,867 | 60,673 | 12,806 |
| Investment income | 69,853 | 69,853 | 32,873 | (36,980) |
| Miscellaneous | <u>600,000</u> | <u>600,000</u> | <u>591,523</u> | <u>(8,477)</u> |
| Total Revenues | 130,135,281 | 129,066,610 | 132,512,442 | 3,445,832 |
| Expenditures | | | | |
| General government | 10,686,645 | 10,831,915 | 10,770,126 | 61,789 |
| Public safety | 13,561,752 | 13,516,397 | 13,235,395 | 281,002 |
| Education | 70,401,071 | 71,080,659 | 70,986,960 | 93,699 |
| Public works | 5,426,385 | 5,891,138 | 5,658,960 | 232,178 |
| Health and human services | 844,289 | 836,951 | 774,567 | 62,384 |
| Culture and recreation | 1,691,467 | 1,692,662 | 1,513,114 | 179,548 |
| Employee benefits | 14,623,890 | 14,544,474 | 14,177,354 | 367,120 |
| Debt service | 6,824,890 | 6,788,069 | 6,787,769 | 300 |
| Intergovernmental | 6,074,892 | 6,074,892 | 6,170,776 | (95,884) |
| Capital outlay | <u>-</u> | <u>7,452,076</u> | <u>7,452,076</u> | <u>-</u> |
| Total Expenditures | <u>130,135,281</u> | <u>138,709,233</u> | <u>137,527,097</u> | <u>1,182,136</u> |
| Excess (Deficiency) of Revenues over Expenditures | - | (9,642,623) | (5,014,655) | 4,627,968 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | 1,214,000 | 1,214,000 | - |
| Transfers out | - | (1,597,000) | (1,689,017) | (92,017) |
| Use of free cash | - | 4,470,514 | - | (4,470,514) |
| Use of prior year assigned and committed fund balances (encumbrances and carryforwards) | <u>-</u> | <u>5,555,109</u> | <u>5,555,109</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>9,642,623</u> | <u>5,080,092</u> | <u>(4,562,531)</u> |
| Overall Budgetary Excess (Deficiency) | \$ <u>-</u> | \$ <u>-</u> | \$ <u>65,437</u> | \$ <u>65,437</u> |

See Independent Auditor's Report and Notes to Required Supplementary Information.

**Notes to Required Supplementary Information
for General Fund Budget**

Budgetary Basis

The General Fund final appropriation appearing on the previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the General Fund is based upon accounting principles that differ from GAAP. Therefore, in addition to the GAAP basis financial statements, the results of operations of the General Fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues, expenditures, and other financing sources (uses), to conform to the budgetary basis of accounting.

| | <u>Revenues</u> | <u>Expenditures</u> | <u>Other Financing Sources (Uses)</u> |
|---|-----------------------|-----------------------|---|
| GAAP Basis | \$ 141,894,339 | \$ 139,689,105 | \$ (96,021) |
| Add end-of-year appropriation carryforwards to expenditures | - | 6,336,523 | - |
| To record use of prior year assigned fund balance (encumbrances) | - | - | 5,555,081 |
| To reverse MTRS on behalf payment | (9,687,057) | (9,687,057) | - |
| Reclassification of indirect costs | - | 1,214,000 | 1,214,000 |
| Reverse effect of combining stabilization funds with General Fund per GASB 54 | 341,140 | (13,548) | (1,581,070) |
| Other items | <u>(35,980)</u> | <u>(11,926)</u> | <u>(11,898)</u> |
| Budgetary Basis | \$ <u>132,512,442</u> | \$ <u>137,527,097</u> | \$ <u>5,080,092</u> |

See Independent Auditor's Report.

TOWN OF FRANKLIN, MASSACHUSETTS

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability

(Unaudited)

| Norfolk County Retirement System | | | | | | |
|----------------------------------|-------------------------|--|---|------------------------|--|--|
| <u>Fiscal Year</u> | <u>Measurement Date</u> | <u>Proportion of the Net Pension Liability</u> | <u>Proportionate Share of the Net Pension Liability</u> | <u>Covered Payroll</u> | <u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u> | <u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u> |
| June 30, 2022 | December 31, 2021 | 7.812700% | \$28,793,166 | \$ 26,747,476 | 107.65% | 79.40% |
| June 30, 2021 | December 31, 2020 | 7.709200% | \$39,375,092 | \$ 26,086,561 | 150.94% | 70.20% |
| June 30, 2020 | December 31, 2019 | 7.697500% | \$45,193,052 | \$ 25,204,407 | 179.31% | 64.60% |
| June 30, 2019 | December 31, 2018 | 7.467200% | \$48,607,021 | \$ 23,791,082 | 204.31% | 58.30% |
| June 30, 2018 | December 31, 2017 | 7.454200% | \$41,222,050 | \$ 22,986,553 | 179.33% | 63.50% |
| June 30, 2017 | December 31, 2016 | 7.611400% | \$39,733,230 | \$ 21,380,359 | 185.84% | 61.60% |
| June 30, 2016 | December 31, 2015 | 7.611443% | \$41,346,324 | \$ 20,361,675 | 203.06% | 58.60% |
| June 30, 2015 | December 31, 2014 | 7.756292% | \$40,226,086 | \$ 19,038,422 | 211.29% | 60.10% |

| Massachusetts Teachers' Retirement System | | | | | | | | |
|---|-------------------------|--|---|---|---|------------------------|--|--|
| <u>Fiscal Year</u> | <u>Measurement Date</u> | <u>Proportion of the Net Pension Liability</u> | <u>Proportionate Share of the Net Pension Liability</u> | <u>Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town</u> | <u>Total Net Pension Liability Associated with the Town</u> | <u>Covered Payroll</u> | <u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u> | <u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u> |
| June 30, 2022 | June 30, 2021 | 0.554026% | \$ - | \$ 125,802,076 | \$ 125,802,076 | \$ 44,388,647 | 0.00% | 62.03% |
| June 30, 2021 | June 30, 2020 | 0.565302% | \$ - | \$ 161,364,649 | \$ 161,364,649 | \$ 42,967,009 | 0.00% | 50.67% |
| June 30, 2020 | June 30, 2019 | 0.589260% | \$ - | \$ 148,576,160 | \$ 148,576,160 | \$ 42,881,322 | 0.00% | 53.95% |
| June 30, 2019 | June 30, 2018 | 0.575463% | \$ - | \$ 136,449,789 | \$ 136,449,789 | \$ 40,413,995 | 0.00% | 54.84% |
| June 30, 2018 | June 30, 2017 | 0.584000% | \$ - | \$ 133,650,583 | \$ 133,650,583 | \$ 39,656,333 | 0.00% | 54.25% |
| June 30, 2017 | June 30, 2016 | 0.594982% | \$ - | \$ 133,025,615 | \$ 133,025,615 | \$ 39,315,863 | 0.00% | 52.73% |
| June 30, 2016 | June 30, 2015 | 0.591007% | \$ - | \$ 121,095,209 | \$ 121,095,209 | \$ 37,463,272 | 0.00% | 55.38% |
| June 30, 2015 | June 30, 2014 | 0.584174% | \$ - | \$ 92,862,306 | \$ 92,862,306 | \$ 35,818,594 | 0.00% | 61.64% |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

TOWN OF FRANKLIN, MASSACHUSETTS

Required Supplementary Information Schedule of Pension Contributions

(Unaudited)

| Norfolk County Retirement System | | | | | |
|----------------------------------|---|--|--|--------------------|--|
| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
| June 30, 2022 | \$ 6,693,600 | \$ 6,693,600 | \$ - | \$ 26,747,476 | 25.03% |
| June 30, 2021 | \$ 6,174,365 | \$ 6,174,365 | \$ - | \$ 26,086,561 | 23.67% |
| June 30, 2020 | \$ 5,765,354 | \$ 5,765,354 | \$ - | \$ 25,204,407 | 22.87% |
| June 30, 2019 | \$ 5,223,882 | \$ 5,223,882 | \$ - | \$ 23,791,082 | 21.96% |
| June 30, 2018 | \$ 4,771,398 | \$ 4,771,398 | \$ - | \$ 22,986,553 | 20.76% |
| June 30, 2017 | \$ 4,351,658 | \$ 4,351,658 | \$ - | \$ 21,380,359 | 20.35% |
| June 30, 2016 | \$ 3,947,535 | \$ 3,947,535 | \$ - | \$ 20,361,675 | 19.39% |
| June 30, 2015 | \$ 3,661,686 | \$ 3,661,686 | \$ - | \$ 19,038,422 | 19.23% |

| Massachusetts Teachers' Retirement System | | | | | |
|---|--|--|--|--------------------|--|
| Fiscal Year | Actuarially Determined Contribution Provided by Commonwealth | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
| June 30, 2022 | \$ 9,687,057 | \$ 9,687,057 | \$ - | \$ 44,388,647 | 21.82% |
| June 30, 2021 | \$ 8,781,592 | \$ 8,781,592 | \$ - | \$ 42,967,009 | 20.44% |
| June 30, 2020 | \$ 8,507,207 | \$ 8,507,207 | \$ - | \$ 42,881,322 | 19.84% |
| June 30, 2019 | \$ 7,566,095 | \$ 7,566,095 | \$ - | \$ 40,413,995 | 18.72% |
| June 30, 2018 | \$ 7,215,402 | \$ 7,215,402 | \$ - | \$ 39,656,333 | 18.19% |
| June 30, 2017 | \$ 6,691,065 | \$ 6,691,065 | \$ - | \$ 39,315,863 | 17.02% |
| June 30, 2016 | \$ 6,039,677 | \$ 6,039,677 | \$ - | \$ 37,463,272 | 16.12% |
| June 30, 2015 | \$ 5,475,922 | \$ 5,475,922 | \$ - | \$ 35,848,594 | 15.28% |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

