



FRANKLIN TOWN COUNCIL

March 22, 2017

7:00 PM

A. APPROVAL OF MINUTES – March 1, 2017

B. ANNOUNCEMENTS –

1. *This meeting is being recorded by Franklin TV and shown on Comcast channel 11 and Verizon channel 29. This meeting may also be recorded by others.*

C. PROCLAMATIONS/RECOGNITIONS

D. CITIZEN COMMENTS – *Citizens are welcome to express their views for up to five 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.*

E. APPOINTMENTS

F. HEARINGS – *On Whether to Exercise the Town's First Refusal Option to Purchase Land on Washington Street – 7:10 PM*

G. LICENSE TRANSACTIONS - *British Beer Company – Change of Manager – 7:10 PM*

H. PRESENTATIONS/DISCUSSIONS – *Auditors*

1. *Annual Financial Statements for the year ended June 30, 2016*
2. *Management Letter for the year ended June 30, 2016*

I. SUBCOMMITTEE REPORTS

J. LEGISLATION FOR ACTION

1. *Resolution 17-17: Acceptance of Access Easement Over Property at 121 Longhill Road (Motion to Move Resolution 17-17: Majority vote (5))*
2. *Resolution 17-18: Order of Franklin Town Council, Exercising Town's G.L. Chapter 61, Section 8 First Refusal Option, RE: Land of William C. Roode and Jeanne M. Roode, Containing Approximately 12.5 Acres on Washington Street, Title Reference: Norfolk Registry of Deeds Book 5501, Page 521 (Motion to Move Resolution 17-18: 2/3 Majority vote (6))*
3. *Resolution 17-19: Redirect Bond Proceeds (Motion to Move Resolution 17-19: Majority vote (5))*
4. *Bylaw Amendment 17-787: Chapter 179, Water – 1st Reading (Motion to Move Bylaw Amendment 17-787 to a 2nd Reading: Majority vote (5))*

K. TOWN ADMINISTRATOR'S REPORT

L. FUTURE AGENDA ITEMS

M. COUNCIL COMMENTS

N. EXECUTIVE SESSION - *To discuss strategy with respect to collective bargaining: all Municipal units*

O. ADJOURN

**FRANKLIN TOWN COUNCIL
MINUTES OF MEETING
March 1, 2017**

A meeting of the Town Council was held on Wednesday, March 1, 2017 at the Franklin Municipal Building, 355 East Central Street, Franklin, Massachusetts. Councilors present: Andrew Bissanti, Robert Dellorco, Glenn Jones, Matthew Kelly, Thomas Mercer, Peter Padula, Judith Pond Pfeffer, Robert Vallee. Councilors absent: Deborah Pellegri. Administrative personnel in attendance: Jeffrey Nutting, Town Administrator; Jamie Hellen, Deputy Town Administrator; Mark Cerel, Town Attorney.

CALL TO ORDER: ► Chairman Kelly called the meeting to order at 7:00 PM with a moment of silence and the Pledge of Allegiance.

APPROVAL OF MINUTES: *February 15, 2017.* ► **MOTION** to **Approve** the February 15, 2017 meeting minutes by **Jones**. **SECOND** by **Dellorco**. **No Discussion**. ► **VOTE: Yes-8, No-0, Absent-1.**

ANNOUNCEMENTS: ► Chairman Kelly announced the meeting is being recorded by *Franklin TV* and available for viewing on Comcast Channel 11 and Verizon Channel 29. This meeting may also be recorded by others.

PROCLAMATIONS/RECOGNITIONS: *None.*

CITIZEN COMMENTS: *None.*

APPOINTMENTS: ► *Franklin Cultural Council.* Ms. Pfeffer read the appointment. ► **MOTION** to **Ratify** the appointment by the Town Administrator of Lesley Anne McCaffrey to serve as a member of the Franklin Cultural Council, with an expiration of June 30, 2018 by **Pfeffer**. **SECOND** by **Mercer**. **Discussion:** Mr. Nutting stated that Ms. McCaffrey was unable to attend tonight. ► **VOTE: Yes-8, No-0, Absent-1.**

HEARINGS: *None.*

PRESENTATIONS/DISCUSSIONS: *None*

SUBCOMMITTEE REPORTS: *None.*

LEGISLATION FOR ACTION:

1. **Resolution 17-08: Amendment to the 2017 Town Council Meeting Schedule (Motion to Move Resolution 17-08 – majority vote – (5)).** Ms. Pfeffer read the resolution. ► **MOTION** to **Move** Resolution 17-08: Amendment to the 2017 Town Council Meeting Schedule by **Mercer**. **SECOND** by **Jones**. **Discussion:** ► Mr. Mercer confirmed April 26 was removed. ► **VOTE: Yes-8, No-0, Absent-1.**
2. **FY 17 Capital Plan. No Discussion.**
3. **Resolution 17-09: Appropriation Purchase of Fire Truck Replacement – Engine #3 (Motion to Move Resolution 17-09 – 2/3 vote – (6)).** Ms. Pfeffer read the resolution. ► **MOTION** to **Move** Resolution 17-09: Appropriation Purchase of Fire Truck Replacement – Engine #3 by **Mercer**. **SECOND** by **Dellorco**. **Discussion:** ► Mr. Nutting stated that they have been saving over the years to replace the fire truck. There is \$485,000 in the Fire Truck Stabilization Fund and will take \$115,000 from Free Cash. Once appropriated, this will allow the fire chief to start the process of

replacing the engine. ► Fire Chief McCarraher, in response to questions, stated engine #3 will leave the fleet; there will be a trade-in value. He said there is a focus group with firefighters putting together specifications. ► **VOTE: Yes-8, No-0, Absent-1.**

4. **Resolution 17-10: Appropriation Capital FY17 (Motion to Move Resolution 17-10 – majority vote – (5)).** Ms. Pfeffer read the resolution. ► **MOTION to Move Resolution 17-10: Appropriation Capital FY17 by Mercer. SECOND by Dellorco. Discussion:** ► Mr. Nutting stated this has been reviewed by the Capital Improvement Committee and recommended along with the Finance Committee. The departments are here to answer any specific questions; this is pretty much the standard annual capital budget. Hopefully, will get through the winter with no more snow, so may have future requests in May or June once known on the snow and ice budget; currently at about \$800,000 of \$950,000. ► **VOTE: Yes-8, No-0, Absent-1.**
5. **Resolution 17-11: Appropriation Water Enterprise Capital FY17 (Motion to Move Resolution 17-11 – majority vote – (5)).** Ms. Pfeffer read the resolution. ► **MOTION to Move Resolution 17-11: Appropriation Water Enterprise Capital FY17 by Mercer. SECOND by Dellorco. Discussion:** ► Mr. Nutting stated this is straight forward; continue the three-year meter replacement program, buy a dump truck, and perform other infrastructure improvements. ► **VOTE: Yes-8, No-0, Absent-1.**
6. **Resolution 17-12: Appropriation Sewer Enterprise Capital FY17 (Motion to Move Resolution 17-12 – majority vote – (5)).** Ms. Pfeffer read the resolution. ► **MOTION to Move Resolution 17-12: Appropriation Sewer Enterprise Capital FY17 by Mercer. SECOND by Padula. Discussion:** ► Mr. Nutting stated the first two items are replacement and the third is for a generator in the sewer pump station in case there is an outage of electricity. The biggest is the \$500,000 to continue to improve the inflow and infiltration problems in the system by relining pipes and replacing old pipes; have been doing this for about a decade. He discussed the dictates of the permit with Charles River Pollution Control. ► **VOTE: Yes-8, No-0, Absent-1.**
7. **Resolution 17-13: Salary Schedule Full-Time Elected Officials (Motion to Move Resolution 17-13 – majority vote – (5)).** Ms. Pfeffer read the resolution. ► **MOTION to Move Resolution 17-13: Salary Schedule Full-Time Elected Officials by Mercer. SECOND by Dellorco. Discussion:** ► Mr. Nutting stated this is a group oversight by the entire administrative team. Every year we vote for the town clerk’s salary. It was voted in November 2015 when the former clerk left and the new clerk came in; we failed to put it in the spring 2016. He stated the Town Council voted on the salary in the budget, but supposed to vote on this separately. This is a clean-up of an error; it is paperwork. ► **VOTE: Yes-8, No-0, Absent-1.**
8. **Resolution 17-14: Transfer from Water Enterprise and Rescind Borrowing Authority (Resolution No. 14-16 Appropriation Funding Sources) (Motion to Move Resolution 17-14 – majority vote – (5)).** ► **MOTION to Waive the reading by Jones. SECOND by Mercer. No Discussion.** ► **VOTE: Yes-8, No-0, Absent-1.** ► **MOTION to Move Resolution 17-14: Transfer from Water Enterprise and Rescind Borrowing Authority by Mercer. SECOND by Jones. Discussion:** ► Mr. Nutting stated that about three years ago the Town Council voted \$7.5 million bond authorization for water system improvements. The plan was to pay down \$2.5 million of that authorization with cash and then borrow \$5 million. Have already reduced it to \$6.4 million and this would take it down to \$5.7 million; then hopefully will get it down to \$5 million in the next two years. This is just paying down the bond authorization. ► **VOTE: Yes-8, No-0, Absent-1.**
9. **Resolution 17-15: Supplementation of Prior Resolutions of the Town Authorizing Borrowing to Allow for the Application of Premium(s) Received to Project Costs (Motion to Move Resolution 17-15 – majority vote – (5)).** Ms. Pfeffer read the resolution. ► **MOTION to Move Resolution 17-15:**

Supplementation of Prior Resolutions of the Town Authorizing Borrowing to Allow for the Application of Premium(s) Received to Project Costs by **Mercer**. **SECOND** by **Jones**. **Discussion:** ► Mr. Nutting stated this was a change in a law of the Municipal Modernization act. He explained the premium associated with borrowing. The High School premium was already taken care of. This has to be passed to meet the new law; any premium money in excess of issuance costs has to be applied to the project. ► **VOTE: Yes-8, No-0, Absent-1.**

10. Zoning Bylaw Amendment 17-786: Storage Facility Bylaw – 2nd Reading (Motion to move Bylaw Amendment 17-786 - Roll Call – 2/3 majority vote (6)). Ms. Pfeffer read the zoning bylaw amendment. ► **MOTION to Move** Bylaw Amendment 17-786: Storage Facility Bylaw by **Mercer**. **SECOND** by **Dellorco**. **Discussion:** ► Mr. Nutting stated this has been discussed before. It just changes the zone where storage facilities are allowed from Commercial II to Industrial. ► Mr. Jones confirmed the number of this resolution is 17-786. ► **ROLL CALL VOTE:** Bissanti-YES; Dellorco-YES; Jones-YES; Kelly-YES; Mercer-YES; Padula-YES; Pfeffer-YES; Vallee-YES. ► **VOTE: Yes-8, No-0, Absent-1.**

LICENSE TRANSACTIONS: ► **BJ's Wholesale Club – Transfer of License.** ► **MOTION to Open** the hearing by **Jones**. **SECOND** by **Dellorco**. **No Discussion.** ► **VOTE: Yes-8, No-0, Absent-1.** ► Mr. Eugene Richard of Hurwitz, Richard & Sencabaugh, LLP representing Mormax Inc., applicant, for transfer of a license from Brunelli Industries, Inc. addressed the Town Council. He stated Mormax d/b/a BJ's Wholesale Club holds six liquor licenses in Massachusetts; all are operated in conjunction with BJ's. This would be the seventh license for Massachusetts. He stated that with all the licenses there have been no disciplinary actions; he noted that he must amend one of the application pages to indicate no disciplinary actions. BJ's is active in the community, supports local charities, and BJ's is headquartered in Massachusetts. He introduced Mr. Gerard Charbonneau, manager of the Franklin BJ's for seven years and has had experience with BJ's for 10 years. He stated BJ's is a retail operation which usually sells in bulk; beer is only sold by the case, wine is sold by the bottle. There is no cold beer or six packs. There is very little customer service. It is for convenience of Club members, but the alcohol is open for any member of the public to come in and purchase. This is for a Beer and Wine license. ► Mr. Bissanti confirmed that anyone can purchase alcohol, they do not have to be a member. ► Attorney Richard stated that the maximum number of licenses an entity can have in Massachusetts is seven. In January 2020, the limit will move to nine licenses. ► Ms. Pfeffer read the license transaction. ► **MOTION to Approve** the request by Mormax Corporation for a Transfer of License from Brunelli Industries, Inc. dba Anne's Country Market with the Manager to be Gerard A. Charbonneau by **Pfeffer**. **SECOND** by **Mercer**. **Discussion:** ► Mr. Cerel stated there is a local bylaw that requires TIPS training for managerial and anyone handling. He explained the specific requirements. He asked about the security procedures in the store to minimize chances of minors getting alcohol. ► Mr. Charbonneau explained the surveillance system and location where the beer and wine would be housed. He stated there would be a dedicated staff person to that section. ► Mr. Nutting stated that the police from time to time run a sting for compliance and if fail, license will be suspended. ► Ms. Pfeffer noted that the Brunelli's had the license for many years and that this is the passing of an era for them to be out of this business. ► Mr. Bissanti noted that this license is going from a country store to a huge entity with the potential for loose surveillance. He questioned the impact this will have on the other small beer and wine entities in the area. He stated he is speaking more globally than against this transfer and that this may be something that needs to be considered in the future. He reviewed TIPS certification. ► Mr. Charbonneau stated they are diligent in the training of their staff. ► Mr. Padula thanked Attorney Richard for clarifying that there have not been any violations in their history of holding licenses. ► **VOTE: Yes-8, No-0, Absent-1.**

► **Alumni Restaurant – Change of Beneficial Interest, Transfer of Stock.** Ms. Pfeffer read the license transaction. ► **MOTION to Approve** the request by M and C Restaurant Group, Inc. for a change of Beneficial Interest from Beverly A. Savioli to Andrea Lynne Donnellan and transfer of stockholder

interest from Beverly A. Savioli to Andrea Lynne Donnellan on their All Alcoholic Beverages Restaurant license by **Pfeffer**. **SECOND** by **Mercer**. **Discussion:** ► Mr. Richard Cornetta, attorney for the M and C Restaurant Group, and Ms. Andrea Lynne Donnellan, Manager of Alumni Restaurant and Bar, addressed the Town Council. Attorney Cornetta stated this is to transfer the shares of M and C Restaurant Group from Beverly Savioli, Ms. Donnellan's mother, to Ms. Donnellan. ► Mr. Padula confirmed that everything would remain the same at this location. ► **VOTE: Yes-8, No-0, Absent-1.**

TOWN ADMINISTRATOR'S REPORT: Mr. Nutting stated that last December the playground at DelCarte was covered because of concern from the previous two winters and the repairs that had been made. Gus checked it and found that there were more cracks in the playground. He contacted Ryan, and Ryan contacted the company. The company came out and looked at the playground. Between Ryan, Gus, Mr. Cerel, and himself, they asked the company to replace the entire playground with a more traditional playground that can be used twelve months of the year and that will not break. Ryan did much homework and picked out a nice replacement. The company agreed to take down the old one and provide a new one as well as a credit toward a future one so we end up with equal dollar amounts of what was originally paid. Ryan is here if anyone has any questions. He noted the company did not give any complaints. They will just swap it out. It will come down soon. ► Mr. Ryan Jette stated public works will move all the mulch and the company will take down the current one and replace it; hopefully, have it in this spring. He is hoping before June 1. Order time is usually about six to eight weeks. ► Mr. Mercer asked that it be expedited. ► Mr. Padula stated it took forever the last time; so, we need to stay on top of this because the place gets used constantly. ► Mr. Bissanti asked what it would look like. ► Mr. Jette explained that it will try to blend into the environment with earthy tones/colors. ► Mr. Cerel stated that possibly something went wrong with the concrete that was used.

FUTURE AGENDA ITEMS: ► Mr. Bissanti stated he would like the opportunity to revisit the alcohol awareness bylaw and some of the wording in it. He is not confident of the online staff certifications; he thinks there are plenty of programs that are willing to come to Franklin to teach. He was skeptical at the time about the online courses, and still is.

COUNCIL COMMENTS: ► Mr. Padula stated Attorney Cornetta had done a very good and complete job with the license transaction paperwork. ► Mr. Vallee asked Mr. Nutting about an email about purchasing a piece of property on the corner of Cottage and Union Streets; he noted that he had initiated that a few years ago and it had come back with many stipulations. He questioned what was the motivation to seek to purchase that property again. ► Mr. Nutting stated he just thought he would send out an email to see where it stood and to test the waters as it looks so lousy out there. He stated the email response was that the property was already under agreement. ► Mr. Jones stated that Franklin Almanac episode 3 has just been aired; it is on YouTube. It will be on Franklin TV. He stated there were lights donated to the softball field some time ago; it required a few things being updated before the lights can be done. It is now moving forward. All the poles are being installed and all the donated lights should be installed soon at Pisani Field. He asked Mr. Mercer for the status of the fields at the high school. ► Mr. Mercer stated everything is on scheduled and looks good. The fields will be ready on April 1. ► Mr. Jones thanked everyone for their hard work in making sure this all gets done for April 1. ► Mr. Dellorco stated the baseball fields look good. ► Mr. Bissanti commended Ms. Pfeffer and Mr. Mercer for the excellent job they did with the Senior Center. He was inspired by the attendance and compliments at the Senior Center ribbon cutting. ► Ms. Pfeffer stated the Milford News had an article the day before the Senior Center opening, but did not have anything about the actual opening day which included great food, ribbon cutting, and activities. She stated it is a great place to be. ► Chairman Kelly stated the Secretary of Elder Affairs attended the Senior Center event and complimented the Senior Center. He stated Town Council will continue to make this town the best place they can for the people of Franklin.

EXECUTIVE SESSION: *None.*

ADJOURN: MOTION to Adjourn by Mercer. SECOND by Jones. No Discussion. ► VOTE: Yes-8, No-0, Absent-1. Meeting adjourned at 7:58 PM.

Respectfully submitted,

Judith Lizardi
Recording Secretary

HEARING – 7:10 PM

- ON WHETHER TO EXERCISE THE TOWN'S FIRST REFUSAL OPTION TO PURCHASE LAND ON WASHINGTON STREET

Memo

To: Town Council

From: Jeffrey D. Nutting



Date: March 16, 2017

Re: Public Hearing on the option to purchase land at 0 Washington Street

The Town has the right of first refusal of 12 acres of land at zero Washington Street. Attached is a map showing the parcel along with the abutting land the Town owns.

I suggest the Council consider buying the land to ensure access and potential future recreation/open space uses.

I am happy to answer any questions.

Town of Franklin

Tel: (508) 520-4907

Fax: (508) 520-4906



Planning Board
355 East Central Street
Franklin, Massachusetts 02038-1352

TO: Jeff Nutting
Town Administrator

From: Planning Board

DATE: March 16, 2017

RE: Sales of Chapter 61 land, Washington St; Parcel 349-006-000

At the Planning Board meeting on March 13th, 2017 the Planning Board discussed the above sale of land.

The Planning Board vote (5-0) to recommend to Town Council the Town exercise its option to purchase the parcel of land located on Washington Street.

Please feel free to contact the DPCD if you need any additional information.

Sincerely,

Anthony Padula, Chairman
Franklin Planning Board

Town of Franklin

Tel: (508) 520-4929


Fax: (508) 520-4906



Conservation Commission

355 East Central Street • Franklin, Massachusetts 02038-1352

TO: Jeff Nutting
Town Administrator

FROM: George Russell, AICP
Conservation Agent 

DATE: Feb. 28, 2017

RE: Sale of Chapter 61 land, Washington St.; Parcel 349-006-000

At their Feb. 23, 2017 meeting, the Conservation Commission discussed the above sale of land.

The Commission voted to recommend that the Town exercise its option to purchase this 12.5± acre parcel.

The lots in the rear of the instant lot are all town owned and under the management of the Commission. In Wrentham, there is residential development on the lots adjacent to the town line, albeit this development is some distance away from the town line. Therefore it is the Commission's position that having this land under the ownership of the Town and the management of Commission would be in the best interests of the Town.

Your consideration is appreciated. Please feel free to contact me if you need any additional information or clarification.

CC: Franklin Planning Board
Bryan Taberner



Sponsor: Administration

TOWN OF FRANKLIN

RESOLUTION 17-18

**ORDER OF FRANKLIN TOWN COUNCIL, EXERCISING TOWN'S
G.L. CHAPTER 61, SECTION 8 FIRST REFUSAL OPTION, RE:
LAND OF WILLIAM C. ROODE AND JEANNE M. ROODE,
CONTAINING APPROXIMATELY 12.5 ACRES ON WASHINGTON STREET,
TITLE REFERENCE: NORFOLK REGISTRY OF DEEDS BOOK 5501, PAGE 521**

WHEREAS, William C. Roode and Jeanne M. Roode, now or formerly of 1849 Woodard Road, Webster, State of New York, are titleholders of record (hereinafter: "Landowners") of a parcel of land consisting of approximately 12.5 acres located on Washington Street described in a deed recorded in Book 5501 at Page 521, said land also being shown on Franklin Board of Assessors Maps, Map 349, Parcel 6 (hereinafter "Parcel"), and

WHEREAS, Landowners have placed Parcel under the provisions of G.L. Chapter 61 as forest lands, and

WHEREAS, G.L. Chapter 61, Section 8 provides that, in the event of an intended sale, a municipality has a first refusal option to meet a bona fide offer to purchase the land placed under the statute, and

WHEREAS, Landowners gave written notice to the Town of Franklin of their intention to sell land including Parcel which was received by Town on January 9, 2017, and

WHEREAS, the Franklin Town Council has this date: March 22, 2017, held a public hearing in accordance with the provisions of G.L. Chapter 61, Section 8, and

WHEREAS, Franklin Town Council following the close of said public hearing is voting to acquire Parcel and to exercise Town's first refusal option for a total acquisition price, including expenses of two hundred twelve thousand five hundred dollars (\$212,500), for municipal purposes and to appropriate said sum,

NOW THEREFORE, the Franklin Town Council, being duly authorized to act on behalf of the Town, ORDERS that:

1. The Town of Franklin does hereby exercise its first refusal option to purchase a parcel of land consisting of approximately 12.5 acres located on Washington Street, described in a deed recorded in Book 5501 at Page 521, said land also being shown on Franklin Board of Assessors Maps, Map 349, Parcel 6, for the purchase price of two hundred, twelve thousand five hundred dollars (\$212,500.00), said sum to be appropriated from free cash.

