

AGENDA

A G E N D A
City of Franklin, Kentucky
City Commission

March 11, 2019
Regular Meeting – 12:00 Noon

City Hall Meeting Room
117 West Cedar Street
Franklin, Kentucky

- I. Call to Order and Member Roll Call**
- II. Opening Prayer** - Brian Staron, Franklin Church of Christ
- III. Approval of Minutes** - Approval of Meeting Minutes from February 25, 2019 Regular Session *Pg. 5*
- IV. Recognitions**
- V. Hear the Public**
- VI. Community Services**
 - Discussion regarding Proposed Neighborhood Walks *Pg. 11*
Presenter: Tammie Carey, Community Development Director
 - Update regarding Informational Videos *Pg. 16*
Presenter: Tammie Carey, Community Development Director
- VII. General Government**
 - Discussion regarding Fiscal Year 2017-2018 Audit *Pg. 19*
Presenter: Shaunna Cornwell, Finance Director
 - Discussion and/or possible action regarding Approval of Promissory Notes for Payment
Of Liens and Taxes *Pg. 52*
Presenter: Scott Crabtree, City Attorney
- VIII. Public Services**
- IX. Public Safety**
 - Discussion and/or possible action regarding Approval of Updates to Police Department Policies
and Procedures Manual *Pg. 59*
Presenter: Scott Crabtree, City Attorney
- X. Utilities**
 - Discussion regarding Purchase of Portable Flow Meters *Pg. 90*
Presenter: Kenny Massey, Water Distribution Supt.

XI. Ordinances

- Second Summary Reading of Ordinance No. 2019-004 entitled: *An Ordinance Of The Board Of Commissioners Of The City Of Franklin, Kentucky, Authorizing The Grant Of An Inducement For The Acquisition And Construction Of A Project Pursuant To The Kentucky Business Investment Program (KRS 154.32-010 To 154.32-100) Whereby The City Agrees To Forego The Collection Of The One Percent (1%) City Occupational License Fee On Wages From New Mather Metals, Inc. That Would Otherwise Be Due With Respect To Project Employees, Which Amounts Shall Be Collected And Remitted to the City to be Refunded Upon Employer's Request Over A Term Of Not Longer Than Ten (10) Years From The Activation Date Established By Said Program; And Taking Other Related Action* **Pg. 99**
- Second Summary Reading of Ordinance No. 2019-005 entitled: *An Ordinance Of The Board Of Commissioners Of The City Of Franklin, Kentucky, Authorizing The Grant Of An Inducement For The Acquisition And Construction Of A Project Pursuant To The Kentucky Business Investment Program (KRS 154.32-010 To 154.32-100) Whereby The City Agrees To Forego The Collection Of The One Percent (1%) City Occupational License Fee On Wages From Sumitomo Electric Wiring Systems, Inc. That Would Otherwise Be Due With Respect To Project Employees, Which Amounts Shall Be Collected and Remitted to the City to be Refunded Upon Employer's Request Over A Term Of Not Longer Than Ten (10) Years From The Activation Date Established By Said Program; And Taking Other Related Action* **Pg. 106**
- Second Summary Reading of Ordinance No. 2019-006 entitled: *An Ordinance Of The City Of Franklin, Kentucky Repealing And Re-Enacting Text And Substance Of Ordinance 2018-001 Regarding Sections 8.9.2, 8.15.2 And 8.15.3 Of The Zoning Regulations* **Pg. 113**
- Second Summary Reading of Ordinance No. 2019-007 entitled: *An Ordinance Amending the Annual Budget for the Fiscal Year Beginning July 1, 2018 and Ending June 30, 2019 by Estimating Revenues and Appropriations* **Pg. 117**
- Second Summary Reading of Ordinance No. 2019-008 entitled: *An Ordinance of the City of Franklin, Kentucky Approving an Interlocal Agreement Regarding Planning and Zoning and Authorizing the Mayor to Sign* **Presenter: Cathy Dillard, City Clerk Pg. 119**

XII. Executive Session

LAND ACQUISITION – Deliberations on the future acquisition or sale of real property by a public agency where publicity would be likely to affect the value of a specific piece of property to be acquired for public use or sold by a public agency {KRS 61.810(1)(b)}

BUSINESS – Discussions between a public agency a representative of a business entity concerning a specific proposal, where open discussions would jeopardize the siting, retention, expansion, or upgrading of the business {KRS 61.810(1)(g)}

PERSONNEL – Discussions or hearings which might lead to the appointment, discipline, or dismissal of an individual employee or member {KRS 61.810(1)(f)}

XIII. City Attorney Reports

XIV. City Manager Reports

XV. Other Commission Business

XVI. Adjournment

MINUTES

**MINUTES OF REGULAR SESSION
OF THE
CITY OF FRANKLIN
CITY COMMISSION**

February 25, 2019

**City Hall
117 West Cedar Street
Franklin, Kentucky**

The Franklin, Kentucky City Commission met in Regular Session at 12:00 Noon, Monday, **February 25, 2019**, in the City Hall meeting room located at 117 West Cedar Street, Franklin, Kentucky.

Members attending were as follows:

Mayor Larry Dixon	Present
Commissioner Jamie Powell	Present
Commissioner Herbert Williams	Present
Commissioner Brownie Bennett	Present
Commissioner Wendell Stewart	Present

Others present included City Manager Kenton Powell; City Attorney Scott Crabtree; City Personnel Director/Deputy Clerk, Rita Vaughn; City Finance Director, Shaunna Cornwell; City Police Chief, Roger Solomon; Public Works Superintendent Chris Klotter; City Clerk, Cathy Dillard; Tammie Carey, Community Development Director; Franklin Favorite/WFKN media representative, Keith Pyles; Simpson County Judge Executive Mason Barnes; Robert Palmer, Director of Emergency Management; Carter Munday, Chairman of F-S Planning & Zoning Commission; Audrey Phillips from Goodnight Memorial Library; Debbie Hill and Ellie Harbaugh from United Way of Southern Kentucky; and, Steve Thurmond, F-S Chamber of Commerce.

Mayor Dixon called the meeting to order at 12:00 Noon, and Chris Morgan from the United Methodist Church offered an opening prayer.

APPROVAL OF MINUTES

Motion was made by Commissioner Powell and seconded by Commissioner Bennett to approve the minutes as presented of the February 11, 2019, regular meeting of the Franklin City Commission.

Voting Aye: All. Motion carried unanimously.

COMMUNITY SERVICES

Steve Thurmond, Executive Director of the F-S Chamber of Commerce provided the Commission with a brief overview of upcoming Chamber activities. The community Health Fair is scheduled for Saturday, March 2, 2019, and the annual Garden Spot walk/run which takes place in August and attracts over 1,000 participants.

Debbie Hill and Ellie Harbaugh from United Way of Southern Kentucky provided an overview and statistical data for the 2-1-1 service in Simpson County. Ms. Harbaugh indicated the majority of calls received for Simpson County pertained to basic needs such as assistance with utility payments, housing and food.

Audrey Phillips from the Goodnight Memorial Library provided the Commission with an update of the progress of the extensive remodeling and rehabilitation of the Goodnight Memorial Library. The Library is currently undergoing major rehabilitation and renovation which could take over a year to complete.

Commissioner Stewart took this opportunity to thank United Way of Southern Kentucky for their commitment to the citizens of Franklin and Simpson County. He indicated that he had recently attended their annual meeting and had an opportunity to witness the numerous programs United Way offers to our community and thanked Debbie and Ellie for their hard work.

GENERAL GOVERNMENT

Community Development Director Tammie Carey asked the Commission to approve the annual renewal of Trend Micro antivirus software and Sonic Wall for wireless access devices at City Hall.

Motion was made by Commissioner Bennett and seconded by Commissioner Stewart to authorize the annual renewal of Trend Micro and Sonic Wall software and to further authorize the Mayor to sign any and all necessary documents for this annual renewal.

Voting Aye: All. Motion carried unanimously.

City Attorney Scott Crabtree asked the Commission for two sponsors of an ordinance to adopt amendments to the Planning & Zoning Regulations that were recently approved by the F-S Planning & Zoning Commission. Commissioner Powell and Commissioner Stewart agreed to sponsor the ordinance to approve the regulation amendments with first reading of the ordinance taking place in the ordinance portion of the meeting.

City Attorney Scott Crabtree asked the Commission for two sponsors of an ordinance authorizing the participation in the Kentucky Business Investment Program (KBI) for Sumitomo Electric Wiring Systems, Inc. Commissioner Powell and Commissioner Bennett agreed to sponsor the ordinance with first reading taking place in the ordinance portion of the meeting.

City Finance Director Shaunna Cornwell discussed the proposed revisions to the fiscal year 2019 operating budget. After the detailed discussion, Mrs. Cornwell asked for two sponsors of the proposed ordinance to amend the current fiscal year budget. Commissioner Powell and Commissioner Williams agreed to sponsor the ordinance with first reading taking place in the ordinance portion of the meeting.

City Manager Kenton Powell reminded everyone of the upcoming joint City/County meeting on Tuesday, March 5, 2019, at 12:00 Noon at Franklin City Hall.

PUBLIC SAFETY

Police Chief Roger Solomon asked the Commission to authorize and approve the purchase of six (6) Surface Pro 4 Tablets and associated equipment for police cruisers. The quote from ISTT, Inc. for the tablets, equipment and installation is \$10,974.00.

Motion was made by Commissioner Stewart and seconded by Commissioner Powell to authorize and approve the purchase of six (6) Surface Pro 4 Tablets with associated equipment and installation from ISTT, Inc. in the amount of \$10,974.00 and to further authorize the Mayor to sign any and all documents necessary to complete this purchase.

Voting Aye: All. Motion carried unanimously.

ORDINANCES

City Clerk Cathy Dillard provided second summary reading of Ordinance No. 2019-003 entitled *An Ordinance To Close The Public Way Known As The 0.090 Acre Tract Of Land Off The Northwest Side Of Edgewood Drive Approximately 412 Feet North Of Akin Avenue At 208 Edgewood Drive Known As Bart Street.*

Motion was made by Commissioner Bennett and seconded by Commissioner Stewart to approve Ordinance No. 2019-003 and unanimously approved by the following roll call vote:

Roll Call Vote:	Mayor Dixon	<u>Aye</u>
	Commissioner Powell	<u>Aye</u>
	Commissioner Williams	<u>Aye</u>
	Commissioner Bennett	<u>Aye</u>
	Commissioner Stewart	<u>Aye</u>

City Clerk Cathy Dillard provided first reading of the following ordinances:

Ordinance No. 2019-004 entitled: *An Ordinance Of The Board Of Commissioners Of The City Of Franklin, Kentucky, Authorizing The Grant Of An Inducement For The Acquisition And Construction Of A Project Pursuant To The Kentucky Business Investment Program (KRS 154.32-010 To 154.32-100) Whereby The City Agrees To Forego The Collection Of The One Percent (1%) City Occupational License Fee On Wages From New Mather Metals, Inc. That Would Otherwise Be Due With Respect To Project Employees, Which Amounts Shall Be Collected And Remitted to the City to be Refunded Upon Employer's Request Over A Term Of*

Not Longer Than Ten (10) Years From The Activation Date Established By Said Program; And Taking Other Related Action

Ordinance No. 2019-005 entitled: *An Ordinance Of The Board Of Commissioners Of The City Of Franklin, Kentucky, Authorizing The Grant Of An Inducement For The Acquisition And Construction Of A Project Pursuant To The Kentucky Business Investment Program (KRS 154.32-010 To 154.32-100) Whereby The City Agrees To Forego The Collection Of The One Percent (1%) City Occupational License Fee On Wages From Sumitomo Electric Wiring Systems, Inc. That Would Otherwise Be Due With Respect To Project Employees, Which Amounts Shall Be Collected And Remitted to the City to be Refunded Upon Employer's Request Over A Term Of Not Longer Than Ten (10) Years From The Activation Date Established By Said Program; And Taking Other Related Action*

Ordinance No. 2019-006 entitled: *An Ordinance Of The City Of Franklin, Kentucky Repealing And Re-Enacting Text And Substance Of Ordinance 2018-001 Regarding Sections 8.9.2, 8.15.2 And 8.15.3 Of The Zoning Regulations*

Ordinance No. 2019-007 entitled: *An Ordinance Amending the Annual Budget for the Fiscal Year Beginning July 1, 2018 and Ending June 30, 2019 by Estimating Revenues and Appropriations*

No action is taken on first reading of an ordinance.

EXECUTIVE SESSION

At 1:12 PM, motion was made by Commissioner Powell and seconded by Commissioner Bennett to enter into Executive Session for the purpose of:

1. Litigation – Discussion of proposed or pending litigation {KRS 61.810(1)(c)}
2. Personnel – Discussions or hearings which might lead to the appointment, discipline, or dismissal of an individual employee or member {KRS 61.810(1)(f)}
3. Land Acquisition – Deliberations on the future acquisition or sale of real property by a public agency where publicity would be likely to affect the value of a specific piece of property to be acquired for public use or sold by a public agency {KRS 61.810(1)(b)}

Voting Aye: All. Motion carried unanimously.

Entering Executive Session were Mayor Dixon; Commissioners Powell, Bennett, Williams and Stewart; City Manager Kenton Powell; City Attorney Scott Crabtree; and, Police Chief Roger Solomon.

Chief Solomon exited Executive Session at 1:30 PM.

At 1:55 PM, motion was made by Commissioner Powell and seconded by Commissioner Bennett to exit Executive Session and return to open session.

Voting Aye: All. Motion carried unanimously.

OTHER COMMISSION BUSINESS

Motion was made by Commissioner Powell and seconded by Commissioner Stewart to award the bid of the a new police cruiser to Hunt Ford in the amount of \$32,352.00 as the lowest and best responsive, responsible bidder and further authorized the Mayor to sign any and all documents necessary for this purchase.

Voting Aye: All. Motion carried unanimously.

Commissioner Stewart commented that he is concerned about the recent flooding issues in Franklin and wanted everyone to know the Commission is concerned.

Commissioner Williams asked if the City Manager would look into problematic driveways on Brevard Street. The City Manager indicated that he would look at the problems.

ADJOURNMENT

At 2:00 PM, motion was made by Commissioner Powell and seconded by Commissioner Stewart to adjourn the regular meeting of the Franklin City Commission.

Voting Aye: All. Motion carried unanimously.

Larry Dixon, Mayor
City of Franklin, Kentucky

Cathy Dillard, City Clerk
City of Franklin, Kentucky

COMMUNITY SERVICES



MEMO

TO: Mayor and Commissioners

FROM: Tammie Carey, Community Development Director

DATE: March 6, 2019

RE: Neighborhood Walk

Several years ago City officials participated in Neighborhood Walks where officials met and walked an area of the city to see issues, concerns, projects and chat with residents. The walks allow the Commissioners and city staff to walk in a neighborhood while meeting with the residents in a casual atmosphere.

We would like to bring this program back and schedule Walks for this spring and summer. The City is divided in to four sectors. The thought was to meet once in each sector. The proposed agenda would be:

6:00 pm	Meet and Walk the Neighborhood
7:00 pm	Hold City Commission meeting at a pavilion or area in the Neighborhood

Proposed dates are:

Monday, June 10
Monday, July 8
Monday, September 9
Monday, October 14

The Neighborhood Walk and Commission meeting would replace the meeting normally held at noon on that same day. In the event of inclement weather, the walk could be cancelled and the meeting held at City Hall.

Included are maps of each sector with a proposed meeting location and route. The route could change depending on needs or projects taking place in that sector.

I would like to get thoughts and input from the Commission regarding this proposal.











MEMO

TO: Mayor and Commissioners

FROM: Tammie Carey, Community Development Director

DATE: March 6, 2019

RE: Update on Informational Videos

Last February we began recording short videos to highlight city information. To date, we have recorded and posted 20 videos. Attached is the schedule of the videos that have been done.

This is a team effort as I work with department heads and employees on ideas and content. Then I record the segments and Rita Vaughn does the editing work. She then posts the videos on the City website and the City Facebook page.

I would like to do a series of videos entitled: "Meet your elected officials". These would be short, individual videos for each person to share who you are and what you hope to accomplish as an elected official. A proposed format would be:

- Introduce yourself
- How long have you served?
- Share a little about yourself
 - How long have you lived in Franklin
 - Family
 - Where did you go to school
 - Career
- Why you wanted to serve
- Goals for the City
- What you hope to accomplish while you are in office

If the commission is in agreement to do the videos, I will contact each of you later this week to schedule a date and time to meet with you and record.

VIDEO SCHEDULE

RECORD	DEPARTMENT	EMPLOYEE FEATURED	TOPIC	POST DATE
February 16, 2018	Administration	Kenton Powell	Welcome	February 27, 2018
February 23, 2018	Police	Dale Adams	What to do if pulled over	February 27, 2018
March 13, 2018	Water Distribution	Kenny Massey	Water Meters & Usage	March 14, 2018
March 20, 2018	Code Enforcement	Kevin Allen	Condemnation	April 2, 2018
April 9, 2018	Finance	Cortney Travelstead	Paying your Water Bill	April 16, 2018
April 24, 2018	Public Works	Darrell Mallory	Brush & Leaf Pick Up	May 4, 2018
May 15, 2018	Beautification	RH Perdue	Street Sweep, Trash, Painting	May 17, 2018
May 21, 2018	Planning & Zoning	Carter Munday	Accessory Structures	June 1, 2018
June 14, 2018	Public Works	Darrell Mallory	Mosquito Spraying	June 22, 2018
June 19, 2018	Finance	Daniel Reetzke	Business License	July 16, 2018
July 10, 2018	Police	Roger Solomon	Body Cams	July 17, 2018
July 17, 2018	Police/Public Works	Dale Adams & Darrell Mallory	Grass Clippings	August 3, 2018
September 11, 2018	Water Treatment	Jerry Farmer	Testing	September 20, 2018
September 19, 2018	Wastewater	Trent Coffee	Plant Process	September 28, 2018
October 8, 2018	Street	Steve Akin	Paving	January 10, 2019
December 12, 2018	Street	Doug Marklin	Leaf Pick-Up	January 10, 2019
December 13, 2018	Street	Darrell Mallory	Snow & Ice Preparation	January 10, 2019
January 8, 2019	Police	Dale Adams	Traffic Enforcement	January 10, 2019
January 28, 2019	Scott Waste	Pete Reckard	Pick-Up and Recycling	January 29, 2019
February 1, 2019	Water Distribution	Kenny Massey	Water Leak	February 7, 2019

GENERAL GOVERNMENT



MEMO

TO: Mayor and City Commissioners
FROM: Shaunna Cornwell, Finance Director
DATE: March 7, 2019
SUBJECT: Presentation of FY 17-18 City Audit

Mr. Kim Kirby of Kirby & Moore CPAs will be present at our next meeting to present the completed Fiscal Year 2017-2018 audit. Mr. Kirby will discuss the financial highlights of the report and will be available to answer any questions that you may have.

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Franklin, Kentucky
Management's Discussion and Analysis
Years Ended June 30, 2018 and 2017

As management of the City of Franklin (City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2018. The information contained in this MD&A should be considered in conjunction with the information contained in the Accountants' Reports and Financial Statements and Supplementary information.

Financial Highlights

- Total assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$36,135,979 and \$37,371,204 for the prior fiscal year.
- As of the close of the current fiscal year, the City's governmental activities reported ending net position of \$16,357,630 which includes unrestricted net position of \$607,985. Respectively for the prior fiscal year \$17,520,371 of net position and \$1,937,642 of unrestricted net position. The cause of this significant decline in government-wide unrestricted net position is primarily due to the implementation of GASB 75 – Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,027,077 with \$5,815,887 for the prior fiscal year.
- For the year ended June 30, 2018, total debt decreased by a net amount of \$607,514 during the year. For the prior fiscal year, total debt decreased by \$2,628,450 during the year due to principal reductions. The principal reduction in 2017 was due to the balloon payoff of a note payable issued on behalf of a local industry for economic development. This debt was passed through via a lease and the note and lease were called and paid off by the industry in 2017.
- The City had total revenues of \$14,845,177 for the year ended June 30, 2018 which includes: program revenues (charges for service) of \$7,926,796, operating grants and contributions of \$350,086, capital grants and contributions of \$82,937, and general revenues of \$6,485,389. The City had total expenses of \$13,514,929 for the year ended June 30, 2018. Comparatively, City had total revenues of \$15,753,293 for the year ended June 30, 2017 which includes: program revenues (charges for service) of \$7,645,719, operating grants and contributions of \$416,641, capital grants and contributions of \$1,705,657 and general revenues of \$5,985,276. The City had total expenses of \$12,317,040 for the year ended June 30, 2017.
- The City's total capital outlays were \$1,633,717 for the current fiscal year and \$3,371,299 for the prior fiscal year. For the Governmental Funds, capital outlays were \$406,958 for the current fiscal year and \$1,141,137 for the prior fiscal year. For the Proprietary Funds, capital outlays for the current fiscal year were \$1,226,759 and the prior fiscal year of \$2,230,162.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components:

- Government-wide financial statements.
- Fund financial statements.
- Notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government'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.*, depreciation and earned but unused vacation leave.

The government-wide financial statements are divided into two categories, governmental and business-type activities. The governmental activities of the City include general government, administrative services, financial services, police, fire, public works, community development and cemetery. The business-type activities of the City include water, wastewater, sewer collection and rehabilitation, sanitation, fiber optic services and related support departments which comprise the Utility Fund. The City does not have any component units, *e.g.*, where the City has control over the income and expenses of the entity.

The government-wide financial statements can be found on pages 26 and 27 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources which have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Most of the City's basic services are included in the governmental fund type. These funds use the modified accrual accounting basis, which measures cash and all other financial assets that can readily be converted to cash. The general fund, special revenue funds and permanent funds are all governmental type funds.

Proprietary Funds

Proprietary funds, in general, charge customers for the services that are provided. These funds use a long-term financial accounting approach, full accrual basis and provide additional information in the statement of cash flows.

Notes to the 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. The notes to the financial statements can be found on pages 36 through 77 of this report.

Government-wide Analysis

The Governmental Accounting Standards Board (GASB) Statement 34 reporting model was implemented in fiscal year 2004.

- As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$36,135,979 for the current fiscal year and \$37,371,204 at the close of the prior fiscal year. As noted above, the cause of this significant decline in net position is primarily due to the implementation of GASB 75 – Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.

By far the largest portion of the City's net position (92%) is its investment in capital assets, e.g., land, buildings, machinery and equipment less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Only the unrestricted net position of the City may be used to meet the government's ongoing obligations to citizens and creditors.

	2018 Net Position		
	Governmental Activities	Business- type Activities	Total
Current and other assets	\$ 10,063,108	\$ 7,737,386	\$ 17,800,494
Capital assets	<u>15,064,182</u>	<u>20,230,025</u>	<u>35,294,207</u>
Total assets	<u>25,127,290</u>	<u>27,967,411</u>	<u>53,094,701</u>
Deferred amount on refunding bonds	—	102,156	102,156
Outflows for pensions	2,541,893	756,078	3,297,971
Outflows for OPEB	<u>961,500</u>	<u>270,712</u>	<u>1,232,212</u>
Total deferred outflows	<u>3,503,393</u>	<u>1,128,946</u>	<u>4,632,339</u>
Long-term liabilities outstanding	783,110	5,176,067	5,959,177
Net pension liability	7,470,907	2,143,413	9,614,320
OPEB liability	2,839,426	1,003,350	3,842,776
Other liabilities	<u>437,999</u>	<u>778,524</u>	<u>1,216,523</u>
Total liabilities	<u>11,531,442</u>	<u>9,101,354</u>	<u>20,632,796</u>
Inflows for pensions	587,268	171,559	758,827
Inflows for OPEB	<u>154,343</u>	<u>45,095</u>	<u>199,438</u>
Total deferred inflows	<u>741,611</u>	<u>216,654</u>	<u>958,265</u>
Net position			
Net investment in capital assets	15,064,182	15,814,732	30,878,914
Restricted			
Expendable - Highways & Streets	138,221	—	138,221
Expendable - Debt service & capital activity	—	1,243,177	1,243,177
Nonexpendable - Perpetual Care	547,242	—	547,242
Unrestricted	<u>607,985</u>	<u>2,720,440</u>	<u>3,328,425</u>
Total net position	<u>\$ 16,357,630</u>	<u>\$ 19,778,349</u>	<u>\$ 36,135,979</u>

	2017 Net Position		
	Governmental Activities	Business- type Activities	Total
Current and other assets	\$ 8,682,675	\$ 6,987,061	\$ 15,669,736
Capital assets	<u>15,108,616</u>	<u>20,436,075</u>	<u>35,544,691</u>
Total assets	<u>23,791,291</u>	<u>27,423,136</u>	<u>51,214,427</u>
Deferred amount on refunding bonds	—	108,691	108,691
Outflows for pensions	<u>1,345,093</u>	<u>393,575</u>	<u>1,738,668</u>
Total deferred outflows	<u>1,345,093</u>	<u>502,266</u>	<u>1,847,359</u>
Long-term liabilities outstanding	1,069,446	5,577,146	6,646,592
Net CERS pension liability	5,971,656	1,705,368	7,677,024
Other liabilities	<u>544,349</u>	<u>783,152</u>	<u>1,327,501</u>
Total liabilities	<u>7,585,451</u>	<u>8,065,666</u>	<u>15,651,117</u>
Inflows for pensions	<u>30,562</u>	<u>8,903</u>	<u>39,465</u>
Total deferred inflows	<u>30,562</u>	<u>8,903</u>	<u>39,465</u>
Net position			
Net investment in capital assets	14,805,945	15,663,596	30,469,541
Restricted			
Expendable - Highways & Streets	244,131	—	244,131
Expendable - Debt service & capital activity	—	1,227,224	1,227,224
Nonexpendable - Perpetual Care	532,653	—	532,653
Unrestricted	<u>1,937,642</u>	<u>2,960,013</u>	<u>4,897,655</u>
Total net position	<u>\$ 17,520,371</u>	<u>\$ 19,850,833</u>	<u>\$ 37,371,204</u>

The City's revenues are largely comprised of charges for services through utility revenue, occupational payroll fees and insurance fees.