TOWN OF FRANKLIN, MASSACHUSETTS

Required Supplementary Information
Schedule of Changes in Net OPEB Liability
(Unaudited)

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | | | |
| Service cost | \$ 2,834,817 | \$ 2,572,656 | \$ 2,461,872 | \$ 2,355,858 | \$ 2,749,555 | \$ 2,631,153 |
| Interest | 6,064,612 | 6,074,067 | 5,659,418 | 5,960,335 | 5,560,968 | 5,151,437 |
| Differences between expected and actual experience | - | (6,170,129) | - | (7,641,391) | - | - |
| Changes of assumptions | - | - | - | (2,157,806) | - | - |
| Benefit payments, including refunds of member contributions | <u>(2,895,434)</u> | <u>(2,835,297)</u> | <u>(2,576,222)</u> | <u>(2,692,152)</u> | <u>(2,495,281)</u> | <u>(2,387,829)</u> |
| Net change in total OPEB liability | 6,003,995 | (358,703) | 5,545,068 | (4,175,156) | 5,815,242 | 5,394,761 |
| Total OPEB liability - beginning | <u>79,448,221</u> | <u>79,806,924</u> | <u>74,261,856</u> | <u>78,437,012</u> | <u>72,621,770</u> | <u>67,227,009</u> |
| Total OPEB liability - ending (a) | 85,452,216 | 79,448,221 | 79,806,924 | 74,261,856 | 78,437,012 | 72,621,770 |
| Plan Fiduciary Net Position | | | | | | |
| Contributions - employer | 3,871,679 | 3,491,175 | 3,407,236 | 3,346,111 | 3,113,747 | 3,219,829 |
| Net investment income (loss) | (468,875) | 2,115,284 | 110,265 | 280,311 | 383,452 | 521,740 |
| Benefit payments, including refunds of member contributions | (2,702,679) | (2,588,101) | (2,437,236) | (2,408,121) | (2,311,621) | (2,387,829) |
| Other | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(22,867)</u> | <u>-</u> |
| Net change in plan fiduciary net position | 700,125 | 3,018,358 | 1,080,265 | 1,218,301 | 1,162,711 | 1,353,740 |
| Plan fiduciary net position - beginning | <u>9,805,609</u> | <u>6,787,251</u> | <u>5,706,986</u> | <u>4,488,685</u> | <u>3,325,974</u> | <u>1,972,234</u> |
| Plan fiduciary net position - ending (b) | <u>10,505,734</u> | <u>9,805,609</u> | <u>6,787,251</u> | <u>5,706,986</u> | <u>4,488,685</u> | <u>3,325,974</u> |
| Net OPEB liability - ending (a-b) | <u>\$ 74,946,482</u> | <u>\$ 69,642,612</u> | <u>\$ 73,019,673</u> | <u>\$ 68,554,870</u> | <u>\$ 73,948,327</u> | <u>\$ 69,295,796</u> |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

TOWN OF FRANKLIN, MASSACHUSETTS

Required Supplementary Information
Schedules of Net OPEB Liability, Contributions, and Investment Returns
(Unaudited)

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Schedule of Net OPEB Liability | | | | | | |
| Total OPEB liability | \$ 85,452,216 | \$ 79,448,221 | \$ 79,806,924 | \$ 74,261,856 | \$ 78,437,012 | \$ 72,621,770 |
| Plan fiduciary net position | <u>10,505,734</u> | <u>9,805,609</u> | <u>6,787,251</u> | <u>5,706,986</u> | <u>4,488,685</u> | <u>3,325,974</u> |
| Net OPEB liability | \$ <u>74,946,482</u> | \$ <u>69,642,612</u> | \$ <u>73,019,673</u> | \$ <u>68,554,870</u> | \$ <u>73,948,327</u> | \$ <u>69,295,796</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 12.29% | 12.34% | 8.50% | 7.68% | 5.72% | 4.58% |
| Covered employee payroll | \$ 70,365,340 | \$ 67,985,836 | \$ 64,766,856 | \$ 63,608,230 | \$ 63,608,230 | \$ 61,457,227 |
| Participating employer net OPEB liability as a percentage of covered employee payroll | 106.51% | 102.44% | 112.74% | 107.78% | 116.26% | 112.75% |
| Schedule of Contributions | | | | | | |
| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Actuarially determined contribution | \$ 9,060,165 | \$ 8,269,169 | \$ 5,724,334 | \$ 5,724,334 | \$ 5,871,382 | \$ 5,618,548 |
| Contributions in relation to the actuarially determined contribution | <u>3,871,679</u> | <u>3,533,101</u> | <u>3,407,236</u> | <u>3,350,121</u> | <u>3,136,488</u> | <u>3,219,829</u> |
| Contribution deficiency | \$ <u>5,188,486</u> | \$ <u>4,736,068</u> | \$ <u>2,317,098</u> | \$ <u>2,374,213</u> | \$ <u>2,734,894</u> | \$ <u>2,398,719</u> |
| Covered employee payroll | \$ 70,365,340 | \$ 67,985,836 | \$ 64,766,856 | \$ 63,608,230 | \$ 63,608,230 | \$ 61,457,227 |
| Contributions as a percentage of covered employee payroll | 5.50% | 5.20% | 5.26% | 5.27% | 4.93% | 5.24% |
| Schedule of Investment Returns | | | | | | |
| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Annual money weighted rate of return, net of investment expense | -4.78% | 29.91% | 2.38% | 12.17% | 6.11% | 11.93% |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

Franklin Town Council Meeting



Board of Commissioners

Franklin

David C. Formato, Chairman

Wolfgang Bauer, Vice Chairman

Mark Cataldo, Clerk

Medway

Douglas M. Downing

Ted Kenney

Executive Director

Elizabeth Taglieri, P.E.

Engineer/IPP Coordinator

Kristen Mucciarone, P.E.

May 3, 2023

Background

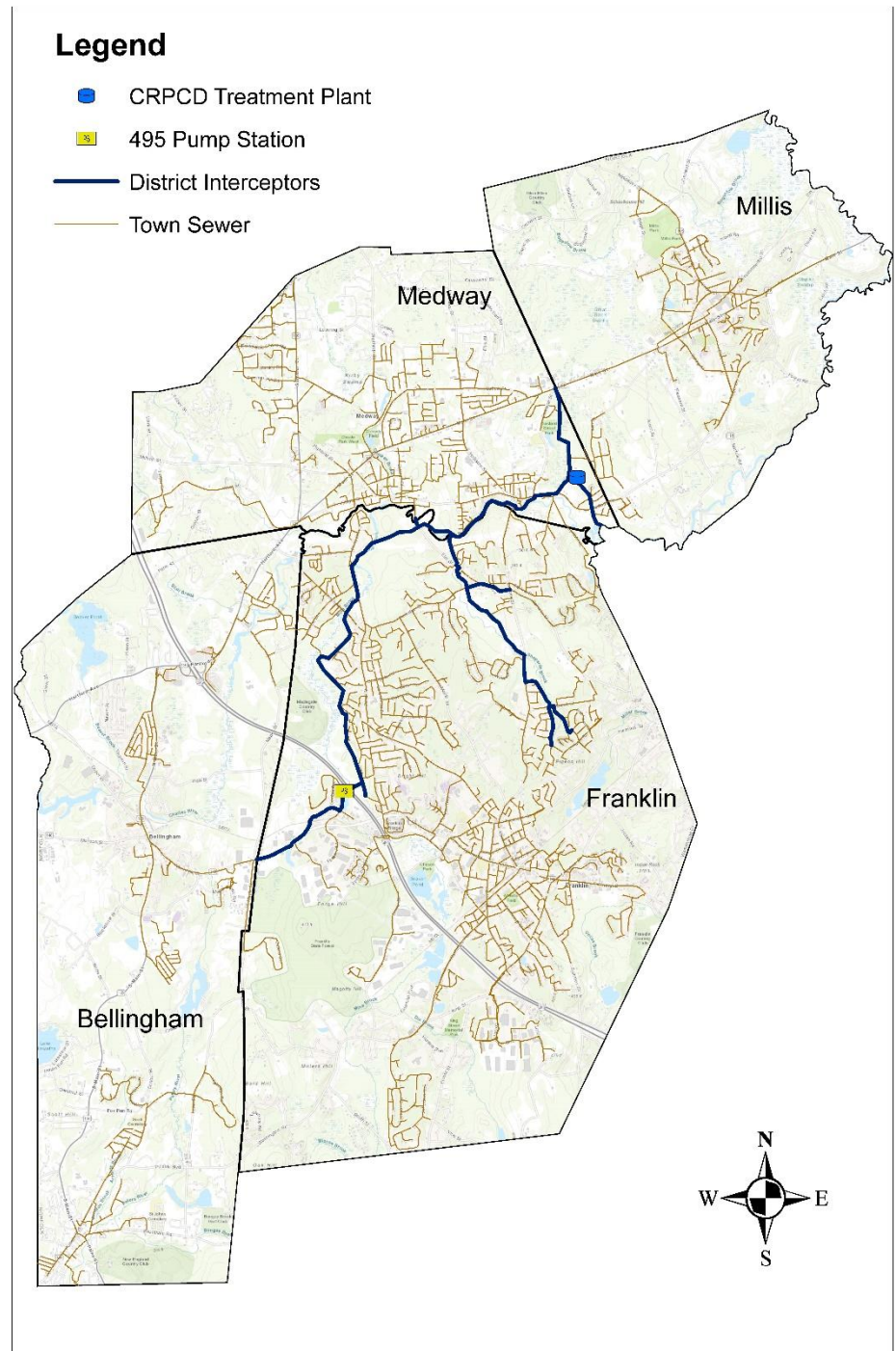
- CRPCD established in 1973 by the Towns of Franklin and Medway
- Wastewater treatment began in 1979, treatment capacity of 4.54 MGD
- Treatment plant partially upgraded in the late 1990's, increased treatment capacity to 5.7 MGD
- Major upgrade completed in 2012 - 2016 to replace aging equipment, cap on-site landfill and to meet more stringent total phosphorus permit limits - \$30M total
- Currently designed and permitted to treat and discharge 5.7 million gallons per day (mgd)
 - Franklin owns 63.9% or 3.642 MGD