2. Directs that a copy of this order be mailed to William C. Roode and Jeanne M. Roode, landowners, by certified mail as notice of Town's exercise, together with a copy of Town's proposed purchase and sales agreement described in the next paragraph and that an attested copy of this order also be recorded at Norfolk County Registry of Deeds, all as provided in G.L. Chapter 61, Section 8.

3. Approves the proposed purchase and sales agreement for Town's purchase of Parcel from Landowners and directs that a copy accompany the notice to Landowners of Town's exercise of its first refusal option, as provided in G.L. Chapter 61A, Section 8.

4. Authorizes and directs the Town Administrator, in consultation with the Town Attorney, to negotiate any revision(s) to the terms and conditions of the purchase and sales agreement with Landowners, as he determines to be in Town's interest and to execute said agreement and further authorizes the Town Administrator to execute any other documents and to take any and all other action necessary to consummate Town's purchase of Parcel.

This Resolution shall become effective according to the rules and regulations of the Town of Franklin Home Rule Charter.

DATED: _____, **2017**

VOTED:
UNANIMOUS _____

A True Record Attest:

YES _____ **NO** _____





ABSTAIN _____

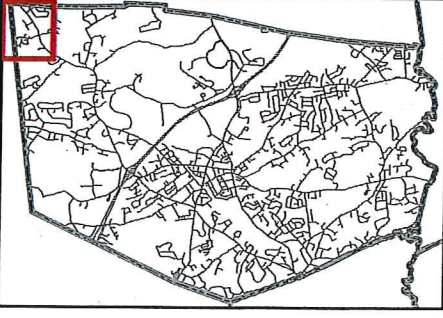
Teresa M. Burr
Town Clerk

ABSENT _____

Judith Pond Pfeffer, Clerk
Franklin Town Council

WASHINGTON STREET AREA

-  Parcel of Interest
-  Wetland
-  Town Owned Land
-  State or Federal Land
-  Parcel Line
-  Municipal Boundary



Scale: 0 75 150 Feet

In maintaining the GIS Data, the Town of Franklin has made every effort to ensure the accuracy, integrity and reliability of the content displayed. However, the accuracy, integrity and reliability of the content displayed that in producing this information, the Town of Franklin, its officials, agents, servants and employees does not warrant or guarantee any content. The user assumes all responsibility for any use of the information provided. The user assumes all responsibility for any use of the information provided. The user assumes all responsibility for any use of the information provided.



Franklin
MASSACHUSETTS



From the office of:
Mark G. Cerel, Franklin Town Attorney
Franklin Municipal Building
355 E. Central Street
Franklin, MA 02038
Tel. No.: (508) 520-4964
Fax: (508) 520-4903

**STANDARD FORM
PURCHASE AND SALE AGREEMENT**

This _____ day of March, 2017

1. PARTIES AND MAILING ADDRESSES
(fill in)

William C. Roode and Jeanne M. Roode, husband and wife as tenants by the entirety, of 1849 Woodard Road, Webster, New York, hereinafter called Sellers agree to sell and Town of Franklin, a municipal corporation with administrative offices located in Franklin Municipal Building, 355 E. Central Street, Franklin, MA hereinafter called the BUYER or TOWN, agrees to BUY, upon the terms hereinafter set forth, the following described premises:
2. DESCRIPTION
(fill in and include title reference)

A parcel of unimproved land located off Washington Street in said Franklin consisting of 12.5 acres, described in a deed recorded at Norfolk County Registry of Deeds in Book 5501 at Page 521 and also shown on Town of Franklin Assessors Map 349 as Parcel 6.
3. BUILDINGS, STRUCTURES, IMPROVEMENTS, FIXTURES
(fill in or delete)
4. TITLE DEED
(fill in)

** Include here by specific reference any restrictions, easements, rights and obligations in party walls not included in (b) leases, municipal and other liens, other encumbrances, and make provision to protect SELLER against BUYER's breach of SELLER's covenants in leases, where necessary.*

Said premises are to be conveyed by a good and sufficient quitclaim deed running to the BUYER, or to the nominee designated by the BUYER by written notice to the SELLERS at least seven days before the deed is to be delivered as herein provided, and said deed shall convey a good and clear record and marketable title thereto, free from encumbrances, except

 - a Provisions of existing building and zoning laws;
 - b Existing rights and obligations in party walls which are not the subject of written agreement;
 - c Such taxes for the then current year as are not due and payable on the date of the delivery of such deed;
 - d Any liens for municipal betterments assessed after the date of this agreement;
 - e Easements, restrictions and reservations of record, if any, so long as the same do not prohibit or materially interfere with BUYER'S intended use of the property.

5. PLANS If said deed refers to a plan necessary to be recorded therewith the SELLERS shall deliver such plan with the deed in form adequate for recording or registration.
6. REGISTERED TITLE In addition to the foregoing, if the title to said premises is registered, said deed shall be in form sufficient to entitle the BUYER to a Certificate of Title of said premises, and the SELLERS shall deliver with said deed all instruments, if any, necessary to enable the BUYER to obtain such Certificate of Title.
7. PURCHASE PRICE
(fill in); space is allowed to write out the amounts if desired
- | | |
|--|---|
| The agreed purchase price for said premises is | two-hundred twelve thousand, five-hundred dollars, of which |
| \$ 10,000.00 | have been paid as deposit this day and |
| \$ | |
| \$202,500.00 | are to be paid at the time of delivery of the deed in cash, or by certified, cashier's, treasurer's or bank check(s). |
| \$ | |
| \$212,500.00 | TOTAL |
-
8. TIME FOR PERFORMANCE; DELIVERY OF DEED *(fill in)* Such deed is to be delivered at 10:00 o'clock A.M. on the 24th day of April, 2017, at the Town Attorney's office in the Franklin Municipal Building, 355 E. Central Street, Franklin, MA, unless otherwise agreed upon in writing. It is agreed that time is of the essence of this agreement.
9. POSSESSION AND CONDITION OF PREMISE. *(attach a list of exceptions, if any)* Full possession of said premises free of all tenants and occupants, except as herein provided, is to be delivered at the time of the delivery of the deed, said premises to be then (a) in the same condition as they now are, reasonable use and wear thereof excepted, and (b) not in violation of said building and zoning laws, and (c) in compliance with provisions of any instrument referred to in clause 4 hereof. The BUYER shall be entitled personally to inspect said premises prior to the delivery of the deed in order to determine whether the condition thereof complies with the terms of the clause.
10. EXTENSION TO PERFECT TITLE OR MAKE PREMISES CONFORM *(Change period of time if desired).* If the SELLERS shall be unable to give title or to make conveyance, or to deliver possession of the premises, all as herein stipulated, or if at the time of the delivery of the deed the premises do not conform with the provisions hereof, then the SELLER shall use reasonable efforts to remove any defects in title, or to deliver possession as provided herein, or to make the said premises conform to the provisions hereof, as the case may be, in which event the SELLERS shall give written notice thereof to the BUYER at or before the time for performance hereunder, and thereupon the time for performance hereof shall be extended for a period of thirty days.

11. FAILURE TO PERFECT TITLE OR MAKE PREMISES CONFORM, etc. If at the expiration of the extended time the SELLERS shall have failed so to remove any defects in title, deliver possession, or make the premises conform, as the case may be, all as herein agreed, or if at any time during the period of this agreement or any extension thereof, the holder of a mortgage on said premises shall refuse to permit the insurance proceeds, if any, to be used for such purposes, then any payments made under this agreement shall be forthwith refunded and all other obligations of the parties hereto shall cease and this agreement shall be void without recourse to the parties hereto.
12. BUYER's ELECTION TO ACCEPT TITLE The BUYER shall have the election, at either the original or any extended time for performance, to accept such title as the SELLERS can deliver to the said premises in their then condition and to pay therefore the purchase price without deduction, in which case the SELLERS shall convey such title, except that in the event of such conveyance in accord with the provisions of this clause, if the said premises shall have been damaged by fire or casualty insured against, then the SELLERS shall, unless the SELLERS have previously restored the premises to their former condition, either
- a Pay over or assign to the BUYER, on delivery of the deed, all amounts recovered or recoverable on account of such insurance, less any amounts reasonably expended by the SELLERS for any partial restoration, or
 - b If a holder of a mortgage on said premises shall not permit the insurance proceeds or a part thereof to be used to restore the said premises to their former condition or to be so paid over or assigned, give to the BUYER a credit against the purchase price, on delivery of the deed, equal to said amounts so recovered or recoverable and retained by the holder of the said mortgage less any amounts reasonably expended by the SELLERS for any partial restoration.
13. ACCEPTANCE OF DEED The acceptance of a deed by the BUYER or his nominee as the case may be, shall be deemed to be a full performance and discharge of every agreement and obligation herein contained or expressed, except such as are, by the terms hereof, to be performed after the delivery of said deed.
14. USE OF MONEY TO CLEAR TITLE To enable the SELLERS to make conveyance as herein provided, the SELLERS may, at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests, provided that all instruments so procured are recorded simultaneously with the delivery of said deed.
15. INSURANCE
**Insurance amount
(list additional types
of insurance and
amounts as agreed)*
- Until the delivery of the deed, the SELLERS shall maintain insurance on said premises as follows:
- | <i>Type of Insurance</i> | <i>Amount of Coverage</i> |
|-------------------------------|---------------------------|
| a. Fire and Extended Coverage | *\$As presently insured |
- Risk of loss shall remain with Sellers' pending closing.
16. ADJUSTMENTS
(list operating expenses, if any, or attach schedule) Water and sewer use charges and taxes for the then current fiscal year, shall be apportioned, as of the day of performance of this agreement and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the BUYER at the time of delivery of the deed.
17. ADJUSTMENT OF UNASSESSED AND ABATED TAXES If the amount of said taxes is not known at the time of the delivery of the deed, they shall be apportioned on the basis of the taxes assessed for the preceding fiscal year, with a reapportionment as soon as the new tax rate and valuation can be ascertained; and, if the taxes which are to be apportioned shall thereafter be reduced by abatement, the amount of such abatement, less the reasonable cost of obtaining the same, shall be apportioned between the parties, provided that neither party shall be obligated to institute or prosecute proceedings for an abatement unless herein otherwise agreed.

18. BROKER'S FEE
(fill in fee with dollar amount or percentage; also name of Brokerage firm(s)) A Broker's fee for professional services of \$10,625.00 is due from the SELLERS to Del Realty, Inc., if, as, and when title passes and a deed is recorded and not otherwise.
19. BROKER(S) WARRANTY
(fill in name) The Broker(s) named herein Del Realty, Inc. warrant(s) that the Broker(s) is(are) duly licensed as such by the Commonwealth of Massachusetts.
20. DEPOSIT
(fill in name) All deposits made hereunder shall be held in escrow by John J. Roche, SELLERS' Attorney, as escrow agent subject to the terms of this agreement and shall be duly accounted for at the time for performance of this agreement.
21. BUYER'S DEFAULT; DAMAGES If the BUYER shall fail to fulfill the BUYER's agreements herein, all deposits made hereunder by the BUYER shall be retained by the SELLERS as liquidated damages unless within thirty days after the time for performance of this agreement or any extension hereof, the SELLERS otherwise notifies the BUYER in writing, and this shall be Sellers' sole and exclusive remedy, both at Law and in Equity.
22. RELEASE BY HUSBAND OR WIFE The SELLERS' spouse hereby agrees to join in said deed and to release and convey all statutory and other rights and interests in said premises.
23. BROKER AS PARTY The Broker(s) named herein join(s) in this agreement and become(s) a party hereto, insofar as any provisions of this agreement expressly apply to the Broker(s), and to any amendments or modifications of such provisions to which the Broker(s) agree(s) in writing.
24. LIABILITY OF TRUSTEE, SHAREHOLDER, BENEFICIARY, etc. If the SELLERS or BUYER execute this agreement in a representative or fiduciary capacity, only the principal or the estate represented shall be bound, and neither the SELLERS or BUYER so executing, nor any shareholder or beneficiary of any trust, shall be personally liable for any obligation, express or implied, hereunder.
25. WARRANTIES AND REPRESENTATIONS
(fill in); if none, state "none"; if any listed, indicate by whom each warranty or representation was made The BUYER acknowledges that the BUYER has not been influenced to enter into this transaction nor has he relied upon any warranties or representations not set forth or incorporated in this agreement or previously made in writing, except for the following additional warranties and representations, if any, made by either the SELLERS or the Broker(s);
See "Addendum A" attached hereto and incorporated herein.
26. MORTGAGE CONTINGENCY CLAUSE
(omit if not provided for in Offer to Purchase)
27. CONSTRUCTION OF AGREEMENT This instrument, executed in multiple counterparts, is to be construed as a Massachusetts contract, is to take effect as a sealed instrument, sets forth the entire contract between the parties, is binding upon and

enures to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, successors and assigns, and may be cancelled, modified or amended only by a written instrument executed by both the SELLERS and the BUYER. If two or more persons are named herein as BUYER their obligations hereunder shall be joint and several. The captions and marginal notes are used only as a matter of convenience and are not to be considered a part of this agreement or to be used in determining the intent of the parties to it.

28. LEAD PAINT LAW

29. SMOKE
DETECTORS

30. ADDITIONAL PROVISIONS The initialed riders, if any, attached hereto, are incorporated herein by reference
See addendum attached hereto and incorporated herein.

FOR RESIDENTIAL PROPERTY CONSTRUCTED PRIOR TO 1978, BUYER MUST ALSO HAVE SIGNED LEAD
PAINT "PROPERTY TRANSFER NOTIFICATION CERTIFICATION"

NOTICE: This is a legal document that creates binding obligations. If not understood, consult an attorney.

SELLER (or spouse)

Town of Franklin, by:
Jeffrey D. Nutting, Town Administrator, duly-authorized,
BUYER

SELLER

Broker(s)

EXTENSION OF TIME FOR PERFORMANCE

Date _____

The time for the performance of the foregoing agreement is extended until _____ o'clock
_____ M. on the _____ day of _____ 20____, time still being of
the essence of this agreement as extended. In all other respects, this agreement is hereby ratified and confirmed.
This extension, executed in multiple counterparts, is intended to take effect as a sealed instrument.

SELLER (or spouse)

SELLER

BUYER

BUYER

Broker(s)

Addendum A to Purchase and Sale Agreement

Roode to Town of Franklin
0 Washington Street, Franklin, MA 02038

IF THE TERMS OF THIS ADDENDUM CONTRADICT THE TERMS OF THE PURCHASE AND SALE AGREEMENT, THIS ADDENDUM SHALL CONTROL.

1. Buyer and Seller hereby acknowledge that they have been offered the opportunity to seek and confer with qualified legal counsel of their choice prior to signing this agreement and throughout this transaction.
- ~~2. The Buyer and Seller hereby acknowledge that they have been informed that the Buyer's attorney, Hornung & Scimone, P.C. has been asked to provide legal services on behalf of the mortgage lender for the mortgage loan closing in addition to the representation of the Buyer in this agreement or transaction, and that the Buyer and Seller have no objection to and consent to this dual representation.~~
3. Sellers shall sign all documents customarily required by Buyers' lender in connection with obtaining mortgage financing, including but not limited to, the Settlement Statement, 1099 Form, Agreement to Reapportion Taxes, Mechanic's Lien Affidavit, etc. In the event the Seller refuses to sign the same, the Buyer may elect to cancel this agreement, in which event all deposits shall be forthwith refunded and all other obligations of the parties hereto shall cease and this agreement shall be void without recourse to the parties hereto.
4. The Seller agrees to allow the Buyer, his agent or designees to have access to the premises for the purpose of having inspections, showing the property to prospective mortgagees and taking measurements, etc. Such access shall only be at a reasonable time, with reasonable notice and in the presence of the Seller or the Seller's agent.
5. The Seller represents the following to be true as of the date hereof and as of the date of closing that to the best of their knowledge:
 - A. Seller has the legal right, power and authority to enter into this agreement and to perform all of its obligations hereunder.
 - B. There are no tenancies, occupancies or licenses in or to the premises.
 - C. Seller has not commenced nor has Seller received notice of the commencement of any proceeding, which would affect the present zoning classification of the premises. Seller will not initiate any such proceedings and will promptly notify Buyer if Seller receives notice of any such proceeding commenced by third parties.
 - D. There is, to the best of the Seller's knowledge and belief, no notice, suit, order, decree, claim, writ, injunction or judgment relating to material violations of any laws ordinances, codes, regulations or other requirements with respect to the premises in, of or by any court or governmental authority having jurisdiction over the premises.
 - E. There are no suits, actions or proceedings pending or threatened against Seller materially affecting the premises or Seller's right or power to consummate the transaction contemplated by this Agreement before any court or administrative agency or office that will not be removed simultaneously with the delivery of the deed.
 - F. There is no pending Seller bankruptcy, mortgage foreclosure, requirement for third party approval or other legal proceedings that would inhibit this conveyance.
 - G. The Seller has received no notice of eminent domain taking, condemnation, betterment or assessment, actual or proposed, with respect to the premises, and Seller has no reason to believe that any such eminent domain taking, condemnation, betterment or assessment has been proposed or is under construction.
 - H. The Seller has no knowledge and has received no notice of any violations of any environmental law respecting the premises and has no knowledge of the existence of any underground fuel or oil storage tanks on the premises.
 - I. The property is not located in a flood zone requiring flood insurance.

Notwithstanding anything herein contained the premises shall not be considered to be in compliance with the provision of this agreement with respect to title unless:

- A. all structures and improvements, including but not limited to any driveway(s), garage(s) and all means of access to the premises shall be wholly within the lot lines of the premises and shall not encroach upon or under any property not within such lot lines, unless permissible by indefeasible and duly recorded easement;
 - B. the premises abuts a public way, duly laid out or accepted as such by the town or city in which the premises are located, or abuts a private way over which there is direct access by motor vehicle to a public way; and
 - C. no building, structure, improvement or property of any kind encroaches upon or under the premises from other premises;
 - D. title to the premises is insurable, for the benefit of the Buyer, by a title insurance company, in a fee owner's policy of title insurance at normal premium rates, in the American Land Title Association form currently in use, subject only to those printed exceptions to title normally included in the "jacket" to such form or policy, and exceptions permitted pursuant to paragraph 4 of the Purchase and Sale Agreement; and
 - E. All improvements located on the premises have been constructed in accordance with any covenants or order of conditions governing same, and if required by said covenants or conditions, a recordable certificate of compliance is to be delivered at closing unless previously recorded in the applicable Registry of Deeds.
7. This agreement supersedes all prior agreements and other understandings between the parties and represents the complete and full agreement of the parties hereto. All prior offers and agreements between the parties with respect to the transactions contemplated hereby and any such prior offers or agreements are null and void.
 8. If prior to closing, the Seller becomes aware of any situation which may cause any of the representations made by the Seller in this Agreement to become untrue, then the Seller shall promptly notify the Buyer in writing and then the Buyer shall have the option to continue with the closing, or terminate this Agreement rendering it null and void with the return of the deposited funds to the Buyer without recourse to either party.
 9. This Agreement may be executed by fax or other electronic means and original ink signatures shall not be required.
 10. In the event any apportionment/adjustment pursuant to Paragraph Sixteen (16) are, within ninety (90) days subsequent to the Closing, found to be erroneous, then either Party hereto who is entitled to additional monies shall invoice (along with reasonably detailed back-up data) the other Party for such additional amounts as may be owing, and such amounts shall be paid, with good funds, within ten (10) days from the date of the invoice. The provisions of this Paragraph shall survive delivery of the Deed hereunder for ninety (90) days.
 11. SELLER shall execute the Deed personally. At the sole option of the BUYER, a Deed executed for the SELLER pursuant to a power of attorney shall not satisfy the title requirements of the Agreement.
 12. The SELLER represents to BUYER that the purchase price herein is sufficient to payoff all of the SELLER'S obligations that may affect the sale of the Premises including, but not limited to: mortgages, municipal charges, real estate broker's commissions, document stamp tax and other reasonable and customary expenses of the sale, and that the within transaction is not a so-called "short-sale."
 13. SELLER agrees that if any mechanic's or materialmen's liens with respect to work done on the Premises on SELLER'S behalf are recorded after the delivery of the Deed, SELLER will promptly cause such liens to be duly discharged of record. SELLER agrees to indemnify and hold BUYER harmless from and against any cost, loss, damage or expense, including reasonable attorneys' fees, if any, arising out of or relating to any such liens being placed on the Premises. The provisions of this Paragraph shall survive delivery of the Deed hereunder.

it is agreed that in the event of a title matter for which a title insurance company is willing to issue a so-called "clean" policy or provide "affirmative coverage" over a known defect or problem, BUYER may elect to accept same but shall not be required to do so, and shall have the right, at the option of their counsel, to deem title to the premises unacceptable or unmarketable and to terminate this Agreement.

15. Seller states, to the best of SELLER'S knowledge, to Buyer that (i) that there are no underground storage tanks of any kind (collectively, "Tanks") at the premises; (ii) that there have been no Tanks at the premises during SELLER'S ownership of the premises, or if any Tanks were present at the premises during SELLER'S ownership of the premises, all such Tanks were removed from the premises and disposed of in accordance with all applicable federal state and local statutes, regulations, codes, ordinances, by-laws, requirements, directives and like, and that, at the time of such removal and disposal, it was opinion of the appropriate officials of the Fire Department of the City or Town and a qualified environmental consultant who witnessed such removal that there was no evidence or indication that there had ever been a release of oil or hazardous materials, as those terms are defined in Chapter 21E, as amended, of the Massachusetts General Laws (a "Release") from any such Tank
16. Seller represents that Seller has never generated, stored, or disposed of any toxic or hazardous substance" as defined in Massachusetts General Laws Chapter 21E and the Comprehensive Environmental Response Compensation and liability Act of 1980, as amended 42 U.S.C. Section 9601, et seq., and regulations adopted pursuant to said Acts. The Seller agrees to execute such certificate to BUYER'S lender regarding hazardous substances as BUYER'S lender may reasonably require of Seller.
17. In the event that the date for the closing, or the date that any notice required pursuant to this Agreement is due, falls on a Saturday, Sunday, or legal holiday, the closing or the due date of such Notice, shall be the next business day.