	2018		
	Changes in Net Position		
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Revenues			
Program revenues			
Charges for services	\$ 1,487,208	\$ 6,439,557	\$ 7,926,765
Operating grants and contributions	350,086	—	350,086
Capital grants and contributions	—	82,937	82,937
General revenues			
Property taxes	1,052,837	—	1,052,837
Occupational fees	2,520,376	—	2,520,376
Insurance premium fees	1,774,358	—	1,774,358
Franchise fees	114,684	—	114,684
Business license fees	849,980	—	849,980
Interest income	73,504	12,574	86,078
Miscellaneous income	77,864	25,286	103,150
Gain on the sale of assets	(5,736)	(10,338)	(16,074)
Transfers	<u>77,226</u>	<u>(77,226)</u>	<u>—</u>
Total revenues and transfers	<u>8,372,387</u>	<u>6,472,790</u>	<u>14,845,177</u>
Expenses			
General government	2,100,258	—	2,100,258
Public safety	3,213,545	—	3,213,545
Public services	1,432,850	—	1,432,850
Community and cultural	834,981	—	834,981
Interest expense on long-term debt	33,631	159,236	192,867
Water and wastewater	—	4,829,984	4,829,984
Sanitation	<u>—</u>	<u>910,444</u>	<u>910,444</u>
Total expenses	<u>7,615,265</u>	<u>5,899,664</u>	<u>13,514,929</u>
Change in net position	<u>757,122</u>	<u>573,126</u>	<u>1,330,248</u>
Net position, beginning of year	17,520,371	19,850,833	37,371,204
Change in accounting principle – GASB 75	(1,919,863)	(645,610)	(2,565,473)
Net position, beginning of year, restated	<u>15,600,508</u>	<u>19,205,223</u>	<u>34,805,731</u>
Net position, end of year	<u>\$ 16,357,630</u>	<u>\$ 19,778,349</u>	<u>\$ 36,135,979</u>

2017			
Changes in Net Position			
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues			
Charges for services	\$ 1,482,857	\$ 6,162,862	\$ 7,645,719
Operating grants and contributions	416,641	—	416,641
Capital grants and contributions	593,157	1,112,500	1,705,657
General revenues			
Property taxes	975,159	—	975,159
Occupational fees	2,351,500	—	2,351,500
Insurance premium fees	1,641,950	—	1,641,950
Franchise fees	88,182	—	88,182
Business license fees	659,817	—	659,817
Interest income	47,766	6,665	54,431
Miscellaneous income	216,787	31,135	247,922
Gain on the sale of assets	(20,080)	(13,605)	(33,685)
Transfers	23,286	(23,286)	—
Total revenues and transfers	<u>8,477,022</u>	<u>7,276,271</u>	<u>15,753,293</u>
Expenses			
General government	1,932,189	—	1,932,189
Public safety	2,667,643	—	2,667,643
Public services	1,312,057	—	1,312,057
Community and cultural	650,244	—	650,244
Interest expense on long-term debt	74,748	196,648	271,396
Water and wastewater	—	4,585,991	4,585,991
Sanitation	—	897,520	897,520
Total expenses	<u>6,636,881</u>	<u>5,680,159</u>	<u>12,317,040</u>
Change in net position	1,840,141	1,596,112	3,436,253
Net position, beginning of year	<u>15,680,230</u>	<u>18,254,721</u>	<u>33,934,951</u>
Net position, end of year	<u>\$ 17,520,371</u>	<u>\$ 19,850,833</u>	<u>\$ 37,371,204</u>

Financial Analysis of the Government's Funds

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported an ending fund balance of \$8,496,725 compared to \$7,186,101 for the prior fiscal year. The City's major sources of revenues are insurance premium fees, payroll occupational fees and property taxes. The fund balances primarily represents the accumulation of revenues in excess of expenditures not reimbursed by funding sources.

General Fund & Proprietary Fund Budgetary Highlights

Total general fund revenues for the year were within 9% of budget. As a point of reference, a 5% budget to actual variance is the overall goal. Therefore, a 9% variance isn't ideal and revenue projection strategies will be strengthened to, hopefully, ensure a tighter and more accurate budget to actual projection in future years. Budgeted expenses were slightly less than final budgetary estimates (by 3.7%), however, the variance was within an acceptable range.

Total proprietary fund revenues for the year were within acceptable parameters (2% of budget), in total, with final budgetary estimates while expenses were less than final budgetary estimates (by 4.1%). This relates primarily to the timing of capital project completions (FY2018 budgeted capital projects weren't completed until FY2019.)

Proprietary Funds

Operating revenues of the City's proprietary funds increased 4.5% from the prior year to \$6,439,557. The City approved a 5% Water & Sewer rate increase, effective January 1, 2018, due to the completion of a capital needs Utility Rates Study, discussed below under Economic Factors. The City also implemented a 2.30% cost of living increase in the Sanitation Fund, pursuant to the City's garbage hauler contract. Operating revenues from Water and Wastewater increased by 4.4% to \$5,486,085 while operating revenues from Sanitation services increased 4.9% to \$953,472. Operating expenses for Water & Wastewater increased by 5.3% to \$4,827,673 while operating expenses for Sanitation services increased by 1.4% to \$910,444. This decrease relates directly to the structure of the garbage hauler contract, the current garbage hauler bills commercial customers directly, as the prior contract required the City to bill all residential and commercial customers.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2018, the City's investment in capital assets net of related debt for its governmental and business-type activities was \$30,878,914 and \$30,469,541 as of June 30, 2017. This investment in capital assets includes land, buildings, improvements, machinery and equipment and streets.

Major capital asset purchases during the current fiscal year include the following:

- General Fund
 - Capital Expenditures of \$21,885 to acquire property on North 31W. The City purchased this property because it includes the primary source of the City's Stormwater runoff. Additionally, plans to develop the "Hoy Cave" walking trail on this property is underway and federal grant funding has been awarded. Development of this project should be underway in FY2020.
 - The City expended approximately \$22,300 in replacing HVAC units (each of which were older than 20 years) at City Hall and the Police Department. Additionally, \$18,000 is encumbered in FY2019 to replace the last HVAC unit at City Hall.
 - Electrical repairs were completed at the Franklin-Simpson Fire Department for \$7,500.
 - The City expended approximately \$7,500 in software and equipment in order to stream WBKO's local news programming.
 - The City, in partnership with Franklin Municipal Utilities, expended \$95,000 to implement a fully integrated financial software program. This investment has significantly improved operating efficiency within the Finance and Billing Departments and these costs are expected to be recouped within 3 years in labor savings.
 - The City expended approximately \$130,800 in capital needs for the Police Department. This included the purchase of 3 new radar units, 6 KYOPS approved/certified mobile dispatching tablets, the purchase and installation of a new, digitally compatible radio tower, two new, fully equipped, patrol units, and the purchase of 10 digitally enhanced mobile radio units.
 - The City purchased a new zero turn mower and a curb paint sprayer for the street department, for a total of \$14,500.
 - The City spent over \$78,000 in street paving and repairs.

- Franklin Municipal Utilities
 - Capital expenditures of \$552,000 for improvements and additions to the City's waste water system, specifically related to the following:
 - Sunset Circle Sewer Rehabilitation Project, Phase II, \$462,000
 - Sewer Line relocation due to the construction of a TVA substation, \$90,000
 - Capital Expenditures of \$39,500 for rehabilitation work on two sewer lift stations – Broadway and Macedonia Road
 - Capital Expenditures of \$107,300 for the Water Treatment Plant (WTP). This included the replacement of a service truck, replacement of a 20 year old HVAC unit, replacement of valves & actuators on one of the water filters, and the refurbishment of drag chains on both the WTP basins and the sludge collector basin.
 - Capital Expenditures of \$145,300 at the Wastewater Treatment Plant (WWTP). This included replacement of lights outside, around the sewer basins, the construction of a small pretreatment building, the purchase of two generators necessary to operate the plant continuously, significant repairs to the progressive cavity pump, and the replacement of an aged and dangerous electrical transformer responsible for all electrical inflow to the WWTP.
 - Capital Expenditures of \$250,000 within the Water Distribution Department. In FY2017 the City launched a partnership with the Electric Plant Board and their Automated Metering Infrastructure. \$65,000 in capital expenditures were spent to install the infrastructure required for this program. An additional \$185,000 was spent in replacing over 900 meters and ERTS. This was to update our metering infrastructure and ensure compliance with the AMI requirements. An ERT is an encoder receiver transmitter. This technology is used to transmit data from utility meters over a short range so a utility vehicle can collect meter data without a worker physically inspecting each meter. The meter replacement program is expected to be completed in FY2019.
 - Capital Expenditures of \$132,000 with the Wastewater Collections Department. This was to purchase a Transit Video Inspection Truck. Otherwise known as a sewer camera van, this van is equipped with a state-of-the-art camera system, which allows employees to freely zoom, pan and tilt within the City's sewer pipes, and focus on specific elements such as puncturing or sewer cracking. This will allow our sewer department to identify significant defects in our sewer infrastructure and effectively design plans to rehabilitate areas with significant deficiencies in the sewer system.

Major capital asset purchases during the prior fiscal year include the following:

- General Fund
 - Capital Expenditures of \$19,500 to repave the parking lot at the Franklin-Simpson Fire Department.

- Purchase of cruisers/vehicles and related equipment for the Police Department and the Code Enforcement Department, \$158,500.
- Purchase of rifles, body armor, and new portable radios (compatible with upcoming communications technology, replacing soon to be incompatible portable radios) for the Police Department, \$77,570.
- Purchase of a Dump Truck by the City's Public Works Department, \$96,500.
- Investment in City Hall's Customer Service office renovation, office equipment, and city wide job costing software totaling (mid implementation as of June 30, 2018), \$75,000.
- Construction of a Pole Barn for storage of equipment and materials at the Public Works Department, \$46,000.
- The City accepted the following subdivision streets into its system as City infrastructure. The development costs of these streets were capitalized and also recognized as in-kind revenue in the current fiscal year. The impact on the City's net position is neutral.
 - Garvin Lane, Myra Lane, Reasonover Drive, Hunters Crossing, \$566,000
- Franklin Municipal Utilities
 - Capital expenditures of \$1,877,800 for improvements and additions to the City's waste water system, specifically related to the following:
 - 31W Sewer Line Replacement/Betterment from 31W Widening Projects, \$1,267,000. (The total cost of these projects were capitalized and also recognized as in-kind revenue, from the State of Kentucky, in the current fiscal year. The impact on the City's net position is neutral.)
 - Sunset Circle Sewer Rehabilitation Project, \$421,600
 - West Madison Sewer Line Extension, \$113,200
 - Macedonia Road Force Main replacement, \$41,000
 - Repair of manhole collapse on Colonial Drive, \$35,000
 - Capital expenditures of \$280,000 for equipment and vehicles for the City's water and wastewater system (Clean filter media and repair/overhaul of valves and actuators at the Water Treatment Plant, repair/overhaul to the wastewater treatment plant's screw pump, a service truck for water distribution, and new Flow Meters and an excavator for the collections department)

Long-term Debt

The City had \$5,427,760 in revenue bonds and capital lease obligations outstanding as of June 30, 2018, which is a decrease of \$607,514 from the previous year. The City made principal payments of \$605,000 during fiscal year 2018. In the previous year, the City had \$6,035,274 in revenue bonds and capital lease obligations outstanding as of June 30, 2017, which is a decrease of \$2,628,450 from the previous year. The City made principal payments of \$3,830,666 during fiscal year 2017 and issued a Water & Sewer Bond for \$1,190,000.

Financial Analysis of the City's Funds

As the City completed the year, its governmental funds reported a combined fund balance of \$9,737,014 at June 30, 2018, excluding capital assets and long-term debt. Included in this year's total change in fund balance is an increase of \$1,310,624 in the City's General Fund. For the previous year, the City's governmental funds reported a combined fund balance of \$8,255,929 at June 30, 2017, excluding capital assets and long-term debt. Included in last year's total change in fund balance was an increase of \$1,148,809 in the City's General Fund.

Modified Approach to Infrastructure

The condition of the City's roads is determined using its Road Management and Inspection Program (RMIP). The road condition is rated from 1 to 100 (OCI), with 100 being new or recently paved.

It is the City's policy to assess the condition of the roads every three years for cracks, potholes, misalignment, drainage condition and number of specific safety hazards. There were no roads severely deficient in condition at June 30, 2018.

The City has not changed the measurement scale used to assess and report the condition of its roads for the past 10 years.

The City's goal is to have all roads at 90-100 OCI rating.

Eligible infrastructure assets are not depreciated, additions and improvements thereto are capitalized and all other outlays made for such assets are expensed in the period incurred only if requirements regarding asset management system and preservation at condition level are met.

Economic Factors and Next Year's Budgets and Rates

- In the prior year Moody's Investors Service upgraded the City's General Obligation Rating to Aa3 from A3. Per Moody's Investors Service Credit Opinion:

The upgrade to Aa3 reflects a significantly improved risk profile following the sale of the City's Fiber Optic Enterprise (discussed below) and elimination of a bank note (paid off in the current year) secured by the City's full faith and credit pledge. The rating also considers the city's stable tax base that exhibits modest annual growth coupled with weak resident wealth levels, improved general fund reserves, and modest debt and pension burdens."

- In the current year Moody's Investors Service issued an Annual Issue Comment Report for both the City's General Fund and Franklin Municipal Utilities. Some of the comments were as follows:

- **General Fund**

The City of Franklin is located in and the county seat of Simpson County, located in southern Kentucky, approximately fifteen miles south of Bowling Green and five miles north of the Tennessee state line. The county has a population of 17,856 and a low population density of 76 people per square mile. The county's median family income is \$52,684 (4th quartile) and the August 2018 unemployment rate was 3.8% (3rd quartile) 2 . The largest industry sectors that drive the local economy are manufacturing, retail trade, and accommodation/ food services.

Credit Overview

Franklin's credit position is good, and its Aa3 rating matches the median rating of Aa3 for cities nationwide. The notable credit factors include a robust financial position, an extremely small debt burden, a mid-ranged pension liability, a modestly sized tax base, but a weak wealth and income profile.

Finances: *Franklin has a very healthy financial position, which is favorable in comparison to the assigned rating of Aa3. The city's fund balance as a percent of operating revenues (66.1%) far surpasses the US median, and grew significantly between 2013 and 2017. Additionally, cash balance as a percent of operating revenues (60.6%) is notably stronger than the US median.*

Debt and Pensions: *The debt burden of the city is extremely small and is quite favorable with respect to its Aa3 rating. Net direct debt to full value (0.1%) is materially below the US median, and fell from 2013 to 2017. That said, Franklin has a moderate pension liability and is slightly weak relative to the assigned rating of Aa3. Moody's-adjusted net pension liability to operating revenues (1.1x) favorably is slightly lower than the US median.*

Economy and Tax Base: *The economy and tax base of the city are solid. Yet, this factor is relatively unfavorable in comparison to its Aa3 rating position. Franklin's full value per capita (\$85,930) approximates the US median, and increased between 2013 and 2016. Moreover, total full value (\$748 million) is weaker than other cities nationwide. Lastly, median family income equals a mere 60.7% of the US level.*

Management and Governance: *Kentucky cities have an Institutional Framework score 3 of Aa, which is high compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. Property and occupational license taxes, the primary revenue sources, are highly predictable. Cities have*

moderate revenue-raising ability and can increase property taxes by 4% annually. Cities with populations of 15,000 and above also have a property tax cap of 15 mills. Cities with population of 1,000 or higher have the power to levy an occupational license tax. The tax rate is unlimited for cities with populations up to 300,000 and capped at 1.25% for larger cities. Unpredictable revenue fluctuations tend to be minor, or under 5% annually. Across the sector, fixed and mandated costs are generally less than 25% of expenditures. Kentucky is a Right to Work state, providing significant expenditure-cutting ability. Unpredictable expenditure fluctuations tend to be moderate, between 5-10% annually.

Sector Trends - Kentucky Cities

Kentucky cities will continue to experience modest economic growth overall, supported by notable gains in manufacturing, healthcare, and professional and business services industries. Growth in real property values and employment is matching or outpacing the nation in metro areas. This will have a positive effect on occupational license taxes and property taxes, the two largest sources of income for cities. However, rural areas will continue to face challenges as mining jobs continue to decline, and the coal industry faces regulations and competition from domestic natural gas. Additionally, pension contribution rates are expected to increase over the near-term, which will not be a significant credit pressure.

○ Franklin Municipal Utilities

Franklin Water & Sewer provides water and wastewater service to Simpson County, Kentucky. The county has a population of 17,856 and a low population density of 76 people per square mile. The county's median family income is \$52,684 (4th quartile) and the May 2018 unemployment rate was 3.7% (3rd quartile) 2 . The water system sources its water from the West Fork Drakes Creek and gets its supply of treated water from White House Utility District and City of Franklin. The treatment is done at its own facility. The wastewater system has its secondary treatment done in its own facility.

Credit Overview

The credit position for Franklin Water & Sewer is favorable. However, its A1 rating is slightly lower than the median rating of Aa3 for water and wastewater systems nationwide. Key credit factors include a negligible debt profile, ample liquidity, a strong debt service coverage, but a low income service area and a small system size.

System Characteristics: *Franklin Water & Sewer has a weak system profile, which is unfavorable in comparison to the assigned rating of A1. Median family income equates to a mere 60.7% of the US level. Also, system size, measured as operating and maintenance expenses (\$3.4 million), is consistent with the US median.*

Financial Strength: *The financial position of Franklin Water & Sewer is extremely strong and is a notable strength relative to its A1 rating. Debt to operating revenues (0.78x) is excellent and lower than the US median, and it has fallen from 2013 to 2017. Also, days cash on hand (402 days) is strong and above other water and wastewater systems nationwide. Lastly, coverage of annual debt service by net revenues (3.1x) is excellent and greatly exceeds the US median.*

Legal Provisions: *Legal provisions, which typically include a rate covenant requiring a minimum of 1.0x coverage of debt service, are adequate for this sector.*

Sector Trends - Kentucky Water and Sewer

Water and sewer systems in Kentucky tend to be slightly older than average and need consistent maintenance, however financial metrics are generally on par with than US medians. Median debt service coverage of 2.0 times is on par with the nation and median liquidity is adequate but slightly below the nation at 235 days cash on hand. Median leverage is lower than the national median with debt to operating revenues of 1.6 times. Water in Kentucky is abundant, and few water utilities face supply constraints. Most utilities require local or state approval for rate increases.

- The City continues to operate within a time of change and anticipated growth. The City's Leaders continue to spend a lot of time and effort focusing on the sustainability of the City's infrastructure, such as what capital investments are required to maintain and rehabilitate our current infrastructure as well as what areas of growth there are that the City needs to expand our existing water and sewer systems. In Fiscal Year 2014 the City kicked off an in-depth Utility Rate Study where we analyzed the pressing needs of each department within our Utility Division: Water Production, Water Distribution, & Waste Water Treatment. Within this study we identified all capital investments necessary to rehabilitate the City's current water and sewer lines, its treatment plants, and related equipment. Each Department Head identified areas of need and these capital improvements were incorporated into this study so the City could adequately identify the most pressing areas of intense need. The Utility Rate Study was incredibly valuable from many different perspectives, from infrastructure needs, to equipment needs, to a more detailed analysis of our revenue base and related operating expenditures. During FYE 2015, the City concluded this study and ultimately adopted a five year capital improvement plan, as well as identified annual financial resources to be allocated to each department for infrastructure rehabilitation and line replacements. This study effectively correlated our needs and the related financial impact and identified the need for a utility rate increase and continues to be reviewed and modified as needs evolve and change. The City's elected body decided to implement these rate increases in gradual, incremental amounts, over a five year period, in efforts not to overly burden the City's customer base. These rate changes were adopted by Ordinance in February 2015. These rates are scheduled to increase by 5% per year, effective January 1 of each calendar year. The final rate change, per this Ordinance, was implemented January 1, 2019.

Below is a brief summary of some of the areas of expansion and rehabilitation that the City has identified thus far:

- In FY2017 the City completed a project related to the expansion of its existing sewer lines. This project is now providing service to an area that was annexed into the City south of Franklin in fiscal year 2013, extending all the way to the KY/TN line, well past Exit 2 on Interstate 65. This project, including all engineering work, was completed for a total cost of \$775,000.
- In FY2015 the City's Waste Water Treatment Department identified a lift station and sub-basin that needed significant rehabilitation work. The expectation was that this investment and improvement will decrease some of the water's run off infiltration into the sewer systems as well as improve the overall systems operating capacity for the citizens using the sewer system within that sub-basin. This project is being completed in two phases. Phase I was completed in FY2017, for a total cost of \$400,040. Phase II was completed in the current year, for a total cost of \$462,000. Additionally, the City was awarded a Federal Grant, in the amount of \$97,000, to apply toward the cost of the Phase II project. City Leaders are currently analyzing several other basins and working towards a plan for the next sewer basin rehabilitation project.
- The City has experienced some growth toward the South of Franklin, related to its recent annexation of land all the way to the KY/TN line. Initially, during the City's Utility Rate Study, there were expectations that the south area of Franklin will experience significant growth and expansion over the next several years. If this were to occur, the City's analysis indicates that the current size of the sewer line does not provide the capacity necessary to accommodate the kind of growth the City is anticipating. Therefore the City began reviewing and entering into preliminary engineering discussions regarding replacement of the current sewer lines, down the 31-W corridor, with newer, larger lines that will be able to handle and service any growth within that particular area of town. This project, including all engineering work, has an estimated project cost of \$9,000,000 to \$12,000,000.

With that said, however, the City is experiencing significant growth throughout the entire city. Although the original rate study was focused on anticipated infrastructure needs toward the south of town, as discussed above, the city now feels it would be prudent to complete a Municipal Growth Study to better anticipate growth patterns in our area, in conjunction with economic development patterns. This study could shift the entire direction of the City's utility infrastructure needs and investments. This study is expected to be completed within the next 1-3 years.

- The City's Water Distribution Department is working within its fifth year of a substantial water main replacement initiative. Currently, the City is working toward replacing all of its 2" galvanized water lines with new, sustainable water lines. The expectation is that the replacement of this old and corroded line will provide better water service to the City's customers as well as reduce some of the annual water loss that the City experiences. FY2019 proved to be a challenge, due to employee turnover. Therefore, water distribution personnel focused almost exclusively on its meter change out program, discussed below. The main line replacement program will be reimplemented in FY2020.

- The City partnered with the Franklin Electric Plant Board to utilize a new Automated Metering Infrastructure system. This system will allow City staff to reduce its Distribution personnel by one (through natural turnover.) This system will allow City staff to read meters and complete customer consumption analysis directly from the billing office. It also has leak and tamper indicators that can be investigated as needed. The launch of this system occurred in April 2018.
- In the current year the City worked within its second year of a mass Water Meter Replacement Program. Over 1800 meters are expected to be replaced by FY2019. Over 900 were replaced in the current year. Once this program is completed, a scheduled meter replacement program will be established and methodically completed on an annual basis.
- Along the same lines as the City's Water Distribution Water Line Replacement Initiative, the City is currently reviewing its Waste Water Collection System's maintenance and replacement needs. In FY2019 the City began to reserve funds, \$300,000 in FY2019, for an annual maintenance and replacement initiative within the Wastewater Treatment Department.

Outside of the City's Water Utility Departments there are many other areas of growth and expansion within the City. Below is some discussion regarding the most significant economic changes that are significantly impacting the City and our community as a whole:

- In an effort to ensure the preservation of our beautiful historic downtown, the City Commission adopted an ordinance in April 2018 that allows for the development of preservation standards and a preservation committee. The committee was formed and has worked tirelessly to develop Historic Overlay Standards which were designed to protect the historical integrity of Downtown Franklin. To-date, the committee has also reviewed 22 requests for improvements to structures in the Downtown Historic District.
- In FY2017, in an effort to reduce the City's responsibility in maintaining vacant properties, a program was developed to put these properties back into productive use and once again provide a tax base for City revenue. The program was titled a "Surplus Property Re-Use Program".

Approximately two times per year, a list of city owned properties will be evaluated and can be declared as "surplus property" by the Franklin City Commission. Once the lots are deemed as surplus, then the city begins the publication process by posting on the website, posting signs on the surplus property lots, advertising in the local newspaper and announcing at the City Commission meeting.

Community members are able to inquire about a property and an information packet is sent out to the community member by the Community Development Director or the proposal information can be downloaded from the city website.

The community member puts together a proposal for the property they are interested in, following the guidelines as stated in the packet. Once the deadline has passed, the proposals are gathered, evaluated for completeness and included on the agenda for the next Code Enforcement Board meeting.

The transfer of property will be based on the best evaluated use of the property, time frame to complete improvements and compliance with applicable codes. To be considered for these properties, the community member submitting the proposal must be current on City taxes and have no existing liens on any property currently owned in the City of Franklin. They cannot have had any code violations that resulted in a citation being issued on any properties within the City of Franklin within the last two years. The City of Franklin reserves the right to reject any or all proposals submitted.

At the Code Enforcement Board meeting the proposal is discussed and scoring criteria is completed by the Board. A recommendation will be made by the Code Enforcement Board to the City Commission. The City Commission will adopt a resolution authorizing the transfer of property.

Once a determination is made by the City Commission, the Community Development Director will contact the community member and work with them to transfer the deed.

Once a deed is transferred, the Community Development Director will monitor the progress of the property improvements and ensure the new owner maintains the property and builds as described in their proposal.

If a property owner does not follow through on the development of the property as stated in their proposal then the Code Enforcement Board will review the situation and have the option to take the ownership of the property.

This initiative is unique to the City and its cutting edge, the first of its type. The City is excited to the implementing this program and is excited to see how this changes our community development and cleanup efforts. To-date, 5 properties has been transferred under this program.

- For the past several years, City management has identified the need for the City to rehabilitate its stormwater system. City's stormwater system is provided to protect the waterways and land in the City of Franklin by managing flooding and to benefit the natural environment. The City felt as if the cost of designing, developing, improving, operating, maintaining, and monitoring the stormwater system required in the City of Franklin should therefore be allocated to the extent practicable to all property owners and/or occupants of land based on their impact on the stormwater system. In order to provide revenue to fund those costs and to fairly allocate those costs, a Stormwater Management Fund was established and adopted into Ordinance, and was implemented effective July 1, 2015. All revenues collected for the purpose of stormwater management from user fees, grants, permit fees, and other charges collected under this program, will be deposited into this fund and all disbursements from the Fund will be for the purposes of the following:
 - i. The acquisition by gift, purchase, or condemnation of real property, and interests therein, necessary to construct, operate, and maintain stormwater management facilities.