Collection System

Over 240 miles of sewer in Medway, Franklin, Millis and Bellingham

- 149 miles of Town owned sewer in Franklin
- 13 miles of District owned interceptors, including over 9 miles in Franklin
- District owned pump station (by BJ's in Franklin)

Towns and District inspect and repair sewer lines to remove Infiltration and Inflow (I/I)



Treatment Process

- Screening and grit removal
- Primary clarification
- Activated sludge
- Secondary clarification
- Cloth filtration
- Disinfection with sodium hypochlorite
- Gravity belt thickening
- Off-site sludge disposal
- Effluent discharged to Charles River



Headworks



Primary Clarifier



Aeration Tanks



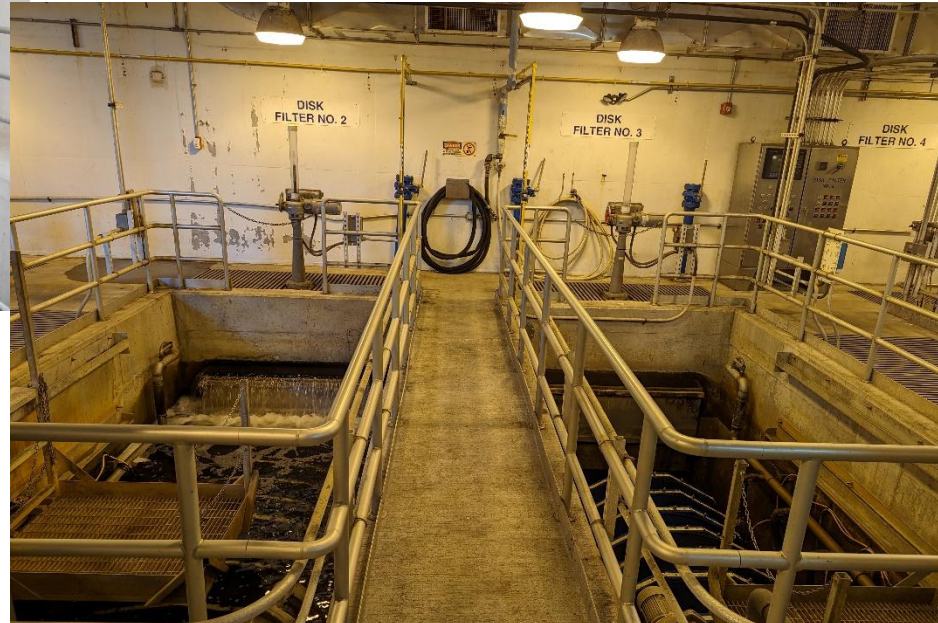
Secondary Clarifiers



Traveling Bridge Filter



Disk Filter



Chlorine Contact Chambers



Final Effluent



Gravity Belt Thickener



Average Daily Flow and Projected Capacity

| | Franklin | Medway | Bellingham | Millis | Raw Flow | Rainfall |
|---|----------|--------|------------|--------|----------|----------|
| | mgd | | | | | in |
| 2016 | 2.41 | 0.779 | 0.253 | 0.356 | 4.26 | 43.75 |
| 2017 | 2.56 | 0.880 | 0.228 | 0.388 | 4.37 | 46.84 |
| 2018 | 3.11 | 1.050 | 0.254 | 0.447 | 5.47 | 65.48 |
| 2019 | 2.78 | 0.909 | 0.231 | 0.382 | 5.23 | 60.06 |
| 2020 | 2.60 | 0.858 | 0.227 | 0.368 | 4.63 | 49.18 |
| 2021 | 2.89 | 0.827 | 0.283 | 0.421 | 4.92 | 53.40 |
| 2022 | 2.34 | 0.708 | 0.239 | 0.383 | 4.16 | 44.45 |
| | | | | | | |
| <u>Three Year Average Daily Flow</u> | 2.609 | 0.798 | 0.249 | 0.391 | 4.572 | |
| Future Connections | 0.070 | 0.100 | 0.113 | 0.175 | 0.458 | |
| Three Year Average + Future Connections (mgd) | 2.68 | 0.898 | 0.362 | 0.565 | 5.03 | |
| | | | | | | |
| Capacity | 3.642 | 0.955 | 0.377 | 0.628 | 5.700 | |
| Percent of Capacity - Actual | 72% | 84% | 66% | 62% | 80% | |
| Percent of Capacity - Projected | 74% | 94% | 96% | 90% | 88% | |

Look Ahead

- 495 Pump Station Force Main
 - 30 year old, 18-inch ductile iron force main pipe runs under I-495 and Mine Brook, Franklin owns 35.4%, evaluating inspection options
- Sludge Removal Costs
 - District's contract expires in 2027
 - Price Increases in Market - limited disposal options, unknowns from future PFA regulations
- Chemical Costs
 - Large increases last year, 15% to 132% increase in one year
- Discussion on Increase in Capacity
 - Preliminary discussion with the Towns and MassDEP to increase sewer capacity due to population growth
- Per- and Polyfluoroalkyl Substances (PFAS)
 - New NPDES permit will include quarterly testing at plant and industries
- Electrical Supply Rate
 - 3rd Party supply rate contract expires in 2025

SEWER WORKS

FRANKLIN PUBLIC WORKS

Beaver street interceptor



Sewer Issues

- **High I & I Improvement Program**
 - **\$500K in 2022**
 - **\$500K in 2023**
 - **\$200K Study for future improvements**
- **23 Lift Stations**
 - **\$250K Grant!**



Looking Ahead

- Limited Projected Surplus going forward
- Funding Lift Station Master Plan
- Funding Future I & I Programs
- Increased Costs from CRPCD



Questions?



Come Tour the Facility or Franklin Public Works!

Charles River Pollution Control District

www.charlesriverpcd.org

508-533-6762

Elizabeth Taglieri, P.E.

Executive Director

ltaglieri@charlesriverpcd.org

Brutus Cantoreggi.

Public Works Director

rcantoreggi@franklinma.gov

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
www.franklinma.gov

OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

April 28, 2023

To: Town Council
From: Jamie Hellen, Town Administrator

Re: **Introduction to PFAS in Franklin**

The purpose of this discussion tonight is to alert the Council and public to the latest environmental cause that will have a significant impact on water rates over the next decade. DPW Director Cantreggi and Water-Sewer Superintendent Doug Martin will give an overview of what to expect in the coming years.

Background/History

Per- and Polyfluorinated Substances (PFAS) are a family of chemicals used for nonstick, stain-resistant and water-proof coatings, and in numerous consumer products, industrial uses, and firefighting foams. PFAS are resilient and do not degrade easily. As a result, they are widely found in the environment as products are disposed of and PFAS leaches into the soil and water, finding its way to food and drinking water sources.

