

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
www.franklinma.gov

OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

June 16, 2020

To: Town Council
From: Jamie Hellen, Town Administrator

Re: Resolution 20-37: Borrowing Authorization

I am asking the Council to consider Resolution 20-37, which will authorize borrowing money to pay for various capital improvements. The Town's debt service schedule is anticipated to decline in FY22 and beyond with projects coming off the schedule. The Town will need to have this authorization to properly maintain operating budget funds for debt service.

The Finance Committee approved this request unanimously at 8-0. The Town Council Capital Subcommittee also approved this request at 4-0.

This is a critical funding source to maintain all of our town schools and municipal buildings. The attached sheet reflects the next big projects on the capital list for the next 3-5 years that equate to an estimated \$15,023,500 dollars in improvements. It is important to note there is no guarantee that these projects will be funded. With an altering market, it gives the Town financial flexibility to be able to maintain our facilities if market prices are favorable to the Town. The town is one step below the highest bond rating a community can have. We do receive very favorable interest rates based on the Town's strong financial position. See [Town Audits here](#). These projects on borrowing are limited to \$1 million or more items.

Additionally, the Town has traditionally used "[Free Cash](#)" and grants to fund most capital projects, including many of the upgrades to our schools and facilities. These are one time revenues and shift in the economy. Due to the economy, we expect to see a large reduction in free cash over the next two years as the economy ebbs and flows. Approving this legislation will greatly enhance our ability to be prepared if free cash stays low and we need funding to keep our facilities in top notch shape. Ultimately, this may be our only option to fund these projects in the near term.

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

Estimate	Building	Project Description
\$1,400,000	Municipal Building	The windows and facade of the Municipal Building are in desperate need or replacement due to extreme leaks of many windows. The cost estimate also includes general renovations to bathrooms, carpets and the mechanicals of the building (boiler, etc).
\$3,123,500	Technology	For major infrastructure needs for the Technology Department. The funds allocated here are for two buckets (1) emergency facilities improvements possibly needed for COVID-19 implementation in schools or remote learning and (2) Overall equipment needed to sustain our school and town wireless access points, projectors, switches, etc. Tim has been preparing this plan for many years and the Town has traditionally funded items on an as-needed basis through the annual capital program. We expect free cash to drop significantly and may be better off borrowing and making the proper investments during these changing economic times.
\$2,000,000	Sidewalks	Town residents request sidewalks all the time. Our top priorities are Beaver Street and Washington Street. I am also working with the DPW to possibly look at a long-term Sidewalk Master Plan, much like we do for roads. This amount will not buy us a lot, but if annual funding becomes scarce, it may be worth it to borrow.
\$3,000,000	Remington-Jefferson	An estimate to rebuild the roof (\$1.75 million), boilers, basketball court, fire alarms.
\$1,000,000	Parmenter School	An estimate to replace the Boilers and Playground
\$1,500,000	High School	An estimate to do a ten-year upgrade/retrofit of aspects of the High School that need future attention, including the bleachers, fiber connectivity, kitchen, Mac Labs, Fitness equipment, sound recording, engineering lab, auditorium, air conditioning and any other incidentals.
\$3,000,000	Recycling Center	For a future rehab to the Beaver Street Recycling Center. We will be complete with the lan swap by end of calendar year. A required solid waste master plan will be required by DEP. Once we get to that point, we will evaluate a new station and state requirements from the master plan. We are at least a few years away.
\$15,023,500	Total	

**TOWN OF FRANKLIN
FINANCE COMMITTEE
FISCAL 2021**

APPROVAL OF RESOLUTION: Borrowing Authorization

Does the Finance Committee vote to recommend the subject matter of the sum of Fifteen Million Twenty-Three Thousand Five Hundred Dollars (\$15,023,500) in borrowing authorization capacity for town capital projects, as listed in the attached spreadsheet, be recommended to the Town Council for further consideration ?

ACTION OF THE FINANCE COMMITTEE

VOTE TO RECOMMEND:

DATE OF MEETING _____

UNANIMOUS _____

YES _____ NO _____

ABSTAIN _____

FINANCE COMMITTEE CHAIR

ABSENT _____

PASSED: UNANIMOUS - JUNE 4, 2020



Sponsor: Administration

TOWN OF FRANKLIN

RESOLUTION 20-37

Authorizing the Borrowing of Money to Pay Costs of Various Capital Improvements

WHEREAS, The Town Council has been advised of a need to make various capital improvements to Town facilities and other assets,

NOW THEREFORE BE IT ORDERED by the Town Council of the Town of Franklin that:

- (1) \$1,400,000 is appropriated to pay costs of making extraordinary repairs to the Municipal Building, including, but not limited to, replacing windows, restroom renovations, carpet replacement, improving mechanicals systems, and the payment of all other costs incidental or related thereto; and that to meet this appropriation the Treasurer-Collector with the approval of the Town Administrator is authorized to borrow \$1,400,000 under G.L. c.44, §7(1), or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
- (2) \$3,123,000 is appropriated to pay costs of making technology upgrades, including, but not limited to, improvements to school systems to address emergency and remote learning needs, sustainability improvements to the Town-wide network, and the payment of all other costs incidental or related thereto; and that to meet this appropriation the Treasurer-Collector with the approval of the Town Administrator is authorized to borrow \$3,123,000 under G.L. c.44, §7(9), or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
- (3) \$2,000,000 is appropriated to pay costs of planning, designing, engineering, constructing and reconstructing sidewalks throughout the Town, including, but not limited to, sidewalk improvements on Beaver and Washington Streets, and the payment of all other costs incidental or related thereto; and that to meet this appropriation the Treasurer-Collector with the approval of the Town Administrator is authorized to borrow \$2,000,000 under G.L. c.44, §7(1), or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
- (4) \$3,000,000 is appropriated to pay costs of roof reconstruction and replacing the boilers, basketball court and fire alarms at the Remington-Jefferson campus, and for the payment of all other costs incidental or related thereto; and that to meet this appropriation the Treasurer-Collector with the approval of the Town Administrator is authorized to borrow \$3,000,000 under G.L. c.44, §7(1), or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.

- (5) \$1,000,000 is appropriated to pay costs of replacing the boilers and making playground improvements at the Parmenter School, including the payment of all other costs incidental or related thereto; and that to meet this appropriation the Treasurer-Collector with the approval of the Town Administrator is authorized to borrow \$1,000,000 under G.L. c.44, §7(1), or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
- (6) \$1,500,000 is appropriated to pay costs of making capital improvements and replacing capital equipment at the High School, including the payment of all other costs incidental or related thereto; and that to meet this appropriation the Treasurer-Collector with the approval of the Town Administrator is authorized to borrow \$1,500,000 under G.L. c.44, §7(1), or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
- (7) \$3,000,000 is appropriated to pay costs of planning, designing and reconstructing the Beaver Street recycling center, including the payment of all other costs incidental or related thereto; and that to meet this appropriation the Treasurer-Collector with the approval of the Town Administrator is authorized to borrow \$3,000,000 under G.L. c.44, §7(1), or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
- (8) Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with M.G.L. c. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.
- (9) This Resolution shall become effective according to the rules and regulations of the Town of Franklin Home Rule Charter.

DATED: _____, 2020

VOTED: _____

UNANIMOUS: _____

A TRUE RECORD ATTEST:

YES: _____ **NO:** _____

ABSTAIN: _____ **ABSENT:** _____

RECUSED: _____

Teresa M. Burr, CMC
Town Clerk

Glenn Jones, Clerk
Franklin Town Council