William C. Roode, SELLER

Town of Franklin, Buyer, by
Jeffrey D. Nutting, Town Administrator,
duly-authorized

Jeanne M. Roode, SELLER

Town of Franklin

Town Administrator
Tel: (508) 520-4949

Fax: (508) 520-4903



355 East Central Street
Franklin, Massachusetts 02038-1352

February 27, 2017

Milford Daily News
159 S. Main Street
Milford, MA 01757

Attention: LEGAL NOTICES DEPT.

PLEASE ADVERTISE -- Once in the Legal Ads Section on Friday, March 10

NOTICE OF PUBLIC HEARING FRANKLIN, MA

EXERCISE THE TOWN'S FIRST REFUSAL OPTION TO PURCHASE LAND ON WASHINGTON STREET

The Franklin Town Council will hold a public hearing on Wednesday evening, March 22, 2017 at 7:10 p.m. in the Council Chambers located on the second floor of the Franklin Municipal Building, 355 East Central Street, Franklin, MA. As required by G.L. Chapter 61, Section 8, the Council will hold a public hearing at said time and place on whether to exercise the Town's first refusal option to purchase a parcel of unimproved land currently taxed as forestry land located on the southerly side of Washington Street and containing 12.5 acres. The property is shown on Franklin Assessors Map 349 as Parcel 6 and described in a deed recorded at Norfolk County Registry of Deeds in Book 5501 at Page 521.

Submitted by,
Cindy Elz

Send 1 tear sheet

Cindy Elz
Town Administrator's Office
355 East Central Street
Franklin, MA 02038
(508) 553-4890



2017 MAR - 1 PM 1:11
RECEIVED
TOWN OF FRANKLIN
LEGAL DEPT.



License Transactions:

Franklin BBC, LLC
d/b/a/ British Beer Company
280 Franklin Village Drive

The applicant is seeking a change of Manager on their alcoholic beverages license from Daniel Whittenberger to Ryan Patrick Potter.

All Departments have signed off on this application.

MOTION to approve the request by Franklin BBC, LLC d/b/a British Beer Company for a change of Manager from Daniel Whittenberger to Ryan Patrick Potter.

DATED: _____, 2017

VOTED:

UNANIMOUS _____

YES _____ **NO** _____

ABSTAIN _____

ABSENT _____

A True Record Attest:

Teresa M. Burr
Town Clerk

Judith Pond Pfeffer, Clerk
Franklin Town Council



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

Print Form

RETAIL ALCOHOLIC BEVERAGES LICENSE APPLICATION
 MONETARY TRANSMITTAL FORM

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

ECRT CODE: RETA

CHECK PAYABLE TO ABCC OR COMMONWEALTH OF MA: \$200.00

(CHECK MUST DENOTE THE NAME OF THE LICENSEE CORPORATION, LLC, PARTNERSHIP, OR INDIVIDUAL)

CHECK NUMBER

IF USED EPAY, CONFIRMATION NUMBER

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

LICENSEE NAME

ADDRESS

CITY/TOWN STATE ZIP CODE

TRANSACTION TYPE (Please check all relevant transactions):

- Alteration of Licensed Premises
- Change Corporate Name
- Change of License Type
- Change of Location
- Change of Manager
- Other
- Cordials/Liqueurs Permit
- Issuance of Stock
- Management/Operating Agreement
- More than (3) \$15
- New License
- New Officer/Director
- New Stockholder
- Pledge of Stock
- Pledge of License
- Seasonal to Annual
- Transfer of License
- Transfer of Stock
- Wine & Malt to All Alcohol
- 6-Day to 7-Day License

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

**ALCOHOLIC BEVERAGES CONTROL COMMISSION
 P. O. BOX 3396
 BOSTON, MA 02241-3396**



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission

For Reconsideration

LOCAL LICENSING AUTHORITY REVIEW RECORD

00052-RS-0430
ABCC License Number

Franklin
City/Town

03/01/2017
Date Filed with LLA

TRANSACTION TYPE (Please check all relevant transactions):

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

APPLICANT INFORMATION

Name of Licensee: Franklin BBC LLC D/B/A: British Beer Company

ADDRESS: 280 Franklin Village Drive CITY/TOWN: Franklin STATE: MA ZIP CODE: 02038

Manager: Ryan Patrick Potter

\$12 Restaurant (i.e. restaurant, package store)
 Annual (Annual or Seasonal)
 All Alcoholic Beverages (i.e. Wines and Malts / All Alcohol)

Granted under Special Legislation? Yes No

If Yes, Chapter _____ of the Acts of (year) _____

LOCAL LICENSING AUTHORITY DECISION

Please indicate the decision of the Local Licensing Authority: Approves this Application

Please indicate what days and hours the licensee will sell alcohol: M-W: 11:00am - 12:00am
Th - Sat: 11:00am - 1:00am, Sun: 10:00am - 12:00am

If **Approving With Modifications**, please indicate below what changes the LLA is making:

Please indicate if the LLA is downgrading the License Category (approving only Wines and Malts if applicant applied for All Alcohol):

Changes to the Premises Description	Patio/Deck/Outdoor Area Total Square Footage	<input type="text"/>	Indoor Area Total Square Footage	<input type="text"/>	Floor Number	Square Footage	Number of Rooms
	Total Square Footage	<input type="text"/>	Number of Entrances	<input type="text"/>			
	Seating Capacity	<input type="text"/>	Number of Exits	<input type="text"/>			

Abutters Notified: Yes No Date of Abutter Notification: Date of Advertisement:

Please add any additional remarks or conditions here:

Check here if you are attaching additional documentation

The Local Licensing Authorities By:

Alcoholic Beverages Control Commission
Ralph Sacramone
Executive Director

Judith Pond Pfeffer
Clerk
Franklin Town Council
Date APPROVED by LLA: 03/22/2017



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

AMENDMENT APPLICATION FOR A CHANGE OF MANAGER

Please complete this entire application, leaving no fields blank. If field does not apply to your situation, please write N/A.

1. NAME OF LICENSEE (Business Contact)

Franklin BBC, LLC

ABCC License Number

04300071

City/Town of Licensee

Franklin

2. APPLICATION CONTACT

The application contact is required and is the person who will be contacted with any questions regarding this application.

First Name:

Ryan

Middle:

Patrick

Last Name:

Potter

Title:

General Manager

Primary Phone:

774 238 2499

Email:

ryanpotter@britishbeer.com

3. BUSINESS CONTACT

Please complete this section **ONLY** if there are changes to the Licensee phone number, business address (corporate headquarters), or mailing address.

Entity Name:

Primary Phone:

Fax Number:

Alternative Phone:

Email:

Business Address (Corporate Headquarters)

Street Number:

15 ~~W. Main St.~~

Street Name:

Richards Rd.

City/Town:

Plymouth

State:

MA

Zip Code:

02360

Country:

USA

Mailing Address

Check here if your Mailing Address is the same as your Business Address

Street Number:

280

Street Name:

Franklin Village Dr.

City/Town:

Franklin

State:

MA

Zip Code:

02038

Country:

USA

APPLICATION FOR A NEW RETAIL ALCOHOLIC BEVERAGES LICENSE

4. MANAGER CONTACT

The Manager Contact is required and is the individual who will have day-to-day, operational control over the liquor license.

Salutation First Name Middle Name Last Name Suffix

Social Security Number Date of Birth

Primary Phone: Email:

Mobile Phone: Place of Employment:

Alternative Phone: Fax Number

Citizenship / Residency / Background Information of Proposed Manager

Are you a U.S. Citizen? Yes No

Do you have direct, indirect, or financial interest in this license? Yes No

Have you ever been convicted of a state, federal, or military crime? Yes No
If yes, attach an affidavit that lists your convictions with an explanation for each

Have you ever been Manager of Record of a license to sell alcoholic beverages? Yes No

If yes, please list the licenses for which you are the current or proposed manager:

If yes, percentage of interest

If yes, please indicate type of Interest (check all that apply):

Officer Sole Proprietor
 Stockholder LLC Manager
 LLC Member Director
 Partner Landlord
 Contractual Revenue Sharing
 Management Agreement Other

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

Employment Information of Proposed Manager

Please provide your employment history for the past 10 years

Date(s)	Position	Employer	Address	Phone
1/9 - Current	Bar Manager	BBC Falmouth/Franklin	Falmouth, MA Franklin, MA	508-440-5190
8/8 - 10/14	Varsity Golf Coach	Stugis Charter	Hyannis, MA	508-778-1782
7/8 - 10/9	Golfshop	Hyannis Golf Club	Hyannis, MA	508-362-2606
7/10 - 6/14	Bartender	Big Ben Pub	Charlotte, NC	704-817-9197

Prior Disciplinary Action of Proposed Manager

Have you ever been involved directly or indirectly in an alcoholic beverages license that was subject to disciplinary action? If yes, please complete the following: **NO**

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

RYAN POTTER

EDUCATION

Queens University of Charlotte Charlotte, NC
Bachelor of Arts in Business Management
Specialization Degree in Professional Golf Management
GPA: 3.1, Cum Laude
Graduation: May 2006

RELATED WORK EXPERIENCE

01/2009 – Current Falmouth & Franklin, MA
Restaurant Manager & Bartender
British Beer Company

- Manage and supervise a team of fifty plus staff members
- Recruit new employees and implement training procedures
- Responsible for full bar inventory and buying
- TIPS & Serve Safe certified

08/2008 – 10/2014 Hyannis, MA
Head Varsity Golf Coach
Sturgis Charter Public School

- Schedule practices and execute drills
- Provide mentoring to all players and monitor academic success
- Led team to four state tournament berths and first league championship
Awarded Cape & Islands Coach of the Year 2014

09/2006 - 07/2008 Charlotte, NC
Restaurant Manager & Bartender
Big Ben British Pub

- Managed a staff of over forty employees
- Assisted with scheduling and training new employees
- Responsible for end of day duties
- Managed bar inventory

ACTIVITIES/AWARDS

- Fall 2005 - Spring 2006
Pi Kappa Phi Fraternity
Vice President
- Spring 2004 - Spring 2006
Pi Kappa Phi Fraternity
Executive Board Member
- Fall 2004 - Spring 2006
Queen's University Men's Golf
Walk-On Member
- Fall 2005 - Spring 2006
Campus Judicial Board
President
- Fall 2004 - Spring 2006
Junior Class, Senior Class
President
- Spring 2004 - Spring 2005
Professional Golf Management
Student of the Year

ADDITIONAL SPACE

The following space is for any additional information you wish to supply or to clarify an answer you supplied in the application.

If referencing the application, please be sure to include the number of the question to which you are referring.

APPLICANT'S STATEMENT


I, Ryan Potter the: sole proprietor; partner; corporate principal; LLC/LLP member
Authorized Signatory

of British Beer Company Franklin, hereby submit this application for Change of manager
Name of the Entity/Corporation Transaction(s) you are applying for

(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 statement 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 does not violate any requirement of the ABCC or other state law or local ordinances;
- (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 Application information 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.

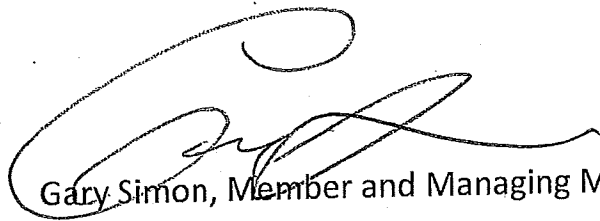
Signature: 

Date: 2/28/17

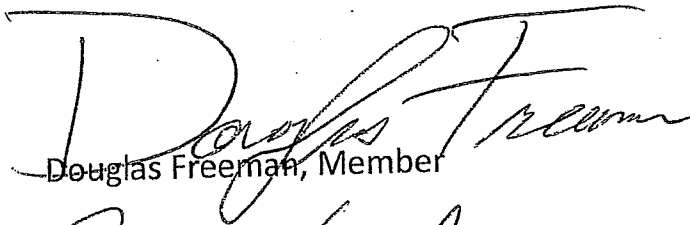
Title: General Manager

Vote of Franklin BBC, LLC

The undersigned, representing all of the members of the Franklin BBC, LLC and the managing member of the Franklin BBC, LLC hereby vote to and hereby authorize all action in connection with change of manager at the British Beer Company located at 280 Franklin Village DR, Franklin Massachusetts from Daniel Whittenberger to Ryan Potter and the undersigned hereby authorize all other action in connection therewith.



Gary Simon, Member and Managing Member



Douglas Freeman, Member



Michael Fallman, Member

Date

11/14/16

PRESENTATIONS

AND

DISCUSSIONS

- AUDITOR'S REPORT
 - ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016
 - MANAGEMENT LETTER FOR THE YEAR ENDED JUNE 30, 2016

TOWN OF FRANKLIN, MASSACHUSETTS

Annual Financial Statements

For the Year Ended June 30, 2016

Town of Franklin, Massachusetts

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues and Other Sources, and Expenditures and Other Uses - Budget and Actual - General Fund	20
Proprietary Funds:	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Fund Net Position	22
Statement of Cash Flows	23
Fiduciary Funds:	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Notes to Financial Statements	26
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of OPEB Funding Progress	60
Schedule of Proportionate Share of the Net Pension Liability	61
Schedule of Pension Contributions	62

INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Franklin, Massachusetts

Additional Offices:
Nashua, NH
Manchester, NH
Greenfield, MA
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying 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, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of OPEB Funding Progress, the Schedule of Proportionate Share of Net Pension Liability, and the Schedule of Pension Contributions be presented to supplement the basic financial statements. Such information, 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 evidence sufficient to express an opinion or provide any assurance.

Other Information

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2017 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 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 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.

Melanson Heath

February 22, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Franklin we offer readers this narrative overview and analysis of the financial activities of the Town of Franklin for the fiscal year ended June 30, 2016.

A. 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 comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other 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/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. All of the 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 a government'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for sewer, water and solid waste operations.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer, water and solid waste operations. The sewer and water funds are considered major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 own 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.

Other 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.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$166,406,967 (i.e., net position), a change of \$(3,879,531) in comparison to the prior year.
- As of the close of the current fiscal year, governmental activities reported unrestricted net position of \$(68,835,656), a change of \$(6,233,182), in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$25,530,491, a change of \$(2,471,457) in comparison to the prior year. This change is primarily due to activity associated with the ongoing High School construction project and the library construction project.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,144,911, a change of \$1,458,061 in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years. All amounts are presented in thousands.

	<u>NET POSITION</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current assets	\$ 41,389	\$ 38,088	\$ 14,577	\$ 14,963	\$ 55,966	\$ 53,051
Noncurrent assets	237,806	237,659	60,539	58,464	298,345	296,123
Deferred outflows	<u>6,362</u>	<u>1,648</u>	<u>51</u>	<u>13</u>	<u>6,413</u>	<u>1,661</u>
Total assets and deferred outflows	285,557	277,395	75,167	73,440	360,724	350,835
Current liabilities	19,765	13,405	4,655	2,284	24,420	15,689
Noncurrent liabilities	151,705	149,395	14,023	15,457	165,728	164,852
Deferred inflows of resources	<u>4,136</u>	<u>7</u>	<u>33</u>	<u>-</u>	<u>4,169</u>	<u>7</u>
Total liabilities and deferred inflows	175,606	162,807	18,711	17,741	194,317	180,548
Net position:						
Net investment in capital assets	166,765	164,652	45,343	42,133	212,108	206,785
Restricted	12,022	12,538	-	-	12,022	12,538
Unrestricted	<u>(68,836)</u>	<u>(62,602)</u>	<u>11,113</u>	<u>13,566</u>	<u>(57,723)</u>	<u>(49,036)</u>
Total net position	<u>\$ 109,951</u>	<u>\$ 114,588</u>	<u>\$ 56,456</u>	<u>\$ 55,699</u>	<u>\$ 166,407</u>	<u>\$ 170,287</u>

CHANGES IN NET POSITION

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Charges for services	\$ 7,541	\$ 6,862	\$ 13,431	\$ 13,846	\$ 20,972	\$ 20,708
Operating grants and contributions	43,538	40,670	-	-	43,538	40,670
General revenues:						
Property taxes	67,387	65,340	-	-	67,387	65,340
Excises	6,170	5,298	-	-	6,170	5,298
Penalties, interest, and other taxes	339	309	-	-	339	309
Grants and contributions not restricted to specific programs	4,464	13,083	-	-	4,464	13,083
Investment income	398	149	26	28	424	177
Miscellaneous	1,154	282	15	11	1,169	293
Total revenues	<u>130,991</u>	<u>131,993</u>	<u>13,472</u>	<u>13,885</u>	<u>144,463</u>	<u>145,878</u>
Expenses:						
General government	13,649	12,003	-	-	13,649	12,003
Public safety	14,230	10,110	-	-	14,230	10,110
Education	90,835	74,705	-	-	90,835	74,705
Public works	5,368	7,124	-	-	5,368	7,124
Human services	1,480	935	-	-	1,480	935
Culture and recreation	1,679	1,643	-	-	1,679	1,643
Employee benefits	-	14,060	-	-	-	14,060
Interest on long-term debt	2,960	2,918	-	-	2,960	2,918
Intergovernmental	4,827	5,003	-	-	4,827	5,003
Sewer	-	-	4,903	3,909	4,903	3,909
Water	-	-	5,945	5,076	5,945	5,076
Sanitation	-	-	1,845	1,936	1,845	1,936
Total expenses	<u>135,028</u>	<u>128,501</u>	<u>12,693</u>	<u>10,921</u>	<u>147,721</u>	<u>139,422</u>
Change in net position before transfers	(4,037)	3,492	779	2,964	(3,258)	6,456
Transfers in (out)	<u>(600)</u>	<u>400</u>	<u>(22)</u>	<u>(1,022)</u>	<u>(622)</u>	<u>(622)</u>
Change in net position	(4,637)	3,892	757	1,942	(3,880)	5,834
Net position - beginning of year	<u>114,588</u>	<u>110,696</u>	<u>55,699</u>	<u>53,757</u>	<u>170,287</u>	<u>164,453</u>
Net position - end of year	<u>\$ 109,951</u>	<u>\$ 114,588</u>	<u>\$ 56,456</u>	<u>\$ 55,699</u>	<u>\$ 166,407</u>	<u>\$ 170,287</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$166,406,967, a change of \$(3,879,531) from the prior year.

The largest portion of net position \$212,108,255 reflects our investment in capital assets (e.g., land, buildings, machinery and equipment, 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 \$12,021,596 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 \$(57,722,884), resulting from unfunded OPEB and net pension liabilities (see Notes 20 and 21).

Governmental activities. Governmental activities for the year resulted in a change in net position of \$(4,636,285). Key elements of this change are as follows:

General fund revenues and transfers in excess of expenditures and transfers out	\$ 910,020
Nonmajor governmental funds change in funds balance, net of capital additions	(469,210)
Depreciation expense in excess of principal debt service expense	(2,705,195)
Capital additions funded by operating cash	4,435,084
Increase in net OPEB obligation	(5,491,999)
Change in net pension liability	(1,111,395)
MSBA grants recognized in prior years	(825,933)
Change in deferred outflows	4,714,029
Change in deferred inflows	(4,125,738)
Other	34,052
Total	<u>\$ (4,636,285)</u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$756,754. Key elements of this change are as follows:

Sewer operations	\$ 214,684
Water operations	511,456
Solid waste operations	30,614
Total	<u>\$ 756,754</u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'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 infor-

mation is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$25,530,491, a change of \$(2,471,457) in comparison to the prior year. Key elements of this change are as follows:

General fund revenues and other financing sources in excess of expenditures and transfers out	\$ 910,020
High School construction expenditures in excess of revenues and other financing sources	(1,553,769)
Library construction expenditures in excess of revenues	(1,358,498)
Special revenue fund revenues and transfers in excess of expenditures and transfers out	(446,397)
Nonmajor capital projects fund expenditures and transfers out in excess of revenues	388,522
Trust fund expenditures and transfers out in excess of revenues	<u>(411,335)</u>
Total	<u>\$ (2,471,457)</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$11,144,911, while total fund balance was \$17,141,502. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance ⁽¹⁾	\$ 11,144,911	\$ 9,686,850	\$ 1,458,061	10.4%
Total fund balance	\$ 17,141,502	\$ 16,231,482	\$ 910,020	16.0%

⁽¹⁾ Includes \$5,104,493 in general stabilization and \$1,342,956 in budget stabilization funds.

The total fund balance of the general fund changed by \$910,020 during the current fiscal year. Key factors in this change are as follows:

Use of free cash, overlay surplus, and other reserves as a funding source	\$ (2,968,096)
Add back transfers to stabilization funds	<u>300,000</u>
Subtotal	(2,668,096)
Revenues in excess of budget	1,931,319
Expenditures less than budget	2,067,506
Other	<u>(420,709)</u>
Total	<u>\$ 910,020</u>

Included in the total general fund balance are the Town's stabilization accounts with the following balances:

	<u>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>
General stabilization	\$ 5,104,493	\$ 4,915,019	\$ 189,474
Budget stabilization	1,342,956	1,324,442	18,514
Public works stabilization	-	277,281	(277,281)
Athletic fields stabilization	868,280	658,546	209,734
Fire truck stabilization	485,387	379,813	105,574
Property acquisition stabilization	254,991	251,476	3,515
Traffic signal stabilization	<u>4,608</u>	<u>4,597</u>	<u>11</u>
Total	<u>\$ 8,060,715</u>	<u>\$ 7,811,174</u>	<u>\$ 249,541</u>

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 \$11,112,772, a change of \$(2,453,451) in comparison to the prior year. Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$3,304,795. Major reasons for this change include:

\$ 600,000	appropriated to fund purchase land and renovation of improved property for the Recreation Department; funded by overlay surplus.
10,000	appropriated to fund records organization, management, and disposal for the Assessors Department; funded by overlay surplus.
22,086	appropriated for the construction of sidewalks; funded by free cash
100,000	appropriated for the fire truck stabilization fund; funded by free cash.
200,000	appropriated for the athletic fields capital improvement stabilization fund; funded by free cash.
1,838,009	appropriated for the 2016 capital improvement plan; funded by free cash and a transfer from the ambulance receipts reserved fund
41,700	appropriated for improvements to the recreation fields; funded by a transfer from the A. B. Fletcher Trust fund

(continued)

(continued)

41,700	appropriated for improvements to the recreation fields; funded by a transfer from the A. B. Fletcher Trust fund
60,000	appropriated for the downtown improvement project; funded by free cash
200,000	appropriated for road construction and maintenance; funded by free cash.
200,000	appropriated for the Other Post-Employment Benefits Trust fund; funded by free cash.
33,000	appropriated for the Beaver Street survey and sidewalk study; funded by free cash.
<u>\$ 3,304,795</u>	Total supplemental appropriations

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$297,557,539 (net of accumulated depreciation), a change of \$2,205,394 from the prior year. This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

Major capital asset events during the current fiscal year include ongoing construction costs for the new high school, various building improvements, conservation land purchases, sewer and water system improvements, various street improvements, and the acquisition of vehicles, and equipment for various Town departments.