People are exposed to PFAS from many sources, far beyond their drinking water. According to the U.S. Environmental Protection Agency (EPA), people are exposed to PFAS by food packaged in materials containing PFAS, processed with equipment that used PFAS, or grown in PFAS-contaminated soil or water. People may also have been exposed to PFAS in the workplace through production facilities or industries that involve chrome plating, electronics manufacturing, and oil recovery. In addition, many commercial household products contain PFAS, and if made outside the United States, may still be made with PFAS. Those include stain- and water-repellent fabrics, nonstick cookware and other products, polishes, waxes, paints, and cleaning products, to name a few. When found in drinking water, it is often the result of PFAS discharged from a nearby manufacturer, landfill, wastewater treatment plant, or firefighter training facility that used fire-suppressing foams.

The Massachusetts Department of Environmental Protection (MassDEP) and the Centers for Disease Control and Prevention (CDC) both note more research is needed and ongoing, but that consuming

water with high PFAS levels does not mean adverse effects will occur. As we await further scientific study, MassDEP has a drinking water standard for the sum of six PFAS compounds called PFAS6. This standard requires all Massachusetts public water suppliers to regularly test for PFAS. The sum of PFAS6 may not exceed 20 nanograms per liter (ng/L), equal to 20 parts per trillion (ppt). For perspective, one ppt is equivalent to a single drop of water in 20 Olympic sized swimming pools which is approximately 13 million gallons of water.

Since October 2020, when the MassDEP PFAS6 drinking water standard went into place, Franklin has been sampling all our sources as required. All sampling has been consistently and reliably below 20 ppt for the PFAS6 except for Well 7/7A. In January of 2020, Well 7/7A had four of the six regulated PFAS being detected in finished water, with a sum of 31.4 ppt. This forced the Town to shut down the source and it has been off ever since. All other sources have consistently and reliably been below the MassDEP PFAS6 drinking water standard.

You may have heard in the news that the EPA recently issued a draft federal drinking water rule which sets the limit for certain PFAS (PFOA, PFOS, and others) lower than the Massachusetts standard. EPA is entertaining public comment on their proposal now and if the proposed rule is finalized, Massachusetts will adopt limits at least as stringent as EPA; the EPA process may take another year before it is completed.

Therefore, given the current MassDEP regulations we are proposing a \$6.5 million project to construct a new PFAS treatment facility adjacent to the current building at the Well No. 7/7A site. In addition to Well 7/7A if the proposed more stringent EPA rule goes into effect based on current sampling results we will need to provide PFAS treatment at the following locations to be in compliance with the proposed rule

- Well 5
- Well 4
- Well 8/8A
- Well 9

The cost for treatment at all these locations including Well 7/7A is likely to be around \$50 million dollars. This does not include our other 4 well locations that are currently just under the proposed rule limits set for PFOA and PFOS.

At the May 25th Town Council meeting we will be asking the council to appropriate the borrowing of the \$6.5 Million for the Well 7/7A project. The Town was listed on the 2023 final State Revolving Fund (SRF) intended use plan and since this project will be a PFAS treatment facility it will be eligible for an interest-free (0%) loan with additional principal loan forgiveness through the SRF program in thanks to the 2021 Bipartisan Infrastructure Law (BIL).

In addition to the above pending costs associated with PFAS, the Water Department has identified the following projects in order to continue delivering the required quantity of safe and reliable drinking water to our consumers.

- **Fisher Street WTP** - Replace the existing Fisher Street WTP membrane cartridge system before the estimated end of cartridge life (~2025) which could lead to WTP failure/loss of services. **Estimated cost ~ \$12 Million**
- **Water Main Replacement / Road Improvement Program** - The current \$7.5 million 5 year program is being completed in 2024 and to continue another 5 year program will cost \$10 million. **Estimated cost ~ \$10 Million**
- **Hillside Tank Replacement** - Project to eliminate concerns about the condition of these two aging tanks and to maintain reliable service in the future by replacing the approximately 100-year old steel water storage tanks with one new tank. **Estimated cost ~ \$9.5 Million**
- **Pleasant Street Tank & Low Service Area Reconfiguration** - Reconfigure the existing low service area (Pleasant Street) system to eliminate the “in series” pumping and perform needed tank rehabilitation. **Estimated cost ~ \$5.5 Million**
- **Bald Hill and Forge Hill Tank Maintenance** - Rehabilitation of Bald Hill Tank and Forge Hill Tank, including the interior overflow pipe assembly and shell manhole surfaces which are displaying extensive corrosion. **Estimated cost ~ \$3 Million**

The cost of these projects are projected to be over 40 million dollars and are vital for the Town to continue to comply with safe drinking water standards. **In order to fund all the PFAS and non PFAS projects the water rates will need to be increased over the next decade to maintain the town water supply infrastructure.**

If you have any additional questions please feel free to ask.

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
www.franklinma.gov

OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

April 28, 2023

To: Town Council
From: Jamie Hellen, Town Administrator

Re: Bylaw Amendment 23-897: Sewer Rate Increase

The following bylaw amendment is the first reading on a sewer rate increase to pay for the Beaver Street Interceptor. Bids are now in and came under budget at \$28 million. As you recall, the Town is a Housing Choice community and the interest rate is 1.5%, which will save the Town a lot of money.

The attached bylaw has the new rates, which will be required by our contract with the state to receive the low interest loan for the project. Rates will increase 19% on July 1, 2023, 15% on July 1, 2024 and 10% on July 1, 2025.

If the town does not approve these rates, we will be in contractual default with the Commonwealth on this loan. The Interceptor has lasted 109-years. There are no other options.

Website is here: <https://www.franklinma.gov/water-sewer-division/pages/beaver-street-interceptor>



Sponsor: Administration

TOWN OF FRANKLIN
BY-LAW AMENDMENT 23 –897
SEWER USAGE RATES

BE IT ENACTED BY THE FRANKLIN TOWN COUNCIL THAT: Chapter 82 of the Code of the Town of Franklin, entitled “Fees, Municipal Service” is hereby amended at Appendix A, as follows:

Appendix A
List of Sewer Service Usage Rates

Effective for bills issued on or after July 1, 2023 Sewer Usage rates shall be as follows:

| CCF | Sewer Usage | Sewer Usage | Sewer Usage | Sewer Usage |
|-------------------------|---------------------|------------------|------------------|------------------|
| | Rate 7-1-2022 | Rate 7-1-2023 | Rate 7-1-2024 | Rate 7-1-2025 |
| 0-15 | \$6.05 | 7.22 | 8.31 | 9.42 |
| 16-40 | \$6.45 | 7.69 | 8.85 | 10.03 |
| 41+ | \$7.40 | 8.83 | 10.17 | 11.52 |
| Quarterly Sewer Only | \$183.00 | 218.00 | 260.00 | 310.00 |

This By-Law amendment shall become effective according to the provisions of the Franklin Home Rule Charter.

DATED: _____, 2023

VOTED:

UNANIMOUS: _____

A True Record Attest:

YES: _____ **NO:** _____

ABSTAIN: _____

ABSENT: _____

Nancy Danello, CMC
Town Clerk

Glenn Jones, Clerk
Franklin Town Council

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
www.franklinma.gov

OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

April 28, 2023

To: Town Council
From: Jamie Hellen, Town Administrator

Re: Resolution 23-30: Authorizing the Borrowing of Money to Pay Costs Associated with the Franklin Sewer System Asset Management Plan and Authorizing the Town Administrator to File Clean Water State Revolving Fund Loan Application and to Take Other Action as Needed

The Town has been awarded grant funding under the 2023 Massachusetts Department of Environmental Protection (MassDEP) Clean Water State Revolving Fund (CWSRF) to continue our Asset Management efforts in wastewater. Our goals for this project include:

- Evaluate sewer pipeline criticality and performance;
- Improve the current pump station asset registry including verifying information, expanding the registry to include previously undocumented assets, and expanding the depth of information and attributes assigned to assets;
- Perform a condition and risk assessment of the pump station assets;
- Develop a capital improvement plan for sewer pump station assets to ensure that proper investments are made to repair or replace these assets.

As a result of this project, we will be able to better understand the criticality of sewer pipelines and its current capacity performance. The Town will also improve the accuracy and completeness of existing sewer pump station data and be able to prioritize its sewer pump station assets based on asset condition and consequence of failure and improve its ability to make data-driven capital planning decisions regarding how to best allocate limited funds for asset rehabilitation and replacement (R&R).

The proposed project cost is \$250,000 broken down as follows:

- Grant Received \$150,000
- Cash (fiscal contribution) \$95,000
- In-Kind Services \$5,000

The Town's contribution to the project will be through fiscal contribution and in-kind labor. Fiscal contributions will be used to cover costs associated with engineering services and will be paid out of the operating fund. In kind labor will be through participation in meetings, and field investigations.

As with other SRF related projects, the funding must be appropriated through borrowing. We are asking the Council to approve Resolution 23-30, to authorize the appropriation of \$250,000 for this project. Additionally, this resolution will authorize the Town Administrator to act as the authorized representative of the Town in connection with this application.

If you have any additional questions please feel free to ask.