- ii. All costs of administration and implementation of the stormwater management program, including the establishment of reasonable operation and capital reserves to meet budgeted, unanticipated or emergency stormwater management requirements.
- iii. Engineering and design, debt service and related financing expenses, construction costs for new facilities, and enlargement or improvement of existing facilities.
- iv. Operation and maintenance of the stormwater system.
- v. Monitoring, surveillance, and inspection of stormwater control devices.
- vi. Water quality monitoring and water quality programs.
- vii. Retrofitting developed areas for pollution control.
- viii. Inspection and enforcement activities.
- ix. Costs of public education related to stormwater and related issues.
- x. Billing and administrative costs.
- xi. Other activities which are reasonably required.

As of June 30, 2018, the City has accumulated a fund balance of \$262,000 within this program.

Industrial Expansion & Economic Development

- For the past several years, Franklin has enjoyed positive industrial growth and low unemployment. And - 2018 is no exception. Despite the tight labor market in south central Kentucky, our community has continued to see new industries and businesses locate in Franklin. Additionally, our community continues to see existing companies expand. During FY2018, the City contributed approximately \$427,000 to the Industrial Authority. Here is a summary of activity, related to the Franklin-Simpson Industrial Authority, and 2018's new and Expanding Industry:
 - In February Power Tec Solutions, a producer of power source devices and other power-related products started construction on a new two and a half million dollar headquarters and distribution operation in Franklin. The new headquarters will create some 20 new jobs for the community. Power Tec Solutions, which is located in the Wilkey North Industrial Park, purchased 17 acres of land in the park to build their new 30,000 square foot facility. The new building will house the company's administrative headquarters, a larger distribution warehouse, a product testing lab, and a product assembly area. The company's land purchase includes acreage for anticipated growth from new-market expansion and future manufacturing operations. Currently, Power Tec Solutions plans to introduce a new line of modular outdoor uninterruptable power supply products for fiber optic network terminals.
 - In 2018, GS Tape, a Memphis, Tennessee based company and part of the Great Southern Corporation located a manufacturing facility in Franklin. GS Tape acquired the assets of Kentucky Coating and Converting that was located at 2 Washington Way in Franklin. GS Tape is now manufacturing in the 50,000 square foot existing facility. The company will produce private label adhesive tape as well

as its own GS brand of products. The company will also provide coating and converting work for other tape companies, provide warehousing and fulfillment services, and operate a full scale contact packing business. GS Tape intends on having around 30 employees in the initial startup and hopes to expand that base as they continue to grow their business in Franklin. The Great Southern Corporation, owner of GS Tape is a 57 year old manufacturing, importing, and distributing company based in Memphis

- In May of 2018, Bluegrass Supply Chain Services, one of the largest logistical service and transportation management companies in Kentucky purchased the 105,000 square foot Spec Building in the Sanders Industrial Park. The primary client for the facility is New Mather Metals, a Franklin automotive manufacturer that is located across the street from the building. Established in 2002, Bluegrass Supply Chain Services is headquartered in Bowling Green. Serving primarily automotive and food manufacturing companies, Bluegrass provides value added warehousing, cross docking, economic fulfillment, light assembly, engineering, and quality support services over a four-state region. Bluegrass has a sister company, Bluegrass Dedicated, which operates a fleet of 70 tractor trailers that provide asset-based transportation services to customers throughout the country. Bluegrass Supply Chain Services provides quality support services in Kentucky, Tennessee, Alabama, and Indiana.
- Tractor Supply Company, a large employer in Simpson County and a major rural lifestyle retailer in the United States, announced earlier this year that they were creating 156 full-time jobs at its distribution facility in Franklin along with an eight and one half million dollar investment. As part of the investment, Tractor Supply will install new equipment to enhance the facility's distribution capabilities to support future sales growth. Company executives decided to add jobs and reinvest in the Franklin operation in order to accommodate rising demand at their stores throughout the country.
- In May of 2018 construction began on a 105,000 square foot Spec Building on a twenty acre site in the Henderson Industrial Park. This four million dollar facility is expected to be completed by the end of this year. It is being constructed by Stewart Richey Construction Company. Spec Buildings are extremely important to communities like Franklin. Currently Camping World, Holley Automotive, and Sumitomo initially located their companies in Spec Buildings. We are fortunate that local investors Kent Kelley and David Carver have once again invested in our community by building another new Spec Building in the Henderson Industrial Park. There has already been interested companies considering the facility even while it is being built
- In September of this year, the Goodnight Memorial Library began their \$6.1 million dollar renovation project in downtown Franklin. The project involves the complete renovation of the Goodnight Auditorium as well as adding a third floor for library space. The auditorium will feature new seats, a new ceiling and windows as well as a new stage. There will also be new green rooms and dressing rooms for those appearing on stage. After the renovations, the library space which is currently 6,000 square feet will grow to 11,000 square feet. The renovations are expected to be completed during a 15 month period. After completion, Franklin, Kentucky will truly have one of the best libraries of any community in the mid-South.

- Premium Services which was located on the Industrial Bypass in Franklin has moved into the former Industrial Automation facility located on Raines Drive in the Sanders Interstate Industrial Park on Highway 100. Premium Services, one of the largest sorting and reworking companies in this area, is expanding into a 23,000 square foot building off of Exit 6. The building will nearly double the size of floor space for the company. The move will also allow Premium Services to eventually add another 40 employees during 2018, bringing their total workforce to 100 employees.
- In early 2018, it was announced that Worldwide Technologies, a manufacturing company that has been in Franklin for the past ten years is expanding their facility and adding more jobs. The company which is located in the Wilkey North Industrial Park is doubling their manufacturing space by adding an additional 24,000 square feet to their building. When completed the facility will have a total of 51,000 square feet including office space. Worldwide Technologies will also be adding twenty new jobs as a result of the expansion bringing their total number to some 100 employees at the plant. The new manufacturing space will allow Worldwide Technologies to add more equipment at the Franklin facility. The equipment and space are needed to keep up with growing demands from the Worldwide Technologies customers. Worldwide Technologies is a premier machine shop that provides precision machining for their clients. It is becoming one of the largest service industries in south central Kentucky.
- In October of 2018, 130 acres in the southern portion of Simpson County was purchased by the XYZ CBD Corporation out of Houston, Texas. The site will be the future home of a CBD hemp oil extraction facility as well as a large scale plant growing area. The twenty million dollar manufacturing project will process hemp plants and develop a powder that will be used by various companies wanting to incorporate CBD oil into their product. The new company will create some 60 new jobs at their facility as well as providing a new product for farmers to grow in Simpson County. The process at the XYZ facility will include seeding and cloning, farming and harvesting, processing and testing, and finally packaging and shipping. At least a dozen technical and laboratory jobs will be created.
- In late October, Kentucky Downs, announced that they would be doubling the size of their main building housing its historical horseracing and simulcasting operation as well as constructing a state of the art equestrian complex. The additional space will be able to accommodate an additional 800 terminals, a full service steak house as well as a sports lounge. When completed, the expansion will bring Kentucky Down's investment in Kentucky to some \$141 million dollars since 2007. The company already employs 175 people. The new expansion could create as many as 100 new jobs making Kentucky Downs one of the top employers in Simpson County. Kentucky Downs is quickly becoming one of the top tourism destinations in our state.

The eleven projects just discussed above, that have taken place in Simpson County during 2018, represent an investment of approximately \$68 million dollars into the local economy and an eventual creation of 440 new jobs for our area.

- For many years the City has participated along with the Commonwealth of Kentucky in the state's Kentucky Business Incentive (KBI) Program. This program provides state income tax credits of 3% of each qualified employee's wages (i.e. ½ of the state's income tax) to new and existing agribusinesses, regional and national headquarters for certain business operations, manufacturing companies, and non-retail service or technology related companies that locate or expand operations in Kentucky by rebating this money back to the company to assist with starting or expanding the business. This credit is available to the company for ten (10) years. As part of this participation, the local government which is the situs for the business is required to forego collection of a total of 1% occupational taxes on, essentially, the base number of jobs created under the KBI program for each qualified employee, for a period of 10 years. In other words, the state contributes 3%, and one or more local government(s) separately or together must contribute a total of 1%. Alternatively, the local government can make a one time "in lieu of" contribution in an amount that approximates the 1% contribution and aids the company, such as providing water and sewer improvements, etc. The City of Franklin and County of Simpson have agreed to participate in the KBI program. Although this has been a wonderful program for industrial and commercial expansion within the Commonwealth, the City's has, to date, exclusively provided the local 1% "match," which is beginning to create some financial hardship on the City given that basically all industrial growth and expansion will not generate any new occupational fee revenue for the City for a period of up to ten (10) years while causing the City to provide services as regular costs. In FY2017, the City reached an agreement with the Simpson County Fiscal Court, via an interlocal agreement, wherein the Fiscal Court will begin to provide its entire .75% occupational fee per employee (with the City providing .25%) in an effort to lessen the financial impact on the City and share this burden. When the City and the County have reached an equal total contribution amount in the KBI program as a whole (including the amounts the City has contributed in the past), the City and County will thereafter each contribute an equal .50% per qualified employee per local governmental entity. At that point, the City will realize a net .50% occupational fee for the ten (10) year participation period, instead of receiving nothing. Obviously, this will have a positive economic impact on the City going forward. In FY2018 the City contributed \$137,000 under this KBI Economic Development incentive.
- As mentioned above, the city is experiencing tremendous growth throughout our corporate city limits. The housing/construction market is experiencing activity that this City hasn't seen in over ten years. The following housing related construction projects are either completed or underway:
 - Five subdivisions are under development, all of which will allow for approximately 450 homes to be constructed (the Retreat at Fox Chase Subdivision, Fox Chase Phase II Subdivision, Pleasant Valley Subdivision, the Willows Subdivision, Williamsburg Subdivision, and Windsor Park Subdivision.
 - One upscale apartment complex offering 125 units and many amenities, located just past Exit 6 off of I65 is undergoing an expansion of an additional 40 units.
 - One moderate apartment complex, offering 24 units, off of Witt Road, Franklin, KY is currently undergoing an expansion of additional units.

- In February of 2018 plans were announced for a major new subdivision on US Highway 31-W North adjacent to the Lewis Memorial Home property. Windsor Park Subdivision is currently being developed. The new subdivision which will be developed in phases and calls for approximately 110 lots for new homes in Franklin. This will make it one of the largest subdivisions in Franklin and will provide much needed housing and potential new workers for the growing industrial community in Franklin.
- Overall, all leaders within our community are excited for growth and expansion. The end result, primarily, is the desire for our community to have the capacity and availability to provide jobs to our citizens. City leaders are noting that several industrial management teams are shifting their workforce from temporary labor to full time labor which is interpreted as an overall sign of stabilization within our local economy. We are excited to see our community's unemployment rates maintain a stable level, rates increasing slightly – from 3.4% in December 2017 to 3.5% in December 2018; however, this rate is still below the state rate of 3.8% and the national rate of 3.7%.

Communications Initiative:

Additionally, in 2018, the City launched a communications initiative. City Leaders have worked hard to identify ways to communicate City activities, and spending, with its constituents. As a result, in February 2018 and February 2019, over 6,000 copies of the first and second edition of the frankLINKentucky was mailed. This is a publication, put together by city staff, and is mailed out annually. The goal of the publication is to provide information and highlights of projects, work and information about where City tax dollars are spent. Copies of both publications are included with this report.

Additionally, in February 2018, the City began posting short information videos on its Facebook page, website and the city cable channel. The videos range in topics thought to be relevant to our citizens. The goal is to share information that citizens may not know and explain why certain things are done or needed with city government. The city also posts all City Commission meetings on Facebook, as well as the local channel.

Contacting the City's Financial Management

The financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 117 West Cedar Street, P. O. Box 2805, Franklin, KY 42135.



frankLINKentucky

linking you to city government

Volume 1 2018



from the Mayor

Happy 2018!

A new year is time to reflect and set goals. I've been your Mayor for 7 years. I would like to reflect on some of the highlights of the last few years. In an effort to maintain a transparent government I want you to know where your local tax dollars are being spent. The staff of the City of Franklin works each day to make Franklin a better place to live, work and raise a family. On behalf of your City Commissioners, Jamie Powell, Larry Dixon, Mason Berres and Wendell Stewart, I hope you have a prosperous and fulfilling year!



Certified City of Ethics

A City of Ethics was bestowed upon the City of Franklin by the Kentucky League of Cities in 2015. Franklin is one of eighteen cities across the Commonwealth, which has 410 cities, that has achieved this status. In order to obtain the certification, city officials, managers and department heads attended training to establish standards of conduct and provide clear guidance to help promote public confidence, enhance accountability, and to maintain a fair and effective administration. The City Commission adopted principles and procedures that offer guidance on ethical issues and a mechanism to resolve complaints at the local level.



In growing cities like Franklin, problems often arise from uncontrolled storm water runoff. Development and inadequate drainage systems compound problems associated with moderate to significant rainfall. Stormwater runoff from these rainfall events accumulates in many areas of our city, causing nuisance flooding and possible threats to public health and safety. There is a total of 14.8 miles of underground structures and ditches that carry stormwater through our city. The majority of the system was put in place over 40 years ago, is made up of 10 different types of pipes and concrete structures, and is deteriorating. In 2015, the City Commission passed an ordinance allowing for a Stormwater Management Fee. This fee is charged to city water and sewer accounts and provides funding to repair and replace the aging drainage system. It also provides the funding for a Professional Engineer to review the stormwater retention plans for new developments, which ensures adequate stormwater controls are in place.



Stormwater System Collapse on Court Street in 2014



3 Major Failures from 2012 to 2015 costing \$164,559

75% of Main Stormwater System is 40+ years old

City Property Tax Rates

In 1980 the tax rate was 22.4 cents per \$100 of assessed value. In 2017 the tax rate was 12.3 cents per \$100 of assessed value.

Using 2016 data obtained from the Commonwealth of Kentucky's Office of Property Valuation, the City's Real and Personal Property Tax Rates are some of the lowest rates in the State of Kentucky. Even with a rate change in 2017 to 12.3 cents per \$100, the City maintains one of the lowest Municipal Property Tax Rates in the State - remaining within the bottom 15% of Municipal Taxing Jurisdictions (66th lowest property tax rate out of a total of 410 Cities in the state).

Tax Rate



ECONOMIC PARTNERSHIP

Over the last 7 years, under the leadership of the Franklin Simpson Industrial Authority, working with the City and the County, our community has seen:

21 new industries locate in our community
2,150 new jobs created

19 industries expand
\$428,000,000 invested



Employees work to repair a water main break.

Getting Water to You

80 miles of water lines carry water from the treatment plant to your tap. As with most infrastructure, time and environmental conditions take its toll on distribution lines. Freezing temperatures, ground movement, erosion and other factors can cause leaks and/or breaks. When lines are replaced or upgrades are made it increases the volume of water that can go through the line, allows for better fire protection and decreases the amount of leaks and water loss. Since 2012, 8.5 miles of water line has been replaced. Prior to the replacement of these lines, the city was losing approximately 46% of water produced due to deteriorated lines. The water loss is now at 29%. Plans are to continue to invest in this infrastructure.

Clean-Up

Each year City crews collect:

- an average of 1,813 cubic yards of brush
- an average of 966 cubic yards of leaves



Protecting our Community

1,915,220 pounds of material has been recycled since Scott Waste began the City Recycling Partnership in 2013. That's 38 football fields 3 feet deep of trash that has been kept out of landfills. The City recycling program began when several community members approached the City Commission with a concern and desire to have recycling in our community. The Commission made the decision to include recycling as part of the sanitation contract when it was up for renewal. Scott Waste currently picks up all trash and recycling in the City of Franklin. The recycling efforts have taken trash out of our landfills and put it back in to use. Thank you for placing cardboard, plastic and aluminum in the cart to be recycled and helping protect our earth!

To Swim or Not to Swim

To build or not to build? That was the topic of numerous conversations during 2017. "When I took office as Mayor, I began getting calls and requests from people that wanted a pool. For several years, I listened. Then I decided to explore the options," said Mayor Ronnie Clark. With private funding, a team was formed to put together a proposal. Clark said, "You've got to start somewhere, so we started with the very best facility because our community deserves the best." The proposal for a \$20 million aquatic center was presented to the public in March. In the months that followed several smaller versions of a facility were discussed, a survey was conducted by a professional firm and comments were received. Because of several unknowns with the city budget and state budget requirements, the commission decided the timing of the project was not good and made the decision not to move forward.

Property Re-Use

Putting vacant properties back in to productive use is the goal of the City Surplus Property Program. In 2016 a program was developed to aid in the redevelopment of vacant lots.



A need became apparent that the use of city resources could be reduced and a tax base reestablished if citizens could use the properties to construct a house for home ownership, development purposes, or as rental property. A program was developed, by city staff, to put these properties back in productive use. Essentially vacant, city owned lots are advertised, proposals are received, and properties are given to new owners at no cost. Since the program was approved by ordinance in September 2016, five properties have been awarded to citizens for development. "We hope to continue the program and see properties that once held a dilapidated, unsafe structure transformed into vibrant homes that families can enjoy", said Community Development Director Tammie Carey.

Working Together

Inmate labor is used to expand the city workforce with minimal financial investment. One employee oversees a crew of two to three inmates, saving the city an average of over \$1 million in labor each year. Jailor Eric Vaughn said, "The inmate work program benefits our community by providing consistent labor to accomplish tasks that make our community better. The program benefits the inmates by allowing them to work and develop skills."

Savings to City from Inmate Work Program



Aging Infrastructure

Each year the Mayor and Commissioners work together to identify needs in our city. They put together a budget and give the staff direction on where time and resources should be spent. Our aging infrastructure is something that we don't see and often take for granted until a water line break or sewage back-up occurs. However, this has been a focus of the current commission. They have given the repair and replacement of our infrastructure a priority and plan to continue that work. Some of the lines in the ground are close to 100 years old and are deteriorating. The Commission has also taken a proactive approach to the issue of water loss working with staff to identify issues with distribution lines and meters. Over \$3.6 million has been invested by the City in the replacement of aging infrastructure since 2010.



Water Treatment Plant Operator Lee Angles performs one of 110 daily tests.

Safe and clean water is a passion at the Franklin Water Treatment Plant.

Making It Safe

The plant has been recognized for its Area Wide Optimization Program (AWOP) for the last 15 years. The purpose of the program is to encourage drinking water plants and distributors to surpass state and federal goals and standards. The program focuses on improving the operation of existing facilities without making capital improvements. In particular, the program is focused on lowering turbidity in drinking water. Turbidity, or cloudiness, is a measurement of particles in water including soil, algae, bacteria, viruses and other substances.

In order to achieve Optimization the Franklin Plant does 39,696 tests each year. They also work with the distribution department to ensure the distribution system is flushed at least twice a year. There are 61 systems among the 149 public and private water treatment plants in the state that participated in the U.S. Environmental Protection Agency's Area-Wide Optimization Program.

We are proud that the Franklin staff has the desire to exceed the requirements of the Safe Drinking Water Act and go above and beyond what is required to give us the cleanest, safest drinking water possible.

K9 Aids Officers

"Shadow" became a part of the Franklin Police force in 2017. Funding for "Shadow" was made possible by donations and funds generated through the regulatory fee on alcohol sales. Police Chief Roger Solomon said, "The Police Department has needed a police canine for a long time and Shadow has already been very beneficial for us. Having a canine dog as part of our agency gives us an advantage when we need drug detection on a vehicle, house or on school grounds. She also can be utilized in tracking of suspects or missing children and adults. For example, she can search for weapons and other articles in the school system."

Police Become Accredited Agency

18 months of evaluation, 91 policies and procedure development proved worthy when a unanimous vote awarded the Franklin Police Department its first ever Kentucky Association Chiefs of Police Accreditation. "The accreditation means we have proven that we are following commonly accepted practices in law enforcement that meet a standard of excellence. It means that our agency has withstood a process involving outside assessors, evaluating our agency from top to bottom and inside out, to come out standing tall.

Cleaning Up our City

70 Dilapidated Structures have been removed in the city within the last 5 years. The City has removed them due to condemnation or by property owners after code violation action.

In an effort to enforce the Property Maintenance Code and ensure the value of properties within the city, the City Commission hired a full time Code Enforcement Officer in 2013. This Officer works daily to inspect properties and work with property owners to ensure compliance. During the summer months, a large amount of time is spent enforcing the tall grass and weeds ordinance. He also works to remove unlicensed, inoperative vehicles, remove rubbish and clutter from porches and yards and other property violations. Dilapidated and unsafe structures is another area of focus. Many may remember the old hospital property at the corner of Main and Madison that extended to College Street. Five properties, owned by different owners were all connected through a series of catwalks. The center structure was in a complete state of disrepair. The City began communication with the property owner, however, the owner failed to respond or make any needed repairs to the make the structure safe. A fire started in the center structure which caused damage to adjacent structures. The end result was all the structures being removed.

Until 2015, the old Wal-Mart building on North Main Street sat empty and abandoned. It had been vandalized and illegal entry was occurring on a regular basis. The Code Enforcement Officer began citing the owner for the dilapidated state and fines began to amass. The owners sold the building which now houses Stark Truss that employs 25 people.



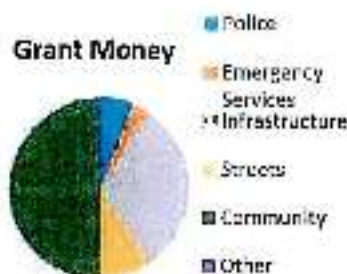
Best Tasting Water Awarded in Washington D.C.

Water Plant Superintendent Jerry Farmer and Operator Greg Duke stood in front of the nation's capital before the national contest.

Franklin has the Best Tasting Water in Kentucky, according to the Kentucky Rural Water Association. In 2016 the Franklin Municipal Water Plant won the prestigious award and was named the *Best Tasting Water in Kentucky*. The state win sent them to the national competition in Washington, D.C. in 2017 where they placed third. The judging at each event was done by blind taste test by a panel of five people that are not directly involved with the treatment of drinking water. Judging was based on clarity, bouquet and taste. "It was an honor to receive this award. It is rare that a surface water plant receives this distinction because ground water is filtered naturally and generally has a better taste. We work hard to clean the water that comes from Drakes Creek and make it safe for our community," said Water Treatment Plant Superintendent Jerry Farmer. Winning the taste tests validates the efforts of the water treatment operators to exceed government water quality regulations.

"We strived, as an Agency, to achieve and maintain excellence and professionalism, and we succeeded," said Police Chief Roger Solomon.

The eighteen month process was a collaborative team effort of everyone in the agency. The KACP accreditation is a high honor. The Commonwealth of Kentucky is renowned across the nation for its excellence in law enforcement and the Franklin Police Department now stands amongst the best.



Dollars & Sense

Developing and sticking to a budget can be a challenge. The City Commission works to develop and maintain a balanced budget. Each spring, the commission holds special sessions to discuss needs and projects with city departments and community leaders. The City operates on a fiscal year budget calendar but they review the budget and expenditures monthly, making revisions when necessary.

When local dollars can be leveraged with grant funds or allocations, the commission makes that a priority. Over the last seven years, over \$3 million in grant funds have been utilized on city projects. This funding ranges from small grants of \$2,000 to purchase Tasers for police officers to \$1,000,000 projects to construct a fiber optic system. City Manager Kenton Powell said, "Our Commission identifies a need and then our staff takes that need and researches possible funding mechanisms. They work on the project from conception to completion, no matter how big or small. Some projects take years to complete and boxes of paperwork will be done on projects. It's all done to make our community better and to stretch the tax dollars as far as possible."



FSHS is On Track



A community partnership allows Franklin-Simpson High School students the opportunity to earn college credits for FREE! In 2013, the City saw the need to form a stronger partnership between the Southern Kentucky Community and Technical College (SKYCTC) and the community. A scholarship program was developed to give high school students the opportunity to take college courses and receive dual credit. Now there are, on average, 60 to 80 FSHS students that participate in the program each semester. "The program at SKYCTC gives students the confidence that they can do college," said City Manager Kenton Powell. Dr. James B. McCaslin, SKYCTC Vice President of Outreach and Community Development added, "It is a great community partnership that exposes young people to college life in a non-threatening environment." McCaslin also noted, "We are the only community in the Commonwealth that has a scholarship program like this. The scholarship is funded equally by the City of Franklin, Simpson County Fiscal Court, the Franklin-Simpson Industrial Authority, Franklin Bank & Trust Company, and Kentucky Downs. This level of commitment is an investment in our young people, as well as an investment in the future of our community. It is also an investment that SKYCTC matches two-to-one. The On Track Scholarship pays one-third of the students' tuition, and the College provides a scholarship of the remaining two-thirds."

High Speed Internet – Fiber Optic Project

Technology: A word that has become as much a part of our daily lives as a vehicle. Ten years ago, City leaders determined that if we were going to be competitive in attracting new businesses and industries to our community, we had to step up and ensure high speed, reliable internet service was available. The City took the lead on a \$2.18 million project to construct a 32 mile fiber optic backbone around the city and to each of the industrial parks.

A long, detailed grant process provided \$1,000,000 of funds for the project. The remaining funds were secured through a bond and the general fund.

In 2016, ownership of the fiber network was sold to the Franklin Electric Plant Board. EPB added staff and took the project to the next level. They now provide internet and phone service to residential customers as well as businesses and industries. EPB Business Development Manager Wayne Goodrum said, "We appreciate the City's vision and leadership in launching an all fiber network. EPB Fiber has now moved to the next phase by launching residential fiber service to provide our customers local, fast, reliable and affordable internet service."

Alcohol Sales Approved – Police Department Enhancements

Over \$1.37 million has been generated in revenue from the regulatory fee on package liquor sales since 2012. State law regulates how the City is permitted to spend these funds. These regulatory fees may be used for policing and regulation and administration of the sale of alcoholic beverages within the city. The City Commission has chosen to use the majority of the funds generated to enhance our police department. The department has:

- Purchased body cameras for all officers (Franklin was one of the first agencies in the region to implement body cams)
- Purchased tablets for in-car use by officers to do reports and acquire information.
- Purchased updated Tasers.
- Purchased rifles.
- Purchased new ballistic helmets for the officers.
- Purchased ballistic vests that are armored and have the ability to stop rifle rounds.
- Increased officer salaries, allowing Franklin to be competitive regionally with salaries.