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

Credit rating. During the fiscal year, the Town's Standard & Poor's credit rating remained unchanged at AA+.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$79,194,920, all of which was backed by the full faith and credit of the government.

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

G. STABILIZATION FUNDS

In the late 1990s, the Town settled a legal case and received over six million dollars. The funds were paid to the Town over several years. All funds received from the settlement were voted into the general Stabilization Fund, resulting in a balance

of over \$9,000,000 in the account. The Stabilization Fund, plus interest, may be appropriated at any Town Council meeting for any municipal purpose. The Town always maintained a "traditional" general fund stabilization account.

At that point, the Town created two new stabilization accounts to set aside funds for known future costs. The Town voted to appropriate \$1,100,000 to pay for the Town's share of Town state-funded road projects and to replace a culvert. The second was a Debt Stabilization account to take the "peak" off the debt schedule the Town adopted in accordance with our fiscal policy on debt. The Debt Stabilization account served its intended purpose and no funds currently remain in the account. In FY11, the Town Council voted to increase the Public Works Stabilization account for future related projects.

The Town Council voted in FY 2004, 2007 and 2008 to use general stabilization funds to balance the annual operating budget. However, once the fund reached the minimum amount established by the Town Council's fiscal policy (\$4.5 million or 5% of general operating budget), no other funds were used until FY2013, when the Town Council voted to use \$350,000 for the annual operating budget.

In FY12, the Town Council voted to establish three additional stabilization funds for future Town appropriations. These funds include the Senior Center Capital Improvements Stabilization Fund, the Athletic Field Capital Improvements Stabilization Fund, and the Fire Truck Stabilization Fund, all of which are reported as "Other Stabilization" in the table below.

In FY13, the Town Council voted to establish a Budget Stabilization Fund for the purpose of stabilizing future Town budgets. This new fund is reported in a separate column in the table below.

The table below sets forth stabilization fund balances at year-end for the last nine fiscal years (in thousands):

<u>As of June 30</u>	<u>Stabilization Fund Balance</u>	<u>Budget Stabilization</u>	<u>Debt Stabilization</u>	<u>Public Works Stabilization</u>	<u>Other Stabilization</u>	<u>Total Stabilization</u>
2016	\$ 5,104	\$ 1,343	\$ -	\$ -	\$ 1,614	8,061
2015	\$ 4,915	\$ 1,324	\$ -	\$ 277	\$ 1,295	\$ 7,811
2014	\$ 4,895	\$ 1,312	\$ -	\$ 277	\$ 1,646	\$ 8,130
2013	\$ 4,832	\$ 1,004	\$ -	\$ 276	\$ 882	\$ 6,994
2012	\$ 5,210	\$ -	\$ -	\$ 276	\$ 380	\$ 5,866
2011	\$ 4,779	\$ -	\$ -	\$ 275	\$ 5	\$ 5,059
2010	\$ 4,647	\$ -	\$ 380	\$ 130	\$ -	\$ 5,157
2009	\$ 4,573	\$ -	\$ 403	\$ 738	\$ -	\$ 5,714
2008	\$ 4,137	\$ -	\$ 568	\$ 792	\$ -	\$ 5,497

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 government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Comptroller's Office
355 East Central Street
Franklin, Massachusetts 02038

TOWN OF FRANKLIN, MASSACHUSETTS

STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS			
Current:			
Cash and short-term investments	\$ 25,225,825	\$ 11,057,320	\$ 36,283,145
Investments	14,933,977	-	14,933,977
Receivables, net of allowance for uncollectibles:			
Property taxes	475,069	-	475,069
Excises	398,190	-	398,190
User fees	354,633	3,499,845	3,854,478
Betterments	1,172	20,091	21,263
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	609,168	-	609,168
Betterments	7,032	171,816	178,848
Land and construction in progress	22,318,748	4,348,360	26,667,108
Capital assets being depreciated, net of accumulated depreciation	214,871,441	56,018,990	270,890,431
DEFERRED OUTFLOWS OF RESOURCES	<u>6,362,050</u>	<u>50,624</u>	<u>6,412,674</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	285,557,305	75,167,046	360,724,351
LIABILITIES			
Current:			
Warrants and accounts payable	1,875,462	866,220	2,741,682
Accrued liabilities	1,496,381	303,164	1,799,545
Notes payable	11,550,000	2,000,000	13,550,000
Tax refunds payable	187,669	-	187,669
Other liabilities	718,123	-	718,123
Current portion of long-term liabilities:			
Bonds payable	3,840,000	1,479,118	5,319,118
Compensated absences	98,119	7,545	105,664
Noncurrent:			
Bonds payable, net of current portion	60,873,001	13,002,801	73,875,802
Compensated absences, net of current portion	1,864,271	143,350	2,007,621
Other post-employment benefits	47,947,315	549,981	48,497,296
Net pension liability	41,019,919	326,405	41,346,324
DEFERRED INFLOWS OF RESOURCES	<u>4,135,711</u>	<u>32,829</u>	<u>4,168,540</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	175,605,971	18,711,413	194,317,384
NET POSITION			
Net investment in capital assets	166,765,394	45,342,861	212,108,255
Restricted for:			
Grants and other statutory restrictions	8,980,970	-	8,980,970
Permanent funds:			
Nonexpendable	503,930	-	503,930
Expendable	2,536,696	-	2,536,696
Unrestricted	<u>(68,835,656)</u>	<u>11,112,772</u>	<u>(57,722,884)</u>
TOTAL NET ASSETS	<u>\$ 109,951,334</u>	<u>\$ 56,455,633</u>	<u>\$ 166,406,967</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, 2016

	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:					
General government	\$ 13,649,124	\$ 1,500,575	\$ (11,428,263)	\$ -	\$ (11,428,263)
Public safety	14,230,026	301,958	(11,725,945)	-	(11,725,945)
Education	90,834,432	41,176,795	(45,866,343)	-	(45,866,343)
Public works	5,367,481	269,796	(4,933,656)	-	(4,933,656)
Health and human services	1,480,333	204,845	(1,119,671)	-	(1,119,671)
Culture and recreation	1,678,984	83,989	(1,087,423)	-	(1,087,423)
Interest	2,960,279	-	(2,960,279)	-	(2,960,279)
Intergovernmental	4,827,096	-	(4,827,096)	-	(4,827,096)
Total Governmental Activities	135,027,755	43,537,958	(83,948,676)	-	(83,948,676)
Business-Type Activities:					
Sewer services	4,903,503	-	-	209,240	209,240
Water services	5,944,855	-	-	512,445	512,445
Sanitation services	1,844,783	-	-	16,411	16,411
Total Business-Type Activities	12,693,141	-	-	738,096	738,096
Total	\$ 147,720,896	\$ 43,537,958	(83,948,676)	738,096	(83,210,580)
General Revenues and transfers:					
Property taxes			67,386,879	-	67,386,879
Excises			6,169,886	-	6,169,886
Penalties, interest and other taxes			339,148	-	339,148
Grants and contributions not restricted to specific programs			4,463,882	-	4,463,882
Investment income			398,502	26,200	424,702
Miscellaneous			1,154,094	14,458	1,168,552
Transfers, net			(600,000)	(22,000)	(622,000)
Total general revenues			79,312,391	18,658	79,331,049
Change in Net Position			(4,636,285)	756,754	(3,879,531)
Net Position:					
Beginning of year			114,587,619	55,698,879	170,286,498
End of year			\$ 109,951,334	\$ 56,455,633	\$ 166,406,967

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

TOWN OF FRANKLIN, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2016

	General Fund	High School Construction Fund	Library Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and short-term investments	\$ 8,358,032	\$ 199,594	\$ 5,949,608	\$ 10,718,592	\$ 25,225,826
Investments	11,075,030	-	-	3,858,947	14,933,977
Receivables:					
Property taxes	1,313,050	-	-	-	1,313,050
Excises	687,012	-	-	-	687,012
User fees	469,412	-	-	-	469,412
Departmental and other	-	-	-	26,044	26,044
Due from other funds	40,000	-	-	-	40,000
TOTAL ASSETS	\$ 21,942,536	\$ 199,594	5,949,608	\$ 14,603,583	\$ 42,695,321
LIABILITIES					
Warrants and accounts payable	\$ 1,101,666	\$ -	314,606	\$ 459,190	\$ 1,875,462
Accrued liabilities	444,323	-	-	-	444,323
Notes payable	-	4,550,000	7,000,000	-	11,550,000
Tax refunds payable	187,669	-	-	-	187,669
Due to other funds	-	-	-	40,000	40,000
Other liabilities	718,124	-	-	-	718,124
TOTAL LIABILITIES	2,451,782	4,550,000	7,314,606	499,190	14,815,578
DEFERRED INFLOWS OF RESOURCES	2,349,252	-	-	-	2,349,252
FUND BALANCES					
Nonspendable	-	-	-	503,930	503,930
Restricted	145,615	-	-	13,019,047	13,164,662
Committed	5,483,614	-	-	1,443,234	6,926,848
Assigned	367,362	-	-	-	367,362
Unassigned	11,144,911	(4,350,406)	(1,364,998)	(861,818)	4,567,689
TOTAL FUND BALANCES	17,141,502	(4,350,406)	(1,364,998)	14,104,393	25,530,491
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 21,942,536	\$ 199,594	\$ 5,949,608	\$ 14,603,583	\$ 42,695,321

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, 2016

Total governmental fund balances	\$ 25,530,491
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	237,190,189
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,689,025
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(1,052,058)
• Long-term liabilities, including bonds payable, capital leases, landfill closure, accrued compensated absences and net OPEB obligation are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(155,642,625)
• Certain changes in the net pension liability, which are deferred to future reporting periods, are not reported in the governmental funds.	<u>2,236,312</u>
Net position of governmental activities	\$ <u><u>109,951,334</u></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, 2016

	General Fund	High School Construction Fund	Library Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 67,345,850	\$ -	\$ -	\$ -	\$ 67,345,850
Excises	6,039,024	-	-	-	6,039,024
Penalties, interest and other taxes	301,686	-	-	510	302,196
Special assessments	1,762	-	-	-	1,762
Charges for services	2,152,082	-	-	4,178,061	6,330,143
Licenses and permits	1,308,874	-	-	-	1,308,874
Intergovernmental	31,677,322	39,774	-	6,060,287	37,777,383
Fines and forfeitures	114,125	-	-	3,080	117,205
Contributions	-	-	-	378,338	378,338
Investment income	314,074	-	-	131,015	445,089
Miscellaneous	19,282	-	-	1,237,472	1,256,754
Total Revenues	109,274,081	39,774	-	11,988,763	121,302,618
Expenditures:					
Current:					
General government	9,214,616	-	-	2,094,828	11,309,444
Public safety	10,451,530	-	-	492,484	10,944,014
Education	59,252,449	-	-	7,551,040	66,803,489
Public works	4,424,187	-	-	189,756	4,613,943
Health and human services	619,220	-	-	223,585	842,805
Culture and recreation	1,121,784	-	-	60,670	1,182,454
Insurance and benefits	8,156,865	-	-	8,155	8,165,020
Debt service	7,003,781	-	-	-	7,003,781
Intergovernmental	4,827,096	-	-	-	4,827,096
Capital outlay	1,864,051	1,757,543	1,358,498	2,653,623	7,633,715
Total Expenditures	106,935,579	1,757,543	1,358,498	13,274,141	123,325,761
Excess (deficiency) of revenues over expenditures	2,338,502	(1,717,769)	(1,358,498)	(1,285,378)	(2,023,143)
Other Financing Sources (Uses):					
Proceeds of refunding debt	7,310,000	-	-	-	7,310,000
Payment to refunding escrow agent	(8,471,217)	-	-	-	(8,471,217)
Bond premium	1,312,903	-	-	-	1,312,903
Transfers in	422,700	164,000	-	1,402,868	1,989,568
Transfers out	(2,002,868)	-	-	(586,700)	(2,589,568)
Total Other Financing Sources (Uses)	(1,428,482)	164,000	-	816,168	(448,314)
Change in fund balance	910,020	(1,553,769)	(1,358,498)	(469,210)	(2,471,457)
Fund Balance, at Beginning of Year, as reclassified	16,231,482	(2,796,637)	(6,500)	14,573,603	28,001,948
Fund Balance, at End of Year	\$ 17,141,502	\$ (4,350,406)	\$ (1,364,998)	\$ 14,104,393	\$ 25,530,491

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, 2016

Net changes in fund balances - total governmental funds	\$ (2,471,457)																
<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: <table border="0" style="margin-left: 40px;"> <tr> <td>Capital outlay purchases</td> <td style="text-align: right;">8,065,785</td> </tr> <tr> <td>Loss on disposition of assets</td> <td style="text-align: right;">(718,434)</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(7,259,445)</td> </tr> </table> • 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 various 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 deferred revenue. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">91,201</td> </tr> </table> • Some revenues reported in the Statement of Activities, such as MSBA reimbursements for contracted assistance, do not provide current financial resources and therefore, are not reported as revenues in the governmental funds. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">(825,933)</td> </tr> </table> • The issuance of long-term debt (e.g., bonds and leases) 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: <table border="0" style="margin-left: 40px;"> <tr> <td>Repayments of debt</td> <td style="text-align: right;">4,554,250</td> </tr> </table> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">(60,748)</td> </tr> </table> • Some expenses reported in the Statement of Activities, such as compensated absences and other post-employment benefits, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;"><u>(6,011,504)</u></td> </tr> </table> 		Capital outlay purchases	8,065,785	Loss on disposition of assets	(718,434)	Depreciation	(7,259,445)		91,201		(825,933)	Repayments of debt	4,554,250		(60,748)		<u>(6,011,504)</u>
Capital outlay purchases	8,065,785																
Loss on disposition of assets	(718,434)																
Depreciation	(7,259,445)																
	91,201																
	(825,933)																
Repayments of debt	4,554,250																
	(60,748)																
	<u>(6,011,504)</u>																
Change in net position of governmental activities	\$ <u>(4,636,285)</u>																

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

TOWN OF FRANKLIN, MASSACHUSETTS

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES, EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues and Transfers In:				
Property taxes	\$ 67,006,414	\$ 67,006,414	\$ 67,006,414	\$ -
Motor vehicle excise	4,126,000	4,126,000	4,912,549	786,549
Other excise	955,000	955,000	1,126,475	171,475
Penalties, interest and other taxes	274,000	274,000	303,448	29,448
Charges for services	1,948,500	1,948,500	2,152,082	203,582
Licenses and permits	800,000	800,000	1,308,874	508,874
Intergovernmental	31,590,644	31,590,643	31,677,322	86,679
Fines and forfeitures	111,000	111,000	114,125	3,125
Investment income	112,000	112,000	86,619	(25,381)
Miscellaneous	4,000	4,000	19,282	15,282
Transfers in	1,129,000	1,465,700	1,465,700	-
Total Revenues and Transfers In	108,056,558	108,393,257	110,172,890	1,779,633
Expenditures and Transfers Out:				
General government	9,309,029	9,488,131	9,250,202	237,929
Public safety	10,336,746	10,346,620	9,917,984	428,636
Education	59,122,832	59,111,978	59,072,348	39,630
Public works	4,237,369	4,036,674	3,893,675	142,999
Health and human services	586,994	640,481	619,279	21,202
Culture and recreation	1,234,571	1,235,321	1,124,440	110,881
Debt service	7,136,563	7,136,563	7,003,781	132,782
Insurance and benefits	10,462,535	10,221,724	9,599,865	621,859
Capital outlay	-	2,391,856	2,363,091	28,765
Intergovernmental	5,129,919	5,129,919	4,827,096	302,823
Transfers out	500,000	1,622,086	1,622,086	-
Total Expenditures and Transfers Out	108,056,558	111,361,353	109,293,847	2,067,506
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	-	(2,968,096)	879,043	3,847,139
Other Financing Sources:				
Use of bond premium	-	-	151,686	151,686
Use of free cash and overlay surplus	-	2,968,096	2,968,096	-
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ 3,998,825	\$ 3,998,825

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

TOWN OF FRANKLIN, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2016

	Business-Type Activities Enterprise Funds			Total
	Sewer Fund	Water Fund	Non-major Solid Waste Fund	
ASSETS				
Current:				
Cash and short-term investments	\$ 3,726,603	\$ 6,662,038	\$ 668,679	\$ 11,057,320
Receivables, net of allowance for uncollectibles:				
User fees	1,453,621	1,883,271	162,953	3,499,845
Betterments	20,091	-	-	20,091
Total current assets	5,200,315	8,545,309	831,632	14,577,256
Noncurrent:				
Receivables, net of allowance for uncollectibles:				
Betterments	171,816	-	-	171,816
Land and construction in progress	679,558	3,621,871	46,931	4,348,360
Other capital assets, net of accumulated depreciation	11,085,170	44,654,520	279,300	56,018,990
Total noncurrent assets	11,936,544	48,276,391	326,231	60,539,166
DEFERRED OUTFLOWS OF RESOURCES	14,065	36,559	-	50,624
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	17,150,924	56,858,259	1,157,863	75,167,046
LIABILITIES				
Current:				
Warrants and accounts payable	159,124	706,146	950	866,220
Accrued liabilities	46,987	256,177	-	303,164
Notes payable	-	2,000,000	-	2,000,000
Current portion of long-term liabilities:				
Bonds payable	300,696	1,178,422	-	1,479,118
Compensated absences	3,056	3,969	520	7,545
Total current liabilities	509,863	4,144,714	1,470	4,656,047
Noncurrent:				
Bonds payable, net of current portion	2,280,088	10,722,713	-	13,002,801
Compensated absences, net of current portion	58,058	75,414	9,878	143,350
Other post-employment benefits	202,548	347,433	-	549,981
Net pension liability	90,687	235,718	-	326,405
Total noncurrent liabilities	2,631,381	11,381,278	9,878	14,022,537
DEFERRED INFLOWS OF RESOURCES	9,121	23,708	-	32,829
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	3,150,365	15,549,700	11,348	18,711,413
NET POSITION				
Net investment in capital assets	9,183,944	35,832,686	326,231	45,342,861
Unrestricted	4,816,615	5,475,873	820,284	11,112,772
TOTAL NET POSITION	\$ 14,000,559	\$ 41,308,559	\$ 1,146,515	\$ 56,455,633

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, 2016

	Business-Type Activities Enterprise Funds			Total
	Sewer Fund	Water Fund	Non-major Solid Waste Fund	
Operating Revenues:				
Charges for services	\$ 5,112,743	\$ 6,457,300	\$ 1,861,194	\$ 13,431,237
Total Operating Revenues	5,112,743	6,457,300	1,861,194	13,431,237
Operating Expenses:				
Personnel	1,060,225	1,675,149	144,875	2,880,249
Non-personnel	310,447	2,158,621	1,620,108	4,089,176
Depreciation	444,630	1,542,648	79,800	2,067,078
Intergovernmental	2,943,810	-	-	2,943,810
Total Operating Expenses	4,759,112	5,376,418	1,844,783	11,980,313
Operating Income	353,631	1,080,882	16,411	1,450,924
Nonoperating Revenues (Expenses):				
Interest income	10,379	13,300	2,521	26,200
Miscellaneous revenues	1,065	1,711	11,682	14,458
Interest expense	(144,391)	(568,437)	-	(712,828)
Total Nonoperating Revenues (Expenses)	(132,947)	(553,426)	14,203	(672,170)
Income Before Transfers	220,684	527,456	30,614	778,754
Transfers:				
Transfers out	(6,000)	(16,000)	-	(22,000)
Total Other Financing Sources (Uses)	(6,000)	(16,000)	-	(22,000)
Change in Net Position	214,684	511,456	30,614	756,754
Net Position at Beginning of Year	13,785,875	40,797,103	1,115,901	55,698,879
Net Position at End of Year	\$ 14,000,559	\$ 41,308,559	\$ 1,146,515	\$ 56,455,633

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, 2016

	Business-Type Activities Enterprise Funds			
	Sewer Fund	Water Fund	Non-major Solid Waste Fund	Total
<u>Cash Flows From Operating Activities:</u>				
Receipts from customers and users	\$ 5,281,051	\$ 6,522,251	\$ 1,902,956	\$ 13,706,258
Payments to vendors	(3,180,444)	(1,690,905)	(1,770,649)	(6,641,998)
Payments to employees	<u>(1,040,816)</u>	<u>(1,655,415)</u>	<u>(143,982)</u>	<u>(2,840,213)</u>
Net Cash Provided By Operating Activities	1,059,791	3,175,931	(11,675)	4,224,047
<u>Cash Flows From Noncapital Financing Activities:</u>				
Miscellaneous revenues	1,064	1,711	11,683	14,458
Transfer out	<u>(6,000)</u>	<u>(16,000)</u>	-	<u>(22,000)</u>
Net Cash (Used For) Noncapital Financing Activities	(4,936)	(14,289)	11,683	(7,542)
<u>Cash Flows From Capital and Related Financing Activities:</u>				
Acquisition and construction of capital assets	(655,237)	(3,529,329)	-	(4,184,566)
Proceeds of bonds and notes	-	2,000,000	-	2,000,000
Principal payments on bonds	(298,196)	(1,337,091)	-	(1,635,287)
Interest expense	<u>(105,086)</u>	<u>(471,065)</u>	-	<u>(576,151)</u>
Net Cash (Used For) Capital and Related Financing Activities	(1,058,519)	(3,337,485)	-	(4,396,004)
<u>Cash Flows From Investing Activities:</u>				
Investment income	<u>10,379</u>	<u>13,300</u>	<u>2,521</u>	<u>26,200</u>
Net Change in Cash and Short-Term Investments	6,715	(162,543)	2,529	(153,299)
Cash and Short-Term Investments, Beginning of Year	<u>3,719,888</u>	<u>6,824,581</u>	<u>666,150</u>	<u>11,210,619</u>
Cash and Short-Term Investments, End of Year	<u>\$ 3,726,603</u>	<u>\$ 6,662,038</u>	<u>\$ 668,679</u>	<u>\$ 11,057,320</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>				
Operating income	\$ 353,631	\$ 1,080,882	\$ 16,411	\$ 1,450,924
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	444,630	1,542,648	79,800	2,067,078
Changes in assets and liabilities:				
User fees receivable	168,308	64,950	41,762	275,020
Warrants and accounts payable	73,813	467,716	(150,541)	390,988
Net pension liability	1,157	3,005	-	4,162
Other liabilities	<u>18,252</u>	<u>16,730</u>	<u>893</u>	<u>35,875</u>
Net Cash Provided By Operating Activities	<u>\$ 1,059,791</u>	<u>\$ 3,175,931</u>	<u>\$ (11,675)</u>	<u>\$ 4,224,047</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, 2016

	Other Post Employment Benefits Trust <u>Fund</u>	Private Purpose Trust <u>Funds</u>	Agency <u>Funds</u>
<u>ASSETS</u>			
Cash and short-term investments	\$ 200,000	\$ 16,406	\$ 535,768
Investments	1,972,234	92,504	-
Departmental receivable	-	-	216,844
Other assets	<u>-</u>	<u>-</u>	<u>1,337,586</u>
Total Assets	2,172,234	108,910	2,090,198
<u>LIABILITIES AND NET POSITION</u>			
Warrants payable	-	-	34,456
Other liabilities	<u>-</u>	<u>-</u>	<u>2,055,742</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>2,090,198</u>
<u>NET POSITION</u>			
Total net position held in trust	\$ <u><u>2,172,234</u></u>	\$ <u><u>108,910</u></u>	\$ <u><u>-</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, 2016

	Other Post Employment Benefits Trust <u>Fund</u>	Private Purpose Trust Funds <u>Trust Funds</u>
Additions:		
Contributions	\$ -	\$ 13,881
Investment income	<u>93,220</u>	<u>1,075</u>
Total additions	93,220	14,956
Deductions:		
Scholarship payments	<u>-</u>	<u>14,900</u>
Total deductions	-	14,900
Other financing sources:		
Transfers in	<u>622,000</u>	<u>-</u>
Total other financing sources	<u>622,000</u>	<u>-</u>
Net increase	715,220	56
Net position:		
Beginning of year	<u>1,457,014</u>	<u>108,854</u>
End of year	<u>\$ 2,172,234</u>	<u>\$ 108,910</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 (the Town) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The Town is a municipal corporation governed by an elected Town Council. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2016, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

B. 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 non-fiduciary 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 is 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.