TOWN OF FRANKLIN

RESOLUTION 23-30

Authorizing the Borrowing of Money to Pay Costs Associated with the Franklin Sewer System Asset Management Plan (CWSRF 12541)

Whereas: The Town Council has been advised of a need to create a Franklin Sewer System Asset Management Plan,

NOW THEREFORE BE IT ORDERED by the Town Council of the Town of Franklin that:

- (1) Two Hundred and Fifty Thousand Dollars (\$250,000) is appropriated to pay costs associated with the creation of the Franklin Sewer System Asset Management Plan (hereinafter: "Project"), and that to meet this appropriation, the Treasurer, with the approval of the Town Administrator, is authorized to borrow this amount under and pursuant to G.L. c. 44, §7(7) or any other enabling authority, and to issue bonds or notes of the Town therefor. The amount authorized to be borrowed pursuant to this resolution shall be reduced to the extent of any grants, gifts or other contributions (including in-kind contributions) received by the Town on account of the Project.
- (2) All or any portion of the amount authorized to be borrowed by this resolution may be borrowed through the Massachusetts Clean Water Trust (the "Trust") established pursuant to G.L. c. 29C; the purpose of said loan(s), if awarded, shall be to fund costs of the Project, and if said award is made, Town agrees to pay those costs which constitute the required applicant's share of the Project cost. The Town Administrator, the Town Treasurer and any other appropriate officials of the Town is/are hereby authorized on behalf of Town to file applications and execute agreements for grant and/or loan assistance as well as to furnish such information, data and documents pertaining to Town's application for a grant(s) and/or loan(s), and to take any and all other action as may be required, including to execute and deliver any agreements with the Trust and/or the Department of Environmental Protection of The Commonwealth of Massachusetts that may be necessary in order to obtain any such financing, and otherwise to act as the authorized representative of the Town in connection with this application.
- (3) This Resolution shall become effective according to the provisions of the Town of Franklin Home Rule Charter.

DATED: _____, 2023

VOTED: _____

UNANIMOUS: _____

A TRUE RECORD ATTEST:

YES: _____ **NO:** _____

ABSTAIN: _____ **ABSENT:** _____

RECUSED: _____

Nancy Danello, CMC
Town Clerk

Glenn Jones, Clerk
Franklin Town Council



TOWN OF FRANKLIN RESOLUTION 23-31

AUTHORITY FOR TOWN ADMINISTRATOR TO FILE CLEAN WATER STATE REVOLVING FUND LOAN APPLICATION

Whereas, the Town of Franklin (hereinafter: "Town"), after thorough investigation, has determined that the work activity consisting of: Franklin Sewer System Asset Management Plan (CWSRF 12541) (hereinafter: "Project") is both in the public interest and necessary to protect the public health, and that to undertake this activity, it is necessary to apply for assistance; and

Whereas, the Massachusetts Department of Environmental Protection (MassDEP) and the Massachusetts Clean Water Trust (the Trust) of the Commonwealth of Massachusetts, pursuant to Chapter 21 and Chapter 29C of the General Laws of the Commonwealth (Chapter 21 and Chapter 29C) are authorized to make loans to municipalities for the purpose of funding planning and construction activities relative to Water Pollution Abatement Projects; and

Whereas, Town has examined the provisions of the Act, Chapter 21 and Chapter 29C, and believes it to be in the public interest to file a loan application; and

Whereas, Town, acting by and through the Franklin Town Council, by Resolution 23-30, has authorized borrowing for the Project of Two Hundred and Fifty Thousand Dollars,

NOW, THEREFORE, BE IT RESOLVED by the Franklin Town Council, acting on behalf of the Town of Franklin, as follows:

1. That the Town Administrator is hereby authorized on behalf of Town to file applications and execute agreements for grant and/or loan assistance as well as furnish such information, data and documents pertaining to Town's application for a grant(s) and/or loan(s) as may be required; and otherwise to act as the authorized representative of the Town in connection with this application;
2. That the purpose of said loan(s), if awarded, shall be to fund construction activities in connection with Franklin Sewer System Asset Management Plan (CWSRF 12541)
3. If said award is made, the Town agrees to pay those costs which constitute the required applicant's share of the project cost.

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

DATED: _____, 2023

VOTED: _____

UNANIMOUS: _____

A TRUE RECORD ATTEST:

YES: _____ NO: _____

ABSTAIN: _____ ABSENT: _____

RECUSED: _____

Nancy Danello, CMC
Town Clerk

Glenn Jones, Clerk
Franklin Town Council

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
www.franklinma.gov

OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

April 7, 2023

To: Town Council
From: Jamie Hellen, Town Administrator

Re: Bylaw Amendment 23-889: A Zoning Bylaw to Amend the Franklin Town Code at Chapter 185, Attachment 7., Part VI, Use Regulation Schedule: Residential Uses
Bylaw Amendment 23-890: A Zoning Bylaw to Amend the Franklin Town Code at Chapter 185, Section 51

The following two bylaw proposals represent the **Inclusionary Zoning** package approved unanimously, 7-0, by the EDC+ Steering Committee, as well as a unanimous recommendation, 5-0, by the Franklin Planning Board. After months of deliberation, this package represents a policy that has widespread support and an incredible compromise!

Before the Council tonight is the public hearings on both legislation, as well as first reading of the bylaw proposal.

Please see the attached materials from Bryan Taberner on the substance of the bylaws.

FRANKLIN PLANNING & COMMUNITY DEVELOPMENT

355 EAST CENTRAL STREET, ROOM 120

FRANKLIN, MA 02038-1352

TELEPHONE: 508-520-4907

MEMORANDUM

TO: JAMIE HELLEN, TOWN ADMINISTRATOR

FROM: BRYAN W. TABERNER, AICP, DIRECTOR

RE: PROPOSED ZONING CHANGES
ZONING BYLAW AMENDMENT 23-889, RESIDENTIAL USES (FORMERLY 22-889)
ZONING BYLAW AMENDMENT 23-890, INCLUSIONARY ZONING (FORMERLY 22-890)

DATE: FEBRUARY 9, 2023

The Department of Planning & Community Development (DPCD) has worked during the last several months to develop Zoning Bylaw amendments recommended in the “*Franklin For All*” zoning project, and the Town’s 2022 Housing Production Plan (HPP). Recent work, including the two subject Zoning Bylaw Amendments, address the following 1.) Housing density allowed within Commercial I (CI), and General Residential V (GRV) zoning districts; 2.) By-right multifamily housing; 3.) MBTA Communities requirements outlined in Section 3A of the Zoning Act, and 4.) Inclusionary Zoning.

The proposed changes below will create a baseline which to address additional zoning changes, including the possibility of adopting a 40R Smart Growth Overlay District, and addressing accessory dwelling units.

By-Right Multifamily Housing and related Housing Density. Currently multifamily housing developments are only allowed by-right in the Downtown Commercial zoning district (up to one dwelling unit per 2,000 square feet of lot area). In the Commercial I (CI) and General Residential V (GRV) zoning districts up to one dwelling unit per 1,000 square feet of lot area (44 housing units per acre) may be permitted by Planning Board special permit. Special Permits for dense multifamily housing are not automatically granted, and it can be difficult to obtain a permit to develop as many as 44 housing units on an acre of land. The permitting process can be very expensive for the property owner and developer, and there is no guarantee the permit will be granted.

MBTA Communities Requirements. Massachusetts passed new laws through the Acts of 2020 adding a new Section 3A to chapter 40A of MGL. Under Section 3A communities with commuter rail stations (or other MBTA service) are required to have at least one zoning district “*of reasonable size in which multi-family housing is permitted as of right*” that will “*have a minimum gross density of 15 units per acre*”.

Regulation implementing the new laws is contained in “Compliance Guidelines for Multi-family Zoning Districts” (<https://www.mass.gov/info-details/multi-family-zoning-requirement-for-mbta-communities>). The size and location of the zoning district required by Section 3A is dependent upon several factors.

Below is a table outlining the Town of Franklin’s Section 3A requirements taken from the Compliance Guidelines. To summarize the Town of Franklin’s MBTA Communities multifamily zoning requirements, the Town is required to amend its Zoning Bylaw to assure it has one or more zoning districts that in total would allow a minimum multi-family unit capacity of 1,883 housing units by-right, seventy-five percent of which must be located not more than 0.5 miles of the MBTA station.

Section 3A MBTA Communities Requirements

Community: Franklin Community Category: Commuter Rail

| Minimum multi-family unit capacity ¹ | Minimum land area of District | Percent of district to be located in station area ² |
|---|-------------------------------|--|
| 1,883 Units | 50 acres | At least 75 percent |

1.) Minimum multi-family unit capacity equals 15 percent of the number of housing units in Franklin at time of the 2020 U.S. Census.

2. The Station area is a half-mile circle around the MBTA commuter rail station.

The majority of CI and GRV zoning districts are within a half mile of the Downtown MBTA station. DPCD recommends amending the Zoning Bylaw's use regulations to change the housing density allowed in the CI and GRV zoning districts, and to allow a certain number of housing units by-right. By allowing multifamily housing by right in the CI and GRV zoning districts, a developer knows it is possible to get a permit for a certain size development. If the developer wants a denser development they should be allowed to seek a Planning Board special permit.

