



FRANKLIN TOWN COUNCIL

Agenda & Meeting Packet

April 24, 2019

Municipal Building
Council Chambers
355 East Central Street
2nd Floor
7:00 PM

1. ANNOUNCEMENTS

- a. *This meeting is being recorded by Franklin TV and show on Comcast channel 11 and Verizon Channel 29. This meeting may be recorded by others.*

2. CITIZEN COMMENTS

- a. *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.*

3. APPROVAL OF MINUTES

- a. April 10, 2019

4. PROCLAMATIONS/RECOGNITIONS

- a. Swearing in of Police Officers

5. APPOINTMENTS- None

6. HEARINGS- None

7. LICENSE TRANSACTIONS - None

8. PRESENTATIONS/DISCUSSIONS

- a. Old Meeting House on Washington Street Discussion

9. SUBCOMMITTEE REPORTS

- a. Capital Budget Subcommittee
- b. Budget Subcommittee
- c. Economic Development Subcommittee

10. LEGISLATION FOR ACTION

- a. Bylaw Amendment 19-841: Municipal Service Fees- Ten Day Recycling Sticker- **1st Reading (Motion to Move Bylaw Amendment 19-847 to a 2nd Reading- Majority Vote (5))**

11. TOWN ADMINISTRATOR'S REPORT- S&P Bond Rating

12. FUTURE AGENDA ITEMS

13. COUNCIL COMMENTS

14. EXECUTIVE SESSION - *Collective Bargaining: All Municipal Units*

Pending Litigation: Litigation Challenging Current GR-V Zoning at 278-300 West Central Street

15. ADJOURN

Note:

Two-Thirds Vote: requires 6 votes

Majority Vote: requires majority of members present and voting

**FRANKLIN TOWN COUNCIL
MINUTES OF MEETING
April 10, 2019**

A meeting of the Town Council was held on Wednesday, April 10, 2019, at the Franklin Municipal Building, 355 East Central Street, Franklin, Massachusetts. Councilors present: Patrick Casey, Robert Dellorco, Melanie Hamblen, Glenn Jones, Matthew Kelly, Eamon McCarthy Earls, Thomas Mercer, Peter Padula, Deborah Pellegrini. Councilors absent: None. Administrative personnel in attendance: Jeffrey Nutting, Town Administrator; Jamie Hellen, Deputy Town Administrator; Mark Cerel, Town Attorney; Chrissy Whelton, Administrative Assistant.

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

ANNOUNCEMENTS: ► Chairman Mercer 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.

CITIZEN COMMENTS: *None.*

APPROVAL OF MINUTES: ► *March 13, 2019 and March 20, 2019.* ► **MOTION to Approve** the March 13, 2019 meeting minutes by **Dellorco. SECOND** by **Kelly. No Discussion.** ► **VOTE: Yes-7, No-0, Absent-0, Abstained-2.** (Mr. Padula and Ms. Pellegrini abstained.) ► **MOTION to Approve** the March 20, 2019 meeting minutes by **Dellorco. SECOND** by **Padula. No Discussion.** ► **VOTE: Yes-7, No-0, Absent-0, Abstained-2.** (Mr. Mercer and Ms. Pellegrini abstained.)

PROCLAMATIONS/RECOGNITIONS: *None.*

APPOINTMENTS: *None.*

HEARINGS: ► **Zoning Bylaw Amendment 19-837: Zoning Map Changes from General Residential V to Single Family Residential IV an Area on or Near West Central Street.** ► Mr. Cerel stated that at the last meeting when the Town Council referred this to the Planning Board, there was a pending lawsuit related to this proposed development within this existing zoning district. He stated that we have very recently received notice of additional litigation; he has not had an opportunity to analyze it. In light of that, he recommended this hearing be continued to a future date and time. ► Mr. Nutting suggested 30 days. ► Chairman Mercer stated the agendas in May are very full; he is thinking the first meeting in June. ► **Chairman Mercer declared the hearing open.** ► **MOTION to Continue** the hearing for Zoning Bylaw Amendment 19-837: Zoning Map Changes from General Residential V to Single Family Residential IV an Area on or Near West Central Street to June 5, 2019, at 7:10 PM, by **Kelly. SECOND** by **Dellorco. No Discussion.** ► **VOTE: Yes-9, No-0, Absent-0.**

LICENSE TRANSACTIONS: *None.*

PRESENTATIONS/DISCUSSIONS: ► **Veterans' Agent Presentation.** ► Mr. Dale Kurtz, Veterans' Services Officer, presented a slideshow presentation. He stated the primary mission of the Veterans' Services Officer is to administer benefits to qualifying veterans and/or dependents under MGL Chapter 115 and assist veterans and dependents with VA benefits. He reviewed some additional benefits provided by the State. He stated that he also works with veterans and dependents on housing and possible less expensive medical rates. He stated the office was very busy and he reviewed the number of calls, claims and visits the office receives. He noted that \$4.3 million in VA benefits were paid to Franklin veterans and families in FY 2018; it is not all from his office, but his office helps. He stated that he also works for the Town of Avon and for Norfolk County and he reviewed his responsibilities in helping veterans. He stated that the discharge document DD