Financial Report Card

The 2017 financial review brought good news to the City. Each year Moody's Investment Services conducts random, comprehensive financial reviews on municipal governments. After reviewing, Moody's gives a bond credit rating which represents the credit worthiness of government bonds. In 2017, after a rigorous review, Moody's upgraded the City's General Obligation Rating to an Aa3, which is a three notch increase from the previous rating of A3. This upgrade reflects a significantly improved

risk profile. The City's rating has not been this high in the past. City leadership has worked hard to make strategic funding decisions, all while putting in place an efficient annual operating budget.



City of Franklin
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Volume 2 2019



From the Mayor

I love my community! I truly do! I was born and raised in Simpson County and spent 40 years as a businessman in Franklin. My heart is here and I am very appreciative to have been elected as the Mayor of Franklin. Over the next four years, I would like to work with the county on projects that will benefit all the citizens of Franklin and Simpson County.

Larry Dixon



Training for Excellence
City Manager Kenton Powell was awarded the Master of City Governance by the Kentucky League of Cities. Mayor Larry Dixon was awarded the Excellence in City Governance. Both are certifications achieved through a voluntary education program that requires at least 30 hours of training. Powell said, "There's always room for improvement but in order to improve we need to learn. Being a part of the KLC program has given me a better understanding of laws and requirements that govern our City. In turn, this aids in the decision making process as we continue to make improvements."



Franklin City Commission ~ Left to Right ~

Commissioner
Janie Powell

Commissioner
Herbert Williams

Mayor Larry Dixon

Commissioner
Brownie Bennett

Commissioner &
Mayor Pro Tem
Wendell Stewart

January 1st was the start of the New Year and New Leadership within the City of Franklin. Larry Dixon took office as Mayor after having served as a City Commissioner for 8 years. Brownie Bennett and Herbert Williams took office as newly elected Commissioners. Janie Powell and Wendell Stewart returned to their seats as City Commissioners. In Franklin, the Mayor serves a four year term and the commissioners serve a two year term.

Since the Mayor and Commissioners have taken office, they have been busy learning the duties and responsibilities of their office as well as learning the day-to-day operations of City Government. On Wednesday, January 16th officials toured city departments. They met with department heads and employees to learn about the services and tasks the departments perform. The week of January 21st, new commissioners Bennett and Williams attended the Kentucky League of Cities training for Newly Elected Officials. It was 2 1/4 days packed full of information to help them better understand the role of the office they now hold. On Monday, January 28th the Commission met with department heads to review the budget and learn more about the financial status of the City. Commissioner Bennett said, "I have learned so much in the last few weeks. It has been a wonderful learning experience to meet the employees who are in charge of each department, and to see, first hand, how hard and efficiently they work to ensure our city is a safer, enjoyable and more economical place to live. In addition, attending the KLC training sessions and local budget reviews has helped me to understand how difficult the job of City Government will actually be. It has been mind boggling as there is a lot to learn! There are so many Laws, Statutes, and Policies that govern what we must or must not do, as we work on next year's budget and conduct the day to day business of the City of Franklin. However, I am up to the challenge!"

Keeping You Informed



In February 2018 the City printed 6,000 copies and mailed the first edition of frankLINKKentucky, a publication put together by city staff. The goal of the publication was to provide information and highlights of projects, work and information about where your tax dollars are spent. City staff plan to make this a yearly project.

In February of 2018, the City began posting short informational videos on its Facebook page, website and the city cable channel (channel 3 on Comcast). The videos range

in topics on what to do if you're pulled over by a police officer to the dangers of blowing your grass clippings in the street. The goal is to share information that you may not know and explain why certain things are done or needed within city government. The city also posts the City Commission meetings. These are public meetings and anyone is welcome to attend at any time. However, if you can't make it to a meeting you can stay informed by watching the meetings on Facebook, the website, or cable channel.



Franklin Municipal Utilities

Growing!

2018 proved to be a year of growth. Several industries expanded and new ones completed construction and began production. The construction of single family homes increased 57% over the previous year. New homes also means new infrastructure must be put in place. As a result of the new construction, developers installed 5,675 feet of sewer line and 14 manholes which is a \$445,740 infrastructure investment made in our community.



The Wastewater Collection department worked to improve infrastructure in 2018 by upgrading a lift station and 1,100 feet of 6" force main at a cost of \$251,300. They also installed 51 new sewer taps. It was a busy year!

Clean & Tasty

Each day, the Franklin Municipal Water Treatment Plant cleans and processes approximately 2,000,000 gallons of water.

Each day over 100 tests are performed to ensure the quality and safety of the drinking water in our City. Class TV Operator Johnie Skipworth performs a manganese test on a sample of water.



WASTE

Clean & Reuse

The Franklin Municipal Wastewater Treatment Plant treats 2,700,000 gallons of wastewater each day. Prior to discharging water into Drakes Creek, the Wastewater Treatment Plant removes more than 95% of contaminants. The discharge water from the wastewater plant is better quality than the water already in the creek.

The Franklin Municipal Wastewater Treatment Plant

Lighting the Way

After 31-W was widened it was apparent there was a need for lighting along the corridor from

highway 1068 going south to the Wal-Mart/Lowe's area. The City partnered with Warren Rural Electric Cooperative

to install 20 new lights. These lights

will increase safety to motorists and pedestrians. City employees were able to install the concrete bases for the lights then WRBCC employees came in to install the light and electrical components. This team effort saved thousands of dollars for the City.

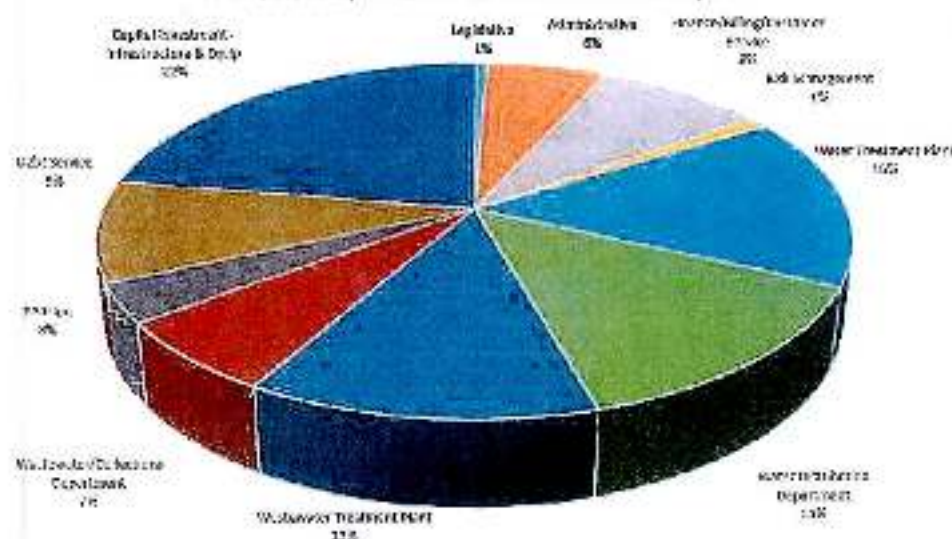


There are 1,295 street lights in the City of Franklin. The installation, maintenance and electricity costs for these lights is paid through the City General Fund at a cost of \$123,000 per year.

City Budget

The City's budget journey is a lengthy and thorough process. The budget process begins in March and is ongoing until final adoption in June. The City follows a "bottom up" approach to budgeting. This means each employee and their supervisors have a say in building the budget for their department. This allows everyone to have a voice in the budgeting process and ensures that City Leaders have a realistic understanding of what is needed to meet the needs of the upcoming fiscal year. Many budget strategy meetings are held, between the employees and the supervisors and then with the supervisors and the Finance Director and City Manager. At least two or three budget work sessions are held with the City Commission. At the budget work sessions, the City Manager and Finance Director discuss all the components of the budget in order to obtain guidance, direction and approval.

Franklin Municipal Utilities - Where Does Your Money Go?





Paving the Way

Our streets...something most take for granted until we encounter a large pothole or crack that disturbs our driving. 2018 was a year of improvements in our streets. City Manager Keaton Powell worked with Senate Field Representative Sandy Simpson and Kentucky Transportation

Cabinet District Director Joe Plunk for CSX Railroad and the State Highway Department to make over \$1,000,000 in needed road improvements. The railroad crossings at Cedar Street and Madison Street had recently been the site of numerous accidents, trailer trailer trucks damaged, and 2 trucks struck by trains after they were unable to cross the railroad. These crossings were re-worked, allowing an easier and safer crossing for vehicles. Also, the state resurfaced 31-W at a cost of almost \$800,000.

The City maintains 50 miles of streets. This does not include state roads such as Main Street, Cedar Street, Madison Street, Morgantown Road or many others. The Kentucky Department of Transportation maintains those roads. Each year, usually in February, the City of Franklin street department employees carefully inspect each street in the city. They count all the defects in the street such as potholes, alligator cracks, patches, etc. This information is put into a computer program that rates the streets from good to bad. From this rating, the streets are selected for repaving. Each yearly budget includes money for street resurfacing and maintenance. In 2018 the City spent \$253,979 to repave a total of 3.8 miles on portions of ten streets. As funding allows, the City plans to continue making small improvements each year.

Healthy Changes...Financially

Health care is a major topic in many circles these days. Local governments struggle with the same issues as private business. How do we give our employees quality health care coverage while maintaining a balanced and responsible budget? The City of Franklin has implemented several new programs that have successfully controlled the rise in insurance premiums at both the individual premium level and the overall city budget level. The City has restructured the coverage, added healthy lifestyle incentives, become a smoke free workplace and increased the plan deductibles in order to keep the cost of health care manageable. If the City had not made these changes they would have had to absorb 70% in increases over the last 8 years. This relates to approximately \$303,000 saved.

Healthy Changes...Lifestyle

2018 was a year of healthy lifestyle changes for long time city employee Jerry Farmer.



Jerry has worked for the City for 29 years and serves as the Superintendent of the Water Treatment Plant. He is dedicated to the City, his work and fellow employees.

In an effort to save money on health insurance premiums, the City implemented a higher premium on health insurance coverage for tobacco users. This increase was effective July 1, 2018. Prior to that implementation, Jerry made the decision to quit

smoking. He said, "After a lifetime of smoking, I thought it was time and wanted to see if I could." He started smoking in 1966 and said he was, "Way too young to be smoking!" Jerry hasn't had a cigarette since July 23rd and says he feels much better.

Shortly after Jerry quit smoking, an employee at the Water Plant suggested they take their daily morning meeting outside and discuss issues while they walk. So, in September they began walking, as a department, around the perimeter of the plant. Jerry said, "It's a great time together. We discuss plant operations, ways to make improvements, and encourage each other to live healthy." Jerry said he now walks 2.2 miles every day. He feels better and has more energy. He attributes this change to a healthier lifestyle. He plans to continue walking and has set a goal of participating in the Garden Spot Walk in August.



Preserving our History

2019 marks the 200th birthday of Simpson County. 2020 the City will celebrate 200 years! As we celebrate it is important that we preserve our past for future generations. The historic courthouse was built in 1882. The buildings and shops that surround the courthouse add to the character and



ambience of our town. In an effort to ensure the preservation of our beautiful historic downtown, the City Commission adopted an ordinance in April that allowed for the development of preservation standards and a preservation committee. The committee was formed and has worked to develop Historic Overlay Standards which were designed to protect the historical integrity of Downtown Franklin. The committee has also reviewed 22 requests for improvements to structures in the Historic District since it was formed. "Since 2013, a total of 41 different entrepreneurs have invested in the Downtown Historic District by opening a business. Not all of these businesses have remained open through the end of 2018, but this interest in our downtown has spurred growth and has created what is now a vibrant shopping district," said Amy Ellis, Executive Director of Franklin-Simpson Renaissance. "In addition, we have over 34 apartments and condos downtown. The mixture of living spaces, retail shops, offices and eateries has created an economic boost for our Downtown. The renovation of several downtown buildings has helped to create this environment. Renaissance is looking forward to what is in store for our downtown as we move forward."

Police, a part of OUR Community!

Officers with the Franklin Police are involved in OUR community! In 2018 officers partnered with the Marine Corps and collected Toys for Tots. They also did a Coats for Kids drive. Lt. Dale Adams presented an update to the Human Rights Commission and shared with them statistics and



information regarding police activities.

In December, two officers and K-9 Shadow, helped with the 2nd annual CSI Academy. The event

was hosted by the Simpson County Extension Service and Simpson County Schools. Officers worked with 15 students and showed them the basics of processing a crime scene.

Gender	Percentage
Female	38%
Male	30%
Other	2%
Male	1%
Female	1%
Male	1%
Female	1%
Male	1%
Female	1%
Male	1%
Other	1%

Figure 1: Distribution of the 1000 respondents by age group and gender.

Pie Chart: Distribution by Age Group

Age Group	Percentage
18-24	35%
25-34	25%
35-44	15%
45-54	10%
55-64	8%
65+	5%

Bar Chart: Distribution by Gender

Gender	Percentage
Male	55%
Female	45%

What does this mean for our City?

So how does this affect our community? Legislators in Frankfort are currently discussing legislation that will be proposed to address the issue. The City of Franklin's Mayor and City Attorney both hold seats on KLC's Legislative Board, so they will play an active role in legislative lobbying efforts regarding this issue. Meanwhile, the oversight board for RRS increased employer contribution rates to help fund the shortfall. The shortfall is a result of years of underfunding at the state level without tax increases which, in turn, created the multi-billion dollar crisis. The City of Franklin will be required to increase their contribution to the state retirement fund by approximately \$500,000 from FY2019 to FY2023.



City of Franklin
www.franklinky.org

Setting policies, proposing legislation, and working with cities has been a task that City Attorney Scott Crabtree has been involved with for the last 6 years as he has served on the Kentucky League of Cities Legislative Board of Directors. The past 4 years he also served on Kentucky League of Cities' Executive Board which is responsible for the day-to-day workings of KLC. During that time, he has written or co-written many pieces of legislation that have benefited cities and, more particularly, Franklin.

Mayor Larry Dixon was also appointed to serve on the Legislative Board of Directors in December. This is the first time in the history of the City of Franklin that we have had two members on this Board. Crabtree and Dixon will work together with other elected officials and leaders from across the state to act the legislative agenda to help lobby for, create, and advocate for legislation to assist municipalities. The Board also reviews laws that are being proposed to the State Legislature that affect cities. After careful review they may suggest modifications to the law or advocate for or against the proposed legislation.

Being a part of an organization for 6 years, Crabtree has developed many working relationships across the Commonwealth. He said, "I have a network of people to bounce ideas off of and a great opportunity to learn from others." He has also played a part in developing and re-writing the statutory scheme for code enforcement, a program now used across the state. Crabtree sees his involvement as beneficial in many ways. He said, "Not only am I fortunate enough to be able to make a difference and help our City, but I've been able to propose ideas for bills and statutes every year that help cities across the Commonwealth of Kentucky."



MEMO

TO: Mayor Larry Dixon and Commissioners
FROM: Scott Crabtree
DATE: February 27, 2019
SUBJECT: Two Promissory Notes with Christopher Casteel – 313 Russell Street

Christopher Casteel has entered into a Contract for Sale and Purchase of Real Property with PPM, LLC for the purchase of real property at 313 Russell Street for \$250.00. In doing so, he has agreed to pay the delinquent property taxes for the years 2011 – 2018 in the amount of \$629.58. He has also agreed to pay the two code enforcement liens against the property in the amount of \$13,856.52.

Attached are two drafts of promissory notes for him to execute in order to pay for the taxes and liens in one year. If you are in agreement, please provide your approval for the execution of these two promissory notes with the City of Franklin.

Attachments

PROMISSORY NOTE

Sum of \$629.58

March _____, 2019

For value received, the undersigned, **CHRISTOPHER CASTEEL**, 1321 Madison Street, Lot 5, Franklin, Kentucky 42134, (hereinafter referred to as "Maker") promises to pay to the **CITY OF FRANKLIN, KENTUCKY**, P. O. Box 2805, Franklin, Kentucky 42135 (hereinafter referred to as "Holder"), the sum of Six Hundred Twenty-Nine Dollars and Fifty-Eight Cents (\$629.58), with interest from and after the date of set forth hereinabove at the rate of Six Percent (6%) per annum. Said principal and interest shall be payable at the business of the Holder hereof and is due and payable in full no later than one (1) year from the date this Note is executed.

The parties understand, acknowledge and agree that the debt that is being created by and through this agreement and note is for unpaid *ad valorem* taxes due to the City of Franklin for the years 2011 – 2018 for property located at 313 Russell Street, in addition to penalties, interest and attorney's fees.

Should any payment hereunder not be paid on the date due or should the Maker not fully and completely comply with the provisions and covenants as set forth herein, the Holder may, at its option, declare the entire unpaid balance of principal and accrued interest immediately due and owing. Failure of the Holder to exercise its said option to declare a default shall not constitute a waiver of the right to exercise same at any other time.

The unpaid balance of principal and accrued interest payable hereunder may be prepaid at any time without prepayment penalty.

Presentment, notice, and protest are waived by all who are or may become parties to this note, and said waiver shall extend to any extension or forbearance of interest or principal granted by the Holder.

The Maker agrees to pay all reasonable attorney's fees and other expenses incurred by the Holder incident to any suit or other proceeding instituted by the Holder, its successors and assigns, to collect the balance due on this note, or to enforce any provision of the lien(s) filed against the Maker in favor of the Holder hereof. The Maker further agrees to pay any and all such fees and expenses incurred by the Holder, its successors and assigns, incident to filing a lien and/or any other proceeding in which the Holder is called upon to assert or defend its right, even though such action is not instituted by it.

"MAKER"

Christopher Casteel

COMMONWEALTH OF KENTUCKY

COUNTY OF SIMPSON

SUBSCRIBED AND SWORN to before me by Christopher Casteel on this _____ day of
March, 2019.

NOTARY PUBLIC

My Commission Expires: _____

Notary ID No. _____

PROMISSORY NOTE

Sum of \$13,856.52

March _____, 2019

For value received, the undersigned, **CHRISTOPHER CASTEEL**, 1321 Madison Street, Lot 5, Franklin, Kentucky 42134, (hereinafter referred to as "Maker") promises to pay to the **CITY OF FRANKLIN, KENTUCKY**, P. O. Box 2805, Franklin, Kentucky 42135 (hereinafter referred to as "Holder"), the sum of Thirteen Thousand Eight Hundred Fifty-Six Dollars and Fifty-Two Cents (\$13,856.52), with no interest, payable at One Thousand Dollars (\$1,000.00) per month until paid in full, with the first payment due and payable on or before May 15, 2019. Said principal shall be payable at the business of the Holder hereof in accordance with the amortization schedule attached hereto.

The parties understand, acknowledge and agree that the debt that is being created by and through this agreement and note is for two code enforcement liens on the property located at 313 Russell Street, in addition to penalties, interest and attorney's fees. The amount currently due for the 2017 lien located in LP49, Page 219, Simpson County Clerk's Office is 12,347.58. The amount currently due for the 2018 lien located in LP51, Page 412, Simpson County Clerk's Office is 1,508.94.

Should any payment hereunder not be paid on the date due or should the Maker not fully and completely comply with the provisions and covenants as set forth herein, the Holder may, at its option, declare the entire unpaid balance of principal and accrued interest immediately due and owing. Failure of the Holder to exercise its said option to declare a default shall not constitute a waiver of the right to exercise same at any other time.

The unpaid balance of principal and accrued interest payable hereunder may be prepaid at any time without prepayment penalty.

Presentment, notice, and protest are waived by all who are or may become parties to this note, and said waiver shall extend to any extension or forbearance of interest or principal granted by the Holder.

The Maker agrees to pay all reasonable attorney's fees and other expenses incurred by the Holder incident to any suit or other proceeding instituted by the Holder, its successors and assigns, to collect the balance due on this note, or to enforce any provision of the lien(s) filed against the Maker in favor of the Holder hereof. The Maker further agrees to pay any and all such fees and expenses incurred by the Holder, its successors and assigns, incident to filing a lien and/or any other proceeding in which the Holder is called upon to assert or defend its right, even though such action is not instituted by it.

“MAKER”

Christopher Casteel

COMMONWEALTH OF KENTUCKY

COUNTY OF SIMPSON

SUBSCRIBED AND SWORN to before me by Christopher Casteel on this _____ day of
March, 2019.

NOTARY PUBLIC

My Commission Expires: _____

Notary ID No. _____

Mortgage Loan Payments

Enter Values	
Loan Amount	\$ 13,856.52
Annual Interest Rate	1.00 %
Loan Period in Years	2
Number of Payments Per Year	12
Start Date of Loan	4/15/2019
Optional Extra Payments	\$ -

Loan Summary	
Scheduled Payment	\$ 1,000.00
Scheduled Number of Payments	24
Actual Number of Payments	14
Total Early Payments	\$ -
Total Interest	\$ -

Lender Name: City

Borrower: Casteel

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	5/15/2019	\$ 13,856.52	\$ 1,000.00	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 12,856.52	\$ -
2	6/15/2019	12,856.52	1,000.00	-	1,000.00	1,000.00	0.00	11,856.52	0.00
3	7/15/2019	11,856.52	1,000.00	-	1,000.00	1,000.00	0.00	10,856.52	0.00
4	8/15/2019	10,856.52	1,000.00	-	1,000.00	1,000.00	0.00	9,856.52	0.00
5	9/15/2019	9,856.52	1,000.00	-	1,000.00	1,000.00	0.00	8,856.52	0.00
6	10/15/2019	8,856.52	1,000.00	-	1,000.00	1,000.00	0.00	7,856.52	0.00
7	11/15/2019	7,856.52	1,000.00	-	1,000.00	1,000.00	0.00	6,856.52	0.00
8	12/15/2019	6,856.52	1,000.00	-	1,000.00	1,000.00	0.00	5,856.52	0.00
9	1/15/2020	5,856.52	1,000.00	-	1,000.00	1,000.00	0.00	4,856.52	0.00
10	2/15/2020	4,856.52	1,000.00	-	1,000.00	1,000.00	0.00	3,856.52	0.00
11	3/15/2020	3,856.52	1,000.00	-	1,000.00	1,000.00	0.00	2,856.52	0.00
12	4/15/2020	2,856.52	1,000.00	-	1,000.00	1,000.00	0.00	1,856.52	0.00
13	5/15/2020	1,856.52	1,000.00	-	1,000.00	1,000.00	0.00	856.52	0.00
14	6/15/2020	856.52	1,000.00	-	856.52	856.52	0.00	0.00	0.00

PUBLIC SAFETY

MEMORANDUM

TO: City of Franklin Board of Commissioners, Mayor and City Manager
FROM: W. Scott Crabtree
DATE: March 4, 2019
RE: **Police Policies and Procedures Manual**

Attached please find two police policies that Chief Solomon would like to have approved for the FPD Policies and Procedures Manual. The changes are highlighted. The policies are as follows:

1. Section 2, Chapter 1 – Laws of Arrest
2. Section 2, Chapter 2 – Use of Force

Should you need any further information, please contact Chief Solomon or me.

Attachments

**FRANKLIN POLICE DEPARTMENT
POLICIES AND PROCEDURES MANUAL
SECTION 2 OPERATIONS**

Issued: March 1, 2019
Supersedes: All Priors

Approved: Chief Roger Solomon
References: KACP standards: 1.2

Chapter 1 – Laws of Arrest

PURPOSE

NOTE

This rule or regulation is for internal use only and does not enlarge an officer's civil or criminal liability in any way. It should not be construed as the creation of a higher standard of safety or care in an evidentiary sense, with respect to third party claims. Violations of this directive, if proven, can only form the basis of a complaint by this department, and then only in a non-judicial administrative setting.

PURPOSE

To define the authority of officers to arrest, and the mechanism for making arrests with and without a warrant.

POLICY

It shall be the policy of the Franklin Police Department to exercise critical judgment in making arrests in accordance with the laws of the Commonwealth.

DEFINITIONS

A. Arrest

KRS 431.025(2) states that an arrest is made by placing the person being arrested in restraint, or, by his submission to the custody of the person making an arrest. The law enforcement officer has normally made an arrest when he takes the person into police custody and control, with the intent to hold him on a criminal charge.

B. "In his presence" means that the officer is using one of his/her five senses and does not rely on witness accounts.

PROCEDURES - ARREST IN GENERAL

A. Jurisdiction

The Chief of Police and all members of the police force in cities of a Home Rule Class shall possess all of the common law and statutory powers of constables and sheriffs. They may exercise those powers, including the power of arrest for offenses against the state, anywhere in the county in which the city is located, but shall not be required to police any territory outside of the city limits. KRS 95.019

B. Requirements of a Legal Arrest

The general requirements for an arrest are:

1. The officer must act with legal authority and have **probable cause to arrest; and**
2. The officer must intend to arrest the person, that is, intend to hold him on a criminal charge; **and**
3. The officer must take the person into custody and control; **and**
4. The elements of KRS 431.015 dictate that an arrest is a legal option; **and**
5. The arrested person must be advised that he is being arrested and why. There are some exceptions:

The courts usually require no such notice where:

- a. Officer reasonably believes giving notice would endanger the life of the officer or other innocent persons;
 - b. Reason for arrest is obvious (such as arrest of an armed robber after hot pursuit); **and**
 - c. Person is incapable of understanding (such as too drunk, or unconscious).
6. It shall be the policy of the Franklin Police for officers to issue some type of enforcement action to an individual or individuals upon whom an officer or officers has/have had to use force. The enforcement action taken can range from arrest to having a summons issued upon the individual(s).