C. 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*, as is the proprietary fund and fiduciary fund financial statements. 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 by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

- The *General Fund* is the government'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 *High School Construction Fund* accounts for activity associated with the construction of the new high school.
- The *Library Construction Fund* accounts for activity associated with the reconstruction of the library.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 the enterprise fund 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 government reports the following major proprietary funds:

- Sewer Fund
- Water Fund

The *Other Post-Employment Benefits Trust Fund* is used to account for monies the Town is setting aside to fund its future post-retirement health insurance obligations.

The *Private-Purpose Trust Fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

The *Agency Funds* account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. Agency funds report only assets and liabilities, and therefore, have no measurement focus.

D. Cash and Short-Term 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. 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 combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

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.

E. Investments

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. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Investments for the stabilization funds and trust funds consist of bank certificates of deposit, U.S. Treasury notes and agencies, corporate bonds, and mutual funds. Investments are carried at market value except certificates of deposit which are reported at cost.

F. 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 percent (excluding new growth), unless an override is voted. The actual fiscal year 2016 tax levy reflected an excess capacity of \$35,822.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial 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 estimated fair market 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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
Vehicles	5
Office equipment	5
Computer equipment	5

H. 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.

I. 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 as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

J. 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 and current liabilities. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The Town's fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e., prepaid items) or can never be spent (i.e., perpetual care).
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision making authority in the government (i.e., the Town Council).
- 4) Assigned funds are used for specific purposes as established by management. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance (free cash) voted to be used in the subsequent fiscal year.
- 5) Unassigned funds are available to be spent in future periods.

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 their use either through the 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.

K. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles 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 the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance, and Accountability

A. 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 the Massachusetts General Laws and must be raised in the next year's tax rate.

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

B. Budgetary Basis

The General Fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (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 and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP Basis)	\$ 109,274,081	\$ 106,935,579
Other financing sources/uses (GAAP Basis)	<u>9,045,603</u>	<u>10,474,085</u>
Subtotal (GAAP Basis)	118,319,684	117,409,664
Adjust tax revenue to accrual basis	(346,264)	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(4,972,918)
Add end-of-year appropriation carryforwards to expenditures	-	4,237,710
Reverse effect of non-budgeted Gross up for refunding	(8,471,217)	(8,471,217)
Reverse effect of combining stabilization funds with general fund per GASB 54	(227,454)	22,086
Record use of bond premium	(151,686)	-
Reclass non-budgeted items	<u>1,049,827</u>	<u>1,068,522</u>
Budgetary Basis	<u>\$ 110,172,890</u>	<u>\$ 109,293,847</u>

D. Deficit Fund Equity

The following funds had deficits as of June 30, 2016:

School grants	\$ (200,427)
Town grants	(661,391)
High School construction fund	(4,350,406)
Library construction fund	<u>(1,364,998)</u>
	<u>\$ (6,577,222)</u>

The temporary deficits in these funds will be eliminated through future inter-governmental revenues and bond proceeds.

3. Cash and Short-Term Investments

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the Town's deposits "in a bank or

trust company or banking company to an amount not exceeding sixty percent of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess.”

As of June 30, 2016, \$26,476,757 of the Town’s bank balance of \$40,228,852 was exposed to custodial credit risk as uninsured or uncollateralized. These funds are primarily held in four highly rated banks according to the Veribanc Report. All of the banks are rated GREEN/***.

4. Investments

A. Credit Risk

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 Law, Chapter 44, Section 55, limits the Town’s investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

Presented below (in thousands) is the actual rating as of year-end for each investment of the Town. (All federal agency securities have an implied credit rating of AAA):

<u>Investment Type</u>	<u>6/30/2016 Balance</u>	<u>Rating as of Year-end</u>				<u>Not Rated</u>
		<u>Aaa</u>	<u>A1</u>	<u>A2</u>	<u>Baa1</u>	
U.S. Treasury notes	\$ 3,210	\$ 3,210	\$ -	\$ -	\$ -	\$ -
Federal agency securities	4,296	4,008	-	-	-	288
Corporate bonds	1,237	32	269	452	484	-
Certificates of deposits	5,302	-	-	-	-	5,302
Mutual funds	348	-	-	-	-	348
Corporate equities	634	-	-	-	-	634
State investment pool	1,972	-	-	-	-	1,972
Total investments	<u>\$ 16,999</u>	<u>\$ 7,250</u>	<u>\$ 269</u>	<u>\$ 452</u>	<u>\$ 484</u>	<u>\$ 8,544</u>

B. 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, a government 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, 2016, the Town did not have any investments exposed to custodial credit risk.

C. Concentration of Credit Risk

The Town will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Town investments in any one issuer (other than U.S. Treasury securities and mutual funds) that represent 5% or more of total investments are as follows (in thousands):

Bristol County Savings Bank certificate of deposit	\$ 1,000
Dean Bank certificate of deposit	1,006
East Boston Savings Bank certificate of deposit	2,014
Federal Home Loan Mortgage	<u>1,901</u>
Total	<u>\$ 5,921</u>

D. Interest Rate Risk

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 is as follows (in thousands):

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>				
	<u>6/30/2016 Balance</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. Treasury notes	\$ 3,210	\$ -	\$ 1,700	\$ 1,510	\$ -
Federal agency securities	4,296	175	3,220	901	-
Corporate bonds	1,237	224	1,013	-	-
Certificates of deposit	<u>5,302</u>	<u>4,296</u>	<u>1,006</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,045</u>	<u>\$ 4,695</u>	<u>\$ 6,939</u>	<u>\$ 2,411</u>	<u>\$ -</u>

E. 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.

F. 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 the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following fair value measurements as of June 30, 2016:

Description	Fair Value Measurements Using:			
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments by fair value level:				
Debt securities:				
U.S. Treasury notes	\$ 3,210	\$ -	\$ 3,210	\$ -
Federal agency securities	4,296	-	4,296	-
Corporate bonds	1,237	-	1,237	-
Equity securities:				
Corporate equities	634	634	-	-
Mutual funds	348	348	-	-
Investments measured at the net asset value (NAV):				
External investment pool	<u>1,972</u>			
Total	<u>\$ 11,697</u>			
		Unfunded	Redemption	Redemption
<u>Description</u>	<u>Value</u>	<u>Commitments</u>	<u>Frequency</u> (If currently <u>eligible</u>)	<u>Notice</u> <u>Period</u>
External investment pool	\$ 1,972	\$ -	Monthly	30 days

5. Taxes Receivable

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on a quarterly basis and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the fiscal year they relate to.

Fourteen days after the due date for the final tax bill for real estate taxes, a demand notice may be sent to the delinquent taxpayer. Fourteen days after the demand notice has been sent the tax collector may proceed to file a lien

against the delinquent taxpayers' property. The Town has an ultimate right to foreclose on property for unpaid taxes. Personal property taxes cannot be secured through the lien process.

Taxes receivable at June 30, 2016 consist of the following:

Real Estate		
2016	\$ 475,830	
2015	5,913	
2014	2,338	
2013	1,714	
Prior	<u>2,668</u>	
		488,463
Personal Property		
2016	14,120	
2015	7,798	
2014	5,132	
2013	6,192	
Prior	<u>93,282</u>	
		126,524
Tax Liens		684,988
Deferred Taxes		10,270
Other		<u>2,805</u>
Total		<u>\$ 1,313,050</u>

6. Allowance for Doubtful Accounts

The receivables reported in the accompanying entity-wide financial statements reflect the following estimated allowances for doubtful accounts (in thousands):

	<u>Governmental</u>	<u>Business-Type</u>
Property taxes	\$ 228,813	\$ -
Excises	\$ 288,822	\$ -
User fees	\$ 140,823	\$ -
Sewer	\$ -	\$ 44,525
Water	\$ -	\$ 49,916
Trash	\$ -	\$ 23,175

7. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 145,178	\$ 101,195	\$ (12,035)	\$ 234,338
Machinery, equipment, and furnishings	10,606	1,065	(523)	11,148
Infrastructure	77,990	1,922	-	79,912
Total capital assets, being depreciated	233,774	104,182	(12,558)	325,398
Less accumulated depreciation for:				
Buildings and improvements	(61,964)	(4,863)	11,331	(55,496)
Machinery, equipment, and furnishings	(7,360)	(748)	513	(7,595)
Infrastructure	(45,788)	(1,648)	-	(47,436)
Total accumulated depreciation	(115,112)	(7,259)	11,844	(110,527)
Total capital assets, being depreciated, net	118,662	96,923	(714)	214,871
Capital assets, not being depreciated:				
Land	17,377	720	(5)	18,092
Construction in progress	101,063	2,533	(99,369)	4,227
Total capital assets, not being depreciated	118,440	3,253	(99,374)	22,319
Governmental activities capital assets, net	\$ 237,102	\$ 100,176	\$ (100,088)	\$ 237,190
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 281	\$ -	\$ -	\$ 281
Machinery, equipment, and furnishings	1,590	258	(73)	1,775
Infrastructure	100,178	3,926	-	104,104
Total capital assets, being depreciated	102,049	4,184	(73)	106,160
Less accumulated depreciation for:				
Buildings and improvements	(122)	(6)	-	(128)
Machinery, equipment, and furnishings	(1,239)	(52)	73	(1,218)
Infrastructure	(46,786)	(2,009)	-	(48,795)
Total accumulated depreciation	(48,147)	(2,067)	73	(50,141)
Total capital assets, being depreciated, net	53,902	2,117	-	56,019
Capital assets, not being depreciated:				
Land	4,348	-	-	4,348
Total capital assets, not being depreciated	4,348	-	-	4,348
Business-type activities capital assets, net	\$ 58,250	\$ 2,117	\$ -	\$ 60,367

Depreciation expense was charged to functions of the Town as follows (in thousands):

Governmental Activities:	
General government	\$ 140
Public safety	731
Education	3,863
Public works	2,070
Health and human services	155
Culture and recreation	<u>300</u>
Total depreciation expense - governmental activities	<u>\$ 7,259</u>
Business-Type Activities:	
Sewer	\$ 444
Water	1,543
Solid waste	<u>80</u>
Total depreciation expense - business-type activities	<u>\$ 2,067</u>

8. 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.

The following is a summary of deferred outflow of resources balances as of June 30, 2016:

	<u>Entity-wide Basis</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Pension related:		
Differences between expected and actual experience	\$ 831,148	\$ 6,614
Net difference between projected and actual pension investment earnings	<u>5,530,902</u>	<u>44,010</u>
Total	<u>\$ 6,362,050</u>	<u>\$ 50,624</u>

9. Warrants and Accounts Payable

Warrants payable represent 2016 expenditures paid by July 15, 2016, as permitted by law. Accounts payable represent additional 2016 expenditures paid after July 15, 2016.

10. Anticipation Notes Payable

The Town had the following bond anticipation notes outstanding at June 30, 2016:

	Interest Rate	Date of Issue	Date of Maturity	Balance at 6/30/16
High School construction	2.00%	5/20/16	5/19/17	\$ 4,550,000
Library reconstruction	2.00%	5/20/16	5/19/17	7,000,000
Water infrastructure improvements	2.00%	5/20/16	5/19/17	1,100,000
Road improvements	2.00%	5/20/16	5/19/17	900,000
Total				<u>\$ 13,550,000</u>

The following summarizes activity in notes payable during fiscal year 2016:

	Balance Beginning of Year	New Issues	Rollover	Bonded	Balance End of Year
High School construction	\$ 3,000,000	\$ -	\$ (3,000,000)	\$ -	\$ -
Library reconstruction	250,000	-	(250,000)	-	-
High School construction	-	1,550,000	3,000,000	-	4,550,000
Library reconstruction	-	6,750,000	250,000	-	7,000,000
Water infrastructure improvements	-	1,100,000	-	-	1,100,000
Road improvements	-	900,000	-	-	900,000
Total	<u>\$ 3,250,000</u>	<u>\$ 10,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,550,000</u>

11. Long-Term Debt

A. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds currently outstanding are as follows:

	Original Issue	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/16
<u>Governmental Activities:</u>				
Outdoor recreational facilities	03/15/05	03/15/19	3.25 - 5.50	\$ 751,000
Outdoor recreational facilities	03/15/05	03/15/19	3.25 - 5.50	150,000
Keller-Sullivan School	03/15/05	03/15/25	3.25 - 5.50	3,334,001
General obligation (various uses)	03/01/09	03/01/19	2.00 - 5.00	2,880,000
School building repairs	05/02/12	06/30/22	2.00 - 4.00	1,200,000
General obligation refunding 2002	12/15/11	06/30/22	2.00 - 4.00	222,000
General obligation refunding 2003	12/15/11	06/30/22	2.00 - 4.00	2,689,000
General obligation refunding 2004	05/02/12	06/30/22	2.00 - 4.00	1,072,000
High School construction	08/15/13	06/15/38	4.13 - 5.00	41,970,000
General obligation refunding 2015	02/25/15	03/15/27	2.00 - 4.00	3,135,000
General obligation refunding 2016	06/15/16	03/01/28	4.00	7,310,000
Total Governmental Activities:				<u>\$ 64,713,001</u>

<u>Business-Type Activities:</u>	<u>Original Issue</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount</u>
				<u>Outstanding as of 6/30/16</u>
MWPAT Title V	09/28/01	08/01/19	4.50 - 5.75	\$ 6,784
Sewer refunding 2002	12/15/11	06/30/23	2.00 - 4.00	250,000
Sewer refunding 2004	05/02/12	06/30/22	2.00 - 4.00	396,000
Sewer refunding 2015	02/25/15	03/15/27	2.00 - 4.00	1,928,000
Water treatment facility DW-02-12	11/15/04	08/01/24	2.50 - 5.25	3,013,135
Water mains	03/15/05	03/15/25	4.26	1,368,000
Water treatment plant	04/01/07	04/01/17	3.45 - 4.125	15,000
Water improvements	04/01/07	04/01/17	3.45 - 4.125	225,000
Water refunding 2002	12/15/11	06/30/23	2.00 - 4.00	499,000
Water refunding 2004	05/02/12	06/30/22	2.00 - 4.00	594,000
Water line replacement	08/15/13	06/15/28	4.00 - 5.00	4,330,000
Water refunding 2015	02/25/15	03/15/27	2.00 - 4.00	1,857,000
Total Business-Type Activities:				<u>\$ 14,481,919</u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2016 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 3,840,000	\$ 2,891,487	\$ 6,731,487
2018	3,876,000	2,834,564	6,710,564
2019	3,910,000	2,681,904	6,591,904
2020	3,597,000	2,187,598	5,784,598
2021	3,644,000	2,046,603	5,690,603
2022-2026	16,346,001	7,989,838	24,335,839
2027-2030	10,110,000	5,237,394	15,347,394
Thereafter	<u>19,390,000</u>	<u>3,639,531</u>	<u>23,029,531</u>
Total	<u>\$ 64,713,001</u>	<u>\$ 29,508,919</u>	<u>\$ 94,221,920</u>

The general funds have been designated as the sources to repay the governmental-type general obligation long-term debt outstanding as of June 30, 2016.

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,479,118	\$ 493,197	\$ 1,972,315
2018	1,427,698	436,846	1,864,544
2019	1,443,069	386,772	1,829,841
2020	1,450,650	336,680	1,787,330
2021	1,446,324	284,747	1,731,071
2022-2026	6,065,060	703,506	6,768,566
2027-2030	<u>1,170,000</u>	<u>64,800</u>	<u>1,234,800</u>
Total	<u>\$ 14,481,919</u>	<u>\$ 2,706,548</u>	<u>\$ 17,188,467</u>

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2016, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>7/1/15</u>	Additions	Reductions	Total Balance <u>6/30/16</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/16</u>
<u>Governmental Activities</u>						
Bonds payable	\$ 69,267	\$ -	\$ (4,554)	\$ 64,713	\$ (3,840)	\$ 60,873
Other:						
Compensated absences	1,966	28	(32)	1,962	(98)	1,864
Other post-employment benefits	42,455	9,803	(4,311)	47,947	-	47,947
Net pension liability	39,909	1,111	-	41,020	-	41,020
Totals	\$ <u>153,597</u>	\$ <u>10,942</u>	\$ <u>(8,897)</u>	\$ <u>155,642</u>	\$ <u>(3,938)</u>	\$ <u>151,704</u>
<u>Business-Type Activities</u>						
Bonds payable	\$ 16,117	\$ -	\$ (1,635)	\$ 14,482	\$ (1,479)	\$ 13,003
Other:						
Compensated absences	141	12	(2)	151	(8)	143
Other post-employment benefits	523	78	(51)	550	-	550
Net pension liability	318	8	-	326	-	326
Totals	\$ <u>17,099</u>	\$ <u>98</u>	\$ <u>(1,688)</u>	\$ <u>15,509</u>	\$ <u>(1,487)</u>	\$ <u>14,022</u>

12. Advance Refunding

Fiscal Year 2016

On June 15, 2016, the Town issued general obligation bonds in the amount of \$7,310,000 with an interest rate of 4.00% to advance refund \$7,760,000 of bonds with interest rates ranging from 3.50% to 4.50%. The bonds mature on March 1, 2020 through March 1, 2028 and are not callable. The general obligation bonds were issued at 1.6370% and, after paying issuance costs of \$80,250, the net proceeds were \$8,476,185. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are called on March 1, 2019. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the Town's financial statements.

As a result of the advance refunding, the Town reduced its total debt service cash flow requirements by \$733,115, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$667,666.

Defeased debt still outstanding at June 30, 2016 is \$7,760,000.

Fiscal Year 2015

On February 25, 2015, the Town issued general obligation bonds in the amount of \$6,920,000 with interest rates ranging from 2.00% to 4.00% to advance refund \$7,185,000 of bonds with interest rates ranging from 3.75% to 5.00%. The bonds mature on March 15, 2017 through March 15, 2026 and are not callable. The general obligation bonds were issued at 1.871776% and, after paying issuance costs of \$74,100, the net proceeds were \$7,662,987. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are called on March 1, 2019. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the Town's financial statements.

As a result of the advance refunding, the Town reduced its total debt service cash flow requirements by \$486,020, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$444,162.

Defeased debt still outstanding at June 30, 2016 is \$1,885,000.

13. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net assets by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities.

The following is a summary of deferred inflow of resources balances as of June 30, 2016:

	<u>Entity-wide Basis</u>		<u>Fund Basis</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Funds General Fund</u>
Unavailable revenues	\$ -	\$ -	\$ 2,339,279
Taxes collected in advance	9,973	-	9,973
Pension related:			
Changes in assumptions	3,457,032	27,508	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	668,706	5,321	-
Total	<u>\$ 4,135,711</u>	<u>\$ 32,829</u>	<u>\$ 2,349,252</u>

14. Restricted Net Position

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.

Permanent fund restricted net position is segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions.

15. Governmental Funds - Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

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.

The following types of fund balances are reported at June 30, 2016:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund pre-paid 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. This fund balance classification also includes general and budgetary stabilization funds set aside by Town Council vote for future use (now reported as part of the general fund per GASB 54) and temporary deficits in other governmental funds.