During a series of Economic Development Committee+ meetings in the fall and early winter, the participants debated the level of housing density that should be allowed within the CI and GRV zoning districts. The Committee voted to set the density to one dwelling unit per 2,250 square feet of lot area.

The proposed density of one dwelling unit per 2,250 square feet of lot area will help the Town meet the MBTA Communities requirements stated in Section 3A; 1 unit per 2,250 sf of lot area comes to 19.36 units per acre. With the Town's Downtown Commercial zoning district already allowing up to 1 housing unit per 2,000 sf of lot (21.78 housing units per acre) by-right, having CI and GRV allow 19.36 units per acre by-right should sufficiently address the Section 3A requirements.

Please note, DPCD staff are currently working with the Town's GIS Department and planners from the Metropolitan Area Planning Council (MAPC) to assess whether or not the proposed changes above would actually meet the Section 3A requirements.

One small Zoning Bylaw amendment that would make a few minor changes to Part VI of the Use Regulations tables (Attachment 7 of the Zoning Bylaw) will make the proposed changes above possible. However, the above proposed changes do not deal with affordable housing issues.

Inclusionary Zoning. DPCD has worked on developing an Inclusionary Zoning (IZ) Bylaw for several years; during that time much has happened, including the HPP, the "Franklin For All" study, and by-right multifamily requirements for MBTA Communities. Over the last couple months the State has amended the requirements of MBTA Communities regarding affordable housing; one change is as follows: DHCD "will consider an affordability requirement to be consistent with as of right zoning as long as the zoning requires not more than 10 percent of the units in a project to be affordable units".

For that reason, requiring more than ten percent affordable housing units in the Downtown Commercial, Commercial I, and General Residential V zoning districts is not allowed (unless the units are more than half mile from the MBTA Station). The newest DHCD guidance also states to be consistent with as of right zoning "the cap on the income of families or individuals who are eligible to occupy the affordable units is not less than 80 percent of the area median income". These changes required DPCD to update the Inclusionary Zoning (IZ) Bylaw. The updated version is simplified in that it only requires 10% affordable units for all multifamily housing developments of ten (10) or more units.

Proposed Zoning Bylaw Amendments. Attached are two proposed zoning bylaw amendments related to the issues discussed above.

Zoning Bylaw Amendment 23-889, Multifamily Housing Density. The proposed bylaw makes several small changes to Part VI of the Use Regulations tables. Most importantly it allows multifamily housing in the CI and GRV zoning districts by-right, up to 1 unit per 2,250 SF of lot area. And it allows the developer to apply for additional density by special permit. The following wording is included in the Use Regulations table related to multifamily housing of 4 or more units in CI and GRV:

No more than one dwelling unit per 2,250 square feet of lot area may be permitted; additional dwelling units may be allowed by Special Permit from the Planning Board.

Another important change was replacing one row in the Residential Use Regulations table with two rows, which define two types of multifamily housing:

- 6.1 Multifamily or Apartment
 - a. With Four or More Housing Units
 - b. With Three Housing Units.

Splitting the use into two allows a 3 unit development to be allowed in certain districts where other larger multifamily developments are not.

Zoning Bylaw Amendment 23-890, Inclusionary Zoning. The Zoning Bylaw amendment adds a new section to the Town's Zoning Bylaw: §185-51 Inclusionary Zoning. Multifamily developments with 10 or more housing units will be required to have at least ten percent of the housing units available for rent (or purchase) by eligible individuals or households making less than 80% of the area wide median household income.

I request the Town Council vote to refer the Zoning Amendments to the Planning Board for a Public Hearing. Please let me know if you have questions or require additional information on any of the above issues.

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4907
www.franklinma.gov

PLANNING BOARD

March 14, 2023

Nancy Danello, Town Clerk
Town of Franklin
355 East Central Street
Franklin, MA 02038

CERTIFICATE OF VOTE

Zoning By-law Amendment #23-889 & #23-890

Petitioner: Town of Franklin, Department of Planning and Community Development

Dear Mrs. Danello:

Please be advised that at its meeting on Monday, March 13, 2023 the Planning Board, upon motion duly made and seconded, voted (5-0-0) to *RECOMMEND, as presented*, to the Town Council the adoption of Zoning By-law Amendments #23-889 & #23-890, a Zoning By-Law to amend §185, Attachment 7, Part VI, Use Regulation Schedule: Residential Uses, Multifamily and add 185 Section 51.

If you have any questions concerning this decision, please contact the planning staff or me.

Sincerely,

Gregory Rondeau
Chairman

cc: Town Council
Town Administrator

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4907
www.franklinma.gov

PLANNING BOARD

The following notice will be published in the Milford Daily Newspaper once on Monday, February 27, 2023 and again on March 6, 2023

FRANKLIN PLANNING BOARD PUBLIC HEARING NOTICE

In accordance with the provisions of M.G.L. Chapter 40A, Section 5, notice is hereby given that the Planning Board will hold a Public Hearing on Monday, March 13, 2023 at 7:00 PM and the Town Council will hold a Public Hearing on Wednesday, April 12 at 7:00 PM to consider amending Chapter 185, Attachment 7, Part VI of the Code of the Town of Franklin.

ZONING BY-LAW AMENDMENT 23-889

That Chapter 185 of the Code of the Town of Franklin is hereby amended by additions and deletions to §185, Attachment 7, Part VI, Use Regulation Schedule: Residential Uses, Multifamily or Apartment.

The exact text of the proposed zoning bylaw amendment is posted on the website along with the hearing notice.

Please contact the Department of Planning & Community Development at (508) 520-4907 if you require further information or if you need to make arrangements to provide translation services for the hearing impaired, or for persons with language barriers.

Copies of the plan and supporting documentation may be reviewed in the Department of Planning & Community Development during regular office hours.

Greg Rondeau, Chairman

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4907
www.franklinma.gov

PLANNING BOARD

The following notice will be published in the Milford Daily Newspaper once on Monday, February 27, 2023 and again on March 6, 2023

FRANKLIN PLANNING BOARD PUBLIC HEARING NOTICE

In accordance with the provisions of M.G.L. Chapter 40A, Section 5, notice is hereby given that the Planning Board will hold a Public Hearing on Monday, March 13, 2023 at 7:00 PM and the Town Council will hold a Public Hearing on Wednesday, April 12 at 7:00 PM to consider amending Chapter 185 of the Code of the Town of Franklin.

ZONING BY-LAW AMENDMENT 23-890

That Chapter 185 of the Code of the Town of Franklin is hereby amended by adding a new Section §185-51. Inclusionary Zoning.

The exact text of the proposed zoning bylaw addition is posted on the website along with the hearing notice.

Please contact the Department of Planning & Community Development at (508) 520-4907 if you require further information or if you need to make arrangements to provide translation services for the hearing impaired, or for persons with language barriers.

Copies of the plan and supporting documentation may be reviewed in the Department of Planning & Community Development during regular office hours.

Greg Rondeau, Chairman



SPONSOR: *Town Administration*

**TOWN OF FRANKLIN
ZONING BY-LAW AMENDMENT 23-889 (FORMERLY 22-889)**

**A ZONING BY-LAW TO AMEND THE FRANKLIN TOWN CODE AT
CHAPTER 185, ATTACHMENT 7. PART VI, USE REGULATION SCHEDULE:
RESIDENTIAL USES**

BE IT ENACTED BY THE FRANKLIN TOWN COUNCIL THAT:

Chapter 185 of the Code of the Town of Franklin is hereby amended by the following additions (**xyz**) and as deletions (~~**xyz**~~) to §185, Attachment 7, Part VI, Use Regulation Schedule: Residential Uses, Multifamily or Apartment:

185 Attachment 7
USE REGULATION SCHEDULE
PART VI

Symbols in the Use Regulations Schedule shall mean the following:

Y = A permitted use.

N = An excluded or prohibited use.

BA = A use authorized under special permit from the Board of Appeals.

PB = A use authorized under special permit from the Planning Board.

P/SP = Permitted as of right. A special permit from the Board of Appeals is required if the proposed project results in an increase in estimated water consumption of more than 15,000 gallons per day.

| Principal Uses | District | | | | | | | | | | | | | | | |
|---|----------|----------------|-------|--------|-----------------|------------------|-------------------|----|------------------|-----|------------------|---|---|----|-------------------|-----|
| | RR I | RR II | SFR I | SFR II | SFR IV | GRV | NC | RB | CI | CII | DC | B | I | LI | O | MBI |
| | RVI | RVII | | | | | | | | | | | | | | |
| 6. Residential | | | | | | | | | | | | | | | | |
| 6.1 Multifamily or Apartment | | N ⁴ | N | N | N | PB ³ | PB ⁴ | N | PB ³ | N | Y ^{5,6} | N | N | N | PB ^{7,8} | N |
| a. With Four or More Housing Units ⁴ | | N ¹ | N | N | N | Y ^{2,3} | PB ^{2,8} | N | Y ^{2,3} | N | Y ^{5,6} | N | N | N | PB ^{7,8} | N |
| b. With Three Housing Units | | N | N | N | PB ² | Y ² | Y ² | N | Y ² | Y | Y | N | N | N | N | N |
| 6.2 Single-family | | Y | Y | Y | Y | Y | Y | Y | Y | Y | N | N | N | N | N | N |
| 6.3 Two-family | | | | | | | | | | | | | | | | |
| a. New | | N | N | N | Y ² | Y ² | Y ² | N | Y | Y | N | N | N | N | N | N |
| b. By conversion | | BA | BA | BA | BA | Y | Y | N | BA | Y | BA | N | N | N | N | N |

NOTES:

1. Except PB in RVI District (see § 185-38), per § 185-38, and RVII District per § 185-50.

2. Lot area must be at least 25% greater than that required for a single-family dwelling.

3. No more than one dwelling unit per 1,000 2,250 square feet of lot area may be permitted; additional dwelling units may be allowed by Special Permit from the Planning Board.