C. Use of Force to Arrest
(See Operations Manual Chapter 2 – Use of Force)

D. KRS 431.015 – Enforcement of Misdemeanor/Violation Offenses

1.
 - a. KRS 431.005 to the contrary notwithstanding, and except as provided in paragraphs (b) and (c) of this subsection, a peace officer shall issue a citation instead of making an arrest for a misdemeanor committed in his or her presence if there are reasonable grounds to believe that the person being cited will appear to answer the charge. The citation shall provide that the defendant shall appear within a designated time.
 - b. A peace officer may make an arrest instead of issuing a citation for a misdemeanor committed in his or her presence if the misdemeanor is:
 - (1) A violation of KRS Chapter 508 (assault and related offenses), 510 (sexual offenses), or 527 (offenses relating to firearms and weapons) or KRS 189A.010 (DUI);
 - (2) An offense in which the defendant poses a risk of danger to himself, herself, or another person; or
 - (3) An offense in which the defendant refuses to follow the peace officer's reasonable instructions.
 - c. A peace officer shall make an arrest for violations of protective orders issued pursuant to KRS 403.715 to 403.785.
2. A peace officer may issue a citation instead of making an arrest for a violation committed in his presence, but may not make a physical arrest unless there are reasonable grounds to believe that the defendant, if a citation is issued, will not appear at the designated time, or unless the offense charged is a violation of:
 - a. KRS 189.290 - Reckless driving
 - b. KRS 189.393 - Failure to comply with traffic officer's signal
 - c. KRS 189.520 - DUI involving vehicle other than motor vehicle
 - d. KRS 189.580 - Leaving scene of an accident
 - e. KRS 511.080 - Criminal trespass – third degree
 - f. KRS 525.070 - Harassment

- g. KRS 189.223 - Measuring or weighing vehicle by police officer
- h. KRS 281.600 - Federal motor carrier safety regulations
- i. KRS 189A.010 - DUI, not committed in his presence, for which an arrest without a warrant is permitted under KRS 431.005(1)(e)
- j. KRS 235.240 - Operating a boat while under the influence

E. Other Instances When an Arrest May Not be Made

- 1. In all cases except treason, felony, breach of surety of the peace, or violation of election laws, voters shall be privileged from arrest during their attendance at elections, and while they are going to and returning from their voting site.
- 2. In all cases except treason, felony, or breach of surety of the peace, all members of the General Assembly shall be privileged from arrest going to or returning from a speech or debate in either the House or Senate. They shall not be questioned in any other place.
- 3. No arrest of a Kentucky National Guardsman shall be made while he/she is going to or from a place of active service (except for a felony.)
- 4. When the arrest warrant limits the time of the arrest (quite rare).
- 5. Statute of limitations.

In Kentucky, the government has one (1) year within which to start prosecution against someone for a misdemeanor or violation.

Therefore, it would be improper to arrest someone without a warrant for a misdemeanor or violation when more than one (1) year has gone by since the offense was committed.

There is **no** statute of limitations for felony charges.

F. Arrest Without a Warrant

- 1. A peace officer, who has probable cause, may make an arrest without a warrant for a felony or misdemeanor committed in his presence and cited under KRS 431.015. He may not arrest without a warrant for a misdemeanor committed outside of his presence except for:
 - a. KRS 433.236(3) - Shoplifting – Theft By Unlawful Taking
 - b. KRS 431.005(2) - Assault Fourth Degree in a domestic situation

- c. KRS 189A.010 - DUI involving a motor vehicle or
KRS 281A.210 - DUI involving a commercial motor vehicle
 - d. Violation of Contempt of a Pre-Trial Order
 - e. Violation of an Emergency Protection Order or Domestic
Violence Order (EPO/DVO)
2. An officer may arrest for a felony on a probable cause without a warrant even though the felony occurred outside his presence.

G. Arrest with a Warrant

1. A warrant shall be issued by a judge. (RCr 1.06(a) defines "judge" to include any justice, judge, or district court trial commissioner in the Kentucky Court system.) If all circuit judges, district judges and trial commissioners are absent from the county, the circuit clerk may issue warrants prepared by the Commonwealth's Attorney or County Attorney. See RCr 2.02 and RCr 2.04

A warrant is not issued unless there is first a criminal complaint that establishes probable cause to believe an offense has been committed and the defendant committed it. The complaint is a written statement of the essential facts constituting the offense charged. The complaint is made under oath and is signed by the complaining party before a judge or before another person authorized by a judge. See RCr 2.05 and RCr 2.04

A warrant may also be issued by a judge for Failure to Appear. See KRS 431.015(3).

2. Warrant Requirements – RCr 2.06(1)
- a. Must be based on a complaint (RCr 2.04), on an indictment or information (RCr 6.52).
 - b. Must be in written form and in the name of the Commonwealth.
 - c. Must state the date issued and the court to which it is returnable.
 - d. Must name or describe the offense charged and the county in which it allegedly occurred.
 - e. Must specify the name of the defendant, or any name or description by which he is identified with reasonable certainty.

- f. Must specify the name of the complaining party or parties.
- g. Must be directed to all peace officers in the Commonwealth and direct that the defendant be arrested and brought before the court to which the warrant is returnable.
- h. Must be signed by the issuing officer and state his title.

3. Defective Warrant, Etc. – RCr 2.08

When a warrant (including summons or citations) is found to be defective because of its form, the person arrested (summoned or cited) is not to be discharged. Instead, the warrant (summons or citation) may be amended to correct the defect.

4. Execution (Service) and Return

An arrest warrant may be executed (served) by any peace officer. (RCr 2.10.) KRS 431.420 does provide that any warrant issued by a district court for an offense committed within a city shall be served by the police department of that city if the warrant is to be served in the city limits.

The officer need not have the warrant in his possession at the time of the arrest, but he must inform the defendant of the offense charged and the fact that a warrant has been issued (RCr 2.10). A copy of the warrant and the complaint pursuant to which it is issued shall be served on the arrested party at the time of the arrest or as soon thereafter as practicable. RCr 2.06(4). The officer executing the warrant shall return it, and the complaint, to the court to which it was returnable within a reasonable time after executing it. RCr 2.12(1).

Once the warrant is served on the arrested person, the officer will fill out a Kentucky Uniform Citation. (For properly coding of the citation, refer to the Kentucky Uniform Citation Manual.)

5. Warrant on indictment or information

The procedures that apply to an arrest warrant issued on a complaint also apply to an arrest warrant issued on an indictment or information, except that the warrant is issued by the court clerk (as directed by the court upon the request of the prosecutor). RCr 6.52

H. Arrest Outside of Officer's Jurisdiction

1. Pursuit to make an arrest:

- a. A peace officer in actual pursuit may continue such pursuit across corporate (i.e. city) or county lines for the purpose of making an arrest. KRS 431.045. If a person has been lawfully arrested and escapes, or is rescued, the person he escapes from may immediately pursue and retake him in any part of the Commonwealth, and he may be joined in the pursuit and recaptured by peace officers in the immediate area or vicinity. KRS 431.055. See OM I-5, this Manual.

If the arrest is made in a county other than the one in which the warrant was issued, and the arrested person is not taken as commanded in the warrant, he shall be taken before a judge of the county in which the arrest was made, who shall admit him to bail for his appearance before the proper judge. If the offense is ineligible for bail or the person cannot post bail, he shall be committed to jail and within a reasonable time taken to the county where the warrant was issued, by a peace officer of the issuing county. RCr 3.02. When the person is arrested without a warrant for an offense committed in another county, such as after pursuit, the same procedure is followed as when a warrant is issued.

- b. Whether an officer in hot pursuit into another state takes his peace officer's authority (such as power of arrest) with him across the state line depends on the law in the other state. Kentucky has no statute granting fresh pursuit authority to out-of-state officers. Therefore, officers pursuing into Kentucky have no more authority than a private citizen. As for Kentucky officers, the following states have laws that permit officers in fresh pursuit to enter and arrest on a **felony** charge: Indiana, Ohio, Tennessee, and West Virginia. Missouri and Virginia have similar laws, but they apply only if the other state reciprocates (grants the same authority to their officers). Since Kentucky does not have such a law, Kentucky officers pursuing into Missouri or Virginia have no peace officer powers. Illinois permits officers to enter and arrest for a **felony or a misdemeanor**.

2. Arrest powers while assisting in another county

Under KRS 431.007, a full time police officer of a city, county, or urban-county government can retain his full arrest powers (county-wide except for sixth class city officers) in another county provided:

- a. His department meets the requirements of KRS 15.440 (the incentive pay program); and
- b. His services are officially requested by a law enforcement agency in such county; and
- c. These services are not related to any labor dispute or strike.

These added powers will be in effect while he is in that County for the duration of the matter for which he was requested.

I. Defendant's Rights at the Time of Arrest

1. The suspect who is arrested by a peace officer has the following rights:
 - a. To be informed of the officer's intention to arrest and of the offense charged. KRS 431.025
 - b. To be free from unnecessary force or violence being used by the arresting officer. KRS 431.025
 - c. To contact an attorney. RCr 2.14
 - d. To be taken before a judge without unnecessary delay. RCr 3.02. (In actual practice, the officer will take the defendant to jail. It then becomes the responsibility of the pre-trial release system to get the defendant before a judge.)
 - e. To have basic fairness or "due process of law" in police treatment of him. This is to be adhered to any time the officer is dealing with a person, whether it be temporary detention, booking, questioning, etc.
2. A suspect who has been arrested is now legally in police "custody." Therefore, if officers wish to interrogate him as to the involvement in the crime charged, they must advise him of his rights (commonly called the "Miranda" rights) before interrogating him.
3. After advising him of his rights, the officer should ask additional questions to make certain he understands and wishes to waive the rights before questioning. The officer may ask the following questions:

- a. Do you understand each of these rights that I have explained to you?
- b. With these rights in mind, do you wish to talk to us now?

If the suspect knowingly waives these rights (without coercion or trickery) and agrees to answer questions or make a statement, the officer may then interrogate him. It is preferable that any waiver of rights obtained from a suspect:

- a. Be in writing;
- b. Be signed by the subject;
- c. Show the notice of Miranda rights have been given, along with the date and time;
- d. Show that the subject knows these rights and knowingly waives them.
- e. Be witnessed by at least two (2) officers.

J. Arresting Sixteen (16) or Seventeen (17) Year-Old Traffic Violator(s)

Juvenile court does not have jurisdiction over a sixteen (16) or seventeen (17) year-old charged with a moving motor vehicle offense – criminal court does. The officer should arrest or cite these persons the same as he would an adult. Refer to policy and procedure on juveniles (OM 1-9).

K. Recording Arrest on Kentucky Uniform Citation Form

- 1. KRS 431.450(4) requires officers to fill out a Uniform Citation form anytime they arrest someone. By doing this, the officer is not citing the person to appear in court, he is merely making a record of the arrest. A copy of the citation is then used to provide input to the statewide Criminal History Record Information System, and serves as a post arrest complaint.
- 2. When an arrestee refuses to take the breath test for a DUI arrest, this must be noted **CONSPICUOUSLY** on the arrest form in the narrative section.
- 3. Evidence shall be processed as required.
(See Section 3 Chapter 7 Evidence – Collection and Preservation)

**FRANKLIN POLICE DEPARTMENT
POLICIES AND PROCEDURES MANUAL
SECTION 2 OPERATIONS**

Issued: March 1, 2019
Supersedes: All Priors

Approved: Chief Roger Solomon
References: KACP Standards:
1.3, 1.4, 1.5, 1.7, 1.8, 1.11, 1.12,
10.6 & KRS 500.080(15), 502.090,
503.070, 503.090

Chapter 2 – Use of Force

PURPOSE

The purpose of this order is to provide police officers of the Franklin Police Department with guidelines on the use of deadly and non-deadly force.

POLICY

The policy on use of force is established to provide guidelines and direction to officers regarding the limitations of force used and clearly describe certain prohibited activities. The policy supports the Department's mission to maintain the highest regard for all individual's constitutional rights, safety, and protection afforded by law and the ideal of human dignity.

DEFINITIONS

Deadly or Lethal Force: Force which is used which could cause death or serious physical injury or which the officer knows to create a substantial risk of death or serious physical injury.

Excessive Force: Force is excessive when its application is inappropriate to the circumstances, which may result in physical injury or death of a suspect. No comprehensive objective definition of excessive force can be offered; each situation must be evaluated according to the particular circumstances unique to the event under review.

As a guide, King v. Blankenship, 636 F. 2d 70 (4th Circuit, 1980) established four (4) considerations in determining whether force was excessive:

1. Need for the application of force;

2. Relationship between the need and the amount of force that was used;
3. Extent of injury inflicted; and
4. Whether the force was applied in a good faith effort to maintain and restore order or maliciously used for the very purpose of causing injury.

Firearm: Any weapon that will expel a projectile by the action of an explosive.

Force: To compel by physical, mental, or moral means.

Non-Deadly Force: Force employed which is neither likely nor intended to cause death or serious physical injury.

Physical Force: Force used upon or directed toward the body of another.

Physical Injury: Any injury that causes substantial physical pain or any impairment of physical condition.

Reasonable Belief: The facts or circumstances the officer knows, or reasonably should know, that would cause an ordinary prudent person to act or think in a similar manner under similar circumstances.

Reasonable Force: The minimum amount of force required to overcome the use or imminently threatened use of force against the officer or other person, which, based on facts or circumstances the officers know, or should know, would cause an ordinary prudent person to act or think in a similar manner.

Serious Physical Injury: **KRS 500.080(15)**, physical injury which creates a substantial risk of death, or which causes serious and prolonged disfigurement, prolonged impairment or health, or prolonged loss or impairment of the function of any bodily organ.

Taser/ECD (Electronic Control Device): An electro-muscular disruption weapon that disrupts the body's ability to communicate messages from the brain to the muscles causing temporary motor skill dysfunction to a subject.

FORCE CONTINUUM

The force continuum used by the Police Department was adapted from one designed by Pressure Point Control Techniques Management System, and is currently being used by law enforcement agencies throughout the United States.

One or all control techniques may be used depending upon the level of resistance. It is not necessary to follow the order of continuum as long as the officer does not go beyond the highest level of control for that level of resistance.

FORCE CONTINUUM

Subject may enter the continuum at any level. Officer may enter at any level that represents a reasonable response to the perceived threat posed by the subject.

LEVELS OF RESISTANCE (Suspect Actions)

Psychological Intimidation

Non-verbal clues indicating
Subject's attitude and physical
Readiness

Verbal Noncompliance

Responses indicate
Uncooperativeness

Passive Resistance

Actions do not prevent
Officer from Gaining control
(e.g. dead weight)

Defensive Resistance

Physical actions that prevent
officer's control without
attempting to harm officer
(e.g., pulling away or
holding onto stationary
objects)

Active Aggression

Physical assault
on the officer

LEVELS OF CONTROL (Officer's Response)

Officer Presence
Verbal Direction
(telling suspect what you want
them to do)

Officer Presence
Verbal direction

Officer Presence
Verbal direction
Soft empty hand techniques
(wristlocks, etc)

Officer Presence
Verbal direction
Soft empty hand techniques
Non-lethal force (O.C. spray)
Less-lethal force
Hard empty hand techniques
(strikes with hands)

Officer Presence
Verbal direction
Soft empty hand techniques
Non-lethal and Less-lethal force
Hard empty hand techniques
(strikes with hands)
Intermediate Weapons
(baton strikes to non-vital areas)
Electronic Control Device (Taser)

Aggravated Active Aggression

Deadly force encounters

Any of the above

Lethal force

Firearms & strikes to vital areas

Variables which may affect the force continuum may include, but are not limited to:

Officer - Subject Factors

1. Age
2. Sex
3. Size
4. Skill level
5. Multiple subjects/officers involved

AND/OR

Special Circumstances

1. Closeness of a weapon
2. Injury or exhaustion
3. Being on the ground
4. Distance from subject
5. Special knowledge
6. Feasibility of other weapons

PROCEDURE – GENERAL GUIDELINES: Reasonable ForceUse of Force in an Arrest:

- a. In all instances, officers of this Department are expected to use the minimum force necessary to lawfully and properly make an arrest or assist in making an arrest. **(KACP 1.3A)** The officer is responsible to the following elements when using force to make an arrest, pursuant to KRS 502.090(1):
 1. The officer must believe that such force is necessary to make the arrest.
 2. The officer makes known the purpose of the arrest or believes that it is otherwise known or cannot reasonably be made known to the person to be arrested.
 3. The officer believes the arrest is lawful.

- b. It shall be the policy of the Franklin Police for officers to issue some type of enforcement action to an individual or individuals upon whom an officer or officers has/have had to use force. The enforcement action taken can range from arrest to having a summons issued to the individual(s).
- c. An officer may use deadly force in making an arrest only when he meets the three (3) above requirements set forth in KRS 503.090(1), and the following conditions apply:
 - 1. The arrest is for a felony involving the use or threatened use of physical force likely to cause death or serious physical injury, pursuant to KRS 503.090(2b). **(KACP 1.3B)**.
 - 2. The officer making the arrest believes the person to be arrested is likely to endanger human life unless apprehended without delay, pursuant to KRS 503.090(2c). **(KACP 1.3C)**.

Use of Force in Self-Protection and in Protection of Others

a. Use of Force in Self-Protection (Pursuant to KRS 503.050)

- 1. An officer may use physical force upon another person when the officer believes that such force is necessary to protect himself against the use or imminent use of unlawful physical force by the other person.
- 2. An officer may use deadly force in self-defense when he believes such force is necessary to protect against death, serious physical injury, kidnapping, or forcible rape. **(KACP 1.3B)**
- 3. In the event an officer reacts with force in self-defense as a result of an unlawful act, the officer should file the appropriate charge (if any) against the person committing the unlawful act.

b. Use of Force in Protection of Others (Pursuant to KRS 503.070)

- 1. An officer may use physical force upon another person when the officer believes that such force is necessary to protect a third person against the use or imminent use of unlawful physical force by the other person.
- 2. An officer may use deadly force upon another person when the officer believes that such force is necessary to protect a third person against serious physical injury, kidnapping, or forcible rape, but such use of force would be justifiable only if the protected person would have been justified in using the same force in his own defense. **(KACP 1.3B)**

3. An officer so acting should file appropriate charges (if any) against the person who unlawfully used or threatened the force which required the officer to defend a third person.

Summary of Use of Force

- a. Officers of this Department shall use only the minimum force necessary while performing their duty in accordance with KRS Chapter 503. **(KACP 1.3A)**
- b. An officer may employ the use of force to effect an arrest and ensure public safety. It is not intended that any suspect should ever be allowed to be the first to exercise force, thus gaining an advantage in a physical confrontation. Nothing in this order should be interpreted to mean that an officer is required to engage in prolonged hand-to-hand combat (with all the risks involved) before resorting to the use of force that will more quickly humanely, and safely bring the arrested under physical control. (This, of course, assumes the officer is acting in accordance with: KRS Chapter 503.)

Types of Force Authorized:

- a. When the use of force is necessary and appropriate, officers shall, to the extent possible, utilize an escalating scale of options and shall not use a more forceful measure unless it is determined that a lower level of force would not be adequate, or that such level of force is attempted and actually found to be inadequate. The scale of options, in order of increasing severity, is established as:
 1. Officer Presence
 2. Verbal Direction
 3. Soft Empty Hand Techniques or "Empty-Handed" Physical Strength (e.g. holding, pulling, exerting greater strength to overcome resistance wristlocks, etc.)
 4. Non-lethal Force (Chemical Irritant O.C. spray), less lethal force, hard empty hand techniques (strikes with hands), electronic control device (Taser)
 5. Intermediate Impact Weapons such as a straight baton, PR-24, ASP, (baton strikes to non-vital areas), less lethal weapons and ammunition
 6. Lethal/Deadly Physical Force (use of firearms and strikes to vital areas)
- b. It is not the intent of this order to require officers to try each option before escalating to the next level. Clearly, good judgment and the circumstances of a given situation will dictate what level the officer chooses as appropriate to the risk confronted. The Department shall hold the officer accountable for any type of force used.

Explanation of the Types of Force:

1. Officer Presence / Verbal Direction

- a. The presence of an officer in uniform and the officer's communication skills with verbal or non-verbal dialogue may be enough to PERSUADE a potential aggressor to comply with the officer's directions.
- b. In dealing with people, officers must attempt to inspire respect and generate cooperation and approval of the public. Officers will be courteous and civil in their relationships with the public. The mere presence of an officer in uniform may be enough to deter further escalation of a situation.
- c. The manner in which officers speak can be an effective means of exerting verbal force in order to control a situation.
 - 1. Verbal force may be in the form of warnings, advice or persuasion. Volume and tone control may in and of itself be progressive in nature depending upon the circumstances.
 - 2. By using reasonable and necessary verbal force, officers may not have to resort to the use of other forms of force.

2. Soft Empty Hand Techniques or "Empty-Handed" Physical Strength (e.g. holding, pulling, exerting greater strength to overcome resistance wristlocks, etc.)

- a. Empty-handed physical force SEEKS COMPLIANCE by use of unarmed tactics (self-defense, control techniques). Soft empty hand techniques are to be applied when physical actions that do not prevent the officer's attempt to control, for example, a person who remains limp, prone position, passive demonstrators, etc.
- b. Empty-handed physical force involves actual physical contact with a person and forcibly subduing that individual until resistance is overcome. Empty-handed physical force techniques exclude the use of weapons, or objects which could be used as weapons, such as a baton, oleoresin capsicum (OC spray) etc. However, the department does not forbid the use of, oleoresin capsicum (OC spray), baton or intermediate weapon on a passive person or persons. As an example, if an officer is attempting to arrest a very large person – weighing 300+ pounds, or a person that is deemed to be very

dangerous i.e. felony warrant or a history of assaults, and the subject is refusing to move, get up, get out of the car, etc., then the officer(s) may, (when reasonably safe to do so) after giving the person warning of the imminent use of the OC spray, baton, or other intermediate weapon in an attempt to gain voluntary compliance with the officer's lawful orders, and after (when reasonably safe to do so) giving the subject a chance to comply, the officer(s) may use the OC spray, baton, or other intermediate weapon to gain compliance. **(KACP 1.4)** Also, safety to the officers or others may be comprised by providing warning of the imminent use of greater force, then the officers may appropriately decide not to give warning of the imminent application of greater force.

- c. In no instance will officers use physical force in excess of that which is reasonable and necessary to lawfully and properly neutralize an unlawful assault or overcome resistance by a person being taken into custody.
- d. A use of force report is required for any instant in which the officer utilized force above soft empty hand techniques.

3. Non-lethal Force Chemical Irritant (O.C. spray), less lethal force, hard empty hand techniques (strikes with hands) (KACP 1.4)

- a. When soft empty hand techniques and other means have proven insufficient or a situation warrants that an officer skip lower levels of force an officer may need to resort to the use of a chemical irritant O.C. spray in an act of self-defense of another person, or to subdue a resisting subject. Officer must exercise sound judgment when using a chemical irritant and realize the dangers this chemical agent poses to the user, assisting officers and bystanders. Non-lethal force involves the use of non-lethal weapons against a person and forcibly subduing that individual with the assistance of these weapons until resistance is overcome.
- b. In the event an officer uses a chemical agent, he/she is responsible for beginning decontamination of suspect using issued equipment and following guidelines taught in training. Immediate medical assistance is needed for those persons who meet guidelines taught in training; (i.e. contact lenses). To minimize the medical risks, officers should observe the following:
 - 1. Avoid spraying subject(s) in the mouth. If possible, spray subject(s) directly in the eyes.
 - 2. Keep the application to the absolute minimum required to effectively control the subject.
 - 3. Exercise great care in use upon person(s) who resist being taken from a vehicle. In such cases, use only as the last resort to prevent injury to

- subject(s) and officer(s). Remove the subject(s) from the vehicle as quickly as possible after application.
4. Once the person(s) has been sprayed with a chemical agent and restrained, officer will advise the subject not to rub his/her eyes. The officer shall start to flush the person's eyes and skin with cool water as soon as possible.
- c. Officers should consider the following as a matter of standard procedure before using the chemical agent:
 1. Is sufficient physical force available from assisting officers to subdue the subject(s) without resorting to a chemical agent?
 2. Is it practical to summon for backup assistance before using the chemical agent?
 3. Is the environmental condition such that use of the chemical agent will negatively affect the officer's ability to control the situation (wind direction, how close the person is to the officer, proximity of other officers, etc.)?
 - d. The use of OC spray or electronic control device (Taser) issued by the Department is authorized when circumstances being encountered do not necessitate the use of an impact instrument or greater force. The use of chemical irritant or ECD (Taser) is also authorized when an officer makes known his intent to arrest and the person being encountered overtly demonstrates the intent to resist, therefore making physical force, ECD (Taser) and/or chemical irritant necessary.
 - e. Once a person is restrained or under control, the use of OC spray or electronic control device (Taser) is no longer justified, except to stop the person from damaging property or inflicting harm to himself or others.
 - f. Chemical Irritant (O.C. spray) or CS in the form of tear gas or "riot fogger" are primarily used in dealing with unruly crowds and armed barricaded subjects. Gas grenades are used to disperse unruly crowds and induce the surrender of barricaded subjects when negotiations have failed. Fire projectiles containing tear gas chemical Irritant (O.C. spray) or CS gas may be dispersed to the area of an armed barricaded subject(s) when the use of hand-tossed grenades would be unsafe or impractical. Chemical Irritant (O.C. spray) or CS in the form of tear gas or "riot fogger" shall only be used with permission of the Chief of Police or Acting Chief of Police. However, if exigent circumstances present imminent threat of serious physical injury or death to any officer or other person, the officer on scene may use tear gas in an attempt to protect others from death or serious physical injury.
 - g. Hard empty hand techniques as prescribed by PPCT standards can also be utilized by the officer when confronted with defensive resistance or greater.

- h. Any officer using any non-lethal force Chemical Irritant (O.C. spray), less lethal force, hard empty hand techniques (strikes with hands), electronic restraint device (Taser) except for training purposes, shall file a use of force report submitted to the Chief of Police through the Chain of Command.
- i. Officers are authorized to use O.C. spray while off-duty if necessary in an official capacity. If the officer finds it necessary to use the O.C. spray, then he shall contact the shift supervisor and fill out the proper paper work, use of force report, citation, etc. **(KACP 1.4)**
- j. Refer to policy on electronic control devices (Taser).
- 4. Intermediate impact weapons such as a straight baton, ASP (baton strikes to non-vital areas)
 - a. Intermediate force involves the use of an impact weapon or other non-lethal weapon or technique to IMPEDE the aggressor's actions.
 - 1. Intermediate force involves the use of less lethal weapons against a person and forcibly subduing that individual with the assistance of these weapons until resistance is overcome.
 - 2. The Taser, baton and chemical spray are less lethal weapons that are available to officers of the Department and will be used in accordance with current established departmental training standards.
 - 3. Trained police canines are considered less lethal weapons and their use will be considered intermediate force.
 - 4. Any other less lethal object that an officer uses to assist in subduing an individual will for the purpose of this procedure be considered intermediate force.
 - 5. The use of intermediate force will be restricted to quelling physical confrontations when lesser verbal or physical force would be or has been ineffective or inappropriate.
 - b. Armament Systems and Procedures (ASP) Tactical Baton and impact weapons which provides officers with an intermediate level of force and bridges the gap between the use of hands and fists and the use of a firearm to control an assailant.
 - 1. Officers shall carry only batons authorized by the Chief of Police.
 - 2. Batons shall not be altered in any manner.