Following is a breakdown of the Town's fund balances at June 30, 2016:

	General Fund	High School Construction Fund	Library Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Nonexpendable permanent funds	\$ -	\$ -	\$ -	\$ 503,930	\$ 503,930
Total Nonexpendable	-	-	-	503,930	503,930
Restricted					
Reserve for excluded debt	145,615	-	-	-	145,615
Special revenue funds:					
School revolving funds	-	-	-	3,717,975	3,717,975
School circuit breaker	-	-	-	1,893,457	1,893,457
School choice	-	-	-	1,216,749	1,216,749
School grants and other funds	-	-	-	135,097	135,097
Town revolving funds	-	-	-	548,093	548,093
Town grants and other funds	-	-	-	823,280	823,280
Receipts reserved	-	-	-	646,319	646,319
Capital projects funds:					
Senior center construction	-	-	-	1,118,158	1,118,158
Other bonded projects	-	-	-	383,223	383,223
Expendable trust funds:					
Affordable housing	-	-	-	875,897	875,897
Open space acquisition	-	-	-	1,085,668	1,085,668
Other trust funds	-	-	-	575,131	575,131
Total Restricted	145,615	-	-	13,019,047	13,164,662
Committed					
Reserve for continuing resolutions	3,870,348	-	-	-	3,870,348
Capital improvement stabilization funds	1,613,266	-	-	-	1,613,266
Expendable insurance reserves	-	-	-	1,443,234	1,443,234
Total Committed	5,483,614	-	-	1,443,234	6,926,848
Assigned					
Budgetary encumbrances	367,362	-	-	-	367,362
Total Assigned	367,362	-	-	-	367,362
Unassigned					
General fund	4,697,462	-	-	-	4,697,462
General stabilization fund	5,104,493	-	-	-	5,104,493
Budget stabilization fund	1,342,956	-	-	-	1,342,956
Special revenue funds:					
School grants	-	-	-	(200,427)	(200,427)
Town grants	-	-	-	(661,391)	(661,391)
Major capital project funds					
High school construction fund	-	(4,350,406)	-	-	(4,350,406)
Library construction fund	-	-	(1,364,998)	-	(1,364,998)
Total Unassigned	11,144,911	(4,350,406)	(1,364,998)	(861,818)	4,567,689
Total Fund Balance	\$ 17,141,502	\$ (4,350,406)	\$ (1,364,998)	\$ 14,104,393	\$ 25,530,491

16. Interfund Transfers

The government reports interfund transfers between many of its funds. The sum of all transfers presented in the table below agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements. The following is an analysis of interfund transfers made in fiscal year 2016:

<u>Governmental Funds:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 422,700	\$ 2,002,868
High school construction fund	164,000	-
Nonmajor Funds:		
Special revenue funds	2,868	499,000
Capital project funds	1,400,000	-
Expendable trust funds	-	87,700
Subtotal Nonmajor Funds	<u>1,402,868</u>	<u>586,700</u>
Total Governmental Funds	1,989,568	2,589,568
<u>Business-Type Funds</u>		
Sewer fund	-	6,000
Water fund	-	16,000
Subtotal Business-type funds	<u>-</u>	<u>22,000</u>
<u>Fiduciary Funds</u>		
Other post-employment benefits trust	<u>622,000</u>	<u>-</u>
Subtotal Fiduciary Funds	<u>622,000</u>	<u>-</u>
Grand Total	\$ <u>2,611,568</u>	\$ <u>2,611,568</u>

17. General Fund Unassigned Fund Balance

The unassigned general fund balances reported on the balance sheet is stated in accordance with generally accepted accounting principles (GAAP), which differed in certain respects from the Massachusetts Uniform Municipal Accounting System (UMAS). The following paragraphs summarize the major differences.

Massachusetts General Laws include provisions to allow municipalities to over-expend certain appropriations if they are incurred in an emergency situation and for the safety of the public. The most common example involves the "snow & ice" appropriation. However, all such over-expenditures must be funded in the subsequent year's tax rate.

The accompanying financial statements include an estimate for future potential tax refunds, which is not recognized under UMAS.

The following summarizes the specific differences between GAAP basis and budgetary basis of reporting the general fund unassigned fund balance:

GAAP basis balance	\$ 11,144,911
Stabilization fund	(6,447,449)
Tax refund estimate	<u>187,669</u>
Statutory (UMAS) Balance	<u>\$ 4,885,131</u>

18. Subsequent Events

The Town entered into a purchase and sale agreement to sell land with building and improvements located along the westerly side of Pond Street to Baystone Franklin, LLC for \$1,560,000

19. 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.

Abatements - There are several cases pending before the Appellate Tax Board in regard to alleged discrepancies in property assessments. According to Town Counsel, the probable outcome of these cases at the present time is indeterminable, although the Town expects such amounts, if any, to be immaterial.

20. Post-Employment Healthcare and Life Insurance Benefits

Other Post-Employment Benefits

The Town implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a

pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Position over time.

A. Plan Description

In addition to providing the pension benefits described, the Town provides post-employment healthcare and life insurance benefits for retired employees through the Town's plan. The benefits, benefit levels, employee contributions and employer contributions are governed by Chapter 32 of the Massachusetts General Laws. As of June 30, 2015, the actuarial valuation date, approximately 568 retirees and 978 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

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

C. Funding Policy

Post-1990 retirees contribute between 32% and 50% of the cost of the health plan and pre-1990 retirees contribute between 16% and 32%, as determined by the Town. The Town contributes the remainder of the health plan costs on a pay-as-you-go basis.

D. Annual OPEB Costs and Net OPEB Obligation

The Town's fiscal 2016 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the Town's annual OPEB cost for the year ending June 30, 2016, the amount actually contributed to the plan, and the change in the Town's net OPEB obligation based on an actuarial valuation as of June 30, 2015.

Normal Cost	\$ 4,425,239
Amortization of unfunded actuarially accrued liability	<u>3,522,201</u>
Annual Required Contribution (ARC)	7,947,440
Interest on net OPEB obligation	1,934,047
Adjustment to ARC	<u>(1,534,482)</u>
Annual OPEB cost	8,347,005
Expected benefit payments (pay as you go)	(2,206,531)
Contributions to OPEB Trust	<u>(622,000)</u>
Increase in net OPEB obligation	5,518,474
Net OPEB obligation - beginning of year	<u>42,978,822</u>
Net OPEB obligation - end of year	<u>\$ 48,497,296</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the prior three years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 8,347,005	34%	\$ 48,497,296
2015	\$ 7,888,765	34%	\$ 42,978,822
2014	\$ 7,793,356	30%	\$ 37,735,879

The Town's net OPEB obligation as of June 30, 2016 is recorded as a long-term liability on the Statement of Net Position.

E. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2015, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 93,975,598
Actuarial value of plan assets	<u>1,455,552</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 92,520,046</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>1.5%</u>
Covered payroll (active plan members)	<u>\$ 57,381,408</u>
UAAL as a percentage of covered payroll	<u>161.2%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future

employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of OPEB Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the Town and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Town and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the projected unit credit cost method was used. The actuarial value of assets was \$1,455,552. The actuarial assumptions included a 4.0% investment rate of return and an initial annual healthcare cost trend rate of 6.0% which decreases to a 4.5% long-term rate for all healthcare benefits after four years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis. This has been calculated assuming the amortization payment increases at a rate of 4.0%.

G. Actuarial Methods and Assumptions

In April 2015, the Town voted to accept the provisions of M.G.L. Chapter 32B, Section 20 to establish an Other Post-Employment Benefits Liability Trust Fund (OPEB Trust) to being accumulating assets to reduce the unfunded portion of its actuarially accrued OPEB liability.

As of June 30, 2016 total assets in the OPEB Trust were \$2,172,234. OPEB Trust assets and activity are reported in the Fiduciary Funds financial statement on pages 24-25 of this report.

21. 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 the employees' retirement funds.

A. 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 the 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 publically available from the System located at 480 Neponset Street, Canton, Massachusetts 02021.

Participant Retirement Benefits

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-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 Massachusetts 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.

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.

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.

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%.

Participants Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of the 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 a Massachusetts 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.

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, 2016 was \$3,947,535, which was equal to its annual required contribution.

B. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System

and additions to/deductions from System's fiduciary net position have been determined on the same basis as they are reported by 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.

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Town reported a liability of \$41,346,324 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The Town's proportion of the net pension liability was based on an actuarially determined projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2015, the Town's proportion was 7.611443%.

For the year ended June 30, 2016, the Town recognized pension expense of \$4,347,868. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 837,762	\$ -
Changes of assumptions	-	3,484,540
Net difference between projected and actual earnings on pension plan investments	5,574,912	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	<u>674,027</u>
Total	<u>\$ 6,412,674</u>	<u>\$ 4,158,567</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 625,296
2018	625,296
2019	625,296
2020	<u>378,219</u>
Total	<u>\$ 2,254,107</u>

D. Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.00%
Projected salary increases	3.5% to 5.5%
Investment rate of return	8.00%
Cost of living increases	3% of the first \$15,000 of retirement

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

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	32.0%	9.4%
International equities	17.5%	9.7%
Fixed income	19.0%	3.4%
Real estate	9.0%	7.7%
Private equity	8.5%	13.6%
Hedge funds	9.0%	7.9%
Real assets	5.0%	7.9%
Total	<u>100.00%</u>	

E. Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2015 was 8.00%. 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 the 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.

F. 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 8.00%, 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 1 percentage-point lower (7.00%) or 1 percentage-point higher (9.00%) than the current rate:

Fiscal Year Ended	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
June 30, 2016	\$ 51,853,612	\$ 41,346,324	\$ 32,378,062

G. Pension Plan Fiduciary Net Position

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

22. Massachusetts Teachers' Retirement System (MTRS)

A. 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 on behalf of municipal teachers and municipal teacher retirees. The Commonwealth 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'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.

B. 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 three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five 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 ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten 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.

C. Contributions

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

<u>Hire Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 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

D. Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of January 1, 2015 rolled forward to June 30, 2015. This valuation used the following assumptions:

- (a) 7.50% investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase per year.
- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Mortality rates were as follows:
 - Pre-retirement - reflects RP-2014 Employees table projected generationally with Scale BB and a base year of 2014 (gender distinct).
 - Post-retirement - reflects RP-2014 Healthy Annuitant table projected generationally with Scale BB and a base year of 2014 (gender distinct).
 - Disability – assumed to be in accordance with RP-2014 Healthy Annuitant table projected generationally with Scale BB set forward 4 years.

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, 2015 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	40.0%	6.90%
Core fixed income	13.0%	2.40%
Private equity	10.0%	8.50%
Real estate	10.0%	6.50%
Value added fixed income	10.0%	5.80%
Hedge funds	9.0%	5.80%
Portfolio completion strategies	4.0%	5.50%
Timber/natural resources	4.0%	6.60%
Total	<u>100.0%</u>	

E. Discount Rate

The discount rate used to measure the total pension liability was 8.0%. 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's 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.

F. 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):

<u>Fiscal Year Ended</u>	<u>1% Decrease to 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase to 8.50%</u>
June 30, 2015	\$ 25,449,000	\$ 20,489,643	\$ 16,221,000

G. Special Funding Situation

The Commonwealth 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 GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68), and the Commonwealth 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.

H. Commonwealth Proportions Associated with the Town

In fiscal year 2015 (the most recent measurement period), the Commonwealth's proportionate share of the MTRS' collective net pension liability and pension expense associated with the Town was \$121,095,209 and \$9,821,899 respectively, based on a proportionate share of 0.591007%. As required by GASB 68, the Town has recognized its portion of the collective pension expense as both a revenue and expense in the government-wide Statement of Activities.

23. Beginning Net Position Reclassification

The beginning (July 1, 2015) net position of the Town has been reclassified as follows:

	Fund Equity 6/30/15 (as previously reported)	Reclassification	Fund Equity 6/30/15 (as restated)
Nonmajor governmental funds	\$ 14,567,103	\$ 6,500	\$ 14,573,603
Library construction fund	<u>-</u>	<u>(6,500)</u>	<u>(6,500)</u>
Total	<u>\$ 14,567,103</u>	<u>\$ -</u>	<u>\$ 14,567,103</u>

24. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

**TOWN OF FRANKLIN, MASSACHUSETTS
SCHEDULE OF OPEB FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2016

(Unaudited)

(Amounts Expressed in thousands)

Other Post-Employment Benefits

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) - Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percent- age of Covered Payroll <u>[(b-a)/c]</u>
06/30/15	\$ 1,456	\$ 93,976	\$ 92,520	1.5%	\$ 57,381	161.2%
06/30/13	\$ -	\$ 89,054	\$ 89,054	0.0%	\$ 53,066	167.8%
06/30/11	\$ -	\$ 84,749	\$ 84,749	0.0%	\$ 52,999	159.9%
06/30/09	\$ -	\$ 79,942	\$ 79,942	0.0%	\$ 53,737	148.8%
06/30/07	\$ -	\$ 116,638	\$ 116,638	0.0%	N/A	N/A

See Independent Auditors' Report.

TOWN OF FRANKLIN, MASSACHUSETTS
 SCHEDULE OF PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2016
 (Unaudited)

Norfolk County Retirement System

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2016	7.611443%	\$41,346,324	\$ 20,361,675	203.06%	58.60%
June 30, 2015	7.756292%	\$40,226,086	\$ 19,038,422	211.29%	60.10%

Massachusetts Teachers' Retirement System

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town	Total Net Pension Liability Associated with the Town	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2016	0.591007%	\$ -	\$ 121,095,209	\$ 121,095,209	\$ 37,463,272	-	55.38%
June 30, 2015	0.584174%	\$ -	\$ 92,862,306	\$ 92,862,306	\$ 35,818,594	-	61.64%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available

See Independent Auditors' Report.

TOWN OF FRANKLIN, MASSACHUSETTS

SCHEDULE OF PENSION CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2016
(Unaudited)

Norfolk County Retirement System					
<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	Contributions in Relation to the <u>Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available

See Independent Auditors' Report.

TOWN OF FRANKLIN, MASSACHUSETTS

Management Letter

For the Year Ended June 30, 2016

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY LETTER	1
 <u>STATUS OF PRIOR YEAR RECOMMENDATION:</u>	
1. Develop a More Formal Risk Assessment Process	3
 <u>CURRENT YEAR RECOMMENDATIONS:</u>	
2. Prepare to Implement GASB 74 and 75 for OPEB	3
3. Consider Reauthorizing OPEB Trust Fund Under New Legislation	4

Additional Offices:

Nashua, NH
Manchester, NH
Greenfield, MA
Ellsworth, ME

To the Town Council
Town of Franklin, Massachusetts

In planning and performing our audit of the basic financial statements of the Town of Franklin, Massachusetts as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we became aware of a matter that we believe represents an opportunity for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestions concerning that matter.

The Town's written response to our comment and suggestions has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance, including overseeing the financial reporting process, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

After you have had an opportunity to consider our comment and recommendations, we would be pleased to discuss them with you.

Melanson Heath

February 22, 2017

STATUS OF PRIOR YEAR RECOMMENDATION:

1. Develop a More Formal Risk Assessment Process

Prior Year Issue:

In the prior year, we recommended the Town implement a more formal risk assessment process.

Current Year Status:

In fiscal year 2016, the Comptroller and Treasurer/Collector continued the process of developing a formal Risk Assessment and Control Activities worksheet to analyze departmental-level and Town-wide risks.

Further Action Needed:

We recommend the Comptroller and Treasurer/Collector continue working towards developing a risk assessment matrix that can be used by all managers to assess the risk factors within their departments and continue performing periodic internal audits.

We also recommend the Town expand its risk assessment process to include a formal assessment of the risks associated with the Town's increasing use of information technology, particularly in the area of electronic banking. This assessment should include written documentation of policies and procedures the Town has established to protect the Town's assets and address cyber risk.

Town's Response:

The Town will draft policies and procedures regarding information technology, to include electronic banking and cyber risk.

CURRENT YEAR RECOMMENDATIONS:

2. Implementation of New GASB Standard

Beginning in fiscal year 2017, the Town will be required to implement the Governmental Accounting Standards Board (GASB) Statement 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and in fiscal year 2018 GASB Statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 74 applies if a trust fund has been established to fund future OPEB costs, and GASB 75 applies whenever OPEB benefits are offered. GASB has taken the position that OPEB is a form of compensation and the liability/expense should be recognized while the employee provides service to the government. GASB Statements 74 and 75 replace Statements 43 and 45, and require the full net OPEB liability and related expenses to be presented on the government's accrual basis financial statements. Previously, the liability was recorded incre-

mentally, generally increasing based on the degree to which a government funded the annual required contribution. It is expected that the implementation of these accounting standards will have a material impact on the Town's financial statements, including the recording of a larger net OPEB liability and substantial new disclosures.

We recommend the Town begin planning for the implementation of GASB 74 and 75, which includes gaining an understanding of the new requirements, educating applicable financial statement users, and ensuring that actuarial valuations are performed in a timely manner and in compliance with the new requirements. More specifically, it is critical that the Town coordinate with its actuary to discuss the need for two valuation reports for the measurement date of July 1, 2017; one prepared under GASB 74 and one under GASB 45, since both will be required in the Town's June 30, 2017 financial statements. It will be also important for the Town's to maintain an adequate system of documentation to support the employee census data information provided to the actuary, since this information will now be subject to annual audit testing.

Town's Response:

The Town will be ready for the new GASB standards. The Town will ensure that the actuarial valuation is completed timely and an adequate system of documentation to support the employee census data information is in place for audit.

3. Consider Reauthorizing OPEB Trust Fund Under New Legislation

The Town established an OPEB Trust Fund in fiscal year 2015. At that time, the legislation to establish such a fund (MGL Chapter 32B Section 20) offered limited guidance in terms of asset management, fiduciary responsibility, and allowable expenses. Legislation was recently passed (Chapter 218 Section 15 of the Acts of 2016) that significantly expanded and clarified the responsibilities of governmental entities in maintaining OPEB trust funds, including clarifying the criteria for accessing the fund's assets, providing investment options, and a custodial management framework.

While previously established OPEB trust funds may continue to exist using the language in existence at the time the fund was established, in order to operate under the provisions of the new language, the statute must be re-accepted by the governing body. We recommend the Town review the new language in MGL Chapter 32B Section 20 and consider reauthorizing the OPEB Trust Fund by formally re-accepting that provision.

Town's Response:

The Town will take this under review with the OPEB Trust Committee.

LEGISLATION

FOR

ACTION

Memo

To: Town Council
From: Jeffrey D. Nutting



Date: March 16, 2017

Re: Acceptance of Access Easement over Property at 121 Longhill Road

The attached resolution grants the Town an easement to allow continued use of the Public safety antenna at 121 Longhill Road.

I want to thank the French family for their cooperation and consideration of the Town's public safety needs.

I am happy to answer any questions.



Sponsor: Administration

TOWN OF FRANKLIN

RESOLUTION 17-17

**ACCEPTANCE OF ACCESS EASEMENT OVER
PROPERTY AT 121 LONGHILL ROAD**

WHEREAS, Shirley A. French, Trustee of the French Family Trust, is the owner of a parcel of land located at 121 Longhill Road in Franklin described in a deed recorded at Norfolk Registry of Deeds in Book 5898, Page 76 and Successor Trustee of said trust pursuant to a document recorded at Norfolk County Registry of Deeds in Book 32362 at Page 305,

WHEREAS, Shirley A. French as Trustee, executed a Grant of Access Easement to the Town of Franklin for nominal consideration on March 3, 2017, a true copy of said Grant of Access Easement together with attached "Exhibit A" sketch plan being attached hereto as "Exhibit 1", to provide the Town, according to said instrument, with the right to pass and re-pass with motor vehicles and equipment between Ridgeview Road and the "80 ft. tower" shown on the sketch plan, to perform maintenance and repair work on Town's public safety communications antenna and support equipment,

NOW THEREFORE, BE IT ORDERED that the Town of Franklin acting by and through its Town Council, accepts the Grant of Access Easement, a true copy of which is attached hereto as "Exhibit 1" and it is further ordered that the Grant of Access Easement together with a true copy of this resolution be recorded at Norfolk County Registry of Deeds.

This Resolution shall become effective according to the rules and regulations of the Town of Franklin Home Rule Charter.

DATED: _____, 2017

VOTED:

UNANIMOUS _____

A True Record Attest:

YES _____ **NO** _____

Teresa M. Burr
Town Clerk

ABSTAIN _____

ABSENT _____

Judith Pond Pfeffer, Clerk
Franklin Town Council

GRANT OF ACCESS EASEMENT

I, Shirley A. French, Trustee of the French Family Trust under a Declaration of Trust dated December 30, 1978 and filed with Norfolk County Registry of Deeds in Book 5898 at Page 76 and Successor Trustee of said trust pursuant to a document recorded at Norfolk County Registry of Deeds in Book 32362 at Page 305, with a usual place of business at 121 Longhill Road, Franklin, Norfolk County, Massachusetts, for consideration paid and in full consideration of:

One Dollar (\$1.00)

GRANT to the Town of Franklin, a duly-organized municipal corporation with administrative offices located in the Municipal Building, 355 East Central Street, Franklin, Norfolk County, MA, a permanent non-exclusive access easement over, under and through that portion of Grantor's land located at 121 Longhill Road in said Franklin shown as "Access Easement Area = 3519 ± SF" on the sketch plan captioned "Access Easement off Ridgeview Road in Franklin, Massachusetts" prepared by Guerriere and Halnon, Inc. and dated February 4, 2013, a copy of which is attached hereto as "Exhibit A".

Included within the foregoing grant of easement is the right to pass and re-pass with motor vehicles and equipment between Ridgeview Road and the "80 ft. tower" designated on said plan to perform maintenance and repair work, as needed, on the Town's public safety communications antenna and support equipment and the right, but not the obligation, to pave or otherwise make improvements thereto PROVIDED THAT, once improved, Grantee will maintain said improvements and keep them in good repair.

Grantor shall not relocate said easement without first obtaining Grantee's written consent to said relocation.

Grantor, for herself and her successors in title, covenants that she shall not permit any use within said easement area described herein, which is inconsistent with this Grant of Easement, including, but not limited to the erection of any structures of any kind or planting shrubs and/or trees within the easement area or performing any act which will impair the function and purpose of said Grant of Easement.

For Grantor's title, see deed recorded in Norfolk County Registry of Deeds in Book 6248 at Page 56.

As Successor Trustee of French Family Trust, Grantor certifies that:

she is authorized and directed by all of the beneficiaries of said Trust to execute all documents associated with this transaction,

there has been no change in the beneficial interests of said Trust, and

Locus: 121 Longhill Road, Franklin

the Trust has not been altered, amended, or revoked and it is still in force and effect as evidenced by the instrument recorded in the Registry of Deeds.

IN WITNESS WHEREOF, Grantor has executed this instrument this 3rd day of March, 2017.