Form 214 is the most important document for a veteran. He encouraged family members of veterans to know where this document is in case of emergency. He stated that hearing loss is one of the most sought-after disability claims at this time. He mentioned his office can provide rides to medical appointments for veterans. He asked those in need to call a few days to one week in advance. They need drivers to provide this service. He reviewed the new War Memorial in the Town Common. He asked that no decorations or plantings be put around the War Memorial as this is the common practice among War Memorials. He reviewed the Veterans Council programs and some upcoming events. He reviewed some of the gift funds and programs he uses to help veterans. He discussed the Chair of Honor. He recognized the American Legion Edward L. Grant Post 75 and Veterans of Foreign Wars Post 3402 for their support. He reviewed available community activities. He stated that he visits schools and discusses military careers. He discussed Honor Flight. Information about VA services is available on the website or call his office. ► Ms. Pellegri thanked Mr. Kurtz for all he does for the Town, and she recognized Deborah for her help. ► Mr. Dellorco thanked Mr. Kurtz for all he does; he thanked all veterans for their service. ► Mr. Casey asked how many veterans live in Franklin. ► Mr. Kurtz stated that just under 1,300 have reported on the census. He would like every veteran to identify on the census. ► Mr. Jones thanked Mr. Kurtz for all his hard work. ► Chairman Mercer thanked Mr. Kurtz.

SUBCOMMITTEE REPORTS:

- a. *Capital Budget.* ► Mr. Dellorco stated that he had nothing to report at this time.
- b. *Budget.* ► Mr. Padula stated that he expects that by next month he will be setting the meeting for probably sometime in June.
- c. *Economic Development.* ► Mr. Kelly stated that he had nothing to report at this time.

LEGISLATION FOR ACTION:

Note: Two-Thirds Vote requires six votes; Majority Vote requires majority of members present and voting.

- a. *Resolution 19-27: Appropriation & Borrowing Well 3 & 6 Water Treatment Plant (Motion to Approve Resolution 19-27-Two-Thirds Majority Roll Call Vote (6)).* ► Mr. Jones read the resolution. ► **MOTION to Approve** Resolution 19-27: Appropriation & Borrowing Well 3 & 6 Water Treatment Plant by **Kelly**. **SECOND** by **Dellorco**. **Discussion:** ► Mr. Nutting stated that this issue has been talked about for over one year. This is to allow the authorization of the bond and with the next resolution to apply for the State Revolving Fund Loan which has an interest rate of 2 percent for the bond which is below market. ► Mr. Earls requested Mr. Nutting discuss the current bond outlook for the Town. ► Mr. Nutting stated this bond will be paid back through water fees, so it does not affect the General Fund bond issues. The same goes for sewer. He stated that as far as the General Fund bonds, the policy is to not exceed 3.5 percent of the General Fund revenues, and we are under 2 percent. ► **ROLL CALL VOTE:** Casey-YES; Dellorco-YES; Hamblen-YES; Jones-YES; Kelly-YES; Earls-YES; Mercer-YES; Padula-YES; Pellegri-YES. ► **VOTE: Yes-9, No-0, Absent-0.**
- b. *Resolution 19-28: Grove Street Water Treatment Plant (Motion to Approve Resolution 19-28-Majority Vote (5)).* ► **MOTION to Waive** the reading by **Padula**. **SECOND** by **Kelly**. **No Discussion.** ► **VOTE: Yes-9, No-0, Absent-0.** ► **MOTION to Approve** Resolution 19-28: Grove Street Water Treatment Plant by **Kelly**. **SECOND** by **Padula**. **Discussion:** ► Mr. Nutting stated this is just paperwork required for the loan. ► **VOTE: Yes-9, No-0, Absent-0.**
- c. *Resolution 19-29: Appropriation Sewer Enterprise Fund Beaver Street Interceptor (Motion to Approve Resolution 19-29-Majority Vote (5)).* ► Mr. Jones read the resolution. ► **MOTION to Approve** Resolution 19-29: Appropriation Sewer Enterprise Fund Beaver Street Interceptor by **Padula**. **SECOND** by **Dellorco**. **Discussion:** ► Mr. Nutting stated \$156,700 is for a study for the Beaver Street Interceptor which is over 100 years old. It is in a swamp next to a railroad track. We are trying to be proactive and look at alternative ways to replace/relocate the pipe ahead of it actually breaking someday. The study will take approximately one year and a final report will be provided to the Town Council. ► Mr. Kelly stated it cost the Town of Plymouth \$48 million to fix their line when it broke. We need to

pay attention to this very old line. He thinks this is a smart move to have the study and figure out options. ► Mr. Hellen stated this is just to look at options; it is a long and steady project. ► Mr. Earls asked that the study look at using highway medians as a route. ► **VOTE: Yes-9, No-0, Absent-0.**