4. ~~No more than one dwelling unit per 3,000 square feet of lot area may be permitted.~~ All multifamily developments with 10 or more housing units are required to address the Affordable Housing requirements in § 185-51.

5. All dwelling units shall be located on floors above the street level floor.

6. No more than one dwelling unit per 2,000 square feet of lot area will be permitted; additional dwelling units may be allowed by Special Permit from the Planning Board.

7. All multi-family residential developments require a minimum of 5-acres.

8. No more than one dwelling unit per 3,000 square feet of lot area will be permitted.

The foregoing Zoning By-law amendment shall take effect in accordance with the Franklin Home Rule Charter and Massachusetts General Law Chapter 40A, Section 5.

DATED: _____, 2023

VOTED: _____

UNANIMOUS: _____

A TRUE RECORD ATTEST:

YES: _____ **NO:** _____

ABSTAIN: _____ **ABSENT:** _____

RECUSED: _____

Nancy Danello, CMC
Town Clerk

Glenn Jones, Clerk
Franklin Town Council



SPONSOR: *Town Administration*

**TOWN OF FRANKLIN
ZONING BY-LAW AMENDMENT 23-890 (FORMERLY 22-890)**

INCLUSIONARY ZONING

**A ZONING BY-LAW TO AMEND THE FRANKLIN TOWN CODE
AT CHAPTER 185, SECTION 51**

BE IT ENACTED BY THE FRANKLIN TOWN COUNCIL THAT: Chapter 185 of the Code of the Town of Franklin is hereby amended by adding a new Section at §185-51. Inclusionary Zoning, to read as follows:

§185-51. Inclusionary Zoning

A. Purpose and Intent.

The purpose of this bylaw is to encourage the development of new multifamily housing that is affordable for rent or purchase to both low and moderate-income households. It is intended that the affordable housing units required by this bylaw consist of at least 10 percent Inclusionary Units as defined below in Section B.

B. Definitions.

Inclusionary Units: Housing units which the Planning Board finds are affordable for rent or purchase by eligible individuals or households making less than 80% of the areawide median household income as calculated by the United States Department of Housing and Urban Development (HUD) with adjustments for family size, provided there are deed restrictions. Such units will be Local Initiative Program, Local Action Units, in compliance with the requirements for the same as specified by the Commonwealth's Department of Housing and Community Development (DHCD).

Eligible Household: An individual or household whose annual income is less than 80% of the area wide median income as determined by HUD, adjusted for household size, with income computed using HUD's rules for attribution of income to assets.

C. Applicability.

In all zoning districts, the inclusionary zoning provisions of this section shall apply to the following uses:

- (1) Any project that results in a net increase of ten (10) or more multi-family dwelling units, whether by new construction or by the alteration, expansion, reconstruction, or change of existing residential or non-residential space.
- (2) Any life care facility or any elderly persons and/or handicapped persons housing development with ten (10) or more dwelling units.

D. Permit Process.

The development of any multifamily housing project set forth in Section C above shall be permitted either by right, or through a special permit process. Please refer to Section 185 Attachment 7, Use Regulation Schedule Part VI, Residential uses.

E. Special Permit Process.

The development of any project that requires a special permit set forth in Section C above requires the grant of a Special Permit from the Planning Board as the designated Special Permit Granting Authority (SPGA).

- (1) A Special Permit shall be granted if the proposal meets the requirements of this bylaw as well as Section 185-45.

F. Provision of Inclusionary Units.

As a condition of approval for a Permit for multifamily housing, the applicant shall contribute to the local stock of affordable units in accordance with the following requirements:

- (1) Ten (10) percent of units shall be offered as Inclusionary Units.
- (2) Units in a multiple unit development subject to this bylaw shall be established as Inclusionary Units in any one or combination of methods provided for below:
 - (a) Constructed or rehabilitated on the locus subject to a multifamily housing Permit (see Section G);
 - (b) Constructed or rehabilitated on a locus different than the one subject to the multifamily housing Permit (see Section H);
 - (c) An applicant may offer, and the Town may accept, donations of land in fee simple, on or off-site, that the Town determines are suitable for the construction of affordable housing units. The value of donated land shall be equal to or greater than the value of the construction of the Inclusionary Units. The Town may require, prior to accepting land as satisfaction of the requirements of this bylaw, that the applicant submit appraisals of the land in question, as well as other data relevant to the determination of equivalent value.
- (3) The applicant may offer, and the Town may accept, any combination of the Section F.(2)(a)-(c) requirements provided that in no event shall the total number of units or land area provided be less than the equivalent number or value of Inclusionary units required by this bylaw.
- (4) Fractions of whole numbers shall be resolved following these rules:
 - (a) Remainder of number less than 0.50 will be rounded down to the whole number.
 - (b) Remainder of number equal to or greater than 0.50 will be rounded up to the next whole number.
- (5) All Inclusionary Units shall be subject to an affordable housing restriction and a regulatory agreement in a form acceptable to the Town's Attorney and the Municipal Affordable Housing Trust. The regulatory agreement shall be consistent with any applicable guidelines issued by the Department of Housing and Community Development and shall ensure that affordable units can be counted toward the Town

of Franklin's Subsidized Housing Inventory. The regulatory agreement shall also address all applicable restrictions listed in Sections G and H below. The multifamily housing Permit shall not take effect until the restriction, the regulatory agreement, and the special permit if applicable, are recorded at the Registry of Deeds and a copy provided to the Planning Board, the Inspector of Buildings, and the Municipal Affordable Housing Trust.

G. Provisions Applicable to Inclusionary Units On-site.

- (1) **Siting of Inclusionary Units.** All Inclusionary units constructed or rehabilitated under this bylaw shall be situated within the development so as not to be in less desirable locations than market-rate units in the development, and shall on average, be no less accessible to public amenities, such as open space, as the market-rate units.
- (2) **Minimum design and construction standards for Inclusionary Units.** Inclusionary housing units shall be integrated with the rest of the development and shall be compatible in design, appearance, construction, and quality of materials with other units. Interior features and mechanical systems of affordable units shall conform to the same specifications as apply to market-rate units.
- (3) **Timing of construction or provision of Inclusionary Units.** Where feasible, Inclusionary Units shall be provided coincident to the development of market-rate units, but in no event shall the development of Inclusionary Units be delayed beyond the schedule noted below:

| Market-rate Units (% Complete) | Inclusionary Units (Percent Required) |
|---|--|
| <30% | - |
| 30% Plus 1 Unit | 10% |
| Up to 50% | 30% |
| Up to 75% | 50% |
| 75% Plus 1 Unit | 70% |
| Up to 90% | 100% |
| Fractions of Units shall not be Counted | |

- (4) **Marketing Plan for Inclusionary Units.** Applicants under this bylaw shall submit a marketing plan or other method approved by the Town through its local comprehensive plan, to the Planning Board for its approval, which describes how the Inclusionary Units will be marketed to potential home buyers or tenants. This plan shall include a description of the lottery or other process to be used for selecting buyers or tenants.

H. Provision of Inclusionary Housing Units Off-Site.

- (1) As an alternative to the requirements of Section G above, an applicant subject to the bylaw may develop, construct or otherwise provide Inclusionary Units equivalent to those required by Section F off-site. All requirements of this bylaw that apply to on-site provision of Inclusionary Units, shall apply to provision of off-site Inclusionary Units. In addition, the location of the off-site units to be provided shall be approved

by the Planning Board as an integral element of the multifamily housing Permit review and approval process.

I. Maximum Incomes and Selling Prices: Initial Sale.

- (1) To ensure that only eligible households purchase Inclusionary Units, the purchaser of an Inclusionary Unit shall be required to submit copies of the last three years' federal and state income tax returns and certify, in writing and prior to transfer of title, to the developer of the housing units or his/her agent, and within thirty (30) days following transfer of title, to the Municipal Affordable Housing Trust, that his/her or their family's annual income level does not exceed the maximum level as established according to the data available from the HUD and DHCD, and as may be revised from time to time.
- (2) The maximum housing cost for Inclusionary Units created under this bylaw is as established by the Commonwealth's Department of Housing and Community Development Local Initiative Program, or as revised by the Town.