Shirley A. French, Trustee of
French Family Trust

Shirley A. French, Trustee

COMMONWEALTH OF MASSACHUSETTS

NORFOLK, ss.

On this 3rd day of March, 2017, before me, the undersigned notary public, personally appeared Shirley A. French, proved to me through satisfactory evidence of identification which was MA Driver's License to be the person whose name is signed on the preceding document and acknowledged to me that she signed it voluntarily as Trustee of French Family Trust for its stated purpose.

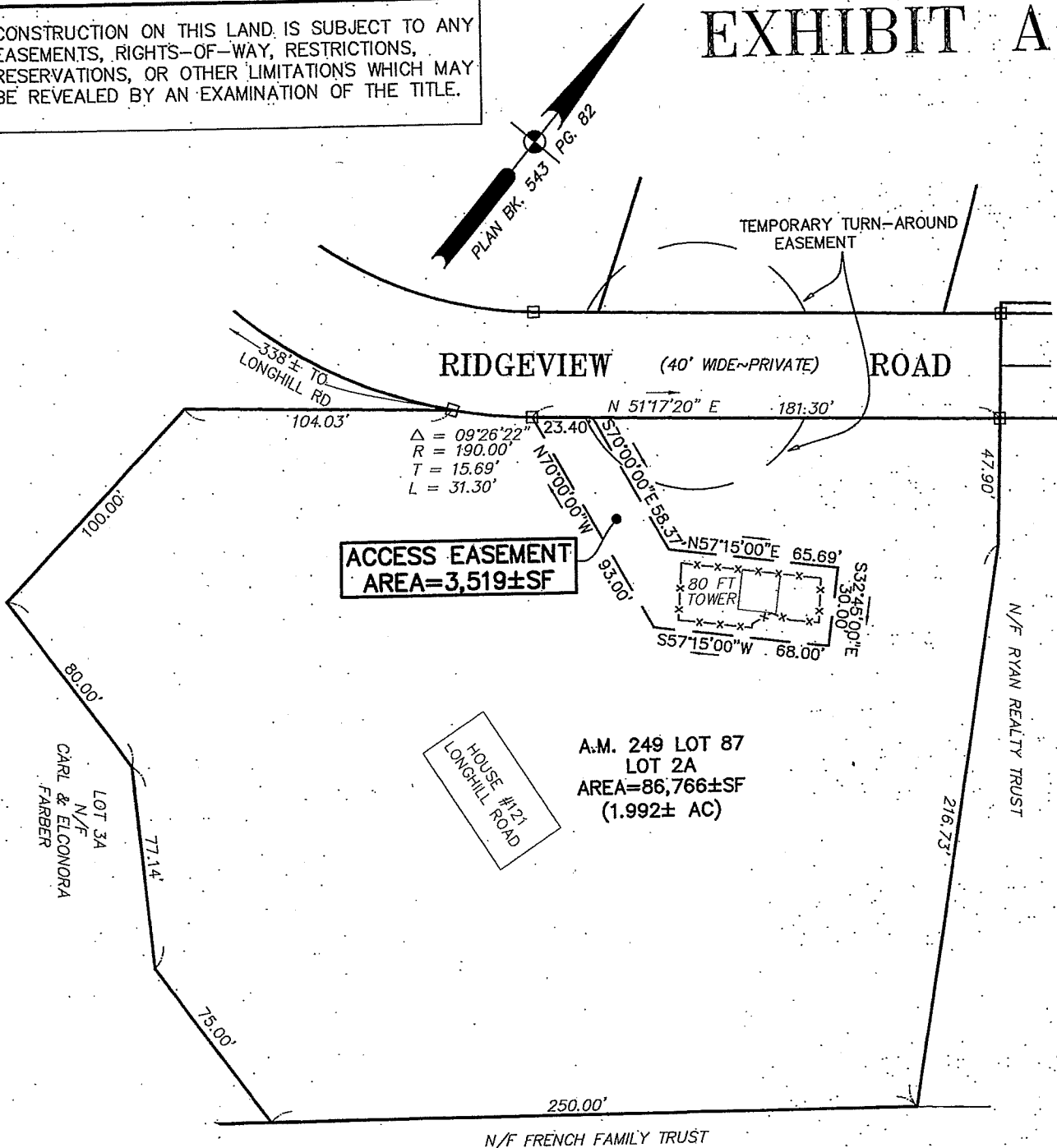
Cynthia A. Elzy

Notary Public

My commission expires: 8-17-2023

CONSTRUCTION ON THIS LAND IS SUBJECT TO ANY EASEMENTS, RIGHTS-OF-WAY, RESTRICTIONS, RESERVATIONS, OR OTHER LIMITATIONS WHICH MAY BE REVEALED BY AN EXAMINATION OF THE TITLE.

EXHIBIT A



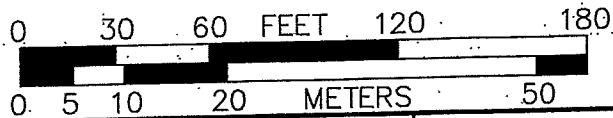
$\Delta = 09^{\circ}26'22''$
 $R = 190.00'$
 $T = 15.69'$
 $L = 31.30'$

ACCESS EASEMENT
AREA=3,519±SF

A.M. 249 LOT 87
 LOT 2A
AREA=86,766±SF
 (1.992± AC)

PLAN REFERENCES:

1. PLAN BK. 287, PG. 216
2. PLAN BK. 447, PG. 327
3. PLAN BK. 543 PG. 82



OWNER/PREPARED FOR:

ROBYN M. CARLUCCI, TRUSTEE
 FRENCH FAMILY TRUST
 860 WEST CENTRAL STREET
 FRANKLIN, MA 02038

ASSESSOR MAP 249 LOT 87
 DEED BK. 6248 PG. 56
 DEED BK. 23360 PG. 413



ACCESS EASEMENT
OFF RIDGEVIEW ROAD
FRANKLIN
MASSACHUSETTS

FEBRUARY 4, 2013



Sponsor: Administration

TOWN OF FRANKLIN

RESOLUTION 17-18

**ORDER OF FRANKLIN TOWN COUNCIL, EXERCISING TOWN'S
G.L. CHAPTER 61, SECTION 8 FIRST REFUSAL OPTION, RE:
LAND OF WILLIAM C. ROODE AND JEANNE M. ROODE,
CONTAINING APPROXIMATELY 12.5 ACRES ON WASHINGTON STREET,
TITLE REFERENCE: NORFOLK REGISTRY OF DEEDS BOOK 5501, PAGE 521**

WHEREAS, William C. Roode and Jeanne M. Roode, now or formerly of 1849 Woodard Road, Webster, State of New York, are titleholders of record (hereinafter: "Landowners") of a parcel of land consisting of approximately 12.5 acres located on Washington Street described in a deed recorded in Book 5501 at Page 521, said land also being shown on Franklin Board of Assessors Maps, Map 349, Parcel 6 (hereinafter "Parcel"), and

WHEREAS, Landowners have placed Parcel under the provisions of G.L. Chapter 61 as forest lands, and

WHEREAS, G.L. Chapter 61, Section 8 provides that, in the event of an intended sale, a municipality has a first refusal option to meet a bona fide offer to purchase the land placed under the statute, and

WHEREAS, Landowners gave written notice to the Town of Franklin of their intention to sell land including Parcel which was received by Town on January 9, 2017, and

WHEREAS, the Franklin Town Council has this date: March 22, 2017, held a public hearing in accordance with the provisions of G.L. Chapter 61, Section 8, and

WHEREAS, Franklin Town Council following the close of said public hearing is voting to acquire Parcel and to exercise Town's first refusal option for a total acquisition price, including expenses of two hundred twelve thousand five hundred dollars (\$212,500), for municipal purposes and to appropriate said sum,

NOW THEREFORE, the Franklin Town Council, being duly authorized to act on behalf of the Town, ORDERS that:

1. The Town of Franklin does hereby exercise its first refusal option to purchase a parcel of land consisting of approximately 12.5 acres located on Washington Street, described in a deed recorded in Book 5501 at Page 521, said land also being shown on Franklin Board of Assessors Maps, Map 349, Parcel 6, for the purchase price of two hundred, twelve thousand five hundred dollars (\$212,500.00), said sum to be appropriated from free cash.

2. Directs that a copy of this order be mailed to William C. Roode and Jeanne M. Roode, landowners, by certified mail as notice of Town's exercise, together with a copy of Town's proposed purchase and sales agreement described in the next paragraph and that an attested copy of this order also be recorded at Norfolk County Registry of Deeds, all as provided in G.L. Chapter 61, Section 8.

3. Approves the proposed purchase and sales agreement for Town's purchase of Parcel from Landowners and directs that a copy accompany the notice to Landowners of Town's exercise of its first refusal option, as provided in G.L. Chapter 61A, Section 8.

4. Authorizes and directs the Town Administrator, in consultation with the Town Attorney, to negotiate any revision(s) to the terms and conditions of the purchase and sales agreement with Landowners, as he determines to be in Town's interest and to execute said agreement and further authorizes the Town Administrator to execute any other documents and to take any and all other action necessary to consummate Town's purchase of Parcel.

This Resolution shall become effective according to the rules and regulations of the Town of Franklin Home Rule Charter.

DATED: _____, **2017**

VOTED:
UNANIMOUS _____

A True Record Attest:

YES _____ **NO** _____







ABSTAIN _____

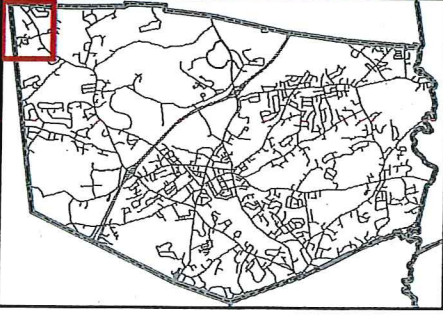
Teresa M. Burr
Town Clerk

ABSENT _____

Judith Pond Pfeffer, Clerk
Franklin Town Council

WASHINGTON STREET AREA

-  Parcel of Interest
-  Wetland
-  Town Owned Land
-  State or Federal Land
-  Parcel Line
-  Municipal Boundary



Scale: 0 75 150 Feet

In maintaining the GIS Data, the Town of Franklin has made every effort to ensure the accuracy, integrity and reliability of the content displayed. However, the user assumes all responsibility for the content displayed that in providing this information, the Town of Franklin, its officials, agents, servants and employees does not warrant or guarantee any content. The user acknowledges that it is responsible for any errors, omissions, or inaccuracies that may appear in this information. The user agrees to hold the Town of Franklin, its officials, agents, servants and employees harmless from and against all claims, damages, or liabilities, or accountable for any loss or damage incurred or resulting from the use of the information provided.



Town of Franklin

Tel: (508) 520-4907

Fax: (508) 520-4906



Planning Board
355 East Central Street
Franklin, Massachusetts 02038-1352

TO: Jeff Nutting
Town Administrator

From: Planning Board

DATE: March 16, 2017

RE: Sales of Chapter 61 land, Washington St; Parcel 349-006-000

At the Planning Board meeting on March 13th, 2017 the Planning Board discussed the above sale of land.

The Planning Board vote (5-0) to recommend to Town Council the Town exercise its option to purchase the parcel of land located on Washington Street.

Please feel free to contact the DPCD if you need any additional information.

Sincerely,

A handwritten signature in black ink that reads "Anthony Padula".

Anthony Padula, Chairman
Franklin Planning Board

Town of Franklin

Tel: (508) 520-4929


Fax: (508) 520-4906



Conservation Commission

355 East Central Street • Franklin, Massachusetts 02038-1352

TO: Jeff Nutting
Town Administrator

FROM: George Russell, AICP
Conservation Agent 

DATE: Feb. 28, 2017

RE: Sale of Chapter 61 land, Washington St.; Parcel 349-006-000

At their Feb. 23, 2017 meeting, the Conservation Commission discussed the above sale of land.

The Commission voted to recommend that the Town exercise its option to purchase this 12.5± acre parcel.

The lots in the rear of the instant lot are all town owned and under the management of the Commission. In Wrentham, there is residential development on the lots adjacent to the town line, albeit this development is some distance away from the town line. Therefore it is the Commission's position that having this land under the ownership of the Town and the management of Commission would be in the best interests of the Town.

Your consideration is appreciated. Please feel free to contact me if you need any additional information or clarification.

CC: Franklin Planning Board
Bryan Taberner

From the office of:
Mark G. Cerel, Franklin Town Attorney
Franklin Municipal Building
355 E. Central Street
Franklin, MA 02038
Tel. No.: (508) 520-4964
Fax: (508) 520-4903

**STANDARD FORM
PURCHASE AND SALE AGREEMENT**

This _____ day of March, 2017

1. PARTIES AND MAILING ADDRESSES
(fill in)

William C. Roode and Jeanne M. Roode, husband and wife as tenants by the entirety, of 1849 Woodard Road, Webster, New York, hereinafter called Sellers agree to sell and Town of Franklin, a municipal corporation with administrative offices located in Franklin Municipal Building, 355 E. Central Street, Franklin, MA hereinafter called the BUYER or TOWN, agrees to BUY, upon the terms hereinafter set forth, the following described premises:
2. DESCRIPTION
(fill in and include title reference)

A parcel of unimproved land located off Washington Street in said Franklin consisting of 12.5 acres, described in a deed recorded at Norfolk County Registry of Deeds in Book 5501 at Page 521 and also shown on Town of Franklin Assessors Map 349 as Parcel 6.
3. BUILDINGS, STRUCTURES, IMPROVEMENTS, FIXTURES
(fill in or delete)
4. TITLE DEED
(fill in)

** Include here by specific reference any restrictions, easements, rights and obligations in party walls not included in (b) leases, municipal and other liens, other encumbrances, and make provision to protect SELLER against BUYER's breach of SELLER's covenants in leases, where necessary.*

Said premises are to be conveyed by a good and sufficient quitclaim deed running to the BUYER, or to the nominee designated by the BUYER by written notice to the SELLERS at least seven days before the deed is to be delivered as herein provided, and said deed shall convey a good and clear record and marketable title thereto, free from encumbrances, except

 - a Provisions of existing building and zoning laws;
 - b Existing rights and obligations in party walls which are not the subject of written agreement;
 - c Such taxes for the then current year as are not due and payable on the date of the delivery of such deed;
 - d Any liens for municipal betterments assessed after the date of this agreement;
 - e Easements, restrictions and reservations of record, if any, so long as the same do not prohibit or materially interfere with BUYER'S intended use of the property.

5. PLANS If said deed refers to a plan necessary to be recorded therewith the SELLERS shall deliver such plan with the deed in form adequate for recording or registration.
6. REGISTERED TITLE In addition to the foregoing, if the title to said premises is registered, said deed shall be in form sufficient to entitle the BUYER to a Certificate of Title of said premises, and the SELLERS shall deliver with said deed all instruments, if any, necessary to enable the BUYER to obtain such Certificate of Title.
7. PURCHASE PRICE
(fill in); space is allowed to write out the amounts if desired
- | | |
|--|---|
| The agreed purchase price for said premises is | two-hundred twelve thousand, five-hundred dollars, of which |
| \$ 10,000.00 | have been paid as deposit this day and |
| \$ | |
| \$202,500.00 | are to be paid at the time of delivery of the deed in cash, or by certified, cashier's, treasurer's or bank check(s). |
| \$ | |
| \$212,500.00 | TOTAL |
-
8. TIME FOR PERFORMANCE; DELIVERY OF DEED *(fill in)* Such deed is to be delivered at 10:00 o'clock A.M. on the 24th day of April, 2017, at the Town Attorney's office in the Franklin Municipal Building, 355 E. Central Street, Franklin, MA, unless otherwise agreed upon in writing. It is agreed that time is of the essence of this agreement.
9. POSSESSION AND CONDITION OF PREMISE. *(attach a list of exceptions, if any)* Full possession of said premises free of all tenants and occupants, except as herein provided, is to be delivered at the time of the delivery of the deed, said premises to be then (a) in the same condition as they now are, reasonable use and wear thereof excepted, and (b) not in violation of said building and zoning laws, and (c) in compliance with provisions of any instrument referred to in clause 4 hereof. The BUYER shall be entitled personally to inspect said premises prior to the delivery of the deed in order to determine whether the condition thereof complies with the terms of the clause.
10. EXTENSION TO PERFECT TITLE OR MAKE PREMISES CONFORM *(Change period of time if desired).* If the SELLERS shall be unable to give title or to make conveyance, or to deliver possession of the premises, all as herein stipulated, or if at the time of the delivery of the deed the premises do not conform with the provisions hereof, then the SELLER shall use reasonable efforts to remove any defects in title, or to deliver possession as provided herein, or to make the said premises conform to the provisions hereof, as the case may be, in which event the SELLERS shall give written notice thereof to the BUYER at or before the time for performance hereunder, and thereupon the time for performance hereof shall be extended for a period of thirty days.

11. FAILURE TO PERFECT TITLE OR MAKE PREMISES CONFORM, etc. If at the expiration of the extended time the SELLERS shall have failed so to remove any defects in title, deliver possession, or make the premises conform, as the case may be, all as herein agreed, or if at any time during the period of this agreement or any extension thereof, the holder of a mortgage on said premises shall refuse to permit the insurance proceeds, if any, to be used for such purposes, then any payments made under this agreement shall be forthwith refunded and all other obligations of the parties hereto shall cease and this agreement shall be void without recourse to the parties hereto.
12. BUYER's ELECTION TO ACCEPT TITLE The BUYER shall have the election, at either the original or any extended time for performance, to accept such title as the SELLERS can deliver to the said premises in their then condition and to pay therefore the purchase price without deduction, in which case the SELLERS shall convey such title, except that in the event of such conveyance in accord with the provisions of this clause, if the said premises shall have been damaged by fire or casualty insured against, then the SELLERS shall, unless the SELLERS have previously restored the premises to their former condition, either
- a Pay over or assign to the BUYER, on delivery of the deed, all amounts recovered or recoverable on account of such insurance, less any amounts reasonably expended by the SELLERS for any partial restoration, or
 - b If a holder of a mortgage on said premises shall not permit the insurance proceeds or a part thereof to be used to restore the said premises to their former condition or to be so paid over or assigned, give to the BUYER a credit against the purchase price, on delivery of the deed, equal to said amounts so recovered or recoverable and retained by the holder of the said mortgage less any amounts reasonably expended by the SELLERS for any partial restoration.
13. ACCEPTANCE OF DEED The acceptance of a deed by the BUYER or his nominee as the case may be, shall be deemed to be a full performance and discharge of every agreement and obligation herein contained or expressed, except such as are, by the terms hereof, to be performed after the delivery of said deed.
14. USE OF MONEY TO CLEAR TITLE To enable the SELLERS to make conveyance as herein provided, the SELLERS may, at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests, provided that all instruments so procured are recorded simultaneously with the delivery of said deed.
15. INSURANCE
**Insurance amount
(list additional types
of insurance and
amounts as agreed)*
- Until the delivery of the deed, the SELLERS shall maintain insurance on said premises as follows:
- | <i>Type of Insurance</i> | <i>Amount of Coverage</i> |
|-------------------------------|---------------------------|
| a. Fire and Extended Coverage | *\$As presently insured |
- Risk of loss shall remain with Sellers' pending closing.
16. ADJUSTMENTS
(list operating expenses, if any, or attach schedule) Water and sewer use charges and taxes for the then current fiscal year, shall be apportioned, as of the day of performance of this agreement and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the BUYER at the time of delivery of the deed.
17. ADJUSTMENT OF UNASSESSED AND ABATED TAXES If the amount of said taxes is not known at the time of the delivery of the deed, they shall be apportioned on the basis of the taxes assessed for the preceding fiscal year, with a reapportionment as soon as the new tax rate and valuation can be ascertained; and, if the taxes which are to be apportioned shall thereafter be reduced by abatement, the amount of such abatement, less the reasonable cost of obtaining the same, shall be apportioned between the parties, provided that neither party shall be obligated to institute or prosecute proceedings for an abatement unless herein otherwise agreed.

18. BROKER'S FEE
(fill in fee with dollar amount or percentage; also name of Brokerage firm(s)) A Broker's fee for professional services of \$10,625.00 is due from the SELLERS to Del Realty, Inc., if, as, and when title passes and a deed is recorded and not otherwise.
19. BROKER(S) WARRANTY
(fill in name) The Broker(s) named herein Del Realty, Inc. warrant(s) that the Broker(s) is(are) duly licensed as such by the Commonwealth of Massachusetts.
20. DEPOSIT
(fill in name) All deposits made hereunder shall be held in escrow by John J. Roche, SELLERS' Attorney, as escrow agent subject to the terms of this agreement and shall be duly accounted for at the time for performance of this agreement.
21. BUYER'S DEFAULT; DAMAGES If the BUYER shall fail to fulfill the BUYER's agreements herein, all deposits made hereunder by the BUYER shall be retained by the SELLERS as liquidated damages unless within thirty days after the time for performance of this agreement or any extension hereof, the SELLERS otherwise notifies the BUYER in writing, and this shall be Sellers' sole and exclusive remedy, both at Law and in Equity.
22. RELEASE BY HUSBAND OR WIFE The SELLERS' spouse hereby agrees to join in said deed and to release and convey all statutory and other rights and interests in said premises.
23. BROKER AS PARTY The Broker(s) named herein join(s) in this agreement and become(s) a party hereto, insofar as any provisions of this agreement expressly apply to the Broker(s), and to any amendments or modifications of such provisions to which the Broker(s) agree(s) in writing.
24. LIABILITY OF TRUSTEE, SHAREHOLDER, BENEFICIARY, etc. If the SELLERS or BUYER execute this agreement in a representative or fiduciary capacity, only the principal or the estate represented shall be bound, and neither the SELLERS or BUYER so executing, nor any shareholder or beneficiary of any trust, shall be personally liable for any obligation, express or implied, hereunder.
25. WARRANTIES AND REPRESENTATIONS
(fill in); if none, state "none"; if any listed, indicate by whom each warranty or representation was made The BUYER acknowledges that the BUYER has not been influenced to enter into this transaction nor has he relied upon any warranties or representations not set forth or incorporated in this agreement or previously made in writing, except for the following additional warranties and representations, if any, made by either the SELLERS or the Broker(s);
See "Addendum A" attached hereto and incorporated herein.
26. MORTGAGE CONTINGENCY CLAUSE
(omit if not provided for in Offer to Purchase)
27. CONSTRUCTION OF AGREEMENT This instrument, executed in multiple counterparts, is to be construed as a Massachusetts contract, is to take effect as a sealed instrument, sets forth the entire contract between the parties, is binding upon and

enures to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, successors and assigns, and may be cancelled, modified or amended only by a written instrument executed by both the SELLERS and the BUYER. If two or more persons are named herein as BUYER their obligations hereunder shall be joint and several. The captions and marginal notes are used only as a matter of convenience and are not to be considered a part of this agreement or to be used in determining the intent of the parties to it.