3. Prior to carrying any baton or impact weapon, officers shall be trained and certified by a certified instructor in the use of the ASP Tactical Baton or impact weapon.
 4. The baton is generally used against an aggressive, unarmed suspect or when lesser levels of control have failed or have been determined by the officer to be inadequate.
 5. When properly used, the baton is capable of delivering extremely powerful blows to stun and incapacitate an aggressive opponent. It is also capable of delivering lethal or permanently disabling blows. Blows to the head, throat and side of neck must be avoided when possible.
 6. Officers are prohibited from carrying or using any instrument as an offensive weapon, not specifically authorized or issued as a weapon by the Department.
 7. Officers may use any instrument in a defensive manner for self-protection, or for the protection of another person when no other reasonable alternative is available.
 8. An officer shall avoid unnecessary injury to suspects and use the straight baton properly and judiciously.
 9. Any officer using any non-lethal force greater than soft empty hand techniques, i.e. intermediate impact weapons, hard empty hand techniques, etc., except for training purposes, shall file a Use of Force Report submitted to the Chief of Police through the chain of command.
- c. Officers are authorized to use the baton while off-duty if necessary, in an official capacity. If the officer finds it necessary to use the baton, then he shall contact the shift supervisor and fill out the proper paper work, use of force report, citation, etc. **(KACP 1.4)**
 - d. Refer to policy on impact weapons (less lethal force).
5. Lethal/Deadly Physical Force (use of firearms and strikes to vital areas)
 - a. Deadly physical force shall be used to STOP an aggressor's actions when it is the only alternative available to the officer. Officers contemplating the use of deadly physical force against a person must reasonably believe the person has the opportunity, ability and means to cause serious physical injury or death. **(KACP 1.3B)**
 - b. It is not the intent of this order to require officers to try each option before escalating to the next level. Clearly, good judgment and the circumstances of

a given situation will dictate what level the officer chooses as appropriate to the risk confronted. The Department shall hold the officer accountable for any type of force used.

- c. To assure the lawful use of force, no officer will use more force in any situation than is reasonable and necessary under the circumstances. Officers will not display or brandish, as a threat, any weapon unless its actual use would be warranted. All department issued weapons will be used only in accordance with the provisions of this procedure.
- d. Except for general maintenance, storage or authorized training, officers will not draw, exhibit, and/or point or direct their firearm at a person unless circumstances create a strong reasonable belief that it may be necessary to lawfully use the weapon in conformance with other sections of this procedure.

PROCEDURES FOR APPLICATION OF DEADLY FORCE:

1. Firearms

- a. The general policy of this Department regarding the use of firearms or other deadly force by an officer, on or off duty, is authorized provided the officer is using the firearm only to prevent the death or serious physical injury to himself or another person. **(KACP 1.3B & 1.5)**
- b. All officers are strictly prohibited from drawing or displaying his firearm except for a legal use, official inspection, or formal training exercise while on duty or acting in any other official capacity as a peace officer.
- c. An officer may discharge his firearm while in performance of official duty for the following reasons:
 - 1. During formal training exercises authorized by the Chief of Police.
 - 2. During safe practice in an area where firing a weapon would not be in violation of the law.
 - 3. To humanely kill a seriously injured or dangerous animal when other alternatives are impractical or unavailable, and then only with authorization from the officers Shift Commander or Acting Shift Commander (O.I.C) unless time does not permit.
 - 4. When all other levels of force and control have failed or are not practical, and the officer reasonably believes that such action is necessary to defend against imminent serious physical injury or death in accordance with KRS Chapter 503.050. **(KACP 1.3B)**

5. When all other levels of force and control have failed or are not practical, and the officer reasonably believes that such action is necessary to defend another person against imminent serious physical injury or death in accordance with KRS Chapter 503.070. **(KACP 1.3B)**
6. When the officer is authorized to use deadly physical force in making an arrest or preventing the escape of an individual that is very likely to kill or cause serious physical injury to another person in accordance with KRS Chapter 503.090. **(KACP 1.3C)**
7. Unauthorized Use of a Firearm
 - a. Officers are prohibited from firing warning shots. **(KACP 1.3D)**
 - b. Officers are prohibited from firing their firearm into crowds when the officer is presented with an unreasonable risk to innocent third parties.
 - c. Officers shall not fire at any person on the basis of mere suspicion.
 - d. Officers shall not fire at any person for the purpose of effecting a misdemeanor arrest, unless circumstances of protection against imminent serious physical injury or death develop. **(KACP 1.3B)**
 - e. Officers shall not fire into buildings, through doors, windows, or other openings when the person lawfully fired upon is not clearly visible.
 - f. Officers shall not fire any deadly weapon at individuals merely for the purpose of preventing the destruction or theft of property.
 - g. Officers shall not fire at any person who simply runs away in an attempt to avoid an arrest.
 - h. Officers shall not fire at moving vehicles except in self-defense or the defense of another person.
 - i. Officers shall not fire from any moving vehicle except in self-defense or the defense of another person.
 - j. No department issued firearm shall be used for any purpose not described in this policy (e.g. shotguns shall not be used for hunting).

Training and Qualifications:

1. Deadly Weapons:

- a) While on duty, police officers shall carry department issued and approved firearms and only department approved ammunition. Only issued and/or approved equipment will be used when applying force, except in emergency situations when an officer must use any resource at his/her disposal.
- b) Use of physical force shall be consistent with the training and policy of the Franklin Police Department and Kentucky Revised Statutes Section 503.090 and 503.094.
- c) Authorized weapons are those with which the police officer has qualified with during department training sessions and has received training on the proper and safe usage.
- d) The Police Department shall schedule regular training and qualification sessions for duty, off duty, and specialized weapons, which will be graded on a pass/fail basis.
- e) A police officer that fails to receive a qualifying score with their duty weapon(s) in accordance with divisional testing procedures and who fails subsequent remedial training shall be immediately reassigned from enforcement duties.
- f) A police officer that has taken extended leave (two or more months) or suffered an illness or injury that could affect his/her use of firearms will be required to re-qualify before returning to enforcement duties.

2. Non-deadly Force Weapons and Methods: (KACP 1.4)

- a) A police officer is not permitted to use or carry any non-deadly weapon unless qualified and proficient in its use as determined by Franklin Police Department training procedures.
- b) The Franklin Police Department requires that all officers be properly trained during their PTO program and through the Department of Criminal Justice Training on the use of OC spray and batons.
- c) Officers authorized to use a TASER® must successfully complete an initial certification training course, to include written and practical tests. Once certified, officers must attend annual re-certification training.

- d) The Franklin Police Department's Policy regarding specialty munitions authorizes only personnel who have successfully completed a departmentally approved training course in the proper use and deployment of such specialty impact munitions.

Procedure for Reporting Use of Lethal Force or Use of Force that Results in Serious Physical Injury: (KACP 1.11)

Whenever the use of force or the alleged use of force by police personnel results in (or is alleged to have resulted in) serious physical injury or death, the following will apply.

1. The officer will immediately:
 - a. Advise the Department communications center of the incident and the location, and request the on-duty supervisor to respond to the location.
 - b. Request the communications center notify and request the assistance of Emergency Medical Services.
 - c. Advise the supervisor:
 1. The nature of the force used or the nature of the allegation, and
 2. Any apparent injury and extent of injury to the person(s) involved.
 - d. If possible, render first aid to the injured person(s).
2. The officer should remain on the scene unless injured or instructed otherwise by a supervisor.
3. The on-duty supervisor will:
 - a. Ensure that the Operations and Investigations Captain or designee has been notified.
 - b. Direct an initial crime scene investigation to include:

1. Statements from witnesses to the incident;
 2. Determining where shots fired (if applicable) have landed;
 3. Whatever photographs and physical evidence collection is necessary and appropriate;
 4. Calling in any resources necessary to conduct the investigation, including technical assistance or manpower from other law enforcement agencies; and
 5. Assuming custody of any weapon(s) involved.
- c. Contact, or advise the communication center to contact, the Chief of Police and advise of the following:
1. The circumstances of the incident whereby the use of force was affected, or alleged to have been affected, and all known facts relating to the incident;
 2. The nature of the force used or the nature of the allegation;
 3. Any apparent injury and extent of injury to the person(s) involved;
- d. When the use of force inflicts serious physical injury or other illness/injury requiring treatment:
1. The injured person will be taken to a hospital for examination.
 2. The supervisor will ensure a use of force report is completed indicating the person's physical condition.
 3. The report detailing their physical condition will accompany the person to the county detention center.
 4. If the injured person is admitted to a hospital (as a patient, not as treated in emergency only), the Police Chief will be immediately notified.
 5. The facts will be fully set forth in comprehensive written reports to the Chief of Police by the officer who used the

force that created the injury and the supervisor of that officer.

6. The Investigating officer will respond to conduct an interview and examination of the subject of the use of force, will secure all facts pertinent to the case, and will report them on the Use of Force report to the Police Chief.
 7. If necessary, the interview and examination will be conducted at the hospital.
 8. THE INVESTIGATOR WILL ENSURE THAT THE PERSON IS FULLY AWARE OF THE INVESTIGATOR'S RANK, POSITION AND THE PURPOSE FOR CONDUCTING THE INTERVIEW.
 9. The investigator will promptly submit all reports to the Police Chief with the findings, comments and recommendations as to the propriety of the force used. If additional investigation is required, the original reports will be so noted.
4. No charges should be filed by the arresting officer without the knowledge and approval of a supervisor.
 5. The Chief of Police will be notified immediately of all shots fired by any police personnel. The Chief of Police (or Acting Chief) will respond and coordinate the investigation whenever an individual has been shot by a Franklin police officer.
 6. All officers involved in the incident will prepare written reports that completely and accurately set forth all circumstances surrounding the incident. Whenever possible, videotaped statements will also be taken from officers and witnesses.
 7. The investigator, as designated by the Chief as being in charge of the investigation, will compose a confidential report directed to the Police Chief outlining all actions taken in the investigation of the incident, including an opinion of whether the shots fired were in accordance with the provisions of this order. **A preliminary draft of this report will be given to the Chief of Police within 24 hours of the incident.**

8. Officers involved in the incident should not discuss the case with anyone except (1) supervisory and investigative personnel involved in the investigation, (2) the city attorney, (3) the officer's immediate family, personal attorney, psychologist or clergy member.
9. All Department members will be guided by the measures outlined in the Public Information procedure.
10. When death or serious physical injury results from any use of force and/or the use of a firearm by an officer, the officer will be removed from duty upon completion of the preliminary investigation and placed on administrative leave until the incident has been reviewed. **(KACP 1.12)**
 - a. This action will be taken to shield officers who have not exceeded the scope of their authority with possible confrontations with anyone in the community.
 - b. Administrative leave will be without loss of pay or benefits, and such leave will not be interpreted to imply or indicate that the officer has acted improperly. While on administrative leave the officer must remain available at all times for official Department interviews and statements regarding the shooting incident, and may be subject to recall to duty at any time. The Chief of Police will be empowered to change administrative leave to administrative duty at their discretion.
 - c. The involved police officer shall undergo a debriefing with a psychological health professional as soon as possible.
 1. The debriefing with a psychologist health professional shall be paid for by the department at no expense to the officer.
 2. The purpose of this debriefing will be to allow the officer to express their feelings and to deal with the moral, ethical, and/or psychological aftereffects of the incident.
 3. The debriefing will not be related to any Department investigation of the incident and nothing discussed in the debriefing will be reported to the Department without the voluntary permission of the involved officer.
 4. The debriefing session will be privileged communication protected by the physician-patient relationship.

- d. The involved officer and his/her family may have available to them the services of a chaplain.
 1. The purpose of this offer is to provide the officer and/or his/her family with a source of professional consultation to aid them as a family with potential moral and ethical after effects of the incident.
 2. The consultation sessions will be protected by privileged relationship.

Procedure for Use of Force Reports (KACP 1.11)

1. A written report will be made on every instance in which an officer:
 - a. Applies force above soft empty hand techniques;
 - b. Applies physical force;
 - c. Applies force through the use of any weapon;
 - d. Takes an action that results in (or is alleged to have resulted in) injury or death of another person; and/or
 - e. Deliberately or accidentally discharges a firearm. (See Item 3 below.)
2. Officers will complete a Use of Force report any time they utilize force against another person that results in (or is alleged to have resulted in) injury or death to another person.
3. Officers discharging their firearms will complete an incident report regardless of whether the discharge caused death or injury to another person. (This rule does not apply to rounds fired at the range during regular practice unless an injury results from such discharge.)
4. Reports made on use of force and/or firearms discharge and/or incidents will follow the guidelines established on the corresponding report form(s).
 - a. The officer will report the incident orally to the immediate supervisor as soon as is practical after the incident.
 - b. Report(s) will be submitted up the chain of command to be reviewed. Ex.(Ofc. to Sgt. to Lt. to Ops. Captain to Chief of Police)
 - c. Report(s) will be submitted by the officer involved prior to the end of the shift during which the incident occurred.

- d. If the officer involved is injured or unable to make the report(s), the officer's supervisor will submit a written report prior to the end of the shift.
- e. The Lieutenant or the highest-ranking Supervisor of the officer(s) involved in the use of force incident will lead the investigation of the incident in which force was used.
- f. The Lieutenant or the highest-ranking Supervisor will complete all necessary forms during the investigation and give a conclusion on the action taken. The investigative paperwork will be submitted to the Operations Captain within 5 working days.
- g. The Operations Captain will look over the paperwork submitted and then submit a written summarization to the Chief of Police. The Operations Captain will also include a recommendation on the action taken against the officer(s) if deemed improper or against the policy of the Franklin Police.
- h. The Chief of Police will give the reports the final review and make the final determination to whether the officer(s) actions were proper, improper and if there were any policy violations.

NOTE: Forms to be filled out are as follows: FPF 154 First Report of Injury (if applicable), FPF 155 Workers Compensation First Report of Injury (if applicable), FPF 156 Pursuit after Action Report (if applicable), FPF 153 Incident Report, FPF 152 Use of Force Report, and copies of any and all pictures or videos of the individual(s) and officer(s) involved.

ADMINISTRATIVE REVIEW (KACP 1.11)

All reports shall be reviewed by the Chief of Police. In any case of intentional or accidental discharge of firearms or use of deadly or non-deadly force by an officer, the Chief shall seek to determine if the officer's conduct was proper or improper. If the facts of the incident are not clear, or if a possible violation of department policy exists, the Chief of Police may choose to assign a team of investigators to examine the circumstances and forward a report within thirty (30) days of the event.

UTILITIES



MEMO

TO: Mayor Larry Dixon and Commissioners
FROM: Kenny Massey, Water Distribution Superintendent
DATE: March 6, 2019
SUBJECT: Purchase of PTFM 1.0 Portable Transit Time Flow Meter

A demo was performed on February 26, 2019 for a Portable Transit Time Flow Meter for the Water Distribution Department. The Water Distribution team picked 3 locations to do a field test on distribution lines. These lines consisted of fire lines, distribution metered lines, and also transmissions lines. This hand held unit is user friendly programming, easy strapping transducers to the lines, and great accuracy. There are multiple beneficial applications for these meters which include monitoring of fire loops, leak detection, and other water loss investigations. This portable unit is manufactured by Greyline Ind., the M.L. Johnson Co. has their products in our local area at various industries. Only one bid was received from M.L. Johnson Co. Cincinnati, Ohio and is attached for review. M.L. Johnson is the only vendor for this unit by Greyline Ind. A summary of the bid is as follows:

M.L. Johnson Co.	Total for 2 units \$ 8,590.00
Budgeted Amount	\$14463
Under budget	\$5,873

Portable Transit Time Flow Meter with Clamp-on Ultrasonic Transducers

Portable Ultrasonic Flowmeter

Model PTFM 1.0

Displays, Totalizes
Data Logs and Transmits

Backlit LCD Display
Simple 5-key Calibration
Built-in Rechargeable Battery
Built-in Data Logger
14 Digit Totalizer
4-20mA Output

Non-Contacting Flow Measurement

User-Friendly Operating System



Accurate Flow Measurement of Clean Liquids with Non-Contacting Transducers

Recommended for fluids like water, glycol, oil and most chemicals. The PTFM 1.0 ultrasonic transducers strap-on the outside of pipes from 2" to 48" (50 to 1200 mm) diameter. The ultrasonic signal works through all common metal and plastic pipe materials. Transducers can be mounted without shutting down flow and there is no obstruction or pressure drop.

Calibration is easy with the onscreen menu system. Just enter the pipe diameter, wall thickness and pipe material. The PTFM 1.0 is powered by an internal, rechargeable NiMH battery or can be operated continuously with AC power adapter. Each PTFM 1.0 includes a watertight carry case, transducer set, cables and mounting clamps.



RELIABLE MEASUREMENT AND CONTROL

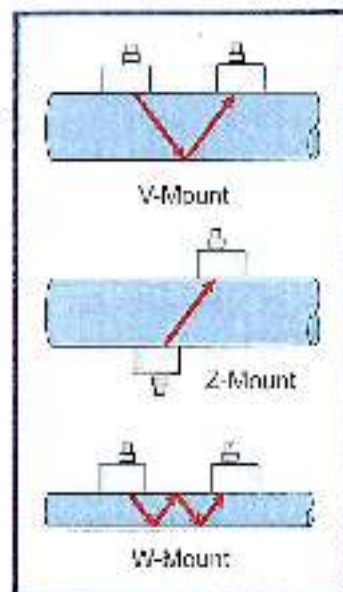
www.greyline.com

Portable Ultrasonic Flowmeter for Troubleshooting, Calibration Checks and Balancing Flow

Measures Flow from the Outside of a Pipe

The PTFM 1.0 Portable Transit Time Flow Meter works by measuring the "transit time" or "time of flight" for ultrasonic sound pulses transmitted from one transducer to another. The transit time in the direction of flow is faster than the transit time against the flow. By comparing these differences with precision timing circuits, the PTFM 1.0 is able to accurately calculate the flow rate.

Choice of V, Z or W mounting method depends on the application and pipe diameter. V-Mount is the most common method while Z-Mount is used for larger pipes or weak signal applications and W-Mount for smaller pipes.



Works with Common Pipe Materials

Mount the ultrasonic transducers on the outside of metal or plastic pipes including carbon steel, stainless steel, ductile iron, cast iron, PVC, PVDF, fiberglass, copper, brass, aluminum and pipes with bonded liners including epoxy, rubber and Teflon. Avoid pipes made with porous materials (e.g. wood or concrete) or with loose insertion liners.

Measures Clean Liquids in Full Pipes

The PTFM 1.0 Portable Transit Time Flow Meter is designed to measure clean, non-aerated liquids like water, chemicals and oils with less than 2% solids or bubbles. The ultrasonic transducers can be mounted on vertical or horizontal pipes.

Simple Menu System for Easy Start-up and Calibration

Calibration and start-up can be done in a few minutes. Use the built-in 5-button keypad to enter the pipe material and OD, wall thickness and fluid type. The PTFM 1.0 will display the correct transducer separation distance. Secure the stainless steel pipe clamps and align the mounting brackets on the outside of the pipe. Put coupling compound (included) on the transducer faces and insert them into the mounting brackets. The PTFM 1.0 will immediately begin to display, transmit and totalize flow.

Built-in Data Logger with Windows Software Included

Set up the 300,000 point data logger to store time and date-stamped flow readings from 10 second to 5 minute intervals. View the convenient on-screen "Flow Report" where total, minimum, maximum and average flow rates are stored in a 24 hour daily summary.

Transfer flow logs to your PC or laptop through the PTFM 1.0's USB output. Greyline Logger software (included) displays data in both graph and table formats with one-click export to Microsoft Excel, images or CSV files for use in other programs.



PTFM 1.0 Specifications

General Specifications

Operating Parameters:	For clean liquids in full pipes with less than 2% solids or gas bubbles
Calibration:	Built-in 5-key calibrator with English, French and Spanish menu language selection
Electronics Enclosure:	Portable, ABS
Accuracy:	$\pm 1\%$ of reading or 0.1 ft/sec (0.03 m/sec), whichever is greater
	Repeatability & Linearity: $\pm 0.25\%$
Power Input:	Built-in NiMH battery for up to 16 hours continuous operation. External charger with 100-240VAC 50/60 Hz input
Display:	White, backlit matrix - displays 6-digit flow rate with floating decimal, 14-digit totalizer, calibration menu and daily flow report
Outputs:	4-20mA (500 ohm) when powered by AC adapter USB for data log transfer by direct PC connection
Data Logger:	Programmable 300,000 data point capacity, time and date stamped or formatted flow reports including total, average, minimum, maximum and times of occurrence
PC Software:	'Greyline Logger' for Windows 95 or higher. Retrieves, displays and saves data log files
Operating Temp. (electronics):	-5° to 140°F (-20° to 60°C)
Carry Case:	Rated IP67 with protective molded foam inserts
Approvals:	AC Charger is CE and UL approved
Approximate Shipping Weight:	12 lbs. (5.5 kg)

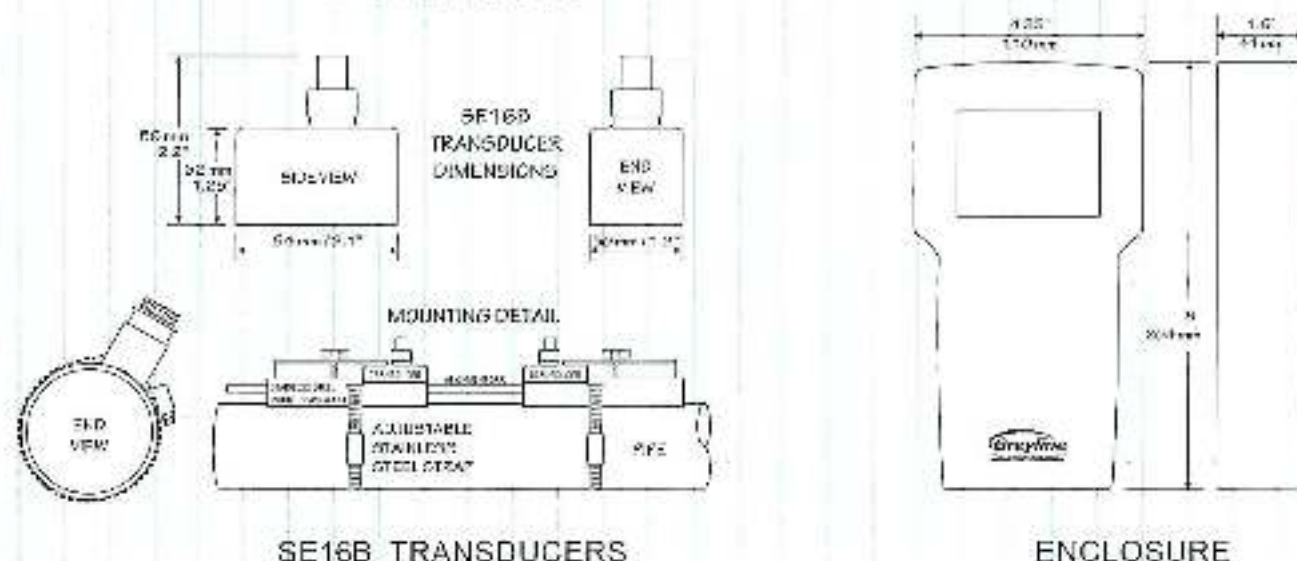
Transducer Specifications

Pipe Diameter:	2" to 48" (50 mm to 1200 mm)
Pipe Materials:	Any metal or plastic sonic conducting material including carbon steel, stainless steel, ductile iron, cast iron, PVC, PVDF, fiberglass, copper, brass, aluminum and pipes with bonded liners including epoxy, rubber and Teflon
Flow Velocity:	± 0.07 to 30 ft/sec (± 0.02 to 12 m/sec) typical
Operating Frequency:	1.28 MHz
Operating Temperature:	-40° to 300°F (-40° to 150°C)
Transducer Mounting Kit:	Includes set of stainless steel pipe clamps, alignment bar and coupling compound
Sensor Cable:	RG-58 coaxial, 12 ft (3.6 m) with BNC connectors and seal jackets

Options

Sensor Cable Extension:	50 ft (15 m) coaxial pair with BNC connectors and seal jackets
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Dimensions



Non-Contacting Portable Flowmeter for Clean Liquids in Metal and Plastic Pipes

Recommended For:

- potable water
- river water
- cooling water
- demineralized water
- water/glycol solutions
- hydraulic oil
- diesel and fuel oils
- chemicals

The PTFM 1.0 Portable Transit Time Flowmeter is ideal to measure flow rate of clean, non-aerated fluids in full pipes. Works best on fluids that have less than 2% particulate or gas bubbles.

Easy to Install

The PTFM 1.0 Portable Transit Time Flow Meter is designed to measure clean liquids in full pipes. It works by injecting sound through the pipe wall and into the flowing liquid.

The battery-powered flow meter, transducers, mounting clamps and accessories are supplied with a rugged watertight carrying case. Use it for troubleshooting, flow studies and for testing calibration of inline flow meters.

The PTFM 1.0 works on metal and plastic pipes and measures forward or reverse flow. A built-in data logger and Windows software is included.



Easy to Calibrate

Use the 5-button keypad and menu system to set up the flowmeter by entering the pipe material, diameter and wall thickness. The PTFM 1.0 calculates the transducer separation distance and mounting method automatically.

How to Order

Contact a Grayline sales representative in your area or phone one of our sales engineers. Describe your requirements and receive our prompt quotation.

Applications Support

Take advantage of Grayline's applications experience. Phone 1-888-473-6546 for advice and information on applications, installation or service for Grayline instruments.

No Risk Appraisal

The Grayline PTFM 1.0 Portable Flow Meter must meet your requirements. Discuss your application with a Grayline representative to arrange a performance test.

The Grayline Guarantee

Quality of Materials and Workmanship - Each instrument manufactured by Grayline is warranted against defects in materials and workmanship for a period of one year from date of purchase. Refer to our limited warranty included with each product.