J. Preservation of Inclusionary Units; Restrictions on Resale.

- (1) Each Inclusionary Unit created in accordance with this bylaw shall have limitations governing its resale through the use of a regulatory agreement set forth in Section F(5). The purpose of these limitations is to preserve the long-term affordability of the Inclusionary Units and to ensure its continued availability for low income households. The resale controls shall be established through a Restriction on the property and shall be in force in perpetuity.
 - (a) Resale price. Sales beyond the initial sale to a qualified affordable income purchaser shall be determined by maximum resale price as defined by DHCD or the Town. The resale price multiplier shall be recorded as part of the Restriction on the property noted in Section J(1) above.
 - (b) Right of first refusal to purchase. The purchaser of an Inclusionary Unit developed as a result of this bylaw shall agree to execute a deed rider prepared by the Town, consistent with model riders prepared by DHCD, granting, among other things, the municipality's right of first refusal to purchase the property in the event that a subsequent qualified purchaser cannot be located.
 - (c) As a condition for a multifamily housing Permit under this bylaw, the applicant will comply with the mandatory set-asides and accompanying restrictions on affordability, including the execution of the deed rider noted in Section J(1)(b) above. The Building Commissioner/Zoning Enforcement Officer shall not issue an occupancy permit for any Inclusionary Unit until the deed restriction is recorded.

K. Conflict with Other Bylaws.

The provisions of this bylaw shall be considered supplemental of existing zoning bylaws. To the extent that a conflict exists between this bylaw and others, the more restrictive bylaw, or provisions therein, shall apply.

L. Severability.

If any provision of this bylaw is held invalid by a court of competent jurisdiction, the remainder of the bylaw shall not be affected thereby. The invalidity of any section or sections or parts of any section or sections of this bylaw shall not affect the validity of the remainder of the Town of Franklin's Zoning Bylaw.

The foregoing Zoning By-law Amendment shall take effect in accordance with the Franklin Home Rule Charter and Massachusetts General Law Chapter 40A, Section 5.

DATED: _____, 2023

VOTED: _____

UNANIMOUS: _____

A TRUE RECORD ATTEST:

YES: _____ **NO:** _____

ABSTAIN: _____ **ABSENT:** _____

RECUSED: _____

Nancy Danello, CMC
Town Clerk

Glenn Jones, Clerk
Franklin Town Council

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
www.franklinma.gov

OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

April 28, 2023

To: Town Council
From: Jamie Hellen, Town Administrator

Re: Resolution 23-32: Gift Acceptance - Town of Franklin for Red Brick School House (Donation of "Established" Sign)

The Town of Franklin has received another exceptionally generous donation from Cam Afonso, Owner of Signs By Cam.

Cam has been incredibly generous in donating many signs to the Town and the Schools over the years. With this recent donation, he has redone the "Established" Red Brick School House sign as part of the renovation project.

We can't thank Cam enough for sharing his great talent and providing such consistent and tremendous support to the Franklin Community. Many times, Cam feels like an extension of our staff and we are greatly appreciative!



TOWN OF FRANKLIN RESOLUTION 23-32

Acceptance of Gift - Town of Franklin for Red Brick School House (Donation of "Established" Sign)

WHEREAS, The Town of Franklin has received a generous gift of a carved PVC sign to be installed at the Red Brick School House;

Donation Summary:

TOWN OF FRANKLIN

- 1 carved PVC Sign to be installed at the Red Brick School House located at 2 Lincoln St., Franklin

The sign was donated by Cam Afonso, Owner of Signs by Cam, Inc.

NOW THEREFORE, BE IT RESOLVED THAT:

The Town Council of the Town of Franklin gratefully accepts this generous donation of 1 carved PVC Sign to be installed at the Red Brick School House.

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

DATED: _____, 2023

VOTED: _____

UNANIMOUS: _____

A TRUE RECORD ATTEST:

YES: _____ **NO:** _____

ABSTAIN: _____ **ABSENT:** _____

RECUSED: _____

Nancy Danello, CMC
Town Clerk

Glenn Jones, Clerk
Franklin Town Council

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
www.franklinma.gov

OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

April 28, 2023

To: Town Council
From: Jamie Hellen, Town Administrator

Re: **Resolution 23-29:** Capital FY23 - Round 2

I am asking the Town Council to approve the FY23 Round 2 Capital Plan requests. The Capital Budget Subcommittee voted unanimously at their April 26th meeting to recommend approval of the following.

Department of Public Works - \$581,782

- Design, maintenance and construction of public roads, sidewalks & parking lots

School Department - \$77,000

- SPED Van

Town Administration - \$50,000

- "Marketing & Branding" to match the \$50,000 grant secured for the Town by Representative Jeff Roy

Town Clerk - \$3,000

- Fleece vests and identification gear for Election Workers and Double-Sided Magnetic Sign Displays

TOTAL: \$711,782

Materials from the April 26th Capital Budget Subcommittee Meeting and some backup quotes are included in the packet. If you have any additional questions please feel free to ask.

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
www.franklinma.gov

OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

April 21, 2023

To: Capital Budget Subcommittee
From: Jamie Hellen, Town Administrator

Re: FY23 Capital Round 2

The following proposal is for the post-snow and ice season capital round 2. As the committee can see, we are proposing mostly to put the funds into roads, infrastructure, sidewalks and town parking lot maintenance like the town has traditionally done with excess snow and ice.

| | | |
|---|---------------------|------------------|
| Design, maintenance and construction of public roads, sidewalks & parking lots | DPW | \$581,782 |
| "Marketing & Branding" to match the \$50,000 grant Representative Jeff Roy secured for the town | Town Administration | \$50,000 |
| SPED van | School Department | \$77,000 |
| Fleece vests and identification gear for Election Wardens | Town Clerk | \$3,000 |
| | Total: | \$711,782 |

The Finance Committee and Town Administration were unable to hold a meeting in April and thus there is no formal recommendation. A reminder the Town Charter does not require their recommendation, however rare it is we miss this opportunity.

If approved this evening, these funds would be placed for full approval at the May 3rd Town Council meeting.

Please let us know if you have any questions.

Quote #238168

QUOTE

Thank you for your business!

**Xpression Prints, Inc.**

31 Hayward Street

Suite B-2

Franklin, Massachusetts 02038

+15084483397

<https://www.xpressionprints.com>

paulette@xpressionprints.com

Delivery Method**PO #****Created****Customer Due****Date****Terms****Total****Outstanding**

Pick-up

238168

April 25, 2023

May 12, 2023

NO TERMS

\$455.00

\$455.00

Customer Billing

Town of Franklin

Nancy Danello

ndanello@franklinma.gov

Customer Shipping

Town of Franklin

Nancy Danello

| Category | Item # | Color | Description | S | M | L | XL | 2XL | Qty | Items | Price | Total |
|------------|--------|-------|---|---|---|---|----|-----|-----|-------|---------|----------|
| Embroidery | L223 | Black | Port Authority - Ladies Microfleece Jacket. | 3 | 3 | 3 | 3 | | | 12 | \$35.00 | \$420.00 |
| Embroidery | F223 | Black | Port Authority - Microfleece Jacket. | | | | 1 | | | 1 | \$35.00 | \$35.00 |

IMPRINT #238168-1

EMB 1st Location • 8,000 Stitches

Left Chest - Town Seal + ADD "Warden" underneath - .5" H - Block text - White thread



| | |
|-----------------------|----------|
| Total Quantity | 13 |
| Item Total | \$455.00 |
| Fees Total | \$0.00 |
| Sub Total | \$455.00 |
| Tax | \$0.00 |
| Total Due | \$455.00 |
| Paid | \$0.00 |



Double-Sided Magnetic Sign Display, 8.5 x 11 Insert, 56" Tall, Clear/Black

DEF692056

show/hide comments

✓ Eligible for Free Shipping on Orders \$75+

\$187.02

12

\$2,244.24



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TOWN OF FRANKLIN

RESOLUTION NO.: 23 - 29

APPROPRIATION: Capital FY23 – Round 2

TOTAL REQUESTED: \$711,782

PURPOSE: To appropriate funds for the 2023 Capital Improvement Plan Round 2

SOURCE: Free Cash

| | | |
|---|-------------------|------------------|
| Design, maintenance and construction of public roads, sidewalks & parking lots | DPW | \$581,782 |
| Marketing & Branding | Administration | \$50,000 |
| SPED van | School Department | \$77,000 |
| Fleece vests and identification gear for Election Wardens and Double-Sided Magnetic Sign Displays | Town Clerk | \$3,000 |
| | Total: | \$711,782 |

MOTION

Be It Moved and Voted by the Town Council that the sum of Seven Hundred and Eleven Thousand, Seven Hundred Eighty Two Dollars (\$711,782) be appropriated from Free Cash, to be expended at the discretion of the Town Administrator for the FY 2023 Capital Improvement Plan Round 2 as outlined above including any residual funds remaining in these line items.

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

DATED: _____, 2023

VOTED:

UNANIMOUS _____

YES _____ **NO** _____

ABSTAIN _____

ABSENT _____

A True Record Attest:

Nancy Danello, CMC
Town Clerk

Glenn Jones, Chair
Franklin Town Council