28. LEAD PAINT LAW

29. SMOKE
DETECTORS

30. ADDITIONAL PROVISIONS The initialed riders, if any, attached hereto, are incorporated herein by reference
See addendum attached hereto and incorporated herein.

FOR RESIDENTIAL PROPERTY CONSTRUCTED PRIOR TO 1978, BUYER MUST ALSO HAVE SIGNED LEAD PAINT "PROPERTY TRANSFER NOTIFICATION CERTIFICATION"

NOTICE: This is a legal document that creates binding obligations. If not understood, consult an attorney.

SELLER (or spouse)

Town of Franklin, by:
Jeffrey D. Nutting, Town Administrator, duly-authorized,
BUYER

SELLER

Broker(s)

EXTENSION OF TIME FOR PERFORMANCE

Date _____

The time for the performance of the foregoing agreement is extended until _____ o'clock
_____ M. on the _____ day of _____ 20____, time still being of
the essence of this agreement as extended. In all other respects, this agreement is hereby ratified and confirmed.
This extension, executed in multiple counterparts, is intended to take effect as a sealed instrument.

SELLER (or spouse)

SELLER

BUYER

BUYER

Broker(s)

Addendum A to Purchase and Sale Agreement

Roode to Town of Franklin
0 Washington Street, Franklin, MA 02038

IF THE TERMS OF THIS ADDENDUM CONTRADICT THE TERMS OF THE PURCHASE AND SALE AGREEMENT, THIS ADDENDUM SHALL CONTROL.

1. Buyer and Seller hereby acknowledge that they have been offered the opportunity to seek and confer with qualified legal counsel of their choice prior to signing this agreement and throughout this transaction.
- ~~2. The Buyer and Seller hereby acknowledge that they have been informed that the Buyer's attorney, Hornung & Scimone, P.C. has been asked to provide legal services on behalf of the mortgage lender for the mortgage loan closing in addition to the representation of the Buyer in this agreement or transaction, and that the Buyer and Seller have no objection to and consent to this dual representation.~~
3. Sellers shall sign all documents customarily required by Buyers' lender in connection with obtaining mortgage financing, including but not limited to, the Settlement Statement, 1099 Form, Agreement to Reapportion Taxes, Mechanic's Lien Affidavit, etc. In the event the Seller refuses to sign the same, the Buyer may elect to cancel this agreement, in which event all deposits shall be forthwith refunded and all other obligations of the parties hereto shall cease and this agreement shall be void without recourse to the parties hereto.
4. The Seller agrees to allow the Buyer, his agent or designees to have access to the premises for the purpose of having inspections, showing the property to prospective mortgagees and taking measurements, etc. Such access shall only be at a reasonable time, with reasonable notice and in the presence of the Seller or the Seller's agent.
5. The Seller represents the following to be true as of the date hereof and as of the date of closing that to the best of their knowledge:
 - A. Seller has the legal right, power and authority to enter into this agreement and to perform all of its obligations hereunder.
 - B. There are no tenancies, occupancies or licenses in or to the premises.
 - C. Seller has not commenced nor has Seller received notice of the commencement of any proceeding, which would affect the present zoning classification of the premises. Seller will not initiate any such proceedings and will promptly notify Buyer if Seller receives notice of any such proceeding commenced by third parties.
 - D. There is, to the best of the Seller's knowledge and belief, no notice, suit, order, decree, claim, writ, injunction or judgment relating to material violations of any laws ordinances, codes, regulations or other requirements with respect to the premises in, of or by any court or governmental authority having jurisdiction over the premises.
 - E. There are no suits, actions or proceedings pending or threatened against Seller materially affecting the premises or Seller's right or power to consummate the transaction contemplated by this Agreement before any court or administrative agency or office that will not be removed simultaneously with the delivery of the deed.
 - F. There is no pending Seller bankruptcy, mortgage foreclosure, requirement for third party approval or other legal proceedings that would inhibit this conveyance.
 - G. The Seller has received no notice of eminent domain taking, condemnation, betterment or assessment, actual or proposed, with respect to the premises, and Seller has no reason to believe that any such eminent domain taking, condemnation, betterment or assessment has been proposed or is under construction.
 - H. The Seller has no knowledge and has received no notice of any violations of any environmental law respecting the premises and has no knowledge of the existence of any underground fuel or oil storage tanks on the premises.
 - I. The property is not located in a flood zone requiring flood insurance.

Notwithstanding anything herein contained the premises shall not be considered to be in compliance with the provision of this agreement with respect to title unless:

- A. all structures and improvements, including but not limited to any driveway(s), garage(s) and all means of access to the premises shall be wholly within the lot lines of the premises and shall not encroach upon or under any property not within such lot lines, unless permissible by indefeasible and duly recorded easement;
 - B. the premises abuts a public way, duly laid out or accepted as such by the town or city in which the premises are located, or abuts a private way over which there is direct access by motor vehicle to a public way; and
 - C. no building, structure, improvement or property of any kind encroaches upon or under the premises from other premises;
 - D. title to the premises is insurable, for the benefit of the Buyer, by a title insurance company, in a fee owner's policy of title insurance at normal premium rates, in the American Land Title Association form currently in use, subject only to those printed exceptions to title normally included in the "jacket" to such form or policy, and exceptions permitted pursuant to paragraph 4 of the Purchase and Sale Agreement; and
 - E. All improvements located on the premises have been constructed in accordance with any covenants or order of conditions governing same, and if required by said covenants or conditions, a recordable certificate of compliance is to be delivered at closing unless previously recorded in the applicable Registry of Deeds.
7. This agreement supersedes all prior agreements and other understandings between the parties and represents the complete and full agreement of the parties hereto. All prior offers and agreements between the parties with respect to the transactions contemplated hereby and any such prior offers or agreements are null and void.
 8. If prior to closing, the Seller becomes aware of any situation which may cause any of the representations made by the Seller in this Agreement to become untrue, then the Seller shall promptly notify the Buyer in writing and then the Buyer shall have the option to continue with the closing, or terminate this Agreement rendering it null and void with the return of the deposited funds to the Buyer without recourse to either party.
 9. This Agreement may be executed by fax or other electronic means and original ink signatures shall not be required.
 10. In the event any apportionment/adjustment pursuant to Paragraph Sixteen (16) are, within ninety (90) days subsequent to the Closing, found to be erroneous, then either Party hereto who is entitled to additional monies shall invoice (along with reasonably detailed back-up data) the other Party for such additional amounts as may be owing, and such amounts shall be paid, with good funds, within ten (10) days from the date of the invoice. The provisions of this Paragraph shall survive delivery of the Deed hereunder for ninety (90) days.
 11. SELLER shall execute the Deed personally. At the sole option of the BUYER, a Deed executed for the SELLER pursuant to a power of attorney shall not satisfy the title requirements of the Agreement.
 12. The SELLER represents to BUYER that the purchase price herein is sufficient to payoff all of the SELLER'S obligations that may affect the sale of the Premises including, but not limited to: mortgages, municipal charges, real estate broker's commissions, document stamp tax and other reasonable and customary expenses of the sale, and that the within transaction is not a so-called "short-sale."
 13. SELLER agrees that if any mechanic's or materialmen's liens with respect to work done on the Premises on SELLER'S behalf are recorded after the delivery of the Deed, SELLER will promptly cause such liens to be duly discharged of record. SELLER agrees to indemnify and hold BUYER harmless from and against any cost, loss, damage or expense, including reasonable attorneys' fees, if any, arising out of or relating to any such liens being placed on the Premises. The provisions of this Paragraph shall survive delivery of the Deed hereunder.

it is agreed that in the event of a title matter for which a title insurance company is willing to issue a so-called "clean" policy or provide "affirmative coverage" over a known defect or problem, BUYER may elect to accept same but shall not be required to do so, and shall have the right, at the option of their counsel, to deem title to the premises unacceptable or unmarketable and to terminate this Agreement.

15. Seller states, to the best of SELLER'S knowledge, to Buyer that (i) that there are no underground storage tanks of any kind (collectively, "Tanks") at the premises; (ii) that there have been no Tanks at the premises during SELLER'S ownership of the premises, or if any Tanks were present at the premises during SELLER'S ownership of the premises, all such Tanks were removed from the premises and disposed of in accordance with all applicable federal state and local statutes, regulations, codes, ordinances, by-laws, requirements, directives and like, and that, at the time of such removal and disposal, it was opinion of the appropriate officials of the Fire Department of the City or Town and a qualified environmental consultant who witnessed such removal that there was no evidence or indication that there had ever been a release of oil or hazardous materials, as those terms are defined in Chapter 21E, as amended, of the Massachusetts General Laws (a "Release") from any such Tank
16. Seller represents that Seller has never generated, stored, or disposed of any toxic or hazardous substance" as defined in Massachusetts General Laws Chapter 21E and the Comprehensive Environmental Response Compensation and liability Act of 1980, as amended 42 U.S.C. Section 9601, et seq., and regulations adopted pursuant to said Acts. The Seller agrees to execute such certificate to BUYER'S lender regarding hazardous substances as BUYER'S lender may reasonably require of Seller.
17. In the event that the date for the closing, or the date that any notice required pursuant to this Agreement is due, falls on a Saturday, Sunday, or legal holiday, the closing or the due date of such Notice, shall be the next business day.

William C. Roode, SELLER

Town of Franklin, Buyer, by
Jeffrey D. Nutting, Town Administrator,
duly-authorized

Jeanne M. Roode, SELLER

Town of Franklin

Town Administrator
Tel: (508) 520-4949

Fax: (508) 520-4903



355 East Central Street
Franklin, Massachusetts 02038-1352

February 27, 2017

Milford Daily News
159 S. Main Street
Milford, MA 01757

Attention: LEGAL NOTICES DEPT.

PLEASE ADVERTISE -- Once in the Legal Ads Section on Friday, March 10

NOTICE OF PUBLIC HEARING FRANKLIN, MA

EXERCISE THE TOWN'S FIRST REFUSAL OPTION TO PURCHASE LAND ON WASHINGTON STREET

The Franklin Town Council will hold a public hearing on Wednesday evening, March 22, 2017 at 7:10 p.m. in the Council Chambers located on the second floor of the Franklin Municipal Building, 355 East Central Street, Franklin, MA. As required by G.L. Chapter 61, Section 8, the Council will hold a public hearing at said time and place on whether to exercise the Town's first refusal option to purchase a parcel of unimproved land currently taxed as forestry land located on the southerly side of Washington Street and containing 12.5 acres. The property is shown on Franklin Assessors Map 349 as Parcel 6 and described in a deed recorded at Norfolk County Registry of Deeds in Book 5501 at Page 521.

Submitted by,
Cindy Elz

Send 1 tear sheet

Cindy Elz
Town Administrator's Office
355 East Central Street
Franklin, MA 02038
(508) 553-4890



2017 MAR - 1 PM 1:11
RECEIVED
TOWN OF FRANKLIN
LEGAL DEPT.

TO: Jeff Nutting
FROM: Susan Gagner
RE: Unexpended Bonded Projects
DATE: March 7, 2017

Per auditors suggestion, I reviewed the Bonded Project Funds in the General Ledger. The following should be considered for closeout by re-appropriating to another like purpose under MGL c. 44, sec. 20:

<u>Project</u>	Date Permanently borrowed	Bond Auth	Balance
School/Town remodeling FY 2000 R 99-90	5/1/2002	824,000	1,108.11
Elementary (Remington/Jefferson) FY 1995	11/15/1995	18,500,000	2,929.98
School Remodel Res 10-76	4/25/2012	2,000,000	3,610.25

Any amounts under \$1,000 can be used to pay debt service for the project. Amounts above \$1,000 must be appropriated for another purpose for which a loan can be authorized for an equal or greater term than that loan was issued.

TOWN OF FRANKLIN
RESOLUTION 17-19
REDIRECT BOND PROCEEDS

To see if the Town will vote to redirect remaining bond proceeds from the following completed projects to new purpose(s) as indicated below:

Whereas: The Town has unexpended bond proceeds from numerous projects that can be redirected to an alternate use, where, under M.G.L. c. 44, §20, the re-appropriation “must be for a purpose for which a loan may be incurred for an equal or longer time than that of the original loan, including temporary debt.”

Whereas: The Town now wishes to re-appropriate unexpended bond proceeds from completed projects to the Library Addition/Renovation Project, Resolution 15 - 66.

NOW THEREFORE BE IT ORDERED by the Town Council of the Town of Franklin that: the remaining bond proceeds from the following projects:

<u>Project</u>	<u>Permanently borrowed</u>	<u>Bond Auth</u>	<u>Balance</u>
School/Town remodeling R 99-90 Elementary (Remington/Jefferson) FY 1995	5/1/2002	824,000	1,108.11
School Remodel Res 10-76	11/15/1995	18,500,000	2,929.98
	4/25/2012	2,000,000	3,610.25

be redirected to the Library Addition Project R 15-66 in the amount of \$ 7,648.34.

The Town Administrator is authorized to take any other action necessary or convenient to carry out this Order. This Resolution shall become effective according to the rules and regulations of the Town of Franklin Home Rule Charter.

DATED: _____, 2017

VOTED:
UNANIMOUS _____
YES _____ NO _____
ABSTAIN _____
ABSENT _____

A True Record Attest:

Teresa M. Burr
Town Clerk

JUDITH POND PFEFFER, CLERK
Franklin Town Council

Memo

To: Town Council

From: Jeffrey D. Nutting



Date: March 16, 2017

Re: Amendment to Chapter 179, Water

The attached bylaw clarifies the water restriction process that we have been using for the past 15 years. It does not include private wells as discussed at an earlier Town Council meeting.

Please feel free to call with any questions.



Sponsor: Administration

**TOWN OF FRANKLIN
BYLAW AMENDMENT 17-787
CHAPTER 179, WATER**

A BYLAW TO AMEND THE CODE OF THE TOWN OF FRANKLIN AT CHAPTER 179, WATER.

BE IT ENACTED BY THE FRANKLIN TOWN COUNCIL that Chapter 179 of the Code of the Town of Franklin is amended by striking Article VI Water Ban in its entirety:

~~Article VI. Water Ban~~

~~§179-12 Declaration by Administrator authorized; violations and penalties.~~

~~A. A water ban shall be declared by the Town Administrator on behalf of the Town of Franklin whenever he determines that the health and safety of the residents of Franklin requires the restriction of nonessential use of municipal water. A water ban shall prohibit any user of municipal water from using sprinklers or other automatic watering devices to water lawns and from washing vehicles or filling swimming pools or such other nonessential municipal water use as specified by the Town Administrator in declaring the water ban.~~

~~B. Any violation of a water ban shall be enforced by the Town Administrator or his designee, including any police officer of the Town of Franklin, by noncriminal disposition pursuant to MGL c. 40, § 21D, as follows:~~

~~(1) First violation: a written warning.~~

~~(2) Second violation: a fine of \$50.~~

~~(3) Every violation thereafter: a fine of \$200.~~

and replacing the deleted language with a new Article VI Water Use Restriction and Ban, as follows:

Article VI Water Use Restriction and Ban

§ 179-12 Authority.

This article is adopted by the Town of Franklin under its police powers to protect public health, safety and welfare and implements the Town's authority to regulate, limit and prohibit water use. This article also implements the Town's authority

under M.G.L. c. 40, § 41A, conditioned upon a declaration of Water Supply Emergency issued by the Department of Environmental Protection.

§ 179-13 Purpose.

The purpose of this article is to protect, preserve and maintain the public health, safety and welfare whenever there is in force a State of Water Supply Conservation or Water Ban by providing for enforcement of any duly imposed prohibitions, restrictions, requirements, provisions or conditions imposed by the Town or by the Department of Environmental Protection.

§ 179-14 Application and Exemptions.

Water Supply Conservation and Water Ban measures apply to public water supply users only.

Commercial agricultural users and golf courses shall be exempt from all provisions of this article. The Town of Franklin is exempt from all provisions of this article to extent required to protect public assets.

§ 179-15 Definitions.

For the purpose of this article, the following terms shall have the meanings indicated:

FRANKLIN WATER SUPPLY

The system of Town owned wells and pipes used to distribute drinking water and provide fire protection as well as all sources for said water, including subsurface aquifer(s).

PERSON

Any individual, property owner, tenant, corporation, trust, partnership or association, or other entity located in Franklin and is connected to the Franklin Water Supply.

STATE OF WATER SUPPLY CONSERVATION

A State of Water Supply Conservation declared by the Town pursuant to § 179-16 of this article.

WATER BAN

A state of elevated water restrictions declared by the Town pursuant to § 179-18 of this article.

§ 179-16 Declaration of State of Water Supply Conservation.

As required by the Town's Water Management Act Permit, the Town Administrator shall declare a State of Water Supply Conservation no later than the first Monday in June through at the earliest the second Monday in September each year. Outdoor water use restrictions outlined in § 179-17 shall be applicable to all water users of the public water system regardless of any person's responsibility for paying water bills for water used at any particular facility. The Town Administrator may extend the State of Water Supply Conservation if he determines that a shortage of water exists, or may reasonably be determined to be imminent, and that conservation measures are appropriate to ensure the safe and adequate supply of water to all water consumers.

§ 179-17 State of Water Supply Conservation Restricted Water Uses.

A declaration of a State of Water Supply Conservation shall include, but not be limited to, one or more of the following restrictions, conditions, or requirements limiting the use of water as necessary to protect the public supply. The applicable restrictions, conditions or requirements shall be included in the public notice required under § 179-20.

A. One day per week outdoor watering. Outdoor watering using sprinklers or automated irrigation systems is restricted to the water user's trash day. If the user does not have Town trash service, the user should water on the same day as the nearest Town trash customer.

B. Outdoor watering hours. Outdoor watering is prohibited between the hours of 9 am to 5 pm.

§ 179-18 Declaration of Water Ban.

If the Town Administrator makes a specific finding that the shortage of water exists because of a clear and imminent threat to the aquifer(s) underlying Franklin, such threats to include severe drought or environmental pollution, the Town Administrator may elevate the State of Water Supply Conservation to a Water Ban: either partial or total. Outdoor water use restrictions outlined in § 179-19 shall be applicable to all water users of the public water system regardless of any person's responsibility for paying water bills for water used at any particular facility. The applicable restrictions, conditions or requirements shall be included in the public notice required under § 179-20.

§ 179-19 Water Ban Restricted Water Uses.

A declaration of a partial Water Ban may include, but not be limited to, one or more of the following restrictions, conditions, or requirements limiting the use of water as necessary to protect the public supply. The applicable restrictions, conditions or requirements shall be included in the public notice required under § 179-20.

- A. Prohibition on the use of sprinklers and automatic sprinkler systems.
- B. Limitation on outdoor watering to handheld watering of vegetable and flower gardens.
- C. Prohibition on handwashing of exterior building surfaces, parking lots, sidewalks, driveways and patios.
- D. Prohibition on washing of vehicles, except in commercial car washes.
- E. Mandatory water use reductions by commercial/industrial users.

A declaration of a total water ban may include a total ban on outdoor water use, with or without stated exceptions; the applicable restrictions, conditions or requirements shall be included in the public notice required under § 179-20.

§ 179-20 Public Notification of State of Water Supply Conservation or Water Ban; Notification of DEP.

Notification of any provision, restriction, requirement or condition imposed by the Town as part of a State of Water Supply Conservation or Water Ban shall be published on the official Town of Franklin website, or by such other means reasonably calculated to reach and inform users of water of the state of water supply conservation. Any restriction imposed under § 179-17 or § 179-19 shall not be effective until such notification is provided. Notification of the State of Water Supply Conservation shall also be simultaneously provided to the Massachusetts Department of Environmental Protection.

§ 179-21 Termination of State of Water Supply Conservation or Water Ban; Notice.

A State of Water Supply Conservation or Water Ban may be terminated by the Town Administrator as allowed by the Town's Water Management Act Permit, upon his determination that the water supply shortage no longer exists. Public notification of the termination of a State of Water Supply Conservation or Water Ban shall be given in the manner provided in § 179-20.

§ 179-22 State of Water Supply Emergency; Compliance with DEP Orders.

If the Department of Environmental Protection declares a State of Water Supply Emergency under M.G.L. c. 21G. § 15-17., no person shall violate any provision, restriction, requirement or condition of any order approved or issued by the Department intended to bring about an end to the State of Emergency.

§ 179-23 Posting of Notice of Private Irrigation Wells.

All persons who have private wells for lawn irrigation must prominently display signs visible to the public that include the following phrase "PRIVATE WELL WATER IN USE." Signs must be a minimum of 11" by 17" and displayed in a location clearly visible from the street whenever the irrigation system is in use. False posting is prohibited.

§ 179-24 Penalties for Violations(s).

Any violation of this bylaw shall subject the violator to a fine as follows:

(1) First violation (within calendar year): a written warning.

(2) Second violation: a fine of \$50.

(3) Every violation thereafter: a fine of \$200.

Each day that a violation continues shall constitute a new and separate offense.

§ 179-25 Enforcement Authority.

The Town Administrator and his designee(s), Director of Public Works and his designee(s), Franklin Police Department, Building Commissioner, Conservation Agent, and Board of Health Agent shall each have authority to enforce the provisions of this bylaw.

And be it further enacted, that the Town Clerk is hereby authorized to renumber the subsequent sections of this Chapter in Articles VII and VIII and to strike those sections denoted "Reserved".

This bylaw amendment shall become effective in accordance with the provisions of the Franklin Home Rule Charter.

←-----→
DATED: _____, 2017

VOTED:
UNANIMOUS _____
YES _____ NO _____
ABSTAIN _____
ABSENT _____

A True Record Attest:

Teresa M. Burr
Town Clerk

Judith Pond Pfeffer, Clerk
Franklin Town Council