USA: 11451 Belcher Road South, Largo, FL 33773
Tel: 315-766-9500 / 888-473-6546 Fax: 315-764-9419
Canada: 16456 Sixamth Dr., Long Sault, Ont. K0G 1H0
Tel: 613-538-9956 / 888-473-6546 Fax: 613-932-4657
Internet: www.grayline.com E-mail: info@grayline.com

RELIABLE MEASUREMENT AND CONTROL

Printed in Canada

Quotation #: 7371P

M. L. JOHNSON CO.

Measurement and Control
Flow Level Pressure Temperature

4522 Mt. Carmel-Lebanon Road Cincinnati, OH 45244
Phone (513) 528-4445 E-mail: sales@mljco.com

Date: 2/14/2019

Customer: Franklin Water

Attention: Kenney Massey

Phone: (270) 202-5750

E-Mail: kenney.massey@franklinky.org

Quote for Greyline Clamp-On Flowmeters (Quoting 2 Units)

Item	Description	Price	Qty	Amount	Est. To Ship In
1	PTFM 1.0 - Greyline Portable Transit-Time Ultrasonic Flowmeter, for Clean Stream Fluids, Clamp-On Sensors, to fit 2 in. to 38 in. Pipe Sizes, 12 ft. Cables, Chassis w/ BNC Connectors, ABS Portable Enclosure, IP67 Carry Case, Includes SST Mtg. Hardware & Coupling Compound, 4-20mA Output, 100-240V AC Battery Charger, Integral Datalogger w/ Software	\$4,295.00	2	\$8,590.00	1-2 Weeks (ARO)
				\$0.00	Weeks (ARO)
				\$0.00	Weeks (ARO)
				\$0.00	Weeks (ARO)
				\$0.00	Weeks (ARO)
*For all credit card sales, a processing fee of 4.0% will be added					
Additional Comments:				Total Quotation	\$8,590.00

Please let me know if you have any questions about this proposal.

- Thank you for your interest in our products.
- Our payment terms are Net-30 days, upon credit approval.
- Visa/Mex/Amex/Discover Accepted (adtl. fees apply).
- Prices quoted are based on the quantities shown.
- Quotation is firm for 30 days from date of quote.
- Deliveries are our best estimates only.
- Unless otherwise noted price does not include freight.

Should you favor us with an order,
please address it to:

M. L. Johnson Company

Thank You,

Paul Eggar

Paul Eggar





ORDINANCES

ORDINANCE NO. 2019-004

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE CITY OF FRANKLIN, KENTUCKY, AUTHORIZING THE GRANT OF AN INDUCEMENT FOR THE ACQUISITION AND CONSTRUCTION OF A PROJECT PURSUANT TO THE KENTUCKY BUSINESS INVESTMENT PROGRAM (KRS 154.32-010 TO 154.32-100) WHEREBY THE CITY AGREES TO FOREGO THE COLLECTION OF THE ONE PERCENT (1%) CITY OCCUPATIONAL LICENSE FEE ON WAGES FROM NEW MATHER METALS, INC. THAT WOULD OTHERWISE BE DUE WITH RESPECT TO PROJECT EMPLOYEES, WHICH AMOUNTS SHALL BE COLLECTED AND REMITTED TO THE CITY TO BE REFUNDED UPON EMPLOYER'S REQUEST OVER A TERM OF NOT LONGER THAN TEN (10) YEARS FROM THE ACTIVATION DATE ESTABLISHED BY SAID PROGRAM; AND TAKING OTHER RELATED ACTION

WHEREAS, it is the public policy of the Board of City Commissioners of the City of Franklin, Kentucky ("City Commission" and "City") to encourage, promote, and support economic development, new job formation, and the development and growth of industry and commerce, and to preserve existing jobs in Kentucky for the public purposes of providing employment opportunities for its citizens and residents, alleviating conditions of unemployment, stabilizing and promoting the economy of Kentucky, and creating new tax bases and sources of revenue for the Commonwealth;

WHEREAS, the Kentucky Business Investment Program, Sections 154.32-010 through 154.32-100 of the Kentucky Revised Statutes ("KRS"), the ("Program"), authorizes and empowers the Commonwealth and certain local jurisdictions to promote economic development in Kentucky by inducing the creation of economic development projects by eligible companies, as more particularly described therein;

WHEREAS, KRS 154.32-090 authorizes an eligible company to deduct certain wage assessments from payments of wages to economic development project employees and each employee paying the assessment, in turn, to credit the assessment against their Kentucky individual income tax and, subject to the approval of the local levying authority or authorities, local occupational license fee or fees otherwise due;

WHEREAS, New Mather Metals, Inc., a Delaware corporation (the "Company"), 326 Page Drive, Franklin, Kentucky 42134, has proposed to acquire and install within the City a project consisting of equipment and new employment as described in Exhibit A attached hereto (collectively, the "Project");

WHEREAS, the Company has represented to the City that the acquisition, construction and installation of the Project, if constructed, will result in a substantial number of new job opportunities in the community, and the Company agrees to comply with the provisions of City of Franklin Ordinance No. 221.10-06-2014;

WHEREAS, the Company has filed an application with the Kentucky Economic Development Finance Authority (the "Authority") for approval of the Project for the Program as authorized in KRS 154.32-030;

WHEREAS, it is appropriate and in the public interest that the City Commission make a formal, binding commitment of financial resources in order to encourage and support economic development endeavors generally and the Project specifically if and when approved by the Authority pursuant to KRS 154.32-030; and

WHEREAS, the City Commission has approved the granting of an inducement to the Company for the Project, pursuant to the Program, whereby it would forego the collection of the one percent (1%) occupational license fee on wages that otherwise would be due the City, which fee shall be retained by the Company, with respect to Project employees whose jobs meet the criteria and requirements established by the Program ("Qualifying Employees") for a term of not longer than ten (10) years from the date the Company properly activates the Program's incentives pursuant to KRS 154.32-030 and any agreement relating to the Project that the Company has with the Authority (the "Activation Date").

NOW, THEREFORE, IT IS ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF FRANKLIN, AS FOLLOWS:

Section 1. It is hereby found, determined and declared that the recitals set forth in the preambles to this Ordinance, which are incorporated in this Section by reference, are true and correct.

Section 2. Inducement. The City shall forego collection of, and Company shall be entitled to collect and retain the one percent (1%) City occupational license fee due on wages paid to Qualifying Employees for a term of not longer than ten (10) years from the Activation Date (the "Inducement Term"), as specified herein.

Section 3. Company to Deduct and Withhold Occupational License Fee on Wages. The Company, when making payment of wages to Qualifying Employees earned with respect to the Inducement Term, shall deduct and withhold upon the wages the one percent (1%) City occupational license fee. The Company shall remit to the City and report such withheld amounts on the forms and reconciliations required by KRS 67.783(4) and (5) and Chapter 114 of the City Code of Ordinances. The Company shall file, not less than quarterly in accordance with the City of Franklin's Code of Ordinances, with the City of Franklin, the City of Franklin Employers Quarterly Return provided by the City, specifically addressing the issues related to the KBI Program. In addition, the company shall file a quarterly reconciliation of the City of Franklin's Occupational License Fees in a format as required by the City. If the company fails to comply with the provisions of this Section, the company (or its representatives as the case may be) shall be subject to the penalty provisions set forth in Chapter 114 of the City's occupational licensing and gross receipts ordinance(s), as amended from time to time, or forfeiture of future participation in this program.

Section 4. Company Entitled to Reimbursement for Withheld and Remitted Amounts. The Company shall remit said withheld amounts to the City pursuant to Section 3 of this Ordinance. The Company shall receive reimbursement from the City, once per annum, after making the request, in writing, on the forms provided by the City, with said reimbursement being due and payable not later than sixty (60) days after the Company files the written request for reimbursement. Provided, however, that said reimbursement request shall not be filed later than two (2) years from the date that the Company's annual license fee returns are initially due, without regard to any extensions received or allowed.

Section 5. Qualifying Employees Entitled to Credit for Withheld Amounts. Each Qualifying Employee shall be entitled to a credit against his or her occupational license fee liability to the City under KRS 67.785(3) and Chapter 114 of the City of Franklin Code of Ordinances equal to the amounts withheld from his or her wages pursuant to Section 3 of this Ordinance.

Section 6. This Ordinance shall be in full force and effect from and after its adoption and publication as required by law.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holdings shall not affect the validity of the remaining portions of this Ordinance.

All ordinances or parts of ordinances in conflict herewith, are, to the extent of such conflict, hereby repealed.

February 25, 2019

FIRST READING

March 11, 2019

SECOND READING

At a meeting of the Board of City Commissioners of the City of Franklin, Kentucky, held on March _____, 2019, and on motion made by _____ and seconded by _____, the foregoing ordinance was adopted, after full discussion, by the following vote:

BROWNIE BENNETT
JAMIE POWELL
HERBERT WILLIAMS
WENDELL STEWART
LARRY DIXON, MAYOR

APPROVED BY:

LARRY DIXON, MAYOR

ATTEST:

CATHY DILLARD, CITY CLERK
CITY OF FRANKLIN, KENTUCKY

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Franklin, Kentucky, and as such City Clerk I further certify that the foregoing is a true, correct and complete copy of an Ordinance (including Exhibit A) duly adopted by the Board of City Commissioners of said City at a duly convened meeting held on March _____, 2019, on the same occasion signed by the Mayor, duly filed, recorded and indexed in my office and now in force and effect, and that all action taken in connection with such Ordinance was in compliance with the requirements of KRS 61.810 through 61.825, all as appears from the official records of said Board of City Commissioners in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City this _____ day of March, 2019.

(SEAL)

Cathy Dillard, City Clerk

Exhibit A

Project Description for New Mather Metals, Inc.

See letter and KBI Report attached hereto and incorporated herein collectively by reference.




April 10, 2014

Dear Secretary Hayes:

On behalf of the City of Franklin, I want to write this letter in support of the KBI application being submitted by New Mather Metals for their expansion in our Sanders Interstate Industrial Park. New Mather Metals has been a part of our community for thirteen years. They are the largest manufacturer of stabilizer bars for the automotive industry in the United States. Currently, the company has a manufacturing facility that is 280,000 square feet. The new expansion will add new equipment and create approximately 20 new jobs at New Mather Metals

New Mather Metals has been a tremendous corporate citizen in our community and we wholeheartedly support participating with the one percent occupational tax for the KBI incentive program. Your consideration of their KBI application is greatly appreciated.

Sincerely,



Ronnie Clark, Mayor

City of Franklin

117 West Cedar St. • P.O. Box 2805 • Franklin, Kentucky 42135-2805
Phone (270) 586-4497 • Fax (270) 586-9419 • www.franklinky.org

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL**

Date: April 24, 2014
Approved Company: New Mather Metals, Inc.
City: Franklin **County:** Simpson
Activity: Manufacturing **Prelim Resolution #:** KBI-I-14-19860
Bus. Dev. Contact: C. Peek **OFS Staff:** S. Fisher

Project Description: New Mather Metals, Inc., a wholly owned subsidiary of NHK International Corporation, which is owned by NHK Spring Co., LTD in Japan, opened the Franklin facility in 2002. The company has had three major expansion projects and is considering additional production lines to produce suspension components for the automotive industry.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

	Eligible Costs	Total Investment
Land	\$0	\$0
Building/Improvements	\$0	\$0
Equipment	\$400,000	\$4,407,000
Other Start-up Costs	\$100,000	\$100,000
TOTAL	\$500,000	\$4,507,000

Handwritten notes: 3192000, 400000, 300000, 3192000, 1672744, 300000, 3892000, 2,219,400

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$20.00	\$32,500
1	20 40	\$20.00	\$32,500
2	20	\$20.00	\$32,500
3	20	\$20.00	\$32,500
4	20	\$20.00	\$32,500
5	20	\$20.00	\$32,500
6	20	\$20.00	\$32,500
7	20	\$20.00	\$32,500
8	20	\$20.00	\$32,500
9	20	\$20.00	\$32,500
10	20 40	\$20.00	\$32,500

Handwritten notes: 24.00, 65,000, 24.00

Other County Minimum Wage Requirements:

Base hourly wage: \$10.88
 Total hourly compensation: \$12.51

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$325,000
650,000

Ownership (20% or more):

NHK International Corporation, Wixom, MI

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jun 30, 2011	KBI	Monitor	\$500,000
Sep 30, 2004	KIDA	Monitor	\$2,300,000
Jun 28, 2001	KIDA	Monitor	\$1,500,000

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% - City of Franklin

Unemployment Rate

County: 7.4%

Kentucky: 8.3%

Existing Presence in Kentucky:

Simpson County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 270 full-time, Kentucky resident employees as of the application date.

*260 per
base
existing*

ORDINANCE NO. 2019-005

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE CITY OF FRANKLIN, KENTUCKY, AUTHORIZING THE GRANT OF AN INDUCEMENT FOR THE ACQUISITION AND CONSTRUCTION OF A PROJECT PURSUANT TO THE KENTUCKY BUSINESS INVESTMENT PROGRAM (KRS 154.32-010 TO 154.32-100) WHEREBY THE CITY AGREES TO FOREGO THE COLLECTION OF THE ONE PERCENT (1%) CITY OCCUPATIONAL LICENSE FEE ON WAGES FROM SUMITOMO ELECTRIC WIRING SYSTEMS, INC. THAT WOULD OTHERWISE BE DUE WITH RESPECT TO PROJECT EMPLOYEES, WHICH AMOUNTS SHALL BE COLLECTED AND REMITTED TO THE CITY TO BE REFUNDED UPON EMPLOYER'S REQUEST OVER A TERM OF NOT LONGER THAN TEN (10) YEARS FROM THE ACTIVATION DATE ESTABLISHED BY SAID PROGRAM; AND TAKING OTHER RELATED ACTION

WHEREAS, it is the public policy of the Board of City Commissioners of the City of Franklin, Kentucky ("City Commission" and "City") to encourage, promote, and support economic development, new job formation, and the development and growth of industry and commerce, and to preserve existing jobs in Kentucky for the public purposes of providing employment opportunities for its citizens and residents, alleviating conditions of unemployment, stabilizing and promoting the economy of Kentucky, and creating new tax bases and sources of revenue for the Commonwealth;

WHEREAS, the Kentucky Business Investment Program, Sections 154.32-010 through 154.32-100 of the Kentucky Revised Statutes ("KRS"), the ("Program"), authorizes and empowers the Commonwealth and certain local jurisdictions to promote economic development in Kentucky by inducing the creation of economic development projects by eligible companies, as more particularly described therein;

WHEREAS, KRS 154.32-090 authorizes an eligible company to deduct certain wage assessments from payments of wages to economic development project employees and each employee paying the assessment, in turn, to credit the assessment against their Kentucky individual income tax and, subject to the approval of the local levying authority or authorities, local occupational license fee or fees otherwise due;

WHEREAS, Sumitomo Electric Wiring Systems, Inc., a Delaware corporation (the "Company"), c/o C.T. Corp. System, 1209 Orange Street, Wilmington, Delaware 19801, has proposed to acquire and install within the City a project consisting of buildings and other improvements on the land, equipment, and new employment as described in Exhibit A attached hereto (collectively, the "Project");

WHEREAS, the Company has represented to the City that the acquisition, construction and installation of the Project, if constructed, will result in a substantial number of new job opportunities in the community, and the Company agrees to comply with the provisions of City of Franklin Ordinance No. 221.10-06-2014;

WHEREAS, the Company has filed an application with the Kentucky Economic Development Finance Authority (the "Authority") for approval of the Project for the Program as authorized in KRS 154.32-030;

WHEREAS, it is appropriate and in the public interest that the City Commission make a formal, binding commitment of financial resources in order to encourage and support economic development endeavors generally and the Project specifically if and when approved by the Authority pursuant to KRS 154.32-030; and

WHEREAS, the City Commission has approved the granting of an inducement to the Company for the Project, pursuant to the Program, whereby it would forego the collection of the one percent (1%) occupational license fee on wages that otherwise would be due the City, which fee shall be refunded to the Company, with respect to Project employees whose jobs meet the criteria and requirements established by the Program ("Qualifying Employees") for a term of not

longer than ten (10) years from the date the Company properly activates the Program's incentives pursuant to KRS 154.32-030 and any agreement relating to the Project that the Company has with the Authority (the "Activation Date").

NOW, THEREFORE, IT IS ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF FRANKLIN, AS FOLLOWS:

Section 1. It is hereby found, determined and declared that the recitals set forth in the preambles to this Ordinance, which are incorporated in this Section by reference, are true and correct.

Section 2. Inducement. The City agrees to forego retention of, and Company shall be entitled to reimbursement of the one percent (1%) City occupational license fee due on wages paid to Qualifying Employees for a term of not longer than ten (10) years from the Activation Date (the "Inducement Term"), as specified herein.

Section 3. Company to Deduct and Withhold Occupational License Fee on Wages. The Company, when making payment of wages to Qualifying Employees earned with respect to the Inducement Term, shall deduct and withhold upon the wages the one percent (1%) City occupational license fee. The Company shall remit to the City and report such withheld amounts on the forms and reconciliations required by KRS 67.783(4) and (5) and Chapter 114 of the City Code of Ordinances. The Company shall file, no less than quarterly in accordance with the City of Franklin's Code of Ordinances, with the City of Franklin, the City of Franklin Employers Quarterly Return provided by the City, specifically addressing the issues related to the KBI Program. In addition, the company shall file a quarterly reconciliation of the City of Franklin's Occupational License Fees in a format as required by the City. If the company fails to comply with the provisions of this Section, the company (or its representatives as the case may be) shall be subject to the penalty provisions set forth in Chapter 114 of the City's occupational licensing and gross receipts ordinance(s), as amended from time to time, or forfeiture of future participation in this program.

Section 4. Company Entitled to Reimbursement for Withheld and Remitted Amounts. The Company shall remit said withheld amounts to the City pursuant to Section 3 of this Ordinance. The Company shall receive reimbursement from the City, once per annum, after making the request, in writing, on the forms provided by the City, with said reimbursement being due and payable not later than sixty (60) days after the Company files the written request for reimbursement. Provided, however, that said reimbursement request shall not be filed later than two (2) years from the date that the Company's annual license fee returns are initially due, without regard to any extensions received or allowed.

Section 5. Qualifying Employees Entitled to Credit for Withheld Amounts. Each Qualifying Employee shall be entitled to a credit against his or her occupational license fee liability to the City under KRS 67.785(3) and Chapter 114 of the City of Franklin Code of Ordinances equal to the amounts withheld from his or her wages pursuant to Section 3 of this Ordinance.

Section 6. This Ordinance shall be in full force and effect from and after its adoption and publication as required by law.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holdings shall not affect the validity of the remaining portions of this Ordinance.

All ordinances or parts of ordinances in conflict herewith, are, to the extent of such conflict, hereby repealed.

February 25, 2019

FIRST READING

March 11, 2019

SECOND READING

At a meeting of the Board of City Commissioners of the City of Franklin, Kentucky, held on March ____, 2019, and on motion made by _____ and seconded by _____, the foregoing ordinance was adopted, after full discussion, by the following vote:

_____	BROWNIE BENNETT
_____	JAMIE POWELL
_____	HERBERT WILLIAMS
_____	WENDELL STEWART
_____	LARRY DIXON, MAYOR

APPROVED BY:

LARRY DIXON, MAYOR

ATTEST:

CATHY DILLARD, CITY CLERK
CITY OF FRANKLIN, KENTUCKY

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Franklin, Kentucky, and as such City Clerk I further certify that the foregoing is a true, correct and complete copy of an Ordinance (including Exhibit A) duly adopted by the Board of City Commissioners of said City at a duly convened meeting held on March ____, 2019, on the same occasion signed by the Mayor, duly filed, recorded and indexed in my office and now in force and effect, and that all action taken in connection with such Ordinance was in compliance with the requirements of KRS 61.810 through 61.825, all as appears from the official records of said Board of City Commissioners in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City this ____ day of March, 2019.

(SEAL)

Cathy Dillard, City Clerk

Exhibit A

Project Description for Sumitomo Electric Wiring Systems, Inc.

See letter and KBI Report attached hereto and incorporated herein collectively by reference.



April 18, 2016

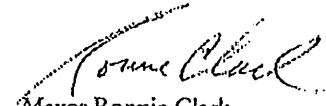
Secretary Erik Dunnigan
Kentucky Economic Development Cabinet
300 West Broadway
Frankfort, Kentucky 40601

Dear Secretary Dunnigan:

I am writing this letter as evidence of our support of the KBI application being submitted by Sumitomo Electric Wiring Systems, Incorporated. The company is planning to lease a 65,000 square foot manufacturing building Spec Building in the Henderson Interstate Industrial Park in Franklin, Kentucky. When occupied, Sumitomo will utilize this facility for the manufacturing of plastic injected parts for motor vehicles. The company will invest several million dollars in equipment and plans to employ over 100 people at this plant.

The City of Franklin will support the KBI application by contributing our one percent occupational tax. I look forward to having this outstanding company as part of our corporate community and I am certainly in support of their KBI application for this project.

Sincerely,


Mayor Ronnie Clark

117 West Cedar St. • P.O. Box 2805 • Franklin, Kentucky 42135-2805
Phone (270) 586-4497 • Fax (270) 586-9419 • www.franklinky.org

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: April 28, 2016
Approved Company: Sumitomo Electric Wiring Systems, Inc.
City: Franklin **County:** Simpson
Activity: Manufacturing **Prelim Resolution #:** KBI-I-16-21019
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: Sumitomo Electric Wiring Systems, Inc. is an automotive manufacturing facility that develops electric wiring harnesses and wiring for automobiles. The company has been in Kentucky since 1988. Sumitomo has found an operational facility in Simpson County and is considering expanding its operation there.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$4,990,000	\$4,990,000
\$1,640,000	\$4,000,000
\$1,500,000	\$1,500,000
\$8,130,000	\$10,490,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	82	\$28.00	
1	82	\$28.00	\$136,000
2	82	\$28.00	\$136,000
3	145	\$28.00	\$136,000
4	145	\$28.00	\$136,000
5	145	\$28.00	\$136,000
6	145	\$28.00	\$136,000
7	145	\$28.00	\$136,000
8	145	\$28.00	\$136,000
9	145	\$28.00	\$136,000
10	145	\$28.00	\$136,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,360,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):
Sumitomo Wiring Systems Japan

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% The City of Franklin

Unemployment Rate
County: 5.5% Kentucky: 6.3%

Existing Presence in Kentucky:
Allen, Fayette, Metcalfe and Warren Counties

Special Conditions:

The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

10/24/16 per Statewide Certification
Company reported 720
90% of 720 is 648

(ME)

ORDINANCE NO. 2019 - 006

**AN ORDINANCE OF THE CITY OF FRANKLIN, KENTUCKY
REPEALING AND RE-ENACTING TEXT AND SUBSTANCE OF
ORDINANCE 2018-001 REGARDING SECTIONS 8.9.2, 8.15.2 and 8.15.3
OF THE ZONING REGULATIONS**

WHEREAS, on March 15, 2018, Ordinance 2018-001 of the City of Franklin, Kentucky, relating to planning and zoning regulations was adopted by the City of Franklin, Kentucky; and,

WHEREAS, on February 14, 2019, the Franklin-Simpson County Planning & Zoning Commission held two public hearings regarding the clarification of Sections 8.9.2, 8.15.2 and 8.15.3 pertaining to community residential facilities in an I-1 zone and residential uses in a B-1 zone; and

WHEREAS, the Franklin-Simpson County Planning & Zoning Commission approved changes to the zoning regulations listed above; and

WHEREAS, it is the opinion and judgment of the Board of Commissioners of the City of Franklin that it is necessary to amend said Ordinance to reflect the changes as set forth herein; and

NOW, THEREFORE, BE IT ORDAINED by the City of Franklin, Kentucky, acting by and through its Board of Commissioners as follows:

Sections 8.9.2, 8.15.2 and 8.15.3 of the Zoning Regulations of the City of Franklin and Simpson County shall be amended as shown in the attached Exhibit A.

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions hereof. All ordinances or parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

February 25, 2019 FIRST READING

March 11, 2019 SECOND READING

At a meeting of the City Commission of the City of Franklin, Kentucky, held on March 11, 2019 on motion made by Commissioner _____ and seconded by Commissioner _____ the foregoing ordinance was adopted, after full discussion, by the following vote:

_____ BROWNIE BENNETT
_____ JAMIE POWELL
_____ HERBERT WILLIAMS
_____ WENDELL STEWART
_____ LARRY DIXON, MAYOR

APPROVED BY:

Larry Dixon, Mayor

ATTEST:

Cathy Dillard, City Clerk

“EXHIBIT A”
to
Ordinance No. 2019-006

8.9.2 Permitted Uses

The following uses are permitted in the **Central Business (B-1)** zoning district, subject to all the applicable development standards and requirements of these Zoning Regulations

Section 8.9.2.e. is amended as follows:

eE. Residential: residential dwellings as permitted in R-4 zoning districts. (See section 8.7.2). Residential apartment dwelling units may not be less than five hundred (500) square feet in living space per apartment dwelling unit. Further, no there shall be no more than twenty (20) apartment dwelling units per building in the B-1 zoning district, and all buildings containing apartment dwelling units shall be equipped with an approved fire suppression and monitoring system. Multi-family land use developments may be proposed in a multiple building development configuration provided that a development plan has been approved by the Planning Commission (see Article 13). Provided however, and regardless of anything else in these regulations to the contrary, all residential uses proposed to be permitted in a B-1 (Central Business District) Zone are specifically subject to and/or limited by the provisions of any and all other ordinances adopted by the City of Franklin, Kentucky including, but not limited to ordinances relating to the permitted uses of buildings located in the Downtown Historical District.

8.15.2 Permitted Uses

The following uses are permitted in any I-1 district, subject to all the applicable development standards and requirements:

- a. General manufacturing
- b. Sales, Construction and Service Establishments
- c. Warehousing and Storage
- d. Public warehousing and storage
- e. Mini-warehouses.
- f. Planned Industrial Parks which have been approved by the Planning Commission under the development plan provisions of Article 13, or, Industrial Park land which is under the care and supervision of the Industrial Authority, and placed in the Industrial Park Overlay District.
- g. Adult oriented use(s) and/or sexually oriented business.

- h. Any accessory building or use customarily incidental to the above permitted or conditionally permitted use shall be permitted.
- i. Community residential facilities.

8.15.3 Conditional Uses

The following uses are conditional uses in and I-1 district and require written approval of the Board of Adjustment:

- a. Manufactured Ice Plants
- b. Machine shops
- c. Jobbing and repair,
- d. Welding
- e. Fabrication and processing plants of Articles to be sold at retail on the premises; photocopying and duplication
- f. Salvage Yards (subject to provisions of Article 9.2)
- g. General contractors and special trade contractors and partitions, shelving, lockers, and office and store fixtures including cabinet shops
- ~~h. Community residential facilities~~
- h. Child care facility which developed in conjunction with a planned industrial park or is exclusively for the benefit of employees of the manufacturing plant. Two or more adjoining manufacturing plants may jointly operate a child care facility.