- d. Resolution 19-30: Acceptance of Gift-Veterans Services (Motion to Approve Resolution 19-30-Majority Vote (5)).* ► Mr. Jones read the resolution. ► **MOTION to Approve** Resolution 19-30: Acceptance of Gift-Veterans Services of a donation of \$50,300 from the Franklin Post 3402 VFW to be used for the Franklin Memorial Path Fund by **Padula. SECOND** by **Dellorco. Discussion:** ► Mr. Kurtz stated this is revenue from the sale of the bricks for the walkway collected through the VFW. He thanked the VFW and everyone who purchased a brick or made a donation. ► Ms. Pellegrini stated that it should have been included in the resolution that the donation was from the proceeds of the brick sales. ► Mr. Hellen stated it is stated that it was from the Franklin Memorial Path Fund. He stated he will clarify it with the Comptroller to make sure there is a notation. ► **VOTE: Yes-9, No-0, Absent-0.**
- e. Zoning Bylaw Amendment 19-837: Zoning Map Changes from General Residential V to Single Family Residential IV an Area on or Near West Central Street-1st Reading (Motion to Move Zoning Bylaw Amendment 19-837 to a 2nd Reading-Majority Vote (5)).* ► Chairman Mercer stated this is a moot point as the hearing is still open and continued to June 5, 2019; this legislation for action will get moved to June, as well
- f. Bylaw Amendment 19-838: Amendment to the Franklin Town Code at Ch. 153 Stormwater Management-1st Reading (Motion to Move Bylaw Amendment 19-838 to a 2nd Reading-Majority Vote (5)).* ► **MOTION to Waive** the reading by **Padula. SECOND** by **Kelly. No Discussion.** ► **VOTE: Yes-9, No-0, Absent-0.** ► **MOTION to Move** Bylaw Amendment 19-838: Amendment to the Franklin Town Code at Ch. 153 Stormwater Management to a 2nd Reading by **Kelly. SECOND** by **Dellorco. Discussion:** ► Mr. Brutus Cantoreggi, Department of Public Works Director, stated this is general language regarding illicit discharges to the municipal storm drain system required to be in compliance with an NPDES Storm Water Discharge permit that must be put into the general bylaws. ► Mr. Nutting stated that it basically says you cannot illegally dump into the stormwater or drain system. ► **VOTE: Yes-9, No-0, Absent-0.**
- g. Bylaw Amendment 19-839: Municipal Service Fees - Recycling Sticker Rate Increase – 2nd Reading (Motion to Adopt Bylaw Amendment-Majority Roll Call Vote (5)).* ► **MOTION to Waive** the reading by **Padula. SECOND** by **Kelly. No Discussion.** ► **VOTE: Yes-9, No-0, Absent-0.** ► **MOTION to Adopt** Bylaw Amendment 19-839: Municipal Service Fees - Recycling Sticker Rate Increase by **Kelly. SECOND** by **Dellorco. Discussion:** ► Mr. Nutting stated that this is driven by the recycling mess that was discussed at the last meeting. The Town used to get paid for recycling; now we have to pay for it. This is reflected in the curbside and Beaver Street costs. To make the budget balance, we are asking for a rate increase. ► **ROLL CALL VOTE:** Casey-YES; Dellorco-YES; Hamblen-YES; Jones-YES; Kelly-YES; Earls-YES; Mercer-YES; Padula-YES; Pellegrini-YES. ► **VOTE: Yes-9, No-0, Absent-0.**
- h. Bylaw Amendment 19-840: Municipal Service Fees - Curbside Trash/Recycling Rate Increase – 2nd Reading (Motion to Adopt Bylaw Amendment 19-840-Majority Roll Call Vote (5)).* ► **MOTION to Waive** the reading by **Padula. SECOND** by **Kelly. No Discussion.** ► **VOTE: Yes-9, No-0, Absent-0.** ► **MOTION to Adopt** Bylaw Amendment 19-840: Municipal Service Fees - Curbside Trash/Recycling Rate Increase by **Kelly. SECOND** by **Dellorco. Discussion:** ► Mr. Nutting requested an amendment to increase the rate to \$248 instead of to \$240. He stated that when he reviewed this, he discovered that one of the budgeted items was not in his formula; accordingly, another \$70,000-plus is needed to balance the budget, which is an additional \$8.00. ► Chairman Mercer confirmed this means the amendment would be increased from \$240 to \$248, annually. ► **MOTION to Amend** Bylaw Amendment 19-840: Municipal Service Fees - Curbside Trash/Recycling Rate Increase from \$240 to \$248, under the term *Rate*, by **Kelly. SECOND** by **Dellorco. No Discussion.** ► **VOTE (to amend the proposed bylaw amendment): Yes-9, No-0, Absent-0.** ► **MOTION to Adopt** Bylaw Amendment 19-840: Municipal

