

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



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OFFICE OF THE TOWN ADMINISTRATOR

December 11, 2020

To: Town Council

From: Jamie Hellen, Town Administrator

RE: Resolution 20-76: Appropriation Transfer to the Water Treatment Plant Fund

I am asking the Council to consider an appropriation transfer to the water treatment plant fund for the purposes of paying the installment on the water treatment plant project that was lost due to the cyber fraud. If approved, a total of \$322,696.65 will be transferred to this fund. \$300,000 will be transferred from the Water Retained Earnings ("emergency fund") and the remaining \$22,696.65 will be transferred from the Treasurer's salary line item.

As outlined in my presentation to the Town Council, I want to note that the Finance Committee and Town Council unanimously approved updated financial policies in 2019. One of those policies is to have a "emergency fund" of \$1 million in each of the water and sewer accounts, respectively for emergencies. While this may not have been the emergency we anticipated, the definition of an emergency is "a serious, unexpected, and often dangerous situation requiring immediate action." The bottom line is the payment for the water treatment plant is required and I am working to get this resolved so the project can stay on target to open in April 2021. The Town does not want to incur any additional financial risk or liability. As outlined last week in my presentation, we cannot forget the project.

Any future financial recovery from this attack will automatically be deposited back into the emergency fund for the water enterprise account. As noted at that presentation, it is likely the treatment plant will be completed well before the police investigation is completed.

If you have any additional questions please feel free to ask.



Sponsor: Administration

TOWN OF FRANKLIN

RESOLUTION 20-76

APPROPRIATION: TRANSFER TO WATER TREATMENT PLANT FUND AUTHORIZED UNDER RESOLUTION 19-27

TOTAL REQUESTED: \$322,696.65

PURPOSE: To transfer funds to the Water Treatment Plant Fund authorized under Resolution 19-27

<u>TRANSFER TO:</u>	<u>AMOUNT</u>
Water Treatment Plant Fund #6035	\$322,696.65

<u>TRANSFER FROM:</u>	<u>AMOUNT</u>
Water Retained Earnings	\$300,000.00
01147100 511010 Treasurer Salary	\$ 22,696.65

MOTION:

Be It Moved and Voted by the Town Council that the sum of Three Hundred Twenty-Two Thousand Six Hundred Ninety-Six Dollars and Sixty-Five Cents (\$322,696.65) be transferred to the Water Treatment Plant Fund authorized under Resolution 19-27 from the above named accounts.

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

FINANCE COMMITTEE ACTION

Meeting Date: 12/15/2020 Vote: _____ Recommended Amount: \$322,696.65

DATED: _____, 2020

VOTED:

UNANIMOUS: _____

A True Record Attest:

YES: _____ **NO:** _____

ABSTAIN: _____

ABSENT: _____

RECUSED: _____

Nancy Danello
Temporary Town Clerk

Glenn Jones, Clerk
Franklin Town Council