ORDINANCE 2019-007

AN ORDINANCE AMENDING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2018 AND ENDING JUNE 30, 2019 BY ESTIMATING REVENUES AND APPROPRIATIONS

WHEREAS, the City Commission for the City of Franklin, Kentucky is required by law to amend its budget ordinance to reflect actual revenues and expenditures if different from those projected; and

WHEREAS, it has been reported to the City Commission that actual revenues collected and costs expended by the city during the 2018-2019 fiscal year are different from those projected in the current budget ordinance, and it is therefore necessary to amend the 2018-2019 budget ordinance to reflect these variances,

NOW, THEREFORE, be it ordained by the City of Franklin, Kentucky that the 2018-2019 budget is hereby amended to read as follows:

	General Fund	Stormwater Fund	Utility Fund	Sanitation Fund	Municipal Aid Fund	Cemetery Fund	Perpetual Care	CDBG Fund
Estimated Revenues:								
Operating Revenue		353,000	5,688,910	950,500	187,595	72,000	2,900	
		357,500	5,760,754	934,652	187,595	72,000	6,800	
Tax Revenue	1,073,454							
	1,014,580							
Licenses & Fees	5,421,955							
	5,397,705							
Intergovernmental Revenue	242,864							
	169,004							
Fines & Forfeits	55,500							
	70,500							
Intragovernmental Revenues In	1,097,846					186,000		
	1,097,846					186,000		
Miscellaneous Revenue	184,743							
	164,654							
Non-Operating Revenue			53,236	850	100,550	625	4,275	
			33,600	325	100,150	525	7,000	
TOTAL REVENUES	8,076,362	353,000	5,742,146	951,350	288,145	258,625	7,175	-
	7,914,283	357,500	5,794,354	934,977	287,745	258,525	13,800	
Appropriations:								
General Government	1,880,339							
	1,943,573							
Police	2,278,804							
	2,306,886							
Fire	274,365							
	274,365							
Public Services	809,797							
	829,254							
Community Services	1,266,987							
	1,232,594							
Stormwater		208,308						
		217,782						
Municipal Utilities			2,979,761					
			3,026,424					
Sanitation				704,404				
				698,158				
Economic Development								
Municipal Aid/Severance					286,500			
					287,000			
Municipal Cemetery						204,091		
						204,234		
Debt Service	295,245		505,249					
	295,245		505,249					
Capital Outlay	417,084	10,000	1,111,490		95,000	5,000		
	211,570	20,000	877,122					

	General Fund	Stormwater Fund	Utility Fund	Sanitation Fund	Municipal Aid Fund	Cemetery Fund	Perpetual Care	CDBG Fund
TOTAL APPROPRIATIONS	7,222,621	218,308	4,596,500	704,404	381,500	209,091	-	-
	7,093,484	237,782	4,408,795	698,158	287,000	204,234		
EXCESS RESOURCES	853,741	134,692	1,145,646	246,946	(93,355)	49,534	7,175	-
	820,799	119,718	1,386,556	236,818	745	54,291	13,800	
RESERVE	217,600	-	312,780	-	-	-	-	-
	112,500		330,000					
TRANSFERS OUT	383,000	-	700,000	209,500	-	51,646	3,000	-
	383,000		700,000	209,500	95,000	51,646	3,000	
CHANGE IN FUND BALANCE	253,141	134,692	132,866	37,446	(93,355)	(2,112)	4,175	-
	325,299	119,718	355,556	27,318	(94,255)	2,645	10,800	

SECTION 2: The regulatory license fee shall be eight percent (8%) of gross sales of all alcoholic beverages sold by the drink. In the case of retail sales of package distilled spirits, wine and malt beverages, the regulatory license fee shall be five percent (5%) of gross sales. The annual rate for the regulatory license fee adopted by the City Commission is estimated to ensure full reimbursement to the city for the cost of any additional policing, regulatory, or administrative expense related to the sale of alcoholic beverages in the city.

SECTION 3: The detailed budget proposal and message, together with modifications, are hereby adopted and incorporated by the reference herein, the same as if copied at length herein.

SECTION 4: This ordinance is effective upon its passage and publication.

SECTION 5: If any section, subsection, paragraph, sentence, clause, phrase, or a portion of this ordinance is declared illegal, unconstitutional or otherwise invalid, such declaration shall not affect the remaining portions hereof.

All ordinances or parts of ordinances in conflict herewith, are to the extent of such conflict, hereby repealed.

FIRST READING - February 25, 2019

SECOND READING - March 11, 2019

At a meeting of the Franklin City Commission held on March 11, 2019, on motion made by Commissioner _____ and seconded by Commissioner _____, the foregoing ordinance was adopted, after full discussion, by the following vote.

Commissioner Brownie Bennett
Commissioner Herbert Williams
Commissioner Jamie Powell
Commissioner Wendell Stewart
Mayor Larry Dixon

APPROVED BY:

LARRY DIXON, MAYOR
CITY OF FRANKLIN, KY

ATTEST:

CATHY DILLARD, CITY CLERK
CITY OF FRANKLIN, KY

A DETAILED COPY OF THE BUDGET MAY BE SEEN AT CITY HALL, 117 W CEDAR STREET, FRANKLIN KENTUCKY BETWEEN THE HOURS OF 8:30 A.M. AND 4:00 P.M. MONDAY THROUGH FRIDAY.

ORDINANCE NO. 2019- 008

**AN ORDINANCE OF THE CITY OF FRANKLIN, KENTUCKY
APPROVING AN INTERLOCAL AGREEMENT REGARDING
PLANNING AND ZONING AND AUTHORIZING THE MAYOR TO SIGN**

WHEREAS, the City of Franklin, Franklin-Simpson Planning and Zoning Commission and County of Simpson have reached an agreement with regard to the operation of the Franklin-Simpson Planning and Zoning Commission entitled "Interlocal Agreement Regarding Planning and Zoning," a copy of which is attached hereto and incorporated herein by reference; and,

WHEREAS, the City of Franklin and the parties to the Interlocal Agreement require the passage of an Ordinance approving said interlocal agreement and authorizing the Mayor for the City of Franklin to execute said interlocal agreement; and,

WHEREAS, it is in the best interest of the citizens and residents of the City of Franklin that the City adopt this Ordinance.

NOW, THEREFORE, be it ordained by the City of Franklin, Kentucky, acting by and through its City Commission, as follows:

1. The City Commission of the City of Franklin, Kentucky hereby approves the terms and conditions of the Interlocal Agreement Regarding Planning and Zoning by and between the Planning and Zoning Commission, County of Simpson, and the City of Franklin, Kentucky, a copy of which is attached hereto and incorporated herein by reference.
2. The Mayor of the City of Franklin, Larry Dixon, is hereby authorized to execute any and all documents necessary and appropriate to effectuate the intent of this Ordinance and the Interlocal Agreement including, but not limited to the Interlocal Agreement.

If any section, subsection, sentence, clause, or phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate distinct, and independent provision and such holding shall not affect the validity of the remaining portions.

All ordinances or parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

March 4, 2019

FIRST READING

March 11, 2019

SECOND READING

At a meeting held on March 11, 2019 on motion made by Commissioner _____ and seconded by Commissioner _____, the foregoing ordinance was adopted, after full discussion, by the following vote:

_____ JAMIE POWELL
_____ HERBERT WILLIAMS
_____ BROWNIE BENNETT
_____ WENDELL STEWART
_____ LARRY DIXON, MAYOR

APPROVED BY:

LARRY DIXON, MAYOR
CITY OF FRANKLIN, KENTUCKY

ATTEST:

CATHY DILLARD, CITY CLERK
CITY OF FRANKLIN, KENTUCKY

**INTERLOCAL AGREEMENT
REGARDING PLANNING AND ZONING**

THIS AGREEMENT, made and entered into on the dates indicated hereinbelow, as evidenced by the dates executed by the parties, by and between the City of Franklin, Kentucky, a municipality and home rule city validly existing under the constitution, statutes, and laws of the Commonwealth of Kentucky, acting by and through its duly authorized Mayor, hereinafter called "City;" and the County of Simpson, a County and political subdivision validly existing under the constitution, statutes, and laws of the Commonwealth of Kentucky, by and through the County Judge Executive, hereinafter called "County" and the Franklin-Simpson Planning & Zoning Commission, a planning commission duly authorized by and under the Kentucky Revised Statutes, by and through its Chairperson, hereinafter referred to as "P & Z."

W I T N E S S E T H:

WHEREAS, the governing bodies of the City and County and P & Z have the power, pursuant to the Kentucky Revised Statutes, Section 65.210 et seq. to enter into agreements in order to provide for the use of property on the basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and,

WHEREAS, the governing bodies of the City and County and P & Z have determined and hereby determine that it is in the best interests of the citizens and residents of Franklin and Simpson County that these entities enter into this Agreement for the joint financial contribution/operation of the Franklin-Simpson Planning & Zoning Commission to be operated under the terms and conditions set forth in this Agreement; and,

WHEREAS, the execution, delivery, and performance of this Agreement have been authorized, approved, and directed by the governing bodies of the City and County and P & Z by an ordinance or resolution finally passed and adopted by the governing bodies of the City and County.

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I: PURPOSE FOR THIS AGREEMENT

It is necessary for the efficient and consistent operation of the Franklin-Simpson Planning & Zoning Commission that the individual, specific, and special needs of each of the parties hereto be considered and that their unique and specialized services be used in a manner that best responds to the needs of the general public. It is also necessary that the cost of operation and maintenance of the Franklin-Simpson Planning & Zoning Commission (hereinafter referred to as "P & Z") be shared in a fair and equitable manner by the parties hereto.

In order to accomplish these purposes, it is the intent of this agreement to provide for the following:

1. All employees of the Franklin-Simpson Planning & Zoning Commission shall be County employees and shall receive county benefits, subject to the terms of this Agreement.

2. All fees and revenues generated by the Franklin-Simpson Planning & Zoning Commission shall go to the County of Simpson, with the Franklin-Simpson Planning & Zoning Commission having their expenses paid by the County from the fees generated.

3. There shall be established, as provided in this agreement, an "Employment Recommendation Committee," the duties, responsibilities and membership of which shall be as provided herein.

4. Contributions to the cost and expenses of the operation, maintenance, and other related costs and expenses of the P & Z shall be divided and paid by each of the parties hereto in the amounts and in the manner provided herein, and annual budgets with respect to the P & Z shall be prepared, approved and followed as provided in this Agreement.

5. Withdrawal from this agreement by a party hereto shall only be as provided in this Agreement.

6. The parties will continue to appoint the board members and approve zone changes in the manner in which these issues are currently being handled.

7. The City of Franklin shall have the right to approve changes in personnel with respect to the employees of Franklin-Simpson Planning & Zoning.

ARTICLE II: DEFINITIONS

All words and phrases will have the meanings specified below unless the context clearly requires otherwise.

"Agreement" means this Interlocal Agreement Regarding Planning & Zoning and any amendments or supplements hereto entered into in accordance with the provisions hereof, including the exhibits attached hereto.

"City" means the City of Franklin, Kentucky, or any successor thereto acting by and through this Agreement.

"County" means the County of Simpson, Kentucky, or any successor thereto acting by and through this Agreement.

“Employees” shall mean hourly or salaried employees of the Franklin-Simpson Planning & Zoning Commission and independent contractors including, but not limited to the building and/or electrical inspector.

“ERRC” means the Employment Recommendation and Resolution Committee, the composition and duties of which are set forth more fully hereinbelow.

“Fiscal Year” means the period from and including July 1 through and including the next June 30.

“Personal property” means any item or items of tangible or intangible property used, held or managed for the benefit of and/or in the Franklin-Simpson Planning & Zoning Commission and includes, but is not limited to monetary or other funds, supplies, inventory and equipment.

“P & Z” or “Franklin-Simpson Planning & Zoning Commission” means the Franklin-Simpson Planning & Zoning Commission and/or the Board of Adjustments and/or the employees/contractors that conduct work or duties relating to Planning & Zoning, or any successor thereto acting by and through this Agreement.

“Term” means the term of this Agreement as determined pursuant to Article IV hereto.

ARTICLE III: REPRESENTATIONS, COVENANTS AND WARRANTIES

Article 3.1. Representations, Covenants and Warranties of the County. The County represents, covenants and warrants for the benefit of the remaining parties hereto as follows:

(a) The County is a county and political subdivision, validly organized and existing in good standing under the laws of the Commonwealth of Kentucky, has full power and authority to enter into and perform its obligations under this Agreement, and has duly taken the necessary acts required prior to (including all required approvals) the execution and delivery of this Agreement. The County warrants this Agreement to be a valid, legal and binding obligation of the County, enforceable against it in accordance with its terms.

(b) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions hereof conflicts with or results in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which the County is now a party or by which the County is bound, or constitutes a default under any of the foregoing, or conflicts with or results in a violation of any provision of law or regulation applicable to the County or results in the creation or imposition of any lien or encumbrance whatsoever upon the property or assets of the County or City (except for any purchase money security interests); and no representation, covenant and warranty herein is false, misleading or erroneous in any material respect.

(c) To the best of County’s knowledge and belief, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board or body, pending or known to be threatened against or affecting the County nor to the best of the knowledge of the

County is there any basis therefrom, wherein an unfavorable decision, ruling, or finding would materially and adversely affect the transactions contemplated by this Agreement or which would adversely affect, in any way, the validity or enforceability of this Agreement or any material agreement or instrument to which the County is a party, used or contemplated for use in the consummation of the transactions contemplated hereby, or the authority or ability of the County to perform its obligations hereunder or thereunder.

(d) The terms and conditions set forth in this Agreement are in furtherance of the County's governmental purposes, serve a public purpose and are in the best interest of the County and at the time of the execution and delivery of the Agreement, the County intends to annually appropriate the operational expenses, maintenance expenses, utility expenses, insurance expenses and any and all required capital improvement expenses that County is otherwise required to make under the term of this Agreement.

Article 3.2. Representations, Covenants and Warranties of City. The City represents, covenant and warrants for the benefit of the remaining parties hereto as follows:

(a) The City is a municipality and home rule city, validly organized and existing in good standing under the laws of the Commonwealth of Kentucky, has full power and authority to enter into and to perform its obligations under this Agreement, and has duly taken the necessary acts required prior to (including all required approvals) the execution and delivery of this Agreement. The City warrants this Agreement to be a valid, legal and binding obligation of the City, enforceable against the City in accordance with its terms.

(b) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions hereof conflicts with or results in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound, or constitutes a default under any of the foregoing, or conflicts with or results in a violation of any provision of law or regulation applicable to the City or results in the creation or imposition of any lien or encumbrance whatsoever upon the property or assets of the County or City (except for any purchase money security interests); and no representation, covenant and warranty herein is false, misleading or erroneous in any material respect.

(c) To the best of City's knowledge and belief, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board or body, pending or known to be threatened against or affecting the City nor to the best of the knowledge of the City is there any basis therefore, wherein an unfavorable decision, ruling, or finding would materially and adversely affect the transaction contemplated by this Agreement or which would adversely affect, in any way, the validity or enforceability of this Agreement or any material agreement or instrument to which the City is a party, used or contemplated for use in the consummation of the transactions contemplated hereby, or the authority or ability of the City to perform its obligations hereunder or thereunder.

(d) The terms and conditions set forth in this Agreement are in furtherance of the City's governmental purposes, serve a public purpose and are in the best interest of the City and at the

time of the execution and delivery of the Agreement, the City intends to annually appropriate the operational expenses, maintenance expenses, utility expenses, insurance expenses and any and all required capital improvement expenses that City is otherwise required to make under the term of the Agreement.

ARTICLE IV: TERM

Article 4.1 Duration of Agreement Term; Right to Terminate. The initial term of this Agreement shall be ten (10) years beginning April 1, 2019, and shall be automatically renewable for successive five (5) year terms unless terminated by any party hereto. The City or County shall have the right to terminate this Agreement by giving one hundred eighty (180) days' notice, in writing, to the other parties of its intent to terminate this Agreement. The notice shall be dated and shall state specifically the date upon which the Agreement shall terminate, so long as the termination date is at least one hundred eighty (180) days after delivery of the notice to terminate.

Termination of this Agreement will terminate all obligations of the party seeking to terminate this Agreement to pay any obligation under this Agreement, except the payment of any and all monies owed under this Agreement accrued to the date of termination of this Agreement, and will terminate the rights of the party seeking to terminate this Agreement to use, possess, participate in and/or occupy the Project under this Agreement except as provided herein.

ARTICLE V: PERSONNEL AND BOARD MEMBERS AND APPROVALS

Article 5.1. Employees of P & Z. All employees of the P & Z shall become County employees and shall be eligible for all benefits afforded all other County employees if approved by the City and County. Provided, however, that the electrical and building inspectors shall be paid by the County and may be independent contractors which may be eligible for benefits as if an employee of P & Z if approved by the City and County. Further, all employees of the P & Z shall adhere to all County policies and procedures relating to employment and shall be subject to the disciplinary measures contained within said policies and procedures to the extent violated by an employee of P & Z.

Article 5.2. Selection of Replacement Employees/Inspectors. In the event any employee or the building and/or electrical inspector(s) is/are replaced due to termination, retirement, resignation or, if for any other reason there is a vacancy in one or more of the positions, or if any employee or inspector is not performing his/her assigned tasks to the extent that termination of the employee/inspector is contemplated, the ERRC or the County (in conjunction with the City) shall make the ultimate decision to terminate an employee and/or interview qualified and appropriate candidates to fill the position(s); provided, however, that the City and County must both approve the person(s) recommended for termination or to hire for any and all positions. New positions for the P & Z may be created and a job description prepared by the ERRC, with any new employee hiring being subject to the approval of the Fiscal Court and City Commission.

Article 5.3. Selection/Appointment of P & Z / Board of Adjustment Members. Nothing in this Agreement or any ordinance adopting this Agreement shall be construed to change or alter, in any way, the number or composition of the current Boards nor shall this Agreement or any

ordinance adopting this Agreement change or alter the manner in which the City or County appoints their respective members to said Boards. Further, nothing in this Agreement or any ordinance adopting this Agreement shall change or alter, in any way, the manner in which the City or County approves or shall approve any matter decided or recommended by the P & Z or Board of Adjustments.

ARTICLE VI: ESTABLISHMENT OF EMPLOYMENT RECOMMENDATION AND RESOLUTION COMMITTEE

Article 6.1. Name. The parties hereto agree to the establishment of a committee entitled the "Employment Recommendation and Resolution Committee" (hereinafter "ERRC"), with said committee having the powers and duties as set forth herein.

Article 6.2. Composition of the ERRC. The ERRC shall have two (2) voting members as follows:

(a) Voting Members:

1. City Manager of the City of Franklin; and,
2. County Judge Executive of the County of Simpson.

Article 6.3. Powers and Duties of the ERRC. The powers and duties of the ERRC shall be as follows:

(a) Elect one member to act as Chairperson and one member as Secretary.

(b) Create/approve job descriptions for employment positions at P & Z, review applications and make recommendations on creating new employment positions, make recommendations on hiring personnel for P & Z, subject to approval by the City Commission and Fiscal Court, make recommendations regarding pay and compensation plans to the Fiscal Court and City Commission (if necessary but this shall not include annual cost of living or "across the board" raises to all employees of the County), and review and evaluate personnel performance and receive and review complaints regarding the personnel at P & Z, and make recommendations for disciplinary/corrective actions and/or recommendations to take no action to the Simpson Fiscal Court and City Commission. All hiring and termination of employment of employees of the P & Z shall only occur after a majority vote of the Fiscal Court and City Commission.

(c) Review revenue and expenditures of P & Z and make recommendations for budgetary and/or revenue enhancement for P & Z including recommendations for rate increases, subject to approval of the City Commission and Fiscal Court.

(d) Review and recommend resolutions to or for any errors or omissions committed by P & Z staff or members of any P & Z related board.

Article 6.4. Meetings. The ERRC shall hold meetings on an as needed basis in accordance with the Open Meetings Act. Special meetings may be called in accordance with the Open Meetings Act.

ARTICLE VII: FUNDING

Article 7.1. Funding. All funds necessary for the operation of the P & Z shall be derived from the fees and revenues generated from the building and electrical inspectors' fees, fees for variances and zone changes, permits issued by the P & Z, and any and all future sources of revenue(s) approved by the Kentucky legislature and/or levied or funded by the Simpson Fiscal Court and City Commission (except each party hereto shall not be assessed any costs in addition to the amounts assessed by and through this Agreement without the prior approval of said party), and the parties' contribution as set forth in the allocation of costs section hereinbelow.

Article 7.2. Fee/Rate Increases. As of the date of this Agreement, the City and County each have fee/rate structure ordinances that have been duly adopted by each body politic setting the fees and/or rates for all aspects of P & Z including, but not limited to variances, zone changes and inspections. After the adoption/approval of this Agreement, the ERRC shall review and recommend changes to the budgets/finances of the P & Z including, but not limited to rate changes subject to the City and County approving and adopting fee/rate changes by motion, resolution or ordinance affecting P & Z; provided, however, that the City shall approve any rate/fee changes, by motion, resolution or ordinance, prior to the County's final adoption of any motion, resolution, or ordinance changing the rates/fees, subject to the provisions of Article VIII below.

ARTICLE VIII: ALLOCATION OF COSTS AND BUDGETS

Article 8.1. Costs Allocated to the Parties. Each of the parties hereto agree to pay said party's allocated share of costs which are as follows:

- (a) One-half of the difference of total fees and revenues generated from the operation of P & Z and the inspection programs minus the total of expenses incurred by or on behalf of P & Z and the inspection programs.

Article 8.2. Budgeting/Budget Approval. P & Z shall prepare, submit, and approve an annual budget to the City and County by or before February 15 of each year. The budget shall include, but not be limited to all projected revenues and expenses, as well as all capital expenditures for the next fiscal year. The City and the County shall both have the right to approve said budget, whether by motion or otherwise, and once approved, City and/or County agree to budget and fund such amounts as are necessary and appropriate to fund P & Z for each fiscal year. In the event that either City or County do not approve the budget of P & Z, all parties agree that a joint meeting shall be conducted by or before June 1 of the year that the budget is submitted in an effort to reach an agreement concerning the budget issues. All surpluses of revenues over expenses shall be carried over, in a separate account, to the next fiscal year, and shall be used solely for P & Z and/or inspection program expenses. If P & Z and/or the inspection program requires an amendment to the budget during any fiscal year in excess of \$5,000.00 for any one budget item or, if the aggregate of additional expenses exceed \$5,000.00, the City and County shall each have the

right to approve said budget amendment expense(s) prior to the P & Z incurring said additional expenditures.

ARTICLE IX: DISBURSEMENT OF PROPERTY UPON TERMINATION OF AGREEMENT

Article 9.1. Disbursement of Personal Property in the Event of Mutual Termination. In the event that all parties hereto agree to terminate this Agreement pursuant to the applicable provisions herein, the personal property shall remain with the P & Z unless the P & Z is no longer in existence, in which the personal property shall be divided between the parties by agreement.

ARTICLE X: ASSIGNMENT

Article 10.1. Assignment. This Agreement may not be assigned by any party without the prior written consent of the remaining parties hereto.

ARTICLE XI: EVENTS OF DEFAULT AND REMEDIES

Article 11.1. The parties hereto agree that costs and expenses shall be divided as set forth in Section VIII above. The parties further agree that the County shall bill the City monthly for the City's share of the costs associated with the operation of the P & Z. Any party failing to make payment as required by this Agreement shall be deemed to be in default and the remaining parties may seek any and all recourses available to them at law or in equity.

ARTICLE XII: MISCELLANEOUS

Article 12.1. Notices. All notices, certificates, requests or other communications hereunder will be sufficiently given and will be in writing and mailed (postage prepaid, and certified or registered with return receipt requested) or delivered (including delivery by courier services) as follows:

CITY:	City of Franklin Attn: Mayor or City Manager 925 South Main Street P. O. Box 2805 Franklin, Kentucky 42135-2805
COUNTY:	County of Simpson Attn: County Judge Executive Simpson County Courthouse Franklin, Kentucky 42134
PLANNING & ZONING:	Franklin-Simpson Planning & Zoning Attn: Chairperson Franklin, Kentucky 42134

Any of the foregoing may, by notice given hereunder to the other, designate any further or different addresses to which subsequent notices, certificates, requests or other communications will be sent hereunder. All notices, certificates, requests and other communications pursuant to this Agreement will be effective when received (if given by mail) or when delivered (if given by delivery). Further, in the event of a change in personnel to any party/officer hereto, the presumption shall be that, unless the other parties are notified, in writing, the successor to that position shall be the authorized representative and shall be bound by this Agreement.

Article 12.2. Amendments, Changes and Modifications. Except as specifically provided in this Agreement, this Agreement may not be amended, changed, modified or altered, or any provision hereof waived, without the written consent of all parties hereto.

Articles 12.3. Severability. In the event that any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Article 12.4. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Article 12.5. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

Article 12.6. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Agreement.

Article 12.7. Binding Effect. This Agreement will inure to the benefit of and will be binding upon the parties hereto and their respective successors and assigns (including, without limitation, security assigns), subject, however, to the limitations contained in this Agreement.

Article 12.8. Entire Agreement. This Agreement and all exhibits attached hereto shall constitute the entire agreement of the parties hereto and any prior agreement of the parties hereto relating to the Project, whether written or oral, is merged herein and shall be of no separate force and effect.

Article 12.9. Mutual Negotiation. This Agreement and the language contained herein have been arrived at by the mutual negotiation of the parties. Accordingly, no provision hereof shall be construed against one party in favor of another party merely by reason of draftsmanship.

Article 12.10. Waiver. No action or failure to act by one or more of the parties hereto shall constitute a waiver of a right or duty afforded it/him under the contract, nor shall such action or failure to act constitute approval or acquiescence of or in a breach hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement by and through their duly authorized representatives as of the day and year first above written.

CITY OF FRANKLIN, KENTUCKY

Larry Dixon, Mayor

Date Executed: _____

ATTEST:

Cathy Dillard, City Clerk

Date Executed: _____

SIMPSON COUNTY, KENTUCKY

Mason Barnes, County Judge Executive

Date Executed: _____

ATTEST:

Pam Rohrs, Fiscal Court Clerk

Date Executed: _____

PLANNING & ZONING COMMISSION

Chairperson

Date Executed: _____

HAVE SEEN AND CONSENT TO FORM
AND APPROVE FOR EXECUTION:

Ryan Halloran
Office of Kentucky Attorney General

Date Executed: _____