Service Fees - Curbside Trash/Recycling Rate Increase, As Amended, by **Kelly. SECOND** by **Padula. No Discussion:** ► **ROLL CALL VOTE:** Casey-YES; Dellorco-YES; Hamblen-YES; Jones-YES; Kelly-YES; Earls-YES; Mercer-YES; Padula-YES; Pellegrini-YES. ► **VOTE: Yes-9, No-0, Absent-0.**

TOWN ADMINISTRATOR'S REPORT: ► Mr. Hellen stated that April 27, 2019, is Earth Day at Beaver Pond starting at 9:00 AM and with activities at DelCarte, as well. ArtWeek Festival starts that night; it will be the first time Franklin has food trucks; there will be entertainment on the Town Common. He announced that the Town Administration and the Superintendent of Schools formerly made the joint facilities agreement, in perpetuity. It is an agreement the Town made about 10 to 15 years ago to merge the operations of the Town Facilities Department with the School Facilities Department. That agreement, while not technically expired, needed to be reauthorized. It has been a great thing for the Town and the Schools. ► Chairman Mercer, regarding the joint facilities agreement, stated that as a former School Committee member, he knows that in the 1990s the school facilities were in disrepair. One main reason the schools are in such great shape now is because of this joint agreement. He stated that very few towns have ever done this. He stated that two of the Town's best decisions were to have the Town Administrator and Superintendent of School's offices next to each other in the same building and this joint facilities agreement.

FUTURE AGENDA ITEMS: ► Mr. Nutting stated that Ms. Pellegrini had asked to talk about the Old South Meeting House. He thought that maybe it could be put on the next meeting agenda. He was thinking of informing all the neighbors and having the building open from 5:30-6:30 PM for anyone, including Town Council members, to visit, and then having the Town Council meeting here at the Chambers at 7:00 PM.

COUNCIL COMMENTS: ► Ms. Hamblen reiterated Taste of ArtWeek on April 27, 2019. Tickets to the food trucks and beer garden available at randomsmile.org; all proceeds go to the Random Smile Project. She stated that Ryan Jette and the Community Garden group are looking for volunteers to rebuild some of the beds this Saturday at 9:00 AM at the community garden on King Street. They did a few last week and will try to do a few more this week. ► Mr. Casey asked where additional information on Earth Day activities could be found. ► Mr. Hellen stated he was not sure if there was anything on the website, but there is social media outreach on the event. He noted the event starts at 9:00 AM at Beaver Street where the bags and rakes will be distributed for the cleanup. Something comprehensive will be put out about the event. ► Mr. Dellorco asked how everything went with the Keller Sullivan sprinkler head issue. ► Mr. Nutting stated the sprinkler head was installed by an outside contractor and for some reason it went loose again. The insurance company is doing the cleanup and they hired a company to investigate. They were told it was a problem across the country with the sprinkler head. The students missed one day of school. ► Ms. Pellegrini asked if Town Council members were notified of the sprinkler situation. She stated she found out from the street and she does not like that. When something happens, she asked that the Town Council members be notified so that when residents call, the Town Council members can answer correctly. She stated that the Town Clerk's office has many of the DD Form 214; if people are looking for them, they can check there. She noted that it is important for the spouses of veterans to be in touch as they are also qualified for benefits. This information is important on the census so Mr. Kurtz can do a printout and get in touch with the spouses. ► Mr. Padula stated that in defense of the Administration, the Town Council members usually get notified of situations. But, going forward, the Administration should send out notifications when there are issues. ► Mr. Jones wished his daughter and wife a safe journey in their trip to Haiti. ► Mr. Kelly expressed concern that Franklin TV only broadcasts meetings until 10:00 PM and then the meeting broadcast shuts off. The townspeople pay their cable bills; a portion of each cable bill goes to pay for Franklin TV upgrades. He wants this fixed; there is always something going wrong. There needs to be accountability with Franklin TV. He also discussed the facilities issues with the school. He stated that someone needs to be held accountable. He stated that the Facilities Director has had three strikes and he should hit the road; he has no confidence in the Facilities Director. Every time there is a shrug of the shoulders with no real answers. ► Chairman Mercer stated that he attended last night's meeting, along with Mr. Jones, and was listening to the School Committee discussion when Mr. Kelly texted him to let him know the video feed went down. He talked to Chris who was in the studio. He learned that they have to set a time period for meetings; for whatever reason, it has been set at three hours. That is the allotment the cable people have been put on. He does not know under

whose direction the three hours was determined. He is sure Mr. Nutting and Mr. Hellen will get to the bottom of it. He agrees with Mr. Kelly that it was a shame to see the video feed end before the meeting ended. He stated that there have been cable issues three times this year with meetings that were very important for the public to be aware of what is going on. Fortunately, last night's tape of the meeting did continue, so the replay will have the last people who spoke. However, that still does not fix the immediate need to adjust the time frame for the meetings. He noted that many Town Council members have received emails, letters, and phone calls with concerns about the subdivision development on Maple Street. In response, there is a public hearing on April 22, 2019, at the Planning Board. The project is under the Planning Board's domain at this point. It does not involve any votes of the Town Council. But, the Town Council members are the community's representatives; they will respond to everyone who contacts them.

EXECUTIVE SESSION: *None.*

ADJOURN: ► MOTION to Adjourn by Kelly. SECOND by Dellorco. No Discussion. ► VOTE: Yes-9, No-0, Absent-0. Meeting adjourned at 8:06 PM.

Respectfully submitted,

Judith Lizardi
Recording Secretary

OFFICE OF THE TOWN ADMINISTRATOR



MEMORANDUM

DATE: April 11, 2019
TO: Neighbors of the Old South Meeting Church, Historical Commission Members
FROM: Jeffrey D. Nutting, Town Administrator
Jamie Hellen, Deputy Town Administrator
RE: Discussion about the future of the Old Meeting House on Washington Street

As you are well aware the Meeting House at 762 Washington Street has been vacant for a long time. The Town Council will have a discussion on the potential future use of the property at their meeting on April 24, 2019. We would very much like to hear from you on this matter. The intent of the meeting is to listen to ideas, suggestions and concerns prior to the Town Council considering any future action on the matter.

Prior to the meeting the church will be open for viewing 5:00-6:15 PM on April 24, 2019. The meeting to discuss the matter will be held immediately after at 7:10 pm in the Town Council Chambers.

The town did have an architect review the building in 2015 and estimated at the time the cost for the Town (subject to all public bid laws) to bring the building into compliance with all building, wiring, plumbing, handicap accessibility etc. codes would be about \$500,000. Since then building construction prices have risen so the cost will be higher. The full report can be found at https://www.franklinma.gov/sites/franklinma/files/uploads/old_south_meeting_house_on_washington_street_1.pdf

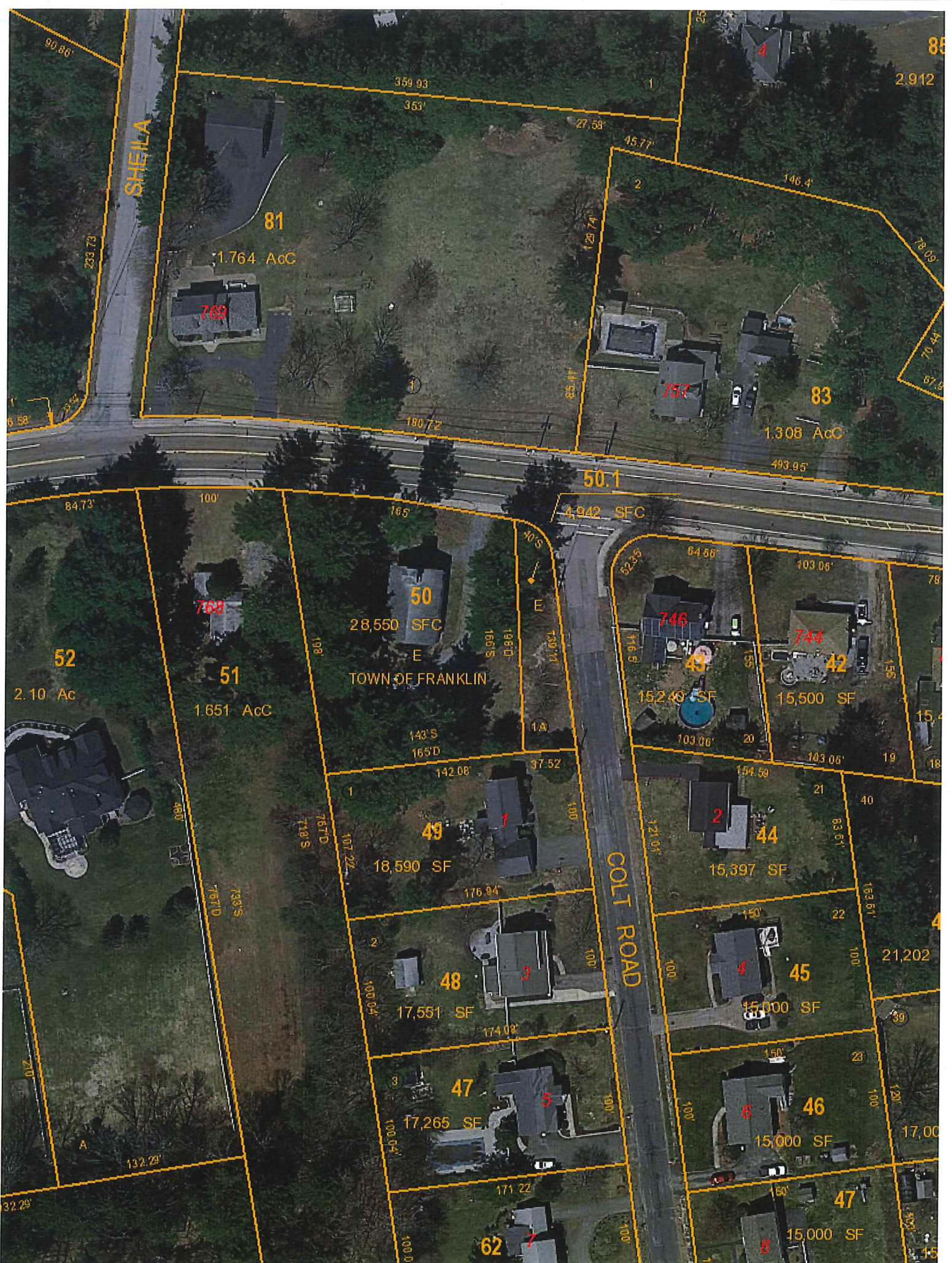
Past discussions with the Historical Commission and others did not lead to any practical suggested reuse given the cost to renovate the building, limited parking, site lines looking west on Washington Street and the limited use the building has had over the years relative to peace and quiet of the neighbors.

The building does not meet current zoning requirements for residential or commercial use. The current zoning is RRI that requires 200 feet of frontage and 40,000 square feet of land. The only allowed use without a variance from the Zoning Board of Appeals would be for religious or educational use.

The Town did construct a water booster station in the rear of the property (funds provided from the developer of Oak Hill Condo's) and will maintain the station no matter what decision is made about the future of the Church.

We would appreciate your attendance and comments. Please pass this information along to others that may be interested in the matter. I am happy to answer any questions you may have prior to the meeting.

Cc Town Council
Historical Commission



OFFICE OF THE TOWN ADMINISTRATOR



MEMORANDUM

DATE: April 11, 2019
TO: Town Council
FROM: Jeffrey D. Nutting, Town Administrator
Jamie Hellen, Deputy Town Administrator
RE: Temporary Passes at Beaver Street Recycling Center

A few years ago we instituted on a trial basis a \$10 fee for a two week pass at the recycling center. The Council did not officially adopt a fee at that time. We are now on our second year and during the trial period there have been about 240 stickers sold per year. By way of comparison we sell about 2,500 annual stickers.

The feedback from the staff is that most of the temporary stickers are folks cleaning out their house prior to moving.

At this point it seems we should either cancel the program due to the low utilization or adopt a fee of \$25 for a 10 day sticker.

I am happy to answer any questions you may have.



**TOWN OF FRANKLIN
BYLAW AMENDMENT 19-841**

CHAPTER 82, MUNICIPAL SERVICE FEES

A BYLAW TO AMEND THE CODE OF THE TOWN OF FRANKLIN AT CH. 82

BE IT ENACTED BY THE FRANKLIN TOWN COUNCIL THAT: Chapter 82 of the Code of the Town of Franklin, Section 6 "Schedule of service fees" is hereby amended (add underlined text, delete struck).

§ 82-6. Schedule of service fees.

DEPARTMENT	FEE	<u>FY20 RATE</u>
Public Works		
	<u>Beaver Street Recycling Center (Ten Day Sticker Fee)</u>	<u>\$25</u>

This bylaw amendment shall become effective July 1, 2019.

DATED: _____, 2019

VOTED:
UNANIMOUS _____

YES _____ **NO** _____

A True Record Attest:

ABSTAIN _____

ABSENT _____

RECUSED _____

**Teresa M. Burr
Town Clerk**

**Glenn Jones, Clerk
Franklin Town Council**

Summary:

**Franklin, Massachusetts; General
Obligation**

Primary Credit Analyst:

Timothy W Barrett, Washington D.C. (1) 202-942-8711; timothy.barrett@spglobal.com

Secondary Contact:

Christian Richards, Boston (1) 617-530-8325; christian.richards@spglobal.com

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Rationale

Outlook

Related Research

Summary:

Franklin, Massachusetts; General Obligation

Credit Profile

US\$10.11 mil GO mun purp loan of 2019 bnds due 05/15/2044

Long Term Rating AA+/Stable New

Franklin Twn GO

Long Term Rating AA+/Stable Affirmed

Rationale

S&P Global Ratings assigned its 'AA+' long-term rating, and stable outlook, to Franklin, Mass.' series 2019 municipal-purpose general obligation (GO) bonds.

At the same time, S&P Global Ratings affirmed its 'AA+', and stable outlook, on the town's GO debt outstanding.

Franklin's full-faith-and-credit GO pledge, subject to Proposition 2-1/2 limitations, secures the series 2019 bonds. Despite commonwealth levy-limit laws, we did not make a rating distinction between Franklin's limited-tax GO pledge and general creditworthiness because our analysis of its financial and economic conditions already includes the tax limitation imposed on its revenue-raising ability. Proceeds from the GO bond issue will be used to permanently finance previously issued BANs which were used to fund the town's library project.

At the same time, the town is issuing \$1.1 million in GO BANs that we have not been asked to rate. The BANs currently being issued will be used to fund various improvements. Following this issuance, this series will be the only BAN outstanding.

The rating reflects our opinion of Franklin's strong and balanced finances, supported by a very strong, growing, and affluent property tax base, in addition to a strong management team that maintains a number of formalized financial policies and practices. In addition, due to conservative capital-project management through the annual budget process, the town has maintained a favorable debt profile, in our view, coupled with manageable costs. Somewhat offsetting these strengths is what we consider to be the weak funded ratio of Norfolk County Retirement System, which the town participates in, as well as a weak funded other-postemployment-benefits (OPEB) ratio, resulting in projected annual payment increases.

In our view the long-term rating reflects our opinion of the town's:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with "good" financial policies and practices under our Financial Management Assessment methodology;
- Strong budgetary performance, with a slight operating surplus in the general fund and break-even operating results at the total governmental fund level in fiscal 2018;

Summary: Franklin, Massachusetts; General Obligation

- Strong budgetary flexibility, with an available fund balance in fiscal 2018 of 10.0% of operating expenditures;
- Very strong liquidity, with total government available cash at 15.0% of total governmental fund expenditures and 3.1x governmental debt service, and access to external liquidity we consider strong;
- Strong debt and contingent liability position, with debt service carrying charges at 4.8% of expenditures and net direct debt that is 61.6% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value; and
- Strong institutional framework score.

Very strong economy

We consider Franklin's economy very strong. The town, with an estimated population of 33,339, is located in Norfolk County in the Boston-Cambridge-Newton, MA-NH MSA, which we consider to be broad and diverse. The town has a projected per capita effective buying income of 152% of the national level and per capita market value of \$158,187. Overall, the town's market value grew by 4.3% in 2018 to \$5.3 billion in 2019. The county unemployment rate was 3.3% in 2017.

Franklin is located about 30 miles from Boston and Providence, and residents have access to I-95 and I-495 and the Massachusetts Turnpike. The town is served by commuter rail service to Boston. Most of Franklin lies within the Charles River watershed. In recent years, the town has invested in revitalizing its downtown area to foster economic development, which management indicates should continue to fuel good growth. The tax base is very diverse and values reflect the town's strong real estate and commercial and industrial base.

Strong management

We view the town's management as strong, with "good" financial policies and practices under our Financial Management Assessment methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

Highlights include the finance department's monthly monitoring and reporting of budget-to-actual results and investment (earnings and holdings) performance on a monthly basis, as well as a reserve policy that establishes a stabilization fund floor of \$5 million, or 5% of recurring general fund revenue (less debt exclusions and MSBA reimbursement). In addition, the town maintains a five-year financial report and a five-year capital improvement plan that is updated annually with funding sources identified. The town also maintains a couple debt affordability guidelines that limit net general fund debt service to 3.5% of operating revenues (less debt exclusions and Massachusetts School Building Authority [MSBA] reimbursements).

Strong budgetary performance

Franklin's budgetary performance is strong in our opinion. The town had slight surplus operating results in the general fund of 1.3% of expenditures, and balanced results across all governmental funds of 0.3% in fiscal 2018.

Our performance analysis accounts for adjustments to general fund and governmental fund revenues and expenditures, reflecting recurring transfers in and out of the general fund as well as bond proceeds used for capital expenditures.

Fiscal 2018 closed with a strong surplus of \$1.6 million due to strong local receipts. In total, revenues came in about

\$2.0 million above budget, while expenses came in about \$1.4 million below budget. The largest drivers of the positive variance in revenues consisted of motor vehicle excise taxes, charges for services, licensing and permits, and better-than-expected delinquent property taxes. Expenses were under budget primarily because of conservative budget assumptions across departments.

For fiscal 2019, management indicates it expects to end the year with balanced operations and without a material change to reserves.

The fiscal 2020 general fund budget, which will be adopted in May, is expected to be structurally balanced. Management indicates that there is one noteworthy operational change in the form of a newly created regional dispatch center that is expected to open during the summer. The dispatch center will serve a number of area towns including Franklin, and is expected to be revenue neutral to the town.

Property taxes are the town's primary revenue source, accounting for nearly two-thirds of general fund revenue. Current-year collections remain what we view as strong, typically exceeding 99%, providing the town with a stable and predictable revenue source.

We expect the town to maintain adequate or strong budgetary performance over the next few years because the budgetary environment is stable. Looking ahead, however, we believe future pensions costs will remain a budgetary pressure given the low funded ratio of the county-administered plan. We note management is actively managing these liabilities and making adjustments when needed. The town is funding the actuarially determined contributions and prefunding into other postemployment benefits (OPEBs). We believe these liabilities may strain future operations, particularly if economic or business conditions worsen and actuary assumptions are not met, revised, or found to be inadequate at current levels.

Strong budgetary flexibility

Franklin's budgetary flexibility is strong, in our view, with an available fund balance in fiscal 2018 of 10.0% of operating expenditures, or \$12.2 million.

Management currently has no plans to spend down its fund balance. We expect the fund balance to remain strong based on budgetary projections. Notably, the town council has adopted a policy of maintaining at least 5% of the general fund budget, or \$5 million in the general stabilization account, but we expect reserve balances to remain well in excess of policy targets.

Very strong liquidity

In our opinion, Franklin's liquidity is very strong, with total government available cash at 15.0% of total governmental fund expenditures and 3.1x governmental debt service in 2018. In our view, the town has strong access to external liquidity if necessary.

We believe Franklin's frequent debt issuance, including GO bonds, supports its strong access to external liquidity. The town does not have any liquidity risks from private-placement or direct-purchase obligations. In addition, we do not expect deterioration in its liquidity metrics over the next two fiscal years. Therefore, we expect Franklin will likely maintain its very strong liquidity profile.

Strong debt and contingent liability profile

In our view, Franklin's debt and contingent liability profile is strong. Total governmental fund debt service is 4.8% of total governmental fund expenditures, and net direct debt is 61.6% of total governmental fund revenue. Overall net debt is low at 2.4% of market value, which is in our view a positive credit factor.

Following this issuance, we estimate the town will have about \$97 million in total direct debt outstanding and will have authorized but unissued debt totaling about \$17 million for a variety of projects. While additional amounts could be authorized and issued over the next several years, based on current projections, we do not expect Franklin's net direct debt to materially change from current levels.

Franklin's combined required pension and actual OPEB contributions totaled 5.9% of total governmental fund expenditures in 2018. Of that amount, 3.5% represented required contributions to pension obligations, and 2.4% represented OPEB payments. The town made its full annual required pension contribution in 2018.

Franklin contributes to the Norfolk County Retirement System, a cost-sharing, multiemployer, defined-benefit pension plan. Using updated reporting standards in accordance with Governmental Accounting Standards Board Statement Nos. 67 and 68, the town's proportionate share of the net pension liability was about \$47.6 million with 63.5% funded as of fiscal 2018, based on an assumed rate of return of 7.75. Due to the low funded ratio, we believe contributions will likely continue to rise over the next few fiscal years.

Franklin also provides OPEBs to retirees. As of June 30, 2018, the town reported a net OPEB liability of \$73.9 million. The town has traditionally funded OPEBs through pay-as-you-go financing, but has been recently proactive in funding higher contributions into the plan. It paid \$2.8 million, or 2.3% of expenditures, which was 34% of the annual required contribution, in fiscal 2018. In addition to that amount, the town contributed \$1.1 million into the OPEB trust, which has a current balance of \$4.4 million.

Strong institutional framework

The institutional framework score for Massachusetts municipalities is strong.

Outlook

The stable outlook reflects what we view as the town's very strong liquidity position and strong budgetary flexibility. In addition, we believe Franklin's very strong economy and access to the Boston MSA lend stability to the tax base. Consequently, we do not expect to change the rating within the outlook's two-year time frame.

Upside scenario

All else being equal, if the town's economic metrics and budgetary flexibility improved to levels more commensurate with higher rated peers, this could lead to a positive rating action.

Downside scenario

Although unlikely, if management is unable to maintain structural balance, resulting in what we view as a period of sustained weak budgetary performance and flexibility, we could lower the rating.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015

Ratings Detail (As Of April 18, 2019)

Franklin Twn GO		
<i>Long Term Rating</i>	AA+/Stable	Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Summary: Franklin, Massachusetts; General Obligation

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